I. Public Comment

II. Action Items:

1. Approval of Finance, Audit and Administration Committee meeting minutes for the September 14, 2017 meeting.

2. Approval of a resolution authorizing the President/CEO, or her designee, to extend an Interlocal Agreement (ILA) with the City of Austin for employee transit passes for a period of 1 year from January 1, 2018, to December 31, 2018, and leave the CY2018 contract term not-to-exceed amount unchanged at $400,000.

3. Approval of a resolution authorizing the President/CEO, or her designee, to finalize and execute a contract modification with Krauthamer & Associates for executive recruiting services to increase the amount by $87,000 for a total not to exceed contract amount of $648,000 for one year with four 12 month options.

4. Approval of a resolution authorizing the President/CEO, or her designee, to approve amendments to the Capital Metropolitan Transportation Authority Board of Directors Bylaws.

III. Presentations:

1. Retirement Plan Audit Report

2. Downtown Station Improvements Project Update
IV. Items for Future Discussion:

V. Adjournment

ADA Compliance

Reasonable modifications and equal access to communications are provided upon request. Please call (512)389-7458 or email gina.estrada@capmetro.org if you need more information.

**BOARD OF DIRECTORS**: Terry Mitchell, chair; Wade Cooper, Juli Word and Pio Renteria. Board Liaison: Gina Estrada (512)389-7458, email gina.estrada@capmetro.org if you need more information.

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.
Approval of Finance, Audit and Administration Committee meeting minutes for the September 14, 2017 meeting.
Thursday, September 14, 2017
11:00 AM

I. Public Comment:
There was no public comment.

II. Action Items:
1. Approval of Minutes for the August 14, 2017 Finance, Audit and Administration Committee Meeting.
   Cooper motion/Renteria second. 3-0 for approval. (Board member Word out.)

2. Approval of the Fiscal Year 2018 Operating and Capital Budget and Five-Year Capital Improvement Plan.
   Kevin Conlan, Budget Director, presented this item. The discussion included an update on the budget development calendar, public outreach and public feedback.
   Highlights of the proposed FY2018 Operating and Capital Budget and Five-Year Capital Improvement Plan were also presented.
   Lastly, Board member Cooper thanked staff for presenting a budget that is less than last year's budget and one that matches with the declining increase in sales tax revenue.
   Board Member Cooper motion/Renteria second. 3-0 to recommend for approval. (Board member Word out.)

III. Presentations:
1. Project Connect Update Presentation
   Javier Arguello, Director, Long Range Planning, introduced consultant Dan Meyers, AECOM, who provided a comprehensive update on Project Connect. Discussion included the Investment Corridors - Commuter, Connector and Circulator. The appropriate mode for each corridor type was also discussed. Next, Enhancement Projects related to Metro Rapid, MetroRail, Metro Express and Mobility Hub were discussed. Dan also summarized the public outreach conducted to educate the community about Project Connect.

2. Fiscal Year 2017 Financial Key Performance Indicators
   Kevin Conlan, Budget Director, presented the FY2017 Financial Key Performance Indicators. Performance indicators reviewed and discussed were cost, service, and usage areas of our services.

Reinet Marneweck, Chief Financial Officer, presented the July Financial Report. Sales tax remittances received Year-to-Date (YTD) July 2017 are 3.22% higher than YTD July 2016.

IV. Items for Future Discussion:

V. Adjournment

ADA Compliance

Reasonable modifications and equal access to communications are provided upon request. Please call (512)389-7458 or email gina.estrada@capmetro.org if you need more information.

BOARD OF DIRECTORS: Terry Mitchell, chair; Wade Cooper, Juli Word and Pio Renteria. Board Liaison: Gina Estrada (512)389-7458, email gina.estrada@capmetro.org if you need more information.

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.
Approval of a resolution authorizing the President/CEO, or her designee, to extend an Interlocal Agreement (ILA) with the City of Austin for employee transit passes for a period of 1 year from January 1, 2018, to December 31, 2018, and leave the CY2018 contract term not-to-exceed amount unchanged at $400,000.
SUBJECT:
Approval of a resolution authorizing the President/CEO, or her designee, to extend an Interlocal Agreement (ILA) with the City of Austin for employee transit passes for a period of 1 year from January 1, 2018, to December 31, 2018, and leave the CY2018 contract term not-to-exceed amount unchanged at $400,000.

FISCAL IMPACT:
This ILA is revenue-generating.

STRATEGIC PLAN:
Strategic Goal Alignment:
3. Community

Strategic Objectives:
3.2 Build Strong Community Partnerships that further Capital Metro’s mission and vision.
3.4 Support plans and programs designed to build ridership and increase market share of alternate transit use.

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

BUSINESS CASE:
The ILA has helped establish a strong partnership with the City of Austin that supports Capital Metro’s strategic objectives. The proposed extension will maintain this relationship. The ILA has positively impacted ridership and demand for Capital Metro’s services and has been well utilized by City of Austin employees. The proposed extension will encourage City of Austin employees to continue to make use of our services.

COMMITTEE RECOMMENDATION:
This agenda item was presented and is recommended for approval by the Finance, Audit and Administration Committee on November 1, 2017.

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 the City of Austin’s continued joint effort to promote sustainability through transportation alternatives, this agreement extends an Interlocal Agreement (ILA) with the City of Austin for employee transit passes for a period of 1 year from January 1, 2018, to December 31, 2018, and
leaves the CY2018 contract term not-to-exceed amount unchanged at $400,000.

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Marketing/Communications
RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

RESOLUTION (ID # AI-2017-595)
City of Austin ILA Extension

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 President/CEO, or her designee, is authorized to extend an Interlocal Agreement (ILA) with the City of Austin for employee transit passes for a period of 1 year from January 1, 2018, to December 31, 2018, and leave the CY2018 contract term not-to-exceed amount unchanged at $400,000.

________________________
Date: _____________________

Secretary of the Board
Juli Word
Approval of a resolution authorizing the President/CEO, or her designee, to finalize and execute a contract modification with Krauthamer & Associates for executive recruiting services to increase the amount by $87,000 for a total not to exceed contract amount of $648,000 for one year with four 12 month options.
SUBJECT:
Approval of a resolution authorizing the President/CEO, or her designee, to finalize and execute a contract modification with Krauthamer & Associates for executive recruiting services to increase the amount by $87,000 for a total not to exceed contract amount of $648,000 for one year with four 12 month options.

FISCAL IMPACT:
Funding for this action is available in the FY2018 Operating Budget.

STRATEGIC PLAN:
Strategic Goal Alignment:
4. Human Capital

Strategic Objectives:
4.1 Enhance organizational development,
4.3 Be an Employer of Choice

EXPLANATION OF STRATEGIC ALIGNMENT:
Utilization of an experienced executive search firm supports organization development by recruiting talent to lead Capital Metro’s initiatives. The executive search process utilized by Krauthamer also promotes Capital Metro’s objective of being an “Employer of Choice” by seeking candidates with exceptional leadership skills.

BUSINESS CASE:
Executive recruiting services supplement Capital Metro’s Human Resources Department by identifying and screening candidates for hard to fill and highly visible positions.

COMMITTEE RECOMMENDATION:
This agenda item was presented and is recommended for approval by the Finance, Audit and Administration Committee on November 1, 2017.

EXECUTIVE SUMMARY:
Capital Metro desires to continue employing the services of Krauthamer & Associates for executive recruitment. In the current contract year, their services are required for the recruitment of the President/CEO and Vice President, Rail Operations and requests the Board approve a modification to the current contract adding staff to the price for the current year. This will accommodate anticipated needs through the completion of the required transactions related to travel and advertising for the President/CEO position and additional recruiting for the Vice President, Rail Operations. No charge is being proposed to funds for the option years at this time.
DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT:
On March 23, 2017, Capital Metro awarded a contract to Krauthamer & Associates for Executive Recruitment Services in an amount not to exceed $101,000 for the base year to provide Capital Metro with an executive search agency in the event of a vacancy of top level positions, to be assigned as needed. The contract was awarded based on the need of no more than one top level position a year. The contract has four (4) option periods of twelve months’ duration each. In July 2017, Linda Watson announced her retirement effective December 31, 2017. The Board approved using Krauthamer & Associates for the recruitment of the new President/CEO. In the last month, it has also become necessary to recruit for the Vice President, Rail Operations. To accommodate the additional recruitment for the Vice President, Rail Operations position, which includes candidate travel and advertising, an increase of $87,000 is requested for a total not to exceed amount of $188,000 for the Base Year (Year 1) and $115,000 for each subsequent Option Year (Years 2-5), for a total contract amount of $648,000.

<table>
<thead>
<tr>
<th>Contract Term</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Base Year 1 (Awarded)</td>
<td>$101,000</td>
</tr>
<tr>
<td>Base Year 1 (Modification Request)</td>
<td>$87,000</td>
</tr>
<tr>
<td>Option Year 1 (Year 2)</td>
<td>$115,000</td>
</tr>
<tr>
<td>Option Year 2 (Year 3)</td>
<td>$115,000</td>
</tr>
<tr>
<td>Option Year 3 (Year 4)</td>
<td>$115,000</td>
</tr>
<tr>
<td>Option Year 4 (Year 5)</td>
<td>$115,000</td>
</tr>
<tr>
<td><strong>Total Contract Amount</strong></td>
<td><strong>$648,000</strong></td>
</tr>
</tbody>
</table>

This contract was not previously approved by the board because the annual contract amount was below the board approval threshold of $150,000.

RESPONSIBLE DEPARTMENT: Human Resources
RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

RESOLUTION (ID # AI-2017-611)
Contract Modification with Krauthamer & Associates for Executive Recruitment

WHEREAS, the Capital Metropolitan Transportation Authority Board Directors and Capital Metro management endeavor to adequately staff the President/CEO and Vice President, Rail Operations, utilizing the services of an executive search firm; and

WHEREAS, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management understand the executive search firm Krauthamer & Associates is currently providing such services to Capital Metro and their continued services are required.

NOW, THEREFORE, BE IT RESOLVED by Capital Metropolitan Transportation Authority Board of Directors that the President/CEO, or her designee, is authorized to finalize and execute a contract modification with Krauthamer & Associates for executive recruiting services and increase the amount by $87,000 for a total not to exceed amount of $648,000 for one year with four 12 month options.

________________________
Date: _____________________

Secretary of the Board
Juli Word
Approval of a resolution authorizing the President/CEO, or her designee, to approve amendments to the Capital Metropolitan Transportation Authority Board of Directors Bylaws.
SUBJECT:
Approval of a resolution authorizing the President/CEO, or her designee, to approve amendments to the Capital Metropolitan Transportation Authority Board of Directors Bylaws.

