



**To:** Austin Transit Partnership Board of Directors  
**From:** Jamie Atkinson, Financial Services Manager  
**Date:** April 10, 2023  
**Subject:** FY22 Quarterly Performance Report as of September 30, 2022

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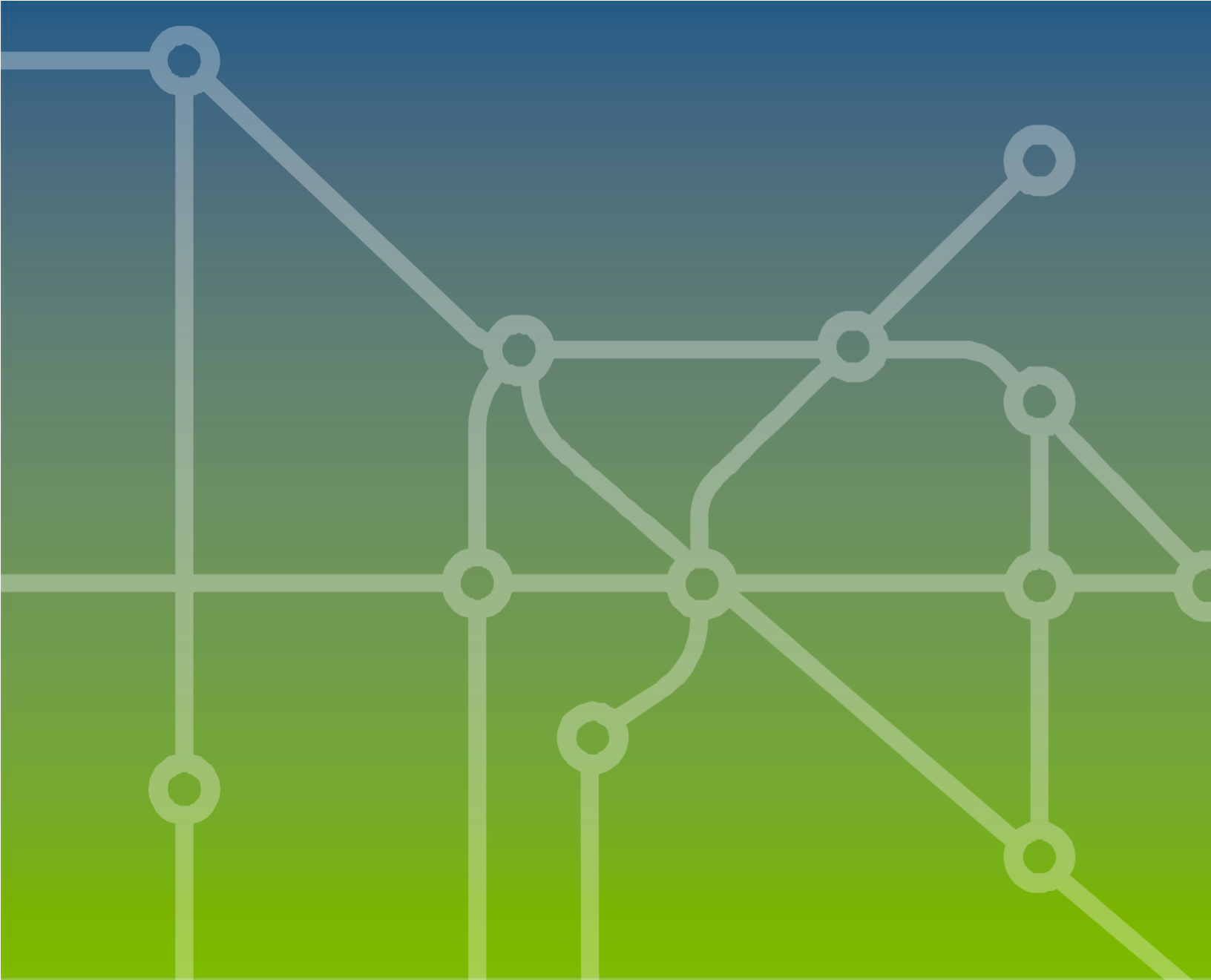
Attached is the Austin Transit Partnership's (ATP) quarterly performance report through September 30, 2022. As a reminder, the FY22 budget approved on September 15, 2021 was for a twelve-month period beginning October 1, 2021, so the time period elapsed represents the full fiscal year.

