

APPROVED

FY2019 Operating & Capital Budget

& 5 Year Capital Improvement Plan





GOVERNMENT FINANCE OFFICERS ASSOCIATION

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**Capital Metropolitan Transportation Authority
Texas**

For the Fiscal Year Beginning

October 1, 2017

Christopher P. Morill

Executive Director



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Comments regarding any of the information contained in this document may be addressed to:

Executive Vice President, Chief Financial Officer
Capital Metropolitan Transportation Authority
2910 East Fifth Street
Austin, TX 78702



Organization of the Budget Document

This document is the approved annual budget for Capital Metropolitan Transportation Authority (Capital Metro or the Authority) for the period October 1, 2018 - September 30, 2019. A budget is a formal plan of action, expressed in monetary terms, for a specified period of time. This document details Capital Metro's plan for Fiscal Year (FY) 2019.

Major Sections

Capital Metro's budget document is divided into nine sections: Introduction and Overview, Financial Policies, Financial and Service Summary, Capital Budget, Long-Range Financial Plan, Operating Detail by Department, Glossary, Index and Appendices. Each section contains information on the process for budget approval.

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This section provides an overview of Capital Metro's mission, history, infrastructure, service area, long-range strategic goals and organization by department.	
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This section describes the policies that guide financial decisions at Capital Metro.	
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This section includes financial highlights, statements, factors affecting revenues, expenses and detailed service levels information.	
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This section describes the capital projects that support strategic goals and includes estimated funding sources and anticipated impact on operational costs.	
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Introduction and Overview





My Central Texas Community,

When I began serving as the President & CEO of Capital Metro in March 2018, the board challenged me with implementing a budget that supports two primary initiatives — delivering exceptional customer service and showing leadership in addressing our region's mobility challenges. Since day one, I've empowered our entire Capital Metro staff to share in ownership of these initiatives, which now continue in the approved budget for Fiscal Year 2019 (Oct. 1, 2018 – Sep. 30, 2019). I have presented that budget on behalf of the board of directors in this document.

With the FY2019 budget we strive to be smart and effective stewards with the limited resources entrusted to our organization. We set goals that are realistic and challenging, and we made plans to execute the policies and decisions set by our board. Ultimately, our budget is meant to enable our mission to connect our community to the people and places around them by offering safe, accessible and quality transportation choices.

Before we look ahead to FY2019, it's important that we reflect on a few of the accomplishments our team implemented in the last year:

- We put in place the largest service change in the agency's history, which we branded as Cap Remap. The changes included 10 new routes, amendments to 42 existing routes and increasing to 14 the number of High-Frequency routes. Those frequency improvements serve customers seven days a week. Capital Metro will provide more than 120,000 additional service hours as a result of the changes and will do so using our existing resources. Staff members replaced signage at more than 2,300 bus stops in the weeks leading up to and just after the change.
- Cap Remap resulted from more than 250 public meetings over two years, and our staff members performed direct outreach with our customers through more than 900 shifts at 150 bus stops in the weeks leading up to the service change. That engagement reached more than 18,000 customers.
- Following the board's recommendation, the agency instituted free fares for all of our services the first week of Cap Remap.
- In December, Capital Metro once again partnered with the Central Texas Food Bank and Whole Foods Market for our Stuff the Bus campaign. This year we collected enough food and cash donations to provide 100,000 meals.
- Once the MoPac Express Lanes opened in the fall, we began to operate MetroExpress Route 980 from Round Rock into downtown. With the January service change, we increased service on other MetroExpress routes, doubling the capacity of the Commuter bus routes and increasing ridership by 12 percent.
- Our Pickup pilot project ended a successful one-year term in June. We provided 20,000 rides and collected valuable data that will inform our future efforts to provide first-mile/last-mile service.
- Another pilot program was implemented in June when the agency decided to allow students aged 18 and younger to ride free, creating a virtual family pass that allowed customers to explore the city of Austin and learn our system.
- Capital Metro is instilling a culture of continuous improvement, and our pilot programs are a key part of that. In summer 2018, we began a first-mile/last-mile service in the Exposition Boulevard neighborhood through a partnership with RideAustin.
- After investing in our services last fall, we have earned significant ridership gains on both MetroExpress and MetroRapid (up by 34 percent). We've seen similar success following the launch of Cap Remap, with a systemwide increase of 5.9 percent in the new bus network's first full month.
- We broke ground on the Westgate Transit Center in July, fulfilling requests made by the neighborhood and working with partners at the Texas Department of Transportation.

- The technical team working on the new Downtown Station finalized design plans and moved into the permitting phase. Construction is scheduled to commence in 2019.
- The agency sold 25 percent of its passes via the CapMetro App, adding up to about \$3.5 million in the past year.
- Capital Metro continued work on MetroRail improvements that will enable the agency to increase the frequency and capacity of the service. Aided by a federal grant of \$5.6 million received in August, we are on track to meet the Federal Railroad Administration's initial deadline for the implementation of our positive train control system.
- Continued strong economic and job growth has contributed to healthy growth in sales tax revenue for Capital Metro.
- Capital Metro has continued to set aside funding for reserves to help provide in times of unexpected revenue shortfall caused by emergencies or economic downturns. We contributed an additional \$3 million to the budget stabilization reserve and an additional \$2.5 million to the statutory operating reserve.
- Worked with the city of Austin to secure a commitment for \$6 million in funding for preliminary engineering work for Project Connect.

Capital Metro also continued the efforts of Project Connect, a long-term planning project that will lead to a transformational change in the region's transportation network and create an all-new culture of transit. The project has reviewed previous planning efforts and evaluated them for their potential impact and feasibility. The result will be a prioritized program of projects and recommended funding plan to address a doubling of the current population and the need for increased people-carrying capacity and improved mobility options.

Fiscal Year 2019 Planned Projects

The FY2019 budget will support the continued progress of our current services, while building the infrastructure needed to support the region's growth and plan for future transportation services. Capital Metro will focus our efforts on operational priorities and significant projects and initiatives, including:

- Opening our Operations Control Center, which will better align different departments and service providers and enable the agency to act more quickly to resolve operational issues and communicate more effectively to our customers.
- Accelerating our schedule to improve bus stop amenities throughout our network and dedicating \$3.5 million toward the effort. That will include piloting new shelter designs that enhance the protection of customers from the elements, installing solar-powered lighting and implementing enhanced security measures.
- Continuing implementation of pilot service initiatives that allow the agency to provide new services and test new ideas in an efficient and cost-effective manner. Included in that will be an autonomous vehicle shuttle circulator in downtown Austin.
- Continuing construction on the 11-acre, transit-supportive Plaza Saltillo station.
- Continuing improvements of our MetroRail service and continuing work on implementation of federally mandated positive train control measures.
- Adding eight pairs of stations along both MetroRapid routes, improving the service and responding to community feedback and requests.
- Continuing coordination with the city of Austin on bus priority treatments in city-owned right-of-way.
- Continuing replacement of vehicles, equipment and other assets as part of our on-going and federally required state of good repair program.
- Initiating engineering and architectural design for the redevelopment of North Lamar Transit Center.



- Conducting preliminary engineering work for Project Connect, funded with \$6 million through an agreement between the city of Austin and Capital Metro and additional Capital Metro funding in FY2019 of \$7.8 million.
- Upgrading information technology options including the launch of the multimodal trip planner and the implementation of public-facing performance dashboards on the website.

These enhanced services and initiatives, however, can only succeed if Capital Metro manages its limited resources prudently. Our accomplishments, as well as our commitment to transparency and accountability, demonstrate that Capital Metro continues to be a financially sound transit agency, committed to a thorough and thoughtful budgeting process.

Capital Metro remains committed to being a sound financial steward and continues to contribute to reserve funds as guided by the policy of our board. Capital Metro has set aside reserves for two months of operating expenses in the statutory operating reserve, will contribute an additional \$9 million for the budget stabilization reserve and will create a capital expansion fund as we look forward to future needs in the region.

As Central Texas continues to experience rapid growth, Capital Metro must work harder than ever to lead a regional effort to solve mobility challenges that meet the needs of today's customer base and also the hundreds of thousands who will move to our area in the coming years. Serving our community is the heart of our business and the reason we get up every day. We do this well already, but to be the best this effort will never end. We must be open to adapting, willing to adopt best practices, listen and learn from others and have tenacity in our commitment. That's our daily pledge to you, and I'm deeply thankful for your trust and your support.

Sincerely,

Randy Clarke
President & CEO

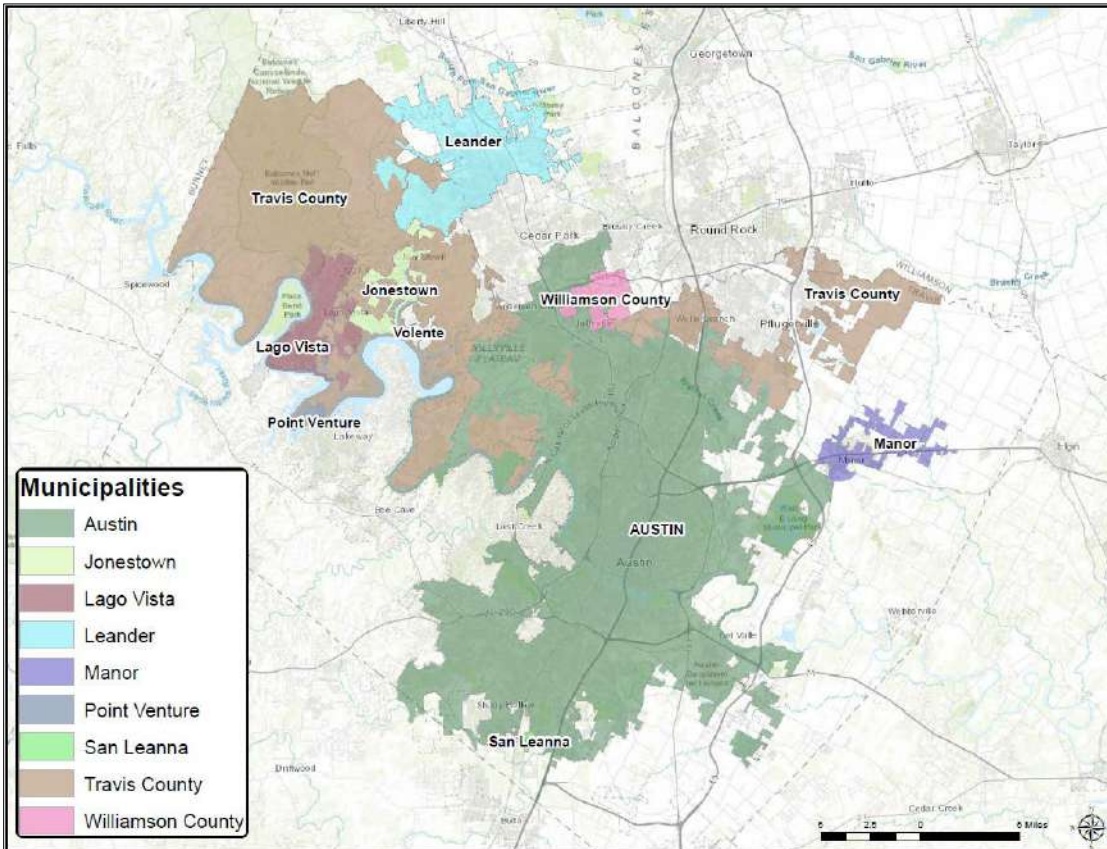
Service Area and Region

Capital Metropolitan Transportation Authority is the regional public transportation leader for Central Texas. Capital Metro was created in 1985 in accordance with Chapter 451 of the Texas Transportation Code and was established by a voter referendum on January 19, 1985, to provide mass transportation service to the greater Austin metropolitan area. Operations commenced on July 1, 1985. Capital Metro is funded in part by a 1 percent sales tax levied by its service area members.

The Central Texas region is one of the fastest growing areas in the country, and mobility and traffic congestion remain top concerns. According to the Capital Area Metropolitan Planning Organization (CAMPO) 2040 Regional Transportation Plan, the total population in the six-county Central Texas region is projected to continue to increase, growing from 1.7 million in 2010 to more than 4.1 million in 2040. The number of area jobs is also projected to increase from 774,786 to 2,324,769.

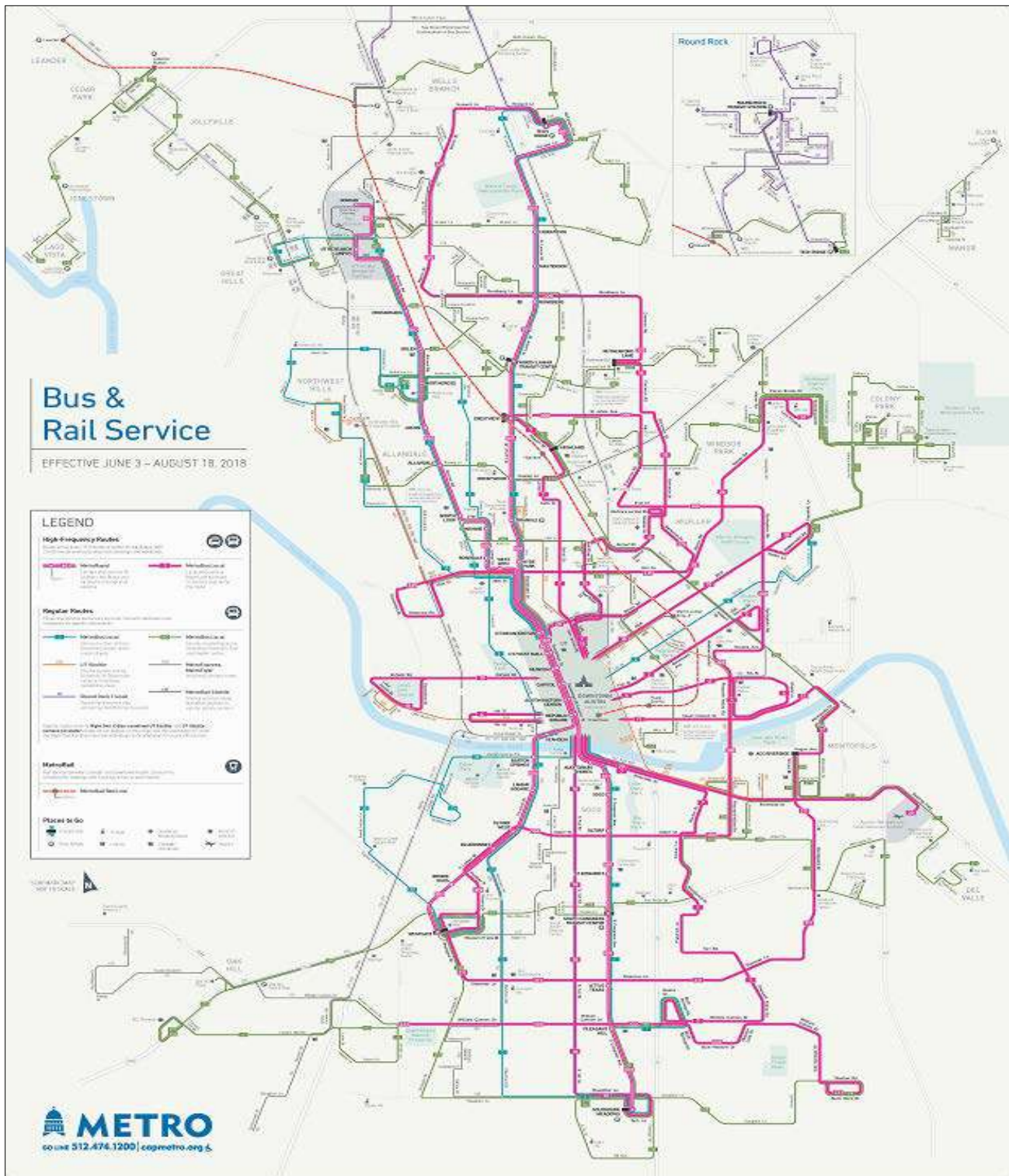
Service Area Member Cities and Communities

The Capital Metro service area extends across approximately 543 square miles and includes more than 1 million residents. The following map shows the Capital Metro service area. The areas that participate in the agency include the cities of Austin, San Leanna, Leander, Lago Vista, Point Venture, the Anderson Mill area of Williamson County, Precinct Two of Travis County and the suburban cities of Jonestown and Manor.



This information is to be used for reference purposes only. Capital Metro does not guarantee the accuracy of this material and is not responsible for any misuse or misrepresentation of this information.

System Map



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Community Information and Capital Metro Engagement

Capital Metro is invested in the Central Texas community and has adopted a Community Engagement Policy to ensure the community is part of its decision-making process. Capital Metro works with two citizen advisory committees appointed by the board of directors, which provide recommendations and feedback on planning, operations and services: the Customer Satisfaction Advisory Committee (CSAC) and the Access Advisory Committee (AAC). In addition, the agency is a partner with dozens of stakeholder organizations throughout the region to ensure that their voices are considered.

Capital Metro partners with various nonprofit, cultural, business and social service organizations to serve the community. In 2017 and 2018, the agency forged new community partnerships with the African American Youth Harvest Foundation, All ATX, the Austin Public Library, Cinema Touching Disabilities, Jump On It, and the Montopolis Little League. One of the agency's most significant partnerships is a collaboration with One Voice Central Texas and the Austin Community Foundation to establish the Transit Empowerment Fund (formerly the Basic Transportation Needs Fund), which helps ensure that low-income, transit-dependent neighbors have access to transportation. This program provides transit passes at a discount for social service agencies to distribute to their clients. Since its establishment in 2012, the program has provided more than 4 million rides.

For several years, Capital Metro has supported the Ending Chronic Homeless Organization by providing transit passes as program incentives for the annual homeless census. Capital Metro provides discounts to nonprofit groups seeking advertising opportunities for public service announcements. Each month, Capital Metro staff works with Caritas to help recently arrived refugees learn the transit system.

In 2012, we began a partnership with the Capital Area Food Bank and Whole Foods Market called Stuff the Bus, which has raised funds over the past 6 years and collected hundreds of thousands of meals for neighbors in need. In 2017, Stuff the Bus raised enough funds and food to provide more than 100,000 meals to Central Texans.

For the summer of 2018, Capital Metro launched three pilot programs that included free rides for students in grades Kindergarten-12 and expanded weekend MetroRail service. All summer long, kids were able to ride free of charge throughout Capital Metro's service area. The free service pilot connected seamlessly to Capital Metro's free fares week during the launch of Cap Remap and lasted until September 1. The pilot allowed students to take advantage of free and safe public transportation to explore the region and have better access to summer programs. The expanded MetroRail service included three Saturdays in which service began at 10 a.m. instead of 4 p.m. and extended late-night train service on weekends. We will study the results of the pilots for any increases in ridership and their attendant costs to identify future service enhancements.

Capital Metro supports emergency response operations, both within and outside of the service area, by sending buses to be used as temporary shelters during floods, fires and other emergencies. In August 2017, the agency provided transportation to residents of Corpus Christi affected by Hurricane Harvey. In addition, when temperatures fall below 32 degrees, Capital Metro sends "cold weather buses" for Austin-area residents experiencing homelessness, transporting them to local emergency shelters in cooperation with the city of Austin's Office of Emergency Management.

Benefits of Public Transportation

Saves Money:

Riding transit is an affordable option. The average cost of car ownership in Texas is \$985 a month. Capital Metro has some of the lowest fares in the nation. A 31-Day bus pass costs our customers just \$41, which is 25 times less than the cost of owning and maintaining a car.

Protects the Environment and Improves Air Quality:

Switching to riding public transportation is one of the most effective actions individuals can take to reduce their carbon footprint. Car transportation accounts for nearly half of the carbon footprint of a typical American family with 2 cars; it is by far the largest source of household emissions and, as such, the largest target for potential reductions. The average passenger car in the U.S. produces just under 1 pound of carbon dioxide per mile traveled. If just 1 driver per household switched to taking public transportation for a daily commute of 10 miles each way, it would save 4,800 pounds of carbon dioxide per household per year.

Improves Health:

Riding Capital Metro is a healthy choice. Studies have shown that regular transit riders tend to be healthier because of the exercise they get walking to and from bus stops, train stations and their homes or offices. Compared to car travel, traveling by bus carries 23 times less risk of fatal injury and 5 times less risk of non-fatal injury. Additionally, those who drive less frequently tend to have lower levels of stress. Reduced stress levels can decrease the risk of cardiovascular disease and improve mental health. Riding transit also increases the opportunity for social connections. Stronger social networks within a community have been shown to have positive correlations with physical and mental well-being.

Manages Traffic Congestion:

According to Texas A&M's Texas Transportation Institute, (TTI), Austin ranked twelfth in travel-time delay for medium-sized cities with an index of 1.33, meaning peak-hour travel takes an average of 33 percent longer than free-flow travel, particularly on I-35 and MoPac. Drivers in the region are wasting millions of hours annually stuck in traffic.

Transit agencies play an important role in reducing congestion by providing transportation alternatives and supporting land use patterns that reduce vehicle travel. Based on the most recent TTI report on congestion, public transportation saved travelers 865 million hours in travel time and 450 million gallons of fuel. During rush hour, a full 40-foot bus takes 35 cars off the road; a full train takes more than 100 cars off the road.



Governance

An eight-member board of directors has governance responsibilities over Capital Metro. The 2009 Texas Legislature changed the composition of the Capital Metro board as shown below:

- ◆ Three members appointed by the Capital Area Metropolitan Planning Organization (CAMPO), of whom
 - One must be an elected official.
 - One must have at least 10 years of experience as a financial or accounting professional.
 - One must have at least 10 years of experience in an executive-level position.
- ◆ Two members appointed by the city of Austin, of whom
 - One must be an elected official.
- ◆ One member appointed by Travis County.
- ◆ One member appointed by Williamson County.
- ◆ One member, who must be an elected official, appointed by all small city mayors (excludes city of Austin).
- ◆ Allows CAMPO to appoint two additional members once the population of the city of Austin is less than 65 percent of the total service area population.
- ◆ Requires two of the three CAMPO representatives to be qualified voters residing in Austin.
- ◆ Requires the two county representatives to work in the service area and within the county that appointed them, or be qualified voters within the county that appointed them.
- ◆ Specified that future terms are three years long and staggered.

<u>BOARD MEMBER</u>	<u>APPOINTING BODY</u>	<u>TERM EXPIRES</u>
Wade Cooper, Chair	Capital Area Metropolitan Planning Organization	June 1, 2020
Delia Garza, Vice Chair	City of Austin	June 1, 2019
Juli Word, Secretary	Williamson County	June 1, 2020
Terry Mitchell	Capital Area Metropolitan Planning Organization	June 1, 2021
Jeffrey Travillion	Travis County	June 1, 2021
Rita Jonse	Small Cities	June 1, 2021
Sabino "Pio" Renteria	City of Austin	June 1, 2019
Ann Kitchen	Capital Area Metropolitan Planning Organization	June 1, 2019



Management

Capital Metro's executive management team has diverse experience and the skills to lead the organization into the future.

Executive Management Team	
President, Chief Executive Officer	Randy Clarke
Deputy Chief Executive Officer, Chief Operating Officer	Elaine Timbes
Executive Vice President, Chief of Staff, Chief Counsel, External Affairs	Kerri Butcher
Executive Vice President, Strategic Planning and Development	Todd Hemingson, AICP
Executive Vice President and Chief Financial Officer	Reinet Marneweck, CPA
Executive Vice President, Administration and Equal Employment Opportunity Officer	Donna Simmons
Program Officer, Project Connect	David Couch
Vice President, Demand Response and Innovative Mobility	Chad Ballentine
Vice President, Marketing and Communications	Brian Carter
Vice President, Capital Projects	Kenneth Cartwright
Vice President, Real Estate, Property and Asset Management	Shanea Davis
Vice President, Rail Operations	David Dech
Vice President, Internal Audit	Terry Follmer, CPA, CIA, CMA, CISA, CISSP
Vice President and Chief Information Officer	Joe Iannello
Vice President, Safety, Risk Management and Accessibility	Gardner Tabon
Vice President, Bus Operations	Dottie Watkins



System Facility and Fleet Characteristics

Since Capital Metro's inception in 1985, the primary focus of the capital improvement program has been on the replacement of buses, garage facilities, amenities and Park & Ride facilities. In 1986, the current Capital Metro headquarters was completed, which includes 140,000 square feet in garage facilities and houses the administrative staff. In 2010, Capital Metro began service on its Red Line, along 32 miles of commuter rail between Leander and downtown Austin.

Capital Metro Facilities

Capital Metro Headquarters
2910 E. Fifth St.
Austin, Texas 78702
Administration: 42,840 square feet, 1986
Maintenance: 140,000 square feet, 1986

Transit Store, MetroAccess Eligibility, MetroAccess Call Center, MetroAccess Administration
209 W. Ninth St.
Austin, TX 78701
18,000 square feet, 2013

MetroAccess Services Facility
509 Thompson Lane
Austin, Texas 78742
24,000 square feet, 2000

Capital Metro Administrative Annex/Child Care Facility
624 Pleasant Valley
Austin, Texas 78702
25,500 square feet, 2006

North Operations Facility
9315 McNeil Road
Austin, Texas 78758
137,377 square feet, 2008



Park & Ride Facilities

Austin

Great Hills Park & Ride
Howard Station Park & Ride
Lakeline Station Park & Ride
New Life Park & Ride
North Lamar Transit Center
Oak Hill Park & Ride
Pavilion Park & Ride
Tech Ridge Park & Ride
Triangle Park & Ride
South Congress Transit Center

Elgin

Elgin Park & Ride, owned by the Capital Area Rural Transportation System (CARTS)

Jonestown

Jonestown Park & Ride

Lago Vista

Lago Vista Park & Ride

Leander

Leander Station Park & Ride

Manor

Manor Park & Ride

Round Rock

Round Rock Transit Center

Rail Stations

Leander Station and Park & Ride
Lakeline Station and Park & Ride
Howard Station and Park & Ride
Kramer Station
Crestview Station
Highland Station
MLK Jr. Station
Plaza Saltillo Station
Downtown Station

Fleet Description

Buses: 361
MetroRapid buses: 55
Fixed-route vans: 7
Paratransit vans: 90
Paratransit accessible passenger vehicles: 18
Rail vehicles: 10

Business Planning and Budget Process

Overview

Chapter 451 of the Texas Transportation Code mandates that Capital Metro's board adopt an annual operating and capital budget of all major expenditures by type and amount. The budget must be adopted before the beginning of each fiscal year and before Capital Metro conducts any business in the new fiscal year. Capital Metro's fiscal year begins on October 1.

Capital Metro's governing legislation further provides that the board shall hold a public hearing on the proposed operating budget prior to its adoption and shall, at least 14 days before the date of the hearing, make the proposed budget available to the public. After adoption, the board may subsequently amend the budget after public notice and hearing.

Business and Service Planning Linked to Strategic Goals

The strategic planning process begins when the board and management meet to review and discuss Capital Metro's long-range vision and organizational mission and goals.

The board and the management team worked together to develop the FY2018-2023 Strategic Plan with the aim of focusing on five strategic goal areas:

- ◆ Customer Experience
- ◆ Ridership
- ◆ Community
- ◆ Human Capital
- ◆ Finance

Annual service levels are developed based on the strategic goals, objectives and tasks identified in the plan. Each department develops a business plan and a budget that supports the service levels and the objectives in the strategic plan.

The board receives semiannual reports on the status of the strategic plan and the progress of the strategic initiatives and performance measures within the plan.

Staff is currently updating the strategic plan that will focus on the future key goals for Fiscal Year 2019 and beyond.

2018 - 2023 Strategic Plan Overview						
Vision	Capital Metro is transforming the daily lives of Central Texans by providing a robust, sustainable transportation network.					Major Performance Goal:
Mission	Capital Metro connects people, jobs and communities by providing quality transportation choices.					Increase Ridership and Revenue
Goal Areas	Customer Experience	Ridership	Community	Human Capital	Finance	
Goal Statements	<p>1. Deliver the best possible customer experience: Foster a culture of continuous improvement that meets customer needs and results in satisfied customers.</p>	<p>2. Demonstrate regional leadership: Be the trusted partner in regional and policy planning and the leader in public transit.</p>	<p>3. Demonstrate the value of public transportation in a dynamic community.</p>	<p>4. Recruit, acquire, retain, develop, motivate and reward a high-performing and top quality work force.</p>	<p>5. Exhibit good stewardship of public funds: Use available resources and institute productive and sustainable business practices that will ensure resources are used efficiently and effectively</p>	
Objectives	<p>1.1 Promote a culture of safety: Ensure that safety comes first in design, operation, and maintenance of the system.</p> <p>1.2 Improve system reliability and convenience: Deliver the service promised at locations, frequencies and hours that meet customer needs.</p> <p>1.3 Ensure an attractive and accessible transit environment: Provide transit vehicles, facilities and amenities that make using the system a satisfying experience.</p> <p>1.4 Deliver a customer-friendly experience through our people and systems: Ensure that each customer interaction is helpful and courteous and</p>	<p>2.1 Foster a new regional vision</p> <p>2.2 Lead public transportation development: Establish the vision and implement a system plan that supports the values and future growth of the region.</p> <p>2.3 Pursue service expansion opportunities: Partner to implement and support a complete regional transportation system.</p> <p>2.4 Encourage/promote transit oriented development: Create and promote healthy communities supported by transit and effective land use planning.</p> <p>2.5 Generate funding: Increase funding to sustain long- and short-</p>	<p>3.1 Educate and inform stakeholders and the community about Capital Metro's vision and mission and the value public transit brings to a community: Strategically develop and effectively communicate the value of transit services to current and emerging markets.</p> <p>3.2 Build strong community partnerships that further Capital Metro's mission and vision: Build meaningful partnerships with key stakeholders that result in support for Capital Metro's mission and vision.</p> <p>3.3 Create service strategies that utilize community and stakeholder feedback: engage the community to provide feedback to better inform key agency decisions.</p> <p>3.4 Support plans and programs designed to build ridership and increase market share</p>	<p>4.1 Enhance organizational development: Develop knowledge, skills and abilities of employees by providing relevant training, tools and the technology infrastructure to encourage initiative, career development and support success of organizational goals.</p> <p>4.2 Enhance employee recognition/ reward programs: Implement meaningful reward systems that show employees they are valued.</p> <p>4.3 Be an employer of choice: Create and brand a work environment that attracts and retains top talent.</p> <p>4.4 Improve internal communications: Develop and implement an internal communications strategy.</p>	<p>5.1 Continue improvement of the financial systems of the agency: Seek improvement opportunities to strengthen the financial conditions, system and controls to maintain the financial health of the organization.</p> <p>5.2 Implement sustainability and environmental stewardship: Manage resources to reduce impacts on the environment and operating costs. Provide our community with clean and sustainable transit options, complying to transit asset mgt system MAP21 guidelines.</p> <p>5.3 Continue commitment to state of good repair (SOGR) and transit asset management</p>	

Annual Calendar	Month
Board provides strategic direction for the coming year	January
Management team develops objectives and strategies to achieve organizational goals	February
Budget development begins	February
Department managers develop business plans that support achievement of objectives	April
Board reviews strategic plan	May
Board reviews proposed budget Staff provides budget update to the Access Advisory Committee Staff provides budget update to Customer Satisfaction Advisory Committee Staff holds meetings with stakeholders	July/August
Proposed budget document is posted online for public review (14-day requirement)	August
Staff holds open house for public input	Early September
Board holds public hearing on proposed budget	Mid-September
Board is scheduled to adopt budget	Late September
Approved budget document is published	October

Basis of Budget and Basis of Accounting

Capital Metro accounts for its operations as a proprietary (enterprise) fund. Proprietary funds are used to account for operations that: (a) are financed and operated in a similar manner to private business where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenue earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

As a proprietary fund, the budget is prepared on a full-accrual basis of accounting. This means that expenses are recognized as they are incurred and revenues are recognized when they are earned. Accounting records and financial statements are developed and maintained in accordance with generally accepted accounting principles (GAAP).

To prepare the budget, Capital Metro uses a zero-based budgeting concept. Each year, expenses must be justified to the president/chief executive officer, the deputy chief executive officer, the chief financial officer, the executive team and budget staff. Revenue projections are developed based on service levels, ridership estimates and the economic outlook. It is Capital Metro's policy to prepare a structurally balanced budget such that estimated ongoing revenue is sufficient to fund ongoing operating expenses, and to use accumulated fund balance prudently for capital investment or one-time needs.

Budget Assumptions

Service Area

It is assumed that the service area will sustain minimal changes.

Sales Tax Rate

The sales tax rate is anticipated to remain at 1 percent.

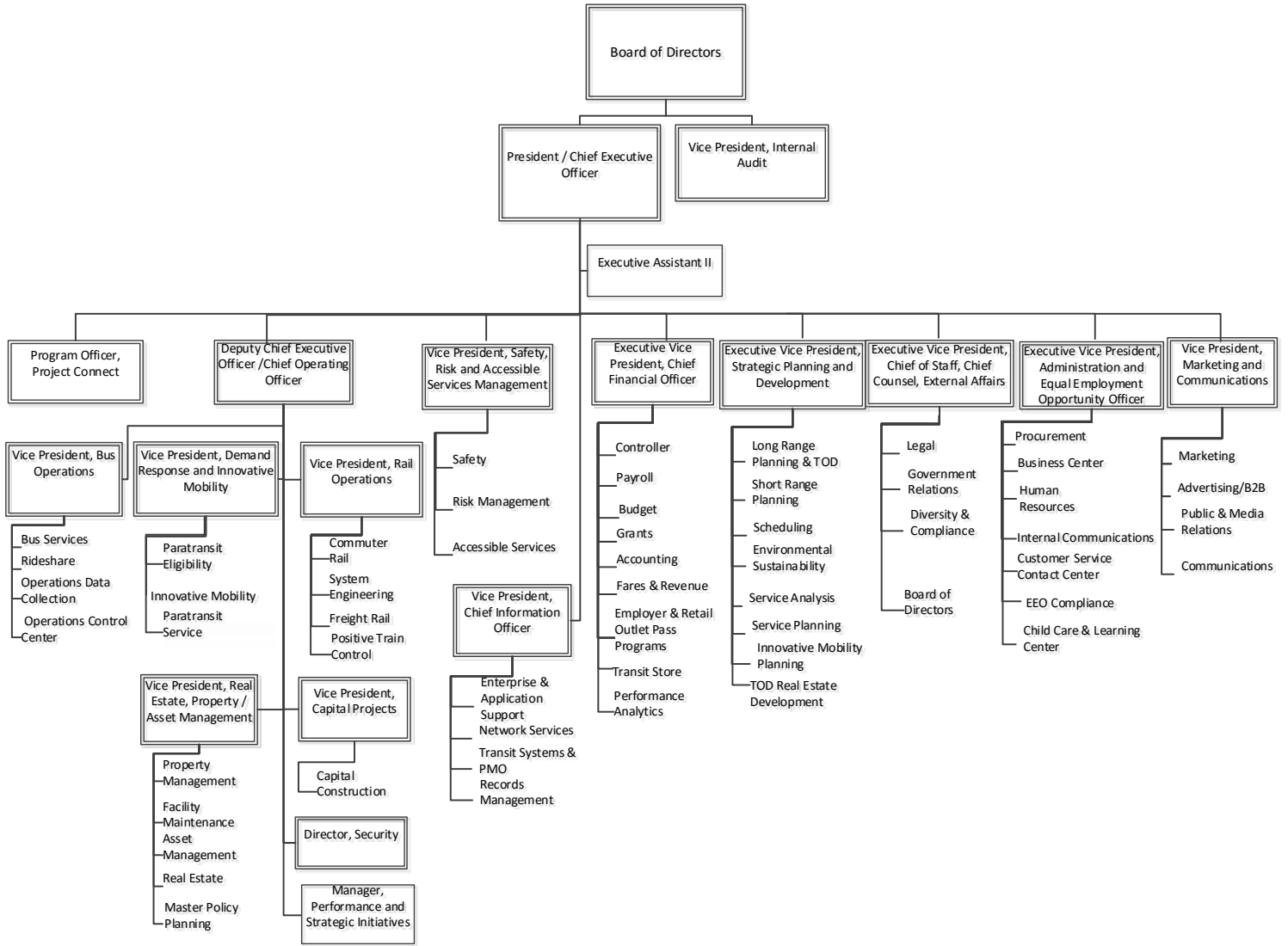
Service Levels

It is assumed that bus and rail service miles and hours traveled will be funded at budgeted levels. Further details are available in the Financial and Service Summary section.

Staffing Levels

The Full-Time Equivalent (FTE) Staffing Chart on page 18 shows the staffing levels by department. Staffing levels will increase by a combined 4 FTEs in FY2018 and FY2019 to help manage Project Connect development and enhanced focus on customer service delivery.

FY2019 Organizational Chart

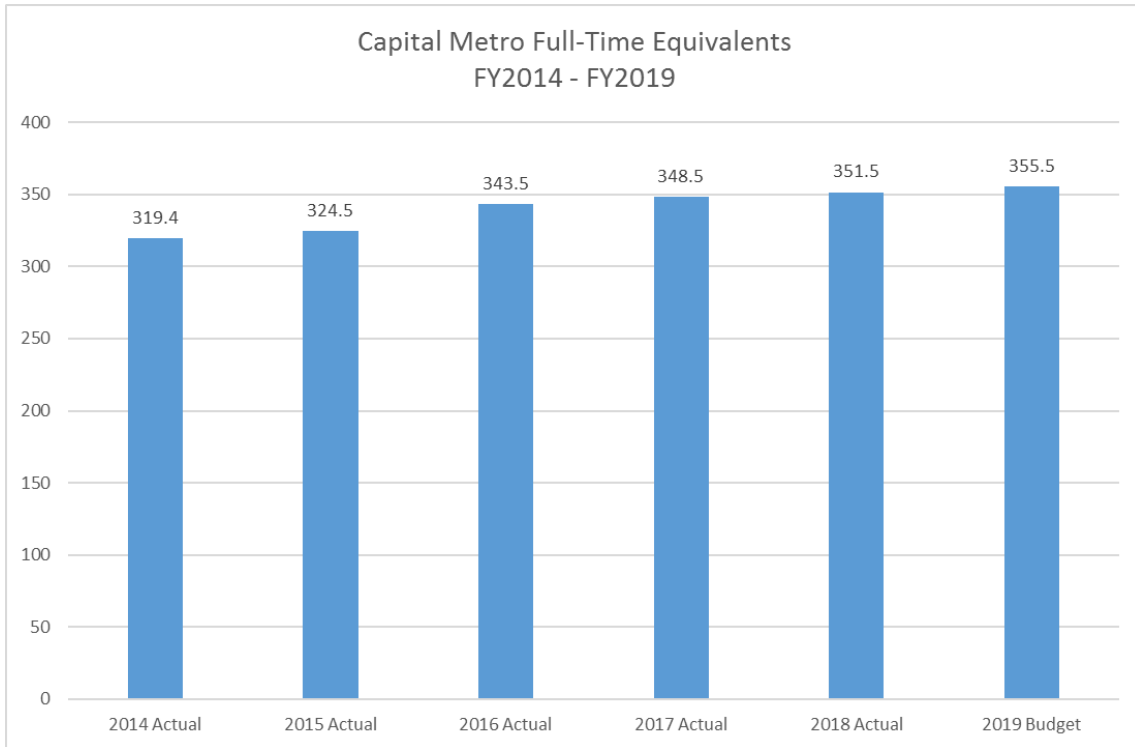




Full-Time Equivalent Staffing Chart

Department	FY2017 Actual	FY2018 Budget	FY2018 Staffing Changes	FY2019 Proposed Budget	FY2019 Changes in FTEs	Notes
Board of Directors Support	2.0	2.0	-	2.0	-	
Bus Contract Operations	5.0	4.0	1.0	-	(5.0)	Transferred 5 FTEs to Operations and Maintenance Oversight, transferred 1 FTE from Demand Response Oversight
Business Center	-	-	-	-	-	
Capital Projects	11.0	12.0	-	12.0	-	
Child Care Center	-	-	-	-	-	
Communications	7.0	5.0	-	3.0	(2.0)	Eliminated Communications Manager and Communications Specialist
Community Engagement	6.0	7.0	(1.0)	6.0	-	Transferred 1 FTE to Executive Staff
Customer Service	25.5	25.5	(6.0)	19.5	-	Transferred 6 FTEs to Finance
Demand Response Oversight	2.0	3.0	(1.0)	4.5	2.5	Transferred 1 FTE to Bus Contract Operations, transferred 2.5 FTEs from Paratransit Administration
Diversity and Compliance	-	-	-	2.0	2.0	Transferred 1 FTE from Government Relations and added a new DBE Coordinator
Executive Staff	3.0	3.0	-	3.0	-	Eliminated Chief of Staff by combining Chief Counsel position, transferred Community Involvement Lead to Deputy Chief of Staff position
Finance	23.0	23.0	8.0	31.0	-	Transferred 6 FTEs from Customer Service, transferred 1 FTE from Strategic Operations Management and Administration, added a new Accountant III position
Government Relations	4.0	4.0	(1.0)	2.5	(0.5)	Eliminated a Coordinator of Government Relations, transferred 1 FTE to Diversity and Compliance and added 0.5 FTE for an intern
Human Resources	12.0	13.0	-	13.0	-	Transferred 1 FTE to Risk Management and Safety, transferred 1 FTE from Marketing
Information Technology	37.5	36.5	-	36.5	-	
Innovative Mobility	-	-	-	0.5	0.5	Transferred 0.5 FTE from Paratransit Administration
Internal Audit	3.0	3.0	-	3.0	-	
Legal	4.0	4.0	-	5.0	1.0	Added a new Staff Attorney
Marketing	14.0	14.0	(1.0)	13.0	-	Transferred 1 FTE to Human Resources
Operations and Maintenance Oversight	16.0	18.0	3.0	28.0	7.0	Transferred 1 FTE to Risk Management and Safety, transferred 5 FTEs from Bus Contract Operations, transferred 4 FTEs from Strategic Planning and Development, added 2 new Operations Control Center FTEs
Paratransit Administration	3.0	3.0	-	-	(3.0)	Transferred to 2.5 FTEs to Demand Response Oversight, transferred 0.5 FTE to Innovative Mobility
Paratransit Eligibility	10.0	10.0	-	10.0	-	
Paratransit Reservations and Control Center	33.0	33.0	-	33.0	-	
Procurement	16.0	16.0	-	16.0	-	
Project Connect	-	-	3.0	4.0	1.0	Transferred 3 FTEs from Strategic Planning and Development, added a new Program Officer position
Property and Asset Management	8.0	9.0	-	8.0	(1.0)	Transferred 1 FTE to Strategic Planning and Development, transferred 1 FTE to Public Facilities, transferred 1 FTE from Strategic Operations Management and Administration
Public Facilities	13.0	14.0	2.0	16.0	-	Transferred 1 FTE from Property and Asset Management, added a new Facility Installer
Rail Commuter Operations	11.5	8.5	-	10.0	1.5	Transferred 2 FTEs from Rail Compliance and eliminated 0.5 FTE intern
Rail Compliance	-	2.0	-	-	(2.0)	Transferred 2 FTEs to Rail Commuter Operations
Rail Freight Management	1.0	1.0	-	1.0	-	
Real Estate Management	5.0	4.0	-	4.0	-	
RideShare	1.0	1.0	-	1.0	-	
Risk Management and Safety	5.0	5.0	2.0	8.0	1.0	Transferred 1 FTE from Human Resources, transferred 1 FTE from Operations and Maintenance Oversight, added VP of Risk, Safety and Accessible Service Management
Security	33.0	33.0	-	33.0	-	
Strategic Operations Management and Administration	6.0	6.0	(2.0)	4.0	-	Transferred 1 FTE to Property and Asset Management, transferred 1 FTE to Finance
Strategic Planning and Development	28.0	29.0	(6.0)	23.0	-	Transferred 4 FTEs to Operations and Maintenance Oversight, transferred 3 FTEs to Project Connect, transferred 1 FTE from Property and Asset Management
Wellness	-	-	-	-	-	
Total Capital Metro FTEs	348.5	351.5	1.0	355.5	3.0	

The following chart shows full-time equivalents for Capital Metro from FY2014 to FY2019.



2

Financial Policies



Summary of Financial Policies

Capital Metro is not included in any other governmental “reporting entity” as defined in Section 2100, Codification of Governmental Accounting and Financial Reporting Standards. The appointed members of the board have the authority to make policy decisions, select the president/chief executive officer of Capital Metro and maintain primary accountability for fiscal matters. Capital Metro is in compliance with its financial policies.

Capital Metro's primary financial goal focuses around providing effective and efficient transportation services and systems to the public using a balanced budget. The financial goals of Capital Metro are to:

- Operate under a balanced budget.
- Safeguard and maximize resources.

The following guidance and policies are in place to achieve these goals:

- Capital Metro operates under a balanced budget. Capital Metro's definition of a balanced budget is in accordance with the Texas Transportation Code, Section 451.103.
- Capital Metro utilizes the zero-based budgeting concept.
- Capital assets are recorded at cost and are depreciated over their useful life using the straight-line method.
- Fixed assets for capitalization and financial reporting purposes are purchased items that have a useful life of more than 1 year, are of a tangible nature and have a value of \$5,000 or more, net cost, not including trade-ins or any taxes, licenses, etc.
- Sales tax revenue is accrued monthly based on information provided by the Texas Comptroller of Public Accounts.
- Capital Metro funds its capital improvements with sales taxes and grants, primarily from the Federal Transit Administration (FTA). Revenue is recognized when all eligibility requirements have been met. The grantor retains a reversionary interest in the capital asset over the estimated useful life of that asset.

Reserves and Contingencies Policy

During FY2015, staff recommended several revisions to the board's finance and audit committee associated with reserve levels. Proposed changes to this policy were recommended by the committee and approved by the board in February 2015. Highlights of the revised policy are outlined as follows.

Capital Metro will maintain the following reserve and budgetary contingency accounts in addition to any cash balances that must be maintained to support current spending requirements. The board recognizes that a period of time may be required to reach these balances. Capital Metro management will report annually to the board as part of budget development and long-range planning processes on progress made to achieve the goals that follow.

- A statutory operating reserve equal to at least 2 months of operating expenses. The prior fiscal year's actual audited operating expenses will be used when calculating the allocation. The statutory operating reserve is to be used at the discretion of the board only if the board considers the expenditure necessary to address circumstances that could not have been planned or anticipated. Expenditures from the reserve should provide temporary financing for emergencies or unforeseen extraordinary needs.
- A capital project reserve equal to at least 10 percent of the five-year annual average capital expenditure of the adopted Five-Year Capital Improvement Plan, but not less than \$2,000,000. The capital reserve is to be used at the discretion of the board only for needed capital costs not already included in Capital Metro's budget for a given year.
- A budgetary operating contingency account equal to 2 percent of the prior fiscal year's actual operating expenses, but not less than \$1,000,000. The operating contingency account is to be used at the discretion of the board or the chief executive officer to provide for unforeseen needs that arise during the year, including new service needs that are identified after the budget process. Transfers to and from the contingency account of \$150,000 or more are to be reported to the board of directors monthly.
- A self-insurance reserve equal to at least 25 percent of the prior fiscal year's actual claim payments. The self-insurance reserve is to be used at the discretion of the board only to fund claims not already included in Capital Metro's budget for a given year.
- A budget stabilization reserve ("rainy day fund") equal to 30 days of annual average operating expenses as a base plus an annual contribution of 25 percent of actual sales tax receipts in excess of sales tax budgeted. The budget stabilization reserve sets aside excess revenue for use in times of unexpected revenue shortfall caused by events such as significant economic downturns and is to be used at the discretion of the board.

