

**Capital Metropolitan Transportation Authority
Self-Evaluation Report**



**Submitted to:
Sunset Advisory Commission**

September 2009

INTRODUCTION

Capital Metropolitan Transportation Authority (Capital Metro) is pleased to provide its first Self Evaluation Report to the Texas Sunset Advisory Commission. Every effort was made to be fully responsive, however, if something was missed, please let us know and the requested information will be transmitted as soon as possible. We also encourage you to access Capital Metro's website <http://www.capmetro.org>, which is also referenced in responses to some of the questions and in the request for attachments. The website is a comprehensive source of information which can facilitate gaining an understanding of the agency.

Because Capital Metro is not a state agency, a number of the original questions have been modified in order to "fit" the financial or administrative nature of the Authority while still providing comparable data. For Section VI – Guide to Agency Programs, the functions or programs reflected in this report were jointly agreed upon by Capital Metro and key Sunset Advisory Committee staff.

Thank you for the opportunity to participate in this process.

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Capital Metropolitan Transportation Authority (Capital Metro) Self-Evaluation Report

I. Agency Contact Information

Capital Metro Exhibit 1: Agency Contacts				
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II. Key Functions and Performance

Provide the following information about the overall operations of your agency. More detailed information about individual programs will be requested in a later section.

A. Provide an overview of your agency's mission, objectives, and key functions.
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The Capital Metropolitan Transportation Authority's (Capital Metro's) mission is to "provide quality public transportation choices for our community that meet the needs of our growing region." Supporting strategic objectives and related results include the following:

- *Objective: Customer Driven Service Excellence.* Result: Increased market share and expectations of new and existing customers that will be exceeded.
- *Objective: Sustainable Business Growth.* Result: Efficient use of resources that create a financially sustainable future to improve the quality of life in central Texas.
- *Objective: Strategic Partnering.* Result: Mutually beneficial relationships that result in seamless, cost-effective operations and a transit-supportive region.

To achieve our mission and objectives, Capital Metro provides transit service in the Austin metropolitan area, serving all of the City of Austin, the surrounding communities of Leander, Lago Vista, Jonestown, Manor, San Leanna, Volente and Point Venture. Also, the agency serves some unincorporated portions of Travis County and Williamson County. The population of the service area is approximately 1,170,276.

The primary services that Capital Metro provides the central Texas region include the following:

- **Capital MetroBus (Fixed Route Bus Services (FRS) including Express/Flyer Routes)** – Capital Metro operates a network of 98 bus routes. This includes the nation's largest network of university shuttle routes in partnership with The University of Texas at Austin. More than 3,000 bus stops and 15 transit centers and park and ride facilities are located throughout the service area. In accordance

with the Americans with Disabilities Act (ADA), 100 percent of Capital Metro's revenue-generating fleet is accessible to persons with disabilities.

Capital Metro contracts with a subsidiary non-profit company, StarTran, Inc., for operations management services and the majority of its fixed-route operations. The agency also has contracts for fixed-route bus services with First Transit, Veolia Transportation and the Capital Area Rural Transportation System (CARTS). In 2008, 34,056,976 fixed route and UT Shuttle trips were provided to the citizens of Austin and surrounding communities. For further information see <http://www.capmetro.org/riding/>.

- **Capital MetroAccess** – MetroAccess paratransit service is a door-to-door public transportation service for people with disabilities who are unable to use fixed route services. (Capital Metro also offers free travel training to persons with disabilities who are capable of riding accessible bus and rail services.) Paratransit is a shared-ride service operated with modern, accessible vehicles. The service is operated during the same days and times as fixed route service. It is supplemented by an alternative taxi voucher program for eligible clients.

Paratransit services for qualifying persons are provided in accordance with the Americans with Disabilities Act (ADA.) All ADA-eligible trips must begin and end within the paratransit service corridor which is defined as locations within ¾ mile of all fixed route bus service offered by Capital Metro at comparable times. As per the ADA Section 37.121(c), complementary paratransit does not apply to commuter bus, commuter rail, or intercity rail systems. Paratransit operations are performed by StarTran, Inc., as well as by taxi contractors Austin Cab and Greater Austin Transportation Company. For further information see <http://www.capmetro.org/riding/sts.asp>.

- **Capital MetroRail** – The Capital Metro passenger rail service, also referred to as the “Red Line,” is expected to begin operation in 2009 and will travel on 32 miles of existing freight tracks between Leander and Downtown Austin. Capital Metro will announce an opening date when the entire rail system is demonstrated to be operating in a consistent, reliable and safe manner. Once operational, Capital MetroRail will offer service during morning and afternoon rush hours, and make stops at nine stations. Local routes and rail connector buses will carry passengers to their final destinations. For further information see <http://allsystemsgo.capmetro.org/capital-metrorail.shtml>.
- **Freight Rail Services** – Capital Metro manages approximately 162 miles of railroad right-of-way known as the Giddings/Llano rail line. Management of the Giddings/Llano rail line is accomplished through a rail freight operator whose responsibility is to fulfill “common carrier” obligations by providing freight service to shippers along the line. The “common carrier” railroad has the obligation to provide reasonable service upon request to all shippers tendering traffic, applying publicly disclosed rates and service terms. Railroad revenue is received from negotiated fees with customers who utilize the agency-owned freight line from Llano to Giddings. Rates are negotiated and include car movements, fuel surcharges and rebates from Union Pacific. In 2008, 26,248 railcars of freight traveled along the Giddings/Llano line, reducing truck traffic on area highways by more than 104,992 trucks.
- **Capital MetroRideShare (Vanpool and Carpool Services)** – Capital Metro provides vanpools and carpools through the RideShare program. Agency-owned vehicles are supplied to qualifying vanpools. In addition, free carpool-matching assistance is offered to Austin area commuters. For further information see http://www.capmetro.org/riding/van_pool.asp.

Capital Metro also assists local employers who want to help their employees meet their transit needs. Employer Transportation Services has helped companies such as 3M, Motorola, Farmer's Insurance

and the City of Austin. For further information on these services see <http://www.capmetro.org/riding/employer.asp>.

- **Community Events & Services** – Capital Metro has served as a community partner by transporting people to special events such as the Austin City Limits Festival, Zilker Park Trail of Lights, and University of Texas football games. In 2008, 254,817 of these special event trips were provided to the community.

B. Do each of your key functions continue to serve a clear and ongoing objective? Explain why each of these functions is still needed. What harm would come from no longer performing these functions?

Each of the functions listed above satisfies a specific transportation need within the central Texas region.

In addition to moving people to where they need to go, public transit is also an integral component of environmental sustainability. It takes just one commuter switching from daily driving to public transportation to reduce the household’s carbon footprint by 10 percent.

Public transit also helps improve quality of life. According to Envision Central Texas’ 2008 online survey of central Texas residents, Austin residents ranked traffic congestion as the number one challenge facing our region. Aside from its detrimental impact on the environment, traffic congestion also wastes time and money. According to the Texas Transportation Institute 2009 Urban Mobility Study, the average Austin driver traveling during morning/afternoon rush hours wastes 39 hours per year in gridlock.

C. What evidence can your agency provide to show your overall effectiveness and efficiency in meeting your objectives?

The agency uses various means to assess how effectively and efficiently it is in meeting its goals and objectives. The information below describes documents that provide additional information on Capital Metro’s overall effectiveness and efficiency.

Comparison Studies / Quadrennial Review – The Capital Area Metropolitan Planning Organization (CAMPO) commissioned and supervised a study of Capital Metro as the first in a series of peer reviews of transportation agencies in central Texas. The study, guided by the Peer Review Committee of the CAMPO Policy Board, was to

- Address topics related to regional transportation planning, organization, governance, and funding sustainability;
- Compare Austin with other cities in a similar position, now and in the future, and review relevant best practices in those cities;
- Review performance indicators and prepare a Quadrennial Performance Audit as required by Texas law; and
- Make recommendations to ensure that limited resources are being deployed efficiently and effectively to meet the challenges facing the region now and in the future.

Under Section 451.454 of the Texas Transportation Code, certain metropolitan transportation authorities must prepare a Quadrennial Performance Audit that examines the agency’s compliance with applicable state law, recent trends in several performance indicators, and topics related to agency administration and management, operations, and/or system maintenance. As the last performance audit focused on system maintenance, and each audit has traditionally treated one of the topics in rotation, the CAMPO Peer

Review focused on the “administration and management of the authority.” Because of the overlap in subject matter, the FY 2009 performance audit, analyzing fiscal years 2004 through 2007, was combined with CAMPO’s peer review in a single study.

During the study period, the consultants found that Capital Metro performed very well compared to its peers, particularly in terms of ridership. It noted that Capital Metro had the highest per capita ridership of its peers, and the Capital Metro system carried more passengers than any of the operating peer regions, including those with streetcar or light rail such as Dallas, Houston, Denver, San Diego, or Charlotte. Also, the review noted that due to the very high ridership levels, Capital Metro’s operating costs per passenger were lower than other agencies’ in the peer group, at 92% of the group average. Average vehicle occupancy (an aggregated indicator of “how full the buses are”) was found to be higher than most of the peer regions, and growing faster than most of the peers as well. On-time performance was comparable to the industry target and results at other systems. In terms of safety and fleet maintenance, positive assessments were also made: there had been a decline in accidents and an increase in the number of miles between mechanical road calls (an improvement noted by the consultants as counter to the trend observed among Capital Metro’s peers).

Federal Triennial Reviews –The United States Code, chapter 53 of title 49, requires the Federal Transit Administration (FTA) to review and evaluate urbanized area formula grant activities at least every three years. This “triennial review” is a complete evaluation of the performance of a recipient in carrying out the recipient’s program, specifically its compliance with statutory and administrative requirements in 23 areas and the extent to which actual program activities are consistent grant requirements and conditions. The FY 2009 review found only one instance of non-compliance regarding the need for a facilities maintenance plan for a new location. This plan is currently being developed.

Route 2025 Strategic Plan – In FY2007, the agency began an effort to develop a strategic plan called “Route 2025.” The strategic plan is designed to view business objectives through four critical lenses:

- **Customers and Community** - Includes objectives that impact all of the agency’s business stakeholders. Some initiatives in this area are tools for evaluating customer satisfaction including customer satisfaction surveys.
- **Stewardship and Sustainability** - Includes objectives that impact the agency’s financial and environmental sustainability strategies. Some initiatives in this business lens include fare increases, freight rail business plans, a policy to limit vehicle idling, and an overall environmental sustainability policy to inform agency actions.
- **Internal Processes** - Includes business objectives that look at the agency’s processes and procedures for service delivery as well as day-to-day business processes. Initiatives in this area include a comprehensive operations analysis to help design routes to meet the needs of customers. In addition it views new and potential services that could help develop a network of transportation options for customers.
- **People and Tools** - Includes business objectives that evaluate the agency’s employee relationships and the tools necessary to accomplish the mission and vision. Key initiatives include improving the management and coordination of transportation service providers and improving employees’ knowledge, skills, and abilities.

Capital Metro is currently developing a system to measure and communicate results of these strategic objectives. Operating budgets for each of the agency’s departments are developed considering these strategic objectives.

Customer Survey Results – Stakeholder input provides the agency with a measure of customer satisfaction. Capital Metro commissioned a 2008 Customer Satisfaction Survey to determine current customer satisfaction rates among three types of customers (regular, UT, and Express fixed route customers) and establish a baseline for future satisfaction studies. The consultant concluded that Capital Metro customers have a high satisfaction level compared to those evaluated on a national level. As a point of reference, Capital Metro customer satisfaction scores were comparable to those collected from Dallas Area Rapid Transit (DART) customers.

Capital Metro has also used proactive outreach to survey the community regarding potential increases in transit fares. For example, during August through September of 2007, Capital Metro staff canvassed a large segment of the community through personal contact, electronic contact and media outlets. During this time, staff ‘touched’ thousands of people and gathered 1,478 comment cards to gauge the community’s reaction to increasing fares. This input was used by the agency and the Board of Directors to evaluate options for fares.

Awards / Recognitions – Capital Metro is widely recognized at the local, state and national level for its performance and efficiency. In 2009, the American Public Transportation Association (APTA) awarded Capital Metro a Bus Safety Certificate for its outstanding safety and accident prevention achievements. Also this year, the MetroRail project earned the Community Stewardship Award for New Development from Envision Central Texas (ECT). In both 2009 and 2008, the agency received First Place Awards in APTA’s annual AdWheel Awards Competition for its innovative marketing efforts. The Government Finance Officers Association of the United States and Canada presented Capital Metro with certificates of achievement for its budget and financial reporting practices in 2006, 2007 and 2008 (i.e., Achievement for Excellence in Financial Reporting and Distinguished Budget Presentation Award). The Texas Transit Association bestowed its highest honor, Outstanding Metropolitan Transit Authority, on Capital Metro in 2007. The President/Chief Executive Officer won the Friend of Texas Transit Award from the Texas Department of Transportation in 2006.

Performance Metrics - Further examples of the agency’s overall effectiveness and efficiency are reflected in the metrics reported in Section II. J. as well as customer comment metrics reported in Section XI. A.

D. Does your agency’s enabling law continue to correctly reflect your mission, objectives, and approach to performing your functions? Have you recommended changes to the Legislature in the past to improve your agency’s operations? If so, explain. Were the changes adopted?

Capital Metro’s enabling statute is Texas Transportation Code, Subtitle K, Mass Transportation, Chapter 451. Metropolitan Rapid Transit Authorities. In general, the current enabling statute is sufficient to allow the agency to carry out its mission and objectives.

Section IX-Policy Issues, highlights certain statutory revisions that would provide the agency with greater flexibility and ability to effectively meet its goals and objectives. In particular, if Capital Metro’s unique rail referendum requirement were removed, Capital Metro could more effectively and efficiently provide a multimodal transit system. (Today, Capital Metro is required to conduct a referendum in order for the agency to operate passenger rail, even if no funds are sought as part of the referendum.) Additionally, if state law were amended to provide for other means by which communities could join a transit agency’s service area, Capital Metro would be better able to develop a more extensive regional transit system.

Section VII-Statutory Authority & Recent Legislation outlines recent legislation pursued by the organization that allows Capital Metro to hire civilian fare enforcement officers and ensures that peace officers with whom the agency contracts for security can enforce violations against the Capital Metro system while on duty for Capital Metro. Another measure sought by the agency, “buses on shoulders,” would have allowed Capital Metro to participate in a pilot program to operate buses on TxDOT-approved sections of highway shoulders during times of peak congestion. However, the governor vetoed this bill, citing safety concerns. This past session, Capital Metro also worked to advance the local-option transportation funding initiative that would have allowed counties to levy a variety of prescribed fees or taxes to fund transportation projects.

E. Do any of your agency’s functions overlap or duplicate those of another state or federal agency? Explain if, and why, each of your key functions is most appropriately placed within your agency. How do you ensure against duplication with other related agencies?

Capital Metro is the only entity in the region providing mass transit services, although several smaller entities and organizations provide specialized transportation services to limited populations. There are several large entities with the statutory authority to build and operate rail service in the region. The Central Texas Regional Mobility Authority (CTRMA) and TxDOT may legally provide passenger rail service but neither is engaged in doing so. In addition, the Austin-San Antonio Intermunicipal Commuter Rail District has the authority to build and operate a passenger rail system; however, the District does not yet have a funding source to engage in a project of this magnitude. The City of Austin is currently developing a plan for an urban rail system in the downtown Austin area to complement Capital Metro’s bus and rail service. Capital Metro recognizes the value of regional cooperation and coordination and will continue to partner with the City of Austin and others in the region to make rail service a success.

F. In general, how do other states carry out similar functions?

Other states provide for public transportation in a similar manner: that is, it is common for public transportation to be provided for by a quasi-governmental entity and funded by public monies. Sales tax is not uncommonly a significant funding source for transit agencies across the country, but other sources of revenue such as direct state funding, payroll tax, or property tax are sometimes also used. Many transit agencies are operated like Capital Metro, as entities distinct from other local units of government. Others may be part of a municipal department, or they may be a much larger, more regional entity that operates on a county-by-county basis. Other public transportation agencies across the country provide services similar to Capital Metro: bus, carpool, and passenger rail in the near future for Capital Metro, with the incidents of passenger rail operation being less frequent than incidents of bus operations. To the agency’s knowledge, no other transit agency in the country is required to conduct an election in order to operate passenger rail.

In Texas, transit authorities are quasi-governmental agencies funded by sales tax receipts. Capital Metro is authorized under the Texas Transportation Code, Subtitle K, Mass Transportation, Chapter 451. Metropolitan Rapid Transit Authorities. However, there are other political subdivisions of the State which are also authorized under Subtitle K to provide public transportation services within the State of Texas. (See <http://www.statutes.legis.state.tx.us/?link=TN.>)

G. What key obstacles impair your agency’s ability to achieve its objectives?

Section IX-Policy Issues and Section XII-Agency Comments describe in more detail some of the top challenges for Capital Metro. Brief synopses of these issues, however, are presented below.

Expansion of public transportation services

Currently, Capital Metro's service area includes approximately 59 percent of the Austin-Round Rock MSA population. (Comparatively, the majority of regional transit systems focus on the urbanized portions of their metropolitan areas and typically serve areas in which less than 90 percent of their MSA population resides, placing Capital Metro near the lower end of the range of peer regions.) Population growth projections anticipate that more than half of the growth in the region over the next twenty years will occur outside the agency's existing service area. However, under current state law, many entities that may wish to join the Capital Metro service area are prevented from doing so because of a statutory sales tax cap.

Rail Referendum, statutory restrictions

Capital Metro is required under Section 451.071 of the Texas Transportation Code to hold a public referendum to operate passenger rail service. The lack of such a referendum requirement elsewhere in the transit industry indicates that this requirement may not be the best means to ensure that an efficient and effective transit system is developed or that the public's interests are protected.

Typically, a transit agency may spend as much as \$10 to \$20 million on advance planning and design for a rail project, and it is normal for the work to span a couple of years. However, due to the referendum requirement, Capital Metro was concerned that the expenditure of engineering funds prior to obtaining voter approval could taint public opinion. Thus, the agency made the decision wait until after the referendum was approved prior to developing and reconciling the majority of engineering issues.

Had Capital Metro not felt it was in a position to have to forgo the kind of advance design and engineering that is critical for projects of this scale, the agency would have had more comprehensive and realistic information about the scope of the project, both in terms of costs and schedule, and, further, it would have enabled the electorate to be better informed.

Ensuring financial sustainability and stability

While Capital Metro's Long-Range Financial Plan prepared in 2006 had predicted very tight cash flows in FY2010, the current economic downturn has accelerated this condition. With sales tax receipts comprising nearly $\frac{3}{4}$ of the total annual operating budget, the funding base for building and operating public transportation in the central Texas region is insufficient and vulnerable. When compared to its transit peers, Capital Metro has higher costs and lower revenues.

Labor relations and organizational structure

To comply with conflicting state and federal labor laws, in 1991 Capital Metro created an independent nonprofit (StarTran, Inc.) to secure labor services for the agency's transit operations. While this arrangement has allowed the Authority to comply with both sets of labor law, issues have existed since inception that have had a both negative political and financial impacts on Capital Metro, StarTran, Inc. and the community Capital Metro serves.

Labor relations challenges are not isolated to the central Texas region. Transit authorities across the country are also grappling with how to balance providing services in a cost-effective manner while also providing a work environment and benefits that are fair to both the employee and the taxpayer. For example, San Francisco's Bay Area Rapid Transit (BART) recently averted a labor strike which could have crippled the city.

Public Perception

While Capital Metro is well-regarded in the transit industry and comparatively provides a very high level of quality service, the agency continues to struggle locally with public perception. Capital Metro is pulled in many directions. The community simultaneously expects the agency to be the transportation provider for those who have no other transportation option, a congestion mitigator and a more extensive regional transportation provider. While Capital Metro does believe that it is the agency's responsibility to fulfill all of these roles as well as possible, it is challenging to meet the very high expectations held by these various constituencies. Additionally, the negative incidents that occurred at Capital Metro in the past continue to hang over the agency and it has been difficult to change some of the public's perceptions of the agency even when positive strides are made. While Capital Metro is making great effort to improve its communications with the public, the agency's reputational challenges have hindered the organization from initiating new major projects, implementing much-needed fare increases and participating in critical partnerships with other communities outside of the service area.

H. Discuss any changes that could impact your agency's key functions in the future (e.g., changes in federal law or outstanding court cases).

Americans with Disabilities Act (ADA)

Congress is considering potential changes to the federal Americans with Disabilities Act (ADA) which would broaden the definition of a person with a disability. Capital Metro is required to provide complementary paratransit service to individuals defined as disabled by the ADA. This service currently consumes approximately 20 percent of the agency's budget for two percent of its riders. The broadening of the disability definition combined with the aging "baby boomers" will both increase the number of individuals eligible to be served and the attendant cost of providing this required service.

Reauthorization of TEA 21

In September 2009, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), the law authorizing funding of the nation's surface transportation system, will expire. Efforts are underway to reauthorize the law, and much of the groundwork has already been laid. In 2008, congressional committees began a series of hearings on surface transportation. As of press time, two commission reports have been issued, offering ideas and recommendations on how to create, sustain, and finance the nation's surface transportation system.

Most States rely heavily on continuing and guaranteed funding from the federal government for new capital projects and planning. Some states also rely on funding to pay bond debt service. During extensions, states continue to receive funding based on existing apportionment formulas, but the funding distribution is spread over smaller periods of time. Funding also can be subject to disruption by a shutdown of the Federal-Aid Highway Program if the law expires without an extension. For further information see <http://www.tfhrc.gov/pubrds/09mar/01.htm>.

Declaration of Non-Attainment

The Austin area is on the verge of being declared a non-attainment area under the federal clean air standards. This change in status affects how and which transportation projects can move forward and, based on the experience of other metropolitan areas, puts an increased emphasis on public transportation as a mobility option. If this occurs, Capital Metro will face new challenges, including longer lead times for certain capital projects as they go through federally required air quality conformity processes at CAMPO. At the same time, the agency will see new opportunities, including the availability of new federal funding through the Congestion Mitigation Air Quality (CMAQ) program for transit projects and an increased emphasis on transit as a mobility solution.

Enhanced Regional Planning

For the agency to maximize its potential, the regional planning process needs to be enhanced. As has been the case in metropolitan areas across the country, the intrinsic connection between transportation and land use must be recognized and incorporated into planning practices. The creation of incentives to encourage transit and pedestrian friendly development patterns and disincentives for auto-dependent sprawl have proven to be key factors in maximizing transit ridership. Equally important is the ability of CAMPO's regional transportation model to accurately estimate transit ridership and meet the standards of the Federal Transit Administration (something that Capital Metro, CAMPO and others are working towards). Not only is this a critical step in obtaining federal transit funding, it is also essential for informed decision-making about how transportation funds are allocated.

I. What are your agency's biggest opportunities for improvement in the future?

In addition to being able to successfully address the issues described above in Question G and in Section IX Policy Issues, the following represent additional or complementary opportunities for improvement:

Transit partnerships - Capital Metro cannot meet the needs of our region alone. Last year, the Capital Metro Board of Directors took a proactive approach towards expanding transportation in central Texas. They approved a policy allowing Capital Metro to create innovative partnerships with local and regional governments seeking transit service.

Non-profit corporation to address the needs of the transit-dependent - As Capital Metro works to attain a more sustainable farebox recovery rate, increases in fares will be needed. Capital Metro is concerned about the impact that such fare increases may have on low income, transit-dependent populations. Capital Metro currently provides free fares to seniors over age 65 and passengers with disabilities, as well as discounted passes to non-profit partners and their clients through our "Discount Pass Program." The use of the free fare Disability Fare Card increased 7.5 percent from 2007 to 2008. So far this fiscal year the increase is 19.6 percent.

However, the current model is not financially sustainable, and Capital Metro cannot solve the challenges of the transit dependent alone. The agency recently initiated an effort with its non-profit partners to form a separate 501(c)(3) non-profit corporation solely focused on meeting the basic transportation needs of low-income, transit dependent populations. Modeled on Cincinnati's successful "Everybody Rides Metro Foundation" (<http://www.everybodyridemetro.org/>), this new entity will endeavor to secure public and private funding to provide free or reduced transit fares to those who cannot afford them. Further, this organization will work with community stakeholders to identify basic transportation needs beyond transit fares, and develop and implement solutions in the community. Capital Metro staff, at the direction of the Board of Directors, has taken a lead role with the agency's non-profit partners to form this organization, and Capital Metro will invest in this new entity with local funds and in-kind staff support. Capital Metro is heavily engaged in ensuring that a transportation safety net will be in place for low income, transit dependent populations.

Expanded multimodal operations - Capital Metro is at a defining point in its history. With the advent of passenger rail service, near-term plans for Bus Rapid Transit (BRT) service known as Capital MetroRapid, and a comprehensive service plan effort scheduled for implementation over the next several years, the agency is poised to transition from a 'bus-only' transit agency to a true multimodal organization. Austin may follow the lead of numerous other cities across the country, in that the introduction of passenger rail and BRT could quickly lead to interest in expansion. These new services provide expanded opportunities to meet a range of community needs with a full slate of mobility services,

ranging from passenger rail and BRT to express and local bus services to rideshare and paratransit services. Recent research has indicated that it is these types of multimodal systems that yield the highest ridership, efficiency and effectiveness in cities across the United States. They also present opportunities for sustainable land use in conjunction with the region’s long-term land use goals.

J. In the following chart, provide information regarding key performance measures and statutory performance measures required by enabling legislation, Section 451, Metropolitan Rapid Transit Authorities, of the Texas Transportation Code.

Capital Metro			
Exhibit 2: Statutory and Key Performance Measures - Fiscal Year 2008			
Statutory & Key Performance Measures	FY 2008 Target and/or 2007 Peer Average*	FY 2008 Actual Performance	FY 2008 % of Annual Target or Peer Average
Statutory Measures:			
Operating Cost per Passenger – all modes	\$4.32 Peer average*	\$3.87	89.6%
Operating Cost per Revenue Hour	\$89.82 Peer average*	\$98.92	110.1%
Operating Cost per Revenue Vehicle Mile	\$6.49 Peer average*	\$7.18	110.6%
Sales and Use Tax Receipts per Passenger	\$4.32 Peer average*	\$4.12	95.4%
Fare Recovery Rate	17.5% Peer Average*	9.06%	51.8%
Average Vehicle Occupancy	6.89 Peer Average*	8.02	116.4%
Key Performance Measures:			
On-Time Performance	90% target	88.18%	97.98%
Number of Accidents per 100,000 Miles	Vehicle – <=2.2 Passenger – <= .46	Vehicle – 2.66 Passenger – .50	Vehicle – 20.9% above target min. Passenger – 8.7% above target min
Number of Miles between Mechanical Road Calls	StarTran FRS – 6,000 MetroAccess –	5,469 – StarTran FRS 15,723 – MetroAccess	StarTran FRS – 8.85% below target

	10,500		MetroAccess – 49.7% above target
Fixed Route System Ridership (non- statutory measure)	N/A	34,056,976	N/A– System-wide ridership was 5.3% above budget
Customer Contact Center – Response Time within 60 seconds.	80/60 or 80% of calls answered within 60 sec.	85.6%	107%
Customer Service Abandoned Call Rate	< 5%	4.8%	4% below targeted max.

* NOTE: Peer transit authority data for 2008 is not readily available. As a substitute, 2007 peer performance data included in the agency’s Quadrennial Performance Review (a statutorily required report performed every four years) has been provided as a comparative metric. Further analysis and comparison of the agency’s metrics to its peers is included in this report.

III. History and Major Events

Provide a timeline of your agency's history and key events, including:

- the date your agency was established;
- the original purpose and responsibilities of your agency;
- major changes in responsibilities or statutory authority;
- changes to your policymaking body's name or composition;
- significant changes in state/federal legislation, mandates, or funding;
- significant state/federal litigation that specifically affects your agency's operations; and
- key changes in your agency's organization (e.g., a major reorganization of the agency's divisions or program areas).

- 1985 The following communities vote in favor of levying a one percent sales tax to fund the Capital Metropolitan Transportation Authority:
- City of Austin
 - City of Manor
 - City of Leander
 - City of Jonestown
 - City of Lago Vista
 - Village of San Leanna
 - Village of Volente
 - Village of Point Venture
 - City of Pflugerville
 - City of Cedar Park
 - City of Rollingwood
 - City of West Lake Hills
 - Former Travis County Precinct 2, which now includes unincorporated areas of Travis County Precincts 1, 2, and 3 (as precinct boundaries are drawn today)
 - Unincorporated areas within current Williamson County Precincts 1 and 2
 - More specifically, then-William County voting precincts 5, 17, 18, and 39 (which included then-Anderson Mill MUD, which was annexed by the City of Austin on December 31, 2008)

Capital Metro assumes responsibility for the operation of public transit services from the City of Austin.

- 1988 In January, Westlake Hills withdraws from the Capital Metro service area.
- 1988 In May, Rollingwood withdraws from the Capital Metro service area.
- 1988 In December, the Board of Directors approves voluntarily lowering Capital Metro's sales tax rate to $\frac{3}{4}$ -percent beginning in April 1989.
- 1989 Capital Metro institutes free fares.
- 1991 In January, Capital Metro reinstates fares.

- 1991 StarTran, Inc., a private non-profit, is created by Capital Metro to address the conflict between state labor law, which prohibits a governmental entity from collective bargaining, and federal labor law, which conditions the receipt of federal funds by a transit authority on the continuation of existing collective bargaining rights of employees.
- 1995 In June, the Board of Directors approves reinstating Capital Metro's sales tax rate to the full one-percent effective October 1, 1995.
- 1997 The 75th Texas Legislature passes legislation stating that Capital Metro may conduct a referendum in order to operate a fixed rail transit system (H.B. 2445).
- 1997 The 75th Texas Legislature changes the structure of the Capital Metro Board (H.B. 883). It replaces Capital Metro's appointed seven-member board with a five-member interim board appointed by the Austin Transportation Study (ATS), the federally-required metropolitan planning organization which is now known as CAMPO. The interim board members serve until a permanent seven-member board is constituted with five elected officials and two members-at-large. The two at-large members are to be appointed by ATS and the five elected officials are to be appointed by Travis County (one member); the City of Austin (two members); the mayors of all of Capital Metro's small city municipalities (one member); and the judge of the Williamson County Commissioners Court, in conjunction with the mayor of the City of Leander (as the only city in Capital Metro's service area outside of Travis County) and the board presidents of the municipal utility districts within Williamson County. (This is the board composition today; however, Senate Bill 1263, which was passed by the 81st Texas Legislature, went into effect on September 1, 2009, and changes the composition.)
- 1998 In November, Cedar Park withdraws from the Capital Metro service area.
- 1998 State Comptroller's Office conducts performance review of Capital Metro.
- 1998 Capital Metro's Chief Counsel is designated as the Ethics Officer for the agency (following recommendation from Comptroller's 1998 report).
- 2000 Referendum on 52-mile regional light rail system is defeated by less than one percentage point.
- 2000 In January 2000, Pflugerville withdraws from the Capital Metro service area.
- 2001 The 77th Texas Legislature passes an amendment to Capital Metro's rail referendum requirement that restricts the agency to conducting said referendum only at a general election conducted in November of an even-numbered year (H.B. 2440).
- 2001 The position of a Capital Metro Deputy General Manager and Chief Operating Officer is created to oversee StarTran's department directors. (Previously, the COO position had been located within the StarTran organization.)
- 2004 In March, Capital Metro embarks on creating a community-based long-range transit plan. Thousands of citizens across the service area provide input. The result is All Systems Go, a 25-year long-range transit plan that includes expanded local and express bus service, new Rapid Bus service, a 32-mile urban commuter rail system that is now called the Capital MetroRail Red Line, regional rail, and downtown circulator service.

- 2004 In November, 62 percent of voters approve a referendum authorizing Capital Metro to operate urban commuter rail service between Leander and the Austin Convention Center (the “Red Line”).
- 2005 The 79th Texas Legislature passes an amendment to Capital Metro’s rail referendum requirement that allows the agency to hold a referendum on a proposal to expand a fixed rail system approved under the agency’s rail referendum requirements on any date specified in the Election Code or chosen by the Capital Metro board if
- (1) the referendum is held no earlier than the 62nd day after the date of the order; and
 - (2) the proposed expansion involves the addition of not more than 12 miles of track to the system (H.B. 2702).
- 2005 Local Amalgamated Transit Union (ATU) 1091, which represents transit operators and mechanics, goes on strike for one day.
- 2008 January through December: CAMPO conducts Peer Review of Capital Metro, which doubles as the State’s required quadrennial performance review, and analyzes specified performance metrics, and the agency’s role in regional transit planning and delivery, labor structure, financial sustainability, and governance.
- 2008 In March, a general manager of StarTran, Inc. is hired in order create a more distinct separation between Capital Metro and StarTran. The reporting structure for StarTran’s department directors is changed so that the directors report to the StarTran general manager, who in turn reports to Capital Metro’s chief operating officer.
- 2008 The position of Executive Vice President/Chief Development Officer (CDO) is created. The CDO is charged with directing the Marketing, Business and Community Development and Communications Departments. The position is also charged with overseeing the Strategic Planning and Development functions as part of a concerted effort by the agency to advance long-term expansion of the transit system.
- 2008 In November, transit services are disrupted for five days due to a three-day strike by ATU 1091.
- 2009 The 81st Texas Legislature passes S.B. 1263. Most significantly, the bill
- Amends the composition of the Capital Metro Board
 - Relaxes the requirements prescribing referendum procedures in order for the agency to operate passenger rail
 - Relaxes the requirements governing the Capital Metro Board’s ability to approve the agency’s fares
 - Requires that the agency’s internal auditor report directly to the board (today the internal auditor reports functionally to the board and administratively to the President/CEO)
 - Requires that the agency undergo two sunset reviews (the current review and another in September 2017).

IV. Policymaking Structure

A. Complete the following chart providing information on your policymaking body members.

Capital Metro Exhibit 3: Policymaking Body			
Member Name	Term/ Appointment Dates/ Appointed by _____	Qualification**	City
Mike Manor	CAMPO* (Term expires on 12/31/2009)	None	Austin, TX
John Trevino	CAMPO (Term expires on 12/31/2009)	None	Austin, TX
Mike Martinez	City of Austin (Term expires on 7/24/2010)	Required to be an Austin City Council member	Austin, TX
Chris Riley	City of Austin (Term expires on 7/24/2010)	Required to be an Austin City Council member	Austin, TX
Margaret Gomez	Travis County (Term expires on 12/31/2009)	Required to be a Travis County Commissioner	Austin, TX
Jamie Jatzlau	Travis County Suburban Cities Appointing Committee (Term expires on 12/31/2009)	Required to be a City Council member of a Capital Metro member city in Travis County other than the City of Austin	Manor, TX
John Cowman	Williamson County Appointing Committee, (Term expires on 8/15/2010)	Required to be an elected official of a city, county or MUD inside the Capital Metro service area but outside of Travis County	Leander, TX

NOTES: * The Capital Area Metropolitan Planning Organization (CAMPO) is the Metropolitan Planning Organization (MPO) for Williamson, Travis and Hays Counties. The purpose of CAMPO is to coordinate regional transportation planning with counties, cities, the Capital Metro, Capital Area Rural Transportation System, TxDOT and other transportation providers in the region and to approve the use of federal transportation funds within the region.

** Board Composition requirements in Sec. 451.5021, Texas Transportation Code.

Board terms are two years long and there are no term limits prescribed.

B. Describe the primary role and responsibilities of your policymaking body.

The board is responsible for adopting all general policies of the agency, including the adoption of annual capital and operating budgets, setting the goals of the agency, awarding contracts and the selection and performance of vice president of Internal Audit and president/CEO.

C. How is the chair selected?

The members of the board elect the chair.

D. List any special circumstances or unique features about your policymaking body or its responsibilities.

The board is comprised of mostly elected officials but they are not directly elected to the position. Recent legislation changed the board composition, most significantly by increasing the total number of members to eight by adding another CAMPO appointee and mandating certain requirements for the CAMPO appointees, with the overall composition as follows:

- Three members appointed by 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)

E. In general, how often does your policymaking body meet? How many times did it meet in FY 2008? In FY 2009?

Section 451.514 of the Texas Transportation Code stipulates that the Board of Directors is to meet at least once a month. However, in a typical month, there are three to four meetings: for example, including but not limited to, two committee meetings, one work session, and one board meeting. There are approximately three public hearings per year: one budget hearing, and at least two public hearings regarding service changes. There were 20 meetings in FY2008 and, as of August 2009, ten meetings in FY2009.

F. What type of training do members of your agency's policymaking body receive?

New board member orientation covers the following topics:

- Capital Metro services and future projects
- The agency's organizational structure, including operational labor services
- The agency's finances, including its operating and capital budgets
- Key issues and challenges facing the agency

- Board communication protocols
- Board bylaws
- Procurement and conflict of interest prohibitions
- Ethics policy and Code of Conduct
- The open meeting/open records act
- Facilities site visits

All board members participate in annual ethics training. Board members also attend educational conferences such as those conducted by the American Public Transportation Association (APTA), based on available funds.

G. Does your agency have policies that describe the respective roles of the policymaking body and agency staff in running the agency? If so, describe these policies.

- **Board bylaws:** Section 451.107 of the Transportation Code grants the Capital Metro board the ability to adopt rules and regulations, such as bylaws. The board bylaws establish meeting and board process protocol and delegate authority where desired. The board revised its bylaws in March 2009.
- **Audit Committee charter:** Pursuant to the Audit Committee charter, the purpose of the committee is “to assist the Capital Metropolitan Transportation Authority (Capital Metro) Board of Directors in fulfilling its oversight responsibilities for accounting and financial reporting processes, the system of internal controls, the audit processes, and systems for monitoring compliance with laws, regulations, and the Capital Metro Code of Conduct.” The charter also defines the relationship between the board and management:

“Executive management is responsible for preparing complete and accurate financial statements, managing business and financial risk, and for monitoring internal controls and compliance with all applicable laws, regulations, and internal policies and procedures. The board of directors has oversight responsibility in these areas and is charged with establishing and supporting an adequate control environment within the organization for ensuring accountability and demonstrating proper stewardship over public funds.”
- **Internal Audit charter:** The Internal Audit charter outlines the respective roles of the Audit Committee and the internal audit function. Effective Sept. 1, 2009, the Capital Metro Chief Audit Executive will report directly to the board of directors, through the Planning, Finance & Audit Committee. (Previously, there was dual reporting to the board and President/CEO.) Pursuant to the Internal Audit charter, “The mission of internal auditing is to help the Capital Metropolitan Transportation Authority (“Authority”) board and management achieve its goals and objectives. We provide independent and objective insights, analyses, and recommendations to assist management in making constructive change while effectively managing risk.”
- **Capital Metro policies and procedures:** Capital Metro policies and procedures are an important part of the agency’s governance structure. They document expectations and standards including the respective roles of the agency staff. Capital Metro has a clearly-defined process for developing, approving, and communicating policy to staff. Approved policies are available to staff through the employee intranet.

H. What information is regularly presented to your policymaking body to keep them informed of your agency’s performance?

Both verbal and written reports on recurring items are delivered to the board:

- The President/CEO provides a monthly report on key performance measures staff monitors and uses to determine efficiency and success, including customer satisfaction goals, on-time performance of services, vehicle miles between mechanical road calls, accident rate comparisons among service providers, and financial information.
- Staff provides updates periodically on the implementation of the agency’s long-range transportation plan, All System Go.
- As needed, legislative updates are provided to keep the board informed about relevant state and federal governmental issues.
- Beginning September 2009, staff will provide a monthly Environmental Sustainability update to the board. Previously, the board heard updates concerning central Texas air quality issues. The new report broadens the scope to include information on Capital Metro’s environmental sustainability practices, recycling, energy conservation, air quality, environmental partnerships, and other related topics.
- Two advisory committees, the Customer Satisfaction Advisory Committee and the Access Advisory Committee, also report to the board every month concerning the work of the two committees.

I. How does your policymaking body obtain input from the public regarding issues under the jurisdiction of the agency? How is this input incorporated into the operations of your agency?

Capital Metro encourages public input, and a public comment policy was adopted by the board on July 14, 2006, that ensures both the public’s right to address the board as well as the efficient progress through the board meeting’s agenda. After public comment if the issue cannot be addressed in immediate follow up, the board will direct the President/CEO to have staff work with the speaker to resolve the request and report back to the board.

In addition, the board of directors receives input directly from the public at hearings on major issues such as the adoption of an operating budget as required by its enabling statute and on certain service changes and fare changes as required by the ADA and other federal regulations. Appropriate notice of these public hearings is provided to the community in accordance with all applicable laws.

In order to further obtain public input from those who are unable to testify at scheduled public hearings and to provide adequate information to the public about proposed changes to the system, staff also hosts public meetings throughout the community in advance of significant changes. The staff then shares the commentary and feedback offered by the public with the board to assist them in the decision-making process.

J. If your policymaking body uses subcommittees or advisory committees to carry out its duties, fill in the following chart.

Capital Metro			
Exhibit 4: Subcommittees and Advisory Committees			
Name of Subcommittee or Advisory Committee	Size/Composition/How are members appointed?	Purpose/Duties	Legal Basis for Committee
Planning/Finance/ Audit	Three board members per	To discuss and	Bylaws, Section

<p>Committee</p>	<p>Section 17 of the bylaws. The board may establish committees with specific duties, terms and responsibility. The chairperson shall select the chairperson and members of the committee.</p> <p>The board requires that each member of the audit committee be financially literate, as the board interprets such qualification in its business judgment, or become financially literate within a reasonable period of time after his or her appointment.</p>	<p>recommend audit, finance and planning items which may be referred to the full board for consideration, allowing detailed explanation and understanding of the issues.</p>	<p>17</p>
<p>Operations/Business Development Committee</p>	<p>Three board members per Section 17 of the bylaws. The board may establish committees with specific duties, terms and responsibility. The chairperson shall select the chairperson and members of the committee.</p>	<p>To discuss and recommend operational and development items, which may be referred to the board for consideration, allowing detailed explanation and understanding of the issues.</p>	<p>Bylaws, Section 17</p>
<p>Customer Satisfaction Advisory Committee (CSAC)</p>	<p>CSAC is comprised of 12 to 18 members who are primarily transit customers. They are appointed by the Capital Metro board.</p>	<p>To assist Capital Metro in developing and maintaining a transit system that is convenient, dependable and practical. To provide advice and recommendations on planning, operations, services and other matters of concern to customers.</p>	<p>Bylaws, Section 17 Texas Transportation Code, §451.109</p>
<p>Access Advisory Committee</p>	<p>The Access Advisory Committee is comprised of ten members appointed by the Capital Metro board.</p>	<p>To provide Capital Metro with recommendations from citizens and passengers for enhancement of services to senior citizens and passengers with disabilities.</p>	<p>Bylaws, Section 17 Texas Transportation Code, §451.109</p>

V. Funding

A. Provide a brief description of your agency's funding.

Capital Metro receives one percent in local sales tax revenue within its service area; this sales tax constitutes 75 percent of the agency's funding. In addition to sales tax, Capital Metro generates revenue from its fares; third-party contracts with the University of Texas, City of Austin and Austin Independent School District (AISD) for transit services; freight rail services; investment income; and other sources, such as the sale of advertising space on its buses.* The agency also receives federal grant funds. Section E below contains additional information about Capital Metro's revenue sources.

