



CHAPEL HILL TRANSIT
Town of Chapel Hill
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CHAPEL HILL TRANSIT PUBLIC TRANSIT COMMITTEE

NOTICE OF COMMITTEE MEETING AND AGENDA

NOVEMBER 16, 2023 – 10:00 A.M. to 12:00 P.M. (VIRTUAL MEETING)

CHAPEL HILL TRANSIT – FIRST FLOOR CONFERENCE ROOM

PAGE #

1. Approval of October 26, 2023 Meeting Summary
2. Discussion Items
 - A. FY2024-25 Budget Overview and Timeline
 - B. North South Bus Rapid Transit – Station Design
3. Information Items
 - A. Chapel Hill Transit 50th Anniversary Planning
 - B. EZ Rider Advisory Committee Service Recommendation
 - C. Transportation Demand Management (TDM) Update
4. Next Meeting – January 25, 2024 (10:00 a.m. – 12:00 p.m. – Chapel Hill Transit 1st Floor Conference Room)
5. Adjourn

MEETING SUMMARY OF A VIRTUAL MEETING OF THE PUBLIC TRANSIT COMMITTEE

October 26, 2023 at 10:00 AM

Present: Michael Parker, Chapel Hill Town Council
Marie Parker, Town of Carrboro Assistant Town Manager
Cheryl Stout, UNC Transportation and Parking
Damon Seils, Carrboro Town Council

Absent: Randee Haven-O'Donnell, Carrboro Town Council, Gordon Merklein, UNC Vice Chancellor for Real Estate and Campus Enterprises, Tai Huynh, Chapel Hill Town Council, Chassem Anderson, UNC Transportation and Parking, Karen Stegman, Chapel Hill Town Council, Loryn Clark, Town of Chapel Hill Deputy Town Manager

Staff present: Brian Litchfield, Transit Director, Caroline Dwyer, Transit Planning Manager, Nick Pittman, Deputy Assistant Director, Matt Cecil, Transit Development Manager II, Tim Schwarzauer, Senior Grants and Strategic Project Manager

Guests: Tina Moon, Town of Carrboro

1. **Meeting Summary of August 24, 2023.** The meeting summary was unanimously approved.
2. **Employee Recognition.**
3. **Consent Items**
 - A. October Financial Report – Provided for Partners information.
4. **Discussion Items**
 - A. Electric Bus Performance Overview – Provided for Partners information.
 - B. Major Project Overview and Recommendations – Provided for Partners information.
5. **Information Items**
 - A. Holiday Schedule Update - Provided for Partners information.
 - B. North South Bus Rapid Transit Project Update - Provided for Partners information.
 - C. Real-Time Information System Update - Provided for Partners information.
 - D. Legislative Update - Provided for Partners information.
 - E. October Performance Report - Provided for Partners information.

6. **Departmental Monthly Reports**

- A. Operations – Provided for Partners information.
- B. Planning – Provided for Partners information.
- C. Director – Provided for Partners information.

7. Future Meeting Items –

8. **Next Meeting** – November 16, 2023 (10:00 a.m. – 12:00 p.m., Virtual)

9. **Adjourn**

The Partners set a next meeting date for November 16, 2023
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2A. FY 2024-25 Chapel Hill Transit Budget Development

Action: 1. Receive information and provide staff with feedback.

Staff Resource: Nick Pittman, Assistant Director
Brian Litchfield, Director

Overview

Chapel Hill Transit staff have begun work internally and with the Town's Business Management Department (BMD) and Manager's Office towards developing our FY 2024-25 budget proposal. We are starting earlier than previous years to provide the Partners Committee with additional time to provide input and hopefully more time for internal budget conversations. We anticipate having more detailed discussions starting in January.

