



CITIZENS TRANSIT ADVISORY GROUP (CTAG)

Agenda

April 19th, 2022

7:30 am to 9:00 am

Charlotte-Mecklenburg Government Center

Conference Room CH-14

- I. **Call to Order** Adam Pasiak, CTAG Co-Chairman
- II. **Introduction of New Members – Cornelius and Pineville**
- III. **Approval of February 15th, 2022 Meeting Summary**
- IV. **QR Code Bus Stop Signage Pilot Program (p.3-5)** Krystel Green
- V. **CATS Fare Capping Initiative** Krystel Green
- VI. **FY2022 Amended Operating & Debt Service Budgets (p.7-13)** Blanche Sherman
FY2022 Amended Capital Investment Plan
- VII. **FY2023 Recommend Operating & Debt Service Budget & (p.15-26)** John Lewis, Jr.
FY2023-27 Recommended Capital Investment Plan Blanche Sherman
- VIII. **CEO's Comments** John Lewis, Jr.
- IX. **Other Business**
- X. **Adjourn**

CITIZENS TRANSIT ADVISORY GROUP (CTAG)
Meeting Summary
February 15th, 2022
DISCUSSION SUMMARY

Present: Adam Pasiak, Mecklenburg County, CTAG Co-Chairman
Edward Tillman, City of Charlotte, CTAG Co-Chairman
Michael Cataldo, Charlotte City Council
Michael Young, Charlotte City Council
Todd Steiss, Town of Davidson
Kevin Walsh, Town of Huntersville
Donald Rhodes, Town of Matthews
Jessi Healey, Town of Mint Hill
Tommy Fellers, Town of Pineville

Staff: John Lewis Jr, Blanche Sherman, Krystal Green, Rachel Gragg, Allen Smith III,
Bradley Thomas, Catherine Kummer, Jason Lawrence, Nicki Galloway, David
Moskowitz, Alexia Forte, Paulus Ford

Meeting time 7:30 a.m. – 9:00 a.m.

I. Call to Order

The regular meeting of CTAG was called to order at 7:30 a.m. by Co-Chairman (Mecklenburg County) Adam Pasiak.

II. Approval of Meeting Summary from January 18th, 2022 – Approved

III. FY2023 Preliminary Operating & Debt Service Budget & FY2023-2027 Preliminary Capital Investment Plan (presentation attached) - John Lewis, Jr. CATS' Chief Executive Officer and Blanche Sherman, CATS Chief Finance Officer presented the FY2023 Preliminary Operating & Debt Service Budget & FY2023-2027 Preliminary Capital Investment Plan.

There was a brief discussion on Northern Corridor Bus Rapid Transit (BRT), in that it is still be studied. The discussion provides the acquiring of land to build an addition park and ride. There is additional funding that need to be address in order to move to a true BRT service. Hopefully, this revenue will be identified in TMN initiative.

Also, CTAG receive an overview of hiring, training, and attracting new CDL drivers.

IV. CEO Comments – John Lewis, Jr., CATS CEO provided information on the fatal fatality of A CATS Bus Operator. Mr. Lewis provided details of the incident, from what started the situation, and the details that lead to the operator's demise. Details was provided that CATS, in concert with CMPD, was working to locate the individual responsible.

All of CATS' buses are equipped with the latest high-definition camera and video technology, which covers inside and outside the buses. The video has been forward to the authorities in order to assist with the investigation.

CATS has also been in contact with the family and are working with liaisons, to aid and assistance during the time.

V. Other Business

1. CTAG welcomed back City of Charlotte Mayor's reappointment of Co-Chairman Edward Tillman.
2. A reminder that CATS provides a yearly bus pass for all currently active CTAG Board Members.
3. Several bus service issues were shared by Huntersville and Matthews, (fare box issue and routes). These issues were forward to the appropriate department for action.

VI. Adjourn

The meeting was adjourned at 8:09am

NEXT CTAG MEETING: APRIL 19TH, 2022 AT 7:30 AM




FY2023 PRELIMINARY OPERATING & DEBT SERVICE BUDGETS

FY2023-27 PRELIMINARY CAPITAL INVESTMENT PLAN

Presented To
Citizen Transit Advisory Group
John M. Lewis, Jr, CATS' CEO
Blanche W. Sherman, CATS' Deputy Director/CFO
February 15, 2022

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Charlotte Area Transit Overview

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

CATS TRAX

What is CATS Trax?
 Quarterly performance scorecard that provides employees, customers, elected officials, and the general public with a snapshot of how we're doing at a high level. Metrics are aligned with CATS goals and customer satisfaction index.

4 Management Principles

- Customer
- Financial
- Employee
- Community Impact

Net Promoter Score (NPS)
 Measures the willingness of customers to recommend a company's product or service.

CATS Overall NPS
 Transit industry average 31%

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CATS TRAX FY21 Aggregate Scorecard								
Strategy	Metric	Performance Goal	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Goal Points	Q4 Earned Points
Customer Satisfaction	Overall Customer Satisfaction	90%	84%	84%	84%	84%	9.0	8.2
	Overall Net Promoter Score	58%	58%	58%	58%	58%	9.0	10.0
	Overall On-Time Performance	89%	94%	93%	93%	91%	7.0	7.1
	Overall Ridership**	18,427,708	2,220,561	4,474,809	6,448,253	8,687,151	3.0	1.5
	Overall Ridership**	100%	12%	24%	35%	47%	6.0	2.0
	Confidence to Return*						6.0	2.0
Community Impact	Economic Impact**	1.27	1.05	1.24	1.26	1.27	5.0	5.0
	Community Perception of Community Value	85%	-	80%	80%	80%	15.0	14.1
	Customers with Access to 15-minute or Better Service	45%	40%	42%	19%	22.0%	5.0	2.4
	Jobs Created from Transit & Transit Infrastructure**	30,600	12,328	14,480	17,420	20,239	5.0	3.3
Financial Stability	Taxpayer Subsidy Percentage, (CATS Policy <80%)**	<80%	87.2%	89.2%	90.8%	90.0%	4.0	3.5
	Net Debt Service Coverage Threshold (CATS Policy >1.15)**	>1.15	2.63	1.00	1.36	0.98	4.0	3.4
	Overall Operating Cost/Revenue Hour**	\$174.62	\$140.80	\$167.61	\$175.59	\$174.72	4.0	4.0
	Overall Customers/Revenue Hour	18.6	10.0	10.2	9.0	10.3	4.0	2.2
	Directly Generated Revenue**	4.0%	1.19%	2.69%	1.37%	3.0%	4.0	3.0
Employee Success	Employee Engagement	80%	-	-	-	60%	7.0	5.3
	Employee Satisfaction	85%	-	-	-	55%	5.0	3.2
	Customer Satisfaction with CATS Employees	86%	88%	88%	88%	88%	4.0	3.9
	Customer Satisfaction with Call Center Interactions	87%	82%	82%	82%	82%	4.0	3.9
	Overall Performance Score						100.0	85.3

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CATS earned 28.1 out of 30 points in Customer Satisfaction in Q4.
 - Ridership increased from last quarter across all modes. OTP has remained high across all modes.

CATS TRAX FY2021 Detailed Scorecard

Strategy	Metric	Performance Goal	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Goal Points	4th Quarter Points
Customer Satisfaction	Overall Customer Satisfaction - Fixed Route	88%	80%	80%	80%	80%	5.0	4.5
	Overall Customer Satisfaction - Rail	97%	89%	89%	89%	89%	3.0	2.7
	Overall Customer Satisfaction - Paratransit	87%	86%	86%	86%	86%	1.0	1.0
	Net Promoter Score - Fixed Route	45%	55%	55%	55%	55%	5.0	6.1
	Net Promoter Score - Rail	71%	64%	64%	64%	64%	3.0	2.7
	Net Promoter Score - Paratransit	42%	50%	50%	50%	50%	1.0	1.2
	On-Time Performance - Fixed Route	85%	87%	87%	88%	87%	4.0	4.1
	On-Time Performance - Rail	98%	100%	100%	98%	99%	2.0	2.0
	On-Time Performance - Paratransit	88%	96%	91%	92%	86%	1.0	1.0
	Ridership - Fixed Route**	2,807,080	1,547,118	1,523,464	1,374,645	1,499,655	2.0	1.1
	Ridership - Rail**	1,744,998	639,924	696,602	563,949	693,156	1.0	0.4
	Ridership - Paratransit**	54,849	33,519	34,182	34,849	40,087	0.0	0.0
	Confidence to Return*	TBD	-	-	67%	67%	2.0	1.3
						30.0	28.1	

Note: The Customer Survey was conducted in early March 2020 and coincided with the beginnings of the U.S. response to COVID-19. The Confidence to Return Metric was calculated with the Customer Confidence Survey.



