



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

**NOTICE OF COMMITTEE MEETING AND AGENDA**

**JANUARY 25, 2024 – 10:00 A.M. to 12:00 P.M. (In-Person)**

**CHAPEL HILL TRANSIT – FIRST FLOOR CONFERENCE ROOM**

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7. Adjourn	

## MEETING SUMMARY OF A VIRTUAL MEETING OF THE PUBLIC TRANSIT COMMITTEE

November 16, 2023, at 10:00 AM

Present: Michael Parker, Chapel Hill Town Council  
Randee Haven-O'Donnell, Carrboro Town Council  
Chassem Anderson, UNC Transportation and Parking  
Loryn Clark, Town of Chapel Hill Deputy Town  
Manager

Absent: Gordon Merklein, UNC Vice Chancellor for Real Estate and Campus Enterprises, Tai Huynh, Chapel Hill Town Council, Karen Stegman, Chapel Hill Town Council, Marie Parker, Town of Carrboro Assistant Town Manager, Cheryl Stout, UNC Transportation and Parking, Damon Seils, Carrboro Town Council

Staff present: 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, Molly DeMarco, Fred Lampe

1. **Meeting Summary of October 26, 2023.** The meeting summary was unanimously approved.

### 2. Discussion Items

- A. FY2024-25 Budget Overview and Timeline – Provided for Partners information. A committee member asked how many operators we have currently. We have about 105 operators; we would like to be at 125-130 operators. A committee member suggested that we monitor the sales tax from the last fiscal year when compiling data for the upcoming budget. A committee member suggested bringing new council members and upcoming Partners Committee members up to speed with what is going on in the Partners Committee.
- B. North South Bus Rapid Transit-Station Design – Provided for Partners information. A committee member asked if we have confidence in the designers we are working with so that the stations look designed instead of constructed? The designers that we are working with have worked on other architecture projects in Chapel Hill so we have confidence that the stations will be very "Chapel Hill".

### 3. Information Items

- A. Chapel Hill Transit 50<sup>th</sup> Anniversary Planning - Provided for Partners information. A committee member suggested reaching out to Molly at the library to assist with creating a timeline of history for this event. A committee member suggested having special routes during that month

and have representatives handing out swag to our customers and to utilize the Gallery in Carrboro. Another good source for ideas could be the New York City Transit Museum.

- B. EZ Rider Advisory Committee Service Recommendation - Provided for Partners information.
- C. Transportation Demand Management (TDM) Update - Provided for Partners information.

4. **Next Meeting** – January 25, 2024 (10:00 a.m. – 12:00 p.m., Chapel Hill Transit 1<sup>st</sup> Floor Conference Room)

5. **Adjourn**

The Partners set a next meeting date for January 25, 2024
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## 3A. December Financial Report

Prepared by: Nick Pittman, Assistant Director

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**December 2023**

- Expenses for the month of December were \$2,979,654. Along with the encumbrances, which are heavily weighted towards the beginning of the fiscal year, approximately 46.24% 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).

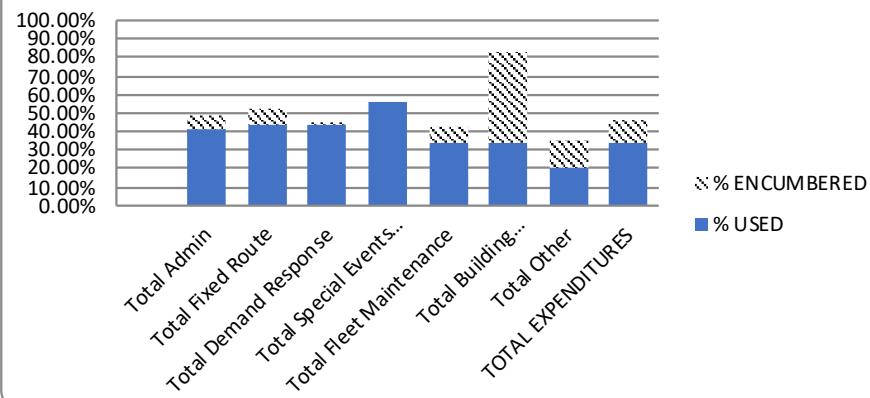
***Highlights***

- The revised budget amount includes the debt-financing funding and grants for bus purchases.
- This aggregation of expenses and encumbrances for the first half of the fiscal year 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.