Transit Fund and Fund Balance

Chapel Hill Transit is an enterprise fund for the Town of Chapel Hill, meaning the fund was created for the purpose of dedicating and protecting funding for the provision of public transit services for Chapel Hill, Carrboro and the University. All annual revenues and expenses for the system are accounted for in the fund. The Transit Partners recommend an annual budget, including Partner contributions and that is included in the Manager's Recommended Budget when submitted to the Chapel Hill Town Council for consideration.

Fund Balance

- This section is provided to give some context on how fund balance has been used on occasion to assist with balancing the annual budget.
- Chapel Hill Transit maintains a fund balance to assist with cash flow (90-day reserve) to operate as a reserve in case of losses of or volatility of state or federal revenues, assist with multiyear contracts/projects, cover grant matches, reserve against claims not covered by insurance, and assist with capital purchases.
- The Partners have also agreed from time to time to budget fund balance and/or lapsed salary to help balance the budget and maintain annual Partner contributions. In the current year, \$530,000 in lapsed salary was allocated to balance the budget.
- Fund balance allocations must be approved by the Chapel Hill Town Council. Prior to recommending an allocation from fund balance to Council, Transit staff provides a recommendation to the Transit Partners Committee for consideration. Outside of the annual budget, these allocations have been done to purchase buses and/or provide match on large federal/state grants.

Current Year Budget as an Approximation

While we will have a more detailed set of projections in the coming months, we wish to share some high-level items over which we will be seeking Partner guidance. Chapel Hill Transit has benefitted substantially over the past several years due to emergency relief/CMAQ grants and using lapsed salaries to assist with salary increases for Operators. The previously unanticipated grant funds were critical towards helping us bridge the gap caused by losses in State grant funds (SMAP) and cover the cost of capital expenses. These external funds allowed us to progress while keeping Partner contributions below the previously agreed – upon projections from the Capital Plan.

Without major identifiable changes in our key expense areas, the current year budget serves as a reasonable approximation for our expenses for next year, *at current service levels*. The original Chapel Hill Transit budget for the current year was \$32,149,890.

	Current Year Allocation	FY24 Capital Plan Projection	Difference
Town of Chapel Hill	\$ 6,478,034.00	\$ 7,465,000.00	\$ 986,966.00
Town of Carrboro	\$ 2,233,512.00	\$ 2,490,000.00	\$ 256,488.00
University	\$ 10,676,519.00	\$ 11,802,000.00	\$ 1,125,481.00

The FY25 2019 Capital Plan contributions projections can be used for early budget planning purposes:

 Town of Chapel Hill – \$7,912,000
 Town of Carrboro - \$2,640,000
 University - \$12,510,000

Items for further discussion

Some of the potential areas for discussion/consideration for the upcoming budget year include:

- Recruitment and retention remain significant marketplace drivers, and we will likely face increased expenses in the areas of compensation and health insurance. Note that GoDurham, GoRaleigh, and GoTriangle are starting Operators around \$20.50 per hour and moving them to around \$27.05-29.93 per hour within four (4) years. Our current approved starting rate is \$20.50. While above the current recommended Orange County Living Wage, we know that \$25-27/hr. is likely a more realistic living wage for our area considering rent and cost of living. We need to continue to advance our starting pay and

pay for existing Team Members to be reasonably competitive in the market and provide opportunities for Team Members to live in the region. At this time, we are anticipating a 5% of market adjustment for existing Team Members, in addition to additional adjustments for Maintenance Team Members as noted below, and this amount could be around \$1.3M, including salary and benefits.

