



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

BOARD MEETING AGENDA

January 29, 2026, 10:00 AM ET

1. **Call to Order**
2. **Quorum Call**
3. **Moment of Silence & Pledge of Allegiance**
4. **Public Comment**
5. **Recognitions**: Jeanine McNulty
6. **Staff Updates**
 - A. Transit Improvement Plan Update: Doug Carlson [Page 02](#)
 - B. Transit Improvement Plan Budget Development: Charles D. Frazier
7. **Consent Agenda**
 - A. Adoption of Minutes: Brandon Meredith [Page 03](#)
 - B. Statistical Report: Daniel Dufour [Page 12](#)
 - C. Embassy Suites Contract Amendment: Brent Matthews [Page 15](#)
 - D. Procurement Report: Annie Powell [Page 16](#)
8. **Action Items**:
 - A. December 2025 Financial Report: Melanie Jones [Page 19](#)
 - B. Interim Incline Vendor Contract: B. Matthews & M. Higgins [Page 21](#)
 - C. FY2027 Preliminary Operating Budget Framework: Melanie Jones [Page 23](#)
 - D. FY2027 Hamilton County Budget Request: Scott Wilson [Page 25](#)
9. **New Business**
 - A. Shuttle Park North Rooftop Activation Project: Charles D. Frazier [Page 27](#)
10. **Executive Session**
11. **Adjournment**

NEXT MEETING: March 19, 2026, 10:00 AM ET

TO: CARTA Board of Directors

FROM: Doug Carlson
Director of Planning & Quality

SUBJECT: Transit Improvement Plan (TIP) Update

RECOMMENDED ACTION

N/A. Information Only.

ALIGNMENT WITH STRATEGIC GOALS

This project aligns with CARTA's strategic imperatives of Service Quality, Customer Service, Compliance, Financial Sustainability, and Asset Stewardship.

SUMMARY OF NEED

The purpose of this item is to provide the Board with an update on the work completed and in progress toward achievement of these system improvement goals. In order to position ourselves to meet the Plan Chattanooga Transit Vision, CARTA has identified the need to evaluate and complete foundational improvements to the system, including data, schedule and infrastructure. At the highest level, the long-term vision calls for the following over the next 20 years.

- Increased frequency and span of service across core and feeder routes
- Six (6) new fixed route corridors
- Two (2) high-capacity corridors
- Four (4) new microtransit zones
- Expansion of Care-A-Van service area
- Over thirty (30) mobility hubs throughout the network
- Americans with Disabilities (ADA) bus stop improvement strategy
- Amenity (bench, shelter, real-time information) deployment strategy

PROGRAM UPDATE

To facilitate these improvements, a Transit Improvement Plan (TIP) was initiated last year, with the following initial phases:

TIP Phase Zero – Focuses on data cleanup, schedule optimization, Service Standards implementation and development of design guidelines

TIP Phase One – Builds on phase zero with further optimization work, service enhancements for both Fixed Route & Shuttle networks, and infrastructure improvements

Agenda Item 7A
January 29, 2026

TO: CARTA Board of Directors

FROM: Brandon Meredith
Director Communications & External Affairs

SUBJECT: December 18th, 2025, Board Meeting Minutes

ACTION

Vote on the acceptance of the December 18th, 2025 meeting minutes as presented, subject to any amendments approved by the board.

SUMMARY

The meeting minutes from the December 18, 2025, board of directors meeting were compiled and circulated to the board on January 26th, 2026. Approval of this item will affirm the accuracy of the minutes and will become the official record of such meeting pursuant to Article V, Section 7 of CARTA's By-Laws.

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

December 18, 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, December 18, 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 posted on the CARTA website on August 01, 2025. The following Board members were in attendance and constituted a quorum: Johan de Nysschen, Chairman; Charita Allen, Treasurer; Arcie Reeves, Secretary; Stephen Culp, Corey Evatt, Bill Nye, and LeAndrea Sanderfur. The following people were also in attendance: Charles Frazier, Chief Executive Officer; Melanie Jones, Chief Financial Officer; Scott Wilson, Chief of Staff; Rachael Ruiz, Legal Counsel, Miller & Martin; Dena Franklin, Payroll & A/R Administrator; and various media and guests. Mr. de Nysschen called the meeting to order and declared a quorum present.

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

Mr. de Nysschen called on Ms. McNulty to present the December 2025 Ambassador Award. Ms. McNulty recognized Larry Watson; Care-A-Van reservationist. Mr. Watson was recognized for assisting a rider who encountered an issue with clarity about which bus to catch

after completing her grocery shopping. Mr. Watson has worked for CARTA since 1993, having previously worked with Easterseals before they were acquired by CARTA for a total of 45 years in transportation.

Mr. de Nysschen called on Mr. Frazier to provide the CEO report. Mr. Frazier reported that CARTA has been awarded additional funding for the replacement of several Care-A-Van and equipment for the vehicles such as fare boxes, radios, and security cameras. The new grant brings CARTA's 2024 and 2025 grant awards to just over ten million dollars (\$10,000,000.00). Mr. Frazier expressed gratitude to Mayor Kelly, Mayor Wamp, and Congressman Fleischman for sending in letters of support and contacting the FTA to advocate for the new grant award.

Mr. Frazier reported that CARTA held its second Rider Advisory Committee meeting at the Downtown branch of the Chattanooga Public Library and requested that Mr. Evatt, Rider Advisory Committee chairman, provide feedback on the meeting. Mr. Evatt stated that attendee diversity spanned geographies, classes, and needs. Diversity provides opportunities to implement changes to make the rider's experience better for all. Mr. Frazier reported that the committee was intentionally set up in advance of fixed route service changes planned over the next couple of years as it relates to bus stops, bus stop locations, shelters, and fixed route service. Mr. Frazier expressed gratitude to CARTA's communication, customer service, and planning teams for their participation in the meetings, documenting rider feedback, and addressing reported issues. Mr. Nye inquired about the meeting schedules and locations. Mr. Evatt advised that meetings are held quarterly with times and locations dependent on participant's availability to ensure that the meetings are as accommodating as possible. Mr. Frazier stated that future meeting schedules will be provided to board members.