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Key Takeaways for Q4

1. Ridership continues to be down compared to prior years, but all modes have increased since Q3.
2. An Employee Survey was administered to employees of frontline departments. Employee Engagement and Satisfaction declined slightly compared to the Wave 1 survey of all employees.
3. COVID-19 continues to negatively impact CATS' financial stability in measures like taxpayer subsidy, productivity (customers/hour) and net debt service coverage threshold, but CATS is effectively managing operating costs per hour for all modes.

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FY2022 MAJOR CONCERNS

Major Concerns!

- ✓ COVID-19 Impact
 - Re-capture Ridership
 - Staffing Retention and Recruitment
 - Service Based on Demand
- ✓ Continue to Operate Safely
- ✓ Manage & Maintain our Assets



Consider a Career in Transit!

NOW HIRING!

[CLICK HERE TO APPLY](#)

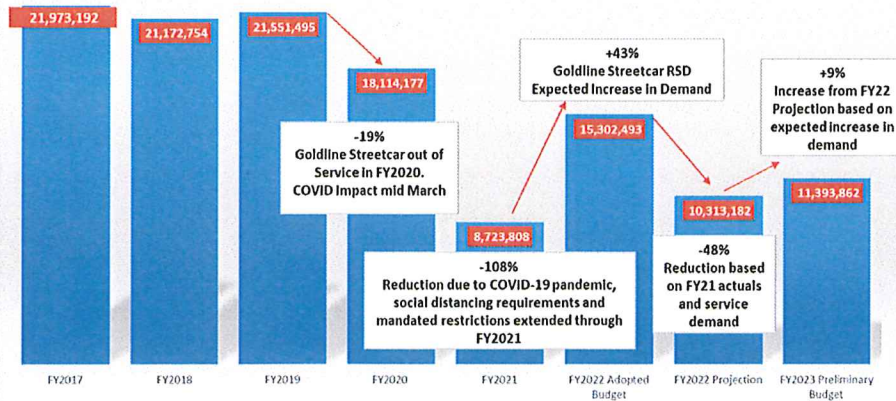


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COVID-19: Ridership Impact

Ridership Trends and Projections



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Service Reductions and Anticipated Changes				
Bus	Date	Service Level	Revenue Hours per Weekday	Description
	Feb-20	Pre COVID-19 pandemic	2,780	Pre pandemic
	Mar-20	Saturday w/ Express	1,855	Saturday with limited express
	Jun-20	Saturday w/ Express	2,128	Saturday with limited express
	Oct-20	New Based Schedule	2,144	frequency improvement to core routes
	Feb-21	Base Schedule	2,229	Minor frequency improvements
	Jun-21	Base Schedule	2,250	Minor frequency improvements
	Jul-21	Base Schedule	2,264	Added express service
	Aug-21	Base Schedule	2,208	discontinued services that was replaced by streetcar
	Feb-22	Base Schedule	2,243	adjustments for on-time performance
Light Rail	Date	Service Level	Revenue Hours per Weekday	Description
	Feb-20	Pre COVID-19 pandemic	231	Pre pandemic without Streetcar
	Mar-20	Sunday (20 min)	116	Initial reduction for pandemic
	Jun-20	15- minute all day	205	added layover for cleaning
	Oct-20	15-minute all day	205	added layover for cleaning
	Dec-20	Sunday (20 min)	130	Sunday Service
	Feb-21	Base- 20 min	152	20-minute schedule with extended hours
	Aug-21	Base- 20 min	252	streetcar added
	Feb-22	Base- 20 min	252	

CATS Highlights

- ✓ BEB – Battery Electric Buses
- ✓ Transformational Mobility Network (TMN)
 - ✓ Silver Line
 - 2030 Rail System Plan
 - ✓ Envision My Ride





CEO FY2023 PRELIMINARY BUDGET

- **Balanced Budget:** (Revenues = Expenses)
- **Accountability:** Compliant with MTC financial and business performance objectives, unless impacted by COVID-19 pandemic.
- **Focus:** Continue to provide mobility options for safe and affordable access to jobs, education, healthcare and other destinations

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FY2023 BUDGET SUMMARY

BUDGET SUMMARY				
	FY2022 Adopted Budget (millions)	FY2023 Preliminary Budget (millions)	Variance (millions)	Variance (%)
Operating Revenues	\$ 185.8	\$ 205.6	\$ 19.7	10.6%
CATS Control Account	-	-	\$ -	
Total Operating Revenue	\$ 185.8	\$ 205.6	\$ 19.7	10.6%
Operating Expenditures	\$ 185.8	\$ 205.6	\$ 19.7	10.6%
Transfer to Capital	-	-	-	0.0%
Total Operating Expenditures and Transfers	\$ 185.8	\$ 205.6	\$ 19.7	10.6%
Debt Service Budget	\$ 62.1	\$ 18.1	\$ (44.0)	-70.9%
Capital Budget*	\$ 245.4	\$ 45.7	\$ (199.7)	-81.4%

* Note: FY2023 Preliminary Capital Budget does not include any carry over amounts

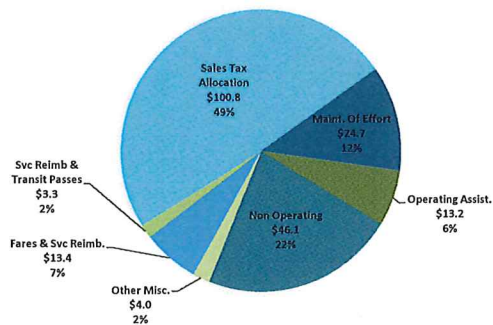


FY2023 OPERATING REVENUES

Key Changes in FY2023 vs FY2022 (millions)

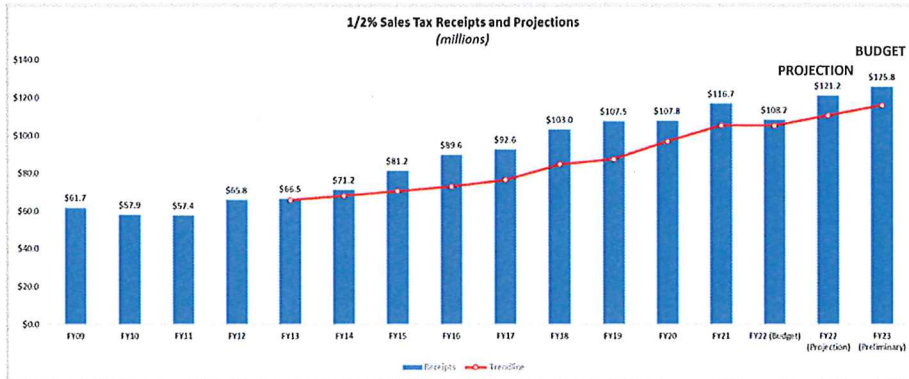
\$185.8	FY2022 Adopted Budget
+ 12.6	Sales Tax Allocation
- (5.7)	Fares
+ 0.7	Maintenance of Effort
- (12.5)	Operating Assistance
- (4.1)	Other Miscellaneous Revenue
+ 28.8	Non-Operating Revenue
\$205.6	FY2023 Preliminary Budget

