



October 20, 2011

Dear Capital Metro Board of Directors:

I am pleased to present a copy of Capital Metro's strategic plan for Fiscal Year 2012. As you know, we began this process with a board retreat in January 2011 in which we had substantive discussions regarding the direction and future for Capital Metro along with a discussion of Board priorities for both the near-term and longer term future.

Through our collaborative efforts we have developed a cornerstone strategy to guide us as we strengthen our financial position, improve our business processes and raise the bar for providing quality transportation services to the community.

Our basic approach to this process was to develop a new vision and mission for Capital Metro that helps us position the agency to be a significant and valued contributor to the continued growth and development of the Greater Austin/Central Texas region:

Vision

Capital Metro is a driving force for quality of life in our community.

Mission

Capital Metro connects people, jobs and communities by providing high quality and sustainable transportation choices.

With your direction and ongoing support, we are focusing Capital Metro's strategic plan on four key goals and priorities for the next year and beyond:

- Provide a great customer experience
- Improve business practices
- Demonstrate the value of public transportation in an active community
- Be a regional leader

These strategic goals and their corresponding objectives also served as the basis for developing Capital Metro's capital and operating budget for FY2012.

An effective strategic plan is never final and will continue to evolve to address the changing needs of our organization and this community. I look forward to working you and the staff on shaping the future of Capital Metro for our customers and the region.

Sincerely,

Linda S. Watson
President/CEO

Capital Metro Strategic Plan Overview

MISSION STATEMENT:

Capital Metro connects people, jobs and communities by providing quality transportation choices

VISION:

A driving force for quality of life in our community

Capital Metro Strategic Plan Overview

Strategic Goal 1 Provide a Great Customer Experience

Build a culture of exceptional customer service that is responsive to the diverse needs of the community.

Objective 1.1 Increase User Friendliness

Ensure that all aspects of our service are easy to navigate.

Tasks

- **Implement Service Plan 2020 and All Systems Go (as updated)**
 - Service Plan 2020 and All Systems Go (ASG) provide the service-planning framework for Capital Metro. The ASG plan is being updated as part of the regional transportation planning effort. The implementation of these plans reflects a thoughtful approach to aligning Capital Metro's services with the mobility needs of the community.
- **Redesign website**
 - The Capital Metro website (www.capmetro.org) will be redesigned and updated. Current trends in web communications will be leveraged, including the interactive tools for trip planning, customer surveys and information sharing.
- **Complete technology projects**
 - Implement technology projects to enhance the customer experience:
 - The Intelligent Transportation Systems (ITS) Project uses automated vehicle locating (AVL) to provide real-time vehicle arrival information to customers. The FY12 project work includes rewriting and programming of bus route scheduling data for input into the system, changing the communication application to prepare for the new radio system in FY13 and beginning the implementation of AVL on the Bus Rapid Transit (BRT) system.
 - Quick Response (QR) codes will provide customers with trip planning and bus and rail schedules which can be accessed quickly and conveniently at bus and rail stops with smart phones and other smart technology. QR Codes will provide accurate and timely route and schedule information. The goal is to deliver real time information once the CAD/AVL project is completed.
 - Interactive Voice Response (IVR) system replacement will improve the effectiveness of the Capital Metro call centers and the ease with which customers access information via telephone.
- **Improve ease of fare payment for customers**
 - Develop a long-term fare collection strategy for implementing a stored value or Smart Card that can be reloaded with additional value, reused indefinitely and read when touched to a target on a farebox or ticket vending machine.
 - Evaluate ease of use of ticket vending machine at rail stations and develop appropriate plans for improvement.
- **Provide exceptional customer service through oversight of contracted services**
 - As Capital Metro's operating structure transitions to a contract service model by FY13, the expectations for service delivery and detailed plans for oversight of contractors will be formalized and documented.

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- **Improve, document and formalize the process for making service delivery adjustments**
 - Planning and Operations staff use various data to trigger changes in service. The process for collecting and using that data to drive service delivery improvements will be evaluated and documented to increase feedback into the process.

- **Implement mystery rider program**
 - Implement the use of “mystery riders” (a.k.a. secret shoppers, persons trained to conduct such evaluations) to review service delivery.

Performance Measures

Measure	Baseline	2012 Goal	Responsibility
• Riders per revenue hour	28	29	Planning/Marketing
• Customer satisfaction (measured via annual survey)	90%	92%	Marketing
• Complaints per 100,000 riders	15	14	Operations
• Call center responsiveness (by service level, in both call centers)	80%/60 seconds	80%/60 Seconds	Call Center(s)

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Objective 1.2 Make Riding Safe, Reliable and Accessible

Ensure that service delivery of all modes is focused on safety, reliability and accessibility.

