

# CHARLOTTE AREA TRANSIT SYSTEM FY2013 FINAL STRATEGIC OPERATING PLAN

July 26, 2012





**CHARLOTTE AREA TRANSIT SYSTEM**  
**FY2013 PRELIMINARY STRATEGIC OPERATING PLAN**  
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# I. EXECUTIVE SUMMARY

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## 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 26.5 million riders in FY2012 with a weekday average of 82,407 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 944,373. Regional service, which included 224,146 trips in FY12, covers Concord, Gastonia, and Union County in North Carolina and York County in South Carolina.

## **Reflecting on FY2012**

FY2012 was a year of significant achievement for CATS as illustrated by the following highlights:

### Capital Budget Highlights

- The City's largest project, the Blue Line Extension (BLE) Light Rail Project, achieved significant successes in FY2012
  - The Charlotte Area Transit System (CATS) received approval from the Federal Transit Administration (FTA) to enter Final Design for the 9.3-mile LYNX Blue Line Extension (BLE) light rail project. This allows the project to be developed from the 65 percent to the 100 percent design level and to complete preparation of final construction plans, right-of-way acquisition, construction cost estimates, bid documents and utility relocation.
  - The BLE is the only New Starts project in the country which is recommended in the President's Budget for a Federal Full Funding Grant Agreement (FFGA) in 2012. Entry into Final Design allows CATS to proceed with plans to submit a request for a Full Funding Grant Agreement (FFGA) with the FTA, seeking a commitment of 50 percent funding for the project. The remaining funding will be comprised of 25 percent from the local sales tax dedicated to public transit, and 25 percent from the Full Funding Grant Agreement received from NCDOT this spring.
  - The City of Charlotte and the Federal Transit Administration are now preparing to execute a \$580,000,000 Full Funding Grant Agreement in 2012.
  - The North Carolina Board of Transportation approved:
    - A State Full Funding Grant Agreement (SFFGA) in December 2011

- A Grant Contract for the SFFGA in May 2012
  - A commitment of \$299,071,000 toward the cost of the BLE project
- US Department of Transportation awarded an \$18 million grant from the TIGER program for the extension of some platforms and systems on the LYNX Blue Line to allow for three-car train operations.

### Operating Budget Highlights

- FY2012 is the third consecutive year that CATS reduced its Operating Budget to balance expenses against the lower than anticipated revenue from the ½% sales tax. The \$1,700,000 reduction in FY2012 was managed with no reductions in revenue service hours and with CATS absorbing \$569,118 in higher than budgeted fuel costs.
- The CATS Operating Budget, including a fare increase, and the FY2013-17 CIP received unanimous approval from the Metropolitan Transit Commission, the Citizens Transit Advisory Group, the Transit Services Advisory Group and the Charlotte City Council.
- 26.5 million passengers rode CATS in FY12 which is 6% higher than FY2011.
- CATS is one of only two (2) transit systems in the country since 2007 that received “zero” audit findings in an audit conducted by the Federal Transit Administration for rail safety oversight practices.
- In order to mitigate the impact on the national recession, CATS introduced its ‘ancillary revenue’ program in FY2012. The first phase of this program, which included advertising on buses and trains, was a resounding success. 1st year revenue of \$777,855 exceeded the actual revenue guarantee of \$562,000 by \$215,855 or +38.4%.
- LYNX Blue Line light rail service recorded a 99.9% on-time performance and zero preventable accidents;
- CATS buses had a preventable accident rate of 0.49 per 100,000 miles traveled and on time performance of 86.0%; and
- Special Transportation Services (STS) provided 228,009 trips with an on-time performance of 93.2% and a preventable accident rate of 0.21 per 100,000 miles, exceeding industry standards.

### **FY2013 at a Glance**

In addition to transit operations, CATS continues to advance the Blue Line Extension Project. The revised BLE project will extend light rail service 9.4 miles, from Seventh Street to a terminus on the campus of UNC-Charlotte. CATS has received \$39.65 million in federal New Starts grants to cover 50% of the costs of Preliminary Engineering for the BLE. The BLE project is designed to enhance the quality of life of the communities located along the alignment.

CATS Operations are funded primarily with income from Federal and State grants, fare revenue, and the voter approved one half cent Sales & Use tax. The Capital Program is funded primarily with grant funding. The tax is utilized to fund operating and capital expenses. 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 and is in compliance with established financial and governmental reporting principles and standards.

The FY2013 Operating Budget and the FY2013-17 CIP provides a structurally balanced Financial Plan which focuses on the following objectives and positions the Charlotte Area Transit System (CATS) for future growth.