Mr. Frazier next reported on CARTA's upcoming Transit Oriented Development ("TOD") study that was funded by a seven hundred eighty-seven thousand five hundred dollar (\$787,500.00) FTA grant award. The focus of the study is to identify transit oriented development potential, determine optimal mobility hub locations for future express service along Route 4 which covers the Brainerd Road / Lee Highway corridor, and to assess bus rapid transit ridership (BRT) potential. The study will also recommend land use policy and regulation changes, provide affordable housing locations across the corridor, and identify near and long-term infrastructure improvement opportunities along the corridor. Infrastructure improvement opportunities will include bike, pedestrian, and sidewalk infrastructure combined with neighborhood connections adjacent to the corridor. Deliverables from the project will be used to secure grants for future implementation. The project steering committee will be made up of community members with an anticipated start date of February 2026.

Mr. Frazier further reported participation in the MainX24 parade, a twenty-seven and quarter percent (27.25%) year over year increase in Incline Railway ridership for November, and that CARTA raised two thousand seven hundred four (2,704) pounds of food that was donated during the Share Your Christmas event.

Mr. Frazier then called on Ms. Bullard to provide a summary of her first sixty (60) days as Customer Service Manager. Ms. Bullard reported that: (i) a centralized customer service department has been established, (ii) intake and resolution processes have been standardized, (iii) a cultural shift has taken place with the customer service team reframed as a "customer first", (iv) rider feedback data is now collected in a standardized manner; (v) cross department collaboration has improved, and (vi) there is an increase in transparency and rider trust.

Mr. de Nysschen inquired on planned initiatives focused on culture change and driving awareness for all team member's knowledge on how they contribute to or detract from customer satisfaction. Ms. Bullard responded that customer focused conversations across all departments are key and are taking place. Future plans include implementing policies and procedures that respond to reports in areas where CARTA is falling short. Mr. Frazier added that CARTA will be administering its first formal customer satisfaction survey in February or March of 2026.

Under "Consent Agenda" Mr. de Nysschen stated that all members had been sent a copy of the November 20, 2025, board meeting minutes. Mr. de Nysschen asked if there were any questions, corrections, or comments. There being none, a motion was made by Ms. Allen and seconded by Ms. Reeves, followed by a vote to approve the minutes. The motion was unanimously approved.

Mr. de Nysschen next asked if there were any questions, corrections, or comments regarding the statistical report. There being none, a motion was made by Mr. Culp and seconded by Mr. Evatt, followed by a vote to approve the statistical report. The motion was unanimously approved.

Under "Action Items" Mr. de Nysschen asked Ms. Powell to present the procurement report. Ms. Powell advised that staff recommended that the Board approve the monthly procurement report. Section A included four (4) new procurements of over fifty thousand dollars (\$50,000.00). The first was a five-year contract not to exceed two hundred thousand dollars (\$200,000) for on-site drug and alcohol collection services through LL Mobile Services and Concentra for off-site drug and alcohol collection services. The second was a five-year contract not to exceed one hundred thirty-five thousand dollars (\$135,000) for brush removal services at the Incline Railway with Big Woody's Tree Service. The third was an agreement to modernize the

hydraulic elevator at Shuttle Park South with Oracle Elevator Holdco d/b/a Elevated in the amount of three hundred forty-nine thousand five hundred thirteen dollars (\$349,513.00). The fourth item was an execution request for a one-year agreement with Partnership Marketing Group for Incline Railway marketing services.

Ms. Reeves requested clarification on the Incline Railroad marketing services agreement. Mr. Frazier advised this was to maintain the regional advertising for the Incline Railway with the same provider. Mr. Frazier advised that an emergency contract for an Incline Railway management partner is under development and will be presented when completed.

Section B of the Procurement Report included the request for proposal process for on-call information technology services. Ms. Reeves requested clarification of what services the RFP would include. Mr. Dufour advised that CARTA is requesting to shift from operational to capital expenses by moving to project-based work with defined milestones and expectations.

Mr. de Nysschen asked if there were any additional comments or questions regarding the procurement report. There being none, a motion was made by Ms. Reeves and seconded by Ms. Allen followed by a vote to approve. The motion was unanimously approved.

Mr. de Nysschen called on Ms. Jones to present the FY2025 Financial Audit results. Ms. Jones reported that the audit opinion was clean and provided the following quote found in the report “In our opinion, the accompanying financial statements referred to present fairly in all material respects the respective financial position of the business-type activities and remaining fund information of CARTA as of June 30, 2025.” She noted the audit also met the City’s audit requirements.

The report noted that with the turnover in senior financial leadership, the loss of the long-term CFO and the interim staffing of an assistant who filled that spot that administrative

deficiencies were found. These challenges in addition to year-end closing activities and a system conversion of a new ERP system, time keeping system, and payroll system resulted in the following findings: (i) pension contributions were picked up after year-end; (ii) several account balances had not been fully reconciled; and (iii) Incline Railroad insurance proceeds were included in the FY2026 budget which will require a budget amendment.

Operating expenses for the year were approximately thirty-six million three hundred thousand dollars (\$36,300,000) versus thirty-two million seven hundred thousand dollars (\$32,700,000.00) for prior year. The main causes of the increase were operational and maintenance costs that increased by one million two hundred thousand dollars (\$1,200,000.00) and one million five hundred thousand dollars (\$1,500,000.00) respectively.

Ms. Jones noted that CARTA carries no long-term debt, which indicates fiscal responsibility with spending. CARTA remains financially stable but subsidy-dependent, with solid asset management and no audit red flags. The report reinforces reliance on continued city, county, state, and federal support to sustain service levels while investing in long-term capital needs.

