



ANNUAL REPORT 2013



# YOUR RIDE IS HERE



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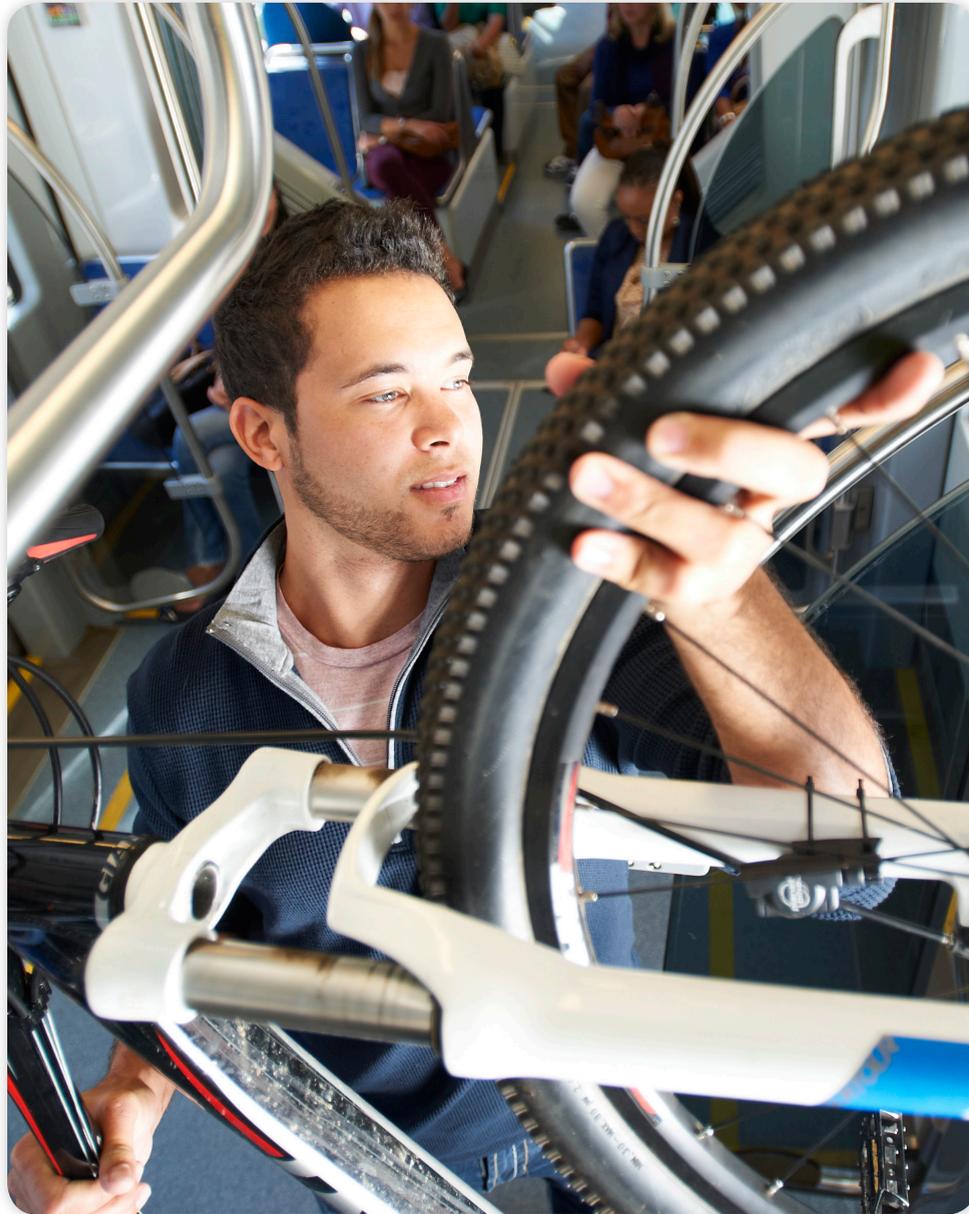
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# MISSION

To improve the quality of life for everyone in the greater Charlotte region by providing outstanding community-wide public transportation services while proactively contributing to focused growth and sustainable regional development.



# LETTERS TO THE COMMUNITY



## GIVING CHARLOTTE A LIFT

When families and businesses weigh whether to move to the Queen City or go somewhere else, public transit plays a decisive role. Last year, our area took a big step forward to ensure potential newcomers continue to look favorably on Charlotte for our commitment to rapid transit and light rail. As chair of the Metropolitan Transit Commission (MTC), I remain dedicated to keeping our transit momentum going and continuing to build out the rest of our regional system.

In FY2013, the MTC's state and federal legislative agendas continued to be greatly influenced by economic uncertainty. The Commission focused on funding and worked with the General Assembly on the LYNX Blue Line Extension (BLE) appropriations and transit operating funds. Everyone was thrilled when CATS received the last major funding source it needed to advance construction of the BLE. MTC members also focused on transportation project financing programs that will be important for the Red Line and CityLYNX Gold Line. As always, our legislative agenda looked at what might keep CATS on track in the future. For example, to create better opportunities for future bus service, the MTC urged our state legislature to increase maximum bus length from 45' to 60' to allow use of articulated buses on high ridership routes and for Bus Rapid Transit service.

Our transit efforts were further energized in FY2013 by the creation of the MTC's Transit Funding Working Group, formed at the urging of former Charlotte Mayor and MTC Chair Anthony Foxx. This bi-partisan group is made up of business leaders, community experts and elected officials, including three former mayors from the region. They are charged with identifying and building awareness of funding challenges facing the 2030 Transit Plan, developing funding and financing recommendations, and suggesting tools for advancing the regional transit plan.

The MTC also unanimously approved the FY2014-2015 Transit Operating Program and FY2014-2018 Transit Capital Investment Plan. The program will grow revenue hours by 3 percent and provide stability for Americans with Disabilities Act (ADA) service. The Commission also established the Revenue Reserve Fund and directed \$2.5 million from sales tax revenue to it. The fund provides contingency funds in years where income levels are lower than projected.

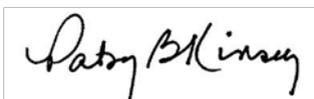
Revenue concerns surfaced in discussions with the Charlotte City Council about whether to continue to allow alcohol advertising on CATS buses and light rail cars. Eliminating such advertising would have created a budget shortfall of \$600,000 in FY2013, alone. A compromise plan was unanimously passed to continue to allow alcohol advertising as previously approved but to exclude it from certain neighborhood bus routes.

New Charlotte City Manager Ron Carlee kept the wheels of progress in motion with a number of MTC requests. He asked that the Commission authorize CATS to pursue all federal grant and financing opportunities that might reasonably advance any part of the 2030 Transit Plan, including the CityLYNX Gold Line. Pending City Council approval, he urged acceptance of the City of Charlotte's pledged contribution of 50 percent local matching funds required to compete for a Tiger V federal grant, or any other future federal grant opportunities for the second 2.5-mile phase of the CityLynx Gold Line. He also asked that the project be managed like the BLE project and that the City take responsibility for all operating costs of Phase 2 of the Gold Line, just as it had for Phase 1. The MTC unanimously approved all of Carlee's requests.

