



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

**Tuesday, April 18<sup>th</sup>, 2023  
7:30 am to 9:00 am  
Charlotte-Mecklenburg Government Center  
Conference Room CH-14**

---

- I. **Call to Order** Edward Tillman, CTAG Co-Chairman
- II. **Approval of March 21<sup>st</sup>, 2023 Meeting Summary (p.3-13)**
- III. **Formal Recognition of Newly Appointed CTAG Co-Chairman** – Jeffrey Parker
- IV. **FY 2024 Operating & Debt Service Budgets** Chad Howell  
**FY 2024 – FY 2028 Capital Improvement Plan Recommendations (p.15-21)**
- V. **Interim CEO's Comments** Brent Cagle
- VI. **Other Business**
- VII. **Adjourn**



**CITIZENS TRANSIT ADVISORY GROUP (CTAG)**  
**Meeting Summary**  
**March 21<sup>st</sup>, 2023**  
**DISCUSSION SUMMARY**

---

Present: Edward Tillman, City of Charlotte, CTAG Co-Chairman  
Michael Cataldo, Charlotte City Council  
Robert Hillman, Charlotte City Council  
Jeffrey Parker, Mecklenburg County  
Nichel Dunlap-Thompson, Mecklenburg County  
Martin Wheeler, Mecklenburg County  
Todd Steiss, Town of Davidson  
Kevin Walsh, Town of Huntersville  
Donald Rhodes, Town of Matthews  
Jessi Healey, Town of Mint Hill  
Justin Musick, Town of Pineville

Staff: Brent Cagle, Chad Howell, Brandon Hunter, Jason Lawrence, David Moskowitz, Brad Thomas, Rachael Gragg, Catherine Kummer, Kelly Goforth, Nicky Galloway, 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 7:30am by Co-Chairman Edward Tillman (City of Charlotte) via WebEx conferencing.

**II. Approval of Meeting Summary from January 17<sup>th</sup>, 2023 – Approved**

**III. Introduction New CTAG Members – Mecklenburg County’s new CTAG members were introduced: Nichel Dunlap-Thompson and Martin Wheeler.**

**IV. Preliminary Budget Update (presentation attached) – **Thurman (Chad) Howell, Interim Charlotte Area Transit System’s Chief Finance Officer** provided an executive update of the FY 2024 Preliminary Operating & Debt Services Budget & FY 2024-28 Capital Improvement Plan.**

**Discussion:** CTAG had some conversation and questions around the following topics:

- Lack of budget transparencies
- Rail Stop Extensions
- Safety and Security Increase
- Bus Procurement (types)
- Hambright Park & Ride Construction Timeline
- Additional/future training

- Envision My Ride (future routes and budget)

Kelly Goforth, Charlotte Area Transit System, Director of Development, provide a brief update as it concerned the Charlotte Gateway Station Project

V. **CEO Comments** – Brent Cagle, Interim CATS CEO shared the following with CTAG:

- The focus that has been placed on re-building Community Confidence on providing Reliable and Safe Services
- The maintenance challenges that are occurring and needs immediate attention:
  - Derailment fallout
  - Midlife overhaul
  - Bus replacement
  - Expired Bridge inspections. Path moving forward
  - MTC Updates: Management Partners report, CEO's 90 day findings, Battery Electric Bus pilot program update and Transit Security contract update

VII. **Other Business** - None

VIII. **Adjourn**

The meeting was adjourned at 8:28am

NEXT CTAG MEETING: APRIL 18<sup>TH</sup>, 2023 AT 7:30 AM

# FY 2024 Preliminary Operating Budget & FY 2024 – FY 2028 Capital Improvement Plan

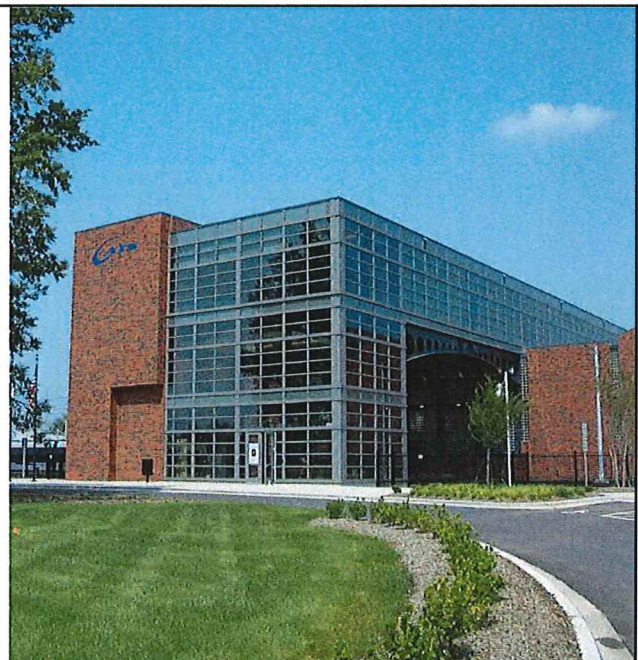
Presentation to Citizens Transit Advisory Group  
March 21, 2023



1

## Discussion

- ▶ CEO Focus Areas
- ▶ Operating Revenue
- ▶ Operating Expenditures
- ▶ Debt Service
- ▶ Capital Investment Program



