



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

2910 East 5th Street
Austin, TX 78702

Wednesday, September 14, 2022

10:30 AM

Rosa Parks Boardroom

The meeting will be livestreamed at capmetrotx.legistar.com

I. Call to Order

II. Public Comment

III. Action Items

1. Approval of minutes from the August 15, 2022 Finance, Audit and Administration Committee meeting.
2. Approval of the Fiscal Year 2023 Operating and Capital Budget and Five-Year Capital Improvement Plan
3. Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a Memorandum of Understanding with the City of Round Rock authorizing Round Rock to be a direct recipient of a portion of CapMetro's FY2023 and FY2024 Federal Section 5307 Program funds.
4. Approval of a resolution authorizing the Interim President & CEO, their designee, to finalize and execute a contract with International Solution Sources, Inc. (d/b/a InterSources, Inc.) for the provision of recruiting services for a base period of two (2) years with four (4) option periods for twelve (12) months each in an amount not to exceed \$5,144,683.

IV. Presentations

1. Internal Audit Plan Status
2. Audit Report - External Quality Control Review report on the Internal Audit Department

V. Items for Future Discussion

VI. Adjournment

ADA Compliance

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

Committee Members: 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

Finance, Audit and Administration Committee

Item #: AI-2022-574

Agenda Date: 9/14/2022

Approval of minutes from the August 15, 2022 Finance, Audit and Administration Committee meeting.

Minutes
Capital Metropolitan
Transportation Authority
Finance, Audit and Administration
Committee

2910 East 5th Street
Austin, TX 78702

Monday, August 15, 2022

10:00 AM

Rosa Parks Boardroom

(Due to a technical issue the recording of this meeting only captured the meeting video, not the meeting audio.)

I. Call to Order

10:02 a.m. Meeting Called to Order

Present	Leslie Pool, Becki Ross, and Matt Harriss
Absent	Wade Cooper

II. Public Comment

There was no public comment this month.

III. Action Items

1. Approval of minutes from the July 13, 2022 Finance, Audit and Administration Committee meeting.
2. Approval of a resolution authorizing updates to the Debt Management Policy.

A motion was made by Harriss, seconded by Ross, that this Resolution be recommended for the action item agenda to the Board of Directors, due back on 8/29/2022. The motion carried by the following vote:

Aye: Pool, Ross, and Harriss

3. Approval of a resolution authorizing the Interim President & CEO, or their designee, to execute an Interlocal Agreement (ILA) with Travis County for employee transit passes for a period of one (1) year from October 1, 2022, to September 30, 2023, and that includes an option to extend the ILA for four additional twelve-month periods.

A motion was made by Ross, seconded by Harriss, that this Resolution be recommended for the consent agenda to the Board of Directors, due back on 8/29/2022. The motion carried by the following vote:

Aye: Pool, Ross, and Harriss

4. Approval of a resolution authorizing the Interim President & CEO, or their designee, to approve and execute a contract modification with Bright Horizons Family Solutions in the amount of \$448,373 for the period of September 1, 2022 to August 31, 2023.

Committee Members Harriss and Ross asked for clarification for tuition is handled for non-employee members of the community who use the Cap Metro childcare facility.

A motion was made by Harriss, seconded by Ross, that this Resolution be recommended for the consent agenda to the Board of Directors, due back on 8/29/2022. The motion carried by the following vote:

Aye: Pool, Ross, and Harriss

IV. Presentations

1. Economic Outlook Presentation (PFM)

(The Economic Outlook presentation was given prior to taking up the Action Item agenda.)
2. Administrative and Bargaining Pension Plan Valuations Update
3. FY2023 Proposed Budget Update
4. Internal Audit Plan Status

V. Items for Future Discussion

VI. Adjournment

11:05 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 if you need more information.

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

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

Finance, Audit and Administration Committee
Agenda Date: 9/14/2022

Item #: AI-2022-540

SUBJECT:

Approval of the Fiscal Year 2023 Operating and Capital Budget and Five-Year Capital Improvement Plan

FISCAL IMPACT:

Adoption of the proposed Fiscal Year (FY) 2023 budget will provide an appropriation of \$902,766,752 in FY2023 for operating and capital expenses that are supported by projected revenue and other funding sources.