Tasks

- **Complete second year of accessibility/connectivity improvements at bus stops**
 - A multi-year effort is underway to ensure the accessibility of all bus stops, including wheelchair boarding locations and sidewalk connectivity. This project is in partnership with the city of Austin.
- **Continue implementation of safety and security improvements**
 - One percent of Capital Metro's annual federal funding is designated for safety and security improvements. An ongoing plan of projects will be identified for use of these funds.
- **Improve bike storage at transit facilities**
 - Riding Capital Metro has become popular with bicyclists. A long-term strategy will be developed to address the growing number of bicycles on buses and rail.

Performance Measures

Measure	Baseline	2012 Goal	Responsibility
• Service delivery index (on time performance, vehicle accident rate, passenger accident rate, miles between road calls)	5.89	6.7	Operations
• Bus stop connectivity / accessibility upgraded to meet Capital Metro's standard	35%	100%	Capital Projects

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Strategic Goal 2 Improve Business Practices

Capital Metro will exhibit good stewardship of public funds through the efficient use of available resources. Institute productivity and efficiency strategies that ensure resources are allocated in a manner that optimizes Capital Metro's ability to meet community transportation needs

Objective 2.1 Strengthen the Financial Health of the Agency

Understand the current financial conditions and put the appropriate systems and controls in place that improve the financial health of the organization.

Tasks

- **Pursue additional funding/ revenue opportunities**
 - Examine a range of opportunities to increase revenues as they present themselves. At a minimum, this will include a complete review of sales tax accounts, an analysis of current marketing conditions to evaluate potential revenue from naming rights, transit advertising, and transit oriented development (TOD) real estate development, transportation development credits and other options.
- **Evaluate potential for covered parking at park & rides**
 - Evaluate public and private partnerships to provide covered parking at rail station park-and-ride lots to improve customer service and increase system revenue.
- **Identify cost savings to replenish reserves**
 - Review the budget in concert with all divisions of Capital Metro to identify opportunities for cost savings. This will include, but not be limited to, requiring divisions to provide budgets with plans for specific percentage reductions.
- **Adopt a long-range financial forecast**
 - Produce a five-year long-range financial forecast of revenues, operating expenses and capital expenses for the current year and four additional years. This forecast will be updated annually.
- **Develop a cost allocation model**
 - Revise Capital Metro's methodology for allocating non-operating costs to the appropriate modes of service. This model will be used to evaluate the fully-funded cost of individual modes of service.
- **Address labor structure**
 - Implement the requirements of the Sunset Act which requires Capital Metro to operate all transit services, not directly provided by Capital Metro employees, through a private provider after competitive procurement.
- **Develop a plan to implement fuel hedging**
 - Capital Metro will retain a consultant on fuel prices and develop a specific procedure for regularly reviewing fuel prices in order to enter into fuel hedging agreements.
- **Develop a business plan for freight rail**
 - Freight rail service is a business enterprise center. Prepare long-term and short-term plans and approaches for increasing freight revenue and reducing costs.

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Performance Measures

Measures	Baseline	2012 Goal	Responsibility
• Two month operating reserves	\$20.9 million	\$21 million	Finance
• Return on assets			
• Naming rights	0	\$1 million	Business & Community Development
• Rail right of way revenue	\$340,000	\$350,000	Capital Projects & Real Estate
• Transit advertising	\$400,000	\$450,000	Business & Community Development
• Fares	\$17.3 million	\$17.4 million	Finance
• Operating costs	\$167.9 million	\$172.9 million	Finance

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Objective 2.2 Increase Accountability

Ensure that the Capital Metro staff and board are held accountable and responsible for the financial health of the organization, the service quality impact of long-term commitments and obligations, managed growth and environmental stewardship

Tasks

- **Create financial indicators report**
 - Develop a report of financial indicators for the Board of Directors that can reflect the relative condition of Capital Metro's fiscal health over time. Potential indicators could include, growth in sales tax, year over year; monthly ending cash balance; variance in overall revenues from forecast and overall expenditures from forecast and fare receipts vs. forecast
- **Develop a business plan process for capital projects**
 - Develop detailed business plans for capital projects that include a financial analysis and projection of funding requirements. Conformity to that plan will be monitored allowing for any necessary formal adjustments in budget estimates.
- **Ensure consistency with service standards**
 - Ensure that service changes and improvements are consistent with board-adopted or board-initiated, plans including Service Standards and Guidelines, ServicePlan2020, and the Central Texas Regional Transit System Plan.
- **Create annual report**
 - Issue an annual report to the community in a transparent and reader-friendly format that details the agency's financial health and report on the progress in building reserves, reducing costs and generating revenue.
- **Maintain assets to a state of good repair**
 - Develop a plan and process to ensure that all assets are maintained to the manufacturer's standards based on normal use and life expectancy.
- **Develop an environmental management system (EMS)**
 - Adhere to environmental requirements and identify innovative green business practices through the implementation of environmentally responsible initiatives consistent with the FTA best practices. These best practices include efficient use of energy and materials which minimizes environmental impacts while also ensuring fiscal responsibility, conducting employee training and awareness of environmental responsibilities, implementing resource reduction, recycling and reuse practices, and handling and disposing of all hazardous waste through safe and responsible methods.