2

## CEO Focus Areas

- ▶ Balanced budget
- ▶ Safety and Security
- ▶ Valuing Employees
- ▶ Maintenance & Asset Preservation



3

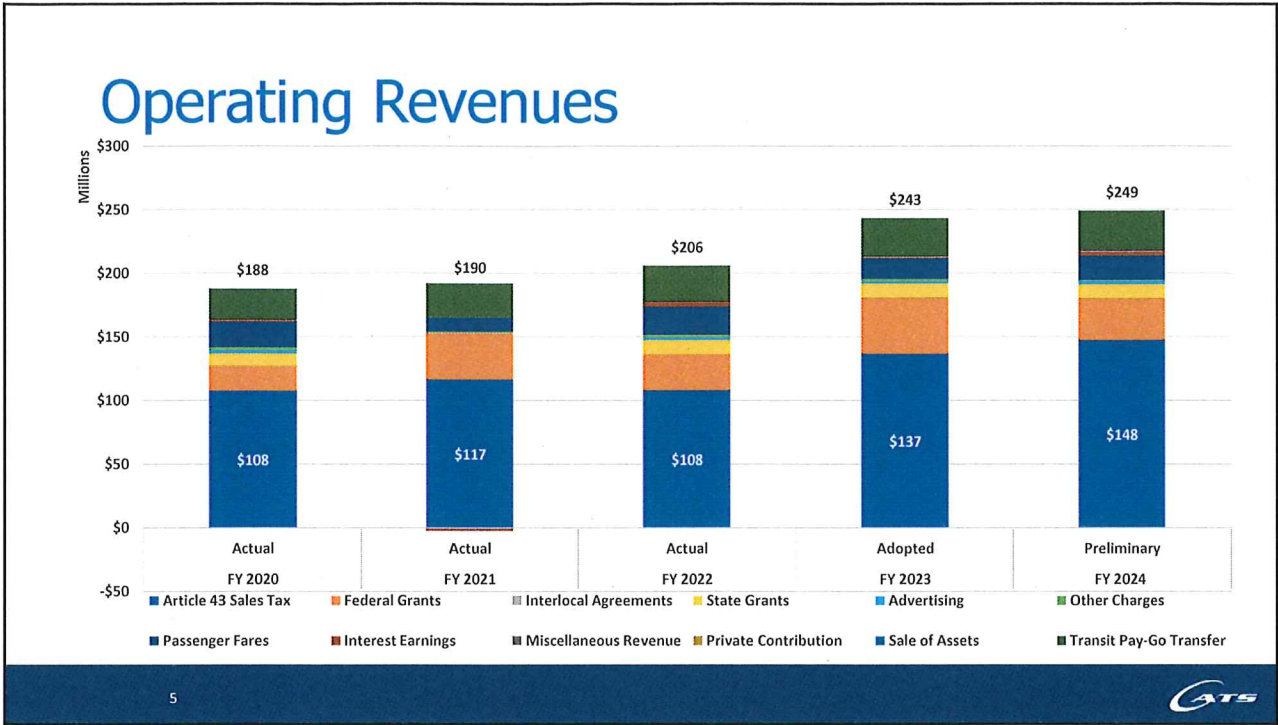


3

## Preliminary Revenue Projections



4

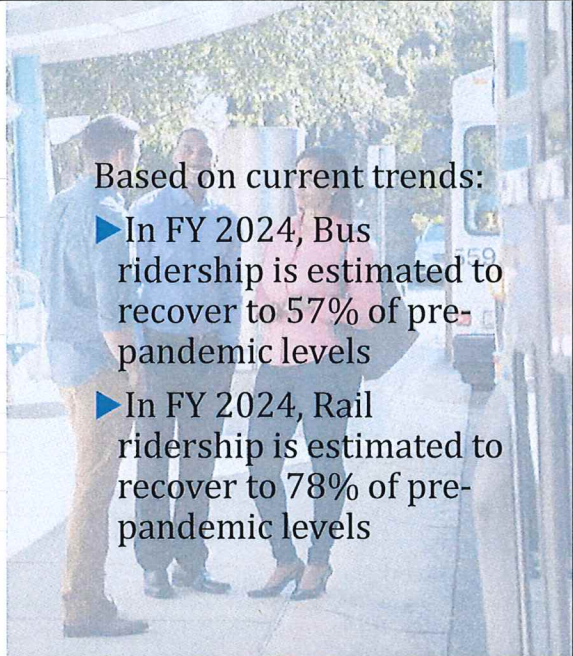
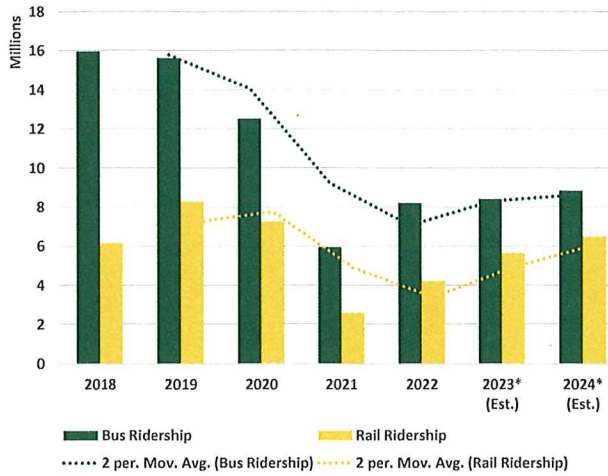