FISCAL IMPACT:
This action has no fiscal impact.

STRATEGIC PLAN:
Strategic Goal Alignment:
4. Human Capital

Strategic Objectives:
4.1 Enhance organizational development

EXPLANATION OF STRATEGIC ALIGNMENT:
The Bylaws of the Board of Directors provide the governing principles and requirements of the Board of Directors for efficient operation of the Board and compliance with statute.

BUSINESS CASE:
The proposed amendments to the Bylaws of the Board of Directors will conform them to changes in the law, codify current practices and incorporate best practices.

COMMITTEE RECOMMENDATION:
This agenda item was presented and is recommended for approval by the committees at their November 1, 2017 meetings.

EXECUTIVE SUMMARY:
The Board of Directors has adopted Bylaws for the conduct of business under Section 451.517 of the Transportation Code. These bylaws conform to the requirements of state statute and provide governance on membership, meetings and other requirements of the Board.

The Board Bylaws were last amended in 2009. The proposed amendments would conform the bylaws to current statutory requirements and existing Capital Metro Board practices and reflect the addition of best practices for governance. The content has also been reformatted for easier reference.

The proposed substantive changes to the bylaws are as follows:
- Sec. 3.4.3 Duties of the Secretary. The proposed addition would authorize the Chairperson or Vice Chairperson be authorized to certify and sign documents in the
absence of the Secretary.

- Sec. 5.4.2. Roll Call Voting Procedure. The proposed addition establishes that votes are taken by voice unless a roll call vote is requested by two board members prior to the vote or the Chairperson is unclear about the results of the vote.

- Sec. 6.1.1. Membership on Board Committees. The proposed addition creates a requirement for electing a committee Vice Chairperson to serve in the absence of the Chairperson.

- Sec. 8.6. Policies. The proposed addition would require the board to review and update, if required, all of its adopted policies every five years.

Modifications to the bylaws require an affirmative vote of two-thirds of the appointed and qualified members of the board. As required by the bylaws, the proposed modifications will be presented for discussion at the November Board of Directors meeting and submitted for approval at the December Board meeting.

DBE/SBE PARTICIPATION: Does not apply.

PROCUREMENT: Does not apply.

RESPONSIBLE DEPARTMENT: Legal
RESOLUTION
OF THE
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
BOARD OF DIRECTORS

STATE OF TEXAS
COUNTY OF TRAVIS

RESOLUTION (ID # AI-2017-600)
Revisions to Board of Directors Bylaws

WHEREAS, the Board may by resolution adopt rules and bylaws for the conduct of Board meetings in accordance with Section 451.517 of the Texas Transportation Code; and

WHEREAS, the Board may amend such bylaws at any regular meeting of the Board by a two-thirds vote of the Board members, provided that the amendment has been submitted in writing at the previous regular meeting of the Board; and

WHEREAS, the Board has followed the required process and desires to amend the Bylaws.

NOW, THEREFORE, BE IT RESOLVED by the Capital Metropolitan Transportation Authority Board of Directors that the attached Bylaws are hereby adopted as amended to supercede and replace the Bylaws adopted on March 23, 2009.

________________________
Date: _____________________

Secretary of the Board
Juli Word
Capital Metropolitan Transportation Authority

Bylaws of the Board of Directors

BLACK Text – Current Bylaws
RED Text – Proposed language
BLUE Text - Reference

DRAFT – REDLINE & ANNOTATED
October 2017
Article 1 – The Authority

Section 1.1. Creation. Pursuant to the provisions of Article 1118x, Texas Revised Civil Statutes, as amended and recodified as Chapter 451 of the Texas Transportation Code ("Code"), and pursuant to a favorable vote of the qualified voters in a confirmation and tax election held January 19, 1985, a metropolitan rapid transit authority, is created and exists in the City of Austin, Texas, constituting the environs of the “principal city” as defined herein, and any other such areas that may subsequently vote to join the Authority. The Authority is a political subdivision of the state of Texas. Pursuant to Section 451.107 of the Code, power is granted to the Authority’s Board of Directors to adopt rules and regulations and such bylaws as it may deem necessary.

Section 1.2. Name. The name of the Authority shall be the Capital Metropolitan Transportation Authority (“Authority”).

Section 1.3. Purpose and General Powers. The purpose of the Authority shall be to plan, develop and operate public transportation services within the territory of the Authority and to exercise any other powers and duties as allowed or specified in the Code, and other applicable state and federal law. The Authority shall constitute a political entity and corporate public body, exercising public and essential governmental functions, having the powers necessary or convenient to carry out and effectuate the purposes and provisions of the Code. [Match statute – §451.052]

Section 1.4. Territory. The territory of the Authority shall constitute the corporate limits of the City of Austin, being the principal city; the corporate limits of the following incorporated municipalities within Travis County: Lago Vista, Point Venture, Volente, San Leanna, Manor and Jonestown; the following incorporated municipalities located within Williamson County: Leander; the portion of Commissioner’s Precinct Number 1 of unincorporated portion of Williamson County known as Anderson Mill and defined as Williamson County voting precincts 5, 17, 18 and 39; and Commissioner’s Precinct Number 2 of unincorporated Travis County; and any other town or county area wherein the voters elect to become a part of the Authority pursuant to Sec. 451.552 of the Code. [Match current service area]

Article 2 – The Board of Directors

Section 2.1. Governing Body. The governing body of the Authority shall be the Board of Directors ("Board"). The responsibility for the management, control and operation of the Authority and its properties is vested in the Board.

Section 2.2 Powers of the Board.

2.2.1 The Board shall exercise its responsibility as the governing body of the Authority by adopting all general policies of the Authority, including the adoption of annual capital and operating budgets, the establishment of the goals of the Authority, adoption of a strategic plan, [§451.135] and the selection and performance evaluation of a general manager (President/Chief Executive Officer) and a qualified individual to perform internal auditing services. [Match statute – §451.458]

2.2.2 Rules and Regulations. The Board may adopt and enforce rules and regulations for such purposes as provided in Section 451.107 of the Code. All rules and regulations established by the Board shall be published and made available for public review in accordance with the Code.

2.2.3 The Board shall adopt and impose reasonable and nondiscriminatory fares and charges for the use of the system and shall have the authority to enforce fares for the use of the system. [§§451.061 and .0611]
2.2.4 In addition to the statutory authority provided to the President/Chief Executive Officer, the Board may delegate certain duties and responsibilities to the President/Chief Executive Officer for the management and operation of Authority. [§451.106 and Res. 1992-147]

Section 2.3. Members of the Board of Directors

2.3.1 Oath of Office. The oath of office shall be given to all members of the Board before commencement of duties as a member of the Board. [Tex. Const. Article 16, Sec. 1]

2.3.2 Duties. Board members shall act collectively on behalf of the Board in the best interest of the Authority and in accordance with the constitutions and laws of the United States of America and the State of Texas and within policies adopted by the Board. No individual Board member is authorized to bind the Authority by their statements or actions. [Statute and current practice]

2.3.3 Membership. The members of the Board shall be resident citizens and “registered” voter residing within the boundaries of the Authority. The term, criteria for eligibility for membership and appointment process are established in Section 451.5021, Tex. Transp. Code. [Match statute]

2.3.4. Attendance. Each member of the Board is expected to serve faithfully and attend all meetings. A board member may be removed from office for absence, without having been excused by a majority vote of the board, from more than one-half of the regularly scheduled board meetings that the member is eligible to attend during a calendar year. [§451.510(6)]

2.3.5. Removal. Any member may be removed from the Board by a majority vote of the other members of the board because of a ground for removal described by Section 451.510 or by a majority vote of the entity agency that appointed the member because of a ground for removal described by Section 451.510 of the Code, pursuant to Sections 451.509, .510 and .511 of the Code for inefficiency, neglect of duty or malfeasance in office. The person or entity proposing to remove a board member pursuant to Section 451.510 must give the member a written statement of the grounds for removal and the member is entitled to a hearing in accordance with Section 451.511 of the Code. [Match statute]

2.3.6. Vacancies. A member may resign their position on the Board by submitting a written resignation to the Chair or the entity that appointed the member. A resignation is effective upon receipt by the Chair or upon a date specified by the member. All vacancies occurring on the Board shall be filled for the remainder of the term by the same person or entity agency that made the original appointment for the vacant position. [Match current practice]

2.3.7. Conflict and Disclosure of Interest. Members of the Board shall comply with all state laws and the Capital Metro Code of Conduct regarding conflicts of interest and disclosure of interests, including but not limited to, Chapter 171, Local Government Code. Members with a potential conflict of interest under the law or Code of Conduct or whose personal interests may create an appearance of a conflict of interest are required to file an affidavit with the Board Secretary or his/her designee and must not vote or participate in the Board’s discussion of the matter. A member’s personal interests may create an appearance of a conflict of interest if it would appear to a reasonable person that the member’s personal interests were inconsistent with the public’s interest or the decision would directly or indirectly benefit the member greater than the benefit to the general public. [Match statute and best practices]

A member may identify a potential conflict of interest of a fellow member to the Chair or Vice Chair for discussion by the Board. [Match current practice]

2.3.8. Indemnification. Each Board Member shall be defended by the Authority against any action, suit or proceeding arising from an act or omission alleged to have been committed by the Board Member within the scope of the individual’s official capacity to the full extent allowed by applicable law. [Best practice]
Article 3 – Officers of the Board

Section 3.1. Election of Officers. The members of the Board shall elect from among their number a Chairperson, a Vice Chairperson, and a Secretary. Such officer of the Board shall be elected annually, generally at the first regular January meeting of the Board for the terms to expire at the first regular meeting of the Board in the succeeding year.

Section 3.2. Vacancy. The members of the Board shall fill any vacancy in any office of the Board by election, such appointment to continue until the expiration of the current term of the office which becomes vacant.

Section 3.3. Removal. An officer of the Board may be removed as an officer by a vote of a majority of all appointed and qualified the other members of the Board. [Best practice - Match statute]

Section 3.4. Powers and Duties of Board Officers.

