

**CHARLOTTE AREA TRANSIT SYSTEM  
FY2012-FY2013 STRATEGIC OPERATING PLAN  
TABLE OF CONTENTS**

---

**I. EXECUTIVE SUMMARY**

- Introduction
- Summary of the FY2012-FY2013 Transit Program
- Mission and Vision
- FY2012-FY2013 Key Issues and Challenges
- Organizational Chart

**II. STRATEGY AND PLANNING**

- Key Accomplishments
- FY2012-FY2013 Strategic Initiatives
- City Strategy

**III. SERVICE DELIVERY**

- Core Services
- Summary
- Service History and Trends

**IV. BALANCED SCORECARD**

**V. RESOURCE ALLOCATION SUMMARY**

**VI. CONCLUSION**

**VII. APPENDICES**



---

MEMORANDUM

**DATE:** July 29, 2011

**TO:** Ruffin Hall, Director  
Budget & Evaluation

**FROM:** Carolyn A. Flowers  
CATS Chief Executive Officer

**SUBJECT:** CATS FY2012-FY2013 Strategic Operating Plan

---

This memorandum presents CATS FY2012-FY2013 Strategic Operating Plan (SOP).

The FY2012-FY2013 SOP includes an Operating Program request of \$102.9 million in FY2012 and \$106.5 million in FY2013 with a Capital Program request of \$100.6 million in FY2012 and \$151.0 million in FY2013. Operating Income is projected at \$119.5 million and \$125.4 million in FY2012 and FY2013 respectively. In FY2012, an Operating Balance of \$16.6 million will be available for transfer to the Capital Program while the projection for FY2013 is \$18.9 million. CATS Operating Budget includes funding for 360.75 FTEs in FY2012-FY2013.

FY2012-FY2013 Operating revenues and expenditures are at pre-recession levels and it has been a challenge to maintain quality services with the reduced level of income. Despite severe reductions in key sources of income and significant volatility in fuel prices, CATS has maintained its focus on maximizing assets and providing core mass transit services in the Charlotte Mecklenburg region. As the economy slowly recovers, CATS has continued cost containment measures that have aligned its expenditures with projected revenues without impacting transit service levels, customer service, safety and security and the workforce. The FY2012-FY2013 budget enables CATS to continue to meet its core business objectives.

Significant issues impacting the FY2012-FY2013 Transit Program are:

**Service:**

- CATS revenue service hours will remain stable in both FY2012 and FY2013. Any increase in revenue hours during these years will result from new grant funded programs.

**Income:**

- FY2012-FY2013 income from the Sales and Use tax is projected at \$59.0 million and \$61.7 million respectively. This represents a FY2012 increase of 4.5% versus the FY2011 mid-year projection of \$56.5 million with a FY2013 increase of 4.5% over FY2012.
- A \$0.25 base fare increase is recommended for implementation in July 2013. This is in accordance with the MTC approved Financial Policies.

**Expense:**

- The preliminary FY2012 Operating budget reflects a 1.0% increase over the FY2011 budget and a 6.2% increase over the FY2011 unaudited actuals. FY2011 YE actual reflects the 5% cost containment measures implemented during the year.
- Fuel is projected at \$2.50 per gallon in FY2012 and \$2.60 in FY2013 which reflects 8% of the Operating Budget. The volatility of fuel markets remain a serious risk factor.
- Inventory annual usage of \$5.7 million in FY2012 and FY2013 which reflects 5.5% of CATS operating budget.
- Insurance rates fluctuate from 4% over FY2011 mid-year in FY2012 to 9% over FY2012 in FY2013.
- No employee merit increases are budgeted for FY2012 and FY2013.
- In FY2012, CATS staffing was reduced by three positions, which were transferred to other City departments to realign functional support. CATS full time position count for FY2012 has been reduced from 348 to 345, with 21 part-time (75%) positions.

**Changes to Current Level (CCL) and Service Level Requests (SLC)**

- The DSS Taxicab Service cost, of which 50% was reinstated by the MTC for FY2011, is eliminated in FY2012.
- DSS Subscription Service cost has been reduced to actual usage trends.
- ADA requirements for STS Paratransit Service will be the 1<sup>st</sup> priority for service within available resources. Non-ADA service will be handled on a resource availability basis. STS customer base continues to increase with additional customers transferring from DSS.
- Ticket/pass sales discounts have been reduced 5% in FY2012 for the Employer Transportation Coordinator (ETC) Program.

Key indicators to the success of CATS reflected in the budget are included in the Balanced Scorecard (BSC).

The FY2012-FY2013 SOP is in compliance with Council Focus Area and CATS Mission, Vision, Strategic Goals, Financial and Service Policies. It also reaffirms CATS commitment to its Mission.

cc: CATS Leadership Team  
Laura Lemmond, Budget & Evaluation

# I. EXECUTIVE SUMMARY

---

## Introduction

The Charlotte Area Transit System (CATS) is the Public Transit Department of the City of Charlotte.

CATS, the largest transit system in the Carolinas served 24.9 million riders in FY2011 with a weekday average of 84,130 unlinked passenger trips. Service is provided via bus, vanpool and rail transportation. CATS primary service area covers 527 square miles in Mecklenburg County, serving a population of approximately 919,628. Regional service covers Concord, Gastonia, and Union County in North Carolina and York County in South Carolina. In addition to transit operations, CATS continues implementation of the 2030 Transit Corridor System Plan which was approved by its policy board, the Metropolitan Transit Commission (MTC) in November 2006.