5



6

# Ridership Trends



Based on current trends:

- ▶ In FY 2024, Bus ridership is estimated to recover to 57% of pre-pandemic levels
- ▶ In FY 2024, Rail ridership is estimated to recover to 78% of pre-pandemic levels

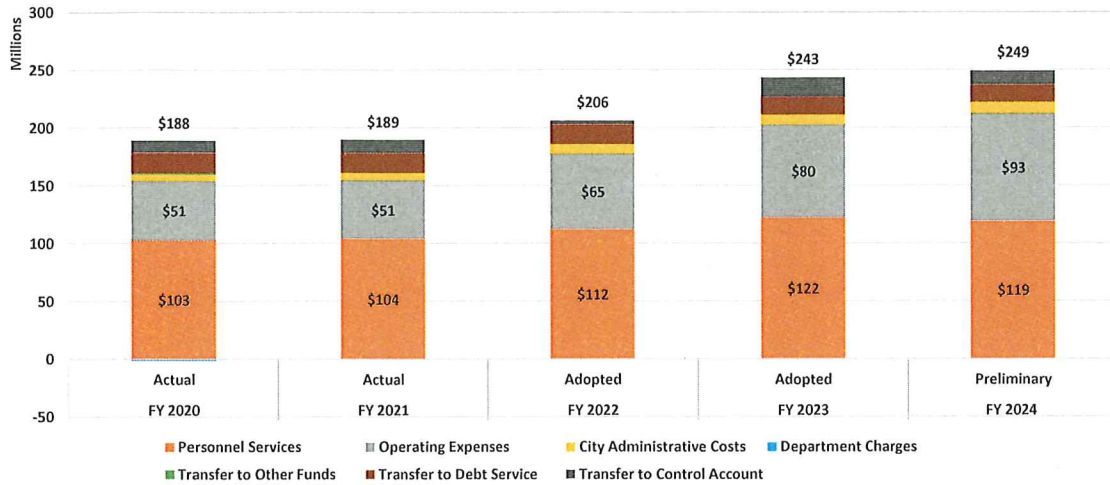


# Preliminary Operating & Debt Service Expenditures

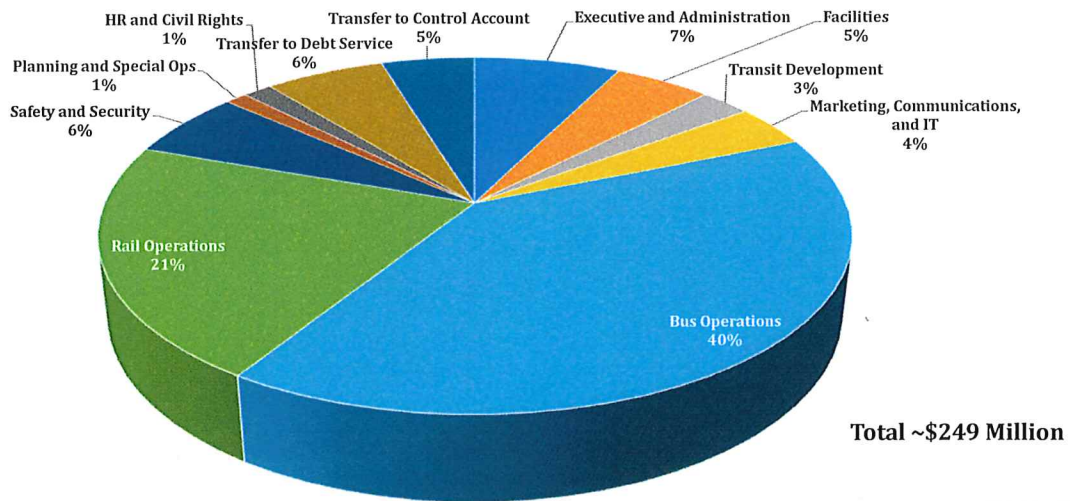




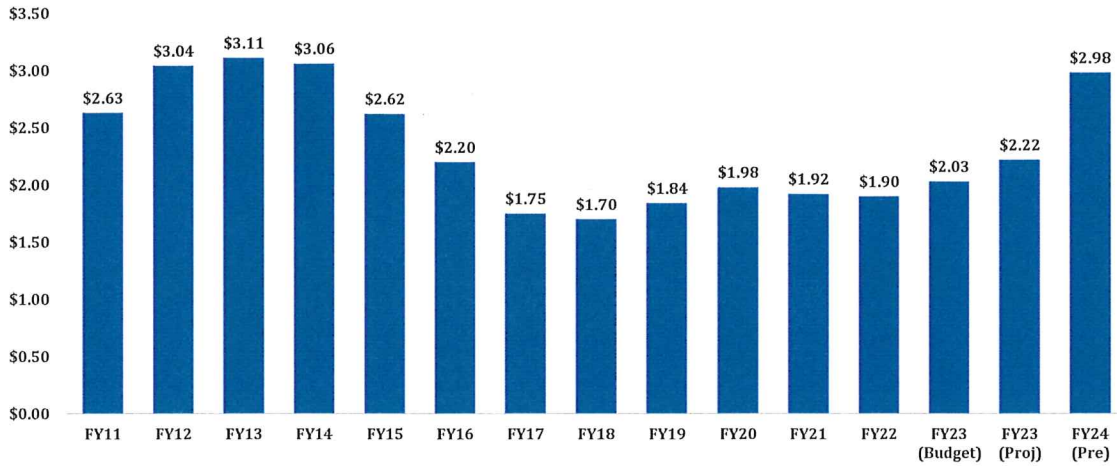
# Operating Expenses - Summary



# Operating Expenses By Division / Function



## Diesel Fuel Average Price Per Gallon



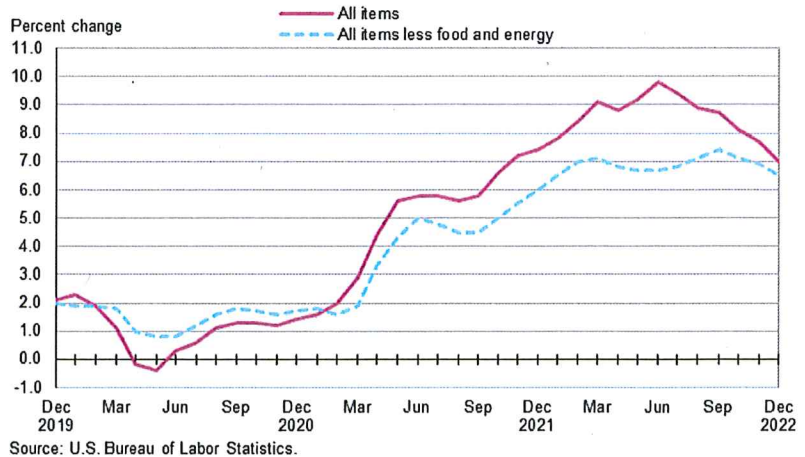
11



11

## CPI, South Region — December 2022

- ▶ CPI for the South increased 7.0% for the year ending December 2022
- ▶ Business Impacts
  - Rising costs of commodities and services
  - Decreased buying power for businesses



Source: U.S. Bureau of Labor Statistics

12



12

## Enhancements

- ▶ Safety and Security
  - Funding for expanded security contract
  - Funding for driver and employee training
- ▶ Valuing Employees
  - eServe Academy – 4 program staff plus funding for 14 apprentices and 10 interns
  - Rate & Compensation Study
  - Right sizing workforce based on operational tempo and current needs – 23 FTE
- ▶ Maintenance & Asset Preservation
  - Increased preventative maintenance for facilities, bus, and rail

13



13

## FY 2024 Debt Service

- ▶ FY2024 Debt Service Budget \$18.1 million  
