



Agenda - Final
Capital Metropolitan
Transportation Authority
Finance, Audit and Administration
Committee

2910 East 5th Street
Austin, TX 78702

Wednesday, February 14, 2024

11:00 AM

Rosa Parks Boardroom

This meeting will be livestreamed at capmetrotx.legistar.com

I. Call to Order

II. Public Comment

III. Action Items

1. Approval of minutes from the January 17, 2024 Finance, Audit and Administration Committee meeting.
2. Approval of a resolution appointing Muhammad Abdullah as an Investment Officer on the Capital Metro Investment Committee.
3. Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with Infojini Inc., Neos Consulting Group, LLC., and Software Professional, Inc. for technical temporary staffing services for a two-year base period and two (2) option periods of 12-months each for a total of four (4) years for a cumulative amount not to exceed \$6,200,000 for all three (3) contracts.

IV. Presentations

1. FY2024 Financial Report December 2023
2. Internal Audit Advisory Project: Miscellaneous Revenues
3. Internal Audit FY2024 Audit Plan Status

V. Items for Future Discussion

VI. 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: Matt Harriss, Chair; Leslie Pool, Becki Ross and Dianne Bangle.

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



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee
Agenda Date: 2/14/2024

Item #: AI-2024-1085

Approval of minutes from the January 17, 2024 Finance, Audit and Administration Committee meeting.



Minutes
Capital Metropolitan
Transportation Authority
Finance, Audit and Administration
Committee

2910 East 5th Street
Austin, TX 78702

Wednesday, January 17, 2024

10:00 AM

Rosa Parks Boardroom

I. Call to Order

10:07 a.m. Meeting Called to Order

Present	Becki Ross, Matt Harriss, and Dianne Bangle
Absent	Leslie Pool

II. Public Comment

There was no public comment this month.

III. Action Items

1. Approval of minutes from the December 4, 2023 Finance, Audit and Administration Committee meeting.

A motion was made by Bangle, seconded by Ross, that this Minutes be adopted. The motion carried by the following vote:

Aye: Ross, Harriss, and Bangle

2. Approval of revisions to CapMetro’s Reserves and Budgetary Contingencies Policy.

A motion was made by Ross, seconded by Bangle, that this Resolution be recommended for the action item agenda to the Board of Directors, due back on 1/29/2024. The motion carried by the following vote:

Aye: Ross, Harriss, and Bangle

IV. Presentations

1. Internal Audit UT Intern Fall Project -- Greenhouse Gases and Environmental Reporting
2. Internal Audit FY2024 Audit Plan Status

V. Items for Future Discussion

VI. Adjournment

10:30 a.m. Meeting Adjourned

ADA Compliance

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Committee Members: Matt Harriss, Chair; Leslie Pool, Becki Ross and Dianne Bangle.

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Finance, Audit and Administration Committee
Agenda Date: 2/14/2024

Item #: AI-2024-1089

SUBJECT:

Approval of a resolution appointing Muhammad Abdullah as an Investment Officer on the Capital Metro Investment Committee.

FISCAL IMPACT:

This action has no fiscal impact.

STRATEGIC PLAN:

Strategic Goal Alignment:

- 1. Customer
- 2. Community
- 3. Workforce
- 4. Organizational Effectiveness

Strategic Objectives:

- 1.1 Safe & Reliable Service
- 1.2 High Quality Customer Experience
- 1.3 Accessible System
- 2.1 Support Sustainable Regional Growth
- 2.2 Become a Carbon Neutral Agency
- 2.3 Responsive to Community and Customer Needs
- 2.4 Regional Leader in Transit Planning
- 3.1 Diversity of Staff
- 3.2 Employer of Choice
- 3.3 Expand Highly Skilled Workforce
- 4.1 Fiscally Responsible and Transparent
- 4.2 Culture of Safety
- 4.3 State of Good Repair

EXPLANATION OF STRATEGIC ALIGNMENT: This appointment ensures that CapMetro is following its Investment Policy for appropriate appointment of Investment Officers.

BUSINESS CASE: This appointment ensures that CapMetro is in compliance with its Investment Policy.

COMMITTEE RECOMMENDATION: This item was presented and recommended for approval by the Finance, Audit and Administration Committee on February 14, 2024.

EXECUTIVE SUMMARY: CapMetro’s Investment Policy provides for the delegation of authority to invest CapMetro funds and the execution of any documentation necessary to evidence the investment of CapMetro funds to the investment advisory firm under current contract (PFM Asset Management LLC) and those CapMetro personnel authorized as investment officers. The Policy further provides that CapMetro’s Board of

Directors will designate in writing those CapMetro personnel serving as investment officers and authorized to invest on behalf of CapMetro. These designated investment officers shall perform their duties in accordance with the Investment Policy adopted annually by the Board of Directors. The Investment Officers form an Investment Committee that meets quarterly with the investment advisory firm to review performance results. The Investment Policy dictates the type of investments that can be made and the maximum percentages of the portfolio for each type of investment. Decisions on how to invest CapMetro's funds are made with the advice of the investment advisory firm. A vacancy on the Investment Committee currently exists and should be filled by the board at this time.

