



Agenda - Final revised
Capital Metropolitan
Transportation Authority
Board of Directors

2910 East 5th Street
Austin, TX 78702

Monday, October 24, 2022

12:00 PM

Rosa Parks Boardroom

I. Call to Order

II. Recognition

III. Public Comment:

IV. Advisory Committee Update:

1. Customer Satisfaction Advisory Committee (CSAC)
2. Access Advisory Committee

V. Board Committee Updates:

1. Operations, Planning and Safety Committee
2. Finance, Audit and Administration Committee
3. CAMPO update

VI. Consent Items:

1. Approval of minutes from the September 14, 2022 public hearing and September 26, 2022 board meeting.
2. Approval of a resolution adopting the 2023 Board Meeting Calendar.
3. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a contract with Remix Technologies, LLC for the Remix transportation planning software solution, for a base period of three (3) years and two (2) option years in an amount not to exceed \$992,000.
4. Approval of a resolution adopting the FY2023 Annual Internal Audit Plan
5. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute an interlocal agreement with Workforce Solutions Capital Area for the creation of a transit workforce partnership work plan for a period of three years in an amount not to exceed \$366,000.

VII. Action Items:

1. Approval by the Board of Directors of Capital Metro's Investment Policy.
2. Approval of Capital Metro's Budget and Financial Planning Policy.
3. Approval of a resolution authorizing the interim President & CEO, or their designee, to finalize and execute a contract modification with BMR Janitorial, for bus fueling and washing services, for the remainder of a base year and two (2) option years increasing the not to exceed contract amount from not to exceed \$3,557,818 to \$5,197,680.

VIII. Report:

1. President & CEO Monthly Update

IX. Memos:

Memos for information only -- will not be discussed at meeting.

1. Memo: Service Standards and Guidelines Update (October 17, 2022)
2. Memo: September/October Board Follow-up (October 17, 2022)

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; Ann Kitchen, Vice Chair; Leslie Pool, Secretary; Becki Ross; Eric Stratton, Wade Cooper and Matt Harriss.

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

Customer Satisfaction Advisory Committee (CSAC)

Wednesday, October 12th, 2022

6:00 PM

Virtual Presentation

Microsoft Teams meeting

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CapMetro Employees: Nadia Barrera-Ramirez, Rose Lisska, Edna Parra, Eric Robins, Jocelyn Vokes.

Committee Members: Arlo Brandt, Betsy Greenberg, Ryan Johnson, Fangda Lu, David Shapiro, Ephraim Taylor, Diana Wheeler.

Public: Ruven Brooks, Meghan Healey.

Meeting called to order at 6:05

Welcome / Introductions / Call to Order

Chair Taylor

Public Communications

Ruven Brooks asks if additional service is provided for UT games, and **Edna Parra** says that she will confirm that information and relay it back.

Public Safety Program

Eric Robins; Chief Administrator – Transit Police

Eric Robins overviews the steps needed to completely form a robust transit police force, such as training requirements, as well as community engagement, input from CapMetro staff, staff, and TCOLE requirements.

Arlo Brandt asks about the phased approach to the Public Safety department, and **Eric Robins** illuminates CapMetro's multi-faceted public safety approach.

Diana Wheeler asks if any of the officers will be armed, and **Eric Robins** confirms that the transit police officers will be armed.

Betsy Greenberg asks how the Public Safety department will handle disruptive but nonviolent riders, and **Eric Robins** explains that the Public Safety Ambassador and Community Intervention Specialist roles are specifically designed to address and resolve those sorts of issues.

Ryan Johnson asks if policies regarding the operation of the transit police will be open to public input, and **Eric Robins** says that he is committed to gathering input from the community and will continue to come to the committees.

Ephraim Taylor inquires as to why the ratio of law-enforcement officers to Community Intervention Specialists and Public Safety Ambassadors is so high, if the aim of the public safety department is to respond to non-violent incidents with non-law-enforcement staff. **Eric Robins** responds that the number of law-enforcement officers is significantly

reduced from how many officers have been used in the past, and that staffing levels are based on the activity and type of the incidents reported and resolved.

Ephraim Taylor asks how many Public Safety Ambassadors and Community Intervention Specialists are expected to be on staff, and **Eric Robins** responds with 20 or more.

Arlo Brandt asks about accessibility for riders without phones to report incidents, and **Eric Robins** responds that there is a possibility that 2-way communication devices may be installed in various areas.

Red Line Trail Study

Rose Lisska; Senior Planner

Rose Lisska outlines the current Red Line Trail, the aims and benefits of the Red Line Trail Study, and the upcoming steps for the study.

Arlo Brandt asks what plans there are for shade along the trail, and **Rose Lisska** says that finding a continuous alignment is the first step, but that shade is a factor in consideration.

Betsy Greenberg asks if the Red Line Trail was part of the vote for creation of the Red Line, and **Rose Lisska** confirms, and explains that the right-of-way along the full length of the line is too constrained to create a trail for the full length directly next to the Red Line, which is why a study is needed.

Ryan Johnson asks how CapMetro is going to work with nonprofit or community groups, and when the Red Line Trail may be completed, and **Rose Lisska** explains that the community engagement will likely start around April 2023, and the study itself will probably be completed around Spring 2024, but that there is not a timeline yet for when the trail will be fully completed.

Diana Wheeler asks how much of the trail is currently completed, and **Rose Lisska** says that it's a small percentage of the total 32-mile vision.

Ryan Johnson asks if CapMetro is going to construct any parts of the trail, or whether the City of Austin would take on that responsibility. **Rose Lisska** responds that most of the construction will likely be implemented through the City of Austin, but that no decisions have been made at the moment on what entity that responsibility will ultimately fall under.

Ephraim Taylor asks how CapMetro will prioritize safety, public input, community members who are reliant on the trail, and community members who will be impacted by the construction of the trail. **Rose Lisska** explains the multiple methods of gathering community input and incorporating feedback that will be implemented during the study.

The committee discusses adequate and successful public outreach strategies, along with the history of public engagement regarding transportation issues.

Service Standards

Rose Lisska; Senior Planner

Rose Lisska explains the Service Standards & Guidelines, the plans to change them, and the public engagement schedule.

CSAC 2023 Work Plan Meeting

Committee Discussion

The committee discusses how they would prefer to have a work plan meeting and decide on an in-person meeting at either (pending availability) 700 Lavaca or 203 Colorado at 5:00 PM on November 9, 2022.

Approval of the minutes - Motion by Diana Wheeler / 2nd Ryan Johnson. Passes unanimously.



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

Access Advisory Committee

Wednesday, October 5th, 2022

5:30 PM

Virtual Presentation

Join on your computer or mobile app

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CapMetro Employees: Sam Alexander, Chad Ballentine, Nadia Barrera-Ramirez, Brian Booth, Peter Breton, Brian Buchanan, Martin Kareithi, Julie Lampkin, Vanessa Meza, Edna Parra, Raul Vela, Chris Westbrook.

Committee Members: Andrew Bernet, Glenda Born, Audrea Diaz, Mike Gorse, Paul Hunt, John McNabb.

Public: Amy Belding, CBS Austin.

Meeting called to order at 5:36 PM

Welcome / Introductions / Call to Order

Chair Hunt

Public Communications

Glenda Born asks CapMetro Staff to remind MetroAccess drivers to not rely completely on GPS as they missed her and other's addresses from time-to-time.

Glenda Born mentions that the automatic customer-survey function used for the call-in appointment system is not functioning correctly. **Julie Lampkin** mentions that they are aware of the issue and that they are acquiring services from a new contractor to remedy the issue.

Audrea Diaz mentions an issue of an at-the-door cancellation she experienced, and **CapMetro Staff** say they will follow-up with her when they've reviewed the information later.

Amy Belding outlines multiple issues she has had with MetroAccess service, and **Chad Ballentine** and **Julie Lampkin** set up a meeting with her to remedy the issues.

Introduction & Thank You

Sam Alexander; EVP, Engagement & Experience

Sam Alexander gives her thanks to the committee and explains her background.

Cross-Agency Programming

Nadia Barrera-Ramirez; Manager, Cross-Agency Transit and Mobility Programs.

Nadia Barrera-Ramirez outlines the numerous cross-agency programs between CapMetro and other public agencies, such as the rubberized bus pad pilot, transit enhancement report project, and MetroBike expansion.

Paul Hunt asks if the texture of the rubberized bus pads is for accessibility purposes, and **Nadia Barrera-Ramirez** says that it is not explicitly for that purpose, but that the texture is distinct enough to be differentiated from concrete by food or cane.

Project Connect Update

Brian Buchanan, Principal Project Manager at HDR.

Brian Buchanan outlines the current accomplishments of Project Connect, such as new Pickup zones and funding anti-displacement efforts. He also outlines the current program assessment, cost estimates, and future steps.

John McNabb asks if the team has prioritized elements of Project Connect that will get cut. **Brian Buchanan** replies that there is not a list of things to get cut, as everything in the original plan will get built, but some things may be done later, scaled back, or done differently.

Glenda Born asks how labor shortages and inflation has impacted the program, and **Brian Buchanan** says that it has forced them to react and adjust their plans.

Paul Hunt asks about the process and steps for obtaining funding from the federal government, and **Brian Buchanan** explains.

Glenda Born asks if there's a cap in the amount of funding that can be asked of from the federal government, and **Brian Buchanan** says it's usually 35-50%, depending on the project.

Mike Gorse asks if there's a waitlist of projects for funding, and **Brian Buchanan** explains that there isn't a waitlist, but there is a list of projects that are possible contenders for federal funding.

Access 2023 Work Plan Meeting

Committee Discussion

The committee discusses how they would prefer to have a work plan meeting and decide on an in-person meeting at 624 N Pleasant Valley, on Nov 2 at 4:30pm.

Approval of the minutes - Motion to approve by John McNabb / 2nd by Mike Gorse. Passes with majority - 1 abstention.

Meeting adjourned at 7:08 PM



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2022-623

Agenda Date: 10/24/2022

Approval of minutes from the September 14, 2022 public hearing and September 26, 2022 board meeting.



Minutes
Capital Metropolitan
Transportation Authority
Board of Directors

2910 East 5th Street
Austin, TX 78702

Wednesday, September 14, 2022

12:00 PM

Rosa Parks Boardroom

Public Hearing on the Proposed FY2023 Budget

I. Call to Order

12:08 p.m. Meeting Called to Order

Present:	Kitchen, Stratton, Ross, Renteria, and Harriss
Absent:	Travillion, Pool, and Cooper

II. Discussion Items:

1. Proposed Fiscal Year 2023 Budget

III. Public Comment:

Zenobia Joseph provided public comments.

IV. Adjournment

12:20 p.m. Hearing Adjourned

ADA Compliance

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BOARD OF DIRECTORS: Jeffrey Travillion, Chair; Ann Kitchen, Vice Chair; Leslie Pool, Secretary; Becki Ross; Eric Stratton, Wade Cooper and Matt Harriss.

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Minutes

Capital Metropolitan Transportation Authority

Board of Directors

2910 East 5th Street
Austin, TX 78702

Monday, September 26, 2022

12:00 PM

Rosa Parks Boardroom

I. Call to Order

12:17 p.m. Meeting Called to Order

Present: Travillion, Kitchen, Pool, Cooper, Stratton, Ross, Renteria, and
Harriss

II. Public Comment:

Zenobia Joseph, May Taylor, Sherri Taylor, Debra Miller, Emily Seales, Michael Halliburton, Avery Rider, Eli Cortez, Alvin Sanderson, Paul Mullen, Berry Jones, Joe Perez, Vernon Jarman, Paulette Soltani, Christain Rodriguez, Amelia Nicot, Tony Carter, Yosha Singh, Christine Blanco, Denice Pickens, and Andrew Levack provided public comments this month.

III. Advisory Committee Updates:

1. Customer Satisfaction Advisory Committee (CSAC)
2. Access Advisory Committee

IV. Board Committee Updates:

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

V. Consent Items:

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

Aye: Travillion, Kitchen, Cooper, Stratton, Ross, Renteria, and Harriss

Away: Pool

1. Approval of minutes from the August 15, 2022 special board meeting and August 29, 2022 public hearing and board meeting.
2. Approval of a resolution appointing Ryan Johnson to the Customer Satisfaction Advisory Committee.
3. Approval of a resolution appointing Arlo Brandt to the Customer Satisfaction Advisory Committee.
4. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a contract with IBI Group Professional Services (USA), Inc. to provide consulting services to facilitate the procurement and implementation of a Computer-Aided Dispatch/Automatic Vehicle Location & Automatic Passenger Counter Intelligent Transportation System (CAD/AVL & APC ITS) and the successful transition to the new system(s) in an amount not to exceed \$487,200.
5. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a contract with Future Systems, Inc. for the fabrication and delivery of Urban Pole Signage for a one (1) year base period and four (4) option years for \$919,054 plus \$229,764 representing a 25% contingency, for a total not to exceed amount of \$1,148,818.
6. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a contract with Landscape Forms for the fabrication and delivery of bus stop benches for a one (1) year period for a total not to exceed amount of \$566,254.
7. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute an Interlocal Agreement with the City of Round Rock for operation of transit services for an amount not to exceed \$1,574,421.
8. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute Amendment No. 4 to the Contracted Service Supplement No. 2 with Capital Area Rural Transportation System (CARTS) for the operation of Route 214 Northwest Feeder for a period of one year in an amount not to exceed \$702,771.
9. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute Amendment No. 4 to CARTS Supplement No. 4 to the Master Regional Mobility Agreement with Capital Area Rural Transportation Services (CARTS) for the provision of transit services to the Manor area in an amount not to exceed \$248,857.

10. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute an Interlocal Agreement with the City of Georgetown for operation of limited paratransit and senior service (the "Service") for an amount not to exceed \$230,301 in FTA funds and \$345,452 in local funds from the City of Georgetown.
11. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute an amendment to the interlocal agreement with Capital Area Rural Transportation System (CARTS) for the provision of Limited Paratransit and Senior Service to the City of Georgetown for a period of one year in an amount not to exceed \$548,336.
12. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute an Interlocal Agreement (ILA) with Travis County for transit services in urbanized areas in unincorporated areas of the county and for continued implementation of the Travis County Transit Development Plan in an amount not to exceed \$311,564 in FTA Section 5307 funds and \$1,165,548 in local funds from Travis County per year.
13. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute Amendment No. 5 to CARTS Supplement No. 8 to the Master Regional Mobility Agreement with Capital Area Rural Transportation Services (CARTS) for the provision of transit services to the Manor area in an amount not to exceed \$1,808,924.
14. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute an Interlocal Agreement (ILA) with the City of Pflugerville for a Transit Development Plan (TDP) in an amount not to exceed \$120,000 in FTA Section 5307 Funds and \$30,000 in local funds from the City of Pflugerville.
15. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute an Interlocal Agreement (ILA) with the City of Buda for a Transit Development Plan (TDP) in an amount not to exceed \$102,920 in FTA Section 5307 Funds and \$25,730 in local funds from the City of Buda.
16. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a Memorandum of Understanding with the City of Round Rock authorizing Round Rock to be a direct recipient of a portion of CapMetro's FY2023 and FY2024 Federal Section 5307 Program funds.
17. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a contract modification with Structura, Inc. to add additional contingency to renovate Level 1 of the Capital Metro administrative facility at 2910 East 5th Street, in the amount of \$150,000.

