



Agenda - Final

Capital Metropolitan Transportation Authority

Board of Directors

2910 East 5th Street
Austin, TX 78702

Monday, January 27, 2025

12:30 PM

Rosa Parks Boardroom

This meeting will be livestreamed at capmetrotx.legistar.com

I. Call to Order

II. Safety Briefing:

III. Public Comment:

IV. Advisory Committee Updates:

1. Customer Satisfaction Advisory Committee (CSAC)
2. Access Advisory Committee
3. Public Safety Advisory Committee (PSAC)

V. Board Committee Updates:

1. Operations, Planning and Safety Committee
2. Finance, Audit and Administration Committee
3. CAMPO update
4. Austin Transit Partnership Update

VI. Action Items:

1. Approval of minutes from the December 9, 2024 board work session and December 16, 2024 board meeting.
2. Approval of a resolution adopting amendments to CapMetro's Fare Policy, and approving the Title VI Fare Equity Analysis related to proposed changes to CapMetro's Fare Payment Systems.

Memo: Installation of Updated Fare Collection System - December 19, 2024

3. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with Enterprise Fleet Management, Inc. to lease up to 97 vehicles to support operations for a period of 60 months in a total amount not to exceed \$5,741,129.
4. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract modification for additional funds in the amount of \$200,000 to Jay-Reese Contractors Inc., contract for the construction of Railroad Pedestrian Crossing at East 4th & Sabine Street for a revised total amount not to exceed \$1,684,650.
5. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with CORE Office Interiors to purchase, relocate, deliver, and install furniture for 3100 East 5th Street, Phase I in an amount not to exceed \$450,000.

VII. Discussion Items:

1. FY2024 Year End Preliminary Financials
2. FY2025 Long Range Financial Plan Update
3. CapMetro Long Range Vision Engagement

VIII. Report:

1. President and CEO Monthly Update - January 2025

IX. Memos:

Note: Memos are for information only. Will not be discussed at meeting.

1. Memo: CapMetro Quadrennial Performance Review (2025) (January 14, 2025)
2. Memo: Q4 FY2024 Performance Update (December 20, 2024)

X. Items for Future Discussion:**XI. Adjournment****ADA Compliance**

Reasonable modifications and equal access to communications are provided upon request. Please call (512) 369-6040 or email ed.easton@capmetro.org if you need more information.

BOARD OF DIRECTORS: Jeffrey Travillion, Chair; Leslie Pool, Vice Chair; Becki Ross, Secretary; Eric Stratton, Paige Ellis, Matt Harriss, Dianne Bangle and Chito Vela.

The Board of Directors may go into closed session under the Texas Open Meetings Act. In accordance with Texas Government Code, Section 551.071, consultation with attorney for any legal issues, under Section 551.072 for real property issues; under Section 551.074 for personnel matters, or under Section 551.076, for deliberation regarding the deployment or implementation of security personnel or devices; arising regarding any item listed on this agenda.



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2021-189

Agenda Date: 3/28/2022

Customer Satisfaction Advisory Committee (CSAC)

Capital Metropolitan Transportation Authority
Joint Access & Customer Satisfaction Advisory Committees
Wednesday, January 8, 2025
6:00 PM
Virtual Presentation

CapMetro Employees: Brian Alejandro, Peter Breton, Linda English, Louise Friedlander, Art Jackson, Martin Kareithi, Ariel Marlowe, Brandi Mohler, Jorge Ortega, Sara Sanford, Andy Skabowski, Kris Turner, Roberto Valazquez, Marcella Wood.

Supporting Staff: William Donovan.

Access Committee Members: Glenda Born, Audrea Diaz, Otmar Foehner, Mike Gorse, Paul Hunt.

CSAC Members: Arlo Brandt, David Foster, Fangda Lu, Ephraim Taylor, Betsy Greenberg, B.J. Taylor, Diana Wheeler.

Guests: Ruven Brooks, Emil Ottis.

Meeting called to order at 6:24 PM

Welcome / Introductions / Call to Order

Chair Hunt and Chair Foster

Public Communications

Fangda Lu shares that the real time information screen at Lakeline Station is flipped upside down. **Marcella Wood** says she'll submit a service request.

Glenda Born would like a presentation about the CapMetro Transit Police Department to the Access Committee. **Peter Breton** says that he'll work with staff to schedule a presentation.

Glenda Born requests that Access operators be reminded to drop users at curbside and not street side, and to continue to assist customers on and off the vehicle.

Arlo Brandt shares that he has recently been having some issues with the CapMetro app. **Marcella Wood** shares the go line number and asks him to call for help the next time issues appear.

Battery Electric Bus & Zero Emissions Fleet Update

Andrew Skabowski, EVP & Chief Operating Officer

Andrew Skabowski gives an update on CapMetro's battery electric buses and the plans for a zero emissions fleet.

Ephraim Taylor shares his feelings on the setbacks that have delayed the process of rolling out the fleet, and asks what lessons CapMetro staff learned and will use as they roll out service. **Andrew Skabowski** shares that they are taking calculated steps, including the placement of end of line (EOL) chargers and the testing and conditioning of parts. He specifically emphasizes the need for EOL charging for many routes, which will take time, and reiterates that the commitment to providing service outweighs the commitment to using cutting-edge technology.

David Foster shares a concern with the American bus industry and related supply chain, and inquires if CapMetro could purchase buses from European manufacturers. **Andrew Skabowski** shares that despite industry-wide concerns, there are still several strong bus manufacturers in the country, and that CapMetro is required to comply with the Buy American Act for capital projects that rely on federal grant money, such as the Expo and Pleasant Valley BRT projects.

David Foster shares his concern that the 803 expansions to Oak Hill and Tanglewood have not been completed yet.

Mike Gorse asks if CapMetro will be flexible in adopting emerging technologies that improve service. **Andrew Skabowski** shares that CapMetro is looking into hydrogen-fueled buses and plans to purchase some of them in the future.

Glenda Born enquires about the usage of diesel-electric hybrid buses. **Andrew Skabowski** shares that CapMetro will likely be purchasing hybrid buses to assist in the transition to a zero emissions fleet.

B.J. Taylor asks about differences in diesel and natural gas buses, and **Andrew Skabowski** gives insight on and compares the two.

Fare Payment System Changes

Brandi Mohler, Director of Revenue and Fares

Brandi Mohler gives an update on the implementation of the new fare payment system changes.

Fangda Lu asks if validators will be installed on Pickup vehicles. **Brandi Mohler** explains that Pickup vehicles are not included in this initial phase of implementation.

Fangda Lu asks how tap to pay will impact fare capping while using Pickup. **Brandi Mohler** explains that with the current system, tap to pay on transit services will not transfer over if purchasing a pass for Pickup

Ephraim Taylor asks for clarification on current fare capping and how the changes will be communicated to the public. **CapMetro Staff** give clarifying information on the process and how these changes are being communicated.

Mike Gorse asks if fare capping will apply if users use tap to pay with multiple payment options. **CapMetro Staff** provide information about how using multiple payments may impact fare capping.

Arlo Brandt asks if NFC scanning can be used via tapping, and **Brandi Mohler** confirms.

Arlo Brandt shares that the changes to the Pass for the Unhoused Community program from a 2-year to a 1-year pass might cause concerns. **Peter Breton** explains the work that CapMetro staff have been doing to mitigate that concern.

Arlo Brandt shares a concern that recent changes to the CapMetro app and payment systems may be confusing for users. **Brandi Mohler** expresses that while things are changing, CapMetro's long-term goal is to use a single app for all services, and to provide as many options as possible for riders to pay.

Paul Hunt explains that as a multi-modal rider, he is hoping that validators be installed on Access vehicles so he can use one single app and pass. **Brandi Mohler** explains that CapMetro's goal is just that, but unfortunately more work needs to be done before that is a reality.

Meeting adjourned at 7:49 PM



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2021-190

Agenda Date: 3/28/2022

Access Advisory Committee



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2022-329

Agenda Date: 1/24/2022

Public Safety Advisory Committee (PSAC)



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2024-1366

Agenda Date: 1/27/2025

Approval of minutes from the December 9, 2024 board work session and December 16, 2024 board meeting.

Minutes

Capital Metropolitan Transportation Authority

Board of Directors

2910 East 5th Street
Austin, TX 78702

Monday, December 9, 2024

11:00 AM

Rosa Parks Boardroom

Board Work Session on Transit Plan 2035

I. Call to Order

11:04 a.m. Work Session Called to Order

Present:	Pool, Stratton, Ross, Vela, Bangle, and Ellis
Absent:	Travillion, and Harriss

II. Public Comment:

There was no public comment.

III. Discussion Item:

1. Project update on technical analysis and engagement for Transit Plan 2035.

In addition to the staff presentation, Board members and staff broke into two groups and participated in an off-microphone game-based exercise called Transit Land:

Transit Land Table 1: CapMetro board members Leslie Pool, Becki Ross, and Dianne Bangle played Transit Land, a game showcasing transit planning challenges. Moderated by planners Emma Martinez and Katie Cromwell, the session highlighted trade-offs in coverage, frequency, and resource allocation. Vice Chair Pool emphasized connectivity and access for under served areas. Board Member Ross focused on aligning Pickup zones and increasing frequency along dense routes, while Board Member Bangle proposed boosting frequency in residential areas.

Transit Land Table 2: Board members Paige Ellis, Eric Stratton, and Chito Vela prioritized linking residential areas to key destinations (e.g., schools, hospitals, parks). Moderated by planners Lawrence Deeter and Rose Lisska, the team balanced frequency and coverage while addressing challenges like late-night service and affordable housing connections. Board Member Vela emphasized high-density areas, Board Member Ellis focused on parks and schools, and Board Member Stratton advocated for reducing transit deserts and promoting TOD (Transit-Oriented Development).

Both tables grappled with resource limitations, illustrating the complexities of transit

planning and the trade-offs between coverage, frequency, and equity.

IV. Items for Future Discussion:

V. Adjournment

12:40 p.m. Work Session Adjourned

ADA Compliance

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Minutes

Capital Metropolitan Transportation Authority

Board of Directors

2910 East 5th Street
Austin, TX 78702

Monday, December 16, 2024

12:00 PM

Rosa Parks Boardroom

I. Call to Order

12:00 p.m. Meeting Called to Order

Present: Travillion, Pool, Stratton, Ross, Harriss, Vela, Bangle, and Ellis

II. Safety Briefing:

III. Recognition:

1. Board Member Leslie Pool

IV. Public Comment:

Ms. Zenobia Joseph provided public comment later in the meeting, after the President & CEO Monthly Update but prior to the board going into Executive Session.

V. Advisory Committee Updates:

1. Customer Satisfaction Advisory Committee (CSAC)
2. Access Advisory Committee
3. Public Safety Advisory Committee (PSAC)

VI. Board Committee Updates:

1. Operations, Planning and Safety Committee
2. Finance, Audit and Administration Committee
3. CAMPO update
4. Austin Transit Partnership Update

VII. Consent Items:

A motion was made by Board Member Vela, seconded by Board Member Stratton, to approve the Consent Agenda. The motion carried by the following vote:

Aye: Travillion, Pool, Stratton, Ross, Harriss, Vela, Bangle, and Ellis

1. Approval of minutes from the November 25, 2024 board meeting.
2. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with World Wide Technology, LLC for Cisco Smartnet network equipment and software support for one (1) year, in an amount not to exceed \$250,437.
3. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with Carahsoft for Granicus Communications Cloud software support for one (1) year base period and four (4) option years, in an amount not to exceed \$841,733.
4. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a Master License Agreement with Pedernales Electric Cooperative, Inc. (PEC) to establish the terms under which CapMetro will approve licenses for PEC to cross CapMetro's railroad right-of-way.
5. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with MTM Inc. for the purchase of one-hundred and two (102) used fleet vehicles, in an amount not to exceed \$1,784,685.

VIII. Action Items:

1. Approval of a resolution appointing CapMetro Board Member Jeffrey Travillion to serve as the CapMetro Board's representative on the Austin Transit Partnership Board of Directors, and waiving the residency requirement for their appointment, if applicable.

A motion was made by Vice Chair Pool, seconded by Board Member Stratton, that this Resolution be adopted. The motion carried by the following vote:

Aye: Travillion, Pool, Stratton, Ross, Harriss, Vela, Bangle, and Ellis

2. Approve a resolution appointing Juan Garza, Veronica Castro de Barrera, and Kammy Horne as the nominees recommended by the Nominating Committee for the positions of Community Expert Director representing Finance, Engineering & Construction, and Community Planning or Sustainability, respectively, to the Austin Transit Partnership Board of Directors to terms beginning in January 2025.

A motion was made by Vice Chair Pool, seconded by Board Member Stratton, that this Resolution be adopted. The motion carried by the following vote:

Aye: Travillion, Pool, Stratton, Ross, Harriss, Vela, Bangle, and Ellis

3. Approval of a resolution approving the CapMetro Public Transportation Agency Safety Plan ("the Plan"), authorizing the President & CEO, or her designee, to finalize and execute the Plan, and setting a program to provide relevant and useful information to the Board of Directors.

A motion was made by Secretary of the Board Ross, seconded by Board Member Bangle, that this Resolution be adopted. The motion carried by the following vote:

Aye: Travillion, Pool, Stratton, Ross, Harriss, Vela, Bangle, and Ellis

4. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract modification with CFJ Manufacturing for uniform services for a term of up to six months in the amount of \$750,384, plus 10% (\$75,038.40) in contingency, in a total amount not to exceed \$825,423.

A motion was made by Board Member Vela, seconded by Board Member Ellis, that this Resolution be adopted. The motion carried by the following vote:

Aye: Travillion, Pool, Stratton, Ross, Harriss, Vela, Bangle, and Ellis

5. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with Genfare, LLC for the replacement cash farebox & vaulting system hardware, licensing and hosting services for a two (2) year base period and three (3) one-year option periods in a total amount not to exceed \$6,316,871.

A motion was made by Board Member Bangle, seconded by Board Member Ellis, that this Resolution be adopted. The motion carried by the following vote:

Aye: Travillion, Pool, Stratton, Ross, Harriss, Vela, Bangle, and Ellis

IX. Report:

1. President & CEO Monthly Update - December 2024

X. Executive Session of Chapter 551 of the Texas Government Code:

Section 551.071 for consultation with an attorney regarding legal issues, including potential or contemplated litigation, related to a contract with a vendor, specifically a contract with Unity Contractor Services for Construction Services

Board went into Executive Session with a quorum present at 12:55 p.m.

Out of Executive Session: 1:23 p.m.

XI. Items for Future Discussion:

XII. Adjournment

1:23 p.m. Meeting Adjourned

ADA Compliance

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BOARD OF DIRECTORS: Jeffrey Travillion, Chair; Leslie Pool, Vice Chair; Becki Ross, Secretary; Eric Stratton, Paige Ellis, Matt Harriss, Dianne Bangle and Chito Vela.

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Board of Directors

Item #: AI-2024-1353

Agenda Date: 1/27/2025

SUBJECT:

Approval of a resolution adopting amendments to CapMetro's Fare Policy, and approving the Title VI Fare Equity Analysis related to proposed changes to CapMetro's Fare Payment Systems.

FISCAL IMPACT:

Funding for this action is available in the FY2025 Operating Budget.

STRATEGIC PLAN:

Strategic Goal Alignment:

- | | |
|---|--|
| <input checked="" type="checkbox"/> 1. Customer | <input checked="" type="checkbox"/> 2. Community |
| <input type="checkbox"/> 3. Workforce | <input type="checkbox"/> 4. Organizational Effectiveness |

Strategic Objectives:

- | | | |
|--|--|--|
| <input checked="" type="checkbox"/> 1.1 Safe & Reliable Service | <input checked="" type="checkbox"/> 1.2 High Quality Customer Experience | <input checked="" type="checkbox"/> 1.3 Accessible System |
| <input checked="" type="checkbox"/> 2.1 Support Sustainable Regional Growth | <input type="checkbox"/> 2.2 Become a Carbon Neutral Agency | |
| <input checked="" type="checkbox"/> 2.3 Responsive to Community and Customer Needs | <input type="checkbox"/> 2.4 Regional Leader in Transit Planning | |
| <input type="checkbox"/> 3.1 Diversity of Staff | <input type="checkbox"/> 3.2 Employer of Choice | <input type="checkbox"/> 3.3 Expand Highly Skilled Workforce |
| <input checked="" type="checkbox"/> 4.1 Fiscally Responsible and Transparent | <input type="checkbox"/> 4.2 Culture of Safety | <input type="checkbox"/> 4.3 State of Good Repair |

EXPLANATION OF STRATEGIC ALIGNMENT: A more robust and reliable fare collection system will enhance the customer experience, reduce downtime, and better match current backend processes. Further, the CapMetro Fare Policy is required to be reviewed annually and staff has identified opportunity

BUSINESS CASE: CapMetro is updating our fare collection system to better support our customers with high quality, transit-supportive technology. The software used to support our current system is no longer supported by the vendor and will be retired on March 5, 2025. In accordance with Title VI of the Civil Rights Act of 1964 and CapMetro's Title VI policy, a Title VI Equity Analysis has been performed for the proposed changes to customer payment systems to assess whether the implementation these changes has a disparate impact on minority populations or a disproportionate burden on low-income individuals.

Additionally, CapMetro's Fare Policy was reviewed and opportunities to provide clarity within the policy were identified, such as consolidating a previous Board resolution related to fares within the CapMetro Fare Policy.

COMMITTEE RECOMMENDATION: The item was presented and recommended to advance to the full board by the Finance, Administration and Audit Committee on January 15, 2025.

EXECUTIVE SUMMARY: CapMetro launched a new fare system in early 2023. Updating our fare collection system is important because our current system is no longer supported by the current vendor and is being retired on March 5, 2025. There will be numerous changes and improvements as part of the system update, all of which are aimed to provide a better experience for our customers and operators.

CapMetro will be rolling out new software and onboard fare validators and making changes to the types of passes available. Along with these changes a Title VI Analysis has been performed to ensure that there is no disparate impact on minority populations or a disproportionate burden on low-income individuals. The CapMetro Fare Policy is being updated alongside this rollout to support the changes and provide cleanup/consolidation of multiple policy documents into one Fare Policy.

The CapMetro Team is leveraging this opportunity to make the following improvements:

- **New validators:** New validators are being installed immediately on CapMetro vehicles with improved scanning technology, including visual and audio indicators if a customer's fare has been accepted or denied (a feature described as "helpful" by frontline staff and operators).
- **New and improved apps:** The CapMetro app will be retired and replaced with the Transit and Umo apps. Customers will use Transit to plan their trips and Umo to pay for fares. This is part of an iterative process to reduce the number of customer apps.
- **Tap to Pay:** Customers will be able to tap to pay with a credit or debit card, Apple Pay and Google Pay.
- **New reloadable fare card:** New reloadable fare cards will be available and will still have fare capping.
- The digital 31-day and 7-day passes will not be available for purchase through the app and retired over attrition. Customers using the app instead use fare capping to derive the same benefit as the retiring time-based passes.
- The HMIS fare program will be continued, and all customers will be re-issued a new 1-year fare card. CapMetro staff are working closely with service providers to prepare for this process.

This action includes Board approval of the Title VI Analysis, and adoption of amendments to the Fare Policy.

DBE/SBE PARTICIPATION: Does not apply

PROCUREMENT: Does not apply

RESPONSIBLE DEPARTMENT: Finance

**RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS**

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2024-1353

WHEREAS, pursuant to the Texas Transportation Code Section 451.061(D), the Capital Metropolitan Transportation Authority is required to impose reasonable and nondiscriminatory fares, tolls, charges, rents and other compensation for the use of the transit authority system sufficient to produce revenue, together with the tax revenue received by the authority, in an amount adequate to pay all expenses necessary to operate and maintain the transit authority system; and

WHEREAS, updates to current systems are necessary to support the rollout of new fare collection hardware and software; and

WHEREAS, these updates also necessitate updates to the CapMetro Fare Policy and Fare Structure; and

WHEREAS, CapMetro has conducted a Fare Equity Analysis for the proposed fare change as is required by FTA Title VI Circular 4702.1B and finds no disparate impact or disproportionate burden on minority and low-income populations.

NOW, THEREFORE, BE IT RESOLVED that the CapMetro Board of Directors hereby adopts the amendments to CapMetro's Fare Policy, and approves the Title VI Fare Equity Analysis related to proposed changes to CapMetro's Fare Payment Systems.

Date: _____

**Secretary of the Board
Becki Ross**



Fare Collection System Title VI Analysis (Fare Structure Change)



January 27, 2025

Board Timeline

July 2024

Board approval to execute the UMO contract for a Fare Backend System

October 2024

Contract Executed

November 2024 – February 2025

Installation of New Hardware

November 11th – January 15th

Title VI Analysis and Public Hearings

January 27th – CapMetro Board Meeting

This will explain the Title VI final findings

March 1st Proposed Implementation Date of Fare Collection System

Customers who want to pay digitally will need to have downloaded the new app to ride.

Title VI Report

- Per FTA Circular 4702.1B and CapMetro's Fare Policy, we are required to complete a Title VI Fare Equity Analysis and hold a public hearing for any fare structure change.
- The Fare Equity Analysis ensures FTA-assisted benefits and related services are made available and equitably distributed regardless of race, color, or national origin.
- Based on the FTA Circular 4702.1B and the CapMetro Title VI Policies, CapMetro shall—
 1. Determine the number and percent of users of each fare media being changed;
 2. Review fares before the change and after the change;
 3. Compare the differences for each particular fare media between minority users and overall users; and
 4. Compare the differences between low-income and overall users for each particular fare media.

Title VI Analysis

To end the sale of the 7-day and 31-day passes, CapMetro is required to complete a Title VI analysis.

For transparency, CapMetro is also using this opportunity to study the need for a Title VI analysis of the technology and media changes.

However, Paper Passes will continue to be sold through the transit store until inventory depletes for use on fixed route buses.

Title VI Report Summary of Findings

- **No Disparate Impact or Disproportionate Burden:**
 - The Average Fare Analysis revealed the proposed fare change does not have a disparate impact on minority populations or a disproportionate burden on low-income populations.
 - Systemwide, the disparity in impact between minority and non-minority customers was less than 0.1% and between low-income and non-low-income customers, it was 1.53% difference. Both differences fall well within the established 2% policy threshold.
- **Greater Benefits for Minority and Low-Income Customers:**
 - The anticipated fare changes are projected to offer greater benefits to minority customers compared to non-minority customers, and similarly, more advantages to low-income customers than to their non-low-income counterparts. Based on the insights from the Average Fare Analysis, no additional mitigations are deemed necessary to move forward with the implementation of the proposed fare adjustments.

Community Engagement Summary



98,000 Interactions
Through CapMetro
Alerts



8,400 Impressions and
650 interactions across
all platforms



100 Community
Members in meetings



16 articles published
through news media
and interviews



150 Community-Based
Provider Check-Ins

Next Steps

COMPLETE



PUBLIC HEARING

TODAY



BOARD AUTHORIZATION OF
FARE STRUCTURE CHANGE



FARE COLLECTION SYSTEM
IMPLEMENTATION

CapMetro

Thank you!

Capital Metropolitan Transportation Authority (CapMetro) Fare Policy
Approved by the CapMetro Board of Directors on July 25, 2022

1. PURPOSE

The purpose of this policy is to establish goals, objectives and guidelines to assist the CapMetro Board of Directors (the “**Board**”) and staff in making decisions regarding changes to transit fares. All such decisions will be made in accordance with CapMetro’s enabling legislation, Texas Transportation Code Chapter 451, as amended, and Federal Transit Administration (FTA) fare requirements, including 49 CFR Section 609 related to reduced fares for elderly and handicapped persons. When considering increasing or restructuring fares, CapMetro will conduct a comprehensive review of ways to reduce costs and increase ridership, and the corresponding effects on fare box recovery, to minimize the effects of any fare changes on CapMetro’s customers.

2. SCOPE

This policy applies to all transit fares established by CapMetro. This policy does not apply to CapMetro provided transit amenities, such as bike shares or park and rides.

3. GOAL

The goal of this policy is to support CapMetro’s overall strategic mission to provide quality public transportation choices for our community that meet the needs of our growing region. To accomplish this mission, CapMetro must develop and use its resources in a manner that ensures sustainable business growth.

4. OBJECTIVES

The following objectives are designed to support CapMetro’s Fare Policy goal and balance the desire to keep fares affordable for CapMetro customers with the need to maximize fare revenue to help maintain and expand transit operations.

- A. **Customer/Community Objectives:** The Board and staff will consider the impact that fare changes have on customers and the community within the scope of the following three customer/community objectives:
- i. **Promote utilization of all modes of CapMetro transportation:** CapMetro seeks to encourage and facilitate transit ridership within CapMetro’s service area by setting fares that are accessible to the widest possible range of existing and potential rider groups.
 - ii. **Establish equitable fares:** To be equitable, fares should take into account the socioeconomic makeup of CapMetro customers and their utilization of the different types of services.
 - a. **Fare Equity Analysis:** CapMetro will perform a fare equity analysis to assess effects of proposed fare changes on riders and describe actions to avoid,

minimize or mitigate such effects.

- b. Agency Discounted Pass Program: CapMetro will provide discounted passes to qualifying non-profit, not-for-profit and governmental agencies that assist low-income persons and families. Qualifying agencies may provide passes purchased under this program to agency clients at no more than the discounted price. The Board may establish the discount (currently 50%) provided to agencies under this program when approving CapMetro's annual operating budget. The Board may establish limits for the Discounted Pass Program, by establishing a monthly allotment system based on: (i) the number of clients served by an agency; ii) the agency's annual budget; and/or (iii) a maximum amount any agency may purchase in any given month.
 - c. Basic Transportation Needs Fund: CapMetro may establish a charitable fund to assist persons and families who cannot afford the established transit fares. Such a fund can be created and maintained in partnership with social services providers and community-based organizations.
 - d. Transit Pass for the Unhoused Community: CapMetro may establish a program that offers transit passes at no cost to individuals experiencing homelessness if those individuals are receiving services from social service providers participating in Travis County HMIS (Homeless Management Information System).
 - e. Equifare Program: CapMetro may establish a program that offers discounted fares for low income-eligible customers.
 - f. Fare Capping: CapMetro may establish a fare capping structure to increase the affordability of fares by capping the amount that a customer pays on a daily or monthly basis at the equivalent day or month pass price.
 - g. Authorized Free Fares: The CapMetro board on September 28, 2018 authorized free fares on all Capital Metro service on the following days:
 - National general Election days in November of even numbered years
 - July 4th after 5pm
 - New Year's Eve after 5pm
 - iii. ***Enhance mobility & access***: Fares should enhance the ability of customers to access the system and move through it with ease. To do so, fares should be frictionless, easy to understand, and provide uniformity throughout the system.
- B. **Financial Objectives**: The Board and staff will consider the financial impact a fare or fare structure change has on the long-term sustainability of CapMetro within the scope of the following financial objectives:
 - i. ***Support predictable fare revenue stream***: Because fare revenue is a critical component of CapMetro's operating budget, any fare or fare structure change should ensure the total fare revenue stream is maintained at an appropriate level to meet Capital Metro's immediate and long-term financial requirements within changing economic conditions.
 - ii. ***Provide sufficient fare revenues to meet statutory obligations***: As required by

CapMetro's enabling statute, Transportation Code Section 451.061(a), any fare or fare structure change must produce sufficient fare revenues, together with tax revenue to: (1) pay all the expenses necessary to operate and maintain the system; (2) pay when due all principal of and interest on, and sinking fund and reserve fund payments agreed to be made with respect to, all bonds that are issued by CapMetro; and (3) fulfill the terms of any other agreement with bond holders.

iii. **Recover operating costs:** The proportion of the amount of revenue generated through fares by paying customers as a fraction of the total operating expenses is the fare recovery ratio. Generally, the fare recovery ratio is influenced by three main factors:

- a. **Fare levels:** The fare levels or structure influence the average fare collected per passenger and the overall fare revenue collected. By increasing fares or reducing the discounts set for fare categories, fare revenue can be increased. Similarly, fare reductions will result in a net loss of revenues. Changes in the fare structure also impact riders, with increased fares generally reducing ridership and reduced fares generally increasing ridership. Fare adjustments should be made with consideration to transit customers affected.
- b. **Productivity:** The productivity of transit service is measured in terms of ridership per mile or hour of service. CapMetro attempts to balance route productivity with service policies aimed at developing new markets, serving remote areas, and accommodating disadvantaged populations. Decisions regarding route productivity should be made with consideration to social needs of the community and the transit customers affected.
- c. **Efficiency:** Operating costs are partly within control CapMetro and partly a result of prevailing economic conditions. Cost efficiencies are achieved through careful budgeting, monitoring, and controlling expenditures and can be measured by operating costs per hour.

CapMetro will monitor the fare recovery ratio and use this information during the annual budget development process to recommend fare or fare structure changes. CapMetro will also monitor the productivity and efficiency of the operations as well as ridership and propose adjustments as necessary. Since fares help offset the operating costs of providing public transportation services, CapMetro's goal is to eventually recover a minimum of 20% of transit operating costs with passenger-paid and third-party fares.

iv. **Minimize fare collection costs:** CapMetro's fare structure and fare collection technologies should be developed and operated to minimize the costs associated with fare collection and revenue processing without compromising accuracy.

5. FARE CHANGE PROCESS

The following guidelines outline the required process for developing, evaluating, and implementing fare or fare structure changes:

- A. Recommendations for changing fares or fare structure will be developed by Capital Metro staff

in keeping with this policy.

- B. Any proposed change in fares or fare structure will include a fare equity analysis of the impact of the change on low-income and minority populations as required by Title VI of the Civil Rights Act, as amended, FTA C4702.1A and submitted to FTA for review and comment.

- C. In addition to the fare equity analysis, CapMetro will complete an operations and ridership analysis to evaluate the overall cost of operating service and levels of ridership.
- D. Per CapMetro’s enabling statute, Transportation Code Section 451.061(d-1), any change in the “Base Fare” defined as the single-ride, local bus, adult cash fare, is subject to the review by the Capital Area Metropolitan Planning Organization (CAMPO). CapMetro may not implement a change to its base fare for a minimum of 60 days following approval by the CapMetro Board, and may not implement a Base Fare change if CAMPO rejects the proposed change by a majority vote of the CAMPO Board.
- E. A public hearing is required for any change to fares or fare structure, with a minimum 21-calendar day notice prior to such hearing.
- F. All fare or fare structure changes must be approved by the CapMetro Board.
- G. Once a fare change is approved by the Board, appropriate ads notifying the public of the change should be placed with local media outlets and on the CapMetro website at least thirty (30) days prior to the effective date of the fare change. The notice will be posted in English as well as any non-English languages as determined by CapMetro’s language assistance plan. In addition, notices will be placed on all revenue vehicles and at major transit centers. CapMetro may also notify customers through press releases or on its social media.
- H. Generally, fare or fare structure changes will become effective in conjunction with service changes in January or August.
- ◆ Multiple-year planned fare changes including the current year and up to two (2) future increases may be approved, provided the public is notified and has an opportunity to comment. The timing and magnitude of subsequent changes will not be binding if economic conditions change. Deviations to approved future fare or fare structure changes, including accelerating the timing for implementation, will require a new Title VI fare equity analysis, public outreach process, including public hearing(s) and CAMPO review, as applicable.

6. FARE POLICY REVIEW

CapMetro will review this policy and its fares and fare structure annually with the expectation that fares or fare structure may be adjusted as necessary to keep pace with the rate of increase in the cost of transit operations and to ensure compliance with Transportation Code Section 451.061 and other applicable law.

Capital Metropolitan Transportation Authority (CapMetro) Fare Policy
Approved by the CapMetro Board of Directors on July 25, 2022

1. PURPOSE

The purpose of this policy is to establish goals, objectives and guidelines to assist the CapMetro Board of Directors (the “**Board**”) and staff in making decisions regarding changes to transit fares. All such decisions will be made in accordance with CapMetro’s enabling legislation, Texas Transportation Code Chapter 451, as amended, and Federal Transit Administration (FTA) fare requirements, including 49 CFR Section 609 related to reduced fares for elderly and handicapped persons. When considering increasing or restructuring fares, CapMetro will conduct a comprehensive review of ways to reduce costs and increase ridership, and the corresponding effects on fare box recovery, to minimize the effects of any fare changes on CapMetro’s customers.

2. SCOPE

This policy applies to all transit fares established by CapMetro. This policy does not apply to CapMetro provided transit amenities, such as bike shares or park and rides.

3. GOAL

The goal of this policy is to support CapMetro’s overall strategic mission to provide quality public transportation choices for our community that meet the needs of our growing region. To accomplish this mission, CapMetro must develop and use its resources in a manner that ensures sustainable business growth.

4. OBJECTIVES

The following objectives are designed to support CapMetro’s Fare Policy goal and balance the desire to keep fares affordable for CapMetro customers with the need to maximize fare revenue to help maintain and expand transit operations.

- A. **Customer/Community Objectives:** The Board and staff will consider the impact that fare changes have on customers and the community within the scope of the following three customer/community objectives:
- i. **Promote utilization of all modes of CapMetro transportation:** CapMetro seeks to encourage and facilitate transit ridership within CapMetro’s service area by setting fares that are accessible to the widest possible range of existing and potential rider groups.
 - ii. **Establish equitable fares:** To be equitable, fares should take into account the socioeconomic makeup of CapMetro customers and their utilization of the different types of services.
 - a. **Fare Equity Analysis:** CapMetro will perform a fare equity analysis to assess effects of proposed fare changes on riders and describe actions to avoid,

minimize or mitigate such effects.

- b. Agency Discounted Pass Program: CapMetro will provide discounted passes to qualifying non-profit, not-for-profit and governmental agencies that assist low-income persons and families. Qualifying agencies may provide passes purchased under this program to agency clients at no more than the discounted price. The Board may establish the discount (currently 50%) provided to agencies under this program when approving CapMetro's annual operating budget. The Board may establish limits for the Discounted Pass Program, by establishing a monthly allotment system based on: (i) the number of clients served by an agency; ii) the agency's annual budget; and/or (iii) a maximum amount any agency may purchase in any given month.
 - c. Basic Transportation Needs Fund: CapMetro may establish a charitable fund to assist persons and families who cannot afford the established transit fares. Such a fund can be created and maintained in partnership with social services providers and community-based organizations.
 - d. Transit Pass for the Unhoused Community: CapMetro may establish a program that offers transit passes at no cost to individuals experiencing homelessness if those individuals are receiving services from social service providers participating in Travis County HMIS (Homeless Management Information System).
 - e. Equifare Program: CapMetro may establish a program that offers discounted fares for low income-eligible customers.
 - f. Fare Capping: CapMetro may establish a fare capping structure to increase the affordability of fares by capping the amount that a customer pays on a daily or monthly basis at the equivalent day or month pass price.
 - g. Authorized Free Fares: The CapMetro board on September 28, 2018 authorized free fares on all Capital Metro service on the following days:
 - National general Election days in November of even numbered years
 - July 4th after 5pm
 - New Year's Eve after 5pm
 - iii. ***Enhance mobility & access***: Fares should enhance the ability of customers to access the system and move through it with ease. To do so, fares should be frictionless, easy to understand, and provide uniformity throughout the system.
- B. **Financial Objectives**: The Board and staff will consider the financial impact a fare or fare structure change has on the long-term sustainability of CapMetro within the scope of the following financial objectives:
 - i. ***Support predictable fare revenue stream***: Because fare revenue is a critical component of CapMetro's operating budget, any fare or fare structure change should ensure the total fare revenue stream is maintained at an appropriate level to meet Capital Metro's immediate and long-term financial requirements within changing economic conditions.
 - ii. ***Provide sufficient fare revenues to meet statutory obligations***: As required by

CapMetro’s enabling statute, Transportation Code Section 451.061(a), any fare or fare structure change must produce sufficient fare revenues, together with tax revenue to: (1) pay all the expenses necessary to operate and maintain the system; (2) pay when due all principal of and interest on, and sinking fund and reserve fund payments agreed to be made with respect to, all bonds that are issued by CapMetro; and (3) fulfill the terms of any other agreement with bond holders.

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5. FARE CHANGE PROCESS

The following guidelines outline the required process for developing, evaluating, and implementing fare or fare structure changes:

- A. Recommendations for changing fares or fare structure will be developed by Capital Metro staff

in keeping with this policy.

- B. Any proposed change in fares or fare structure will include a fare equity analysis of the impact of the change on low-income and minority populations as required by Title VI of the Civil Rights Act, as amended, FTA C4702.1A and submitted to FTA for review and comment.

- C. In addition to the fare equity analysis, CapMetro will complete an operations and ridership analysis to evaluate the overall cost of operating service and levels of ridership.
- D. Per CapMetro’s enabling statute, Transportation Code Section 451.061(d-1), any change in the “Base Fare” defined as the single-ride, local bus, adult cash fare, is subject to the review by the Capital Area Metropolitan Planning Organization (CAMPO). CapMetro may not implement a change to its base fare for a minimum of 60 days following approval by the CapMetro Board, and may not implement a Base Fare change if CAMPO rejects the proposed change by a majority vote of the CAMPO Board.
- E. A public hearing is required for any change to fares or fare structure, with a minimum 21-calendar day notice prior to such hearing.
- F. All fare or fare structure changes must be approved by the CapMetro Board.
- G. Once a fare change is approved by the Board, appropriate ads notifying the public of the change should be placed with local media outlets and on the CapMetro website at least thirty (30) days prior to the effective date of the fare change. The notice will be posted in English as well as any non-English languages as determined by CapMetro’s language assistance plan. In addition, notices will be placed on all revenue vehicles and at major transit centers. CapMetro may also notify customers through press releases or on its social media.
- H. Generally, fare or fare structure changes will become effective in conjunction with service changes in January or August.
- ◆ Multiple-year planned fare changes including the current year and up to two (2) future increases may be approved, provided the public is notified and has an opportunity to comment. The timing and magnitude of subsequent changes will not be binding if economic conditions change. Deviations to approved future fare or fare structure changes, including accelerating the timing for implementation, will require a new Title VI fare equity analysis, public outreach process, including public hearing(s) and CAMPO review, as applicable.

6. FARE POLICY REVIEW

CapMetro will review this policy and its fares and fare structure annually with the expectation that fares or fare structure may be adjusted as necessary to keep pace with the rate of increase in the cost of transit operations and to ensure compliance with Transportation Code Section 451.061 and other applicable law.

CapMetro

Fare Collection and Title VI Study

Title VI Fare Equity Analysis

January 2025

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1 Introduction

Title VI of the Civil Rights Act of 1964 (“[Title VI](#)”) ensures that “no person in the United States shall, on the basis of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.” Capital Metropolitan Transportation Authority (“[CapMetro](#)”) has committed to the Federal Transit Administration (FTA) Title VI objectives set forth in Circular 4702.1B, ensuring that FTA-assisted benefits and related services are made available and are equitably distributed without regard to race, color, or national origin. CapMetro has its own Title VI policy which expands on the federal policy with its own definition of Disparate Impact/Disproportionate Burden and related threshold.

In response to fare policy changes proposed by CapMetro, this analysis was performed to comply with FTA and agency guidelines. While there are a number of technology changes underway related to the collection of fares, this analysis focuses on the changes for:

- Local 7-Day Pass
- Commuter 7-Day pass
- Local 31-Day Pass Reduced Fare
- Local 31-Day Pass Full Fare
- Commuter 31-Day Pass Reduced Fare
- Commuter 31-Day Pass Full Fare

As discussed in Section 6.1 of this report, only the retirement of these passes is considered a Fare Change according to CapMetro’s Title VI policy. Other changes, (e.g., updated fare validator equipment) are not expected to impact the amount a customer pays to use CapMetro service, and thus are not considered Fare Changes under CapMetro policy.

The Fare Equity Analysis described herein assesses whether the proposed fare changes would result in either Disparate Impacts on minority customers or a Disproportionate Burden on low-income customers, as defined by CapMetro’s Disparate Impact/Disproportionate Burden policy (approved by the CapMetro Board on May 20, 2024). CapMetro has a 2% threshold as related to Disparate Impact/Disproportionate Burden, which was the guiding basis for this analysis. The proposed fare changes presented by CapMetro are the basis of this Fare Equity Analysis.

The analysis does not include changes to Pickup by CapMetro, CapMetro Access, CapMetro Bikeshare, and CapMetro Rideshare services, as only fixed route service and fare changes are subject to the Title VI guidelines in FTA Circular 4702.1B. The Average Fare Analysis conducted as part of this Fare Equity Analysis found that the proposed fare changes would not result in a Disparate Impact on minority customers or Disproportionate Burden on low-income customers. Given that there were no findings of Disparate Impact or Disproportionate Burden, no mitigations are needed to proceed with the implementation of the proposed fare changes and new customer payment system.

2 Overview of Proposed Fare Changes

Since 2022, CapMetro has been implementing a number of fare technology and policy changes to improve the customer experience, streamline agency operations, and enhance equity among those who most experience mobility barriers. Some of these changes include the introduction of a retailer network for loading cash onto stored value media (smart card, app); the introduction of fare capping; and the introduction of new discounted fare programs, chief among them Equifare.

Under this current proposal, CapMetro is implementing the UMO platform, which includes a number of fare technology changes including:

- Retiring the 7-day pass (all fare media types)
- Retiring the 31-day pass (all fare media types)
- Migrating 1-day pass to paper ticket only
- Adding an open payments system (e.g., tap RFID-enabled credit cards)
- Daily fare capping on open payments (credit card, digital wallets)
- Retiring older Smart Cards and most paper tickets to replace with UMO cards
- Providing new validators and App for UMO (bus and rail)
- Transitioning of various discounted 31-day passes to discounted stored value equivalent to 31-day pass with fare capping
- Allowing a lower top off minimum amount from \$5 to \$1
- Simplifying HEB Smart Card inventory process

As described in Section 6.1, only the retirement of the 7-day and 31-day pass fare products are considered a fare change under CapMetro and FTA policy.

3 Title VI Policies

Title VI of the Civil Rights Act of 1964, Section 601 states:

“No persons in the United States shall, on the basis of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.”

It is CapMetro’s objective to avoid, minimize, or mitigate disproportionately high and adverse impacts on minority and low-income populations. As a recipient of financial assistance from the FTA, CapMetro is required to comply with Title VI of the Civil Rights Act of 1964 and its own Title VI Program by evaluating major service and fare changes at the planning and programming stages to determine whether those changes have discriminatory impacts, including Disparate Impacts on minority populations and/or Disproportionate Burdens on low-income populations.

According to the [US Department of Transportation](#), equity in the provision of transit service is described as "providing equal levels of service to minority and non-minority residents of the urbanized area. Levels

of service, in turn, are defined in terms of capital allocation and accessibility." The metrics of discrimination that could be monitored for disparate treatment include fare structures that could consistently cause minority-group customers to bear a higher fare burden than the overall riding public, access to specialized fare media, or methods of communication to populations with Limited English Proficiency. However, a Title VI Equity Analysis should not replace good program planning, which should be an on-going process that considers equity among other factors when designing fare changes, service changes, or discretionary policies and programs.

In May 2024, CapMetro's Board of Directors adopted a set of new Title VI Policies in accordance with FTA Circular 4702.1B, Title VI Requirements and Guidelines for FTA Recipients. CapMetro maintained their 2% threshold for determining a Disparate Impact or Disproportionate Burden of a fare modification as established in CapMetro's Disparate Impact Policy and Disproportionate Burden Policy. Accordingly, if the difference of the impact on minority to non-minority populations or low-income to non-low-income populations is more than 2%, then the proposed change would be determined to pose a potential Disparate Impact or Disproportionate Burden.

3.1 Disparate Impact and Disproportionate Burden Policies

FTA requires that transit agencies assess whether a proposed fare change or major service change would have a "Disparate Impact" on minority populations, or "Disproportionate Burden" on low-income populations, under Title VI of the Civil Rights Act of 1964, Title 49 C.F.R. Section 21.5(b)(2) and (b)(7), and Appendix C to Title 49 C.F.R. part 21. Pursuant to FTA Circular 4702.1B, the FTA requires fixed-route public transit agencies to clearly establish, with input through a public engagement process, threshold definitions for measuring Disparate Impacts and Disproportionate Burdens.

To comply with the requirements of FTA Circular 4702.1B, Title VI Requirements and Guidelines for Federal Transit Administration Recipients, CapMetro sought public comment on its proposed Fare Change, Disparate Impact and Disproportionate Burden policies.

CapMetro's public involvement efforts for the 2024 Title VI Policy update included a two-phase plan to engage the community and stakeholders from February 15, 2024, through April 10, 2024. The first phase included broad outreach to inform and collect public feedback and lasted until March 15. The second phase involved an outreach campaign that engaged stakeholders, integrated public feedback, and culminated with a public hearing on April 10, 2024. The project team received board approval on May 20, 2024.

To ensure inclusivity, CapMetro followed its Language Assistance Plan for all outreach materials and activities. Engagement methods included a dedicated webpage, direct emails, printed flyers, text alerts, at-stop signage, outreach at stops, advisory committee presentations, and an online virtual open house. The engagement strategy was tailored and expanded to meet community feedback and needs.

The Board of Directors adopted the CapMetro Title VI Policies that include its Major Service Change Policy, Disparate Impact Policy, and Disproportionate Burden Policy on May 20, 2024. The adopted policies are included in **Appendix A**. The policies are to be used by CapMetro for analysis of proposed fare changes and major service changes.

The Disparate Impact and Disproportionate Burden policies establish threshold standards for evaluating the equity impacts and the distribution of adverse effects and benefits caused by any fare change or major service change. These thresholds enable CapMetro to determine whether minority and low-income customers would be disproportionately impacted by the adverse effects of the proposed changes or whether non-minority and/or non-low-income customers would disproportionately benefit by the proposed changes. These thresholds are based on the cumulative impact of the proposed service or fare change.

Disparate Impact on Minority Populations: Service or fare changes are determined to have a Disparate Impact on minority populations if the adverse impacts experienced by minority riders is greater than 2% when compared to the adverse impacts experienced by non-minority populations. Additionally, if benefits associated with service or fare changes accrue to non-minority populations at a difference greater than 2% when compared to minority populations, then this change will be determined to have a Disparate Impact.

Disproportionate Burden on Low-Income Populations: Service or fare changes are determined to have a Disproportionate Burden on low-income populations if the adverse impacts experienced by low-income riders is greater than 2% when compared to the adverse impacts experienced by non-low-income populations. Additionally, if benefits associated with service or fare changes accrue to non-low-income populations at a difference greater than 2% when compared to low-income populations, then this change will be determined to have a Disproportionate Burden.

3.1.1 Fare Changes

CapMetro defines a fare change as any increase or decrease of fares, whether applicable to the entire transit system, or on certain transit modes, or by fare payment type or fare media. The definition of fare change does not include instances where all passengers ride free such as “Ozone Action Days”, or temporary fare reductions that are mitigating measures for other activities such as construction or promotional fare reductions, so long as the temporary fare reduction or promotional fare reduction does not last longer than six months.

Prior to adopting a fare change, CapMetro must conduct a fare equity analysis and analyze specific elements of the proposed structure, along with the recommended pricing schema, to determine whether the changes would result in impacts that exceed the threshold established by the policies.

3.1.2 Adverse Effects

For the fare equity analysis, adverse effects include an increase in cost or a reduction in accessibility of fare media. Meanwhile, benefits include a decrease in cost, an increase in discounts for certain fare types or customer populations, or an increase in accessibility of fare media. The analysis contained within this report uses CapMetro’s adopted thresholds for determining Disparate Impacts and Disproportionate Burdens.

4 Fare Equity Analysis Methodology

For proposed changes that would increase or decrease the fares on the entire system, or on certain transit modes, or by fare payment type or fare medium, CapMetro shall analyze any available information generated from on-board passenger surveys indicating whether minority and/or low-income customers are disproportionately more likely to use the mode of service, payment type, or payment media that would be subject to the fare change. This analysis used the 2023 Origin and Destination survey ("2023 OD Survey").

The typical measure of Disparate Impact or Disproportionate Burden involves a comparison between the proportion of persons in the protected class (i.e., minority or low-income populations) who are adversely affected by the service or fare change and the proportion of persons not in the protected class (i.e., non-minority or non-low-income) who are adversely affected by the service or fare change.

As per the CapMetro Disparate Impact Policy, this analysis must do the following:

For Service and Fare Equity Analyses, a Disparate Impact threshold of 2% will be used to determine if minority riders are more adversely affected or less positively affected by the proposed change.

- Service or fare changes are determined to have a Disparate Impact on minority populations if the adverse impacts experienced by minority riders is greater than 2% when compared to the adverse impacts experienced by non-minority populations.
- Additionally, if benefits associated with service or fare changes accrue to non-minority populations greater than 2% when compared to minority populations, then this change will be determined to have a Disparate Impact.

As per the CapMetro Disproportionate Burden Policy, this analysis must do the following:

For Service and Fare Equity Analyses, a Disproportionate Burden threshold of 2% will be used to determine if low-income riders are more adversely affected, or less positively affected, by the proposed change.

- Service or fare changes are determined to have a Disproportionate Burden on low-income populations if the adverse impacts experienced by low-income riders is greater than 2% when compared to the adverse impacts experienced by non-low-income populations.
- Additionally, if benefits associated with service or fare changes accrue to non-low-income populations greater than 2% when compared to low-income populations, then this change will be determined to have a Disproportionate Burden.

A fare equity analysis compares the existing fare to proposed changes and calculates the absolute change as well as the percent change. Utilizing the Disparate Impact and Disproportionate Burden Threshold, a determination will be made as to whether the fare change will result in adverse effects that are disproportionately borne by the minority or low-income populations, respectively. The thresholds are also used to assess whether the proposed changes disproportionately benefit non-minority or non-low-income populations.

By joining the 2023 OD survey with fare sales and utilization data, a model was developed to understand the demographic profile of current users of the changes in fare products that are the focus of this analysis (the retirement of the 7-day and 31-day fare pass types). Those users were then reassigned to other fare products based on eligibility (e.g., current users of discount 31-day passes were assigned to discount fare products) and the demographic profile of users of the other fare products. Ridership and revenue associated with Pickup by CapMetro, CapMetro Access, CapMetro Bikeshare, and CapMetro Rideshare services were excluded as they are not subject to current Title VI evaluation requirements.

4.1 Assumptions

While the 2023 OD survey is largely comprehensive, it does have some limitations, such as low response rates for some fare products, respondent error in reporting the type of passes they utilize, and how those passes were obtained – all of which posed challenges for the analysis. As such, the following assumptions were made:

- All 7-day and 31-day pass users who selected “other” as how they purchased their fare were recategorized as a free pass. Comments for “Other” indicate it is obtained free of charge to the customer. Fare programs give out 1-day, 7-day and 31-day passes, but the option for this type of pass in the question “How did you pay?” specified a free ticket from a social service group, which implied a single ride ticket to many.
- Due to low response rate, demographics for the Commuter 7-day pass were aggregated with Commuter 31-day pass.
- Demographics for all Commuter Reduced Fare products were aggregated with the demographics for the Local Reduced Fare products due to the small number of survey responses.
- All fares not changing were combined under “Every Other Pass”. Demographics for this group were assumed to be the same as demographics systemwide.
- Due to inconsistent fare usage data, a fare usage calibration factor was implemented based on National Transit Database ridership information. This took the place of the survey expansion factor.

For consistency with the 2023 OD Survey, FY23 pass purchase and use data was used in the analysis. To redistribute the 7-day and 31-day passes, survey data from customers was used to determine the most cost-efficient fare level based on individual reported daily and monthly utilization of CapMetro. Taps were then redistributed based on the weighted assumptions for the most cost-efficient fare.

5 System Ridership Demographics Overview

The following provides an overview of CapMetro’s systemwide ridership taken from the 2023 OD Survey, which is the most recent onboard survey providing information for the Fare Equity Analysis. These demographic statistics were considered in the development of the proposed fare changes in order to minimize or avoid the potential for changes to result in Disparate Impacts on minority customers or a Disproportionate Burden on low-income customers.

5.1 Ethnicity Assumptions

For purposes of the Fare Equity Analysis, minority populations are those who have not identified themselves as only “White / Caucasian” on the 2023 OD Survey. While the survey allowed individuals to indicate mixed race by selecting more than one race, only those responding solely as “White / Caucasian” are listed as non-minority. The Disparate Impact analysis did not include those who did not respond to the ethnicity question. The ethnicity categories in the survey include:

1. Black / African American
2. Hispanic / Latino / Spanish
3. Asian / Pacific Islander
4. Native American / Alaska Native
5. White / Caucasian

5.2 Income Assumptions

For purposes of the Disproportionate Burden Policy, CapMetro defines low-income populations as those whose household income is at or below 125% of the U.S. Department of Health and Human Services (HHS) Poverty Guidelines. Because the 2023 OD Survey, which was conducted between November 2022 and April 2023, asked respondents for their total annual household income, the analysis uses the 2023 Poverty Guideline to determine which populations would be considered low-income. The Disproportionate Burden analysis did not include those who did not respond to the income and household size questions.

Table 1 provides the 2023 U.S. HHS Poverty Guidelines and the corresponding CapMetro low-income definitions by household size. Because the 2023 OD Survey asked both household size and household income, this analysis uses household size and income to categorize each individual survey respondent accurately using U.S. HHS Poverty Guidelines.

Table 1. 2023 HHS Poverty Guideline

Persons in Family/ Household	Poverty Guideline	125% of Poverty Guideline
1	\$14,580	\$18,225
2	\$19,720	\$24,650
3	\$24,860	\$31,075
4	\$30,000	\$37,500
5	\$35,140	\$43,925
6	\$40,280	\$50,350
7	\$45,420	\$56,775
8	\$50,560	\$63,200
9	\$55,700	\$69,625
10	\$60,840	\$76,050

Source: [Department of Health and Human Services Poverty Guidelines](#)

Note that the income categories on the survey did not precisely align with the categories from the 125% poverty guideline. As a result, any assumption would either undercount or overcount the number of low-income customers depending on the income bracket chosen. This analysis errs on the side of overcounting people as low-income so as to not exclude any customers who might be low-income from being classified as such.

6 Fare Change Proposal

As described in Section 2, proposed fare changes to be implemented in 2025 are primarily technology changes associated with the implementation of the UMO platform. While the changes should improve the customer experience (i.e., the ease and convenience of paying fares), the impacts to the actual amounts that customers pay to use the service are expected to be limited. These impacts are further explored below.

6.1 Fare Change Analysis

As per the CapMetro Fare Change Policy, changes requiring a Title VI fare equity analysis are:

- a. All fare changes, regardless of the amount of increase or decrease, are subject to a Fare Equity Analysis when contemplating a change; or
- b. For fare changes associated with the opening of a new fixed-guideway capital project, a Fare Equity Analysis must be completed six months prior to the commencement of revenue service.

Each of the fare changes listed in Section 2 were evaluated to assess the potential impact to the amount of money customers pay to use the service. Because the analysis methodology focuses on disparate impacts or disproportionate burdens based on differences in how much different groups of people pay, fare changes with no quantifiable impact to fare levels were excluded from the analysis. The Fare Change (FC) analysis results are shown in **Table 2**.

Table 2. Fare Change Analysis Summary

Fare Change	FC?	Notes
Retiring the 7-day pass	Y	<ul style="list-style-type: none"> - Retiring the 7-day pass will shift people into using a stored-value payment subject to the fare cap (either the 1-day fare cap or the 31-day fare cap) depending on how much they use the system; alternately, customers may purchase 1-day paper tickets or single fares. - There is no fare cap comparable to the 7-day pass, and so those who currently use the 7-day pass will either pay for multiple single trips and/or 1-day passes, or will ride often enough to achieve the 31-day fare cap.