Mr. de Nysschen commented that the overall clean audit report shows evidence of sound financial management. Ms. Reeves requested confirmation of an in-place process to ensure that pension obligations are met on time. Ms. Jones confirmed. Mr. Frazier advised that CARTA has put in place a compliance calendar that includes reminders for the management team leading up to due dates. Implementing the compliance calendar will eliminate the single point of failure concern.

Mr. de Nysschen asked if there were any additional comments or questions regarding the FY2025 financial audit report. There being none, a motion was made by Ms. Allen and seconded by Mr. Nye followed by a vote to approve. The motion was unanimously approved.

Mr. de Nysschen then asked if there were any items to discuss under “New Business.”

There were none.

Mr. de Nysschen asked if there were any items to revisit under “Old Business.” There were none.

Mr. de Nysschen asked if there were any other business items that need to be addressed. There being none, a motion was made to adjourn.

CARTA BOARD OF DIRECTORS ATTENDANCE

Nov-25		Present	May-26		Present	NOVEMBER NO MEETING	
Johan de Nysschen	Chairman	YES	Johan de Nysschen	Chairman			
Charita Allen	Treasurer	YES	Charita Allen	Treasurer			
Arcie D. Reeves	Secretary	YES	Arcie D. Reeves	Secretary			
Stephen Culp	Director	YES	Stephen Culp	Director			
Corey Evatt	Director	YES	Corey Evatt	Director			
Bill Nye	Director	YES	Bill Nye	Director			
Daniela Peterson	Director	YES	Daniela Peterson	Director			
LeAndrea Sanderfur	Director	NO	LeAndrea Sanderfur	Director			
Evann Freeman	Director	YES	Evann Freeman	Director			
Dec-25		Present	Jun-26		Present	Dec-26	
Johan de Nysschen	Chairman	YES	Johan de Nysschen	Chairman		Johan de Nysschen	Chairman
Charita Allen	Treasurer	YES	Charita Allen	Treasurer		Charita Allen	Treasurer
Arcie D. Reeves	Secretary	YES	Arcie D. Reeves	Secretary		Arcie D. Reeves	Secretary
Stephen Culp	Director	YES	Stephen Culp	Director		Stephen Culp	Director
Corey Evatt	Director	YES	Corey Evatt	Director		Corey Evatt	Director
Bill Nye	Director	YES	Bill Nye	Director		Bill Nye	Director
Daniela Peterson	Director	NO	Daniela Peterson	Director		Daniela Peterson	Director
LeAndrea Sanderfur	Director	YES	LeAndrea Sanderfur	Director		LeAndrea Sanderfur	Director
Evann Freeman	Director	NO	Evann Freeman	Director		Evann Freeman	Director
Jan-26		Present	JULY NO MEETING				
Johan de Nysschen	Chairman		Johan de Nysschen	Chairman			
Charita Allen	Treasurer		Charita Allen	Treasurer			
Arcie D. Reeves	Secretary		Arcie D. Reeves	Secretary			
Stephen Culp	Director		Stephen Culp	Director			
Corey Evatt	Director		Corey Evatt	Director			
Bill Nye	Director		Bill Nye	Director			
Daniela Peterson	Director		Daniela Peterson	Director			
LeAndrea Sanderfur	Director		LeAndrea Sanderfur	Director			
Evann Freeman	Director		Evann Freeman	Director			
FEBRUARY NO MEETING							
Aug-26		Present	JULY NO MEETING				
Johan de Nysschen	Chairman		Johan de Nysschen	Chairman			
Charita Allen	Treasurer		Charita Allen	Treasurer			
Arcie D. Reeves	Secretary		Arcie D. Reeves	Secretary			
Stephen Culp	Director		Stephen Culp	Director			
Corey Evatt	Director		Corey Evatt	Director			
Bill Nye	Director		Bill Nye	Director			
Daniela Peterson	Director		Daniela Peterson	Director			
LeAndrea Sanderfur	Director		LeAndrea Sanderfur	Director			
Evann Freeman	Director		Evann Freeman	Director			
Mar-26		Present	SEPTEMBER NO MEETING				
Johan de Nysschen	Chairman		Johan de Nysschen	Chairman			
Charita Allen	Treasurer		Charita Allen	Treasurer			
Arcie D. Reeves	Secretary		Arcie D. Reeves	Secretary			
Stephen Culp	Director		Stephen Culp	Director			
Corey Evatt	Director		Corey Evatt	Director			
Bill Nye	Director		Bill Nye	Director			
Daniela Peterson	Director		Daniela Peterson	Director			
LeAndrea Sanderfur	Director		LeAndrea Sanderfur	Director			
Evann Freeman	Director		Evann Freeman	Director			
APRIL NO MEETING							
Oct-26		Present	JULY NO MEETING				
Johan de Nysschen	Chairman		Johan de Nysschen	Chairman			
Charita Allen	Treasurer		Charita Allen	Treasurer			
Arcie D. Reeves	Secretary		Arcie D. Reeves	Secretary			
Stephen Culp	Director		Stephen Culp	Director			
Corey Evatt	Director		Corey Evatt	Director			
Bill Nye	Director		Bill Nye	Director			
Daniela Peterson	Director		Daniela Peterson	Director			
LeAndrea Sanderfur	Director		LeAndrea Sanderfur	Director			
Evann Freeman	Director		Evann Freeman	Director			

