

CapMetro

Customer Satisfaction Advisory Committee

August 2025



FY2026 Budget Review

Kevin Conlan, Depuy CFO

Discussion Outline

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

FY2026 Budget Development Calendar

- Feb 6 Operating and Capital Budget kick-off meeting with departments
- Apr 23 Capital and Operating Budget requests received from departments
- May 7 Board Committees review proposed budget calendar
- Jun 4 Initial review with Access Advisory Committee
- Jun 11 Initial review with Customer Satisfaction Advisory Committee
- Jun 23 Board of Directors initial review and discussion
- Jun 27 Initial review with Public Safety Advisory Committee
- Jul 16 Budget proposal presented to Board Committees

FY2026 Budget Community Engagement

- Aug 6 Presentation to Access Advisory Committee
- Aug 13 Update Board Committees
- ➔ Aug 13 Presentation to Customer Satisfaction Advisory Committee
- Aug 22 Proposed budget document is published online
- Aug 25-29 Budget public outreach and webinar
- Aug 29 Presentation to Public Safety Advisory Committee
- Sep 10 Update Board Committees
- Sep 10 Public hearing on proposed budget and capital improvement plan
- Sep 22 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
- Projected sales tax growth of 2% for FY2026 over FY2025 Forecast
 - Declining growth in Fiscal Years 2024 and 2025
- Service funding based on August Service Plan changes
- Investment in customer-focused transit infrastructure projects

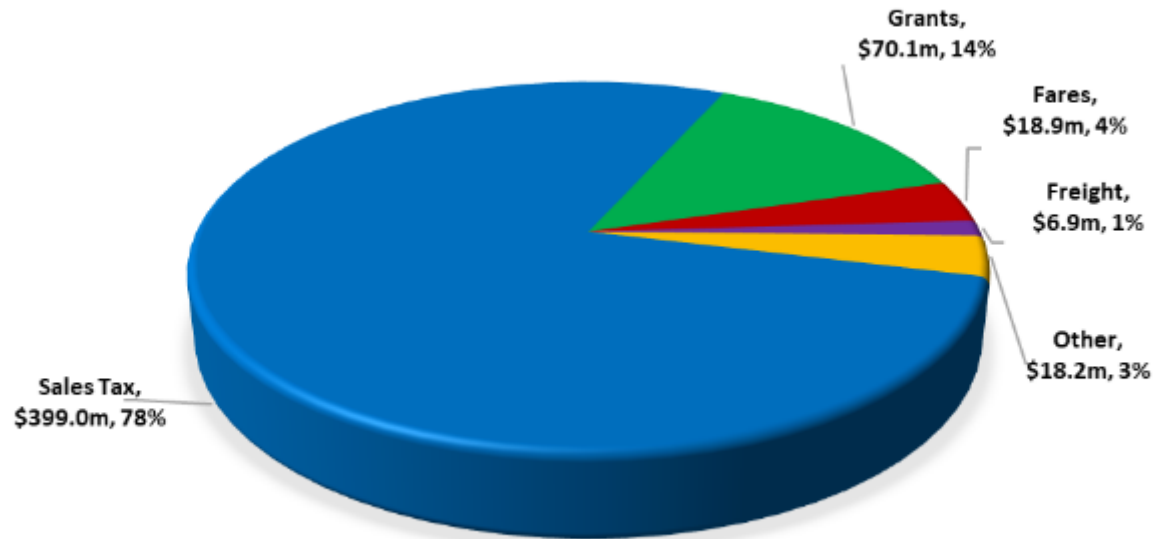
A smiling man with grey hair and a goatee, wearing a dark polo shirt with a 'METRO' logo, is sitting on a stone wall. In the background, a white bus with 'A METROBUS 2608' and 'CAPITAL METRO' is visible. The entire image has a blue overlay.

