



CHAPEL HILL TRANSIT
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CHAPEL HILL TRANSIT PUBLIC TRANSIT COMMITTEE
NOTICE OF COMMITTEE MEETING AND AGENDA
NOVEMBER 17, 2022 – 10:00 A.M. to 12:00 P.M. (VIRTUAL MEETING)
CHAPEL HILL TRANSIT – FIRST FLOOR CONFERENCE ROOM

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Adjourn	

MEETING SUMMARY OF A VIRTUAL MEETING OF THE PUBLIC TRANSIT COMMITTEE

October 27, 2022 at 10:00 AM

Present: Michael Parker, Chapel Hill Town Council
Cheryl Stout, UNC Transportation & Parking
Gordon Merklein, UNC Vice Chancellor for Real Estate and Campus Enterprises
Anne-Marie Vanaman, Town of Carrboro Management Specialist
Damon Seils, Carrboro Town Council
Ranee Haven-O'Donnell, Carrboro Town Council
Karen Stegman, Chapel Hill Town Council
Loryn Clark, Chapel Hill Deputy Town Manager

Absent: Cha'ssem Anderson, UNC Associate Director of Transportation Planning, Tai Huynh, Chapel Hill Town Council

Staff present: Brian Litchfield, Transit Director, Katy Fontaine, Project Manager, Caroline

Dwyer, Transit Planning Manager, Matt Cecil, Transit Development Manager II

Guests: Fred Lampe, Tina Moon, Bergen Watterson

1. **Meeting Summary of August 25, 2022.** The meeting summary was unanimously approved.
2. **Employee Recognition** – None for this month.
3. **Consent Items**
 - A. October Financial Report– Provided for Partners information.
4. **Information Items**
 - A. Public Transportation Agency Safety Plan (PTASP) Update– Provided for Partners information.
 - B. Service and Realtime Information System Update – Provided for Partners information. A Partner asked if the modems for NextBus do show up in January will the new system have to recalibrate or will it be ready to go? The new modems will have all of the legacy data and should just be plug and go when they are received.
 - C. Grant Update – Provided for Partners information. A Partner asked how we are doing on the charging infrastructure while ramping up the number of electric buses we are buying. Currently we have enough space and electricity without having to add more transformers to support 15 electric buses. After this next round of electric buses, we will have to start having discussions about the charging infrastructure. A guest asked if our electric buses have resistance heat or heat pumps? Our electric buses operate similar to a heat pump.

- D. Holiday Schedule Update – Provided for Partners information.
- E. North South Bus Rapid Transit Project Update – Provided for Partners information.
- F. Tar Heel Express Update – Provided for Partners information.
- G. Project Update – Provided for Partners information.

5. **Departmental Monthly Reports**

- A. Operations Report - Provided for the Partners information.
- B. Director's Report – Provided for the Partners information.

6. **Future Meeting Items**

- 7. **Next Meeting** – November 17, 2022 (10:00 a.m. – 12:00 p.m. Virtual)

8. **Adjourn**

The Partners set a next meeting date for November 17, 2022
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3A. Capital Investment Update

Staff Resource: Rick Shreve, Business Services Manager
Peter Aube, Maintenance Manager
Nick Pittman, Assistant Director
Brian Litchfield, Transit Director

Overview

The Chapel Hill Transit Partners Committee adopted an updated Capital Plan in November 2019, which built on the initial Capital Plan adopted by the Committee in December 2016. The plan provides for a useful life of 15 years (12 is minimum for federal requirements) for Fixed Route Buses and 5 years for Demand Response and Service Vehicles. The plan requires the replacement of 6 to 7 Fixed Route Buses and 3 Demand Response Vehicles each fiscal year, in order to maintain a reliable and efficient fleet and assumes the replacements will generally be debt-financed.

The 2019 Capital Plan identified the need to replace 54 Fixed Route Buses by FY 2022. Thanks to investments by the Funding Partners and a significant influx of grant funding (Federal, State and Orange County Transit Plan), we have been able to replace 49 Fixed Route Buses, 20 Demand Response Vehicles and 13 Service Vehicles. This means we are currently 5 Fixed Route Buses behind in our replacement schedule and with the need to replace 7 in FY 2023 our current need is 12 Fixed Route Buses (19 for FY 2024). The 5 Fixed Route Buses include our articulated buses – which in addition to being beyond their useful life, they have been a maintenance and operational challenge. Our oldest Demand Response Vehicles are also starting to hit the end of their useful life. With the grants mentioned above, we have not had to debt finance as many vehicles as the plan anticipated. For the current Fiscal Year, the Capital Plan anticipated the Funding Partners Contributing \$20,256,000 and the actual budgeted contribution is \$18,869,253. While we will continue to pursue federal and state grants, we do not anticipate additional grant funding for buses in FY 2022-2023 and there is no additional funding for replacement buses in the Orange County Transit Plan.