As ATP's budget evolves and grows, the content of the quarterly updates will adjust accordingly. If there is additional financial information that you would be interested in receiving, please let me know.

xc: Greg Canally, Interim Executive Director

# AUSTIN TRANSIT PARTNERSHIP

FY22 Quarterly Performance Report as of September 30, 2022



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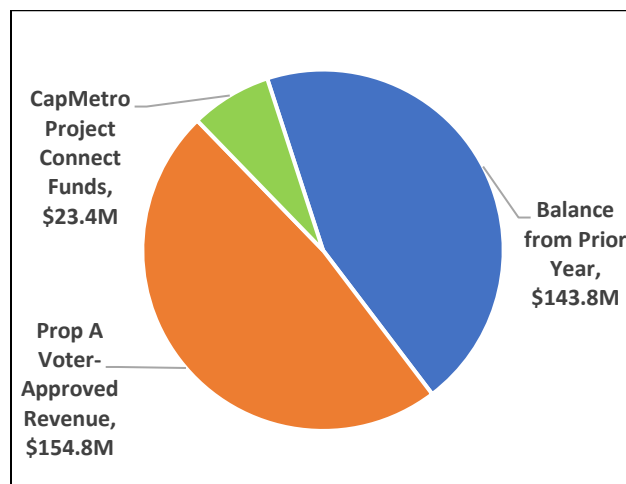
# FY22 Quarterly Performance Report as of September 30, 2022

## *About the Austin Transit Partnership (ATP) and Project Connect*

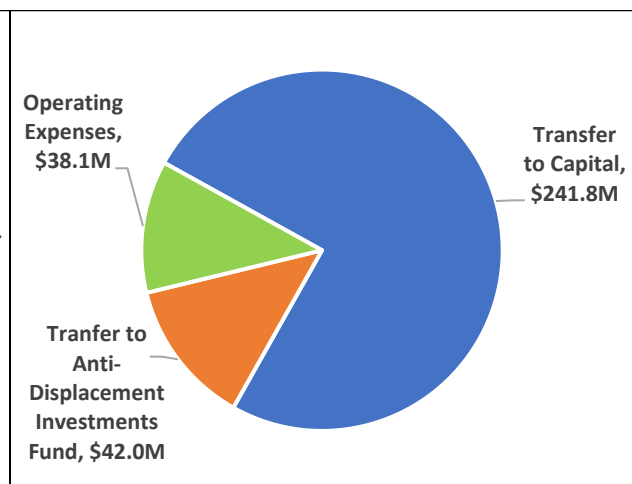
The Austin Transit Partnership (ATP) is an independent local government corporation with the authority and resources to design, construct, and implement Project Connect. Project Connect is a transformative public transit program that will bring many firsts to Austin. The program, adopted by voters in November 2020, is designed to increase connectivity to more neighborhoods in the Austin metro area and will make Austin one of the most equitable, sustainable, and innovative areas of the country.

The FY22 annual budget reflects a full twelve-month fiscal year from October 1, 2021 through September 30, 2022, and includes budgets for revenue, operating expenditures, and capital expenditures. Within the operating budget are administrative expenses and transfers to the City of Austin and CapMetro for project support, as well as a transfer to the City of Austin for Transit-Supportive Anti-Displacement Investments. Capital expenditures include the light rail, MetroRapid, Red Line, and other Project Connect transit projects. These budgets are described in more detail in the sections that follow as well as year-to-date (YTD) actual spending for the full fiscal year (October 1, 2021 through September 30, 2022).

**Figure 1: FY22 Budgeted Total Available Funds**



**Figure 2: FY22 Budgeted Total Expenditures**



## **Revenues**

ATP's annual revenues primarily come from two sources: ATP's share of the City of Austin's ad valorem property tax rate, as approved by the voters with the approval of Proposition A in November 2020, and CapMetro Project Connect Funds (Figure 3). These revenues, combined with unspent prior year fund balances, comprise ATP's total available funds. Revenue realized for fiscal year 2022 higher than budget largely due to higher-than-expected new property growth and a lower-than-expected delinquency rate. Additionally, a small amount of unbudgeted parking and investment interest revenues were received by ATP during FY22.

