Initial FY2024 Budget Review

Emmanuel Toutin, Manager of Budget and Financial Planning
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 12  Budget proposal presented to Board Committees
• 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
Discussion Outline

• Key FY2024 budget assumptions
• Major operating budget assumptions
  • Revenue and cost drivers
• Service priorities and funding
• Capital Improvement Plan update
• Long-Range Financial Model used to balance operating and capital budget requests against estimated available funds over 5-year period and long-term outlook
Projected sales tax growth for Fiscal Years 2023 and 2024 to be determined based on upcoming sales tax receipts. Year-to-date March 2023 sales taxes increased by 8.4% compared to the last fiscal period.
Austin-Round Rock MSA employment increased for the 24th consecutive month in March 2023.
Operating Revenue

- Fare Revenue
  - Fare revenue to be developed with updated ridership projections

- Federal Grants
  - Approximately $44.2 million annually in Section 5307 funds

- Freight Railroad Revenue
  - Mainline revenue on target with the FY2023 Budget of $5.5 million
  - Section 45G Railroad Track Maintenance Tax Credit of $544 thousand
Operating Expenses

• Service levels based on August Service Plan changes
• Fuel prices remain stable over the next fiscal year with hedging in place
  • Diesel estimate of $2.60 per gallon, net of hedging activities
• Average annualized pay increase for employees
  • Performance-based program that represents an average cost across the agency
• New position requests under review by Senior Executive Team
• Strategic plan initiatives considered in the budget preparation
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
Agenda

Overview

Engagement

Service Standards and Guidelines

Transit Stop and Station Design Guidelines & Amenities Enhancement Process
A lot has changed since 2015...

- Population, job, and demographic changes in the service area
- Adapt to new changes with the most innovative practices for community
- Implementation of the new service plan, Cap ReMap (2018)
- Voter approval of the high-capacity transit plan, Project Connect (2020)
What would be approved?

<table>
<thead>
<tr>
<th>Service Standards and Guidelines</th>
<th>Transit Stop and Station Design Guide</th>
<th>Amenities Enhancement Process</th>
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</thead>
<tbody>
<tr>
<td><strong>CAPMETRO</strong> SERVICE STANDARDS &amp; GUIDELINES 2023</td>
<td><strong>CAPMETRO</strong> TRANSIT STOP &amp; STATION DESIGN GUIDELINES 2023</td>
<td><strong>CAPMETRO</strong> AMENITY ENHANCEMENT PROCESS 2023</td>
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</tbody>
</table>
Key Changes from 2015 Service Standards

• Identified Overarching Principles
  • Sustainability
  • Accessibility
  • Equity

• Highlighted Regional Coordination
  • To ensure we are coordinating across our service area.
  • Informing and Coordinating on any changes we make.

• Updated our Service Types
What's new or changed?

Key changes

Updated Service Types
• From 14 types to 5 types

Updated Service Standards
• Streamlined and updated to industry standard
• Example: Changed to 85% OTP across the board (changed from 75% Middle of the Line or 90% End of Line)

Formalized the Service Changes and Evaluation Process
• Documented the existing evaluation processes and vetted with the public
• Clarified how we integrate equity
• Example: specified vulnerable demographics and when in the process they are included
What’s new or changed?

Key changes

Included Transit Priority Measures
• Included guidelines on dedicated lanes and intersection treatments

Included Customer Experience
• Used customer feedback to gain input on amenity need.
• Specified when we analyze customer call reports and integrate feedback into decision making process.

Included Transit Stop and Station Design Guide
• Updated to current best practice
• Classified stops by type

Included Amenities Enhancement Process
• Identified amenity need by stop type
• Prioritization process for placing amenities at stops
Engagement – Phase One

- Community Focus Groups
  - Oct. 25 – Nov. 5
  - 8 Compensated Focus Groups

- Public Survey
  - Nov. 2 – Dec. 9
  - Used MetroAlert texts
  - Distributed and collected at bus stops
  - Received 1000+ responses

- CapMetro Department Staff Interviews and Content Workshops
  - July 2022 – March 2023
  - Over 20 workshops and staff interviews
    - Virtual and in person
  - Presented at PSAC, CSAC, ACCESS, DEI Advisory Group and CAC meetings
    - Fall/Winter 2022
Advisory Committees Workshop Recap

• Workshop with:
  • PSAC
  • CSAC
  • ACCESS
  • DEI Advisory Group
  • CAC
• Asked what we should consider in our:
  • Service Evaluation Process
  • Amenities Enhancement Process
What customers are saying

• What should CapMetro prioritize when planning a route?