- **Maintain Core Mass Transportation Service**
  - Sustain current service levels
  - Add bus revenue hours within resources
  - Strengthen the “core” of CATS ADA paratransit service
  
- **Structurally Balanced Budget**
  - Decision Points are guided by CATS Financial Policies
  - Local Funds are leveraged to obtain Federal and State funding assistance

### Summary of the Preliminary FY2013 Transit

(\$ - millions)	FY2011 Budget	FY2012 Budget	FY2013 Budget
Operating Income	120.5	119.2	126.7
Operating Expense	101.9	102.9	106.4
Balance	18.6	16.3	20.2
Non-Operating Income	67.1	96.8	176.92
Debt Issuance			180.00
Non-Operating Expense	66.2	100.6	171.8
YE Budgetary Balance	106.8	108.2	292.1
Positions			
- Regular	348	345	346
- Part-Time	21	21	21

## Summary of the Preliminary FY2013 Financial Performance Objectives

	FY2011 Actual	FY2012 Budget	FY2013 Budget
OPERATING RATIO (O R / O E ≥ 20%)	26.38%	27.19%	25.54%
PASSENGERS PER HOUR (Bus Operations ≥ 20 passengers per hour) (Rail ≥ 90 passengers per rail car)	25 104.9	24.5 100.0	25.2 114.5
SYSTEM COST PER HOUR Cost per Hour System less Rail Cost per hour Rail (Car)	\$86.68 \$274.66	\$89.64 \$325.21	\$88.72 \$327.99
ADMINISTRATIVE OVERHEAD (≤ 15%) (Administrative Costs/Operating Program Total)	7.31%	6.91%	6.44%
CAPITAL INVESTMENT LEVEL (≥20% of sales tax revenue)	30.25%	27.68%	32.76%
NET DEBT SERVICE COVERAGE (≥ 1.15)	1.15	1.17	1.45
GROSS DEBT SERVICE COVERAGE (> 3.0)	3.66	4.22	4.42
FUND BALANCE \$-millions (≥ \$100 million)	100.7	108.2	292.1

# 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 development.

## 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.





## **FY2013 Key Assumptions and Challenges**

The key challenge for CATS in FY2013 is maintaining core mass transit services in the Charlotte region in an uncertain economy that threatens all key sources of income, i.e. Federal, State and Local. Key assumptions affecting the operation and a list of priorities and challenges are included below.

### **Key Assumptions:**

#### Income:

- FY2013 income and revenues are at pre-recession levels
- FY2013 income from the Sales and Use tax is projected at \$61.7 million.
- 1-time Federal grants for operating assistance (CMAQ) are being used to implement new routes for bus service
- A \$0.25 base fare increase implemented July 1, 2012, is expected to generate approximately \$2.5 million in additional revenue this fiscal year.

#### Service:

- In FY2013, CATS revenue service hours are projected at to grow to a total of 1,000,750. This represents an increase of 10,078 hours. This increase from the FY2012 budget is due primarily to the addition of Federal operating assistance (CMAQ) grants.

#### Expense:

- The FY2013 Operating budget reflects a moderate growth in keeping with the long-term financial plan.
- Fuel which represents approximately 9.96% of the net operating budget is projected at \$3.15/gallon in FY2013, a 5% increase over the FY2012 mid-year budget (revised). For FY13, 60% locked in at \$3.10 per gallon which provides a level of cost and supply certainty.

### **Priorities and Challenges:**

- Livability
  - Maintain core mass transit services in the Charlotte region
  - Provide mobility and accessibility, choices for the community
  - Sustain ridership, revenue service hours, 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 options
  - Focus on maintaining “safe systems”
  - Initiatives to minimize fare evasion
  - Support DNC initiatives within Federal and City guidelines

- Sustainability
  - Procure revenue vehicles which reduce greenhouse gas emission and improve energy
  - 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 receipts
  - Utilize Sales Tax strategically to leverage available Federal and State funds for CATS
  - Promote MTC Legislative Strategy
  
- Financial Management
  - Continue evaluation and implementation of opportunities to improve efficiency, productivity and cost effectiveness of CATS programs
  - Continue to explore opportunities for increasing CATS sources of revenue
  - Maintain a structurally balanced Financial Plan
  - Implement a Project Control processes and system for the BLE project
  - Implement Federally approved indirect cost allocation rate for the BLE project
  - Strengthen Contract Compliance Program
  - Minimize number of open Federal Grants
  
- Planning: 2030 Transit Corridor System Plan
  - Enter Final Design and begin construction of the Northeast Corridor Blue Line Extension Project
  - Coordinate with Red Line Task Force on planning for the North Corridor Commuter Rail Project
  - Review studies and plans for future Silver Line Project
  
- Partnerships: Federal/State Legislation/Appropriations
  - Continued funding for the Northeast Corridor BLE Project and North Corridor Commuter Rail Project
  - Public-private partnerships for specialized bus services
  
- Invest in Employees
  - Manage workforce in response to changing economy



## II. STRATEGY AND PLANNING

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### Accomplishments and Links to Corporate Strategy

Highlights of CATS recent accomplishments are:

#### Provide Transportation Choices

- The Charlotte Area Transit System (CATS) received approval from the Federal Transit Administration (FTA) to enter Final Design for the 9.3-mile LYNX Blue Line Extension (BLE) light rail project. This allows the project to be developed from the 65 percent to the 100 percent design level and to complete preparation of final construction plans, right-of-way acquisition, construction cost estimates, bid documents and utility relocation.
- Four and a half years of successful LYNX Blue Line service
- 86% of customers are Satisfied to Very Satisfied with Quality of CATS service.
- 95%+ of customers rate CATS Valuable to Extremely Valuable to the region and community.
- 92% of customers rate CATS Well to Extremely Well on managing the system
- 90% of customers rate CATS Well to Extremely Well on planning for the future.
- In FY2011, 4.9 million trips were provided and weekday ridership averaged 15,464.
- Rail on time performance was 99.9%; Bus 86.0%; STS 93.2% all above established targets
- FY2012 26.5 million passengers exceeds FY2011 ridership by an estimated 6%.
- 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
- 98% of customer complaints were responded to within 5 business days
- A free smart phone application is now available to improve the ease of trip planning
- Sprinter bus service provides an efficient and economical alternative transportation service to Charlotte Douglas International Airport.
- The Gold Rush Red Line, which provided rides for 700,000 annual passengers, was introduced in FY2012 as a regular weekday route between Johnson C. Smith University and Presbyterian Hospital. The Gold Rush Orange Line, which carries 340,000 riders annually, was extended to Charlotte Law School. Both of these very successful and

convenient routes result from Public Private partnerships which include first time contributions (through Charlotte Center City Partnership) from Johnson C. Smith University, Central Piedmont Community College, Presbyterian Hospital and the Charlotte Law School.