3.4.1. The Chairperson shall preside at all meetings of the Board; shall determine by inspection and investigation if orders and resolutions promulgated by the Board are being carried into effect, and may report from time to time his or her findings to the Board; may sign and execute for and on behalf of the Authority contracts of insurance, bonds, deeds, mortgages, debentures, contracts or any other instruments or documents of whatever nature that the Board has authorized him or her to execute; with the assistance of the President/Chief Executive Officer, shall establish the proposed agenda for each meeting of the Board; shall recommend the Chairperson, members and tenure of all Board committees, provided such appointments are made with the concurrence of the members of the Board; shall perform all duties prescribed for the Chairperson by these bylaws or assigned from time to time by the Board.

3.4.2. The Vice Chairperson shall preside at any meeting of the Board when the Chairperson is absent and shall perform the duties of the Chairperson in case of the absence, disability or disqualification of the Chairperson or when requested to perform such duties by the Chairperson, and shall perform such other duties as may from time to time be assigned to him or her by the Chairperson of the Board. The Vice Chairperson shall serve as the Ethics Officer for the Board receiving and responding to potential ethics concerns raised by members of the Board or the President/CEO. [Code of Conduct]

3.4.3. The Secretary shall certify keep the permanent records of all proceedings and transactions of the Authority, including resolutions. In the absence of the Secretary, the Chairperson or Vice Chairperson may certify records of the Authority. The Secretary shall keep the minutes of all official meetings of the Board, and see that notices are duly given in accordance with the provisions of these bylaws or as may be required by law with the assistance of or delegate such responsibility to the Board support staff. The Secretary shall perform the duties of the Chairperson in case of the absence, disability or disqualification of the Chairperson and Vice Chairperson. [NEW proposal - Current practice]

Section 3.5. Appointment of Board Members to outside boards or organizations. The Chairperson shall approve any requests for members of the Board to represent Capital Metro in an official capacity on local, state or national transit-related committees, boards, organizations or associations. (Resolution 2010-69)

Article 4 – Meetings

Section 4.1. Open Meetings. The Board shall be subject to and comply with Chapter 551 of the Texas Government Code, the Texas Open Meetings Act. [§451.514]
Section 4.2. Closed Session. Closed Executive sessions may be held by the Board in compliance with the provisions of the Texas Open Meetings Act. Members shall protect the confidentiality of all communications and information discussed or presented during closed session and not reveal, divulge, or disclose communications or information unless required by law. [Match statute – current practice]

Section 4.3. Establishment of Place, Date and Time. Regular meetings of the Board shall be held at least monthly at a date, time and place designated by the Board by resolution. [§451.514]

Section 4.4. Quorum. A majority of all appointed and qualified the members of the Board shall constitute a quorum of the Board for the purpose of conducting its business and exercising its powers, except as otherwise specified in these bylaws. If a quorum is not present at any meeting of the Board, a majority of the Board members present at any meeting may adjourn the meeting to another time and place provided that all members of the Board are notified in writing of the change in the time and place of the meeting, and the meeting is posted in compliance with the Texas Open Meetings Act. Temporary absence from the meeting room that results in less than a quorum present in the room does not halt a meeting but a vote may not be taken. [Match statute – Robert’s Rules of Order]

Section 4.5. Public Involvement. Subject to requirements prescribed by the Board, any citizen may address the Board at a meeting. [§451.138]

Section 4.6. Decorum. The Board may establish guidelines reasonably necessary to maintain order and protect health and safety. The Chair shall assure that order and decorum are maintained in the meetings. [§451.517 - Best practice]

Section 4.7. Public Hearings. Public hearings shall be held by the Board before the adoption of the annual budget and as such other hearings are deemed appropriate or necessary by the Board, at such times and places as set by the Board. Copies of the budget, and other items being considered at the public hearing shall be made available for public review according to the provisions of the Code and policies set by the Board. [Copies shall be available at the main office of the Authority and at offices of the local entities within the Authority.] [Not necessary]

Article 5 – Conduct of Business

Section 5.1. Meeting Procedures. All meetings of the Board and Board committees shall be conducted in compliance with the rules contained in the current version of Robert’s Rules of Order Newly Revised to the extent that said rules are not inconsistent with these bylaws and any procedures or policies the Board may adopt.

Section 5.2. Request to call a meeting or add an agenda item. Special meetings of the Board should be called by the Chairperson of the Board and shall be called by the Chairperson upon the written request of two members of the Board or the President/Chief Executive Officer. Additional items shall be placed on the Board agenda upon the request of two members of the Board to the Chairperson.

Section 5.3. Consideration of Consent Agenda Items. The Board may consider and approve routine, noncontroversial items on a consent agenda. The Board shall adopt items on the Consent Agenda by a single vote. Any Board member may remove an item from the Consent Agenda for
discussion and consideration on the Action Item Agenda by request to the Chair at any time prior to the vote to approve the Consent Agenda. [§451.138(a)(2) – Current practice]

Section 5.4. Voting. All action of the Board is taken by a vote and each member of the Board is expected to vote. [Best practice]

5.4.1. On any question presented, the number of members present shall be recorded by the Board Secretary or Board support staff. Provided that a quorum is present, action may be taken by the Board upon a vote of a majority of the Board members present, unless the act of a greater number shall be required by law or these bylaws. [Not applicable]

5.4.2. All votes shall be taken by voice vote unless a request for a roll call vote is made by two members of the Board prior to a vote being initiated or the Chair is unclear of the results of a voice vote. [Best practice]

5.4.3 No vote by proxy shall be permitted for any vote of the Board or for any Board committee.

Section 5.5. Minutes. The minutes shall consist primarily of a record of the actions taken. They shall not be a full transcript of the meeting but must give a true reflection of the matters discussed and the views of the participants related to any action taken. [Current/Best practice]

Article 6 – Committees of the Board

Section 6.1. Board Committees. The Board may from time to time establish Board committees/task forces made up of members of the Board with specific duties, terms and responsibilities. [Clarity]

Section 6.1.1. Membership on Board Committees. The Chairperson shall nominate the Committee Chairperson and members of the Board committees annually, subject to approval confirmation by the Board. The Committee shall elect a Committee Vice Chairperson from among its members at its first meeting of the year to perform the duties of the Chairperson in case of the absence, disability or disqualification of the Committee Chairperson. [Current practice – NEW proposal]

6.1.2. Role of Board Committees. The Board may refer any matter to the Board Committee for consideration. The Board Committee shall study and make recommendations for action to the full Board of Directors. The Board Committee shall have no power to bind the Authority with its decisions or recommendations. [Current practice]

6.1.3. Charter Statement. The Board Committee shall adopt a Charter Statement that will be reviewed periodically which identifies the Committee’s areas of responsibility and oversight. [Board resolution]

6.1.4. Meetings. The Board Committee shall meet as needed to conduct its business. [Best practice]

Section 6.2. Ad Hoc Committees or Task Forces. The Board from time to time may establish ad hoc committees or task forces made up of members of the Board and/or members of the community to study and make recommendations on matters of interest to the Authority. The Board shall determine at the time of establishment the membership and roles and responsibilities of the Ad Hoc Committee or Task Force. [Separated for clarity]

Article 7 - Citizen Advisory Committees

Section 7.1. Creation. An advisory committee shall be established consisting of resident citizens of the Authority’s territory. The Citizen Advisory Committee shall have a structure, duties and
responsibilities as may be determined by the Board. The Board may from time to time establish other advisory committees/taskforces that may include citizen members. The Board may from time to time establish citizen advisory committees or taskforces that may include citizen members. The citizen advisory committees shall have a structure, duties and responsibilities as may be determined by the Board and in accordance with Section 451.109, Tex. Transp. Code. The citizen advisory committees may study and make recommendations to the Board but shall not have any power to bind the Authority or direct staff. Elected officials and candidates may not serve on advisory committees. [Res. 2010-67]

Article 8 – Business Administration

Section 8.1. Fiscal Year. The fiscal year of the Authority shall begin and end on such dates as the Board at any time shall determine by resolution. However, the fiscal year shall not be changed more than once in a five-year period. The fiscal year shall begin on the first day of October and end on the last day of September of the subsequent year. [Best practice]

Section 8.2. Budget. Prior to the commencement of a fiscal year, the Board shall adopt an annual budget in a format and with such detail as determined by the Board. Before the Board adopts its annual budget, it shall conduct a public hearing and shall make the proposed annual budget available to the public at least fourteen days prior to the hearing. The Authority may not make operating expenditures in excess of the total amount specified for operating expenditures for a fiscal year unless the Board amends the operating budget by resolution after public notice and hearing. [Match statute]

Section 8.3. Capital Improvement Plan. The Board shall adopt a five-year plan for capital improvement projects. The Board shall hold a public meeting on a proposed capital improvement plan before adopting it and must make the plan available to the public for review and comment. The Board shall annually reevaluate, and if necessary, amend the plan to ensure compliance with Section 451.132 of the Code. [Statute]

Section 8.4. Annual Financial Audit. The Board each year shall have prepared an audit of its affairs in accordance with generally accepted auditing standards by an independent certified public accountant or a firm of independent certified public accountants, which shall be open to public inspection. Such auditors shall have no personal interest directly or indirectly in the fiscal affairs of the Authority and shall be experienced and qualified in accounting and auditing of public bodies. It is provided, however, that the Authority’s auditors may not undertake consulting services for the Authority in addition to their duties in connection with the annual audit without the prior consent of the Board to ensure the services do not create a potential conflict of interest and/or improper influence on the annual audit. [Best practice]

Section 8.5. Investment Authority. The Board shall have all necessary investment authority in accordance with the Public Funds Investment Act, Section 2256, Texas Government Code. [Statute – best practice]

Section 8.6. Policies. The Board shall adopt all policies necessary and useful for the conduct of its business in accordance with state and federal law and regulations, including for the competition and award of contracts. The Board shall review and amend as necessary each of its policies at least every five years. [Best practice]
9 – Modification of Bylaws
These Bylaws can be amended at any regular meeting of the Board by a two-thirds vote of all the appointed and qualified members of the Board, provided that the amendment has been submitted in writing at the previous regular meeting of the Board. [Match statute]

Article 10 – Interpretation of the Bylaws
These bylaws are designed solely to facilitate the handling by the Board of Directors of its own business, and the Board of Directors retains the right to interpret these rules. No action taken by this board shall be deemed invalid because of any conflict with these rules, so long as the action taken is in accordance with any applicable law. [obligatory lawyer’s contribution]

Certificate by Secretary. The undersigned, being the Secretary of the Capital Metropolitan Transportation Authority, certifies that these bylaws were duly adopted by the Board of the Authority effective as of ____________________________ and shall supersede all past Bylaws or amended Bylaws of the Authority.

IN WITNESS WHEREOF, I have signed this certification on the _______________________.