Transit Sales Tax, Federal and State grant funds pay annual principal and interest expenses

	FY 2020 Actual	FY 2021 Actual	FY 2022 Actual	FY 2023 Adopted	FY 2024 Preliminary
<b>Revenues</b>					
Transfers from CATS Operating	\$17,410,943	\$17,368,654	\$16,939,110	\$15,168,881	\$15,169,500
Transfers from CATS Capital	\$15,000,000	\$81,810,000	-	-	-
Federal Grants	\$4,888,713	\$4,646,121	\$3,549,340	\$2,929,475	\$2,927,800
State Grants	\$1,006,825	\$863,031	\$41,637,850	-	-
Interest on Investments	\$163,985	\$35,502	-	-	-
<b>Total Revenues</b>	<b>\$38,470,466</b>	<b>\$104,723,308</b>	<b>\$62,126,300</b>	<b>\$18,098,356</b>	<b>\$18,097,300</b>
<b>Expenditures</b>					
Principal Payments	\$24,148,288	\$91,346,094	\$51,214,000	\$8,920,000	\$9,365,000
Interest Payments	\$14,292,699	\$13,329,951	\$10,798,300	\$9,064,356	\$8,618,300
Other Fees	\$29,479	\$47,263	\$114,000	\$114,000	\$114,000
<b>Total Expenditures</b>	<b>\$38,470,466</b>	<b>\$104,723,308</b>	<b>\$62,126,300</b>	<b>\$18,098,356</b>	<b>\$18,097,300</b>

- ▶ No new debt issuance is programmed for FY 2024

14



14

# Preliminary Capital Investment Plan

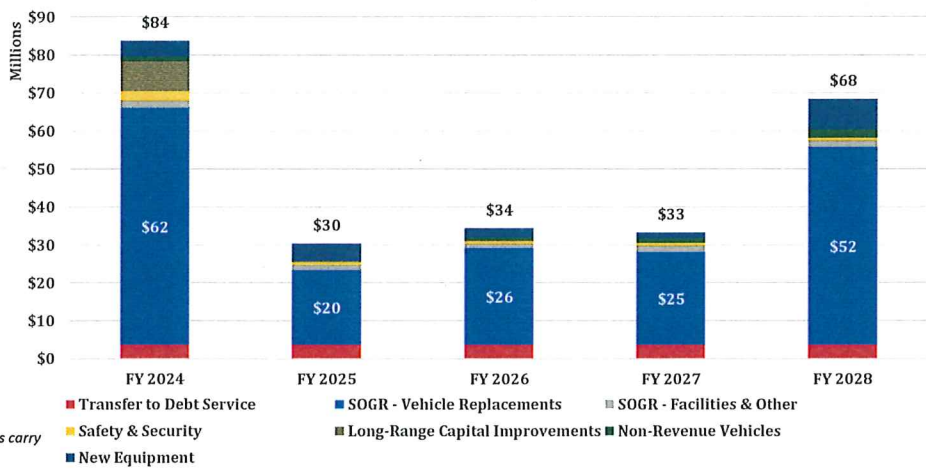


15

## FY 2024 – FY 2028 CIP Expenditures

### FY 2024 Highlights

- ▶ 37 Replacement Buses
- ▶ 19 Replacement STS Vehicles
- ▶ Replacement Tow Truck
- ▶ Silverline
- ▶ ADA Improvements
- ▶ Security Improvements
- ▶ Continues prior-year initiatives



