



**CHATTANOOGA AREA REGIONAL TRANSPORTATION AUTHORITY
& THE CHATTANOOGA PARKING AUTHORITY**

BOARD MEETING AGENDA

February 20, 2025, 10:00 AM ET

1. **Call to Order**
2. **Quorum Call**
3. **Moment of Silence & Pledge of Allegiance**
4. **Public Comment**
5. **Recognitions**
6. **Adoption of Minutes** [\(page 2\) - A](#)
7. **CEO Report:** Charles D. Frazier
8. **Consent Agenda**
 - A. Statistical Report: Philip Pugliese [\(page 10\) - I](#)
 - B. Information Technology Report: Ken Castleberry [\(page 14\) - I](#)
9. **Action Items:**
 - A. Financial Report: Sonja Sparks [\(page 16\) - A](#)
 - B. Procurement Report: Annie Powell [\(page 19\) - A](#)
 - C. Rider Advisory Committee: Scott Wilson [\(page 22\) - A](#)
10. **New Business**
 - A. 2024 CEO Year End Review: Charles D. Frazier [\(page 24\) - I](#)
 - B. FY2026 Budget Priorities: Charles D. Frazier / Chair de Nysschen [\(page 26\) - A](#)
11. **Old Business**
12. **Adjournment**

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

AND

THE CHATTANOOGA PARKING AUTHORITY

January 16, 2025

The regular meeting of the Board of Directors of the Chattanooga Area Regional Transportation Authority (CARTA) and the Chattanooga Parking Authority was held Thursday, January 16, 2025, 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 January 05, 2025. The following Board members were in attendance and constituted a quorum: Evann Freeman, Vice Chairman; Charita Allen, Treasurer; Arcie D. Reeves, Secretary; Corey Evatt, Bill Nye, and LeAndrea Sanderfur. The following persons were also in attendance: Charles Frazier, Chief Executive Officer; Sonja Sparks, Chief Financial Officer; Jeff Smith, Chief Operating Officer; Scott Wilson, Chief of Staff; Rachael Ruiz, Legal Counsel, Miller & Martin; Dena Franklin, Payroll & A/R Administrator; and various media and guests. Mr. Freeman called the meeting to order and declared a quorum present.

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Mr. Freeman opened the meeting with a moment of silent reflection followed by Mr. Nye leading the Pledge of Allegiance. Mr. Freeman next opened the meeting for public comments or questions. There were none.

Mr. Freeman called on Mr. Wilson to present the January 2024 Ambassador Award. Mr. Wilson recognized Paul Chapin, stating that Mr. Chapin's embodies CARTA's commitment to community and empowering lives while understanding that transportation is not just about moving riders from point A to point B, it is about compassionate service. Mr. Chapin recently assisted two Care-A-Van clients from Parkwood Assisted Living when dispatchers and support staff were unable to reach them during a visit to Hamilton Place Mall. Mr. Chapin entered the mall, located the ladies, and assisted them back to the van. Mr. Chapin's quick thinking and initiative ensured the ladies arrived safely home.

Mr. Freeman then stated that all members had been sent a copy of the December 19, 2024, board meeting minutes and asked if there were any additions, corrections, or comments. There being none, a motion was made by Mr. Nye and seconded by Ms. Sanderfur, followed by a vote to approve the minutes. The motion was unanimously approved.

Mr. Freeman called on Mr. Frazier to present the CEO report. Mr. Frazier stated that January 10, 2025, marked a (1) one-year anniversary with CARTA. Mr. Frazier then provided an Incline Railway recovery update, stating that the initial needs inventory had been completed and included replacement of one thousand one hundred (1,100) feet of rail, two hundred (200) rail

ties with associated guard rail timber, and five thousand one hundred (5,100) feet of 1.5-inch cable. The replacement cable has been ordered. There will be a second emergency procurement request made for the rail ties and guard rail timber due to the lead time of fifty (50) to sixty (60) days.

Mr. Frazier then presented a tentative recovery schedule as follows: (i) Railworks is scheduled to begin demolition and debris removal at the end of January and expected to take up to thirty (30) days, (ii) track reconstruction is scheduled to begin in March and is expected to continue through the beginning of May, and (iii) the targeted reopen date is June 2, 2025. Mr. Frazier advised that information on a dry pipe system for the fire suppression system will be provided at the February board meeting, and that CARTA is in receipt of a five hundred thousand dollar (\$500,000) insurance advance to cover inventory needs and a portion of lost revenue.

Mr. Frazier reported that CARTA has embarked on a fixed route improvement strategy made up of the following components: (i) bus stop optimization, (ii) scheduling improvements, (iii) repairing CARTA's intelligent transportation system, (iv) creating standard operating procedures, and (v) establishing service standards and system performance metrics. In connection with this strategy, CARTA will establish a baseline customer satisfaction survey, a Rider Advisory Committee, a bus operator focus group, and conduct an employee satisfaction survey.

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Ms. Reeves asked if input from the Windshield tours and City Council members will be incorporated into the improvement strategy to which Mr. Frazier responded in the affirmative. Ms. Reeves next requested that prior to any route changes, alternative options be made available. Mr. Frazier advised that there will be multiple opportunities for the community and elected officials to provide feedback prior to changes being finalized.

Next, Mr. Frazier introduced a new pilot program in partnership with the Launch Pad, where CARTA will provide residents with access to the fixed route system on a month-to-month basis for one (1) year. CARTA's community outreach team conducted an on-site presentation at the Launch Pad and provided detailed guidance on navigating the fixed route system. Mr. Evatt asked if CARTA is gathering feedback from this pilot program regarding new rider training and experiences to which Mr. Frazier responded, yes.

Mr. Frazier next reported that in partnership with the City of Chattanooga, CARTA will be initiating a formal feasibility study utilizing one of its on-call consultants to evaluate the development of a three (3) acre parcel at the base of the Incline Railway for affordable housing. The study will evaluate the feasibility of a potential development incorporating housing, transit, parking, and retail space. Mr. Frazier advised that the study aims to identify infrastructure requirements, zoning constraints, construction costs, and the need for a traffic study.

