

~ NOTICE OF MEETING ~
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS PUBLIC HEARING
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~ AGENDA ~

Board Liaison Ed Easton
512-369-6040

Monday, January 25, 2021

12:00 PM

Video Conference Meeting

I. Presentations:

1. Presentation of the results of the Capital Metro Quadrennial Review.

II. Public Comment:

III. 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.

BOARD OF DIRECTORS: Wade Cooper, Chair; Delia Garza, Vice Chair; Eric Stratton, Secretary; Terry Mitchell; Troy Hill; Ann Kitchen, Jeffrey Travillion and Pio Renteria.

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

FY 2016-2019
Quadrennial Performance Audit Report
January 25, 2021



Performance Audit Scope and Objectives



- Pursuant to §451.454 of the Texas Transportation Code, a quadrennial performance audit was performed for CapMetro.
- The purpose of the performance audit is to provide evaluative information necessary for state and local oversight and to provide information to CapMetro for improving efficiency and effectiveness of operations.
- The performance audit assessed the following required tasks:
 - Administration and Management of the Authority **(Task 1)**
 - Compliance with applicable state laws from Chapter 451 of the Texas Transportation Code and other applicable state laws **(Task 2)**
 - Collection and compilation of base statistics and measurements of specified state-mandated performance indicators **(Task 3)**
- **Scope Period:**
 - FY 2016 – FY 2019
 - October 1, 2015 through September 30, 2019

Summary of Results



- **Task 1:** Administration and Management of the Authority
 - No instances of non-compliance identified
 - Two Recommendations for Management to enhance internal controls, processes, and efficiencies

- **Task 2:** Chapter 451 Statutory Compliance Review
 - No instances of non-compliance identified
 - Four Recommendations for Management to enhance internal controls, processes, and efficiencies

- **Task 3:** Performance Indicator Review
 - No instances of non-compliance identified
 - Two Recommendations for Management to enhance internal controls, processes, and efficiencies

Summary of Results



- The Quadrennial Performance Audit **did not** identify areas of **non-compliance** with Chapter 451 of the Texas Transportation Code, nor a **lack** of effective controls and oversight, nor where performance **did not meet** established expectations
- However, eight **Recommendations for Management** were identified and provided to management for consideration. Management responses to address these recommendations are **not** required.

Finding vs Recommendation for Management

Finding: The Quadrennial Performance Audit areas Identified are considered to be exceptions in which compliance with Chapter 451 is not met, where there are lack of effective controls and oversight, or where performance is not meeting established expectations.

Recommendation for Management: The Quadrennial Performance Audit areas Identified are considered to be enhancements to internal controls, processes, procedures, efficiency and effectiveness of operations or improvements to the management of the Authority.

Task 1 – Administration and Management of the Authority



Purpose:

- To assess CapMetro's administration and management of the authority's departments.

Procedures:

- Utilizing a **priority-based approach**, we identified with management the areas with a **high reliance on third party** service providers, highly **complex operations**, a **significant impact** on reputation or significant impact on meeting the authority's goals and objectives. The following departments were selected:
 - ❖ Bus Contract Operations (BCO)
 - ❖ Demand Response Oversight (DRO)
 - ❖ Operations and Maintenance Oversight (OMO)
 - ❖ Paratransit Administration (PA)
 - ❖ Paratransit Eligibility (PE)
 - ❖ Paratransit Reservations and Control Center (PRCC)
 - ❖ Rail Commuter Operations (RCO)
 - ❖ Rail Freight Management (RFO)
- For each selected Department we performed the following:
 - Reviewed staffing levels and the administrative organization of each of the selected departments
 - Reviewed department functionality
 - Reviewed cost elements of each department

Task 1 – Administration and Management of the Authority



Results:

- ✓ CapMetro have **adequate** personnel across the selected departments and **maintained** a stable level of personnel to achieve the department's mission, goals and functions
- ✓ Employees have **adequate** credential and qualifications to perform their assigned duties
- ✓ Department's maintained **effective** budget monitoring processes through **collaborative** efforts across the authority which resulted in aligned costs and cost elements.

Recommendations for Management:

1. **Contract Management System**
 - **Implementation** of a Contract Management System to **uniformly monitor** and **manage** performance and financial status
2. **Credential and Qualification Tracking of Staff within Operations and Maintenance Oversight**
 - **Perform** a **review** of credential and qualifications of OMO staff and **ensure** files are **reflective** of experience gained through on-the-job training

Task 2 – Chapter 451 Compliance Review



Purpose:

- To validate CapMetro's compliance with Chapter 451 of the Texas Transportation Code and all other applicable state laws, including:
 - Texas Local Government Code
 - Texas Property Code
 - Texas Health and Safety Code
 - Texas Penal Code
 - Relevant legislation as adopted by the 85th and 86th Texas Legislatures

Procedures:

- Identified and cataloged **194** unique compliance requirements and applicable updates to Texas Legislation
- Performed interviews with process owners and validated applicability of each compliance requirement
- Reviewed relevant website content, data, and documents to validate the authority's compliance with each requirement.

Task 2 – Chapter 451 Compliance Review



Results:

- ✓ CapMetro **achieved compliance** with all of the 194 applicable Texas state laws as prescribed by Chapter 451 of the Texas Transportation Code.
- ✓ **Validated** that CapMetro **implemented** all statutory recommendations from the Sunset Review, as stated by the State Auditor's Office as issued in the report dated November 5, 2015.

Recommendations for Management:

1. Board Meeting Quorum

- CapMetro **communicate** that the quorum has convened within the meeting minutes **before** a closed meeting begins in accordance with the statute.

2. Dispositions and Destruction Central Tracker

- **Develop** and **maintain** a central tracker compiling lists of dispositions and destruction of documents.

3. Training Requirement

- **Update** the record retention procedures to include **maintaining** a file with the relevant fare enforcement trainings documentation to strengthen its compliance with the statute.

4. Quadrennial Report Delivery

- **Implement** a retention of receipts, or proof or submission, for the delivery of the quadrennial reports to the applicable recipients in accordance with the statute.

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Task 3 - Performance Indicator Review



Purpose:

- To examine CapMetro's achievement of the **nine** key performance indicators in accordance with Texas Transportation Code 451.454 statutory requirements.

Procedures:

- Collected, validated, and assessed performance indicator data from the National Transit Database and/or CapMetro along with an assessment of the trends over the four year scope period, which included:
 - ❖ Operating Cost per passenger, per revenue miles, and per revenue hour
 - ❖ Sales and Use tax receipts per passenger
 - ❖ Fare recovery rate
 - ❖ Average vehicle occupancy
 - ❖ On-time performance
 - ❖ Number of accident per 100,000 miles
 - ❖ Number of miles between mechanical road calls
- Identified and considered the impact of organizational changes and events during the period, such as CapRemap and the entering into a single service contract for bus operations.

Task 3 - Performance Indicator Review



Results:

- ✓ **Service Reliability: Improved** On-Time Performance, **lower** accident rates, and **fewer** mechanical road calls **improved** service reliability
- ✓ **Internal Cost and Service Efficiency Measures:** Cost of delivering an hour or mile of service **remained** relatively **flat**.
- ✓ **Cost Effectiveness:** Performance **declined** across cost per passenger trip, fare recovery, and average vehicle occupancy due to a **decline in ridership** prior to the implementation of CapRemap in 2018. Following the implementation of CapRemap, the **trends** were **reversed** and **increases** in ridership occurred between FY 2018 and FY 2019.

Recommendations for Management

1. Increase of Fares

- To **improve** fare recovery rates, continued **coordination** between management and the Board of Directors should be performed annually to **review** and **evaluate** the fare policy, pricing model, and fare practices.

2. Documentation of Data Reporting and Validation Process

- **Formalize** the process for **maintaining** documentation and the storage of data reporting and **validation** within the Demand Response Oversight Department.



Discussion

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Capital Metropolitan Transportation Authority

FY 2016–2019 Quadrennial Performance Audit Report
Report Date: January 8, 2021

Attachment: 1 - Final Report - FY16-19 Quadrennial Audit (4777 : Quadrennial Review)



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Attachment: 1 - Final Report - FY16-19 Quadrennial Audit (4777 : Quadrennial Review)

Capital Metropolitan Transportation Authority

FY 2016–2019 Quadrennial Performance Audit Report

Report Date: January 8, 2021

Background

Section 451.454 of the Texas Transportation Code mandates quadrennial performance audits of Texas transit agencies for municipalities with populations of more than 1.9 million. The purpose of the performance audit is to provide evaluative information necessary for state and local officials to perform oversight functions and to provide useful information to the transit agency for improving efficiency and effectiveness of its operations.

To meet this requirement, Capital Metropolitan Transportation Authority (CapMetro) engaged Weaver and Tidwell, LLP and the Goodman Corporation, LLP to perform the 2016 – 2019 performance audit. As part of the scope of work identified by CapMetro, the performance audit assessed the following:

- Performance in one of three areas (i.e. administration and management, transit operations, or system maintenance): Each functional area must be addressed once every three audit cycles (**Task 1**). The focus of the functional review for this audit was pre-selected by CapMetro to include the administration and management of the authority.
- Compliance with applicable state law from Chapter 451 of the Texas Transportation Code and other applicable state laws (**Task 2**)
- Collection and compilation of base statistics and measurement of specified state- mandated performance indicators (**Task 3**)

This report presents the results of the audit of CapMetro’s compliance with the requirements identified in Chapter 451.454 of the Texas Transportation Code for the quadrennial period of October 1, 2015 through September 30, 2019 for Fiscal Years (FY) 2016, 2017, 2018, and 2019. We performed the audit in accordance with the Statement on Standards for Consulting Services promulgated by the AICPA Management Consulting Services Executive Committee.

Executive Summary and Results

Based on the procedures performed for each task, no instances of non-compliance were observed with respect to the requirements of Chapter 451 of the Texas Transportation Code. However, recommendations for management were provided to enhance the internal controls, processes, procedures, efficiency and effectiveness of operations and management of the authority. These recommendations to management are not findings and are therefore not required to be reported with associated management responses and action plans, but are included in this report for management consideration.

The following are the summary results for each task included within the Quadrennial Performance Audit:

Task 1 – Administration and Management of the Authority identified that CapMetro had adequate staffing levels, effective department functionality, and appropriate cost elements for the in-scope departments included in the review. Each department maintained effective oversight and leadership over their staff, budget, and areas of responsibility. Additionally, each department maintained effective controls and processes over the management and monitoring of third party vendors, which are relied upon by CapMetro to carry out the mission and goals of the authority.

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Task 2 – Chapter 451 Compliance Review identified that CapMetro achieved all applicable requirements identified in Transportation Code Section 451. In addition, CapMetro achieved the applicable requirements as identified within the Texas Government Code, Texas Local Government Code, Texas Property Code, Texas Health and Services Code, and Texas Penal Code. Achievement of key performance indicator procedures were also validated to ensure correct calculations and appropriate reporting to the appropriate institutions.

Task 3 – Performance Indicator Review identified that CapMetro appropriately calculates and reports the nine key performance indicators required by Texas Transportation Code Section 451.454. CapMetro experienced improved service reliability and effective cost-control over the period. However, CapMetro experienced a decline in overall ridership during the scope period which was consistent with ridership levels among peer authorities. Additionally, the deployment of CapRemap during this period of declining ridership resulted in initial reductions of cost-effectiveness, but the trends are reversing with increases in ridership following the additions of services and suspending of routes and stops with lower ridership.

Subsequent Events

During the performance of the Quadrennial Performance Audit, the City of Austin November 2020 special election included a ballot proposition for CapMetro's Project Connect, or Proposition A. The Project Connect proposition is the initial investment of \$7.1 billion to expand the existing rail system, a transit tunnel downtown, expand bus service and include new park and rides. The initial investment will be partially funded through an 8.75 cent increase in the city's property taxes and federal funds. The voters approved the proposition on November 3, 2020. While this did not impact the quadrennial performance audit being reported, this initiative will have a significant impact on the next quadrennial review.

Task 1
Administration and Management of the Authority

Capital Metropolitan Transportation Authority

FY 2016–2019 Quadrennial Performance Audit Report Task 1 – Administration and Management of the Authority Report Date: January 8, 2021

Executive Summary

The purpose of the Administration and Management of the Authority task was to assess Capital Metropolitan Transportation Authority's (CapMetro, the authority) administration and management of the authority's departments. The specific departments selected for review within the authority were identified with CapMetro management, utilizing a priority-based approach to identify areas that have high reliance on third party service providers, highly complex operations, a significant impact on CapMetro's reputation or significant impact on meeting the authority's goals and objectives. As a result, the following departments were selected to be included within the scope of the task:

- Bus Contract Operations
- Demand Response Oversight (formerly Paratransit Contract Operations)
- Operations & Maintenance Oversight (formerly Bus and Paratransit Services)
- Paratransit Administration
- Paratransit Eligibility
- Paratransit Reservations and Control Center
- Rail Commuter Operations
- Rail Freight Management

For the selected and agreed-upon departments identified for review, the following procedures were performed:

- Reviewed staffing levels and the administrative organization of each of the selected departments
- Reviewed department functionality
- Reviewed cost elements of each department

Overall, CapMetro had adequate personnel across the selected departments during the quadrennial review period. The authority maintained a stable level of personnel to achieve the department's mission, goals, and functions. We also analyzed employees' functional qualifications and found that employees had adequate credentials and qualifications to perform their assigned duties.

In addition, the evaluated departments maintained effective budget monitoring processes. The management and monitoring of departmental budgets is a collaborative effort between department directors and the Finance Department to include reviewing budget to actual variances in operating expenses on a monthly basis and appropriately documenting and communicating variances to leadership.

Background

CapMetro is the regional public transportation provider for Central Texas and is headquartered in Austin, TX. CapMetro provides transit service to a population of approximately 1.3 million across 544 square miles. Service areas include the cities of Austin, San Leanna, Leander, Lago Vista, Point Venture, the Anderson Mill area of Williamson County, Precinct Two of Travis County, Jonestown, and Manor.

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With a fleet of more than 423 buses, the authority provides MetroBus, MetroRapid and MetroExpress bus routes, shuttle service to the University of Texas at Austin, on-demand Pickup service and complementary door-to-door service for eligible riders with disabilities.

The MetroRail Red Line operates a 32-mile commuter rail service between Leander and downtown Austin. In addition to providing passenger rail service, CapMetro oversees freight rail traffic along 162 miles of railroad line between Llano and Giddings.

CapMetro also operates a vanpool program called MetroRideShare that provides eligible groups with access to a passenger van and includes insurance, maintenance, 24-hour roadside assistance, administrative support and a fuel purchasing program. For suburban communities within the service area, Capital Metro also works in partnership with the Capital Area Rural Transportation System (CARTS) to offer transportation to select outlying areas surrounding Austin, such as Jonestown, Manor and Del Valle.

CapMetro is governed by an eight-member board of directors, including three members appointed by the Capital Area Metropolitan Planning Organization (CAMPO), including one elected official; one member representing the smaller cities in the authority's service area, one member each appointed by the commissioners of Travis and Williamson Counties, and two members appointed by the Austin City Council, one of whom must be an elected official.

Since 2012, CapMetro has contracted with third party service providers to operate all passenger transportation services, including fixed-route, rail and paratransit service. The authority's service providers during Fiscal Year 2019 were RATP Dev North America, MV Transportation, CARTS, Herzog Contracting Corporation and MTM Transit (formerly Ride Right). In June 2015, the board approved a contract with Watco Companies, LLC, for freight operations and maintenance services on CapMetro's railroad line.

In Fiscal Year 2019, the authority realigned several areas of their operations to more accurately account for CapMetro's operational expenses. Bus and Paratransit Services and the Bus Contract Operations department merged to form the Operations and Maintenance Oversight Department. The department is responsible for coordinating and monitoring the operations of all third party service providers for bus services. In addition, Paratransit Contract Operations and Paratransit Administration merged to form the Demand Response Oversight Department, which oversees each of the authority's paratransit services providers.

Approach

As part of planning and scoping for Task 1: Administration and Management of the Authority, we performed a preliminary analysis of CapMetro departments to identify those that should be evaluated as part of the task scope.

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We analyzed each department's role, key leadership, budget to actual expenses, full time employee staffing levels, and associated third party service contracts over the scope period (Refer to Appendix A for the Department Staff and Budget Summary). From our initial analysis, we assigned each department a preliminary priority level based on their high reliance on third party service providers, highly complex operations, significant impact on CapMetro's reputation, or significant impact on meeting the authority's goals and objectives.

From the priority based analysis, the following departments were selected:

1. Bus Contract Operations
2. Demand Response Oversight (formerly Paratransit Contract Operations)
3. Operations & Maintenance Oversight (formerly Bus and Paratransit Services)
4. Paratransit Administration
5. Paratransit Eligibility
6. Paratransit Reservations and Control Center
7. Rail Commuter Operations
8. Rail Freight Management

For each selected department, we conducted interviews with executive and departmental leadership to gain an understanding of department responsibilities, mission, functionality, administrative organization, and budget considerations. The topics for the interviews also included the following:

- Significant changes in responsibilities, structure, or budget during the scope period
- Management and monitoring of performance of third party service providers
- Management and monitoring of performance metrics, for both internal and third parties.
- Quality assurance programs and frequency
- Budgetary impacts, including cost efficiency, innovation, and effectiveness initiatives that occurred during the scope period

Following the interviews, we obtained and examined existing documentation for the department personnel, including job descriptions, point in time employee rosters, contract management plans, and department budget to actual expense reports. From the supporting documentation, we evaluated the organization structure to determine if the staffing levels appear appropriate to carry out the mission and goals of each department and division along with the functionality of the selected departments to determine if they are adequately defined and include appropriate roles and expectations. Additionally, we verified that each department's roles and responsibilities are aligned with the overall mission and objectives of the authority, we reviewed. Finally, we evaluated the cost elements of each selected department to determine if the costs appear appropriate and if budget to actual variances were effectively monitored. This included the review and validation of budget and cost reporting, considerations for any revenue generation, and adhering to the approval departmental budgets.

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Department Overview

The following is an overview of the in-scope departments that were identified during the priority-based assessment that are directly tied to achieving compliance with Chapter 451 and were approved by CapMetro Management for consideration:

1. Bus Contract Operations

This department reported to the Vice President of Bus Operations and Maintenance, until it merged with Operations and Maintenance Oversight in FY 2019. The department functioned to segregate third party service provider costs related to MetroBus, MetroExpress, Rural Services, and UT Shuttle services.

2. Demand Response Oversight

This department reports to the Vice President, Demand Response and Innovative Mobility. Formerly named Paratransit Contract Operations, the department merged with Paratransit Administration and now oversees activities of all third party service providers related to paratransit services.

3. Operations and Maintenance Oversight

This department reports to the Vice President of Bus Operations. Formerly named Bus and Paratransit Services, this department is responsible for the contract management of third party services providers, data collection and analysis and quality assurance activities for both vehicle operations and vehicle maintenance.

4. Paratransit Administration

This department reported to the Vice President, Demand Response and Innovative Mobility, which was merged with Demand Response Oversight in FY 2019. The department functioned to manage all aspects of paratransit services included overseeing the Reservations and Control Center, Contract Operations, and Eligibility departments.

5. Paratransit Eligibility

This department reports to the Vice President, Demand Response and Innovative Mobility. The department manages the paratransit services eligibility certification process and provides training on using fixed-route services to seniors and people with disabilities.

6. Paratransit Reservations and Control Center

This department reports to the Vice President, Demand Response and Innovative Mobility. The department manages the paratransit services call center, dispatch, scheduling and all customer service and outreach efforts for MetroAccess.

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7. Rail Commuter Operations

This department reports to the Vice President of Rail Operations. The department manages all aspects of commuter rail service including overseeing operations and maintenance contracts with third party service providers and rail operations regulatory compliance.

8. Rail Freight Management

This department reports to the Vice President of Rail Operations. The department is responsible for managing the rail freight contract and overseeing the maintenance of the track and track infrastructure.

Detailed Audit Procedures and Results

The following includes the detailed audit procedures that were performed for the task to review the staffing levels and administrative organization, department functionality, and cost elements of each in-scope department:

1. Staffing Level Review

We analyzed seven departments to determine if the assignment and functional qualifications of personnel were adequate.¹ In addition, we performed a staffing analysis of one adjacent department, Paratransit Reservations and Control Center due to their operations being directly tied to Paratransit Administration and Eligibility.

Using personnel data provided by CapMetro Human Resources, we created a *Quadrennial Staffing Matrix* covering the FY 2016-2019 period. The matrix is a point-in-time analysis that documents filled positions as of September 30th during each of the four fiscal years in scope period for the following departments:

1. Bus Contract Operations (BCO)
2. Demand Response Oversight (DRO)
3. Operations and Maintenance Oversight (OMO)
4. Paratransit Administration (PA)
5. Paratransit Eligibility (PE)
6. Paratransit Reservations and Control Center (PRCC)
7. Rail Commuter Operations (RCO)
8. Rail Freight Management (RFO)

¹ Due to Demand Response Oversight's administrative oversight of Paratransit Reservations and Control Center, a staffing level review was performed on Paratransit Reservations and Control Center Department to ensure staffing levels are appropriate.

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Results

CapMetro hired and assigned adequate personnel across each department during the four years of the review period. Six of the seven in-scope departments (BCO, DRO, OMO, PA, PE and RFM) maintained a stable level of filled positions across their functions. The seventh department, RCO, experienced significant staff losses between FY 2016 and FY 2017 that persisted into FY 2018. Upon the hiring of a new Vice-President for Rail Operations in March 2018, the department was re-organized. Successful recruiting efforts over the next fiscal year brought stability, expertise, and adequate staffing to the department in FY 2019.²

Paratransit Reservations and Control Center (PRCC) demonstrated adequate staffing through the first three years of the quadrennial, adding two additional staff in FY 17 and three in FY 18. The department experienced a disproportionate number of staff losses in 2019, resulting in a net loss of five staff during the fiscal year. However, there is no evidence that operations were disrupted or compromised in PRCC during FY 2019.

Additionally, the authority exhibits adequate HR processes in support of the seven departments. Vacancies are filled in a timely fashion; employees are provided salary increases over time and there are promotion opportunities within and across each department. We analyzed all job descriptions across the departments and found without exception that the descriptions were adequate, with cogent and complete descriptions of supervisory and budget oversight, job responsibilities, qualifications and required knowledge, skills, and abilities. The job descriptions are also current and updated routinely. Lastly, CapMetro employs an annual evaluation instrument that conforms to general HR standards and practice, which is deployed at standard intervals to adequately assess personnel performance.

2. Department Functionality

In addition to confirming that the departments had adequate job descriptions for each position, we analyzed the employees' functional qualifications within each in-scope department. CapMetro HR provided job application/resume information for 49 current authority employees, although six of these documents were for employees hired outside of the scope period. We analyzed the remaining 43 documents to determine adequacy of degrees and certifications (credentials) and adequacy of qualifications using the following scale:

| Functional Qualifications | |
|---------------------------|--------------------|
| | Adequate |
| | Partially Adequate |
| | Inadequate |
| NA | Not Available |

² The VP of Rail Operations completed the re-organization of the department with the termination of five employees in October 2019, 14 days outside of the quadrennial review period. Those personnel actions, though finalized in FY 2020, marked the completion of the FY 2019 re-org.

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Results:

Of the 43 employees reviewed, four employees had applications that were inconclusive. The documentation provided for those four employees was not current enough to fairly assess their qualifications against their current jobs. Of the remaining 39 employees, the following was identified:

- 30 (77%) possessed **adequate** credentials and qualifications.
- 6 employees (15%) possessed **partially adequate** credentials and **adequate** qualifications.
- 3 employees (8%) possessed **partially adequate** credentials and **partially adequate** qualifications.

There were no instances in the review period of an employee with inadequate credentials nor inadequate qualifications. Refer to the table below for details on the conformance of personnel by department.

| Department | Adequate Credentials and Qualifications | Partially Adequate Credentials with Adequate Qualifications | Partially Adequate Credentials and Qualifications | Inadequate Credentials | Inadequate Qualifications |
|---------------|-----------------------------------------|-------------------------------------------------------------|---------------------------------------------------|------------------------|---------------------------|
| BCO | 1 | 1 | - | - | - |
| DRO | 4 | - | - | - | - |
| OMO | 10 | 5 | 3 | - | - |
| PE | 7 | - | - | - | - |
| RCO | 7 | - | - | - | - |
| RFM | 1 | - | - | - | - |
| TOTALS | 30 | 6 | 3 | - | - |

We identified that all but one instance of partially adequate credentials and/or qualifications occurred in OMO. That observation, however, does not lead to a conclusion that OMO has credential or qualification gaps. While management should consider a review of credential and qualifications among OMO staff, it should be noted that employees in the department gain skills through their experience at CapMetro that lead to more senior and supervisory positions: this skill acquisition is not always evident in an individual's documented qualifications. Management has been provided a recommendation to further evaluate and document the credentials and qualifications obtained from on-the-job training.

Lastly, the most highly credentialed and educated staff among the departments is in the newly re-organized RCO, which has focused on talent acquisition to enhance their skills and qualifications.

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3. Cost Elements Review

The CapMetro board of directors must adopt an annual budget driven by an approved strategic plan that outlines the authority's priorities. Section 451.103 of the Texas Transportation Code states that an authority may not spend for operations in excess of the total amount specified for operating expenses in the annual budget. As a result, CapMetro maintains budget control at the departmental level for purposes of operational spending. Department leadership is primarily responsible for monitoring their respective operating budgets and to administer operations in such a manner as to ensure the use of funds is consistent with the goals and objectives outlined in the strategic plan.

For each selected department, we analyzed the budget to actual operating expenses for each fiscal year within the scope period. We identified specific primary cost centers for further review based on their significant impact to the authority's primary operations. Additionally, we obtained the budget to actual variance reports submitted to department leadership by the Finance Department. For the primary cost centers selected, we reviewed any budget to the actual variances identified during the scope period and verified the variances were appropriately monitored and addressed by department leadership and the Finance Department.

Results

Department leadership and the Finance Department review budget to actual expense variances on a monthly basis. Significant budget variances are further evaluated by the Finance Department and executive management to determine whether remedial action is required.

We identified that variances within the monthly reports are justified with detailed and appropriate documented explanations. Monthly and quarterly reporting to authority leadership, including the board, ensures cost elements and impacts to operations are effectively and timely communicated. Overall, the cost and cost elements evaluated during the scope period appeared aligned with the authority's mission and goals.

Recommendations for Management

From the procedures performed, we did not identify areas of non-compliance with Chapter 451 of the Texas Transportation Code, nor a lack of effective controls and oversight, nor where performance did not meet established expectations. However, recommendations for management were identified where considerations for enhancement to internal controls, processes, procedures, efficiency and effectiveness of operations or management of the authority. The following recommendations were identified for Task 1 and provided to management for consideration. However, due to the nature of the recommendations, formal management responses and anticipated action plans are not required.

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1. Contract Management System

CapMetro's primary operations (such as Bus, Demand Response, and Rail services) are outsourced to third parties and require effective, efficient, and timely contract management by internal contract managers. However, current procedures and processes are not uniform across the Authority or performed systematically to monitor and manage performance and financial status. Management should consider implementing a contract management system that incorporates performance measures, budget to actual financial data, tracking of quality assurance measures performed, and dashboards for monitoring compliance and performance of the data being received, which will ensure a more uniform practice and methodology across the Authority. In addition, a contract management system can result in decisions that are driven and supported through data that can be easily verified by management.