VI. Action Items:

1. Approval of a resolution authorizing the Interim President & CEO, or their designee, to implement the January 2023 Service Changes.

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

Aye: Travillion, Kitchen, Pool, Cooper, Stratton, Ross, Renteria, and Harriss

2. Approval of the Fiscal Year 2023 Operating and Capital Budget and Five-Year Capital Improvement Plan

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

Aye: Travillion, Kitchen, Pool, Cooper, Stratton, Ross, Renteria, and Harriss

3. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute contracts for General Planning and Consulting Services with (1) AECOM Technical Services, Inc. (2) Cambridge Systematics, Inc. (3) Halff Associates, Inc. (4) HNTB Corporation (5) Nelson\Nygaard Consulting Associates, and (6) WSP USA, Inc., for one (1), one-year base period and seven (7), 12-month option periods, for a total contract period of up to eight (8) years at an estimated total not-to-exceed cumulative amount of \$100,000,000.

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

Aye: Travillion, Kitchen, Cooper, Stratton, Ross, Renteria, and Harriss

Away: Pool

4. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a contract with Jay-Reese Contractors, Incorporated for the construction of the McKalla Station Double Track and Drainage Improvements Project for a total not to exceed amount of \$29,388,374 which includes a 20% contingency.

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

Aye: Travillion, Kitchen, Cooper, Stratton, Ross, Renteria, and Harriss

Away: Pool

5. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a contract with Tournesol Siteworks for the fabrication and delivery of trash receptacles and recycling containers for a one (1) year base order and four (4) year option order for \$4,159,398, plus \$1,039,850, representing a 25% contingency for a total amount not to exceed \$5,199,248.

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

Aye: Travillion, Kitchen, Cooper, Stratton, Ross, Renteria, and Harriss

Away: Pool

6. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a contract with International Solution Sources, Inc. (d/b/a InterSources, Inc.) for the provision of recruiting services for a base period of two (2) years with four (4) option periods for twelve (12) months each in an amount not to exceed \$5,144,683.

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

Aye: Travillion, Kitchen, Cooper, Stratton, Ross, Renteria, and Harriss

Away: Pool

7. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a contract with Center for Transportation and the Environment (CTE) for technical assistance in support of electric bus implementation at Capital Metro and the FTA No and Low Emission Bus Grant awarded to Capital Metro in 2020 and 2021 for a term ending June 30, 2023 in an amount not to exceed \$209,000.

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

Aye: Travillion, Kitchen, Cooper, Stratton, Ross, Renteria, and Harriss

Away: Pool

VII. Discussion Items:

1. DBE Availability Study and SBE Disparity Study
2. President & CEO Search Process and Job Profile
3. Manor and Lago Vista Election Service Impacts Update

VIII. Report:

1. President & CEO Monthly Update

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

Into Executive Session: 4:48 p.m.

Out of Executive Session: 5:17 p.m.

Section 551.074 for Personnel Matters related to the President & CEO Search Process

X. Memos:

Memos for information only -- will not be discussed at meeting.

1. Memo: Federal Grant Strategy (September 19, 2022)
2. Memo: Update on Regional Radio Communications System Planning (September 19, 2022)
3. Memo: Project Connect Program Update (September 23, 2022)
4. Memo: Fare Program Update for Low-Income and Unhoused Customers (September 23, 2022)

XI. Items for Future Discussion:

XII. Adjournment

5:18 p.m. Meeting Adjourned

ADA Compliance

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Board of Directors

Item #: AI-2022-618

Agenda Date: 10/24/2022

SUBJECT:

Approval of a resolution adopting the 2023 Board Meeting Calendar.

FISCAL IMPACT:

This action has no fiscal impact.

STRATEGIC PLAN:

Strategic Goal Alignment:

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

Strategic Objectives:

- | | | |
|--|---|--|
| <input type="checkbox"/> 1.1 Safe & Reliable Service | <input type="checkbox"/> 1.2 High Quality Customer Experience | <input type="checkbox"/> 1.3 Accessible System |
| <input 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: Holding regularly scheduled board and committee meetings increases the likelihood of meaningful public input and ensures the timely execution of Agency business.

BUSINESS CASE: Not applicable.

COMMITTEE RECOMMENDATION: This item will be presented to the full board on October 24, 2022.

EXECUTIVE SUMMARY: Approval of the 2023 board meeting calendar. Meetings will continue to be held in the boardroom at 2910 East 5th Street.

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Board of Directors

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

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2022-618

WHEREAS, Section 451.514 of the Texas Transportation Code requires the Board of Directors to hold at least one regular meeting each month to transact the business of the Authority and to set the place, date and time for each meeting.

NOW, THEREFORE, BE IT RESOLVED that the Capital Metropolitan Transportation Authority Board of Directors will hold regular monthly meetings and adopts the schedule laid out in the attached document for calendar year 2023.

Date: _____

**Secretary of the Board
Leslie Pool**

2023**Committee Meetings****Board Meetings**

10 a.m. (Finance Committee) and 12:30
p.m. (Operations Committee)

Noon

January	Wednesday 1/18	Monday 1/30
February	Wednesday 2/15	Monday 2/27
March	Wednesday 3/15	Monday 3/27
April	Wednesday 4/12	Monday 4/24
May	Wednesday 5/10	Monday 5/22
June	Wednesday 6/14	Monday 6/26
July	Wednesday 7/12	Monday 7/24
August	Wednesday 8/16	Monday 8/28
September	Wednesday 9/13	Monday 9/25
October	Wednesday 10/11	Monday 10/23
November	Wednesday 11/8	Monday 11/20
December	Wednesday 12/6	Monday, 12/18

All dates subject to change.

Updated: 10/3/22

Board of Directors

Item #: AI-2022-513

Agenda Date: 10/24/2022

SUBJECT:

Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a contract with Remix Technologies, LLC for the Remix transportation planning software solution, for a base period of three (3) years and two (2) option years in an amount not to exceed \$992,000.

FISCAL IMPACT:

Funding for this action is available in the FY2023 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: Remix Software is a public transportation planning and scheduling tool that allows planners to analyze impacts of route changes in near, real-time to provide better and safer services to the community CapMetro serves. The software also allows for production of service planning materials that are instrumental to transit operations including route schedule blocking, operator shift run-cutting, and operator rostering options.

BUSINESS CASE: The CapMetro Planning Department currently uses Remix software to aid in planning for service changes, on-demand services, and changes in the right-of-way that impact our services and amenities. The Remix functionalities are deemed most suitable for the needs of the agency at this time and the cost and benefits of integrating a new and different planning tool would far outweigh the costs associated in terms of training existing planning and technology staff on a new system.

COMMITTEE RECOMMENDATION: This item was presented and recommended for approval by the Operations, Planning and Safety Committee on October 12, 2022.

EXECUTIVE SUMMARY: The CapMetro Planning and Development Department uses transportation planning software to aid in planning for service changes and on-demand services that impact our services and amenities. The software as a service (SaaS) platform allows the planning department to conduct a comprehensive analysis of service including route design, demographic analysis, operations costing, Title VI reporting, ability to integrate custom data into online platform for quick analysis. It also offers public outreach tools, review system accessibility and connectivity, analyze the physical conditions of the street network, develop custom visualizations, plan for on-demand service, and understand the tradeoffs of different service options.

DBE/SBE PARTICIPATION: No goal was set as this is a sole source procurement.

PROCUREMENT:

On September 1, 2022, a Request for Proposal Sole Source was issued and advertised.

The proposal from Remix Technologies, LLC was received by the due date of September 23, prior to 3:00 p.m. The proposal was reviewed in all aspects of pricing and technical approach.

The proposal from Remix Technologies, LLC was determined to be the best value to the Authority, price, and other factors considered. The contract is a fixed price for the base period of three (3) years, and two (2) option years.

Description	Total Award
Base Period One (November 2022 to October 2023) - Licensing costs	\$179,500
Base Period Two (November 2023 to October 2024) - Licensing costs	\$188,500
Base Period Three (November 2024 to October 2025) - Licensing costs	\$198,000
Option Period One (November 2025 to October 2026) - Licensing costs	\$208,000
Option Period Two (November 2026 to October 2027) - Licensing costs	\$218,000
Not to Exceed Total	\$992,000

RESPONSIBLE DEPARTMENT: Information Technology

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

STATE OF TEXAS

COUNTY OF TRAVIS

AI-2022-513

WHEREAS, Capital Metropolitan Transportation Authority Board of Directors and CapMetro management recognize the need to procure and implement a best-fit strategic planning solution that will provide improved functionality to meet current and future business growth.

NOW, THEREFORE, BE ITRESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the Interim President & CEO, or their designee, is authorized to finalize and execute a contract with Remix Technologies, LLC for the Remix transportation planning software solution, for a base period of three (3) years and two (2) option years in an amount not to exceed \$992,000.

Date: _____

**Secretary of the Board
Leslie Pool**

CapMetro

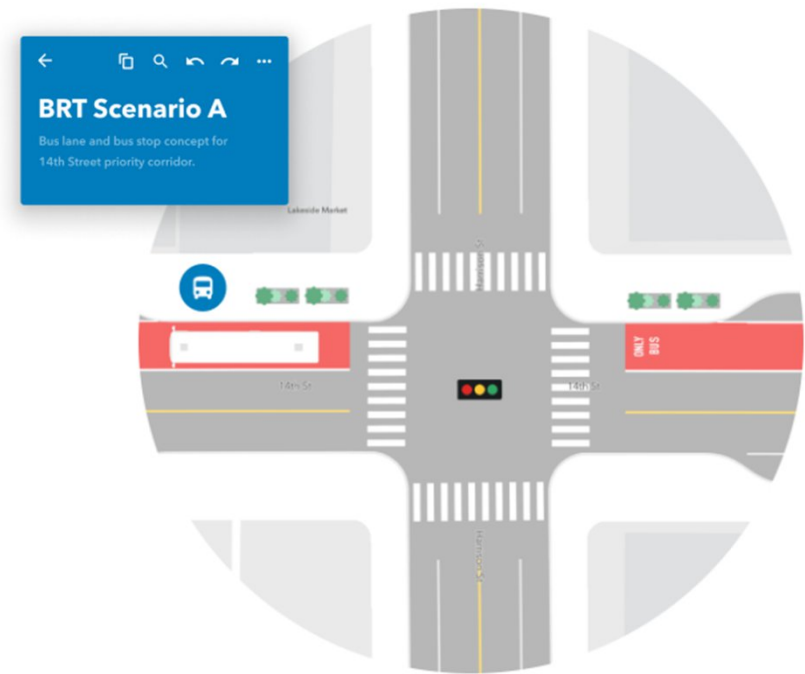


Remix Procurement

October 2022

Remix Streets

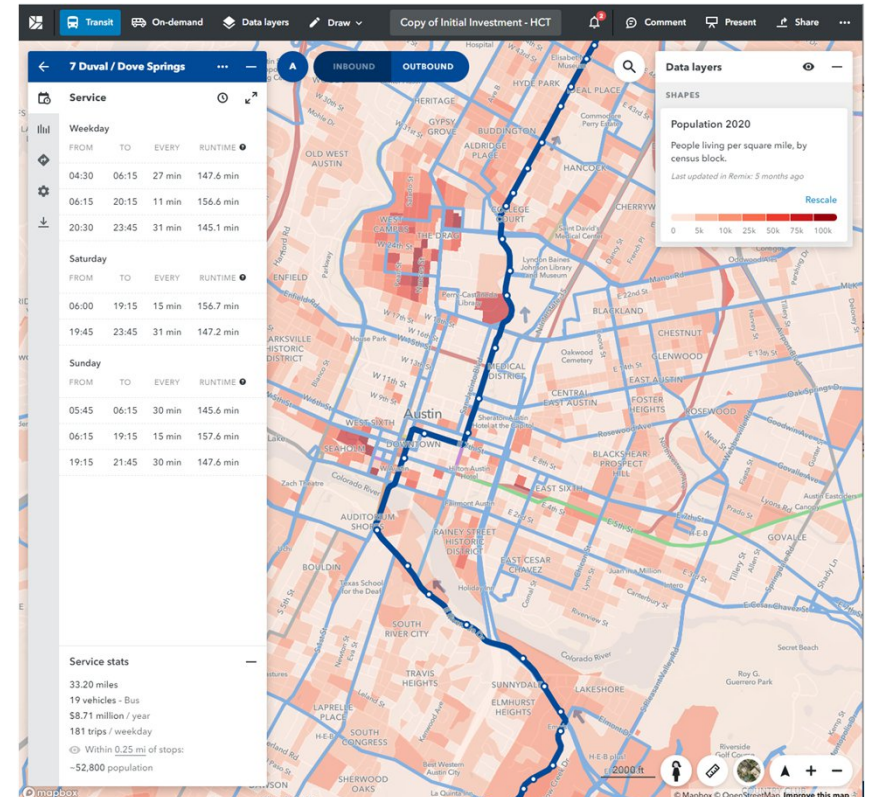
- Rapidly develop “conceptual plans for street-level changes”
- Assists in conceptual planning for improvements to bus speed and reliability
- Allows for sharing maps between staff, consultants and other agencies



Example: Transit Only Lane drawn in Streets

Remix Transit

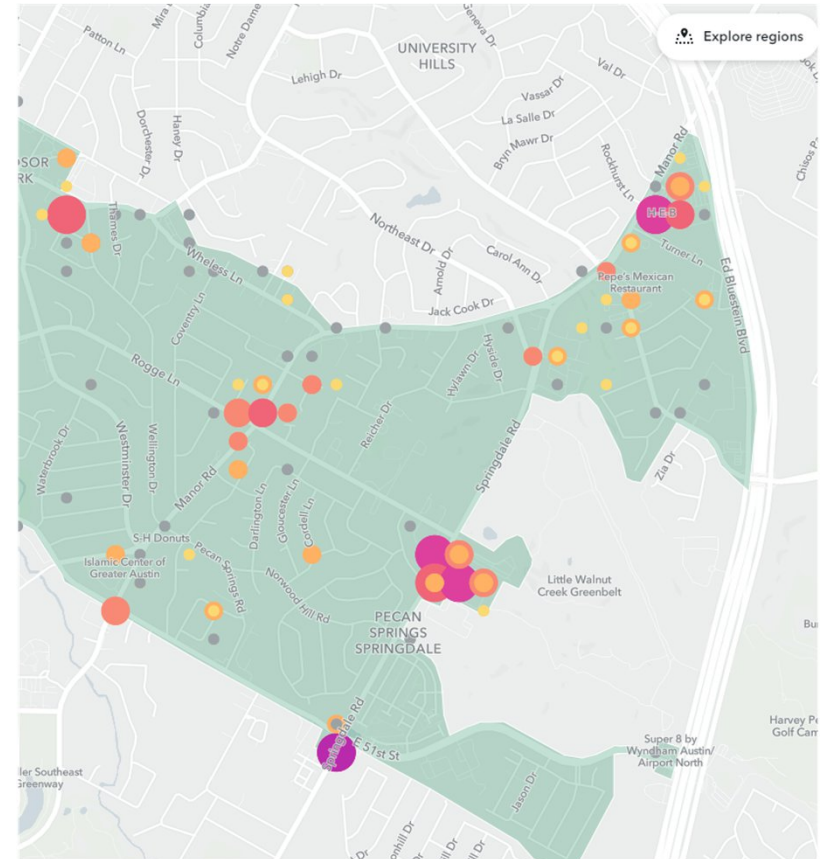
- Quickly draw service changes alternatives
- View routes alongside census data and other custom data
- Analyze ridership data and create compelling visuals
- Pulling data for a Title VI or equity analysis



Example: Route 7 selected alongside population density from the 2020 census.

