



**CITIZENS TRANSIT ADVISORY GROUP (CTAG)  
Agenda**

**February 16<sup>th</sup>, 2021  
7:30 am to 9:00 am  
South Boulevard Light Rail Facility  
WebEx Meeting**

- 
- |  |                                    |
|--|------------------------------------|
| <b>I. <u>Call to Order</u></b>   | Edward Tillman, Co-Chairman        |
| <b>II. <u>Approval of January 19<sup>th</sup>, 2021 Meeting Summary</u></b>  |                                    |
| <b>III. <u>CFY2022 Preliminary Operating and Debt Services Budget</u><br/><u>FY2022-2026 Preliminary Capital Investment Plan</u></b> | John Lewis, Jr.<br>Blanche Sherman |
| <b>IV. <u>CEO Comments</u></b>   | John Lewis, Jr.                    |
| <b>V. <u>Other Business</u></b>  |                                    |
| <b>VI. <u>Adjournment</u></b>  |                                    |



**CITIZENS TRANSIT ADVISORY GROUP (CTAG)**  
**Meeting Summary**  
**January 19<sup>th</sup>, 2021**  
**DISCUSSION SUMMARY**  
**(Approved February 16, 2021)**

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Present: Edward Tillman, City of Charlotte, CTAG Co-Chairman  
Adam Pasiak, Mecklenburg County, CTAG Co-Chairman  
Jeffrey Parker, Mecklenburg County  
Todd Steiss, Town of Davidson  
Kevin Walsh, Town of Huntersville  
Donald Rhodes, Town of Matthews  
Tommy Fellers, Town of Pineville

Staff: John Lewis Jr, Bradley Thomas, Allen Smith III, Blanche Sherman, David Moskowitz,  
Krystal Green, Jason Lawrence, Jennifer Fehribach, Rachel Gragg, Edennison Gamo,  
Nicky Galloway, Paulus Ford

Meeting time 7:30 a.m. – 9:00 a.m.

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**I. Call to Order**

The regular meeting of CTAG was called to order at 7:30 a.m. by CTAG Co-Chair Edward Tillman.

**II. Approval of Meeting Summary from November 17<sup>th</sup>, 2020 – Approved**

**III. COVID-19 Operational Changes and Updates**

Allen Smith III, CATS Chief Operating Officer shared the state of operations concerning:

- COVID Updates (Mask Mandate)
- Service Adjustments (for Bus and Rail)
- Safety of operators and passengers (Sanitize service for all vehicles and constant testing of the BOD/Light Rail operators and staff. Plus researching new technology (Ultraviolet Light)

**IV. Other Business**

Several other informational items were:

- 1) Route Adjustments: Through this season, routes haven't been cut but service levels have been reduced in certain areas. Through proactive planning (CTAG & MTC), CATS has been financially stable during the duration. As the pandemic recesses, CATS look to increase the route back to the established "New Normal" as we move forward.
- 2) Security – Although CATS hasn't had to decrease the Security force, GS4 has embraced and provided ambassadorship service as it relates to riding safely, providing information and masks to our ridership. Per our review of budget requirements and reduction area, CATS want to make sure we provide the necessary security to maintain customer confidence throughout the CATS' system.

- 3) Due to State Budget cuts, CATS had to use some of the CARE Funds. But it has been communicated and will be assumed that the State will make some adjustment in the coming budget to compensate for those funds.
- 4) CATS is working with the Mecklenburg County Health Department to best serve our residents as it relates to provide transportation to the current and future site(s) that will be administering the COVID Vaccine.
- 5) CATS will begin testing the Street Car in February 2021. As certifications are approved and testing is completed, hopefully the GoldLine Street Car is looking forward to a late April 2021 opening. As CATS continues to operate, bus, rail and STS, during COVID; we will take the learning are COVID as we move forward with the GoldLine Service. Our customers are anticipating the higher level of service and we are eager to provide this service, carefully and safely, as we weather the remainder of the COVID pandemic.