____________________________
Secretary
TITLE: Retirement Plan Audit Report

RSM US LLP will report the 2016 Retirement Plan Audit for the Capital Metro 401k Plan and Pension Plan.
Capital Metropolitan
Transportation Authority
Retirement Plan for
Administrative Employees

Report to the Finance and Audit Committee
September 27, 2017
September 27, 2017

To the Finance and Audit Committee of
Capital Metropolitan Transportation Authority
Capital Metropolitan Transportation Authority
Retirement Plan for Administrative Employees
Austin, Texas

Attention: Donna Simmons

We are pleased to present this report related to our audit of the financial statements of Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees (the Plan) as of and for the year ended December 31, 2016. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Plan’s financial reporting process.

This report is intended solely for the information and use of the members of the Finance and Audit Committee and management of the Plan, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the Plan.

RSM US LLP
Contents

Required communications 1-2
Summary of significant accounting estimates 3-4

Exhibit A—Significant written communication between management and our firm

Representation letter
Required Communications

Generally accepted auditing standards (AU-C 260, The Auditor's Communication With Those Charged With Governance) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit, as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

<table>
<thead>
<tr>
<th>Area</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our Responsibilities With Regard to the Financial Statement Audit</td>
<td>Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated June 1, 2017. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.</td>
</tr>
<tr>
<td>Overview of the Planned Scope and Timing of the Financial Statement Audit</td>
<td>We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of, and planned audit response to, significant risks of material misstatement.</td>
</tr>
</tbody>
</table>
| Accounting Policies and Practices               | Preferability of Accounting Policies and Practices  
Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. |
<p>| Adoption of, or Change in, Accounting Policies  | Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Plan. In the current year, the Plan adopted the following Governmental Accounting Standards Board (GASB) statement. |
| GASB Statement No. 72, Fair Value Measurement and Application—This statement addresses the accounting and financial reporting issues related to fair value measurement and provides guidance to determining a fair value measurement, applying fair value to certain investments and disclosures related to all fair value measurements. The adoption of this statement added additional disclosures to the financial statements. |
| Significant or Unusual Transactions             | We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus. |
| Management's Judgments and Accounting Estimates | Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates. |
| Audit Adjustments                                | There were no audit adjustments made to the original trial balance presented to us to begin our audit. |</p>
<table>
<thead>
<tr>
<th>Area</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Uncorrected Misstatements</td>
<td>We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.</td>
</tr>
<tr>
<td>Disagreements With Management</td>
<td>We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the financial statements.</td>
</tr>
<tr>
<td>Consultations With Other Accountants</td>
<td>We are not aware of any consultations management had with other accountants about accounting or auditing matters.</td>
</tr>
<tr>
<td>Significant Issues Discussed With Management</td>
<td>Except as noted below, no significant issues arising from the audit were discussed with or were the subject of correspondence with management.</td>
</tr>
<tr>
<td>Significant Difficulties Encountered in Performing the Audit</td>
<td>We did not encounter any significant difficulties in dealing with management during the audit.</td>
</tr>
<tr>
<td>Significant Written Communication Between Management and Our Firm</td>
<td>A copy of significant written communication between our firm and management of the Plan, the representation letter provided to us by management, is attached as Exhibit A.</td>
</tr>
</tbody>
</table>
# Summary of Significant Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgment. The process used by management encompasses its knowledge and experience about past and current events, and certain assumptions about future events. Management may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the Plan’s December 31, 2016, financial statements.

<table>
<thead>
<tr>
<th>Estimate</th>
<th>Accounting Policy</th>
<th>Management’s Estimation Process</th>
<th>Basis for Our Conclusions on Reasonableness of Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pension Plan Assumptions</td>
<td>Pension plan accounting and disclosures are based on numerous assumptions.</td>
<td>The assumptions included the expected rate of investment return on retirement plan assets, interest rate used to determine the present value of liabilities and certain employee-related assumptions, which include turnover, retirement age and mortality. These factors, the estimated discount rate and the rate of return on investments are based upon historical and general market data.</td>
<td>We tested the propriety of information underlying the actuarial assumptions, obtained the actuarial report and had an internal actuarial specialist review the significant assumptions and conclusions. Based on our procedures, we concluded the assumptions are reasonable.</td>
</tr>
<tr>
<td>Pension Liability</td>
<td>The Plan discloses the net pension liability of the Plan sponsor as discussed in the notes to the financial statements.</td>
<td>The net pension liability calculation is prepared by an independent actuarial company. The Pension Plan Committee reviews the actuarial results and considers the appropriateness of the assumptions.</td>
<td>We obtained the actuary report and had an internal actuarial specialist review the significant assumptions and conclusions for reasonableness. We also analyzed management's methodology and tested the underlying data. We concluded the estimates are reasonable.</td>
</tr>
<tr>
<td>Estimate</td>
<td>Accounting Policy</td>
<td>Management's Estimation Process</td>
<td>Basis for Our Conclusions on Reasonableness of Estimate</td>
</tr>
<tr>
<td>--------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------</td>
</tr>
<tr>
<td>Fair Value of Investments</td>
<td>Investments are recorded at estimated fair value.</td>
<td>Investments are based on net asset value, except for the group fixed annuity contract, which is reported at amortized cost.</td>
<td>We tested the propriety of information underlying management's estimates. Based on our audit procedures, which included obtaining independent price information, we believe management's valuation method and estimates are reasonable.</td>
</tr>
</tbody>
</table>
Exhibit A—Significant Written Communication Between Management and Our Firm
September 27, 2017

RSM US LLP
811 Barton Springs Rd, 5th Floor
Austin, Texas 78704

This representation letter is provided in connection with your audit of the financial statements of the Capital Metropolitan Transportation Authority ("CMTA") Retirement Plan for Administrative Employees (the "Plan") which comprise the statement of fiduciary net position as of December 31, 2016 and the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinion as to whether the financial statements present fairly, in all material respects, the fiduciary net position and the changes in fiduciary net position of the Plan in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of the date of this letter.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated June 1, 2017, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.

2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

4. We are responsible for making the accounting estimates included in the financial statements. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events.

5. Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

6. There are no events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure.

7. There are no known actual or possible litigation and/or claims which would be required to be accounted for and/or disclosed in accordance with U.S. GAAP.

8. We are not aware of any pending or threatened litigation, claims, or assessments that are required to be accrued or disclosed in the financial and we have not consulted a lawyer concerning litigation claims or assessments.
9. We have no intention to terminate the plan.

10. We have properly reported and disclosed amendments to the Plan instrument, if any.

11. There are no uncorrected financial misstatements including omitted disclosures.

12. The following have been properly recorded and/or disclosed in the financial statements:
   a. Assets held for investments.
   b. A description of the Plan.
   c. Deposits and investment securities category of custodial credit risk, interest rate risk, credit risk and concentration of credit risk.
   d. Fair value of investments and related disclosures.

13. We agree the findings of plan actuary in evaluating the actuarial liability of the Plan and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to the specialist with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialist.

14. We believe that the actuarial assumptions and methods used by the actuary for funding purposes and for determining net pension liability are appropriate in the circumstances. We did not give or cause any instructions to be given to the specialist with respect to the values or amounts derived in an attempt to bias their work and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the Plan’s actuary.

Information Provided

15. We have provided you with:
   a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters.
   b. Additional information that you have requested from us for the purpose of the audit.
   c. Unrestricted access to persons within the Plan from whom you determined it necessary to obtain audit evidence.
   d. The currently effective version of the Plan documents, the trust agreements, and all related amendments. The Pension Plan was most recently amended January 1, 2016.
   e. All correspondence, filings, reports, and determinations with the Internal Revenue Service (IRS) and the maintenance of its tax-exempt status.
   f. The Plan’s financial records and related data. In that regard, the payroll information we provided you covered all employees that were eligible to participate in the Plan.
   g. All minutes of the meetings of the Plan’s trustee and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
   h. Actuarial valuation reports and other reports prepared by the actuary for the Pension Plan and the Plan Sponsor.

16. All transactions have been recorded in the accounting records and are reflected in the financial statements.
17. We have disclosed to you the results of our assessment of risk that the financial statement may be materially misstated as a result of fraud.

18. We have no knowledge of any fraud or suspected fraud affecting the Plan involving:
   a. Management or employees who have significant roles in the internal control.
   b. Others where the fraud could have a material effect on the financial statements.

19. We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan received in communications from employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.

20. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.

21. We have disclosed to you the identity of the entity’s related parties and parties-In-Interest and all the related-party and party in interest relationships and transactions of which we are aware.

22. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Plan’s ability to record, process, summarize, and report financial data.

23. We have answered your questions about the Plan’s tax compliance.

24. The Plan and the trusts established under the Plan are qualified under the appropriate sections of the Internal Revenue Code and intend to continue as a qualified plan. The Plan’s sponsor has operated the Plan and trusts in a manner that did not jeopardize this tax status, including complying with laws and regulations and preventing violations that may cause disqualification. We are not aware of any matters that would affect the continued qualified status of the Plan.

25. With respect to the actuarial liabilities reflected in the financial statements of the Plan:
   a. The information provided to the Plan’s actuary to perform the valuation is accurate and there have been no omissions from the participants’ data provided to the Plan’s actuary for the purpose of determining the actuarial present value of accumulated plan benefits and other actuarially determined amounts in the financial statement of the Plan.
   b. There have been no changes in the actuarial methods or assumptions used in calculating amounts recorded or disclosed in the financial statements other than those disclosed in the actuary’s report and financial statements of the Plan.
   c. There have been no changes in the Plan’s provisions between the actuarial valuation date and the date of this letter.

26. We have reviewed the complementary use entity control considerations of the Service Organization Controls (SOC 1) Report and bridge letters for Lincoln Financial and Benefit Trust for the period ending December 31, 2016, and we believe all applicable controls are properly designed and implemented and operating effectively.

27. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.
Supplementary Information

28. With respect to the required supplementary information presented as required by the Government Accounting Standards Board ("GASB") to supplement the basic financial statements:

   a. We acknowledge our responsibility for the presentation of such information.
   
   b. We believe such required supplementary information is measured and presented in accordance with the guidelines prescribed by GASB Pronouncements.
   
   c. There are no underlying assumptions or interpretations regarding the measurement or presentation of such information.
   
   d. We will only present the supplemental schedules together with the audited financial statements and auditor’s report thereon and will no separate the supplementary information from the audited financial statements and auditor’s report thereon in any document that contains such information.