Remix On-Demand

- View ridership data within a specific pickup zone or quickly drawing a polygon to view data for a potential zone.
- Get preliminary estimates on cost and service quality
- Identify the best places to implement fixed route service in well-performing pickup zones



Example: Viewing ridership data within Northeast Pickup zone.

CapMetro

Thank you!

August 2022

Board of Directors

Item #: AI-2022-595

Agenda Date: 10/24/2022

SUBJECT:

Approval of a resolution adopting the FY2023 Annual Internal Audit Plan

FISCAL IMPACT:

This action has no fiscal impact.

STRATEGIC PLAN:

Strategic Goal Alignment:

- | | |
|--|---|
| <input checked="" type="checkbox"/> 1. Customer | <input checked="" type="checkbox"/> 2. Community |
| <input checked="" type="checkbox"/> 3. Workforce | <input checked="" 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 checked="" type="checkbox"/> 2.2 Become a Carbon Neutral Agency | | |
| <input checked="" type="checkbox"/> 2.3 Responsive to Community and Customer Needs <input checked="" type="checkbox"/> 2.4 Regional Leader in Transit Planning | | |
| <input checked="" type="checkbox"/> 3.1 Diversity of Staff | <input checked="" type="checkbox"/> 3.2 Employer of Choice | <input checked="" type="checkbox"/> 3.3 Expand Highly Skilled Workforce |
| <input checked="" type="checkbox"/> 4.1 Fiscally Responsible and Transparent | <input checked="" type="checkbox"/> 4.2 Culture of Safety | <input checked="" type="checkbox"/> 4.3 State of Good Repair |

EXPLANATION OF STRATEGIC ALIGNMENT: This plan will ensure good stewardship and internal controls for the agency, and supports the CapMetro Strategic Plan.

BUSINESS CASE: Does not apply.

COMMITTEE RECOMMENDATION: This item was presented and recommended for approval by the Finance, Audit and Administration Committee on October 12, 2022.

EXECUTIVE SUMMARY: The Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing require risk-based audit plans be developed to determine the priorities of an internal audit activity, consistent with the organizational goals. The proposed FY2023 Internal Audit Plan (the Plan) summarizes the proposed audits and projects that were identified during a comprehensive risk assessment performed by CapMetro's Internal Audit Department. The Plan presents audit activities in two categories:

Assurance Services, and Advisory & Consulting Services. The CapMetro Internal Audit Charter requires that the Chief Audit Executive “present for approval to the Finance Audit & Administration Committee a risk-based Audit Plan which documents the priorities of the internal audit function and is consistent with the Authority’s strategic goals and objectives.” After FAA consideration, the Plan is taken to the full Board for its review and approval.

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Internal Audit Department

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

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2022-595

WHEREAS, the FY2023 Internal Audit Plan considers the potential risks and the opportunities of the Authority; and the FY2023 Internal Audit Plan was prepared in accordance with the professional internal auditing standards; and

WHEREAS, the FY2023 Internal Audit Plan provides a mix of audit projects to mitigate risks, develop recommendations for improvement and/or costs savings, and monitor the progress toward implementing past recommendations.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the FY2023 Internal Audit Plans is adopted and sets a program to provide relevant and useful information to the Board of Directors.

Date: _____

**Secretary of the Board
Leslie Pool**

To: Wade Cooper, Member, Chair, Finance, Audit & Administrative (FAA) Committee
Matt Harriss, Member, FAA Committee
Leslie Pool, Member, FAA Committee
Becki Ross, Member, FAA Committee

CC: Dottie Watkins, Interim President/CEO

From: Terry Follmer, CPA, MBA, CIA, CISA, CISSP
VP, Internal Audit

Date: October 12, 2022

Subject: **Proposed FY2023 Internal Audit Plan**

Purpose

This proposed Capital Metro Internal Audit Plan (Audit Plan) summarizes the planning methodology and the audit projects that Internal Audit recommends performing during FY2023.

FY2023 Audit Plan & Updates

The Institute of Internal Auditor's (IIA) *International Standards for the Professional Practice of Internal Auditing* require that risk-based plans be developed to determine the priorities of the internal audit activity, consistent with the organization's goals.

The proposed FY2023 Internal Audit Plan (Table 1) was developed by performing a comprehensive risk assessment. This included a risk assessment survey sent to management and Board members, management interviews, and discussions with Board members. Additionally, we collaborated and reviewed the audit plans of VIA in San Antonio, METRO in Houston, and DART in Dallas. The Internal Audit Department also reviewed prior external consulting and audit reports (e.g., FTA Triennial, Quadrennial Performance Audit, etc.), operating and capital budgets, organization charts, and the Strategic Plan to help ensure other potential risk and opportunity areas were identified and proposed projects are aligned to address the strategic risks of the Authority.

The results of this year's Risk Assessment (Table 3) shows that risks have increased due to a variety of factors therefore the proposed FY2023 Audit Plan has been increased accordingly. Some key drivers of higher risks noted are as follows: CapMetro growth with FY2023 \$902

million Budget for Operating and Capital Expenses; Project Connect progress; multiple large capital projects (e.g., McKalla Station; etc.), various strategic IT projects, CapMetro and service provider personnel vacancies; tight labor market with higher employee turnover and high uncertainty in the economy. Some of this risk is mitigated through new enterprise systems such as the Oracle ERP and the implementation of an enterprise governance, risk and compliance (GRC) system. In light of the importance of these new systems, the FY2023 Plan has a strong focus on these two enterprise systems being implemented. Internal Audit is serving as an advisor on both systems and is the lead facilitator on the GRC implementation to help ensure that controls are adequate and process improvement efficiencies are gained. The Oracle ERP financial modules will go live on 10/1/2022 and the human resource modules will go live on 1/1/2023. Additionally, the FastPath system has been chosen by management to analyze segregation of duties in the new Oracle system and the Internal Audit Department will help management in the evaluation of SOD across Oracle (e.g., Payroll; Accounts Payable; etc.).

One of the largest projects in the FY2023 Plan is the implementation of the Governance Risk & Compliance (GRC) systems. This project was spawned from the Quadrennial Performance Management recommendation in January 2021 that CapMetro implement a “contract management system” to help on monitoring vendor performance/compliance in Bus, Rail and Demand Response contracts. The proposed FY2023 has multiple GRC related projects with Internal Audit playing a critical role in ensuring the GRC implementation goes smoothly across various departments with internal control improvements and efficiencies being gained.

The FY2023 Plan also includes a focus on IT security, safety, and financial controls. The proposed plan includes three IT projects which includes the Annual Cybersecurity Review (i.e., IT Penetration and Vulnerability Assessments), NIST Cybersecurity Framework facilitated self-assessment, and a possible review of Microsoft SharePoint Security. Other projects to highlight from the FY2023 Plan include the support of the Joint Powers Agreement and related ILAs, and the new operating model in the MV Transit contract. Internal Audit believes these focus areas together with the other projects in the proposed Audit Plan will appropriately address the risks identified.

The FY2023 audit plan also includes a list of contingent projects (Table 2) that will serve as backup projects that will be performed if the original plan is running ahead of schedule or if some of the projects must be delayed or cancelled. Furthermore, the Audit Plan is meant to be a risk based flexible audit plan so as emerging risks arise or priorities change, the Internal Audit Department will bring these future project changes to management and the FAA Committee for approval.

As a result of the increased risks noted in the Annual Risk Assessment more projects are proposed in the FY2023 Audit Plan, and the list of Contingent projects is much larger than prior years. The table below compares the FY2023 to the FY2022 Audit Plan and current staffing is not sufficient to complete the proposed Plan which has been expanded due to the increased growth and emerging risks that CapMetro must manage.

	FY2023	FY2022	Increase / (Decrease)
Number of Audit Projects	20	17	3
Hours to Complete Audit Plan	6,370	4,655	1,715
Contingent Audit Projects	16	9	7
Hours in Contingent Projects	4,720	2,220	2,500

Benchmarking of Internal Audit Staffing

The CapMetro Internal Audit Department is significantly understaffed in comparison to other Texas Transit agencies. This is clear by looking below at the Internal Audit benchmarking survey performed by APTA's Committee of Audit Professionals in August 2022. CapMetro's internal audit staffing has been at three professional auditors for over twenty years while all other transit agencies in Texas have expanded to a minimum of 7 auditors in the case of VIA in San Antonio. It's important to note that the risk profile of CapMetro is changing quickly with the Project Connect budget of \$10 billion together with rapid transition to an electric bus fleet that some of the other Texas transit agencies do not have. In the table below are excerpts from the APTA Internal Audit Benchmarking Survey so that you can better understand the staffing differences and the unique risks that CapMetro must manage on an ongoing basis in comparison to other Texas based transit agencies.

APTA BENCHMARKING OF INTERNAL AUDIT DEPARTMENTS									
Transit Entity	Internal Auditors	Outsourced Bus & Rail Services	Electric Bus Fleet	Governance Risk & Compliance System	Audit Software	Audit Standards	Quality Assessment Review	ERP System	Enterprise Asset Management System
CapMetro (Austin)	3	YES	YES	Diligent HighBond	GRC HighBond	Red (IIA); Yellow (GAO)	ALGA	Oracle	Hexagon (Infor)
VIA (San Antonio)	7	NO	NO	N/A	Pentana	Red (IIA)	ALGA	Infor	Infor
DART (Dallas)	9	NO	YES	N/A	AutoAudit	Red (IIA); Yellow (GAO)	Honkamp	Lawson	Spear
METRO (Houston)	9	NO	NO	N/A	Pentana	Yellow (GAO)	ALGA	SAP	SAP

Source: APTA's survey of the Committee of Audit Professionals completed in September 2022.

The APTA internal audit survey shows the average cost of Internal Audit is budgeted at 0.25% of the total operating budget, which would be \$967,500 (FY23 Operating Expenses budget of \$387,471,000 X 0.25%) for FY2023 versus Internal Audit budget of \$429,400.

Internal Audit Project Staffing

Based upon the increasing risks, the need to perform more projects, and the results of the APTA benchmarking survey I'm proposing that the professional audit staff be increased by two

professionals during FY2023. The Internal Audit Department has been at three professionals for more than 20 years and the internal audit staffing has not kept pace with the growth of CapMetro and the major strategic projects (e.g., Project Connect; Move to All Electric Fleet; Contracting Model moving from Fixed Price to Variable (Pass Through Charges) etc. If the staffing is increased the Internal Audit Department will be positioned to complete the proposed plan, otherwise at least 3 projects will need to be removed from the FY2023 proposed Audit Plan.

We will continue utilize a combination of internal and external resources to perform the projects. The FY2023 plan includes 20 assurance/advisory projects, and Internal Audit believes these additional projects can be completed by adding two full time staff. Furthermore, we will continue the successful UT Audit Intern program whereby each student is providing up to 40 hours (i.e., 8 weeks times 5 hours per week) of project time for the Fall and Spring semesters as part of their Audit class at UT. Additionally, the Annual Cybersecurity Review (i.e., IT Penetration and Vulnerability Assessment), is performed by an external consulting firm and it is funded by the IT Department. We believe this mix of staffing together with expanding the audit staff by two professionals will allow the proposed audit plan to be completed, otherwise three to four projects will need to be pulled off the FY2023 Plan (see Table 1).

Professional Requirements & Auditor Independence

The Internal Audit Department conducts our audits in conformance with Generally Accepted Government Auditing Standards promulgated by the Comptroller General of the United States and the IIA's International Standards for the Professional Practice of Internal Auditing and Code of Ethics. These standards require that we be independent from any entity or person that we audit or may audit and be objective when conducting such audits. Furthermore, IIA Standard 1110 requires that the CAE confirm to the board, at least annually, the organizational independence of the internal audit activity. Capital Metro Internal Audit is organizationally independent of management and, as such, remains objective when conducting audits, and our staff have no conflicts of interest with the proposed FY2023 Audit Plan.