16

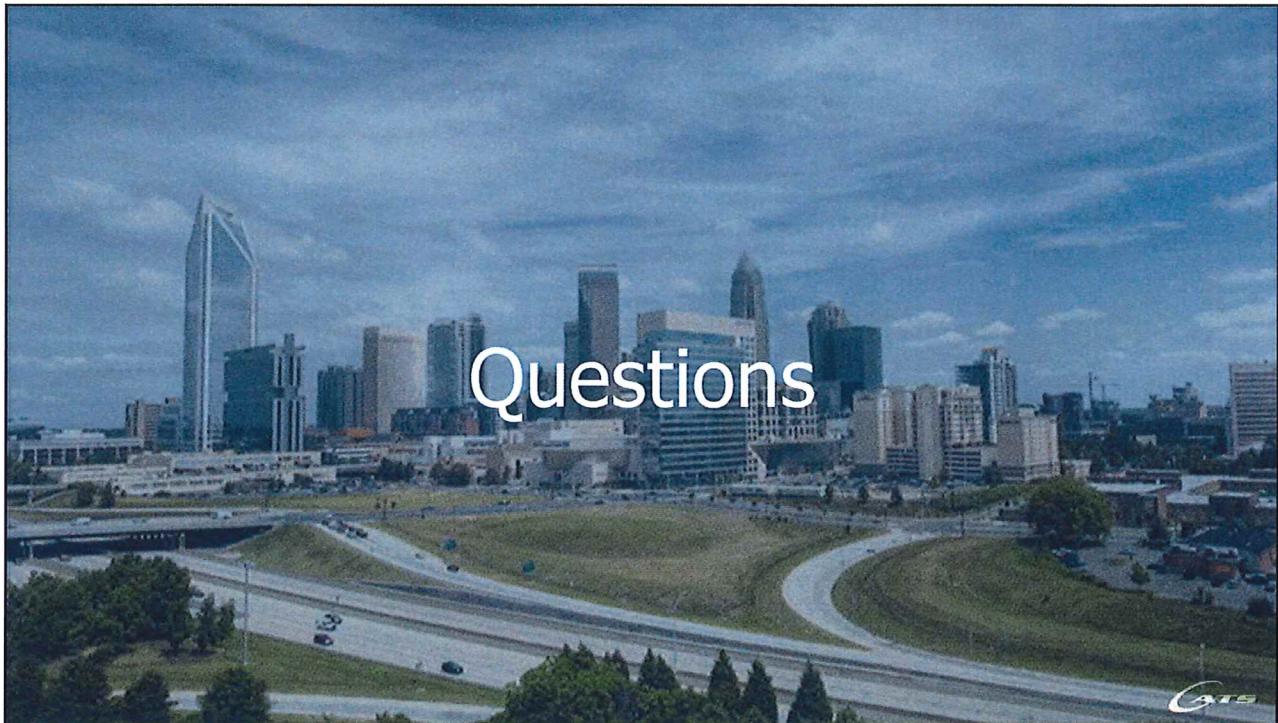
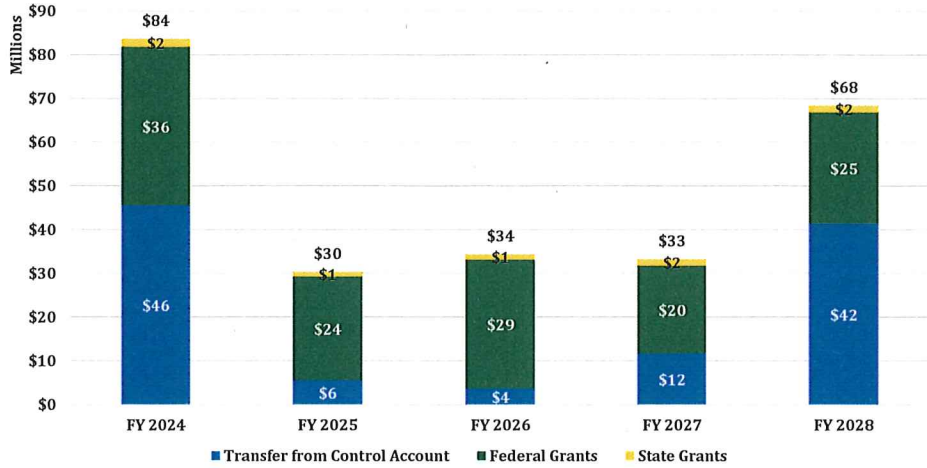


16

# FY 2024 – FY 2028 CIP Sources of Funds

## FY 2024 Highlights

- ▶ Utilizes ~\$27 million in reserve funds to increase bus purchases
- ▶ Utilizes ~\$10 million in reserve funds for other projects and equipment purchases
- ▶ Working with City Finance to develop a long-term funding strategy for future revenue vehicle purchases