* The AISD contract expired in June 2009 and will not be renewed. For further information on third party contracts, see Section VII-Agency Programs, Fixed Route Services.

B. List all riders that significantly impact your agency's budget.

Not applicable. Capital Metro is not a state agency and, therefore, does not have riders that impact the Agency's budget.

C. Show your agency's expenditures by function/operating unit.

FY2008 operating expenditures are shown below.

Department / Function (Dept. #)	Actual Expenditures
Capital Metro	
President/CEO's Office (110)	\$1,759,389
Communications (115)	\$247,302
Board of Directors Office (120)	\$156,281
Internal Audit (125)	\$287,458
Chief Operating Office (130)	\$291,933
Office of Strategic Management (135)	\$569,826
Safety & Security (140)	\$1,459,668
Security Officers* (141)	\$730,294
Legal (150)	\$1,603,525
Finance (220)	\$3,801,208
Information Technology (230)	\$2,777,427
Procurement (250)	\$998,357

Contracted Services (270)	\$16,333,346
Rideshare (275)	\$262,378
Planning (320)	\$1,508,959
Marketing (330)	\$2,670,843
Business and Community Development (331)	\$1,270,219
Customer Service (332)	\$827,406
Human Resources (340)	\$1,800,706
Risk Management (420)	\$3,671,222
Rapid Transit (Commuter Rail Project Office) (530)	\$271,597
Capital Projects (540, 560, 561, and 562)	\$2,413,775
Freight Rail* (542)	\$12,953,189
Commuter Rail* (544)	\$5,082,968
Capital Metro Subtotal	\$63,749,276

StarTran, Inc.	
StarTran Administration (310)	\$205,627
Metro Access Paratransit (430 and 431)	\$12,163,444
Operations – Training and Development (440)	\$14,345
Fixed Route Services (441)	\$29,349,775
Running Repair (Vehicle Maintenance) (442)	\$15,596,415
Service Island (443)	\$19,845,326
Vehicle Maintenance – Admin. (451)	\$1,771,743
Stores (Parts) (456)	\$703,576
Public Facilities (457)	\$589,065
Building Maintenance (458)	\$3,926,855
StarTran Subtotal	\$84,166,171

All Employee Totals	\$147,915,447
The programs listed below are for employee benefits or contracted services and are budgeted as	

separate 'departments.' The cost of these programs is shared across all departments and employees, including StarTran employees.	
Employee Benefits (100)	\$16,070,576
Wellness Center (102)	\$323,471
Child Care and Learning Center (103)	\$529,886
Business Center (105)	\$431,573
Regional Mobility Programs	\$16,037,838
Build Central Texas Program	\$4,342,899
Depreciation & Amortization	\$25,789,915
Non-Employee Program Totals	\$63,526,158

GRAND TOTAL	\$211,441,605
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Capital Expenditures

In addition to the operating budget, each year the Capital Metro Board of Directors approves a separate capital spending program for the agency. The FY2008 approved capital expenditure categories and brief descriptions are shown below. To supplement this general information, an electronic file containing details of all FY2008 contract releases will be provided as part of the Capital Metro Sunset submission.

Capital Metro Exhibit 6: Proposed Capital Expenditures – FY2008	
Project Type	Amount
Vehicles	\$5,544,000
Amenities	\$1,000,000
Facilities	\$9,794,500
Freight Rail	\$4,444,000
Technology	\$4,984,524
MetroRail Start-up	\$1,700,000
ITS	\$5,399,506
BCT (Suburban Communities)	\$1,180,000
Total Projects	\$34,046,530

Vehicles

As part of the All Systems Go Long-Range Transit Plan, Capital Metro plans to facilitate direct access for MetroRail customers to major University, State Office Complex and Downtown destinations by providing connector bus routes. The service will utilize 12 existing 35-foot buses. This project included the purchase of 12 equivalent 40-foot buses to replenish the fleet for regular operations.

MetroRail Start-up

Capital MetroRail is a 32-mile passenger rail line that will begin service soon. This project included consulting services on the following:

- Dispatch operations
- Train scheduling
- Operating and maintenance cost analysis
- Bus interface planning
- Training support
- Failure management analysis
- Regulatory/safety assistance and proposal/contract analysis

Freight Railroad Rehabilitation

This project included the rehabilitation of multi-track crossings that had been identified as potential safety hazards to the traveling public and train traffic; and, repair and rehabilitation of bridges and culverts to maintain the bridge infrastructure for the safe operation of the railroad. These are required by the Federal Railroad Administration (FRA) to maintain safe and reliable railroad service.

Additionally, the agency purchased a supply of rail materials for preventive maintenance of the rail line per government standards.

Information Technology

Operational equipment replacements for infrastructure, telephony, network, and desktop components were undertaken as they reached the end of their lifecycles. Application software upgrades were installed as required for either continued vendor support or business requirements for new functionality.

Facilities

Multiple facility projects were included in the FY2008 Capital Budget. They included items such as park and ride/transit centers, bus stop signage, the North Operations facility, and transit oriented development.

Bus Stop Amenities

This includes shelters, benches, and litter containers at bus stops throughout the service area.

ITS Project

Intelligent Transportation Systems (ITS) is a comprehensive approach to apply advanced technologies to transit. The scope of this project includes implementation of several ITS components that, once complete, will automate manual tasks, provide customers and staff with information on the exact location of a vehicle, provide customers with real time information on vehicle arrival and departure at Rail stations, Rapid stops, Park & Rides, and Transit Centers, as well as other functions that will improve safety and security, and service delivery.

Build Central Texas

The "Build Central Texas" (BCT) Program captures activities of both Builder Greater Austin (BGA) and the Suburban Community Equity Adjustment Program and supports mobility projects in the region. The program is dedicated to investing in infrastructure that supports transportation, such as funding street

rehabilitation and reconstruction, transit corridor improvements, sidewalks, curb ramps and hike-and-bike trails.

D. Show your agency’s operating expenses as provided for in your proposed FY2009 budget.

Note: Capital Metro’s FY 2009 operating budget was approved on September 29, 2008, but was revised in February/March 2009 to reflect the significant and unanticipated decline in sales tax revenue resulting from the economic downturn. The expenses provided below are from the revised operating budget.

Capital Metro	
Exhibit 7: Operating Expense General Categories - Fiscal Year 2009	
Operating Expenses	Amount
Labor	\$49,636,729
Fringe Benefits	36,493,972
Services	5,892,044
Materials & Supplies	8,172,032
Fuel	12,575,119
Utilities	1,908,687
Casualty & Liability	1,746,147
Taxes	1,150,821
MetroRail	6,333,659
Freight Rail	10,766,186
Purchased Transportation	28,094,310
Other	1,762,266
Interest	1,219,102
Lease/Rentals	879,607
Total Revised Operating Budget	166,630,680

E. Show your agency’s sources of revenue. Include all local, state, and federal appropriations, all professional and operating fees, and all other sources of revenue collected by the agency, including taxes and fines. See Exhibit 7 Example.

Capital Metro	
Exhibit 8: Sources of Revenue - Fiscal Year 2008 (Actual)	
Source	Amount
Sales Tax	\$154,156,602
Transportation Fares	5,983,916
Contract Revenue	7,114,481
Freight Rail	7,473,899
Investment Income	2,952,472
Other Income, net	776,242
Grant – Operating Contributions	12,341,231
Grant – Capital Contributions	11,851,744
TOTAL	202,650,587

F. If you receive funds from multiple federal programs, show the types of federal funding sources.

Capital Metro				
Exhibit 9: Federal Funds C Fiscal Year 2008 (Actual)				
Type of Fund	Capital Metro/ Federal Match Ratio	Capital Metro Share	Federal Share	Total Funding
Federal Transit Administration: Large Urban Cities (49 U.S.C. 5307)	20% / 80%	\$4,254,538	\$17,030,798	\$8,424,095
Federal Transit Administration: Bus and Bus Facilities (49 U.S.C. 5309)	13-20% / 80-87%	\$1,537,538	\$6,886,240	\$21,285,336
Federal Transit Administration: Job Access Reverse Commute (JARC)	50% / 50%	\$275,937	\$275,937	\$551,874
TOTAL		\$6,068,330	\$24,192,975	\$30,261,305

G. If applicable, provide detailed information on fees collected by your agency.

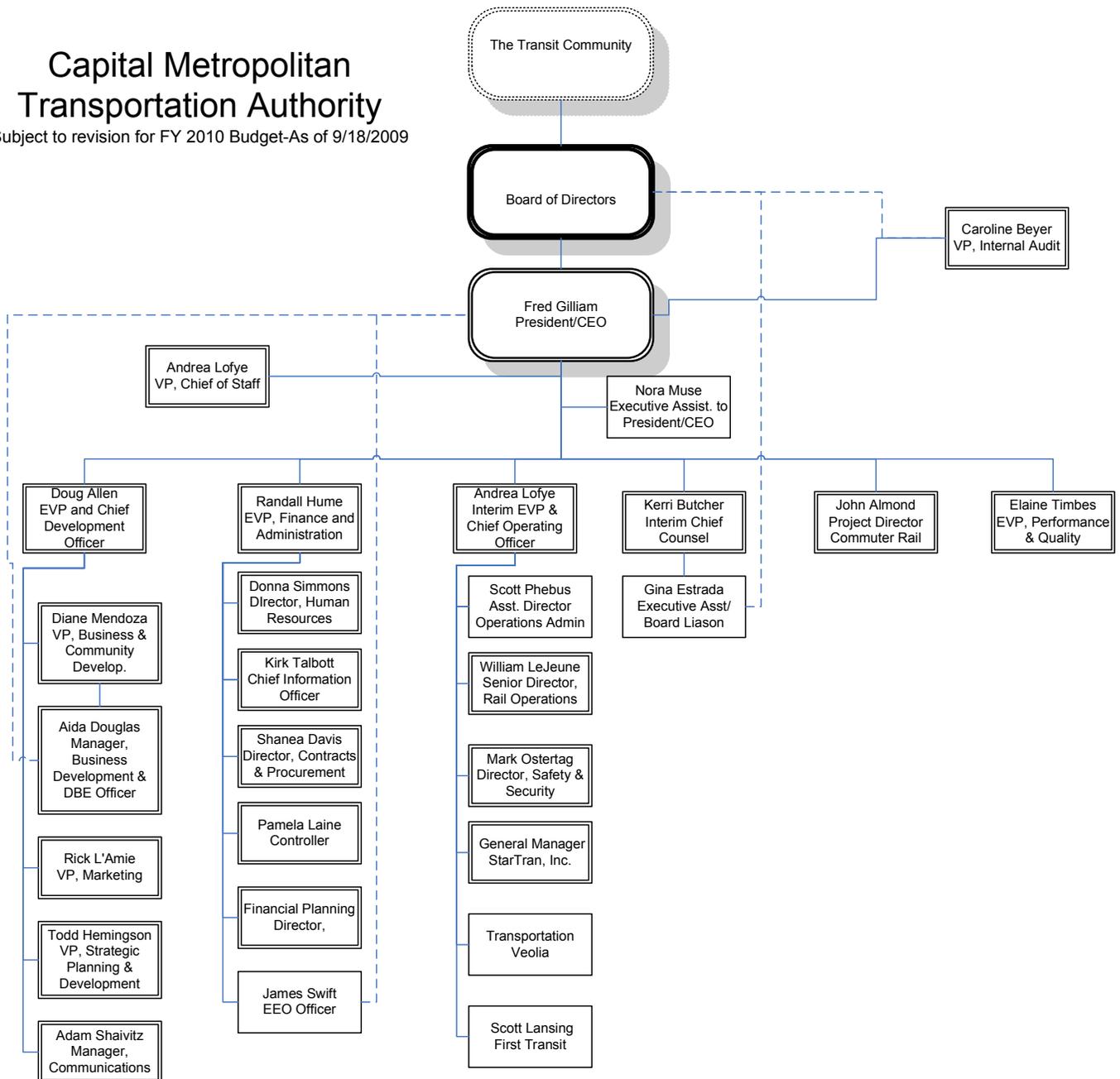
Not applicable. Capital Metro does not collect fee revenue of this nature.

VI. Organization

A. Provide an organizational chart that includes major programs and divisions, and shows the number of FTEs in each program or division.

See organizational chart on the following page. The number of FTEs for each department is provided in Section E below.

**Capital Metropolitan
Transportation Authority**
Subject to revision for FY 2010 Budget-As of 9/18/2009



B. If applicable, fill in the chart below listing field or regional offices.

There are multiple Capital Metro offices and facilities throughout Austin:

- Headquarters: 2910 East 5th Street, 78702
- Administration Annex: 624 Pleasant Valley Road, 78702
- Downtown Customer Service Center (Transit Store) and administrative offices: 323 Congress Avenue, 78701
- Northeast Operations Facility: 5316 Ed Bluestein Blvd., 78723
- North Operations & Maintenance Facility: 9315 McNeil Road, 78758
- MetroAccess Paratransit Service Center: 509 Thompson Lane, 78742

FTEs are not assigned or tracked by location so employee counts cannot be broken out in this manner.

(The above list includes only facilities at which employees operate from or are officed. The list does not include customer-serving facilities from which transit is provided such as park and rides, rail stations, or transfer centers.)

Capital Metro Exhibit 10: FTEs by Location - Fiscal Year 2008			
Headquarters, Region, or Field Office	Location	Number of Budgeted FTEs, FY 2008	Number of Actual FTEs as of September 30, 2008
Total employees at all locations in Austin, TX		1213.6	1157.16

C. What are your agency’s FTE caps for fiscal years 2008-2011?

Not applicable. Capital Metro is not a state agency which is subject to statutory FTE caps.

D. How many temporary or contract employees did your agency have as of September 30, 2008?

Temporary Agency Employees: 38
 Capital Metro Temporary Employees: 8
 Capital Metro Interns: 5

E. List each of your agency’s key programs or functions, along with expenditures and FTEs by program.

As a subsidiary of Capital Metro, information for StarTran, Inc., Capital Metro’s largest service provider, is included below. The number of FTEs at and expenditures by Capital Metro’s other contracted fixed route bus service providers (Veolia, First Transit, and CARTS) are not included here since these entities are separately organized from Capital Metro.

Department / Function (Dept. #)	Actual FTEs as of September 30, 2008	Actual Expenditures
Capital Metro		
President/CEO's Office (110)	5	\$1,759,389
Communications (115)	3	\$247,302
Board of Directors Office (120)	1	\$156,281
Internal Audit (125)	2.5	\$287,458
Chief Operating Office (130)	2	\$291,933
Office of Strategic Management (135)	2	\$569,826
Safety & Security (140)	6	\$1,459,668
Security Officers* (141)	11.3	\$730,294
Legal (150)	5	\$1,603,525
Finance (220)	20	\$3,801,208
Information Technology (230)	21	\$2,777,427
Procurement (250)	12	\$998,357
Contracted Services (270)	1	\$16,333,346
Rideshare (275)	3	\$262,378
Planning (320)	19	\$1,508,959
Marketing (330)	7	\$2,670,843
Business and Community Development (331)	16	\$1,270,219
Customer Service (332)	16.5	\$827,406
Human Resources (340)	13	\$1,800,706
Risk Management (420)	6	\$3,671,222
Rapid Transit (Commuter Rail Project Office) (530)	2	\$271,597
Capital Projects (540, 560, 561, and 562)	13	\$2,413,775
Freight Rail* (542)	5.74	\$12,953,189
Commuter Rail* (544)	5.12	\$5,082,968

Capital Metro Subtotal	198.16	\$63,749,276
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StarTran, Inc.		
StarTran Administration (310)	2	\$205,627
Metro Access Paratransit (430 and 431)	181.5	\$12,163,444
Operations – Training and Development (440)	9	\$14,345
Fixed Route Services (441)	560.5	\$29,349,775
Running Repair (Vehicle Maintenance) (442)	122	\$15,596,415
Service Island (443)	37	\$19,845,326
Vehicle Maintenance – Admin. (451)	12	\$1,771,743
Stores (Parts) (456)	11	\$703,576
Public Facilities (457)	9	\$589,065
Building Maintenance (458)	15	\$3,926,855
StarTran Subtotal	959	\$84,166,171

All Employee Totals	1157.16	\$147,915,447
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<p>The programs listed below are for employee benefits or contracted services and are budgeted as separate 'departments.' The cost of these programs is shared across all departments and employees, including StarTran employees.</p>		
Employee Benefits (100)	N/A	\$16,070,576
Wellness Center (102)	N/A-contracted services	\$323,471
Child Care and Learning Center (103)	N/A-contracted services	\$529,886
Business Center (105)	N/A-contracted services	\$431,573
<p>The items listed below are budgeted as separate departments. These are not contracted services. There are no FTEs funded out of these programs.</p>		
Regional Mobility Programs	N/A	\$16,037,838
Build Central Texas Program	N/A	\$4,342,899

Depreciation & Amortization	N/A	\$25,789,915
Non-Employee Program Totals	0	\$63,526,158

GRAND TOTAL	1157.16	\$211,441,605
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NOTE: Security Officers are full time employees of Austin Police Department or Travis County Sheriff’s Office. Capital Metro maintains a roster of 115 security officers who work part time for the agency. Dividing the total expenditure of \$672,897.00 by their \$28.62 hourly rate yields 23,511.43 total hours worked. This figure was then divided by the number of FTE hours in a year (2080), resulting in 11.3 FTEs. Similar calculations were made to determine the allocable security FTEs for the freight and commuter rail departments.

VII. President/CEO's Office

A. Provide the following information at the beginning of each program description.

Name of Program or Function	President/CEO's Office
Location/Division	Capital Metro Headquarters: 2910 East 5 th St.
Contact Name	Andrea Lofye, Vice President/Chief of Staff (and Interim Executive Vice President/Chief Operating Officer)
Actual Expenditures, FY 2008	\$1,759,389
Number of FTEs as of September 30, 2008	5

B. What is the objective of this program or function? Describe the major activities performed under this program.

The President/CEO provides leadership and direction to ensure Capital Metro meets its mission, goals, and objectives. A key area of focus is the quality initiative which determines quality standards for the organization and identifies initiatives for ongoing improvement to customer service. The President/CEO ensures sound ethics and fiscal management for the agency consistent with federal, state, and local laws and sound public practices and emphasizes the most effective use of taxpayer funds through continuous improvements of the agency's efficiency. The President/CEO's office also serves as a liaison with local, state and federal elected officials, preparing and gaining approval of legislative initiatives on behalf of Capital Metro.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The President/CEO is ultimately responsible for all aspects of the agency. Under the leadership of the President/CEO, Capital Metro has been widely recognized at the local, state and national level. The Texas Transit Association bestowed its highest honor, Outstanding Metropolitan Transit Authority, on Capital Metro in 2007. President/Chief Executive Officer Fred Gilliam won the Friend of Texas Transit Award from the Texas Department of Transportation in 2006. This year, the agency's MetroRail project earned Envision Central Texas's Community Stewardship Award for New Development.

Since the President/CEO joined Capital Metro in 2001, the system has improved significantly. Both on-time performance and ridership have increased. Fleet reliability and appearance have greatly improved, and accident rates are down. Under the President's tenure, the agency's All Systems Go Long Range Transit Plan was developed. The first part of the plan was put in motion with the approval of the urban commuter rail referendum in 2004. A number of clean air initiatives, including the use of hybrid buses, the creation of the GREENride carpool program using hybrid-fuel vehicles, and the conversion of the entire bus fleet to Ultra-Low Sulfur Diesel (USLD) have also been implemented during the current President's service.

Studies such as the recent Quadrennial Performance Review/CAMPO Peer Review have concluded that Capital Metro performs very well compared to its peers, particularly in terms of ridership. It noted that, during the study period, Capital Metro had the highest per capita ridership of its peers. The Capital Metro system carried more passengers than any of the operating peer regions, including those with streetcar or light rail such as Dallas, Houston, Denver, San Diego, or Charlotte. Also, the review noted that due to the very high ridership levels, Capital Metro's operating costs per passenger were lower than other agencies' in the peer group, at 92% of the group average. Average vehicle occupancy (an aggregated indicator of "how full the buses are") was found to be higher than most of the peer regions, and growing faster than most of the peers as well. On-time performance was comparable to the industry target and results at other systems. In terms of safety and fleet maintenance, positive assessments were also made: there had been a decline in accidents and an increase in the number of miles between mechanical road calls (an improvement noted by the consultants as counter to the trend observed amongst Capital Metro's peers).

Customer survey results also provide evidence of the effectiveness of the President/CEO's management. A 2008 Customer Satisfaction Survey conducted by an outside firm concluded that Capital Metro customers have a high satisfaction level compared to those evaluated on a national level. As a point of reference, Capital Metro's customer satisfaction scores were comparable to those conferred upon by the primary public transportation provider in the North Central Texas area, DART (Dallas Area Rapid Transit).

Further details on the agency's overall effectiveness and efficiency are reflected in the performance metrics reported in Section J. of Section II. Key Functions and Performance, as well as in the customer comment metrics reported in Section XI., the attachments section.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

In 2007, as part of a peer review of Capital Metro's communications functions, a committee of the American Public Transportation Association (APTA) suggested realigning all of the agency's communications functions under one position with a "substantive title," which would report directly to the President/CEO. At that time, the agency's marketing and business and community development functions reported directly to the President/CEO, and the communications team reported to the Vice President of Communications. Also at that time, the Vice President of Communications handled government relations for the agency.

In response to the recommendations, the position of Executive Vice President/Chief Development Officer (CDO) was created in the President/CEO's Office. This was the establishment of the position with the "substantive title," to which all communications functions would report. The CDO was charged with overseeing the communications, marketing, business and community development, and strategic planning functions of the agency.

In 2007, the position of Vice President of Communications was eliminated, and the staff member in that position was promoted to Vice President/Chief of Staff to report directly to the President/CEO.

The government relations and communications functions that had been under the charge of the Vice President of Communications were separated, and managerial positions to oversee each function were created. The Government Relations Manager was placed under the direction of the new Chief of Staff. The Communications Manager was placed under the direction of the new CDO.

In 2008, the Chief of Staff was also designated the interim Executive Vice President/Chief Operating Officer (COO).

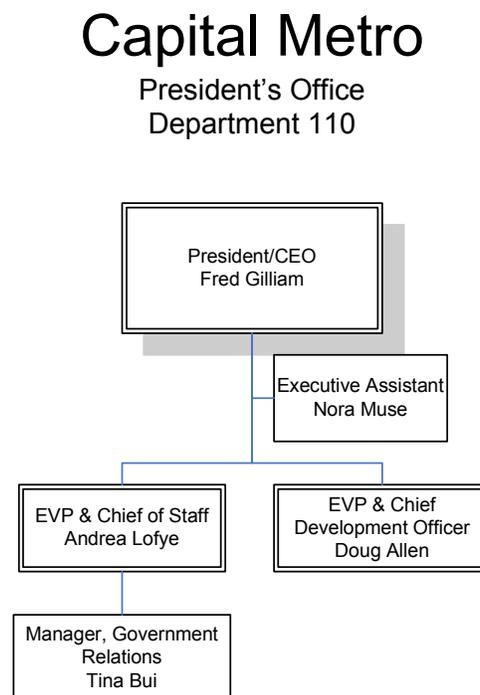
Due to the additional COO responsibility delegated to the Chief of Staff, the agency's Deputy Counsel was asked to job share the Chief of Staff position. In July of 2009, the Deputy Counsel who had been job sharing Chief of Staff functions was relieved of these duties, since the Deputy Counsel assumed the Interim Chief Counsel position (following the retirement of the Chief Counsel).

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The President/CEO's Office affects all employees of the agency, and all users of Capital Metro's system. The President/CEO's Office also affects the many public entities with which the President/CEO's Office works. (Qualifications and eligibility requirements for persons affected by the President/CEO's Office are not applicable in this context. Similarly, a statistical breakdown of persons or entities affected is not quantifiable.)

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

See current organizational chart below.



The President/CEO's Office is ultimately responsible for all aspects of the agency. The President/CEO's Office serves as the primary conduit between the agency's board of directors, other elected officials or policymaking bodies, and executive management at other entities.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency’s annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

None.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The President/CEO’s Office is the main point of contact for policymakers and executive-level managers at other governmental or quasi-governmental entities, including

- Capital Metro’s ten member communities, which includes the Cities of Austin, Leander, Lago Vista, Jonestown Manor, San Leanna, Volente and Point Venture; and unincorporated portions of Travis and Williamson Counties.
- Other communities in the region (with most having expressed interest in receiving Capital Metro services) such as Round Rock, Cedar Park, Rollingwood, West Lake Hills, Elgin, Bee Cave, Del Valle, Sunset Valley, Kyle, Hays County
- United States congressional members
- State legislators
- TxDOT
- Capital Area Metropolitan Planning Organization
- Capital Area Rural Transportation System
- Capital Area Council of Governments
- Central Texas Regional Mobility Authority
- Austin-San Antonio Intermunicipal Commuter Rail District and the Austin-San Antonio Corridor Council
- Federal Railroad Administration
- Federal Transit Administration.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fiscal Year 2008 Contract Expenditures: \$509,516

Number of Contracts Accounting for Expenditures: 4

Summary of General Purpose of Contracts: One contract is for state legislative services; another is for federal legislative services; another is for miscellaneous legal services; and the remaining contract was for the CAMPO Peer Review/Quadrennial Performance Review of Capital Metro.

Methods used to ensure accountability for funding and performance: All contracts are administered in compliance with the Capital Metro Purchasing and Contracting Manual. Contract documents include specific language regarding expected performance. Contract checklists defined by the contract are also regularly used to evaluate performance. In addition, the agency's internal audit department independently reviews various Capital Metro contracts to determine compliance and application of best practices. A triennial review conducted by the Federal Transit Administration also specifically includes review of lobbying contracts, which are managed by the President/CEO's Office. The agency is required to certify that it is compliant with the FTA's lobbying restrictions, and that the restrictions are imposed upon any such contractors.

Current Contracting Problems: None.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

None identified at this time.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

No additional information at this time.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Communications

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Communications
Location/Division	Capital Metro Headquarters: 2910 E. 5 th St.
Contact Name	Adam Shaivitz, Communications Manager
Actual Expenditures, FY 2008	\$247,302
Number of FTEs as of September 30, 2008	3

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Communications Department is the primary source of contact for all incoming news media inquiries about Capital Metro. The department works with print, broadcast and online media to promote the agency’s services, initiatives and special events. Communications staff coordinates internal and external communications including print and electronic publications, and provides communications support to all departments and the Board of Directors. The Communications department also works with a public relations contractor to carry out its mission through proactive communications efforts.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

In FY2008, Communications staff:

- processed 522 media inquiries
- produced 6 issues of Buslines (now called MetroMatters) employee newsletter
- produced 10 issues of ASG external electronic newsletter
- produced one annual Report to the Community
- received zero (0) formal complaints from the news media regarding core functions of department that serve this key stakeholder group

D. Describe any important history regarding this program not included in the general agency History section, including how the services or functions have changed from the original intent.

In 2007, as part of a peer review of Capital Metro’s communications functions, a committee of the American Public Transportation Association (APTA) suggested realigning all of the agency’s communications functions under one position with a “substantive title,” which would report directly to the President/CEO. At that time, the agency’s marketing and business and community development functions reported directly to the President/CEO, and the communications team reported to the Vice President of Communications. Also at that time, the Vice President of Communications handled government relations for the agency.

In response to the recommendations, the position of Executive Vice President/Chief Development Officer (CDO) was created in the President/CEO's Office. This was the establishment of the position with the "substantive title," to which all communications functions would report. The CDO was charged with overseeing the communications, marketing, business and community development, and strategic planning functions of the agency.

In 2007, the position of Vice President of Communications was eliminated, and the staff member in that position was promoted to Vice President/Chief of Staff to report directly to the President/CEO.

The government relations and communications functions that had been under the charge of the Vice President of Communications were separated, and managerial positions to oversee each function were created. The Government Relations Manager was placed under the direction of the new Chief of Staff. The Communications Manager was placed under the direction of the new CDO.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

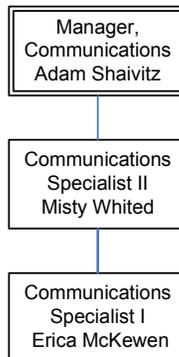
The Communications program directly and indirectly has the ability to reach or affect the entire community through the news media and the development of written materials about the agency.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

See current organizational chart below.

Capital Metro

Communications Department 115



A primary function of the Communications department is media relations. In 2008, staff developed an updated media relations policy to ensure the proper handling of media requests. The policy was formally approved in 2009:

PURPOSE

This policy applies to all Capital Metro employees and all employees of **all** contracted service providers and vendors. The purpose of this policy is to set clear direction as to how employees should handle inquiries from the news media.

As a public agency, Capital Metro receives considerable attention from the news media. Many citizens form opinions about Capital Metro based on the news media's portrayal of our functions. Therefore, the maintenance of good media relations is a crucial element of our mission. Television, radio, newspaper, magazine and internet stories about Capital Metro can go a long way to enhance our image and our services. Capital Metro is committed to informing the news media of issues and events that involve the Authority.

POLICY

The release of all information to the news media will be coordinated by the Communications Department.

Employees who are contacted directly by the news media are required to:

- Refer the media to the Communications Manager or a Communications Specialist
- Contact the Communications Manager or a Communications Specialist to advise them of the inquiry (contact information can be found under the Communications tab on the intranet)

Employees will cooperate fully in meeting the relevant needs of the news media under the guidance or by request of the Communications Department. The Communications Manager or a Communications Specialist shall be present for all media interviews when possible.

PROCEDURES FOR ALL CONTRACTED SERVICE PROVIDERS

All contracted service providers (i.e. StarTran, Veolia, First Transit, CARTS) are subject to the following contract requirement regarding releasing information to the media:

- Capital Metro shall be the exclusive public media spokesman in connection with transportation service. Under no circumstances shall Contractor or its employees be permitted to distribute any unauthorized printed or written materials without permission from Capital Metro (This includes verbal communication with the news media).

PROCEDURES FOR ALL VENDORS

All vendors under contract to Capital Metro are subject to the following contract requirement regarding releasing information to the media:

- All publicity releases or releases of reports, papers, articles, maps, or other documents in any way concerning a contract or the work hereunder which the Contractor or any of its subcontractors

desires to make for the purposes of publication in whole or in part, shall be subject to approval by Capital Metro prior to release (This includes verbal communication with the news media).

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency's annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Capital Metro has no other internal departments that provide identical services. However, the Communications Department works closely with several other departments (including Marketing, Business & Community Development, and Planning) that have various communications-related roles in the community but serve different stakeholders.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Communications department staff works closely with other departments to avoid the duplication of services. All departments under the supervision of CDO (see question D) meet regularly to discuss key projects and ensure proper collaboration without duplication.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Not applicable.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fiscal Year 2008 Contract Expenditures: \$49,400

Number of Contracts Accounting for Expenditures: 1 – Contract is with 3 Point Partners (formerly Martin & Salinas Public Affairs)

Summary of General Purpose of Contracts: Communications and public relations support

Methods used to ensure accountability for funding and performance: Direct oversight and careful review of deliverables by Capital Metro project manager

Current Contracting Problems: None

L. What statutory changes could be made to assist this program in performing its functions? Explain.

See Legal Department summary regarding the Texas Public Information Act.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Extended list of Communications department responsibilities:

Media Relations

- Primary contact point for all media inquiries
- Coordinates release of all information to news media
- Coordinates and arranges all media interviews/press conferences and counsels/supports staff prior to any interviews
- Provides on-scene response at all emergency situations that may result in media attention (vehicle accidents)
- Maintains and develops positive working relationships with news media
- Compiles and distributes daily news summary report

Publications

- Edits all Authority communications publications (including MetroBlog, ASG external electronic newsletter, MetroMatters (formerly Buslines) internal newsletter, annual Report to the Community, related web site content)
- Provides editorial support for publications specific to other departments (including CAFR, annual budget document, marketing materials, etc.)
- Coordinates application packets for industry awards

Messaging

- Primary contact point to coordinate messaging of all key issues
- Participates in all discussions of key issues to be able to identify topics that may lead to media coverage
- Assists in preparation/proofreading of board presentations
- Manages public relations contract

Internal Communications

- Leads a group to improve internal communications with all employees
- Coordinates regular staff Q&A sessions with the President/CEO
- Writes and distributes Board Meeting summaries to all employees

Misc. Communications Support

- Provides routine communications support to all departments and board members as needed (writing and/or proofreading of letters, powerpoint presentations, board agenda packets, talking points/speeches, customer service inquires regarding issues in the media; video editing support)

- | |
|---|
| <p>N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:</p> <ul style="list-style-type: none">• why the regulation is needed;• the scope of, and procedures for, inspections or audits of regulated entities;• follow-up activities conducted when non-compliance is identified;• sanctions available to the agency to ensure compliance; and• procedures for handling consumer/public complaints against regulated entities. |
|---|

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Office of Strategic Management

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Office of Strategic Management
Location/Division	Capital Metro Headquarters: 2910 East 5 th St.
Contact Name	Elaine Timbes, Executive Vice President of Performance and Quality
Actual Expenditures, FY 2008	\$569,826
Number of FTEs as of September 30, 2008	2

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Office of Strategic Management (OSM) was created to serve as Capital Metro’s centralized area for strategic plan management and reporting. The OSM is responsible for the coordination, oversight and facilitation of “Route 2025” objectives, performance measures and initiatives. (Route 2025 is the agency’s corporate strategic plan, which was developed through an intensive agency wide effort led by the OSM in 2008.)

In addition, the OSM is also responsible for

- Policy Reviews and Updates
- The Recognizing Resourcefulness Program, an employee idea, cost-savings and cost-sharing program, which recognizes and rewards employees when proposals are implemented and cost savings or cost avoidances are verified (also referred to as “R²”)
- Customer Comment Analysis
- Leading the Steering Team for the “Human Side of Metro,” a leadership training program for Capital Metro and StarTran employees
- Mapping key business processes.

Currently, staff of the OSM is assisting with other strategic priorities within the organization:

- In partnership with the Chief Operating Officer, the EVP of the Office of Strategic Management is involved in the effort to commission the new MetroRail Red Line.
- Due to reduced staffing levels that have resulted from the current economic downturn, OSM has also taken on additional duties to assist with the management of the Capital Metro RideShare Program in conjunction with the Planning Department. In addition to managing the staff and day to day operations, OSM is responsible for drafting a business model for future Rideshare operations. The intent of the new model is to create efficiencies in operations processes, procedures, and program effectiveness.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Strategic plan management, mapping key business processes – In 2008, the OSM led an intensive agency wide effort to develop Route 2025, the agency’s corporate strategic plan. As part of this, corporate performance metrics were identified. Additionally, the OSM has put in place an automated process by which performance measures and initiatives can be reported on a periodic basis to establish trends and conduct root cause analysis; the process is still being refined.

Policy reviews and updates – Under the direction of OSM, all corporate policies are reviewed and amended, if needed, on an annual basis.

R² Program

For FY 2008

- Total number of suggestions received - 37
- Total number moved forward for implementation - 3
- Total number of payouts - 4
- Anticipated or recognized savings - \$1,174

NOTE: In FY 2008, all three proposals implemented resulted in intangible cost savings to the agency. For example, they were either process improvements or other measures for which costs savings could not be quantified or easily quantified. The total number of payouts and anticipated or recognized savings listed above reflect proposals that had been implemented prior to the OSM’s management of the R² Program, but which had not been paid out.

Customer Comment Analysis – In FY 2008, the OSM in cooperation with the Information Technology Department created a tool to analyze data from the agency’s Customer Comment Database. The tool transfers information stored in the Customer Comment Database into another software system that allows the user to view data in different dimensions and views. For example, data can be sorted by route, by date, by service, by operator, etc. The Customer Comment Database does not currently have the capability to analyze trends so this application has been helpful in identifying and monitoring areas that require improvement.

Leading the Steering Team for the “Human Side of Metro” – Under OSM’s management as part of Capital Metro’s Human Side of Metro effort, Capital Metro’s and StarTran’s management teams have completed the “Art of Leadership” training, which combines behavior theory with business practice. Additionally, over 50 percent of StarTran’s bargaining employees have completed this training. The focus of the training includes communication and customer service. As part of the training, OSM also gathers employee input on how the organization can improve communications and service delivery.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

OSM was created in FY 2007.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

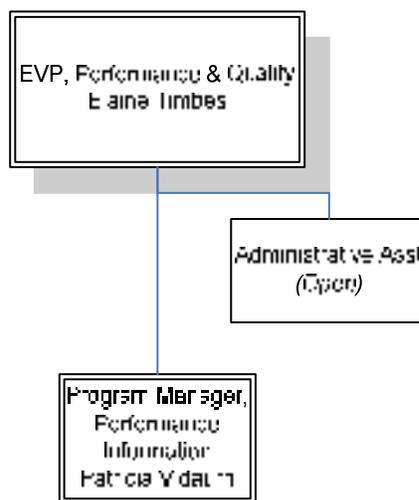
The program affects the entire agency’s performance. All departments contribute to the success of the strategic plan and therefore the OSM interacts with all major business units to encourage and measure each unit’s contribution to the success of the strategic plan.

OSM also interacts with departments affected by any R² proposals.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

See current organizational chart below.

Capital Metro Strategic Management



Policy Approval Process

- OSM notifies Staff of upcoming meetings and issues a call for policies (new and revised) via e-mail
- Upon receipt of signed policies, OSM invites all presenters to the Policy Team meeting for presentation(s)
- OSM documents the Policy Matrix
- OSM provides Policy Team with hard copies three to five days in advance of the Policy Meeting
- Presentations are delivered to the Executive Policy Team
- OSM conducts follow-up, provides meeting summary
- Once the policy is approved by the Team, it is advanced to the President/CEO
- Once President/CEO approval is obtained
 - OSM documents the Policy Matrix
 - OSM document the Master Policy Document
 - OSM notifies the Policy Owner of approval and requests that the Owner update the Intranet (if applicable)
 - OSM follows up to verify that Intranet revisions were made
 - OSM notifies Owner to remove OSM access
 - OSM notify Owner to communicate policy approval and effective date with staff

R² Process

- OSM reviews the submittal/suggestion for completeness
- OSM advances the suggestion to the employee R² team for team review and approval
- OSM advances the suggestion to the appropriate staff manager to review supporting data and determine if the suggestion should be approved for implementation
- If the suggestion is approved, additional due diligence is conducted, including a cost analysis verification by the Finance Department.
- The suggestion is evaluated to determine if there are tangible or intangible cost impacts.
- Employees are recognized as part of the Employee Excellence program.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the Authority's annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

None.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Not applicable.

K. If contracted expenditures are made through this program please provide:

The amount of those expenditures in fiscal year 2008: \$284,813

The number of contracts accounting for those expenditures: 1 contract (with the Balanced Scorecard Institute)

A short summary of the general purpose of those contracts overall: Capital Metro contracted with Balanced Scorecard Institute to provide consulting and business support to facilitate the implementation of a corporate strategic plan

Methods used to ensure accountability for funding and performance: The contractor was asked to submit an implementation plan with targets and milestones. Payments to the contractor were made when milestones were satisfied according to specifications.

A short description of any current contracting problems: None noted.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

None identified at this time.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

No additional information to provide at this time.

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Safety & Security

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Safety and Security
Location/Division	Capital Metro Annex: 624 Pleasant Valley
Contact Name	Mark Ostertag, Director of Safety and Security
Actual Expenditures, FY 2008	\$2,189,962
Number of FTEs as of September 30, 2008	Safety and Security Department – 6 FTEs Security Officers – 11.3 FTEs

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Safety and Security Department works to protect customers, employees and Capital Metro assets from harm, both intentional and unintentional. For unintentional harm (Safety), this is done through training, inspections, and engineering solutions for identified risks. For intentional harm (Security), this is accomplished through physical, personnel and electronic security measures, and monitoring and patrolling both the service area and Capital Metro assets.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

There are two key performance indicators: Crimes Against Persons per 100,000 Passengers and Crimes Against Property per 100,000 Passengers. Both have substantially improved over the last four years. Crimes Against Persons per 100,000 Passengers has been reduced by 42% (0.362 to 0.209) and the Crimes Against Property per 100,000 Passengers by 55% (0.617 to 0.276).

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The Safety and Security Departments were combined in 2005 under the newly created position of Director of Safety and Security.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Safety and Security program affects all Capital Metro employees and passengers. The only qualifications to be affected are that a person must either be a passenger on our system, or work for the

agency. Statistically, this breaks down to approximately 1,100 employees and more than 34,000,000 annual passenger trips.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The Safety and Security Department is administered by the Director of Safety and Security, who reports to the Executive Vice President/Chief Operating Officer. Direct reports to the Director of Safety and Security are:

- One Vehicle Safety Specialist
- One Industrial Safety Specialist
- One Security Coordinator
- One System Security Coordinator
- One Sr. Administrative Assistant

Reporting to the Security Coordinator is the Security Guard Force that provides access control, patrol and monitoring of:

- 2910 E. 5th Street (Headquarters)
- 624 Pleasant Valley (Administrative Annex)
- 509 Thompson Lane (Paratransit)
- 9315 Old McNeil Road (North Ops)
- 323 Congress Avenue (Customer Service)

These guards also monitor the CCTV and access control systems at five Capital Metro Park and Rides and nine Rail stations

Also reporting to the Security Coordinator are more than 60 Austin Police Department (APD) Officers who work directly for Capital Metro on a part-time basis (11.3 FTEs). The APD Officers conduct “Street Security” (responding to security issues on our buses, bus stops and along our routes, and patrol our service area).