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Finance

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

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2024-1089

WHEREAS, the CapMetro Transportation Authority Board of Directors is required by CapMetro’s Investment Policy to designate in writing Investment Officers to invest on behalf of CapMetro with the advice of CapMetro’s investment advisory firm under contract: and

WHEREAS, current Officer Donna Simmons will be stepping down from the Investment Committee, creating a vacancy on that body.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metro Transportation Authority Board of Directors that Vice President of Procurement & Chief Contracting Officer Muhammad Abdullah is hereby appointed as Investment Officer to the CapMetro Investment Committee and is authorized to withdraw, invest, reinvest, and accept payment with interest consistent with the investment policy.

Date: _____

**Secretary of the Board
Becki Ross**

Finance, Audit and Administration Committee
Agenda Date: 2/14/2024

Item #: AI-2023-1042

SUBJECT:

Approval of a resolution authorizing the President & CEO, or her designee, to finalize and execute a contract with Infojini Inc., Neos Consulting Group, LLC., and Software Professional, Inc. for technical temporary staffing services for a two-year base period and two (2) option periods of 12-months each for a total of four (4) years for a cumulative amount not to exceed \$6,200,000 for all three (3) contracts.

FISCAL IMPACT:

Funding for this action is available in the FY2024 Operating Budget.

STRATEGIC PLAN:

Strategic Goal Alignment:

- 1. Customer 2. Community
- 3. Workforce 4. Organizational Effectiveness

Strategic Objectives:

- 1.1 Safe & Reliable Service 1.2 High Quality Customer Experience 1.3 Accessible System
- 2.1 Support Sustainable Regional Growth 2.2 Become a Carbon Neutral Agency
- 2.3 Responsive to Community and Customer Needs 2.4 Regional Leader in Transit Planning
- 3.1 Diversity of Staff 3.2 Employer of Choice 3.3 Expand Highly Skilled Workforce
- 4.1 Fiscally Responsible and Transparent 4.2 Culture of Safety 4.3 State of Good Repair

EXPLANATION OF STRATEGIC ALIGNMENT: Award of this contract will assist in assuring the best utilization of technical talent acquisition resources by filling positions as needed (FTEs and Temporary assignments) will contribute towards a high quality customer experience and expanding a highly skilled workforce.

BUSINESS CASE: This contract will allow us to provide technical temporary staffing as needed for special short to long term projects as requested by the Information Technology department in addition to short term backfills.

COMMITTEE RECOMMENDATION: This item was presented and recommended for approval by the Finance, Audit and Administration Committee on February 14, 2024.

EXECUTIVE SUMMARY: CapMetro utilizes temporary employees to meet staffing needs in the following areas: 1) to work on plan projects that cannot be completed solely with existing staff and 2) to perform critical functions during periods of recruitment for vacant positions.

CapMetro utilizes temporary staffing to support our professional and administrative needs across the organization. In an effort for continuous improvement and greater efficiencies we will add this contract for technical temporary staffing in addition to the existing contract for temporary staffing of other positions using the 22nd Century Technologies contract approved by the CapMetro Board May 23, 2022.

DBE/SBE PARTICIPATION: An 8% SBE goal was placed on this procurement. Neos Consulting and Software Professional are both SBE certified.

PROCUREMENT: On August 1, 2023, a Request for Proposal (RFP) was issued and formally advertised. By the due date of September 8, 2023, 73 bids were received. The evaluation team met on October 19, 2023, to discuss the matrix results of evaluations of all proposals and requested an oral discussion with 14 firms. Following Oral discussions, Final Proposal Revisions (FPR) were requested from 4 firms. The evaluation team met on December 15, 2023, to discuss the matrix results of FPR evaluations and determined the following firms will be recommended for award to the Capital Metro Board of Directors: Infojini Inc., Neos Consulting Group, LLC., and Software Professional, Inc. The firms were deemed the most qualified, responsive, and responsible for the solicitation requirements. Pricing was deemed fair and reasonable based on adequate competition. The resulting three (3) contracts will be indefinite quantity indefinite delivery contracts for a not-to-exceed amount for all three contracts of \$3,000,000 for a two-year base period and two(2) Options Periods of 12-months each, for a total not-to-exceed amount for all three contracts in the amount of \$6,200,000 for four (4) years.

RESPONSIBLE DEPARTMENT: People and Culture

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

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2023-1042

WHEREAS, the Capital Metro Board of Directors and CapMetro management recognize the need for temporary services to augment and support CapMetro in its efforts to conduct business efficiently and to assist in meeting specific goals and objectives of the Authority.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the President & CEO, or her designee, is authorized to finalize and execute a contract with Infojini Inc., Neos Consulting Group, LLC., and Software Professional, Inc. for technical temporary staffing services for a two-year base period and two (2) option periods of 12-months each for a total of four (4) years for a cumulative amount not to exceed \$6,200,000 for all three (3) contracts.

