

**CHATTANOOGA AREA REGIONAL TRANSPORTATION AUTHORITY
AND
THE CHATTANOOGA PARKING AUTHORITY
BOARD MEETING AGENDA**

July 20, 2023

CALL TO ORDER

QUORUM CALL

INVOCATION

ADOPTION OF MINUTES

OPERATING REPORTS:

Finance and compliance Committee Report: Patricia McKoy

- Sonja Sparks-no report due to year end audit
- Statistical Report: Philip Pugliese

HR and Workforce Relations Committee Report: Charita Allen

- Staffing Updates: Jeff Smith

Revenue Committee Report: Corey Evatt

Compensation Committee Report: Arcie Reeves

Operations Committee Report: Johan de Nysschen

Procurement Committee Report: Jenny Park

Action needed:

- Sonja Sparks-budget review for year ending 6/30/2024.
- \$.50 charge by the Town of Lookout Mountain as a "payment in lieu of taxes."

New Business:

- Cavanaugh MacDonald Consulting, LLC presentation on Disability and Retirement Plan of the Chattanooga Area Regional Transportation Authority and Local 1212 of the Amalgamated Transit Union.

Chattanooga Area Regional Transportation Authority
Statistical Report
For the Period Ending June 30, 2023

	<u>This Month</u>	<u>Month YR</u> <u>Ago</u>	<u>YTD</u>	<u>Prior YTD</u>
<u>TRANSIT</u>				
Ridership	80,017	77,607	932,823	937,202
Weekday Average - with Mocs	3,106	2,985	3,075	3,066
Weekday Average - without Mocs	3,106	2,985	2,953	2,961
Saturday Average	2,162	2,170	1,981	2,060
Sunday Average	761	816	743	726
Miles	154,095	137,271	1,739,699	1,627,532
Passengers/Mile	0.52	0.57	0.54	0.58
Accidents	2	0	22	20
Operating Cost/Rider	n/a	n/a	n/a	n/a
<u>SHUTTLE</u>				
Ridership	23,977	20,781	231,066	200,026
Weekday Average	810	715	663	563
Saturday Average	1,052	950	755	733
Sunday Average	490	315	390	326
Miles	13,375	13,478	152,920	160,233
Passengers/Mile	1.79	1.54	1.51	1.25
Accidents	0	0	1	6
Operating Cost/Rider	n/a	n/a	n/a	n/a
<u>INCLINE</u>				
Ridership	63,277	55,038	522,320	471,886
Net Revenue/Passenger	n/a	n/a	n/a	n/a
Days Down	0	0	0	7
<u>CARE-A-VAN</u>				
Ridership	4,243	4,121	49,759	50,581
Miles	49,961	47,123	565,842	556,516
Turndowns	0	0	0	24
Accidents	2	0	7	7
Operating Cost/Rider	n/a	n/a	n/a	n/a
Passengers/Hour	1.24	1.23	1.27	1.35
<u>TOTAL CARTA</u>				
Ridership	171,514	157,547	1,735,968	1,659,695