2. Credential and Qualification Tracking of Staff within Operations and Maintenance Oversight

Personnel files for staff within Operations and Maintenance (OMO) can appear to include credential or qualification gaps. However, OMO personnel have historically acquired needed skills and experience through on-the-job training and tenure with the authority, which is common for transportation authorities. As a result, management may not be effectively assessing credentials and qualifications of staff to identify resource and/or training needs. Management should consider a review of credential and qualifications among OMO staff and ensure files are reflective of this experience gained through on-the-job training.

Task 2
Chapter 451 Statutory Compliance Review

Capital Metropolitan Transportation Authority

FY 2016–2019 Quadrennial Performance Audit Report

Task 2 – Chapter 451 Statutory Compliance Review

Report Date: January 8, 2021

Executive Summary

The purpose of the Chapter 451 Statutory Compliance Review was to validate Capital Metropolitan Transportation Authority's (CapMetro) compliance with applicable state laws. Chapter 451 of the Texas Transportation Code (Code) requires CapMetro to be in compliance with all applicable elements of the Code, including the following statutes:

- Texas Government Code
- Texas Local Government Code
- Texas Property Code
- Texas Health and Safety Code
- Texas Penal Code
- Relevant legislation as adopted by the 85th and 86th Texas Legislatures

Based on the procedures performed, we validated that CapMetro achieved compliance with all 194 applicable Texas state laws as prescribed by Chapter 451 of the Texas Transportation Code. In addition, we validated that the CapMetro Board and personnel have effective procedures in place to comply with all statutes that govern the authority's policies, practices, and procedures. The Quadrennial Performance Review performed did not find any failure to comply with existing and new provisions of Texas Transportation Code 451 and other relevant Texas legislation.

1. Approach

The task included identifying and cataloging each compliance requirement as stated within Chapter 451 of the Texas Transportation Code, along with applicable statutes and laws as prescribed in the following:

- Texas Government Code
- Texas Local Government Code
- Texas Property Code
- Texas Health and Safety Code
- Texas Penal Code

Each compliance requirement, along with the validation procedure to be performed, was documented into a compliance matrix which was used to verify achievement by the Authority. *Refer to Appendix B for the Compliance Matrix*

In addition, we evaluated and documented applicable updates to Texas legislation to verify compliance. In order to validate legislative compliance, we reviewed legislative amendments that were enrolled by the 85th (2017) and 86th (2019) Texas Legislature along with:

- Previous Quadrennial Performance Reviews that assessed CapMetro's compliance with new legislation from previous Texas Legislature sessions and that all issues raised in those reviews had been thoroughly addressed

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- Validating that CapMetro did not regress in its policies or practices that would negatively impact the authority’s ability to satisfy all relevant enacted legislation.
- Validating the implementations of the CapMetro’s Sunset Review process recommendations that occurred during the prior quadrennial review period.

2. Sources of Information

In order to validate CapMetro’s compliance with the applicable statutes, the following sources of information were collected and reviewed:

- Texas Legislature Online, at <http://www.capitol.state.tx.us/>,
- Publicly available information on the Authority’s website, at <http://www.CapMetro.org/>,
- General Services Administration, at <https://www.gsa.gov/>,
- U.S. Census, at <https://www.census.gov/>,
- Internal policy manuals and memoranda provided by Capital Metro staff,
- Interviews with Capital Metro’s personnel, and
- Observed policies and practices in use, where relevant.

3. Metrics

To validate compliance, we utilized the following metrics to evaluate and determine whether the Authority is meeting the applicable Texas statutes:

- **Compliant** - An area is considered “achieved” if the audit procedures identified no findings with the authority’s implementation of statute.
- **Deficient** - An area is considered “deficient” if any of the requirements of a statute were not met by the authority.
- **Not Applicable**- An area is deemed “not applicable” if it was determined that the authority does not conduct activities relevant to the statute and are therefore not required to be met.

Detailed Audit Procedures and Results

1. Legislative Chapter 451 Changes

To identify the applicable legislation enrolled in the 85th (2017) and 86th (2019) Texas Legislature that were relevant to CapMetro, we reviewed all amendments made to the Texas Transportation Code, Section 451 through an online search of the Texas Legislature Online. Next, we researched amendments in all other code areas in the two Texas Legislature sessions by identifying topics that have direct relevance to CapMetro. Figure 2.1 lists the key words and phrases that were used for the search.

Figure 1.1 Key Search Terms

| | | | |
|-------------------------|-------------------------|-----------------------|-------------------------|
| • Alcoholic beverage | • Conflict of interest | • Marijuana | • System security |
| • Assessment of damages | • Depository | • Minimum wage | • Terminal complex |
| • Board matters | • Drug testing | • Occupational safety | • Train maintenance |
| • Board terms | • Electric consumption | • Open meeting | • Transportation safety |
| • Chapter 451 | • Emissions tax payment | • Public records | |
| • Commuter rail | • Fare enforcement | • Records management | |
| • Competitive bidding | • HIPPA compliance | • Sales and use tax | |

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We also examined the findings and recommendations of the previous 2016 Quadrennial Performance Review and evaluated the authority's responses. We identified that the previous Quadrennial Performance Review, covering the FY 2012–2015 period, analyzed changes to the statutory amendments to the Texas Transportation Code Section 451 and other relevant Texas Government Code.

2. Legislative Chapter 451 Compliance and Other State Statutes

We also conducted interviews with CapMetro's process owners, determined applicability, and reviewed relevant data and documents to validate the authority's compliance with each of the identified statutes. We reviewed CapMetro's website to ensure compliance with statutes that require transparency with the public. We verified that CapMetro maintained supporting documents for transactions that occurred during the quadrennial review. We reviewed CapMetro by-laws and policies and procedures to ensure compliance with Texas Transportation Code Chapter 451 and other applicable state statutes.

3. Prior Compliance Efforts

The Quadrennial Performance Audit also considered past compliance efforts that took place during the scope period. From our review of the 2016 Quadrennial Performance Review, we identified that no instances of non-compliance with current provisions of Texas Transportation Code 451.

Results

Task 2 Chapter 451 statutory compliance review assessed achievement of the 194 applicable statutes out of the 398 total legislative requirements. From the procedures performed, we validated that CapMetro's compliance with all of the requirements that were determined to be applicable to the authority during the FY 2016–FY 2019 audit period. In addition, we validated the State Auditor's Office issued a report on November 5, 2015, which found that CapMetro had implemented the statutory recommendations from the Sunset Review. Since the State Auditor's Office issued the report stating the recommendations had been implemented, we relied upon their procedures and did not follow-up on those recommendations.

Recommendations for Management

From the procedures performed, we did not identify areas of non-compliance with Chapter 451 of the Texas Transportation Code, or a lack of effective controls and oversight, or where performance did not meet established expectations. However, recommendations for management were identified where considerations for enhancement to internal controls, processes, procedures, efficiency and effectiveness of operations or management of the authority. The following recommendations were identified for Task 2 and provided to management for consideration. However, due to the nature of the recommendations, formal management responses and anticipated action plans are not required.

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1. Board Meeting Quorum

Texas Government Code § 551.101, requires a quorum to convene in an open meeting prior to conducting a closed meeting. CapMetro has no instances of non-compliance with this statute. Subsequent to an analysis of CapMetro's publicly available meeting minutes, it is recommended that CapMetro communicate the quorum has convened within the meeting minutes before a closed meeting begins in accordance with this statute.

2. Dispositions and Destruction Central Tracker

Texas Local Government Code § 203.046, states that the governing body may require the Records Management Officer to keep accurate lists of records destroyed and other information as part of their responsibilities. CapMetro has no instances of non-compliance with this statute. Currently, the Records Management Officer is not required to maintain a central tracker. It is recommended that CapMetro include in the Records Management Officer's Policies and Procedures the responsibility of developing and maintaining a central tracker compiling lists of dispositions and destruction of documents.

3. Training Requirement

Texas Transportation Code § 451.0612(b), requires the Fare Enforcement Officers complete a 40-hour training before commencing their respective duties. Currently, this process is outsourced to Herzog. However, it is recommended that CapMetro update the record retention procedures to include maintaining a file with the relevant fare enforcement trainings' documentation to strengthen its compliance with the statute.

4. Quadrennial Report Delivery

Texas Transportation Code § 451.457, requires the quadrennial reports be delivered to specific recipients (e.g. Texas Governor, Lt. Governor, etc.). CapMetro provided the cover memorandum as supporting documentation evidencing the recipient list of the 2012-2015 quadrennial report. After requesting proof of receipt from the State Auditor's Office, CapMetro was able to provide the proof of submission of the prior quadrennial report. It is recommended that CapMetro implement a retention of receipts, or proof of submission, for the delivery of the quadrennial reports to the applicable recipients in accordance with the statute.

Task 3

Performance Indicator Review

Capital Metropolitan Transportation Authority

FY 2016–2019 Quadrennial Performance Audit Report

Task 3 – Performance Indicator Review

Report Date: January 8, 2021

Executive Summary

The purpose of Task 3 was to examine Capital Metropolitan Transportation Authority's (CapMetro) achievement of the nine key performance indicators in accordance with Texas Transportation Code Section 451.454 statutory requirements. From the procedures, we identified that CapMetro experienced improved service reliability and effective cost-control over the period. However, the addition of service in a period of declining ridership was reflected in significant declines in cost-effectiveness, which are attributed to the decline in overall ridership which was experienced by peer authorities during the scope period.

The nine performance indicators evaluated were grouped into three categories for the purpose of validating CapMetro's achievement of its performance goals: service reliability, internal cost and service efficiency measures, and cost effectiveness. The evaluation of performance and the results are summarized as follows:

- **Service Reliability:** Improved On-Time Performance, lower accident rates, and fewer mechanical road calls improved service reliability during the period.
- **Internal Cost and Service Efficiency Measures:** These Performance Indicators (PIs) measure the ability of CapMetro to perform its services efficiently, without wasting resources, regardless of how many people use the service. The cost of delivering an hour or mile of service remained relatively flat, increasing 0.16% and 1.45% respectively.
- **Cost Effectiveness:** These PI's measure the ability of CapMetro to perform its core functions: transport people in a cost-effective fashion. CapMetro's performance declined across three PIs (cost per passenger trip, fare recovery, and average vehicle occupancy) due to a decline in ridership prior to the implementation of CapRemap service changes in June 2018. The addition of service from the CapRemap initiative coupled with lower ridership during three years of the audit period, resulted in the cost of a single trip to increase from \$5.57 to \$7.58. CapMetro fare recovery is less than 10% of operating costs, which is low compared to its peer group which averages 22%. Fare recovery declined across all modes except for Commuter Bus (CB) which saw a significant improvement with a compound annual growth (CAGR) of 25%, or an average fare of \$1.04 per trip to \$2.71 per trip. However, a decline in ridership was not unique to CapMetro and beginning in 2015, public transit ridership in major US cities flattened out or declined with the 2015-2018 period reflecting the steepest declines. Typical factors for the decline in ridership included decreasing fuel prices and higher levels of auto ownership. However, recent research points to the growth of Transportation Network Companies (TNCs) as another factor causing ridership declines. Since the implementation of CapRemap in June 2018, CapMetro has reversed the declining trends and increases in ridership occurred between FY 2018 and FY 2019, when ridership grew by an average of 103,300 trips a month.

Capital Metropolitan Transportation Authority

FY 2016–2019 Quadrennial Performance Audit Report

Task 3 – Performance Indicator Review

Report Date: January 8, 2021

Summary Table

| Performance Indicator | MB | | | DR | | | YR | | | CB | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|-------------------------------|---------|-----------|-------------------------------|------------|-----------|-------------------------------|----------|-----------|-------------------------------|
| | FY2019 | 4-yr CAGR | vs. Prior Period ¹ | FY2019 | 4-yr CAGR | vs. Prior Period ¹ | FY2019 | 4-yr CAGR | vs. Prior Period ¹ | FY2019 | 4-yr CAGR | vs. Prior Period ¹ |
| Cost per Revenue Hour | \$115.15 | -0.08% | - | \$95.72 | -0.97% | - | \$1,562.44 | 6.05% | ○ | \$136.30 | 3.17% | ○ |
| Cost per Revenue Mile | \$10.36 | 1.94% | - | \$6.87 | -1.61% | - | \$66.44 | 6.64% | ○ | \$7.32 | 3.19% | ○ |
| Cost per Passenger | \$5.84 | 8.82% | ○ | \$54.56 | -0.30% | - | \$26.48 | 10.51% | ○ | \$10.77 | 6.90% | ○ |
| Fare Recovery | 10.00% | -8.63% | ○ | 1.94% | -3.89% | ○ | 7.90% | -17.20% | ○ | 25.16% | 24.61% | ● |
| Avg. Vehicle Occupancy | 7.27 | -8.44% | ○ | 1.07 | 1.21% | - | 38.48 | -4.80% | ○ | 12.81 | -0.05% | - |
| On-time Performance | 84.2% | -0.85% | - | 90.3% | -0.26% | - | 97.2% | 0.08% | - | 81.5% | -2.57% | ● |
| Accidents per 100k Miles | 0.90 | -4.45% | ● | 0.37 | -2.14% | ● | 0.00 | 0.00% | ● | 0.34 | - | NA |
| Miles Between Road Calls | 3,882 | 7.23% | ● | 17,416 | -2.81% | ○ | 150,117 | 92.98% | ● | 50,120 | 52.18% | ● |
| Sales & Use Tax per Passenger (All Modes) | \$8.57 | 8.75% | - | | | | | | | | | |
| ¹ Prior Period refers to the prior quadrennial performance audit period of FY 2012 through FY 2015 - Less than 2% Change to CAGR ● Improvement in CAGR performance by more than 2% ○ Decline in CAGR performance by more than 2% | | | | | | | | | | | | |

Background

1. CapMetro Quadrennial Audit – Performance Indicators

Texas Transportation Code, Chapter 451.454 Performance Audit mandates an audit every four years (quadrennial audit) to facilitate state oversight and provide information to the Authority to improve efficiency and effectiveness, including an evaluation of performance indicators.

This quadrennial performance audit evaluated the following required performance indicators for the period October 1, 2015 to September 30, 2019 (FY 2016 – FY 2019):

- Operating Cost per passenger, per revenue miles, and per revenue hour;
- Sales and Use tax receipts per passenger;
- Fare recovery rate;
- Average vehicle occupancy;
- On-time performance;
- Number of accidents per 100,000 miles; and
- Number of miles between mechanical road calls.

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2. Important Changes or Events during the Audit Period

CapMetro implemented a re-visioning of its bus system starting in June 2018. The process, called Cap Remap, eliminated two unproductive routes, added ten new routes, and increased frequency. During the audit period, CapMetro added 213,000 hours of bus service and 21,450 hours of commuter bus service. This audit period reflects the added productivity and resulting higher ridership.

Public transit ridership in major US cities has been flat or declining over the past few years, with 2015-2018 reflecting the steepest declines. Typical factors such as decreasing fuel prices and higher levels of auto ownership are driving some of the change. However, recent research points to the growth of Transportation Network Companies (TNCs) as another factor causing ridership declines.³ During the audit period, CapMetro undertook a number of pilot projects to learn how a TNC- or flexible-model could be adapted to its public transportation mission; these included Pickup, MetroFlex, and the Saltillo Shuttle. The lessons learned from these initiatives may change how CapMetro delivers some of its services in the future.

As of September 30, 2019, CapMetro entered into a single service contract with MV Transportation for bus operations. Prior to this contract, CapMetro held contracts with four different providers during the audit period. The impact(s) of moving from multiple to a consolidated contract will be more evident in the next audit period.

Lastly, CapMetro has adopted an organization-wide policy of transparency. The public can find data (sometimes real time data) on the authority's performance dashboard for finances, ridership, safety, reliability and performance.⁴

³ Graehler, M. & Mucci, R. (2019), Understanding the Recent Transit Ridership Decline in Major US Cities: Service Cuts or 2 Emerging Modes? Transportation Research Board Annual Conference.

⁴ <https://www.CapMetro.org/dashboard>

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CapMetro Transit Service Overview

1. Service Modes

CapMetro operates five service modes: Motor Bus, Commuter Bus, Demand Response, Hybrid Rail and Vanpool. On an average weekday, CapMetro provides almost 100,000 trips across all its modes.⁵ 6The following is a summary of each of the service modes evaluated as part of the audit procedures:

- **Motor Bus (MB)** is a rubber-tired passenger vehicle operating on a fixed route and schedule over roadways. CapMetro has branded its motor bus services as MetroBus, which is a fixed route service with a bus every 30 minutes and frequent stops. MetroBus includes the University of Texas shuttles, the E-Bus that links the UT campus to downtown; Night Owl service; and Round Rock service. CapMetro has branded its high frequency service MetroRapid, which is a bus every 15 minutes with minimal stops.
- **Commuter Bus (CB)** is a fixed-route service that connects daily commuters with downtown work destinations. CapMetro has branded its commuter service MetroExpress, which operates seven routes from 18 park-and-rides lots.
- **Demand Response (DR)** is a curb-to-curb service that does not operate according to a fixed route or schedule. Passengers schedule rides in advance and these are typically shared among unrelated passengers. Many transit systems operate DR service to meet the requirements of the Americans with Disability Act (ADA). CapMetro has branded its ADA service MetroAccess and it is restricted to people whose disabilities prevent them from riding a CapMetro bus or train. Starting in 2019, CapMetro operated a DR service called “Pickup” that is open to the general public and is on-demand.
- **Demand Response Taxi (DT)** is a type of demand response service where private taxi companies provide shared trips to eligible riders. CapMetro operated DT service in 2016, but the service was eliminated in 2017. DT activity is combined with DR activity in this report.
- **Hybrid Rail (YR)** combines aspects of commuter rail and light rail. Hybrid rail systems primarily operate on the national system of railroads but typically operate Light Rail-type vehicles instead of diesel multiple-unit trains (DMUs). MetroRail is a hybrid rail system that operates DMUs on a 32-mile route from Leander, north of Austin, to downtown. There are nine stations which are connect to nearby destinations with connector routes. CapMetro operates DMUs on a national railroad system but does not operate with the some of the characteristics of commuter rail (e.g. multi-trip tickets, railroad employment practices).
- **Vanpool (VP)** is a shared ride for group of individuals usually travelling between home and work. MetroRideShare is group of 4 or more people who regularly travel together in a rideshare vehicle for the purpose of commuting to and from work.

2. Service Delivery Approach

Service delivery is the organization structure under which services are provided. It includes Directly Operated (DO) or Purchased Transportation (PT). Directly operated service is where transit agencies own and maintain the equipment and its bus operators are employees of the agency. Purchased Transportation services are contracted, and the contract can include any combination of operations, and vehicles and/or maintenance. As of 2016, all CapMetro services were PT where CapMetro owned the assets and the contractor provided operations and maintenance. By the end of FY 2019, all MB and CB services were consolidated under a single contract with MV Transportation.

⁵ Capital Metro Facts, https://www.CapMetro.org/docs/default-source/plan-your-trip-docs/destination-schedule-book-docs/contacts-facts.pdf?sfvrsn=aad87f05_2

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Refer to Table 1: CapMetro Purchased Transportation Contracts for a complete listing of purchases transportation services.

Table 1: CapMetro Purchased Transportation Contracts

| Contractor | Mode | Effective | Service Start | Expiration |
|-------------------|---------------------|-----------|---------------|------------|
| Yellow Cab | DR | 5/2011 | 8/2011 | 10/2016 |
| McDonald Transit | MB | 5/2012 | 8/2012 | 01/2020 |
| MV Transportation | DR | 5/2012 | 8/2012 | 9/2018 |
| Ride Right | DR | 5/2018 | 10/2018 | 9/2022 |
| MV Transportation | MB, BRT, UT Shuttle | 10/2015 | NA | 1/2020 |
| Le Fleur | DR | 6/2016 | 10/2016 | 11/2017 |
| MV Transportation | MB | 8/2019 | 1/2020 | 12/2024 |
| Herzog | CB | 7/2015 | 10/2015 | 10/2022 |

3. Performance Indicator Data Sources

The data used to calculate performance indicators is sourced from either the National Transit Database (NTD) or directly from CapMetro. All performance indicators (PIs) reflect the four year scope period (beginning of FY 2016 to end of FY 2019). The Compound Annual Growth Rate (CAGR) is used to describe any change in performance and is established based on the four-year period.

For National Transit Database (NTD) Sourced Data, with the exception of On-Time Performance, all PI data is reported annually to the NTD. The Federal Transit Authority (FTA) requires transit agencies that receive federal funds to report financial, service, safety and security, assets, resources, and contract data to the NTD every year. This data is used in the Federal Funding Allocation formula to apportion federal transit agency funds every year. In 2016, the FTA apportioned \$28.8 million to the CapMetro based on the FFA formula; by 2019, this amount increased to \$32.1 million. Refer to Table 2 for NTD Sources for Performance Indicator data.

Due to the importance of data integrity to fund generation, the NTD tests all reported data against industry norms and for internal consistency and reasonableness. As such, there is confidence in NTD data which was used to calculate operating cost per passenger trip, per revenue mile and per revenue hour; sales and use tax per passenger; fare recovery rate, average vehicle occupancy, accident rate, and mechanical failure rate.⁶

For Agency-Sourced Data, data that is not reported to NTD and for which there is no NTD equivalent is on-time performance (OTP). These data sets have been provided directly by the agency. The methodology used to sample and verify data is included in Appendix C, Performance Indicator Methodology.

⁶ PI data for accident rates and mechanical road calls were sourced from the NTD. The NTD definitions are inconsistent with the definitions in Chapter 451, however these inconsistencies are not expected to impact the interpretation of the results.

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Table 2: NTD Sources of Performance Indicator Data

| Data | Source |
|----------------------------|-----------------|
| Capital Lease Expense | NTD – Form B30 |
| Sales and Use Tax Receipts | NTD – Form F10 |
| Fares | NTD – Form F10 |
| Operating Expense | NTD – Form F30 |
| Unlinked Passenger Trips | NTD – Form S-10 |
| Revenue Hours | NTD – Form S-10 |
| Revenue Miles | NTD – Form S-10 |
| Passenger Miles | NTD – Form S-10 |
| Accidents | NTD – SS40 |
| Mechanical Failures | NTD – Form R-20 |

4. Data Definitions⁷ and Data Summary

The following are the data definitions and data summary identified for each of the performance indicators evaluated as part of the audit:

- a. Operating Expense:** Operating cost are an authority's costs of providing public transit service, including purchased transit service not performed by the authority, but excluding the costs of:
- Depreciation, amortization, and capitalized charges;
 - Charter bus operations; and
 - Coordination of carpool and vanpool activities.

CapMetro reports capitalized expense as part of its contract expense; this is a cash expense and deducted from modes when applicable. Depreciation and amortization are reported as non-cash reconciling items. Charter bus operations are deducted from CB operating expense. Additionally, Vanpool expense, and all related activities, are not reflected in this report per the definition of the statute.

- b. Operating Expense by Mode:** We identified that the cost of operations increased approximately \$17.4 million (4.78%). MB and CB cost increases of \$22.7 million during the period were offset by decreases in DR and YR modes (\$5.3 million). The most significant cost increases occurred between 2015 and 2016, after which the rate of increase flattened for the remainder of the period. See Table 3: Operating Cost by Mode for detailed costs by mode over the scope period along with Chart 1 and 2 for the graphic depiction of these changes over the period.

⁷ Section 451.455, Chapter 451, Texas Transportation Code. <https://statutes.capitol.texas.gov/Docs/TN/htm/TN.451.htm>

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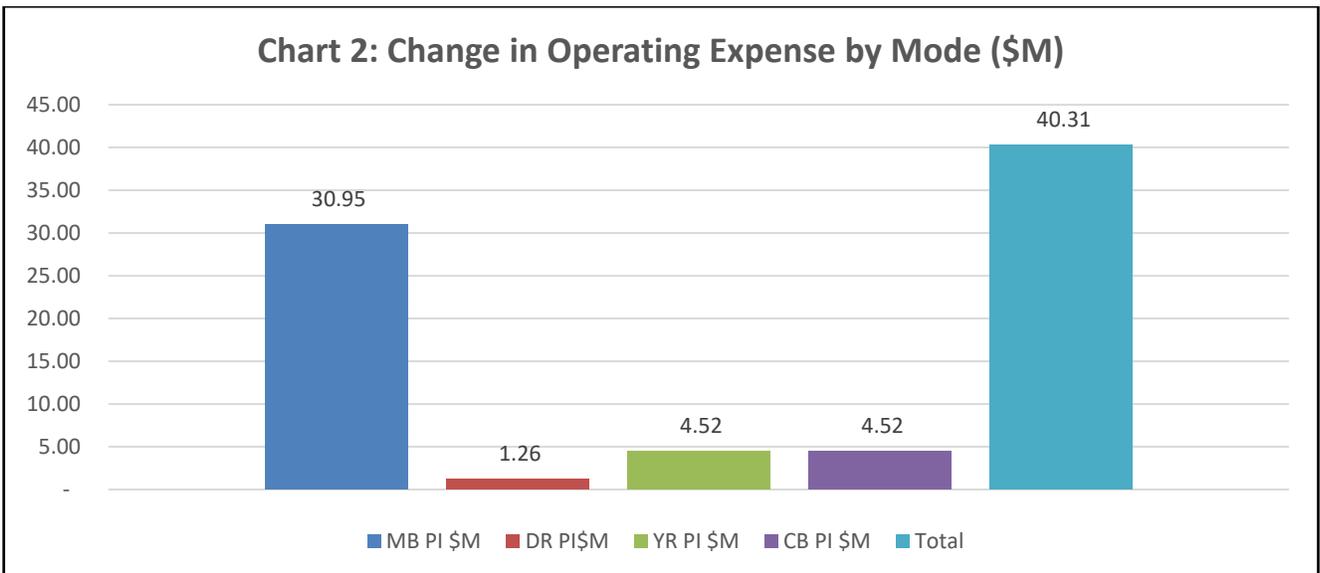
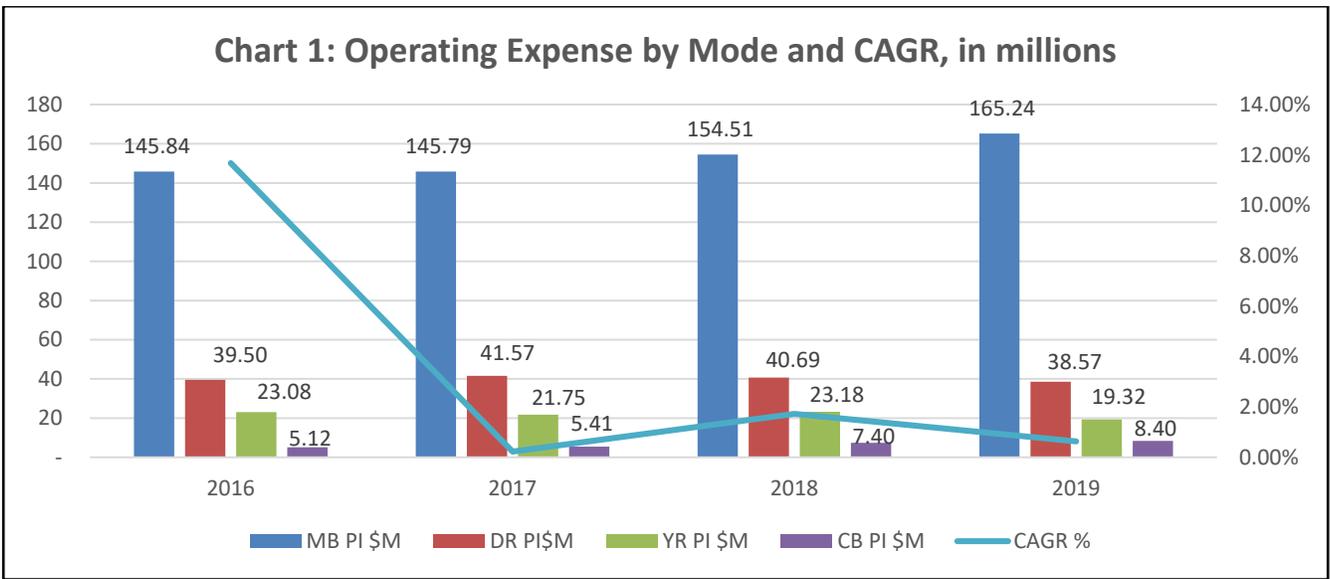
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Table 3: Operating Cost by Mode

| FY | MB | DR | YR | CB | Total |
|----------------|---------------|--------------|--------------|-------------|---------------|
| 2016 | \$145,841,719 | \$40,467,983 | \$23,076,368 | \$5,123,771 | \$214,509,841 |
| 2017 | \$145,785,748 | \$41,912,043 | \$21,750,211 | \$5,406,635 | \$214,854,637 |
| 2018 | \$154,505,921 | \$40,843,532 | \$23,184,423 | \$7,404,336 | \$225,938,212 |
| 2019 | \$165,238,005 | \$38,568,595 | \$19,319,510 | \$8,400,308 | \$231,526,418 |
| CAGR 2016-2019 | 5.32% | 0.30% | 6.90% | 14.85% | 4.78% |



Attachment: 1 - Final Report - FY16-19 Quadrennial Audit (4777 : Quadrennial Review)

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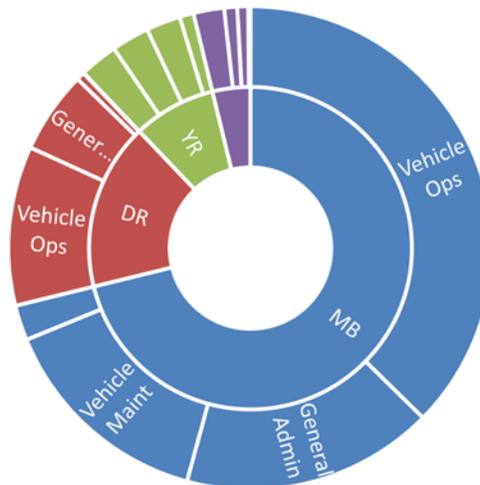
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c. **Operating Expense by Function:** Cost is reported by four NTD-defined functions: operations, maintenance, nonvehicle (facility) maintenance, and general administration. Over the scope period, costs increased by approximately \$40 million. Vehicle operations increased by \$26.3 million, which was driven by 248,329 hours of additional service. In total, General Administration, Maintenance and Non-Vehicle Maintenance increased by approximately \$14.6 million over the period. Refer to Table 4: Expenses by Mode and Function for detailed expenses by mode and function over the period along with Chart 3 and 4 for graphic depictions of the changes over the period.