TO: CARTA Board of Directors

FROM: Daniel J. Dufour
Chief Innovation Officer

SUBJECT: Statistical Report

RECOMMENDED ACTION

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

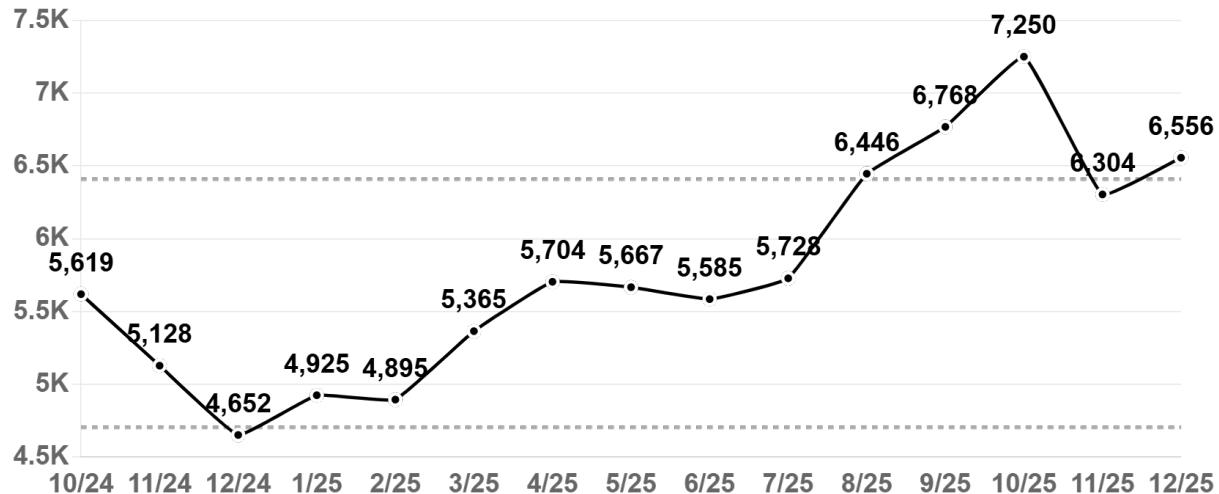
HIGHLIGHTS

Reviewing the data, there are three main statistical takeaways when comparing December 2025 to the previous year: (1) Care-a-Van ridership continues to climb, (2) increase in Saturday transit ridership year-over-year, and (3) overall steady growth in CARTA fixed-route ridership.

HIGHEST DECEMBER RIDERSHIP IN CARE-A-VAN HISTORY

Care-A-Van (CAV) achieved the highest December ridership in CAV history. CAV ridership grew from 4,652 in December 2024 to 6,556 in December 2025.

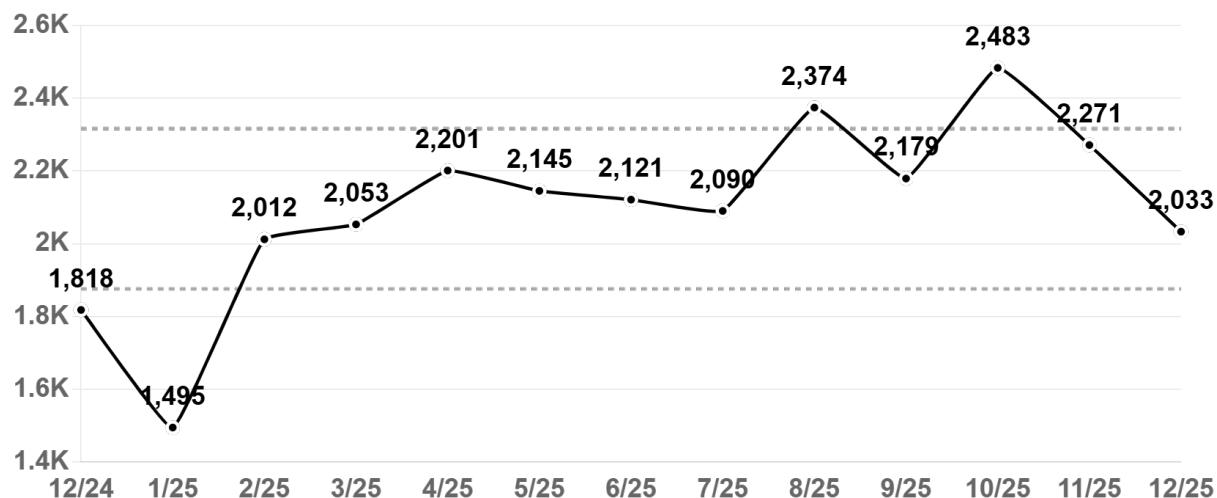
CAV Ridership



SATURDAY TRANSIT RIDERSHIP

Saturday Transit ridership rose from 1,818 to 2,033 from December 2024 to December 2025, which equates to a significant 11.8% increase.

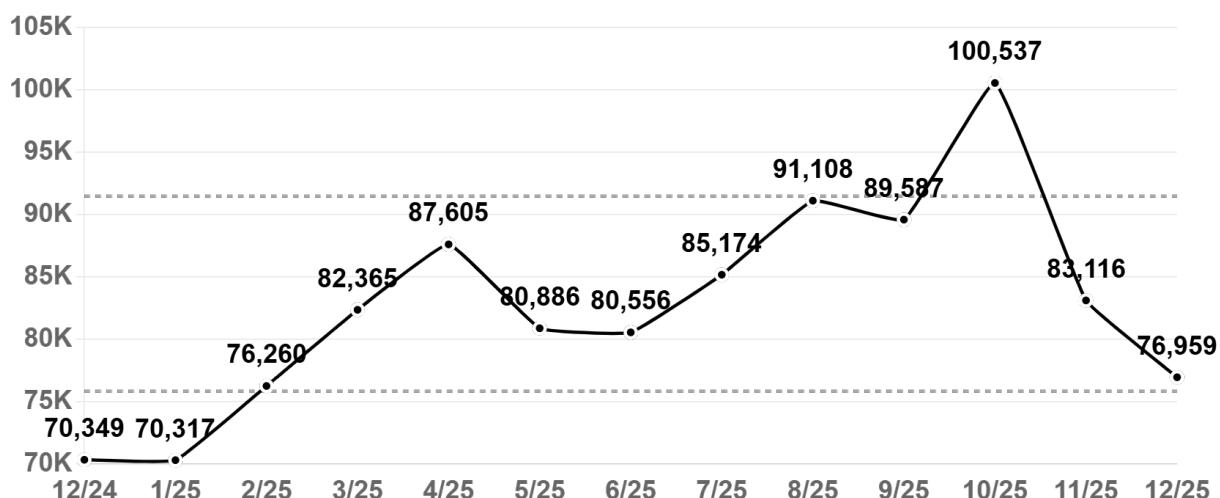
Transit Saturday Average



OVERALL YEAR-OVER-YEAR TRANSIT RIDERSHIP GROWTH

Across several metrics, transit ridership continues its steady growth year-over-year. Transit ridership grew 9% compared to the same time last year. When compared to December 2024, both weekday and weekend ridership is up. Specifically, weekday ridership grew from 2,833 to 2,987. Saturday ridership grew from 1,818 in 2024 to 2,033 in 2025. Sunday ridership grew from 717 to 777.