I want to personally thank and acknowledge former Charlotte Mayor and MTC Chair Anthony Foxx for his tireless dedication to advancing public transportation in our community. His visionary leadership helped us make significant strides toward the completion of our long-term regional transit goals and his legacy of transit accomplishments will be felt throughout our region for years to come. As the new Secretary of the U.S. Department of Transportation, I'm certain he will advance our country's commitment to sustainable transit and regional planning. The MTC wishes him all the best in Washington, D.C.

As we turn our attention to FY2014, I'm excited about all the new developments in store for our transit system. Yet at the same time, one thing remains the same—CATS, the MTC, and the City of Charlotte are fully committed to taking the people of Charlotte and our surrounding communities where they want to go. I, for one, am glad to be aboard for the ride.

Sincerely,



**Patsy Kinsey**

*MTC Chair and City of Charlotte Interim Mayor*



***“As chair of the Metropolitan Transit Commission, I am dedicated to keeping the momentum moving forward.”***

**Patsy Kinsey**

*MTC Chair and City of Charlotte Interim Mayor*

## HERE'S TO YOU

Whether you grabbed a ride on a CATS bus or a LYNX light rail train, served as a member of a working group, or mentioned CATS in your convention, recruiting and relocation efforts, you contributed greatly to our success over the past year. Your ongoing support helped us achieve many key milestones and gave all of us reasons to celebrate.

The summer of 2012 was one for the books. Preparation for the arrival of the Democratic National Convention (DNC) gave us a big opportunity to increase ridership and visibility. When delegates and reporters arrived during the week around Labor Day, the average number of weekday riders on the LYNX rail line doubled. Though DNC security protocols required us to temporarily relocate the Charlotte Transportation Center (CTC), we succeeded in keeping all routes in service and even increased ridership. We also set up an Ambassador Program staffed by some 225 CATS and City of Charlotte employees who wore bright smiles and friendly yellow Transit Ambassador shirts as they helped customers get where they needed to go.

The year also included the achievement of several milestones for the LYNX Blue Line Extension (BLE), which will extend light rail service from Center City to UNC Charlotte. Securing Federal Transit Administration (FTA) approval to enter "Final Design" in July 2012 allowed CATS to proceed with plans to submit a request for a Federal Full Funding Grant Agreement. In October, the grant was approved, and the FTA committed 50 percent funding for the project. With its last major funding source in place, construction on the new line can move forward. The good news continued as winter turned to spring. In April, two years of hard work on the largest and most complex local government financing in North Carolina history paid off when the North Carolina Local Government Commission unanimously approved the comprehensive BLE financial plan, the last step before issuing debt. We were especially gratified that the financing received positive ratings from Moody's, Fitch and Standard and Poor's (Aa2, AA+, and AA+), all on a par with the City of Charlotte's other transit-related debt.

July 2012 was also a great month for our long-term goal of reducing emissions and saving on fuel costs. CATS received \$4 million from the FTA's FY2012 State of Good Repair Fund, so we could purchase six additional hybrid buses to add to the 13 already in our fleet. In July, we also implemented a fare increase to help us maintain core transit services for our customers. And, customers continued to see the value in riding our services throughout the year as CATS saw significant ridership increases on its Neighborhood Shuttles and Vanpools.

During FY2013, we continued to be challenged to find ways to manage our budget in a constrained fiscal environment. The FY2012 sales tax reflects a recovery from the 2008 recession levels, and we have had no service reductions since 2009. I'm pleased to report that our FY2012 actual expenses came in \$930,000 less than in FY2008. Going forward, we have projected \$200,000 in additional yearly revenue made possible when the Charlotte City Council approved a zoning ordinance change to allow advertising on platforms.

I would be remiss not to extend my gratitude to U.S. Secretary of Transportation, Anthony Foxx. Without his support and leadership during his tenure as Mayor of Charlotte and Chair of the Metropolitan Transit Commission, these milestones would not have been possible. I want to also thank all of the members of the MTC for their dedication to regional transit and for their support.

All in all, last year proved to be an exciting ride, further invigorated by the arrival of new MTC members Mecklenburg County Commissioner Pat Cotham and Cornelius Mayor Lynette Rinker, and Charlotte City Manager Ron Carlee. Welcome, and remember that you can count on CATS to keep your new city in motion. To everyone else who works with us and for us, we're so grateful you're here.



Sincerely,

A handwritten signature in black ink that reads "Carolyn Flowers". The signature is fluid and cursive, written in a professional style.

**Carolyn Flowers**  
CATS CEO



*“Mass transit is really important. CATS provides a service to a growing community. If Charlotte wants to be on a bigger stage, we have to have this type of amenity.”*

Ginger Saxon, CATS rider



# BOARDS AND COMMITTEES



## METROPOLITAN TRANSIT COMMISSION

The Metropolitan Transit Commission (MTC) is CATS' governing board and is responsible for reviewing and recommending all long-range public transportation plans. The MTC reviews the transit system's operating and capital programs and sets policies that guide the transit system's use of public monies. The MTC is composed of voting and non-voting members. The voting members are the mayors and managers of the City of Charlotte; Mecklenburg County; and the six towns in Mecklenburg County: Cornelius, Davidson, Huntersville, Matthews, Mint Hill and Pineville; and a board member from the North Carolina Department of Transportation. To ensure regional involvement, the MTC includes five non-voting members representing local governments outside of Mecklenburg County and one non-voting member from the South Carolina Department of Transportation.

### PICTURED FROM LEFT:

**Front Row** – James Taylor, Mayor of Matthews; Julie Burch, Charlotte Assistant City Manager; John Woods, Mayor of Davidson; Anthony Foxx, MTC Chairman and Mayor of Charlotte; Harry Jones, Mecklenburg County Manager and Lynette Rinker, Mayor of Cornelius.

**Back Row** – Jill Swain, Mayor of Huntersville; Brian Welch, Mint Hill Town Manager; Greg Ferguson, Huntersville Town Manager; Ralph Messera, Matthews Designee and Leamon Brice, Davidson Town Administrator.

**Not Pictured** – Pat Cotham, Mecklenburg County Board of Commissioners Chairman; Ron Carlee, Charlotte City Manager; Anthony Roberts, Cornelius Town Manager; Hazen Blodgett, Matthews Town Manager; Ted Biggers, Mayor of Mint Hill; George Fowler, Mayor of Pineville; John Collett, NCDOT Representative; John Bridgeman, Mayor of Gastonia; Bobby Kilgore, Mayor of Monroe; Greg Demko, Interim Monroe City Manager; A. Douglas Echols, Jr., Mayor of Rock Hill; Miles Akins, Mayor of Mooresville; Erskine Smith, Mooresville Town Manager and Scott Padgett, Mayor of Concord.

# CITIZENS TRANSIT ADVISORY GROUP

The Citizens Transit Advisory Group (CTAG) reviews long-range transit system planning and proposed operating and capital programs from the community's perspective and makes recommendations to the MTC. This advisory board is made up of members of the community appointed by the Mecklenburg County Board of Commissioners, the Charlotte City Council, each of the six towns, and the Charlotte-Mecklenburg Board of Education. It may include no elected officials, and its members serve staggered two-year terms.