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency’s annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

There are no internal programs or departments that provide similar services or functions. Externally, the only similar service or function is provided by the Austin Police Department that patrols our service area and also responds to calls. The difference is that calls made by Capital Metro must fall into the normal response protocol for any police department, which means that calls made by Capital Metro, or our

passengers, may not be addressed in a high priority manner, compared to other calls they are responding to. Since most of our passengers do not ride on the system for a long time, this means that our or their request for police assistance may not be met by the time the passengers exit the system. By employing these off-duty police officers directly, Capital Metro is assured that police officers that are assigned to the transit agency are available to respond immediately to requests for police assistance. This increases the safety and security of both our passengers and employees, and accounts for the primary reason that the Crimes Against Property and Crimes Against Persons on Capital Metro’s system is considerably lower than the surrounding community average.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The off-duty Austin Police Officers employed by Capital Metro only patrol our bus routes, bus stops, rail stations, and park and rides, and only respond to calls made by Capital Metro employees or customers while they are on our system. For further details, please refer to Question H.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Although the Safety and Security Department employs off-duty government employees (Austin Police Officers), there is no formal relationship between this agency and Capital Metro. We only employ their off-duty employees in order to take advantage of their TCLEOSE (Texas Commission on Law Enforcement Officer Standards and Education) certification. The TCLEOSE certification is necessary to do law enforcement in the state of Texas and provides the authority to act as police officers.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fiscal Year 2008 Contract Expenditures: \$858,812.47

Number of Contracts Accounting for Expenditures: 1

Summary of General Purpose of Contracts: Contracted security guards provide access control, patrol, and monitoring of Capital Metro facilities. Guards also monitor the CCTV and access control systems at five Capital Metro Park and Rides and nine Rail stations

Methods used to ensure accountability for funding and performance: Monthly reports are received on all guard services performed, along with invoices. Services are reviewed and verified prior to payment.

Current Contracting Problems: No known contracting problems currently exist.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

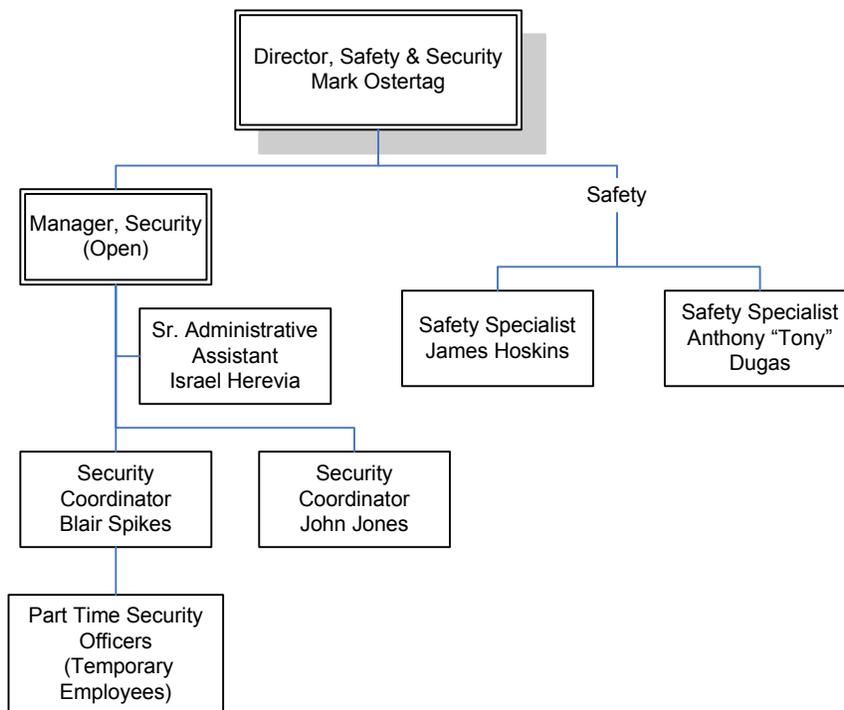
While not a state statutory change, Capital Metro would benefit from incorporating Capital Metro’s rules of conduct into the City of Austin’s Code so that our part-time APD Officers could enforce Capital Metro policy, and not just the law.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

See department organizational chart below.

Capital Metro

Safety & Security
Department 140 - 141



- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Legal

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Legal
Location/Division	Capital Metro Headquarters: 2910 E. 5 th St.
Contact Name	Kerri Butcher, Interim Chief Counsel
Actual Expenditures, FY 2008	\$1,603,525
Number of FTEs as of September 30, 2008	5

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Legal Department provides general legal services and advice to the Board of Directors, the President/CEO and administrative staff, and coordinates outside legal counsel for the provision of specialized legal services such as litigation and real estate transactions. Legal advice can be on any subject; however, is primarily in the areas of procurement and contract negotiation, real estate purchases and management, policy review, employment and personnel matters, and agreements with other entities. The Department performs research and prepares formal and informal legal opinions and coordinates and monitors all legal actions involving the agency including subpoenas, discovery, testimony, and trial preparation.

The agency is governed by both state and federal statute and is regulated by the Federal Transit Administration and Federal Railroad Administration. The Legal Department provides statutory and regulatory guidance and compliance advice for all programs.

The Chief Counsel serves as the Ethics Officer for the agency and is responsible for investigating and responding to ethics complaints from internal and external sources and for providing ethics training to staff and the Board of Directors.

The Legal Department administers the Texas Public Information Act for the agency answering all requests, including numerous requests for information related to personal injury and traffic accidents involving Capital Metro vehicles and property. In-house training for employees on retaining and providing information for requests is done also.

All substantive and logistical matters in support of the Capital Metro Board of Directors are handled by the Legal Department through the Board liaison. This includes compliance with the Open Meetings Act requirements, physical arrangements for meetings and all communication and coordination with Board members.

The agency's records management officer is housed in the Legal Department, providing overall management and coordination of the Capital Metro Records Management Program in accordance with the Texas Government Records Act by maintaining an electronic document management system and off-site physical storage for the agency. The records management officer coordinates and trains the designated

records coordinators for each department to ensure compliance with the state records retention requirements and with the approved record retention schedule.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The agency receives open records requests that are in accordance with the Texas Public Information Act. The agency received and responded to a total of 111 written formal open records requests in FY 2008. A total of 11 of the 111 requests were referred to the Office of Attorney General for review. All requests and responses were in compliance with the Public Information Act. The agency adopted the Records Management program set out by the Texas State Library and Archives Commission. The agency monitors, evaluates, and audits records to ensure compliance with Texas Government Records Act and procedures in our Records Management Policy and Program.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Until the late 1990s when the position of Chief Counsel was created, all legal services, including legal advice to the General Manager and the Board of Directors were provided by contracted outside counsel. The Board of Directors and records management functions were added to the department in 1998. The Chief Counsel was designated as the Ethics Officer for the agency following the recommendation of a 1998 review by the state comptroller.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

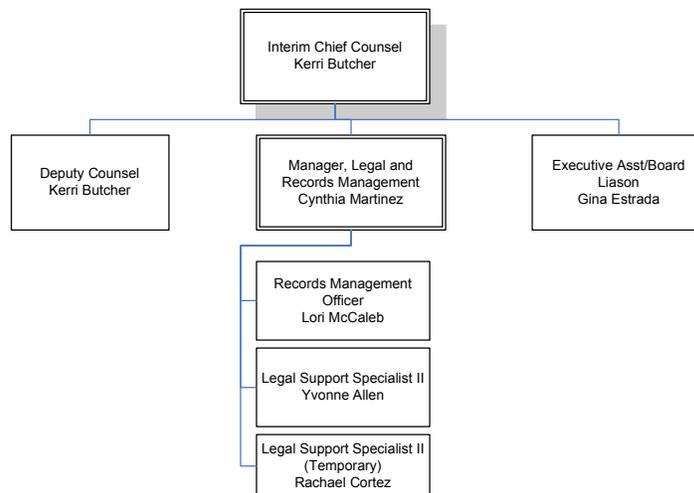
The Legal Department performs legal services for all administrative staff and the Board of Directors.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

See organizational chart on the following page.

Capital Metro

Legal
Department 150



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency's annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

No other program or department provides similar service or functions for the agency. One function of the Risk Management Department provides service in a legal-related area by providing support, testimony and evidence in all personal injury and accident legal cases and claims against the agency's liability insurance. The Legal Department and Risk Management Department coordinate on cases of mutual interest but there is no opportunity for the functions to overlap.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

All legal actions resulting from claims against the agency that might be covered by its insurance are handled by counsel for the risk pool in coordination with the Risk Management Department. All other legal actions are the responsibility of the Legal Department. Counsel for the risk pool and the Risk

Management Department coordinate with the Legal Department on any legal action against the agency involving insurance that could have significant legal or financial implications for the agency.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The Legal Department works with the legal counsel for the entities with regulatory authority over the agency and with the Federal Transit Administration Office of Civil Rights on matters related to Title VI of the Civil Rights Act of 1964. The Legal Department often collaborates with its colleagues in the Capital Metro member cities and surrounding communities in establishing interlocal agreements and memorandums of understanding for shared interests.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Legal Department contracts fall into two categories: contracted legal services with outside counsel and document management services.

Fiscal Year 2008 Contract Expenditures: \$1,192,365.52 for legal services; \$16,500 for document management services.

Number of Contracts Accounting for Expenditures: 23 for legal services, 2 for document management services

Summary of General Purpose of Contracts: Outside Legal Counsel assists the agency in providing legal counsel and advice on expert matters that support the agency's performance of duties and services. Document management includes records storage services for papers, microforms, electronic media and destruction of items that include all paper, computer media and audio/video media.

Methods used to ensure accountability for funding and performance: Reviewing invoices submitted by outside counsel firms to verify work performed and to ensure charges are within contract terms. For document management contracts, monitoring monthly reports provided by contractors to verify information of current and new storage, permanent removal of storage and destruction of items.

Current Contracting Problems: There are no problems with contracting for outside legal services. For the document management contracts, some issues with report errors and crediting agency in a timely manner exist. Staff continues to work with contractors to resolve these issues.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Capital Metro staff has expressed concerns that the agency and possibly other governmental entities are left at a costly disadvantage due to the current law in the Texas Public Information Act. The current law

allows requestors to inspect and review information requests that sometimes include an excessive amount of staff hours to gather documentation and information responsive to the request. The agency at this time is unable to recover any of those costs since we are not allowed to charge if the requestor just wants to inspect the documents. The agency would like to see a change in the law that would allow the agency to recover some costs when voluminous requests are made for inspection reviews.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Finance

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Finance
Location/Division	Capital Metro Headquarters: 2910 E. 5th St.
Contact Name	Randall Hume, Executive Vice President of Finance & Administration
Actual Expenditures, FY 2008	\$3,801,208.00
Number of FTEs as of September 30, 2008	20

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Finance Department is responsible for monitoring Capital Metro’s financial performance, making recommendations regarding the effective allocation of financial resources, ensuring accurate and timely financial accounting and reporting, ensuring the timely payment of goods and services procured for Capital Metro, developing and monitoring annual operating and capital budgets, administering federal grant programs, safeguarding assets, and facilitating strategic financial and information technology planning.

Some of the monthly processes to accomplish these responsibilities include:

- Payroll is processed weekly – administrative and mechanics are paid one week, bus and paratransit operators the following week.
- Farebox revenue is counted by the Treasury department and deposited daily.
- Accounts payable is processed weekly and paid in accordance with the Texas Prompt Pay Act.
- The general ledger is reviewed and closed by the 10th of each month. Each month, the operating budget is compared to actual expenditures and variance reports are sent to each department manager for review and explanations for material variances. Capital project spending is monitored monthly as part of the monthly close.
- Grant accounting is reported monthly.
- Fixed assets are created from the Work in Progress accounts quarterly.
- Operating and capital budgets are prepared annually for approval by the Board of Directors in September of each year.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

In addition to the items mentioned above, the agency has an external audit each year and a Comprehensive Annual Financial Report is issued within six months after fiscal year end. The external audit includes an Independent Auditors’ Report on Internal Controls for financial statements. Since Capital Metro receives grants from the Federal Transit Administration (FTA), the external auditors also issue an Independent Auditors’ Report on Compliance with Requirements Applicable to Its Major

Program and on Internal Control over Compliance in Accordance with OMB Circular A-133, which is an audit on the grant program. The external auditor also issues an Independent Accountants' Report on Applying Agreed-Upon Procedures for the National Transit Database (NTD) report. This report is used by the Federal Transit Administration (FTA) to compare certain standards among all transit authorities in the United States.

The Government Finance Officers Association of the United States and Canada presented Capital Metro with certificates of achievement for its budget and financial reporting practices in 2006, 2007 and 2008 (Achievement for Excellence in Financial Reporting and Distinguished Budget Presentation Award.)

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Not applicable – financial functions have remained relatively consistent over time.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Finance Department is charged with managing resources consistent with directions given by the Capital Metro Board of Directors. All employees and stakeholders of the Capital Metro service area are impacted, directly or indirectly, by financial decisions.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The Finance Department supports the accomplishment of the agency's primary mission and objectives, to provide transportation related services to the service area. The Finance Department has no field operation locations.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The Finance Department is a "general and administrative" department. It is allocated funds through the agency's annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

None.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency. Federal and state grants administration.

Capital Metro receives federal grant funds through the FTA for transit related funding. The Finance department has a financial analyst that is dedicated to administering the federal funding process. This includes ensuring that all regulatory reporting requirements are adhered to, including ARRA required reporting.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

• **Amount of expenditures in fiscal year 2008:** \$1,373,476.82

• **Number of contracts accounting for those expenditures:** 7

• **Summary of general purpose of contracts:** Banking services, auditing services, investment portfolio advisor, payroll processing, purchase of tickets and passes, and financial consulting.

• **Methods to ensure accountability for funding and performance:** Each contract is assigned to a Contracts Administrator in Procurement and a Contract Manager. All contracts are administered in accordance with procedures established by the Procurement Department. The Contract Manager monitors the contract, reviews and approves vendor invoices, and monitors vendor performance. If problems arise, the contract manager will work with the Contracts Administrator to resolve issues.

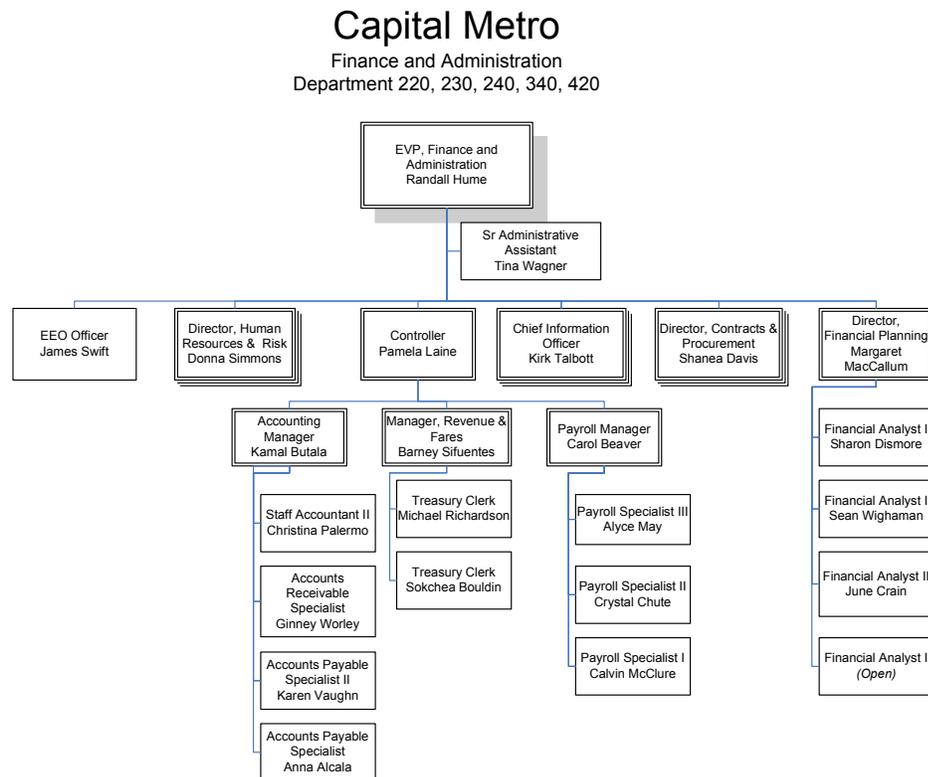
• **Current contracting problems:** None

L. What statutory changes could be made to assist this program in performing its functions? Explain.

None identified at this time.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

See organizational chart below.



N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Information Technology Department & Business Center

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Information Technology & Business Center
Location/Division	Capital Metro Headquarters: 2910 East 5 th St.
Contact Name	Kirk Talbott, Chief Information Officer
Actual Expenditures, FY 2008	\$2,777,427 – Information Technology 431,573 – Business Center
Number of FTEs as of September 30, 2008	21

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Information Technology Department provides for the planning, development, implementation, maintenance and support of all technology throughout the agency. The Business Center group provides all copy, print, and paper production services required by the agency.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Information Technology – The operational efficiency of the Information Technology Department is measured and benchmarked against other agencies and private industries by comparing the percent of total revenue spent on Information Technology. For FY2008, the agency spent approximately 1.8% of total revenue on Information Technology functions. This is in comparison to an industry average of 1% to 3%, with other industries expending as much as 6% of total revenue on Information Technology.

Business Center – Internal Audits have shown that, since inception, outsourcing of this function has resulted in a 25% cost savings to the agency compared to previous operational costs when the function was handled internally. This function is required for all areas of the agency to complete their respective missions.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

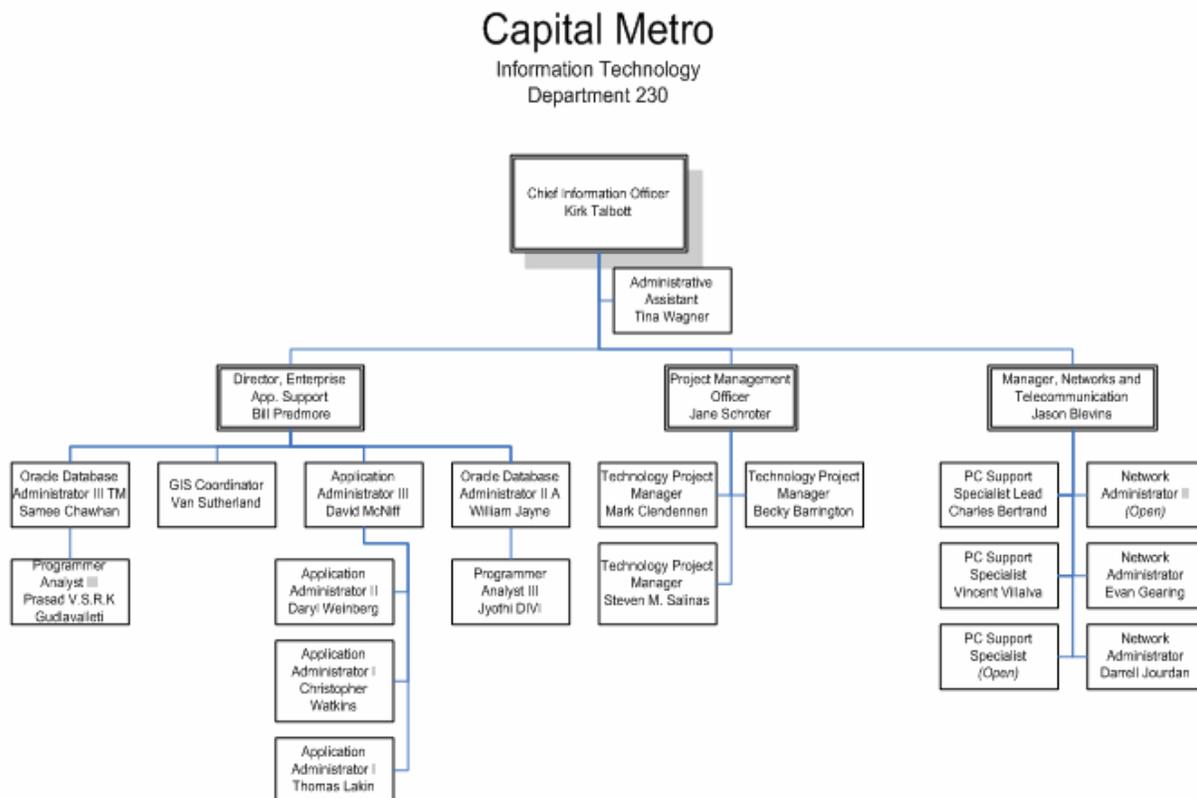
None.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

Both the Information Technology and Business Center functions are offered to all employees (permanent or temporary) and contractors working for Capital Metro or StarTran. Since the services are offered to everyone, usage statistics are not maintained and there are no qualification criteria for consumption of services.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The program has two primary administrative tasks: 1) maintain existing equipment necessary to support agency objectives, and 2) take requests for repairs and other project type work. See organizational chart below.



Maintenance activities are scheduled by managers and documented for all re-occurring maintenance tasks. Requests for repair and project work are collected centrally through a ticket tracking application and then assigned to the appropriate personnel for execution. Management monitors and evaluates all requests for work and standard maintenance activities to ensure professional quality and consistency.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

These programs are allocated funds through the agency's annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

Some capital projects for Information Technology are funded through varying grant sources depending on the nature of the project and appropriate grant sources.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Not applicable.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

No current external agencies coordinate with Capital Metro in these functions. Some talks of potential collaboration have taken place with the City of Austin, but nothing has yet been formalized.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

- **Fiscal Year 2008 Contract Expenditures:** \$ 4,094,300.13
- **Number of Contracts Accounting for Expenditures:** 12
- **Summary of General Purpose of Contracts:** Contracts provide a variety of services in support of the agency's technology needs. Contract types are defined as follows:

- **System Maintenance:** Contracts provide support and repair services for existing agency technology systems. These contracts are typically continued on a yearly basis and periodically re-procured to ensure competitive pricing and responsive vendors. These contracts support ongoing technology needs for the agency.
- **Project Implementation:** Contracts provide design, construction, installation, review, and support for the implementation of new technology systems. Once these systems have been implemented these contracts expire. Most new systems will require a system maintenance contract of some sort which is procured after the initial vendor's warranties have expired.
- **Professional Services:** These contracts provide professional delivery of specific services needed for the daily operation of the agency. Currently the only contract of this type is the lease, delivery, and maintenance of business copy and print solutions for the entire agency.
- **Methods used to ensure accountability for funding and performance:** All contracts are administered in compliance with the Capital Metro Purchasing and Contracting Manual. As per the manual, each contract is assigned a buyer and contract manager to monitor vendor progress and performance, authorize payments consistent with contract documents, resolve disputes, and take action when performance is not acceptable. Capital Metro also regularly uses the contract checklists defined by the contract to evaluate vendor performance. Contract documents also include specific language regarding expected performance. In addition, contracts are independently reviewed by the internal audit to determine contract compliance and application of best practices. During FY2008, three of the IT department's contracts were audited for this purpose.
- **Current Contracting Problems:** No significant contracting issues have arisen. However, typical contract delays and misunderstandings have occurred including the following:
 - Contractors have had disputes over intent of contract language (all such issues were successfully resolved).
 - Contract deliverables have been delayed due to a variety of reasons. Acceptable contract results were achieved after revising project timelines within the terms of the related contracts.
 - Unforeseen scope changes were required from both parties. All such scope changes were handled through the standard contracting process.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

None identified at this time.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

This is a standard IT function comparable to IT functions provided by other government agencies.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Procurement

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Procurement
Location/Division	Capital Metro Headquarters: 2910 E. 5 th St.
Contact Name	Shanea Davis, Procurement Director
Actual Expenditures, FY 2008	\$998,357
Number of FTEs as of September 30, 2008	14

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Procurement office performs a variety of purchasing operations and customer service core to Capital Metro purchasing--ranging from administering all contracts awarded by Capital Metro to processing hundreds of bid invitations (IFB), requests for quotes (RFQ) requests for proposals (RFP), statements of qualifications (SOQ), and awards for all contracts for Capital Metro. Capital Metro is authorized by the Federal Transit Administration (FTA) to carry out its procurement functions in accordance with federal guidelines and agency policy, and the Texas Transportation Code Sections 451.110-.111, <http://www.statutes.legis.state.tx.us/Docs/TN/pdf/TN.451.pdf> - starts on e-pg. 20

The Department's immediate customers are the other Capital Metro departments such as IT, Capital Projects, and Maintenance that ultimately serve the end-use transit customers. The overall mission of the Procurement function is to obtain full and open competition through the use of competitive procedures in accordance with agency policy and procedures. Enhanced competition allows the Procurement department to manage and reduce the total cost of providing transit service to customers.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The table on the following page provides some key performance metrics for the department.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Totals
Total # of Solicitations	1	9	3	1	3	2	4	5	3	4	3	3	13	6	12	10	41
Total # of Offers Received	3	35	19	4	11	7	23	15	16	15	14	3	57	22	54	32	165
Average # of Offers per Solicitation	3	4	6	4	4	4	6	3	5	4	5	1	4	4	5	3	4
Total # of RFPs	0	6	3	1	2	1	1	2	0	1	1	0	9	4	3	2	18
Total # of Days To Award	0	558	185	184	163	132	133	246	0	78	110	0	743	479	379	188	1,789
Average # of Days to Award RFPs	0	93	93	184	82	132	133	123	0	78	110	0	83	120	126	94	99
Total # of IFBs	1	4	0	0	1	1	3	2	3	4	2	3	5	2	8	9	24
Total # of Days To Award	96	325	0	0	81	39	167	108	171	259	168	166	421	120	446	533	1580
Average # of Days to Award IFBs	96	81	0	0	81	39	56	54	57	65	84	55	84	60	56	66	66

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Not applicable.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

As purchasing at Capital Metro is centralized in the Procurement department, every department that requires purchasing of goods or services must utilize the services of the Procurement department. Potential external vendors are notified of purchasing opportunities through a third party administrator, DemandStar. Vendors may register with DemandStar on Capital Metro's website. There is no cost to the potential vendor to receive notice of solicitations for Capital Metro. If a solicitation is issued matching any of their listed NIGP codes, they are notified by DemandStar.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The Board of Directors' authorized Acquisition Policy of Capital Metro is designed to set forth the minimum standards for processing third party contracts. These policies are furnished to ensure that materials and services are obtained timely, efficiently, and economically, adhering to principles of good administrative practices and sound business judgment, utilizing Disadvantaged Business Enterprise (DBE) firms as an integral part of the process.

All procurement transactions, except micro purchases as defined herein, must be conducted in a manner that provides for maximum competition consistent with FTA Circular 4220.1F, "Third Party Contracting Requirements," Department of Transportation 49 CFR Part 18 and 26, and the Capital Metro Employees'

Code of Conduct. By following federal standards, Capital Metro preserves the ability to apply federal funds, if desired.

Contracts outside the scope of third party contracting include employment contracts, real estate contracts and intergovernmental agreements. When possible, Capital Metro will purchase common goods and services using available Interlocal Cooperation Contracts and Agreements. Capital Metro is a member of the Texas Procurement and Support Services Cooperative Purchasing Program (State of Texas CO-OP), HGACBuy which is a Government-to-Government procurement service available nationwide, the Texas Cooperative Purchasing Network (TCPN) and BuyBoard, a Local Government Purchasing Cooperative.

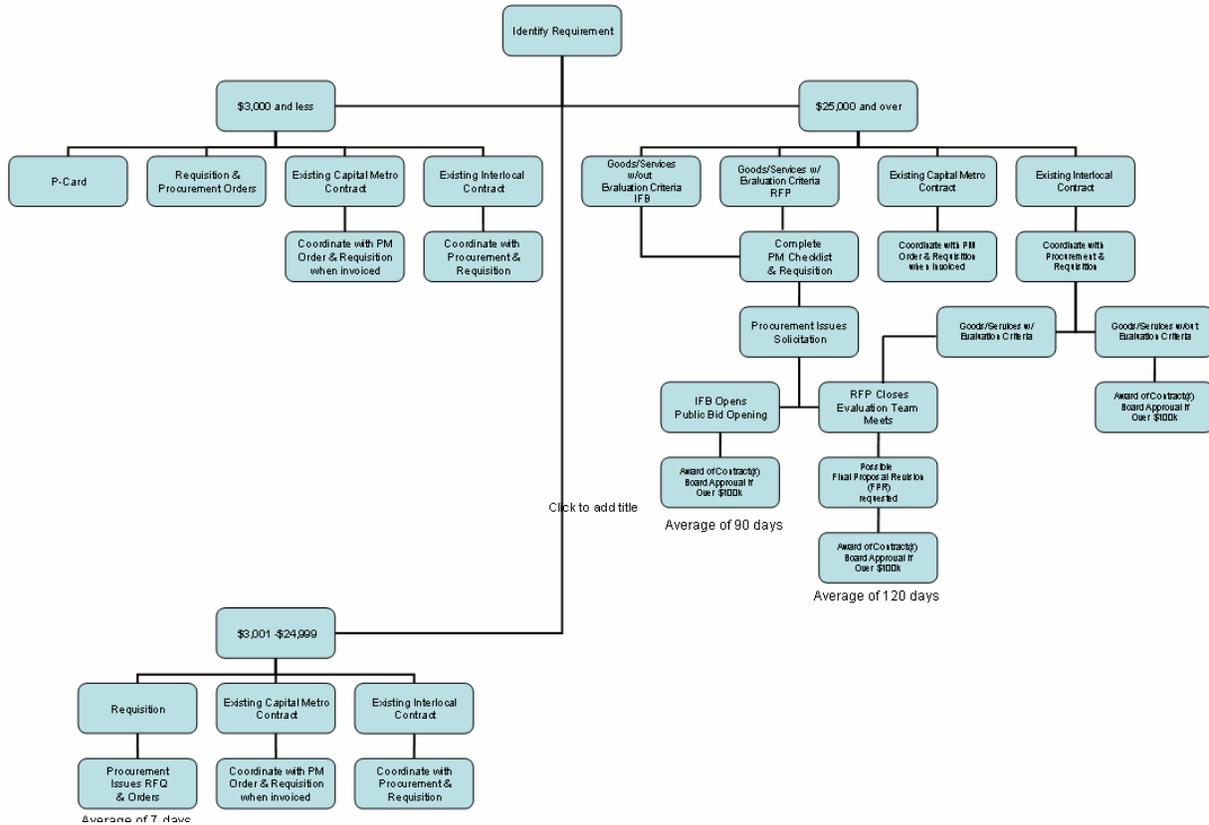
Capital Metro does not implement any procurement practices which give in-state or local geographical preferences in the evaluation of bids or proposals, except in those cases where Federal statutes expressly mandate or encourage geographic preference.

Capital Metro policy recognizes four basic procurement methods:

- Micro (below the Federal Micro Purchase Threshold currently \$3,000) and Small Purchase (from the Federal Micro Purchase Threshold to \$25,000) Procurements (Chapter III);
- Sealed Bid (greater than \$25,000) (Chapter IV);
- Competitive Proposal (greater than \$25,000) (Chapter V); and
- Non-competitive Proposals (Chapter VI).

These methods encompass every type of third party contract currently utilized in procuring goods, services, equipment, and construction for Capital Metro through local funds or federally-assisted programs or projects. A procedure has been developed for each method from inception of a project to its close out. Procurements must be conducted in a manner that allows for full and open competition. Contracts with a value of \$25,000 or more are awarded by sealed bid or competitive negotiation.

See the procurement workflow on the following page.



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency’s annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

No other internal programs provide identical or similar services or functions. Locally, a few external programs that are identical or similar would include all City of Austin purchasing offices or departments; Travis County Purchasing Office; the Texas Comptroller of Public Accounts Purchasing Offices; the University of Texas purchasing office.

All government agencies are responsible for the acquisition of all goods and services required by departments of the public service. The main goal of the government procurement offices is to ensure procurement is conducted in an open and competitive environment while maintaining fair and equitable opportunities for suppliers to compete for government business. Best practices for policies and procedures among government agencies are usually very similar and often identical.

The services or functions of the Procurement department most closely mirror all other agencies or organizations under the regulation of the FTA. Minor differences will result from different state and local legislation that may be more restrictive than the federal requirements.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Capital Metro is able to utilize federal GSA contracts under schedule 70 General Purpose Commercial Information Technology Equipment, Software, and Services and participate in the State of Texas CO-OP Purchasing program and the Texas Multiple Award Schedules (TxMAS). These are the primary vehicles the Procurement department utilizes to avoid duplication of efforts. Several local government entities that provide transportation services are included in Capital Metro solicitations when a solicitation is issued for the purchase of fuel. These include, City of Austin, Round Rock Independent School District, Waco Independent School District, Austin Independent School District, and Texas State University. There is no conflict if the department did not utilize these services.

Long distance, local phone service, and cell phone service are all purchased off of contracts on DIR; temporary services, and security services are purchased off of state term contracts; hosting services for software are currently purchased off of contracts on GSA Schedule 70.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The department's functions are regulated by the FTA. The FTA has a vested interest in assisting Capital Metro to maintain an efficient and effective procurement systems as well as a legal responsibility to ensure that Capital Metro expends federal funds in accordance with FTA regulations, the Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (49 CFR Part 18), and the contractual agreements between FTA and Capital Metro.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fiscal Year 2008 Contract Expenditures: No contracted expenditures are made through the Procurement Program.

Number of Contracts Accounting for Expenditures: The program is responsible for the Contract Administration functions of 342 contracts in 2008.

Summary of General Purpose of Contracts: Capital Metro issues the following contracts for goods and services:

Business Services	Temporary employees, uniform rental, moving, storage, advertising, security, consulting, medical laboratory, auctioning, background checks, financial advisory, catering, employee benefits, lobbying, project management
Capital Improvements	Construction, architects, engineers, appraisals, title searches, environmental, survey, signage, track improvements
Other Services	Office equipment and supplies, furniture, copiers, fax machines (office computer hardware and software, vending), janitorial, grounds maintenance, elevator, records storage, inspections, HVAC repair
Printing/Graphics	Brochures, timetables, newsletters, engineering drawings, typesetting, maps, awards, decals, logos, forms, promotional items, schedule books, pocket schedules
Vehicles	Buses, vans, trucks, automobiles, oils/lubricants, fuels, and associated parts

Methods used to ensure accountability for funding and performance: The contract administration methods used to ensure accountability for funding and performance are compliance with Board approved policy and procedures; Federal Transit Administration Circular 4220.1F Third Party Contracting; Compliance with State and Local legislation and regulations; Federal Transit Administration Best Practices Procurement Manual (BPPM); Federal Acquisition Regulations (FAR)

Current Contracting Problems: Capital Metro is required to comply with Federal, State and Local legislation and regulations. Overall these rigorous compliance requirements have forced the agency to perform well in both contracting and project management. (For example, while both the 2006 and 2009 Federal Transit Administration “Triennial” Reviews reviewed the agency’s procurement program, they did not have any findings in this area) However, because each contract is unique and some are quite complex, Capital Metro encounters many of the same problems in administering and managing contracts that other private and governmental entities encounter. These include:

- The Contractor not understanding and/or failing to comply with the terms of the contract they have signed.
- Project Managers and/or Contract Administrators not performing sufficient contract monitoring and oversight.
- Scopes of Work, Statements of Work, Drawings and Specifications may lack sufficient detail necessary to communicate the expected outcome(s).
- Project Managers authorizing work without proper authority.

Project Managers and Contractors failing to ensure that any changes in direction in the contract are clearly documented, communicated through appropriate channels, and coordinated between the Project Manager and the Contracting Officer.

Failure of Contractors and Project Managers to understand that the Procurement department has no authority to deviate from the laws and regulations it is required to follow.

These issues have been addressed by the Procurement Department and through internal audits. Internal audits of both the Procurement Department and individual contracts have resulted in corrective actions to strengthen and improve contract oversight and help ensure compliance with legislation and regulations. Compliance and improvement will continue as an on going process.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

The federal small purchase threshold is \$100,000. The state small purchase threshold is \$25,000. Because the state’s threshold is more restrictive, federal regulations require we comply with the state requirements. A change in the statute governing the small purchase threshold by increasing it to match the federal threshold would allow Capital Metro to meet user departments’ time constraints more quickly for purchases under this amount.

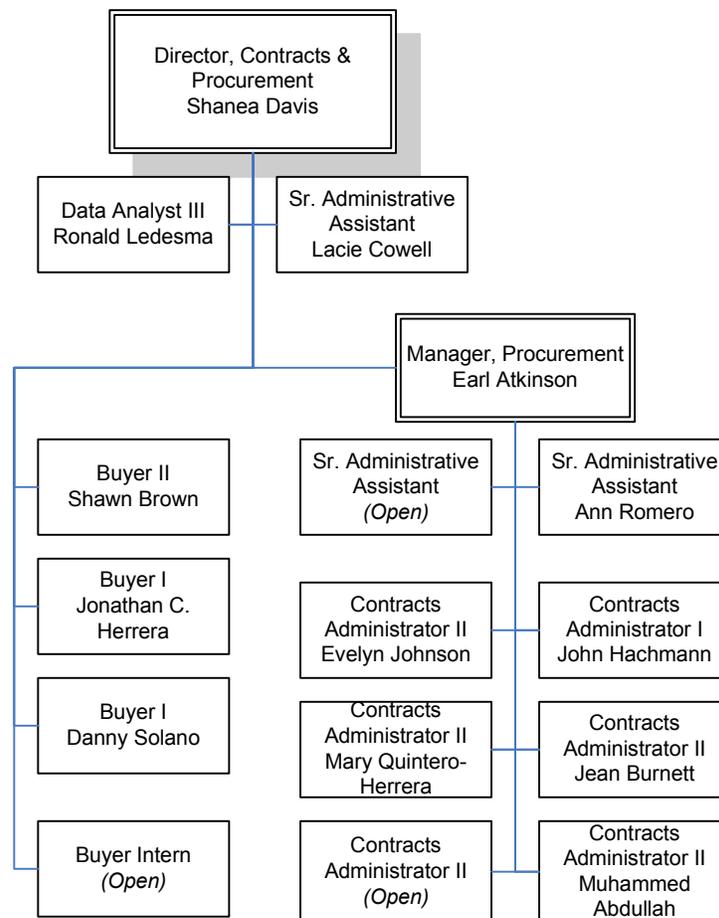
M. Provide any additional information needed to gain a preliminary understanding of the program or function.

See organizational chart below.

Capital Metro

Contracts & Procurement

Department 250



- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. RideShare

A. Provide the following information at the beginning of each program description.

Name of Program or Function	RideShare
Location/Division	Capital Metro Annex: 624 Pleasant Valley
Contact Name	Todd Hemingson, Vice President of Strategic Planning & Development
Actual Expenditures, FY 2008	\$262,378
Number of FTEs as of September 30, 2008	3

B. What is the objective of this program or function? Describe the major activities performed under this program.

The RideShare program provides alternative mass transportation solutions that reduce the number of single occupancy vehicles on area roads. The RideShare program manages vanpool/carpool operations, including the ongoing assessment of performance, and conducts marketing and outreach activities with employers, the general public and individual groups to form new vanpools/carpools and recruits members for existing vanpool/carpool groups. RideShare program staff also promote all Capital Metro services in the community.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

In FY2008, the RideShare Program helped reduce traffic congestion by providing 346,446 shared-passenger trips. The average number of riders per trip was 4.7. In September 2008, there were 145 active vanpool/carpool groups, with a waiting list of 56 groups.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

In 1981, the City of Austin initiated a RideShare program to increase energy conservation awareness and to reduce pollution and roadway congestion. The primary focus was to provide free carpool matching assistance to Austin area commuters.

When Capital Metro was established in 1985, responsibility for RideShare coordination transferred to the agency. Subsequently, Capital Metro entered into a referral agreement with a third-party provider of vanpool services. All reimbursements for third-party services were to be provided through passenger fares; no direct payments were to be made from Capital Metro for such services.

In 1988, Capital Metro implemented a pilot project to subsidize vanpools on routes identified as under-performing and targeted for elimination. All vanpools must have origins and destinations within the

Capital Metro service area; vanpools may not duplicate fixed route service, unless approved by the Board; and subsidies paid by Capital Metro will be fixed and paid directly to the third-party service provider. The program was subsequently amended to provide a subsidy for all vanpools operating exclusively within the service area.

In 1998, a cost analysis was performed to determine the feasibility of continuing to outsource the vanpool service, or bring it in-house. It was determined to be more cost effective to operate the vanpool program internally, therefore it was brought in-house in December 1998. Capital Metro provided the vehicle, fuel and maintenance. Participants paid a fixed monthly fee to be in the program.

As the Austin area experienced significant growth in the late-1990s, and Capital Metro focused on regional mobility issues, vanpool services were expanded outside the service area. Effective January 1, 2000, groups whose trips either originated or terminated outside Capital Metro's service area were eligible to participate in the vanpool program. The program was designed to recover 100% of the operating costs associated with operating the vehicle outside the service area.

In 2009, it was determined that the RideShare program should be moved to the Strategic Planning Department. This action was to help ensure better coordination with the overall provision of mobility services by the agency. (RideShare can supplement and/or lay the ground work for other forms of transit.) Also, the retirement of the long-time manager of the RideShare team offered an opportunity to re-think the program operation and direction. As of August 2009, this transition was in the process of being formalized, and it was expected to be approved by the beginning of FY2010.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

A RideShare group will consist of adult commuters, and they will drive themselves to and from work. Each group must share similar origins, destinations, work schedules and days off. Each group will consist of a primary driver, alternate driver, and members.

All primary and alternate/back-up vanpool and carpool drivers must have a valid Texas Driver's license, proof of insurance or personal liability insurance, proof of a valid USA driver's license, and an acceptable 5-year driving record.

All drivers must complete a vanpool or carpool orientation/training course to become approved. All drivers are also required to complete a driving refresher-training course every two years. These courses help ensure that each driver has current and up to date safe driving skills. The driver is responsible for the cost of the course and must provide a certification to the Capital Metro RideShare office that s/he has satisfactorily completed the course.

The RideShare office staff will review each approved driver's Texas Department of Public Safety (DPS) Driving Abstract (driving records) every eighteen months. Drivers must meet the Driver Selection Criteria (minimum requirements) to maintain eligibility. Drivers who fail to meet the minimum requirements will lose their driving privileges.

Capital Metro RideShare groups must maintain a minimum number of members each month, according to vehicle size. Minimum membership is: vanpool groups (5 members), carpool groups (4 members). All members (including the primary driver) must ride to and from work an average of three (3) days per

week. The monthly ridership for a RideShare group should be equal to three trips per member. Non-compliance with any policy or procedure may result in termination of RideShare membership privileges.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

Capital Metro monitors RideShare vehicles, ridership, commute route/mileage, pick-up/drop-off locations, safety and similar processes to verify that all groups operate within the guidelines of the RideShare program. RideShare groups, drivers, back-up drivers or riders may lose program privileges for failure to comply with any listed responsibility.

Capital Metro reserves the right to enter any RideShare vehicle at any time. The vehicle will be inspected, at least once each year. The inspection will include the current Monthly RideShare Mileage/Ridership log, vehicle body, decals, wiper blades, tire tread, lights, horn, windows, running board, radio, AC/heater, brakes, fluid levels, jack and spare tire, condition of the interior, and Insurance Report form. A listing of the items that need repair will be provided to the driver. Follow-up on the completion of the repairs will follow the standard repair procedure. RideShare program staff members may also ride with groups to perform on-board surveys. Staff members will have Capital Metro employee picture identification for security purposes. Other items that the staffer may review will be the monthly Mileage/Ridership log, gas card, insurance card and report form. These opportunities will also allow us to take comments directly from the RideShare members.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency's annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income. Fees from RideShare participants are collected to partially offset expenses.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Capital Metro partners with a complementary service, Austin CarShare, a local non-profit. Austin CarShare provides access to vehicles to run errands and get to appointments. Car sharing is a convenient service that allows members to reserve vehicles by the hour, online or by phone. For more information see: <http://www.austincarshare.org>.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Services provided by Capital Metro and Austin CarShare are complementary.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

5310 Funding Program

Capital Metro has also entered into interlocal agreements with the Texas Department of Transportation (TxDOT), Austin Groups for the Elderly (AGE), Easter Seals-Central Texas, and The Mary Lee Foundation to offer Community Van services through the Elderly and Persons with Disabilities Transportation Program in Texas (Section 5310).