**Figure 3: Revenues by Source through September 30, 2022 (in millions)**

| Source                               | FY22 Budget    | YTD Actuals    |
|--------------------------------------|----------------|----------------|
| Balance from Prior Year              | \$143.8        | \$145.8        |
| Proposition A Voter-Approved Revenue | 154.8          | 155.4          |
| CapMetro Project Connect Funds       | 23.4           | 23.4           |
| Other Revenue                        | 0.0            | 2.8            |
| <b>Total</b>                         | <b>\$321.9</b> | <b>\$327.4</b> |

### *Operating Expenditures*

A total of \$21.0 million was expended through September 30, 2022 (Figure 4) for operating expenses, the majority of which funded staff labor costs, administrative office space and legal contracts.

In ATP’s ongoing effort to increase transparency of project costs, the overhead cost allocation has been removed from the projects. After consultation with our federal partners and review of processes with similar organizations, there is no additional financial benefit to allocating overhead and administrative costs to capital projects and it creates layers of bureaucracy that are unhelpful when communicating project costs to our partners and stakeholders. These changes are reflected in Figure 4 below and in the appendices to this report.

**Figure 4: Operating Expenditures by Category through September 30, 2022 (in millions)**

| Categories               | FY22 Budget   | YTD Actuals   |
|--------------------------|---------------|---------------|
| Salary and benefits      | \$13.1        | \$8.2         |
| Professional services    | 10.6          | 4.0           |
| Facilities               | 5.4           | 2.2           |
| Other operating          | 3.2           | 1.7           |
| CapMetro shared services | 3.4           | 2.7           |
| City of Austin support   | 2.4           | 2.1           |
| <b>Total</b>             | <b>\$38.1</b> | <b>\$21.0</b> |

### *Capital Expenditures*

The capital budget funds the total cost of acquiring or constructing an agency asset, including design, bidding, project management, right-of-way acquisition, and construction. Unlike the operating budget, which appropriates funding annually, capital budget funds are available until expended, typically over multiple years. The annual capital budget provides the additional appropriations necessary to begin new, or continue existing, projects. Through September 30, 2022, \$101.7 million was expended on Project Connect capital projects, primarily the Light Rail lines, MetroRapid routes, and McKalla Station. Major project contracts are detailed in Figure 6 and project-specific highlights are described in the Project Connect Performance Updates section.

At the July 20, 2022, meeting, the ATP Board concurrently approved an interlocal agreement with CapMetro and a budget amendment to fully appropriate local match funds for the MetroRapid Expo Center and Pleasant Valley lines. These additional appropriations are reflected in this reports’ total appropriations.

**Figure 5: Capital Expenditures by Project through September 30, 2022 (in millions)**

| Project                     | Total Appropriations | ITD Actuals    |
|-----------------------------|----------------------|----------------|
| Light Rail Projects         | \$205.1              | \$88.3         |
| MetroRapid Lines            | 60.0                 | 8.8            |
| McKalla-MLS RedLine Station | 14.3                 | 4.3            |
| Other CapMetro Projects     | 3.4                  | 0.2            |
| <b>Total</b>                | <b>\$282.5</b>       | <b>\$101.7</b> |

\*ITD Actuals include all expenditures made towards the project from inception to the time-period of this report.

### ***Major Project Contracts***

Major project-specific contracts are detailed in Figure 6. The expenditures shown may vary from the total project expenditures due to timing, payer, and data inclusion variances. The Major Project Contracts table includes all billed invoices during the service period whereas this quarterly report includes expenditures based on date paid within the three-month period. Since payments lag the provision of services, the quarterly report is generally one month behind the contract report. Also, the quarterly report contains all of the payments made for the project while the Major Project Contracts table only contains a subset, albeit a large portion, of the total expenditures. Finally, the Major Project Contracts table includes all payments made to the vendor regardless of which party is responsible for the expense. ATP's quarterly report includes only the portions of the payments to the vendors for which it is responsible.