Date: _____

**Secretary of the Board
Becki Ross**



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee
Agenda Date: 2/14/2024

Item #: AI-2024-1076

FY2024 Financial Report December 2023



Financial Report – Fiscal Year 2024

Year to Date December 31, 2023

Major Highlights

Revenue

- Sales tax remittances received YTD November 2023 are 0.8% higher than YTD November 2022 and 3.6% lower than YTD budget

Operating Expenses

- \$90.4 million expended to date, or 21.1% of full-year budget
- Professional services are below budget due to timing of consultation, software, maintenance and professional fees

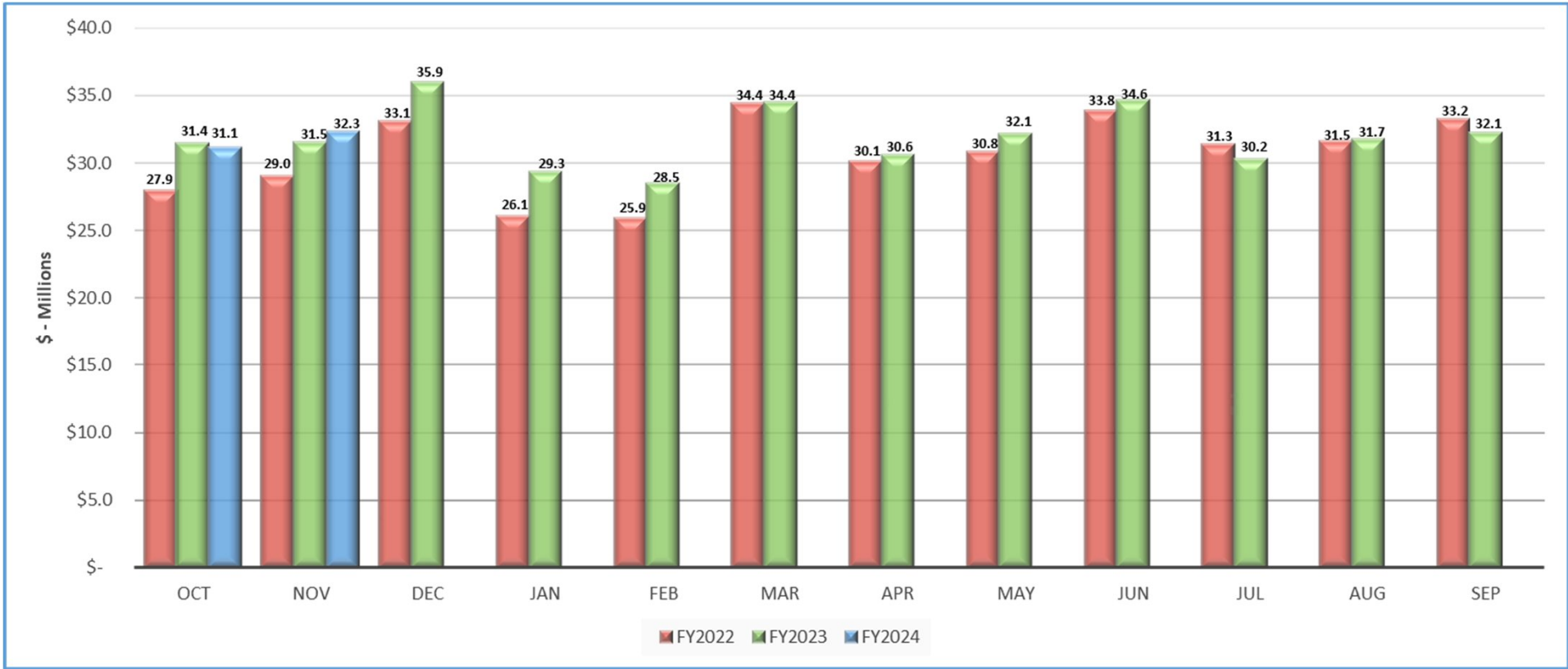
Capital Projects

- FY2024 capital project budget of \$411.0 million
- \$14.9 million expended to date, or 3.6% of full-year budget
 - McKalla Red Line Station, CapMetro Rapid Lines and Non-revenue Vehicle Replacements
- \$42.9 million outstanding commitments have been issued, or 10.4% of full-year budget
 - Bus Electrification Infrastructure, McKalla Red Line Station, CapMetro Rapid Lines, Demand Response Facility and Non-revenue Vehicle Replacements