This program helps Capital Metro manage demand for its paratransit services. Passengers who utilize this service through the non-profit agencies also use, or are eligible to use, Capital Metro's paratransit services.

TxDOT provides program oversight to ensure compliance with the program parameters. The non-profit agencies provide the driver, fuel and insurance for the vehicles. Capital Metro provides the vehicles and preventative maintenance services. Capital Metro is reimbursed for the cost of vehicles over the life of the interlocal agreement.

CAMPO Commute Solutions

Capital Metro has partnered with CAMPO for several years by providing 15% of the local match to the federal STPMM Funds required for the Commute Solution program. The additional 5 percent match is provided by the City of Austin (Austin Energy-Air Quality Program). Without a 20 percent local match, CAMPO would not receive federal funding for this program. The goals of the program are in-line with many of Capital Metro's goals, such as, promoting multimodal transportation and ease of regional mobility. The proposed projects include events that increase the exposure, promotion and advertisement of Capital Metro's services. Additionally, the Commute Solution program makes direct referrals of employees and employers to Capital Metro for RideShare services. Signatories from the five-county region, which includes the Capital Metro service area, committed to support the EPA's Early Action Compact through policy initiatives that lead to the distinct regional air quality improvements. One of the seven approved state assisted emission reduction measures includes a Commute Emission Reduction Program. This program would reduce on-road NOx and VOC emissions and is designed to allow employers choice and flexibility in meeting requirements.

K. If contracted expenditures are made through this program please provide:

- **the amount of those expenditures in fiscal year 2008;**
- **the number of contracts accounting for those expenditures;**
- **a short summary of the general purpose of those contracts overall;**
- **the methods used to ensure accountability for funding and performance; and**
- **a short description of any current contracting problems.**

Fiscal Year 2008 Contract Expenditures: \$252,108.

Number of Contracts Accounting for Expenditures: 1

Summary of General Purpose of Contracts: Capital Metro has a contract with Klingemann American Car Care Centers to provide complete maintenance services, including regularly scheduled preventative maintenance and repairs for the RideShare fleet.

Methods used to ensure accountability for funding and performance: Weekly reports are received on all services performed. Services are reviewed and verified prior to payment. Periodic on-site visits are performed to verify records.

Current Contracting Problems: No known contracting problems currently exist.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Because this program is oriented towards reducing single occupant vehicle travel for work commute trips, and targeted to employers, statutory changes that provide incentives for ridesharing would assist this program. For example, the state could consider tax incentives for employers that offer to subsidize their employees' participation in a carpool or vanpool; the state could also set an example by providing preferred parking for rideshare vehicles at all state facilities.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

As noted in Question D., the Rideshare Program will transition to the Strategic Planning Department in FY2010.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- why the regulation is needed;
 - the scope of, and procedures for, inspections or audits of regulated entities;
 - follow-up activities conducted when non-compliance is identified;
 - sanctions available to the agency to ensure compliance; and
 - procedures for handling consumer/public complaints against regulated entities. Not applicable. Capital Metro does not have any regulatory oversight of this nature.

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Strategic Planning

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Strategic Planning
Location/Division	Capital Metro Headquarters: 2910 E. 5 th St. Capital Metro Annex: 624 Pleasant Valley
Contact Name	Todd Hemingson, Vice President of Strategic Planning and Development
Actual Expenditures, FY 2008	\$1,291,675
Number of FTEs as of September 30, 2008	23

B. What is the objective of this program or function? Describe the major activities performed under this program.

Strategic Planning responds to each of the three focus areas of the agency’s Route 2025 Strategic Plan: Customer-Driven Service Excellence, Sustainable Business Growth, and Strategic Partnering.

The Strategic Planning function also directly works towards many of the strategic agency objectives, most specifically Objective # 1: Increase value to the community; Objective # 2 Improve customer satisfaction and loyalty; Objective # 7 Build and sustain effective partnerships; and Objective # 9 Improve design and allocation of services.

Planning functions are divided into four major areas of responsibility:

Service Planning: Plan current services and changes within a five-year horizon, which includes reviewing and analyzing services, preparing and communicating service changes, developing short-range plan documents, handling service and bus stop-related issues and requests, helping manage the Capital Metro Geographic Information System (GIS), and other related activities. Support community and neighborhood planning initiatives in the Service Area.

Long-Range Planning: Plan future services and major facility projects over a long-term horizon, including the development and review of long-range service and facility projects, travel demand forecasting, land use reviews, and other related activities.

Scheduling: Develop schedules for fixed route bus operations and bus operators, including work schedules. Perform data analysis, running time identification (time required to travel the route under normal conditions), schedule development, blocking (assigning buses to complete route schedules), and run-cutting (assigning bus operators to cover all scheduled trips).

Service Analysis: Collect and analyze service-related information to support planning and other Capital Metro functions. Data collected and processed include farebox ridership data, automated passenger counter (APC) data, service data, and field data collection, including ride checks, point checks (for on-time performance), and various special passenger surveys.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Within the four major functional areas, key statistics and performance measures that convey the effectiveness and efficiency of Strategic Planning are outlined below. Additionally, while difficult to quantify, substantial work within this area goes toward maintaining and improving partnerships with public and private sector stakeholders. To function effectively, transit must be integrated into both transportation planning and land use planning within the central Texas area and staff within this area work with partners from the City of Austin, CAMPO, Travis County, State of Texas, suburban cities, and many other entities and individuals towards this purpose.

Service Planning: The service planning team has developed a fixed route system of service that provides the highest per capita ridership in the State of Texas. Per the 2007 National Transit Database (the most recent available), the fixed route system provides an average of 30.4 passenger trips per revenue hour and 2.4 passenger trips per revenue mile. Service productivity has also been on the rise, as evidenced by a 14 percent growth in annual fixed route ridership compared against a 9.8 percent increase in annual service hours over the period of 2001-2008. The performance of this group is based on the efficient and effective design, implementation and monitoring of service changes, which occur three times per year.

Long-Range Planning: The long-range planning function at Capital Metro is responsible for the establishment and updating of the All Systems Go plan, the agency's 25-year long-range plan, and for the transit element of the CAMPO long-range plan. Due to the long term nature of the work of this group, quantifiable performance measures are difficult.

Scheduling: The scheduling team is responsible for assigning and optimizing buses and bus operators to the fixed route service provided by the agency. A common measure in the transit industry for assessing scheduling efficiency and effectiveness is known as the "platform to pay" ratio (the total hours of bus operation relative to the total hours paid to the bus operator). At Capital Metro, this figure has remained consistently in the range of 91.17 to 91.51 percent. This figure compares well against peer transit agencies nationally.

Service Analysis: The service analysis team collects and analyzes critical ridership data, both for internal use in improving services and for distribution to the National Transit Database, a prerequisite to receiving federal funding. The performance of this group is based on the timely and accurate collection, analysis and dissemination of data monthly, quarterly and annually.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The functions within Strategic Planning have remained relatively consistent over time, with the general focus of continuous improvement of the public transportation services provided by the agency.

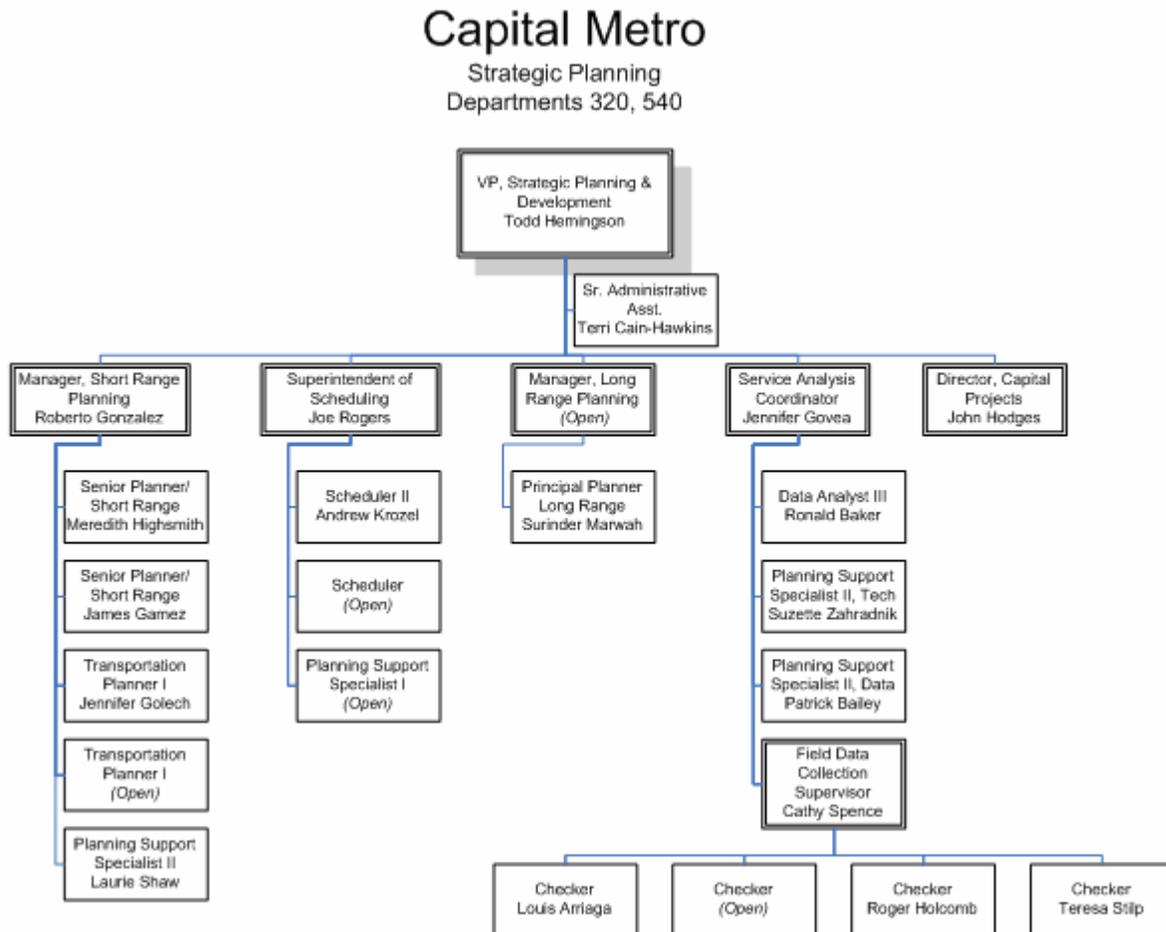
E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Strategic Planning function affects a broad range of constituencies. The development of service specifications, including route alignment, schedule, frequency and operating period affect bus operators and customers. Broader planning efforts affect taxpayers who support the service, current and potential customers, and others who benefit from the mobility that public transportation provides. Because the fixed route service is open to all (MetroAccess services are limited to those eligible under the ADA), essentially all residents, workers and visitors are potentially affected. Thus, there are no specific eligibility requirements, nor is there a specific statistical breakdown of persons/entities affected.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

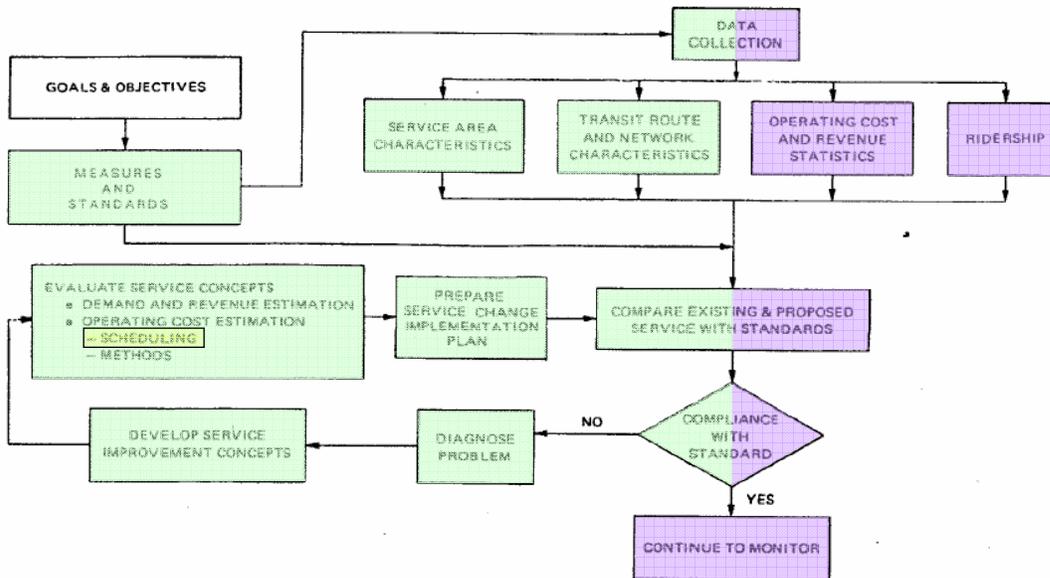
The Strategic Planning function is administered using a team-based, collaborative approach. The general reporting structure is shown on the following organization chart:

See current organizational chart below.



For service planning work, the following flowchart defines the process:

TRANSIT PLANNING WORKFLOW



There are no field or regional services.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency’s annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

There are no programs that provide identical services and functions. Programs that provide similar functions include the following:

- Capital Area Rural Transportation System (CARTS): CARTS provides rural transit service in the central Texas area, and to do so conducts work similar to the Strategic Planning program at Capital Metro. However this work is for CARTS’ own services.
- City of Austin Transportation Department: The City of Austin also plans transportation services and facilities, and works closely with Capital Metro Strategic Planning. However, their focus is restricted geographically and extends well beyond transit.
- CAMPO: CAMPO coordinates transportation planning efforts on a regional basis, again in close coordination with Capital Metro Strategic Planning staff. However, they do not extend their work into service planning, are not an implementing agency, and have a broader focus.

- TxDOT: TxDOT also plans and implements transportation projects, but focuses primarily on automobiles and roadways, not public transportation.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The Strategic Planning function coordinates intensively with other entities to avoid duplication and improve compatibility between and among projects, plans and activities. For example, Strategic Planning staff work closely with various sections within the City of Austin on both land use and transportation planning issues. This can take the form of participation in subarea plans and specific projects, with technical staff serving on advisory committees, attending public meetings and meeting with project staff. It can also take the form of senior staff regular and ongoing strategic and policy level coordination meetings, which are held with key staff at the City of Austin, including the Director of Transportation and Director of Neighborhood Planning and Zoning. Similarly, regular and ongoing coordination meetings are held with the Executive Director of CAMPO. Staff also participates in numerous CAMPO committees that coordinate regional transportation planning efforts and include staff from numerous jurisdictions throughout the region. Finally, the Strategic Planning team is actively engaged in non-governmental organizations that have an interest in transportation issues such as the Downtown Austin Alliance, various neighborhood organizations, and others.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

In addition to the entities referenced in response to Questions H and I above, Strategic Planning staff also work with the FTA (along with staff from other areas of the agency) on coordination efforts pertaining to federally funded projects.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fiscal year 2008 contract expenditures: \$996,612

Number of contracts accounting for expenditures: 6

Summary of General Purpose of Contracts: The general purpose of these contracts is to gain expertise and/or additional resources to further the work of the strategic planning program, and to program support to other entities conducting work that contributes to the agency mission and goals.

Methods used to ensure accountability for funding and performance: Accountability is ensured through careful review of contract deliverables, develop and monitoring for adherence to a well-defined scope of services; management of contracts over their life; and other oversight mechanisms.

Current Contracting Problems: None

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Because of the extremely limited state involvement in public transportation in metropolitan areas with a population of over 200,000, there are few if any changes that would directly impact the functioning of this program. However, there are indirect statutory changes that could be made to assist this program, including:

- Provide for increased land use controls outside of municipal boundaries: Uncontrolled, low density sprawl is not transit-supportive and impedes the ability of the agency to plan and implement cost-effective public transportation services in the unincorporated areas of the agency's service area.
- Provide state funding for metropolitan transportation authorities such as Capital Metro: At present, unlike many other states, no state funding is provided for public transportation in large urban areas such as Austin. This is in spite of the fact that the vast majority of public transportation trips occur in these areas.
- Provide incentives and other mechanisms to better integrate public transportation into state and regional transportation planning work: While there is progress in this area, there remain many more opportunities to effectively and efficiently incorporate transit into roadway and other capital projects from their inception, with the potential for reducing overall costs, increasing transit usage and mitigating traffic congestion and air pollution.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

The agency is currently undertaking a comprehensive operations analysis, known as ServicePlan 2020, of fixed route services and facilities. This study began in early 2009 and is expected to continue into early 2010. The purpose of the study is to comprehensively assess the performance of the system, identify opportunities for improvement through modifications such as route additions, changes and eliminations, and to set a course for system improvements and growth over the next 5-10 years. This is the first such study conducted at the agency in more than 20 years and is being led by the Strategic Planning team with assistance from a consulting group led by Perteet, Inc.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Marketing

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Marketing
Location/Division	Capital Metro Headquarters: 2910 E. 5 th St.
Contact Names	Rick L'Amie, VP Marketing; Cynthia Lucas, Marketing Manager
Actual Expenditures, FY 2008	\$2,670,843
Number of FTEs as of September 30, 2008	7

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Marketing Department oversees strategic marketing, brand management, graphic design, customer literature production and distribution, and special event planning and implementation. Major responsibilities include increasing ridership through the promotion of routes and services, working with the communications and business and community development departments, informing the public of planned initiatives and improvements, communicating routes and services to customers at the point of sale and increasing awareness of Capital Metro's services through advertising, collateral publication development, website and promotions.

Working with an external advertising agency, the department carries out market research to measure levels of awareness and customer satisfaction with specific products. Internal marketing, schedule design and production, signage and design and management, and fleet graphics are also key roles played by the Department.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Special events and public displays and exhibits attract thousands of visitors each year to the central Texas region. While down in recent months, ridership has continued to grow. Promotional contests generate hundreds of entries on a regular basis. The 2008 customer satisfaction survey indicated that 90 percent of customers are satisfied or very satisfied with Capital Metro. When asked about likelihood to recommend Capital Metro to a friend, coworker or family member, 91 percent of respondents said they probably or definitely will. (A copy of the 2008 "Customer Satisfaction Report" has been included as part of supporting Sunset attachments.)

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

A peer review of Capital Metro’s communications activities was conducted by the American Public Transportation Association (APTA) in March 2007. While some progress has been made in implementing improvements recommended by the review committee, opportunities still exist. A copy of the APTA Peer Review report is included in the Sunset attachments.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Marketing Department affects current and future riders by encouraging them to ride transit more frequently. It also affects the agency’s overall reputation among stakeholders such as taxpayers, elected officials, and community, business leaders, and the general public. A demographic snapshot of current riders can be provided by a statistically representative sample of respondents in the 2008 Customer Satisfaction Survey:

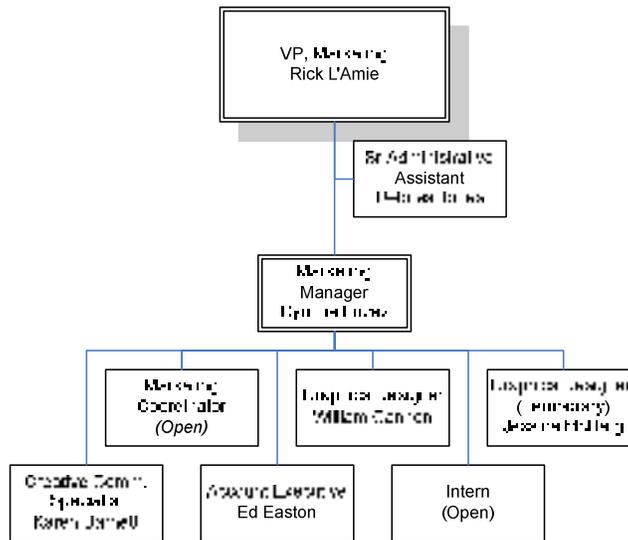
Respondent Profile	Regular Routes	UT Routes	Express Routes
Gender			
Female	48%	57%	50%
Male	52%	43%	50%
Average number of years in Austin area	14	5	11
Average age	37	24	32
Ethnicity			
Anglo/Caucasian	39%	48%	62%
Hispanic	31%	29%	15%
African American	25%	6%	6%
All other	5%	16%	17%
Refused	1%	<1%	1%
Highest Level of Education Achieved			
High School Graduate or Less	46%	2%	7%
Some College or More	53%	98%	93%
Household Income for 2007			
\$20,000 and under	45%	55%	23%
\$20,001 to \$40,000	33%	16%	29%
Over \$40,000	14%	22%	43%
<i>Average:</i>	<i>\$ 28,560</i>	<i>\$ 31,130</i>	<i>\$ 50,010</i>
Base:	416	418	400

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The department serves both internal and external “clients.” Internally, it provides professional creative support for internal departments in the development of high-quality, branded collateral materials (posters,

brochures, etc.) and graphic designs for employees and contractors. Externally, the department provides strategic direction and tactical production of creative materials such as advertisements, information display signs, passenger information (schedule books, maps, web site design, etc.) special events and promotions and assures that the agency’s corporate brand identity is consistently and properly applied to vehicles and facilities. It also works with departments to assure that any customer-facing materials also adhere to branding policies and procedures. See organizational chart below.

Capital Metro Marketing Department 330



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency’s annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

The Marketing Department works closely with the Communications Department in the development of materials for customers and citizens, including copy and writing support for publications, brochures, flyers, and the web site. The departments also work together to provide internal communications materials to employees and contractors. Both departments’ activities affect riding customers and non-riding stakeholders’ decision to use transit, and/or the agency’s overall reputation.

Marketing also supports the Business and Community Development Department, which conducts outreach activities via ongoing community meetings, hearings and public involvement activities. These

activities require the production of collateral materials, passenger information and advertisements for riders and citizens.

While the three departments do not provide identical services or functions, many of the functions and activities are similar and could be more strategically coordinated and controlled.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The EVP/Chief Development Officer (CDO) oversees all three departments referenced question H. Ongoing meetings with departmental heads are led by the CDO to avoid duplication and conflict, and to coordinate and prioritize activities.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Marketing does not work directly with outside units of government. However it has provided marketing support for departments such as Government Relations and Planning that do interact with other governmental entities.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fiscal Year 2008 Contract Expenditures: \$1,586,248.10

Number of Contracts Accounting for Expenditures: 11

Summary of General Purpose of Contracts:

- Printing schedules, schedule books, schedule inserts, pocket schedules, and system maps
- Conduct Customer Satisfaction Survey
- Distribution and fulfillment of passenger information
- Cartographic and graphic design of maps and schedules.
- Marketing and public communications services, including website design and market research

Methods used to ensure accountability for funding and performance:

- Use open competition for contracts with specific performance deliverables clearly defined
- Prepare independent cost estimates which are used to determine a "fair and reasonable" price. Task order estimates are prepared by the project manager and verified by VP, Marketing.
- Use of "not to exceed" clauses for task order contracts
- Ongoing contractor monitoring by Marketing Manager

- Verification of deliverables received

Current Contracting Problems: None

L. What statutory changes could be made to assist this program in performing its functions? Explain.

None identified at this time.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Business & Community Development

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Business & Community Development (BCD)
Location/Division	323 Congress Avenue
Contact Name	Dianne T. Mendoza, Ph.D., VP Business & Community Development
Actual Expenditures, FY2008	\$1,270,219
Number of FTEs as of September 30, 2008	16

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Business & Community Development (BCD) Department includes community relations, business development, customer service and the Disadvantaged Business Enterprise (DBE) program functions. Major responsibilities include increasing public awareness about the value of public transportation, generating transit advertising revenue, promoting ticket and pass sales, creating community partnerships that benefit Capital Metro, and increasing procurement opportunities with certified DBEs.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

	FY2008 Performance Measures / Goal	Accomplished
<i>Community Involvement</i>		
Presentations	250	693
<i>Transit Advertising</i>		
Revenue Generation	\$750,000	\$822,488.50
<i>DBE Program</i>		
Total Awards: \$17,860,477	25%	26%
	\$4,465,120	\$4,641,212
<i>Fundraising/ ROI Index</i>		
Rail Opening/Sponsorships	\$100,000	\$197,000
<i>Transit Store</i>	Cards Issued	Revenue
Disability Fare Card Program	3,783	\$18,900
<i>Transit / Business Related Events</i>		
Number Attended	50	50

Projected Partnership Expense	\$30,000	\$25,255
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D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

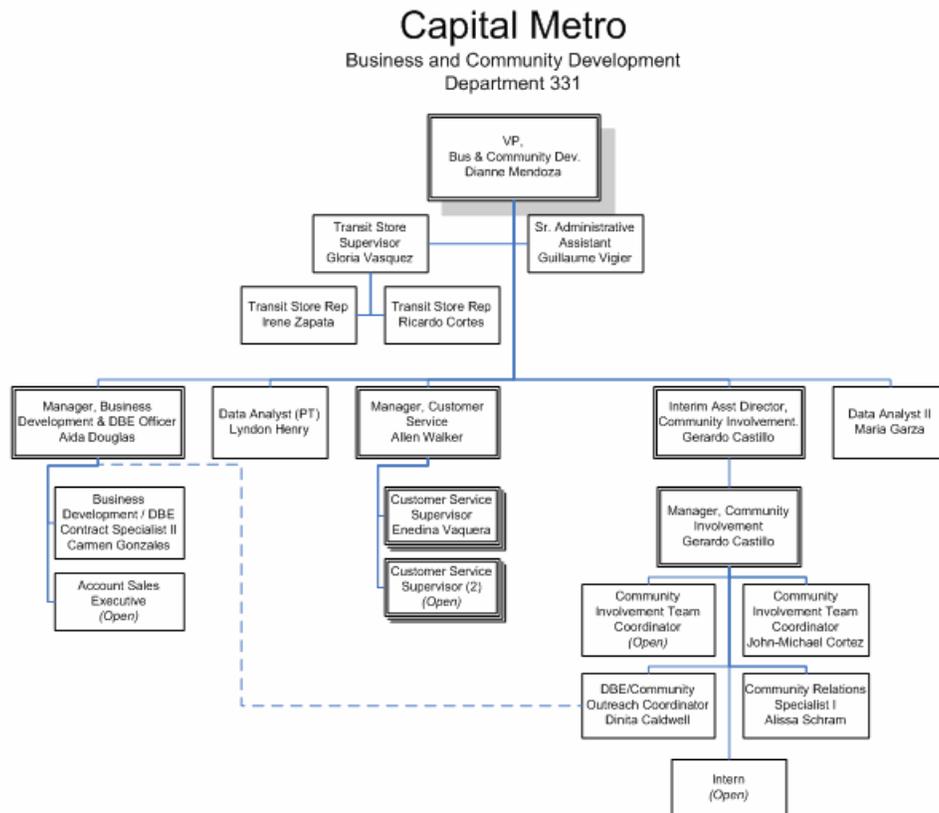
In January 2003, through an agency reorganization, the BCD Department assumed responsibility for the Disadvantaged Business Enterprise (DBE) program.

In 2009, BCD was assigned Title VI responsibilities, including addressing LEP (limited English proficiency) requirements added by the Department of Justice.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Business & Community Development program is one of the primary mechanisms that the agency uses to provide information on its products and services to its customers, key stakeholders and the community-at-large. The BCD team performs public outreach for proposed bus and rail route and schedule changes and fare adjustments, plus coordinates special events. Outreach activities impact the entire central Texas region, but include a special emphasis on neighborhoods, businesses, civic organizations and health and human services agencies.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.



The BCD Department divides the entire service area into geographic sectors—i.e., north, south, east, west, central Austin and suburban cities. BCD staff is each assigned a specific sector and becomes the “transit ambassador” for that particular area. Citizens will recognize a particular Capital Metro individual as the “face of Capital Metro” and they begin to develop a relationship.

Because of the level of personal interaction with neighborhoods, civic organizations and individuals, if a problem arises, citizens know whom they can contact. BCD staff is ethnically diverse and is received favorably by the community sectors in which they serve. In addition, members of the Strategic Planning and Development Department (who possess more technical expertise) are often paired with the BCD staff to during outreach events in order to provide more thorough information to the public and respond to more detailed questions.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency’s annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Not applicable.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The Business & Community Development Department coordinates its public outreach activities with the City of Austin (including Austin Bergstrom International Airport), TxDOT, CAMPO and other civic organizations such as the Downtown Austin Alliance and Envision Central Texas.

BCD has three memorandums of understanding (MOUs) with the minority chambers of commerce—Greater Austin Hispanic Chamber of Commerce, Network of Asian American Organizations (NAAO), and the Capital City African American Chamber of Commerce. The MOUs are designed to be an outreach tool to ensure Capital Metro reaches a demographically-diverse populace of businesses and professional communities. These MOUs engage Austin’s minority businesses in educational seminars, networking events, special events and procurement opportunities. In addition, BCD has worked with community-based organizations like BIGAustin to better understand programs and services needed by Austin’s small business community.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

- **Texas Department of Transportation (TxDOT):** By far, this is the most productive partnership for BCD, since TxDOT is a critical component for achieving DBE compliance in our region. In addition, Capital Metro and TxDOT serve as members of the State’s Unified Certification Program (UCP) mandated by the Federal Transit Administration.
- **City of Austin Department of Small & Minority Business Resources (DSMBR):** BCD staff works closely with the certification branch of DSMBR in performing outreach to potential DBEs in the area.
- **Austin Bergstrom International Airport (ABIA):** ABIA and Capital Metro have participated in several community outreach panels as both entities must follow federal requirements for developing and implementing a Disadvantaged Business Enterprise program that conforms to the Department of Transportation’s (DOT) regulations. This partnership has expanded via outreach with other community-based organizations and business entities.
- **Travis County:** Capital Metro staff supports efforts to reach out to the small businesses in the county that meet both the Historically Underutilized Business (HUB) and the DBE criteria. In the past, Capital Metro has shared booth space at networking or procurement events to maximize outreach efforts.
- **Federal Transit Administration (FTA):** The FTA staff supports Capital Metro by helping to ensure compliance with federal circulars for Small Disadvantaged Businesses as well as the Civil Rights Program as administered by USDOT and the Department of Justice.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fiscal Year 2008 Revenue Contract Expenditures: \$60,000

Number of Contracts Accounting for Expenditures: 1

Summary of General Purpose of Contracts: Installation of transit advertising on the Capital Metro fleet.

Methods used to ensure accountability for funding and performance: This contract is monitored by the transit advertising account sales executive, and performance is ensured by photos of each bus that verify the correct installation of ads.

Current Contracting Problems: None identified.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Revenue generation is a major responsibility for the Business & Community Development Department. Transit advertising, which is placed both inside and outside Capital Metro buses, has brought additional revenue to Capital Metro since 1998.

Currently, Capital Metro is prohibited from alcohol-related advertising by the Texas Alcoholic Beverage Code/ Title 4 - Regulatory and Penal Provisions/ Chapter 108/Subchapter B: Outdoor advertising/ Sections 108.51 and 108.52.

Allowing alcohol-related advertising would create an additional revenue source for the agency. Capital Metro conservatively estimates a 15 percent increase in advertising revenue could be generated from these sales. In a typical year, this would translate into approximately \$124,950 in additional gross revenue. To allow this type of advertising on the Capital Metro fleet, it would need to be specifically listed as a permissible form of advertising in Section 108.52 of the TABC code.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

The Business & Community Development Department has a unique public outreach model that utilizes a tri-ethnic team deployed across the Capital Metro service area. In advance of major outreach efforts regarding potential changes that would significantly impact customers, BCD works closely with the Communications, Marketing, and Planning teams to prepare the most effective outreach approach. Often, a community involvement team member is paired with a member of the Strategic Planning and Development Department for technical support regarding transit routes. In this manner, information sharing is effective and timely.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Customer Service

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Customer Service
Location/Division	323 Congress Avenue
Contact Name	Allen Walker, Customer Service Manager
Actual Expenditures, FY 2008	\$827,406
Number of FTEs as of September 30, 2008	16.5

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Customer Service (CS) department staff receives and responds to telephone, email, Internet and mailed correspondence, and walk-in inquiries from the public for the purpose of planning trips on Capital Metro services. CS also responds to customer inquiries and receives customer comments or complaints that require further action. In addition, the CS department receives all default routed calls to the main administrative number. The CS department, in conjunction with the IT department, maintains and communicates automated customer information through a telephone Interactive Voice Response system (IVR) and the “Google Trip Planner” service on the Capital Metro website.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The following metrics pertain to FY2008 performance:

- Calls Processed: 1, 574,347
 - by IVR: 997,015
 - by Agents: 577,332
- Agent Queue Abandonment: 4.8% actual, versus $\leq 5.0\%$ goal
- Agent Queue Service Level: 85.56% answered in 60 seconds, versus $\geq 80\%$ goal
- Customer Comments Processed: 10,150
- Agent Online Productivity Percent: 96%, versus $\geq 95\%$ goal
- Agent Percent of Calls Answered: 98%, versus $\geq 95\%$ goal

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The IVR began offering automated telephone after-hours self-service during July 2005, and full 24/7 availability started in February 2006.

During June 2009, Customer Service began handling calls for the former agency receptionist when that position was eliminated.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The CS function affects riders, potential riders, citizens of the service area, and internal customers who rely on CS for customer input and feedback.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The CS function is a blended combination of automation and staffed or agent interface. CS staff respond to calls Monday-Friday from 6:00 a.m.-10:00 p.m., Saturday from 6:00 a.m.- 8:00 p.m., and Sunday from 7:00 a.m.-6:00 p.m. CS is also open on all holidays. To complement the live agents, the IVR system provides 24-hour self-service options to callers.

Staffed Functions (All Available in English and Spanish):

Inquiries to the Go Line (512-474-1200, 512-385-5872 (TDD))

Responding to “Go Line” calls constitutes the largest segment of work for the CS department. All agents are assigned to take these calls. Calls to this line are primarily for trip plans, complaints, and next bus time requests, but virtually any other kind of call can come in on this line including lost item reports, security reports, questions about bus delays, detours and special events, as well as customer comment calls that could have gone to the Customer Relations line.

Inquiries to Customer Relations (512-385-0190, emails, web-generated inquiries, walk-in inquiries, and mail-in correspondence, and escalations from the Go Line)

This is the second largest segment of work for the CS department. A subset of agents is assigned to primarily handle these inquiries. Inquiries that can be resolved over the phone or through a routine email (Go Line-type inquiry) are handled immediately and without further record. Inquiries where the customer either wants a record created of the issue or where further information from a subject matter expert is needed are recorded in a Customer Call Report (CCR).

Calls to the Administrative Line (512-389-7400)

Responding to calls on the administrative line is a small part of the CS department’s charge. This line is the default option for callers who do not select an individual or department from the Administrative Line’s automated phone menu of options.

Automated Functions:

Interactive Voice Response System (IVR)

The IVR is accessed at the start of every Go Line call-and is available in both English and Spanish. The IVR provides an automated greeting, “Capital Metro Time,” and general announcements before the caller is given the option of speaking to an agent or further pursuing the IVR self service menu. The IVR provides virtually all of the same services that a customer service agent can provide, including trip planning, next bus inquiries, information about facilities and services, and even the taking of a recorded message for retrieval the following day. The IVR is supported by a Data Analyst and staff from the Information Technology (IT) department.

Google Trip Planner

The 'Google Trip Planner' is another self service feature on the Capital Metro website. Here, Google mapping tools are displayed in conjunction with the Capital Metro trip planning software.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency's annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

None.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Not applicable.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Not applicable. While contracted temporary staffing is used as necessary to supplement regular call center staffing, the acquisition of temporary staffing and the administration of these contracts occur through the Human Resources Department.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

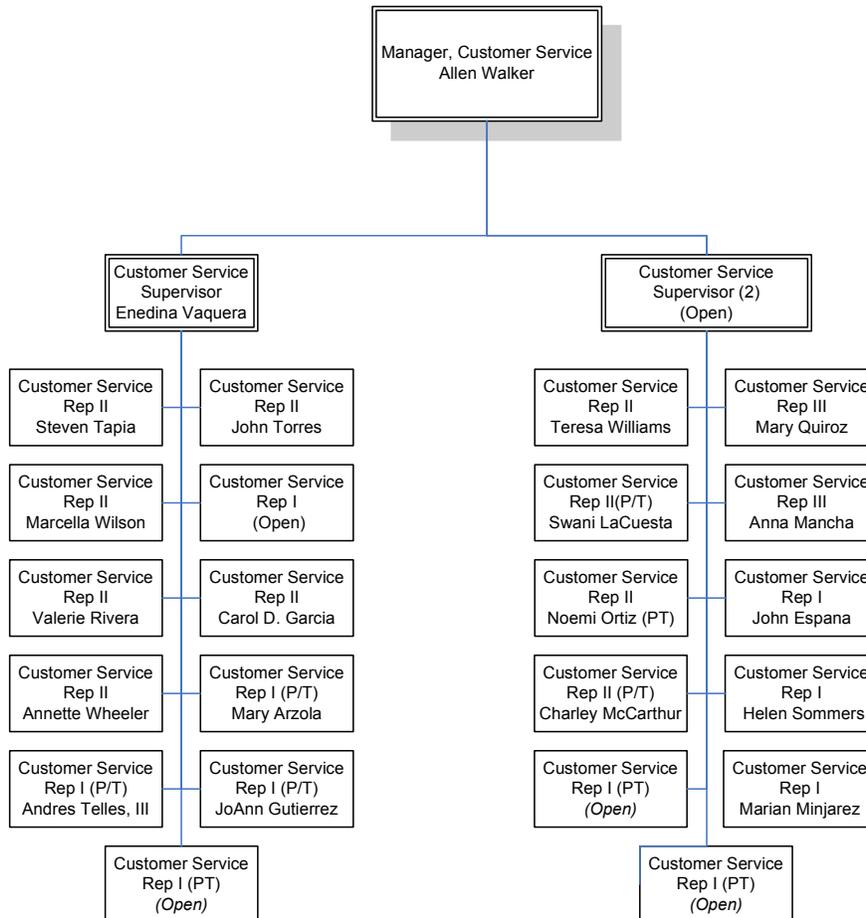
None identified at this time.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

See organizational chart below.

Capital Metro

Customer Service
Department 332



- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Human Resources

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Human Resources
Location/Division	Capital Metro Headquarters: 2910 East 5 th St.
Contact Name	Donna Simmons, Director of Human Resources
Actual Expenditures, FY 2008	\$1,800,706
Number of FTEs as of September 30, 2008	13

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Human Resources (HR) Department’s mission is to partner with our employees to hire, develop and retain an engaged workforce that fulfills Capital Metro’s mission. The Department’s primary responsibilities are to

- Facilitate staffing strategies required to meet Capital Metro and StarTran department needs
- Manage benefits and compensation to meet employee needs and satisfy labor agreement requirements
- Coordinate staff development and training programs to enhance employees’ knowledge, skills and abilities
- Develop and administer human resources policies and procedures to comply with federal, state and local regulations
- Process all personnel actions including new hires, pay changes, transfers, promotions, terminations, etc.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Recruitment & Hiring: The Human Resources Department supports supervisors who recruit and fill vacant positions. Employee recruiting outcomes include receipt of over 3,500 applications per year for job openings with an average of 65 days to fill vacant positions.

Benefit Administration: Capital Metro provides quality benefit programs to the employees of Capital Metro and StarTran, Inc. The HR Department measures performance and employee effectiveness regularly. An external audit is performed every two years on the self-insured health and prescription drug plans to ensure the plans are being administered according to the plan documents. Under the new administrative services contract for the health plans, United Healthcare has a guaranteed discount rate of 55% which will reduce the company and participants’ cost for medical services.

Since becoming self-insured and implementing a wellness and fitness program for all employees, the benefit cost per employee has declined. The projected plan costs are expected to decrease by 10% for

calendar year 2010. During exit interviews, departing employees have not cited benefits as a reason for leaving. In fact, it has been anecdotally noted that the benefit package may make it harder for employees to leave.

Compensation Program: The philosophy of the compensation program is to pay employees at the 50th percentile of the market and to ensure external and internal equity. To review for internal equity, all positions are evaluated and ranked according to knowledge, accountability, and problem solving. To review for external equity, salary ranges are adjusted annually based on market information from leading compensation survey data. Salaries for bargaining employees are negotiated and paid according to the labor agreement. The Human Resources Department ensures all employees are properly paid according to the compensation policy or labor agreement. Because changes in job responsibility may impact pay, job descriptions are reviewed annually by employees and their supervisors, and then sent to Human Resources for updating as needed.

Organizational Development: In 2008, HR Organizational Development outcomes included the development of five new course topics in 2008 and a total of 745 instances of participation in the agency’s training classes.

Administrative Processing: Human Resources is responsible for the timely and accurate input of data pertaining to all personnel changes including new hires, promotions, transfers, pay rate changes, benefits changes and terminations. An independent review by the Payroll Department reported nine errors by HR in 2009 (YTD as of 7/24/09) that resulted in re-issuance of a pay check to correct the error.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

None.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

All job applicants and employees of Capital Metro and its non-profit service provider, StarTran, Inc.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The Human Resources Department offers programs and services as described below:

Recruitment & Hiring – This process is managed according to established Hiring Procedures. It is initiated by the Hiring Manager with approval of Finance and the Human Resources Director. Recruiters follow an established protocol of ensuring that all appropriate documentation is in place, including an approved job description, before advertising any vacancy. Recruiting screens applicants for minimum qualifications and forwards applicants for review and interviews. Applicants recommended for hire are then subject to more rigorous background checks and the salary and job offer are handled by recruiters, with approval from Compensation. The process is tracked in the HR information system and connected to the payroll system.

Benefits - The benefit processes are managed according to the Benefits Policy, and all summary plan descriptions in accordance with state and federal regulations with approval from the President/CEO, the Executive Vice President of Finance and Administration, and the Human Resources Director. The self-insured health plan is overseen and approved by the Self-Insurance Board of Trustees, whose members are appointed by the President/CEO. The defined benefit and contribution retirement plans for Capital Metro are overseen and approved by plan committees, whose members are appointed by the President/CEO. The bargaining 401(k) and pension plans are managed by committees that are appointed according to the trust agreements for those plans. New hires are enrolled in benefits program within the required period and then an annual enrollment is held every year in October for benefit changes effective January 1st of the following year. All benefit enrollment documentation is maintained in the HR information systems and connected to the payroll system. Flow charts of all the benefits processes are available if needed.