Finally, Mr. Frazier reported that planned facility improvements are underway, including painting the bus barn and other areas around the Wilcox location in addition to cleaning up the Wilcox bridge area and unveiling the new logo.

Under “Consent Agenda” Mr. Freeman asked if there were any comments or questions regarding the financial, statistical, or operations reports provided in the board packet sent electronically on January 10, 2025. There being none, a motion was made by Ms. Allen and seconded by Mr. Evatt followed by a vote to approve the Consent Agenda items as received, read, understood, and accepted. The motion was unanimously approved.

Under “Action Items” Mr. Freeman called on Ms. Powell to present the Catoosa County Subrecipient Agreement. Ms. Powell reported that staff recommended the Board authorize the Chief Executive Officer to negotiate and enter a subrecipient agreement between CARTA and Catoosa County Government’s Trans-Aid department for the provision of public transportation services within Catoosa County, Georgia. The agreement dates are July 1, 2024, through July 1, 2026, with yearly options to extend thereafter. In coordination with the Chattanooga-Hamilton County/North Georgia Metropolitan Planning Organization (MPO), CARTA will receive \$5,502,179 in Federal Highway (FHWA) funds from the Georgia Department of Transportation that will be transferred to FTA’s Section 5307 Program for use by Catoosa County, Georgia. Catoosa County will provide the required local match of \$3,775,545.

CARTA will administer the transfer of funds to Catoosa County, conduct fund use oversight, and will be responsible for reviewing various areas of Catoosa County's service including but not limited to procurement, drug and alcohol testing, and charter service.

Ms. Allen requested clarification on oversight responsibilities to which Mr. Frazier responded that CARTA will be tasked with ensuring that Catoosa County follows federal grant requirements such as an Equal Employment Opportunities (EEO) program, a Title VI program, and regular vehicle maintenance programs. Ms. Reeves requested clarification on the frequency of planned oversight inspections. Mr. Frazier advised that quarterly inspections would be the minimum oversight provided. Ms. Reeves requested that during initial engagement CARTA management invest the time necessary to understand Catoosa County's operations, identify challenges, and focus on improvement opportunities. Mr. Frazier advised that CARTA would utilize CDM Smith for consulting services as they specialize in oversight. Mr. Evatt asked if on demand transportation is the only service Catoosa County offers, and Mr. Frazier confirmed that was correct.

Mr. Freeman asked if there were any additional questions regarding Ms. Powell's request. There being none, a motion was made by Mr. Evatt and seconded by Ms. Sanderfur followed by a vote to approve. The item was unanimously approved.

Mr. Freeman then asked Ms. Powell to present the procurement report. Ms. Powell advised that staff recommended that the Board approve the monthly procurement report that included new procurements of over fifty thousand dollars (\$50,000), CARTA's use of the request for proposals (RFP) process, and a report on emergency procurements as indicated.

New procurements over fifty thousand dollars included a contract with Partnership Marketing Group for a one-year (1) agreement with four (4) one (1)-year options to provide Incline Marketing services. The agreement included the following: (i) creative design services, (ii) Incline Railway marketing strategy, (iii) digital media, (iv) Incline Railway publicity for promotional attendance, (v) Incline Railway website updates and maintenance, (vi) social media calendar management, (vi) Incline Railway Southern Highlands Attractions and Lookout Mountain Attractions membership and marketing efforts. Also included was a one (1)-year extension from the five (5) one (1)-year options associated with the current See Rock City (SRC) Incline Concessions and Ticket Sales contract.

Mr. Powell next requested approval to issue RFPs for the following services: (i) actuary services, (ii) HVAC maintenance services, (iii) pest control services, (iv) shelter cleaning services and (v) shuttle park south replacement elevator purchase.

Ms. Powell reported that CARTA has awarded an emergency procurement and issued a purchase order to Bayou Forest Products in the amount of seventy-four thousand four hundred sixty-seven dollars and one cent (\$74,467.01) for timber identified by CSR Engineering as

damaged by the Incline Railway fire on December 7, 2024. The lead time for receipt of the timber is estimated between forty-five (45) to sixty (60) days.

Mr. Nye asked for the names of the companies who responded to the Incline Railway marketing services RFP to which Ms. Powell advised Partnership Marketing Group, See Rock City, and 22nd Century Technologies, Inc.

Mr. Freeman asked if there were any additional questions regarding Ms. Powell's request. There being none, a motion was made by Mr. Nye and seconded by Ms. Reeves followed by a vote to approve. The item was unanimously approved.

Under "Old Business" Mr. Freeman asked Mr. Frazier to introduce Donna McConnico, CEO of Signal Centers, Inc., whose mission is to strengthen children, adults and families through services focusing on disabilities, early childhood education and self-sufficiency. Signal Centers is a partner and financial supporter of Dolly Parton's Imagination Library (DPIL). Ms. McConnico thanked Mr. Frazier for CARTA's support, partnership, and for providing a custom DPIL wrapped bus that includes a QR code to sign up for the program.

Mr. Freeman inquired if there were any other business items that need to be addressed. There being no further business, a motion was made to adjourn. The meeting was adjourned.

TO: CARTA Board of Directors
FROM: Philip Pugliese
Director of Planning
SUBJECT: Statistical Report

RECOMMENDED ACTION

Staff recommend that the Board accept CARTA's statistical report for the month ending January 2025 as information to the Board.

HIGHLIGHTS, ANALYSIS AND CONCLUSIONS

January ridership continued on a similar pace to December but was affected by a significant snow event which resulted in reduced service operations on January 10, 11, and 12, due to road conditions.