Very truly yours,

Donna Simmons
Chairperson, Retirement Committee

Virginia Reeling, SPHR, CBP, CCP SHRM-SCP
Plan Administrator
Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees

Financial Statements
December 31, 2016
Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent auditor’s report</td>
<td>1-2</td>
</tr>
<tr>
<td>Management’s discussion and analysis</td>
<td>3-4</td>
</tr>
<tr>
<td>Financial statements</td>
<td></td>
</tr>
<tr>
<td>Statement of fiduciary net position</td>
<td>5</td>
</tr>
<tr>
<td>Statement of changes in fiduciary net position</td>
<td>6</td>
</tr>
<tr>
<td>Notes to financial statements</td>
<td>7-16</td>
</tr>
<tr>
<td>Required supplementary information</td>
<td></td>
</tr>
<tr>
<td>Schedule of changes in net pension liability and related ratios</td>
<td>17</td>
</tr>
<tr>
<td>Schedule of contributions</td>
<td>18</td>
</tr>
<tr>
<td>Schedule of investment returns</td>
<td>19</td>
</tr>
</tbody>
</table>
Independent Auditor’s Report

To the Finance and Audit Committee of
Capital Metropolitan Transportation Authority
Capital Metropolitan Transportation Authority
Retirement Plan for Administrative Employees

Report on the Financial Statements
We have audited the accompanying statement of fiduciary net position of Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees (the Plan) as of December 31, 2016, the related statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Plan as of December 31, 2016, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.
Emphasis of a Matter
As discussed in Note 1, the financial statements present only the financial position of the Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees and do not purport to, and do not, present the financial position of Capital Metropolitan Transportation Authority as of December 31, 2016, and the changes in financial position for the year then ended.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require the management’s discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of contributions and schedule of investment returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

RSM US LLP
Austin, Texas
September 27, 2017
Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees

Management’s Discussion and Analysis

This section of the financial statements of Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees (the Plan) offers a narrative overview and analysis of the financial activities for the year ended December 31, 2016. The reader of this statement should take time to read and evaluate all sections of this report, including the notes and other supplementary information that is provided in addition to this management’s discussion and analysis (MD&A).

Financial Highlights and Analysis

- Net position restricted for pension is available for payment of monthly retirement benefits and other qualified distributions to the Plan’s participants. Net position restricted for pensions increased by $2.8 million, or 13.43 percent in 2016. All changes primarily correlate with excess contributions over benefits paid and income from investments.

- Employer contributions increased by $92,600 or 4.92 percent in 2016. This increase is due to an increase in employees.

- The amount of benefits paid to participants increased by approximately $59,200, or 7.10 percent during 2016. This is a primary result of an increase in the number of retirees.

- The Plan’s rate of return on investments for the year ended December 31, 2016, was 8.36 percent which was more than the return of (0.05) percent for 2015. The actuarial assumed rate of return is 6.75 percent.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Plan’s financial statements. The financial statements are comprised of: (1) financial statements, (2) notes to the financial statements and (3) required supplementary information.

The statement of fiduciary net position reports the Plan’s assets and liabilities, with the difference between the two reported as net position. This is a measure of financial position, which can indicate financial condition improvement or deterioration from year to year.

The statement of changes in fiduciary net position presents information showing how the Plan’s net position changed during the fiscal year. It reflects contributions by the employer and investment income, along with deductions for benefits paid to participants and administrative expenses.

The notes to the financial statements provide additional information necessary to fully understand the data provided in the financial statements.

The required supplementary information includes the MD&A, schedule of changes in net pension liability and related ratios, schedule of contributions and schedule of investment returns and is supplementary information required by Governmental Accounting Standards Board.
### Condensed Financial Information

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>Percentage Change 2016-2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash held by trustee</td>
<td>$16,759</td>
<td>$12,373</td>
<td>35.45%</td>
</tr>
<tr>
<td>Receivables</td>
<td>77,677</td>
<td>74,089</td>
<td>4.84%</td>
</tr>
<tr>
<td>Investments</td>
<td>23,757,157</td>
<td>20,940,277</td>
<td>13.45%</td>
</tr>
<tr>
<td>Total plan assets</td>
<td>$23,851,593</td>
<td>$21,026,739</td>
<td>13.43%</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>39,728</td>
<td>33,701</td>
<td>17.88%</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>39,728</td>
<td>33,701</td>
<td>17.88%</td>
</tr>
<tr>
<td>Net position restricted for pension</td>
<td>$23,811,865</td>
<td>$20,993,038</td>
<td>13.43%</td>
</tr>
<tr>
<td><strong>Additions:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net investment income</td>
<td>$1,795,013</td>
<td>$(11,187)</td>
<td>16145.53%</td>
</tr>
<tr>
<td>Employer contributions</td>
<td>1,974,973</td>
<td>1,882,377</td>
<td>4.92%</td>
</tr>
<tr>
<td>Total additions</td>
<td>3,769,986</td>
<td>1,871,190</td>
<td>101.48%</td>
</tr>
<tr>
<td><strong>Deductions:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Benefits paid to participants</td>
<td>892,937</td>
<td>833,716</td>
<td>7.10%</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>58,222</td>
<td>63,645</td>
<td>(8.52%)</td>
</tr>
<tr>
<td>Total deductions</td>
<td>951,159</td>
<td>897,361</td>
<td>6.00%</td>
</tr>
<tr>
<td>Net increase in net position</td>
<td>$2,818,827</td>
<td>$973,829</td>
<td>189.46%</td>
</tr>
</tbody>
</table>

### Request for Information

This financial report is designed to provide the Plan’s patrons and other interested parties with a general overview of the finances to demonstrate the Plan’s accountability for the funds it receives. If you have questions about this report or need additional financial information, contact Capital Metropolitan Transportation Authority, Finance Department, 2910 East 5th Street, Austin, Texas 78702.
Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees

Statement of Fiduciary Net Position
December 31, 2016

<table>
<thead>
<tr>
<th>Assets:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash held by trustee</td>
<td>$ 16,759</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Receivables:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Due from broker for investments sold</td>
<td>77,677</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Investments:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic equity mutual funds</td>
<td>11,225,475</td>
</tr>
<tr>
<td>Fixed income mutual funds</td>
<td>6,922,385</td>
</tr>
<tr>
<td>International equity mutual funds</td>
<td>3,572,008</td>
</tr>
<tr>
<td>Real estate mutual funds</td>
<td>430,848</td>
</tr>
<tr>
<td>Absolute return mutual funds</td>
<td>400,015</td>
</tr>
<tr>
<td>Group fixed annuity</td>
<td>1,206,426</td>
</tr>
<tr>
<td><strong>Total investments</strong></td>
<td>23,757,157</td>
</tr>
</tbody>
</table>

| Total assets     | 23,851,593 |

<table>
<thead>
<tr>
<th>Liabilities:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables:</td>
<td></td>
</tr>
<tr>
<td>Due to broker for investments purchased</td>
<td>16,759</td>
</tr>
<tr>
<td>Plan fees payable</td>
<td>22,969</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>39,728</td>
</tr>
</tbody>
</table>

| Net position restricted for pension | $ 23,811,865 |

See notes to financial statements.
Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees

Statement of Changes in Fiduciary Net Position
Year Ended December 31, 2016

Additions:
Employer contributions $ 1,974,973

Investment income:
Net appreciation in fair value of investments 1,132,995
Interest and dividends 713,758
Less investment expense 51,740
Total investment income 1,795,013

Total additions 3,769,986

Deductions:
Benefits paid to participants 892,937
Administrative expenses 58,222
Total deductions 951,159

Net increase 2,818,827

Net position restricted for pension at beginning of year 20,993,038

Net position restricted for pension at end of year $ 23,811,865

See notes to financial statements.
Note 1. Description of Plan

The following brief description of Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees (the Plan) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the Plan’s provisions.

**Reporting entity:** The Plan is sponsored by Capital Metropolitan Transportation Authority (the Authority). The Plan does not purport and does not present the financial position or changes in financial position of the Authority as of any time or for any period.

**General:** Effective January 1, 2005, the Authority established a pension plan (Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees). The Plan is a noncontributory single-employer defined benefit plan. Subject to eligibility requirements, all full-time administrative employees are eligible for participation in the Plan, except for employees covered by a collective bargaining agreement and leased employees, as defined by the Plan. An employee is eligible to become a participant following the first day of the month coincident with or following his or her date of hire. The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). The Authority’s board of directors (the Board) governs the Authority, under which benefit and contribution terms are established or amended.

Management of the Plan is vested in the Authority’s Board and advised by the Pension Plan Committee (the Committee), whose members are appointed by the Authority’s Board. The 2009 Texas Legislature changed the composition of the Authority’s Board to eight members with three year staggered terms. Once the population of the City of Austin is less than 65 percent of the total service area population, Capital Area Metropolitan Planning Organization (CAMPO) is allowed to appoint two additional members. The eight members include:

- Three members appointed by CAMPO, of whom:
  - One must be an elected official,
  - One must have at least 10 years of experience as a financial or accounting professional,
  - One must have at least 10 years of experience in an executive-level position, and
  - Requires two of the three CAMPO representatives to be qualified voters residing in Austin.

- Two members appointed by the City of Austin, of whom one must be an elected official.

- One member appointed by Travis County and one member appointed by Williamson County. The two county representatives are required to work in the service area, but within the county that appointed them or be qualified voters within the county that appointed them.

- One member, who must be an elected official, appointed by all small city mayors (excludes the City of Austin)

The Committee has overall responsibility for the operation and administration of the Plan. The Committee determines the appropriateness of the Plan’s investment offerings and monitors investment performance. The assets of the Plan are held in a trust. Benefit Trust serves as trustee on behalf of the Plan and carries out an investment policy established by the Committee, consistent with the purposes of the Plan and the requirements of applicable laws and regulations.
Note 1. Description of Plan (Continued)

The following table summarizes membership of the Plan at December 31, 2016:

<table>
<thead>
<tr>
<th>Membership Description</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inactive Plan members or beneficiaries currently receiving benefits</td>
<td>97</td>
</tr>
<tr>
<td>Inactive Plan members entitled to, but not yet receiving benefits</td>
<td>218</td>
</tr>
<tr>
<td>Active Plan members</td>
<td>294</td>
</tr>
<tr>
<td><strong>Total Membership</strong></td>
<td><strong>609</strong></td>
</tr>
</tbody>
</table>

**Vesting:** Participants become 100 percent vested upon completion of five years of service. Vesting service includes periods prior to the effective date of the Plan computed as if the Plan had been in effect. The Plan also allows for participants to recognize prior service (limited to five years) with a governmental entity or other entity related to the provision of public transportation services. For vesting purposes, service shall be credited based on elapsed time.