Fare Change	FC?	Notes
Retiring the 31-day pass	Y	<ul style="list-style-type: none"> - Retiring the 31-day pass will shift people into using a stored-value payment fare cap (either the 1-day fare cap or the 31-day fare cap) depending on how much they use the system; alternately, customers may purchase 1-day paper tickets or single trip fares. - While current 31-day pass users who use the system often enough to achieve the 31-day fare cap will not have a fare change, those who buy a 31-day pass but only occasionally use the system will see a change in their cost to travel.
Migrating 1-day pass to paper ticket only	N	<ul style="list-style-type: none"> - The 1-day pass will only be available via paper ticket as a part of this proposal. However, customers currently using the 1-day pass on web and app will be able to either purchase a 1-day pass via paper ticket or pay via stored value, which after two uses achieves the fare cap that is an equivalent cost to the 1-day pass. Importantly, there is no policy change associated with this fare medium change – the 1-day pass will still be available for purchase. Because the 1-day pass has not been retired and other alternatives have the same cost, the amount customers pay for using the service is not expected to change.
Introduction of open-loop payments	N	<ul style="list-style-type: none"> - Customers will be able to pay using open-loop methods (credit cards, digital wallets, etc.). This is not considered a fare change because the amount customers pay for using the service is not expected to change – customers will either pay for a single trip, or ride often enough to achieve the fare cap (similar to using the Smart Card or app). Furthermore, customers are currently able to pay with credit / debit cards online or at ticket vending machines, and so those who pay with credit / debit cards may continue to do so.
Implement daily fare capping on open-loop payments	N	<ul style="list-style-type: none"> - Customers are currently able to enjoy daily fare capping when using the Amp web app, which accepts credit card payments, and so is not considered a policy change impacting how much people pay to use the service.
Retiring older Smart Cards (MiFare Classic)	N	<ul style="list-style-type: none"> - The retirement of MiFare Classic is not expected to impact the amount that customers pay. Those customers who use MiFare Classic cards will need to switch to UMO media, but this change has no direct impact on what customers will pay.
New Validators and app for UMO	N	<ul style="list-style-type: none"> - The installation of new validators and implementation of the UMO app are not expected to impact the amount that a customer pays.

Fare Change	FC?	Notes
Transition of various discounted 31-day passes to discounted stored value equivalent to 31 days	N	<ul style="list-style-type: none"> - The transition of various discounted 31-day pass (e.g., Transit Empowerment Fund) cards from time-based to amount-based with 100% discount is not expected to impact how much customers pay. In both cases, eligible customers pay \$0. - The HMIS pass will be reduced from a two-year duration to a one-year duration. The pass will still be provided at no cost to customers, and so there will be no change in how much they pay.
Lower “top-off” amount	N	<ul style="list-style-type: none"> - The “top-off” amount for a stored value card will go from \$5 to \$1 for customers reloading at the retailer network. This does not impact the amount people pay to use the service.
Simplify HEB Smart Card Inventory Process	N	<ul style="list-style-type: none"> - CapMetro will simplify the inventory process for HEB to reduce staff workload. This is not anticipated to have any impact on how much customers pay to use the service.

Source: CapMetro, AECOM Analysis

Based on the findings of the Fare Change analysis, the retirement of the 7-day and 31-day pass was moved forward into the disparate impact and disproportionate burden analysis to assess the potential for adverse impacts to minority and/or low-income customers, respectively.

7 Fare Proposal Outreach

The following is a summary of themes across the feedback received:

7.1 Public Outreach Overview

Through community engagement efforts on- and offline, CapMetro staff met with more than 100 community members; engaged with more than 150 community-based organizations; and directly communicated with over 98,000 community members through CapMetro Alerts and social media. CapMetro social media efforts created more than 8,400 impressions and generated more than 650 interactions across all platforms, and the proposed changes were covered on 16 articles published including major news outlets, three interviews, one set of responses sent via written comment, with one more interview scheduled as of January 15th.

7.2 Summary of Public Comments

Overall, the community supports the proposed changes, and views tap-to-pay in particular very favorably. Community concerns centered on retaining access to existing benefits (such as Reduced Fares), concerns about the use of the Umo app, and logistics surrounding impacts to certain customer groups.

The following section reflects the input received from community members and community-based organizations at meetings and presentations, as well as responses via the Public Input widget on the CapMetro webpage. The CapMetro team reviewed all feedback and found two themes that reflect the concerns expressed by the community, which should be addressed to service area riders before the full implementation.

7.3 Feedback Themes

Theme 1: Rider Experience and App Integrations with Umo

Community Concerns:

- Having to use more than one app to plan and pay for rides, either for fixed-route services alone or fixed-route services and microtransit services.
- Ease of use of the Umo app and its associated ratings on the Play Store and/or App Store.
- Implementation of daily fare capping on Umo compared to the current cash day passes.
- Concerns about only being able to use the Umo app, or not being able to use a physical, reloadable fare medium.

Theme 2: Transitioning Benefits and Balances to the New System

Community Concerns:

- Process for obtaining a Reduced Fare discount on the new system.
- Process for transferring balances from the old system to the new system.
- How users of the old system will be notified of the upcoming changes.
- The time frame for when users of physical AMP cards can begin to swap their cards for ones that work with the new system.

7.4 Public Meetings

Details for the public meetings on the proposed fare changes are provided below.

Virtual Public Meeting:

- Date: Tuesday, January 7th, 2025
- Time: 5:30 pm
- Location: Zoom
- Number of Participants: 67

In-Person Public Meeting:

- Date: Tuesday, January 14th, 2025
- Time: 5:30 pm
- Location: 2910 E. 5th Street, Austin, TX 78702
- Number of Participants: 2

Committee Meetings:

- Committee: Joint Customer Satisfaction Advisory Committee & Access Advisory Committee
- Date: Tuesday, January 8th, 2025
- Time: 6:00 pm
- Location: Zoom
- Number of Participants: 14

Committee Meeting: Project Connect Community Advisory Committee

- Date: Tuesday, January 8th, 2025
- Time: 5:00 pm
- Location: ATP 203 Colorado St (203 Colorado St, Austin, Texas 78701) and Zoom
- Number of Participants: 17

Public Hearing

- Date: Wednesday, January 15th, 2025
- Time: 12 pm
- Location: 2910 E. 5th Street, Austin, TX 78702
- Number of Participants Registered to comment: 1

8 Average Fare Analysis Findings

The Average Fare Analysis uncovered no Title VI equity concerns using CapMetro’s board-adopted Title VI Policies. While changes to some fare payment types would result in a greater percentage change for some populations, the systemwide change resulted in less than two percentage point difference between minority and non-minority customers and between low-income and non-low-income customers, below the 2% policy threshold. In fact, the proposed fare changes are expected to modestly enhance the equity of the system, with minority and low-income customers expected to pay a slightly lower amount as compared to non-minority and non-low-income customers. As such, no mitigations are recommended to proceed with the implementation of the proposed fare changes based on the Average Fare Analysis.

The Average Fare Analysis is focused primarily on the impacts of the 7-day and 31-day fare passes being retired. All unchanging fares were rolled up into the category “All Other Passes”. **Table 3** shows the changes between existing and proposed average fares per boarding. Systemwide, the average fare for all customers will increase slightly from \$0.329 to \$0.332 (0.80% increase).

Table 3. Change in Average Fare by Fare Product

Fare Product	Avg. Fare per Boarding		Change in Average Fare	
	Existing	Proposed	Absolute	Percentage
Local 7-Day Pass	\$0.73	\$0.86	\$0.13	18%
Commuter 7-Day pass	\$1.89	\$2.95	\$1.06	56%
Local 31-Day Pass Reduced Fare	\$0.30	\$0.28	-\$0.02	-8%
Local 31-Day Pass Full Fare	\$0.59	\$0.56	-\$0.03	-5%
Commuter 31-Day Pass Reduced Fare	\$0.71	\$0.69	-\$0.02	-2%
Commuter 31-Day Pass Full Fare	\$2.31	\$2.16	-\$0.15	-7%
All Other Passes	\$0.23	\$0.23	\$0.00	0%

Source: AECOM Analysis of FY23 Farebox, Sales, and On-Board Survey Data

As shown in **Table 4**, riders identifying as minority utilize the pass types which are the focus of this analysis. Only the Commuter 7-Day Pass and the Commuter 31-Day Full Fare Pass receive a majority of taps from non-minority customers. The inverse is true of low-income versus non-low-income use of the passes, with only the Local 31-Day Reduced Fare and the Commuter 31-Day Reduced Fare Passes taps being from low-income customers.

Table 4. Percent Fare Taps by Title VI Group

Pass Type	Minority	Non-Minority	Low-Income	Non-Low-Income
Local 7-Day Pass	69%	31%	39%	61%
Commuter 7-Day pass	46%	54%	13%	87%
Local 31-Day Pass Reduced Fare	54%	46%	53%	47%
Local 31-Day Pass Full Fare	71%	29%	49%	51%
Commuter 31-Day Pass Reduced Fare	54%	46%	53%	47%
Commuter 31-Day Pass Full Fare	41%	59%	16%	84%
Every other pass	67%	33%	56%	44%

Source: AECOM Analysis of FY23 Farebox, Sales, and On-Board Survey Data

Table 5 and **Table 6** show the difference in the minority vs. non-minority customers and low-income vs. non-low-income customers, respectively, regarding the number of boardings, fare revenue, and proposed fare revenue. Both tables include the average fare, percent change in average fare, and the difference between protected and non-protected customer demographics.

Table 5. Average Fare for Minority Customers

	Minority Customers			Non-Minority Customers		
	Number of Boardings	Existing Fare Revenue	Proposed Fare Revenue	Number of Boardings	Existing Fare Revenue	Proposed Fare Revenue
Total	15,507,860	\$5,072,856	\$5,111,928	7,581,646	\$2,525,264	\$2,547,000
Average Fare		\$0.327	\$0.330	Average Fare	\$0.333	\$0.336
% change in Average Fare			0.77%	% Change in Average Fare		0.86%
Difference between Protected and Non-Protected Customer Demographic			-0.09%			

Source: AECOM Analysis of FY23 Farebox, Sales, and On-Board Survey Data

Table 6. Average Fare for Low-Income Customers

	Low-Income Customers			Non-Low-Income Customers		
	Number of Boardings	Existing Fare Revenue	Proposed Fare Revenue	Number of Boardings	Existing Fare Revenue	Proposed Fare Revenue
Total	12,288,128	\$3,785,176	\$3,786,377	10,801,378	\$3,812,943	\$3,872,551
Average Fare		\$0.308	\$0.308	Average Fare	\$0.353	\$0.359
% change in Average Fare			0.03%	% Change in Average Fare		1.56%
Difference between Protected and Non-Protected Customer Demographic			-1.53%			

Source: AECOM Analysis of FY23 Farebox, Sales, and On-Board Survey Data

9 Cumulative Findings and Mitigations

A Title VI Fare Equity Analysis should not take the place of thoughtful planning at the earliest stages of project development. Part of the early planning and development process for this proposed fare change has been considering the impacts that plans, programs, or projects have on minority and low-income communities. The needs of CapMetro have been matched with the needs of the minority and low-income communities throughout the process to develop a balanced fare structure and retail strategy with equitable pricing and accessibility.

The Average Fare Analysis conducted as part of this Fare Equity Analysis did not find that the proposed fare changes would result in a Disparate Impact on minority customers or a Disproportionate Burden on low-income customers. Given that there were no findings of Disparate Impact or Disproportionate Burden, no mitigations are needed to proceed with implementation of the proposed fare changes.

Appendix A: CapMetro Title VI Policies



**TITLE VI POLICIES: Major Service
Change, Disparate Impact,
Disproportionate Burden
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Development
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No.	Section Heading
1.0	<p><u>Purpose</u></p> <p>The purpose of this policy is to define what constitutes a “Major Service Change” and to establish thresholds for determining if service and fare changes would result in either a “Disparate Impact” on minority populations or a “Disproportionate Burden” on low-income populations. On October 1, 2012, the Federal Transit Administration (FTA) Title VI Circular 4702.1B became effective, requiring transit providers that have greater than 50 fixed-route vehicles in peak service operating fixed-route service to conduct equity analyses on fare changes or service changes that meet the agency’s definition of a “Major Service Change”. Title VI of the Civil Rights Act of 1964 (codified at 42 U.S.C. §2000D et seq.) prohibits discrimination on the basis of race, color, or national origin. As a recipient of federal funds, Capital Metropolitan Transportation Authority (CapMetro) must ensure that it provides its services without discrimination on the basis of race, color, or national origin.</p>
2.0	<p><u>Persons Affected</u></p> <p>All employees and members of the CapMetro Board of Directors must adhere to the provisions set forth in this policy. The policy will affect CapMetro customers.</p>
3.0	<p><u>Major Service Change, Disparate Impact, and Disproportionate Burden Policy and Procedure</u></p> <p><u>Major Service Change Policy</u></p> <p>The Major Service Change Policy has been developed in compliance with applicable federal requirements (Title VI of the Civil Rights Act 1964, 49 CFR Section 21 and FTA Circular 4702.1B). All Major Service Changes will be subject to a Service Equity Analysis that includes an analysis of adverse effects, as previously defined, along with any associated positive impacts. CapMetro shall consider the degree of adverse effects, and analyze those effects, when planning Major Service Changes. Additionally, when changes to service or fares involve improvements, the accrual of benefits should also be analyzed.</p> <p>CapMetro will conduct a Title VI Service Equity Analysis whenever there is a Major Service Change, as defined below.</p> <p><i>A Major Service Change is defined as the following:</i></p> <ol style="list-style-type: none"> 1. The establishment of new fixed-route bus route; 2. The elimination of any fixed-route bus or rail route in its entirety; 3. A geographic change on a given transit route of 25% or more of its annual revenue miles; 4. A change of 25% or greater in the number of annual revenue hours provided; or 5. Six months prior to the opening of any New Start, Small Start, or other new fixed guideway capital project (e.g. BRT line or rail line) regardless of whether or not the amount of service being changed meets the requirements above, or whether the project is built by a different entity. This analysis shall include a comparative analysis of service levels pre- and post- the New Starts/Small Starts/new fixed guideway capital project. The analysis will be depicted in tabular format and shall determine whether the service changes proposed (including both reductions and increases) due to the capital project will result in a disparate impact on minority populations.



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A Major Service Change is not defined as the following:

- Temporary additions or changes to service lasting less than 12 months;
- Route renumbering with no underlying change;
- Schedule or service adjustments required by a third party that operates or controls the same right- of-way (such as road closure);
- New fixed-route bus or rail "Break in period" prior to the commencement of revenue service, lasting less than 12 months;
- Emergency service adjustments associated with weather or other emergency conditions; or
- Operations that result from circumstances beyond the control of CapMetro (such as construction).

CapMetro will also conduct a Service Equity Analysis for changes which, when considered cumulatively over a three-year period, meet the Major Service Change threshold.

Service Equity Analyses

CapMetro's Title VI goal is for minority and low-income populations to receive at least their share of the benefits in the case of a net service increase, and no more than their share of the adverse effects, in the case of net service reductions.

When Major Service Changes are proposed, the Service Equity Analysis will assess the quantity and quality of service provided and populations affected.

METHODOLOGY FOR SERVICE EQUITY ANALYSES

CapMetro uses revenue miles to objectively quantify the effects of a service change. CapMetro computes the change in revenue miles for minority populations at the route level and in aggregate. This is compared to the minority percentage of CapMetro's overall ridership.

When proposing to provide new service to a neighborhood or corridor not served by CapMetro, or when on-board survey data is unavailable, CapMetro will compare the population served by the proposed routes with the population in the service area using Census data.

For example, assume CapMetro's overall ridership is 68 percent minority and that CapMetro proposed a major service increase. Minority populations would be expected to consume 68 percent of the new service, measured in revenue miles. Deviations from this goal exceeding the disparate impact threshold of 2% (see below) would be considered statistically significant. Therefore, if minority populations received less than 66% of the benefits, this would constitute a potential disparate impact.

Service equity analyses will be based on the most recent on-board survey data, and census data may be used if on-board survey data is not appropriate for the analysis undertaken. Each analysis will (1) describe the data set used; and (2) describe what techniques or technologies were used to collect the data.

When relying on census data instead of on-board survey data, CapMetro should choose the smallest geographic area that reasonably has access to the bus or rail stop or station. CapMetro shall document the reason for selecting a population and shall prepare maps of the routes that would be reduced, increased, eliminated, added or restructured, overlaid on a demographic map of the service area, in order to study the affected population. CapMetro may also prepare such maps when doing an analysis based



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	<p>on on-board survey data. A service change analysis shall be expressed as a percent change in tabular format.</p> <p>A service change analysis shall be expressed as a percent change in tabular format.</p> <p>Each Title VI Service Equity Analysis will be presented to the CapMetro Board of Directors for its consideration and approval. CapMetro will include such board resolution, meeting minutes, or similar documentation in the subsequent CapMetro Title VI Program Update with a record of action taken by the Board.</p> <p><u>Fare Equity Analyses</u> CapMetro's Title VI goal is for minority populations and low-income populations to receive at least their share of the benefits in the case of a fare reduction, and no more than their share of the adverse effects, in the case of fare increase.</p> <p>CapMetro will conduct a Fare Equity Analysis under Title VI whenever a Fare Equity Analysis is required, as defined below.</p> <p><i>A Fare Equity Analysis is required for the following:</i></p> <ul style="list-style-type: none"> a. All fare changes, regardless of the amount of increase or decrease, are subject to a Fare Equity Analysis when contemplating a change; or b. For fare changes associated with the opening of a new fixed-guideway capital project, a Fare Equity Analysis must be completed six months prior to the commencement of revenue service. <p><i>A Fare Equity Analysis is not required for the following exceptions:</i></p> <ul style="list-style-type: none"> a. "Ozone Action Days" or other instances when CapMetro has declared that all passengers ride free; b. Temporary fare reductions that are mitigating measures for other actions. For example, a reduced fare for passengers impacted by the temporary closure of a segment of a rail system for construction; or Promotional fare reductions. If a promotional or temporary fare reduction (such as response to emergency) lasts longer than six months, then FTA considers the fare reduction permanent and CapMetro must conduct a fare equity analysis. <p>METHODOLOGY FOR FARE EQUITY ANALYSES Fare equity Analyses will be based on the most recent on-board survey data for fare analyses, and other ridership or on-board data may be used if the most recent on-board survey data is not appropriate for the analysis undertaken.</p> <p>For fare changes, CapMetro shall analyze on-board survey data indicating whether minority and/or low-income riders are disproportionately more likely to use the mode of service, payment type, or payment media that would be subject to the fare change. CapMetro shall:</p> <ul style="list-style-type: none"> 1. Determine the number and percent of users of each fare media being changed; 2. Review fares before the change and after the change. 3. Compare the differences for each particular fare media between minority users and overall users; and 4. Compare the differences for each particular fare media between low-income users and overall users.
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<p>Each analysis will (1) describe the data set used; and (2) describe what techniques or technologies were used to collect the data.</p> <p>Each Title VI Fare Equity Analysis will be presented to the Capital Metro Transit Authority Board of Directors for its consideration and approval. CapMetro will include such board resolution, meeting minutes, or similar documentation and the results will be included in the subsequent Capital Metro Title VI Program Update with a record of action taken by the Board.</p> <p><u>Disparate Impact Policy and Use</u></p> <p>The Disparate Impact Policy establishes a threshold that identifies when the adverse effects of a Major Service Change (defined above) as well as any fare changes, are borne disproportionately by minority populations (defined above), discovered through the conduct of a Service or Fare Equity Analysis. Service and Fare Equity Analyses will compare existing services or fares to the proposed contemplated changes and calculate the absolute change and the percent change experienced by both minority and non-minority populations or riders.</p> <p>For Service and Fare Equity Analyses, a Disparate Impact threshold of 2% will be used to determine if minority riders are more adversely affected or less positively affected by the proposed change.</p> <ul style="list-style-type: none"> • Service or fare changes are determined to have a Disparate Impact on minority populations if the adverse impacts experienced by minority riders is greater than 2% when compared to the adverse impacts experienced by non-minority populations. • Additionally, if benefits associated with service or fare changes accrue to non-minority populations greater than 2% when compared to minority populations, then this change will be determined to have a Disparate Impact. <p>DISPARATE IMPACT MITIGATIONS</p> <p>Should a proposed Major Service Change and/or Fare Change result in a Disparate Impact, CapMetro will consider modifying the proposed change to avoid, minimize, or mitigate the Disparate Impact of the change. If CapMetro finds potential Disparate Impacts and then modifies the proposed changes to avoid, minimize, or mitigate Disparate Impacts, CapMetro will reanalyze the proposed changes in order to determine whether the modifications actually removed the potential Disparate Impacts of the changes.</p> <p>After analyzing proposed mitigations, if a less discriminatory alternative does not exist, CapMetro may implement the proposed change <i>only</i> if:</p> <ul style="list-style-type: none"> • CapMetro has a substantial legitimate justification for the proposed change; and • CapMetro can show that it considered and analyzed alternatives and determined that the alternatives would not have a less disparate impact on minority riders while still accomplishing CapMetro's legitimate program goals. <p>Where disparate impacts are identified, CapMetro will provide a meaningful opportunity for public comment on any proposed mitigation measures, including the less discriminatory alternatives that may be available.</p> <p><u>Disproportionate Burden Policy and Use</u></p> <p>The Disproportionate Burden Policy establishes a threshold that identifies when the adverse effects of a Major Service Change (defined above) as well as any fare changes are borne disproportionately by low-</p>
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	<p>income populations, discovered through the conduct of a Service or Fare Equity Analysis. While low-income populations are not a protected class under Title VI, there is a recognized overlap in environmental justice principles and the FTA requires transit providers to evaluate proposed service and fare changes to determine whether low-income populations will bear a disproportionate burden of the changes.</p> <p>Equity Analysis will compare existing service or fares to the proposed changes and calculate the absolute change as well as the percent change experienced by both low-income and non low-income populations or riders.</p> <p>For Service and Fare Equity Analyses, a Disproportionate Burden threshold of 2% will be used to determine if low-income riders are more adversely affected, or less positively affected, by the proposed change.</p> <ul style="list-style-type: none"> • Service or fare changes are determined to have a Disproportionate Burden on low-income populations if the adverse impacts experienced by low-income riders is greater than 2% when compared to the adverse impacts experienced by non low-income populations. • Additionally, if benefits associated with service or fare changes accrue to non low-income populations is greater than 2% when compared to low-income populations, then this change will be determined to have a Disparate Impact. <p>When completing a low-income service or fare equity analysis, CapMetro shall use the same comparison population (ridership data or population of the service area data) as it used for the minority population service or fare equity analysis.</p> <p>DISPROPORTIONATE BURDEN MITIGATIONS</p> <p>Should a proposed Major Service Change or Fare Change result in a Disproportionate Burden, CapMetro will take steps to avoid, minimize or mitigate impacts when practicable. CapMetro should also describe the alternatives available to low-income riders affected by service changes.</p>
4.0	<p>Definitions</p> <p><u>Adverse Effects/Impacts:</u> Adverse effects/impacts are defined as impacts that may have negative consequences as a result of a contemplated service or fare change. An adverse effect for service changes can be defined as a geographical or temporal reduction in service that includes but is not limited to: elimination of a route, rerouting an existing route, or a decrease in frequency or span of service. For fare changes, an adverse effect can include, but is not limited to: increases in average fare, reduction of discounts for passes or groups of riders, or a reduction in access to discounted fare products such as those that may result from the introduction of new fare payment technology, or other actions. CapMetro will consider the degree of adverse effects, and analyze those effects, when planning Major Service Changes and all fare changes.</p> <p><u>Disparate Impact:</u> A neutral policy or practice that disproportionately affects members of a group identified by race, color, or national origin, where CapMetro's policy or practice lacks a substantial legitimate justification and where there exists one or more alternatives that would serve the same legitimate objectives but with less disproportionate effect on the basis of race, color, or national origin.</p>



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	<p>Disproportionate Burden: A neutral policy or practice that disproportionately affects low-income populations more than non-low-income populations. A finding of disproportionate burden requires CapMetro to evaluate alternatives and mitigate burdens where practicable.</p> <p>Emergency Service Adjustment: Changes to routes, service frequencies, or service spans that may be necessitated by emergency situations (weather or otherwise) or a major catastrophe that severely impairs public health or safety, results in changes in access to public streets or rights-of-way, or restricts the ability to access CapMetro equipment needed to operate service.</p> <p>Environmental Justice: The fair distribution of the benefits and/or the burdens associated with Federal programs, policies, and activities, including recipients of Federal funding such as CapMetro.</p> <p>Equity Analysis: Analysis of proposed service or fare changes to determine if the burdens and benefits are equally distributed between minority and non-minority populations, and low-income and non-low-income populations.</p> <p>Fare Change: An increase or decrease in the riders' fare whether applicable to the entire system, or by mode, or by type of fare product or fare media. All fare changes regardless of the magnitude would require a Fare Equity Analysis, not including exceptions.</p> <p>Fixed-Route: Refers to public transportation service provided in vehicles operated along pre-determined routes according to a fixed schedule.</p> <p>Low-Income population: For purposes of this policy, low-income population is defined as any readily identifiable group of households who are at or below 125% of the United States Department of Health and Human Services Poverty Guidelines.</p> <p>Minority Persons: Persons who self-identify as being non-white under the United States Census Bureau guidelines. This includes American Indian and Alaskan Native, Asian, Black or African American, Hispanic, Latino or LatinX, and Native Hawaiian or Other Pacific Islander.</p> <p>Minority Population: Any readily identifiable group of minority persons who live in geographic proximity and if circumstances warrant, geographically dispersed/transient populations (such as migrant workers of Native Americans) who will be similarly affected.</p> <p>Service Adjustment: Any changes to service, such as reductions or increases to frequency, hours of operation (service span) or routing. Not all service adjustments will be considered Major Service Changes.</p> <p>Title VI: Title VI of the Civil Rights Act of 1964 (codified at 42 U.S.C. §2000D et seq.) prohibits discrimination on the basis of race, color or national origin by programs and activities receiving federal financial assistance.</p>
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**TITLE VI POLICIES: Major Service
Change, Disparate Impact,
Disproportionate Burden
Policy and Procedure
Strategic Planning and
Development
PLN-320**

Effective: June 2021
Revised: May 2024
Approved By: Board of Directors
Next Review: 6/1/2027

5.0	<u>Responsibilities</u> <u>Board of Directors (the Board):</u> Reviews and amends Board-adopted policies as necessary per the Board of Director Bylaws.															
6.0	<u>Revision History</u> <table><tr><th colspan="4">REVISION HISTORY TABLE</th></tr><tr><th>REV LEVEL</th><th>CHANGE(S) MADE BY:</th><th>DATE OF CHANGES:</th><th>SECTIONS IMPACTED – DESCRIPTION OF CHANGES</th></tr><tr><td>1.0</td><td>Board of Directors</td><td>May 20, 2024</td><td>Updated the the Service Equity Analyses process. Formatting changes for clarity.</td></tr></table>				REVISION HISTORY TABLE				REV LEVEL	CHANGE(S) MADE BY:	DATE OF CHANGES:	SECTIONS IMPACTED – DESCRIPTION OF CHANGES	1.0	Board of Directors	May 20, 2024	Updated the the Service Equity Analyses process. Formatting changes for clarity.
REVISION HISTORY TABLE																
REV LEVEL	CHANGE(S) MADE BY:	DATE OF CHANGES:	SECTIONS IMPACTED – DESCRIPTION OF CHANGES													
1.0	Board of Directors	May 20, 2024	Updated the the Service Equity Analyses process. Formatting changes for clarity.													



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2025-1384

Agenda Date: 1/27/2025

Memo: Installation of Updated Fare Collection System - December 19, 2024

To: CapMetro Board of Directors

From: Catherine Walker, EVP, CFO & Risk Officer

CC: Dottie Watkins, Chief Executive Officer, CapMetro
Samantha Baez, EVP & Chief Experience Officer, CapMetro

Date: December 19, 2024

Subject: **Installation of Updated Fare Collection System**

This memo serves as a follow-up to the July 22, 2024, CapMetro Board Meeting to provide an update on the CapMetro fare collection system, including improvements that will be implemented for customers and operators.

Key points included in this memo:

- Fares are **not** changing; the way CapMetro collects fares is changing.
- The current electronic fare system and app (i.e., how fares are collected) will be discontinued March 5, 2025, and must be replaced before then.
- The CapMetro Team is leveraging this opportunity to make the following improvements:
 - **New validators:** New validators are being installed immediately with improved scanning technology, including visual and audio indicators if a customer's fare has been accepted or denied (a feature described as "helpful" by frontline staff and operators).
 - **New and improved apps:** The CapMetro app will be retired and replaced with the Transit and Umo apps. Customers will use Transit to plan their trips and Umo to pay for fares. This is part of an iterative process to reduce the number of customer apps.
 - **Tap to Pay:** Customers will be able to tap to pay with a credit or debit card, Apple Pay and Google Pay.
 - **New reloadable fare card:** New reloadable fare cards will be available and will still have fare capping.
- The digital 31-day and 7-day passes will not be available for purchase through the app and retired over attrition. Customers using the app instead use fare capping to derive the same benefit as the retiring time-based passes.
- The HMIS fare program will be continued, and all customers will be re-issued a new 1-year fare card. CapMetro staff are working closely with service providers to prepare for this process.

Fare System and Validators

Updating our fare collection system now is important because our current system is no longer supported by the current vendor and is being retired on March 5, 2025. There will be numerous changes and improvements as part of the system update.

The entire fixed route bus fleet will receive new validators for use with the fare system. Installation of new validators has been underway since December 2, 2024, and will continue until mid-

February. To avoid extensive revenue loss which could occur during the transition of equipment and software, the teams have designed the installations on buses that can facilitate two validators at a time for testing and continued fare collection on the old system. The rail system will receive new handheld validators, allowing conductors to validate tickets purchased through the app or at the Ticket Vending Machine. Testing is set to begin in late January 2025 to fully vet the system before going live with the entire system.

Mobile App, Tap to Pay, Per-Ride Fares and Retail Network

The current CapMetro app will be retired and replaced with the new UMO app. This does not take away from the new Transit app that was also recently implemented. These two may be used in tandem, allowing our customers to experience both. The future goal is to integrate the two apps for continued improvement in the customer experience and progress towards reducing the number of customer-facing apps.

Another exciting update is the long-awaited ability to pay by tap with debit, credit, Apple Pay and Google Pay. This will include the ability to fare cap (i.e., allowing customers to only pay up to a daily rate) per day. This new feature will save customers money when taking multiple trips per day.

A new reloadable fare card will be available to customers with a streamlined look/brand and usage descriptions to encourage the reuse of physical cards and lower waste. This will also streamline the ordering of cards and facilitate quicker processing of reloading funds. The new reloadable fare card replaces several other fare media (passes) CapMetro currently manages, thereby simplifying the fare payment process and options for customers.

In using a per-ride fare system, a customer will be able to load the amount of money they want to load and ride on a fixed route bus, or train, and pay per ride until they reach the fare cap on a daily or monthly basis. For example, a customer who gets on the bus or rail and rides three or more times in a full day will only pay for two, which is the cost equivalent to a daily pass. Monthly fare capping is reached after 17 full days (at least 2 trips a day) of ridership.

Moving to the per-ride system provides a pathway to retire the 7 and 31-day passes. These passes expire when you do not use the card during the defined time period, however, in the new UMO app the same fare amount can be added to the digital wallet feature or to a reloadable card, eliminating the former “use it or lose it” time-based expiration. These particular changes will be most noticed by the customers who use the web and app to purchase fares. Customers visiting the retail networks to reload money onto their cards will still have the ability to load any amount on the card and/or purchase a preloaded amount.

The retail network – or where customers go to add funds to the digital wallets in person– will be updated as a part of this process. Currently, there are 377 locations in the retail network, including 7-Eleven, Dollar General, CVS Pharmacy, Family Dollar, Pilot Travel Centers, and Walgreens locations. In the new system, there be roughly 315 stores due to Dollar General being removed from the network (it is not available on this network). In the last two years, CapMetro has identified two customers who have reloaded their wallets at Dollar General. Those individuals are being contacted and given information about other locations near the ones they purchased from.

HMIS Fare Program

After the first year of implementation, 54,000 passes have been distributed through the HMIS fare program with roughly a 50% loss rate. As CapMetro switches over to this new technology, the HMIS program will see some refinements as the team makes progress in ensuring that the passes are

being distributed according to the program guidelines. The CapMetro team has stayed in constant contact with service providers on these updates and is offering re-training opportunities to help ensure the program's longevity. Program passes will be updated from a two-year pass to a one-year pass, encouraging recipients of the HMIS fare pass to interact and check-in with their respective support agencies at least once per year—a change that has been supported by the distributing agencies.

In totality, the CapMetro team is in pursuit of these changes to pave the way for easier payments, a lower carbon footprint, operational efficiency gains, an easier-to-use system and importantly – a better customer and operator experience.

Board of Directors

Item #: AI-2024-1313

Agenda Date: 1/27/2025

SUBJECT:

Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with Enterprise Fleet Management, Inc. to lease up to 97 vehicles to support operations for a period of 60 months in a total amount not to exceed \$5,741,129.

FISCAL IMPACT:

Funding for this action is available in the FY2025 Operating Budget.

STRATEGIC PLAN:

Strategic Goal Alignment:

- ☐ 1. Customer ☐ 2. Community
☐ 3. Workforce ☒ 4. Organizational Effectiveness

Strategic Objectives:

- ☐ 1.1 Safe & Reliable Service ☐ 1.2 High Quality Customer Experience ☐ 1.3 Accessible System
☐ 2.1 Support Sustainable Regional Growth ☐ 2.2 Become a Carbon Neutral Agency
☐ 2.3 Responsive to Community and Customer Needs ☐ 2.4 Regional Leader in Transit Planning
☐ 3.1 Diversity of Staff ☐ 3.2 Employer of Choice ☐ 3.3 Expand Highly Skilled Workforce
☒ 4.1 Fiscally Responsible and Transparent ☐ 4.2 Culture of Safety ☒ 4.3 State of Good Repair

EXPLANATION OF STRATEGIC ALIGNMENT: The leasing of vehicles aligns with being fiscally responsible by reducing capital outlay to acquire the vehicles, and aligns with maintaining the fleet in a state of good repair by providing late model vehicles covered by warranty and with predictable life cycles.

BUSINESS CASE: As a result of growth and shifting operating models, additional vehicles are needed which can be acquired through lease agreements, ensuring availability and reliability at market cost.

COMMITTEE RECOMMENDATION: This item will be presented to the full board on January 27, 2025.

EXECUTIVE SUMMARY: In the day-to-day operation of bus, paratransit and rail operations, a fleet of cars, vans, and trucks is used to support the different modes of CapMetro service and operations. CapMetro staff have

assessed the pros and cons of leasing vehicles instead of buying them and found that in many vehicle-needs cases, it is advantageous financially, and from a reliability standpoint, to lease the vehicles. This contract will provide for a 60-month lease agreement for up to 97 support vehicles which will be utilized across the agency for activities like street supervision, safety department activities, bus stop and transit center cleaning, facility maintenance, construction, rail support, operator relief, and administrative activities. The contract includes basic preventative maintenance for the leased vehicles. The leasing of these vehicles will allow for many vehicles which are well beyond their expected life to be retired.

DBE/SBE PARTICIPATION: A 0% SBE goal was assigned to this procurement, which did not include subcontract opportunities and was purchased through a cooperative purchasing agreement.

PROCUREMENT: CapMetro will utilize the Sourcwell cooperative, Contract Number 030122-EFM, held by Enterprise Fleet Management, Inc. for Fleet Management Services, to lease up to 97 cars, trucks, and vans to support operations for a period of 60 months.

Sourcwell awarded contracts are made available for use by CapMetro via Title 7, Intergovernmental Relations Chapter 791, Interlocal Cooperation Contracts and The Texas Interlocal Cooperation Act. Purchases made using Sourcwell contracts satisfy otherwise applicable competitive bidding requirements.

Pricing to lease up to 97 vehicles for a period of 60 months was determined to be fair & reasonable by the Sourcwell organization during its solicitation and award process. The following is the total not to exceed cost to lease up to 97 vehicles for 60 months:

Description	Not to Exceed
Non-Revenue Vehicle (NRV) Fleet Leases (97 NRVs for 60 Months)	\$5,741,129

RESPONSIBLE DEPARTMENT: Bus Operations and Maintenance

**RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS**

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2024-1313

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and CapMetro Management recognize the need to operate a fleet of support vehicles;

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the President & CEO, or her designee, is authorized to finalize and execute a contract with Enterprise Fleet Management, Inc. to lease up to 97 vehicles to support operations for a period of 60 months in a total amount not to exceed \$5,741,129.

**Secretary of the Board
Becki Ross**

Date: _____

Board of Directors

Item #: AI-2025-1375

Agenda Date: 1/27/2025

SUBJECT:

Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract modification for additional funds in the amount of \$200,000 to Jay-Reese Contractors Inc., contract for the construction of Railroad Pedestrian Crossing at East 4th & Sabine Street for a revised total amount not to exceed \$1,684,650.

FISCAL IMPACT:

Funding for this action is available in the FY2025 Capital Budget.

STRATEGIC PLAN:

Strategic Goal Alignment:

- ☒ 1. Customer ☐ 2. Community
☐ 3. Workforce ☐ 4. Organizational Effectiveness

Strategic Objectives:

- ☒ 1.1 Safe & Reliable Service ☒ 1.2 High Quality Customer Experience ☐ 1.3 Accessible System
☐ 2.1 Support Sustainable Regional Growth ☐ 2.2 Become a Carbon Neutral Agency
☐ 2.3 Responsive to Community and Customer Needs ☐ 2.4 Regional Leader in Transit Planning
☐ 3.1 Diversity of Staff ☐ 3.2 Employer of Choice ☐ 3.3 Expand Highly Skilled Workforce
☐ 4.1 Fiscally Responsible and Transparent ☐ 4.2 Culture of Safety ☐ 4.3 State of Good Repair

EXPLANATION OF STRATEGIC ALIGNMENT: Following the construction of the Downtown Station project, a bike and pedestrian grade crossing was designed and constructed at 4th & Sabine. The initial project design did not include railroad gates. However, following the construction of the infrastructure, both the Rail Department and Safety Department identified the need for these gates to enhance safety at the crossing. In response to this request, we are proposing to install the gates as part of the ongoing project.

BUSINESS CASE: During the construction phase, several challenges arose, including numerous changes requested by the City of Austin, incomplete items from the initial project plan, and issues with Austin Energy infrastructure. These challenges, along with various unforeseen circumstances, have led to the need for adjustments in the scope of work and additional resources to ensure the successful completion of the project.

COMMITTEE RECOMMENDATION: This item will be presented to the full board on January 27, 2025.

EXECUTIVE SUMMARY: The requested additional budget aims to cover a variety of unforeseen changes and necessary updates to the project. These adjustments include the incorporation of updated equipment, revisions to existing signal programs, and the allocation of additional level of effort for signal design. The additional funds needed will also accommodate the procurement of extra materials, test support services, updates to Austin Energy infrastructure, changes in field wiring, the implementation of safe crossings, and the relocation of equipment, including signal poles. This request is to ensure the continued success and completion of the project, addressing both anticipated and unanticipated needs.

DBE/SBE PARTICIPATION: This is a modification to the current contract. The SBE goal assigned was 14% and the contractor committed to 14.44%, which will continue to be monitored during the term of the contract.

PROCUREMENT: On December 18, 2023, the CapMetro Board of Directors approved a resolution for the award of a contract to Jay-Reese Contractors, Inc. for the construction of a Railroad Pedestrian Crossing at 4th & Sabine Street in an amount of \$1,291,000.00 plus 15% Contingency, for a total board award of \$1,484,650.00. The project has used most of the previously authorized 15% contingency due to challenges that arose during the construction phase, including numerous changes requested by the City of Austin, incomplete items from the initial project plan, and issues with Austin Energy infrastructure. Therefore, Board of Directors' approval is requested to execute a modification for an additional \$200,000 to incorporate updated equipment, additional revisions, and extra materials needed to complete the project. This would bring the total board authorized amount on this contract to \$1,684,650.00 as follows:

Previous Total Board Authorization Amount	\$1,484,650.00
Additional Funds Requested	\$200,000.00
New Total Board Authorization Amount	\$1,684,650.00

RESPONSIBLE DEPARTMENT: Capital Construction and Engineering Design

**RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS**

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2025-1375

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management endeavor to improve safe crossing experience; and

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management recognize the need to award this additional funding to complete the construction of Railroad Pedestrian Crossing at East 4th & Sabine Street and approve additional funding for Jay-Reese Contractors Inc., construction contract.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the President & CEO, or her designee, is authorized to finalize and execute a contract modification for additional funds in the amount of \$200,000 to Jay-Reese Contractors Inc., contract for the construction of Railroad Pedestrian Crossing at East 4th & Sabine Streets for a total amount not to exceed \$1,684,650.

Date: _____

**Secretary of the Board
Becki Ross**

Board of Directors

Item #: AI-2024-1365

Agenda Date: 1/27/2025

SUBJECT:

Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with CORE Office Interiors to purchase, relocate, deliver, and install furniture for 3100 East 5th Street, Phase I in an amount not to exceed \$450,000.

FISCAL IMPACT:

Funding for this action is available in the FY2025 Capital Budget.

STRATEGIC PLAN:

Strategic Goal Alignment:

- ☐ 1. Customer
- ☐ 2. Community
- ☒ 3. Workforce
- ☐ 4. Organizational Effectiveness

Strategic Objectives:

- ☐ 1.1 Safe & Reliable Service
- ☐ 1.2 High Quality Customer Experience
- ☐ 1.3 Accessible System
- ☐ 2.1 Support Sustainable Regional Growth
- ☐ 2.2 Become a Carbon Neutral Agency
- ☐ 2.3 Responsive to Community and Customer Needs
- ☐ 2.4 Regional Leader in Transit Planning
- ☐ 3.1 Diversity of Staff
- ☒ 3.2 Employer of Choice
- ☐ 3.3 Expand Highly Skilled Workforce
- ☐ 4.1 Fiscally Responsible and Transparent
- ☐ 4.2 Culture of Safety
- ☐ 4.3 State of Good Repair

EXPLANATION OF STRATEGIC ALIGNMENT: Furniture is required to support the renovation of Phase I of the 3100 East 5th Street Administration Facility Project to create an attractive and cohesive workspace utilizing existing furniture where possible and supplementing this with new furniture when required. This furniture solution will be for the Level 3 west renovated interior space and the exterior patio space. The renovated office space will be furnished to create open communications between personnel in a modern and branded atmosphere. Providing this newly renovated and furnished CapMetro space will provide an ergonomic solution that will help attract and retain personnel.

BUSINESS CASE: Furnishing the newly renovated 3100 East 5th Street Level 3 west space will comply with current CapMetro Workplace Standards. Creating this efficient and usable workspace will improve workplace efficacy to better support CapMetro's staff. Funding for this purchase is included in the FY2025 budget.

COMMITTEE RECOMMENDATION: This item will be presented to the full board on January 27, 2025.

EXECUTIVE SUMMARY: To increase efficiency and reliability along with providing a better working environment, the Agency has identified the need to provide new furniture supplemented with existing furniture for the newly renovated 3100 East 5th Street Level 3 west space for Phase I of this remodel project. The furniture will comply with CapMetro's current Workplace Standards. This furniture will be purchased and installed in FY2025 and is budgeted accordingly.

DBE/SBE PARTICIPATION: A 0% SBE goal was assigned to this procurement, which did not include subcontract opportunities.

PROCUREMENT: The contract will utilize the BuyBoard cooperative, Contract Number 667-22 held by CORE Office Interiors for Furniture and Related Services, to purchase, relocate, deliver, and install office furniture for 3100 East 5th Street Level 3 west.

BuyBoard awarded contracts are made available for use by Capital Metro via Title 7, Intergovernmental Relations Chapter 791, Interlocal Cooperation Contracts and The Texas Interlocal Cooperation Act. Purchases made using BuyBoard contracts satisfy otherwise applicable competitive bidding requirements.

Pricing for the purchase, relocation, delivery, and installation of the administrative office furniture at 3100 East 5th Street was determined to be fair and reasonable by the BuyBoard organization during its solicitation and award process. The following is CORE Office Interiors total not to exceed BuyBoard pricing:

DESCRIPTION	NOT TO EXCEED
Purchase, Deliver and Install Furniture at 3100 East 5 th Street Level 3 west (Phase I Remodel Project).	\$450,000.00

The contract is a fixed price contract.

RESPONSIBLE DEPARTMENT: Facilities Programming & Management

**RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS**

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2025-1365

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management endeavor to provide administrative workspace that promotes efficient and effective operations and promotes a culture of communication and efficiency; and

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management recognize the need to purchase, relocate, deliver, and install furniture for 3100 East 5th Street Level 3 west for Phase I of this remodel project.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the President & CEO, or her designee, is authorized to finalize and execute a contract with CORE Office Interiors to purchase, relocate, deliver, and install furniture for 3100 East 5th Street, Phase I in an amount not to exceed \$450,000.

**Secretary of the Board
Becki Ross**

Date: _____



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2025-1373

Agenda Date: 1/27/2025

FY2024 Year End Preliminary Financials



Preliminary Financial Report Fiscal Year 2024

Year to Date September 30, 2024

Major Highlights

Revenue

- Sales tax remittances received YTD September 2024 are 1.7% higher than YTD September 2023 and 1.9% lower than YTD budget

Operating Expenses

- \$404.5 million expended to date, or 94.6% of full-year budget
- Professional services are below budget due to savings/delay of consultation, software, maintenance and professional fees

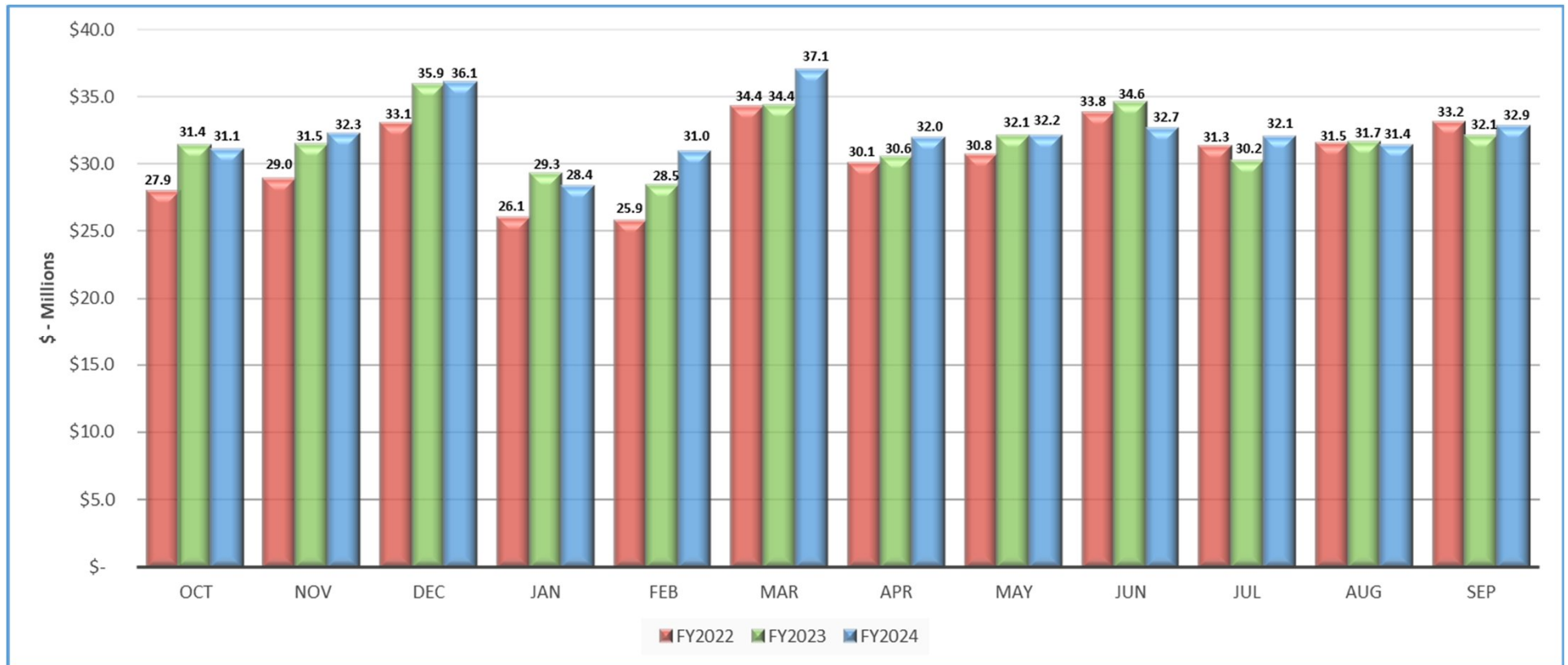
Capital Projects

- FY2024 capital project budget of \$411.0 million
- \$146.7 million expended, or 35.7% of full-year budget
 - CapMetro Rapid Lines, McKalla Red Line Station, Electric Bus Replacements, Bus Electrification Infrastructure, Paratransit Van Replacement, Demand Response South Base, Freight Rail Bridge Replacements, Electric Bus Chargers and Enterprise Resource Planning System
- FY2024 delayed spending and savings of \$264.3 million or 64.3% of full-year budget
 - Bus Garage 3, Green Line Maintenance Facility, Electric Bus Replacements, Electric Bus Chargers, Bus Electrification Infrastructure and CapMetro Rapid Lines

Revenue - Preliminary

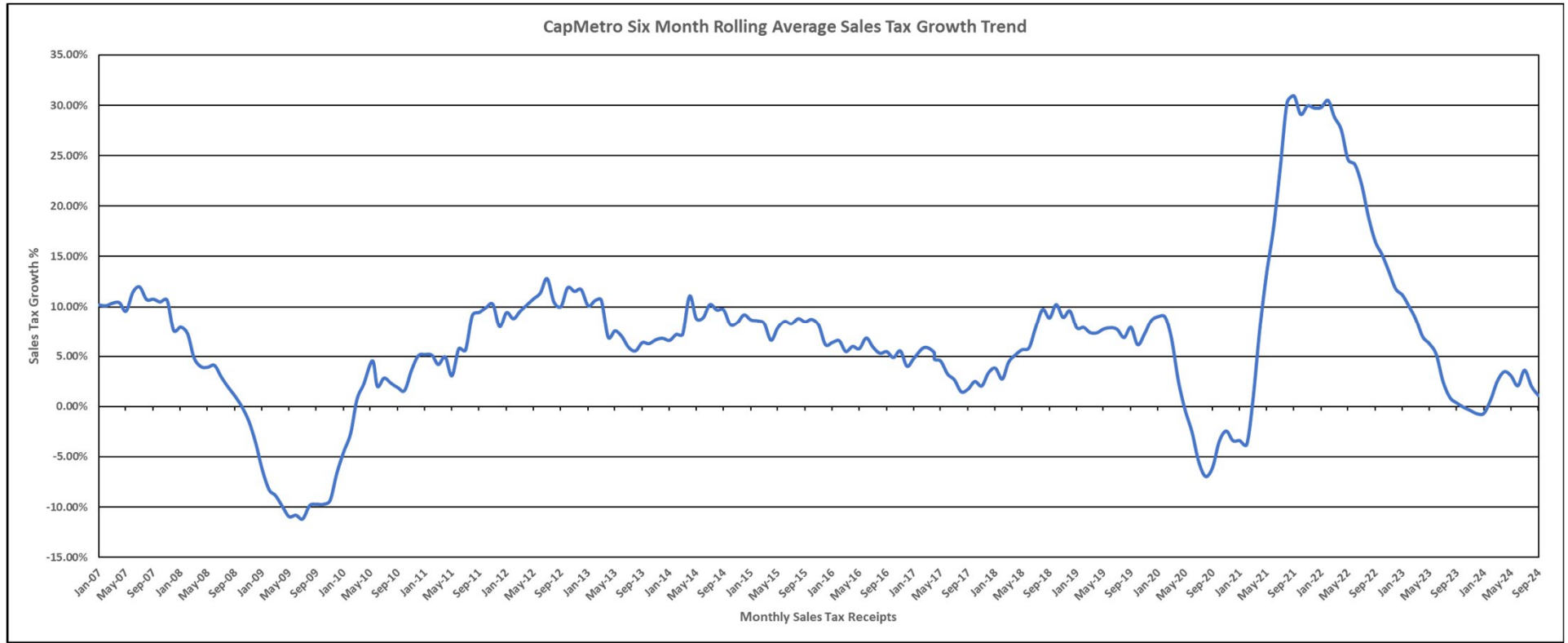
\$' Million Category	FY23 Sep YTD Actual	FY24 Sep YTD Actual	FY24 Full Year Budget	% of Budget	Comments
Sales Tax	\$382.4	\$389.0	\$396.7	98.1%	
Passenger Revenue	18.0	15.8	18.6	85.2%	
Freight Railroad Revenue	6.3	7.1	6.7	105.3%	
Other Revenue	25.8	34.0	6.8	497.4%	Investment income above budgeted projections due to favorable rates
Operating Contributions and Grants	53.6	72.5	91.1	79.5%	CapMetro Rapid delayed revenue service and 5307 draws carried over to FY2025
Capital Contributions and Grants	45.5	68.5	210.7	32.5%	Projects delayed to FY2025
Total	\$531.6	\$586.9	\$730.7	80.3%	

Actual Sales Tax Receipts



Total	\$366.9M	\$382.4M	\$389.0M
YOY % Growth	21.7%	4.2%	1.7%

Sales Tax Rolling Average Trend



Operating Expense – Preliminary

\$' Million Category	FY23 Sep YTD Actual	FY24 Sep YTD Actual	FY24 Full Year Budget	% of Budget	Comments
Salaries and Benefits	\$72.6	\$83.3	\$92.2	90.4%	Vacancy savings and favorable pension expense to budget
Professional Services	45.9	45.9	68.9	66.6%	Savings and delay of consultation, software, maintenance and professional fees
Materials and Supplies	18.2	20.2	17.6	114.8%	Additional maintenance materials expense
Fuel and Fluids	14.2	15.5	15.3	101.3%	
Utilities	4.3	4.5	5.4	81.8%	
Insurance	0.6	1.0	0.7	147.8%	
Purchased Transportation	190.8	226.2	209.1	108.2%	Additional bus operator training and overtime
Lease/Rentals	2.9	3.7	6.2	59.1%	Favorable lease expense to budget due to GASB 87 year-end entry
Other Expenses	3.7	4.3	12.0	35.5%	Savings in contingency
Total	\$353.3	\$404.5	\$427.5	94.6%	

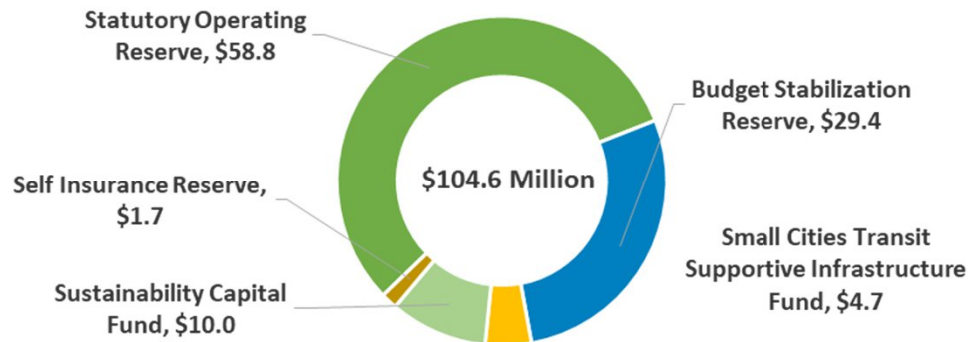
Budget Transfers

Consistent with CapMetro's Financial Policies, there were two budget transfers that cumulatively exceeded \$150,000 to report to the board for the 4th quarter of FY2024.