Transit Rideship



Statistic	1 Standard Deviation below Mean	1 Standard Deviation above Mean	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25
TRANSIT																				
Transit/Rideship	75746.00	901763.00	830820.00	86162.00	82841.00	92096.00	79775.00	70349.00	70317.00	76260.00	82895.00	87055.00	80886.00	80556.00	85174.00	9118.00	89887.00	100,537	83,116	76,959
Transit/Weekday Average - with MoCs	3048.00	3592.00	3242.00	3293.00	3479.00	3277.00	3225.00	3223.00	3223.00	3225.00	3225.00	3225.00	3225.00	3225.00	3225.00	3225.00	3225.00	3,773	3,565	2,987
Transit/Weekday Average - without MoCs	2846.00	3417.00	3242.00	3164.00	3186.00	3075.00	3087.00	2789.00	2845.00	3051.00	3100.00	3331.00	3056.00	3232.00	3353.00	3517.00	3422.00	3,570	3,348	2,970
Transit/Saturday Average	1891.00	2314.00	2124.00	2154.00	1980.00	2220.00	2078.00	1818.00	1495.00	2012.00	2083.00	2215.00	2121.00	2090.00	2374.00	2179.00	2,483	2,271	2,033	
Transit/Miles	688.00	857.00	816.00	737.00	795.00	785.00	799.00	717.00	598.00	691.00	708.00	676.00	733.00	842.00	882.00	827.00	805	777		
Transit/Passenger/Mile	0.00	1.00	0.53	0.53	0.55	0.55	0.55	0.52	0.48	0.44	0.44	0.52	0.52	0.51	0.51	0.55	0.55	0.57	0.54	N/A
Transit/Accidents	1.00	4.00	2.00	1.00	5.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0	2	
Transit/OperatingCost/Rider	10.00	12.00	11.35	9.56	9.97	9.23	10.31	12.40	12.41	11.34	10.50	9.52	10.18	N/A	10.96	11.54	N/A	N/A	N/A	N/A
SHUTTLE																				
Shuttle/Rideship	20719.00	29116.00	30157.00	28598.00	26164.00	28313.00	25438.00	21914.00	17512.00	20991.00	26340.00	23941.00	20404.00	24698.00	24698.00	24698.00	24698.00	2,551	22,589	25,496
Shuttle/Weekday Average	713.00	997.00	1014.00	971.00	966.00	986.00	971.00	775.00	607.00	797.00	912.00	1194.00	866.00	866.00	866.00	866.00	866.00	743	816	647
Shuttle/Saturday Average	792.00	1122.00	1083.00	1080.00	953.00	1215.00	975.00	876.00	651.00	857.00	631.00	427.00	540.00	472.00	537.00	578.00	594	1,093	967	1,070
Shuttle/Sunday Average	437.00	618.00	627.00	461.00	667.00	615.00	558.00	408.00	540.00	472.00	537.00	537.00	537.00	537.00	537.00	537.00	596	612	525	
Shuttle/Miles	15637.00	17983.00	18308.00	18073.00	16750.00	17834.00	16163.00	17123.00	16668.00	16186.00	17622.00	17780.00	16860.00	14107.00	14787.00	17,674	17,928	16,592	16,579	N/A
Shuttle/Passenger/Mile	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.45	1.26	1.54
Shuttle/Accidents	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0
Shuttle/OperatingCost/Rider*	3.00	4.00	3.43	2.41	2.63	2.48	2.85	3.36	4.25	3.44	2.74	2.52	3.30	N/A	3.06	3.64	N/A	N/A	N/A	N/A
IN/OUT																				
Income/Rideship	1764.00	46686.00	46686.00	72605.00	43569.00	32221.00	54736.00	26615.00	2252.00	0.00	0.00	0.00	0.00	0.00	31539.00	37,574	30,089	46,542	33,868	24,436
Income/Net Revenue/Passenger	-3.00	1.00	27.00	0.00	0.00	2.00	0.00	13.00	25.00	31.00	28.00	31.00	30.00	31.00	30.00	13.00	0	4	4	5
Income/Net Revenue/Passenger/Indire/Days/Down	1.00																			
CARE-A-VAN																				
CARE-A-VAN/Rideship	4705.00	6408.00	4177.00	4779.00	4470.00	56139.00	5128.00	4962.00	4925.00	4895.00	5395.00	5704.00	5667.00	5585.00	5723.00	6,446	6,768	7,250	6,304	6,556
CARE-A-VAN/Miles	48977.00	60115.00	49020.00	53103.00	49206.00	59830.00	689728.00	62535.00	65407.00	52,360.00	45292.00	47,324.00	47,786.00	47,495.00	49,074.00	51,541	55,437	59,245	52,349	53,185
CARE-A-VAN/Turndowns	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0
CARE-A-VAN/Accidents	43.00	54.00	59.34	47.67	50.96	42.24	46.28	55.09	52.04	50.38	45.96	42.07	42.07	42.07	42.07	42.07	42.07	42.07	42.07	42.07
CARE-A-VAN/OperatingCost/Rider*	1.00	2.00	1.18	1.26	1.28	1.57	1.60	1.54	1.52	1.53	1.61	1.67	1.73	1.70	1.64	1.93	1.87	1.79	1.85	1.78
CARE-A-VAN/Passenger/Indire/Run																				
TOTAL CARTA																				
Total CARTA/Rideship	108200.00	167768.00	190021.00	163109.00	145496.00	181764.00	136956.00	99167.00	92554.00	102146.00	114070.00	126250.00	110597.00	110749.00	151098.00	160779.00	149033.00	179,825	141,654	127,885