Fixed Route Bus Capital Replacement Summary (FY 2017 – FY 2023)

- 16 Fixed Route buses replaced through FY17
- 6 Fixed Route buses delivered in May 2018
- 6 Fixed Route buses delivered in February 2019
- 5 Fixed Route buses delivered in August 2019
- 5 Fixed Route buses delivered in February 2020
- 3 Fixed Route buses (electric) delivered in 2022
- 8 Fixed Route buses (electric) on order – expected delivery in 2023
- 5 Fixed Route buses (electric) to be ordered with VW, CMAQ and Capital Reserve \$ - delivery TBD.

49 of 54 through FY22 + 7 needed for FY23 = 12

Current Debt Financing

The Funding Partners agreed to an initial debt-financing agreement in FY 2017. Through that agreement we debt-financed 14 clean-diesel Fixed Route Buses at a total cost of \$7,161,777.31. The annual payment for this is around \$716,560 and is included in the annual operating budget. The next payment of \$716,308.45 will be made on May 1, 2023, leaving four (4) remaining payments that will be completed May 1, 2027. At the time of the agreement that average cost for a bus was around \$460,000 and the interest rate was 2.09%.

Staff Recommendations

The Funding Partners agreed to include an additional \$900,000 in the FY 2023 budget to assist with debt-financing. The Funding Partners discussed several options as part of the budget development process for the current fiscal year. Based on the availability of funding and cost of busses (note systems are seeing cost increases of around 1% per month), staff recommends:

- Debt-financing of 5 60' clean diesel buses ($\$900,000 \times 5 = \$4,500,000$) and 3 40' electric buses ($\$1,200,000 \times 3 = \$3,600,000$) for a total of \$8,100,000 (final numbers will depend on cost of buses, rates and costs related to borrowing).

Additionally, due to the lower price point for Demand Response Vehicles, staff recommends identifying year-end budget savings to assist with replacing the oldest vehicles. This funding can be coupled with State match and is the same approach we used to purchase the existing fleet. We are exploring options for these purchases; we do not have an existing contract for this type of vehicle. We will also look to identify grant sources as well.

Next Steps

- Complete Regional Bus Bid – without this we do not have a mechanism to purchase 60' buses. We can use our existing electric bus contract to purchase 40' electric buses.
- Chapel Hill Town Council consider approval of debt-financing.
- Town of Chapel Hill issues debt-financing.
- Develop debt-financing agreement with Transit Funding Partners – similar to what was used in 2017.
- Issue purchase orders for buses.

Additional Capital Needs

- Radio system.
- Existing Facility Needs – including roof, generator, HVAC system, fire/carbon dioxide alarm system and solar.
- Facility Expansion Needs – local match for building and electric vehicle infrastructure, back up charging for electric vehicles and solar.
- Upgrades for existing bus stops.
- Bus simulator for training.

4A. Solar Feasibility Study Update

Staff Resource: Tim Schwarzauer, Grants Compliance Manager
Katy Fontaine, Transit Development Manager
Peter Aube, Maintenance Manager
Nick Pittman, Assistant Director

Background

Town staff, including staff from Transit and the Town's Community Sustainability and Resilience Office, have been working with Optony USA to review the feasibility of installing a photovoltaic canopy over the existing bus yard (in addition to exploring the possibility of utilizing other transit owned property and/or partnering with county and other local governments) to offset the power needs associated with a battery-electric bus fleet.

We expect an initial draft of the final report in early December. Topics included in the report will include a review of our work on the following topics:

- Sizing of the recommended energy systems
- Path forward with Piedmont/Duke
- Details of the cost estimate
- Funding requirements, grant options, and approach
- Case studies in US Dept. of Transportation solar funding for electric clean transit hubs
- Air quality benefits analyzed
- Procurement plan

Staff will review the report with input from the Office of Community Sustainability and Resilience and will share the initial report with the Partners for comment and questions. A presentation of findings will follow the report.

