

CITIZENS TRANSIT ADVISORY GROUP (CTAG)
Meeting Summary
February 16, 2016
DISCUSSION SUMMARY

Present: Rob Watson, CTAG Co-Chair
Melvin Feliu, CTAG Co-Chair
Frank Kretschmer, City of Charlotte
Trevor Beauford, CMS
Robbie Lowrance, Town of Cornelius
Todd Steiss, Town of Huntersville

Staff: John Lewis, Dee Pereira, Olaf Kinard, Wanda Braswell, Paulus Ford
Meeting time 7:30 a.m. – 9:00 a.m.

I. Call to Order

Rob Watson, CTAG Co-Chair, called the meeting to order at 7:41 a.m.

II. Approval of January 19th, 2016 meeting summary

A quorum was not present. This item will be addressed in the March 16th, 2016 meeting.

III. CATS FY2017 Operating & Debt Service Budgets; FY2017-21 Community Investment Plan

John Lewis Jr, CEO and Dymphna (Dee) Pereira, CATS CFO presented the (see attached presentation).

Todd Steiss: Need to gain a greater understanding of the Maintenance of Effort Funds. City of Huntersville may be looking at ways to cutback the amount of funds coming to CATS. Or, ways to use some of the funds for minor transit related projects for Huntersville.

Rob Watson: The Public Meeting for Proposed Fare Increase will be on Wednesday, March 23rd, 2016 @ 5:30pm. Mr. Watson encourages the entire CTAG to attend.

IV. CEO's Report

- None this meeting

Adjourn

The meeting was adjourned at 8:53am

NEXT CTAG MEETING: MARCH 15, 2016 AT 7:30 AM



FY2017 OPERATING & DEBT SERVICE BUDGETS FY2017-21 COMMUNITY INVESTMENT PLAN

Presented To
Citizens Transit Advisory Group
John M. Lewis, Jr., CATS CEO
Dee Pereira, CATS CFO
February 16, 2016



REGIONAL TRANSIT PROGRAM

CATS PLANS, GROWS AND MANAGES TRANSIT IN THE CHARLOTTE REGION

- Locally funded with the voter approved ½% sales and use tax
- Budgets are structurally balanced plans in compliance with MTC approved financial policies and the 2030 Transit Corridor System Plan
- Transit's capital financing (COPS) receives highest level of financial ratings resulting from sound financial management and fund balances
- Recipient of significant levels of Federal funding for capital programs

 **FY2016 ACCOMPLISHMENTS & CHALLENGES**

ACCOMPLISHMENTS

- CityLYNX Gold Line Streetcar service
- USDOT awards \$180 million TIFIA loan; saving \$32 million
- 2015 Federal Triennial Review – a perfect score
- Selected to host 2016 APTA National Bus Conference
- BLE Project is in construction and scheduled to open in summer 2017
- Significant Federal grant awards

CHALLENGES

- Ridership
- Managing construction contractors and project schedules
- Aged fare collection equipment
- Stress on Special Transportation (ADA) Service

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 **NEW MOBILITY PARADIGM**

NEW MOBILITY PARADIGM

- Changes in mobility paradigm for public transportation
- Major demographic shifts in our society have presented transit with unique challenges and opportunities
- Baby Boomers and Millennials are leading the resurgence of our urban areas and are demanding higher levels of mobility options.
- In the coming decades strong public transit systems will support the economic viability of our region as airports, ports and highways have in the past
- The FY2017 Budgets reflect CATS goals for being a partner in the economic strength and attractiveness of our region

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OPPORTUNITIES AND CHALLENGES