# TRANSIT SERVICES ADVISORY COMMITTEE

The Transit Services Advisory Committee (TSAC) reviews, makes recommendations, and provides input into short-range transit operations. The committee focuses on day-to-day operations of the transit service to ensure that it meets the needs of the community. It makes recommendations to the MTC on issues within its sphere of interest and acts as a vehicle to promote public involvement on short-term transit planning. TSAC is made up of representatives appointed by the City of Charlotte, the Mecklenburg County Board of Commissioners, and the six towns.

# PUBLIC MEETINGS

Meetings are held at:

Charlotte-Mecklenburg Government Center  
600 East Fourth Street  
Charlotte, NC 28202

Metropolitan Transit Commission  
Fourth Wednesday of each month  
5:30 to 7:30 pm – Room 267

Citizens Transit Advisory Group  
Third Tuesday of months determined by CTAG  
7:30 to 9:00 am – Basement Level, CH-14

Transit Services Advisory Committee  
Second Thursday of each month  
4:00 to 5:30 pm – Basement Level, CH-14



# LEADERSHIP TEAM

CATS' Leadership Team is charged with managing the day-to-day business of the organization. It is made up of managers from each CATS division: Executive, Finance, Development, Transit Support Services, Marketing and Communications, and Operations.



## PICTURED FROM LEFT:

**Front Row** – Dymphna Pereira, Chief Financial Officer; Carolyn Flowers, Chief Executive Officer; Gracie Myers, Transit Human Resource Manager; Olaf Kinard, Director of Marketing & Communications.

**Middle Row** – John Joye, Senior Assistant City Attorney; Celia Gray, Quality Assurance Manager; Allen Smith, General Manager of Rail Operations & Safety and Security; David McDonald, Transit Planning Manager.

**Back Row** – John Trunk, Director of Transit Support Services; Kirk Scott, General Manager of Bus Operations; Larry Kopf, Chief Operations Planning Officer; Wanda Braswell, Executive Assistant to the Chief Executive Officer; John Muth, Deputy Director.

**Not Pictured** – Pete Wallace, General Manager of Special Transportation and Vanpool



# STEPPING UP SERVICE

The customer service we experience as we go about our daily lives stays with us for a long time. Often, you recall times where you received great service, but you definitely never forget service that falls short. We always want to be remembered as an organization that delivers excellent and convenient services and solutions to those that depend on us. And although we miss on occasion, customers consistently rank CATS services high on the quality of services provided at 85 percent.

This high level of customer satisfaction is one of the main reasons CATS was able to retain customers in a year in which fares were raised 16.7 percent. Although overall ridership dropped 1.5 percent, several services experienced significant increases. Vanpooling is a perfect example. As more and more commuters learned that riding in a vanpool saves you money, reduces the stress of dealing with stop-and-go traffic and helps the environment, demand for vans grew. When the numbers were tallied, vanpool ridership had increased nearly 9 percent. That's service that speaks for itself.



## NEW SERVICES TO RIDE

Over the past year, we succeeded in getting more people to more places, more quickly and more conveniently. The new Albemarle Road Park and Ride opened last October, giving riders frequent, safe and convenient access to Center City Charlotte, with express bus trips during peak commuting times, and local bus service throughout the day. The new park and ride's 231 surface parking spaces, driver comfort station and passenger amenities such as benches, trash cans, surveillance equipment, secure bicycle parking and emergency blue light telephones, made catching a ride on a bus easier than ever for Eastside commuters. In June, we also added two new routes: the 46X Harrisburg Road Express, and the 51 Pineville-Matthews Road, a new crosstown route operating between Carolina Place Mall and Matthews Festival Shopping Center. We also adjusted routes along Independence Boulevard to minimize impacts during construction by the North Carolina Department of Transportation.

## RIDING HIGH FOR FIVE YEARS

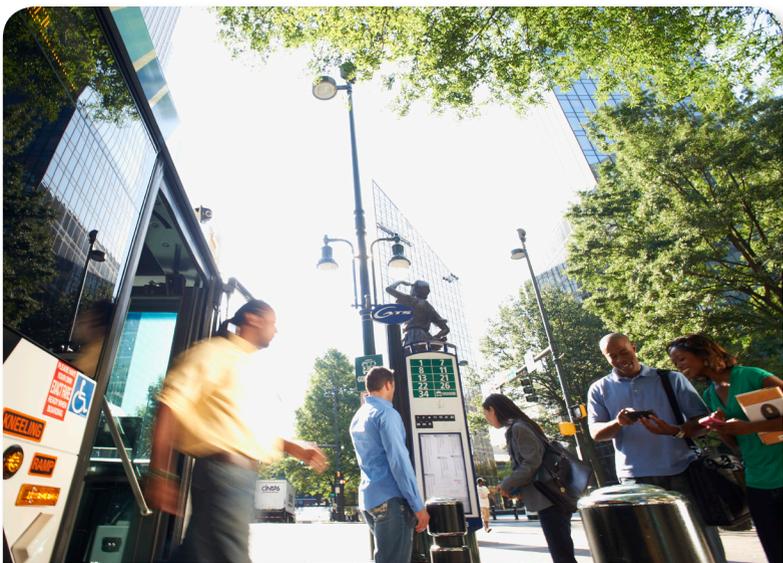
Last November, in honor of the five-year anniversary of the LYNX Blue Line, CATS launched a month-long celebration. The CATS Facebook page hosted essay contests about riding LYNX, and radio stations set up remote broadcasts at selected light rail stations. On the last day of the celebration, we heartily congratulated our 24,440,385th LYNX customer at the Charlotte Transportation Center/Arena Station. In its first year of operation, the LYNX Blue Line outdistanced projections by 50 percent and continued to rise. Its daily weekday ridership now averages 15,000 riders; it has achieved a 99.7 percent on-time performance rating; and it enjoys customer approval ratings above 90 percent. It has also helped spur almost \$1.4 billion in development along the South Corridor.

## HELP IS HERE

All the residential development along the LYNX Blue Line created a need for an east-west connection and enhanced local street network. The City of Charlotte entered into a public-private partnership to improve access and land use near the New Bern Station. This construction work completed a new at-grade crossing at Poindexter Drive to connect it to South Boulevard and Youngblood Avenue. CATS' rail service was impacted during part of the construction work to complete the crossing, but transit ambassadors assisted riders with using CATS' "bus bridge" service to help them get to their destinations.