V. **Adjourn**

The meeting was adjourned at 8:00am

NEXT CTAG MEETING: FEBRUARY 16<sup>TH</sup>, 2021 AT 7:30 AM





# FY2022 PRELIMINARY OPERATING & DEBT SERVICE BUDGETS

## FY2022-26 PRELIMINARY CAPITAL INVESTMENT PLAN

Presented To  
Citizens Transit Advisory Group  
John M. Lewis, Jr., CATS CEO  
Blanche W. Sherman, CATS CFO  
February 16, 2021



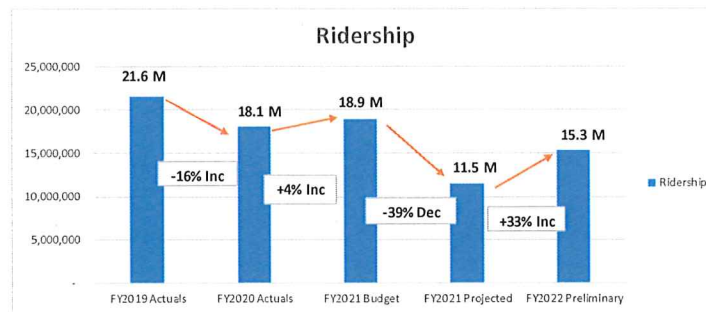
### Charlotte Area Transit Overview



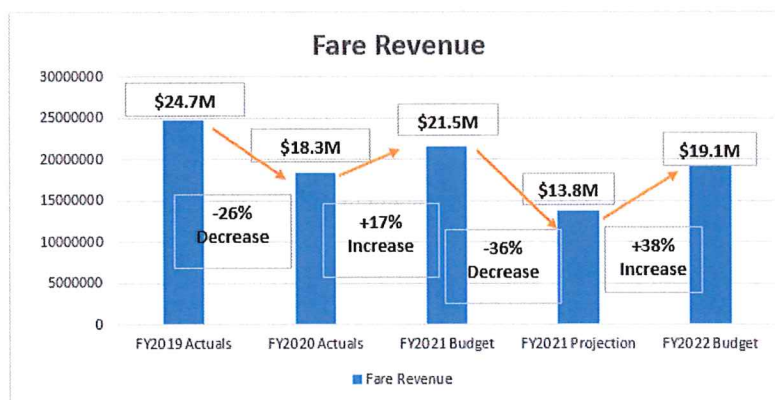
## COVID-19 Impact

### ➤ Ridership Impact

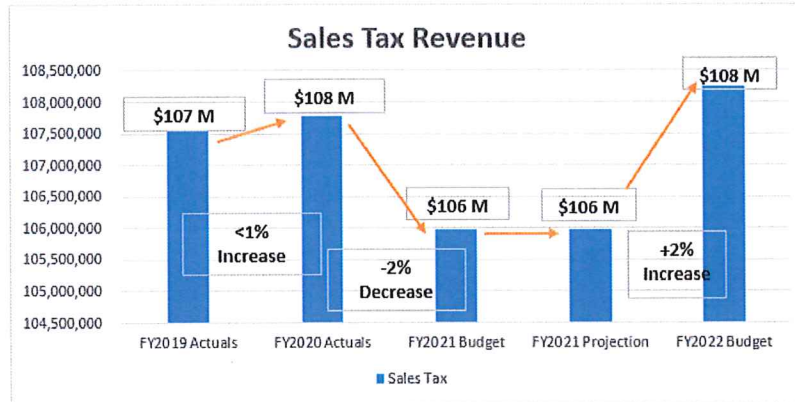
- Ridership projected to gradually increase in FY22 & 23 as statewide mandates and social distancing requirements loosen.



## COVID-19 Impact



## COVID-19 Impact



## COVID-19 Impact

- Service Modifications
  - Rail & Bus Service based on demand
- COVID Related Direct Purchases
  - Additional cleaning, PPE, social distancing equipment and facility updates.