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Performance Measures

Measures	Baseline	2012 Goal	Responsibility
• % to target desired results business plans	TBE	+/- 5%	Finance
• % to target desired results strategic plan	N/A	80%	Strategic Planning
• Key financial indicators report	Baseline FY 2011	TBE	Finance
• Budget adherence	+ or - 5%	+ or - 5%	Finance

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Objective 2.3 Enhance Organizational Development

Integrate the Strategic Plan into the Capital Metro culture to insure that appropriate resources, initiatives and support are in place to guarantee employee commitment across the board. In addition, Capital Metro will continue to measure employee satisfaction in an effort to gauge employee morale.

Tasks

- **Measure and report employee satisfaction indices**
 - Report employee environment key performance indices to the board labor committee quarterly. Include measures of employee turnover, grievance rates, absenteeism and employee injury rates.
- **Continue Linda is Listening program**
 - Focus communications and outreach programs to all employees on the labor structure changes and encompass any other questions employees may have about agency matters.
- **Develop action plans to address areas of concern in employee engagement survey**
 - The University of Texas Institute for Organizational Excellence completed a survey of employee engagement during 2011. The results of the survey will serve as the basis for developing action plans for implementing organizational changes. These changes will address areas where improvement is needed.
- **Develop action plan for employee training and development**
 - Develop specific objectives for behavior change at the leadership level based on the strategic goals and define elements of a leadership development program to support those objectives.
- **Implement project management training**
 - Initiate a project management training program that will provide the tools and knowledge to successfully manage projects to completion.

Performance Measures

Measures	Baseline	2012 Goal	Responsibility
• Employee survey results	328 (based on a scale between 200- 500)	TBE	Human Resources
• Results of performance reviews	TBE	TBE	Human Resources
• Board input on organizational performance	TBE	TBE	Board of Directors/Executive Staff

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Strategic Goal 3 Demonstrate the Value of Public Transportation in an Active Community

Demonstrating Capital Metro's value to the community will lead to a positive public image through improved service delivery, safety, increased customer satisfaction and increased ridership. Be a leader responsible for making innovative and good decisions.

Objective 3.1 Increase Ridership in Target Markets

Identify new markets and create a strategic plan to capture those markets to increase ridership on all modes of transportation.

Tasks

- **Create plans to target “new” markets**
 - Working from the market segmentation study completed in 2009, develop a plan to market Capital Metro's services to those groups identified as most likely to ride. This plan will be designed to attract new riders.
 - Work with the Convention and Visitors Bureau to develop a plan for communicating transit services to visitors.
- **Improve “last mile” access**
 - Services are not always within a comfortable walking distance for all trips. Adding bike access and shared ride access (like Car2Go or vanpools) at the beginning or end of a transit trip will attract new riders. Working with ride-share businesses, bicycle groups and the city of Austin to create cross-promotions will add synergy to our marketing and outreach.
- **Use QR codes as information delivery system**
 - Develop a marketing plan that educates current and new riders on the use of QR codes at bus stops and rail stations.
- **Implement student summer ridership program**
 - One of the campaigns for FY12 is an initiative to provide summer passes to high school and middle school students. A strategy and action plan for marketing this opportunity to students and their parents will be developed.
- **Develop plan for communicating to current riders and marketing to new riders, any service changes or new service**
 - Assess current process for communicating changes of service and special events and develop a plan that will serve as a template for future changes and special events.
- **Develop a plan for marketing MetroRapid**
 - Develop a strategic plan for branding and marketing MetroRapid to the community.