Summary of Debt Policy

Debt: Section 451.352 of the Texas Transportation Code authorizes an authority to issue bonds at any time and for any amounts it considers necessary or appropriate for the acquisition, construction, repair, equipping, improvement or extension of its transit authority system with the following conditions:

- The board, by resolution, may authorize the issuance of bonds payable solely from revenue.
- Bonds, any portion of which is payable from taxes, may not be issued until authorized by a majority of the votes received in an election ordered and held for that purpose.
- Capital Metro's bonds may be sold at a public or private sale as determined by the board to be the more advantageous.
- The board, by resolution, may issue short-term bonds secured from revenue or taxes received if the debt has a term not exceeding 12 months, and the bond is payable with taxes or other revenue received on or after the date of issuance and before the end of the fiscal year following the fiscal year during which the bonds were issued.

- Capital Metro may not issue short-term debt (less than 12 months in duration) or bonds secured by the revenue of the Authority to finance the purchase, acquisition, construction, operation or maintenance of a fixed rail transit system without a voter referendum.

Pension Obligation Bonds: Section 451.139 of the Transportation Code gives Capital Metro the authority to issue bonds in the amounts necessary for managing or funding retiree pension benefit obligations for pension plans existing as of January 1, 2011, and that result from the competitive bidding of transit services required by Section 451.137. The use of this bonding authority is strictly limited, and it is the board's policy to use the authority only in a manner that is consistent with the original intent of the law and only at such a time as it can be justified in terms of the long-term financial sustainability of Capital Metro.

Contractual Obligations: Chapter 271, subchapter A of the Local Government Code authorizes Capital Metro to execute, perform and make payments under a contract with any person for the use or the purchase or other acquisition of personal property, or the financing thereof. This provision specifically applies to the purchase or lease of personal property or for financing the acquisition of personal property, such as vehicles. Projects involving purchases of real property or improvements to real property cannot be financed using contractual obligations under state law.

- The contract must (1) be on the terms considered appropriate by the board, (2) be in the form of a lease, a lease with an option or options to purchase, an installment purchase, or any other form considered appropriate by the board, including that of an instrument which would be required to be approved by the attorney general, provided that contracts in such form must be approved by the attorney general, (3) be for a term approved by the board and contain an option or options to renew or extend the term and (4) be made payable from a pledge of all or any part of any revenues, funds or taxes available to Capital Metro for its public purposes.
- Subject only to applicable constitutional restrictions, the board may obligate taxes or revenues for the full term of a contract for the payment of the contract. The contract may be for any term not to exceed 25 years.

Lease Financing: Lease obligations may also be considered appropriate for financing capital. Lease financing should be considered when determined to be more beneficial, either economically or from a policy perspective. Factors to be considered and evaluated include: the useful life of the capital, the terms and conditions of the lease, market convention and the impact on debt capacity and budget flexibility.

The primary goal of the board is to minimize the use of debt and to use debt financing prudently when it is utilized. Capital Metro will keep outstanding debt within the limits prescribed by state law and at levels consistent with its creditworthiness objectives. Capital Metro will maintain debt service coverage ratios consistent with the best practices for local government debt issuance. At a minimum, the debt service coverage ratio for financial planning purposes will be set at an average coverage ratio of 2 times net revenue over annual debt service costs. The debt-to-net-revenue coverage ratio will be calculated and presented to the board annually and included in Capital Metro's Comprehensive Annual Financial Report.

Capital Metro is in compliance with its debt policy.

Summary of Fare Policy

Purpose

The purpose of this policy is to establish goals, objectives and guidelines to assist the Capital Metro board and staff in making decisions regarding adjustments to fares. All such decisions will also be made in accordance with Capital Metro's enabling legislation, Texas Transportation Code Section 451, as amended, and FTA fare requirements including 49 Code of Federal Regulations (CFR) section 609 for reduced fares. When considering increasing or restructuring fares, Capital Metro will conduct a comprehensive review of ways to reduce costs and increase ridership and the corresponding effects on farebox recovery, to minimize the effects of fare changes on customers. Capital Metro's fare policy includes the long-term goal of achieving a fare recovery ratio of at least 20 percent. This level of fare recovery has not yet been achieved and will need to occur over time. Capital Metro's fare recovery ratio remained relatively stable over the last four fiscal years, at close to 11 percent.

Goal

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

Fare Policy Review

Capital Metro will review its fare policy and pricing annually with the expectation that fares may need to be adjusted to keep pace with the increase in the cost of transit operations. Generally, fare changes will become effective in conjunction with service changes in January or August. Recommendations for fare adjustments will be developed in conjunction with the budget process for the following fiscal year.

No fare changes are planned during FY2019. Recent discussions with the board during long-range financial forecasting focused on the need for a periodic and systematic assessment of fares at least every three years. Capital Metro worked with a transportation consultant to update its long-range service plan as part of Connections 2025. As a result of this process, the Premium fare level for MetroRapid service was eliminated from the fare structure in January 2017. The consultant also made recommendations regarding future service changes and indicated there may be opportunities to further amend Capital Metro's fare structure in the future. Changes recommended by the consultant were considered by the board as part of budget development for FY2019.

Capital Metro is in compliance with its fare policy.



Current Fare Structure

Fare Type	Local	Local Reduced	Commuter	Commuter Reduced	MetroAccess
Single Ride	\$1.25	\$0.60	\$3.50	\$1.75	\$1.75
Day Pass	\$2.50	\$1.25	\$7.00	\$3.50	None
7-Day Pass	\$11.25	None	\$27.50	None	None
31-Day Pass	\$41.25	\$20.60	\$96.25	\$48.10	None

Additional Passes	
MetroAccess 10-Ride Ticket Booklet	\$17.50
MetroAccess Monthly Pass	\$46.50
Stored Value Card (\$20.00 value)	\$20.00
Stored Value Card (\$40.00 value)	\$40.00

Local: MetroBus, MetroFlyer, UT Shuttle, and MetroRapid.

Commuter: MetroRail and MetroExpress (Commuter passes are also valid on all Local services.) All MetroRail tickets will be purchased at the Commuter rate. A MetroRail Single Ride ticket is valid only for a one-way trip.

Reduced Fares are available to riders with a Capital Metro Reduced Fare ID. Seniors 65 and older, Medicare cardholders and people with disabilities may obtain the ID for \$3.00 from the Capital Metro Transit Store. Students 6-18 with a valid school ID and active or reserve military with a valid ID also qualify for reduced fares.

MetroAccess Monthly Passes are valid for all Local and Commuter services. Customers riding Local or Commuter services with a valid MetroAccess Monthly Pass also need a valid Capital Metro issued MetroAccess ID.

MetroAccess Single Ride and 10-Ride Ticket Booklets are valid only for MetroAccess services. The tickets are not valid for Local or Commuter services.

MetroRideShare program provides eligible groups of 5-12 people with a month-to-month vanpool lease agreement including maintenance, insurance, 24-hour roadside assistance and a fuel purchasing program. The cost of a MetroRideShare vanpool varies and is based on vehicle selection, commute distance and number of riders sharing the monthly vanpool lease, plus fuel and tolls. Capital Metro provides a monthly subsidy to offset the monthly lease of the vanpool vehicle. Groups that operate wholly within the Capital Metro service area receive a monthly subsidy of \$500, while groups that either start or end their trip outside of the Capital Metro service area receive a monthly subsidy of \$450.

Expense Policies

Expenditure Accountability

All invoices are reviewed on multiple levels. Monthly and quarterly reports that provide operational accountability are provided to department directors, the executive team and the board. Capital project budgets and progress are monitored and reported to the department directors, the senior management team and the board at predetermined intervals. Capital Metro has an Internal Audit department that reports directly to the board and is an independent source of objective advice.

Income Taxes

Capital Metro is a political subdivision of the state of Texas and is not subject to income taxation. The business relationship with the Authority's only component unit, StarTran, ended in August 2012. StarTran will continue as a nonprofit corporation until it is dissolved and does not intend to earn a profit during its association with Capital Metro. For federal income tax purposes, StarTran is required to file returns under a for-profit status and is therefore subject to income tax on any profit earned during the year.

Procurement Policy and Procurement Methods

Capital Metro's Procurement department is responsible for purchasing all required goods and services in accordance with sound public contracting policies and procedures. These policies are designed to provide timely delivery of goods and services, quality customer service and savings through:

- Obtaining the most competitive market price to meet or exceed agency's needs.
- Maintaining effective and user-friendly processes and systems.
- Building strategic partnerships with internal customers.
- Obtaining maximum value from supplier relationships.
- Providing education tools for procurement teams, customers and suppliers.

Capital Metro is in compliance with its procurement policy, which is entitled "Acquisition Policy."

Capital Metro uses a variety of procurement methods. Selecting the best method is dependent on several factors. One important factor is estimated price. Small purchases expected to cost less than \$50,000 are purchased via Capital Metro's "small purchases" method of procurement. Other, infrequently used procurement methods, include sole source, emergency procurements and Statement of Qualifications for statutory professional services that must comply with the Texas Professional Services Act.

Micro Purchases

Purchases less than \$3,000 are micro-purchases and can be completed without securing competitive quotes if the price is fair and reasonable. Procurement staff and employees using purchasing cards for micro-purchases are required to equitably distribute the purchase of like goods and services among qualified suppliers. Micro-purchase procedures may not be used for construction contracts with a value of \$2,000 or more.

Request for Quotes

A Request for Quotes (RFQ) is used when a good or service is expected to cost between \$3,000 and \$50,000. A brief description of the item is provided to vendors, who submit written quotes to Capital Metro by an established deadline. Capital Metro distributes an RFQ through DemandStar. Vendors can register with DemandStar and request a free agency-level subscription. Procurement staff adds supplemental suppliers to the DemandStar broadcast list obtained from the user department's source lists, internet, industry guides, etc.

Large Purchases

Purchases in excess of \$50,000 require more comprehensive methods than those used for small purchases. These purchases are solicited using a full and open competitive process to allow all prospective bidders an opportunity to do business with Capital Metro. Special efforts are made to make the vendor community aware of Capital Metro's requirements. Solicitations are advertised in newspapers and transit industry publications, and Capital Metro distributes solicitation notifications to registered vendors on DemandStar.

The basic types of procurement methods used for large purchases are Invitation for Bids (IFB) and Request for Proposals (RFP). Generally, goods/commodities are procured via IFB, and services through RFP. The solicitation includes a detailed purchase description and/or statement of work, contractual terms and conditions, and instructions on how to submit an offer. Solicitations generally remain open for 30 days.

For IFBs, Capital Metro awards contracts to the responsive and responsible bidder offering the lowest price. A bid is responsive if it meets all the material requirements of a solicitation. A bidder is responsible if it can demonstrate the capacity and willingness to meet the requirements (e.g., proper equipment, manpower, financial resources and technical expertise). Therefore, when the IFB method of procurement is used, the "low bidder" does not necessarily receive the award. An award is made to the "low bidder" only if the bidder meets both tests of responsiveness and responsibility.

For RFPs, awards are not based on price alone, but include additional weighted factors of importance specified in the solicitation. An independent evaluation team reviews the proposals submitted, and the vendor/contractor offering the best value to the Authority is selected.

For each solicitation, Capital Metro assigns a contracts administrator as primary point of contact. In addition, a conference is generally scheduled well in advance of the bid/proposal submission deadline so vendors may obtain clarification. Information contained in the proposals or concerning the number or identity of offerors is unavailable to the public or Capital Metro staff members who do not have a legitimate need to know prior to the recommendation of award of a contract. After evaluation of all offers, Capital Metro awards a contract. Contracts in the amount of \$150,000 and above require approval by Capital Metro's board of directors.



Summary of Revised Financial Policies

During FY2015, staff recommended several revisions to the board's Finance Audit and Administration committee to expand the scope of Capital Metro's financial policies and to more clearly define budget accountability. Proposed changes to this policy were recommended by the committee and approved by the board in October 2015. Highlights of the changes are outlined below.

Capital Metro 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 and a comprehensive annual financial report (CAFR) shall be issued no later than six months following the end of the fiscal year.

The independent certified accounting firm shall report the results of the annual audit to the board's Finance, Audit and Administration Committee no later than 60 days after the issuance of the CAFR. The chief financial officer shall be responsible for establishing processes to ensure timely resolution of audit recommendations, if applicable.

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

Investments shall be made prudently in conformance with Capital Metro'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 Capital Metro's comprehensive service plan development to evaluate whether estimated funding sources are sufficient to address service priorities over the planning period.

The board shall adopt a budget for the coming fiscal year as required by Section 451.102 of the Code, and a five-year capital improvement plan as required by Section 451.135, no later than its September board meeting. As required by statute, the approved budget will be made available for public review at least 14 days prior to the board meeting.

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

3

Financial and Service Summary



Fund Balance and Reserves/Contingencies Requirements

Sound governmental financial practices require the accumulation and maintenance of funds to help stabilize the budget when needed, or to accumulate funds for future spending requirements. An entity's accumulated fund balance provides funds that may be needed to address shortfalls that can occur periodically, such as temporary cash flow shortages, emergencies or other unforeseen events. These balances also help provide funding for long-term capital needs. After years of hard work and careful planning, Capital Metro continues to strengthen its financial position. After reaching a low point in 2009, when Capital Metro's balance was only \$7.8 million, recent year-end projections of \$196.3 million for FY2018 will help provide the funding needed to address a number of critical capital needs to achieve a state of good repair for Capital Metro's transportation assets. In FY2018, Capital Metro completed a comprehensive assessment of its transit assets and developed a long-range financial forecast that includes a funding framework for systematic replacement of assets.

Senate Bill 650 was passed by the Texas Legislature in 2011. This legislation requires Capital Metro to establish a reserve account in an amount equal to or greater than actual operating expenses for two months. The amount held in reserve shall be adjusted annually based on Capital Metro's actual operating reserves for the twelve months immediately preceding the adjustment. In February 2015, the board approved revisions to Capital Metro's reserves and contingencies policy, formally referring to this reserve account as the "statutory operating reserve."

In FY2019, Capital Metro's budget includes spending from accumulated-fund balance to help invest in critical capital needs. Despite this expenditure, Capital Metro has met the operating reserve requirements set forth by the Texas Legislature. The statutory operating reserve account is currently funded at \$38.3 million based on the immediately preceding twelve months and is expected to increase to approximately \$44.4 million in FY2019 as depicted in the table that follows. Capital Metro established the statutory operating reserve account in advance of the September 1, 2016 deadline set by the Legislature. The reserve amount will be adjusted annually when audited financial information becomes available. In addition to the statutory operating reserve, the board approved an operating contingency account to be funded at a minimum of \$1 million each year.

Capital Metro has set aside funding for other reserves to help provide for critical needs that might arise in the future or for outstanding commitments, including a capital expansion fund of \$9.6 million as we look forward to the future and opportunities in the region and a self-insurance reserve at \$1.2 million. The budget also includes a reserve of \$7.8 million to fund estimated commitments beyond FY2019 under interlocal agreements with the city of Austin for mobility programs. The operating budget includes \$2.1 million in appropriations for potential billings from the city in FY2019. While sales tax collections were increasing, Capital Metro began funding a budget stabilization reserve in FY2016. This reserve was approved by the board in 2010 and was established to set aside excess revenue for use in times of unexpected revenue shortfall caused by emergencies or economic downturns. The board recognizes that some time may be required to attain the recommended balances in all approved reserves and contingencies, especially the budget stabilization reserve. By the end of FY2018, \$13 million will be held in the budget stabilization reserve. An additional contribution of \$9 million is budgeted for FY2019. Projections are depicted in the table that follows.

FY2019 Estimated Ending Fund Balance:

Projected Beginning Balance **\$196,264,538**

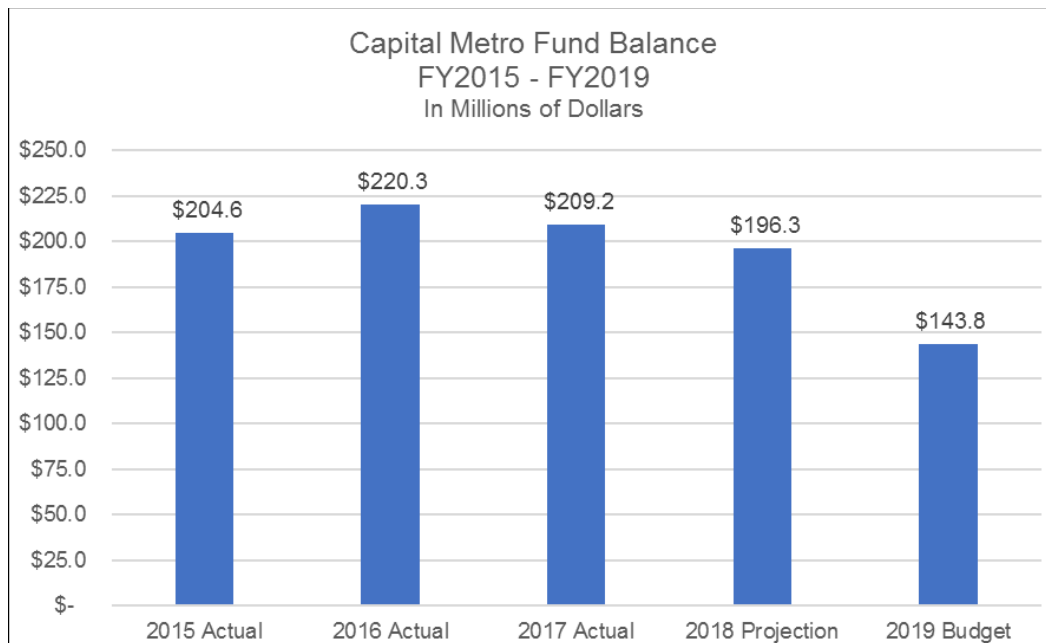
FY2019 Projected Activity:

+ Revenue	335,580,155
- Operating Expenses	266,097,104
- Interlocal Agreements	4,616,998
- Rail Car Lease Principal Payment	740,668
- Bus Loan Principal Payment	2,065,000
- Capital Projects	114,529,778
= Projected Ending Balance	143,795,145

Breakdown of Ending Balance:

Statutory Operating Reserve Requirement	44,361,900
Budget Stabilization Reserve	22,000,000
Self-Insurance Reserve	1,252,000
Downtown Station Improvements	13,198,419
City of Austin Mobility Programs	7,816,456
Capital Expansion Fund	9,600,000
Funding of FY2020 Capital Improvement Plan	45,566,370
= Projected Ending Balance	\$143,795,145

The following chart depicts a history and projection of ending fund balance for five fiscal years.





Revenue by Category

The following schedule summarizes FY2019 revenue projections by category and shows the increase or decrease compared to the FY2018 budget. The schedule also depicts FY2017 actual revenue, as well as FY2018 forecast revenue. Sales tax revenue represents the primary source of revenue for Capital Metro, contributing approximately 73 percent of the total revenue budget.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
Sales Tax	\$228,545,196	\$234,052,425	\$238,629,852	\$245,788,746	\$11,736,321	5.0%
Passenger Revenue	24,147,389	25,210,000	23,303,148	23,376,944	(1,833,056)	(7.3%)
Freight Railroad Revenue	4,522,523	4,082,240	5,089,508	4,514,250	432,010	10.6%
Miscellaneous Revenue	3,823,093	3,032,000	3,115,600	3,295,133	263,133	8.7%
Operating Contributions and Grants	30,797,301	30,558,563	50,558,563	30,061,758	(496,805)	(1.6%)
Capital Grants - Federal	3,807,581	26,679,253	22,310,555	19,146,959	(7,532,294)	(28.2%)
Capital Grants - State	25,631,240	9,000,000	2,000,000	5,000,000	(4,000,000)	(44.4%)
Other Capital Contributions	475,083	2,800,950	1,412,500	4,396,365	1,595,415	57.0%
Total Revenue	\$321,749,406	\$335,415,431	\$346,419,726	\$335,580,155	\$164,724	0.0%

Factors Affecting Revenue

Sales Tax Revenue

Sales tax represents the largest component of Capital Metro’s total revenue. Sales tax revenue can fluctuate significantly from year to year since collections are directly related to economic conditions. Actual average growth over the last 10 years has been at over 4.5 percent per year. For FY2019, sales tax revenue is budgeted at 3 percent growth above FY2018 forecast due to more moderate growth in FY2018 receipts. This is slightly lower than the 3.5 percent growth assumption used by the city of Austin to estimate municipal sales tax revenue. The city of Austin is the largest contributing member in Capital Metro’s service area.

Annual growth in the economy is cyclical. With sales tax revenue increasing, Capital Metro began funding a budget stabilization reserve in FY2016. The establishment of this and other reserve accounts was approved by the board in 2010. The budget stabilization reserve was established to set aside excess revenue for use in times of unexpected revenue shortfall caused by events like unforeseen emergencies or significant economic downturns. Sales tax revenue declined in FY2009 when the local economy contracted. As sales tax revenue began to recover in subsequent years, Capital Metro focused first on funding an operating reserve required by state law. Continuing to fund the budget stabilization reserve will help ensure that increases in sales tax revenue are not wholly dedicated to adding ongoing services and costs to the budget in peak years based on a revenue source that can fluctuate significantly. Capital Metro is contributing \$9 million to the reserve in FY2019 to bring the reserve to a fully-funded status.

Passenger Revenue

In January 2015, Capital Metro implemented the final phase of a new fare structure. This increase was in accordance with a fare policy adopted by the board in September 2013. The fare policy recommends that fare adjustments be developed in conjunction with the annual budget process. Recent discussions with the board during Capital Metro’s long-range financial forecasting process focused on the need for a periodic, systematic assessment of fares at least every 3 years.



No fare increase is planned in FY2019. In total, \$23.4 million is projected in passenger revenue. Revenue collected in the farebox is estimated at \$6.6 million, and \$7.1 million is projected from the sale of passes for bus, rail and paratransit services.

Included in the passenger revenue category are payments from the University of Texas for shuttle services for their students, faculty and staff. Service hours are expected to remain relatively stable for the University of Texas service in FY2019 with revenue estimated at \$6.2 million.

Revenue from MetroRideShare, Capital Metro's vanpool service, is expected to increase in FY2019 as a result of projected service demand. Total revenue is estimated at \$1.2 million. Capital Metro projects 256 vehicles for FY2018 and currently has 243 vanpools in service. Approximately 278 vanpools are projected by the end of FY2019 and this trend reflects increasing demand for alternative modes of transportation in the Austin metropolitan area.

Freight Rail Revenue

In June 2015, the board approved a contract with Watco Companies, LLC, for freight operations and maintenance services on Capital Metro's railroad. The contract provides for a base period of 20 years with six five-year options and Watco assumed complete operation of the assigned services on October 1, 2015. The contract represents a new business model for Capital Metro that includes a revenue sharing component, under which Capital Metro will receive 16.5 percent of gross revenue each year. In FY2019, Capital Metro's share of gross revenue is expected to be \$3.9 million based on estimated shipping activity. In addition to projected revenue, maintenance costs previously budgeted directly by Capital Metro have shifted to the operator. As the owner of the railroad, Capital Metro will continue to be responsible for certain capital investments, such as its bridge replacement program.

In January 2005, the United States Congress enacted the Railroad Track Maintenance Tax Credit—section 45G of the U.S. Tax Code. The 45G tax credit is a federal income tax credit for track maintenance conducted by short lines and regional railroads in the United States. The credit is equal to 50 percent of qualified track maintenance expenditures and other qualifying railroad infrastructure projects. Congress approved an extension of the tax credit that covered 2015, 2016 and 2017. The annual amount for 2017 was approximately \$570,000. The 45G tax credit expired at the end of tax year 2017. This credit has not been budgeted for FY2019 due to the uncertainty of it being extended in the 2018 tax code.

The remainder of the freight rail revenue is approximately \$564,000 and is related to licenses and fees associated with use of Capital Metro's railroad right-of-way.

Miscellaneous Revenue

Revenue in this category includes \$873,000 in interest earnings, \$820,000 projected in advertising revenue on Capital Metro buses, \$809,000 from fees generated at the Child Care Center, \$422,000 of lease income and \$215,000 from Wellness Center fees. Other projected revenue sources include the sale of schedule books, MetroBike cards, photographic identification and shipping and handling fees.

Operating Contributions from Grants

Grants are typically the second largest component of Capital Metro's total revenue. Capital Metro uses its grant funding for eligible operating and capital activities. The majority of grant funding contributed to operating activities is provided through the FTA. Capital Metro does not use its own employees to operate or maintain its transit vehicles. Instead it turns to public or private providers to operate the transit service. The FTA makes grant funds available to reimburse the capital consumed during the course of the service contract. The FTA refers to this as the "capital cost of contracting." Since FY2014, Capital Metro has allocated annually approximately \$28 million of its Urbanized Area Formula (Section 5307) program funds to the capital cost of contracting. Other operating expenses that will be reimbursed by federal grants during FY2019 include approximately \$140,000 for expenses related to the Office of Mobility Management for short-range planning and coordination activities with other public transportation providers and human service agencies.

Capital Grants

Capital Metro receives grant funding through a variety of grant programs for various capital projects. These projects include purchasing new buses, amenities for bus stops, rail infrastructure improvements and technology. Some of the federal grant funds are apportioned to Capital Metro annually by the FTA under a prescribed formula. The Grants for Buses and Bus Facilities Formula Program 5339(a) program is one example. Since FY2014, Capital Metro has allocated its annual 5339(a) program funds (approximately \$2 million) to replace buses that have exceeded their minimum useful life. In FY2018, Capital Metro became an eligible recipient under the State of Good Repair formula program (5337 program), which provides capital for maintenance, replacement and rehabilitation projects of existing public transit rail systems to maintain a state of good repair. Its apportionment for FY2018 was \$3.2 million. A similar amount is expected to be apportioned in FY2019.

Other grants have been awarded to Capital Metro for specific capital projects at the discretion of the funding agency instead of by formula. Discretionary grants will provide revenue for various projects in FY2019. Existing capital projects funded by discretionary grants awarded through the FTA in previous years include replacement of transit vehicles and acquisition of railroad safety technology for the implementation of a positive train control system. Construction activities will continue for the new downtown MetroRail station, funded with a grant awarded in 2014 by the Texas Transportation Commission and administered by the Texas Department of Transportation (TxDOT). The new Downtown Station will be larger and designed to better serve increased ridership during special events.

Capital Metro continues to pursue other grant opportunities to maximize transit benefits available to the region. Because many of these grant programs are highly competitive, capital grant projections reflect grants that have been or expected to be awarded to Capital Metro.

Other Capital Contributions

Other capital contributions include \$813,450 in reimbursement funding from TxDOT for crossing improvements along the freight line and the commuter rail corridor, \$250,000 from the city of Leander for commuter rail corridor quiet zones and \$232,915 from the city of Austin for storm water improvements at Downtown Station. It also includes a potential \$3.1 million from a developer for the MetroRail Kramer Station relocation, as part of a Federal grant application that was submitted in July 2018. This project is currently dependent upon the award of the grant.

Types of Grants

Most of Capital Metro's grants are provided through programs authorized in legislation and administered by the FTA, one of 10 modal administrations within the U.S. Department of Transportation. The FTA's most recent authorizing legislation is the Fixing America's Surface Transportation (FAST) Act (Pub. L. 114-94), signed into law on December 4, 2015. The FAST Act authorizes various grant programs for federal fiscal years 2016 through 2020.

- **Urbanized Area Formula Grant (Section 5307)**
The Urbanized Area Formula Program (Section 5307) provides grants to Urbanized Areas (UZA) for public transportation capital, planning, job access and reverse commute projects, as well as operating expenses in certain circumstances. These funds constitute a core investment in the enhancement and revitalization of public transportation systems in the nation's urbanized areas, which depend on public transportation to improve mobility and reduce congestion. This grant funding is apportioned annually to states and designated recipients using factors that are specified in the law or in an administrative formula developed by the FTA. As the designated recipient for the Austin UZA, Capital Metro was apportioned approximately \$31.1 million in Section 5307 grant funds for FY2018 and will budget a similar amount for FY2019. Most of these funds will be applied to the capital cost of public transit services acquired through third party service providers.
- **Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310)**
The Enhanced Mobility of Seniors and Individuals with Disabilities (Section 5310) program is intended to enhance mobility for seniors and persons with disabilities by providing funds for programs to serve the special needs of transit-dependent populations beyond traditional public transportation services and the Americans with Disabilities Act (ADA) complementary paratransit services. This grant funding is apportioned annually to states and designated recipients using factors that are specified in the law or in an administrative formula developed by the FTA. Since it became a designated recipient in 2014, Capital Metro has been responsible for administering Section 5310 funds apportioned to the Austin UZA. Part of this responsibility includes selecting projects that will be funded through this program. Capital Metro has established a competitive project selection process which it has authorized the Capital Area Metropolitan Planning Organization (CAMPO) to administer to award grants to sub-recipients. Since 2014, more than \$3.5 million in Section 5310 funds have been awarded for eligible projects. Although most Section 5310 projects are carried out by local nonprofit agencies, Capital Metro implements its own projects through this grant program including mobility management activities and the operation of two bus routes developed to provide transit service to areas where concentrations of senior independent living housing are located.
- **State of Good Repair Grants Program (Section 5337)**
The State of Good Repair Grants Program (Section 5337) provides capital assistance for maintenance, replacement and rehabilitation projects of high-intensity fixed guideway and bus systems to help transit agencies maintain assets in a state of good repair. This grant funding is apportioned annually to states and designated recipients in Urbanized Areas with fixed guideway and high intensity motorbus systems in revenue service for at least seven years. In FY2018, Capital Metro became an eligible recipient of Section 5337 funds and was apportioned \$3.2 million and has budgeted as similar amount for FY2019. The funds will be used for activities that maintain the MetroRail in a state of good repair.

- **Bus and Bus Facilities Formula and Discretionary Grants (Section 5339)**

The Bus and Bus Facilities Formula (Section 5339(a)) program provides funding to replace, rehabilitate and purchase buses and related equipment, as well as construct bus-related facilities. This grant funding is apportioned annually to states and designated recipients in Urbanized Areas (UZA) using factors that are specified in the law. As the designated recipient for the Austin UZA, Capital Metro was apportioned approximately \$2.8 million in Section 5339(a) grant funds for FY2018, which was higher than previous years because of additional funding for the program included in the Consolidated Appropriations Act, 2018, which was signed into law on March 23, 2018. For FY2019, Capital Metro has budgeted \$2.1 million, an amount that is more consistent with previous year appropriations and authorization levels. These funds will be used to acquire new buses to replace vehicles that have exceeded their useful lives in terms of years and/or miles of service.

In addition to the formula bus program, the FAST Act established a Bus and Bus Facilities Competitive (Section 5339(b)) program for projects selected through a competitive allocation process to states and transit agencies to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. The competitive allocation provides funding for major improvements to bus transit systems that would not be achievable through formula allocations. Capital Metro in partnership with the CARTS is implementing an \$11.2 million bus replacement project that was awarded during FY2017.

- **Transportation Investments Generating Economic Recovery (TIGER) and the Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grants Program**

In FY2018, the U.S. Department of Transportation replaced the Transportation Investments Generating Economic Recovery, or TIGER, Discretionary Grant program with the Better Utilizing Investments to Leverage Development (BUILD) Transportation Discretionary Grants program. As with TIGER, this program provides a unique opportunity for the USDOT to invest in surface transportation infrastructure projects that have a significant impact on the nation, a region or a metropolitan area.

This highly competitive program enables the USDOT to examine a broad array of projects on their merits, to help ensure that taxpayers are getting the highest value for every dollar invested. Capital Metro was awarded \$11,337,989 in TIGER program funds in FY2014 to undertake commuter and freight rail improvements. The improvements, most of which were completed in FY2018, included upgrading railroad bridges, replacing existing 90-pound rail with 115-pound rail, upgrading the timber and surface, adding new double tracking at some stations and extending double tracks at other stations, as well as improving cross warning systems, sidings and wayside signal systems.

- **Other Grants**

Capital Metro continues to monitor and pursue other grant opportunities to maximize transit benefits available to the region. Recent efforts have resulted in great success. For example, during FY2018, Capital Area Metropolitan Planning Organization awarded \$4.6 million in Surface Transportation Program funding to Capital Metro for preliminary engineering of the North Lamar grade separation of MetroRail Red Line at North Lamar and Airport Blvd. Also, Capital Metro applied for and was awarded \$5.65 million from the Federal Railroad Administration (FRA) through the 2018 Consolidated Rail Infrastructure and Safety Improvements (CRISI) Program for integration testing of railroad safety technology for a Positive Train Control (PTC) system. In 2016 Capital Metro was awarded \$3 million from FRA and \$9.8 million from the FTA through separate programs providing federal financial assistance to deploy a PTC system as part of a federal mandate. Also, the Federal Emergency Management Agency (FEMA) awarded \$550,476 to Capital Metro under its Transit Security Grant Program. The funds are being used for critical infrastructure and operations enhancements.



Operating Expenses by Category

The following schedule summarizes FY2019 operating expenses projections by category and shows the increase or decrease compared to the FY2018 budget. The schedule also depicts FY2017 actual expenses, as well as FY2018 forecast expenses. Purchased transportation services represent approximately 61 percent of the total operating budget.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
Labor and Benefits	\$44,196,009	\$42,210,696	\$41,416,299	\$44,432,930	\$2,222,234	5.3%
Professional Services	18,619,086	21,993,596	20,595,073	27,201,272	5,207,676	23.7%
Materials and Supplies	3,322,398	1,419,212	1,731,468	1,136,788	(282,424)	(19.9%)
Fluids	11,240,655	12,416,552	11,883,741	11,700,923	(715,629)	(5.8%)
Utilities	2,784,922	3,180,734	2,942,724	3,150,198	(30,536)	(1.0%)
Insurance	517,691	976,752	1,560,752	876,752	(100,000)	(10.2%)
Purchased Transportation	143,514,969	158,736,347	155,274,439	165,438,681	6,702,334	4.2%
Other	3,319,458	6,750,268	7,859,733	8,985,908	2,235,640	33.1%
Interest Expense	369,935	268,837	268,837	165,790	(103,047)	(38.3%)
Lease and Rent	1,514,525	2,036,538	1,759,639	3,007,862	971,324	47.7%
Interlocal Agreements	6,984,474	12,402,876	9,111,071	4,616,998	(7,785,878)	(62.8%)
Total Operating Expenses, including Interlocal Agreements	\$236,384,123	\$262,392,408	\$254,403,776	\$270,714,102	\$8,321,694	3.2%

Factors Affecting Operating Expenses

Labor and Benefits

The FY2019 budget includes a net increase of four full-time positions, with six new positions offset by two positions that were eliminated. Six new full-time positions are included in the FY2019 budget to support the Project Connect, Risk Management and Safety, Legal, Operations and Maintenance Oversight and Diversity and Compliance departments. The approved new positions will help manage Project Connect development, enhanced focus on customer service delivery and increasing workloads or specific needs in each of these business units. Two full-time positions were eliminated in the FY2019 budget from the Communications department. The budget also includes funding for performance-based salary increases for Capital Metro employees, estimated at an average increase of 3 percent.

Funding for healthcare claims is projected based on current claims utilization, national medical trends and increases in eligible participants. Capital Metro's health care claims for FY2019 are expected to increase by 3.8 percent while the overall benefits expense is increasing by 1.3 percent. Capital Metro offers premium and cash incentives to help manage these costs by encouraging employees and spouses to complete health risk assessments and biometric testing. The goal is to help participants identify any potential health issues proactively. The medical plan network discounts through United Healthcare (UHC) were 65 percent with local providers, which also contributes to controlling costs. In addition to these discounts, UHC offers wellness, health education and disease management programs for participants. Capital Metro also has an on-site wellness and fitness program. Funding for required employer contributions to the pension plans for FY2019 is included in this category as well.

Professional Services

External services are needed for various operational and planning purposes in FY2019. Examples of these services include child care center operations, janitorial and landscaping services, building maintenance and various planning studies, including preliminary engineering of Project Connect. In FY2019 budgeted costs will increase by approximately \$5.2 million compared to the FY2018 budget. This is mainly due to additional professional services costs for preliminary engineering of Project Connect in FY2019.

Fluids

The budget for fluids consists primarily of funding for diesel fuel, but also includes gasoline. Both diesel fuel and unleaded gasoline costs are projected at an average of \$2.10 per gallon for FY2019, which includes taxes. 80 percent of the FY2019 projected diesel consumption is secured through a fuel hedging program. During FY2018, Capital Metro incurred average fuel prices closer to \$2.00 per gallon for diesel, including taxes and net of its diesel hedging program.

Purchased Transportation

Purchased transportation costs are expected to increase by approximately \$6.7 million, resulting from 149,000 additional hours of service projected at service provider rates under approved contracts. The increase is primarily for fixed-route and MetroRapid bus services. An increase of \$6.4 million is projected for fixed-route local services to fund planned schedule adjustments associated to Cap Remap, as well as an increase in contract rates. An additional \$950,000 million of funding for 10,700 hours in additional service for FY2019 is included for Cap Remap service expansion of MetroRapid that includes increased frequency and longer service hours. A decrease of \$239,000 for suburban services is due to the decrease in service on 2 routes in FY2019. Costs associated with MetroAccess, Capital Metro's paratransit service, are expected to decrease by \$3.6 million due to a realignment of service providers with service hours relatively flat compared to FY2018 budget but increasing six percent compared to FY2018 forecasted actual service hours. A new department for Innovative Mobility was created in FY2019 and has funding of \$1.4 million for 40,800 hours. Service costs associated with commuter rail services are expected to increase by approximately \$770,000, due to a combination of factors. An additional \$437,000 of funding for 4,464 hours in increased service due to Cap Remap along with \$333,000 in additional contracted rates and maintenance costs is included in the FY2019 service plan.

Interlocal Agreements

Capital Metro entered into an interlocal agreement with the city of Austin, which was amended in April 2010, to pay the city its pro rata share of 25 percent of Capital Metro's one-cent sales tax from 2001 to 2004 in consideration for the city to carry out transportation mobility projects approved by Capital Metro. The amount is payable annually based on eligible expenditures incurred during the previous fiscal year. The Austin City Council approved a new allocation for the funding that remains under this interlocal agreement and plans to begin moving forward with a revised list of priority projects. Accordingly, costs in FY2019 are expected to be lower compared to FY2018, and \$2.1 million is budgeted for this mobility program. The city of Austin amended the agreement in August 2018 to allow Capital Metro to utilize \$6 million of the remaining fund balance for preliminary engineering of Project Connect. Capital Metro has also set aside estimated funding in a separate reserve account so that funds will be available beyond FY2019 as the city continues work on these project priorities. In addition, this category includes funding for the Build Central Texas Program for transportation projects in suburban communities that are supportive of transit in an annual amount of \$250,000.



Budget Summary

The table below summarizes Capital Metro's structurally balanced budget for FY2019 and includes projected funding and expenses.

Budget Summary	
Funding	FY2019
Sales Tax	\$245,788,746
Passenger Revenue	23,376,944
Freight Railroad Revenue	4,514,250
Miscellaneous Revenue	3,295,133
Operating Contributions and Grants	30,061,758
Capital Grants - Federal	19,146,959
Capital Grants - State	5,000,000
Other Capital Contributions	4,396,365
Capital Funding Carried Forward from FY2018	50,807,627
Fund Balance	1,661,766
Total Funding	\$388,049,548
Expenses	FY2019
Operating Expenses	\$266,097,104
Loan Principal Payments	2,805,668
Interlocal Agreements	4,616,998
Capital Project Expense	114,529,778
Total Expenses	\$388,049,548

Debt Amortization

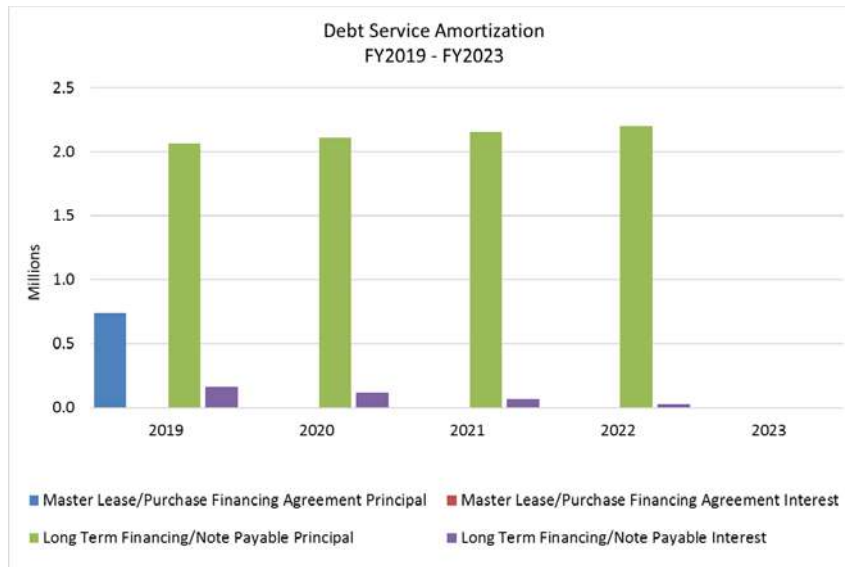
In November 2004, citizens of the Capital Metro service area voted to authorize Capital Metro to operate commuter rail service from Leander to downtown Austin. In February 2006, the board approved a tax-exempt lease/purchase financing agreement for the funding of rail vehicles. The Master Lease/Purchase Financing Agreement dated March 1, 2006, between Bank of America Leasing and Capital, LLC, and Capital Metro was executed to purchase six railcars from Stadler Bussnang AG, a corporation organized under the laws of Switzerland. The financed amount was \$36,044,935 with an interest rate of 3.77 percent, with payments due quarterly beginning in October 2006 for 10 years.

In December 2011, Capital Metro refinanced this note in the amount of \$19,190,263 with an interest rate of 2.48 percent, with payments in the amount of \$745,260 due quarterly beginning on January 15, 2012, for 7 years.

In February 2012, the board approved a long-term financing/notes payable agreement with BBVA Compass Bank in the amount of \$20,000,000 for bus purchases. This is a 10-year note, an interest rate of 2.15 percent, with interest due each October 1 and April 1 beginning in October 2012 and principal payments annually on April 1 of each year beginning in April 2013.

The following table and chart show payments for principal and interest that are due in FY2019 and beyond.

Yearly Service Requirements	Master Lease/Purchase Financing Agreement		Long Term Financing/Note Payable		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2019	\$740,668	\$4,592	\$2,065,000	\$161,196	\$2,805,668	\$165,788
2020	-	-	2,110,000	116,315	2,110,000	116,315
2021	-	-	2,155,000	70,466	2,155,000	70,466
2022	-	-	2,200,000	23,650	2,200,000	23,650
2023	-	-	-	-	-	-
Total	\$740,668	\$4,592	\$8,530,000	\$371,627	\$9,270,668	\$376,219





Service Overview

MetroBus

MetroBus fixed-route service is the mainline service of Capital Metro's transit system. Capital Metro operates 60 MetroBus routes, including local and cross-town routes. The transit authority operates approximately 11.8 million total bus miles over its fixed-route system. The fleet of buses provided riders with an average of 67,663 weekday boardings in FY2017. Capital Metro's 361 buses operate seven days a week, providing service to more than 1 million residents of the service area.

MetroRapid

MetroRapid is a fixed-route service. In January 2014, the first line began operation along North Lamar/South Congress (Route 801). The second service, Burnet/South Lamar (Route 803), began in August 2014. MetroRapid offers faster, more convenient service for the community. Some of the features include frequent service, limited stops, boarding from all doors, unique and upgraded stops with real-time arrival information and vehicles equipped with signal priority technology. The fleet of 55 buses carried more than 3.4 million riders in its fourth year of operation. Average weekday boardings were 10,976 in FY2017.

MetroExpress

MetroExpress service is a limited-stop service to and from the University of Texas, Capitol complex, downtown and Park & Rides. There are seven routes that service North and Northwest Austin as well as the cities of Leander and Manor. Average weekday boardings were 2,076 in FY2017.

MetroAccess

The MetroAccess paratransit program is for people who have a disability or medical condition that limits or prevents them from independently using accessible bus service some or all of the time as defined in the Americans with Disabilities Act. People certified by Capital Metro under this program may ride MetroAccess within $\frac{3}{4}$ miles of Capital Metro's non-commuter fixed-route bus service on the same days and during the same hours as the fixed-route service in their area. Average weekday boardings were 2,229 in FY2017.

University of Texas Shuttle

Student shuttle service is provided in partnership with the University of Texas. There are 12 routes that provide connections between housing and the downtown campus. Routes move students between the greater UT campus area and areas with high-density student populations. Each year, Capital Metro operates approximately 1.1 million total bus miles over the UT shuttle system. Average weekday boardings were 12,109 in FY2017.

MetroRideShare Program

The MetroRideShare program provides eligible groups of 5-12 people with a month-to-month lease agreement of a passenger van that includes insurance, maintenance, 24-hour roadside assistance, administrative support and fuel purchasing program. The cost of a MetroRideShare vanpool varies and is based on van selection, commute distance and number of riders sharing the monthly fare, plus fuel and tolls. Average weekday boardings were 1,712 in FY2017.



Suburban Service

Capital Metro provides service to suburban communities within the service area such as Jonestown, Manor and Del Valle. Additional interest has been expressed by these and other communities within the Capital Metro service area. In addition, Capital Metro is working with jurisdictions outside the service area, including Georgetown, Round Rock, Pflugerville, Hutto and Buda to help them plan and develop transit services. Georgetown and Round Rock began receiving transit services in August 2017. Round Rock's is provided by Capital Metro and Georgetown's by CARTS. Capital Metro has partnered with these cities to provide transit service through interlocal agreements where the cities reimburse Capital Metro directly for the cost of service to their communities.

MetroRail

The MetroRail Red Line runs on 32 miles of existing tracks between downtown Austin and Leander. The Red Line provides convenient service for suburban and Central Austin residents. Service is provided six days per week with increased service levels for special events. Average weekday boardings were 2,904 in FY2017.

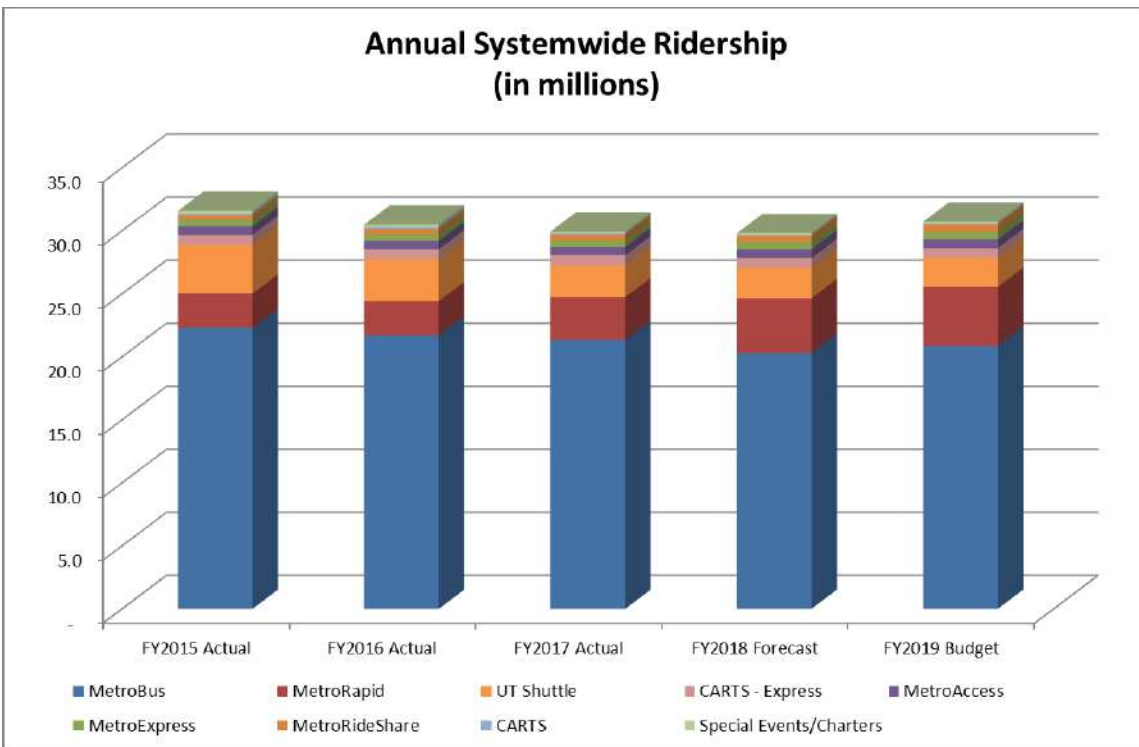
Ridership

The table below reflects ridership by mode of service.