Highlights of the FY2011 transit operating program:

- LYNX Blue Line light rail service has recorded a 99% on-time performance with zero preventable accidents, and an average weekday ridership of 15,590 for FY2011.
- The bus operating division introduced the *Sprinter* airport service in September 2009 which utilizes five hybrid-electric buses to connect Center City Charlotte to the airport. CATS bus system had a preventable accident rate of 0.35 per 100,000 miles traveled in FY2011 and on time performance of 87.3%. Both exceeded industry standards. The CATS Bus Operating Division brought home the award for “Safest System” in the big bus category.
- STS’ on-time performance was 93.4% with a preventable accident rate of 0.30 per 100,000 miles. These both also exceeded industry standards. For the 5th consecutive year, STS won the “Overall System Award” at the State level Bus Rodeo. They also won 1st place for the “Best STS Driver Award”. The award-winning CATS STS division was also designated the “Safest System” in the state in the STS category.

The 2030 Plan continues to be advanced as follows:

- The Blue Line Extension (BLE) Northeast Corridor Light Rail Project:
  - Completed 30% Preliminary Engineering, and the Draft Environmental Impact Statement was released in August 2010.
  - In November 2010, CATS financial consultant evaluated CATS’ financial capacity and recommended opportunities for advancing the BLE within the envelope of the current resources. Based on the financial recommendations and the direction of the MTC, CATS developed an “affordable” BLE project that reduced the project’s cost by \$110 million (Year of Expenditure). The revised BLE project will extend light rail service 9.4 miles, from 7th Street to a terminus on the campus of UNC-Charlotte, reducing the project length and eliminating two stations.
  - CATS has received \$39.65 million in federal New Starts grants to cover 50% of the costs of Preliminary Engineering for the BLE. The North Carolina Department of

Transportation continues to provide funding for 50% of the local share of BLE project costs.

- CATS is currently in negotiations with State and Federal Governments to execute Full Funding Grant Agreements for the BLE in 2012.
- The North Corridor Commuter Rail Project (Red Line)
  - CATS requested assistance from NCDOT in coordinating with the Red Line Task Force on this project.
  - NCDOT has hired a consultant to work with the City, County, Northern Towns and Mooresville in development of value capture mechanisms for funding the project. The consultant's recommendations are expected to be released in December 2011.

CATS is funded primarily with income from Federal and State grants, fare revenue, and the voter approved one half cent Sales & Use tax. The tax is utilized to fund operating and capital expenses. During the year, following the MTC's November 2010 Workshop, CATS implemented an ancillary revenue program for transit. The MTC has approved the first element of the program, i.e. advertising on CATS vehicles, which is anticipated to generate a minimum of \$560,000 in FY2012. Other elements of the revenue program will be implemented in FY2012 and FY2013.

CATS operates as an enterprise fund of the City and as such, all accounting practice is controlled by the City's Finance Department in coordination with CATS Finance in compliance with established financial and governmental reporting principles and standards. The FY2012-FY2013 budget sustains core services and is responsive to addressing the challenges and directives of the MTC and City Council. The budget request is in compliance with CATS Financial Policies.

### Summary of the FY2012-FY2013 Transit Budget

(\$ - millions)	FY2010 Actual	FY2011 Budget	FY2011 Unaudited	FY2012 Proposed Budget	FY2013 Proposed Budget
Operating Income	122.5	120.5	114.7	119.2	125.1
Operating Expense	100.7	101.9	96.8	102.9	106.5
Balance	21.8	18.6	17.9	16.3	18.6
Non-Operating Income	107.9	67.1	50.3	96.8	342.5
Non-Operating Expense	95.2	66.2	45.1	100.6	151.0
YE Budgetary Balance	106.0	106.8	112.0	108.2	299.7
Positions					
- Regular	377	348	348	345	345
- Part-Time	21	21	21	21	21

## Summary of the FY2012-FY2013 Financial Performance Objectives

	FY2010 Actual	FY2011 Budget	FY2011 Unaudited	FY2012 Proposed Budget	FY2013 Proposed Budget
OPERATING RATIO (O R / O E ≥ 20%)	23.76%	28.54%	27.66%	27.19%	29.07%
PASSENGERS PER HOUR (Bus Operations ≥ 20 passengers per hour) (Rail ≥ 90 passengers per rail car)	24.6 106.3	24.4 100.0	25.0 104.9	24.5 100.0	24.5 100.0
SYSTEM COST PER HOUR Cost per Hour System less Rail Cost per hour Rail (Car)	\$90.03 \$278.57	\$88.37 \$285.65	\$86.68 \$274.66	\$89.64 \$325.21	\$92.16 \$344.37
ADMINISTRATIVE OVERHEAD (≤ 15%)	5.62%	6.82%	7.54%	6.91%	6.83%
CAPITAL INVESTMENT LEVEL (≥20% of sales tax revenue)	38.00%	31.36%	31.54%	27.68%	30.18%
NET DEBT SERVICE COVERAGE (≥ 1.15)	1.42	1.19	1.19	1.17	1.34
GROSS DEBT SERVICE COVERAGE (> 3.0)	3.73	3.79	3.79	4.22	4.42
FUND BALANCE \$-millions (≥ \$100 million)	106.1	107.0	112.0	108.5	300.2

## Mission, Vision, and Goals

### 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

### Vision

Successful accomplishment of the CATS Mission will mean that the following conditions are realized:

- 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, dependable, 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.