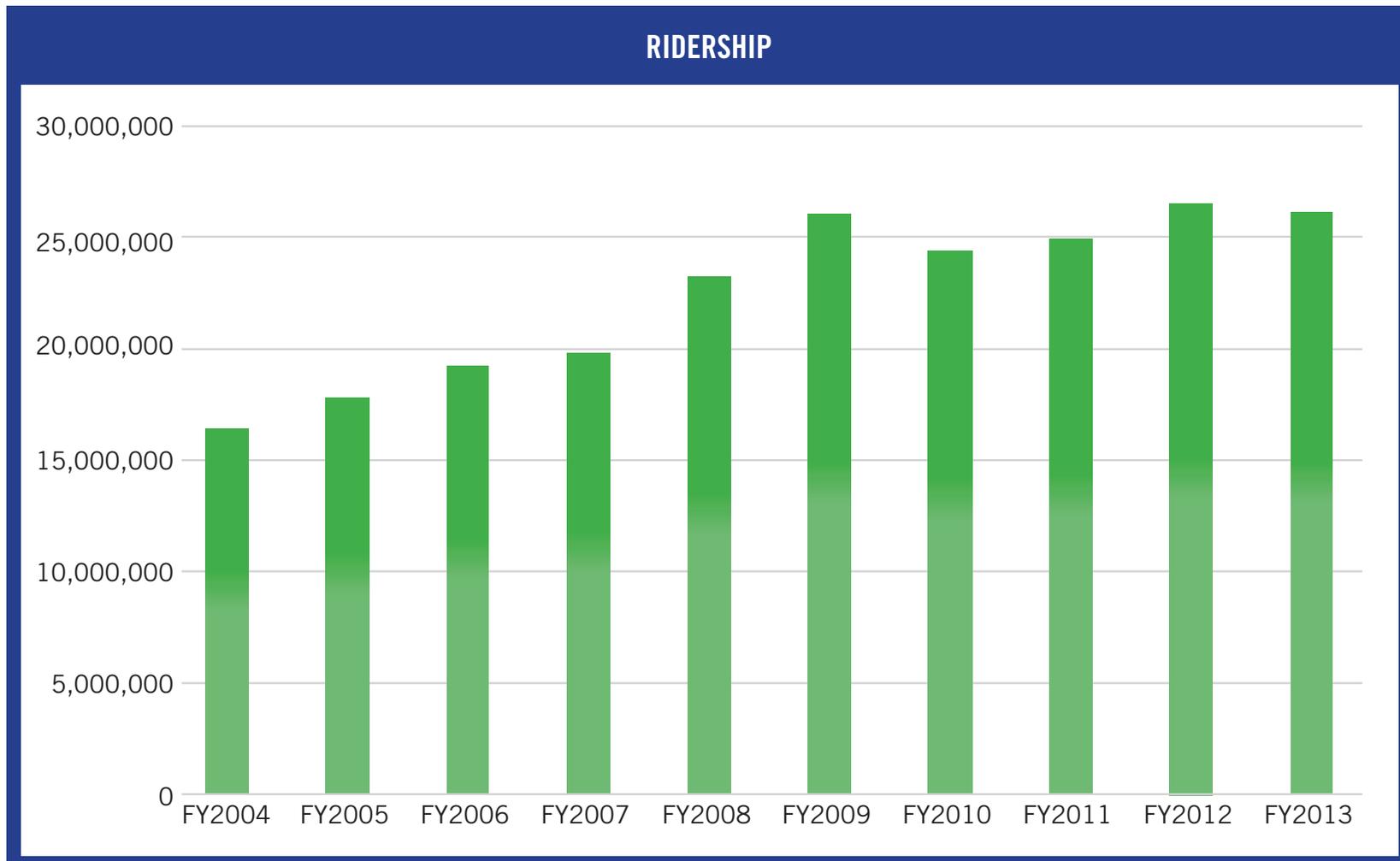
## LOVE YOUR NEW RIDE

CATS used the \$4 million it was awarded from the FTA's State of Good Repair Fund to purchase six hybrid buses, bringing our system total to 19 hybrids. The hybrid models support our customers' desire to reduce their carbon footprints and allow CATS to replace older buses with newer, clean technology. Transit buses that use hybrid electric technology produce 90 percent fewer particulate, hydrocarbon and carbon monoxide emissions, and achieve a reduction in nitrous oxides of up to 95 percent. Maintenance costs for the hybrid electric models are 10 percent less than maintenance costs on diesel buses. Hybrid electric buses also deliver a 20 to 40 percent improvement in fuel economy and offer sound levels equal to passenger cars.



**12.5% INCREASE**  
in ridership  
since 2008

**72%** of riders have  
been riding  
**1 YEAR OR MORE**





# RIDE 'EM, RODEO CHAMPS

The Charlotte Area Transit System's LYNX Blue Line Rail maintenance team placed first out of 17 teams in the maintenance competition at the 2013 International Rail Rodeo held in Philadelphia in June. The rodeo is a competitive test and measure of a team's knowledge of safety regulations and skill in the operation and maintenance of train equipment. This is only CATS' second year competing at the international level. Our teams placed second in overall competition at the International Rail Rodeo with the compilation of both maintenance and operators' scores.



Winners, from left: Eugene Capote, Charles Truong, Patrick Mills

## THE FREEDOM OF MOBILITY

Equipped with electric lifts to accommodate wheelchairs and scooters, CATS' Special Transportation Service (STS) provides door-to-door transit services for customers with disabilities who are certified eligible under the Americans with Disabilities Act. In FY2013, we ramped up our service even more by adding six drivers and four call-takers to keep up with growing demand.

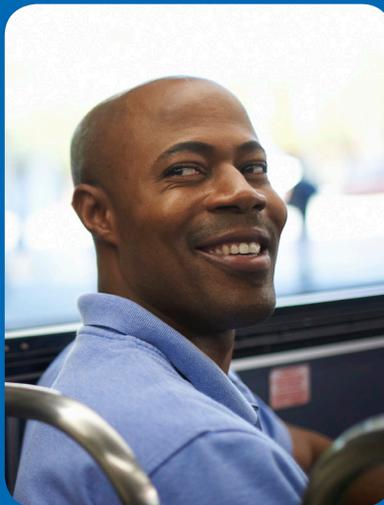
## THE FUTURE IS RIDING ON IT

Great things happen when you give eager college students an opportunity to focus on ways to reduce energy consumption. When CATS asked a team of UNC Charlotte engineering students to evaluate the feasibility of installing solar panels to enhance financial and energy production at our South Tryon facility, something amazing happened. As a result of the students' positive analysis, CATS was awarded a \$1.1 million Transit Investments for Greenhouse Gas and Energy Reduction (TIGGER) II grant and installed 126 solar photovoltaic panels on each of nine bus canopies. Together, the panels could generate 362,000 kilowatt-hours each year, which is about \$30,000 in annual energy cost savings. Since installation in November 2012, the panels are creating about 5 percent of the energy used at the South Tryon Bus Facility. The project also includes drop-down electricity capabilities for future electric bus charging stations, monitoring software to track renewable energy production in real time, and is designed to be doubled in size in the future.

*“I have found over the last five years with the CATS Vanpool that each person looks at this service as more than just a ride to and from work. Our group spends two hours a day with each other, every day. That’s a lot of time to get to know each other. We all agree that the CATS Vanpool, for us out of Stanly County, is the best thing that we have ever done.”*



**Torry Revels**  
Vanpool driver



# STAYING SAFE AND SECURE

Every day, thousands of people are waiting for our passengers to get home safely. We think about that whenever we plan bus routes, buy buses, hire drivers, design station amenities and plan safety programs. Everything we do, we do to give customers like you peace of mind, as you arrive at our stops, come into our stations and walk through our park and ride lots. After the hurry-up day you've had, you deserve to relax and have a nice ride home.



