



CHAPEL HILL TRANSIT
Town of Chapel Hill
6900 Millhouse Road
Chapel Hill, NC 27514-2401

phone (919) 969-4900 fax (919) 968-2840
www.townofchapelhill.org/transit

**CHAPEL HILL TRANSIT PUBLIC TRANSIT COMMITTEE
NOTICE OF COMMITTEE MEETING AND AGENDA
NOVEMBER 15, 2016 – 11:00 A.M. to 1:00 P.M.
CHAPEL HILL TRANSIT – FIRST FLOOR CONFERENCE ROOM**

	PAGE #
1. Approval of October 25, 2016 Meeting Summary	2
2. Employee Recognition	
3. Consent Items	4
A. October Financial Report	
4. Discussion Items	
A. Financial Sustainability Study – Capital Plan	7
5. Information Items	
A. Financial Sustainability Study – Service Planning Phase	20
B. Grants Update	27
C. Alternatively Fueled Vehicles Update	29
D. October Performance Report	30
6. Departmental Monthly Reports	
A. Operations	32
B. Director	34
7. Future Meeting Items	35
8. Next Meeting – January 24, 2016 (11:00 a.m. – 1:00 p.m.)	
9. Adjourn	

**MEETING SUMMARY OF A REGULAR MEETING OF THE PUBLIC TRANSIT COMMITTEE
1ST FLOOR TRAINING ROOM, CHAPEL HILL TRANSIT**

Tuesday, October 25, 2016 at 11:00 AM

Present: Ed Harrison, Chapel Hill Town Council
Michael Parker, Chapel Hill Town Council
Julie Eckenrode, Assistant to Town Manager, Carrboro
George Cianciolo, Chapel Hill Town Council
Cheryl Stout, UNC Transportation and Parking
Than Austin, UNC Transportation & Parking
Brad Ives, UNC Associate Vice Chancellor for Campus Enterprises
Bethany Chaney, Carrboro Alderman

Absent: Damon Seils, Carrboro Alderman

Staff present: Brian Litchfield, Transit Director, Flo Miller, Deputy Town Manager, Rick Shreve, Budget Manager, Nick Pittman, Transit Planner, Don Willis, Demand Response Manager, Mila Vega, Transit Planner

Guests: Jeff Charles, Transportation and Connectivity Board, Kenneth Parker, Heidi Perry, Fred Lampe

1. The Meeting Summary of August 23, 2016 was received and approved.
2. **Employee Recognition** – None
3. **Consent Items**
 - A. September Financial Report – Rick reviewed this report for the Partners.
 - B. Holiday Schedule for 20166-17 – Brian reviewed for the Partners.
4. **Discussion Items**
 - A. EZ Rider Customer Application – Don Willis reviewed the changes made. The Partners asked for statistical/demographic information on EZ Rider for the next meeting.
 - B. Financial Sustainability Study – Capital Plan – Rick reviewed the Capital Plan. UNC asked for a meeting regarding the proposed Partner contributions. There is a discrepancy in the numbers presented today from the numbers from previous proposals. Concern was expressed that the proposed contributions might be too low. This item will be returned to the agenda for November.
5. **Information Items**
 - A. North South Corridor Study – Mila reviewed this item for the Partners.

- B. Financial Sustainability Study – Service Planning Phase – Brian reviewed this. The Partners requested a detailed timeline for this part of the study.
- C. Bus Build Update – Brian reviewed.
- D. FTA Triennial Review Update – Brian reviewed the item.
- E. September Performance Report – Mila reviewed the information. The second round of verification will be in November followed by a report. Staff will conduct a survey of ridership for systems in the region.

6. Departmental Monthly Reports

- A. Operations – This item was provided for the Partners information
- B. Director – This item was provided for the Partners information.

7. Future Meeting Items

8. Partner Items

9. Next Meeting – November 15, 2016

10. Adjourn

The Partners set a next meeting date for November 15, 2016
--

3A. October Financial Report

Prepared by: Rick Shreve, Budget Manager

October 2016

- Expenses for the month of October were \$1,581,113. Along with the encumbrances, which are heavily weighted towards the beginning of the fiscal year, approximately 41.89% of our budget has been expended or reserved for designated purchase (e.g. purchase orders created for vehicle maintenance inventory supplies encumber those funds, and show them as unavailable for other uses).
 - This is somewhat skewed by the encumbrance of \$967,000 for the financing of buses. That money appears in these numbers as budgeted funds that are encumbered, which affects the totality of the available budget. Looking at individual divisions, one can see that we are in line with monthly expenditures for operating purposes.

Highlights

- This data reflects the first third of this fiscal year, and follows expected trends. This aggregation of expenses and encumbrances is consistent with years past, and is perfectly in line with what we would expect at this point in the year.
- The attached data exhibits the financial information by division within CHT, and should be a useful tool in monitoring our patterns as the year progresses, and is a high-level representation of the data used by our division heads.
 - It is worth noting that the “Special Events” line is mostly comprised of Tar Heel Express expenses, and the line labeled “Other” is comprised primarily of special grant-funded expense lines that are not permanent fixtures in the division budgets.

National Transit Database (NTD) report

- CHT staff are currently working on our annual FTA – required NTD report, consisting of data analyzed in the following areas: Financial, Asset, Service, Resource, and Federal Funding Allocation. Data generated through this report is ultimately used towards calculations of our Federal funding formulas, and is tied to our State funding allocations as well.

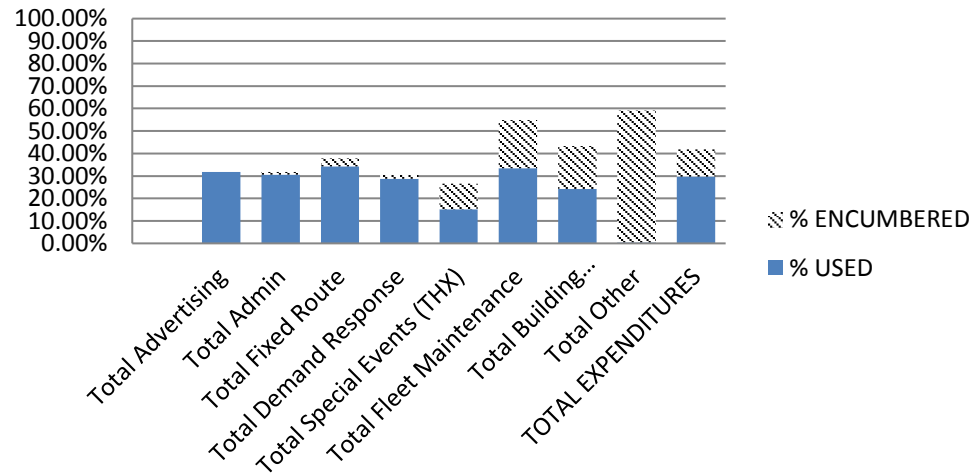
Triennial Review

- CHT will undergo our next triennial review through the FTA within the next year. The reviewers have asked us for preliminary information, and our department is dedicating extra time and resources towards preparing for this audit. We will provide updates as they come available.

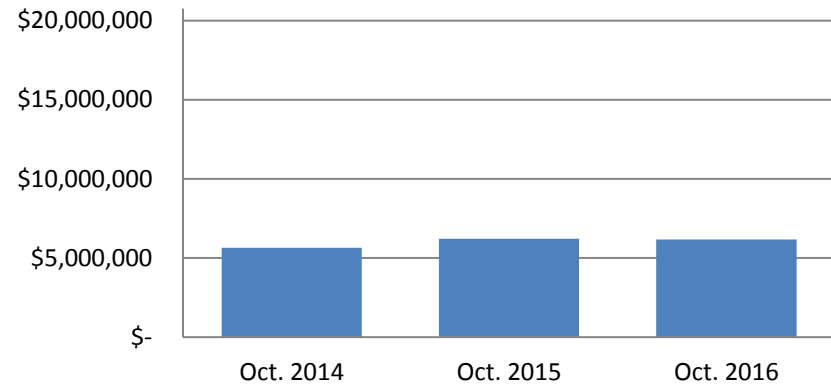
Transit 640 Fund Budget to Actual at end of Oct. 2016