4B. North South Bus Rapid Transit Sponsorship Feasibility Study

Staff Resource: Matt Cecil, Transit Development Manager

Overview

In September 2022, Chapel Hill Transit released a Request for Proposals (RFP) for a NSBRT Sponsorship Feasibility Study. The goal of this work is to evaluate the fair market value of Chapel Hill Transit assets for potential sponsorship, including naming rights for NSBRT, vehicle and station sponsorships. The work is divided into two (2) phases:

Phase I

- Conduct all necessary market research and analysis, to include analyzing marketing and sponsorship initiatives that similarly situated transit agencies and government entities have implemented. Identify potential sponsors who may be interested in a sponsorship program and evaluate the potential revenue that could be raised through the program.
- A detailed database of CHT assets will be created, with an estimated value for each asset, potential sponsors, and attraction methods, including limitations legal or otherwise that would impact the marketability of those assets. Identify changes to local or state requirements needed to maximize revenues. Identify any necessary federal requirements that must be met.
- Identify regulatory requirements along the project corridor and develop an action plan to meet requirements. Consideration will be taken for Federal, State, and Local requirements
- Phase One Deliverables: Detailed report identifying program outline, revenues, and any challenges and next steps to implementation. Phase II may be approved following review and consideration by the appropriate governing bodies.

Optional Phase II

- Develop a sponsorship package and marketing strategy that is suitable to present to potential sponsors. Package must include:
 - BRT naming rights
 - Levels of sponsorship to include all assets identified in section I.
 - Demonstrate how a BRT sponsorship will increase the sponsoring company's brand awareness, communicate the sponsor's commitment to the community and deliver a return on investment.
 - Presentation decks for sales meetings
 - Executive summary of sponsorship opportunities
 - Media package

- Webpage with videos that can be imbedded into existing NSBRT website
- Consultant will assist in negotiations with prospective entities to secure naming rights and sponsors. Consultant will attend any Council/Public meetings to help advance the approval of naming rights opportunities.
- Phase II Deliverables:
 - CHT Asset database with values
 - Potential sponsors list
 - Comprehensive sponsorship and naming rights sales package to include a relevant sponsorship and naming rights prospectus, and electronic presentation materials.
 - Media package
 - Webpage
 - List of applicable regulations

The NSBRT naming rights/sponsorship program could generate revenue to support local-match requirements, operating and maintenance costs.

Next Steps

Finalize contract with selected advertising agency. Phase I work is expected to take 3-4 months, should the option for Phase II be exercised, a contract of one (1) or more years will be pursued.

4C. Director's Report

Staff Resource: Brian Litchfield, Director

Orange County Transit Plan: The Orange County Transit Plan Update which includes \$29.1 million for NSBRT and funding for other capital and service improvements is currently under review for adoption by required parties including Orange County (adopted), DCHC MPO, and GoTriangle.

- ✓ **DCHC MPO Technical Committee (TC):** recommended MPO Board release draft for public comment (9/28/22)
- ✓ **DCHC MPO Board:** released draft for 21-day public comment period (10/17/22)
- ✓ **Orange County BOCC:** adopted Orange County Transit Plan Update (11/1/22)

Chapel Hill Transit staff is also working with Orange County to develop a Memorandum of Understanding (MOU) for newly committed Transit Plan funding for NSBRT (\$15 million).

Next Steps

- **DCHC MPO TC:** recommend MPO Board adopt the Orange County Transit Plan Update (11/16/22)
- **DCHC MPO Board** adoption consideration (12/14/22)
- **GoTriangle Board** adoption consideration (12/21/22)
- Finalize and execute MOU with Orange County

Tar Heel Express: Last week McLaurin Parking (CarPark), our ticket sales vendor for Tar Heel Express for the past almost 15 years notified us that they would not be able to provide staffing for the remaining football and basketball games. There are staffing and financial control reasons for using a third party for this service. We are issuing a request for quotes to see if we can identify another firm to assist with this. Our plan for the upcoming season is to transition to an electronic format and are working with the Town's finance and IT staff on this component.

Facility Expansion: The Transit Facility Expansion plan continues to move forward through the concept plan process. The Community Design Commission reviewed and provided comments at their October meeting. The concept plan is currently scheduled to be on the Council agenda in December.

January Partners Meeting: The January Partners meeting will be on the 26th (10am-12pm). We heard some interest in holding this meeting in person. Is there an interest in having this meeting in-person?

Salary Compression: Following the completion of the recently adopted pay plan for the Town, the Town is taking steps to start to address salary compression. Salary compression has been a long standing issue within Town/Transit, due to many times in the past 15 years where salary increases were not provided or one-time stipends were provided and not added to Team Member's annual salaries. Our focus for this step is to start to address Team Members that are most compressed within front line positions. At this point, compression adjustments will be made using the following definitions and within existing budget:

1. When an employee with more years of service, and the accompanying higher level of knowledge, skills, and abilities, is paid the same – or close to the same – as an employee with fewer years of service;

OR

2. When a supervisor and their employees are paid similarly.

Chapel Hill Transit MOU: We are moving forward with the development of the Memorandum of Understanding (MOU) for the Transit Funding Partners. We anticipate some conversations with each Partner in December about next steps.