Revenue

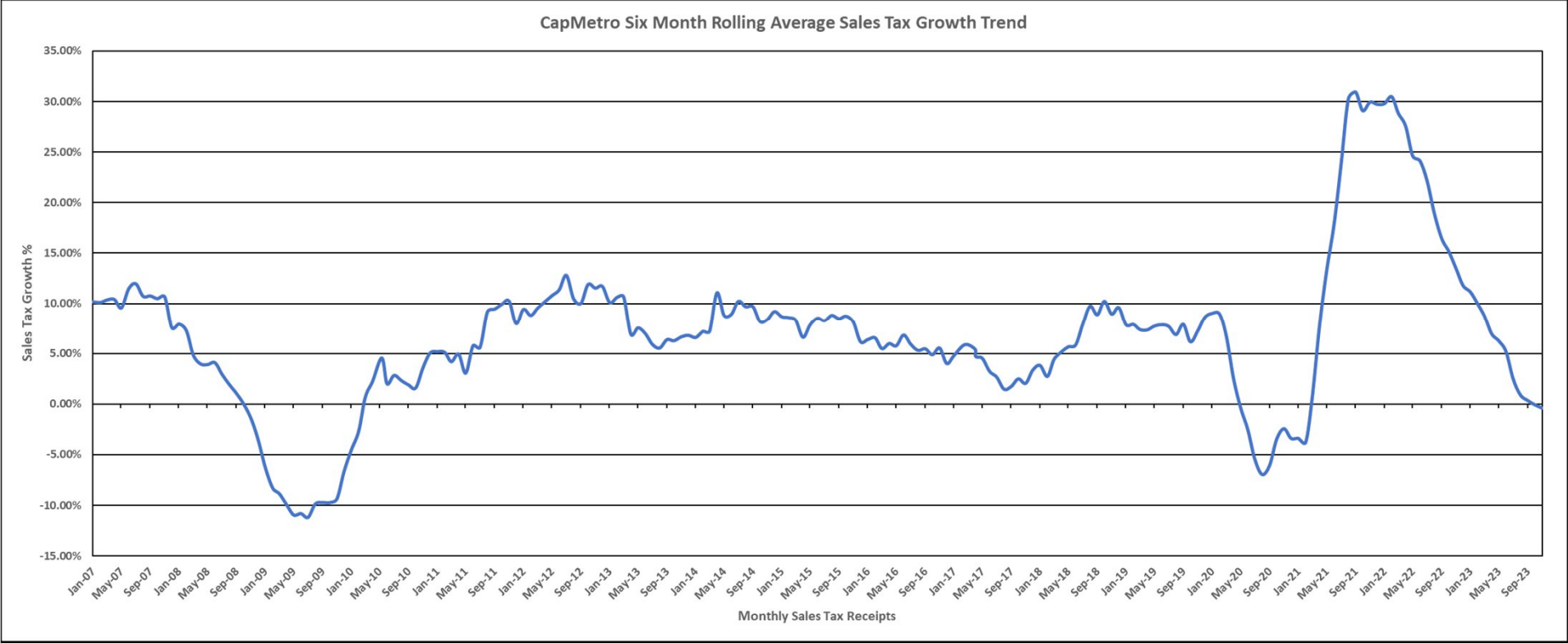
\$' Million Category	FY23 Dec YTD Actual	FY24 Dec YTD Actual	FY24 Dec YTD Budget	% of YTD Budget	FY24 Full Year Budget	% of Budget	Comments
Sales Tax	\$93.5	\$101.3	\$103.3	98.1%	\$396.7	25.5%	November and December sales tax receipts accrued
Passenger Revenue	\$4.2	4.2	4.6	90.9%	18.6	22.5%	
Freight Railroad Revenue	\$1.2	1.4	1.4	101.8%	6.7	20.9%	
Other Revenue	\$5.1	9.0	1.7	542.3%	6.8	131.6%	Investment income above budgeted projections due to favorable rates
Operating Contributions and Grants	\$12.5	14.2	21.7	65.4%	91.1	15.6%	Timing of processing eligible paid expenses
Capital Contributions and Grants	10.5	6.2	52.7	11.8%	210.7	2.9%	Timing of processing eligible paid expenses
Total	\$127.1	\$136.3	\$185.3	73.6%	\$730.7	18.7%	

Actual Sales Tax Receipts



Total	\$366.9M	\$382.4M	\$63.4M
YOY % Growth	21.7%	4.2%	0.8%

Sales Tax Rolling Average Trend



Operating Expense

\$' Million Category	FY23 Dec YTD Actual	FY24 Dec YTD Actual	FY24 Dec YTD Budget	% of YTD Budget	FY24 Full Year Budget	% of Budget	Comments
Salaries and Benefits	\$19.5	\$20.9	\$22.8	92.0%	\$92.2	22.7%	Vacancy savings
Professional Services	8.7	7.5	17.5	42.9%	68.9	10.9%	Timing of consultation, software, maintenance and professional fees
Materials and Supplies	4.5	4.9	4.3	112.9%	17.6	27.5%	Timing of maintenance materials
Fuel and Fluids	4.3	3.6	3.6	99.4%	15.3	23.6%	
Utilities	0.9	0.9	1.4	66.7%	5.4	16.7%	
Insurance	0.3	1.0	0.5	200.5%	0.7	146.0%	Additional expense to insure electric buses
Purchased Transportation	43.7	49.4	51.6	95.6%	209.1	23.6%	Lower bus and rail hours compared to budget
Lease/Rentals	1.2	1.4	1.6	89.8%	6.2	22.8%	
Other Expenses	1.3	0.8	8.3	9.3%	12.0	6.4%	Unspent contingency
Total	\$84.4	\$90.4	\$111.6	81.0%	\$427.5	21.1%	

Budget Transfers

Consistent with CapMetro's Financial Policies, there were nine budget transfers that cumulatively exceeded \$150,000 to report to the board for the 1st quarter of FY2024.

October-23				
Transfer #1				
From:	FIN2301	Capital Contingency	(800,000)	Transferred funds from capital contingency for carryover of project timing and funding that was not included in the FY2024 Capital Improvement Plan.
To:	RRC2202	Domain Area Quiet Zone	800,000	
October-23				
Transfer #2				
From:	PLN2207	McKalla Double Track Drainage and Signals	(1,100,000)	Returned funds to capital contingency due to early project activity in FY2023.
To:	FIN2301	Capital Contingency	1,100,000	
October-23				
Transfer #3				
From:	FIN2301	Capital Contingency	(500,000)	Transferred funds from capital contingency for projects that require roll-forward funding from FY2023 to FY2024 and miscellaneous budget transfers of less than \$100,000.
To:	FIN0272	Capital Multiyear Rollover and Misc FY24	500,000	
November-23				
Transfer #4				
From:	PLN0264	Green Line Maintenance Facility	(22,000,000)	Returned funds to capital contingency due to delay of the project.
To:	FIN2301	Capital Contingency	22,000,000	
November-23				
Transfer #5				
From:	FIN2301	Capital Contingency	(286,555)	Transferred funds from capital contingency for warehouse racks that were delayed in FY2023.
To:	PAM0239	Central Warehouse	286,555	
November-23				
Transfer #6				
From:	FIN2301	Capital Contingency	(1,521,878)	Transferred funds from capital contingency for unbudgeted 2910 E Fifth Street building renovations.
To:	PAM2333	2910 Space Utilization and Renovation	1,521,878	
December-23				
Transfer #7				
From:	FIN2301	Capital Contingency	(274,000)	Transferred funds from capital contingency to perform Demand Response vehicle light maintenance at 4811 E 7th Street.
To:	PAM2329	MetroBike New Operations and Admin Facility Lease Remodel	274,000	