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL MONTH EXPENSES	ACTUAL YTD EXPENSES	CURRENT ENCUMBRANCES	BALANCE AVAILABLE	% USED OR ENCUMBERED Oct. = 33.33%
Total Advertising	\$ 95,337	\$ 95,337	\$ 7,626	\$ 30,356	\$ -	\$ 64,981	31.84%
Total Admin	1,607,297	1,607,297	94,753	490,893	20,592	1,095,812	31.82%
Total Fixed Route	10,143,298	9,766,626	805,553	3,355,555	342,546	6,068,525	37.86%
Total Demand Response	2,091,043	2,091,043	142,522	601,309	33,263	1,456,471	30.35%
Total Special Events (THX)	327,601	327,601	22,592	49,509	37,573	240,519	26.58%
Total Fleet Maintenance	4,149,481	4,225,481	435,506	1,410,234	907,563	1,907,684	54.85%
Total Building Maintenance	800,533	895,568	69,859	216,580	171,012	507,976	43.28%
Total Other	1,160,640	1,715,563	2,703	8,170	1,005,346	702,048	59.08%
TOTAL EXPENDITURES	\$ 20,375,230	\$ 20,724,516	\$ 1,581,113	\$ 6,162,606	\$ 2,517,895	\$ 12,044,015	41.89%

CHT Oct. 2016 YTD Expenses as % of Budget



CHT Total YTD Expenses - Previous Years Comparison



Staff Resource: Rick Shreve, Budget Manager
Brian Litchfield, Director

Overview

Staff presented an updated Capital Plan for FY16-28 to the Partners during the October 25, 2016 meeting. The new projections generated by our consultant team at Nelson Nygaard (NN) for the long-term study are significantly lower than those previously presented to the Partners due to a few key factors:

- After careful comparison of Chapel Hill Transit projections with the NN financial model, it became clear that some of the debt service payments factored into both the operating costs and the capital costs, yielding higher than necessary increases.
- Discussions with the Chapel Hill Transit Partners on the operating inflation factor led to a reduction in that rate from 3% to 2%.
 - Interest rates obviously may fluctuate over this time, and affect the plan and annual contributions.
- We have received new information on Federal grant funds that will be used for replacing a number of buses that would otherwise have to be funded by the Partners.
- We received an update from GoTriangle on the number of buses we could fund using Bus and Rail Plan Funds.

Since the October meeting, staff has met with University staff and shared similar information. Staff will continue to work with the University and assist them with communicating the factors behind the adjustments, as needed.

Next Steps

- In order to turn our collective attention towards the next steps of the Sustainability Plan, it would be useful and prudent to recognize and receive approval on an established direction for the capital piece. Staff will be prepared to discuss the attached plan: the goals of the plan, the inputs necessary to attain those goals, and potential variations from the plan in future years. This document is intended to be a guide, which allows for some flexibility, while establishing safe parameters.
- Refer to Chapel Hill Town Council for review and adoption.

Recommendation

- Partners recommend that the Chapel Hill Town Council adopt the FY16-28 Capital Plan.

Attachment

- Draft FY16-28 Capital Plan.



Chapel Hill Transit: Strategic and Financial Plan

Capital Plan

October 2016



Table of Contents

Preferred Capital Funding Plan.....	1
Introduction.....	1
Assumptions.....	2
Vehicle Acquisition.....	3
Projected Expenses.....	5
Preferred Plan Partner Contributions.....	7
Preferred Capital Funding Plan Summary.....	9

Table of Figures

	Page
Figure 1 Vehicles Acquired and Average Fleet Age (Preferred Plan).....	3
Figure 2 Fleet Composition Over Time (Preferred Plan).....	3
Figure 3 Average Fleet Age, Vehicles Purchase with Cash, and Vehicles Debt Financed (for Illustration Only).....	4
Figure 4 Operating Expenses, Capital Expenses, and Budget Balance (Preferred Plan).....	5
Figure 5 Operating Expenses, Capital Expenses, and Budget Balance (for Illustration Only).....	6
Figure 6 Preferred Plan Total Partner Contributions (FY 2016–FY 2027).....	7
Figure 7 Historic and Projected Total Partner Contributions for Capital (Preferred Plan).....	8
Figure 8 Preferred Capital Funding Plan Summary.....	9

PREFERRED CAPITAL FUNDING PLAN

INTRODUCTION

CHT is a very successful system carrying more riders than any other transit agency in North Carolina, excluding the Charlotte Area Transit System. Much of the CHT's growth has occurred over the past decade, after deciding to operate as a fare-free system in 2002. Transit has been—and continues to be—a cornerstone of the community by providing efficient travel for the University of North Carolina-Chapel Hill (UNC-Chapel Hill) and accommodating growth at both the UNC-Chapel Hill campus and in the communities of Carrboro and Chapel Hill. The success at CHT also reflects a commitment to both transit and a multimodal transportation system by the Town of Chapel Hill as well as CHT's Partners, the Town of Carrboro and UNC-Chapel Hill.

Success, however, has come with struggles. Consistent with experience nationally, traditional funding sources for transit agencies are stagnating while the cost to operate service increases. At the same time, the demand and need for transit is growing as transit services are increasingly viewed as important tools to stimulate economic development, protect the environment, offer viable travel options, and, specific to the situation in Chapel Hill, are an integral part of the parking plan for the UNC-Chapel Hill campus.

Beyond these national trends, CHT is at a turning point as an agency and service. What began as a shuttle service to and from the UNC-Chapel Hill campus has grown into a much bigger system, reflecting growth not only at UNC-Chapel Hill but also the broader region. However, as the system has grown, investment in the agency's infrastructure has not kept pace—staffing and capital investment have lagged relative to ridership and relative to the useful life-cycle of the transit fleet. Limited capital and operating funds, as well as uncertainty surrounding future sources, will have significant negative impacts on the system if appropriate measures are not taken.

This Preferred Capital Funding Plan provides a roadmap for the future financial sustainability of the CHT's services given these unknowns¹. Financial sustainability underpins the plan, which includes three primary goals:

1. Updating the fleet and continually replacing old vehicles.
2. Investing in operators, mechanics, and supervisors.
3. Developing a transparent, predictable, and manageable funding formula for CHT partners.

The remainder of this section outlines the Preferred Capital Funding Plan, including general assumptions and projected expenses. Further, it outlines the implications of this plan for future contributions from UNC-Chapel Hill, Carrboro, and Chapel Hill.

¹ The Town of Chapel Hill and CHT Partners will continue to have flexibility to update this plan as circumstances dictate

ASSUMPTIONS

The nine assumptions below form the basis of the rest of the Preferred Capital Funding Plan.

1. **Cost-Efficient Fixed-Route Vehicles.** CHT will purchase the most economic vehicles possible: initially this will be 40-foot clean diesel very low emissions buses, at a base cost of roughly \$440,000 each and with a useful life of 15 years. CHT will conduct ongoing review and evaluation of evolving bus and alternative fuel technologies to guide future vehicle purchases.
2. **Vehicle Procurement.** Vehicle procurement will occur in concert with GoTriangle and GoDurham in accordance with federal guidelines and regulations.
3. **No Change in Service Levels.** Vehicle replacement needs reflect no changes in transit service levels. If service levels change (up or down), operating and capital shares would be impacted.
4. **Debt Finance.** Debt financing vehicles will carry 10-year terms at an estimated 1.8% interest, with yearly payments of roughly \$50,000-\$60,000 per vehicle².
5. **Inflation.** The Preferred Plan assumes a 2% annual inflation and operating cost increase; associated costs are anticipated to increase from approximately \$450,000 in FY 2018 to \$4.7 million in FY 2027.
6. **Fixed-Route Vehicle Acquisition.** In FY 2016, CHT will purchase approximately two transit vehicles and debt finance an additional 12. In FY 2017, CHT will purchase approximately six transit vehicles and debt finance an additional eight. Thereafter, CHT will acquire approximately six to seven vehicles annually, through a combination of debt financing and cash purchase. An early goal of vehicle acquisition will be to replace the oldest vehicles currently in the CHT fleet.
7. **Demand Response Vehicle Acquisition.** CHT will acquire approximately four demand response vans and light transit vehicles (LTVs) per year, at a total annual cost of approximately \$350,000. The base cost is \$44,000 for each van and \$67,200 for each LTV.
8. **Passenger Amenities and Facilities Maintenance.** The financial model assumes approximately \$300,000 per year for bus stop amenities and print information. Approximately \$800,000 per year is assumed for ongoing passenger amenity maintenance, park-and-ride maintenance, and building/facility maintenance.
9. **Partner Contribution Split.** The Preferred Plan assumes the current Partner contribution split—that is to say, the proportion of the total Partner contribution paid by UNC-Chapel Hill, Chapel Hill, and Carrboro in any given year—remains constant. A determination of the future split will occur as a result of conversations among the Partners.