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Performance Measures

Measures	Baseline	2012 Goal	Responsibility
• Riders per hour	28	29	Planning /Marketing
• Website "visits"	10,000/day	12,000/day	Marketing
• Ridership increase in target markets	To Be Established FY 2012	TBE	Planning

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Objective 3.2 Develop and Innovatively Deliver our Message

Push Capital Metro's message aggressively and effectively

Tasks

- **Redesign Capital Metro's website**
 - Develop a new website with significant improvements in ease of use, accessibility and intuitive architecture.
- **Design strategy for social media/interactive communication**
 - Capital Metro's customers and potential customers are talking about Capital Metro on social networking platforms. A solid social media strategy will enable the Authority to participate in those conversations—to provide great customer service, to clarify or correct misinformation and to improve the perception of Capital Metro and its employees and to ensure, in turn, that the valuable information gleaned from customers will be used to improve service.
- **Determine marketing message; develop strategy; create marketing plan and implement**
 - Develop a comprehensive marketing strategy, delineating key messages and an implementation timeline.
- **Implement additional interactive tools for customer input**
 - A comprehensive public involvement process will utilize additional interactive tools to gather customer input and increase customer awareness of Capital Metro's services. These tools will enhance citizen participation, ensure agency transparency and enhance the board decision-making processes—i.e., *icanmakeitbetter.com* idea tool, TurningPoint interactive voting technology, online webinars, videos, customer surveys and focus groups.
- **Develop Public relations/media strategy**
 - Develop a comprehensive plan of action to deliver Capital Metro's key messages to appropriate audiences through a wide variety of communications and media platforms. This plan will allow Capital Metro to address the many challenges and opportunities it faces as the agency builds upon the success of the past two years. This strategic plan will include editorial board visits, additional media outlets, newsletter insertions, press releases, "soft stories," television coverage, national publications, an annual report to the community and employee "share our story" messages.

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Performance Measures

Measures	Baseline	2012 Goal	Responsibility
• Customer satisfaction survey	90%	92%	Marketing
• Website "visits"	10,000/day	12,000/day	Marketing
• % increase in media stories	To Be Established FY 2012	TBD	Communications
• Attitudinal poll (communication strategy effectiveness)	To Be Established FY 2012	To Be Established FY 2012	Marketing

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Objective 3.3 Strengthen Community Relationships

Build meaningful relationships with the communities that result in support and voices for future initiatives.

Tasks

- **Build community support for major agency initiatives**
 - Through effective communication and engagement of the community in agency decision-making processes, Capital Metro will build community trust and support for major initiatives.
- **Continue B2B program**
 - The Business-to-Business Outreach Program is a corporate outreach initiative targeted at employers who have the potential to buy rail or bus passes for their employees. The existing program will be continued with additional outreach to new businesses that express an interest in becoming retail partners or in securing other customized services such as vanpools. A website “splash page” will promote the program online and allow interested businesses to register for services.
- **Continue implementation of DBE Program**
 - The DBE Program is a federally-mandated program that supports our small and minority business community. Capital Metro will continue the implementation of its approved 2012-2014 DBE Plan and meet the 23% compliance goal in adherence to federal guidelines. In addition, to enhance program outreach initiatives, Capital Metro will seek to contract with the minority chambers for special services and implement networking events that foster mutually productive business partnerships.
- **Assess value and effectiveness of MetroAmbassador and MetroEducation programs**
 - The MetroAmbassador program recruits and trains community volunteers to assist in community involvement and outreach activities, such as rail safety outreach. The MetroEducation program uses presentations, brown bag lunch sessions, and experiential field-trip style learning opportunities for both adults and children to increase ridership and customer satisfaction for all Capital Metro services. The programs will be assessed for their effectiveness and will be updated, revised and re-launched as appropriate.
- **Work with board advisory committees to develop meaningful dialogue and relationships**
 - The board of directors restructured the two citizen advisory committees and appointed new members to provide more effective input. These committees serve as resources to Capital Metro by giving feedback to the board regarding transit services. The Customer Satisfaction Advisory Committee focuses on service quality and improving the riding experience. The Access Advisory Committee focuses on issues related to service for senior citizens and passengers with disabilities, including MetroAccess service and bus stop accessibility.

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- **Creation of kitchen cabinet for advice and input**
 - The kitchen cabinet will be an advisory group of key stakeholders that assists Capital Metro to enhance and develop relationships in the community and that can assist Capital Metro leadership and management in developing, refining and extending marketing messages.

- **Creation of speakers bureau**
 - The Speakers Bureau will be a community outreach tool utilizing key Capital Metro employees and other transit advocates to provide presentations and briefings on agency initiatives to community organizations throughout the region.

Performance Measures

Measures	Baseline	2012 Goal	Responsibility
DBE Goal	22%	23%	Business & Community Development
<ul style="list-style-type: none"> ● Attitudinal Poll (Capital Metro Image) 	To Be Established FY 2012	To Be Established FY 2012	Marketing

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Strategic Goal 4 Be a Regional Leader

Capital Metro will play a major role in addressing the congestion challenges in central Texas by increasing its market share and influencing future land development.