- CATS designed and constructed a new mezzanine in the rail car shop. The mezzanine improves the safety of the rail maintenance program, and has increased the efficiency and productivity of the maintenance department.
- The Management of Bus Operations negotiated a new two (2) year contract with representatives of the Bus Operators union. The contract maintains wages and benefits within budget.
- The Management of Bus Operations negotiated a favorable health care renewal package that came in under budget.

### **Strengthen Neighborhoods**

- Over \$1.80 billion in actual and projected development along the South Corridor Light Rail Line
- Acquisition of property at Eastland Mall for a Transit Center
- The grand “re-opening” of the 21-year old Davidson Bus Garage was held on July 28, 2011. The Maintenance and Administration buildings were completely renovated and up fitted with state of the art equipment and an employee parking deck was constructed allowing STS to be located on the campus.
- The \$20,766,306 ARRA grant which paid for the rehabilitation of the Davidson Bus Garage facility eliminates the need for a third bus maintenance facility in the future.
- Worked with CDOT to implement Federal grant funded signal priority override at strategic locations on Central Avenue to assist with Traffic flow and manage on-time performance.
- “Wheels on the Bus in 7 Cymatic Sonatas” a public artwork commissioned by the Charlotte Area Transit System has been named as one of the 50 best public art projects in the 2012 Public Art Network Year in Review by Americans for the Arts (AFTA). The 2012 Year in Review awardees were chosen from 393 works from 147 cities across 40 state and three countries. AFTA is the nation’s leading nonprofit organization for advancing the arts and arts education.

### **Safeguard the Environment**

- The North Carolina Department of Environment and Natural Resources awarded a \$30,000 grant to CATS for implementation of a recycling program at rail stations. CATS utilized the grant funds to purchase 54 recycling containers. Service began on April 27, 2012 and the program collected 560 lbs. of recyclable material in just two full months in the fiscal year that ended on June 30, 2012.

- The Federal Transit Administration awarded CATS a \$1,000,000 grant to develop a solar energy pilot project at the South Tryon Garage. The project is expected to generate power which will mitigate energy costs at the facility by approximately \$30,000/year.
- The Federal Transit Administration awarded CATS \$3,000,000 from USDOT's TIGGER program for the purchase of six (6) hybrid buses. 4% of CATS bus fleet is hybrid electric buses, which in the early years of CATS experience have reduced maintenance costs by approximately 30%. Sprinter airport bus service includes five hybrid electric buses to the fleet.
- During FY12, CATS completed the energy efficiency lighting upgrade at the I-485 LYNX Light Rail Station funded 100% by a \$300,000 grant from Federal Department of Energy. Estimated on-going energy savings from the project are valued at \$20,000 annually.
- 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
- Commitment to use of ultra-low sulfur diesel fuel on all buses
- CATS bus wash facilities recycle 99% of the water utilized to wash the buses

### **Promote Economic Opportunity**

- Educate current and potential vendors through various communications, expos and events about the requirements involved in doing business with CATS and the Federal Government.
  - In September of 2011, CATS conducted an outreach forum including various topic sessions called the "Business Symposium". The symposium provided the opportunity to introduce prime contractors to small businesses and to teach how to successfully bid on federally and locally funded construction projects. 75 prime and small business representatives attended the symposium. The feedback indicated that the sessions answered many of attendees' questions on upcoming projects and the symposium as a whole was of value.
  - In October of 2011, CATS partnered with local advocacy organizations and governmental departments to organize Charlotte's first Minority Economic Development (MED) Week on record. MED Week celebrations around the country mimic the Presidential initiative to offer a venue for minority-owned firms to access information, tools and resources to grow their businesses. The week's events included a workshop and luncheon, and were attended by representatives from locally based small business, women owned, minority owned firms, government offices, and non-minority corporations.

- In May of 2012, CATS partnered with the Charlotte Chamber of Commerce on a second outreach forum called the "Meet the Primes Event". Businesses were provided updated information on the Blue Line Extension (BLE) project and in-depth detail on the Disadvantaged Business Enterprise (DBE) components that will be integrated project-wide. As well representatives from 15 potential BLE primes operated information tables allowing 65 corporate, small and minority owned firm representatives direct access to decision makers.
- In the spring and early summer of 2012, CATS went out into the business community speaking at various trade association meetings and answering questions about the DBE program, small business program and the Blue Line Extension, included in that number were speaking engagements at the Metrolina Minority Contract Association and Carolinas Associated General Contractors meetings.
- The light rail project awarded approximately \$42 million to disadvantaged business enterprises;
- During the time period, 2005-2012 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 will result in an estimated annual tax revenue in the County of \$1.8 million.