We are also seeing similar challenges in Maintenance where our starting rate is around \$19.50 per hour for entry level Mechanics and our peers are starting at \$25 per hour or higher and moving to \$27.95-\$31.11 within four (4) years. Another example is Maintenance Supervisors, the starting rate regionally for transit systems and public works departments is \$70,000 and our current highest paid supervisor is at \$67,000 (with almost 10 years of service with Transit). We recently completed a Maintenance Pay Market Study in partnership with the Town's Public Works and Human Resources Department. The Consultant reviewed pay ranges, job postings, etc. from various regional (all NC) agencies both public and private sector for their comparisons. They recommended pay grade adjustments for all Maintenance staff to better align our current positions and starting rates to other regional employers. Based on these recommendations, the cost to adjust all current maintenance employees to their appropriate Grade and salary is approximately \$350,000 annually. Understanding that this approach is not fiscally viable in the current fiscal year, we plan to provide a 7.5% increase (\$50,000) to the current Team Members for their new Grade using lapsed salary from open Maintenance positions. This approach will also allow us to offer increased hiring rates for these critical positions while we continue to work funding. This approach will allow us to make some much-needed progress and assist with retention while we develop an approach to fully fund the necessary adjustments.

- In FY25, we expect to continue using Carolina Livery for the operation of the B, CCX, and JFX routes.
 - We have \$5,316,655.00 in Coronavirus Response and Relief Supplemental Appropriations (CRRSA) funds which will be used to reimburse Chapel Hill Transit in FY24 for personnel and operational costs, which allows us to use local funds for the Carolina Livery contract.
- Fuel may provide an opportunity for some budget savings going into next year if current trends continue. It is too early to make projections at this point; however, prices are currently trending favorably.
- Capital investments are required to maintain the transit fleet consistent with the adopted 2019 Capital Plan. Below is a chart of the fixed route bus purchase needs along with the

number of buses that currently are funding for purchase (grants, fund balance, debt financing).

Fixed Route Buses FY21-25	FY21	FY22	FY23	FY24	FY25
Need to purchase (capital plan 2019)	6	6	7	7	7
Funded	0	3	8	15	0
+/-	9	12	11	3	7

The Partners also agreed to utilize fund balance for the purchase of some Demand Response vehicles in FY23 and we have also identified additional funds for Demand Response vehicles in the current year and next year.

- Other Major Capital Expenses:
 - Radio system – this system was identified for replacement almost 15 years ago. Current cost estimate is \$1.5M.
 - Backup Power Source for Charging Stations – current facility generator needs to be replaced and is not capable of handling charging needs for cars or buses. Cost to be determined.
 - Facility Repairs and Upgrades – maintain a portion of the unrestricted fund balance to assist with anticipated needs for an aging facility: roof, HVAC, fire and safety alarm system, and solar. Capital Plan recommends reserving \$535,000 per year (~\$2.1M since Capital Plan was adopted) and no funding has been allocated to these projects. Parts and materials are being affected by inflationary increases and cost of labor increases. We have continued to utilize existing fuel contracts and will require a new contract in FY25.
- No additional capital funding is available in the Orange County Transit Plan (OCTP) and we do not have the ability to increase the cost of existing services funding. We are exploring using FY24 operating fund (route expansions that we are unable to fulfill due to Operator shortages) to fill necessary staff vacancies. Should these positions be funded through the OCTP, Partner funding will be necessary in future years budgets.
- As the North South Bus Rapid Transit (NSBRT) project continues to progress we have funding to cover for our current phase of design and we will need to start planning for the addition of new positions consistent with the NSBRT staffing plan as early as next year to help move this project forward.

Next Steps

- Staff will develop a timeline for additional discussions with the Partners Committee after the Town releases its budget calendar. We anticipate this will follow a traditional timeline with initial entry in December, work sessions in March and April, the presentation of the Manager's Recommended Budget in May and consideration of adoption in June. We plan to have more detailed discussions with the Partners Committee over the next few months.

Recommendation

- That the Partners Committee receive the information and provide staff with feedback.

