AUSTIN TRANSIT PARTNERSHIP
BOARD OF DIRECTORS MEETING
AGENDA

Wednesday, September 17, 2025, 2:00 p.m.

ATP Board Room

203 Colorado St. Austin, TX 78701

ADA Compliance
Reasonable accommodations and equal access to communications are provided upon request. Please call 512-710-2100 or email chloe.maxwell@atptx.org if you need more information.

Board of Directors
Veronica *Castro de Barrera, Chair; Kirk Watson, Vice Chair; Jeffrey Travillion; Juan Garza; Kammy Horne; Jon Fortune (ex officio); Dottie Watkins (ex officio).*

Public Comment
Public comment may be completed in person or virtual. Those wishing to contribute comments must notify ATP 24-hours before the meeting by calling 512-710-2100 or emailing chloe.maxwell@atptx.org. Please provide your name, phone number and the topic you wish to discuss. On the day of the meeting, you will be contacted, added as an attendee of the board meeting, and have 3 minutes to speak. You will have only one opportunity at the beginning of the board meeting to speak on all items you intend to address.

Watch Live
ATP Board Meetings are streamed live from the ATP website.

Executive Session
The Board of Directors may adjourn to executive (closed) session as authorized under Texas Government Code Chapter 551 at any time during the course of this meeting to discuss any item on the meeting agenda. No formal action will be taken by the Board during an executive session.

Pages

1. Public Comment

2. Executive Director Report

2.1 Project Connect Status Report/ Board Brief 3

3. Action Items

3.1 Action Item 1
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3.2 Action Item 2
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3.4 Action Item 4
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3.5 Action Item 5
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3.6 Action Item 6
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6. Adjournment

AUSTIN TRANSIT PARTNERSHIP
BOARD OF DIRECTORS MEETING

Austin Transit Partnership Board Room
203 Colorado St. Austin, TX 78701

~ Minutes ~

Board Secretary
Lee Crawford

Wednesday, July 30, 2025
1:30 PM

1:31 PM Meeting Called to Order
2:04 PM Meeting Adjourned

1. Public Comment

There was no public comment at this meeting.

2. Executive Director Report

ATP Executive Director Greg Canally provided updates highlighting the Austin Light Rail Board Brief/Status report.

3. Action Items

1. Approval of minutes from the May 21, 2025 ATP Board Meeting.
   RESULT: ADOPTED [WITHOUT OBJECTION]
   MOVER: Travillion
   SECONDER: Horne
   AYES: Watson, Horne, Castro de Barrera, Travillion
   ABSENT: Garza

2. Approval of a resolution appointing one community member to fill a vacancy and serve as a member of the Project Connect Community Advisory Committee (CAC), as recommended by the CAC, for a term ending December 31, 2027.
   RESULT: ADOPTED [WITHOUT OBJECTION]
   MOVER: Horne
   SECONDER: Travillion
   AYES: Watson, Horne, Castro de Barrera, Travillion
   ABSENT: Garza

4. Discussion Items

Proposed Fiscal Year 2025-26 Budget Presentation

ATP Chief Financial Officer Bryan Rivera presented this item. Mr. Rivera highlighted interlocal agreements for future ATP Board action as well as the proposed spend plan and process for approval of the Fiscal Year 2025-26 budget. Board Member Travillion highlighted the importance of preparing for the next stages of the project.

5. Item from Internal Audit

Annual Audit Recommendation Follow-Up

ATP Chief Audit Executive Katie Houston and Senior Internal Auditor Cameron Lagrone, presented on this item. The presentation highlighted that all outstanding action items related to recommendations from the Joint Powers Agreement and Language Access audits have been completed.

6. Adjournment

The meeting was adjourned at 2:04 PM.

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BOARD OF DIRECTORS: *Veronica Castro de Barrera, Chair; Kirk Watson, Vice Chair; Jeff Travillion; Juan Garza; Kammy Horne; Jon Fortune (ex officio); Dottie Watkins (ex officio).*

Subject: Approval of a resolution adopting the Austin Transit Partnership ("ATP") Fiscal Year 2025-26 Budget.

Fiscal Impact: Establishes the Fiscal Year 2025-26 light rail spend plan at $118,670,000 with new appropriations totaling $56,000,000 and authorizes 65 full-time equivalent positions.

Executive Summary: The ATP Board of Directors approves a budget annually to authorize expenditures and appropriations necessary to conduct its operations. The proposed FY2025-26 spend plan totals $118,670,000, including $77,000,000 for professional services and $41,670,000 for administrative expenses. Proposed appropriations in the FY2025-26 budget to fund the spend plan include $56,000,000 in new appropriations plus remaining capital appropriations from the prior year in the amount of $63,030,210. The proposed budget authorizes funding for 65 full-time equivalent positions.

In addition to the FY2025-26 spend plan, the proposed budget includes new appropriations totaling $20,000,000 for transit-supportive anti-displacement investments and $29,000,000 for projects being delivered by Capital Metropolitan Transit Authority.

Procurement Summary: Does not apply.

Disadvantaged Business Enterprise Program Summary: Does not apply.

Austin Transit Partnership

RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP
BOARD OF DIRECTORS

ATP-2025-017

WHEREAS, Austin Transit Partnership ("ATP") staff has developed a budget for Fiscal Year 2025-26 to administer the spend plan for all related funds during the fiscal year;

NOW, THEREFORE, BE IT RESOLVED by the ATP Board of Directors that the Fiscal Year 2025-26 budget attached hereto as Exhibit A, including amendments, is hereby adopted.

Attest:

_____ Date: September _____, 2025
Lee Crawford
Secretary of the Board

Austin Transit Partnership

EXHIBIT A

Austin Transit Partnership

Proposed Budget

FISCAL YEAR 2025-26

Austin Transit Partnership

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

Austin Transit Partnership
Texas

For the Fiscal Year Beginning

October 01, 2024

Christopher P. Morrill

Executive Director

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Introduction

Message from Chief Executive Officer



Dear Board of Directors,

I am pleased to present the Fiscal Year 2025-26 Budget for Austin Transit Partnership (ATP). This budget builds on our extensive work accomplished in Fiscal Year 2024-25 to advance Austin Light Rail.

The project is in the Project Development phase under the Federal Transit Administration's (FTA) Capital Investment Grants New Starts program, and we continue our steadfast focus on key milestones to solidly position the organization for the next phase in the federal funding process. This includes finalizing the Environmental Impact Statement and securing a Record of Decision from the FTA.

This Budget also positions resources to progress ATP's Project Delivery Plan including major solicitations with awards scheduled in FY26 – Progressive Design-Build for Civil, Rail, Stations and Systems (LRT) and the Operations and Maintenance Facility, as well as the contract for Light Rail Vehicles. Additionally, the Budget plans also for ongoing work related to planning and engineering work facilitated through the On-Call contracts.

Organizational readiness remains a priority as ATP prepares to onboard and integrate these new contractors, with a key emphasis on operational systems for the management and execution of the project. This Budget funds ATP's personnel at 65 full-time equivalents, delivering a personnel budget to support our next phase of work, while also staying true to our proven model that combines ATP + industry expertise to deliver light rail for Austin.

ATP's ongoing commitment to bringing new transit infrastructure to our community is also highlighted with the investments for programs administered by CapMetro and the City of Austin. This Budget allocates $20 million for continued investment in anti-displacement activities administered by the City of Austin – representing a total of $160 million in appropriations for these important community initiatives. The FY26 Budget includes an estimated $55 million spending plan for Cap Metro component projects.

We look forward to the continued engagement of our community and the expertise of ATP's Board of Directors. Thank you for your leadership.

Sincerely,

Greg Canally
Chief Executive Officer



Artist Conceptual Visualization

ATP Board of Directors



Veronica Castro de Barrera
ATP Chair, Community Director



Kirk Watson
ATP Vice Chair, Austin City Council, Mayor



Juan Garza
Community Director



Kammy Horne
Community Director



Jeffrey Travillion
CapMetro Board of Directors, Chair

EX OFFICIOS



Jon Fortune
City of Austin Deputy City Manager



Dottie Watkins
CapMetro President & CEO



Organizational Overview



Planning, Community and Federal Programs

KEY SERVICES:
Project Controls, Planning and Reporting, and Community Participation and Involvement

- Prepares ATP to successfully compete for funding and leads FTA coordination on federal funding opportunities.
- Oversees planning activities informed by community participation and public involvement.
- Implements scheduling, cost reporting, and document controls in compliance with federal requirements and industry best practices.

Design and Construction

KEY SERVICES:
Design and Construction Services

- Leads preliminary engineering in support of NEPA and FTA Capital Investment Grants (CIG) Program requirements.
- Leads final design and engineering to develop construction plans and documents for all project elements including integration of light rail civil works, systems, stations, structures, utilities; Operations and Maintenance Facility; and light rail vehicles.
- Construction of all project elements, including permitting, building, inspections, testing, commissioning, safety certification and acceptance.
- Management of process to design, manufacture, inspect, test and accept light rail vehicles.

Architecture and Urban Design

KEY SERVICES:
Architectural and Urban Design Services

- Develops and implements ATP processes, services, and products around user-centered design goals.
- Ensures that the built environment for Austin Light Rail is pleasant, vibrant, and instills a sense of civic pride in all Austinites.

Financial Services

KEY SERVICES:
Budget, Treasury, Accounting, IT Services, and Grants Management

- Executes Austin Light Rail financing, as envisioned by its stakeholders.
- Guides the Project Connect investment with transparency, accountability, and best practices.

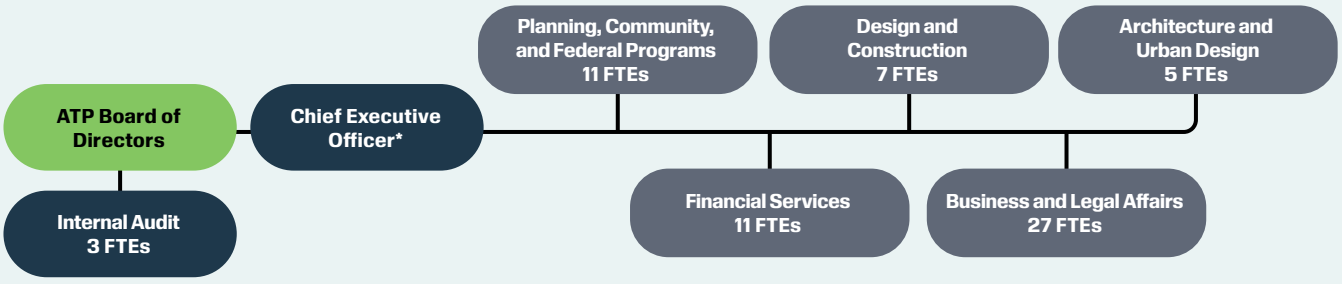
Business and Legal Affairs

KEY SERVICES:
Procurement and Contract Administration, Legal Services, Real Estate, Government Relations, Human Resources, Board Relations, and Communications Services

- Supports the development and execution of the Austin Light Rail delivery and contracting strategy.
- Integrates organizational talent with input from industry, peer agencies, and consultants to deliver global expertise.
- Develops and implements legal, intergovernmental, and communications strategy for the project.

Internal Audit

- Reports directly to the ATP Board and provides independent, objective audit and advisory services.
- Identifies improvements for ATP's governance, controls, and risk management for transparency and accountability.



*Chief Executive Officer is budgeted within the Business and Legal Affairs department and is included in the FTE count on that department page.

Austin by the Numbers

Austin is the capital of the state of Texas. Incorporated on December 27, 1839, it has been one of the fastest growing large cities in the United States since 2010.



General Facts

The city is the cultural and economic center of the Austin–Round Rock metropolitan area.

TOTAL POPULATION:

2,550,637

(Austin-Round Rock MSA)

AUSTIN POPULATION:

1,025,668

POPULATION DENSITY:

3,141

people per square mile

CITY SPANS

326.5 sq mi

Austin is...

#2 **Most Populous State Capital**
(after Phoenix, AZ)

#13 **Most Populous U.S. City**

#5 **Most Populous City in Texas**
(after Houston, San Antonio, Dallas and Fort Worth)

#26 **Largest Metropolitan Area in the U.S.**

People and Economy

Median Home Sale Price

$572,400

Median Household Income

$91,501

For more information about the City of Austin:
AustinTexas.gov/Demographics


LEFT TURN
YIELD
-ON GREEN-

Austin Transit Partnership

In November 2020, Austin voters approved a referendum ("Prop A") to provide a dedicated revenue stream to fund investments in Project Connect, a program of transit improvements, including Austin Light Rail.

The Austin Transit Partnership is the local government corporation responsible for implementing Project Connect and leading Austin Light Rail. ATP is responsible for the day-to-day implementation, planning, financing, execution, and oversight of Austin Light Rail.



Performance Objectives

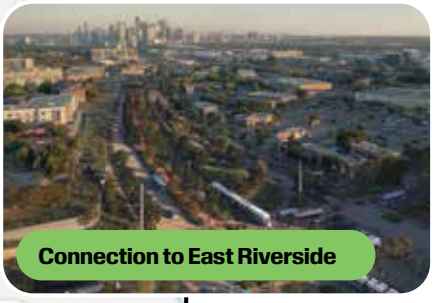
ATP is advancing Austin Light Rail Phase 1, working closely with our federal partners to complete the necessary documents to successfully compete for federal funding. Project Development activities such as early design and environmental studies are already underway, and ATP has developed a delivery and contracting framework to prepare for next phases of design and construction of Austin Light Rail.

2020–21	2022–23	2023–26	2026–27	2027–33	2033
1. Approved & Established	**2. Defining Scope & Goals**	**3. Planning, Design & Project Development**	**4. Engineering & Permitting**	**5. Construction & Testing**	**6. Open for Service**
Austin voters approved funding for a new light rail system. ATP was formed as a team of experts to implement that project.	Conducted a community-driven process to determine the project goals and formalize the Light Rail Implementation Plan.	ATP is currently working on preliminary design and engineering, environmental review, delivery planning, and completing key steps to fulfill federal funding requirements.	Detailed designs and technical specifications will be finalized, and all necessary permits and land will be secured.	The ground will be prepped and excavated. Light rail tracks, stations, and pedestrian and cyclist paths will be built. Trains will be manufactured, delivered and tested.	Austin's light rail will officially open with 9.8 miles of track, stretching from 38th to Oltorf to East Riverside.

Completed Step Current Step Upcoming Step

Austin Light Rail Phase 1





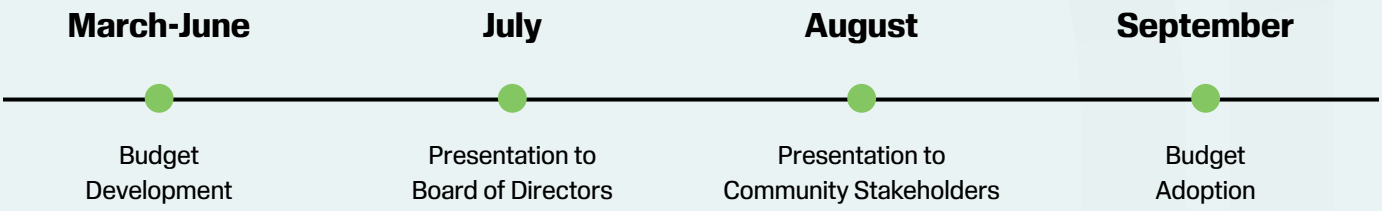


What's Happening Next?

- ATP is advancing the project for federal grant funding, which includes completing the environmental review process.
- ATP is procuring future contracts for continuing design and construction to prepare for next steps in 2026.

Budget Process

Budget Timeline



Budget Components

Annual Budget

- Plan for allocating resources during fiscal year
- Funds available until end of fiscal year (Sept. 30)

Capital Budget

- Funds are multi-year and set aside for a specific project or purpose
- Budgetary control is set based on the total aggregate appropriation by project
- Available until funds are spent or de-appropriated (not constrained by fiscal year)

Spending Plan

- Schedule for spending of capital appropriations
- Used for cash flow planning and determining needed additional appropriations

- Require board authorization
- Approved during annual budget process

- Components of capital project funding
- Used to inform annual budget process

Budget Amendments

Once approved, the budget may be amended by the ATP Board of Directors.


East Riverside
A new shaded walk and bike path along the line on East Riverside, designed to improve

Revenue

ATP's FY26 revenue is primarily made up of contract revenue received from the City of Austin pursuant to an interlocal agreement. With the approval of Proposition A, voters authorized an increase in the ad valorem tax rate equal to approximately 20% of the total Operations and Maintenance property tax collected by the City of Austin. In FY25, that revenue is estimated at $176 million, an increase of $4 million from budget, and in FY26 it is projected at $185 million. Other sources of revenue include $18 million in investment interest income revenues. In future years, sources of funding will include grant receipts and debt proceeds, but those are not anticipated for FY26.

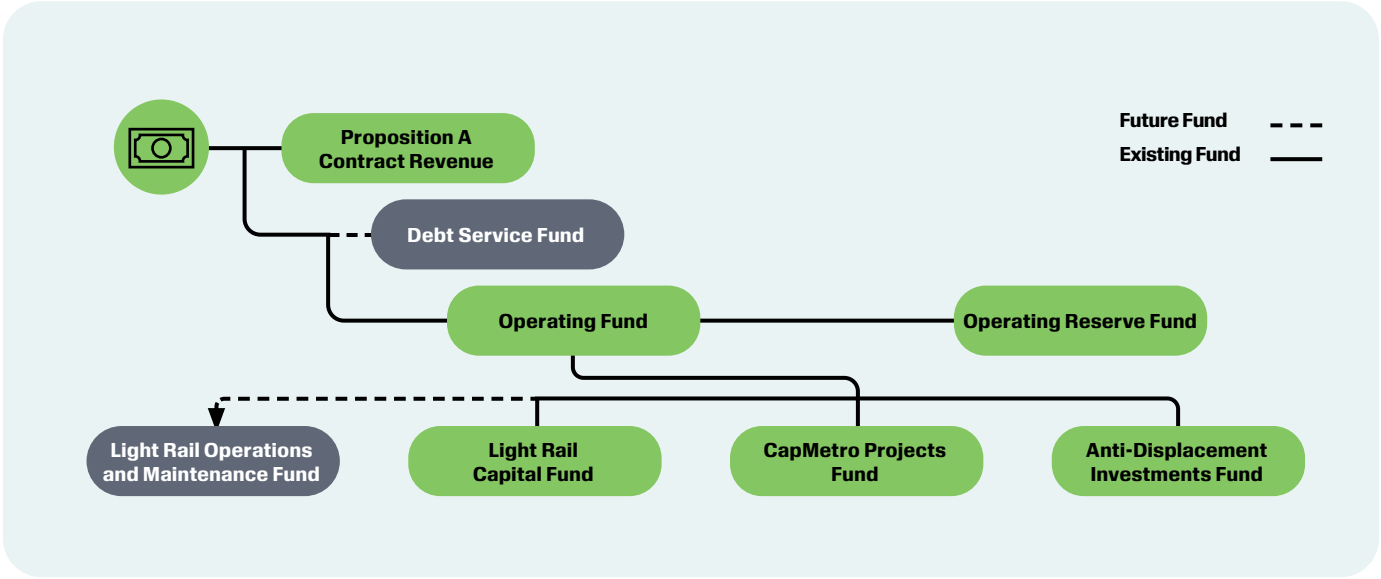
	FY25 BUDGET	FY25 PROJECTED	FY26 BUDGET
REVENUE			
Prop A Contract Revenue	$172,000,000	$176,000,000	$185,000,000
Other Revenue	$21,000,000	$19,000,000	$18,000,000
Total Revenue	**$193,000,000**	**$195,000,000**	**$203,000,000**

Fund Framework

Funds Subject to Appropriation

The Austin Transit Partnership has established a series of funds to track the expenditures of separate activities. These funds, and their relationship to each other, are detailed below.

Relationships Between Funds Subject to Appropriation



PROPOSITION A CONTRACT REVENUE

On Nov. 3, 2020, Austin voters approved Proposition A, which provided a dedicated property tax revenue stream. Proposition A contract revenue is ATP's primary revenue source. Current year estimates and budget year projections are provided to ATP by the City of Austin and must be appropriated annually by the City of Austin.

DEBT SERVICE FUND

Debt service funds are utilized to account for the accumulation of resources for, and the payment of short- and long-term debt. To date, ATP has not yet issued any debt but will complete its first issuance of debt at the conclusion of the bond validation suit.

OPERATING FUND

The Operating Fund collects ATP revenues and disburses them to their respective functions. Proposition A contract revenue is ATP's primary revenue source and must be appropriated annually by the City of Austin.

OPERATING RESERVE FUND

The Operating Reserve Fund was established by financial policy to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenditures) and will maintain a reserve of at least 180 days of administrative expenses net of transfers.

LIGHT RAIL CAPITAL FUND

Capital project funds are used to account for financial resources to be used for the acquisition or construction of Austin Light Rail. Unlike an operating budget, capital budget funds are available until expended, typically over multiple years.

CAPMETRO PROJECTS FUND

In addition to Light Rail, Project Connect investments include CapMetro Rapid Bus Lines, Commuter Rail, and Park and Ride facilities. Funding for CapMetro-led delivery elements will be appropriated via budget amendment alongside governing interlocal agreements approved by both the CapMetro and ATP Boards.

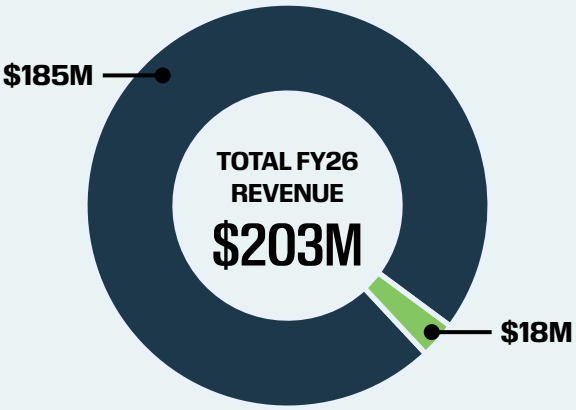
ANTI-DISPLACEMENT INVESTMENTS FUND

The funding approved on Nov. 3, 2020, via Proposition A included $300 million to mitigate transportation investment-related displacement and ensure people of different incomes can benefit from the transportation investment. Per an interlocal agreement between ATP and the City of Austin, funds will be provided to the City of Austin on a reimbursement basis to administer and implement the Project Connect Anti-Displacement Programs.