- The Avondale/Glenwood area on Route 10 continues to experience high variability with weekday ridership declining while both Saturday and Sunday ridership increased over December values.
- CARTA GO ridership has leveled off as operations near capacity based on current trip distribution.
- Total Shuttle ridership continues with 12% growth year-over-year despite normal winter decline. North Shore Shuttle and the St. Elmo/Incline grew at 22% and 23% respectively despite this years' snow days.
- The Incline Railway remains out of service due to the December fire event.
- The Read and Ride program provided 1,464 trips in January.
- The Launch Pad pilot program provided service to seven participants taking 129 trips through the week ending February 4, 2025.
- Our Token Transit Mobile Ticketing application served 286 unique customers who have purchased 1,285 passes through January 31, 2025. Of particular note is that 12% of sales have been provided through the Cash App providing service to the unbanked. Other transactions were paid through a mix of credit card, debit card, and linked Apple or Google Pay accounts.

Chattanooga Area Regional Transportation Authority

Statistical Report

For the Period Ending January 31, 2025

	<u>This Month</u>	<u>Month YR Ago</u>	<u>YTD</u>	<u>Prior YTD</u>
<u>TRANSIT</u>				
Ridership	70,317	71,657	564,422	559,259
Weekday Average - with Mocs	2,817	2,816	3,215	3,182
Weekday Average - without Mocs	2,645	2,735	3,046	3,065
Saturday Average	1,495	1,699	1,992	2,069
Sunday Average	588	729	749	780
Miles	158,654	158,912	1,097,043	1,101,353
Passengers/Mile	0.44	0.45	0.51	0.51
Accidents	1	2	14	11
Operating Cost/Rider	12.30	11.23	10.56	9.89
<u>SHUTTLE</u>				
Ridership	17,312	15,768	178,897	153,856
Weekday Average	607	544	879	746
Saturday Average	651	625	980	875
Sunday Average	338	324	529	479
Miles	16,668	17,084	120,920	114,659
Passengers/Mile	1.04	0.92	1.48	1.34
Accidents	0	2	1	5
Operating Cost/Rider	4.17	4.50	2.85	3.36
<u>INCLINE</u>				
Ridership	0	16,415	231,998	297,927
Net Revenue/Passenger	N/A	2.43	3.03	2.92
Days Down	31	3	71	3
<u>CARE-A-VAN</u>				
Ridership	4,925	4,047	33,750	29,759
Miles	65,407	46,739	402,812	343,623
Turndowns	0	2	0	9
Accidents	0	1	2	3
Operating Cost/Rider	50.07	51.78	49.16	48.49
Passengers/Hour	1.52	1.22	1.41	1.26
<u>TOTAL CARTA</u>				
Ridership	92,554	107,887	1,009,067	1,040,801

*** Notes to the Statistical Report:**

North Shore Shuttle	2,116	1,725	19,624	15,872
MOCS Express	3,794	1,783	25,353	17,324
Bicycles Carried	1,121	942	10,438	11,014
Wheelchairs Carried	862	914	7,473	8,405
St.Elmo/Incline	2,089	1,714	17,457	14,488

Days of Operation Transit, Shuttle

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

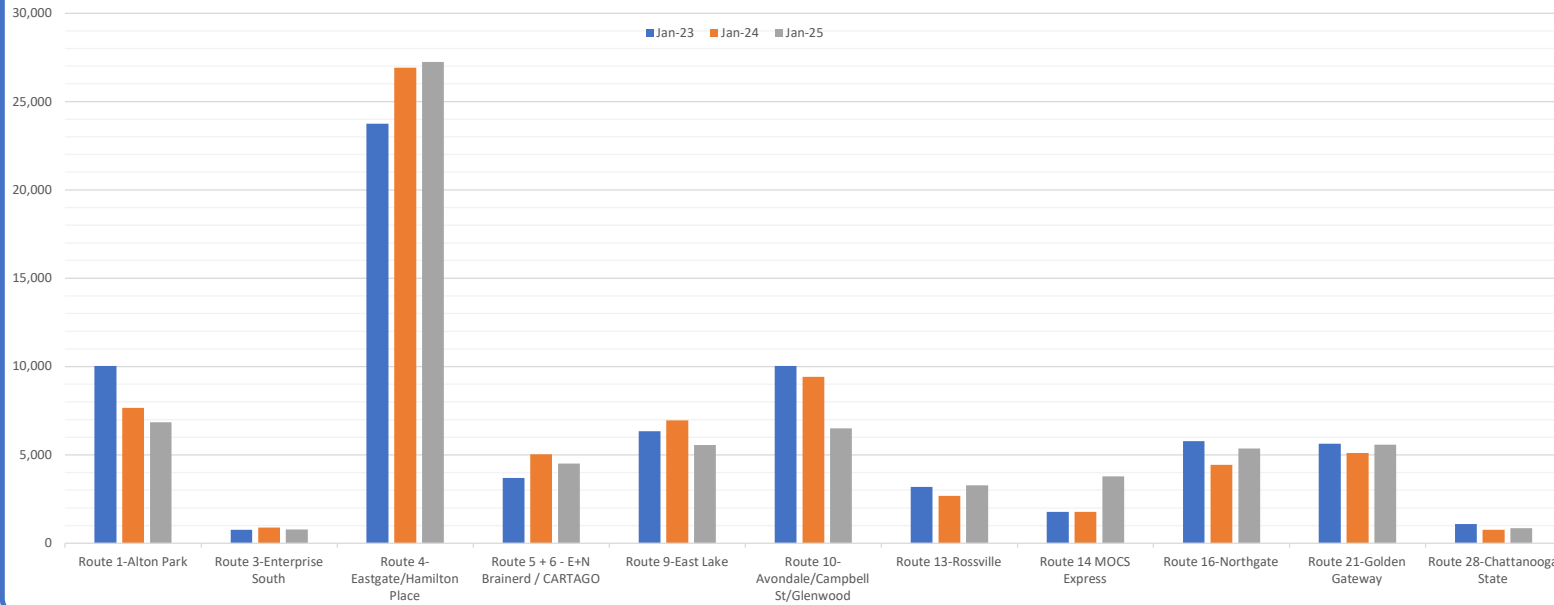
Days of Operation Incline

Number of Weekdays	0	20
Number of Saturdays	0	4
Number of Sundays	0	4
	<u>0</u>	<u>28</u>