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FY2026 OPERATING BUDGET

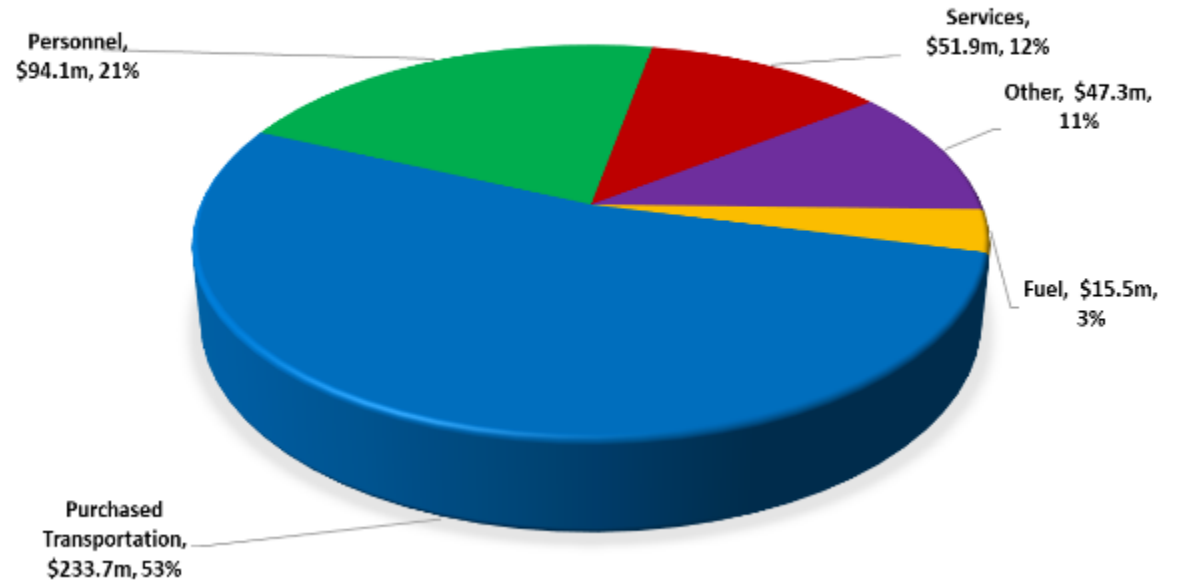
FY2026 Operating Budget Summary

FY2026 Operating Revenue
\$513.1 Million



- Heavily dependent on sales tax revenue and grants for annual funding
- Grants include 5307 formula funds and Project Connect dedicated operating contributions