Total \$205.6 million





SALES TAX RECEIPTS: FY2009– FY2023



Note: Sales Tax Trendline began in FY2013

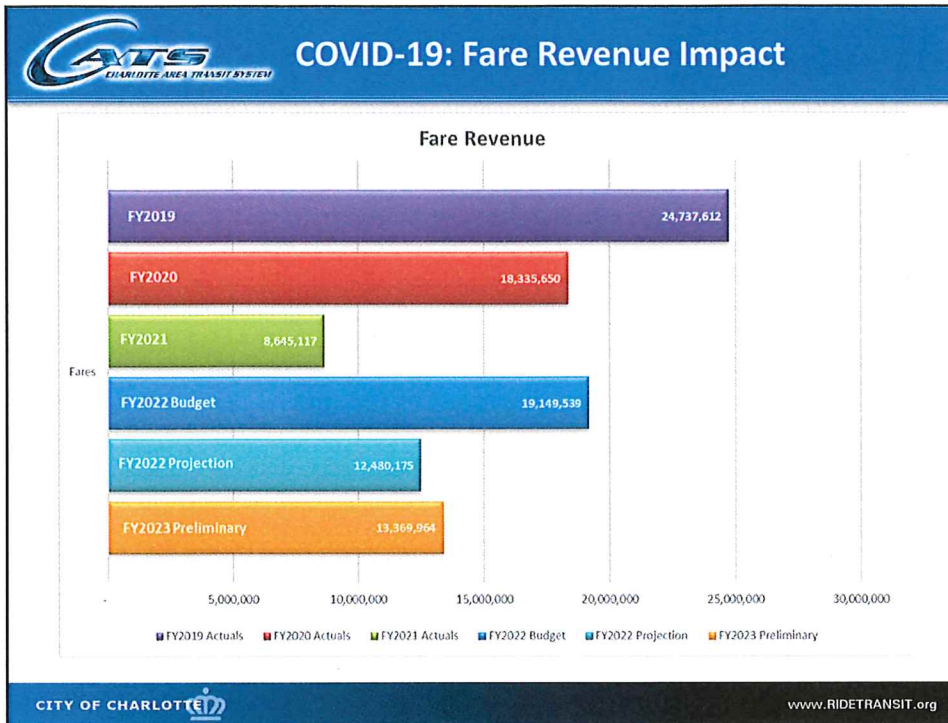
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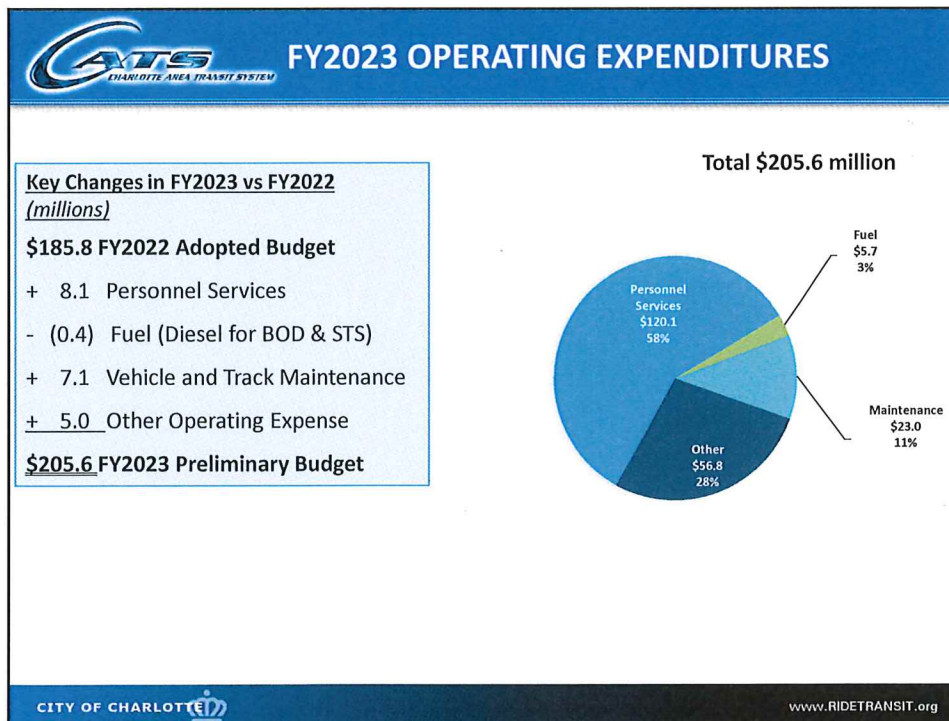
SALES TAX ALLOCATIONS

	FY2021 Actuals (millions)	FY2022 Adopted Budget (millions)	FY2022 Year End Projection (millions)	FY2023 Preliminary Budget (millions)
Sales Tax Receipts	\$ 116.7	\$ 108.2	\$ 121.2	\$ 125.8
Sales Tax Trendline	(105.2)	(105.2)	(110.6)	(116.0)
Sales Tax Above Trendline	\$ 11.5	\$ 3.0	\$ 10.6	\$ 9.8
Allocation of Sales Tax Trendline				
Transfer to Debt Service	\$ 17.0	\$ 16.9	\$ 16.9	\$ 15.2
Transfer to Operating	88.2	88.3	93.7	100.8
Subtotal	\$ 105.2	\$ 105.2	\$ 110.6	\$ 116.0
Allocation of Sales Tax Above Trendline				
Transfer to Revenue Reserve	\$ -	\$ -	\$ -	\$ -
Transfer to Control Account	11.5	3.0	10.6	9.8
Transfer to Capital	-	-	-	-
Transfer to Operating	-	-	-	-
Subtotal	\$ 11.5	\$ 3.0	\$ 10.6	\$ 9.8
Total Sales Tax Receipts	\$ 116.7	\$ 108.2	\$ 121.2	\$ 125.8

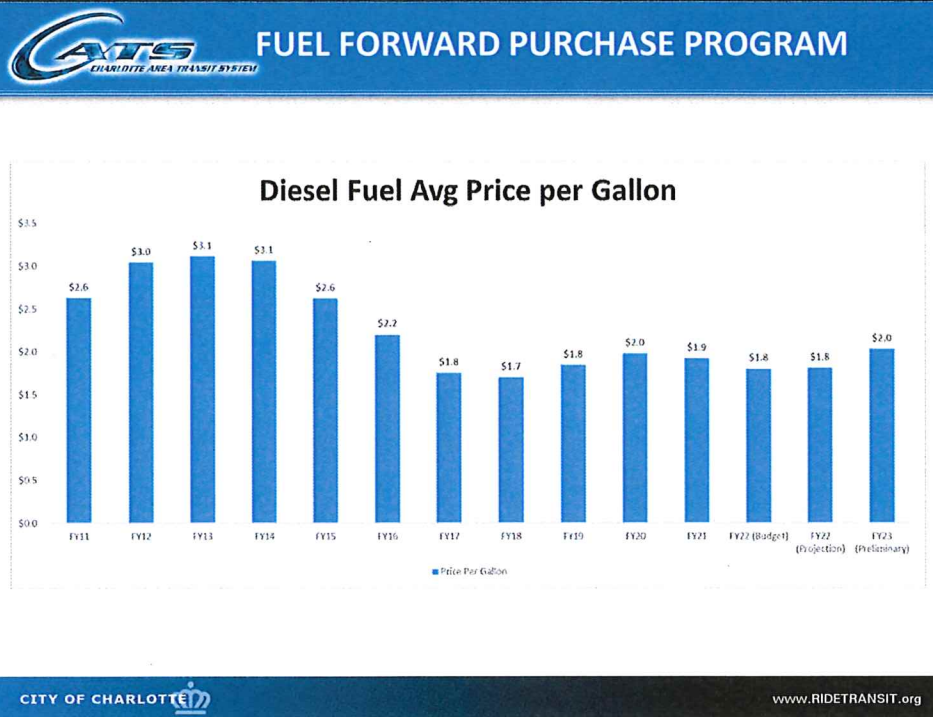
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FY2023 STAFFING

- City Positions**
 - 606.75 Full Time Equivalent Regular City Positions
 - 1.00 Temporary Positions
- 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

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FINANCIAL POLICY COMPLIANCE

Performance Objectives					
Financial Performance Objectives					
	FY2020	FY2021	FY2022	FY2022	FY2023
	Actuals	Audited Actuals	Adopted Budget	Year End Projection	Preliminary Budget
SYSTEM SUBSIDY					
≤ 80% of Total Operating Cost	83.1%	93.8%	83.4%	89.5%	89.8%
OPERATING RATIO (W/O Capital Interest) (≥ 20%)	16.9%	6.2%	16.6%	10.5%	10.2%
PASSENGERS PER HOUR					
(Bus ≥ 20 passengers per hour)	12.7	8.6	12.6	8.7	8.9
(Light Rail ≥ 90 passengers per hour)	97.4	44.4	72.7	52.8	66.7
ADMINISTRATIVE OVERHEAD (≤ 15%)	11.1%	13.13%	15.37%	14.85%	15.25%
GROSS DEBT SERVICE COVERAGE (> 3.0)	5.74	6.15	Restated 6.54	7.17	8.48
NET DEBT SERVICE COVERAGE (≥ 1.15)	1.50	1.47	Restated 1.15	1.51	1.54

