Customer Satisfaction Advisory Committee

August 2023
FY2024 Budget Proposal

Kevin Conlan, Deputy CFO
Discussion Outline

• Budget Development Calendar
• Budget Overview
• Operating Budget Highlights
• Capital Improvement Plan Update
FY2024 Budget Development Calendar

- Feb 7  Operating and Capital Budget kick-off meeting with departments
- Apr 14  Capital and Operating Budget requests received from departments
- May 10  Board Committees review proposed budget calendar
- Jun  7  Initial review with Access Advisory Committee
- Jun 14  Initial review with Customer Satisfaction Advisory Committee
- Jun 14  Board Committees initial review and discussion
- Jun 23  Initial review with Public Safety Advisory Committee
- Jul 24  Budget proposal presented to Board of Directors
FY2024 Budget Community Engagement

- Aug 2  Presentation to Access Advisory Committee
- Aug 9  Presentation to Customer Satisfaction Advisory Committee
- Aug 14 Update Board Committees
- Aug 21–25 Budget public outreach and webinar
- Aug 25  Presentation to Public Safety Advisory Committee
- Aug 25 Proposed budget document is published online
- Sep 13 Update Board Committees
- Sep 13 Public hearing on proposed budget and capital improvement plan
- Sep 25 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 4.5% for Fiscal Year 2024
  - Steady growth in Fiscal Year 2023

- Service funding based on August Service Plan changes

- Investment in customer-focused transit infrastructure projects
THANK YOU!

FY2024 BUDGET OPERATING BUDGET
Heavily dependent on sales tax revenue and grants for annual funding
Grants include 5307 formula funds and operating contributions from the Austin Transit Partnership
Majority of the budget pays for contracted transit services
Includes funding for Project Connect operations, maintenance and support services
Fuel per gallon increase of 8% from FY2023
Operating Revenue

- **Fare Revenue**
  - Fare revenue based on continuing return of ridership in FY2024

- **Federal Grants**
  - Approximately $44.2 million annually in Section 5307 funds
    - Carryover of FY2023 Section 5307 funds into FY2024

- **Freight Railroad Revenue**
  - Mainline revenue on target with FY2023 Budget of $6.8 million
  - Section 45G Railroad Track Maintenance Tax Credit of $436 thousand
Sales Tax Revenue

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue ($ Million)</th>
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<tr>
<td>FY2019</td>
<td>$261.5</td>
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<tr>
<td>FY2020</td>
<td>$262.4</td>
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<tr>
<td>FY2021</td>
<td>$301.4</td>
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<tr>
<td>FY2022</td>
<td>$366.9</td>
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<td>FY2023 Forecast</td>
<td>$379.7</td>
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<tr>
<td>FY2024 Budget</td>
<td>$396.7</td>
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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 $2.60 per gallon, net of hedging activities
  • Fuel hedge is 75% of projected fuel usage

• Continuation and expansion of Pickup innovative mobility zones

• Performance-based average annualized pay increase for employees

• 12 new Transit Police Officer positions for the FY2024 budget

• Strategic plan initiatives considered in budget preparation
THANK YOU!

FY2024 CAPITAL BUDGET
Capital Budget Highlights

• Electric bus purchases and infrastructure construction
• Bus stop enhancements and improvements
• Bus operations and maintenance facility
• Demand response operations and maintenance facility
• MetroBike station expansion and replacements
Project Connect Highlights

• MetroRapid Lines – vehicles, stations and electric charging
• McKalla Station at Q2 Stadium
• Continued and new Pickup zones operations
• Master facility plan expansion
• Organizational development and operational readiness
• Continued interlocal agreements for capital projects, operations, maintenance and support services
# Proposed 5-Year Capital Plan

