Work Session on Benchmarking

This meeting will be livestreamed at capmetrotx.legistar.com

I. Call to Order

II. Presentations

1. Capital Metro Financial Benchmarking

III. Items for Future Discussion

IV. Adjournment

ADA Compliance

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

Committee Members: Wade Cooper, Chair; Leslie Pool, Becki Ross and Matt Harriss.

The Board of Directors may go into closed session under the Texas Open Meetings Act. In accordance with Texas Government Code, Section 551.071, consultation with attorney for any legal issues, under Section 551.072 for real property issues; under Section 551.074 for personnel matters, or under Section 551.076, for deliberation regarding the deployment or implementation of security personnel or devices; arising regarding any item listed on this agenda.
Finance, Audit and Administration Committee
Agenda Date: 12/7/2022

Item #: AI-2022-680

Capital Metro Financial Benchmarking
CapMetro

FAA Board Committee Workshop

December 7, 2022
### Executive Summary and Agenda

Key takeaway: Provide a wholistic view of how CapMetro uses data, key performance indicators, and industry benchmarking influences decision making, including the annual budget process and service planning.

<table>
<thead>
<tr>
<th>Time</th>
<th>Topic</th>
<th>Primary Presenter</th>
</tr>
</thead>
<tbody>
<tr>
<td>8:30am</td>
<td>Meeting kick-off and introductions</td>
<td>FAA Committee Chair, Wade Cooper</td>
</tr>
<tr>
<td>8:45am</td>
<td>Service Planning &amp; Service Evaluation</td>
<td>EVP Planning, Sharmila Mukherjee</td>
</tr>
<tr>
<td>9:15am</td>
<td>CapMetro’s KPI dashboards and industry benchmarking</td>
<td>VP EPM, Jeff Hiott</td>
</tr>
<tr>
<td>9:40am</td>
<td>Capital project portfolio update</td>
<td>VP EPM, Jeff Hiott</td>
</tr>
<tr>
<td>10:00am</td>
<td>Budgeting process</td>
<td>Deputy CFO, Kevin Conlan</td>
</tr>
<tr>
<td>10:15am</td>
<td>Discussion on the best practices and next steps</td>
<td>EVP CFRO, Catherine Walker</td>
</tr>
<tr>
<td>10:30am</td>
<td>Meeting adjournment</td>
<td>FAA Committee Chair, Wade Cooper</td>
</tr>
</tbody>
</table>
For every service change, a service evaluation

<table>
<thead>
<tr>
<th>Frequency</th>
<th>Activities</th>
</tr>
</thead>
</table>
| **Every Year**  | Route Evaluation  
                 | Route Proposal Evaluation (Major and Minor)    |
| **Every 3 Years** | Service Monitoring                              |
| **Every 10 Years** | Network Redesign  
                         | • Conditions Analysis                         |
|                 |                                                 | • Network Evaluation                          |
| **Dynamic**     | Stop & Station Proposal Eval.                   |
| **Every 5 Years** | Standards & Guidelines Update  
                         | Origins & Destination Study                   |

We frequently evaluate our service for opportunities to better serve our customers and reach the community.
## Current Service Change Evaluation Inputs

### Feedback
- Public feedback
- Operator feedback
- Feedback from partner organizations and elected officials
- Feedback from senior management team and CEO

### Route Performance
- On time performance
- Overcrowding
- Route productivity
- Speed, reliability and safety

### Route Alignment Considerations
- Origin and destination study results
- New destinations
- New street alignment

### Cost
- Cost per rider

---

*Title VI Analysis (if major change)*
Service Planning Overview

• Service plans are a guide for system enhancements and expansion
  • Service plans are updated every 5 years
  • Service plans guide service changes (3x annually)

• In 2017, the Board adopted Connections 2025 - CapMetro’s current service plan - which established a multi-year plan and framework for service changes

• In 2018, CapRemap was implemented with a majority of the service changes in Connections 2025
Goals of a Service Plan

- Build Ridership
- Match Service to Markets
- Enhance the Customer Experience
- Ensure Financial Sustainability
CapReMap Improved Access

• 14% improvement in reach to minority populations within 10-minute walk of frequent service (from 25% to 39%)
• 15% improvement in reach to households in poverty within 10-minute walk of frequent service (from 33% to 48%)
• Title VI equity analysis is required for any major service changes and was reviewed by the Board prior to adoption of Connections 2025
CapRemap and Planning for the Future