**Tony McNeal**  
CATS rider

***“The best thing about riding LYNX is the people you meet. You engage in conversations with people from all walks of life. There’s great control of the riding experience, and I feel safe.”***

## SAFE TRAVELS

We believe deeply in the value of our comprehensive safety initiatives and security programs. But it always feels good to know our dedication to safety is recognized beyond our own organization. Last year, CATS took great pride in the honors we received from the North Carolina Public Transportation Association. STS received an award for the safest Urban Dial-A-Ride system in the state for the fifth consecutive year. STS provides door-to-door transit services within three-quarters of a mile of all local fixed-route bus routes for individuals with disabilities certified as eligible according to the Americans with Disabilities Act. In addition, our Bus Operations Division (BOD) received its seventh award as the “Safest Large Bus System” in the state. CATS BOD operators drove more than 15 million miles last year transporting over 20 million local and regional residents to jobs, medical facilities and entertainment. This is significant because CATS was able to deliver passengers to their destinations while maintaining a 0.45 preventable accident rate per 100,000 miles traveled.

## HERE, THERE AND AWARE

CATS is fully committed to helping our community maintain a high level of safety awareness around rail tracks and trains. Operation Lifesaver, Inc. (OLI), a national, rail safety education organization, is dedicated to eliminating collisions, deaths and injuries at railroad crossings and on rail property. OLI offers us many resources to educate the public with the theme “Look, Listen & Live,” including videos, brochures, instructional information and other materials for audiences of all ages. During the DNC, we also relaunched the “If You See Something, Say Something” campaign to encourage people to report any suspicious activity on the transit system. In addition, we participated in the relaunching of Safe Place, a national youth outreach program that provides resources for youth in crisis and encourages communities to provide safe havens in schools, fire stations, libraries, grocery and convenience stores, public transit, YMCAs and other appropriate public buildings. All CATS buses, trains and facilities serve as Safe Places for area youth.

# PREVENTABLE ACCIDENTS in FY2013

*(per 100,000 miles)*



**LYNX**  
**0.0**



**BUS**  
**0.45**



**STS**  
**0.27**

# GETTING THERE FROM HERE

Our loyal customers and community leaders have given us an opportunity to ride a wave of possibility in the years to come. We are intent on improving quality of life in the greater Charlotte region by providing outstanding community-wide public transportation services. We have plans to go the distance for citizens in all directions. At the end of the day, we believe working together can take us to some amazing places.



## ALONG FOR THE RIDE

Studies show we have plenty of company in our commitment to move forward. A national public opinion poll shows two out of three Americans support government investments to expand and improve public transportation. The nationwide public opinion survey was conducted by Public Opinion Strategies, a bipartisan team, and showed twice as many people favor new buses, trains and light rail, instead of new highways, as the best way to solve America's ongoing and oncoming traffic problems. A poll of Mecklenburg County residents mirrored national sentiment, as did focus group research with participants from Charlotte. Local residents also strongly favor investments in public transit over building new roads as a solution to traffic congestion.

## HERE WE GO

During the year, we continued to advance the LYNX Blue Line Extension (BLE). When the FTA approved it for Final Design, we could complete the preparation of construction plans, right-of-way acquisition, construction cost estimates, bid documents and utility relocation. We had received state funding, and were awaiting word from the FTA about whether it would provide 50 percent of

the project costs. We were very grateful to get this last major funding in October, paving the way for the project to move into construction. Acquisition of real estate to build the line is the next segment of our critical path to meet federal milestones and deadlines. We're now at work on the more than 280 property transactions that will be required, the majority of which involve privately owned commercial property.

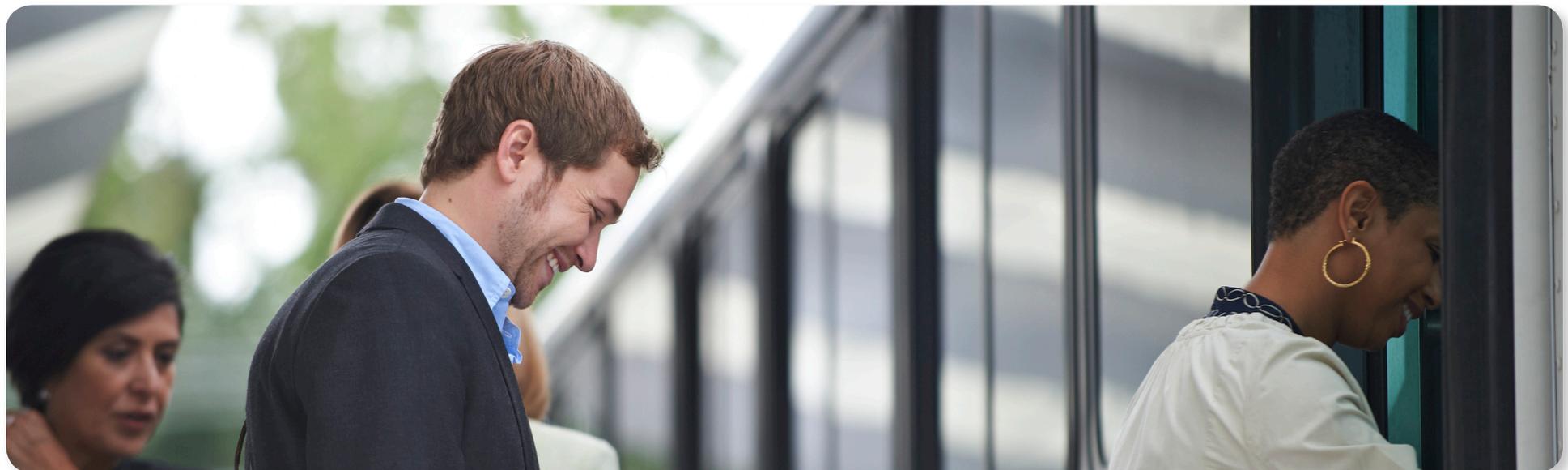
In addition to generating more than 7,000 jobs and adding \$250 million in payroll to the local economy during construction, the BLE will provide a cross-county connection from South Charlotte to the University City Area. The line will also bring elements of beauty and culture everywhere it goes. Sixteen artists were selected in 2009 to create art for stations, walls and bridges, elevators, bike facilities and park and ride lots. Last March, they all got an opportunity to unveil their work to the public. "Art in Transit," an exhibition of art proposed for the new line, went on display for three weeks at the McColl Center for Visual Art.

## GOLD & SILVER LINING

Our goal of creating "a livable and memorable Center City" also encompasses the project formerly known as the "Charlotte Streetcar Starter Project." Now branded

with a name that reflects the city's shining 19th century heritage in gold mining, the CityLYNX Gold Line will connect West Charlotte to Center City. Construction started in December for Phase 1 with revenue service anticipated in 2015. In Spring of 2013, the Charlotte City Council approved a reserve that could be used as a match for future competitive grant opportunities.