# FY 2024 Operating & Debt Service Budgets FY 2024 – FY 2028 Capital Improvement Plan For Citizens Transit Advisory Group Recommendation

Presentation to Citizens Transit Advisory Group  
April 18, 2023



1

## Discussion

- ▶ Budget Process
- ▶ CEO Focus Areas
- ▶ Operating Budget
- ▶ Debt Service Budget
- ▶ Capital Investment Program

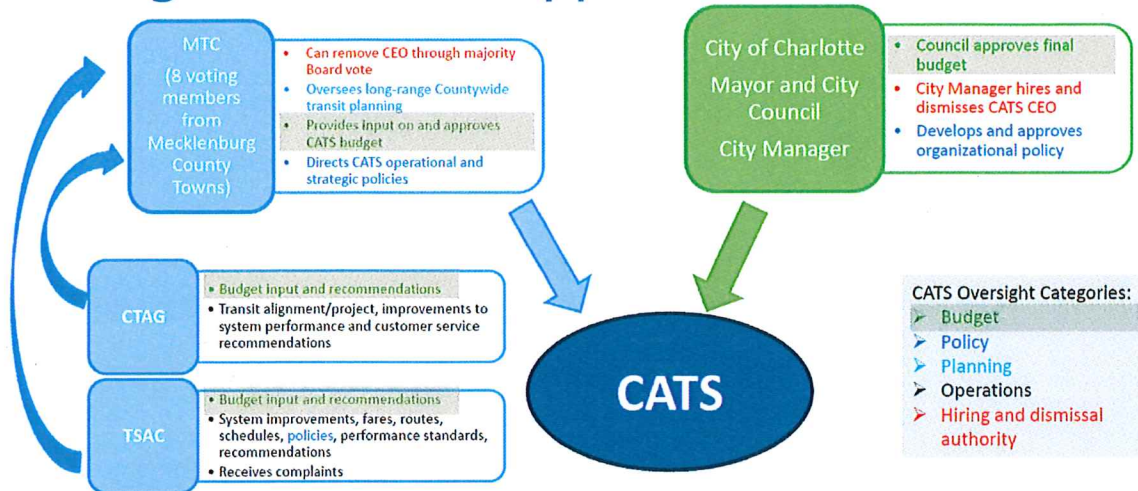


2



2

# Budget Review & Approval Process



Source: Management Partners CATS Management Roadmap

3



3

## CEO Focus Areas

- ▶ Balanced Budget
- ▶ Safety and Security
- ▶ Valuing Employees
- ▶ Maintenance & Asset Preservation