## **FY2012-FY2013 Key Issues and Challenges**

The Key challenge for CATS in FY2012-FY2013 is maintaining core mass transit services in the Charlotte region in an uncertain economy that threatens all of its key sources of income, i.e. Federal, State and Local. A list of key issues and challenges follows:

- Livability
  - Maintain core mass transit services in the Charlotte region
  - Provide transportation and accessibility, particularly for economically disadvantaged populations
  - Sustain ridership and customer satisfaction levels
  - Market initiatives to encourage the community to try transit
  - Pursue all available (and new) sources of funds for increasing public transportation based on FTA's "Livable Communities" initiative
  - Focus on maintaining "safe systems"
  - Initiatives to minimize perception of fare evasion
- Sustainability
  - Procure buses which reduce greenhouse gas emission and improve energy consumption
  - Advance CATS solar energy capture project at South Tryon Bus Garage
  - Implement Federal and City sustainable policy goals by environmentally friendly practices in project design, vehicles and facilities
- Sales & Use Tax
  - Keep policy boards and the community apprised of the impact of the sales tax gap and recovery plans
  - Tell "the good news story" of what the Sales & Use tax has provided for the Charlotte region since 1998
  - Promote MTC Legislative Strategy
- Financial Management
  - Evaluate opportunities to improve efficiency, productivity and cost effectiveness of CATS programs
  - Manage and expand programs within constrained resources
  - Opportunities for increasing CATS sources of revenue
  - Manage CATS programs within income and in compliance with MTC Financial Policies
  - Foster collaborative relationships during the planning and implementation of key CATS and City initiatives
  - Implement in-house program and expertise for on-going management of third party contract compliance with FAR-31 regulations
  - Compete for funding from Federal and State sources
  - Increase in amounts and variety of ancillary revenue sources to supplement CATS operating programs

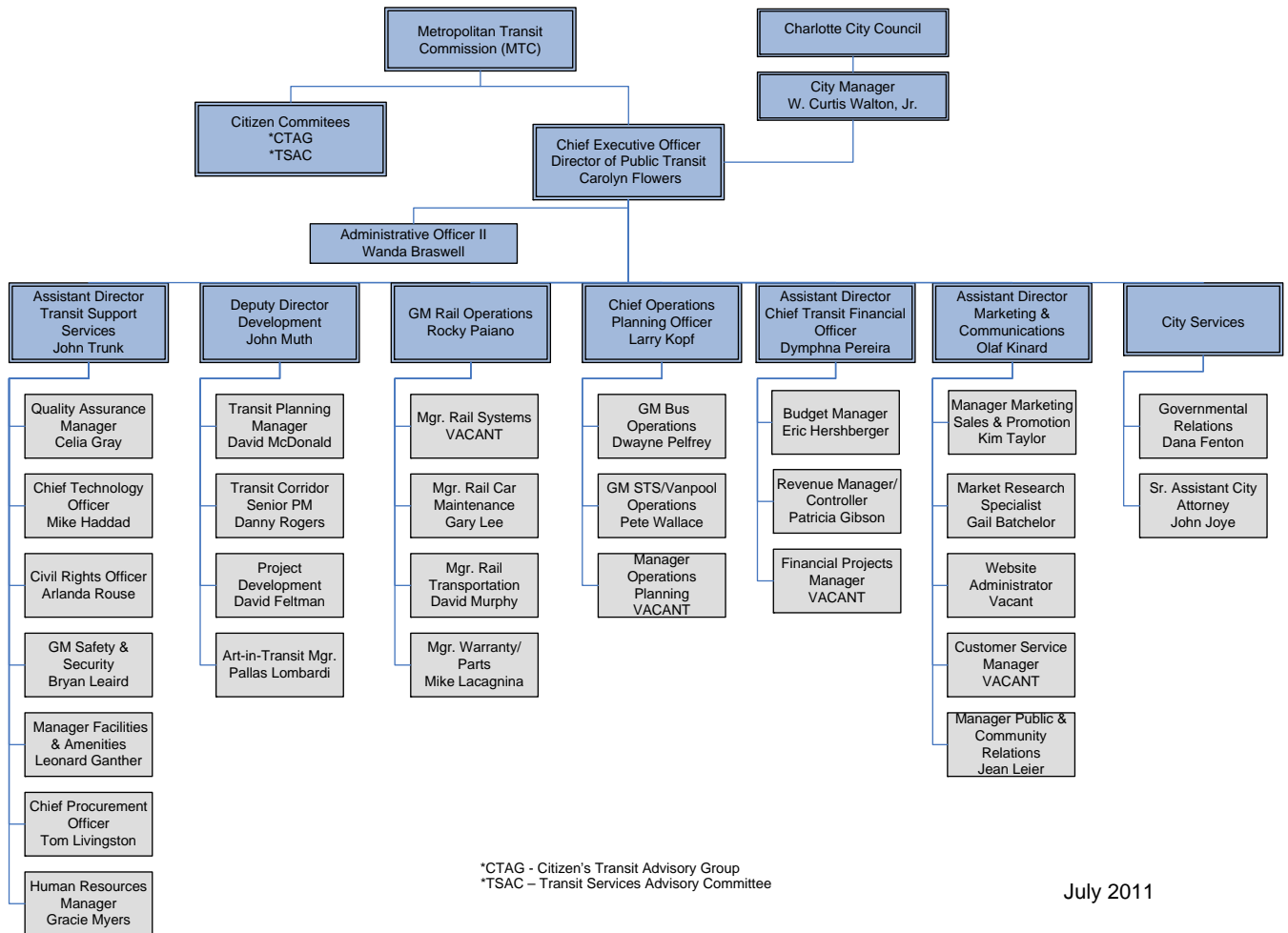


- Planning: 2030 Transit Corridor System Plan
  - BLE project submission for rating in FTA New Starts report
  - Capital financing options for the BLE project
  - Explore financial opportunities for advancing the North Corridor
  - Participate with NCDOT and the City’s CIP process in advancing the Charlotte Gateway Station project
  - Utilize State approved design-build legislation on CATS building facilities, where appropriate and cost effective
  