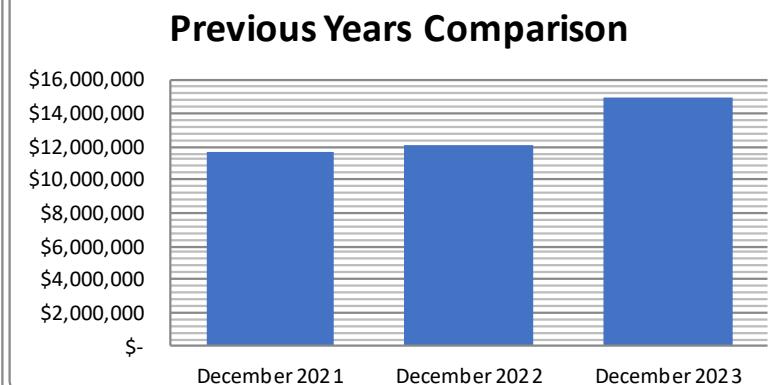
**Transit 640 Fund Budget to Actual at end of December 2023**

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL YTD EXPENSES	ACTUAL MONTH EXPENSES	CURRENT ENCUMBRANCES	BALANCE AVAILABLE	% USED OR ENCUMBERED Dec
Total Admin	<b>2,450,306</b>	<b>2,644,696</b>	<b>1,097,025</b>	<b>263,134</b>	<b>203,458</b>	<b>1,344,213</b>	<b>49.17%</b>
Total Fixed Route	<b>16,508,744</b>	<b>16,715,171</b>	<b>7,248,574.24</b>	<b>1,450,806.98</b>	<b>1,485,212.37</b>	<b>7,981,384</b>	<b>52.25%</b>
Total Demand Response	<b>2,659,688</b>	<b>2,661,470</b>	<b>1,168,560.31</b>	<b>247,613.40</b>	<b>16,998.46</b>	<b>1,475,911</b>	<b>44.55%</b>
Total Special Events (THX)	<b>311,364</b>	<b>311,364</b>	<b>173,819.24</b>	<b>20,584.51</b>	<b>0</b>	<b>137,545</b>	<b>55.83%</b>
Total Fleet Maintenance	<b>5,342,805</b>	<b>5,473,998</b>	<b>1,833,406.24</b>	<b>459,797.29</b>	<b>506,960.81</b>	<b>3,133,631</b>	<b>42.75%</b>
Total Building Maintenance	<b>914,611</b>	<b>1,900,213</b>	<b>637,183.24</b>	<b>107,617.43</b>	<b>939,143.59</b>	<b>323,886</b>	<b>82.96%</b>
Total Other	<b>3,962,372</b>	<b>13,751,162</b>	<b>2,749,210.39</b>	<b>430,101.13</b>	<b>2,037,213.10</b>	<b>8,964,739</b>	<b>34.81%</b>
<b>TOTAL EXPENDITURES</b>	<b>32,149,890</b>	<b>43,458,074</b>	<b>14,907,778.85</b>	<b>2,979,654.66</b>	<b>5,188,986.40</b>	<b>23,361,309</b>	<b>46.24%</b>

**CHT December 2023 YTD Expenses as % of Budget**



**CHT Total YTD Expenses - Previous Years Comparison**



4A. Committee Chair

Action: 1. Partners Committee discuss and select a Chair

Staff Resource: Brian Litchfield, Director

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**Background**

- Due to a change in representation on the Committee for the Town of Chapel Hill the Committee has a need to select a Chair from within its membership. As the Administrator of the transit system, a representative of the Town of Chapel Hill, usually the senior representative, serves as Committee Chair. The Chair convenes each meeting and helps facilitate Committee discussions.

**4B. FY 2022-23 Audit Report**

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

Staff Resource: Nick Pittman, Assistant Director

Tim Schwarzauer, Senior Grants and Strategic Project Manager

Brian Litchfield, Director

Amy Oland, Director of Business Management – Town of Chapel Hill

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**Overview**

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. 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 only been made to purchase buses, make capital investments and/or provide match on large federal/state grants, following Partner consideration and approval.

**Audit Summary – Transit Enterprise Fund for FY23**

The Town of Chapel Hill completed the audit process for FY2022-23 with full results of the Comprehensive Annual Financial Report presented to Council here: <https://chapelhill.legistar.com/LegislationDetail.aspx?ID=6430219&GUID=8ADC2A15-CAAF-4EE5-B1A9-626F0CD20CCE>. This report is typically shared with the Partners, in January or February, after it is presented to Council.