Table 4: 2019 Expense by Mode and Function (\$M)

| Function | MB | DR | YR | CB | Total | CAGR |
|------------------------|---------|---------|--------|--------|---------|-------|
| Vehicle Ops | \$86.96 | \$24.82 | \$5.88 | \$4.77 | \$122.4 | 6.25% |
| Vehicle Maintenance | \$33.92 | \$1.26 | \$2.18 | \$1.70 | \$39.1 | 1.45% |
| Facility Maintenance | \$5.49 | \$0.07 | \$5.93 | \$0.34 | \$11.8 | 5.28% |
| General Administration | \$39.22 | \$12.80 | \$5.33 | \$2.01 | \$59.3 | 4.83% |

Chart 3: 2019 Expense by Mode and Function



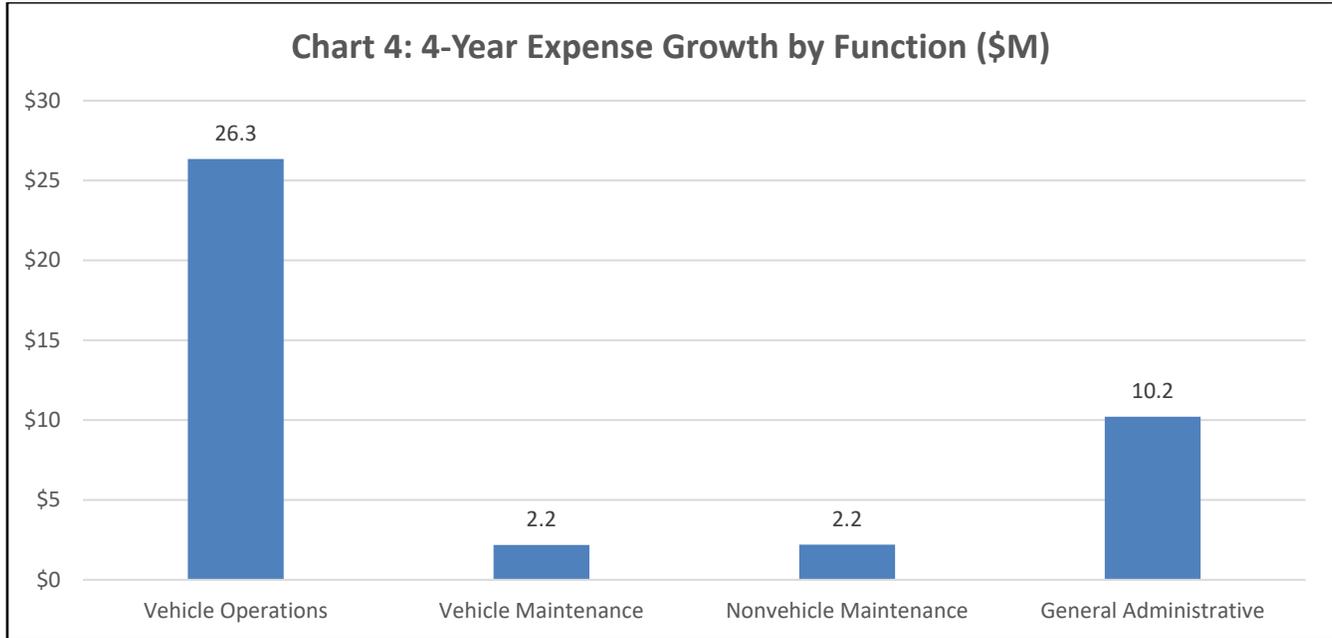
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- d. **Cost by Expense Line Item:** The contracting of services by CapMetro results in PT being the largest line item expense comprising 67% of the total CapMetro budget by the end of the scope period. The second highest expense category is Other Salaries and Wages, which comprises 10.1% of the budget and supports CapMetro staff engaged in executive, administrative, and management activities, including contract management.

The most significant decrease in cost identified was for fuel, which was due to decreasing fuel prices during the period. CapMetro's average fuel and lube expense per mile of service fell \$0.19 during the period, resulting in a \$2.6 million total savings. Refer to Table 5: Authority Expense by Line Item for details on the change in expenses over the period.

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Table 5: Authority Expense by Line Item, in millions

| Line Item | 2016 | 2017 | 2018 | 2019 | CAGR |
|--------------------------|-------|-------|-------|-------|---------|
| Other Salaries/Wages | 20.1 | 21.8 | 22.9 | 23.5 | 6.60% |
| Fringe Benefits | 12.3 | 15.7 | 14.9 | 15.4 | 6.72% |
| Services | 18.6 | 17.1 | 18.6 | 18.5 | 0.74% |
| Fuel/Lube | 13.1 | 11.2 | 11.0 | 12.2 | -4.70% |
| Other Materials/Supplies | 3.4 | 3.5 | 3.2 | 1.8 | 3.55% |
| Utilities | 2.6 | 2.8 | 2.8 | 2.9 | 3.83% |
| Casualty/Liability Costs | 0.3 | 0.5 | 1.3 | 0.7 | -12.28% |
| Taxes | 1.0 | 1.1 | 1.1 | 1.2 | 2.60% |
| Purchased Transportation | 140.6 | 140.1 | 148.5 | 155.0 | 6.42% |
| Miscellaneous Expenses | 2.6 | 1.8 | 1.4 | 1.2 | -5.41% |
| Less Deductions | 0 | 0 | 0 | (1.2) | - |
| Total | 214.6 | 215.6 | 226.5 | 231.5 | 4.83% |

- e. **Revenue Hours and Miles:** Revenue hours and miles include the total number of hours or miles of service provided by CapMetro, from first pick-up to last drop-off. However, it does not include the miles travelling to and from the bus depot or the bus stop. In June 2018, CapMetro launched “Cap Remap”, the product of a multi-year planning effort, which added ten new local routes, increased frequency on 12 local routes and added high frequency MetroRapid service and eliminated two unproductive routes. Consequently, all services, with the exception of MetroRail, experienced an increase in revenue hours and miles over the report period. Across all modes, CapMetro increased revenue hours by approximately 250,000 revenue hours and 2.5 million revenue miles by 2019. Refer to Table 6 and Table 7 Revenue Hours/Miles of Service and CAGR by Mode for details on the revenue changes over the period along with Chart 5 for a graphic depiction of the changes.

Table 6: Revenue Hours of Service and CAGR by Mode

| FY | MB | DR | YR | CB | Total |
|----------------|-----------|---------|--------|--------|-----------|
| 2016 | 1,222,015 | 388,813 | 12,536 | 40,182 | 1,663,546 |
| 2017 | 1,230,076 | 380,052 | 12,725 | 40,364 | 1,663,217 |
| 2018 | 1,325,923 | 380,407 | 13,157 | 47,486 | 1,766,973 |
| 2019 | 1,434,961 | 402,917 | 12,365 | 61,632 | 1,911,875 |
| CAGR 2016-2019 | 5.40% | 1.83% | 0.80% | 11.32% | 4.73% |

Table 7: Revenue Miles of Service by Mode and CAGR

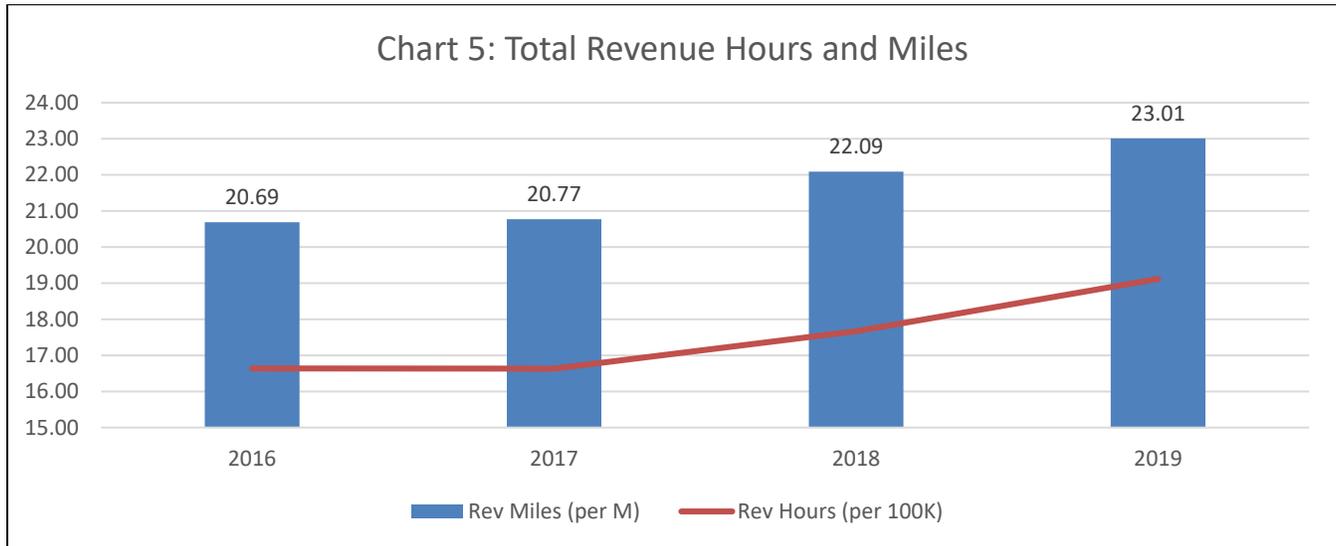
| FY | MB | DR | YR | CB | Total |
|----------------|------------|-----------|---------|-----------|------------|
| 2016 | 14,475,601 | 5,174,877 | 298,379 | 736,798 | 20,685,655 |
| 2017 | 14,473,436 | 5,260,345 | 301,020 | 737,780 | 20,772,581 |
| 2018 | 15,396,804 | 5,453,261 | 310,272 | 928,475 | 22,088,812 |
| 2019 | 15,952,995 | 5,617,274 | 290,764 | 1,147,318 | 23,008,351 |
| CAGR 2016-2019 | 3.32% | 2.48% | 0.24% | 11.30% | 3.40% |

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- f. **Passenger Trips:** Passenger trips are defined as every time a person boards a bus. Typically, every rider takes two trips – inbound and outbound - or more if there are transfers. In 2019, CapMetro delivered over 31 million trips.⁸ Of this, MB trips generated 28.3 million trips, or 93% of all service. DR, YR, and CB modes together generated about 2.1 million trips, or 7% of service.

Across all modes, ridership declined by 3.8 million trips (2.91% annually) over the audit period. A decline in ridership is not unique to CapMetro and public transit ridership in major US cities has been flat or declining over the past few years, with 2015-2018 reflecting the steepest declines. The ridership declines were steepest for MB over a two-year period ending 2017. By 2019, the trend had reversed, and ridership began to grow again across all modes with the exception of YR, which continued to experience a decline in ridership due to the closure and construction of the new Downtown Station which began in April 2019. The positive trend in ridership experience in last 2018 and 2019 was due to CapMetro implementing CapRemap in June 2018. Since then, CapMetro has had significant growth in ridership which averaged 103,300 trips per month between June 2018 and September 2019.⁹ Refer to Table 8: CapMetro Passenger Trips by Mode for details on the changes over the period and Chart 6 for a graphical depiction of the data presented.

Table 8: CapMetro Passenger Trips by Mode, in Millions

| FY | MB | DR | YR | CB | Total |
|----------------|--------|-------|--------|-------|--------|
| 2016 | 28.59 | 0.68 | 0.81 | 0.54 | 30.62 |
| 2017 | 27.30 | 0.67 | 0.82 | 0.53 | 29.32 |
| 2018 | 26.88 | 0.68 | 0.81 | 0.61 | 28.98 |
| 2019 | 28.31 | 0.71 | 0.73 | 0.78 | 30.53 |
| CAGR 2016-2019 | -3.21% | 1.13% | -3.27% | 7.44% | -2.91% |

⁸ Total includes vanpool, which is excluded from tables.

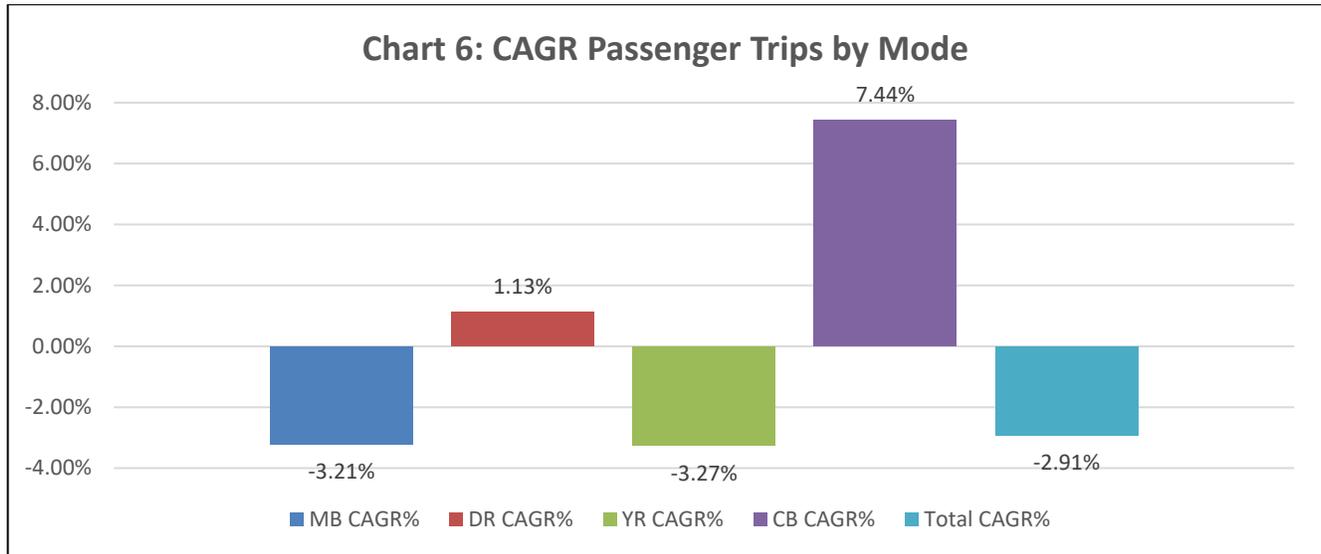
⁹ Graehler, M. & Mucci, R. (2019), Understanding the Recent Transit Ridership Decline in Major US Cities: Service Cuts or 2 Emerging Modes? Transportation Research Board Annual Conference.

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Performance Indicators and Results

The following are the performance indicators evaluated and the corresponding results identified for each of the performance indicators prescribed within Chapter 451 of the Texas Transportation Code:

1. Annual Operating Cost by Trip

Operating cost per passengers provide an assessment of the transit system's overall performance over the year in cost-effectiveness terms.¹⁰

Chapter 451 Texas Transportation Code Definition: *The authority's costs of providing public transit service, including purchased transit service not performed by the authority, but excluding costs associated with depreciation, amortization and capitalized charges, charter bus operations, and coordination of carpool and vanpool activities. The number of passengers is equivalent to the number of all trips, including transfers, but excludes charter passengers and carpool and vanpool passengers whose trips are only coordinated by the authority.*

$$\text{Cost per Passenger} = \frac{\text{Operating Cost}}{\text{Passenger Trips}}$$

Authority-wide, the average cost per passenger trip grew 7.92% annually to \$7.60; which was largely driven by a \$40.3 million increase in total operating cost from the addition of 248,329 hours of service from the CapRemap initiative to improve route efficiency, which decreased the number of trips by 3.8 million trips from the EOY 2015 to EOY 2019. Refer to Table 9: Cost per Passenger Trip and CAGR for details on the changes over the period along with Charts 7, 8, and 9 for graphic depictions of the data presented.

¹⁰ Transit Cooperative Research Program (TCRP) Report 88, *A Guidebook for Developing a Transit Performance-Measurement System*, published by the Transportation Research Board (TRB), served as the reference for performance indicator definitions and purposes. Downloaded from <http://www.trb.org/Main/Home.aspx>.

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Table 9: Cost per Passenger Trip and CAGR

| FY | MB | DR | YR | CB | Average |
|----------------|--------|---------|---------|---------|---------|
| 2016 | \$5.10 | \$58.89 | \$28.62 | \$9.45 | \$7.00 |
| 2017 | \$5.34 | \$62.49 | \$26.37 | \$10.25 | \$7.33 |
| 2018 | \$5.75 | \$60.46 | \$28.58 | \$12.06 | \$7.80 |
| 2019 | \$5.84 | \$55.10 | \$26.48 | \$10.77 | \$7.60 |
| CAGR 2016-2019 | 8.82% | -0.83% | 10.51% | 6.90% | 7.92% |

The following are details regarding the cost per passenger by mode:

MB: \$5.84/Trip:

Higher volume reduced the cost for MB, which operates 12 times the trip volume of all other services combined. For example, CapMetro operates over 300 MB vehicles daily compared to only 35 CB vehicles.

DR: \$55.10/Trip:

DR is required by law and restricted to passengers who are eligible under the Americans with Disabilities (ADA) Act. Although the service can be shared between unrelated riders, most trips are for a single individual. The limited ability to provide a trip for more than one person, along with cost to manage demand and ensure compliance with the ADA, increases the cost of this service.

YR: \$26.48/Trip

Over the scope period, YR trips decreased 3.27% annually but revenue hours remained flat. This increased the cost of a trip from \$17.76 at the end of FY 2015 to \$26.48 by the end of FY 2019. However, operating costs decreased \$3.7 million from 2016 to 2019 (\$23 million to \$19.3 million).¹¹ YR ridership decreased in 2019 while other modes experienced a reverse in ridership declines. This was due to the elimination of all weekend service for the last five months of FY 2019 along with the closure and construction of the new Downtown Station, beginning June 2019. With the closure of the flagship station, commuters were required to catch a connector bus to bring them downtown. This additional trip caused some riders to stop using the service. Once CapMetro has completed improvements, the new station will have additional capacity and the anticipated increase to ridership would be reflected during the next quadrennial performance audit period.

CB: \$10.77/Trip

The cost of a CB trip increased from \$8.25 per trip at the end of FY 2015 to \$10.77 per trip by the end of FY 2019. The annual growth rate was 6.90%.

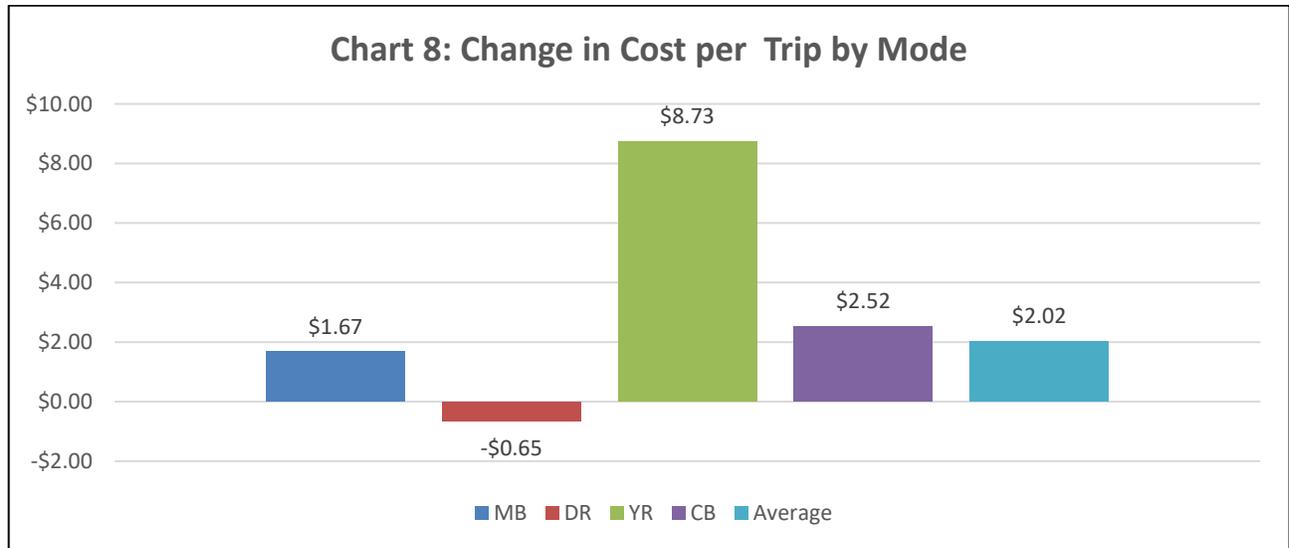
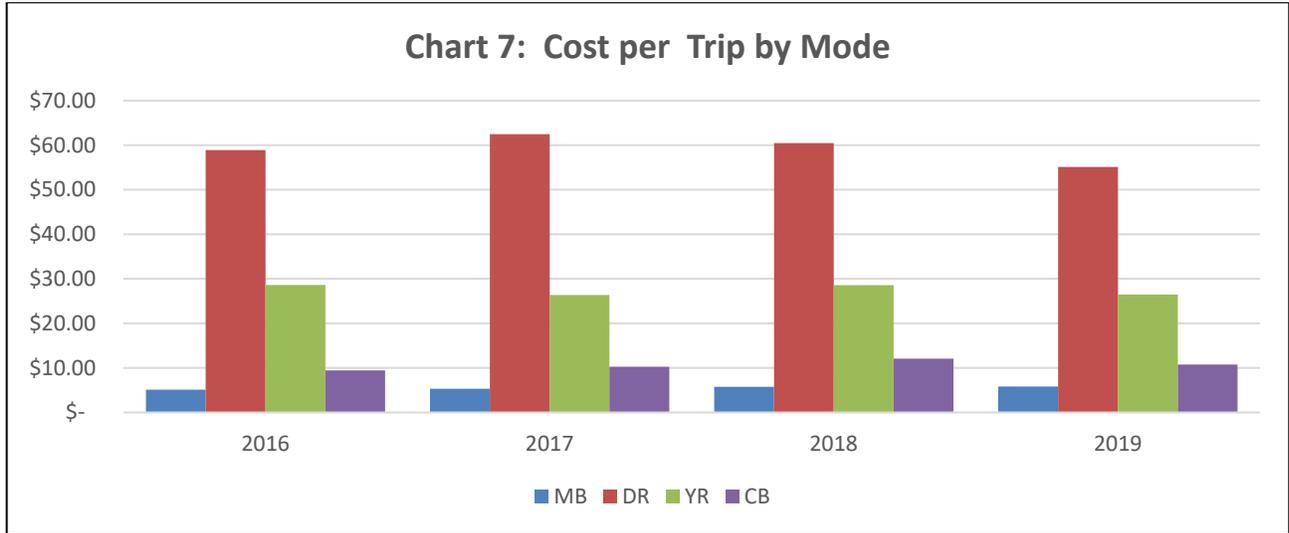
¹¹Total GA function costs stayed consistent throughout the period and were shifted from YR to MB and CB modes.

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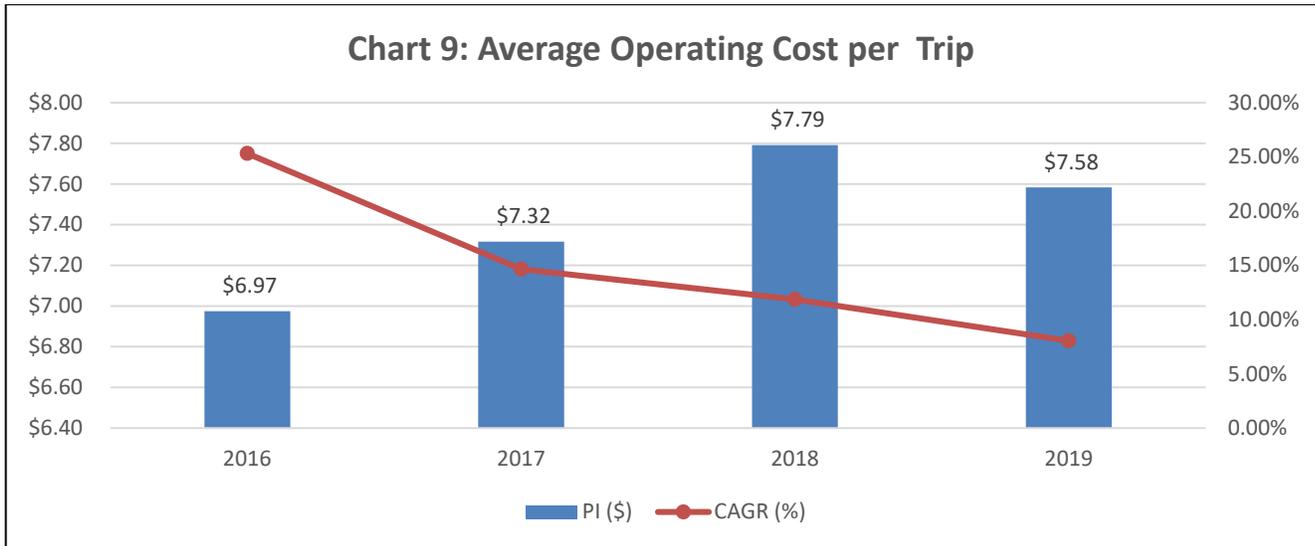


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2. Operating Cost per Revenue Hour (Cost per Hour)

Operating Cost per Revenue Hour is a measure of cost efficiency and not related to how much service is consumed. This measure reflects how much service output (revenue hours) the system provides against the cost of producing the service.

