



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

**Tuesday, March 21<sup>st</sup>, 2023**

**7:30 am to 9:00 am**

**Charlotte-Mecklenburg Government Center**

**WebEx Conference Meeting**

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- I. **Call to Order** Edward Tillman, CTAG Co-Chairman
- II. **Approval of January 17<sup>th</sup>, 2023 Meeting Summary**
- III. **Introduction of New CTAG Members** – Jalonda Dunlap, Martin Wheeler
- IV. **Preliminary Budget Update** Chad Howell
- V. **Interim CEO's Comments** Brent Cagle
- VI. **Other Business**
- VII. **Adjourn**



**CITIZENS TRANSIT ADVISORY GROUP (CTAG)**  
**Meeting Summary**  
**January 17<sup>th</sup>, 2023**  
**DISCUSSION SUMMARY**

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Present: Edward Tillman, City of Charlotte, CTAG Co-Chairman  
Michael Cataldo, Charlotte City Council  
Robert Hillman, Charlotte City Council  
Jeffrey Parker, 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, Allen Smith III, Chad Howell, Brandon Hunter, Jason Lawrence, David Moskowitz, Brad Thomas, Rachael Gragg, Catherine Kummer, Kelly Goforth, 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 7:32am by Co-Chairman Edward Tillman (City of Charlotte) via WebEx conferencing.

**II. Approval of Meeting Summary from November 15<sup>th</sup>, 2022 – Approved**

**III. Interim Charlotte Area Transit System Chief Executive Officer Introduction – CTAG met Brent Cagle, Interim CATS CEO. Mr. Cagle provided a brief history of experience and his excitement for the opportunity to engage with this organization while the national search for a replacement CEO is underway.**

**IV. Charlotte Transportation Center Redevelopment Staff Recommendations (presentation attached) – **Jason Lawrence, CATS Planning Director** presented the CTC Redevelopment Staff Recommendations**

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

- Security
- Example of other properties
- Land value
- How will the redevelopment fit into Envision My Ride
- Projected completion date

- V. **Preliminary Budget Update** (presentation attached) – **Thurman (Chad) Howell introduced himself as the Interim Charlotte Area Transit System’s Chief Finance Officer** and provided an executive update of the FY Preliminary Operating & Debt Services Budget.

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

- Advertisement Revenue Budgets
- Is there funding for a proactive marketing pushing to promote CATS and increase engagement to past, current and potential
- \$41 million State Grants in FY 2022 specific projects
- Any discussion on reducing or eliminating fares for public transit

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

- Detailed Budget information to be presented at a future meeting prior to CTAG’s Budget recommendation to MTC
- Revenue growth potential
  - Lining up sales tax with the City’s economist
  - Operating Budget – Safety and Security is a priority
  - Employee Value – Recruiting and Retaining
  - Creating a productive and rewarding culture
  - Building Community Confidence
- Capital
  - Midlife overhaul for rail cars
  - Bus Replacements

- VII. **Other Business**

- CTAG inquired of the new CEO search process. Brent Cagle share that Charlotte City Manager Marcus Jones/Assistant City Manager Liz Babson will update the MTC on the new CEO search. The recruitment is a national process with a minimum of 6 months or more as candidates are identified, vended and eventually one is selected for the covenant position.
- Paulus Ford – Charlotte Area Transit System CEO’s Executive Services Assistant/Citizens Transit Advisory Group’s Advisor, reminded CTAG of the attendance requirements. Also, as a reminder that CTAG meetings are virtual except the September meeting when returning from summer break and the April meeting when recommending the proposed budget to the MTC for adoption.

- VIII. **Adjourn**

The meeting was adjourned at **8:31am**

NEXT CTAG MEETING: MARCH 21<sup>ST</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