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: The proposed FY2023 budget includes funding to maintain CapMetro's current services while also adding new innovative mobility initiatives, customer service enhancements and building infrastructure needed to support the region's current and future growth. The five-year capital improvement plan identifies projects that support achievement of CapMetro's strategic goals, ensures regulatory compliance and maintains assets in a state of good repair.

BUSINESS CASE: CapMetro has prepared a structurally balanced budget that provides the funding needed to continue delivering high-quality and efficient transportation services.

COMMITTEE RECOMMENDATION: This item was presented for recommendation by the Finance, Audit and Administration Committee on September 14, 2022.

EXECUTIVE SUMMARY: The proposed FY2023 budget is structurally sound and balanced. Ongoing revenue is sufficient to fund operations and will also help provide funding for needed capital investments, including replacement of transit assets nearing the end or at the end of life cycles.

The FY2023 budget has been drafted with the intent to regain stability in our operations and service levels, and to lay a solid foundation for the services that emerge from the Project Connect program. The budget enables CapMetro to continue projects outlined in the 5-year capital improvements plan, to be prepared for the eventual return to full-capacity service on bus, rail and paratransit, and to provide services that support our region's growing population.

CapMetro proposes to spend \$387.5 million for operating expenses, \$10.3 million for commitments under interlocal agreements with local government entities for mobility programs and \$30.0 million to contribute to the Austin Transit Partnership for the Project Connect System Plan in FY2023.

Capital Metro prepared a five-year Capital Improvement Plan (CIP) for capital projects that support its strategic goals. The CIP is updated annually and addresses replacement or "state of good repair", regulatory compliance and expansionary requirements for public transportation service in Central Texas. Capital Metro plans to invest \$475.0 million in capital projects during FY2023.

Significant projects and acquisitions in the proposed FY2023 Budget, including "state of good repair", regulatory compliance and new investments, are highlighted as follows:

- Continuing replacement of vehicles with battery electric powered buses on the streets of Central Texas, helping us achieve our goal to create sustainable and equitable options for the entire community.
- Construction work will continue on the two new MetroRapid lines serving East Austin, Expo Center and Pleasant Valley, preparing for their initial service in FY2023.
- Roll out new fare programs that bring savings to more of our customers and prepare the agency and our community for the transformative Project Connect program that is coming our way.
- In addition to the highlights above, we will continue to add to the Facility Master Plan Reserve Fund to address one of the largest needs of the agency, build a demand response facility to better meet our needs and the needs of the community, roll out new customer technology systems, establish improved workforce development programs to increase our support for our staff and their careers, and much more.

The proposed budget reflects the prudent use of projected revenue to provide funding for capital investments needed to maintain Capital Metro's transit assets in a state of good repair or to support enhanced services. The proposed, structurally balanced FY2023 budget totals \$902.8 million and is comprised of the following

funding and expense categories:

Budget Summary	
Funding	FY2023
Sales Tax	\$371,011,156
Passenger Revenue	17,636,362
Freight Railroad Revenue	6,831,803
Miscellaneous Revenue	7,138,744
Operating Contributions and Grants	132,926,925
Capital Grants - Federal	81,999,520
Capital Grants - State	5,463,163
Other Capital Contributions	158,910,779
Fund Balance	120,848,300
Total Funding	\$902,766,752
Expenses	FY2023
Operating Expenses	\$387,471,366
Capital Project Expense	475,007,666
Austin Transit Partnership Contribution	30,000,000
Interlocal Agreements	10,287,720
Total Expenses	\$902,766,752

The proposed budget reflects fund balance projections of \$317.9 million by the end of FY2023 as outlined in the table that follows. Of this amount, Capital Metro is estimating to set aside \$64.6 million in reserves for two months of operating expenses, which meets the level set forth by the Texas Legislature, \$32.3 million for the budget stabilization reserve, \$60.0 million for the Facility Master Plan Reserve Fund as CapMetro addresses one of the largest needs of the agency, \$10.0 million for the Sustainability Capital Fund, \$10.0 million for the Small Cities Transit Supportive Infrastructure Fund, \$5.1 million for city of Austin mobility programs, \$1.4 million for a self-insurance reserve, \$800 thousand set aside for the Green Line Phase 2 Manor Capital Reserve and \$133.8 million for future funding of the 5-year capital improvement plan as we look forward to future needs in the region.