² Depending on final interest rate and year of acquisition

VEHICLE ACQUISITION

In FY 2016, the Preferred Plan calls for the purchase of two transit vehicles and debt financing of an additional 14. In FY 2017, CHT will purchase approximately six transit vehicles and debt finance an additional eight. Thereafter, CHT will acquire approximately six to seven vehicles, primarily through debt financing; the plan also recommends certain vehicles be purchased with cash³. An early goal of vehicle acquisition will be to replace the oldest vehicles currently in the CHT fleet. Figure 1 presents the number of vehicles acquired through purchase and debt finance, as well as the average fleet age for CHT.

Figure 1 Vehicles Acquired and Average Fleet Age (Preferred Plan)

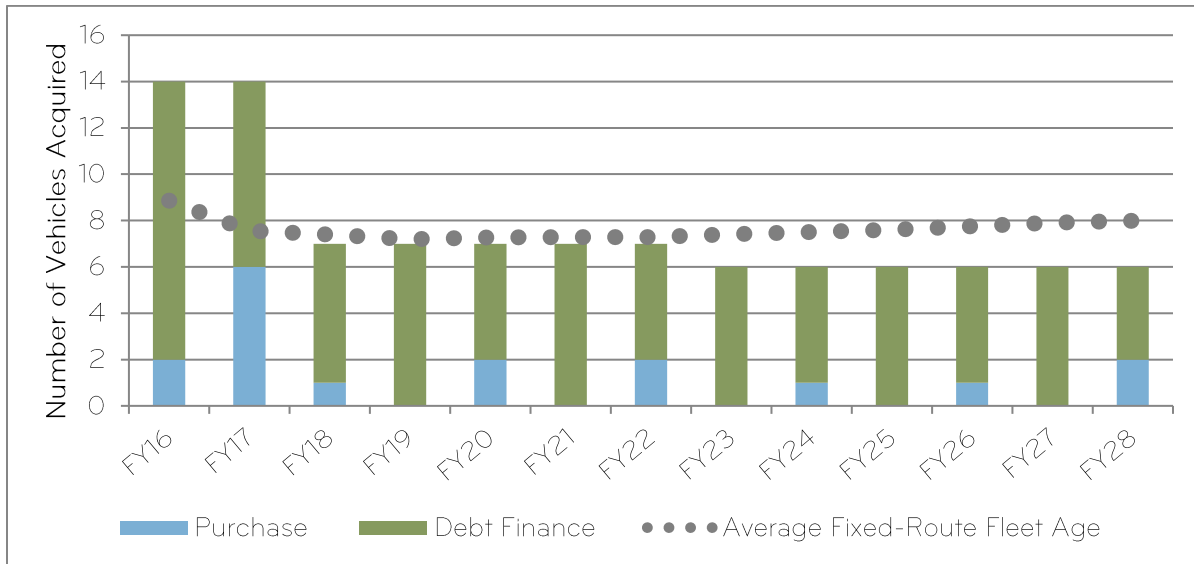
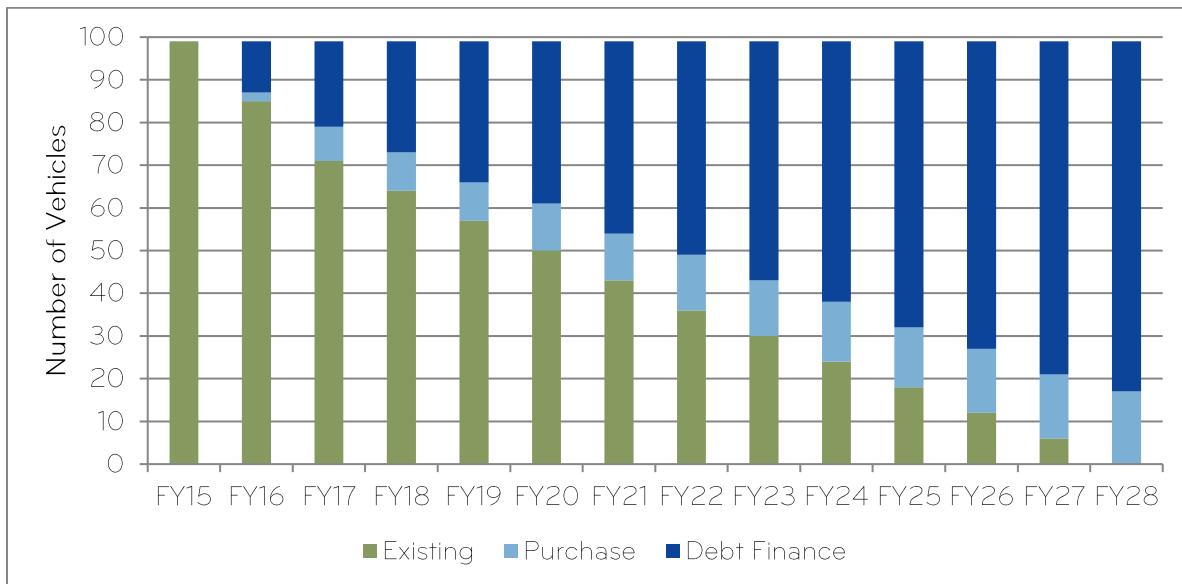


Figure 2 shows the cumulative fleet composition between the years in question. It illustrates how, under the Preferred Plan, the fleet becomes increasingly debt-financed between FY 2016 and FY 2028.

Figure 2 Fleet Composition Over Time (Preferred Plan)



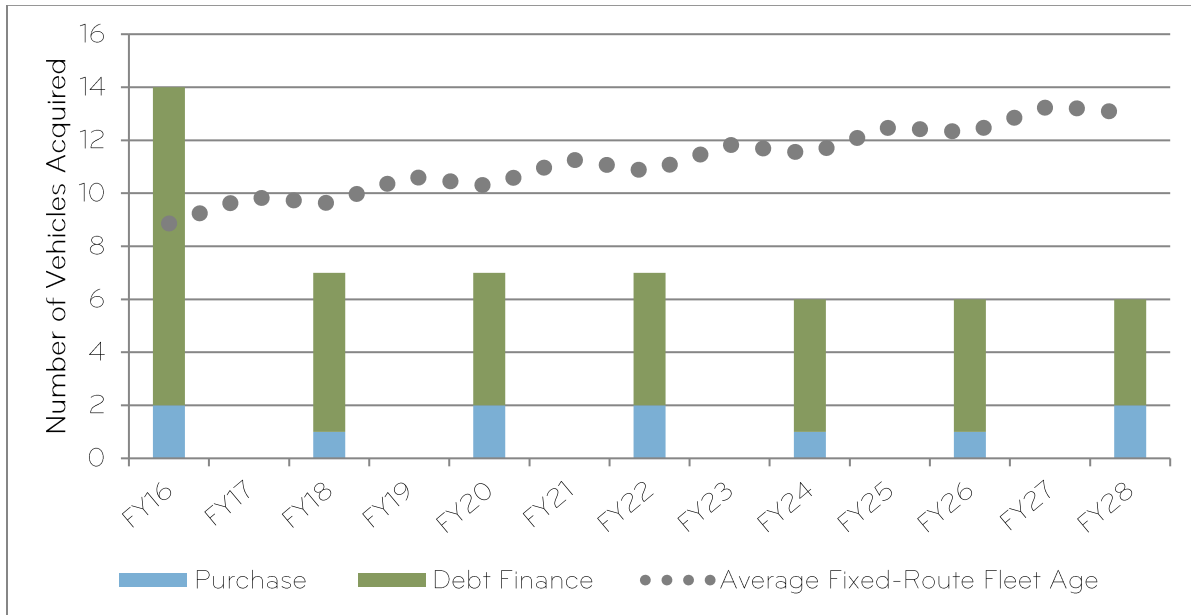
³ CHT will continue to pursue cash options whenever they are available

Illustrative Example: Impacts of Reduced Vehicle Purchases

This section illustrates the impact of a reduction in vehicle purchases. Instead of accounting for six to seven vehicle purchases yearly, it calls for this number of vehicle purchases every two years following FY 2016. The purpose of doing so is to show the impact in terms of fixed-route fleet age of purchasing approximately half of the vehicles required to maintain a consistent vehicle replacement plan.

In this case, CHT fleet age increases to 13.0 years by FY 2028 (instead of 8.0 years under the Preferred Plan) and is nearly two years older per average bus than today's fleet. Figure 3 shows the average fleet age and number of vehicles purchased each year assuming six-vehicle acquisition every two years (rather than yearly).