The schedule included with this update reflects the Budget to Actual Revenues and Expenditures for the Transit Fund. As of June 30, 2022, the Transit Fund had a positive change in Net Position over the preceding year of \$386,317 (see Attachment 1). This amount is much lower than we have seen over the last couple of years as a result of a number of factors including no additional federal relief funding, reduction in revenues from Tar Heel Express, Bus Advertising and other revenues, contribution to bus purchases, a lower than normal project carryforward and a refund to the University for the prior fiscal year.

**Fund Balance Overview**

- The Transit Fund currently has an unrestricted fund balance of \$33,419,745. This amount includes:

- \$8,391,664 in carryforward projects from previous years.
- \$2,916,520 for grant matches (includes \$2M for NSBRT)
- \$7,52,530 for cash flow (90 days).
- \$3,000,000 as a reserve against loss of or volatility of federal and state funds, major facility and equipment failures and other significant claims (workers compensation, liability, wrongful termination claims, etc.,).

Providing an available fund balance of \$11,585,031.

### **Potential Fund Balance Uses**

There are several uses the Partners could consider for a share of the available fund balance, including:

- North South Bus Rapid Transit Capital Contribution – The Partner have allocated \$2M in fund balance for non-federal funding for our Small Starts application. The Partners should also strongly consider reserving additional funding for project contingency purposes. This would be reasonable considering a number of factors, including the scope and scale of the project, inflationary costs of construction and zero emission vehicles and that once the federal portion of the project is approved, federal resources cannot be used to cover project cost increases. Staff will work with Partners to identify a reasonable contingency amount as project costs are updated at the completion of 60% design and we receive feedback from FTA related to this project.
- Replacement Buses – The operating budget typically does not include match for large capital grants (as these are typically not known during the budget development process). The Partners should consider reserving fund balance resources to purchase some buses outright and assist with local match for potential future awards.
- Facility Expansion Needs for Zero Emission Vehicles – site work and pavement for parking is estimated at ~\$5M. While we will pursue federal funding for this, it will be competing with our needs for BRT, buses and other capital needs. As shared in previous discussions, at 20 standard buses we will be at our space limit at our current facility and do not have the space for infrastructure for zero emission 60' buses or additional 60' buses needed for NSBRT.
- 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).

- The Partners have also agreed from time to time to budget fund balance to help balance the budget and reduce annual Partner contributions. The Partners should consider reserving some portion of fund balance for future needs.

**Attachment**

- Attachment 1: FY2022-23 Revenues to Expenditures for Transit Fund.

**Recommendation**

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

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -  
(MODIFIED ACCRUAL BASIS) - TRANSIT FUND  
YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>		<b>Variance - Positive (Negative)</b>	
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>OPERATING REVENUES</b>				
Charges for services:				
Tarheel Express	\$ 306,238	\$ 306,238	\$ 45,995	\$ (260,243)
Bus advertising	200,000	200,000	67,482	(132,518)
Other	605,949	605,949	442,758	(163,191)
Total charges for services	1,112,187	1,112,187	556,235	(555,952)
<b>OPERATING EXPENSES</b>				
Personnel	17,431,522	17,224,472	15,651,067	1,573,405
Fuel and tires	1,677,492	1,589,992	1,625,683	(35,691)
Indirect costs	1,542,984	1,433,984	1,389,681	44,303
Building maintenance	544,011	977,462	549,770	427,692
Vehicle maintenance	1,889,737	1,937,916	1,209,146	728,770
Insurance	449,183	449,183	425,031	24,152
Advertising and marketing	63,500	75,620	44,604	31,016
Tarheel Express	286,060	276,060	235,961	40,099
Uniforms and supplies	142,745	143,245	151,646	(8,401)
Professional services	153,734	451,474	360,347	91,127
Contracted services	4,175,178	9,029,553	5,038,299	3,991,254
Other	436,620	828,585	691,806	136,779
Total operating expenses	28,792,766	34,417,546	27,373,041	7,044,505
<b>OPERATING LOSS</b>	<b>(27,680,579)</b>	<b>(33,305,359)</b>	<b>(26,816,806)</b>	<b>6,488,553</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Federal Operating Assistance Grant	4,100,000	2,784,693	2,898,896	114,203
State Operating Assistance Grant	3,200,000	3,200,000	3,631,704	431,704
Operating assistance-UNC Chapel Hill	10,266,042	10,266,042	9,339,002	(927,040)
Operating assistance-Town of Carrboro	2,196,177	2,196,177	1,992,152	(204,025)
Operating assistance - TTA Vehicle Fees	4,074,423	4,074,423	4,434,953	360,530
Vehicle licenses	450,034	450,034	452,740	2,706
Ad valorem taxes	5,957,000	5,957,000	5,909,203	(47,797)
Interest on investments	10,000	10,000	754,285	744,285
Insurance recovery	48,000	48,000	11,175	(36,825)
Capital outlay	(1,120,000)	(9,866,192)	(296,848)	9,569,344
Gain (Loss) from sale of capital assets	14,000	14,000	10,350	(3,650)
Debt service	(716,308)	(771,308)	(767,115)	4,193
Proceeds from debt issuance	-	8,155,000	8,155,000	-
Revenue in lieu	26,500	26,500	-	(26,500)
Contribution to reserve	(825,289)	(4,164,735)	-	4,164,735
Appropriated fund balance	-	13,467,725	-	(13,467,725)
Total nonoperating revenues (expenses), net	27,680,579	35,847,359	36,525,497	678,138
<b>INCOME BEFORE TRANSFERS</b>	<b>-</b>	<b>2,542,000</b>	<b>9,708,691</b>	<b>7,166,691</b>

