

FY 2025 Preliminary Operating & FY 2025 to FY 2029 Capital Budgets

Presentation to City Council
Budget Workshop
March 25, 2024



Agenda

- ▶ Current State of CATS
- ▶ FY 2025 Revenue Summary
- ▶ FY 2025 Preliminary Operating Budget
- ▶ FY 2025 – FY 2029 Preliminary Capital Budget
- ▶ Next Steps
- ▶ Discussions





Our Mission

MOVING PEOPLE FORWARD. »

DWA D. Wilson Agency
CONSULTING • DEVELOPMENT

Vision Statement

To create a seamless transit experience that improves the lives of individuals, fuels economic growth, builds a connected region and fosters a sustainable future for all.

FY25 STRATEGIC PRIORITIES

1. Organizational Resilience
2. Employee Success
3. Future-Forward Planning and Innovation
4. Exceptional Customer Experience
5. Positive Community Impact

Core Values



Safety



Employee
Centric



Customer
Focused



Equity &
Inclusion



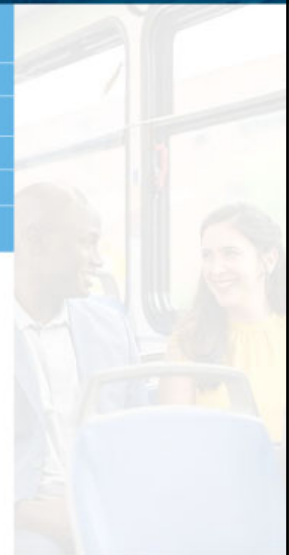
Innovation



Sustainability



Excellence



Accomplishments

► Safety and Security

- ▷ New security contracts
- ▷ CATS Connect
- ▷ Ambassador Program

► State of Good Repair

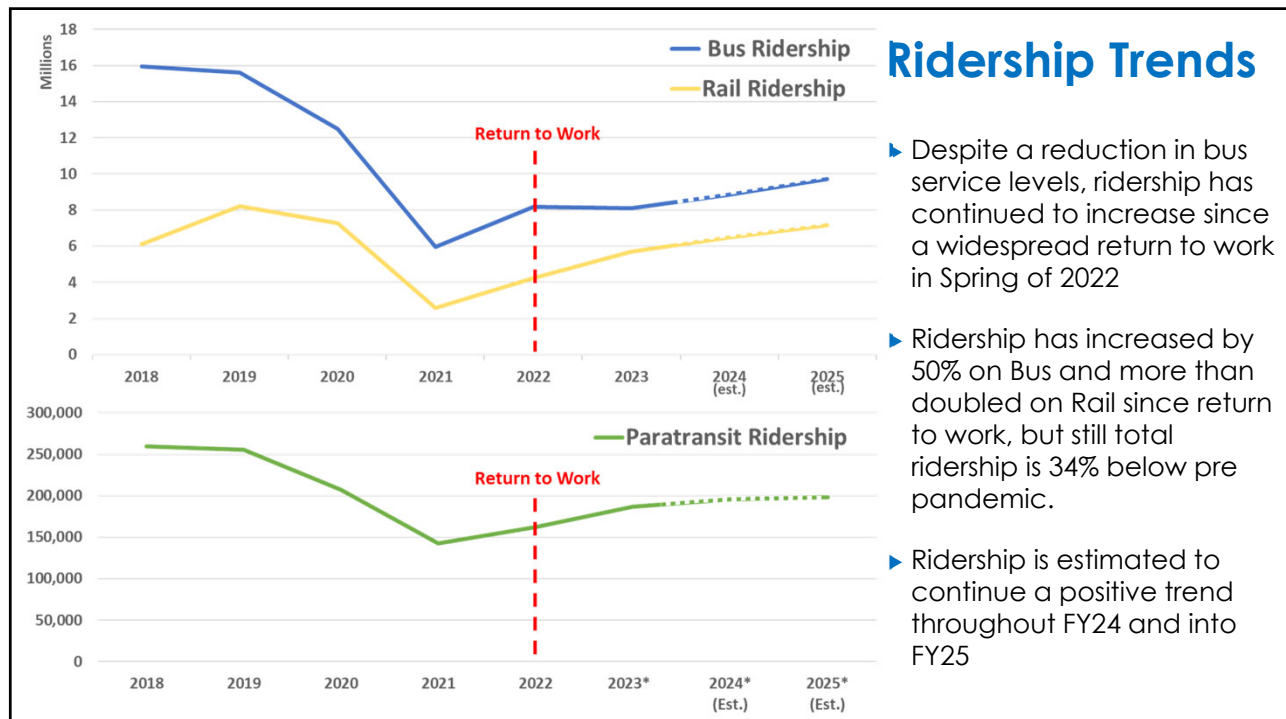
- ▷ LRV Truck Maintenance and Technology System Contract with Siemens
- ▷ Bus and STS Bus Replacement Order and update to fleet replacement plan
- ▷ Awarded a \$30M Zero Emission Grant
- ▷ Conducted bridge and parking deck inspections as well as facility assessments

► Valuing employees and improved recruitment and retention efforts

- ▷ Field staff pay increases
- ▷ Implemented several communication tools

Ongoing and Planned Initiatives

- ▶ Microtransit
- ▶ Better Bus
- ▶ Fare Study
- ▶ Continued investments in Safety & Security
- ▶ Continued focus on our employees
- ▶ New revenue initiatives/partnerships
- ▶ Marketing and education efforts
- ▶ APTA Peer Reviews
- ▶ Technology Projects
- ▶ Transit Asset Management Program

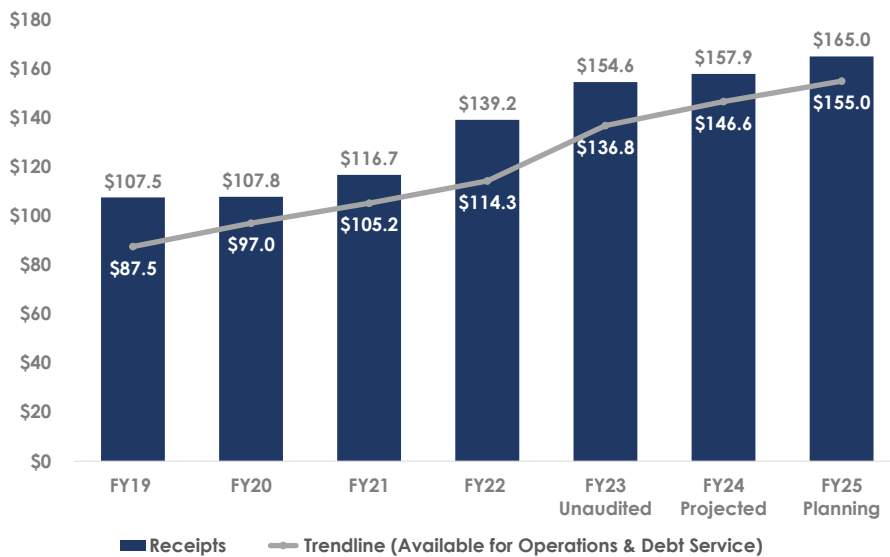


FY 2025 Revenue Summary

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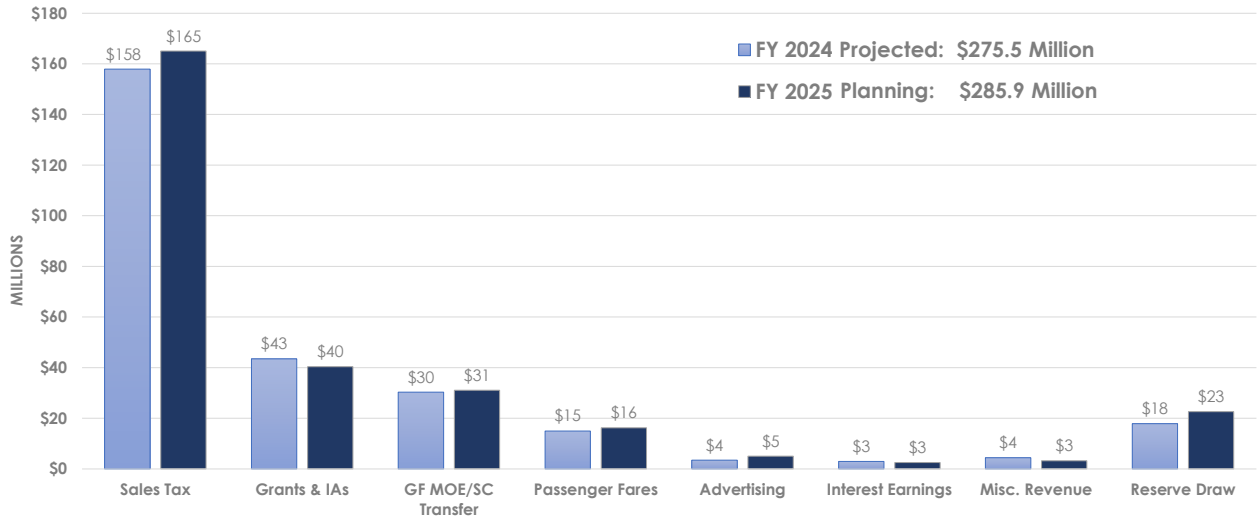
1/2 Percent Sales Tax FY 2019 – FY 2025



1/2 Cent County-Wide Tax

Does Not Include: grocery foods, automobiles, housing, medical visits and medicines, gasoline, insurance, utilities, debt, school, etc.

FY 2025 Revenue Estimates



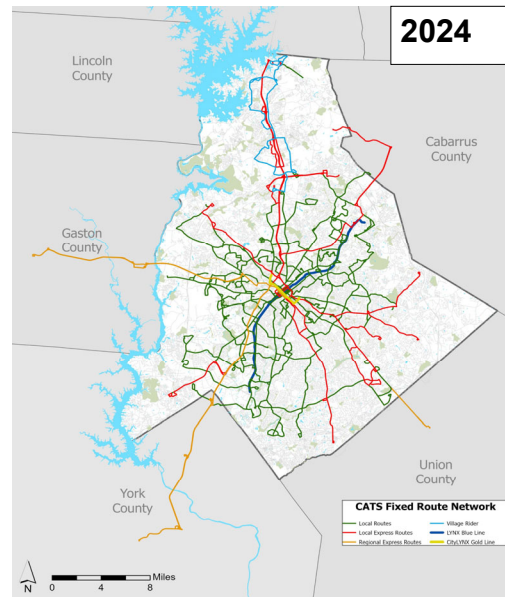
FY 2025 Preliminary Operating Budget

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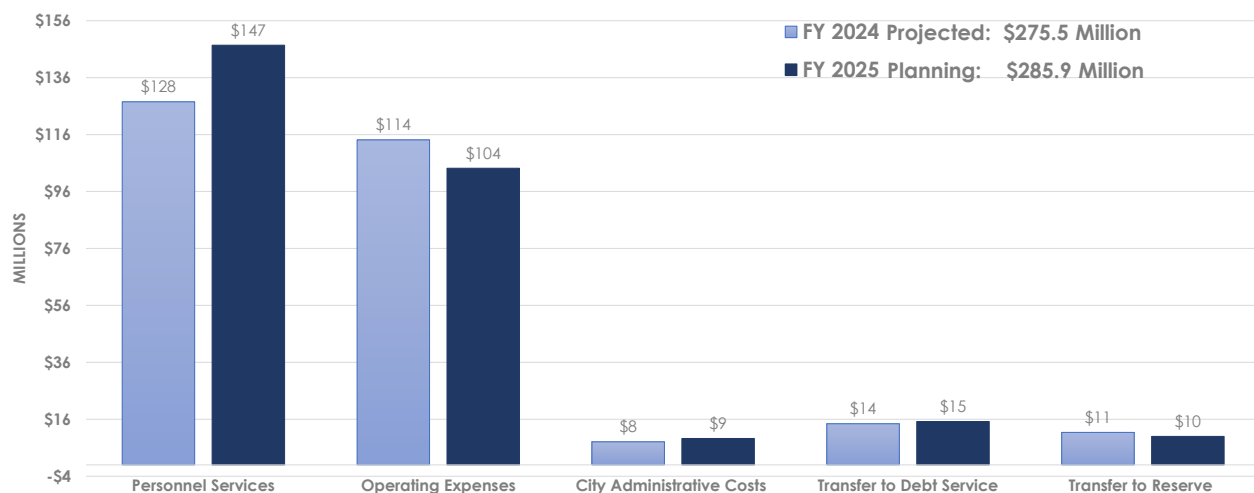
National and Regional Pressures

- ▶ Dedicated transit revenues are low compared to peer cities
- ▶ National and local labor trends have increased operating costs
- ▶ National ridership patterns and needs post-pandemic have reduced fare revenues
- ▶ Past reliability issues have damaged perception of the system
- ▶ Aging system infrastructure and technology is adding to maintenance and capital costs
- ▶ Capital costs have risen dramatically with inflation
- ▶ Regional growth creates additional demand



FY 2025 Operating Budget Summary

Status Quo Service Levels



FY 2025 – FY 2029 Preliminary Capital Budget

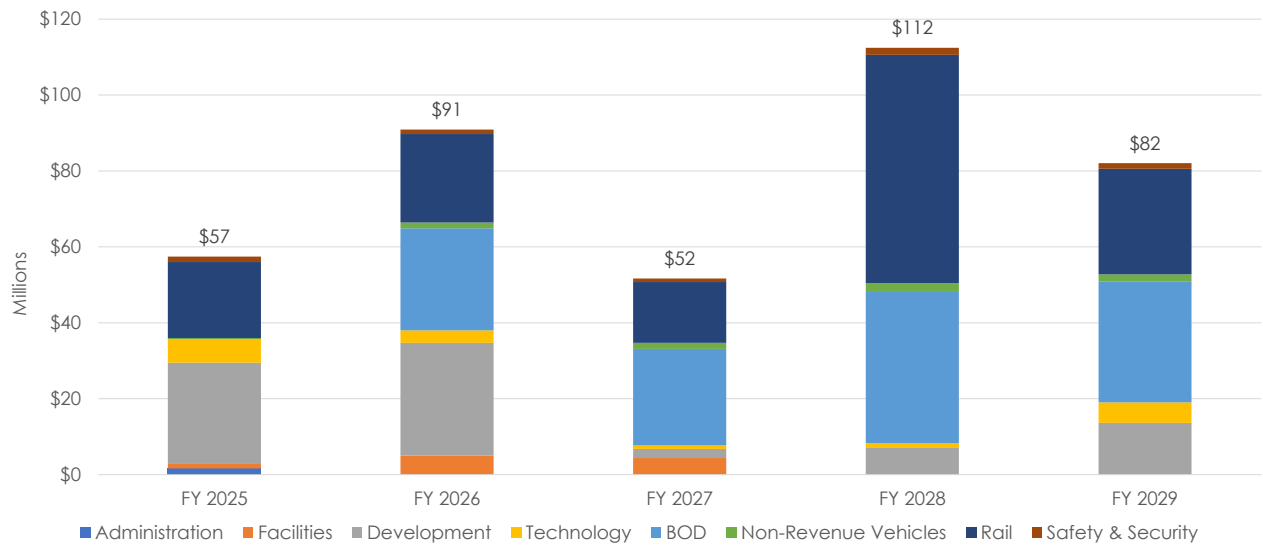
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Capital Budget Summary

- ▶ Key projects in FY25 budget:
 - ▶ Bus and Rail State of Good Repair
 - ▶ Implement Bus and Rail Capital Improvements – Continued Funding FY25-FY29
 - ▶ CTC Redevelopment Project
- ▶ Continued implementation of projects funded in prior years:
 - ▶ Construction Projects
 - ▷ South End Station
 - ▷ Hambright Park and Ride
 - ▷ Operator Comfort Stations
 - ▶ Advancing the 2030 Corridor System Plan
 - ▷ Red Line
 - ▷ Gold Line Phase 3
 - ▷ Silver Line
 - ▷ No additional future year funding allocated

FY 2025 – FY 2029 Capital Budget Expenditures



Next Steps: FY 2025 Budget Calendar

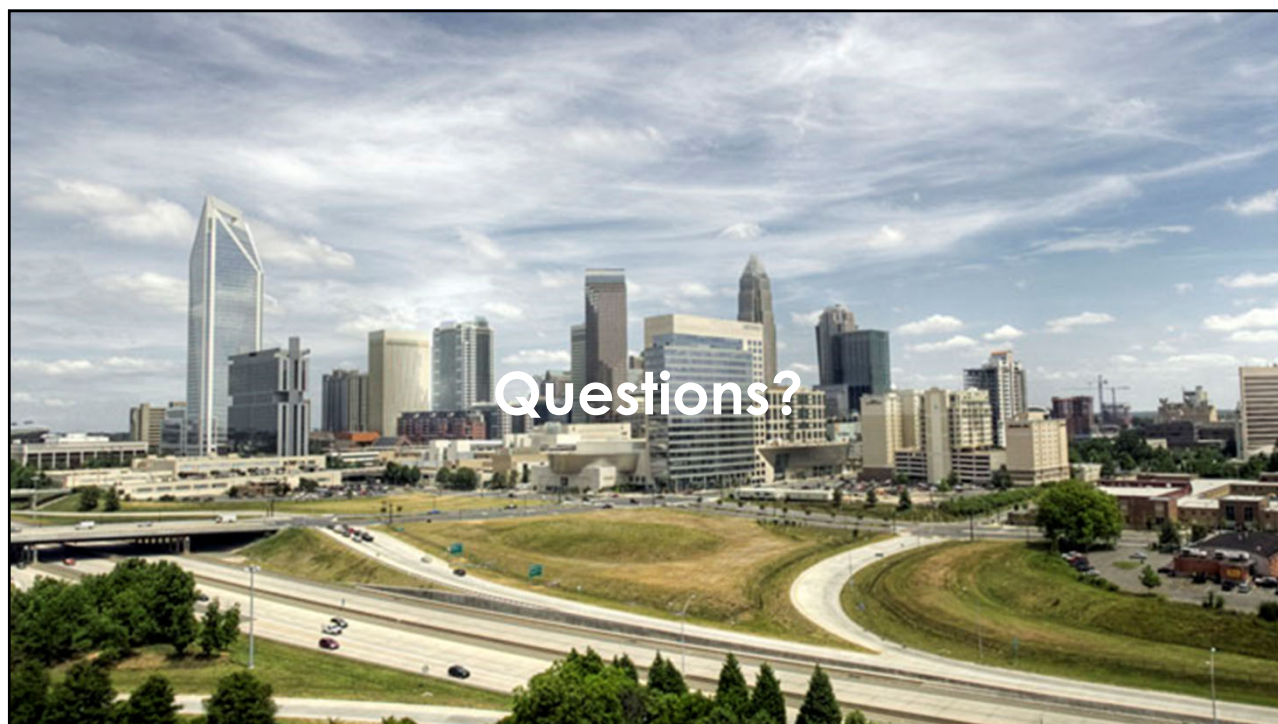
► March 2024

- ▷ MTC Capital Budget Workshop
- ▷ Finalize revenue and expenditure projections
- ▷ Workshop results incorporated into preliminary capital budget

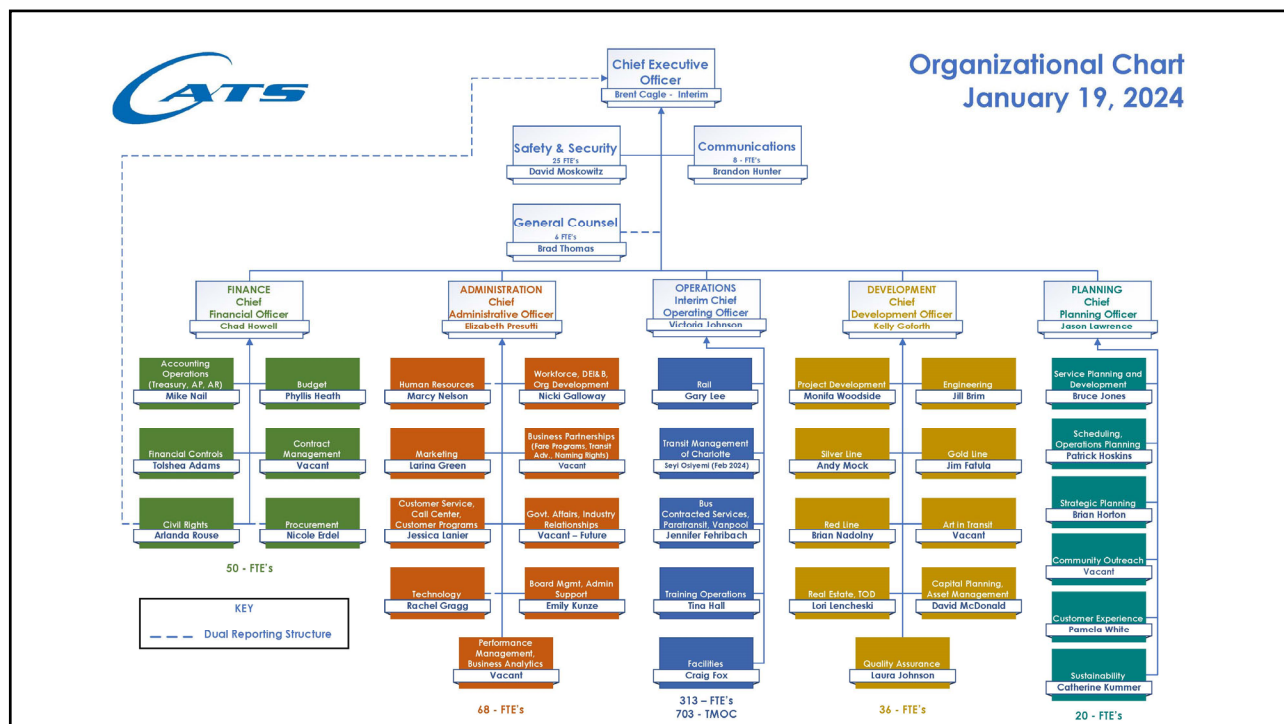
► April – June 2024

- ▷ Revise budget and present to MTC and City Council for adoption





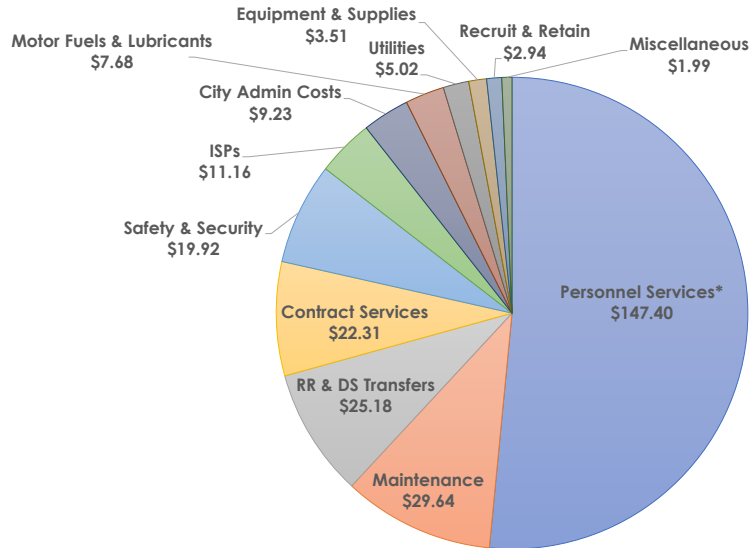
**SUPPORTING SLIDES
NOT FOR PRESENTATION**



Challenges

- ▶ Financial realities of maintaining what we have
 - ▷ Costs associated with stabilizing the organization
 - ▷ Increasing operating costs
- ▶ Aging system infrastructure and technology
 - ▷ State of good repair
 - ▷ Assets beyond useful life
- ▶ Changing ridership patterns and needs post-pandemic
- ▶ Safety and security for riders and staff
- ▶ Reliability / frequency of services
- ▶ Perception of system
- ▶ Growing region with additional transit needs

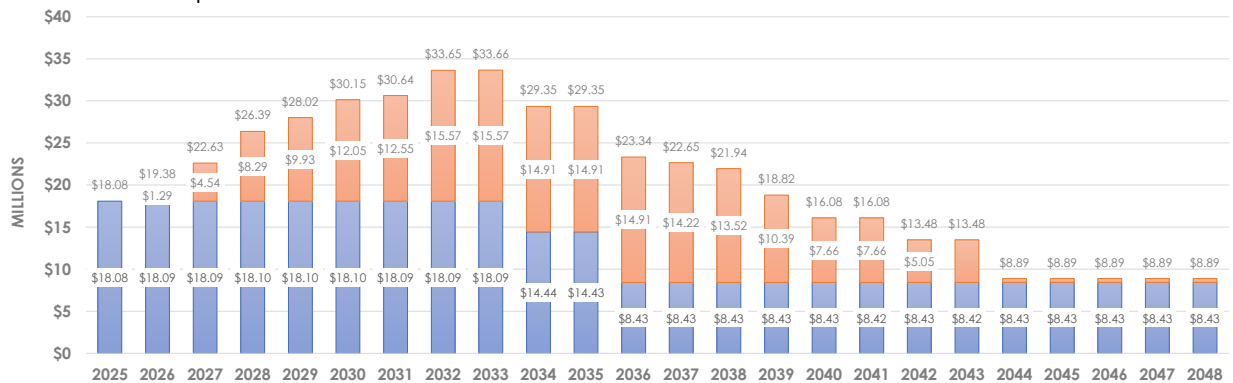
Operating Expenses By Major Category



**Total
Operating =
\$285.9 Million**

Debt Service Expenses

- FY2025 Debt Service Budget ~\$18.1 million
- New Debt Issued in FY 2026 for Bus and STS Vehicles and facility improvements
- Transit Sales Tax, Fund Balance, and Federal Grant Funds pay annual principal and interest expenses



Bus and Rail State of Good Repair

- ▶ STS and Bus Replacements
- ▶ Light Rail Vehicle Truck Overhaul
- ▶ Blue Line Signal House Refresh
- ▶ Software Replacements
- ▶ ADA Transition Plan – Bus Stop and Facility Improvements
- ▶ Community Transit Centers – Condition Assessments
- ▶ Drainage Improvements
- ▶ Bridge Inspection and Repair Program
 - ▷ Inspections nearly complete
 - ▷ Repairs in 2024-2025
- ▶ Parking Deck Inspection and Repair Program
 - ▷ Inspections complete 2023
 - ▷ Repairs in 2024-2025



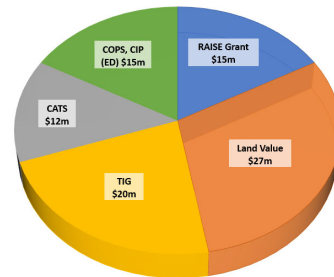
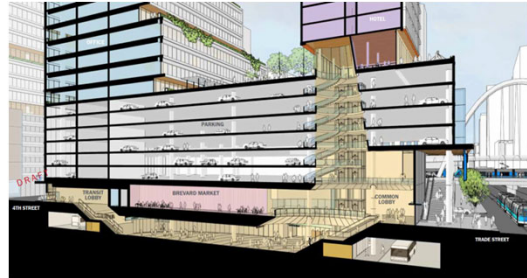
Bus and Rail Capital Improvements

- ▶ New Bus Shelters and Amenities
- ▶ North Yard Storage Capacity
- ▶ EV Charging Infrastructure (Grant Funded)

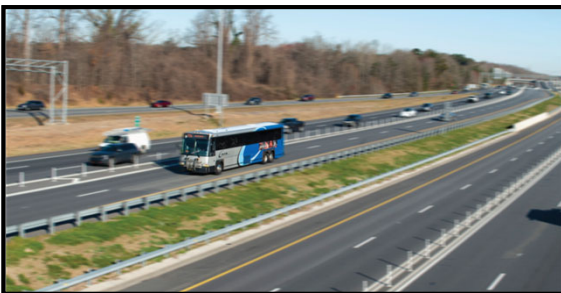


CTC Redevelopment

- ▶ Public-Private Partnership
 - DART/White Point Partners
 - New multi-modal bus facility with mixed use development
- ▶ FTA RAISE Grant \$15 M - 2021
- ▶ City Council approvals
 - Design Reimbursement Dec 2022
 - MOU Feb 2023
- ▶ MTC approval – Jan 2022
 - LPA Concourse Design Concept
- ▶ Financial Framework
 - Developer's Conceptual Cost Estimate \$89 M
 - Includes \$12 M CATS for Temp Facility
 - Additional Funding Request FY26-29 \$10 M
 - Owner's Representative Consultant
 - Furniture, Fixture, Equipment, Technology Allowance



North Corridor: Hambright Park & Ride



- ▶ Project Description
 - Located in Town of Huntersville
 - 500 parking spaces
 - Bus operator restroom
 - Mobility hub
 - Carpool/vanpool staging
- ▶ Express buses will use the I-77 express lane direct connect to access the park-and-ride
- ▶ Schedule
 - Environmental Complete
 - Design Contract Award Nov 2023
 - Design Phase 2024 -2025
 - Construction 2026
- ▶ Funded with CMAQ grant

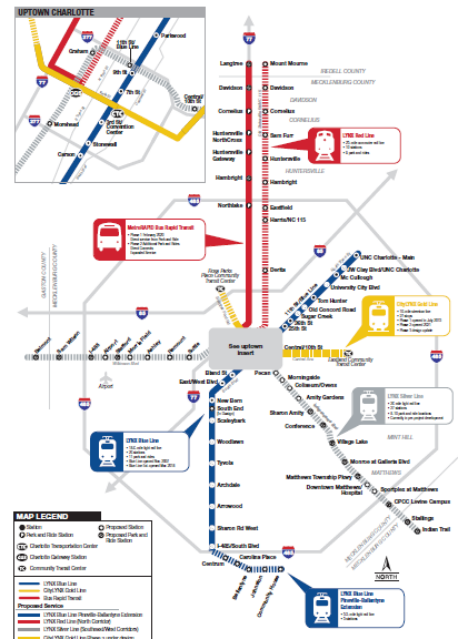
LYNX Blue Line: South End Station

- ▶ **Project Description**
 - New Station between New Bern and East-West Stations
- ▶ **Schedule**
 - Currently in Preliminary Design
 - Completion schedule currently being updated
- ▶ **Funded with BLE Cost Savings and Private Contributions**



Advancing the Plan

- ▶ **Red Line**
 - Design Update
 - Prior Year Funding \$5.0 million
 - Expected Completion Spring 2025
- ▶ **Silver Line**
 - Design and Environmental
 - Prior Year Funding \$51.2 million
 - Expected Completion Summer 2026
- ▶ **Gold Line Phase 3**
 - Design and Environmental
 - Prior year Funding \$4.3 million
 - Expected Completion Fall 2025
- ▶ **No Additional Funding FY25-29**



Moving CATS Forward

- ▶ Restoring service, new service delivery concepts and renewed customer experience focus to catapult continued ridership growth
- ▶ Continued emphasis on safety and security as well as state of good repair
- ▶ Investing in CATS most important asset – our employees
- ▶ Strengthening local and regional partnerships