Speaking of precious commodities, planning guidance for CATS's Silver Line came from two dynamic sources – the MTC and affected citizens. In 2011, after hearing recommendations from the Independence Boulevard Taskforce, organized under the Urban Land Institute (ULI) Rose Fellowship, the MTC voted to reverse its previous policy reserving the center of U.S. Hwy. 74 for future light rail transit use. CATS was challenged to design a process, develop a plan and schedule a study to evaluate a rail transit alignment in the broader Southeast Corridor. The new option had to be somewhere other than in the median of Independence Boulevard. In addition, the MTC wanted to see alternatives beyond using Monroe Road, as well as an evaluation of a connection between the new alignment and the Central Avenue Streetcar. This year, during five meetings with the Independence Citizens Taskforce, CATS, CDOT and planning staff members have continued to share information and insights on the history, principles and objectives of previous corridor studies.



# BLUE LINE EXTENSION FACTS

Upon completion, the LYNX Blue Line Extension will connect thousands of students between the UNC Charlotte campuses, and connect Center City Charlotte to University City, two of the largest employment areas in Charlotte. Residents and visitors will have the chance to explore the diverse business and historic establishments along North Davidson and will connect neighborhoods such as NoDa, Hidden Valley, Optimist Park, Hampshire Hills and Welwyn. Art. Neighborhoods. Education. LYNX.

OVER 12,400 NEW HOUSING UNITS



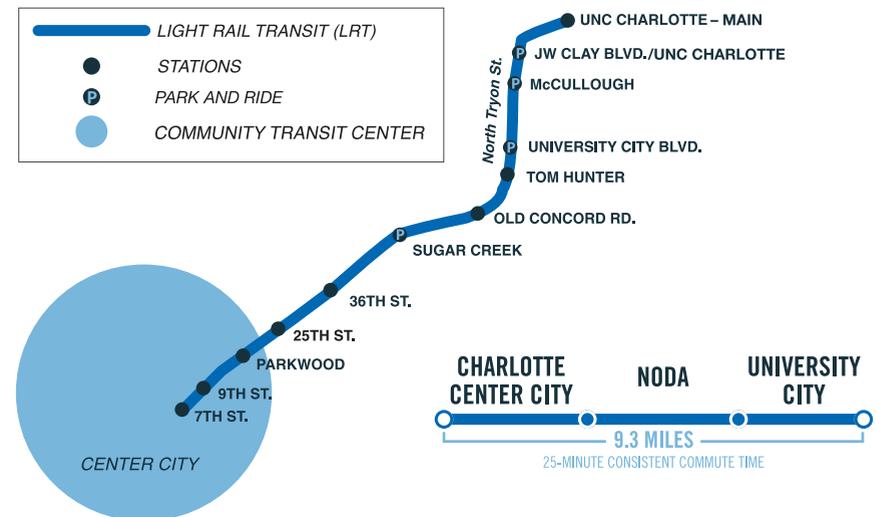
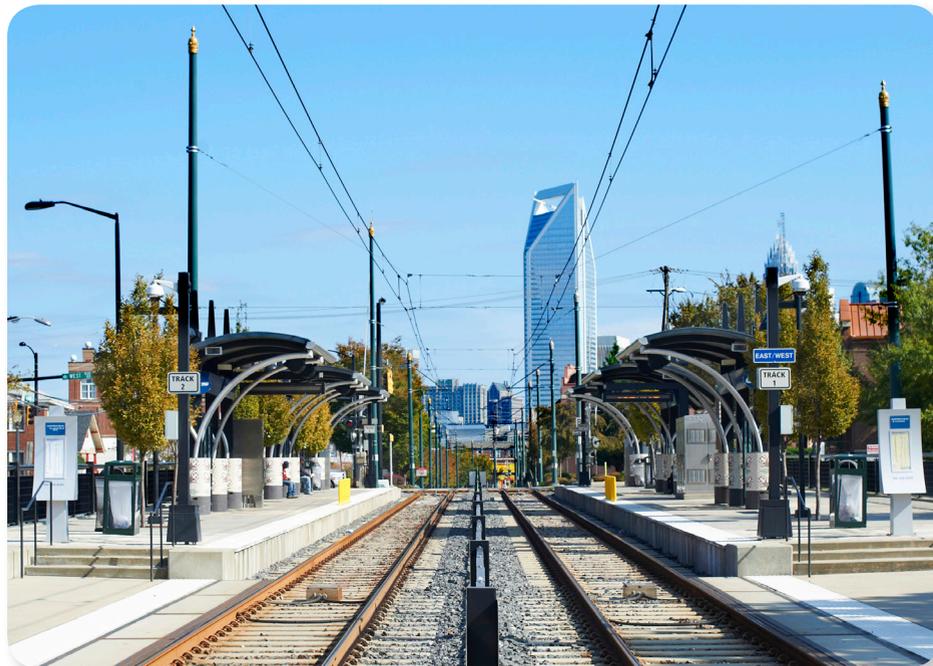
OVER 3.8 MILLION SQ. FT. OF NEW OFFICE



OVER 1.3 MILLION SQ. FT. OF NEW RETAIL



\$4.4 BILLION IN NEW DEVELOPMENT AND PROPERTY APPRECIATION

*“The best thing about riding CATS is the freedom that you can go and do something. It’s about independence. Without transportation, you feel disabled; you are disabled. I don’t know what I’d do without it.”*



Rusty Woods  
STS rider

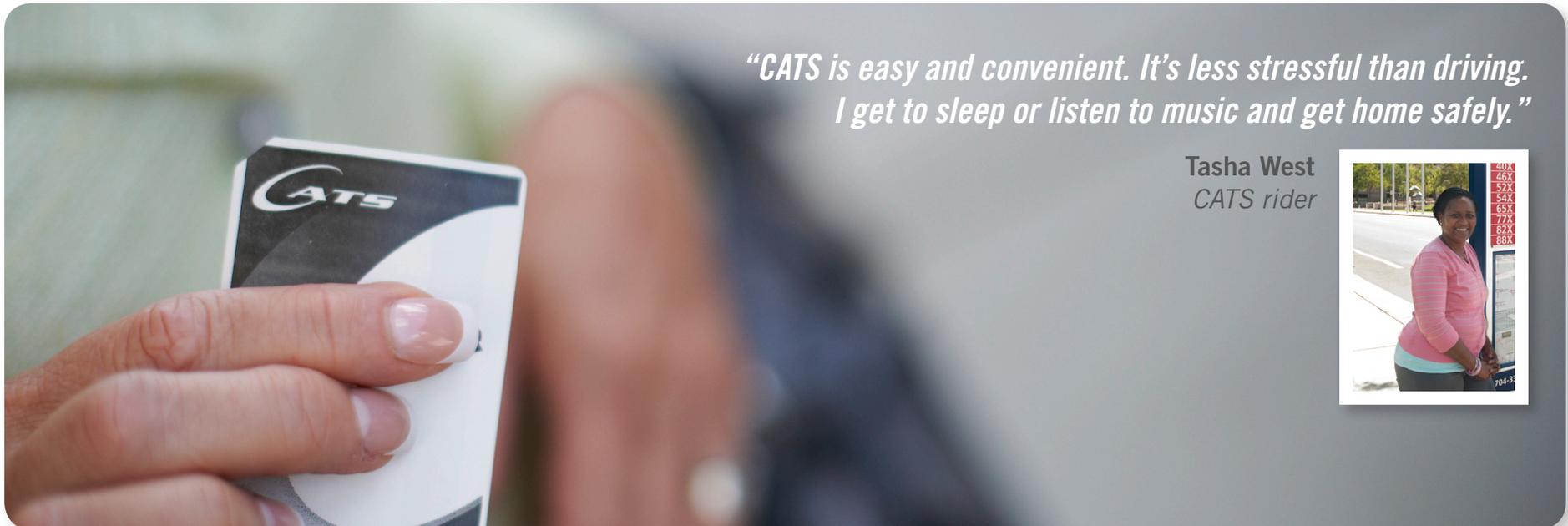


# FINANCIAL SUMMARY

In FY2013 CATS continued to fulfill its mission of providing outstanding community-wide public transportation services to 26.1 million passengers while proactively contributing to focused growth through advancement of the LYNX Blue Line Extension project and sustainable regional development.