Figure 3 Average Fleet Age, Vehicles Purchase with Cash, and Vehicles Debt Financed (for Illustration Only)

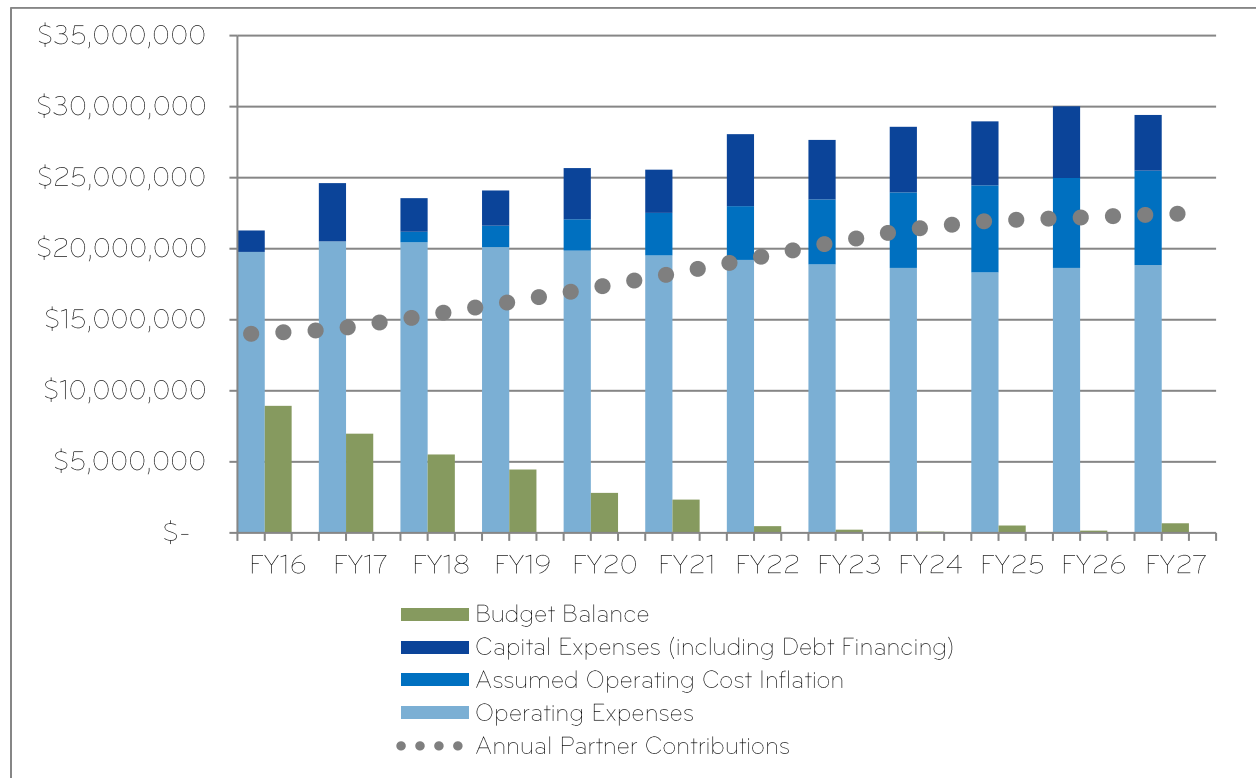


PROJECTED EXPENSES

Under the Preferred Plan, capital expenses will be roughly \$1.5 million in FY 2016 and increase to \$4.1 million in FY 2017⁴. Thereafter, capital expenses are anticipated to range from \$2.5 million in FY 2018 to \$5.1 million in FY 2024, before decreasing again to \$3.9 million in FY 2027. By contrast, operating expenses are expected to increase gradually between FY 2016 and FY 2027, due in large part to inflation⁵.

Figure 4 presents operating expenses (including the predicted effect of inflation), capital expenses, and budget balance between FY 2016 and FY 2027. Annual operating inflation costs are anticipated to increase from approximately \$450,000 in FY 2018 to \$4.7 million in FY 2027. Total annual Partner contributions range from approximately \$14 million in FY 2016 to \$22.4 million in FY 2027.

Figure 4 Operating Expenses, Capital Expenses, and Budget Balance (Preferred Plan)



⁴ CHT budgeted \$967,000 in FY 2017 for debt finance payments. This amount is assumed to carry through the rest of the model; Partner contribution increases account for debt financing payments above \$967,000.

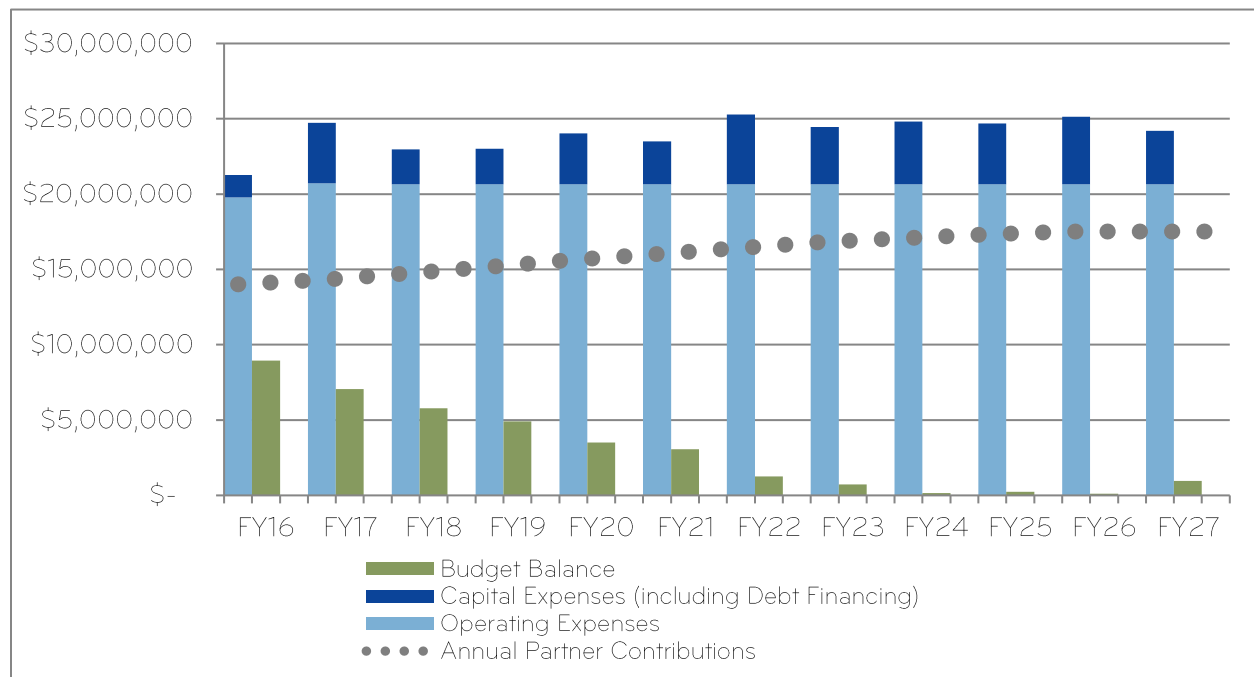
⁵ Inflation is assumed to be 2% per year

Illustrative Example: Impacts of 0% Inflationary Factor

In this illustrative example, annual inflationary expenses and operating cost increases are estimated at 0%.⁶ Without inflation, annual capital expenses range from approximately \$1.5 million in FY 2016 to \$3.5 million in FY 2027. In this illustrative example, operating expenses increase to approximately \$20.6 million in FY 2018 and remain at that level until FY 2027.

Figure 5 presents operating expenses (without the predicted effect of inflation), capital expenses, and budget balance between FY 2016 and FY 2027. To keep CHT's budget balance above \$0, total annual Partner contributions would increase by a range of 0.0% and 3.0% from FY 2018 through FY 2027. Total annual Partner contributions in this illustrative example start at approximately \$14 million in FY 2016 and increase to \$17.5 million in FY 2027.

Figure 5 Operating Expenses, Capital Expenses, and Budget Balance (for Illustration Only)



⁶ Rather than 2% assumed in the Preferred Plan

PREFERRED PLAN PARTNER CONTRIBUTIONS

The Preferred Plan requires continued contributions from UNC-Chapel Hill, Chapel Hill, and Carrboro. It assumes that contributions will increase between 1.0% and 6.0% between FY 2018 and FY 2027. However, the current Partner contribution split—that is to say, the proportion of the total Partner contribution paid by the three organizations in any given year—will remain approximately constant. A determination of the future split will occur as a result of conversations among the Partners. Figure 6 presents the change in Partner contributions between FY 2016 and FY 2027.

