

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. >>

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
CentricCustomer
FocusedEquity &
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

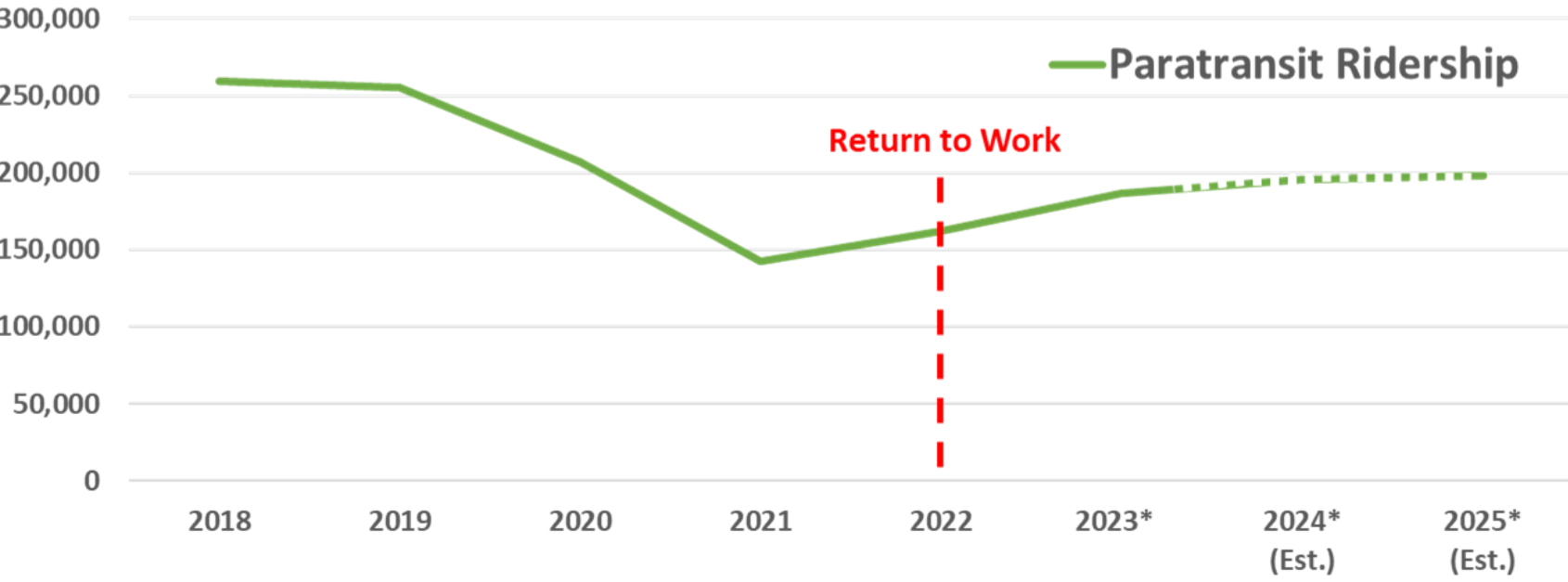
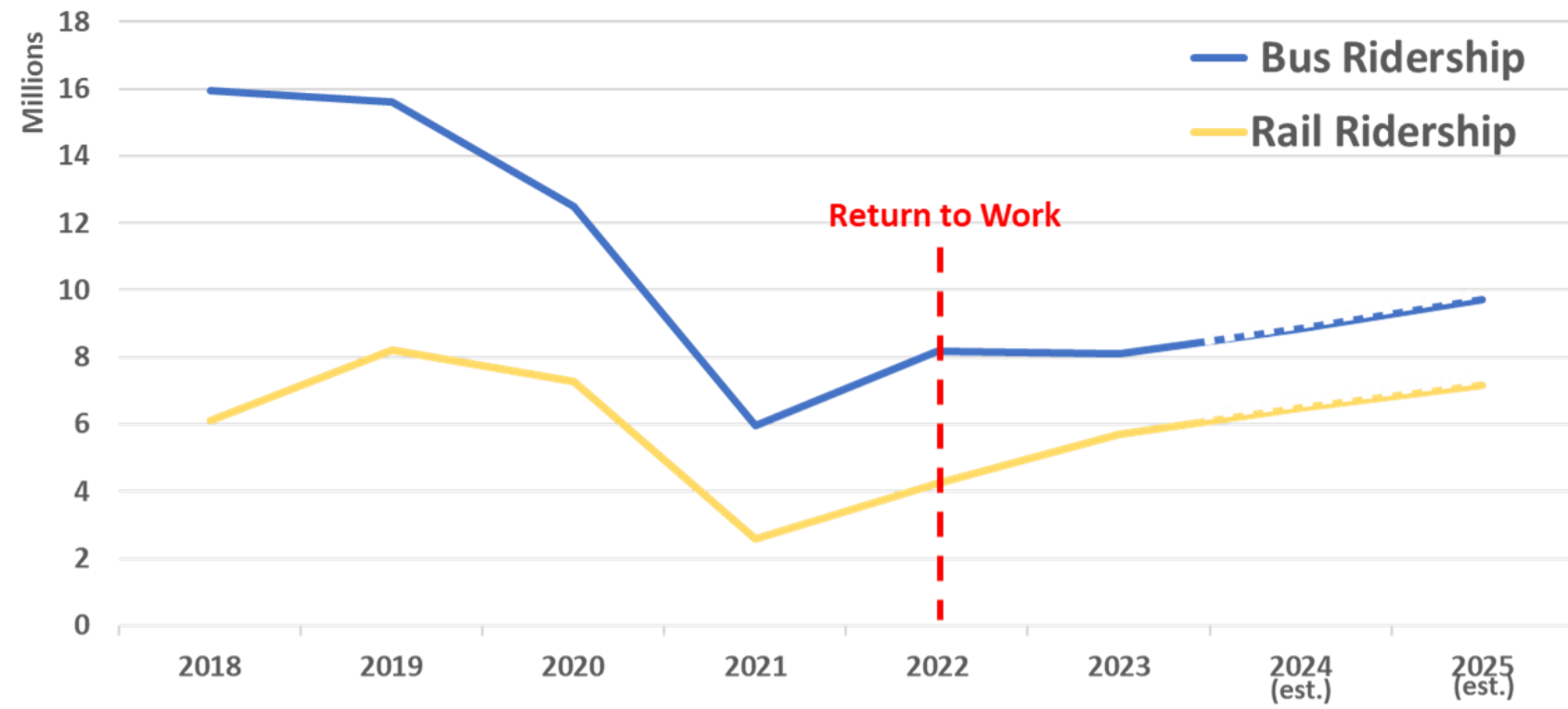
▶ **Valuing employees and improved recruitment and retention efforts**