### Optimize Business Processes

- CATS continues to evaluate multiple methods of procuring fuel using daily/weekly tracking of world oil prices help CATS determine the best options and schedules for fuel procurements;
- The \$1,700,000 reduction in FY2012 budget was managed with no reductions in revenue service hours and with CATS absorbing \$569,118 in higher than budgeted fuel costs.
- Upgraded TVM programming to address the increase threat of fraudulent use
- The following external audits and/or reviews were conducted this year:
  - Financial Management Oversight Review
  - Financial Capacity Assessment
  - 2012 Rail System Safety Oversight Review
  - Procurement System Review



- 2012 Federal Triennial Review
- Established a dedicated a Financial Contracts Control Officer position to conduct financial audits of contracts in order to ensure Federal compliance.
- The new web-based customer request system introduced by Special Transportation Services has reduced abandoned calls by 33%. Key productivity feature is a “call-ahead” to customers, which has reduced the number of “no-shows”.
- The Federal Transit Administration has assigned Project Management Oversight Consultants (PMOC) for the BLE, Streetcar and Davidson Bus Garage (ARRA) projects. The PMOCs conduct monthly reviews of the technical and financial elements of these projects.
- CATS continues to coordinate with the City’s Internal Audit Department, who are still reviewing third party contract audits for the South Corridor light rail project.
- After six long years of negotiation, the North Carolina Department of Transportation recognized rail operations as a mode of transportation which is eligible to receive funding from the State’s Maintenance Assistance Program. (SMAP). CATS received an additional \$ 800,000 in SMAP revenue for rail operations in FY2012.
- CATS is one of only two (2) transit systems in the country since 2007 that received “zero” audit findings in an audit conducted by the Federal Transit Administration for rail safety oversight practices.

### **Expanding Tax Base and Revenues**

- In order to mitigate the impact on the national recession, CATS introduced its ‘ancillary revenue’ program in FY2012. \$777,855 was generated in FY12 from advertising revenue. This exceeded the actual revenue guarantee of \$562,000 by \$215,855 or +38.4%.
- Blue Line Extension related agreements and funding include the following items:
  - Approved by the NC Board of Transportation:
  - Full Funding Grant Agreement (SFFGA) in December 2011
  - State Grant Contract for the SFFGA in May 2012
  - A commitment of \$299,071,000 toward the cost of the BLE project
- The BLE is the only New Starts project in the country which is recommended in the President’s Budget for a Federal Full Funding Grant Agreement (FFGA) in 2012. Entry into Final Design allows CATS to proceed with plans to submit a request for a Full Funding Grant Agreement (FFGA) with the FTA, seeking a commitment of 50 percent funding for the project. The remaining funding will be comprised of 25 percent from the local sales tax dedicated to public transit, and 25 percent from the Full Funding Grant Agreement received from NCDOT this spring.



- CATS responded to five (5) invitations to bid on competitive transit grant opportunities from the U.S. Department of Transportation. Value of application is \$62 million.
- US Department of Transportation awarded an \$18 million grant from the TIGER program for the extension of some platforms and systems on the LYNX Blue Line to allow for three-car train operations.
- CATS capital program is kept alive with grant funds which result from our success in competing for federal funds and from our high performance levels which determine our share in the allocation of formula based funds.
- CATS continues to exceed financial targets established by the Metropolitan Transit Commission's policies. In FY2012, the bus cost per revenue hour was reduced by 12% and rail was reduced by 24%.

### **Achieve Positive Employee Climate**

- CATS continues programs to recruit and retain a skilled and diverse workforce. Turnover was 6.76% versus the established target of 13%.
- On-going support for wellness activities with 71 employees participating in the wellness activities and logging 22,489 miles for the year.
- As a method of providing both professional development and opportunities for our employees to interact with peers from other transit agencies, with limited training funds, CATS hosted several NTI (FTA sponsored) training programs in Charlotte. As Hosts, CATS employees were able to attend these programs for a minimal cost. In FY2012, CATS hosted the following programs which were attended by our employees:
  - Financial Management of Transit Programs
  - Introduction to Asset Management
  - Management of Construction Projects
  - A Homeland Security presidential Directive mandates National Incident Management System (NIMS) training to provide a consistent nationwide approach for governments, the private sector, and non-governmental organizations, to work effectively and efficiently together to prepare for, and respond to, and recover from domestic incidents, regardless of cause, size, or complexity. 146 CATS management and supervisors have been certified by this program.