Objective 4.1 Lead Public Transportation Planning and Innovation

Provide guidance and direction to the central Texas community regarding the development of innovative transportation solutions.

Tasks

- **Complete regional transit system plan update**
 - In partnership with the city of Austin, CAMPO, the Lone Star Rail District and others, lead the system plan effort and work to ensure completion of that plan on time and within budget.
 - Develop a leadership strategy to influence regional transportation outcomes with CAMPO and other counties and cities.
- **Maintain and increase staff expertise and exposure to innovation through training and participation in local, regional and national peer groups**
 - To maintain and increase regional leadership capabilities, it is critical that staff remain current on leading ideas and concepts in transportation. This task will maximize opportunities for peer networking and education for staff resulting in improvements to our service.
- **Expand partnerships with educational / research institutions**
 - Capital Metro has successfully partnered with a broad range of educational and research institutions to leverage their capabilities of improving public transportation and this task will further those efforts.
- **Develop a prioritized plan for improved MetroRail service**
 - The current levels of MetroRail service are near capacity and have met initial ridership projections. As the first modern passenger rail service in central Texas, the MetroRail Red Line is an initial investment that needs further improvements to reach its potential. This task will develop a prioritized plan to increase capacity, improve service quality and expand service on the Red Line.

Performance Measures

Measures	Baseline	2012 Goal	Responsibility
● # of CAMPO 2035 activity centers served by Capital Metro (37 total)	14	15	Planning
● Congestion reduction savings from transit (based on TTI Urban Mobility Study)	\$43M (2009)	\$45M (2010)	Planning

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Objective 4.2 **Grow the Service Area and Customer Base**

Implement a strategy to support a fully developed regional transportation system that results in higher per capita transit use and broader geographic coverage than at present.

Tasks

- **Continue outreach to non-member cities for service provision**
 - Discussions continue with several jurisdictions on the issue of providing service beyond our current service area boundary through an Interlocal Agreement. The service expansion policy will be evaluated and revised as necessary in accordance with these discussions as well as work with CAMPO.
- **Implement MetroRapid**
 - This project is the next major element of the All Systems Go Long-Range Plan and is receiving more than \$37M in federal funding. Assure that vehicle acquisition, station development and transit signal priority system development in FY12 occur within budget and on schedule.
- **Partner to support expanded MetroRail operations**
 - MetroRail has proven to provide a valuable and highly-used service when occasionally provided in the evenings and on weekends and there is a desire for more. Seek funding partners to support the cost of this additional service on weekend evenings.
- **Build support for transit in region and support for additional transit funding**
 - By continuing planning efforts, including the federally-funded North Central Corridor Alternatives Analysis, Capital Metro will build community support and provide a strong basis for increased transit investment.
 - Work with CARTS to improve service levels and regional connectivity and leverage resources.

Performance Measures

Measures	Baseline	2012 Goal	Responsibility
• Annual trips per capita within service area	2010 Passenger Trips per Capita	3% Increase over 2010 Levels	Planning/Operations

Objective 4.3 **Play a Key Role in Sustainable Development**

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The viability of a high quality public transportation system is largely a function of the development patterns it serves. Capital Metro will work to encourage transit-supportive development in central Texas and facilitate smart growth through integration of transportation and land use planning.

Tasks

- **Continue to promote transit oriented development (TOD) through education and outreach**
 - Advance TOD projects near MetroRail stations and on agency-owned property as a means of increasing transit ridership and generating a revenue stream to support service costs.
 - Finalize design and environmental work and initiate construction on MetroRail track relocation and double-tracking project at Plaza Saltillo.

- **Partner to support implementation of activity centers in CAMPO 2035**
 - Participate in regional projects such as the CAPCOG Sustainable Places Project, Envision Central Texas and others to encourage the development of activity centers that are transit-supportive.
 - Work with the city of Austin to complete the Airport Boulevard corridor study and begin implementing the recommended actions on this corridor to serve as a model project for activity center development.

- **Participate in regional planning initiatives including Imagine Austin and HUD Sustainability Grant.**
 - Engage in the Imagine Austin comprehensive plan development and other regional efforts to ensure that transit supportive programs and policies are a part of these guiding documents.

Performance Measures

Measures	Baseline	2012 Goal	Responsibility
● % of STP-MM funding going towards transit-supportive projects	n/a	50%	Planning/Government Relations
● Population and employment density within ½ mile of MetroRail stations	n/a	Establish baseline	TOD
● Initiate North Central Corridor Alternatives Analysis	Not started	Initiate and make progress	Planning