FY2023 Estimated Ending Fund Balance:

Projected Beginning Balance **\$438,721,107**

FY2023 Projected Activity:

+ Revenue	781,918,452
- Operating Expenses	387,471,366
- Interlocal Agreements	10,287,720
- Contribution to Austin Transit Partnership	30,000,000
- Capital Projects	475,007,666
= Projected Ending Balance	\$317,872,807

Breakdown of Ending Balance:

Statutory Operating Reserve Requirement	64,578,561
Budget Stabilization Reserve	32,289,281
Facility Master Plan Reserve Fund	60,000,000
Sustainability Capital Fund	10,000,000
Small Cities Transit Supportive Infrastructure Fund	10,000,000
City of Austin Mobility Programs	5,060,961
Self-Insurance Reserve	1,380,330
Green Line Phase 2 Manor Capital Reserve	800,000
Funding for 5-Year Capital Improvement Plan	133,763,674
= Projected Ending Balance	\$317,872,807

Senate Bill 650 requires Capital Metro to prepare a five-year capital improvement plan, which is included in Appendix A of the budget document. This section provides additional information about each project category, including project descriptions, funding sources, project benefits and strategic objectives. The plan is updated annually and addresses replacement and expansion requirements for the delivery of public transportation services. The proposed FY2023 capital budget and capital improvement plan are outlined in the table that follows, summarized by project type and followed by projected funding sources.

Capital Project Type	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Bus and Paratransit	\$ 69,281,540	\$ 71,798,000	\$ 8,516,000	\$ 89,048,000	\$ 43,282,000	\$ 281,925,540
Commuter Rail	24,227,001	3,700,000	3,450,000	4,100,000	5,200,000	40,677,001
Facilities	148,006,214	133,238,461	114,056,173	106,308,219	110,692,565	612,301,633
Freight Railroad	3,287,329	45,000	45,000	45,000	45,000	3,467,329
Information Technology	22,225,947	13,789,131	13,047,680	12,478,780	7,494,383	69,035,911
Other	9,372,000	4,353,633	4,405,000	3,000,000	3,349,835	24,480,468
Project Connect	181,340,000	90,464,083	23,180,417	12,982,500	10,000,000	317,967,000
Property and Asset Mgmt	17,267,684	853,950	1,107,200	976,000	1,315,581	21,520,315
Total Capital Projects	475,007,666	318,242,258	167,807,470	228,938,499	181,379,365	1,371,371,375
Funding Sources						
Grants/Contributions	242,473,462	157,580,941	97,058,275	106,510,358	57,377,858	661,000,894
Local Funding	232,534,204	160,661,317	70,749,195	122,428,141	124,001,507	710,374,364
Total Funding Sources	\$ 475,007,666	\$ 318,242,258	\$ 167,807,470	\$ 228,938,499	\$ 181,379,365	\$ 1,371,371,375

Over recent months, Capital Metro provided information regarding the budget process and the proposed FY2023 budget in a variety of formats for the public and sought feedback using online engagement tools, as well as methods like public open houses and virtual webinars. These outreach efforts included the following:

Presentations to Board of Directors and its Committees

May 23, 2022, Board of Directors
June 13, 2022, Finance, Audit and Administration Committee
June 13, 2022, Operations, Planning and Safety Committee
July 13, 2022, Finance, Audit and Administration Committee
July 25, 2022, Board of Directors
August 15, 2022, Finance, Audit and Administration Committee
August 15, 2022, Operations, Planning and Safety Committee
September 14, 2022, Finance, Audit and Administration Committee
September 26, 2022, Board of Directors

Board and Committee Meetings on Microsoft Teams virtual meetings and available to the public and at Rosa Parks Board Room, 2910 East 5th Street, Austin, TX 78702
Served by routes 4, 300

Presentations to Access Advisory Committee

June 1, 2022, 5:30 - 7:00 PM
August 3, 2022, 5:30 - 7:00 PM
Microsoft Teams virtual meetings and available to the public.

Presentations to Customer Satisfaction Advisory Committee

June 8, 2022, 6:00 - 7:30 PM
August 10, 2022, 6:00 - 7:30 PM
Microsoft Teams virtual meetings and available to the public.

Proposed FY2023 Budget Document Available and Posted Online

August 24, 2022

Public Open Houses

Information made available to the public regarding the proposed FY2023 budget and five-year capital improvement plan.

