



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

2910 East 5th Street  
Austin, TX 78702

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**Wednesday, July 13, 2022**

**10:00 AM**

**Rosa Parks Boardroom**

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This meeting will be livestreamed at [capmetrotx.legistar.com](https://capmetrotx.legistar.com)

**I. Call to Order**

**II. Public Comment**

**III. Action Items**

1. Approval of minutes from the June 13, 2022 Finance, Audit and Administration Committee meeting.
2. Approval of a resolution authorizing the Interim President & CEO, or their designee, to extend an Interlocal Agreement (ILA) with Austin Community College for student and employee transit passes for a period of one (1) year from September 1, 2022, to August 31, 2023.
3. Approval of a resolution appointing Ayeola Williams as an Investment Officer on the Capital Metro Investment Committee.

**IV. Presentations**

1. FY2023 Budget Proposal
2. FTA Triennial Review - Results
3. Audit Report - Semi-annual Follow-up on Prior Audit Recommendations
4. Internal Audit FY2022 Audit Plan Status
5. Update on CapMetro's Fare Policy and Customer Payment Systems Project

**V. Items for Future Discussion**

**VI. Adjournment**

**ADA Compliance**

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

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

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



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

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Finance, Audit and Administration Committee

**Item #:** AI-2022-494

**Agenda Date:** 7/13/2022

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Approval of minutes from the June 13, 2022 Finance, Audit and Administration Committee meeting.

**Minutes**  
**Capital Metropolitan**  
**Transportation Authority**  
**Finance, Audit and Administration**  
**Committee**

2910 East 5th Street  
Austin, TX 78702

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**Monday, June 13, 2022**

**10:00 AM**

**Rosa Parks Boardroom**

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**I. Call to Order**

10:17 a.m. Meeting Called to Order by Acting Chair Pool.

<b>Present</b>	Wade Cooper, Leslie Pool, and Becki Ross
<b>Absent</b>	Terry Mitchell

**II. Public Comment**

There was no public comment this month.

**III. Action Items**

1. Approval of minutes from the February 14, 2022 Finance, Audit and Administration Committee meeting.

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

**Aye:** Cooper, Pool, and Ross

**IV. Presentations**

1. FY2021 Annual Comprehensive Financial Report
2. Initial Review and Discussion of the FY2023 Proposed Budget
3. Internal Audit FY2022 Audit Plan Status
4. UT Austin Spring 2022 Intern Reports - Facilities Maintenance and Purchasing Card Process

**V. Items for Future Discussion**

**VI. Adjournment**

11:15 a.m. Meeting Adjourned

## ADA Compliance

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

*Committee Members: Wade Cooper, Leslie Pool, Becki Ross and Terry Mitchell.*

*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.*

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Finance, Audit and Administration Committee

Item #: AI-2022-461

**Agenda Date:** 7/13/2022

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**SUBJECT:**

Approval of a resolution authorizing the Interim President & CEO, or their designee, to extend an Interlocal Agreement (ILA) with Austin Community College for student and employee transit passes for a period of one (1) year from September 1, 2022, to August 31, 2023.

**FISCAL IMPACT:**

This action reimburses Capital Metro for expenses incurred.

**STRATEGIC PLAN:**

**Strategic Goal Alignment:**

- |                                       |   |
|---------------------------------------|---|
| <input type="checkbox"/> 1. Customer  | <input checked="" type="checkbox"/> 2. Community                    |
| <input type="checkbox"/> 3. Workforce | <input checked="" type="checkbox"/> 4. Organizational Effectiveness |

**Strategic Objectives:**

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

**EXPLANATION OF STRATEGIC ALIGNMENT:** The ILA extension will maintain a strong partnership with Austin Community College that supports Capital Metro's mission and vision. The ILA has the potential to increase ridership on Capital Metro services and sustain revenue.

**BUSINESS CASE:** The ILA has helped establish a strong partnership with Austin Community College that supports Capital Metro's strategic objectives. The proposed extension will maintain this relationship. The ILA has been well utilized by Austin Community College students and employees, and the proposed extension will maintain the usage of our services by Austin Community College students and employees.

**COMMITTEE RECOMMENDATION:** This item was presented and recommended for approval by the Finance, Audit and Administration Committee on July 13, 2022.

EXECUTIVE SUMMARY: As part of Capital Metro's desire to build strong community partnerships that further Capital Metro's mission and vision and as part of Capital Metro's and Austin Community College's continued joint effort to promote sustainability through transportation alternatives, this agreement is an extension of an Interlocal Agreement (ILA) with Austin Community College for student and employee transit passes for a period of one year from September 1, 2022, to August 31, 2023. ACC will pay Capital Metro for bus and rail services on a per "ride" basis, at sixty-five percent of the then-current, per-ride rates for each class of service provided. ACC will pay Capital Metro a fee of \$46.50 per monthly pass for paratransit services.

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Finance

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

**STATE OF TEXAS  
COUNTY OF TRAVIS**

**AI-2022-461**

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management endeavor to build strong community partnerships that further Capital Metro's mission and vision; and WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management recognize the need to build ridership and increase market share of alternate transit use;

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the Interim President & CEO, or their designee, is authorized to extend an Interlocal Agreement (ILA) with Austin Community College for student and employee transit passes for a period of one year from September 1, 2022, to August 31, 2023.

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**Secretary of the Board  
Leslie Pool**



**AMENDMENT NO. 5  
TO THE  
INTERLOCAL COOPERATION AGREEMENT  
BY AND BETWEEN  
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
AND  
AUSTIN COMMUNITY COLLEGE DISTRICT**

This Amendment Five to the interlocal cooperation agreement (“**Amendment Five**”) is made by and between Capital Metropolitan Transportation Authority, a transportation authority organized under Chapter 451 of the Texas Transportation Code (“**Capital Metro**”) and Austin Community College District (“**ACC**”), a public junior college and political subdivision of the State of Texas, to be effective as of the last signature date below (“**Amendment Effective Date**”). Capital Metro and ACC are referred to in this Amendment individually as a “**Party**” and collectively as the “**Parties**”.

**RECITALS**

1. Capital Metro and ACC entered into that one certain interlocal agreement, dated effective September 1, 2018 (as amended, the “**Agreement**”) for the provision of Capital Metro’s mass transit services and passes to ACC employees and students.
2. The Parties entered into that one certain Amendment No. 1 to the Agreement dated September 3, 2019, wherein the Parties agreed to extend the term of the Agreement until August 31, 2020.
3. The Parties entered into that one certain Amendment No. 2 to the Agreement dated September 30, 2020, wherein the Parties agreed (i) to extend the term of the Agreement until August 31, 2021 and (ii) that, due to the COVID-19 pandemic, ACC would pay Capital Metro for bus and rail services on a per “ride” basis rather than a flat fee arrangement for the period beginning June 1, 2020 and ending December 31, 2020.
4. The Parties entered into that one certain Amendment No. 3 to the Agreement dated December 22, 2020, wherein the Parties agreed to extend the per “ride” fee arrangement through August 31, 2021.
5. The Parties entered into that one certain Amendment No. 4 to the Agreement dated September 2, 2021, wherein the Parties agreed to extend the term of the Agreement through August 31, 2022, and extend the per “ride” fee arrangement through August 31, 2022.
6. The Parties now desire to (i) amend the Agreement to extend the term of Agreement for the remaining one (1) 12-month extension period beginning September 1, 2022 and ending August 31, 2023 (the “FY23 Extension Period”); (ii) extend the per “ride” fee arrangement for the FY23 Extension Period; and (iii) add a mechanism for Eligible ACC Employees or Students to use Capital Metro MetroAccess services.

**NOW, THEREFORE**, in consideration for the mutual promises, covenants, obligations, and benefits contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions stated herein as evidenced by the signatures of their respective duly authorized representatives below.

## AGREEMENT

**A. EXTENSION.** The Term of this Agreement is extended for the FY23 Extension Period beginning September 1, 2022, through August 31, 2023. This is the final extension period available under the Agreement.

### **B. COMPENSATION.**

1. **Per Ride Fee for Bus and Rail Service.** Notwithstanding any term or condition in the Agreement to the contrary, as of September 1, 2022, ACC will continue to pay Capital Metro on a per "ride" basis the agreed ride fee of \$1.25 for Local Route Bus services, \$3.50 for MetroRail services, both physical and digital, for eligible ACC Employees and Students. Payment and invoicing for the FY23 Extension Period will be as follows:
  - i. For every physical ACC Green Pass used by an Eligible ACC Employee or Student, ACC will pay Capital Metro for bus and rail services on a per "ride" basis, at sixty-five percent of the then-current, per-ride rates for each class of service provided under the Agreement.
  - ii. For every digital ACC Green Pass used by an Eligible ACC Employee or Student, ACC will pay Capital Metro for bus and rail services on a per "ride" basis, at sixty-five percent of the then-current, per-ride rate for each class of service provided under the Agreement.
  - iii. For purposes of invoicing and payment in accordance with the foregoing, a "ride" means a digital pass "use", which is an activation trigger moving a ticket from status "usable" to status "using".
2. **MetroAccess Service.**
  - i. Notwithstanding any term or condition in the Agreement to the contrary, as of September 1, 2022, ACC will pay Capital Metro a fee of \$46.50 per monthly pass for paratransit services to any Eligible ACC Employees or Students who have been certified for MetroAccess Service via Capital Metro's certification process (a **"MetroAccess-Certified ACC Employee or Student"**). MetroAccess Certified ACC Employees or Students must follow Capital Metro's certification and reservation processes in order to make use of Capital Metro's paratransit services.
  - ii. ACC will contact the Capital Metro Transit Store to purchase MetroAccess passes for Metro-Access Certified ACC Employees and Students before the beginning of a new service month, i.e., a calendar month during which a MetroAccess-Certified ACC Employee or Student desires to receive paratransit services from Capital Metro. ACC will be responsible for distribution of these monthly passes to MetroAccess-Certified ACC Employees and Students. Alternatively, ACC may purchase digital ACC MetroAccess Passes through Capital Metro's secure website. ACC will be responsible for distributing the digital passes to Eligible Metro-Access Certified ACC Employees and Students through ACC-affiliated electronic emails addresses. ACC will make passes available at no point-of-sale cost.

- iii. Each MetroAccess-Certified ACC Employee or Student must display a valid MetroAccess monthly pass to the MetroAccess operator prior to boarding a MetroAccess vehicle.
3. Capital Metro will provide ACC with monthly reports of ridership.
4. In addition to the payment for bus, rail, and MetroAccess services, ACC will continue to reimburse Capital Metro for Capital Metro's out-of-pocket costs for production of physical or digital passes.
5. Notwithstanding the foregoing, the total amount paid by ACC to Capital Metro for bus, rail, and MetroAccess services provided during the FY23 Extension Period will not exceed \$TBD.