**Pension benefits:** Plan participants are eligible for their Plan benefit after terminating employment with vested rights. The participants are eligible for normal retirement on the first day of the month following age 65. The Plan permits early retirement from ages 55 to 64, provided an employee has completed five years of vesting service. The amount of pension payable is computed in the same manner as for normal retirement, except that it is reduced by a reduction factor, which is graduated to reflect the number of years by which early retirement precedes age 65. Participants should refer to the Plan document for a more complete description of the Plan’s reduction factors. Normal retirement benefits are paid to unmarried participants in the form of a single life annuity and to married participants in the form of a joint and 50 percent survivor annuity. Married participants may elect other payment options with notarized spousal consent. Lump-sum benefits are only available if the actuarial value of the benefit is less than $5,000. Participants may elect to receive reduced benefits in the form of a joint annuity option. Retirement benefits are payable in equal monthly installments. The Plan does not have any automatic postemployment benefit change provisions.

Participants are entitled to annual pension benefits at normal retirement (age 65) equal to: (i) 1.5 percent of average earnings, as defined, plus (ii) 0.5 percent of earnings in excess of covered compensation, as defined, multiplied by (iii) the number of years of credited service, as defined.

**Death benefits:** If an active employee dies before reaching age 65, the surviving spouse or a designated beneficiary shall receive for his or her lifetime a deferred monthly benefit equal to the amount that the participant would have received based on service to the participant’s date of death had the participant elected a 50 percent joint and survivor annuity option and died the next day.

A participant may elect not to be covered by the deferred joint and survivor annuity option or may no longer be married when pension payments are to begin. In such instances, a single life annuity will be received by the participant.

**Disability benefits:** Disability benefits may be elected at age 55 up to normal retirement age, at which time disabled participants will receive the normal retirement benefit computed as though they had been employed to age 55 or up to normal retirement age with their annual compensation, as defined, remaining the same as at the time they became disabled.
Note 1. Description of Plan (Continued)

Contributions: Per the Plan document, contribution requirements of active Plan members are established and may be amended by the Authority’s Board. Currently, Plan members are not required to contribute. The Authority is required to contribute an amount in its sole discretion from time to time, based on advice of its actuary and consistent with the funding policy for the Plan. The Plan has an actuarial valuation performed annually for funding and financial reporting in accordance with Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans, an Amendment of GASB Statement No. 25. The most recent actuarial valuation was performed as of December 31, 2016.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The financial statements are prepared in conformity with accounting principles generally accepted in the United States of America for local governmental units as prescribed by GASB. The financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized as revenues in the period in which employee services are performed. Benefits are recognized when due and payable in accordance with the terms of the Plan.

Cash and cash equivalents: Cash and cash equivalents include demand deposit accounts and money market accounts.

Investment valuation and income recognition: Effective January 1, 2016, the Plan implemented GASB Statement No. 72, Fair Value Measurement and Application (Statement No. 72). Statement No. 72 addresses the accounting and reporting issues related to fair value measurements. The adoption of this standard did not have a significant impact on the Plan’s financial statements, other than requiring additional footnote disclosures.

Investments are reported at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is based upon quoted market prices, or when quoted market prices are not readily determinable, estimated using observable inputs, including quoted prices for similar securities, interest rates and a fixed income pricing model that uses available market rates. Shares of registered investment companies (mutual funds) are reported at fair value based on the quoted net asset value (NAV) price per share of the fund.

The Lincoln Stable Value Fund is a group fixed annuity contract and is valued at the guaranteed minimum rate of $1. The Lincoln Stable Value Fund is an investment in a nonparticipating contract with redemption terms that do not consider market rates and is reflected at amortized cost.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Plan’s gains and losses on investments bought and sold as well as held during the year.

Use of estimates: The preparation of these financial statements in accordance with accounting principles generally accepted in the United States of America requires the Plan administrator to make estimates and assumptions that affect the reported amount of assets, liabilities and changes therein, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.
Note 2. Summary of Significant Accounting Policies (Continued)

Risk and uncertainties: The Plan may invest in various types of investment securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants’ account balances and the amounts reported in the statement of fiduciary net position.

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions processes, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

Payment of benefits: Benefit payments are recognized as expenses when due and payable in accordance with the terms of the Plan.

Administrative expenses: All administrative expenses, unless paid by the Authority at its discretion, are paid by the Plan. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statement of changes in fiduciary net position. In addition, certain investment-related expenses are included in net appreciation of fair value of investments presented in the accompanying statement of changes in fiduciary net position.

Related-party transactions: The Plan administrator pays the Plan through the revenue-sharing agreement. At December 31, 2016, income from revenue sharing was approximately $4,617. This was used to pay Plan expenses.

New accounting standard requiring adoption in a future year: In June 2016, GASB Statement No. 82, Pension Issues, (Statement No. 82) amended GASB Statement No. 68 to require payroll amounts disclosed in the required supplementary information schedule to be covered payroll rather than covered-employee payroll. Covered payroll means the payroll on which contributions to a pension plan are based. Covered-employee payroll means total compensation of employees that are provided with pensions through a pension plan.

Statement No. 82 states that an actuarial valuation is not in conformity with the pension standards if it includes a deviation from the Actuarial Standards of Practice in the selection of assumptions. Statement No. 82 also specifies that payments made by employers to satisfy employee contribution requirements should be considered employee contributions and recognized as expenses in the same manner as other compensation. This standard will be implemented in fiscal year 2017 and is not expected to have a significant impact on the Plan’s financial statements.
Note 3. Investments

The Plan uses various methods to measure the fair value of investment on a recurring basis. Statement No. 72, establishes a hierarchy that prioritizes inputs to valuation methods. The three levels of inputs are as follows.

Level 1: Inputs are unadjusted quoted prices in active markets for identical assets and liabilities that the Plan has the ability to access.

Level 2: Observable inputs are other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These inputs may include quoted prices for the identical instrument in an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.

Level 3: Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, represent the Plan’s own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The availability of observable inputs can vary from security to security and is affected by a wide variety of factors, including, for example, the type of security, whether the security is new and not yet established in the marketplace, the liquidity of markets and other characteristics particular to the security. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement falls in its entirety, is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Investments measured at NAV do not have significant terms or conditions for redemption or commitment for additional funding. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

Except for the Lincoln Stable Value Fund, a group fixed annuity contract which is valued at amortized cost, the investments of the Plan are valued at NAV.
Note 3. Investments (Continued)

Investment as of December 31, 2016, are as follows:

<table>
<thead>
<tr>
<th>Mutual Funds at NAV</th>
<th>Investments</th>
<th>NAV</th>
<th>Unfunded Commitment</th>
<th>Redemption Frequency (if Currently Eligible)</th>
<th>Redemption Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic equities</td>
<td>Vanguard 500 Index Admiral 1</td>
<td>$ 3,573,898</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Diamond Hill Large Cap Y 1</td>
<td>2,488,092</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Harbor Capital Appreciation Instl. 1</td>
<td>2,347,473</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Conestoga Small Cap Investors 1</td>
<td>1,365,252</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>AMG Managers Silvercrest Small Cap 1</td>
<td>1,450,760</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td>Domestic fixed income</td>
<td>Vanguard Total Bond Market Index Adm. 2</td>
<td>2,764,326</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Baird Aggregate Bond Instl. 2</td>
<td>2,808,665</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Nuveen Preferred Securities I 2</td>
<td>431,152</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Eaton Vance Floating Rate I 2</td>
<td>442,249</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>PIMCO Commodity Real Ret. Strat. Instl. 2</td>
<td>475,993</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td>International equities</td>
<td>Dodge &amp; Cox International Stock 3</td>
<td>1,644,644</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>Harding Loewner International Eq. Instl. 3</td>
<td>393,936</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td></td>
<td>American Funds Europacific Growth R6 3</td>
<td>1,533,428</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td>Absolute return</td>
<td>JHancock Global Absolute Ret. Strat. I 4</td>
<td>400,015</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td>Real estate</td>
<td>Voya Global Real Estate Fund Cl I 5</td>
<td>430,848</td>
<td>-</td>
<td>Daily</td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Total investments at NAV</strong></td>
<td></td>
<td>22,550,731</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Investments at Amortized Cost

<table>
<thead>
<tr>
<th>Group fixed annuity contract</th>
<th>Lincoln Stable Value Fund 6</th>
<th>1,206,426</th>
<th>1,206,426</th>
<th>1,206,426</th>
<th>1,206,426</th>
</tr>
</thead>
</table>

1. Domestic equity managers invest in U.S. based companies utilizing bottom-up stock selection and quantitative screening. Some managers may be passively managed and seek to replicate performance of their respective indices. Active managers seek to outperform their respective indices over a long-term investment horizon.

2. Fixed income managers invest in U.S. related debt securities and pursue capital preservation in lieu of capital growth. These managers seek either to replicate or outperform their respective indices over a long-term investment horizon.

3. International equity managers invest in internationally based companies to replicate or outperform their respective indices over a long-term investment horizon.

4. The investment seeks long-term total return. The fund may use an extensive range of investment strategies and invest in a wide spectrum of equity and fixed-income securities, as well as derivative instruments, in pursuing its investment objective. It may invest in equity and fixed-income securities of companies and government and supranational entities around the world, including in emerging markets.

5. The fund seeks to provide investors with high total return, consisting of capital appreciation and current income.

6. The Lincoln Stable Value Fund is a fixed annuity contract issued by The Lincoln National Life Insurance Company.

**Investment policy:** The Committee determines the Plan’s valuation policies, utilizing information provided by its investment advisers. The general investment objective is consistent with the Plan’s primary purpose of long-term investing for retirement, with a focus on minimizing the risk of large losses and maximizing risk-adjusted returns. The investment policy states the equity holdings in any one company should not exceed 10 percent of the market value of the Plan’s equity portfolio for domestic and international equities. In addition, mutual funds should not have any one investment in excess of 10 percent of the total fund. Performance and risk statistics are provided quarterly and evaluated over three- and five-year rolling periods of time, allowing the Committee to evaluate long-term performance.
Note 3. Investments (Continued)

Asset allocation: The Plan’s asset allocation policy as of December 31, 2016, adopted by the Committee, is as follows. There were no significant modifications to the investment policy during 2016.