* Notes to the Statistical Report:

North Shore Shuttle	2190.00	3000.00	3537.00	3304.00	2998.00	2649.00	2635.00	2395.00	2116.00	2532.00	2703.00	2714.00	2428.00	2137.00	2829.00	2397.00	2241.00	2,509	1,964	2,237
MCDS Express	555.00	5280.00	5284.00	1636.00	1519.00	6302.00	4495.00	3947.00	4,424.00	5462.00	3868.00	4,424.00	4,424.00	4,424.00	4,424.00	4,424.00	4,424.00	4,658	4,114	379
Bicycles Carried	1250.00	1692.00	1740.00	1407.00	1275.00	1212.00	1418.00	1299.00	1087.00	887.00	862.00	889.00	973.00	1164.00	1589.00	1442.00	1500.00	1532.00	1,941	1,481
Wheelchairs Carried	934.00	1310.00	1078.00	1241.00	1089.00	1229.00	1229.00	1229.00	1229.00	1229.00	1168.00	1168.00	1168.00	1168.00	1168.00	1168.00	1168.00	1,685	983	925
SEI/Invoicing/Run	2124.00	3043.00	3062.00	2962.00	2407.00	2920.00	2055.00	1966.00	2089.00	2282.00	2451.00	2300.00	3110.00	3284.00	3575.00	2687.00	2331.00	2,442	2,276	2,331

TO: CARTA Board of Directors

FROM: Brent Matthews
Director of Parking and Facilities

SUBJECT: Approval of Contract Amendment with Vision Hospitality for Embassy Suites

RECOMMENDED ACTION

Staff recommend that the Board authorize the Chief Executive Officer to amend the current contract and add the option for the use of an additional 55 spaces in the CARTA North Garage.

ALIGNMENT WITH STRATEGIC GOALS

This action aligns with CARTA's strategic imperatives of establishing local funding streams and increasing parking utilization.

SUMMARY OF NEED

Approval of this item will allow CARTA/CPA to amend the current contract for 75 spaces and allow the use of an additional 55 spaces for the hotel's valet operation.

BACKGROUND AND HISTORY

On June 12, 2025, the Board of Directors authorized CARTA to enter an initial five (5) year contract with Vision Hospitality for the Embassy Suites which was built and opened in 2025. Embassy Suites uses these spaces for overnight valet parking for their hotel guests.

The current contract remains in effect until 2030.

FISCAL IMPACT

Monthly revenue is currently \$8,625 per month or \$103,500 annually. This will add an additional \$6,325 in monthly revenue and \$75,900 annually.

This would allow Embassy Suites a total of up to 130 spaces at \$14,950 per month and \$179,400 annually.

TO: CARTA Board of Directors

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 A authorizes the Chief Executive Officer or Chief Financial Officer to enter into contracts with recommended vendors.

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

1. Purchase of Two ADA Transit Rear Lift Vans and Two 14-passenger non-ADA Vans on behalf of Orange Grove Center, Inc. for Section 5310 Grant Awards
 - CARTA, as the designated recipient for Section 5310 funds, has worked with the Chattanooga-Hamilton County Metropolitan Planning Organization (MPO) in the past to hold a call for projects process for Section 5310 funds since local non-profit organizations are also eligible for funds. As part of the Call for Projects process, Orange Grove was awarded Section 5310 funds for the purchase of vehicles.
 - The Federal Transit Administration (FTA) gives flexibility to designated recipients on the management of subrecipient monitoring processes but does require that this be documented in a Program Management Plan (PMP) that is submitted to FTA for review and approval and shared with the MPO. The Program Management Plan can be found at this [link](#). Within the PMP, it is outlined how CARTA will manage vehicle procurements on behalf of Section 5310 subrecipients using the State of Tennessee's Department of General Services Statewide Contract 234. There are three vendors currently available on this statewide contract, and CARTA has selected the vendor with the lowest price for the required vehicles. CARTA is eligible to purchase from this statewide contract.
 - Recommended Vendor: Mid-South Bus Center, Inc.
 - Details: staff are requesting the approval of an agreement with Mid-South Bus Center, Inc. in the amount of \$327,960 on behalf of Orange Grove Center. Ownership of the vehicles will reside with Orange Grove Center. CARTA will hold possession of the title until the vehicles have reached their useful life and will conduct subrecipient oversight during that time. CARTA will request reimbursement for federal funds for vehicles, and Orange Grove will provide the local match. Vehicles will be delivered to CARTA and released to Orange Grove Center when CARTA has received the local match required and documentation of insurance.
 - Procurement Method: Statewide Contract

B. Board Approval of the Use of the Request for Proposals Process

Staff request approval for the following procurements to utilize the Request for Proposals

process. The current scope of work for these procurements requires evaluation criteria other than price be considered when awarding a contract for this service.

1. Auditing Services
2. Website Re-Design and Hosting

C. Report on Sole Source Procurements

2. Netsuite Finance Implementation Services

- During the October Board meeting, staff requested approval for the extension of Enterprise Resource Planning (ERP) software implementation services to assist in the transition from CARTA's current accounting system to Netsuite through the end of January 2026. At this time, CARTA has estimated that additional resources will be required past this estimated date of January 31. The estimated cost of this effort with LBMC is not to exceed \$50,960.

D. Report on Emergency Procurements

N/A

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 utilize the Request for Proposals process for these procurements.