TABLE 1 – FY2023 Audit Assurance & Advisory Projects

#	Audit Project	Audit Type	Audit Objective & Scope	Estimated Hours
1	Semiannual Implementation Status Updates - November 2022	Assurance	Monitor and report on implementation status of previously agreed-upon corrective action plans (CAPs). Status updates are performed twice each year (Spring and Fall.)	200
2	Semiannual Implementation Status Updates - May 2023	Assurance	Monitor and report on implementation status of previously agreed-upon corrective action plans (CAPs). Status updates are performed twice each year (Spring and Fall.)	200
3	FY2023 Risk Assessment & FY2024 Audit Plan Development	Continuous Improvement & QC	Develop the annual risk based internal audit services plan to identify audit and non-audit projects and effectively allocate resources. Update and align the plan with changing organizational risks/opportunities.	350
4	Joint Powers Agreement & Related Interlocal Agreements - Advisory	Advisory / Consulting	Evaluate the JPA and related ILAs to ensure roles and responsibilities are clear between the parties. Review monthly administration and support of billings to ensure support is sufficient and processes are efficient.	400
5	ERP (Oracle) Implementation Advisory	Advisory / Consulting	Compliance with contractual requirements as well as implementation methodology.	80
6	FastPath - Analyze Oracle segregation of duties	Advisory / Consulting	FastPath software has been purchased to analyze segregation of duties (SOD) across the financial transactions (e.g., Payments; Payroll; etc.)	300
7	MV Contract - Pass Through Charges (e.g., Payroll; Spare Parts; etc.)	Advisory / Consulting	Analyze the largest pass-through charges (e.g., Payroll; Parts; etc.) and related controls in order to validate the monthly variable cost billing.	400

8	GRC - Contract Performance Management System Advisory	Advisory / Consulting	The Quadrennial Performance Audit Report dated 1/2021 requires that a Contract Management System be implemented. Serve as an advisor on the GRC implementation in the following areas: Contract Performance Mgt System for Bus, Rail and Demand Response.	400
9	GRC (Governance Risk & Compliance) System Implementation	Advisory / Consulting	Assist with the enterprise level implementation of the Diligent GRC system which provides the tools to automate monitoring and reporting as follows: Contract Compliance & Billings; Safety; Risk Registers; Enterprise Risk Management; Internal Audit and other departments etc..	600
10	GRC (Governance Risk & Compliance) - UT Interns on Bus Ops, Maintenance & Safety	Advisory / Consulting	Develop and implement contract monitoring controls to automate the following areas: Incident & Accident Reporting; MV Bi-weekly Payroll validation; Safety/Maintenance/Attendance Bonuses; and all other pass-through charges.	250
11	GRC (Governance Risk & Compliance) - UT Interns on Rail & Demand Response Operations, Maintenance & Safety	Advisory / Consulting	Develop and implement contract monitoring controls to automate the Quality Assurance (QA) activities related to contractor monthly performance requirements and related billings.	250
12	GRC (Governance Risk & Compliance) - UT Interns on Safety Dept	Advisory / Consulting	Develop and implement a GRC Safety Risk Register that is interfaced to OrbCAD Incidents/Accidents; Everbridge Incidents/Accidents; Employee Safety Reporting System (ESRS); and periodic Safety Inspection Reports.	250
13	Bus Parts Management & Controls	Assurance	Review Bus Parts controls related to the purchase, storage, consumption of bus parts including physical inventory controls.	350

14	New MV Transit Contract Model	Advisory / Consulting	Assess the performance management controls in the contract and the effectiveness of how it has been implemented and evaluate for opportunities to improve the new contract model.	400
15	Miscellaneous Revenue Controls	Assurance	Review the design and operating effectiveness of internal controls to ensure the completeness and accuracy of miscellaneous revenue.	350
16	NIST Cybersecurity Framework (Facilitated Self-Assessment)	Assurance	Check for compliance with best practices listed in the NIST Cybersecurity Framework	300
17	Annual Cybersecurity Review	Assurance	Annual Cybersecurity Assessment with outsourced IT Penetration & Vulnerability Assessment	200
18	Benchmarking Policies & Procedures (Structure, Content, Governance & Training)	Advisory / Consulting	Benchmark CapMetro Policies/Procedures against other transit agencies and best practices in regard to structure, content, governance and training.	250
19	Support to Transit Industry & Professional Organization	Continuous Improvement & QC	Internal special projects including support of local and industry professional associations (ISACA, IIA, APTA, ALGA, Toastmaster, etc.), responding to professional exposure drafts, internal training and other internal quality improvement opportunities as needed. UT Audit Intern Program (Fall & Spring).	240
20	Management Requests, Consulting & Special Projects 1) Advisor on various Committees; 2) Investigations; 3) Emerging Risks & Special Projects as requested, etc..	Advisory / Consulting	Internal auditing best practices include allocating an undesignated contingency for management requests and other unanticipated special projects.	600

TOTAL ESTIMATED HOURS

6,370

Project started in FY2022

UT Intern projects Fall 2022

TABLE 2 – FY2023 Contingency Audit Projects (To Be Used as Backups)

#	Audit Project	Audit Type	Audit Objective & Scope	Estimated Hours
1	Hexagon (Infor) System - post go live review	Assurance	Review internal controls and functionality of the new Infor enterprise asset management system.	250
2	Salary Adjustment & Merit Process	Assurance & Advisory	Review the process and controls applied to implement the recommendations from Gallagher consulting.	200
3	AMP Cards & New Fare Structure	Assurance & Advisory	Review process and technology controls to ensure the new AMP Card and fare structure rolls out smoothly with appropriate internal controls	400
4	Paratransit & Demand Response Operations	Assurance	Review MTM billings and support for compliance with contract terms and conditions.	240
5	United Healthcare & Other Self-Insured Benefits (TPA Payments)	Assurance	Assessing the Effectiveness and Efficiency of Management Processes to Prevent and Detect insurance overpayments/fraud. Review self-insured TPA (Third Party Administrator) payments.	240
6	Bytemark - Account-Based System	Assurance	Bytemark system being updated to include customer account-based info which increases privacy risks.	240
7	Microsoft SharePoint & Active Directory	Assurance	The confidentiality, integrity and availability of the Microsoft Active Directory and SharePoint.	250

8	Safety Management System (SMS) - Management of Change	Advisory / Consulting	Compliance with FTA requirements related to safety and "management of change".	400
9	McKalla Station	Assurance	Review the procurement and construction process for compliance with contracts, policies, procedures and regulatory requirements.	350
10	MetroBike Program	Assurance	Review the adequacy and operating effectiveness of the internal controls over the MetroBike Program.	300
11	Bus Electrical Vehicle Program & Infrastructure	Advisory / Consulting	Review project plans related to the EV Bus Program and evaluate where policies/procedures will need to be defined to properly support the EV fleet.	400
12	Rail-FRA PTC Change Management Requirements (Herzog)	Advisory / Consulting	Review compliance with the FRA's change management record keeping required for all system components and records.	300
13	Demand Response North Base Facility Build - FY25 Opening	Advisory / Consulting	Review requirements and design management controls and related procurement activities for compliance with policies/procedures.	300

14	Spare Labs.com - Demand Response System Implementation	Advisory / Consulting	Review requirements and design management controls and related procurement activities for compliance with policies/procedures.	250
15	MetroRapid Startup - June 2023	Advisory / Consulting	Review plans, contracts and training related to the MetroRapid Startup.	300
16	Board Policies/Goals - Monitoring & Reporting (e.g., OTP; Fare Recovery; DBE; Title 6 Equity Analysis; etc.)	Assurance	Review Board policies/goals to ensure that they are periodically reviewed and updated, and that related performance metrics are tracked and reported.	300
<i>TOTAL ESTIMATED HOURS</i>				<i>4,720</i>

TABLE 3 – FY2022 Risk Assessment Survey Results

	Response	Average (A) Impact	Average (B) Likelihood	(A x B) (Residual Risk)	(D) Mitigating Controls	Accept Risk	Requires Plan	"Requires Plan" Recommendations to improve Risk Management Activities
1	Project Connect - Scope / Schedule / Cost	8.80	8.30	73.0	Project Connect Implementation office; FTA Requirements; Community & Stakeholder engagement; Technical work by professionals; PMOR under contract responsible for development of PMF which addresses risks; Resources & Funding to support initiative; PMF to be developed; Agency wide planning and documentation; Additional procurements for services, rolling stock, etc..	0	10	Implement FTA Requirements; Need specific policies/procedures for Project Connect; Coordination & Alignment with City Council; Integration with new EPPM System; Need roles and responsibilities better defined so accountabilities are crystal clear; Better integrate holistic execution plan since currently too many disjointed initiatives are underway without a true focal point to ensure these initiatives are properly coordinated; Proactively develop design guidelines and project management tools that ensure the proper balance of initial and life cycle costs and ensure contract requirements are fully met; Ensure better protocol is in place to ensure public notifications are fully achievable and overall deliverables are properly coordinated. Solidify and clarify CapMetro role in delivery of Project Connect projects and ensure that proper resources are available to meet those needs including execution of MetroRapid, MetroRail and ancillary projects and design and O&M costs/needs incorporated into Light Rail projects.
2	ATP, COA & CapMetro - Leadership & Governance	8.30	8.20	68.1	Create Value add and some reliance on development of the initial projects to negotiate agency sponsorship in NEPA and Project Development with ATP. (I'm not sure what the prior sentence means) Continue to establish relationships at similar levels/positions among the parties to discuss and address specific topics/issues and governance roles and responsibilities.	2	8	Develop agreements to memorialize the parties' respective roles and funding obligations. Co-create sign off of major milestone delivery.
3	Project Connect Funding Model (ATP, COA, CapMetro)	8.30	7.80	64.7	Regular and continued collaboration among parties to update funding model and determine use of Project Connect funds among projects in the program	1	9	Develop agreements to memorialize the parties' respective roles and funding obligations. Co create sign off of major milestone delivery.
4	Delivering on Project Connect Public Commitments	7.70	8.10	62.4	Continued communication and coordinated public engagement and messaging that ensures the public understands how the updated plans meet the commitments	2	8	We committed in the contract with the voters and subsequent documents to deliver a program of projects with scope/schedule and budget? Value Develop a plan for Tri-party communication coordination and collaboration.
5	Workforce Shortage, Competition & Development	7.40	7.80	57.7	Tool developed by BCG for workforce planning Increases in starting pay for frontline bus and maintenance employees. Resources to supplement talent acquisition staff; executive recruiter, professional and frontline staff recruitment contract, one dedicated company to fulfill temporary employee needs. Partnership with marketing team to develop and deploy aggressive marketing campaigns. Innovative hiring incentives including increased hiring bonuses, referral bonuses, relocation and temporary housing.	1	9	Hire replacement for Director Workforce Development to focus on partnership building and buildout of short and long range workforce strategic plan. ILA with Worksource Capital Area to create a partnership and talent pipeline. Update CapMetro staff compensation structure to ensure competitiveness.
6	Employee Retention & Succession Planning	7.20	7.30	52.6	TTI Bus Operator retention study. Development of leadership training plan. Employee Engagement Survey. Competitive merit increase budgeted for FY 23. Frontline employee pay in fixed route increased to be more competitive.	0	10	Employee promotion, advancement and general succession planning is constrained by HR processes that focus on the transaction rather than the needs of the agency and departments. Recruiting a Director of Workforce Development; developing a recruiting strategy with the Marketing team; Starting pay and retention pay requires more; Improved attract and retain program including delipitated facilities; More competitive compensation; Improved program to reward and differentiate top performers; Change management to eliminate perception of this is how it has always been done even though not best practice, money does not exist to properly achieve expected results, and learn to accept lower expectations. Need 360 performance reviews. P&C is looking at administrative pay for all employees to ensure it is competitive with market.
7	Management contractor Performance & Cap Metro Management of service delivery	7.50	6.90	51.8	Contract & Oversight; PDCs Employee engagement; QA in contracts & periodic audits; Contract Management Plans; Contract Monitoring Plans created by PMs; Mode-specific oversight in place; Software (GRC & Contract Performance Mgt) is in the works to help manage this;	0	10	Fine-tune what CapMetro can impact and what contractors should control; Improve and automate MV's incident/accident reporting to improve timeliness and accuracy. Continue to clarify the roles and responsibilities of both MV and CapMetro with CapMetro's responsible for the day to day service delivery and MV responsible for Employee management and safety incident and accident reporting. Roles have been established with an immediate focus on the delivery of service. Over the next year, those roles need to be codified in writing. Development of scope for new management contract model with defined Performance and disincentives based on refined contractor responsibilities. Train and refine duties of existing Q/A and management staffing. Fine Tune recruiting strategy to include an industry hard look at work environment. Utilize the third party to survey employees and assist in developing a plan to attract and retain Operators and Mechanics; CapMetro leadership is developing a joint plan with MV to address performance issues; Training program to develop and improve access skill levels of incumbent employees. A Governance Risk & Compliance software is being deployed to help with contract monitoring.
8	Recession &/or Inflation	6.20	6.20	38.4	Sales tax budgeting is conservative.	5	5	Salary review for all employees will occur to ensure competitive with market.
9	Funding Through Sales Taxes & FTA Grants	6.70	5.40	36.2	Sales tax budgeting is conservative. Pursuing all relevant grants available to CapMetro.	1	9	
10	Ridership Levels & Creating a Culture of Ridership	5.40	6.30	34.0	Identify new core ridership segments and review dormant commuter market, establish new baseline for bus, Rapid, rail, event, pickup and review with FY 2023 budget to develop recommendations on how best to market and incentivize while also leveraging the new fare program to attract more riders.	3	7	Marketing strategy targeting commuters and appealing to the low price of transit as compared to car ownership; sustainable plan for the unhoused and non-destination rides, re-open dialogue with employers. Development of long-term strategy for Pickup service. Develop the new baseline for bus service (local and commuter) based on changes within the work space that have become the new normal. A clear understanding of what service levels we are offering based on service demands.
11	IT Risks & Cybersecurity	6.90	4.80	33.1	IT Policies/Procedures; Internal/External Audits; Ongoing training for employees; Position allocated to address Cyber Security; Monthly IT Security Review Meeting;	1	9	Cyber Security Program; Develop Plan for external threats (virus, ransomware, etc); Ensure Cybersecurity and IT have the right resources, necessary experience level, established standards and guidelines, and procedures to properly engage in all software implementations and increased technological solutions that will be forthcoming at CapMetro in an exponential way.
12	Lack of Focus due to Fast Growing Priority Lists (ST vs LT)	5.90	5.60	33.0	Development of updated strategic plan; KPIs being developed to measure Actions from updated Strategic Plan. Plan will be updated for FY24. SET established priorities for FY23 from Strategic Plan and will cascade Actions.	4	6	Opportunity for better planning and systematic approaches; plans still in development but required; Need to do more as it relates to adoption and cascading strategic priorities down through the organization.
13	Reputation/Credibility/Identity Management	6.60	4.90	32.3	Community Outreach & Connectivity; Value of Transit marketing and messaging; Process in place for escalation; Brand Refresh Continuation; Passenger experience improvements; Proactive storytelling strategy; Leveraging new Dashboards for public transparency; Public Affairs strategies in alignment with Government Affairs	2	8	Continued community outreach & engagement; Focus on the risks identified in this survey together with service providers and partners; Development of Diversity, Equity and Inclusion Program to encourage managers and operations team to be more involved in community engagement activities, not just our CE staff; Community sponsorships aligned with CapMetro's mission and provide opportunities for engagement/marketing; Work with Gov. Affairs to strengthen CapMetro's positions and community awareness.
14	Safety of Operations	6.80	4.70	32.0	Safety Policies & Training; Ops Procedures; Ops Mgt; Safety Plans; Oversight from Mgt, Fed, State & Contractors; Accountability & PDCs; Reg Requirements for Safety Plan; SMS in place; SMS plan in development for new FTA Requirements; Passenger Safety Initiatives planned;	2	8	Improved driver training & mgt; Continued focus on safety systems/policies; Complete required Safety Plan; Develop System Safety Program Plan; Develop improved safety plans, procedures, protocols, policies, and training programs. Continue rollout of Battery Electric bus safety training. Ensure safety plans evolve with technology in a timely manner.
15	Lack of Resources & Visibility/Utilization Across Departments	5.00	5.89	29.5	Process for requesting and approving additional staffing or other resources during annual budget process	4	6	Improving workforce planning tools and support for department to identify both ST and LT staffing plans; The Strategic Plan will help address this. Dashboards for each department on Central. Develop communications plan.
16	Lack of Policies/Procedures Across CapMetro	4.60	5.00	23.0	Effect of lack of policies is to slow down the gears of business, though that is not to say work stops entirely. Some mitigating controls include Friday SET and SLT meetings, and Project Connect which will help surface issues so that they may be addressed. Implementation of new employee policy manual.	2	8	Project Connect there will likely be a need for some new policies/procedures; Onboarding of new employees requires comprehensive policies/procedures to help facilitate training; A facilitated review of procedures in Procurement and P&C Depts will be performed; Being systematic on approaches and processes; As growth occurs it will be more important to have the proper policies, protocols, procedures, and tools in place to achieve success. Determine how relevant our P&P is.
17	COVID-19 & Variants Impacts	3.50	4.10	14.4	Agile service planning; Innovative customer technology updates, including contactless fare collections; and state of art cleaning; real time social distancing support; strong communication program to build customer confidence	9	1	Vaccine distribution for CapMetro employees and contractors; remain agile to adjust to COVID variants; and continue vaccine program; emphasize COVID facts to employees including testimonials from family members; health fair has been put in place; COVID Task Force has been reactivated; As the various vaccines (Pfizer) become FDA approved, work toward a mandatory vaccine within the governmental authority;
Severity of Impact (Rating of 0 to 9)		Likelihood of Occurrence (Rating of 0 to 9)		Here are the standard definitions of the two concepts.				
Minor/Green = 0 to 3		Remote/Green = 0 to 3		Inherent risk represents the amount of risk that exists in the absence of controls.				
Moderate/Amber = 3.1 to 6		Possible/Amber = 3.1 to 6						
Critical/Red = 6.1 to 9		Likely/Red = 6.1 to 9		Residual risk is the amount of risk that remains after controls are accounted for.				