### **Develop Collaborative Solutions**

- MTC will develop and adopt a Legislative Strategy which they will use as a guide in their advocacy efforts with Local, State, and Federal delegates.
- The Public Technology Institute named CATS 1st place winner in the “2011-12 Technology Solution Award for Best Sustainability”. This national award recognized CATS web based program which streamlines Special Transportation Services’ reservations and service delivery processes. The new process and technology which was funded by a grant from the North Carolina Department of Transportation reduces call center calls by 55%, call abandonment rates by 33% and introduced audio and video driver instruction which can be updated dynamically for rerouting due to traffic conditions.
- The 5-Year Countywide Transit Services Plan was unanimously approved by the Metropolitan Transit Commission in March 2012. The plan which provides a framework for the development of the bus network over the next five years was created as a result of months of community input.
- The BLE project continues to justify the Federal Transit Administration’s confidence in CATS, by overcoming traditional problem areas while maintaining a very aggressive project schedule. A key example of excellence, demonstrated by the BLE team was the execution of significant (and traditionally very difficult) agreements with Railroads and Utility companies. These achievements eliminated costly schedule delays and will allow the project to move into Final Design. Examples of CATS success : capital lease agreement with North Carolina Railroad; construction and operations agreements with Norfolk Southern Railroad, construction agreement with CSX Railroad; and utility relocation agreements with AT&T and Duke Energy.
- Demonstrating their continued support for the project, in March 2012 UNC Charlotte executed the final agreement for a permanent easement to construct and operate the BLE alignment and station on its campus. UNC Charlotte provided the easement at no cost.
- Continued collaboration with neighboring communities and NCDOT on the Red Line Commuter rail project.

## Strategic Initiatives

CATS Strategic Initiatives, which directly support our mission and vision, are listed below with the associated links to Corporate Strategy and the Strategic Focus Area Plan.

Strategic Initiatives	Links to Corporate Strategy and the Strategic Focus Area Plan.
<ul style="list-style-type: none"> <li>➤ Maintain funding sources and partners in a transitioning political and budgetary environment</li> </ul>	Manage Resources- <i>Expand Revenue</i> Manage Resources- <i>Run the Business</i> Manage Resources- <i>Develop Collaborative Solutions</i>
<ul style="list-style-type: none"> <li>➤ Sustain Ridership</li> </ul>	Serve the Customer- <i>Provide Transportation Choices</i> Serve the Customer- <i>Strengthen Neighborhoods</i>
<ul style="list-style-type: none"> <li>➤ Update and continue advancement of the Strategic Focus Area Transportation Plan</li> </ul>	Serve the Customer- <i>Provide Transportation Choices</i> Serve the Customer- <i>Safeguard the Environment,</i> Run the Business- <i>Develop Collaborative Solutions</i>

## Links to Corporate Strategy

Through commitment to Department’s Mission and Vision of improving the quality of life for everyone in the greater Charlotte region by providing outstanding community-wide public transportation services, CATS is aligned with the City’s Corporate Objective of Serving the Customer. As detailed in Section III. Service Delivery, CATS also directly impacts the following Corporate Objectives: Strengthen Neighborhoods, Safeguard the Environment, and Promote Economic Opportunity.



### III. SERVICE DELIVERY

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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 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 82,407 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

### *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 guide ways, 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
- Anticipate Federal Full Funding Grant Agreement in FY2013
- Records management
- Re-engineering of business processes


### *Promote Learning and Growth*

- Ongoing training for all levels of employees

## Charlotte Area Transit System

<b>Summary</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>
<p>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, vanpool, ADA paratransit, and human services transportation.</p>	<b>Budget</b>	101,853,094	102,870,076
	<b>Positions</b>	363.75	360.75
<b>Accomplishments</b>			
<ul style="list-style-type: none"> <li>•Completion of the first 4.5 years of Light Rail operation.</li> <li>•On time performance at 99%</li> <li>•Increased ridership for eleven out of twelve years (only decrease in 2009).</li> <li>•Continue to maintain extremely low preventable accidents for entire system</li> <li>•Received Record of Decision from FTA for the LYNX Blue Line Extension in December 2011.</li> <li>•Awarded \$18 million for TIGER III grant to upgrade certain South Corridor Platforms to three car platforms.</li> </ul>			
<b>Vital Statistics</b>			
<ul style="list-style-type: none"> <li>-26.5 million riders for FY2012</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>			