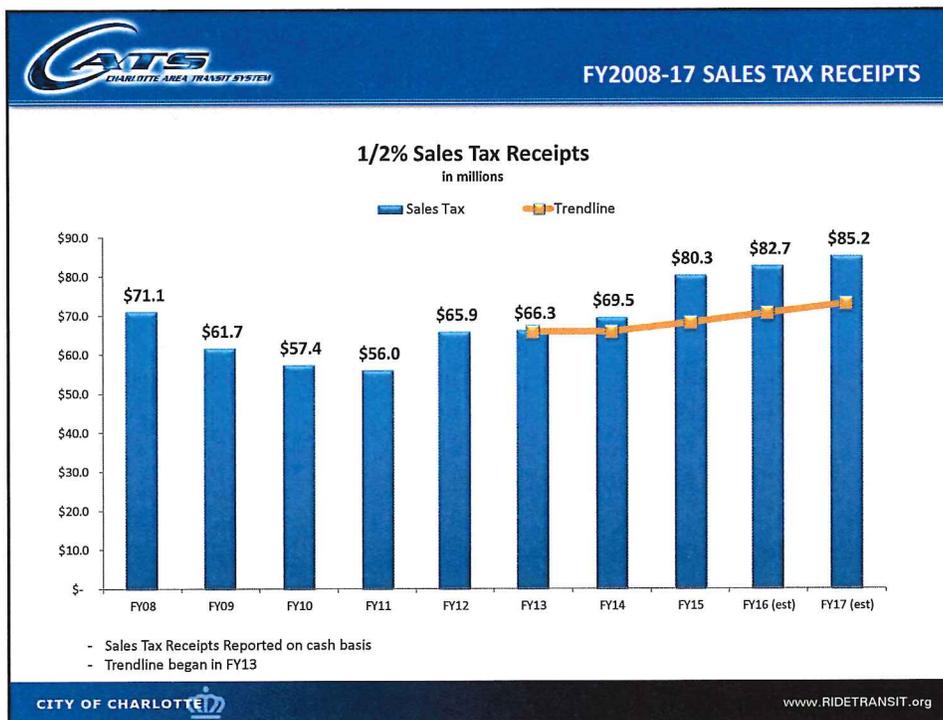
OPPORTUNITIES

- Positioning CATS to lead regional mobility interconnectivity options
- Sales tax recovery
- Focus on sustainability, leveraging assets, partnerships
- 2015 FAST Act commitments to Transit

CHALLENGES

- Additional funding sources
- Increasing ridership
- Expanding additional mobility options to Region

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BUDGET MANAGEMENT

- Fuel Forward Purchase Program
- Use of “term positions” versus permanent City positions for grant-funded project related work
- Federally approved Indirect Cost Allocation Plan
- Federal financing at Treasury interest rate
- 3.6% goal for annual growth of Operating Budget
- Fleet Operations and Maintenance
 - In-house revenue vehicle maintenance
 - Adjusted fleet replacement plans
 - Hybrid Bus Technology; lower cost energy

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5-YEAR HIGHLIGHTS

- Implementing the \$1.16 billion BLE Project in the summer of 2017
 - Anticipate 18,900+ additional daily riders
 - Creating 150+ new permanent jobs
- State-of-the-art fare collection systems, equipment and smart technology
- Enhance regional air quality through use of alternate energy and hybrid technology
- Build-out all Blue Line platform extensions
- Implement Streetcar extension service
- Investment in employees through the City’s new non-Exempt pay plan