4



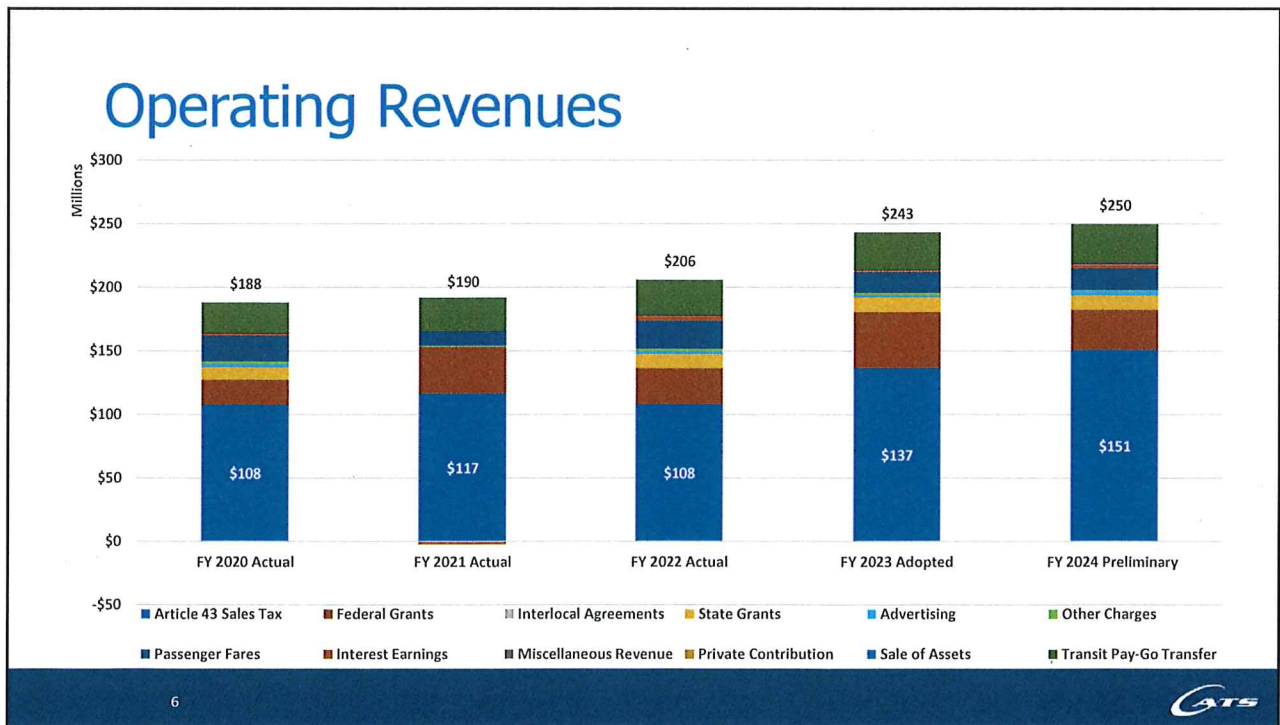
4



# Preliminary Operating & Debt Service



5

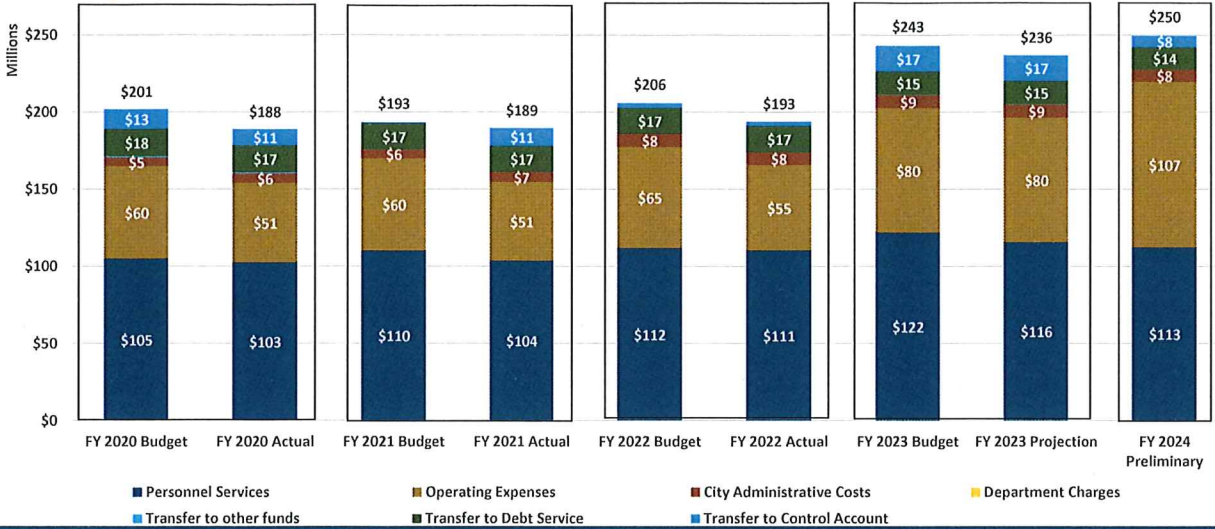


6



6

# Operating Expenses



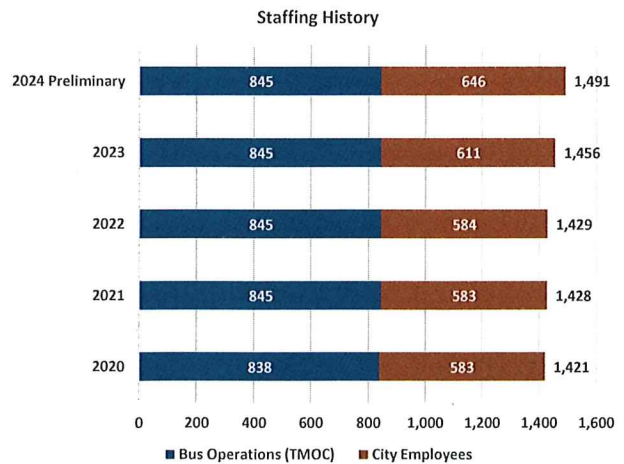
7



7

# Enhancements

- ▶ Safety and Security
  - Funding for expanded security contract
  - Funding for operators and employee training
  - Expand the transit ambassador program
- ▶ Valuing Employees
  - eServe Academy – 4 program staff plus funding for 14 apprentices and 10 interns
  - Rate & Compensation Study
  - Right sizing workforce based on operational tempo and current needs – 30 FTEs
- ▶ Maintenance & Asset Preservation
  - Increased preventative maintenance for facilities, bus, and rail



8



8

# FY 2024 Debt Service

- ▶ FY2024 Debt Service Budget ~\$18.1 million
- ▶ Transit Sales Tax, Federal and State grant funds pay annual principal and interest expenses