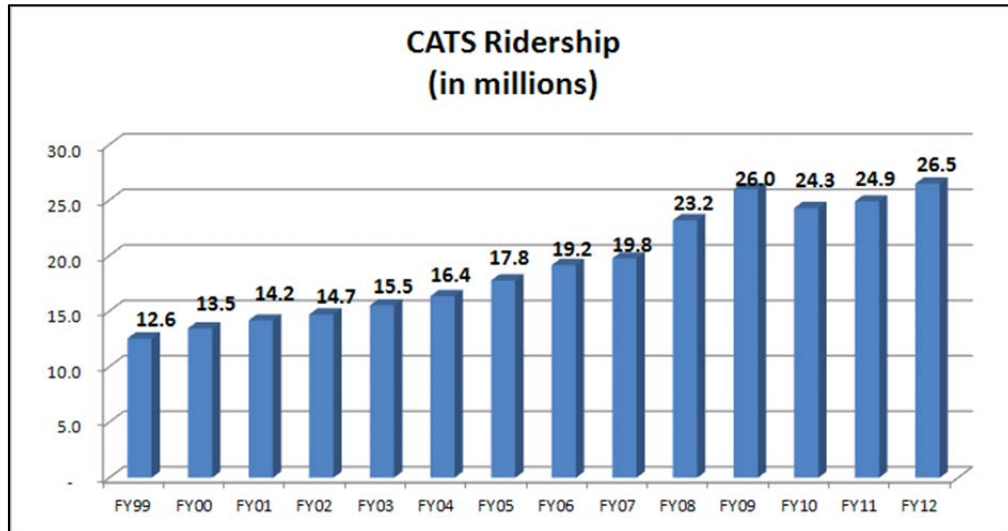
### Service Delivery Challenges

<ul style="list-style-type: none"> <li>• Shield operations from the current instability of the half cent sales tax by seeking new sources of revenue               <ul style="list-style-type: none"> <li>•Minimize disruption to service from budget cuts resulting from declining revenue</li> <li>•Maintain existing facilities and infrastructure within a tightening budget</li> <li>•Balance funding for current operations with needed capital funding for bus and equipment replacement and corridor advancement</li> <li>•Seek additional funding through opportunities made available through various granting organizations</li> </ul> </li> <li>• Continue to increase ridership while reducing service on less productive routes</li> <li>• Shift resources from non-productive, low ridership services</li> <li>• Continue to increase ridership on existing routes</li> <li>• Manage customer needs in the short run, while managing the effects of the current economic situation</li> </ul>	
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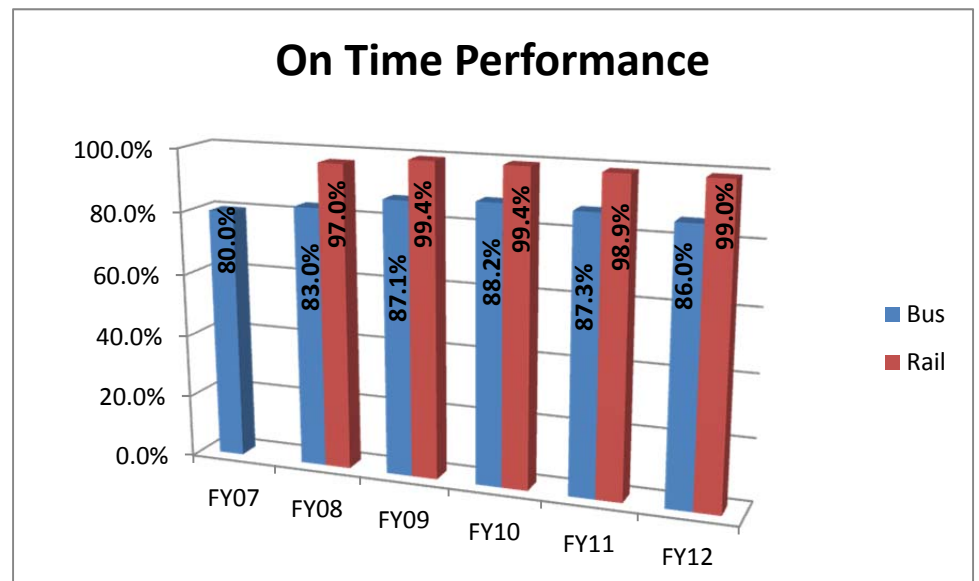
## Service History and Trends

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



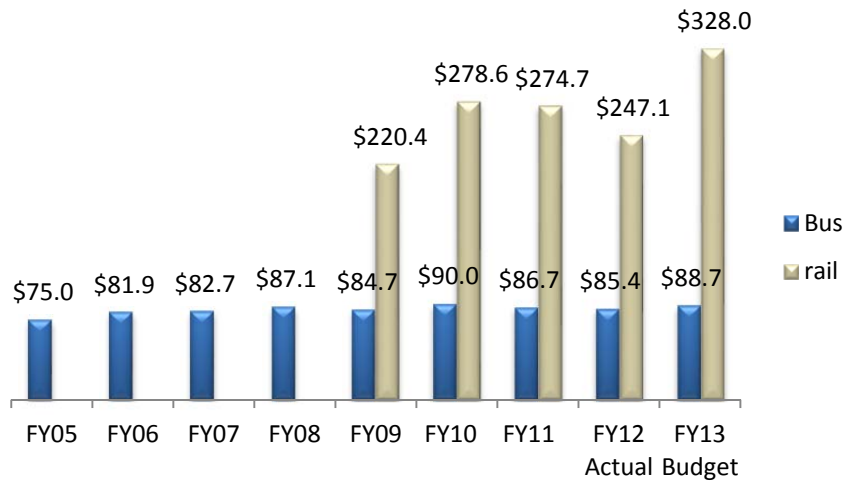
### On-time Performance

Rail, Bus and STS exceeded on-time performance targets in FY2012.





## Cost per Service Hour



### Managing Resources

CATS continues to deliver competitive services through effective management of the transit program's finances.

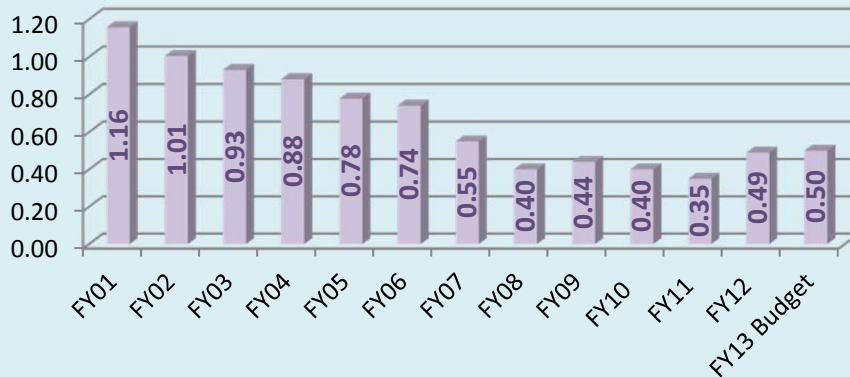
## Fuel Cost Per Gallon



### Fuel

The volatility of fuel remains a significant challenge for CATS in FY2013. We will continue to purchase at the lowest possible costs through the use of the futures purchase contract, and spot market purchases.