## COVID-19 Impact

- CARES Act Funding Initial Apportionment
  - \$56,935,286 in Federal Funding

### Direct & Indirect Expenses Details

	FY2020 Actuals	FY2021 Projection	FY2022 Preliminary Budget
Cleaning Services	\$ 94,179	\$ 2,563,708	\$ 2,222,207
PPE, Sanitizer, Mask, Cleaning			
Supplies, Storage Rentals	160,586	190,279	\$ 115,993
Partitions & Driver Shields on Fleet*		304,385	\$ 60,000
Facility Updates (Signage & Technology equipment)	921		\$ 84,000
Optibus Initiative		550,000	\$ -
Reduction in Revenue	-	14,175,092	\$ 4,388,493
<b>Total</b>	<b>\$ 255,686</b>	<b>\$ 17,783,464</b>	<b>\$ 6,870,693</b>

\*Partitions over \$5K are classified as capital expenses

## COVID-19 Impact

- CARES Act Additional Funding
  - FTA announced January 11, 2021
  - 100% Federal Share with no local match requirement
  - \$49,821,740 shared with the agencies below.
    - Iredell County Transportation Services (ICATS)
    - Mecklenburg County Transportation Services (MCTS)
    - Union County Transportation (Union)

### Charlotte, NC-SC

North Carolina	\$ 49,821,740
South Carolina*	\$ 2,523,921
<b>Total</b>	<b>\$ 52,345,661</b>

\* A portion of SC funding is allocated towards CATS

### Charlotte Gateway Station

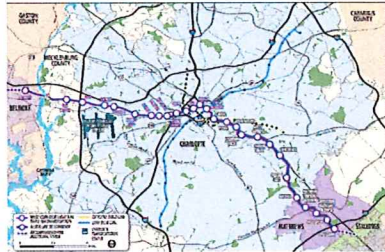
- Multi-modal transit center

### Silver Line Light Rail

- A 26-mile alignment, with 28 proposed stations

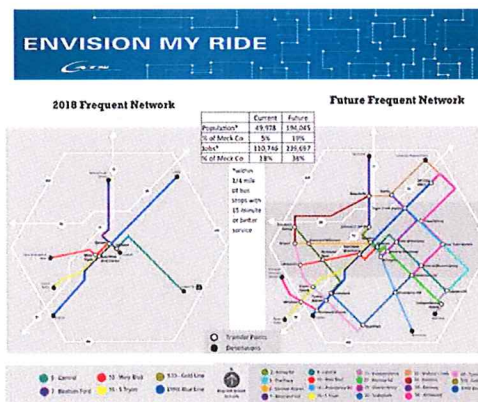
### CityLYNX GoldLine Phase II

- 2.5 mile extension to Johnson C. Smith University



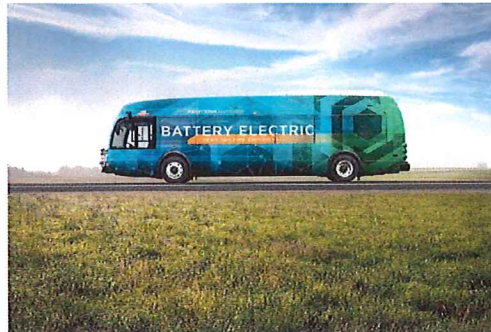
### Envision My Ride

- Redesign of current bus system with the following goals:
  - Increase cross-town and suburb-to-suburb service
  - Add bus-rail connectivity with BLE
  - Increase frequency of service & offer more direct services
- FY2018 - Route reorganization began with Bus/Rail integration
- FY2019 - Implemented service changes that adjusted more than 20 routes
- FY2020 - \$1 million investment for frequency adjustments to reduce headway
- FY2021 – COVID Impact

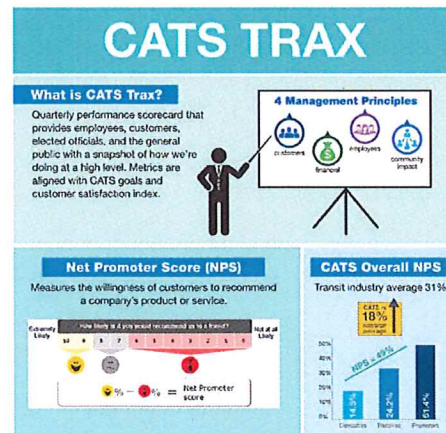


### Electric Buses

- New Initiative!
- Unsolicited Proposal from Duke
- Demonstration
- Full Fleet Conversion