- ▶ No new debt issuance programed for FY 2024



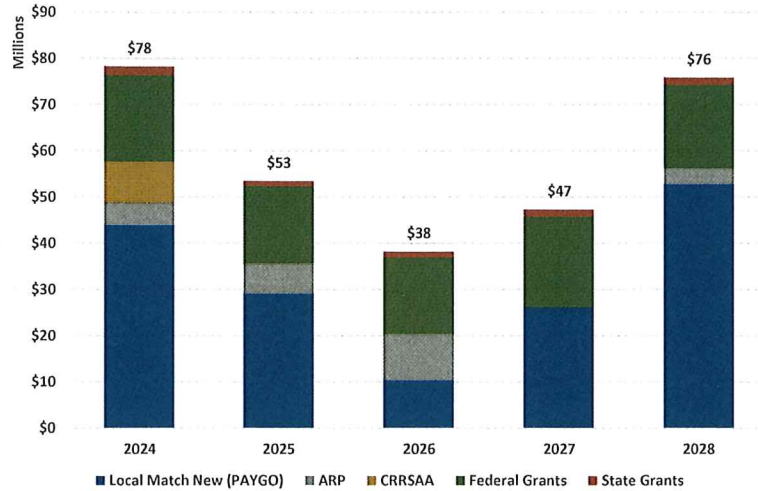
# Preliminary Capital Investment Plan



# FY 2024 – FY 2028 CIP Sources of Funds

## FY 2024 Highlights

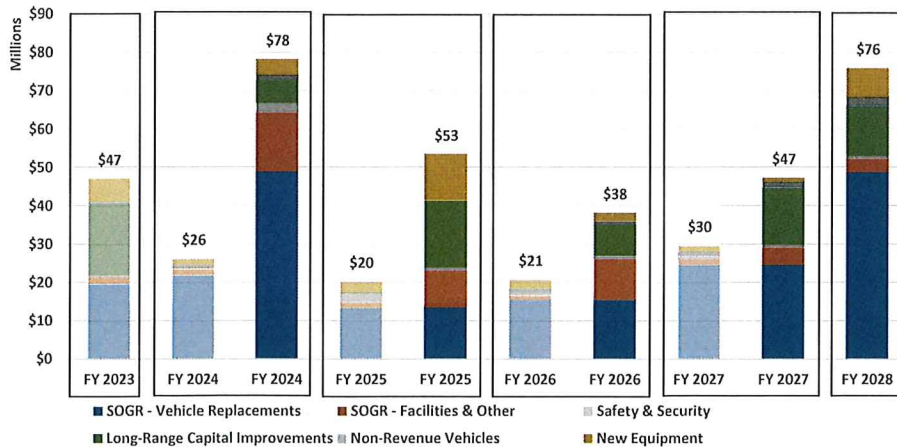
- ▶ Utilizes ~\$27 million in reserve funds to increase bus purchases
- ▶ Utilizes ~\$10 million in reserve funds for other projects and equipment purchases
- ▶ Working with City Finance to develop a long-term funding strategy for future revenue vehicle purchases



# FY 2024 – FY 2028 CIP Expenditures

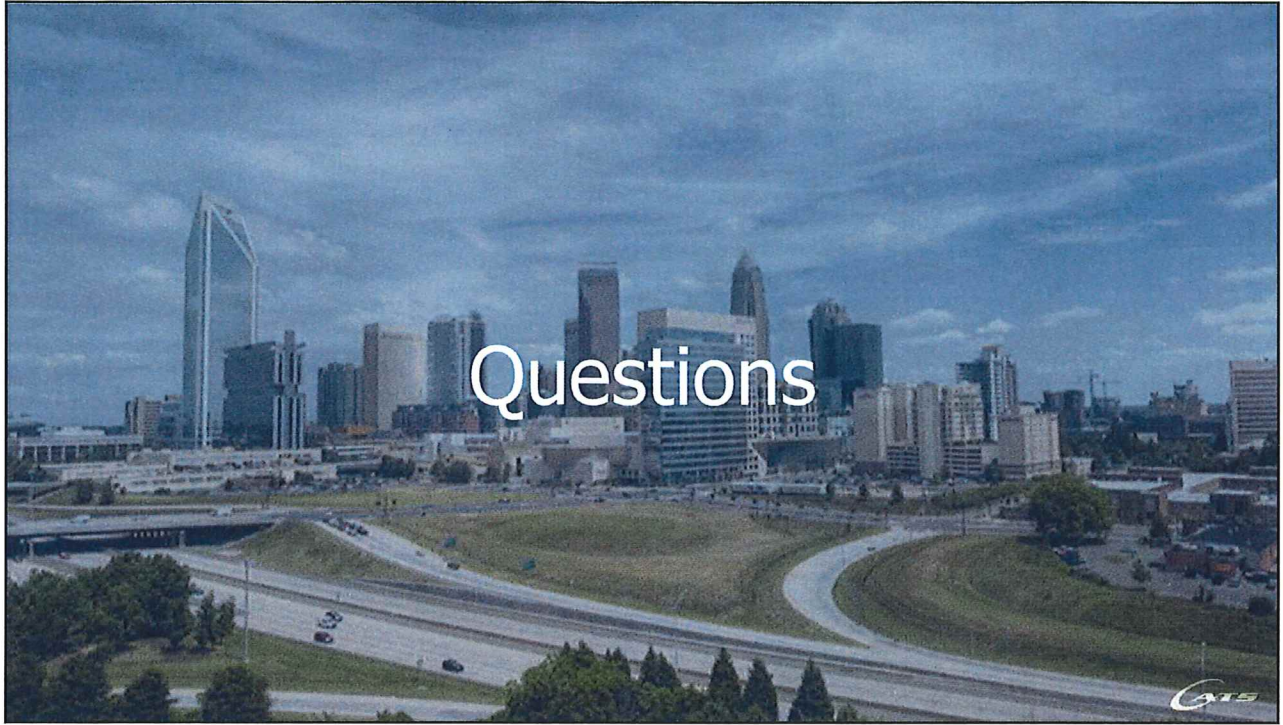
## FY 2024 Highlights

- ▶ 37 Replacement Buses
- ▶ 19 Replacement STS Vehicles
- ▶ Transit Planning
- ▶ ADA Improvements
- ▶ Security Improvements
- ▶ Continues prior-year initiatives



Notes:  
 1. Shaded columns represent FY 2023 to FY 2027 CIP  
 2. FY2024 Preliminary Capital Budget excludes carry over amounts  
 3. Excludes Grant-Funded Operating Projects





13