Days of Operation Care-A-Van

Number of Weekdays	23	22
Number of Saturdays	4	4
Number of Sundays	4	4
	<u>31</u>	<u>30</u>

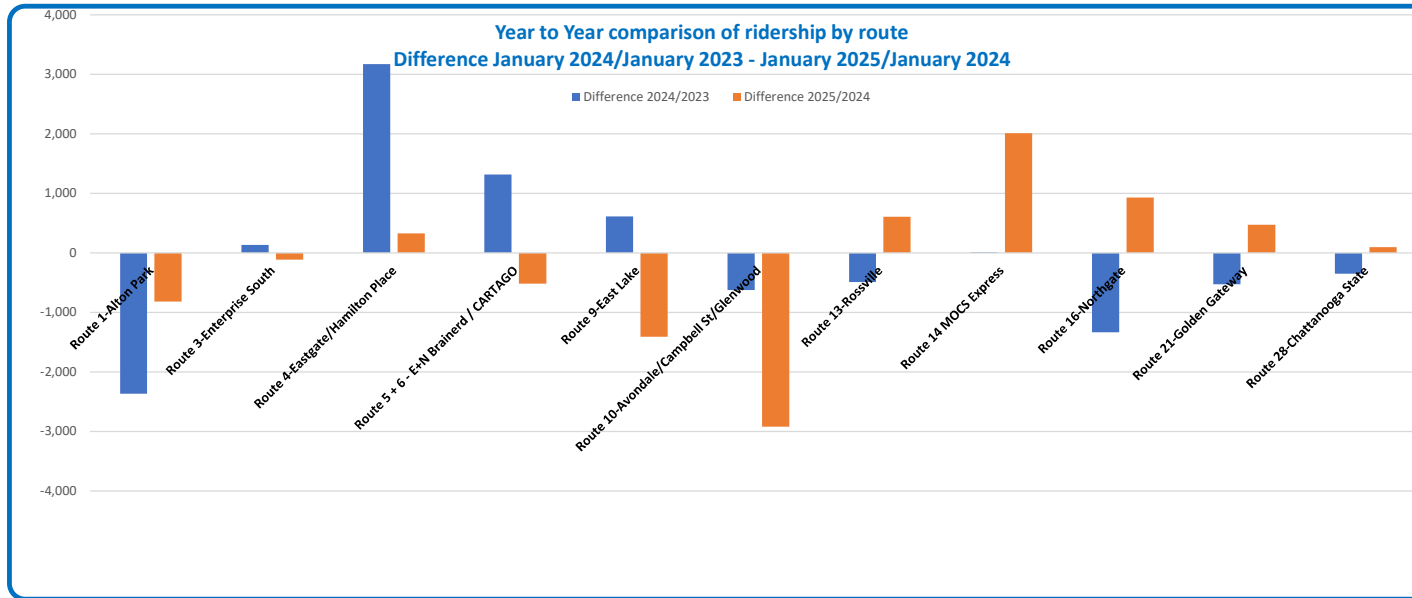
Year to Year comparison of ridership by route January 2023/January 2024/January 2025



	Jan-23	Jan-24	Jan-25
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Route 1-Alton Park	10,033	7,666	6,850
Route 3-Enterprise South	762	895	781
Route 4-Eastgate/Hamilton Place	23,737	26,908	27,233
Route 5 + 6 - E+N Brainerd / CARTAGO	3,710	5,027	4,511
Route 9-East Lake	6,348	6,963	5,554
Route 10-Avondale/Campbell St/Glenwood	10,044	9,423	6,502
Route 13-Rossville	3,182	2,689	3,293
Route 14 MOCS Express	1,774	1,783	3,794
Route 16-Northgate	5,780	4,447	5,375
Route 21-Golden Gateway	5,630	5,104	5,575
Route 28-Chattanooga State	1,100	752	849

Totals: 72,100 71,657 70,317



	Difference 2024/2023	Difference 2025/2024
Route 1-Alton Park	-2,367	-816
Route 3-Enterprise South	133	-114
Route 4-Eastgate/Hamilton Place	3,171	325
Route 5 + 6 - E+N Brainerd / CARTAGO	1,317	-516
Route 9-East Lake	615	-1,409
Route 10-Avondale / Campbell St/Glenwood	-621	-2,921
Route 13-Rossville	-493	604
Route 14 MOCs Express	9	2,011
Route 16-Northgate	-1,333	928
Route 21-Golden Gateway	-526	471
Route 28-Chattanooga State	-348	97

-443 -1,340

TO: CARTA Board of Directors

FROM: Ken Castleberry
Director of Innovation and Technology

SUBJECT: Innovation and Technology Update

RECOMMENDED ACTION

N/A – Information Only

HIGHLIGHTS, ANALYSIS AND CONCLUSIONS

The Innovation and Technology team has been working to improve data accuracy and timeliness across CARTA teams, addressing previous inconsistencies between various systems. The team has identified issues with interdepartmental processes that need remediation, while ensuring incoming data is reliable. These interconnected projects are still in progress, with significant overlap and dependencies between them and other ongoing initiatives.

Clever Devices Software Suite Upgrade

The organization recently completed a comprehensive upgrade of our Clever Devices software suite, implementing key modules for vehicle maintenance, dispatch, customer-facing services, and reporting. While the accompanying three-day training sessions were introductory, they revealed the extensive untapped potential of these tools and highlighted areas for further development. The upgrade necessitated a complete server overhaul, which exposed a long-standing configuration flaw and led to the launch of an Infrastructure Upgrades and Improvements project.