- Partnerships: Federal/State Legislation/Appropriations
  - Update North Carolina and Mecklenburg delegations on the progress of CATS projects
  - SFFGA and FFGA for the BLE project in FY2012 and FY2013
  
- Fuel Program
  - Manage fuel costs through informed procurements i.e. futures vs. spot
  
- Invest in Employees
  - Manage workforce in response to changing economy
  
- Outreach Program
  - Conduct outreach workshops for prime and sub contractors to introduce both groups to key civil rights and financial issues which are required for contracting opportunities with CATS
  - Plan BLE contract packaging and outreach with the goal of attracting multiple bids and offering opportunities for participation by large and small contractors
  
- Democratic National Convention
  - Coordinate transit service for delegates
  - Participate in showcasing the city and the transit system

<b>Blue Line Extension Summary Description</b>	
<b>Proposed Project:</b>	Light Rail 9.4 Miles 11 Stations
<b>Total Capital Cost (\$YOE):</b>	\$1,069.7 Million
<b>Section 5309 New Starts Share (\$YOE):</b>	\$534.8 Million
<b>State Match (\$YOE)</b>	\$267.4 Million
<b>CATS Match (\$YOE)</b>	\$236.6 Million
<b>City of Charlotte Match (\$YOE)</b>	\$30.9 Million
<b>Annual Forecast Year Operating Cost:</b>	24,460 Average Weekday Boardings

# Organizational Chart

## CHARLOTTE AREA TRANSIT SYSTEM



July 2011

## II. STRATEGY AND KBU PLANNING

---

### Key Accomplishments

Highlights of CATS recent accomplishments are:

#### Provide Transportation Choices

- Completion of 3.7 years of the LYNX Blue Line service. Current weekday ridership averaged over 15,500 during FY2011; Rail on time performance at 99%; one preventable accident since the beginning of revenue service
- Prior to FY2010, CATS had 11 consecutive years of increases in ridership. The economy and fuel costs affected ridership in FY2010. FY2011 ridership exceeded FY2010 ridership by 2.2%, despite a fare increase of \$0.25 in July 2010
- Preventable accident rates are at the top of industry standards for all modes of transportation, bus, rail and Special Transportation Services (STS) reflecting an outstanding performance level
- 97% of customer complaints responded to within 5 business days
- Passenger display systems at Charlotte Transportation Center now present passengers with real time arrival and next trip information on bay signs, accurate to one minute. Next train announcements are made at all Light Rail Stations when trains are 1, 3, and 5 minutes out
- Deployed Mobile Apps to provide next trip information for any transit stop
- Sprinter bus service to the airport

#### Strengthen Neighborhoods

- Over \$1.80 billion in actual and projected development along the South Corridor Light Rail Line
- Davidson Bus Garage rehabilitation with ARRA funds is almost complete and scheduled to open in July 2011. This project will strengthen the Belmont community
- Federal Highway Administration's (FHWA) Excellence in Highway Design Biennial Award 2008 for Intermodal Transportation Facilities (I-485 Station) with a positive impact on the Sterling Elementary School and Sterling neighborhood
- Recipient of the FY2010 National Safe Place Corporate Involvement Award

#### Safeguard the Environment

- Sprinter airport bus service includes addition of five hybrid electric buses to the fleet
- CATS was awarded \$3.0 million in ARRA funds to purchase six additional hybrid electric buses with a Federal Grant earmarked to reduce greenhouse gas emissions. One Hybrid bus creates a 30% reduction in fuel usage
- CATS park and ride lots at Huntersville-Northcross, Matthews-Independence Pointe, and Mallard Creek are constructed with rain gardens which retain and recycle rain water for purpose of landscape maintenance
- Installed particulate traps on over 100 buses
- Usage of ultra low sulfur diesel fuel on all buses
- CATS bus wash facilities recycle 99% of the water utilized to wash the buses
- CATS was awarded a Clean Fuels grant of \$421,580 which will be utilized to purchase 5 light weight STS buses.

- CATS was awarded a \$1.0 million grant for a solar panel energy project at the South Tryon Bus Facility which is projected to reduce utility costs in future years
- Recycling pilot project to be implemented along the light rail line in FY12.

**Promote Economic Opportunity**

- Developed service and policy adjustments to meet the needs of the community during period of high gas prices and shortage
- The light rail project awarded approximately \$42 million to disadvantaged business enterprises
- Implementation of light rail service created 2,164 transit related jobs in the community in 2007
- Between 2005-13 the LYNX Blue Line Light Rail Project attracted \$1.4 billion in private investment generating 20,290 jobs and provided access to greater than 100 small businesses adjacent to the line. This resulted in an annual tax revenue in the County of \$1.8 million

**Optimize Business Processes**

- CATS executed a futures fuel purchase contract in 2009
- Daily/weekly tracking of world oil prices in order to determine best options and schedules for fuel procurements; resulted in a savings in FY2010 and FY2011 fuel cost
- The cost of servicing ticket vending machines was reduced by \$288,000 with a change in process, utilizing employees and contractors
- CATS was awarded \$1.95 million in State of Good Repair grant funds in 2010 for asset maintenance at the bus garages and the purchase of an asset maintenance software system.