Compensation - The compensation process is governed by the Compensation Policy. The Manager of Benefits and Compensation and the HR Generalist III over Benefits and Compensation maintain the compensation program by verifying that all salary changes, reclassifications, and reorganizations are processed according to the Compensation Policy. Salaries for bargaining employees are governed by the labor agreement. The salary structure is reviewed annually and recommended changes are proposed to and approved by the President/CEO and Executive Team. Updates are implemented every year as part of the merit increase process. All compensation records are maintained in the HR information systems and connected to the payroll system.

Organizational Development – Human Resources oversees the employee performance management process (PMP) and in 2009 introduced an on-line tracking system tied to the HR Information System (Ultipro Employee Self Service). In 2008, all administrative employees received classroom or online training on the agency's PMP system. The Human Resources Department follows up to ensure compliance with the requirements. In addition, this unit offers training on topics related to human resources, serves as a consultant to assist individual departments in finding solutions to their training needs, and develops custom organizational development solutions in-house or through the use of outside training vendors.

Employee Relations – Human Resources offers assistance to employees in managing conflict and compliance with policies and procedures. HR administers more than forty policies and procedures to ensure consistency in personnel practices and compliance with local, state and federal laws. As required by company policy, all policies and procedures are reviewed annually and updated as needed with review by the Executive Policy Review Committee and final approval by the President/CEO. In addition, Human Resources proactively supports a positive workplace through recognition and cultural awareness programs, and employee communication efforts.

Records – Human Resources is responsible for maintenance of and reporting from the HR Information System (Ultipro Employee Self Service). All personnel changes are entered by Human Resources and an audit process ensures reliability. Weekly deadlines must be met.

ADA Specialist – Human Resources is the administrative office for the ADA Specialist. The ADA Specialist helps ensure that Capital Metro complies with the Americans with Disabilities Act

Child Care and Learning Center – Capital Metro opened an on site Child Care and Learning Center for employee families in 2006. The HR Director is responsible for managing the contract with the childcare provider. Turnover and absenteeism data for families utilizing the Center show a positive impact of the Center. In 2009, Capital Metro opened the Center to the community.

G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency's annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

Employee health benefits are partially funded by employee contributions to premiums. The Child Care Center is funded through tuition, child care assistance from the Texas Workforce Commission, the Agriculture Department Child and Adult Care Food Program, and parent fundraising. Tuition (including tuition assistance from Texas Workforce) comprises 91 percent of revenue; the Texas Department of Agriculture Food Program comprises another 7 percent and parent fundraising comprises the remaining 2 percent. Total revenue for FY 2010 is projected to be \$449,206 if there is no growth in the current enrollment.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

None.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Not applicable, although the Human Resources Department maintains a positive communication network with other transit agencies and local governments in order to share best practices regarding human resources administration.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fiscal Year 2008 Contract Expenditures: \$3,980,978. See details below.

Number of Contracts Accounting for Expenditures: 32. See details below.

Department	# of Contracts	Amount	Comments
Human Resources	23	\$1,714,633	\$1,048,061 for temporary personnel services charged to other departments
Benefits	6	\$1,443,124	Benefits managed by HR, but budgeted outside of HR
Child Care	1	\$ 599,852	Contract managed by HR, but budgeted outside of HR
Wellness	2	\$ 223,369	Now managed by Risk Management Depart; was managed by HR in 2008

Summary of General Purpose of Contracts:

- Employee recruitment, including the retention of an on-site recruiting firm and executive search firm
- Employee management, including, background check services, employee training, compensation studies
- Employee benefits, including Retirement Plan Consulting, 401(k) Plan Consulting, Child Care & Learning Center, Long and Short Term Disability, Third Party Administrator for health benefits, flexible spending account management
- Temporary Employment agencies, for hiring temporary employees
- Disability Services, including training for disabled passengers on the use of transit system
- Child Care Center operation and management

Methods used to ensure accountability for funding and performance:

- Monitor expenditures against contract terms and actual performance as payments are requested.
- Monitor performance against requirements of contract, including procedural compliance, timeliness, quality of service and compliance with all contract terms and conditions on a regular basis by use of standard HR department contractor report card.
- Obtain an external audit every two years to review the self-insured health plan administrator for eligibility, plan design, and payment accuracy.

Current Contracting Problems: None known.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

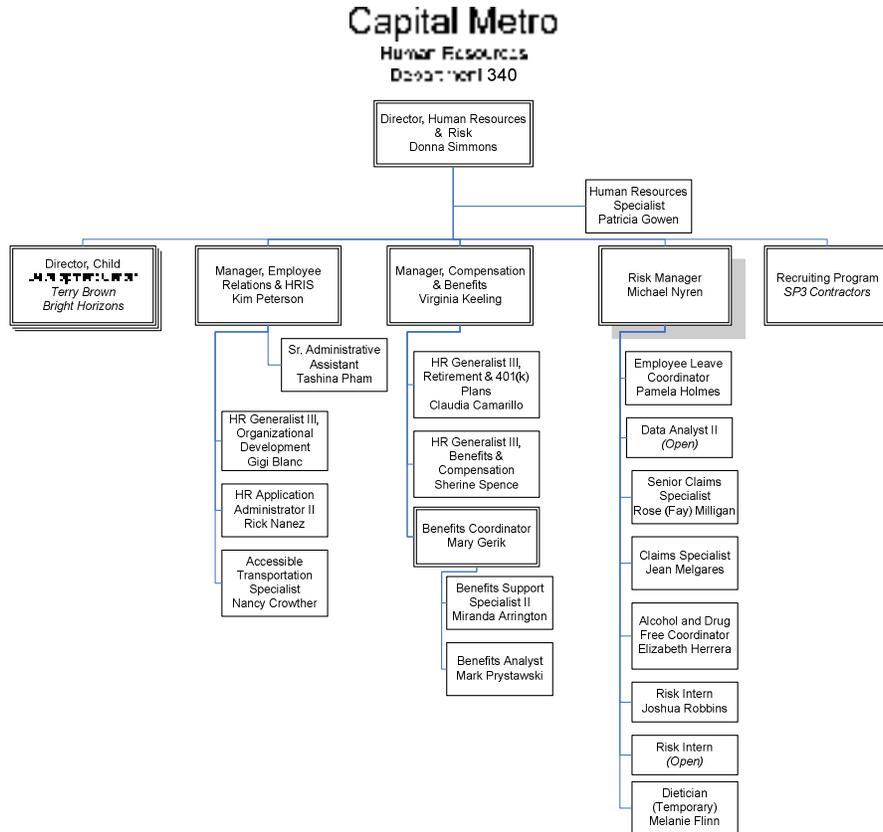
None identified at this time.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Materials describing Human Resources programs are available for review and include the following:

- Policies and procedures
- Audit reports
- Personnel files
- HRIS Database records and reports
- Training materials
- HR budget documents
- HR procurement documents

See current organizational chart below.



N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Risk Management

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Risk Management
Location/Division	Capital Metro Headquarters: 2910 E. 5 th St.
Contact Name	Michael S. Nyren, Risk Manager
Actual Expenditures, FY 2008	\$3,671,222
Number of FTEs as of September 30, 2008	6

B. What is the objective of this program or function? Describe the major activities performed under this program.

The mission of the Risk Management Department is to consult with other departments to minimize human and economic losses to the public, employees and Capital Metro. The Risk Management Department works with other departments to identify hazardous conditions and reduce potential injuries, accidents and property damage. Risk Management also obtains cost-effective insurance coverage and processes all liability, subrogation and workers compensation claims. Risk Management thoroughly investigates all accidents and injuries and recommends preventative measures based on identified trends.

In addition, Risk Management manages Capital Metro’s award-winning and nationally-recognized Wellness Program. Risk Management also works closely with our food services contractor to improve the diet of our employees while raising awareness of the need to eat healthy, nutritious food via our Healthy Options Coupon Program. The Risk Management Department administers all aspects of the Family Medical Leave Act, Short-Term Disability, Long-Term Disability, and the Drug and Alcohol Programs.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Capital Metro’s Risk Management department has been very effective in reducing losses and increasing recoveries as evidenced by the attached reports. Physical damage and workers’ compensation recoveries are currently at an all-time high. Additionally, in April of 2009, our Risk Pool, Texas Municipal League (TML), recognized our continued success in reducing various types of claims and their resultant costs by awarding the Authority with the largest return of equity check ever awarded to any member (\$230,055.00). TML also issued a check in the amount of \$109,987.00 in July of 2009 as a return of premiums in recognition of the continued success of our mitigating strategies for claims and loss prevention.

The Risk Management Department actually pays for itself as determined by comparing recoveries versus payroll.

A number of studies have been conducted that evaluate the effectiveness and efficiency of the Risk Management Department:

- Capital Metro Workers' Comp Recoveries 10/1992 – 01/2009
- Risk Mgmt Subrogation Recoveries FY 2006- 2009
- Wellness Program ROI (Return of Investment)
- Capital Metro Equity Returns FY03-FY07
- Capital Metro Internal Audit Detailed Report and Executive Summary

If desired by Sunset staff, these can be made available during the onsite review of the Agency.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Risk Management has added the functions of administering FMLA, and the Authority's Drug & Alcohol and Wellness programs in recent years. These were not part of the original services provided by Risk Management.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

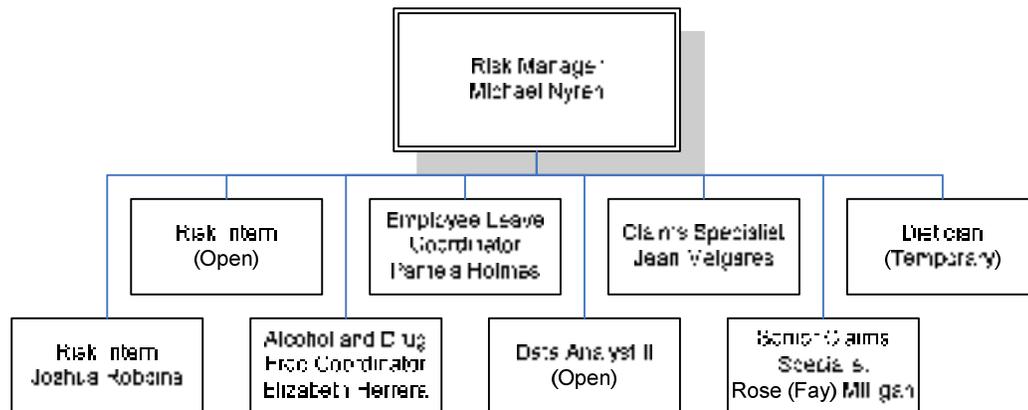
Risk Management provides services to all Capital Metro & Star Tran employees as well as our bus transportation contractors, First Transit and Veolia. Risk Management has a significant impact on the safety and health of employees as well as the costs resulting from accidents, injuries and ill health. Additionally, Risk Management affects all contracts due to the Department's role in setting insurance requirements and indemnification language.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The "Risk Management Procedure Manual" details responsibilities and protocols. This document will be made available to the Sunset Review Team. See current organizational chart on the following page.

Capital Metro

Risk Management
Department 420



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency’s annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

The Wellness contract secured a grant from “Steps To A Healthier Austin” that was used to finance some of the agency’s Wellness activities in the past. The employee benefits health plan will be receiving a grant of \$50,000 from United Healthcare to be used for the Wellness Program for calendar years 2010 and 2011. The Department has also received grant funding to finance some of the Wellness activities in the past.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

We are not aware of any programs that provide identical or similar services or functions. However, due to the inter-related nature of risk management and safety, the Risk Management Department coordinates frequently with the Safety & Security Department.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The Risk Management Department administers the Drug and Alcohol program and FMLA. The Drug and Alcohol program works with the Department of Transportation and the FMLA program works with the Department of Labor. We also report accident statistics to a national database maintained by the Federal Transit Administration for National Transit Database reporting.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Texas Municipal League Intergovernmental Risk Pool

Fiscal Year 2008 Contract Expenditures: \$2,897,008.59

Number of Contracts Accounting for Expenditures: 1

Summary of General Purpose of Contracts: The mission of the Texas Municipal League (TML) Intergovernmental Risk Pool is to provide Texas municipalities and other units of local government with a stable source of risk financing and loss prevention services at the lowest cost consistent with sound business practices. The Pool is an interlocal agency offering workers' compensation, liability, and property protection to Texas political subdivisions.

Methods used to ensure accountability for funding and performance: The Risk Management Department requires a yearly claims review be conducted based on the services provided by TML Intergovernmental Risk Pools to ensure the data and the associated cost is consistent with the services provided for the needs of Capital Metro.

Current Contracting Problems: No contract problems have been recognized.

Arthur J. Gallagher

Fiscal Year 2008 Contract Expenditures: \$71,643.20

Number of Contracts Accounting for Expenditures: 1

Summary of General Purpose of Contracts: Arthur J. Gallagher provides insurance and Risk Management consulting to various departments within the agency. They also employ subcontractors that conduct regular claims audits of TML's files as well as conduct an annual actuarial study for workers' compensation.

Methods used to ensure accountability for funding and performance: The Risk Manager monitors the performance of this contract in conjunction with the contract administrator. This is done through weekly contact and periodic reviews of performance.

Current Contracting Problems: No contract problems have been recognized.

Workers Assistance Program

Fiscal Year 2008 Contract Expenditures: \$18,314.10

Number of Contracts Accounting for Expenditures: 1

Summary of General Purpose of Contracts: The Employee Assistance Program provides intake, assessment and short-term counseling and referrals to community resources for participants regarding personal and family issues as well as for job-related problems that impact the employee's job performance.

Methods used to ensure accountability for funding and performance: Accountability and performance for the EAP contract is based on utilization reports, account management, and client feedback.

Current Contracting Problems: None. Contract is being fulfilled according to its terms.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

No statutory changes are needed.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

None identified at this time.

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Commuter Rail Project Office / Rapid Transit Department

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Commuter Rail Project Office / Rapid Transit Department
Location/Division	Rail Project Office: 10801 N. Mopac Expressway, Bldg. 1, Ste 130
Contact Name	John Almond , Project Director
Actual Expenditures, FY 2008	\$271,597
Number of FTEs as of September 30, 2008	2

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Commuter Rail Project Office manages the engineering and construction of Capital MetroRail infrastructure.

This includes managing engineering design and construction contracts and overseeing the completion of the following Red Line system components:

- New Track Sidings
- Nine stations
- Three new railroad bridges
- New railcar maintenance facility (North Operations and Maintenance Facility)

This office also assisted with the delivery of the initial six railcars.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

All system components listed in Section B were completed well in advance of the initiation of passenger rail service, and within the requested budgets.

The total budget for the MetroRail Red Line project is \$105 million. The current forecast of expenditures is within this budget.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Following the MetroRail project’s kickoff, engineering contracts were obtained to begin design of the components to be constructed. As the details of the program developed, it was apparent that the

infrastructure to support this passenger rail service would need to be enhanced in order to have the quality and reliability of operation desired. As a result, several key components were added to the project:

1. A railroad bridge to pass over the Union Pacific Railroad
2. A centralized train/traffic control system
3. Additional railroad signalized road/highway crossings
4. Additional quiet zones
5. A permanent (as opposed to temporary) railcar maintenance facility.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The Commuter Rail Project office delivers the constructed infrastructure necessary to support the MetroRail passenger service operation. Train engineers/operators, maintenance crews, and the passengers using the system are all affected by this constructed infrastructure.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The management of the MetroRail infrastructure construction is handled by the **Commuter Rail Project Team**: a combination of two Capital Metro full-time employees (both Registered Professional Engineers licensed in the State of Texas), and the professional engineering company of LAN (Lockwood, Andrews & Newnam), who is under contract to the agency. LAN works under the direction of the Capital Metro Project Director, and provides the necessary resources to manage engineering design as well as construction contracts. These resources include project engineers, document control specialists, construction coordinators, construction inspection and testing, and geotechnical investigations.

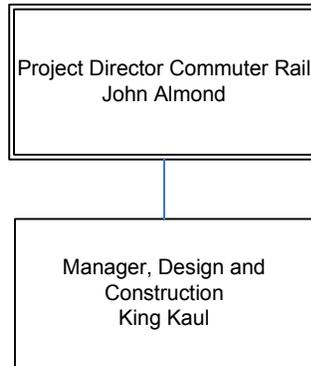
This Commuter Rail Project Team has assembled and conducts its business from a Project Management Plan developed specially for the program, providing guidance to all project functions leading to the completion of construction.

The Project Director reports directly to the President/CEO of Capital Metro. However, as of this report, a reorganization of Capital Metro engineering and construction functions is underway that will combine functions of the Capital Projects Group and the Commuter Rail Project Office into one department, reporting to the Executive Vice President/Chief Development Officer.

See current organizational chart below.

Capital Metro

Rapid Transit
Department 530



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Funding for the Commuter Rail Project Office is allocated through the agency's annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

The MetroRail Rail Red Line project itself was funded through Capital Metro's existing revenue, which is also funded through the annual operating budget. No additional taxes or fees were levied.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

No other department within the agency of Capital Metro provides these functions. Other similar programs exist at Dallas Area Rapid Transit (DART) and Houston Metro (both public transportation providers for their respective regional area).

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

No other programs provide the services required.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The Commuter Rail Project requires coordination with the following entities:

1. TxDOT for impacts to state highways
2. Cities of Austin, Cedar Park, and Leander for impacts to local streets, as well as construction permitting
3. U.S. Corps of Engineers for certain permits for bridge construction
4. State of Texas Historical Commission for environmental clearance
5. Federal Railroad Administration for regulatory compliance
6. Travis and Williamson Counties for impacts to county infrastructure.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance;
- a short description of any current contracting problems

Fiscal Year 2008 Contract Expenditures: \$14,116,651.36

Number of contracts accounting for those expenditures: 16 contracts

Summary of General Purpose Contracts: The contracts were awarded for design and construction projects related to MetroRail projects. The purpose of the contracts was to complete the design and construction of various rail infrastructure facilities such as railroad track realignment, railroad sidings, stations, rail maintenance facility and an overpass over the Union Pacific Railroad for grade separation. There is also a contract budgeted out of the Commuter Rail Project Office through which Capital Metro is funding a planning and feasibility study that explores the possibility of transit in Cedar Park.

Methods used to ensure accountability for funding and performance: Monitoring of monthly progress reports, schedule reports, payment reports. Contract change management reports were done on a continuous basis to ensure funding accountability and project performance.

Current contracting problems: While the use of a “partnering” approach with contractors has helped to minimize contracting problems, most projects of this magnitude will encounter some issues.

The engineering contractor for design of the MetroRail project has been notified of six design errors, of which four have resulted in additional costs to Capital Metro. It is Capital Metro’s intent that costs resulting from the errors are due Capital Metro, and they will be addressed as part of a comprehensive contract modification which will also include compensation due the contractor for work performed in addition to work previously authorized. These outstanding issues, as well as outstanding invoicing errors identified in an audit of this contract by Internal Audit, must be resolved before the contract can be closed.

Two cure notices were sent to the railroad engineering design contractor (one in 2006 and one in 2008) and all issues were adequately addressed.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

The development of passenger rail projects is currently hampered by the rail referendum requirement imposed on Capital Metro. Incurring project development costs prior to the voters' approval could cause the agency to run afoul of public perception. As a result, only limited engineering and planning analysis was performed prior to the 2004 referendum that authorized Capital Metro's operation of the Red Line. This resulted in inadequate information on which to base commitments to a completion schedule, as well as a 'not-to-exceed' budget that did not anticipate all elements that have now been incorporated into the project.

Additionally, please see Section IX. Policy Issues, which includes an expanded discussion on Capital Metro's unique rail referendum requirement and the impacts that it has had on the agency.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

The Commuter Rail Project Office was set up specifically to deliver the required constructed infrastructure to support Capital Metro's new MetroRail service. The Project Office is located in North Austin, central to the project's geographical limits.

The Commuter Rail Project Office is a professional engineering environment, focusing solely on the assigned mission of engineered construction. The management philosophy of the Project Director revolves around the theme of "partnering" to better ensure contracts with engineers and contractors are managed respectfully and professionally. This approach has led to zero claims against the agency, a record of cooperative and successful contractor relations. Future capital projects will incorporate many of these same procedures and methods.

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Capital Projects Group

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Capital Projects Group
Location/Division	Capital Metro Annex: 624 Pleasant Valley
Contact Name	John Hodges, Director Capital Projects
Actual Expenditures, FY 2008	\$2,413,775
Number of FTEs as of September 30, 2008	13

B. What is the objective of this program or function? Describe the major activities performed under this program.

The Capital Projects Group (CPG) includes:

- Facilities Design & Construction (FD&C),
- Transit Oriented Development (TOD),
- Real Estate (RE),
- Property Management (PM), and
- Public Facilities.

The CPG is responsible for oversight of the design and construction of all non-rail capital facilities; the advocacy for and implementation of transit oriented development; management of all real property acquisition, disposition and leasing; public facilities property management; and for the maintenance and upkeep of all passenger facilities and amenities, such as bus stops.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

All major projects during FY2008 (South Congress Transit Center, Pavilion Park & Ride, Passenger Amenities ongoing improvements) were completed within approved budget amounts and were completed within identified schedule dates.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The Facilities Design & Construction Department was created in 1996. In response to the increasing scope and quantity of Capital Metro's capital facilities inventory and activities, the department was renamed to Capital Projects Group in 2007, and expanded to include Real Estate, Transit Oriented Development and Property Management Departments in addition to Facilities Design & Construction. In July 2009, Public Facilities was added to the Capital Projects Group program.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

This program exists to implement and manage some of the agency's capital project needs, to pursue and maintain full accessibility at facilities, and to attend to the maintenance and upkeep of all passenger facilities. Once a facility need is identified, this program manages the real estate, design, construction and subsequent management issues involved in responding to such needs. In locations where applicable, the TOD staff work with other landowners, private developers, and staff from partner jurisdictions to create transit supportive development.

This program affects the Capital Metro staff and our customers by contributing to safe, convenient, and cost-effective transportation choices.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

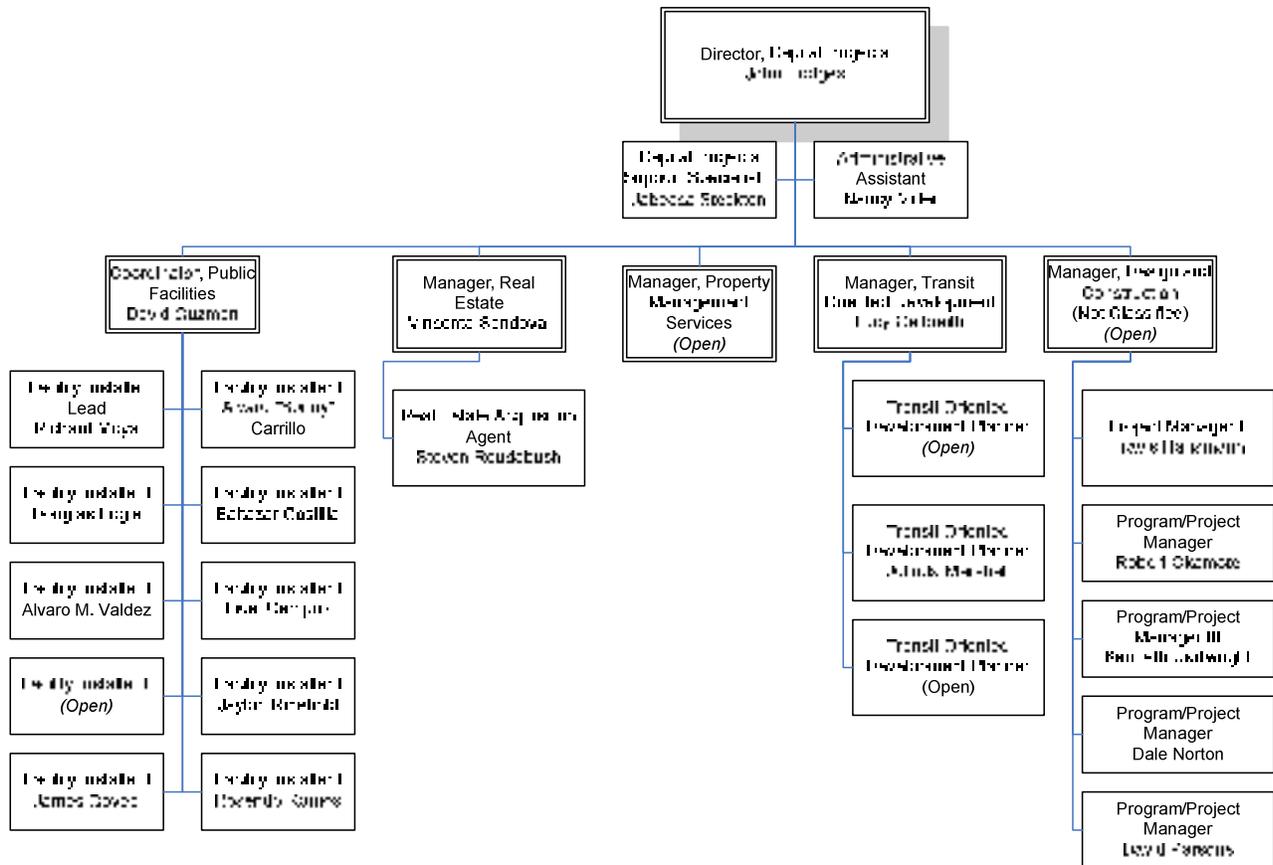
CPG activities are guided by a formal Policies and Procedures Manual that addresses the proprietary responsibilities of this program.

This program operates solely within Capital Metro's formal service area. A significant portion of this program's work occurs in the field at satellite owned or leased sites that exist within the Capital Metro service area.

The CPG Department reports directly to the VP, Strategic Planning and Development. Each function within CPG is managed by a Department manager who reports to Director, Capital Projects. Please see the current organizational chart on the following page.

Capital Metro

Capital Projects includes Facilities, Design and Construction, Real Estate, Public Facilities, Transit Oriented Development and Property Management
Departments 540, 560, 561, 562



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency’s annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Capital Metro’s Commuter Rail Project Office (CRPO) provides somewhat similar services of engineering project design and construction. The CPG program supports and coordinates with the CRPO.

Typically, other governmental entities (State of Texas, Travis and Williamson Counties, the City of Austin, etc.) provide similar management of capital facilities project acquisition, leasing, design,

construction and management. The capital facilities activities of these governmental entities are governed primarily by state statute, with some requirements imposed by both federal and local enactments, as is the case with Capital Metro. Cities in member jurisdictions have planning staff who work with the TOD staff on station area plans; the functions are complementary, not overlapping.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

The CPG Program remains available to supply oversight and additional technical assistance to the CRPO when so requested. The CPG Program provides complementary design, construction, and project management services and also provides real estate, property management and TOD expertise to the CRPO.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

As Capital Metro exists and operates within other political jurisdictions (cities, counties, the state) and is not a sovereign entity and thus is not exempt from land-use (zoning) restrictions, construction permitting and similar requirements, it must conform with all of the procedural and approval requirements that apply to the general public. Capital Metro places, maintains and operates more than 3,000 bus stops within the street Rights of Ways of other political jurisdictions (City of Austin, TxDOT, etc); Capital Metro has negotiated and maintains Interlocal Agreements that govern such usage within most of these jurisdictions. The agency works with member jurisdictions on policies and planning where appropriate, e.g., serving on technical advisory boards for neighborhood planning, for bike and pedestrian planning, and for regional transportation planning. Coordinating with member jurisdictions and other regional entities is an important component of the Capital Projects Group’s success.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fiscal Year 2008 Contract Expenditures: \$31,232,407.92

Number of Contracts Accounting for Expenditures: 105

Summary of General Purpose of Contracts: In general, contracts were to make available professional services and construction services required for the implementation of capital facilities projects.

Methods used to ensure accountability for funding and performance: Accountability was ensured by the presence of contracted professional services providers, professional staff, and in some cases by the staff of relevant jurisdictions.

Current Contracting Problems: The only recent contracting problem of any significance involved the termination of a General Construction Contractor and subsequent lawsuits filed in July of 2005. These lawsuits continue.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Legislation that enabled better coordination of land use would improve Capital Metro's ability to serve the region efficiently. When development occurs without consideration of transportation needs, it is rarely possible to provide excellent transportation service. When jurisdictions plan land uses that are supportive of transit, Capital Metro can then plan supportive transit for such development. Specific legislative remedies might include:

- Authorize urban and near-urban counties to have some control over development patterns;
- Provide state incentives for development that locates in transit-served corridors;
- State funding for coordinated development and transit. Texas is one of the few states that provides no state funding to transit in major metropolitan areas;
- Allow flexibility in funding mechanisms for urban regions; and
- All transit agencies in metropolitan regions have some mechanisms to capture the value that good transit generates. For example, tax-increment financing mechanisms could be made available to transit agencies.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

None identified at this time.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- why the regulation is needed;
 - the scope of, and procedures for, inspections or audits of regulated entities;
 - follow-up activities conducted when non-compliance is identified;
 - sanctions available to the agency to ensure compliance; and
 - procedures for handling consumer/public complaints against regulated entities.

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Freight Rail

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Freight Rail
Location/Division	North Operations and Maintenance Facility: 9315 McNeil Road
Contact Names	Bill Le Jeune, Senior Director of Rail Operations; Kevin Timmins, Business Manager of Freight Rail Operations
Actual Expenditures, FY 2008	\$12,953,189
Number of FTEs as of September 30, 2008	5.74

B. What is the objective of this program or function? Describe the major activities performed under this program.

The purpose of this function is to support the shippers and movement of their freight along the rail line. The major activities under this program are the pickup and delivery of rail cars to the customer(s) or the interchanging of freight cars for receipt or delivery to a Class 1 (Union Pacific railroad (RR) or Burlington Northern Santa Fe RR) shipper. The function performs switching, storing, and staging of rail cars. In addition, it advises current and potential customers on how to improve their efficiency with the railroad in order to keep costs down and productivity up.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

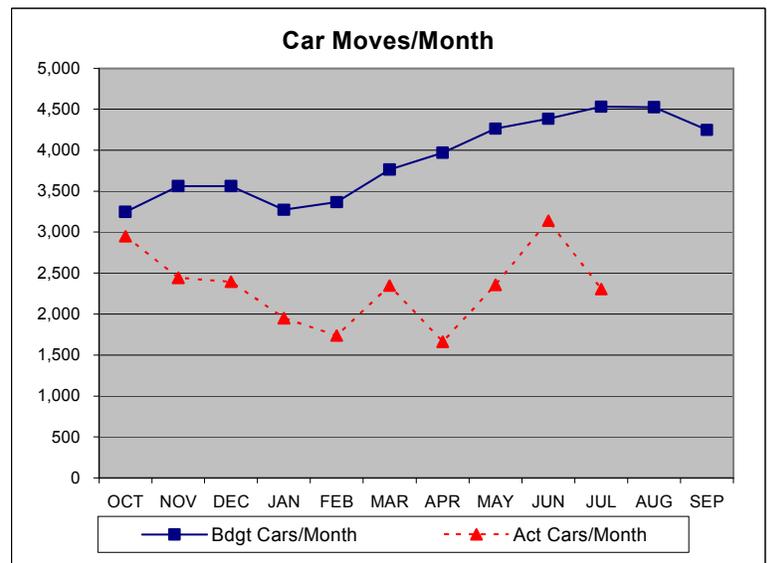
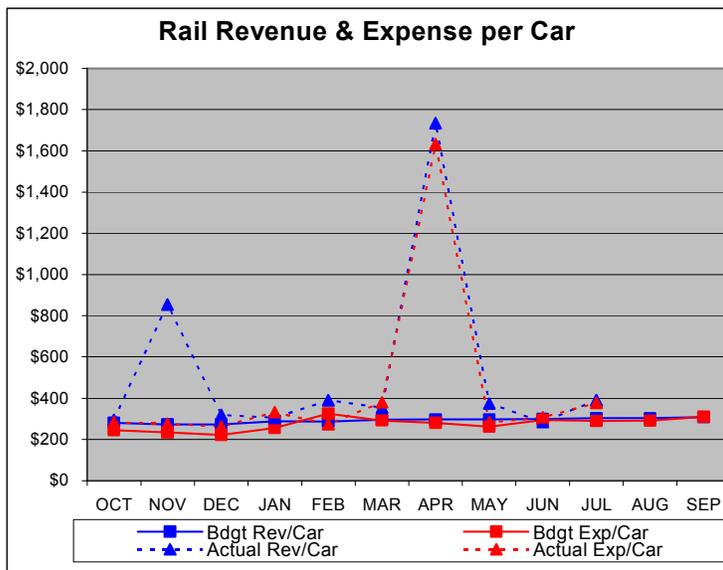
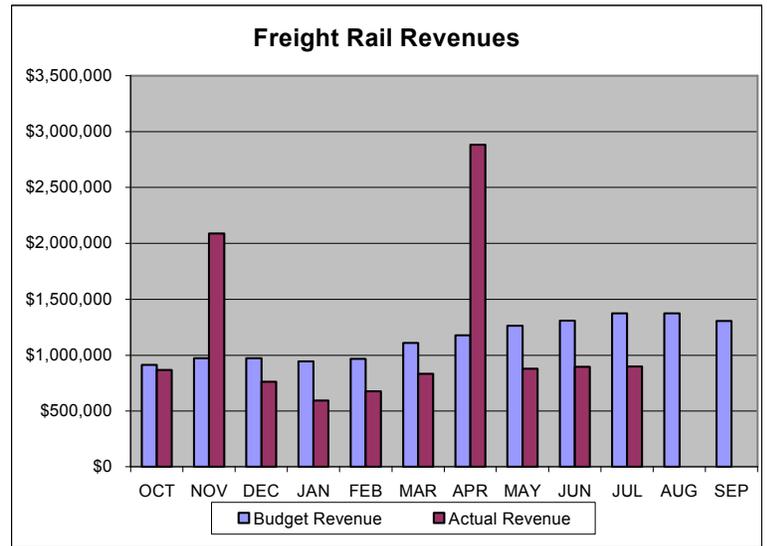
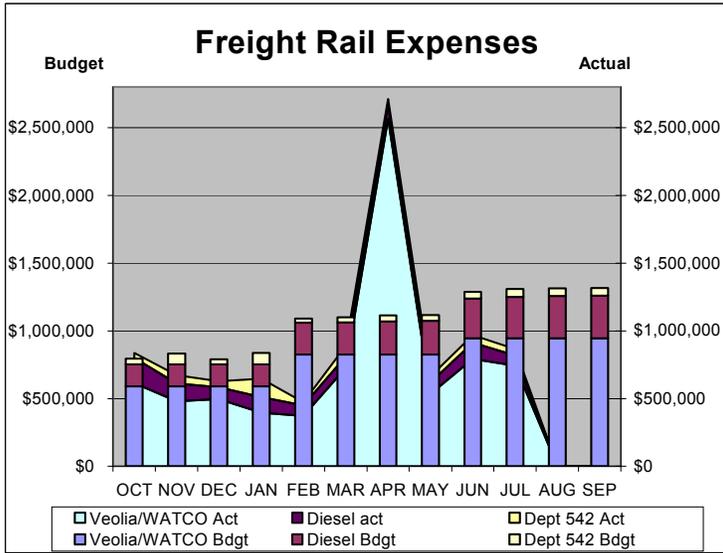
The Freight department has a yearly budget that measures expected costs by category. In addition the department has a budgeted car volume by customer for the fiscal year. On a monthly basis, actual expenditures and car volumes are compared to budgeted figures.

Key statistics used to measure the performance of freight rail operations include:

- Gallons of Fuel per Car Moved
- Revenue per Car Moved
- Revenue per Car Moved On-Line
- Revenue per Car Moved Off-Line
- Cost per Car Moved
- Number of Cars Shipped versus Budget
- Cars Shipped On-Line versus Budget
- Cars Shipped Off-Line versus Budget
- Cars Shipped versus Budget by Major Customer
- Cars Shipped On-Line versus Budget by Major Customer
- Cars Shipped Off-Line versus Budget by Major Customer
- Cars Shipped versus Budget by All Other Customers

- Cars Shipped On-Line versus Budget by All Other Customers
- Cars Shipped Off-Line versus Budget by All Other Customers
- Number of Locomotives Available for Service
- Number of Locomotives Utilized for Service

An example of how the freight operation will review the data as compared to the budgeted expectations is below:



As a result of this data review, Capital Metro has been able to identify and partner with the key shipper(s) on this line. As a result, the program has begun to turn the financial performance of the operation from a yearly operational loss to a minimum “break-even,” with the potential of being operationally profitable for the first time. As a result, we now have a better understanding of the continued work necessary in order to build on and further this foundation for success.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

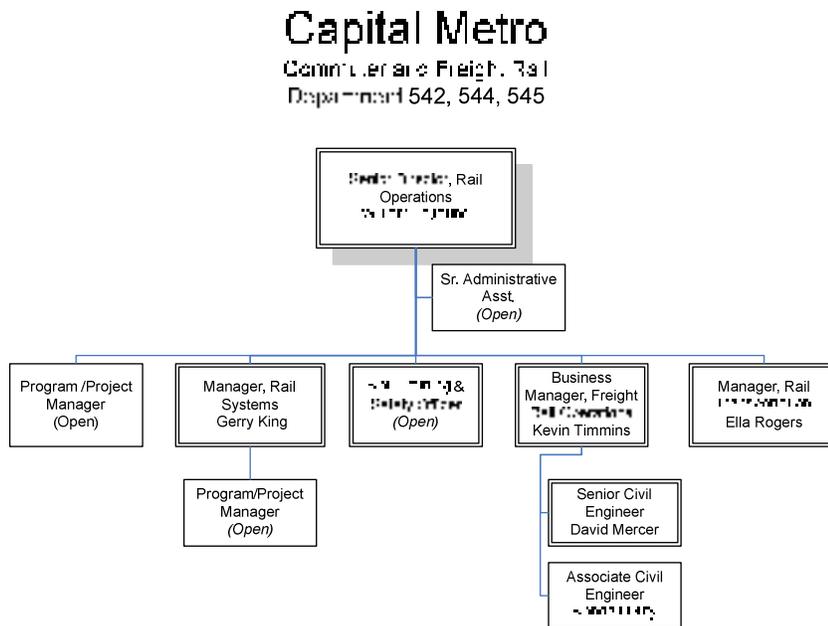
Annual freight rail operating expenses have historically exceeded the revenues generated. For a portion of FY2008, we changed our relationship with our customers to “hold them accountable” for the major expectations of car moves on our rail line. As part of this, the largest shipper and Capital Metro entered into negotiations for a contract which will ensure a guaranteed amount of car shipments and a guaranteed amount of revenue. This ‘Take-or-Pay’ agreement represents the first time that the agency has negotiated with its customers to ensure a guaranteed revenue stream for its services.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

This function affects shippers. The materials transported include aggregate for concrete and road building, beer, lumber, chicken renderings, waste paper products for recycling, lime, granite, plastics, and chemicals for pharmaceuticals.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

This function is administered through the direction of Capital Metro. The work is performed by a contractor, Veolia Transportation. The personnel from Veolia are responsible for the management of the rail line, and the maintenance and/or repair of the rail line and its infrastructure. In addition, Veolia subcontracts with WATCO (branded as AWRR-Austin Western Railroad) for the actual movement of rail cars along the rail line. See the current organizational chart below.



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

Funding for this function is a result of the revenues generated on the rail line for moving cars (freight rail revenue). If the funding is not enough to cover expenses, then funds are allocated from the Agency's annual operating budget to cover any shortfalls from monthly expenses and capital expenditures.

The primary sources of non-freight rail revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

There are no programs internal or external to our agency that perform this function in this region along our rail line. There are however, other Class 1 railroads in this area (Union Pacific-UP and Burlington Northern-BNSF) that perform this function for their customers, and based on where their customers are, we may interact with the Class 1 railroads to either move their cars to the Class 1 carrier(s) or receive their shipments from the Class 1 carrier(s) to deliver the shipments to them.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Capital Metro freight coordinates all moves off the rail line with carriers to ensure the shipments are either received and/or handed off in a timely and expeditious manner, in order to reduce the dwell time of cars (customer shipments) sitting in a yard. The agency has one long-term contract with one customer on the freight line today: Capitol Aggregates. Below are some key terms of the Capitol Aggregates agreement:

- It is a "Take-or-Pay" contract to move 40,000 rail cars for Capitol Aggregates over our rail line to Manor or to deliver the cars to the UPRR or BNSF railroads. Capital Metro guarantees to move this quantity of cars for Capitol Aggregates. Capital Metro gets paid for 40,000 car moves whether Capitol Aggregates moves 40,000 cars or not.
- As part of the agreement, Capital Metro may receive trains from the UP or BNSF to take to the gravel pits in Marble Falls. Our agreement indicates that Capital Metro and its must return the UP locomotives within 24 hours back to the UP railroad in order to increase throughput and keep costs down. If vendors do not meet this "turn time," they are subject to fines from the UP railroad.
- Capital Metro receives the same monthly payment for 48 months, the life of this agreement. In addition to the monthly payment for car moves, Capital Metro is reimbursed the fuel cost for each car moved based on an agreed-upon rate.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

This railroad works with the following governmental units:

- Federal Railroad Administration (FRA) – Capital Metro (and its subcontractors) are subject to all governing rules and regulations for which the FRA is responsible. In addition, the agency relies on the FRA as an advisor to assist with and improve the level of rail safety and regulations.
- TxDOT: There is a Rail Safety Inspection Division at TxDOT, which monitors and inspects all railroads in the state for FRA compliance. Capital Metro works closely with both TxDOT and the FRA to ensure the safety of the railroad.
- Surface Transportation Board (STB) – The STB is an economic regulatory agency that the United State Congress charges with the fundamental mission of resolving railroad rates and service disputes, and reviewing railroad mergers. This agency has jurisdiction over railroad rate and service issues and railroad restructuring transactions (mergers, line sales, line construction, and line abandonments); financial and operations matters, and rates and services. If a customer has a concern about service and/or the cost of that service, the customer may take that issue to the STB for review and all parties, including Capital Metro, are subject to the decision(s) of the STB.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fiscal Year 2008 Contract Expenditures: \$12,678,760 for freight operations; \$7,798,970 for rail capital contracts

Number of Contracts Accounting for Expenditures: 3 freight operations; 11 rail capital contracts

Summary of General Purpose of Contracts: The operating contracts were for (1) maintenance and inspections of the rail line and its infrastructure, and the service for moving the rail cars along the line; (2) fuel deliveries and services; and (3) consulting services regarding how to build and grow revenues and profits along the rail line.

The capital contracts were for materials, signals design and installation, storage sidings, Centralized Traffic Control design and installation, and railroad crossing rehabilitation.