Infrastructure Upgrades and Improvements

The initial communication paths between the Clever Devices servers and equipment on the fleets was overly complicated, inefficient and extremely cumbersome to troubleshoot. It also suffered from inadequate bandwidth at times of heavy traffic. We have successfully:

- Eliminated the unnecessary complexity
- Separated and prioritized the data

- Replaced outdated and unsupported equipment

As part of this project, we also launched an additional initiative to improve the wireless infrastructure in our bus barn. This will involve installing additional wireless access points to facilitate a more timely download of the data generated during the vehicles' runs. By saturating the bus barn with these access points, we aim to ensure that the data accumulated throughout the day is quickly and efficiently transmitted for analysis and use. Our initial calculations suggest a 600% improvement in available capacity.

Ready to Roll

This ongoing project is a collaborative effort between the Information Technology, Operations, and Maintenance departments. The primary goal is to ensure that each vehicle in our fleet is fully operational when on the road and not merely providing data but delivering accurate and timely information. This initiative is crucial for enhancing our operational efficiency and maintaining high standards of service. Objectives included:

- Inventory of all technology assets in the fleet
- Create a process for maintaining an accurate inventory
- Establish a baseline of technology and configurations
- Create a comprehensive process and establish procedures for each department to maintain fleet readiness

Because of the significant overlap between the mechanical infrastructure and technology on each vehicle we have established a workspace for the Maintenance and Innovation and Technology teams to collaborate on vehicle issues to better facilitate timely resolutions.

TO: CARTA Board of Directors

FROM: Sonja Sparks
Chief Financial Officer

SUBJECT: Financial Report

RECOMMENDED ACTION

Staff recommends that the Board approve CARTA's financial reports for the month ending January 2025.

HIGHLIGHTS, ANALYSIS AND CONCLUSIONS

January, 2025

- Revenue for the month was \$5,853,876 compared to the budgeted \$2,257,978
 - Transit revenues were over budget \$2,002,338 from an increase in budget from FTA Revenue. During the months of January and February we have drawn down all remaining American Rescue Plan Act Funds (ARPA). ARPA revenue recognized for Transit is \$2,967,023 all of which is for prior periods. Revenue overages will be put in a high yield account for future board action.
 - Shuttle revenue was over budget \$864,328 from an increase in budget from FTA Revenue. During the months of January and February we have drawn down all remaining American Rescue Plan Act Funds (ARPA). ARPA revenue recognized for the Shuttle is \$832,125, all of which is for prior periods.
 - Incline revenues were under budget \$789,395 due to the temporary closing for repairs from the fire and FTA revenues. Although Preventative Maintenance Revenues were recognized in prior periods for the Incline through ARPA, the formula for Operating Funds deducts passenger revenue thereby resulting in a net reduction which offsets operating deficits in other departments. \$500,000 of business interruption insurance is recognized in Incline revenue this month as well.
 - Care-A-Van revenue was over budget \$1,535,301 due to an increase in FTA revenue. During the months of January and February we have drawn down all remaining American Rescue Plan Act Funds (ARPA). ARPA revenue recognized for Care-A-Van is \$1,771,144, all of which is for prior periods.
- Expenses for the month were \$2,385,675 compared to the budgeted \$2,405,831.
 - All expense variances were within the scope of this report.
- The January Parking Report is a simplified representative of the relationship with the Parking and Shuttle revenue and expense. The qualified revenues and expenses are presented in the monthly format that they are provided to the City of Chattanooga at year end. The gain of \$736,599 is severely skewed due to the ARPA revenue. The year-to-date number is a gain of \$16,266.

RECURRING VARIANCES

- Incline expense is under budget \$67,745 due to an under-budget variance in all expenses due to the temporary closure. Staff continue to work on repairs but no overtime or temporary staff is incurred. The net income under budget variance for the month is \$721,649.

CARTA
Variance Report
For the Seven Months Ending Friday, January 31, 2025

	<u>MONTHLY ACTUAL</u>	<u>MONTHLY BUDGET</u>	<u>VARIANCE</u>	<u>YTD ACTUAL</u>	<u>YTD BUDGET</u>	<u>VARIANCE</u>
TRANSIT						
Revenues	\$3,246,310	\$1,243,972	\$2,002,338	\$10,595,674	\$8,707,802	\$1,887,872
Expenses	<u>1,446,303</u>	<u>1,478,126</u>	<u>(31,822)</u>	<u>9,706,416</u>	<u>10,646,861</u>	<u>(940,446)</u>
NET	1,800,007	(234,154)	2,034,161	889,258	(1,939,059)	2,828,318
SHUTTLE						
Revenues	\$1,010,833	\$146,504	\$864,328	\$1,922,968	\$1,025,530	\$897,438
Expenses	<u>222,366</u>	<u>213,254</u>	<u>9,112</u>	<u>1,493,912</u>	<u>1,484,847</u>	<u>9,065</u>
NET	788,466	(66,750)	855,216	429,056	(459,317)	888,373
INCLINE						
Revenues	(\$378,398)	\$410,996	(\$789,395)	\$2,206,211	\$3,290,111	(\$1,083,900)
Expenses	<u>165,705</u>	<u>233,451</u>	<u>(67,745)</u>	<u>1,502,838</u>	<u>1,627,649</u>	<u>(124,810)</u>
NET	(544,104)	177,546	(721,649)	703,373	1,662,463	(959,090)
CARE-A-VAN						
Revenues	\$1,621,561	\$86,260	\$1,535,301	\$2,139,648	\$603,819	\$1,535,829
Expenses	<u>316,651</u>	<u>262,601</u>	<u>54,050</u>	<u>2,065,738</u>	<u>2,089,871</u>	<u>(24,132)</u>
NET	1,304,910	(176,341)	1,481,252	73,909	(1,486,052)	1,559,961
PARKING						
Revenues	\$353,570	\$370,246	(\$16,676)	\$2,592,221	\$2,591,719	\$502
Expenses	<u>234,649</u>	<u>218,399</u>	<u>16,250</u>	<u>1,751,916</u>	<u>1,571,022</u>	<u>180,894</u>
NET	118,921	151,847	(32,926)	840,305	1,020,696	(180,391)
CARTA - Total						
Revenues	\$5,853,876	\$2,257,978	\$3,595,898	\$19,456,722	\$16,218,981	\$3,237,741
Expenses	<u>2,385,675</u>	<u>2,405,831</u>	<u>(20,155)</u>	<u>16,520,820</u>	<u>17,420,250</u>	<u>(899,430)</u>
NET	3,468,200	(147,853)	3,616,053	2,935,902	(1,201,270)	4,137,171