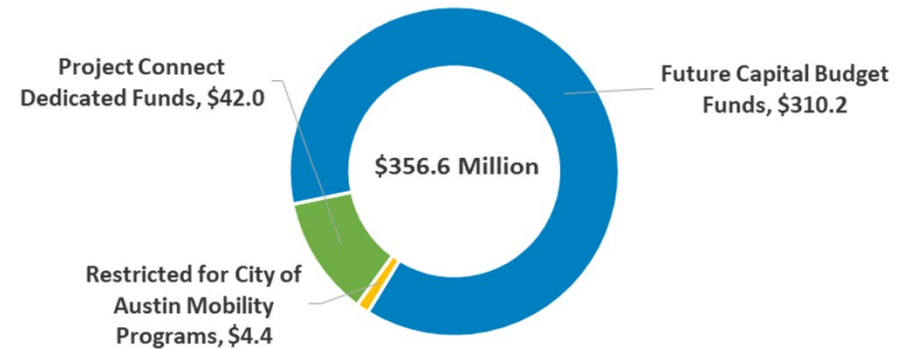
September-24				
Transfer #1				
From:	220-5090702	Operating Contingency	(312,000)	Transferred funds from operating contingency for additional security services through the end of FY2024 for Tech Ridge, 411 E 7th St, 5315 E Ben White & 3100 E 5th St.
To:	141-5030701	Security Services	312,000	
Transfer #2				
From:	615-5080411	Purchased Transportation - Microtransit	(3,250,910)	Transferred operating budget from Microtransit to Paratransit to align funding with actual service levels.
	615-5120801	Lease-Vehicles - Microtransit	(263,004)	
To:	620-5080325	Purchased Transportation - Paratransit	3,513,914	

Reserve, Allocated & Restricted Funds

Reserve Funds



Allocated & Restricted Funds



Notes:

- Additional funding was allocated to the statutory operating and budget stabilization reserves based on the board-approved funding formula. The statutory operating reserve equals 2 months of audited FY2022 operating expenses. Contributions to the budget stabilization reserve began in February 2016 with \$7 million reserved in FY2016 and \$3 million in FY2017. An additional contribution was made in FY2018 to fully fund the budget stabilization reserve. The sustainability capital fund was established in FY2022 with \$10 million to support CapMetro's Sustainability Vision Plan. In March 2022, a regional partnership with small-member cities and a \$10 million Transit Supportive Infrastructure Fund was established. A \$30 million Facility Master Plan Reserve Fund was also established in FY2022 and \$30 million was added in FY2023 as CapMetro addressed one of the largest needs of the agency. This fund was fully utilized in August 2023 to purchase the new headquarters facility for CapMetro.
- Funds for capital investment are required to help address extensive capital needs. The capital budget for FY2024 is \$411 million, with \$200.3 million funded by FY2024 income and \$210.7 million from capital contributions and grants. These capital improvements are needed to maintain the state of good repair of the community's transit infrastructure and to be in compliance with Federal regulations. The FY2024 capital budget also contains CapMetro held contracts of the Project Connect program of projects. The City of Austin Mobility Fund was reduced by \$1.2 million from City projects in FY2023.

Statement of Revenue, Expenses and Change in Net Position – Preliminary

\$' Million	FY24 Sep YTD Actual	FY24 Full Year Budget	% of Budget
<i>Operating Revenue</i>			
Passenger Revenue	\$15.8	\$18.6	85.2%
Freight Railroad Revenue	7.1	6.7	105.3%
Other Revenue	7.5	6.0	126.3%
Total	30.4	31.2	97.3%
<i>Operating Expenses</i>			
Salaries and Benefits	83.3	92.2	90.4%
Professional Services	45.9	68.9	66.6%
Fuel and Fluids	15.5	15.3	101.3%
Utilities	4.5	5.4	81.8%
Purchased Transportation	226.2	209.1	108.2%
Other Expenses	25.5	30.3	84.2%
Lease/Rental	3.7	6.2	59.1%
Depreciation & Amortization	57.9	60.4	95.8%
Total	462.3	487.9	94.8%
<i>Operating Income/Loss</i>	<i>(431.9)</i>	<i>(456.6)</i>	<i>94.6%</i>
<i>Non-Operating Revenue/(Expenses)</i>			
Sales Tax	389.0	396.7	98.1%
Investment Income	25.9	.9	2946.0%
Operating Contributions and Grants	72.5	91.1	79.5%
Capital Contributions and Grants	68.5	210.7	32.5%
Mobility Interlocal Agreements	(3.6)	(12.0)	30.3%
Other	.6	-	0.0%
<i>Non-Operating Income/(Loss)</i>	<i>552.8</i>	<i>687.4</i>	<i>80.4%</i>
Change in Net Position	\$120.9	\$230.8	52.4%

Budget Variances by Department – Preliminary

\$'000 Department	FY23 YTD Actual	FY24 YTD Actual	FY24 YTD Revised Budget	YTD % of Revised Budget	YTD Budget vs. Actual	Comments
100 - Non-Allocated Benefits	\$15,324	\$15,268	\$15,667	97.5%	\$399	Savings from GASB 68 pension valuation, offset by additional health plan expense
102 - Wellness Center	318	443	421	105.1%	(21)	
103 - Child Care Center	1,176	850	1,277	66.5%	428	Child Care Center provider contract restructure
105 - Business Center	344	344	380	90.6%	36	
110 - Executive Staff	1,467	1,474	1,706	86.4%	232	Vacancy and travel-related savings
118 - Government Affairs	915	1,046	1,345	77.7%	299	Vacancy and consultation fees savings
119 - Diversity, Equity, and Inclusion	763	930	1,056	88.1%	125	Consultation fees and advertising savings
120 - Board Of Directors	173	184	219	84.2%	35	
125 - Internal Audit	483	744	789	94.3%	45	Vacancy savings
130 - Organizational Strategy and Projects	1,597	1,707	3,000	56.9%	1,294	Savings from vacancies and consultation expenses postponed to FY2025
140 - Safety	1,725	2,195	2,439	90.0%	245	Vacancy and advertising savings
141 - Public Safety and Emergency Management	6,081	8,300	9,805	84.7%	1,505	APD officer shift savings
142 - Systemwide Accessibility	821	402	737	54.5%	335	Savings in professional services for projects to be completed in FY2025
143 - Transit Police	0	801	1,047	76.5%	246	Vacancy and supply savings due to timing of ramping up of the department
150 - Legal	1,580	1,417	1,715	82.6%	298	Vacancy and legal services savings
220 - Finance	6,197	6,996	11,251	62.2%	4,255	Unspent contingency and professional services savings
230 - Information Technology	21,768	20,877	27,829	75.0%	6,952	Savings and timing of computer software, hardware and telephone expenses
250 - Procurement	2,547	2,640	2,666	99.0%	26	
275 - Vanpool	2,066	2,647	2,609	101.4%	(38)	
320 - Strategic Planning and Development	6,033	5,846	9,020	64.8%	3,174	Savings or delay in Orange & Blue ETOD, Long Range Service Plans, Grant Preparation and Rail Ops Modeling
330 - Marketing and Communications	5,362	5,926	7,473	79.3%	1,547	Savings or delay in special events, website upgrade, value of transit, services changes and customer satisfaction survey
331 - Community Engagement	1,287	1,523	1,835	83.0%	312	Savings from temporary help, professional fees and special events
332 - Customer Care	1,084	1,308	1,255	104.2%	(53)	Staff overtime pay
340 - People and Culture	6,248	5,320	6,147	86.5%	827	Professional services and recognition programs savings
457 - Facilities Maintenance	6,295	4,851	6,872	70.6%	2,021	Custodial services recorded in Bus Operations department
530 - Capital Design and Construction	2,135	3,112	3,164	98.4%	52	
531 - Capital Construction, Engineering and Desi	0	305	1,072	28.5%	767	Savings in consulting fees for projects to be completed in FY2025
532 - Power Systems	0	536	2,012	26.7%	1,476	Savings in consulting fees for projects to be completed in FY2025
533 - Rolling Stock and Support Equipment	0	525	419	125.3%	(106)	
534 - Systems Engineering and Design	0	299	359	83.3%	60	Savings from delay of police radio system study
540 - Facility Programming and Management	6,451	3,067	8,292	37.0%	5,225	Professional services and building maintenance expense recorded in Bus Operations department

Budget Variances by Department – Preliminary (continued)

\$'000 Department	FY23 YTD Actual	FY24 YTD Actual	FY24 YTD Revised Budget	YTD % of Revised Budget	YTD Budget vs. Actual	Comments
542 - Freight Rail Management	1,767	2,360	2,164	109.1%	(196)	Number of cars moved 16% higher than budget, offset by higher than budgeted revenue
544 - Commuter Rail Operations	23,747	24,560	29,332	83.7%	4,771	Purchased transportation savings from 22% fewer hours to budget
550 - Real Estate and Facility Planning	2,516	2,594	5,493	47.2%	2,899	Unbudgeted GASB 87 reporting entry deferring lease expense
600 - Bus Operations and Maintenance	173,452	208,579	177,391	117.6%	(31,188)	Higher purchased transportation due to operator training and overtime and additional maintenance material expense
615 - Microtransit	6,349	8,708	8,585	101.4%	(123)	Additional vehicle lease expense
616 - Bikeshare	978	1,644	1,554	105.8%	(90)	
620 - Demand Response Oversight	40,453	44,338	46,881	94.6%	2,542	Purchased transportation savings from 6.3% fewer hours
640 - Demand Response Control and Call Center	2,376	2,683	2,641	101.6%	(41)	Additional overtime expense
650 - Paratransit Eligibility	1,170	1,315	1,381	95.2%	66	
920 - Project Connect	(1,306)	5,786	18,151	31.9%	12,365	Delay of CapMetro Rapid Expo and Pleasant Valley lines revenue service
940 - Project Connect Integration	1,515	0	0	0.0%	0	
Total	353,258	404,451	427,453	94.6%	23,003	

Capital Projects Summary – Preliminary

\$'000 Project Category	Expended	Original Budget	Revised Budget	Expended as % of Revised Budget	Comments
Commuter Rail	\$2,790	\$7,750	\$8,762	31.8%	SOG for Rail Grade Crossings and Domain Area Quiet Zone
Vehicles	24,014	68,408	72,030	33.3%	Electric Bus Replacements and Paratransit Van Replacements
Information Technology	14,935	15,316	20,512	72.8%	Enterprise Resource Planning System and Bikeshare Software and Hardware Licensing
Facilities	13,867	58,368	55,495	25.0%	Bus Electrification Infrastructure and Bus Stop Improvements
Freight Railroad	4,018	5,315	5,315	75.6%	Bridge Replacement
Property & Asset Management	9,625	37,155	28,837	33.4%	Demand Response Operations & Maintenance Facility and Transit Police Station
Contingency	0	5,000	81,971	0.0%	Bus Garage 3 and Green Line Maintenance Facility returned to contingency
Project Connect	77,071	211,638	136,028	56.7%	CapMetro Rapid Lines and Demand Response South Base Land Purchase
Security	337	2,001	2,001	16.8%	Camera Replacements and Enhancements
Total	\$146,656	\$410,951	\$410,951	35.7%	

CapMetro

Thank you!



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2024-1316

Agenda Date: 1/27/2025

FY2025 Long Range Financial Plan Update



Long-Range Financial Plan

Fiscal Years 2025 to 2034

Board of Directors 1/27/25

Objectives

- Board approved long-range financial plan policy in 2022
- Align financial capacity with long-term service objectives
- Identify and analyze financial challenges to fiscal stability
- Develop comprehensive long-range forecast
- Evaluate ability to fund:
 - Current and expanded needs
 - Reserve requirements
 - Debt financing

Benefits of a Long-Range Plan Model



Builds a fiscally sound agency



Awareness of options, barriers and opportunities



Improves long-term financial sustainability

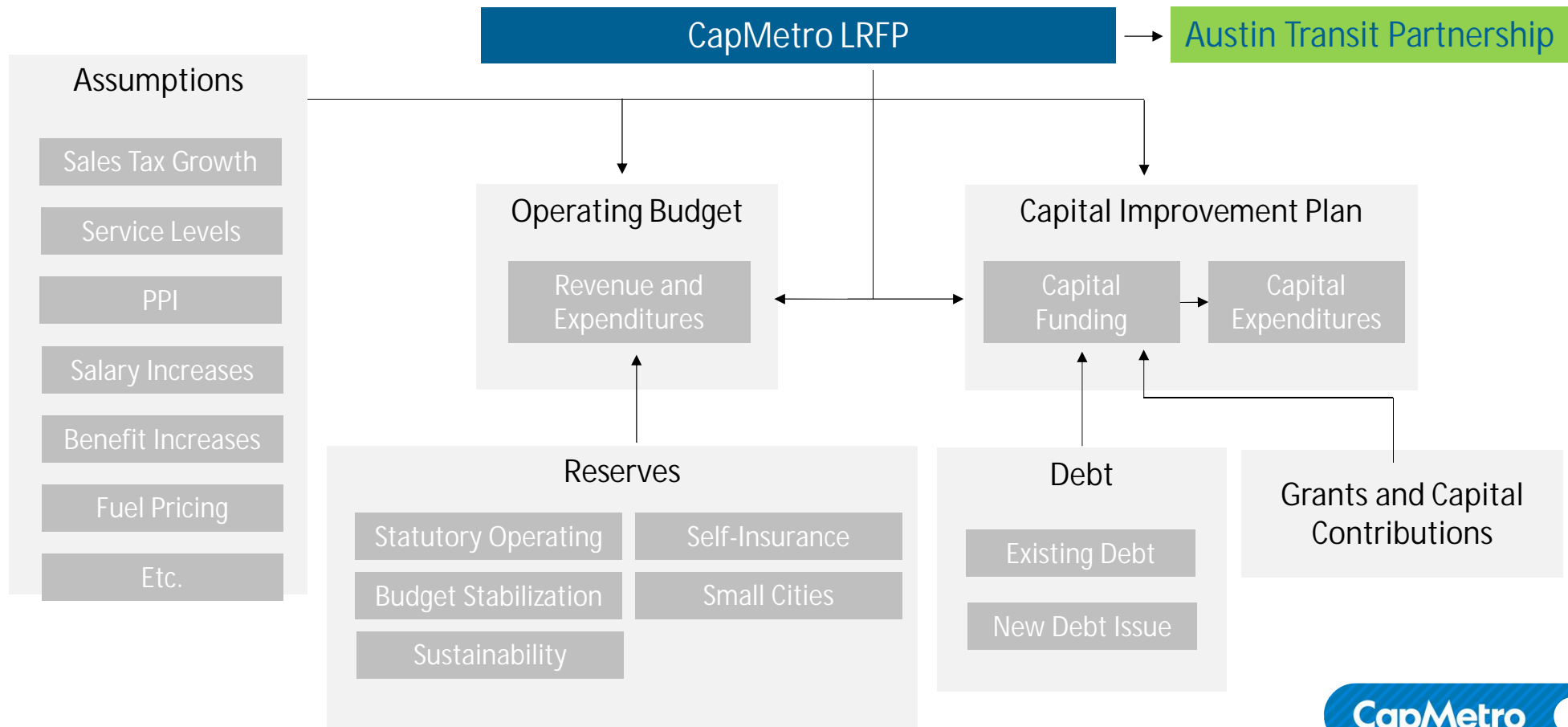


Balances competing demands



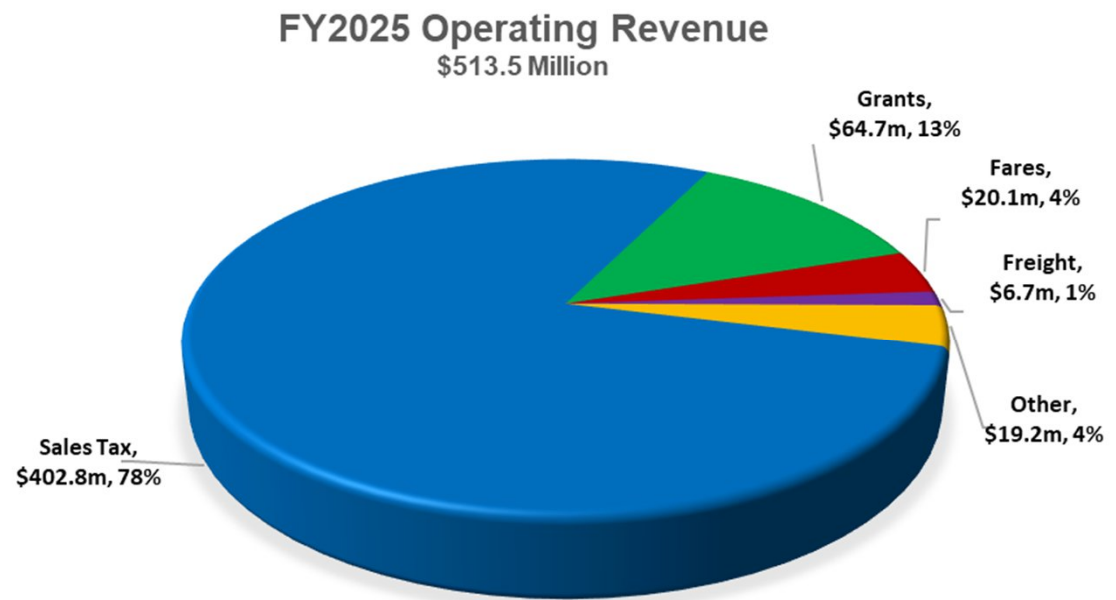
Assesses financial implications of decisions and priorities

Long-Range Financial Plan Model

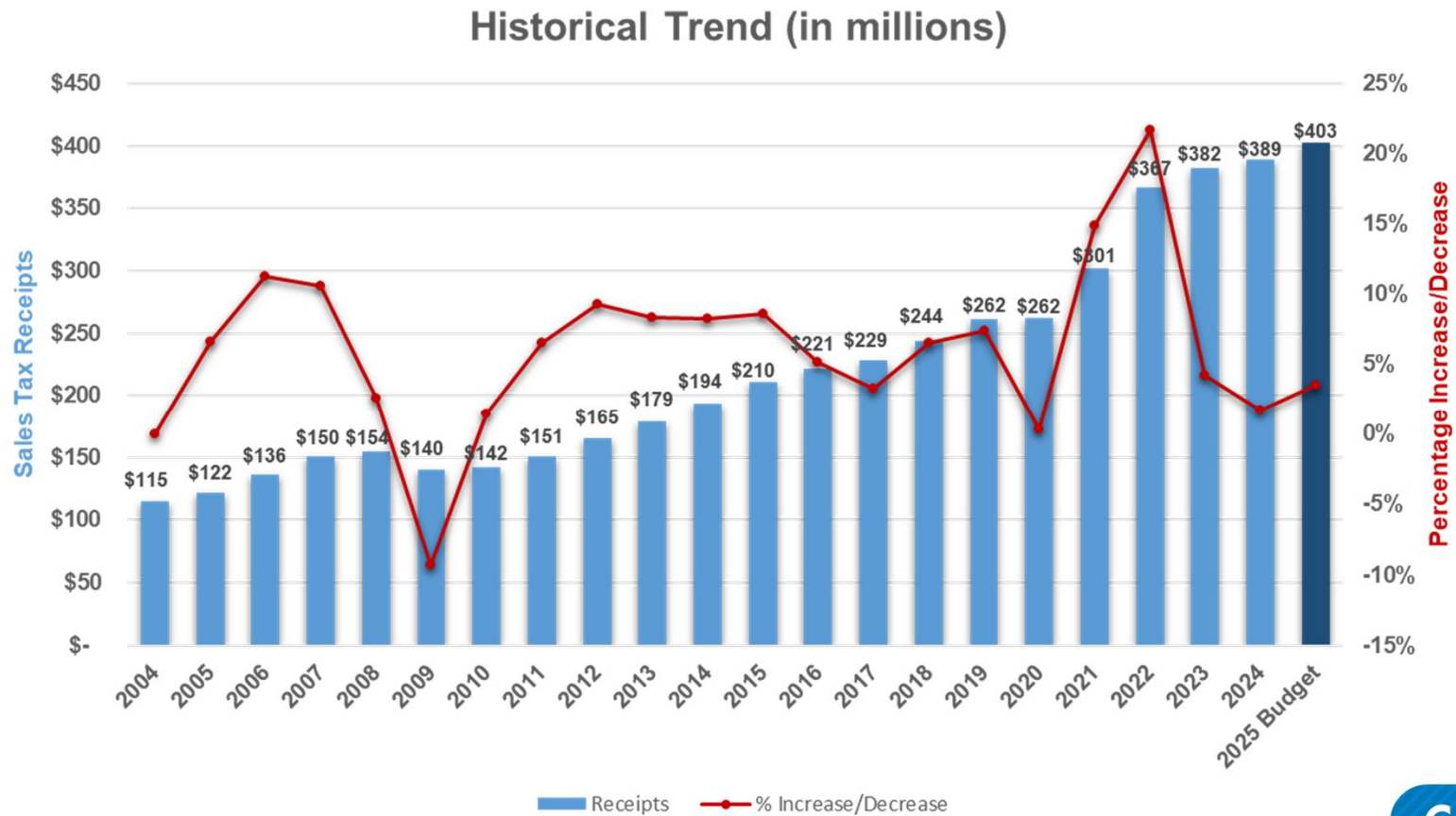


FY2025 Budgeted Operating Revenue

- Sales tax: 1% growth = \$4.0m
 - Sales tax = 78% of revenue
 - Grants and fare revenue - limited growth in short term
- Long-term projections:
 - Sales tax growth of 3.5%
 - Total revenue growth of 3.2%
 - Total operating and capital expense growth constrained to 3.2%

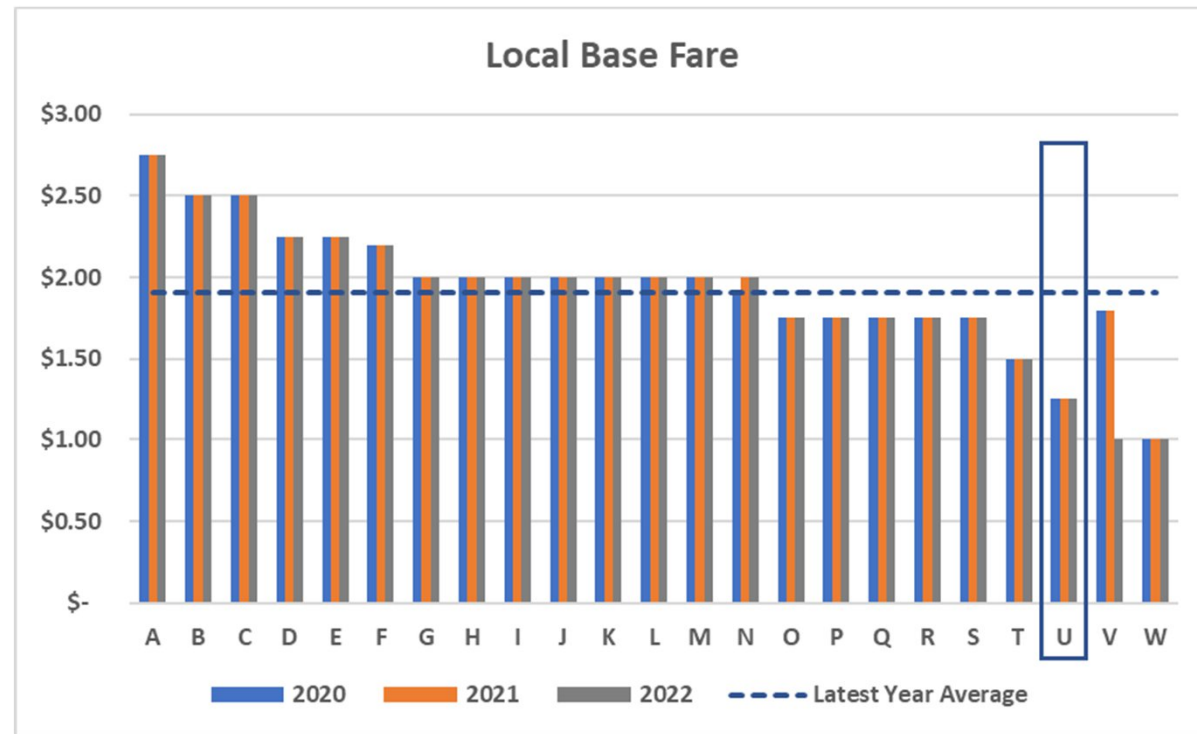


Sales Tax History



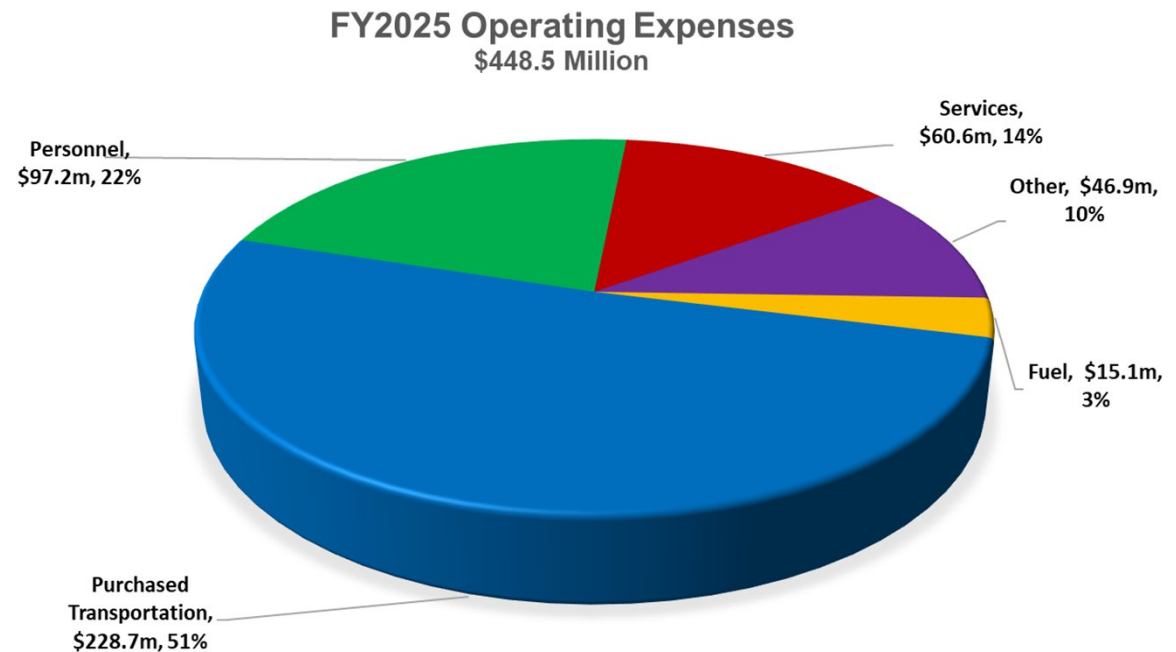
Fare Revenue

- Low fare structure compared to peer agencies
 - 3rd lowest local fare of 23 peers
 - Lowest for weekly and monthly passes
 - Fare recovery of 5.3% in FY2022
- American Bus Benchmarking Group
 - Consortium of mid-sized North American bus agencies
 - Established in 2011 to benchmark performance and share best practices



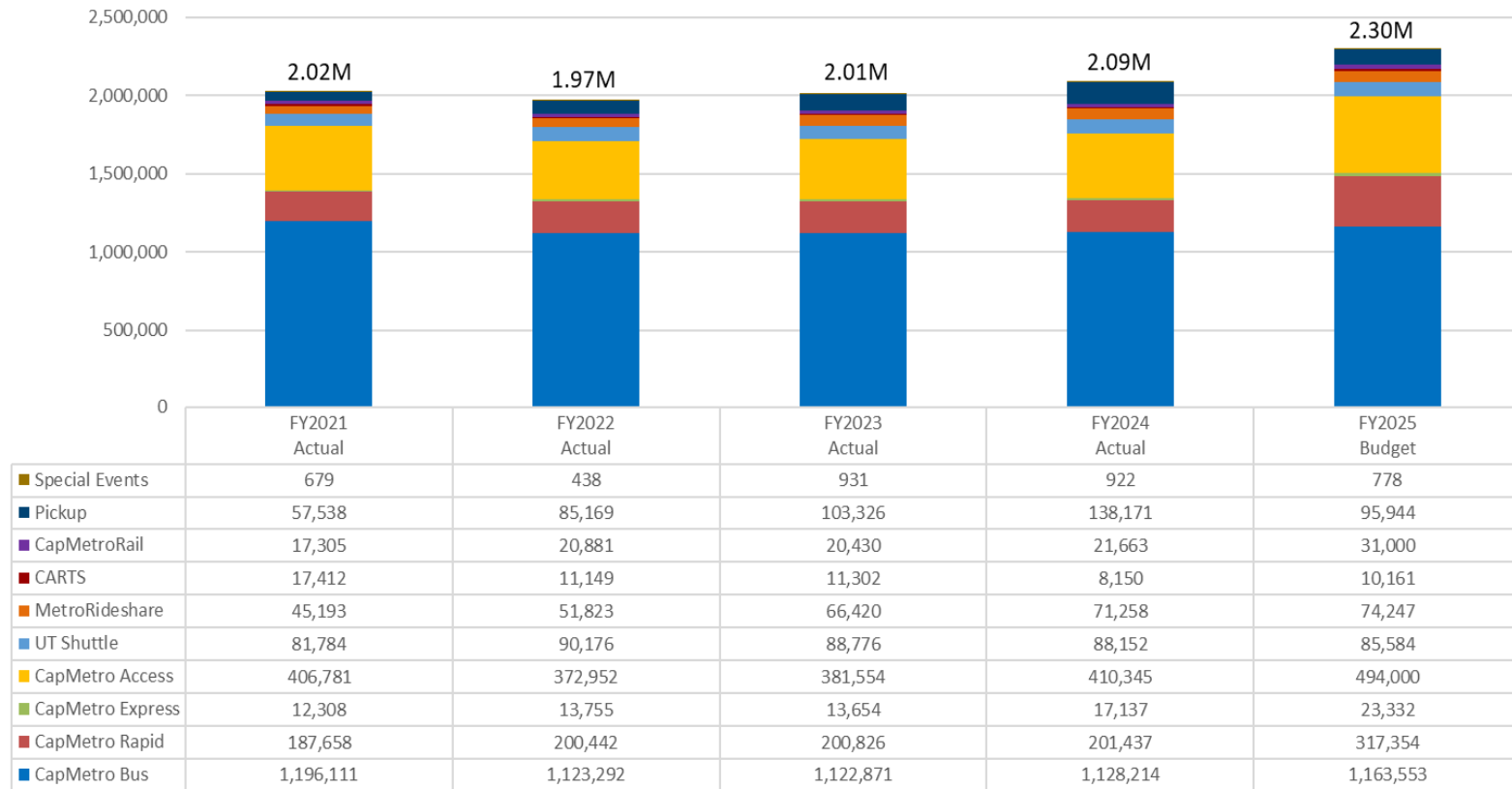
FY2025 Budgeted Operating Expenses

- Major expense categories:
 - Purchased transportation
Pass through + Fixed fee
 - Wages
FTE x Rate (increases)
 - Benefits
Health and pension increases
 - Services
Control spending



Service Levels

Vehicle Hours



A man with a grey beard and mustache, smiling, is sitting on a concrete ledge. He is wearing a dark blue polo shirt with the CapMetro logo on the left chest. In the background, a white bus is visible with the text "A METROBUS 2608" and "CAPITAL METRO" on its side. The entire image has a blue tint.

CapMetro

LONG-RANGE MODEL

Long-Range Financial Plan Model Scenarios

FY2025 Budget & 5 Year CIP

Long-Range Financial Plan

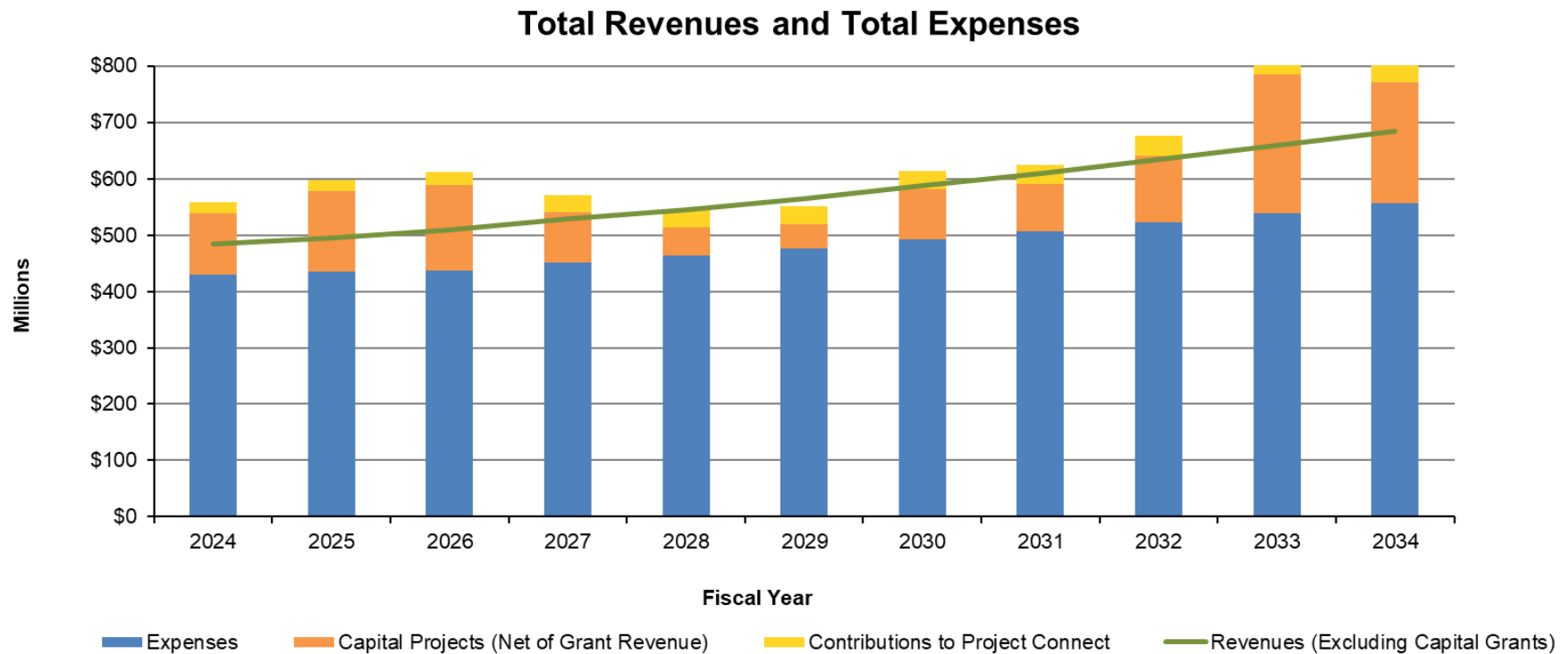
Scenario 1: Higher Sustained Sales Tax Growth

Long-Range Financial Plan Model Scenario

Assumptions	Years 1-5 FY25-29	Years 6-10 FY30-34
Revenues		
Fare growth	11% FY25, 2% FY26-29	2%
Sales tax growth	3% FY25, 3.5% FY26-29	3.5%
Operating grants	2%	2%
Expenses		
Service costs	3%	
Fuel rates	(5%) FY25, then 2%	
FTE growth	1%	
Wage growth	3%	
Other expenses	3%	

- 3.5% long-term sales tax growth
- 11% fare growth in FY25, then 2% future growth
- Contracted rates and future assumptions
- FY2025 Operating Budget and 10-year CIP is baseline

Proposed Long-Range Financial Plan – 10 Years



Long-Range Financial Plan - Financials

Dollars in Millions

	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034
Cash & Investments Beginning Balance	\$395	\$291	\$186	\$138	\$128	\$127	\$83	\$46	(\$23)	(\$216)
Revenues (Excluding Capital Grant Revenue)	495	507	523	535	552	570	588	607	627	648
Operating Expenses	(430)	(432)	(446)	(460)	(474)	(488)	(503)	(519)	(535)	(552)
Interlocal Agreements	(5)	(5)	(6)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
Cash Flow available for CIP	60	70	71	72	74	77	81	85	88	91
Capital Projects	(230)	(191)	(138)	(105)	(65)	(217)	(106)	(138)	(331)	(290)
Capital Grant Revenue	88	38	48	54	23	128	21	19	86	74
Capital - Self funded	(142)	(153)	(90)	(51)	(43)	(89)	(84)	(119)	(245)	(215)
Contribution to Project Connect Sequence Plan	(21)	(22)	(30)	(31)	(32)	(33)	(34)	(35)	(36)	(37)
Annual Cash Flow	(103)	(105)	(48)	(10)	(0)	(44)	(37)	(69)	(193)	(161)
Cash & Investments Ending Balance	291	186	138	128	127	83	46	(23)	(216)	(377)
Commitments & Reserve Requirements	151	143	138	134	132	131	130	134	138	143
Cash Balance/(Shortage) 3.5% Growth	\$140	\$44	\$0	(\$6)	(\$5)	(\$48)	(\$84)	(\$157)	(\$354)	(\$519)
Cash Balance/(Shortage) 4.25% Growth	\$140	\$47	\$9	\$13	\$27	\$2	(\$12)	(\$58)	(\$224)	(\$352)

Align spending with forecasted sales tax growth
Less constraint with higher sustained sales tax growth



CapMetro

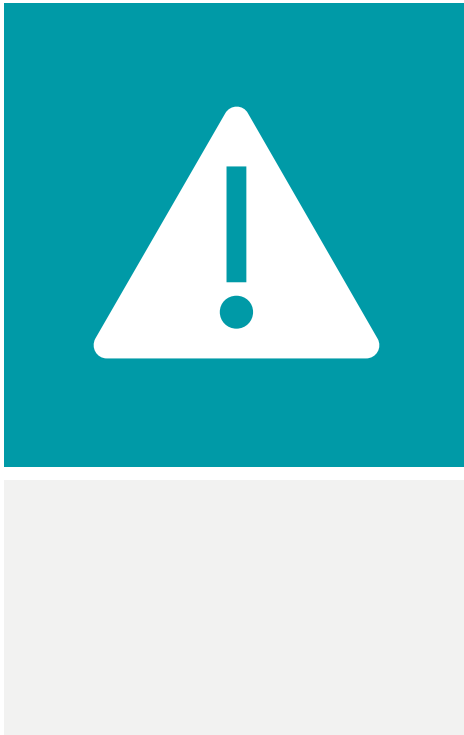
SUMMARY

Changes in Long-Range Financial Plan



- More moderate sales tax growth in FY2025 with a 3.5% future long-term growth assumption due to slowing sales tax receipts
- Continued zero-emission fleet transition and associated infrastructure
- Significant future facility needs for 3rd bus garage, north and south demand response facilities and administration headquarters build-out
- MetroBike station and fleet expansion and upgrade

Risks to Long-Range Financial Plan



- Slower sales tax growth than modeled
- Changes to Federal grant funding programs
- Unforeseen regulatory or capital needs
- Future contracted rates with service providers
- Significant inflation or future recession
- Compensation and benefit plan increases
- Slower ridership return than assumed
- Unforeseen technological changes

Conclusions and Recommendations



- Continue to monitor and quickly respond to economic developments
- Potential revenue uncertainty
- Align costs with revenue growth
- One-time, accumulated funding available for capital investments
 - Future capital requires funding from income
- Maintain a minimum of \$70 Million in annual cash flow for FTA-required State of Good Repair

CapMetro

Thank you!



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2024-1347

Agenda Date: 1/27/2025

CapMetro Long Range Vision Engagement



Five-Year Strategic Plan

Project Update

January 27, 2025



About the Five-Year Strategic Plan

CapMetro

What is the Five-Year Strategic Plan?



Provide CapMetro organizational **strategic direction** over the next five years.



Identify and align actions, plans, programs, and services to carry out **the agency's mission**.



Effectively communicate the agency's vision and goals for the future both internally and externally.

Plan Components & Terminology



Timeline and Progress



Purpose

Gain a comprehensive understanding of where the agency is today.

Approach



Review of
existing
agency plans



Review of
agency-
provided data



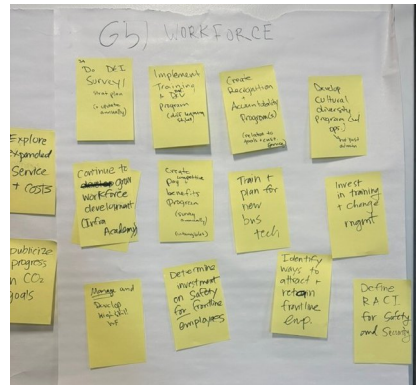
Desktop
research



Interviews (31)
and focus
groups (two
with eight
organizations)

Workshop with Leadership and Departmental Meetings (12)

- Held in mid-December.
- Results
 - Communicated the project purpose.
 - Communicated emerging findings from interviews (31) and focus groups (2) and data analysis and research.
 - Gained understanding of challenges and barriers.
 - Solicited action ideas to address the emerging findings.



Emerging Five-Year Opportunities

- Build on existing strengths including a highly capable workforce and strong regional relationships.
- Address safety, security, and service reliability challenges to enhance customer satisfaction and workforce safety.
- Ensure key agency priorities are well understood internally and externally.
- Ensure technology strategy informs agency investments.
- Continue to pursue opportunities to ensure the long-term financial stability of the agency.
- Lead the development of regional transit solutions.



Next Steps

Next Steps

- Workshop with staff leadership in February to review draft actions.
- Next Board Update on March 24.
- Finalize Plan by end of April.
- Implementation and Roll-Out Strategy by end of May.



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2024-1367

Agenda Date: 1/27/2025

President and CEO Monthly Update - January 2025



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2025-1383

Agenda Date: 1/27/2025

Memo: CapMetro Quadrennial Performance Review (2025) (January 14, 2025)

To: CapMetro Board of Directors
From: Dottie Watkins, CapMetro President & CEO
Date: January 14, 2025
Re: CapMetro Quadrennial Performance Review (2025)

Executive Summary

CapMetro is subject to a quadrennial performance review in accordance with state law and recently completed this process with a Quadrennial Performance Report for the period of Fiscal Year 2020 through Fiscal Year 2023 (October 1, 2019 – September 31, 2023). The report, attached, outlines one finding and eight recommendations to CapMetro management that represent opportunities to ensure compliance with state law, and refine business processes to enhance performance and business controls.

Ultimately, the process found that

- CapMetro met Chapter 451 requirements for performance indicators;
- CapMetro had one instance of potential non-compliance with respect to the requirements of Chapter 451 of the Texas Transportation Code, as the Agency was unable to produce specific documentation showing delivery of the Quadrennial Performance Report; and
- CapMetro generally operated in an efficient and effective manner despite challenges related to the COVID-19 pandemic and impact of workforce changes in the transit environment.

CapMetro leadership views the quadrennial as an opportunity to review our agency with a fresh, external perspective to highlight things we are too close to see, and to benchmark us against our peers. Staff looks forward to the successful implementation of recommendations identified in the report.

Background

Section 451.454 of the Texas Transportation Code mandates quadrennial performance audits of Texas transit agencies for municipalities with populations of more than 1.9 million.

In September 2024, the CapMetro Board authorized a contract with Weaver and Tidwell, L.L.P. for Quadrennial Performance Audit services (Resolution AI-2024-1200). Upon notice to proceed, the consultant group began working with CapMetro's internal audit team and CapMetro leadership to collect documentation in accordance with the quadrennial's three tasks:

- Task 1: Collection and compilation of base statistics and measurement of specified state-mandated performance indicators
- Task 2: Compliance with applicable state law from Chapter 451 of the Texas Transportation Code and other applicable state laws
- Task 3: Performance in one of three areas (i.e. administration and management, transit operations, or system maintenance): Each functional area must be addressed once every

three audit cycles. The focus of the functional review for this audit was pre-selected by CapMetro to include the administration and management of the authority.

CapMetro management worked to provide appropriate documentation, such as policies and procedures, contracts, website pages and references, and more, to demonstrate compliance with state law or document how CapMetro exercises administrative authority to deliver the agency mission effectively through performance management and oversight.

The final report is required to be delivered to various state officials and agencies, in accordance with Chapter 451 of the Texas Transportation Code.

2025 Quadrennial Performance Results

Task 1 – Performance Indicator Review

This quadrennial performance audit evaluated a variety of performance indicators for the period October 1, 2019 to September 30, 2023 (FY 2020 – FY 2023). It's critical to note that the review period included both the onset and multi-year recovery period of the COVID-19 pandemic, which significantly impacted performance of the transit industry as a whole, not just CapMetro. Further, CapMetro collects a variety of performance indicators in accordance with both state and federal law which can have different reporting requirements and definitions for indicators.

Task 1 found that “CapMetro appropriately calculates and reports the nine key performance indicators required by Texas Transportation Code”. Additionally, the report acknowledged that, though CapMetro’s cost effectiveness declined during the review period this is largely due to steps CapMetro took to mitigate issues impacting service reliability (such as increasing wage rates within service provider contracts) and cost escalations associated with the pandemic (such as the increase in the price of parts).

There were no findings and two recommendations for management for Task 1. The recommendations (recommendations 1 and 2) include two separate efforts to ensure appropriate monitoring and mitigation related to service reliability and cost effectiveness, which CapMetro Management generally agrees with and is already committed to doing on an ongoing basis. Further, following the conclusion of the review period (September 31, 2023), CapMetro has taken a variety of steps to take more ownership of transit performance by bringing certain functions into CapMetro, and removing them from the service provider contracts. Doing so ensures CapMetro has direct control over service reliability and more opportunities to thoughtfully identify and implement efficiency improvements.

Task 2 – Chapter 451 Compliance Review

Task 2 works to review and ensure compliance with Texas Transportation Code Section 451, Texas Government Code, Texas Property Code, Texas Health and Services Code, and Texas Penal Code, including a point-by-point review of the law’s applicability to CapMetro, and any documentation that CapMetro provides to demonstrate compliance.

Task 2 found that “CapMetro overall meets applicable requirements identified”. However, there was also one finding (Finding 1) where CapMetro was not able to demonstrate compliance with Quadrennial Performance Report reporting requirements outlined in Texas Transportation Code §

451.457. In short, CapMetro feels confident that the 2016-2019 Quadrennial Performance Report was provided to officials in accordance with state law, as evidenced by the fact that the quadrennial is publicly posted on the state comptroller's website, but was unable to produce documentation, such as a courier receipt or email, demonstrating that all outlined recipients received a copy of the report in accordance with the law. CapMetro has already taken steps to ensure documents are maintained demonstrating delivery of future Quadrennial reports.

Additionally, there were two recommendations related to Task 2 (Recommendations 3 and 4). Both relate to publications on CapMetro's website that will enhance transparency and awareness for customers. CapMetro has already begun the process of updating the website and anticipates having these recommendations implemented by the end of January 2025.

Task 3 - Administration and Management of the Authority

Task 3 broadly reviews administration and management of the organization to ensure efficiency, compliance with state law and best practices. To enhance the ability of the review to look deeply into this area, it was focused on those departments most closely tied to delivery of our mission, including, bus, demand response, rail and safety and security.

Task 3 found that "CapMetro had adequate staffing levels, effective department functionality, and appropriate cost elements" for the departments in the review. The review identified no findings and four management recommendations (Recommendations 5, 6, 7 and 8) related to the administration of the Agency.

First, Recommendation 5 identified an opportunity to double-down on steps CapMetro has already begun to establish a comprehensive framework for contracts and contract monitoring. While CapMetro does have performance measures, budget to actual financial data, etc., within our contracts, the recommendation appropriately identifies an opportunity to provide more structure to how these elements are monitored more universally across contracts. CapMetro anticipates completing this framework by this summer.

Recommendation 6 identified an opportunity for CapMetro to add structure to departmental procedures. CapMetro has a robust and centralized approach to agency policies, including review schedules, templates, etc., but does not have a similar mechanism for procedures. While having individual business units develop and own procedures is appropriate, CapMetro management agrees that providing general guidance to departments can help ensure they are regularly reviewed, centrally posted for reference by all in the organization, and more. CapMetro anticipates establishing this guidance by December 31, 2025.

Recommendation 7 suggests a continuation of efforts to review the effectiveness of integrating operations-focused positions into CapMetro, and removing these functions from service provider contracts. This review would identify the satisfaction of employees who transitioned, the impact on KPIs of this change, efficiency gains, etc. CapMetro continues to assess the successes and opportunities of the transition in its fixed route operating model in 2022. For example, CapMetro has recently made adjustments to some of the positions included in the initial changes, realigning Bus Inspectors and Road Supervisors to increase efficiency and performance. Further, CapMetro used lessons learned from the initial changes in 2022 with Keolis for bus operations to better inform the scope and procurement of the demand response contract, which was awarded to MTM in

2024. This is an ongoing process and CapMetro intends to continue incorporating lessons learned into future service provider contract procurement processes.

Finally, Recommendation 8 suggests CapMetro could further enhance professional development for employees. CapMetro did offer defined professional development for employees during the review period and continues to enhance our development programs alongside all People & Culture offerings.

Attached:

- Quadrennial Performance Report (CapMetro's Detailed Management Response on pg. 107)

Capital Metropolitan Transportation Authority

FY 2020–2023 Quadrennial Performance Audit Report

Report Date: January 7, 2025

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Capital Metropolitan Transportation Authority

FY 2020–2023 Quadrennial Performance Audit Report

Report Date: January 7, 2025

Background

Section 451.454 of the Texas Transportation Code mandates quadrennial performance audits of Texas transit agencies for municipalities with populations of more than 1.9 million. The purpose of the performance audit is to provide evaluative information necessary for state and local officials to perform oversight functions and to provide useful information to the transit agency for improving efficiency and effectiveness of its operations.

To meet this requirement, Capital Metropolitan Transportation Authority (CapMetro) engaged Weaver and Tidwell, LLP and the Goodman Corporation, LLP to perform the FY 2020 – 2023 performance audit. As part of the scope of work identified by CapMetro, the performance audit assessed the following:

- Collection and compilation of base statistics and measurement of specified state- mandated performance indicators **(Task 1)**
- Compliance with applicable state law from Chapter 451 of the Texas Transportation Code and other applicable state laws **(Task 2)**
- Performance in one of three areas (i.e. administration and management, transit operations, or system maintenance): Each functional area must be addressed once every three audit cycles **(Task 3)**. The focus of the functional review for this audit was pre-selected by CapMetro to include the administration and management of the authority.

This report presents the results of the audit of CapMetro’s compliance with the requirements identified in Chapter 451.454 of the Texas Transportation Code for the quadrennial period of October 1, 2019 through September 30, 2023 for Fiscal Years (FY) 2020, 2021, 2022, and 2023.

Executive Summary and Results

Based on the procedures performed for each task, we found that CapMetro (1) met Chapter 451 requirements for performance indicators (PI) (2) had one instance of non-compliance with respect to the requirements of Chapter 451 of the Texas Transportation Code, and (3) generally operated in an efficient and effective manner despite challenges related to the COVID-19 pandemic and impact of workforce changes in the transit environment. Areas within CapMetro to improve internal control design and effectiveness along with instances of non-compliance that are considered findings are required to be reported with associated management responses and action plans. Recommendations for management were also provided to enhance the internal controls, processes, procedures, efficiency and effectiveness of existing operations and management of the Authority. These recommendations to management are not findings and are therefore not required to be reported with associated management responses and action plans, but are included in this report for management consideration.

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The following are the summary results for each task included within the Quadrennial Performance Audit:

Task 1 – Performance Indicator Review identified that CapMetro appropriately calculates and reports the nine key performance indicators required by Texas Transportation Code Section 451.454. Over the quadrennial performance audit scope period, CapMetro's cost effectiveness declined, evidenced by falling fare recovery rates and reduced average vehicle occupancy. CapMetro asserted cost effectiveness has declined due to efforts to improve service delivery by adopting new wage and benefit rates for frontline employees, which resulted in escalating costs. Additionally, CapMetro experienced increased collisions per 100,000 miles, reduced miles between road calls, and deteriorating cost efficiency as operating costs per hour and per mile surged. Therefore, recommendations for improvement were identified to continue current initiatives to assess and evaluate practices to address performance measure declines.

Task 2 – Chapter 451 Compliance Review identified that CapMetro overall meets the applicable requirements identified in Transportation Code Section 451 and the Texas Government Code. However, one finding was identified to ensure compliance with Chapter 451 through the documented submission of the required quadrennial performance audit to key state offices along with recommendations to clarify posted publications for consistent messaging of current practices. CapMetro achieved the applicable requirements as identified within the Texas Local Government Code, Texas Property Code, Texas Health and Services Code, and Texas Penal Code. Achievement of key performance indicator procedures were also validated to ensure correct calculations and appropriate reporting to the appropriate institutions.

Task 3 – Administration and Management of the Authority identified that CapMetro had adequate staffing levels, effective department functionality, and appropriate cost elements for the in-scope departments included in the review. Each department maintained effective oversight and leadership over their staff, budget, and areas of responsibility. We identified opportunities to improve internal control design and effectiveness over the current contract management framework, departmental procedures updates, continuing initiatives for professional development and succession planning, and the performance of a post integration analysis of new operations and FTE's following the expansion of in-house services and responsibilities.

Task 1
Performance Indicator Review

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Task 1 – Performance Indicator Review

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Executive Summary

The purpose of Task 1 was to examine Capital Metropolitan Transportation Authority's (CapMetro) achievement of the nine key Performance Indicators (PIs) in accordance with Texas Transportation Code Section 451.454 statutory requirements during the 2020-2023 period. From the procedures, we identified that CapMetro experienced increased operational costs, decreased fare recovery, decreased on-time performance, an increase in collisions, and a decrease in the miles between road calls. Effectively, nearly all performance indicators demonstrated a decline over the 2020-2023 period.

During this audit period, the COVID-19 pandemic impacted every city in America. Because of this, nearly all of CapMetro's PIs were impacted, with significant disruptions to its ridership and operating expenses statistics. While President Biden officially announced the end of the COVID-19 pandemic in the U.S in May of 2023, by September 2023 transit in medium-sized urban areas (population 500,000 to 2 million) had only recovered to 71% of pre-pandemic ridership.¹ Therefore, it is likely that CapMetro's performance will continue to stabilize over the coming years and will not fully recover to a new 'normal' until spring of 2028. This significant event and context must be considered when analyzing the performance of CapMetro between 2020 and 2023. Additionally, CapMetro went through a system reimagining in 2018 (entitled 'CapRemap'), which was estimated to reach maturity in 2023. Therefore, it is difficult to separate out the impacts of CapRemap and COVID-19 from each other.