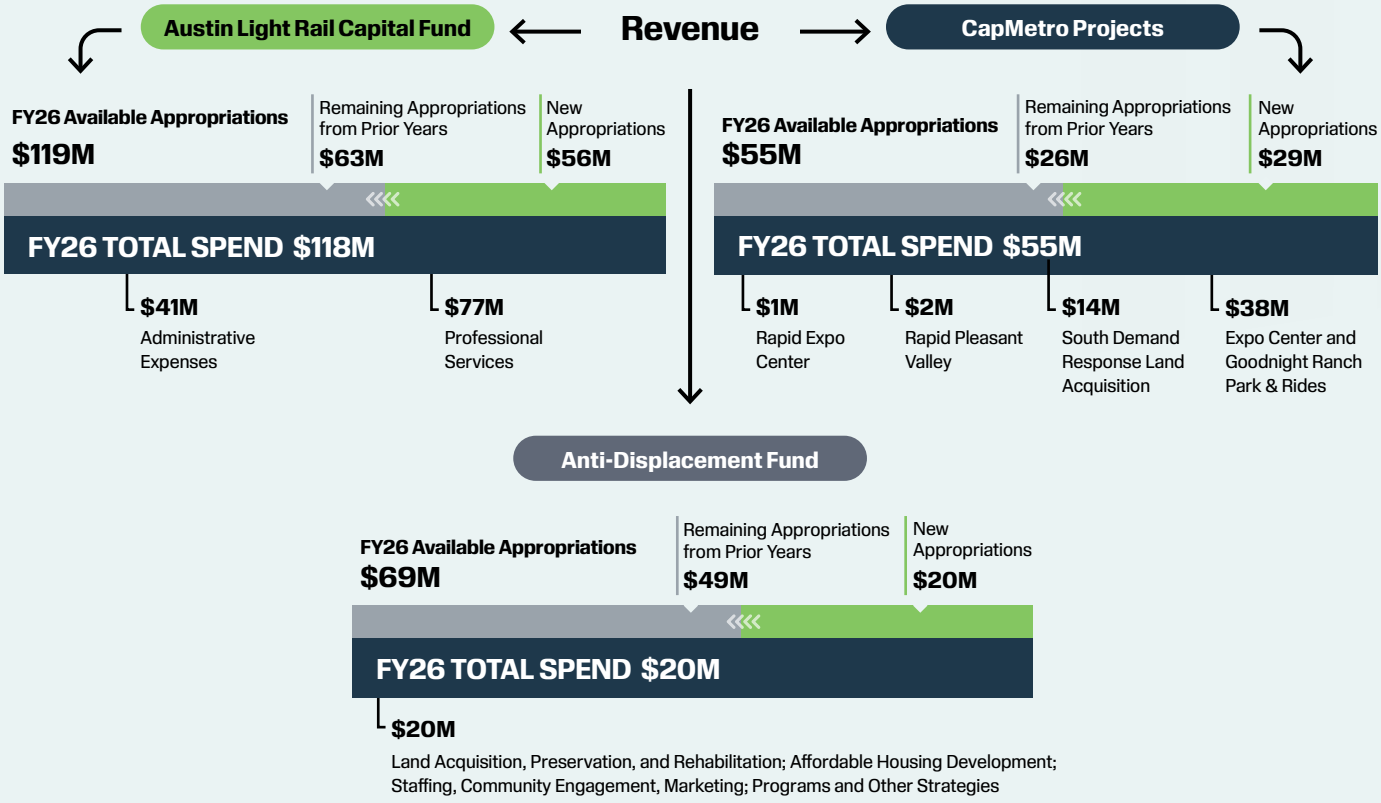
Budget Highlights

Revenue



	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
Prop A Contract Revenue	$166M	$176M	$185M
Investment and Other Revenue	$21M	$19M	$18M

Spending





Artist Conceptual Visualization

Austin Light Rail Capital Fund

The cornerstone of Project Connect is a new light rail system, Austin Light Rail. The project continues to progress through Project Development. Capital appropriations are multi-year and remain available until spent; therefore, appropriations may at times not necessarily equal planned spending.

Board-Approved Light Rail Appropriations

APPROPRIATIONS	
Prior Years	$313M
FY26	$56M
Total Appropriations	**$369M**
SPEND	
Prior Years	$250M
FY26	$118M
Total Spending	**$368M**
Net Available Appropriations	**$0M**

Note: Figures do not add due to rounding

Austin Light Rail FY26 Spending

Administrative Expenses

Business Support Contracts

- Legal
- Marketing and Engagement
- Financial Services
- Risk/Procurement Advisor
- IT Systems
- Facility Lease and Management
- City of Austin Project Connect Office

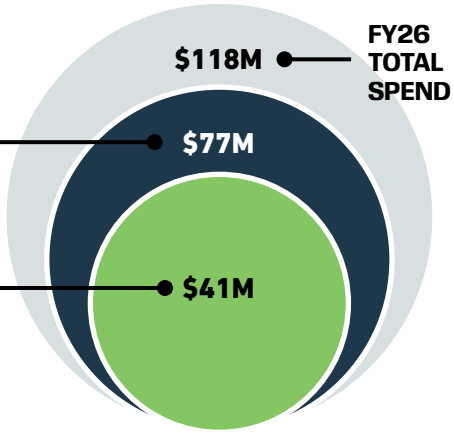
Personnel, Materials and Staff Development

- Labor
- IT Hardware
- Staff Development
- Material and Supplies

Includes administrative costs associated with light rail management and oversight.

Professional Service Contracts

- Delivery Partner
- Progressive Design-Builder
  - Light Rail Civil/Systems
  - Operations and Maintenance Facility
- On-Call Engineering/Planning
- Real Estate Services



Administrative Expenses by Fiscal Year

	FY24 ACTUAL	FY25 PROJECTED	FY26 BUDGET
Personnel	$10.9M	$11.4M	$14.5M
Business Support Contracts	$18.3M	$18.9M	$25.8M
Materials and Staff Development	$1.4M	$1.2M	$1.3M
Total	**$30.6M**	**$31.5M**	**$41.6M**



Staffing

FY26 budget development focused on organizational readiness and resource planning to balance staffing and contracting needs. This review resulted in a full-time equivalent (FTE) staffing level for FY26 of 65 positions, comprised of 57 currently filled positions and 8 vacant positions carried forward into the new fiscal year.



Staffing Levels

Planning, Community and Federal Programs	10	1
Engineering and Construction	7	0
Architecture and Urban Design	3	2
Financial Services	8	3
Business and Legal Affairs	27	1
Internal Audit	2	1

TOTAL POSITIONS

65

- 57 Currently Filled
- 8 Future Hires

FY26 Pay and Benefits

ATP's interdisciplinary team brings a diverse range of expertise to implement the complexities of Austin Light Rail. In order to recruit and retain this level of expertise, ATP offers a competitive benefits packet, but is not limited to, health care with vision and dental benefits. ATP offers a 401(k) retirement plan that includes employer contributions, leave program (to include paid parental leave), tuition reimbursement, and as well as stability pay, presenting an annual lump sum payment to eligible employees to acknowledge years of service. The FY26 Budget includes an across the board pay increase of 3.5% for eligible employees.

FY26 Overview and Outcomes

FY26 Priorities Overview

The FY26 Priorities Overview provides an organizational performance framework to highlight the work during the fiscal year as ATP implements Project Connect and leads Austin Light Rail. These priorities inform the department goals, outcomes, and overall performance reporting.

Federal Process

ATP will continue to prepare preliminary engineering design as required for the FTA CIG application process and compile project-wide requirements and reference materials for Progressive Design-Build (PDB) onboarding. A key guidepost for work in FY26 will be to complete the Final EIS and prepare the Record of Decision (ROD) for Austin Light Rail.

PDB Readiness and Organizational Performance

ATP will continue to advance its project delivery plan, progressing three major solicitations: PDB for Civil, Rail, Stations and Systems (LRT), Operations and Maintenance Facility (OMF), and Light Rail Vehicles, with the scheduled award for the LRT PDB during FY26. ATP will expand operational readiness efforts to successfully onboard progressive design-build and light rail vehicle contractors by establishing processes, procedures, and structures for project governance, management and execution.

Financial Sustainability

ATP continues to advance its Federal Funding strategy by completing requirements for Project Development and consideration for entry into the Engineering phases of the FTA CIG Program New Starts process. Related to local investment, ATP will maintain a reliable reoccurring revenue stream to cover expenses and achieve financial results consistent with the expectations of the organization to include advancing the organization's financing program.

Community Partnerships

Guiding ATP's work is community-focused outreach supported by the Board and the ATP team to increase connection and collaboration with stakeholders. The goal being to strengthen relationships with property owners and tenants along the Austin Light Rail alignment. An essential part of ATP's work in FY26 will be expanding education about the benefits of Austin Light Rail through a public awareness campaign. The campaign is designed to broaden public outreach, increase awareness, and continue to build support for the project.



Artist Conceptual Visualization

Department Outcomes

Planning, Community and Federal Programs

Planning, Community and Federal Programs contribute several key functions critical to delivering the light rail project.

The Project Controls team implements scheduling, cost reporting, and document controls. These functions support the effective management of contracts within budget and schedule targets as well as compliance with FTA reporting requirements for federally funded projects.

The Planning team leads environmental regulatory compliance, with a focus on the National Environmental Policy Act (NEPA) process. In addition, the team leads the coordination to integrate transit service planning and land use planning, and analyses to support the evaluation process required by the FTA's CIG Program.

ATP conducts community engagement to build awareness and support for the project, solicits and analyzes input, coordinates communications with stakeholders, and disseminates educational information about the project and process. ATP also supports workforce development efforts in the region and local capacity-building to deliver the project.



DEPARTMENT OUTCOMES

- Execution of workplans to complete requirements for Project Development and Entry to Engineering as needed for federal funding.
- Development and implementation of effective processes and procedures for cost reporting and scheduling.
- Execution of a public involvement plan to educate and offer the community meaningful opportunities to offer input throughout the planning process.

Planning, Community and Federal Programs Budget

	FY25 PROJECTED	FY26 BUDGET
ADMINISTRATIVE EXPENSES	**$2.6M**	**$2.8M**
Personnel	$2.0M	$2.5M
Business Support Contracts	$0.2M	$0.2M
Materials and Other Expenses	$0.4M	$0.1M
PROFESSIONAL SERVICES	**$1.6M**	**$2.0M**
FTE Count	**10**	**11**

Design and Construction

Design and Construction is responsible for all phases of light rail engineering efforts and will manage light rail construction with ATP's contracting partners. This team manages integration of light rail program elements such as civil, rail, stations, and systems infrastructure with the light rail vehicles and the operations and maintenance facilities.

Engineering efforts include design development, associated stakeholder coordination and permitting; management of third party and utilities agreements; quality and safety management; and completion of design requirements to develop plans and documents required for construction.

Construction efforts include permitting, building, inspecting, testing, commissioning, and certifying all light rail project elements. Design and Construction will manage the process to design, manufacture, inspect, test and accept the light rail vehicles.



DEPARTMENT OUTCOMES

- Advance design to support federal requirements, including environmental analysis and documentation for NEPA as well as FTA CIG requirements for New Starts projects.
- Define light rail project technical requirements (criteria, specifications, scope of services, etc.) and design guidelines to be implemented by the design-build contractors and the light rail vehicle manufacturers.
- Collaborate with design-build contractors to identify project innovation opportunities, including value engineering, constructability improvements, construction phasing and sequencing concepts and early works activities (such as advance utilities relocations).
- Implement policies and procedures to successfully manage quality, safety, design, construction, systems integration, cost, schedule, risks and other requirements for project delivery.

Design and Construction Budget

	FY25 PROJECTED	FY26 BUDGET
ADMINISTRATIVE EXPENSES	**$1.8M**	**$2.1M**
Personnel	$1.8M	$2.1M
Business Support Contracts	-	-
Materials and Other Expenses	-	-
PROFESSIONAL SERVICES	**$35.8M**	**$70.0M**
FTE Count	**7**	**7**

Architecture and Urban Design

Architecture and Urban Design leads Austin Light Rail's architectural and urban design efforts and collaborates with internal and external technical teams to support a design that is high performing, people centered, and fully integrated into the surrounding community and urban context.



DEPARTMENT OUTCOMES

- Guide the design and implementation of public-facing elements of Austin Light Rail, including stations, systemwide elements and strategies for design integration.
- Oversee the design and implementation of Austin Light Rail high performance infrastructure to successfully prepare for future phases of design and construction, establishing efficient and effective metrics consistent with organizational goals.
- In collaboration with the City of Austin Project Connect Office, develop and implement standards for the back of curb and adjacent urban design elements (pedestrian, bicycle, and landscape), to enable multimodal integration with, and first- and last-mile connectivity to, Austin Light Rail.
- Support integrated and collaborative solutions with property owners and stakeholders adjacent to the light rail alignment.
- Establish and support the Austin Light Rail Public Art Program to integrate community-based art into stations and systemwide elements.

Architecture and Urban Design Budget

	FY25 PROJECTED	FY26 BUDGET
ADMINISTRATIVE EXPENSES	**$0.6M**	**$1.3M**
Personnel	$0.6M	$1.3M
Business Support Contracts	-	-
Materials and Other Expenses	-	-
PROFESSIONAL SERVICES	**$1.9M**	**-**
FTE Count	**3**	**5**

Financial Services

ATP's primary financial goal is to implement Austin Light Rail, as envisioned by its stakeholders, as efficiently and as effectively as possible. The Financial Services team is comprised of Budget, Treasury, Accounting, IT Services, and Grant Management functions, all of which work in partnership to manage public investment with transparency and accountability throughout the program.



Artist Conceptual Visualization

DEPARTMENT OUTCOMES

- Integrate Project Management Information Systems into the Enterprise Resource Planning system to enhance and strengthen financial reporting.
- Support the Austin Light Rail program's advancement through the FTA CIG program by ensuring the appropriate procedures are established for grant management tracking and reporting.
- Continue advancing Austin Transit Partnership's financing program and successfully issue the first set of Contract Revenue Bonds for the Austin Light Rail program.
- Maintain a commitment to transparent reporting on the allocation and utilization of funds received by ATP.

Financial Services Budget

	FY25 PROJECTED	FY26 BUDGET
ADMINISTRATIVE EXPENSES	**$5.5M**	**$13.3M**
Personnel	$1.0M	$2.3M
Business Support Contracts	$4.4M	$10.4M
Materials and Other Expenses	$0.1M	$0.6M
PROFESSIONAL SERVICES	**-**	**-**
FTE Count	**5**	**11**

Business and Legal Affairs

Business and Legal Affairs encompasses several key services and divisions of ATP, including: Procurement and Contract Administration; Real Estate Services; Legal Services; Government Relations; Communications; Human Resources; and Board Relations.



DEPARTMENT OUTCOMES

- Continue implementation of project delivery and contracting strategy, including the successful evaluation and award of two Progressive Design-Build contracts for the final design and construction of the (i) Operations and Maintenance Facility and (ii) nearly every other aspect of the light rail system, as well as a fixed price contract for light rail vehicles.
- Implement ATP's real estate acquisition strategy, including an interlocal agreement with the City of Austin for coordinated acquisition and priority acquisition activities.
- Continue to improve ATP's operational resiliency, building on processes and procedures to support business operations and the successful integration of contracting partners for project delivery.
- Advance ATP's federal strategy to advance Austin Light Rail in the CIG New Starts application process with the FTA.
- Implement ATP's educational campaign for Austin Light Rail to promote public understanding and support for the project.

Business and Legal Affairs Budget

	FY25 PROJECTED	FY26 BUDGET
ADMINISTRATIVE EXPENSES	**$18.6M**	**$17.6M**
Personnel	$5.5M	$5.7M
Business Support Contracts	$12.4M	$11.3M
Materials and Other Expenses	$0.7M	$0.6M
PROFESSIONAL SERVICES	**$0M**	**$5.0M**
FTE Count	**30**	**28**

Internal Audit

Internal Audit improves ATP's governance, control, and risk management by providing objective audit and advisory services. Independent of ATP management, Internal Audit reports to the ATP Board and strengthens ATP's transparency and accountability to safeguard government resources and achieve community goals.

DEPARTMENT OUTCOMES

- Enhance accountability and transparency by conducting constructive and helpful audits and advisory services.
- Help promote an ethical, community-driven, and improvement-focused culture by operating ATP's ethics hotline and providing fraud, waste, and abuse resources and training to ATP staff.
- Oversee and direct an internal audit function and annual risk assessment process to address ATP's critical risks and the Board's expectations in accordance with the ATP Internal Audit Charter and professional auditing standards.

Internal Audit Budget

	FY25 PROJECTED	FY26 BUDGET
ADMINISTRATIVE EXPENSES	**$0.4M**	**$0.7M**
Personnel	$0.4M	$0.6M
Business Support Contracts	-	$0.1M
Materials and Other Expenses	-	-
PROFESSIONAL SERVICES	**-**	**-**
FTE Count	**2**	**3**

Topics Considered in Projects this Year

Contractor Onboarding

User Roles in Key Systems

Planning for Workforce Needs

Disadvantaged Business Enterprise Goals (est. completion Aug. 2025)

Progress On Addressing Noted Risks

Recommendations issued by category



Operational Governance Strategic Equity

As of July 2025, all outstanding audit recommendations have been confirmed as implemented

Fraud, Waste, and Abuse Training



94%

ATP staff who have attended fraud, waste, and abuse training

Partner Project Connect Components

CapMetro Projects

The ATP Board of Directors approved investments in CapMetro-led Project Connect elements, which include new Rapid bus lines and additional transit improvements. The FY26 Budget includes $29 million in new appropriations to fully fund $55 million in anticipated spending on these Project Connect elements. Funding for additional CapMetro-led projects will be appropriated via budget amendment alongside interlocal agreements approved by both the CapMetro and ATP Boards.

CAPMETRO PROJECTS	EST. SPEND THROUGH FY25	FY26 PROJECTED SPEND
Rapid Expo Center	$16.4M	$1.3M
Rapid Pleasant Valley	$16.0M	$2.0M
South Demand Response Center	-	$13.5M
Expo Center and Goodnight Ranch Park & Rides	-	$37.5M
Total	**$32.4M**	**$54.3M**

New Rapid Lines

Plans for Rapid Lines include an all-electric expanded bus service, newly designed stations, and an improved customer experience. Expo Center and Pleasant Valley Rapid Lines will serve some of the highest ridership corridors in the CapMetro System. The Expo Center (837 Rapid) and Pleasant Valley (800 Rapid) Lines are both in introductory service as construction moves closer to completion.

RAPID EXPO CENTER LINE (837)

- Approximately 12-mile route along Trinity St., San Jacinto Blvd., Manor Rd., and Loyola Ln.

RAPID PLEASANT VALLEY LINE (800)

- Approximately 15-mile route along E. William Cannon Dr., Pleasant Valley Rd., and Airport Blvd. corridors.

Expo Center and Goodnight Ranch Park & Rides

Accompanying the 837 and 800 Rapid Lines are a community investment of two new Park & Rides at the end of each route. The Expo Center Park & Ride will be the eastern terminus for the 837 Rapid Line and provide customer parking spaces, transfers to additional CapMetro routes and Pickup, fleet charging infrastructure and customer amenities adjacent to the Travis County Expo Center.

The Goodnight Ranch Park & Ride will be the southern terminus of the 800 Rapid Line and will be integrated into the Goodnight Ranch development with customer parking spaces, transfers to additional CapMetro routes, fleet charging infrastructure and customer amenities. Construction on both Park & Rides has begun with completion expected in 2026.


METRO RAPID
BACK-IN ANGLE PARKING

Anti-Displacement Investments

Anti-Displacement Updates

Proposition A included $300 million to mitigate transportation investment-related displacement and ensure people of different incomes can benefit from their investment in their own community. The Displacement Prevention program uses short-term strategies to support current residents along the Project Connect corridors and long-term investments to create and preserve housing opportunities so more of the community can benefit from Austin Light Rail and other Project Connect services. The City of Austin administers the anti-displacement program initiatives from the $300 million Project Connect displacement prevention funds.

Voter approved Prop A included

$300M

for anti-displacement funding as a companion to Project Connect

With the FY26 Budget approval, ATP will have appropriated

$160M

for long-term and short-term strategies to address potential displacement

Anti-Displacement Categories:

1. Affordable Housing Development
2. Land Acquisition and Preservation
3. Programs and Other Anti-Displacement Strategies

The People

Community Initiated Solutions (CIS) supports residents at risk of transit-related displacement, providing funding, capacity building, and technical help through the Housing Department.

FY25 HIGHLIGHTS:

In FY25, the City of Austin supported residents through programs focused on three key areas: stabilizing housing, expanding homeownership, and boosting economic mobility. These efforts help protect vulnerable communities as the city grows with Project Connect.

Key initiatives included:

- Rental and homeownership support for older adults
- Workforce training that leads to higher-paying jobs
- "Cradle to Contributor" programs offering early childhood education, youth academic support, and workforce development for families

Distinct programs

13

coordinated through the City of Austin and implemented by community-based organizations

Funding received

$29M

CIS programs served:

2,192

HOUSEHOLDS

with direct assistance

157K+

PEOPLE REACHED

through education, outreach efforts, and events (classes, flyers, etc.)