August 22, 2022, 7:00 AM - 8:30 AM
Lakeline Station Park & Ride
Served by routes 214, 383, 985, MetroRail

August 23, 2022, 7:00 AM - 8:30 AM (Cancelled due to inclement weather)
Westgate Transit Center
Served by routes 30, 300, 311, 315, 318, 803

August 24, 2022, 12:00 PM - 1:30 PM

Norwood Walmart

Served by routes 10, 323, 325, 339, 485, 492

August 25, 2022, 12:00 PM - 1:30 PM

Republic Square Park

Served by downtown routes

Online Webinar

Information made available to the public regarding the proposed FY2023 budget and five-year capital improvement plan.

YouTube virtual webinar available to the public, Spanish-translated, recorded and posted on YouTube, Facebook and Twitter.

Public Hearing on Proposed FY2023 Budget

September 14, 2022, 12:00 PM

Rosa Parks Board Room, 2910 East 5th Street, Austin, TX 78702

Served by routes 4, 300

Board of Directors Considers Adoption of Budget Proposal

September 26, 2022, 12:00 PM

Rosa Parks Board Room, 2910 East 5th Street, Austin, TX 78702

Served by routes 4, 300

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-2022-540

WHEREAS, pursuant to Section 451.102 of Chapter 451 of the Texas Transportation Code, the budget for Fiscal Year 2023 was made available to the public on August 24, 2022, and a budget public hearing was held on September 14, 2022; and

WHEREAS, pursuant to Section 451.132(c), the Board of Directors has reevaluated the five-year capital improvement plan.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the Fiscal Year 2023 budget in the amount of \$902,766,752 is adopted.

BE IT FURTHER RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the five-year Capital Improvement Plan for capital projects is amended.

BE IT FURTHER RESOLVED that the Capital Metropolitan Transportation Authority Board of Directors hereby requires the President & CEO to report at least quarterly on the operating expenses and capital project expenses of each major department in a financial report.

**Secretary of the Board
Leslie Pool**

Date: _____

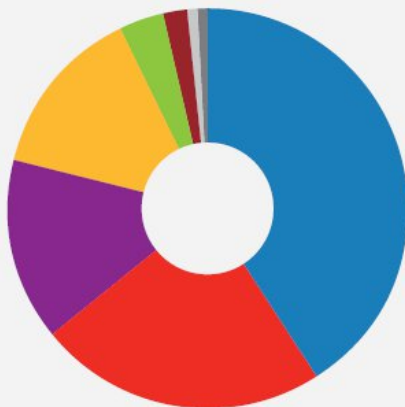


FY2023 Budget Public Hearing

Board Public Hearing 9/14

FUNDING \$902.8m

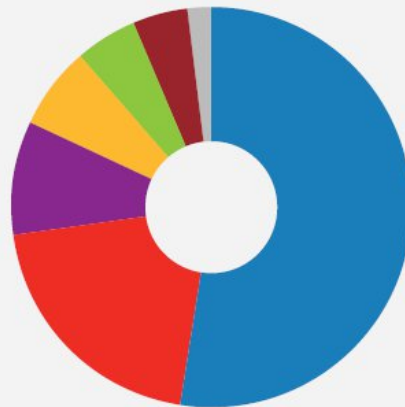
Numbers are in millions



SALES TAX	\$371.0
CAPITAL CONTRIBUTIONS	\$209.3
OPERATING GRANTS	\$132.9
FUND BALANCE	\$124.8
CAPITAL GRANTS	\$33.2
FARES	\$17.6
OTHER	\$7.2
FREIGHT RAILROAD	\$6.8

EXPENSES \$902.8m

Numbers are in millions



CAPITAL IMPROVEMENTS	\$475.0
TRANSPORTATION	\$182.8
PERSONNEL	\$84.1
SERVICES	\$60.5
OTHER	\$43.7
PMTS TO GOV ENTITIES	\$40.3
FUEL	\$16.4

CAPITAL AND STATUTORY COMMITMENTS AND OBLIGATIONS



\$317.9 Million

Numbers are in millions

CapMetro INNOVATIVE MOBILITY INITIATIVES



Electric

157 bus purchases and charging infrastructure construction \$299.5m over 5 years



MetroBike

\$6.3m over 10 years for station expansion and e-assist bikes



CapMetro **PLANNING FOR THE FUTURE**



Facility Master Plan

\$250.0m over 5 years for 2910 E Fifth campus reconfiguration and North and South paratransit facilities



McKalla Station

\$49.7m over two years for new station, double tracking and signals



CapMetro **PLANNING FOR THE FUTURE**



Project Connect

\$30m contribution to the Austin Transit Partnership in FY2023 for the Project Connect program sequence plan

CapMetro

Thank you!