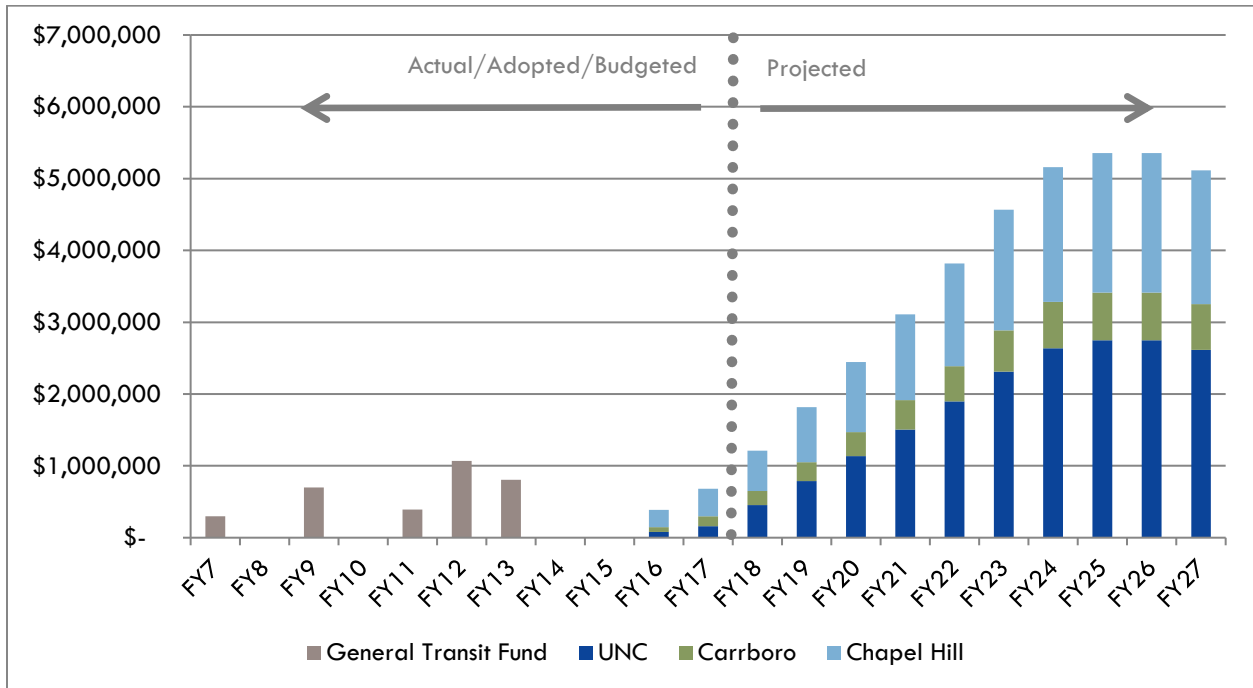
Figure 6 Preferred Plan Total Partner Contributions (FY 2016–FY 2027)

	Contribution from UNC-Chapel Hill	Contribution from Carrboro	Contribution from Chapel Hill	Percent Increase
FY 16 (Adopted)	\$7,844,040	\$1,540,288	\$4,626,184	-
FY 17 (Budgeted)	\$7,923,860	\$1,611,003	\$4,770,592	2.1%
FY 18	\$8,400,000	\$1,708,000	\$5,057,000	6.0%
FY 19	\$8,904,000	\$1,811,000	\$5,361,000	6.0%
FY 20	\$9,438,000	\$1,919,000	\$5,682,000	6.0%
FY 21	\$10,004,000	\$2,034,000	\$6,023,000	6.0%
FY 22	\$10,604,000	\$2,156,000	\$6,385,000	6.0%
FY 23	\$11,241,000	\$2,286,000	\$6,768,000	6.0%
FY 24	\$11,803,000	\$2,400,000	\$7,106,000	5.0%
FY 25	\$12,157,000	\$2,472,000	\$7,319,000	3.0%
FY 26	\$12,278,000	\$2,497,000	\$7,392,000	1.0%
FY 27	\$12,401,000	\$2,522,000	\$7,466,000	1.0%

Note: These numbers are projected estimates based on model assumptions and assume no change to the relative proportion of the split in place in FY 17

Figure 7 highlights the recommended annual Partner contributions for capital purchases. This figure reveals the importance of an increase in Partner funding for CHT's financial sustainability and continued acquisition of vehicles.

Figure 7 Historic and Projected Total Partner Contributions for Capital (Preferred Plan)



PREFERRED CAPITAL FUNDING PLAN SUMMARY

The Preferred Capital Funding Plan allows CHT to remain financially sustainable while maintaining the current level of transit service and reflecting Partner preferences. Figure 8 presents a summary of the Preferred Plan elements.

Figure 8 Preferred Capital Funding Plan Summary

Topic	Summary
Assumptions	<ol style="list-style-type: none"> 1. In the near-term, CHT will purchase the most economic vehicles possible. 2. Vehicle procurement will occur in concert with GoTriangle and GoDurham. 3. Vehicle replacement needs reflect no changes in transit service levels. 4. Debt financing vehicles will carry 10-year terms at approximately 1.8% interest, with yearly payments of roughly \$50,000-\$60,000 per vehicle. 5. The Preferred Plan assumes a 2% annual inflation and operating cost increase; associated costs are anticipated to increase from approximately \$450,000 in FY 2018 to \$4.7 million in FY 2027. 6. In FY 2016, CHT will purchase approximately two transit vehicles and debt finance an additional 14. In FY 2017, CHT will purchase approximately six transit vehicles and debt finance an additional eight. Thereafter, CHT will acquire approximately six to seven vehicles annually through a combination of cash purchase and debt financing. An early goal of vehicle acquisition will be to replace the oldest vehicles currently in the CHT fleet. 7. CHT will acquire approximately four demand response vans and LTVs per year, at an annual cost of approximately \$350,000. 8. The financial model assumes approximately \$300,000 per year for bus stop amenities and print information, as well as approximately \$800,000 per year for ongoing passenger amenity maintenance, park-and-ride maintenance, and building/facility maintenance. 9. The current Partner contribution split is assumed to remain constant.
Projected Expenses	<ul style="list-style-type: none"> ▪ Under the Preferred Plan, capital expenses will be roughly \$1.5 million in FY 2016 and increase to \$4.1 million in FY 2017. Thereafter, capital expenses are anticipated to range from \$2.5 million in FY 2018 to \$5.1 million in FY 2024, before decreasing again to \$3.9 million in FY 2027. ▪ Operating expenses are expected to increase gradually between FY 2016 and FY 2027, due in large part to inflation.
Partner Contributions	<ul style="list-style-type: none"> ▪ Contributions will increase between 1.0% and 6.0% annually between FY 2017 and FY 2027.

Staff Resource: Rick Shreve, Budget Manager
Brian Litchfield, Director

Overview

The next steps of the Strategic and Financial Sustainability Study will build on the Partners' inputs on the future of the system, and further engage the Partners and the public in planning for this future. This discussion will recognize that the past work on the capital plan is the baseline - the requirements to increase funding per the capital plan assume we continue with the present level of service, both in terms of number of routes, frequency of service, and degree of connectivity with other systems.

This upcoming process should provide the conduit for the Partners to provide recommendations to policy makers about the kind of system CHT will be in 10+ years, including the kind of system, the size of system, and future goals of the system. Estimated costs will be developed, along with possible strategies to fund them.

We have enlisted the consultant team from Nelson Nygaard (NN) to provide the framework for the Partners' discussion. They will provide background information, perform related analyses, and work with staff to make recommendations to the Partners. They will make presentations on the issues, help guide the discussions and provide needed information and reports.

We have asked NN to provide a comprehensive inventory of the ongoing and known likely upcoming variables in a possible CHT -- meaning rail initiatives, BRT, Orange County plans, Go Triangle's various plans, State and Federal funding horizons and probabilities, etc. The analysis needs to take into account related transportation system planning, including pedestrian, bicycle planning, and other, related mobility plans for the Towns and University, so that a CHT system will be compatible with locally adopted plans.

We have attached a draft scope and timeline for your review. We ask that the Partners review the draft scope of work and provide us with any feedback by Friday, December 16, 2016. Our goal is to have a final scope of work for the Partners to consider during the January 24, 2016, meeting.

Budget Note: As shared during the development process for the FY2016-17 Budget, any work on this effort would require the Partners to identify a funding source(s).