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FY2023 DEBT SERVICE BUDGET

- **FY2023 Debt Service Budget \$18.1 million**
Transit Sales Tax, Federal and State grant funds pay annual principal and interest expenses

Project	Funding	FY2021	FY2022	FY2023
		Actuals	Adopted Budget	Preliminary Budget
		(millions)	(millions)	(millions)
Blue Line Extension	Federal	\$ 1.7	\$ 0.6	\$ -
	State	\$ 0.9	\$ 41.6	\$ -
	Local	\$ 91.9	\$ 9.6	\$ 8.3
Blue Line & Transit Facilities	Local	\$ 6.6	\$ 6.6	\$ 6.1
South Tryon Bus Garage	Federal	\$ 2.9	\$ 3.0	\$ 3.0
	Local	\$ 0.7	\$ 0.7	\$ 0.7
Total Debt Service		\$ 104.7	\$ 62.1	\$ 18.1

- **Estimated Outstanding Principal: Approximately \$337 million (as of 6/30/2021)**
- **No new debt issuance is programmed for FY2023**

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CATS
CHARLOTTE AREA TRANSIT SYSTEM

FY2023-FY2027 PRELIMINARY CAPITAL PROGRAM

Sources of Funds	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Grants- Federal	\$ 25,233,161	\$ 19,281,862	\$ 14,274,362	\$ 16,499,538	\$ 17,046,329	\$ 92,335,252
Grants-State	2,512,798	1,126,781	1,145,322	1,302,802	1,559,108	7,646,811
Local 1/2% Sales Tax	17,998,712	5,979,432	5,010,173	2,981,636	11,033,209	43,003,162
Total	\$ 45,744,671	\$ 26,388,075	\$ 20,429,857	\$ 20,783,976	\$ 29,638,646	\$ 142,985,225

CAPITAL EXPENDITURES	FY2023	FY2024	FY2025	FY2026	FY2027	Total
State of Good Repair- Vehicle Replacement	\$ 19,666,943	\$ 21,905,699	\$ 13,383,086	\$ 15,591,085	\$ 24,556,365	\$ 95,103,178
State of Good Repair- Facilities & Others	1,800,000	1,625,000	1,351,000	1,079,000	1,570,000	7,425,000
Transit Safety & Security	348,897	326,136	2,396,339	686,339	736,339	4,494,050
Transit Long Range Capital Improvement	19,947,054	200,000	250,000	250,000	-	20,647,054
Non-Revenue Vehicle	390,530	650,740	70,000	833,212	1,319,942	3,264,424
Transit New Equipment	3,591,247	1,680,500	2,979,432	2,344,340	1,456,000	12,051,519
Total	\$ 45,744,671	\$ 26,388,075	\$ 20,429,857	\$ 20,783,976	\$ 29,638,646	\$ 142,985,225

Notes:
 1. FY2023 Preliminary Capital Budget excludes carry over amounts
 2. Excludes Grant-Funded Operating Projects

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CATS
CHARLOTTE AREA TRANSIT SYSTEM

FY2023-FY2027 CAPITAL PROGRAM

\$143.0 million Funds 5-Year Capital Program

Key Capital Expenses:

- ✓ State of Good Repair \$102.5 million
 - Replace **fixed route buses; STS Buses; Vanpool Vans**
 - **Solar Panels, Electric Vehicle Chargers, Bus Shelter Improvements and Facility upgrades**
- ✓ Transit Safety & Security \$4.5 million
 - **Camera replacement, Guard Shacks and Access Control System replacement**
- ✓ Transit Long Range Capital Improvement \$ 20.6 million
 - **Hambright Park & Ride**
 - Land Swaps
 - **Temporary Facility for Uptown Transit Center, if needed**
- ✓ Transit Non-Revenue Vehicles \$3.3 million
 - **Non-Revenue Vehicle** replacements
- ✓ Transit New Equipment \$12.1 million
 - **Bus and Rail Equipment, Technology Upgrades**
 - **New City ERP System**







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Pending Items

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
- Stormwater Inspection Repairs and Routine Maintenance on Facilities
- Autonomous Vehicle Pilot- MOU with NCDOT



FY2023 BUDGET SUMMARY RECAP

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Capital Budget*	\$ 245.4	\$ 45.7	\$ (199.7)	-81.4%

Note: FY2023 Preliminary Capital Budget excludes carry over amounts



PROPOSED BUDGET SCHEDULE

February 23, 2022	MTC
March 23, 2022	MTC
April 19, 2022	CTAG Recommendation
April 27, 2022	MTC Approval
June 2022	City Council Adoption

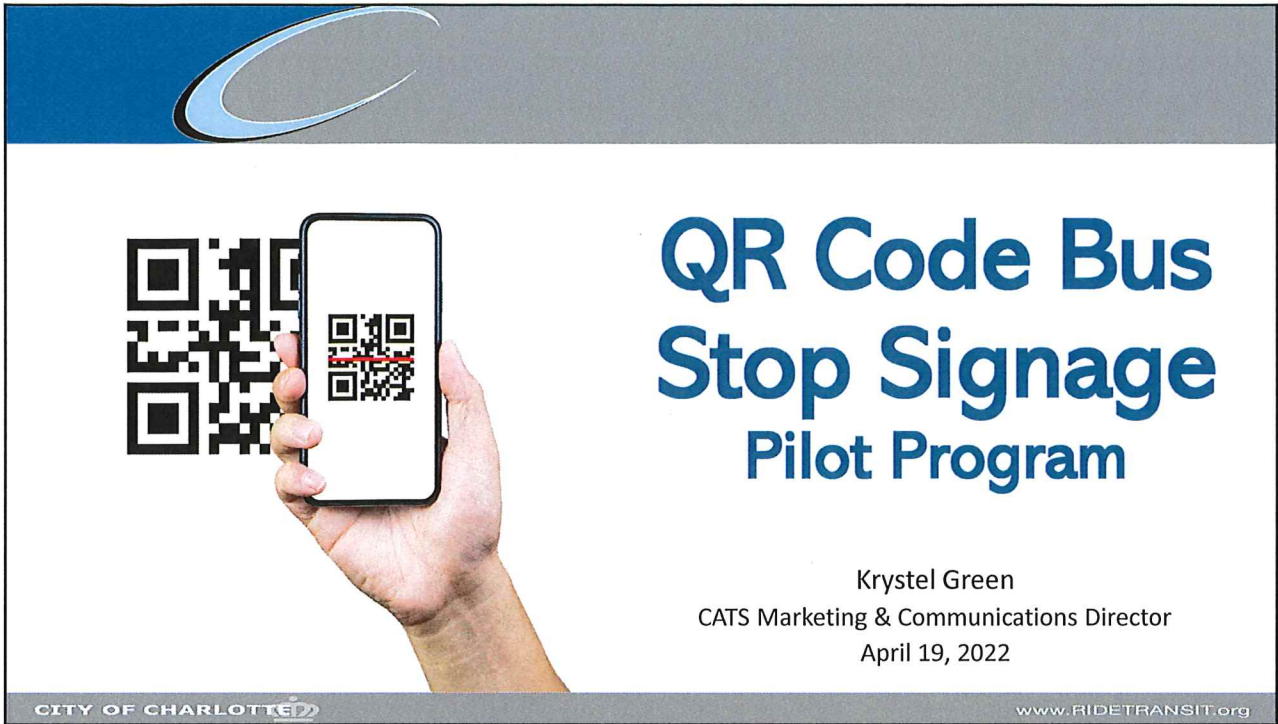
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Thank you