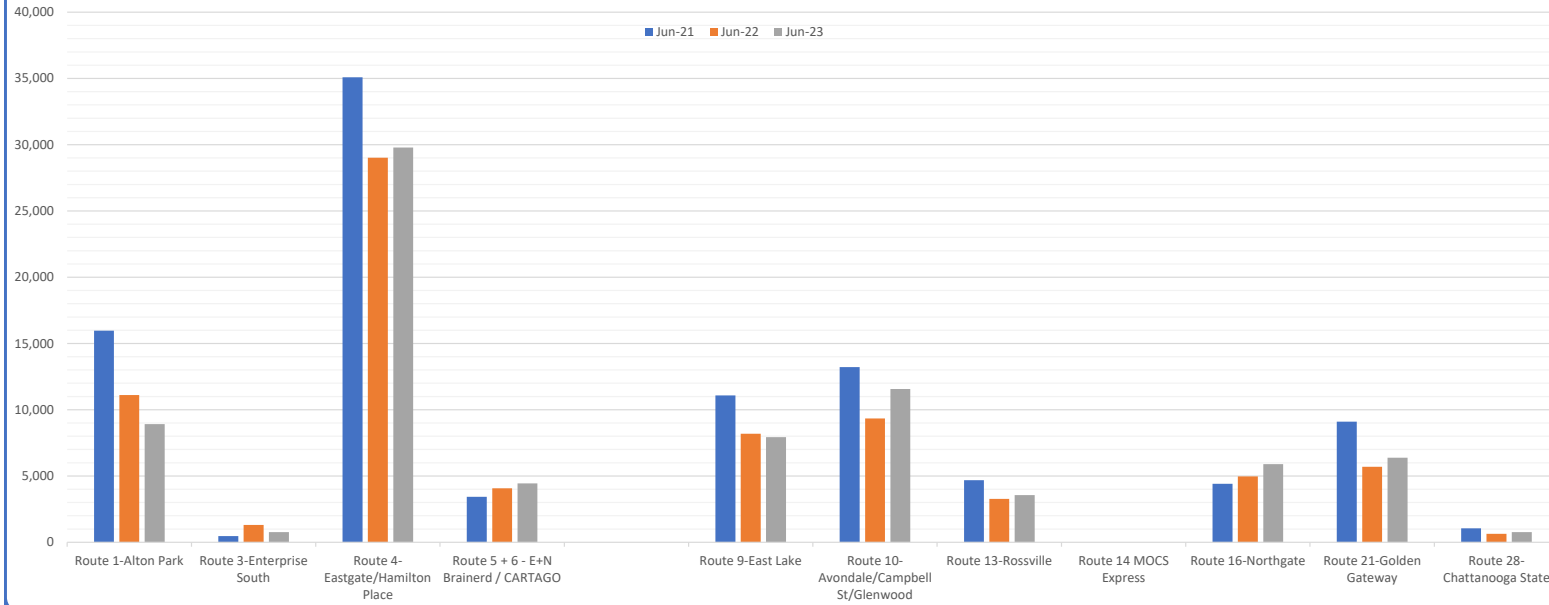
*** Notes to the Statistical Report:**

North Shore Shuttle	2,363	2,369	28,437	22,532
MOCS Express	0	0	31,406	27,166
Bicycles Carried	1,519	1,464	17,176	18,620
Wheelchairs Carried	1,147	1,889	14,015	12,815
St.Elmo/Incline	1,991	1,115	18,891	10,736

Days of Operation Transit, Care-a-Van, Shuttle, Incline

Number of Weekdays	22	22
Number of Saturdays	4	4
Number of Sundays	4	4
	<u>30</u>	<u>30</u>

Year to Year comparison of ridership by route June 2021/June 2022/June 2023



	Jun-21	Jun-22	Jun-23
--	--------	--------	--------

Route 1-Alton Park	15,967	11,115	8,919
Route 3-Enterprise South	473	1,307	761
Route 4-Eastgate/Hamilton Place	35,085	29,012	29,790
Route 5 + 6 - E+N Brainerd / CARTAGO	3,434	4,065	4,441
Route 9-East Lake	11,077	8,183	7,937
Route 10-Avondale/Campbell St/Glenwood	13,223	9,344	11,565
Route 13-Rossville	4,687	3,277	3,562
Route 14 MOCS Express	0	0	0
Route 16-Northgate	4,409	4,964	5,894
Route 21-Golden Gateway	9,105	5,700	6,382
Route 28-Chattanooga State	1,049	640	766

Totals: 98,509 77,607 80,017

**Year to Year comparison of ridership by route
Difference June 2022/June 2021- June 2023/June 2022**



	Difference 2022/2021	Difference 2023/2022
Route 1-Alton Park	-4,852	-2,196
Route 3-Enterprise South	834	-546
Route 4-Eastgate/Hamilton Place	-6,073	778
Route 5 + 6 - E+N Brainerd / CARTAGO	631	376
	0	0
Route 9-East Lake	-2,894	-246
Route 10-Avondale/Campbell St/Glenwood	-3,879	2,221
Route 13-Rossville	-1,410	285
Route 14 MOCS Express	0	0
Route 16-Northgate	555	930
Route 21-Golden Gateway	-3,405	682
Route 28-Chattanooga State	-409	126