The Places

FY25 PROJECT CONNECT INVESTMENT UPDATE

$5.5M

in Project Connect Funds

used to purchase former El Gallo Restaurant Site

+$5M

in other City Dollars

located on South Congress, ½ mile from the south end of the Austin Light Rail Phase 1 alignment

PLANNING FOR FUTURE DEVELOPMENT

The City has begun the development process of

66 ACRES

along East Riverside, adjacent to the rail line

This includes:

- Site analysis
- Community engagement efforts

WHAT IS NEXT

In coming years, The City will work collaboratively with:

- The community
- Project Connect Community Advisory Committee

With the goal to program the sites with:

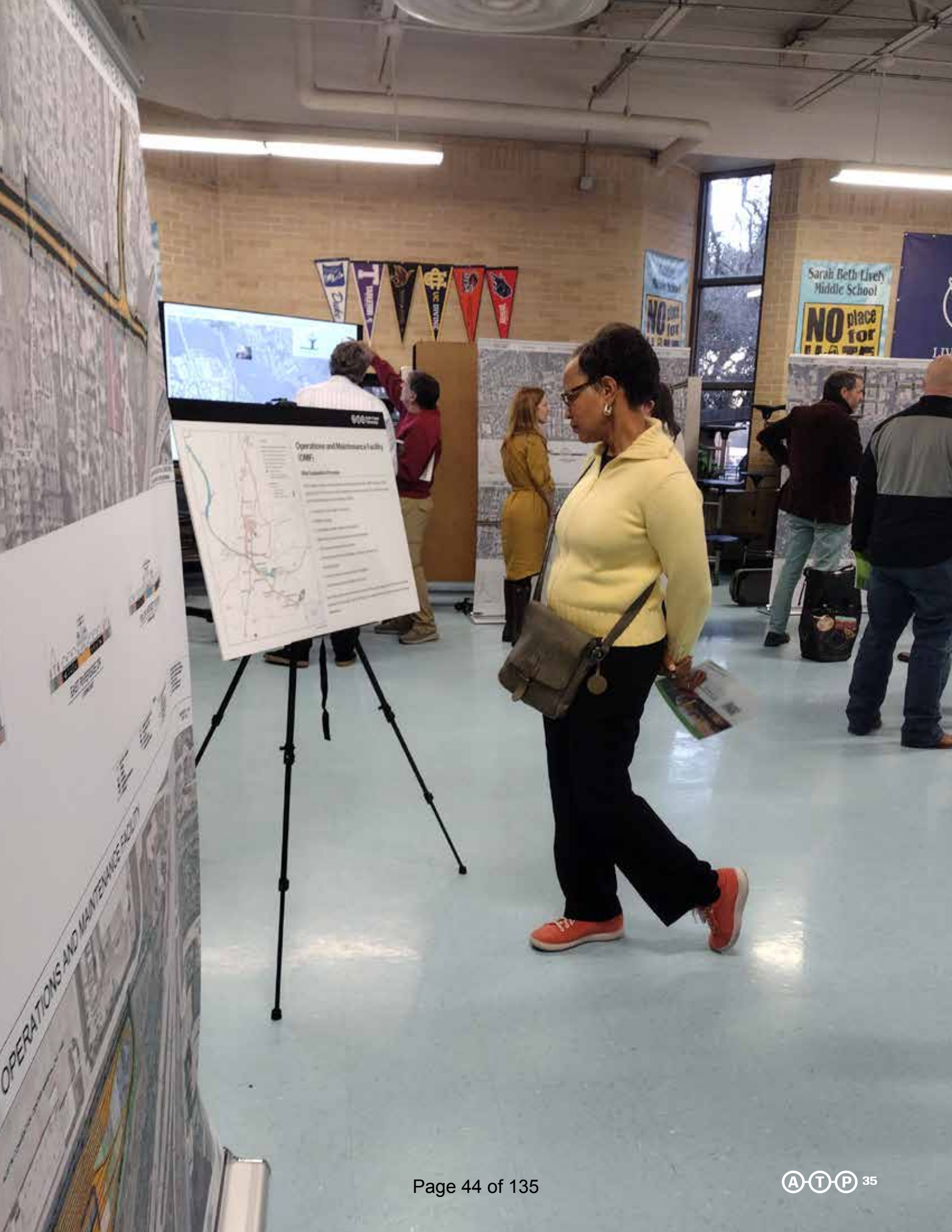
- Deeply affordable housing
- Other transit-supportive investments



Fund Summaries

Operating Fund

	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET	FY25 PROJECTED	FY26 BUDGET
Beginning Fund Balance	$65,668,705	$147,165,525	$217,545,765	$216,733,730	$381,733,730
REVENUES					
Prop A Contract Revenue	$159,850,073	$166,388,368	$172,000,000	$176,000,000	$185,000,000
Investments and Other Income	$15,034,837	$21,179,837	$21,000,000	$19,000,000	$18,000,000
Total Revenue	**$174,884,910**	**$187,568,205**	**$193,000,000**	**$195,000,000**	**$203,000,000**
Total Available Funds	**$240,553,615**	**$334,733,730**	**$410,545,765**	**$411,733,730**	**$584,733,730**
EXPENDITURE AND TRANSFERS					
Administrative Expenses	$27,684,219	-	-	-	-
Transfer to Light Rail Capital Fund	-	98,000,000	$10,000,000	$10,000,000	$56,000,000
Transfer to CapMetro Projects Fund	$10,703,871	-	-	-	$29,000,000
Transfer to Anti-Displacement Fund	$35,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000
Transfer to Operating Reserve Fund	$20,000,000	-	-	-	-
Total Expenditure and Transfers	**$93,388,090**	**$118,000,000**	**$30,000,000**	**$30,000,000**	**$105,000,000**
Available for Future Project Needs	**$147,165,525**	**$216,733,730**	**$380,545,765**	**$381,733,730**	**$ 479,733,730**
Operating Reserve Fund	**$20,000,000**	**$20,000,000**	**$20,000,000**	**$20,000,000**	**$20,000,000**


Sarah Beth Lively
Middle School
NO place for
Operations and Maintenance Facility
(OMF)
OPERATIONS AND MAINTENANCE FACILITY

Light Rail Capital Fund

	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET	FY25 PROJECTED	FY26 BUDGET
Beginning Fund Balance	$121,679,548	$87,085,587	$113,287,944	$124,030,210	$63,030,210
NEW APPROPRIATIONS					
Transfer from Operating Fund	-	$98,000,000	$10,000,000	$10,000,000	$56,000,000
Total New Appropriations	**-**	**$98,000,000**	**$10,000,000**	**$10,000,000**	**$56,000,000**
Total Available Appropriations	**$121,679,548**	**$185,085,587**	**$123,287,944**	**$134,030,210**	**$119,030,210**
EXPENDITURES					
Professional Services	$34,593,961	$30,427,146	$78,380,000	$39,500,000	$77,000,000
Administrative Expenses	-	$30,628,231	$37,620,000	$31,500,000	$ 41,670,000
Total Expenditures	**$34,593,961**	**$61,055,377**	**$116,000,000**	**$71,000,000**	**$ 118,670,000**
Ending Balance	**$87,085,587**	**$124,030,210**	**$7,287,944**	**$63,030,210**	**$360,210**



CapMetro Projects Fund

	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET	FY25 PROJECTED	FY26 BUDGET
Beginning Fund Balance	$60,251,817	$54,572,853	$32,733,706	$34,080,605	$25,981,560
NEW APPROPRIATIONS					
Transfer from Operating Fund	$10,703,871	-	-	-	$ 29,000,000
Total New Appropriations	**$10,703,871**	-	-	-	**$29,000,000**
Total Available Appropriations	**$70,955,688**	**$54,572,853**	**$32,733,706**	**$34,080,605**	**$54,981,560**
EXPENDITURES					
CapMetro Rapid Expansion	$13,088,262	$5,015,580	$8,099,045	$8,099,045	$3,300,000
Red Line Improvements	$3,750,645	$15,476,668	-	-	-
Other CapMetro Projects	($456,072)	-	-	-	$51,000,000
Total Expenditures	**$16,382,835**	**$20,492,248**	**$8,099,045**	**$8,099,045**	**$54,300,000**
Ending Balance	**$54,572,853**	**$34,080,605**	**$24,634,661**	**$25,981,560**	**$681,560**

Anti-Displacement Investments Fund

	FY23 ACTUAL	FY24 ACTUAL	FY25 BUDGET	FY25 PROJECTED	FY26 BUDGET
Beginning Fund Balance	$65,000,000	$75,139,687	$40,140,727	$48,994,137	$48,994,137
NEW APPROPRIATIONS					
Transfer from Operating Fund	$35,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000
Total New Appropriations	**$35,000,000**	**$20,000,000**	**$20,000,000**	**$20,000,000**	**$20,000,000**
Total Available Appropriations	**$100,000,000**	**$95,139,687**	**$60,140,727**	**$68,994,137**	**$68,994,137**
EXPENDITURES					
Anti-Displacement Services	$24,860,313	$46,145,550	$20,000,000	$20,000,000	$20,000,000
Total Expenditures	**$24,860,313**	**$46,145,550**	**$20,000,000**	**$20,000,000**	**$20,000,000**
Ending Balance	**$75,139,687**	**$48,994,137**	**$40,140,727**	**$48,994,137**	**48,994,137**

Light Rail Financial Forecast

Estimated Capital Requirements

In the FY26 budget year, ATP expects to award and issue a notice to proceed for each of its most significant contracts for designing and constructing the Austin Light Rail project. Those contracts will consist of one for the civil, rail, stations and systems components, one for the Operations and Maintenance Facility, and one for the procurement of light rail vehicles. In order to make funding available for these contracts, ATP's Board will formally appropriate (or allocate) available revenues to cover the costs associated with design and ultimately construction of the system. It is anticipated that "work packages" will be developed and negotiated over the course of the design and initial construction phases. Revenues appropriated by the ATP Board will be sized to consider the estimated cost of near-term work packages while providing sufficient flexibility to meet ATP's funding requirements as cost estimates continue to evolve across the three contracts. The authorization of any spending will continue to contemplate ATP's capital affordability envelope to ensure conformance with available Prop A revenues.



Artist Conceptual Visualization

Contracting Timeline

Final Design & Construction

ATP plans to issue the following solicitations, preceded by drafts for industry review and engagement:

- Light Rail PDB: Civil/ Rail/ Stations/ Systems
- Operations and Maintenance Facility (OMF) PDB
- Light Rail Vehicles

Q1-Q2 2025 Industry Review and Engagement

Q2-Q4 2025 Staggered RFQs followed by RFPs

2026 Contract Awards

Final Design & Construction Contracts

Civil/ Rail/ Stations/ Systems
RFI: February 2025
RFQ: June 2025
RFP: August 2025

Operations and Maintenance Facility
RFI: April 2025
RFQ: August 2025
RFP: October 2025

Light Rail Vehicles
RFI: May 2025
RFP: October 2025

Key Terms:

PDB: Progressive Design-Build

RFP: Request for Proposals

RFI: Request for Information

RFQ: Request for Qualifications

Under this procurement and delivery strategy, ATP has grouped the following SCC scope items and selected the following delivery methods per contract:

SCC CATEGORY	ATP CATEGORY	DELIVERY METHOD
Guideway & Rail	Civil & Rail	
Stations, Stops, Terminals, Intermodal	Stations	
Systems	Systems	→ **PDB**
Right of Way (ROW), Land, Existing Improvements	ROW	
Siteworks & Special Conditions	Utilities	
Supporting Facility	Maintenance Facility	→ **PDB**
Vehicles	Vehicles	→ **Fixed Price**

Estimated Capital Requirements

As ATP proceeds through the Project Development and Engineering phases of the FTA's CIG New Starts grant process, costs will be incurred to continue its planning efforts and prepare for the construction phase of the project. These costs are reflective of the resources, both internal and external, required to meet the milestones. Both the Estimated Spend and Sources and Uses graphics provide an estimated view on the capital expenditures required to progress through these critical planning stages and the resources available to meet each of these needs.

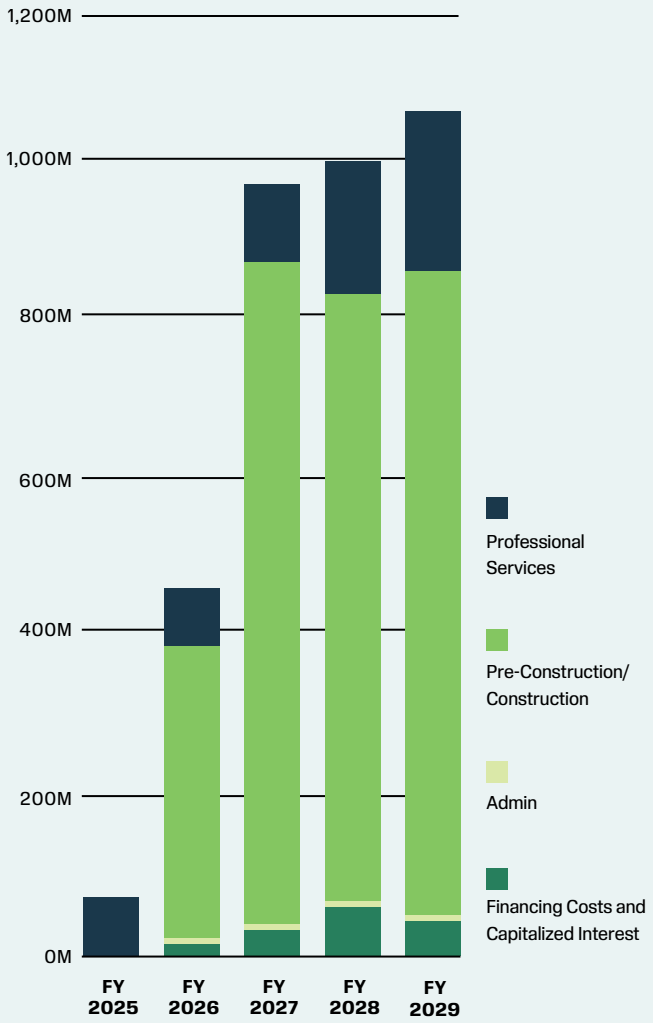
Project Development

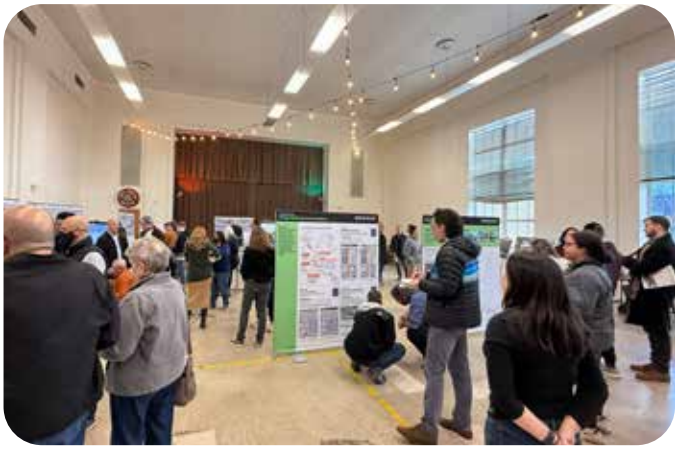
- Complete 30% engineering and design
- Complete federal environmental review process under NEPA
- Obtain 30% commitment of non-federal funding

Entry to Engineering

- Advance level of engineering and design complete
- Grant funding request equal to ~50% of project eligible costs
- Obtain commitment of all nonfederal funding
- Advance utilities and pre-construction activities

FINANCIAL FORECAST ESTIMATED SPEND





The funding and financing sources needed to cover the anticipated expenditures in the following years will be derived from:

1. Cash on hand (existing fund balance, future Prop A Contract Revenue and interest income)
2. Federal contributions disbursed in accordance with an expected full funding grant agreement
3. Debt proceeds raised through both short and long-term obligations, that are issued on an as-needed basis in consideration of the project's affordability envelope

Projected annual expenditures required to implement Austin Light Rail represent a combination of eight major elements that will constitute ATP's capital investment from Project Development and Engineering and into the construction phase. The investment in each of the elements described below are anchored by detailed, preliminary engineering estimates and independent cost appraisals developed along with the Light Rail Implementation Plan and continually honed as we work through the Project Development and Engineering phase in anticipation of construction.

Capital Investment Elements

SUPPORT FACILITIES

An Operations and Maintenance Facility will store and service Light Rail Vehicles and equipment, and house administrative functions such as light rail operational control and oversight.

SITEWORK AND SPECIAL CONDITIONS

An advanced utilities contract will be implemented to enable early coordination with utilities and expedite utility work required before major construction begins, thus mitigating potential delays.

LAND AND EXISTING IMPROVEMENTS

Real property acquisition of necessary land and improvements for the light rail project and any relocation of owners, businesses and tenants.

SYSTEMS

Systems to power light rail include train control and signals, traffic protection, communication with operators and passengers, security, and fare collection systems.



VEHICLES

Americans with Disabilities Act (ADA) - compliant light rail vehicles, propelled by electricity collected from overhead wires, will provide live information for passengers, and can be coupled to expand capacity.

PROFESSIONAL SERVICES

Contracts to support the agency through project management, planning, engineering, legal and real estate services, construction, testing and commissioning, and system start-up activities.

GUIDEWAYS AND TRACKS

The Austin Light Rail branched line stretches 9.8-miles north, south and east of downtown Austin. This includes guideways at grade, aerial structures, and track elements.

STATION, STOPS, AND TERMINALS

Features 15 ADA-accessible light rail stations spaced ½ - 1 mile apart providing access to transit-supportive land use; connections to transit; and destinations such as jobs, education, and healthcare.

Appendix

Financial Policies

The Government Finance Officers Association considers the adoption of financial policies to be a best practice in that they "are central to a strategic, long-term approach to financial management." Well-written policies can institutionalize good financial management practices, help the organization avoid unnecessary risk, support favorable bond ratings to reduce the cost of borrowing, and clearly communicate the policy framework within which staff is working.

Accounting Policies

1. ATP will establish accounting practices that conform to generally accepted accounting principles as set forth by the Governmental Accounting Standards Board (GASB) for governmental entities.
2. ATP's annual financial report will be audited by an independent certified public accounting firm and will be issued no later than six months following the end of the fiscal year. The annual report will include a government-wide Statement of Net Position and a government-wide Statement of Activities, which are accounted for on a full-accrual accounting basis and an economic-resources focus, using accounting methods similar to those used by private-sector companies. ATP's annual report will also include fund financial statements that provide more detailed information about ATP's most significant funds, rather than for the entity as a whole.
3. The audit firm will report the results of the annual audit to ATP's Board within 60 days after the issuance of the annual report. The Chief Financial Officer will ensure the timely resolution of audit recommendations as applicable.
4. The Internal Auditor shall be responsible for conducting performance audits. The Executive Director shall be responsible for establishing a process to ensure timely resolution of audit recommendations.
5. Only assets with a value of at least $10,000 and a life of at least four years shall be capitalized, per Texas State Comptroller standards. Capital assets shall be recorded at cost and depreciated over their useful lives using the straight-line method.
6. All grants and other federal and state funds will be managed to comply with grantor's laws, regulations, and guidance.
7. Grant revenue will be recognized when all eligibility requirements have been met. The grantor will retain a reversionary interest in the capital asset over the estimated useful life of that asset.


y'all aboard
Austin Trans
Partnership

Budget Policies

1. The Board shall adopt an annual budget no later than its September board meeting immediately preceding the start of the fiscal year. The proposed budget will be made available for public review at least 21 days prior to the board meeting.
2. Budget accountability rests primarily with individual departments. Department Executive Vice Presidents (EVP) will review budget variances on a quarterly basis with ATP's Budget Director. Significant budget variances will be further evaluated by the Budget Director and the responsible EVP to determine whether remedial action is required. If remedial action is required, the Budget Director will make recommendations to the Chief Financial Officer to address the variance.
3. Quarterly reports on year-to-date spending compared to budget will be provided to the Board; such reports will be reported no later than 45 days after the close of each quarter, with the 4th Quarter report reported no later than 60 days after the close of the year.

Reserve and Contingency Policies

1. A Revenue Reserve of at least 180 days of administrative expenses shall be budgeted annually and used for unanticipated events that reduce or delay revenue collection. Funds shall be allocated from the Revenue Reserve by the ATP Board through a budget amendment. Funds shall be allocated each year in the budget process to replace any use of the Revenue Reserve during the preceding fiscal year or in response to an increase in administrative expenses to maintain the balance of the Revenue Reserve at the level set above.
2. Reserves and contingencies may be set aside periodically for specific future purposes. These funds are to be used at the discretion of the Chief Financial Officer.

Debt Management Policies

1. ATP shall establish a sinking fund to ensure that cash is available to make timely debt service payments when debt obligations are issued.
2. Refunding of outstanding debt obligation should produce overall positive net present value savings of at least approximately 4.25% of the refunded par.
3. ATP shall issue debt by selling bonds competitively, by negotiated sale, or through private placements. The method of sale shall be determined prior to the issuance of debt and will be dependent on market conditions.
4. ATP shall use competitive procurement methods to select professional firms in the bond issuance process.
5. The term of debt obligations issued by ATP should be equal to or less than the useful life of the item being financed.
6. ATP may not enter into a debt or financing arrangement unless the transaction is in full compliance with all applicable state and federal laws.


U-HAUL
Our Low Decks
Make Your Move
EASIER!

Glossary

Appropriation
The legal device by which a governing body authorizes the spending of government funds for specific purposes. Operating appropriations are approved for a single fiscal year, but capital improvement appropriations are multi-year and remain in place until exhausted.

Balanced Budget
A budget in which revenues are equal to expenditures.

Bond
A debt instrument that requires repayment of a specified principal amount on a certain date (maturity date), together with interest at a stated rate.

Bond Issuance
The process where an entity sells bonds as a means of borrowing capital for projects. The entity then repays this debt to the lender over a period of time similar to the manner in which a homeowner pays a mortgage.

Capital Budget
A plan of proposed projects or investments for fixed assets (primarily infrastructure) and the means of financing them. The annual capital budget is the primary means by which most of the acquisition and construction activities for facilities and major improvements of the entity occur.

Expenditure
A decrease in net financial resources. They include current operating expenses that require the current or future use of net current assets, debt service, and capital outlay.

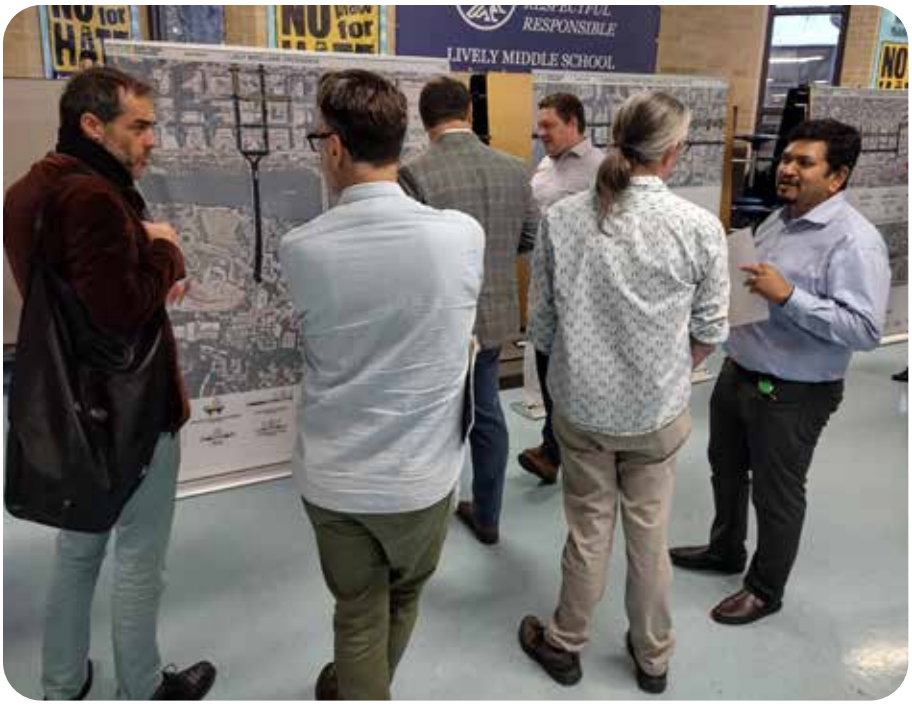
Fiscal Year (FY)
A 12-month period for which an organization plans the use of its funds, which does not necessarily correspond to a calendar year. The fiscal year adopted by Austin Transit Partnership is from October 1 through September 30.

Full-Time Equivalent (FTE)
A position converted to the decimal equivalent of a full-time position based on a 2,080-hours-per-year work schedule.

Fund Balance
A measure of financial position calculated as total revenues minus total expenditures.

Grant
Revenue from another government body or organization, usually in support of a specific program or function.

Interlocal Agreement (ILA)
A contractual agreement between two or more governmental entities to provide a governmental function or service that each party to the contract is authorized to perform individually. Governed by Chapter 791 of the Texas Government Code.



Local Government Corporation (LGC)

A local government corporation may be created under Texas Transportation Code Chapter 431 to aid and act on behalf of one or more local governments to accomplish any governmental purpose of those local governments. A local government corporation has the powers of a transportation corporation authorized for creation by the Texas Transportation Commission, which among other powers, includes the power to issue bonds and notes.

Reserve

An account in which a portion of the fund balance is set aside for a future use and which is, therefore, not available for further appropriation or expenditure.

Revenue

The income generated from contract revenue, grants, and other revenue. Also includes transfers from other governmental entities.

Transfer

The authorized exchange of cash or other resources between funds, departments, accounts, or other entities. Must include a revenue-to-expense transaction.



Austin Transit Partnership

Learn more and get involved at **atptx.org**

Subject: Approval of a resolution adopting the Austin Transit Partnership ("ATP") Fiscal Year 2025-26 Investment Policy.

Fiscal Impact: Does not apply.

Executive Summary: The Public Funds Investment Act (PFIA), Chapter 2256 of the Texas Government Code, requires the Austin Transit Partnership Board of Directors to adopt an investment policy on an annual basis to govern the investment of public funds held by ATP. The PFIA imposes parameters on the investment of such public funds in order to protect the financial interests of the public while providing a return on the invested funds.

The proposed investment policy for this resolution complies with all requirements of the PFIA.

Procurement Summary: Does not apply.

Disadvantaged Business Enterprise Program Summary: Does not apply.