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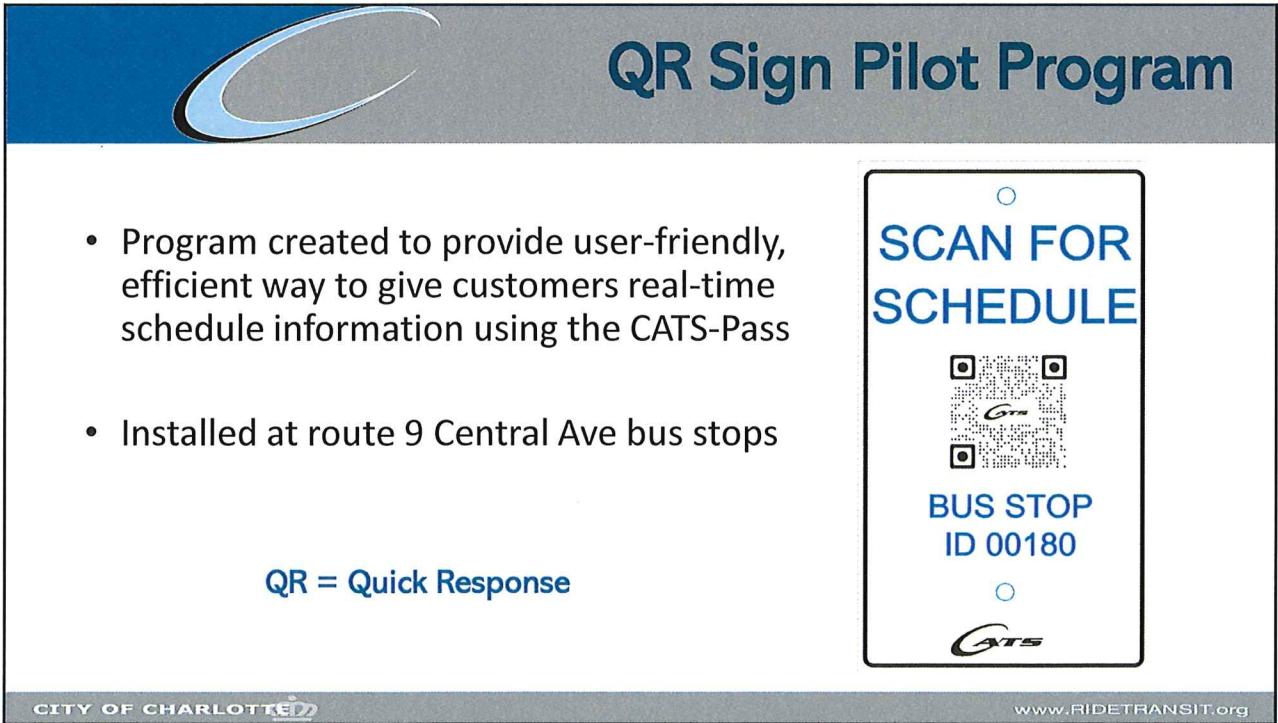


QR Code Bus Stop Signage Pilot Program

Krystal Green
CATS Marketing & Communications Director
April 19, 2022

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QR Sign Pilot Program


- Program created to provide user-friendly, efficient way to give customers real-time schedule information using the CATS-Pass
- Installed at route 9 Central Ave bus stops


QR = Quick Response

SCAN FOR SCHEDULE



BUS STOP ID 00180



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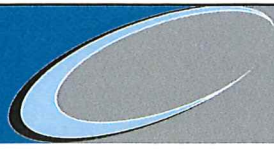
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QR Signage Benefits

- Customer friendly
- Fast, efficient access to CATS-Pass real-time bus tracking
- Decreases paper schedule printing needs and costs
- Decreases CATS' carbon footprint

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QR Signage Cost Savings

- February 2022 schedule CATS spent \$14,000 on:
 - Printed paper schedule
 - Eye-level display of bus schedule timepoints
 - Does NOT include staff time to install eye-level displays
- Schedule changes every June, October and February
- 64 stops on route 9
- Cost to print signage for pilot = \$3800
- **QR codes are reusable; signs do NOT need to be reprinted with each schedule change**



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Pilot Program Timeline



April 25-28 – Install signage

April 29 – LAUNCH

July – Customer Survey

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**CITIZENS TRANSIT ADVISORY GROUP
ACTION ITEM
STAFF SUMMARY**

SUBJECT: CTAG Recommendation **DATE: April 19, 2022**
FY2022 Transit Operating Budget Amendments
FY2022 Transit Capital Investment Plan (CIP) Budget Amendment

1.0 ACTION:

In compliance with the Transit Governance Interlocal Agreement, the Citizens Transit Advisory Group is required to make a recommendation to the Metropolitan Transit Commission concerning the CATS FY2022 Operating and Capital budget amendments based on the chief executive officer's recommendation.

2.0 BACKGROUND:

On April 20, 2021, the Metropolitan Transit Commission took action to approve the FY2022 Transit Operating Budget and The FY2022-2026 Transit Capital Investment Plan (CIP) budget. The CATS FY2022 Operating Budget and The FY2022-2026 Capital Investment Plan (CIP) were presented in compliance with the Transit Governance Interlocal Agreement. The balanced budgets were developed in compliance with CATS Financial Policy guidelines and objectives.

Based on anticipated revenue decreases and employee incentives, CATS' staff is requesting the following budget amendments:

- ✓ Changes to the FY2022 Operating Revenue Budget are below:
 - Estimated reduction in Fare Revenue \$6,669,364
 - Reduction of SMAP Funding \$1,854,444
 - Of the \$11,063,205 estimated for FY2022 only \$9,208,761 was allocated to Charlotte.
 - Increase in Sales Tax Operating Allocation \$9,050,910
 - As a result of the Sales Tax Trendline adjustment
 - Slight decreased in COVID relief funding \$527,102 needed for cleaning.
- ✓ Changes to the FY2022 Operating Expense Budget are below:
 - Increase in Security \$760,000
 - Enhancements to Safety & Security contract
 - Increase for Recruitment and Retention Bonuses \$1,970,000
 - Reduction for Staff Vacancies \$2,730,000

Revenue	
FY2022 Adopted Budget	\$ 185,836,947
Fare Revenue	(6,669,364)
Sales Tax Operating Allocation	9,050,910
COVID Relief Funding	(527,102)
Non-Operating Revenue (SMAP)	(1,854,444)
FY2022 Amended Operating Revenue	\$ 185,836,947
Expenses	
FY2022 Adopted Budget	\$ 185,836,947
Security Enhancements	760,000
Recruitment and Retention Bonuses	1,970,000
Staff Vacancies	(2,730,000)
FY2022 Amended Operating Expenses	\$ 185,836,947

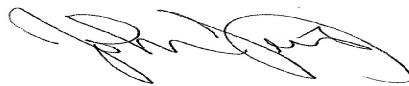
- ✓ Changes to the FY2022 CIP Budget are below:
 - Land Acquisitions
 - Increase of \$1,358,517 for Various Land Swaps transactions
 - Increase of \$3,400,000 for Arboretum Land Acquisition-Condemnation
 - Increase of \$3,668,419 for Kia Land Acquisition
 - Electric Vehicle Chargers
 - Increase of \$500,000
 - Equipment for Non-revenue supervisor vehicles
 - Part of the City's initiative to convert all fleet to Electric
 - Rail Car Vehicle
 - Increase of \$4,731,581
 - Additional funding for Rail Car Vehicle Expansion
 - BLE Additional Projects
 - Increase of \$25,787,675
 - As a result of federal savings on the Blue Line Extension project FTA allowed CATS to use the remaining on additional projects. The \$30M awarded for additional projects includes the Southend Station which was already included in the CIP budget.
 - BLE Adjustment
 - Decrease of \$43,544,695 to adjust to current budget.
 - Bus Replacement and State Matching Funds
 - Decrease of \$1,986,129
 - A shift in funds from bus replacement to rail vehicles and additional funding from NCDOT for Bus Replacement
 - Vanpool Replacement
 - Increase of \$35,416 for additional funding from 5310 grants.