Chapter 451 Texas Transportation Code Definition: The operating cost per revenue hour is computed by dividing the annual operating cost by the total of scheduled hours that authority revenue vehicles are in revenue service for the same period.

$$\text{Cost per Hour} = \frac{\text{Operating Cost}}{\text{Revenue Hours}}$$

Operating Cost per Hour remained relatively flat during the period, growing only 0.16% annually. This measure reflects that CapMetro is efficient at deploying service on the street, regardless of where the service is going or how many people ride it. Refer to Table 10: Operating Cost per Hour and CAGR for details on the changes along with Chart 10 for a graphic depiction of the results.

Table 10: Operating Cost per Hour and CAGR

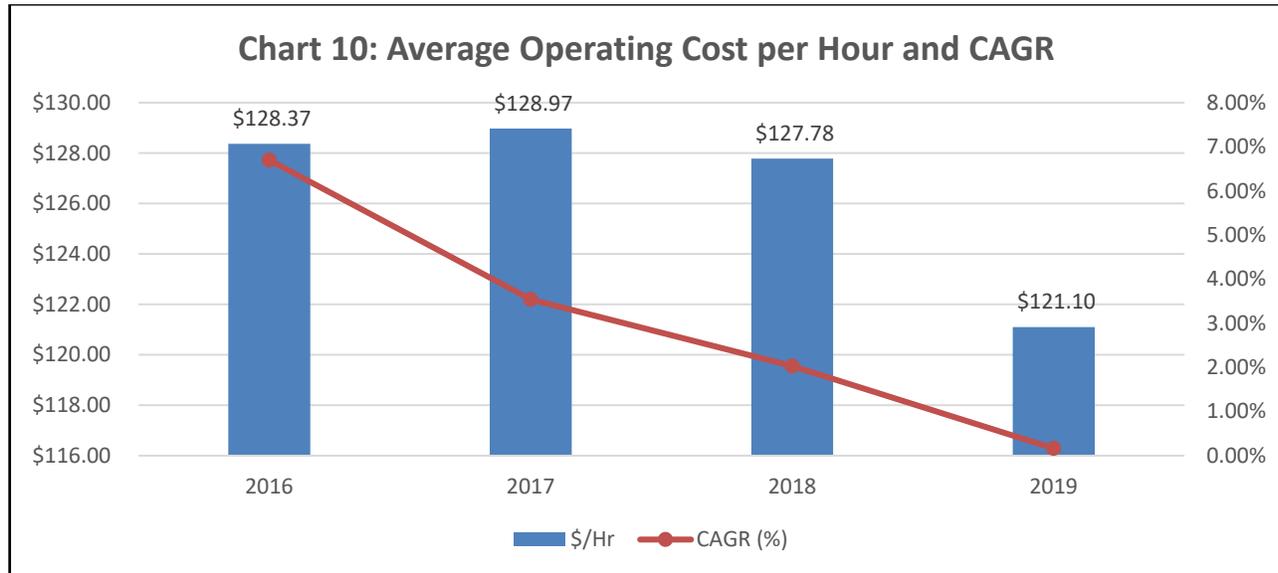
| FY | MB | DR | YR | CB | Average |
|----------------|----------|----------|------------|----------|----------|
| 2016 | \$119.35 | \$101.59 | \$1,840.81 | \$127.51 | \$128.37 |
| 2017 | \$118.52 | \$109.38 | \$1,709.25 | \$133.95 | \$128.97 |
| 2018 | \$116.53 | \$106.97 | \$1,762.14 | \$155.93 | \$127.78 |
| 2019 | \$115.15 | \$95.72 | \$1,562.44 | \$136.30 | \$121.10 |
| CAGR 2016-2019 | -0.08% | -1.50% | 6.05% | 3.17% | 0.16% |

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3. Operating Cost per Revenue Mile (Cost per Mile)

Cost per Mile is a cost efficiency measure. Revenue miles is defined as the number of miles traveled by authority revenue vehicles while in revenue service.

Chapter 451 Texas Transportation Code Definition: The operating cost per revenue mile is computed by dividing the annual operating cost by the total of scheduled miles that authority revenue vehicles are in service for the same period.

$$\text{Cost per Mile} = \frac{\text{Operating Cost}}{\text{Revenue Miles}}$$

Operating Cost per Mile remained relatively flat during the period, growing 1.34% annually. This measure reflects that CapMetro is efficient at deploying service on the street, regardless of where the service is going or how many people ride it. Refer to Table 11: Operating Cost per Mile by Mode details on the changes along with Chart 11 for a graphic depiction of the results.

Table 11: Operating Cost per Mile by Mode

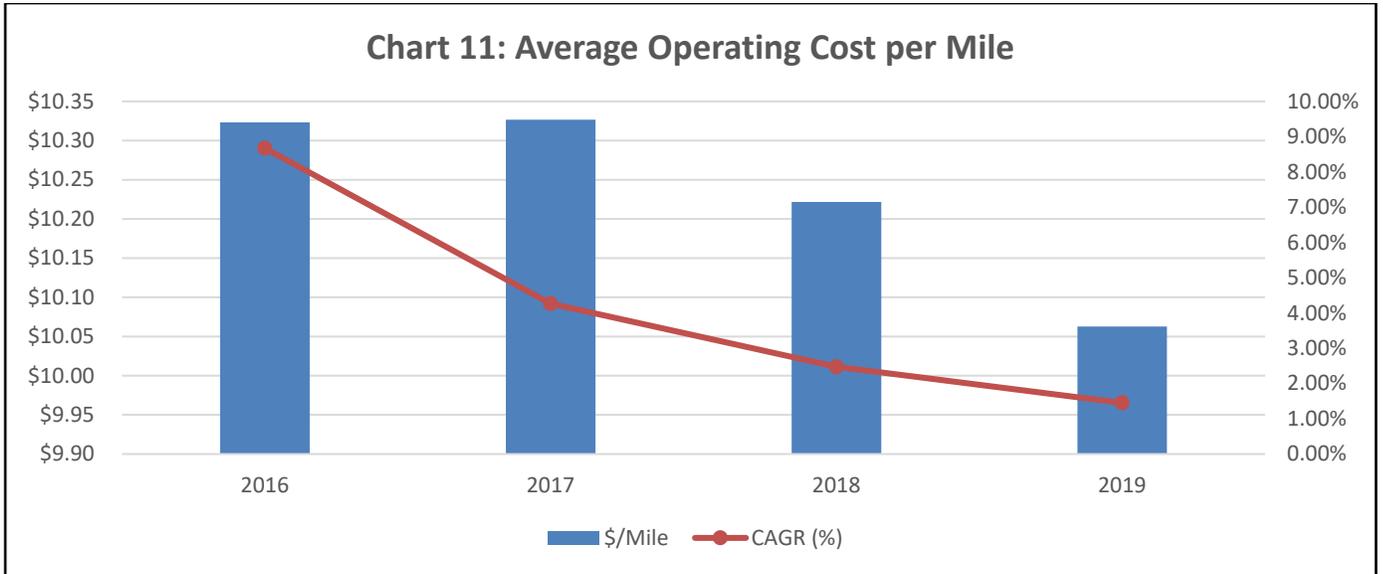
| FY | MB | DR | YR | CB | Average |
|----------------|---------|--------|---------|--------|---------|
| 2016 | \$10.08 | \$7.63 | \$77.34 | \$6.95 | \$10.32 |
| 2017 | \$10.07 | \$7.90 | \$72.26 | \$7.33 | \$10.33 |
| 2018 | \$10.03 | \$7.46 | \$74.72 | \$7.97 | \$10.22 |
| 2019 | \$10.36 | \$6.87 | \$66.44 | \$7.32 | \$10.06 |
| CAGR 2016-2019 | 1.94% | -1.61% | 6.66% | 3.19% | 1.45% |

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4. Sales and Use Tax Receipts per Passenger (Tax Receipts per Passenger)

This performance indicator describes how CapMetro is performing its core functions in a cost-effective manner by measuring local subsidy per passenger. Tax Revenue means sales and use taxes received by the Authority.

Chapter 451 Texas Transportation Code Definition: The sales and use tax receipts per passenger are computed by dividing the annual receipts from authority sales and use taxes by passenger trips for the same period.

$$\text{Tax Receipts per Passenger} = \frac{\text{Tax Revenue}}{\text{Passenger Trips}}$$

Table 12: Tax Receipts per Passenger (All Modes)

| FY | Total |
|----------------|--------|
| 2016 | \$7.23 |
| 2017 | \$7.79 |
| 2018 | \$8.40 |
| 2019 | \$8.57 |
| CAGR 2016-2019 | 8.75% |

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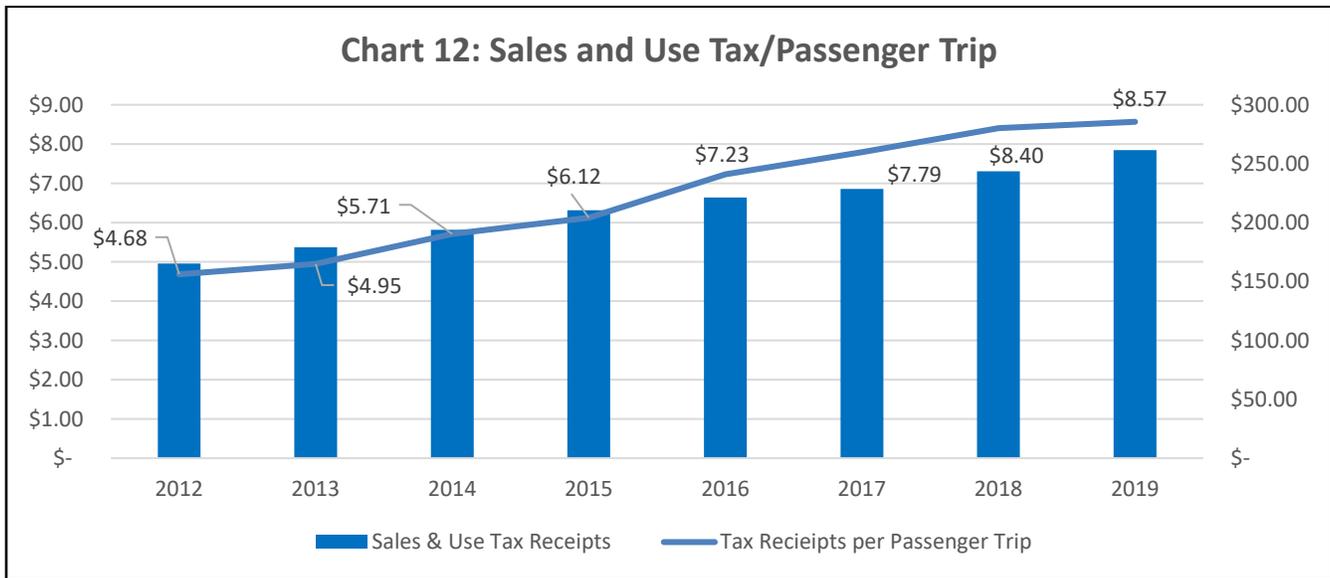
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As an agency with taxing authority, CapMetro relies primarily on sales tax receipts to fund its operations.¹² CapMetro receives \$0.01 cent of the \$0.825 sales tax collected from participating municipalities: Austin, Jonestown, Lago Vista, Leander, Manor, Point Venture, and San Leanna and some unincorporated parts of Travis and Williamson counties. CapMetro does not collect sales tax from West Lake Hills, Rollingwood, Cedar Park, Pflugerville, or Volente; and consequently, does not provide transit services to these communities.

Sales tax revenues grew at an annual rate of 8.75%. During this same period, the population grew at an annual rate of 1.5%. The difference between these two rates may be due, in part, to the growth of Austin tourism activity during the period. Between 2016 and 2019, total direct spending on traveling grew \$1.6 billion and by 2019, it is estimated that CapMetro was receiving an additional \$2.9 million, or an additional \$0.09 per passenger trip.¹³ Refer to Table 12: Tax Receipts per Passenger for details on the changes along with Chart 12 for a graphic depiction of changes to Sales and Use Tax Receipts and Tax Receipts per Trip.



5. Fare Recovery Rate (Fare Recovery)

The Fare Recovery rate is a measure of cost effectiveness. The farebox recovery rate and operating ratio are used to strike a balance between keeping transit service affordable and having riders cover as much of the costs as possible.

Chapter 451 Texas Transportation Code Definition: The fare recovery rate is computed by dividing the annual revenue, including fares, tokens, passes, tickets, and route guarantees, provided by passengers and sponsors of passengers of revenue vehicles, by the operating cost for the same period. Charter revenue, interest income, advertising income, and other operating income are excluded from revenue provided by passengers and sponsors of passengers.

$$\text{Fare Recovery} = \frac{\text{Fare Revenue}}{\text{Operating Cost}}$$

¹² Federal funding is used primarily to fund capital expenditures

¹³ Office of the Governor,

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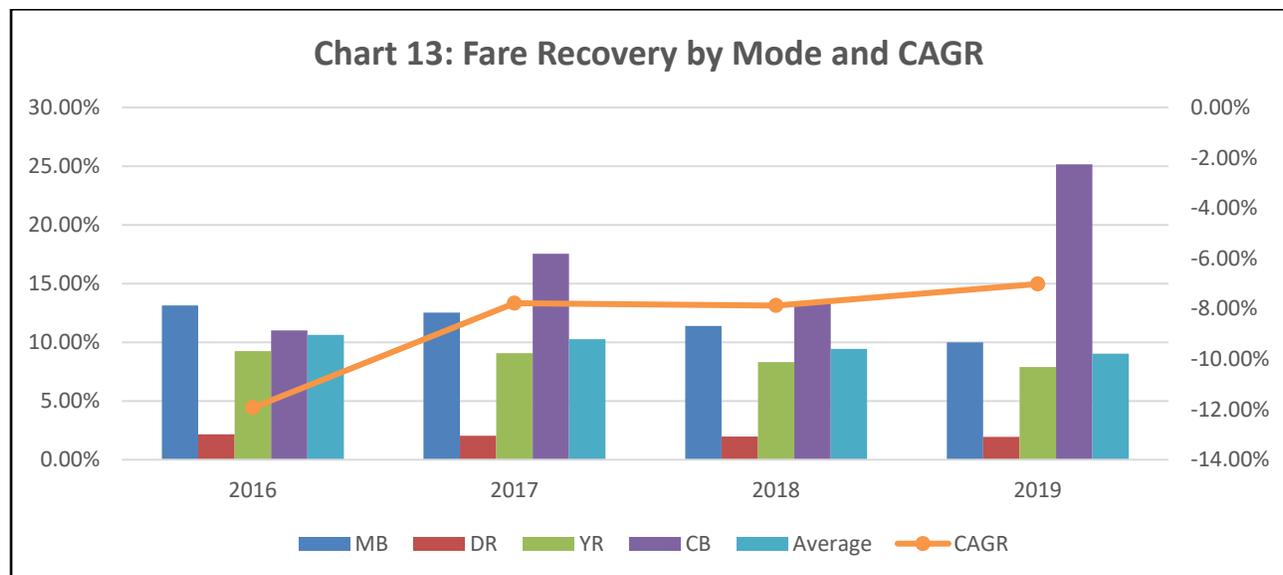
By industry standards, CapMetro Fare recovery is low at less than 10% of its costs. CapMetro has recognized that fare recovery is an area for improvement and was reporting in its 2016 Capital Metro Service Review, as follows:

*This is an extremely low number, needing improvement to contribute funding to new service and maintain fiscal sustainability. Increasing fares now would be counterproductive and should wait until the customers and public recognize the much greater value and competitiveness resulting from the implementation of Connections 2025. However, the other elements in raising farebox revenue – carrying more riders per revenue hour (effectiveness) and advantageously using vehicle and labor resources (efficiency) – need to be central themes in Connections 2025.*¹⁴

Refer to Table 13: Fare Recovery Rate for details on the changes over the period along with Chart 13 for a graphic depiction of DR Operating Cost per Trip and CAGR.

Table 13: Fare Recovery Rate

| FY | MB | DR | YR | CB | Average |
|----------------|--------|--------|---------|--------|---------|
| 2016 | 13.14% | 2.17% | 9.26% | 11.02% | 10.64% |
| 2017 | 12.53% | 2.05% | 9.08% | 17.54% | 10.27% |
| 2018 | 11.39% | 1.97% | 8.32% | 13.41% | 9.44% |
| 2019 | 10.00% | 1.94% | 7.90% | 25.16% | 9.03% |
| CAGR 2016-2019 | -8.63% | -3.38% | -17.20% | 24.61% | -7.02% |



¹⁴ Connections 2025, CapMetro System and Service Review and Evaluation. <http://connections2025.org/>. Accessed November 13, 2020.

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6. Average Vehicle Occupancy (Vehicle Occupancy)

Vehicle Occupancy is a measure of system productivity and allows comparisons between different modes by describing the number of persons moved.

Chapter 451 Texas Transportation Code Definition: *The average vehicle occupancy is computed by dividing the annual passenger miles by the number of miles traveled by authority revenue vehicles while in revenue service for the same period. The annual passenger miles are computed by multiplying the annual passenger trips and the average distance ridden by passengers during the same period.*

$$\text{Vehicle Occupancy} = \frac{\text{Passenger Miles}}{\text{Revenue Miles}}$$

Revenue miles increased 2.5% annually over the same period. This increase coupled with a 3.9% annual decrease to PMT drove a reduction in vehicle occupancy. As a result, there was a 7.03% annual decrease in vehicle occupancy over the scope period.

The following provides context to the performance figures presented in Table 14: Vehicle Occupancy by Mode and Chart 14: Average Vehicle Occupancy:

- MB service experienced the largest decrease in vehicle occupancy, which was due to 1.5 million additional miles of service coupled with decreasing ridership.
- CB service typically reflects higher vehicle occupancy than MB service. Commuters typically travel during AM and PM peak periods and passenger trips tend to remain relatively consistent from day-to-day. Consistent rider behavior enables an agency to maximize the productivity of scheduled service.
- DR service typically reflects very low vehicle occupancy since it is a curb-to-curb service restricted to only ADA-eligible riders.
- YR service typically reflects very high vehicle occupancy since rail can operate multiple passenger cars per revenue mile.

Table 14: Vehicle Occupancy by Mode

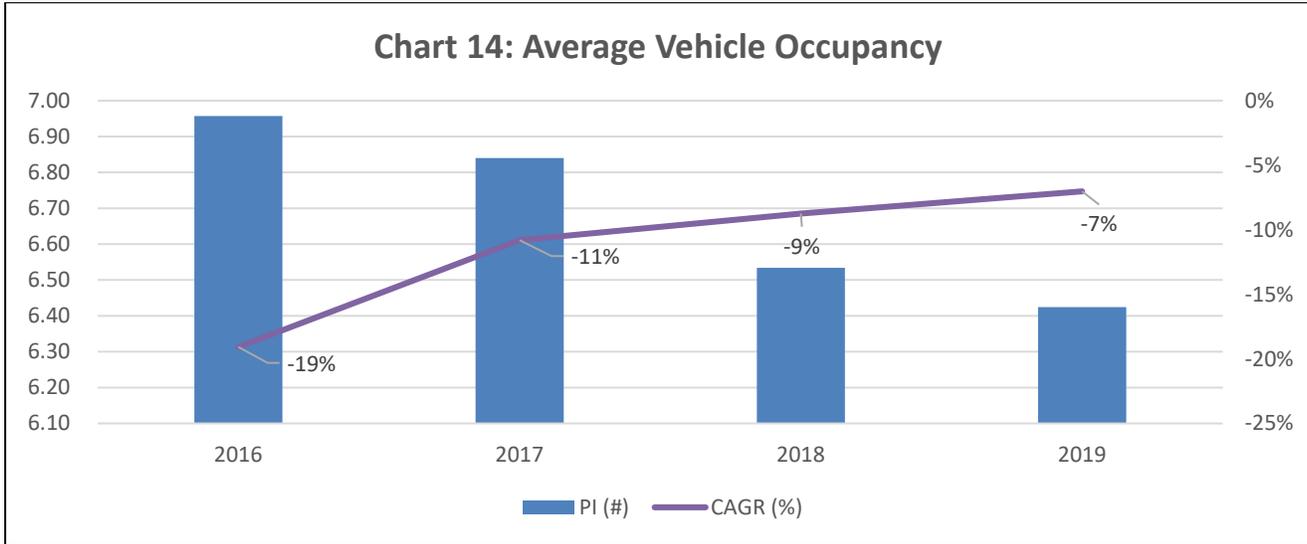
| | MB | DR | YR | CB | Average |
|----------------|--------|-------|--------|--------|---------|
| 2016 | 8.05 | 1.04 | 44.38 | 11.96 | 6.96 |
| 2017 | 8.00 | 1.05 | 43.30 | 10.44 | 6.84 |
| 2018 | 7.54 | 1.03 | 39.54 | 11.19 | 6.53 |
| 2019 | 7.27 | 1.07 | 38.48 | 12.81 | 6.42 |
| CAGR 2016-2019 | -8.44% | 1.21% | -4.80% | -0.05% | -7.03% |

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7. On-time Performance (OTP)

On-time performance (OTP) is a measure of system reliability. Depending on the mode, a transit vehicle is considered “on time” if it departs a location within a certain number of minutes after and/or before the scheduled time. Many agencies consider an early departure not to be on time. From a passenger point of view, an early departure means a wait for the next vehicle.

Chapter 451 Texas Transportation Code Definition: *On-time performance is computed by determining an annual percentage of revenue vehicle trips of revenue vehicles that depart from selected locations at a time not earlier than the published departure time and not later than five minutes after that published time.*

Motor Bus OTP = Average Bus OTP
Hybrid Rail OTP = Data for One Line

MB, YR, and CB modes operate according to a published schedule available to its riders. OTP changed less than one percent for MB, DR, and YR modes over the scope period. However, CB experienced declining OTP at an annual rate of 2.57%.

Table 15: On-Time Performance by Mode

| | MB | DR | YR | CB |
|----------------|--------|--------|--------|--------|
| 2016 | 81.15% | 93.86% | 95.97% | 77.50% |
| 2017 | 82.47% | 93.85% | 97.65% | 82.00% |
| 2018 | 84.45% | 92.39% | 96.54% | 85.57% |
| 2019 | 84.16% | 90.34% | 97.21% | 81.46% |
| CAGR 2016-2019 | -0.85% | -0.26% | 0.08% | -2.57% |

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The local and express services reflected an 84% and 81% OTP respectively in 2019. CapMetro policy is buses that operate according to a published schedule are considered on-time if they depart a designated timepoint between 0 seconds earlier or 6 minutes later than scheduled. Buses should never depart a timepoint ahead of schedule unless given explicit permission to do so.¹⁵

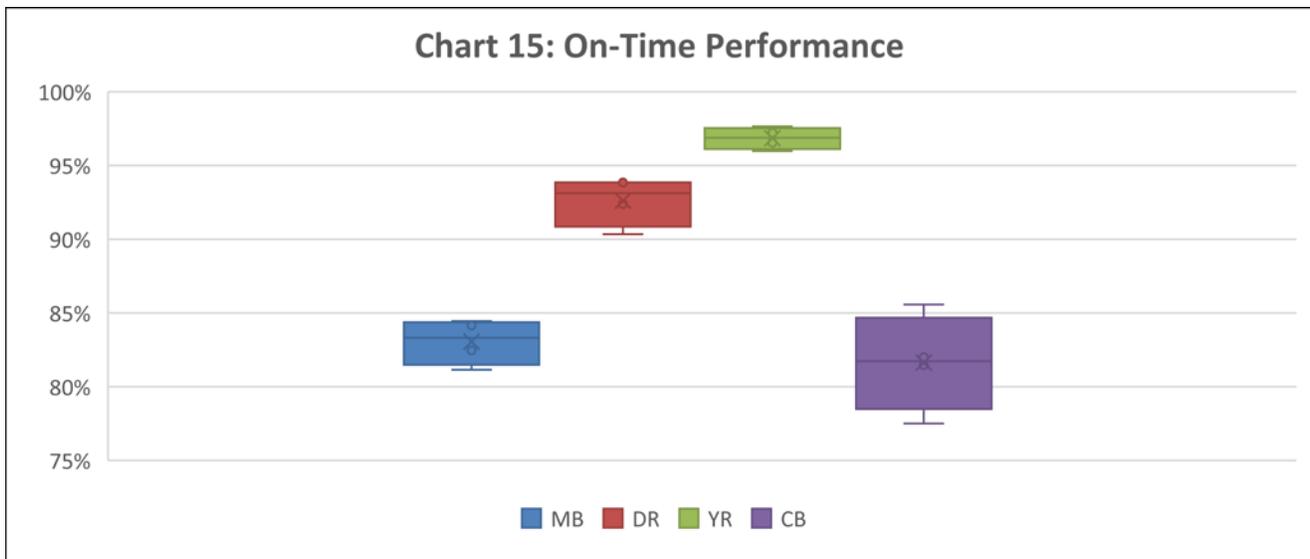
Frequency-based services (MetroRapid) do not operate according to a fixed schedule but rather react to what the bus in front of it is doing. For example, if a bus is supposed to arrive every 12 minutes, it is late if it is more than 50% of the frequency period, or in this example, 6 minutes. MetroRapid reflects the best OTP performance for bus at 85%. OTP performance is improved because the system has limited stops and uses strategies such as signal prioritization to help move buses through stop lights more efficiently.

DR is an on-demand service and, as such, has no published times. However, CapMetro has a policy for OTP that it applies to DR. All riders are given a 30-minute pick-up window; if the vehicle arrives after that window closes, the trip is considered late. Between FY16 and FY18, DR reflected 93.37 % OTP. However, in FY19 the OTP performance decreased to 90.34%. This decrease was attributed to a software failure of the Trapeze system following the implementation of software upgrades. The software failure caused delays in timely scheduling which resulted in declines in OTP.

YR is the most reliable, with an average OTP of 96.84%. Because rail operates along a fixed, dedicated guideway, it can eliminate variables such as traffic congestion or accidents that can result in late trips.

CB experienced the largest decline in OTP at 2.57% annually. This is due to increased congestion along the major corridors used by commuters. According to the Texas Transportation Institute 2019 Mobility Report, Austin ranked among the worst cities for hours delay and travel reliability.¹⁶

CapMetro maintains a Reliability Dashboard that reports OTP for all services where readers can access data by month, service type, and route.¹⁷ Refer to Chart 15: On-Time Performance for a graphical depiction of the OTP results.



¹⁵ CapMetro definition of OTP is not consistent with Chapter 451 definition. CapMetro considers vehicles that arrive after six minutes from the published time as late. This report reflects statistics per CapMetro definition.