**Figure 6: Major Project Contracts (in millions)**

*Reflects service dates that work was performed*

| Contract     | Jul   | Aug   | Sep   | Q4    | Description  |
|--------------|-------|-------|-------|-------|--|
| <b>HDR</b>   | \$2.3 | \$1.8 | \$1.6 | \$5.6 | Program Management, Facilities Master Plan, e-Builder implementation, Architecture support, MetroRapid Project Management, facilities support  |
| <b>AECOM</b> | 0.9   | 0.4   | 0.3   | 1.6   | Project Management, FTA Planning & Coordination, Additional Planning Support, Environmental Documentation, Preliminary Engineering, Stakeholder & Public Engagement for Orange Line    |
| <b>HNTB</b>  | 0.4   | 0.3   | 0.3   | 1.1   | Project Management, FTA Planning & Coordination, Additional Planning to Support Entry to Engineering, Environmental Documentation, Preliminary Design, Public Engagement for Blue Line |

## *Project Connect Performance Updates*

In the fourth quarter of FY22, several Project Connect projects reached major milestones in development:

- Light Rail Projects – The backbone of Project Connect is a new light rail system. During the fourth quarter of FY22:
  - The initial implementation plan was reassessed as a program reset began in July to respond to rising cost estimates, and to live within Proposition A vote-approved revenues.
  - Teams were created to focus on separate aspects of the implementation plan and to update the draft implementation plan process.
  - Multiple alternatives to the current project were developed to find an alignment that fits within the funding parameters of the project.
  - Analysis of alternatives began in September.
- MetroRapid – Project Connect includes new Pleasant Valley and Expo Center MetroRapid routes. During the fourth quarter of FY22:
  - Shelters reached 100% design; first article inspection scheduled for December.
  - A total of nine MetroRapid stations were completed.
  - Punchlist on third Pleasant Valley station is substantially complete.
  - For the Expo Center, four stations began construction.
  - Bus stop signage procurement was completed.
  - ❖ CapMetro notified ATP that operations of these lines would be delayed to 2025.
- Red Line Improvements – Enhancements to the Red Line will include additional track to increase capacity and safety as well as new stations, including a station at Q2 Stadium that will open in 2023. During the fourth quarter of FY22:
  - Box culverts were installed along McKalla Station.
  - A 42-inch wastewater line is in 100% design and with the City of Austin for review.
  - Station platforms, shelters and the Q2 plaza are in design.
  - Track and drainage contractor procured and mobilized.



## FY 2022 Operating Fund Summary

|  | 2022<br>Amended Budget | 2022<br>Actual     |
|--|------------------------|--------------------|
| <b>Balance from Prior Year</b>                 | <b>143,787,820</b>     | <b>145,839,258</b> |
| <b>Revenue</b>                                 |                        |                    |
| Prop A Property Tax                            | 154,781,877            | 155,386,024        |
| Capital Metro                                  | 23,365,670             | 23,366,128         |
| Other Revenue                                  | -                      | 2,832,991          |
| <b>Total Revenue</b>                           | <b>178,147,547</b>     | <b>181,585,143</b> |
| <b>Total Funds Available</b>                   | <b>321,935,367</b>     | <b>327,424,401</b> |
| <b>Expenditures</b>                            |                        |                    |
| Transfer to Capital                            | 241,807,565            | 241,807,565        |
| Transfer to Anti-Displacement Investments Fund | 42,000,000             | 42,000,000         |
| Operating Expenses                             | 38,127,802             | 20,976,676         |
| <b>Total Expenditures</b>                      | <b>321,935,367</b>     | <b>304,784,241</b> |
| <b>Reserved for Future Project Commitments</b> | <b>-</b>               | <b>22,640,160</b>  |





# Transit-Supportive Anti-Displacement Investments Budget vs. Actual

For the Months Ending September 30, 2022

| Expenses   | YTD Actuals<br>Sep-2022 | Approved Budget<br>through FY-2022 | Remaining<br>Budget | %<br>of Budget |
|--|-------------------------|------------------------------------|---------------------|----------------|
| Transit Supportive Anti-Displacement Investments | -                       | 65,000,000                         | 65,000,000          | 0.00%          |
| <b>Total</b>                                     | <b>\$0</b>              | <b>\$65,000,000</b>                | <b>\$65,000,000</b> | <b>0.00%</b>   |

\*ITD Actuals include all expenditures made towards the project from inception to the time-period of this report.