2B. North South Bus Rapid Transit

Staff Resource: Matt Cecil, Transit Development Manager

Station Design

Throughout October and November, staff have engaged with focus groups and community stakeholders to refine three draft station concepts into a final station design. Specifically, staff are soliciting feedback from:

- UNC Chapel Hill staff
- UNC Hospitals staff
- UNC Dept. of City & Regional Planning students and faculty
- Town of Chapel Hill staff
- Attendees of topical focus groups including accessibility, multimodal connections, and land use and economic development
- Town of Chapel Hill appointed boards and commissions
- Transit operations and maintenance staff
- North Carolina Department of Transportation (NCDOT)
- EZ Rider Advisory Committee

As design progresses, additional elements will be added to the concepts including lighting, signage, and potential amenities.

NSBRT Station Design Phase 3 is scheduled to launch the week of December 4, 2023. Members of appointed boards and commissions are invited to attend an open house on December 5 at the Chapel Hill Public Library, Room B from 5:30 pm – 7:30 pm and a public open house is scheduled for December 6 at the Chapel Hill Public Library, Room B from 5:30 pm – 7:30 pm.

A refined station design concept is shown below (with four lighting alternatives) illustrating the ongoing evolution of design concepts between phases 2 and 3.





3A. Chapel Hill Transit 50th Anniversary

Staff Resource: Caroline Dwyer, Transit Planning Manager
Emily Powell, Community Outreach Manager

Overview

Staff are beginning discussions for acknowledging and celebrating CHT's 50th anniversary in August 2024. A planning committee is being formed to lead this effort. CHT staff want to engage all the whole community in this celebration and invite the Partners Committee to share ideas for achieving our goals.

3B. EZ Rider Advisory Committee Service Recommendation to Include CCX Route

Staff Resource: Melissa Patrick, Assistant Operations Manager – EZ Rider

Background

The EZ Rider Advisory Committee (EZRAC) is a subcommittee of the Chapel Hill Transit Public Transit Committee (Partners). The EZRAC recommends changes to procedures or policies related to the EZ Rider and Fixed-Route services in order to ensure that the transit system is serving the needs of people with disabilities within the service area. The EZRAC also reviews budgets and grant applications; provides input on updates to EZ Rider documents; conducts outreach to people with disabilities about EZ Rider and/or accessible Fixed-Route services; and offers a forum for the community to bring comments or concerns about EZ Rider and/or Fixed-Route service issues.

Recommendation

Chapel Hill Transit staff regularly review the service area for EZ Rider based on ADA requirements and FTA/DOT guidance. FTA/DOT has shared an updated definition of commuter bus service that requires us to make a minor adjustment to our EZ Rider service area to include within 3/4 of a mile of the CCX route. The definition states, commuter bus service is characterized by service predominantly in one direction during peak periods, limited stops, use of multi-ride tickets, and routes of extended length, usually between the central business district and outlying suburbs. The CCX operates from 5:30am to 8:20 p.m. and while it has limited stops, it does provide service both directions and is of a similar length as other Chapel Hill Transit routes. Following a review by staff, the EZRAC recommended adjusting the EZ Rider service to include within $\frac{3}{4}$ of a mile of the CCX route, which includes the Wal-Mart of 15-501 north, effective immediately. Since this is a very minor adjustment that does not require the addition of vehicles or operators, this will not have noticeable impact on the operating cost for EZ Rider and is necessary to meet ADA requirements.

3C. Transportation Demand Management (TDM) Update

Staff Resource: Brian M Litchfield, Director
Nick Pittman, Assistant Director
Caroline Dwyer, Transit Planning Manager

Overview

The Town of Chapel Hill has managed a Transportation Demand Management (TDM) program for almost 20 years. For the past 15 years the program has been located in the Town's Planning Department and prior to that it was housed in the Transit Department. Following discussions with Town staff and with an interest in better aligning transit/transportation planning, outreach and regional TDM coordination efforts, the position of Transportation Demand Management Community Manager (currently Len Cone) will move to Chapel Hill Transit along with the associated funding from the grant and Town in December 2023. The Town will continue to fund the TDM position, so there is no impact to the Transit Budget. Any new position(s) or programs would be coordinate through the Transit Partners.