FY2022 Adopted Budget	\$ 245,401,018
Land Swaps	1,358,517
Arboretum Land	3,400,000
Bus Replacements & State Match	(1,986,129)
Electric Vehicle Chargers	500,000
BLE Additional Projects	25,787,675
Rail Vehicles	4,731,581
Kia Land Acquisition	3,668,419
BLE	(43,544,695)
Vanpool Replacement	35,416
FY2022 Amended Budget	\$ 239,351,802

FY2022 Adopted Budget	Federal	State	Private	Soft Match	Local	Total
Land Swaps	\$ -	\$ -	\$ 1,358,517	\$ -	\$ -	\$ 1,358,517
Arboretum Land	-	-	-	-	3,400,000	3,400,000
Bus Replacements & State Match	(2,693,441)	707,313	-	-	-	(1,986,128)
Electric Vehicle Chargers	-	-	-	-	500,000	500,000
BLE Additional Projects	15,150,000	-	490,948	-	10,146,727	25,787,675
Rail Vehicles	-	-	-	-	4,731,581	4,731,581
Kia Land Acquisition	-	-	-	-	3,668,419	3,668,419
BLE	(11,396,152)	(16,358,431)	-	(15,790,112)	-	(43,544,695)
Vanpool Replacement	24,747	-	-	-	10,669	35,416
FY2022 Amended Budget	\$ 1,085,154	\$ (15,651,118)	\$ 1,849,465	\$ (15,790,112)	\$ 22,457,396	\$ (6,049,215)

- 3.0 POLICY IMPACT:** The recommended FY2022 Operating and Capital Investment Plan (CIP) Budget Amendment remain in compliance with the following MTC Policy directives, except where impacted by the COVID-19 pandemic
- 4.0 ECONOMIC IMPACT:** N/A
- 5.0 ALTERNATIVES:** N/A
- 6.0 RECOMMENDATION:** CTAG recommends adoption of this amendment to the MTC
- 7.0 ATTACHMENT(S):** N/A

SUBMITTED AND RECOMMENDED BY:



John M. Lewis, Jr.
Chief Executive Officer, Charlotte Area Transit System
Director of Public Transit, City of Charlotte



FY2022 Amended Operating & Debt Service Budgets FY2022 Amended Capital Investment Plan

Overview of Key Changes

Presented to

Citizen Transit Advisory Group

April 19, 2022

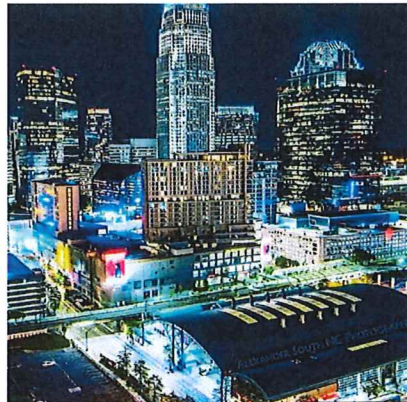
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Agenda

FY2022 Amended Budget

- I. Key Changes from Adopted Operating Budget
- II. Key Changes from Adopted Capital Budget
- III. Next Steps



2



FY2022 Amended Budget Summary of Changes

BUDGET SUMMARY				
	FY2022 Adopted Budget (millions)	FY2022 Amended Budget (millions)	Variance (millions)	Variance (%)
Operating Revenues	\$ 185.8	\$ 185.8	\$ -	0.0%
Total Operating Revenue	\$ 185.8	\$ 185.8	\$ -	0.0%
Operating Expenditures	\$ 185.8	\$ 185.8	\$ -	0.0%
Transfer to Capital	-	-	-	0.0%
Total Operating Expenditures and Transfers	\$ 185.8	\$ 185.8	\$ -	0.0%
Debt Service Budget	\$ 62.1	\$ 62.1	\$ -	0.0%
Capital Budget*	\$ 245.4	\$ 239.4	\$ (6.0)	-2.4%

*Includes Carryover Projects

3



Key Changes in Operating Budget

Operating Revenues

\$185.8 M FY2022 Adopted Budget

\$ (6.7M) Decrease in Fare Revenue

\$ +9.1M Increase in Sales Tax Operating Allocation

\$ (0.5M) Decrease in COVID Relief Funding

\$ (1.9M) Decrease in Non-Operating Revenue (Reduction of SMAP)

\$185.8 M FY2022 Amended Budget

Operating Expenses

\$185.8 M FY2022 Adopted Budget

\$ +2.0M Recruitment & Retention Bonuses

\$ +0.7M Security Enhancements

\$ (2.7M) Vacancies

\$185.8 M FY2022 Amended Budget

4



Key Changes in Capital Budget

\$245.4 M FY2022 Adopted w/ Carryover Budget*

- \$ +1.4M Land Swaps
- \$ +3.4M Arboretum Land
- \$ +0.5M Electric Vehicle Chargers
- \$ +4.7M Rail Car Vehicles
- \$ +3.7M Kia Land Acquisition
- \$ +25.8M BLE Additional Projects
- \$ (43.5M) BLE Adjustment
- \$ (2.0M) Bus Replacements and State Matching Funds

\$239.4 M FY2022 Amended Budget*

**Includes Carryover Projects*



5



CTAG Recommendation


CTAG Recommendation of MTC Approval of the FY2022 Budget
Amendment

6


 **Next Steps**

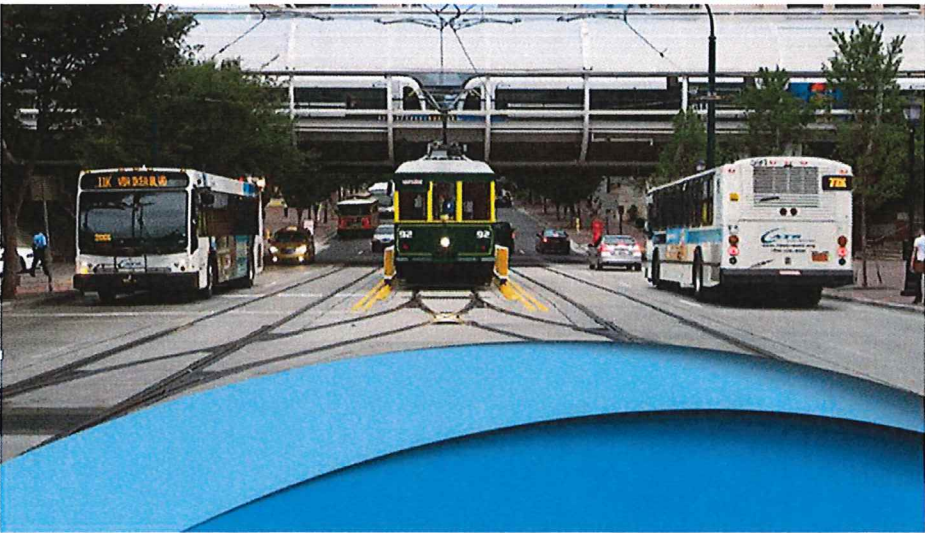
Next Steps


April 27, 2022 MTC Approval of CEO's Recommended FY2022 Budget Amendment

 www.RIDETRANSIT.org

7

 **Thank You**



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8

**CITIZENS TRANSIT ADVISORY GROUP
ACTION ITEM
STAFF SUMMARY**

SUBJECT: CTAG Recommendation
FY2023 Transit Operating Budget
FY2023 Transit Debt Service Budget
FY2023-2027 Transit Capital Investment Plan (CIP)

DATE: April 19, 2022

1.0 ACTION:

In compliance with the Transit Governance Interlocal Agreement, the Metropolitan Transit Commission is required to take action on CATS budgets and CIP by April 30 of each year.

2.0 BACKGROUND:

On January 26, 2022, CATS presented the CEO recommended FY2023 Operating Budget, FY2023 Debt Service Budget and FY2023-2027 Capital Investment Plan (CIP) to the Metropolitan Transit Commission.

3.0 RECOMMENDATION:

CATS Chief Executive Officer recommends approval of the following budgets:
FY2023 Operating Budget
FY2023 Debt Service Budget
FY2023-2027 Community Investment Plan

4.0 ATTACHMENT(S): N/A

SUBMITTED AND RECOMMENDED BY:



John M. Lewis, Jr.
Chief Executive Officer, Charlotte Area Transit System
Director of Public Transit, City of Charlotte

ACTION

CITIZENS TRANSIT ADVISORY GROUP

APRIL 19, 2022

The Transit Governance Interlocal Agreement identified that the Citizens Transit Advisory Group is responsible to review CATS Chief Executive Officer’s proposed operating budgets and programs and five-year capital programs and make recommendation to the Metropolitan Transit Commission.

The Citizens Transit Advisory Group (CTAG) received CATS Chief Executive Officer’s proposed budgets, programs and five-year capital plan in February 2022.

CTAG has studied and reviewed all documents and information presented by CATS staff from February thru April 2022, and offers the following recommendation to the Metropolitan Transit Commission:

1. Adopt the FY2023 Operating Budget and Programs (dated April 27, 2022)
2. Adopt the FY2023 Debt Service Budget (dated April 27, 2022)
3. Adopt the FY2023-2027 Capital Investment Plan (dated April 27, 2022)

CTAG’s recommendation was made by _____, seconded by _____ and duly approved by CTAG for presentation to the Metropolitan Transit Commission on April 27, 2022.