Finance, Audit and Administration Committee
Agenda Date: 9/14/2022

Item #: AI-2022-558

SUBJECT:

Approval of a resolution authorizing the Interim President & CEO, or their designee, to finalize and execute a Memorandum of Understanding with the City of Round Rock authorizing Round Rock to be a direct recipient of a portion of CapMetro's FY2023 and FY2024 Federal Section 5307 Program funds.

FISCAL IMPACT:

This action has no fiscal impact.

STRATEGIC PLAN:

Strategic Goal Alignment:

- | | |
|---------------------------------------|--|
| <input type="checkbox"/> 1. Customer | <input checked="" type="checkbox"/> 2. Community |
| <input type="checkbox"/> 3. Workforce | <input 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 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: CapMetro is coordinating with non-members in the Austin urbanized area to meet transit needs in their communities and build a regional system. These efforts will result in a more robust transit network that can eventually be brought together through regional planning efforts.

BUSINESS CASE: As the Designated Recipient of the grant, CapMetro must concur with the use of federal funds allocated for the Austin urbanized area, which extends beyond the service area. CapMetro's goal is to collaborate with these local communities to meet their transit needs now and in the future. By receiving a formulated portion of 5307 funding, the City of Round Rock will be able to continue their on-demand service and fixed route service and plan for future transit needs.

COMMITTEE RECOMMENDATION: This item was presented and recommended for approval by the Finance,

Audit and Administration Committee on September 14, 2022.

EXECUTIVE SUMMARY: As the public transit provider of the Austin urbanized area, CapMetro is the Designated Recipient of Federal Section 5307 Program funds for the urbanized area. Per Federal Transit Administration (FTA) guidelines, Section 5307 funds can be used for transit capital and operating assistance in urbanized areas and transportation planning. In the past, CapMetro provided Round Rock a portion of 5307 funds that were apportioned to the agency by the FTA as part of a pass-through arrangement outlined in an interlocal agreement (ILA). In FY2011, the ILA that authorized this arrangement was not renewed and Round Rock elected to become a Direct Recipient of FTA funds, coordinating directly with the FTA to submit independent grant applications.

In FY2013, an agreement was signed for FY2013 and FY2014 Section 5307 funds to be directly distributed to Round Rock. This agreement has been renewed on a biennial basis since that time. CapMetro is not required to provide technical support or assistance beyond any that may be required by the FTA when a Designated Recipient authorizes another public entity to be a Direct Recipient.

Round Rock is permitted to apply for a share of CapMetro's FY2023 and FY2024 Section 5307 funds based upon the distribution formula that will be published in the federal register for the FTA FY2023 and FY2024 Section 5307 apportionments.

The distribution of any 5307 funds to Round Rock will be contingent upon the apportionment and distribution of 5307 funds to CapMetro. If the FTA does not apportion or distribute 5307 funds to CapMetro, Round Rock would not be eligible to receive 5307 funds as a Direct Recipient. If the FTA reduces the amount of 5307 funds available to CapMetro, Round Rock's share of 5307 funding would be based upon the reduced amount.

These terms are included in the attached MOU between CapMetro and Round Rock. The MOU expires on September 30, 2024 and applies only to Section 5307 funds appropriated in FY2023 and FY2024.

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-2022-558

WHEREAS, CapMetro is the Designated Recipient of Section 5307 Program funds apportioned by the Federal Transit Administration for the Austin urbanized area; and

WHEREAS, the City of Round Rock has requested a portion of CapMetro's Section 5307 funds in order to support the planning, capital development and operation of transit services for the Round Rock community, including demand response bus service, express bus service and reverse commute bus service.

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 finalize and execute a Memorandum of Understanding with the City of Round Rock that authorizes Round Rock to continue to be a Direct Recipient of a portion of CapMetro's FY2023 and FY2024 Federal Section 5307 Program funds.

