

Chapel Hill Transit Fiscal Year 2024-25 Budget Presentation

Chapel Hill Town Council

April 15, 2024



Partners Committee Structure

While a department of the Town of Chapel Hill, Chapel Hill Transit is advised by the Chapel Hill Transit Partners Committee, which provides policy and financial guidance:

- Camille Berry, Town of Chapel Hill – Council Member
- Melissa McCullough, Town of Chapel Hill – Council Member
- Theodore Nollert, Town of Chapel Hill – Council Member
- Jason Merrill, Town of Carrboro – Council Member
- Ranee Haven-O'Donnell, Town of Carrboro – Council Member
- Marie Parker, Town of Carrboro – Interim Town Manager
- Gordon Merklein, University of North Carolina at Chapel Hill – Associate Vice Chancellor for Real Estate and Campus Enterprises
- Cheryl Stout, University of North Carolina at Chapel Hill – Director, Transportation and Parking
- Cha'ssem Anderson, University of North Carolina at Chapel Hill – Associate Director of Transportation and Planning

Chapel Hill Transit Overview

Responsibilities:

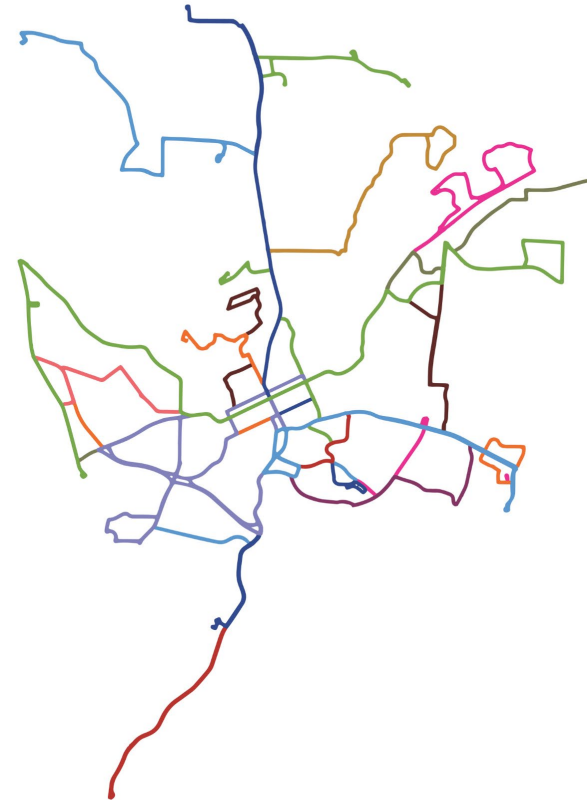
- Fixed-route Bus Service (20 weekday & 12 weekend routes)
- EZ Rider (ADA Service)
- Short and Long Range Transit Planning
- Marketing and Public Relations
- Major Transit Initiatives

Staff (208 employees):

- Operations – 158
- Maintenance – 34
- Administration – 16

Fleet (113 revenue vehicles):

- Buses – 93 (29 hybrids, 11 electric)
- Demand Response – 20



Recent Successes

- ❖ NSBRT project included in President's Budget
- ❖ Bus stop improvements
 - Improved 18 bus stops and completed bus stop audit
- ❖ Delivery of 7 new electric buses
- ❖ Grant awards
 - \$298,000 for 60-90% of facility expansion project
 - \$2,160,000 for bus stop improvements
 - \$180,000 for new real-time signs
- ❖ Implemented new real-time system and app
- ❖ Bus yard repairs
- ❖ Art in Transit collaboration
- ❖ Completed solar study
- ❖ Continued support of Transit Partner and Community events



Department Goals & Priorities

- ❖ Continue to return service from COVID/staffing reductions
- ❖ Operator/Maintenance Pay, Recruitment and Retention
 - Additional compression work – step-based plan for skill-based positions
- ❖ Supervisor Training and Development Training for Managers
 - Succession planning and development
- ❖ Bus stop improvement projects and support Vision Zero
 - Construction Bid/NC54 Improvements with NCDOT and Carrboro
- ❖ North South Bus Rapid Transit
 - Full Funding Grant Request/State Funding
 - NSBRT - Substantially complete 60% design
- ❖ Continue to explore on route charging for electric vehicles
- ❖ Continue Art in Transit Collaboration



Key Budget Issues for FY 2025 & Beyond

- ✓ Costs up, things break and are getting old
- ✓ Labor market challenges continue
- ✓ Staff stress high and capacity low
- ✓ State and federal contributions flat
- ✓ Out of space – zero emission infrastructure
- ✓ No new service and no new capital
- ✓ The list goes on, but we'll stop here

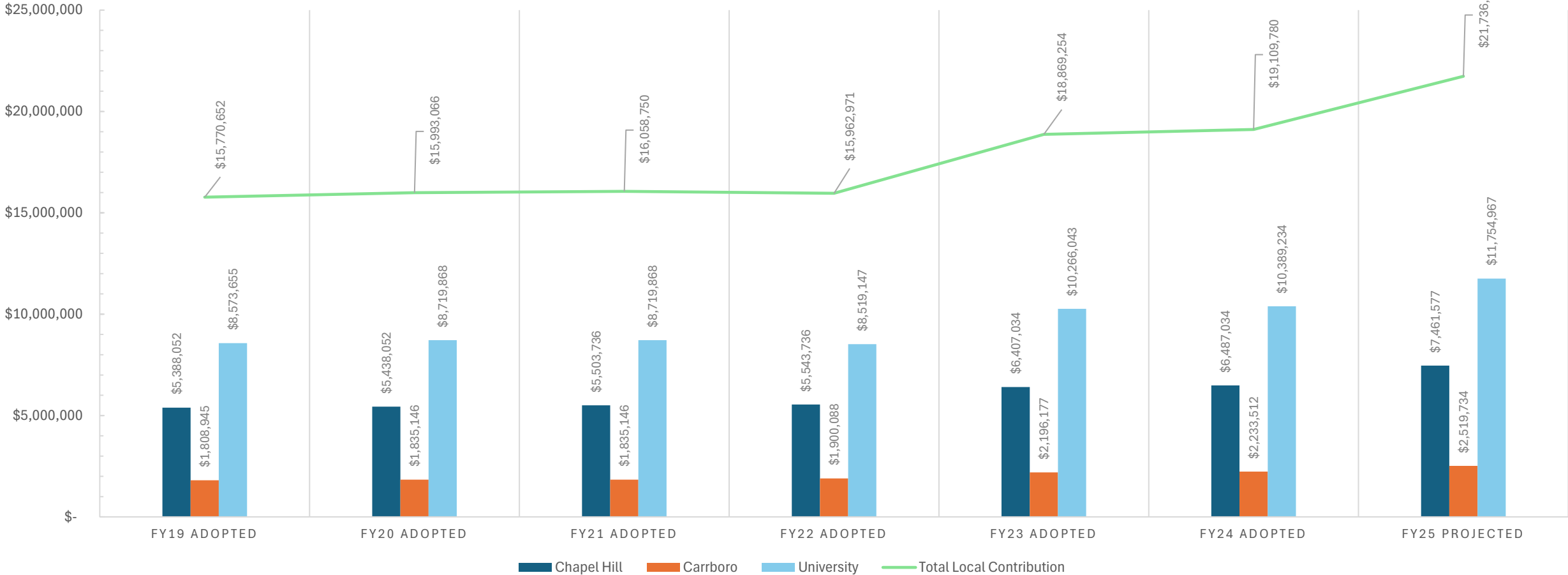


Examples of Cost Increase

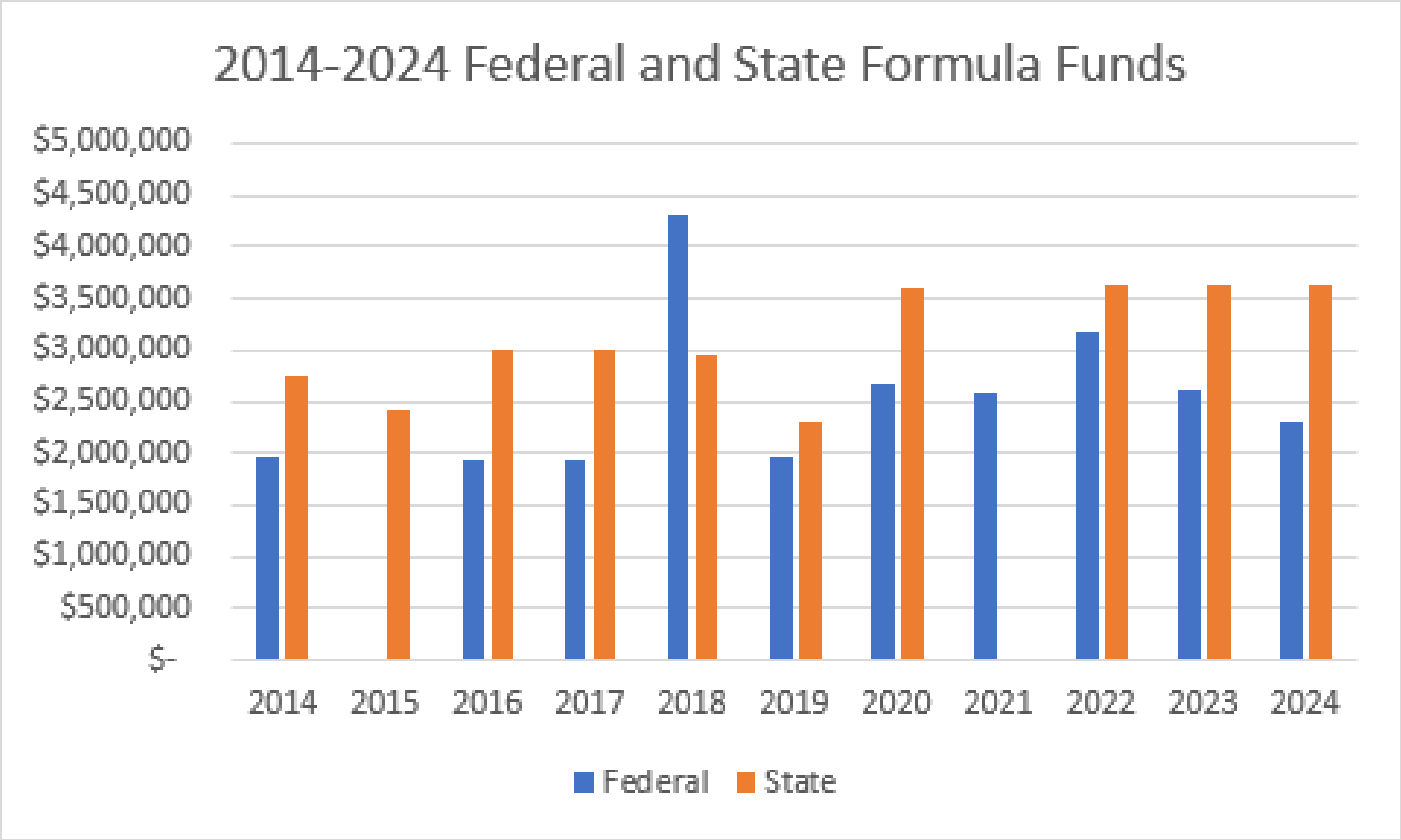
Part Description	2019 Price	Current Purchase Price	% Change
Rear Suspension Air Bag	\$67.99	\$91.69	34.86%
Oil Filter	\$16.00	\$19.75	23.44%
Fuel Filter	\$12.78	\$15.20	18.94%
Diesel Oil	\$1.99	\$2.34	17.59%
Generator	\$1,324.00	\$1,499.00	13.22%
Injector	\$600.77	\$775.85	29.14%
Power Steering Hose	\$67.86	\$143.55	111.54%
Rear Brake Drums	\$187.63	\$256.97	36.96%
Water Pump Belt	\$12.37	\$15.09	21.99%
Air Conditioner Belt	\$29.85	\$41.62	39.43%
Mirror Assembly	\$751.27	\$977.76	30.15%
Demand Response Vehicle Tire	\$139.68	\$246.90	76.76%
Diesel Bus	\$458,944	\$590,000	28.55%
Demand Response Vehicle	\$64,720	\$110,000	69.96%
Engine Replacement	\$25,000	\$67,162	168.64%

Partner Contributions

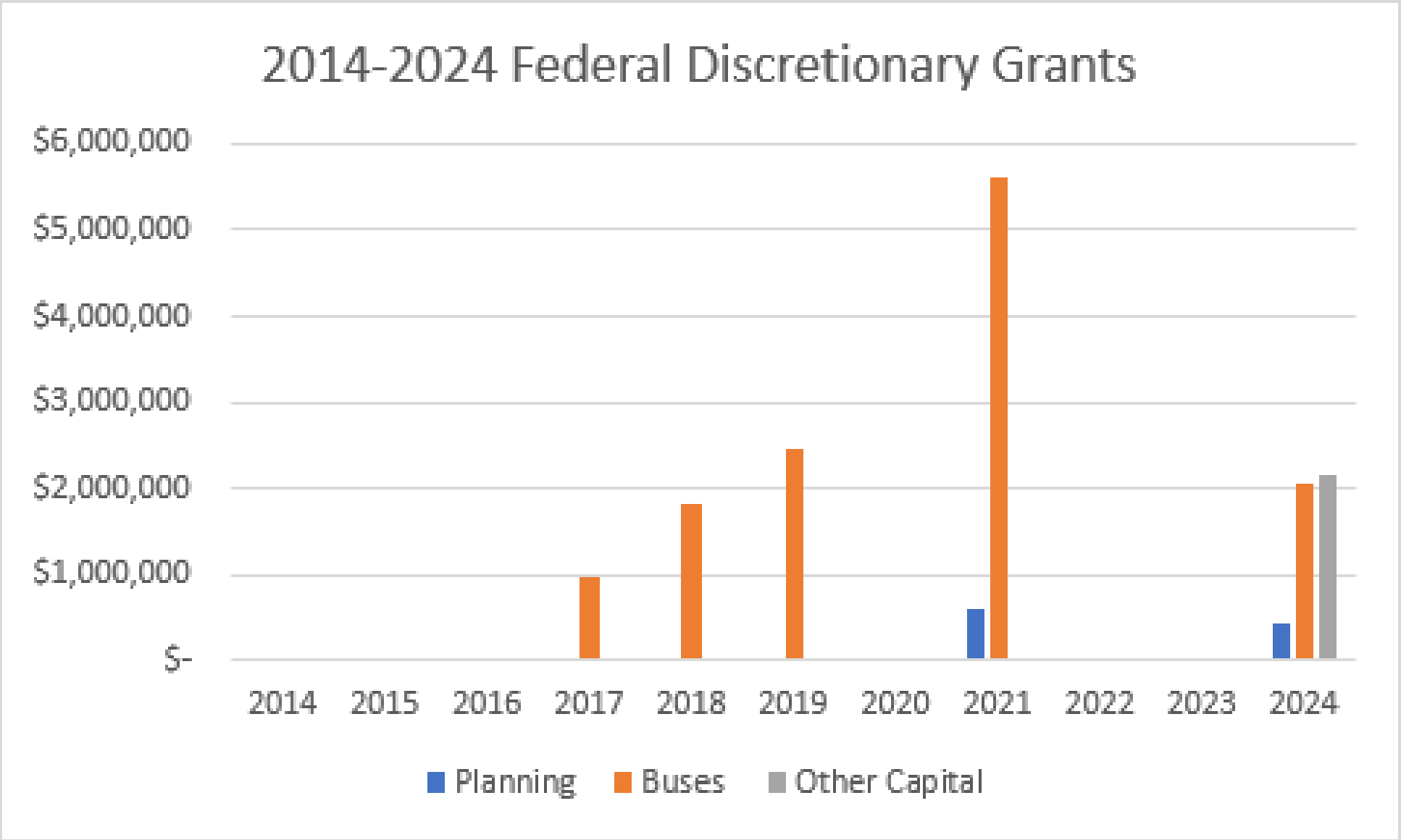
PARTNERS CONTRIBUTIONS BY YEAR



Federal & State Formula Funds



Federal Discretionary Grants



FY16-26 Capital Plan

	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26	Totals
Need to purchases (capital plan 2019)	16	6	6	7	6	6	6	7	7	7	7	81
Funded	0	16	6	11	5	0	3	8	15	6	1	71
+/-	16	6	6	2	3	9	12	11	3	4	10	

FY25 Budget Estimate

	Current Year Allocation	Potential FY25	Difference	FY25 Capital Plan Projection
Town of Chapel Hill	\$6,478,034	\$7,461,577	\$983,543	\$7,912,000
Town of Carrboro	\$2,233,512	\$2,519,734	\$286,222	\$2,640,000
University	\$10,676,519	\$11,754,967	\$1,078,448	\$12,510,000

Assumes no levy adjustment for Chapel Hill.

FY25 Budget Estimate Recommendation

	Potential FY 25	Budgeted FY25	Funding Gap	FY25 Capital Plan Projection
Town of Chapel Hill	\$7,461,577	\$7,007,255	\$454,322	\$7,912,000
Town of Carrboro	\$2,519,734	\$2,366,281	\$153,453	\$2,640,000
University	\$11,754,967	\$11,211,816	\$543,151	\$12,510,000
Total Local Contribution	\$21,736,278	\$20,585,352		
Total Funding Gap	\$0	\$1,150,926	\$1,150,926	

Assumes a 0.5 levy rate adjustment for Chapel Hill and uses Transit Fund Balance (Federal Relief Funding) to cover the gap.

Transit Levy Rate History

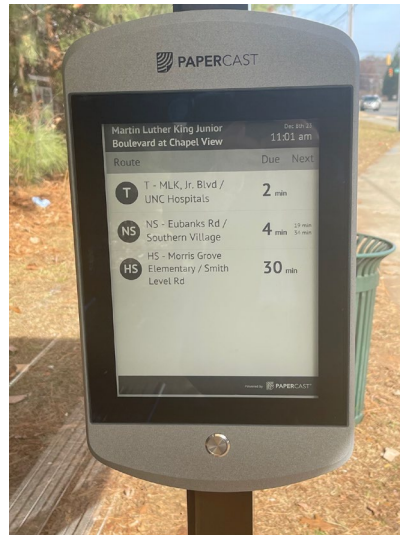
	FY14	FY15	FY16	FY17	FY18 (reval)	FY19	FY20	FY21	FY22 (reval)	FY23	FY24
Chapel Hill Transit Levy	5.1	5.1	5.1	5.1	5.0	6.0 – bus purchas e	6.0	6.0	5.4	6.2 – bus purchas e	6.2

Adds for FY 2025

Positions*

- Transit Planner – Staff to assist with data reporting and service implementation
- Bus Stops Amenities Technician – Staff to assist with the maintenance and upkeep of bus stop amenities.

*Positions funded through the Orange County Transit Plan



Key Budget Issues Beyond FY 2025

- ✓ Discuss strategic funding alternatives related to ongoing operating and capital needs – fiscal sustainability.
 - Labor market challenges will continue to impact transit – labor rates may continue to escalate, along with inflation/cost of living.
 - NSBRT, buses, radio system, bus stops, facility expansion for zero emission, backup power for charging, roof, generator, HVAC, etc.
 - Short Range Transit Plan includes \$15M in unfunded service priorities.
- ✓ Orange County Transit Plan: funding for new services over next 5 years. Vehicle Capital funding in FY26 (\$1,855,583) and FY27(\$672,574)
- ✓ Potential impacts to State/Federal Funding due to zero fare/service expansions in State/Region.
- ✓ Zero emission infrastructure costs – facility, solar and looking beyond electric.

Next Steps

- April 25 – Partners’ Meeting
- May 1 – Presentation of Manager’s Recommended Budget
- May 8 – Budget Work Session
- May 15 – Budget Public Forum
- June 5 – Tentative Adoption of FY2024-25 Budget