Adam Pasiak, Co-Chair (Mecklenburg County)
Citizens Transit Advisory Group

Edward Tillman, Co-Chair (City of Charlotte)
Citizens Transit Advisory Group

April 19, 2022



Charlotte Area Transit System FY2023 Proposed Operating & Debt Service Budgets FY2023-27 Capital Investment Plan

Presented to
Citizen Transit Advisory Group (CTAG)
April 19, 2022

1

FY2023 PROPOSED BUDGET



FY2023 Budget Development Summary of Events

- ✓ Presentation of Preliminary Budgets
 - MTC - January 26, 2022
- ✓ TSAC Budget Presentation
 - February 10, 2022
- ✓ CTAG Preliminary Budget Presentation
 - February 15, 2022
- ✓ CTAG Presentation of Proposed Operating, Capital and Debt Service Budgets
 - April 19, 2022
- ✓ MTC Presentation of Proposed Operating, Capital and Debt Service Budgets
 - April 27, 2022



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FY2023 CATS' HIGHLIGHTS



Where we are Now!

- ✓ Impact - COVID-19 Pandemic
- ✓ Ridership Declines
- ✓ Staffing Shortages
- ✓ Service Based on Demand



Where we are Going!

- ✓ BEB – Battery Electric Buses
- ✓ Transformational Mobility Network (TMN)
 - ✓ Silver Line
 - 2030 Rail System Plan
 - ✓ Envision My Ride



3

FY2023 CATS' HIGHLIGHTS



Major Concerns!

- ✓ COVID-19 Impact
 - Re-capture Ridership
 - Staffing Retention and Recruitment
 - Service Based on Demand
- ✓ Continue to Operate Safely
 - Additional Security Enhancements
- ✓ Manage & Maintain our Assets



4

CATS TRAX



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

CATS TRAX

What is CATS Trax?
 Quarterly performance scorecard that provides employees, customers, elected officials, and the general public with a snapshot of how we're doing at a high level. Metrics are aligned with CATS goals and customer satisfaction index.

4 Management Principles

- Customers
- Brand
- Employees
- Community Impact

Net Promoter Score (NPS)
 Measures the willingness of customers to recommend a company's product or service.

CATS Overall NPS
 Transit industry average 31%

18% Improvement

14.4% (2021) | 24.2% (2022) | 31% (Industry Avg)

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FY2023 PRELIMINARY BUDGET SUMMARY



CATS TRAX FY22 Aggregate Scorecard								
Strategy	Metric	Performance Goal	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Goal Points	Q2 Earned Points
Customer Satisfaction	Overall Customer Satisfaction	90%	83%	-			9.0	6.0
	Overall Net Promoter Score	54%	57%	-			9.0	6.0
	Overall On-Time Performance	89%	85%	80%			6.0	5.4
	Customers with Access to 15-minute or Better Service	45%	20%	19%			2.0	0.9
	Overall Ridership**	4,946,242	2,450,386	5,048,419			2.0	2.1
	Overall Ridership**	100%	50%	51%			2.0	1.8
Employee Success	Confidence to Return	74%	67%	67%			2.0	1.8
	Employee Engagement	80%	60%	64%			25.0	17.2
	eNPS	0	-10	-39.6			6.0	4.8
	Employee Satisfaction	85%	55%	56%			6.0	3.6
	Customer Satisfaction with CATS Employees	86%	88%	-			3.0	2.0
	Customer Satisfaction with Call Center Interactions	87%	82%	-			4.0	2.7
	Career Pathways/Succession Planning*	Establish baseline	-	-			1.0	0.7
	Performance Reviews*	Establish baseline	-	-			1.0	0.7
Community Impact	Economic Impact**	1.06	1.06	1.09			25.0	17.2
	Community Perception of Community Value	85%	80%	80%			5.0	4.7
	Investments in Corridors of Opportunity*	Establish baseline	-	13%			10.0	9.4
	Service Equity*	Establish baseline	-	1,041			4.0	2.7
	Public Engagement Effectiveness*	Establish baseline	-	-			4.0	2.7
Financial Stability	Public Engagement Effectiveness*	Establish baseline	-	-			2.0	1.3
	Taxpayer Subsidy Percentage, (CATS Policy <80%)**	<80%	87.2%	90.0%			25.0	20.8
	Administrative Overhead (CATS Policy <15%)**	<15%	15.0%	12.0%			4.0	3.5
	Overall Operating Cost/Revenue Hour**	\$174.62	\$158.37	\$160.92			2.0	2.4
	Overall Customers/Revenue Hour	18.6	10.9	11.5			4.0	2.2
Directly Generated Revenue**	4.0%	3.40%	2.0%			4.0	2.4	
Overall Performance Score							97.0	75.2

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FY2023 PROPOSED BUDGET SUMMARY

BUDGET SUMMARY					
	FY2022 Amended Budget (millions)	FY2023 Proposed Budget (millions)	Variance (millions)	Variance (%)	
Operating Revenues	\$ 185.8	\$ 211.2	\$ 25.4	13.7%	
Total Operating Revenue	\$ 185.8	\$ 211.2	\$ 25.4	13.7%	
Operating Expenditures	\$ 185.8	\$ 211.1	\$ 25.3	13.6%	
Transfer to Capital	-	0.1	0.1	0.0%	
Total Operating Expenditures and Transfers	\$ 185.8	\$ 211.2	\$ 25.4	13.7%	
Debt Service Budget	\$ 62.1	\$ 18.1	\$ (44.0)	(70.9%)	
Capital Budget*	\$ 239.4	\$ 377.8	\$ 138.4	57.8%	

*Includes Carryover Projects

No Fare Increase Included

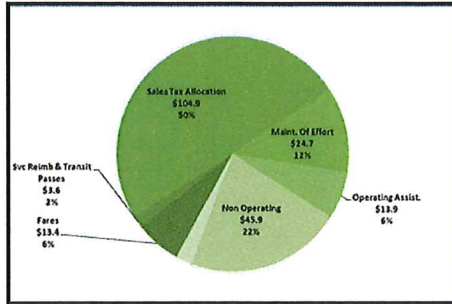
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FY2023 PROPOSED BUDGET SUMMARY

FY2023 Overview of Key Changes

Operating Revenue

Total \$211.2 million



Key Changes in FY2023 vs FY2022 (millions)

- \$185.8 FY2022 Amended Budget
- + 0.9 Fares
- (3.0) Service Income & Reimbursements
- + 7.6 Sales Tax
- + 0.7 Maintenance of Effort
- + 8.3 Operating Assistance
- + 10.9 Non-Operating Revenue
- \$211.2 FY2023 Proposed Budget**

*Note: FY2023 Preliminary Capital Budget excludes carry over amounts

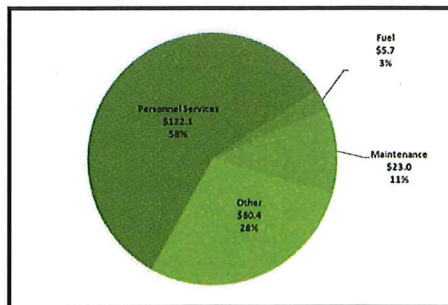
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FY2023 PROPOSED BUDGET SUMMARY

FY2023 Overview of Key Changes

Operating Expenses

Total \$211.2 million



Key Changes in FY2023 vs FY2022 (millions)

- \$185.8 FY2022 Amended Budget
- + 10.1 Personal Services
- (0.4) Fuel (Diesel for BOD & STS)
- + 7.2 Maintenance
- + 8.5 Other Operating Expenses
- \$211.2 FY2023 Proposed Budget**

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FY2023 PROPOSED BUDGET SUMMARY



FY2022 Proposed Staffing

- City Positions**

610.75 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)

- **114.00** Full Time Equivalent Positions – Contracted Security Officers

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FY2023 PROPOSED BUDGET SUMMARY