**Expanding Revenues**

- The MTC approved advertising program projected to generate \$652,500 in revenue in FY2012/13.
- BLE project received a “Medium” overall rating in the 2010 Federal New Starts Report which places the project in good standing to receive a Full Funding Grant Agreement
- BLE project has been awarded \$39.7 million in Federal funds and an anticipated \$19.9 million in funds from NCDOT thru FFY2011.
- CATS was awarded \$23.7 million in Federal stimulus fund allocation
- CATS has been awarded \$8.8 million in competitive grant awards since the beginning of FY2010

**Achieve Positive Employee Climate**

- 30% of CATS employees participated in physical activities in FY2010

**Develop Collaborative Solutions**

- MTC adopted a Legislative Strategy and work plan to achieve the strategy



## Strategic Initiatives

CATS FY2012-FY2013 Strategic Initiatives to support its mission, vision, and strategic goals are as follows:

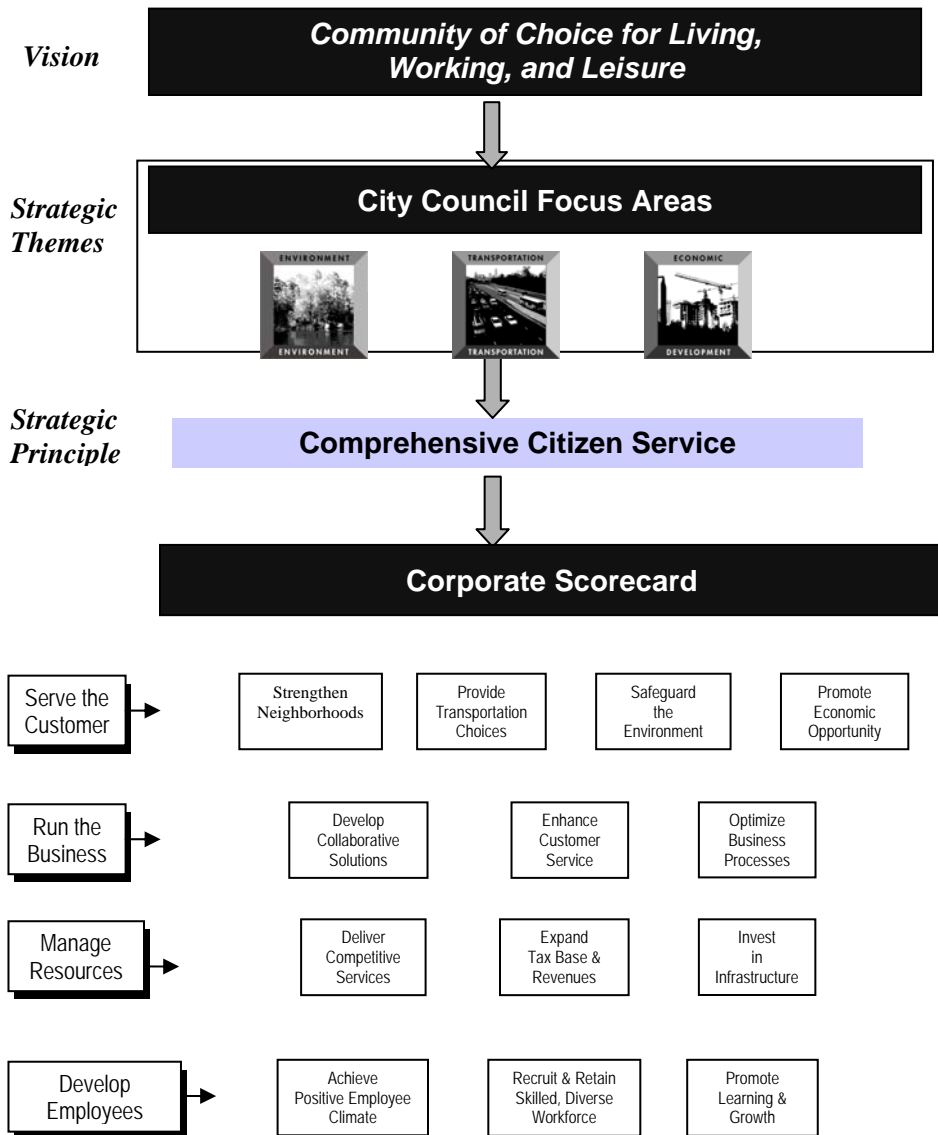
- ❖ Maintain funding sources and partners in a transitioning political and budgetary environment
- ❖ Sustain Ridership
- ❖ Inclusion of key projects in new Surface Transportation Authorization
- ❖ Update and continue advancement of the 2030 Transit Corridor System Plan
- ❖ Develop and Implement Facility Plan
- ❖ Leverage asset base to provide new transit revenue sources



## Links to Corporate Strategy



# City Strategy



CATS plays an integral part in the City meeting the objectives of its corporate strategy through its primary function of providing transportation choices. As the mission statement identifies, CATS seeks to improve the quality of life for everyone in the greater Charlotte region by providing outstanding community-wide public transportation services. As indicated below in the Key Accomplishments sections, CATS also directly impact Strengthen Neighborhoods, Safeguard the Environment, and Promote Economic Opportunity Corporate Objectives.