Board of Directors

Item #: AI-2022-619

Agenda Date: 10/24/2022

SUBJECT:

Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute an interlocal agreement with Workforce Solutions Capital Area for the creation of a transit workforce partnership work plan for a period of three years in an amount not to exceed \$366,000.

FISCAL IMPACT:

Funding for this action is available in the FY2023 Operating Budget

STRATEGIC PLAN:**Strategic Goal Alignment:**

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

Strategic Objectives:

- | | | |
|---|--|---|
| <input type="checkbox"/> 1.1 Safe & Reliable Service | <input type="checkbox"/> 1.2 High Quality Customer Experience | <input type="checkbox"/> 1.3 Accessible System |
| <input type="checkbox"/> 2.1 Support Sustainable Regional Growth | <input type="checkbox"/> 2.2 Become a Carbon Neutral Agency | |
| <input 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 checked="" type="checkbox"/> 3.3 Expand Highly Skilled Workforce |
| <input 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: The interlocal agreement (ILA) with Workforce Solutions (WFS) Capital Area will support the strategic objective of expanding a highly skilled workforce by partnering with CapMetro to address local worker shortages in transit roles; support CapMetro's workforce development efforts; and produce a comprehensive mapping of in-demand positions and required skills.

BUSINESS CASE: CapMetro requires an adequate and skilled workforce to deliver high-quality service, currently a challenge due to ongoing worker shortages. CapMetro must fill about 1,200 new frontline positions to operate and maintain Project Connect system components and service expansions. These include roles such as bus operators, dispatchers, fleet management, power source maintenance and others that are categorized in functional areas such as operations and customer-facing activities, fleet management, infrastructure management, and more. Additionally, CapMetro will need to build a talent pipeline to fill 700 to 1,000 frontline positions every year. WFS Capital Area has previous experience leading in this type of role. This includes an intergovernmental agreement with the City of Austin

and Travis County, called the Hire Local Plan.

COMMITTEE RECOMMENDATION: This item was presented and recommended for approval by the Finance, Audit and Administration Committee on October 12, 2022.

EXECUTIVE SUMMARY: The scope of services in the proposed ILA include the following: Coordinate with CapMetro to connect with local education entities; analyze the transit workforce ecosystem; validate comprehensive research to support the expansion of local training programs to skill and upskill the workforce needed; educate workforce development leaders in the community on transit workforce needs; Identify and recommend workforce development resources; support ways to align current workforce development resources; analyze new funding that is available through the Infrastructure Investment and Jobs Act, and/or other funding that could augment training; and create action plan to address worker shortages.

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: People and Culture

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

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2022-619

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and CapMetro management recognize the need to prepare for significant hiring needs for current operations and expanded services under Project Connect.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the Interim President & CEO, or their designee, is authorized to finalize and execute an interlocal agreement with Workforce Solutions Capital Area for the creation of a transit workforce partnership work plan for a period of three years in an amount not to exceed \$366,000.

**Secretary of the Board
Leslie Pool**

Date: _____



CapMetro and Workforce Solutions Capital Area ILA

Board Finance Audit and Administration
Committee

CapMetro's growing system will contribute to the creation of over 1,000 jobs in the Austin-area for Project Connect Operations



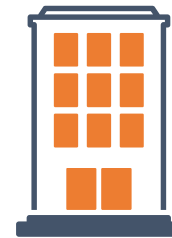
300 - 400 new
MetroBus
jobs



80 - 100 new
Regional Rail
jobs



500+ new
Light Rail
jobs



75+ new
Facilities
jobs



100 - 150 new
MetroAccess & Pickup
jobs

Jobs will be filled over time and in advance of new system components entering revenue service

Filling the Gap

- Determined projected need in 2021 based on Project Connect Plan
- Next step: Determine current talent gap in the region
- Plan for short and long term by starting now to build the pipeline
- Be a partner in the Austin Hire Local Plan led by Workforce Solutions Capital Area

HIRE LOCAL PLAN 3 WAYS WE'RE GROWING OUR FUTURE WORKFORCE

1. HIGHER SKILLS FOR LOCAL PEOPLE

- Brings an equity lens so we leave no worker behind
- Better defines the region's capacity for training

2. HIGHER EARNINGS FOR LOCAL PEOPLE

- Creates an affordability index

3. GROWING PAYROLLS FOR LOCAL BUSINESSES

- By better preparing local workers for in-demand jobs, companies can fill their roles at a lower cost and the community can see economic benefits as a result



PROPOSAL TO HELP CAPMETRO FILL IMMEDIATE & UPCOMING TALENT NEEDS

Workforce Solutions Capital Area (WFS) requests \$163,790 in funding from CapMetro to create the Transit Workforce Partnership Work Plan

GOAL 1) Address local worker shortages in transit and construction roles;
2) Support CapMetro's workforce development (particularly in ops and mgmt. roles);
3) Produce a comprehensive mapping of in-demand positions and required skills.

SITUATION CapMetro must fill ~1,200 new positions to operate and maintain Project Connect system components & service expansions. CapMetro will also need to fill 700–1,000 frontline positions every year.

SOLUTION WFS will leverage funding to create a clear understanding of talent access points and also the capacity to scale. The Plan will include coordinated efforts to connect residents to job openings at CapMetro.

LAUNCH DATE Projected November 2022 (to run through end of 2023)

INDUSTRY SECTOR PARTNERSHIPS

PROVEN STRATEGY FOR EMPLOYER-LED WORKFORCE DEVELOPMENT

- ✓ Fill hard-to-fill jobs more quickly
- ✓ Influence training program creation & updates
- ✓ Lead systems change in response to real-world business needs
- ✓ Strengthen the Austin economy

WFS INDUSTRY SECTOR PARTNERSHIPS



Central
Texas
Healthcare
Partnership

**CTX MFG
PARTNERSHIP**

CAPITAL AREA TECHNOLOGY
WORKFORCE COALITION

Scope of Services

- Coordinate with CapMetro to connect with local education entities
- Analyze transit workforce ecosystem
 - Overlay BCG's research with WFS Capital Area workforce development skills analysis for transit positions expected to suffer critical shortages.
 - Industry experts will validate our comprehensive research to support the expansion of local training programs to skill and upskill the workforce needed
- Educate workforce development leaders in the community on transit workforce needs
- Identify and recommend workforce development resources
 - Support ways to align current workforce development resources
 - Will include in the analysis new funding that is available through the Infrastructure Investment and Jobs Act, and/or other funding that could augment training
- Create action plan to address worker shortages

ILA Cost and Term

- Three-year commitment beginning December 2022
- First Year Cost: \$163,790
 - WFS Capital Area personnel \$105,601
 - Industry sector research (first year only) \$50,000
 - WFS Capital Area administration \$8,189
- Year two and three cost: \$113,790

Board of Directors

Item #: AI-2022-611

Agenda Date: 10/24/2022

SUBJECT:

Approval by the Board of Directors of Capital Metro's Investment Policy.

FISCAL IMPACT:

Refer to executive summary for clarification.

STRATEGIC PLAN:

Strategic Goal Alignment:

- | | | |
|---|--|--|
| <input type="checkbox"/> 1. Internal/External Customer Service Excellence | <input type="checkbox"/> 2. Stakeholder Engagement | |
| <input checked="" type="checkbox"/> 3. Financial and Environmental Sustainability | <input type="checkbox"/> 4. Staff Development | <input type="checkbox"/> 5. Agency Growth Management |

Strategic Objectives:

- | | | |
|---|---|---|
| <input type="checkbox"/> 1.1 Safety & Risk | <input type="checkbox"/> 1.2 Continuous improvement | <input type="checkbox"/> 1.3 Dynamic Change |
| <input type="checkbox"/> 1.4 Culture of Innovation | <input type="checkbox"/> 2.1 Be an Employer of Choice | <input type="checkbox"/> 2.2 Organization Development |
| <input type="checkbox"/> 2.3 Organization Culture | <input checked="" type="checkbox"/> 3.1 Resource optimization | <input type="checkbox"/> 3.2 Safety Culture |
| <input type="checkbox"/> 3.3 Environmental Leadership | <input type="checkbox"/> 4.1 Educate & Call to Action | <input type="checkbox"/> 4.2 Build Partnerships |
| <input type="checkbox"/> 4.3 Value of Transit | <input type="checkbox"/> 4.4 Project Connect | |

EXPLANATION OF STRATEGIC ALIGNMENT: Annual review and approval of this policy is required to comply with the Texas Public Funds Investment Act.

BUSINESS CASE: Capital Metro is required to invest funds in accordance with the Public Funds Investment Act. The governing body of an investing entity is required to review its investment policy and investment strategies no less than annually. The governing body shall adopt a written instrument by rule, order, ordinance, or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies

COMMITTEE RECOMMENDATION: This item was presented and recommended for approval by the Finance, Audit and Administration Committee on October 12, 2022.

EXECUTIVE SUMMARY: The proposed policy was reviewed by PFM Asset Management LLC, under contract as Capital Metro's investment advisory firm. Attached is an updated policy along with a red line copy of the changes to the Capital Metro's investment policy, which complies with the Act.

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-2021-611

WHEREAS, Capital Metro is required to invest funds in accordance with the Texas Public Funds Investment Act; and

WHEREAS, the Texas Public Funds Investment Act requires an annual review of the investment policy and investment strategies and such review has been performed.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the attached Investment Policy, which includes Capital Metro's investment strategies, has been reviewed and that the attached proposed revisions to the Investment Policy are hereby adopted.

**Secretary of the Board
Leslie Pool**

Date: _____



Investment Policy

Approved:

Capital Metropolitan Transportation Authority
Board of Directors
October 26, 2020

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APPENDICES

- A. INVESTMENT LEGISLATION
- B. MASTER REPURCHASE AGREEMENT (repurchase agreements not currently utilized, see note in Section IV.B, Ensuring Safety of Principal).
- C. BROKER/DEALER CERTIFICATION

PREFACE

It is the policy of the Capital Metropolitan Transportation Authority (Capital Metro) that all available funds shall be invested in conformance with these legal and administrative guidelines.

Effective cash management is recognized as essential to good fiscal management. An aggressive cash management and investment policy will be pursued to take advantage of investment interest as viable and material revenue to all operating and capital funds. Capital Metro's portfolio shall be designed and managed in a manner responsive to the public trust and consistent with state and federal law.

Investments shall be made with the primary objectives of:

- Preservation of capital and protection of principal
- Maintenance of sufficient liquidity to meet operating needs
- Security of Capital Metro funds and investments
- Diversification of investments to avoid unreasonable or unavoidable risks
- Maximization of return on the portfolio

SECTION I

PURPOSE

I. Purpose

A. Authorization

This Policy is to be authorized by the Capital Metropolitan Transportation Authority's Board of Directors in accordance with Section 5 of the Public Funds Investment Act (Chapter 2256, Texas Government Code) which requires the adoption of a formal written Investment Policy.

B. Scope

This Policy shall govern the investment of all funds of Capital Metro as entrusted to the Board of Directors and other authorized representatives in accordance with Sections 451.101 and 451.104 of the Texas Transportation Code. In addition to this Policy, bond funds, including debt service and reserve funds, shall be managed by their governing resolution and federal law, including the Tax Reform Act of 1986 and subsequent legislation.

C. Review and Amendment

This Policy shall be reviewed annually. Amendments must be authorized by the Capital Metropolitan Transportation Authority's Board of Directors.

SECTION II

INVESTMENT OBJECTIVES

II. INVESTMENT OBJECTIVES

A. Safety of Principal

Capital Metro has as its foremost objective to ensure the safety of principal, considering the portfolio as a whole. The manner in which Capital Metro ensures safety of principal is presented in Section N.B., "Ensuring Safety of Principal".

B. Maintenance of Adequate Liquidity

Capital Metro's investment portfolio must be structured in a manner which will provide the liquidity necessary to pay obligations as they become due. Maintenance of adequate liquidity is described in Section N.C., "Ensuring Liquidity".

C. Return on Investments

Consistent with State law, Capital Metro shall seek to optimize return on investments within the constraints of safety and liquidity. Investments (excluding assets managed under separate investment programs, such as in arbitrage restrictive programs) shall be made in permitted obligations at yields equal to or greater than the bond equivalent yield on United States Treasury obligations of comparable maturity. Other appropriate performance measures will be established by the Investment Committee. Specific policies regarding investment rate of return are presented in Section N.D., "Achieving Investment Return Objectives". For bond issues to which Federal yield or arbitrage restrictions apply, the primary objectives shall be to obtain satisfactory market yields and to minimize the costs associated with investment of such funds.

D. Prudence and Ethical Standards

The standard of prudence used by Capital Metro shall be the "prudent person rule" and shall be applied in the context of managing the overall portfolio within the applicable legal constraints. The prudent person rule is restated below:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

In determining whether the Investment Officer(s) or Investment Advisor under contract has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration the investment of all funds over which the Officer/Advisor had responsibility rather than a consideration as to the prudence of a single investment, and whether the investment decision was consistent with the written Investment Policy of Capital Metro.

Specific policies describing Capital Metro's prudence and ethical standards are found in Section IV.E., "Responsibility and Controls".