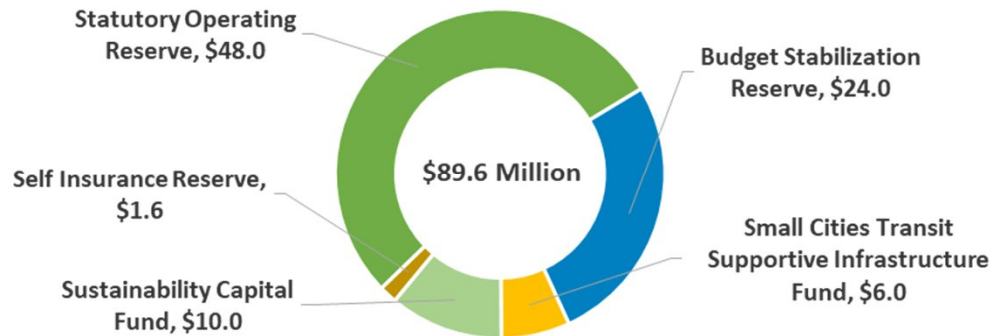
Budget Transfers (continued)

Consistent with CapMetro's Financial Policies, there were nine budget transfers that cumulatively exceeded \$150,000 to report to the board for the 1st quarter of FY2024.

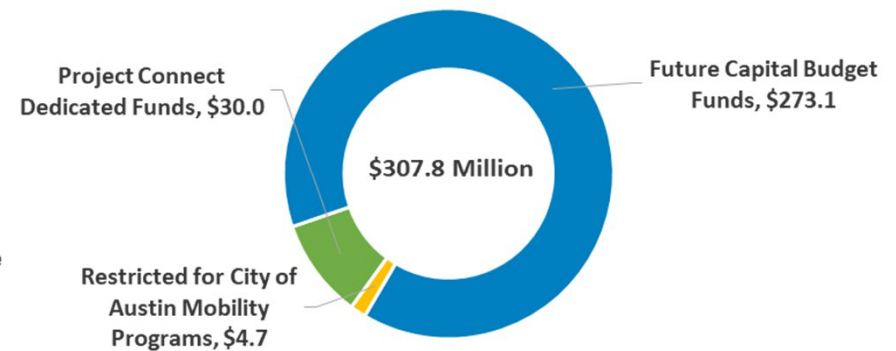
December-23				
Transfer #8				
From:	FIN2301	Capital Contingency	(1,160,984)	Transferred funds from capital contingency for carryover of project timing and funding that was not included in the FY2024 Capital Improvement Plan.
To:	CPG2211	Airport Lamar Red Line Grade Separation	1,160,984	
December-23				
Transfer #9				
From:	FIN2301	Capital Contingency	(600,000)	Transferred funds from capital contingency for a new Wi-Fi system.
To:	ITS2008	Network Infrastructure	600,000	

Reserve, Allocated & Restricted Funds

Reserve Funds



Allocated & Restricted Funds



Notes:

- Additional funding was allocated to the statutory operating and budget stabilization reserves based on the board-approved funding formula. The statutory operating reserve equals 2 months of audited FY2022 operating expenses. Contributions to the budget stabilization reserve began in February 2016 with \$7 million reserved in FY2016 and \$3 million in FY2017. An additional contribution was made in FY2018 to fully fund the budget stabilization reserve. The sustainability capital fund was established in FY2022 with \$10 million to support CapMetro's Sustainability Vision Plan. In March 2022, a regional partnership with small-member cities and a \$10 million Transit Supportive Infrastructure Fund was established. A \$30 million Facility Master Plan Reserve Fund was also established in FY2022 and \$30 million was added in FY2023 as CapMetro addressed one of the largest needs of the agency. This fund was fully utilized in August 2023 to purchase the new headquarters facility for CapMetro.
- Funds for capital investment are required to help address extensive capital needs. The capital budget for FY2024 is \$411 million, with \$200.3 million funded by FY2024 income and \$210.7 million from capital contributions and grants. These capital improvements are needed to maintain the state of good repair of the community's transit infrastructure and to be in compliance with Federal regulations. The FY2024 capital budget also contains CapMetro held contracts of the Project Connect program of projects. The City of Austin Mobility Fund was reduced by \$1.2 million from City projects in FY2023.