CHATTANOOGA AREA REGIONAL TRANSPORTATION AUTHORITY
 MONTHLY PARKING REPORT
 FOR MONTH ENDING JANUARY 31, 2025

PARKING AUTHORITY

Effective October 22, 2012, the City of Chattanooga (City) authorized CARTA to serve as the City of Chattanooga Parking Authority (Parking Authority) in addition to CARTA’s normal operations. As the Parking Authority, CARTA is responsible for all metered parking and the enforcement of parking in the City. City Ordinance, Article X, Division 2, Section 24-311 through 24-349 discusses the formation of the Parking Authority and authorizes the Parking Authority to use parking revenues “...for the purpose of rental, acquisition, establishment, erection, maintenance, replacement and operation of all parking meters, parking garages and lots, and other parking facilities provided by the Parking Authority; for the purpose of making the parking system safe and effective; for the expenses incurred by and through the Parking Authority in the regulation of vehicular parking and enforcement of these ordinances; and for providing downtown shuttle service. Any sums remaining after expenses for the foregoing purposes shall be remitted to the general fund of the City of Chattanooga...”

Summarized operating results for the Parking Authority portion of CARTA’s operations for the month ended January 31, 2025 is as follows: Excludes Lots and Garage Revenue and Expense

	Shuttle	Parking	Net Total
Revenues:			
Parking Meters		\$ 184,061	\$ 184,061
Parking Enforcement		\$ 101,102	\$ 101,102
Grant Revenue Shuttle	\$ 832,125		\$ 832,125
Interest		\$ 322	\$ 322
Shuttle Donations, Advertising, Rent	\$ 913		\$ 913
TOTAL REVENUE	\$ 833,038	\$ 285,485	\$ 1,118,523
Expenses:			
Operating	\$ 71,258	\$ 161,127	\$ 232,385
Maintenance	\$ 93,535	\$ 4,573	\$ 98,108
Administrative		\$ 51,431	\$ 51,431
TOTAL EXPENSES	\$ 164,793	\$ 217,131	\$ 381,924
NET INCOME (LOSS)	\$ 668,245	\$ 68,354	\$ 736,599
Other Net Garage and Lot Income	\$ 120,222	\$ 50,567	\$ 170,789
Net Parking Income		\$ 118,921	

TO: CARTA Board of Directors
CARTA Executive Committee

FROM: Annie Powell
Director of Grants and Procurement

SUBJECT: Procurement Report

RECOMMENDED ACTION

Staff recommend that the Board approve the following requests related to procurement. Approval of procurements under Section C authorizes the Chief Executive Officer to enter contracts with recommended vendors.

- A. Board Approval of New Procurements over \$50,000
N/A

- B. Board Approval of the Use of the Request for Proposals Process
N/A

- C. Report on Sole Source Procurements
 - 1. Acheson Foundry
 - a. Amount to be Paid: \$67,150
 - b. Item Purchased: 158 double-grove sheaves for the Incline Railway at \$425 per sheave
 - 2. Damera Bus USA LLC
 - a. Amount Paid: \$338,500, includes installation of on-board security equipment vehicle tracking hardware
 - b. Item Purchased: Karsan e-Just minibus for use on the downtown shuttle

- D. Report on Emergency Procurements
 - 1. Incline Railway Emergency Repairs
 - CARTA is negotiating a contract for emergency repairs of the Incline Railway
 - Recommended Firm: Railworks Track Systems LLC
 - Details: this is for time and materials to repair damage caused by the fire on December 7, 2024. This includes 28 spans of the buried trestle that rests on concrete piers and one or more spans of Trestle 1. The scope of work has been confirmed by CARTA’s third-party engineer, CSR Engineering.
 - Procurement Method: CARTA will award an emergency procurement to Railworks Track Systems LLC for a not to exceed amount of \$950,000. This will be for time and materials. Hourly rates for labor and equipment are included in the agreement. Railworks has completed Incline track work for CARTA for many years and has often been the single proposer on prior Invitation for Bids. General counsel is involved in reviewing the contract proposed by Railworks.

ALIGNMENT WITH STRATEGIC GOALS

This action aligns with CARTA’s strategic imperatives of Fiscal Accountability and Compliance.

SUMMARY OF NEED

Approval of this item will allow CARTA to enter agreements for the above items C1 and C2..

BACKGROUND AND HISTORY

On September 19, 2024, the CARTA Board of Directors formally adopted resolution 606, which established formal guidelines on the contracting authority of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). Approval of this resolution set thresholds for contract execution authority at \$50,000 for the CEO and CFO. Any transactions above \$50,000 will require approval of the Board of Directors. This Procurement Report or an updated version thereof will be presented to the Board of Directors for approval of any contracts that meet this threshold.

Further, CARTA received recommendations from recent audits indicating that the Board of Directors should also approve the use of the Request for Proposal process instead of a sealed bid process and that CARTA staff should report on any sole source and emergency procurements that take place between each Board meeting. As reported in previous meetings, these items have been added to the Procurement Report as a template and will be reported in future Board meetings.