Austin Transit Partnership

RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP
BOARD OF DIRECTORS

ATP-2025-018

WHEREAS, Austin Transit Partnership ("ATP") holds public funds that are subject to investment requirements set forth in the Public Funds Investment Act ("PFIA"), Chapter 2256 of the Texas Government Code; and

WHEREAS, the PFIA requires the ATP Board of Directors to adopt an investment policy on an annual basis that meets the investment parameters set forth in the PFIA, which emphasize, in order of priority, preservation and safety of principal, liquidity, marketability, investment diversification, and yield; and

WHEREAS, the investment policy attached as Exhibit A meets the requirements of the PFIA and is suitable to meet the operational needs of ATP for Fiscal Year 2025-26;

NOW, THEREFORE, BE IT RESOLVED that the ATP Board of Directors approves and adopts the Fiscal Year 2025-26 Investment Policy attached as Exhibit A, to be effective October 1, 2025.

BE IT FURTHER RESOLVED that the ATP Board of Directors directs the Executive Director to implement the ATP Fiscal Year 2025-26 Investment Policy in the investment of all public funds held by ATP.

Attest:

_____ Date: September _____, 2025
Lee Crawford
Secretary of the Board

Austin Transit Partnership

EXHIBIT A

Austin Transit Partnership

Investment Policy

SEPTEMBER 2025

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1. POLICY STATEMENT

It is the policy of the Austin Transit Partnership (the “Corporation”) that all available funds shall be invested in conformance with these legal and administrative guidelines. Public funds will be invested in a manner to allow for the safety of principal and maximizing the highest reasonable market return while ensuring the cash flow needs of the Corporation are met.

Effective cash management is recognized as essential to good fiscal management. The Corporation’s investment portfolio shall be designed and managed to take advantage of investment interest as a viable revenue source for all operating funds. The portfolio shall be designed and managed in a manner responsive to the public trust and consistent with local, state and federal law.

2. PURPOSE

a. Authorization

This Policy is to be authorized by the Board of the Corporation in accordance with Section 2256.005 of Texas Local Government Code, Chapter 2256, also known as the Public Funds Investment Act (the “Act”).

b. Scope

This Policy shall govern the investment of all funds of the Corporation as entrusted to the Treasurer of the Board, as custodian, according to Section 3.6 of the Corporation’s Bylaws. In addition to the Policy, bond funds (including debt service and reserve funds) shall be managed by their authorizing documents and Federal Law, including the Tax Reform Act of 1986 and subsequent legislation.

c. Review and Amendment

This Policy shall be reviewed annually by the Board of the Corporation, and adopted annually after such review, even if there are no changes.

3. INVESTMENT OBJECTIVES

a. General Statement

The Corporation shall manage and invest its investment portfolio with five primary objectives, three of which are required pursuant to Section 2256.06 (a)(1) – (3) of the Act:

1. Preservation of capital and protection of principal;
2. Maintenance of sufficient liquidity to meet operating needs;
3. Security of the Corporation's funds and investments;
4. Diversification of investments to avoid unreasonable or avoidable risks; and
5. Maximization of return of the portfolio

b. Preservation and safety of principal

The safety of principal is the foremost objective of the Corporations investment program for the portfolio. The specific policies that will be implemented to ensure safety of principal are reflected in Section 5(c) "Ensuring Safety of Principal".

c. Maintenance of Sufficient Liquidity

The Corporation's investment portfolio must be structured in a manner which will provide liquidity as needed to pay obligations as they become due. As projects entrusted to and undertaken by the Corporation progress, ensuring adequate liquidity is maintained will become a vital role in ensuring contractual obligations are met. The specific policies that will be implemented to ensure Maintenance of Sufficient Liquidity are reflected in Section 5(d) "Ensuring Liquidity".

d. Security of Funds

As detailed by Section 6(b) "Internal Controls", the Corporation's focus will be to implement controls to prevent losses of public funds arising from fraud, employee error, misrepresentation of third parties, or imprudent actions by employees or Investment Offices of the Corporation

e. Diversification of Portfolio

The Corporation will ensure that the investment portfolio is diversified by security type and institution as appropriate for prudent risk management. The Policy limits surrounding diversification limits are reflected in Section 5(c)(10) "Portfolio Diversification".

f. Return on Portfolio

In accordance with the Act, it will be the Corporation's objective to optimize the return of the investment portfolio within the parameters outlined per the Safety and Liquidity objectives mentioned above. Investments shall be made in permitted obligations at yields equal to or greater than the bond equivalent yield on United States Treasury obligations of comparable maturity. Section 5(e) "Enhancing and Achieving Yield Objectives" outlines policies related to the investment rate of return.

Bond Proceeds received by the Corporation may have Federal yield or arbitrage restrictions. The primary objectives of the investment of these funds shall be to obtain satisfactory market yields and to minimize the costs associated with investment of such funds. See subsection (h) of this section below.

g. Standard of Care

As defined by the Act, in accordance with Section 2256.006, investments shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and probable income to be derived. The aforementioned description is also known as the "prudent person rule".

In determining whether an Investment Officer has exercised prudence with respect to an investment decision, the determination shall be made taking into consideration:

1. the investment of all funds, or funds under the Corporation's control, over which the Investment Officer had responsibility rather than a consideration as to the prudence of a single investment; and
2. whether the investment decision was consistent with this Policy.

Specific policies describing the Corporation's prudence and ethical stands can be found in Section 6 "Responsibility and Controls".

h. Issuance and Incurrence of Public Securities

The Corporation has the legal authority to issue or incur bonds, notes and other obligations, either sold in the open market, negotiated with private placement purchasers, or negotiated with federal or state agencies (collectively, referred to in this Policy as "public securities") pursuant to documents authorized by the Board of the Corporation. Those documents may address the investment of funds (1) during the construction of a project, (2) used for the payment of debt service on the public securities, (3) placed in reserve as security for the payment of debt service on the public securities, (4) for the purpose of retiring the public securities, including defeasance of outstanding public securities, and (5) for other uses relating to the projects financed or refinanced. Notwithstanding anything in this Policy to the contrary, if a conflict arises between this Policy and the investment of funds in accordance with the documents authorizing the issuance of public securities, the provisions of the documents authorizing the issuance of public securities shall control.

4. INVESTMENT STRATEGY

The Corporation will maintain at times through the life of the organization, separate portfolios which will have a specific investment strategy consideration designed to address the unique characteristic of the respective investment portfolio.

a. Operating Funds

The primary objective of the Corporation's investment strategy for Operating Funds is to assure 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 structure 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 (3) years.

b. Operating Reserve Funds

The primary objective of the Corporation's investment strategy for Operating Reserve Funds shall be to ensure safety of principal, allowing for payment of unexpected future costs or obligations, while earning a competitive market rate. Investment of such funds shall be restricted to securities permitted within this policy and limited to maturities not to exceed five (5) years.

c. Debt Service Funds

The primary objective of the Corporation'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.

d. Debt Service Reserve Funds

The primary objective of the Corporation's investment strategy for Debt Service Reserve Funds shall be to generate a reliable and steady revenue stream for the respective debt service fund by utilizing securities with a low degree of volatility, consistent with the provisions of the documents authorizing the issuance of public securities. For example, the documents authorizing the issuance of public securities may provide 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, not to exceed five (5) years.

5. INVESTMENT POLICY

a. Eligible Investments

As a local government corporation acting on behalf of the City of Austin and Capital Metropolitan Transportation Authority, the Corporation is subject to the Act and is subject to certain restrictions associated with the investment of funds. The investments described below are authorized pursuant to the Act. Subject to market conditions, the purchase of certain securities may be prohibited or limited at times. Funds governed under this Policy may be invested in:

1. Obligations of the United States or its agencies and instrumentalities.
2. Direct obligations of the State of Texas.
3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States or its agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation or by the explicit full faith and credit of the United States.
4. Obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than AA or its equivalent.
5. Bankers' acceptance, so long as each such acceptance has a stated maturity of 270 days or less from the date of its issuance, will be liquidated in full at maturity, is eligible collateral for borrowing from a Federal Reserve Bank and is accepted by a domestic bank whose short-term obligations are rated at least A-1, P-1, or the equivalent by a nationally recognized credit rating agency or which is the largest subsidiary of a bank holding company whose short-term obligations are so rated.
6. Commercial paper with a stated maturity of 365 days or less from the date of its issuance that either:
    a. Is rated not less than A-1, P-1, or the equivalent by at least two nationally recognized credit rating agencies; or,
    b. Is rated at least A-1, P-1, or the equivalent by at least one nationally recognized credit rating agency and is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state thereof.

7. Certificates of deposit issued by depository institutions that have a main office or branch office in Texas that are:
    a. guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or,
    b. secured by obligations that are described by 1-4 above, which are intended to include all direct federal agency or instrumentality issues that have a market value of not less than 102% of the principal amount plus accrued interest of the certificates.
8. Share Certificates issued by a depository institution that has a main office or branch office in Texas and that is guaranteed or insured by the National Credit Union Share Insurance Fund or its successor.
9. Securities and Exchange Commission (SEC)-registered and regulated, no-load money market mutual funds that comply with the SEC Rule 2a7, and provides the Corporation with a Prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940. Excluding bond proceeds, no more than 80% of the Corporation's monthly average fund balance may be invested in money market mutual funds. And excluding bond proceeds, the Corporation may not invest funds under its control in an amount that exceeds 10% of the total assets of any individual money market mutual fund.
10. Local government investment pools (LGIP) organized in accordance with the Interlocal Cooperation Act (Chapter 791, Texas Government Act) and that meet the requirements of Section 2256.016 of the Act, to include:
    a. assets that consist exclusively of the obligations that are described by Section 5(a) 1-8 above and/or money market mutual funds permitted in 9 above that are also consistent with the Investment Polices and Objectives adopted by the LGIP.
    b. continuously rated no lower than AAA , AAA-m or at an equivalent rating by at least one nationally recognized rating service.
    c. provide the Corporation with all required reporting, financial, and disclosure information pursuant to the Act.

11. A securities lending program that meets the following conditions:
    a. A securities lending agreement shall be executed in writing.
    b. The securities lending agreement and all loans shall be executed only with:
        i. a primary securities dealer, as defined by the Federal Reserve; or
        ii. a financial institution doing business in the state of Texas that has a senior debt rating of at least A or its equivalent by two nationally recognized rating services.
    c. The securities lending agreement shall have a term of one year or less.
    d. All loans shall be terminable at any time.
    e. The securities lending agreement shall require that all collateral be pledged to or owned by the Corporation, held in the Corporation's name, and, as applicable, deposited simultaneously as the security loaned with a third party approved by the Corporation.
    f. Collateralization requirements for all loans shall:
        i. include the term or maturity of all collateral that ends no later than the expiration date of the specific loan transaction;
        ii. be collateralized at not less than 102% of the market value of the securities loaned to included accrued interest and be marked-to-market daily with market value reported daily to the Corporation;
        iii. be collateralized by:
            1. pledged securities issued by the United States government or its agencies or instrumentalities as defined in Section 5(a)(1-4) above;
            2. cash invested in accordance with Section 5(a) (1-4, 6, or 10) listed above.
12. Repurchase Agreements secured by any combination of cash and U.S. Treasury or Federal Agency issues as collateral with a market value which equals or exceeds 102% of the City's investment plus accrued interest and are pledged and held with the Corporation's custodial bank, or an approved third-party safekeeping agent. Repurchase agreements can only be made with Primary Dealers and banks within the State of Texas in accordance with State law. *Maximum term for repurchase agreements is 90 days from delivery unless the repurchase agreement is associated with the investment of bond proceeds*.

b. Prohibited Investments

1. Investments in collateralized mortgage obligations are strictly prohibited. These securities are also disallowed for collateral positions.
2. Repurchase agreements are prohibited until a Master Repurchase Agreement is approved by the Investment Committee.

c. Ensuring Safety of Principal

1. Protection of Principal

a. The Corporation, through the investment officers, designated officials, or Investment Advisor if one is contracted with the Corporation, will strive to control the risk of loss due to the failure of a particular security issuer, or grantor, by investing only in the safest types of securities as defined in this Policy, by doing the following:

i. qualifying the broker, dealer, and financial institution with whom the Corporation plans on transacting business ;
ii. by collateralizing the Corporation's accounts as required by law;
iii. by diversifying the investment portfolio; and
iv. by limiting the term of the maturities.

2. Security Ratings

a. The ratings of securities held in the portfolio will be actively monitored to ensure compliance with the rating requirements outlined in the Act and to help mitigate the risk of loss due to the failure of a security. If a security is rated by more than one nationally recognized credit rating agency (Moody's Investor Services, S&P Global Ratings, and/or Fitch Ratings) then the lowest outstanding rating shall be the rating that is utilized to govern investment decisions. In the event that any Eligible Investment is downgraded below the minimum credit rating requirements established in Texas Government Code 2256, it will be the Corporation's policy to convene an emergency meeting of the Investment Committee to determine whether liquidation of the position is warranted. This meeting notification should take place within 5 business days of notification of the credit downgrade. Consistent with the provisions of Section 2256.021 of the Act, should an investment no longer be eligible to be held by the Corporation, the Corporation shall take such steps as deemed prudent to effect the liquidation of such an investment.

3. Security Execution

a. Securities purchased for the benefit of the Corporation's investment portfolio shall be delivered via a "delivery versus payment" process. Executing securities in this manner will ensure that Corporation funds are not released until the security has been received by the Corporation.

4. Portfolio Pricing

a. Securities held in the Corporation's investment portfolio shall be priced to market values by month-end through a third-party pricing source. If an Investment Advisor is contracted by the Corporation, securities will be marked to market and distributed at minimum on a monthly basis to the Corporation.

5. **Approved Brokers/Dealers**
    a. Investments will only be executed with firms and institutions who have:
        i. Acknowledged receipt, review, and understanding of the Corporation's Investment Policy; and,
        ii. Met the qualifications and standards established by the Corporation's Investment Committee and set forth in the Investment Procedures Manual.
    b. In addition to limiting investment purchases to firms that meet the two requirements above, the Investment Committee shall approve and review a list of broker/dealers with whom the Corporation can conduct business. If an Investment Advisor is contracted with the Corporation, then the Investment Advisor will bring before the Investment Committee a list of firms which it can purchase securities from on the Corporation's behalf to have reviewed and approved. The list of approved broker/dealers shall be reviewed and adopted at least annually by the Investment Committee in accordance with Section 2256.025 of the Act.

6. **Repurchase Agreement Required Document**
    Before entering into a repurchase agreement, the Corporation and the agreement counterparty will review and sign a standard industry Master Repurchase Agreement outlining the terms and conditions of the agreement and responsibilities of interested parties.
7. **Collateralization**
    a. Pursuant to Texas Local Government Code Chapter 2257, known as the Public Funds Collateral Act, the Corporation will require all banks, savings banks and credit union deposits to be federally insured or collateralized with eligible securities. The Corporation will require any institution serving as a Depository and/or safekeeping agent, to enter into an agreement with the Corporation documenting the rights to the collateral in the event of default, bankruptcy, or closure. The following can be accepted by the Corporation as depository collateral:
        i. any investment listed as an "Eligible Investment" under Section 5(a) of this Policy;
        ii. a surety bond to which the Corporation is the named insured and is of credit quality as determined by the Corporation's Investment Committee;
        iii. and letters of credit issued to the Corporation by the Federal Home Loan Bank, if approved by the Corporation in advance.
    b. Collateral will be valued at current market values plus interest accrued through the date of valuation. This will be monitored at least weekly by the Treasury Office of the Corporation. Monthly reports with market values of the pledged securities will be required from all financial institutions which serve as the Corporation's Depository. If the collateral pledged by a financial institution serving as the Corporation's Depository falls below the value of deposits on hand less FDIC or National Credit Union Share insurance, the institution will be notified by the Treasury Office and will be required to pledge additional securities no later than the end of the next succeeding business day. Business day shall have the meaning of any day other than a Saturday, a Sunday, federal legal holiday in the United States or any day on which banking institutions are closed.

c. For Certificates of Deposit/Share Certificates, the market value of collateral pledged must at all times be no less than the par value of the certificate of deposit plus accrued interest, less the amount insured by the FDIC or the National Credit Union Share Insurance Fund or their successors. This will be monitored at least weekly by the Treasury Office of the Corporation. Monthly reports with market values of the pledged securities will be required from all financial institutions which the Corporation has Certificates of Deposits/Share Certificates. If the collateral pledged for a certificate of deposit or share certificate falls below the par value of the deposit, plus accrued interest less FDIC or National Credit Union Share insurance, the institution will be notified by the Treasury Office and will be required to pledge additional securities no later than the end of the next succeeding business day

d. Repurchase agreements must also be collateralized in accordance with State Law. Parameters surrounding allowable collateral, and collateral levels, will be determined once the Master Repurchase Agreement is reviewed and approved by the Investment Committee. As discussed in Section 5(c)(6), only once the Master Purchase Agreement is approved, the Corporation will be allowed to enter into these types of transactions.

8. Collateral Substitution

a. Collateral pledged for investments, certificates of deposits, share certificates and funds held by the Corporation's Depositary may require substitution. Any request for substitution, on behalf of a broker or financial institution, must contact the Corporation's Treasury Office for approval and settlement. The security being proposed shall have a value equal to or greater than required value as detailed is Section 5(c)(7). The Corporation's Treasurer, or their designee will give notification, within a reasonable time frame, to the financial institution or safekeeping agent holding the collateral of the decision. Collateral substitution should be limited to minimize potential administrative problems, administrative burden, and transfer expense. The Corporation's Treasurer will retain the right to limit substitution of collateral.

9. Collateral Reductions

a. Any financial institution serving in a capacity to the Corporation which would warrant pledging collateral may request approval from the Corporation's Treasurer to reduce the amount of collateral held in the Corporation's name should the collateral's market value exceed the required amount. A reduction in Collateral will only be permitted if the Corporation's records indicate that the collateral's market value exceeds the required amount.

10. Portfolio Diversification

a. By diversifying the investment types within the Corporation's investment portfolio, the risk of principal loss will be limited. Diversifying the investment portfolio will also limit any undue financial burden on the Corporation, by limiting its reliance on any single issuer or broker. The following limitations will be applicable to the Corporation's investment portfolio at the time an individual security is purchased. The limitations will not apply to bond proceeds:

Investment Type:	% of Portfolio
Certificates of Deposits	50%
Share Certificates	5%
U.S. Treasury Notes/Bonds/Bills	100%
U.S. Agencies/Government Sponsored Enterprises	75%
Repurchase Agreements	50%
Money Market Mutual funds	
Local Government Investment Pools	100%
Commercial Paper	15%
Municipal/State Obligations	10%
Banker Acceptances	15%

b. Additional limitations will apply to Commercial Paper. The Corporation will limit the exposure to any single issuer to no more than 5% of the value of the Corporation's overall portfolio at the time the security is purchased. The limits above may be exceeded for a maximum of five business days following the receipt of bond and grant proceeds. Lastly, these limitations are also applicable to Investment Advisors who may be contracted to manage the Corporation's investment portfolio.
c. Bond Proceeds
    i. Proceeds of a single bond issue may be invested in a single security or investment if the Investment Committee determines that such an investment is (A) necessary to comply with Federal arbitrage restrictions or to facilitate arbitrage record keeping and calculation and (B) consistent with the proceedings authorizing the issuance of the bond issue.

11. Maturity Guidelines

a. While it is the intent of the Corporation to hold investments to their stated maturity, the Corporation will seek to minimize the risk of loss due to interest rate fluctuations by ensuring that investment maturities will not exceed anticipated cash flow requirements of the Corporation. Below are Maturity guidelines for the Operating Fund, Debt Service Fund, Debt Service Reserve Fund and Bond Proceeds:
    i. Operating Fund
        1. The dollar weighted average days to final stated maturity (WAM) shall be 365 days or less. The Investment Committee will monitor and make changes if needed.
    ii. Debt Service Fund, Debt Service Reserve Fund and Bond Proceeds
        1. The following shall be considered when selecting maturities for Debt Service Funds, Debt Service Reserve Funds and Bond Proceeds:
            a. the anticipated cash flow requirements of the funds,
            b. the "temporary period" as defined by Federal tax law during which time bonds proceeds may be invested at an unrestricted yield. After the expiration of the temporary period, bond proceeds subject to yield restriction shall be invested considering the anticipated cash flow requirements of the funds, and
            c. the provisions of the authorizing documents authorizing the issuance of such bonds.