Performance Objectives					
Financial Performance Objectives					
	FY2020 Actuals	FY2021 Audited Actuals	FY2022 Amended Budget	FY2022 Year End Projection	FY2023 Proposed Budget
SYSTEM SUBSIDY ≤ 80% of Total Operating Cost	83.1%	93.8%	87.1%	86.9%	89.5%
OPERATING RATIO (W/O Capital Interest) (≥ 20%)	16.9%	6.2%	12.9%	13.1%	10.5%
PASSENGERS PER HOUR (Bus ≥ 20 passengers per hour)	12.7	8.6	12.6	8.7	8.9
(Light Rail ≥ 90 passengers per hour)	97.4	44.4	72.7	52.8	47.8
ADMINISTRATIVE OVERHEAD (≤ 15%)	11.1%	13.13%	15.37%	14.90%	14.54%
GROSS DEBT SERVICE COVERAGE (> 3.0)	5.74	6.15	Restated 7.76	7.76	9.1
NET DEBT SERVICE COVERAGE (≥ 1.15)	1.52	1.47	Restated 1.92	2.01	2.06

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FY2023 PROPOSED CAPITAL BUDGET



FY2023 Overview of Key Changes

SOURCES OF FUNDS	FY2023-2027 Preliminary	FY2023-2027 Proposed	Change from Preliminary
Federal Funding	\$ 92,335,252	\$ 92,335,252	\$ -
State Funding	7,646,811	7,646,811	-
Local Funding	43,003,162	42,423,393	(579,769)
Re-allocated from Prior Year Savings- Local	-	1,721,201	1,721,201
Carry Over Projects-Federal	-	153,230,596	153,230,596
Carry Over Projects-State	-	11,126,422	11,126,422
Carry Over Projects-Private	-	2,959,592	2,959,592
Carry Over Projects-Soft Match	-	7,284,509	7,284,509
Carry Over Projects-Local	-	59,152,976	59,152,976
TOTALS	\$ 142,985,225	\$ 377,880,752	\$ 234,895,527

SOURCES OF FUNDS	FY2023-2027 Preliminary	FY2023-2027 Proposed	Change from Preliminary
State of Good Repair- Vehicle Replacement, Facilities & Others	\$ 102,528,178	\$ 102,528,178	\$ -
Transit Safety & Security	4,494,050	4,494,050	-
Transit Long Range Capital Improvement	20,647,054	19,647,054	(1,000,000)
Non-Revenue Vehicle	3,264,424	3,264,424	-
Transit New Equipment	12,051,519	14,192,951	2,141,432
Transit Other Programs	-	-	-
Carry Over Projects	-	233,754,095	233,754,095
TOTALS	\$ 142,985,225	\$ 377,880,752	\$ 234,895,527

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FY2023 PROPOSED CAPITAL BUDGET



FY2023 Overview of Key Changes

Sources of Funds	FY2023	FY2024	FY2025	FY2026	FY2027	Total
Grants- Federal	\$ 25,233,161	\$19,281,862	\$14,274,362	\$16,499,538	\$17,046,329	\$ 92,335,252
Grants-State	2,512,798	1,126,781	1,145,322	1,302,802	1,559,108	7,646,811
Local 1/2% Sales Tax	17,638,789	5,869,509	4,900,250	2,981,636	11,033,209	42,423,393
Re-allocated from Prior Year Savings- Local	1,721,201	-	-	-	-	1,721,201
Carry Over Projects-Federal	153,230,596	-	-	-	-	153,230,596
Carry Over Projects-State	11,126,422	-	-	-	-	11,126,422
Carry Over Projects-Private	2,959,592	-	-	-	-	2,959,592
Carry Over Projects-Soft Match	7,284,509	-	-	-	-	7,284,509
Carry Over Projects-Local	59,152,976	-	-	-	-	59,152,976
Total	\$280,860,044	\$26,278,152	\$20,319,934	\$20,783,976	\$29,638,646	\$377,880,752

CAPITAL EXPENDITURES	FY2023	FY2024	FY2025	FY2026	FY2027	Total
State of Good Repair- Vehicle Replacement	\$ 19,666,943	\$21,905,699	\$13,383,086	\$15,591,085	\$24,556,365	\$ 95,103,178
State of Good Repair- Facilities & Others	1,800,000	1,625,000	1,351,000	1,079,000	1,570,000	7,425,000
Transit Safety & Security	348,897	326,136	2,396,339	686,339	736,339	4,494,050
Transit Long Range Capital Improvement	18,947,054	200,000	250,000	250,000	-	19,647,054
Non-Revenue Vehicle	390,530	650,740	70,000	833,212	1,319,942	3,264,424
Transit New Equipment	5,952,525	1,570,577	2,869,509	2,344,340	1,456,000	14,192,951
Carry Over Projects	233,754,095	-	-	-	-	233,754,095
Total	\$280,860,044	\$26,278,152	\$20,319,934	\$20,783,976	\$29,638,646	\$377,880,752

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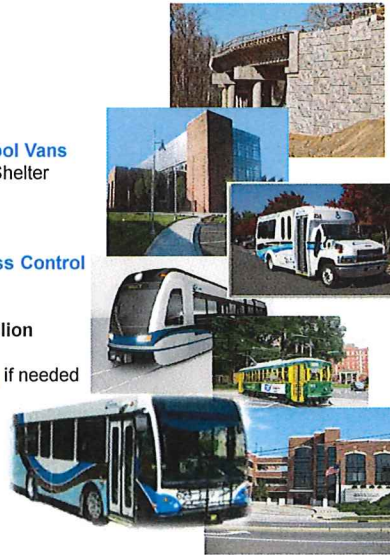
FY2023-27 PROPOSED CAPITAL PROGRAM



\$377.8 million Funds 5-Year Capital Program

Key Capital Expenses:

- ✓ **State of Good Repair \$102.5 million**
 - Replace **fixed route buses; STS Buses; Vanpool Vans**
 - **Solar Panels, Electric Vehicle Chargers, Bus Shelter** Improvements and Facility upgrades
- ✓ **Transit Safety & Security \$4.5 million**
 - **Camera replacement, Guard Shacks and Access Control System** replacement
- ✓ **Transit Long Range Capital Improvement \$ 19.6 million**
 - **Hambright Park & Ride**
 - **Temporary Facility for Uptown Transit Center, if needed**



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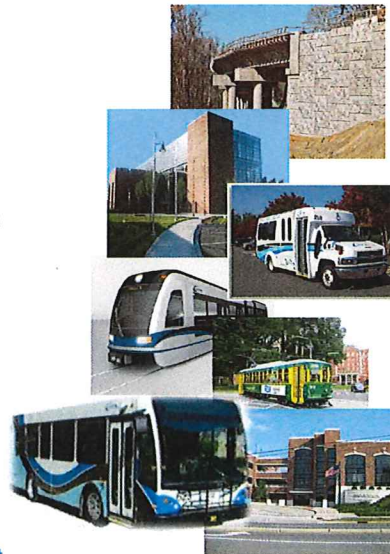
FY2023-27 PROPOSED CAPITAL PROGRAM



\$377.8 million Funds 5-Year Capital Program

Key Capital Expenses:

- ✓ **Transit Non-Revenue Vehicles \$3.3 million**
 - **Non-Revenue Vehicle** replacements
- ✓ **Transit New Equipment \$14.2 million**
 - **Bus and Rail Equipment, Technology Upgrades**
 - **New City ERP System**
- ✓ **Carryover Projects \$233.8 million**
 - **BLE Additional Projects** including Southend
 - **Silverline**
 - **Rail Car Expansion Vehicles**
 - **Land Acquisitions and Swaps**
 - **Fixed Route Bus Replacements**
 - **STS Vehicle Replacement**
 - **Vanpool Replacements**
 - **Non Revenue Vehicles**
 - **Technology upgrades**
 - **Bus and Rail Equipment**
 - **Bus Stops & Shelters**
 - **Bus Shields, Barriers, Disinfectant Equipment**



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FY2023 PROPOSED BUDGET



BUDGET SUMMARY					
	FY2022 Amended Budget (millions)	FY2023 Proposed Budget (millions)	Variance (millions)	Variance (%)	
Operating Revenues	\$ 185.8	\$ 211.2	\$ 25.4	13.7%	
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Debt Service Budget	\$ 62.1	\$ 18.1	\$ (44.0)	(70.9%)	
Capital Budget*	\$ 239.4	\$ 377.8	\$ 138.4	57.8%	

**Includes Carryover Projects*

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FY2023 PROPOSED BUDGET



Actions Required

- MTC Approval of FY2023 Proposed Budgets and Recommendation to City Council

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FY2023 PROPOSED BUDGET



Next Steps

- City Council Proposed Budget Presentation – May 2022
- City Council Budget Adoption – June 2022

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THANK YOU

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