- ▶ 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

Ridership Trends

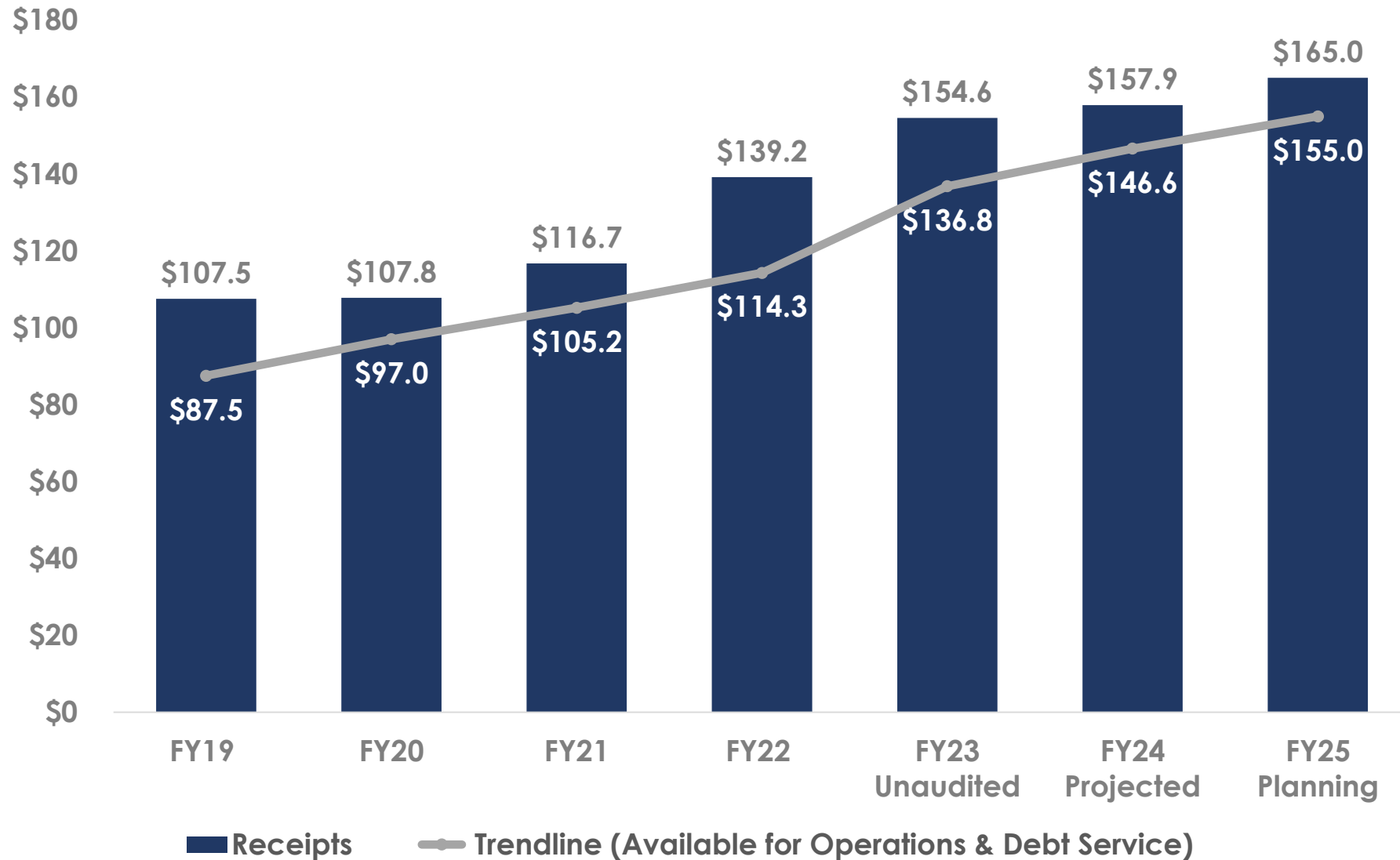


- ▶ Despite a reduction in bus service levels, ridership has continued to increase since a widespread return to work in Spring of 2022
- ▶ Ridership has increased by 50% on Bus and more than doubled on Rail since return to work, but still total ridership is 34% below pre pandemic.
- ▶ Ridership is estimated to continue a positive trend throughout FY24 and into FY25