Mode of Service	FY2017 Actual	FY2018 Budget	FY2018 Forecast *	FY2019 Budget	Var FY2019 vs. FY2018	Var % FY2019 vs. FY2018
MetroBus ⁽¹⁾	21,333,759	22,355,229	20,290,518	20,874,175	(1,481,054)	-6.6%
MetroRapid ⁽²⁾	3,400,358	3,788,268	4,355,008	4,667,228	878,960	23.2%
MetroExpress ⁽³⁾	506,044	614,502	575,853	609,309	(5,193)	-0.8%
MetroAccess ⁽⁴⁾	674,098	707,417	700,535	670,697	(36,720)	-5.2%
UT Shuttle ⁽⁵⁾	2,501,056	2,485,120	2,388,498	2,298,004	(187,116)	-7.5%
MetroRideShare ⁽⁶⁾	459,555	485,294	498,662	575,165	89,871	18.5%
Capital Area Rural Transportation System (CARTS) ⁽⁷⁾	70,901	59,889	36,663	36,357	(23,532)	-39.3%
Capital Area Rural Transportation System (CARTS) - Express	21,307	21,482	23,087	23,087	1,605	7.5%
MetroRail ⁽⁸⁾	824,704	980,785	785,105	785,105	(195,680)	-20.0%
Special Events/Charters ⁽⁴⁾	158,889	182,040	139,848	170,840	(11,200)	-6.2%
Total⁽⁹⁾	29,950,671	31,680,026	29,793,777	30,709,967	(970,059)	-3.1%

* FY2018 Forecast completed in June 2018.

- (1) - Ridership projections for FY2018 budget were not realized. FY2019 represents a 2.9% increase in ridership versus FY2018 forecast resulting from Cap Remap service change. This takes into account the time it takes to build ridership after a significant service change.
- (2) - Increase in ridership due to enhanced frequency to MetroRapid in August 2017.
- (3) - Decrease in ridership due to delay in opening MoPac express lanes in FY2018.
- (4) - Decrease in ridership based on anticipated service demand.
- (5) - Decrease in ridership due to UT Shuttle service reductions and a shift to fixed route service.
- (6) - Increase in ridership based on anticipated service demand.
- (7) - Decrease in ridership due to shifting of Manor Flex Route 470 to Travis County Transit Development Plan program.
- (8) - Decrease in ridership due to service disruptions for ongoing positive train control project.
- (9) - Ridership projections for FY2018 budget were not realized. FY2019 represents a 3.1% increase in ridership versus FY2018 forecast resulting from Cap Remap service change. This takes into account the time it takes to build ridership after a significant service change.





Vehicle Hours of Service

The table below reflects vehicle hours of service by mode.

Mode of Service	FY2017 Actual	FY2018 Budget	FY2018 Forecast *	FY2019 Budget	Var FY2019 vs. FY2018	Var % FY2019 vs. FY2018
MetroBus ⁽¹⁾	1,019,982	1,074,150	1,069,565	1,171,837	97,687	9.1%
MetroRapid ⁽²⁾	168,023	207,021	208,951	217,750	10,729	5.2%
MetroExpress ⁽³⁾	52,961	68,298	64,812	65,177	(3,121)	-4.6%
MetroAccess ⁽⁴⁾	466,098	480,348	450,867	478,383	(1,965)	-0.4%
UT Shuttle ⁽⁵⁾	106,250	105,120	104,512	91,851	(13,269)	-12.6%
MetroRideShare ⁽⁶⁾	101,556	118,861	113,863	139,490	20,629	17.4%
Capital Area Rural Transportation System (CARTS) ⁽⁷⁾	20,901	21,516	18,222	15,086	(6,430)	-29.9%
Capital Area Rural Transportation System (CARTS) - Express	2,591	2,091	2,886	2,091	0	0.0%
MetroRail ⁽⁸⁾	14,843	24,601	20,028	29,065	4,464	18.1%
Innovative Mobility	-	-	7,640	40,824	40,824	0.0%
Special Events/Charters ⁽³⁾	7,069	9,170	4,712	8,783	(387)	-4.2%
Total	1,960,274	2,111,176	2,066,060	2,260,337	149,161	7.1%

* FY2018 Forecast completed in June 2018.

- (1) - Includes a series of route and schedule adjustments that will be made during June 2018 as a part of Cap Remap. Frequency of service for several routes improved dramatically on Weekdays, Saturdays and Sundays. Several new corridors will now receive service.
- (2) - Service expansion that includes increased frequency and extended service hours. Additional service also included for concept of Route 820 along Riverside corridor. This service expansion is scheduled to begin in June of 2019.
- (3) - Decrease in hours based on anticipated service demand.
- (4) - Hours projections for FY2018 budget not realized. FY2019 represents a 6.1% increase in hours compared to FY2018 forecast.
- (5) - Elimination of UT Red River shuttle with replacement of high frequency Route 10. Minor adjustments to schedules to reflect decreased ridership demands.
- (6) - Increase in hours based on anticipated service demand.
- (7) - Decrease in hours due to shifting of Manor Flex Route 470 to Travis Country Transit Development Plan program.
- (8) - Weekday peak service improvements using additional railcars and Saturday service extension between Lakeline and Leander stations.



Vehicle Miles of Service

The table below reflects vehicle miles of service by mode.

Mode of Service	FY2017 Actual	FY2018 Budget	FY2018 Forecast *	FY2019 Budget	Var FY2019 vs. FY2018	Var % FY2019 vs. FY2018
MetroBus ⁽¹⁾	12,366,831	13,123,516	12,873,158	13,401,175	277,659	2.1%
MetroRapid ⁽²⁾	2,165,077	2,730,488	2,752,108	2,877,828	147,340	5.4%
MetroExpress ⁽³⁾	1,077,652	1,476,702	1,406,244	1,437,073	(39,629)	-2.7%
MetroAccess	6,302,046	6,659,712	6,426,672	7,593,853	934,141	14.0%
UT Shuttle ⁽⁴⁾	1,250,611	1,228,677	1,230,495	1,075,304	(153,373)	-12.5%
MetroRideShare ⁽⁵⁾	3,747,091	4,410,371	4,259,474	4,785,520	375,149	8.5%
Capital Area Rural Transportation System (CARTS) ⁽⁶⁾	351,263	396,953	283,127	260,663	(136,290)	-34.3%
Capital Area Rural Transportation System (CARTS) - Express	61,242	40,154	70,857	40,154	0	0.0%
MetroRail ⁽⁷⁾	337,781	485,353	384,510	542,959	57,606	11.9%
Innovative Mobility	-	-	79,880	648,040	648,040	0.0%
Special Events/Charters ⁽³⁾	71,192	82,585	45,189	67,471	(15,114)	-18.3%
Total	27,730,786	30,634,511	29,811,714	32,730,040	2,095,529	6.8%

* FY2018 Forecast completed in June 2018.

- (1) - Includes a series of route and schedule adjustments that will be made during June 2018 as a part of Cap Remap. Frequency of service for several routes improved dramatically on Weekdays, Saturdays and Sundays. Several new corridors will now receive service.
- (2) - Service expansion that includes increased frequency and extended service. Additional service also included for concept of Route 820 along Riverside corridor. This service expansion is scheduled to begin in June of 2019.
- (3) - Decrease in miles based on anticipated service demand.
- (4) - Elimination of UT Red River shuttle with replacement of high frequency Route 10. Minor adjustments to schedules to reflect decreased ridership demands.
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- (6) - Decrease in miles due to shifting of Manor Flex Route 470 to Travis Country Transit Development Plan program.
- (7) - Weekday peak service improvements using additional railcars and Saturday service extension between Lakeline and Leander stations.

Performance Trends

The graphs below depict trends for Capital Metro in service efficiency, cost effectiveness and service effectiveness for the preceding 3 actual years compared to the FY2018 and FY2019 budgets.

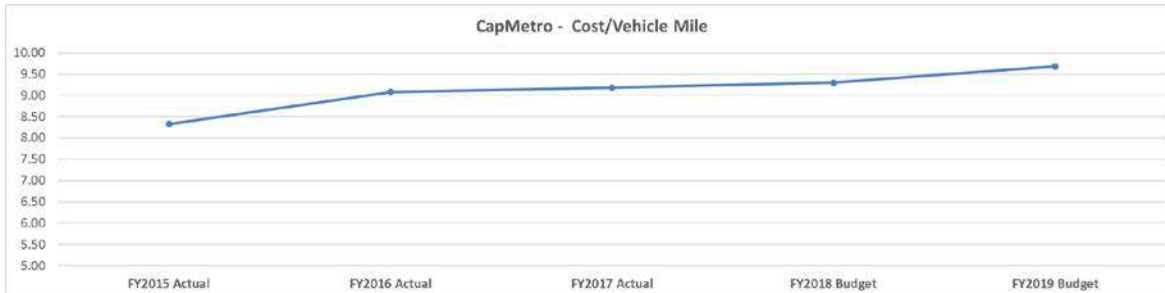
Service Efficiency

The graph below reflects the cost per passenger for Capital Metro.



Cost Effectiveness

The graph below reflects the cost per vehicle mile for Capital Metro.



Service Effectiveness

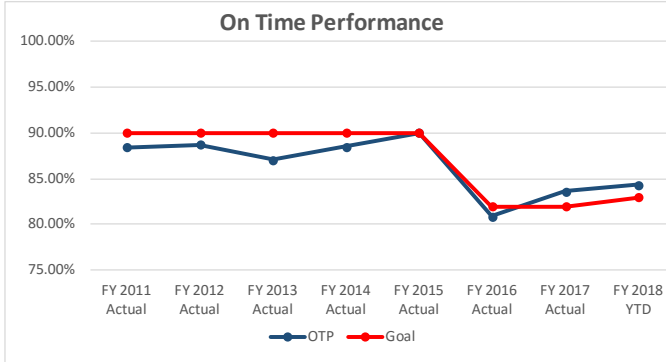
The graph below reflects the passenger trips per vehicle mile for Capital Metro.



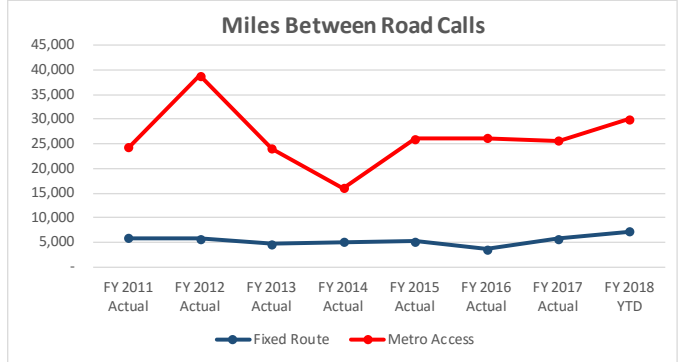
Operational Performance Indicators

The following graphs depict trends in additional performance indicators. On-time performance is for all fixed-route services. Accidents and road calls represent fixed-route and paratransit combined.

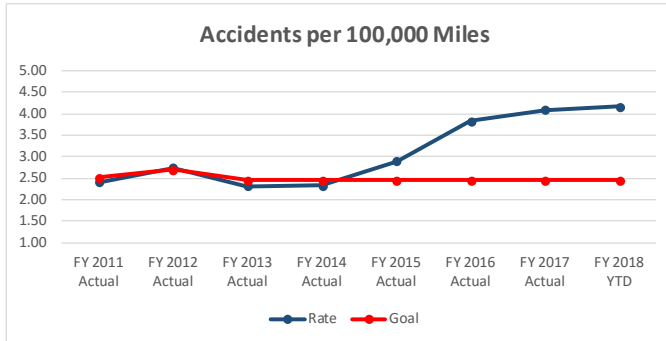
The graph below reflects actual on-time performance for MetroBus. FY2018 actual YTD represents October 1, 2017 through April 30, 2018.



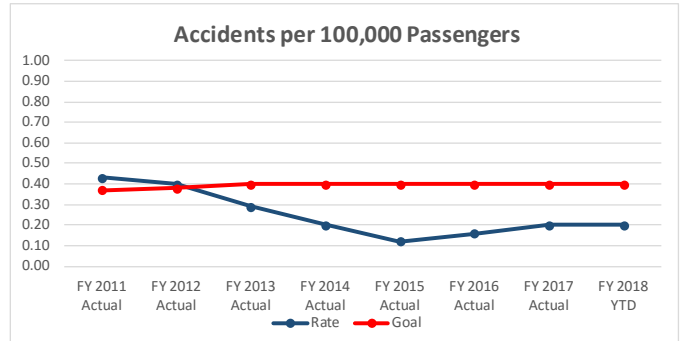
The graph below reflects actual miles between road calls for Fixed Route and MetroAccess. FY2018 actual YTD represents October 1, 2017 through April 30, 2018.



The graph below reflects actual accidents per 100,000 miles for MetroBus. FY2018 actual YTD represents October 1, 2017 through April 30, 2018.



The graph below reflects actual accidents per 100,000 passengers for MetroBus. FY2018 actual YTD represents October 1, 2017 through April 30, 2018.



4

Capital Budget



Capital Budget

Consistent with Texas State Senate Bill 650, Capital Metro prepared a five-year Capital Improvement Plan (CIP) for capital projects that supports its strategic goals. The CIP is updated annually and addresses replacement and expansionary requirements for public transportation service in Central Texas. The five-year CIP describes each planned project, including project type, estimated funding sources and anticipated impact on operational costs.

In FY2011, the board approved the Capital Improvement Program Policy, which guides funding decisions during the budget review process and subsequent reporting of progress on individual projects. Capital Metro's planning process typically covers a five-year period, but extends longer into the future when a major service plan update is undertaken every five years. The Capital Improvement Program policy addresses several areas, including project financing, project monitoring and criteria for prioritization of projects. The projects included in the five-year CIP were selected based upon board-approved criteria regarding project priorities. These criteria are outlined in the policy and include:

- Customer Experience – Providing innovations that improve the individual experience of customers, that make the use of Capital Metro services easier and more convenient and that enhance the reliability of Capital Metro services from a customer perspective.
- Environmental/Quality of Life Impact – Investing in equipment, adapting facilities or enhancing service infrastructure to support overall environmental/quality of life benefits such as improved air quality.
- Health and Safety – Ensuring the physical well-being of customers, employees and the public.
- Mandates – Ensuring compliance with federal and state mandates, such as the Americans with Disabilities Act.
- Regional Economic Development – Investing in projects that enhance the general economic development of the region, including improvements to the transportation infrastructure, the development of new and expanded business opportunities and job creation.
- Ridership – Maintaining current riders and attracting new customers.
- State of Good Repair – Maintaining the current “core business” through investments in projects that are necessary to operate the existing infrastructure or add an additional dimension/mode to existing systems and including adherence to maintenance and replacement cycles.
- Technologies/Efficiencies – Instituting improvements that can produce quantifiable operating efficiencies and make better use of resources or implementing projects that minimize additional operating expenses.
- Transit-Oriented Development – Investing in projects that stimulate the development of current property with opportunities for private investment, increased revenue and ridership and encouraging partnerships with other organizations.



Capital acquisitions represent the purchase of equipment and other assets of \$5,000 or more with a useful life greater than one year.

Capital projects typically include construction, fleet acquisition or technology projects that are developmental in nature and span more than one fiscal year. Capital projects often involve 2 or more components of cost (equipment, labor, professional services).

Capital Metro anticipates grant funding of \$24.1 million in FY2019 for projects that meet eligibility requirements. Other capital contributions of \$4.4 million are also anticipated and are funded by reimbursements from the TxDOT for work completed along Capital Metro's commuter and freight rail line, the city of Austin for storm water improvements at Downtown Station, the developer of the MetroRail Kramer Station relocation and the city of Leander for commuter rail corridor quiet zones.

The approved capital budget for FY2019 and the five-year CIP are included in Appendix A. Project summaries, funding sources, benefits and the applicable strategic goals and objectives for each capital project summary are provided. When a planned project summary will have an impact on operating costs, the estimated impact is identified.



FY2019 Capital Projects

Project Name	FY2019 Approved Budget
Facilities and Real Estate	
Facility Enhancements	1,874,937
Facility State of Good Repair	555,375
Facilities and Real Estate Total	2,430,312
Information Technology Systems and Infrastructure	
Information Technology - Enterprise Systems	4,224,116
Information Technology - Infrastructure	1,265,000
Information Technology - Transit Systems	6,176,321
Information Technology Systems and Infrastructure Total	11,665,437
Infrastructure Development	
Bus Stop Amenities and Enhancements	5,363,951
Bus Stops - New	2,972,559
Downtown Station	9,326,950
Downtown Station Grants and Capital Contributions	(5,232,915)
Facility Enhancements	9,592,894
Facility Enhancements Grants and Capital Contributions	(108,500)
Leasehold Improvements	526,625
Park & Ride Enhancements	2,676,892
TIGER V Grant Project	6,834,737
Infrastructure Development Total	31,953,193
Railroad Commuter	
Railroad Commuter Enhancements	4,000,000
Railroad Commuter Enhancements Grants and Capital Contributions	(250,000)
Railroad Commuter Regulatory	17,380,399
Railroad Commuter Regulatory Grants and Capital Contributions	(13,790,983)
Railroad Commuter State of Good Repair	1,000,000
Railroad Commuter State of Good Repair Grants and Capital Contributions	(212,500)
Railroad Commuter Total	8,126,916
Railroad Freight	
Railroad Freight Enhancements	200,000
Railroad Freight State of Good Repair	1,707,000
Railroad Freight State of Good Repair Grants and Capital Contributions	(600,950)
Railroad Freight Total	1,306,050



Project Name	FY2019 Approved Budget
Security	
Security Equipment and Enhancements	756,832
Security Equipment and Enhancements Grants and Capital Contributions	(450,476)
Security Total	306,356
Strategic Planning	
MetroRail Red Line Kramer Station Relocation	3,600,000
MetroRail Red Line Kramer Station Relocation Grants and Capital Contributions	(3,100,000)
North Lamar/Airport Intersection	2,872,000
North Lamar/Airport Intersection Grants and Capital Contributions	(2,697,000)
Strategic Planning Total	675,000
Vehicles	
Bus Fleet	28,779,000
Bus Fleet Grants and Capital Contributions	(2,100,000)
Fleet System Enhancements	500,000
Non-Revenue Fleet	228,190
Paratransit Fleet	116,000
Vehicles Total	27,523,190
Capital Project Contingency	2,000,000
Grand Total Capital Spending	\$ 114,529,778
Grand Total Grants and Capital Contributions	\$ (28,543,324)
Grand Total Capital Spending Net of Grants and Capital Contributions	\$ 85,986,454

5

Long-Range Financial Plan



Long-Range Financial Plan Fiscal Years 2019 to 2028

Long-Range Financial Plan Overview

The Long-Range Financial Plan (the LRFP) is a 10-year plan for the Capital Metropolitan Transportation Authority that forecasts the Authority's financial resources and projected expenditures based on planned levels of service and the strategic goals of Capital Metro.

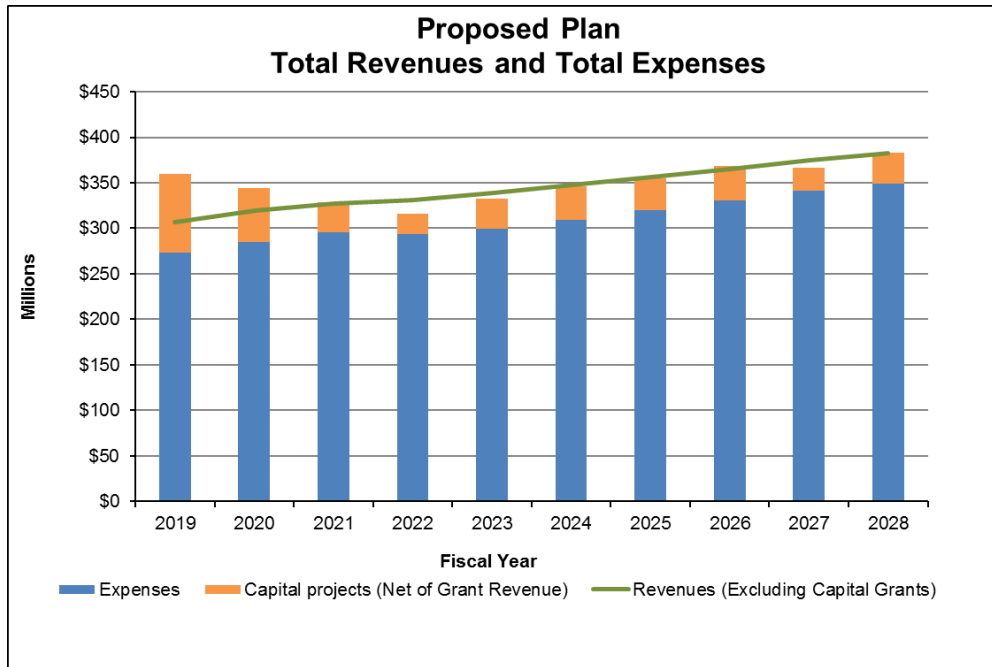
The LRFP focuses primarily on the forecast of future revenue and the operating and capital expenditures of the agency. The LRFP analyzes future expenditure trends with emphasis on the agency's negotiated purchased-transportation contracts, administrative wages and benefits, outside services, state of good repair needs and capital priorities. Capital Metro's Strategic Plan identifies the vision, mission and goals for the next five years. The LRFP was developed using the adopted strategic goals as guidelines.

Long-Range Financial Plan Modeling Tool

The agency has developed a 10-year flexible financial modeling tool, which can model various financial and service-level scenarios. Any major budget decision impacting the agency's budget can be modeled with the 10-year modeling tool, showing the financial impact on the budget and the 10-year forecast. The Long-Range Financial Plan is modeled on a baseline 10-year projection of revenue and expenditures used to evaluate Capital Metro's future financial condition and capacity to fund existing and future commitments. The growth assumptions in the plan are based primarily on historical growth, projected inflation and existing contractual obligations.

The Proposed Plan

The Proposed plan is a scenario that demonstrates that the budget can be balanced over the next 10 years for financial sustainability by aligning cost growth with revenue growth. The scenario is based on current conditions and commitments and shows 3 percent annual growth in sales tax revenue beginning in Fiscal Year 2019. In the event that sales tax growth is below that, periodic fare increases should be considered to keep pace with inflation. Additional levels of service are included for implementing phase one of the Connections 2025 service plan for Fiscal Years 2019 and beyond, but no additional increases in service hours are included beyond 2019. Moderate increases of 3 percent are included for purchased transportation contractor rates and 2 percent for fuel costs. This scenario correlates operating and capital expenditures to sales tax growth and provides the ability to increase spending if higher sustained sales tax growth is obtained.



Long-Range Financial Plan Risks

The purpose of the Long-Range Financial Plan is to provide a forecast of the Authority’s financial resources and projected expenditures based on planned levels of service and the strategic goals of Capital Metro. While the LRF uses the most current estimates and data available, there are inherent risks to long-term projections. Some of the more significant risks to the plan include:

- Decline in sales tax growth
- Changes to federal grant funding programs
- Significant recession event during the next 10 years
- Unforeseen regulatory or capital needs
- Future contracted rates with service providers
- Pension plan growth rates
- Unforeseen technological changes

Conclusions and Recommendations

The agency needs to proceed with caution and maintain current spending levels until surpluses are sustainable on a recurring basis and can fund new ongoing operational costs. One-time, accumulated funding is available for current capital projects and, once these projects are completed, future capital spending will need to be funded by operating cash flow. Future spending needs to be aligned with future revenue growth and the agency needs to maintain at least \$36 million in net cash flow in order to maintain assets in a state of good repair.

6

Operating Detail by Department





Summary of Department Expenses

	FY2017 ACTUAL	FY2018 BUDGET	FY2018 FORECAST	FY2019 BUDGET	FY2019 v. FY2018 (\$)	FY2019 v. FY2018 (%)
Board of Directors Support	\$ 268,596	\$ 313,778	\$ 241,016	\$ 286,971	\$ (26,807)	(8.5%)
Business Center	321,003	357,168	339,156	361,896	4,728	1.3%
Capital Projects	2,616,204	2,219,131	2,180,674	2,196,999	(22,132)	(1.0%)
Child Care Center	827,382	861,775	861,775	894,180	32,405	3.8%
Communications	674,287	688,189	602,071	414,354	(273,835)	(39.8%)
Community Engagement	757,502	986,232	1,099,314	1,190,159	203,927	20.7%
Customer Service	1,221,180	1,456,767	1,037,679	1,102,384	(354,383)	(24.3%)
Demand Response Oversight	28,512,724	30,824,079	30,005,383	26,796,248	(4,027,831)	(13.1%)
Diversity and Compliance	0	0	0	214,817	214,817	N/A
Executive Staff	755,622	852,048	819,048	763,571	(88,477)	(10.4%)
Finance	4,426,910	6,166,521	6,501,866	6,987,000	820,479	13.3%
Government Relations	1,214,587	1,219,876	1,218,449	1,004,730	(215,146)	(17.6%)
Human Resources	1,743,205	1,958,116	1,911,269	2,056,078	97,962	5.0%
Information Technology	9,030,922	10,401,251	10,174,632	11,235,622	834,371	8.0%
Inovative Mobility	0	0	0	3,627,584	3,627,584	N/A
Internal Audit	285,962	351,017	276,228	370,623	19,606	5.6%
Legal	1,135,864	953,138	867,619	1,141,213	188,075	19.7%
Marketing	2,960,798	3,243,133	3,461,364	2,612,759	(630,374)	(19.4%)
Mobility Interlocal Agreements	5,517,754	12,052,701	8,173,115	3,354,998	(8,697,703)	(72.2%)
Non-Allocated Employee Benefits	16,121,408	11,795,661	11,835,406	11,949,353	153,692	1.3%
Operations and Maintenance Oversight	115,017,941	125,920,938	125,083,371	134,043,021	8,122,083	6.5%
Paratransit Eligibility	897,780	930,716	919,046	948,344	17,628	1.9%
Paratransit Reservations and Control Center	1,669,373	1,833,730	1,836,349	1,937,727	103,997	5.7%
Procurement	1,255,065	1,380,484	1,364,360	1,469,011	88,527	6.4%
Project Connect	1,404,544	2,079,333	2,080,833	7,812,449	5,733,116	275.7%
Property and Asset Management	1,844,762	1,887,014	1,955,538	1,955,947	68,933	3.7%
Public Facilities	4,158,643	4,676,479	4,509,415	4,988,689	312,210	6.7%
Rail Commuter Operations	16,003,835	18,308,890	16,762,028	19,666,981	1,358,091	7.4%
Rail Freight Management	1,669,241	1,794,328	1,257,151	1,600,091	(194,237)	(10.8%)
Real Estate and Facility Planning	2,699,086	3,237,402	2,659,462	2,674,295	(563,107)	(17.4%)
RideShare	2,411,177	2,777,546	2,683,802	3,271,745	494,199	17.8%
Risk Management and Safety	1,451,007	2,109,515	2,668,442	2,520,143	410,628	19.5%
Security	4,170,023	4,362,031	4,360,911	4,597,404	235,373	5.4%
Strategic Operations Management	746,651	798,570	663,642	652,160	(146,410)	(18.3%)
Strategic Planning and Development	2,347,643	3,317,476	3,715,987	3,737,385	419,909	12.7%
Wellness Center	245,442	277,375	277,375	277,171	(204)	(0.1%)
CMTA Total	\$236,384,123	\$262,392,408	\$254,403,776	\$270,714,102	\$8,321,694	3.2%

Board of Directors Support

Functions and Responsibilities

The Board of Directors Support department provides support to the board of directors and president/chief executive officer to achieve the strategic mission and vision of Capital Metro. The department coordinates monthly board and committee meetings and periodic work sessions on strategic issues. The department works with the Legal department to ensure compliance with the Texas Transportation Code, Section 451 and Texas Open Meetings Act requirements. The Board of Directors Support department also facilitates communication between the board of directors, Capital Metro staff and members of the public.

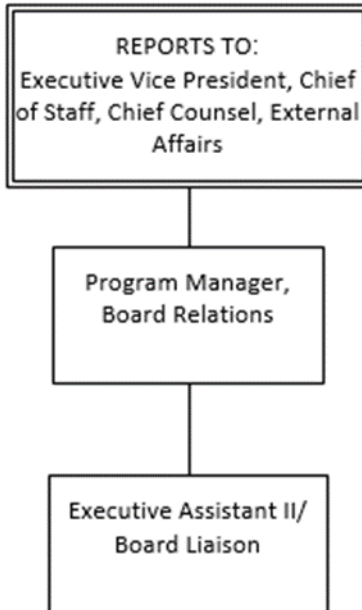
FY2018 Accomplishments

- ◆ Customer Experience
 - Updated audiovisual equipment and lighting in the Capital Metro boardroom to enhance customer experience while attending board meetings, and improved quality of meeting streams and broadcasts.
 - Implemented closed captioning for all Capital Metro board meetings and public hearings.

FY2019 Planned Initiatives

- ◆ Community
 - Continue to look at ways to improve access to Capital Metro board agendas and backup material, meetings and archived materials through the continued use of digital technologies.
 - Host meetings at locations other than Capital Metro's headquarters and at other times of day to encourage additional public participation.

Board of Directors Support Department Organizational Chart





Budget Changes

Labor and Benefits

Increase of \$4,918 for the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Decrease of \$31,725 primarily in Other Services for the discontinuation of work session facilitation services and reduced audiovisual expenses.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$178,171	\$179,405	\$179,178	\$184,048	\$4,643	2.6%
FICA-Admin	12,858	13,826	13,826	14,082	256	1.9%
State Unemployment-Admin	18	342	342	361	19	5.6%
TOTAL LABOR & BENEFITS	191,047	193,573	193,346	198,491	4,918	2.5%
OTHER EXPENSES						
Courier And Delivery Services	20	100	100	100	-	0.0%
Other Services	18,677	46,240	25,000	25,200	(21,040)	(45.5%)
Office Supplies	4,616	2,500	3,500	3,600	1,100	44.0%
Supplies-Board Of Directors	838	1,200	800	900	(300)	(25.0%)
Other Supplies	2,835	-	-	-	-	0.0%
Telephone-Local	480	420	420	420	-	0.0%
Dues And Subscriptions	-	130	130	-	(130)	(100.0%)
Airfare - Transportation	11,297	14,800	2,500	15,700	900	6.1%
Travel - Per Diem	4,540	8,100	1,200	7,500	(600)	(7.4%)
Seminar, Conferences, Registration	11,350	20,620	2,800	10,800	(9,820)	(47.6%)
Lodging	15,603	17,375	4,000	14,000	(3,375)	(19.4%)
Business Meals - Local	7,136	8,000	7,000	10,000	2,000	25.0%
Postage	4	20	20	20	-	0.0%
Food and Ice	153	700	200	240	(460)	(65.7%)
TOTAL OTHER EXPENSES	77,549	120,205	47,670	88,480	(31,725)	(26.4%)
TOTAL OPERATING EXPENSES	\$268,596	\$313,778	\$241,016	\$286,971	(\$26,807)	(8.5%)



Bus Contract Operations

Functions and Responsibilities

To enhance customer service delivery, the Bus Contract Operations department has merged with the Operations and Maintenance Oversight department. The numbers in the table below are informational only and are also included in the operating expenses table of the Operations and Maintenance Oversight department.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$316,109	\$325,158	\$294,627	-	(\$325,158)	N/A
FICA-Admin	22,445	25,057	25,057	-	(25,057)	N/A
State Unemployment-Admin	36	684	684	-	(684)	N/A
TOTAL LABOR & BENEFITS	338,590	350,899	320,368	-	(350,899)	N/A
OTHER EXPENSES						
Maintenance-Radios	4,243	1,500	1,000	-	(1,500)	N/A
Diesel	5,451,531	7,052,018	6,824,493	-	(7,052,018)	N/A
Gasoline	69,090	175,958	77,084	-	(175,958)	N/A
Fuel-North Ops .	2,164,248	2,968,524	3,211,548	-	(2,968,524)	N/A
Fuel Risk Management	1,753,857	-	(236,980)	-	-	N/A
Office Supplies	46	250	100	-	(250)	N/A
Maintenance Materials	204,250	-	-	-	-	N/A
Telephone-Local	-	2,700	2,700	-	(2,700)	N/A
Diesel Fuel Tax	941,810	-	973,401	-	-	N/A
Gasoline Fuel Tax	6,498	-	6,740	-	-	N/A
Fuel Surcharge	206	-	2,361	-	-	N/A
E. Fifth Bus	74,614,873	81,630,087	79,046,395	-	(81,630,087)	N/A
North Ops Bus	24,374,449	28,023,352	29,615,053	-	(28,023,352)	N/A
Rural Service Bus	1,521,127	1,837,439	1,741,522	-	(1,837,439)	N/A
Airfare - Transportation	1,156	1,650	1,650	-	(1,650)	N/A
Travel - Per Diem	557	1,050	1,050	-	(1,050)	N/A
Seminar, Conferences, Registration	(750)	2,400	2,400	-	(2,400)	N/A
Lodging	816	2,400	2,400	-	(2,400)	N/A
Travel - Other	192	-	-	-	-	N/A
TOTAL OTHER EXPENSES	111,108,199	121,699,328	121,272,917	-	(121,699,328)	N/A
TOTAL OPERATING EXPENSES	\$111,446,790	\$122,050,227	\$121,593,285	-	(\$122,050,227)	N/A

Business Center

Functions and Responsibilities

The Business Center department provides support services to Capital Metro, including printing, copying, scanning, postage, meeting room reconfiguration and messenger services through a contract with Ricoh. Lost-and-found articles are also managed through this contract.

FY2018 Accomplishments

- ◆ Customer Experience
 - Distributed and stocked rider information across all fixed-route services.
 - Updated lost-and-found procedures.
 - Provided copy/fax/scan services for all departments.
 - Developed Business Center intranet page and user guide to communicate services offered.

FY2019 Planned Initiatives

- ◆ Finance
 - Deliver document services at the lowest possible cost with upgraded technology.
 - Conduct expression of interest meetings with potential vendors and evaluate business services to be provided under the contract.



Budgetary Changes

Other Expenses

Net Increase of \$4,728 due to contractual increases.

	FY 2017	FY 2018	FY 2018	FY 2019	Var \$ FY 2019	Var % FY 2019
	ACTUAL	BUDGET	FORECAST	BUDGET	vs. FY 2018	vs. FY 2018
OTHER EXPENSES						
Other Services	\$251,245	\$236,352	\$218,340	\$241,080	\$4,728	2.0%
Office Supplies	436	-	-	-	-	0.0%
Office Equipment	69,322	120,816	120,816	120,816	-	0.0%
TOTAL OTHER EXPENSES	321,003	357,168	339,156	361,896	4,728	1.3%
TOTAL OPERATING EXPENSES	\$321,003	\$357,168	\$339,156	\$361,896	\$4,728	1.3%

Capital Projects

Functions and Responsibilities

The Capital Projects department is responsible for the planning and development of capital projects to provide customer and administrative facilities. The department serves as the central area for the project management, design and construction of all capital facilities projects. This includes all Capital Metro passenger facilities, bus stops, Park & Rides, transit centers and rail stations. The department's responsibilities also include the bus stop accessibility improvements program and design and construction related to administrative and operational facility improvements.

FY2018 Accomplishments

- ◆ Customer Experience
 - Successful project management and completion of Cap Remap, the largest service change in Capital Metro history.
 - Completed design and construction of more than 135 new bus stops required for the June 2018 service change along with related bus stop amenities.
 - Installed more than 1,600 new neighborhood bus stop signs.
 - Completed design and construction of 16 (8 pairs) additional MetroRapid stations for Routes 801 and 803.
 - Completed designs and engineering of MetroRail's new Downtown Station and started permitting process with the city.
 - Completed design and engineering for new double tracking between Plaza Saltillo Station and I-35.
 - Constructed 32 additional parking spaces at South Congress Transit Center.
 - Constructed a trail connecting Leander Station to the new Austin Community College San Gabriel Campus.
 - Installed 20 new solar lights at bus stops.
 - Partnered with the city of Austin to improve transit speed and reliability of four intersections.
 - Designed the buildout of a new operations control center.
- ◆ Human Capital
 - Created and adopted new design standards for administrative space.

- Redesigned Administrative Annex Building at 624 Pleasant Valley to realign with design standards and enabled employees at the 209 W. 9th Street MetroAccess Administration Building to move to Administrative Annex Building and gain more employee work and community space.
- Redesigned the Administrative Facility at 2910 E. 5th Street to realign with design standards and gain more employee work and community space.

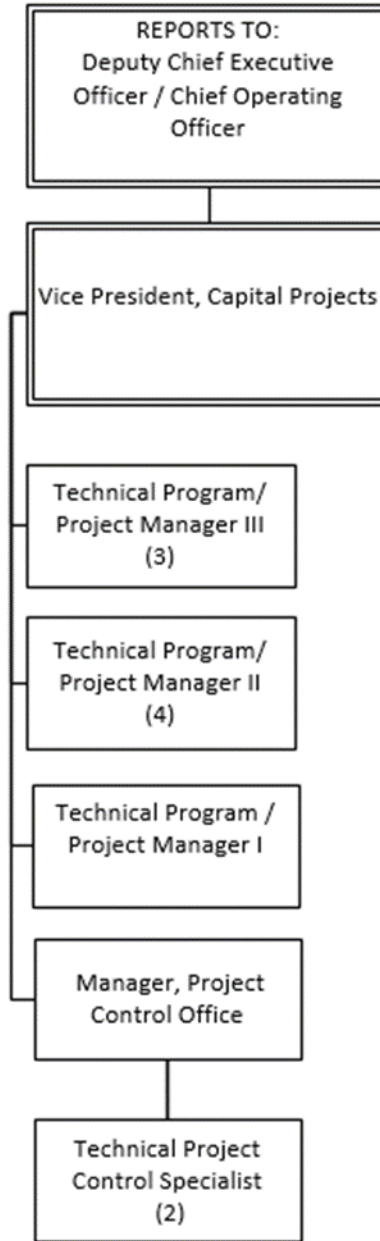
◆ Finance

- Constructed new probe station and exterior elevator enclosure at the North Operations Facility.
- Constructed improvements at the North Operations Rail Maintenance Facility including additional storage space to accommodate spare parts for four new trains.
- Assessed options for addressing flooding issues at the facility at 509 Thompson Lane.
- Upgraded 72 timber railroad bridges from a carrying capacity of 263,000 pounds to 286,000 pounds to increase freight-carrying capacity.
- Initiated the construction of three railroad sidings at Lakeline Station, Howard Station, and near Crestview Station. The Howard and Crestview Sidings are currently scheduled to be complete by October 1.
- Initiated the reconfiguration of Austin Junction Wye (triangular junction) including the existing Balcones lead to a signalized siding with power switches.
- Increased super-elevation on selected curves between Lakeline Station and Plaza Saltillo Station.
- Initiated construction of the Westgate Transit Center.
- Removed and disposed old style shelters that were discontinued with the June 2018 service change.
- Completed design of the Serta Demolition and Repaving Project.
- Started design of bus electrification infrastructure at North Operations Bus Parking Facility.
- Implemented agency-wide project management framework, governance and training.
- Assisted the Rail Department in developing a Records Control Schedule that was approved by the Texas State Library and Archives Commission.
- Developed document control process in accordance with the agency's record management policy.
- Created and implemented a SharePoint site for enterprise projects.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Begin construction of the new Downtown MetroRail Station.
 - Begin installation of the new double track between Plaza Saltillo Station and I-35.
 - Complete construction and move into the operations control center.
 - Begin implementation to remodel existing cantilever-style shelter to provide additional shading at bus stops.
 - Begin construction of additional shade component to existing MetroRapid Station shelters.
 - Continue to provide solar lighting at additional bus stops.
- ◆ Human Capital
 - Construct and move employees to the redesigned Administrative Annex Building and leased space.
 - Begin construction on the redesigned Administrative Facility.
- ◆ Finance
 - Initiate engineering and architectural design for the redevelopment of the North Lamar Transit Center.
 - Improve drainage at the North Operations Rail Maintenance Facility.
 - Refurbish remaining benches and litter containers from the June 2018 service change.
 - Construct a bus parking yard at the North Operations Facility incorporating the demolished Serta site that improves circulation and safety.
 - Implement standard forms to align with the Project Management framework.
 - Create computer-aided design (CAD) standards as agency-wide template.

Capital Projects Department Organizational Chart





Budget Changes

Labor and Benefits

Increase of \$81,902 for the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net decrease of \$104,034 mainly driven by \$200,000 Expense Reimbursement for utility betterment work at Downtown Station on behalf of, and reimbursed by, the city of Austin and \$82,350 in Non-Capital Projects in the FY2018 budget for the June 2018 service change that will not need funding in FY2019. Net increase of \$111,825 in Capital Contributions-Other Jurisdictions for 3 new projects not eligible for capitalization as assets once the work is completed (Downtown Station Utility Betterment, Downtown Station Public Restrooms and Hybrid Beacons at Bus Stops), partially offset by the completion of Leander Trail and the cancellation of Howard and Kramer Trails. Increase of \$65,000 in Other Services to refurbish and reuse amenities removed as part of the June FY2018 service change.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$1,074,839	\$1,251,142	\$1,219,399	\$1,327,543	\$76,401	6.1%
FICA-Admin	76,263	92,482	92,482	97,875	5,393	5.8%
State Unemployment-Admin	439	2,052	2,052	2,160	108	5.3%
TOTAL LABOR & BENEFITS	1,151,542	1,345,676	1,313,933	1,427,578	81,902	6.1%
OTHER EXPENSES						
Other Professional Fees	100,468	119,450	104,450	119,448	(2)	(0.0%)
Permits And Fees	(68)	20,000	20,000	20,000	0	0.0%
Temporary Help	17,080	-	-	-	-	0.0%
Courier And Delivery Services	90	-	-	-	-	0.0%
Other Services	15,093	70,000	72,667	135,000	65,000	92.9%
Office Supplies	5,697	5,000	5,000	5,004	4	0.1%
Other Supplies	2,747	-	-	1,200	1,200	0.0%
Non Capital Equipment	4,380	-	-	-	-	0.0%
Non-Capital Projects	1,250,619	292,350	260,068	210,000	(82,350)	(28.2%)
Telephone-Local	80	-	120	960	960	0.0%
Dues And Subscriptions	2,859	3,980	3,980	3,809	(171)	(4.3%)
Airfare - Transportation	806	2,500	2,500	2,000	(500)	(20.0%)
Travel - Per Diem	425	1,000	1,000	1,000	-	0.0%
Seminar, Conferences, Registration	5,836	5,250	5,250	5,250	-	0.0%
Lodging	1,293	3,750	3,750	3,750	-	0.0%
Travel - Other	67	-	-	-	-	0.0%
Postage	32	-	-	-	-	0.0%
Expense Reimbursement	-	-	(192,044)	(200,000)	(200,000)	0.0%
Capital Contributions-Other Jurisdictions	57,160	350,175	580,000	462,000	111,825	31.9%
TOTAL OTHER EXPENSES	1,464,662	873,455	866,741	769,421	(104,034)	(11.9%)
TOTAL OPERATING EXPENSES	\$2,616,204	\$2,219,131	\$2,180,674	\$2,196,999	(\$22,132)	(1.0%)

Child Care and Learning Center

Functions and Responsibilities

The Capital Metro Child Care and Learning Center opened July 31, 2006. It is operated by Bright Horizons Family Solutions through a contract with Capital Metro. The center provides an onsite child development environment to the families of Capital Metro, service contractors and the community. During its years of operation, a lower turnover and absenteeism rate for employees using the center has been achieved. The subsidy for Capital Metro employees provides less than 20 percent of operating costs and the agency's transportation providers contribute \$40,000 annually to subsidize the center as well. Community members pay full tuition. The cost of the facility is offset by tuition revenue, estimated to be \$809,184 in FY2019. A small amount of annual funding through the Child and Adult Care Food Program also helps to offset costs. This contract is managed by Human Resources.

FY2018 Accomplishments

- ◆ Human Capital
 - Maintained the subsidy for FY2018 below 20 percent. Subsidy level was 6.7 percent, including tuition and grant revenue. Expected subsidy for FY2019 is 11 percent.
 - Increased the amount of childcare tuition revenue from \$631,506 in FY2017 to \$774,600 in FY2018.
 - Decreased reliance on grant resources from Child and Adult Care Food Program from \$16,000 in FY2017 to \$14,000 in FY2018.
 - Maintained enrollment with a waiting list. Average enrollment has been 66 children for FY2018. Child Care Center remains at capacity.

FY2019 Planned Initiatives

- ◆ Human Capital
 - Review and adjust tuition levels to further reduce subsidy.
 - Review other options to provide child care for employees, contractors and the community, such as inclusion in transit-oriented development projects.
 - Improve organizational practices and develop staff.



Budget Changes

Other Expenses

Increase of \$32,405 is due to a contractual increase in Other Professional Fees and additional supplies needed for FY2019.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
OTHER EXPENSES						
Other Professional Fees	\$827,382	\$861,775	\$861,775	\$889,180	\$27,405	3.2%
Other Supplies	-	-	-	5,000	5,000	0.0%
TOTAL OTHER EXPENSES	827,382	861,775	861,775	894,180	32,405	3.8%
TOTAL OPERATING EXPENSES	\$827,382	\$861,775	\$861,775	\$894,180	\$32,405	3.8%

Communications

Functions and Responsibilities

The Communications department leads the development and execution of innovative and effective communications strategies including the dissemination of public information, media relations, social media, crisis communications and coordination of internal and external stakeholder communications. The department is the primary contact point for the news media. It provides communications strategy and support to other departments and the board, allowing Capital Metro to drive positive messages and enhance its position in the community. The department establishes and implements Capital Metro's social media platforms, presenting user-friendly information through multiple channels for customers, stakeholders and employees.