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic equities</td>
<td>45%</td>
</tr>
<tr>
<td>International equities</td>
<td>15%</td>
</tr>
<tr>
<td>Domestic fixed income</td>
<td>25%</td>
</tr>
<tr>
<td>Alternative</td>
<td>10%</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Rate of return: For the year ended December 31, 2016, the annual money-weighted rate of return for the Plan’s investments, net of pension plan investment expense, was 8.36 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Custodial credit risk: The Plan’s investment policy does not specifically address custodial credit risk. Custodial credit risk is the risk that in the event of bank or investment failure, the Plan’s deposits or investments may not be returned. However, all of the Plan’s investments and deposits are held in open-ended mutual funds, which are not subject to custodial credit risk.

Interest rate risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan does not have a formal policy regarding interest rate risk. The Plan monitors credit exposure using segmented time distribution. The following is a listing of the Plan’s fixed income investments and related maturity schedule (in years) as of December 31, 2016. The maturity schedule is based on the average maturity of the fund, as noted by the fund manager:

<table>
<thead>
<tr>
<th>Fund</th>
<th>Fair Value</th>
<th>1 Year</th>
<th>1-5 Years</th>
<th>6-10 Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vanguard Total Bond Market Index Adm.</td>
<td>$2,764,326</td>
<td>$ -</td>
<td>$ -</td>
<td>$2,764,326</td>
</tr>
<tr>
<td>Baird Aggregate Bond Inst.</td>
<td>2,808,665</td>
<td>-</td>
<td>-</td>
<td>2,808,665</td>
</tr>
<tr>
<td>Nuveen Preferred Securities I</td>
<td>431,152</td>
<td>431,152</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Eaton Vance Floating Rate I</td>
<td>442,249</td>
<td>-</td>
<td>442,249</td>
<td>-</td>
</tr>
<tr>
<td>PIMCO Commodity Real Ret. Strat. Instl.</td>
<td>475,993</td>
<td>-</td>
<td>475,993</td>
<td>-</td>
</tr>
<tr>
<td>Lincoln Stable Value Fund</td>
<td>1,206,426</td>
<td>1,206,426</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>8,128,811</strong></td>
<td><strong>1,637,578</strong></td>
<td><strong>918,242</strong></td>
<td><strong>5,572,991</strong></td>
</tr>
</tbody>
</table>

Credit risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations to the Plan. The Plan’s investment policy does not specifically address the quality rating of the investments. The Committee is responsible for determining the risks and commensurate returns of its portfolio. The Plan’s investments are held in mutual funds and in the Lincoln Stable Value, which are not rated.

Concentration risk: Concentration of credit risk is the risk of loss attributed to the magnitude of the Plan’s investments in a single issuer. The Plan’s investment policy does not specifically address concentration risk. Investment in mutual funds and other pooled investments are excluded from this requirement.
Note 3. Investments (Continued)

**Foreign currency risk:** Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The Plan’s investment policy does not specifically address foreign currency risk. The Plan’s diversified selection of mutual funds encourages the investment advisors to employ diversification, asset allocation and quality strategies to minimize risks. Each participant is responsible for determining the risks and commensurate returns of their portfolio. The Plan’s investment in international mutual funds does not require disclosure of the individual investment within the fund and such fund balances are denominated in U.S. Dollars.

Note 4. Net Pension Liability

The net pension liability is measured as the total pension liability, less the amount of the Plan’s fiduciary net position as of December 31, 2016. In actuarial terms, this will be the accrued liability less the market value of assets. The components of the Plan’s net pension liability as of December 31, 2016, are as follows:

<table>
<thead>
<tr>
<th>Component</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total pension liability</td>
<td>$38,127,802</td>
</tr>
<tr>
<td>Plan fiduciary net position</td>
<td>$23,811,865</td>
</tr>
<tr>
<td><strong>Net pension liability</strong></td>
<td><strong>$14,315,937</strong></td>
</tr>
</tbody>
</table>

Plan fiduciary net position as a percentage of the total pension liability 62.45%

The schedule of net pension liability presents multi-year trend information, beginning with 2014, to illustrate changes in the plan fiduciary net position over time. In addition to the above, this information is presented in the required supplementary information.

**Actuarial assumptions:** The total pension liability was determined by an actuarial valuation as of December 31, 2016, using the following actuarial assumptions, applied to all periods included in the measurement. The Plan has not had an actuarial experience study conducted.

<table>
<thead>
<tr>
<th>Category</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial cost method</td>
<td>Entry age normal</td>
</tr>
<tr>
<td>Inflation</td>
<td>0.00%</td>
</tr>
<tr>
<td>Salary increases</td>
<td>3.50%</td>
</tr>
<tr>
<td>Investment rate of return</td>
<td>6.75%</td>
</tr>
<tr>
<td>Retirement age</td>
<td>Age 55 through 69 is 0% to 50% and age 70 is 100%</td>
</tr>
<tr>
<td>Mortality</td>
<td>RP-2000 static, non-generational mortality table</td>
</tr>
<tr>
<td>Funding:</td>
<td>SOA RP-2014 Total Dataset Mortality</td>
</tr>
<tr>
<td>Accounting:</td>
<td>Not applicable</td>
</tr>
<tr>
<td>Ad hoc post-employment benefits</td>
<td>Level percent of payroll</td>
</tr>
<tr>
<td>Amortization method</td>
<td>20 years</td>
</tr>
<tr>
<td>Remaining amortization period</td>
<td>Deferred recognition with phase-in over 5 years</td>
</tr>
<tr>
<td>Asset valuation method</td>
<td></td>
</tr>
</tbody>
</table>

**Discount rate:** The discount rate used to measure the total pension liability was 5.94 percent. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members until 2050. Therefore, the long-term expected rate of return of 6.75 percent was applied to all periods of projected benefits payment to determine the total pension liability until 2050. Subsequent 2050, the 20-year municipal bond rate of 3.71 percent was utilized.
Note 4. Net Pension Liability (Continued)

The long-term expected rate of return on Plan investments was determined using best estimate ranges of expected future real rate of return for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected information. The long-term expected real rates of return for 2016 are as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Asset Allocation</th>
<th>Long-Term Expected Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic equities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S. broad equity</td>
<td>44.4%</td>
<td>4.49%</td>
</tr>
<tr>
<td>Large cap</td>
<td></td>
<td>4.38%</td>
</tr>
<tr>
<td>Small/mid cap</td>
<td></td>
<td>4.63%</td>
</tr>
<tr>
<td>Domestic fixed income</td>
<td>21.8%</td>
<td>0.71%</td>
</tr>
<tr>
<td>International equities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Global ex-U.S. equity</td>
<td>16.1%</td>
<td>4.64%</td>
</tr>
<tr>
<td>International equity</td>
<td></td>
<td>4.36%</td>
</tr>
<tr>
<td>Emerging markets equity</td>
<td></td>
<td>4.64%</td>
</tr>
<tr>
<td>Alternative:</td>
<td>13.3%</td>
<td></td>
</tr>
<tr>
<td>High yield</td>
<td></td>
<td>2.45%</td>
</tr>
<tr>
<td>Real estate</td>
<td></td>
<td>3.40%</td>
</tr>
<tr>
<td>Volatility hedge</td>
<td></td>
<td>2.73%</td>
</tr>
<tr>
<td>Cash equivalents</td>
<td>4.4%</td>
<td>(0.01%)</td>
</tr>
</tbody>
</table>

100.0%

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Plan, calculated using the discount rate of 5.94 percent, as well as what the Plan’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.94 percent) or 1-percentage point higher (6.94 percent) than the current rate:

<table>
<thead>
<tr>
<th>Current Single Rate</th>
<th>1.00% Decrease to 4.94%</th>
<th>Assumption of 5.94%</th>
<th>1.00% Increase to 6.94%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$ 20,294,603</td>
<td>$ 14,315,937</td>
<td>$ 9,419,668</td>
</tr>
</tbody>
</table>

Note 5. Plan Termination

Although it has not expressed any intention to do so, the Authority has the right to discontinue its contributions at any time and to terminate the Plan subject to the provisions set forth in Articles X and XI of the Plan. In the event the Plan terminates, the net position of the Plan will be allocated in the following order:

(a) To provide the portion of the retirement benefits which have accrued to the account of each retired participant, beneficiary or contingent annuitant of a retired participant.

(b) To provide that additional portion of the retirement benefits that have accrued to the account of each participant and which are not provided above.
Note 5.  Plan Termination (Continued)

(c) To return to the employer any balance that shall remain after all liabilities under the Plan with respect to the participants have been fully satisfied, as provided above.

(d) All nonvested benefits under the Plan.

In the event the assets are not sufficient to carry out any of the foregoing purposes in full, the allocations to the accounts of individuals thereunder shall be made in the proportion that the assets available bear to the assets required to carry out the purpose in full.

Note 6.  Tax Status

On July 21, 2006, the Internal Revenue Service (IRS) issued a determination letter stating that the Plan, as then designed, was in compliance with Section 401(a) of the Internal Revenue Code of 1986, as amended (the Code) and was therefore exempt from federal income taxes under Section 501(a). The Plan administrator received an updated determination letter utilizing the amended and restated plan effective January 1, 2010, which was accepted by the IRS on March 7, 2013, and expiring January 31, 2014. The Plan filed a determination letter, extending the expiration date of the current determination letter to January 31, 2016. This application was acknowledged by the IRS on March 28, 2016, and it was approved. The Plan administrator believes the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code.
Required Supplementary Information
Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees

Schedule of Changes in Net Pension Liability and Related Ratios
Years Ended December 31, 2016, 2015 and 2014

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total pension liability:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service cost</td>
<td>$2,087,251</td>
<td>$2,225,673</td>
<td>$1,453,304</td>
</tr>
<tr>
<td>Interest</td>
<td>1,863,897</td>
<td>1,573,679</td>
<td>1,538,740</td>
</tr>
<tr>
<td>Changes of benefit terms</td>
<td>2,054,914</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Differences between expected and actual experience</td>
<td>(86,781)</td>
<td>1,984,816</td>
<td>(319,936)</td>
</tr>
<tr>
<td>Changes of assumptions</td>
<td>209,630</td>
<td>(1,415,858)</td>
<td>5,067,915</td>
</tr>
<tr>
<td>Benefit payments, included refunds of member contributions</td>
<td>(892,937)</td>
<td>(833,716)</td>
<td>(717,439)</td>
</tr>
<tr>
<td><strong>Net change in total pension liability</strong></td>
<td>5,235,974</td>
<td>3,534,594</td>
<td>7,022,584</td>
</tr>
</tbody>
</table>

