

# ***TRANSIT FUND***

## ***Major Revenue Sources - Descriptions and Estimates***

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The Town provides public transit services for the Town of Chapel Hill and the neighboring Town of Carrboro and the University of North Carolina. The two towns and the university share annual operating costs of the transit system on a contractual basis. In 2001, the transit system initiated fare free services, eliminating fare box and pass sale revenues previously collected for the basic system. (Exceptions are fares for specific routes to Hillsborough and the Tar Heel Express service provided for athletic and other special events for the University.)

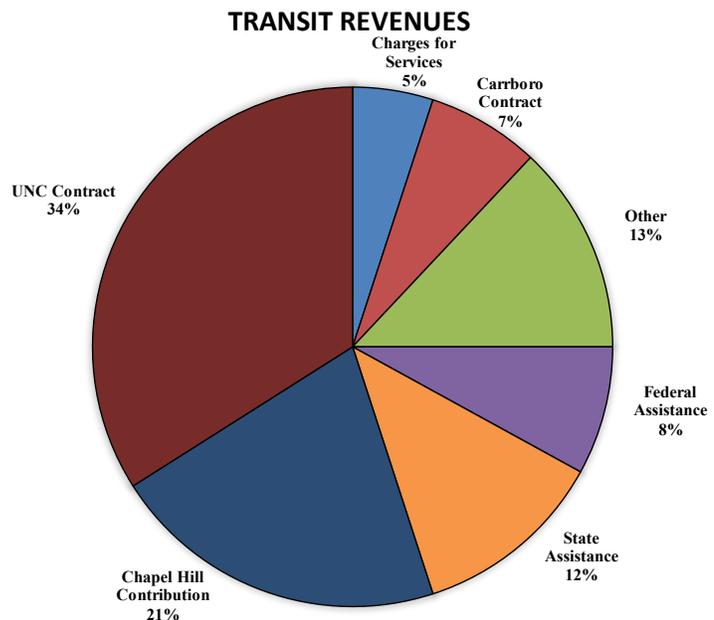
The recommended budget for the Transit Fund for fiscal year 2020-21 totals about \$25.2 million, an increase of 1.8% from 2019-20. Below is a description of the major revenue sources for the Transit Fund and the pie chart below shows the major revenue sources for fiscal year 2020-21. Please note that due to the partnership between the Town of Chapel Hill, Town of Carrboro, and the University of North Carolina, some financial aspects are still being discussed by the partners and are subject to change.

### **Federal Operating Assistance**

The Transit system receives an operating assistance allocation each year from the federal government based on a variety of factors and funding formulas. We estimate federal funding for operations to remain flat from 2019-20 levels at \$1.96 million. Additional operating grants will be sought for 2020-21 as opportunities arise, and will be added to the budget through amendment if awarded.

### **State Operating Assistance**

The Transit system also receives an operating assistance allocation each year from the State based on a formula involving various operating statistics for the system. The subsidy for 2019-20 is expected to be almost \$3.7 million, about \$1.4 million more than budgeted, with a recommended 2020-21 budget amount of \$3.2 million. The increase can be attributed to the increase in State Maintenance Assistance Program (SMAP) funding of \$947,000.



# TRANSIT FUND

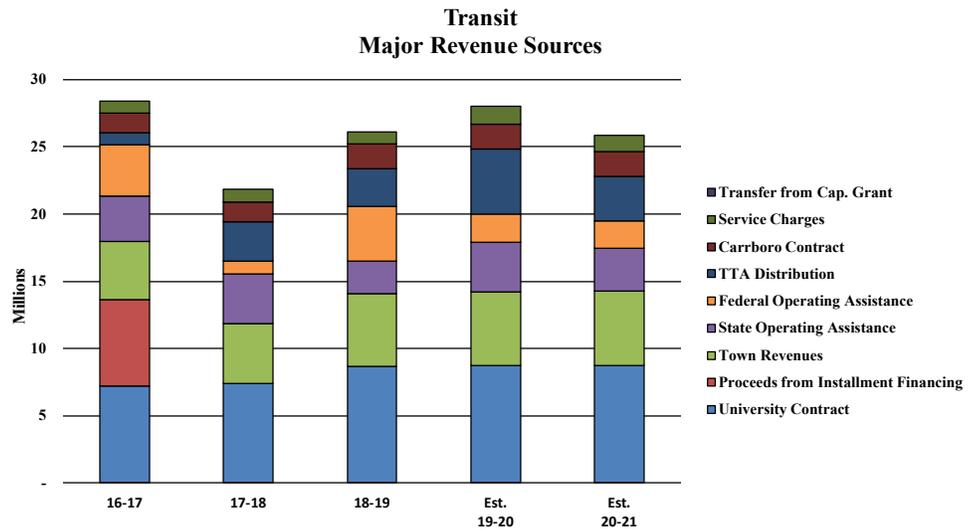
## Major Revenue Sources - Descriptions and Estimates

### University Contract

The University of North Carolina contracts with the Town for bus service for routes on and surrounding the campus of the University and UNC Health Care System. The University contract also covers routes determined to serve mainly students and employees of the University. The cost of these services is based on cost sharing arrangements among the Town, the University and Carrboro, as agreed to in an annual contract. The University's contracted share was about \$8.57 million in 2018-19 and \$8.72 million in 2019-20. UNC's allocation for 2020-21 remains flat at \$8.72 million.

### Carrboro Contract

The Town of Carrboro also contracts with the Town for transit service with costs also based on the Memorandum of Understanding. Carrboro's cost for 2019-20 was about \$1.84 million and the budget for 2020-21 remains flat at \$1.84 million based on the funding formula.



### Town Revenues

The Town's share of cost for the Transit system is funded primarily by a property tax levy for transit. The recommended budget for the Transit Fund in fiscal year 2020-21 is about \$5.56 million. Also included in Town revenues are interest income and \$450,000 for vehicle license fees.

# ***TRANSIT FUND***

## ***Major Revenue Sources - Descriptions and Estimates***

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### **Park and Ride Fees**

The recommended budget for 2020-21 includes fees for use of park and ride lots. The University charges a fee for the lots they operate, which would result in overflow to our lots if they remained free of charge. The 2020-21 recommended budget includes fee revenues of \$95,000.

Other revenues expected for the system include about \$306,000 in fares for the Tar Heel Express and other special events, and about \$375,000 in services for Triangle Transit Authority.

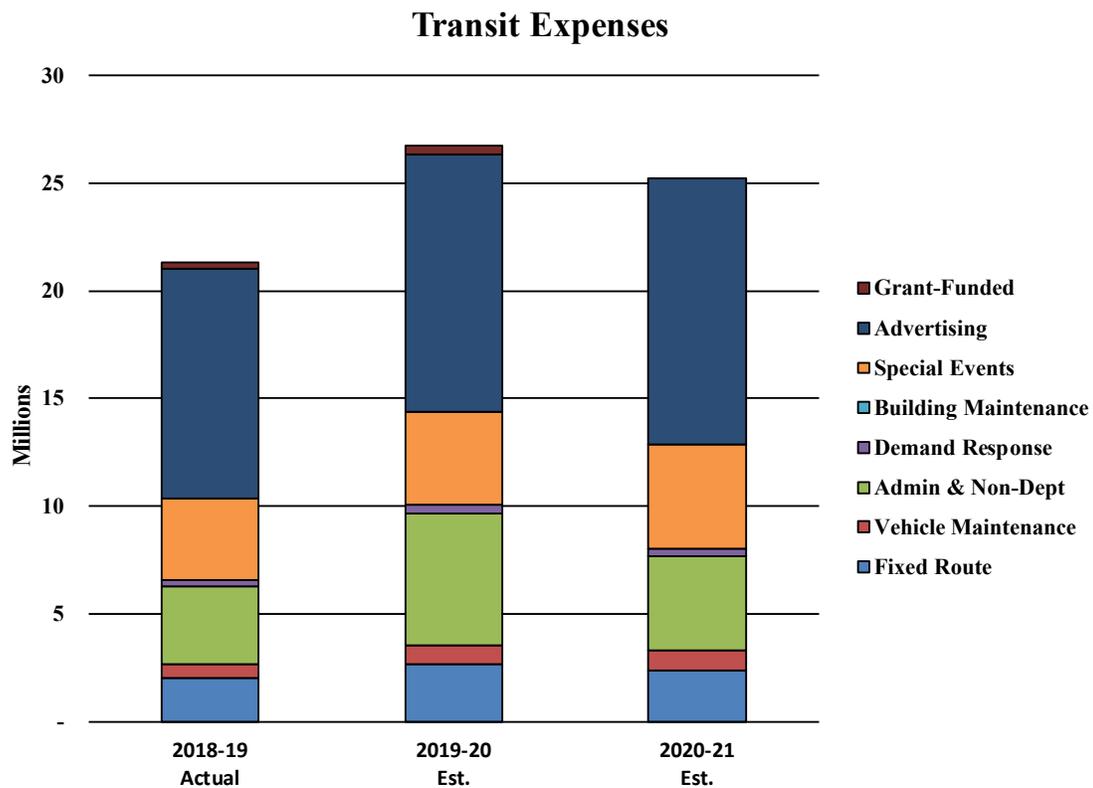
### **Fund Balance**

The Transit system expects to add approximately \$1.3 million to fund balance in 2019-20. The 2020-21 recommended budget was balanced with a \$605,000 contribution to reserve.

# TRANSIT FUND

## Major Expenditures - Descriptions and Estimates

The recommended budget for Transit for 2020-21 continues fare free services for fixed routes in the system and totals \$25.23 million. Major expenditures of the system consist primarily of personnel, operating and maintenance costs for a planned fleet of 99 buses, two 15-passenger vans, 15 lift-equipped vans, 13 minivans, and four maintenance service trucks that provide transit service to the entire community. Operational costs total about \$15 million and Maintenance costs total about \$5.8 million.



Expenditures for 2020-21 include a 4% health insurance cost increase and a 1.2% retirement increase. There is \$146,500 budgeted cost for other post-employment benefits (OPEB) and also includes \$716,110 for debt payments for the purchase of 14 buses.

***TRANSIT DEPARTMENT***  
***STAFFING COMPARISONS - IN FULL-TIME EQUIVALENTS***

	2018-19 ADOPTED	2019-20 ADOPTED	2020-21 RECOMMENDED
<b>Administration</b>			
Director-Transportation	1.00	1.00	1.00
Assistant Director-Transportation	1.00	1.00	1.00
Assistant Director - Admin Services	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00
Community Outreach Manager	1.00	1.00	1.00
Advertising Sales Manager	1.00	0.00	0.00
Grants Coordinator	1.00	1.00	1.00
Procurement Specialist	1.00	1.00	1.00
Transit Services Planner	1.00	1.00	1.00
Administrative Assistant	4.00	3.00	3.00
Human Resources Consultant	1.00	1.00	1.00
Transit Planning Coordinator	1.00	1.00	1.00
Accounting Technician II	0.00	1.00	1.00
Division Totals	15.00	14.00	14.00
<b>Operations</b>			
OCC Health & Safety Officer	1.00	1.00	1.00
Demand Response Manager	1.00	1.00	1.00
Training Coordinator	1.00	1.00	1.00
Manager - Transit Operations	1.00	1.00	1.00
Assistant Manager - Transit	2.00	2.00	2.00
Supervisor-Transit	10.00	10.00	10.00
Transit Operator - Demand Response	14.63	14.63	14.63
Transit Operator - Fixed Route	122.66	122.66	122.66
Training Coordinator	0.00	1.00	1.00
Administrative Assistant	2.00	2.00	2.00
Division Totals	155.29	156.29	156.29
<b>Equipment Maintenance</b>			
Maintenance Manager	1.00	1.00	1.00
Assistant Maintenance Manager	1.00	1.00	1.00
Mechanic Supervisor	3.00	3.00	3.00
Parts Manager	1.00	1.00	1.00
Mechanic (I-III)	16.00	16.00	16.00
Bus Service Technician	2.00	2.00	2.00
Mechanic Helper	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Parts Clerk	2.00	2.00	2.00
Service Attendant	5.00	5.00	5.00
Division Totals	33.00	33.00	33.00
Transit Department Totals	203.29	203.29	203.29

# **TRANSIT**

## **BUDGET SUMMARY**

The recommended budget for the Transit Department continues fare-free service. Federal assistance remained flat, while state assistance has increased 18.3%. This is slightly offset by a decrease in advertising revenues. The 2020-21 recommended budget also includes revenues from the partners including the Town of Carrboro and the University of North Carolina at Chapel Hill. Cost increases include a 1.2% retirement increase and a 4% increase in health insurance costs.

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
Admin & Non-Dept	\$ 3,627,142	\$ 4,119,754	\$ 6,340,452	\$ 6,136,886	\$ 4,414,564	7.2%
Grant-Funded	294,968	-	442,671	409,556	-	N/A
Fixed Route	10,682,917	12,313,207	13,142,215	11,938,835	12,357,345	0.4%
Demand Response	2,019,742	2,310,518	2,723,021	2,665,980	2,349,623	1.7%
Special Events	282,399	340,605	395,105	393,803	312,193	-8.3%
Vehicle Maintenance	3,785,208	4,788,402	4,902,516	4,339,349	4,873,735	1.8%
Building Maintenance	657,713	920,005	1,074,752	842,502	925,044	0.5%
<b>Total</b>	<b>\$ 21,350,089</b>	<b>\$ 24,792,491</b>	<b>\$ 29,020,732</b>	<b>\$ 26,726,911</b>	<b>\$ 25,232,504</b>	<b>1.8%</b>

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
Charges for Services	\$ 738,738	\$ 976,997	\$ 976,997	\$ 1,358,617	\$ 1,174,187	20.2%
Federal Assistance	3,938,230	1,960,178	1,960,178	1,960,178	1,960,178	0.0%
Federal Ops Grants	100,012	63,576	196,799	208,636	-	-100.0%
State Assistance	2,439,178	2,253,325	3,296,103	3,690,857	2,665,445	18.3%
TTA Fees	2,829,635	3,321,849	4,821,954	4,821,954	3,321,849	0.0%
UNC Contract	8,650,740	8,719,868	8,719,868	8,719,868	8,719,868	0.0%
Carrboro Contract	1,808,940	1,835,146	1,835,146	1,835,146	1,835,146	0.0%
Advertising Revenue	184,829	185,000	185,000	-	-	-100.0%
Chapel Hill Revenues	5,436,463	5,476,552	5,476,552	5,505,831	5,555,831	1.4%
Appropriated Fund Balance	(4,776,676)	-	1,552,135	(1,374,176)	-	N/A
<b>Total</b>	<b>\$ 21,350,089</b>	<b>\$ 24,792,491</b>	<b>\$ 29,020,732</b>	<b>\$ 26,726,911</b>	<b>\$ 25,232,504</b>	<b>1.8%</b>

***TRANSIT - Administration and Non-Departmental  
BUDGET SUMMARY***

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*The recommended budget for 2020-21 includes a 7.2% increase to the overall budget. Personnel has increased by 2.4% due to a 1.2% retirement increase and a 4% increase in health insurance costs.*

*Operating costs have remained relatively unchanged.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,543,984	\$ 1,719,379	\$ 1,691,879	\$ 1,595,007	\$ 1,760,288	2.4%
Operating Costs	1,867,205	2,400,375	3,090,983	2,987,535	2,403,386	0.1%
Transfer to Capital Grant	-	-	3,246	-	-	N/A
Transfer to Capital Reserve	250,890	-	-	-	250,890	N/A
Capital Outlay	(34,937)	-	1,554,344	1,554,344	-	N/A
<b>Total</b>	<b>\$ 3,627,142</b>	<b>\$ 4,119,754</b>	<b>\$ 6,340,452</b>	<b>\$ 6,136,886</b>	<b>\$ 4,414,564</b>	<b>7.2%</b>

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***TRANSIT - Grants***  
***BUDGET SUMMARY***

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*As of the time of the recommended budget, there were no planned grant related expenditures for 2020-21.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 46,189	\$ -	\$ 72,000	\$ 72,000	\$ -	N/A
Operating Costs	248,779	-	370,671	337,556	-	N/A
Total	\$ 294,968	\$ -	\$ 442,671	\$ 409,556	\$ -	N/A

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***TRANSIT - Fixed Route***  
***BUDGET SUMMARY***

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*The recommended budget reflects a 0.4% increase in overall costs. Employee turnover has led personnel expenses to remain relatively flat. There is a 4% increase in health insurance costs and a 1.2% increase in retirement costs.*

*There is an increase of 1.9% in operating costs due to an increase in diesel fuel usage and telephone maintenance.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 8,031,246	\$ 9,234,369	\$ 8,990,189	\$ 8,391,400	\$ 9,219,663	-0.2%
Operating Costs	2,651,671	3,078,838	3,079,114	2,984,523	3,137,682	1.9%
Capital Outlay	-	-	1,072,912	562,912	-	N/A
<b>Total</b>	<b>\$ 10,682,917</b>	<b>\$ 12,313,207</b>	<b>\$ 13,142,215</b>	<b>\$ 11,938,835</b>	<b>\$ 12,357,345</b>	<b>0.4%</b>

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***TRANSIT - Demand Response***  
***BUDGET SUMMARY***

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*The recommended budget for Demand Response division has a 1.7% increase over the 2019-20 budget. Personnel expenditures experienced a 4% health insurance increase and a 1.2% increase in retirement costs. The 1.3% increase in operating are due to increases to cellular phones and gasoline usage.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 1,567,436	\$ 1,656,470	\$ 1,656,470	\$ 1,715,263	\$ 1,687,367	1.9%
Operating Costs	452,306	654,048	654,048	553,214	662,256	1.3%
Capital Outlay	-	-	412,503	397,503	-	N/A
<b>Total</b>	<b>\$ 2,019,742</b>	<b>\$ 2,310,518</b>	<b>\$ 2,723,021</b>	<b>\$ 2,665,980</b>	<b>\$ 2,349,623</b>	<b>1.7%</b>

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***TRANSIT - Tarheel Express / Special Events***  
***BUDGET SUMMARY***

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*The recommended budget for Tarheel Express & Special Events in 2020-21 reflects an 8.3% decrease in overall expenditures. There is an 11% decrease in personnel costs due an update in the allocation of health insurance funding to respective divisions within the transportation department.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 228,407	\$ 258,271	\$ 258,271	\$ 305,665	\$ 229,859	-11.0%
Operating Costs	53,992	82,334	136,834	88,138	82,334	0.0%
Total	\$ 282,399	\$ 340,605	\$ 395,105	\$ 393,803	\$ 312,193	-8.3%

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***TRANSIT - Vehicle Maintenance***  
***BUDGET SUMMARY***

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*The recommended budget for 2020-21 represents a 1.8% increase in expenditures from the 2019-20 fiscal year. The 0.8% increase in personnel costs is due to a 4% increase in health insurance costs and an increase of 1.2% for retirement costs. The increase of 2.9% in operating costs reflects increases to the costs related to vehicle maintenance and repairs.*

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**EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 2,258,214	\$ 2,600,100	\$ 2,600,100	\$ 2,266,053	\$ 2,621,932	0.8%
Operating Costs	1,514,646	2,168,302	2,280,393	2,053,296	2,231,803	2.9%
Capital Outlay	12,348	20,000	22,023	20,000	20,000	0.0%
<b>Total</b>	<b>\$ 3,785,208</b>	<b>\$ 4,788,402</b>	<b>\$ 4,902,516</b>	<b>\$ 4,339,349</b>	<b>\$ 4,873,735</b>	<b>1.8%</b>

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## ***TRANSIT - Building Maintenance***

### ***BUDGET SUMMARY***

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*The recommended budget for Transit's Building Maintenance division reflects a 0.5% increase overall. The 8.7% decrease in personnel expenditures is due to adjusting the new retiree medical figure to align better with prior year actuals. Operating costs have remained relatively flat.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
Personnel	\$ 5,116	\$ 5,200	\$ 5,200	\$ 5,090	\$ 4,750	-8.7%
Operating Costs	586,293	914,805	1,069,552	837,412	920,294	0.6%
Capital Outlay	66,304	-	-	-	-	N/A
<b>Total</b>	<b>\$ 657,713</b>	<b>\$ 920,005</b>	<b>\$ 1,074,752</b>	<b>\$ 842,502</b>	<b>\$ 925,044</b>	<b>0.5%</b>

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## ***TRANSIT CAPITAL RESERVE BUDGET SUMMARY***

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*The Transit Capital Reserve Fund is intended to accumulate funding to make capital purchases and to meet matching requirements for capital grants for replacement buses and other equipment. Matching funds for 2020-21 are estimates for grants historically received each year, but not yet awarded.*

*The contribution to reserve budgeted for 2020-21 is intended for bus replacement expenditures.*

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### **EXPENDITURES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
Contribution to Capital Grant Reserve	\$ 456,272	\$ -	\$ 1,186,005	\$ 1,186,005	\$ -	N/A
	-	10,000	10,000	10,000	260,890	2508.9%
Total	\$ 456,272	\$ 10,000	\$ 1,196,005	\$ 1,196,005	\$ 260,890	2508.9%

### **REVENUES**

	<b>2018-19 Actual</b>	<b>2019-20 Original Budget</b>	<b>2019-20 Revised Budget</b>	<b>2019-20 Estimated</b>	<b>2020-21 Recommended Budget</b>	<b>% Change from 2019-20</b>
Interest Income	\$ 12,210	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	0.0%
Transfer from Transit Fund	250,890	-	-	-	250,890	N/A
Appropriated Fund Balance	193,172	-	1,186,005	1,186,005	-	N/A
Total	\$ 456,272	\$ 10,000	\$ 1,196,005	\$ 1,196,005	\$ 260,890	2508.9%

# ***TRANSIT CAPITAL GRANT PROJECT ORDINANCES***

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Transit capital and planning grants awarded by the Federal Transit Administration are implemented pursuant to grant project ordinances authorized by General Statute 159-13.12. Budgets are adopted throughout the year as grant awards are received. Seven current project ordinances in the Transit Department are shown below:

**2015-2016 Capital Grant 5339**

The project ordinance for the fiscal year 2015-2016 Section 5339 Transit Capital Grant was executed on May 14, 2018. The funds will be used to expand transit’s employee/visitor parking lot, install a new security gate to the bus fleet yard and fund and preliminary review and analysis of constructing a solar canopy over the bus yard. 80% is federally funded. 20% will be funded through local budget.

	Project Budget	Estimated Expenditures Through June 30, 2020
2015-2016 Transit Capital Grant	\$534,124.00	\$534,124.00

**2017-2018 Capital Grant 5339**

The project ordinance for the fiscal year 2017-18 Section 5339 capital grant was executed on August 29, 2018. Funds will be used to purchase replacement Light Transit Vehicles (LTVs) for the demand response fleet and to improve transit amenities and ADA access at existing bus stops. 80% is federally funded. 20% will be funded through local budget.

	Project Budget	Estimated Expenditures Through June 30, 2020
2017-2018 Transit Capital Grant	\$592,707.00	\$592,707.00

**2018 Capital Grant 5307 STP-DA Flex Funds**

The project ordinance for the fiscal year 2017-2018 Section 5307 capital grant for Surface Transportation Program – Direct Attributable (STP-DA) was executed August 29, 2018. Funds are to be used to purchase two 40’ diesel buses for the Fixed Route Department. An order was placed for the buses, however they are not expected to be delivered FY19. The Federal portion of this project is \$697,000.00 The Town will provide the remainder through local budget. Current costs have local share at \$218,901.00.

	Project Budget	Estimated Expenditures Through June 30, 2020
2018 Transit Capital Grant	\$916,000.00	\$916,000.00

# ***TRANSIT CAPITAL GRANT PROJECT ORDINANCES***

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## **2017 Capital Grant 5307 CMAQ Flex Funds**

The project ordinance for the fiscal year 2018 Section 5307 Congestion Mitigation and Air Quality (CMAQ) capital grant is currently under review by the FTA for execution. Funds will be used for the purchase of three 40' diesel buses. The Federal portion of this project is \$1,093,015.00. The Town's share is \$280,538.00

	Project Budget	Estimated Expenditures Through June 30, 2020
2018 Transit Capital Grant	\$1,373,553.00	\$1,373,553.00

## **2018 Capital Grant 5339c Lo/No Emissions**

The project ordinance for the fiscal year 2018 5339c Competitive Lo/No Emission Transit Capital Grant is currently under review by the FTS for execution. The funds will be used to purchase two 40' electric buses. 80% is federally funded. 10% will be funded through local budget and 10% through the State. Delivery December 2020.

	Project Budget	Estimated Expenditures Through June 30, 2020
2018 Transit Capital Grant	\$1,727,500.00	\$0