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## Discussion

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



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## CEO Focus Areas

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



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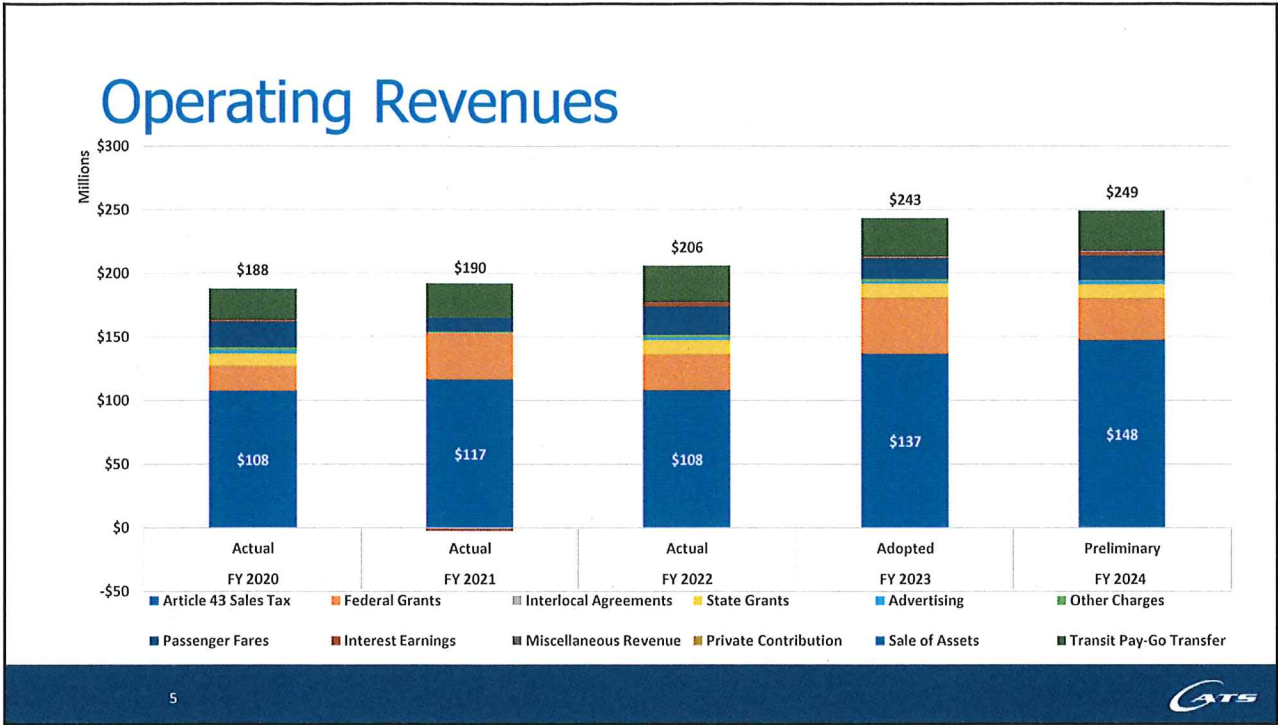


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## Preliminary Revenue Projections



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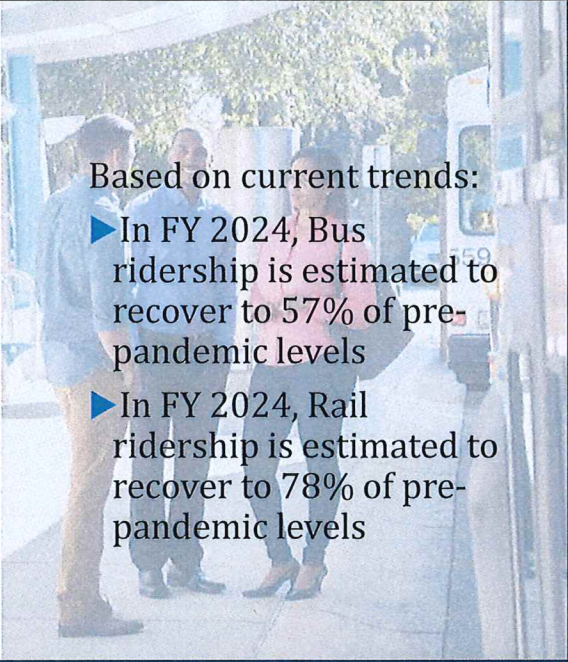
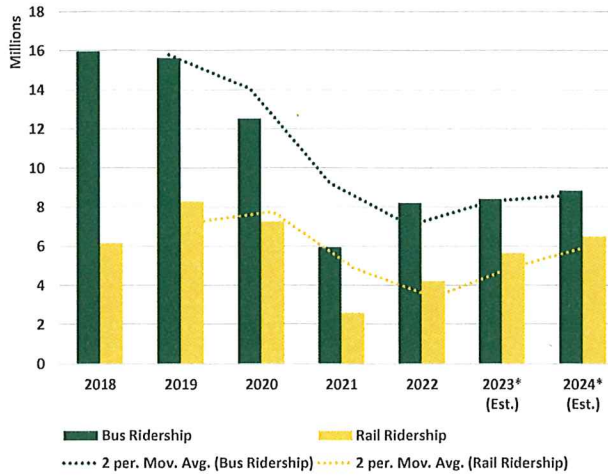
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# Ridership Trends