## II. SERVICE DELIVERY

---

CATS seeks 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. CATS plans to continue to provide services to meet the needs of the regional growth, and continue developing rapid transit plans for four additional transportation corridors.

### **Core Services**

CATS provides the following core services in the Charlotte region in support of the City's corporate objectives:

### **Transit Services**

#### *Provide Transportation Choices:*

- Currently transport over 84,100 riders each week day to work, school, shopping, medical appointments and other destinations, utilizing local and express fixed route buses, demand response bus service; vanpool; and light rail services
- Specialized door-to-door service for ADA certified customers
- Technology to assist riders with transportation choices



#### *Strengthen Neighborhoods:*

- Connect citizens to local businesses and other destinations in the region through neighborhood/community shuttle bus services
- Promotion of environmental justice in transit amenities and equipment

#### *Promote Economic Opportunity*

- Competitive process for distribution of JARC and New Freedom funds for human services transportation purposes
- Specialized new job access bus services
- Specialized services to transport the elderly and disabled community to jobs (through the Department of Social Services)
- Disadvantaged Business Enterprise Program which provides small business with opportunities to participate in major, Federally funded contracts
- Create jobs utilizing ARRA funds



#### *Safeguard the Environment*

- Use of clean diesel in buses; targeted procurement of hybrid buses and installation of particulate filters on buses
- Use of "green" initiatives in new facilities construction; and at rail platforms
- Recycled rain water usage at CATS park & ride facilities
- Solar energy project at South Tryon Bus Facility

### *Enhance Public Safety*

- Safe and secure public transit system with visible presence of law enforcement and security equipment at CATS facilities and on CATS vehicles
- Maintain cleanliness, lighting and landscaping along fixed guideways, including graffiti removal
- Preventable accident rate (maintain)

### **Development Services**

#### *Provide Transportation Choices*

- Implementation of 2030 Transit Corridor System Plan which provides transportation choices within the Charlotte region

#### *Invest in Infrastructure/Safeguard the Environment*

- Building environmentally-friendly, safe and convenient park and ride lots and community transit centers

#### *Promote Economic Development/Strengthen Neighborhoods*

- Plans for transit oriented development in the community
- Joint development opportunity

### **Administrative Services**

#### *Optimize Business Processes/Expand Revenues*

- Business initiatives and pursuit of Federal and State grants and other sources of revenue in support of capital and operating programs.
- Quality control of all construction projects
- Execute State Full Funding Grant Agreement in FY2012 and Federal Full Funding Grant Agreement in FY2013
- Records management
- Re-engineering of business processes
- Expand On-line sales to ETC program participants to increase revenue and decrease sales cost