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

N/A

FISCAL IMPACT

The fiscal impact of this action is listed below:

A1. Purchase of Two ADA Transit Rear-Lft Vans and Two 14-passenger non-ADA Vans on behalf of Orange Grove Center

- Upon approval by the Board, CARTA will issue a purchase order for \$327,960. Prior to payment, CARTA will request Section 5310 funds in the amount of \$308,427 and will not release the vehicles until Orange Grove Center has provided the local match of \$19,533. Once the vehicles

have been accepted by Orange Grove and all funds have been received, CARTA will issue payment to Mid-South Bus Center, Inc.

C1. Netsuite Finance Implementation Services

- Estimated not to exceed amount of \$50,960 from February 1, 2026 through April 30, 2026.

DBE PARTICIPATION

N/A

To: CARTA Board of Directors

From: Melanie Jones
Chief Financial Officer

Subject: December 2025 Financial Report

RECOMMENDED ACTION

Staff recommend that the Board approve CARTA's financial report for the month ended December 31, 2025, and the fiscal year-to-date period then ended.

ALIGNMENT WITH STRATEGIC GOALS

This action aligns with CARTA's imperatives of fiscal accountability and operational excellence.

HIGHLIGHTS, ANALYSIS AND CONCLUSIONS

Overall Financial Position

- Actual year-to-date results reflect an operating loss of (\$474,707).
- December performance was strong in many areas and in total, though there are significant costs in excess of revenue in both Care-A-Van and Fixed Route.
- Notable Overtime Costs are the largest impact areas.
- Management has action plans designed to address these issues.

Chattanooga Area Regional Transportation Authority
CARTA

CARTA Income Statement
Dec 2025

Operating Unit	Dec 2025	Total Year-to-Date
Transit		
Revenue	\$1,713,047.54	\$9,254,817.88
Expenses	\$1,635,858.86	\$10,292,836.19
Transit Operating Income / (Loss)	\$77,188.68	(\$1,038,018.31)
Shuttle		
Revenue	\$277,935.27	\$1,113,130.78
Expenses	\$163,859.88	\$1,241,855.21
Shuttle Operating Income / (Loss)	\$114,075.39	(\$128,724.43)
Incline		
Revenue	\$242,809.50	\$2,183,762.61
Expenses	\$191,304.12	\$1,841,092.40
Incline Operating Income / (Loss)	\$51,505.38	\$342,670.21
Care A Van		
Revenue	\$143,418.06	\$1,000,033.42
Expense	\$333,701.32	\$2,128,788.96
Care A Van Operating Income / (Loss)	(\$190,283.26)	(\$1,128,755.54)
Parking		
Revenue	\$585,903.54	\$2,929,956.94
Expense	\$264,147.10	\$1,451,835.90
Parking Operating Income / (Loss)	\$321,756.44	\$1,478,121.04
CARTA Total		
Total Revenue	\$2,963,113.91	\$16,481,701.63
Total Expenditures	\$2,588,871.28	\$16,956,408.66
Total Operating Income / (Loss)	\$374,242.63	(\$474,707.03)

TO: CARTA Board of Directors

FROM: Brent Matthews and Matthew Higgins
Director of Parking and Facilities and Acting Director of Incline

SUBJECT: Incline Railway Ticket & Concession Sales

RECOMMENDED ACTION

Staff recommend that the Board authorize the CEO to negotiate an emergency contract with The Reinert Group LLC for the management of the Incline Railway ticket sales and both retail and food operations.

ALIGNMENT WITH STRATEGIC GOALS

This action aligns with CARTA's strategic imperatives of Customer Service of Fiscal Accountability.

SUMMARY OF NEED

Approval of this item will allow CARTA to negotiate and execute a contract with The Reinert Group LLC to assume operations with the following base terms:

- Three-year contract effective March 1, 2026
- CARTA to receive 100% of ticket sales revenue
- Preference for hiring existing See Rock City employees
- Operation of admissions, food & beverage and retail

BACKGROUND AND HISTORY

On Friday, November 14, 2025, the Authority received formal notification from See Rock City Enterprises (SRC) that they would not be renewing their contract to provide the following services at the Incline Railway effective February 28, 2026:

- Admissions (Ticket Sales)
- Food & Beverage
- Retail Sales
- Rental Space (Clumpies)
- Photography Sales

Note: Marketing services, which include local and regional efforts, as well as maintenance of the ridetheincline.com website, are contracted to a separate entity. This contract runs through the end of 2026. This marketing contract does not limit Reinert Group from marketing the ticketing of combination trips as we did previously with SRC.

FISCAL IMPACT

A twelve-month fiscal analysis indicates that overall revenue expectations for the Incline Railway will remain revenue neutral as compared to the existing agreement with See Rock City.

Incline Review of Potential New Vendor Options

Projected Total Annual Sales at Incline		New Vendor Proposals			Prior Vendor
		Amount that CARTA receives:			
		Reinert	SSA		See Rock City
Ticket Sales	\$ 3,304,947	\$ 3,304,947	\$ 2,577,859	\$ 3,007,502	
Non-ticket Sales	\$ 1,911,185		\$ 325,539	\$ 321,119	
	\$ 5,216,133	\$ 3,304,947	\$ 2,903,398	\$ 3,328,621	

TO: CARTA Board of Directors
FROM: Melanie Jones / Chief Financial Officer
SUBJECT: FY2027 Operating Budget Framework

RECOMMENDED ACTION

Staff recommend that the Board approves the FY2027 Operating Budget Framework and preliminary budget assumptions as presented.

ALIGNMENT WITH STRATEGIC GOALS

This action aligns with CARTA's strategic imperative of Fiscal Accountability.

SUMMARY OF NEED

Approval of this item will establish the framework for the development of the FY2027 Operating Budget with the following base assumptions:

- Service efficiencies for Fixed Route to be implemented August 2026 and May 2027
- Full cost recovery applied to services delivered to partner agencies
- Operational reserve policy established and funded
- Single points of failure for core operational disciplines (payroll, technology) addressed

BACKGROUND AND HISTORY

On June 12, 2025, the Board of Directors approved the FY2026 Operating Budget. The development of the FY2027 budget will go through three (3) phases (Preliminary, Draft, and Final) to be considered by the Board of Directors in January 2026, March 2026 and June 2026, respectively.