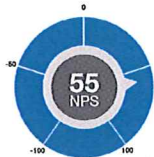


- ✓ CATS Performance Outcomes
- ✓ Assigns Importance Scoring
- ✓ Industry Metrics



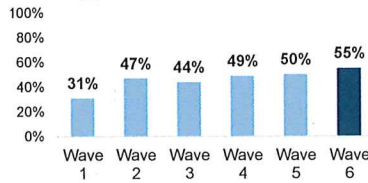
### Ultimate Impact on Customer Satisfaction Outcomes

Wave 6  
Fixed Route NPS

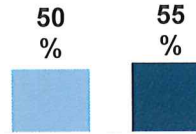


NPS Trend Over Time

↑ +77% from Wave 1



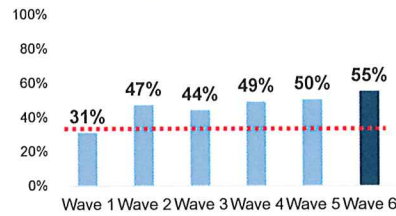
Comparison to Wave 5



Comparison to Industry

57% higher than an industry

Industry Sampled Avg 35%



### CATS TRAX FY20 Aggregate Scorecard

Strategy	Metric	Performance Goal	Goal Points	Q4 Earned Points
Customer Satisfaction	Overall Customer Satisfaction	90%	10.0	9.3
	Overall Net Promoter Score	58%	10.0	10.0
	Overall On-Time Performance	89%	7.0	7.5
	Overall Ridership**	23,500,000	3.0	1.1
	Overall Ridership**	100%	30.0	27.9
Financial Stability	Taxpayer Subsidy Percentage, (CATS Policy <80%)**	<80%	8.0	7.6
	Net Debt Service Coverage Threshold (CATS Policy >1.15)**	>1.15	7.0	7.0
	Overall Operating Cost/Revenue Hour**	\$142.21	6.0	5.4
	Overall Customers/Revenue Hour	21.0	6.0	2.9
	Directly Generated Revenue**	3.0%	3.0	2.5
Employee Success	Employee Engagement	80%	8.0	6.3
	Employee Satisfaction	85%	8.0	5.7
	Customer Satisfaction with CATS Employees	86%	5.0	4.9
	Customer Satisfaction with Call Center Interactions	87%	4.0	3.9
				25.0
Community Impact	Economic Impact**	1.27	5.0	5.9
	Community Perception of Community Value	85%	4.0	3.9
	Access to Key Destinations*	24%	3.0	1.2
	Jobs Created from Transit & Transit Infrastructure**	21,400	3.0	3.9
	Jobs Created from Transit & Transit Infrastructure**	100%		
Overall Performance Score			100.0	89.0

CATS TRAX Scorecard updated 8/10/20

- Primarily Structural balanced budget
- **Accountability:** Compliant with most (impact of current health pandemic) MTC financial and business performance objectives
- Mobility options for safe, affordable access to jobs, education, healthcare and other destinations





FY2022 Preliminary Operating and Debt Service Budgets  
 and  
 FY2022 - FY2026 Preliminary Capital Investment Plan  
 Overview



**FY2022 BUDGET SUMMARY**

BUDGET SUMMARY				
	FY2021 Adopted Budget (millions)	FY2022 Preliminary Budget (millions)	Variance (millions)	Variance (%)
Operating Revenues	\$ 175.6	\$ 181.9	\$ 6.3	3.6%
CATS Control Account	-	-	\$ -	0.0%
<b>Total Operating Revenue</b>	<b>\$ 175.6</b>	<b>\$ 181.9</b>	<b>\$ 6.3</b>	<b>3.6%</b>
Operating Expenditures	\$ 175.6	\$ 181.9	\$ 6.3	3.6%
Transfer to Capital	-	-	-	0.0%
<b>Total Operating Expenditures and Transfers</b>	<b>\$ 175.6</b>	<b>\$ 181.9</b>	<b>\$ 6.3</b>	<b>3.6%</b>
Debt Service Budget	\$ 50.9	\$ 62.1	\$ 11.2	22.0%
Capital Budget*	\$ 258.1	\$ 40.5	\$ (217.6)	-84.3%