Statement of Revenue, Expenses and Change in Net Position

\$' Million	FY23 Dec YTD Actual	FY24 Dec YTD Actual	FY24 Dec YTD Budget	FY24 Full Year Budget	% of Budget
<i>Operating Revenue</i>					
Passenger Revenue	\$4.2	\$4.2	\$4.6	\$18.6	22.5%
Freight Railroad Revenue	1.2	1.4	1.4	6.7	20.9%
Other Revenue	1.4	1.2	1.4	6.0	20.4%
Total	6.9	6.8	7.4	31.2	21.7%
<i>Operating Expenses</i>					
Salaries and Benefits	19.5	20.9	22.8	92.2	22.7%
Professional Services	8.7	7.5	17.5	68.9	10.9%
Fuel and Fluids	4.3	3.6	3.6	15.3	23.6%
Utilities	.9	.9	1.4	5.4	16.7%
Purchased Transportation	43.7	49.4	51.6	209.1	23.6%
Other Expenses	6.1	6.6	13.1	30.3	21.9%
Lease/Rental	1.2	1.4	1.6	6.2	22.8%
Depreciation & Amortization	12.1	12.7	15.1	60.4	21.0%
Total	96.5	103.1	126.7	487.9	21.1%
<i>Operating Income/Loss</i>	<i>(89.6)</i>	<i>(96.3)</i>	<i>(119.3)</i>	<i>(456.6)</i>	<i>21.1%</i>
<i>Non-Operating Revenue/(Expenses)</i>					
Sales Tax	93.5	101.3	103.3	396.7	25.5%
Investment Income	3.7	7.7	.2	.9	879.9%
Operating Contributions and Grants	12.5	14.2	21.7	91.1	15.6%
Capital Contributions and Grants	10.5	6.2	210.7	210.7	2.9%
Mobility Interlocal Agreements	(.3)	(.6)	(.5)	(12.0)	4.6%
Other	-	.0	-	-	0.0%
<i>Non-Operating Income/(Loss)</i>	<i>119.9</i>	<i>128.9</i>	<i>335.4</i>	<i>687.4</i>	<i>18.8%</i>
Change in Net Position	\$30.3	\$32.6	\$216.1	\$230.8	14.1%

Budget Variances by Department

\$'000 Department	FY23 YTD Actual	FY24 YTD Actual	FY24 YTD Revised Budget	YTD % of Revised Budget	YTD Budget vs. Actual	FY24 Budget Full Year	Comments
100 - Non-Allocated Benefits	\$4,052	\$4,782	\$3,702	129.2%	(\$1,081)	\$15,619	Timing between pension payments and GASB 68 valuation and timing of medical claims payments
102 - Wellness Center	68	20	101	19.5%	82	421	Timing of consulting
103 - Child Care Center	154	42	312	13.6%	269	1,277	Timing of service provider invoices
105 - Business Center	26	59	95	61.8%	36	380	
110 - Executive Staff	390	355	395	89.8%	40	1,706	
118 - Government Affairs	198	252	342	73.5%	91	1,345	
119 - Diversity, Equity, and Inclusion	163	205	350	58.7%	145	1,056	Timing of professional services
120 - Board Of Directors	45	47	51	93.4%	3	219	
125 - Internal Audit	109	152	198	76.5%	47	789	
130 - Organizational Strategy and Projects	407	512	861	59.4%	349	3,980	Vacancy savings
140 - Safety	425	450	587	76.7%	137	2,419	Vacancy savings and timing of professional services
141 - Public Safety and Emergency Management	1,423	1,950	2,369	82.3%	419	9,561	Vacancy savings
142 - Systemwide Accessibility	44	103	318	32.3%	215	757	Timing of professional services
143 - Transit Police	0	51	215	23.5%	165	979	Timing of labor expense to be posted in future months
150 - Legal	367	266	428	62.1%	162	1,715	Timing of legal services
220 - Finance	1,481	2,188	9,094	24.1%	6,905	13,999	Unspent contingency
230 - Information Technology	5,153	5,179	7,751	66.8%	2,572	27,829	Timing of computer software and hardware expenses
250 - Procurement	625	626	645	97.1%	19	2,644	
275 - Rideshare	544	588	380	154.6%	(208)	1,759	
320 - Strategic Planning and Development	1,492	613	2,282	26.9%	1,669	8,323	Timing of 5 & 10 Yr Long-Range, Grant Prep, Orange & Blue, Rail Ops Modeling and Service Equity
330 - Marketing and Communications	1,194	1,309	1,858	70.5%	549	7,280	Timing Value of Transit Outreach, Website Upgrades, Maps and Schedules and User Experience Testing
331 - Community Engagement	198	270	417	64.7%	147	1,835	Timing of Special Event Support, Sponsorships, MetroArt and Smart Trips
332 - Customer Care	305	292	314	92.9%	22	1,255	
340 - People and Culture	1,313	1,071	1,643	65.2%	572	6,196	Vacancy savings and timing of professional services
457 - Public Facilities	1,408	1,070	1,670	64.1%	600	6,872	Timing of custodial services
530 - Capital Design and Construction	413	936	687	136.2%	(249)	2,764	Unfavorable variance due to FY23 Temporary Help expenses to be moved out of FY24
531 - Capital Construction, Engineering and Desi	0	60	532	11.3%	472	1,072	Timing of Construction Partnership Program and Voice/Data Radio Study & Business Model
532 - Power Systems	0	33	730	4.5%	697	1,356	Timing of Utility Strategy, Metro Rapid/Local Bus Electrification/Ops Network Controls
533 - Rolling Stock and Support Equipment	0	51	77	65.3%	27	254	
534 - CBTC Signals and Operational Networks	0	57	185	30.9%	128	359	Timing of Police Radio System and Bus Transit Signal Priority System
540 - Property and Asset Management	1,174	321	1,975	16.3%	1,654	8,292	Timing of professional services
542 - Freight Rail Management	388	502	432	116.3%	(70)	2,164	Timing of right-of-way transit services
544 - Commuter Rail Operations	4,098	6,927	7,194	96.3%	267	29,332	Timing of professional services
550 - Real Estate and Facility Planning	829	1,120	1,384	80.9%	264	5,493	Timing of professional services
600 - Operations and Maintenance Oversight	41,018	41,546	45,250	91.8%	3,705	177,537	Purchased transportation savings from 7.6% fewer hours through December and timing of repair and
615 - Innovative Mobility	1,666	1,569	3,026	51.9%	1,457	12,089	Purchased transportation savings from 18.6% fewer hours through November
616 - MetroBike	285	381	328	116.1%	(53)	1,267	
620 - Demand Response Oversight	11,032	11,942	9,908	120.5%	(2,034)	43,377	
640 - Demand Response Control and Call Cente	601	630	587	107.3%	(43)	2,389	
650 - Paratransit Eligibility	231	265	349	76.0%	84	1,381	Timing of functional assessment services
920 - Project Connect	741	1,606	3,438	46.7%	1,833	18,113	Timing of professional services
940 - Project Connect Integration	352	0	0	0.0%	0	0	
Total	84,410	90,397	112,461	80.4%	22,064	427,453	