FY2018 Accomplishments

- ◆ Customer Experience
 - Worked collaboratively with Strategic Planning, Community Engagement, Government Relations and Marketing to shepherd the June 2018 service change plan through the board approval process.
 - Continued to provide communications support for the implementation of Cap Remap, including written content for the web, social media, printed marketing materials and media relations.
- Ridership
 - Served vital role in the Project Connect planning process, providing written content for the web and printed materials, coordinating and supporting Traffic Jam public outreach events and contributing to the overall messaging of the initiative.
- ◆ Community
 - Coordinated public event with finalists for the Chief Executive Officer position so the community and members of the media could see and hear from the candidates in person.
 - Conducted quarterly media roundtables that allowed promotion of Capital Metro's initiatives and services and maintain strong relationships with area media outlets.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Lead communications and media relations efforts on agency initiatives like the addition of new MetroRapid stations, pilot programs that allow Capital Metro to determine the effectiveness of possible new services, promotional service programs intended to increase ridership and the continued implementation and promotion of Cap Remap.

- ◆ Ridership
 - Shift from the planning stages to public outreach and campaign stages for Project Connect, to ensure the agency's priorities and goals are well understood by the general public and stakeholders.
- ◆ Community
 - Further expand our promotional efforts on social media to broaden our audience, grow our online following and engagement, reach potential new customers and ultimately increase ridership.

Communications Department Organizational Chart





Budget Changes

Labor and Benefits

Decrease of \$180,929 from the elimination of 2 FTEs, partially offset by the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net decrease of \$92,906 driven by Consultation Fees due to reduced needs for Cap Remap and funding moved to the Project Connect department.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$414,088	\$374,929	\$361,188	\$207,377	(\$167,552)	(44.7%)
Overtime - Administrative	368	-	-	-	-	0.0%
FICA-Admin	30,360	28,926	28,926	15,863	(13,063)	(45.2%)
State Unemployment-Admin	217	855	855	541	(314)	(36.7%)
TOTAL LABOR & BENEFITS	445,033	404,710	390,969	223,781	(180,929)	(44.7%)
OTHER EXPENSES						
Consultation Fees	164,359	235,000	161,000	140,000	(95,000)	(40.4%)
Other Professional Fees	38,797	29,400	37,736	36,270	6,870	23.4%
Temporary Help	6,434	-	-	-	-	0.0%
Office Supplies	1,582	600	600	600	-	0.0%
Other Supplies	442	-	-	-	-	0.0%
Telephone-Local	1,640	2,400	1,440	2,400	-	0.0%
Dues And Subscriptions	3,644	2,844	4,330	4,718	1,874	65.9%
Airfare - Transportation	2,209	2,250	924	700	(1,550)	(68.9%)
Travel - Per Diem	567	1,750	518	300	(1,450)	(82.9%)
Seminar, Conferences, Registration	7,335	5,985	2,925	4,485	(1,500)	(25.1%)
Lodging	(1,707)	3,250	1,629	1,100	(2,150)	(66.2%)
Travel - Other	226	-	-	-	-	0.0%
Business Meals - Local	104	-	-	-	-	0.0%
Postage	1	-	-	-	-	0.0%
Other Miscellaneous Expenses	3,522	-	-	-	-	0.0%
Food and Ice	100	-	-	-	-	0.0%
TOTAL OTHER EXPENSES	229,254	283,479	211,102	190,573	(92,906)	(32.8%)
TOTAL OPERATING EXPENSES	\$674,287	\$688,189	\$602,071	\$414,354	(\$273,835)	(39.8%)

Community Engagement Formerly Community Involvement

Functions and Responsibilities

The Community Engagement department builds trust by meaningfully engaging our community in decision-making, serving as the agency's primary liaisons with community groups and organizations and managing several programs to facilitate community engagement with Capital Metro.

FY2018 Accomplishments

- ◆ Customer Experience
 - Contributed to the successful launch of Cap Remap, the largest service change in the agency's history. Orchestrated a comprehensive community outreach and education effort, enlisting more than 200 agency volunteers and ambassadors and coordinating a contracted street team to provide hands-on assistance to customers to facilitate their acclimation to the change.
 - Implemented plans for communication to current riders and new riders of changes to service or when service is added for special events, including: January, June and August service changes, Austin City Limits Music Festival and South by Southwest special event service.
 - Responded promptly to hundreds of customer and stakeholder calls and emails to provide accurate and timely answers to questions and concerns.
- ◆ Ridership
 - Developed new partnerships with major stakeholder organizations throughout the region to facilitate the realization of the Project Connect system vision and other transit service expansion priorities.
- ◆ Community
 - Engaged our regional community in the technical analysis process for Project Connect and engaged more than 3,500 people via public events, pop-up outreach, online and paper surveying and two advisory committees.
 - Held the 6th Annual Stuff the Bus event in partnership with the Central Texas Food Bank and Whole Foods Market, raising more than 100,000 meals for Central Texas families in need.
 - Launched the first two MetroArt projects: the 12th and Chicon bus stop project and the MetroRapid art box project, establishing a practice of providing our community with opportunities to enjoy cultural, performing and visual art.
 - Developed new partnerships with organizations like the African American Youth Harvest Foundation and Jump On It to enhance our outreach to underserved communities.

FY2019 Planned Initiatives

- ◆ Community
 - Launch a community education initiative to facilitate public awareness and understanding of Project Connect and its potential benefit to the Central Texas community.
 - Implement data mining techniques to inform engagement efforts and better understand community sentiments and values.
 - Collect critical feedback for Project Connect Preliminary Engineering and Environmental Impact Study to ensure wide and diverse community participation, including input from hard-to-reach communities.
 - Implement outreach strategies and tactics to ensure diverse segments of the community, including those of limited English proficiency and other hard-to-reach populations, are aware of and understand the impacts of service changes in January, June and August.
 - Identify potential partners and strengthen existing partnerships to achieve success in targeted areas of interest. Develop an inventory of Capital Metro partnerships and evaluate their impact in advancing strategic agency objectives.
 - Continue partnership with the city of Austin and other local entities to develop a community infrastructure for public dialogue to enable Capital Metro to more meaningfully engage the public in decision-making process.
 - Support operations, marketing and communications efforts to ensure a great customer service experience during special events.
 - Promote partnerships with social service organizations to serve hard-to-reach communities.
 - Pursue opportunities for public performance, cultural and visual arts via MetroArt program.
 - Provide safety education and travel training to K-12 and college students.

Community Engagement Department Organizational Chart





Budget Changes

Labor and Benefits

Decrease of \$40,988 due to 1 FTE transferred to the Executive Staff department, partially offset by the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net increase of \$244,915 driven by \$152,300 in Other Professional Fees for Smart Trips and Data Mining/Customer Intelligence, partially offset by completed projects and approximately \$75,000 moved to the Project Connect department. Increase of \$90,000 in Consultation Fees for the bi-annual perception survey mandated in the Capital Metro strategic plan.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$298,708	\$423,729	\$399,516	\$386,037	(\$37,692)	(8.9%)
Overtime - Administrative	8	6,228	6,228	6,228	-	0.0%
FICA-Admin	21,702	32,653	32,653	29,474	(3,179)	(9.7%)
State Unemployment-Admin	(113)	1,197	1,197	1,080	(117)	(9.8%)
TOTAL LABOR & BENEFITS	320,305	463,807	439,594	422,819	(40,988)	(8.8%)
OTHER EXPENSES						
Consultation Fees	-	-	-	90,000	90,000	N/A
Other Professional Fees	347,552	399,500	506,951	551,800	152,300	38.1%
Temporary Help	14,050	27,000	60,000	50,000	23,000	85.2%
Repair & Maintenance-Other	84	-	-	-	-	0.0%
Courier And Delivery Services	511	300	200	300	-	0.0%
Other Services	1,211	10,000	7,500	10,000	-	0.0%
Gasoline	415	1,500	200	-	(1,500)	N/A
Office Supplies	2,627	15,000	15,000	8,000	(7,000)	(46.7%)
Other Supplies	11,982	15,000	15,000	15,000	-	0.0%
Telephone-Local	960	4,800	960	2,880	(1,920)	(40.0%)
Gasoline Fuel Tax	-	100	-	-	(100)	N/A
Dues And Subscriptions	19,932	20,025	19,920	19,920	(105)	(0.5%)
Airfare - Transportation	770	6,000	1,675	2,500	(3,500)	(58.3%)
Travel - Per Diem	378	2,100	1,467	1,200	(900)	(42.9%)
Seminar, Conferences, Registration	5,621	5,600	2,900	3,900	(1,700)	(30.4%)
Lodging	-	4,000	4,488	3,500	(500)	(12.5%)
Travel - Other	110	-	477	-	-	0.0%
Business Meals - Local	15,508	-	3,500	-	-	0.0%
Advertising/Promotion Media	1,891	-	250	1,200	1,200	N/A
Postage	145	1,500	100	600	(900)	(60.0%)
Other Miscellaneous Expenses	8,265	10,000	9,000	-	(10,000)	N/A
Food and Ice	5,186	-	7,000	3,000	3,000	N/A
Lease-Operating Yard/Storage	-	-	3,132	3,540	3,540	N/A
TOTAL OTHER EXPENSES	437,197	522,425	659,720	767,340	244,915	46.9%
TOTAL OPERATING EXPENSES	\$757,502	\$986,232	\$1,099,314	\$1,190,159	\$203,927	20.7%

Customer Service

Functions and Responsibilities

The Customer Service department assists customers with trip planning, fares, riding rules, lost-and-found reports, questions and intake for customer comments, complaints and requests. Representatives are available seven days a week by telephone and weekdays for email and web-based correspondence and walk-in service.

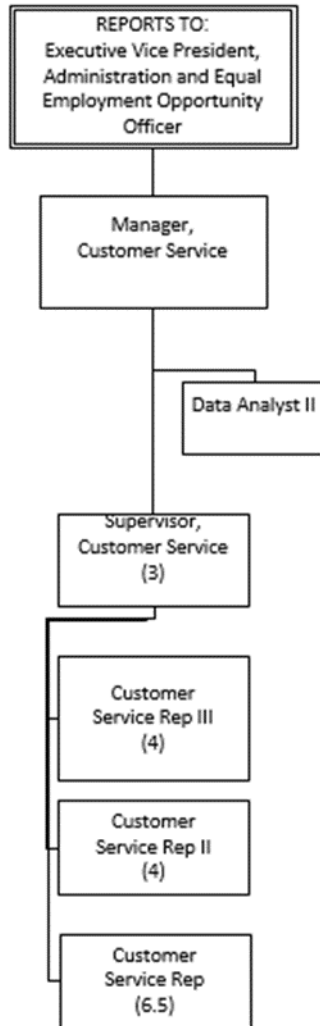
FY2018 Accomplishments

- ◆ Customer Experience
 - For the 12 months ended March 2018:
 - Answered 210,208 customer calls by live agents representing a decrease of 14 percent compared to the prior 12 months.
 - Met the goal of answering 80 percent of calls within 60 seconds.
 - Processed 14,515 customer comment reports, down 4 percent compared to the prior 12 months.
 - Successfully supported customers through dozens of service-impacting special events, detours, and three service changes including Cap Remap.
 - Began answering social media customer service inquiries.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Answer a projected 210,313 calls with live agents.
 - Serve non-telephone customers through email, social media, mail and walk-in modes.
 - Provide customer support for upgrades to the High-Frequency Network.

Customer Service Department Organizational Chart





Budget Changes

Labor and Benefits

Net decrease of \$275,692 due to the transfer of 6 Transit Store FTEs to the Finance department, partially offset by the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net decrease of \$78,691 driven by \$63,000 in Temporary Help and \$18,000 Advertising/Promo Media for FY2018 expenses for the Transit Store that is now part of Finance.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$1,056,429	\$1,168,171	\$795,264	\$913,255	(\$254,916)	(21.8%)
Overtime - Administrative	53,178	71,913	71,913	71,914	1	0.0%
Salary & Wages - Temp	5,955	-	-	-	-	0.0%
FICA-Admin	80,480	90,023	65,646	70,082	(19,941)	(22.2%)
State Unemployment-Admin	339	4,617	3,591	3,781	(836)	(18.1%)
TOTAL LABOR & BENEFITS	1,196,381	1,334,724	936,414	1,059,032	(275,692)	(20.7%)
OTHER EXPENSES						
Temporary Help	7,826	78,000	78,000	15,000	(63,000)	(80.8%)
Maintenance-Office Equipment	250	600	450	500	(100)	(16.7%)
Courier And Delivery Services	35	-	-	-	-	0.0%
Other Services	4,051	13,483	14,940	15,140	1,657	12.3%
Office Supplies	4,980	8,000	4,900	4,895	(3,105)	(38.8%)
Other Supplies	2,183	1,000	-	-	(1,000)	(100.0%)
Non Capital Equipment	3,682	-	-	-	-	0.0%
Telephone-Local	960	960	480	480	(480)	(50.0%)
Airfare - Transportation	-	-	1,836	872	872	0.0%
Travel - Per Diem	-	1,000	259	565	(435)	(43.5%)
Seminar, Conferences, Registration	-	-	-	4,350	4,350	0.0%
Lodging	-	-	-	1,430	1,430	0.0%
Travel - Other	59	-	-	-	-	0.0%
Advertising/Promotion Media	-	18,000	-	-	(18,000)	(100.0%)
Postage	636	500	400	120	(380)	(76.0%)
Other Miscellaneous Expenses	98	500	-	-	(500)	(100.0%)
Food and Ice	38	-	-	-	-	0.0%
TOTAL OTHER EXPENSES	24,799	122,043	101,265	43,352	(78,691)	(64.5%)
TOTAL OPERATING EXPENSES	\$1,221,180	\$1,456,767	\$1,037,679	\$1,102,384	(\$354,383)	(24.3%)

Demand Response Oversight Formerly Paratransit Contract Operations

Functions and Responsibilities

The Demand Response Oversight department oversees each of Capital Metro's paratransit services contractors. Costs related to contracted paratransit services compliant with the ADA are budgeted in this department. To enhance customer service delivery, the Paratransit Administration department has merged with the Demand Response Oversight department.

FY2018 Accomplishments

- ◆ Customer Experience
 - Supported the June 2018 service change resulting from Cap Remap.
 - Concluded the successful Pickup pilot program.
 - Took delivery of 23 new cutaway vehicles.
 - Initiated the RideAustin Exposition Pilot project.
- ◆ Community
 - Successfully completed the Triennial Review.
- ◆ Finance
 - Completed the contract adjustment with North Base Paratransit Facility service provider to accommodate the unexpected termination of the overflow provider contract.
 - Completed the procurement process for the South Base Paratransit Facility service provider contract.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Vehicle exchange program to get MV-1s into the local transportation community.
 - Startup of a new service provider at South Base Paratransit Facility.
 - Participate in a procurement for a Pickup service replacement and a transportation network company provider.
- ◆ Finance
 - Assist in paratransit operations software replacement procurement.

Demand Response Oversight Organizational Chart





Budget Changes

Labor and Benefits

Net decrease of \$126,679 due transferring 1 FTE to Operations and Maintenance Oversight department and 0.5 FTE transferred to Innovative Mobility department, partially offset by the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net decrease of \$3,901,153 primarily driven by a net decrease of \$3,586,885 in contracted paratransit services due to realignment of service providers. Additional decreases of \$347,960 in Diesel due to moving \$97,206 to the Innovative Mobility department and reclassifying \$111,699 as fuel tax.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$495,507	\$486,530	\$494,502	\$371,507	(\$115,023)	(23.6%)
Overtime - Administrative	28	2,202	2,202	-	(2,202)	(100.0%)
FICA-Admin	38,420	36,740	36,740	27,504	(9,236)	(25.1%)
State Unemployment-Admin	256	1,026	1,026	808	(218)	(21.2%)
TOTAL LABOR & BENEFITS	534,211	526,498	534,470	399,819	(126,679)	(24.1%)
OTHER EXPENSES						
Other Professional Fees	-	25,000	25,000	-	(25,000)	(100.0%)
Maintenance-Radios	1,443	1,500	1,500	1,500	-	0.0%
Other Services	11,137	40,000	20,000	-	(40,000)	(100.0%)
Diesel	557,755	763,195	737,000	415,505	(347,690)	(45.6%)
Gasoline	502,000	639,740	656,195	645,634	5,894	0.9%
Fuel Risk Management	127,698	-	-	-	-	0.0%
Office Supplies	1,585	950	950	950	-	0.0%
Maps And Schedules	1,229	700	550	700	-	0.0%
Other Supplies	4,384	13,500	12,500	11,000	(2,500)	(18.5%)
Telephone-Local	480	3,180	960	960	(2,220)	(69.8%)
Diesel Fuel Tax	68,566	-	73,000	43,737	43,737	N/A
Gasoline Fuel Tax	23,364	-	45,000	67,962	67,962	N/A
Demand Response	(23,154)	-	-	-	-	0.0%
North Base Paratransit	5,852,252	6,705,487	6,949,691	7,103,696	398,209	5.9%
Paratransit Overflow	360,008	804,642	10,119	-	(804,642)	(100.0%)
South Base Paratransit	20,480,719	21,268,562	20,915,794	18,088,110	(3,180,452)	(15.0%)
Dues And Subscriptions	349	375	375	375	-	0.0%
Airfare - Transportation	1,549	4,375	3,400	3,600	(775)	(17.7%)
Travel - Per Diem	602	3,250	2,150	1,950	(1,300)	(40.0%)
Seminar, Conferences, Registration	1,300	2,525	1,729	1,450	(1,075)	(42.6%)
Lodging	2,500	8,600	6,700	5,100	(3,500)	(40.7%)
Travel - Other	430	-	-	-	-	0.0%
Business Meals - Local	170	-	-	-	-	0.0%
Postage	2,147	12,000	8,300	4,200	(7,800)	(65.0%)
TOTAL OTHER EXPENSES	27,978,513	30,297,581	29,470,913	26,396,429	(3,901,152)	(12.9%)
TOTAL OPERATING EXPENSES	\$28,512,724	\$30,824,079	\$30,005,383	\$26,796,248	(\$4,027,831)	(13.1%)

Diversity and Compliance

Functions and Responsibilities

The Diversity and Compliance department is a new department created from the Government Relations and Compliance department. It manages, coordinates and implements federal civil rights programs - including Disadvantaged Business Enterprise (DBE), Title VI of the Civil Rights Act of 1964 and Equal Employment Opportunity (EEO) in accordance with federal regulations and provides technical assistance to stakeholders. The department also leads the promotion of cultural diversity and coordinates diversity events for Capital Metro employees and contractors throughout the year.

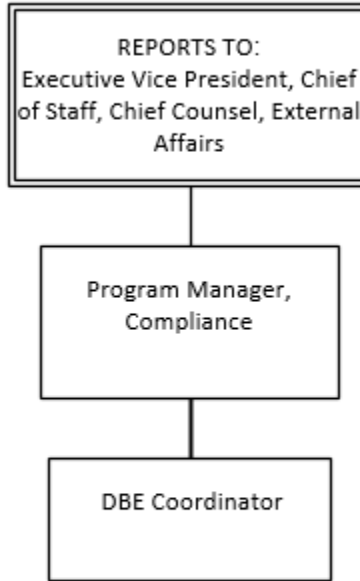
FY2018 Accomplishments

- ◆ Customer Experience
 - Promoted cultural diversity through events such as the Holiday Cultural Celebration and Multicultural Celebration, as well as other employee cultural awareness activities for African-American, Asian, Hispanic and the Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ) communities.
- ◆ Ridership
 - Provided EEO and Title VI training for Capital Metro employees and contractors.
 - Conducted equity analyses and provided Title VI and DBE Program Updates to Federal Transit Administration (FTA).
 - Supported the federal Triennial Review.
- ◆ Community
 - Conducted Small and Disadvantaged Business networking events.
 - Held outreach events with minority chambers of commerce, including: Women's Business Council (WBC)-Southwest, Central Texas Small Business Partnership (CTSBP) and other entities.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Facilitate cultural celebration events such as holiday and multicultural celebrations.
 - Promote diversity of African-American, Asian, Hispanic and LGBTQ cultures.

Diversity and Compliance Department Organizational Chart





Budget Changes

Labor and Benefits

Budget of \$155,582 for 1 FTE transferred from the Government Relations department and an additional DBE coordinator FTE, and includes approved performance-based pay increases to become effective in January 2019.

Other Expenses

Budget of \$59,235, previously part of the Government Relations department, mainly for Dues and Subscriptions and other expenses for promoting diversity and cultural celebrations.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	-	-	-	\$144,144	\$144,144	N/A
FICA-Admin	-	-	-	11,077	11,077	N/A
State Unemployment-Admin	-	-	-	361	361	N/A
TOTAL LABOR & BENEFITS	-	-	-	155,582	155,582	N/A
OTHER EXPENSES						
Other Services	-	-	-	5,000	5,000	N/A
Office Supplies	-	-	-	775	775	N/A
Telephone-Local	-	-	-	480	480	N/A
Dues And Subscriptions	-	-	-	34,100	34,100	N/A
Airfare - Transportation	-	-	-	1,200	1,200	N/A
Travel - Per Diem	-	-	-	900	900	N/A
Seminar, Conferences, Registration	-	-	-	1,900	1,900	N/A
Lodging	-	-	-	1,300	1,300	N/A
Other Miscellaneous Expenses	-	-	-	13,580	13,580	N/A
TOTAL OTHER EXPENSES	-	-	-	59,235	59,235	N/A
TOTAL OPERATING EXPENSES	-	-	-	\$214,817	\$214,817	N/A

Executive Staff

Functions and Responsibilities

The Executive Staff department provides leadership and direction to ensure that Capital Metro meets its mission, goals and objectives. The department coordinates initiatives to ensure quality standards for the organization and enable the ongoing improvement of customer service. Additionally, Executive Staff ensures sound ethics and fiscal management consistent with federal, state and local laws and sound public practices, which emphasize the most effective use of taxpayer funds through the continuous improvement of Capital Metro's operations. Executive Staff ensures activities across the organization are properly coordinated and oversees the dissemination of information to ensure follow-through and timely communications with concerned stakeholders. This department serves as the liaison to the board of directors on policy issues.

FY2018 Accomplishments

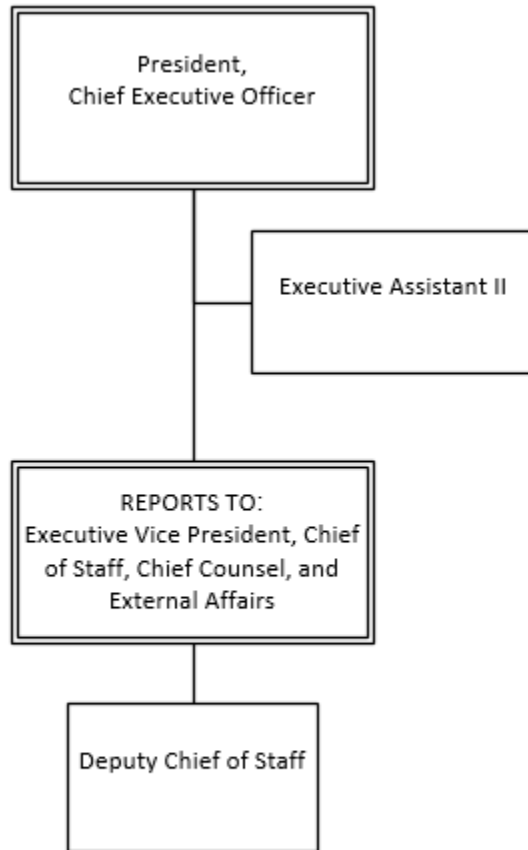
- ◆ Customer Experience
 - We implemented the largest service change in the agency's history, which we branded as Cap Remap. The changes included 10 new routes, amendments to 42 existing routes and increasing to 14 the number of High-Frequency routes. Those frequency improvements serve customers seven days a week. Capital Metro will provide more than 120,000 additional service hours as a result of the changes and will do so using our existing resources. Staff members replaced signage at more than 2,300 bus stops in the weeks leading up to and just after the change.
 - Cap Remap resulted from more than 250 public meetings over two years, and our staff members performed direct outreach with our customers through more than 900 shifts at 150 bus stops in the weeks leading up to the service change. That engagement reached more than 18,000 customers.
 - Following the board's recommendation, the agency instituted free fares for all of our services the first week of Cap Remap.
 - Once the MoPac Express Lanes opened in the fall, we began to operate MetroExpress Route 980 from Round Rock into downtown. With the January service change, we increased service on other MetroExpress routes, doubling the capacity of the Commuter bus routes.
 - Our Pickup pilot project ended a successful one-year term in June. We provided 20,000 rides and collected valuable data that will inform our future efforts to provide first-mile/last-mile service.
 - Capital Metro is instilling a culture of continuous improvement, and our pilot programs are a key part of that. In summer 2018, we began a first-mile/last-mile service in the Exposition Boulevard neighborhood through a partnership with RideAustin.
 - We broke ground on the Westgate Transit Center in July, fulfilling requests made by the neighborhood and working with partners at the Texas Department of Transportation.
 - The technical team working on the new Downtown Station finalized design plans and moved into the permitting phase. Construction is scheduled to commence in 2019.
 - The agency sold 25 percent of its passes via the CapMetro App, adding up to about \$3.5 million in 2017.

- ◆ Ridership
 - We earned significant ridership gains on MetroRapid (25 percent) and MetroExpress (20 percent).
 - Capital Metro continued work on MetroRail improvements that will enable the agency to increase the frequency and capacity of the service.
- ◆ Community
 - In December, Capital Metro once again partnered with the Central Texas Food Bank and Whole Foods Market for our Stuff the Bus campaign. This year we collected enough food and cash donations to provide 100,000 meals.
 - Another pilot program was implemented in June when the agency decided to allow students aged 18 and younger to ride free, creating a virtual family pass that allows customers to explore the city of Austin and learn our system.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Continue coordination with the city of Austin on bus priority treatments in city-owned right-of-way.
 - Continuing implementation of pilot service initiatives that allow the agency to provide new services and test new ideas in an efficient and cost-effective manner. Included in that will be an autonomous vehicle shuttle circulator in downtown Austin.
 - Continuing improvements of our MetroRail service and continuing work on implementation of federally mandated positive train control measures.
- ◆ Ridership
 - Adding eight pairs of stations along both MetroRapid routes, improving the service and responding to community feedback and requests.
- ◆ Community
 - Continue construction on the 11-acre, transit-supportive Plaza Saltillo station.
- ◆ Finance
 - Conducting preliminary engineering work for Project Connect, funded with \$6 million through an agreement between the city of Austin and Capital Metro for a total funding of \$7.8 million in Fiscal Year 2019.
 - Continuing replacement of vehicles, equipment and other assets as part of our on-going and federally required state of good repair program.

Executive Staff Department Organizational Chart





Budget Changes

Labor and Benefits

Net decrease of \$58,680 due to the elimination of the Chief of Staff position that was combined with the Chief Counsel position in the Legal department, partially offset by the addition of a Deputy Chief of Staff position from the transfer of 1 FTE from the Community Engagement department and the approved performance-based pay increases to become effective in January 2019.

Other Expenses

A decrease of \$29,797 is mostly due to reduced dues being paid to various organizations.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$563,010	\$547,875	\$514,875	\$490,182	(\$57,693)	(10.5%)
Executive Compensation	-	41,934	41,934	41,940	6	0.0%
FICA-Admin	28,498	27,264	27,264	26,243	(1,021)	(3.7%)
401K	52,250	52,199	52,199	52,199	-	0.0%
State Unemployment-Admin	27	513	513	541	28	5.5%
TOTAL LABOR & BENEFITS	643,785	669,785	636,785	611,105	(58,680)	(8.8%)
OTHER EXPENSES						
Temporary Help	7,204	-	-	-	-	0.0%
Office Supplies	1,204	3,000	3,000	2,000	(1,000)	(33.3%)
Telephone-Local	880	960	960	320	(640)	(66.7%)
Dues And Subscriptions	89,346	147,503	147,503	114,750	(32,753)	(22.2%)
Airfare - Transportation	1,815	5,625	5,625	4,500	(1,125)	(20.0%)
Travel - Per Diem	524	3,075	3,075	2,250	(825)	(26.8%)
Seminar, Conferences, Registration	2,845	9,600	9,600	13,250	3,650	38.0%
Lodging	5,655	5,900	5,900	9,000	3,100	52.5%
Travel - Other	188	600	600	600	-	0.0%
Business Meals - Local	658	-	-	1,800	1,800	0.0%
Postage	20	-	-	-	-	0.0%
Other Miscellaneous Expenses	1,434	6,000	6,000	3,996	(2,004)	(33.4%)
Food and Ice	65	-	-	-	-	0.0%
TOTAL OTHER EXPENSES	111,837	182,263	182,263	152,466	(29,797)	(16.3%)
TOTAL OPERATING EXPENSES	\$755,622	\$852,048	\$819,048	\$763,571	(\$88,477)	(10.4%)

Finance

Functions and Responsibilities

The Finance department is responsible for monitoring Capital Metro's financial performance, recommending effective allocation of resources, ensuring accurate and timely accounting and reporting, processing timely payment of goods and services procured, developing and monitoring annual operating and capital budgets, administering federal grant programs, safeguarding assets and facilitating strategic financial planning.

FY2018 Accomplishments

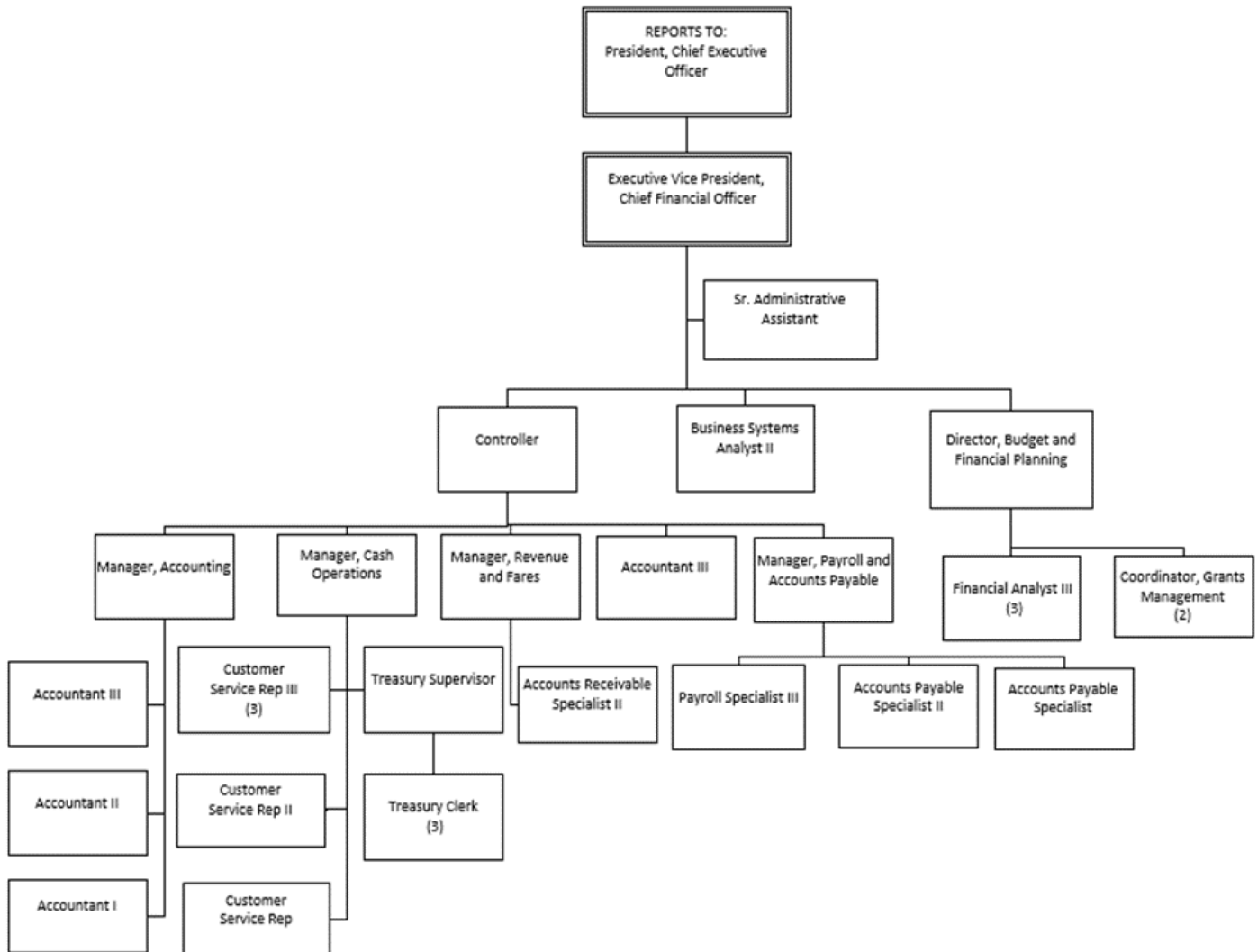
- ◆ Finance
 - Received the Government Finance Officers Association Distinguished Budget Presentation Award for the FY2018 budget document.
 - Received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting for the FY2016 Comprehensive Annual Financial Report (CAFR). FY2017 CAFR has been completed, submitted and is currently under review.
 - Received an unmodified opinion from Capital Metro's independent accounting firm on the FY2017 financial statements and no single audit findings or internal control deficiencies were noted.
 - Completed a comprehensive long-range financial plan spanning FY2019 to FY2038
 - Implemented segregation of duties software for the Dynamics AX system.
 - Successfully completed the FY2018 Federal Transit Administration's (FTA) Triennial review.

FY2019 Planned Initiatives

- ◆ Finance
 - Pursue additional funding opportunities that are aligned with the agency's objectives.
 - Develop a strategy and roadmap to replace the agency's outdated fare collection systems, by implementing a system that will be simple to use, convenient for the customer and cost-effective to implement and maintain. Replace the end-of-life ticket vending machines currently in operation at our rail stations.
 - Complete the FY2019 Budget and submit the budget document to the Government Finance Officers Association for award consideration.
 - Complete the FY2018 Comprehensive Annual Financial Report (CAFR) and submit it to the Government Finance Officers Association for award consideration.
 - Receive an unmodified opinion from Capital Metro's independent accounting firm on the FY2018 financial statements and no single audit findings or internal control deficiencies.

- Update the long-range financial plan to prioritize the agency's operating and capital expenditure and plan for strategic initiatives.
- Complete a comprehensive review of the Accounting and Finance department's internal controls, including the documentation and assessment of key controls and implementing corrective actions.
- Implement an automated inventory management and recordkeeping system to control and distribute bus passes.

Finance Department Organizational Chart





Budget Changes

Labor and Benefits

Increase of \$695,655 due to the movement of six Transit Store FTEs from the Customer Service department, an additional Accountant III, movement of Data Analyst from Strategic Management and approved performance-based pay increases to become effective in January 2019.

Other Expenses

Increase of \$124,814 due primarily to the increase of \$100,000 in Other Professional fees for a Fare Strategy and Roadmap Consultant.



Capital Metropolitan Transportation Authority Approved FY2019
Operating and Capital Budget and Five Year Capital Improvement Plan

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$1,551,680	\$1,746,382	\$2,084,055	\$2,396,040	\$649,658	37.2%
Overtime - Administrative	4,082	3,000	3,000	3,000	-	0.0%
Salary & Wages - Temp	4,073	-	-	-	-	0.0%
FICA-Admin	110,743	129,396	153,773	173,936	44,540	34.4%
401K	458	-	-	-	-	0.0%
State Unemployment-Admin	307	3,933	4,959	5,400	1,467	37.3%
TOTAL LABOR & BENEFITS	1,671,344	1,882,711	2,245,787	2,578,376	695,665	37.0%
OTHER EXPENSES						
Audit Fees	240,979	250,000	273,650	237,835	(12,165)	(4.9%)
Consultation Fees	19,000	-	3,000	-	-	0.0%
Other Professional Fees	232,105	242,900	262,780	365,742	122,842	50.6%
Permits And Fees	198	-	-	-	-	0.0%
Temporary Help	95,239	-	60,000	-	-	0.0%
Maintenance-Office Equipment	-	-	150	180	180	0.0%
Repair & Maintenance-Other	386	-	-	-	-	0.0%
Courier And Delivery Services	26,324	28,000	24,200	28,200	200	0.7%
Gasoline	3,273	1,000	3,900	-	(1,000)	(100.0%)
Office Supplies	10,846	12,000	15,000	16,200	4,200	35.0%
Passes And Tickets	117,278	153,000	125,000	136,200	(16,800)	(11.0%)
Other Supplies	2,290	8,000	5,000	4,800	(3,200)	(40.0%)
Non Capital Equipment	943	-	-	-	-	0.0%
Telephone-Local	1,400	500	2,400	2,400	1,900	380.0%
Dues And Subscriptions	3,670	6,000	5,000	4,810	(1,190)	(19.8%)
Airfare - Transportation	841	5,500	2,250	3,500	(2,000)	(36.4%)
Travel - Per Diem	916	4,000	1,500	1,750	(2,250)	(56.3%)
Seminar, Conferences, Registration	4,587	11,800	13,070	16,259	4,459	37.8%
Lodging	1,686	7,000	3,000	3,325	(3,675)	(52.5%)
Travel - Other	2,045	1,500	1,000	1,200	(300)	(20.0%)
Business Meals - Local	367	-	-	-	-	0.0%
Bad Debt Expense	51,882	-	7,673	24,996	24,996	0.0%
Contingency Reserve	-	3,000,000	2,900,000	3,000,000	-	0.0%
Postage	3,098	5,000	4,500	4,750	(250)	(5.0%)
Bank Charges	280,584	307,500	337,685	395,280	87,780	28.5%
Capital Expense - Non Labor	34,936	35,000	-	-	(35,000)	(100.0%)
Interest Expense Long Term	-	205,110	205,110	161,197	(43,913)	(21.4%)
Interest Expense	247,941	-	-	-	-	0.0%
Asset Disposal Exp And Admin Fees	18,703	-	211	-	-	0.0%
1/4 Cent Sales Tax Posts	1,405,805	-	-	-	-	0.0%
Grant Reimbursement Expense	2,050	-	-	-	-	0.0%
Capital Project Expense to WIP	(53,807)	-	-	-	-	0.0%
TOTAL OTHER EXPENSES	2,755,565	4,283,810	4,256,079	4,408,624	124,814	2.9%
TOTAL OPERATING EXPENSES	\$4,426,909	\$6,166,521	\$6,501,866	\$6,987,000	\$820,479	13.3%

Government Relations

Functions and Responsibilities

The Government Relations department is a result of the split of the Government Relations and Diversity department. Its purpose is to develop relationships with local, state and federal elected officials and community leaders and to research and develop legislative strategies and policies.

FY2018 Accomplishments

- ◆ Ridership
 - Worked with other transportation-related organizations and elected leaders to develop innovative solutions to address congestion and service issues.
 - Worked with Strategic Planning to educate elected officials and stakeholders about the Connections 2025 Plan and the June 2018 Service Change.
 - Educated federal policymakers and the federal Central Texas delegation on the regional transit vision.
- ◆ Community
 - Continued to use opportunities through Project Connect to educate partner agencies and elected officials throughout the region about the benefits of transit.
 - Worked with community leaders and strengthened ties within the region to develop transportation solutions that meet the needs of various types of riders.
 - Developed relationships with newly elected or appointed officials to educate them on the value of transit in the region.
 - Engaged member cities and Transit Development Plan (TDP) participants in building a regional vision, advancing the priority of transit-oriented development and the value of transit.
 - Distributed and publicized economic impact study of Capital Metro.
 - Completed the FY2018 Transit Empowerment Fund pass distribution to approved organizations.
- ◆ Human Capital
 - Continued to work with Operations and Finance to identify Moving Ahead for Progress in the 21st Century Act (MAP-21) best practices to enhance organizational development.

- Disseminated regional feedback to the Project Connect team. Brought feedback from regional elected officials to the Strategic Planning and Community Engagement departments.

FY2019 Planned Initiatives

◆ Ridership

- Continue to work with other transportation-related organizations and elected leaders to develop innovative solutions to address congestion and service issues.
- Assist the Planning team with transit planning in the urbanized area outside the service area.
- Work with Planning to educate elected officials and stakeholders on Cap Remap and future service changes.
- Collaborate with other transit agencies, and bring Capital Metro's regional vision to state transportation meetings and other statewide transit agencies.
- Pursue transit-friendly legislation and fight policy that is detrimental to supporting multimodal transportation and smart, inclusive land use.
- Educate federal policymakers and Central Texas' federal delegation on the regional transit vision.

◆ Community

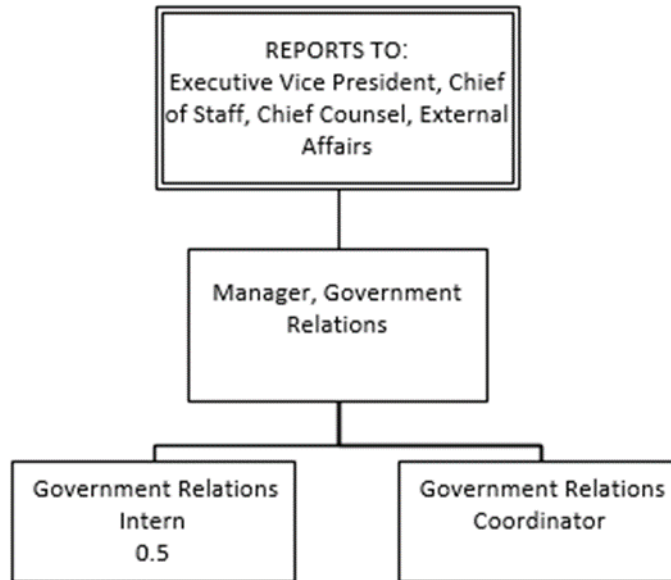
- Continue to use opportunities through Project Connect to educate partner agencies and elected officials throughout the region about the benefits of transit.
- Work with community leaders and strengthen ties within the region to develop transportation solutions to meet the needs of various types of riders.
- Develop relationships with newly elected or appointed officials to educate them on the value of transit in the region.
- Engage other transit authorities across the state and pursue common goals for the 86th Legislature. Develop and advocate for the agency's legislative agenda at the Legislature.
- Engage member cities and TDP participants in building a regional vision, advancing the priority of transit-oriented development and the value of transit.
- Complete the FY2019 Transit Empowerment Fund pass distribution to approved organizations.

◆ Human Capital

- Continue to work with Operations and Finance to identify MAP-21 best practices to enhance organizational development.

- Disseminate regional feedback to the Project Connect team. Bring feedback from regional elected officials to the Planning department and Community Engagement teams.
- Communicate legislative agenda to leadership and board of directors. Communicate legislative plans internally and work with Communications and Marketing departments on messaging to our delegation.

Government Relations Department Organizational Chart





Budget Changes

Labor and Benefits

Decrease of \$146,924 from 1 FTE eliminated and 1 FTE transferred to the Diversity and Compliance department, partially offset by the approved performance-based pay increases to become effective in January 2019 and the addition of a 0.5 FTE intern.

Other Expenses

Net decrease of \$68,222 driven by \$53,323 in Dues and Subscriptions moved to Diversity and Compliance and Executive Staff. Additionally, \$13,913 in Other Miscellaneous Expenses moved to Diversity and Compliance.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$306,095	\$313,979	\$281,092	\$172,481	(\$141,498)	(45.1%)
FICA-Admin	22,515	24,195	24,195	18,734	(5,461)	(22.6%)
State Unemployment-Admin	112	684	684	719	35	5.1%
TOTAL LABOR & BENEFITS	328,721	338,858	305,971	191,934	(146,924)	(43.4%)
OTHER EXPENSES						
Consultation Fees	436,428	365,000	365,000	374,218	9,218	2.5%
Other Professional Fees	613	-	-	-	-	0.0%
Temporary Help-Pt	-	-	33,260	-	-	0.0%
Courier And Delivery Services	-	800	-	-	(800)	(100.0%)
Other Services	350,000	372,000	372,000	370,000	(2,000)	(0.5%)
Office Supplies	2,125	2,500	2,500	2,001	(499)	(20.0%)
Telephone-Local	560	2,160	2,160	1,440	(720)	(33.3%)
Dues And Subscriptions	68,120	82,290	82,290	28,967	(53,323)	(64.8%)
Airfare - Transportation	2,366	8,600	8,600	5,800	(2,800)	(32.6%)
Travel - Per Diem	1,030	3,650	3,650	2,800	(850)	(23.3%)
Seminar, Conferences, Registration	2,936	11,930	11,930	11,095	(835)	(7.0%)
Lodging	4,567	8,400	8,400	7,700	(700)	(8.3%)
Travel - Other	262	-	-	-	-	0.0%
Business Meals - Local	3,147	-	-	-	-	0.0%
Advertising/Promotion Media	2,213	-	-	-	-	0.0%
Postage	517	1,000	-	-	(1,000)	(100.0%)
Other Miscellaneous Expenses	10,984	22,688	22,688	8,775	(13,913)	(61.3%)
TOTAL OTHER EXPENSES	885,866	881,018	912,478	812,796	(68,222)	(7.7%)
TOTAL OPERATING EXPENSES	\$1,214,587	\$1,219,876	\$1,218,449	\$1,004,730	(\$215,146)	(17.6%)

Human Resources

Functions and Responsibilities

The Human Resources department's mission is to recruit, attract, retain, develop, motivate and reward a diverse, high-performing and top-quality workforce. The department's primary responsibilities are to: facilitate staffing strategies required to meet Capital Metro's needs; manage benefits programs to meet employee needs; administer compensation and performance management programs; coordinate staff development and training programs to enhance employees' knowledge, skills and abilities; develop and deliver leadership training (Leaders in Motion) and succession planning programs (Leaders en Route); develop and administer human resources policies and procedures to comply with federal, state and local regulations.