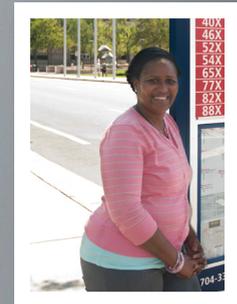
## FY2013 FINANCIAL HIGHLIGHTS

- Through a proactive fuel purchasing approach, successfully managed fuel cost in a volatile fuel market: budgeted \$3.15, actual cost \$3.06.
- The Full Funding Grant Agreement for the LYNX Blue Line Extension was executed in October 2012, securing the 50% Federal share of funding for the project.
- A successful Triennial Review was conducted by the FTA. CATS received a perfect review with zero deficiencies in any of the 24 business areas of review.
- CATS exceeded all of the Financial Performance Objectives in FY2013. Achievements in the cost of service per revenue hour are noteworthy.
  - *Bus*: \$97.04
  - *STS*: \$62.49
  - *Vanpool*: \$23.48
  - *Rail*: \$279.95



*“CATS is easy and convenient. It’s less stressful than driving. I get to sleep or listen to music and get home safely.”*

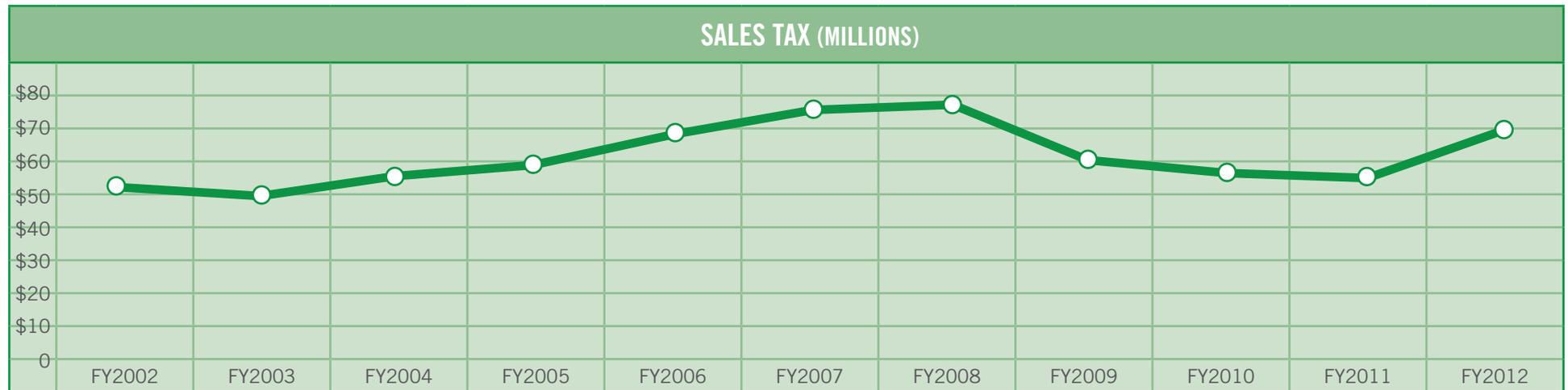
**Tasha West**  
CATS rider



# OPERATING PROGRAM

## OPERATING INCOME

Operating Income of \$130.8 million increased 4 percent over FY2012. This is due to an increase in sales tax receipts, a 3 percent escalation on the Maintenance of Effort, and increased fare revenues.



## OPERATING EXPENSE

With an unaudited annual Operating Cost of \$105.8 million for FY2013, CATS continues to meet the challenge of effectively balancing the demands of rising costs of operating and lower than expected revenues.

**INCOME & EXPENSES (MILLIONS)**

Fiscal Year	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
<b>Operating Income</b>	\$126.8	\$119.7	\$112.3	\$114.3	\$124.9	\$130.5
<b>Operating Expense</b>	\$107.2	\$103.3	\$103.9	\$99.0	\$105.2	\$105.8

# SUMMARY OF FY2013 INCOME AND EXPENSE

(MILLIONS)

INCOME		
<b>BEGINNING BUDGETARY BALANCE</b>		<u>\$111.9</u>
Half Cent Sales Tax	\$66.5	
Operating Revenue	\$30.9	
Maintenance of Effort	\$18.6	
State Maintenance Assistance	\$11.9	
Interest Earned	\$0.3	
Miscellaneous	\$2.4	
Operating Income		<u>\$130.6</u>
Federal Grant Income	\$35.6	
State Grant Income	\$26.5	
Other Capital	\$158.7	
Capital Income		<u>\$220.8</u>
<b>BUDGETARY BALANCE PLUS INCOME</b>		<u><u>\$463.3</u></u>

EXPENSE		
Bus/STS/Vanpool Operating	\$79.5	
Rail Operating	\$8.2	
General Administration	\$18.1	
Operating Expense		<u>\$105.8</u>
Debt		
Expense	\$14.3	
Debt Service Expense		<u>\$14.3</u>
Capital		
Bus Equipment/Facilities	\$62.43	
Rapid Transit	\$38.6	
Capital Investment Expense		<u>\$101.0</u>
Total Expense		<u>\$221.1</u>
<b>BUDGETARY BALANCE</b>		<u><u>\$111.9</u></u>

*“With CATS, I don’t have to worry about parking and I can save money on gas. Because I’m on a budget, I have to account for every penny. I’m able to budget by using the monthly pass.”*



**James Hilsman**  
CATS rider

# CAPITAL PROGRAM

## CAPITAL INCOME

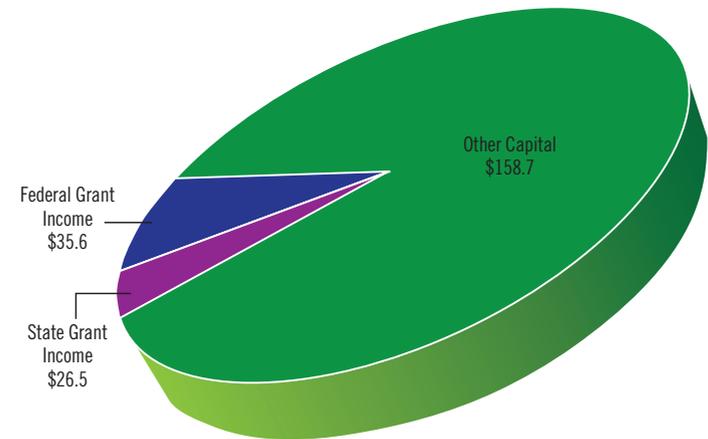
Capital Income of \$220.1 million includes \$123.1 million in short term financing for the BLE.