Continued

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -  
(MODIFIED ACCRUAL BASIS) - TRANSIT FUND  
YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance - Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>TRANSFERS</b>				
Transfers out		-	(2,542,000)	(641,746) 1,900,254
<b>EXCESS OF REVENUES OVER EXPENSES AND TRANSFERS</b>				
	\$	-	\$ 9,066,945	\$ 9,066,945
Reconciliation of modified accrual basis to full accrual basis:				
Accrued vacation payable			(83,478)	
Accrued OPEB liability			507,716	
Pension Expense			1,108,273	
Debt service principal			649,000	
Debt issuance proceeds			(8,155,000)	
Capital outlay			296,848	
Depreciation and amortization			(4,147,477)	
Capital contributions			1,143,490	
Change in net position			\$ 386,317	

**4C. FY 2024-25 Chapel Hill Transit Budget Development Update****Action: 1. Receive information and provide staff with feedback.**

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

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**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.

**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.
- The Partners have also agreed to allocate \$2M of fund balance towards North South Bus Rapid Transit local match.
- 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

It is also too early to determine the impacts of insurance (health, liability, etc.) and any other personnel benefits on the budget. Cost adjustments to health insurance can have a positive or negative impact on the overall budget. We also continue to see cost increases for parts and supplies and contracts for vehicles and the facility.

### **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 \$19.50. 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 was not fiscally viable in the current fiscal year, we provided 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. This will be reflected in next year's budget, along with an increase beyond cost of living to continue to move our Maintenance Team Members to the appropriate levels in our current pay plan.

- In FY25, we expect to continue using Carolina Livery for the operation of the B, CCX, and JFX routes. We estimate the cost to provide this will be around \$1.9M and we will continue to use federal relief funding to cover this cost.
- 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 grant funds and fund balance for the purchase of some Demand Response vehicles in FY23 and we have also identified additional funds for Demand Response vehicles for 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 return with budget updates at the February Meeting in preparation for Council 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.

**4D. North South Bus Rapid Transit**

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

Staff Resource: Matt Cecil, Transit Development Manager

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**North South Bus Rapid Transit Sponsorship Feasibility Study**

In 2022, Chapel Hill Transit issued a Request for Proposals (RFP) for a North-South Bus Rapid Transit (NSBRT) Sponsorship Feasibility Study evaluating the fair market value of Chapel Hill Transit's assets and evaluates sponsorship opportunities, including NSBRT station and system naming rights and potential advertising revenue. Sale of naming rights and/or a sponsorship program can generate revenue supporting Chapel Hill Transit's required local match for capital investment grants and/or support NSBRT's annual operation and maintenance costs.

Chapel Hill Transit selected the Superlative Group to conduct a two-phased sponsorship feasibility study. The project's first phase deliverable – an asset inventory and valuation assessment – was completed in August 2023 and the Partners received a summary of findings. Based on the findings that NSBRT sponsorships and/or naming rights offer significant revenue-generating opportunities (potentially \$12-\$15.5 million, annually), staff recommended moving forward with the project's Phase II - developing sponsorship materials and soliciting potential sponsors. CHT staff discussed contract and compensation terms for Phase II with the Superlative Group in November and December 2023. The Partners' concurred with this recommendation.

***Status***

The Superlative Group offered Chapel Hill Transit three (3) contracting options for Phase II. All options require an 18-month contract commitment and a travel budget (\$8,000 cap, annually), with variations in the monthly retainer and sales commission (see table below).