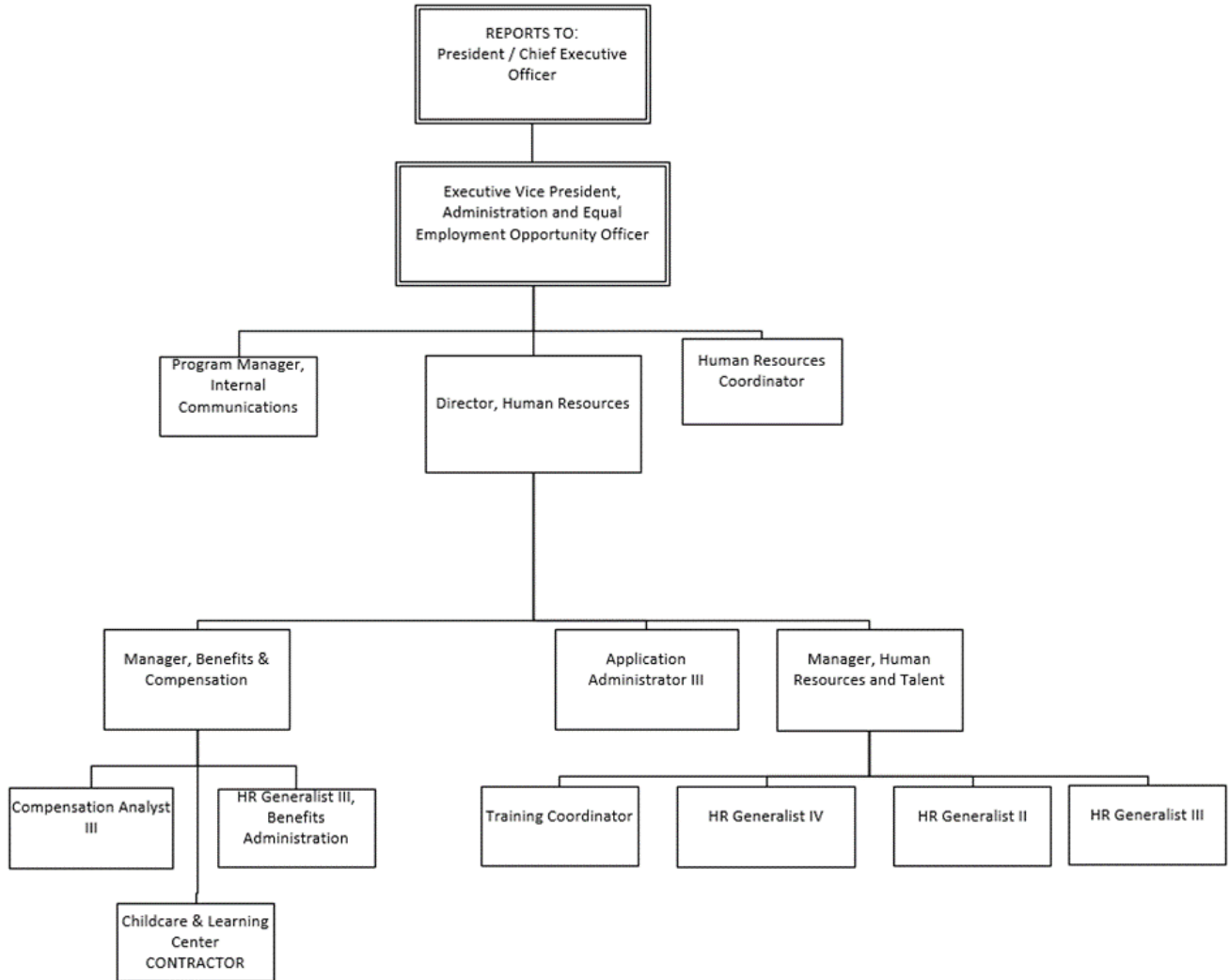
FY2018 Accomplishments

- ◆ Customer Experience
 - Continued customer service training as part of Leaders in Motion.
 - Developed customer service training content and video for Train the Trainer with service providers to deliver consistent message for their service delivery personnel.
- ◆ Human Capital
 - Continued the Leaders in Motion program to include up to four cohorts for individual contributors and new managers.
 - Procured software to manage the Leaders en Route career paths for employees.
 - Procured learning management programs to help employees grow skills for career enrichment.
 - Implemented changes in salary structure study to ensure compensation is competitive in external marketplace.
 - Developed and implemented a Capital Metro branding campaign improving the agency's job board.
 - Improved recruiting processes to reduce the time to fill position metric.
 - Worked with Communications department to implement an agency-wide communications program which includes employee newsletter.
 - Teamed with IT to provide information to Cap Metro Central (intranet site) to give employees real-time updates to important information.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Continue customer service training to Capital Metro employees as part of Leaders in Motion and annual customer service trainings for Control and Contact Centers.
 - Update customer service training content and video for Train the Trainer with service providers and ensure the delivery to their service delivery personnel.
- ◆ Human Capital
 - Continue with the Leaders in Motion program to include up to four cohorts for individual contributors.
 - Train managers and employees to utilize software for the Leaders en Route career paths.
 - Introduce employees to the new Learning Management Program and training opportunities available to empower self-learning and motivation for career enrichment.
 - Introduce the Mentoring Program.
 - Introduce the 360 Management Assessment Program.
 - Develop employee recognition program that has a new branding scheme and communication strategy and awards points or prizes for service and great performance. Work with managers to promote it.
 - Complete salary study to recommend changes in salary structure to ensure compensation is competitive in external marketplace.
 - Complete analysis of turnover and survey data for improvement in retention.

Human Resources Department Organizational Chart





Budget Changes

Labor and Benefits

Net increase of \$85,746 due to 1 FTE exchange for a higher-paid position added mid-year in FY2018 as well as the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Increase of \$12,216 due primarily to an increase of \$18,500 in Recognition Programs.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$1,127,407	\$1,145,685	\$1,158,363	\$1,226,056	\$80,371	7.0%
Overtime - Administrative	1,709	-	-	-	-	0.0%
FICA-Admin	78,398	84,326	84,326	89,408	5,082	6.0%
State Unemployment-Admin	245	2,223	2,223	2,520	297	13.4%
Housing	17,059	4,500	4,500	4,500	-	0.0%
Relocation Reimb.	18,017	15,000	15,000	15,000	-	0.0%
Tuition Reimbursement	24,453	25,000	25,000	24,996	(4)	(0.0%)
TOTAL LABOR & BENEFITS	1,267,288	1,276,734	1,289,412	1,362,480	85,746	6.7%
OTHER EXPENSES						
Consultation Fees	308,885	553,650	457,140	554,875	1,225	0.2%
Technical Services	8,469	9,500	9,000	9,000	(500)	(5.3%)
Other Professional Fees	114,342	20,000	16,795	20,300	300	1.5%
Temporary Help	-	-	50,183	-	-	0.0%
Other Services	208	500	500	250	(250)	(50.0%)
Office Supplies	13,828	13,000	13,000	13,000	-	0.0%
Other Supplies	-	2,750	2,750	2,750	-	0.0%
Telephone-Local	1,840	1,920	1,920	1,920	-	0.0%
Dues And Subscriptions	5,242	9,345	8,196	11,329	1,984	21.2%
Airfare - Transportation	5,232	9,000	9,000	8,000	(1,000)	(11.1%)
Travel - Per Diem	423	2,903	2,903	2,900	(3)	(0.1%)
Seminar, Conferences, Registration	2,585	15,630	15,745	17,954	2,324	14.9%
Lodging	2,883	8,584	4,975	7,200	(1,384)	(16.1%)
Travel - Other	76	200	200	200	-	0.0%
Business Meals - Local	1,032	1,100	1,250	1,600	500	45.5%
Newspaper Media	3,455	4,200	4,200	6,720	2,520	60.0%
Postage	625	600	600	600	-	0.0%
Other Miscellaneous Expenses	332	-	-	-	-	0.0%
Food and Ice	1,415	500	500	1,500	1,000	200.0%
Recognition Program	4,118	15,000	15,000	33,500	18,500	123.3%
Office Equipment	927	13,000	8,000	-	(13,000)	(100.0%)
TOTAL OTHER EXPENSES	475,917	681,382	621,857	693,598	12,216	1.8%
TOTAL OPERATING EXPENSES	\$1,743,205	\$1,958,116	\$1,911,269	\$2,056,078	\$97,962	5.0%

Information Technology

Functions and Responsibilities

The Information Technology (IT) department provides strategic planning and implementation of all technology projects and ensures the integrity, availability, reliability and security of all Capital Metro systems. In addition, the IT department is responsible for procurement, installation and day-to-day, 24/7 support of all installed hardware, software, data and communications networks.

FY2018 Accomplishments

- ◆ Customer Experience
 - Supported Cap Remap service change with data and customer tools.
 - Implemented systems and communications required for MetroRail and MetroRapid expansions.
 - Started implementation of public-facing performance dashboards on our website.
 - Planned fare collection system to collect fares across all media types, including mobile tickets, smartcards and magnetic cards.
 - Completed major portions of the data center modernization project, which upgraded computers servers, storage and backup systems to provide additional capacity and maintain a state of good repair.
 - Upgraded the software supporting fare box system.
- ◆ Ridership
 - Completed pilot of new technology for transit-on-demand supporting Capital Metro's Pickup service.
 - Developed next major release of the CapMetro App.
- ◆ Community
 - Launched pilots of community-focused, multi-function smart kiosks at selected stations and solar-powered dynamic message signs.
- ◆ Human Capital
 - Implemented new boardroom audio-visual system improving internal and public communications.
 - Launched new intranet to improve internal communications.
- ◆ Finance
 - Implemented a new real estate system to improve the management of properties and leases.

- Began implementation of a new enterprise asset management system, replacing an obsolete legacy system, to provide improved functionality.
- Upgraded the CapMetro App fare evasion module to accommodate the management of administrative citations.
- Implemented new improvements to our financial system including audit tools to enhance system logging and segregation of duties.

FY2019 Planned Initiatives

◆ Customer Experience

- Complete data center modernization project.
- Increase the refresh rate of vehicle real-time locations for more accurate customer traveler tool information.
- Upgrade transit scheduling system to improve capabilities and reliability.
- Upgrade farebox software to improve reliability, flexibility and extend lifecycle.
- Complete update of business continuity plan.
- Continue support of positive train control project.
- Complete implementation of public-facing performance dashboards on our website.

◆ Ridership

- Implement major new release of CapMetro App to include multimodal trip planning.
- Multi-modal combined ticketing as well as new payment methods using Apple/Google Pay

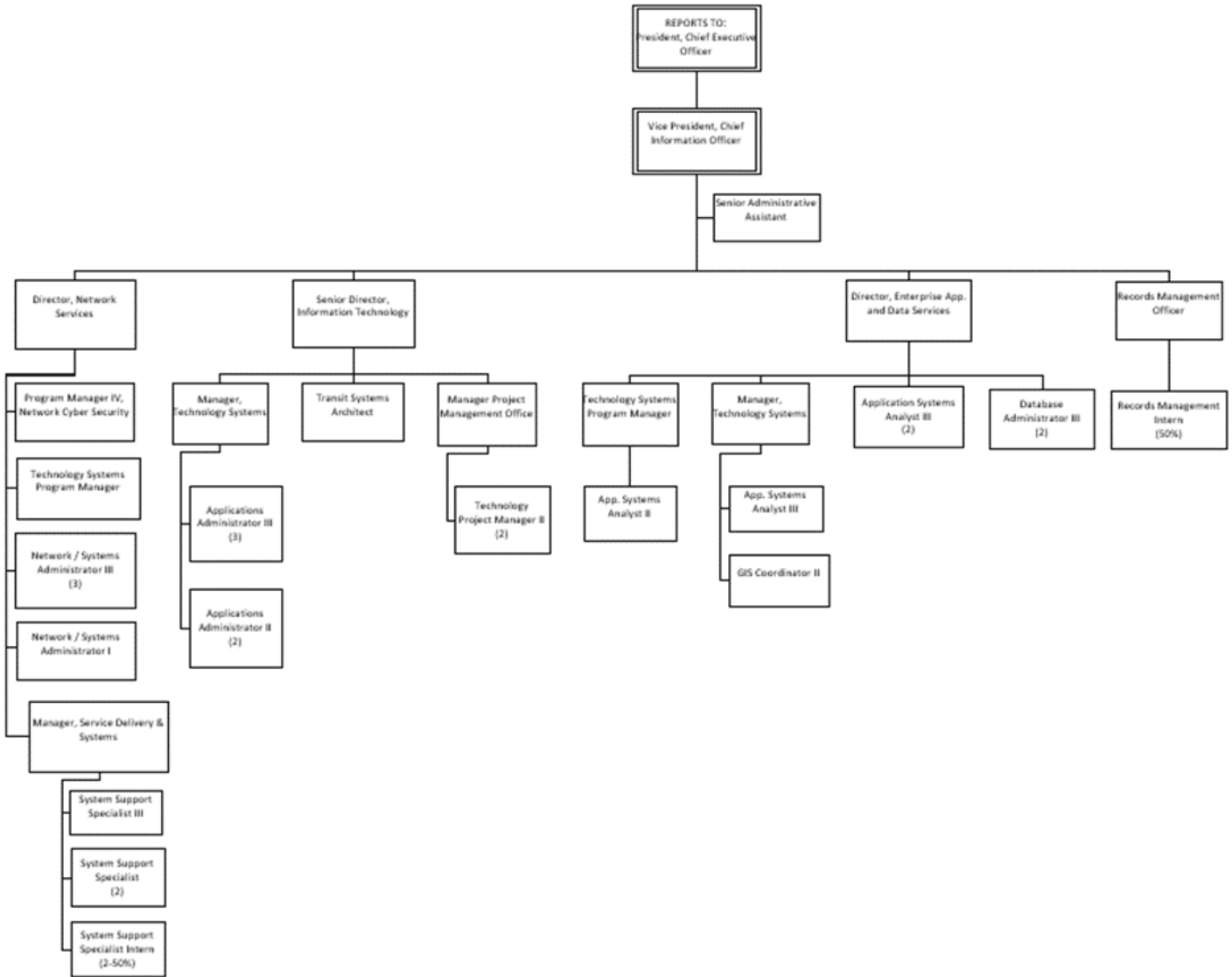
◆ Community

- Upgrade the business partnership module of mobile ticketing so that businesses can purchase mobile and physical passes electronically and manage accounts independently.

◆ Human Capital

- Implement system and network infrastructure supporting new Capital Metro Operations Control Center including integrated video monitoring.
- Implement new phone system and related communications capabilities.

Information Technology Department Organizational Chart





Budget Changes

Labor and Benefits

Increase of \$141,731 due to the approved performance-based pay increases to become effective in January 2019.

Other Expense

Net increase of \$692,640 is driven by various expense categories. The \$888,657 increase in Computer Software is related to the service implementation of various new software including new rail communications systems related to positive train control (PTC), real-time transit tracking, and other enterprise software and asset management products. The \$102,500 increase to Computer Hardware is related to upgrading existing workstations and laptops as well as server upgrades and integration with project management software. This is partially offset by reductions to Phone System Maintenance of \$100,000, and reductions of \$89,082 and \$210,719 in Hardware and Software Maintenance Contracts respectively.



Capital Metropolitan Transportation Authority Approved FY2019
Operating and Capital Budget and Five Year Capital Improvement Plan

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$3,599,101	\$3,781,282	\$3,716,183	\$3,911,655	\$130,373	3.4%
Overtime - Administrative	1,960	-	-	-	-	0.0%
Salary & Wages - Temp	10,983	-	-	-	-	0.0%
Intern Pay	30,893	-	-	-	-	0.0%
FICA-Admin	259,544	278,984	278,984	289,999	11,015	3.9%
State Unemployment-Admin	908	6,498	6,498	6,841	343	5.3%
TOTAL LABOR & BENEFITS	3,903,389	4,066,764	4,001,665	4,208,495	141,731	3.5%
OTHER EXPENSES						
Other Professional Fees	53,518	497,700	397,000	535,000	37,300	7.5%
Temporary Help	80,355	-	-	-	-	0.0%
Phone System Maintenance	282,058	404,000	404,000	304,000	(100,000)	(24.8%)
Hardware Maintenance Contracts	237,549	370,950	366,822	281,868	(89,082)	(24.0%)
Software Maintenance Contracts	2,241,368	2,313,294	2,249,116	2,102,575	(210,719)	(9.1%)
Other Services	15,666	26,000	26,000	26,000	-	0.0%
Gasoline	915	-	-	-	-	0.0%
Office Supplies	5,312	8,580	8,580	8,580	-	0.0%
Other Supplies	120	-	-	-	-	0.0%
Non-Capital Projects	563,077	-	-	-	-	0.0%
Telephone-Local	862,378	1,049,088	1,007,488	1,114,572	65,484	6.2%
Telephone-Long Distance	-	1,200	1,200	-	(1,200)	(100.0%)
Dues And Subscriptions	4,176	2,400	2,400	2,400	-	0.0%
Airfare - Transportation	513	4,800	4,800	4,500	(300)	(6.3%)
Travel - Per Diem	111	2,025	2,025	2,025	-	0.0%
Seminar, Conferences, Registration	22,633	54,200	54,200	54,200	-	0.0%
Lodging	1,713	5,900	5,900	5,900	-	0.0%
Travel - Other	37	-	-	-	-	0.0%
Business Meals - Local	588	-	-	-	-	0.0%
Postage	68	-	-	-	-	0.0%
Computer Software	516,417	1,444,350	1,443,436	2,333,007	888,657	61.5%
Computer Hardware	219,530	150,000	200,000	252,500	102,500	68.3%
Other Miscellaneous Expenses	560	-	-	-	-	0.0%
Capital Expense - Non Labor	18,871	-	-	-	-	0.0%
TOTAL OTHER EXPENSES	5,127,533	6,334,487	6,172,967	7,027,127	692,640	10.9%
TOTAL OPERATING EXPENSES	\$9,030,922	\$10,401,251	\$10,174,632	\$11,235,622	\$834,371	8.0%

Innovative Mobility

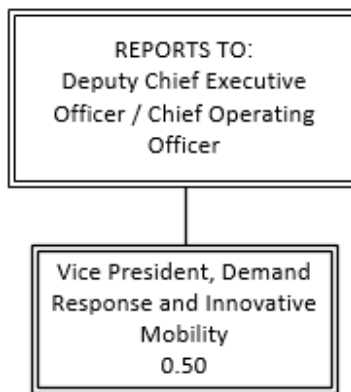
Functions and Responsibilities

Innovative Mobility is a new department responsible for exploring the future of public transportation technologies, platforms, modes and initiatives. Innovative Mobility is also responsible for creating and managing alternative shared public transit service solutions in areas where fixed-route transit is not a good mobility option.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Implement a Pickup service to connect riders with Capital Metro’s High-Frequency Network.
- ◆ Community
 - Provide supplemental transit services that expand the transit network for service delivery.
- ◆ Finance
 - Provide a less expensive alternative to locations where fixed-route service is inefficient.
 - Identify areas that warrant fixed-route service based on ridership of innovative service.

Innovative Mobility Department Organizational Chart





Budget Changes

Labor and Benefits

Budget of \$85,584 to support 0.5 FTE transferred from the Demand Response Oversight department and the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Budget of \$3,542,000 to support activities associated with developing pilot innovative mobility solutions.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	-	-	-	\$80,340	\$80,340	N/A
FICA-Admin	-	-	-	5,153	5,153	N/A
State Unemployment-Admin	-	-	-	91	91	N/A
TOTAL LABOR & BENEFITS	-	-	-	85,584	85,584	N/A
OTHER EXPENSES						
Consultation Fees	-	-	-	10,000	10,000	N/A
Other Professional Fees	-	-	-	428,854	428,854	N/A
Temporary Help	-	-	-	100,000	100,000	N/A
Other Services	-	-	-	615,000	615,000	N/A
Gasoline	-	-	-	87,948	87,948	N/A
Gasoline Fuel Tax	-	-	-	9,258	9,258	N/A
Innovative Mobility	-	-	-	1,358,940	1,358,940	N/A
Advertising/Promotion Media	-	-	-	20,000	20,000	N/A
Postage	-	-	-	12,000	12,000	N/A
Lease-Vehicles	-	-	-	900,000	900,000	N/A
TOTAL OTHER EXPENSES	-	-	-	3,542,000	3,542,000	N/A
TOTAL OPERATING EXPENSES	-	-	-	\$3,627,584	\$3,627,584	N/A

Internal Audit

Functions and Responsibilities

The Internal Audit department reports directly to the board of directors and is an independent and objective source of assurance and advisory services. Internal Audit provides assurance on Capital Metro's governance, risk management and control processes to help the organization achieve its strategic, operational, financial and compliance objectives. In addition, Internal Audit is a catalyst for process improvement by providing insight and recommendations based on a systematic analysis and assessment of data and business processes. Internal Audit also shares best practices and suggests ways for reducing costs and enhancing revenues.

FY2018 Accomplishments

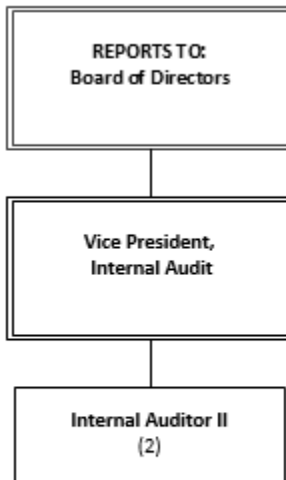
- ◆ Ridership
 - Led the coordination and successful completion of the FTA Triennial Review.
- ◆ Finance
 - Completed or initiated 12 performance and finance related audits from the approved FY2017-2018 Internal Audit Services Plan and special management requests.
 - Continued to provide advisory and consulting services in various areas, including the development of an enterprise risk management program and the business continuity preparation at the Combined Transportation Emergency and Communications Center (CTECC).
 - Performed two comprehensive biannual prior audit report status updates, which assessed implementation status of corrective action plans of open Internal Audit recommendations.
 - Passed an external quality assurance review, which assessed the department's operational effectiveness and compliance with professional auditing standards of the Institute of Internal Audit.

FY2019 Planned Initiatives

- ◆ Human Capital
 - Share best practices and assist peer transit internal audit functions.
- ◆ Finance
 - Perform an Internal Audit transformation which includes the implementation of the Institute of Internal Auditors' best practice manual and upgrade the internal audit software (TeamMate).
 - Develop FY2019 risk-based flexible audit plan that supports organizational objectives and best practices related to governance, risk and compliance.

- Execute the FY2019 Internal Audit Services Plan and assist management by assessing operational and business risks and focusing internal audit resources in the most cost-effective and efficient manner.
- Provide advisory, consulting and risk management services to management and the board on the implementation of an enterprise risk management program.
- Leverage data analytics in the performance of audit projects to make the projects more efficient and effective.

Internal Audit Department Organizational Chart





Budget Changes

Labor and Benefits

Increase of \$19,322 for the approved performance-based pay increases to become effective in January 2019.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$251,608	\$318,088	\$247,781	\$336,065	\$17,977	5.7%
FICA-Admin	21,619	21,836	21,836	23,153	1,317	6.0%
State Unemployment-Admin	27	513	513	541	28	5.5%
TOTAL LABOR & BENEFITS	273,254	340,437	270,130	359,759	19,322	5.7%
OTHER EXPENSES						
Audit Fees	8,400	-	-	-	-	0.0%
Office Supplies	49	420	100	400	(20)	(4.8%)
Other Supplies	162	-	262	400	400	0.0%
Telephone-Local	-	-	280	1,440	1,440	0.0%
Dues And Subscriptions	2,051	2,500	635	1,905	(595)	(23.8%)
Airfare - Transportation	85	800	250	1,350	550	68.8%
Travel - Per Diem	-	360	148	400	40	11.1%
Seminar, Conferences, Registration	1,904	6,100	3,999	4,369	(1,731)	(28.4%)
Lodging	-	400	424	600	200	50.0%
Travel - Other	28	-	-	-	-	0.0%
Business Meals - Local	30	-	-	-	-	0.0%
TOTAL OTHER EXPENSES	12,709	10,580	6,098	10,864	284	2.7%
TOTAL OPERATING EXPENSES	\$285,962	\$351,017	\$276,228	\$370,623	\$19,606	5.6%

Legal

Functions and Responsibilities

The Legal department ensures that Capital Metro conducts its activities ethically and consistently with federal and state laws, providing sound legal advice and reducing the risk of legal action. The Legal department provides legal support on applicable federal, state and local laws; ensures compliance with the Texas Public Information Act, Open Meetings Act and State Records Retention Act; monitors and enhances Capital Metro's ethics program to help ensure responsible stewardship of public funds; and manages outside legal services.

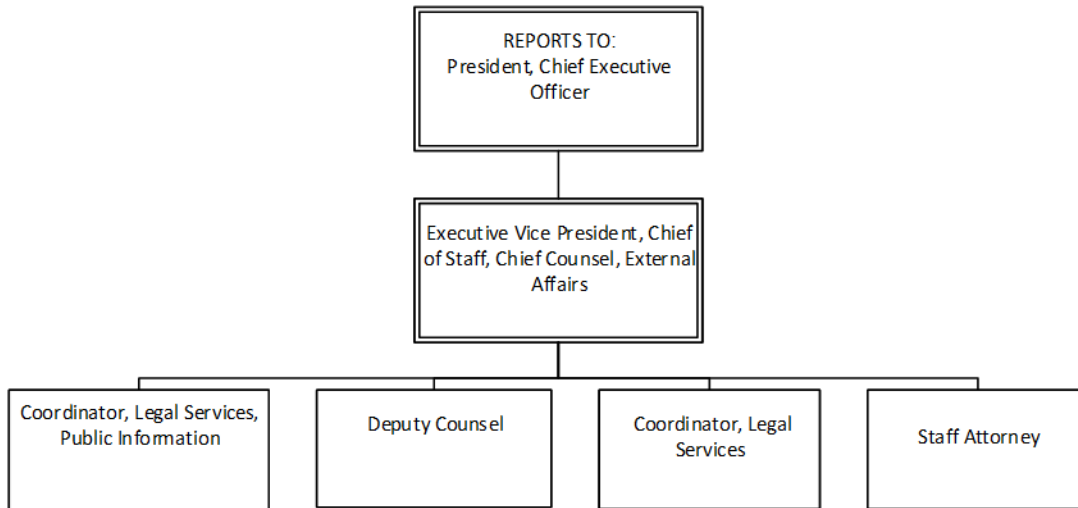
FY2018 Accomplishments

- ◆ Finance
 - Identified and implemented best practices in litigation and outside counsel management, including contract oversight measures.
 - Developed and delivered staff training and guidance on legal and ethics issues including Public Information Act responses.
 - Ensured Capital Metro met its legal obligations associated with transparency and public information through the fulfillment of Public Information Act requests in a timely and accurate manner and delivered user training and guidance on compliance with the law.
 - Continued to develop and implement processes and strategies for reducing legal risk and exposure, including revisions of standard templates.

FY2019 Planned Initiatives

- ◆ Finance
 - Review and revise agency policies.
 - Assist in the development and delivery of staff training and guidance on legal and ethical issues.
 - Ensure Capital Metro meets its legal obligations associated with transparency and public information.
 - Continue to develop and implement processes and strategies for reducing legal risk and exposure.

Legal Department Organizational Chart





Budget Changes

Labor and Benefits

Net increase of \$140,622 due to the addition of a Staff Attorney, the chief counsel now assuming the duties of the chief of staff which was eliminated from the Executive Staff department, and increases from the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net increase of \$47,453 driven by an anticipated increase in outside General Legal services for IT-related contracts, real estate projects and regulatory compliance.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$435,164	\$401,756	\$419,907	\$534,825	\$133,069	33.1%
Overtime - Administrative	234	-	-	-	-	0.0%
FICA-Admin	29,352	28,008	28,008	35,347	7,339	26.2%
State Unemployment-Admin	176	684	684	898	214	31.3%
TOTAL LABOR & BENEFITS	464,925	430,448	448,599	571,070	140,622	32.7%
OTHER EXPENSES						
General Legal Services	656,751	500,000	400,000	550,000	50,000	10.0%
Courier And Delivery Services	11	50	50	50	-	0.0%
Other Services	(108)	-	-	-	-	0.0%
Office Supplies	2,121	2,500	2,500	2,500	-	0.0%
Telephone-Local	960	1,440	1,320	960	(480)	(33.3%)
Dues And Subscriptions	6,448	7,700	7,700	7,433	(267)	(3.5%)
Airfare - Transportation	584	2,000	1,000	2,000	-	0.0%
Travel - Per Diem	125	800	600	800	-	0.0%
Seminar, Conferences, Registration	2,366	5,500	4,000	4,500	(1,000)	(18.2%)
Lodging	1,354	2,300	1,500	1,500	(800)	(34.8%)
Business Meals - Local	(28)	-	-	-	-	0.0%
Postage	357	400	350	400	-	0.0%
TOTAL OTHER EXPENSES	670,939	522,690	419,020	570,143	47,453	9.1%
TOTAL OPERATING EXPENSES	\$1,135,864	\$953,138	\$867,619	\$1,141,213	\$188,075	19.7%

Marketing

Functions and Responsibilities

The Marketing department furthers Capital Metro's mission by delivering the best possible customer experience and demonstrating the value of public transportation to the community and generates revenue through advertising sales on transit vehicles and through the development of programs designed to increase ridership in a collaborative effort with private and public entities. Major responsibilities include the promotion of routes and services, internal marketing, schedule/signage design and fleet graphics. Marketing works with the Communications and Community Engagement departments to inform the public of planned initiatives and service improvements. The department also carries out market research to measure levels of awareness and customer satisfaction.

FY2018 Accomplishments

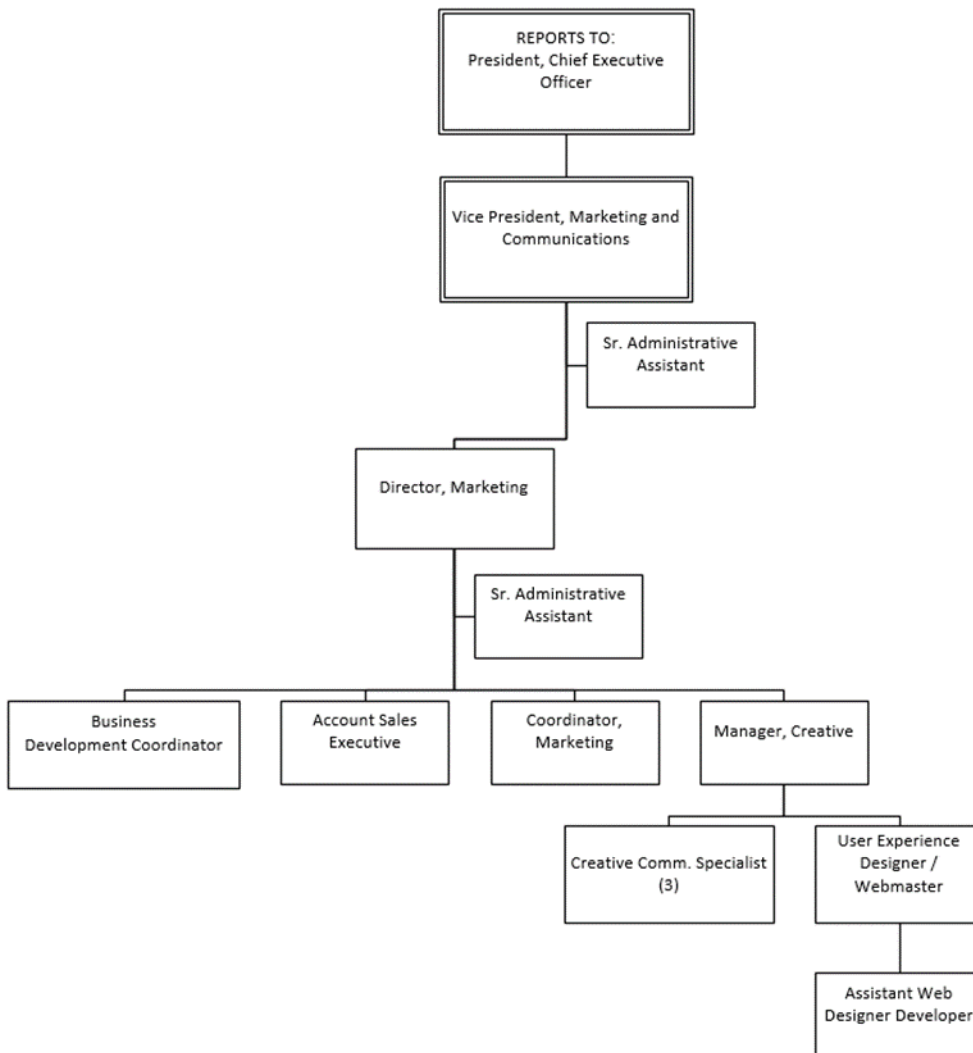
- ◆ Community
 - Developed a University of Texas new student and dorm outreach plan that directly reached more than 30 percent of incoming students.
 - Developed a MetroRapid promotion campaign using a combination of targeted digital ads, social media, transit advertising and convenience store posters.
 - Promoted MetroExpress lanes service using highly targeted engagement that included transit advertising, inserts in *Community Impact* and direct mail to reach every home in the catchment area.
 - Supported the implementation of Cap Remap: redrew and improved all maps, rolled out a behavior change-based engagement that included signage, digital, transit advertising, web tools, radio and digital, reaching a diverse audience in multiple languages and increasing awareness of the changes from 30 percent before the engagement to more than 90 percent by time of the June service change.
 - Completed a satisfaction survey of 1,251 customers across five service types (MetroBus, MetroRail, MetroRapid, MetroExpress and UT Shuttles) as part of a series of bi-annual surveys over 10 years to help determine where past improvements had been successful and identify where additional improvements were needed.
- ◆ Finance
 - Continued the expansion of the MetroWorks discount pass program that saw a 20 percent revenue increase over FY2017.

FY2019 Planned Initiatives

- ◆ Community
 - Develop a Cap Remap value of transit campaign to encourage riders to use the new network and experience the convenience of more frequent and better-connected services.

- Raise awareness of Project Connect and the avenues available for public comment and input using a wide variety of informational channels tools such as video, web, social media and paid media.
- Support community investment projects including Downtown Station, Westgate Transit Center and Plaza Saltillo by providing information to the community regarding construction and improvements.
- Perform user experience testing to improve the usability and functionality of the Capital Metro website.
- Provide concept, planning and implementation support to promote the MetroRideShare services extending access to public transit in those areas where fixed-route services may not be available or may not provide convenient commutes.

Marketing Department Organizational Chart





Budget Changes

Labor and Benefits

Decrease of \$70,227 from the transfer of 1 FTE to the Human Resources department, partially offset by the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net decrease of \$560,147 driven by \$240,000 Advertising/Promo Media mainly due to the reduced need for Cap Remap in FY2019, \$120,000 Consultation Fees mainly due to a customer satisfaction survey completed in FY2018 and \$79,000 Maps and Schedules due to lower Cap Remap-related expenses.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$1,084,529	\$1,140,280	\$1,081,439	\$1,073,803	(\$66,477)	(5.8%)
Overtime - Administrative	3,944	-	-	-	-	0.0%
Intern Pay	5,826	-	-	-	-	0.0%
FICA-Admin	79,677	83,659	83,659	79,966	(3,693)	(4.4%)
State Unemployment-Admin	157	2,394	2,394	2,337	(57)	(2.4%)
TOTAL LABOR & BENEFITS	1,174,132	1,226,333	1,167,492	1,156,106	(70,227)	(5.7%)
OTHER EXPENSES						
Consultation Fees	345,853	420,000	519,000	300,000	(120,000)	(28.6%)
Other Professional Fees	249,835	248,000	241,000	233,000	(15,000)	(6.0%)
Temporary Help	20,810	40,000	60,000	16,000	(24,000)	(60.0%)
Courier And Delivery Services	52	1,000	500	1,000	-	0.0%
Other Services	159	5,000	200	1,100	(3,900)	(78.0%)
Advertising Installation Expense	137,812	215,000	190,000	176,000	(39,000)	(18.1%)
Office Supplies	17,427	20,000	12,000	13,992	(6,008)	(30.0%)
Maps And Schedules	291,099	322,000	312,000	243,000	(79,000)	(24.5%)
Other Supplies	257,137	73,000	100,000	40,000	(33,000)	(45.2%)
Telephone-Local	800	1,200	600	1,200	-	0.0%
Dues And Subscriptions	13,804	14,500	14,500	14,949	449	3.1%
Airfare - Transportation	1,150	5,500	2,500	4,000	(1,500)	(27.3%)
Travel - Per Diem	396	3,000	1,200	1,600	(1,400)	(46.7%)
Seminar, Conferences, Registration	4,212	9,600	3,000	5,500	(4,100)	(42.7%)
Lodging	6,486	5,000	3,200	7,200	2,200	44.0%
Travel - Other	338	-	-	716	716	0.0%
Business Meals - Local	1,701	-	1,842	1,200	1,200	0.0%
Advertising/Promotion Media	421,196	631,000	823,000	391,000	(240,000)	(38.0%)
Postage	13,480	3,000	5,000	-	(3,000)	(100.0%)
Other Miscellaneous Expenses	68	-	-	-	-	0.0%
Food and Ice	1,613	-	-	-	-	0.0%
Lease-Operating Yard/Storage	433	-	4,330	5,196	5,196	0.0%
Cmta Marketing Expenses	805	-	-	-	-	0.0%
TOTAL OTHER EXPENSES	1,786,666	2,016,800	2,293,872	1,456,653	(560,147)	(27.8%)
TOTAL OPERATING EXPENSES	\$2,960,798	\$3,243,133	\$3,461,364	\$2,612,759	(\$630,374)	(19.4%)

Non-Allocated Employee Benefits

Functions and Responsibilities

The Non-Allocated Employee Benefits department captures costs of various employee benefits agency-wide, such as health, dental and life insurance, as well as the pension plans.

FY2018 Accomplishments

- ◆ Human Capital
 - Completed request for proposals for the vision and legal contracts.
 - Completed all reporting of the Affordable Care Act (ACA) IRS 1095 requirements for benefits cost.
 - Completed the annual audit of the Capital Metro retirement plans as required by the Texas Pension Review Board.
 - Improved pension plan benefits for employees with service prior to pension plan effective date of 2005.

FY2019 Planned Initiatives

- ◆ Human Capital
 - Monitor benefit plans for expenses and trends in services provided to employees and families to ensure Capital Metro is providing benefits at the 50th percentile.
 - Complete the ACA IRS 1095 requirements for benefits cost, which will include annual reporting to employees and the Internal Revenue Service by required deadlines.
 - Complete the annual audit of retirement plans as required by the Texas Pension Review Board.



Budget Changes

Labor and Benefits

Net increase of \$153,692 primarily due to higher anticipated insurance claims expense in Health Plan Administration and Health Plan Fees of \$157,889 and \$73,744 respectively. This is partially offset by a credit of \$66,762 in Health Plan Employee Contribution Administration.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
401k Fees	\$80,582	\$46,803	\$47,000	\$48,000	\$1,197	2.6%
Pension - Bargain	6,042,505	4,010,000	4,100,420	4,002,000	(8,000)	(0.2%)
Pension - Admin	5,879,772	3,243,014	3,243,014	3,239,760	(3,254)	(0.1%)
L/T Disability - Admin.	56,794	54,450	59,640	62,886	8,436	15.5%
Buy Up Ltd/Std	-	700	-	-	(700)	(100.0%)
Health Plans-Admin	3,525,494	4,208,456	4,208,456	4,366,345	157,889	3.8%
Health Plan - Fees	556,813	509,381	509,381	583,125	73,744	14.5%
Health Plan Employee Contribution-Admin	(615,011)	(571,638)	(624,000)	(638,400)	(66,762)	11.7%
Dental Plans-Admin	235,064	218,720	218,720	223,656	4,936	2.3%
Dental Plan Employee Contribution-Admin	(29,394)	(30,286)	(30,286)	(31,920)	(1,634)	5.4%
Life Insurance-Admin	35,381	38,259	38,259	36,201	(2,058)	(5.4%)
Supplemental Life Insurance	-	3,000	-	-	(3,000)	(100.0%)
Rideshare Subsidy	7,608	16,302	16,302	9,200	(7,102)	(43.6%)
B-Cycle Subsidy	-	2,500	2,500	2,500	-	0.0%
Retirement Medicare Supplement Payments	345,800	46,000	46,000	46,000	-	0.0%
TOTAL LABOR & BENEFITS	16,121,408	11,795,661	11,835,406	11,949,353	153,692	1.3%
OTHER EXPENSES						
<hr/>						
TOTAL OPERATING EXPENSES	\$16,121,408	\$11,795,661	\$11,835,406	\$11,949,353	\$153,692	1.3%

Operations and Maintenance Oversight Formerly Bus and Paratransit Services

Functions and Responsibilities

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

FY2018 Accomplishments

- ◆ Customer Experience
 - Implemented enhanced MetroExpress service utilizing MoPac managed lanes.
 - Implemented Cap Remap service changes in June 2018.
 - Replaced 17 transit buses, 23 paratransit vehicles, and 10 transit police sedans.
 - Replaced 10 non-revenue vehicles with 8 zero-emission all-electric vehicles.
- ◆ Human Capital
 - Assisted Human Resources in developing a curriculum to ensure consistent customer service training for bus operators.
 - Provided training and coordinated OrbCAD training with service providers to deliver consistent information and performance.
 - Partnered with Risk and other departments to implement employee reporting system and near miss reporting.
 - Continued to assist, support and promote safety champion recognition program.

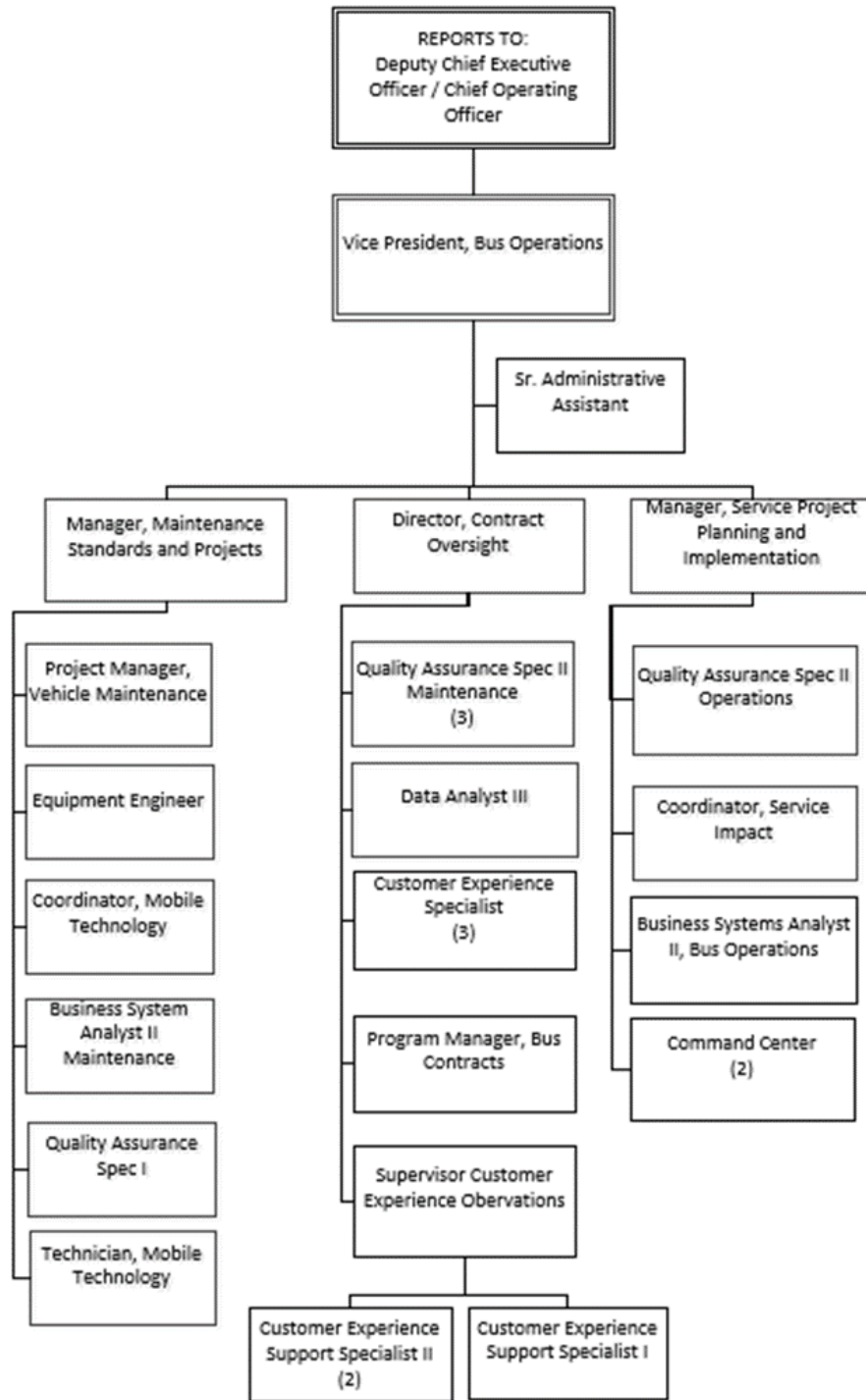
FY2019 Planned Initiatives

- ◆ Customer Experience
 - Continue to implement safety management system (SMS) in conjunction with the service providers and roll-out agency-wide initiatives to reduce vehicle and passenger accidents.
 - Provide continued support for the use of Capital Metro's intelligent transportation system with a focus on data-driven decision-making for improving customer service delivery.
 - Work with service providers to ensure continuous improvement of service quality issues, closely monitoring all services that were modified under Cap Remap.



- Continue to implement the fleet replacement schedule as outlined in the long-range financial plan.
- ◆ Finance
 - Consolidate radio dispatch functions into a centralized Operations Control Center.
 - Acquire mobile application for streamlining contract oversight data collection.
 - Conduct solicitation and award of a contract for contracted fixed-route service at the Pleasant Valley Garage.

Operations and Maintenance Oversight Department Organizational Chart



Budget Changes

Labor and Benefits

Increase of \$477,122 due to the addition of 2 FTEs for the operations control center, 1 FTE transferred from the Paratransit Contract Operations department, 4 FTEs transferred from the Strategic Planning and Development department, and the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net increase of \$7,644,961 primarily driven by a net increase of \$7,670,636 in service providers' contracts: E. Fifth Street Bus location, North Operations Bus location and Rural Service Bus - CARTS to fund Cap Remap, other service changes and contractual rates. Net decrease of \$463,480 in Maintenance Radios, Repair and Maintenance, and Other Service from completing replacement of 2 microwave transmitters. Net decrease of \$568,293 in Diesel, Gasoline and Fuel-North Operations primarily driven by the reclassification of fuel tax. Diesel Fuel Tax increased in the amount of \$986,076 as a result of capturing the cost separately from the fuel expense. Fuel is budgeted at \$2.10 per gallon. Decrease of \$108,000 in Other Supplies due to reclassifying expense to the Repair and Maintenance Other account. Increase of \$23,000 in Toll Road Charges due to new SH-71 toll lane expenses.