## CAPITAL EXPENSE

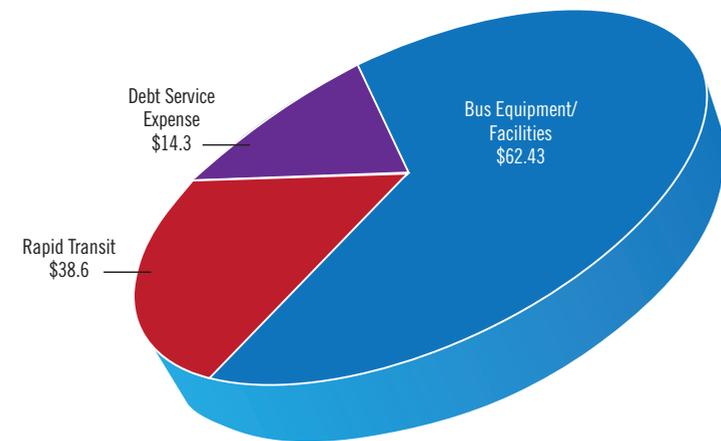
Capital expenditures of \$101 million are largely related to advancing the Blue Line Extension and Facilities & Equipment projects.

## OUTSTANDING DEBT

Total outstanding debt at the end of fiscal year 2013 was \$268.5 million.



FY2013 CAPITAL INCOME  
(MILLIONS)



FY2013 CAPITAL EXPENSES  
(MILLIONS)

# FAST FACTS

	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Revenue Hours	960,450	1,021,623	1,034,940	997,733	994,220	1,023,299	959,821
Revenue Miles	15,542,847	16,689,718	17,013,729	15,711,422	15,724,863	15,243,190	15,853,115
Employees	365	377	377*	351	345	331	330
Ridership	19,757,737	23,199,350	26,034,078	24,355,191	24,897,096	26,499,765	26,099,311
<b>Fleet</b>							
Forty-Foot Buses	173	181	161	169	169	164	163
Over the Road Buses	91	91	102	91	91	91	91
Shuttle Buses	42	50	41	43	43	48	48
Trolley Buses	20	20	20	20	20	20	14
Paratransit Shuttles/Vans	93	84	84	84	85	87	85
Vanpool Vans	93	101	81	71	99	99	99
Light Rail/Vintage Trolley	20	20	20	23	23	23	23
Fleet Total	532	547	509	501	530	532	523

Wheelchair Accessible Fleet	100%
<b>Services</b>	
Local Bus Routes	38
Express Bus Routes	18
Neighborhood/Community Shuttle Routes	16
Vanpools	77
Light Rail Lines	1
<b>Fares</b>	
Local/LYNX	\$2.00
Express	\$2.75
Express Plus	\$4.00
Neighborhood/Community Shuttle	\$.80
<b>Stops</b>	
Bus Stops	3659
Park and Ride Lots	49
<b>Facilities</b>	
Transit Centers	4
Bus Facilities	2
Rail Facilities	1



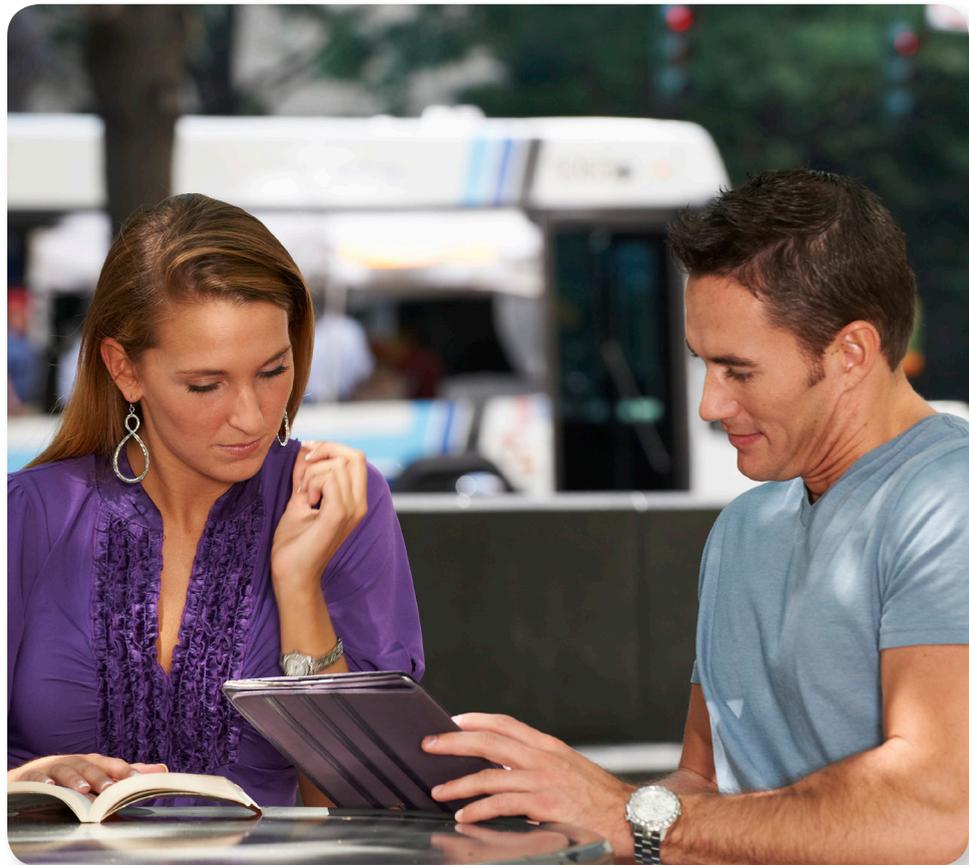
# VISION

A steadily increasing share of transit competitive travel markets in the Charlotte region choose to use public transportation on a regular basis.

The citizens of the region value public transportation as an important public service, which benefits the community as a whole by consistently providing exemplary service that meets diverse individual needs.

Public transportation employees are seen and see themselves as committed, competent and motivated professionals of the region's premier public service.

CATS is recognized both locally and nationally for its contribution to effective and innovative regional growth that is community focused and sustainable.



# GOALS

## **CUSTOMER SERVICE FOCUS**

Provide safe, high-quality transportation services to all customers and support our employees in that endeavor.

## **SYSTEM DEVELOPMENT**

Expand and enhance public transportation services to retain current customers and attract new ones by providing services that meet customer and community needs while supporting transit-oriented and pedestrian-friendly land use patterns.

## **FISCAL RESPONSIBILITY**

Ensure cost-effective, efficient and responsible use of resources and aggressively pursue funding partnerships to supplement local resources.

## **COMMUNITY BENEFITS**

Provide social, economic and environmental benefits to the community through system operations and improvements, and promote community awareness of these contributions.

## **PREPARE FOR THE FUTURE**

Pursue process improvements, business practices, and technologies that will support cost-effective and customer-friendly service delivery in the future.

## **INVEST IN EMPLOYEES**

Provide training and career development support that enhances employees' ability to perform their jobs and be prepared for promotional opportunities.