PROCUREMENT OVERVIEW

C1. Acheson Foundry

- Sole source procurement for the purchase of 158 double-groove sheaves for the Incline Railway at a unit cost of \$425 per sheave.
- The sheaves are cable guide rollers that keep the Incline cable moving. Replacement of these was identified during a safety review earlier this year.
- Acheson is currently the only foundry that can manufacture these locally and this process required the production of a pattern to create the sheaves. The purchase of the sheaves will allow the Incline Railway to operate in a state of good repair.
- Since the creation of the pattern was required to produce the run of 158 sheaves and required travel to deliver the existing pattern, having a local foundry was critical to engage in the initial purchase. Having a local foundry creating the initial run required the use of the sole source procurement process.
- CARTA currently has 239 sheaves in total, which can last from 5-30 years depending on their location along the track. After this initial purchase, CARTA will publicize a procurement for the ongoing provision of the sheaves to ensure future replacement as needed. The 158 double-groove sheaves represent CARTA's immediate need.

C2. Damera Bus USA LLC

- 100% of the existing fleet of shuttle buses are past their useful life with two vehicles around 30 years old. Having up-to-date and manufacturer-supported electric shuttles is a critical need for CARTA. CARTA has tested the Karsan e-Jest vehicle in service and has provided feedback from its engagement with shuttle operators. Karsan has, in turn, updated its vehicle to add more room within the drivers compartment. In contrast to the current electric shuttle vehicles, this vehicle will have air conditioning, which is a critical component during the hot summer months.
- While CARTA has a need for additional vehicles to support its electric shuttle, additional discretionary grant funds will be required for a full fleet replacement and not all vehicles will be the smaller form factor of the e-Jest. Purchasing a single vehicle at this time using funds from parking eligible for shuttle operations allows CARTA to participate in two pilots in the next year. The first will be with UTC and involve the installation and testing of connected vehicle-to-infrastructure hardware. The second pilot will involve updates to the North Shore shuttle once the Walnut Street Bridge is closed for repairs.
- Due to the electric shuttle operation, CARTA is familiar with the market for smaller electric buses. Currently, there are no other vehicles that serve the same purpose or function as the e-Jest, justifying the need for a sole source procurement.

FISCAL IMPACT

The fiscal impact of this action is listed below:

C1. Acheson Foundry

- Cost for the replacement of the 158 double-groove sheaves for the Incline Railway is \$425 per unit for a total cost of \$67,150. Eureka Foundry was another local foundry that CARTA had purchased sheaves from in 2018. They have since closed; however, CARTA was able to compare pricing from the prior purchase to determine whether the proposal from Acheson was fair and reasonable. In 2018, the unit cost per sheave was \$574. As this is less than Acheson's unit cost of \$425, we have determined this cost to be fair and reasonable.
- CARTA will utilize Federal Transit Administration Section 5337 State of Good Repair funds for this procurement.

C2. Damera Bus USA LLC

- Cost for the Karsan e-Jest vehicle including associated on-board equipment is estimated at \$338,500. The last time CARTA was able to procure 22-foot electric shuttle buses was in 2013 at a cost of \$412,500 per bus. CARTA also reached out to other transit authorities who recently purchased e-Jest buses to confirm the reasonableness of the price offered by Damera. One transit agency that CARTA reached out to confirmed a base unit price of \$286,500 per vehicle. This is more than the base price provided to CARTA of \$278,500. Based on prior electric bus purchases and similar prices provided to other transit agencies, we have determined this cost to be fair and reasonable.
- CARTA will utilize parking funds authorized for shuttle services for the purchase of this vehicle.

DBE PARTICIPATION

C1. Acheson Foundry: A DBE goal was not applied to this contract as there are not subcontracting opportunities for this purchase.

C2. Damera Bus USA, LLC: A DBE goal was not applied to this contract.

TO: CARTA Board of Directors

FROM: Veronica Peebles
Chief Administrative Officer

SUBJECT: Approval of the Rider Advisory Committee

RECOMMENDED ACTION

Staff recommend that the Board approve the establishment of a Rider Advisory Committee to engage Fixed Route, CARTA GO, and Shuttle riders, facilitating two-way communication between CARTA and its' customers.

ALIGNMENT WITH STRATEGIC GOALS

This initiative aligns with CARTA's strategic imperatives of improving the quality of transportation services, enhancing efficiency, and elevating customer experience.

SUMMARY OF NEED

Approval of this item will allow CARTA to formally establish the Rider Advisory Committee (RAC), which will serve as a structured platform for gathering rider feedback and sharing important service-related updates.

KEY INFORMATION:

Committee Structure

- Chair: A current CARTA Board member
- Membership: 5-10 current CARTA riders
- Incentive: One (1) Day Unlimited Ride Pass per attended meeting (up to four passes annually) per member
- Staff Support: CARTA personnel from Customer Service, Planning, Community Outreach, Operations, and Leadership

Meeting Details

- Frequency 4-8 meetings annually
- Locations: Meetings will be held on buses, at major transfer centers, or locations directly served by CARTA Fixed Route, CARTA GO, or Shuttle services
- Timing: Scheduled based on rider convenience

Potential Discussion Topics

- Customer Satisfaction Surveys
- Fare Technology & Mobile Ticketing; acceptance of cash payments onboard the buses
- Bus stop spacing adjustments
- Route Optimization (Area, Frequency, Span of Service)

BACKGROUND AND HISTORY

The Rider Advisory Committee will be a new initiative designed to enhance rider engagement by sharing information and gathering customer feedback on key transit services. The RAC will serve as an advisory body composed of active CARTA riders and will be chaired by a designated CARTA Board member. The committee will focus on topics to include customer satisfaction, fare technology, and route adjustments. CARTA staff members from the Customer Service, Planning, Community Outreach, and Operations departments will participate in the RAC meetings.

PROCUREMENT OVERVIEW

N/A

FISCAL IMPACT

N/A

DBE PARTICIPATION

N/A

TO: CARTA Board of Directors
FROM: Charles D. Frazier
Chief Executive Officer
SUBJECT: 2024 CEO Year End Review

RECOMMENDED ACTION

N/A Information Only

HIGHLIGHTS, ANALYSIS AND CONCLUSIONS

CARTA stands at the forefront of a transformative moment in public transportation for Chattanooga and Hamilton County. In 2024, we tackled foundational challenges while pursuing bold initiatives that are redefining mobility in our region. These accomplishments reflect the collective effort of our Board, team members, and partners, who share a commitment to making CARTA a trusted community asset and driver of regional growth.