Methods used to ensure accountability for funding and performance: The methods used to ensure accountability for funding and performance include daily and weekly meetings with the contractor(s) and their representatives to report on tasks/goals achieved versus expected and project milestones accomplished. In addition, field verification and field visits are used to verify contract and/or project deliverables.

Current Contracting Problems: Capital Metro's freight railroad is operated by WATCO, a subcontractor to Veolia, which operates the passenger rail service. Capital Metro and Veolia have differed periodically with regard to interpretation of the contract and Veolia's responsibility for maintenance of the right of way and bridges, and submission of a detailed maintenance plan. The agency and contractor are working to resolve these items.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

None identified at this time. (Freight rail operations are predominately affected by federal statute.)

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

No additional information to provide at this time.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- why the regulation is needed;
 - the scope of, and procedures for, inspections or audits of regulated entities;
 - follow-up activities conducted when non-compliance is identified;
 - sanctions available to the agency to ensure compliance; and
 - procedures for handling consumer/public complaints against regulated entities.

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Commuter Rail Operations

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Commuter Rail Operations
Location/Division	North Operations and Maintenance Facility: 9315 McNeil Road
Contact Name	Bill Le Jeune, Senior Director of Rail Operations
Actual Expenditures, FY 2008	\$ 5,082,968
Number of FTEs as of September 30, 2008	5.12 (includes allocation of 0.12 FTE for Rail Security Officer, which is shared with Freight Operations)

B. What is the objective of this program or function? Describe the major activities performed under this program.

In November 2004, voters approved a referendum to allow Capital Metro to build Phase 1 of a passenger rail system on the Giddings/Llano rail line. The major function of the Commuter Rail Operations program is to develop and oversee the operations of the Capital MetroRail Red Line. The Red Line is expected to begin service soon.

The primary focus of the Commuter Rail Operations staff has been to ensure the agency develops, operates and maintains the system to the highest safety standards. Key rail development milestones:

- Completing construction of stations, bridges, siding track
- Installing signalized crossings and traffic preemption systems
- Testing the commuter trains and obtaining final agreement from the Federal Railroad Administration for compliance with its rules and regulations
- Completing a full system validation

The Commuter Rail staff will also perform a systems hazard analysis and risk assessment before opening the line.

These efforts will ensure the safety and effectiveness of this reliable, much-anticipated mode of travel for central Texas.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Performance data does not exist yet for the Red Line, as passenger service has not begun. However, Capital Metro and its passenger rail service provider, Veolia Transportation, have worked together to develop performance indicators that will be reported monthly once service begins. The indicators focus on the customer experience and the effectiveness with which our service is delivered. Some of the performance metrics will be ridership, on-time performance, the number of customer complaints, the number of accidents, total cost per vehicle revenue mile, total cost per vehicle revenue hour, fare box

recovery, total cost per passenger trip, and the amount of unplanned and planned maintenance per repair event.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The intent of the 2004 rail referendum was to provide the citizens of central Texas with a safe, reliable rail service using the most cost-effective solution. To that end, Capital Metro will operate commuter service between downtown and Leander on tracks owned by the agency and operated by a contractor. Capital Metro selected a modern Diesel Multiple Unit vehicle that is faster and quieter than traditional locomotives and accordingly, had to apply for a waiver from certain federal regulations that govern shared-use track. The Federal Railroad Administration granted a conditional waiver in April 2009.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

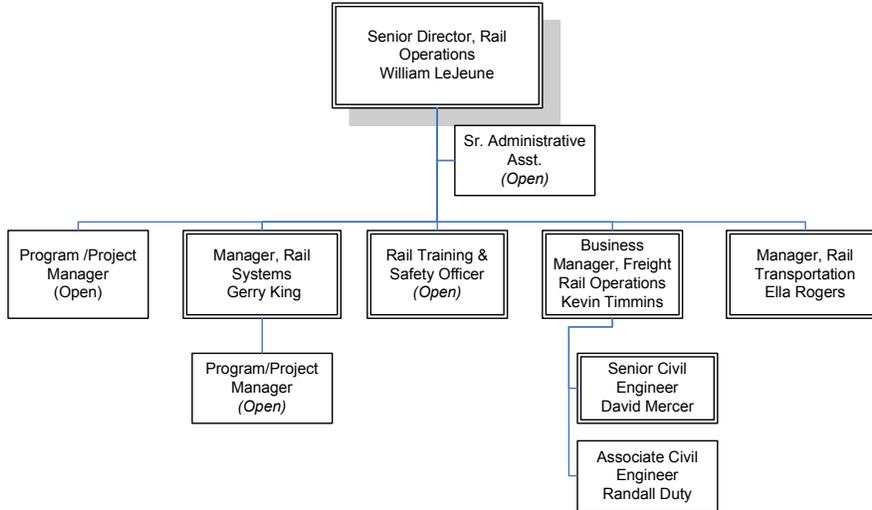
Commuter rail service on the Red Line affects the citizens of the central Texas region, particularly those who reside near the Red Line in Leander and Austin, but also those in adjacent communities not within the service area but who are also likely to utilize the service (e.g., residents in Cedar Park).

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

All services associated with the implementation, testing, operation and maintenance of the commuter rail service are administered through a third-party contract with Veolia Transportation. Contractor performance management is the responsibility of the Commuter Rail Operations function.

See organizational chart below.

Capital Metro
 Commuter and Freight Rail
 Department 542, 544, 545



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency’s annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

There are no entities in the central Texas region that provide commuter rail service similar or identical to Capital Metro’s forthcoming Red Line service.

While Amtrak and the Austin Steam Train Association provide passenger rail service, these services are different than Capital Metro’s Red Line service. Amtrak service is not for intra-city travel and its intercity trips extend far beyond the central Texas area, while the Austin Steam Train Association provides leisure trips in the central Texas area (though on the same Giddings/Llano rail line owned by the agency).

The operations and maintenance of the Red Line is contracted to Veolia Transportation, a private contractor. New Jersey Transit owns the River Line that runs from Trenton to Camden. The agency has a similar business model as it contracts the operation and maintenance to Bombardier, a private operator.

There are several other transit agencies across the country that contract for operations and maintenance of rail services. One major difference is while Capital Metro has all elements of operations and maintenance

under one umbrella, other agencies may use different contractors for different functions. For example, in San Diego, Southern California Regional Rail Authority (SCRRA) uses Veolia for operations and dispatching, Bombardier for vehicle maintenance and Herzog for maintenance of way on the Sprinter line. The Trinity Railway Express (TRE) is operated by Transit America, Herzog's operations division.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency's customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

There are no similar programs within this region. When open, Capital Metro will be the only provider of commuter rail services for this region.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Capital Metro works closely with both TxDOT and the FRA to ensure the safety of the railroad.

The Capital Metro commuter rail project is regulated by the FRA. The FRA is the federal branch of the U.S. Department of Transportation responsible for railroad safety. The FRA Safety Board in Washington is mainly a policy-making body. FRA Region 5, the regional office/branch/division, is responsible for enforcement of railroad safety programs and regulations. It should be noted that the FRA's oversight of Capital Metro's commuter rail operation is the first time that the FRA has retained jurisdiction over a system with a vehicle of this type.

Additionally, there is a rail safety inspection division at TxDOT that monitors and inspects all railroads in the state for FRA compliance.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fiscal Year 2008 Contract Expenditures: \$4,381,266

Number of Contracts Accounting for Expenditures: 5

Summary of General Purpose of Contracts:

- Qualification and testing of commuter rail train engineers and operators
- Performance of a risk assessment of rail operations, including the ranking of all risks and suggested mitigation strategies
- Performance of bridge studies along the entire rail line to determine which bridges, if any, need repair, including prioritization of critically-needed repairs (this work is provided through two contracts)
- Provision of fuel for operating commuter rail trains

Methods used to ensure accountability for funding and performance:

- Internal Audit performed a cost-reimbursement contract audit that covered the period from contract inception in July 2007 through November 2008. The Agency is still actively working with the contractor to resolve questions and recover disallowed costs.
- The Freight Rail Business Manager works in coordination with the Contracts Administrator to review all invoice submissions and supporting documentation to ensure costs charged are in compliance with contractual terms.

Current Contracting Problems:

- Capital Metro faces the same challenges that most agencies face when managing contracts and contractors. Controlling costs while also ensuring the contractor has the needed technical and diagnostic skills for a project like Capital Metro's Red Line has been difficult. Also, most of the contractor's current management team were not involved in the development of the initial contract proposal. As a result, they are less familiar than their predecessors with the agreed-upon contract deliverables. Efforts are underway to clarify contractual obligations and finalize the development of the needed deliverables.
- The vendor has failed to comply with cost terms as defined in the contract (FAR Part 31-Contract Cost Principles and Procedures). However, ineligible costs were identified through an internal audit and Capital Metro is currently working with the contractor to resolve and/or recover ineligible costs.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Please see Section IX. Policy Issues, which includes an expanded discussion on Capital Metro's unique rail referendum requirement and the impacts that it has had on the agency.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

None identified at this time.

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. StarTran Administration (Operations Administration)

A. Provide the following information at the beginning of each program description.

Name of Program or Function	StarTran Administration (Operations Administration)
Location/Division	Capital Metro Headquarters: 2910 East 5 th St.
Contact Name	Terry Garcia Crews, President/General Manager
Actual Expenditures, FY 2008	\$205,627
Number of FTEs as of September 30, 2008	2 (As of Sept. 30, 2008, three FTEs were budgeted under StarTran Administration but only two were filled at that time)

NOTE: While the expenditures and employee counts listed above describe the department that is StarTran Administration (the President/General Manager’s Office), the General Manager is responsible for oversight for the entire StarTran organization. As of September 30, 2008, StarTran, Inc. was comprised of 959 employees and had \$84 million in actual expenditures. Detailed information about the various functions administered by each StarTran department is covered in the respective sections of the Self-Evaluation Report.

B. What is the objective of this program or function? Describe the major activities performed under this program.

The operational management and oversight responsibility for the StarTran organization resides in the StarTran Administrative function. StarTran Inc. is a nonprofit corporation under contract to Capital Metro for the provision of operations personnel including bus and paratransit operators and mechanics. The StarTran President/General Manager directs the safe and efficient operations of;

- Fixed route services (MetroBus)
- MetroAccess Paratransit services (MetroAccess)
- Vehicle maintenance
- Training and development.

StarTran Administration also conducts the contract negotiations and handles labor relations through this department.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

The General Manager’s Office is ultimately responsible for the performance of the entire StarTran, Inc. organization. Some key metrics that speak to the effectiveness and efficiency of StarTran include

- Budget compliance as measured by the monthly financial variance reports
- On-time performance for the fixed route bus service
- Productivity as measured by passengers per hour

- On-time pick-ups for paratransit service
- Call Center performance for the paratransit reservation department
- Minimal loss in service caused by an accident or mechanical issue
- Miles of operation between road calls for service reliability
- Preventative maintenance inspections in compliance with federal requirements
- Vehicle accidents as measured by 100,000 miles

For more detailed information, each functional area (fixed route services, paratransit services, vehicle maintenance, and training and development) has specific reports that measure the effectiveness and efficiency of their area. Metrics pertaining to StarTran functional operations are reported in the respective program areas (e.g., MetroAccess, Vehicle & Building Maintenance, etc.).

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Not applicable.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

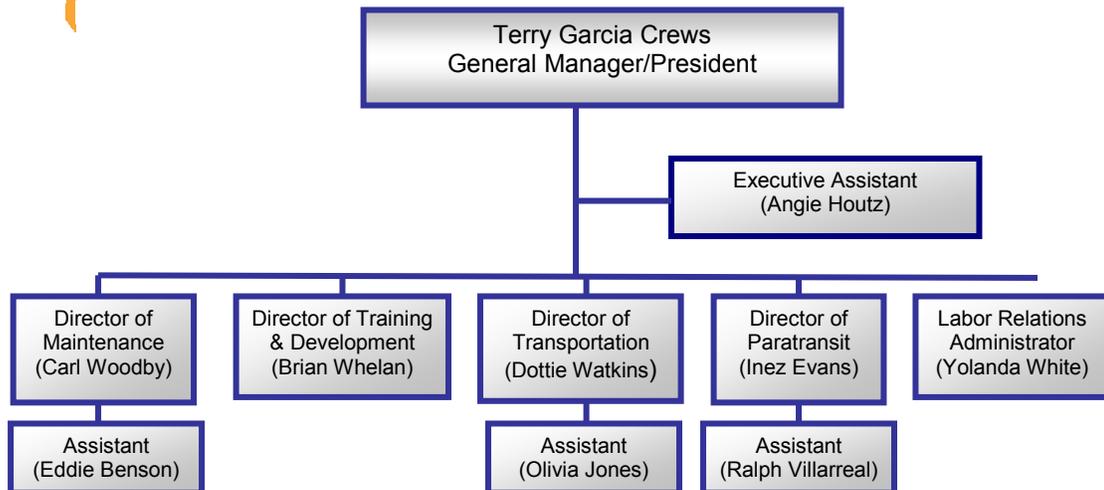
The only qualification or eligibility components for the StarTran organization relating to the users are the consumers for paratransit service. Eligibility requirements for paratransit services are outlined in the Paratransit Services section of the Self Evaluation Report.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

Detailed below is a high-level organizational chart for StarTran as of September 4, 2009. Currently, the department that is StarTran Administration is budgeted to include three positions: the General Manager, the Executive Assistant, and the Labor Relations Administrator.

For further information, each particular director listed on the organizational chart has his/her own budget and additional organizational chart for that function covered within the appropriate section.

Note: A reorganization is planned to occur in the near future (likely within the first quarter of FY2010), in which additional support functions would be transferred to StarTran from Capital Metro. This reorganization will provide StarTran with more direct administrative support for its employees.



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The StarTran budget is a pass-through contract whereby the Capital Metro Board of Directors approves the Capital Metro budget, which includes the StarTran budget. The StarTran budget is supported by a separate agreement for the provision of employee support services.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

None

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not Applicable

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

This relationship is fostered through Capital Metro. StarTran is a non-profit that was created by Capital Metro in 1991 to reconcile a conflict between state law, which prohibits a political subdivision of the state from entering into a collective bargaining agreement (save for a few exceptions regarding police or firefighting personnel), and federal labor law, which conditions the receipt of federal funds by a transit authority on the continuation of existing collective bargaining rights of employees.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Contractual relationships are delineated by each functional area for the StarTran organization. Please see respective functional areas for details.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

None.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not Applicable

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. MetroAccess

A. Provide the following information at the beginning of each program description.

Name of Program or Function	MetroAccess
Location/Division	Thompson Lane Facility: 509 Thompson Lane North Operations Center: 9315 McNeil Road
Contact Name	Inez Evans, Director of Paratransit
Actual Expenditures, FY 2008	\$12,163,444
Number of FTEs as of September 30, 2008	181.5

B. What is the objective of this program or function? Describe the major activities performed under this program.

The MetroAccess Department provides complementary service (paratransit) to Capital Metro’s Fixed Route service in accordance with the Americans with Disabilities Act (ADA). For additional information on “Transportation Services for Individuals with Disabilities” see: http://www.fta.dot.gov/civilrights/ada/civil_rights_3906.html.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Ridership, miles and hours of service are reported monthly and forwarded to the National Transit Database. (The National Transit Database (NTD) is the Federal Transit Administration's (FTA) national database of statistics for the transit industry. The NTD is comprised of data reported by more than 600 transit agencies across the US, which is then analyzed and compiled into reports published by FTA and made available to the public on the NTD Program website at <http://204.68.195.57/ntdprogram/> .)

Strategic measures with key performance indicators that include productivity, safety and customer satisfaction indicators include the following:

Key Performance Indicator	Goal
Call Center Hold Times	2 minutes or less
Call Center Abandonment Rate	5% or less
On Time Performance	90% or higher
Ridership	Analyze increases and decreases in the overall ridership of the program

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The service provided by MetroAccess was created in the 1960s to address the demand for transit services for the disabled, sick, and elderly. In 1990, the ADA became law. However, Capital Metro has continued to provide the same level of services that existed prior to the ADA. These services currently extend the federal minimum requirements. For example, door-through-door service, same day open returns, voucher trips on request and out of area transportation when capacity permits are all elements which extend beyond the federal requirements. MetroAccess originally served the entire service area; but in 2003, a decision was made by the Capital Metro Board of Directors to limit these services to the paratransit service corridor which falls within $\frac{3}{4}$ mile of any fixed route service route as defined by the ADA.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

The ADA requires transit agencies to provide paratransit services to people with disabilities who cannot use the fixed route bus or rail service. In general, paratransit service must be provided within $\frac{3}{4}$ of a mile of a bus route or rail station, at the same hours and days, for no more than twice the regular fixed route fare. The ADA further requires that paratransit rides be provided to all eligible riders if requested any time the previous day, within an hour of the requested time.

Exceptions to the $\frac{3}{4}$ mile boundary service requirements exist for certain bus and rail routes:

Sec. 37.121 Requirement for comparable complementary paratransit service: (c) Requirements for complementary paratransit do not apply to commuter bus, commuter rail, or intercity rail systems.
http://www.fta.dot.gov/civilrights/ada/civil_rights_3906.html

To be eligible to ride or use MetroAccess service, customers must submit certification forms completed by medical professionals. The following persons are served by the MetroAccess service. All three categories include people who may be able to ride fixed-route transit for some, but not all of their trips.

Category 1 - People who cannot navigate travel on the bus or train, even if it is accessible, because of a disability

This category includes people who are unable, due to a mental or physical impairment (including a vision impairment), to board, ride, or disembark from an accessible bus or train without assistance. For example:

- People with cognitive disabilities, if they do not know where to get off the bus or how to go to their destination from the bus stop
- People who are blind or who have low vision, if they don't have the travel skills needed to navigate the route to their destination
- A person with a visual impairment that allows him/her to see well enough to travel independently during the daytime but not at night

Category 2 - People who need an accessible bus or train

This category includes people who use wheelchairs and other people with disabilities who can use an accessible vehicle but who want to travel on a route that is still inaccessible (not served by accessible buses or accessible trains and key rail stations).

Category 3 - People who have a specific disability-related condition

This category includes people who have a specific disability-related condition that prevents them from traveling to a boarding location or from a disembarking location. Environmental barriers (distance, terrain, weather) or architectural barriers not under control of the transit agency (such as lack of curb ramps) that prevent an individual from traveling to or from the boarding or disembarking locations may form the basis for eligibility. For example:

- A person who uses a wheelchair may be able to negotiate a trip to the bus stop up a moderately sloped hill on a summer day, but not in the winter in ice or snow
- A person may be eligible if architectural barriers present safety hazards on the only route to the train station or bus stop
- A person who walks with a cane and would need to travel 3/4 mile to the bus route but cannot walk that great a distance
- People with disabilities that affect them very differently over time, such as multiple sclerosis. During some periods, they are able to go to the bus stop or train station. During other periods, they are not able to do so.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The program is administered using the minimum requirements, in accordance with (49 CFR PART 37) set forth by ADA law and the Special Transit Services Policies and Procedures October 2002 manual. (See: http://www.capmetro.org/docs/ATS-NC-STS_P&P_4-08.DOC .) The policies are reviewed by Board Members, an advisory Committee (ACCESS), and the policies are sent to the Federal Transit Administration. Public hearings and/or meetings are also held as required by law.

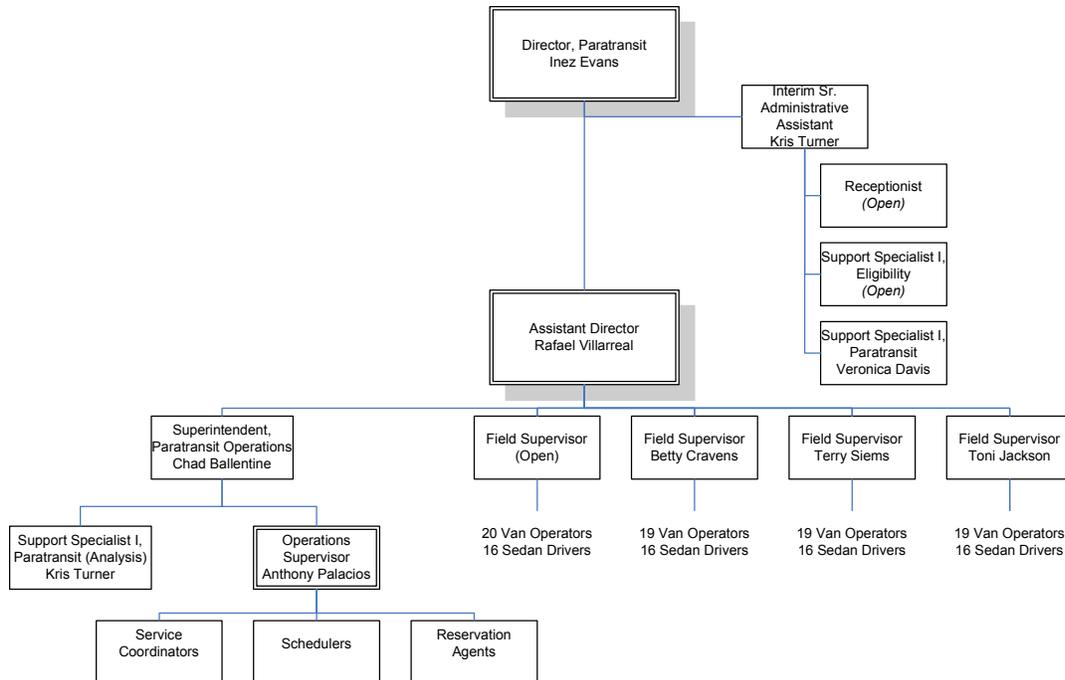
As many transit authorities nationally are faced with reduced revenues, cost saving solutions are being sought. Partransit systems are struggling with funding and ridership is up. According to APTA's "Public Transportation Ridership Report" released in March 2009, there was a 5.8% increase in national paratransit ridership last year. Presently, the MetroAccess program is looking to gain efficiencies by changing the following policies:

Policy under review	Current Policy	Proposed Policy	Intended Results
No-Show Policy	Penalty charge of \$1.40 for each no-show over 4 in a month. Service suspension if payment not made.	A 4-day suspension of service will occur after a customer has no-shows equal or greater than 10% of trips or 4 times, whichever is greater in a month. Suspension increases for repeat	Reduce the number of no-shows.

		offenders. Penalty charge remains the same.	
Advance Reservations	Trips can be scheduled up to 8 days in advance.	Trips can be scheduled up to 6 days in advance.	Reduce call center hold times.
Call Center Hours/Staffing	<i>Weekdays:</i> 7 AM to 9 PM <i>Weekends:</i> 7 AM to 7 PM	<i>Weekdays:</i> 7 AM to 7 PM <i>Weekends:</i> 8 AM to 5 PM Increase staffing during busiest call times.	Reduce call center hold times.
Same Day Service: "Open Returns"	For specific trip types with an uncertain pickup time, customers call for an on-demand trip when ready to ride. All passengers have a guaranteed ride home, but wait times can be as long as 2 hours.	Passengers must provide estimated return trip times, but will not be charged with a no-show if running late. All passengers have a guaranteed ride home. When customers miss their scheduled return trips, the wait time may still be as long as 2 hours, but fewer people will be affected.	By providing an estimated time, we can make better scheduling decisions and have a vehicle in your area, reducing the amount of time you must wait for a ride.
Pickup Window	Up to 15 minutes after the scheduled time.	Up to 15 minutes <u>before</u> and 15 minutes <u>after</u> the scheduled time	Reduce the need to change passenger times by allowing more flexibility within each vehicle's daily schedule.

See organization chart on the following page.

StarTran, Inc.
 MetroAccess Paratransit
 430, 431



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the agency's annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Medicaid and other state and local programs often provide transportation services for their clients. As such, these agencies are given federal funds to help meet their transportation needs. The federal government requires that the social service agencies use the least expensive transportation option, which for our service area is the MetroAccess program.

In many other jurisdictions, these social service agencies coordinate with the local paratransit provider. The full cost of the paratransit service is then reimbursed to the transit provider. In Austin, however, social service agencies choose instead to directly purchase MetroAccess tickets and monthly passes. Therefore, the full cost of the service is not reimbursed, and Capital Metro is subsidizing the transportation costs of social services clients. The savings realized by the social service agencies can then be used to pay other non-transportation related costs.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

The FTA’s Office of Civil Rights primarily oversees paratransit providers. Its mission is as follows:

Civil Rights & Accessibility

FTA's mission includes ensuring non-discriminatory, equitable, accessible and safe public transportation, enhancing the social and economic quality of life for people with disabilities.

FTA’s enabling legislation includes the non-discriminatory use of federal funds by recipients of FTA assistance, including their sub-recipients and contractors. FTA ensures non-discrimination through oversight of grantee implementation of required civil rights regulations and policy. Compliance reviews and assessments are conducted to determine if the grantee’s required efforts under [Title VI of the Civil Rights Act of 1964](#), (including aspects of Environmental Justice), [Equal Employment Opportunity](#) (EEO) program, [Disadvantaged Business Enterprise](#) (DBE) program, and the [Americans with Disabilities Act of 1990](#) (ADA) requirements are in compliance as represented to the FTA.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fiscal Year 2008 Contract Expenditures: Austin Cab (\$1,189,630.03), Greater Austin Transportation Corporation (\$1,810,218.64)

Number of Contracts Accounting for Expenditures: 2

Summary of General Purpose of Contracts: The taxi contractors provide vehicles and drivers to transport MetroAccess clients. The program is used for subscription trips, overflow trips, the “voucher on request” program, and dedicated runs.

Methods used to ensure accountability for funding and performance:

Taxi Vouchers – The taxi auditor determines that all information required by NTD (times, mileages, etc) are provided, that the correct mileage is charged, that “client pay” portions are appropriately paid, and that the trip is for the correct client and date.

PTS Dedicated Runs – The taxi auditor determines that all information required by NTD (times, mileages, etc) are provided, enters this run information into Trapeze for reporting purposes, and that the hours being charged are correct. Drivers are not paid for extended periods of down time where they did not contact dispatch for additional work, and per the contract are not paid when MetroAccess has to take over their work due to vehicle downtimes.

It should be noted that verification of vouchers is a lengthy process that affects the timing of contractor payment. Currently, staffing for verification of vouchers is limited.

Current Contracting Problems: Current contracting problems which have been encountered are:

- Untrained drivers
- Unsafe driver practices
- Drivers not accepting MetroAccess trips
- Non-compliance with the Special Transit Service Policies and Procedural Guide (leaving passengers stranded or unattended, failing to provide door-through-door service, smoking in vehicles, driver professionalism and appearance, talking on cell phones, unauthorized persons in the vehicle)
- Undesirable condition of vehicles (bald tires, cracked windshields, inoperable trunks, malfunctioning doors and damaged vehicle bodies)
- Receiving improperly filled vouchers forms

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Capital Metro is the only transit agency in Texas required to continue to provide paratransit service to locations that have withdrawn from its service area (Cedar Park, Pflugerville, Rollingwood and West Lake Hills). Because Capital Metro collects the cost of service from the communities served, the financial impact is near zero. However, this requirement could be relaxed by allowing surrounding areas to contract with Capital Metro or another provider for these trips. See applicable statute below:

Text of Transportation Code Section 451.610

§ 451.610. CONTINUATION OF SERVICES TO PERSONS WITH DISABILITIES. An authority shall continue to provide transportation services for persons with disabilities in a withdrawn unit of election. The authority may not charge a fare for transportation services to persons with disabilities in the withdrawn unit that is more than the fare for those services for persons in the authority.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

The following websites provide additional helpful information:

<http://www.capmetro.org/riding/accessibleservices.asp>
http://www.capmetro.org/news/news_detail.asp?id=7174

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Fixed Route Services

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Fixed Route Services
Location/Division	Capital Metro Headquarters: 2910 East 5 th St.
Contact Names	Fixed Route Services & Purchased Transportation: Dottie Watkins, Director, Transportation Operations Training and Development: Brian Whelan, Director, Operations Staff Development
Actual Expenditures, FY 2008	Fixed Route Services \$29,349,775 Purchased Transportation \$16,333,346 Operations Training: \$14,345* Total \$45,697,466
Number of FTEs as of September 30, 2008	Fixed Route Services: 559.5 Purchased Transportation: 1 Operations Training and Development: 9*

Note: The Operations Training Department was transitioning out of Fixed Route Services into a separate department at the end of FY2008. Although responsibilities had been separated, the separation of related expenses did not truly begin until FY2009.

B. What is the objective of this program or function? Describe the major activities performed under this program.

Included under Fixed Route Services are three areas: Fixed Route Services, Purchased Transportation, and Operations Training and Development.

The mission of Fixed Route Services (FRS) is to provide safe, efficient, and cost-effective public transportation services in the Capital Metro service area. The department operates fixed route bus service, including mainline, ‘Dillo, Flyer, and Park & Ride services. FRS also ensures fleet accessibility in accordance with the Americans with Disabilities Act (ADA).

Purchased Transportation is responsible for the oversight of Capital Metro’s contracted fixed route services, including contracts for Local Fixed-Route, UT Shuttle, and Rural Services.

Operations Training and Development is responsible for ensuring the training and development for all StarTran Fixed Route and Paratransit Bus Operators, as well as providing training support to other Capital Metro programs, including RideShare and Paratransit taxi contractors.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

Key performance indicators in Fixed Route Services include on-time performance, accidents, and service loss. A summary of performance is provided on the following page.

Fixed Route Key Performance Indicators - FY2008	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08
StarTran												
Percent of completed scheduled service hours	99.92%	99.93%	99.91%	99.93%	99.94%	99.93%	99.94%	99.93%	99.92%	99.95%	99.93%	99.95%
On time performance	85.90%	87.00%	90.00%	89.40%	89.80%	87.40%	87.70%	89.20%	89.20%	88.80%	87.80%	86.30%
Ridership	2,263,052	2,055,686	1,988,006	1,905,204	1,967,792	2,045,607	2,158,295	2,092,615	2,064,816	2,098,026	2,129,287	2,324,507
Vehicular accidents per 100,000 miles	2.42	3.06	3.67	2.6	2.72	2.29	2.45	2.58	2.75	1.98	2.95	2.73
Passenger accidents per 100,000 passengers	0.40	0.58	0.81	0.51	0.18	0.16	0.53	0.48	0.75	0.69	0.31	0.53
Veolia												
Percent of completed scheduled service hours	99.81%	99.83%	99.82%	99.76	99.84	99.72	99.81%	99.51%	99.83%	99.64%	99.86%	99.76%
On time performance	83.70%	92.8	89.9	92.8	91.7	90.2	89.20%	88.90%	86.70%	86.40%	84.40%	83.70%
Ridership	232,637	206,371	192,716	234,440	259,200	259,096	281,295	284,913	274,083	280,929	292,155	318,694
Vehicular accidents per 100,000 miles	2.65	0.57	1.13	1.55	3.62	0.99	1.99	1.02	2.06	0.97	2.94	1.45
Passenger accidents per 100,000 passengers	0	1.45	0	0	1.04	0.49	0	0.51	1.03	0.49	0	0
First Transit												
Percent of completed scheduled service hours	99.58%	99.55%	99.59%	99.77	99.53	99.54	99.44%	99.74%	99.64%	99.60%	99.75%	99.69%
On time performance	97.59%	96.50%	95.24%	97.14	95.81	95.53	97.50%	96.32	98.07	94.67	97.45	97.29%
Ridership	947,192	771,385	321,469	405,639	719,757	484,760	702,622	192,040	211,574	214,111	236,040	814,781
Vehicular accidents per 100,000 miles	2.11	2.81	0.63	2.2	3.64	1.59	1.57	0.9	1.7	2.87	2.18	2.27
Passenger accidents per 100,000 passengers	0	0	0	0	0	0	0	0	0	0	0	0

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

The provision of fixed route bus services remains essentially unchanged.

At the end of FY2008 however, the Operations Training Department was transitioning out of Fixed Route Services into its own separate department. Although the separation of responsibilities occurred at that time, the separation of related expenses did not truly begin until FY2009.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

All users of Capital Metro fixed route bus services

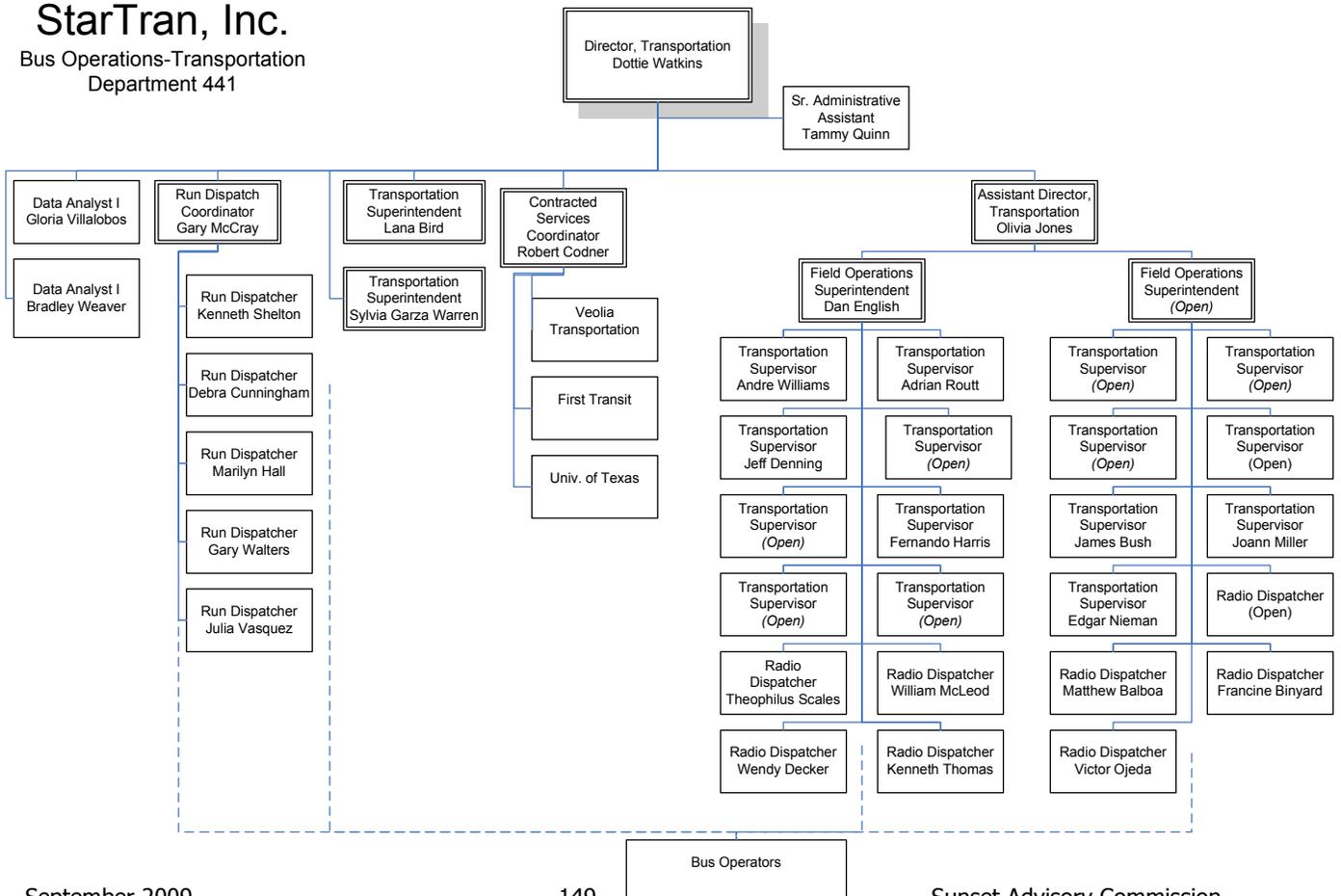
F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

Two current organizational charts are provided below:

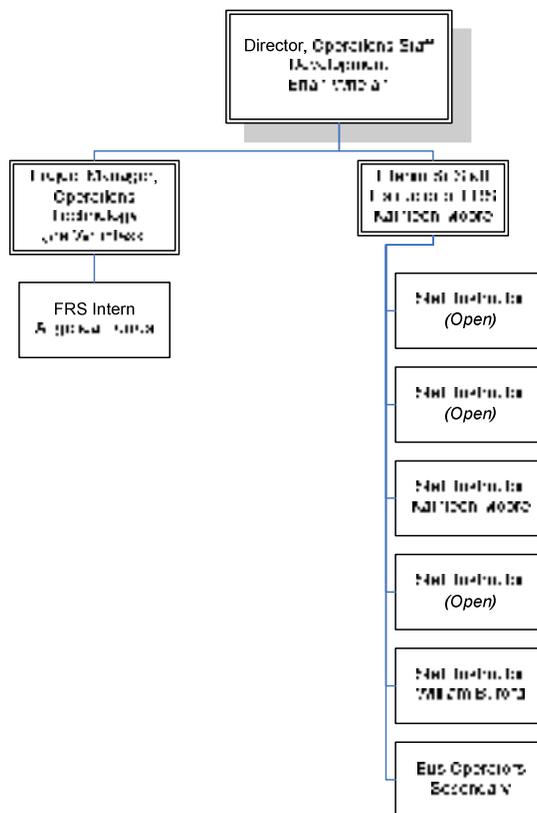
- The first, for Fixed Route Services, includes the Purchased Transportation function.
- The second covers the Operations Training and Development function.

StarTran, Inc.

Bus Operations-Transportation
Department 441



StarTran, Inc.
 Bus Operations-Development
 Department 440



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

The program is allocated funds through the Authority’s annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

Not applicable.

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

Not applicable.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Not applicable.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

Fixed Route Services incurred total contracted expenditures in FY2008 of \$16,829,754.30. These expenditures were accumulated by six different contracts. A summary of each contract, its oversight process, and expenditures is provided in the following table. There are not any current contracting problems with these suppliers.

Supplier	Description of Contract	Oversight Process	Total Expenditures, FY2008
DriveCam	Contract for safety and training technology for use in bus operations. The DriveCam technology monitors inertia forces on the bus and flags camera footage when inertia forces are extreme (for example, when heavy braking occurs). DriveCam clips are then used to improve the training of bus operators.	Operations Training and Development manages the DriveCam contract. In addition to providing basic oversight of the vendor, the department implements StarTran’s use of the product through coaching and training.	\$681,903
Miller Uniform and Emblems, Inc.	Contract to provide uniforms and accessories for bus operators.	The StarTran Fixed Route Sr. Administrative Assistant is designated as the Project Manager for this contract. The responsibility includes resolving any issues with individual uniform orders as well as processing of monthly invoices.	\$31,605
City of Austin	Interlocal agreement with the City of Austin to fund a share of the Combined Transportation and Emergency Communications Center (CTECC). CTECC is funded jointly by the City of Austin, Travis County, TxDOT and Capital Metro. Each entity houses staff in the CTECC facility and the cost of operating the facility is shares amongst the partners based upon usage.	Capital Metro’s President/CEO (or designee) sits on the CTECC Governing Board, making policy-level decisions regarding the operation of the facility. The Chief Operating Officer (or designee) sits on the CTECC Operating Board, making standard operating decisions for the day to day operation of the facility.	\$568,797

Capital Area Rural Transportation System (CARTS)	Interlocal agreement (ILA) with CARTS to provide fixed route and demand response services in the more rural areas of Capital Metro’s service area.	Capital Metro’s Contracted Services Coordinator is designated as Project Manager for these three contracts (CARTS, Veolia and First Transit). In this role, the Coordinator oversees contract compliance (through monitoring of regular operating statistics and handling of issues or complaints that arise) as well as processing of monthly invoices.	\$455,359
Veolia Transportation Services, Inc.	Contract to provide local fixed route services. Capital Metro provides the vehicles and facility, and the supplier operates the service and maintains the vehicles.		\$6,803,880
First Transit, Inc.	Contract to provide UT Shuttle and fixed route services. Capital Metro provides the vehicles and facility, and the supplier operates the service and maintains the vehicles.		8,288,208

In addition to these contract expenditures, Fixed Route Services oversees partnerships for three revenue agreements, as detailed below. Revenues for these agreements are captured in Section V of this report.

Partner	Description
University of Texas	Interlocal to provide UT Shuttle services. This interlocal requires that the University will pay Capital Metro 65% of the operating costs of the UT Shuttle system, including costs for fuel. Capital Metro provides the remaining operating subsidy and all capital items required for operation (buses, bus stops, etc.). Additionally, UT Students are permitted to ride all Capital Metro services without paying a fare.
University of Texas	Interlocal to allow University faculty and staff members to ride all Capital Metro services without paying a fare.
Austin Independent School District (AISD)	Interlocal to provide AISD Magnet Route services. This Interlocal Agreement (ILA) requires that AISD will pay Capital Metro 75% of the operating costs of the magnet routes. Capital Metro provides the remaining operating subsidy and all capital items required for operation

Please note that the ILA with AISD expired in June 2009 and will not be renewed.

L. What statutory changes could be made to assist this program in performing its functions? Explain.

None identified at this time.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

No additional information to provide at this time.

- N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:**
- **why the regulation is needed;**
 - **the scope of, and procedures for, inspections or audits of regulated entities;**
 - **follow-up activities conducted when non-compliance is identified;**
 - **sanctions available to the agency to ensure compliance; and**
 - **procedures for handling consumer/public complaints against regulated entities.**

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VII. Vehicle & Building Maintenance

A. Provide the following information at the beginning of each program description.

Name of Program or Function	Vehicle & Building Maintenance
Location/Division	Capital Metro Headquarters: 2910 E. 5 th St.
Contact Name	Carl Woodby, Maintenance Director
Actual Expenditures, FY 2008	\$41,729,404
Number of FTEs as of September 30, 2008	206

B. What is the objective of this program or function? Describe the major activities performed under this program.

The primary function of Vehicle Maintenance is to assure that there is a sufficient quantity of safe, reliable and clean vehicles everyday for operations. The major activities are also separate departments for budget purposes:

- **Running repair, body shop, heavy repair, electronics** – Approximately 120 mechanics work 24/7, performing all types of maintenance and repair to the buses, vans and cars that are used to transport passengers every day.
- **Service Island** - These employees fuel, service and clean approximately 350 vehicles every day before the start of transit service.
- **VM administrative** - Administrative employees include clerks, managers and supervisors who are responsible for the coordinating vehicle and building maintenance operations. Specific functions include:
 - QA team – Performs follow-up audits of Preventative Maintenance Inspections and repairs; plays a major role in vehicle procurement, delivery, warranty and updates.
 - Passenger Announcement System / Head sign programmer – programs the destination signs and enunciations systems on buses for 270 individual routes using six different operating systems.
 - Electronics Manager – Coordinates with electronics technicians to maintain cameras / DVRs, destination signs, radio, passenger counters and the new Intelligent Transportation System (ITS).
 - Maintenance software administrator – Maintains SPEAR software application for managing assets, employees, fuel records, and preventative for vehicle (VM) and building maintenance (BM). This position also retrieves data for reporting to federal, state, local agencies and other departments in the organization.
 - General administration – Supports VM and BM labor contract administration, attendance tracking, requisitions for services contracts and consumables.
- **Stores** – The Stores department is responsible for managing the inflow and outflow of approximately \$2 million of materials and supplies for the maintenance departments while maintaining adequate supplies of preventative and non-routine repair parts for the entire fleet of vehicles, and for building maintenance.