12. Safekeeping

a. The Corporation shall enter into a contract with a bank, banks, or a third-party custodian for the safekeeping of securities either owned by the Corporation as part of its investment portfolio or held as collateral to secure certificates of deposits. Once a Master Repurchase Agreement is approved by the Investment Committee, collateral held for repurchase agreements will also be subject to the safekeeping requirements outlined in this section.
b. Securities pledged as collateral for deposits at a bank, savings bank, and credit union must be held by an independent third-party banking institution approved by the Corporation, or collateral may be held at the Federal Reserve Bank.
c. Securities pledged as collateral for repurchase agreements with dealers must be delivered to an independent third-party custodian which the Corporation has entered into a third-party safekeeping agreement with.

d. Ensuring Liquidity

1. To ensure anticipated cashflow needs and unanticipated cashflow needs are met, the investment officers, designated officials, and Investment Advisor if one is contracted by the Corporation, shall invest in securities with active secondary markets, invest in eligible money market mutual funds, and local government investment pools. Securities may be liquidated to meet unanticipated cash requirements or to adjust the portfolio as needed.

e. Enhancing and Achieving Yield Objectives

1. Fund managed as part of the Corporation's Operating Portfolio either by investment officers, designated officials, or an Investment Advisor if one is contracted by the Corporation, shall be actively managed to enhance overall interest income. This shall be conducted within the context of the "prudent person rule" as defined in Section 3(g).
2. Competitive Bidding
    a. It is the Corporation's policy to require competitive bidding (no less than 3 bids) in all transactions involving individual securities. Bids can be solicited via any method provided by law. In situations where obtaining multiple bids is impractical or unreasonable due to market conditions, comparable security prices may be documented or an explanation of the circumstances surrounding the decision must be included with the trade documentation. All bids must be documented and kept for auditing purposes. Transactions executed under the following conditions are exempt from competitive bid requirements:
        i. transactions entered into with a money market mutual fund or local government investment pool which are considered to be made at prevailing market rates; and
        ii. government securities purchased at issue through a primary dealer at auction price

6. RESPONSIBILITIES AND CONTROLS

a. Authority to Invest

1. The authority to invest Corporation funds and the execution of any documentation necessary to evidence the investment of Corporation funds is granted to the Treasurer of the Board as documented in Section 3.6 of the Corporation's Bylaws. The Treasurer of the Board will designate in writing those Treasury Office personnel and Finance Officers ("Investment Officers") authorized to invest on behalf of the Corporation. The foregoing notwithstanding, proceeds of public securities shall be invested in a manner consistent with the proceedings authorizing the issuance of the public securities.
2. The Corporation may contract with an investment advisor, whom shall adhere to this Policy and invest funds with the same Standard of Care as outlined in Section 3(g). The investment advisor must be registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940 as well as with the Texas State Securities Board. The investment advisors' responsibilities may consists of, but not be limited to:
    a. management of Corporation's funds
    b. review of the investment policy
    c. development of investment strategy within the constraints outlined in the investment policy
    d. trade execution
    e. security analysis, clearance, and documentation
    f. broker dealer compliance
    g. investment reporting

b. Internal Controls

1. The Treasurer of the Board, in conjunction with the ~~Treasurer~~ Senior Vice President, Budget & Treasury and the ~~Director of Accounting~~ Senior Vice President, Accounting & Grants of the Corporation, shall establish a system of internal controls and document these controls in the Investment Procedures Manual.

c. Investment Management Indemnification

1. The Investment Officers, as designated by this Policy, shall act and perform their duties in accordance with the Investment Procedures Manual and adopted Investment Policy. Investment Officers acting in good faith and in accordance with the policy and procedures manual shall be relieved of personal liability.

d. Ethics and Conflicts of Interest

1. The Investment Officers, as designated by this Policy, shall adhere to the Corporation's Ethics, Conflicts and Nondisclosure Policy as approved by the Corporation's Board. Investment Officers involved in administering the investment program shall not have a personal business relationship with a business organization offering to engage in an investment with the Corporation.
2. As defined within the Act, Section 2256.005 (i), an Investment Officer has a personal business relationship with a business organization if:
    a. the Investment Officer owns 10 percent or more of the voting stock or shares of the business organization or owns $5,000 or more of the fair market value of the business organization;
    b. funds received by the investment officer from the business organization exceed 10 percent of the Investment Officer's gross income for the previous year; or
    c. the Investment Officer has acquired from the business organization during the previous year investments with a book value of $2,500 or more for the personal account of the Investment Officer.
3. An Investment Officer who is related within the second degree by affinity or consanguinity to an individual seeking to sell an investment to the Corporation shall file a statement disclosing the relationship. A statement required under this subsection must be filed with the Texas Ethics Commission and Corporation pursuant to the Act.

e. Investment Training

1. As required per section 2256.008 of the Act the Chief Financial Officer, the Treasurer and those personnel authorized to execute investment transactions, shall attend at least one investment training session, containing at least 10 hours of instruction within 12 months after taking office or assuming duties. State law requires that training relating to investment responsibilities must be provided by an independent source as approved by the Investment Committee. For these purposes, courses or seminars offered by Hilltop Securities, Government Finance Officers Association, Government Finance Officers Association of Texas, Government Treasurers Organization of Texas, PFM Asset Management, Public Trust Advisors, Texas Municipal League, Texpool, or University of North Texas will satisfy the training requirements. Independent sources not listed may be approved by the Investment Committee at regularly scheduled Quarterly Investment Committee meetings. Personnel authorized to execute investment transactions must receive at least 8 hours of investment training within a two-year period that begins on the first day of the fiscal year and consists of the two consecutive fiscal years after that date. Recognizing that the training and education of the Investment Officers contributes to efficient and effective investment management, the Corporation will encourage its Investment Officers to obtain appropriate professional certifications and provide training toward such certifications from available funds.

f. Investment Committee

1. An Investment Committee shall be formed to determined investment guidelines, general strategies, and monitor performance. The Committee shall be comprised of the Chief Financial Officer (as chair), the Corporation's Treasurer (as Vice Chair), the Corporation's ~~Director of Budget~~Senior Vice President, Budget & Treasury, the Corporation's ~~Director of Accounting~~Senior Vice President, Accounting & Grants, a representative from the Law Department, and a representative from Corporation's Financial Advisor. The Investment Committee

shall meet at minimum semi-annually to review performance, strategy and procedures.

g. Reporting

1. As required per Section 2256.023 of the Act, the Treasurer of the Corporation will provide detailed reports to the Chief Financial Officer, the Investment Committee and the Corporation's Board on a quarterly basis. The report must include the following:

- **a.** describe in detail the investment position of the Corporation on the date of the report;
- **b.** be prepared by the Investment Officers and designated officials;
- **c.** be signed by the Investment Officers and designated officials;
- **d.** contain a summary statement for each pooled fund group that states the
  - **i.** beginning market value for the reporting period;
  - **ii.** ending market value for the period; and
  - **iii.** fully accrued interest for the reporting period;
- **e.** state the book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested;
- **f.** state the maturity date of each separately invested asset that has a maturity date;
- **g.** state the account or fund or pooled fund group in the state agency or local government which each individual investment was acquired; and
- **h.** state the compliance of the investment portfolio as it relates to;
  - **i.** the investment strategy expressed in the Corporation's investment policy; and
  - **ii.** relevant provisions of the Act.

2. An independent auditor will perform a formal annual review of the quarterly reports with the results reported to the Corporation's Board.

h. Certification

1. Any bank, dealer, or broker wishing to transact investment business with the Corporation will be provided a copy of this investment policy. Firms must acknowledge receipt and review the Corporation's Investment Policy before business is transacted. Before transacting with a Local Government Investment Pool, a certification must be signed by a qualified representative assigned to the Corporation's account.

i. Compliance Audit.

1. In conjunction with its annual financial audit, the Corporation shall perform a compliance audit of management controls on investments and adherence to this Policy. The results of the compliance audit shall be reported to the Investment Committee and the Corporation's Board.

Subject: Approval of a resolution authorizing negotiation and execution of an interlocal agreement with the City of Austin ("the City") to define the respective duties and responsibilities of the parties concerning acquisition of real property in support of Austin Light Rail.

Fiscal Impact: Funding anticipated in Fiscal Year 2025-26 for this interlocal agreement is included in the proposed Fiscal Year 2025-26 budget.

Executive Summary: The Austin Transit Partnership ("ATP") is responsible for the planning, design, contracting, acquisition, construction, and financing of the Austin Light Rail Implementation Plan (the "Project") as approved in Resolution ATP-2023-012. Acquisition of real property for right-of-way and other ancillary uses is a necessary and critical component of implementing the Project.

Under this interlocal agreement, the process for acquiring real property will be managed by ATP in consultation with the City through the creation of a Joint Acquisition Team. ATP will attempt to acquire ownership or such other interests in property as is necessary for the Project by agreement with property owners. The City may use its authority under in state law to acquire property necessary for the Project that cannot be acquired by ATP through an agreed purchase and sale. ATP will pay all costs associated with the acquisition of real property or other interests as needed for the Project. Under this interlocal agreement, the City and ATP will develop a written administrative process addressing specific responsibilities for the acquisition process. This request aligns with the Project Connect Joint Powers Agreement, which contemplates future, supplemental agreements between the parties to deliver elements of the Project Connect program.

Procurement Summary: Does not apply.

Disadvantaged Business Enterprise Program Summary: Does not apply.

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Austin Transit Partnership

RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP
BOARD OF DIRECTORS

ATP-2025-014

WHEREAS, The Austin Transit Partnership ("ATP") is responsible for the planning, design, contracting, acquisition, construction, and financing of the Austin Light Rail Implementation Plan (the "Project") as approved in Board Resolution ATP-2023-012; and

WHEREAS, part of ATP's responsibilities for the Project includes the acquisition of real property and related ancillary interests necessary for the construction and operation of the Project; and

WHEREAS, in the real property acquisition process ATP intends to comply fully with all applicable requirements of the Federal Transit Administration New Starts Capital Investment Grants program; and

WHEREAS, ATP and the City of Austin (the "City") have determined it necessary and desirable to cooperate in the process of acquiring real property and related ancillary interests necessary for the Project under the terms of an interlocal agreement defining the roles and responsibilities of the parties, with ATP managing the acquisition process in consultation with the City through a Joint Acquisition Team;

NOW, THEREFORE, BE IT RESOLVED that the ATP Board of Directors hereby authorizes the Executive Director, or designee, to negotiate and execute an interlocal agreement with the City of Austin to define the respective duties and responsibilities of the parties concerning acquisition of real property in support of Austin Light Rail in accord with this Resolution.

Attest:

_____ Date: September _____, 2025
Lee Crawford
Secretary of the Board

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Subject: Approval of a resolution authorizing negotiation and execution of an interlocal agreement with Capital Metropolitan Transit Authority ("CapMetro") for capital funding for CapMetro components for a term ending September 30, 2031, for a total amount not to exceed $148,600,000.

Fiscal Impact: Funding anticipated in Fiscal Year 2025-26 for this interlocal agreement is included in the proposed Fiscal Year 2025-26 budget.

Executive Summary: The Joint Powers Agreement made by and among Austin Transit Partnership ("ATP"), CapMetro, and the City of Austin provides in part that CapMetro is responsible for implementation of certain components of the Project Connect System Plan, and that the capital costs of such components are reimbursable by ATP. Among these components, which are defined in the Joint Powers Agreement as the "CapMetro Components," are (1) the CapMetro Rapid 800 Pleasant Valley and 837 Expo Line park and rides facilities located at the Travis County Expo Center and Goodnight Ranch, and (2) the South Base Demand Response facility located at 5315 E. Ben White Blvd.

ATP and CapMetro have negotiated a draft interlocal cooperation agreement to establish the terms and conditions under which ATP will provide reimbursement for capital expenses incurred by CapMetro through Fiscal Year 2030-31 for these two CapMetro Component projects. The agreement provides that CapMetro will complete the two CapMetro Component projects and that ATP will reimburse CapMetro for capital costs associated with the two projects in a total amount not to exceed $148,600,000 through Fiscal Year 2030-31. The agreement includes a schedule establishing the timing of ATP's reimbursement payments; establishes periodic reporting and audit rights to monitor the progress of the two CapMetro Component projects; and provides other terms and conditions to protect the interests of the parties.

This interlocal agreement aligns with the Joint Powers Agreement, which contemplates future, supplemental agreements between the parties to deliver elements of the Project Connect program. Approval of this agreement is expected to be considered by the CapMetro Board of Directors at its September 22, 2025, meeting.

Procurement Summary: Does not apply.

Disadvantaged Business Enterprise Program Summary: Does not apply.

Austin Transit Partnership

RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP
BOARD OF DIRECTORS

ATP-2025-015

WHEREAS, the Joint Powers Agreement entered into by and among Austin Transit Partnership ("ATP"), the Capital Metropolitan Transit Authority ("CapMetro"), and the City of Austin provides in part that CapMetro is responsible for implementation of certain components of the Project Connect System Plan, and that the capital costs of such components are reimbursable by ATP; and

WHEREAS, two of these components, which are defined in the Joint Powers Agreement as "CapMetro Components," are (1) the CapMetro Rapid 800 Pleasant Valley and 837 Expo Line park and rides facilities located at the Travis County Expo Center and Goodnight Ranch, and (2) the South Base Demand Response facility located at 5315 E. Ben White Blvd., referred to jointly in this Resolution as the "CapMetro Projects;" and

WHEREAS, Section 3(a) of the Supplemental Agreement to the Joint Powers Agreement approved in Resolution No. ATP-2023-013 provides that ATP and CapMetro each commit to "work together to ensure long-term planning for funding commitments or obligations of Capital Metro that are payable or reimbursable from ATP funds;" and

WHEREAS, ATP and CapMetro have negotiated an interlocal cooperation agreement in the form attached as Exhibit A to establish terms and conditions under which CapMetro will complete the CapMetro Projects, and ATP will reimburse CapMetro for capital expenses incurred in completing the CapMetro Projects, all under the terms and conditions stated in the agreement;

NOW, THEREFORE, BE IT RESOLVED that the ATP Board of Directors authorizes and directs the Executive Director, or designee, to execute the interlocal agreement attached as Exhibit A on behalf of ATP.

Austin Transit Partnership

Attest:

_____ Date: September _____, 2025
Lee Crawford

Austin Transit Partnership

EXHIBIT A

INTERLOCAL COOPERATION AGREEMENT
BETWEEN AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION
AND CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY
TO
FUND CERTAIN CAPMETRO COMPONENTS OF PROJECT CONNECT
THROUGH FISCAL YEAR 2031

This interlocal cooperation agreement (this "**Agreement**") is dated and entered into as of October 1, 2025 (the "**Effective Date**"), pursuant to Chapter 791 of the Texas Government Code, between **AUSTIN TRANSIT PARTNERSHIP LOCAL GOVERNMENT CORPORATION** ("**ATP**"), a public nonprofit local government corporation formed pursuant to Chapter 431 of the Texas Transportation Code, and **CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY** ("**CapMetro**"), a transportation authority and political subdivision of the State of Texas organized and existing under Chapter 451 of the Texas Transportation Code. ATP and CapMetro are referred to herein individually as a "**Party**" and collectively as the "**Parties**".

Background:

The Joint Powers Agreement made by CapMetro, the City of Austin (the "City"), and ATP effective as of December 17, 2021, and supplemented and amended in 2023 and 2024 respectively (the "**Joint Powers Agreement**"), establishes certain roles and responsibilities for implementation of the Project Connect System Plan previously approved by CapMetro and the City and amended by the Austin Light Rail Implementation Plan. The Joint Powers Agreement provides in part that CapMetro shall be responsible for the financing, design, engineering, construction, and implementation of certain components of the Project Connect System Plan, which are defined in the Joint Powers Agreement and referred to in this Agreement as the "**CapMetro Components**." The Joint Powers Agreement further provides that the Parties shall work together to ensure long-term planning for funding commitments or obligations of CapMetro that are payable or reimbursable from ATP funds.

The Parties intend through this Agreement to establish terms and conditions under which ATP will appropriate funds and provide reimbursement for capital expenses incurred by CapMetro through FY 2031 for the two CapMetro Components projects described in **Exhibit A**: (i) the CapMetro Rapid 800 Pleasant Valley and 837 Expo Line end of line park and rides, including electrification, located at the Travis County Expo Center and Goodnight Ranch; and (ii) the South Base Demand Response facility located at 5315 E. Ben White Blvd (each a "**Project**," and collectively the "**Projects**").

ACCORDINGLY, in consideration of the mutual covenants and agreements set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and confirmed, ATP and CapMetro agree to the following:

Article 1
General Terms; Roles and Responsibilities; Purpose and Scope

Section 1.1 Defined Terms. Capitalized terms used in this Agreement and not otherwise defined have the meaning given in the Joint Powers Agreement.

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Section 1.2 Purpose and Scope of This Agreement.

(a) The purpose and scope of this Agreement is to establish the terms and conditions for the joint capital funding of the Projects through FY 2031, as described in this Agreement.

(b) This Agreement does not address: (i) the Operating Costs of the CapMetro Components, (ii) capital costs for CapMetro Components not addressed in this Agreement, or (iii) the Austin Light Rail component of Project Connect.

Section 1.3 Collaboration and Communication Between the Parties. CapMetro and ATP agree to: (a) share financial and operating information, data, and reports concerning expenditure of public funds for the CapMetro Components, including information relevant to the expenditure of the property tax revenue as authorized by Proposition A; and (b) support each other's annual budget processes, annual comprehensive financial reports, compliance with applicable federal requirements, and ATP's issuance of debt obligations in accordance with federal securities laws. Both Parties agree that their respective staffs shall work to support any such request for this information, data, and reports.

Section 1.4 Cooperation of the Parties. The Parties acknowledge their respective obligations and commitments in this Agreement and agree to cooperate in good faith to accomplish the completion of the Project(s).

Article 2
Capital Funding Commitments of the Parties

Section 2.1 CapMetro's Contributions.

(a) CapMetro will complete the Projects listed in **Exhibit A** in accordance with applicable laws and in a professional and workmanlike manner, and in accordance with the applicable annual budget approved by CapMetro's governing body.

(b) CapMetro will initially fund the design and construction of the Projects, subject to reimbursement by ATP as provided for in this Agreement.

(c) Through its Funding and Commitment Resolution for Project Connect, CapMetro has committed to allocate funds toward the expenses associated with Project Connect (the "**CapMetro Contribution**"). The Parties agree that, throughout the term of this Agreement, CapMetro will retain and apply the CapMetro Contribution to cover the operating expenses related to the CapMetro Components. Additionally, CapMetro may utilize the CapMetro Contribution for any other expenses associated with the CapMetro Components. The CapMetro Contribution is a commitment of CapMetro's current revenues only, contingent upon appropriation by CapMetro's governing body. ATP agrees not to take any action that is inconsistent with CapMetro's ownership of the CapMetro Contribution and will not assert any ownership interest in the CapMetro Contribution. Furthermore, CapMetro will have no obligation or liability to ATP with respect to the CapMetro Contribution.

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Section 2.2 ATP's Funding Contribution. Subject to the terms and conditions set forth in this Agreement, ATP agrees to reimburse CapMetro for capital costs associated with the Projects in a total amount not to exceed **$148,600,000** through FY2031 (the "**ATP Funding Contribution**") in accordance with the appropriation schedule set forth in **Exhibit "B"** (the "**Appropriation Schedule**"). The terms for the payment of the ATP Funding Contribution are set forth in Article 4 hereof. The ATP Funding Obligation is a commitment of current revenues only, subject to appropriation by ATP's governing body.

Section 2.3 Capital Costs and Contributions; Updates. The CapMetro Chief Financial Officer and the ATP Chief Financial Officer have negotiated in good faith the Project Costs and the Appropriation Schedule applicable through September 30, 2031. Upon approval by the governing bodies of the Parties: (i) the Project Costs and/or the Appropriation Schedule may be periodically updated, supplemented or amended; and (ii) the Project Costs for the Term may be updated, supplemented, or amended. The Chief Financial Officers of CapMetro and ATP shall meet in August and February of each year to review estimated budgets for the following year and to review a mid-year check-in before the next budget cycle starts.

Article 3
Covenants and Obligations of CapMetro

Section 3.1 Use of the ATP Funding Contribution. CapMetro shall use the ATP Funding Contribution solely for purposes of paying for property acquisition necessary for the Projects and the capital costs of designing, constructing, and implementing the Projects (any such use defined as an "**Authorized Use**"), and for no other purpose. Specifically, the ATP Funding Contribution shall not be used to pay operating costs relating to the Projects or any other CapMetro Components. CapMetro shall maintain accurate records relating to the expenditure of the ATP Funding Contribution and shall ensure that no part of the ATP Funding Contribution is misappropriated or otherwise converted for any purpose other than an Authorized Use.

Section 3.2 Performance and Payment for Project Work. CapMetro assumes all responsibility for the procurement, design, permitting, construction, inspection, and completion of the Projects (the "**Project Work**") in a good and workmanlike manner in compliance with all applicable federal, state, and local laws, rules and regulations, and in compliance with this Agreement.

(a) CapMetro shall not be responsible for any inability to provide the Projects or any delay in doing so to the extent that such inability or delay is the result or failure of ATP to provide, or any delay in providing, the ATP Funding Contribution necessary for CapMetro to deliver the Projects.

(b) **EXCEPT FOR THE WARRANTIES AND UNDERTAKINGS EXPLICITLY SET FORTH HEREIN, (i) THERE ARE NO WARRANTIES BY CAPMETRO WITH RESPECT TO THE PROJECTS AND (ii) ALL WARRANTIES, STIPULATIONS AND UNDERTAKINGS AND ALL TERMS AND CONDITIONS (INCLUDING ANY IMPLIED BY STATUTE OR OTHERWISE) WITH RESPECT TO THE PROJECTS (WHETHER AS TO MERCHANTIBILITY, QUALITY, DESCRIPTION, SATISFACTORY QUALITY, SUITABILITY, FITNESS FOR A PARTICULAR PURPOSE WHERE MADE KNOWN OR NOT, CARE, SKILL OR OTHERWISE) ARE HEREBY EXCLUDED AND WAIVED.**

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(A) CapMetro shall timely pay all contractor- submitted invoices for the Project Work based on work completed in accordance with the approved plans and specifications in accordance with the Tex. Gov't Code Chapter 2251.

Section 3.4 Audit Rights. The representatives of ATP, shall, upon reasonable written notice and during reasonable business hours, have access and the right to audit, examine, or reproduce, all records of CapMetro related to the performance under this Agreement. CapMetro must retain all such records for a period of three (3) years after final payment under this Agreement or until all audit and litigation matters that ATP has brought to the attention of CapMetro are resolved, whichever is longer. The Parties agree that audit rights hereunder shall survive termination of this Agreement.

Section 3.5 Project Reporting. CapMetro shall maintain appropriate records relating to the expenditure of the ATP Funding Contribution in accordance with applicable Cap Metro Board of Director financial policies. Beginning with the 2025-26 fiscal year, CapMetro shall provide ATP's Chief Financial Officer with a quarterly report on each Project as of the end of that quarter. The quarterly report shall be provided no later than 30 days following the end of the quarter on which it reports. Each quarterly report shall include the following information: (i) a narrative description of the status of the Project; (ii) any change in CapMetro's cost estimate for the Project; (iii) any change in CapMetro's schedule for completing the Project; (iv) the percentage of completion of the Project; (v) a list of any new contracts for goods or services for the Project entered into by CapMetro during the quarter with a contract amount in excess of $500,000.00; and (vi) a discussion of any material risk identified by CapMetro to completing the Project on time and within budget. Provided, however, that any failure by CapMetro to provide the information as required in this Section shall not constitute a default or breach under Section 6.4 of this Agreement, and shall not constitute grounds to suspend contributions to CapMetro under Section 6.4.c.i. of this Agreement, if cured by CapMetro within 30 days after receiving notice from ATP of any such failure.

Section 3.6 CapMetro General Responsibilities. Except as hereinafter provided, CapMetro shall undertake all actions required for the procurement, design, construction, and execution of the Projects, including all required real property acquisitions; utility relocations and adjustments; the design, permitting, construction, equipping, and commissioning of any facilities. CapMetro shall provide a project manager for the Projects who will be responsible for the delivery of the project, including managing all aspects of the Projects and supervising and managing consultants, contractors, and vendors providing services to CapMetro for the completion of the Projects. CapMetro shall comply with applicable federal, state, and City of Austin requirements (as determined by CapMetro) for the Projects. CapMetro shall be fully responsible for, as applicable:

(a) conducting all real property acquisitions necessary for the Projects, whether through donation, negotiation, or condemnation,

(b) ensuring that all environmental permits, issues, and commitments are addressed in its Projects design,

(c) addressing field changes for potential environmental impacts and obtaining any necessary environmental permits, issues, and commitments for such field changes,

(d) selection of consultants, construction managers, engineers, architects, surveyors, testing engineers and laboratories, inspecting engineers, geotechnical engineers and scientists,

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suppliers, contractors, subcontractors, vendors, insurers, and other parties retained in connection with the design or construction of the Projects,

(e) commencement, sequencing and timing of design and construction activities and other work,

(f) design of the Projects and all features thereof,

(g) ensuring that all construction plans are signed, sealed and dated by a professional engineer duly licensed and registered by the Texas Board of Professional Engineers and Land Surveyors to engage in the practice of engineering in the State of Texas,

(h) securing construction oversight and inspection, as well as materials testing, and for safety, safety inspections and any related certifications required by the Federal Transit Administration (FTA),

(i) quality control and quality assurance and the acceptance or rejection of work or other deliverables,

(j) investigations and risk assessments, site safety and security,

(k) negotiation, bidding, letting and management of contracts for the Projects,

(l) resolution of any disputes under such contracts,

(m) testing and commissioning of the Projects prior to commencement of revenue service,

(n) public information requests and communications relating to the Projects,

(o) complying with applicable City of Austin utility requirements,

(p) operational readiness of the Projects, and

(q) preparing and submitting reports to the extent required by the FTA and Projects Management Plan.

Section 3.7 Required Program Compliance. CapMetro hereby represents and warrants to ATP, and further covenants that all contracts entered into by CapMetro for the planning, development, design, construction, and equipping of the Projects comply with, and shall in the future comply with, the following:

(a) **Better Builder Program**. For all contracts for the performance of construction services, contractors shall comply with the Better Builder Program or similar program as required for Project Connect for all construction workers, including City of Austin hiring goals as allowed by federal law and regulations, completion of OSHA ten-hour training, workers' compensation, on-site monitoring independent of construction companies and their affiliates, and in compliance with all state, federal, and local laws.