**C. ENTIRE AGREEMENT.** The terms of this Amendment No. 5 are in addition to, and construed together with, the terms of the Agreement, as amended. In the event of conflict in any language in the Agreement and this Amendment No. 5, the language in this Amendment No. 5 will control.

**D. CAPITALIZED TERMS.** Capitalized items used in this Amendment No. 5 and not otherwise defined have the meanings assigned to them in the Agreement.

**E. RATIFICATION.** The Agreement, as modified and amended by this Amendment, is ratified and confirmed in all respects.

**F. CONFLICT.** In the event of a conflict between the terms of this Amendment and the terms of the Agreement, the provisions of this Amendment shall control.

**IN WITNESS WHEREOF,** this Amendment has been signed by an authorized representative of each Party, to be effective as of the last signature date below.

**CAPITAL METROPOLITAN  
TRANSPORTATION AUTHORITY**

**AUSTIN COMMUNITY COLLEGE  
DISTRICT**

By: \_\_\_\_\_  
Catherine Walker  
Executive Vice President,  
Chief Financial and Risk Officer

By: \_\_\_\_\_  
Richard M. Rhodes, Ph.D.  
Chancellor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**INTERLOCAL AGREEMENT  
BY AND BETWEEN  
AUSTIN COMMUNITY COLLEGE  
AND  
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY**

This Interlocal Agreement ("Agreement") is entered into by and between Austin Community College ("ACC") a community college organized under the laws of the State of Texas, and Capital Metropolitan Transportation Authority ("Capital Metro"), a transportation authority and political subdivision of the State of Texas organized under Chapter 451 of the Texas Transportation Code. Capital Metro and ACC are referred to in this Agreement collectively as the "Parties" and individually as a "Party".

**RECITALS**

**Whereas**, the Parties recognize the importance of regional mobility and the desire to encourage ACC's students and employees to access public transportation.

**Whereas**, each of the Parties represent that in the performance of its respective obligations set forth in this Agreement, it is carrying out a duly authorized governmental function that is authorized to perform individually under the applicable statutes of the State of Texas or its charter.

**Whereas**, the Parties represent that the compensation paid under this Agreement is fair and reasonable considering the services and functions to be performed in this Agreement.

**Whereas**, the Parties now desire to enter into a mutually beneficially Agreement that meets the transportation and mobility needs of both Parties, as authorized and governed by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.

**AGREEMENT**

**Now therefore**, in consideration of mutual covenants and agreements herein, the Parties agree to the terms and conditions below as evidenced by the signatures of their respective authorized representatives.

**I. Certain Definitions**

1. "ACC Green Pass" means the custom transit passes, both physical and digital, for Services provided by Capital Metro to ACC for Eligible ACC Employees and Students.
2. "Commuter Service" means Capital Metro's Rail services and all "Express" services, being Capital Metro's routes 900 through 990.
3. "Eligible ACC Employees and Students" means ACC's employees and students who are eligible for an ACC Green Pass as determined by ACC.

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4. "Local Service" means all of Capital Metro's MetroBus, MetroFlyer, UT Shuttle, MetroRapid and High-Frequency Routes.
5. "Metro Access Service" means Capital Metro's services to certified mobility impaired persons.
6. Other capitalized terms will have the definitions given to them in Agreement.

## II. Scope

1. **Services.** The purpose of this Agreement is to provide ACC employees and students access to the use of Capital Metro's Local and Commuter Services, and MetroAccess Service (collectively, the "Services"). Rideshare services are not included in or subject to this Agreement.

1.1 **Local and Commuter Transit Services.** Eligible ACC Employees and Students will have unlimited use of the Services when they swipe or otherwise validate valid ACC Green Passes and present ACC identification cards upon request. All fares of Eligible ACC Employees and Students will be borne by ACC and no fares will be required by Capital Metro to be paid by such students and employees.

1.2 **MetroAccess.** MetroAccess service will be provided to Eligible ACC Employees and Students who have been certified for MetroAccess service via Capital Metro's certification process. Such certified Eligible ACC Employees and Students must follow the Capital Metro process for reservations and services.

### 2. ACC Green Passes.

2.1 **Distribution.** At least eight (8) weeks before the start date of each semester during the Term, ACC will notify Capital Metro of the number of physical ACC Green Passes needed for that semester. Capital Metro will make available to ACC the ACC Green Passes at least two (2) weeks before the start date of each semester. Capital Metro will provide the physical ACC Green Passes to ACC. ACC will access the digital ACC Green Passes through Capital Metro's secure website. ACC will be responsible for distributing the ACC Green Passes to Eligible ACC Employees and Students. ACC will distribute digital ACC Green Passes to Eligible ACC Employees and Students only through ACC-affiliated electronic mail addresses. ACC will make the ACC Green Pass available to all Eligible ACC Students and Employees at no point-of-sale cost.

2.2 **Additional ACC Green Passes.** ACC may request additional ACC Green Passes during each semester. ACC will coordinate with Capital Metro to determine the number of additional ACC Green Passes to be provided. Capital Metro will deliver

additional transit passes to ACC within fourteen (14) business days after the date that Capital Metro and ACC agree in writing on the number of additional passes.

**2.3 Deactivation.** If ACC learns that a physical ACC Green Pass has been stolen, lost, become inoperable or held by individuals who are no longer Eligible ACC Employees and Students, ACC will contact Capital Metro to deactivate the ACC Green Pass. ACC is entitled to four (4) free batch deactivations of physical ACC Green passes per semester at no cost. ACC will be assessed a \$10.00 fee for each additional batch deactivation of physical ACC Green Passes. At no cost to ACC, ACC will de-activate digital ACC Green Passes that are deemed lost, stolen, inoperable or held by individuals who are no longer Eligible ACC Employees and Students. Digital pass deactivation may be conducted by ACC staff at will at any time, and ACC staff will ensure that necessary deactivation occurs on at least a monthly basis.

**3. Schedule.** The following holidays are observed by Capital Metro and may alter the level of Services on the dates indicated:

Holiday	Date Observed
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

**4. Monitoring and Reporting.** Capital Metro will use its fare collection equipment to monitor, compile and analyze Eligible ACC Employees and Students ridership data with respect to physical ACC Green Passes and activation data with respect to digital ACC Green Passes. Capital Metro will provide monthly reports to ACC based on this data.

**5. Coordination.** Capital Metro and ACC understand the need for coordination and prior approval of their respective governing bodies regarding services, activities and initiatives. The Parties agree to work together in good faith to coordinate any approvals necessary to obtain services, activities and initiatives that further the goals of this Agreement. Such cooperation and coordination shall include the following:

5.1 Capital Metro and ACC staff will outline the various roles and responsibilities needed to promote and increase ACC Employee and Student ridership. This may include, but is not limited to, providing more efficient access to and between ACC campuses and the currently available programs for transit or alternative transportation.

### **III. Term and Termination**

1. **Term.** The term of this Agreement ("Term") will be commence on September 1, 2018 ("Effective Date") and will remain in effect through August 31, 2019. The Parties may extend the Term by mutually written agreement for up to four additional 12-month option extension periods ("Extension Period"), subject to review and approval of both the Capital Metro Board of Directors and the ACC Board of Trustees. If Capital Metro chooses to extend the Term, Capital Metro will provide written notice of its desire to continue the Agreement to ACC ninety (90) calendar days prior to the expiration of the Term. Any changes to the payment terms will be negotiated in good faith between the Parties at least sixty (60) days prior to the expiration of the Term.
2. **Termination.** Either Party may terminate this Agreement, in whole or part, without cause, upon ninety (90) days' prior written notice. Upon receipt of a termination notice from ACC, Capital Metro will cease all Services on the ninetieth day following the date of the termination notice. ACC will pay Capital Metro for all Services performed and obligations incurred prior to the termination of the Agreement.

### **IV. Compensation and Payment**

1. **Agreement Amount.**
  - 1.1 **Flat Fee.** For the initial year of the Term (September 1, 2018 through August 31, 2019), ACC will pay Capital Metro a flat fee of \$429,000 for the Services (the "Flat Fee") in twelve (12) monthly installments. For each Extension Period, Capital Metro, at its sole discretion, may increase the Flat Fee paid by ACC for the Services based on increases in the Producer Price Index as published by the U.S. Bureau of Labor Statistics. However, in no event will the Flat Fee increase by more than three percent (3%) of the Flat Fee paid for the previous year. Capital Metro will notify ACC of any increases to the Flat Fee in accordance in Capital Metro's notice to extend the Term under Section III (1) of this Agreement.
  - 1.2 **August 2018.** Notwithstanding any other term or condition to the contrary in this Agreement or any previous agreement between the Parties, Capital Metro will charge ACC for Services provided in August 2018 on a per ride basis based on the prices set forth in that certain Interlocal Agreement between the ACC and Capital Metro, dated effective September 1, 2014, but in no event will the total cost to ACC for August 2018 exceed the amount that Capital Metro invoiced ACC for Services provided in August 2017.

- 1.3 **Pass Reimbursement.** In addition to the Flat Fee, ACC will reimburse Capital Metro for Capital Metro's out of pocket costs for production of physical or digital transit passes.
2. **Invoices.** Each Capital Metro invoice sent to ACC will contain the following: 1) a different invoice number (i.e. invoices will not have duplicate numbers); 2) the purchase order or delivery order number, if applicable; 3) the Department's name and 4) the name of the point of contact for the Department. Invoices will be mailed to:
- Austin Community College Service Center**  
**Business Services**  
**Attn: Neil Vickers, EVP Finance and Administration**  
**9101 Tuscany Way, Office 149**  
**Austin, Texas 78754**
3. **Prompt Pay.** ACC will pay all invoices on a monthly basis in accordance with Texas Prompt Payment Act, Chapter 2251, Texas Government Code.
4. **Non-Appropriations.** This Agreement is dependent upon the availability of ACC funding. ACC's payment obligations are payable only from current funds appropriated and available for the Agreement. ACC will provide Capital Metro written notice if it fails to appropriate funds to pay the amounts due under this Agreement. ACC will also notify Capital Metro as soon as practicable if there is a reduction of the appropriated funds necessary for ACC to perform under this Agreement.