Capital Metropolitan Transportation Authority Approved FY2019
Operating and Capital Budget and Five Year Capital Improvement Plan

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$1,723,194	\$1,866,866	\$1,776,458	\$2,309,625	\$442,759	23.7%
Overtime - Administrative	4,329	19,548	16,000	19,551	3	0.0%
FICA-Admin	119,951	139,843	139,843	173,317	33,474	23.9%
State Unemployment-Admin	356	3,762	3,762	5,048	1,286	34.2%
Uniform Allowance-Admin.	2,391	2,800	2,800	2,400	(400)	(14.3%)
TOTAL LABOR & BENEFITS	1,850,222	2,032,819	1,938,863	2,509,941	477,122	23.5%
OTHER EXPENSES						
Other Services - Ctecc	556,625	488,691	488,691	508,070	19,379	4.0%
Other Professional Fees	1,610	103,000	60,000	158,000	55,000	53.4%
Maintenance-Radios	638,706	896,500	777,000	579,020	(317,480)	(35.4%)
Repair & Maintenance-Other	461,534	350,000	200,000	259,000	(91,000)	(26.0%)
Other Services	276,593	76,000	76,000	21,000	(55,000)	(72.4%)
Diesel	5,454,239	7,054,218	6,832,493	6,174,076	(880,142)	(12.5%)
Gasoline	76,583	183,958	85,084	180,671	(3,287)	(1.8%)
Fuel-North Ops .	2,164,248	2,968,524	3,211,548	3,283,660	315,136	10.6%
Fuel Risk Management	1,754,452	-	(236,980)	-	-	0.0%
Office Supplies	17,120	15,750	10,100	9,600	(6,150)	(39.0%)
Other Supplies	(929)	140,000	120,000	31,700	(108,300)	(77.4%)
Maintenance Materials	204,250	-	-	-	-	0.0%
Non-Capital Projects	24,320	-	-	-	-	0.0%
Telephone-Local	1,440	4,100	4,100	1,440	(2,660)	(64.9%)
Diesel Fuel Tax	942,131	-	973,401	986,076	986,076	N/A
Gasoline Fuel Tax	7,947	-	6,740	-	-	0.0%
Fuel Surcharge	206	-	2,361	-	-	0.0%
E. Fifth Bus	74,614,873	81,630,087	79,046,395	82,152,616	522,529	0.6%
North Ops Bus	24,374,449	28,023,352	29,615,053	35,410,928	7,387,576	26.4%
Rural Service Bus	1,521,127	1,837,439	1,741,522	1,597,970	(239,469)	(13.0%)
Dues And Subscriptions	1,200	3,600	3,600	3,600	-	0.0%
Airfare - Transportation	16,030	31,000	31,000	51,550	20,550	66.3%
Travel - Per Diem	6,767	10,150	10,150	16,035	5,885	58.0%
Toll Road Charges	16,560	13,000	36,000	36,000	23,000	176.9%
Seminar, Conferences, Registration	7,004	14,750	14,750	20,600	5,850	39.7%
Lodging	18,370	32,500	32,500	50,450	17,950	55.2%
Travel - Other	900	-	-	-	-	0.0%
Business Meals - Local	-	10,000	-	-	(10,000)	(100.0%)
Postage	2,416	1,500	1,000	1,020	(480)	(32.0%)
Other Miscellaneous Expenses	7,122	-	-	-	-	0.0%
Food and Ice	-	-	2,000	-	-	0.0%
Capital Project Expense to WIP	(173)	-	-	-	-	0.0%
TOTAL OTHER EXPENSES	113,167,719	123,888,119	123,144,508	131,533,080	7,644,961	6.2%
TOTAL OPERATING EXPENSES	\$115,017,941	\$125,920,938	\$125,083,371	\$134,043,021	\$8,122,083	6.5%



Paratransit Administration

To enhance customer service delivery, the Paratransit Administration department has merged with the Demand Response Oversight department. The numbers in the table below are informational only and are also included in the operating expenses table of the Demand Response Oversight department.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$259,219	\$255,401	\$264,263	-	(\$255,401)	N/A
Overtime - Administrative	28	2,202	2,202	-	(2,202)	N/A
FICA-Admin	18,742	18,929	18,929	-	(18,929)	N/A
State Unemployment-Admin	84	513	513	-	(513)	N/A
TOTAL LABOR & BENEFITS	278,072	277,045	285,907	-	(277,045)	N/A
OTHER EXPENSES						
Other Services	11,137	40,000	20,000	-	(40,000)	N/A
Gasoline	59	-	-	-	-	N/A
Office Supplies	1,541	700	700	-	(700)	N/A
Maps And Schedules	1,229	700	550	-	(700)	N/A
Other Supplies	4,384	13,500	12,500	-	(13,500)	N/A
Telephone-Local	480	480	480	-	(480)	N/A
Dues And Subscriptions	349	375	375	-	(375)	N/A
Airfare - Transportation	1,063	3,275	3,000	-	(3,275)	N/A
Travel - Per Diem	602	2,550	1,800	-	(2,550)	N/A
Seminar, Conferences, Registration	865	925	925	-	(925)	N/A
Lodging	1,942	7,000	6,200	-	(7,000)	N/A
Travel - Other	430	-	-	-	-	N/A
Business Meals - Local	170	-	-	-	-	N/A
Postage	2,134	12,000	8,300	-	(12,000)	N/A
TOTAL OTHER EXPENSES	26,386	81,505	54,830	-	(81,505)	N/A
TOTAL OPERATING EXPENSES	\$304,458	\$358,550	\$340,737	-	(\$358,550)	N/A

Paratransit Eligibility

Functions and Responsibilities

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

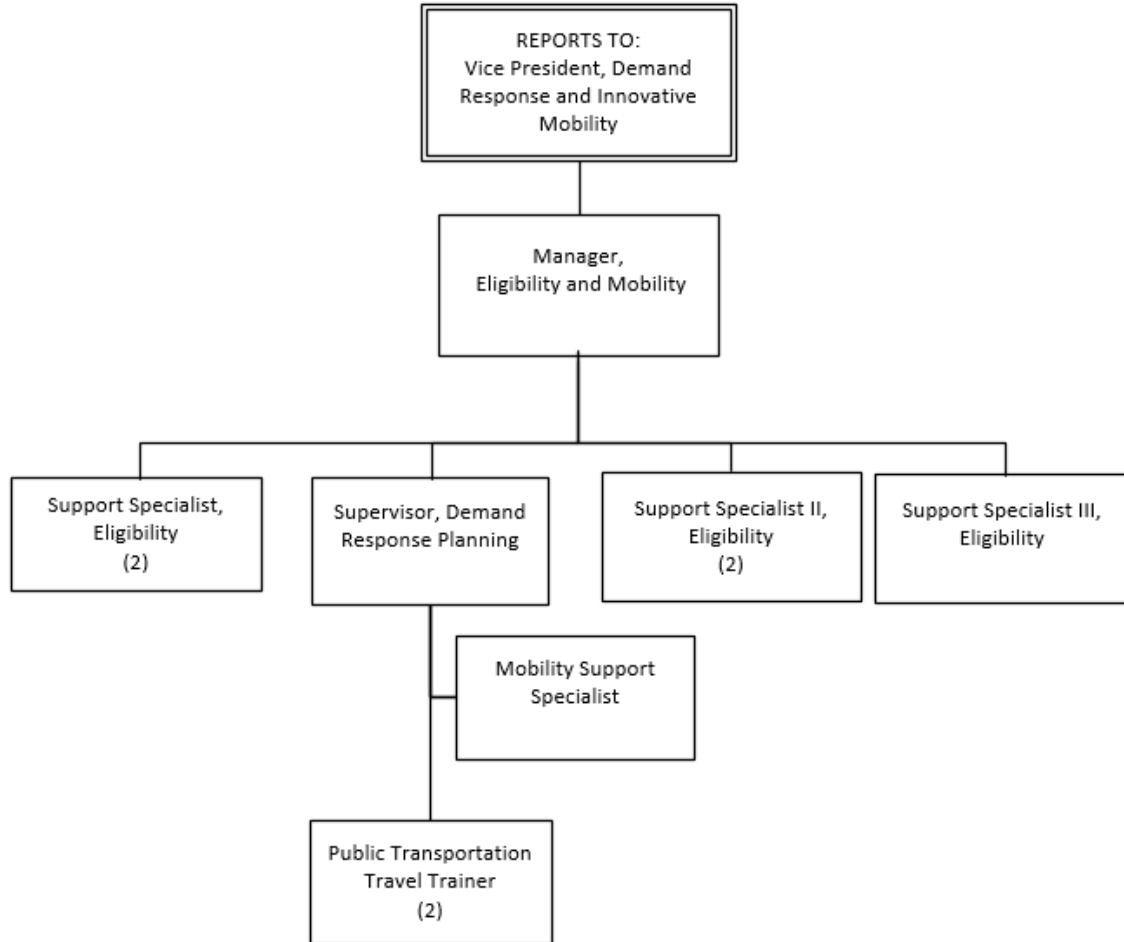
FY2018 Accomplishments

- ◆ Customer Experience
 - Continued team high scores of 8.64 out of 10 on monthly eligibility customer satisfaction surveys.
 - Provided safety tape and/or tethers to more than 40 customers this year.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Implement a paper recertification process for specific unconditional riders to reduce the number of in-person recertification's required.
 - Engage newly conditional riders.
- ◆ Community
 - Design new marketing methods to expand outreach.

Paratransit Eligibility Department Organizational Chart





Budget Changes

Labor and Benefits

Increase of \$24,637 for the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net decrease of \$7,009 due to lower expected spend in Temporary Help, Other Services, Office Supplies and Other Supplies totaling \$16,524. This is partially offset by an increase of \$8,960 in Other Professional Fees for contractual costs for third-party provider of eligibility services.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$518,782	\$518,398	\$523,479	\$550,334	\$31,936	6.2%
Overtime - Administrative	236	15,704	15,704	6,000	(9,704)	(61.8%)
FICA-Admin	36,473	39,948	39,948	42,100	2,152	5.4%
State Unemployment-Admin	90	1,710	1,710	1,803	93	5.4%
Uniform Allowance-Admin.	764	740	800	900	160	21.6%
TOTAL LABOR & BENEFITS	556,345	576,500	581,641	601,137	24,637	4.3%
OTHER EXPENSES						
Other Professional Fees	282,821	292,000	292,000	300,960	8,960	3.1%
Temporary Help	-	20,000	12,000	12,000	(8,000)	(40.0%)
Other Services	38,493	11,000	7,000	6,996	(4,004)	(36.4%)
Office Supplies	5,082	8,000	5,500	5,496	(2,504)	(31.3%)
Other Supplies	3,444	8,016	6,500	6,000	(2,016)	(25.1%)
Telephone-Local	480	480	480	480	-	0.0%
Dues And Subscriptions	349	375	375	375	-	0.0%
Airfare - Transportation	-	1,100	1,100	1,450	350	31.8%
Travel - Per Diem	-	650	650	800	150	23.1%
Seminar, Conferences, Registration	815	1,495	1,300	2,000	505	33.8%
Lodging	(30)	1,600	1,500	1,650	50	3.1%
Postage	9,979	9,500	9,000	9,000	(500)	(5.3%)
TOTAL OTHER EXPENSES	341,434	354,216	337,405	347,207	(7,009)	(2.0%)
TOTAL OPERATING EXPENSES	\$897,780	\$930,716	\$919,046	\$948,344	\$17,628	1.9%

Paratransit Reservations and Control Center

Functions and Responsibilities

The Paratransit Reservations and Control Center department includes the MetroAccess call center, dispatch, scheduling and customer service. This department processes advance trip reservations, cancellations, inquiries, subscription service requests and group trips. This team manages and coordinates service through contracted providers. The department is also responsible for all customer service and outreach efforts for MetroAccess.

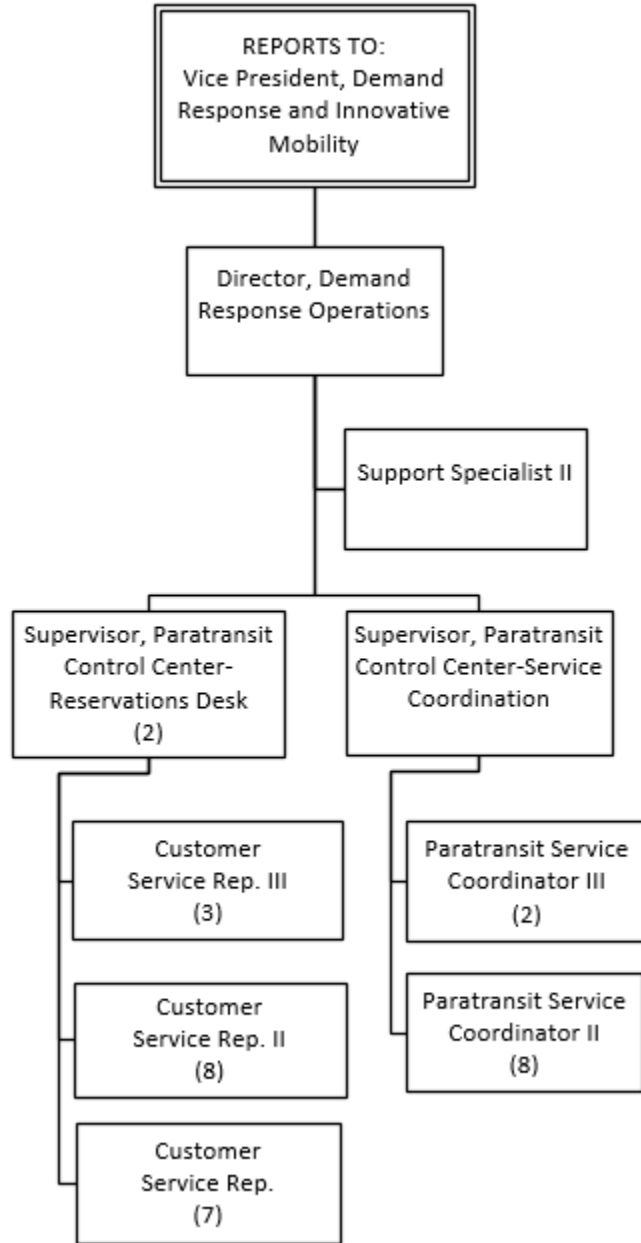
FY2018 Accomplishments

- ◆ Customer Experience
 - Developed a procedure for customer feedback to identify and address concerns.
 - Improved communication regarding customer transportation options.
 - Streamlined Round Rock service delivery procedures.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Implement a monthly customer satisfaction survey, benchmark results and establish ongoing goals.
 - Implement a smartphone paratransit app for customers as an additional option to interface with MetroAccess.
 - Establish and staff a combined dispatch operation location with bus and rail at North Ops.
 - Create a compensation structure to encourage more Spanish speaking applicants in customer facing positions.

Paratransit Reservation and Control Center Department Organizational Chart





Budget Changes

Labor and Benefits

Increase of \$109,698 due to 1 FTE reclassification from manager to director, and the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net decrease of \$5,701 due to a lower expected spend offset by an increase of \$7,204 in Temporary Help to help with staffing the call center.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$1,339,172	\$1,464,631	\$1,385,731	\$1,567,281	\$102,650	7.0%
Overtime - Administrative	173,444	171,060	171,060	171,060	-	0.0%
FICA-Admin	108,897	112,865	112,865	119,621	6,756	6.0%
State Unemployment-Admin	884	5,643	5,643	5,935	292	5.2%
TOTAL LABOR & BENEFITS	1,622,396	1,754,199	1,675,299	1,863,897	109,698	6.3%
OTHER EXPENSES						
Temporary Help	25,971	32,756	120,000	39,960	7,204	22.0%
Other Services	14,984	24,000	24,000	20,700	(3,300)	(13.8%)
Gasoline	883	1,144	-	-	(1,144)	(100.0%)
Office Supplies	1,184	1,500	2,300	1,500	-	0.0%
Expendable Tools & Equipment	1,867	4,120	-	-	(4,120)	(100.0%)
Other Supplies	-	3,328	7,500	6,600	3,272	98.3%
Airfare - Transportation	483	1,200	450	450	(750)	(62.5%)
Travel - Per Diem	333	1,150	350	350	(800)	(69.6%)
Seminar, Conferences, Registration	-	3,333	950	950	(2,383)	(71.5%)
Lodging	-	2,000	500	500	(1,500)	(75.0%)
Postage	1,273	5,000	5,000	2,820	(2,180)	(43.6%)
TOTAL OTHER EXPENSES	46,977	79,531	161,050	73,830	(5,701)	(7.2%)
TOTAL OPERATING EXPENSES	\$1,669,373	\$1,833,730	\$1,836,349	\$1,937,727	\$103,997	5.7%

Procurement

Functions and Responsibilities

The Procurement department is responsible for the acquisition of all goods, services and construction at fair and reasonable prices, on time and in compliance with sound public purchasing policies and procedures.

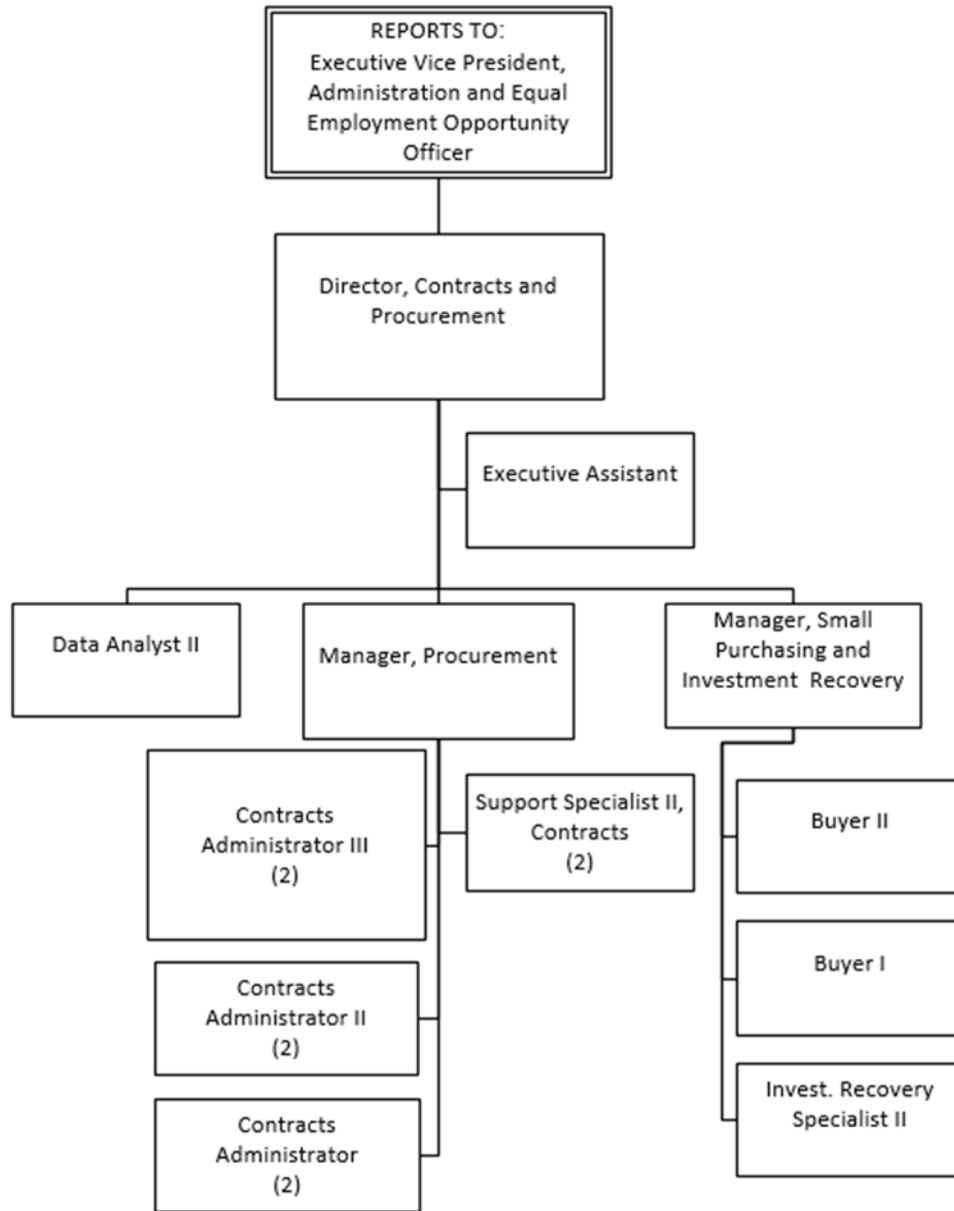
FY2018 Accomplishments

- ◆ Customer Experience
 - Awarded contract for the construction of the Westgate Transit Center.
 - Awarded contracts for amenities at bus stops.
 - Awarded contract for the construction of the Leander Trail.
- ◆ Community
 - Awarded contract for South Base Contracted Paratransit services.
 - Awarded contract for new Paratransit vehicles.
 - Awarded contract for MetroRideShare services.
 - Awarded contracts for environmental engineering services.
- ◆ Human Capital
 - Awarded contract for e-recruiting and succession planning.
- ◆ Finance
 - Awarded contract for a new asset management software system.
 - Generated approximately \$200,000 through disposal of surplus property.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Award contract for new commuter coaches.
 - Issue solicitation for new transit buses.
 - Award contract for the North Lamar Transit Center redevelopment.
- ◆ Community
 - Award contract for the fixed-route services.
 - Issue solicitations for a future electric bus fleet and infrastructure.
 - Award contract for the construction of the new Downtown Station.
- ◆ Finance
 - Award contract for Business Center Services.

Procurement Department Organizational Chart





Budget Changes

Labor and Benefits

Increase of \$69,012 due to the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Increase of \$19,515 primarily due to increased Other Professional Fees associated with cost analysis services.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$1,118,449	\$1,174,537	\$1,162,631	\$1,241,304	\$66,767	5.7%
Overtime - Administrative	2,675	13,131	13,131	13,128	(3)	(0.0%)
FICA-Admin	81,558	92,642	92,642	94,743	2,101	2.3%
State Unemployment-Admin	226	2,736	2,736	2,883	147	5.4%
TOTAL LABOR & BENEFITS	1,202,907	1,283,046	1,271,140	1,352,058	69,012	5.4%
OTHER EXPENSES						
Consultation Fees	2,485	25,000	25,000	20,000	(5,000)	(20.0%)
Other Professional Fees	-	-	-	20,000	20,000	0.0%
Temporary Help	2,919	12,000	12,000	15,500	3,500	29.2%
Gasoline	260	300	300	-	(300)	(100.0%)
Office Supplies	6,187	6,400	6,400	6,400	-	0.0%
Dues And Subscriptions	2,125	2,700	2,700	3,960	1,260	46.7%
Airfare - Transportation	3,642	5,895	4,850	5,895	-	0.0%
Travel - Per Diem	2,438	4,103	3,150	4,103	-	0.0%
Seminar, Conferences, Registration	8,139	13,145	12,500	13,145	-	0.0%
Lodging	7,090	6,970	6,970	7,250	280	4.0%
Travel - Other	241	1,100	950	1,100	-	0.0%
New spaper Media	16,142	19,000	18,000	19,000	-	0.0%
Postage	489	825	400	600	(225)	(27.3%)
TOTAL OTHER EXPENSES	52,158	97,438	93,220	116,953	19,515	20.0%
TOTAL OPERATING EXPENSES	\$1,255,065	\$1,380,484	\$1,364,360	\$1,469,011	\$88,527	6.4%

Project Connect

Formerly Central Corridor Development

Functions and Responsibilities

The Project Connect department advances high-capacity transit planning efforts with the purpose of identifying, evaluating, refining and advancing to implementation public transportation solutions and infrastructure. This highly collaborative work includes extensive internal coordination along with external partnerships with the city of Austin mobility plans and initiatives, other public and private sector partners and broad community engagement.

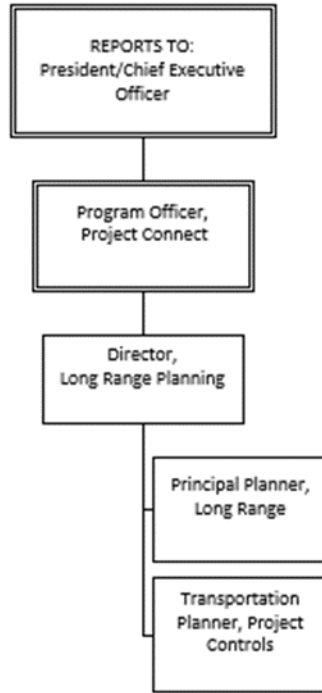
FY2018 Accomplishments

- ◆ Customer Experience
 - Continued substantial Project Connect community engagement to shape a new regional high-capacity transit system plan.
- ◆ Ridership
 - Continued development of Project Connect to meet future ridership demand throughout the region.
- ◆ Community
 - Held Joint Workshop on Project Connect with Capital Metro Board and City Council on August 6, 2018.
 - Held second Joint Board and City Council Work Session on Project Connect focused on mode September 14, 2018.
 - Continued to build regional consensus in support of Project Connect
 - Conducted extensive community engagement activities across all platforms to gather input and build awareness of Project Connect and the Draft System Plan.
 - Coordinated with partner agencies to ensure Project Connect is developed in a collaborative manner.
- ◆ Finance
 - Engaged with Finance and other stakeholders to develop financial plan for Project Connect.
 - Amended ¼ cent agreement with city of Austin to allow Capital Metro to utilize \$6 million of the remaining fund balance for Project Connect.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Continue to engage the community in the development of Project Connect as the effort moves into project development, including preliminary engineering and environmental analysis.
- ◆ Ridership
 - Continue development of Project Connect to meet future ridership demand throughout the region.
 - Complete updated ridership projections for Project Connect.
 - Advance preliminary engineering and environmental analysis efforts on high capacity transit corridors defined by the Project Connect Regional System Plan.
 - Advance preliminary engineering and final design on enhancement projects identified during the system planning effort of Project Connect.
 - Advance preliminary engineering and final design on the regional component of the plan, including Park & Ride and related Express service projects and services.
- ◆ Community
 - Participate in Austin Chamber of Commerce Regional Mobility Summit on October 1, 2018.
 - Obtain input from the community for the Draft Regional System Plan.
 - Continue to build community consensus to support the Regional System Plan.
 - Strategically develop a comprehensive approach to project phasing and prioritization.
- ◆ Finance
 - Continue work with Finance and other stakeholders to develop financial plan for Project Connect.
 - Issue the Draft Regional System Plan proposal to the Capital Metro Board for adoption.
 - Procure and award program management services and corridor designer contracts.

Project Connect Department Organizational Chart





Budget Changes

Labor and Benefits

Budget of \$570,849 for 3 FTEs transferred from Strategic Planning and Development and an additional Program Officer FTE, and includes approved performance-based pay increases to become effective in January 2019.

Other Expenses

Increase of \$5,162,267 driven by \$3,934,667 Consultation Fees for alternative corridors analyses, \$548,600 Lease-Administrative Facility for a downtown administrative office lease, \$210,000 Advertising/Promotion Media for a multimedia education campaign and \$220,000 Other Professional Fees for community education and outreach.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	-	-	-	\$536,640	\$536,640	N/A
FICA-Admin	-	-	-	33,490	33,490	N/A
State Unemployment-Admin	-	-	-	719	719	N/A
TOTAL LABOR & BENEFITS	-	-	-	570,849	570,849	0.0%
OTHER EXPENSES						
General Legal Services	-	-	-	150,000	\$150,000	N/A
Consultation Fees	1,358,005	2,079,333	2,079,333	6,014,000	3,934,667	189.2%
Other Professional Fees	-	-	-	220,000	220,000	N/A
Temporary Help	-	-	-	15,000	15,000	N/A
Advertising Installation Expense	-	-	-	18,000	18,000	N/A
Maps And Schedules	-	-	-	26,000	26,000	N/A
Other Supplies	45,053	-	1,500	20,000	20,000	N/A
Non Capital Equipment	806	-	-	-	-	N/A
Airfare - Transportation	-	-	-	20,000	20,000	N/A
Advertising/Promotion Media	-	-	-	210,000	210,000	N/A
Other Miscellaneous Expenses	680	-	-	-	-	N/A
Lease-Administrative Facility	-	-	-	548,600	548,600	N/A
TOTAL OTHER EXPENSES	1,404,544	2,079,333	2,080,833	7,241,600	5,162,267	248.3%
TOTAL OPERATING EXPENSES	\$1,404,544	\$2,079,333	\$2,080,833	\$7,812,449	\$5,733,116	275.7%

Property and Asset Management

Functions and Responsibilities

The Property and Asset Management department's responsibilities include the management of properties and assets, building and facility maintenance and management of utility and asset usage.

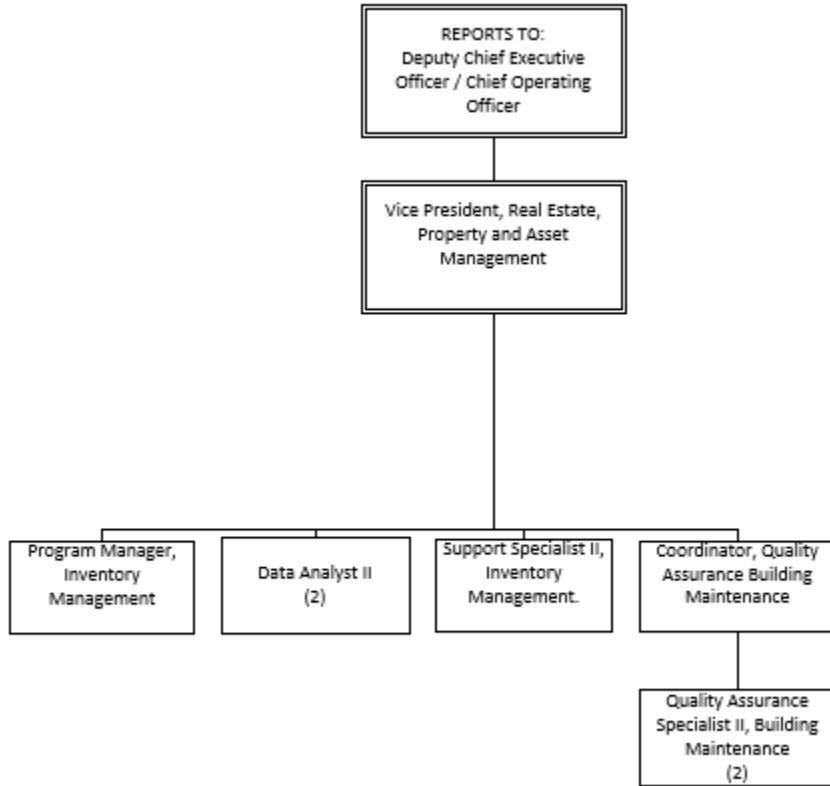
FY2018 Accomplishments

- ◆ Customer Experience
 - Continued to foster good relations and provide technical support to building maintenance service providers regarding contract compliance through contract management and service monitoring plans.
- ◆ Finance
 - Participated in reporting of FY2017 data for National Transit Database Asset Inventory.
 - Developed annual targets for submission to the National Transit Database for each asset class in the transit asset management plan, in compliance with final rulemaking issue by the Federal Transit Administration.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Continue to foster good relations and provide technical support to building maintenance service providers regarding contract compliance through contract management and service monitoring plans.
- ◆ Finance
 - Perform a facility condition assessment on the administrative offices at 2910 E. Fifth Street.
 - Submit Transit Asset Management plan to the National Transit Database.

Property and Asset Management Department Organizational Chart





Budget Changes

Labor and Benefits

Net decrease of \$83,754 includes the transfer of 1 FTE to the Public Facilities department, 1 FTE transfer to Strategic Planning and Development department, 1 FTE from the Strategic Operations Management and Administration department, and the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net increase of \$152,6687 primarily in Other Professional Fees of \$205,000 to support a facility condition assessment and a Texas Commission on Environmental Quality report, an increase in Temporary Help related to attrition which is offset by contractual decrease in Repair and Maintenance-Other and lower expected spend in Other Services and Other Supplies.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$766,883	\$774,348	\$850,489	\$686,257	(\$88,091)	(11.4%)
Overtime - Administrative	495	-	-	-	-	0.0%
FICA-Admin	53,148	55,899	61,012	60,334	4,435	7.9%
State Unemployment-Admin	(34)	1,539	1,677	1,441	(98)	(6.4%)
TOTAL LABOR & BENEFITS	820,491	831,786	913,178	748,032	(83,754)	(10.1%)
OTHER EXPENSES						
Other Professional Fees	-	-	-	205,000	205,000	N/A
Permits And Fees	-	3,000	3,000	3,000	-	0.0%
Temporary Help	39,165	-	-	57,757	57,757	N/A
Repair & Maintenance-Other	818,541	896,234	887,143	858,568	(37,666)	(4.2%)
Other Services	69,044	75,000	75,963	55,000	(20,000)	(26.7%)
Gasoline	1,183	1,500	1,530	-	(1,500)	(100.0%)
Office Supplies	6,651	3,804	6,500	7,000	3,196	84.0%
Other Supplies	35,223	69,600	64,408	15,500	(54,100)	(77.7%)
Non Capital Equipment	7,320	-	-	-	-	0.0%
Non-Capital Projects	43,526	-	-	-	-	0.0%
Dues And Subscriptions	406	1,007	771	1,007	-	0.0%
Airfare - Transportation	1,635	2,500	918	2,500	-	0.0%
Travel - Per Diem	173	320	518	320	-	0.0%
Seminar, Conferences, Registration	545	1,000	500	1,000	-	0.0%
Lodging	822	1,200	1,055	1,200	-	0.0%
Postage	36	63	54	63	-	0.0%
TOTAL OTHER EXPENSES	1,024,271	1,055,228	1,042,360	1,207,915	152,687	14.5%
TOTAL OPERATING EXPENSES	\$1,844,762	\$1,887,014	\$1,955,538	\$1,955,947	\$68,933	3.7%

Public Facilities

Functions and Responsibilities

The Public Facilities department is responsible for maintaining all bus stops, Park & Rides, transit centers and rail stations. The primary functions include the cleaning of bus stops and transit centers, servicing litter containers, coordinating the installation and removal of bus stop amenities, supporting special events and performing service change support tasks, including the installation and removal of signage.

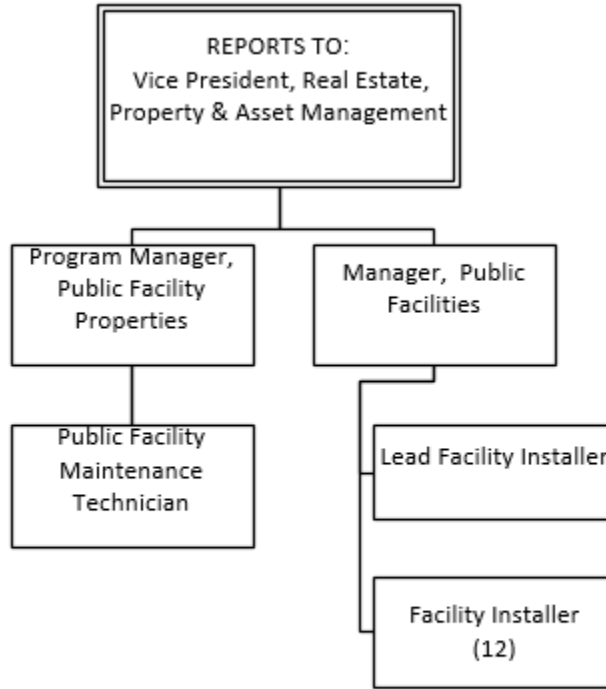
FY2018 Accomplishments

- ◆ Customer Experience
 - Installed 1,530 new poles and signs at neighborhood bus stops; changed tiles at 108 urban stops; installed 341 information display unit signs; and removed poles; benches and litter containers at 350 closed bus stops as part of Cap Remap.
 - Supported Capital Projects' efforts for the installation of new public amenities, including pads, benches and shelters.
 - Provided cleaning and repairs to passenger amenities.
 - Supported service changes throughout the year.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Support Capital Projects department's efforts for the installation of new public amenities, including pads, benches, and shelters.
 - Provide cleaning and repairs to passenger amenities.
 - Support service changes throughout the year.

Public Facilities Department Organizational Chart





Budget Changes

Labor and Benefits

Net increase of \$145,225 due to the addition of 1 full-time facility installer, transfer 1 full-time position from the Property and Asset Management department and the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net increase \$166,985 primarily due increase in contractual rates in Custodial Services of \$143,512.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$617,748	\$699,885	\$660,020	\$833,722	\$133,837	19.1%
Overtime - Administrative	61,705	113,571	113,571	113,571	-	0.0%
FICA-Admin	49,550	53,745	53,745	63,861	10,116	18.8%
State Unemployment-Admin	131	2,394	2,394	2,880	486	20.3%
Uniform Allowance-Admin.	8,633	8,250	6,574	8,700	450	5.5%
Boot Allowance-Admin	1,512	1,620	1,026	1,956	336	20.7%
TOTAL LABOR & BENEFITS	739,280	879,465	837,330	1,024,690	145,225	16.5%
OTHER EXPENSES						
Permits And Fees	379	-	-	-	-	0.0%
Repair & Maintenance-Other	19,580	70,000	71,085	95,202	25,202	36.0%
Electrical Services	135,971	96,654	96,654	95,952	(702)	(0.7%)
Custodial Services	969,745	1,033,244	1,033,244	1,176,756	143,512	13.9%
Other Services	372,760	424,618	426,982	464,133	39,515	9.3%
Diesel	35,146	45,000	47,250	-	(45,000)	(100.0%)
Gasoline	1,929	-	-	-	-	0.0%
Fuel Risk Management	7,186	-	-	-	-	0.0%
Office Supplies	69	120	120	120	-	0.0%
Other Supplies	5,443	60,000	60,000	104,104	44,104	73.5%
Paint Supplies	3,239	-	-	-	-	0.0%
Maintenance Materials	27,121	39,996	39,996	39,996	-	0.0%
Non-Capital Projects	(25,000)	-	-	-	-	0.0%
Electric	957,729	1,039,389	1,014,063	1,043,007	3,618	0.3%
Water And Sewer	331,281	312,000	302,898	315,142	3,142	1.0%
Gas	92,779	101,337	122,722	100,000	(1,337)	(1.3%)
Drainage Service	255,598	257,411	234,046	261,041	3,630	1.4%
Garbage Collection	84,680	120,201	81,496	105,000	(15,201)	(12.6%)
Street Service	127,168	107,529	111,146	129,996	22,467	20.9%
Other Utilities	14,928	86,915	26,908	30,000	(56,915)	(65.5%)
Tools And Equipment	1,632	1,000	1,875	1,950	950	95.0%
Safety Equipment	-	1,600	1,600	1,600	-	0.0%
TOTAL OTHER EXPENSES	3,419,364	3,797,014	3,672,085	3,963,999	166,985	4.4%
TOTAL OPERATING EXPENSES	\$4,158,643	\$4,676,479	\$4,509,415	\$4,988,689	\$312,210	6.7%

Rail Commuter Operations

Functions and Responsibilities

The Rail Commuter Operations department provides management and oversight of commuter rail service between Leander and downtown Austin. The mission entails the provision of safe and efficient public transportation for the community. The commuter service operates ten commuter trains out of one operations facility in Central Austin, along 32 miles of track that services nine stations along this right-of-way. Rail Commuter Operations also manages the positive train control (PTC) contract, rail operations strategic planning, rail operations regulatory compliance and risk reduction through post-incident analysis. The Rail Commuter Operations department has absorbed the Rail Compliance department to enhance customer service delivery.

FY2018 Accomplishments

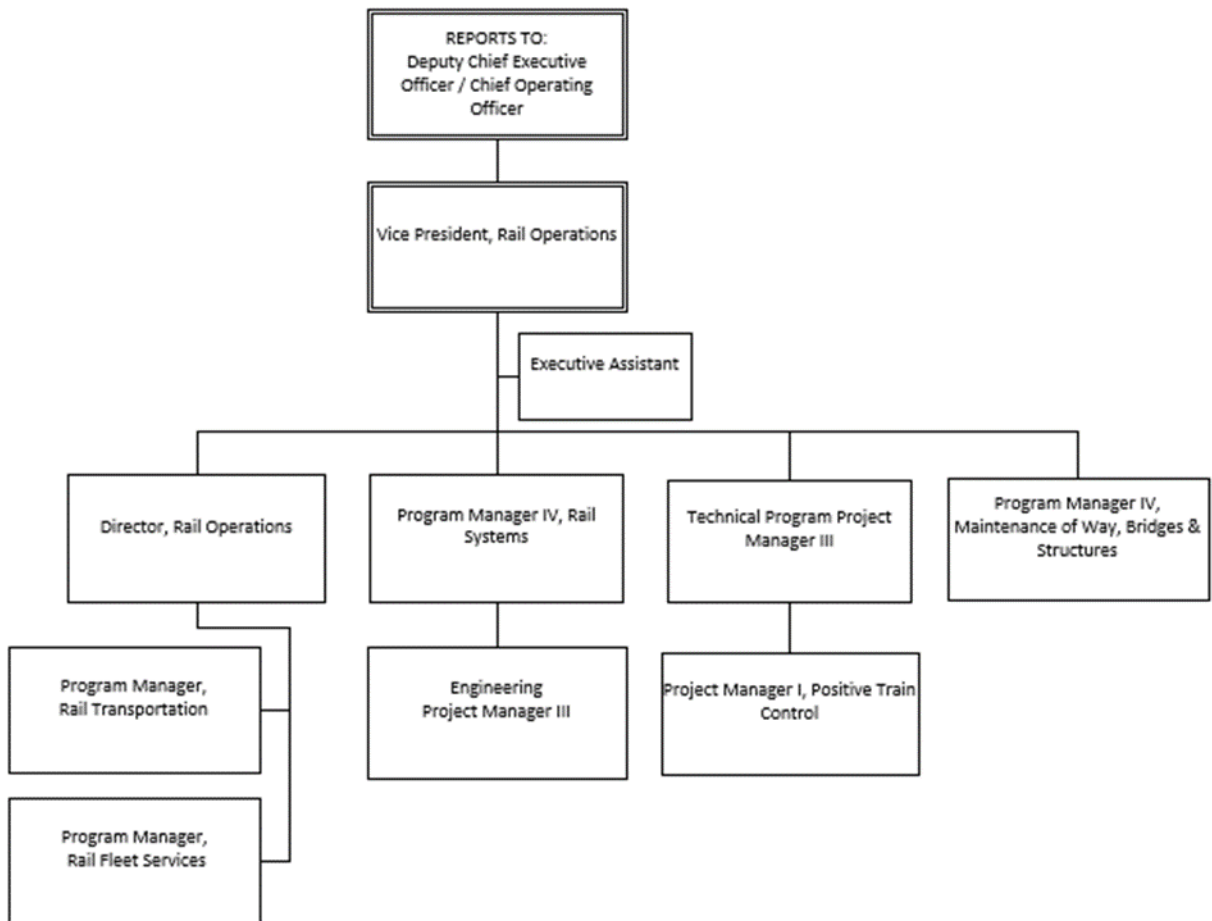
- ◆ Customer Experience
 - Completed engineering design of quiet zones in Central Subdivision.
 - Increased service frequency with four new diesel multiple units (DMU, or train).
 - Signalized one private crossing.
 - Continued pursuit of Alternate Vehicle Technology (AVT) compliance with the Federal Railroad Administration (FRA).
 - Completed engineering design of PTC system and started construction and implementation.
 - Completed engineering design for quiet zones in the Central Corridor.
 - Completed test plans and procedures.
 - Began fiber installation in right-of-way.
 - Began installation of car-borne components.
 - Began revenue service demonstration testing.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Increase service frequency using TIGER V sidings.
 - Continue pursuit of AVT compliance with the FRA.
 - Complete fiber installation in right-of-way.
 - Complete installation of car-borne components.

- Complete dispatch installation.
- Complete wayside equipment installation.
- Continue construction and implementation of PTC system.
- Begin integrated testing of PTC system.

Rail Commuter Operations Department Organizational Chart





Budget Changes

Labor and Benefits

Net increase of \$6,226 due to the approved performance-based pay increases to become effective in January 2019, partially offset by the elimination of a 0.5 FTE intern.

Other Expenses

Net increase of \$1,351,866 from \$515,000 Consulting Fees mostly due to the addition of road crossings and bridges analyses and an increase for a service simulation initially budgeted in FY2018; \$769,882 Commuter Rail Services due to contractual increases and the addition of extended hours of Saturday service; \$214,522 Diesel due to increased budgeted cost per gallon. Interest Expense related to debt payments for purchase of existing trains decreased by \$59,134, as the obligation reaches final maturity in the first month of FY2019. Additional \$45,000 decrease in Telephone-Local from reduced polling at crossings and control points.



Capital Metropolitan Transportation Authority Approved FY2019
Operating and Capital Budget and Five Year Capital Improvement Plan

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$911,312	\$1,099,018	\$996,076	\$1,103,357	\$4,339	0.4%
Overtime - Administrative	18	3,762	3,762	3,768	6	0.2%
Salary & Wages - Temp	16,796	-	-	-	-	0.0%
FICA-Admin	68,698	79,058	79,058	81,020	1,962	2.5%
State Unemployment-Admin	241	1,881	1,881	1,800	(81)	(4.3%)
TOTAL LABOR & BENEFITS	997,065	1,183,719	1,080,777	1,189,945	6,226	0.5%
OTHER EXPENSES						
Consultation Fees	33,456	425,000	242,080	940,000	515,000	121.2%
Temporary Help	57,789	21,120	12,892	-	(21,120)	(100.0%)
Maintenance-Radios	6,543	3,000	3,622	6,000	3,000	100.0%
Other Services	813	-	-	-	-	0.0%
Diesel	446,837	698,908	469,733	913,430	214,522	30.7%
Gasoline	7,966	5,000	6,593	-	(5,000)	(100.0%)
Fuel Risk Management	23,109	-	(8,669)	-	-	0.0%
Office Supplies	11,479	7,500	7,556	7,480	(20)	(0.3%)
Training Materials	-	-	404,000	-	-	0.0%
Non-Capital Projects	190,019	-	-	-	-	0.0%
Telephone-Local	41,270	67,680	11,323	22,680	(45,000)	(66.5%)
Diesel Fuel Tax	13,164	10,457	8,993	-	(10,457)	(100.0%)
Gasoline Fuel Tax	877	600	734	-	(600)	(100.0%)
Fuel Surcharge	-	1,200	-	-	(1,200)	(100.0%)
Commuter Rail Services	14,012,998	15,774,536	14,407,405	16,544,417	769,881	4.9%
Dues And Subscriptions	1,625	26,025	19,247	25,275	(750)	(2.9%)
Airfare - Transportation	16,859	3,747	7,394	2,600	(1,147)	(30.6%)
Travel - Per Diem	7,618	2,722	6,117	1,856	(866)	(31.8%)
Seminar, Conferences, Registration	439	3,113	2,592	1,875	(1,238)	(39.8%)
Lodging	6,208	7,036	12,000	3,000	(4,036)	(57.4%)
Travel - Other	103	-	77	-	-	0.0%
Business Meals - Local	251	-	-	-	-	0.0%
Postage	46	-	35	30	30	0.0%
Penalties	3,600	-	-	-	-	0.0%
Tools And Equipment	412	800	800	800	-	0.0%
Other Miscellaneous Expenses	1,295	3,000	3,000	3,000	-	0.0%
Interest Expense	121,994	63,727	63,727	4,593	(59,134)	(92.8%)
TOTAL OTHER EXPENSES	15,006,770	17,125,171	15,681,251	18,477,036	1,351,865	7.9%
TOTAL OPERATING EXPENSES	\$16,003,835	\$18,308,890	\$16,762,028	\$19,666,981	\$1,358,091	7.4%



Rail Compliance

Functions and Responsibilities

To enhance customer service delivery, the Rail Compliance department has merged with the Rail Commuter Operations department. The numbers in the table below are informational only and are also included in the operating expenses table of the Rail Commuter Operations department.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	-	\$259,690	\$257,350	-	(\$259,690)	N/A
FICA-Admin	-	15,941	15,941	-	(15,941)	N/A
State Unemployment-Admin	-	342	342	-	(342)	N/A
TOTAL LABOR & BENEFITS	-	275,973	273,633	-	(275,973)	N/A
OTHER EXPENSES						
Consultation Fees	-	350,000	-	-	(350,000)	N/A
Temporary Help	-	21,120	-	-	(21,120)	N/A
Office Supplies	-	2,500	500	-	(2,500)	N/A
Dues And Subscriptions	-	9,550	8,500	-	(9,550)	N/A
Airfare - Transportation	-	3,149	6,300	-	(3,149)	N/A
Travel - Per Diem	-	2,366	4,600	-	(2,366)	N/A
Seminar, Conferences, Registration	-	1,738	-	-	(1,738)	N/A
Lodging	-	6,036	9,000	-	(6,036)	N/A
TOTAL OTHER EXPENSES	-	396,459	28,900	-	(396,459)	N/A
TOTAL OPERATING EXPENSES	-	\$672,432	\$302,533	-	(\$672,432)	N/A

Rail Freight Management

Functions and Responsibilities

The Rail Freight Management department is responsible for managing and preserving Capital Metro's railroad assets used for transportation of freight and for transit use. Currently, the department manages approximately 162 miles of railroad right-of-way between Giddings and Llano. Management of the Giddings-Llano rail line is accomplished through a rail freight operator, whose responsibility is to fulfill the common carrier obligations by providing freight service to shippers along the line, as well as implementing marketing strategies to maximize revenue while providing efficient freight service.