#### *Promote Learning and Growth*

- Ongoing training for all levels of employees





## Charlotte Area Transit System

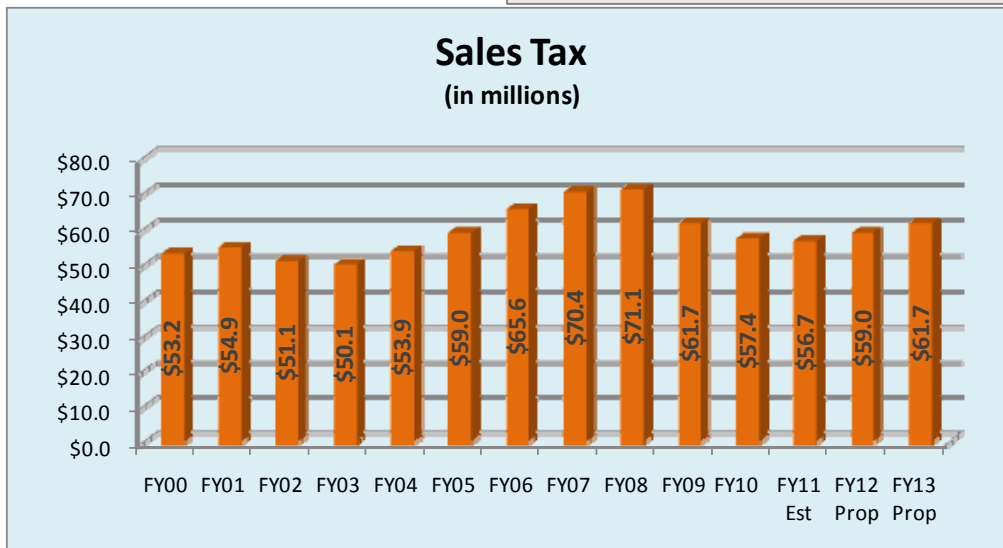
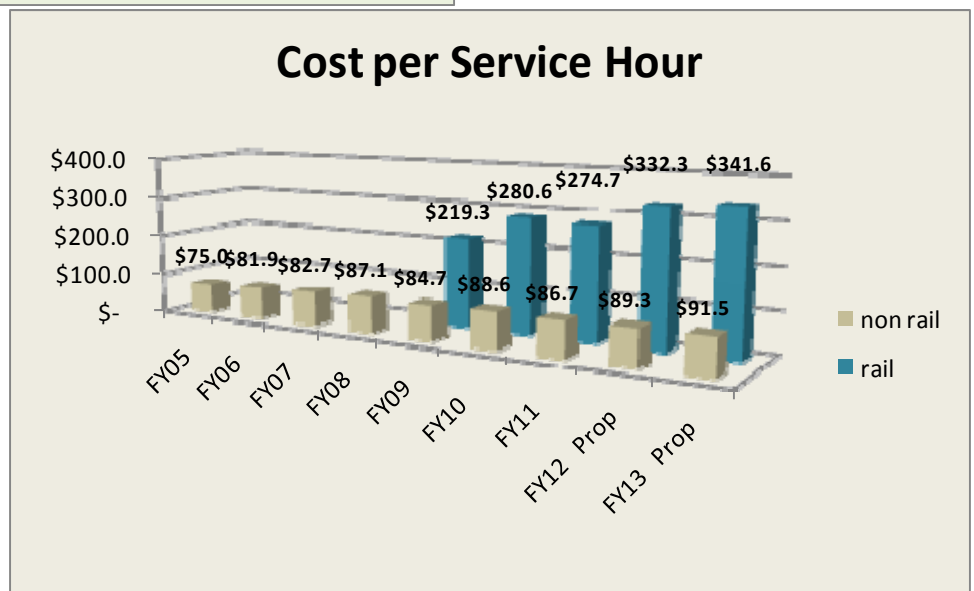
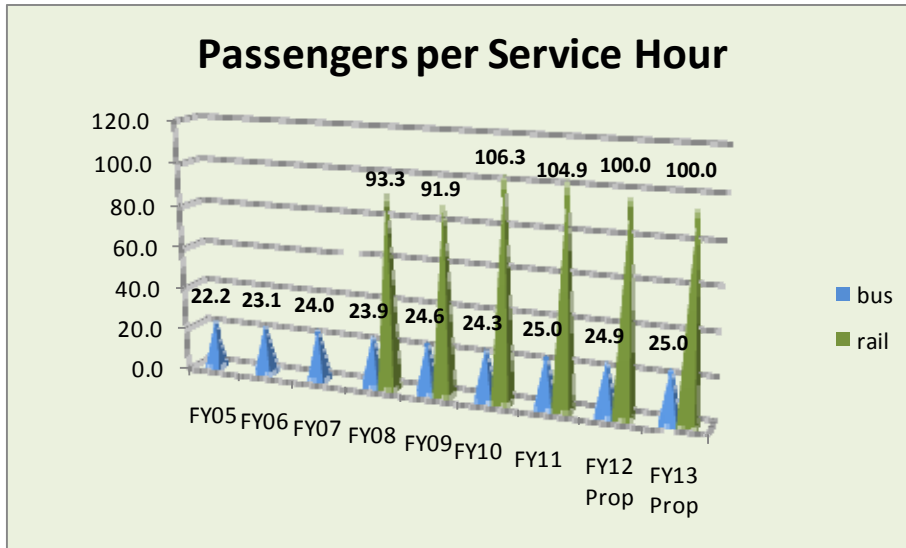
Summary	FY11	FY12	FY13
Charlotte Area Transit System (CATS) provides public transit services to the Charlotte region. CATS is the largest transit system in the Carolinas. Service is provided via local, express, neighborhood, activity center and regional bus services, light rail service, vanpool, ADA paratransit, and human services transportation.	Budget \$101,853,094	\$102,870,076	106,479,439
	Positions 363.75	360.75	360.75
<b>Vital Statistics</b>	<b>Accomplishments</b>		
<ul style="list-style-type: none"> <li>• 24.9 million riders for FY2011</li> <li>• Over 84,100 passengers on week days</li> <li>• CATS fleet; 323 buses, 180 paratransit and vanpool vans, 20 light rail cars and 3 trolley cars, for a total vehicle fleet of 526 vehicles</li> <li>• Rail and Bus Fleet is 100% wheelchair and bicycle accessible. The bus fleet, which includes 7 hybrid buses (2 utilized on local routes and 5 for the Sprinter service), utilizes clean, ultra low sulfur diesel fuel</li> </ul>	<ul style="list-style-type: none"> <li>• Completion of the first 3.5 years of Light Rail operation. On time performance at 99%</li> <li>• Prior to FY2010, increased ridership for eleven consecutive years with an 106% increase since 1999</li> <li>• Continue to maintain extremely low preventable accidents for entire system</li> <li>• The Draft Environmental Impact Statement was released for the LYNX Blue Line Extension in August, 2010</li> <li>• Completed 90% of design level plans for the LYNX Red Line</li> </ul>		

### SERVICE DELIVERY CHALLENGES

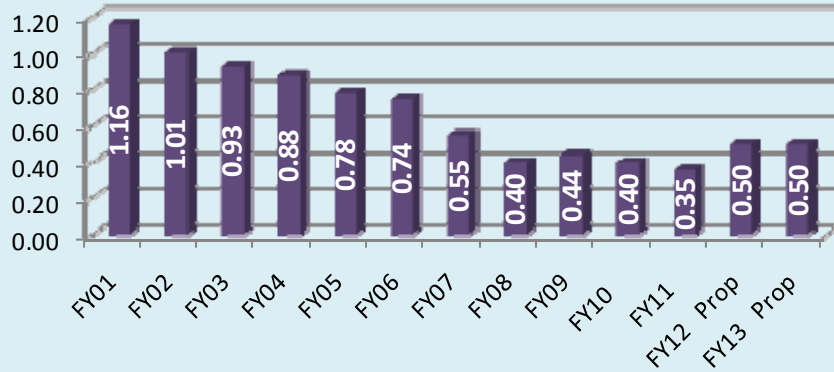
- Shield operations from the current instability of the half cent sales tax by seeking new sources
  - Minimize disruption to service from budget cuts resulting from declining revenue
  - Maintain existing facilities and infrastructure within a tightening budget
  - Balance funding for current operations with needed capital funding for bus and equipment replacement and corridor advancement
  - Seek additional funding through opportunities made available through various granting organizations
- Explore additional sources of revenue
- Continue to increase ridership while reducing service on less productive routes
  - Shift resources from non-productive, low ridership services
  - Continue to increase ridership on existing routes
  - Manage customer needs in the short run while managing the effect of current economic downturn
- Revise long-range capital plan
  - Plan for increased funding
  - Legislative measures to increase opportunities for funding