Based on current trends:

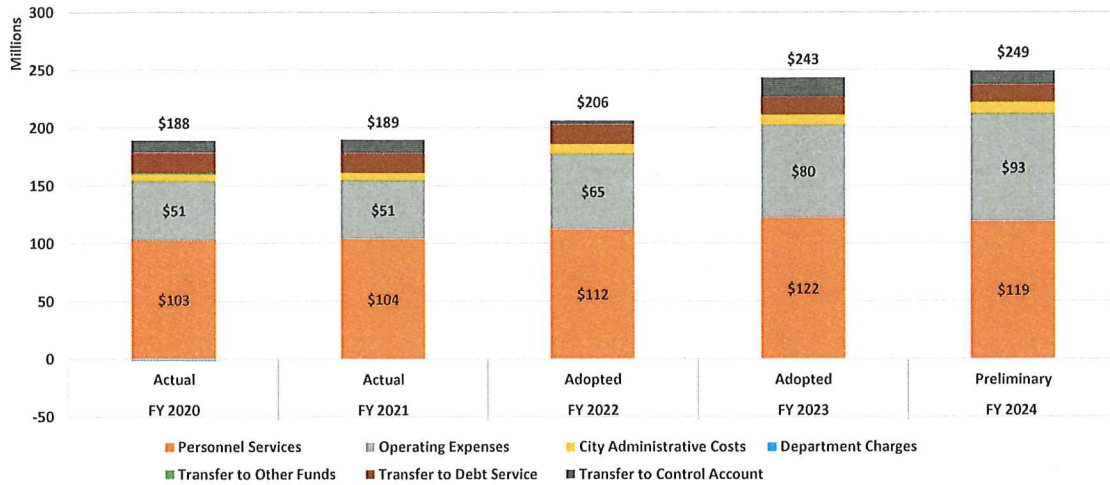
- ▶ In FY 2024, Bus ridership is estimated to recover to 57% of pre-pandemic levels
- ▶ In FY 2024, Rail ridership is estimated to recover to 78% of pre-pandemic levels



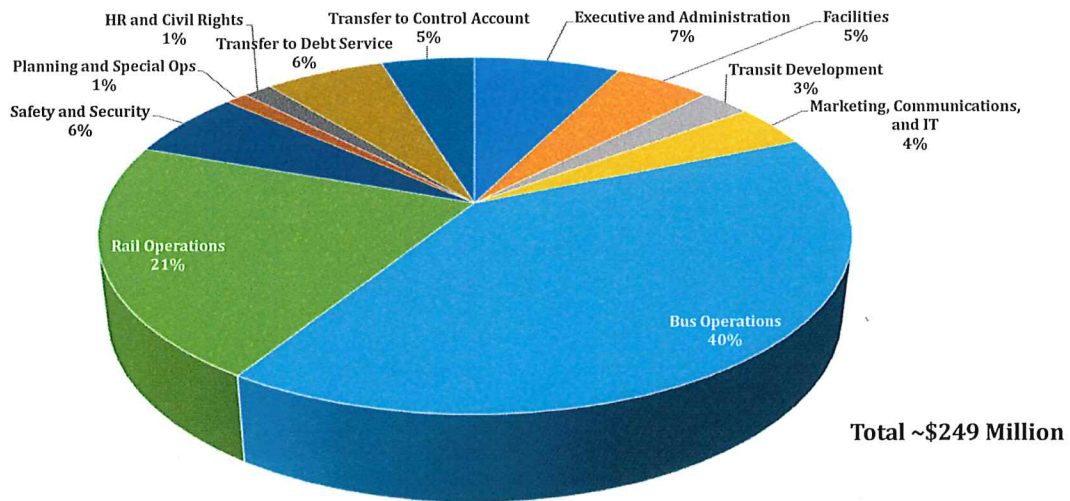
# Preliminary Operating & Debt Service Expenditures