## **V. General Terms and Conditions**

1. **Right to Audit.**
- 1.1 ACC agrees to allow authorized Capital Metro representatives access to all records related to this Agreement. In addition, ACC agrees to only distribute Green Passes to Eligible ACC Employees and Students. ACC will take adequate measures to prevent the transference of transfer passes and tickets to individuals not associated with ACC.
- 1.2 Capital Metro agrees to allow authorized representatives of the Office of the ACC Auditor, or other authorized representatives of ACC, access to, and the right to audit, examine, or reproduce all Capital Metro records related to the performance of this Agreement. Capital Metro will retain records for the period set forth in Section V (4) of this Agreement. Capital Metro agrees to refund to ACC any overpayments disclosed by an ACC audit.
2. **Amendment.** This Agreement may be amended only in writing by an instrument signed by an authorized representative of each of the Parties; however, Capital Metro expressly reserves the right in its sole discretion, to amend this Agreement unilaterally



with ten (10) business days' written notice to ensure compliance of this Agreement with state or federal law or other regulation.

3. **Texas Public Information Act.** It will be the responsibility of each Party to comply with the provisions of Chapter 552, Texas Government Code, ("Texas Public Information Act") and the Attorney General Opinions issued under that statute. Neither Party is authorized to receive requests or take any action under the Texas Public Information Act on behalf of the other Party. Responses for requests for confidential information shall be handled in accordance with the provisions of the Texas Public Information Act. The provisions of this Section shall survive the termination of this Agreement.
4. **Maintenance of Records.** Capital Metro and ACC will maintain and retain supporting fiscal documents adequate to ensure that claims for Agreement funds are in accordance with applicable State of Texas requirements. These supporting fiscal documents will be maintained and retained for a period of four (4) years from the later of: (a) termination of this Agreement, (b) submission of the final invoices, or (c) until resolution of all billing questions.
5. **Applicable Law.** This Agreement will be governed by and construed in accordance with the laws and constitution of the State of Texas.
6. **Venue.** Venue for any action arising under this Agreement will be in Travis County, Texas.
7. **Successors and Assigns.** This Agreement may be not assigned, in whole or in part, by either Party without prior written consent of the other Party. Any attempt to assign this Agreement, without the consent of the non-assigning Party, will be void. This Agreement will be binding upon and inure to the benefit of the Parties and their successors (if any).
8. **Independent Contractor.** This Agreement will not be construed as creating an employer-employee relationship, a partnership, or a joint venture between the Parties.
9. **Disputes.** The Parties will make every possible attempt to resolve, in an amicable manner, all disputes between the Parties concerning the interpretation of this Agreement. ACC will submit written notice of any claim of breach of contract under this Agreement to Capital Metro, who will examine ACC's claim and any counterclaim and negotiate with ACC in an effort to resolve the claim.
10. **Liability.** THE PARTIES AGREE THAT EACH GOVERNMENTAL ENTITY IS RESPONSIBLE FOR ITS OWN PROPORTIONATE SHARE OF ANY LIABILITY FOR THE NEGLIGENCE ACTS OR OMISSIONS OF ITS EMPLOYEES, AGENTS, CONTRACTORS, OR SUBCONTRACTORS ARISING OUT OF, CONNECTED WITH, OR AS A CONSEQUENCE OF ITS

**PERFORMANCE UNDER THIS AGREEMENT. NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES (INCLUDING, BUT NOT LIMITED TO LOSS OF BUSINESS, REVENUE, PROFITS, OR OTHER ECONOMIC ADVANTAGE), HOWEVER IT ARISES, WHETHER IN AN ACTION OF CONTRACT, NEGLIGENCE, TORT OR OTHER ACTION, ARISING OUT OF OR ON IN CONNECTION WITH THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY THEREOF.**

11. **Force Majeure.** Except as otherwise provided, neither Party is liable for any delay in, or failure of performance, or a requirement contained in this Agreement caused by force majeure. The existence of such causes of delay or failure shall extend the period of performance until after the causes of delay or failure have been removed, provided the non-performing Party exercises all reasonable due diligence to perform. Force majeure is defined as acts of God, or the common enemy, or the result of war, riot, civil corruption, sovereign conduct, strikes, fires, explosions or other causes that are beyond the control of either Party and that by exercise or due foresight, such Party could not reasonably have been expected to avoid, and which, by the exercise of all reasonable due diligence, such Party is unable to overcome. Each Party must inform the other in writing with proof of receipt within three (3) business days of the existence of such force majeure.
12. **Severance.** Should any one or more provisions of this Agreement be deemed invalid, illegal, or unenforceable for any reason, such invalidity, illegality or unenforceability shall not affect any other provision held to be void, voidable, or for any reason whatsoever or no force and effect, such provision will be construed as severable from the remainder of this Agreement and will not affect the validity of all provisions of this Agreement, which will remain of full force and effect.
13. **Headings.** The headings contained in this Agreement are for reference purposes only and do not in any way affect the meaning or interpretation of this Agreement.
14. **Notices.** Any notice required or permitted to be delivered under this Agreement will be deemed delivered when deposited in the United States mail, postage prepaid, certified mail, return receipt requested, addressed to ACC or Capital Metro, at the addresses set forth below. Notice given in any other manner will be deemed effective only if and when received by the Party to be notified. Either Party may change its address for notice by written notice to the other Party.

ACC: Austin Community College Service Center  
Attn: Executive Vice President of Finance and  
Administration  
9101 Tuscany Way  
Office 149  
Austin, Texas 78754

Capital Metro: Capital Metropolitan Transportation Authority  
Attn: Chief Counsel  
2910 E. 5<sup>th</sup> Street  
Austin, Texas 78702

16. **Government Entities.** The Parties to this Agreement are governmental entities within the State of Texas and nothing in this Agreement waives or relinquishes the right of the Parties to claim any exemptions, privileges and immunities as may be provided by law.
17. **Entire Agreement.** This Agreement represents the complete and entire Agreement between the Parties respecting the matters addressed herein, and supersedes all prior negotiations, agreements, representations, and understanding, if any, between the Parties to the subject matter contained in this Agreement. This Agreement may not be modified, discharged, or changed in any respect whatsoever except by further agreement in writing duly executed by authorized representatives of each of the Parties. No official, representative, agent, or employee of Capital Metro, has any authority to modify this Agreement, except pursuant to such express authority as may be granted by the Capital Metro Board of Directors.

#### **VI. Certifications.**

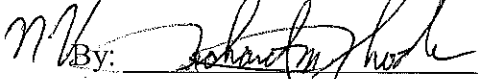
THE UNDERSIGNED PARTIES do hereby certify that: (a) the Services specified above are necessary and essential and are properly within the statutory functions and programs of the affected governmental entity; (b) the proposed arrangements serve the interest of efficient and economical administration of Capital Metro and ACC; (c) the Services, supplies or materials contracted for are not required by Section 21 of Article 16 of the Constitution of Texas to be supplied under an Agreement given to the lowest responsible bidder nor is this Agreement prohibited by Texas Government Code, Section 771.003(b); and (d) this Agreement neither requires nor permits either party to exceed its duties and responsibilities or the limitations of its appropriated funds.

*[Signatures Page Follows]*

**In Witness Whereof**, the Parties have caused this Agreement to be executed by their undersigned, duly authorized representatives to be effective as of the date of the last Party to sign.

**ACC:**

Austin Community College

By:   
Dr. Richard M. Rhodes  
President/CEO

Date: 8/16/18

**Capital Metro:**

Capital Metropolitan Transportation Authority

By:   
Randy Clarke  
President/CEO



Date: 8/27/18

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Finance, Audit and Administration Committee  
**Agenda Date:** 7/13/2022

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**Item #:** AI-2022-462

**SUBJECT:**

Approval of a resolution appointing Ayeola Williams as an Investment Officer on the Capital Metro Investment Committee.

**FISCAL IMPACT:**

This action has no fiscal impact.

**STRATEGIC PLAN:**

**Strategic Goal Alignment:**

- |                                       |   |
|---------------------------------------|---|
| <input type="checkbox"/> 1. Customer  | <input type="checkbox"/> 2. Community                               |
| <input type="checkbox"/> 3. Workforce | <input checked="" type="checkbox"/> 4. Organizational Effectiveness |

**Strategic Objectives:**

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

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

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

**COMMITTEE RECOMMENDATION:** This item was presented and recommended for approval by the Finance, Audit and Administration Committee on July 13, 2022.

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

**Agenda Date:** 7/13/2022

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

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Finance

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

**STATE OF TEXAS  
COUNTY OF TRAVIS**

**AI-2022-462**

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

WHEREAS, a vacancy currently exists for an Investment Officer on the Investment Committee.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metro Transportation Authority Board of Directors that Ayeola Williams, Deputy Counsel, is hereby appointed as Investment Officer to the CapMetro Investment Committee and is authorized to withdraw, invest, reinvest, and accept payment with interest consistent with the investment policy.

**Date:** \_\_\_\_\_

\_\_\_\_\_  
**Secretary of the Board  
Leslie Pool**



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

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Finance, Audit and Administration Committee  
**Agenda Date:** 7/13/2022

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**Item #:** AI-2022-482

FY2023 Budget Proposal





# FY2023 Budget Proposal

FAA Committee Meeting 7/13

## Discussion Outline

- Budget Development Calendar
- Budget Overview
- Operating Budget Highlights
- Capital Improvement Plan Update

# FY2023 Budget Development Calendar

- Feb 2 Operating and Capital Budget kick-off meeting with departments
- Apr 15 Operating and Capital Budget requests received from departments
- May 23 Board of Directors review proposed budget calendar
- Jun 1 Initial review with Access Advisory Committee
- Jun 8 Initial review with Customer Satisfaction Advisory Committee
- Jun 13 Board Committees initial review and discussion
- ➔ Jul 13 Budget proposal presented to Board Committees
- Jul 25 Budget proposal presented to Board of Directors

# FY2023 Budget Community Engagement

- Aug 3 Presentation to Access Advisory Committee
- Aug 10 Presentation to Customer Satisfaction Advisory Committee
- Aug 15 Update Board Committees
- Aug 22-26 Budget public outreach and webinar
- Aug 24 Proposed budget document is published online
- Sep 14 Update Board Committees
- Sep 14 Public hearing on proposed budget and capital improvement plan
- Sep 26 Board of Directors considers budget proposal for adoption