- **Facilities Maintenance** – The Facilities Maintenance department is responsible for maintaining public facilities, bus stops and signage throughout the Capital Metro service area. Primary functions include cleaning bus stops, servicing litter containers, coordinating installation and removal of amenities, supporting special events, and performing service change tasks such as changing and updating bus stop signs and other passenger information signs. (Note: Effective July 2009, Facilities Maintenance staff, previously StarTran administrative employees, were transitioned to the Capital Projects Group.)
- **Building Maintenance** – The Building Maintenance department is responsible for long and short term maintenance for all Capital Metro Operations facilities. Primary functions include repairing and maintaining equipment in vehicle maintenance, providing operational and mechanical support for fueling equipment, maintaining bus-washing equipment, and maintaining Capital Metro buildings, mechanical systems, and property.

C. What evidence can you provide that shows the effectiveness and efficiency of this program or function? Provide a summary of key statistics and performance measures that best convey the effectiveness and efficiency of this function or program.

- **Number of Miles between Mechanical Road Calls** – The average age of the Capital Metro revenue fleet maintained by the Vehicle Maintenance department is over eight years. A Mechanical Road Call is defined as any time that a bus cannot continue in revenue service due to a mechanical problem, and either a replacement bus is sent, a mechanic is dispatched, or the vehicle is towed. This metric measures vehicle reliability.
- **On-time Preventative Maintenance Inspections (PMI)** – Bus PMIs are scheduled at 6,000 mile intervals, FTA requirements are plus or minus 10% or 600 miles. StarTran has set its goal to not exceed the 6,000 mile interval. Because this has been a very satisfactory maintenance program, the buses have been scheduled to stay in service between one and three years past their design life.
- **Fuel Economy** – Achieved MPG continues to exhibit a pattern of variation through the year by as much as 10% between summer and winter. This is the result of the greater load on the engine for the air conditioning system in warmer weather. Independent of the season, this year the fuel efficiency has been reduced slightly as the entire Fixed Route fleet is now operating on Ultra Low Sulfur (ULSD), Texas Low Emission Diesel (TXLED) fuel.
- **Building Maintenance Work Orders** – The Building Maintenance department’s efficiency is measured in its ability to meet preventative maintenance schedules, and the agency’s ability to have continuity of operations. The BM department has managed to keep PM work at or above 95% on time, and the agency has been able to enjoy the ability to operate without interruption caused by building maintenance issues.
- **Buses Out of Service Three Days** – The ability of Maintenance to provide buses for service depends on enough buses being maintained on time and completely. Buses that are out of service for extended time inhibit this. Maintenance staff tracks any bus that has been out of service for more than three days and tries to expedite the repair.
- **Cycle Count Adjustments** – Accurate count of inventory items on the shelf is crucial to the technician requesting the item electronically. Each day a small number of parts is randomly selected

to be counted at each warehouse. This will ensure the count is correct for the technicians and avoid the need for a full physical inventory at year end.

D. Describe any important history regarding this program not included in the general agency history section, including how the services or functions have changed from the original intent.

Vehicle Maintenance

Over the past five years, the VM staff have responded to the aging of the buses. As vehicles age, the preventative maintenance must adapt to the changing needs of components and equipment. The fleet replacement plan has been modified this year to extend the life of the buses by one or more years. The standard life of a transit bus is 12 years. Due to financial constraints, Capital Metro is planning to keep all buses at least 13 years, and in few cases, up to 15 years.

Building Maintenance

Over the past five years, Capital Metro has built several new transit centers and a new operations/maintenance facility. As a result, the Building Maintenance Department, and its use of various contractors, has doubled in size and effort over the same period.

E. Describe who or what this program or function affects. List any qualifications or eligibility requirements for persons or entities affected. Provide a statistical breakdown of persons or entities affected.

This program affects the operations division and all Capital Metro customers. It provides 490 fixed route and 155 paratransit operators, and thousands of customers, vehicles that are safe, reliable and clean.

The Building Maintenance department affects all Capital Metro visitors and employees who work in or around the maintenance and operational facilities. It ensures that their office space is environmentally sound and that they can work in reasonable comfort.

F. Describe how your program or function is administered. Include flowcharts, timelines, or other illustrations as necessary to describe agency policies and procedures. List any field or regional services.

The VM program is managed under a mission statement “to everyday supply Operations with a sufficient quantity of safe, reliable and clean buses for service.”

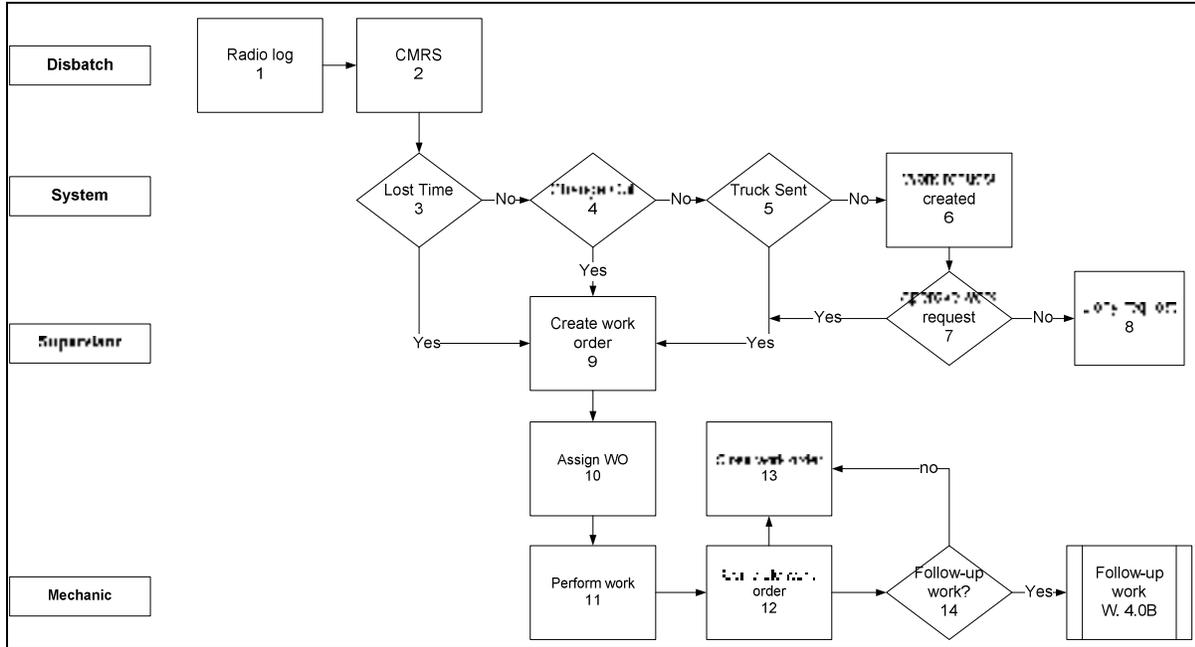
The overall goals are to:

1. Keep the bus in a like new condition, less allowable wear and tear
2. Keep the bus in OEM configuration unless a fleet modification is done
3. Ensure all vehicle preventative maintenance is performed on time

Inspections are performed at specified intervals and are not allowed to go beyond the mileage due. The rule of thumb is that if maintenance is performed according to the manufacturer’s recommendations, then the bus should perform well throughout its design life of 12 years. Therefore, the maintenance schedule and practices are focused on doing all the needed maintenance and repair at the scheduled PMI. Any

needed repairs identified during the PM inspections are completed by VM prior to the bus being returned to revenue service.

The chart below is reproduced from our SPEAR asset and workflow management systems and provides an example of the process by which VM and BM work orders are created, performed, and tracked.



G. Identify all funding sources and amounts for the program or function, including federal grants and pass-through monies. Describe any funding formulas or funding conventions. For state funding sources, please specify (e.g., general revenue, appropriations rider, budget strategy, fees/dues).

This program is allocated funds through the agency’s annual operating budget. The primary sources of revenue used to fund program operations include sales tax, passenger and third party fares, freight rail revenues, grant revenue, and investment income.

H. Identify any programs, internal or external to your agency, that provide identical or similar services or functions. Describe the similarities and differences.

The Building Maintenance Department has some similar functions to the Capital Projects Group. Recently, Internal Audit identified issues and subsequently, changes were made to divide the responsibilities of each group based upon whether the asset was a Public or Operational facility. (See additional discussion in question I below.)

I. Discuss how the program or function is coordinating its activities to avoid duplication or conflict with the other programs listed in Question H and with the agency’s customers. If applicable, briefly discuss any memorandums of understanding (MOUs), interagency agreements, or interagency contracts.

In FY2009, Internal Audit identified opportunities for increased efficiency; subsequently, changes were made to divide facility maintenance responsibilities based upon whether the asset is a “Public” or “Operational” facility. All of Capital Metro’s facilities were divided up so that only one department was responsible for any facility; said another way, each property or facility is assigned as the responsibility of one of two departments, but not to both.

“Public Facilities” now consists of all transit centers, park & rides, rail platforms, bus stops, shelters, and benches. The Capital Projects group is now responsible for these assets. The employees of Facilities Maintenance, previously StarTran administrative employees, were transitioned to Capital Projects.

“Operations Facilities” now consists of the operations and maintenance locations, and administrative spaces. This includes the 2910 E 5th St., 509 Thompson Lane, 624 Pleasant Valley and our North Operations Facility. Operations Facilities maintenance is the responsibility of the StarTran Building Maintenance Department.

Each group will have total responsibility for all services, repairs and maintenance for their respective facilities. This includes landscaping to janitorial, to electrical. The contracted services will be managed by separate Project Managers based upon the facility classification, Public or Operations.

J. If the program or function works with local, regional, or federal units of government include a brief description of these entities and their relationship to the agency.

Not applicable.

K. If contracted expenditures are made through this program please provide:

- the amount of those expenditures in fiscal year 2008;
- the number of contracts accounting for those expenditures;
- a short summary of the general purpose of those contracts overall;
- the methods used to ensure accountability for funding and performance; and
- a short description of any current contracting problems.

In FY2008, \$30,482,912 was expended on 52 contracts. See details below:

Contract #	FY08 Expend.	Supplier	Contract Purpose
87066	\$16,345,089	RKA PETROLUEM COMPANIES, INC	Fuel for fleet
89172	\$4,351,631	NEW FLYER OF AMERICA	Bus procurement
87079	\$2,424,247	SUN COAST RESOURCE BRIDGESTONE/FIRESTONE	Fuel for fleet
76995	\$866,758	INC	Tire lease and service contract for all vehicles
87082	\$660,569	PETROLEUM TRADERS CORP	Fuel for fleet
79728	\$604,670	DL BANDY	Project to replace in ground bus lifts
53029	\$582,220	VALERO MARKETING AND SUPPLY COMPANY	Vanpool fuel
23715	\$563,430	LOWER COLORADO RIVER AUTHORITY	ILA for 2-way radio air time and maintenance
79417	\$547,136	NEW FLYER OF AMERICA	Bus repair parts/material/supplies

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69201	\$364,662	WELLSCO ENTERPRISE, INC. ROADRUNNER'S	Project to replace in ground bus lifts
61062	\$363,057	COMMERCIAL CLEANING PRETTY CLEAN AUTO	Janitorial services for CMTA facilities
75800	\$338,317	DETAILING SERVICE INC	Bus detailing contract services
54595	\$335,907	CAP-A-BUS, INC KLINGEMANN AMERICAN	Bus painting contract
56552	\$229,649	CAR CARE CENTERS	Routine maintenance for vanpool fleet
77358	\$226,539	MANSFIELD OIL COMPANY	Fuel for fleet
52410	\$221,279	KST ELECTRIC	Electrical services as needed
58890	\$189,911	CITY OF AUSTIN STEWART & STEVENSON	Agreement for participation in Regional Radio System
85580	\$164,633	SERVICES MALDONADO NURSERY &	Bus repair parts/material/supplies
68756	\$143,595	LANDSCAPING INC	landscaping services for all CMTA facilities
84127	\$123,242	PRISM DEVELOPMENT	Project to install in ground brake tester
68743	\$117,280	FOX SERVICE COMPANY AUSTIN COMMUNITY	HVAC contract for project at 2910 admin
81195	\$104,366	COLLEGE	Mechanic training contract
75739	\$88,710	ARAMARK UNIFORMS CORP	Mechanic uniform service
81072	\$58,023	FOX SERVICE COMPANY HARMONY CONSTRUCTION	HVAC contract for project at 2910 admin
73424	\$48,398	COMPANY ALLIED WASTE SERVICES	Routine painting as required
72038	\$47,117	#843	Trash compactor rental
86003	\$39,960	SAN ANTONIO THERMO KING	Bus repair parts/material/supplies
70618	\$35,612	NEW FLYER PARTS	Bus repair parts/material/supplies
73977	\$27,292	NEW FLYER PARTS	Bus repair parts/material/supplies
88197	\$26,000	TEX-CON OIL CO ORYXE ENERGY	Bus repair parts/material/supplies
83698	\$24,103	INTERNATIONAL, INC	Fuel additive
70616	\$23,782	MCI SERVICE PARTS LONGHORN INTERNATIONAL	Bus repair parts/material/supplies
85577	\$22,892	TRUCKS	Bus repair parts/material/supplies
83318	\$18,889	ALLIED SALES CO VEHICLE MAINTENANCE	Bus repair parts/material/supplies
70943	\$16,283	PROGRAM INC	Bus repair parts/material/supplies
81084	\$13,200	MUSTANG DYNAMOMETER	Project to install in ground brake tester
73987	\$13,044	MOHAWK MFG & SUPPLY CO NORTH AMERICAN BUS	Bus repair parts/material/supplies
70621	\$12,937	INDUSTRIES	Bus repair parts/material/supplies
79929	\$12,543	GILLIG CORP	Bus repair parts/material/supplies
70619	\$12,096	MOHAWK MFG & SUPPLY CO MUNCIE RECLAMATION &	Bus repair parts/material/supplies
70614	\$10,923	SUPPLY	Bus repair parts/material/supplies
71550	\$9,635	ANA LABORATORIES	Bus repair parts/material/supplies
85582	\$8,347	MOHAWK MFG & SUPPLY CO	Bus repair parts/material/supplies
56957	\$8,201	POWERWARE NORTH AMERICAN BUS	Electrical services as needed
73402	\$7,467	INDUSTRIES	Bus repair parts/material/supplies

85585	\$6,902	MUNCIE RECLAMATION & SUPPLY	Bus repair parts/material/supplies
72758	\$6,152	SIMPLEXGRINNELL NORTH AMERICAN BUS	Fire alarm/time clock maintenance & repairs
73973	\$4,992	INDUSTRIES MUNCIE RECLAMATION &	Bus repair parts/material/supplies
73985	\$4,439	SUPPLY	Bus repair parts/material/supplies
70622	\$4,026	PREVOST PARTS	Bus repair parts/material/supplies
86059	\$2,500	KIRK'S AUTOMOTIVE, INC.	Bus repair parts/material/supplies
93271	\$263	CARS ENTERPRISE, INC	Bus repair parts/material/supplies

\$30,482,912

Methods used to ensure accountability for funding and performance:

Each contract has a supervisory level person from VM assigned as the Project Manager. They are responsible for reviewing contractor performance, validating that the goods or services were delivered, and authorizing payments. They are also responsible for coordination with the appropriate Contracts Administrator (in the Procurement Department) to address any contract-related problems. Weekly staff meetings and one-on one-meetings with the Project Manager keep VM management aware of to any contract-related issues.

Current Contracting Problems: None

L. What statutory changes could be made to assist this program in performing its functions? Explain.

Not applicable.

M. Provide any additional information needed to gain a preliminary understanding of the program or function.

Not applicable.

N. Regulatory programs relate to the licensing, registration, certification, or permitting of a person, business, or other entity. For each regulatory program, if applicable, describe:

- why the regulation is needed;
- the scope of, and procedures for, inspections or audits of regulated entities;
- follow-up activities conducted when non-compliance is identified;
- sanctions available to the agency to ensure compliance; and
- procedures for handling consumer/public complaints against regulated entities.

Not applicable. Capital Metro does not have any regulatory oversight of this nature.

VIII. Statutory Authority and Recent Legislation

A. Fill in the following chart, listing citations for all state and federal statutes that grant authority to or otherwise significantly impact your agency. Do not include general state statutes that apply to all agencies, such as the Public Information Act, the Open Meetings Act, or the Administrative Procedure Act. Provide information on Attorney General opinions from FY 2005 – 2009, or earlier significant Attorney General opinions, that affect your agency’s operations.

Capital Metro Exhibit 13: Statutes/Attorney General Opinions	
Statutes	
Citation/Title	Authority/Impact on Agency
Texas Transportation Code, Chapter 451	<p>As Capital Metro is a political subdivision of the state, this chapter governs the agency (and the transit agencies of Houston, San Antonio, and Corpus Christi) and speaks to major topics such as the</p> <ul style="list-style-type: none"> • Creation of the authority • General powers • Management of the authority • Bonding and taxing abilities • Passenger rail capabilities and accompanying referendum requirements • Board composition • Service area creation, expansion, reduction.
49 U.S.C. 5307(i) Federal Transit Administration	<p>The United States Code, chapter 53 of title 49, requires the Federal Transit Administration (FTA) of the United States Department of Transportation (USDOT) to perform reviews and evaluations at least every three years of a federal grantee’s compliance with Urbanized Area Formula Grant requirements. As a result of these reviews, the Transportation Secretary may take appropriate action including making an appropriate adjustment in the amount of a grant or withdrawing the grant.</p> <p>This “Triennial Review” includes a review of the grantee’s compliance in 23 different areas.</p> <p>See: http://www.fta.dot.gov/funding/oversight/grants_financing_97.html for more detailed information on federal grant requirements.</p>
49 CFR 200-268 Federal Railroad Administration	<p>The Federal Railroad Administration (FRA) provides safety and other oversight of the Capital Metro passenger rail and freight rail services. These sections of the Code of Federal Regulations identify safety, operations, training and supervision requirements. Compliance and enforcement of the federal</p>

	regulations is performed by the TxDOT.
Attorney General Opinions	
Attorney General Opinion No.	Impact on Agency
N/A	

B. Provide a summary of recent legislation regarding your agency by filling in the chart below or attaching information already available in an agency-developed format. Briefly summarize the key provisions. For bills that did not pass, briefly explain the key provisions and issues that resulted in failure of the bill to pass (e.g., opposition to a new fee, or high cost of implementation).

Capital Metro Exhibit 14: 81st Legislative Session Chart		
Legislation Enacted – 81st Legislative Session		
Bill Number	Author	Summary of Key Provisions
SB 1263 (effective Sept. 1, 2009)	Watson	<p>BOARD COMPOSITION: Changes the composition of the Capital Metro board, most significantly by increasing the total number of members from seven to eight by adding another CAMPO appointee.</p> <p>The new board composition is as follows:</p> <ul style="list-style-type: none"> • 3 members appointed by CAMPO — 1 must be an elected official, 1 must have at least 10 years of experience as a financial or accounting professional, and 1 must have at least 10 years of experience in an executive-level position. • 2 members appointed by the City of Austin — 1 must be an elected official • 1 member appointed by Travis County • 1 member appointed by Williamson County • 1 member, who must be an elected official, appointed by all the small city mayors in Capital Metro’s service area (which excludes the City of Austin’s). <p>(By comparison, today, the City of Austin currently appoints two representatives, Travis County appoints a representative, various Williamson County officials appoint a representative, and the small city mayors in Travis County appoint a representative. The primary change required by SB 1263 in terms of board composition is the CAMPO component. Today, CAMPO appoints two representatives and there are no specific requirements for those individuals. The change provides CAMPO an additional representative, and requires specific experience or elected official status for those representatives.)</p>

		<p>RAIL REFERENDUM REQUIREMENTS: Allows Capital Metro to forgo the referendum currently required of the agency in the event that Capital Metro wishes to operate passenger rail if</p> <ul style="list-style-type: none"> • Capital Metro enters into a contract to build, operate or maintain a fixed rail transit system for another entity, or • Voters have already approved funds for the project at an election called by Capital Metro or another entity. <p>FARE APPROVAL ABILITIES: Allows Capital Metro to set its own fares, except that CAMPO is granted the right to disapprove the single-ride base fare within 60 days of approval by the Capital Metro Board.</p> <p>INTERNAL AUDITOR REPORTING LINES: Requires the Capital Metro Board to hire an internal auditor who would report directly to the Board. (Currently, the internal auditor reports functionally to the board and administratively to the President/CEO.)</p> <p>SUNSET REVIEW: Requires Capital Metro to undergo a sunset review by the Sunset Advisory Commission, but with a prohibition on abolishment. The legislation mandates that reviews will be conducted as if abolishment were to occur on Sept. 1, 2011, and on Sept. 1, 2017.</p> <p>ANNUAL REPORTING REQUIREMENTS: Requires Capital Metro to provide annual reports to the governing bodies of any municipalities or counties to which the agency has any financial obligations.</p> <p>MISC. OPERATIONAL ABILITIES: Specifies that nonpayment of a fare is not a crime of moral turpitude; allows Capital Metro to hire civilian fare enforcement officers; and ensures that peace officers with whom we contract for security can enforce violations against the Capital Metro system while on duty for Capital Metro (our agency contracts with the Austin Police Dept. and the Travis County Sherriff’s Office for security and particularly with MetroRail service beginning, these officers may be in other jurisdictions along the rail line, e.g., Leander, as part of their security duties).</p>
SB 899 (effective immediately)	Duell	Allows all Texas transit agencies to participate in the State Comptroller’s contracts for travel services when engaged in official business of their agency.
Legislation Not Passed – 81st Legislative Session		
Bill Number	Author	Summary of Key Provisions/Reason the Bill Did Not Pass
SB 434	Wentworth	Would have allowed Capital Metro, within Travis County, (and the transit agencies operating in Bexar, Denton, and El Paso Counties,) to participate in a pilot program to operate buses on TxDOT-approved sections of highway shoulders during times of peak congestion, under certain parameters established by the bill or by

		<p>TxDOT as part of the program. The program would have been administered by TxDOT, in conjunction with the affected transit agencies and DPS.</p> <p>The bill was approved by both the House and the Senate, with no dissenting votes in either chamber. However, the bill was vetoed by the governor, who, in his veto statement, cited safety concerns (http://governor.state.tx.us/news/veto/12633/).</p>
<p>SB 855 (plus a number of similar bills filed in both the Senate and House)</p>	<p>Carona</p>	<p>Texas Local Option Transportation Act (TLOTA): This bill would have allowed counties to seek voter approval to levy a limited number of taxes and fees, prescribed in a set ‘menu’ of revenue-generating options, to fund transportation improvements. After a number of amendments to the version originally filed by Senator Carona, the bill passed the Senate. When the bill was taken up by the House, the bill was further amended, most significantly by reducing the number of funding options to only one option: a motor fuels tax.</p> <p>Primarily because of significant differences of opinion on major issues such as the authorized funding sources, the Senate and the House were not able to achieve consensus. The bill did not pass.</p>
<p>SJR 24 / SJR 52 (plus a number of similar resolutions filed in both the Senate and House)</p>	<p>SJR 24: Carona / SJR 52: Davis</p>	<p>This constitutional amendment would have allowed revenue generated by counties from the levy of any permitted local motor fuels taxes and additional registration fees to be used for passenger rail, transit, and freight rail purposes. Currently, the state constitution does not permit these funds to be used for those purposes.</p> <p>The amendment did not pass the House and/or Senate because consensus was not reached.</p>

IX. Policy Issue: Service Area Expansion

A. Brief Description of Issue

Capital Metro's mission is to provide quality public transportation choices for our community that meet the needs of our growing region. However, at present Capital Metro's service area includes only about 59 percent of the Austin-Round Rock MSA population. Further, more than half of the growth in the region over the next twenty years is expected to occur outside the agency's service area. Under current state law, entities may join Capital Metro only if they vote to approve a one-cent sales tax increase, which must fit within a two-cent maximum allowable local option sales tax. However, of the more than fifty jurisdictions within a ten-county region surrounding Austin that could potentially decide to join Capital Metro, only six (none of which are probable candidates) have available 'cap room' to do so.* All the others, including rapidly growing adjacent cities such as Round Rock, Buda or Cedar Park, would have to vote to rescind an existing tax and vote to supplant that tax with another to join the transit agency.

This constraint imposes serious limitations on the ability of Capital Metro to achieve its mission of meeting the transit needs of the growing region. As a workaround solution, the agency has adopted a policy that allows non-member jurisdictions to contract for service (typically through an interlocal agreement). Through this approach, Capital Metro has developed service proposals for consideration by non-member jurisdictions and held numerous meetings with these entities in response to inquiries about new and expanded transit services in their jurisdictions. However, this alternative brings with it service equity issues with member jurisdictions. Despite numerous discussions with interested cities, this proposed approach has yet to result in an agreement to provide new public transportation services.

*Source: CAPCOG prepared map for the Regional Transit Coordination Committee

B. Discussion

The current funding situation for public transportation in the Austin metropolitan area is not serving the public interest as well as it could. The need for efficient and effective public transportation services, including a range of service options such as regional rail, light rail, streetcars, bus rapid transit, express bus, local bus, flexible routes, paratransit and rideshare services, is regional in nature. This is particularly true in light of the explosive growth forecast for the central Texas area for the foreseeable future.

Absent mechanisms that would enable Capital Metro to expand its service area to meet the needs of the broader central Texas area, the following outcomes become more likely:

- Unmet mobility needs: customers living outside of the service area would not have access to public transportation services and the mobility and access they offer, reducing personal mobility and increasing transportation costs (recent research indicates that while households in transit-rich areas spend an average of 9 percent of household income on transportation, those in outlying suburbs with little to no transit spend an average of 25 percent);
- Increased automobile use: without transit access, vehicle miles traveled increase, requiring greater investment in roadway capacity, operating and maintenance expenses, increasing crash and personal injury costs, and raising greenhouse gas and local air pollutant emissions; and
- Transit inefficiency and balkanization: as has been experienced in other communities lacking a regional transit provider, a balkanized approach of multiple transit providers serving subareas may emerge, with poorly coordinated fare and route structures, difficult to navigate systems, and inefficient and overlapping services.

C. Possible Solutions and Impact

Current state law creates a hardship on Capital Metro and limits its ability to achieve its mission. While there are a few solutions that could be implemented today under existing state law, there are practical issues associated with the way in which the State permits transit systems to be funded that hinder or prevent these solutions from being implemented.

As mentioned, many jurisdictions in the central Texas region have levied the maximum amount of local sales tax allowed and thus cannot join Capital Metro. Since municipalities and counties are able to levy a far wider range of taxes or fees than transit agencies, these jurisdictions could free-up 1% of their local sales tax by funding their community's needs through other financing mechanisms so that this 1% can go to fund Capital Metro membership. However, the issue with this approach is that many entities have bonded against their local sales tax revenue, making this solution impractical or impossible. Additionally, a city council member's first obligation is to their municipality so municipal needs would likely take precedence over an external transit agency's needs. A funding system whereby transit agencies must share funds with municipalities, as determined by a ballot set by council members, inherently discourages funding of a regional system. This argues for a separate taxing mechanism for transit authorities or other funding solutions.

Possible solutions are referenced below:

- Exempt Metropolitan Transit Authority (MTA) taxes from the 2% local sales tax cap. This would allow metropolitan areas served by MTAs to have local-option referendums to raise revenue for transit services and allow for cities that have already allocated their existing sales tax to join.
- Going further, create a separate and distinct taxing mechanism expressly for transit authorities. In essence, this would exempt MTA taxes from the 2% local sales tax cap but, additionally, it would allow up to 1% of local sales tax to be levied only for transit purposes. Thus, sales tax revenues could be divided as such: 6.25% for state purposes, 2% for local purposes, and 1% for transit purposes.
- Modify state law to allow jurisdictions to join Metropolitan Transit Authorities in increments other than one cent. This change would allow more flexibility in membership and offer jurisdictions that ability to join Capital Metro even if they have already allocated a portion of their local sales tax for other purposes.
- Authorize MTAs to levy a property tax or other broad-based tax such as an air quality or vehicle miles traveled tax, spread across multiple counties, or the metropolitan statistical area. This would minimize the amount contributed per resident and ensure a regional transit system that is not fragmented by municipal boundaries, more fittingly matching the travel patterns of citizens in Texas' major metropolitan areas. This would provide a stable, and regional, funding source for public transportation services if approved by voters.
- Redefine MTAs statutory boundaries so that they are based on a Census designated geographic boundary such as the metropolitan statistical area or urbanized area and link funding mechanisms to that area. For example, an approach may be to set a higher tax rate within the urbanized area, where densities are more likely to support transit service, with a lower rate outside the urbanized area but still within the metropolitan statistical area (where transit still has a role but at a lesser level of service).
- Provide state funding for MTAs who provide the vast majority of transit service and have the greatest potential to positively impact congestion levels and reduce emissions in urban areas.

IX. Policy Issue: Rail Referendum Requirements

A. Brief Description of Issue

Since 1997, Capital Metro has been required under section 451.071 of the Texas Transportation Code to hold a public referendum to operate passenger rail service. (See attachment.) The ballot language must read, "The operation of a fixed rail system by Capital Metropolitan Transportation Authority." Under the statute's provisions, Capital Metro may only hold a rail referendum at the general election in November of an even-numbered year. The referendum is required in order to operate passenger rail even if Capital Metro is not seeking new sources of revenue to finance it.

The CAMPO Peer Review found that the referendum restrictions placed on Capital Metro were unique. The review could find no other example of the requirement anywhere in the country.

Amendments have been passed that provide some leeway to these restrictions under certain circumstances. Per legislation passed in 2005, Capital Metro may hold a passenger rail referendum on any date, provided that

- The referendum is held no earlier than 62 days after the Capital Metro Board calls for the referendum, and
- The proposed expansion involves the addition of not more than 12 miles of track to the system.

With the passage of S.B. 1263 this session, another amendment went into effect on September 1, 2009, that provides additional latitude. Under S.B. 1263, Capital Metro is not required to conduct a referendum under the original provisions of the statute if

- The agency has a contract with another entity to build, operate or maintain a fixed rail system for the other entity, or
- The agency or another entity holds a referendum that authorizes funds for the fixed rail system.

The referendum requirements, even as amended, limit Capital Metro's ability to provide robust transportation choices that meet the needs of a rapidly-growing population.

B. Discussion

The lack of such a referendum requirement elsewhere in the transit industry seems to indicate that the policy may not be the best means to ensure that the most efficient and effective transit system is developed or that the public's interests are protected. While the amendments to the statute have eased the restrictions placed on the agency, the effects of the statute have negatively impacted Capital Metro's ability to perform its mission to provide public transportation choices that meet the needs of the central Texas region.

When rail is specified as the only transit option that requires a referendum, the requirement can place politics over sound planning. The election requirement has the effect of distorting the planning process by imposing additional expense, time, and logistical requirements on rail projects. Non-rail options can become prematurely preferred, not because they are necessarily the best transportation solution, but because they can be implemented more easily, with a faster and less cumbersome approval process and without the significant expense of a public referendum to approve it. The referendum requirement makes it even more challenging for Capital Metro to provide transportation options that can be competitive with and more attractive than the automobile.

Due to the politics surrounding Capital Metro's referendums in 2000 and 2004, efforts to comply with the permitted election date (only November of even-numbered years) delayed the kind of extensive engineering and environmental work that traditionally occurs in the development of rail transit projects. Typically, a transit agency may spend as much as \$5 to \$10 million on advance planning and design for a rail project and it is normal for the work to span a couple of years. However, due to the referendum requirement, Capital Metro was concerned that if the agency spent funds on engineering prior to securing voter approval, it would be viewed as preempting the voters' decision. Thus, the agency made the decision to wait until after the referendum to address the majority of engineering issues. Additionally, the funds spent to hold the election, even though the agency was not seeking any new funds for the project, could have been spent on this advance design and planning, or on other transit services.

Consequently, Capital Metro has faced significant public criticism for being "over budget" and behind schedule in the development of the Red Line. The agency has had to incorporate elements into the project that were planned for later phases or not anticipated, as the agency now has a more comprehensive knowledge regarding costs and scheduling of the project that were not fully known in 2004. Had more time and funds had been available to adequately analyze various options, certain unknown costs and environmental factors might have been worked out earlier, and a more comprehensive cost estimate could have been provided to the voters. Unfortunately, this was not the case, and despite the changes in the scope of the original project, critics continue to charge that Capital Metro is over budget.

Had Capital Metro been at liberty to fully complete the advance design and engineering that is critical for projects of this scale, the agency would have had more comprehensive and realistic information about the scope of the project, both in terms of costs and schedule, and, the electorate would have been better informed.

The agency has also been criticized for the lack of federal funds contributing to the project. However, the referendum requirement deterred the federal government from supporting the project. At the time of the 2004 election, Capital Metro did engage in discussions with the Federal Transit Administration (FTA) to pursue funding, but the FTA was leery of awarding funds to a project that still required voter approval. Additionally, to receive federal funds for such a project, the FTA requires a significant amount of planning and analysis to be done in advance, and as discussed, Capital Metro did not feel it was in the position to spend the resources necessary to fulfill the FTA's requirements without having received voter approval. The requirement jeopardizes the receipt of potential federal funds which clearly puts central Texas at a competitive financial disadvantage compared to communities across the country.

C. Possible Solutions and Impact

S.B. 1263 is helpful in resolving some of the issues associated with Capital Metro's unique rail referendum requirement by allowing the agency to forego the referendum under certain conditions. The next step is to remove the requirement altogether.

Realistically, passenger rail in central Texas cannot be built without seeking voter approval for funding. The public is ensured input because existing laws already require this, and the new legislation positively confirms this as an option for the agency. However, for the reasons discussed above, the referendum requirement still creates an atmosphere that may not result in the most effective transportation planning and delivery decisions for the public. Removal of the restriction would make Capital Metro competitive with other transportation entities in the region and with other communities across the country that are not limited by the same requirement when competing for federal funds.

X. Other Contacts

A. Fill in the following chart with updated information on people with an interest in your agency, and be sure to include the most recent e-mail address.

Capital Metro Exhibit 15: Contacts			
INTEREST GROUPS (groups affected by agency actions or that represent others served by or affected by agency actions)			
Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
CAMPO Peer Review Committee Betty Dunkerley, Chair	1105 N. Lamar Austin, TX 78703	(512) 344-2010	bdunkerly1@austin.rr.com
Alliance for Public Transportation (APT) Jeffrey Coffey, Chair	P.O. Box 2213, Austin, TX 78768 P.O. Box 591, Elgin, TX 78621	(518) 258-3815 (512) 784-3323	transitalliance@gmail.com jcoffey@ci.elgin.tx.us
John Langmore Brandon Janes			langmore@earthlink.net bjanes@jw.com
Envision Central Texas (ECT) Sally Campbell, Executive Director	6800 Burleson Road, Bldg. 310, Ste. 165, Austin, TX 78744	(512) 916-6037	scampbell@envisioncentraltexas.org
Downtown Austin Alliance (DAA) Charles Betts, Executive Director	211 East 7 th Street, Suite 100-L Austin, TX 78701	(512) 469-1766	cbetts@downtownaustin.com
Austin Neighborhood Council (Cory Walton)	1717 W. 6 th , Ste. 450 Austin, TX 78703	N/A	coryellwalton@yahoo.com
Capital Area Metropolitan Planning Organization (CAMPO) Joe Cantalupo, Executive Director	P.O. Box 1088 Austin, TX 78767	(512) 974-6441	joe.cantalupo@campotexas.org
RECA Janice Cartwright, Executive Director	98 San Jacinto, Ste. 310 Austin, TX 78701	(512) 320-4151	jcartwright@recaonline.com
Texas Rio Grande Legal Aid DeAnn Johnson, Director	4920 N. IH-35 Austin, TX 78751	(512) 574-2700, dial "O" & opr will connect	www.trla.org
Texas Civil Rights Project Jim Harrington, Director	The Michael Tigar Human Rights Center 1405 Montopolis Drive	(512) 474-5073 ext. 112	www.texascivilrightsproject.org

Capital Metropolitan Transportation Authority Self-Evaluation Report

	Austin, TX 78741		
Meals on Wheels Dan Pruett, Executive Director	3227 E. 5 th Street Austin, TX 78702	(512) 476-6325	dpruett@mealsonwheelsandmore.org
Oak Hill Association of Neighborhoods (OHAN) Sandy Baldrige	4505 Grider Pass Austin, TX 78749	(512) 891-8779	sbald@sbcglobal.net
Capital Metro Advisory Committees : ACCESS Committee: Diane Bomar Aleman, Chair (CSAC) Customer Services Advisory Committee: Jessica Wilson, Acting Chair	Ms. Bomar Aleman: 7713 Kiva Drive Austin, TX 78749 Ms. Wilson: 2903 Glen Rae Austin, TX 78702	Ms. Bomar Aleman: (512) 276-5242 Ms. Wilson: (512) 391-0617	Ms. Bomar Aleman: diane.aleman@att.net Ms. Wilson: jecawilson@yahoo.com
Seton Family of Hospitals: Charles Barnett, CEO Ashton Cumberbatch, Director	601 E. 15th Street Austin, TX 78701	Mr. Cumberbatch: (512) 324-1913	Mr. Cumberbatch: agcumberbatch@seton.org
University of Texas President: William Powers, Jr. Director of Transportation: Dr. Bob Harkins Director of Sustainability Office: Jim Walker	Mr. Powers: Office of the President, UT Austin MAI400, G3400 Austin, TX 78702 Dr. Harkins: P.O. Box 7546 Mr. Walker: UT Austin Campus Planning & Facilities Management 1 University Station Stop H7035	Mr. Powers: (512) 471-1232 Dr. Harkins: (512) 471-5767 Mr. Walker: (512) 475-6549	Mr. Powers: president@po.utexas.edu Dr. Harkins: bharkins@austin.utexas.edu Mr. Walker: jim.walker@austin.utexas.edu
Austin Area Research Organization (AARO) Clarke Heidrich, Chair	101 W. 6th St., #806 Austin, TX 78701	(512) 477-4000 or (512) 480-5600	cheidrick@gdhm.com
Greater Austin Chamber of Commerce Transportation Committee August Harris, Chair	August W. Harris III Covenant Financial Solutions, LLC P.O. Box 302317 Austin, TX 78703	(512) 320-8808	harris@cfs-texas.com
Greater Austin Hispanic Chamber of Commerce (GAHCC) Andy Martinez, President/CEO	2800 S. IH-35, Ste. 260 Austin, TX 78704	(512) 476-7502 or (512) 462-4301	amartinez@gahcc.org
Capital City African American Chamber of Commerce	5407 N. IH-35 Austin, TX 78723	(512) 459-1181 ext. 203	ceugene@capcitychamber.org

(CCAACC) Dr. Chiquita Eugene, Executive Director			
Network of Asian American Organizations Chair: Venkat Voruganti	10901 N. Lamar Blvd., #B206 Austin, TX 78753	(512) 407-8240	nao.austin.tripod.com
Amalgamated Transit Union (ATU) Local 1091 President: Jay Wyatt	725 Airport Blvd. Austin, TX 78702	(512) 386-6485 or (512) 825-3249 (Cell)	Atu1091pres@msn.com or jaywyatt@sbcglobal.net
INTERAGENCY, STATE, OR NATIONAL ASSOCIATIONS (that serve as an information clearinghouse or regularly interact with your agency)			
Group or Association Name/ Contact Person	Address	Telephone	E-mail Address
Federal Transit Administration: Bob Patrick, Region VI Administrator	819 Taylor Street Room 8A36 Fort Worth, TX 76102	(817) 978-0550	robert.patrick@fta.dot.gov
American Public Transportation Association (APTA) William W. Millar, President	1666 K Street, NW., Ste. 1100 Washington, DC 2006	(202) 496-4820	wmillar@apta.com
South West Transit Association (SWTA) Kristen Joyner, Executive Director	P.O. Box 153157 Austin, TX 78715	(512) 237-9733	kjoyner@swta.org
Texas Transit Association (TTA) Executive Director (Vacant) Gail Lord, Administrative Manager	323 Congress Avenue, Ste. 100 Austin, TX 78701	(512) 478-8883	gaillord@texastransit.org
Texas Transportation Institute (TTI) Justin Malnar Linda Cherryington	Texas A&M University System 3135 TAMU College Station, Tx 77843-3135	(979) 862-7172 and (409) 740-4734	j-malnar@ttimail.tamu.edu L-Cherrington@tamu.edu
Regional Transit Coordination Committee (RTCC) Main Contact: Stevie Greathouse	c/o CAMPO 505 Barton Springs Rd., Ste. 700 Austin, TX 78767	(512) 974-9715	stevie.greathouse@campotexas.org
Clean Air Force Executive Director: Deanna Altenhoff	6800 Burleson Rd. Austin, TX 78744-2306	(512) 225-7776	deanna@cleanairforce.org
City of Austin—Planning	1710 Waterston Avenue	(512) 471-7805	sully.jumpnet@sbcglobal.net

Capital Metropolitan Transportation Authority Self-Evaluation Report

Commission Dave Sullivan, Chair	Austin, TX 78703		
City of Austin—Urban Transportation Commission Rich MacKinnon	--	(800) 929-8891	rich@richmackinnon.com
City of Austin Marc Ott, City Manager Rob Spillar, Director of Transportation	P.O. Box 1088 Austin, TX 78767	Mr. Ott: (512) 974-2200 Mr. Spillar: (512) 974-2488	marc.ott@c.austin.tx.us rob.spillar@ci.austin.tx.us
Austin-San Antonio Intermunicipal Commuter Rail District Executive Director: Ross Malloy	P.O. Box 1618 San Marcos, TX 78667	(512) 558-7360	council@thecorridor.org
Central Texas Regional Mobility Authority (CTRMA) Executive Director: Mike Heiligenstein	301 Congress Avenue, #650 Austin, TX 78701	(512) 996-9778	mstein@ctrma.org
City of Jonestown Dan Dodson, City Administrator:	18649 FM 1431, Suite 4A Jonestown, TX 78645	(512) 267-3243	ddodson@jonestown.org
City of Lago Vista Bill Angleo, City Manager	PO Box 4727 Lago Vista TX 78645	(512) 267-1155, ext. 16	lagosecy@lago-vista.org
City of Leander Anthony (Biff) Johnson, City Manager Pix Howell, Urban Design Officer	201 N. Brushy Street Leander, TX 78641	Johnson: P. (512) 528- 2712 Howell: (512) 528-2736	biff@ci.leander.tx.us pix@ci.leander.tx.us
City of Manor Phil Tate, City Manger	201 East Parsons St. Manor, TX 78653	(512) 272-5555	ptate@cityofmanor.org
Village of Point Venture Chance Chatham, Village Secretary	19053 Venture Dr. Point Venture, TX 78645	(512) 267-5511	villageoffice@vopv.org
Village of San Leanna Kathleen Lessing, Village Administrator	PO Box 1107 Manor, TX 78654	(512) 280-3898	sanleanna2@yahoo.com
Village of Volente Jennifer Zufelt, Village Secretary	15403 Hill St. Volente, TX 78641	(512) 250-2075	volente@sbcglobal.net
Travis County Sam Biscoe, County Judge	314 W. 11th St., #520 Austin, TX 78701	(512) 854-9555	sam.biscoe@co.travis.tx.us
Williamson County	710 Main Street, Ste. 101 Georgetown, TX 78626	(512) 943-1550	ctyjudge@wilco.org

Dan Gattis, Sr., County Judge			
Austin Community College (ACC) President: Dr. Steven B. Kinslow	5930 Middle Fiskville Road Austin, TX 78752	512-223-7676	kinslow@austincc.edu
Austin Area Urban League (AAUL) President/CEO: Jeffrey Richard	1033 La Posada, Ste. 150 Austin, TX 78752	512-478-7176	jeffrey_richard@aaul.org
Community Action Network (CAN) Executive Director: Vanessa Sarria	2210 Hancock Drive Austin, TX 78756	512-414-0325	vsarria@austinisd.org
LIAISONS AT OTHER STATE AGENCIES (with which your agency maintains an ongoing relationship, e.g., the agency's assigned analyst at the Legislative Budget Board, or attorney at the Attorney General's office)			
Agency Name/Relationship/ Contact Person	Address	Telephone	E-mail Address
State Auditor's Office: Sandra Vice, Manager, State Auditor's Office	1501 N. Congress Ave. Austin, TX 78701	(512) 936-9659	svice@sao.state.tx.us
TxDOT Austin District <ul style="list-style-type: none"> • Carlos Lopez, District Engineer • Ed Collins 	P.O. Box 15426 Austin, TX 78761-5426	E. Collins: (512) 832-7041	C. Lopez: clopez@dot.state.tx.us E. Collins: ECOLLIO@dot.state.tx.us

XI. Additional Information

A. Fill in the following chart detailing information on complaints regarding your agency. Do not include complaints received against people or entities you regulate. The chart headings may be changed if needed to better reflect your agency's practices.