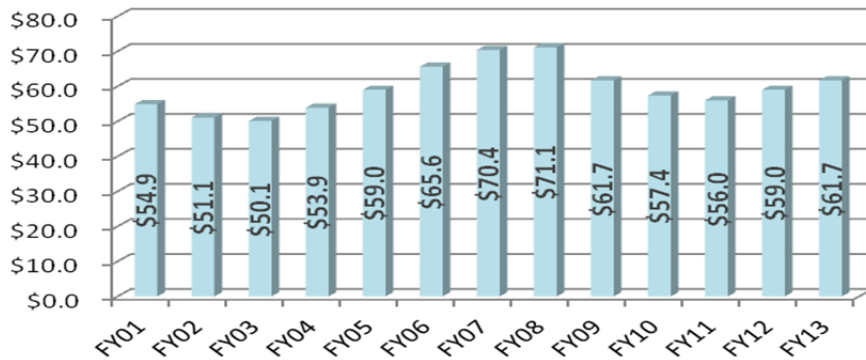
## CATS Bus Preventable Accidents Per 100,000 Miles



### Safety

Safety is a top priority in all CATS operations.

## Sales Tax (in millions)



## IV. BALANCED SCORECARD AND PERFORMANCE MEASURES

CATS FY2013 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 listing the department's Strategic Initiatives for 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 FY2013.

## V. REQUEST FOR RESOURCES

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A summary of the Preliminary FY2013 Transit Program is provided in Appendix B. This proposed Program was presented to the MTC on January 25, 2012 and is scheduled for adoption by the MTC on April 25, 2012. The program will be submitted for approval by City Council after MTC adoption.

## VI. APPENDICES

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- A. Department Link to Corporate Scorecard
- B. Details of FY2013 Transit Operating Program



# KBU-Balanced Scorecard Report

Reporting Period: July 1, 2012 to June 30, 2013

Corporate Objective	KBU Initiative (* indicates Focus Area Initiative)	Measure (\$ indicates incentive pay measure)	Prior Year Actual	Lead or Lag	Performance Data			Comments/Explanation <i>(To be completed at mid-year and year-end reporting)</i>
					Target	YTD	Status	

Serve the Customer	C1. Provide Transportation Choices	Deliver safe, high quality services			Lag	2%			
					Lag				
						86%			
						93%			
		98.5%							
		Vehicular Accident Rate: \$ Preventable Accidents Per 100,000 Miles			Lag	.50			
		1. Bus							
		2. STS				.50			
		3. Rail							
		3. Rail				.35			
		Mean Miles Between Road Calls				Greater or equal to 14,000 miles			

**Status:**

1. Use a "+" (plus) sign to indicate all is well.
2. Use a "-" (minus) sign to indicate that the status is not where expected or the current status is in trouble. Provide explanation.
3. Use a "x" to indicate this target will not or is not met. Provide explanation.

**\* in KBU initiative column indicates Focus Area initiative**  
**\$ indicates incentive pay measure**

## KBU-Balanced Scorecard Report

Reporting Period: July 1, 2012 to June 30, 2013

Corporate Objective	KBU Initiative (* indicates Focus Area Initiative)	Measure (\$ indicates incentive pay measure)	Prior Year Actual	Lead or Lag	Performance Data			Comments/Explanation <i>(To be completed at mid-year and year-end reporting)</i>
					Target	YTD	Status	

	*Accelerate and implement the 2030 Transit Corridor System Plan as conditions allow	\$FTA approval of the Federal Full Funding Grant Agreement		Lead	12/31/2012			
C2. Strengthen Neighborhoods/ Promote Economic Opportunity	Rehabilitation of Davidson Bus Garage	Complete construction of the fuel tank replacement		Lead	3/31/2013			
C3. Safeguard the Environment	*Reduce emissions/ improve fuel economy  Identify and advance renewable energy projects leveraging City resources	Continues efforts to maintain fuel efficiency  *Implement a solar energy pilot project at South Tryon Garage		Lag	4.2 MPG  06/30/2013			
C4. Promote Economic Opportunity	Meet local SBE program goals and or requirements	Goal Attainment  1. SBE (City) Excluding commodity parts		Lag	5%			

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**\* in KBU initiative column indicates Focus Area initiative**  
**\$ indicates incentive pay measure**

Last Revised: 7/26/2012

## KBU-Balanced Scorecard Report

Reporting Period: July 1, 2012 to June 30, 2013

Corporate Objective	KBU Initiative (* indicates Focus Area Initiative)	Measure (\$ indicates incentive pay measure)	Prior Year Actual	Lead or Lag	Performance Data			Comments/Explanation <i>(To be completed at mid-year and year-end reporting)</i>
					Target	YTD	Status	

<b>Run the Business</b>	B1. Enhance Customer Service	Improve Basic Customer Services	\$ Customer Complaint Responses Within 5 Days		Lag	95%			
		Improve Service Delivery to Internal and External Customers	Number of Rude and Discourteous Complaints Per 100,000 Riders		Lag	2.5			
			Call Center Abandonment Rate:		Lag	8%			
			1. Bus/Rail		Lag	8%			
		2. STS		Lag					
		Conduct customer satisfaction assessment		Lead	06/30/2013				

**Status:**

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3. Use a "x" to indicate this target will not or is not met. Provide explanation.