Key Accomplishments:

COMMUNITY IMPACT

- Launched **Read and Ride** with the Chattanooga Public Library, facilitating over 13,000 rides annually.
- Partnered with **Signal Centers and Dolly Parton’s Imagination Library** to help boost children’s reading program with new DPIL themed bus wrap.
- Contributed 2,000 lbs. of food to the **Chattanooga Area Food Bank** for **Share Your Christmas**.
- Partnered with **AARP** to provide free rides to polls, Election Day ridership increased by 17%.
- Collected critical supplies during the **Grateful** event and delivered to the **MacLellan Shelter**.
- Initiated **Windshield Tours** with elected officials to identify opportunities for improvement.

OPERATIONAL IMPROVEMENTS

- Reorganized business structure for future success.
- Developed first **FY2025 Strategic Imperatives** to guide the organization’s direction.
- Management Leadership Team established framework to implement the **24 Key Focus Areas**.
- Created detailed **S.W.O.T.** analysis to help identify areas of improvement and potential risks.
- Introduced **Token Transit** as a cashless payment option for CARTA riders.
- Achieved a **year-over-year increase** in ridership across all services.
- Implemented first-ever emergency protocol training for **Incline Railway** operations.
- Managed response to Incline Railway fire and initiated restoration efforts.

GRANT FUNDING SECURED

- **\$787,500** for Transit Oriented Development planning for Brainerd Rd and Lee Highway.
- **\$7.07M** Department of Energy grant for sustainable transportation.
- **\$980,000** state grant for fare technology modernizations.

ECONOMIC IMPACT

- Created **First Hour Free** parking to stimulate downtown economy.
- Achieved a **4.3% increase** in fixed route and CARTA Go ridership, a **19.1% increase** in shuttle services, and the **highest ridership in 3 years** for Care-A-Van services.

CHALLENGES

- Limited funding sources and fiscal constraints.
- Recruitment and retention of skilled personnel.
- Need for fare technology and infrastructure modernization.
- Service quality improvements needed across fixed routes and paratransit.
- Addressing the negative historical reputation for poor on-time performance and customer service.

LOOKING AHEAD TO 2025

- Advancing Bus Rapid Transit (BRT) infrastructure.
- Expanding access through community partnerships.
- Strengthening organizational resilience.
- Service quality improvements needed across fixed routes and paratransit.
- Focusing on technology upgrades and safety protocols.

TO: CARTA Board of Directors
FROM: Charles D. Frazier
Chief Executive Officer
SUBJECT: FY2026 Budget Priorities

RECOMMENDED ACTION

Staff recommend that the Board adopt the FY2026 budget priorities as presented.

ALIGNMENT WITH STRATEGIC GOALS

This action aligns with CARTA’s strategic imperatives of Fiscal Accountability, Efficiency and Transparency.

SUMMARY OF NEED

Approval of this item will establish the Board of Directors’ priorities for fiscal year 2026 (July 1, 2025 – June 30, 2026) and provide CARTA staff with the guidelines necessary to develop the FY2026 Capital and Operating budgets. The FY2026 budget priorities consist of four (4) strategic focus areas and five (5) key commitments.

STRATEGIC FOCUS AREAS FOR FY2026

1. Core Business Excellence

We’re continuing to strengthen our fundamental operations across several key areas:

Service Delivery & Safety

- Enhancing driver training programs to reduce incidents and accidents
- Developing comprehensive service policies and procedures to mitigate risk
- Modernizing dispatch and communications mechanisms to improve quality

Service Planning & Efficiency

- Optimizing fare structures to better support financial sustainability
- Improving schedule reliability and on-time performance
- Securing strategic locations for downtown transit center and mobility hubs

Maintenance & Infrastructure

- Improving vehicle reliability and maintenance programs
- Developing long-term vehicle transition strategies
- Enhancing facilities maintenance

Technology & Systems

- Implementing standardized IT infrastructure
- Developing integrated technology solutions
- Creating data-driven performance tracking systems

Financial Management

- Creating policies to insure long-term financial sustainability

- Strengthening compliance processes
- Expanding grant funding opportunities

2. Community & Customer Focus

We're deepening our engagement with the community through:

- Expanding customer amenities and feedback systems
- Continuing educational transit tours and community outreach programs
- Enhancing travel training and bilingual support services
- Testing new shuttle routes to serve emerging needs

3. Growth & Innovation

Looking toward the future, we're focusing on:

- Driving economic impact through expanded services
- Enhancing parking accessibility
- Growing ridership through improved customer experience
- Strategic planning for 3-5 year growth

4. Workforce Development

Supporting our team through:

- Extending supervision coverage across all service hours
- Adjusting wages to remain competitive
- Enhancing safety protocols and training

KEY COMMITMENTS FOR FY2026 BUDGET DEVELOPMENT

1. Sustaining current service levels with no service reductions
2. Exploring programs & investment opportunities with Hamilton County and other cities
3. Utilizing remaining American Rescue Plan Act (ARPA) funds to proactively navigate near-term fiscal challenges
4. Modifying fares and fare policies to effectively balance the budget
5. Aggressively pursuing Federal and State grants to leverage local investment

BACKGROUND AND HISTORY

In February 2023, Mayor Tim Kelly changed the composition of the Chattanooga Area Regional Transit Authority's board of directors as part of a larger effort to refocus the priorities of the city's public transportation system. Later that same month, the new board elected Johan de Nysschen as chair and began their formal assessment of the organization. On November 16, 2023, the board unanimously appointed CARTA's new Chief Executive Officer who formally joined the organization in January 2024.