Capital Projects Summary

\$'000 Project Category	Expended	Outstanding Commitments	Budget	Expended & Committed as % of Budget	Comments
Commuter Rail	\$983	\$941	\$7,750	24.8%	Domain Area Quiet Zone and Track Undercutting
Vehicles	1,137	2,617	68,408	5.5%	Electric Bus Replacements and Non-Revenue Vehicle Replacements
Information Technology	1,200	4,239	15,316	35.5%	Enterprise Resource Planning System and Network Infrastructure Replacement
Facilities	1,073	8,398	58,368	16.2%	Bus Electrification Infrastructure and Bus Stop Construction and Improvements
Freight Railroad	0	237	5,315	4.5%	
Property and Asset Mgmt	563	12,809	37,155	36.0%	New Headquarters Build-out and Demand Response Operations & Maintenance Facility
Contingency	0	0	5,000	0.0%	
Project Connect	9,984	13,651	211,638	11.2%	CapMetro Rapid Lines and McKalla Red Line Station
Security	0	0	2,001	0.0%	
Total	\$14,941	\$42,893	\$410,951	14.1%	

Outstanding commitments are for purchase orders that have been issued.

CapMetro

Thank you!



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee
Agenda Date: 2/14/2024

Item #: AI-2024-1088

Internal Audit Advisory Project: Miscellaneous Revenues



Internal Audit Advisory

Miscellaneous Revenues

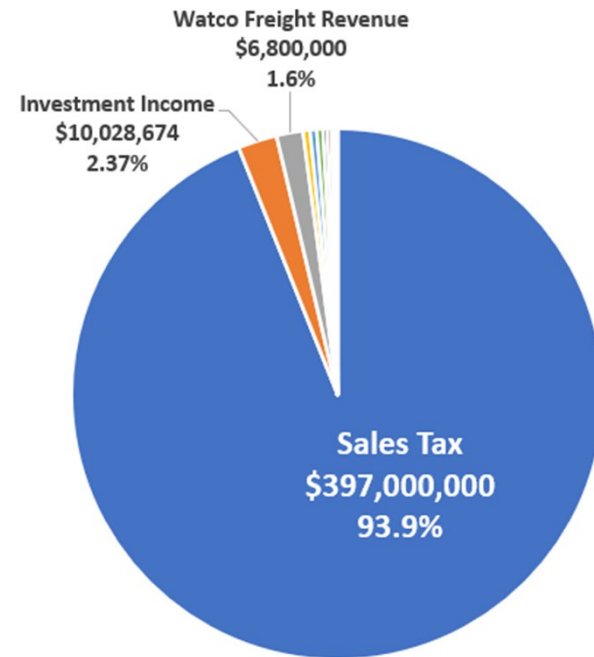
Bright Horizons Daycare Contract
Watco Freight Contract
RideShare Program (Enterprise Contract)

February 14, 2024

Miscellaneous Revenues – Audit Projects

Miscellaneous Revenue	
Revenue Area	Ball Park Annual Revenue
Sales Tax	\$397,000,000
Investment Income	\$10,028,674
Watco Freight Revenue	\$6,800,000
Advertising	\$1,772,751
Satillo Lease	\$1,731,714
Bulk Ticket Sales	\$1,587,000
MetroBike	\$1,100,000
Rideshare	\$1,053,000
RWIC/ROW/Permits	\$809,000
Bright Horizons - Daycare	\$720,000
Film, Video & Photography	\$750
Total	\$422,602,889

Ball Park Miscellaneous Revenue 2023



Previously shared at 12/4 FAA Committee

Bright Horizons Daycare – Contract Overview

CapMetro has a contract with Bright Horizons to run an onsite daycare center at 624 Pleasant Valley. Key financial terms per the agreement are as follows:

- CapMetro gets all tuition revenue billed.
- CapMetro pays a monthly Management Fee which equates to about \$1.2 million annually Bright Horizons services.
- CapMetro provides the space and utilities free of charge.