**\* in KBU initiative column indicates Focus Area initiative**  
**\$ indicates incentive pay measure**

## KBU-Balanced Scorecard Report

Reporting Period: July 1, 2012 to June 30, 2013

Corporate Objective	KBU Initiative (* indicates Focus Area Initiative)	Measure (\$ indicates incentive pay measure)	Prior Year Actual	Lead or Lag	Performance Data			Comments/Explanation <i>(To be completed at mid-year and year-end reporting)</i>
					Target	YTD	Status	

B2. Optimize Business Processes	Manage Workers Compensation	\$ use DART (days away and restricted time injuries) Number of injuries per 100 employees worked		Lag	4.5 DART injuries/ hours worked			
	Light Rail Fare Compliance	Conduct 1 statistically valid fare compliance exercise		Lead	06/30/2013			
	2012 Triennial Review	3 or less findings by Triennial Reviewer		Lag	10/1/2013			

**Status:**

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3. Use a "x" to indicate this target will not or is not met. Provide explanation.

**\* in KBU initiative column indicates Focus Area initiative**  
**\$ indicates incentive pay measure**





## KBU-Balanced Scorecard Report

Reporting Period: July 1, 2012 to June 30, 2013

Corporate Objective	KBU Initiative (* indicates Focus Area Initiative)	Measure (\$ indicates incentive pay measure)	Prior Year Actual	Lead or Lag	Performance Data			Comments/Explanation <i>(To be completed at mid-year and year-end reporting)</i>
					Target	YTD	Status	

<b>Develop Employees</b>	R3. Expand Tax Base and Revenues	Expand funding support from regional partners  Seek new sources of revenue	Apply for a minimum of 5 competitive grants  Increase advertising revenues by 10% over FY2012 actual		Lead	06/30/2013  \$1 million			
	E1. Recruit/ Retain a Skilled & Diverse Workforce	Create an atmosphere where CATS is an employer of choice	Turnover Rate		Lag	11%			
<b>Develop Employees</b>	E2. Achieve Positive Employee Climate	Improve and maintain staff wellness through physical activity and work environment.	\$ Educate employees on the importance of the wellness program by hosting at least 1 wellness related event  Communicate wellness health information throughout the organization		Lead	06/30/2013			
					Lead	Quarterly			

**Status:**

1. Use a "+" (plus) sign to indicate all is well.
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\$ indicates incentive pay measure

Last Revised: 7/26/2012

Operating Program Detail

Attachment 5

Revised 7/10/2012

Current Service Level	FY2012 Budget	FY2012 Mid-Year Revised	FY2013 Adopted
80000 BOD - Operations	52,761,644	52,920,483	54,979,442
80200 BOD - Administration	1,955,363	1,896,702	1,964,983
80300 BOD - Maintenance	16,932,337	16,253,528	16,838,655
80400 Special Transportation Services	8,192,888	8,292,891	8,793,709
80500 Revenue	1,023,419	1,137,097	1,199,226
80600 Transit Center Operations	1,062,884	1,030,998	1,068,114
81600 County Human Services Transportation	300,000	300,000	300,000
82400 Light Rail Operations	11,279,114	10,518,724	10,971,556
82500 Planning And Special Operations	1,097,292	983,077	1,018,468
82700 Neighborhood/Business Center Services			
82900 Van Pool Division	902,572	876,369	907,918
83100 Customer Service And Information	1,702,544	1,554,575	1,610,540
83200 Operations Support Services	4,229,642	4,102,753	4,250,452
83300 Transit Security	5,138,859	5,224,733	6,154,601
<b>Less: Capitalized Costs</b>	<b>-10,361,204</b>	<b>-10,333,934</b>	<b>-10,357,539</b>
<b>Total Service Delivery</b>	<b>96,217,354</b>	<b>94,757,996</b>	<b>99,700,125.14</b>
80100 Administration Division	1,274,483	1,091,163	1,130,445
80800 South Corridor			
80900 North/CGS Corridor	304,379	198,428	279,510
81000 Northeast Corridor Development	1,241,076	1,212,297	1,238,224
81100 West Corridor			
81200 Southeast Corridor	289,715	283,468	187,505
81300 Streetcar And Center City			
81800 Transit Support Services - Admin	591,588	591,588	632,623
81900 Technology	1,287,796	1,225,095	1,283,990
82100 City Support Costs	3,968,921	3,968,921	4,168,604
82300 Development Administration	1,179,670	1,153,286	1,194,804
82600 Operations Administration			
83000 Marketing & Communications Admin Div	1,480,100	1,354,398	1,386,220
83600 Executive Division	651,077	623,651	639,554
83700 Quality Assurance	623,843	595,844	615,201
85000 MTC & Committees Division	69,466	69,466	69,349
86600 Procurement Services	618,850	546,305	565,972
<b>Less Capitalized Costs</b>	<b>-6,928,242</b>	<b>-6,928,242</b>	<b>-6,651,039</b>
<b>Total Administration &amp; Management</b>	<b>6,652,722</b>	<b>5,985,668</b>	<b>6,740,962</b>
<b>Total Service Level</b>	<b>102,870,076</b>	<b>100,743,664</b>	<b>106,441,087</b>