FY 2025 Revenue Summary



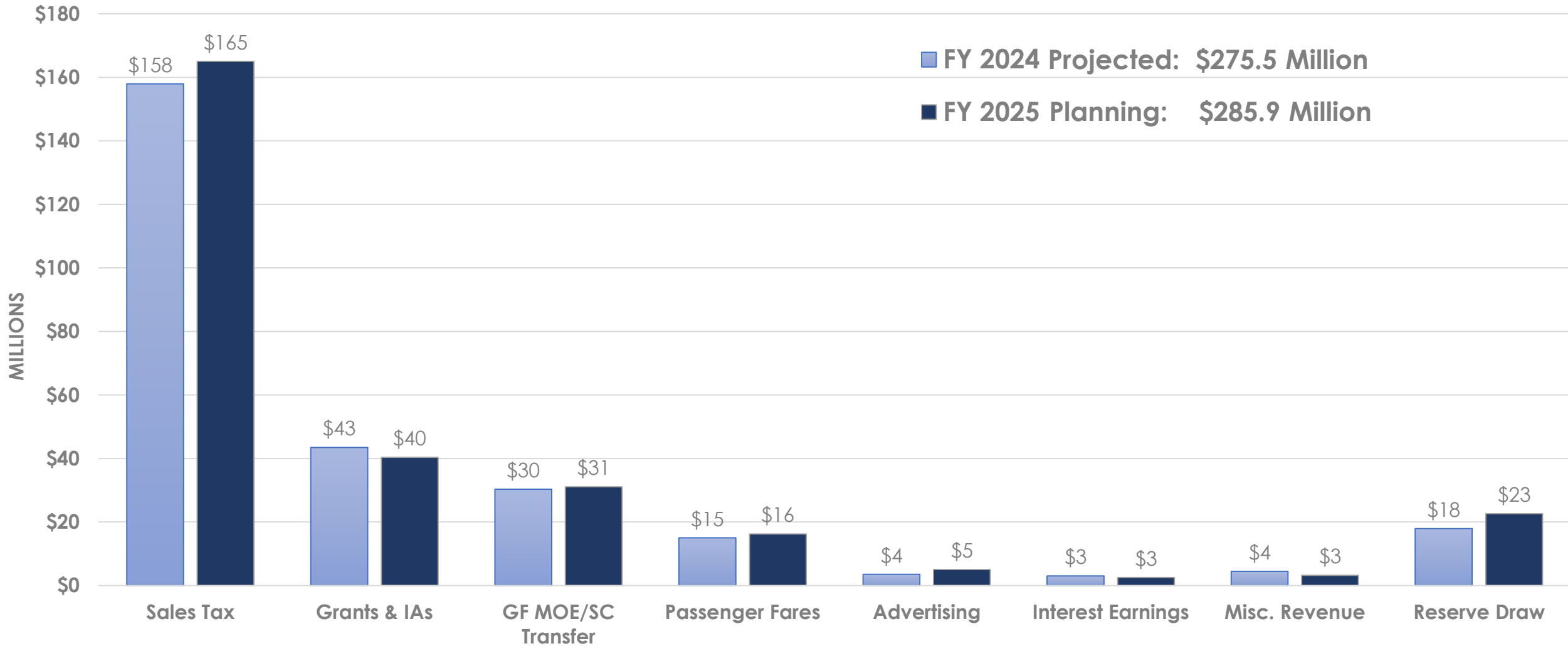
1/2 Percent Sales Tax FY 2019 – FY 2025



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

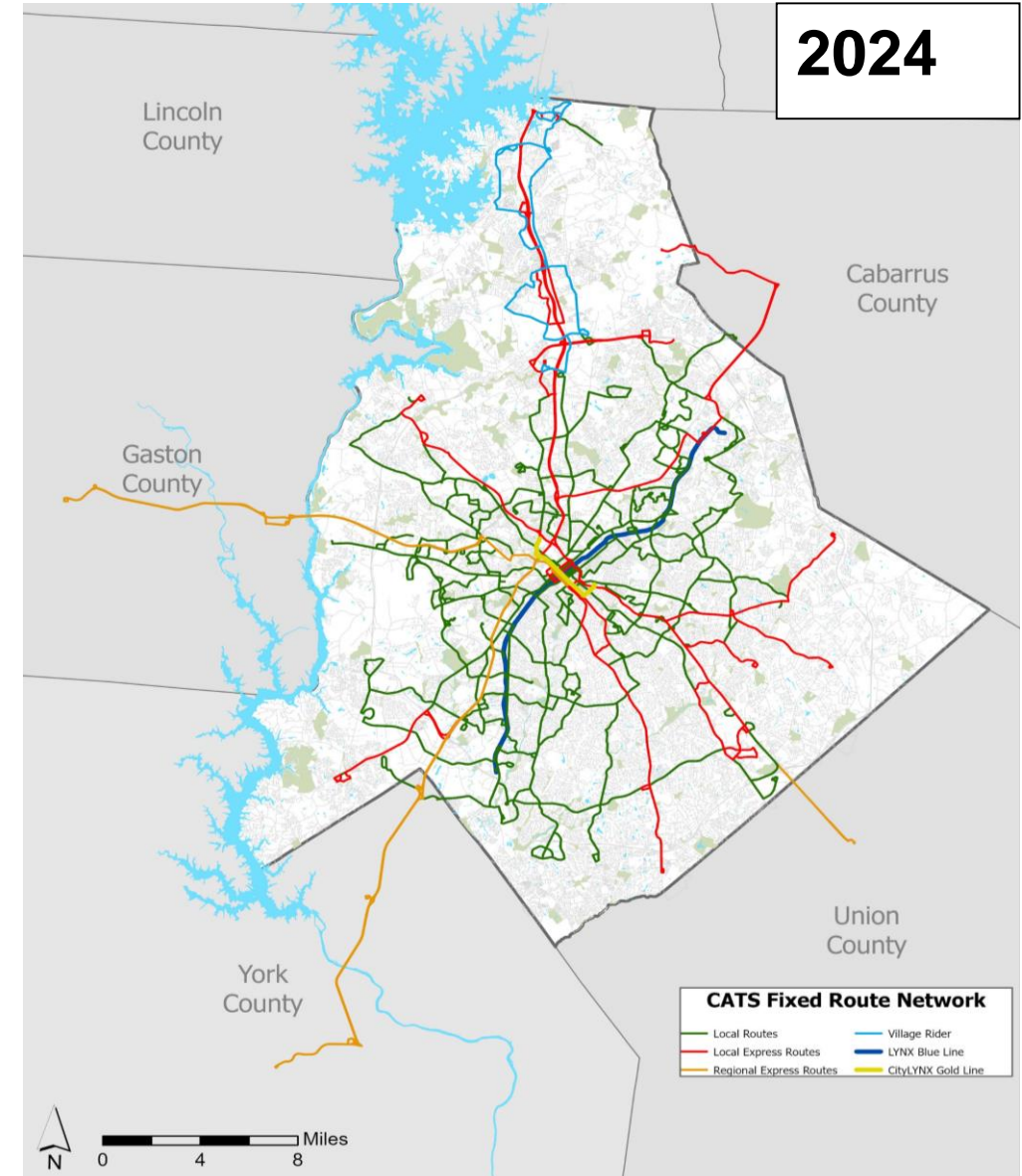


FY 2025 Preliminary Operating Budget



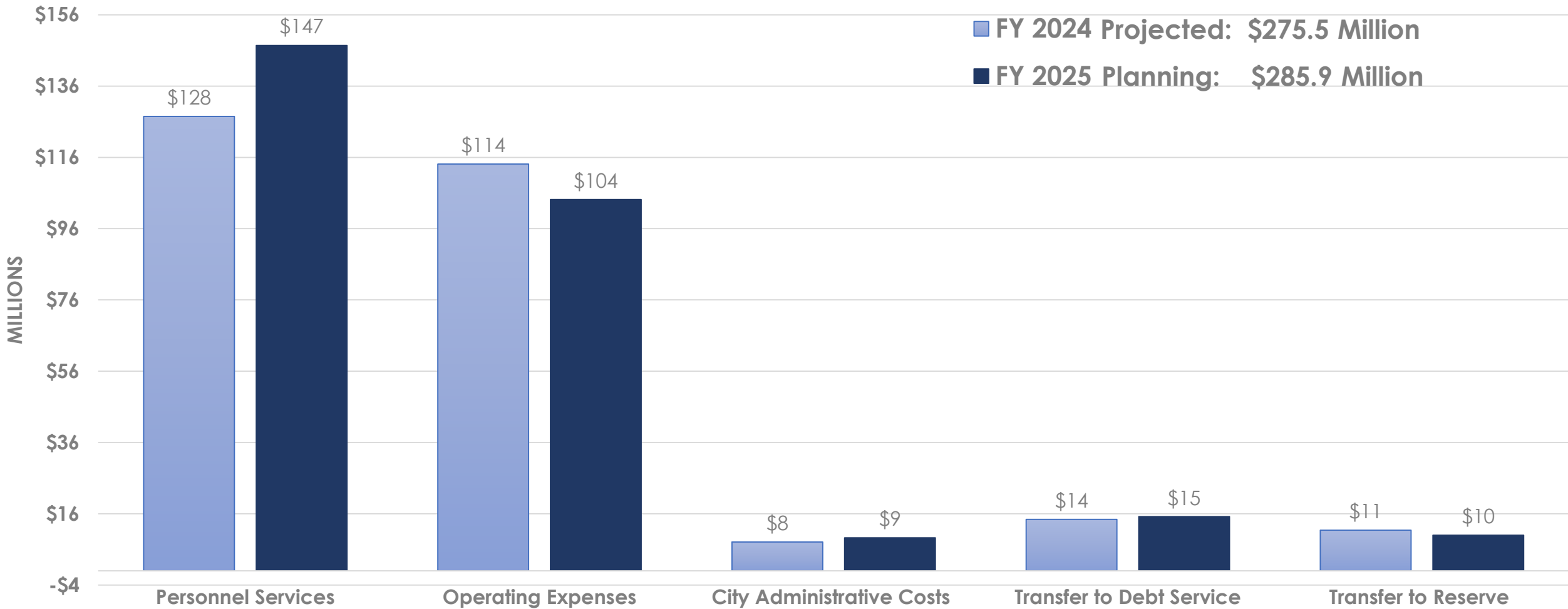
National and Regional Pressures

- ▶ 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