¹⁶ Texas Transportation Institute 2019 Mobility Report. static.tti.tamu.edu/tti.tamu.edu/documents/mobility-report-2019.pdf.

¹⁷ <https://www.CapMetro.org/reliability-stats>

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8. Accidents per 100,000 Miles (Accident Rate)

Accident rate is a Customer/Quality of Service performance indicator that provides an assessment of a transit system's safety and security. Safety and security issues are relevant to passenger confidence and to the control of liability and insurance costs of services.

Chapter 451 Texas Transportation Code Definition: *The number of accidents per 100,000 miles is computed by multiplying the annual number of accidents by 100,000 and dividing the product by the number of miles for all service, including charter and nonrevenue service, directly operated by the authority for the same period. In this subsection, "accident" includes:*

- a collision that involves an authority's revenue vehicle, other than a lawfully parked revenue vehicle, and that results in property damage, injury, or death; and
- an incident that results in the injury or death of a person on board or boarding or alighting from an authority's revenue vehicle.

$$\text{Accident Rate} = 100,000 \text{ mi} \cdot \frac{\text{Accidents}}{\text{Service Miles}}$$

In the prior quadrennial audit report performed (FY 2012 – 2015), the NTD definition for “reportable events” was treated as equivalent to “accident” and the NTD data was used in the calculation.¹⁸ Because CapMetro did not directly operate any service between 2016 and 2019, this PI should not be reported to the State; however, it is included in this report for the benefit of CapMetro management.

- MB and DR accident rates decreased at an annual rate of 4.45% and 2.14% respectively. MB reflected 0.90 accidents and DR reflected 0.37 per 100,000 miles.
- CB reported three injuries in 2019. No events were reported in prior periods.
- YR reflected the highest accident rate at 2.27 per 100,000 miles.

¹⁸ The NTD does not include a definition of “accident.” The NTD requires transit agencies to report “reportable events” that meet a detailed threshold, depending on mode (Bus, Commuter Bus): Estimated property damage equal to or more than \$25,000; Any damage or harm to persons that requires immediate medical attention away from the scene; Fatality, including suicides. Rail is same as non-rail but includes events occurring at rail grade crossing, right of way and rail car collisions. Rail accidents are reported to the Federal Rail Administration. Prior period audit reporting included incidents on both passenger and freight rail. The current audit period only reflects accidents that occurred on the passenger rail system.

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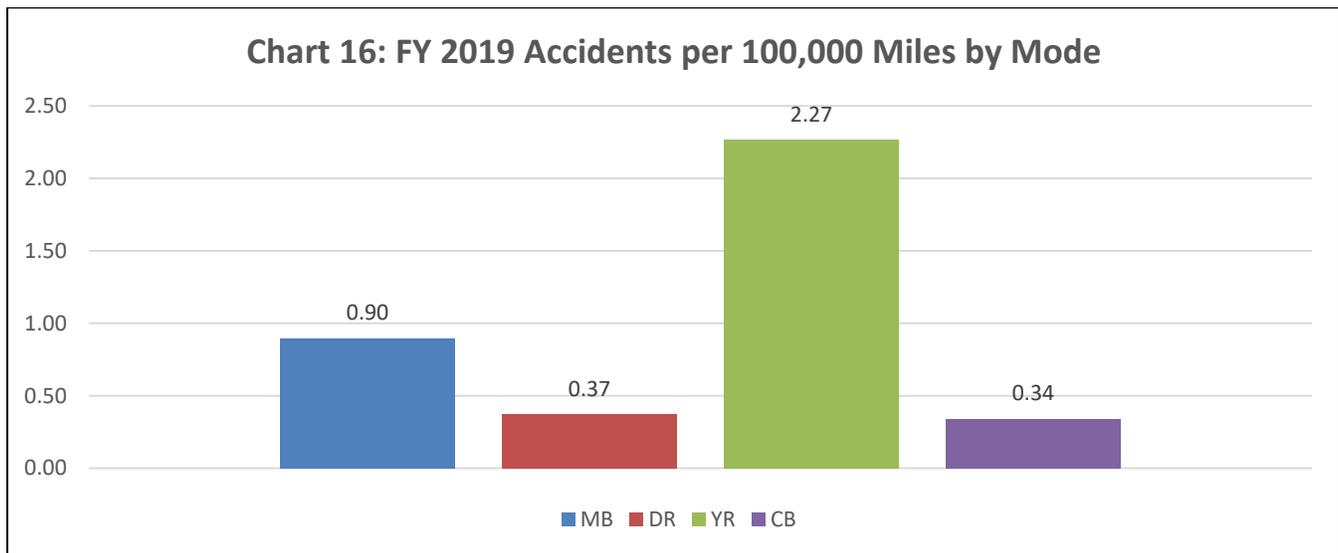
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Refer to Table 16: Accident Rate per 100,000 Miles by Mode for details regarding the changes over the period. Also, refer to Chart 16 for a detailed depiction of accident per 100,000 Miles by Mode for the FY19.

Table 16: Accident Rate per 100,000 Miles by Mode

| | MB | DR | YR | CB | Total |
|----------------|--------|--------|---------|------|--------|
| 2016 | 0.89 | 0.18 | 1.49 | 0.00 | 0.89 |
| 2017 | 0.87 | 0.45 | 0.59 | 0.00 | 0.87 |
| 2018 | 0.93 | 0.21 | 1.78 | 0.00 | 0.93 |
| 2019 | 0.90 | 0.37 | 2.27 | 0.34 | 0.90 |
| CAGR 2016-2019 | -4.45% | -2.14% | -49.73% | - | -4.45% |



9. Miles between Mechanical Road Calls

The miles between road calls is a measure of service reliability and provides a way to monitor the quality of the vehicle maintenance program and the general state of repair of the fleet.

Chapter 451 Texas Transportation Code Definition: The number of miles between mechanical road calls is computed by dividing the annual number of miles for all service directly operated by an authority, including charter and nonrevenue service, by the number of mechanical road calls for the same period. In this subsection, "mechanical road call" means an interruption in revenue service that is caused by revenue vehicle equipment failure that requires assistance from a person other than the vehicle operator before the vehicle can be operated normally.

$$\text{Miles Between Road Calls} = \frac{\text{Service Miles}}{\text{Road Calls}}$$

CapMetro did not directly operate service during the audit scope period. However, the PI is provided for management reference.

Capital Metropolitan Transportation Authority

FY 2016–2019 Quadrennial Performance Audit Report

Task 3 – Performance Indicator Review

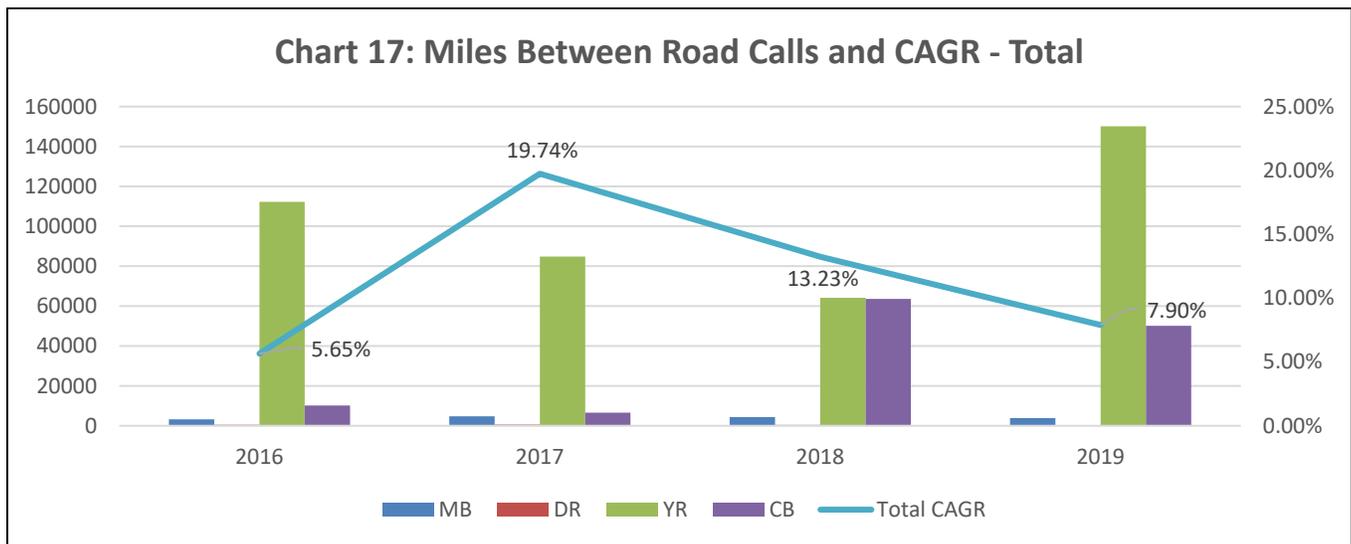
Report Date: January 8, 2021

- MB Miles between Road Calls increased at 7.23% annually; that is, CapMetro was operating more miles every year before either a major mechanical or other mechanical event interrupted service.
- DR Miles between Road Calls decreased at 2.81% annually; that is, CapMetro was operating fewer miles every year before either a major mechanical or other mechanical event interrupted service.
- YR Miles between Road Calls increased 92.98%. At the end of 2015, CapMetro was reporting an average of 10,823 miles between road calls. By the end of 2019, that figure had increased to 150,117.
- CB Miles between Road Calls increased by 52.18%. At the end of 2015, CapMetro was reporting an average of 9,344 miles between road calls. By the end of 2019, that figure had increased to 50,120.

Refer to Table 17: Miles Between Road Calls by Mode for details regarding the change over the period and Chart 17 for a graphical depiction of the results.

Table 17: Miles Between Road Calls by Mode

| | MB | DR | YR | CB | Average |
|----------------|-------|-------|--------|--------|---------|
| 2016 | 3212 | 487 | 112213 | 10176 | 4210 |
| 2017 | 4709 | 576 | 84804 | 6599 | 5713 |
| 2018 | 4346 | 446 | 64149 | 63632 | 5786 |
| 2019 | 3882 | 387 | 150117 | 50120 | 5401 |
| CAGR 2016-2019 | 7.23% | 6.22% | 92.98% | 52.18% | 7.90% |



Capital Metropolitan Transportation Authority

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Task 3 – Performance Indicator Review

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Recommendations for Management

From the procedures performed, we did not identify areas of non-compliance with Chapter 451 of the Texas Transportation Code, or a lack of effective controls and oversight, or where performance did not meet established expectations. However, recommendations for management were identified where considerations for enhancement to internal controls, processes, procedures, efficiency and effectiveness of operations or improvement to the management of the authority. The following recommendations were identified for Task 3 and provided to management for consideration. However, due to the nature of the recommendations, formal management responses and anticipated action plans are not required.

1. Increase of Fares

CapMetro fare recovery is low at approximately 10% of its costs and declined across all modes except for Commuter Bus. Addressing low fare recovery in an environment of declining ridership would be counterproductive. However, as ridership recovers, fare increases may be warranted and should be further evaluated. Management, in coordination with the Board of Directors, should continue to review and evaluate its fare policy and pricing model annually and provide recommendations for adjustments that take into consideration the impacts to the community and customer demographics. Additionally, Management should consider the impact of the unlimited monthly MetroAccess pass on fare recovery and identify alternative options that are favorable to the community while increasing fare recovery.

2. Documentation of Data Reporting and Validation Process

The sampling and data validation process reflected consistent reporting across all modes, with the exception of Demand Response (DR) revenue miles, hours, and passenger trips for 2016, 2017, and 2018, which was due to data collection and storage being performed within OMO. The loss of the staff person in charge of the collection efforts resulted in gaps in the process documentation to capture and validate revenue mile and hour reporting for all modes. Although the data was able to be verified and interpreted for the review, improvement to the documentation and storage of data reporting and validation by the appropriate department will ensure accurate records for the future. Management should consider formalizing processes for maintaining documentation and the storage of data reporting and validation within the Demand Response Oversight Department. The storage of the documentation should also be accessible to Management to ensure information is not lost due to turnover.

Appendices

Appendix A

Task 1 – In-Scope Department Staffing and Budget Summary

Capital Metropolitan Transportation Authority
 FY 2016–2019 Quadrennial Performance Audit Report
 Appendix A: Task 1 – Administration and Management of the Authority
 Report Date: January 8, 2021

| Capital Metropolitan Transportation Authority Department Details | | | Budget to Actual Department Expenses | | | | | | | |
|---------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|---------|
| | | | 2016 | | 2017 | | 2018 | | 2019 | |
| No. | Department | Description | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| 1 | Bus Contract Operations | Merged with Operations & Maintenance Oversight in FY19. Serves to segregate costs for each private fixed-route service contractors. Costs related to MetroBus, MetroExpress, Rural Services, and UT Shuttle routes. Contractors: CARTS, MV Transportation, McDonald Transit Associates. | 116,712,981 | 112,535,301 | 122,571,086 | 111,446,790 | 122,050,227 | - | - | - |
| 2 | Demand Response Oversight (formerly Paratransit Contract Ops) | Renamed in FY18. Oversees each of Capital Metro’s paratransit services contractors. Costs related to contracted paratransit services compliant with the ADA are budgeted in this department. To enhance customer service delivery, the Paratransit Administration department has merged with the Demand Response Oversight department. | 27,911,146 | 28,037,441 | 30,565,018 | 28,512,724 | 30,824,079 | 28,396,159 | 26,796,248 | 26,647 |
| 3 | Operations & Maintenance Oversight (formerly Bus and Paratransit) | Renamed in FY18. Absorbed Bus Contract Operations in FY19. Responsible for coordinating the operations and activities of all CapMetro service providers for bus services. This includes coordination of contract management, data collection and analysis and quality assurance activities for both vehicle operations and vehicle maintenance. | 4,178,466 | 3,669,425 | 3,913,803 | 115,017,941 | 125,920,938 | 122,937,945 | 134,043,021 | 134,458 |
| 4 | Paratransit Administration | Merged with the Demand Response Oversight department in FY19. Previously, managed all aspects of paratransit: Reservations, Control Center, Contracts Operations, Eligibility, also directly responsible for federal reporting on all paratransit related items. | 377,059 | 282,944 | 359,812 | 304,458 | 358,550 | - | - | - |
| 5 | Paratransit Eligibility | Manages the eligibility certification process, and promotes fixed-route use by providing training to people with disabilities and seniors. | 1,022,728 | 897,304 | 946,537 | 897,780 | 930,716 | 879,804 | 948,344 | 866 |
| 6 | Paratransit Reservations and Control Center | Includes the MetroAccess call center, dispatch, scheduling and customer service. Processes advance trip reservations, cancellations, inquiries, subscription service requests and group trips. This team manages and coordinates service through contracted providers. Also responsible for all customer service and outreach efforts for MetroAccess. | 1,759,576 | 1,562,300 | 1,804,043 | 1,669,373 | 1,833,730 | 1,821,805 | 1,937,727 | 1,907 |
| 7 | Rail Commuter Operations | Provides management and oversight of commuter rail service between Leander and downtown Austin. The mission entails the provision of safe and efficient public transportation for the community. The commuter service operates ten commuter trains out of one operations facility in Central Austin, along 32 miles of track that services nine stations along this right-of-way. Also manages the positive train control (PTC) contract, rail operations strategic planning, rail operations regulatory compliance and risk reduction through post-incident analysis. Has absorbed the Rail Compliance department in FY19. | 20,349,744 | 18,487,130 | 19,915,539 | 16,003,835 | 18,308,890 | 17,165,573 | 19,666,981 | 14,707 |
| 8 | Rail Freight Management | Responsible for managing and preserving Capital Metro’s railroad assets used for transportation of freight and for transit use. Currently, the department manages approximately 162 miles of railroad right-of-way between Giddings and Llano. Management of the Giddings-Llano rail line is accomplished through a rail freight operator, whose responsibility is to fulfill the common carrier obligations by providing freight service to shippers along the line, as well as implementing marketing strategies to maximize revenue while providing efficient freight service. | 747,897 | 391,701 | 1,521,485 | 1,669,241 | 1,794,328 | 1,980,645 | 1,600,091 | 1,663 |

Source: Department Budget to Actual Data obtained from Board Approved Capital Metro Budget Reports published annually.

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Capital Metropolitan Transportation Authority
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 Appendix A: Task 1 – Administration and Management of the Authority
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| Capital Metropolitan Transportation Authority Department Details | | | FTE Staffing Budget to Actual | | | | | | | |
|---------------------------------------------------------------------|-------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------|--------|--------|--------|--------|--------|--------|
| | | | 2016 | | 2017 | | 2018 | | 2019 | |
| No. | Department | Description | Budget | Actual | Budget | Actual | Budget | Actual | Budget | Actual |
| 1 | Bus Contract Operations | Merged with Operations & Maintenance Oversight in FY19. Serves to segregate costs for each private fixed-route service contractors. Costs related to MetroBus, MetroExpress, Rural Services, and UT Shuttle routes. Contractors: CARTS, MV Transportation, McDonald Transit Associates. | 5 | 5 | 5 | 5 | 4 | 5 | - | - |
| 2 | Demand Response Oversight (formerly Paratransit Contract Ops) | Renamed in FY18. Oversees each of Capital Metro’s paratransit services contractors. Costs related to contracted paratransit services compliant with the ADA are budgeted in this department. To enhance customer service delivery, the Paratransit Administration department has merged with the Demand Response Oversight department. | 2 | 2 | 2 | 2 | 3 | 2 | 4.5 | 3.5 |
| 3 | Operations & Maintenance Oversight (formerly Bus and Paratransit) | Renamed in FY18. Absorbed Bus Contract Operations in FY19. Responsible for coordinating the operations and activities of all CapMetro service providers for bus services. This includes coordination of contract management, data collection and analysis and quality assurance activities for both vehicle operations and vehicle maintenance. | 15 | 16 | 16 | 16 | 18 | 21 | 28 | 30 |
| 4 | Paratransit Administration | Merged with the Demand Response Oversight department in FY19. Previously, managed all aspects of paratransit: Reservations, Control Center, Contracts Operations, Eligibility, also directly responsible for federal reporting on all paratransit related items. | 3 | 3 | 3 | 3 | 3 | 3 | - | - |
| 5 | Paratransit Eligibility | Manages the eligibility certification process, and promotes fixed-route use by providing training to people with disabilities and seniors. | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| 6 | Paratransit Reservations and Control Center | Includes the MetroAccess call center, dispatch, scheduling and customer service. Processes advance trip reservations, cancellations, inquiries, subscription service requests and group trips. This team manages and coordinates service through contracted providers. Also responsible for all customer service and outreach efforts for MetroAccess. | 28 | 33 | 33 | 33 | 33 | 33 | 33 | 33 |
| 7 | Rail Commuter Operations | Provides management and oversight of commuter rail service between Leander and downtown Austin. The mission entails the provision of safe and efficient public transportation for the community. The commuter service operates ten commuter trains out of one operations facility in Central Austin, along 32 miles of track that services nine stations along this right-of-way. Also manages the positive train control (PTC) contract, rail operations strategic planning, rail operations regulatory compliance and risk reduction through post-incident analysis. Has absorbed the Rail Compliance department in FY19. | 10.5 | 10.5 | 11.5 | 11.5 | 8.5 | 8.5 | 10 | 15 |
| 8 | Rail Freight Management | Responsible for managing and preserving Capital Metro’s railroad assets used for transportation of freight and for transit use. Currently, the department manages approximately 162 miles of railroad right-of-way between Giddings and Llano. Management of the Giddings-Llano rail line is accomplished through a rail freight operator, whose responsibility is to fulfill the common carrier obligations by providing freight service to shippers along the line, as well as implementing marketing strategies to maximize revenue while providing efficient freight service. | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |

Source: Department Budget to Actual Data obtained from Board Approved Capital Metro Budget Reports published annually.

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Appendix B

Task 2 - Detailed Compliance Results – Chapter 451 Statutory Compliance Review

Capital Metropolitan Transportation Authority

FY 2016–2019 Quadrennial Performance Audit Report

Appendix B: Task 2 – Detailed Compliance Results for Chapter 451 Statutory Compliance Review

Report Date: January 8, 2021

| Transportation Code | Requirement | Test Conclusion |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Sec. 451.052 | Nature of Authority. Definition of an authority. | Achieved |
| Sec. 451.053 | Responsibility for control of authority. Board is responsible for the management, operation, and control of an authority and its property. | Achieved |
| Sec. 451.054(a) | General Powers of Authority. An authority shall carry out Chapter 451 as deemed necessary. | Achieved |
| Sec. 451.054(b) | General Powers of Authority. This section only applies to authorities created by alternate municipalities. | Not Applicable |
| Sec. 451.054(c) | General Powers of Authority. An authority may sue and be sued. | Achieved |
| Sec. 451.054(d) | General Powers of Authority. Before acquiring an interest in real property > \$20,000 the Board shall acquire 2 property appraisals independent of each other. | Not Applicable |
| Sec. 451.054(e) | General Powers of Authority. An authority may participate in sales, leases, and disposals. | Achieved |
| Sec. 451.055(a) | Grants and Loans. May contract with any person. | Achieved |
| Sec. 451.055(b) | Grants and Loans. May accept a grant or loan from any person. | Achieved |
| Sec. 451.056(a) | Operation of Transit Authority System. May operate a transit authority system within its territory. | Achieved |
| Sec. 451.056(b) | Operation of Transit Authority System. Acquire written approval of the governing body in order to lease the entire transit authority system under Sec. 451.056(a-3). | Not Applicable |
| Sec. 451.056(c) | Operation of Transit Authority System. This section applies to authorities created by alternate municipalities. | Not Applicable |
| Sec. 451.056(d) | Operation of Transit Authority System. Shall determine routes. | Achieved |
| Sec. 451.057 | Acquisition of Property by Agreement. May acquire rolling stock/other property under contract/trust. | Not Applicable |
| Sec. 451.058(a) | Use and Acquisition of Property of Others. May use public way and relocate/reroute/alter property of another person for purposes defined in Sec. 451.056(a-1). | Achieved |
| Sec. 451.058(b) | Use and Acquisition of Property of Others. May contract with owner to allow owner's own means/contractor of the owner to complete acts authorized by Sec. 451.058(a-2). | Not Applicable |
| Sec. 451.058(c) | Use and Acquisition of Property of Others. May acquire by eminent domain any interest in real property. | Not Applicable |
| Sec. 451.058(d) | Use and Acquisition of Property of Others. Costs incurred are at the sole cost and expense of the authority. Damages incurred by an owner must be paid by the authority. | Achieved |
| Sec. 451.058(e) | Use and Acquisition of Property of Others. Must receive written permission from owner of the property unless eminent domain is exercised. | Achieved |

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| Transportation Code | Requirement | Test Conclusion |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Sec. 451.059(a) | Eminent Domain Proceedings are initiated by the adoption by the Board. | Not Applicable |
| Sec. 451.059(b) | Eminent Domain Proceedings. Public hearings are held in a location convenient to the residents of the area > 29 days before the adoption of a resolution. | Not Applicable |
| Sec. 451.059(c) | Eminent Domain Proceedings. Notice of a public hearing is published in a newspaper easily accessible to residents of the area at least 1 time/week for 2 weeks before the meeting. | Not Applicable |
| Sec. 451.059(d) | Eminent Domain Proceedings. Adopted resolutions are conclusive evidence of public necessity. | Not Applicable |
| Sec. 451.059(e) | Eminent Domain Proceedings. | Not Applicable |
| Sec. 451.060 | Agreement with Utilities, Carriers. | Not Applicable |
| Sec. 451.061(a) | Fares and Other Charges. Fares and other charges will be imposed to produce revenue in an amount adequate to cover relevant expenses/liabilities sufficient for operations. | Achieved |
| Sec. 451.061(b) | Fares and Other Charges. Impositions are not to be excessive beyond covering obligations. | Achieved |
| Sec. 451.061(c) | Fares and Other Charges. May set fares according to a zone system or other reasonable classification. | Achieved |
| Sec. 451.061(d) | Fares and Other Charges. This section does not apply to authorities with populations greater than 1.9 million. | Not Applicable |
| Sec. 451.061(e) | Fares and Other Charges. The state's power is not limited in regards to regulating taxes imposed/other compensation authorized. | Achieved |
| Sec. 451.061(f) | Fares and Other Charges. Personal identifying information is confidential and not subject to disclosure under Chapter 552, Government Code. | Achieved |
| Sec. 451.0611(a) | Enforcement of Fares and Other Charges; Penalties. By resolution, board may prohibit persons who fail to pay the fare, and may ensure fares are paid by persons utilizing the public transportation system. | Achieved |
| Sec. 451.0611(b) | Enforcement of Fares and Other Charges; Penalties. By resolution, board may charge a penalty not to exceed \$90 for unpaid fares/charges. | Achieved |
| Sec. 451.0611(c) | Enforcement of Fares and Other Charges; Penalties. Signs must be posted designating areas that require evidence of fare payment. | Achieved |
| Sec. 451.0611(d) | Enforcement of Fares and Other Charges; Penalties. A person commits an offense if they do not possess evidence of fare payment, fails to pay fare/penalty on or before 30th day after the date they have been notified of the amount. | Achieved |
| Sec. 451.0611(e) | Enforcement of Fares and Other Charges; Penalties. Notices required by Sec. 451.0611(d) must be included in a citation. | Achieved |
| Sec. 451.0611(f) | Enforcement of Fares and Other Charges; Penalties. Offenses under Sec. 451.0611(d) are Class C misdemeanors and not crimes of moral turpitude. | Achieved |
| Sec. 451.0611(g) | Enforcement of Fares and Other Charges; Penalties. This section only applies to authorities that were created before 1980 and have populations less than 1.9 million. | Not Applicable |

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Appendix B: Task 2 – Detailed Compliance Results for Chapter 451 Statutory Compliance Review

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| Transportation Code | Requirement | Test Conclusion |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Sec. 451.0612(a) | Fare Enforcement Officers. May employ Fare Enforcement Officers. | Achieved |
| Sec. 451.0612(b) | Fare Enforcement Officers. Must complete 40-hour training before commencing duties. | Achieved |
| Sec. 451.0612(c) | Fare Enforcement Officers. Must wear uniform and work under safety/security directions of management while on duty. | Achieved |
| Sec. 451.0612(d) | Fare Enforcement Officers. May request evidence of payment, request personal ID from passenger who does not provide evidence of payment, request passenger to leave if they fail to present evidence of payment, and file a complaint charging the person with an offense. | Achieved |
| Sec. 451.0612(e) | Fare Enforcement Officers. May not carry a weapon while performing duties under Section 451.0612. | Achieved |
| Sec. 451.0612(f) | Fare Enforcement Officers. Fare enforcement officers are not peace officers and have no authority to enforce criminal law outside of the authority possessed by a person who is not a peace officer. | Achieved |
| Sec. 451.062(a) | Power to Enter Real Property. May go on real property to make surveys/examine property and attend to any authority business. | Achieved |
| Sec. 451.062(b) | Power to Enter Real Property. At least a 2 weeks' notice shall be given to owners in possession before entering property. | Achieved |
| Sec. 451.062(c) | Power to Enter Real Property. Property damaged shall be restored as nearly as possible at the sole expense of the authority. | Achieved |
| Sec. 451.063 | Tax Exemption. The property, revenue, and income of an authority are exempt from state and local taxes. | Achieved |
| Sec. 451.064 | Parking Areas: Certain Authorities. This section only applies to authorities that were created before 1980 and have populations less than 1.9 million. | Not Applicable |
| Sec. 451.065(a) | Roadways, Trails, Lighting: Certain Authorities. May construct/maintain a highway, local/arterial street, thoroughfare, other road, bridge/grade separation; and install/operate traffic control improvements (i.e. signals). | Not Applicable |
| Sec. 451.065(b) | Roadways, Trails, Lighting: Certain Authorities. May construct/maintain a sidewalk, hiking/biking trail; install/maintain streetlights; make drainage improvements and take related measures as reasonable and necessary for effective use. | Not Applicable |
| Sec. 451.065(c) | Roadways, Trails, Lighting: Certain Authorities. May perform activities authorized by this section through an agreement with another governmental entity. | Not Applicable |
| Sec. 451.065(d) | Roadways, Trails, Lighting: Certain Authorities. Must obtain consent of governing body of the municipality or a contract with the municipality specifying actions that authority must undertake. | Not Applicable |
| Sec. 451.065(e) | Roadways, Trails, Lighting: Certain Authorities. Section 451.065(a) does not apply to actions undertaken by Section 451.056(a-1) or 451.058. | Not Applicable |
| Sec. 451.065(f) | Roadways, Trails, Lighting: Certain Authorities. This section does not apply to authorities created before 1980 with populations less than 1.9 million. | Achieved |
| Sec. 451.066 | Spending Limitation: Trails and Lighting in Certain Authorities. This section does not apply to authorities created after 1980. | Not Applicable |