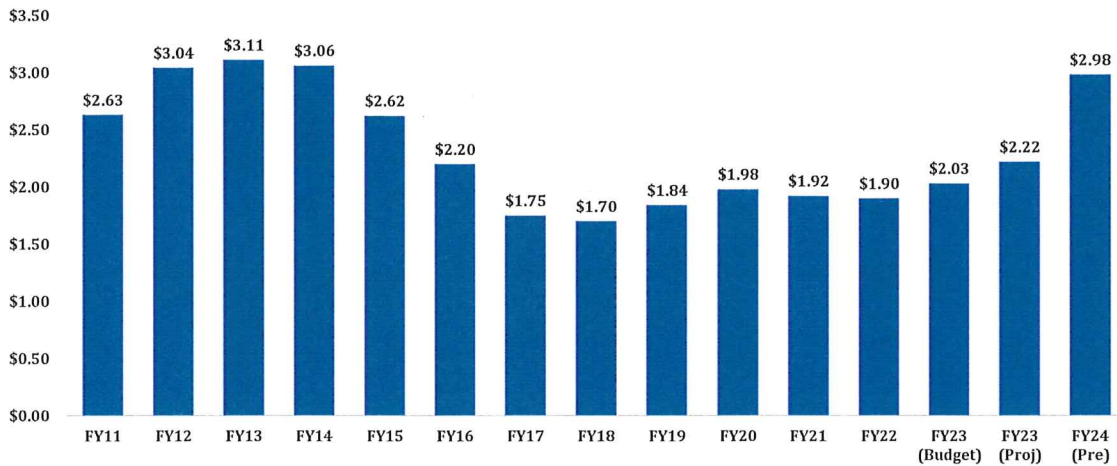
# Operating Expenses - Summary



# Operating Expenses By Division / Function



## Diesel Fuel Average Price Per Gallon



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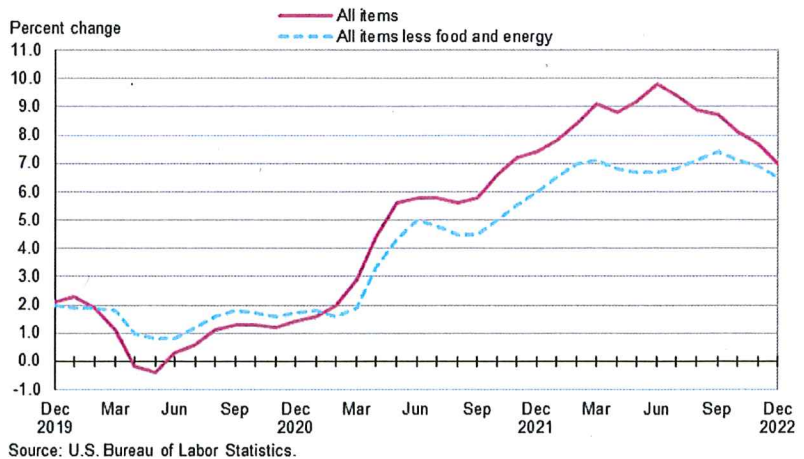
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## CPI, South Region — December 2022

▶ 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.

Source: U.S. Bureau of Labor Statistics

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## 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

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## 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

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# Preliminary Capital Investment Plan

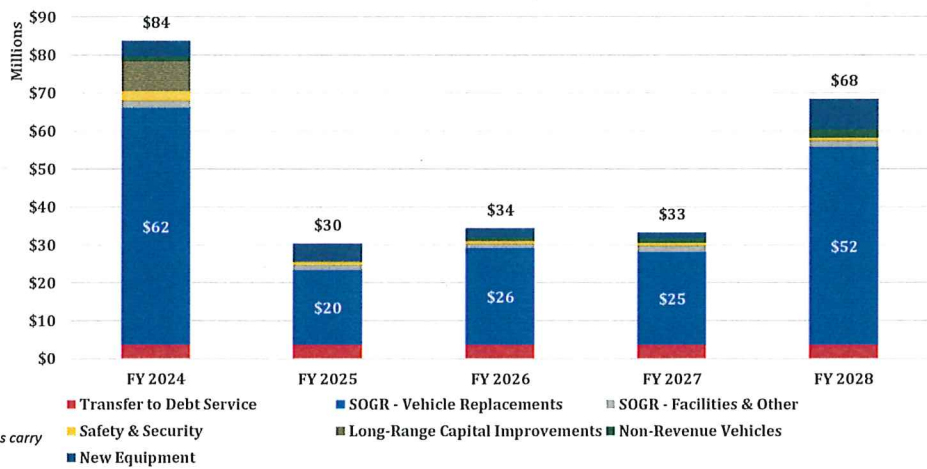


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## FY 2024 – FY 2028 CIP Expenditures

### FY 2024 Highlights

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



Notes:  
 1. FY2024 Preliminary Capital Budget excludes carry over amounts  
 2. Excludes Grant-Funded Operating Projects

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# 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