Attachment

- Draft scope of work – Strategic Service Plan

November 11, 2016

Brian Litchfield
Transit Director
Town of Chapel Hill
6900 Millhouse Road
Chapel Hill, NC 27516-8175

As part of the Strategic & Financial Sustainability Plan, Nelson\Nygaard has looked at a variety of methods for generating revenue and reducing expenses to improve CHT's overall financial outlook, including operational efficiencies, service contracting, bus size and alternative fuels, university partnership models, and revenue impacts of re-instituting fares.

The next phase to complete in the planning effort is to conduct a Strategic Plan that will serve as CHT's roadmap for the next 10 years and position the agency for continued future success. The Strategic Plan will look at funding opportunities, integration of BRT, and longer-term strategic issues such as light rail integration and ongoing regional coordination. Ultimately, the Strategic Plan will provide an implementable approach to guide transit service in Chapel Hill and Carrboro for the next 10 years and beyond.

TASK 1 CONDUCT KICKOFF MEETING AND ONGOING PROJECT MANAGEMENT

1.1 Kickoff Meeting

At the beginning of this next phase of the study, Nelson\Nygaard will schedule a kickoff meeting with CHT staff and other relevant stakeholders assigned to participate and manage this project. The kickoff meeting is anticipated to occur in late January 2017. This meeting serves several purposes:

- Discuss the project, including goals and objectives, priorities, expectations, and local issues and sensitivities as well as potential challenges and opportunities
- Discuss goals for the project
- Refine the project schedule and approach
- Discuss the public outreach projects, methods, and schedules, if necessary
- Identify and obtain available data relevant to the overall project (service information, financial data, demographic and market data, and relevant previous studies)

As part of our kickoff meeting activities, we also propose to spend time on site meeting with stakeholders (if possible).

1.2 Ongoing Project Management

Thomas Wittmann, Tim Payne, and Cristina Barone will be serving as Nelson\Nygaard's primary project staff and will have overall responsibility for the project. Associated project management tasks will include:

- Having overall and day-to-day management responsibility for the project
- Assigning and monitoring tasks undertaken by other members of the project team

Nelson\Nygaard staff will be in touch with the CHT project manager on a regular basis, with scheduled project meetings held once or more per month, as necessary. Management-level progress reports

containing a summary of progress, listing areas of concern and actions, updating status of each milestone, and providing an update of the project schedule will be provided on a monthly basis.

In addition to holding regularly scheduled conference calls with CHT staff, the consultant team will meet internally on a regular basis. We will use these internal calls and meetings to review progress, ensure resources are properly deployed, and identify any challenges.

TASK 2 STAKEHOLDER AND COMMUNITY INPUT

This task includes continued engagement with CHT’s Partners, as well as receiving community input through the Design Your Transit System tool. If desired, Nelson\Nygaard can modify the scope of work and budget to conduct additional goal setting and public outreach activities to meet the needs of CHT’s Strategic Plan.

2.1 *Engage CHT Partners Committee*

We will work with CHT to engage the Partners Committee throughout the Strategic Plan effort. We anticipate at least four meetings as part of the process focused on the following topics:

1. **Project Kickoff**, to confirm the overall purpose and scope of the study.
2. **Initial Findings**, to present findings from the planning context and review of strategic issues.
3. **Draft Strategic Plan**, to review and provide feedback on draft plan.
4. **Final Strategic Plan**, to present the final plan prior to approval.

2.2 *Deploy Design Your Transit System Tool*

Earlier in the Strategic & Financial Plan process, Nelson\Nygaard developed an interactive online “Design Your Transit System” tool that incorporates technical data into a web-based planning model that allows users to “design their own transit system” given a set level of resources. This tool brings value because it allows users to understand the tradeoffs associated with transit service planning and benefits associated with transit resource allocation. Nelson\Nygaard will deploy the tool to engage the community and synthesize the results.

TASK 3 PLANNING CONTEXT

A State of the System report was produced in May 2014 as part of the Strategic & Financial Sustainability Plan. Nelson\Nygaard will integrate information developed as part of that effort and supplement findings with an updated review to understand the current regional planning context.

3.1 *Evaluate Current Regional Context*

To ensure CHT’s Strategic Plan is compatible with other local and regional efforts, Nelson\Nygaard will provide a comprehensive inventory of ongoing and known variables for providing service over the short and long-term, including future implementation of light rail, BRT, plans in Orange County, coordination with GoTriangle, and trends in state and federal funding, as well as any additional relevant information. This analysis will also include a review of existing transportation system plans, including pedestrian and bicycle plans, and related mobility plans in Chapel Hill, Carrboro, and at UNC-Chapel Hill.

3.2 *Conduct Regional Travel Demand Analysis*

We will analyze travel patterns in the Research Triangle region to develop an understanding of potential commuter markets traveling into Chapel Hill and Carrboro. By showing significant regional travel

patterns, this analysis will highlight potential markets, as well as how these patterns relate to CHT's service and potential future strategic planning issues.

Deliverables: Tech Memo #1: Existing Conditions and Public Outreach

TASK 4 EVALUATE LONG-TERM STRATEGIC ISSUES

4.1 Evaluate Long-Term Strategic Issues

As part of this task, Nelson\Nygaard will provide a comprehensive inventory and evaluation of ongoing and upcoming variables for CHT service in the next 10 years and beyond. The goal of this task will be to provide a thorough understanding of probabilities and outcomes for CHT. Initiatives to be reviewed as part of this task include the following:

- **Light Rail:** The Research Triangle region is currently in the midst of planning for light rail implementation; however, long-term funding and actual completion of the project remains unknown at this point. Nelson\Nygaard will consider long-term implications for future feeder service integration with light rail and develop recommendations for how to leverage the regional investment in light rail.
- **BRT:** Potential future implementation of BRT in Chapel Hill will have widespread implications for how the transit system functions. This task will evaluate potential opportunities and challenges associated with the implementation of BRT, as well as making any applicable longer-term recommendations for BRT integration, such as feeder services.
- **Coordination with GoTriangle:** As GoTriangle has grown in size and scope as an agency, regional coordination has become increasingly more important. This subtask will create recommendations to ensure CHT continues effective and productive relationships with other regional transportation providers. Opportunities to leverage shared corridors will be identified as well.
- **Regional Transit Initiatives:** Nelson\Nygaard will evaluate the implications of transit initiatives in Orange County and Wake County, as well as the potential for commuter service and other opportunities for regional integration.
- **Transportation System Planning:** This task will also account for related transportation system planning, including pedestrian and bicycle planning, as well as other related mobility plans for the Towns and UNC-Chapel Hill.
- **Environmental Impacts:** Finally, this task will provide a high level environmental analysis to evaluate consistency with the Town of Chapel Hill's carbon reduction pledge.

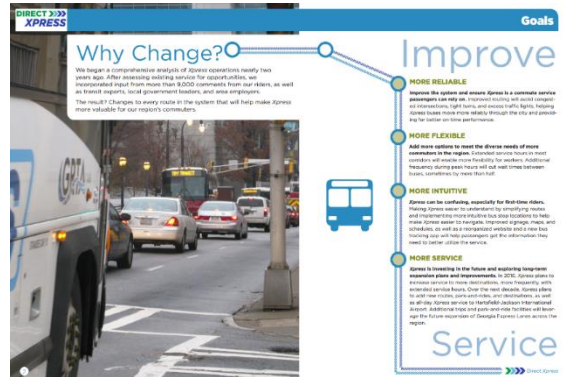
4.2 Evaluate Capital and Financial Implications

The goal of this effort will be to evaluate long-term capital and financial implications of strategic issues identified in this plan. Implications on staffing, CHT's vehicle fleet, and state and federal funding will be considered. In this task, Nelson\Nygaard will use CHT's existing financial model to evaluate long-term funding implications. The financial model will be modified to cover a 20-year horizon to ensure that CHT is financially feasible over the next 10 years as well as over the longer-term. The assumptions and results of the model will allow CHT to make informed decisions about its financial capacity to make service changes and improvements, as well as identifying any additional revenues required.

TASK 5 DEVELOP DRAFT AND FINAL REPORT

5.1 Develop Draft and Final Report

The Draft and Final Report will compile work and findings developed in previous tasks as well as a highly visual Executive Summary. The Draft and Final Report will be based on completed work and findings from all tasks completed as part of this effort. Nelson\Nygaard will respond to one set of non-conflicting comments to the Draft Report provided by CHT. Following formal presentations and upon approval by the CHT project manager, Nelson\Nygaard will prepare a Final Report.