\* Note: FY2022 Preliminary Capital Budget does not include any carry over amounts



## FY2022 OPERATING REVENUES

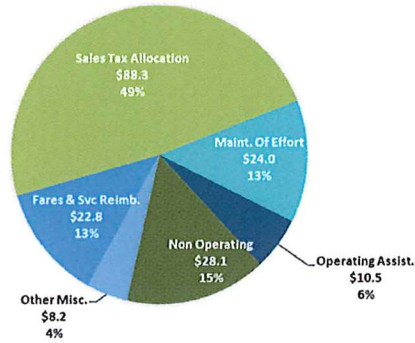
### Key Changes in FY2022 vs FY2021 (millions)

**\$175.6** FY2021 Adopted Budget

- + 0.1 Sales Tax Allocation
- (-2.4) Fares
- (0.1) Service Reimbursements
- + 0.7 Maintenance of Effort
- + 5.4 Operating Assistance
- + 2.0 Other Miscellaneous Revenue
- + 0.6 Non-Operating Revenue

**\$181.9** FY2022 Preliminary Budget

Total \$181.9 million



## SALES TAX RECEIPTS: FY2009– FY2022



Note: Sales Tax Trendline began in FY2013



## SALES TAX ALLOCATIONS

	FY2020 Actuals	FY2021 Adopted Budget	FY2021 Year End Projection	FY2022 Preliminary Budget
	(millions)	(millions)	(millions)	(millions)
Sales Tax Receipts	\$ 107.8	\$ 106.0	\$ 106.0	\$ 108.2
Sales Tax Trendline	(97.0)	(105.2)	(105.2)	(105.2)
Sales Tax Above Trendline	\$ 10.8	\$ 0.8	\$ 0.8	\$ 3.0
<b>Allocation of Sales Tax Trendline</b>				
Transfer to Debt Service	\$ 17.7	\$ 17.0	\$ 17.0	\$ 16.9
Transfer to Operating	79.3	88.2	88.2	88.3
<b>Subtotal</b>	<b>\$ 97.0</b>	<b>\$ 105.2</b>	<b>\$ 105.2</b>	<b>\$ 105.2</b>
<b>Allocation of Sales Tax Above Trendline</b>				
Transfer to Revenue Reserve	\$ -	\$ -	\$ -	\$ -
Transfer to Control Account	10.8	0.8	0.8	3.0
Transfer to Capital	-	-	-	-
Transfer to Operating	-	-	-	-
<b>Subtotal</b>	<b>\$ 10.8</b>	<b>\$ 0.8</b>	<b>\$ 0.8</b>	<b>\$ 3.0</b>
<b>Total Sales Tax Receipts</b>	<b>\$ 107.8</b>	<b>\$ 106.0</b>	<b>\$ 106.0</b>	<b>\$ 108.2</b>



## FY2022 OPERATING EXPENDITURES

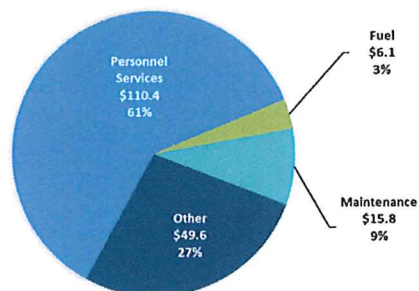
### Key Changes in FY2022 vs FY2021 (millions)

**\$175.6** FY2021 Adopted Budget

- + 0.1 Personnel Services
- (0.2) Fuel (Diesel for BOD & STS)
- + 2.3 Vehicle and Track Maintenance
- + 4.1 Other Operating Expense