Capital Metro		
Exhibit 16: Complaints Against the Agency C Fiscal Years 2007 and 2008		
	FY 2007	FY 2008
Number of complaints received	5,978	6,895
Number of complaints received per 100,000 riders	17.9	19.5
Number of complaints answered (acknowledged)*	5,977	6,892
Percent of complaints answered (acknowledged) in 4 business days	92%	93%
Complaints unanswered (unacknowledged)	1	3
Complaints resolved (addressed)	5,976	6,861
Complaints unresolved (unaddressed)	2	34
Annual ridership	33,401,767	34,056,976
Complaints unanswered (unacknowledged) per 100,000 riders	0.0	0.0
Complaints resolved (addressed) per 100,000 riders	17.9	20.15
Complaints unresolved (unaddressed)	0.0	0.1
Percent of complaints resolved (addressed)	100%	100%
Average number of business days to answer (acknowledge) complaints	Report not used.	
Average number of business days to resolve (address) complaints	Report does not exist.	

*NOTE: Capital Metro's performance standard is to respond to the complainant within 4 business days. Monitoring the time needed to "resolve" a complaint or comment does not yield a useful metric, as not all complaints are "actionable", e.g., a complaint/request to change a bus route or times is handled though a public meeting. Complaint data, however, is considered when making these decisions.

FISCAL YEAR 2007– Approved Federal DBE Goal: <u>25</u> %				
Category	Total \$ Awarded	Total DBE \$ Awarded	Percent	Statewide Goal
Mgmt Consulting, Computer Integrated System Design, Display Advertising, Sign Painting and Lettering Shop, Marketing Research	\$25,726,429	\$4,234,797	16%	N/A

and Public Opinion Polling				
Facility Services, Security Systems Services, Business Service Centers	\$63,418	\$6,341.80	10%	N/A
Construction	\$13,822,702	\$5,088,508	37%	N/A
Engineering	\$220,994	\$163,536	74%	N/A
Activities Related to Real Estate				N/A
TOTAL	\$39,833,543	\$9,493,182.39	24%*	

* NOTE: As long as the federal grant recipient is properly following the DBE program, this is acceptable performance and considered “achieved” status. Federal guidelines do not “punish” the recipient for not meeting the exact goal. For example, with a 25% goal, 24% is considered acceptable just as exceeding by 1 or 2% would be acceptable.

FISCAL YEAR 2008– Approved Federal DBE Goal: <u>25</u> %				
Category	Total \$ Awarded	Total DBE \$ Awarded	Percent	Statewide Goal
Mgmt Consulting, Computer Integrated System Design, Display Advertising, Sign Painting and Lettering Shop, Marketing Research and Public Opinion Polling	\$2,360,617	\$456,449	19%	N/A
Facility Services, Security Systems Services, Business Service Centers	0	0	0	N/A
Construction	\$5,234,860	\$1,281,313	24%	N/A
Engineering	\$8,465,000	\$2,546,450	30%	N/A
Activities Related to	\$1,800,000	\$357,000	20%	N/A

Real Estate				
TOTAL	\$17,860,477	\$4,641,212	26	

Does your agency have a DBE policy? How does your agency address performance shortfalls related to the policy? (Texas Government Code, Sec. 2161.003; TAC Title 34, Part 1, rule 20.15b) .

The State statute regarding HUB participation does not apply to Capital Metro. However, Capital Metro has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the U.S. Department of Transportation (DOT), 49 CFR Part 26. Performance shortfalls are addressed when submitting semiannual reports to FTA. The DOT does not reprimand recipients as long as the program is being properly followed. The Authority’s DBE Policy is shown below:

DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

Capital Metro has established a Disadvantaged Business Enterprise (DBE) program in accordance with regulations of the US Department of Transportation (DOT). Federal Regulation, 49 CFR, Part 26, Subpart E, section 26.81 states that each state must implement a "one stop" certification process for Disadvantaged Business Enterprises (DBEs). Each entity receiving Department of Transportation (DOT) funds is required to enter into and sign an agreement establishing and supporting a Unified Certification Program (UCP) within the state.

In response to this mandate, six agencies have agreed to perform the certification of DBEs within the state of Texas under the Texas Unified Certification Program (TUCP). The six agencies are: Texas Department of Transportation, North Central Texas Regional Certification Agency, South Central Texas Regional Certification Agency, City of Houston, City of Austin and the Corpus Christi Regional Transportation Authority.

Once a firm has been certified as a DBE, it shall remain certified for a period of at least three years unless and until its certification has been removed for reasons outlined in 49 CFR Sec. 26.87

Capital Metro's policy, Disadvantaged Business Enterprises, DBE-001 includes the following goals:

- To ensure non-discrimination in the award and administration of DOT assisted and locally funded contracts
- To create a level playing field on which DBEs can compete fairly for DOT assisted and locally funded contracts
- To ensure that the DBE program is narrowly tailored in accordance with applicable law
- To ensure that only firms that fully meet 49 CFR part 26 eligibility standards are permitted to participate as DBEs
- To help remove barriers to the participation of DBEs in DOT assisted and locally funded contracts
- To assist the development of firms that can compete successfully in the marketplace outside the DBE program



D. For agencies with contracts valued at \$100,000 or more: Does your agency follow a DBE subcontracting plan to solicit bids, proposals, offers, or other applicable expressions of interest for subcontracting opportunities available for contracts of \$100,000 or more?

DBE staff works closely with Capital Metro procurement staff to set a DBE participation goal for all contract solicitations over \$25,000. In addition, A DBE program representative participates in all pre-bid conferences to alert potential bidders of the agency's DBE contracting requirements and goals. In addition, each contract solicitation includes a separate DBE section. Furthermore, DBE and agency staff regularly participates in procurement outreach events in partnership with other government entities. For example, "Prime Time" networking events which occur each Spring and Fall allow Small Businesses to meet potential Prime contractors. These events generally have more than 150 people in attendance. Other activities include:

- Sponsored and Exhibited at the City of Austin's Small Business Development Program's Economic Growth and Redevelopment Meet the Lender Fair;
- Capital Metro promoted the DBE Program through KAZI radio station on the Economic Perspectives segment;
- Exhibitor at the Central Texas Business Procurement Conference;
- Exhibitor at Texas Department of Transportation's Statewide Small Business Briefings;
- Exhibitor at the U.S. Hispanic Contractor's Association's Networking Reception Expo;
- Partnered with the Greater Hispanic Chamber of Commerce, Capital City African American Chamber of Commerce and Network of Asian American Organizations to showcase procurement opportunities with Capital Metro;
- Partnered with the Capital City African American Chamber of Commerce via a memorandum of understanding for them to provide business development services targeting primarily the African American business community;
- Partnered with the Greater Austin Hispanic Chamber of Commerce via a memorandum of understanding for them to provide business development services targeting primarily the Hispanic business community;
- Partnered with the Network of Asian American Organizations via a memorandum of understanding for them to provide business development services targeting primarily the Asian American business community;

E. For agencies with biennial appropriations exceeding \$10 million, answer the following DBE questions.

	Response / Agency Contact
1. Do you have a DBE coordinator?	Yes, Aida B. Douglas is the DBE Officer.
2. Has your agency designed a program of DBE forums in which businesses are invited to deliver presentations that demonstrate their capability to do business with your agency?	We conduct several outreach events throughout the year in partnership with minority business organizations.
3. Has your agency developed a mentor-protégé program to foster long-term relationships between prime contractors and DBEs and to increase the ability of DBEs to contract with the state or to receive subcontracts under a state contract?	We have not yet developed a mentor-protégé program as this is not a requirement of the federal DBE program. However, many of the DBEs that have worked with Capital Metro in the last several years have exceeded the requirements of the DBE program's Personal Net Worth threshold and have gone on to achieve prime contracting opportunities.

F. Fill in the chart below detailing your agency's Equal Employment Opportunity (EEO) statistics.

Capital Metro							
Exhibit 18: Equal Employment Opportunity Statistics							
FISCAL YEAR 2006							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/ Administration	24	8%	6.6%	8%	14.2%	46%	37.3%
Professional	124	23%	8.3%	19%	13.4%	39%	53.2%
Technical	17	12%	12.4%	29%	20.2%	41%	53.8%
Administrative Support	109	19%	11.2%	39%	24.1%	70%	64.7%
Service Maintenance	843	43%	13.8%	28%	40.7%	23%	39.0%
Skilled Craft	117	24%	6.0%	30%	37.5%	2%	4.8%

FISCAL YEAR 2007							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/ Administration	27	14.81%	9.0%	7.41%	23.7%	37.04%	38.8%
Professional	158	24.68%	11.7%	19.62%	19.9%	40.51%	54.5%
Technical	11	0%	17.0%	18.18%	27.0%	9.09%	55.6%
Administrative Support	119	13.83%	13.2%	44.68%	31.9%	65.96%	66.2%
Service/Maintenance	795	40.13%	12.8%	26.67%	44.8%	20.25%	39.7%
Skilled Craft	110	22.73%	5.1%	26.36%	46.9%	0%	5.1%
FISCAL YEAR 2008							
Job Category	Total Positions	Minority Workforce Percentages					
		Black		Hispanic		Female	
		Agency	Civilian Labor Force %	Agency	Civilian Labor Force %	Agency	Civilian Labor Force %
Officials/ Administration	27	14.81%	9.0%	11.11%	23.7%	40.74%	38.8%
Professional	163	23.93%	11.7%	19.02%	19.9%	41.10%	54.5%
Technical	9	0%	17.0%	11.11%	27.0%	11.11%	55.6%
Administrative Support	98	12.24%	13.2%	44.89%	31.9%	60.20%	66.2%
Service/Maintenance	853	30.48%	12.8%	27.78%	44.8%	20.52%	39.7%
Skilled Craft	118	20.34%	5.1%	25.42%	46.9%	0%	5.1%

G. Does your agency have an equal employment opportunity policy? How does your agency address performance shortfalls related to the policy?

See below for a copy of Capital Metro’s EEO Policy Statement, HRC-100:

EEO POLICY STATEMENT

Equal Employment Opportunity (EEO) is the right of all persons to be free from unlawful forms of discrimination in employment. Capital Metropolitan Transportation Authority (Capital Metro) and StarTran, Inc. (StarTran) are committed to equal employment opportunity for all persons regardless of race, color, creed, national origin, gender, age, sexual orientation, disability, citizenship status, veteran status, or other class recognized by law.

It is also the policy of Capital Metro and StarTran to promote and maintain diversity in the workforce by providing equal employment opportunity for women, minorities and individuals with disabilities. In particular, it is the policy of Capital Metro:

- To recruit, hire, promote, reassign, compensate, and train qualified persons without regard to race, color, religion, sex, national origin, ancestry, age, marital status or sexual orientation.
- To administer all personnel actions such as compensation, benefits, transfers, layoffs, return from layoffs, education and training programs without regard to race, color, religion, sex, national origin, ancestry, age, marital status or sexual orientation; and
- To provide reasonable accommodation, and treat qualified individuals with disabilities equally.

The EEO Officer will oversee and implement the EEO Program. Applicants and employees may file complaints alleging discrimination with the EEO Officer. Maintaining a work environment free of discrimination and harassment requires the cooperation of managers and employees. Members of management have an important responsibility to promote Capital Metro and StarTran's EEO policy and ensure that we are effectively utilizing human resources and complying with all applicable EEO laws. Any employee who does not comply with this policy will be subject to disciplinary action, up to and including termination.

Capital Metro and StarTran prohibit retaliation in any way or form against employees or applicants for filing a complaint, grievance or participating in an investigation regarding unlawful employment practices.

Good faith efforts to resolve performance shortfalls in the Female, Hispanic and Black categories include increased recruiting efforts (i.e., job fairs, career fairs, minority job fairs) and working with local Historically Black Colleges (e.g., Huston-Tillotson University). In addition, Capital Metro has worked with local Chambers of Commerce (Greater Austin Hispanic Chamber of Commerce, Capital City African-American Chamber of Commerce, and The Women's Chamber of Commerce) to promote recruitment efforts. Capital Metro has also sent job announcements to local minority newspapers such as *The Villager*, *NOKOA/The Observer* and *Arriba*.

These actions seek to remove any impediments to achieving equal employment opportunity in Capital Metro's existing recruiting practices and are additional good faith efforts intended to favorably impact goal accomplishment.

XII. Agency Comments

StarTran/Capital Metro Organizational Structure

Capital Metro's labor structure poses many challenges to the long-term success of the agency.

State law prohibits political subdivisions of the state from engaging in collective bargaining with their employees, though some exceptions are provided for police officers and firefighters. However, federal law requires that Capital Metro recognize, and not diminish, the collective bargaining rights of the unionized workforce as a condition for receiving federal funds.

Due to this conflict between state and federal labor laws, in 1991 Capital Metro chose to create a separate nonprofit entity to secure labor services for the bulk of the agency's transit operations. While this arrangement has sufficed for the purposes of complying with both sets of labor law, issues have existed since inception that have had both negative financial and political impacts on Capital Metro.

Background

When Capital Metro was created in 1985 and assumed responsibility for public transportation, the agency continued the labor services contract that the City of Austin had maintained with a private management company. Capital Metro also began to contract with other private companies in order to secure additional transit services and gain efficiencies. In 1991, however, Capital Metro changed the labor structure. Concern had arisen that the existing contractual relationship could jeopardize the collective bargaining status of the unionized employees. Therefore, the agency ended the contract with the private management company and created an independent, non-profit organization (StarTran, Inc.) to operate the services not provided by the other private contractors.

Today, Capital Metro contracts for fixed route and paratransit services with:

- StarTran, which serves as Capital Metro's single largest service provider with approximately 750 bus and paratransit operators and 125 mechanics who were responsible for approximately two-thirds of Capital Metro's fixed-route bus service over the course of FY 2009;
- Veolia, a private independent contractor that provides approximately 20 percent of Capital Metro's fixed route bus service (primarily service operated with smaller vehicles in the northeastern portion of the service area), and which also serves as the agency's operational contractor for the MetroRail Red Line;
- First Transit, another private independent contractor that provides approximately 14 percent of Capital Metro's fixed route bus service by operating the entire University of Texas shuttle system and other routes;
- Capital Area Rural Transportation System (CARTS), which provides some fixed route and demand response service in suburban portions of Capital Metro's service area; and
- Local taxi cab companies and other providers that provide paratransit overflow services.

The Amalgamated Transit Union Local 1091 (ATU) represents the bargaining unit employees for all three main service providers: StarTran, Veolia and First Transit.

Discussion

While the CAMPO peer review conducted of the agency last year did not find any internal impediments to a positive labor-management relationship in the StarTran-ATU labor agreement, the arrangement itself has resulted in an ongoing labor conflict that has had significant negative impacts to Capital Metro in terms of costs and employee relations.

Since it is markedly more expensive than the Veolia-ATU and FirstTransit-ATU agreements, the StarTran-ATU labor agreement is of great financial consequence to Capital Metro. Services operated by StarTran cost Capital Metro approximately 23 percent more per hour than services operated by Veolia or First Transit. This is primarily because of the richer benefits and higher wages offered at StarTran. As reported in the CAMPO Peer Review, the cost to Capital Metro for StarTran's healthcare benefits is higher than that of any other public entity's in the area, and wages for StarTran bargaining employee are the highest in the state even after adjusted for the region's higher costs of living. If costs cannot be controlled, the agreement will become even more financially unsustainable for Capital Metro.

Operationally, the complicated labor structure has created confusion and a high degree of tension and mistrust between ATU, StarTran, and Capital Metro. As reported in the CAMPO Peer Review, "ATU expresses confusion, whether real or manufactured, over who should make decisions regarding its issues." For example, the union objected to the effort made in 2007 to convert StarTran bargaining employees into Capital Metro employees, but they simultaneously and regularly call upon the Capital Metro board to intervene in contract and personnel issues. Additionally, in the last two rounds of contract negotiations it appeared that the union was not willing to accept that StarTran had to adhere to its adopted budget, though they did not appear to take this position when it negotiated with Capital Metro's other contractors on those labor agreements. These examples appear to demonstrate that the union does not accept StarTran as the decision-maker in the collective bargaining and labor relations processes. Admittedly, the Capital Metro-StarTran structure is complex. Thus, a general lack of understanding exists amongst members of the public and sometimes even within the Capital Metro organization. Unfortunately, this has contributed to some of the tensions that exist today.

The community has also been tangibly impacted by the antagonistic labor relations environment. The last two rounds of contract negotiations were quite contentious and resulted in a union strike in 2005 and 2008. In 2005, the union stopped work for one day and in 2008, the strike lasted three days. Given that just over a quarter of Capital Metro's riders state that they do not have access to a motorized vehicle, the impact of the strikes was significant. Riders complained that the strikes were affecting and sometimes even preventing their ability to travel to and from work, school, or medical appointments. Due to the extensive curtailment of service, stories of two-hour trips were not unusual.

The CAMPO Peer Review provided recommendations on how the agency could better control its labor costs and improve labor relations. The consultants suggested two main options:

- Consolidate employees by converting all of the contracted operations employees into direct public employees of the agency.
- Contract all operational services on a cost-per-unit basis.

While there are benefits and drawbacks to each approach, the most significant difference between the two is the fiscal impact of each option.

Consolidating the employees of all three of Capital Metro's fixed route providers—StarTran, Veolia, and First Transit—into one group of direct public employees of the agency would give Capital Metro the quality control it sought in 1991. It would also streamline and simplify the labor structure and create more direct lines of communication among and between all levels of employees. Capital Metro would employ a "meet and confer" model for labor negotiations in order to retain the existing collective bargaining rights.

The biggest disadvantage of bringing all three contractors' employees in-house is the potentially substantial cost increases that would exacerbate the agency's already-serious financial concerns about labor costs. It is likely that Veolia and First Transit employees would bargain for the higher wages and more generous benefits provided to StarTran employees. Additionally, it is possible that Capital Metro

could incur increased pension liabilities.

In 2007, actually, the Capital Metro board passed a resolution to “unify the workforce.” In fact, since 1985, the labor contract with ATU has included a clause that provides a process to resolve any disputes should union employees become public employees. However, the 2007 proposal was abandoned because the union’s request for mutually binding interest arbitration, in exchange for giving up their right to strike, could not be satisfied under state law.

The other option recommended in the Peer Review was to contract for all operational services on a cost-per-unit basis, which is the structure utilized in the current Veolia, First Transit, and CARTS contracts. Treating all contractors in the same way, as “unit-cost-of-service” providers, could substantially reduce costs for Capital Metro by requiring StarTran to provide services at the more competitive rates charged by Veolia and First Transit. Furthermore, it could reduce the current complexity and tension surrounding the StarTran relationship by clarifying who the actual employer is. Additionally, under this approach, employees would be able to retain their traditional collective bargaining rights. However, the union would likely vigorously oppose the measure since the need for StarTran to provide more competitive rates could result in lower wages and benefits for StarTran employees.

The political climate surrounding labor relations at Capital Metro is contentious and effectively limits the agency’s ability to make much-needed changes. For example, when the agency has attempted to shift work from StarTran to lower cost providers, it has been publicly criticized of “union busting.” Yet, without change, Capital Metro is unlikely to be able to provide the expanded transportation choices the region both needs and has requested. While either model would be difficult to implement, the consolidation option could be financially impossible and/or unsustainable, and given that it has already been rejected by the union, the cost-per-unit basis model seems like the most viable option.

Capital Metro Funding Structure and Financial Sustainability

Background

Like transit agencies throughout the country, Capital Metro is facing a critical challenge: there are not enough funds to meet the growing demand for public transportation. Central Texans have said that they want increased and expanded transit service, yet Capital Metro has limited resources and limited ability to address these demands, particularly in the near-term.

Over the past few decades, sales tax revenue had generated sufficient funding to provide the level of transit services expected by the overall public and to build up the reserves necessary for major transit projects. However, the more recent list of expectations and demands of Capital Metro is long, wide-ranging, and continues to grow. The community expects Capital Metro to be the transportation provider for those who have no other transportation options; a multi-modal, regional transportation provider; a congestion mitigator; and partner in improving air quality. Additionally, Capital Metro feels public and political pressure to not raise fares, not reduce service, and not outsource work to lower-cost providers, but also to provide funds to other entities and provide “premium” paratransit services that exceed federal standards. It is becoming more challenging for Capital Metro to deliver on all of these needs. Simply put, the state’s current sales tax-based system of transit funding does not generate enough revenue to support the projected transportation needs in Central Texas.

Sales Tax Limitations & Volatility

Over 75 percent of the agency’s total revenue is derived from sales tax. While an economic upturn boosts sales tax receipts, sales tax can also drop quickly and unexpectedly during economic declines. Since

Capital Metro does not have more diversified or more stable sources of funding such as property tax, these sudden drops adversely impact a sales tax-reliant organization like Capital Metro.

When sales tax plummets, it is difficult for the agency to quickly adjust, as there are no other meaningful rates to raise except for fares. Cutting costs is a limited solution, as more than 80 percent of the agency's sales tax revenue goes to fund operations (primarily labor costs) that are necessary to put service on the street. Thus, to significantly reduce costs, the agency must cut service, which negatively impacts the public and bus operators and other employees who may lose their jobs. Given that just over a quarter of Capital Metro's riders indicate that they do not have access to a motorized vehicle, service reductions can have a more pronounced impact on a vulnerable population.

Fare Increase Challenges

The volatility of sales tax receipts and the growing demand and need for increased public transit in central Texas speak to the need for a more diversified funding base. Capital Metro must develop and maintain a healthy fare structure that can recover a greater percentage of the agency's operating costs. Private corporations have the flexibility to increase the sales price of their goods and services when economic conditions require it. Capital Metro needs to take a similar approach with its fares if it is to ensure a financially sustainable future. While public transportation in the United States is always subsidized, most transit systems recover far more of their operating costs through user fees than Capital Metro.

Currently, Capital Metro's fares remain among the lowest in Texas and around the country. Capital Metro's single-ride base fare is \$0.75, compared to \$1.10 at San Antonio VIA, \$1.25 at Houston Metro, and \$1.50 on the DART system in Dallas. The agency's long-range financial plan (LRFP) assumes that base bus fares will increase by \$0.25 every two years beginning in 2009, reaching \$3.00 by 2027. At present, Capital Metro's "fare recovery rate" (the percentage of operating expenses that the agency is able to recover through passenger fares) is far below any of its peers. In fiscal years 2004 through 2007, Capital Metro recovered only 8.5 percent of its operating expenses compared to the agency's operating peers, who on average captured 17.5 percent. Under the LRFP, the fare recovery rate is projected to increase steadily over the next 20 years, from 8.5 percent in 2007 to a high of 27 percent by 2027.

In 2008, Capital Metro was able to raise fares for the first time in the agency's 23-year history (from a 50-cent single-ride base fare to the current 75-cent fare). While raising fares is one of the main tools used in the transit industry to resolve budget shortfalls, it is never an easy task, especially when the economy is weak. To illustrate, in response to the current economic downturn, Capital Metro considered raising fares. However, the agency received considerable pushback, and while the board was initially supportive, eventually they suggested the agency use federal stimulus funds to avoid a fare increase and minimize service reductions. Thus, the staff proposed funding the FY 2010 budget shortfall with the use of one-time stimulus funds, deferral of some scheduled bus replacements, and minor route modifications. This one-time fix will not be available to the agency in subsequent years to help balance the budget. Without diversified sources of funding, the only alternative to raising fares is reducing transit service, which is counter-productive to the region's needs. Regular fare increases must be part of a long-term diversified funding strategy for the agency.

In addition to the deficiencies of the agency's funding structure, Capital Metro must also address the agency's major cost drivers and cost commitments: labor, paratransit services, and existing interlocal agreements that fund "regional mobility projects."

Labor Costs

Nearly 35 percent of Capital Metro's annual operating expenses are dedicated to salaries and benefits for the bargaining employees of StarTran, Inc. As the main operator of Capital Metro's services, StarTran's contract with Amalgamated Transit Union Local 1091 is of great financial consequence. Services

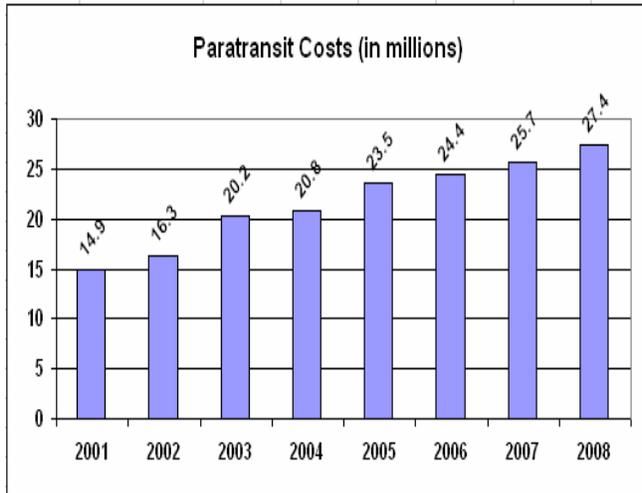
operated by StarTran cost Capital Metro 23 percent more per hour in 2007 than did services operated through Capital Metro’s other fixed-route providers (Veolia and First Transit).

The 2008 CAMPO Peer Review compared Capital Metro’s operating costs per revenue vehicle hour to the agency’s peers and ranked Capital Metro’s as one of the highest. The higher cost of StarTran service is primarily a result of higher wages and generous benefits which exceed those offered by any other local public entity.

StarTran’s employer-paid premiums for individual health insurance coverage were 49 percent greater than the average of other local public health care plans, and its premium for family coverage was 51 percent more. In terms of total cost, a comparison was also made. For example, during the CAMPO study period, the City of Austin reportedly paid \$7,800 annually for employee healthcare costs while StarTran paid \$16,248. While StarTran was able to secure some changes to the bargaining employees’ health care plan in the last round of contract negotiations, a comparison of those benefits shows that StarTran employees still pay less, and the employer still pays more. If these significant costs cannot be contained, the ATU labor agreement will become unsustainable for Capital Metro.

Paratransit Costs

Another major cost driver in Capital Metro’s budget is the MetroAccess paratransit program¹. Approximately 20 percent of the agency’s operating budget goes to fund paratransit services yet the program accounts for only 2 percent of Capital Metro’s overall ridership. From 2001 to 2008, paratransit costs increased from \$14.9 million to \$27.4 million, approximately 84 percent. In the last four years alone, MetroAccess ridership has increased 11.6 percent.



Paratransit providers nationwide are challenged by the escalating demand and costs to operate this service. Federal ADA requirements do not permit a transit provider to control its costs by limiting capacity or vehicle availability. Congress is also considering potential changes to the Americans with

¹ Under the Americans with Disabilities Act of 1990 (ADA), the Authority is required to provide “complementary paratransit” service for passengers who are unable to ride fixed-route buses. This service is required to be provided in the same times and in areas that regular fixed-route bus services are provided. ADA does not permit a transit provider to control its costs by limiting capacity or vehicle availability. Also, offsetting paratransit costs through fares is limited as these rates that cannot legally exceed two times the regular adult bus fare.

Disabilities Act (ADA) that would broaden the definition of a person with a disability. The broadening of the disability definition combined with the aging “baby boomers” will increase both the number of individuals eligible to be served and the total cost of providing those services.

Capital Metro is further challenged because the agency’s paratransit services have considerably exceeded federal requirements, paratransit fares are very low and MetroAccess services are operated by the agency’s most expensive provider (StarTran). To reduce costs and gain other benefits, the agency has proposed restructuring paratransit service delivery, attempted to raise fares and renegotiated the wage structure for paratransit vehicle operators. In addition, the agency has contracted for dedicated taxi service for its paratransit customers, but service quality has been problematic. Even with these actions, escalating costs and the growing demand for paratransit highlights that the MetroAccess program, as it is currently operated, does not have a financially sustainable structure.

Regional Mobility Commitments

Over the years, the community has looked to Capital Metro to help fund many projects. As of September 30, 2008, Capital Metro has committed over \$258 million and paid over \$176 million of dedicated transportation funds to its member communities for three ‘Regional Mobility’ programs.² These programs include:

- *Regional Mobility & Incident Management*, with the City of Austin
- *Quarter-Cent Rebate*, with all member communities
- *Build Central Texas (BCT)*, with the City of Austin and the surrounding suburban communities

The interlocal agreement governing these programs gives flexibility to both parties. Performance by the City and member communities, and payments by Capital Metro are required only “to the extent...funds provided under this section are available.”

Details of the following programs are provided below.

Regional Mobility & Incident Management

Per a resolution approved by the Capital Metro Board in 2000, \$67 million³ would be directed to the City as follows:

- \$42 million to expedite regional mobility projects in the region
- \$20 million to accelerate the balance remaining in the Build Central Texas Program for transportation/mobility projects
- \$5 million for an Austin Police Department Incident Management Plan

Quarter Cent Rebate

In each of fiscal years 2001 through 2004, the Capital Metro Board passed resolutions that authorized sales tax rebates to each member community in the amount of ¼ of one percent of the sales tax contributed by that community. The total amount that was committed for the ¼-cent obligations is \$113,486,935.

² As a point of reference, Capital Metro’s proposed FY 2010 budget is \$185 million and the approved FY 2009 budget was \$ 222 million.

³ The total amount of the resolution passed by the Board of Directors was \$91 million. In addition to what was committed to the City of Austin, it also included \$24 million for unspecified regional projects that meet the Board’s criteria of “improving regional mobility, improving mass transit, leveraging federal or private funds, adding to an existing program, or expediting a critical mobility project.” The Capital Metro Board controls if or how much to spend from this amount.

Build Central Texas

The ten suburban communities within the Capital Metro service area, including the City of Austin, are participants in the Build Central Texas program. The program is dedicated to investing in infrastructure that supports transportation, such as funding street rehabilitation and reconstruction, transit corridor improvements, sidewalks, curb ramps and hike-and-bike trails.

Although the Build Central Texas Program has been in place since 1994, the remaining programs were created after the light rail referendum was defeated in 2000. At that time, the agency had accumulated over \$200 million of reserves which been built up to fund the planned light rail project. After the failed referendum, Capital Metro was under pressure to either spend down these funds or rebate them back to its member jurisdictions.

Since 2006, the agency has forecasted a significant decrease in its cash reserves. The organization now finds itself in a difficult financial position as a result of the magnitude of these regional mobility agreements; the completion of a fairly ambitious capital projects plan, which included the voter-approved MetroRail project; and, the compounding effect of the current economic downturn. Unfortunately, last year's higher-than-expected fuel costs and the current decline in sales tax receipts have caused the agency's reserves to drop even lower and sooner than projected, placing Capital Metro's finances in a precarious position.

This year, the City of Austin, also suffering from unanticipated declines in revenue, accelerated its requests for payout through the regional mobility programs. Capital Metro worked with the City to develop a mutually-acceptable project implementation and payout schedule. Since the interlocal agreement provides that funds can be paid "as they become available," Capital Metro has budgeted payouts on an annual basis based upon the City's historical drawdown trends. Capital Metro has accounted for these funds as "designated" commitments in its annual audited financial report. (These designated funds do not create a liability for Capital Metro, or an asset for the City of Austin.)

Capital Metro did not and does not currently have on hand the funds needed to completely discharge these agreements. However, the agency's focus has always been, and remains, on fulfilling a mutually agreed-upon *annual* financial commitment.

Conclusion

Capital Metro's limited funding structure and its major cost drivers and commitments complicate the long-term financial health of the agency and the agency's ability to provide the level of transit services needed to meet the needs of this region. The agency is pulled in many directions. Requests for expanded transit service--particularly for premium services like rail--continue to grow, yet at the same time, there is still public desire to keep the status quo. For example, public and political expectations include keeping fares low, not cutting service (even if in response to low ridership), not shifting service providers, and not changing how paratransit service is delivered. It is challenging for Capital Metro to meet all of these divergent expectations given the agency's set, and sometimes less stable, sales tax-based funding structure.

While Capital Metro must diversify and increase its revenue and control costs, responding to the community's many expectations of Capital Metro will require the agency's leadership and community's willingness to prioritize the most pressing needs and then make difficult decisions. Through several initiatives now or soon to be underway, including the ServicePlan 2020 study and an update of the agency's All Systems Go Long Range Plan, the groundwork for future policy decision making is being laid. In addition, financial measures are now in place to build back the agency's reserves over the next three years so that they can cover at least two months of operating expenses.

The future of a sustainable public transit system in the Central Texas region rests upon Capital Metro's ability and that of its partners to address these critical financial matters.

ATTACHMENTS

Attachments Relating to Key Functions, Powers, and Duties	
1. A copy of the agency's enabling statute.	Texas Transportation code, Title 6. Roadways, Subtitle K. Mass Transportation, Chapter 451. Metropolitan Rapid Transit Authorities. Also available online at: http://www.statutes.legis.state.tx.us/Docs/TN/htm/TN.451.htm
2. A copy of each annual report published by the agency from FY 2004 – 2008.	Capital Metro Report to the Community, for FYs 2004-2009
3. A copy of each internal or external newsletter published by the agency from FY 2007 – 2008.	3a. "All Systems Go" E-Newsletters, Volume 1, Issue 28-Volume 2, Issue 8 (Online archive of "All Systems Go" at: http://www.enebuilder.net/eletra/mod_archive_view.cfm?u=capmet) 3b. "Buslines" Capital Metro Employee Newsletters, Q1 FY2007 – September/October 2008
4. A list of publications and brochures describing the agency.	<ul style="list-style-type: none"> • "Destinations" Capital Metro Schedule Book for August 23, 2009 – January 16, 2010 • "Destinations" System Map for August 23, 2009 – January 16, 2010 • "At Your Service: A Guide to Capital Metro's Public Transportation Services" (This brochure is no longer in print.)
5. A list of studies that the agency is required to do by legislation or riders.	<ul style="list-style-type: none"> • Capital Metro Quadrennial Performance Audit Regarding Fiscal Years 2001 – 2004, KPMG LLP, January 4, 2005 • Capital Metro Peer Review Quadrennial Performance Audit, Cambridge Systematics, Inc. with McDonald Transit Associates, Inc., December 31, 2008 <p>Annual National Transit Database (NTD) attestation audits are required by the Federal Transit Administration:</p> <ul style="list-style-type: none"> • FY2006 NTD Audit • FY2007 NTD Audit • FY2008 NTD Audit
6. A list of legislative or interagency studies relating to the agency that	None

are being performed during the current interim.	
7. A list of studies from other states, the federal government, or national groups/associations that relate to or affect the agency or agencies with similar duties or functions.	<ul style="list-style-type: none"> • FY2006 Triennial Review of the Capital Metropolitan Transportation Authority, Federal Transit Administration, July 6, 2006 • FY2009 Triennial Review of the Capital Metropolitan Transportation Authority, Federal Transit Administration, December 11, 2008 • APTA Peer Review Panel: Review of Communications Strategies & Activities, March 2007 • APTA Peer Review Panel on Bus Scheduling and Service Planning, April 2008 • Transit industry reports and syntheses performed by the Transportation Research Board available at: http://www.tcrponline.org/publications_home.shtml
Attachments Relating to Policymaking Structure	
8. Biographical information (e.g., education, employment, affiliations, and honors) or resumes of all policymaking body members.	Brief biographies are also available at http://www.capmetro.org/news/news_board_of_directors.asp
9. A copy of the agency's most recent rules.	Capital Metro Board of Directors Bylaws
Attachments Relating to Funding	
10. A copy of the agency's Legislative Appropriations Request for FY 2010 – 2011.	Not applicable
11. A copy of each annual financial report from FY 2006 – 2008.	11a. FY2006 Comprehensive Annual Financial Report 11b. FY2007 Comprehensive Annual Financial Report 11c. FY2008 Comprehensive Annual Financial Report
12. A copy of each operating budget from FY 2007 – 2009.	12a. FY2007 Approved Budget & Business Plan 12b. FY2008 Approved Budget & Business Plan 12c. FY2009 Approved Budget & Business Plan
Attachments Relating to Organization	
13. If applicable, a map to	13. Capital Metro Service Area Map (2009)

<p>illustrate the regional boundaries, headquarters location, and field or regional office locations.</p>	
<p>Attachments Relating to Agency Performance Evaluation</p>	
<p>14. A copy of each quarterly performance report completed by the agency in FY 2006 – 2008.</p>	<p>Not applicable. Capital Metro is not a state agency and does not submit quarterly performance reports for state oversight.</p>
<p>15. A copy of any recent studies on the agency or any of its functions conducted by outside management consultants or academic institutions.</p>	<p>15a. Capital Metro Quadrennial Performance Audit Regarding Fiscal Years 2001 – 2004, KPMG LLP, January 4, 2005</p> <p>15b. Capital Metro Origin and Destination Study, February 2006, Creative Consumer Research</p> <p>15c. Capital Metro Special Transportation Service Review Findings and Recommendations, KFH Group, Inc., February 22, 2006</p> <p>15d. Capital Metro Paratransit Service Review, Project 402401, Texas Transportation Institute, October 2007</p> <p>15e. Claims and System Audit, Health Claims Auditors, Inc., November 2007</p> <p>15f. Capital Metro Peer Review Quadrennial Performance Audit, Cambridge Systematics, Inc. with McDonald Transit Associates, Inc., December 31, 2008</p>
<p>16. A copy of the agency’s current internal audit plan.</p>	<p>FY2009 Update: Internal Audit Services Plan</p>
<p>17. A copy of the agency’s current strategic plan</p>	<p>“Route 2025” Strategic Plan Map</p>
<p>18. A list of internal audit reports from FY 2005 – 2009 completed by or in progress at the agency</p>	<ul style="list-style-type: none"> • Emergency Response & Disaster Recovery Planning, 11/15/2004 • Self Insured Health Benefit Plan Audit, 1/31/2005 • Fall 2004 Status Update, 1/31/2005 • Farebox Revenue & Controls, 3/28/2005 • Compensation Structure, 6/27/2005 • Sales Tax Audit (coordination With City Auditor’s Office), 5/2005 • AATR Contract Review, 6/27/2005 • Spring 2005 Semiannual Status Update, 6/27/2005 • Fall 2005 Semiannual Status Update, 12/14/2005 • Accounts Payable-Disbursement Audit, 12/14/2005

	<ul style="list-style-type: none"> • STS Taxicab Program Audit, 2/27/2006 • RideShare Program Audit, 2/27/2006 • Customer Service Call Center Audit, 5/22/2006 • Spring 2006 Semiannual Status Update, 8/28/2006 • Contracting Audit, 8/28/2006 • Payroll Audit, 10/30/2006 • Recruitment, Selection & Hiring Audit, 12/13/2006 • Fall 2006 Semiannual Status Update, 1/22/2007 • Sherry Matthews - Contract Audit, 3/26/2007 • Transit Advertising Program, 4/23/2007 • First Transit - Contract Audit, 5/14/2007 • Spring 2007 Semiannual Status Update, 7/23/2007 • Procurement Card / Travel Audit, 7/23/2007 • Security Program Audit, 10/22/2007 • Fall 2007 Semiannual Status Update, 1/23/2008 • Risk Management Audit, 1/23/2008 • Accounts Receivable Audit, 3/31/2008 • AATR contract close-out audit, 5/19/2008 • IKON Contract Audit, 6/30/2008 • Portable Data & Computing Devices Audit, 6/30/2008 • Spring 2008 Semiannual Status Update, 7/28/2008 • Fuel Controls Audit, 10/27/2008 • Railroad Engineering Services Contract Audit, 10/27/2008 • Warranty Processing Audit, 12/20/2008 • Fall 2008 Semiannual Status Update, 2/21/2009 • Veolia Rail Contract Payment and Revenue Audit, 4/27/2009 • Property and Building Management Audit, 6/29/2009 • Spring 2009 Semiannual Status Update, 7/27/2009 • Non-Revenue Vehicle Audit, 8/24/2009 <p><i>The following audit is currently in progress:</i> Capital Budgeting</p>
<p>19. A list of State Auditor reports from FY 2005 – 2009 that relate to the agency or any of its functions.</p>	<p>No State Auditor reports related to Capital Metro were issued during this period. However, a copy of the December 2002 “Financial and Performance Audit Reports for Four Mass Transit Authorities” has been provided.</p>
<p>20. A copy of any customer service surveys conducted by or for your agency in FY 2008.</p>	<p>20a. 2008 Customer Satisfaction Survey, Creative Consumer Research</p> <p>20b. Fare Adjustment Update: Community Outreach, September 2007</p>