GRTA COA Executive Summary

Deliverable: Draft Report, Final Report, and Executive Summary

PROPOSED PROJECT SCHEDULE

		2017																											
		January					February					March				April				May					June				
Task	Description	2	9	16	23	30	6	13	20	27	6	13	20	27	3	10	17	24	1	8	15	22	29	5	12	19	26		
1	Conduct Kickoff Meeting and Ongoing Project Management																												
1.1	Kickoff Meeting																												
1.2	Ongoing Project Management																												
2	Stakeholder and Community Input																												
2.1	Engage CHT Partners Committee																												
3	Planning Context																												
3.1	Evaluate Regional Context																												
3.2	Conduct Regional Travel Demand Analysis																												
4	Evaluate Long-Term Strategic Issues																												
4.1	Evaluate Long-Term Strategic Issues																												
4.2	Evaluate Capital and Financial Implications																												
5	Development of Draft and Final Report																												
5.1	Develop Draft and Final Report																												

PROPOSED PROJECT BUDGET

			Nelson\Nygaard Labor Costs							Total Direct Expenses	Total Costs
			Tim Payne	Thomas Wittmann	Cristina Barone	Lucien Bruno	Brendan Rahman				
			Principal 5	Principal 4	Senior Associate 1	Associate 3	Associate 2	NN Labor			
								Hours	Cost		
Base Rate			74.38	69.42	47.93	36.36	26.45				
Overhead	175.00%		130.17	121.49	83.88	63.64	46.29				
Profit	10%		20.45	19.09	13.18	10.00	7.26				
Total Billing Rate			\$225.00	\$210.00	\$145.00	\$110.00	\$80.00				
Task Description											
1 Conduct Kickoff Meeting and Ongoing Project Management											
1.1 Kickoff Meeting			4	4	4			12	\$2,320	\$2,320	
1.2 Ongoing Project Management			12	12	24			48	\$8,700	\$8,700	
Task Total			16	16	28	0	0	60	\$11,020	\$11,020	
2 Stakeholder and Community Input											
2.1 Engage CHT Partners Committee			12	20	36			68	\$12,120	\$12,120	
2.2 Deploy Design Your Transit System Tool					4		8	12	\$1,220	\$1,220	
Task Total			12	20	40	0	8	80	\$13,340	\$12,024	
3 Planning Context											
3.1 Evaluate Regional Context			4	4	8		16	32	\$4,180	\$4,180	
3.2 Conduct Regional Travel Demand Analysis				2	4	8	8	22	\$2,520	\$2,520	
Task Total			4	6	12	8	24	54	\$6,700	\$0	
4 Evaluate Long-Term Strategic Issues											
4.1 Evaluate Long-Term Strategic Issues			16	8	72	20	32	148	\$20,480	\$20,480	
4.2 Evaluate Capital and Financial Implications			4	4	40		24	72	\$9,460	\$9,460	
Task Total			20	12	112	20	56	220	\$29,940	\$0	
5 Development of Draft and Final Report											
5.1 Develop Draft and Final Report			8	8	32	16	24	88	\$11,800	\$11,800	
Task Total			8	8	32	16	24	88	\$11,800	\$0	
TOTAL HOURS			60	62	224	44	112	502			
TOTAL LABOR COST			\$13,500	\$13,020	\$32,480	\$4,840	\$8,960		\$72,800	\$12,024	
										\$84,824	

Advanced Technology Grant

Chapel Hill Transit has submitted applications for two separate projects under the North Carolina Department of Transportation's (NCDOT) Advanced Technology Grant Program. These applications are for the 2018 Fiscal Year funding. Chapel Hill Transit previously received state funding equaling \$201,195 for the 2017 Fiscal Year.

- Project 1: Chapel Hill Transit submitted an application to purchase a new technology to enable passengers, caregivers and service providers to request, book, confirm or cancel trips without the need to speak with a call center agent. The system will also allow CHT to set up automated callback or email reminders, which helps minimize no-shows and driver wait times. The solution will reduce pressure on our call center agents, affording them more time to assist passengers with special needs. Total request is \$390,640.00 (90% funded by state, 10% local).
- Chapel Hill Transit is seeking an application for grant funds to install wireless security cameras at all town-owned park and ride lots. Cameras at Jones Ferry and Carrboro Plaza will be connected to on site storage, while cameras at Southern Village and Eubanks will be connected to fiber and stored on town owned virtual server space. Total request is \$164,597.00 (90% funded by state, 10% local).

State Match Applications (10%)

The North Carolina Department of Transportation is accepting applications for both federally and locally funded vehicle replacement purchases for the 2017 and 2018 Fiscal Years. Chapel Hill Transit staff has submitted applications for two separate vehicle purchases: one for the purchase of 40' buses and one for the purchase of replacement demand response vehicles.

- Staff has requested a state match for the purchase of sixteen (16) 40' buses using local funds. The total request for state funds is 10% of cost at \$727,761.00 (Total project cost of \$7,277,616.00)
- Staff has also requested a state match for the purchase of six (6) light-transit vehicles. The total request for state funds is \$40,531.00. This is for an FTA-funded grant (waiting on budget revision through MPO), which would reduce Chapel Hill's local share of the grant to \$40,531.00.

5339 Grant Update

The Federal Transit Administration (FTA) held briefing related to the results of 5339 competitive grant program. The need was eight times higher than the available funding. As a result, the program was highly competitive. Submitted proposals ranked as follows:

- 36 proposals were ranked Highly Recommended (34 were funded; 2 received other funding)
- 158 Recommended (27 were funded with geographic equity consideration)
- 78 Not Recommended
- 13 Ineligible

The first two criteria were the most important for ranking purposes: demonstration of **need** and **benefits** as they relate to the Ladders of Opportunity program. Per FTA, the Need criteria is not likely to change while the Benefits might change based on the direction of new Administration. Overall, about 68% of funding was awarded for vehicle purchases, the rest was awarded to facilities.

Even though NCDOT submitted a joint application, all projects within the application were ranked separately. CHT’s project received a recommended ranking along with NCDOT’s request for vehicles. The other projects were not recommended. It does not appear that submitting a joint application provided any additional leverage. FTA estimates that a future call for projects will include \$228M in funding, but again, the criteria might change. Based on this feedback, and the scoring summary (below) for our project, we would not likely participate in a joint application for the next round of funding but would submit an individual application for replacement buses.

* = Required [Evaluation Guidance](#)

Project Title	NC Consortium - Chapel Hill Transit Bus Replacement
Grants.gov Number	GRANT12164861
Valid/Invalid	Valid
Region	4
City	Raleigh
State	NC
Applicant Legal Name	North Carolina Department of Transportation
Organization Legal Name	North Carolina Department of Transportation
Project Federal	\$7,280,000
Project Local	\$1,820,000
Project Total	\$9,100,000
Demonstration of Need	Highly Recommended <input type="button" value="v"/>
Demonstration of Benefits	Recommended <input type="button" value="v"/>
Planning and Local/Regional Prioritization	Recommended <input type="button" value="v"/>
Local Financial Commitment	Highly Recommended <input type="button" value="v"/>
Project Implementation Strategy	Highly Recommended <input type="button" value="v"/>
Technical/Financial/Legal Capacity	Recommended <input type="button" value="v"/>
High Priority Project	<input type="checkbox"/>
Technology Requested	<input type="text"/>
Total Rating	Recommended <input type="button" value="v"/>

Staff Resource: Brian Litchfield, Transit Director

This item will be provided to the Partners at the meeting on November 15, 2016.