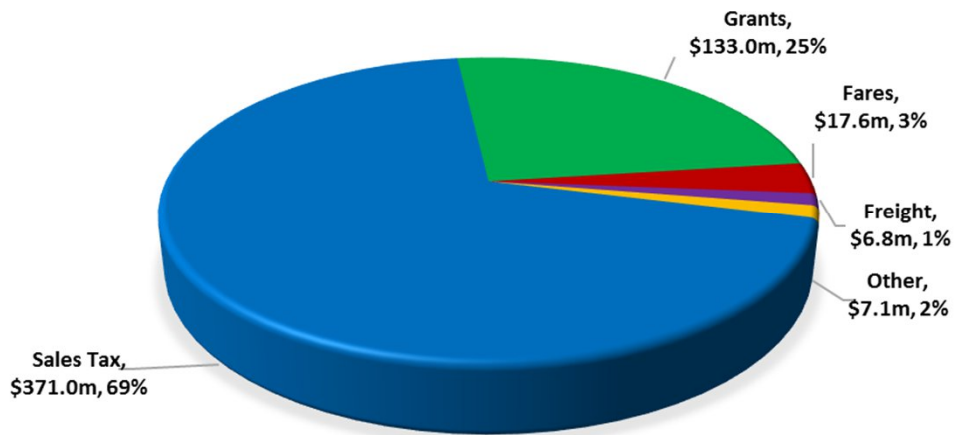
# Proposed Budget Overview



- Proposed budget is structurally sound and balanced
  - Ongoing revenue is sufficient to fund operations and provide funds for capital needs
- Meets operating reserve requirements
  - Statutory operating and budget stabilization reserves are fully funded
  - Continued funding of the Facility Master Plan Reserve Fund
- Projected sales tax growth of 3.5% for Fiscal Year 2023
  - Guarded projection with negative economic indicators
- Service funding based on August Service Plan changes
- Investment in customer focused transit infrastructure projects

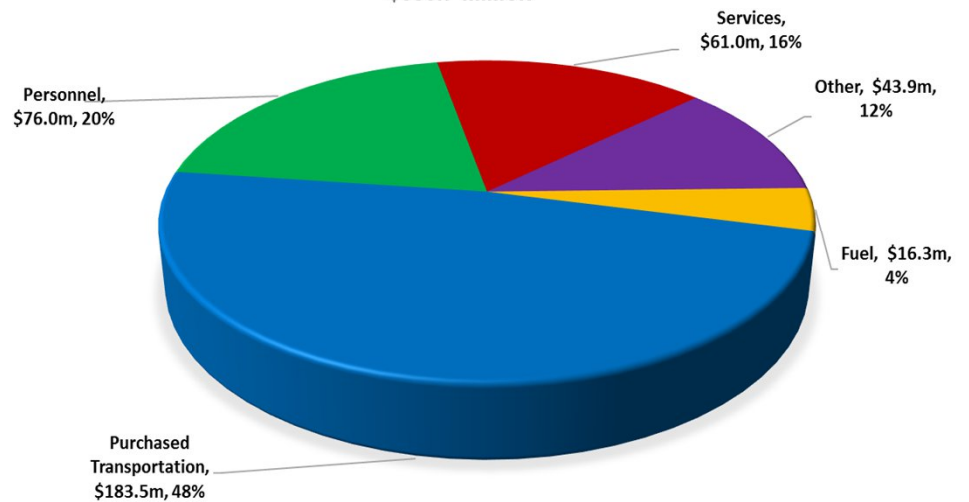
# FY2023 Operating Budget Summary

**FY2023 Operating Revenue**  
\$535.6 Million



- Heavily dependent on sales tax revenue and grants for annual funding
- Grants include American Rescue Plan Act and 5307 formula funds

**FY2023 Operating Expenses**  
\$380.7 Million



- Majority of budget pays for contracted transit services
- Spending depends on hours of service and contractor rates
- Increase of 26% in per gallon diesel cost from FY2022





**METRO**

# FY2023 BUDGET OPERATING COSTS

# Operating Cost Drivers



- Service levels based on August Service Plan changes
  - Purchased transportation costs are developed using budgeted hours and contractual rates
- Fuel prices remain stable over the next fiscal year with hedging in place
  - Diesel estimate of \$2.40 per gallon, net of hedging activities
  - Fuel hedge is 62.7% of projected fuel usage
- Continuation and expansion of Pickup innovative mobility zones
- Performance based average annualized pay increase for employees
- 41 new positions for the FY2023 budget
  - Primarily Operations, Information Technology and Facilities Management additions
- Strategic plan initiatives considered in budget preparation

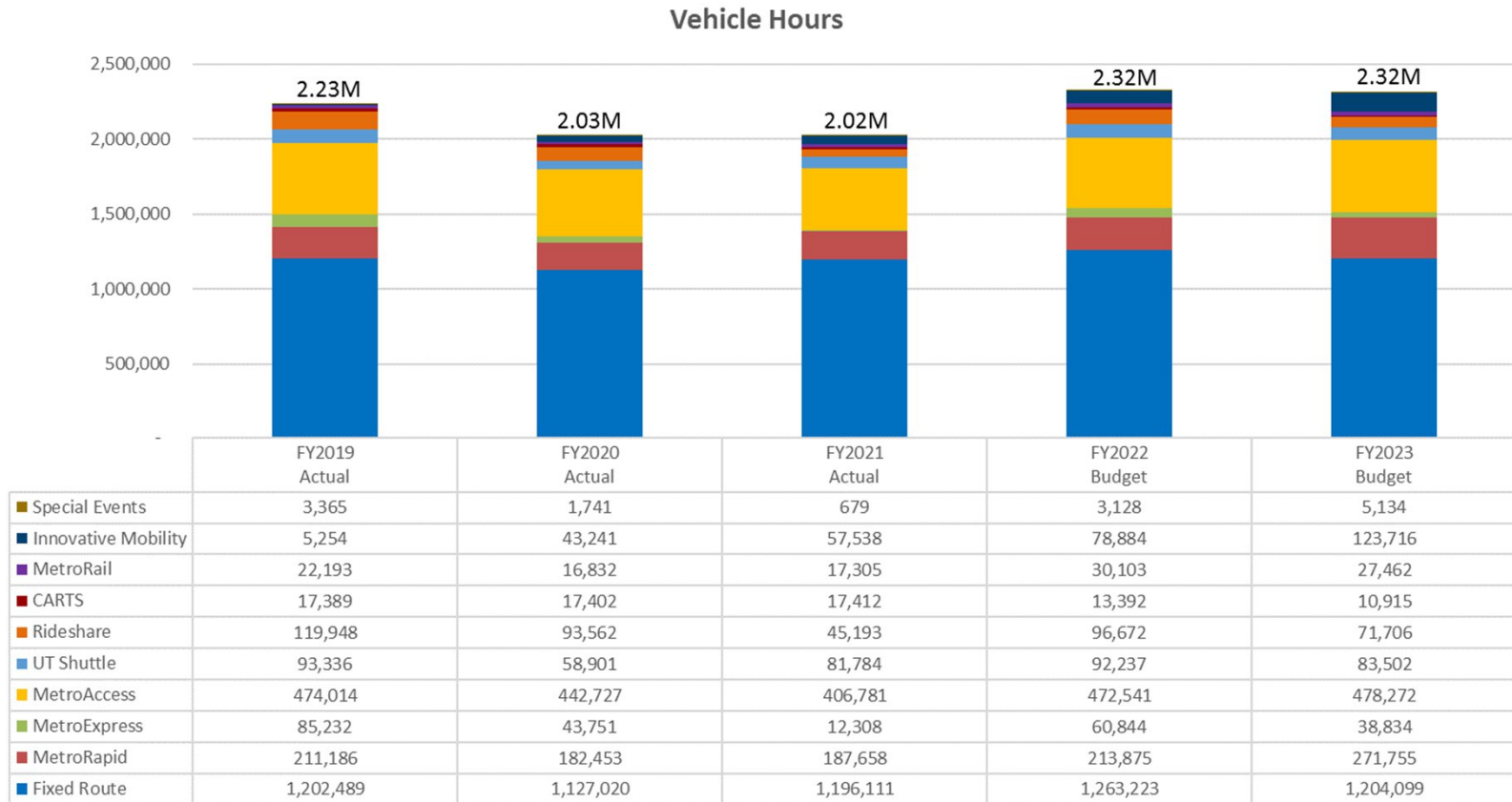


# Operating Expense Comparison

\$' Million Expense Category	FY2021 Actual	FY2022 Forecast	FY2022 Budget	FY2023 Budget	\$ Increase / (Decrease)
Salaries and Benefits	\$47.8	\$60.9	\$60.9	\$76.0	\$15.1
Professional Services	30.0	51.2	44.2	61.0	16.8
Materials and Supplies	1.4	3.2	2.6	18.7	16.1
Fuel and Fluids	10.9	12.6	12.3	16.3	4.0
Utilities	3.4	3.3	4.0	4.3	.3
Purchased Transportation	152.6	161.5	184.7	183.5	(1.2)
Lease/Rentals	3.4	4.4	7.3	6.4	(.9)
Other Expenses	5.4	11.0	10.8	14.5	3.7
<b>Total Operating Expense</b>	<b>\$254.8</b>	<b>\$308.0</b>	<b>\$326.8</b>	<b>\$380.7</b>	<b>\$54.0</b>

- Salaries and Benefits – Includes additional 41 FTEs primarily for Operations, IT and Facilities Management
- Professional Services – Vehicle configuration changes and software maintenance expense
- Materials and Supplies – Maintenance material shift from purchased transportation with restructure of MV contract

# Service Levels





**METRO**

# FY2023 BUDGET REVENUES

# Operating Revenue

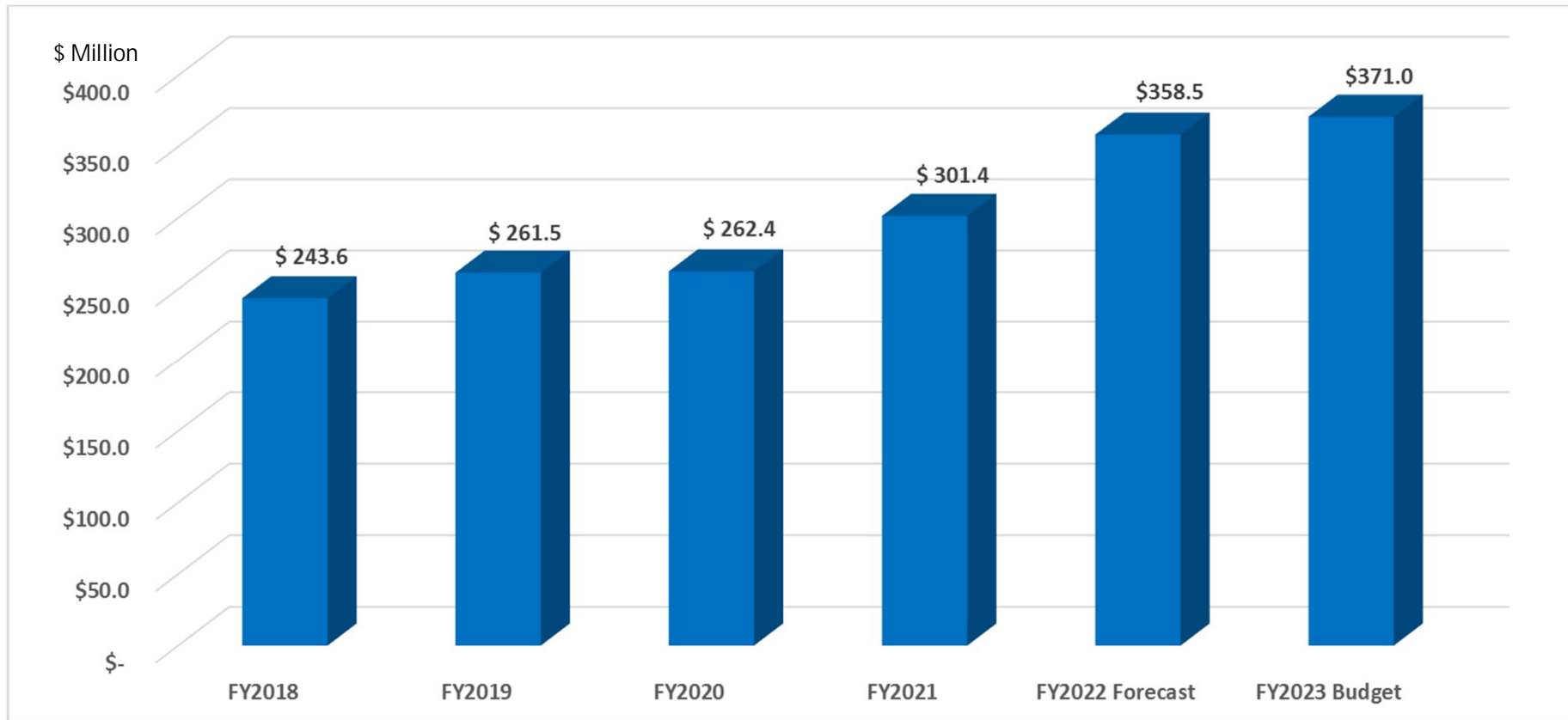
- Fare Revenue
  - Fare revenue based on continuing return of ridership in FY2023
- Federal Grants
  - Approximately \$44.2 million annually in Section 5307 funds
    - Carryover of FY2022 Section 5307 funds into FY2023
  - Estimated \$27.3 million remaining American Rescue Plan (ARP) Act funding
- Freight Railroad Revenue
  - Mainline revenue on target with FY2022 Budget
  - Section 45G Railroad Track Maintenance Tax Credit of ~ \$544 thousand

# Revenue Comparison

\$' Million Revenue Category	FY2021 Actual	FY2022 Forecast	FY2022 Budget	FY2023 Budget	\$ Increase / (Decrease)
Sales Tax	\$301.4	\$358.5	\$297.3	\$371.0	\$73.7
Passenger Revenue	12.6	13.5	18.1	17.6	(.5)
Freight Railroad Revenue	5.8	6.6	6.5	6.8	.3
Other Revenue	5.7	6.3	6.6	7.1	.6
Operating Contributions and Grants	49.6	179.7	180.4	133.0	(47.4)
Capital Grants and Contributions	21.4	85.1	157.4	230.6	73.3
<b>Total Revenue</b>	<b>\$396.5</b>	<b>\$649.8</b>	<b>\$666.3</b>	<b>\$766.3</b>	<b>\$100.0</b>

- Sales Tax – Projected 3.5% increase for Fiscal Year 2023 Budget over Fiscal Year 2022 Forecast
- Operating Grants – FY2022 includes CRRSAA and ARP stimulus funding; FY2023 includes ARP and Section 5307 funding
- Capital Grants and Contributions – FY2023 includes Austin Transit Partnership capital contributions, electric vehicle grants, CRISI bridge replacement grant and 5339a and 5337 formula grants

# Sales Tax Revenue







# METRO

## FY2023 CAPITAL BUDGET





## Capital Budget Highlights

- Electric bus purchases and infrastructure construction
- 2910 East Fifth campus reconfiguration
- Demand response operations and maintenance facility
- Red Line optimization projects
- MetroBike station expansion and replacements
- Bus stop enhancements





## Project Connect Highlights

- MetroRapid Lines – Vehicles, stations and electric charging
- MetroExpress Park & Rides
- Continued and new Pickup Zones operations
- Master facility plan expansion
- Organizational development and operational readiness
- Continued Interlocal Agreements for staffing and support services

# Proposed 5-Year Capital Plan

\$' Million Project Category	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Bus and Paratransit	\$69.4	\$71.8	\$8.5	\$89.0	\$43.3	\$282.1
Commuter Rail	17.4	4.7	3.5	4.1	5.2	34.9
Facilities	140.2	133.2	114.1	106.3	110.7	604.5
Freight Railroad	3.2	.0	.0	.0	.0	3.4
Information Technology	20.5	13.1	13.0	12.5	7.5	66.6
Other	8.8	4.4	4.4	3.0	3.3	23.9
Project Connect	169.5	93.2	23.3	13.0	10.0	309.0
Property and Asset Mgmt	13.9	.9	1.1	1.0	1.3	18.1
<b>Total Capital Projects</b>	<b>\$443.0</b>	<b>\$321.3</b>	<b>\$167.9</b>	<b>\$229.0</b>	<b>\$181.4</b>	<b>\$ 1,342.5</b>
Funding						
Local Funding	212.3	159.1	68.6	121.0	123.6	684.7
Grants/Contributions	230.6	162.2	99.3	108.0	57.7	657.8
<b>Total Capital Projects</b>	<b>\$443.0</b>	<b>\$321.3</b>	<b>\$167.9</b>	<b>\$229.0</b>	<b>\$181.4</b>	<b>\$ 1,342.5</b>
Project Type						
Enhancement	358.4	235.9	140.8	129.7	130.0	994.8
State of Good Repair	84.5	85.4	27.1	99.3	51.4	347.7
<b>Total Capital Projects</b>	<b>\$443.0</b>	<b>\$321.3</b>	<b>\$167.9</b>	<b>\$229.0</b>	<b>\$181.4</b>	<b>\$ 1,342.5</b>



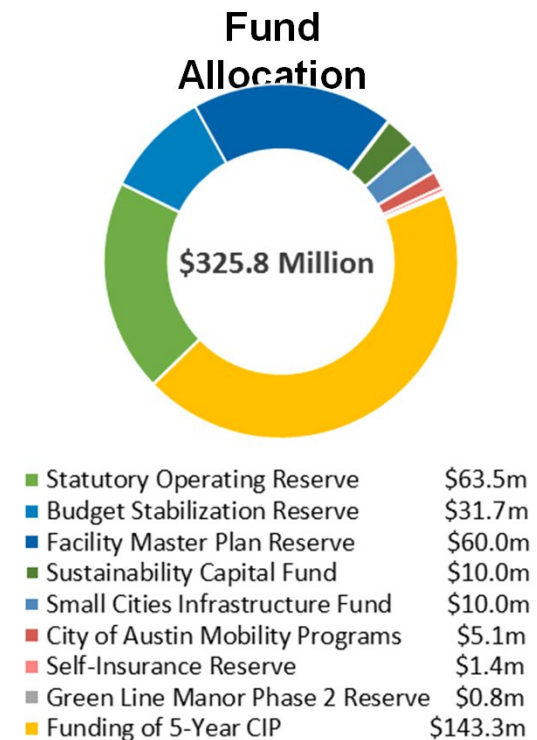


# METRO

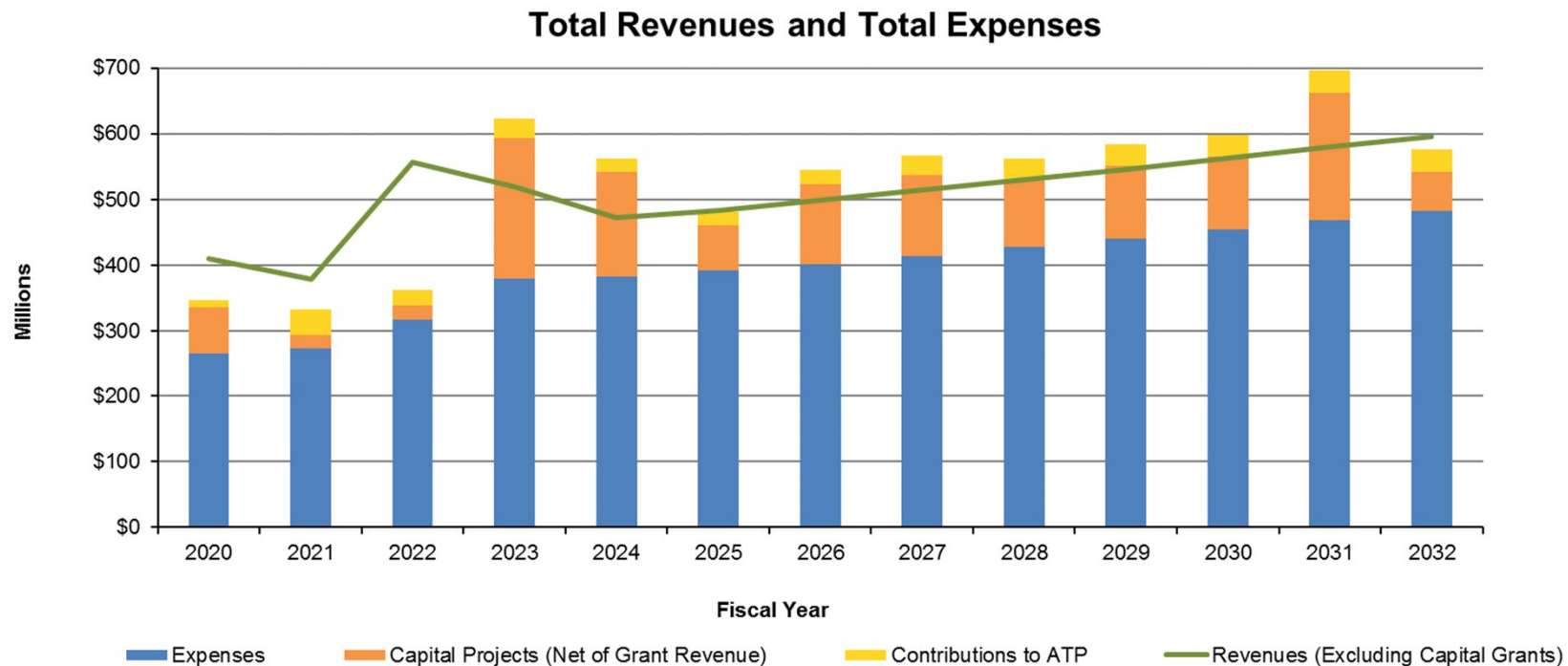
## SUMMARY

# Fund Balance and Reserves

FY2023 Projected Activity	\$' Million
Projected Beginning Balance	\$423.5
+ Revenue	766.3
- Operating Expenses	(380.7)
- Capital Projects	(443.0)
- Contribution to Project Connect	(30.0)
- Interlocal Agreements	(10.3)
Projected Ending Balance	<b>\$325.8</b>



# Long-Range Financial Model



- Ongoing revenue assumption is sufficient to fund operations and capital needs through Fiscal Year 2026
- Budget risk if sales tax growth does not develop as projected

## Next Steps

- Review budget proposal with Board's advisory committees
- Publish draft budget document online
- Public outreach across CapMetro's service area and virtually
- Public hearing on the proposed budget
- Budget updates to Board Committees
- Final Board approval scheduled for September 26
- Board update on Long-Range Financial Plan

CapMetro

Thank you!



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

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Finance, Audit and Administration Committee

**Item #:** AI-2022-473

**Agenda Date:** 7/13/2022

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FTA Triennial Review - Results





# FTA Triennial Review - Results

# Overview of FTA Triennial Review

Purpose: Triennial reviews are required for all transit agencies receiving federal funds.

The purpose of the review is to evaluate compliance with federal laws and regulations as it pertains to the FTA funded projects and programs.

Period Covered: Fiscal Year 2018 to FY2021 (4 Years)

## Scope of 2022 FTA Triennial Review

The FTA reviewed 23 areas for compliance which includes:

- Financial Management
- Procurement & Awards Management
- Disadvantaged Business Enterprise
- Title VI Compliance
- Americans with Disabilities Act (ADA)
- Public Transportation Agency Safety Plan (PTASP)

## Triennial Review Results – No Findings

The FTA Triennial had no findings for all 23 areas reviewed for the four year fiscal period 2018 to 2021.

The FTA commented “great job on this review”.

**CapMetro**

Questions?



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

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Finance, Audit and Administration Committee

**Item #:** AI-2022-472

**Agenda Date:** 7/13/2022

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Audit Report - Semi-annual Follow-up on Prior Audit Recommendations



## SEMI-ANNUAL FOLLOW-UP ON AUDIT RECOMMENDATIONS MAY 2022 (#22-04)

Terry Follmer, VP of Internal Audit

### **Distribution List:**

Capital Metro Board of Directors  
Dottie Watkins, Interim President and CEO  
Kerri Butcher, EVP, Chief of Staff  
Donna Simmons, EVP of Administration, Diversity and Inclusion Officer  
Sharmila Mukherjee, EVP, Strategic Planning & Development  
Gardner Tabon, EVP, Chief Safety Officer  
Molly King, EVP, Project Connect Integration  
Samantha Alexander, Interim EVP, Chief Experience & Engagement Officer  
Catherine Walker, EVP, Chief Financial Officer & Risk Officer  
Kevin Conlan, Deputy Chief Financial Officer  
Andrew Skabowski, Chief Operating Officer  
Chad Ballentine, VP, Demand Response & Innovative Mobility  
Ken Cartwright, VP, Facilities Management & Capital Construction  
David Dech, VP, Rail Operations  
Jeff Hiott, VP, Imagination, Research, and Industry Benchmarking  
Rafael Villarreal Jr., Interim VP, Bus Operations & Maintenance  
Tanya Acevedo, VP, Chief Information Officer  
Nadia Nahvi, Controller  
Muhammad Abdullah, Senior Director/Chief of Procurement & Compliance Officer  
Andrew Murphy, Director, Vehicle Maintenance  
Charlie Jackson, Director of Transit Tech Systems  
Jacqueline Evans, Director of Diversity & Compliance  
Suzie Edrington, Senior Director of Demand Response  
Terry Thomas, Senior Director of People & Culture  
Sherine Spence, Director of People & Culture  
Alyce May, Manager of Payroll & Accounts Payable  
James Roach, Accounting Manager  
Ben Hodges, Accounting Manager  
Jean Melgares, Systems Safety Manager

## Executive Summary

As part of our annual Audit Plan approved by the Capital Metro Board, we conducted the semi-annual status review of all open audit recommendations as of May 31, 2022. The follow-up included 9 audit reports with a total of 33 recommendations. The audit objective and conclusion on the implementation of the corrective action plans follows.

## Audit Objective & Scope

The objective of the audit was to determine whether Management has successfully implemented action plans in response to the recommendations provided in internal audit reports. In order to monitor the disposition of audit recommendations, the Internal Audit Department conducts two follow-up audits (semi-annual) per fiscal year (May and November). This report reflects the status as of May 31, 2022, for the outstanding Corrective Action Plans (CAP's) resulting from internal audit projects.

## Conclusion on Corrective Action Plans

We followed up on 33 recommendations from 9 different audit reports and have concluded that only 20 recommendations remain open, and Management has action plans to implement the items listed as "In Process of Being Implemented." Table 1 listed below provides a summary breakdown of audit reports with open recommendations for May 31, 2022.

<b>Project #</b>	<b>Report Date</b>	<b>Report Name</b>	<b>Total # of Audit Recommendations</b>	<b>Implemented as Recommended</b>	<b>In Process of Being Implemented</b>	<b>Rejected - Management Has Accepted the Risk</b>	<b>% Action Plan Implemented</b>
19-05	4/5/2019	Genfare Cash and Ticket Controls Audit	5	4	1	0	80%
20-03	3/9/2020	OrbCAD Incident/Accident Process Review	3	0	3	0	0%
20-05	8/3/2020	Fuel Management & Controls Audit	4	3	1	0	75%
20-06	6/8/2020	OrbCAD Service Delays Process Review	2	2	0	0	100%
21-01	4/2/2021	Positive Train Control (PTC) Expenditures Audit	2	0	2	0	0%
21-03	4/2/2021	DBE/SBE Program Controls & Analysis Audit	4	3	1	0	75%
21-07	8/20/2021	Payroll & Benefit Controls Audit	5	1	4	0	20%
21-09	12/1/2021	Transit Store and Ticket Controls Audit	6	0	6	0	0%
22-03	2/8/2022	Plaza Saltillo - Lease Revenue Audit	2	0	2	0	0%
<b>TOTAL:</b>			<b>33</b>	<b>13</b>	<b>20</b>	<b>0</b>	<b>39%</b>

In our opinion, Management has made reasonable progress in implementing the recommendations and open Corrective Action Plans. Additional details related to all open recommendations can be found in Appendix A.



This audit was conducted by the following staff members in the Capital Metro Internal Audit Department:

Sarah Daigle, Internal Auditor III (Project Lead)

Terry Follmer, VP of Internal Audit

We want to thank Management for their support and good progress in implementing the open corrective action plans.

## APPENDIX A – DETAILS OF OPEN AUDIT RECOMMENDATIONS

### **Prior Recommendations and Audit Results**

As required by the Institute of Internal Auditors' International Professional Practices Framework, we have reviewed all open audit recommendations. Based on our review of audits, we identified 20 open recommendations. Listed below are the open recommendations, along with the name of the audit report, report date, original recommendation, and Management's updated target completion date and comments.

### **19-05 GENFARE CASH AND TICKET CONTROLS AUDIT (4/5/2019 Report Issued with 5 Recommendations)**

#### **RECOMMENDATION 2 – (Compare Genfare Ticket Sales to Cash)**

The Controller and Manager of Revenue should consider the following:

- a) Developing written standard operating procedures (SOP) covering the reconciliation and variance analysis related to farebox tickets and cash.
- b) The SOP should state the cadence as to how often the review is performed as well as establish tolerance levels to identify outliers.
- c) Ticket to cash variances outside tolerance levels are researched with action plans to remediate as applicable.

**OPEN ACTION PLANS:** (*Nadia Nahvi, Controller*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** 11/30/2022  
Management is still working on reviewing and finalizing the SOP's.

### **20-03 ORBCAD INCIDENT/ACCIDENT PROCESS REVIEW (3/09/2020 Report Issued with 3 Recommendations)**

#### **RECOMMENDATION 1 – (Disconnected Systems & No Comprehensive Database)**

The Director of Contract Oversight, IT Director of Transit Technology Systems and the Director of Risk Management will consider the following improvements:

- a) Establishing a single comprehensive database for all incident/accident data.
- b) Require MV to enter all data into the chosen single comprehensive database.
- c) Automate the flow of data from OrbCAD into the required Excel templates (e.g., Operator Report, Supervisor Report, etc.) that are saved to Sharepoint, thus requiring the Supervisor to only record new data and not have to rekey all data that is already captured in OrbCAD.

**OPEN ACTION PLANS:** (*Rafael Villareal, Director of Contract Oversight Rafael Villareal; Charlie Jackson, Director of Transit Technology Systems*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date and Comments:** 11/30/2022

MV staff investigate and manually enter accident/incident information into Excel forms as required by contract terms, however, we are currently in process of replacing our CAD (Computer-Aided Dispatch) system and a GRC (Governance, Risk, & Compliance) software has recently been procured by the IT Department (capital project #ITS2403). One of these systems should be able to further automate this process. For example, dispatch information from OrbCAD will be auto populated into the GRC system so it doesn't have to be re-keyed by MV staff. Additionally, the new CAD system should be able to automate the supervisor/operator investigative report with auto-populated basic fields (date, time, unit #, route, operator id, etc.) from the CAD system which would reduce manual entry errors.

**RECOMMENDATION 2 – (Improve QA Oversight, Analysis, and Monitoring)**

The Director of Contract Oversight, IT Director of Transit Technology Systems, and the Director of Risk Management should consider and evaluate the following process improvements:

- d) Develop controls to ensure that data recorded in OrbCAD matches the data captured in the RiskMaster system. If events are reclassified from incident to accident or vice versa, ensure that both systems are updated with final classification between Incident or Accident.

**OPEN ACTION PLANS:** (*Rafael Villareal, Director of Contract Oversight Rafael Villareal; Charlie Jackson, Director of Transit Technology Systems*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date and Comments:** 11/30/2022  
MV staff investigate and manually enter accident/incident information into Excel forms as required by contract terms, however, we are currently in process of replacing our CAD (Computer-Aided Dispatch) system and a GRC (Governance, Risk, & Compliance) software has recently been procured by the IT Department (capital project #ITS2403). One of these systems should be able to further automate this process. For example, dispatch information from OrbCAD will be auto populated into the GRC system so it doesn't have to be re-keyed by MV staff. Additionally, the new CAD system should be able to automate the supervisor/operator investigative report with auto-populated basic fields (date, time, unit #, route, operator id, etc.) from the CAD system which would reduce manual entry errors. Note that the current OrbCAD is currently configured to lock and not allow edits/corrections in OrbCAD.

**RECOMMENDATION 3 – (Automate Reporting Out of Systems)**

The Director of Contract Oversight, IT Director Transit Technology Systems and the Director of Risk Management, should consider and evaluate the following improvements:

- a) Request the IT Departments Report Writing Team to develop required pre-printed reports (e.g., monthly reports as well as daily Operator/Supervisor Reports, etc.) out of OrbCAD and/or RiskMaster based upon which system is designated the system of record with all comprehensive data.

- b) Review for additional monitoring needs (i.e., Capital Metro and MV) and develop additional reports as necessary to improve MV oversight and improve efficiencies.

**OPEN ACTION PLANS:** (*Rafael Villareal, Director of Contract Oversight Rafael Villareal; Charlie Jackson, Director of Transit Technology Systems*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date and Comments:** 11/30/2022  
MV staff investigate and manually enter accident/incident information into Excel forms as required by contract terms, however, we are currently in process of replacing our CAD (Computer-Aided Dispatch) system and a GRC (Governance, Risk, & Compliance) software has recently been procured by the IT Department (capital project #ITS2403). One of these systems should be able to further automate this process. For example, dispatch information from OrbCAD will be auto populated into the GRC system so it doesn't have to be re-keyed by MV staff. Additionally, the new CAD system should be able to automate the supervisor/operator investigative report with auto-populated basic fields (date, time, unit #, route, operator id, etc.) from the CAD system which would reduce manual entry errors. Additionally, there will be opportunities to generate new and improved reports through the new CAD and GRC systems which include the complete incident/accident population from OrbCAD and will help improve contract monitoring.

**20-05 FUEL MANAGEMENT & CONTROLS AUDIT (8/03/2020 Report Issued with 4 Recommendations)**

**RECOMMENDATION 1 – (Update Fueling Procedures & Improve Gasboy Controls)**

The Chief Customer Officer/Chief Operating Officer, VP of Bus Operations & Maintenance, Director of Vehicle Maintenance, Director of Security & Emergency Management, and VP of Demand Response and Innovative Mobility should complete the following:

- d) Request that the service providers send list of terminations to Gasboy administrators on at least a monthly basis to ensure they are removed from the system in a timely manner.

**OPEN ACTION PLANS:** (*Andrew Skabowski, EVP, Chief Operating Officer*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** 5/31/23  
Management is currently working with IT to improve the system access termination process to help ensure terminated employees have their system access removed in a timely manner.

**21-01 POSITIVE TRAIN CONTROL (PTC) EXPENDITURES AUDIT (4/02/2021 Report Issued with 2 Recommendations)**

**RECOMMENDATION 1 – (Update Policy & Procedures for Workflow Approval Exceptions)**

The Controller, together with the AX Administrator in the IT Department, should consider:

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- a) Identify opportunities to improve segregation of duty controls in AX so invoices must be approved by separate personnel in accordance with AP Policy (FIN-106) at various levels (e.g. PM, Manager; Director, Chief/EVP). Alternatively, if AX cannot be configured to remediate this delegation weakness, then a compensating control should be put in place. For example, a monthly or quarterly list of invoices approved with limited segregation of duties should be reviewed by the Controller/departments to ensure oversight and transparency on these workflow exceptions.
- b) When segregation of duties is not possible in the system (e.g. vacation, sick, etc.) but appropriate approval is granted through a separate means (e.g. email approval), this documentation should be saved to AX. If a separate and duly authorized means of approval cannot be obtained within that department hierarchy, the Controller should be consulted for either the Controller's approval or one of their designees.
- c) c) Update AP policy (#FIN-106) to define acceptable ways to document appropriate approval to strengthen segregation of duties (e.g. email approval attached to transaction in AX.)

**OPEN ACTION PLANS:** (*Nadia Nahvi – Controller; Ron Ledesma – Technology Systems Program Manager*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** 11/30/2022  
Management is in process of replacing the AX Accounting System with Oracle to help improve functionality and internal controls.

**RECOMMENDATION 2 – (Update AX Approvals & Workflow)**

The Controller, together with the AX Administrator in the IT Department, should complete the following:

- a) In AX workflow, review by department (see Appendix D) and ensure it aligns with Cap Metro's AP policy (#FIN-106).
- b) In AX workflow, ensure a first level Project Manager level approval is required for all active projects at CapMetro as identified by the EPPM system (project management software).
- c) Remove any old departments or employee numbers listed in the AX system.
- d) In AX workflow, ensure every department has identified a Chief level approval and review the Manager and Director level approvals to ensure this appropriately reduces the risk of unauthorized payments.
- e) In AX workflow, review dollar thresholds in the configuration and make any necessary adjustments.

**OPEN ACTION PLANS:** (*Nadia Nahvi – Controller; Ron Ledesma – Technology Systems Program Manager*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** 11/30/2022  
Management is in process of replacing the AX Accounting System with Oracle to help improve functionality and internal controls.

**21-03 DBE/SBE PROGRAM CONTROLS & ANALYSIS AUDIT (4/08/2021 Report Issued with 4 Recommendations)**

**RECOMMENDATION 4 – (No Reconciliation is Performed of the Systems)**

The Director of Diversity, Equity, and Inclusion and the OOD's Program Manager will consider the following improvements:

- a) Define the process of the AX to B2Gnow system reconciliation (i.e., which contracts have DBE/SBE participation; and all prime payments are imported to B2Gnow) and included it in the standard operating procedures.
- b) Periodically (e.g., quarterly or semi-annually), perform a complete reconciliation of the systems to ensure the payments are accurately imported in B2Gnow.

**OPEN ACTION PLANS:** (*Jacqueline Evans, Director of Equity & Inclusion, Diversity and Compliance Department*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** 10/1/2022  
Management is currently implementing a new financial system to replace Microsoft AX. After the new financial system is set up, Management can implement recommendation #4 above.

**21-07 PAYROLL & BENEFIT CONTROLS AUDIT (8/20/2021 Report Issued with 5 Recommendations)**

**RECOMMENDATION 1 – (Automate & Strengthen Controls Over Personnel Changes)**

The Controller and Senior Director of People & Culture should consider implementing the following improvements:

- a) Look at automating the PCN form and related workflow into the new ERP system. If this is not possible, look at automating the workflow using workflow features in Outlook and SharePoint and/or within the UltiPro system. The workflow should be a closed loop with the parties receiving notice that the change has been made in UltiPro.
- b) The P&C Department should develop written procedures and tools to help guide P&C staff on their day-to-day tasks. The guide should cover various personnel changes (e.g. pay rate, terminations, promotions, new hires, etc.), payroll deadlines and holidays, and year end processing procedures including annual merit process.

**OPEN ACTION PLANS:** (*Donna Simmons, EVP of Administration, Diversity and Inclusion Officer*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** 5/31/2023  
Management is in process of implementing a new Oracle system that will further automate Payroll and Benefit processes. Additionally, standard operating procedures will be written for the new system with the help of a consultant.

**RECOMMENDATION 2 – (Improve Accuracy of Benefit Calculations)**

The Controller and Senior Director of People & Culture should consider the following improvements:

- a) Create an internal P&C Department Procedures Guide for staff to follow, which should include each benefit category offered by CapMetro, internal processes that staff should follow, deadlines, specific calculations, review and approval process, etc. (part of recommendation 1b above).

**OPEN ACTION PLANS:** (*Donna Simmons, EVP of Administration, Diversity and Inclusion Officer*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** 5/31/2023  
Management is in process of implementing a new Oracle system that will further automate Payroll and Benefit processes. Additionally, standard operating procedures will be written for the new system with the help of a consultant.

### **RECOMMENDATION 3 – (P&C Policies – Compliance & Approved Exceptions)**

The Controller and Senior Director of People & Culture should consider the following improvements to Leave Policy (HRC-440):

- b) Define the process for approving special exceptions to the policy (e.g. who can approve them, how to document the approval).
- c) Require employees to submit a long-term (greater than two weeks) leave request to the P&C Department.
- d) Ensure parental and other types of leave are timely communicated to the payroll personnel so that time and attendance records can be properly updated.

**OPEN ACTION PLANS:** (*Donna Simmons, EVP of Administration, Diversity and Inclusion Officer*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** 5/31/2023  
Management is in process of implementing a new Oracle system that will further automate Payroll and Benefit processes.

### **RECOMMENDATION 5 – (Time and Attendance Reporting & Approvals)**

The Controller, along with the Manager of Payroll/Accounts Payable, should consider the following improvements:

- a) Create a cumulative report to track and report all unreported and unapproved time by week and by employee and manager until each week is properly reconciled and properly reported and approved.
- b) Have a formal process to communicate periodically (e.g. quarterly) to department heads regarding unapproved time for their department.
- c) During the employee exit process, require the manager to review unapproved time reports and certify prior to final paycheck.
- d) Setup an enterprise level calendar reminder to all CapMetro employees to remind them to submit and approve time before the payroll processing deadline.
- e) Ensure each supervisor has a back-up approver if they are on vacation or cannot approve time and attendance records.
- f) Review P&C policies to identify payroll and time and attendance policies that should be owned (e.g. HRC 205) by the Finance Department because their payroll group administers the area.



**OPEN ACTION PLANS:** (*Alyce May, Manager of Payroll & Accounts Payable*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** 5/31/2023  
Management is in process of implementing a new Oracle system that will further automate Payroll and Benefit processes.

**21-09 TRANSIT STORE AND TICKET CONTROLS AUDIT (12/1/2021 Report Issued with 6 Recommendations)**

**RECOMMENDATION 1 – (Define Physical Inventory Policies, Procedures, and Responsibilities)**

The Controller, Manager of Accounting and Revenue, and Manager of Cash Operations should consider implementing the following improvements:

- a) Develop a Physical Inventory Policy defining the responsibilities and the cadence of physical inventory review.
- b) Develop written procedures for the Physical Inventory to ensure how to conduct and document the review, including the responsibilities of the systems.
- c) Define procedures in the system to ensure tracking of the sequentially pre-numbered tickets.
- d) Update the job descriptions to support the procedures outlined in recommendations a, b, and c above.

**OPEN ACTION PLANS:** (*Rick Medina, Manager of Cash Operations, Finance Department*) Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** N/A – This action plan is not due until 2/24/2023.

**RECOMMENDATION 2 – (Risk Management of Tickets & Ticket Vendor)**

The Chief Risk Officer, the Senior Director/Chief Contracting & Compliance Officer, and the Controller should consider the following improvements:

- a) Establish SOP so that all critical and material vendors receive a periodic credit and health check using D&B or other credit rating reports. Identify which department (e.g. Procurement or Finance) should perform this check.
- b) Update the Procurement Manual to ensure that contracts that impact safety or handle financial instruments (e.g. tickets) with a monetary value require the vendor to do annual criminal background and credit checks on their employees.
- c) Evaluate adding insurance and surety bonds to the contract to further safeguard CapMetro's interest in the live ticket's which needs to be managed like a cash asset.
- e) Perform an inspection of the ticket factory to ensure CapMetro tickets and printing controls are adequate.

**OPEN ACTION PLANS:** (*Rick Medina, Manager of Cash Operations, Finance Department*) Management agreed with the recommendation above.



- **Management's Updated Target Completion Date & Comments:** N/A – This action plan is not due until 2/24/2023.

**RECOMMENDATION 3 – (Improve the ODR Process, Tracking and Invoicing)**

The Controller, Manager of Cash Operations, and the Manager of Accounting and Revenue should consider implementing the following controls:

- a) Update the ODR procedures to ensure they align with ordering, delivering, billing, tracking, and reconciliation of the ODR records.
- b) Ensure the ODR and AX reconciliations are performed timely.
- c) Update the job descriptions to ensure roles and responsibilities on the ODR process are defined.
- d) Evaluate the opportunity to eliminate the manual ODR form and automate the process to manage the inventory/sale of paper tickets.

**OPEN ACTION PLANS:** *(Rick Medina, Manager of Cash Operations, Finance Department)*  
Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** N/A – This action plan is not due until 2/24/2023.

**RECOMMENDATION 4 – (Improve HEB Consigned Contract and Inventory Controls)**

The Controller, the Accounting Manager, and Cash Operations manager should consider the following improvements:

- a) Improve the Consignment Contract language to ensure each party holds equal responsibility for the following areas.
  1. Risk of any loss of tickets, including loss of theft.
  2. The right to Audit should be included in the contract.
  3. Insurance coverage should be requested for CapMetro.
  4. Periodic background checks should be required of HEB staff who handle tickets.
  5. HEB should provide periodic Inventory records.
- b) Ensure the Project Manager role is assigned and defined in at least one job description.
- c) Develop consigned inventory procedures that can be tracked down to the store level from delivery to reconciliation, including periodic inventory audits.
- d) Ensure management oversight is defined in the procedures to ensure the accuracy and completeness of the records.

**OPEN ACTION PLANS:** *(Rick Medina, Manager of Cash Operations, Finance Department)*  
Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** N/A – This action plan is not due until 4/1/2023.

**RECOMMENDATION 5 – (Define E-Ticket Policies, Procedures, and Responsibilities)**

The Controller and Cash Operations Manager should consider the following improvements:

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- a) Develop an E-ticket policy defining the roles and responsibilities related to e-tickets in the Bytemark system.
- b) Develop SOPs defining the roles and responsibilities of the employees with administrative access to the Bytemark system to ensure only required employees have that level of access.
- c) Update the job descriptions to support the procedures outlined in sections a and b.

**OPEN ACTION PLANS:** *(Rick Medina, Manager of Cash Operations, Finance Department)*  
Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** N/A – This action plan is not due until 2/24/2023.

**RECOMMENDATION 6 – (Develop SOP for Each Type of Ticket and Distribution Method)**

The Controller, Manager of Cash Operations, and the Manager of Accounting & Revenue should consider implementing the following improvements:

- a) Develop Standard Operating Procedures for the following tickets types:
  1. General Fare Tickets
  2. Consigned Inventory
  3. Returned Tickets
  4. Cash on Delivery
  5. Stored Value Cards
  6. Free Passes
  7. Discount Pass Program
  8. MetroWorks
  9. Ticket Vending Machines
  10. Mobile App
  11. Family Passes
  12. Web Portal
- b) Develop and define responsibilities for the Square system (point-of-sale) and Flowbird system (TVM's).
- c) Update employee job descriptions to ensure key ticket and system controls have been assigned and defined.

**OPEN ACTION PLANS:** *(Rick Medina, Manager of Cash Operations, Finance Department)*  
Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** N/A – This action plan is not due until 2/24/2023.

**22-03 PLAZA SALTILLO – LEASE REVENUE AUDIT (2/8/2022 Report Issued with 2 Recommendations)**

**RECOMMENDATION 1 – (Develop Permanent File & Procedures)**

The Program Manager assigned by the Strategic Planning & Development Department, along with the Controller in the Finance Department, should consider the following improvements:

- b) Create written procedures that establishes the roles and responsibilities between the Finance and Strategic Planning Department to be used for the 101-year life cycle of this agreement. Ensure appropriate staff have their Saltillo responsibilities listed in their job descriptions and new staff are properly trained.
- c) Establish at least an annual cadence of meetings between Saltillo property management and CapMetro's Finance and Strategic Planning & Development Departments.

**OPEN ACTION PLANS:** *(Julie Barr, Program Manager IV, Strategic Planning and Development Department)* Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** N/A – This action plan is not due until 7/31/2022.

**RECOMMENDATION 2 – (Enhance Controls Related to Lease Payments)**

The Program Manager within the Strategic Planning & Development Department, along with the Controller within the Finance Department, should complete the following:

- a) Develop a matrix of required reports/documents, due dates, distribution list, etc. (E.g. Insurance certificates; Board Agendas and Minutes; Financial Statements, etc.)
- b) Perform yearly walk-throughs to determine whether Tenant has built on the property/actual RSF has changed, all operating retail businesses are correctly included in the Percentage Rent calculation, prohibited businesses are not operating on the property, and the property is in good condition (i.e. no trash or graffiti).
- c) Evaluate using an independent architect to recalculate rentable square footage based upon inspections and engineering drawing when the Tenant builds on the property (changes in RSF affect Base Rent calculations).
- d) Evaluate using a CPA firm to review and validate the following records that impact rental payments to CapMetro as follows: Financial Statements; Net Operating Income; subtenant contracts that have Percentage Rent clauses with "breakpoints" that escalate rental payments.
- e) Create a Contract Monitoring Plan based upon the division of roles and responsibilities of the PM and Finance Department assigned staff.

**OPEN ACTION PLANS:** *(Julie Barr, Program Manager IV, Strategic Planning and Development Department)* Management agreed with the recommendation above.

- **Management's Updated Target Completion Date & Comments:** N/A – This action plan is not due until 7/31/2022.



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

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Finance, Audit and Administration Committee

**Item #:** AI-2022-497

**Agenda Date:** 7/13/2022

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Internal Audit FY2022 Audit Plan Status

## FY22 INTERNAL AUDIT PLAN

### Department Scorecard

	Projects	Status & % Complete	Additional Details
	<b>FAA COMMITTEE &amp; INTERNAL AUDIT CHARTER COMPLIANCE</b>		
1	Finance, Audit & Administration (FAA) Committee Meetings: 10/13; 11/10; 12/8; 2/14; 4/13; 5/11; 6/13; 7/13; 8/15; 9/14	In-Process	
2	Semi-annual Implementation Status Report - November 2021	Completed	February
3	Semi-annual Implementation Status Report - May 2022	Completed	July
4	FY2022 Risk Assessment & development of FY23 Audit Plan		October
	<b>FY22 Audit Assurance &amp; Advisory Projects</b>		
1	GRC (ITS2403) & Contract Performance Management System Advisory (ITS2205)	Completed	June
2	Transit Store with Ticket Focus (Hardcopy and e-tickets)	Completed	December
3	Saltillo Development with Focus on Lease Revenues	Completed	February
4	Business Continuity (COOP Plan, Advisory)	Completed	June
5	NIST Cybersecurity Framework (Facilitated Self-Assessment) - will resume when BCG Review is completed		Dependent on BCG Completion
6	FTA Triennial Review - 11/29 Notice; 1/21 Delivered Files; 4/11 Virtual Site Visit	Completed	July
7	QAR (Quality Assurance Review) of Internal Audit practices and IIA & GAO compliance - week of 8/29 for site visit	In-Process	October 2022
8	Annual Cybersecurity Review (Vulnerability Assessment & Penetration Test)	In-Process	September
9	ERP (Oracle) Implementation Advisory	In-Process	October
10	P-Cards & IT Procurement	Completed	June - UT Interns
11	Public Transportation Agency Safety Plan (PTASP)	In-Process	September
12	Benchmarking Policies & Procedures (Structure, Content, Governance & Training)		September
	<b>CONTINGENT AUDIT PROJECTS - FY22</b>		
1	Infor (Hexagon) System - post go live review		
2	Salary Adjustment & Merit Process		
3	Facilities Maintenance - Contract Monitoring & Compliance	Completed	June
4	Paratransit & Demand Response Operations		
5	United Healthcare & Other Self-Insured Benefits (TPA Payments)		
6	Bytemark - Account-Based System		
7	Microsoft Sharepoint & Active Directory		
8	Safety Management System (SMS) - Management of Change		
9	Board Policies/Goals - Monitoring & Reporting (e.g., OTP; Fare Recovery; DBE; Title 6 Equity Analysis; etc.)		

	<b>NEW PROJECTS ADDED TO FY22 AUDIT PLAN by Terry Follmer</b>		
1	Downtown Station - Closeout (Benchmarking & Analysis)	In-Process	August/September
2	MV Contract Changes - Audit Support (e.g. Payroll controls, Spare Parts, etc.)	In-Process	July/August
3	GRC (Governance Risk & Compliance) System Implementation	In-Process	Jan 2023
4			
5			



# Capital Metropolitan Transportation Authority

2910 East 5th Street  
Austin, TX 78702

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Finance, Audit and Administration Committee

**Item #:** AI-2022-486

**Agenda Date:** 7/13/2022

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Update on CapMetro's Fare Policy and Customer Payment Systems Project



# Fare & Customer Payment Systems Project: *Board Action Preview*

FAA Committee - July 2022

# Key project elements

- Amp
  - Account-based system to better serve customers and provide the technology necessary for Fare Capping and Equifare
- Fare Capping
  - Ensures customers never pay more than the cost of a day pass in a day, or a monthly pass in a month
- Equifare
  - New fare category to offer discounted fares for eligible customers





# Project Activities To Date

- Public Introduction - March 2022
  - Board discussion item
  - Launch of Public Engagement and Education
- Public Engagement – March 2022 and *ongoing*
  - Community Engagement (virtual and in-person meetings, social media)
  - Internal Engagement (education events and webinars)
  - Pilot Engagement (working with community partners)
- Title VI Analysis Completed – June 2022
  - Provided to Board by Memo (available online)
  - Added to project website

## Board Action Requested on July 25, 2022

- Public Hearing
- Board Action: resolution amending the CapMetro Fare Policy to allow for Fare Capping
- Board Action: resolution amending the CapMetro Fare Structure to allow for a new fare category, Equifare

CapMetro

Questions?