-20902 2,410

MINUTES OF THE BOARD OF DIRECTORS MEETING OF
THE CHATTANOOGA AREA REGIONAL TRANSPORTATION AUTHORITY

AND

THE CHATTANOOGA PARKING AUTHORITY

June 15, 2023

The regular meeting of the Board of Directors of the Chattanooga Area Regional Transportation Authority (CARTA) and the Chattanooga Parking Authority was held Thursday, June 15, 2023, starting at 10:00 a.m., at the Board Building, 1617B Wilcox Blvd. Chattanooga, TN 37406. The meeting was held in accordance with Section 4, Paragraphs 1 and 2 of the ordinances creating the Authority and pursuant to the notice advertised in the Chattanooga Times Free Press on June 4, 2023. The following Board members were in attendance and constituted a quorum: Johan de Nysschen, Chairman; Evann Freeman, Vice Chairman; Patricia McKoy, Treasurer; Arcie Reeves, Secretary; Jenny Park, Stephen Culp, Corey Evatt, LeAndrea Sanderfur, Charita Allen, Daniela Peterson, and Bill Nye. The following persons were also in attendance: Jeff Smith, interim Executive Director; Sonja Sparks, Chief Financial Officer; Philip Pugliese; Transportation System Planner; Allen McCallie, Legal Counsel, Miller & Martin; Rachael Ruiz, Legal Counsel, Miller & Martin; Dena Franklin, A/P Administrator; Starla Reidel, Payroll & A/R Administrator; and various media and guests. At Mr. Nysschen's request, Mr. Allen McCallie called the meeting to order and declared a quorum present. Mr. McCallie then called on Ms. McKoy to give the invocation.

Mr. McCallie stated that all members had been sent a copy of the May 16, 2023, Board meeting minutes and asked if there were any additions or corrections. There being no questions or corrections, a motion was made by Ms. Charita Allen, and seconded by Ms.

Jenny Park, followed by a vote to approve the minutes. The motion was unanimously approved.

Mr. Nysschen next called on Ms. McKoy to give a report from the Finance and Compliance Committee. Ms. McKoy reported that the Finance Committee reviewed several components of the finance systems of CARTA and found that there are opportunities to improve and streamline processes that are time consuming at present, especially regarding the manual processes for check writing and signing. The Committee recognizes that even with the limited technology currently available, the accounting staff pays close attention to details, and can provide good background information when asked. The Committee's recommendations are as follows: (i) move forward CARTA's budget for the new fiscal year so that it can be initially presented to the CARTA Board in April of each year, and then scheduled for a formal board vote in June of each year, and (ii) conduct a budget-focused workshop for the Board, to include presentations on maintenance, operations, and routes (fixed & VIA). It is suggested that this meeting take place in June, last approximately two (2) hours and the public be notified.

Mr. McCallie next called on Ms. Sparks to present the Financial Reports for May 2023. Ms. Sparks noted that Transit revenues were under budget \$12,002 because of a decrease in advertising revenue, while the Transit expense budget shows a favorable variance of \$266,898 due primarily to the continuing wage and benefit variance of \$138,253, because of CARTA's budget for full staffing, which remains unfilled. Software maintenance was under budget \$15,993 due to the timing of annual purchases. Fuel was under budget \$79,608; we budgeted at \$2.893 per gallon for diesel, and actual costs during May averaged \$2.48. Maintenance was also under budget \$29,569 during the month. This resulted in a monthly favorable variance in net income of \$254,896.

Shuttle revenue was over budget \$27,459 due to increases in parking garage revenue at the North and South garages, while expense showed an under-budget variance of \$37,865 due to a variance in wages of \$20,883 and professional services in the amount of \$13,600. Again, CARTA budgets for full staffing, but staff shortages continue. Professional Services consist of management fees and cleaning services, which are below budget due to the reduction in cleaning services we had put in place for COVID. The net income favorable variance for the month is \$65,324.