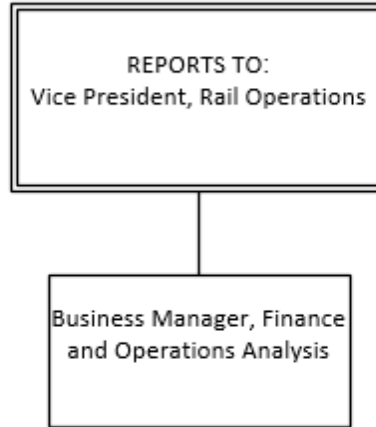
FY2018 Accomplishments

- ◆ Community
 - Began implementation of quiet zones on the East Subdivision.
 - Completed upgrade of 26 bridges from 263,000-pound capacity to 286,000-pound capacity.
 - Continued infrastructure upgrades as part of TIGER V Grant Program.

FY2019 Planned Initiatives

- ◆ Community
 - Continue infrastructure upgrades as part of TIGER V Grant Program.
 - Complete implementing quiet zones on the East Subdivision.
 - Open rail line between Elgin and Giddings.

Rail Freight Management Department Organizational Chart





Budget Changes

Labor and Benefits

Increase of \$4,418 for the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net decrease of \$198,655 mainly driven by \$220,000 in Consultation Fees from a scaled down timber bridge analysis initially planned in FY2018 and from the cancellation of on-call bridge/drainage consulting work budgeted in FY2018.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$103,351	\$103,763	\$103,386	\$107,915	\$4,152	4.0%
FICA-Admin	7,160	7,996	7,996	8,254	258	3.2%
State Unemployment-Admin	9	171	171	179	8	4.7%
TOTAL LABOR & BENEFITS	110,519	111,930	111,553	116,348	4,418	3.9%
OTHER EXPENSES						
Consultation Fees	-	595,000	66,826	375,000	(220,000)	(37.0%)
Row Herzog Transit Services	1,520,013	1,068,062	1,068,062	1,097,083	29,021	2.7%
Office Supplies	1,044	5,000	500	420	(4,580)	(91.6%)
Expendable Tools & Equipment	685	1,000	1,000	1,000	0	(0.0%)
Non-Capital Projects	30,983	-	-	-	-	0.0%
Telephone-Local	1,031	3,780	1,150	1,380	(2,400)	(63.5%)
Dues And Subscriptions	4,295	5,100	5,100	5,400	300	5.9%
Airfare - Transportation	-	1,200	700	1,200	-	0.0%
Travel - Per Diem	-	460	460	460	-	0.0%
Toll Road Charges	-	996	-	-	(996)	(100.0%)
Lodging	-	600	600	600	-	0.0%
Other Miscellaneous Expenses	672	1,200	1,200	1,200	-	0.0%
TOTAL OTHER EXPENSES	1,558,722	1,682,398	1,145,598	1,483,743	(198,655)	(11.8%)
TOTAL OPERATING EXPENSES	\$1,669,241	\$1,794,328	\$1,257,151	\$1,600,091	(\$194,237)	(10.8%)

Real Estate and Facility Planning

Functions and Responsibilities

The Real Estate and Facility Planning department's responsibilities include leasing, purchase, sale and development of property; as well as right-of-way license agreements, master facility and space planning.

FY2018 Accomplishments

- ◆ Customer Experience
 - Improved website to inform the public and contractors on the process of doing business with Capital Metro.
 - Streamlined the permit process for rail maintenance conducted by TxDOT along the Capital Metro rail line.
 - Supported TxDOT and Central Texas Regional Mobility Authority in the standardization of rail requirement worksheets for plan sets.
- ◆ Human Capital
 - Received Employer of the Year Award from Chapter 74 of the International Right of Way Association.
- ◆ Finance
 - Implemented new right-of-way software.
 - Assisted freight service provider in establishing new freight customers.
 - Negotiated with rail freight service provider to install double tracks at the Lehigh Hanson aggregate plant to allow Lehigh Hanson to increase output.
 - Leased additional administrative office space.

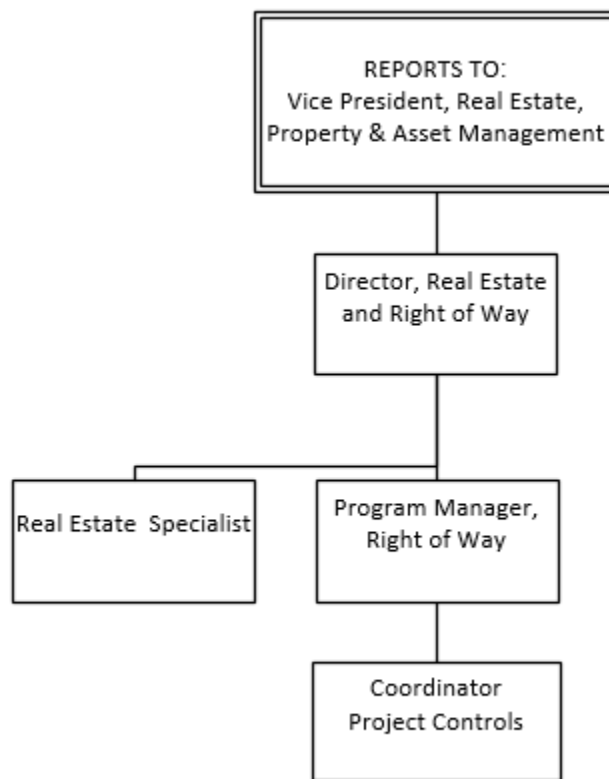
FY2019 Planned Initiatives

- ◆ Customer Experience
 - Implement an online customer portal allowing the public, other agencies and contractors to submit and track the progress of license and permit applications in the ROW software system.

◆ Finance

- Develop the GIS portion of the real estate right-of-way software system for integrating geo data layers into the software system, allowing staff to locate and identify existing underground and overhead crossings.
- Update license agreements for public crossings.

Real Estate and Facility Planning Organization Chart





Budget Changes

Labor and Benefits

Net increase of \$12,763 for approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net decrease of \$575,870 primarily due to lower expected spending of \$86,330 in Other Professional Fees related to real estate services. A decrease of \$450,120 in Lease-Administrative Facility due to paying off the amortized buildout costs associated with the downtown lease.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$349,389	\$355,469	\$354,187	\$366,990	\$11,521	3.2%
Overtime - Administrative	(5)	-	-	-	-	0.0%
FICA-Admin	24,840	26,313	26,313	27,520	1,207	4.6%
State Unemployment-Admin	36	684	684	719	35	5.1%
TOTAL LABOR & BENEFITS	374,260	382,466	381,184	395,229	12,763	3.3%
OTHER EXPENSES						
Other Professional Fees	663,816	591,330	324,330	505,000	(86,330)	(14.6%)
Permits And Fees	995	1,000	1,000	1,500	500	50.0%
Temporary Help	61,438	110,000	110,000	110,000	-	0.0%
Repair & Maintenance-Other	109,833	150,000	150,000	150,000	-	0.0%
Other Services	27,165	79,200	50,800	63,400	(15,800)	(19.9%)
Office Supplies	1,160	3,500	2,500	2,250	(1,250)	(35.7%)
Other Supplies	740	-	-	-	-	0.0%
Dues And Subscriptions	10,400	10,930	9,580	10,880	(50)	(0.5%)
Airfare - Transportation	-	-	-	1,500	1,500	N/A
Travel - Per Diem	561	504	1,505	1,151	647	128.4%
Seminar, Conferences, Registration	3,098	3,550	1,775	1,775	(1,775)	(50.0%)
Lodging	1,237	1,800	2,000	1,800	-	0.0%
Travel - Other	268	-	1,027	-	-	0.0%
Postage	41	100	100	100	-	0.0%
Other Miscellaneous Expenses	232	300	300	-	(300)	(100.0%)
Lease-Passenger Stations	56,700	76,200	69,200	69,200	(7,000)	(9.2%)
Lease-Passenger Parking Facilities	295,153	454,200	408,200	417,708	(36,492)	(8.0%)
Lease-Operating Yard/Storage	66,300	140,000	103,000	160,600	20,600	14.7%
Lease-Administrative Facility	1,025,690	1,232,322	1,042,961	782,202	(450,120)	(36.5%)
TOTAL OTHER EXPENSES	2,324,826	2,854,936	2,278,278	2,279,066	(575,870)	(20.2%)
TOTAL OPERATING EXPENSES	\$2,699,086	\$3,237,402	\$2,659,462	\$2,674,295	(\$563,107)	(17.4%)

RideShare

Functions and Responsibilities

The RideShare department oversees contractors that provide alternative transportation services to reduce the number of single occupancy vehicles on area roads. The department oversees providers for the van/carpool operations, including the ongoing performance and commuter ride-matching services in an effort to reduce congestion and improve air quality. In addition, RideShare oversees the Guaranteed Ride Home program, which is provided through a contract with EAN Holdings, LLC.

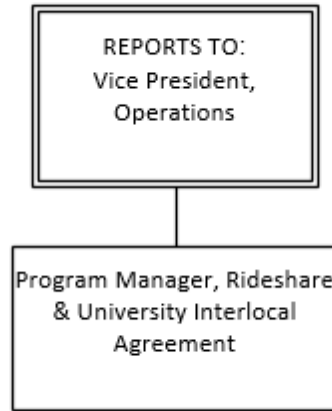
FY2018 Accomplishments

- ◆ Ridership
 - Developed a new scope of service for procurement of vanpool services to begin in early FY2019.
 - Conducted a transportation demand management program evaluation to increase regional visibility and pursue expansion opportunities.
 - Launched a marketing campaign to increase brand awareness in the region.
 - Continued to build on relationships with transportation partners, positioning vanpooling as a core component of transportation options in the region.
 - Continued to pursue expansion and funding opportunities in the region.

FY2019 Planned Initiatives

- ◆ Ridership
 - Launch new MetroRideShare services contract.
 - Launch marketing campaign to increase brand awareness in the region.
 - Continue to build on relationships with transportation partners, positioning vanpooling as a core component of transportation option in the region.
 - Continue to pursue regional expansion and funding opportunities.

RideShare Department Organizational Chart





Budget Changes

Labor and Benefits

Increase of \$3,988 due to the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Increase of \$490,211 due to an increase in the number of vanpool vehicles in FY2019 compared to FY2018 as well as anticipated new pricing after MetroRideShare services are rebid on the market for service starting in FY2019.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$80,905	\$74,705	\$69,844	\$78,439	\$3,734	5.0%
FICA-Admin	5,330	5,757	5,757	6,003	246	4.3%
State Unemployment-Admin	9	171	171	179	8	4.7%
TOTAL LABOR & BENEFITS	86,244	80,633	75,772	84,621	3,988	4.9%
OTHER EXPENSES						
Other Professional Fees	-	-	15,000	-	-	0.0%
Office Supplies	84	170	70	120	(50)	(29.4%)
Other Supplies	320	1,500	1,500	2,000	500	33.3%
GRH Reimbursement	612	1,200	1,200	1,200	-	0.0%
Rideshare	2,321,086	2,691,043	2,587,260	3,180,804	489,761	18.2%
Dues And Subscriptions	575	575	575	575	-	0.0%
Airfare - Transportation	462	575	575	575	-	0.0%
Travel - Per Diem	224	250	250	250	-	0.0%
Seminar, Conferences, Registration	975	1,000	1,000	1,000	-	0.0%
Lodging	596	600	600	600	-	0.0%
TOTAL OTHER EXPENSES	2,324,933	2,696,913	2,608,030	3,187,124	490,211	18.2%
TOTAL OPERATING EXPENSES	\$2,411,177	\$2,777,546	\$2,683,802	\$3,271,745	\$494,199	17.8%

Risk Management and Safety

Functions and Responsibilities

The Risk Management and Safety department's mission is to consult with other departments and contractors to minimize human and economic losses to the public, employees and Capital Metro and to identify hazardous conditions and reduce potential injuries, accidents and property damage. The department also obtains cost-effective insurance coverage and processes all liability, subrogation and worker's compensation claims. All accidents and injuries are investigated and recommendations made for preventive measures based on identified trends. The Risk Management department also leads the organization-wide efforts to implement enterprise risk management (ERM).

In addition, the department's goal is to ensure the safety of employees, customers, facilities and equipment. To accomplish these goals, staff reviews policies and procedures, monitors the operation of all services and takes a proactive role in the identification of measures to address hazards. This includes development of a centralized structure for managing organizational safety and security plans in a contracted service model. The department handles all aspects of implementing safety management systems (SMS) throughout the organization.

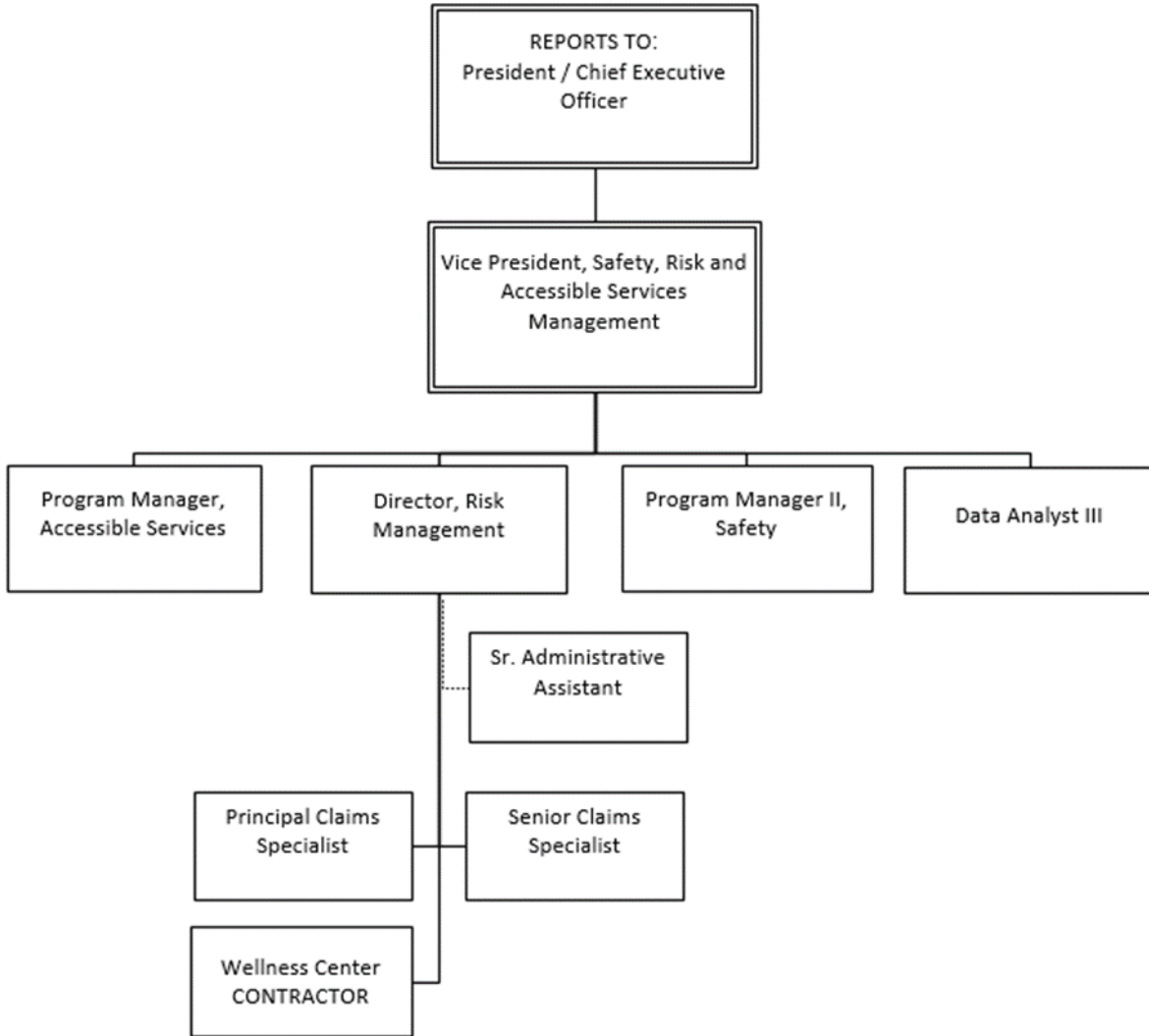
FY2018 Accomplishments

- ◆ Customer Experience
 - Created and implemented employee reporting system (ERS), American Public Transportation Association (APTA) pilot program and close call reporting.
 - Provided training to Capital Metro and service provider staff to comply with training requirements of the FAST ACT (SMS).
 - Continued to work with TTI to develop and implement solutions that will improve the safety of our system and the community.
- ◆ Human Capital
 - Implemented the Safety Champion Program to recognize Capital Metro and contractor employees who make significant contributions to safety.
 - Began implementation pilot phase of enterprise risk management (ERM) and communicate the principals of safety throughout the organization.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Schedule transit trips to learn the system and provide valuable feedback to stakeholders.
 - Create a safety communication plan to support the implementation of internal and external safety communication for Capital Metro.
 - Work with APTA to schedule a bus safety peer review aimed at improving the safety of our bus operation.
- ◆ Community
 - Collaborate with other public safety oriented organizations in the region to promote the safety and security of our system and the community. This initiative includes public-facing communications in collaboration with Vision Zero and others.
- ◆ Human Capital
 - Create a safety training plan to provide training to all employees on safe work procedures and practices.

Risk Management and Safety Department Organizational Chart





Budget Changes

Labor and Benefits

Net increase of \$289,287. Increase of \$352,190 due to the transfer of 1 FTE from Human Resource department and 1 FTE from Operations and Maintenance Oversight department, the addition of a Vice President of Safety Risk and Accessible Service Management, and the approved performance-based pay increases to become effective in January 2019. Decrease of workers' compensation claims of \$100,000 due to a lower anticipated claim potential in FY2019.

Other Expenses

Net increase of \$121,341 due to Consultation Fees of \$60,000, Temporary Help expense of \$78,600, increased Rail Liability Claim Payments of \$100,000 and new Advertising/Promotion Media expense for new safety campaign of \$80,000. This is partially offset by the decrease in Auto Liability Loss by \$200,000.



Capital Metropolitan Transportation Authority Approved FY2019
Operating and Capital Budget and Five Year Capital Improvement Plan

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$323,215	\$424,259	\$399,186	\$776,449	\$352,190	83.0%
FICA-Admin	26,132	31,829	31,829	68,341	36,512	114.7%
State Unemployment-Admin	36	855	855	1,440	585	68.4%
Expense For W/C Claims	48,262	200,000	200,000	100,000	(100,000)	(50.0%)
W/C Admin Fees (2% Of Claims)	373	600	600	600	-	0.0%
Premiums For W/C Losses	9,672	14,000	14,000	14,000	-	0.0%
TOTAL LABOR & BENEFITS	407,691	671,543	646,470	960,830	289,287	43.1%
OTHER EXPENSES						
Consultation Fees	-	-	-	60,000	60,000	0.0%
Medical Services	6,028	10,000	10,000	10,000	-	0.0%
Other Professional Fees	101,875	173,750	173,750	129,750	(44,000)	(25.3%)
Temporary Help	59,048	-	-	78,600	78,600	0.0%
Repair & Maintenance-Other	-	1,500	1,500	1,500	-	0.0%
Other Services	306,562	225,000	225,000	250,000	25,000	11.1%
Advertising Installation Expense	-	-	-	4,000	4,000	0.0%
Gasoline	44	2,000	2,000	-	(2,000)	(100.0%)
Office Supplies	1,528	4,200	4,200	4,200	-	0.0%
Maps And Schedules	-	-	-	3,000	3,000	0.0%
Other Supplies	40,415	18,559	18,559	35,000	16,441	88.6%
Non Capital Equipment	2,651	4,300	4,300	4,300	-	0.0%
Property Insurance Premiums	113,624	121,752	121,752	121,752	-	0.0%
Physical Damage Recoveries	(70,714)	(75,000)	(75,000)	(75,000)	-	0.0%
Rail Liability Claim Payments	500	100,000	1,000,000	200,000	100,000	100.0%
Vehicle Liability Premiums	22,876	36,000	30,000	36,000	-	0.0%
Auto Liability Loss	285,058	600,000	300,000	400,000	(200,000)	(33.3%)
Public Officials Liab. Premiums	41,952	45,000	45,000	45,000	-	0.0%
Crime Insurance Premium	7,560	9,000	9,000	9,000	-	0.0%
Other Business Insurance	116,836	140,000	130,000	140,000	-	0.0%
Gasoline Fuel Tax	-	350	350	-	(350)	(100.0%)
Dues And Subscriptions	1,688	2,007	2,007	2,007	-	0.0%
Airfare - Transportation	1,750	3,700	3,700	5,200	1,500	40.5%
Travel - Per Diem	506	1,800	1,800	1,800	-	0.0%
Seminar, Conferences, Registration	1,320	8,350	8,350	6,000	(2,350)	(28.1%)
Lodging	1,669	4,000	4,000	5,500	1,500	37.5%
Business Meals - Local	425	1,000	1,000	1,000	-	0.0%
Advertising/Promotion Media	-	-	-	80,000	80,000	0.0%
Postage	105	504	504	504	-	0.0%
Other Miscellaneous Expenses	12	200	200	200	-	0.0%
TOTAL OTHER EXPENSES	1,043,316	1,437,972	2,021,972	1,559,313	121,341	8.4%
TOTAL OPERATING EXPENSES	\$1,451,007	\$2,109,515	\$2,668,442	\$2,520,143	\$410,628	19.5%

Security

Functions and Responsibilities

The Security department's primary goal is to provide a safe and secure transportation system for the public, employees and contractors by conducting frequent patrols on foot, in vehicles and electronically. The department provides professional development and training for security personnel to enhance skill levels. Additionally, Security collaborates with local law enforcement agencies and community entities to provide safe and secure services to the customers, employees and contractors. The Security department maintains the access control and video components for all facilities, including the rail corridor.

FY2018 Accomplishments

- ◆ Customer Experience
 - Purchased additional security vehicles that match the Austin Police Department (APD) configuration to increase visibility and deterrence.
 - Completed implementation of several facility security enhancements based on the threat vulnerability assessment (TVA).
 - Upgraded security cameras at various facilities in the service area.
 - Upgraded all facility access control systems which included all proximity card infrastructure and software.
 - Provided security for major events such as South by Southwest, Austin City Limits, Pecan Street and other community events.
 - Began officers-on-the-bus program with APD to enhance security on the system.
- ◆ Community
 - Coordinated functional emergency response exercises with partner agencies and first responders.
 - Coordinated the Transportation Security Administration (TSA) Intermodal Security Training and Exercise Program (ISTEP) held at the Austin/Travis County Emergency Operations Center which includes regional executive-level law enforcement, emergency management and criminal justice stakeholders involved in transit security.
- ◆ Human Capital
 - Along with Risk Management and Safety, coordinated emergency response drills for active shooter, fire and tornado.
 - Conducted security awareness training for employees and contractors.

◆ Finance

- Continued fare administration and inspection program while maintaining a fare evasion rate of less than 2 percent.

FY2019 Planned Initiatives

◆ Customer Experience

- Work with Capital Projects on Downtown Station, Westgate Transit Center and other projects to ensure new facilities are designed and operated with industry best practices for Crime Prevention through Environmental Design (CPTED).
- Design and begin construction on the facility security enhancement identified in the TVA.
- Continue officers-on-the-bus program in which APD officers ride various routes on different days and times to enhance security on the system.
- Implement a security inspection program in which all Capital Metro transit facilities will be inspected regularly to identify vulnerabilities and correct them.

◆ Community

- Coordinate an operational level tabletop exercise with TSA, Capital Metro and contractor employees, and first responders through the Intermodal Security Training and Exercise Program (I-STEP).
- Lead the development and implementation of a continuity of operations plan (COOP) for Capital Metro.

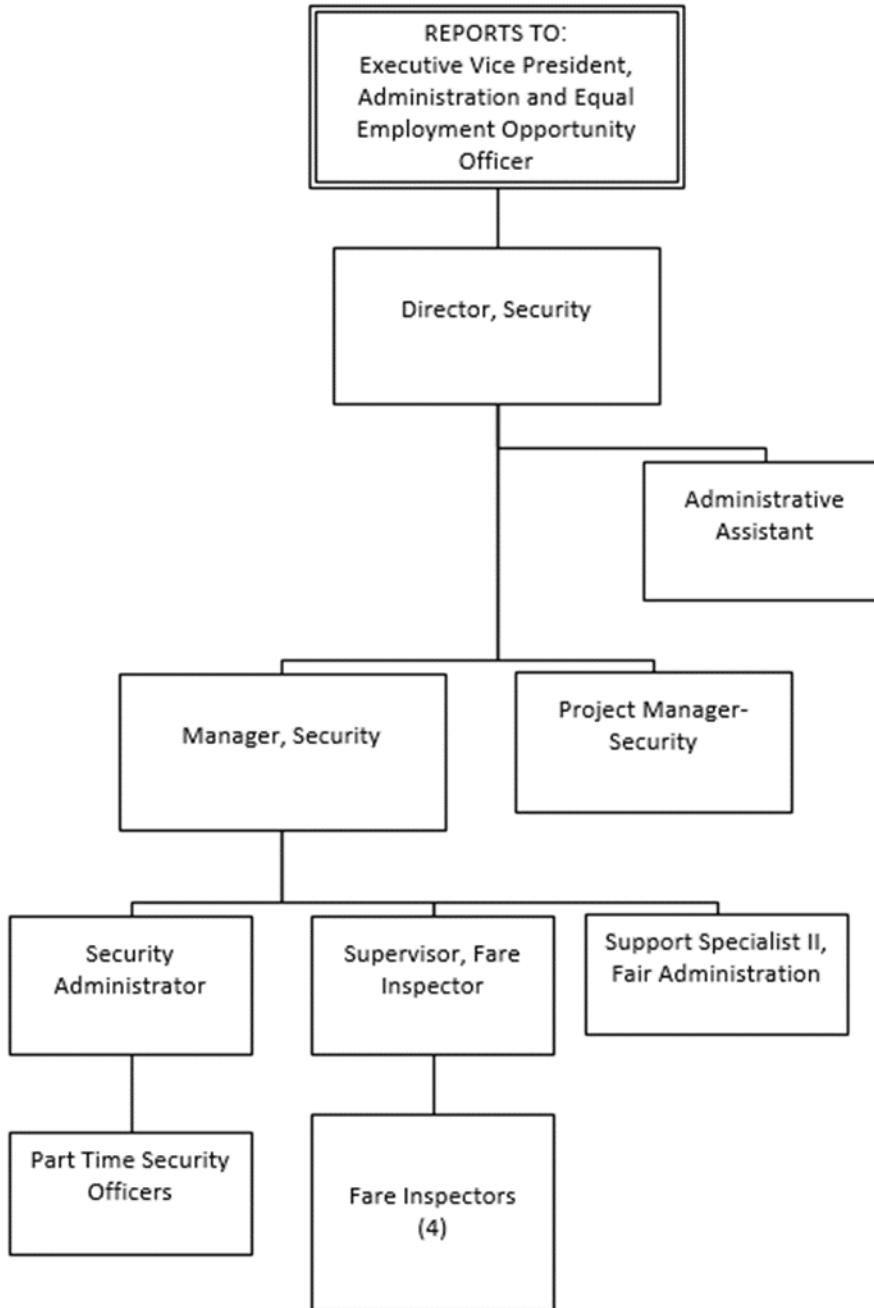
◆ Human Capital

- Along with Risk Management and Safety, coordinate emergency response drills for active shooter, fire and tornado.
- Conduct security awareness training for Capital Metro and contractor employees in new employee orientations and other venues.

◆ Finance

- Continue fare administration and inspection program to maintain a fare evasion rate of less than 2 percent.

Security Department Organizational Chart





Budget Changes

Labor and Benefits

Increase of \$327,027 largely due to a required 3 percent increase in APD contractual rates and increased hours to improve coverage, and the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net decrease of \$91,654 driven by decrease of \$25,000 for repair and maintenance of scanners and secure door access upgrades, \$66,000 for newly contracted rates for Security Services and movement of Gasoline expense to a centralized account for \$50,000. This is partially offset by an increase of \$30,000 in Advertising/Promotion Media for security campaigns.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$543,597	\$635,452	\$635,332	\$671,596	\$36,144	5.7%
Overtime - Administrative	20,605	16,000	16,000	16,000	-	0.0%
Salaries & Wages - Apd Officers	2,205,805	2,150,652	2,150,652	2,458,592	307,940	14.3%
FICA-Admin	215,808	213,334	213,334	192,238	(21,096)	(9.9%)
State Unemployment-Admin	3,775	6,581	6,581	10,228	3,647	55.4%
Uniform Allowance-Admin.	2,872	3,500	3,500	3,892	392	11.2%
TOTAL LABOR & BENEFITS	2,992,462	3,025,519	3,025,399	3,352,546	327,027	10.8%
OTHER EXPENSES						
Other Professional Fees	62,054	40,000	40,000	45,000	5,000	12.5%
Temporary Help	(1,035)	-	-	-	-	0.0%
Repair & Maintenance-Other	76,275	110,000	84,000	85,000	(25,000)	(22.7%)
Security Services	934,134	1,100,000	1,100,000	1,034,000	(66,000)	(6.0%)
Other Services	2,269	5,000	5,000	5,000	-	0.0%
Advertising Installation Expense	-	-	-	3,000	3,000	0.0%
Gasoline	73,919	50,000	75,000	-	(50,000)	(100.0%)
Office Supplies	7,840	8,004	8,004	8,004	-	0.0%
Maps And Schedules	-	-	-	3,000	3,000	0.0%
Other Supplies	3,296	5,000	5,000	10,000	5,000	100.0%
Non Capital Equipment	8,125	5,004	5,004	5,004	-	0.0%
Telephone-Local	640	5,004	5,004	4,800	(204)	(4.1%)
Airfare - Transportation	2,006	2,500	2,500	3,150	650	26.0%
Travel - Per Diem	1,166	1,500	1,500	1,600	100	6.7%
Seminar, Conferences, Registration	4,050	2,000	2,000	2,000	-	0.0%
Lodging	1,767	2,500	2,500	2,400	(100)	(4.0%)
Travel - Other	55	-	-	-	-	0.0%
Business Meals - Local	888	-	-	500	500	0.0%
Advertising/Promotion Media	-	-	-	30,000	30,000	0.0%
Postage	8	-	-	-	-	0.0%
Other Miscellaneous Expenses	104	-	-	2,400	2,400	0.0%
TOTAL OTHER EXPENSES	1,177,561	1,336,512	1,335,512	1,244,858	(91,654)	(6.9%)
TOTAL OPERATING EXPENSES	\$4,170,023	\$4,362,031	\$4,360,911	\$4,597,404	\$235,373	5.4%

Strategic Operations Management and Administration

Functions and Responsibilities

The Strategic Operations Management and Administration department provides oversight and guidance for all departments including Capital Metro's bus, paratransit, freight rail, commuter rail, maintenance safety, security and information technology.

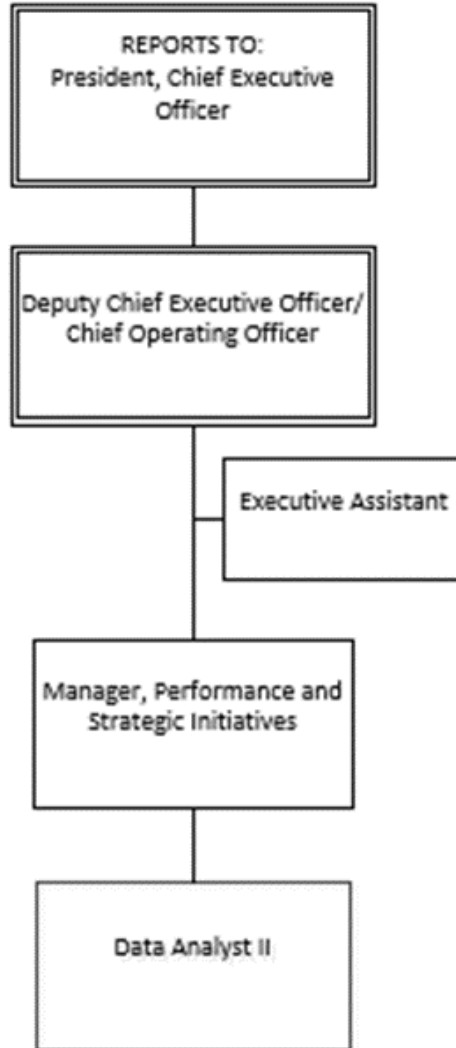
FY2018 Accomplishments

- ◆ Customer Experience
 - Launched the first innovation zone.
 - Concluded successful Pickup pilot.
 - Completed Howard Station expansion.
 - Awarded contract for Westgate Transit Center.
 - Initiated the autonomous vehicle circulator pilot.
 - Designed the new Operations Control Center.
 - Launched extended rail weekend service.
 - Launched Leander Saturday service.
 - Launched PTC project with system readiness for revenue demonstration service planned for October 2018.
- ◆ Human Capital
 - Hired new Vice President of Rail Operations.
 - Updated Strategic Plan.
 - Initiated the Enterprise Project Portfolio Management (EPPM) Framework Steering Committee.

FY2019 Planned Initiatives

- ◆ Customer Experience
 - Complete Westgate Transit Center.
 - Develop and implement a revised Strategic Plan.
 - Complete successful positive train control implementation.
- ◆ Ridership
 - Initiate construction of Plaza Saltillo District.
 - Launch the development of Lakeline Station.
- ◆ Human Capital
 - Implement the automated EPPM framework system.
 - Update Strategic Plan.
- ◆ Finance
 - Introduce enterprise project management software solution to streamline project portfolio management.
 - Expand the use of Decision Lens and incorporate into agency decision-making.
 - Initiate the asset management system.
 - Begin improvements to the rail line to Elgin.

Strategic Operations Management and Administration Department Organizational Chart





Budget Changes

Labor and Benefits

Decrease of \$137,832 due to 2 FTEs transferred to the Property and Asset Management and Finance departments respectively.

Other Expenses

Decrease of \$8,578 to adjust for lower expected spend to meet the requirements of the department.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$608,387	\$637,860	\$547,767	\$504,617	(\$133,243)	(20.9%)
Overtime - Administrative	51	-	-	-	-	0.0%
FICA-Admin	40,181	41,696	36,583	37,232	(4,464)	(10.7%)
401K	25,109	25,104	25,104	25,104	-	0.0%
State Unemployment-Admin	209	1,026	888	901	(125)	(12.2%)
Automobile	7,200	7,200	7,200	7,200	-	0.0%
TOTAL LABOR & BENEFITS	681,136	712,886	617,542	575,054	(137,832)	(19.3%)
OTHER EXPENSES						
Consultation Fees	2,901	-	-	-	-	0.0%
Other Professional Fees	41,883	68,000	43,000	65,000	(3,000)	(4.4%)
Temporary Help	13,124	-	-	-	-	0.0%
Office Supplies	4,229	1,000	600	756	(244)	(24.4%)
Airfare - Transportation	294	2,200	-	1,000	(1,200)	(54.5%)
Travel - Per Diem	(54)	984	-	650	(334)	(33.9%)
Seminar, Conferences, Registration	2,891	8,000	2,500	7,000	(1,000)	(12.5%)
Lodging	132	2,500	-	1,500	(1,000)	(40.0%)
Travel - Other	-	3,000	-	1,200	(1,800)	(60.0%)
Business Meals - Local	52	-	-	-	-	0.0%
Postage	63	-	-	-	-	0.0%
TOTAL OTHER EXPENSES	65,515	85,684	46,100	77,106	(8,578)	(10.0%)
TOTAL OPERATING EXPENSES	\$746,651	\$798,570	\$663,642	\$652,160	(\$146,410)	(18.3%)

Strategic Planning and Development

Functions and Responsibilities

The Strategic Planning and Development department functions are divided into five major areas of responsibility: Service Planning and Scheduling, Long-Range Planning and Transit-Oriented Development, Environmental Sustainability, Metropolitan Mobility and Service Analysis. Each function is designed to support the planning, development, evaluation and delivery of public transportation solutions and infrastructure.

FY2018 Accomplishments

- ◆ Customer Experience
 - Finalized and implemented Cap Remap, the first major phase of Connections 2025, resulting in twice as many frequent service routes and increased access to frequent service.
 - Advanced Project Connect study to assess, evaluate and prioritize both current and new high-capacity transit services for Central Texas, including the completion of Phase II of the three-phase study effort.
 - Developed and helped to implement three service changes to adjust and improve service.
- ◆ Ridership
 - Implemented major express-service changes to take advantage of MoPac toll lanes.
 - Worked with suburban jurisdictions to develop and implement transit development plans, leading to service implementation in Round Rock and Georgetown, and continued planning in Hutto, Buda and Pflugerville.
 - Expanded upon existing Transit Priority Working Group partnership with the city of Austin to establish three-year funding initiative and addition of dedicated lead staff to support the program at both agencies.
 - Continued partnerships with TxDOT and Central Texas Regional Mobility Authority (CTRMA) to incorporate transit-supportive features (park & rides, transit priority access, etc.) into their roadway projects.
- ◆ Community
 - Developed and promoted the Transit-Oriented Development (TOD) Priority Tool to support TOD development and transit-supportive infrastructure near MetroRail and MetroRapid stations.
 - Coordinated with Community Engagement and consultant teams for major public engagement efforts for both Connections 2025 and Project Connect, leading to increased support and understanding of those initiatives.

- Worked with the Austin Parks and Recreation Department to assume management of Plaza Saltillo after many years of city oversight. Partnered with CARTS to make improvements to the area for enhanced multimodal connections.

- ◆ Human Capital

- Engaged agency staff from all areas in the implementation of Cap Remap.

- ◆ Finance

- Deployed a comprehensive system to track utility use at each Capital Metro facility with the objective of setting efficiency goals and reducing water and energy use.
- Continued to work under American Public Transportation Association (APTA) Sustainability Commitment program and submitted application to advance from current Silver Level to Gold.
- Developed employee and contractor mobility plan to encourage and increase use of transit and other non-single occupant vehicle commuting.

FY2019 Planned Initiatives

- ◆ Customer Experience

- Monitor Cap Remap implementation, identify and implement adjustments to improve service quality and reliability.
- Implement Mobility Innovation Zone services after engaging the public and seeking board approval.
- Continue implementation of the Transit Speed and Reliability Program in partnership with the Austin Transportation Department to develop and implement transit priority treatments.

- ◆ Ridership

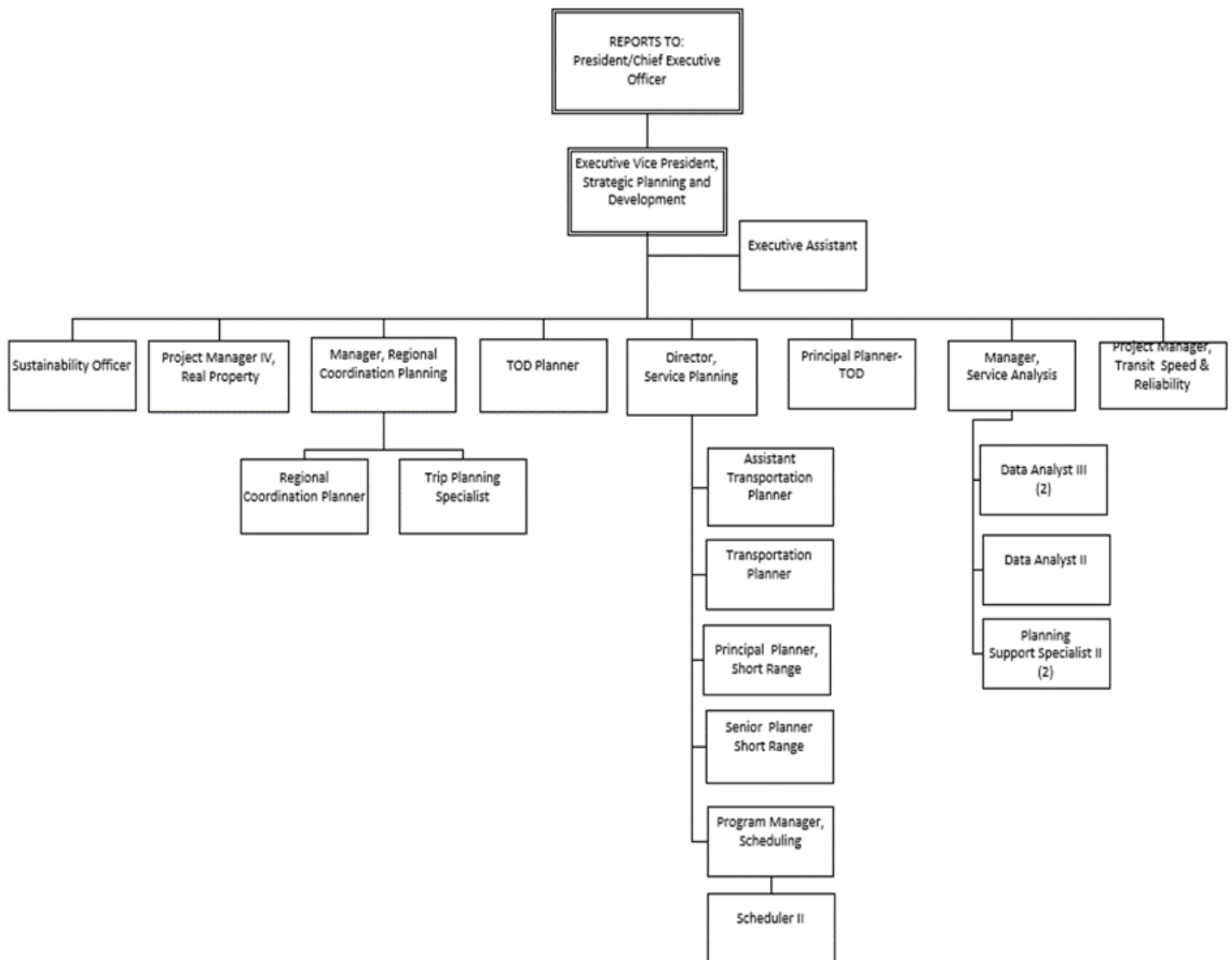
- Implement adjustments to Cap Remap for improved route efficiency and effectiveness.
- Implement revamped MetroExpress service on North MoPac to gain travel time advantage from express lanes for faster, more reliable commuter service.
- Advance efforts to upgrade Route 20 to offer more frequent service.
- Continue partnerships with TxDOT and CTRMA to incorporate transit-supportive features (Park & Rides, transit priority access, etc.) into their roadway projects.

- ◆ Community

- Increase role and awareness of Office of Mobility Management, a partnership between Capital Metro and CARTS, to improve regional transit coordination and service provision across jurisdictional boundaries.
- Continue participation in the regional mobility planning and environmental studies to ensure transit is fully considered. Seek funding for Park & Rides that work in coordination with these roadway projects.

- Continue participation in the Capital Area Metropolitan Planning Organization’s planning process and Imagine Austin Plan/Code Next development process to ensure transit is represented.
- ◆ Finance
 - Advance work on environmental and sustainability management system to reduce water and utility use and increase efficiency.
 - Continue to develop roadmap for implementing electric bus conversion consistent with Connections 2025 fleet plan to improve operating efficiency, lower emissions and reduce carbon-fuel dependence.

Strategic Planning and Development Department Organizational Chart





Budget Changes

Labor and Benefits

Decrease of \$261,071 due to the transfer of 4 FTEs to Operations and Maintenance Oversight and 3 FTEs to Project Connect, partially offset by the transfer of 1 FTE from Property and Asset Management and the approved performance-based pay increases to become effective in January 2019.

Other Expenses

Net increase of \$680,981 driven by \$1,000,000 in Capital Contributions-Other Jurisdictions for transit priority right-of-way work that was originally part of the capital budget in FY2018 but was not started and has been moved to the operating budget in FY2019 as it will not be eligible for capitalization as an asset once the work is completed. Decrease of \$340,000 in Consultation Fees for the completion of projects that will not require the same level of funding in FY2019.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Salaries & Wages - Admin.	\$1,906,675	\$2,183,553	\$2,046,266	\$1,941,093	(\$242,460)	(11.1%)
Overtime - Administrative	7,185	-	-	-	-	0.0%
FICA-Admin	134,391	162,453	162,453	144,479	(17,974)	(11.1%)
State Unemployment-Admin	243	4,959	4,959	4,322	(637)	(12.8%)
TOTAL LABOR & BENEFITS	2,048,494	2,350,965	2,213,678	2,089,894	(261,071)	(11.1%)
OTHER EXPENSES						
Consultation Fees	201,668	850,000	843,601	510,000	(340,000)	(40.0%)
Other Professional Fees	1,025	-	-	-	-	0.0%
Temporary Help	18,863	15,000	15,000	20,800	5,800	38.7%
Courier And Delivery Services	-	60	60	-	(60)	N/A
Photographic Processing	75	-	-	-	-	0.0%
Other Services	15,567	25,000	25,000	55,000	30,000	120.0%
Gasoline	617	564	564	-	(564)	(100.0%)
Office Supplies	8,283	8,085	8,085	8,085	-	0.0%
Other Supplies	1,394	1,706	1,706	1,206	(500)	(29.3%)
Telephone-Local	2,480	4,680	4,680	2,400	(2,280)	(48.7%)
Gasoline Fuel Tax	-	125	125	-	(125)	(100.0%)
Dues And Subscriptions	15,223	9,000	9,000	3,440	(5,560)	(61.8%)
Airfare - Transportation	8,666	12,416	10,554	9,670	(2,746)	(22.1%)
Travel - Per Diem	3,042	8,559	7,275	5,300	(3,259)	(38.1%)
Toll Road Charges	-	215	215	-	(215)	(100.0%)
Seminar, Conferences, Registration	8,280	15,800	13,430	19,140	3,340	21.1%
Lodging	7,409	15,240	12,954	12,450	(2,790)	(18.3%)
Travel - Other	12	-	-	-	-	0.0%
Advertising/Promotion Media	5,329	-	-	-	-	0.0%
Postage	91	60	60	-	(60)	N/A
Other Miscellaneous Expenses	225	-	-	-	-	0.0%
Cmta Planning Expenses	900	-	-	-	-	0.0%
Capital Contributions-Other Jurisdictions	-	-	550,000	1,000,000	1,000,000	0.0%
TOTAL OTHER EXPENSES	299,149	966,510	1,502,309	1,647,491	680,981	70.5%
TOTAL OPERATING EXPENSES	\$2,347,643	\$3,317,475	\$3,715,987	\$3,737,385	\$419,910	12.7%

Wellness and Fitness Centers

Functions and Responsibilities

The Wellness and Fitness Center department's mission is to partner with our employees and contractors to improve and maintain healthy long-term lifestyle habits and create a workforce that fulfills Capital Metro's mission. The department's primary responsibilities are to develop innovative health programs, create opportunities to change behaviors and develop healthy habits, reduce costs and improve morale, coordinate wellness initiatives and manage Capital Metro's fitness centers.

FY2018 Accomplishments

- ◆ Customer Experience
 - Developed and implemented new programs that improve the ergonomics of the workplaces including in company vehicles.
 - Worked with service providers to communicate the importance of employee health in improving safety and reducing collisions.

FY2019 Planned Initiatives

- ◆ Community
 - Promote a tobacco-free lifestyle by hosting quarterly tobacco cessation classes for employees and the community.
- ◆ Human Capital
 - Implement company-wide programs that promote and educate employees on the importance of physical activity.
 - Create educational materials on nutrition and programs that include cooking demonstrations, tastings and healthy snack giveaways.



Budget Changes

Labor and Benefits

No significant changes to this expense for FY2019.

Other Expenses

No significant changes to this expense for FY2019.