## Capital Projects Budget vs. Actual

For the Months Ending September 30, 2022

| Projects                | ITD Actuals<br>through Sep-2022 | Total<br>Appropriations | Remaining<br>Appropriations | %<br>of Budget |
|-------------------------|---------------------------------|-------------------------|-----------------------------|----------------|
| Light Rail Projects     | 88,341,342                      | 205,055,015             | 116,713,673                 | 43.08%         |
| MetroRapid Expansion    | 8,834,295                       | 59,786,412              | 50,952,117                  | 14.78%         |
| MLS Rail Station        | 4,285,625                       | 14,296,129              | 10,010,504                  | 29.98%         |
| Other CapMetro Projects | 196,746                         | 3,373,000               | 3,176,254                   | 5.83%          |
| <b>Total</b>            | <b>\$101,658,007</b>            | <b>\$282,510,556</b>    | <b>\$180,852,549</b>        | <b>35.98%</b>  |

\*ITD Actuals include all expenditures made towards the project from inception to the time-period of this report.

## Memorandum



**Date:** December 1, 2022

**To:** Austin Transit Partnership ("ATP") Board of Directors ("Board"): Veronica Castro de Barrera (Chair), Mayor Steve Adler, Jeffrey Travillion, Juan Garza, Tony Elkins, Gina Fiandaca, and Dottie Watkins.

**Subject:** September 30, 2022 Quarterly Investment Report

Austin Transit Partnership's Investment Policy, in accordance with the Texas Public Funds Investment Act (the "Public Funds Investment Act"), requires that the Board and Executive Director receive quarterly investment reports. The purpose of this Quarterly Investment Report is to provide a means for Board Members and staff to regularly review and monitor ATP's investment position, and to demonstrate compliance with ATP's Investment Policy and the Public Funds Investment Act.

Following the Board's approval of ATP's Investment Policy and the authorization to invest in the TexasCLASS and Texpool Local Government Investment Pools ("LGIPs"), accounts were created with the respective agencies and money was deposited. The two LGIPs each have a Governmental Fund, which consists of primarily government securities, and a Prime Fund, which consists of a mix of governmental securities, commercial paper, and variable rate notes. At the end of the quarter ended September 30, 2022, 50% of ATP's investment portfolio was held in a Governmental Funds and 50% was held in a Prime Funds. For the quarter ended September 30, 2022, ATP's investment portfolio yielded \$1,527,316.28 in interest earnings for the period.

The individual portfolios were in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategies outlined in Section 4 of ATP's Investment Policy.

Please let me know if you need additional information.

Bryan Rivera  
Treasurer

Cc: Interim Executive Director - Greg Canally



September 30, 2022

Quarterly Investment Report

## Economic Summary

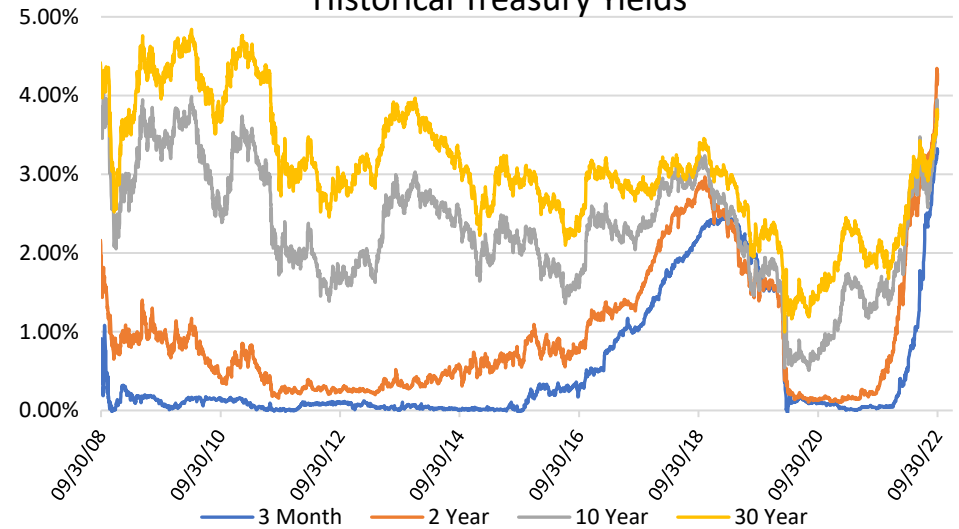
Federal Open Markets Committee September 21, 2022 Statement Overview:

- Job gains have been robust in recent months, and the unemployment rate has remained low.
- Inflation remained elevated, reflecting supply and demand imbalances related to the pandemic, higher energy prices, and broader price pressures.
- The invasion of Ukraine by Russia is creating additional upward pressure on inflation and weight on economic activity.
- The Committee decided to raise the target range for the federal funds rate to 3 to 3-1/4 percent and anticipates ongoing increases in the target range will be appropriate.

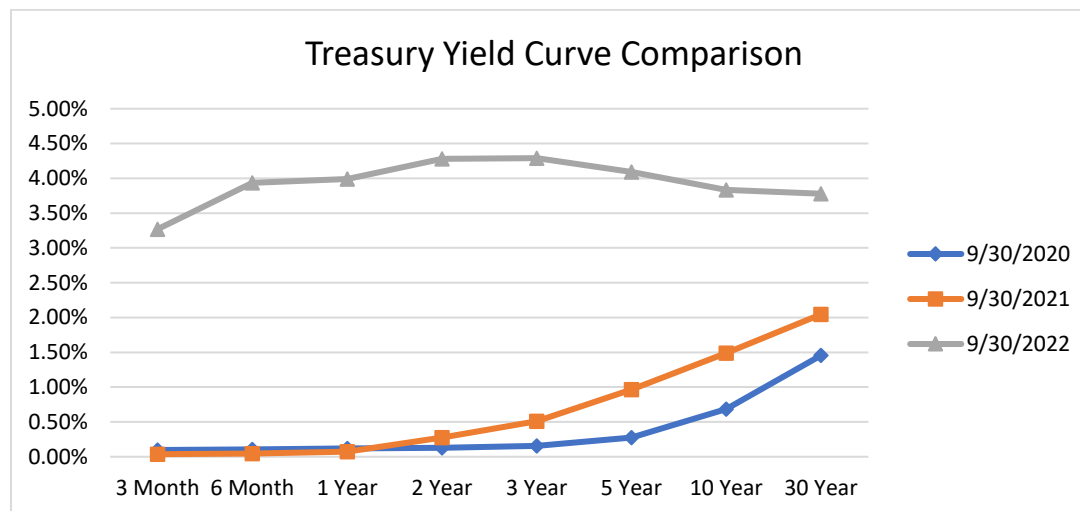
### S&P 500 Index



### Historical Treasury Yields



### Treasury Yield Curve Comparison



Austin Transit Partnership  
 Portfolio Holdings Overview  
 As of 09/30/2022

| Portfolio Description | Face Amount    | Book Value     | Market Value   | Accrued Interest | Market Value + Accrued Interest | Unrealized Gain/(Loss) |
|-----------------------|----------------|----------------|----------------|------------------|---------------------------------|------------------------|
| Operating             | 291,338,291.91 | 291,338,291.91 | 291,338,291.91 | 0.00             | 291,338,291.91                  | 0.00                   |
| Debt Service          | 0.00           | 0.00           | 0.00           | 0.00             | 0.00                            | 0.00                   |
| Debt Service Reserve  | 0.00           | 0.00           | 0.00           | 0.00             | 0.00                            | 0.00                   |

During the fourth quarter of Fiscal Year 2022, the investment portfolio yielded \$1,527,316.28 in interest. The funds are currently split between the TexasCLASS and Texpool Local Government Investment Pools which were approved as authorized investment vehicles at the December 15, 2021 ATP Board Meeting. Throughout the period ATP's net banking activity amounted to (\$2,339,700.41) resulting in a cash and cash equivalent ending balance of \$291,389,648. The ending cash and cash equivalent balance for the quarter ended September 30, 2022 includes the \$65 million reserved for anti-displacement funding due to the City of Austin.