- CapRemap exceeded expectations of service plan
  - Double digit ridership growth prior to COVID-19
  - New frequent service performed better than expected on majority of routes

- CapRemap offered opportunity to improve for future service plans
  - Many routes required minor modifications after launching to support on-time performance and manage overcrowding
  - 14 routes have low productivity (8 with 10-15 passengers/hour and 6 less 10 passengers/hour)
  - Coordination of bus stops for convenient transfers is essential
Next Generation Service Plan

• Identify goals and keep them front and center
• Consider equity at every stage of plan
• Evaluate for increased access to opportunity while minimizing reduced access to the network
• Engage continuously with public and Board to receive feedback
• Integrate with upcoming Project Connect projects
Recap: Service Evaluation for Service Changes

Evaluate the service based on our existing inputs.

Evaluate the service with added documentation of our equity-indicators.

Review the analyses we’ve completed, keeping in mind what the community wants.

Look at what resources we have available and prioritize service based on analyses.
CapMetro Enterprise Program Management Data Management Overview
Enterprise Data Management Key Responsibilities

• Manage Performance Dashboards (Internal and External)
• Business Owner Enterprise Data Analytics Platform
• Manage Strategic Plan Key Performance Indicators
• Participate in Benchmarking Group
• Manage Data Governance Initiative
Performance Dashboard Management

Manage public facing dashboards including:

- Finance Dashboard
- Reliability Dashboard
- Ridership Dashboard
- Route Performance Dashboard
Enterprise Data Analytics Platform Benefits

- The Enterprise Data Analytics Platform is our strategic initiative to make data transparent and accessible on one single location across the agency.
- This platform will enable our data-driven business decisions so we can continue to grow with the communities we serve.

**The Agency**
- **Scalable and flexible platform** that can meet the volumes and requirements as CapMetro grows and expands services.
- **Standardized** terminology for a common language across the organization.
- **Aligns to a structured data governance** to maintain and manage the agency’s data assets with necessary policies and security requirements.

**Departments**
- **Accessible** data from multiple disparate systems across the organization into **one location** (single source of truth).
- Significantly reduce manual steps to produce ongoing reporting providing **more timely access to data**.
- Modern reporting capabilities that **enable the business to unlock insights** that will enhance our decision-making processes.

**Communities**
- **Enhanced transparency** of sharing information and data with the public.
- **Intuitive** data and visualizations making it easier to understand information with modern tools and capabilities, including accessibility.
Data Governance Mission

The data governance organization fosters the use of data at CapMetro by:
• promoting cross-organizational collaboration and data sharing
• establishing clear roles, responsibilities, policies, and processes
• and facilitating the cultural change needed to properly manage and use CapMetro’s data assets.

Data Governance Vision

We are maximizing the value of the organization’s data assets by:
• making sure that data is properly managed and curated
• used as part of the typical decision-making process across all departments
• and managed through its entire lifecycle.
Strategic Plan KPI

Focus on Four Immediate Priorities

• Support the Partnership between City of Austin, ATP and CapMetro to deliver Project Connect
• Improve quality of bus service
• Create an equitable and sustainable fare structure and policy
• Enhance public safety program

Key Metrics to Report on:
- Diversity Equity and Inclusion
- Accessibility and Equity
- Safety
- Reliability
- Route Performance
- Ridership
- Customer Satisfaction
- Environmental Impact
- Economic Development
- Workforce Development
- Design and Engineering
- Materials Management
- Technology
Strategic Plan KPI Dashboard

• Engaged consultant to assist with developing KPI Dashboard

• Dashboard will focus on organizational strategic plan performance

• Dashboard will be presented to the Board of Directors for review
Industry Benchmarking
American Bus Benchmarking Group

**Customer Satisfaction**
Detailed benchmarking of customer perceptions in the annual fixed route and biennial paratransit Customer Satisfaction Surveys (CSS)

**Meetings**
Annual meeting attended by senior management, plus a paratransit expert workshop and TSC visits

**Express Studies**
Short, fast studies to quickly draw on group knowledge and experience

**Other Data/Info Exchange**
Exploring ways to share data more regularly (COVID experiences and practices, ridership and service levels, electric bus fleets, microtransit services, etc.) and in different formats