SECTION III

INVESTMENT STRATEGY STATEMENT

III. INVESTMENT STRATEGY STATEMENT

Capital Metro maintains portfolios of operating and operating reserve funds. Investment strategies for operating and operating reserve funds have as their primary objective to assure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective is to create a portfolio structure which will experience minimal volatility during economic cycles. This may be accomplished by purchasing quality, short- to medium-term securities that will complement each other in a laddered or barbell maturity structure. The dollar weighted average maturity of 548 days or less for the combined investment portfolios will be calculated using the stated final maturity dates of each security. Securities may not be purchased that have a final stated maturity date which exceeds five years. Additional guidelines for specific investment portfolios include:

- A. General Fund - All securities identified in IV. A. Eligible Investments are suitable for the General Fund. Securities purchased for the General Fund will be laddered out with an average maturity of no more than one year.
- B. Budget Stabilization Reserve - All securities identified in IV. A. Eligible Investments are suitable for the Budget Stabilization Reserve. The portfolio may be invested for a maximum average maturity of no more than two years.
- C. Statutory Operating Reserve - All securities identified in IV. A. Eligible Investments are suitable for the Statutory Operating Reserve. The portfolio may be invested for a maximum average maturity of no more than two years.
- D. Project Specific Accounts - Project specific investment portfolio may be created from time to time for the investment of specific capital projects. All securities identified in IV. A. Eligible Investments are suitable and all investments must be scheduled to mature before any forecast cash flow. Currently, the Austin Mobility Portfolio has been established as a specific investment portfolio.

SECTION IV

INVESTMENT POLICIES

IV. INVESTMENT POLICIES

A. Eligible Investments

Investments described below are those authorized by the Public Funds Investment Act (Chapter 2256, Texas Government Code), as amended, which is included and made a part of this Policy as Appendix A. The following list may not contain all of those securities that are authorized by state statutes, but only those that the Board of Directors wish to include in the Capital Metro's portfolios. The purchase of specific issues may at times be further restricted or prohibited because of current market conditions. Capital Metro funds governed by this Policy may be invested in:

1. Obligations of the United States or its agencies and instrumentalities.
2. Direct Obligations of the State of Texas.
3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities.
4. Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent.
5. Bankers' Acceptances with a stated maturity of 270 days or less from the date of its issuance that will be, in accordance with its terms, liquidated in full at maturity; is eligible for collateral for borrowing from a Federal Reserve Bank; and is accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank, or of a bank holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or an equivalent rating by at least one nationally recognized credit rating agency.
6. Commercial paper with a stated maturity of 365 days or less from the date of its issuance that either:
 - a. Is rated not less than A-1, P-1, or the equivalent by at least two nationally recognized credit rating agencies; or,

- b. Is rated at least A-1, P-1, or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof.
7. Fully collateralized repurchase agreements having a defined termination date, placed through a primary government securities dealer, as defined by the Federal Reserve, or a bank domiciled in Texas, and secured by obligations described by 1 above (the principal and interest on which are guaranteed by the United States or any of its agencies), pledged with a third party selected or approved by Capital Metro and having a market value (including accrued interest) of no less than the principal amount of the funds disbursed.
 8. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, this State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.
 9. SEC-regulated, no load money market mutual funds with a dollar-weighted average stated portfolio maturity of 60 days or less and whose investment objectives include seeking to maintain a stable net asset value of \$1 per share. No more than 50% of Capital Metro's average fund balance may be invested in money market mutual funds, and may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund. Money market mutual funds are to be rated AAAm or equivalent by on Nationally Recognized Statistical Rating Organization ("NRSRO).
 10. Local government investment pools organized in accordance with the Interlocal Cooperation Act (Chapter 791, Texas Government Act) as amended, whose assets consist exclusively of the obligations that are allowed as a direct investment for funds subject to the Public Funds Investment Act (Chapter 2256, Texas Government Code). A public funds investment pool must be continuously rated no lower than AAA, AAA-m or at an equivalent rating by at least one nationally recognized rating service and follow all applicable requirements of the Public Funds Investment Act.

Compensating balances may be held at Capital Metro's depository institution provided that market conditions or other factors, such as the depository institution's earnings credit rate or cost of services, provides an economic benefit to Capital Metro that helps to optimize return while maintaining adequate liquidity.

Investments in collateralized mortgage obligations are strictly prohibited. These securities are also disallowed for collateral positions. Capital Metro will not be required to liquidate investments that were authorized investments at the time of purchase.

Settlement of all investment transactions, except those transactions involving investments in mutual funds or local government investment pools, must be made on a delivery versus payment basis.

B. Ensuring Safety of Principal

Ensuring safety is accomplished through protection of principal and safekeeping.

1. Protection of Principal

Capital Metro shall seek to control the risk of loss due to the failure of a security issuer or guarantor. Such risk shall be controlled by investing only in the safest types of securities as defined in the Policy, by qualifying the broker/dealer and financial institution with whom Capital Metro will transact, by collateralization as required by law, by portfolio diversification and by limiting maturity.

Capital Metro will seek to control the risk of loss due to failure of issuers of commercial paper by monitoring the ratings of portfolio positions to ensure compliance with the rating requirements imposed by the Public Funds Investment Act. Should an issuer experience a single step downgrade of its credit rating by a nationally recognized credit rating agency within 90 days of the position's maturity, the Investment Officer(s) may approve holding the paper to maturity. If the subject paper matures beyond the 90-day period or if the credit rating downgrade exceeds a single step, it will be Capital Metro's policy to convene an emergency meeting of the Investment Committee to determine whether liquidation of the position is warranted. This meeting should take place within 24 hours of notification or discovery of the credit downgrade.

The purchase of individual securities shall be executed "delivery versus payment" (DVP) through the Federal Reserve System. By so doing, Capital Metro funds are not released until Capital Metro has received, through the Federal Reserve wire, the securities purchased.

a. Approved Broker/Dealers/Financial Institutions

Investments shall only be made with those firms and institutions who have acknowledged receipt and understanding of Capital Metro's Investment Policy. The "qualified representative" of the business as defined in Chapter 2256 of the Texas Government Code shall execute a written certification to acknowledge receipt of Capital Metro's Investment Policy and to acknowledge that the organization has implemented reasonable procedures and controls to preclude imprudent investment activities arising out of the investment transactions conducted between the entity and Capital Metro. Should Capital Metro contract with an external investment advisor to execute the Authority's investment strategy, including the negotiation and execution of investment transactions, a managing officer of the investment advisory firm may sign the written certification in lieu of the broker/dealer firms. This certification must be included as part of the investment advisory contract.

Securities, certificates of deposit and share certificates shall only be purchased from those institutions included on Capital Metro's list of broker/dealers, banks, savings banks and credit unions as approved by the Investment Committee. This list of approved investment providers must be reviewed at least annually by Capital Metro's Investment Committee.

b. Master Repurchase Agreement

It is the policy of Capital Metro to require each issuer of repurchase agreements to sign a copy of the Capital Metro Master Repurchase Agreement. An executed copy of this agreement must be on file before Capital Metro will enter into any repurchase agreement with an issuer. (See Appendix B "Master Repurchase Agreement.")

Note: Capital Metro does not currently enter into repurchase agreements. The Master Repurchase Agreement previously attached to the Investment Policy expired in 2009. If Capital Metro's investment officers and advisor recommend the use of repurchase agreements in

the future, a new Master Purchase Agreement will be drafted and brought to the Board of Directors for consideration.

c. Collateralization

Consistent with the requirements of State law, Capital Metro requires all banks, savings banks and credit union deposits to be federally insured or collateralized with eligible securities. Financial institutions serving as Capital Metro Depositories will be required to sign an Agreement with Capital Metro and its safekeeping agent for the collateral, perfecting Capital Metro's rights to the collateral in case of default, bankruptcy or closure. Capital Metro shall not accept, as depository collateral, any security that is not specifically allowed to be held as a direct investment by the Capital Metro portfolio (see W.A.). Repurchase agreements must also be collateralized in accordance with State law. Each issuer of repurchase agreements is required to sign a copy of Capital Metro's Master Repurchase Agreement. An executed copy of this agreement must be on file before Capital Metro will enter into any repurchase agreements with an issuer. (See Appendix B, "Master Repurchase Agreement".)

(1) Allowable Collateral

(a) Certificates of Deposit/Share Certificates

Eligible securities for collateralization of deposits are defined by the "Public Funds Collateral Act" (Chapter 2257, Texas Government Code) which is included and made a part of the Policy as Appendix A. The eligibility of specific issues may at times be restricted or prohibited because of current market conditions.

(b) Repurchase Agreements

Collateral underlying repurchase agreements is limited to U.S. government and agency obligations, which are eligible for wire transfer (i.e. book entry) to Capital Metro's designated safekeeping agent through the Federal Reserve System.

(2) Collateral Levels

Collateral is valued at current market plus interest accrued through the date of valuation.

(a) Certificates of Deposit/Share Certificates

The market value of collateral pledged for certificates of deposit/share certificates must at all times be equal to or greater than the par value of the certificate of deposit plus accrued interest, less the amount insured by the FDIC, FSLIC or the National Credit Union Share Insurance Fund or their successors.

(b) Repurchase Agreements

The market value of collateral required to be pledged for repurchase agreements shall be a percentage of the par value of the agreement plus accrued interest and shall be maintained at the following levels:

<u>Collateral Maturity</u>	<u>U.S. Treasury Securities</u>	<u>U.S. Government Agency</u>
1 year or less	101%	101%
1 year to 5 years	102%	102%
Over 5 years	103%	104%

(3) Monitoring Collateral Adequacy

(a) Certificates of Deposit/Share Certificates

Capital Metro requires monthly reports with market values of pledged securities from all financial institutions with which Capital Metro has certificates of deposit/share certificates. Capital Metro's Investment Advisor will at least weekly monitor the adequacy of collateral.

(b) Repurchase Agreements

Weekly monitoring by Capital Metro's Investment Advisor of all collateral underlying repurchase agreements is required. More frequent monitoring may be necessary during periods of market volatility.

(4) Margin Calls

(a) Certificates of Deposit/Share Certificates

If the collateral pledged for a certificate of deposit or share certificate falls below the par value of the deposit, plus accrued interest less FDIC, FSLIC or National Credit Union Share Insurance, the institution will be notified by Capital Metro or its Investment Advisor and will be required to pledge additional securities no later than the end of the next succeeding business day.

(b) Repurchase Agreements

If the value of the collateral underlying a repurchase agreement falls below the margin maintenance levels specified above, Capital Metro or its Investment Advisor will make a margin call unless the repurchase agreement is scheduled to mature within five business days and the amount is deemed to be immaterial.

(5) Collateral Substitution

Collateral investments, certificates of deposit and share certificates often require substitution of collateral. Any broker or financial institution requesting substitution must contact the Investment Officer(s) or the external Investment Advisor under contract for approval and settlement. The substituted collateral's value will be calculated and substitution approved if its value is equal to or greater than the required value (See IV.B1.c(2)(b)). The Investment Officer(s) or Investment Advisor must give immediate notification of the decision to the bank or the safekeeping agent holding the collateral. Substitution is allowable for all transactions, but should be limited, if possible, to minimize potential administrative problems and transfer expense. The Investment Officer(s) or Investment Advisor may limit substitution and assess appropriate fees if substitution becomes excessive or abusive.

(6) Collateral Reductions

Should the collateral's market value exceed the required amount, any broker or financial institution may request approval from the Investment Officer(s) or the external Investment Advisor under contract to reduce collateral. Collateral reductions may be permitted only if Capital Metro's records indicate that the collateral's market value exceeds the required amount.

d. Portfolio Diversification

Risk of principal loss in the portfolio as a whole shall be minimized by diversifying investment types according to the following limitations. As discussed below, these limitations do not apply to bond proceeds.

Investment Type:	% of Portfolio
• Repurchase Agreements	50%
• Certificate of Deposit	20%
• Share Certificates	5%
• U.S. Treasury Notes/Bond/Bills	100%
• U.S. Agencies	60%
• Money Market Mutual Funds	50%
• Local Government Investment Pools	100%
• Commercial Paper	30%
• Banker's Acceptance	15%

It is the policy of Capital Metro to diversify its investment portfolio so that reliance on any one issuer or broker will not place an undue financial burden on Capital Metro. Generally, Capital Metro should limit its repurchase agreement exposure with a single firm to no more than 15% of the value of Capital Metro's overall portfolio and its commercial paper and bankers' acceptance exposure with a single issuer to no more than 5% of the value of Capital Metro's overall portfolio. To allow efficient and effective placement of proceeds from any bond sales, these limits may be exceeded for a maximum of five business days following the receipt of bond proceeds.

(1) Bond Proceeds

Proceeds of a single bond issue may be invested in a single security or investment if the Investment Committee determines that such an investment is necessary to comply with Federal arbitrage restrictions or to facilitate arbitrage record keeping and calculation.

e. Limiting Maturity

In order to minimize risk of loss due to interest rate fluctuations, investment maturities will not exceed the anticipated cash flow requirements of the funds. Maturity guidelines by funds are as follows:

(1) General Funds

The dollar weighted average days to final stated maturity shall be 548 days or less. The Investment Advisor will monitor the maturity level and make changes as appropriate.

(2) Bond Proceeds, Bond Reserves, Debt Service Funds

The investment maturity of bond proceeds (including reserves and debt service funds) shall be determined considering:

- (a) the anticipated cash flow requirements of the funds, and;
- (b) the "temporary period" as defined by Federal tax law during which time bond proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds.

2. Safekeeping

a. Safekeeping Agreement

Capital Metro shall contract with a bank or banks for the safekeeping of securities either owned by Capital Metro as a part of its investment portfolio or held as collateral to secure certificates of deposits, share certificates or repurchase agreements.

b. Safekeeping of Certificate of Deposit/Share Certificate Collateral

All collateral securing bank, savings banks and credit union deposits must be held by a third party banking institution approved by Capital Metro, or collateral may be held at the Federal Reserve Bank.

c. Safekeeping of Repurchase Agreement Collateral

The securities which serve as collateral for repurchase agreements with dealers must be delivered to a third-party custodian with which Capital Metro has established a third-party safekeeping agreement.

C. Ensuring Liquidity

Liquidity shall be achieved by investing in securities with active secondary markets and by investing in eligible money market mutual funds (MNIMF's) and local government investment pools (LGIP' s).

A security may be liquidated to meet unanticipated cash requirements, to re-deploy cash into other investments expected to outperform current holdings, or to otherwise adjust the portfolio.

D. Achieving Investment Return Objectives

Investment selection for all funds shall be based on legality, appropriateness, liquidity, and risk/return considerations. The portfolios shall be actively managed to enhance overall interest income. Active management will take place within the context of the 'Prudent Person Rule.' (See Section MD.).

1. Securities Swaps

Capital Metro will take advantage of security swap opportunities to improve portfolio yield. A swap which improves portfolio yield may be selected even if the transaction results in an accounting loss.