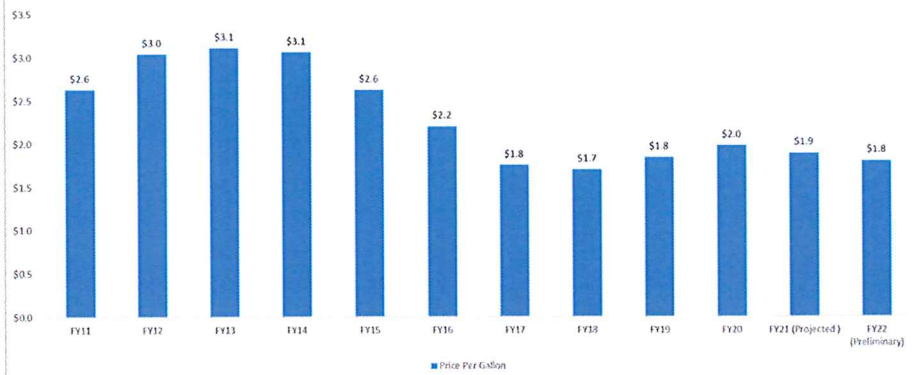
**\$181.9** FY2022 Preliminary Budget

Total \$181.9 million





Diesel Fuel Avg Price per Gallon



• **City Positions**

587.75 FY2020 Full Time Equivalent Regular City Positions

1.00 Service Level Change - Grant Funded GIS Position

(9.00) Less Eliminated Positions

579.75 FY2021 Full Time Equivalent Regular City Positions

1.00 Temporary Position

• **Contracted Positions**

845.00 Full Time Equivalent Transit Management Of Charlotte Positions

- Bus Operations (Bus Operators, Maintenance & Administrative)

108.05 Full Time Equivalent Positions

- Contracted Security Officers





## FINANCIAL POLICY COMPLIANCE

### Performance Objectives

#### Financial Performance Objectives

	FY2019 Actuals	FY2020 Audited Actuals	FY2021 Adopted Budget	FY2021 Year End Projection	FY2022 Preliminary Budget
<b>SYSTEM SUBSIDY</b>					
≤ 80% of Total Operating Cost	77.5%	83.1%	81.9%	86.1%	82.9%
<b>OPERATING RATIO (W/O Capital Interest)</b>	22.5%	16.9%	18.1%	13.9%	17.1%
<b>PASSENGERS PER HOUR</b>					
(Bus ≥ 20 passengers per hour)	15.6	12.7	15.1	10.2	12.6
(Light Rail ≥ 90 passengers per hour)	106.3	97.4	103.9	53.0	72.7
<b>ADMINISTRATIVE OVERHEAD</b> (≤ 15%)	11.5%	11.9%	14.5%	14.9%	15.3%
<b>GROSS DEBT SERVICE COVERAGE</b> (> 3.0)	6.08	5.74	6.36	6.36	8.15
<b>NET DEBT SERVICE COVERAGE</b> (≥ 1.15)	1.76	1.49	1.15	1.04	1.43



## FY2022 PRELIMINARY DEBT SERVICE BUDGET

- **FY2022 Debt Service Budget \$62.1 million**  
Transit Sales Tax, Federal and State grant funds pay annual principal and interest expenses

Project	Funding	FY2020 Actuals (millions)	FY2021 Adopted Budget (millions)	FY2022 Preliminary Budget (millions)
Blue Line Extension	Federal	\$ 17.0	\$ 5.6	\$ 0.6
	State	\$ 1.0	\$ 25.4	\$ 41.6
	Local	\$ 10.3	\$ 9.6	\$ 9.6
Blue Line & Transit Facilities	Local	\$ 6.6	\$ 6.6	\$ 6.6
South Tryon Bus Garage	Federal	\$ 2.9	\$ 2.9	\$ 3.0
	Local	\$ 0.8	\$ 0.8	\$ 0.7
<b>Total Debt Service</b>		<b>\$ 38.5</b>	<b>\$ 50.9</b>	<b>\$ 62.1</b>

- **Estimated Outstanding Principal: Approximately \$433 million** (as of 6/30/2020)  
Temporary Debt \$123 million (included in the \$433 million)
- **No new debt issuance is programmed for FY2022**