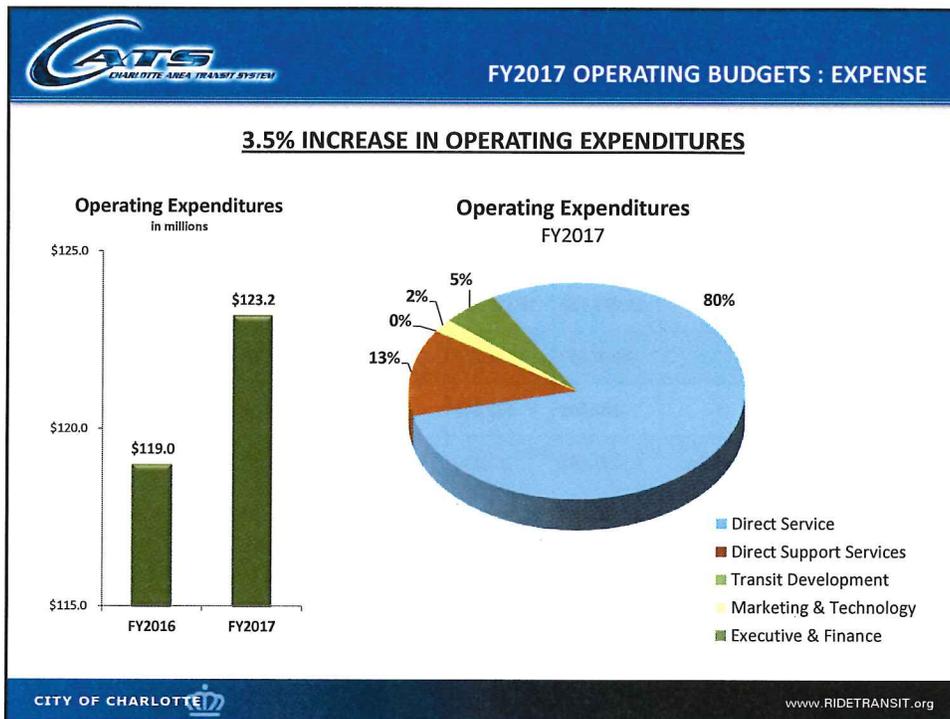
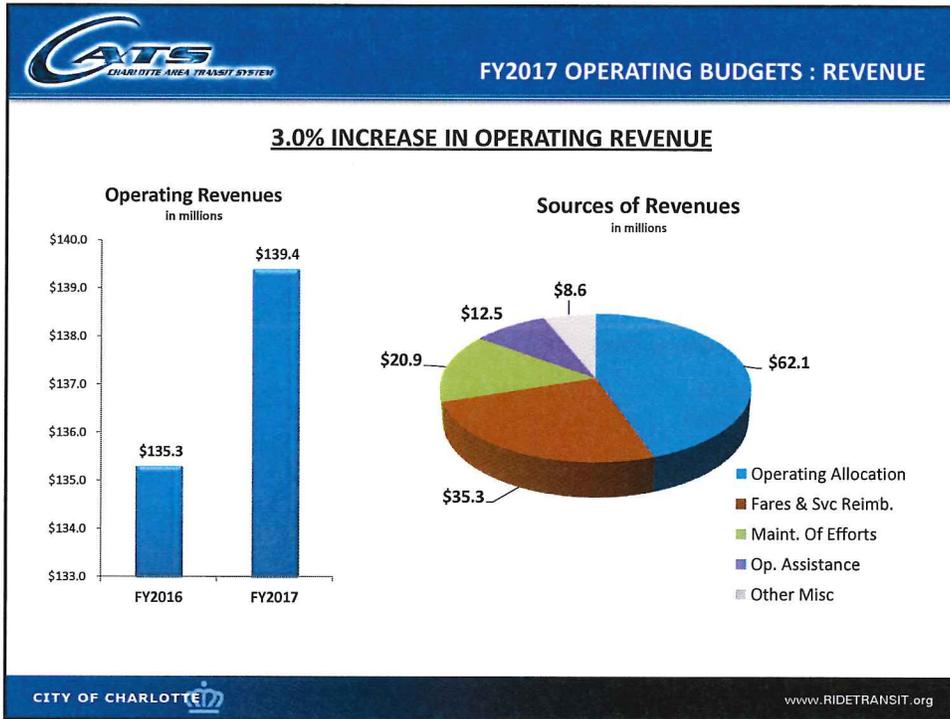
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		FY2017 BUDGET SUMMARY	
	FY2016 Adopted <u>Budget</u>	FY2017 Recommended <u>Budget</u>	
Transit Operating Budget			
Operating Revenues	\$135.3	\$139.4	
Operating Expenditures (Net)	\$119.0	\$123.2	
Operating Balance (Transfer to Capital)	\$16.2	\$16.2	
Transit Debt Service	\$28.8	\$22.5	
Transit Capital Program	\$384.8	\$309.4	

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		FY2017 SERVICE PROFILE				
	Ridership			Revenue Service Hours		
	<u>FY2016</u>	<u>FY2017</u>	<u>Variance</u>	<u>FY2016</u>	<u>FY2017</u>	<u>Variance</u>
Bus	19,077,428	19,139,996	0.33%	837,501	845,876	1.00%
Light Rail	4,874,617	4,879,773	0.11%	33,306	33,711	1.22%
Streetcar	502,463	522,574	4.00%	12,338	12,563	1.82%
Special Transportation Svc.	271,842	282,190	3.81%	137,993	137,993	0.00%
Vanpool	218,060	217,738	-0.15%	38,624	38,624	0.00%
TOTAL	24,944,410	25,042,271	0.39%	1,059,762	1,068,767	0.85%

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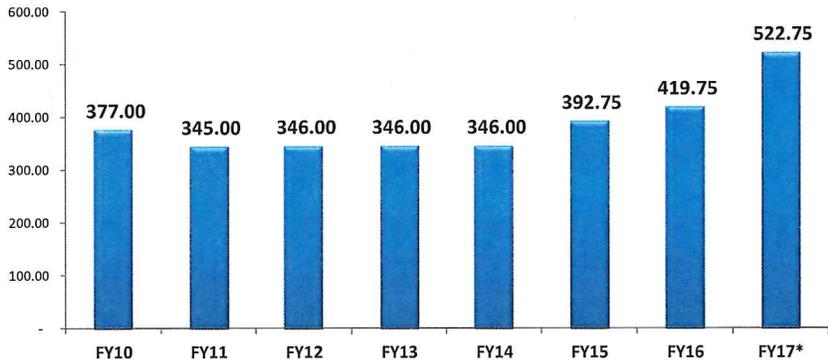