2. Competitive Bidding

It is the policy of Capital Metro to require competitive bidding for all individual security purchases except for those transactions with money market mutual funds (MMMF's) and local government investment pools (LGIP's) which are deemed to be made at prevailing market rates, and for government securities purchased at issue through a primary dealer at auction price. Rather than relying solely on yield, investment in MMMF's and LGIP's shall be based on criteria determined by the Investment Committee, including adherence to Securities and Exchange Commission (SEC) guidelines for MMMF's when appropriate.

At least three bidders must be contacted in all transactions involving individual securities. Competitive bidding for security swaps is also required. Bids may be solicited in any manner provided by law. For those situations where it may be impractical or unreasonable to receive three bids for a transaction due to a rapidly changing market environment or to secondary market availability, documentation of a competitive market survey of comparable securities or an explanation of the specific circumstance must be included with the daily bid sheet. All bids received must be documented and filed for auditing purposes.

3. Methods of Monitoring Market Price

The methods/sources to be used to monitor the price of investments that have been acquired with public funds shall be from sources deemed reliable by the Investment Advisor, including primary or regional broker/dealers, market information vendors such as Bloomberg or Telerate and market pricing services.

- E. Responsibility and Controls

1. Authority to Invest

The authority to invest Capital Metro funds and the execution of any documentation necessary to evidence the investment of Capital Metro funds is

granted to the Investment Advisory firm under current contract and those Capital Metro personnel authorized as Investment Officers. The Capital Metropolitan Transportation Authority's Board of Directors will designate in writing those Capital Metro personnel ("Investment Officers") authorized to invest on behalf of Capital Metro.

2. Establishment of Internal Controls

The Chief Financial Officer will establish a system of internal controls over the investment activities of Capital Metro and document such control in the Investment Procedures Manual.

3. Prudent Investment Management

The designated Investment Officers shall perform their duties in accordance with the adopted Investment Policy and procedures set forth in the Investment Procedures Manual. Investment Officers acting in good faith and in accordance with these Policies and Procedures shall be relieved of personal liability.

4. Standard of Ethics

The designated Investment Officers shall adhere to Capital Metro's ethics policies.

5. Training and Education

In accordance with the Public Funds Investment Act (Chapter 2256, Texas Government Code), the designated Investment Officers, or those personnel authorized to execute investment transactions, shall attend at least one investment training session annually. State law requires that training relating to investment responsibilities must be provided by an independent source as approved by the Investment Committee. Personnel authorized to execute or approve investment transactions must receive at least 10 hours of investment training within each two-year period.

6. Investment Committee

An Investment Committee shall be established to determine investment guidelines, general strategies, and monitor performance. Members of the Investment Committee will include the Investment officers and a

representative of the external investment advisory firm. The Committee may also include one additional member, as designated by the Capital Metropolitan Transportation Authority's Board of Directors. The Committee shall meet quarterly to review performance, strategy and procedures.

F. Reporting

Investment performance is continually monitored and evaluated by the Investment Advisor. The Investment Advisor will provide detailed reports, as required by the Public Funds Investment Act (Chapter 2256, Texas Government Code), Section 2256.023, for the General Manager, the Chief Financial Officer, the Board of Directors and the Investment Committee on a quarterly basis.

The report will outline conformance to the restrictions of the Policy in the area of diversification and term of maturity. The report will also compare the performance of Capital Metro's portfolio to appropriate benchmarks as determined by the Investment Committee. The report will include an economic summary discussing interest rate trends, investment strategy and any other information deemed appropriate by the Chief Financial Officer or the Investment Committee.

G. Compliance Audit

In conjunction with its annual financial audit, Capital Metro shall perform a compliance audit of management controls on investments and adherence to Capital Metro's established Investment Policies. The results of the audit shall be reported to the Investment Committee and the Capital Metropolitan Transportation Authority's Board of Directors.

H. Certification

A copy of this Investment Policy will be provided to the senior management of any bank, dealer, broker or investment advisor wishing to transact investment business directly with Capital Metro in order that it is apprised of the investment goals of Capital Metro. Before business is transacted with the firm, a certification (Appendix C) must be signed by a senior member of a firm. Should Capital Metro contract with an external investment advisor to execute the Authority's investment strategy, including the negotiation and execution of investment transactions, a managing officer of the investment advisory firm may sign the written certification in lieu of the broker/dealer firms. This certification must be included as part of the investment advisory contract.

Board of Directors

Item #: AI-2022-612

Agenda Date: 10/24/2022

SUBJECT:

Approval of Capital Metro's Budget and Financial Planning Policy.

FISCAL IMPACT:

This action has no fiscal impact.

STRATEGIC PLAN:

Strategic Goal Alignment:

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

Strategic Objectives:

- | | | |
|--|--|--|
| <input type="checkbox"/> 1.1 Safe & Reliable Service | <input type="checkbox"/> 1.2 High Quality Customer Experience | <input type="checkbox"/> 1.3 Accessible System |
| <input type="checkbox"/> 2.1 Support Sustainable Regional Growth | <input type="checkbox"/> 2.2 Become a Carbon Neutral Agency | |
| <input 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: The policies adopted by the Board of Directors provide strategic direction to the President & CEO and Capital Metro with regard policy matters within the purview of the Board.

BUSINESS CASE: Periodic review and updates to policies adopted by the Board of Directors are prudent in order to ensure that they meet the ongoing needs of Capital Metro.

COMMITTEE RECOMMENDATION: This item was presented and recommended for approval by the Finance, Audit and Administration Committee on October 12, 2022.

EXECUTIVE SUMMARY: The Budget and Financial Planning Policy provides a strategic framework for the prudent management of financial resources, facilitates public access to information and examination of performance, and encourages the use of best practices in financial accounting, budgeting and planning.

CapMetro has a fiduciary duty to the community to manage finances over the long term in a way that balances community and customer needs with the long term financial sustainability of Capital Metro. Sound financial policies most directly help to ensure long-term budgetary and service level solvency, as well as financial flexibility. Staff has reviewed this policy in consultation with CapMetro's outside investor, PFM Asset Management LLC. Staff is recommending formatting changes and minor updates to the Policy to align with State law. The proposed revisions are attached in redlined version.

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Finance Department.

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

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2022-612

WHEREAS, it is prudent to periodically review and update policies adopted by the Board of Directors in order to ensure they continue to meet the needs of CapMetro; and

WHEREAS, the Board of Directors adopted revised Bylaws in 2017 that require policies adopted by the Board of Directors to be reviewed every five years; and

WHEREAS, the Budget and Financial Planning Policy was identified for review in October 2022.

NOW, THEREFORE, BE IT RESOLVED, by the Capital Metropolitan Transportation Authority Board of Directors that the attached proposed revisions to the Budget and Financial Planning Policy are hereby adopted.

**Secretary of the Board
Leslie Pool**

Date: _____

1. PURPOSE

The purpose of these policies is to provide a strategic framework for the prudent management of the financial resources of Capital Metropolitan Transportation Authority (“CapMetro”), to facilitate public access to information and examination of performance, and to encourage the use of best practices in financial accounting, budgeting, and planning. CapMetro has a fiduciary duty to the community to manage finances over the long term in a way that balances community and customer needs with the long-term financial sustainability of CapMetro. Sound financial policies most directly help to ensure long-term budgetary and service level solvency, as well as financial flexibility.

2. OVERVIEW

CapMetro is subject to the budgetary control provisions of the Texas State statute governing Metropolitan Rapid Transportation Authorities, Transportation Code, Section 451 (the “Code”). One of CapMetro’s primary responsibilities is to ensure compliance with the budgetary requirements set forth by the Code and to establish an effective process of financial planning and budgeting. In addition to the budgetary controls defined in the Code, the CapMetro Board of Directors (the “Board”) has adopted additional financial policies that further enhance the control and utilization of resources. The following sections describe these financial controls and policies.

3. GENERAL PROVISIONS

CapMetro will establish accounting practices that conform to generally accepted accounting principles as set forth by the authoritative standard-setting body.

An annual audit will be performed by an independent certified public accounting firm in accordance with Code Section 451.451, and an annual comprehensive financial report (ACFR) shall be issued no later than six months following the end of the fiscal year.

The independent certified public accounting firm shall report the results of the annual audit to the Board’s Finance, Audit and Administration Committee no later than sixty days after the issuance of the ACFR. The Chief Financial Officer shall be responsible for establishing processes to ensure timely resolution of audit recommendations, if applicable.

CapMetro shall provide its annual share of contributions to retirement plans in accordance with actuarial recommendations.

Investments shall be made prudently in conformance with CapMetro’s Investment Policy and state statute. All grants and other federal and state funds shall be managed to comply with the laws, regulations and guidance of the grantor.

A five-year financial forecast shall be prepared annually projecting revenue and expenditures. The forecast shall be used as a planning tool in developing the following year’s budget and five-year capital improvement plan.

A financial forecast that spans a longer planning horizon shall be prepared at least every five years, or more frequently if dictated by changing conditions or priorities. The long-range financial forecast shall be developed in conjunction with CapMetro’s comprehensive service plan to evaluate whether estimated funding sources are sufficient to address service priorities and capital needs over the planning period.

The Board shall adopt a budget for the coming fiscal year as required by Code Section 451.102 of the Code, and a five-year capital improvement plan as required by Code Section 451.132, no later than its September Board meeting. The Board shall hold a public hearing on the proposed budget before adopting the budget and shall make the proposed budget available for public review at least 14 days prior to the date of the hearing.

4. STRATEGIC PLAN

The Board shall adopt and annually reevaluate a strategic plan that establishes CapMetro’s mission and goals and summarizes planned activities to achieve the mission and goals in accordance with Section 451.135 of the Code.

The strategic plan will set policy and service priorities that drive development of the budget and five-year capital improvement plan, and guide allocation of resources in the budget. The budget and capital improvement plan should outline key initiatives that CapMetro plans to achieve through the expenditure of public funds that are consistent with the goals and objectives adopted by the Board in its strategic plan. The strategic plan should align with the regional metropolitan planning organization’s long-range transportation plan as appropriate. CapMetro department directors should develop annual work plans with performance measures that support the strategic plan and submit them to their respective business unit Executive Vice Presidents for review.

5. BUDGET DEVELOPMENT AND FORECASTING

CapMetro will prepare its budget and financial forecasts in accordance with key criteria that are consistent with state statutes and Board policy:

- To the extent possible, ongoing operations will be funded by current and ongoing sources of revenue. New, unrestricted revenue should first be applied to support existing programs prior to funding new or expanded programs.
- The budget and financial forecasts must include operating and capital spending.
- The budget and financial forecasts must show cash and working capital balances, including the proceeds of any anticipated cash flow borrowing, sufficient to pay with reasonable promptness all costs as incurred.
- The budget and financial forecasts should strive to achieve fare levels sufficient to meet CapMetro's recovery ratio goals as set out separately in its Fare Policy.
- The budget and financial forecasts shall be based upon sound financial practices and incorporate assumptions and projections that are reasonable and prudent.
- Prior to undertaking a capital project, all ongoing operational and maintenance costs shall be identified and included as part of the overall program plan.

The operating and capital budget shall serve as the annual financial plan for CapMetro. The budget document will serve as the policy document of the Board for implementing its goals and objectives. The budget shall provide management and staff with the resources necessary to accomplish the Board's determined service levels.

The Chief Financial Officer shall annually prepare a draft balanced operating and capital budget for consideration by the President and Chief Executive Officer (the "CEO") prior to submission to the Board. The budget document should include relevant measures of CapMetro's performance.

6. ACCOUNTING BASIS OF THE BUDGET

CapMetro's operating budget is prepared in a manner consistent with its financial statements, which are prepared on the accrual basis of accounting. The budget shall exclude depreciation, amortization and unrealized gains or losses resulting from the change in fair value of investments. These calculations are performed solely for financial statement reporting purposes to be in compliance with generally accepted accounting principles.

CapMetro shall maintain a chart of accounts consistent with the Federal Transit Administration's financial reporting requirements.

7. BUDGET CONTROL, ACCOUNTABILITY AND MONITORING

Budget accountability rests primarily with individual departments. Department directors and the Finance Department shall review budget variances on a monthly basis. Significant budget variances will be further evaluated by the Finance Department, the respective department director and business unit Executive Vice President to determine whether remedial action is required. If remedial action is required, the Finance Department will make recommendations to the CEO and Deputy CEO to address the variance.

Section 451.103 of the Code states that an authority may not spend for operations in excess of the total amount specified for operating expenses in the annual budget. CapMetro maintains budget control at the departmental level for purposes of operational spending. Section 451.133 of the Code states that an authority may not spend for capital improvements in excess of the total amount allocated for major capital expenditures in the annual budget. CapMetro maintains budget control at the project level for capital expenditures.

Except as provided below, total expenditures may not exceed that which has been approved by the Board without a budget amendment following the process set out in state statute and this policy. Any net increase in CapMetro's budget after approval by the Board requires a public hearing and Board approval.

To ensure compliance with state statute, quarterly reports on operating expenses and capital expenditures shall be shared with the Financial, Audit and Administrative Committee of the Board. These reports should be shared as soon as practicable after quarter close. Such reports will also include information on revenue and other funding sources. The reports will highlight any significant variations from the budget and whether remedial action is required to address identified budget variances. The Finance Department, working with department directors and business unit Executive Vice Presidents, will report year-end financial results to the Board as part of the monitoring and reporting process.

8. BUDGET AMENDMENTS AND TRANSFERS

A department may request a budget amendment during a fiscal year. The request for a budget amendment should demonstrate such strategic or operational necessity that it cannot or should not wait until the next annual budget process. The Finance Department, working with senior management, will first determine that existing budgeted funds within the requesting department or within the scope of CapMetro's total operating budget or capital budget are not available to fund the budget amendment request before initiating the amendment process.

In no case will the amount of any budget amendment result in an increase in the total budget that exceeds the amount of revenue available to support total budgeted expenditures without

the availability of reserves or fund balance sufficient to cover the amount of the budget amendment and without the approval of the Board. The Board may authorize the use of reserves when necessary through the budget or budget amendment process in compliance with its Reserves and Contingencies Policy. In the event of an emergency, it is the Board's priority to process a budget amendment expeditiously. Under state law, the Board may amend the annual budget by order after public notice and a hearing. No budget amendment will put the overall financial health of CapMetro at financial risk.

A budget transfer that moves budgeted funds between accounts within a department or between departments may be processed by the Finance Department after receiving justification and approval from the appropriate department director(s). No increase in agency headcount beyond levels laid out in the budget will occur without approval of the CEO. No budget transfer will be made from contingency to the capital budget or the operating budget without approval of the CEO. The Board will be notified in writing of all budget transfers that cumulatively exceed \$150,000 no later than the next quarterly financial report following the transfer.

9. REVENUE

Sound revenue policy affects all the components of fiscal stability. Ongoing provision of services cannot be achieved without sufficient funding. CapMetro's primary sources of funding come from sales taxes, fares, and federal grants. CapMetro will attempt to diversify its revenue base and limit its dependence on one or only a few revenue sources. It is the policy of CapMetro to charge fees for services when permissible and reasonable.