The nine performance indicators evaluated were grouped into three categories for the purpose of validating CapMetro's achievement of its performance goals: service reliability, internal cost and service efficiency measures, and cost effectiveness. The evaluation of performance and the results are summarized as follows:

- **Service Reliability:** Decreased *On-Time Performance*, increased *Collisions per 100k Miles*, and a reduction in the number of *Miles Between Road Calls* demonstrated mixed results regarding CapMetro's service reliability during the period.

- **Internal Cost and Service Efficiency Measures:** These PIs measure the ability of CapMetro to perform its services efficiently, without wasting resources, regardless of how many people use the service. The cost of delivering service increased over the period, with *Operating Cost per Hour* and *Operating Cost per Mile* increasing at 38.53% and 38.75% from 2020 to 2023 respectively. However, CapMetro also demonstrates growth in its *Tax Receipts per Passenger*, showing a 35.18% increase since the start of the period.

- **Cost Effectiveness:** These PI's measure the ability of CapMetro to perform its core functions: transport people in a cost-effective fashion. CapMetro's performance declined across three PIs (*Operating Cost per Passenger*, *Fare Recovery*, and *Average Vehicle Occupancy*).

¹ APTA. (2023). APTA Public Transportation Ridership update. In *APTA Public Transportation Ridership Update*. https://www.apta.com/wp-content/uploads/APTA_POLICY_BRIEF_Transit_Ridership_12-01-2023.pdf

Figure 1: Summary Table

Performance Indicator	System Wide				Motor Bus				Commuter Bus				Demand Response				Hybrid Rail			
	FY2023	vs Prior Period	4-yr CAGR	vs Prior Period	FY2023	vs. Prior Period	4-yr CAGR	vs Prior Period	FY2023	vs Prior Period	4-yr CAGR	vs Prior Period	FY2023	Prior Period	4-yr CAGR	vs Prior Period	FY2023	vs Prior Period	4-yr CAGR	vs Prior Period
Operating Cost per Hour	\$180.49	↑	8.5%	↑	\$180.29	↑	10.1%	↑	\$277.74	↑	18.1%	↑	\$101.59	↑	0.1%	↑	\$2,454.76	↑	4.8%	↑
Operating Cost per Mile	\$15.30	↑	8.5%	↑	\$16.13	↑	10.4%	↑	\$12.05	↑	11.8%	↑	\$7.92	↑	-3.8%	↓	\$104.59	↑	5.4%	↑
Operating Cost per Passenger	\$19.35	↑	3.3%	↓	\$10.52	↑	8.4%	↑	\$20.57	↑	16.1%	↑	\$46.29	↓	-11.4%	↓	\$73.00	↑	5.2%	↑
Fare Recovery	5.2%	↓	-3.2%	↑	5.9%	↓	-3.9%	↑	13.2%	↓	-13.4%	↓	1.9%	↑	5.8%	↑	3.8%	↓	3.2%	↑
Avg. Vehicle Occupancy	5.28	↓	-0.3%	↑	6.35	↓	0.8%	↑	11.59	↓	-1.1%	↓	1.05	↓	4.2%	↑	22.01	↓	1.6%	↑
On-time Performance	84%	↓	-1.1%	↓	81%	↓	-1.0%	↓	77%	↓	-0.1%	↓	80%	↓	-2.9%	↓	97%	↓	-0.5%	↓
Collisions per 100K Miles	1.41	↑	38.5%	↑	0.47	↑	6.2%	↓	0.00	-	0%	-	0.36	↑	14.4%	↓	4.80	↑	62.4%	↑
Miles Between Road Calls	4,458	↓	-15.0%	↓	1,706	↓	-11.5%	↓	1107	↓	-25%	↓	3,913	↓	-25.9%	↓	11,104	↓	2.1%	↑
Sales and Use Tax Receipts				Unlinked Passenger Trips All Modes				Tax Receipts per Passenger Trip				Austin-Round Rock Consumer Price Index								
	vs. Prior Period	4-yr CAGR	vs Prior Period		vs Prior Period	4-yr CAGR	vs Prior Period		vs. Prior Period	4-yr CAGR	vs Prior Period		vs Prior Period	4-yr CAGR	vs Prior Period		vs Prior Period	4-yr CAGR	vs Prior Period	
	FY2023				FY2023				FY2023				FY2023				FY2023			
	382,377,074	↑	10%	↑	24,004,489.00	↓	2%	↑	\$15.93	↑	8%	↑	1334.00	↑	8.48%	↑				

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Background

CapMetro Quadrennial Audit – Performance Indicators

Texas Transportation Code, Chapter 451.454 Performance Audit mandates an audit every four years (quadrennial audit) to facilitate state oversight and provide information to the Authority to improve efficiency and effectiveness, including an evaluation of performance indicators.

This quadrennial performance audit evaluated the following required performance indicators for the period October 1, 2020 to September 30, 2023 (FY 2020 – FY 2023):

- Operating cost per passenger, per revenue miles, and per revenue hour;
- Sales and use tax receipts per passenger;
- Fare recovery rate;
- Average vehicle occupancy;
- On-time performance;
- Number of collisions per 100,000 miles; and
- Number of miles between mechanical road calls.

Important Changes or Events during the Audit Period

In March 2020, Austin was beginning to experience the coronavirus (COVID-19) pandemic. During COVID-19, individuals were encouraged to stay at home to reduce the transmission of the virus, prompting a transition to work-from-home for many commuters and remote learning modes for students. Others no longer commuted to work as COVID-19 conditions led to furloughs and layoffs. In addition to reduced commuting trips, communities were instructed to limit transit ridership to essential trips. In May 2023, President Biden officially announced the end of the COVID-19 pandemic in the U.S. In late FY 2022 and throughout FY 2023, CapMetro experienced ridership gains compared to the pandemic lows in FY 2020 and 2021. By September 2023 transit in medium-sized urban areas (population 500,000 to 2 million) recovered to 71% of pre-pandemic ridership.¹ Lastly, there was significant staff turnover, which impacted CapMetro's ability to control costs and quality of service.

CapMetro Transit Service Overview

1. Service Modes

CapMetro operates five service modes: Motor Bus, Commuter Bus, Demand Response, Hybrid Rail, and Vanpool. On an average weekday, CapMetro provides approximately 100,000 trips across all modes.² The following is a summary of each service mode evaluated as part of the audit procedures:

² *Fast Facts*. (n.d.). Capmetro. <https://www.capmetro.org/facts>

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- **Motor Bus (MB)** is a rubber-tired passenger vehicle operating on a fixed route and schedule over roadways. CapMetro has branded its motor bus services as MetroBus, which is a fixed route service with a bus every 30 minutes and frequent stops. MetroBus includes the University of Texas shuttles, the E-Bus that links the UT campus to downtown; Night Owl service; and Round Rock service. CapMetro has branded its high frequency service MetroRapid, which is a bus every 15 minutes with minimal stops.
- **Commuter Bus (CB)** is fixed-route service that connects daily commuters with downtown work destinations. CapMetro has branded its commuter service MetroExpress, which operates five routes from 16 park-and-ride lots.
- **Demand Response (DR)** is a curb-to-curb service that does not operate according to a fixed route or schedule. Passengers schedule rides in advance and these are typically shared among unrelated passengers. Many transit systems operate DR service to meet the requirements of the Americans with Disability Act (ADA). CapMetro has branded its ADA service MetroAccess and it is restricted to people whose disabilities prevent them from riding a CapMetro bus or train. Starting in 2019, CapMetro operated a DR service called “Pickup” that is open to the general public and is on-demand.
- **Hybrid Rail (YR)** combines aspects of commuter rail and light rail. Hybrid rail systems primarily operate on the national system of railroads but typically operate Light Rail-type vehicles instead of diesel multiple-unit trains (DMUs). MetroRail is a hybrid rail system that operates DMUs on a 32-mile route from Leander, north of Austin, to downtown. There are nine stations which connect to nearby destinations with connector routes. CapMetro operates DMUs on a national railroad system but does not operate with the some of the characteristics of commuter rail (e.g. multi-trip tickets, railroad employment practices).
- **Vanpool (VP)** is a shared ride for a group of individuals usually traveling between home and work. MetroRideShare is a group of four or more people who regularly travel together in a rideshare vehicle for the purpose of commuting to and from work.

2. Service Delivery Approach

Service delivery is the organization structure under which services are provided. It includes Directly Operated (DO) or Purchased Transportation (PT). DO service is where transit agencies own and maintain the equipment and its bus operators are employees of the agency. PT services are contracted, and the contract can include any combination of operations, and vehicles and/or maintenance. All CapMetro services were PT where CapMetro owned the assets and the contractor provided operations and maintenance. **Table 1** provides a complete listing of PT services.

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Table 1. CapMetro Purchased Transportation Contracts

Contractor	Mode	Effective	Service Start	Expiration
McDonald Transit	MB	4/2012	9/2015	1/2020
Ride Right/MTM	DR	5/2018	10/2018	12/2024
MV Transportation	MB*	8/2019	8/2019	12/2024
Herzog Transit	YR	7/2015	10/2015	9/2026

* Contract includes BRT and shuttle services elements of MB system

3. Performance Indicator Data Sources

The data used to calculate PIs is sourced from either the National Transit Database (NTD) or directly from CapMetro. All PIs reflect the four-year scope period (beginning of FY 2020 to end of FY 2023). The Compound Annual Growth Rate (CAGR) is used to describe any change in performance and is established based on the four-year period.

For NTD sourced data, with the exception of On-Time Performance, all PI data is reported annually to the NTD. The Federal Transit Administration (FTA) requires transit agencies that receive federal funds to report financial, service, safety and security, assets, resources, and contract data to the NTD every year. This data is used in the Federal Funding Allocation formula to apportion federal transit agency funds every year. In 2020, the FTA apportioned \$33.9 million to CapMetro based on the FFA formula; by 2023, this amount increased to \$45.1 million. **Table 2** provides a complete list of NTD sources for PI data.

Table 2. NTD Sources of Performance Indicator Data

Data	Source
Sales and Use Tax Receipts	NTD – Form F10
Fares	NTD – Form F10
Operating Expense	NTD – Form F30
Unlinked Passenger Trips	NTD – Form S-10
Revenue Hours	NTD – Form S-10
Revenue Miles	NTD – Form S-10
Passenger Miles	NTD – Form S-10
Accidents	NTD – SS40
Mechanical Failures	NTD – Form R-20

4. Data Definitions and Data Summary

The following are the data definitions and data summary identified for each of the PIs evaluated as part of the audit:³

³ Section 451.455, Chapter 451, Texas Transportation Code. <https://statutes.capitol.texas.gov/Docs/TN/htm/TN.451.htm>

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Operating Expense

Operating costs are an authority's costs of providing public transit service, including PT service not performed by the authority, but excluding the costs of:

- Depreciation, amortization, and capitalized charges;
- Charter bus operations;
- Coordination of carpool and vanpool activities.

CapMetro reports capitalized expense as part of its contract expense; this is a cash expense and deducted from modes when applicable. Depreciation and amortization are reported for non-cash reconciling items. Charter bus operations are deducted from CB operating expense. Additionally, vanpool expenses, and all related activities, are not reflected in this report per the definition of the statute.

Operating Expense by Mode

The cost of operations increased approximately \$88.4 million (compounded annually at 8.53%). This was mainly due to MB, which saw its total expenses climb more than \$75 million from 2021 to 2023. Minor cost increases occurred for DR and YR which, paired with minor decrease in cost for CB, resulted in an overall system cost increase of \$88.3 million during the period. The most significant increase for MB occurred between 2022 and 2023, whereas other modes experienced either minor increases or decreases during the audit period. The rising costs for MB appear to be a result of contract rate escalations. Purchased transportation represents the highest growth in costs during the period among all budget line items and the cost of vehicle operations outpaced maintenance and administrative functions. **Table 3** provides detailed costs by mode over the scope period. **Figure 2** and **Figure 3** provides a graphic depiction of these changes over the period.

Table 3. Operating Cost by Mode

Year	MB	CB	DR	YR	Total
2020	\$159,469,985	\$4,671,770	\$41,344,741	\$22,536,132	\$228,022,628
2021	\$161,136,588	\$1,759,661	\$45,082,917	\$28,286,746	\$236,265,912
2022	\$197,635,839	\$2,201,227	\$51,089,019	\$31,867,229	\$282,793,314
2023	\$236,694,933	\$2,495,503	\$42,358,530	\$34,842,819	\$316,391,785
CAGR 2020-2023	10.38%	-14.51%	0.61%	11.51%	8.53%

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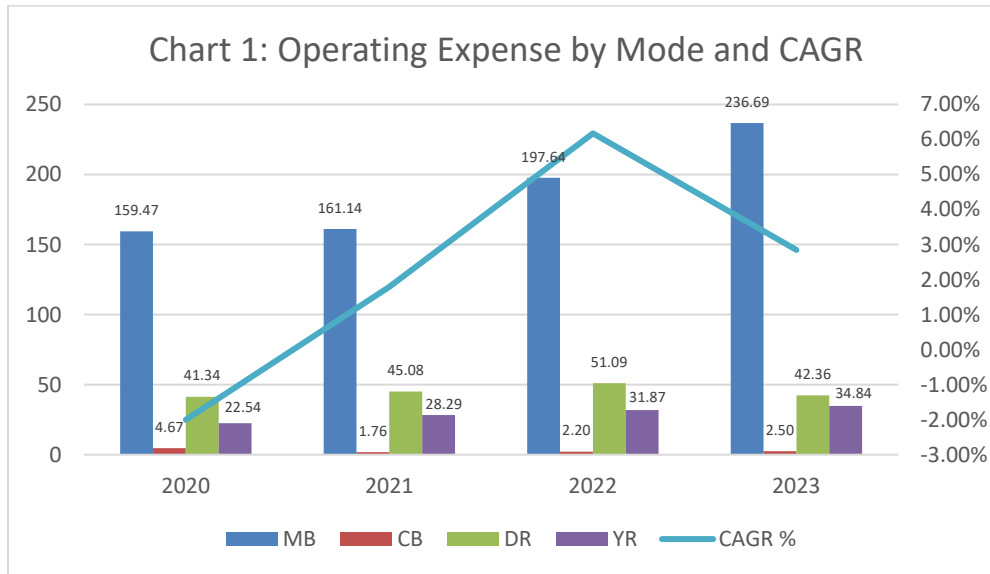


Figure 2. Operating Expense by Mode

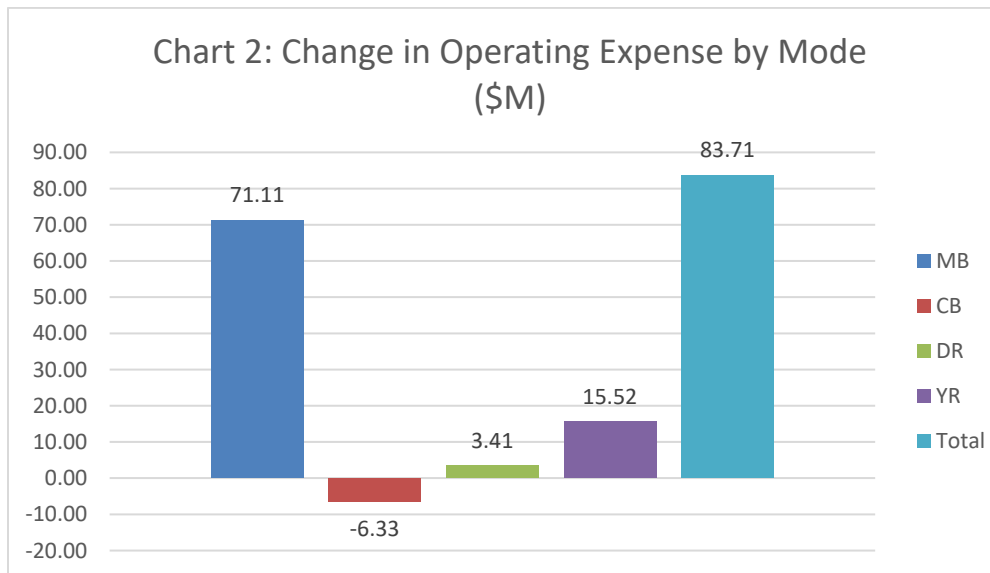


Figure 3. Change in Operating Expense by Mode

Operating Expense by Function

Cost is reported by four NTD-defined functions: operations, maintenance, nonvehicle (facility) maintenance, and general administration. Over the scope period, costs increased by approximately \$88.8 million. Vehicle operations increased \$52.4 million, which is the primary cause for the significant growth in MB expenses noted above. General Administration, Maintenance, and Non-Vehicle Maintenance increased by approximately \$36.4 million over the period. **Table 4** provides detailed expenses by mode and function. **Figure 3** and **Figure 4** provides a graphic depiction of the changes over the period.

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Table 4. 2023 Expense by Mode and Function (\$M)

Function	MB	CB	DR	YR	Total	CAGR
Vehicle Ops	\$116.01	\$1.29	\$44.55	\$8.61	\$170.46	9.63%
Vehicle Maintenance	\$53.07	\$0.49	\$4.63	\$3.45	\$61.64	8.07%
Facility Maintenance	\$8.35	\$0.09	\$1.00	\$10.84	\$20.28	11.82%
General Administration	\$59.26	\$0.63	\$20.03	\$11.94	\$91.86	5.57%

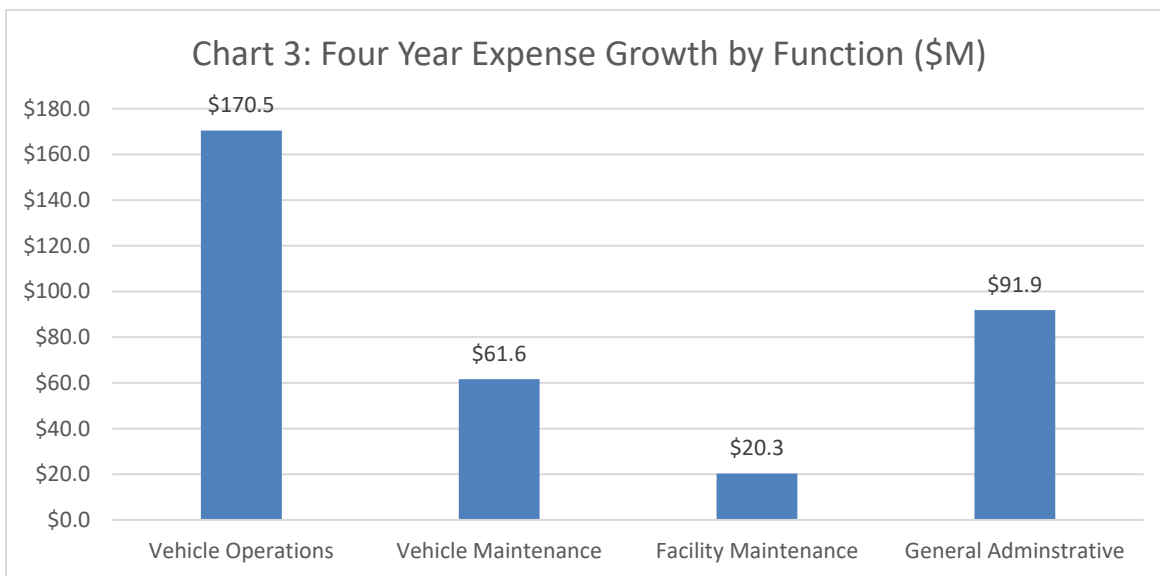


Figure 4. 4-Year Expense Growth by Function (\$M)

Cost by Expense Line Item

The contracting of services by CapMetro results in PT being the largest line-item expense, comprising 56% of the total CapMetro budget by the end of the scope period. Additionally, it represents the largest increase in cost among all line items, having grown by more than \$42 million from 2020 to 2023. Although, it has reduced its share of the budget from 65% in 2020. The second highest expense category is Other Salaries and Wages, which comprises 13.6% of the budget and supports CapMetro staff engaged in executive, administrative, and management activities, including contract management. Other materials and supplies was the fastest growing line item, having ballooned from \$1-2 million in the first two years to over \$18 million at the end of the period. **Table 5** provides details on the change in expense over the period.

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Table 5. Authority Expense by Line Item, in Millions

Line Item	2020	2021	2022	2023	CAGR
Other Salaries/Wages	\$25,618,454	\$26,920,736	\$37,756,037	\$45,598,512	15.50%
Fringe Benefits	\$12,266,628	\$12,641,092	\$13,655,532	\$17,102,725	8.66%
Services	\$20,506,503	\$24,843,453	\$35,608,293	\$45,252,287	21.88%
Fuel/Lube	\$11,467,182	\$9,962,247	\$9,963,853	\$12,860,132	2.91%
Other Materials/Supplies	\$1,851,914	\$1,484,750	\$7,619,945	\$18,137,192	76.90%
Utilities	\$3,098,151	\$3,346,753	\$3,510,018	\$4,177,860	7.76%
Casualty/Liability Costs	\$399,679	\$2,670,353	\$568,558	\$556,083	8.61%
Taxes	\$1,075,310	\$914,385	\$926,693	\$1,336,966	5.60%
Purchased Transportation	\$146,137,986	\$147,472,784	\$163,059,530	\$188,431,830	6.56%
Miscellaneous Expenses	\$1,246,633	\$823,627	\$1,538,791	\$2,311,796	16.70%
Total	\$223,668,440	\$231,080,180	\$274,209,272	\$335,765,383	10.69%

Revenue Hours and Miles

Revenue hours and miles include the total number of hours or miles of service provided by CapMetro, from first pick-up to last drop-off. However, it does not include the miles travelling to and from the bus depot or the bus stop. During this period, CapMetro experienced increases in both revenue hours and miles in MB, DR, and YR. CB revenue hours and miles are still recovering from the pandemic and a switch in commuting patterns. **Table 6** and **Table 7** provides details on revenue changes over the period. **Figure 5** provides a graphic depiction of the changes over the period.

Table 6. Revenue Hours of Service by Mode and CAGR

Year	MB	CB	DR	YR	Total
2020	1,297,870	32,738	408,492	11,063	1,750,163
2021	1,324,579	8,225	397,986	10,899	1,741,689
2022	1,248,859	8,754	400,487	14,488	1,672,588
2023	1,312,824	8,985	416,962	14,194	1,752,965
CAGR 2020-2023	0.29%	-27.62%	0.51%	6.43%	0.04%

Table 7. Revenue Miles of Service by Mode and CAGR

Year	MB	CB	DR	YR	Total
2020	14,707,589	605,598	4,472,209	266,174	20,051,570
2021	15,285,064	196,681	4,335,557	266,094	20,083,396
2022	13,955,659	202,557	5,096,957	336,682	19,591,855
2023	14,671,028	207,012	5,349,198	333,124	20,560,362
CAGR 2020-2023	-0.06%	-23.54%	4.58%	5.77%	0.63%

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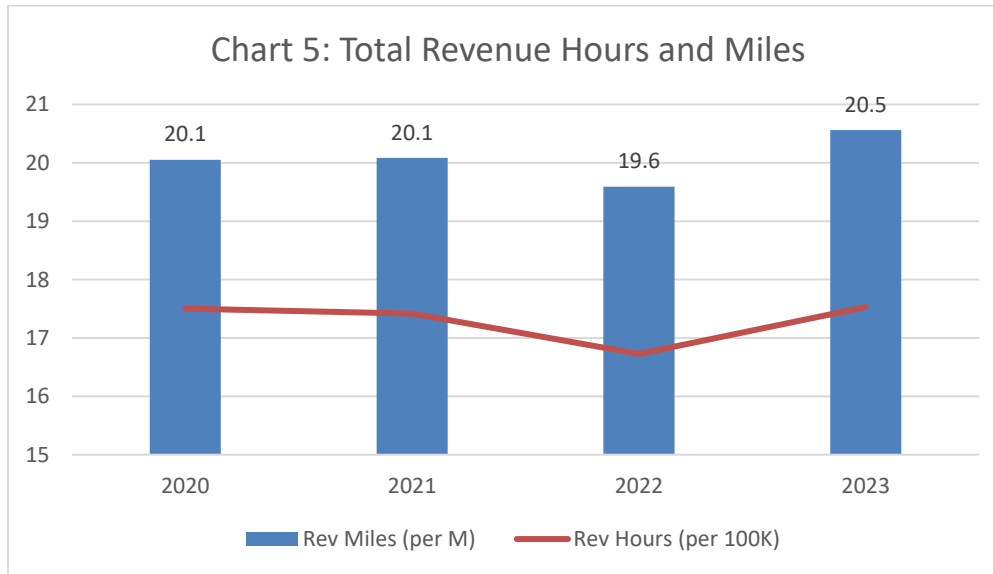


Figure 5. Total Revenue Hours and Miles

Passenger Trips

Passenger trips are defined as every time a person boards a bus. Typically, every rider takes two trips – inbound and outbound – or more if there are transfers. In 2023, CapMetro delivered 24 million trips.⁴ MB trips generated 22.49 million trips, or approximately 94% of all service. CB, DR, and YR modes together generated approximately 1.5 million trips, or 6% of service.

Across all modes, ridership increased by 1.7 million trips (1.89% annually) over the audit period. The moderate increase in ridership over the period suggests that CapMetro’s system is recovering from the COVID-19 pandemic. **Table 8** provides details on the changes over the period. **Figure 6** provides a graphic depiction of the changes over the period.

Table 8. CapMetro Passenger Trips by Mode, in Millions

Year	MB	CB	DR	YR	Total
2020	20.93	0.41	0.55	0.38	22.27
2021	15.79	0.05	0.49	0.26	16.58
2022	18.81	0.10	0.75	0.47	20.14
2023	22.49	0.12	0.91	0.48	24.00
CAGR 2020-2023	1.82%	-26.36%	13.53%	6.03%	1.89%

⁴ Total does not include vanpool.

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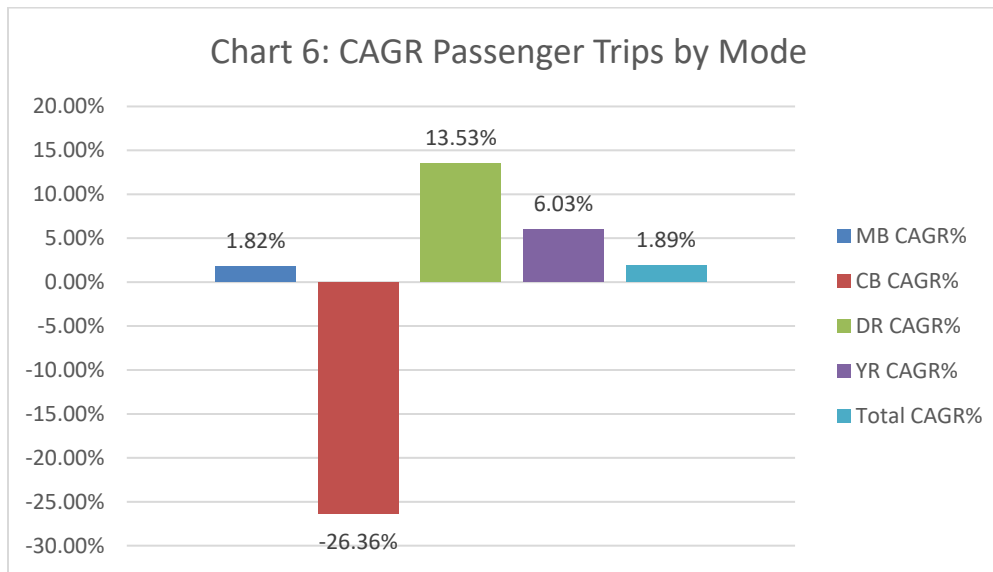


Figure 6. CAGR Passenger Trips by Mode

Performance Indicators and Results

The following are the PIs evaluated with the corresponding results identified for each as prescribed within Chapter 451 of the Texas Transportation Code.

Annual Operating Cost by Trip

The operating cost per passenger trip provides an assessment of the transit system's overall performance over the year in terms of cost-effectiveness.⁵

Chapter 451 Texas Transportation Code Definition: The authority's costs of providing public transit service, including purchased transit service not performed by the authority, but excluding costs associated with depreciation, amortization and capitalized charges, charter bus operations, and coordination of carpool and vanpool activities. The number of passengers is equivalent to the number of all trips, including transfers, but excludes charter passengers and carpool and vanpool passenger whose trips are only coordinated by the authority.

Equation 1. Cost per Passenger

$$\text{Cost per Passenger} = \text{Operating Cost} / \text{Passenger Trips}$$

⁵ Transit Cooperative Research Program (TCRP) Report 88, A Guidebook for Developing a Transit Performance-Measurement System, published by the Transportation Research Board (TRB), served as the reference for performance indicator definitions and purposes. Downloaded from <http://www.trb.org/Main/Home.aspx>.

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Authority-wide, the average cost per passenger trip grew by 3.35% annually to \$19.35, which is attributable to an increase in revenue hours and miles for DR and YR. During this period, there has been an overall increase in expenses, when combined with recovering ridership has led to an overall increase in annual operating cost. **Table 9** provides details of the changes over the period. **Figure 7**, **Figure 8**, and **Figure 9** provides a graphic depiction of the changes over the period.

Table 9. Cost per Passenger Trip and CAGR

Year	MB	CB	DR	YR	Average
2020	\$7.62	\$11.33	\$75.08	\$59.67	\$16.96
2021	\$10.21	\$38.34	\$92.40	\$110.07	\$19.69
2022	\$10.51	\$22.22	\$67.93	\$67.18	\$19.59
2023	\$10.52	\$20.57	\$46.29	\$73.00	\$19.35
CAGR 2020-2023	8.41%	16.09%	-11.39%	5.17%	3.35%

The following are details regarding the cost per passenger by mode:

MB: \$10.52/Trip:

The annual operating cost per trip for MB services was \$10.52 in FY 2023, reflecting steady cost efficiency compared to prior years. This cost remains competitive within the transit industry (cost per passenger is 20% less than the peer group averages) and highlights the scalability of fixed-route services in urban environments. The relatively low cost per trip for MB is largely attributable to its high ridership volumes, which help spread operating expenses across a greater number of passengers.

CB: \$20.57/Trip:

CB services incurred an operating cost of \$20.57 per trip in FY 2023. While higher than MB, this cost reflects the specialized nature of CB routes, which often cater to longer-distance travel with lower passenger densities. The increase in cost per trip may also be influenced by the shift in commuting patterns post-pandemic, as more individuals work remotely or adopt hybrid schedules.

DR: \$46.29/Trip

At \$46.29 per trip, the DR service exhibits significantly higher operating costs, reflecting the personalized and flexible nature of this mode. DR services provide curb-to-curb accessibility, primarily supporting individuals with disabilities or those in underserved areas, which inherently limits economies of scale. While this cost aligns with industry expectations, improving efficiency through advanced scheduling systems and shared ride options could help mitigate the high per-trip cost without compromising service quality.

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YR: \$73.00/Trip

YR services recorded the highest operating cost per trip at \$73.00 in FY 2023. This substantial figure underscores the resource-intensive nature of rail operations, including infrastructure maintenance and lower ridership levels compared to other modes. The high cost is also indicative of ongoing challenges in attracting sufficient ridership to offset operational expenses. Strategic investments in marketing and service enhancements, as well as exploring public-private partnerships, could help improve cost efficiency for this mode.

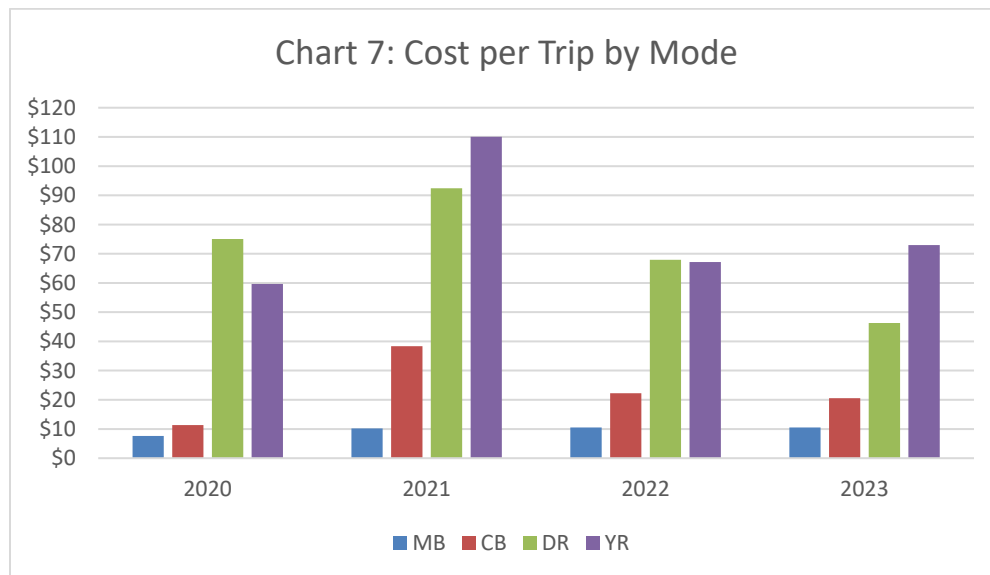


Figure 7. Cost per Trip by Mode

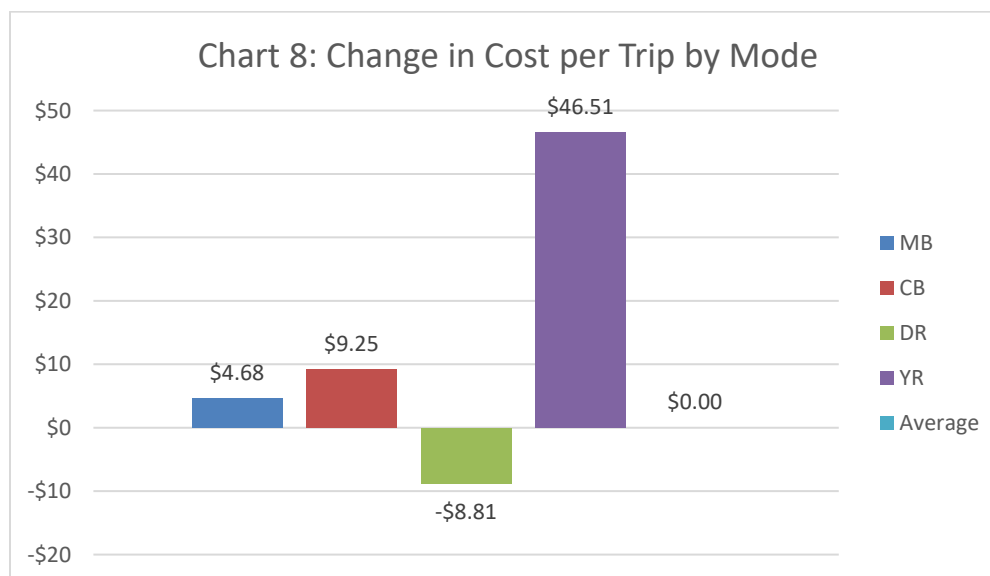


Figure 8. Change in Cost per Trip by Mode

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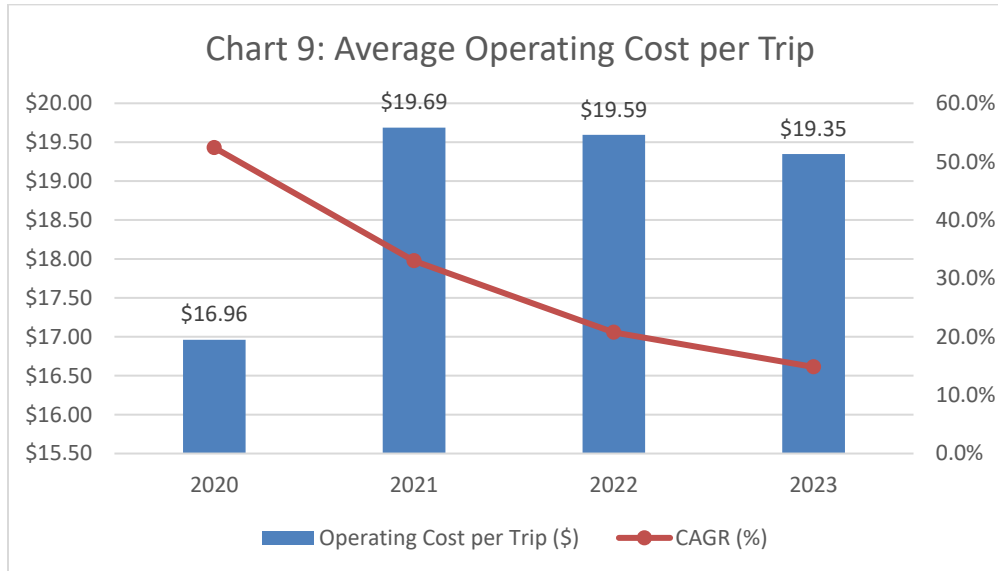


Figure 9. Average Operating Cost per Trip

Operating Cost per Revenue Hour (Cost per Hour)

Operating Cost per Revenue Hour is a measure of cost efficiency and not related to how much service is consumed. This measure reflects how much service output (revenue hours) the system provides against the cost of producing the service.

Chapter 451 Texas Transportation Code Definition: The operating cost per revenue hour is computed by dividing the annual operating cost by the total of scheduled hours that authority revenue vehicles are in revenue service for the same period.

Equation 2. Cost per Hour

$$\text{Cost per Hour} = \text{Operating Cost} / \text{Revenue Hours}$$

Operating Cost per Hour increased during the period, growing 8.49% annually. CB experienced the largest growth in operating cost per hour. This is due to the operating cost of this mode and less revenue hours as commuters have adapted to new routines since COVID-19. This measure reflects that CapMetro has some inefficiencies at keeping costs down during operations regardless of where the service is going or how many people ride it. **Table 10** provides details of the changes over the period. **Figure 10** provides a graphic depiction of the changes over the period.

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Table 10. Operating Cost per Hour and CAGR

Year	MB	CB	DR	YR	Average
2020	\$122.87	\$142.70	\$101.21	\$2,037.07	\$130.29
2021	\$121.65	\$213.94	\$113.28	\$2,595.35	\$135.65
2022	\$158.25	\$251.45	\$127.57	\$2,199.56	\$169.08
2023	\$180.29	\$277.74	\$101.59	\$2,454.76	\$180.49
CAGR 2020-2023	10.06%	18.11%	0.09%	4.77%	8.49%

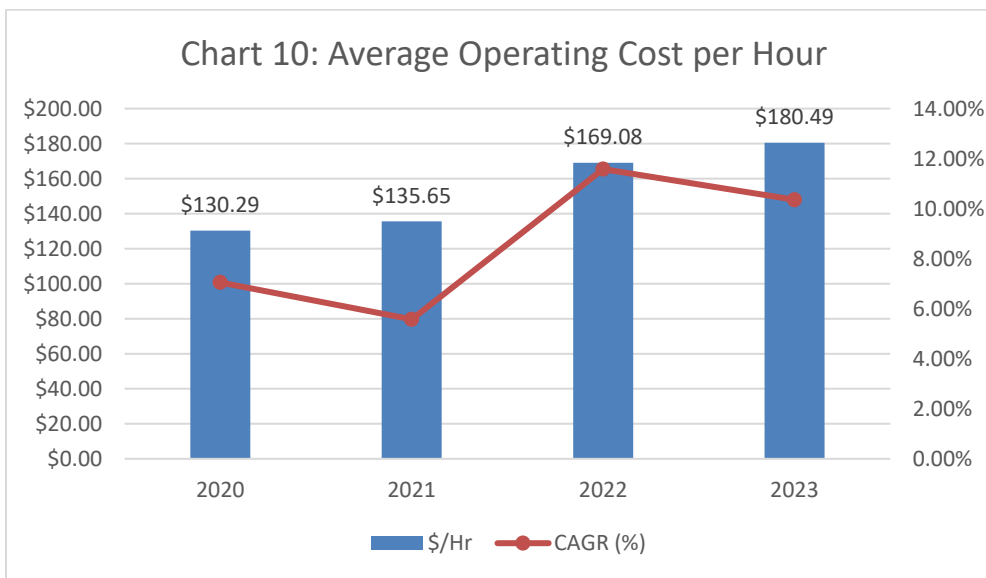


Figure 10. Average Operating Cost per Hour

Operating Cost per Revenue Mile (Cost per Mile)

Cost per Revenue Mile is a cost efficiency measure. Revenue miles is defined as the number of miles traveled by authority revenue vehicles while in revenue service.

Chapter 451 Texas Transportation Code Definition: The operating cost per revenue mile is computed by dividing the annual operating cost by the total scheduled miles that authority revenue vehicles are in service for the same period.

Equation 3. Cost Mile

$$\text{Cost per Hour} = \text{Operating Cost} / \text{Revenue Miles}$$

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Operating Cost per Mile increased during the period, growing 8.53% annually. CB experienced the largest growth in operating cost per mile. This is due to the operating cost of this mode and less revenue miles as commuters have adapted to new routines since COVID-19. This measure reflects that CapMetro has some inefficiencies at keeping costs down during operations regardless of where the service is going or how many people ride it. **Table 11** provides details on the changes over the period. **Figure 11** provides a graphic depiction of the changes over the period.

Table 11. Operating Cost per Mile by Mode

Year	MB	CB	DR	YR	Average
2020	\$10.84	\$7.71	\$9.24	\$84.67	\$11.02
2021	\$10.54	\$8.95	\$10.40	\$106.30	\$11.42
2022	\$14.16	\$10.87	\$10.02	\$94.65	\$13.67
2023	\$16.13	\$12.05	\$7.92	\$104.59	\$15.30
CAGR 2020-2023	10.45%	11.81%	-3.80%	5.43%	8.53%

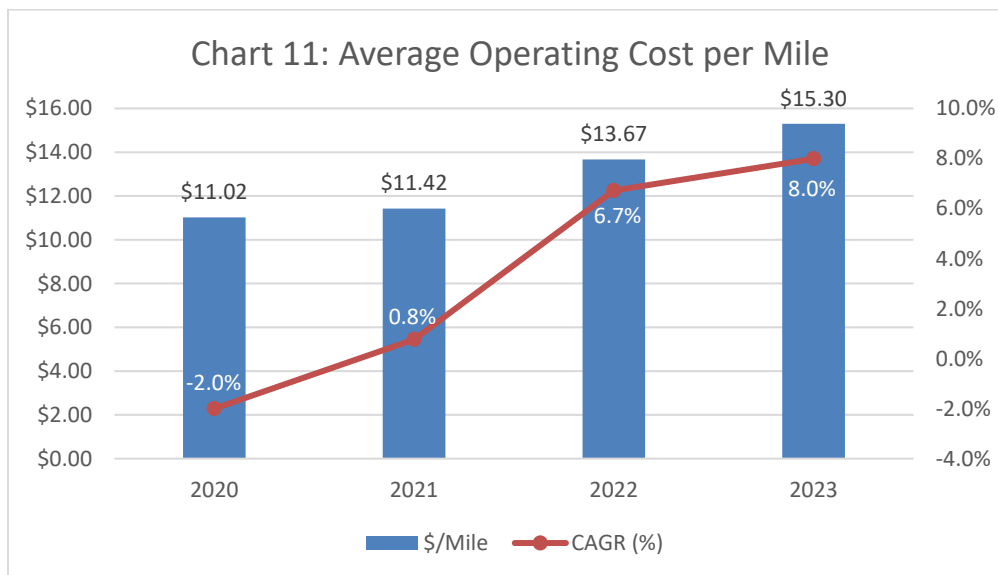


Figure 11. Average Operating Cost per Mile

Sales and Use Tax Receipts per Passenger (Tax Receipts per Passenger)

This PI describes how CapMetro is performing its core functions in a cost-effective manner by measuring local subsidy per passenger. Tax Revenue means sales and use taxes received by the authority.

Chapter 451 Texas Transportation Code Definition: The sales and use tax receipts per passenger are computed by dividing the annual receipts from authority sales and use taxes by passenger trips for the same period.

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Equation 4. Tax Receipts per Passenger

$$\text{Tax Receipts per Passenger} = \text{Tax Revenue} / \text{Passenger Trips}$$

As an agency with taxing authority, CapMetro relies primarily on sales tax receipts to fund its operations.⁶ CapMetro receives \$0.01 cent of the \$0.825 sales tax collected from participating municipalities: Austin, Jonestown, Lago Vista, Leander, Manor, Point Venture, and San Leanna and some unincorporated parts of Travis and Williamson counties. CapMetro does not collect sales tax from West Lake Hills, Rollingwood, Cedar Park, Pflugerville, or Volente; and consequently, does not provide transit services to these communities.⁷

CapMetro collaborates with jurisdictions outside its service area, including Georgetown, Round Rock, Pflugerville, Hutto, Buda, and Travis County, to assist with transit planning and development. In Round Rock, CapMetro directly provides transportation services, while Travis County receives transit support from both CapMetro and CARTS in urbanized, unincorporated areas. These services are delivered through interlocal agreements, where participating cities reimburse CapMetro for the cost of providing transit in their communities, however, these cities are not taxed by CapMetro.

Sales tax revenues grew at a rate of 7.83%, which reflects the trend of the Austin-Round Rock Business Cycle Index published by the Dallas Federal Reserve. During this same period, the population within the Austin-Round Rock-San Marcos Metropolitan Statistical Area grew 2.5%.⁸ However, ridership is not reflecting the increase in funding, as demonstrated by the significantly higher subsidy in **Table 12**. Even after the pandemic ended, CapMetro is not seeing the passenger traffic it had in 2020 and earlier. **Figure 12** provides a graphic depiction of the changes over the period.

Table 12. Tax Receipts per Passenger (All Modes)

Year	Total
2020	\$11.78
2021	\$18.18
2022	\$18.22
2023	\$15.93
CAGR 2020-2023	7.83%

⁶ Federal funding is used primarily to fund capital expenditures.

⁷ [CapMetro 2024 Annual Budget](#)

⁸ [Austin - Round Rock - San Marcos \(Metropolitan Statistical Area, Metropolitan Areas, USA\) - Population Statistics, Charts, Map and Location](#)

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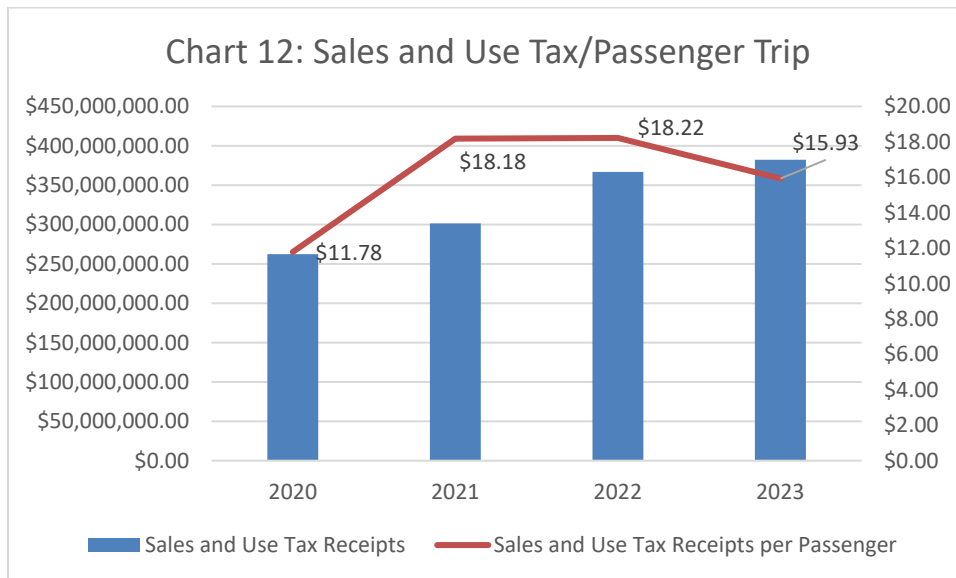


Figure 12. Sales and Use Tax per Passenger Trip

Fare Recovery Rate (Fare Recovery)

The Fare Recovery rate is a measure of cost effectiveness. The farebox recovery rate and operating ratio are used to strike a balance between keeping transit service affordable and having riders cover as much of the costs as possible.

Chapter 451 Texas Transportation Code Definition: The fare recovery rate is computed by dividing the annual revenue, including fares, tokens, passes, tickets, and route guarantees, provided by passengers and sponsors of passengers of revenue vehicles, by the operating cost for the same period. Charter revenue, interest income, advertising income, and other operating income are excluded from revenue provided by passengers and sponsors of passengers.

Equation 5. Fare Recovery

$$\text{Fare Recovery} = \text{Total Fare Revenue} / \text{Total Expenses}$$

By industry standards, CapMetro fare recovery is low, recuperating only about 5% of its costs through fares. This is the lowest fare recovery out of all the analyzed peers, and contrasts the average peer group's systemwide recovery rate of 7%. The very low fare recovery rate for hybrid rail, consistently under 4% since 2020, plays a significant part in CapMetro's low fare recovery. CB service has also fallen from a high of near 24% in 2020 to 13% in 2023. MB is experiencing a similar downward trend as other agencies over the past eight years, having fallen from more than 10% to less than 5%. **Figure 13.** CapMetro Systemwide Fare Recovery Rate and CAGR systemwide fare recovery over the analysis period, contrasted with the compound annual growth rate.

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Table 13. Fare Recovery Rate

Year	MB	CB	DR	YR	Average
2020	6.87%	23.53%	1.56%	3.32%	5.90%
2021	6.73%	8.15%	1.11%	1.82%	5.08%
2022	6.25%	10.67%	1.44%	3.48%	5.10%
2023	5.87%	13.23%	1.95%	3.76%	5.17%
CAGR 2020-2023	-3.86%	-13.41%	5.77%	3.18%	-3.24%

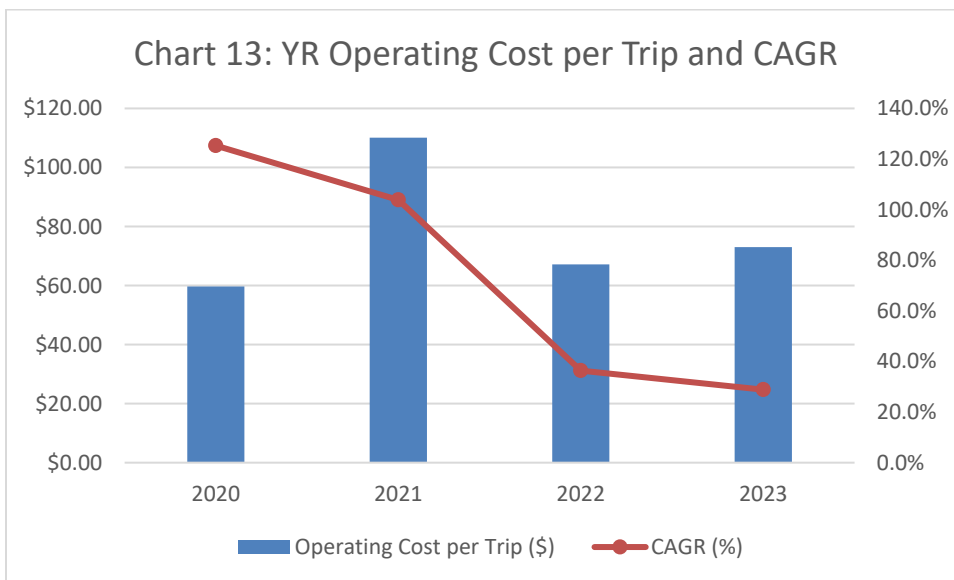


Figure 13. CapMetro Systemwide Fare Recovery Rate and CAGR

Average Vehicle Occupancy (Vehicle Occupancy)

The Average Vehicle Occupancy (AVO) metric provides insight into system productivity by measuring the number of passengers transported per revenue mile.

Chapter 451 Texas Transportation Code Definition: The average vehicle occupancy is computed by dividing the annual passenger miles by the number of miles traveled by authority revenue vehicles while in revenue service for the same period. The annual passenger miles are computed by multiplying the annual passenger trips and the average distance ridden by passenger during the same period.

Equation 6. Vehicle Occupancy

$$\text{Vehicle Occupancy} = \text{Passenger Miles} / \text{Revenue Miles}$$

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Over the audit period, CapMetro exhibited relatively stable AVO figures across its service modes, with systemwide occupancy decreasing slightly at a CAGR of -0.28%. However, mode-specific trends revealed more dynamic changes.

The AVO for MB showed a modest recovery, increasing from 6.15 in FY 2020 to 6.35 in FY 2023 (CAGR of 0.80%). This improvement reflects incremental gains in passenger volumes relative to service miles, partially attributed to the rebound in urban commuting patterns post-pandemic. AVO in CB services declined slightly, with a CAGR of -1.07%, ending at 11.59 in FY 2023. This decline underscores the ongoing challenges in restoring ridership among commuters, many of whom have shifted to hybrid or remote work arrangements. DR services demonstrated growth in occupancy, with a CAGR of 4.22%, rising to 1.05 in FY 2023, although it remains predictably near an average of one passenger per mile. YR occupancy remained robust, growing from 20.63 in FY 2020 to 22.01 in FY 2023 (CAGR of 1.63%). This reflects the mode's continued appeal for regional connectivity and its ability to attract riders for longer-distance travel.

Despite these variances, CapMetro's overall AVO figures remain competitive, particularly in the MB and YR modes, where occupancies exceed the systemwide average. A sustained focus on optimizing route efficiencies, coupled with initiatives to attract new riders, will be critical in bolstering occupancy rates across all modes in the coming years.

Table 14. Vehicle Occupancy by Mode

Year	MB	CB	DR	YR	Average
2020	6.15	12.10	0.89	20.63	5.34
2021	4.85	3.86	0.74	11.44	4.04
2022	5.86	8.63	0.97	19.06	4.85
2023	6.35	11.59	1.05	22.01	5.28
CAGR 2020-2023	0.80%	-1.07%	4.22%	1.63%	-0.28%

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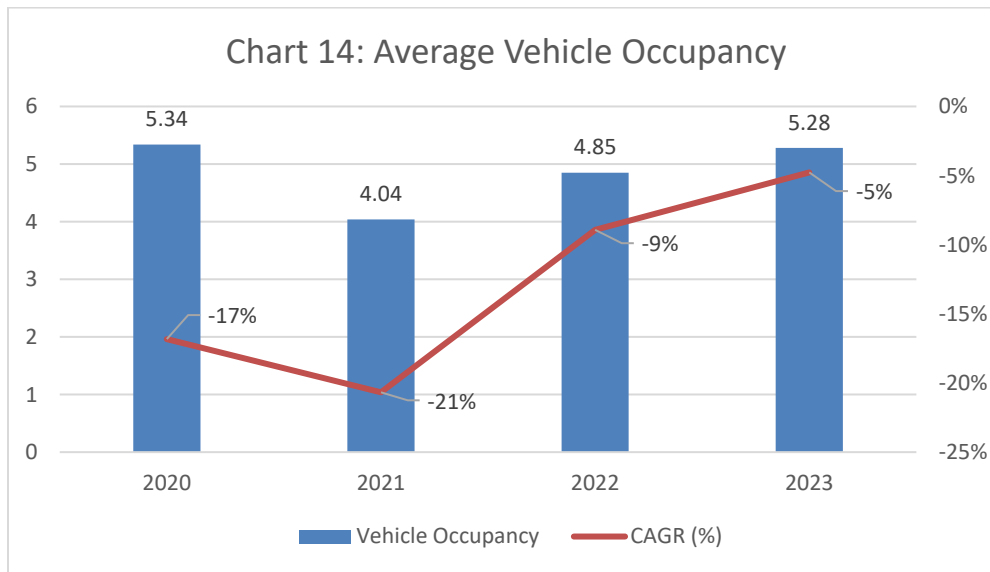


Figure 14. Systemwide Average Vehicle Occupancy

On-time Performance (OTP)

OTP is a measure of system reliability. Depending on the mode, a transit vehicle is considered “on time” if it departs a location within a certain number of minutes after and/or before the scheduled time. Chapter 451 of the Texas Transportation Code considers an early departure not to be on time. From a passenger point of view, an early departure means waiting for the next vehicle.