## FY2022-FY2026 PRELIMINARY CAPITAL PROGRAM

Sources of Funds	FY2022	FY2023	FY2024	FY2025	FY2026	Total
Grants- Federal	\$ 11,092,863	\$ 17,310,314	\$ 10,082,009	\$ 10,534,223	\$ 11,804,709	\$ 60,824,118
Grants-State	1,320,065	2,512,798	1,126,780	1,145,322	1,057,384	7,162,349
Local 1/2% Sales Tax	28,039,194	8,911,641	6,936,250	5,745,460	3,110,730	52,743,275
<b>Total</b>	<b>\$ 40,452,122</b>	<b>\$ 28,734,753</b>	<b>\$ 18,145,039</b>	<b>\$ 17,425,005</b>	<b>\$ 15,972,823</b>	<b>\$ 120,729,742</b>

CAPITAL EXPENDITURES	FY2022	FY2023	FY2024	FY2025	FY2026	Total
State of Good Repair- Vehicle Replacement	\$ 12,302,588	\$ 12,186,840	\$ 12,387,663	\$ 12,074,234	\$ 13,558,932	\$ 62,510,257
State of Good Repair- Facilities & Others	1,700,244	1,300,000	1,100,000	800,000	500,000	5,400,244
Transit Safety & Security	1,300,065	348,897	326,136	696,339	686,339	3,357,776
Transit Long Range Capital Improvement	23,667,446	12,977,054	3,230,000	1,675,000	250,000	41,799,500
Non-Revenue Vehicle	704,320	390,530	320,740	370,000	413,212	2,198,802
Transit New Equipment	777,459	1,531,432	780,500	1,809,432	564,340	5,463,163
<b>Total</b>	<b>\$ 40,452,122</b>	<b>\$ 28,734,753</b>	<b>\$ 18,145,039</b>	<b>\$ 17,425,005</b>	<b>\$ 15,972,823</b>	<b>\$ 120,729,742</b>

**Notes:**

1. FY2022 Preliminary Capital Budget excludes carry over amounts
2. Excludes Grant-Funded Operating Projects totaling \$56.5 million for FY2022 – FY2026

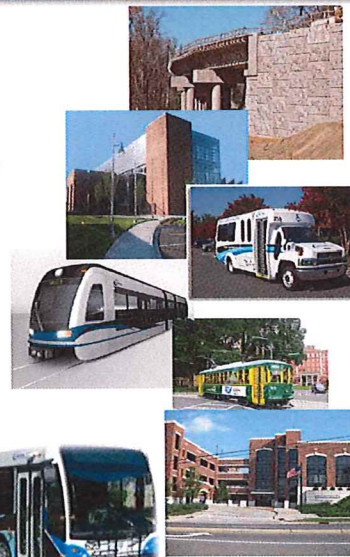


## FY2022-FY2026 CAPITAL PROGRAM

### \$120.7 million Funds 5-Year Capital Program

**Key Capital Expenses:**

- **State of Good Repair \$67.9 million**
  - Replace 50 buses; 55 STS Buses; 47 Vanpool Vans
  - Contingency for Facilities projects (FY22 – FY23 only)
  - Envision My Ride Bus Shelters
  - Fencing Replacements
  - Substation HVAC Replacement
  - Lighting Upgrades



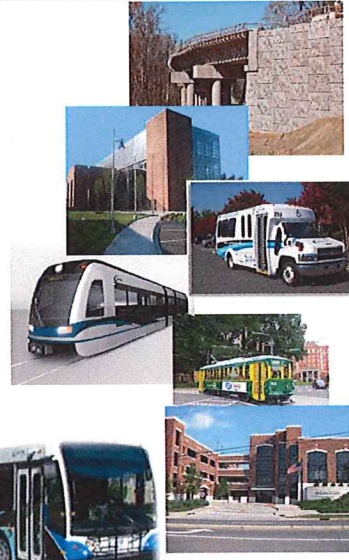
**\$120.7 million Funds 5-Year Capital Program**