Bright Horizons - Process Improvement Opportunities & Recommendations

We reviewed Bright Horizons for contract compliance and process improvement opportunities and identified the following opportunities:

- Risk of Loss on Collections – 100% Bright Horizons
- Management Fee Increase – 22% in FY2022 but no change in tuition.
- Lack of Financial Reporting from Bright Horizons – CapMetro should ensure that all reports are being received and reviewed with Bright Horizons management.

Watco Freight – Contract Overview

CapMetro has a contract with Watco to run all rail freight short-line services on CapMetro owned rail tracks. Key financial terms per the agreement are as follows:

- CapMetro gets 16.5% of Gross Revenues.
- CapMetro received a per car fee for every car entering CapMetro's territory.
- Watco is responsible for all track maintenance for the tracks they run freight on, except the Red Line.

Watco Freight - Process Improvement Opportunities & Recommendations

We reviewed Watco for contract compliance and process improvement opportunities and identified the following opportunities:

- Not Receiving & Analyzing Watco's Annual Audited F/S.
- Lack of Independent Revenue Validations by CapMetro.
- Unexplained Changes in Cash Flows, Expenses & Broken AEI Reader.

Rideshare Program – Contract Overview

CapMetro has a contract with Enterprise Leasing to run the RideShare (Vanpool) in the Austin area. Key financial and operational terms per the agreement are as follows:

- CapMetro pays a monthly subsidy based upon two types of vanpool groups which helps offset the monthly vehicle lease cost: In Service Area (ISA) \$500; and Out of Service Area (OSA) \$450.
- As of December 2023; the program had 177 vanpools, 917 participants, and 26 employers.
- For FY2023, CapMetro subsidy was \$ 790,321 and total fees paid by participants were \$1,073,671.
- Top 5 employers in the program are: Tesla, Google, Camp Mabry, IRS, and Veterans Administration.

Rideshare Program - Process Improvement Opportunities & Recommendations

We reviewed Rideshare contract with Enterprise for contract compliance and process improvement opportunities and identified the following opportunities:

- Implement Contract Testing by CapMetro.
- Ensure All Reports & Deliverables are Received.
- Increase CapMetro Automation & Cross-functional Collaboration.

CapMetro

Questions?



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee
Agenda Date: 2/14/2024

Item #: AI-2023-1004

Internal Audit FY2024 Audit Plan Status

FY24 INTERNAL AUDIT PLAN
Department Scorecard

	Projects	Status & % Complete	Additional Details
	FAA COMMITTEE & INTERNAL AUDIT CHARTER COMPLIANCE		
1	Finance, Audit & Administration (FAA) Committee Meetings: 10/11; 11/8; 12/4; 1/17; 2/14; 3/18; 4/10; 5/8; 6/12; 7/10; 8/12; 9/11	In-Process	
2	Semi-annual Implementation Status Report - November 2023	Completed	December
3	Semi-annual Implementation Status Report - May 2024		
4	FY2024 Risk Assessment & development of FY25 Audit Plan		
	FY24 Audit Assurance & Advisory Projects		
1	CapMetro/ATP Billing Processes		
2	Keolis Contract - Payroll Pass Through Controls	In-Process	
3	Hexagon (Infor) Enterprise Asset Mgt System - post go live review	In-Process	February
4	Paratransit & Demand Response Operations	In-Process	February
5	FastPath - Analyze Oracle segregation of duties	In-Process	
6	MV Contract - Payroll Pass Through Charges	In-Process	
7	Miscellaneous Revenue Controls (11 different areas)	In-Process	Dec - March
8	GRC - automate Incidents/Accidents Reporting (Bus)	In-Process	
9	GHG & Carbon Footprint Reporting	Completed	UT Interns - Jan
10	Sales Taxes - Revenue Controls	Completed	UT Interns - Dec
11	Investment Income - Revenue Controls	Completed	UT Interns - Dec
12	Watco Freight Revenue - Revenue Controls	Completed	UT Interns - Dec
13	GRC - Contract Performance Management System Advisory (Bus, Rail, DR) - Quadrennial Performance Audit recommendations		
14	GRC (Governance Risk & Compliance) System Implementation (Risk Register; Safety Dept; Internal Audit Dept; etc.)		
15	Safety Management System (SMS) - Management of Change		
16	Bus Charging Infrastructure & EV Program		
17	AMP Cards & New Fare Systems		
18	United Healthcare & Other Self-Insured Benefits (TPA Payments)		
19	McKalla Station - Design Build Effectiveness	In-Process	
20	NIST Cybersecurity Framework (CISA Facilitated Self Assessment) - re-assessment from 2023 baseline		CISA follow-up review (Spring)
21	Annual Cybersecurity Review (Mandiant)		
22	Quadrennial Performance Audit - Selection Process but FY25 Budget/Execution		
	CONTINGENT AUDIT PROJECTS - FY24		
1	Microsoft Sharepoint & Active Directory		
2	Salary Adjustment & Merit Process		
3	Rail-FRA PTC Change Management Requirements (Herzog)		
4	Board Policies/Goals - Monitoring & Reporting (e.g., OTP; Fare Recovery; DBE; Title 6 Equity Analysis; etc.)		
5	Capital Project Controls (McKalla Station; MetroRapid; DR N Facility Build;)		
6	Spare Labs.com - Demand Response System Implementation		
7	Lease Vehicle Program - non-Revenue Vehicles		
	NEW PROJECTS ADDED TO FY24 AUDIT PLAN by Terry Follmer		
1			
2			