CapMetro will pursue new grant opportunities but will carefully review financial support of programs that require commitments continuing beyond funding availability. CapMetro will strive to maximize grants, loan interest programs and other intergovernmental sources to help fund capital needs.

10. LONG-RANGE FINANCIAL PLANNING

CapMetro shall prepare and submit a five-year financial forecast to the Board for review. The forecast should reflect structural balance based on projections of available resources and program expenditures. Multiyear operating and capital cost projections shall be updated each year to help evaluate the impact on resources. Program priorities and critical needs that cannot be funded within estimated resources should be identified for Board consideration.

An economic outlook should accompany the annual investment report to help gauge changing economic conditions and potential regulatory and legislative mandates.

CapMetro will prepare the financial forecast based on detailed assumptions and plans for each program element. Major assumptions include program service levels, ridership, vehicle needs, anticipated availability of revenue, and estimated costs of inflation. Assumptions used to develop the projections will be disclosed as part of the report provided to the Board.

11. CAPITAL BUDGET AND CAPITAL IMPROVEMENT PLAN

The capital budget should clearly account for amounts budgeted for each of CapMetro's planned capital projects, including sources of funding. Departments should provide information on proposed capital projects each year, including purpose, expected benefits, estimated funding sources and implementation costs. All ongoing operational and maintenance costs should be identified and included in the appropriate department budget.

As projects are implemented, significant budget variances should be reported to the Board quarterly in the financial report. Comprehensive capital project status reports should be shared with the Board at regular intervals in coordination with the Finance, Audit and Administrative Committee Chair's input on what frequency is currently appropriate. The comprehensive capital project status reports should include updates on major capital projects, including information on project completion, work completed compared to spending, and identification of any contract management concerns. To assist with reporting on capital projects, CapMetro will track capital projects using a consistent method, including the baseline budget and subsequent changes to the budget if applicable, contract awards, contract changes, expenditures to date and planned completion dates.

The Board shall adopt and annually reevaluate a five-year capital improvement plan that links to CapMetro's strategic planning goals and reflects transit industry best practices. The public will be provided the opportunity to review and comment on the capital improvement plan as part of the Board's budget adoption process.

The plan will align with, and support, the regional metropolitan planning organization's long-range transportation plan as appropriate. The capital improvement plan should include, at a minimum, the following elements:

- prioritization of capital projects anticipated over a five-year period;
- description of planned capital projects, including project category and scope;

- financing of capital projects, including implications for ongoing operational costs;
- sources of funding for projects, including local and federal funds;
- policies for capital planning, estimating costs, tracking spending, approving capital projects, cost-benefit analyses, participation of historically underutilized businesses and reporting on projects; and
- impact on ridership, customer service and similar indicators of performance.

12. TRANSPARENCY AND AVAILABILITY OF FINANCIAL INFORMATION

It is the goal of CapMetro to promote accountability and transparency in all of its financial activities. CapMetro will make every reasonable effort to ensure that all financial data described in these policies is made available to the general public in easily accessible forms in a timely manner, electronically and in a format that meets the needs of persons with disabilities.

13. REFERENCES

Reserves and Budgetary Contingency Policy
Fare Policy
Investment Policy
Capital Improvement Plan Policy

Board of Directors

Item #: AI-2022-621

Agenda Date: 10/24/2022

SUBJECT:

Approval of a resolution authorizing the interim President & CEO, or their designee, to finalize and execute a contract modification with BMR Janitorial, for bus fueling and washing services, for the remainder of a base year and two (2) option years increasing the not to exceed contract amount from not to exceed \$3,557,818 to \$5,197,680.

FISCAL IMPACT:

Funding for this action is available in the FY2023 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: CapMetro is a supporter of small businesses operating within our community, including the reasonable increase in cost on this contract related to a collective bargaining agreement with employees.

BUSINESS CASE: The cost increase results from a negotiated labor agreement between the contractor and their workforce. This increase is critical to retaining a quality workforce which is necessary to keep vehicles fueled and washed, ready to serve our customers.

COMMITTEE RECOMMENDATION: This item will be presented to the full board on October 24, 2022.

EXECUTIVE SUMMARY: CapMetro employs an independent contractor, BMR Janitorial, to fuel and wash buses at the North Operations Facility. In August 2022, the workforce for the contractor voted to organize. The contractor entered into negotiations with Amalgamated Transit Union Local 1091 (ATU), reached an agreement and ratified a Collective Bargaining Agreement (CBA). The new CBA closely aligns with the CBA between the ATU and MV Transit who employs fuelers and washers to perform the same duties at CapMetro's South Operations Facility. The new CBA includes an increase in wages by 23-27% and adds employee benefits such as vacation, sick pay, 401k contribution, health insurance, and uniforms. A table showing the change in contract cost is presented below:

Contract Term	Original Cost	Increase	New Cost
Base Year	\$1,185,939.23	\$234,059.05	\$1,419,998.28
Option Year 1	\$1,185,939.23	\$684,562.87	\$1,870,502.10
Option Year 2	\$1,185,939.23	\$721,240.76	\$1,907,179.99
Totals	\$3,557,817.69	\$1,639,862.68	\$5,197,680.37

Note: All amounts shown are not-to-exceed amounts as certain employer health insurance costs will be reimbursed as a pure pass through and that amount will vary depending on the health plans selected by employees; other items will similarly be reimbursed as a pass through such as 401k contribution, contractually required bonuses, uniform costs, payroll taxes, and so on.

DBE/SBE PARTICIPATION: The contractor is a certified DBE.

PROCUREMENT: In 2021, Cap Metro modified contract No. 200441 Contracted Bus Operations & Maintenance Services. This modification resulted in conducting an emergency procurement for Daily Servicing of Revenue Vehicles. In January 2022, the Board of Directors approved award of a contract to BMR Janitorial & Pressure Washing Services, LLC for these services. The contract consisted of a 1-year base term for the services with two (2) 1-year renewal options.

RESPONSIBLE DEPARTMENT: Bus Operations and Maintenance

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

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2022-621

WHEREAS, Capital Metropolitan Transportation Authority Board of Directors and CapMetro management recognize the need to employ contractors to fuel and wash buses, and

WHEREAS, Capital Metropolitan Transportation Authority Board of Directors and CapMetro management support small businesses.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the Interim President & CEO, or their designee, is authorized to finalize and execute a contract modification with BMR Janitorial, for bus fueling and washing services, for the remainder of a base year and two (2) option years increasing the not-to-exceed contract amount from \$3,557,818 to \$5,197,680.

**Secretary of the Board
Leslie Pool**

Date: _____



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2022-585

Agenda Date: 9/26/2022

President & CEO Monthly Update



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2022-591

Agenda Date: 10/24/2022

Memo: Service Standards and Guidelines Update (October 17, 2022)

To: Capital Metro Board of Directors

From: Sharmila Mukherjee, AICP, Executive Vice-President, Planning & Development

Date: October 17, 2022

Subject: Update to Service Standards and Guidelines

The following provides an overview of the Planning Department's ongoing effort to update CapMetro's Service Standards and Guidelines. This memo includes project goals, timeline, and upcoming public engagement opportunities.

Project Background

The Service Standards and Guidelines provide guidance for service monitoring and all service-related planning processes. As a highly public facing document, the Service Standards and Guidelines offers a high-level of transparency and clarity. The document provides information about how and why CapMetro makes changes to service, places bus stops, distributes stop amenities, and complies with federal regulations like Title VI requirements.

Every five years, standards and guidelines are updated to ensure they are current and align with the agency's strategic goals and service levels. The guidelines were last updated and adopted in 2015, though the 2020 update was delayed due to the COVID-19 pandemic. In June 2022, Capital Metro engaged a consultant, Nelson and Nygaard and Associates, to assist with updating the Service Standards and Guidelines.

Project Goals

- **Review Existing Processes and Standards:** The updated standards and guidelines will contain well-documented, up-to-date planning processes, providing a central location that multiple departments can refer to for guidance. The project team is currently conducting staff interviews to better understand each key factor that impacts planning decisions.
- **Modernize Planning Processes and Standards:** The updates will be centered on industry best practices. The project team is currently developing a review of other peer agencies and their service planning and design standards including any performance measures used to assess effectiveness. Peer review will also review how these agencies communicate to the public; and implement service changes.
- **Provide Clear and Engaging Public-Facing Content:** The documents will be informative, easy to understand and in a format that can be easily distributed to the public. It will also provide answers to frequently asked questions.

Upcoming Engagement

CapMetro will be conducting initial community engagement in October 2022 to both inform the public and actively solicit input on service planning processes. We anticipate conducting eight focus groups, presenting to the appropriate advisory committees and local commissions, additional stakeholder

meetings (including a work session with the Board) and promoting a public survey. Specifically, the engagement activities include:

- Community Satisfaction Advisory Committee (CSAC) Meeting Fall 2022
- Access Advisory Committee Meeting Fall 2022
- Public Safety Advisory Committee (PSAC) Fall 2022
- ADAPT Meeting Fall 2022
- Project Connect Community Advisory Committee (CAC) Fall 2022
- Other Commission Meetings Fall 2022
- Compensated Focus Group Meetings Fall 2022
- Public Survey Fall 2022
- Workshops with Staff in Multiple Departments Fall 2022
- Workshop with Board of Directors Winter 2023
- Board Presentation of Final Draft Service Standards and Guidelines Spring 2023

The processes and performance measures outlined in the service standards and guidelines will be used for the development and evaluation of each following service change until the next update, so feedback from the public and members of the Board is crucial to the success of this update. Following the public engagement processes, the public (and Board) will be provided time to review the draft update in Winter 2023 prior to a request for board approval.

Staff anticipates final board action to adopt the updated Service Standards and Guidelines in Spring 2023.

Project Timeline

	2022						2023		
Tasks	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Engagement									
Case Studies									
Standards and Guidelines									
Final Documents									

This is an informational update; request for Board approval is anticipated in Spring 2023.



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Board of Directors

Item #: AI-2022-620

Agenda Date: 10/24/2022

Memo: September/October Board Follow-up (October 17, 2022)

To: CapMetro Board of Directors
From: Kerri Butcher, Chief of Staff
Date: October 17, 2022
Subject: September and October Committee and Board meetings Follow Up

During the most recent CapMetro Board of Directors Committee and Board Meetings, several Board Members requested more information on a variety of topics. The information is provided here for your review. If you are interested in additional detail or a briefing, please contact Ed Easton (Ed.Easton@CapMetro.org). Topics covered in this memo include:

- January 2023 Service Changes
 - Route frequency
- Manor and Lago Vista elections
- Pickup fare validation system
- Performance Metrics on Workforce Solutions Contract

Service Change – Route Frequency

During the September Board meeting, CapMetro customers asked why restoring full services for Routes 335, 18, and other weekend services were not included in the January 2023 Service Changes. These routes are part of the high frequency services and were reduced from every 15 minutes to every 30 minutes in September 2021, due to workforce availability and low ridership.

System ridership is currently at 70-75% of pre-COVID levels. CapMetro staff continues to monitor our services and will propose adjustments for the Summer and Fall 2023 service change that balance service reliability and demand against resource constraints. Additionally, we are proposing a workshop with the CapMetro Board to discuss, in depth, our service standards and service planning ahead of what will likely be significant service changes and updates necessary to implement the Project Connect MetroRapid projects (Pleasant Valley and Expo). This workshop will take place in early 2023 and will also include information about cost per passenger and per mile and other benchmarks, as was requested by Board Member Cooper during the October FAA Committee meeting.

Manor and Lago Vista Elections

During the September Board Meeting, Board Members requested the communications materials being shared related to the Manor and Lago Vista elections. Those materials are as follows and were made available at the beginning of October 2022.

- CapMetro Educational Web Pages and Fact Sheets
 - <https://www.capmetro.org/manor>
 - <https://www.capmetro.org/lagovista>
- Rideshare and Pickup Scripts for Employees/Customer Care
- Media FAQs & Approved Statements

- Social Media Graphics & Posts
- Email Communications to Customers
- At-Stop Signage with Education Materials
- Message Center Educational Signage
- MetroAlerts

Pickup Fare Validation System

During the September Board meeting, a customer spoke about the difficulties of paying for both Pickup and regular fare on the same trip.

Currently, customers who pay cash to use Pickup do so through manual fareboxes. These fareboxes are not digital and don't have the ability to produce a physical or digital pass. This is a challenge for customers who take their first trip of the day on Pickup but plan to ride on our other modes because this doesn't allow for validated payment of the \$1.25 fare.

CapMetro staff is working diligently to have fare validation equipment installed early next year to better incorporate Pickup with other CapMetro systemwide services. This will allow all customers to have a seamless experience while traveling throughout the entire system and will allow our Board-approved fare programs (Amp, Equifare and Fare Capping) to be integrated with Pickup services. As you may recall, our intention with the fare programs was always for all services to be part of these programs, and we are rolling the fare programs out in phases due to the technology limitations.

A stopgap solution has been created to address this challenge until fare validation equipment is installed and the AMP card fare system is in place. This will allow our riders paying with cash fare who are connecting to or from the fixed route system to ride free on Pickup. These customers will only pay that fare once they get on the bus.

This solution will meet the needs of our multi-modal riders based on the public feedback provided related to this matter. Starting in October, our Pickup app and software will automatically code Pickup trips going to or from a fixed route bus or a MetroRail Station as free fare. Customers will pay the proper fare when boarding our buses or trains equipped with the correct fare validating system onboard.

Performance Metrics-Workforce Solutions

During the October Finance, Audit and Administration Committee, Board Member Ross requested performance metrics in the Interlocal Cooperation Agreement ("ILA") between Capital Metro and Workforce Solutions Capital Area ("Workforce Solutions") to ensure Capital Metro's needs are fulfilled. Workforce Solutions is part of the Texas Workforce Solutions Network – comprised of the Texas Workforce Commission and 28 local workforce boards.

Capital Metro requires an adequate and skilled workforce to deliver high-quality service, currently a challenge due to ongoing worker shortages. Capital Metro must fill about 1,200 new frontline positions to operate and maintain Project Connect system components and service expansions. These include roles such as bus operators, dispatchers, fleet management, power source maintenance and others that are categorized in functional areas such as operations and customer-facing activities, fleet management, infrastructure management, and more. Additionally, Capital Metro will need to build a talent pipeline to fill 700 to 1,000 frontline positions every year.

Workforce Solutions will create the Workforce Mobility Partnership (“Mobility Partnership”) to address local worker shortages in transportation and construction roles, support Capital Metro’s workforce development (particularly in operations and fleet management roles) and produce a comprehensive mapping of in-demand positions and the skills required to do the work. Additionally, Workforce Solutions will identify and launch programs in 2023 to connect opportunities to Capital Metro’s acute hiring and training needs. Workforce Solutions will also create a scorecard for outcomes to purposefully measure Workforce Solutions’ progress during the term of the ILA.