	OPTION 1	OPTION 2	OPTION 3
<b>Contract Term</b>		18 months	
<b>Travel Budget (18 months)</b>		\$12,000	
<b>Retainer (monthly)</b>	\$5,000	\$7,500	\$0
<b>Retainer (over contract period)</b>	\$90,000	\$135,000	\$0
<b>Sales Commission</b>	25%	20%	40%
<b>CHT Net Revenue Potential*</b>	\$11.5 million	\$12.3 million	\$9.3 million

*\*Net Revenue Potential = Estimated Potential Revenues (High Scenario) – (Travel Budget + Retainer + Sales Commission)*

***Next Steps***

Staff recommend Option 1. The annualized contract amount is commensurate with other Chapel Hill Transit professional service contracts for work performed and the sales commission percentage retains more of the revenue generated by sponsorship and naming rights that can be

applied to annual operating costs and capital investments. The Superlative Group would begin work upon contract completion.

## 5A. Project Updates

Staff Resource: Katy Fontaine, Project Manager  
Caroline Dwyer, Planning Manager  
Tim Schwarzauer, Senior Grants and Strategic Project Manager

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**A. Bus Stop Improvement Updates**

- White Oak Consulting has completed construction on the 17 sites included in the construction bid last year. This includes four (4) stops in Chapel Hill, one (1) at UNC, and 12 in Carrboro.
- Chapel Hill Transit currently has 60 additional stops in various stages of design. Construction of these stops will be funded using a grant from FTA, in coordination with the results from the bus stop inventory.
- The bus stop inventory audit has been completed. This included data collection and site visits for all 530+ stops. Next, staff will assess and catalog existing conditions at all CHT stops and will help staff prioritize future improvements.

**B. Solar Powered Real Time Information Displays**

- Updated Connexionz Papercast signs will display real-time information, with audible data available for increased ADA accessibility.
- The pilot Connexionz Papercast sign was installed at Martin Luther King Jr. Blvd at Chapel View in December.
- An additional 55 Papercast signs will be installed throughout Chapel Hill and Carrboro in late spring/early summer. These signs will be in addition to the Connexionz BusFinder signs already located around the community.

**C. 2024 Transit Planning Outlook**

In 2024, the Transit Planning Division will continue advancing ongoing projects (i.e., NSBRT, see item 2.B for more information) and begin several new initiatives.

- Short Range Transit Plan Update - CHT has requested a funding amendment to the Orange County FY24 Transit Work Plan to review and refresh the Short Range Transit Plan (SRTP) that was adopted in 2020. This initiative will test and revise the assumptions in the 2020 plan and make adjustments to service recommendations, based on post-COVID travel behavior and residential development trends in Chapel Hill. If funded, we anticipate beginning this project in mid-2024.
- High Capacity Transit Corridors Study - CHT is seeking funding through DCHC MPO's Unified Planning Work Program (UPWP) to assess the feasibility of high capacity transit service (ex. express service, BRT, etc.) along key travel corridors in CHT's service area. This study complements a similar study being conducted in Durham County and will inform

future decisions related to seeking federal funding for transit capital investments. If funded, we anticipate this project will begin in late 2024.

- Zero-Emissions Fleet & Facilities Resilience Plan - CHT is seeking funding through FEMA's Building Resilient Infrastructure & Communities (BRIC) program to hire a firm to conduct a resiliency assessment and provide recommendations strengthening and protecting CHT's ability to provide uninterrupted service on our growing fleet of battery electric buses. This includes identifying redundant power sources and protecting our on-site charging infrastructure. North Carolina's BRIC funding is allocated to sub-recipients (like CHT) by the State's Office of Public Safety & Emergency Management. If awarded funding, we anticipate beginning this project in Summer 2024.
- Transit Planner I - CHT has also requested a funding amendment to the Orange County FY24 Transit Work Plan supporting the salary of a transit planner to support the projects described above, to supplement CHT's ability to collect and assess important performance data, and to support planning and construction of the NSBRT.

#### **D. Grants Update**

NCDOT has notified transit grantees that starting with FY25 they will only provide state match for federal capital grants after a purchase has been completed. Currently they award state match grants following a federal grant award announcement and their funding can be used for the purchase. This will require us to adjust how we account for state match in future bus and capital purchases.

- Current applications:
  - The Town of Chapel Hill has applied to the Metropolitan Planning Organization's Regional Discretionary Grant Program to purchase 2 electric buses in FY25, 1 electric bus in FY26, and 1 Electric Bus in FY27.
  - The Town of Chapel Hill has applied to the NCDOT Advanced Technology Grant Program seeking funding for solar powered upgrades to provide cell phone charging stations and advanced, interactive, real time bus route information stations at existing bus stops. We are requesting funding for seven solar powered USB port phone charging stations and thirty radio-operated, solar powered e-bus finder systems that will allow for an interactive experience for customers wanting to access real time location information, route schedules and connections.
- Current awards:
  - 5339A – The Town received a grant award of \$298,000 from FTA to complete 60-90% design on the Transit Facility Expansion Project
  - 5339B – The Town received \$2,160,000 from FTA for bus stop improvements through the FTA's competitive 5339B Program for Bus and Bus Facilities.
  - NCDOT Urban Match - \$1,060,000 from NCDOT for match for a recent federal grant award for electric buses.

- NCDOT Advanced Technology - \$180,000 from NCDOT for the purchase and installation of real-time information screens (will show upcoming stops, times, etc.).
- AOPP – The Town received a \$350,000 award from FTA's Areas of Persistent Poverty (AoPP) program to evaluate and plan for a new, app-based, on-demand microtransit system to serve a two-mile corridor of the planned North-South bus rapid transit route (providing access to the high quality transit services in the corridor and during low-demand hours).
- FTA Small Starts - \$8,134,600 for North South Bus Rapid Transit.

5B. Director

Staff Resource: Brian Litchfield, Transit Director

**Cashless Tar Heel Express**

Staff is finalizing a contract with ParkHub to implement cashless transactions for Tar Heel Express beginning with the 2024 UNC Football season. This system will allow customers to pay for Tar Heel Express bus fare via credit cards at our park and ride locations. Implementation of the ParkHub system will eliminate the challenges that we have faced during the 2023-2024 related to using contract staff to collect cash at shuttle locations. While this has taken longer than anticipated due to contracting and financial requirements, we look forward to rolling this out for the upcoming season.

**Legislative Update**

State – the legislature is expected to reconvene on February 14<sup>th</sup> as a continuation of the long session from 2023. The short session is expected to start on April 24<sup>th</sup>. We are exploring opportunities to discuss adjustments to State funding for transit and additional protections for front-line transit workers.

Federal – the FY24 transportation appropriation is still being negotiated by the House and Senate. The Senate has passed (82-15) a bill consistent with the funding levels authorized by the Bipartisan Infrastructure Law and the House continues to debate funding levels for transportation and several other areas as part of their budget discussions. The House and Senate passed a third continuing resolution on January 18<sup>th</sup> that will take us to March 1<sup>st</sup>.

**New Electric Buses**

We have taken delivery of six of our seven new electric buses (the seventh is on the way). The buses are going through inspections and testing and should be available for service in the next couple of months. The new buses will also feature bike racks that can safely transport three bikes (current racks can do two). We also have seven additional electric buses on order.



## **Bridge II Sports Recognition**

Chapel Hill Transit was recently recognized by Bridge II Sports (<https://www.bridge2sports.org/>), a local organization that focuses on creating opportunities for youth, adults, and Veterans with physical disabilities through adapted sports, for our ongoing support in providing transportation for the Valor Games. We have been assisting them for about 10 years. The Valor Games is a national Paralympic sport competition for Veterans and active-duty service members with disabilities that is held annually on the campuses of University of North Carolina at Chapel Hill and Duke University, and in Raleigh. Over a three-day period, Chapel Hill Transit helped transport Valor Game participants and attendees to/from event sites around the Triangle.



## **Bus Stop Improvements**

Our contractor has recently completed 17 bus stop improvements, including the installation of a new stop and shelter on Martin Luther King Jr. Boulevard near IFC. The new stop will greatly reduce the distance people need to walk to be able to catch the bus, provide a covered/lighted waiting area and make it safer for customers using Chapel Hill Transit. This is the largest bus stop improvement effort in more than 20 years for Chapel Hill Transit. We are also moving forward with efforts that will allow us to utilize the ~\$2.5M in federal grant funds we were awarded for bus stop improvements. Additionally, we are testing new solar RealTime signs that are easier to read and provide ADA compliant audio voice announcements. We have funding to cover the purchase and installation of around 55 of these new signs.



**5C. Performance Report**

Staff Resources: Caroline Dwyer, Transit Planning Manager

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**Performance Report**

- The performance reports will be provided at the January 25, 2024, meeting.