(b) **Disadvantaged Business Enterprise (DBE) Program**. CapMetro shall include the Disadvantaged Business Enterprise Program (the "**DBE Program**") requirements in all

procurement solicitations for future contracts for the implementation of Project Connect, and shall ensure that contractors comply with the terms and conditions of the DBE Program in accordance with 49 CFR Part 26, as they may be amended from time to time, which are incorporated herein by this reference.

(c) **Living Wage Program**. For all contracts for the implementation of Project Connect, contractors shall comply with the City of Austin Living Wage program in effect as of June 1, 2023 or Davis-Bacon, whichever is higher, for wages and benefits for workers employed on the Project(s).

Article 4
Payment of ATP's Funding Contribution

Section 4.1 General. ATP agrees to pay or reimburse CapMetro for the Projects, subject to and in accordance with the terms and conditions in this Agreement.

Section 4.2 Concurrent Appropriation. Subject to approval by its governing body, ATP will make a budget appropriation during its 2025-26 fiscal year as detailed in **Exhibit B**. For fiscal years after 2025-26, ATP will make an annual budget appropriation in the amount of the appropriation allocated for the applicable fiscal year as set forth in **Exhibit B** to this Agreement.

Section 4.3 Subordination. CapMetro acknowledges and agrees that notwithstanding any present or future appropriation of funds by ATP to fulfill its payment obligations hereunder, all payment obligations of ATP to CapMetro under this Agreement shall constitute unsecured contractual obligations of ATP payable from current funds, and shall be expressly subject and subordinate to any present or future pledge by ATP of its revenues securing any lien for the repayment of its public securities, credit or liquidity agreements or other debt obligations of ATP for the financing of all components or any component of Project Connect. CapMetro agrees to deliver any additional instruments, estoppels or other assurances as may be reasonably required by ATP, any trustee, ATP investors or credit/liquidity providers to evidence timing or subordination constraints, subject to the requirements of this Agreement. In the event of any conflict between this Agreement and any Public Security Authorization, as defined in Section 1201.002(3) of the Texas Government Code, the Public Security Authorization shall prevail.

Section 4.4 Invoicing. Within thirty (30) days after the Effective Date of this Agreement, CapMetro shall submit to ATP an invoice including all reimbursable expenditures for each of the Projects that were incurred by CapMetro prior to the Effective Date. Thereafter, by the 15th of each month, CapMetro shall submit to ATP an invoice including all reimbursable expenditures for each of the Projects and including ACH or wiring instructions (full Routing Number and last four digits of the Account Number). Along with the invoice, CapMetro shall provide ATP supporting documentation that provides the following information for each transaction covered by the invoice:

(i) Payee

(ii) Invoice number or journal ledger number

(iii) Date of payment

(iv) Period covered by payment

(v) Description of service provided

(vi) Amount of payment

(vii) Related Project, if applicable

Section 4.5 Invoice Corrections. In the event of an incorrect invoice for any reason, the adjustment may be applied to the next invoice. CapMetro may, but is not expected nor required to, issue a supplemental invoice for the adjustment amount.

Section 4.6 Processing Payments. ATP will process payments from within thirty (30) days of receipt of a complete and accurate invoice in accordance with Chapter 2251 of the Texas Government Code (the "**Prompt Payment Act**").

Section 4.7 Payment Method. ATP shall make payments using electronic funds transfer.

Article 5
Additional Agreements of the Parties

Section 5.1 Insurance Requirements. Before any part of the services is commenced, CapMetro and its contractors, consultants, and vendors providing services for the Project(s) shall, at their sole cost, cause to be issued and maintained, insurance policies providing for not less than the minimum levels of insurance coverage set forth below:

(a) **Commercial General Liability (CGL)**

Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal & advertising injury with limits no less than $1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit.

Automobile Liability Insurance

Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Contractor has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than $1,000,000 per accident for bodily injury and property damage.

(b) **Workers' Compensation**

Workers' Compensation Insurance providing statutory limits in accordance with the Texas Workers' Compensation Act and/or other State or Federal law as may be applicable to the work being performed under this contract. Employer Liability Insurance with minimum limits of One Million Dollars and No/100 Dollars ($1,000,000).

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(c) **Professional Liability (Errors and Omissions)**Insurance appropriate to the Contractor's profession, with limit no less than $2,000,000 per occurrence or claim, $2,000,000 aggregate.

Section 5.2 Insurance Certificates. CapMetro shall be responsible for maintaining copies of all insurance certificates and surety bonds required from its consultants, contractors and vendors, for the time period required pursuant to standard FTA grant requirements.

Article 6
Term and Termination

Section 6.1 Term. The term of this Agreement is from the Effective Date through the later of September 30, 2031, or until ATP has reimbursed all Project Costs that were incurred under this Agreement through September 30, 2031. The term may be extended upon approval of the governing bodies of the Parties. The Parties commit to working together in good faith to extend this agreement or enter into separate agreements, as necessary, to ensure continued delivery and funding of the CapMetro Components beyond the term of this Agreement.

Section 6.2 Termination for Cause. Either Party may terminate this Agreement in whole or in part for cause if the other Party has committed an Event of Default that has not been cured within the required Cure Period. In the event of termination for cause, ATP shall contribute compensation for undisputed Project invoices rendered and amounts owed.

Section 6.3 Termination by Agreement. If the Parties mutually determine that it is in the best interest of both Parties, the Parties may mutually agree, in a writing signed by both Parties, to terminate this Agreement prior to the expiration of the Term for any cause or no cause whatsoever either immediately or within an agreed timeframe.

Section 6.4 Event of Default. A Party shall not be in breach or default under the terms of this Agreement for any act, omission, or failure to perform hereunder except as expressly provided in this Section.

(a) Prior to declaring an Event of Default, a Party must first deliver written notice to the other Party's Chief Financial Officer and General Counsel, specifying the events and circumstances regarding such alleged breach and specifying any action which the notifying party desires the receiving Party to take to remedy such alleged breach ("**Default Advisory Notice**"). The receiving Party shall work in good faith with the notifying Party to resolve the matter within a reasonable amount of time but in any event no less than sixty (60) days.

(b) If after delivering a Default Advisory Notice, the alleged breach is not resolved to the reasonable satisfaction of the notifying Party within sixty (60) days, then the notifying Party may declare an Event of Default against the receiving Party by delivering written notice thereof to the defaulting Party (a "**Default Notice**"); provided, however, that no Party shall be authorized to deliver a Default Notice unless the governing body of the notifying Party has taken official action declaring the defaulting Party to be in material breach under the terms of this Agreement in an open meeting (an "**Event of Default**") and directing staff to deliver such Default Notice to the defaulting Party. After receiving a

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Default Notice, the defaulting Party shall have an additional sixty (60) days to cure such Event of Default or such additional amount time as may be reasonably necessary to cure such Event of Default, but only so long as such defaulting Party is diligently seeking to cure such Event of Default the ("**Cure Period**").

(c) **Remedies.** After providing a Default Advisory Notice and Default Notice and to the extent the material breach is not resolved during the Cure Period in accordance with this Article 6:

i. CapMetro agrees that ATP may suspend contributions under this Agreement if CapMetro has materially breached, failed to comply with, or violated the terms of this Agreement. ATP's rights under this Section 6.4(c) are without prejudice to its right to terminate and other remedies under this Agreement and at law.

ii. CapMetro reserves its right to pursue ATP for failure to contribute under this Agreement if ATP has materially breached, failed to comply with, or violated the terms of this Agreement in addition to any other remedies under this Agreement and at law. CapMetro's rights under this Section 6.4(c) shall include, to the extent allowed by law, the right to interest on any amounts owed, up to 18% annually (or the maximum amount allowed by law).

Section 6.5 Material Breach. The Parties agree that a breach, failure, or violation by CapMetro with respect to this Agreement which cannot be cured and jeopardizes the delivery of either of the Projects under this Agreement will be deemed a material breach for the purposes of Article 6 of this Agreement. Third-party delays such as with City of Austin zoning, platting and permitting, eminent domain process, and Chapter 26 processes shall not be considered a material breach for purposes of Article 6 of this Agreement. CapMetro shall provide immediate written notice to ATP: (a) if any change in circumstances or event adversely affects CapMetro's ability to carry out its obligations under this Agreement or any related agreement.

Article 7
General Provisions

Section 7.1 Obligations Subject to Appropriation. Any payment obligations of either Party under this Agreement may be subject to appropriation from year to year in accordance with State law. The Parties further acknowledge and agree, notwithstanding anything else in this Agreement to the contrary, that ATP's obligation with respect to the Project(s) reimbursement compensation is subject to, and governed by, Article 11, Section 5 of the Texas Constitution and must be paid only out of ATP's current revenues or any other funds lawfully available therefore (and appropriated for such purpose) in accordance with Article 11, Section 5 of the Texas Constitution. ATP must make the described payments from current revenues available to ATP. Neither Party will be entitled to a refund of amounts previously contributed or owed in the event of a termination of this Agreement for lack of funding.

Section 7.2 Compliance with Prevailing Law.

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(a) Neither Party shall be required to perform any act or refrain from performing any act under this Agreement if that performance or non-performance would constitute a violation of the Constitution or laws of the State of Texas or federal law or regulation.

(b) CapMetro will cause its consultants, contractors and vendors performing Project Work to comply with all federal state and local laws, ordinances, statutes and regulations applicable to the Project and the services performed pursuant to this Agreement and in effect at the time such services are performed.

Section 7.3 No Agency Relationship. Nothing in this Agreement shall authorize the officers, representatives, agents or employees of either Party to bind the other Party or to make any commitments or representations on behalf of the other Party.

Section 7.4 Governmental Purpose Statement. ATP is entering into this Agreement in its capacity as a public, nonprofit local government corporation organized by the City and CapMetro to accomplish governmental purposes of the City and CapMetro pursuant to Chapter 431 of the Texas Transportation Code, as amended and in accordance with ATP's articles of incorporation. CapMetro is entering into this Agreement in its capacity as a transportation authority and political subdivision for the State of Texas organized and existing under Chapter 451 of the Texas Transportation Code, as amended.

Section 7.5 Records Retention. CapMetro shall manage all files pertaining to the Projects regardless of the format in accordance with its Records Retention Schedule and applicable FTA requirements. At a minimum, CapMetro shall maintain records required under the terms of this Agreement in accordance with 49 CFR 18.36(i), which requires project-related documents to be retained for 3 years following project completion.

Section 7.6 Ownership of Work Product. CapMetro contracted with third-party vendors for the Projects and ATP will jointly fund a portion of the Project through the invoicing process outlined in this Agreement. Ownership of the CapMetro Component assets will reside with CapMetro; and CapMetro will operate and maintain the Projects in accordance with this Agreement or any other subsequent agreement between the Parties. Such ownership does not create a gift of public funds because this Agreement is entered into in furtherance of, and for the fulfillment of, the purpose for which ATP was created, namely, to deliver Project Connect.

Section 7.7 Limitation on Liability. To the extent allowed by Texas law, the Parties agree that each Party is responsible for its own proportionate share of any liability for the negligent or grossly negligent acts or omissions of its employees, agents, contractors or subcontractors arising out of, connected with, or as a consequence of its performance under this Agreement. **THE PARTIES ACKNOWLEDGE AND AGREE THAT THE AGGREGATE LIABILITY OF THE PARTIES FOR ANY CLAIMS ARISING UNDER THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNT OF PROJECT COSTS ACTUALLY OWED. FURTHERMORE, NEITHER PARTY SHALL BE LIABLE FOR PUNITIVE, CONSEQUENTIAL, INCIDENTAL, OR SPECIAL DAMAGES IN ANY FORM OR AMOUNT TO THE OTHER PARTY FOR CLAIMS ARISING UNDER THIS AGREEMENT.**

Section 7.8 Effect on Other Agreements. Subject to the provisions of Section 7.14, neither Party shall be justified or otherwise permitted, by virtue of an Event of Default of the other Party hereunder,

to withhold performance, or suspend performance of its obligations or responsibilities under this Agreement or any other agreement between the Parties, including without limitation, the Joint Powers Agreement.

Section 7.9 No Waiver of Sovereign Immunity. Neither Party waives or releases its rights and privileges, if any, it may have in any proceeding before any court or tribunal in any jurisdiction to assert the affirmative defense of sovereign immunity based upon their status as a governmental entity with respect to the adjudication of any claim arising or relating to this Agreement, including but limited to any breach of this Agreement.

Section 7.10 Resolution of Disputes. Upon request of either Party, an informal attempt shall be made to negotiate a resolution of any dispute arising under this Agreement. Such request shall be in writing and shall seek a meeting between representatives of each Party within 14 calendar days after receipt of the request or such later period as agreed by the Parties. Each Party shall provide for the meeting, at a minimum, one senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within 30 calendar days after such meeting, the Parties have not succeeded in negotiating a resolution of the dispute, they shall proceed directly to mediation as described below. Informal negotiation may be waived by a written agreement signed by both Parties, in which event the Parties shall proceed directly to mediation as described below.

a. The mediation shall take place in Austin, Travis County, Texas. The Parties shall select a mediator within 30 calendar days of the written waiver, or within sixty 60 calendar days of the informal negotiation meeting. The Parties agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in this Agreement prevents the Parties from relying on the skills of a person who is trained in the subject matter of the dispute. If the time period for selecting the mediator has expired with no agreement on the mediator, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The Parties agree to participate in mediation in good faith for up to 30 calendar days from the date of the first mediation session. The Parties will share the costs of mediation equally.

b. Nothing in this Section 7.10 shall limit either Party's right to terminate this Agreement for cause; provided, however, this Section 7.10 shall survive termination of this Agreement.

Section 7.11 Waiver of Attorneys' Fees. The Parties do hereby knowingly and intentionally waive their rights to attorney's fees under §271.153, Texas Local Government Code, in any administrative proceeding, alternative dispute resolution proceeding, or litigation arising out of or connected to this Agreement.

Section 7.12 Notices. Any notice, demand, statement, request or consent made hereunder shall be in writing and may be personally served or sent by mail or courier service and shall be deemed to have been given when delivered by mail or by courier service to the addresses set forth below. Notices delivered by email to the Parties' designated representatives shall also be deemed to have been delivered only if receipt is expressly and personally acknowledged in writing by the recipient.

a. **ATP Address**. The address of ATP for all purposes under this Agreement and for all notices:

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Bryan Rivera (or successor)
Chief Financial Officer
203 Colorado Street
Austin, Texas 78701
Email: bryan.rivera@atptx.org

With additional copy to:

Lee Crawford (or successor)
General Counsel
203 Colorado Street
Austin, Texas 78701
Email: lee.crawford@atptx.org

b. **CapMetro Address**. The address of CapMetro for all purposes under this Agreement and for all notices:

Kevin Conlan (or successor)
Interim Executive Vice President, Chief Financial Officer
3100 E. 5th Street
Austin, Texas 78702
Email: Kevin.Conlan@capmetro.org

With additional copy to:

Brad Bowman (or successor)
Chief Counsel
3100 E. 5th Street
Austin, Texas 78702
Email: brad.bowman@capmetro.org

c. **Change of Address**. Each Party may change the address for notice to it by giving written notice of the change. Any change of address by a Party, including a change in the Party's authorized representative, must be reported to the other Parties within twenty (20) days of the change.

Section 7.13 Waiver. Any claim or right arising out of a breach of the Agreement cannot be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is in writing signed by the aggrieved Party. No waiver by either Party of any one or more events of default by the other Party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Agreement, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.

Section 7.14 Excusable Delay/Force Majeure. Neither Party shall be in default because of any failure to perform under the terms of this Agreement if the failure arises from causes beyond the control and without the fault of the Party. Examples of these causes are: (1) acts of God or of the public enemy, (2) acts of the state or federal government in either their sovereign or contractual capacity, (3) fires, (4)

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floods and/or hurricanes, (5) epidemics and/or pandemics, (6) quarantine restrictions, (7) unforeseen strikes or labor shortages, (8) freight embargoes, (9) unusually severe weather, (10) court orders (*i.e.*, those causes generally recognized under Texas law as constituting unforeseeable and impossible conditions), (11) supply chain disruptions, (12) extended and unusual delays caused by third parties, such as the City of Austin regarding permit approvals or right-of-way agreements, and (13) shortages of materials or equipment ("**Excusable Delay/Force Majeure Event**"). Each Party will endeavor to notify the other Party of an Excusable Delay/Force Majeure Event within 10 calendar days of the occurrence of the event. The Parties shall continue to make Semi-annual contributions if there is an Excusable Delay/ Force Majeure Event and CapMetro is able to continue performing.

Section 7.15 Governing Law and Venue. This Agreement is governed by the laws of the State of Texas and all obligations under this agreement are performable in Travis County, Texas. Venue for any cause of action arising under the terms of this Agreement shall be exclusively in the federal and district courts of Travis County, Texas.

Section 7.16 Binding Effect, Successors and Assigns. This Agreement shall be binding upon and shall inure to the exclusive benefit of, Parties and their respective successors and assigns, if applicable. There are no third-party beneficiaries to this Agreement. Neither party may assign any part or all of its rights, interests or obligations under this Agreement without the prior written consent of the other Party, and any assignment made by either Party without the prior written consent of the other Party or against applicable law shall be null, void and of no force or effect.

Section 7.17 Severability. If any agreement, condition, covenant or term hereof or any application hereof should be held by a court of competent jurisdiction to be invalid, void or unenforceable, in whole or in part, all agreements, conditions, covenants and terms hereof and all applications thereof not held invalid, void or unenforceable shall continue in full force and effect and shall in no way be affected, impaired or invalidated thereby.

Section 7.18 Survival. The rights and obligations of the Parties under this Agreement will survive the termination of this Agreement to the extent necessary to ensure ATP's reimbursement of accrued Project Costs in accordance with Section 2.3 above.

Section 7.19 Entire Agreement; Amendment; Controlling Language. This Agreement represents the final, entire agreement among the Parties and supersedes any and all prior commitments, agreements, representations and understandings, whether written or oral, relating to the subject matter hereof and thereof and may not be contradicted or varied by evidence of prior, contemporaneous or subsequent oral agreements or discussions of the Parties hereto. There are no unwritten oral agreements among the parties hereto. The provisions hereof may be amended or waived only by an instrument in writing signed by the Parties. To the extent that any provisions of this Agreement contradict or are not in alignment with the Joint Powers Agreement or the Contract with Voters, the language of the Joint Powers Agreement and ultimately the Contract with Voters controls.

Section 7.20 Counterparts; e-Signatures. This Agreement may be signed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf of, each party, or that the signature and acknowledgment of all persons required to bind any Party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Agreement to produce or account for more than a single counterpart containing the respective signatures and acknowledgment of, or on behalf of, each of

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the Parties hereto. Any signature and acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures and acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature and acknowledgment pages. The Parties agree that digital or facsimile signatures shall be given the same legal effect as original signatures, and the Parties hereby agree to accept delivery of digital signatures by e-mail in "pdf" form, or via DocuSign, Adobe Sign, or any similar means of digital delivery.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their authorized executives and effective as of the date first set forth above.

CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY

By: _____
Dottie Watkins
President and Chief Executive Officer

Date: _____, 2025

AUSTIN TRANSIT PARTNERSHIP

By: _____
Greg Canally
Executive Director

Date: _____, 2025

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EXHIBIT A
FUNDED PROJECTS THROUGH FY 2031

Expo Center and Pleasant Valley End of Line Charging and Park and Ride Facility

- **ATP Funding Contribution through FY2031: $37,600,000**

- **Anticipated Completion Date:** Summer 2026

- **Responsible Department:** Capital Construction Engineering and Design (CCED)

- **Description of Project**: CapMetro is designing and constructing three Park and Ride facilities to serve the termini of CapMetro's federally funded Bus Rapid Transit lines: Expo Center Park & Ride, Goodnight Ranch Park & Ride, and Delco Center Park & Ride. The projects included as reimbursable under this agreement are the Expo Center Park & Ride and Goodnight Ranch Park & Ride along with the end of line charging improvements.

  The Expo Center Park & Ride is designed to enhance public transportation accessibility and connectivity in Central Texas. Strategically located near the Travis County Expo Center, this facility will provide commuters with a convenient and efficient transit hub, alleviating congestion and improving mobility in the region. Project features & amenities include but are not limited to:
    - Capacity & Parking: The facility includes bus bays, designated pick-up/drop-off zones, and ample parking for commuters.
    - Electric Bus Infrastructure: The site is equipped with End-of-Line (EOL) charging stations to support CapMetro's growing fleet of electric buses, promoting sustainability.
    - Enhanced Pedestrian Access: ADA-compliant pathways and covered waiting areas ensure a safe and comfortable experience for riders.
    - Traffic & Connectivity Improvements: Infrastructure upgrades, including new driveways, traffic signals, and pedestrian crossings, will streamline entry and exit for transit users.
    - Sustainability Initiatives: Green infrastructure elements, such as stormwater management systems and energy-efficient lighting, are incorporated into the design.

  The Goodnight Ranch Park & Ride is designed to enhance transit accessibility, support the growing Goodnight Ranch community, and provide greater transit connections to serve the Central Texas community. The project is a key part of CapMetro's expansion plans to provide sustainable, reliable, and efficient transit options for residents and commuters in the region. Project features include but are not limited to:
    - Bus Transit Hub: Serves as a key connection point for CapMetro bus routes, improving service coverage in the southeast region of CapMetro's service area.
    - Electric Bus Charging Infrastructure: Includes end-of-line (EOL) charging for CapMetro's zero-emission electric bus fleet, supporting the agency's sustainability goals.
    - Parking Facilities: Offers dedicated parking for commuters using public transit.

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- Bike and Pedestrian Connectivity: Features bike racks, pedestrian walkways, and ADA-compliant facilities for multimodal access.
- Sustainable Design Elements: Incorporates green infrastructure, energy-efficient lighting, and environmentally friendly construction materials.

South Base Demand Response Facility (Support Facility)

- **ATP Funding Contribution through FY 2031**: **$111,000,000**

- **Anticipated Completion Date**: Fall 2031

- **Responsible Department**: CCED

- **Description of Project**: Located at 5315 E. Ben White Blvd, CapMetro acquired ~11 acres of land in southeast Austin to be the home for the new South Demand Response operations and maintenance facility. The existing commercial buildings will be demolished to make way for the new project, which includes site utility upgrades as needed. The project includes a bus yard for transit vehicles, an administrative building, a maintenance garage, a vehicle service and fueling building, training functions for operators & mechanics. Due to the constrained site, a parking deck will be provided for employee parking. Sustainability features will be incorporated.

- **Note**: The total cost of this project is estimated to be $185,795,947.00, which includes an FTA-required contingency of 40%.

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EXHIBIT B
APPROPRIATION SCHEDULE THROUGH FY 2031

Projects	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	Total
Park and Ride	**$37,600,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**37,600,000**
South Demand Response Center	**13,500,000**	**$0**	**$0**	**30,000,000**	**30,000,000**	**37,500,000**	**111,000,000**

***Amounts include costs incurred in prior fiscal years, to be reimbursed in the fiscal year indicated in this Schedule.**

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Subject: Approval of a resolution amending the interlocal agreement with Capital Metropolitan Transit Authority ("CapMetro") for capital funding of MetroRapid Projects extending the term of the agreement through September 30, 2026.