Total pension liability at beginning of year

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$32,891,828</td>
<td>$29,357,234</td>
<td>$22,334,650</td>
</tr>
</tbody>
</table>

Total pension liability at end of year (a)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$38,127,802</td>
<td>$32,891,828</td>
<td>$29,357,234</td>
</tr>
</tbody>
</table>

Plan fiduciary net position:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions—employer</td>
<td>$1,974,973</td>
<td>$1,882,377</td>
<td>$1,600,160</td>
</tr>
<tr>
<td>Contributions—employee</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net investment income (loss)</td>
<td>1,795,013</td>
<td>(11,187)</td>
<td>1,009,980</td>
</tr>
<tr>
<td>Benefit payments, including refunds of member contributions</td>
<td>(892,937)</td>
<td>(833,716)</td>
<td>(717,439)</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>(58,222)</td>
<td>(63,645)</td>
<td>(38,209)</td>
</tr>
<tr>
<td>Other</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net change in plan fiduciary net position</strong></td>
<td>2,818,827</td>
<td>973,829</td>
<td>1,854,492</td>
</tr>
</tbody>
</table>

Plan fiduciary net position at beginning of year

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>20,993,038</td>
<td>20,019,209</td>
<td>18,164,717</td>
</tr>
</tbody>
</table>

Plan fiduciary net position at end of year (b)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$23,811,865</td>
<td>$20,993,038</td>
<td>$20,019,209</td>
</tr>
</tbody>
</table>

Net pension liability at end of year (a) - (b)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$14,315,937</td>
<td>$11,898,790</td>
<td>$9,338,025</td>
</tr>
</tbody>
</table>

Plan fiduciary net position as a percentage of the total pension liability

|                                      | 62.45% | 63.82% | 68.19% |

Covered-employee payroll

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$22,195,764</td>
<td>$18,663,437</td>
<td>$16,183,596</td>
</tr>
</tbody>
</table>

Net pension liability as a percentage of covered-employee payroll

|                                      | 64.50% | 63.75% | 57.70% |

Notes to Schedule

1. No significant factors to disclose.
2. No significant methods or assumptions to disclose.
3. Schedule will be built out to 10 years.

See independent auditor’s report.
Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees

Schedule of Contributions
Last 10 Fiscal Years

<table>
<thead>
<tr>
<th>Year</th>
<th>Actuarially determined contributions</th>
<th>Contributions in relation to the actuarially determined contribution</th>
<th>Contribution deficiency (excess)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$1,974,970</td>
<td>$1,974,973</td>
<td>$11,667(3)</td>
</tr>
<tr>
<td>2015</td>
<td>$1,894,044</td>
<td>$1,882,377</td>
<td>$(11,881)</td>
</tr>
<tr>
<td>2014</td>
<td>$1,588,278</td>
<td>$1,600,159</td>
<td>$(434)</td>
</tr>
<tr>
<td>2013</td>
<td>$1,393,056</td>
<td>$1,393,490</td>
<td>$(44,582)</td>
</tr>
<tr>
<td>2012</td>
<td>$1,659,488</td>
<td>$1,704,070</td>
<td>4,766</td>
</tr>
<tr>
<td>2011</td>
<td>$1,453,308</td>
<td>$1,448,542</td>
<td>$(516,266)</td>
</tr>
<tr>
<td>2010</td>
<td>$2,029,276</td>
<td>$2,545,542</td>
<td>456,210</td>
</tr>
<tr>
<td>2009</td>
<td>$1,836,212</td>
<td>$1,380,002</td>
<td>$(544,540)</td>
</tr>
<tr>
<td>2008</td>
<td>$1,616,637</td>
<td>$2,161,177</td>
<td>-</td>
</tr>
<tr>
<td>2007</td>
<td>$1,555,024</td>
<td>$1,555,024</td>
<td>-</td>
</tr>
</tbody>
</table>

Covered-employee payroll

- 2016: $22,195,764
- 2015: $18,663,437
- 2014: $16,183,596
- 2013: $15,021,918
- 2012: $18,347,486
- 2011: $16,565,032
- 2010: $17,330,101
- 2009: $18,995,763
- 2008: $17,437,027
- 2007: $15,515,122

Contributions as a percentage of covered-employee payroll

- 2016: 8.90%
- 2015: 10.09%
- 2014: 9.89%
- 2013: 9.28%
- 2012: 9.29%
- 2011: 8.74%
- 2010: 14.69%
- 2009: 7.26%
- 2008: 12.39%
- 2007: 10.02%

Notes to Schedule

Actuarially determined contribution rates are calculated as of January 1 for the year of contribution.

Methods and assumptions used to determine contribution rates:

- **Actuarial cost method**
- **Amortization method**
- **Remaining amortization period**: 20 years
- **Asset valuation method**: Deferred recognition with phase-in over 5 years
- **Inflation rate**: 3.50%
- **Salary increases**: 6.75%
- **Retirement age**: Age 55 through 69 is 0% to 50% and age 70 is 100%
- **Mortality**: RP-2000 static, non-generational mortality table

See independent auditor’s report.
Capital Metropolitan Transportation Authority Retirement Plan for Administrative Employees

Schedule of Investment Returns
Years Ended December 31, 2016, 2015 and 2014

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual money-weighted rate of return, net of investment expense</td>
<td>8.36%</td>
<td>(0.05%)</td>
<td>5.49%</td>
</tr>
</tbody>
</table>

Notes to Schedule

1. No significant factors to disclose.
2. No significant methods or assumptions to disclose.
3. Schedule will be built out to 10 years.

See independent auditor's report.
TITLE: Downtown Station Improvements Project Update

Staff will present an update on the Downtown Station.
Capital Metro Downtown Station Improvements

CMTA Board Briefing
60% Design Update
November 2017
Agenda

- Latest Project Designs
- Construction Phasing Plans
- Scope Additions
- Schedule Update
- Budget Update
- Next Steps

Previous Capital Metro Board Updates
- May 2017 - Interlocal Agreement & Storm Drain Approval
- October 2016 – General Project Update
Overall Site Plan

- New Public Plaza & Landscaping
- New Train Station/Platforms
- New Triple Train Tracks
- New Double Train Tracks & New Sidewalks
- Lance Armstrong Bikeway Path
- New Bridge Over Waller Creek
Platform Site Plan

Extends East to West along Center Platform & Trackways

- 7 total parasols: 5 protecting entire Center Platform + 2 at entries
- 1 high parasol at both east & west entries
- Detached kiosk with TVMs, IDUs, station name & Capital Metro logo, telephone
- 2 – 4 validators located at approaches to platforms
Platform Canopy Design
“Parasols”

View along center platform

View from Red River Street looking west
“Stone Oasis” at Station Entry
at Neches Street

TVM - Ticket Vending Machine
Validator – Ticket Validating Machine
IDU – Information Display Unit (Static)
“Stone Oasis” at Station Entry
at Red River Street
Entry Features

Examples of decorative stone seating with landscaping

Examples of decorative lighting at the ticketing kiosk
Plaza Designs

Site plan of proposed plaza between Trinity Street & Neches Street
Plaza Designs
Bikeway and Crosswalk Details

- Examples of pavers delineating the edge of the bikeway path
- Examples of clear pedestrian crossing identification
Plaza Designs

Examples of bioswales ("rain gardens") at landscape areas

Examples of overhead pendant lighting in Plaza
Construction Phasing & Temporary Bikeway Detour

Note: Detour requires temporary loss of ~50 parking stalls on 5th street
Proposed Easements
(Preliminary)

Outline of Easements

Final easement documents and request to waive permit/development fees will be presented together to CMTA Board and City Council for action at a future date

Request to waive fees will be justified by cost of project improvements which will become City property (i.e. the Plaza, public sidewalks, street trees & landscaping, new Waller Creek bridge, improved roadways)
Scope, Schedule, & Budget Overview

Scope Increases

- Austin energy ductbank relocation
- Other utilities and telecomm relocation
- Additional railroad safety features & Sabine railroad gate
- Train service during construction (temporary platform)
- Platform canopies & entry/kiosk features
- Hilton hotel modifications
- Storm drain upgrade
- Lead abatement at Waller Creek bridge
- Multi-phased traffic control plan
- City of Austin utility betterments
Scope, Schedule, & Budget Overview

Schedule Adjustments

- Interlocal Agreement with City of Austin (17 months total - 10 month delay)
- Storm drain upgrade (adds 6 months)
- Train service running during construction (adds 3-4 months)
- Potential “request for proposals” procurement process for construction contract (adds 1-2 months)
- Schedule contingency for key risks (adds 4-5 months)
- Bikeway temporary detour (reduces 1-2 months)
- Construction Hours = 6 days/week; 7am to 7pm (reduces 7 months)
## Current Project Timeline

*Bidding & Construction Contingent on Timely Permits*

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>10% Design</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>Environmental Clearance</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>Preliminary Design (30%)</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>Traffic Studies</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>COA ILA (17 months)</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>Final Design (100%)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Permits</td>
<td>7-12 months</td>
</tr>
</tbody>
</table>

34 MONTHS TO COMPLETE AFTER PERMITS (BIDDING, AWARD, CONSTRUCTION)

SCHEDULE CONTINGENCY INCLUDED ABOVE

PERMIT APPROVAL IS KEY MILESTONE

Packet Pg. 79
Attachment: DowntownStation-CMTA Board Update_Oct2017 (3970 : Downtown Station Improvements)
Scope, Schedule, & Budget Overview

Budget Adjustments

- New scope included
- Lease construction lay-down yard for longer construction period
- Railroad safety personnel for longer construction period
- Multi-phased construction logistics
- Contingency adjusted for risks (market factors, Hurricane Harvey factor, “downtown factor”)
- Value engineering = cost reductions
Budget Update

Project fully funded under FY18 Budget & 5 Year Capital Improvement Plan

Funding includes $22M TxDOT Grant

Note: The budget assumes that easement fees, permit/development fees, and temporary loss of parking meters on 5th Street will be waived by City of Austin
Next Steps

- 100% Designs – Early 2018
- Informational meetings for Bikeway detour
- Public Open House
- Easement documents and request to waive City fees
- Pending “mini” interlocal agreements (ILA) with Austin Energy
- Permitting, Bidding, & Contract Award
- Start Construction
- Monitor and Report on Schedule and Budget Risks
Thank you.

For more information visit: https://www.capmetro.org/plans-development/

Downtown Multimodal Station