FY2026 Operating Expenses
\$442.4 Million

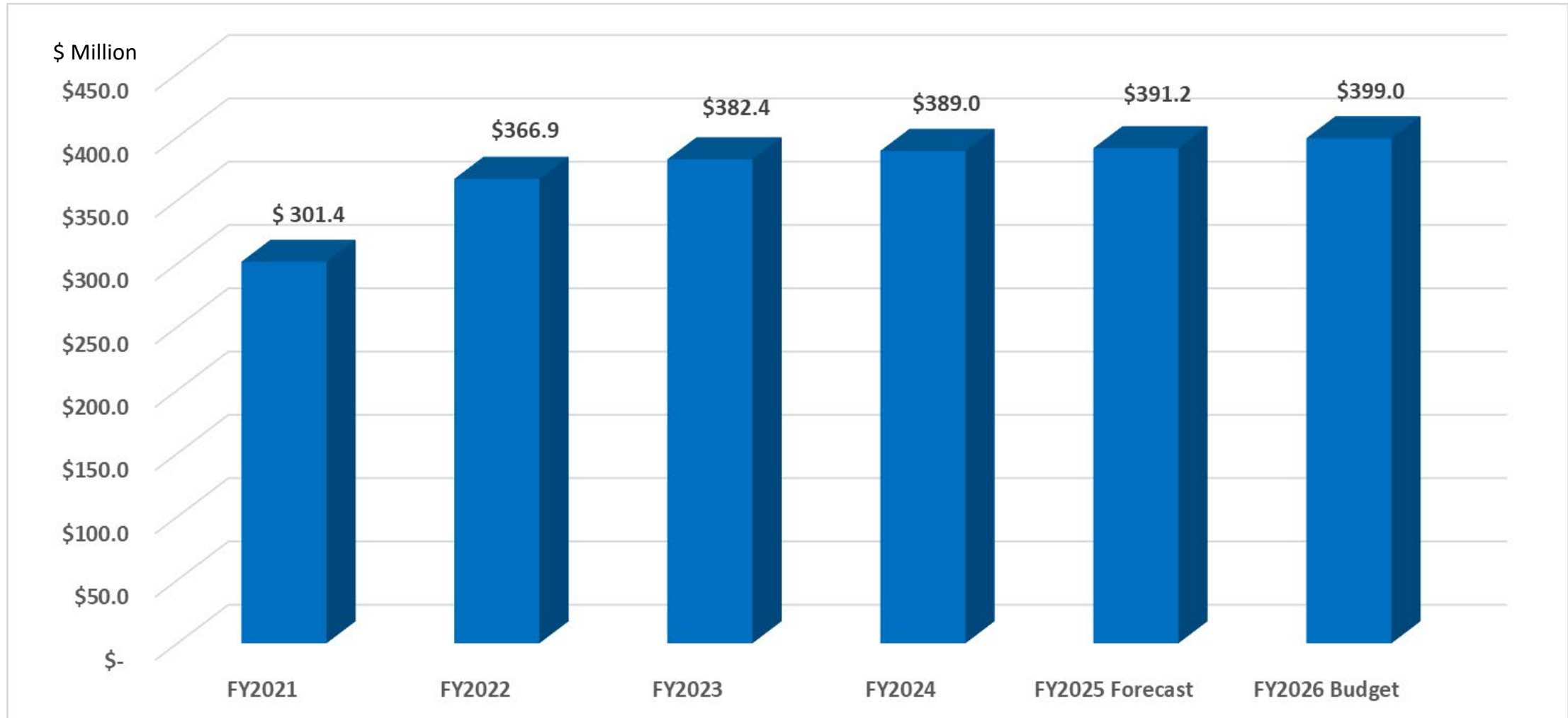


- Majority of the budget pays for contracted transit services
- Includes funding for new CapMetro Rapid operations, maintenance and support services

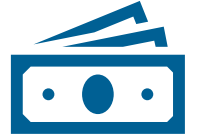
Operating Revenue

- Fare Revenue
 - Fare revenue based on continuing return of ridership in FY2026
- Federal Grants
 - Approximately \$44 million annually in Section 5307 funds
- Freight Railroad Revenue
 - Mainline revenue on target with FY2025 Budget of \$5.4 million

Sales Tax Revenue



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 \$2.30 per gallon, inclusive of tax and net of hedging activities
 - Fuel hedge is 67% of projected fuel usage
- Continuation of Pickup neighborhood rideshare zones
- Performance-based average annualized pay increase for employees
- Strategic plan initiatives considered in budget preparation



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FY2026 CAPITAL BUDGET



Capital Budget Highlights

- Demand response operations and maintenance facility
- North Burnet/Uptown Station Rail Station
- CapMetro Rapid Park & Rides
- Bus stop enhancements and improvements
- New CapMetro Administration Building build-out

Proposed 5-Year Capital Plan

\$' Million Project Category	FY2026	FY2027	FY2028	FY2029	FY2030	Total
Vehicles	\$11.1	\$5.7	\$17.8	\$37.1	\$39.2	\$110.9
Commuter Rail	4.8	3.9	2.1	1.4	1.5	13.7
Facilities	23.6	28.0	24.8	15.5	6.6	98.5
Information Technology	15.7	5.4	8.7	2.0	5.0	36.7
Other	25.8	26.1	4.8	5.5	6.0	68.2
Project Connect	33.3	5.6	-	-	-	38.9
Property and Asset Mgmt	40.8	52.8	43.5	.1	.1	137.3
Total Capital Projects	\$155.0	\$127.6	\$101.8	\$61.6	\$58.3	\$ 504.3
Funding						
Local Funding	106.3	99.3	83.0	49.0	50.4	388.0
Grants/Contributions	48.7	28.3	18.7	12.6	7.9	116.3
Total Capital Projects	\$155.0	\$127.6	\$101.8	\$61.6	\$58.3	\$ 504.3
Project Type						
Enhancement	116.8	108.1	72.8	16.6	7.6	321.9
State of Good Repair	38.2	19.5	28.9	45.0	50.7	182.3
Total Capital Projects	\$155.0	\$127.6	\$101.8	\$61.6	\$58.3	\$ 504.3

Next Steps

- Review budget proposal with Board Advisory Committees
- Publish draft budget document online
- Budget outreach and webinar
- Budget updates to Board Committees if necessary
- Public hearing on the proposed budget
- Final Board approval scheduled for September 22
- Board update on Long-Range Financial Plan



Transit Plan 2035 – Draft Recommendations

Emma Martinez, Senior Planner

Peter Breton, Sr. Community Engagement Coordinator

Technical Error Callout

The presentation provided was unable to be compressed to a size small enough to upload to our website. You can find the presentation through the linked video or by emailing us at

ccr-involvement@capmetro.org

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Thank you!