Fiscal Impact: Costs expected to be incurred in Fiscal Year 2025-26 are included in the proposed Fiscal Year 2025-26 Austin Transit Partnership ("ATP") budget.

Executive Summary: On July 20, 2022, the ATP Board of Directors approved Resolution ATP-2022-009 authorizing the negotiation and execution of an interlocal agreement with CapMetro (the "Interlocal Agreement") to provide funding by ATP to CapMetro for the Expo Center and Pleasant Valley MetroRapid projects on the terms and conditions provided therein. The Interlocal Agreement became effective on July 25, 2022, and the initial term ended on September 30, 2024. Effective October 1, 2024, the parties exercised the option as provided in Section 6.1 of the Interlocal Agreement to extend its term through September 30, 2025.

The Interlocal Agreement does not currently provide for any additional extension of its term beyond September 30, 2025. In order to allow additional time for CapMetro to complete the MetroRapid Projects described in the Interlocal Agreement, the parties seek to amend Section 6.1 of the agreement to provide for a term ending September 30, 2026. CapMetro intends to present this amendment to its Board of Directors for approval at its next regular meeting on September 22, 2025.

Procurement Summary: Does not apply.

Disadvantaged Business Enterprise Program Summary: Does not apply.

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Austin Transit Partnership

RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP
BOARD OF DIRECTORS

ATP-2025-016

WHEREAS, the Austin Transit Partnership ("ATP") was created to finance, design, engineer, construct, implement, and to contract with Capital Metro Transit Authority ("CapMetro") to construct and maintain certain Project Connect assets, including new MetroRapid buses and supporting infrastructure, in accordance with the Initial Investment Map & Sequencing Plan approved by the City of Austin Contract with the Voters and CapMetro Funding and Commitment Resolution; and

WHEREAS, ATP entered into a Joint Powers Agreement with the City of Austin and CapMetro wherein CapMetro is responsible for completing MetroRapid bus construction projects and obtaining capital cost reimbursement from ATP; and

WHEREAS, the Joint Powers Agreement, as supplemented and amended, provides capital funding by ATP to CapMetro for the completion of the Expo Center and Pleasant Valley MetroRapid bus projects ("MetroRapid Projects"); and

WHEREAS, ATP and CapMetro executed an interlocal agreement (the "Interlocal Agreement") specifying the terms and conditions for the capital funding by ATP for the MetroRapid Projects, which became effective on July 25, 2022; and

WHEREAS, the parties previously executed an agreed extension of the term of the Interlocal Agreement through September 30, 2025, as provided in Section 6.1 of the Interlocal Agreement; and

WHEREAS, ATP and CapMetro have determined the need to extend the term of the Interlocal Agreement by an additional twelve (12) months through September 30, 2026, to allow CapMetro to complete the MetroRapid Projects and obtain reimbursement of capital expenditures for those projects from ATP; and

Austin Transit Partnership

WHEREAS, the Interlocal Agreement does not currently include any provision permitting the extension of its term beyond September 30, 2025;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of ATP that the Executive Director, or designee, is hereby authorized to execute an amendment to the Interlocal Agreement extending its term through September 30, 2026.

Attest:

_____ Date: September _____, 2025
Lee Crawford
Secretary of the Board

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Austin Transit Partnership

EXHIBIT A

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203 Colorado St
Austin, TX 78701

www.atptx.org
512.710.2100

AMENDMENT TO
INTERLOCAL COOPERATION AGREEMENT
BETWEEN
AUSTIN TRANSIT PARTNERSHIP AND
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY FOR
CAPITAL REIMBURSEMENT OF THE EXPO CENTER AND PLEASANT VALLEY
METRORAPID PROJECTS OF THE PROJECT CONNECT SYSTEM PLAN

THIS AMENDMENT AGREEMENT ("Amendment") is entered into by and between Austin Transit Partnership, a local government corporation created under Chapter 431 of the Texas Transportation Code ("ATP"), and Capital Metro Transportation Authority, a transportation authority and political subdivision of the State of Texas organized under Chapter 451 of the Texas Transportation Code ("CapMetro") to be effective upon approval by the governing bodies of both Parties (the "Effective Date"). Each of ATP and CapMetro are sometimes referred to herein individually as a "Party" and collectively as the "Parties". Reference is hereby made to that certain Interlocal Cooperation Agreement for capital reimbursement of the Expo Center and Pleasant Valley MetroRapid Projects for the Project Connect System Plan entered into by the Parties and fully effective July 25, 2022 (the "Agreement"). Capitalized terms used herein and not otherwise defined shall have the meaning given in the Agreement.

BACKGROUND:

A. The Parties entered into the Agreement in accordance with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code (the "Interlocal Cooperation Act"), for purposes of funding the MetroRapid Projects and for the limited purposes of establishing terms and conditions of payment by ATP and CapMetro in order to encourage transparency and financial accountability, and to establish the terms and conditions for the reimbursement by ATP for certain capital costs incurred by CapMetro for the planning, development, design, construction and equipping of the MetroRapid Projects.

B. The Parties previously exercised the extension option set forth in Section 6.1 of the Agreement to extend the term of the Agreement to September 30, 2025.

C. Because work on the MetroRapid Projects is still ongoing, the Parties recognize the need to extend the term of the Agreement for an additional 12 months through September 30, 2026.

D. The Parties have properly authorized this Amendment in accordance with the Interlocal Cooperation Act.

ACCORDINGLY, in consideration of the foregoing and the covenants, agreements, representations and warranties set forth in this Amendment, the Parties hereby agree as follows:

Section 1. Amendment to the Agreement. Section 6.1 of the Agreement is amended to read in its entirety as follows:

> **Section 6.1 Term.** The term of this Agreement is from the Effective Date through September 30, 2026.

Except as expressly modified in this Section 1, the Agreement shall continue to remain in full force and effect in accordance with the provisions thereof.

Section 2. Counterparts; e-Signatures. This Amendment may be signed in as many counterparts as may be convenient or required. It shall not be necessary that the signature and acknowledgment of, or on behalf

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of, each party, or that the signature and acknowledgment of all persons required to bind any party, appear on each counterpart. All counterparts shall collectively constitute a single instrument. It shall not be necessary in making proof of this Amendment to produce or account for more than a single counterpart containing the respective signatures and acknowledgment of, or on behalf of, each of the parties hereto. Any signature and acknowledgment page to any counterpart may be detached from such counterpart without impairing the legal effect of the signatures and acknowledgments thereon and thereafter attached to another counterpart identical thereto except having attached to it additional signature and acknowledgment pages. The Parties agree that digital or facsimile signatures shall be given the same legal effect as original signatures, and the Parties hereby agree to accept delivery of digital signatures by e-mail in "pdf" form, or *via* DocuSign, Adobe Sign, or any similar means of digital delivery.

The undersigned have signed and delivered this Amendment as of the last date set forth below to be effective as of the Effective Date.

AUSTIN TRANSIT PARTNERSHIP, a Texas nonprofit local government corporation

By:_____
Greg Canally, Executive Director

Date:_____, 2025

CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY, a transportation authority and political subdivision of the State of Texas

By: _____
Dottie Watkins, President & CEO

Date:_____, 2025

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Austin Transit Partnership

FY25 User Roles in Key Systems Audit Summary

September 2025

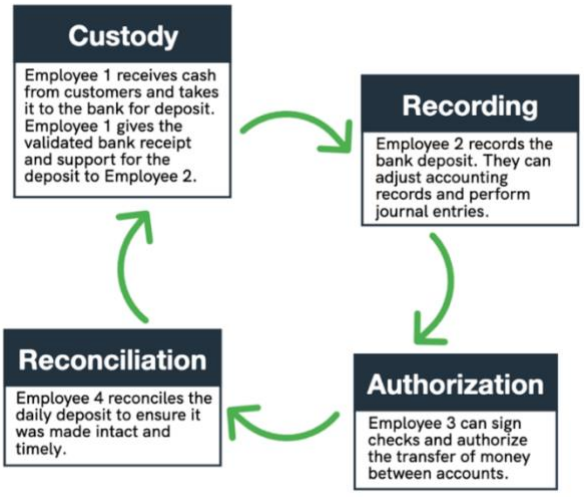
Background

ATP uses Oracle Cloud Fusion ("Oracle") as its financial and human capital management system. Oracle includes cloud-based functionality to manage core financial functions like making general ledger entries, processing payables and receivables, and tracking fixed assets. Oracle also manages human resources (HR) functions like processing payroll and employee benefits.

ATP began using its own tenant of Oracle in October 2023. Before this, ATP's finances were managed within the CapMetro tenant of Oracle. ATP's Information Technology (IT) team worked closely with CapMetro and Application Software Technology (AST) to successfully migrate the organization's financial functions into an ATP-specific tenant of Oracle Cloud Fusion. Management worked with AST to transition ATP's human capital management from UltiPro to Oracle in April 2024.

For this audit, we looked at how ATP assigns users roles in Oracle, and evaluated how critical functions are dispersed within the system. This distribution of tasks between different people is called separation of duties, and it's depicted in Exhibit 1. Proper separation of duties can reduce financial risks and can help prevent and detect errors or fraudulent activity.

Exhibit 1: Separation of Duties



Example of proper separation of duties for cash handling

Results

Overall, we found that ATP has implemented processes to ensure that critical financial activities are appropriately distributed across multiple individuals, but improvement is needed to ensure appropriate access is assigned to users in Oracle. While we noted a few instances of conflicting role assignments, further testing showed there are sufficient compensating controls to provide appropriate reviews and oversight of Oracle transactions, reducing the risk of errors and fraudulent activity. ATP can improve how system access is assigned and reviewed, vendor management in Oracle, and policies relating to salary adjustments.

We issued four recommendations to address these risks. Management agreed with the recommendations and plans to implement corrective actions by March 2026.

Objective: Have proper separation of duties been established in ATP's key systems to properly disperse critical functions?

Scope: Roles assigned in Oracle related to system access, financial and HR activities, and vendor management.

Austin Transit Partnership Internal Audit Team
Katie Houston, Chief Audit Executive
Cameron Lagrone, Senior Auditor

DRAFT AUDIT WORKER

Austin Transit Partnership

FY25 DBE Goals Audit Summary

September 2025

Background

Austin Transit Partnership (ATP) has established and adopted a Disadvantaged Business Enterprise (DBE) Program as required by Section 4.3 of the Joint Powers Agreement between ATP, the City of Austin, and CapMetro, and in accordance with current published regulations of the U.S. Department of Transportation (DOT).[1] Key goals of ATP's DBE program are to:

- Ensure non-discrimination in the award and administration of ATP contracts and subcontracts,
- Create a level playing field by which DBEs can compete for and perform work through ATP's DOT-assisted contracts, and
- Help remove barriers that impede DBE participation in DOT-assisted contracts.

Though not a current recipient of federal assistance from DOT, ATP is a current applicant for grant funding under the Federal Transit Administration's New Starts Capital Investment Grants Program. If awarded, funding under this program will be used to defray ATP's costs to design and build the Austin Light Rail system.

Results

Overall, we found that ATP has established the groundwork for its DBE Program. Key policies demonstrate ATP'S commitment to fair access for DBEs in federally funded contracts and lay out how ATP administers the program, sets contract goals, tracks payments, monitors compliance, and measures success.

ATP hired a consultant to complete an availability study that included a breakdown of DBE availability in the Austin-area overall and in key industries. The study found that about 14.5% of firms in ATP's immediate geographic market qualify as DBEs.

Separate from our analysis of ATP's DBE program, we analyzed ATP payable data from October 1, 2022 through June 13, 2025 to understand how much ATP has spent on local suppliers. We found that ATP paid roughly $19 million of $110 million, or 17%, to local suppliers. About 42% of payments were directed towards Texas suppliers. Procurement is working on a methodology to calculate the precise amount and percentage of payments to local firms.

We issued one recommendation to develop a methodology to regularly calculate ATP's spending on local firms and periodically report this information to the ATP board. Management agreed with the recommendation and plans to implement corrective action by January 2026.

Objective: Has ATP established effective processes to set, track, and report DBE contract goals in accordance with applicable laws and regulations?

Scope: Past and current activities related to ATP's DBE Program.

[1] Certain provisions of these DBE regulations are currently under review in a lawsuit in the federal Eastern District of Kentucky. In that lawsuit, DOT has taken the position that a presumption in the DBE regulations that women-owned businesses and certain minority-owned businesses automatically qualify as "disadvantaged" under the DBE regulations is illegal under the U.S. Constitution. The Court has not ruled on the DOT's position as of the date of this report.

Austin Transit Partnership Internal Audit Team
Katie Houston, Chief Audit Executive
Cameron Lagrone, Senior Auditor

DRAFT AUDIT WORKING PAPER

Subject: Approval of a resolution adopting the Fiscal Year 2025-26 Audit Plan.

Fiscal Impact: No fiscal impact.

Executive Summary: The mission of Internal Audit is to help improve the Austin Transit Partnerships ("ATP") governance, control, and risk management through independent, objective assurance and advisory services. The Board of Directors annually approves an audit plan for the upcoming fiscal year to support these goals. The proposed Fiscal Year 2025-26 Audit Plan sets out key projects and timelines for the audit projects to be conducted by internal and external auditors in Fiscal Year 2025-26.

Procurement Summary: Does not apply.

Disadvantaged Business Enterprise Program Summary: Does not apply.

Austin Transit Partnership

RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP
BOARD OF DIRECTORS

ATP-2025-019

WHEREAS, the mission of Internal Audit is to help improve Austin Transit Partnership's ("ATP") governance, control, and risk management through independent, objective assurance and advisory services; and

WHEREAS, each year ATP Board of Directors approves an audit plan for the upcoming fiscal year to support these goals; and

WHEREAS, the ATP Board of Directors has reviewed the Fiscal Year 2025-26 Audit Plan; and

WHEREAS, the Fiscal Year 2025-26 Audit Plan sets out key plans and timelines for the audit projects to be conducted in the year ahead;

NOW, THEREFORE, BE IT RESOLVED by the ATP Board of Directors that the Fiscal Year 2025-26 Audit Plan attached hereto as Exhibit A is adopted.

Attest:

_____ Date: September _____, 2025
Lee Crawford
Secretary of the Board

Austin Transit Partnership

EXHIBIT A

Austin Transit Partnership

FY26 Approved Annual Audit Plan

INTERNAL AUDIT MISSION

The mission of Internal Audit is to help improve ATP's governance, control, and risk management through independent, objective assurance and advisory services. Guided by the authority and responsibilities outlined in ATP's Audit Charter, Internal Audit is organizationally independent of ATP administration and reports directly to the ATP Board.

Internal Audit governs itself by adhering to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, including the Global Internal Audit Standards and Topical Requirements.

ABOUT US

Additional information on who we are, what we do, our professional resources, and the results of our audit projects are available on our website.

ETHICS HOTLINE

If you have a concern about potential misconduct or a violation of ATP policies, we provide simple and anonymous ways to voice your concerns. Visit our online ethics portal or call 888-57-ATPTX (2-8789) for assistance.

For questions about this plan, please contact us at atp_audit@atptx.org.

What is the purpose of this plan?

Each year, we share information on what we intend to audit in the upcoming fiscal year. We issue our plan at the start of ATP's fiscal year to align our project work with the fiscal cycle that ATP follows. Providing this information helps us increase transparency at ATP and notifies the public, the Board, and ATP management about the specific aspects of ATP's governance, control, and risk management our work will primarily focus on in the upcoming year. Additionally, the audit standards we follow require us to periodically prepare an audit plan and submit the plan to the ATP Board for approval.

How was this plan created?

Internal Audit performed an organizational risk assessment to evaluate the governance, risk management, and control operations of ATP to prepare the list of priority projects included in this plan. These projects are intended to provide the greatest possible benefit to ATP given resources and combined assurance from other oversight functions.

What types of projects are included in this plan?

Projects in this plan include audit and advisory services to be conducted by Internal Audit, and projects to be outsourced to external assurance providers. This plan also includes our annual follow up work, as detailed in the audit recommendations dashboard, so we can continuously monitor the progress ATP makes in addressing risks and recommendations we've noted in previous years. If needed, this plan will be revised throughout the fiscal year in response to changes in ATP's risk environment, operations, programs, systems, and controls. Significant deviations will be shared with the ATP Board, in addition to our progress on completing this plan.

What's new this year?

Effective January 2025, the audit standards we follow have new requirements to guide the professional practice of internal auditing. To keep pace with this professional evolution, and to ensure the credibility and reliability of ATP's Internal Audit function, we adapted our Internal Audit Charter, policies and procedures, and administrative processes to this new guidance. In addition to adjusting our policies to account for changes to titles, we updated our guiding documents to reflect new requirements regarding: exercising professional skepticism and courage, the purpose of Internal Auditing and the Board's oversight of the audit function, our quality assurance improvement program, and how we implement IT resources.

What happens if these projects cannot be completed?

If we determine that one or more of the planned projects cannot be completed or completion would provide more value later, we will replace the planned project(s) with an alternative project from the pool of priority replacement projects.

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AUDIT AND ADVISORY SERVICE PROJECTS

Topic	Preliminary Objective	Type	Source
Contract Reimbursables	Are payments for contract reimbursables supported and consistent across agreements?	Audit	Internal Audit
Human Resources	Has ATP developed effective human resources policies to align with best practices[1] regarding: compensation, employee engagement and retention, training and development, and performance management.	Audit	Internal Audit
Interlocal Agreements	What progress has been made to develop, execute, and monitor interlocal agreements (ILAs) that define roles and responsibilities in support of advancing Project Connect?	Advisory Service	Internal Audit
Other Risk Advisory Services	Provide input on ATP policies and processes to enhance internal controls and participate as risk advisor in various capacities, as requested by management.	Advisory Service	Internal Audit

OTHER PROJECTS

Topic	Preliminary Objective
Annual Audit Planning	Perform entity-wide risk evaluation and prepare next year's annual audit plan
Audit Follow-up	Evaluate management actions taken to address previously issued audit recommendations
Ethics Investigations	Review complaints received through the ethics hotline and conduct investigations as needed
Fraud, Waste, and Abuse Training	Provide fraud, waste, and abuse training and education to ATP staff and contractors

NOTE: Resources needed to complete this plan are considered as part of ATP's annual budget deliberations which occur each year in September. We did not request additional staffing resources this year but may opt to notify the Board of the intention to fill the vacant auditor position later this year should the need arise.

[1] Best practices considered will include guidance provided by the Society for Human Resource Management (SHRM).

DRAFT

Subject: Approval of a resolution adopting amendments to the Austin Transit Partnership Internal Audit Charter.

Fiscal Impact: Does not apply.

Executive Summary: On June 15, 2022, ATP approved a resolution (ATP-2022-006), which adopted an Audit Charter supporting ATP's governance, control, and risk management through independent, objective assurance and advisory services.

Effective January 2025, the Institute of Internal Auditors issued new Global Internal Audit Standards to guide the professional practice of internal auditing. To keep pace with the professional evolving standards, and to ensure the credibility and reliability of ATP's Internal Audit function, ATP adapted its Internal Audit Charter, policies and procedures, and administrative processes to this new guidance. This action will revise ATP's Audit Charter to address this new guidance.

Procurement Summary: Does not apply.

Disadvantaged Business Enterprise Program Summary: Does not apply.

Austin Transit Partnership

RESOLUTION OF THE AUSTIN TRANSIT PARTNERSHIP
BOARD OF DIRECTORS

ATP-2025-020

WHEREAS, the Internal Audit Department ("Internal Audit") is a key component of ATP's governance structure and public accountability; and

WHEREAS, effective January 2025, the Institute of Internal Auditors issued new Global Internal Audit Standards to guide the professional practice of internal auditing; and

WHEREAS, the ATP Board of Directors desires to ensure industry best practices and standardized organizational practices for the implementation of Project Connect through the adoption of a revised Audit Charter that incorporates this new guidance; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of ATP that the revised Audit Charter attached hereto as Exhibit A is adopted.

Attest:

_____ Date: September _____, 2025
Lee Crawford
Secretary of the Board

Austin Transit Partnership

EXHIBIT A

203 Colorado St
Austin, TX 78701

www.atptx.org
512.710.2100

Austin Transit Partnership

Internal Audit Charter

SEPTEMBER 2025

Introduction

The Austin Transit Partnership ("ATP") serves as the independent local government corporation tasked with implementing Austin Light Rail. ATP is governed by a Board of five voting members and two ex officio members. As required by the ATP Joint Powers Agreement, the ATP Board ("Board") established the Internal Audit Department ("Internal Audit") as a key component of ATP's governance structure and hired the Chief Audit Executive to oversee all aspects of the Internal Audit function. This Internal Audit Charter serves as a framework guiding Internal Audit in the performance of its duties. It is a living document and subject to change with the Board's approval, however minor non-substantive changes are permitted without Board approval.

The components of this Internal Audit Charter are the following:

- Mission
- Independence and Authority
- Purpose of Internal Auditing
- Standards of Audit Practice
- Scope of Work
- Access to Records
- Responsibilities
- Reporting to the Board
- Board Oversight of Internal Audit
- Audit Planning
- Management Responses to Audit Recommendations
- Reliance on Work of Others
- Consideration of Fraud, Waste, and Abuse
- Quality Assurance and Peer Review

This Internal Audit Charter was approved by ATP Board Resolution on June 15, 2022, and revised on February 15, 2025. The ATP Board approved these revisions on September 17, 2025.

DRAFT

Mission

The mission of Internal Audit is to help improve ATP's governance, control, and risk management through independent, objective assurance and advisory services.

Independence and Authority

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It also strengthens government accountability to the public for stewardship of resources and achievement of community goals. Internal auditing helps an organization accomplish objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. An effective, independent Internal Audit function can increase a government's credibility with the public, oversight agencies, granting authorities, and bond markets.

Internal Audit is organizationally independent of ATP administration and reports directly to the Board. All Internal Audit personnel will report to the Chief Audit Executive. Any external audit staff that the Chief Audit Executive hires to support the Internal Audit function will report to the Chief Audit Executive. To maintain its independence, Internal Audit will have no direct operational responsibility or authority over any of the activities under its scope of work. Accordingly, Internal Audit will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair its judgment, including:

- Assessing specific operations for which they had responsibility within the previous year
- Performing routine operational duties for ATP Management
- Initiating or approving transactions external to the internal audit function
- Directing the activities of any employee not employed by Internal Audit

The Chief Audit Executive will ensure that the service remains free from conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner. Internal Audit staff will maintain an unbiased mental attitude that allows them to perform engagements objectively. If the Chief Audit Executive determines that independence or objectivity may be impaired, the details of impairment will be disclosed to the Board.

In addition to conducting assurance (audit) engagements, Internal Audit may perform advisory services as part of its ongoing role in evaluating and improving the organization's risk management, control, and governance processes. Participation in advisory services will be of a consultative nature and must be performed without Internal Audit taking on any decision-making authority to protect the independence of Internal Audit. In the performance of advisory services, safeguards will be established to prevent impairments to independence and objectivity.

Periodically, Internal Audit may participate in management committees or project teams. Participation in these engagements will be of an advisory nature to preserve auditor independence. Audit is not a management decision-making function. Management must make decisions on how to develop, adopt, and implement policies, procedures, internal controls, or other risk mitigation tools relating to Internal Audit advisory services. Such decisions do not impair auditor independence or objectivity.