Chapter 451 Texas Transportation Code Definition: On-time performance is computed by determining an annual percentage of revenue vehicle trips of revenue vehicles that depart from selected locations at a time not earlier than the published departure time and not later than five minutes after that published time.

Equation 7. Motor Bus OTP

$$\text{Motor Bus OTP} = \text{Average Bus OTP}$$

Equation 8. Hybrid Rail OTP

$$\text{Hybrid Rail OTP} = \text{Data for One Line}$$

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Industry-recognized best practices for on-time performance include 75-85% for bus⁹, at least 80% for rail¹⁰, and around 90% for demand response. Two areas of CapMetro's system OTP that fall short are CB and DR. CB services have been up and down between 75% and 85% since 2016 and may represent the best opportunity for improvement. DR service on-time performance shows a decrease in OTP over the period, starting at 90.56% in 2020 and dropping to 80.44% in 2023. MB and YR have kept their OTP numbers stable throughout the period.

Table 15. On-Time Performance by Mode

Year	MB	CB	DR	YR	Average
2016	81.15%	77.50%	93.86%	95.97%	87.12%
2017	82.47%	82.00%	93.85%	97.65%	88.99%
2018	84.45%	85.57%	92.39%	96.54%	89.74%
2019	84.16%	81.46%	90.34%	97.21%	88.29%
2020	84.61%	77.10%	90.56%	98.90%	87.79%
2021	83.74%	84.30%	92.46%	95.40%	88.97%
2022	80.19%	79.40%	86.32%	98.36%	86.07%
2023	81.21%	76.80%	80.44%	96.98%	83.86%
CAGR 2016-2019	1.22%	1.68%	-1.27%	0.43%	0.45%
CAGR 2020-2023	-1.02%	-0.10%	-2.92%	-0.49%	-1.14%

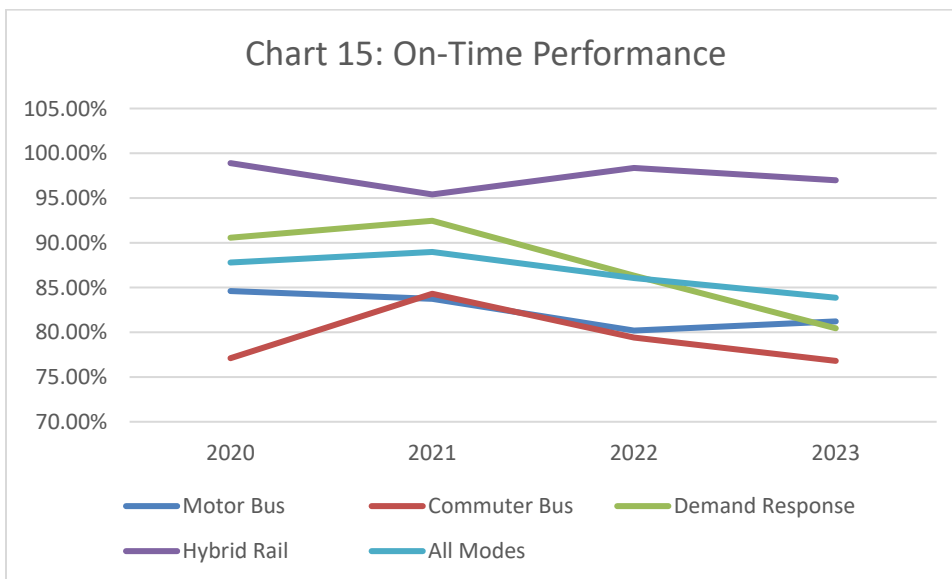


Figure 15. On-Time Performance

⁹ [Chapter 5: Quality of Service Methods | Transit Capacity and Quality of Service Manual, Third Edition | The National Academies Press](#)

¹⁰ [FRA publishes rule establishing minimum on-time standards between Amtrak and host railroads](#)

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Accidents per 100,000 Miles (Accident Rate)

Accident Rate is a Customer/Quality of Service PI that provides an assessment of a transit system's safety and security. Safety and security issues are relevant to passenger confidence and to the control of liability and insurance costs of services. CapMetro does not directly operate any of its services, so this PI does not need to be reported to the State. The FTA published the Public Transportation Agency Safety Plan (PTASP) to provide safety metrics and technical assistance for agencies to improve accident rates.¹¹ Its Safety Performance Targets Guide establishes procedures by which agencies set appropriate safety performance target criteria.

Chapter 451 Texas Transportation Code Definition: The number of accidents per 100,000 miles is computed by multiplying the annual number of accidents by 100,000 and dividing the product by the number of miles for all service, including charter and nonrevenue service, directly operated by the authority for the same period. In this subsection, "accident" includes:

- a collision that involves an authority's revenue vehicle, other than a lawfully parked revenue vehicle, and that results in property damage, injury, or death; and
- an incident that results in the injury or death of a person on board or boarding or alighting from an authority's revenue vehicle.

Equation 9. Accident Rate

$$\text{Accident Rate} = 100,000 \text{ mi} \times (\text{Accidents} / \text{Service Miles})$$

However, the published crash data for CapMetro's purchased transportation still offers insights into safety trends over time, potentially revealing the organization's progress and areas for improvement.

Between FY 2020 and FY 2023, CapMetro's accident rate increased from 0.40 to 0.51 accidents per 100,000 miles, with a CAGR of 11.24%. MB services saw a modest rise from 0.45 to 0.47 accidents per 100,000 miles (CAGR of 6.16%), while DR services experienced a sharper increase to 0.36 (CAGR of 14.42%). YR exhibited the most significant growth, climbing to 4.80 accidents per 100,000 miles, representing a significant CAGR of 62.40%. Conversely, CB maintained a perfect safety record with no reported accidents during the period.

The upward trend in accident rates can be attributed to several factors. Pandemic-related workforce turnover and operational disruptions likely impacted safety oversight and operator familiarity. Additionally, service expansions introduced new routes with potentially unfamiliar safety hazards, while infrastructure limitations, particularly in YR, may have contributed to the higher rates.

¹¹ <https://www.transit.dot.gov/regulations-and-programs/safety/public-transportation-agency-safety-program/safety-performance>

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To reverse these trends, CapMetro should prioritize enhanced safety training for operators, emphasizing defensive driving and situational awareness. Route-specific safety audits can help identify and mitigate high-risk areas, and investments in technology such as collision avoidance systems and real-time monitoring could improve safety outcomes.

Table 16. Accident Rate per 100,000 Miles by Mode

Year	MB	CB	DR	YR	Total
2020	0.45	0.00	0.16	2.63	0.40
2021	0.49	0.00	0.42	4.51	0.52
2022	0.59	0.00	0.27	1.49	0.52
2023	0.47	0.00	0.36	4.80	0.51
CAGR 2020-2023	6.16%	-	14.42%	62.40%	11.24%

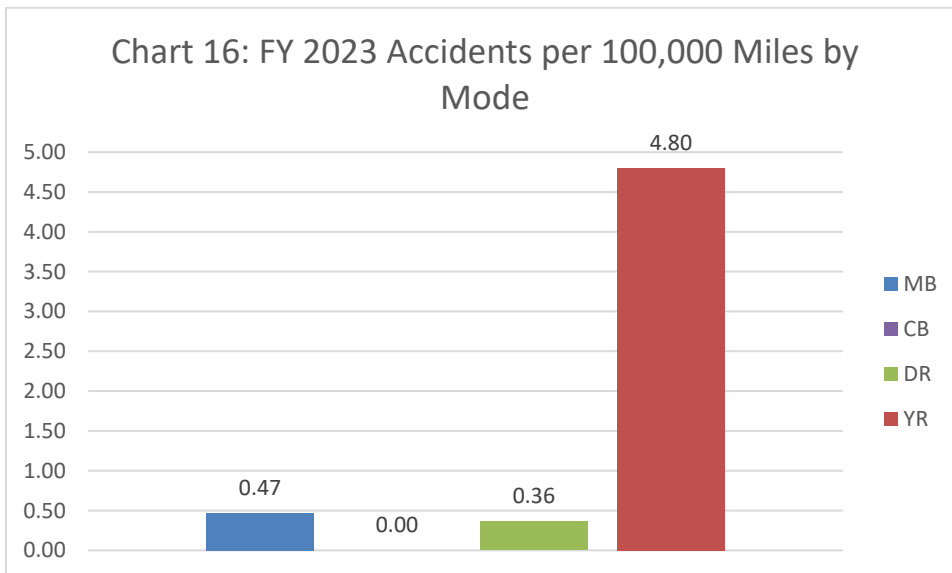


Figure 16. FY 2023 Accidents per 100,000 Miles by Mode

Miles between Mechanical Road Calls

The miles between road calls are a measure of service reliability and provides a way to monitor the quality of the vehicle maintenance program and the general state of repair of the fleet. CapMetro does not directly operate any of its services, so this PI will not be reported to the State. The Safety Performance Targets Guide offers additional information on maintenance goals, which should be set in the context of the agency's current asset portfolio, service area characteristics, and robustness of its maintenance program. Performance targets for large transit providers can vary, but range between 5,000-10,000 miles for road-based systems, and 20,000-50,000 miles for rail-based modes.

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Chapter 451 Texas Transportation Code Definition: The number of miles between mechanical road calls is computed by dividing the annual number of miles for all service directly operated by an authority, including charter and nonrevenue service, by the number of mechanical road calls for the same period. In this subsection, “mechanical road call” means an interruption in revenue service that is caused by revenue vehicle equipment failure that requires assistance from a person other than the vehicle operator before the vehicle can be operated normally.

Equation 10. Miles Between Road Calls

$$\text{Miles Between Road Calls} = \text{Service Miles} / \text{Road Calls}$$

CapMetro’s maintenance performance, based on the data provided and typical ranges noted above, needs the most improvement among all its PI categories. The MB service has continuously underperformed in the past eight years, averaging less than 3,000 miles between road calls. CB operations peaked at 40,000 miles between calls in 2018 but decreased to less than 1,000 miles between failures during the audit period. DR has performed satisfactorily this period, averaging nearly 7,000 miles between calls, though this is a decline from the previous period. YR had been performing very well through 2019, ending the previous period of analysis with 58,153 miles between mechanical road calls. However, in 2020 this number declined to almost 10,000 miles between road calls and struggled to recover after with its low annual growth rate of 2.05%.

Table 17. Miles Between Road Calls by Mode

Year	MB	CB	DR	YR	Total
2020	2,781	3,441	13,001	10,237	29,460
2021	2,180	1,987	4,181	24,190	32,538
2022	1,110	664	5,825	12,024	19,623
2023	1,706	1,107	3,913	11,104	17,830
CAGR 2020-2023	-16.39%	-57.13%	-27.94%	-33.90%	-36.40%

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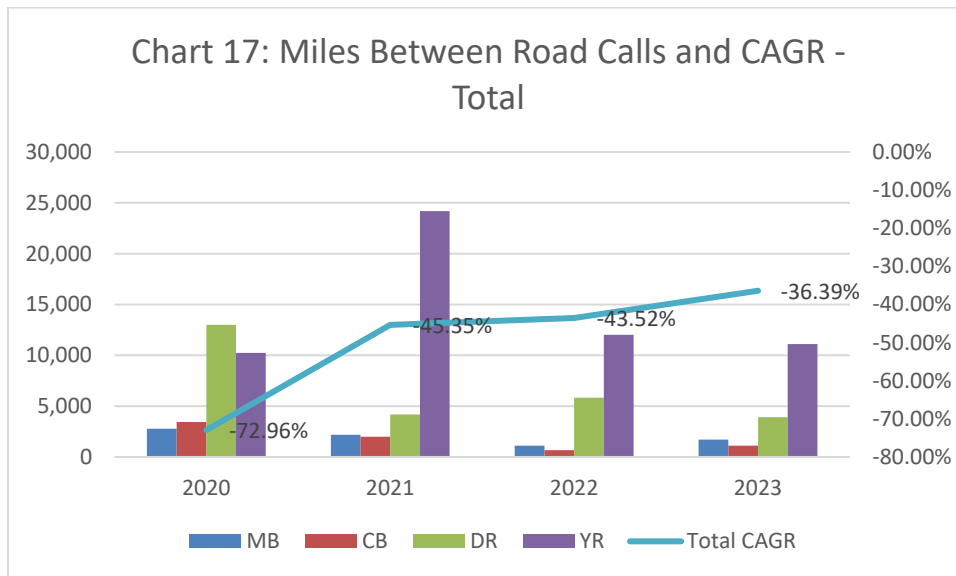


Figure 17. Miles Between Road Calls

Peer Comparison

Peer review is a critical component of performance evaluation and continuous improvement in any field, including public transit. It provides an objective comparison of an organization's operations against similar entities, allowing for the identification of strengths, areas for improvement, and best practices. By analyzing the performance of peers with similar characteristics, organizations can better understand their relative position, make data-driven decisions, and set realistic benchmarks. Peer review fosters accountability, transparency, and innovation, ensuring that services are efficient, effective, and aligned with industry standards and community needs.

For CapMetro's peer group analysis, 2023 NTD data was used to analyze and compare all peers. This makes it an ideal reference point for an accurate and unbiased evaluation.

Criteria for Peer Selection

The selection process followed the methodology outlined in the Transit Cooperative Research Program (TCRP) Report 141, which is commonly used for peer selection in transit system performance reviews. The criteria were applied to all agencies reporting NTD data to identify the transit systems most similar to CapMetro in terms of operational and demographic characteristics. The key criteria included:

- Rail Systems: Agencies had to operate both rail and bus services (no rail-only systems).
- Urban Area Population: Between 1,000,000 and 3,000,000 residents.
- Revenue Miles: Agencies operating over 10 million total revenue miles annually.
- Population Density: Less than 4,500 people per square mile.

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These parameters ensure that the selected peers share comparable scale and transit dynamics with CapMetro, particularly regarding their mix of rail and bus services and their urban population structures. **Figure 18** demonstrates the detailed information utilized to select appropriate peers for this analysis.

The analysis on this sheet is an implementation of the peer grouping methodology in <i>TCRP Report 141</i> , accessed via the Urban Integrated National Transit Database. Conditional formatting aids reviewers to identify potential peers for Cap Metro.									
Indicates proposed peer agency (top five with all criteria)				Criteria					
Indicates potential peer if Cap Metro prefers (top 25, missing <1 criteria)				#1		#2	#3	#4	#5
Indicates agency is within the range of the particular peer criteria									
Indicates agency is a top five peer based on the one likeness score									
NTD ID	Agency Name	Location	State	Total Likeness Score	Rail	Rail Only	Urban Area Population	Total Revenue Miles Operated	Population Density
60048	Capital Metropolitan Transportation Authority	Austin	TX	0	Yes	No	1,915,031	23,980,019	3,091
40008	City of Charlotte North Carolina	Charlotte	NC	0.83	Yes	No	1,436,613	13,143,873	2,185
80006	Denver Regional Transportation District	Denver	CO	0.83	Yes	No	2,691,349	48,200,621	4,176
70006	Bi-State Development Agency of the Missouri-Illinois Metropolitan District	Saint Louis	MO	0.94	Yes	No	2,127,843	20,012,926	2,337
40040	Jacksonville Transportation Authority	Jacksonville	FL	0.96	Yes	No	1,303,156	10,815,191	2,273
8	Tri-County Metropolitan Transportation District of Oregon	Portland	OR	0.98	Yes	No	2,084,045	32,132,721	2,462

Figure 18: Peer Group Identification Criteria

Selected Peer Agencies

Based on the selection methodology and NTD data, the following five agencies were identified as the most appropriate peers for CapMetro:

- **City of Charlotte, North Carolina** – Charlotte Area Transit System (CATS) operates light rail and bus services in a similarly sized urban area (population 1.33M) with lower density (1,970 people/sq mi) and lower ridership (14M trips) compared to CapMetro.
- **Denver Regional Transportation District (RTD)** – Denver RTD serves a much larger and less dense area (population 3.1M, 1,323 people/sq mi), with significantly higher ridership (65M trips) and operating costs (\$760M) than CapMetro.
- **Bi-State Development Agency of the Missouri-Illinois Metropolitan District (St. Louis)** – St. Louis Metro covers a similarly sized area (population 1.56M, 558 sq mi) with slightly higher density (2,801 people/sq mi) but lower ridership (19.7M trips) and lower operating expenses (\$281M) than CapMetro.
- **Jacksonville Transportation Authority (JTA)** – JTA operates across a much larger, lower-density area (1,807 sq mi, 700 people/sq mi), with significantly lower ridership (6.7M trips) and lower operating costs (\$141M) compared to CapMetro.
- **Tri-County Metropolitan Transportation District of Oregon (TriMet)** – TriMet serves a denser population (4,037 people/sq mi) with much higher ridership (57M trips) and operating costs (\$652M), making it a valuable peer for CapMetro's multimodal system.

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Peer Comparison Results

This analysis evaluates CapMetro's performance using key metrics that compare operational efficiency, cost control, and service utilization to peer agencies. These results are displayed more thoroughly in **Figure 19**. By analyzing the reported performance indicators across its different service modes, CapMetro's strengths, challenges, and areas for improvement can be identified.

CapMetro's operational expenditure per vehicle revenue hour (OpEx per VRH) is \$189.44, below the peer average of \$221.67, demonstrating efficient use of resources in providing service. Similarly, the operational expenditure per vehicle revenue mile (OpEx per VRM) is \$14.44, which is also lower than the peer average of \$15.73, reflecting a trend of cost-effective fleet operations. These figures suggest strong operational efficiency compared to peer agencies; however individual modes still trend lower than peers.

Mode-Specific Analysis:

- **Motor Bus:** CapMetro's OpEx per VRH for motor bus services is \$180.29, below the peer average of \$191.91. This indicates efficient operations in this mode. However, CapMetro's OpEx per VRM is 7% higher than the peer average, which combined with the lower-than-peers fare recovery rate for motor bus at only 6%, points to an opportunity to improve revenue generation or optimize costs further.
- **Commuter Bus:** Commuter bus presents a notable achievement with an operating expense per passenger (OpEx per Pax) of only \$20.57, which is notably lower than the peer average of \$108.00. However, only two of the five peers operate Commuter Bus modes, which leaves a relatively small sample size to compare performance to. Fare recovery, at 13%, is also ahead of the peer average of 5%.
- **Demand Response:** Demand response services are inherently costlier due to the nature of the service. CapMetro's operating expense per passenger (OpEx per Pax) for this mode is \$76.73, which is slightly below the peer average of \$80.50, showcasing effective cost control. Fare recovery, however, remains minimal at 1%, which is drastically less than the peer average of 6%. This reflects an area to prioritize improvements.
- **Hybrid Rail:** CapMetro's OpEx per VRH for hybrid rail is \$1,277.38, which is 31% higher than the peer average of \$937.18, reflecting cost inefficiency in operations. Additionally, fare recovery for rail stands at only 4%, which is, again, slightly below the peer average of 5%. However, CapMetro's OpEx per VRM stands at 9% less than its peers, demonstrating adequate mileage traveled when compared to the costs. Still, improvements in ridership or fare collection efficiency could further enhance the performance of YR services.

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In terms of systemwide metrics, the cost per passenger is \$14.23, slightly under the peer average of \$14.61. This near parity indicates that CapMetro's operations are balanced in terms of expenses and passenger throughput. Efforts to increase ridership density could further reduce this cost and improve overall system efficiency.

Passenger miles traveled per vehicle revenue mile, which measures average vehicle occupancy, is 5.09 for CapMetro, only slightly below the peer average of 5.95. This indicates that CapMetro's vehicles are still relatively well-utilized in terms of passenger capacity relative to service mileage, with MB (6.35 > 5.50), CB (11.59 > 4.11), and YR (11.00 > 9.53) all trending higher than their peer group averages, but DR showing a lower average vehicle occupancy than its peers.

Peer Comparison Conclusion

In summary, CapMetro generally performs strongly in some operational cost metrics such as OpEx per VRH and VRM, reflecting efficient service provision across most modes. MB and CB services stand out as cost-effective, while YR demonstrates moderate efficiency with room for improvement in fare recovery. DR presents the greatest challenges, requiring targeted strategies to optimize costs and boost ridership.

To enhance overall performance, CapMetro should focus on improving fare recovery rates for all modes through strategies such as fare collection optimization, targeted marketing, and operational adjustments. YR also requires efforts to address high OpEx per VRH, potentially by refining schedules or enhancing operational practices. Boosting DR revenue with dynamic pricing models or partnerships could address its low fare recovery. Lastly, CapMetro can leverage the success of CB operations to inform improvements in other modes. These targeted strategies will build on CapMetro's existing strengths and address challenges to achieve greater efficiency and service impact.

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CapMetro 2024 Quadrennial Audit	Capital Metropolitan Transportation Authority	City of Charlotte North Carolina	Denver Regional Transportation District	Bi-State Development Agency of the Missouri-Illinois	Jacksonville Transportation Authority	Tri-County Metropolitan Transportation District of Oregon	Peer Average	Percent Difference
PEER CONTEXT MEASURES								
Service area population	1,359,922	1,329,749	3,098,079	1,563,103	1,264,452	1,526,171	1,756,310.80	-23%
service area size (square miles)	549	675	2,342	558	1,807	378	1,152.00	-62%
people per square mile (population density)	2,477	1,970	1,323	2,801	700	4,037	2,166.27	14%
SYSTEMWIDE								
unlinked passenger trips	24,332,442	14,027,141	64,533,895	19,690,804	6,678,105	57,442,648	32,474,518.60	-25%
passenger miles traveled	122,011,612	67,531,450	382,906,495	121,868,278	36,776,548	231,430,384	168,102,631.00	-27%
vehicle revenue miles	23,980,019	13,143,873	48,200,621	20,012,926	10,815,191	32,132,721	24,861,066.40	-4%
vehicle revenue hours	1,828,065	896,229	3,350,528	1,269,443	746,634	2,670,842	1,786,735.20	2%
operating expenses	\$ 346,310,138.00	\$ 202,908,235.00	\$ 760,315,018.00	\$ 281,450,300.00	\$ 141,368,096.00	\$ 651,665,702.00	\$ 407,541,470.20	-15%
fare revenue	\$ 17,984,457.00	\$ 14,657,394.00	\$ 63,534,317.00	\$ 19,965,094.00	\$ 7,567,334.00	\$ 57,328,425.00	\$ 32,610,512.80	-45%
Performance Indicators								
OpEx per VRH (Cost per Hour)	\$ 189.44	\$ 226.40	\$ 226.92	\$ 221.71	\$ 189.34	\$ 243.99	\$ 221.67	-15%
OpEx per VRM (Cost per Mile)	\$ 14.44	\$ 15.44	\$ 15.77	\$ 14.06	\$ 13.07	\$ 20.28	\$ 15.73	-8%
OpEx per Trip (Cost per Passenger)	\$ 14.23	\$ 14.47	\$ 11.78	\$ 14.29	\$ 21.17	\$ 11.34	\$ 14.61	-3%
Fare Recovery	5.19%	7.22%	8.36%	7.09%	5.35%	8.80%	7%	-29%
PMT per VRM (Average Vehicle Occupancy)	5.09	5.14	7.94	6.09	3.40	7.20	5.95	-15%
Additional Considerations								
(OpEx minus Farebox) / UPT (cost-effectiveness - subsidy per trip)	\$ 13.49	\$ 13.42	\$ 10.80	\$ 13.28	\$ 20.04	\$ 10.35	\$ 13.58	-1%
(OpEx minus Farebox) / PMT (cost-effectiveness - subsidy per passenger mile)	\$ 2.69	\$ 2.79	\$ 1.82	\$ 2.15	\$ 3.64	\$ 2.57	\$ 2.59	4%

Figure 19: Peer Group Systemwide Comparison

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Recommendations for Management

From the procedures performed, we identified recommendations for management where considerations for enhancement to existing internal controls, processes, procedures, practices, efficiency and effectiveness of operations or management of the authority. The following recommendations were identified for Task 1 and provided to management for consideration. However, due to the nature of the recommendations, formal management responses and anticipated action plans are not required.

Recommendation 01 – Declines in Service Reliability

Over the quadrennial performance audit scope period, CapMetro experienced increased collisions per 100,000 miles, reduced miles between road calls, and deteriorating cost efficiency as operating costs per hour and per mile surged. Increased costs were experienced as CapMetro internalized the parts function and required the purchasing of parts supplies to address timely service reliability issues. Mileage between road calls are a measure of service reliability and provides a way to monitor the quality of the vehicle maintenance program and the general state of repair of the fleet. The declines in service reliability provides an indicator to increase oversight of operations and assess root causes to ensure standards and expectations are being met. As CapMetro utilizes a contracted service model for service delivery of multiple service modes, including motor bus, demand response, and rail, untimely identification of declines in service delivery indicators may decrease timely corrective action. Decline in service reliability could lead to increased liabilities, service disruptions, and rising operational costs, all of which may put public safety at risk, and erode public trust and customer satisfaction.

Management should continue to assess and improve its service reliability by working with its third-parties and internal operations to determine measures to reduce collisions and miles between road calls, which will assist with cost efficiency and improve rider experience. Management should also integrate safety and maintenance performance measures into its current and future contracts to address declines in service. Additionally, aligning agency performance metrics with NTD and state performance indicators will ensure that management focuses on key areas evaluated by external agencies.

Management's Response: CapMetro will continue to work collaboratively with its various service providers to improve service reliability and cost-effectiveness. CapMetro contracts already include safety and performance measures in service provider contracts. See additional detail in CapMetro Management's detailed response.

Responsible Party: CapMetro Chief Operating Officer

Implementation Date: Ongoing

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Recommendation 02 – Varying Cost Effectiveness

Over the quadrennial performance audit period, CapMetro showed mixed results in cost-effectiveness, which closely aligns with trends identified across the industry for the period reviewed. We identified that the agency's fare recovery rate, at approximately 5%, lags behind the peer group average of 7%, highlighting an area for potential improvement. However, CapMetro outperforms its peers in the cost per passenger performance indicator, with an average cost per passenger of \$14.23 compared to the peer group's \$14.61. Additionally, CapMetro has maintained relatively stable vehicle occupancy rates, decreasing only slightly from 5.34 in 2020 to 5.28 in 2023. A decline in recovery rates could impact financial sustainability.

Management should continue to assess and improve its cost effectiveness through ongoing efforts to increase fare recovery and prevent its cost per passenger from growing. CapMetro and Austin's Project Connect initiatives and impacts should be considered through strategies to improve cost effectiveness in the future. Additionally, aligning agency performance metrics with NTD, state performance indicators, and peer groups will ensure that management has appropriate benchmark data to continually assess and to assist with the focusing of their efforts.

Management's Response: CapMetro recognizes the challenges posed by declining fare recovery rates and reduced average vehicle occupancy, issues that are impacting the entire transit industry. CapMetro is committed to continuing to improve cost-effectiveness, despite these challenges, by continuing collaboration between CapMetro Operations staff and service providers, monitoring budgetary controls, and aligning key performance metrics to industry best practices. This work is already well underway through revisions to CapMetro's operating model made in 2022 and 2023.

Responsible Party: CapMetro Chief Financial and Risk Officer

Date: Ongoing

Task 2
Chapter 451 Statutory Compliance Review

Capital Metropolitan Transportation Authority

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Task 2 – Chapter 451 Statutory Compliance Review

Report Date: January 7, 2025

Executive Summary

The purpose of the Chapter 451 Statutory Compliance Review was to validate Capital Metropolitan Transportation Authority's (CapMetro) compliance with applicable state laws. Chapter 451 of the Texas Transportation Code (Code) requires CapMetro to be in compliance with all applicable elements of the Code, including the following statutes:

- Texas Government Code
- Texas Local Government Code
- Texas Property Code
- Texas Health and Safety Code
- Texas Penal Code
- Relevant legislation as adopted by the 87th and 88th Texas Legislatures

Based on the procedures performed, we validated that CapMetro achieved compliance with 174 of the 175 applicable Texas state laws as prescribed by Chapter 451 of the Texas Transportation Code. In addition, we validated that the CapMetro Board and personnel have effective procedures in place to comply with all statutes that govern the authority's policies, practices, and procedures. The Quadrennial Performance Review performed determined that one provision of the Texas Transportation Code 451 was not fully met by CapMetro due to the lack of supporting documentation to validate compliance:

- Texas Transportation Code § 451.457: Requires the delivery of each Quadrennial Performance Report to designated state staff and officials by February 1 of every second odd-numbered year.

1. Approach

The task included identifying and cataloging each compliance requirement as stated within Chapter 451 of the Texas Transportation Code, along with applicable statutes and laws as prescribed in the following:

- Texas Government Code
- Texas Local Government Code
- Texas Property Code
- Texas Health and Safety Code
- Texas Penal Code

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Each compliance requirement, along with the validation procedure to be performed, was documented into a compliance matrix which was used to verify achievement by the Authority. [Refer to Appendix B for the Compliance Matrix.](#)

In addition, we evaluated and documented applicable updates to Texas legislation to verify compliance. In order to validate legislative compliance, we reviewed legislative amendments that were enrolled by the 87th (2021) and 88th (2023) Texas Legislature along with:

- Previous Quadrennial Performance Reviews that assessed CapMetro’s compliance with new legislation from previous Texas Legislature sessions and that all issues raised in those reviews had been thoroughly addressed
- Validating that CapMetro did not regress in its policies or practices that would negatively impact the authority’s ability to satisfy all relevant enacted legislation.
- Validating the implementations of the CapMetro’s Sunset Review process recommendations that occurred during the prior quadrennial review period.

2. Sources of Information

In order to validate CapMetro’s compliance with the applicable statutes, the following sources of information were collected and reviewed:

- Texas Legislature Online, at <http://www.capitol.state.tx.us/>,
- Publicly available information on the Authority’s website, at <http://www.CapMetro.org/>,
- General Services Administration, at <https://www.gsa.gov/>,
- U.S. Census, at <https://www.census.gov/>,
- Internal policy manuals and memoranda provided by Capital Metro staff,
- Interviews with Capital Metro’s personnel, and
- Observed policies and practices in use, where relevant.

3. Metrics

To validate compliance, we utilized the following metrics to evaluate and determine whether the Authority is meeting the applicable Texas statutes:

- **Compliant** - An area is considered “achieved” if the audit procedures identified no findings with the authority’s implementation of statute.
- **Deficient** - An area is considered “deficient” if any of the requirements of a statute were not met by the authority.
- **Not Applicable**- An area is deemed “not applicable” if it was determined that the authority does not conduct activities relevant to the statute and are therefore not required to be met.

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Detailed Audit Procedures and Results

1. Legislative Chapter 451 Changes

To identify the applicable legislation enrolled in the 87th (2021) and 88th (2023) Texas Legislature that were relevant to CapMetro, we reviewed all amendments made to the Texas Transportation Code, Section 451 through an online search of the Texas Legislature Online. Next, we researched amendments in all other code areas in the two Texas Legislature sessions by identifying topics that have direct relevance to CapMetro. Figure 2.1 lists the key words and phrases that were used for the search.

Figure 20. Key Search Terms

n Alcoholic beverage	n Conflict of interest	n Marijuana	n System security
n Assessment of damages	n Depository	n Minimum wage	n Terminal complex
n Board matters	n Drug testing	n Occupational safety	n Train maintenance
n Board terms	n Electric consumption	n Open meeting	n Transportation safety
n Chapter 451	n Emissions tax payment	n Public records	
n Commuter rail	n Fare enforcement	n Records management	
n Competitive bidding	n HIPPA compliance	n Sales and use tax	

We also examined the findings and recommendations of the previous 2016 Quadrennial Performance Review and evaluated the authority's responses. We identified that the previous Quadrennial Performance Review, covering the FY 2016–2019 period, analyzed changes to the statutory amendments to the Texas Transportation Code Section 451 and other relevant Texas Government Code.

2. Legislative Chapter 451 Compliance and Other State Statutes

We conducted interviews with CapMetro's process owners to determine applicability and validate compliance with identified statutes. Additionally, we reviewed relevant data and documents, including CapMetro's website, to ensure adherence to transparency requirements. Our review verified that CapMetro maintained supporting documentation for transactions during the quadrennial review period. We also examined CapMetro by-laws and policies and procedures in alignment with Texas Transportation Code Chapter 451 and other applicable state statutes.

3. Prior Compliance Efforts

The Quadrennial Performance Audit also considered past compliance efforts that took place during the scope period. From our review of the 2019 Quadrennial Performance Review, we identified no instances of non-compliance with current provisions of Texas Transportation Code 451.

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Results

The Chapter 451 statutory compliance review found compliance with 174 of 175 statutes applicable to CapMetro, out of a total of 381 legislative requirements within all Texas Codes that apply to the scope of the audit. From the procedures performed, we determine CapMetro was not in compliance with one of the 175 requirements that were determined to be applicable to the authority during the FY 2020–FY 2023 audit period.

CapMetro was unable to provide supporting documentation verifying the delivery of the 2020 Quadrennial Performance Audit to the required state staff recipients, nor could it furnish proof of receipt as mandated by Texas Transportation Code § 451.457. This statute requires the submission of each Quadrennial Performance Audit to designated state officials by February 1 of every second odd-numbered year. During the audit review, CapMetro acknowledged this oversight and stated that procedures to formalize and document the delivery and receipt of future audits will be implemented.

Summary of Findings

From the procedures performed, we identified one area of non-compliance within Chapter 451 of the Texas Transportation Code, or where there is a lack of effective controls and oversight, or where performance did not meet established expectations. The following finding identifies the issues and includes management response:

Finding 01 – Quadrennial Performance Audit Report Delivery

Texas Transportation Code § 451.457, requires the quadrennial performance audit reports be delivered to specific recipients (e.g. Texas Governor, Lt. Governor, etc.) by February 1st following the completion of the report in the fiscal year immediately following the quadrennial scope period. CapMetro was unable to locate and provide the required documentation evidencing the distribution of the report to the recipient list for the previous 2020 quadrennial performance audit report. Retaining evidence of the delivery and receipt of the quadrennial performance audit report was also identified as a recommendation in the 2020 quadrennial performance audit report for the 2017 quadrennial performance audit.

Failure to provide documentation evidencing the delivery of the 2020 quadrennial report as required by Texas Transportation Code § 451.457 poses a risk of noncompliance with statutory obligations.

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Management should implement a standardized procedure for documenting the submission and receipt of quadrennial performance audit reports to those recipients identified within the Texas Transportation Code. This could include creating a submission log, obtaining formal acknowledgments from recipients (e.g., email confirmations, certified mail receipts), and retaining these records in a centralized, accessible system for compliance tracking. Additionally, management should assign responsibility for overseeing this process to ensure adherence to statutory requirements.

Management's Response: Management has assigned the Government Affairs Department to be the department responsible for overseeing and documenting compliance with 451.457. Government Affairs has implemented a centralized process and system to retain PDF copies of all letters sent and will be sending the formal transmittals by certified mail, with an accompanying digital scan of the receipt filed once received to provide proof of compliance. See additional detail in CapMetro Management's detailed response.

Responsible Party: Deputy Chief Executive Officer

Implementation Date: Completed

Recommendations for Management

From the procedures performed, we identified two recommendations for management where considerations for enhancement to existing internal controls, processes, procedures, practices, efficiency and effectiveness of operations or management of the authority. The following recommendations were identified for Task 2 and provided to management for consideration. However, due to the nature of the recommendations, formal management responses and anticipated action plans are not required.

Recommendation 03 – Personal Identifying Information Disclosure

Texas Transportation Code § 451.061(g) enables authorities to disclose customer personal identifying information to governmental agencies or higher education institutions for research or statistical purposes, with restrictions against publication, redisclosure, or contact use. This disclosure language is not documented explicitly in CapMetro's published policy, but the disclosure is referred to on their website as being subject to the code.

The absence of this disclosure language in CapMetro's online Privacy Policy hinders transparency in communicating how personal information is collected and used.

Management should consider updating CapMetro's policy on the authority's website to include the language outlined in Texas Transportation Code § 451.061(g). This update will clarify the authority's ability to disclose customer information for research purposes while maintaining compliance with restrictions on redisclosure, publication, or use for contact purposes.

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Management's Response: Management agrees with this recommendation. The Legal Department will update CapMetro's privacy policy on the website to include language that advises the public of the possibility that personal information might be shared as provided by Texas Transportation Code 451.061(g).

Responsible Party: CapMetro Deputy Chief Executive Officer

Implementation Date: January 31, 2025

Recommendation 04 - Right-of-Way Penalty Publication

Texas Transportation Code § 451.113(d) requires that unauthorized driving on the authority's Right-of-Way around the rail lines is subject to a penalty classified as a Class C misdemeanor. Currently, this penalty information is located near the rights-of-way but is not included on the authority's website to restate the physically posted information and clarify the severity of unauthorized driving on the authorities right-of-way.

The absence of penalty information on the website may limit public awareness and hinder compliance with Texas Transportation Code § 451.113(d).

Management should consider incorporating language on the authority's website and rider rules, that reflects the language posted at the physical right- of-way location, to inform the public of the penalty for unauthorized driving on the Right-of-Way, as required by Texas Transportation Code § 451.113(d). The inclusion of the penalty may raise awareness of the severity of such actions and deter potential acts.

Management's Response: CapMetro Management agrees with this recommendation and will update the website to clarify the penalty for trespassing in CapMetro right of way. CapMetro Management maintains that the best method for deterring trespassing is the Agency maintaining an active presence in our right of way, and the posting of signs on-site for awareness of people in the moment.

Responsible Party: CapMetro Chief Experience and Engagement Officer

Implementation Date: January 31, 2025

Task 3
Administration and Management of the Authority

Capital Metropolitan Transportation Authority

FY 2020–2023 Quadrennial Performance Audit Report

Task 1 – Performance Indicator Review

Report Date: January 7, 2025

Executive Summary

The purpose of the Administration and Management of the Authority task was to assess Capital Metropolitan Transportation Authority's (CapMetro, the authority) administration and management of the authority's departments. The specific departments selected for review within the authority were identified with CapMetro management, utilizing a priority-based approach to identify areas that have high reliance on third party service providers, highly complex operations, a significant impact on CapMetro's reputation or significant impact on meeting the authority's goals and objectives. As a result, the following departments were selected to be included within the scope of the task:

1. Demand Response Oversight
2. Bus Operations & Maintenance Oversight
3. Paratransit Eligibility
4. Demand Response Control and Call Center
5. Public Facilities
6. Rail Commuter Operations
7. Safety
8. Public Safety and Emergency Management

For the selected and agreed-upon departments identified for review, the following procedures were performed:

- Reviewed supervisory and management staffing levels and the administrative organization of each of the selected departments
- Reviewed department functionality through the direction provided by departmental directives
- Reviewed cost elements of each department through variance analysis, identifying direct and indirect connections between departmental budget variances and CapMetro's performance metrics, strategic objectives, and executive input.

Overall, CapMetro had adequate personnel across the selected departments evaluated during the quadrennial review period. The authority maintained a stable level of personnel to achieve the department's mission, goals, and functions. We also analyzed employees' functional qualifications and found that employees had adequate credentials and qualifications to perform their assigned duties. We identified opportunities for improvement related to management and monitoring of contracts/third-party's, the framework for departmental procedure management, along with assessing the integration of new operations and FTEs from the changing of the authorities business model and focus on additional professional development opportunities and strategies.

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In addition, the evaluated departments maintained effective budget monitoring processes. The management and monitoring of departmental budgets is a collaborative effort between department directors and the Finance Department to include reviewing budget to actual variances in operating expenses on a monthly basis and appropriately documenting and communicating variances to leadership. Additionally, proper Board oversight is present.

Background

CapMetro, the regional public transportation provider for Central Texas, is headquartered in Austin, Texas. It serves a population of over 1 million across a 535-square-mile area, including the cities of Austin, San Leanna, Leander, Lago Vista, Point Venture, Jonestown, and Manor, as well as unincorporated parts of Travis and Williamson counties.

The agency operates a diverse fleet comprising 368 buses, 23 electric buses, 55 MetroRapid buses, 10 diesel-electric trains, 257 vanpool vehicles, and 213 paratransit vehicles.

CapMetro's services include:

- **MetroBus:** Local bus routes serving the community.
- **MetroRapid:** Bus rapid transit lines offering faster service along major corridors.
- **MetroExpress:** Commuter bus services connecting suburban areas to central Austin.
- **University of Texas Shuttle:** Dedicated shuttle services for the University of Texas at Austin community.
- **Pickup:** On-demand, app-based service providing flexible routing within designated zones.
- **MetroAccess:** Complementary door-to-door paratransit service for eligible riders with disabilities.

The MetroRail Red Line offers a 32-mile commuter rail service between Leander and downtown Austin. CapMetro also oversees freight rail operations along 162 miles of track between Llano and Giddings.

The agency's vanpool program, MetroRideShare, provides eligible groups with access to passenger vans, including insurance, maintenance, 24-hour roadside assistance, administrative support, and a fuel purchasing program. For suburban communities within the service area, CapMetro collaborates with the Capital Area Rural Transportation System (CARTS) to offer transportation to select outlying areas surrounding Austin.

CapMetro is governed by an eight-member board of directors:

- Three members appointed by the Capital Area Metropolitan Planning Organization (CAMPO), including an elected official.
- One member representing the smaller cities within the service area.
- One member each appointed by the commissioners of Travis and Williamson counties.
- Two members appointed by the Austin City Council, one of whom must be an elected official.

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Since 2012, CapMetro has contracted with third party service providers to operate all passenger transportation services, including fixed-route, rail and paratransit service. The authority's key service providers during the audit period were Keolis, Inter-Con Security Services, MV Transportation, Herzog Contracting Corporation and MTM Transit (formerly Ride Right). In June 2015, the board approved a long-term 20-year contract with Watco Companies, LLC, for freight operations and maintenance services on CapMetro's railroad line.

In line with its commitment to sustainability, CapMetro has been expanding its electric bus fleet. However, as of July 2024, the agency has temporarily paused new electric bus purchases to address industry-wide battery technology challenges and to enhance its infrastructure to support electric vehicles.

CapMetro continues to adapt and innovate to meet the evolving transportation needs of Central Texas. As of FY2023, CapMetro's strategic objectives included aiming to enhance service delivery by piloting innovative models, refining operational standards, and transitioning to a battery-electric bus fleet. Efforts will focus on sustainability, public safety, workforce development, employee retention, and improving customer experience and loyalty through better bus services.

In Fiscal Year 2019, the authority realigned several areas of their operations to more accurately account for CapMetro's operational expenses. Bus and Paratransit Services and the Bus Contract Operations department merged to form the Operations and Maintenance Oversight Department. The department is responsible for coordinating and monitoring the operations of all third-party service providers for bus services. In addition, Paratransit Contract Operations and Paratransit Administration merged to form the Demand Response Oversight Department, which oversees each of the authority's paratransit services providers.

Approach

As part of planning and scoping for Task 3: Administration and Management of the Authority, we performed a preliminary analysis of CapMetro departments to identify those that should be evaluated as part of the task scope.

We analyzed each department's impact on the Agency's finances, regulatory and compliance environment, reputation, and operations and human capital through identifying and analyzing each department's relevant risks and assigning priority ratings for each risk category. Additionally, we identified key leadership, budget to actual expenses, full time employee staffing levels, and associated third party service contracts over the scope period (Refer to Appendix C for the Department Staff and Budget Summary). From our initial analysis, we assigned each department a preliminary priority level based on the overall risk impact on the agency's ability to meet goals and objectives.

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From the priority-based analysis, the following departments were selected:

1. Demand Response Oversight
2. Bus Operations & Maintenance Oversight
3. Paratransit Eligibility
4. Demand Response Control and Call Center
5. Public Facilities
6. Rail Commuter Operations
7. Safety
8. Public Safety and Emergency Management

For each selected department, we conducted interviews with executive and departmental leadership to gain an understanding of department responsibilities, mission, functionality, administrative organization, staffing levels, and budget considerations. The topics for the interviews also included the following:

- Significant changes in responsibilities, structure, or budget during the scope period
- Administrative management reporting structures and staffing patterns
- Incorporation of agency strategic priorities at the department level
- Management and monitoring of performance of third-party service providers
- Management and monitoring of performance metrics, for both internal and third parties
- Quality assurance programs and frequency
- Succession planning and departmental training
- Information management and tracking processes
- Risk impacts, including risks pertaining to operations, regulation, reputation, finances, and human capital

Following the interviews, we obtained and examined existing documentation for the department personnel, including organizational charts, key policies and procedures, internal measures to assess performance, supervisory and management personnel resumes, length of employment, and salaries or wage rates. From the supporting documentation, we evaluated the organizational structure to determine if the supervisory and management staffing levels appear appropriate to carry out the mission and goals of each department and division. We also evaluated the selected departments' functionality by analyzing policies and procedures, and ensuring directives are sufficient to guide the administration and management of the departments.

Additionally, we assessed each department's cost elements by analyzing the alignment of their budgetary spending with the Agency's mission and objectives. We identified and assessed potential indirect links between significant budget variances and strategic objectives, executive input, and/or performance indicators, connecting the spending of departmental expenses to agency performance and goals.

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Department Overview

The following is an overview of the in-scope departments that were identified during the priority-based assessment that are directly tied to achieving compliance with Chapter 451 and were approved by CapMetro Management for consideration:

1. Demand Response Oversight (formerly Paratransit Contract Operations)

The Demand Response Oversight department oversees CapMetro’s paratransit service contractors. Costs related to paratransit services compliant with the Americans with Disabilities Act (ADA) are budgeted in this department.

2. Bus Operations and Maintenance Oversight

The Operations and Maintenance Oversight department is responsible for coordinating the operations and activities of all CapMetro service providers for bus services. This includes coordination of contract management, data collection, analysis, and quality assurance activities for vehicle operations and vehicle maintenance.

3. Paratransit Eligibility

The Paratransit Eligibility department includes staff members from eligibility, travel training, and pathway assessment. The department manages the eligibility certification process and promotes fixed-route use by providing training to seniors and people with disabilities.

4. Demand Response and Call Center

The Demand Response Control and Call Center department is composed of the CapMetro Access and Pickup control and call center. The department provides real-time dispatch, scheduling, and advance trip reservations.

5. Public Facilities

The Public Facilities department is responsible for maintaining all bus stops, Park & Rides, Transit Centers and rail stations. The primary functions include the cleaning of bus stops and Transit Centers, servicing litter containers, coordinating the installation and removal of bus stop amenities, supporting special events and performing service change support tasks, including the installation and removal of signage and other facility management support for owned and leased non-public facilities.

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6. Rail Commuter Operations

The Rail Commuter Operations department provides management and oversight of regional rail service between the city of Leander and downtown Austin. The service operates 10 commuter trains along 32 miles of track that service 9 stations along this right-of-way. The department manages rail operations strategic planning, rail operations regulatory compliance, and risk reduction through post-incident analysis.

7. Safety (Formerly Safety, Risk Management and Accessible Services Management)

The Safety Department is responsible for addressing operational, construction, environmental and industrial safety-related matters. This is done through the development and implementation of related programs and oversight activities.

8. Public Safety and Emergency Management (Formerly Security)

The Public Safety and Emergency Management department's primary mission is to ensure the safety, protection and integrity of the transportation system. The department provides security and emergency preparedness related training for Capital Metro and service provider personnel to enhance system security in all areas. The department also continually collaborates with law enforcement and other regional first responders to ensure effective planning for and response to emergencies. The Public Safety and Emergency Management department maintains the access control and video systems for the agency.

Detailed Audit Procedures and Results

The following includes the detailed audit procedures that were performed for the task to review the staffing levels and administrative organization, department functionality, and cost elements of each in-scope department:

1. Staffing Level Review

For the eight departments selected, we evaluated the organization structure to determine if the staffing levels appear appropriate to carry out the mission and goals of each department and if the assignment and functional qualifications of management personnel were adequate. We also evaluated the administrative reporting structure to determine if the reporting lines ensure effective communication and management of the authority.

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Using personnel data provided by CapMetro management, we created a point-in-time analysis covering the FY 2020-2023 period that documents management positions and tenure as of September 30th over a four-year period for the following departments:

1. Demand Response Oversight (DRO)
2. Bus Operations & Maintenance Oversight (BOMO)
3. Paratransit Eligibility
4. Demand Response Control and Call Center (DRCCC)
5. Public Facilities (OPF)
6. Rail Commuter Operations (RCO)
7. Safety
8. Public Safety and Emergency Management (PSEM)

2. Department Functionality

In addition to confirming that the departments overall had adequate management qualified to perform their job responsibilities, we reviewed the functionality of the selected departments to determine if they are adequately defined and include appropriate roles and expectations. We also evaluated the Department's roles, responsibilities and products provided to ensure they are aligned with the overall missions and objectives of CapMetro. Lastly, we validated that the department has the appropriate levels of internal controls, including appropriate policies and procedures, supervisory review, and routine reporting and oversight by management.

3. Cost Elements Review

For each selected department, we analyzed the budget to actual operating expenses for each fiscal year within the scope period. We identified primary cost centers for further review based on their significant impact on the authority's primary operations. For the primary cost centers selected, we reviewed any budget to the actual variances identified during the scope period and verified the variances were appropriately monitored and addressed by department leadership.

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Results:

The staffing and organization of the eight departments under review changed significantly between fiscal year 2021 and fiscal year 2022. CapMetro administered a staffing organization heavily dependent on contracted employees during the first two years of the quadrennium (FY 2020/2021) and an organization that shifted responsibilities and organizational risk toward full-time employees of CapMetro during the second two years (2022/2023). The change was driven by a contractual agreement with MV Transportation effective January 1, 2022 that resulted in a number of MVT employees becoming employees of CapMetro.¹² In addition, CapMetro made strategic staffing decisions to augment resources in Demand Response Operations and Control Center (hourly customer service representatives for paratransit) and in Public Safety and Emergency Management (the public safety ambassador program).¹³

CapMetro grew by 131 salaried employees and 70 hourly employees over the four years of the quadrennium. The FTE growth in each of the eight departments is summarized below in **Table 18**. The staff increases were a reasonable response to the changing dynamics of CapMetro contract management and the priorities of leadership. An influx of over 200 employees in a two-year period requires thoughtful planning and integration work: establishing cultural norms, adhering to process and procedure, risk management, delegation of responsibilities, professional development, and evaluation.

The overall performance of CapMetro during the four-year period is assessed in other areas of this report; from a personnel and organizational perspective, CapMetro exhibited stability in staffing and management across the eight operational departments. For example, of the 64 MVT employees who transitioned to CapMetro employment in January of 2022, 57 remain with the agency today, an 89% three-year retention rate. In the first year of the transition, Bus Operations and Maintenance only lost one employee of the 64 (98.4% retention).

Department	Salary	Hourly	Total
Commuter Rail Operations	4	0	4
Demand and Response Oversight	3	1	4
Demand Response Operations and Control Center	1	18	19
Bus Operations and Maintenance	100	10	110
Public Facilities	1	7	8
Paratransit Eligibility	2	3	5
Public Safety and Emergency Management	11	31	42
Safety	9	0	9
TOTALS	131	70	201

Table 18. FTE Change by Department FY2020 - FY 2023

¹² On December 27th, 2021, five days before the contract change with MV Transportation, CMTA hired 64 employees and assigned them to Bus Operations and Maintenance. The new employees were formerly contract employees with MVT and continued their former roles under CMTA management (bus inspectors, instructors, radio controllers, vehicle maintenance, parts and inventory, facilities, and other duties).

¹³ CMTA hired nine hourly public safety ambassadors on June 6, 2022, four on February 6, 2023, and an additional eight on July 31, 2023.

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CapMetro has adopted a set of strategic priorities to guide the authority, which serves as a foundation for the annual budget. As of FY 2023, these priorities were the following:

- Develop and pilot innovative service models
- Refine operational SOPs for Service Standards
- Incorporate environmental sustainability into all aspects of agency operations
- Transition to battery electric bus fleet
- Enhance public safety programs
- Implement employee retention initiatives
- Expand organizational workforce development efforts
- Invest in customer experience and loyalty
- Bus service improvements
- Strengthen business and financial processes
- Enhance DEI program and practices
- Continue implementation of Project Connect
- Invest in systems for data analysis that inform agency decision-making

Recommendations for Management

From the procedures performed, we identified four recommendations for management that were provided separately to management for their consideration as an enhancement to existing internal controls, processes, procedures, efficiency and effectiveness of operations or management of the authority, as such formal management responses and anticipated action plans are not required.

Recommendation 05 - Authority-Wide Contract/Third-Party Management Framework

CapMetro's primary transit operations are outsourced to third parties and require effective, efficient, and timely contract management by internal contract managers. The authority has various contract management practices and tools that are adapted to the requirements of the contract and carried out by the internal contract managers on a daily basis. Additionally, Contract Managers maintain collaborative relationships with their third-party contacts to ensure timely updates on status, incidents, and corrective actions to ensure alignment and compliance with the contract. However, contract administration practices deployed for the managing of the various contracts across the authority, including those with differing objectives and monitoring needs, are not consistently approached and applied for each contract.

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While contracts inherently have differing objectives and monitoring requirements, there is an opportunity for the evaluated CapMetro departments to adopt and integrate effective practices from each other to improve the accuracy and completeness of quality assurance processes through formalized guidance and procedures on the authority's expectations for contract administration. This formal guidance can assist contract managers in assessing compliance and performance of each third-party more uniformly across the authority.

Furthermore, CapMetro does not have an effective method or tool in place to systematically and centrally input and track performance outputs, indicators, and other documentation and data to provide transparency in service delivery by key contractors over the entirety of the contract and assist with the development of trends in performance that may need corrective action by management.

Inconsistent contract administration expectations and practices across the authority's various departments, contract managers, and operations may negatively impact its effectiveness and efficiency to achieve strategic objectives with its current model of outsourcing primary transit operations. Additionally, inconsistent documentation of contract performance can hinder accountability measures and actions to correct performance timely.

Lastly, differing objectives and monitoring requirements of each contract inherently lead departments responsible for contractor oversight to focus on their individual efforts, which may limit opportunities for collaboration and the exchange of information on performance monitoring best practices to contract manager counterparts across the authority.

Management should design and implement a comprehensive contract management framework, in collaboration with its contract managers, that can be modified by each department to meet the needs of the contract but also incorporate performance measures, budget to actual financial data, tracking of quality assurance measures performed, central and electronic collection and documentation of QASP's, and dashboards for monitoring compliance and performance of the data being received from each third-party, which will ensure a more uniform and consistent practice and methodology across the authority. In addition, a contract management tool should be developed and used to make decisions related to each operational service provider with evidence of performance and outcomes driven and supported through data that can be verified by management. Further, departments responsible for contract oversight should collaborate and share their existing quality assurance processes to exchange best practices, thereby enhancing the accuracy and completeness of quality assurance efforts.

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Management's Response: Though CapMetro has processes to actively monitor contracts, CapMetro management agrees with the recommendation to refine and further develop an agency-wide framework for the management of third-party contractors. Many of CapMetro's services are provided by a third-party contractor and are actively managed within each mode. Refining our overarching monitoring framework will ensure consistency across the agency while allowing for differences based on specifics of a particular mode or service provided. See additional detail in CapMetro Management's detailed response.

Responsible Party: CapMetro Chief Administrative Officer

Implementation Date: July 1, 2025

Recommendation 06 - Departmental Procedure Management

CapMetro does not currently have in place a formal management process to ensure department specific procedures are current, reflect established practices that are unique to the department, and routinely assessed by key stakeholders to ensure compliance and proper dissemination. Although the Authority has a formal policy management process and personnel to assess, update, approve, and disseminate the authority-wide policies, there is not central support and guidance to ensure all departmental procedures are assessed annually by management to ensure they meet the current business practices.

Without regular reviews and updates, the procedures may no longer reflect CapMetro's current state, potentially hindering the procedural relevance and applicability in guiding day-to-day operations. Furthermore, the lack of timely updates could lead to gaps in ensuring that practices are aligned with evolving organizational needs and regulatory requirements.

Management should consider developing and disseminating formal guidance and tools to departments on the expected processes, cadence, and structure of the departmental procedure review process to ensure procedure documents are regularly updated and remain aligned with current organization practices, needs, and conditions. This process could incorporate centrally developed templates, guidance, and training on performing the assessment, documenting the updates, disseminating and collecting acknowledgement from staff on the updated procedures. By doing so, the authority can improve operational efficiency, ensure relevance to evolving practices, and validate acknowledgment by staff of the procedural updates and expectations.

Management's Response: CapMetro Management will provide guidance and recommendations to staff regarding procedures.

Responsible Party: CapMetro Deputy Chief Executive Officer

Implementation Date: December 31, 2025

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Recommendation 07 - Post-Integration Analysis of New Operations and FTES

CapMetro should consider a post-integration analysis of the organizational changes of January 2022 and report those findings to leadership. CapMetro staffing and organization changed significantly between fiscal years 2021 and 2022 when bus operations and maintenance responsibilities were shifted in-house with the new contractual agreement with MV Transportation. Additionally, strategic staffing decisions to augment resources in Demand Response Operations, Control Center, and Public Safety and Emergency Management saw growth during the scope period.

With the growth of 131 salaried employees and 70 hourly employees over the scope period, CapMetro had to ensure those departments established cultural norms, adhered to processes and procedures, managed risk, delegated responsibilities, ensured professional development, and evaluated operations to meet expectations. Therefore, an analysis could be performed in-house or by a third-party to assess the integration of the employees and functions acquired over the period and three years of data and observation is adequate to determine the impact of the change. The analysis should include:

- Changes in recruitment and professional development strategies between January 2022 and January 2025
- Three-year retention rates of former contract employees compared to overall retention rates
- Performance comparison of former contract employees to appropriate CapMetro internal peer groups
- Impact on Key Performance Indicators
- Efficiency Gains
- Unintended Consequences

Currently, management has hired a consultant to perform a span of control review, which will incorporate many of these elements identified to evaluate and compare to other similar transportation authorities.

Significant changes to an organization without timely and effective assessment of their integration can result in long-term inefficiencies, effectiveness, and impacts to culture and operations that meet the Authority's expectations.

Management should continue current efforts to perform and complete a span of control review and comparison of its review to other similar transportation authorities. Additionally, management should consider a post-integration analysis of the organizational changes of January 2022 and report those findings to leadership. Such an analysis could be performed in-house or by a third-party. Three years of data and observation is adequate to determine the impact of the change. The analysis should include:

- Changes in recruitment and professional development strategies between January 2022 and January 2025
- Three-year retention rates of former contract employees compared to overall retention rates

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- Performance comparison of former contract employees to appropriate CapMetro internal peer groups
- Impact on Key Performance Indicators
- Efficiency Gains
- Unintended Consequences

Management's Response: As the recommendation acknowledges, CapMetro made significant changes to the fixed route operational structure in 2022 with a primary goal of enhancing efficiency and CapMetro's ownership of key service decisions. CapMetro is in a constant state of reflection, analysis and improvement with respect to the changes made and agrees with the recommendation to continue to assess the effectiveness of the organizational changes made in 2022. It is important to note that Operations Management collaborates regularly with each service provider to align the deployment of staffing resources to address service issues in real time and improve operational efficiencies. See additional detail in CapMetro Management's detailed response.

Responsible Party: CapMetro Chief Administrative Officer

Implementation Date: December 31, 2025

Recommendation 08 - Professional Development Opportunities

CapMetro should consider additional professional development opportunities tied to job responsibilities within the eight departments evaluated within the scope of the Quadrennial Performance Audit. CapMetro should continue several best practice leadership development programs initiated in FY 2024, including a formal commitment to succession planning within departments.

Continued professional development opportunities for each defined job title, position, and succession for future roles can ensure continued growth for the individual and positively impact the effectiveness and maturity of the organization.

Management should continue current initiatives around professional development and succession planning that were developed in FY24 to address management identified gaps. This training includes defined training and professional development opportunities for each job responsibility that will continue to promote their growth. Additionally, management should continue efforts to formalize succession planning within each department.

Management's Response: During the review period, CapMetro did offer defined professional development opportunities to employees, and we continue to enhance our development programs. See additional detail in CapMetro Management's detailed response.

Responsible Party: CapMetro Chief Administrative Officer

Implementation Date: Ongoing

Appendix A

Task 1 - FY 2020 to 2023 Data Tables and Performance Indicators

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All performance indicators (PIs) reflect inputs from the beginning of FY 2020 to end of FY 2023 (four periods). Additionally, FY 2016 to 2019 data was also included in instances to show comparisons from the previous quadrennial performance audit period. The Compounded Annual Growth Rate (CAGR) is used to describe any changes in performance and is based on the four-year period. With the exception of On-Time Performance (OTP) and YR accidents, all data is sourced from the National Transit Database.

Table A1. NTD Sources of Performance Indicator Data

Data	Source
Sales and Use Tax Receipts	NTD – Form F10
Fares	NTD – Form F10
Operating Expense	NTD – Form F30
Unlinked Passenger Trips	NTD – Form S-10
Revenue Hours	NTD – Form S-10
Revenue Miles	NTD – Form S-10
Passenger Miles	NTD – Form S-10

Table A2. Operating Expense and CAGR by Mode

Year	MB	CB	DR	YR	Total
2016	\$145,931,371	\$5,702,754	\$39,911,244	\$23,076,368	\$214,621,737
2017	\$145,945,211	\$5,973,478	\$41,912,043	\$21,750,211	\$215,580,943
2018	\$154,713,665	\$7,750,702	\$40,843,532	\$23,184,423	\$226,492,322
2019	\$165,583,694	\$8,828,809	\$38,949,933	\$19,319,510	\$232,681,946
2020	\$159,469,985	\$4,671,770	\$41,344,741	\$22,536,132	\$228,022,628
2021	\$161,136,588	\$1,759,661	\$45,082,917	\$28,286,746	\$236,265,912
2022	\$197,635,839	\$2,201,227	\$51,089,019	\$31,867,229	\$282,793,314
2023	\$236,694,933	\$2,495,503	\$42,358,530	\$34,842,819	\$316,391,785
CAGR 2016-2019	4.30%	15.68%	-0.81%	-5.75%	2.73%
CAGR 2020-2023	10.38%	-14.51%	0.61%	11.51%	8.53%

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Table A3. Total Cost by Function*

Year	Vehicle Operations	Vehicle Maintenance	Non-Vehicle (Facility) Maintenance	General Administration	Total
2020	\$118,024,109	\$42,652,502	\$12,336,066.00	\$57,395,737	\$110,655,873
2021	\$110,850,817	\$40,924,070	\$12,390,653.00	\$73,429,627	\$139,365,391
2022	\$132,883,845	\$53,545,111	\$16,386,727.00	\$81,791,250	\$156,365,574
2023	\$170,457,258.	\$58,187,597	\$19,284,488.00	\$71,289,071	\$319,218,414
CAGR 2020-2023	9.63%	8.07%	11.82%	5.57%	8.49%

*Note: Total excludes deductions and vanpool expense

Table A4. Total Line Item Expense Change and CAGR

Line Item	2020	2021	2022	2023	CAGR
Other Salaries/Wages	\$25,618,454	\$26,920,736	\$37,756,037	\$45,598,512	15.50%
Fringe Benefits	\$12,266,628	\$12,641,092	\$13,655,532	\$17,102,725	8.66%
Services	\$20,506,503	\$24,843,453	\$35,608,293	\$45,252,287	21.88%
Fuel/Lube	\$11,467,182	\$9,962,247	\$9,963,853	\$12,860,132	2.91%
Other Materials/Supplies	\$1,851,914	\$1,484,750	\$7,619,945	\$18,137,192	76.90%
Utilities	\$3,098,151	\$3,346,753	\$3,510,018	\$4,177,860	7.76%
Casualty/Liability Costs	\$399,679	\$2,670,353	\$568,558	\$556,083	8.61%
Taxes	\$1,075,310	\$914,385	\$926,693	\$1,336,966	5.60%
Purchased Transportation	\$146,137,986	\$147,472,784	\$163,059,530	\$188,431,830	6.56%
Miscellaneous Expenses	\$1,246,633	\$823,627	\$1,538,791	\$2,311,796	16.70%
Total	\$223,668,440	\$231,080,180	\$274,209,272	\$335,765,383	10.69%

Table A5. CapMetro Revenue Hours of Service by Mode and CAGR

Year	MB	CB	DR	YR	Total
2016	1,222,015	40,182	388,813	12,536	1,663,546
2017	1,230,076	40,364	380,052	12,725	1,663,217
2018	1,325,923	47,486	380,407	13,157	1,766,973
2019	1,434,961	61,632	402,917	12,365	1,911,875
2020	1,297,870	32,738	408,492	11,063	1,750,163
2021	1,324,579	8,225	397,986	10,899	1,741,689
2022	1,248,859	8,754	400,487	14,488	1,672,588
2023	1,312,824	8,985	416,962	14,194	1,752,965
CAGR 2016-2019	5.50%	15.33%	1.19%	-0.46%	4.75%
CAGR 2020-2023	0.29%	-27.62%	0.51%	6.43%	0.04%

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Table A6. CapMetro Revenue Miles of Service by Mode and CAGR

Year	MB	CB	DR	YR	Total
2016	14,475,601	736,798	5,174,877	298,379	20,685,655
2017	14,473,436	737,780	5,260,345	301,020	20,772,581
2018	15,396,804	928,475	5,453,261	310,272	22,088,812
2019	15,952,995	1,147,318	5,617,274	290,764	23,008,351
2020	14,707,589	605,598	4,472,209	266,174	20,051,570
2021	15,285,064	196,681	4,335,557	266,094	20,083,396
2022	13,955,659	202,557	5,096,957	336,682	19,591,855
2023	14,671,028	207,012	5,349,198	333,124	20,560,362
CAGR 2016-2019	3.29%	15.91%	2.77%	-0.86%	3.61%
CAGR 2020-2023	-0.06%	-23.54%	4.58%	5.77%	0.63%

Table A7. CapMetro Passenger Trips by Mode

Year	MB	CB	DR	YR	Total
2016	28,585,274	542,266	682,378	806,331	30,616,249
2017	27,297,092	527,351	670,693	824,704	29,319,840
2018	26,879,274	613,852	675,564	811,242	28,979,932
2019	28,313,270	779,887	706,883	729,507	30,529,547
2020	20,929,440	412,468	550,702	377,703	22,270,313
2021	15,789,410	45,894	487,924	256,982	16,580,210
2022	18,810,536	99,059	752,118	474,354	20,136,067
2023	22,490,883	121,301	914,983	477,322	24,004,489
CAGR 2016-2019	-0.32%	12.88%	1.18%	-3.28%	-0.09%
CAGR 2020-2023	1.82%	-26.36%	13.53%	6.03%	1.89%

Table A8. Passenger Miles Travelled by Mode

Year	MB	CB	DR	YR	Total
2016	116,469,788	8,811,515	5,391,655	13,241,488	143,914,446
2017	115,795,824	7,701,902	5,548,080	13,034,972	142,080,778
2018	116,078,145	10,387,840	5,591,419	12,269,528	144,326,932
2019	115,922,296	14,695,729	6,003,749	11,187,645	147,809,419
2020	90,381,984	7,329,378	3,970,644	5,491,355	107,173,361
2021	74,122,216	759,804	3,203,806	3,044,287	81,130,113
2022	81,813,024	1,748,763	4,956,545	6,415,639	94,933,971
2023	93,122,288	2,400,259	5,611,261	7,330,560	108,464,368
CAGR 2016-2019	-0.16%	18.59%	3.65%	-5.46%	0.89%
CAGR 2020-2023	0.75%	-24.35%	9.03%	7.49%	0.30%

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Table A9. Passenger Fares by Mode

Year	MB	CB	DR	YR	Total
2016	\$19,158,387	\$564,651	\$798,917	\$2,135,825	\$22,657,780
2017	\$18,261,674	\$948,523	\$851,016	\$1,974,227	\$22,035,440
2018	\$17,602,367	\$992,587	\$801,828	\$1,927,996	\$21,324,778
2019	\$16,515,594	\$2,113,839	\$749,550	\$1,526,429	\$20,905,412
2020	\$10,952,250	\$1,099,259	\$643,427	\$748,076	\$13,443,012
2021	\$10,843,200	\$143,424	\$499,389	\$514,768	\$12,000,781
2022	\$12,354,156	\$234,812	\$733,970	\$1,109,896	\$14,432,834
2023	\$13,886,045	\$330,137	\$825,182	\$1,310,659	\$16,352,023
CAGR 2016-2019	-4.83%	55.27%	-2.10%	-10.59%	-2.65%
CAGR 2020-2023	6.11%	-25.97%	6.42%	15.05%	5.02%

Table A10. Accidents: Total of Collisions

Year	MB	CB	DR	YR	Total
2016	36	0	2	5	43
2017	47	0	10	2	59
2018	67	0	8	3	78
2019	59	3	12	2	76
2020	66	0	7	7	80
2021	75	0	18	12	105
2022	83	0	14	5	102
2023	69	0	19	16	104
CAGR 2016-2019	17.90%	-	81.71%	-26.32%	20.91%
CAGR 2020-2023	3.99%	-	12.17%	68.18%	8.16%

Table A11. Major Mechanical Failures

Year	MB	CB	DR	YR	System Wide
2016	4,078	99	285	3	4,465
2017	2,938	143	393	4	3,478
2018	3,455	14	291	6	3,766
2019	3,971	31	241	5	4,248
2020	4,540	138	201	26	4,905
2021	6,104	62	354	11	6,531
2022	9,460	235	729	28	10,452
2023	1,584	58	564	30	2,236
CAGR 2016-2019	-0.88%	-32.09%	-5.44%	18.56%	-1.65%
CAGR 2020-2023	-23.14%	-19.48%	29.43%	3.64%	-17.83%

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Table A12. Other Mechanical Failures

Year	MB	CB	DR	YR	System Wide
2016	921	11	202	0	1,134
2017	487	27	183	0	697
2018	492	9	155	0	656
2019	597	4	146	0	747
2020	748	38	143	0	929
2021	909	37	683	0	1,629
2022	3,116	70	146	0	3,332
2023	7,014	129	803	0	7,946
CAGR 2016-2019	-13.46%	-28.62%	-10.26%	-	-12.99%
CAGR 2020-2023	74.99%	35.74%	53.94%	-	71.01%

Performance Indicators

Table A13. Operating Cost per Passenger Trip

Year	MB	CB	DR	YR	Average
2016	\$5.11	\$10.52	\$58.49	\$28.62	\$9.47
2017	\$5.35	\$11.33	\$62.49	\$26.37	\$9.78
2018	\$5.76	\$12.63	\$60.46	\$28.58	\$10.62
2019	\$5.85	\$11.32	\$55.10	\$26.48	\$11.13
2020	\$7.62	\$11.33	\$75.08	\$59.67	\$16.96
2021	\$10.21	\$38.34	\$92.40	\$110.07	\$19.69
2022	\$10.51	\$22.22	\$67.93	\$67.18	\$19.59
2023	\$10.52	\$20.57	\$46.29	\$73.00	\$19.35
CAGR 2016-2019	4.63%	2.49%	-1.97%	-2.55%	5.52%
CAGR 2020-2023	8.41%	16.09%	-11.39%	5.17%	3.35%

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Table A14. Operating Cost per Revenue Hour

Year	MB	CB	DR	YR	Average
2016	\$119.42	\$141.92	\$102.65	\$1,840.81	\$129.01
2017	\$118.65	\$147.99	\$110.28	\$1,709.25	\$129.62
2018	\$116.68	\$163.22	\$107.37	\$1,762.14	\$128.18
2019	\$115.39	\$143.25	\$96.67	\$1,562.44	\$121.70
2020	\$122.87	\$142.70	\$101.21	\$2,037.07	\$130.29
2021	\$121.65	\$213.94	\$113.28	\$2,595.35	\$135.65
2022	\$158.25	\$251.45	\$127.57	\$2,199.56	\$169.08
2023	\$180.29	\$277.74	\$101.59	\$2,454.76	\$180.49
CAGR 2016-2019	-1.14%	0.31%	-1.98%	-5.32%	-1.93%
CAGR 2020-2023	10.06%	18.11%	0.09%	4.77%	8.49%

Table A15. Operating Cost per Revenue Mile

Year	MB	CB	DR	YR	Average
2016	\$10.08	\$7.74	\$7.71	\$77.34	\$10.38
2017	\$10.08	\$8.10	\$7.97	\$72.26	\$10.42
2018	\$10.05	\$8.35	\$7.49	\$74.72	\$10.95
2019	\$10.38	\$7.70	\$6.93	\$66.44	\$11.25
2020	\$10.84	\$7.71	\$9.24	\$84.67	\$11.02
2021	\$10.54	\$8.95	\$10.40	\$106.30	\$11.42
2022	\$14.16	\$10.87	\$10.02	\$94.65	\$13.67
2023	\$16.13	\$12.05	\$7.92	\$104.59	\$15.30
CAGR 2016-2019	0.98%	-0.19%	-3.48%	-4.94%	2.73%
CAGR 2020-2023	10.45%	11.81%	-3.80%	5.43%	8.53%

Table A16. Tax Receipts per Passenger (All Modes)

Year	Total
2016	\$7.23
2017	\$7.79
2018	\$8.40
2019	\$8.57
2020	\$11.78
2021	\$18.18
2022	\$18.22
2023	\$15.93
CAGR 2016-2019	5.83%
CAGR 2020-2023	7.83%

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Table A17. Fare Recovery

Year	MB	CB	DR	YR	Average
2016	13.13%	9.90%	2.00%	9.26%	10.56%
2017	12.51%	15.88%	2.03%	9.08%	10.22%
2018	11.38%	12.81%	1.96%	8.32%	9.42%
2019	9.97%	23.94%	1.92%	7.90%	8.98%
2020	6.87%	23.53%	1.56%	3.32%	5.90%
2021	6.73%	8.15%	1.11%	1.82%	5.08%
2022	6.25%	10.67%	1.44%	3.48%	5.10%
2023	5.87%	13.23%	1.95%	3.76%	5.17%
CAGR 2016-2019	-8.75%	34.22%	-1.30%	-5.14%	-5.23%
CAGR 2020-2023	-3.86%	-13.41%	5.77%	3.18%	-3.24%

Table A18. Vehicle Occupancy by Mode

Year	MB	CB	DR	YR	Average
2016	8.05	11.96	1.04	44.38	6.96
2017	8.00	10.44	1.05	43.30	6.84
2018	7.54	11.19	1.03	39.54	6.53
2019	7.27	12.81	1.07	38.48	6.42
2020	6.15	12.10	0.89	20.63	5.34
2021	4.85	3.86	0.74	11.44	4.04
2022	5.86	8.63	0.97	19.06	4.85
2023	6.35	11.59	1.05	22.01	5.28
CAGR 2016-2019	-3.34%	2.32%	0.95%	-4.64%	-2.66%
CAGR 2020-2023	0.80%	-1.07%	4.22%	1.63%	-0.28%

Table A19. On-Time Performance by Mode

Year	MB	CB	DR	YR	Average
2016	81.15%	77.50%	93.86%	95.97%	87.12%
2017	82.47%	82.00%	93.85%	97.65%	88.99%
2018	84.45%	85.57%	92.39%	96.54%	89.74%
2019	84.16%	81.46%	90.34%	97.21%	88.29%
2020	84.61%	77.10%	90.56%	98.90%	87.79%
2021	83.74%	84.30%	92.46%	95.40%	88.97%
2022	80.19%	79.40%	86.32%	98.36%	86.07%
2023	81.21%	76.80%	80.44%	96.98%	83.86%
CAGR 2016-2019	1.22%	1.68%	-1.27%	0.43%	0.45%
CAGR 2020-2023	-1.02%	-0.10%	-2.92%	-0.49%	-1.14%

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Table A20. Accident Rate per 100,000 Miles by Mode

Year	MB	CB	DR	YR	Total
2016	0.25	0.00	0.04	1.68	0.21
2017	0.32	0.00	0.19	0.66	0.28
2018	0.44	0.00	0.15	0.97	0.35
2019	0.37	0.26	0.21	0.69	0.33
2020	0.45	0.00	0.16	2.63	0.4
2021	0.49	0.00	0.42	4.51	0.52
2022	0.59	0.00	0.27	1.49	0.52
2023	0.47	0.00	0.36	4.80	0.51
CAGR 2016-2019	13.96%	-	73.80%	-25.67%	16.69%
CAGR 2020-2023	6.16%	-	14.42%	62.40%	11.24%

Table A21. Miles Between Road Calls by Mode

Year	MB	CB	DR	YR	Total
2016	2,896	6,698	10,626	99,460	119,680
2017	4,226	4,340	9,133	75,255	92,954
2018	3,901	40,368	12,227	51,712	108,208
2019	3,492	32,781	14,515	58,153	108,941
2020	2,781	3,441	13,001	10,237	29,460
2021	2,180	1,987	4,181	24,190	32,538
2022	1,110	664	5,825	12,024	19,623
2023	1,706	1,107	3,913	11,104	17,830
CAGR 2016-2019	6.44%	69.78%	10.96%	-16.38%	-3.09%
CAGR 2020-2023	-16.39%	-57.13%	-27.94%	-33.90%	-36.40%

Appendix B

Task 2 - Detailed Compliance Results – Chapter 451 Statutory Compliance Review

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Appendix B: Task 2 – Detailed Compliance Results for Chapter 452 Statutory Compliance Review

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Transportation Code	Requirement	Test Conclusion
Sec. 451.052	Nature of Authority. Definition of an authority.	Achieved
Sec. 451.053	Responsibility for control of authority. Board is responsible for the management, operation, and control of an authority and its property.	Achieved
Sec. 451.054(a)	General Powers of Authority. An authority shall carry out Chapter 451 as deemed necessary.	Achieved
Sec. 451.054(b)	General Powers of Authority. This section only applies to authorities created by alternate municipalities.	Not Applicable
Sec. 451.054(c)	General Powers of Authority. An authority may sue and be sued.	Achieved
Sec. 451.054(d)	General Powers of Authority. Before acquiring an interest in real property > \$20,000 the Board shall acquire 2 property appraisals independent of each other.	Not Applicable
Sec. 451.054(e)	General Powers of Authority. An authority may participate in sales, leases, and disposals.	Achieved
Sec. 451.055(a)	Grants and Loans. May contract with any person.	Achieved
Sec. 451.055(b)	Grants and Loans. May accept a grant or loan from any person.	Achieved
Sec. 451.056(a)	Operation of Transit Authority System. May operate a transit authority system within its territory.	Achieved
Sec. 451.056(b)	Operation of Transit Authority System. Acquire written approval of the governing body in order to lease the entire transit authority system under Sec. 451.056(a-3).	Not Applicable
Sec. 451.056(c)	Operation of Transit Authority System. This section applies to authorities created by alternate municipalities.	Not Applicable
Sec. 451.056(d)	Operation of Transit Authority System. Shall determine routes.	Achieved
Sec. 451.057	Acquisition of Property by Agreement. May acquire rolling stock/other property under contract/trust.	Not Applicable
Sec. 451.058(a)	Use and Acquisition of Property of Others. May use public way and relocate/reroute/alter property of another person for purposes defined in Sec. 451.056(a-1).	Achieved
Sec. 451.058(b)	Use and Acquisition of Property of Others. May contract with owner to allow owner's own means/contractor of the owner to complete acts authorized by Sec. 451.058(a-2).	Not Applicable
Sec. 451.058(c)	Use and Acquisition of Property of Others. May acquire by eminent domain any interest in real property.	Not Applicable

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Transportation Code	Requirement	Test Conclusion
Sec. 451.058(d)	Use and Acquisition of Property of Others. Costs incurred are at the sole cost and expense of the authority. Damages incurred by an owner must be paid by the authority.	Achieved
Sec. 451.058(e)	Use and Acquisition of Property of Others. Must receive written permission from owner of the property unless eminent domain is exercised.	Achieved
Sec. 451.059(a)	Eminent Domain Proceedings are initiated by the adoption by the Board.	Not Applicable
Sec. 451.059(b)	Eminent Domain Proceedings. Public hearings are held in a location convenient to the residents of the area > 29 days before the adoption of a resolution.	Not Applicable
Sec. 451.059(c)	Eminent Domain Proceedings. Notice of a public hearing is published in a newspaper easily accessible to residents of the area at least 1 time/week for 2 weeks before the meeting.	Not Applicable
Sec. 451.059(d)	Eminent Domain Proceedings. Adopted resolutions are conclusive evidence of public necessity.	Not Applicable
Sec. 451.059(e)	Eminent Domain Proceedings.	Not Applicable
Sec. 451.060	Agreement with Utilities, Carriers.	Not Applicable
Sec. 451.061(a)	Fares and Other Charges. Fares and other charges will be imposed to produce revenue in an amount adequate to cover relevant expenses/liabilities sufficient for operations.	Achieved
Sec. 451.061(b)	Fares and Other Charges. Impositions are not to be excessive beyond covering obligations.	Achieved
Sec. 451.061(c)	Fares and Other Charges. May set fares according to a zone system or other reasonable classification.	Achieved
Sec. 451.061(d)	Fares and Other Charges. This section does not apply to authorities with populations greater than 1.9 million.	Not Applicable
Sec. 451.061(e)	Fares and Other Charges. The state's power is not limited in regards to regulating taxes imposed/other compensation authorized.	Achieved
Sec. 451.061(f)	Fares and Other Charges. Personal identifying information is confidential and not subject to disclosure under Chapter 552, Government Code.	Achieved
Sec.451.061 (g)	Fares and Other Charges. Personal identifying information may be disclosed to a governmental agency or institution of higher education, as defined by Chapter 61, Education Code.	Achieved

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Transportation Code	Requirement	Test Conclusion
Sec. 451.0611(a)	Enforcement of Fares and Other Charges; Penalties. By resolution, board may prohibit persons who fail to pay the fare, and may ensure fares are paid by persons utilizing the public transportation system.	Not Applicable
Sec. 451.0611(b)	Enforcement of Fares and Other Charges; Penalties. By resolution, board may charge a penalty not to exceed \$90 for unpaid fares/charges.	Not Applicable
Sec. 451.0611(c)	Enforcement of Fares and Other Charges; Penalties. Signs must be posted designating areas that require evidence of fare payment.	Not Applicable
Sec. 451.0611(d)	Enforcement of Fares and Other Charges; Penalties. A person commits an offense if they do not possess evidence of fare payment, fails to pay fare/penalty on or before 30th day after the date they have been notified of the amount.	Not Applicable
Sec. 451.0611(e)	Enforcement of Fares and Other Charges; Penalties. Notices required by Sec. 451.0611(d) must be included in a citation.	Not Applicable
Sec. 451.0611(f)	Enforcement of Fares and Other Charges; Penalties. Offenses under Sec. 451.0611(d) are Class C misdemeanors and not crimes of moral turpitude.	Not Applicable
Sec. 451.0611(g)	Enforcement of Fares and Other Charges; Penalties. This section only applies to authorities that were created before 1980 and have populations less than 1.9 million.	Not Applicable
Sec. 451.0612(a)	Fare Enforcement Officers. May employ Fare Enforcement Officers.	Not Applicable
Sec. 451.0612(b)	Fare Enforcement Officers. Must complete 40-hour training before commencing duties.	Not Applicable
Sec. 451.0612(c)	Fare Enforcement Officers. Must wear uniform and work under safety/security directions of management while on duty.	Not Applicable
Sec. 451.0612(d)	Fare Enforcement Officers. May request evidence of payment, request personal ID from passenger who does not provide evidence of payment, request passenger to leave if they fail to present evidence of payment, and file a complaint charging the person with an offense.	Not Applicable
Sec. 451.0612(e)	Fare Enforcement Officers. May not carry a weapon while performing duties under Section 451.0612.	Not Applicable

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Transportation Code	Requirement	Test Conclusion
Sec. 451.0612(f)	Fare Enforcement Officers. Fare enforcement officers are not peace officers and have no authority to enforce criminal law outside of the authority possessed by a person who is not a peace officer.	Not Applicable
Sec. 451.062(a)	Power to Enter Real Property. May go on real property to make surveys/examine property and attend to any authority business.	Achieved
Sec. 451.062(b)	Power to Enter Real Property. At least a 2 weeks' notice shall be given to owners in possession before entering property.	Achieved
Sec. 451.062(c)	Power to Enter Real Property. Property damaged shall be restored as nearly as possible at the sole expense of the authority.	Achieved
Sec. 451.063	Tax Exemption. The property, revenue, and income of an authority are exempt from state and local taxes.	Achieved
Sec. 451.064	Parking Areas: Certain Authorities. This section only applies to authorities that were created before 1980 and have populations less than 1.9 million.	Not Applicable
Sec. 451.065(a)	Roadways, Trails, Lighting: Certain Authorities. May construct/maintain a highway, local/arterial street, thoroughfare, other road, bridge/grade separation; and install/operate traffic control improvements (i.e. signals).	Not Applicable
Sec. 451.065(b)	Roadways, Trails, Lighting: Certain Authorities. May construct/maintain a sidewalk, hiking/biking trail; install/maintain streetlights; make drainage improvements and take related measures as reasonable and necessary for effective use.	Not Applicable
Sec. 451.065(c)	Roadways, Trails, Lighting: Certain Authorities. May perform activities authorized by this section through an agreement with another governmental entity.	Not Applicable
Sec. 451.065(d)	Roadways, Trails, Lighting: Certain Authorities. Must obtain consent of governing body of the municipality or a contract with the municipality specifying actions that authority must undertake.	Not Applicable
Sec. 451.065(e)	Roadways, Trails, Lighting: Certain Authorities. Section 451.065(a) does not apply to actions undertaken by Section 451.056(a-1) or 451.058.	Not Applicable
Sec. 451.065(f)	Roadways, Trails, Lighting: Certain Authorities. This section does not apply to authorities created before 1980 with populations less than 1.9 million.	Not Applicable

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Transportation Code	Requirement	Test Conclusion
Sec. 451.066	Spending Limitation: Trails and Lighting in Certain Authorities. This section does not apply to authorities created after 1980.	Not Applicable
Sec. 451.067	Emergency Medical Services: Certain Authorities. This section does not apply to authorities with populations greater than 320,000.	Not Applicable
Sec. 451.068	Free Fares Program: Certain Authorities. This section does not apply to authorities with populations less than 1.3 million	Not Applicable
Sec. 451.070(a)	Elections. In a board ordered election, notice by publication in a newspaper of general circulation at least once a week for 3 consecutive weeks, starting at least 21 days before the election.	Not Applicable
Sec. 451.070(b)	Elections. Subsection (a) does not apply to an election under Subchapter N.	Not Applicable
Sec. 451.070(c)	Elections. An election contest may not be heard unless the comptroller is timely notified as required by Section 451.413.	Not Applicable
Sec. 451.071	Referendum for Rail Plan; Certain Authorities. This section does not apply to authorities with populations less than 1.3 million	Not Applicable
Sec. 451.072(a)	General Authority to Call Election: Certain Authorities. This section only applies to authorities with a population of more than 1.9 million.	Not Applicable
Sec. 451.072(b)	General Authority to Call Election: Certain Authorities. Board may call an election to determine the voters' will on any issue that the board is authorized to decide under this chapter. At the time the election is ordered the Board must specify if the results are binding on the authority.	Not Applicable
Sec. 451.072(c)	General Authority to Call Election: Certain Authorities. Board shall specify the ballot proposition for an election called under this section to be approved if favored by the majority.	Not Applicable
Sec. 451.101	Board Powers. A board has the powers specified in this statute.	Achieved
Sec. 451.102(a)	Budget. Board shall adopt an annual operating budget before the start of the fiscal year.	Achieved
Sec. 451.102(b)	Budget. Board shall hold a public hearing on the budget and make the budget publicly available at least 14 days before the hearing.	Achieved
Sec. 451.102(c)	Budget. Board may amend the budget after a public notice and hearing.	Achieved

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Transportation Code	Requirement	Test Conclusion
Sec. 451.103	Operating Expenditures. Operating expenses may not be in excess of the operating expenses specified in the annual operating budget.	Achieved
451.104	Investment Powers: Certain Authorities. This section does not apply to authorities created after 1980 and with populations greater than 1.9 million.	Not Applicable
451.105(a)	Depository; Deposit of Funds. Board shall designate at least 1 bank as depository for authority funds.	Achieved
451.105(b)	Depository; Deposit of Funds. All authority funds shall be deposited in at least 1 of the specified depository banks unless an authorized exception occurs.	Not Applicable
451.105(c)	Depository; Deposit of Funds. Funds in a depository shall be lawfully secured for the security of county funds.	Not Applicable
451.106(a)	General Manager; Management Policies: Certain Authorities. Board shall employ a general manager.	Achieved
451.106(b)	General Manager; Management Policies: Certain Authorities. Only the general manager may remove an employee.	Achieved
451.106(c)	General Manager; Management Policies: Certain Authorities. General manager may contract with others with board approval.	Achieved
451.106(d)	General Manager; Management Policies: Certain Authorities. Board shall adopt policies clearly defining the respective duties of the board and staff.	Achieved
451.106(e)	General Manager; Management Policies: Certain Authorities. This section applies only to an authority described by Subsection (a).	Achieved
451.107(a)	Rules. Board by resolution may adopt rules for operation/maintenance/regulation and use of the transit authority.	Achieved
451.107(b)	Rules. Each rule shall be published in a newspaper with general circulation once each week for 2 consecutive weeks after adoption.	Achieved
451.107(c)	Rules. A rule becomes effective 10 days after the date of the second publication of the notice.	Achieved
451.1075(a)	Prohibition of Consumption of Alcoholic Beverage. Board may prohibit consumption of alcoholic beverages on the authority property.	Achieved

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Transportation Code	Requirement	Test Conclusion
451.1075(b)	Prohibition of Consumption of Alcoholic Beverage. A sign is posted in each place where alcohol is prohibited communicating the prohibition.	Achieved
451.1075(c-d)	Prohibition of Consumption of Alcoholic Beverage. Consumption of alcoholic beverages in a prohibited area is a Class C misdemeanor.	Achieved
451.1075(e)	An "alcoholic beverage" is to be defined by the Alcoholic Beverage Code.	Achieved
451.108(a)	Peace Officers. Authority may commission and employ a peace officer	Achieved
451.108(b,c,e)	Peace Officers. This section does not apply to an authority that was created after 1980 or has a population of more than 1.9 million.	Not Applicable
451.108(d)	Peace Officers. Peace Officers must file the respective oath.	Achieved
451.109(a)	Advisory Committee. Board may establish 1 or more Advisory Committees to make recommendations to the Board or general manager.	Achieved
451.109(b)	Advisory Committee. Members are appointed by the Board.	Achieved
451.109(c)	Advisory Committee. Member is not compensated for service, but is entitled to reimbursement for expenses incurred in the performance of services.	Achieved
451.109(d)	Advisory Committee. This section does not apply to an authority in which the principal municipality has a population of 1.3 million or more but not more than 1.9 million.	Not Applicable
451.110(a)	Purchases: Competitive Bidding. Board may not contract for construction of an improvement or purchase of property, except through competitive bidding after notice of the contract proposal.	Achieved
451.110(b)	Purchases: Competitive Bidding. Board may adopt rules on competitive bidding.	Achieved
451.110(c)	Purchases: Competitive Bidding. Subsection (a) does not apply to a contract for \$50,000 or less, purchase of real property, personal/professional services, or acquisition of an existing transit system.	Achieved
451.111(a)	Purchases: Notice of Noncompetitive Bid Proposals. A board may not let a contract that is > \$50,000 and for the purchase of real property or consulting/professional services.	Achieved

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Transportation Code	Requirement	Test Conclusion
451.111(b)	Purchases: Notice of Noncompetitive Bid Proposals. An announcement of a contract being considered that is subject to this section must be posted in a prominent place in the principal office for at least 2 weeks before the date the contract is awarded.	Achieved
451.111(c)	Purchases: Notice of Noncompetitive Bid Proposals. This section does not apply to a contract that must be awarded through competitive bidding or for the purchase of an existing transit system.	Achieved
451.112	Conflicts of Interest: Board Members. Chapter 171, Local Government Code, applies to a board member of an authority. A contract executed in violation of this section is voidable.	Achieved
451.113(a)	Driving on Certain Authority Right-of-Way; Penalty. Driving on a designated right-of-way of an authority that is used in connection with a motor bus rapid transit system is an offense committed by the person operating the motor vehicle.	Achieved
451.113(b)	Driving on Certain Authority Right-of-Way; Penalty. Exceptions to subsection (a) include: authorized driving of a vehicle of the authority or driving an authorized emergency vehicle and responding to a call.	Achieved
451.113(c)	Driving on Certain Authority Right-of-Way; Penalty. Any Peace Officer in the jurisdiction of the offense may enforce subsection (a).	Achieved
451.113(d)	Driving on Certain Authority Right-of-Way; Penalty. An offense under this section is a Class C misdemeanor.	Achieved
451.131	Applicability. This subchapter only applies to authorities with a population of less than 1 million.	Not Applicable
451.151(a)	Station or Terminal Complex: System Plan. May not acquire an interest in real property for a station/terminal complex unless included in the transit authority system in a plan approved by the Board.	Not Applicable
451.151(b)	Station or Terminal Complex: System Plan. May not be included in a transit authority system unless the Board first assesses the station/terminal complex against certain criteria.	Not Applicable
451.151(c)	Station or Terminal Complex: System Plan. Board may amend the authority's comprehensive transit plan to include a station/terminal complex.	Not Applicable

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Transportation Code	Requirement	Test Conclusion
451.152	Station or Terminal Complex: Facilities. A station/terminal complex must include means for transfer of passengers and may include provision for residential, institutional, recreational, commercial, and industrial facilities.	Achieved
451.153	Approval of Municipality. Location of station/terminal complex must be approved by the governing body of the municipality.	Not Applicable
451.154(a)	Station or Terminal Complex: Limitation on Real Property Acquisition. May not be acquired unless property complies with certain criteria.	Not Applicable
451.154(b)	Station or Terminal Complex: Limitation on Real Property Acquisition. This section does not apply to authorities created after 1980 and those with population counts greater than 1.9 million.	Not Applicable
451.154(c)	Station or Terminal Complex: Limitation on Real Property Acquisition. Board will designate the center point of the station/terminal complex before commencement of eminent domain.	Not Applicable
451.155(a)	Transfer of Real Property in Station or Terminal Complex. May transfer interest in real property in a station/terminal complex to any person in accordance with the comprehensive transit plan and certain terms.	Not Applicable
451.155(b)	Transfer of Real Property in Station or Terminal Complex. Transfer must be at fair value of the interest transferred.	Not Applicable
451.155(c)	Transfer of Real Property in Station or Terminal Complex. A person from whom property offered for sale under this section was acquired by eminent domain or the threat of eminent domain has a first right to purchase the property at the price for which the property is offered to the public.	Not Applicable
Sec. 451.201	Regional Economic Development Facilities.	Not Applicable
Sec. 451.251	Subchapter F: Special Programs and Services.	Not Applicable
Sec. 451.352(a)	Power to Issue Bonds. May issue bonds at any time.	Not Applicable
Sec. 451.352(b)	Power to Issue Bonds. Board may authorize issuance of bonds payable solely from revenue.	Not Applicable
Sec. 451.352(c)	Power to Issue Bonds. Bonds must be issued by majority vote in an election held for that specific purpose.	Not Applicable
Sec. 451.353(a)	Bond Terms. Bonds are fully negotiable and may be redeemable.	Not Applicable

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Sec. 451.353(b)	Bond Terms. Revenue bond indentures may limit a power of the authority provided by Sections 451.054-451.060, 451.061(a) or (b), 451.064-451.069, 451.107(a), or 451.251 as long as the bonds are outstanding.	Not Applicable
Sec. 451.354	Sale. Bonds may be sold at a public/private sale as determined by the Board to be more advantageous.	Not Applicable
Sec. 451.355(a)	Approval; Registration. Bonds and related records shall be submitted to the attorney general for examination before the bonds are delivered.	Not Applicable
Sec. 451.355(b)	Approval; Registration. The attorney general will approve the bonds if he finds that the bonds are constitutional and Chapter 451 and that the bonds are a binding obligation of the issuing authority.	Not Applicable
Sec. 451.355(c)	Approval; Registration. Comptroller registers the bonds after approval by the attorney general.	Not Applicable
Sec. 451.356	Incontestability. Bonds are incontestable after they are: approved by the attorney general; registered by the comptroller; sold and delivered to the purchaser.	Not Applicable
Sec. 451.357(a)	Security Pledged. To secure the payment of a bond the authority may: pledge all/part of revenue realized from any tax the authority imposes; pledge all/part of revenue from the transit authority system; mortgage all/part of the transit authority system (including parts subsequently acquired).	Not Applicable
Sec. 451.357(b)	Security Pledged. Under Sec. 451.357(a)(3) an authority may encumber a separate item of the transit system.	Not Applicable
Sec. 451.357(c)	Security Pledged. Authority may not issue bonds secured by ad valorem tax revenue.	Not Applicable
Sec. 451.357(d)	Security Pledged. This subchapter does not prohibit encumbering 1 or more transit systems to purchase/construct/extend/repair 1 or more other transit systems.	Not Applicable
Sec. 451.358	Pledge of Revenue Limited. Expenses of operation and maintenance of a transit system are a first lien and charge against any revenue of a system that is encumbered under this chapter.	Not Applicable
Sec. 451.359	Refunding Bonds. May issue refunding bonds.	Not Applicable

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Sec. 451.360(a)	Bonds as Authorized Investments. Bonds are authorized investments for: a bank, savings bank, trust company, savings & loan association, and insurance company.	Not Applicable
Sec. 451.360(b)	Bonds as Authorized Investments. The bonds, when accompanied by all appurtenant, unmatured coupons and to the extent of the lesser of their face value or market value, are eligible to secure the deposit of public funds of this state, a political subdivision of this state, and other political corporation of this state.	Not Applicable
Sec. 451.361	Exchange of Bonds for Existing System. Revenue bonds may be exchanged.	Not Applicable
Sec. 451.362(a)	Short-Term Bonds. May issue bonds that are secured by revenue/taxes of the authority if the bonds: have term not more than 12 months and are payable only from revenue/taxes received on/after the date of issuance and before the end of the fiscal year following the fiscal year in which the bonds are issued.	Not Applicable
Sec. 451.362(b)	Short-Term Bonds. Bonds issued under this section do not need attorney general approval/registration with the comptroller.	Not Applicable
Sec. 451.362(c)	Short-Term Bonds. Bonds may have term 5 years or less.	Not Applicable
Sec. 451.362(d)	Short-Term Bonds. This section does not apply to an authority that was created after 1980 or has a population of more than 1.9 million.	Not Applicable
Sec. 451.3625	Bonds for Rail System; Certain Authorities. This section does not apply to authorities with a population count less than 1.3 million.	Not Applicable
Sec. 451.363	Tax Exemption. Interest on bonds is exempt from state/local taxes.	Not Applicable
Sec. 451.401	General Power of Taxation. May impose any kind of tax except ad valorem property tax.	Achieved
Sec. 451.402(a)	Voter Approval Required for Tax. May not impose tax/increase rates without majority vote in election held for that purpose.	Not Applicable
Sec. 451.402(b)	Voter Approval Required for Tax. New tax/rate increases must be expressed in a separate proposition with a brief statement of the nature of the proposition.	Not Applicable
Sec. 451.402(c)	Voter Approval Required for Tax. Notice of the election must contain a statement of the base/rate of the proposed tax.	Not Applicable

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Sec. 451.403(a)	Authority Tax Code and Rules. Must adopt a tax code and rules before voting on the tax.	Not Applicable
Sec. 451.403(b)	Authority Tax Code and Rules. Tax code and rules may contain other provisions.	Not Applicable
Sec. 451.403(c)	Authority Tax Code and Rules. Board may amend the tax code and rules after the election & approval. May not increase amount unless approved by 451.402.	Not Applicable
Sec. 451.403(d)	Authority Tax Code and Rules. Does not apply to sales and use tax/motor vehicles emissions tax.	Not Applicable
Sec. 451.404(a)	Sales and Use Tax. Board may impose sales and use tax.	Achieved
Sec. 451.404(b)	Sales and Use Tax. Chapter 322, Tax Code, applies to an authority's sales and use tax.	Not Applicable
Sec. 451.405(a)	Maximum Tax Rate in Authority Area. May not adopt sales and use tax exceeding 2% when combined with rates of all sales and use taxes imposed by other subdivisions.	Not Applicable
Sec. 451.405(b)	Maximum Tax Rate in Authority Area. Elections have no effect if: elections are held on the same day a municipality/county adopts a sale and use tax, and if combined rates of all sales and use taxes exceed 2%.	Not Applicable
Sec. 451.406	Initial Sales Tax: Effective Date. Adopted of sales and use tax takes effect on the first day of the second calendar quarter beginning after the date the comptroller receives a copy of the order required to be filed under Section 451.661.	Not Applicable
Sec. 451.407	Rate Decrease: Sales and Use Tax. Board may decrease the sales and use tax rate or order an election to decrease the rate.	Not Applicable
Sec. 451.408(a)	Rate Increase: Sales and Use Tax. Board may order an election to increase the sales and use tax rate.	Not Applicable
Sec. 451.408(b)	Rate Increase: Sales and Use Tax. Registered voters may require an election to increase the sales and use tax rate.	Not Applicable
Sec. 451.408(c)	Rate Increase: Sales and Use Tax. If board reduced rate without an election, board may increase the rate not in excess of the rate before the decrease.	Not Applicable
Sec. 451.409(a)	Sales and Use Tax Rate Increase: Petition and Election. Petition to increase the rate is valid only if submitted to board and signed by at least 10% of the registered voters.	Not Applicable

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Transportation Code	Requirement	Test Conclusion
Sec. 451.409(b)	Sales and Use Tax Rate Increase: Petition and Election. Board shall submit a petition for an election to increase the rate to the secretary of state.	Not Applicable
Sec. 451.409(c)	Sales and Use Tax Rate Increase: Petition and Election. Secretary of state shall respond no later than 30 days after receiving the petition.	Not Applicable
Sec. 451.409(d)	Sales and Use Tax Rate Increase: Petition and Election. Board shall call an election to increase the rate if the secretary validates the petition or fails to respond within the 30 day period.	Not Applicable
Sec. 451.409(e)	Sales and Use Tax Rate Increase: Petition and Election. Authority shall pay costs of validating a petition and election.	Not Applicable
Sec. 451.410	Sales and Use Tax Increase or Decrease Ballots: In an election the ballots shall be printed to provide for voting for or against the following proposition: "The (increase or decrease) of the local sales and use tax rate to (percentage)."	Not Applicable
Sec. 451.411(a)	Results of Election; Notice. If an increase/decrease to the rate is won by majority vote, it goes into effect according to Section 451.412.	Not Applicable
Sec. 451.411(b)	Results of Election; Notice. Authority must send notice of election and certified copy of results to TxDOT and comptroller.	Not Applicable
Sec. 451.412	Effective Date of Tax Rate Change. Effective on the first day of the first calendar quarter that begins after the date the comptroller receives notice, or first day of the second calendar quarter that begins after the date the comptroller receives notice if comptroller requires more time within 10 days after receipt of the notice.	Not Applicable
Sec. 451.413(a)	Tax Effective Dates After Election Contest. Contestant of an election must notify the comptroller within 10 days after the date the contest is filed.	Not Applicable
Sec. 451.413(b)	Tax Effective Dates After Election Contest. Upon receiving the contest notice the effective date is suspended.	Not Applicable
Sec. 451.413(c)	Tax Effective Dates After Election Contest. Presiding Officer of the board must notify the comptroller when a final judgment of a contest is entered.	Not Applicable

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Transportation Code	Requirement	Test Conclusion
Sec. 451.413(d)	Tax Effective Dates After Election Contest. If the result is sustained the comptroller must substitute the date of receipt of the notice of the final judgment for the date of receipt of the notice of election results.	Not Applicable
Sec. 451.414(a)	Maximum Rate of Vehicle Emissions Tax. Each year the Board imposes a Motor Vehicle Emissions Tax the rate is set as a percentage of the maximum rat specified for each class of vehicles.	Not Applicable
Sec. 451.414(b)	Maximum Rate of Vehicle Emissions Tax. Rate may not exceed 100% of the amount specified by the table.	Not Applicable
Sec. 451.415(a)	Exemptions. The following vehicles are exempt from vehicle emissions tax: exclusive use in U.S., state, county, municipality, school district, authority service; operated in the authority for an average period of <2 days each calendar week during a tax year/portion of a tax year during which the tax accrues.	Not Applicable
Sec. 451.415(b)	Exemptions. To receive (a)(3) exemption, owner must file with the county assessor-collector.	Not Applicable
Sec. 451.416(a)	Emissions Tax Year. Motor vehicle emissions tax year begins April 1 and is divided into quarters.	Not Applicable
Sec. 451.416(b)	Emissions Tax Year. Tax accruing during the second quarter is 3/4 of the amount of the annual tax. Tax accruing during the third quarter is 1/2 the amount of annual tax. Tax accruing during the fourth quarter is 1/4 the amount of the annual tax.	Not Applicable
Sec. 451.417	Emissions Tax Payments: Delinquency. Motor vehicle emissions taxes are payable February 1 and are delinquent if not paid by April 1. If payable on/after April 1, they are delinquent if not paid by the 61st day after they accrue.	Not Applicable
Sec. 451.418	Collection of Emissions Taxes by County-Assessor-Collector.	Not Applicable
Sec. 451.419(a)	Penalties and Interest: Emissions Taxes. Penalties apply to the late payment of motor vehicle emissions taxes.	Not Applicable
Sec. 451.419(b)	Penalties and Interest: Emissions Taxes. Delinquent tax bears interest at 6% a year until paid.	Not Applicable
Sec. 451.420	Board Rules: Emissions Taxes. Board may adopt rules relating to the collection and payment of the authority's motor vehicle emissions taxes.	Not Applicable
Sec. 451.451	Financial Audits. Board must have annual audit of affairs prepared by an independent CPA/firm. The audit must be open to public inspection.	Achieved

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Transportation Code	Requirement	Test Conclusion
Sec. 451.452(a)	Review of Audit: Certain Authorities. Board must deliver copy of each audit prepared to certain recipients.	Not Applicable
Sec. 451.452(b)	Review of Audit: Certain Authorities. State auditor may elect to file comments about the audit with the legislative audit committee and Board.	Not Applicable
Sec. 451.452(c)	Review of Audit: Certain Authorities. State auditor may examine workpapers from the audit or audit the financial transactions if deemed necessary.	Not Applicable
Sec. 451.452(d)	Review of Audit: Certain Authorities. Subsections (a)(5) and (6) don't apply if population of more than 1.9 million.	Not Applicable
Sec. 451.454(a)	Performance Audits: Certain Authorities. Board should contract a performance audit at least once every 4 years.	Achieved
Sec. 451.454(b)	Performance Audits: Certain Authorities. Audit should provide evaluation of oversight functions by state/local officers and information to assist in improvements of operations.	Achieved
Sec. 451.454(c)	Performance Audits: Certain Authorities. Audit must examine 1 of more: admin and management, transit operations, transit maintenance; statutory compliance; and performance indicators.	Achieved
Sec. 451.454(d)	Performance Audits: Certain Authorities. Subjects described in subsection (c)(1) must be examined at least once in every third audit.	Achieved
Sec. 451.455(a)	Computation of Performance Indicators. Operating cost/revenue hour = annual operating cost / total scheduled hours revenue vehicles are in revenue service.	Achieved
Sec. 451.455(b)	Computation of Performance Indicators. Operating cost / revenue mile = annual operating cost / # miles traveled by revenue vehicles while in revenue service.	Achieved
Sec. 451.455(c)	Computation of Performance Indicators. Fare recovery rate = annual revenue + fares, tokens, passes, tickets, route guarantees, sponsors / operating cost.	Achieved
Sec. 451.455(d)	Computation of Performance Indicators. Average vehicle occupancy = annual passenger miles / # miles traveled by revenue vehicles while in revenue service. Annual passenger miles = annual passenger trips X average distance ridden by passengers.	Achieved

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Transportation Code	Requirement	Test Conclusion
Sec. 451.455(e)	Computation of Performance Indicators. On-time performance = annual % revenue vehicle trips departing from selected locations at a time not earlier than the published departure time, not later than 5 minutes after published time.	Achieved
Sec. 451.455(f)	Computation of Performance Indicators. # of accidents per 100,000 miles = annual # accidents by X 100,000 / # miles for all service.	Achieved
Sec. 451.455(g)	Computation of Performance Indicators. # miles between mechanical road calls = annual # miles for all service directly operated by an authority X # mechanical road calls.	Achieved
Sec. 451.455(h)	Computation of Performance Indicators.	Achieved
Sec. 451.455(i)	Computation of Performance Indicators. Operating cost/revenue hour = annual operating cost / total scheduled hours revenue vehicles are in revenue service.	Achieved
Sec. 451.455(j)	Computation of Performance Indicators. Operating cost / revenue mile = annual operating cost / # miles traveled by revenue vehicles while in revenue service.	Achieved
Sec. 451.456(a)	Performance Audit Response; Hearing. Must prepare written response to audit report.	Achieved
Sec. 451.456(b)	Performance Audit Response; Hearing. Must make copies of report and response available for public inspection.	Achieved
Sec. 451.456(c)	Performance Audit Response; Hearing. Must conduct public hearing on each performance audit with notice of hearing at least 14 days before the meeting.	Achieved
Sec. 451.457	Delivery of Report and Response. Before February 1 of every second odd-numbered year, must deliver copy of audit report and response to certain recipients.	Deficient
Sec. 451.458	Internal Auditor. This section only applies to authorities confirmed before July 1, 1985, in which the principal municipality has a population of less than 1.3 million.	Not Applicable
Sec. 451.460	Annual Report. This section only applies to an authority confirmed before July 1, 1985, in which the principal municipality has a population of less than 1.3 million.	Not Applicable
Sec. 451.501(a)	Board Membership. Board is composed of 5 members + number of additional members determined in subsection (c)-(e).	Achieved
Sec. 451.501(b)	Board Membership. This statute only applies to authorities created by alternate municipalities.	Not Applicable

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Sec. 451.501(c)	Board Membership. If less than 50% of population of principal county resides in the authority, 2 additional members.	Achieved
Sec. 451.501(d)	Board Membership. If 50% - 75% of population of principal county resides in the authority, 4 additional members.	Not Applicable
Sec. 451.501(e)	Board Membership. If 75% or more of population of principal county resides in the authority, 6 additional members.	Not Applicable
Sec. 451.501(f)	Board Membership. Principal county = where not <51% population resides.	Not Applicable
Sec. 451.501(g)	Board Membership. This section does not apply to authorities described by 451.5021(a).	Not Applicable
Sec. 451.502(a)	Appointment of Members. 5 Board members are appointed by the governing body of the principal municipality.	Achieved
Sec. 451.502(b)	Appointment of Members. This statute only applies to authorities created by alternate municipalities.	Not Applicable
Sec. 451.502(c)	Appointment of Members. 1 member must be appointed by the mayors of municipalities in the authority, 1 member appointed by the commissioners court of the principal county.	Achieved
Sec. 451.502(d)	Appointment of Members. This section does not apply as the board does not contain 4 additional members.	Not Applicable
Sec. 451.502(e)	Appointment of Members. This section does not apply as the board does not contain 6 additional members.	Not Applicable
Sec. 451.502(g)	Appointment of Members. At least 1 Board member must represent interests of the transportation disadvantaged.	Achieved
Sec. 451.5021	Board Composition; Certain Authorities.	Achieved
Sec. 451.503(a)	Appointments Panel. Mayor of the most populous municipality represented on the panel under Sec. 451.502 is the presiding officer.	Achieved
Sec. 451.503(b)	Appointments Panel. Presiding officer must call a meeting of the panel to make an appointment to be made not later than 60th day after the date a position becomes vacant/position is created.	Achieved
Sec. 451.5035	Designation of Alternate by Mayor. This section does not apply to authorities with populations greater than 320,000.	Not Applicable
Sec. 451.504(a)	Board Vacancies. Vacancy is filled by person appointed the member who was in the position that is vacant.	Achieved
Sec. 451.504(b)	Board Vacancies. Vacancy for an unexpired term is for the remainder of the term only.	Achieved

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Sec. 451.504(c)	Board Vacancies. Presiding Officer under Sec. 451.502(e)(3) vacates the previous board position.	Achieved
Sec. 451.505(a)	Board Terms. Term is 2 years.	Not Applicable
Sec. 451.505(b)	Board Terms. This section does not apply to authorities that were created after 1980 or have population counts greater than 1.9 million.	Not Applicable
Sec. 451.506(a)	Term Limitations. Member may be reappointed except as provided by this section.	Not Applicable
Sec. 451.506(b)	Term Limitations. May not serve >8 years on same board, may not be appointed to a term for which service to the completion of the term would exceed this limitation.	Not Applicable
Sec. 451.506(c)	Term Limitations. This section does not apply to authorities with populations less than 1.3 million.	Not Applicable
Sec. 451.506(d)	Term Limitations. Term limit does not apply to service on the board by a holdover pending the qualification of a successor.	Not Applicable
Sec. 451.507	Board Membership: Residency in Authority. Board member must be qualified voter and resident.	Not Applicable
Sec. 451.508	Removal by Board. Board member may be removed because of a ground for removal in Sec. 451.510.	Not Applicable
Sec. 451.509(a)	Removal by Appointing Person or Entity. This section only applies to authorities with a population of less than 1.3 million.	Not Applicable
Sec. 451.509(b)	Removal by Appointing Person or Entity. This section only applies to authorities with a population of less than 320,000.	Not Applicable
Sec. 451.509(c)	Removal by Appointing Person or Entity. If person who appointed the removed member is the mayor of the principal municipality, removal is by recommendation of mayor and confirmation of governing body.	Not Applicable
Sec. 451.509(d)	Removal by Appointing Person or Entity. General manager with knowledge that a potential ground for removal exists must notify presiding officer who must notify the member subject for removal.	Not Applicable
Sec. 451.510	Grounds for Removal from Board. A person may be subjected to grounds for removal based on certain criteria.	Not Applicable

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Sec. 451.511(a)	Removal of Board Member: Notice and Hearing. Person proposing to remove a member must give member written statement of grounds for removal. Member is entitled to a hearing if they request one before the 11th day of receipt of notice.	Not Applicable
Sec. 451.511(b)	Removal of Board Member: Notice and Hearing. At hearing, board must confirm removal if charges are deemed true.	Not Applicable
Sec. 451.511(c)	Removal of Board Member: Notice and Hearing. Removal must be by majority vote.	Not Applicable
Sec. 451.512(a)	Ground for Removal: Validity of Board Acts. An action of the board is not invalid because a ground for removal of a board member exists.	Not Applicable
Sec. 451.512(b)	Ground for Removal: Validity of Board Acts. Action that was taken when a ground for removal existed that would not have passed without the vote of the person subject for removal is voidable.	Not Applicable
Sec. 451.513(a)	Recall of Members: Certain Authorities. Board member may be removed on a petition for the recall of the member submitted by the registered voters of the authority.	Not Applicable
Sec. 451.513(b)	Recall of Members: Certain Authorities. Entity that confirmed/appointed the board member must take action to remove the member/reconfirm the member's appointment.	Not Applicable
Sec. 451.513(c)	Recall of Members: Certain Authorities. Recalls are valid according to certain criteria.	Not Applicable
Sec. 451.513(d)	Recall of Members: Certain Authorities. After receiving the petition the entity shall send it to the secretary of state who shall determine validity no later than the 10th day of receipt.	Not Applicable
Sec. 451.513(e)	Recall of Members: Certain Authorities. Not later than the 30th day after member is removed, vacancy must be filled.	Not Applicable
Sec. 451.514(a)	Board Meetings: When Held. Board must meet at least once/month.	Achieved
Sec. 451.514(b)	Board Meetings: When Held. Presiding officer of board or general manager may call special meeting.	Achieved
Sec. 451.515(a)	Board Meetings: Voting. Action of Board requires majority vote unless bylaws require larger number for certain actions.	Achieved
Sec. 451.515(b)	Board Meetings: Voting. Section does not permit a board action in the absence of a quorum.	Achieved

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Transportation Code	Requirement	Test Conclusion
Sec. 451.516	Increase of Membership: Continuity. If membership of Board is increased under Sec. 451.501, Board may continue as normal until the additional members are appointed.	Not Applicable
Sec. 451.517	Board Meetings: Rules and Bylaws. Board may adopt rules and bylaws which are recorded in the minutes of the board meetings.	Achieved
Sec. 451.518	Board Meetings: Notice. In addition to Ch. 551, Government Code, Board must post meeting notice in admin office and courthouse of most populous county on a bulletin board in a place convenient to the public.	Achieved
Sec. 451.519(a)	Board Members: Expenses; Per Diem. Board member must be reimbursed for all necessary expenses incurred in discharge of duties.	Achieved
Sec. 451.519(b)	Board Members: Expenses; Per Diem. Each member is paid \$50/meeting, not exceeding 5 meetings/month.	Not Applicable
Sec. 451.519(c)	Board Members: Expenses; Per Diem. This statutes only applies to authorities created by an alternate municipality.	Not Applicable
Sec. 451.520(a)	Board Officers and Secretaries. Board must elect a presiding officers among its members, an assistant presiding officer, and a secretary.	Achieved
Sec. 451.520(b)	Board Officers and Secretaries. Board may appoint 1+ assistant secretaries, not required to be members.	Achieved
Sec. 451.520(c)	Board Officers and Secretaries. Secretary and assistant secretary must keep permanent records of proceedings and transactions of Board and perform other duties required by the Board.	Achieved
Sec. 451.552(a)	Addition of Municipality By Election. Territories of municipalities may be added to an authority by election.	Achieved
Sec. 451.552(b)	Addition of Municipality By Election. Governing body of the added municipality shall certify to the authority the result of an election in which the addition is approved.	Achieved
Subchapter L	Addition of Territory	Not Applicable
Subchapter M	Withdrawal of Territory from Authority	Not Applicable
Subchapter N	Creation of Authority	Not Applicable
Subchapter O	Advanced Transportation District	Not Applicable
Sec. 451.751	Applicability. This subchapter only applies to an authority in which the principal municipality has a population of more than 1.5 million.	Not Applicable

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Transportation Code	Requirement	Test Conclusion
Sec. 451.753(a)	General Provisions Relating to Agreements, Recognition, and Strikes. May not be denied local control over wages, salaries, rates of pay, hours of work, or other terms and conditions of employment.	Not Applicable
Sec. 451.753(b)	General Provisions Relating to Agreements, Recognition, and Strikes. Agreements under this subchapter must be written.	Not Applicable
Sec. 451.753(c)	General Provisions Relating to Agreements, Recognition, and Strikes. This subchapter doesn't require public employer or recognized association to meet and confer on any issue or reach an agreement.	Not Applicable
Sec. 451.753(d)	General Provisions Relating to Agreements, Recognition, and Strikes. A public employer and the recognized association may meet and confer only if the association does not advocate an illegal strike by public employee.	Not Applicable
Sec. 451.753(e)	General Provisions Relating to Agreements, Recognition, and Strikes. Peace officer may not participate in strikes, or else they forfeit rights, benefits, and privileges of the employment.	Not Applicable
Sec. 451.753(f)	General Provisions Relating to Agreements, Recognition, and Strikes. Public employer's CEO or the CEO designees must select group of persons to represent the public employer as its sole and exclusive bargaining agent for issues related to the employment of peace officers by the authority.	Not Applicable
Sec. 451.754(a)	Recognition of Peace Officer Association. Public employer must recognize association submitting a petition signed by majority of peace officers.	Not Applicable
Sec. 451.755(a)	Open Records. Proposed agreements and related documents must be available to the public under Ch. 552, Government Code.	Achieved
Sec. 451.755(b)	Open Records. This section does not affect the application of Subchapter C, Chapter 552, Government Code.	Not Applicable
Sec. 451.756(a)	Ratification and Enforceability of Agreement. An agreement under this subchapter is enforceable and binding on the public employer, recognized association, and covered peace officers according to certain criteria.	Not Applicable
Sec. 451.756(b)	Ratification and Enforceability of Agreement. Agreement ratified may establish procedures by which parties agree to resolve disputes including binding arbitration.	Not Applicable

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Sec. 451.756(c)	Ratification and Enforceability of Agreement. State district court has jurisdiction to hear and resolve disputes under a ratified agreement.	Not Applicable
Sec. 451.757(a)	Agreement Supersedes Conflicting Provisions. A written agreement ratified under this subchapter preempts all contrary state statutes, local ordinances, etc.	Not Applicable
Sec. 451.757(b)	Agreement Supersedes Conflicting Provisions. Agreement ratified under this subchapter may not interfere with the right of a member of a bargaining unit to pursue allegations of discrimination.	Not Applicable
Sec. 451.758(a)	Election to Repeal Agreement. Not later than the 60th day after the date an agreement is ratified, a petition of voters representing 10% of the votes cast at the most recent general election in the county must be filed calling for the repeal of the agreement.	Not Applicable
Sec. 451.758(b)	Election to Repeal Agreement. If petition is presented to the county clerk, authority shall repeal the agreement or certify that it is not repealing the agreement.	Not Applicable
Sec. 451.758(c)	Election to Repeal Agreement. Election may be held as part of regularly scheduled general election/special election with specific verbiage on the ballot.	Not Applicable
Sec. 451.758(d)	Election to Repeal Agreement. Majority vote is required to repeal and void the agreement.	Not Applicable
Government Code	Requirement	Test Conclusion
551.002	All meetings (regular, special, called) must be open to the public.	Achieved
551.021(a)	Minutes or tape recordings of each open meeting of the body must be kept.	Achieved
551.021(b)	Minutes must state the subject for the meeting, and indicate voting results, order, decisions and/or other actions taken.	Achieved
551.022	Meeting minutes/records must be available for public inspection and copying on request to the governmental body's CAO or designee.	Achieved

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Appendix B: Task 2 – Detailed Compliance Results for Chapter 452 Statutory Compliance Review

Report Date: January 7, 2024

Government Code	Requirement	Test Conclusion
551.043	Notice must be in a place readily accessible to the general public at all times for at least 72 hours before the scheduled time of the meeting	Achieved
551.0411	Meeting notice requirements, certain circumstances - Notice not required for meetings recessed to following day, but must if recesses a further day. - May convene in another location in case of catastrophe within 72hrs, otherwise notice required.	Not Applicable
551.045	Notice of emergency meeting/addition to agenda.	Not Applicable
551.056	Additional posting requirements for certain municipalities, counties, school districts, junior college districts and development corporations.	Not Applicable
551.072	Body may conduct a closed meeting to deliberate purchase, exchange, lease or value of real property, if open meeting will impact its negotiation position.	Achieved
551.073	Body may conduct a closed meeting to deliberate prospective gifts and donations, if open meeting will impact its negotiation position.	Not Applicable
551.074	Closed meetings acceptable to deliberate appointments, employment, duties, hear complaints, etc.	Achieved
551.102	Vote or Final Action must take place in Open Meeting	Achieved
552.225	Requestor must complete examination within 10 business days of the information being made available.	Achieved
552.268	Efficient use of public resources.	Achieved
552.307	Must submit request to Attorney General for information that falls under a special right of access (Ch.552, S.023)	Achieved
552.221(c)	If information is unavailable at time of request, must certify in writing to requestor and set reasonable date.	Achieved
552.221(d)	If information cannot be produced in 10 business days after request, must certify in writing and set a date.	Achieved
552.223	All requests to be treated uniformly.	Achieved
552.224	Must give requestor reasonable comfort and facility.	Achieved
617.002	Official of the state may not enter into a collective bargaining contract with a labor organization regarding wages, hours, or conditions of employment of public employees.	Not Applicable

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Government Code	Requirement	Test Conclusion
552.228	Providing Suitable Copy of Public Information within Reasonable Time.	Achieved
552.23	Body may set reasonable rules for inspection and copying public information.	Achieved
552.263(a)	May require a deposit for payment of anticipated costs	Achieved
552.267(a)	Body must waive or reduce charge if it is in public interest.	Achieved
2253.021	A governmental entity that makes a public work contract with a prime contractor shall require the contractor, before beginning the work, to execute to the governmental entity a bond.	Achieved
791.011(d)	Interlocal contract must be authorized by each governing body to the party of the contract unless a party is a municipally owned electric utility may enter into interlocal contracts that do not exceed \$100,000.	Achieved
2254.003	The entity may not select a provider of professional services or award a contract on the basis of competitive bids submitted for the contract. Rather must be based on competence and qualifications and fair and reasonable price.	Achieved
2254.004	In procuring the above, the entity must select the most highly qualified, and negotiate a reasonable price.	Achieved
2258.052	On receipt of information, including a complaint by a worker, concerning an alleged violation of Section 2258.023 by a contractor or subcontractor, a public body must assess whether good cause exists to believe that the violation occurred.	Not Applicable
2251.021(a)	A payment by a governmental entity under a contract executed on or after September 1, 1987, is overdue on the 31st day after the later of: receiving the goods, performance of the service, receipt of invoice.	Not Applicable
2251.021(b)	A payment under a contract executed on or after September 1, 1993, owed by a political subdivision whose governing body meets only once a month or less frequently is overdue on the 46th day after the later event described by Subsections (a)(1) through (3).	Achieved
2256.005(a)	The governing body of an investing entity must adopt a written investment policy regarding the investment of its funds and funds under its control.	Achieved

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Government Code	Requirement	Test Conclusion
2256.005(i)	An investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest.	Not Applicable
2256.023(d)	If an entity invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, the reports prepared by the investment officers must be formally reviewed annually by an independent auditor, and reported to its governing body.	Achieved
2257.023	A public entity shall determine if an investment security is eligible to secure deposits of public funds.	Achieved
2251.042(b)	If a dispute is resolved in favor of the vendor, the vendor is entitled to receive interest on the unpaid balance per 2251.021.	Not Applicable
2251.042(c)	If a dispute is resolved in favor of the governmental entity, the vendor shall submit a corrected invoice per 2251.021. The unpaid balance accrues interest if the corrected invoice is not paid by the appropriate date.	Not Applicable
2258.022(c)	The public body shall determine the general prevailing rate of per diem wages.	Achieved
2257.025(a)	A public entity's depository shall maintain a separate, accurate, and complete record relating to a pledged investment security.	Achieved
2257.041(c)	The custodian and the state agency shall agree in writing on the terms and conditions for securing a deposit of public funds.	Not Applicable
551.041	Must give written notice of the date, hour, place, and subject of each meeting held.	Achieved
2258.022(d)	A public body shall specify in the call for bids for the contract and in the contract itself the wage rates determined.	Achieved
551.101	Quorum of the body must first convene in open meeting (with notice) before a closed meeting is allowed.	Achieved
551.005(a)	Each elected/appointed public official must complete a (1-2hours) training course re. responsibilities of the governmental body and its members within 90 days of appointment/assumes responsibilities.	Achieved
551.054(a)	District / Political subdivision extending into < 4 counties. Notice to public and county clerks, place of posting notice.	Achieved
551.103(c)	Governmental body must keep certified agenda or recording of closed meetings except for private consultation.	Achieved

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Government Code	Requirement	Test Conclusion
552.301(a)	Must ask for decision from Attorney General to withhold requested information from public disclosure.	Achieved
552.301(b)	Must ask for decision within 10 days of request.	Achieved
552.301(d)	Must notify requestor within 10 days of intent to withhold.	Achieved
552.301(e)	Must submit reasons for request to be withheld within 15 days to Attorney General.	Achieved
551.104(a)	Certified agenda/tape must be preserved for two years following meeting.	Achieved
551.104(c)	Must be available to the public under court order.	Not Applicable
573.041	A public official may not appoint, confirm the appointment of, or vote for an individual to a position that is directly / indirectly compensated from public funds if they are related.	Achieved
573.062(a)(2)	That prior employment of the individual must be continuous for various lengths. <i>See Detail.</i>	Achieved
573.062(b)	If an individual continues in a position, the public official to whom the individual is related may not participate in any deliberation or voting on the appointments / reappointments of that person.	Achieved
552.012(b)	Must complete 1-2hrs course within 90 days of appointment/assuming responsibilities.	Achieved
552.012(c)	Public official may designate a public information coordinator to satisfy the training requirements.	Achieved
552.221(b)	Compliance by providing public information in the offices of governmental body, sending copies by first class mail.	Achieved
2256.005(b)	These policies must be documented, prioritize safety of principle and liquidity, address diversification, yield, etc.	Achieved
2256.005(e)	Policies must be reviewed annually.	Achieved
2256.005(m)	An investing entity other than a state agency, must perform a compliance audit of management controls on investments and adherence to the entity's established investment policies.	Achieved
2256.008(a)(1)	The treasurer, CFO and investment officer must attend at least one training session from an independent source approved by the governing body.	Achieved
2256.008(a)(2)	Must attend an investment training session at least once in a two-year period that begins on the first day of that local government's fiscal year. And receive not less than 10 hours of instruction relating to investment responsibilities.	Achieved

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Government Code	Requirement	Test Conclusion
552.303(d)	Body must return the additional information within 7 calendar days.	Achieved
Local Government Code	Requirement	Test Conclusion
Ch. 171, S.003	Offense if: - Officer violates section 171.004 - Acts as surety for an entity that has business/contract with the government entity.	Achieved
Ch. 171, S.004	If officer has substantial interest in entity, must file affidavit prior to vote, stating nature and extent of the interest.	Achieved
Ch. 171, S.005	Governing body of the entity must take a separate vote on any budget item related to an entity in which an officer has a substantial interest.	Achieved
Ch. 176, S.003(a)	Officer must file a conflict disclosure if vendor has a business relationship with the officer.	Achieved
Ch. 176, S.003(b)	Officer must file the disclosure with the records administrator by 5pm on the 7th business day after the Officer becomes aware of the facts.	Achieved
Ch. 176, S.006(d)	Vendor must file an updated completed questionnaire by 7th business day after being made aware of an event that makes the questionnaire inaccurate.	Achieved
Ch. 176, S.009	Government Entities with a website must provide access to the statements and questionnaires required to be filed.	Not Applicable
Ch. 203, S.025	Governing body for the entity must designate a records management officer.	Achieved
Ch. 203, S.041	Records Management Officer must prepare a records control schedule listing records to be retained and a retention period.	Achieved
Ch. 203, S.046	Records Management Officer shall keep accurate lists of records destroyed, their volume, and other information of Records Management activities.	Achieved
S.272.001	Before land owned by a political subdivision of the state may be sold or exchanged for other land, notice to the general public of the offer of the land for sale or exchange must be published in a newspaper of general circulation.	Not Applicable
S.302.004	Energy savings performance contract may be financed: Lease-purchase contract (not > 20 years), proceeds of bonds, contract with provider of energy/water (not > 20 years).	Not Applicable

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Property Code	Requirement	Test Conclusion
Ch. 21, S. 042(a)	Special Commissioners must assess damages in a condemnation proceeding according to evidence presented at the hearing.	Achieved
Ch. 21, S. 042(b)	If an entire tract or parcel of real property is condemned, the damage to the property owner is the local market value of the property at the time of the special commissioners' hearing.	Achieved
Ch. 21, S. 042(c)	If a portion is condemned, the special commissioners must determine the damage to the property owner after estimating the extent of the injury and benefit to the property owner.	Achieved
Ch. 21, S. 042(d)	In estimating injury or benefit must consider an injury / benefit that is peculiar to the property owner. May not consider injury / benefit that the property owner experiences in common with the general community.	Achieved
Ch. 21, S. 042(e)	If a portion of a tract or parcel of real property is condemned for the use, construction, operation, or maintenance of the state highway system or of a county toll project - Commissioners must determine the damage to the property owner regardless of whether the property owner makes a claim for damages.	Not Applicable
Ch. 21, S. 042(f)	In awarding compensation or assessing damages for a condemnation by an institution of higher education, the special commissioners may not include in the compensation of damages any amount that compensates for, or is based on the present value of, an exemption from ad valorem taxation applicable to the property before its condemnation.	Not Applicable
Ch. 21, S. 042(g)	If a portion of a tract or parcel of real property that, for the then current tax year was appraised for ad valorem tax purposes under a law enacted, and is outside the municipal limits or the extraterritorial jurisdiction of a municipality with a population of 5,000 or more is condemned for state highway purposes, the special commissioners shall consider the loss of reasonable access to or from the remaining property in determining the damage to the property owner.	Not Applicable
Health and Safety Code	Requirement	Test Conclusion
Ch. 388, S.005 (b)	Each political subdivision, institution of higher education, or state agency must implement energy efficiency measures that meet the standards under Section 302.004(b), Local Government Code.	Achieved

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Health and Safety Code	Requirement	Test Conclusion
Ch. 388, S.005(c)	Must establish a goal to reduce the electric consumption by the entity by at least 5% annually for 7 years, beginning September 1, 2019.	Achieved
Ch. 388, S.005(d)	Reporting requirements for failing to meet the targets set out at 388.005(c).	Achieved
Ch. 388, S.005(e)	Must report annually to the State Energy Conservation Office regarding the entity's goal, efforts to meet the goal, and progress.	Achieved
Penal Code	Requirement	Test Conclusion
Ch. 36, S.02(a)	Offense committed if a person intentionally accepts any benefit as consideration for: - a decision, vote, or similar. - the recipients decision vote, etc. - a violation of duty.	Achieved
Ch. 36, S.07(a)	Offense committed where the public servant solicits/accepts an honorarium in consideration for services that the public servant would not have been requested to provide.	Not Applicable
Ch. 36, S.08(e)	A public servant with judicial or administrative authority, commits an offense if he solicits/accepts benefit from a person the public servant knows is interested in any matter before the public servant or tribunal.	Achieved

Appendix C

Task 3 – In-Scope Department Staffing and Budget Summary

Capital Metropolitan Transportation Authority

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Appendix C: Task 3 – Administration and Management of the Authority

Report Date: January 7, 2024

Capital Metropolitan Transit Authority			Budget to Actual Department Expenses							
Department Details			2020		2021		2022		2023	
No.	Department	Description	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
1	Demand Response Oversight (formerly Paratransit Contract Ops)	The Demand Response Oversight department oversees CapMetro's paratransit service contractors. Costs related to paratransit services compliant with the Americans with Disabilities Act (ADA) are budgeted in this department.	29,463,626	28,344,767	29,748,758	28,715,918	32,443,113	28,473,452	40,062,490	40,453,322
2	Bus Operations & Maintenance Oversight	The Operations and Maintenance Oversight department is responsible for coordinating the operations and activities of all CapMetro service providers for bus services. This includes coordination of contract management, data collection, analysis, and quality assurance activities for vehicle operations and vehicle maintenance.	130,536,574	137,309,593	131,217,544	123,643,841	144,268,817	145,012,136	163,870,175	173,287,199
3	Paratransit Eligibility	The Paratransit Eligibility department includes staff members from eligibility, travel training, and pathway assessment. The department manages the eligibility certification process and promotes fixed-route use by providing training to	969,283	879,446	1,014,846	947,338	1,186,091	997,946	1,352,852	1,170,030
4	Demand Response Control and Call Center (Formerly Paratransit Reservations and Control Center)	The Demand Response Control and Call Center department is composed of the CapMetro Access and Pickup control and call center. The department provides real-time dispatch, scheduling, and advance trip reservations.	2,004,141	2,086,206	2,070,741	2,026,789	2,286,995	2,249,362	2,496,916	2,375,640

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Capital Metropolitan Transit Authority			Budget to Actual Department Expenses							
Department Details			2020		2021		2022		2023	
No.	Department	Description	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
5	Public Facilities	The Public Facilities department is responsible for maintaining all bus stops, Park & Rides, Transit Centers and rail stations. The primary functions include the cleaning of bus stops and Transit Centers, servicing litter containers, coordinating the installation and removal of bus stop amenities, supporting special events and performing service change support tasks, including the installation and removal of signage and other facility management support for owned and leased non-public facilities.	5,281,132	4,647,135	5,355,178	5,509,814	6,481,618	5,584,539	6,767,530	6,294,826
6	Rail Commuter Operations	The Rail Commuter Operations department provides management and oversight of regional rail service between the city of Leander and downtown Austin. The service operates 10 commuter trains along 32 miles of track that service 9 stations along this right-of-way. The department manages rail operations strategic planning, rail operations regulatory compliance, and risk reduction through post-incident analysis.	21,160,113	17,363,730	21,653,520	18,304,497	27,591,294	22,086,900	24,779,640	24,205,678
7	Safety (Formerly Safety, Risk Management and Accessible Services Management)	The Safety Department is responsible for addressing operational, construction, environmental and industrial safety-related matters. This is done through the development and implementation of related programs and oversight activities.	2,844,755	2,706,487	2,788,933	4,008,020	1,550,902	666,122	2,455,945	1,725,163
8	Public Safety and Emergency Management (Formerly Security)	The Public Safety and Emergency Management department's primary mission is to ensure the safety, protection and integrity of the transportation system. The department provides security and emergency preparedness related training for Capital Metro and service provider personnel to enhance system security in all areas. The department also continually collaborates with law enforcement and other regional first responders to ensure effective planning for and response to emergencies. The Public Safety and Emergency Management department maintains the access control and video systems for the agency.	5,161,623	4,234,664	5,864,731	4,257,908	2,374,696	5,092,539	8,292,585	6,231,058

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Appendix C: Task 3 – Administration and Management of the Authority

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Capital Metropolitan Transit Authority			FTE Staffing Budget to Actual							
Department Details			2020		2021		2022		2023	
No.	Department	Description	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
1	Demand Response Oversight (formerly Paratransit Contract Ops)	The Demand Response Oversight department oversees CapMetro's paratransit service contractors. Costs related to paratransit services compliant with the Americans with Disabilities Act (ADA) are budgeted in this department.	4.5	3.5	3.5	5	4.5	5	5.5	7
2	Bus Operations & Maintenance Oversight	The Operations and Maintenance Oversight department is responsible for coordinating the operations and activities of all CapMetro service providers for bus services. This includes coordination of contract management, data collection, analysis, and quality assurance activities for vehicle operations and vehicle maintenance.	30	29	29	33	35	99	123	124
3	Paratransit Eligibility	The Paratransit Eligibility department includes staff members from eligibility, travel training, and pathway assessment. The department manages the eligibility certification process and promotes fixed-route use by providing training to	10	11	11	10	11	9	12	11
4	Demand Response Control and Call Center (Formerly Paratransit Reservations and Control Center)	The Demand Response Control and Call Center department is composed of the CapMetro Access and Pickup control and call center. The department provides real-time dispatch, scheduling, and advance trip reservations.	32	32	32	32	37	31	38	34

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Capital Metropolitan Transit Authority			FTE Staffing Budget to Actual							
Department Details			2020		2021		2022		2023	
No.	Department	Description	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
5	Public Facilities	The Public Facilities department is responsible for maintaining all bus stops, Park & Rides, Transit Centers and rail stations. The primary functions include the cleaning of bus stops and Transit Centers, servicing litter containers, coordinating the installation and removal of bus stop amenities, supporting special events and performing service change support tasks, including the installation and removal of signage and other facility management support for owned and leased non-public facilities.	16	16	16	19	23	18	28	20
6	Rail Commuter Operations	The Rail Commuter Operations department provides management and oversight of regional rail service between the city of Leander and downtown Austin. The service operates 10 commuter trains along 32 miles of track that service 9 stations along this right-of-way. The department manages rail operations strategic planning, rail operations regulatory compliance, and risk reduction through post-incident analysis.	10.5	10.5	10.5	10	11.5	8	11.5	10
7	Safety (Formerly Safety, Risk Management and Accessible Services Management)	The Safety Department is responsible for addressing operational, construction, environmental and industrial safety-related matters. This is done through the development and implementation of related programs and oversight activities.	9.5	9.5	9.5	10	11.5	12	16.5	13
8	Public Safety and Emergency Management (Formerly Security)	The Public Safety and Emergency Management department's primary mission is to ensure the safety, protection and integrity of the transportation system. The department provides security and emergency preparedness related training for Capital Metro and service provider personnel to enhance system security in all areas. The department also continually collaborates with law enforcement and other regional first responders to ensure effective planning for and response to emergencies. The Public Safety and Emergency Management department maintains the access control and video systems for the agency.	29	34	33	18	69.5	56.5	70.5	47.5

Appendix D

Findings and Recommendations for Management Matrix

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Appendix E: Recommendations for Management Matrix
Report Date: January 7, 2025

Findings: The following State Required Quadrennial Performance Audit findings are considered to be areas of non-compliance or where there is a lack of procedures or internal controls in place to cover significant or emerging risks to the management of the Authority.

Ref	Issue Identified	Effect / Risk Exposure	Recommendation	Management's Response
TASK 1 - Performance Indicator Review				
No Findings Identified				
TASK 2 - Chapter 451 Compliance Review				
FINDING 1	Quadrennial Performance Audit Report Delivery Texas Transportation Code § 451.457, requires the quadrennial performance audit reports be delivered to specific recipients (e.g. Texas Governor, Lt. Governor, etc.) by February 1st following the completion of the report in the fiscal year immediately following the quadrennial scope period. CapMetro was unable to locate and provide the required documentation evidencing the distribution of the report to the recipient list for the previous 2020 quadrennial performance audit report. Retaining evidence of the delivery and receipt of the quadrennial performance audit report was also identified as a recommendation in the 2020 quadrennial performance audit report for the 2017 quadrennial performance audit.	Failure to provide documentation evidencing the delivery of the 2020 quadrennial report as required by Texas Transportation Code § 451.457 poses a risk of noncompliance with statutory obligations.	Management should implement a standardized procedure for documenting the submission and receipt of quadrennial performance audit reports to those recipients identified within the Texas Transportation Code. This could include creating a submission log, obtaining formal acknowledgments from recipients (e.g., email confirmations, certified mail receipts), and retaining these records in a centralized, accessible system for compliance tracking. Additionally, management should assign responsibility for overseeing this process to ensure adherence to statutory requirements.	Management's Response: Management has assigned the Government Affairs Department to be the department responsible for overseeing and documenting compliance with 451.457. Government Affairs has implemented a centralized process and system to retain PDF copies of all letters sent and will be sending the formal transmittals by certified mail, with an accompanying digital scan of the receipt filed once received to provide proof of compliance. <i>See additional detail in CapMetro Management's detailed response.</i> Responsible Party: Deputy Chief Executive Officer Implementation Date: completed
TASK 3 - Administration and Management of the Authority				
No Findings Identified				

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Appendix E: Recommendations for Management Matrix

Report Date: January 7, 2025

Recommendations for Management: The following State Required Quadrennial Performance Audit areas identified are provided for management's consideration to further improve efficiency and effectiveness of operations or improvements to the management of the Authority.

Ref	Issue Identified	Effect / Risk Exposure	Recommendation	Management's Response
TASK 1 - Performance Indicator Review				
REC 1	<p>Declines in Service Reliability</p> <p>Over the quadrennial performance audit scope period, CapMetro experienced increased collisions per 100,000 miles, reduced miles between road calls, and deteriorating cost efficiency as operating costs per hour and per mile surged. Increased costs were experienced as CapMetro internalized the parts function and required the purchasing of parts supplies to address timely service reliability issues. Mileage between road calls are a measure of service reliability and provides a way to monitor the quality of the vehicle maintenance program and the general state of repair of the fleet. The declines in service reliability provides an indicator to increase oversight of operations and assess root causes to ensure standards and expectations are being met. As CapMetro utilizes a contracted service model for service delivery of multiple service modes, including motor bus, demand response, and rail, untimely identification of declines in service delivery indicators may decrease timely corrective action.</p>	Decline in service reliability could lead to increased liabilities, service disruptions, and rising operational costs, all of which may put public safety at risk, and erode public trust and customer satisfaction.	Management should continue to assess and improve its service reliability by working with its third-parties and internal operations to determine measures to reduce collisions and miles between road calls, which will assist with cost efficiency and improve rider experience. Management should also integrate safety and maintenance performance measures into its current and future contracts to address declines in service. Additionally, aligning agency performance metrics with NTD and state performance indicators will ensure that management focuses on key areas evaluated by external agencies.	<p>Management's Response: CapMetro will continue to work collaboratively with its various service providers to improve service reliability and cost-effectiveness. CapMetro contracts already include safety and performance measures in service provider contracts. <i>See additional detail in CapMetro Management's detailed response.</i></p> <p>Responsible Party: CapMetro Chief Operating Officer</p> <p>Implementation Date: Ongoing</p>
REC 2	<p>Varying Cost Effectiveness</p> <p>Over the quadrennial performance audit period, CapMetro showed mixed results in cost-effectiveness, which closely aligns with trends identified across the industry for the period reviewed. We identified that the agency's fare recovery rate, at approximately 5%, lags behind the peer group average of 7%, highlighting an area for potential improvement. However, CapMetro outperforms its peers in the cost per passenger performance indicator, with an average cost per passenger of \$14.23 compared to the peer group's \$14.61. Additionally, CapMetro has maintained relatively stable vehicle occupancy rates, decreasing only slightly from 5.34 in 2020 to 5.28 in 2023.</p>	A decline in recovery rates could impact financial sustainability.	Management should continue to assess and improve its cost effectiveness through ongoing efforts to increase fare recovery and prevent its cost per passenger from growing. CapMetro and Austin's Project Connect initiatives and impacts should be considered through strategies to improve cost effectiveness in the future. Additionally, aligning agency performance metrics with NTD, state performance indicators, and peer groups will ensure that management has appropriate benchmark data to continually assess and to assist with the focusing of their efforts.	<p>Management's Response: CapMetro recognizes the challenges posed by declining fare recovery rates and reduced average vehicle occupancy, issues that are impacting the entire transit industry. CapMetro is committed to continuing to improve cost-effectiveness, despite these challenges, by continuing collaboration between CapMetro Operations staff and service providers, monitoring budgetary controls, and aligning key performance metrics to industry best practices. This work is already well underway through revisions to CapMetro's operating model made in 2022 and 2023. <i>See additional detail in CapMetro Management's detailed response.</i></p> <p>Responsible Party: CapMetro Chief Financial and Risk Officer</p> <p>Implementation Date: ongoing</p>

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Appendix E: Recommendations for Management Matrix
Report Date: January 7, 2025

Ref	Issue Identified	Effect / Risk Exposure	Recommendation	Management's Response
TASK 2 - Chapter 451 Compliance Review				
REC 3	Personal Identifying Information Disclosure Texas Transportation Code § 451.061(g) enables authorities to disclose customer personal identifying information to governmental agencies or higher education institutions for research or statistical purposes, with restrictions against publication, redisclosure, or contact use. This disclosure language is not documented explicitly in CapMetro's published policy, but the disclosure is referred to on their website as being subject to the code.	The absence of this disclosure language in CapMetro's online Privacy Policy hinders transparency in communicating how personal information is collected and used.	Management should consider updating CapMetro's policy on the authority's website to include the language outlined in Texas Transportation Code § 451.061(g). This update will clarify the authority's ability to disclose customer information for research purposes while maintaining compliance with restrictions on redisclosure, publication, or use for contact purposes.	Management's Response: Management agrees with this recommendation. The Legal Department will update CapMetro's privacy policy on the website to include language that advises the public of the possibility that personal information might be shared as provided by Texas Transportation Code 451.061(g). Responsible Party: CapMetro Deputy Chief Executive Officer Implementation Date: January 31, 2025
REC 4	Right-of-Way Penalty Publication Texas Transportation Code § 451.113(d) requires that unauthorized driving on the authority's Right-of-Way around the rail lines is subject to a penalty classified as a Class C misdemeanor. Currently, this penalty information is located near the rights-of-way but is not included on the authority's website to restate the physically posted information and clarify the severity of unauthorized driving on the authorities right-of- way.	The absence of penalty information on the website may limit public awareness and hinder compliance with Texas Transportation Code § 451.113(d).	Management should consider incorporating language on the authority's website and rider rules, that reflects the language posted at the physical right-of-way location, to inform the public of the penalty for unauthorized driving on the Right-of-Way, as required by Texas Transportation Code § 451.113(d). The inclusion of the penalty may raise awareness of the severity of such actions and deter potential acts.	Management's Response: CapMetro Management agrees with this recommendation and will update the website to clarify the penalty for trespassing in CapMetro right of way. CapMetro Management maintains that the best method for deterring trespassing is the Agency maintaining an active presence in our right of way, and the posting of signs on-site for awareness of people in the moment. Responsible Party: CapMetro Chief Experience and Engagement Officer Implementation Date: January 31, 2025

Capital Metropolitan Transit Authority

FY 2020–2023 Quadrennial Performance Audit

Appendix E: Recommendations for Management Matrix

Report Date: January 7, 2025

Ref	Issue Identified	Effect / Risk Exposure	Recommendation	Management's Response
TASK 3 - Administration and Management of the Authority				
REC 5	<p>Authority-Wide Contract/Third-Party Management Framework</p> <p>CapMetro's primary transit operations are outsourced to third parties and require effective, efficient, and timely contract management by internal contract managers. The authority has various contract management practices and tools that are adapted to the requirements of the contract and carried out by the internal contract managers on a daily basis. Additionally, Contract Managers maintain collaborative relationships with their third-party contacts to ensure timely updates on status, incidents, and corrective actions to ensure alignment and compliance with the contract. However, contract administration practices deployed for the managing of the various contracts across the authority, including those with differing objectives and monitoring needs, are not consistently approached and applied for each contract.</p> <p>While contracts inherently have differing objectives and monitoring requirements, there is an opportunity for the evaluated CapMetro departments to adopt and integrate effective practices from each other to improve the accuracy and completeness of quality assurance processes through formalized guidance and procedures on the authority's expectations for contract administration. This formal guidance can assist contract managers in assessing compliance and performance of each third-party more uniformly across the authority.</p> <p>Furthermore, CapMetro does not have an effective method or tool in place to systematically and centrally input and track performance outputs, indicators, and other documentation and data to provide transparency in service delivery by key contractors over the entirety of the contract and assist with the development of trends in performance that may need corrective action by management.</p>	<p>Inconsistent contract administration expectations and practices across the authority's various departments, contract managers, and operations may negatively impact its effectiveness and efficiency to achieve strategic objectives with its current model of outsourcing primary transit operations. Additionally, inconsistent documentation of contract performance can hinder accountability measures and actions to correct performance timely.</p> <p>Lastly, differing objectives and monitoring requirements of each contract inherently lead departments responsible for contractor oversight to focus on their individual efforts, which may limit opportunities for collaboration and the exchange of information on performance monitoring best practices to contract manager counterparts across the authority.</p>	<p>Management should design and implement a comprehensive contract management framework, in collaboration with its contract managers, that can be modified by each department to meet the needs of the contract but also incorporate performance measures, budget to actual financial data, tracking of quality assurance measures performed, central and electronic collection and documentation of QASP's, and dashboards for monitoring compliance and performance of the data being received from each third-party, which will ensure a more uniform and consistent practice and methodology across the authority. In addition, a contract management tool should be developed and used to make decisions related to each operational service provider with evidence of performance and outcomes driven and supported through data that can be verified by management. Further, departments responsible for contract oversight should collaborate and share their existing quality assurance processes to exchange best practices, thereby enhancing the accuracy and completeness of quality assurance efforts.</p>	<p>Management's Response: Though CapMetro has processes to actively monitor contracts, CapMetro management agrees with the recommendation to refine and further develop an agency-wide framework for the management of third-party contractors. Many of CapMetro's services are provided by a third-party contractor and are actively managed within each mode. Refining our overarching monitoring framework will ensure consistency across the agency while allowing for differences based on specifics of a particular mode or service provided. <i>See additional detail in CapMetro Management's detailed response.</i></p> <p>Responsible Party: CapMetro Chief Administrative Officer</p> <p>Implementation Date: July 1, 2025</p>
REC 6	<p>Departmental Procedure Management</p> <p>CapMetro does not currently have in place a formal management process to ensure department specific procedures are current, reflect established practices that are unique to the department, and routinely assessed by key stakeholders to ensure compliance and proper dissemination. Although the Authority has a formal policy management process and personnel to assess, update, approve, and disseminate the authority-wide policies, there is not central support and guidance to ensure all departmental procedures are assessed annually by management to ensure they meet the current business practices.</p>	<p>Without regular reviews and updates, the procedures may no longer reflect CapMetro's current state, potentially hindering the procedural relevance and applicability in guiding day-to-day operations. Furthermore, the lack of timely updates could lead to gaps in ensuring that practices are aligned with evolving organizational needs and regulatory requirements.</p>	<p>Management should consider developing and disseminating formal guidance and tools to departments on the expected processes, cadence, and structure of the departmental procedure review process to ensure procedure documents are regularly updated and remain aligned with current organization practices, needs, and conditions. This process could incorporate centrally developed templates, guidance, and training on performing the assessment, documenting the updates, disseminating and collecting acknowledgement from staff on the updated procedures. By doing so, the authority can improve operational efficiency, ensure relevance to evolving practices, and validate acknowledgment by staff of the procedural updates and expectations.</p>	<p>Management's Response: CapMetro Management will provide guidance and recommendations to staff regarding procedures.</p> <p>Responsible Party: CapMetro Deputy Chief Executive Officer</p> <p>Implementation Date: December 31, 2025</p>

Capital Metropolitan Transit Authority
FY 2020–2023 Quadrennial Performance Audit
Appendix E: Recommendations for Management Matrix
Report Date: January 7, 2025

Ref	Issue Identified	Effect / Risk Exposure	Recommendation	Management's Response
REC 7	<p>Post-Integration Analysis of New Operations and FTES</p> <p>CapMetro should consider a post-integration analysis of the organizational changes of January 2022 and report those findings to leadership. CapMetro staffing and organization changed significantly between fiscal years 2021 and 2022 when bus operations and maintenance responsibilities were shifted in-house with the new contractual agreement with MV Transportation. Additionally, strategic staffing decisions to augment resources in Demand Response Operations, Control Center, and Public Safety and Emergency Management saw growth during the scope period. With the growth of 131 salaried employees and 70 hourly employees over the scope period, CapMetro had to ensure those departments established cultural norms, adhered to processes and procedures, managed risk, delegated responsibilities, ensured professional development, and evaluated operations to meet expectations. Therefore, an analysis could be performed in-house or by a third-party to assess the integration of the employees and functions acquired over the period and three years of data and observation is adequate to determine the impact of the change. The analysis should include:</p> <ul style="list-style-type: none"> - Changes in recruitment and professional development strategies between January 2022 and January 2025 - Three-year retention rates of former contract employees compared to overall retention rates - Performance comparison of former contract employees to appropriate CapMetro internal peer groups - Impact on Key Performance Indicators - Efficiency Gains - Unintended Consequences <p>Currently, management has hired a consultant to perform a span of control review, which will incorporate many of these elements identified to evaluate and compare to other similar transportation authorities.</p>	<p>Significant changes to an organization without timely and effective assessment of their integration can result in long-term inefficiencies, effectiveness, and impacts to culture and operations that meet the Authority's expectations.</p>	<p>Management should continue current efforts to perform and complete a span of control review and comparison of its review to other similar transportation authorities. Additionally, management should consider a post-integration analysis of the organizational changes of January 2022 and report those findings to leadership. Such an analysis could be performed in house or by a third-party. Three years of data and observation is adequate to determine the impact of the change. The analysis should include:</p> <ul style="list-style-type: none"> - Changes in recruitment and professional development strategies between January 2022 and January 2025 - Three-year retention rates of former contract employees compared to overall retention rates - Performance comparison of former contract employees to appropriate CapMetro internal peer groups - Impact on Key Performance Indicators - Efficiency Gains - Unintended Consequences 	<p>Management's Response: As the recommendation acknowledges, CapMetro made significant changes to the fixed route operational structure in 2022 with a primary goal of enhancing efficiency and CapMetro's ownership of key service decisions. CapMetro is in a constant state of reflection, analysis and improvement with respect to the changes made and agrees with the recommendation to continue to assess the effectiveness of the organizational changes made in 2022. It is important to note that Operations Management collaborates regularly with each service provider to align the deployment of staffing resources to address service issues in real time and improve operational efficiencies. <i>See additional detail in CapMetro Management's detailed response.</i></p> <p>Responsible Party: CapMetro Chief Administrative Officer</p> <p>Implementation Date: December 31, 2025</p>
REC 8	<p>Professional Development Opportunities</p> <p>CapMetro should consider additional professional development opportunities tied to job responsibilities within the eight departments evaluated within the scope of the Quadrennial Performance Audit. CapMetro should continue several best practice leadership development programs initiated in FY 2024, including a formal commitment to succession planning within departments.</p>	<p>Continued professional development opportunities for each defined job title, position, and succession for future roles can ensure continued growth for the individual and positively impact the effectiveness and maturity of the organization.</p>	<p>Management should continue current initiatives around professional development and succession planning that were developed in FY24 to address management identified gaps. This training includes defined training and professional development opportunities for each job responsibility that will continue to promote their growth. Additionally, management should continue efforts to formalize succession planning within each department.</p>	<p>Management's Response: During the review period, CapMetro did offer defined professional development opportunities to employees, and we continue to enhance our development programs. <i>See additional detail in CapMetro Management's detailed response.</i></p> <p>Responsible Party: CapMetro Chief Administrative Officer</p> <p>Implementation Date: ongoing</p>

Appendix E

CapMetro Management's Detailed Response

CapMetro Detailed Management Responses

Quadrennial Performance Audit – January 2025

The following contains detailed Management Responses from the Capital Metropolitan Transportation Authority (CapMetro), regarding the January 2025 Quadrennial Performance Audit for the Fiscal Year 2020 through Fiscal Year 2023. These detailed responses are supplemental to summary responses provided within the *Quadrennial Findings and Recommendations for Management* matrix included within the Quadrennial report.

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Findings

Finding 1 – Quadrennial Performance Audit Delivery

Issue Identified	Quadrennial Performance Audit Report Delivery Texas Transportation Code § 451.457, requires the quadrennial performance audit reports be delivered to specific recipients (e.g. Texas Governor, Lt. Governor, etc.) by February 1st following the completion of the report in the fiscal year immediately following the quadrennial scope period. CapMetro was unable to locate and provide the required documentation evidencing the distribution of the report to the recipient list for the previous 2020 quadrennial performance audit report. Retaining evidence of the delivery and receipt of the quadrennial performance audit report was also identified as a recommendation in the 2020 quadrennial performance audit report for the 2017 quadrennial performance audit.
Effect / Risk Exposure	Failure to provide documentation evidencing the delivery of the 2020 quadrennial report as required by Texas Transportation Code § 451.457 poses a risk of noncompliance with statutory obligations.
Recommendation	Management should implement a standardized procedure for documenting the submission and receipt of quadrennial performance audit reports to those recipients identified within the Texas Transportation Code. This could include creating a submission log, obtaining formal acknowledgments from recipients (e.g., email confirmations, certified mail receipts), and retaining these records in a centralized, accessible system for compliance tracking. Additionally, management should assign responsibility for overseeing this process to ensure adherence to statutory requirements.

Responsible Party: CapMetro Deputy Chief Executive Officer

Implementation Date: Completed

Summary of Management Response:

Management has assigned the Government Affairs Department to be the department responsible for overseeing and documenting compliance with 451.457. Government Affairs has implemented a centralized process and system to retain PDF copies of all letters sent and will be sending the formal transmittals by certified mail, with an accompanying digital scan of the receipt filed once received to provide proof of compliance.

Detailed Management Response:

Though CapMetro is confident that previous CapMetro Quadrennial Reviews have been provided to those specified under 451.457, CapMetro was unable to find documentation demonstrating delivery, (such as a courier receipt or email).

Government Affairs will 1) draft all transmittal letters for signature by the President & CEO or designee; 2) maintain a digital copy of all signed and executed letters as a PDF in the Government Affairs Shared library on SharePoint to ensure the department, Executive Office, and Audit team has access to these letters in

the future; 3) will send all physical copies of letters to the designated list of individuals in accordance with Texas Transportation Code 451 under certified mail with the United States Postal Service and 4) will maintain digital copies of all certified mail receipts in the same shared library file referenced under 2 for audit verification purposes. All letters and mail receipts will be completed and date stamped prior to February 1 each second odd-number year as required in the statute.

RECOMMENDATIONS

Recommendation 1 – Declines in Service Reliability

Issue Identified	Over the quadrennial performance audit scope period, CapMetro experienced increased collisions per 100,000 miles, reduced miles between road calls, and deteriorating cost efficiency as operating costs per hour and per mile surged. Increased costs were experienced as CapMetro internalized the parts function and required the purchasing of parts supplies to address timely service reliability issues. Mileage between road calls are a measure of service reliability and provides a way to monitor the quality of the vehicle maintenance program and the general state of repair of the fleet. The declines in service reliability provides an indicator to increase oversight of operations and assess root causes to ensure standards and expectations are being met. As CapMetro utilizes a contracted service model for service delivery of multiple service modes, including motor bus, demand response, and rail, untimely identification of declines in service delivery indicators may decrease timely corrective action.
Effect / Risk Exposure	Decline in service reliability could lead to increased liabilities, service disruptions, and rising operational costs, all of which may put public safety at risk, and erode public trust and customer satisfaction.
Recommendation	Management should continue to assess and improve its service reliability by working with its third-parties and internal operations to determine measures to reduce collisions and miles between road calls, which will assist with cost efficiency and improve rider experience. Management should also integrate safety and maintenance performance measures into its current and future contracts to address declines in service. Additionally, aligning agency performance metrics with NTD and state performance indicators will ensure that management focuses on key areas evaluated by external agencies.

Responsible Party: CapMetro Chief Operating Officer

Implementation Date: Ongoing

Summary of Management Response:

CapMetro will continue to work collaboratively with its various service providers to improve service reliability and cost-effectiveness. CapMetro contracts already include safety and performance measures in service provider contracts.

Detailed Management Response:

CapMetro will continue to work collaboratively with its various service providers to improve service reliability and cost-effectiveness. Working with our service provider partners, we develop and implement action plans to improve service reliability. Our present contracting model for both fixed route and demand response is based on service reliability being a shared responsibility between both the service provider and CapMetro staff with each party having responsibility for different levers that impact the metric. In this model, CapMetro makes all service-related decisions such as maintenance plans,

specific repairs performed on vehicles, how operators are dispatched and utilized, the training of front-line staff, route and schedule design, service standards and operating policies. Service providers provide for and manage the workforce to accomplish the desired outcomes and service levels laid out by CapMetro. This includes refining the roles and responsibilities established between CapMetro staff and the service provider teams.

Recommendation 2 – Varying Cost Effectiveness

Issue Identified	Over the quadrennial performance audit period, CapMetro showed mixed results in cost-effectiveness, which closely aligns with trends identified across the industry for the period reviewed. We identified that the agency's fare recovery rate, at approximately 5%, lags behind the peer group average of 7%, highlighting an area for potential improvement. However, CapMetro outperforms its peers in the cost per passenger performance indicator, with an average cost per passenger of \$14.23 compared to the peer group's \$14.61. Additionally, CapMetro has maintained relatively stable vehicle occupancy rates, decreasing only slightly from 5.34 in 2020 to 5.28 in 2023.
Effect / Risk Exposure	A decline in recovery rates could impact financial sustainability.
Recommendation	Management should continue to assess and improve its cost effectiveness through ongoing efforts to increase fare recovery and prevent its cost per passenger from growing. CapMetro and Austin's Project Connect initiatives and impacts should be considered through strategies to improve cost effectiveness in the future. Additionally, aligning agency performance metrics with NTD, state performance indicators, and peer groups will ensure that management has appropriate benchmark data to continually assess and to assist with the focusing of their efforts.

Responsible Party: CapMetro Chief Financial and Risk Officer

Implementation Date: Ongoing

Summary of Management Response:

CapMetro recognizes the challenges posed by declining fare recovery rates and reduced average vehicle occupancy, issues that are impacting the entire transit industry. CapMetro is committed to continuing to improve cost-effectiveness, despite these challenges, by continuing collaboration between CapMetro Operations staff and service providers, monitoring budgetary controls, and aligning key performance metrics to industry best practices. This work is already well underway through revisions to CapMetro's operating model made in 2022 and 2023.

Detailed Management Response:

CapMetro Management acknowledges the importance of addressing fare recovery rates and maintaining cost-effectiveness while navigating the challenges reflective of broader national and regional industry trends. To that end CapMetro has already been working through these challenges and will address some of the many initiatives below.

While the fare recovery rate of approximately 5% is lower than the peer group average of 7%, CapMetro outperforms its peers in cost per passenger, with a rate of \$14.23 compared to \$14.61. Additionally, CapMetro's vehicle occupancy rates have remained stable, with only a slight decline from 5.34 in 2020 to 5.28 in 2023. These results underscore CapMetro's commitment to cost management and operational efficiency despite significant headwinds, including:

- A) Labor Costs: Labor expenses have risen by over 30% since 2020 due to necessary wage adjustments in response to a competitive job market in Austin. These adjustments were critical to addressing staffing shortages and ensuring service reliability.
- B) Supply Chain Disruptions: The U.S. transit industry faces limited bus manufacturers and a 50% surge in parts costs, which have significantly impacted operational expenses.
- C) Inflationary Pressures: CapMetro has also contended with inflation-driven increases in the cost of goods and services, further straining operating budgets.

To enhance cost-effectiveness, CapMetro continues to prioritize the following strategies begun prior to this audit:

1. Operational Efficiencies: Working closely with service providers to identify and implement cost-saving measures.
2. Budgetary Controls: Employing robust budgeting processes and financial controls to optimize resource allocation.
3. Aligned metrics: Aligning performance metrics with NTD, state indicators, and peer benchmarks to guide targeted improvements.

Further, CapMetro has a variety of initiatives underway to enhance customer experience, and therefore build further ridership. This includes Project Connect, improvements to customer payment technology and systems, providing new service and evaluating service to ensure quality experience, and more.

CapMetro remains committed to addressing these challenges proactively and will continue to refine strategies to support operational performance and fiscal responsibility.

Recommendation 3 – Personal Identifying Information Disclosure

Issue Identified	Texas Transportation Code § 451.061(g) enables authorities to disclose customer personal identifying information to governmental agencies or higher education institutions for research or statistical purposes, with restrictions against publication, redisclosure, or contact use. This disclosure language is not documented explicitly in CapMetro's published policy, but the disclosure is referred to on their website as being subject to the code.
Effect / Risk Exposure	The absence of this disclosure language in CapMetro's online Privacy Policy hinders transparency in communicating how personal information is collected and used.
Recommendation	Management should consider updating CapMetro's policy on the authority's website to include the language outlined in Texas Transportation Code § 451.061(g). This update will clarify the authority's ability to disclose customer information for research purposes while maintaining compliance with restrictions on redisclosure, publication, or use for contact purposes.

Responsible Party: CapMetro Deputy Chief Executive Officer

Implementation Date: January 31, 2025

Summary of Management Response:

Management agrees with this recommendation. The Legal Department will update CapMetro's privacy policy on the website to include language that advises the public of the possibility that personal information might be shared as provided by Texas Transportation Code 451.061(g).

Detailed Management Response:

The Legal Department will draft updated language for the privacy policy and will work with the Experience and Engagement Department to ensure that the website is updated by the end of January 2025.

Recommendation 4 – Right-of-Way Penalty Publication

Issue Identified	Texas Transportation Code § 451.113(d) requires that unauthorized driving on the authority's Right-of-Way around the rail lines is subject to a penalty classified as a Class C misdemeanor. Currently, this penalty information is located near the rights-of-way but is not included on the authority's website to restate the physically posted information and clarify the severity of unauthorized driving on the authorities right-of- way.
Effect / Risk Exposure	The absence of penalty information on the website may limit public awareness and hinder compliance with Texas Transportation Code § 451.113(d).
Recommendation	Management should consider incorporating language on the authority's website and rider rules, that reflects the language posted at the physical right-of-way location, to inform the public of the penalty for unauthorized driving on the Right-of-Way, as required by Texas Transportation Code § 451.113(d). The inclusion of the penalty may raise awareness of the severity of such actions and deter potential acts.

Responsible Party: Chief Experience and Engagement Officer

Implementation Date: January 31, 2025

Summary of Management Response:

CapMetro Management agrees with this recommendation and will update the website to clarify the penalty for trespassing in CapMetro right of way. CapMetro Management maintains that the best method for deterring trespassing is the Agency maintaining an active presence in our right of way, and the posting of signs on-site for awareness of people in the moment.

Detailed Management Response:

CapMetro's website includes Rules of Conduct and Safety for CapMetro services. The rules note that "CapMetro has a zero-tolerance policy for trespassing within the railroad right-of-way," echoing posted signage along the right-of-way. CapMetro is in the process of completing a comprehensive update to the Rules of Conduct and Safety, including reviewing how rules are communicated online and onboard CapMetro services. As part of this review, all rules that are enforceable under state or local law will be denoted as such for clarity to customers and the community.

In the short term, this specific rule violation will be clarified online to include a reference to the applicable law and legal penalty. This will be completed by the end of January 2025.

Recommendation 5 – Authority-Wide Contract/Third-Party Management Framework

<p>Issue Identified</p>	<p>CapMetro's primary transit operations are outsourced to third parties and require effective, efficient, and timely contract management by internal contract managers. The authority has various contract management practices and tools that are adapted to the requirements of the contract and carried out by the internal contract managers on a daily basis. Additionally, Contract Managers maintain collaborative relationships with their third-party contacts to ensure timely updates on status, incidents, and corrective actions to ensure alignment and compliance with the contract. However, contract administration practices deployed for the managing of the various contracts across the authority, including those with differing objectives and monitoring needs, are not consistently approached and applied for each contract.</p> <p>While contracts inherently have differing objectives and monitoring requirements, there is an opportunity for the evaluated CapMetro departments to adopt and integrate effective practices from each other to improve the accuracy and completeness of quality assurance processes through formalized guidance and procedures on the authority's expectations for contract administration. This formal guidance can assist contract managers in assessing compliance and performance of each third-party more uniformly across the authority.</p> <p>Furthermore, CapMetro does not have an effective method or tool in place to systematically and centrally input and track performance outputs, indicators, and other documentation and data to provide transparency in service delivery by key contractors over the entirety of the contract and assist with the development of trends in performance that may need corrective action by management.</p>
<p>Effect / Risk Exposure</p>	<p>Inconsistent contract administration expectations and practices across the authority's various departments, contract managers, and operations may negatively impact its effectiveness and efficiency to achieve strategic objectives with its current model of outsourcing primary transit operations. Additionally, inconsistent documentation of contract performance can hinder accountability measures and actions to correct performance timely.</p> <p>Lastly, differing objectives and monitoring requirements of each contract inherently lead departments responsible for contractor oversight to focus on their individual efforts, which may limit opportunities for collaboration and the exchange of information on performance monitoring best practices to contract manager counterparts across the authority.</p>

Recommendation	Management should design and implement a comprehensive contract management framework, in collaboration with its contract managers, that can be modified by each department to meet the needs of the contract but also incorporate performance measures, budget to actual financial data, tracking of quality assurance measures performed, central and electronic collection and documentation of QASP's, and dashboards for monitoring compliance and performance of the data being received from each third-party, which will ensure a more uniform and consistent practice and methodology across the authority. In addition, a contract management tool should be developed and used to make decisions related to each operational service provider with evidence of performance and outcomes driven and supported through data that can be verified by management. Further, departments responsible for contract oversight should collaborate and share their existing quality assurance processes to exchange best practices, thereby enhancing the accuracy and completeness of quality assurance efforts.
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Responsible Party: CapMetro Chief Administrative Officer

Implementation Date: July 1, 2025

Summary of Management Response:

Though CapMetro has processes to actively monitor contracts, CapMetro management agrees with the recommendation to refine and further develop an agency-wide framework for the management of third-party contractors. Many of CapMetro's services are provided by a third-party contractor and are actively managed within each mode. Refining our overarching monitoring framework will ensure consistency across the agency while allowing for differences based on specifics of a particular mode or service provided.

Detailed Management Response:

CapMetro will establish a centralized framework and guidance whereby specific requirements are met within each contract monitoring plan (CMP), but specifics within the contract monitoring plan can be modified for each department or modes' use, based on the service provided under the contract. All CMPs would include base information such as performance measures, budget to actual data, quality assurance data, and a centralized warehouse of documentation. This base information will also include evidence of performance and outcomes driven and supported through data that management can verify. CapMetro will work to collect the various CMPs, review each for completeness, understand commonalities, and establish a centralized framework for all CMPs. This will include the steps required to establish, review, and modify CMPs. A centralized approach will be established for CMP documentation storage. The framework will also include developing requirements for invoice review and Quality Assurance Surveillance Plans.

Recommendation 6 – Departmental Procedure Management

Issue Identified	CapMetro does not currently have in place a formal management process to ensure department specific procedures are current, reflect established practices that are unique to the department, and routinely assessed by key stakeholders to ensure compliance and proper dissemination. Although the Authority has a formal policy management process and personnel to assess, update, approve, and disseminate the authority-wide policies, there is not central support and guidance to ensure all departmental procedures are assessed annually by management to ensure they meet the current business practices.
Effect / Risk Exposure	Without regular reviews and updates, the procedures may no longer reflect CapMetro's current state, potentially hindering the procedural relevance and applicability in guiding day-to-day operations. Furthermore, the lack of timely updates could lead to gaps in ensuring that practices are aligned with evolving organizational needs and regulatory requirements.
Recommendation	Management should consider developing and disseminating formal guidance and tools to departments on the expected processes, cadence, and structure of the departmental procedure review process to ensure procedure documents are regularly updated and remain aligned with current organization practices, needs, and conditions. This process could incorporate centrally developed templates, guidance, and training on performing the assessment, documenting the updates, disseminating and collecting acknowledgement from staff on the updated procedures. By doing so, the authority can improve operational efficiency, ensure relevance to evolving practices, and validate acknowledgment by staff of the procedural updates and expectations.

Responsible Party: CapMetro Deputy Chief Executive Officer

Implementation Date: December 31, 2025

Summary of Management Response:

CapMetro Management will provide guidance and recommendations to staff regarding procedures.

Detailed Management Response:

As noted in the recommendation, CapMetro has a robust process to review and maintain all CapMetro policies. This process includes review from subject matter experts (policy owners), legal counsel, and impacted departments, before ultimately being completed with signature from identified executive vice presidents.

This process specifically does not include departmental procedures which are mostly documenting how a specific agency function performs a given responsibility (i.e., payroll processes, operational procedures, human resources-related functions). CapMetro management believes each functional owner is empowered to know their business area and be mindful of how their procedures impact other departments. However, CapMetro Management also agrees guidelines to business area owners will assist

in ensuring consistency and collaboration across the organization. The guidelines for procedures may include: a template to standardize procedure documentation; recommended approach for ensuring collaboration between business area owners and impacted departments for those procedures that impact more than one group; recommended review timelines; and an expectation of centralized posting of all procedures in one area on CapMetro's intranet for ease of access for employees.

Recommendation 7 – Post-Integration Analysis of New Operations and Full Time Equivalents (FTE)s

Issue Identified	<p>CapMetro should consider a post-integration analysis of the organizational changes of January 2022 and report those findings to leadership. CapMetro staffing and organization changed significantly between fiscal years 2021 and 2022 when bus operations and maintenance responsibilities were shifted in-house with the new contractual agreement with MV Transportation. Additionally, strategic staffing decisions to augment resources in Demand Response Operations, Control Center, and Public Safety and Emergency Management saw growth during the scope period. With the growth of 131 salaried employees and 70 hourly employees over the scope period, CapMetro had to ensure those departments established cultural norms, adhered to processes and procedures, managed risk, delegated responsibilities, ensured professional development, and evaluated operations to meet expectations. Therefore, an analysis could be performed in-house or by a third-party to assess the integration of the employees and functions acquired over the period and three years of data and observation is adequate to determine the impact of the change. The analysis should include:</p> <ul style="list-style-type: none"> - Changes in recruitment and professional development strategies between January 2022 and January 2025 - Three-year retention rates of former contract employees compared to overall retention rates - Performance comparison of former contract employees to appropriate CapMetro internal peer groups - Impact on Key Performance Indicators - Efficiency Gains - Unintended Consequences <p>Currently, management has hired a consultant to perform a span of control review, which will incorporate many of these elements identified to evaluate and compare to other similar transportation authorities.</p>
Effect / Risk Exposure	<p>Significant changes to an organization without timely and effective assessment of their integration can result in long-term inefficiencies, effectiveness, and impacts to culture and operations that meet the Authority's expectations</p>
Recommendation	<p>Management should continue current efforts to perform and complete a span of control review and comparison of its review to other similar transportation authorities. Additionally, management should consider a post-integration analysis of the organizational changes of January 2022 and report those findings to leadership. Such an analysis could be performed in house or by a third-party. Three years of data and observation is adequate to determine the impact of the change. The analysis should include:</p> <ul style="list-style-type: none"> - Changes in recruitment and professional development strategies between January 2022 and January 2025

	<ul style="list-style-type: none"> - Three-year retention rates of former contract employees compared to overall retention rates - Performance comparison of former contract employees to appropriate CapMetro internal peer groups - Impact on Key Performance Indicators - Efficiency Gains - Unintended Consequences
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Responsible Party: CapMetro Chief Administrative Officer

Implementation Date: December 31, 2025

Summary of Management Response:

As the recommendation acknowledges, CapMetro made significant changes to the fixed route operational structure in 2022 with a primary goal of enhancing efficiency and CapMetro's ownership of key service decisions. CapMetro is in a constant state of reflection, analysis and improvement with respect to the changes made and agrees with the recommendation to continue to assess the effectiveness of the organizational changes made in 2022. It is important to note that Operations Management collaborates regularly with each service provider to align the deployment of staffing resources to address service issues in real time and improve operational efficiencies.

Detailed Management Response:

CapMetro continues to assess the successes and opportunities of the transition in its fixed route operating model in 2022. For example, CapMetro has recently made adjustments to some of the positions included in the initial changes, realigning Bus Inspectors and Road Supervisors to increase efficiency and performance. Further, CapMetro used lessons learned from the initial changes in 2022 with Keolis for fixed-route bus to better inform the scope and procurement of the demand response contract procurement, which was awarded to MTM in 2024.

In response to this recommendation, CapMetro will compare the service delivery metrics in 2020 and 2021 to 2022 and 2023 that were still under the contract with MV as an assessment of the impact of the changes. In addition, CapMetro is in the process of completing a Span of Control analysis across the organization and a specific realignment within fixed route operations to optimize the utilization of staff.

CapMetro will complete this work and continue a partnership of review and improvement with contracted service provider, to inform the next service-related procurement for rail transit service.

Recommendation 8 – Professional Development Opportunities

Issue Identified	CapMetro should consider additional professional development opportunities tied to job responsibilities within the eight departments evaluated within the scope of the Quadrennial Performance Audit. CapMetro should continue several best practice leadership development programs initiated in FY 2024, including a formal commitment to succession planning within departments.
Effect / Risk Exposure	Continued professional development opportunities for each defined job title, position, and succession for future roles can ensure continued growth for the individual and positively impact the effectiveness and maturity of the organization.
Recommendation	Management should continue current initiatives around professional development and succession planning that were developed in FY24 to address management identified gaps. This training includes defined training and professional development opportunities for each job responsibility that will continue to promote their growth. Additionally, management should continue efforts to formalize succession planning within each department.

Responsible Party: CapMetro Chief Administrative Officer

Implementation Date: Ongoing

Summary of Management Response:

During the review period, CapMetro did offer defined professional development opportunities to employees, and we continue to enhance our development programs.

Detailed Management Response:

During the period from October 1, 2019, through September 30, 2023. CapMetro had a professional development program called Leaders in Motion, which was paused after January 2019 as the agency focused on Project Connect followed by the COVID-19 pandemic. Additionally, we conducted an Inclusive Leadership Series involving 26 leaders. This program was shaped by interviews with key stakeholders and included five one-hour virtual sessions tailored to the agency's needs. The topics were:

- An Individual Growth Plan Template
- A Career Development Guide with suggested development activities aligned to CapMetro's capabilities
- An Oracle System Tutorial

CapMetro now has a revamped professional development program in place with growth plans developed for specific functions within the agency. Growth plans are housed within the HRIS to ensure transparency and accountability. Succession planning and key talent identification has also resumed and will continue to be rolled out across the organization throughout FY25.



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2025-1382

Agenda Date: 1/27/2025

Memo: Q4 FY2024 Performance Update (December 20, 2024)

To: CapMetro Board of Directors
From: Patricia E. Vidaurri, Director of Performance and Strategic Initiatives
Date: December 20, 2024
Subject: Q4 FY2024 Performance Update

CapMetro intends to provide agency leadership, the CapMetro Board of Directors, and the public, with insight into the performance of the service we provide and the operations of the agency itself. To this end, CapMetro provides routine updates to the Board, and provides a public-facing dashboard with data and trends.

Over the last several months, CapMetro has considered opportunities to enhance this communication, with the goal of ensuring we are not just providing data but also sharing context of key performance indicators. To that end, we have identified the following steps:

- CapMetro staff will provide a quarterly update to the Board of Directors via memo, which will include the scorecard, key information, and any appropriate information about steps CapMetro is taking to achieve continuous improvement.
- CapMetro staff will continue to review data systems and processes to refine reporting and ensure performance metrics are being managed.

These items are in addition to existing reports, such as quarterly financial reports, updates on the strategic plan, and more.

This memo provides the Board with the year-end performance updates, featuring data through September 2024, which coincides with the end of the fiscal year.

The public-facing dashboards are available on our website to supplement this memo.

We will continue to provide the Board of Directors with quarterly performance updates for Fiscal Year (FY) 2025. If you have any further questions, please feel free to contact me.

FY2024 Q4 Performance Scorecard

The Q4 Performance Scorecard reflects CapMetro's annual performance for FY2024.

Performance Measure	FY 2023 Actual	FY 2024 Target	FY 2024 Actual	% to Target	YOY Change	FY 2025 Target
Ridership						
Total Ridership	23,792,290	24,849,997	26,118,447	105%	10%	27,459,113
CapMetro Bus, Rapid, Express	22,767,814	23,166,718	24,479,203	106%	8%	25,660,687
CapMetro Rail	475,465	727,830	542,034	74%	14%	610,327
CapMetro Access	549,011	627,669	572,239	91%	4%	588,429
Pickup	363,656	327,780	511,724	156%	41%	599,670
On-Time Performance						
CapMetro Bus, Rapid, Express	80.2%	83%	78.3%	94%	-2%	83%
CapMetro Rail	90.7%	96%	92.8%	97%	2%	96%
CapMetro Access	88.2%	92%	91.6%	100%	4%	92%
Pickup	70.1%	92%	69%	75%	-2%	**
Mean Distance Between Failures (in miles)						
CapMetro Bus, Rapid, Express	4,560	5,500	3,773	69%	-17%	5,500
CapMetro Rail	15,567	15,000	7,547	50%	-52%	15,000
CapMetro Access & Pickup	8,195	20,000	10,167	51%	24%	20,000
Lost Time (Bus)	2.5%	1.5%	5.3%	353%	112%	1.5%
Safety – Preventable Vehicle Collisions per 100,000 miles						
CapMetro Bus, Rapid, Express	3.35	2.45	3.50	143%	4%	2.8
CapMetro Rail	1.19	1.04	0.44	42%	-63%	1.04
CapMetro Access & Pickup	1.58	2.0	1.78	89%	13%	1.7
Safety – Passenger Injuries per 100,000 passengers						
CapMetro Bus, Rapid, Express	0.38	0.35	0.53	151%	39%	0.35
CapMetro Rail	0.00	0.25	0.00	0%	0%	0.25
CapMetro Access & Pickup	0.26	0.25	0.21	84%	-19%	0.25
Customer Satisfaction Survey	88%	88%	69%	78%	-22%	85%
Employee Turnover (CapMetro Only)	16.5%	18%	12.5%	69%	-24%	18%
Financial Performance*						
Operating Expenditures as % of Budget	91.2%	90%-100%	94.8%	105%	4%	90%-100%
Capital Expenditures as % of Budget	51.3%	90%-100%	38.3%	43%	-25%	80%-100%
Disadvantaged Business Enterprise (DBE) Utilization	14.9%	22.5%	24.6%	109%	65%	22.5%

* Financial Performance: Actuals are based on unaudited soft-close numbers.

** Pickup On-Time Performance: This mode's service standard is being evaluated to more accurately measure reliability. Once the evaluation is complete, it will be discussed with the Board and a target will be established.

Legend:		Target met or within 10% of target
		Performance within 30% of target
		Target not met

Ridership

The number of passengers who board CapMetro vehicles, also called “Unlinked Passenger Trips.” Passengers are counted each time they board vehicles no matter how many vehicles they use to travel from their origin to their destination. Based on automatic passenger counters (APCs), ridership is the number of passengers utilizing transit service, measured on entrance to and exit from the vehicle.

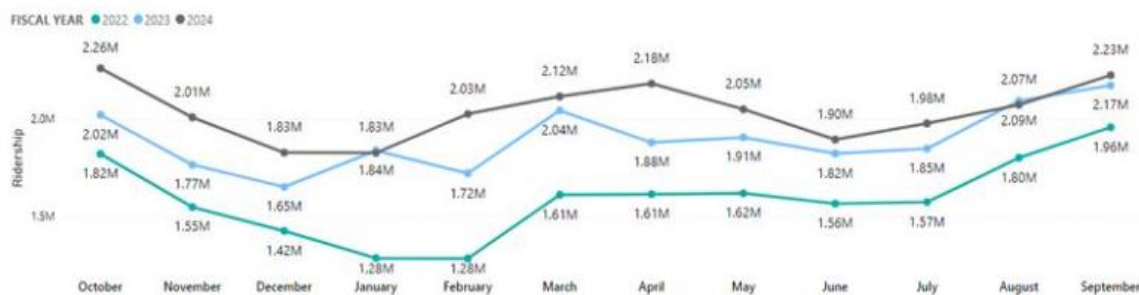
Overall ridership increased, with 26.1 million total boardings in the past twelve months. This was an increase of 10% from FY2023. This increase was driven by strong performance by CapMetro Bus, Rapid, and Express and Pickup.

While CapMetro Rail experienced 66,500 more boardings in FY2024 than in FY2023 (a 14% increase), it did not achieve its FY2024 ridership target. Our rail ridership target projections for FY2024 assumed mid-year service adjustments would be implemented to support changes in return-to-work activity amongst our commuter riders. These behavior changes did not materialize, so service schedules were not adjusted. Similar conditions existed when looking at CapMetro Express (commuter bus) ridership, although those numbers on this table are embedded within the bus statistics. FY2025 targets have been adjusted based on the assumption that no significant behavior shift is anticipated.

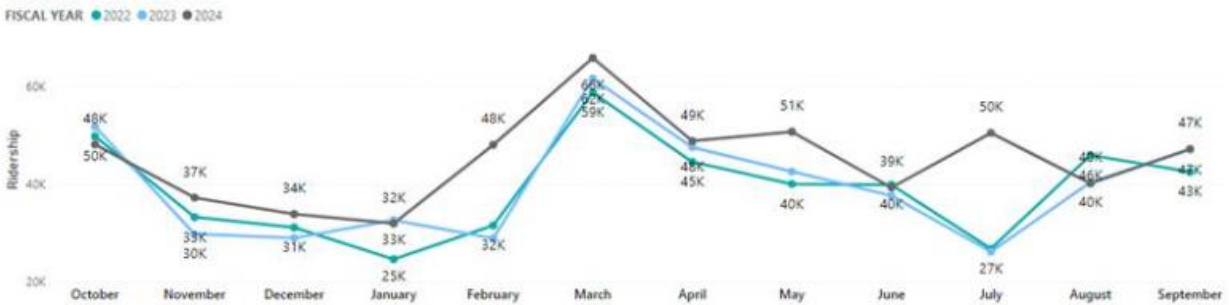
System-Wide Ridership



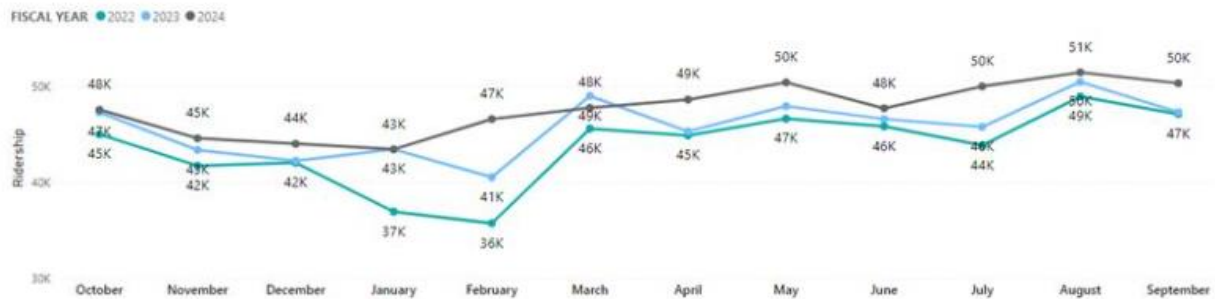
CapMetro Bus, Rapid, Express Ridership



CapMetro Rail Ridership



CapMetro Access Ridership



Pickup Ridership



On-Time Performance

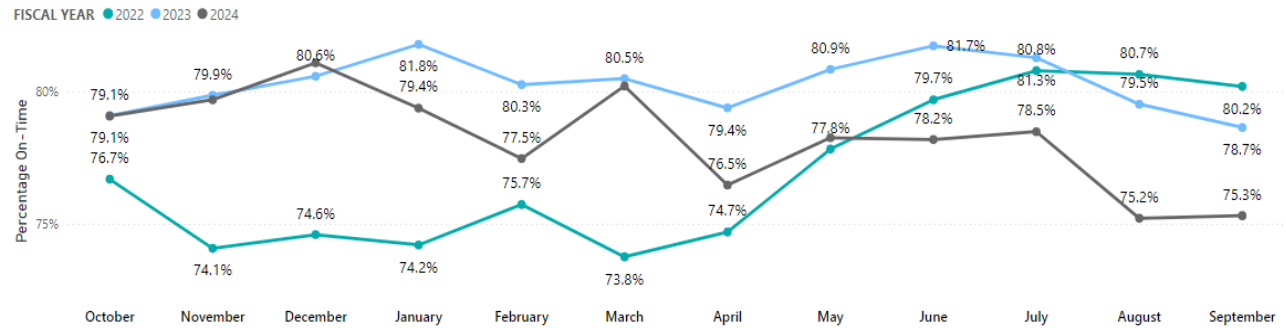
On-time performance (OTP) for Bus and Express is measured as the percentage of actual departure times that are less than six minutes late and not prior to scheduled departure times. Rapid operates on a headway-based schedule; its OTP is measured as a difference of less than five minutes or 50 percent of the headway, whichever is less, than the preceding bus. A key measure of our service quality is on-time performance.

Our timeliness is approaching or reaching the target for each of our service modes, except for Pickup. The measurement we initially established for Pickup service was percent of trips arriving within 15 minutes of trip request, which has not proven to be a meaningful measure of the overall customer experience. Despite consistently not meeting the target, customer ratings of their trip experience have remained high, and we have recently started calculating

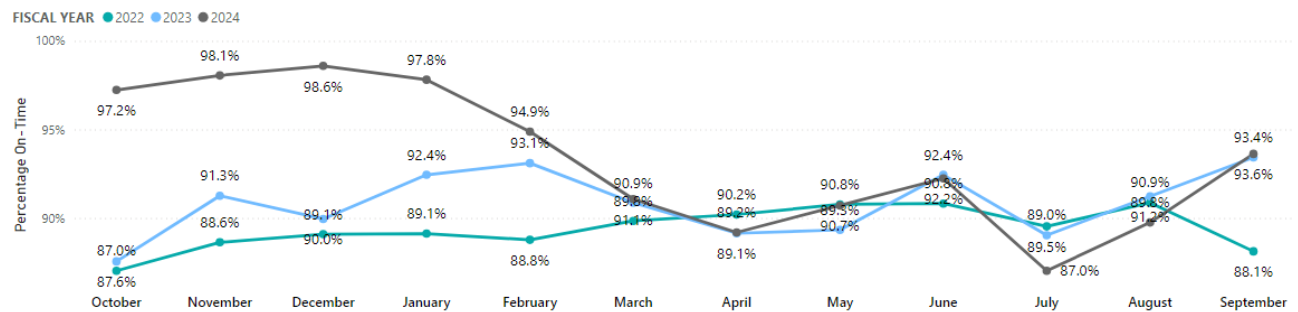
other potential measures. For example, 98-99% of the time the vehicle arrives within five minutes of the time that was predicted when the trip was requested

Our overall on-time performance over the past 12-month period is 78%, which is short of our 83% goal. A shortage in vehicle availability has lowered the Operations Team's ability to pull the adequate number of vehicles to complete published service schedules. We continue to adjust service levels to meet customer needs and enable optimum route performance.

CapMetro Bus, Rapid, Express On-Time Performance



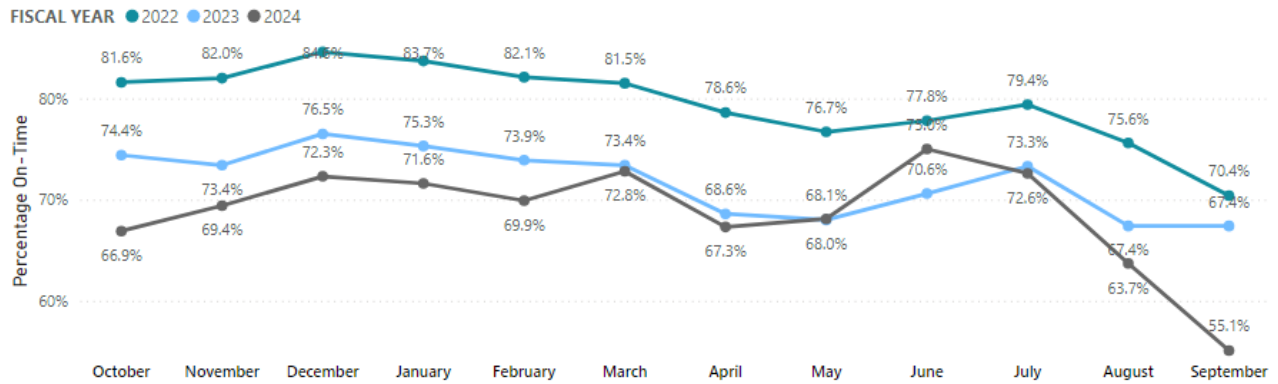
CapMetro Rail On-Time Performance



CapMetro Access On-Time Performance



CapMetro Pickup On-Time Performance

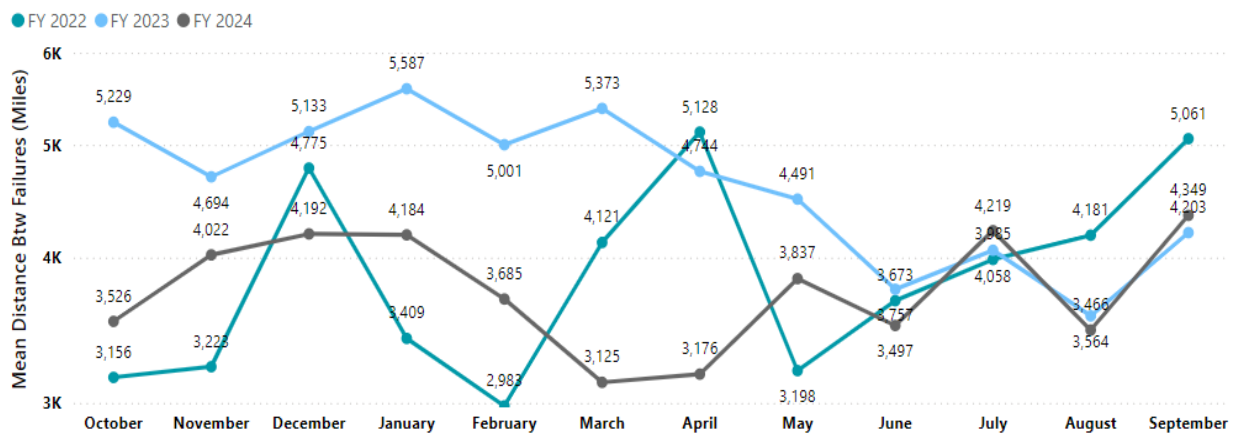


Mean Distance Between Failures per 100,000 Miles

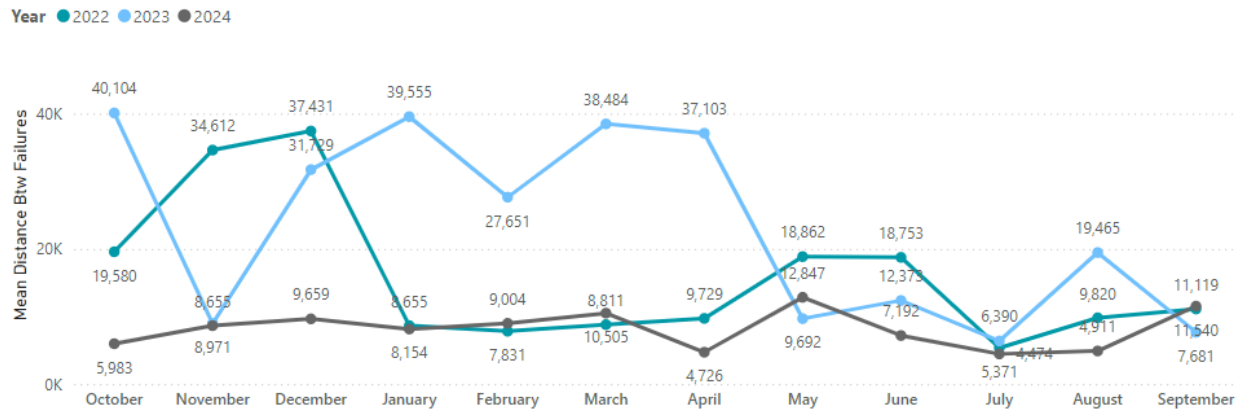
Mean Distance Between Failures (MDBF) is a reliability metric that measures the mean number of miles traveled between the failure of a mechanical element that prevents the vehicle from completing a scheduled revenue trip or starting the next scheduled revenue trip.

The FY2024 MDBF rate was lower than the previous year due to strategic changes in the maintenance area to modify the preventative maintenance practices, reduce vehicle downtime, and improve bus availability daily. This, in turn, resulted in more frequent mechanical calls on the route. Maintenance is working to fine-tune that balance between vehicle availability and in-service performance. MDBF has been improving despite a typical reduction in performance due to issues related to the summer heat.

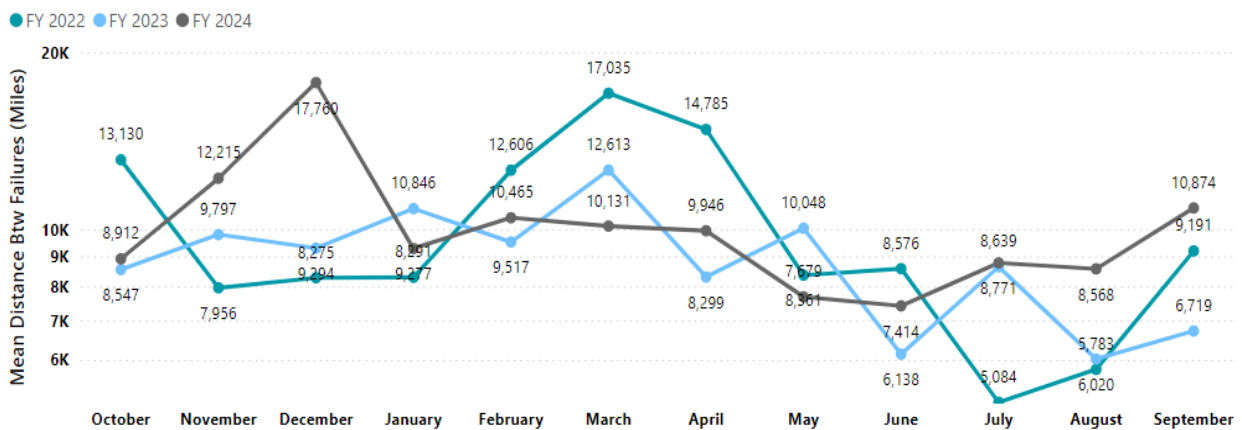
CapMetro Bus, Rapid, Express Mean Distance Between Failures



CapMetro Rail Mean Distance Between Failures



CapMetro Access and Pickup Mean Distance Between Failures



Lost Time

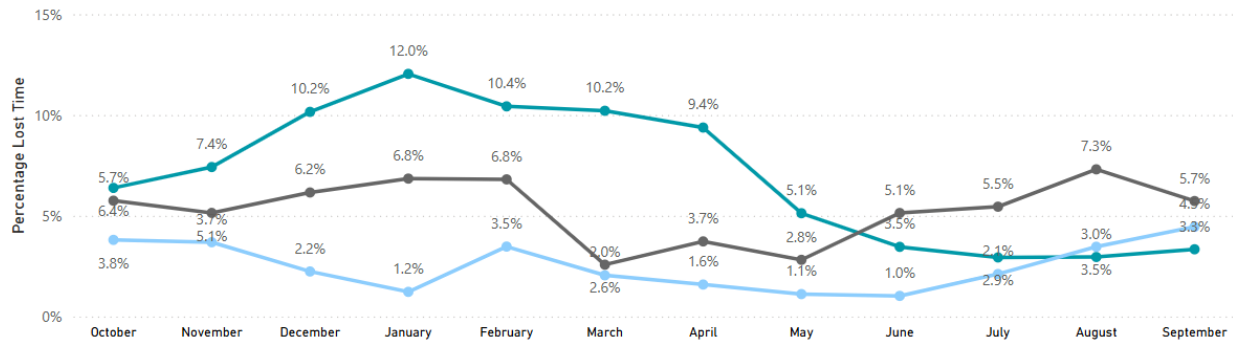
Lost time is the percentage of hours that CapMetro buses scheduled to be in revenue service are not in operation. The lost time for bus operations in FY 24 was 5.3%, falling short of the 1.5% goal. This is compared to 2.5% lost time in FY2023.

Lost time increased, primarily due to vehicle availability issues and other reported miscellaneous mechanical failures (AC, check engine lights, overheating, etc.) that occur while in revenue service or on the yard during pre-trip inspections. Vehicle reliability issues within our fleets, including our Battery Electric Buses, have caused more buses to require repair, which decreases the number of buses available for service. The Bus Operations department is continuously refining our shop processes to manage the number of buses on hold, including managing PMs and utilizing overtime.

Increased traffic also impacted lost time due to increased route detours and street construction on our main corridors, affecting major high-frequency routes such as #20, #1, #801, #7, #5, and #803. Lost time is also impacted by service interruptions attributed to security events, mechanical failures, biohazards, vehicle and passenger accidents, and other incidents that require a bus to not continue in revenue service because immediate attention is needed.

CapMetro Lost Time Percentage

FISCAL YEAR ● 2022 ● 2023 ● 2024



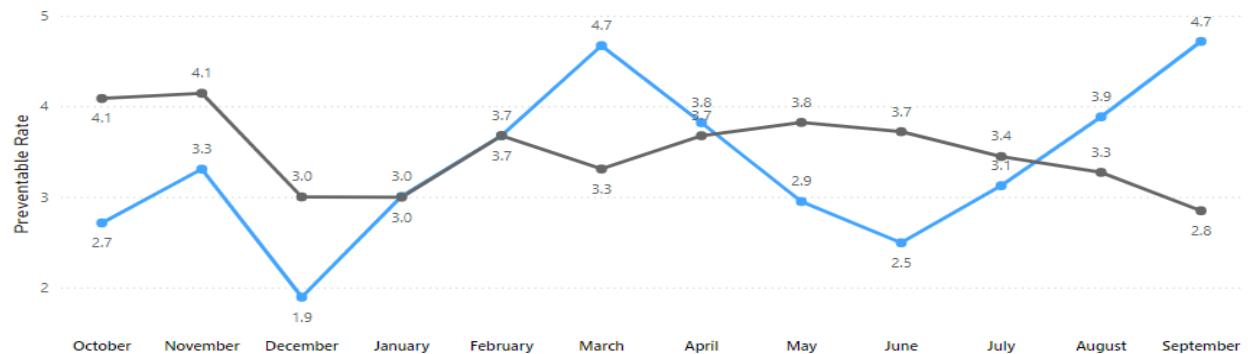
Safety – Preventable Vehicle Collisions/100,000 Miles

The National Safety Council defines a preventable collision as a collision in which the driver failed to do everything reasonable to avoid it.

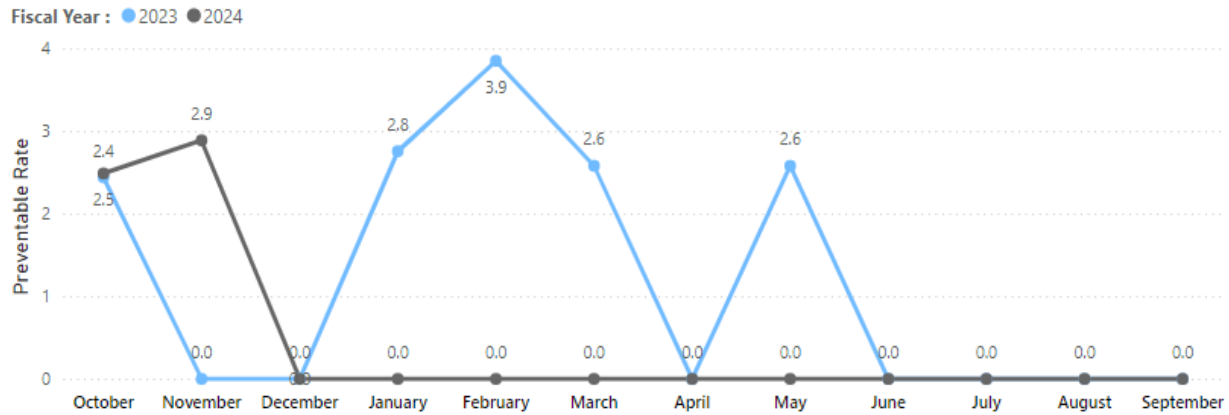
Preventable vehicle collisions for bus service are not where we'd like them to be. CapMetro and Keolis have begun to employ Safety Management System principles to address this issue with enhanced driver training, increased Safety All-Calls (which provide safety-specific messages directly to operators while on duty), scheduled comprehensive review of our training program by the Center for Urban Transportation Research or CUTR, focused supervisory and safety teams' route review, observations and inspections, and input and recommendations from the Joint Health & Safety Committee and Joint Labor-Management Safety Committee.

CapMetro Bus, Rapid, Express Preventable Vehicle Collisions/100,000 Miles

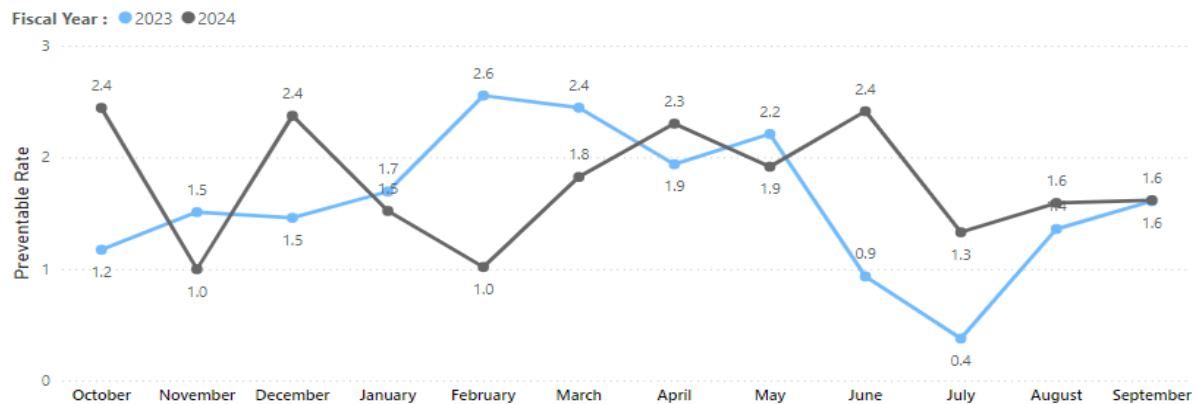
Fiscal Year ● 2023 ● 2024



CapMetro Rail Preventable Vehicle Collisions/100,000 Miles



CapMetro Access and Pickup Preventable Vehicle Collisions/100,000 Miles



Safety – Passenger Injuries NTD Rates

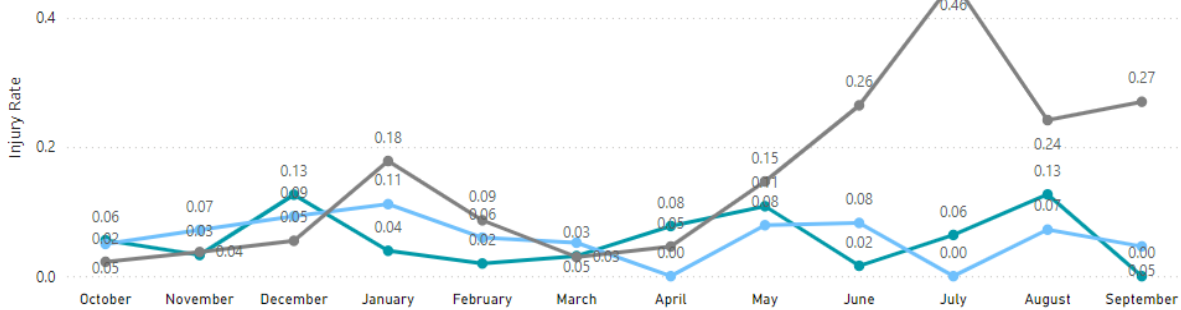
An NTD reportable event is an event occurring on transit right-of-way, in a transit revenue facility, in a transit maintenance facility, or involving a transit revenue vehicle that meets NTD reporting thresholds provided below. This includes either planned or unplanned events. A reportable event does not include occupational safety events occurring in administrative buildings.

- Fatalities - involving passengers, other (people waiting or leaving), operator, bicyclist, pedestrians, and other vehicle occupants
- Injuries requiring transport away from the scene for medical attention
- Total property damage greater than \$25,000
- Tow-away of any motor vehicle
- Smoke, Fire Evacuations for Life Safety Reason

All modes were within target for FY2024.

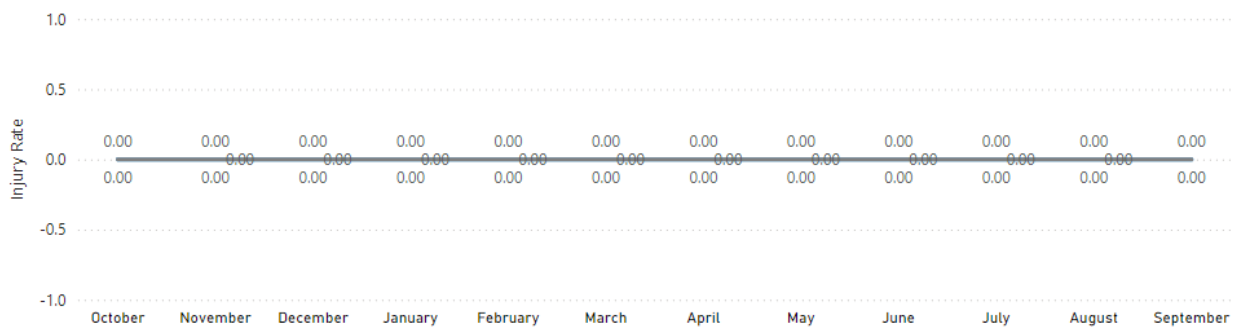
CapMetro Bus, Rapid and Express Passenger Injuries

FISCAL YEAR ● 2022 ● 2023 ● 2024



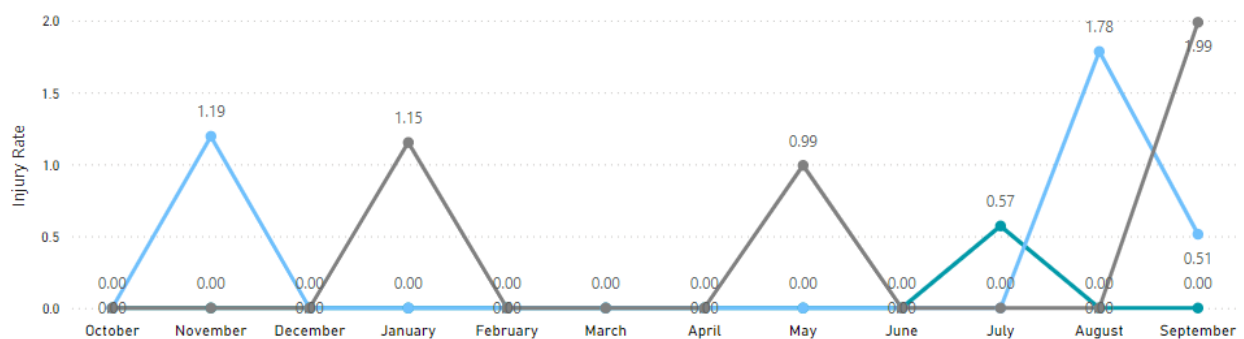
CapMetro Rail Passenger Injuries

FISCAL YEAR ● 2022 ● 2023 ● 2024



CapMetro Access and Pickup Passenger Injuries

FISCAL YEAR ● 2022 ● 2023 ● 2024

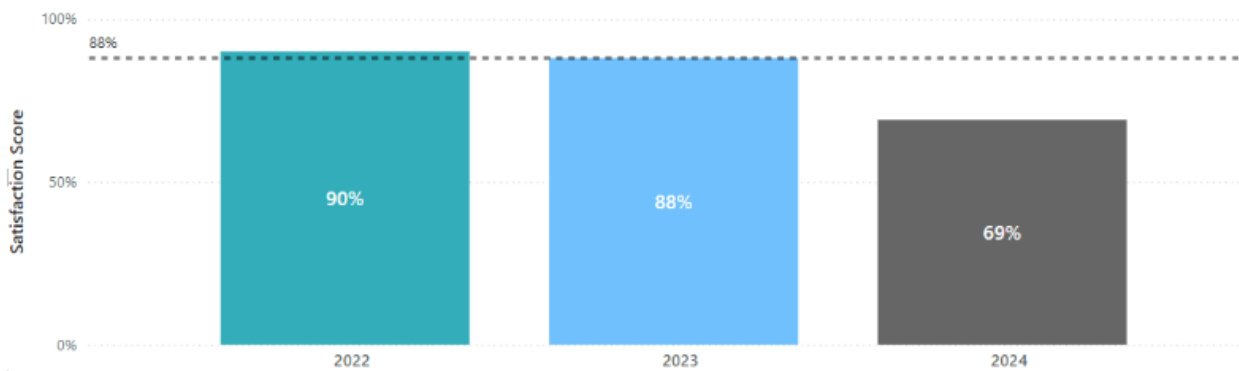


Customer Satisfaction Survey

Customer satisfaction tracks the percentage of CapMetro riders who reported they were satisfied with the agency's services. This measure is collected annually through a customer satisfaction survey.

FY2024 saw a decrease in overall customer satisfaction on the survey conducted in April 2024. This sentiment was driven by a desire for improvements in bus frequency, on-time performance, protection from the weather at stops and stations, and safety from harassment on the vehicle. Each of these elements (service planning, operational

improvements, investments in amenities and a focus on public safety) are being actively worked in FY2025 to better support our riders.

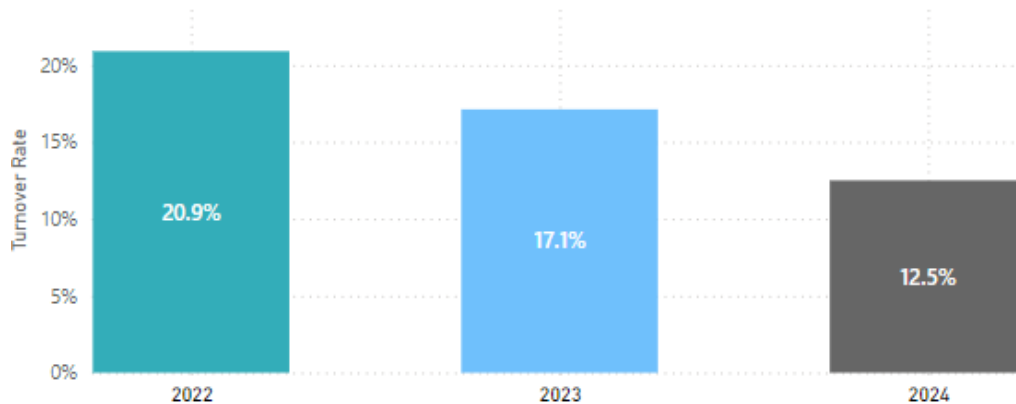


Employee Turnover

Turnover rate is the number of terminations over the average count of employees in a year FY2024 performance narrative. This measures turnover for CapMetro employees only.

In FY2024 the turnover rate was 12.5%, which represents a decrease of 24%.

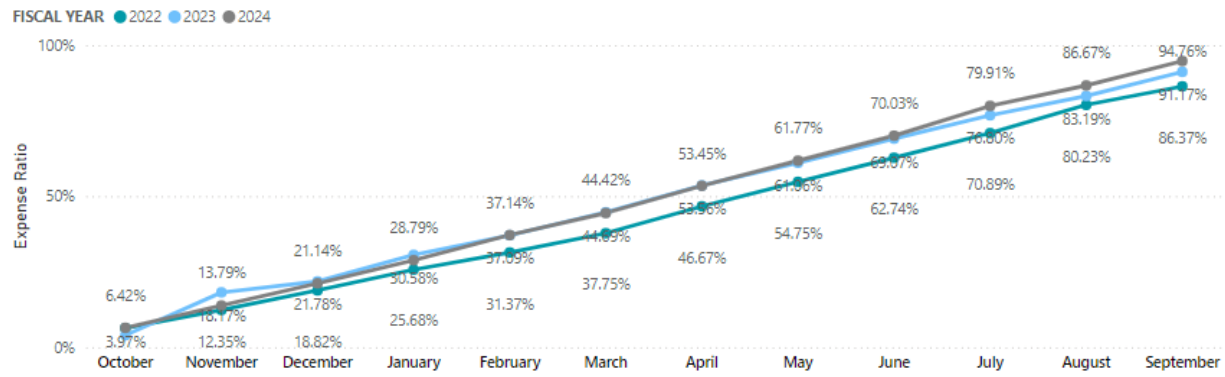
Approximately 73 percent of the turnover was voluntary with the major reasons being employee found another job, personal reasons and retirement.



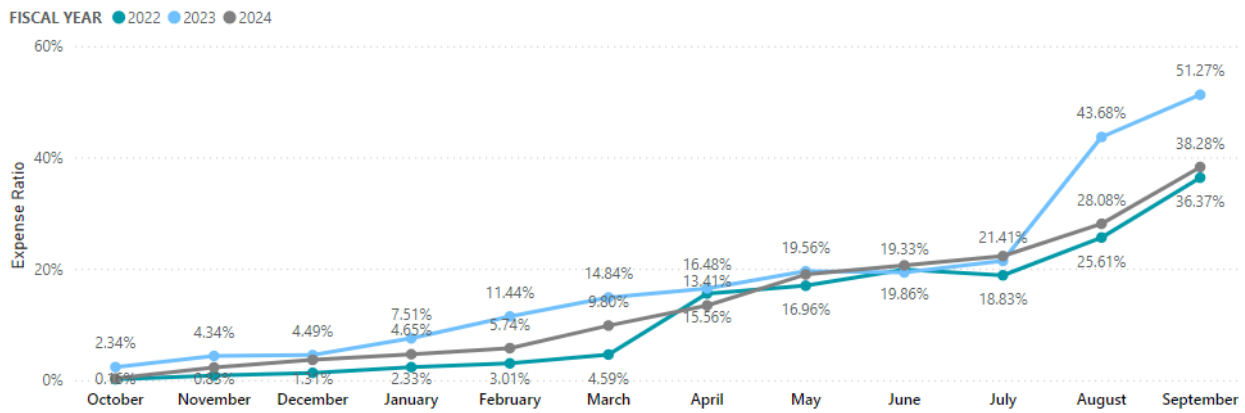
Financial Performance

Financial performance actuals are based on unaudited 'soft close' numbers. Our operating expenditures met the target, while capital expenses continue to lag what was budgeted. In FY2024 we budgeted significantly more capital projects than we have the bandwidth to produce. Our processes for managing and monitoring the capital project portfolio are currently under review and poised to see significant changes in FY2025. We have also course-corrected the number of projects included in the board-adopted five-year Capital Improvement Plan

Operating Expenditures



Capital Expenditures



Disadvantaged Business Enterprise (DBE) Utilization

Total commitments to Disadvantaged Business Enterprises (DBE) for goods and services on contracts with FTA funding.

In FY2024, spend was 24.6%, exceeding the target of 22.5%. The total dollars awarded to DBEs was \$10,466,560.