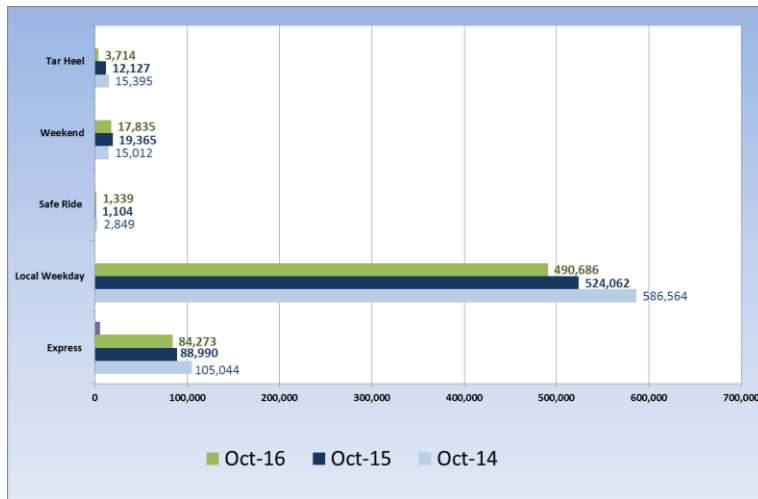
5D. October Performance Report

Staff Resource: Mila Vega

October 2016 Ridership and Service Days

	Oct-14	Oct-15	Oct-16	FY14-15	FY15-16	FY16-17
Weekday Service Days	23	22	21	87	87	85
Safe Ride Service Days	11	12	13	29	30	30
Saturday Service Days	4	5	5	17	18	18
Sunday Service Days	4	4	5	11	11	12
Tarheel Express Service Days	4	4	3	6	7	5

	Oct-14	Oct-15	Oct-16
Express	105,044	88,990	84,273
Local Weekday	586,564	524,062	490,686
Safe Ride	2,849	1,104	1,339
Weekend	15,012	19,365	17,835
Tar Heel	15,395	12,127	3,714



	Oct-14	Oct-15	Oct-16	FY14-15	FY15-16	FY16-17
Weekday Service Days	23	22	21	87	87	85
Safe Ride Service Days	11	12	13	29	30	30
Saturday Service Days	4	5	5	17	18	18
Sunday Service Days	4	4	5	11	11	12
Tarheel Express Service Days	4	4	3	6	7	5
FCX	49,250	42,306	38,157	171,534	159,377	141,269
HU	9,729	7,876	8,946	37,707	29,943	34,731
JFX	13,018	11,748	10,332	45,902	45,243	41,336
CPX	14,567	13,662	15,687	47,845	46,365	46,272
CCX	11,454	11,418	8,484	40,998	41,717	34,184
DX	2,116	1,980	2,667	8,418	7,451	7,283
PX	4,910			13,757		0
A	31,372	28,996	26,208	104,546	102,612	87,309
CL	3,174	3,058	4,137	13,059	12,298	14,099
CM	15,663	12,584	22,512	52,807	45,183	50,677
CW	21,804	18,018	19,299	72,499	69,347	66,868
D	45,103	39,974	37,317	159,131	149,973	144,288
F	21,390	18,920	16,359	80,972	78,175	70,418
G	22,356	19,866	19,026	76,064	72,207	69,792
HS	4,140	3,388	609	11,903	11,107	6,982
J	96,274	90,024	85,701	319,298	317,214	307,108
N	16,537	13,640	0	53,725	46,165	30,206
NS	93,724	85,272	88,431	303,552	302,194	305,805
NU	38,203	28,842	26,544	106,394	96,948	88,307
RU	42,987	41,382	43,890	122,125	121,413	139,180
S	41,377	35,992	30,240	134,155	125,968	106,179
T	23,414	21,472	24,171	82,303	74,024	78,276
U	55,154	50,578	46,242	163,695	164,882	148,861
V	13,892	12,056	0	46,985	42,677	31,339
SAFE G	121	204	234	811	306	630
SAFE J	528	264	546	1,716	636	1,332
SAFE T	2,200	636	559	4,996	1,014	1,303
Weekday Fixed Route Total	694,457	614,156	576,298	2,276,897	2,164,439	2,054,033
Change from previous year (%) weekday		-12%	-6%		-5%	-5%
CM	0	670	575	1,568	2,377	1,810
CW	1,176	1,275	1,895	5,041	5,377	6,209
D	0	1,625	1,415	4,579	5,648	5,234
NU (sat)	1,724	2,535	1,850	5,618	6,757	4,795
T	1,536	1,405	1,425	5,663	4,963	5,235
U (sat)	2,824	5,340	3,705	8,549	13,276	12,766
FG	860	1,105	960	3,182	3,980	3,458
JN	928	890	965	3,720	3,804	3,659
NU (sun)	2,988	2,028	2,655	7,053	5,778	7,979
U (sun)	2,976	2,492	2,390	7,879	7,635	8,665
Weekend Fixed Route Total	15,012	19,365	17,835	52,852	59,595	59,809
Change from previous year (%) weekend		29%	-8%		13%	0%
Total Fixed Route Passenger Trips	709,469	633,521	594,133	2,329,749	2,224,034	2,113,842
Change from previous year (%)		-11%	-6%		-5%	-5%
Senior Shuttle	832	741	715	2,945	3,091	2,499
Tar Heel Express/Special Service	15,395	12,127	3,714	27,512	24,141	15,995
Demand Response	5,062	5,380	5,323	19,043	20,380	20,887
All Service Categories Ridership	730,758	651,769	603,885	2,379,249	2,271,646	2,153,223
Change from previous year (%)		-11%	-7%		-5%	-5%

Staff Resource: Maribeth Lewis-Baker, Fixed Route Operations Manager
Peter Aube, Maintenance Manager
Katy Luecken, Training Coordinator

Fixed Route Operations Manager – Maribeth Lewis-Baker

- Perfect Attendance – October 2016 – 37% or 40 Fixed Route Operators had perfect attendance for the month
- On time Performance (OTP) – October 2016 – 79%
- Routes performing **80%** and above – on time: CCX (91%), CM (84%), CPX (81%), FCX (80%), HS (80%), J (82%), JFX (91%), N (84%), NU (81%), S (80%), and V (87%) Weekends: FG (81%), JN (95%)
- The Fixed Route Division donned their Pink uniform shirts for the entire month of October to promote cancer awareness.
- October Operations/Safety Meetings – Safety Officer Mark Lowry did a training on blood borne pathogens. We reviewed the proposed holiday schedule and draft CHT attendance policy with operators.
- Operators Kevin English, Amy Edwards, Quentin Craven, and Tammy McNair, supported FestiFall with shuttle service on 10/2/16. Supervisor Melissa Tillman coordinated the effort.
- On 10/27/16, CJI Research conducted an on-board survey for GO Triangle for the 420 Route.
- On 10/31/16, Chapel Hill Transit provide support shuttle services to Police, Fire, and EMS personnel for the Homegrown Halloween celebration. Thanks to Operators Amy Edwards, Doug Brooks, Myron Harris, Jessie Cameron, Terrence Gentry, Carl Fletcher, and Reginald Moore. And a job well done to Transit Supervisors Melissa Tillman, Deborah Davis, and Stephen Deberry.

Catch us at our Best:

Operator Terrence Patterson received a compliment. On 10/3/16 Customer Sally Stearns wrote, “I want to let you know how polite, helpful and nice I found the driver of this bus to be. I got on the NS on Monday morning about 10:25 or so near Timberlyne. He was very helpful with all my questions, and he really made my day.”

10/8/16 was a day of resilience for the Fixed Route Team with Hurricane Matthew. We conducted Tar Heel Express operations for the football game and in the middle of shuttle operations, we were activated to provide transportation for persons who were evacuated from their homes due to flash flooding to a local shelter. A special thanks to Operators Konny Bridges, Lamont Corbett, and Tammy Price; Demand Response Operator Tony Combs, and Transit Supervisor Stephen Deberry who assisted with the emergency

management support operations. And an even bigger thank you to our team members who worked Tar Heel Express in the pouring rain and gusty winds to provide 2,609 passenger trips for those who braved Hurricane Matthew to attend the UNC/Virginia Tech game.

Transit Supervisor Joe McMiller coordinated the “Stuff a Bus” donation program to support hurricane relief efforts for those areas of the state that were hard hit by Hurricane Matthew. McMiller accepted donations of non-perishable food and supplies from employees and other transit agencies in the area for delivery to the American Red Cross.

Training Coordinator – Katy Luecken

1. Training Classes:
 - a. Fixed Route
 - i. 10/3/2016: Trainee in behind the wheel training
 - ii. 10/31/2016: Two trainees in skills training
 - iii. 11/28/2016: One trainee expected
 - b. Demand Response
 - i. No recent classes
 - c. Maintenance
 - i. Two new hires working towards getting their CDL permit
2. Coordinating recruitment initiatives
3. Training as co-administrator for Town of Chapel Hill Learning Management System
4. Attended ADA Workshop in Greensboro

Maintenance Manager – Peter Aube

- Fixed route ran 189,915 miles in October
- Demand response ran 34,815 miles in October
- Non-revenue vehicles ran 26,328 miles in October
- Provided the following training for Mechanics:
 - In house confined space training
 - Maintenance performed 39 Preventive Maintenance Inspections in October (100% on-time).
- Filled all open mechanic positions
- Four (4) Maintenance Employees completed the Month of October with Perfect attendance
- Maintenance performed twenty (18) road calls in October (10,551 miles per road call) for fixed route
- Maintenance performed 1 road call in October (34,815 miles per road call) for demand response

Staff Resource: Brian Litchfield

- The Director's Report will be provided at the meeting on November 15, 2016.