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| Transportation Code | Requirement | Test Conclusion |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Sec. 451.067 | Emergency Medical Services: Certain Authorities. This section does not apply to authorities with populations greater than 320,000. | Not Applicable |
| Sec. 451.068 | Free Fares Program: Certain Authorities. This section does not apply to authorities with populations greater than 850,000. | Not Applicable |
| Sec. 451.070(a) | Elections. In a board ordered election, notice by publication in a newspaper of general circulation at least once a week for 3 consecutive weeks, starting at least 21 days before the election. | Not Applicable |
| Sec. 451.070(b) | Elections. Subsection (a) does not apply to an election under Subchapter N. | Not Applicable |
| Sec. 451.070(c) | Elections. An election contest may not be heard unless the comptroller is timely notified as required by Section 451.413. | Not Applicable |
| Sec. 451.071 | Referendum for Rail Plan; Certain Authorities. This section does not apply to authorities with populations greater than 850,000. | Not Applicable |
| Sec. 451.072(a) | General Authority to Call Election: Certain Authorities. This section only applies to authorities with a population of more than 1.9 million. | Achieved |
| Sec. 451.072(b) | General Authority to Call Election: Certain Authorities. Board may call an election to determine the voters' will on any issue that the board is authorized to decide under this chapter. At the time the election is ordered the Board must specify if the results are binding on the authority. | Not Applicable |
| Sec. 451.072(c) | General Authority to Call Election: Certain Authorities. Board shall specify the ballot proposition for an election called under this section to be approved if favored by the majority. | Not Applicable |
| Sec. 451.101 | Board Powers. A board has the powers specified in this statute. | Achieved |
| Sec. 451.102(a) | Budget. Board shall adopt an annual operating budget before the start of the fiscal year. | Achieved |
| Sec. 451.102(b) | Budget. Board shall hold a public hearing on the budget and make the budget publicly available at least 14 days before the hearing. | Achieved |
| Sec. 451.102(c) | Budget. Board may amend the budget after a public notice and hearing. | Not Applicable |
| Sec. 451.103 | Operating Expenditures. Operating expenses may not be in excess of the operating expenses specified in the annual operating budget. | Achieved |
| 451.104 | Investment Powers: Certain Authorities. This section does not apply to authorities created after 1980 and with populations greater than 1.9 million. | Not Applicable |
| 451.105(a) | Depository; Deposit of Funds. Board shall designate at least 1 bank as depository for authority funds. | Achieved |
| 451.105(b) | Depository; Deposit of Funds. All authority funds shall be deposited in at least 1 of the specified depository banks unless an authorized exception occurs. | Not Applicable |
| 451.105(c) | Depository; Deposit of Funds. Funds in a depository shall be lawfully secured for the security of county funds. | Not Applicable |

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| Transportation Code | Requirement | Test Conclusion |
|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 451.106(a) | General Manager; Management Policies: Certain Authorities. Board shall employ a general manager. | Achieved |
| 451.106(b) | General Manager; Management Policies: Certain Authorities. Only the general manager may remove on employee. | Achieved |
| 451.106(c) | General Manager; Management Policies: Certain Authorities. General manager may contract with others with board approval. | Achieved |
| 451.106(d) | General Manager; Management Policies: Certain Authorities. Board shall adopt policies clearly defining the respective duties of the board and staff. | Achieved |
| 451.106(e) | General Manager; Management Policies: Certain Authorities. This section applies only to an authority described by Subsection (a). | Achieved |
| 451.107(a) | Rules. Board by resolution may adopt rules for operation/maintenance/regulation and use of the transit authority. | Achieved |
| 451.107(b) | Rules. Each rule shall be published in a newspaper with general circulation once each week for 2 consecutive weeks after adoption. | Achieved |
| 451.107(c) | Rules. A rule becomes effective 10 days after the date of the second publication of the notice. | Achieved |
| 451.1075(a) | Prohibition of Consumption of Alcoholic Beverage. Board may prohibit consumption of alcoholic beverages on the authority property. | Achieved |
| 451.1075(b) | Prohibition of Consumption of Alcoholic Beverage. A sign is posted in each place where alcohol is prohibited communicating the prohibition. | Achieved |
| 451.1075(c-d) | Prohibition of Consumption of Alcoholic Beverage. Consumption of alcoholic beverages in a prohibited area is a Class C misdemeanor. | Achieved |
| 451.1075(e) | An "alcoholic beverage" is to be defined by the Alcoholic Beverage Code. | Achieved |
| 451.108(a) | Peace Officers. Authority may commission and employ a peace officer | Achieved |
| 451.108(b,c,e) | Peace Officers. This section does not apply to an authority that was created after 1980 or has a population of more than 1.9 million. | Not Applicable |
| 451.108(d) | Peace Officers. Peace Officers must file the respective oath. | Achieved |
| 451.109(a) | Advisory Committee. Board may establish 1 or more Advisory Committees to make recommendations to the Board or general manager. | Achieved |
| 451.109(b) | Advisory Committee. Members are appointed by the Board. | Achieved |
| 451.109(c) | Advisory Committee. Member is not compensated for service, but is entitled to reimbursement for expenses incurred in the performance of services. | Achieved |
| 451.109(d) | Advisory Committee. This section does not apply to an authority in which the principal municipality has a population of 850,000 or more but not more than 1.9 million. | Achieved |

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Appendix B: Task 2 – Detailed Compliance Results for Chapter 451 Statutory Compliance Review

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| Transportation Code | Requirement | Test Conclusion |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 451.110(a) | Purchases: Competitive Bidding. Board may not contract for construction of an improvement or purchase of property, except through competitive bidding after notice of the contract proposal. | Achieved |
| 451.110(b) | Purchases: Competitive Bidding. Board may adopt rules on competitive bidding. | Achieved |
| 451.110(c) | Purchases: Competitive Bidding. Subsection (a) does not apply to a contract for \$50,000 or less, purchase of real property, personal/professional services, or acquisition of an existing transit system. | Achieved |
| 451.111(a) | Purchases: Notice of Noncompetitive Bid Proposals. A board may not let a contract that is > \$50,000 and for the purchase of real property or consulting/professional services. | Achieved |
| 451.111(b) | Purchases: Notice of Noncompetitive Bid Proposals. An announcement of a contract being considered that is subject to this section must be posted in a prominent place in the principal office for at least 2 weeks before the date the contract is awarded. | Achieved |
| 451.111(c) | Purchases: Notice of Noncompetitive Bid Proposals. This section does not apply to a contract that must be awarded through competitive bidding or for the purchase of an existing transit system. | Achieved |
| 451.112 | Conflicts of Interest: Board Members. Chapter 171, Local Government Code, applies to a board member of an authority. A contract executed in violation of this section is voidable. | Achieved |
| 451.113(a) | Driving on Certain Authority Right-of-Way; Penalty. Driving on a designated right-of-way of an authority that is used in connection with a motor bus rapid transit system is an offense committed by the person operating the motor vehicle. | Achieved |
| 451.113(b) | Driving on Certain Authority Right-of-Way; Penalty. Exceptions to subsection (a) include: authorized driving of a vehicle of the authority or driving an authorized emergency vehicle and responding to a call. | Achieved |
| 451.113(c) | Driving on Certain Authority Right-of-Way; Penalty. Any Peace Officer in the jurisdiction of the offense may enforce subsection (a). | Achieved |
| 451.113(d) | Driving on Certain Authority Right-of-Way; Penalty. An offense under this section is a Class C misdemeanor. | Achieved |
| 451.131 | Applicability. This subchapter only applies to authorities with a population of less than 1 million. | Achieved |
| 451.151(a) | Station or Terminal Complex: System Plan. May not acquire an interest in real property for a station/terminal complex unless included in the transit authority system in a plan approved by the Board. | Achieved |
| 451.151(b) | Station or Terminal Complex: System Plan. May not be included in a transit authority system unless the Board first assesses the station/terminal complex against certain criteria. | Achieved |
| 451.151(c) | Station or Terminal Complex: System Plan. Board may amend the authority's comprehensive transit plan to include a station/terminal complex. | Achieved |
| 451.152 | Station or Terminal Complex: Facilities. A station/terminal complex must include means for transfer of passengers and may include provision for residential, institutional, recreational, commercial, and industrial facilities. | Achieved |
| 451.153 | Approval of Municipality. Location of station/terminal complex must be approved by the governing body of the municipality. | Not Applicable |
| 451.154(a) | Station or Terminal Complex: Limitation on Real Property Acquisition. May not be acquired unless property complies with certain criteria. | Not Applicable |
| 451.154(b) | Station or Terminal Complex: Limitation on Real Property Acquisition. This section does not apply to authorities created after 1980 and those with population counts greater than 1.9 million. | Not Applicable |

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| 451.154(c) | Station or Terminal Complex: Limitation on Real Property Acquisition. Board will designate the center point of the station/terminal complex before commencement of eminent domain. | Not Applicable |
| 451.155(a) | Transfer of Real Property in Station or Terminal Complex. May transfer interest in real property in a station/terminal complex to any person in accordance with the comprehensive transit plan and certain terms. | Not Applicable |
| 451.155(b) | Transfer of Real Property in Station or Terminal Complex. Transfer must be at fair value of the interest transferred. | Not Applicable |
| 451.155(c) | Transfer of Real Property in Station or Terminal Complex. A person from whom property offered for sale under this section was acquired by eminent domain or the threat of eminent domain has a first right to purchase the property at the price for which the property is offered to the public. | Not Applicable |
| Sec. 451.201 | Regional Economic Development Facilities. | Not Applicable |
| Sec. 451.251 | Subchapter F: Special Programs and Services. | Not Applicable |
| Sec. 451.352(a) | Power to Issue Bonds. May issue bonds at any time. | Not Applicable |
| Sec. 451.352(b) | Power to Issue Bonds. Board may authorize issuance of bonds payable solely from revenue. | Not Applicable |
| Sec. 451.352(c) | Power to Issue Bonds. Bonds must be issued by majority vote in an election held for that specific purpose. | Not Applicable |
| Sec. 451.353(a) | Bond Terms. Bonds are fully negotiable and may be redeemable. | Not Applicable |
| Sec. 451.353(b) | Bond Terms. Revenue bond indentures may limit a power of the authority provided by Sections 451.054-451.060, 451.061(a) or (b), 451.064-451.069, 451.107(a), or 451.251 as long as the bonds are outstanding. | Not Applicable |
| Sec. 451.354 | Sale. Bonds may be sold at a public/private sale as determined by the Board to be more advantageous. | Not Applicable |
| Sec. 451.355(a) | Approval; Registration. Bonds and related records shall be submitted to the attorney general for examination before the bonds are delivered. | Not Applicable |
| Sec. 451.355(b) | Approval; Registration. The attorney general will approve the bonds if he finds that the bonds are constitutional and Chapter 451 and that the bonds are a binding obligation of the issuing authority. | Not Applicable |
| Sec. 451.355(c) | Approval; Registration. Comptroller registers the bonds after approval by the attorney general. | Not Applicable |
| Sec. 451.356 | Incontestability. Bonds are incontestable after they are: approved by the attorney general; registered by the comptroller; sold and delivered to the purchaser. | Not Applicable |
| Sec. 451.357(a) | Security Pledged. To secure the payment of a bond the authority may: pledge all/part of revenue realized from any tax the authority imposes; pledge all/part of revenue from the transit authority system; mortgage all/part of the transit authority system (including parts subsequently acquired). | Not Applicable |
| Sec. 451.357(b) | Security Pledged. Under Sec. 451.357(a)(3) an authority may encumber a separate item of the transit system. | Not Applicable |

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| Sec. 451.357(c) | Security Pledged. Authority may not issue bonds secured by ad valorem tax revenue. | Not Applicable |
| Sec. 451.357(d) | Security Pledged. This subchapter does not prohibit encumbering 1 or more transit systems to purchase/construct/extend/repair 1 or more other transit systems. | Not Applicable |
| Sec. 451.358 | Pledge of Revenue Limited. Expenses of operation and maintenance of a transit system are a first lien and charge against any revenue of a system that is encumbered under this chapter. | Not Applicable |
| Sec. 451.359 | Refunding Bonds. May issue refunding bonds. | Not Applicable |
| Sec. 451.360(a) | Bonds as Authorized Investments. Bonds are authorized investments for: a bank, savings bank, trust company, savings & loan association, and insurance company. | Not Applicable |
| Sec. 451.360(b) | Bonds as Authorized Investments. The bonds, when accompanied by all appurtenant, unmatured coupons and to the extent of the lesser of their face value or market value, are eligible to secure the deposit of public funds of this state, a political subdivision of this state, and other political corporation of this state. | Not Applicable |
| Sec. 451.361 | Exchange of Bonds for Existing System. Revenue bonds may be exchanged. | Not Applicable |
| Sec. 451.362(a) | Short-Term Bonds. May issue bonds that are secured by revenue/taxes of the authority if the bonds: have term not more than 12 months and are payable only from revenue/taxes received on/after the date of issuance and before the end of the fiscal year following the fiscal year in which the bonds are issued. | Not Applicable |
| Sec. 451.362(b) | Short-Term Bonds. Bonds issued under this section do not need attorney general approval/registration with the comptroller. | Not Applicable |
| Sec. 451.362(c) | Short-Term Bonds. Bonds may have term 5 years or less. | Not Applicable |
| Sec. 451.362(d) | Short-Term Bonds. This section does not apply to an authority that was created after 1980 or has a population of more than 1.9 million. | Not Applicable |
| Sec. 451.3625 | Bonds for Rail System; Certain Authorities. This section does not apply to authorities with a population count greater than 850,000. | Not Applicable |
| Sec. 451.363 | Tax Exemption. Interest on bonds is exempt from state/local taxes. | Not Applicable |
| Sec. 451.401 | General Power of Taxation. May impose any kind of tax except ad valorem property tax. | Achieved |
| Sec. 451.402(a) | Voter Approval Required for Tax. May not impose tax/increase rates without majority vote in election held for that purpose. | Not Applicable |
| Sec. 451.402(b) | Voter Approval Required for Tax. New tax/rate increases must be expressed in a separate proposition with a brief statement of the nature of the proposition. | Not Applicable |
| Sec. 451.402(c) | Voter Approval Required for Tax. Notice of the election must contain a statement of the base/rate of the proposed tax. | Not Applicable |
| Sec. 451.403(a) | Authority Tax Code and Rules. Must adopt a tax code and rules before voting on the tax. | Not Applicable |

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| Sec. 451.403(b) | Authority Tax Code and Rules. Tax code and rules may contain other provisions. | Not Applicable |
| Sec. 451.403(c) | Authority Tax Code and Rules. Board may amend the tax code and rules after the election & approval. May not increase amount unless approved by 451.402. | Not Applicable |
| Sec. 451.403(d) | Authority Tax Code and Rules. Does not apply to sales and use tax/motor vehicles emissions tax. | Not Applicable |
| Sec. 451.404(a) | Sales and Use Tax. Board may impose sales and use tax. | Achieved |
| Sec. 451.404(b) | Sales and Use Tax. Chapter 322, Tax Code, applies to an authority's sales and use tax. | Not Applicable |
| Sec. 451.405(a) | Maximum Tax Rate in Authority Area. May not adopt sales and use tax exceeding 2% when combined with rates of all sales and use taxes imposed by other subdivisions. | Not Applicable |
| Sec. 451.405(b) | Maximum Tax Rate in Authority Area. Elections have no effect if: elections are held on the same day a municipality/county adopts a sale and use tax, and if combined rates of all sales and use taxes exceed 2%. | Not Applicable |
| Sec. 451.406 | Initial Sales Tax: Effective Date. Adopted of sales and use tax takes effect on the first day of the second calendar quarter beginning after the date the comptroller receives a copy of the order required to be filed under Section 451.661. | Not Applicable |
| Sec. 451.407 | Rate Decrease: Sales and Use Tax. Board may decrease the sales and use tax rate or order an election to decrease the rate. | Not Applicable |
| Sec. 451.408(a) | Rate Increase: Sales and Use Tax. Board may order an election to increase the sales and use tax rate. | Not Applicable |
| Sec. 451.408(b) | Rate Increase: Sales and Use Tax. Registered voters may require an election to increase the sales and use tax rate. | Not Applicable |
| Sec. 451.408(c) | Rate Increase: Sales and Use Tax. If board reduced rate without an election, board may increase the rate not in excess of the rate before the decrease. | Not Applicable |
| Sec. 451.409(a) | Sales and Use Tax Rate Increase: Petition and Election. Petition to increase the rate is valid only if submitted to board and signed by at least 10% of the registered voters. | Not Applicable |
| Sec. 451.409(b) | Sales and Use Tax Rate Increase: Petition and Election. Board shall submit a petition for an election to increase the rate to the secretary of state. | Not Applicable |
| Sec. 451.409(c) | Sales and Use Tax Rate Increase: Petition and Election. Secretary of state shall respond no later than 30 days after receiving the petition. | Not Applicable |
| Sec. 451.409(d) | Sales and Use Tax Rate Increase: Petition and Election. Board shall call an election to increase the rate if the secretary validates the petition or fails to respond within the 30 day period. | Not Applicable |
| Sec. 451.409(e) | Sales and Use Tax Rate Increase: Petition and Election. Authority shall pay costs of validating a petition and election. | Not Applicable |
| Sec. 451.410 | Sales and Use Tax Increase or Decrease Ballots: In an election the ballots shall be printed to provide for voting for or against the following proposition: "The (increase or decrease) of the local sales and use tax rate to (percentage)." | Not Applicable |
| Sec. 451.411(a) | Results of Election; Notice. If an increase/decrease to the rate is won by majority vote, it goes into effect according to Section 451.412. | Not Applicable |

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| Sec. 451.411(b) | Results of Election; Notice. Authority must send notice of election and certified copy of results to TxDOT and comptroller. | Not Applicable |
| Sec. 451.412 | Effective Date of Tax Rate Change. Effective on the first day of the first calendar quarter that begins after the date the comptroller receives notice, or first day of the second calendar quarter that begins after the date the comptroller receives notice if comptroller requires more time within 10 days after receipt of the notice. | Not Applicable |
| Sec. 451.413(a) | Tax Effective Dates After Election Contest. Contestant of an election must notify the comptroller within 10 days after the date the contest is filed. | Not Applicable |
| Sec. 451.413(b) | Tax Effective Dates After Election Contest. Upon receiving the contest notice the effective date is suspended. | Not Applicable |
| Sec. 451.413(c) | Tax Effective Dates After Election Contest. Presiding Officer of the board must notify the comptroller when a final judgment of a contest is entered. | Not Applicable |
| Sec. 451.413(d) | Tax Effective Dates After Election Contest. If the result is sustained the comptroller must substitute the date of receipt of the notice of the final judgment for the date of receipt of the notice of election results. | Not Applicable |
| Sec. 451.414(a) | Maximum Rate of Vehicle Emissions Tax. Each year the Board imposes a Motor Vehicle Emissions Tax the rate is set as a percentage of the maximum rate specified for each class of vehicles. | Not Applicable |
| Sec. 451.414(b) | Maximum Rate of Vehicle Emissions Tax. Rate may not exceed 100% of the amount specified by the table. | Not Applicable |
| Sec. 451.415(a) | Exemptions. The following vehicles are exempt from vehicle emissions tax: exclusive use in U.S., state, county, municipality, school district, authority service; operated in the authority for an average period of <2 days each calendar week during a tax year/portion of a tax year during which the tax accrues. | Not Applicable |
| Sec. 451.415(b) | Exemptions. To receive (a)(3) exemption, owner must file with the county assessor-collector. | Not Applicable |
| Sec. 451.416(a) | Emissions Tax Year. Motor vehicle emissions tax year begins April 1 and is divided into quarters. | Not Applicable |
| Sec. 451.416(b) | Emissions Tax Year. Tax accruing during the second quarter is 3/4 of the amount of the annual tax. Tax accruing during the third quarter is 1/2 the amount of annual tax. Tax accruing during the fourth quarter is 1/4 the amount of the annual tax. | Not Applicable |
| Sec. 451.417 | Emissions Tax Payments: Delinquency. Motor vehicle emissions taxes are payable February 1 and are delinquent if not paid by April 1. If payable on/after April 1, they are delinquent if not paid by the 61st day after they accrue. | Not Applicable |
| Sec. 451.418 | Collection of Emissions Taxes by County-Assessor-Collector. | Not Applicable |
| Sec. 451.419(a) | Penalties and Interest: Emissions Taxes. Penalties apply to the late payment of motor vehicle emissions taxes. | Not Applicable |
| Sec. 451.419(b) | Penalties and Interest: Emissions Taxes. Delinquent tax bears interest at 6% a year until paid. | Not Applicable |
| Sec. 451.420 | Board Rules: Emissions Taxes. Board may adopt rules relating to the collection and payment of the authority's motor vehicle emissions taxes. | Not Applicable |
| Sec. 451.451 | Financial Audits. Board must have annual audit of affairs prepared by an independent CPA/firm. The audit must be open to public inspection. | Achieved |

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| Sec. 451.452(a) | Review of Audit: Certain Authorities. Board must deliver copy of each audit prepared to certain recipients. | Not Applicable |
| Sec. 451.452(b) | Review of Audit: Certain Authorities. State auditor may elect to file comments about the audit with the legislative audit committee and Board. | Not Applicable |
| Sec. 451.452(c) | Review of Audit: Certain Authorities. State auditor may examine workpapers from the audit or audit the financial transactions if deemed necessary. | Not Applicable |
| Sec. 451.452(d) | Review of Audit: Certain Authorities. Subsections (a)(5) and (6) don't apply if population of more than 1.9 million. | Not Applicable |
| Sec. 451.454(a) | Performance Audits: Certain Authorities. Board should contract a performance audit at least once every 4 years. | Achieved |
| Sec. 451.454(b) | Performance Audits: Certain Authorities. Audit should provide evaluation of oversight functions by state/local officers and information to assist in improvements of operations. | Achieved |
| Sec. 451.454(c) | Performance Audits: Certain Authorities. Audit must examine 1 of more: admin and management, transit operations, transit maintenance; statutory compliance; and performance indicators. | Achieved |
| Sec. 451.454(d) | Performance Audits: Certain Authorities. Subjects described in subsection (c)(1) must be examined at least once in every third audit. | Achieved |
| Sec. 451.455(a) | Computation of Performance Indicators. Operating cost per passenger = annual operating cost / passenger trips. | Achieved |
| Sec. 451.455(b) | Computation of Performance Indicators. Sales and use tax receipts per passenger = annual receipts from sales and use taxes / passenger trips. | Achieved |
| Sec. 451.455(c) | Computation of Performance Indicators. Operating cost/revenue hour = annual operating cost / total scheduled hours revenue vehicles are in revenue service. | Achieved |
| Sec. 451.455(d) | Computation of Performance Indicators. Operating cost / revenue mile = annual operating cost / # miles traveled by revenue vehicles while in revenue service. | Achieved |
| Sec. 451.455(e) | Computation of Performance Indicators. Fare recovery rate = annual revenue + fares, tokens, passes, tickets, route guarantees, sponsors / operating cost. | Achieved |
| Sec. 451.455(f) | Computation of Performance Indicators. Average vehicle occupancy = annual passenger miles / # miles traveled by revenue vehicles while in revenue service. Annual passenger miles = annual passenger trips X average distance ridden by passengers. | Achieved |
| Sec. 451.455(g) | Computation of Performance Indicators. On-time performance = annual % revenue vehicle trips departing from selected locations at a time not earlier than the published departure time, not later than 5 minutes after published time. | Achieved |
| Sec. 451.455(h) | Computation of Performance Indicators. # of accidents per 100,000 miles = annual # accidents by X 100,000 / # miles for all service. | Achieved |
| Sec. 451.455(i) | Computation of Performance Indicators. # miles between mechanical road calls = annual # miles for all service directly operated by an authority X # mechanical road calls. | Achieved |
| Sec. 451.455(j) | Computation of Performance Indicators. | Achieved |
| Sec. 451.456(a) | Performance Audit Response; Hearing. Must prepare written response to audit report. | Achieved |

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| Sec. 451.456(b) | Performance Audit Response; Hearing. Must make copies of report and response available for public inspection. | Achieved |
| Sec. 451.456(c) | Performance Audit Response; Hearing. Must conduct public hearing on each performance audit with notice of hearing at least 14 days before the meeting. | Achieved |
| Sec. 451.457 | Delivery of Report and Response. Before February 1 of every second odd-numbered year, must deliver copy of audit report and response to certain recipients. | Achieved |
| Sec. 451.458 | Internal Auditor. This section does not apply to authorities with populations greater than 850,000. | Not Applicable |
| Sec. 451.460 | Annual Report. This section does not apply to authorities with populations greater than 850,000. | Not Applicable |
| Sec. 451.501(a) | Board Membership. Board is composed of 5 members + number of additional members determined in subsection (c)-(e). | Achieved |
| Sec. 451.501(b) | Board Membership. This statute only applies to authorities created by alternate municipalities. | Not Applicable |
| Sec. 451.501(c) | Board Membership. If less than 50% of population of principal county resides in the authority, 2 additional members. | Achieved |
| Sec. 451.501(d) | Board Membership. If 50% - 75% of population of principal county resides in the authority, 4 additional members. | Not Applicable |
| Sec. 451.501(e) | Board Membership. If 75% or more of population of principal county resides in the authority, 6 additional members. | Not Applicable |
| Sec. 451.501(f) | Board Membership. Principal county = where not <51% population resides. | Not Applicable |
| Sec. 451.501(g) | Board Membership. This section does not apply to authorities described by 451.5021(a). | Achieved |
| Sec. 451.502(a) | Appointment of Members. 5 Board members are appointed by the governing body of the principal municipality. | Achieved |
| Sec. 451.502(b) | Appointment of Members. This statute only applies to authorities created by alternate municipalities. | Not Applicable |
| Sec. 451.502(c) | Appointment of Members. 1 member must be appointed by the mayors of municipalities in the authority, 1 member appointed by the commissioners court of the principal county. | Achieved |
| Sec. 451.502(d) | Appointment of Members. This section does not apply as the board does not contain 4 additional members. | Not Applicable |
| Sec. 451.502(e) | Appointment of Members. This section does not apply as the board does not contain 6 additional members. | Not Applicable |
| Sec. 451.502(g) | Appointment of Members. At least 1 Board member must represent interests of the transportation disadvantaged. | Achieved |
| Sec. 451.5021 | Board Composition; Certain Authorities. | Achieved |