**Website and Forum**
Experts consult with each other, providing quick answers

**KPI System**
To compare annual performance and identify lines of inquiry
Budgeting Process
Fiscal Year Budget Development Calendar

- Feb  Operating and Capital Budget kick-off meeting with departments
- Apr  Operating and Capital Budget requests received from departments
- May  Board Committees review proposed budget calendar
- Jun  Initial review with Access Advisory Committee
- Jun  Initial review with Customer Satisfaction Advisory Committee
- Jun  Board Committees initial review and discussion
- Jul  Budget proposal presented to Board Committees
- Jul  Budget proposal presented to Board of Directors
## Fiscal Year Budget Community Engagement

- **Aug**  Presentation to Access Advisory Committee
- **Aug**  Presentation to Customer Satisfaction Advisory Committee
- **Aug**  Update Board Committees
- **Aug**  Budget public outreach and webinar
- **Aug**  Proposed budget document is published online
- **Sep**  Update Board Committees
- **Sep**  Public hearing on the proposed budget and capital improvement plan
- **Sep**  Board of Directors considers budget proposal for adoption
Long-Range Financial Plan Model

Assumptions
- Sales Tax Growth
- Service Levels
- PPI
- Salary Increases
- Benefit Increases
- Fuel Pricing
- Etc.

Operating Budget
- Revenue and Expenditures

Capital Improvement Plan
- Capital Funding
- Capital Expenditures

Reserves
- Statutory Operating
- Budget Stabilization
- Facility Master Plan
- Self-Insurance
- Sustainability
- Green Line Phase II

Debt
- Existing Debt
- New Debt Issue

Grants and Capital Contributions

CapMetro LRFP

Project Connect Plan
Long-Range Financial Model

- Ongoing revenue assumption is sufficient to fund operations and capital needs through Fiscal Year 2026
- Budget risk if sales tax growth does not develop as projected
Enterprise Project Portfolio Management (EPPM) for Capital Projects
## EPPM: Where We Are

### Governance
- Strategic Alignment & Prioritization
- Single Steering Committee
- Advisory Committee
- More time & stakeholder involvement in planning
- Stage gate approvals
- PMI based standards & tool

### Financial Mgmt
- $14 Billion 5-yr Capital Improvement Plan
- $3.2 Billion 20-yr Long Range Financial Plan
- 121 projects
- Steering Committee review for Board awards
- Steering Committee review for >$150k changes
- Business Owner & Project Champion review for all changes

### Training
- 40 PMs
- Project Controls
- Exec VPs & VPs
- Project Team members
- PMP Certification
- Engagement Sessions
- Engagement Bulletins
- Mentors
- Consultant-led

### Technology
- Project visibility
- Cross-dept coordination
- Portfolio management
- Proposal approvals
- Prioritization
- Communications
- Dashboards, reports
- Resource Management
- Portfolio rebalancing
- Enhanced collaboration
- Streamlined budgeting
EPPM: Where We Are Going

- People
- PPM Process
- Financial Management
- Technology
- Relationships

EPPM Objectives

- Improve investment decisions
- Increase visibility, collaboration and decision making
- Facilitate cross-functional demand and capacity planning, interdependencies and conflict resolution
- Manage risks and assist with compliance
- Enable project managers
EPPM: Standardized Project Phases

Is this level of detail appropriate for BMS?
EPPM Risks: FY22 Capital Project Delays

- 73 projects had indicators that some planned deliverables were unintentionally delayed
- PMs polled to provide insights for delays so we can consider portfolio adjustments
In order to manage unintended delay risks, we are currently evaluating FY23 and FY24 projects for:

- Potential to complete
- Priority shifts since original projects proposals
- Prospect to strategically plan to delay some capital projects where:
  - Current capacity lacking, and
  - Potential to reallocate toward short-term investments
Best Practices and Next Steps Discussion
Next Steps

• Today
  • Gain buy-in on reporting and frequency of CIP portfolio from FAA Committee members

• Near Term
  • Continue service evaluation for FY2023 and beyond
  • Budget process for FY2024 and 5-year CIP begins in February 2023
  • Complete evaluation of CIP projects planned for FY2023 and FY2024

• Longer Term
  • Complete Enterprise Data Analytics Platform in FY2024
Thank you!