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Purpose of Internal Auditing

Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight. Internal auditing enhances the organization's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Internal auditing is most effective when it is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest, the internal audit function is independently positioned with direct accountability to the board, and internal auditors are free from undue influence and committed to making objective assessments.

Standards of Audit Practice

Internal Audit will govern itself by adhering to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework as outlined in the Global Internal Audit Standards in the execution of its duties. When appropriate, the Chief Audit Executive will seek a peer review to evaluate compliance with the standards.

Scope of Work

The scope of audit coverage is organization wide. No aspect of ATP is exempt from an audit or review by Internal Audit. Internal Audit's scope of work is any activity relating to ATP's risk management, control, and governance processes and may include evaluation to help ensure:

- Money spent on Austin Light Rail is aligned with ATP's mission
- Risks are appropriately identified and managed
- Assets are safeguarded
- Controls are effective and efficient
- Financial, managerial, and operating information is accurate, reliable, and timely
- Employee actions comply with policies, standards, procedures, and applicable laws and regulations
- ATP complies with significant regulatory requirements
- Quality and continuous improvement are fostered in conjunction with control processes

Access to Records

Internal Audit is authorized to have unrestricted access to all Austin Light Rail and ATP data, records, information, property, equipment, facilities, personnel, contractors, vendors, funding partners, and operations. Any access limitations or restrictions that prevent Internal Audit from performing its duties will be reported immediately to the Board, in addition to regulatory authorities and Austin Light Rail funding partners as applicable. Internal Audit will work with the Board and ATP management to ensure Internal Audit's authority is recognized throughout the organization. All ATP contracts will contain a "right to audit" clause to help ensure Internal Audit's access to Austin Light Rail records created and maintained by third-party contractors and funding partners. Internal Audit activities and communications are classified as audit working papers, and contain information which may be confidential, privileged, or otherwise excepted from disclosure under §552.116 of the Texas Government Code. Final audit reports will be posted so they are accessible to the public.

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Responsibilities

The Chief Audit Executive is responsible for:

- Developing an annual audit plan using appropriate risk-based methodologies, and submitting that plan to the Board for review and approval
- Conducting internal audit and advisory engagements in accordance with the annual audit plan
- Reviewing and adjusting the annual audit plan, as necessary, in response to changes in ATP's risk environment, operations, programs, systems, and controls
- Communicating audit findings, recommendations, and management action plans when applicable to the Board and relevant parties to support the Board in fulfilling its responsibilities
- Following up with management to assess whether corrective action plans were performed within the mutually agreed-upon timeframe to address the risks noted by Internal Audit
- Preparing and presenting periodic reports to the Board summarizing the status of Internal Audit's work in a public meeting
- Posting audit reports on ATP's website accessible to the public
- Assisting with investigations of suspected misconduct or fraudulent activities and notifying the Board and management of the investigation results, when appropriate
- Supporting ATP management in their interaction with external auditors
- Reviewing results of external audits, including required Single Audit engagements, and ensuring those results are communicated to the Board and considered in annual audit planning
- Maintaining professional Internal Audit staff with sufficient knowledge, skills, experience, and professional certification to meet the requirements of this Charter
- Ensuring conformance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors
- Ensuring Internal Audit's adherence to ATP's relevant policies and procedures unless such policies and procedures conflict with this internal audit charter—any such conflicts will be resolved with the Board

Internal Audit will adhere to the Global Internal Audit standards, which include:

- Demonstrating integrity
- Demonstrating competence and due professional care
- Being objective and free from undue influence
- Aligning with the strategies, objectives, and risks of the organization
- Ensuring the audit function is appropriately positioned and adequately resourced
- Demonstrating quality and continuous improvement
- Communicating effectively
- Providing risk-based assurance
- Being insightful, proactive, and future-focused
- Promoting organizational improvement

Reporting to the Board

The Chief Audit Executive will ensure the Board is apprised of Internal Audit activities through periodic updates, Periodic updates may concern:

- Internal Audit's purpose, authority, and responsibility
- Internal Audit's plan and performance relative to its plan
- Internal Audit's conformance with audit standards, and standards of ethics and professionalism
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of the Board
- Results of audit engagements or other activities, including commendable management actions that have a positive impact on ATP's governance, risk management, and control
- Resource requirements

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Board Oversight of Internal Audit

A critical responsibility of the ATP Board is to champion the Internal Audit function to enable it to fulfill its purpose and strengthen governance throughout the organization. Championing Internal Audit includes:

- Working with ATP management to enable the internal audit function's unrestricted access to the data, records, information, property, equipment, facilities, personnel, contractors, vendors, funding partners, and operations necessary to fulfill the internal audit mandate.
- Regularly meeting with the Chief Audit Executive (including in sessions without ATP management present when appropriate) to ensure transparent, open communication flows to and from Internal Audit staff
- Continuously supporting the Chief Audit Executive's reporting relationship to the ATP Board,
- Approving the internal audit charter, annual audit plan, budget, and resource plan
- Making appropriate inquiries of ATP management and the Chief Audit Executive to determine whether any restrictions on the internal audit function's scope, access, authority, or resources limit the function's ability to carry out its responsibilities effectively.
- Periodically evaluating the Chief Audit Executive's performance.

The Chief Audit Executive must help the board understand the qualifications and competencies of a chief audit executive that are necessary to manage the internal audit function. The Chief Audit Executive facilitates this understanding by providing information and examples of common and leading qualifications and competencies, and by participating in periodic reviews of the Chief Audit Executive's performance.

Audit Planning

Each year, Internal Audit will assess the governance, risk environment, and operations of ATP and will prioritize key risks. This information will be used to identify priorities to be addressed through the annual audit plan. Based on this risk assessment, the Chief Audit Executive will present a proposed annual audit plan to the Board for approval. The Chief Audit Executive will determine when certain critical risks require more internal audit review. Any significant deviation from the Board-approved audit plan will be communicated to the Board.

Internal Audit will report to the Board on its organizational independence at least annually along with the annual presentation of the audit plan. The Chief Audit Executive will disclose any interference in determining the scope of audits, performing work, or communicating results.

The annual audit plan may include compliance, performance, or financial audits and advisory projects. To develop the annual audit plan, an overall risk-based approach will be used to ensure that the Internal Audit function provides the greatest possible benefit to ATP, given resources and combined assurance from other oversight functions. On an ongoing basis, matters considered in developing the annual audit plan may include:

- Strategic and operational plans of ATP and Austin Light Rail
- Known and potential risks to ATP and Austin Light Rail
- Opportunities to enhance achievement of organizational goals and outcomes
- Existence of known errors, irregularities, or control weaknesses
- Results of previous audits
- Changes in operations, systems, or controls
- Changes in regulatory or other requirements
- Financial risks including those noted by external auditors
- Risks noted by the Board, advisory committees, ATP management, contracted staff, partners, and the public
- Requests from the Board, management, or regulatory auditors and authorities

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Projects included in the annual audit plan may include assurance and advisory services conducted by Internal Audit, co-sourced with other oversight entities, or outsourced to external auditors at the discretion of the Chief Audit Executive.

Projects may include evaluations to determine if:

- Desired results or benefits of programs, activities, and policies are being achieved
- ATP management has established adequate internal controls to safeguard assets
- ATP resources and Austin Light Rail funds are used economically, efficiently, and effectively
- Reports are being timely and accurately prepared and disseminated for review by the Board and oversight entities as applicable
- ATP management fosters an ethical culture focused on organizational values
- Information technology and cybersecurity risks are appropriately identified and mitigated
- Indications of fraud, abuse, or illegal acts are present

Occasionally, Internal Audit may, at its discretion, conduct informal reviews in response to a Board request. A Board Member's request for an informal review must have the support of a co-sponsoring Board Member. Such an engagement will be limited in scope and serve as a cursory review of the area in question. The Chief Audit Executive will communicate these requests to the entire ATP Board and may report the results of this work in a memo or alternative presentation as determined by the Chief Audit Executive. If the Chief Audit Executive determines an audit would be a more effective way to address the subject of an informal review, Internal Audit may opt to delay reporting on an informal review until the required audit is completed.

Management Responses to Audit Recommendations

At the conclusion of an audit, a draft report will be shared with ATP management so that management can provide a timely written response to the recommendations contained in the draft report. This response should: state whether management agrees or disagrees with each recommendation, state the reason for disagreement with a recommendation if applicable, and describe the actions that management will take to address all agreed-upon recommendations, along with a timeline for implementing corrective actions in response to recommendations. When applicable, the management response will be included in the final audit report delivered to the Board.

Reliance on Work of Others

Internal Audit may consider relying on the work of other internal and external assurance and consulting service providers as needed. When relying on the work of others, Internal Audit will review the other auditors' report(s), audit plan, or audit documentation, and will evaluate their qualifications, adherence to standards, sampling techniques, independence to conduct audit work, quality control procedures, and supervisory oversight. Additionally, Internal Audit will inquire about their methods to determine the scope, quality, and timing of audit work. Generally, work completed by augmented staff for the Internal Audit function is considered advisory unless otherwise documented.

Consideration of Fraud, Waste, and Abuse

If Internal Audit determines an ATP employee or official may have violated the law, Internal Audit will consult with and obtain advice from the ATP's attorney, promptly report the suspected violation to the appropriate authority, and notify the appropriate prosecuting authority if the suspected violation may be criminal in nature.

The Chief Audit Executive shall manage a whistleblower hotline, and reporting system, through which an ATP employee, Board Member, contactor, vendor, or a member of the public may submit an allegation of wrongdoing. Any person can make an allegation anonymously. An allegation may include: fraud or abuse for personal gain, waste, a violation of ATP personnel policies, or a violation of law.

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Quality Assurance and Peer Review

Internal Audit will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether internal auditors comply with the IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement. The Chief Audit Executive will update the Board on the internal audit activity's quality assurance and improvement program, including results of internal assessments and peer review external assessments conducted at least every five years by a qualified, independent peer review team external to ATP.

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Austin Transit Partnership

Internal Audit Charter

SEPTEMBER 2025

Introduction

The Austin Transit Partnership ("ATP") serves as the independent local government corporation tasked with implementing Austin Light Rail. ATP is governed by a Board of five voting members and two ex officio members. As required by the ATP Joint Powers Agreement, the ATP Board ("Board") established the Internal Audit Department ("Internal Audit") as a key component of ATP's governance structure and hired the Chief Audit Executive to oversee all aspects of the Internal Audit function. This Internal Audit Charter serves as a framework guiding Internal Audit in the performance of its duties. It is a living document and subject to change with the Board's approval, however minor non-substantive changes are permitted without Board approval.

The components of this Internal Audit Charter are the following:

- Mission
- Independence and Authority
- Purpose of Internal Auditing
- Standards of Audit Practice
- Scope of Work
- Access to Records
- Responsibilities
- Reporting to the Board
- Board Oversight of Internal Audit
- Audit Planning
- Management Responses to Audit Recommendations
- Reliance on Work of Others
- Consideration of Fraud, Waste, and Abuse
- Quality Assurance and Peer Review

This Internal Audit Charter was approved by ATP Board Resolution on June 15, 2022, and revised on February 15, 2025. The ATP Board approved these revisions on September 17, 2025.

DRAFT

Mission

The mission of Internal Audit is to help improve ATP's governance, control, and risk management through independent, objective assurance and advisory services.

Independence and Authority

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It also strengthens government accountability to the public for stewardship of resources and achievement of community goals. Internal auditing helps an organization accomplish objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. An effective, independent Internal Audit function can increase a government's credibility with the public, oversight agencies, granting authorities, and bond markets.

Internal Audit is organizationally independent of ATP administration and reports directly to the Board. All Internal Audit personnel will report to the Chief Audit Executive. Any external audit staff that the Chief Audit Executive hires to support the Internal Audit function will report to the Chief Audit Executive. To maintain its independence, Internal Audit will have no direct operational responsibility or authority over any of the activities under its scope of work. Accordingly, Internal Audit will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair its judgment, including:

- Assessing specific operations for which they had responsibility within the previous year
- Performing routine operational duties for ATP Management
- Initiating or approving transactions external to the internal audit function
- Directing the activities of any employee not employed by Internal Audit

The Chief Audit Executive will ensure that the service remains free from conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner. Internal Audit staff will maintain an unbiased mental attitude that allows them to perform engagements objectively. If the Chief Audit Executive determines that independence or objectivity may be impaired, the details of impairment will be disclosed to the Board.

In addition to conducting assurance (audit) engagements, Internal Audit may perform advisory services as part of its ongoing role in evaluating and improving the organization's risk management, control, and governance processes. Participation in advisory services will be of a consultative nature and must be performed without Internal Audit taking on any decision-making authority to protect the independence of Internal Audit. In the performance of advisory services, safeguards will be established to prevent impairments to independence and objectivity.

Periodically, Internal Audit may participate in management committees or project teams. Participation in these engagements will be of an advisory nature to preserve auditor independence. Audit is not a management decision-making function. Management must make decisions on how to develop, adopt, and implement policies, procedures, internal controls, or other risk mitigation tools relating to Internal Audit advisory services. Such decisions do not impair auditor independence or objectivity.

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Purpose of Internal Auditing

Internal auditing strengthens the organization's ability to create, protect, and sustain value by providing the board and management with independent, risk-based, and objective assurance, advice, insight, and foresight. Internal auditing enhances the organization's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Internal auditing is most effective when it is performed by competent professionals in conformance with the Global Internal Audit Standards, which are set in the public interest, the internal audit function is independently positioned with direct accountability to the board, and internal auditors are free from undue influence and committed to making objective assessments.

Standards of Audit Practice

Internal Audit will govern itself by adhering to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework as outlined in the Global Internal Audit Standards in the execution of its duties. When appropriate, the Chief Audit Executive will seek a peer review to evaluate compliance with the standards.

Scope of Work

The scope of audit coverage is organization wide. No aspect of ATP is exempt from an audit or review by Internal Audit. Internal Audit's scope of work is any activity relating to ATP's risk management, control, and governance processes and may include evaluation to help ensure:

- Money spent on Austin Light Rail is aligned with ATP's mission
- Risks are appropriately identified and managed
- Assets are safeguarded
- Controls are effective and efficient
- Financial, managerial, and operating information is accurate, reliable, and timely
- Employee actions comply with policies, standards, procedures, and applicable laws and regulations
- ATP complies with significant regulatory requirements
- Quality and continuous improvement are fostered in conjunction with control processes

Access to Records

Internal Audit is authorized to have unrestricted access to all Austin Light Rail and ATP data, records, information, property, equipment, facilities, personnel, contractors, vendors, funding partners, and operations. Any access limitations or restrictions that prevent Internal Audit from performing its duties will be reported immediately to the Board, in addition to regulatory authorities and Austin Light Rail funding partners as applicable. Internal Audit will work with the Board and ATP management to ensure Internal Audit's authority is recognized throughout the organization. All ATP contracts will contain a "right to audit" clause to help ensure Internal Audit's access to Austin Light Rail records created and maintained by third-party contractors and funding partners. Internal Audit activities and communications are classified as audit working papers, and contain information which may be confidential, privileged, or otherwise excepted from disclosure under §552.116 of the Texas Government Code. Final audit reports will be posted so they are accessible to the public.

DRAFT

Responsibilities

The Chief Audit Executive is responsible for:

- Developing an annual audit plan using appropriate risk-based methodologies, and submitting that plan to the Board for review and approval
- Conducting internal audit and advisory engagements in accordance with the annual audit plan
- Reviewing and adjusting the annual audit plan, as necessary, in response to changes in ATP's risk environment, operations, programs, systems, and controls
- Communicating audit findings, recommendations, and management action plans when applicable to the Board and relevant parties to support the Board in fulfilling its responsibilities
- Following up with management to assess whether corrective action plans were performed within the mutually agreed-upon timeframe to address the risks noted by Internal Audit
- Preparing and presenting periodic reports to the Board summarizing the status of Internal Audit's work in a public meeting
- Posting audit reports on ATP's website accessible to the public
- Assisting with investigations of suspected misconduct or fraudulent activities and notifying the Board and management of the investigation results, when appropriate
- Supporting ATP management in their interaction with external auditors
- Reviewing results of external audits, including required Single Audit engagements, and ensuring those results are communicated to the Board and considered in annual audit planning
- Maintaining professional Internal Audit staff with sufficient knowledge, skills, experience, and professional certification to meet the requirements of this Charter
- Ensuring conformance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors
- Ensuring Internal Audit's adherence to ATP's relevant policies and procedures unless such policies and procedures conflict with this internal audit charter—any such conflicts will be resolved with the Board

Internal Audit will adhere to the Global Internal Audit standards, which include:

- Demonstrating integrity
- Demonstrating competence and due professional care
- Being objective and free from undue influence
- Aligning with the strategies, objectives, and risks of the organization
- Ensuring the audit function is appropriately positioned and adequately resourced
- Demonstrating quality and continuous improvement
- Communicating effectively
- Providing risk-based assurance
- Being insightful, proactive, and future-focused
- Promoting organizational improvement

Reporting to the Board

The Chief Audit Executive will ensure the Board is apprised of Internal Audit activities through periodic updates, Periodic updates may concern:

- Internal Audit's purpose, authority, and responsibility
- Internal Audit's plan and performance relative to its plan
- Internal Audit's conformance with audit standards, and standards of ethics and professionalism
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of the Board
- Results of audit engagements or other activities, including commendable management actions that have a positive impact on ATP's governance, risk management, and control
- Resource requirements

DRAFT

Board Oversight of Internal Audit

A critical responsibility of the ATP Board is to champion the Internal Audit function to enable it to fulfill its purpose and strengthen governance throughout the organization. Championing Internal Audit includes:

- Working with ATP management to enable the internal audit function's unrestricted access to the data, records, information, property, equipment, facilities, personnel, contractors, vendors, funding partners, and operations necessary to fulfill the internal audit mandate.
- Regularly meeting with the Chief Audit Executive (including in sessions without ATP management present when appropriate) to ensure transparent, open communication flows to and from Internal Audit staff
- Continuously supporting the Chief Audit Executive's reporting relationship to the ATP Board,
- Approving the internal audit charter, annual audit plan, budget, and resource plan
- Making appropriate inquiries of ATP management and the Chief Audit Executive to determine whether any restrictions on the internal audit function's scope, access, authority, or resources limit the function's ability to carry out its responsibilities effectively.
- Periodically evaluating the Chief Audit Executive's performance.

The Chief Audit Executive must help the board understand the qualifications and competencies of a chief audit executive that are necessary to manage the internal audit function. The Chief Audit Executive facilitates this understanding by providing information and examples of common and leading qualifications and competencies, and by participating in periodic reviews of the Chief Audit Executive's performance.

Audit Planning

Each year, Internal Audit will assess the governance, risk environment, and operations of ATP and will prioritize key risks. This information will be used to identify priorities to be addressed through the annual audit plan. Based on this risk assessment, the Chief Audit Executive will present a proposed annual audit plan to the Board for approval. The Chief Audit Executive will determine when certain critical risks require more internal audit review. Any significant deviation from the Board-approved audit plan will be communicated to the Board.

Internal Audit will report to the Board on its organizational independence at least annually along with the annual presentation of the audit plan. The Chief Audit Executive will disclose any interference in determining the scope of audits, performing work, or communicating results.

The annual audit plan may include compliance, performance, or financial audits and advisory projects. To develop the annual audit plan, an overall risk-based approach will be used to ensure that the Internal Audit function provides the greatest possible benefit to ATP, given resources and combined assurance from other oversight functions. On an ongoing basis, matters considered in developing the annual audit plan may include:

- Strategic and operational plans of ATP and Austin Light Rail
- Known and potential risks to ATP and Austin Light Rail
- Opportunities to enhance achievement of organizational goals and outcomes
- Existence of known errors, irregularities, or control weaknesses
- Results of previous audits
- Changes in operations, systems, or controls
- Changes in regulatory or other requirements
- Financial risks including those noted by external auditors
- Risks noted by the Board, advisory committees, ATP management, contracted staff, partners, and the public
- Requests from the Board, management, or regulatory auditors and authorities

DRAFT

Projects included in the annual audit plan may include assurance and advisory services conducted by Internal Audit, co-sourced with other oversight entities, or outsourced to external auditors at the discretion of the Chief Audit Executive.

Projects may include evaluations to determine if:

- Desired results or benefits of programs, activities, and policies are being achieved
- ATP management has established adequate internal controls to safeguard assets
- ATP resources and Austin Light Rail funds are used economically, efficiently, and effectively
- Reports are being timely and accurately prepared and disseminated for review by the Board and oversight entities as applicable
- ATP management fosters an ethical culture focused on organizational values
- Information technology and cybersecurity risks are appropriately identified and mitigated
- Indications of fraud, abuse, or illegal acts are present

Occasionally, Internal Audit may, at its discretion, conduct informal reviews in response to a Board request. A Board Member's request for an informal review must have the support of a co-sponsoring Board Member. Such an engagement will be limited in scope and serve as a cursory review of the area in question. The Chief Audit Executive will communicate these requests to the entire ATP Board and may report the results of this work in a memo or alternative presentation as determined by the Chief Audit Executive. If the Chief Audit Executive determines an audit would be a more effective way to address the subject of an informal review, Internal Audit may opt to delay reporting on an informal review until the required audit is completed.

Management Responses to Audit Recommendations

At the conclusion of an audit, a draft report will be shared with ATP management so that management can provide a timely written response to the recommendations contained in the draft report. This response should: state whether management agrees or disagrees with each recommendation, state the reason for disagreement with a recommendation if applicable, and describe the actions that management will take to address all agreed-upon recommendations, along with a timeline for implementing corrective actions in response to recommendations. When applicable, the management response will be included in the final audit report delivered to the Board.

Reliance on Work of Others

Internal Audit may consider relying on the work of other internal and external assurance and consulting service providers as needed. When relying on the work of others, Internal Audit will review the other auditors' report(s), audit plan, or audit documentation, and will evaluate their qualifications, adherence to standards, sampling techniques, independence to conduct audit work, quality control procedures, and supervisory oversight. Additionally, Internal Audit will inquire about their methods to determine the scope, quality, and timing of audit work. Generally, work completed by augmented staff for the Internal Audit function is considered advisory unless otherwise documented.

Consideration of Fraud, Waste, and Abuse

If Internal Audit determines an ATP employee or official may have violated the law, Internal Audit will consult with and obtain advice from the ATP's attorney, promptly report the suspected violation to the appropriate authority, and notify the appropriate prosecuting authority if the suspected violation may be criminal in nature.

The Chief Audit Executive shall manage a whistleblower hotline, and reporting system, through which an ATP employee, Board Member, contactor, vendor, or a member of the public may submit an allegation of wrongdoing. Any person can make an allegation anonymously. An allegation may include: fraud or abuse for personal gain, waste, a violation of ATP personnel policies, or a violation of law.

Quality Assurance and Peer Review

Internal Audit will maintain a quality assurance and improvement program that covers all aspects of the internal audit activity. The program will include an evaluation of the internal audit activity's conformance with the Standards and an evaluation of whether internal auditors comply with the IIA's Code of Ethics. The program will also assess the efficiency and effectiveness of the internal audit activity and identify opportunities for improvement. The Chief Audit Executive will update the Board on the internal audit activity's quality assurance and improvement program, including results of internal assessments and peer review external assessments conducted at least every five years by a qualified, independent peer review team external to ATP.

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