Date: _____

**Secretary of the Board
Leslie Pool**

**Memorandum of Understanding between the
Capital Metropolitan Transportation Authority and the City of Round Rock
Regarding the Provision of Federal Transit Administration
Section 5307 Program Funds**

This Memorandum of Understanding (“MOU”) regarding the provision of Federal Transit Administration Section 5307 Program Funds is executed by and between the City of Round Rock (“City”) a local government public entity and the Capital Metropolitan Transportation Authority (“CapMetro”) a transportation authority and political subdivision organized under Chapter 451 of the Texas Transportation Code, collectively referred to as “the Parties.” Accordingly, the Parties set forth their intent and understandings as follows:

I. PURPOSE

CapMetro is the designated recipient (“Designated Recipient”) of Section 5307 Program funding apportioned by the Federal Transit Administration (“FTA”) for the Austin urbanized area. This MOU outlines the Parties’ mutual intent and understanding with respect to CapMetro’s authorization of City as a direct recipient of FTA Section 5307 Program funds. City and CapMetro agree to work cooperatively and in good faith in the manner set forth herein.

II. KEY TERMS

- A. The Parties will comply with the requirements of the Urbanized Area Formula Funding Program (49 U.S.C. 5307).
- B. Since City is not a member city of the CapMetro transit system, City would like to become a direct recipient (“Direct Recipient”) of a share of the Section 5307 Program funding apportioned to the Austin urbanized area (“FTA Section 5307 Program Funds”).
- C. During the term of this MOU, City is authorized to apply for a share of Section 5307 Program Funds apportioned and distributed to CapMetro, as Designated Recipient for the Austin urbanized area, based upon the distribution formula established by the FTA for Section 5307 Apportionment Formula Distribution of Available Funds during FTA fiscal years 2023 (October 1, 2022 – September 30, 2023) and 2024 (October 1, 2023 – September 30, 2024) (each an “FTA Fiscal Year”).
- D. The distribution of any amounts payable to City as a Direct Recipient is contingent upon the successful apportionment and distribution of Section 5307 funds to CapMetro as the Designated Recipient for the Austin urbanized area for FTA Fiscal Years 2023 and 2024. If the FTA does not apportion or distribute Section 5307 Program Funds to CapMetro as the Designated Recipient, City will not be eligible to receive Section 5307 Program Funds as a Direct Recipient. If the FTA reduces the amount of Section 5307 Program Funds available to CapMetro as the Designated Recipient, City’s share of funding will be based upon the reduced amount. CapMetro will not be liable to City for any damages, which are caused or associated with any FTA changes to the amounts apportioned or distributed to the Austin urbanized area under the Section 5307.

- E. CapMetro is not obligated to provide any technical assistance or technical support to City beyond the requirements of FTA Circular 9030.1E.
- F. City's designation as a Direct Recipient requires approval by the CapMetro Board of Directors and the Round Rock City Council.
- G. CapMetro will not provide technical support or assistance beyond any that may be required by the FTA when a Designated Recipient authorizes another public entity to be a Direct Recipient.

B. CapMetro's Responsibility:

- A. CapMetro will remain the Designated Recipient of Section 5307 Program Funds apportioned by the FTA for the Austin urbanized area;
- B. CapMetro authorizes City to be a Direct Recipient of a share of the Section 5307 Program Funds apportioned to the Austin urbanized area based on the distribution formula established by the FTA for Section 5307 Apportionment Formula Distribution of Available Funds during FTA Fiscal Years 2023 and 2024; and
- C. CapMetro authorizes this designation once to include all grant applications for FTA Section 5307 Program Funds submitted by City to FTA during the term of this MOU.

C. Round Rock Responsibility:

- A. City will remain an eligible FTA grantee for the provision of transit services and construction of transit facilities;
- B. As a Direct Recipient, City will use FTA Section 5307 Program Funds to support the planning, capital development, and operation of transit services for the Round Rock community;
- C. City shall comply with all provisions of FTA Circular 9030.1E, Urbanized Area Formula Program: Program Guidance and Application Instructions, Chapter II, Section 8, Applicants Other than Designated Recipients, including but not limited to providing its local share of matching; and
- D. City shall comply with all applicable requirements set forth in state or federal law, regulations, policies, and administrative practices.

III. TERM OF MOU

This MOU will be executed and effective as of the date of the last Party to sign (the "Execution Date") and expire on the last day of the FTA Fiscal Year 2024. The Parties may mutually agree, in writing, to extend the term of this MOU. This MOU may be terminated or modified by thirty (30) days advanced written notice by either Party. In the event that either Party shall be in default of its material obligations under this Agreement and shall fail to remedy such default within thirty (30) days after receipt of written notice thereof, this MOU may be terminated at the option of the Party, not in default upon expiration of the thirty (30) day period.

IV. INCORPORATION OF DOCUMENTS

This MOU incorporates by reference the following attachments:

- A. Attachment A, resolution of the CapMetro Board of Directors approving this MOU.
- B. Attachment B, Resolution of the Round Rock City Council approving this MOU.

V. MISCELLANEOUS

- A. This MOU constitutes the entire MOA between CapMetro and City. No other terms and conditions are applicable, unless amended and agreed to by both Parties.
- B. By execution of this MOU, neither Party waives or relinquishes any sovereign immunity rights available to it by law except as otherwise stipulated by applicable laws.

VI. SIGNATORY

This MOU is hereby accepted and agreed to by the following individuals or officers who are duly authorized to bind the Parties as set forth above:

**Capital Metropolitan
Transportation Authority**

By: _____

Dottie Watkins

Interim President & CEO

Date: _____

City of Round Rock

By: _____

Name: _____

Title: _____

Date: _____

Approved as to form:

CMTA Legal Department

Attachment A
CapMetro Board of Directors Resolution No.

Attachment B
Round Rock City Council Resolution No.

Finance, Audit and Administration Committee
Agenda Date: 9/14/2022

Item #: AI-2022-568

SUBJECT:

Approval of a resolution authorizing the Interim President & CEO, their designee, to finalize and execute a contract with International Solution Sources, Inc. (d/b/a InterSources, Inc.) for the provision of recruiting services for a base period of two (2) years with four (4) option periods for twelve (12) months each in an amount not to exceed \$5,144,683.

FISCAL IMPACT:

Funding for this action is available in the FY2023 Operating Budget

STRATEGIC PLAN:

Strategic Goal Alignment:

- | | |
|--|--|
| <input type="checkbox"/> 1. Customer | <input type="checkbox"/> 2. Community |
| <input checked="" type="checkbox"/> 3. Workforce | <input 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 checked="" type="checkbox"/> 3.3 Expand Highly Skilled Workforce |
| <input 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 action will support the strategic objective of expanding a highly skilled workforce by providing experienced recruiting resources to supplement the People and Culture Department's Talent Acquisition staff.

BUSINESS CASE: In the current competitive job market for talent, CapMetro is experiencing challenges with hiring staff to fill current position vacancies. In addition, the FY 2023 proposed budget includes further staff growth of approximately 40 positions. The proposed contract will serve as a supplement to our Talent Acquisition staff to identify and recruit staff to fill our hiring needs.

COMMITTEE RECOMMENDATION: This item was presented and recommended for approval by the Finance,

Audit and Administration Committee on September 14, 2022.

EXECUTIVE SUMMARY: The scope of services for the proposed contract includes providing as-needed assistance to the CapMetro in identifying, assessing, and screening for employment of highly qualified candidates for regular placement in all levels of vacancies, with the exception of executive positions. Potential areas of expertise include but are not limited to information technology, financial, general professional, general administrative, and customer service. Services also include supplemental resources to meet the significant hiring goals for bus operations and maintenance employees to deliver reliable transit services.

DBE/SBE PARTICIPATION: The contractor will exceed the goal of 19%. International Solution Sources, Inc. (d/b/a InterSources, Inc.) is 100% SBE certified.

PROCUREMENT: On May 23, 2022, a Request for Proposals was issued and formally advertised. By the closing date of June 27, 2022, eight (8) proposals were received. The evaluation team used the following factors in the evaluation of proposals:

1. The offeror's demonstrated, relevant work experience and capabilities of the proposer as a whole and of the proposed project team on projects of a similar size, scope, complexity and nature.
2. Offeror's demonstrated access to candidate sourcing for executive and difficult to fill positions.
3. The offeror's experience with other governmental entities or transportation entities.
4. The methodology and quality of the work plan for the performance of the work by the offeror.
5. Offeror's knowledge of Capital Metro and ability to represent Capital Metro as an employer of choice to potential candidates.

The proposal from International Solution Sources, Inc. (d/b/a InterSources, Inc.) was determined to be the best value to the Authority, price and other factors considered. The contract is an indefinite quantity, indefinite delivery contract. The term of the Contract is for a base period of two (2) years with four (4) option periods for twelve (12) months each in an amount not to exceed \$5,144,683.

RESPONSIBLE DEPARTMENT: People and Culture

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

**STATE OF TEXAS
COUNTY OF TRAVIS**

AI-2022-568

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors recognizes the need for recruiting services to meet the current and future talent acquisition needs of the Authority;

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 finalize and execute a contract with International Solution Sources, Inc. (d/b/a InterSources, Inc.) for recruiting services for a base period of two (2) years with four (4) option periods for twelve (12) months each in an amount not to exceed \$5,144,683.

**Secretary of the Board
Leslie Pool**

Date: _____



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2022-567

Agenda Date: 9/14/2022

Internal Audit Plan Status

FY22 INTERNAL AUDIT PLAN

Department Scorecard

	Projects	Status & % Complete	Additional Details
	FAA COMMITTEE & INTERNAL AUDIT CHARTER COMPLIANCE		
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	In-Process	October
	FY22 Audit Assurance & Advisory Projects		
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		BCG Recommendations
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	Completed	September
8	Annual Cybersecurity Review (Vulnerability Assessment & Penetration Test)	In-Process	
9	ERP (Oracle) Implementation Advisory	In-Process	Jan 2023
10	P-Cards & IT Procurement	Completed	June - UT Interns
11	Public Transportation Agency Safety Plan (PTASP)	In-Process	October
12	Benchmarking Policies & Procedures (Structure, Content, Governance & Training)		
	CONTINGENT AUDIT PROJECTS - FY22		
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.)		

	NEW PROJECTS ADDED TO FY22 AUDIT PLAN by Terry Follmer		
1	Downtown Station - Closeout (Benchmarking & Analysis)	In-Process	Oct 2022
2	MV Contract Changes - Audit Support (e.g. Payroll controls, Spare Parts, etc.)	In-Process	Dec 2022
3	GRC (Governance Risk & Compliance) System Implementation	In-Process	April 2023
4	Fastpath Implementation - Analyze Oracle User Access and SOD	In-Process	Dec 2022
5	GRC (Governance Risk & Compliance) - UT Interns on Bus Ops & Maint	In-Process	Jan 2023
6	GRC (Governance Risk & Compliance) - UT Interns on Rail & Demand Response	In-Process	Jan 2023
7	GRC (Governance Risk & Compliance) - UT Interns on Safety Dept	In-Process	Jan 2023



Capital Metropolitan Transportation Authority

2910 East 5th Street
Austin, TX 78702

Finance, Audit and Administration Committee

Item #: AI-2022-576

Agenda Date: 9/14/2022

Audit Report - External Quality Control Review report on the Internal Audit Department



External Quality Control Review

of the
Capital Metropolitan Transportation
Authority

Conducted in accordance with guidelines of the
Association of Local Government Auditors
for the period January 1, 2019 - December 31, 2021



Association of Local Government Auditors

September 1, 2022

Terry Follmer, Vice President of Internal Audit
Capital Metropolitan Transportation Authority
700 Lavaca Street | Austin, TX 78701

Dear Mr. Follmer,

We have completed a peer review of Capital Metropolitan Transportation Authority the period January 1, 2019, through December 31, 2021. In conducting our review, we followed the standards and guidelines contained in the *Peer Review Guides* published by the Association of Local Government Auditors.

We reviewed the internal quality control system of your audit organization and conducted tests in order to determine if your internal quality control system operated to provide reasonable assurance of conformance with the *International Standards for the Professional Practice of Internal Auditing (the Standards)* issued by the Institute of Internal Auditors as part of their *Professional Practices Framework* and reasonable assurance of compliance with *Government Auditing Standards* issued by the Comptroller General of the United States, as well as applicable legal and regulatory requirements. Due to variances in individual performance and judgment, conformance does not imply adherence to standards in every case, but does imply adherence in most situations.

Based on the results of our review, it is our opinion that during the period January 1, 2019, through December 31, 2021 the Capital Metropolitan Transportation Authority internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with *the Standards* for assurance engagements and compliance with *Government Auditing Standards*, resulting in a rating of pass.

D. Lamar Norwood
Former Senior Auditor
City of Raleigh
Team Leader

Brecka Anderson
City Auditor's Office
City of Gainesville
Team Member