Austin Transit Partnership  
 Trade Activity by Portfolio  
 As of 09/30/2022

| Portfolio Description | Beginning Face Amount | Purchased/Deposited | Matured | Ending Face Amount | Weighted Average Yield to Maturity |
|-----------------------|-----------------------|---------------------|---------|--------------------|------------------------------------|
|-----------------------|-----------------------|---------------------|---------|--------------------|------------------------------------|

|                                |  |  |  |  |  |
|--------------------------------|--|--|--|--|--|
| <b>ATP Operating Portfolio</b> |  |  |  |  |  |
|--------------------------------|--|--|--|--|--|

|             |  |  |  |  |  |
|-------------|--|--|--|--|--|
| No Activity |  |  |  |  |  |
|-------------|--|--|--|--|--|

*\* Trade activity excludes local government investment pools*

|                                   |  |  |  |  |  |
|-----------------------------------|--|--|--|--|--|
| <b>ATP Debt Service Portfolio</b> |  |  |  |  |  |
|-----------------------------------|--|--|--|--|--|

|             |  |  |  |  |  |
|-------------|--|--|--|--|--|
| No Activity |  |  |  |  |  |
|-------------|--|--|--|--|--|

*\* Trade activity excludes local government investment pools*

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| <b>ATP Debt Service Reserve Portfolio</b> |  |  |  |  |  |
|---|--|--|--|--|--|

|             |  |  |  |  |  |
|-------------|--|--|--|--|--|
| No Activity |  |  |  |  |  |
|-------------|--|--|--|--|--|

*\* Trade activity excludes local government investment pools*





**Strategy Compliance Statement**

For the quarter ended September 30, 2022, the portfolios are in compliance with the relevant provisions of the Public Fund Investment Act and the investment strategies adopted in Section 4 of ATP's Investment Policy.

**Strategy Statement by Portfolio**

*Operating Funds*

The primary objective of ATP's investment strategy for Operating Funds is to ensure that anticipated cash flows are matched with adequate investment liquidity. The secondary objective of the investment strategy for Operating Funds is to have a diversified portfolio of investments that can weather economic cycles with minimal volatility. To achieve these objectives, the portfolio will be structured either with a laddered or barbell maturity structure coupled with quality short- to medium-term securities. The dollar weighted average maturity of 365 days or less will be calculated using the stated final maturity dates of each security. Securities may not be purchased that have a final stated maturity date which exceeds three years.

*Debt Service Funds*

The primary objective of ATP's investment strategy for Debt Service Funds shall be to assure adequate investment liquidity to cover debt service obligations on required payment dates. Securities purchased for the benefit of these portfolios shall not have a final maturity date which exceeds the debt service payment date, unless otherwise provided in the documents authorizing the issuance of public securities.

*Debt Service Reserve Funds*

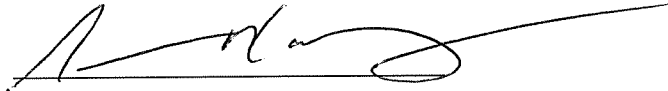
The primary objectives of ATP's investment strategy for Debt Service Reserve Funds-- consistent with the provisions of the documents authorizing the issuance of public securities--is to preserve principal which serves as security for any ATP debt and to generate a reliable and steady stream of interest income by utilizing securities with a low degree of volatility. For example, the documents authorizing the issuance of public securities may state that a Debt Service Reserve Fund may consist, in addition to or in lieu of money invested in securities, of a letter or line of credit issued by a financial institution, a surety bond issued by an insurance company, or any combination thereof. Securities purchased for the benefit of these portfolios should be high quality and should have short- to medium-term maturities.

**Austin Transit Partnership**  
**September 30, 2022**  
**Quarterly Investment Report**

For the quarter ended September 30, 2022 the portfolios are in compliance with the relevant provisions of the Public Funds Investment Act and the investment strategies adopted in Section 4 of ATP's Investment Policy.

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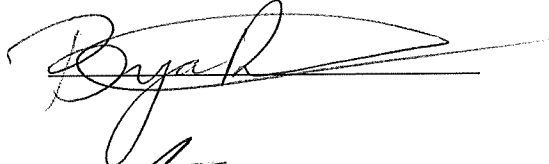
Interim Executive Director:



Interim Chief Financial Officer:

DocuSigned by:  
Drane Siler  
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Treasurer:



Accounting Director:

