

Management Partners Update



Management Partners Review

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- ▶ Initial Review of the following areas:
 - Organizational Structure and CATS Leadership Team
 - Procurement/Contract Oversight
 - Employee Moral
 - Contract Relationship with RATP Dev
 - Service Provision/Bus System Reliability
- ▶ Council received the assessment in December 2022
- ▶ High-level roadmap with identified areas of improvement
- ▶ Serve as long term Action Plan

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Review Process

- ▶ MP conducted interviews with City employees and RATP Dev Management
- ▶ Reviewed documents, including budgets, ACFR, Audits & Performance Reviews, Strategic Plans and customer satisfaction surveys
- ▶ Surveyed City of Charlotte CATS employees
- ▶ Conducted a limited review of other transit systems

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Management Roadmap Objectives

- ▶ Collaborative team with shared mission and values
- ▶ Organizational culture that encourages transparency and staff retention
- ▶ Clear expectations and accountability
- ▶ Clarified roles and responsibilities related to contracted services
- ▶ Governance structure accountable and transparent to the community it serves

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1st 90 days - Observations

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Early Successes

▶ Staff Are Proud to Work for CATS

- Spent time talking to employees and found a strong sense of pride in serving the community
- Staff are committed to helping CATS be a great organization

▶ CATS Has Stabilized Bus and Rail Operations

- January “missed-trips” was less than 1% down from summer 2022 when it was 8-9%
- Rail operations remains consistent with 20 minute headways and 15 minute peak-hours headways
- New CBA that provides enhanced pay and benefits is in place and a bus operator strike was avoided
- Bus operations contract RFP will be issued this month
- Focus on daily operations – Safe and Reliable Service

▶ Budget Is Stable and CATS Is Meeting Financial Targets

- Interim CFO, Chad Howell, is finalizing a collaborative budget for presentation to MTC and City Council in March/April
- Budget Focus is on Day-To-Day Operations with three primary areas of focus
 - Employees - Retention and Recruitment and Career Development/Training
 - Safety and Security – Focus on Training and Additional Security Resources
 - Asset Preservation – Additional Investments in Rail and Bus Fleets and Facilities

Continued Work

▶ Better Communication

- Need to spend more time talking to field units to understand their needs and better support daily operations
- Need to break down silos to create a shared mission and vision
- Provide better communications around budget process and funding decisions – Collaborative Budgeting

▶ Must Start to Spend on Asset Management

- Aggressive bus replacement of over-age fleet is a priority
- Must immediately implement rail fleet major maintenance program and enter into service agreements to insure fleet is properly maintained
- Need to conduct full facility assessment and conduct major facility rehabilitation on CATS buildings – Also prioritize immediate hiring of Asset Manager for all CATS assets

▶ Need to Have a Five Year Financial Plan to Meet Upcoming Operation Needs

- CATS is projecting increasing operating expenditures over next five years to address aging bus fleet and deferred maintenance
- Still have additional safety and security program needs that must be funded
- Need to develop enhanced employee training program and focus on employee retention and recruitment

Next 30-60 Days

- ▶ Issue Bus Operations provider RFP
- ▶ Submit budget to MTC and City Council for consideration March-June
- ▶ April 10 Council Business Agenda will include consideration of new and amended contracts with Siemens to enhance and expedite necessary rail car maintenance
- ▶ Develop strategies for retention and recruitment of field staff
- ▶ Continued communication with staff
- ▶ FY2024 budget will include additional \$3.5M for security contract and we anticipate an additional \$3.5M of spending in FY2025
- ▶ CATS will add a dedicated Asset Manager position in FY2024 budget and evaluate organizational changes to put more emphasis on facility maintenance



QUESTIONS?