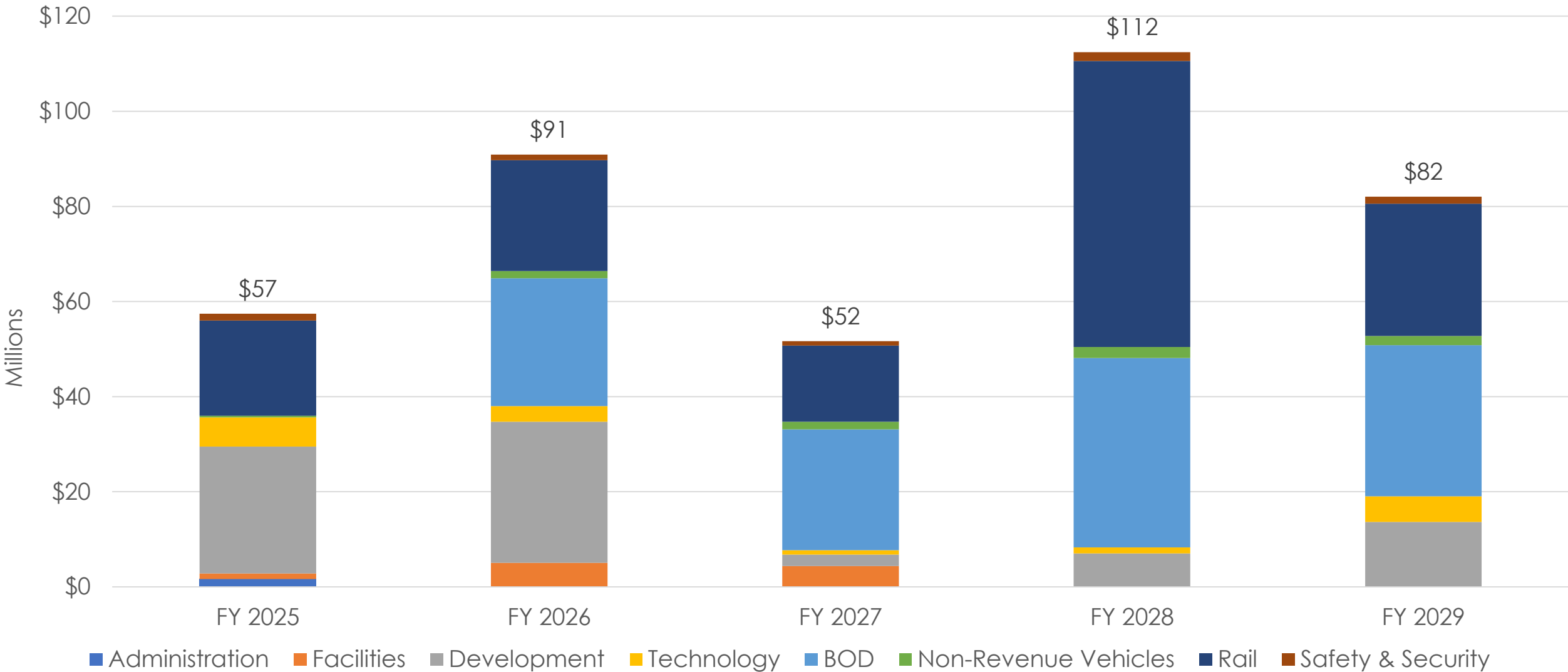
FY 2025 – FY 2029 Preliminary Capital Budget



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

An aerial photograph of a city skyline, likely Atlanta, Georgia, featuring a prominent highway interchange in the foreground. The skyline includes several skyscrapers, with the most notable one being a tall, slender building with a unique, angular top. The foreground shows a multi-lane highway with several cars, and a large, grassy area that appears to be a park or a large open space. The sky is overcast with grey clouds. The word "Questions?" is overlaid in the center of the image in a large, white, sans-serif font.

Questions?