	FY 2017 ACTUAL	FY 2018 BUDGET	FY 2018 FORECAST	FY 2019 BUDGET	Var \$ FY 2019 vs. FY 2018	Var % FY 2019 vs. FY 2018
LABOR & BENEFITS						
Wellness Center Exp	\$19,732	\$36,500	\$36,500	\$36,496	(\$4)	(0.0%)
TOTAL LABOR & BENEFITS	19,732	36,500	36,500	36,496	(4)	(0.0%)
OTHER EXPENSES						
Other Professional Fees	208,849	216,000	216,000	216,000	-	0.0%
Other Services	1,936	4,500	4,500	4,500	-	0.0%
Office Supplies	1,447	1,000	1,000	1,000	-	0.0%
Other Supplies	2,835	6,500	6,500	6,500	-	0.0%
Dues And Subscriptions	-	150	150	150	-	0.0%
Seminar, Conferences, Registration	10	200	200	-	(200)	(100.0%)
Postage	8	25	25	25	-	0.0%
Recognition Program	10,626	12,500	12,500	12,500	-	0.0%
TOTAL OTHER EXPENSES	225,711	240,875	240,875	240,675	(200)	(0.1%)
TOTAL OPERATING EXPENSES	\$245,442	\$277,375	\$277,375	\$277,171	(\$204)	(0.1%)

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Glossary



GLOSSARY

AAC: Access Advisory Committee

Accounting Basis: Capital Metro utilizes the proprietary fund method of accounting whereby revenue and expenses are recognized on an accrual basis.

Accrual-based Accounting: Revenue and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed during the period.

ADA: Americans with Disabilities Act – Federal legislation enacted to provide guidelines for assuring access to person with disabilities.

American Public Transportation Association (APTA): Membership organization whose stated mission is to strengthen and improve public transportation, and serves and leads its diverse membership through advocacy, innovation and information sharing.

Average Fare: Operating revenue (farebox and third-party fares) divided by the number of boardings.

AVT: Alternate Vehicle Technology

Boardings: Number of passengers utilizing transit service, measured on entrance of vehicle.

BRT: Bus Rapid Transit

Build Central Texas (formerly Build Greater Austin) was created in 1994 to support the transportation infrastructure for the Austin metropolitan area. This is an ongoing program with 7 elements: 1) street maintenance, 2) emergency street repair, 3) transit corridor improvements, 4) pedestrian and bicycle safety/access, 5) sidewalks, 6) transit centers and 7) transit capital improvements.

CAFR: Comprehensive Annual Financial Report

CAMPO: Capital Area Metropolitan Planning Organization

Cap Remap: Largest service change in Capital Metro's history implemented in June 2018. Cap Remap makes buses more frequent, more reliable and better connected.

Capital Budget: The portion of the budget that provides for the funding of improvements projects, other projects and major equipment purchases. Generally, a capital item is one that has a cost in excess of \$5,000 and a useful life in excess of 1 year.

Capital Expenditure: Expenditures made to purchase capital assets or increase the efficiency, capacity, useful life or economy of an existing asset.

CARTS: Capital Area Rural Transportation System

CEO: Chief Executive Officer

CFR: Code of Federal Regulations



CIP: Capital Improvement Plan

CMTA: Capital Metropolitan Transit Authority

Contingency Funds: Operating funds reserved for unexpected expenditures during the fiscal year.

Commuter Rail: Railway for urban passenger train service consisting of local short distance travel operating between a central city and adjacent suburbs.

Cost Allocation: The assignment of overhead expenses to different cost centers.

CSAC: Customer Satisfaction Advisory Committee

CTECC: Combined Transportation Emergency and Communications Center

CTRMA: Central Texas Regional Mobility Authority

DBE: Disadvantaged Business Enterprise.

Deadhead: Hours or miles that the buses and trains are in service, but there is not a reasonable expectation of carrying passengers. Examples include traveling between the garage and the start of a route and traveling between routes.

Demand Response: Service that is provided on an “as needed” basis.

DMS: Dynamic Message Signs

DMU: A Diesel Multiple Unit is a multiple-unit train powered by on-board diesel engines. A DMU requires no separate locomotive, as the engines are incorporated into 1 or more of the carriages.

EEO: Equal Employment Opportunity

EOC: Emergency Operations Center

Express Route: Limited-stop service traveling to and from downtown and Park & Rides.

Fare Recovery: Fare revenue divided by operating expense.

FAST Act: Fixing America’s Surface Transportation Act

FEMA: Federal Emergency Management Agency

Fiscal Year: A 12-month period for which an organization plans the use of its funds, which does not necessarily correspond to a calendar year. The fiscal year adopted by Capital Metro is from October 1 through September 30.

Fixed-Route Bus: Local bus service including rail connectors.

Flyer: Bus service that operates in the suburban neighborhoods bringing commuters to the downtown area.

FRA: Federal Railroad Administration

FTA: Federal Transit Administration—The agency of the federal government within the U.S. Department of Transportation that is responsible for providing, administering and monitoring funds to transit agencies.

FTE: Full-Time Equivalent

Full-Time Equivalent Position (FTE): A position converted to the decimal equivalent of a full-time position based on 2,080 hours per year.

Funds Equity: Captures the aggregate of accumulated revenues and expenses from previous years. This balance is also labeled Net Assets.

Fund Balance: Fund Balance is the cash on hand used to pay monthly operating costs, such as salaries, staff health costs, fuel, supplies, utilities and other expenses.

FY: Fiscal year

GAAP: Generally Accepted Accounting Principles, conventions, rules and procedures necessary to describe accepted accounting practices at a particular time.

GASB: Governmental Accounting Standards Board established with authority to prescribe generally accepted accounting principles for state and local governments.

Grant: Revenue from another government body or organization, usually in support of a specific program or function.

High-Occupancy Vehicle Lanes (HOV): A lane of traffic in a major roadway reserved for vehicles carrying 2 or more (sometimes 3 or more) people.

Interest Income: Income gained from interest on funds that have been placed in reserves for capital placement.

IFB: Invitation for Bids

ITS: Intelligent Transportation System is a project that adds Computer-Aided Dispatch/Automatic Vehicle Locator (CAD/AVL) capability to the bus fleet.

IVR: Interactive Voice Response (IVR) is a telephony technology that can read a combination of touch-tone and voice input. It gives users the ability to access a database of information via phone. A typical IVR system has several menus of prerecorded options that the caller can choose from. These menu choices allow the caller to access the appropriate information in the database such as trip reservations, confirmations and cancellations.

LRFP: The Long-Range Financial Plan is a 10-year plan that forecasts the financial resources and projected expenditures based on planned levels of service and strategic goals.

MAP-21: A federal transportation authorization, Moving Ahead for Progress in the 21st Century Act (MAP-21) created a streamlined, performance-based and multimodal program to address the many challenges facing the U.S. transportation system.

MetroAccess: Paratransit services (complementary to fixed-route services) provided to passengers with disabilities established in accordance with the ADA.

MetroRapid: A fixed-route service that brings together a set of unique features to result in faster, more convenient service for the community. Some of the features of this service include limited stops, boarding from all doors, unique and upgraded stations with real-time departure information and vehicles equipped with signal priority technology.

MetroRideShare: A service in which vehicles are provided for a group of people who live and work near each other.

Mobility Innovation Zones: The term defines geographic areas where traditional fixed-route bus service is not viable.

MV-1: A purpose-built wheelchair accessible vehicle, which meets or exceeds ADA vehicle guidelines.

Net Assets: Captures the aggregate of accumulated revenues and expenses from previous years. This balance is also labeled Fund Equity.

Obligation: Funds that have been obligated to a specific purpose but have not been spent.

On-Time Performance (Fixed-route): On-time performance is no more than 0 seconds early and no more than 5 minutes late.

On-Time Performance (Paratransit): On-time performance is a vehicle's arrival within the 30-minute ready window negotiated with the registered paratransit customer at time of booking.

Operating Budget: The portion of the budget that provides for the day-to-day operation of Capital Metro

OTP: On-Time Performance

Paratransit Services: Transportation services (complementary to fixed-route services) provided to riders with disabilities established in accordance with ADA.

Park & Ride: a transport system in which drivers leave their cars in a place and travel by train or bus.

Passenger Revenue: Revenue earned through fares charged directly to passengers for transit services.

Pathway Assessment: Program in place to assess customer pathways throughout the region with the goal of eliminating barriers to accessing the fixed-route bus system. The focus is on highly functional paratransit-eligible customers who must use paratransit services due to architectural or other barriers that prevent them from riding fixed-route services.

Prior Years Carry-Over: Funds that are available to finance capital budget items for subsequent fiscal years.

Project Connect: Capital Metro's plan to develop, identify funding for and initiate implementation of a regional high-capacity transit system to serve the mobility needs of Central Texas.

PTC: Positive Train Control

Revenue Hours: The number of hours that buses are available to the public and there is a reasonable expectation of carrying riders.

Revenue Miles: The number of miles that the buses are available to the public and there is a reasonable expectation of carrying riders.

Revenue Passengers: Transit riders who enter the system through the payment of a fare as distinguished from those who enter using an employee or complimentary pass.

Revenue Service: Transit service run for the purpose of generating revenue, with a route beginning and end point, distinguished from trips run for maintenance purposes or trips, which carry riders without charge.

RFP: Request for Proposals

RFQ: Request for Quotes

Ridership: The total number of boardings, also called "Unlinked Passenger Trips." May be based on farebox counts, driver counts or estimates.

Sales Tax: Sales tax revenue is accrued monthly based on information provided by the Texas Comptroller of Public Accounts.

Section 5307 Urbanized Area Formula (Formerly Section 9): A federal grant administered by the FTA for urbanized areas, providing capital, operating and planning assistance for mass transportation. Funds are apportioned to urbanized areas utilizing a formula based on population, population density and other factors associated with transit service and ridership.

Section 5309 Capital Program Funds: A federal grant that provides assistance for the establishment of new rail transit projects, improvement and maintenance of existing rail transit and other fixed-guideway systems, buses and other bus-related capital projects. The bus funding portion is a discretionary allocation program.

Service Area: City of Austin and several surrounding areas within Travis County and Williamson County extending over 500 square miles.

SMS: Safety Management Systems.

Special Events: Transit service provided to support events occurring in the city.

Subscription Service: A standing paratransit trip reservation for a ride occurring at least once a week from the same origin to the same destination at the same time.

Subsidy/Passenger: The difference between the operating expense and operating revenue divided by the number of boardings.

TCEQ: Texas Commission on Environmental Quality

TDP: Transit Development Plan

Tether Strap Program: Program offered to customers at no charge to identify and mark the safest securement points on their mobility devices and in some cases, provide free tether straps to be installed on the device.

Third-Party Fares: Fares paid by a third party usually for continuous routine service.

TIGER: Transportation Investments Generating Economic Recovery

TOD: Trans Oriented Development

TNC: Transportation Network Company

Transit Empowerment Fund: Formerly the Basic Transportation Needs Fund, works to ensure that low-income, transit-dependent neighbors have access to transportation. This program provides transit passes at a discount for social service agencies to distribute as needed to their clients.

Transit Operations: Those authority functions directly or indirectly related to the provision of transportation service.

Triennial Review: An FTA assessment of Capital Metro's compliance with federal requirements and the testing of our grant award management and program implementation practices and procedures.

TTI: Texas A&M's Texas Transportation Institute

TVM: Ticket Vending Machine system that encompasses 1) the physical devices at various rail/bus stops where a customer can purchase a ticket/pass and 2) a central computer with software that communicates to the various machines in the field.

TxDOT: Texas Department of Transportation

UHC: United Healthcare

USDOT: U.S. Department of Transportation

UT Shuttle: The bus service provided to connect student living areas with the University of Texas campus.

UZA: Urbanized Areas

Vehicle Hours: The total number of hours that the buses are in service, including both revenue and deadhead hours.

Vehicle Miles: The total number of miles traveled while the buses are in service. This includes both revenue and deadhead miles.

Vision Zero Action Plan: City of Austin's plan aiming at reducing traffic crash deaths and serious injuries to zero by 2025.

Wheelchair Boardings: The number of times a wheelchair boards on directly operated buses. Does not include MetroAccess or contracted services.

Wye: In railroad structures, a wye or triangular junction is a triangular joining arrangement of 3 rail lines with a railroad switch at each corner connecting to each incoming line.

Zero-based Budgeting: A method of budgeting in which all expenditures must be justified each new budget period, as opposed to only explaining the amounts requested in excess of the previous period's funding.

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Appendices



Capital Metropolitan Transportation Authority
Approved FY2019 - FY2023 Capital Improvement Plan

Project Name	FY2019 Approved Budget	FY2020 Planned	FY2021 Planned	FY2022 Planned	FY2023 Planned	TOTAL	Page
Facilities and Real Estate							
Facility Enhancements	1,874,937	375,000	-	-	-	2,249,937	A-4
Facility State of Good Repair	555,375	1,400,400	1,083,919	583,000	1,059,000	4,681,694	A-5
Real Estate	-	-	7,426,300	-	-	7,426,300	A-6
Facilities and Real Estate Net Total	2,430,312	1,775,400	8,510,219	583,000	1,059,000	14,357,931	
Information Technology Systems and Infrastructure							
Information Technology - Enterprise Systems	4,224,116	4,467,187	2,600,000	500,000	300,000	12,091,303	A-7
Information Technology - Infrastructure	1,265,000	800,000	150,000	1,800,000	3,150,000	7,165,000	A-8
Information Technology - Transit Systems	6,176,321	7,175,414	1,650,000	1,650,000	3,550,000	20,201,735	A-9
Information Technology Systems and Infrastructure Net Total	11,665,437	12,442,601	4,400,000	3,950,000	7,000,000	39,458,038	
Infrastructure Development							
Bus Stop Amenities and Enhancements	5,363,951	2,004,000	459,450	445,051	669,900	8,942,352	A-10
Bus Stops - New	2,972,559	-	-	-	-	2,972,559	A-11
Downtown Station	9,326,950	15,562,120	11,984,450	3,411,760	-	40,285,280	A-12
Downtown Station Grants and Capital Contributions	(5,232,915)	(10,000,000)	(1,828,476)	(3,142,085)	-	(20,203,476)	A-12
Facility Enhancements	9,592,894	6,255,167	5,721,656	3,046,357	4,208,146	28,824,220	A-13
Facility Enhancements Grants and Capital Contributions	(108,500)	(124,000)	(1,606,500)	-	-	(1,839,000)	A-13
Park & Ride Enhancements	2,676,892	-	-	-	-	2,676,892	A-14
Leasehold Improvements	526,625	-	-	-	-	526,625	A-15
TIGER V Grant Project	6,834,737	-	-	-	-	6,834,737	A-16
Infrastructure Development Net Total	31,953,193	13,697,287	14,730,580	3,761,083	4,878,046	69,020,189	
Railroad Commuter							
Railroad Commuter Enhancements	4,000,000	3,100,000	400,000	-	-	7,500,000	A-17
Railroad Commuter Enhancements Grants and Capital Contributions	(250,000)	(250,000)	-	-	-	(500,000)	A-17
Railroad Commuter Regulatory	17,380,399	9,532,433	-	-	-	26,912,832	A-18
Railroad Commuter Regulatory Grants and Capital Contributions	(13,790,983)	(3,240,983)	-	-	-	(17,031,966)	A-18
Railroad Commuter State of Good Repair	1,000,000	400,000	250,000	250,000	250,000	2,150,000	A-19
Railroad Commuter State of Good Repair Grants and Capital Contributions	(212,500)	(212,500)	(212,500)	(212,500)	(212,500)	(1,062,500)	A-19
Railroad Commuter Net Total	8,126,916	9,328,950	437,500	37,500	37,500	17,968,366	
Railroad Freight							
Railroad Freight Enhancements	200,000	-	-	-	-	200,000	A-20
Railroad Freight State of Good Repair	1,707,000	1,250,000	250,000	250,000	250,000	3,707,000	A-21
Railroad Freight State of Good Repair Grants and Capital Contributions	(600,950)	(212,500)	(212,500)	(212,500)	(212,500)	(1,450,950)	A-21
Railroad Freight Net Total	1,306,050	1,037,500	37,500	37,500	37,500	2,456,050	

Capital Metropolitan Transportation Authority
Approved FY2019 - FY2023 Capital Improvement Plan

Project Name	FY2019 Approved Budget	FY2020 Planned	FY2021 Planned	FY2022 Planned	FY2023 Planned	TOTAL	Page
Security							
Security Equipment and Enhancements	756,832	624,170	142,000	43,500	213,150	1,779,652	A-22
Security Grants and Capital Contributions	(450,476)	-	-	-	-	(450,476)	A-22
Security Net Total	306,356	624,170	142,000	43,500	213,150	1,329,176	
Strategic Planning							
MetroRail Red Line Kramer Station Relocation	3,600,000	5,500,000	4,269,000	-	-	13,369,000	A-23
MetroRail Red Line Kramer Station Relocation Grants and Capital Contributions	(3,100,000)	(5,000,000)	(4,269,000)	-	-	(12,369,000)	A-23
North Lamar/Airport Intersection	2,872,000	3,000,000	-	-	-	5,872,000	A-24
North Lamar/Airport Intersection Grants and Capital Contributions	(2,697,000)	(2,000,000)	-	-	-	(4,697,000)	A-24
Strategic Planning Net Total	675,000	1,500,000	-	-	-	2,175,000	
Vehicles							
Bus Fleet	28,779,000	15,830,000	7,015,000	19,400,000	26,523,216	97,547,216	A-25
Bus Fleet Grants and Capital Contributions	(2,100,000)	(2,100,000)	(2,100,000)	(11,196,364)	(6,542,745)	(24,039,109)	A-25
Fleet System Enhancements	500,000	500,000	500,000	500,000	500,000	2,500,000	A-26
Non-Revenue Fleet	228,190	-	-	905,000	-	1,133,190	A-27
Paratransit Fleet	116,000	2,041,000	-	5,172,000	447,000	7,776,000	A-28
Vehicles Net Total	27,523,190	16,271,000	5,415,000	14,780,636	20,927,471	84,917,297	
Capital Project Contingency	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000	A-29
Grand Total Capital Spending	\$ 114,529,778	\$ 81,816,891	\$ 45,901,775	\$ 39,956,668	\$ 43,120,412	\$ 325,325,524	
Grand Total Grants and Capital Contributions	\$ (28,543,324)	\$ (23,139,983)	\$ (10,228,976)	\$ (14,763,449)	\$ (6,967,745)	\$ (83,643,477)	
Grand Total Capital Spending Net of Grants and Capital Contributions	\$ 85,986,454	\$ 58,676,908	\$ 35,672,799	\$ 25,193,219	\$ 36,152,667	\$ 241,682,047	

Capital Metropolitan Transportation Authority
 Approved FY2019 - FY2023 Capital Improvement Plan



Summary

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	114,529,778	81,816,891	45,901,775	39,956,668	43,120,412	325,325,524
Total	114,529,778	81,816,891	45,901,775	39,956,668	43,120,412	325,325,524
Funding Sources						
Local Funds	85,986,454	58,676,908	35,672,799	25,193,219	36,152,667	241,682,047
Grants	24,146,959	17,464,983	5,534,976	11,196,364	6,542,745	64,886,027
Other Capital Contributions	4,396,365	5,675,000	4,694,000	3,567,085	425,000	18,757,450
Total	114,529,778	81,816,891	45,901,775	39,956,668	43,120,412	325,325,524



Project Name Facility Enhancements

Project Type Facilities and Real Estate

Project Description

This project category includes enhancements to the bead blaster at the 2910 E. Fifth Street. It also includes enhancements to the Onion Paseo and the Navasota and Waller pedestrian gates and sidewalks, as well as Plaza Saltillo crossing signals and revitalization.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	1,874,937	375,000	-	-	-	2,249,937
Total	1,874,937	375,000	-	-	-	2,249,937
Funding Sources						
Local Funds	1,874,937	375,000	-	-	-	2,249,937
Grants	-	-	-	-	-	-
Total	1,874,937	375,000	-	-	-	2,249,937

Estimated Operating Cost Impact

Operating costs associated with the Onion Paseo and the Navasota and Waller pedestrian gates are expected to increase operating costs by \$2,000 per year.

Project Benefits

The Onion Paseo, and Navasota and Waller projects provide safe and accessible pedestrian paths near the rail line in the Saltillo District. Plaza Saltillo revitalization will improve the functionality and aesthetics of the Plaza Saltillo Station near downtown Austin.

Strategic Goal and Objective

These projects support strategic goal and objectives: 1. Deliver the Best Possible Customer Experience: 1.1 Promote a culture of safety; 1.3 Ensure an attractive and accessible transit environment.



Project Name Facility State of Good Repair

Project Type Facilities and Real Estate

Project Description

This project category includes state of good repairs for air conditioning units, above ground lifts, air compressors, antifreeze reclaimers, band saws, boom lift, bus washes, clock systems, diesel particulate filters, dust collectors, electric heaters, electrical hoists, extraction distribution systems, emergency generators, engine stands, exhaust hose reels, filter crushers, fire detection systems, fire extinguish systems, first aid stations, floor scrubber, freon reclaimers, fuel system upgrades, generators, HVAC air handler, hydronic heater, ice machines, kitchen stove, lifts, lighting, paint booth heater, pallet forklifts, plumbing systems, pressure washers, uninterruptible power supply, resurfacing park and ride parking lots, solvent reclaimer, ST-3 coolant, striping bus and employee parking lots, table saw, transmission jacks, vehicle vacuums and water boilers replacement.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	555,375	1,400,400	1,083,919	583,000	1,059,000	4,681,694
Total	555,375	1,400,400	1,083,919	583,000	1,059,000	4,681,694
Funding Sources						
Local Funds	555,375	1,400,400	1,083,919	583,000	1,059,000	4,681,694
Grants	-	-	-	-	-	-
Total	555,375	1,400,400	1,083,919	583,000	1,059,000	4,681,694

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

Replacement of equipment at the end of its useful life maintains assets in a state of good repair and helps minimize maintenance costs.

Strategic Goal and Objective

These projects support strategic goals and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience. 5. Finance: 5.2 Implement sustainability and environmental stewardship; 5.3 Continue commitment to state of good repair (SOGR) and transit asset management.

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Project Name Real Estate

Project Type Facilities and Real Estate

Project Description

This project category includes new land acquisition - South Bus and Paratransit operations and maintenance facilities.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	-	-	7,426,300	-	-	7,426,300
Total	-	-	7,426,300	-	-	7,426,300
Funding Sources						
Local Funds	-	-	7,426,300	-	-	7,426,300
Grants	-	-	-	-	-	-
Total	-	-	7,426,300	-	-	7,426,300

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

This project allows the purchase of land for bus and paratransit operations and maintenance facilities to meet future service growth.

Strategic Goal and Objective

These projects support strategic goals and objectives: 1. Deliver the best possible customer experience: 1.3 Ensure an attractive and accessible transit environment. 2. Increase ridership: 2.3 Pursue service expansion opportunities.



Project Name Information Technology - Enterprise Systems

Project Type

Information Technology
 Systems and Infrastructure

Project Description

This project category includes upgrade or replacement of asset management system, Capital Metro website platform, customer relationship management system, data warehousing, enterprise project portfolio management system, financial system, legacy systems replacement, productivity software and real estate management software.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	4,224,116	4,467,187	2,600,000	500,000	300,000	12,091,303
Total	4,224,116	4,467,187	2,600,000	500,000	300,000	12,091,303
Funding Sources						
Local Funds	4,224,116	4,467,187	2,600,000	500,000	300,000	12,091,303
Grants	-	-	-	-	-	-
Total	4,224,116	4,467,187	2,600,000	500,000	300,000	12,091,303

Estimated Operating Cost Impact

Data warehousing and real estate management systems are expected to increase operating expenses by \$363,000 per year.

Project Benefits

System replacements and upgrades when technologies are at the end of their useful life maintains assets in a state of good repair, minimizes disruptions, reduces maintenance costs and improves system reliability and convenience. System enhancements allow new functionality to support continuous improvement of systems and processes and improved customer experience.

Strategic Goal and Objective

These projects support strategic goals and objectives: 1. Deliver the best possible customer experience: 1.4. Deliver a customer-friendly experience through our people and systems. 3. Community: 3.1 Educate and inform stakeholders and the community about Capital Metro's vision and mission and the value public transit brings to a community. 4. Human capital: 4.1 Enhance organizational development; 4.2 Enhance employee recognition/reward programs; 4.4 Improve internal communications. 5. Finance: 5.1 Continue improvement of the financial systems of the agency; 5.3 Continue commitment to state of good repair (SOGR) and transit asset management.

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Project Name Information Technology - Infrastructure

Project Type Information Technology Systems and Infrastructure

Project Description

This project category includes Capital Metro station WiFi, data center modernization, interactive voice response system replacement, network upgrades, phone system and Information Technology infrastructure replacements and transit station infrastructure renovation.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	1,265,000	800,000	150,000	1,800,000	3,150,000	7,165,000
Total	1,265,000	800,000	150,000	1,800,000	3,150,000	7,165,000
Funding Sources						
Local Funds	1,265,000	800,000	150,000	1,800,000	3,150,000	7,165,000
Grants	-	-	-	-	-	-
Total	1,265,000	800,000	150,000	1,800,000	3,150,000	7,165,000

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

Replacement or upgrades of IT infrastructure or systems at the end of their useful life maintains assets in a state of good repair, minimizes interruption of critical IT resources, minimizes maintenance costs and improves the customer experience.

Strategic Goal and Objective

These projects support strategic goals and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2. Improve system reliability and convenience; 1.4. Deliver a customer-friendly experience through our people and systems. 3. Community: 3.4 Support plans and programs designed to build ridership and increase market share of alternate transit use. 4. Human capital: 4.1 Enhance organizational development. 5. Finance: 5.3 Continue commitment to state of good repair (SOGR) and transit asset management.

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Project Name Information Technology - Transit Systems

Project Type Information Technology Systems and Infrastructure

Project Description

This project category includes dynamic message signs for Fixed Route and Commuter Rail, fare collection equipment, fixed-route services management systems replacement (Trapeze), intelligent transportation systems, mobile applications, paratransit technology system replacement, positive train control IT support, scheduled system upgrades, transit on-demand software and ticket vending machine replacements.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	6,176,321	7,175,414	1,650,000	1,650,000	3,550,000	20,201,735
Total	6,176,321	7,175,414	1,650,000	1,650,000	3,550,000	20,201,735
Funding Sources						
Local Funds	6,176,321	7,175,414	1,650,000	1,650,000	3,550,000	20,201,735
Grants	-	-	-	-	-	-
Total	6,176,321	7,175,414	1,650,000	1,650,000	3,550,000	20,201,735

Estimated Operating Cost Impact

System enhancements are expected to increase operating expenses by \$250,000 per year.

Project Benefits

System replacements and upgrades when technologies are at the end of their useful life maintains assets in a state of good repair, minimizes service disruptions, reduces maintenance costs and improves the customer experience. System enhancements allow for new functionality that will improve the efficiency and safety of delivering services as well as provide customers with tools to improve their riding experience.

Strategic Goal and Objective

These projects support strategic goals and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience; 1.4 Deliver a customer-friendly experience through our people and systems. 2. Increase ridership: 2.1 Foster a new regional vision; 2.3 Pursue service expansion opportunities. 3. Community: 3.2 Build strong community partnerships that further Capital Metro's mission and vision; 3.4 Support plans and programs designed to build ridership and increase market share of alternate transit use. 5. Finance: 5.3 Continue commitment to state of good repair (SOGR) and transit asset management.



Project Name Bus Stop Amenities and Enhancements

Project Type Infrastructure Development

Project Description

This project category is for bus stop amenities improvements including benches, shelters, litter containers, signage, shading, lighting, cameras and accessibility.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	5,363,951	2,004,000	459,450	445,051	669,900	8,942,352
Total	5,363,951	2,004,000	459,450	445,051	669,900	8,942,352
Funding Sources						
Local Funds	5,363,951	2,004,000	459,450	445,051	669,900	8,942,352
Grants	-	-	-	-	-	-
Total	5,363,951	2,004,000	459,450	445,051	669,900	8,942,352

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

These projects will improve the transit experience by providing facilities that meet riders' needs. New funding is included for improved shading at bus stops as well as additional cameras and solar lighting for improved security. FY2019 includes an accelerated plan to achieve compliance of service standards for bus stop amenities two years ahead of schedule.

Strategic Goal and Objective

These projects support strategic goal and objective: 1. Deliver the best possible customer experience: 1.3 Ensure an attractive and accessible transit environment.



Project Name Bus Stops - New

Project Type Infrastructure Development

Project Description

This project category includes additional stations for routes 801 and 803, and new bus stops and connectivity for Cap Remap.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	2,972,559	-	-	-	-	2,972,559
Total	2,972,559	-	-	-	-	2,972,559
Funding Sources						
Local Funds	2,972,559	-	-	-	-	2,972,559
Grants	-	-	-	-	-	-
Total	2,972,559	-	-	-	-	2,972,559

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

The construction of new fixed-route and MetroRapid stations will provide for increased access to public transit and increased ridership.

Strategic Goal and Objective

These projects support strategic goals and objectives: 1. Deliver the best possible customer experience: 1.2 Improve system reliability and convenience; 1.3 Ensure an attractive and accessible transit environment. 2. Increase ridership: 2.3 Pursue service expansion opportunities.

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Project Name Downtown Station

Project Type Infrastructure Development

Project Description

This project category is for upgrading MetroRail Downtown Station into a permanent multimodal station with an associated transit plaza partially funded by a grant from TxDOT. Upgrades include double-tracking, storm water improvements and pedestrian crossings.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	9,326,950	15,562,120	11,984,450	3,411,760	-	40,285,280
Total	9,326,950	15,562,120	11,984,450	3,411,760	-	40,285,280
Funding Sources						
Local Funds	4,094,035	5,562,120	10,155,974	269,675	-	20,081,804
Grants	5,000,000	10,000,000	1,828,476	-	-	16,828,476
Other Capital Contributions	232,915	-	-	3,142,085	-	3,375,000
Total	9,326,950	15,562,120	11,984,450	3,411,760	-	40,285,280

Estimated Operating Cost Impact

Operating cost associated with janitorial, landscaping and maintenance is estimated to be approximately \$61,000 annually. Utility costs are estimated to be approximately \$20,000 annually. The facility is forecast to go into service by the end of FY2021.

Project Benefits

These projects will expand the current rail station located downtown Austin from the current one track which accommodates one train, to three tracks which will accommodate five trains. It will allow for the increase in service and capacity for the commuter rail service.

Strategic Goal and Objective

These projects support strategic goals and objectives: 1 Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience; 1.3 Ensure an attractive and accessible transit environment. 2 Increase ridership: 2.3 Pursue service expansion opportunities.

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Project Name Facility Enhancements

Project Type Facilities and Real Estate

Project Description

This project category includes bus electrification infrastructure, demolition of the Serta warehouse building and improvements to accommodate additional bus parking at the North Operations facility, North Lamar mobility hub, North Operations rail maintenance of way storage, operations control center, Plaza Saltillo revitalization, rail maintenance building drainage, south paratransit operations and maintenance facility and office space reconfiguration at the headquarters facility.

FY2019 - FY2023 Capital Improvement Plan						
Spending Categories	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Other	9,592,894	6,255,167	5,721,656	3,046,357	4,208,146	28,824,220
Total	9,592,894	6,255,167	5,721,656	3,046,357	4,208,146	28,824,220
Funding Sources	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Local Funds	9,484,394	6,131,167	4,115,156	3,046,357	4,208,146	26,985,220
Grants	108,500	124,000	1,606,500	-	-	1,839,000
Total	9,592,894	6,255,167	5,721,656	3,046,357	4,208,146	28,824,220

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

These projects support increasing available operational and administrative space at existing facilities to accommodate additional bus and rail infrastructure as well as administrative offices.

Strategic Goal and Objective

These projects support strategic goals and objectives: 1 Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience. 2 Increase ridership: 2.3 Pursue service expansion opportunities.



Project Name Park & Ride Enhancements

Project Type Infrastructure Development

Project Description

This project category includes a new Westgate Transit Center facility.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	2,676,892	-	-	-	-	2,676,892
Total	2,676,892	-	-	-	-	2,676,892
Funding Sources						
Local Funds	2,676,892	-	-	-	-	2,676,892
Grants	-	-	-	-	-	-
Total	2,676,892	-	-	-	-	2,676,892

Estimated Operating Cost Impact

Operating cost associated with janitorial, landscaping and maintenance is estimated to be approximately \$32,000 annually. Utility costs are estimated to be approximately \$17,000 annually.

Project Benefits

This project supports increasing customer access to transit services by building a new transit center facility.

Strategic Goal and Objective

This project supports strategic goals and objectives: 1 Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience; 1.3 Ensure an attractive and accessible transit environment; 1.4 Deliver a customer-friendly experience through our people and systems. 2 Increase ridership: 2.2 Lead public transportation development; 2.3 Pursue service expansion opportunities.

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Project Name Leasehold Improvements

Project Type Infrastructure Development

Project Description

This project category is for improvements to a future administrative office lease space.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	526,625	-	-	-	-	526,625
Total	526,625	-	-	-	-	526,625
Funding Sources						
Local Funds	526,625	-	-	-	-	526,625
Grants	-	-	-	-	-	-
Total	526,625	-	-	-	-	526,625

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

These projects are for the buildout of a future administrative office lease space to support administrative staff.

Strategic Goal and Objective

These projects support strategic goal and objective: 4 Human capital: 4.3 Be an employer of choice.



Project Name TIGER V Grant Project

Project Type Infrastructure Development

Project Description

In September 2013, the Federal Transit Administration awarded Capital Metro \$11.3 million in TIGER V grant funds for rail system infrastructure improvements. These improvements include rail and bridge upgrades, double tracking at three rail stations (Crestview, Howard and Lakeline), signal improvements and rail vehicle modifications.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	6,834,737	-	-	-	-	6,834,737
Total	6,834,737	-	-	-	-	6,834,737
Funding Sources						
Local Funds	6,834,737	-	-	-	-	6,834,737
Grants	-	-	-	-	-	-
Total	6,834,737	-	-	-	-	6,834,737

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of this project.

Project Benefits

This project will improve safety and capacity for commuter and freight rail services.

Strategic Goal and Objective

This project supports strategic goals and objectives: 1. Deliver the best possible customer experience: 1.3 Ensure an attractive and accessible transit environment. 2. Increase ridership: 2.2 Lead public transportation development.

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Project Name Railroad Commuter Enhancements

Project Type Railroad Commuter

Project Description

This project category includes MetroRail Red Line service capacity improvements, rail vehicle engineering support and Leander quiet zones partially reimbursed by the city of Leander and other safety enhancements.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	4,000,000	3,100,000	400,000	-	-	7,500,000
Total	4,000,000	3,100,000	400,000	-	-	7,500,000
Funding Sources						
Local Funds	3,750,000	2,850,000	400,000	-	-	7,000,000
Grants	-	-	-	-	-	-
Other Capital Contributions	250,000	250,000	-	-	-	500,000
Total	4,000,000	3,100,000	400,000	-	-	7,500,000

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

Additional MetroRail Red Line service capacity improvements will allow for reduced headways and increased service. Enhancing rail vehicle safety systems and improving rail crossing gate functionality. The Leander quiet zone will allow trains to not be required to sound their horns at these crossings, thereby contributing to the quality of life for residents living near the crossings.

Strategic Goal and Objective

These projects support strategic goal and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.4 Deliver a customer-friendly experience through our people and systems.



Project Name Railroad Commuter Regulatory

Project Type Railroad Commuter

Project Description

This project category is for positive train control.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	17,380,399	9,532,433	-	-	-	26,912,832
Total	17,380,399	9,532,433	-	-	-	26,912,832
Funding Sources						
Local Funds	3,589,416	6,291,450	-	-	-	9,880,866
Grants	13,790,983	3,240,983	-	-	-	17,031,966
Total	17,380,399	9,532,433	-	-	-	26,912,832

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

Primary purpose of this category is to provide enhanced train detection systems control, allowing for constant on-board train control with the purpose of avoiding train collisions, work zone violations and signal violations.

Strategic Goal and Objective

These projects support strategic goal and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.4 Deliver a customer-friendly experience through our people and systems.



Project Name Railroad Commuter State of Good Repair

Project Type Railroad Commuter

Project Description

This project category includes safety upgrades to existing rail cars, commuter rail vehicle maintenance diagnostic equipment, diesel multiple unit special tools, and crossing improvements funded by TxDOT.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	1,000,000	400,000	250,000	250,000	250,000	2,150,000
Total	1,000,000	400,000	250,000	250,000	250,000	2,150,000
Funding Sources						
Local Funds	787,500	187,500	37,500	37,500	37,500	1,087,500
Grants	-	-	-	-	-	-
Other Capital Contributions	212,500	212,500	212,500	212,500	212,500	1,062,500
Total	1,000,000	400,000	250,000	250,000	250,000	2,150,000

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

This category of projects will assess the condition of rail infrastructure and assets. Maintenance and corrective action will be undertaken to maximize the useful life of the assets.

Strategic Goal and Objective

These projects support strategic goal and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience; 1.4 Deliver a customer-friendly experience through our people and systems.



Project Name Railroad Freight Enhancements

Project Type Railroad Freight

Project Description

This project category is for the East subdivision quiet zone.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	200,000	-	-	-	-	200,000
Total	200,000	-	-	-	-	200,000
Funding Sources						
Local Funds	200,000	-	-	-	-	200,000
Grants	-	-	-	-	-	-
Total	200,000	-	-	-	-	200,000

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

Trains will no longer be required to sound their horns at these crossings, thereby contributing to the quality of life for residents living near the crossings.

Strategic Goal and Objective

These projects support strategic goal and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.4 Deliver a customer-friendly experience through our people and systems.

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Project Name Railroad Freight State of Good Repair

Project Type Railroad Freight

Project Description

This project category includes bridge replacements and crossing improvements reimbursed by TxDOT.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	1,707,000	1,250,000	250,000	250,000	250,000	3,707,000
Total	1,707,000	1,250,000	250,000	250,000	250,000	3,707,000
Funding Sources						
Local Funds	1,106,050	1,037,500	37,500	37,500	37,500	2,256,050
Grants	-	-	-	-	-	-
Other Capital Contributions	600,950	212,500	212,500	212,500	212,500	1,450,950
Total	1,707,000	1,250,000	250,000	250,000	250,000	3,707,000

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

Ongoing replacement and/or rehabilitation of infrastructure maintains assets in a state of good repair and helps to minimize maintenance costs.

Strategic Goal and Objective

These projects support strategic goal and objectives: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety; 1.2 Improve system reliability and convenience.



Project Name Security Equipment and Enhancements

Project Type Security

Project Description

This project category includes cameras, access control update, facility security improvements, rail signal house security, in-car video for the agency's security vehicles and other miscellaneous system enhancements.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	756,832	624,170	142,000	43,500	213,150	1,779,652
Total	756,832	624,170	142,000	43,500	213,150	1,779,652
Funding Sources						
Local Funds	306,356	624,170	142,000	43,500	213,150	1,329,176
Grants	450,476	-	-	-	-	450,476
Total	756,832	624,170	142,000	43,500	213,150	1,779,652

Estimated Operating Cost Impact

FY2019-FY2023 operating cost increase is estimated at \$10,000 per year.

Project Benefits

Camera system expansion and upgrades will improve security and situational awareness at Capital Metro facilities. Access control updates will ensure the system is current with existing technology and maintained properly. Facility security improvements will address vulnerabilities identified in the Threat and Vulnerability Assessment of 2016. Rail signal house security will enhance the physical security of the rail signal houses in support of the new PTC system. The in-car video for the agency's security vehicles will help to ensure the agency is transparent in its security operations, by capturing the officer's interactions with customers and the public.

Strategic Goal and Objective

These projects support strategic goal and objective: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety.



Project Name MetroRail Red Line Kramer Station Relocation

Project Type Strategic Planning

Project Description

This project category is for relocating the MetroRail Kramer Station to a master-planned development.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	3,600,000	5,500,000	4,269,000	-	-	13,369,000
Total	3,600,000	5,500,000	4,269,000	-	-	13,369,000
Funding Sources						
Local Funds	500,000	500,000	-	-	-	1,000,000
Grants	-	-	-	-	-	-
Other Capital Contributions	3,100,000	5,000,000	4,269,000	-	-	12,369,000
Total	3,600,000	5,500,000	4,269,000	-	-	13,369,000

Estimated Operating Cost Impact

Moderate increases in the maintenance and operations of the station are to be expected as new station will become a major transfer mobility hub center.

Project Benefits

The proposed relocation of the existing Kramer Station is a private sector request to integrate the station with a new proposed development, which includes apartments, condos, townhomes, office and retail space with a direct access to the Domain activity center. The new station will enhance the connection between land use and transportation mobility and support an accelerated delivery of the infrastructure in the station area by providing improved pedestrian access, increased connectivity with other transit modes - including local bus and MetroRapid, parking and urban integration of transit infrastructure. The enhanced Plaza will provide an opportunity for Capital Metro to relocate the existing MetroRapid station and create a new area to drop off bus passengers. Capital Metro will be reimbursed by the developer for all expenditures over \$1 million. This project is currently dependent upon the award of a grant.

Strategic Goal and Objective

This project supports strategic goal and objective: 1. Deliver the best possible customer experience: 1.2 Improve system reliability and convenience.



Project Name North Lamar/Airport Intersection

Project Type Strategic Planning

Project Description

This project category is for engineering and environmental clearance for grade separating MetroRail Red Line and North Lamar Boulevard and for introducing a continuous flow intersection.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	2,872,000	3,000,000	-	-	-	5,872,000
Total	2,872,000	3,000,000	-	-	-	5,872,000
Funding Sources						
Local Funds	175,000	1,000,000	-	-	-	1,175,000
Grants	2,697,000	2,000,000	-	-	-	4,697,000
Total	2,872,000	3,000,000	-	-	-	5,872,000

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

Identified as a Project Connect priority enhancement, this project increases efficiency of the existing transportation system by grade separating MetroRail Red Line and North Lamar Boulevard to avoid congestion that occurs when passing trains restrict vehicle movement through the intersection, which also affects 12 MetroRapid and 14 MetroBus buses during peak hours.

Strategic Goal and Objective

These projects support strategic goal and objective: 1. Deliver the best possible customer experience: 1.2 Improve system reliability and convenience.

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Project Name Bus Fleet

Project Type Vehicles

Project Description

This project category includes replacements and additions of electric buses, commuter coaches, MetroRapid buses and transit buses.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	28,779,000	15,830,000	7,015,000	19,400,000	26,523,216	97,547,216
Total	28,779,000	15,830,000	7,015,000	19,400,000	26,523,216	97,547,216
Funding Sources						
Local Funds	26,679,000	13,730,000	4,915,000	8,203,636	19,980,471	73,508,107
Grants	2,100,000	2,100,000	2,100,000	11,196,364	6,542,745	24,039,109
Total	28,779,000	15,830,000	7,015,000	19,400,000	26,523,216	97,547,216

Estimated Operating Cost Impact

Replacement vehicles do not result in additional operating costs incurred.

Project Benefits

Replacement of vehicles at the end of their useful life maintains assets in a state of good repair, minimizes maintenance costs and improves the customer experience.

Strategic Goal and Objective

These projects support strategic goal and objective: 1. Deliver the best possible customer experience: 1.3. Ensure an attractive and accessible transit environment.

Capital Metropolitan Transportation Authority
 Approved FY2019 - FY2023 Capital Improvement Plan



Project Name Fleet System Enhancements

Project Type Vehicles

Project Description

This project category includes additions to camera systems on vehicles.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	500,000	500,000	500,000	500,000	500,000	2,500,000
Total	500,000	500,000	500,000	500,000	500,000	2,500,000
Funding Sources						
Local Funds	500,000	500,000	500,000	500,000	500,000	2,500,000
Grants	-	-	-	-	-	-
Total	500,000	500,000	500,000	500,000	500,000	2,500,000

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

Camera systems on vehicles will improve security and help respond to incidents that occur during transit service, especially vehicle accidents.

Strategic Goal and Objective

These projects support strategic goal and objective: 1. Deliver the best possible customer experience: 1.1 Promote a culture of safety.

Capital Metropolitan Transportation Authority
 Approved FY2019 - FY2023 Capital Improvement Plan



Project Name Non-Revenue Fleet

Project Type Vehicles

Project Description

This project category includes non-revenue vehicle replacements.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	228,190	-	-	905,000	-	1,133,190
Total	228,190	-	-	905,000	-	1,133,190
Funding Sources						
Local Funds	228,190	-	-	905,000	-	1,133,190
Grants	-	-	-	-	-	-
Total	228,190	-	-	905,000	-	1,133,190

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of these projects.

Project Benefits

Replacement of vehicles at the end of their useful lives maintains assets in a state of good repair and helps to minimize maintenance costs.

Strategic Goal and Objective

These projects support strategic goals and objective: 1. Deliver the best possible customer experience: 1.2 Improve system reliability and convenience.



Project Name Paratransit Fleet

Project Type Vehicles

Project Description

This project category includes replacements and additional paratransit vehicles.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	116,000	2,041,000	-	5,172,000	447,000	7,776,000
Total	116,000	2,041,000	-	5,172,000	447,000	7,776,000
Funding Sources						
Local Funds	116,000	2,041,000	-	5,172,000	447,000	7,776,000
Grants	-	-	-	-	-	-
Total	116,000	2,041,000	-	5,172,000	447,000	7,776,000

Estimated Operating Cost Impact

Replacement vehicles do not result in additional operating costs incurred.

Project Benefits

Replacement of vehicles at the end of their useful life maintains assets in a state of good repair, minimizes maintenance costs, and improves the customer experience.

Strategic Goal and Objective

These projects support strategic goal and objective: 1. Deliver the best possible customer experience: 1.3 Ensure an attractive and accessible transit environment.



Project Name Capital Project Contingency

Project Type Capital Project Contingency

Project Description

This is capital project reserve for contingencies.

FY2019 - FY2023 Capital Improvement Plan						
	FY2019	FY2020	FY2021	FY2022	FY2023	Total
Spending Categories						
Other	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Total	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Funding Sources						
Local Funds	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Grants	-	-	-	-	-	-
Total	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000

Estimated Operating Cost Impact

No new operating costs are expected to be incurred as a result of this project.

Project Benefits

This capital project reserve provides contingency funds in the event that project costs are greater than projected or unexpected capital needs materialize between budget cycles.

Strategic Goal and Objective

This project supports strategic goal and objective: 5. Finance: 5.1 Continue improvement of the financial systems of the agency.

**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN YEARS**

Year	City of Austin Population (1)	Population MSA (1)	Personal Income (MSA) (thousands of dollars) (1)	Per Capita Personal Income (MSA) (1)	Unemployment Rate (MSA) (1)
2008	746,105	1,633,870	65,153,669	39,877	4.3
2009	770,296	1,682,338	64,290,898	38,215	6.9
2010	778,560	1,727,743	69,124,528	40,009	7.0
2011	805,662	1,781,409	76,507,673	42,948	6.6
2012	821,012	1,834,319	84,319,550	45,968	5.7
2013	841,649	1,882,856	87,138,010	46,280	5.2
2014	878,002	1,941,389	95,067,019	48,969	4.2
2015	899,119	1,998,104	102,159,431	51,128	3.4
2016	925,491	2,056,405	106,040,064	51,566	3.2
2017	946,080	2,077,799	112,009,610	53,908	2.9

Note: Prior years statistics are subject to change as more precise numbers become available

(1) Source: City of Austin Comprehensive Annual Financial Report