Incline revenues were under budget \$5,461 due to a decrease from budget in advertising and parking revenue. Incline expenses were over budget \$39,120 due to an over budget variance in professional services. We also received three months of additional ticket sales commissions from See Rock City, which had been missed earlier due to the turnover of their staff. The net income under budget variance for the month is \$44,581.

Care-A-Van revenues were under budget \$1,300 due to a slight decrease in advertising revenue, while expenses were over budget \$12,083 due to a variance in wages and benefits in the amount of \$24,235 and offsetting under budget variances in professional services of \$6,725 and fuel of \$2,454. We budgeted at \$2.514 per gallon and the actual average paid during May was \$2.44. Professional services showed a reduction in cleaning expenses due to the move from 11th Street, and a reduction in cleaning services for COVID. The net income favorable variance is \$13,384 for the month.

Parking Revenue showed an under-budget variance of \$31,582 due to a drop in expected enforcement revenue. One of the transition pieces in moving from Republic to PCIMS as our parking manager was a new ticketing system, which went into effect on April 1st. The decline in the citation revenue was attributable to a few different factors; including: (i) during the transition period to the new system we were unable to issue citations, as all the

data was being converted from the old system to the new system; (ii) additional training was needed for the enforcement staff in order to implement the new ticketing system; (iii) a small delay occurred in the nonpayment notices going out, as the new data conversion experienced a couple of glitches; and (iv) PCIMS had some staffing shortages. PCIMS now has five new hires as our “Ambassadors” whom we are working on getting “sworn in” before City Council; the process on swearing in the new Ambassadors has changed a couple of times, and this time has taken much longer than expected. Four of the new hires will be on the City Council agenda for the swearing in process on June 27th.

The parking expense over-budget variance of \$8,022 was due to an increase in wages and benefits of \$5,135; an increase in management fees of \$1,944; and an increase in meter maintenance of \$1,042. The net income under budget variance for parking is \$39,604.

Overall, for May, revenue for the month was \$2,298,676 compared to the budgeted \$2,321,562, and expenses were \$2,075,900 compared to a budgeted \$2,321,437, resulting in a net favorable variance to budget of \$222,651.

From the breakout detail of the Parking Reports, Ms. Sparks noted that the combined parking meter and enforcement collections reflected net positive revenue of \$4,542, but when combined with net shuttle costs of (\$47,244), created a negative net of \$(42,702). Total net parking revenue for the month (adding to surface lot and garage revenues and expenses) reflected positive net revenue of \$155,148.

Ms. Sparks then reported that she had forwarded to Board members the annual review letter of CARTA’s operations from the Tennessee Comptroller’s office; the letter indicates that no unfavorable findings were identified. The recommendations and suggestions for improvements included in the letter have been discussed with our accountants at Mauldin & Jenkins, and these suggestions will be included in future audits.

Mr. McCallie next called on Mr. Pugliese to present the Statistical Report. On a year-to-year comparison for May, Transit ridership was up 7.2%; Shuttle ridership was up 16.8%; Incline ridership was up 43.5%; and Care-A-Van ridership was up 4.5%, with zero (0) turndowns. North Shore Shuttle ridership was up 28.1%; the number of bicycles carried was up 6.6%; and the number of wheelchairs carried was up 8.6%. Regarding Preventable Accidents for the month, Transit had one (1), Care-A-Van and Shuttle had zero (0).

Mr. McCallie asked if there were any additional comments or questions regarding the Financial and Statistical Report. There being none, a motion was made by Ms. Park, seconded by Mr. Culp, and followed by a vote to accept the Financial and Statistical Report as information. The motion was unanimously approved.

Mr. Nysschen next called on Ms. Allen to give an update of the Human Resource and Workforce Relations Committee Reports. Ms. Allen reported that after conducting research there are two (2) items that need to be voted on related to the FY23 budget. Specifically, the Committee recommends recognition of COO Jeff Smith as the interim CEO effective as of May 1, 2023, and also recommended a pay increase of 18% that would be retroactive to May 1, 2023, due to the increase in Mr. Smith's duties and responsibilities.

Mr. Nysschen asked if there were any additional comments or questions regarding the interim position and compensation for Jeff Smith. There being none, a motion was made by Ms. Park, seconded by, and followed by a vote to accept the compensation for Jeff Smith interim CEO effective as of May 1, 2023. The motion was unanimously approved.