Better access to:

- Grocery stores
- Health services/clinics
- Job centers
- Schools
- Surrounding areas

• How should CapMetro prioritize where to put amenities?

Factors for bus stop amenities:

- Transfer points
- Comfort and safety
- Longer wait times
- Proximity to services for people in need
Engagement – Phase Two

- Committee Workshop on Service Evaluation and Amenities Enhancement Process
  - April 10th, 2023 with PSAC, CSAC, ACCESS, DEI Advisory Group, and CAC

- CapMetro Operations and Finance Committee Workshop
  - May 17th, 2023

- SSG Document Overview Videos On Website
  - May 15th, 2023

- Draft Documents Available for Review
  - May 23rd – June 26th, 2023

- Board Member Meetings as Requested
  - May–June 2023

- Present at ACCESS June 7th and at CSAC June 14th

- Present at CapMetro Board for Adoption
  - June 26th, 2023
Board Workshop Recap

• Workshop with CapMetro Board of Directors
• Conducted an example activity to go through each step of the processes
• Asked what we should consider in our:
  • Service Evaluation Process
  • Amenities Enhancement Process
Next Steps

Once adopted these documents can be used as an updated reference for the principles we use to do our work.

✓ Highly visual and easy to understand

✓ Formalized internal processes that were vetted with the community to confirm it aligns with community needs and values.

✓ Updated standards to match the service types that we have in our system today.

✓ Detailed process for a service change and amenities enhancement and how we handle requests

✓ Alignment with the latest industry best practices
Proposed August Service Changes

Emma Martinez, Transportation Planner I
Service Change Overview

• Purpose: To evaluate current conditions and make service adjustments

• During a service change process, we:
  • Identify ways to improve service
  • Develop a service change proposal
  • Engage with the public throughout the process
  • Ask for board approval

• Service changes currently occur every winter, spring, and fall to correspond with local academic calendars
Service Evaluation Process

1. Identify the Issues
   - Review Feedback
     - From the community, board of directors and operators
   - Evaluate New Streets & Key Destinations
   - Analyze KPIs
     - Starting with productivity, speed, overcrowding and OTP

2. Develop Proposals
   - Review Issues & Opportunities
   - Create Proposal or Proposal Options

3. Evaluate Proposals
   - Origin & Destination Survey Results
   - Equity Analysis
     - Incorporate demographic data on target transit riders
   - Cost Feasibility
     - Is it a major service change?
   - FTA Title VI Analysis
     - Board approval required

4. Public Feedback
   - CapMetro Advisory Committees
   - Public Feedback
   - Board of Directors
     - Does it need further review?
     - IF YES: Revisit Proposal(s)
     - IF NO: Implement Change

5. Implement Change
   - Update Operating & Marketing Materials
   - At-Stop Outreach & Rider Education

* Step requires data analysis
June 2023 Service Changes - Reminder

Minor Adjustments of Service
• Adjusted Running Times – Minor adjustments to schedules due to ridership / travel conditions
• Summer Service Adjustment – Normal transition on UT routes, and on select route to summer service levels

Maintained Service Levels
• MetroRail – Regular service
• MetroExpress & Flyers – Continued reduced service levels
• E-Bus – Continued suspension of service
August 2023 Service Changes - Proposed

Minor Adjustments of Service
- Adjust Running Times – Minor adjustments to schedules due to ridership / travel conditions
- Fall Service Adjustment – Normal transition on UT routes, and on select route from summer service levels to regular fall service levels

Maintain Service Levels
- MetroRail – Regular service
- MetroExpress & Flyers – Continue reduced service levels
- E-Bus – Continue suspension of service
Looking Forward

• Winter 2024
  o Minor changes to address changing conditions

• Next Major Service Change – 2025
  • Start of MetroRapid Expo and Pleasant Valley service and other adjustments to network

Continue to monitor ridership and staffing levels and supplement where we are able
Advisory Committee Updates

During the July recess, we will work on the following items:

**Stronger Ties to the Committee**
- Supporting board member communications
- Creating opportunities for committee members to meet & mingle
- Following up on committee items when needed

**Flow of Meetings**
- Timekeeping
- Punctual Public Communications
- Ongoing workplan management
- Other parliamentary functions
Thank you!