FY2017 SERVICE LEVEL CHANGES

- **+ 93** City positions for BLE operation and support
- **+ 10** City positions address operations and regulatory issues
 - 6 positions in STS to address need and ADA regulations
 - 1 positions to assist DSS pass sales customers
 - 2 positions to maintain streetcar service schedules
 - 1 Executive to manage Operations
- **+9,005** additional service hours, the majority in bus services
 - To meet customer need for weekend service
 - To mitigate congestion


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CATS Staffing Summary

FY2010 - FY2017
CATS Staffing Summary



Fiscal Year	# of FTEs
FY10	377.00
FY11	345.00
FY12	346.00
FY13	346.00
FY14	346.00
FY15	392.75
FY16	419.75
FY17*	522.75

* FY17 includes recommended Service Level Changes


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DEBT SERVICE PROGRAM

Financial Policies:

- Two provisions protect sustainability of CATS programs from fluctuations in key sources of revenues:
 - Revenue Reserve is currently at \$12.1 million and projected to be \$21.8 million by FY16 year-end
 - Fund Balance continues to maintain above \geq \$100 million

Revenue Sources for Debt Service Expenditures

- ½% Sales Tax and Grants are both used as revenue sources to pay for annual debt service expenditures

	<u>Policy Target</u>	<u>FY17 Budget</u>
Gross Debt Coverage Ratio	> 3.00	5.02
Net Debt Coverage Ratio	\geq 1.15	1.85

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NEW DEBT IN FY2017

NEW DEBT FINANCING

- Fare Equipment and Systems Project
 - ✓ Fareboxes
 - ✓ Ticket Vending Machines
 - ✓ Smart Cards
- Blue Line Capacity Expansion (Phase II)
 - ✓ Build extension of 11 platforms
 - ✓ Systems upgrades

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		FY2017-21 SOURCES AND USES OF FUNDS				
SOURCES OF FUNDS	FY17	FY18	FY19	FY20	FY21	TOTALS
Grants	\$150.0	\$94.7	\$55.0	\$54.9	\$52.9	\$407.6
Debt Proceeds	\$143.2	-	-	-	-	\$143.2
Local 1/2% Sales Tax	\$16.2	\$16.7	\$17.2	\$17.7	\$18.3	\$86.1
TOTALS	\$309.4	\$111.4	\$72.2	\$72.7	\$71.1	\$636.8

USES OF FUNDS	FY17	FY18	FY19	FY20	FY21	TOTALS
2030 Transit Plan	\$260.0	\$46.9	\$22.2	\$20.2	\$15.2	\$364.6
Asset Maintenance	\$30.9	\$28.2	\$22.1	\$39.8	\$36.6	\$157.6
New Equipment	\$0.7	\$0.1	\$0.06	\$0.03	\$0.06	\$3.7
State of Good Repair	\$4.5	\$3.1	\$2.0	\$0.4	\$1.7	\$11.7
Amenities/Safety	\$5.5	\$6.7	\$6.7	\$5.7	\$6.7	\$31.3
Transfers to Other	\$7.7	\$25.2	\$18.6	\$6.3	\$10.2	\$68.0
TOTALS	\$309.4	\$111.4	\$72.2	\$72.7	\$71.1	\$636.8

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		FY2017-21 CIP
<u>5-YEAR CATS CIP PROJECTS</u>		
<ul style="list-style-type: none"> ▪ Complete BLE, BLCE I & II ▪ Studies for other corridors ▪ New Fare Collection Equipment and Smart Card Technology ▪ Automatic Train Protection on all rail cars (USDOT mandate) ▪ Replacement of 284 revenue vehicles; 15 expansion STS buses ▪ Maintenance of bridges and alignments ▪ Technology 		
<u>5-YEAR CIP PROJECTS (FUNDED BY OTHERS)</u>		
<ul style="list-style-type: none"> ▪ Complete Streetcar – Phase II ▪ Amtrak tracks relocated to Gateway Station 		

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 **MTC CALENDAR**

January 27	CEO Recommended Budgets: Overview FY2017 Proposed Operating Budget FY2017 Debt Service Budget FY2017-21 Community Investment Plan (CIP)
February 24	FY2017 Options for Fare Changes FY2017 Fare Change Equity Analysis (Information) FY2017 Key Operating Programs: Bus/STS/Vanpool Rail/Streetcar/Facilities Safety & Security
March 23	FY2017 Fare Equity Analysis (Action) Public Hearing on Changes in Fare Options FY2017-21 Proposed CIP
April 27	Action: FY2017 Changes in Fare Options FY2017 Proposed Operating Budget FY2017 Debt Service Budget FY2017-21 Community Investment Plan (CIP)

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 **Thank you**



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