**Key Capital Expenses:**

- **Transit Safety and Security \$3.3 million**
  - Camera & Access Control Replacements
  - Guard Shacks & Bollards
  
- **Transit Long Range Capital Improvement \$41.8 million**
  - Silver Line Design (FY22 only)

Year	Budget
FY2020	\$ 9,000,000
FY2021	21,175,000
FY2022	19,825,000
<b>Total</b>	<b>\$ 50,000,000</b>

- ADA Enhancements and Improvements
- Southend Station
- Hambright Park & Ride

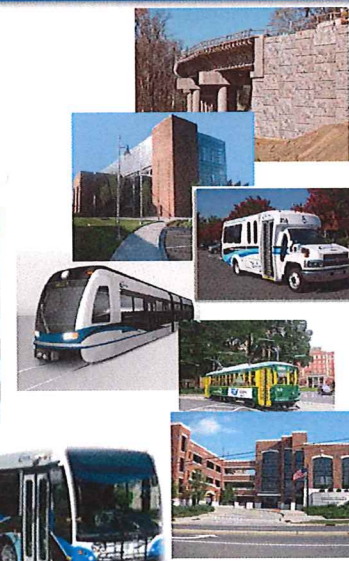


**\$120.7 million Funds 5-Year Capital Program**

**Key Capital Expenses:**

- **Transit Non-Revenue Vehicles \$2.2 million**
  - 18 replacement vehicles in FY2022
  - 44 replacement vehicles over 5-year Program

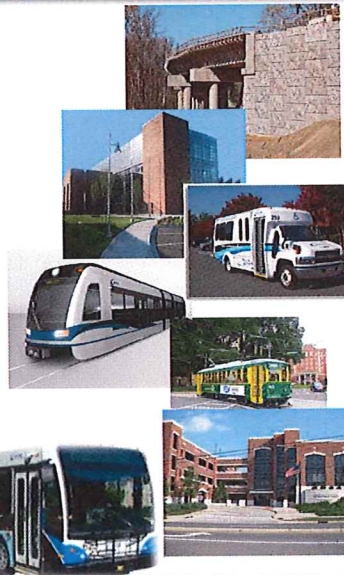
Non-Revenue Vehicles	FY2022	FY2023-FY2026	Total Vehicles
Bus Operations & Maintenance	8	16	24
Special Transportation Services	2	4	6
Facilities	2	4	6
Marketing	3	-	3
Safety & Security	3	-	3
Technology	-	2	2
<b>Total</b>	<b>18</b>	<b>26</b>	<b>44</b>



### \$120.7 million Funds 5-Year Capital Program

#### Key Capital Expenses:

- **Transit Equipment \$5.5 million**
  - Server Refresh
  - UPS Refresh
  - Network Infrastructure Refresh
  - ERP Initiatives
  - Steam Bay Lifts
  - Tug Replacement
  - Rail Shop Equipment
  - Friction Modifiers
  - Demand Response System Upgrade
  - SCADA Firewall Refresh
  - BOCC Workstations
  - *Brake Rotor* equipment



### Pending Items

- **City Cost Allocation Plan (CAP)**
  - Allocated cost among all City Departments for Shared Services
- **Internal Service Providers (ISP)**
  - Cost for items such as Communication Equipment, Insurance Premiums & Workmen's Compensation



## FY2022 BUDGET SUMMARY RECAP

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Capital Budget*	\$ 258.1	\$ 40.5	\$ (217.6)	-84.3%

Note: FY2022 Preliminary Capital Budget excludes carry over amounts



## BUDGET SCHEDULE

January 20, 2021	City Manager Presentation
January 27, 2021	MTC
February 11, 2021	TSAC
February 16, 2021	CTAG
February 24, 2021	MTC
March 24, 2021	MTC
April 20, 2021	CTAG Recommendation
April 28, 2021	MTC Approval
June 7, 2021	City Council Adoption



Thank you



CITY OF CHARLOTTE 

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[www.RIDETRANSIT.org](http://www.RIDETRANSIT.org)