## Service History and Trends

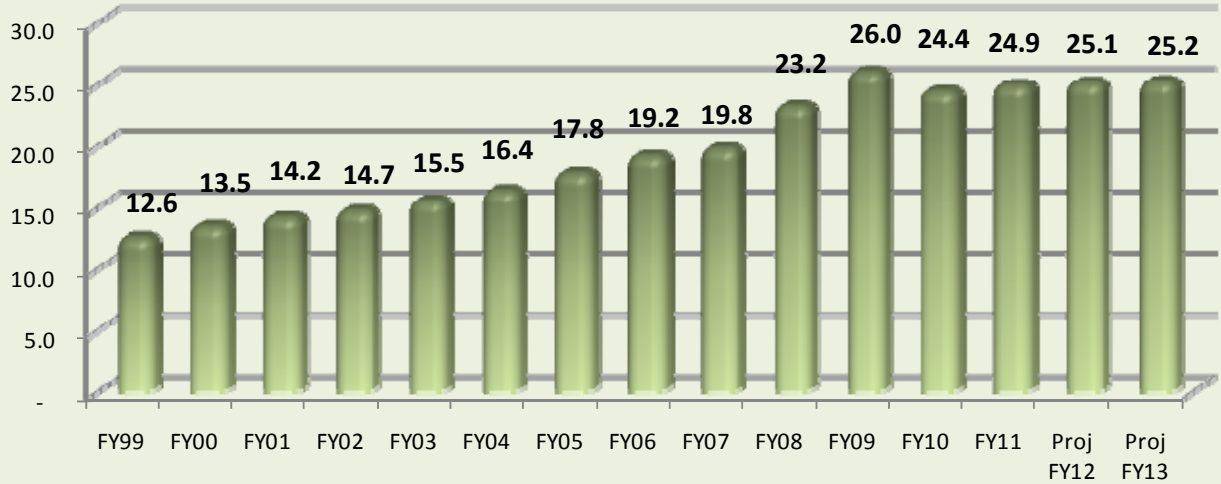
Historical information on transit system ridership and service levels is provided in the charts and tables below.



## CATS Preventable Accidents Per 100,000 Miles



## CATS Ridership (in millions)



## IV. BALANCED SCORECARD AND PERFORMANCE MEASURES

---

CATS FY2012 Balanced Scorecard (BSC) is provided in Appendix A. CATS' Business Strategy is directly linked to three Council Focus Areas (Transportation, Environment, and Economic Development) and to thirteen of the City's Corporate Objectives.

Please note: Appendix A to this Strategic Operating Plan provides the tables that list the department's Strategic Initiatives for FY2012-FY2013 according to the City Corporate Objectives and business perspectives that they support. The tables also present performance measures that CATS will use for each Strategic Initiative in FY2012-FY2013.



## V. REQUEST FOR RESOURCES

---

A summary of the FY2012-FY2013 Transit Program is provided in Appendix B. This proposed Program was adopted by the MTC on April 27, 2011 and City Council on May 23, 2011.

### Service Level Changes

No additional resources are requested in the FY2012-FY2013 budget.

The following service reductions were approved:

- The remaining DSS Taxicab Service has been eliminated.
- DSS Subscription Service cost has been reduced to actual usage trends.
- Ticket/pass sales discounts have been reduced 5% in FY2012 for the Employer Transportation Coordinator (ETC) Program.

### **Summary of FY2012-FY2013 Transit Program Highlights**

Details of the FY2012-FY2013 Transit Program are provided in appendix B.

### **Significant issues in the FY2012-FY2013 Program include:**

#### Income:

- FY2012-FY2013 income and revenues are at pre-recession levels
- FY2012-FY2013 income from the Sales and Use tax is projected at \$59.0 million and \$61.7 million respectively. This represents a 4.5% increase versus the mid-year projection of \$56.5 million.
- A \$0.25 base fare increase is recommended for implementation in July 2013.

#### Service:

- In FY2012-FY2013, CATS revenue service hours are projected at 994,289 and 999,031 respectively. This reflects a minimal change from the FY2011 budget, due to the potential for Federal operating grants.

#### Expense:

- The FY2012 Operating budget reflects a 6.2% increase over the FY2011 unaudited actual expenses and the FY2013 Operating budget reflects a 3.5% increase over the FY2012 budget.
- Fuel is projected at \$2.50/gallon in FY2012 and \$2.60 in FY2013. Fuel is approximately 8% of the operating budget.

## VI. CONCLUSION

---

This document describes CATS Strategic Operating Plan for FY2012-FY2013.

## VII. APPENDICES

---

- A. CATS FY2012-FY2013 Departmental Balanced Scorecard
- B. Details of the FY2012-FY2013 Transit Program