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| Sec. 451.503(a) | Appointments Panel. Mayor of the most populous municipality represented on the panel under Sec. 451.502 is the presiding officer. | Achieved |
| Sec. 451.503(b) | Appointments Panel. Presiding officer must call a meeting of the panel to make an appointment to be made not later than 60th day after the date a position becomes vacant/position is created. | Achieved |
| Sec. 451.5035 | Designation of Alternate by Mayor. This section does not apply to authorities with populations greater than 320,000. | Not Applicable |
| Sec. 451.504(a) | Board Vacancies. Vacancy is filled by person appointed the member who was in the position that is vacant. | Achieved |
| Sec. 451.504(b) | Board Vacancies. Vacancy for an unexpired term is for the remainder of the term only. | Achieved |
| Sec. 451.504(c) | Board Vacancies. Presiding Officer under Sec. 451.502(e)(3) vacates the previous board position. | Achieved |
| Sec. 451.505(a) | Board Terms. Term is 2 years. | Achieved |
| Sec. 451.505(b) | Board Terms. This section does not apply to authorities that were created after 1980 or have population counts greater than 1.9 million. | Not Applicable |
| Sec. 451.506(a) | Term Limitations. Member may be reappointed except as provided by this section. | Not Applicable |
| Sec. 451.506(b) | Term Limitations. May not serve >8 years on same board, may not be appointed to a term for which service to the completion of the term would exceed this limitation. | Not Applicable |
| Sec. 451.506(c) | Term Limitations. This section does not apply to authorities with populations greater than 850,000. | Not Applicable |
| Sec. 451.506(d) | Term Limitations. Term limit does not apply to service on the board by a holdover pending the qualification of a successor. | Not Applicable |
| Sec. 451.507 | Board Membership: Residency in Authority. Board member must be qualified voter and resident. | Not Applicable |
| Sec. 451.508 | Removal by Board. Board member may be removed because of a ground for removal in Sec. 451.510. | Not Applicable |
| Sec. 451.509(a) | Removal by Appointing Person or Entity. This section only applies to authorities with a population of less than 850,000. | Not Applicable |
| Sec. 451.509(b) | Removal by Appointing Person or Entity. This section only applies to authorities with a population of less than 320,000. | Not Applicable |
| Sec. 451.509(c) | Removal by Appointing Person or Entity. If person who appointed the removed member is the mayor of the principal municipality, removal is by recommendation of mayor and confirmation of governing body. | Not Applicable |
| Sec. 451.509(d) | Removal by Appointing Person or Entity. General manager with knowledge that a potential ground for removal exists must notify presiding officer who must notify the member subject for removal. | Not Applicable |
| Sec. 451.510 | Grounds for Removal from Board. A person may be subjected to grounds for removal based on certain criteria. | Not Applicable |

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| Sec. 451.511(a) | Removal of Board Member: Notice and Hearing. Person proposing to remove a member must give member written statement of grounds for removal. Member is entitled to a hearing if they request one before the 11th day of receipt of notice. | Not Applicable |
| Sec. 451.511(b) | Removal of Board Member: Notice and Hearing. At hearing, board must confirm removal if charges are deemed true. | Not Applicable |
| Sec. 451.511(c) | Removal of Board Member: Notice and Hearing. Removal must be by majority vote. | Not Applicable |
| Sec. 451.512(a) | Ground for Removal: Validity of Board Acts. An action of the board is not invalid because a ground for removal of a board member exists. | Not Applicable |
| Sec. 451.512(b) | Ground for Removal: Validity of Board Acts. Action that was taken when a ground for removal existed that would not have passed without the vote of the person subject for removal is voidable. | Not Applicable |
| Sec. 451.513(a) | Recall of Members: Certain Authorities. Board member may be removed on a petition for the recall of the member submitted by the registered voters of the authority. | Not Applicable |
| Sec. 451.513(b) | Recall of Members: Certain Authorities. Entity that confirmed/appointed the board member must take action to remove the member/reconfirm the member's appointment. | Not Applicable |
| Sec. 451.513(c) | Recall of Members: Certain Authorities. Recalls are valid according to certain criteria. | Not Applicable |
| Sec. 451.513(d) | Recall of Members: Certain Authorities. After receiving the petition the entity shall send it to the secretary of state who shall determine validity no later than the 10th day of receipt. | Not Applicable |
| Sec. 451.513(e) | Recall of Members: Certain Authorities. Not later than the 30th day after member is removed, vacancy must be filled. | Not Applicable |
| Sec. 451.514(a) | Board Meetings: When Held. Board must meet at least once/month. | Achieved |
| Sec. 451.514(b) | Board Meetings: When Held. Presiding officer of board or general manager may call special meeting. | Achieved |
| Sec. 451.515(a) | Board Meetings: Voting. Action of Board requires majority vote unless bylaws require larger number for certain actions. | Achieved |
| Sec. 451.515(b) | Board Meetings: Voting. Section does not permit a board action in the absence of a quorum. | Achieved |
| Sec. 451.516 | Increase of Membership: Continuity. If membership of Board is increased under Sec. 451.501, Board may continue as normal until the additional members are appointed. | Not Applicable |
| Sec. 451.517 | Board Meetings: Rules and Bylaws. Board may adopt rules and bylaws which are recorded in the minutes of the board meetings. | Achieved |
| Sec. 451.518 | Board Meetings: Notice. In addition to Ch. 551, Government Code, Board must post meeting notice in admin office and courthouse of most populous county on a bulletin board in a place convenient to the public. | Achieved |
| Sec. 451.519(a) | Board Members: Expenses; Per Diem. Board member must be reimbursed for all necessary expenses incurred in discharge of duties. | Achieved |
| Sec. 451.519(b) | Board Members: Expenses; Per Diem. Each member is paid \$50/meeting, not exceeding 5 meetings/month. | Not Applicable |

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|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Sec. 451.519(c) | Board Members: Expenses; Per Diem. This statutes only applies to authorities created by an alternate municipality. | Not Applicable |
| Sec. 451.520(a) | Board Officers and Secretaries. Board must elect a presiding officers among its members, an assistant presiding officer, and a secretary. | Achieved |
| Sec. 451.520(b) | Board Officers and Secretaries. Board may appoint 1+ assistant secretaries, not required to be members. | Achieved |
| Sec. 451.520(c) | Board Officers and Secretaries. Secretary and assistant secretary must keep permanent records of proceedings and transactions of Board and perform other duties required by the Board. | Achieved |
| Sec. 451.552(a) | Addition of Municipality By Election. Territories of municipalities may be added to an authority by election. | Achieved |
| Sec. 451.552(b) | Addition of Municipality By Election. Governing body of the added municipality shall certify to the authority the result of an election in which the addition is approved. | Achieved |
| Subchapter L | Addition of Territory | Not Applicable |
| Subchapter M | Withdrawal of Territory from Authority | Not Applicable |
| Subchapter N | Creation of Authority | Not Applicable |
| Subchapter O | Advanced Transportation District | Not Applicable |
| Sec. 451.751 | Applicability. This subchapter only applies to an authority in which the principal municipality has a population of more than 1.5 million. | Achieved |
| Sec. 451.753(a) | General Provisions Relating to Agreements, Recognition, and Strikes. May not be denied local control over wages, salaries, rates of pay, hours of work, or other terms and conditions of employment. | Not Applicable |
| Sec. 451.753(b) | General Provisions Relating to Agreements, Recognition, and Strikes. Agreements under this subchapter must be written. | Not Applicable |
| Sec. 451.753(c) | General Provisions Relating to Agreements, Recognition, and Strikes. This subchapter doesn't require public employer or recognized association to meet and confer on any issue or reach an agreement. | Not Applicable |
| Sec. 451.753(d) | General Provisions Relating to Agreements, Recognition, and Strikes. A public employer and the recognized association may meet and confer only if the association does not advocate an illegal strike by public employee. | Not Applicable |
| Sec. 451.753(e) | General Provisions Relating to Agreements, Recognition, and Strikes. Peace officer may not participate in strikes, or else they forfeit rights, benefits, and privileges of the employment. | Not Applicable |
| Sec. 451.753(f) | General Provisions Relating to Agreements, Recognition, and Strikes. Public employer's CEO or the CEO designees must select group of persons to represent the public employer as its sole and exclusive bargaining agent for issues related to the employment of peace officers by the authority. | Not Applicable |
| Sec. 451.754(a) | Recognition of Peace Officer Association. Public employer must recognize association submitting a petition signed by majority of peace officers. | Not Applicable |
| Sec. 451.755(a) | Open Records. Proposed agreements and related documents must be available to the public under Ch. 522, Government Code. | Not Applicable |

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| Sec. 451.755(b) | Open Records. This section does not affect the application of Subchapter C, Chapter 522, Government Code. | Not Applicable |
| Sec. 451.756(a) | Ratification and Enforceability of Agreement. An agreement under this subchapter is enforceable and binding on the public employer, recognized association, and covered peace officers according to certain criteria. | Not Applicable |
| Sec. 451.756(b) | Ratification and Enforceability of Agreement. Agreement ratified may establish procedures by which parties agree to resolve disputes including binding arbitration. | Not Applicable |
| Sec. 451.756(c) | Ratification and Enforceability of Agreement. State district court has jurisdiction to hear and resolve disputes under a ratified agreement. | Not Applicable |
| Sec. 451.757(a) | Agreement Supersedes Conflicting Provisions. A written agreement ratified under this subchapter preempts all contrary state statutes, local ordinances, etc. | Not Applicable |
| Sec. 451.757(b) | Agreement Supersedes Conflicting Provisions. Agreement ratified under this subchapter may not interfere with the right of a member of a bargaining unit to pursue allegations of discrimination. | Not Applicable |
| Sec. 451.758(a) | Election to Repeal Agreement. Not later than the 60th day after the date an agreement is ratified, a petition of voters representing 10% of the votes cast at the most recent general election in the county must be filed calling for the repeal of the agreement. | Not Applicable |
| Sec. 451.758(b) | Election to Repeal Agreement. If petition is presented to the county clerk, authority shall repeal the agreement or certify that it is not repealing the agreement. | Not Applicable |
| Sec. 451.758(c) | Election to Repeal Agreement. Election may be held as part of regularly scheduled general election/special election with specific verbiage on the ballot. | Not Applicable |
| Sec. 451.758(d) | Election to Repeal Agreement. Majority vote is required to repeal and void the agreement. | Not Applicable |

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| 551.002 | All meetings (regular, special, called) must be open to the public. | Achieved |
| 551.021(a) | Minutes or tape recordings of each open meeting of the body must be kept. | Achieved |
| 551.021(b) | Minutes must state the subject for the meeting, and indicate voting results, order, decisions and/or other actions taken. | Achieved |
| 551.022 | Meeting minutes/records must be available for public inspection and copying on request to the governmental body's CAO or designee. | Achieved |
| 551.043 | Notice must be in a place readily accessible to the general public at all times for at least 72 hours before the scheduled time of the meeting, | Achieved |
| 551.0411 | Meeting notice requirements, certain circumstances - Notice not required for meetings recessed to following day, but must if recesses a further day. - May convene in another location in case of catastrophe within 72hrs, otherwise notice required. | Not Applicable |
| 551.045 | Notice of emergency meeting/addition to agenda. | Not Applicable |
| 551.056 | Additional posting requirements for certain municipalities, counties, school districts, junior college districts and development corporations. | Not Applicable |
| 551.072 | Body may conduct a closed meeting to deliberate purchase, exchange, lease or value of real property, if open meeting will impact its negotiation position. | Achieved |
| 551.073 | Body may conduct a closed meeting to deliberate prospective gifts and donations, if open meeting will impact its negotiation position. | Not Applicable |
| 551.074 | Closed meetings acceptable to deliberate appointments, employment, duties, hear complaints, etc. | Achieved |
| 551.102 | Vote or Final Action must take place in Open Meeting | Achieved |
| 552.225 | Requestor must complete examination within 10 business days of the information being made available. | Achieved |
| 552.268 | Efficient use of public resources. | Achieved |
| 552.307 | Must submit request to Attorney General for information that falls under a special right of access (Ch.552, S.023) | Achieved |
| 552.221(c) | If information is unavailable at time of request, must certify in writing to requestor and set reasonable date. | Achieved |
| 552.221(d) | If information cannot be produced in 10 business days after request, must certify in writing and set a date. | Achieved |

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|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 552.223 | All requests to be treated uniformly. | Achieved |
| 552.224 | Must give requestor reasonable comfort and facility. | Achieved |
| 617.002 | Official of the state may not enter into a collective bargaining contract with a labor organization regarding wages, hours, or conditions of employment of public employees. | Achieved |
| 552.228 | Providing Suitable Copy of Public Information within Reasonable Time. | Achieved |
| 552.23 | Body may set reasonable rules for inspection and copying public information. | Achieved |
| 552.263(a) | May require a deposit for payment of anticipated costs | Achieved |
| 552.267(a) | Body must waive or reduce charge if it is in public interest. | Achieved |
| 2253.021 | A governmental entity that makes a public work contract with a prime contractor shall require the contractor, before beginning the work, to execute to the governmental entity a bond. | Achieved |
| 791.011(d) | Interlocal contract must be authorized by each governing body to the party of the contract unless a party is a municipally owned electric utility may enter into interlocal contracts that do not exceed \$100,000. | Achieved |
| 2254.003 | The entity may not select a provider of professional services or award a contract on the basis of competitive bids submitted for the contract. Rather must be based on competence and qualifications and fair and reasonable price. | Achieved |
| 2254.004 | In procuring the above, the entity must select the most highly qualified, and negotiate a reasonable price. | Achieved |
| 2258.052 | On receipt of information, including a complaint by a worker, concerning an alleged violation of Section 2258.023 by a contractor or subcontractor, a public body must assess whether good cause exists to believe that the violation occurred. | Not Applicable |
| 2251.021(a) | A payment by a governmental entity under a contract executed on or after September 1, 1987, is overdue on the 31st day after the later of: receiving the goods, performance of the service, receipt of invoice. | Achieved |
| 2251.021(b) | A payment under a contract executed on or after September 1, 1993, owed by a political subdivision whose governing body meets only once a month or less frequently is overdue on the 46th day after the later event described by Subsections (a)(1) through (3). | Achieved |
| 2256.005(a) | The governing body of an investing entity must adopt a written investment policy regarding the investment of its funds and funds under its control. | Achieved |
| 2256.005(i) | An investment officer of an entity who has a personal business relationship with a business organization offering to engage in an investment transaction with the entity shall file a statement disclosing that personal business interest. | Achieved |

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| 2256.023(d) | If an entity invests in other than money market mutual funds, investment pools or accounts offered by its depository bank in the form of certificates of deposit, the reports prepared by the investment officers must be formally reviewed annually by an independent auditor, and reported to its governing body. | Achieved |
| 2257.023 | A public entity shall determine if an investment security is eligible to secure deposits of public funds. | Achieved |
| 2251.042(b) | If a dispute is resolved in favor of the vendor, the vendor is entitled to receive interest on the unpaid balance per 2251.021. | Achieved |
| 2251.042(c) | If a dispute is resolved in favor of the governmental entity, the vendor shall submit a corrected invoice per 2251.021. The unpaid balance accrues interest if the corrected invoice is not paid by the appropriate date. | Achieved |
| 2258.022(c) | The public body shall determine the general prevailing rate of per diem wages. | Achieved |
| 2257.025(a) | A public entity's depository shall maintain a separate, accurate, and complete record relating to a pledged investment security. | Achieved |
| 2257.041(c) | The custodian and the state agency shall agree in writing on the terms and conditions for securing a deposit of public funds. | Not Applicable |
| 551.041 | Must give written notice of the date, hour, place, and subject of each meeting held. | Achieved |
| 2258.022(d) | A public body shall specify in the call for bids for the contract and in the contract itself the wage rates determined. | Achieved |
| 551.101 | Quorum of the body must first convene in open meeting (with notice) before a closed meeting is allowed. | Achieved |
| 551.005(a) | Each elected/appointed public official must complete a (1-2hours) training course re. responsibilities of the governmental body and its members within 90 days of appointment/assumes responsibilities. | Achieved |
| 551.054(a) | District / Political subdivision extending into < 4 counties. Notice to public and county clerks, place of posting notice. | Achieved |
| 551.103(c) | Govt body must keep certified agenda or recording of closed meetings except for private consultation. | Achieved |
| 552.301(a) | Must ask for decision from Attorney General to withhold requested information from public disclosure. | Achieved |
| 552.301(b) | Must ask for decision within 10 days of request. | Achieved |
| 552.301(d) | Must notify requestor within 10 days of intent to withhold. | Achieved |
| 552.301(e) | Must submit reasons for request to be withheld within 15 days to Attorney General. | Achieved |

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| Government Code | Requirement | Test Conclusion |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| 551.104(a) | Certified agenda/tape must be preserved for two years following meeting. | Achieved |
| 551.104(c) | Must be available to public under court order. | Achieved |
| 573.041 | A public official may not appoint, confirm the appointment of, or vote for an individual to a position that is directly / indirectly compensated from public funds if they are related. | Achieved |
| 573.062(a) (2) | That prior employment of the individual must be continuous for various lengths. See <i>Detail</i> . | Achieved |
| 573.062(b) | If an individual continues in a position, the public official to whom the individual is related may not participate in any deliberation or voting on the appointments / reappointments of that person. | Achieved |
| 552.012(b) | Must complete 1-2hrs course within 90 days of appointment/assuming responsibilities. | Achieved |
| 552.012(c) | Public official may designate a public information coordinator to satisfy the training requirements. | Achieved |
| 552.221(b) | Compliance by providing public information in the offices of governmental body, sending copies by first class mail. | Achieved |
| 2256.005(b) | These policies must be documented, prioritize safety of principle and liquidity, address diversification, yield, etc. | Achieved |
| 2256.005(e) | Policies must be reviewed annually. | Achieved |
| 2256.005(m) | An investing entity other than a state agency, must perform a compliance audit of management controls on investments and adherence to the entity's established investment policies. | Achieved |
| 2256.008(a) (1) | The treasurer, CFO and investment officer must attend at least one training session from an independent source approved by the governing body. | Achieved |
| 2256.008(a) (2) | Must attend an investment training session at least once in a two-year period that begins on the first day of that local government's fiscal year. And receive not less than 10 hours of instruction relating to investment responsibilities. | Achieved |
| 552.303(d) | Body must return the additional information within 7 calendar days. | Achieved |

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| Local Government Code | Requirement | Test Conclusion |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Ch. 171, S.003 | Offense if: - Officer violates section 171.004 - Acts as surety for an entity that has business/contract with the government entity. | Achieved |
| Ch. 171, S.004 | If officer has substantial interest in entity, must file affidavit prior to vote, stating nature and extent of the interest. | Achieved |
| Ch. 171, S.005 | Governing body of the entity must take a separate vote on any budget item related to an entity in which an officer has a substantial interest. | Achieved |
| Ch. 176, S.003(a) | Officer must file a conflict disclosure if vendor has a business relationship with the officer. | Achieved |
| Ch. 176, S.003(b) | Officer must file the disclosure with the records administrator by 5pm on the 7th business day after the Officer becomes aware of the facts. | Achieved |
| Ch. 176, S.006(d) | Vendor must file an updated completed questionnaire by 7th business day after being made aware of an event that makes the questionnaire inaccurate. | Achieved |
| Ch. 176, S.009 | Government Entities with a website must provide access to the statements and questionnaires required to be filed. | Not Applicable |
| Ch. 203, S.025 | Governing body for the entity must designate a records management officer. | Achieved |
| Ch. 203, S.041 | Records Management Officer must prepare a records control schedule listing records to be retained and a retention period. | Achieved |
| Ch. 203, S.046 | Records Management Officer shall keep accurate lists of records destroyed, their volume, and other information of Records Management activities. | Achieved |
| S.272.001 | Before land owned by a political subdivision of the state may be sold or exchanged for other land, notice to the general public of the offer of the land for sale or exchange must be published in a newspaper of general circulation. | Not Applicable |
| S.302.004 | Energy savings performance contract may be financed: Lease-purchase contract (not > 20 years), proceeds of bonds, contract with provider of energy/water (not > 20 years). | Not Applicable |

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| Property Code | Requirement | Test Conclusion |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Ch. 21, S. 042(a) | Special Commissioners must assess damages in a condemnation proceeding according to evidence presented at the hearing. | Not Applicable |
| Ch. 21, S. 042(b) | If an entire tract or parcel of real property is condemned, the damage to the property owner is the local market value of the property at the time of the special commissioners' hearing. | Not Applicable |
| Ch. 21, S. 042(c) | If a portion is condemned, the special commissioners must determine the damage to the property owner after estimating the extent of the injury and benefit to the property owner. | Not Applicable |
| Ch. 21, S. 042(d) | In estimating injury or benefit must consider an injury / benefit that is peculiar to the property owner. May not consider injury / benefit that the property owner experiences in common with the general community. | Not Applicable |
| Ch. 21, S. 042(e) | If a portion of a tract or parcel of real property is condemned for the use, construction, operation, or maintenance of the state highway system or of a county toll project - Commissioners must determine the damage to the property owner regardless of whether the property owner makes a claim for damages. | Not Applicable |

| Health and Safety Code | Requirement | Test Conclusion |
|------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Ch. 388, S.005 (b) | Each political subdivision, institution of higher education, or state agency must implement energy efficiency measures that meet the standards under Section 302.004(b), Local Government Code. | Achieved |
| Ch. 388, S.005(c) | Must establish a goal to reduce the electric consumption by the entity by at least 5% annually for 7 years, beginning September 1, 2019. | Achieved |
| Ch. 388, S.005(d) | Reporting requirements for failing to meet the targets set out at 388.005(c). | Achieved |
| Ch. 388, S.005(e) | Must report annually to the State Energy Conservation Office regarding the entity's goal, efforts to meet the goal, and progress. | Achieved |

| Penal Code | Requirement | Test Conclusion |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Ch. 36, S.02(a) | Offense committed if a person intentionally accepts any benefit as consideration for: - a decision, vote, or similar. - the recipients decision vote, etc. - a violation of duty. | Achieved |
| Ch. 36, S.07(a) | Offense committed where the public servant solicits/accepts an honorarium in consideration for services that the public servant would not have been requested to provide. | Not Applicable |
| Ch. 36, S.08(e) | A public servant with judicial or administrative authority, commits an offense if he solicits/accepts benefit from a person the public servant knows is interested in any matter before the public servant or tribunal. | Achieved |

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Appendix C

Task 3 - FY 2012 to 2019 Data Tables and Performance Indicators

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All performance indicators (PIs) reflect inputs from beginning of FY 2016 to end of FY 2019 (four periods). Additionally, FY 2012 to 2015 data was also included in instances to show comparisons from the previous quadrennial performance audit period. The Compound Annual Growth Rate (CAGR) is used to describe any change in performance and is based on the four-year period. With the exception of On-Time Performance (OTP) and YR accidents, all data is sourced from the National Transit Database.

Table A18: NTD Sources of Performance Indicator Data

| Data | Source |
|----------------------------|-----------------|
| Sales and Use Tax Receipts | NTD – Form F10 |
| Fares | NTD – Form F10 |
| Operating Expense | NTD – Form F30 |
| Unlinked Passenger Trips | NTD – Form S-10 |
| Revenue Hours | NTD – Form S-10 |
| Revenue Miles | NTD – Form S-10 |
| Passenger Miles | NTD – Form S-10 |

Table A19: Operating Expense and CAGR by Mode

| | MB | DR | YR | CB | Total |
|----------------|---------------|--------------|--------------|-------------|---------------|
| 2012 | \$110,289,057 | \$30,830,005 | \$11,358,085 | \$9,763,524 | \$162,240,671 |
| 2013 | \$111,596,832 | \$31,687,932 | \$13,712,449 | \$7,724,750 | \$164,721,963 |
| 2014 | \$127,143,429 | \$33,311,664 | \$15,810,047 | \$7,722,055 | \$183,987,195 |
| 2015 | \$134,285,474 | \$37,308,642 | \$14,795,764 | \$4,827,344 | \$191,217,224 |
| 2016 | \$145,841,719 | \$39,500,530 | \$23,076,368 | \$5,123,771 | \$213,542,388 |
| 2017 | \$145,785,748 | \$41,569,776 | \$21,750,211 | \$5,406,635 | \$214,512,370 |
| 2018 | \$154,505,921 | \$40,692,443 | \$23,184,423 | \$7,404,336 | \$225,787,123 |
| 2019 | \$165,238,005 | \$38,568,595 | \$19,319,510 | \$8,400,308 | \$231,526,418 |
| CAGR 2012-2015 | 6.78% | 6.56% | 9.21% | -20.93% | 5.63% |
| CAGR 2016-2019 | 5.32% | 0.83% | 6.90% | 14.85% | 4.90% |

Table A20: Total Cost by Function*

| | Vehicle Operations | Vehicle Maintenance | Non-Vehicle (Facility) Maintenance | General Administration | Total |
|----------------|--------------------|---------------------|------------------------------------|------------------------|---------------|
| 2016 | \$104,182,998 | \$39,102,388 | \$12,346,253 | \$58,990,098 | \$214,621,737 |
| 2017 | \$107,503,430 | \$40,842,625 | \$12,088,876 | \$55,146,012 | \$215,580,943 |
| 2018 | \$115,545,695 | \$42,666,581 | \$11,580,773 | \$56,699,273 | \$226,492,322 |
| 2019 | \$122,420,865 | \$39,067,940 | \$11,828,203 | \$59,364,938 | \$232,681,946 |
| CAGR 2016-2019 | 6.25% | 1.45% | 5.28% | 4.83% | 21.35% |

Note: Total excludes deductions and vanpool expense

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Table A21: Total Line Item Expense Change and CAGR

| | 2016 | 2017 | 2018 | 2019 | CAGR |
|--------------------------|----------------------|----------------------|----------------------|----------------------|--------------|
| Other Salaries/Wages | \$20,146,973 | \$21,797,472 | \$22,925,650 | \$23,556,061 | 6.60% |
| Fringe Benefits | \$12,258,897 | \$15,678,282 | \$14,867,268 | \$15,496,929 | 6.72% |
| Services | \$18,644,238 | \$17,063,298 | \$18,561,700 | \$18,487,249 | 0.74% |
| Fuel/Lube | \$13,063,615 | \$11,192,183 | \$11,029,488 | \$12,197,392 | -4.70% |
| Other Materials/Supplies | \$3,350,829 | \$3,477,924 | \$3,153,671 | \$1,823,018 | 3.55% |
| Utilities | \$2,623,392 | \$2,766,559 | \$2,750,751 | \$2,960,176 | 3.83% |
| Casualty/Liability Costs | \$332,164 | \$492,774 | \$1,347,185 | \$703,076 | -12.28% |
| Taxes | \$1,043,772 | \$1,056,241 | \$1,089,406 | \$1,192,211 | 2.60% |
| Purchased Transportation | \$140,575,276 | \$140,112,764 | \$148,480,275 | \$155,018,897 | 6.42% |
| Miscellaneous Expenses | \$2,582,581 | \$1,842,050 | \$1,367,290 | \$1,246,937 | 5.42% |
| Less Deductions* | - | \$101,396 | \$919,638 | \$1,155,528 | |
| Total | \$214,621,737 | \$215,580,943 | \$226,492,322 | \$231,526,418 | 4.83% |