<table>
<thead>
<tr>
<th>Project Category</th>
<th>FY2024</th>
<th>FY2025</th>
<th>FY2026</th>
<th>FY2027</th>
<th>FY2028</th>
<th>Total</th>
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<tbody>
<tr>
<td>Bus and Paratransit</td>
<td>$66.8</td>
<td>$5.4</td>
<td>$101.5</td>
<td>$46.7</td>
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<td>Commuter Rail</td>
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<td>Facilities</td>
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<td>Freight Railroad</td>
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<td>Information Technology</td>
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<td>10.8</td>
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<td>Other</td>
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<td>Project Connect</td>
<td>148.2</td>
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<td>86.6</td>
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<td>Property and Asset Mgmt</td>
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<td>1.0</td>
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<td><strong>Total Capital Projects</strong></td>
<td>$352.2</td>
<td>$165.7</td>
<td>$289.8</td>
<td>$191.5</td>
<td>$100.9</td>
<td>$1,100.2</td>
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<table>
<thead>
<tr>
<th>Funding</th>
<th>FY2024</th>
<th>FY2025</th>
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<th>FY2027</th>
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<td>Local Funding</td>
<td>177.2</td>
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<td>183.9</td>
<td>75.3</td>
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<td>563.5</td>
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<td>Grants/Contributions</td>
<td>175.0</td>
<td>72.8</td>
<td>105.9</td>
<td>116.3</td>
<td>66.7</td>
<td>536.7</td>
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<th>FY2025</th>
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<th>FY2027</th>
<th>FY2028</th>
<th>Total</th>
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<tbody>
<tr>
<td>Enhancement</td>
<td>280.5</td>
<td>142.0</td>
<td>170.1</td>
<td>134.4</td>
<td>64.9</td>
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<td>State of Good Repair</td>
<td>71.7</td>
<td>23.7</td>
<td>119.7</td>
<td>57.1</td>
<td>36.1</td>
<td>308.4</td>
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<tr>
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<td>$100.9</td>
<td>$1,100.2</td>
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Next Steps

- 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 25
- Board update on Long-Range Financial Plan
Government Affairs Team

Leroy Alloway
Vice President, Government Affairs

Celso Baez
Director, Government Affairs – Regional / Local

Stephen Dellert
Government Affairs Coordinator

Lawrence Trevino
Government Affairs Coordinator
12.3 – Develop Federal Funding Strategy

Assumptions:
- CapMetro to be the federal project sponsor for all Project Connect projects;
- CapMetro to be actively engaged in securing Capital Investment Grant funding, and additional federal funding, to support Light Rail and other voter approved projects;
- Need for a comprehensive grant strategy based on the funding pathways in 2022
Strengthen Business and Financial Processes

12.3 – Develop Federal Funding Strategy

What’s changed?
- Clarification of roles as part of the June 2023 Joint Powers Agreement between the City of Austin, CapMetro, and the Austin Transit Partnership
- New funding opportunities introduced in the Infrastructure Investment and Jobs Act (IIJA) and the Inflation Reduction Act (IRA) in 2022
- The November 2022 Federal election
Where are we today? – Political Unknowns

Federal Reality

- Differences between the US House, the US Senate, and the White House on funding priorities
  - Budget Hawks vs Deficit Hawks; Role of Federal funding
  - Funding fatigue
  - Partisan stalemates and brinksmanship

- Rapidly approaching the 2024 election cycle
  - Need to motivate political bases, less focus on governing
Where are we today? – Political Unknowns

Texas 88th Legislative Regular Session
- HB 485
- HB 3234
- HB 3899
- SB 1546

Future Special Sessions
Where are we today? Opportunities Ahead

Define our voice and value to the regional community

Develop and educate advocates for transit and multi-modal solutions

Be the voice for regional connectivity, regardless of jurisdiction
Government Affairs – Focus Areas

Strengthening Regional and Local Relationships – Member Cities, Partner Cities, Future Partners

Elected Official Support – Information and Constituent Services

Strengthening Federal and State Relationships and Policies
Fares Update

Danny Souraphath, Manager of Technical Product Management
Edna Parra, Manager of Community Engagement and Outreach
Agenda

• AMP
  • Soft Launch
  • Customer Adoption
  • Next Steps

• Discount Programs
  • Programs for Everyone
  • CapMetro HMIS Pass
  • HMIS Pass Timeline
AMP - Soft Launch on August 1

• What does this mean?
  • Allows our pilot testers to continue using Amp
  • Amp technology became available to the public
  • Marketing to early adopters, riders who would benefit from fare capping, and eligible for Equifare
  • Begins a 3-month transition period

• What have we seen since the launch?
  • About 4.5k total downloads of the new app:
    • 33% - iOS
    • 67% - Android
  • Customers with questions about the app, fare cap, and Amp system
  • Triage and troubleshooting concerns
AMP - Customer Adoption

• Customer Communication
  • Systematically educate customers
  • Ease customers in transitioning to the Amp system

• Technology
  • Continuing training with support and operational staff
  • Triage and troubleshoot rising concerns
AMP – Next Steps