Ms. Allen next discussed the recommendation of compensation for Sonja Sparks, CFO, who did not receive a review or any salary increase for FY23 due to cancellation of multiple Compensation Committee meetings during the year. The Committee recommends: (i) a one-time lump sum "catch-up" payment of 4% of her salary of \$93,600 for the FY23 Budget

ending June 30 for FY23, totaling \$3744; and (ii) for the FY24 Budget, the CFO salary would be set at the recommended base of \$94,676.00, effective July 1, 2023. That is the salary for the prior CFO established by Board resolution in 2016.

Mr. Nysschen asked if there were any additional comments or questions regarding the recommended compensation for a one-time lump sum payment for FY23 of 4%, plus a base pay adjustment for Sonja Sparks for FY24 to \$94,676.00. There being none, a motion was made by Mr. Nysschen, seconded by Mr. Culp, and followed by a vote to approve the compensation for Sonja Sparks, CFO. The motion was unanimously approved.

Ms. Allen next recommended that with respect to the search to be undertaken for the new Executive Director, the salary range for the CEO position should be established at a minimum \$120,000, mid-level \$142,500, and a maximum of \$165,000, not including the benefits package.

Mr. Nysschen asked if there were any additional comments or questions regarding the compensation range for the CEO position. There being none, a motion was made by Ms. Park, seconded by Ms. McKoy, and followed by a vote to approve the proposed CEO compensation range. The motion was unanimously approved.

Mr. McCallie next called on Mr. Smith to give a staffing update. Mr. Smith reported that since the last board meeting, CARTA has not had any staff changes.

Mr. McCallie next called on Mr. Evatt to give a report from the Revenue Committee. Mr. Evatt indicated that the Committee is examining the following areas within CARTA: fares, parking rates, Incline ticket prices, advertising rates, and grants. Mr. Evatt reported that the Committee believes there is room for an increase in parking rates, and the Committee is working on gathering more data to present to the Board and the City of Chattanooga for the FY24 budget. Another area the Revenue Committee is examining ridership. The Committee

will be working with CARTA's training department to develop educational videos that will help promote and educate the public towards better utilization of CARTA buses and services.

Mr. McCallie next called on Ms. Reeves to give an update on the Compensation Committee. Ms. Reeves recommended to the board that the Compensation Committee would like to hire the executive search firm Gray Wolf from Atlanta, which will charge a base fee of \$65,000 to lead the CEO search.

Mr. Nysschen asked if there were any additional comments or questions regarding the search for the CEO position. There being none, a motion was made by Mr. Nysschen, seconded by Ms. Allen, and followed by a vote to accept Gray Wolf to lead the search for the CEO position. The motion was unanimously approved.

Mr. McCallie next called on Mr. Nysschen to give an update on the Operations Committee. Mr. Nysschen reported that the Committee will be meeting with CARTA's leadership team after this board meeting to discuss different ways to improve the processes within the operations department.

Mr. McCallie next called on Ms. Park to give an update on the Procurement Committee. Ms. Park reported that she has been working with the CARTA leadership staff to discuss upcoming capital projects and the procurement policy. There are a few areas that the Procurement Committee are still researching with the CARTA team.

Mr. McCallie next notified the board that consideration of the FY24 budget will be extended to the July board meeting.

Under "New Business," Mr. McCallie next called on Mr. Smith to discuss the proposed partnership with Downtown Chattanooga Alliance to restore use of Shuttle-park North public restrooms facilities which had been closed during COVID. Mr. Smith reported that CARTA will reopen the restroom located within the Shuttle Park North breezeway, with

an “ambassador” provided by Downtown Alliance who will be located near the elevator to greet and provide information to the public. Downtown Chattanooga Alliance will provide the employees and cover that expense, and they will also include regular cleaning of the area. The Alliance also will work to reduce loitering in the area. The restroom facility will be fully cleaned and made more secure and will be open during the peak tourist season.

There being no further business, a motion was made to adjourn, and the meeting was adjourned.