*Expense Filing Separate Report, Deductions, Vanpool Expense

Table A22: CapMetro Revenue Hours of Service by Mode and CAGR

| | MB | DR | YR | CB | Total |
|----------------|-----------|---------|--------|--------|-----------|
| 2012 | 1,032,535 | 317,087 | 10,174 | 36,953 | 1,396,749 |
| 2013 | 1,039,621 | 319,660 | 11,557 | 36,780 | 1,407,618 |
| 2014 | 1,065,774 | 339,370 | 11,613 | 39,564 | 1,456,321 |
| 2015 | 1,162,528 | 374,778 | 11,976 | 40,132 | 1,589,414 |
| 2016 | 1,222,015 | 388,813 | 12,536 | 40,182 | 1,663,546 |
| 2017 | 1,230,076 | 380,052 | 12,725 | 40,364 | 1,663,217 |
| 2018 | 1,325,923 | 380,407 | 13,157 | 47,486 | 1,766,973 |
| 2019 | 1,434,961 | 402,917 | 12,365 | 61,632 | 1,911,875 |
| CAGR 2012-2015 | 4.03% | 5.73% | 5.59% | 2.79% | 4.40% |
| CAGR 2016-2019 | 5.40% | 1.83% | 0.80% | 11.32% | 4.73% |

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Table A23: CapMetro Revenue Miles of Service by Mode and CAGR

| | MB | DR | YR | CB | Total |
|----------------|------------|-----------|---------|-----------|------------|
| 2012 | 12,870,145 | 4,721,982 | 237,125 | 706,716 | 18,535,968 |
| 2013 | 12,830,437 | 4,609,647 | 279,358 | 701,561 | 18,421,003 |
| 2014 | 12,982,104 | 4,777,232 | 279,757 | 739,055 | 18,778,148 |
| 2015 | 14,001,707 | 5,092,088 | 287,997 | 747,633 | 20,129,425 |
| 2016 | 14,475,601 | 5,174,877 | 298,379 | 736,798 | 20,685,655 |
| 2017 | 14,473,436 | 5,260,345 | 301,020 | 737,780 | 20,772,581 |
| 2018 | 15,396,804 | 5,453,261 | 310,272 | 928,475 | 22,088,812 |
| 2019 | 15,952,995 | 5,617,274 | 290,764 | 1,147,318 | 23,008,351 |
| CAGR 2012-2015 | 2.85% | 2.55% | 6.69% | 1.89% | 2.79% |
| CAGR 2016-2019 | 3.32% | 2.48% | 0.24% | 11.30% | 3.40% |

Table A24: CapMetro Passenger Trips by Mode

| | MB | DR | YR | CB | Total |
|----------------|------------|---------|---------|---------|------------|
| 2012 | 33,548,378 | 611,746 | 527,370 | 599,652 | 35,287,146 |
| 2013 | 34,093,992 | 612,186 | 834,699 | 641,492 | 36,182,369 |
| 2014 | 31,976,519 | 633,320 | 763,551 | 571,212 | 33,944,602 |
| 2015 | 32,261,330 | 675,732 | 833,195 | 585,298 | 34,355,555 |
| 2016 | 28,585,274 | 682,378 | 806,331 | 542,266 | 30,616,249 |
| 2017 | 27,297,092 | 670,693 | 824,704 | 527,351 | 29,319,840 |
| 2018 | 26,879,274 | 675,564 | 811,242 | 613,852 | 28,979,932 |
| 2019 | 28,313,270 | 706,883 | 729,507 | 779,887 | 30,529,547 |
| CAGR 2012-2015 | -1.30% | 3.37% | 16.47% | -0.80% | -0.89% |
| CAGR 2016-2019 | -3.21% | 1.13% | -3.27% | 7.44% | -2.91% |

Table A25: Passenger Miles Travelled by Mode

| | MB | DR | YR | CB | Total |
|----------------|-------------|-----------|------------|------------|-------------|
| 2012 | 131,676,207 | 4,832,199 | 8,534,175 | 9,295,310 | 154,337,891 |
| 2013 | 133,207,492 | 4,910,984 | 13,281,938 | 9,728,554 | 161,128,968 |
| 2014 | 135,348,047 | 5,073,075 | 12,006,789 | 8,920,034 | 161,347,945 |
| 2015 | 144,788,219 | 5,185,900 | 13,491,230 | 9,596,464 | 173,061,813 |
| 2016 | 116,469,788 | 5,391,655 | 13,241,488 | 8,811,515 | 143,914,446 |
| 2017 | 115,795,824 | 5,548,080 | 13,034,972 | 7,701,902 | 142,080,778 |
| 2018 | 116,078,145 | 5,591,419 | 12,269,528 | 10,387,840 | 144,326,932 |
| 2019 | 115,922,295 | 6,003,749 | 11,187,645 | 14,695,729 | 147,809,418 |
| CAGR 2012-2015 | 3.21% | 2.38% | 16.49% | 1.07% | 3.89% |
| CAGR 2016-2019 | -5.41% | 3.73% | -4.57% | 11.24% | -3.87% |

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Table A26: Passenger Fares by Mode

| | MB | DR | YR | CB | Total |
|----------------|--------------|-----------|-------------|-------------|--------------|
| 2012 | \$15,785,352 | \$779,567 | \$2,265,523 | \$1,036,453 | \$20,646,462 |
| 2013 | \$16,681,175 | \$632,143 | \$3,358,278 | \$677,343 | \$21,981,082 |
| 2014 | \$18,367,924 | \$729,725 | \$3,136,133 | \$480,978 | \$23,444,485 |
| 2015 | \$19,255,701 | \$849,791 | \$2,487,225 | \$503,847 | \$23,946,355 |
| 2016 | \$19,158,387 | \$856,540 | \$2,135,825 | \$564,651 | \$23,571,943 |
| 2017 | \$18,261,674 | \$851,016 | \$1,974,227 | \$948,523 | \$22,886,456 |
| 2018 | \$17,602,367 | \$801,828 | \$1,927,996 | \$992,587 | \$22,126,606 |
| 2019 | \$16,515,594 | \$749,550 | \$1,526,429 | \$2,113,839 | \$21,654,962 |
| CAGR 2012-2015 | 6.85% | 2.92% | 9.79% | -51.39% | 15.98% |
| CAGR 2016-2019 | -3.76% | -3.09% | -28.53% | 274.36% | -8.13% |

Table A27: Accidents: Total of Collisions, Injuries, and Fatalities

| | MB | DR | YR | CB | Total |
|----------------|--------|-------|----|----|--------|
| 2012 | 133 | 22 | - | 0 | 155 |
| 2013 | 144 | 12 | - | 0 | 156 |
| 2014 | 146 | 12 | - | 0 | 158 |
| 2015 | 168 | 24 | - | 0 | 192 |
| 2016 | 143 | 11 | 5 | 0 | 154 |
| 2017 | 141 | 28 | 2 | 0 | 169 |
| 2018 | 160 | 14 | 4 | 0 | 174 |
| 2019 | 159 | 25 | 5 | 6 | 190 |
| CAGR 2012-2015 | 8.10% | 2.94% | - | - | 7.40% |
| CAGR 2016-2019 | -1.37% | 1.03% | - | - | -0.26% |

Table A28: Major Mechanical Failures

| | MB | DR | YR | CB | Total |
|----------------|--------|--------|---------|---------|--------|
| 2012 | 2,883 | 120 | 6 | 128 | 3,137 |
| 2013 | 2,156 | 11 | 7 | 73 | 2,247 |
| 2014 | 414 | 186 | 4 | 98 | 702 |
| 2015 | 4,902 | 173 | 15 | 99 | 5,189 |
| 2016 | 4,078 | 285 | 3 | 99 | 4,465 |
| 2017 | 2,938 | 393 | 4 | 143 | 3,478 |
| 2018 | 3,455 | 291 | 6 | 14 | 3,766 |
| 2019 | 3,971 | 241 | 5 | 31 | 4,248 |
| CAGR 2012-2015 | 19.36% | 12.97% | 35.72% | -8.21% | 18.27% |
| CAGR 2016-2019 | -5.13% | 8.64% | -24.02% | -25.19% | -4.88% |

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Table A29: Other Mechanical Failures

| | MB | DR | YR | CB | Total |
|----------------|---------|---------|----------|---------|---------|
| 2012 | 1,198 | 8 | 6 | 3 | 1,215 |
| 2013 | 1,517 | 180 | 7 | 32 | 1,736 |
| 2014 | 212 | 122 | 16 | 22 | 372 |
| 2015 | 418 | 131 | 16 | 22 | 587 |
| 2016 | 921 | 202 | 0 | 11 | 1,134 |
| 2017 | 487 | 183 | 0 | 27 | 697 |
| 2018 | 492 | 155 | 0 | 9 | 656 |
| 2019 | 597 | 146 | 0 | 4 | 747 |
| CAGR 2012-2015 | -29.60% | 153.94% | 38.67% | 94.28% | -21.53% |
| CAGR 2016-2019 | 9.32% | 2.75% | -100.00% | -34.70% | 6.21% |

Performance Indicators

Table A30: Operating Cost per Passenger Trip

| | MB | DR | YR | CB | Average |
|----------------|--------|---------|---------|---------|---------|
| 2012 | \$3.29 | \$50.40 | \$21.54 | \$16.28 | \$4.60 |
| 2013 | \$3.27 | \$51.76 | \$16.43 | \$12.04 | \$4.55 |
| 2014 | \$3.98 | \$52.60 | \$20.71 | \$13.52 | \$5.42 |
| 2015 | \$4.16 | \$55.21 | \$17.76 | \$8.25 | \$5.57 |
| 2016 | \$5.10 | \$57.89 | \$28.62 | \$9.45 | \$6.97 |
| 2017 | \$5.34 | \$61.98 | \$26.37 | \$10.25 | \$7.32 |
| 2018 | \$5.75 | \$60.23 | \$28.58 | \$12.06 | \$7.79 |
| 2019 | \$5.84 | \$54.56 | \$26.48 | \$10.77 | \$7.58 |
| CAGR 2012-2015 | 8.18% | 3.09% | -6.23% | -20.28% | 6.58% |
| CAGR 2016-2019 | 8.82% | -0.30% | 10.51% | 6.90% | 8.04% |

Table A31: Operating Cost per Revenue Hour

| | MB | DR | YR | CB | Average |
|----------------|----------|----------|------------|----------|----------|
| 2012 | \$106.81 | \$97.23 | \$1,116.38 | \$264.21 | \$116.16 |
| 2013 | \$107.34 | \$99.13 | \$1,186.51 | \$210.03 | \$117.02 |
| 2014 | \$119.30 | \$98.16 | \$1,361.41 | \$195.18 | \$126.34 |
| 2015 | \$115.51 | \$99.55 | \$1,235.45 | \$120.29 | \$120.31 |
| 2016 | \$119.35 | \$101.59 | \$1,840.81 | \$127.51 | \$128.37 |
| 2017 | \$118.52 | \$109.38 | \$1,709.25 | \$133.95 | \$128.97 |
| 2018 | \$116.53 | \$106.97 | \$1,762.14 | \$155.93 | \$127.78 |
| 2019 | \$115.15 | \$95.72 | \$1,562.44 | \$136.30 | \$121.10 |
| CAGR 2012-2015 | 2.64% | 0.79% | 3.44% | -23.07% | 1.18% |
| CAGR 2016-2019 | -0.08% | -0.97% | 6.05% | 3.17% | 0.16% |

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Table A32: Operating Cost per Revenue Mile

| | MB | DR | YR | CB | Average |
|----------------|----------|----------|------------|----------|----------|
| 2012 | \$106.81 | \$97.23 | \$1,116.38 | \$264.21 | \$116.16 |
| 2013 | \$107.34 | \$99.13 | \$1,186.51 | \$210.03 | \$117.02 |
| 2014 | \$119.30 | \$98.16 | \$1,361.41 | \$195.18 | \$126.34 |
| 2015 | \$115.51 | \$99.55 | \$1,235.45 | \$120.29 | \$120.31 |
| 2016 | \$119.35 | \$101.59 | \$1,840.81 | \$127.51 | \$128.37 |
| 2017 | \$118.52 | \$109.38 | \$1,709.25 | \$133.95 | \$128.97 |
| 2018 | \$116.53 | \$106.97 | \$1,762.14 | \$155.93 | \$127.78 |
| 2019 | \$115.15 | \$95.72 | \$1,562.44 | \$136.30 | \$121.10 |
| CAGR 2012-2015 | 2.64% | 0.79% | 3.44% | -23.07% | 1.18% |
| CAGR 2016-2019 | -0.08% | -0.97% | 6.05% | 3.17% | 0.16% |

Table A33: Tax Receipts per Passenger (All Modes)

| Year | Total |
|----------------|--------|
| 2012 | \$4.68 |
| 2013 | \$4.95 |
| 2014 | \$5.71 |
| 2015 | \$6.12 |
| 2016 | \$7.23 |
| 2017 | \$7.79 |
| 2018 | \$8.40 |
| 2019 | \$8.57 |
| CAGR 2012-2015 | 9.36% |
| CAGR 2016-2019 | 8.75% |

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Table A34: Fare Recovery

| | MB | DR | YR | CB | Average |
|----------------|--------|--------|---------|--------|---------|
| 2012 | 14.31% | 2.53% | 19.95% | 10.62% | 12.25% |
| 2013 | 14.95% | 1.99% | 24.49% | 8.77% | 12.96% |
| 2014 | 14.45% | 2.19% | 19.84% | 6.23% | 12.35% |
| 2015 | 14.34% | 2.28% | 16.81% | 10.44% | 12.08% |
| 2016 | 13.14% | 2.17% | 9.26% | 11.02% | 10.64% |
| 2017 | 12.53% | 2.05% | 9.08% | 17.54% | 10.27% |
| 2018 | 11.39% | 1.97% | 8.32% | 13.41% | 9.44% |
| 2019 | 10.00% | 1.94% | 7.90% | 25.16% | 9.03% |
| CAGR 2012-2015 | 0.06% | -3.42% | -5.54% | -0.56% | -0.46% |
| CAGR 2016-2019 | -8.63% | -3.89% | -17.20% | 24.61% | -7.02% |

Table A35: Vehicle Occupancy by Mode

| | MB | DR | YR | CB | Average |
|----------------|--------|--------|--------|--------|---------|
| 2012 | 10.23 | 1.02 | 35.99 | 13.15 | 8.33 |
| 2013 | 10.38 | 1.07 | 47.54 | 13.87 | 8.75 |
| 2014 | 10.43 | 1.06 | 42.92 | 12.07 | 8.59 |
| 2015 | 10.34 | 1.02 | 46.85 | 12.84 | 8.60 |
| 2016 | 8.05 | 1.04 | 44.38 | 11.96 | 6.96 |
| 2017 | 8.00 | 1.05 | 43.30 | 10.44 | 6.84 |
| 2018 | 7.54 | 1.03 | 39.54 | 11.19 | 6.53 |
| 2019 | 7.27 | 1.07 | 38.48 | 12.81 | 6.42 |
| CAGR 2012-2015 | 0.36% | -0.16% | 9.18% | -0.81% | 1.07% |
| CAGR 2016-2019 | -8.44% | 1.21% | -4.80% | -0.05% | -7.03% |

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Table A36: On-Time Performance by Mode

| | MB | DR | YR | CB | Average |
|----------------|--------|--------|--------|--------|---------|
| 2012 | 87.20% | 95.50% | 99.10% | 87.30% | 87.20% |
| 2013 | 88.50% | 94.30% | 97.60% | 89.00% | 88.50% |
| 2014 | 88.90% | 93.70% | 96.40% | 87.80% | 88.90% |
| 2015 | 87.10% | 91.30% | 96.90% | 90.40% | 87.10% |
| 2016 | 81.15% | 93.86% | 95.97% | 77.50% | 81.15% |
| 2017 | 82.47% | 93.85% | 97.65% | 82.00% | 82.47% |
| 2018 | 84.45% | 92.39% | 96.54% | 85.57% | 84.45% |
| 2019 | 84.16% | 90.34% | 97.21% | 81.46% | 84.16% |
| CAGR 2012-2015 | -0.04% | -1.49% | -0.75% | 1.17% | -0.04% |
| CAGR 2016-2019 | -0.85% | -0.26% | 0.08% | -2.57% | -0.85% |

Table A37: Accident Rate per 100,000 Miles by Mode

| | MB | DR | YR | CB | Total |
|------|------|------|------|------|-------|
| 2012 | 0.93 | 0.40 | - | 0.00 | 0.73 |
| 2013 | 1.01 | 0.22 | - | 0.00 | 0.74 |
| 2014 | 1.01 | 0.22 | - | 0.00 | 0.74 |
| 2015 | 1.08 | 0.40 | - | 0.00 | 0.83 |
| 2016 | 0.89 | 0.18 | 1.49 | 0.00 | 0.67 |
| 2017 | 0.87 | 0.45 | 0.59 | 0.00 | 0.72 |
| 2018 | 0.93 | 0.21 | 1.78 | 0.00 | 0.70 |
| 2019 | 0.90 | 0.37 | 2.27 | 0.34 | 0.72 |

Table A38: Miles Between Road Calls by Mode

| | MB | DR | YR | CB | Total |
|----------------|--------|---------|---------|--------|--------|
| 2012 | 3,510 | 42,759 | 23,777 | 8,391 | 4,867 |
| 2013 | 3,881 | 28,371 | 23,648 | 10,353 | 5,295 |
| 2014 | 23,066 | 17,995 | 16,537 | 9,319 | 19,954 |
| 2015 | 2,936 | 19,517 | 10,823 | 9,344 | 3,985 |
| 2016 | 3,212 | 12,438 | 112,213 | 10,176 | 4,210 |
| 2017 | 4,709 | 10,877 | 84,804 | 6,599 | 5,713 |
| 2018 | 4,346 | 14,757 | 64,149 | 63,632 | 5,786 |
| 2019 | 3,882 | 17,416 | 150,117 | 50,120 | 5,401 |
| CAGR 2012-2015 | -5.78% | -23.01% | -23.07% | 3.65% | -6.45% |
| CAGR 2016-2019 | 7.23% | -2.81% | 92.98% | 52.18% | 7.90% |

Appendix D

Recommendations for Management Matrix

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Recommendations for Management: The following Quadrennial Performance Audit areas identified are considered to be enhancements to internal controls, processes, procedures, efficiency and effectiveness of operations or improvements to the management of the Authority.

| Ref | Issue Identified | Effect / Risk Exposure | Recommendation | Management's Response |
|----------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TASK 1 - Administration and Management of the Authority | | | | |
| REC 1 | <p>Contract Management System CMTA's primary operations (such as Bus and Rail services) are outsourced to third parties and require effective, efficient, and timely contract management by internal contract managers. However, current procedures and processes are not uniform across the Authority or performed systematically to monitor and manage performance and financial status.</p> | <p>Lack of uniform processes across contract managers and operations may negatively impact program efficiencies across the authority to ensure consistent and effective contract management practices.</p> | <p>Management should consider implementing a contract management system that incorporates performance measures, budget to actual financial data, tracking of quality assurance measures performed, and dashboards for monitoring compliance and performance of the data being received, which will ensure a more uniform practice and methodology across the Authority. In addition, a contract management system can result in decisions that are driven and supported through data that can be easily verified by management.</p> | <p>Management's Response: Management agrees that a contract management system would streamline and more easily align contract oversight activities across the modes of service. Previous efforts to identify such a solution were not successful. We will survey the offerings available for such a system and determine if the cost of the system is warranted given the functionality available.</p> <p>Responsible Party: Dottie Watkins</p> <p>Implementation Date: Initiation of the review of system options to begin March 2021</p> |

Attachment: 1 - Final Report - FY16-19 Quadrennial Audit (4777 : Quadrennial Review)

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| Ref | Issue Identified | Effect / Risk Exposure | Recommendation | Management's Response |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REC 2 | <p>Credential and Qualification Tracking of Staff within Operations and Maintenance Oversight (OMO) Personnel files for staff within OMO can appear to include credential or qualification gaps. However, OMO personnel have historically acquired needed skills and experience through on-the-job training and tenure with the Authority, which is common for Transportation Authority's.</p> | <p>The lack of up to date personnel files prevents management from effectively assessing credentials and qualifications of staff to identify resource and/or training needs.</p> | <p>Management should consider a review of credential and qualifications among OMO staff and ensure files are reflected of this experience that is gained through on-the-job training.</p> | <p>Management's Response: The People and Culture Department will review the personnel files for each of the six employees identified to ensure their experience gained through on the job training is documented.</p> <p>Responsible Party: Donna Simmons</p> <p>Implementation Date: February 2021</p> |
| TASK 2 - Chapter 451 Compliance Review | | | | |
| REC 3 | <p>Board Meeting Quorum Texas Government Code § 551.101 states that a quorum must be present to enter into a closed session. While the meeting minutes shows the voting results and apparent quorum after mentioning the closed session occurring, the board minutes do not formally state that a quorum is present prior to the movement to a closed session.</p> | <p>The lack of formal documentation of a quorum being met prior to entering closed session could result in future non-compliance with Texas Government Code § 551.101.</p> | <p>Management should revise current practices to ensure the board meeting minutes note that a quorum is present in the recorded minutes before referencing the movement to a closed session.</p> | <p>Management's Response: The process to document a quorum is present before moving to closed session for inclusion in the minutes has been revised to reflect the recommendation.</p> <p>Responsible Party: Kerri Butcher</p> <p>Implementation Date: Implemented effective January 1, 2021</p> |

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| Ref | Issue Identified | Effect / Risk Exposure | Recommendation | Management's Response |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REC 4 | <p>Dispositions and Destruction Central Tracker Texas Local Government Code § 203.046, states that the governing body may require the Records Management Officer to keep accurate lists of records destroyed and other information as part of their responsibilities, in which CMTA is in compliance with this statute. However, current practices do not include the Records Management Officer maintaining a central tracker to validate the accuracy of destroyed records.</p> | <p>The lack of a centralized tracker for validating destroyed records could result in future non-compliance with Texas Local Government Code § 203.046.</p> | <p>Management should consider revising the Records Management Officer's Policies and Procedures to include a process for developing and maintaining a central tracker for compiling lists of dispositions and destruction of documents. This could also include the adoption of a systematic tracking tool that can be easily referenced by Records Management and other stakeholders to validate the accuracy of destroyed records.</p> | <p>Management's Response: Capital Metro will develop a procedure and process to track dispositioned records.</p> <p>Responsible Party: Kerri Butcher</p> <p>Implementation Date: July 2021</p> |

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| Ref | Issue Identified | Effect / Risk Exposure | Recommendation | Management's Response |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REC 5 | <p>Training Requirement Texas Transportation Code § 451.0612(b), requires the Fare Enforcement Officers complete a 40-hour training before commencing their respective duties. However, since this process is outsourced to Herzog, CMTA does not independently maintain files for the training attended to validate completion and ensure the requirements are being met.</p> | <p>The lack of a independent validation and retaining of training records of Fare Enforcement Officer training could result in future non-compliance with Texas Transportation Code § 451.0612(b).</p> | <p>Management should consider updating record retention procedures to include maintaining a file with the relevant fare enforcement trainings' documentation to independently validate compliance with the statute. The contract managers should ensure that the required training is being achieved by all the Fare Enforcement Officers by obtaining the training records and storing them within the contract files and other appropriate locations to validate completion.</p> | <p>Management's Response: Capital Metro requires its service provider to maintain training records for their employees. Maintaining a duplicate set of records is likely to create issues with inconsistency and confusion about which record is accurate. In lieu of maintaining an Authority copy of the records, Capital Metro will implement periodic file audits of employees tasked with fare enforcement to document that adequate training is properly documented in their file.</p> <p>Responsible Party: Dottie Watkins</p> <p>Implementation Date: January 2021</p> |

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| Ref | Issue Identified | Effect / Risk Exposure | Recommendation | Management's Response |
|-------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REC 6 | <p>Quadrennial Report Delivery Texas Transportation Code § 451.457, requires the quadrennial reports be delivered to specific recipients (e.g. Texas Governor, Lt. Governor, etc.). CMTA provided the cover memorandum as supporting documentation evidencing the recipient list of the 2012-2015 quadrennial performance report and proof of submission was obtained from the State Auditor's Office. However, CMTA did not maintain proof of submission to more efficiently verify compliance.</p> | <p>The lack of retaining proof of submission of the quadrennial performance report to the appropriate stakeholders could result in future non-compliance with Texas Transportation Code § 451.457.</p> | <p>Management should consider implementing a process to retain receipt and proof of submission, for the delivery of the quadrennial reports to the applicable recipients in accordance with the statute. The proof of submission should be part of the record retention procedures and maintained with the final and approved Quadrennial Performance Report.</p> | <p>Management's Response: Staff will retain copies of the transmittal records in a shared file with documents related to the Quadrennial Report for future access.</p> <p>Responsible Party: Kerri Butcher</p> <p>Implementation Date: February 2021</p> |

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| Ref | Issue Identified | Effect / Risk Exposure | Recommendation | Management's Response |
|----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| TASK 3 - Performance Indicator Review | | | | |
| REC 7 | <p>Increase of Fares CMTA fare recovery is low at approximately 10% of its costs and declined across all modes except for Commuter Bus. Addressing low fare recovery in an environment of declining riderships would be counterproductive. However, as ridership recovers, fare increases may be warranted and should be further evaluated.</p> | <p>CMTA's fare pricing model may not be sustainable with the increases in the cost of transit operations.</p> | <p>Management, in coordination with the Board of Directors, should continue to review and evaluate its fare policy and pricing model annually and provide recommendations for adjustments that take into consideration the impacts to the community and customer demographics. Additionally, Management should consider the impact of the unlimited monthly MetroAccess pass on fare recovery and identify alternative options that are favorable to the community while increasing fare recovery.</p> | <p>Management's Response: While Management makes recommendations with regards to fares, fares policy is under the purview of the Board of Directors. Fare revenues are regularly evaluated as one of the agency's funding sources and in terms of the long term financial sustainability of the agency. The impacts of fare increases on the community and customer demographics are also important factors to be considered.</p> <p>Responsible Party: Reinet Marneweck</p> <p>Implementation Date: Ongoing</p> |

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| Ref | Issue Identified | Effect / Risk Exposure | Recommendation | Management's Response |
|-------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| REC 8 | <p>Documentation of Data Reporting and Validation Process The sampling and data validation process reflected consistent reporting across all modes, with the exception of Demand Response (DR) revenue miles, hours, and passenger trips for 2016, 2017, and 2018, which was due to data collection and storage being performed within OMO. The loss of the staff person in charge of the collection efforts resulted in gaps in the process documentation to capture and validate revenue mile and hour reporting for all modes. Although the data was able to be verified and interpreted for the review, improvement to the documentation and storage of data reporting and validation by the appropriate department will ensure accurate records for the future.</p> | <p>Lack of uniform processes for validating data and maintaining documentation may negatively impact program efficiencies within the authority.</p> | <p>Management should consider formalizing processes for maintaining documentation and the storage of data reporting and validation within the Demand Response Oversight Department. The storage of the documentation should also be accessible to Management to ensure information is not lost due to turnover.</p> | <p>Management's Response: The issue with data consistency for the demand response mode has previously been identified and corrected by staff. All demand response NTD data is now managed from within the demand response department and has been organized into a single SharePoint location for record storage.</p> <p>Responsible Party: Dottie Watkins</p> <p>Implementation Date: Implemented June 2020 prior to the initiation of the FY2016-2019 Quadrennial Performance Audit procedures</p> |

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