• August 1 to October 31 – Transition period
  • Ramp outreach and customer communications
  • Support customer migration

• November 1 – Full migration
## Discount Programs - Programs for Everyone

<table>
<thead>
<tr>
<th>Transit Empowerment Fund</th>
<th>CapMetro Discount Pass Program</th>
<th>HMIS Pass</th>
<th>Equifare</th>
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</thead>
<tbody>
<tr>
<td>TEF will continue to complete an application-based pass distribution for organizations serving low-income clients.</td>
<td>CapMetro distributes passes to non-profit and government agencies.</td>
<td>CapMetro will distribute a pass to people experiencing homelessness who are receiving services in HMIS.</td>
<td>Eligible low-income customers are able to directly purchase a discounted fare through CapMetro.</td>
</tr>
<tr>
<td>• Must be a 501(c)(3) to participate</td>
<td>• Must be a 501(c)(3) to participate</td>
<td>• Must be receiving services through HMIS to participate</td>
<td>• Participation in other safety net programs = automatic eligibility</td>
</tr>
<tr>
<td>• Participants must serve clients who are at or below 150% FPL</td>
<td>• Participants must serve clients who are at or below 125% FPL</td>
<td>• Includes direct distribution and participation from service providers.</td>
<td>• Participants must be at or below 200% FPL</td>
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</tbody>
</table>
Discount Programs - CapMetro HMIS Pass

Smart Card Technology
The HMIS Pass is a durable smart card that enables easy and efficient travel for customers and easy day-to-day management of cards.

No Cost
The transit pass has no cost to eligible unhoused individuals and authorized service providers.

CapMetro is pursuing grants and partnerships to subsidize pass.

Pick-up Locations:
Unhoused clients can obtain their pass from participating service providers or the Transit Store.

Usage Flexibility:
The HMIS Pass can be used as needed on local service and can be linked to CapMetro Access services for eligible customers.
Discount Programs - HMIS Pass Timeline

June - August
Pilot Program

September
Release
Provider Interest Form

October - December
Title XI Analysis &
continue enrollment

July/August
Focus groups with
THRA, Trinity, and Safe
Haven

October
Enroll clients and
providers into program
and distribute cards

2024
Continue enrolling &
begin semi-annual
utilization updates
Advisory Committee Updates

Peter Breton, Community Engagement Coordinator
Topics

• Items to Address
  • Norms
  • Systems
• Action Plan
• Timeline
• Q&A / Comments
Items to Address

• Norms:
  • Camera Usage
  • Responding to Public Comms / Member Feedback
  • Staff Follow-up
  • Respecting Time / Appropriate Timekeeping Measures

• Systems:
  • Agenda Allotment
  • Public Communications
  • Attendance
  • Engaging All Members
## Camera Usage
- Guidelines for Staff on when to have their cameras on
- Working with Chair and members to gather input on camera policy for members

## Public Comm. / Member Feedback
- Guidelines for staff on:
  - Length and depth of responses
  - Who responds

## Staff Follow-up
- Mainly directed by Chair; if no request to come back to the committee, meet with interested members 1:1

## Respecting Time
- Working with Chair to determine best way to keep time and inform members of time on each item, keep presenters on time.
- More clarity to presenting staff on expectations around time

### Action Plan - Norms
**Agenda Allotments**

- Each agenda should have:
  - 3–4 items
  - Each item:
    - ~10 minutes for presenting
    - ~5–10 minutes for Q&A
    - Times are negotiable per item
  - Minutes Approval at the top of the agenda, to reduce issues with quorum

**Public Communications**

- 3 minutes per speaker, max.
  - Next steps will be agreed upon by staff and Chair after the comment, and repeated back to the speaker
  - Guests to the committee speak first, members second
  - Everyone gets heard

**Attendance**

- Being clearer with members around requirements to notify staff of absence
  - Attaching attendance sheet in follow-up email?

**Engaging All Members**

- Agenda slot for the CAC representative to brief the committee?
- Working with Chair to engage members during the committee meeting
- More in-person / non-meeting opportunities to connect
Timeline

• Norms
  • Work can start to put these changes into effect in August, but full implementation will be an ongoing project
  • Can’t be changed easily; norms shift over time, and Staff will need to revisit the guidelines regularly

• Systems:
  • Most of these can be implemented in August & September
  • Can be deliberately iterative; if something’s not working, we can adjust
Thank you!