FISCAL IMPACT

To be determined.

FY2027 Budget Framework

	Base Unbalanced (No material change)	V1 - Reasonable Next Step	V2 - Survival	V3 - Contingency
Operating Revenue				
Passenger Fares	5,517,704	5,692,704	5,517,704	5,517,704
Incline/Ancillary				V1: Fare increases from \$1.50 to \$1.75 FR (est \$175,000 increase); V2: 0% change in fare; V3: 0% change in fare
Parking Revenue	7,602,498	7,754,548	7,830,573	8,300,000 moves to \$2.00; V2: Street parking moves to \$2.50
Advertising	256,720	256,720	256,720	256,720
Operating Revenue	13,376,922	13,703,972	13,604,997	14,074,424
Non-Operating Revenue				
Grants				V1: includes impact of Lookouts move; V2: Street parking cost
Local Operating				
Total Non-Operating Revenue	18,545,055	18,545,056	18,545,057	18,545,058
Total Revenue	31,921,977	32,249,028	32,150,054	32,619,482
Operating Expenses				
Operations	19,132,772	19,480,827	19,248,127	18,015,427
Maintenance	4,345,892	4,552,410	4,492,610	4,432,810
Administration	8,641,192	9,534,216	9,334,016	8,814,016
Total Expenses	32,119,856	33,567,453	33,074,753	31,282,253
Net Position	(197,879)	(1,316,425)	(924,699)	1,357,229
**Benefit Expenses (incl. est.)				
	4,585,716	4,585,716	4,585,716	4,585,716 through December 2025 and will fluctuate with payroll changes.
**Pension Expenses				
	1,889,437	1,889,437	1,889,437	** Benefit and Pension expenses are based on current activity 1,889,437 through December 2025 and will fluctuate with payroll changes..
OPERATIONAL RESERVE				
Eliminate Single Points of Failure	Yes	Yes	No	Yes = Will add H/C and Costs. Added IT and Finance Calculated on Wages. Included in OpEx by dept, with 30% benefits cost
COLA/Wages	4%	2%		Est \$750k annual cost reduction
Service Efficiency Actions	Yes (\$750k cost reduction)	Yes (\$750k cost reduction)	Yes (\$750k cost reduction)	Yes +\$250k additional cost
Service Increase	No	No	No	Yes: (\$1,000,000 cost reduction)
Service Decrease	No	Yes: (\$500,000 cost reduction)	No	Yes: (\$500,000 cost reduction)
Layouts (CS/SUPs)				

TO: CARTA Board of Directors
FROM: Scott Wilson / Chief of Staff
SUBJECT: FY2027 Budget Request to Hamilton County

RECOMMENDED ACTION

Staff recommends that the board authorize the Chief Financial Officer to submit a formal budget request to Hamilton County in the amount of **\$816,800** in operating support and **\$50,000** for local capital match in the FY2027 budget, for a total request of **\$866,800**.

ALIGNMENT WITH STRATEGIC GOALS

This action aligns with CARTA's strategic imperatives of establishing local funding streams in support of regional transportation services.

SUMMARY OF NEED

Approval of this item will allow CARTA to submit a formal FY2027 operating assistance request to Hamilton County in support of the following initiatives:

- 2nd Hour Free Parking Downtown – Anyone can park for free for a total of 2 hours any day of the week and all hours of the day in CARTA garages.
 - Shuttle Park North - \$80,000 annually
 - Shuttle Park South - \$35,000 annually**Total - \$115,000**
- Drug Court via CARTA Go (Current program in FY26)
 - \$88k for driver, \$12k to allow customers to participate fare-free**Total - \$100,000**
- Care-A-Van (Program 3) Subsidy (Current program in FY26)
 - Red Bank (1,747 trips) & East Ridge (2725 trips) 4,472 trips @ \$25/trip**Total - \$111,800**
- Chambliss Child Care School Transportation (New in FY27)
Total - \$50,000
- County Connect Pilot Program (New in FY27)
 - \$40,000 (Local Match for \$200k Critical Trips grant)
 - \$50,000 (Local match for \$300k vehicle grant)**Total - \$90,000**

- Seasonal Chattanooga Airport Shuttle pilot
 - **\$350,000**

BACKGROUND AND HISTORY

On March 20, 2025, the Board of Directors authorized CARTA to submit a formal operating assistance request to Hamilton County for the FY2026 budget in the amount of \$583,000 in support the following initiatives:

- Opportunity High Transportation Pilot (\$150,000)
- Reflection Riding Summer Camp Pilot (\$75,000)
- Care-A-Van Paratransit Enhancements (\$272,720)
- County Drug Court (\$86,000)

In June 2025, Hamilton County approved their FY26 budget and included funding for CARTA in support of the following pilot programs:

- Care-A-Van (Program 3) Subsidy
- County Drug Court

TO: CARTA Board of Directors

FROM: Charles D. Frazier
Chief Executive Officer

SUBJECT: Shuttle Park North Rooftop Activation – Proposal from Understory

RECOMMENDED ACTION

Information Only. No Board action is requested at this time.

OVERVIEW

Understory, a local artist-led agency, has approached CARTA with a proposal to temporarily activate the rooftop of the Shuttle Park North Garage through an arts- and community-based initiative known as the “Picnic Project.” CARTA proposes to support the pursuit of this externally funded activation to increase garage utilization and promote CARTA parking and transit services at no direct cost to the agency.

ALIGNMENT WITH STRATEGIC GOALS

This action aligns with CARTA’s strategic imperatives of Increasing Asset Utilization and Strengthening CARTA’s brand as an integrated, community-oriented mobility provider

SUMMARY OF NEED

Approval of this item will allow CARTA to increase awareness of parking and shuttle resources to the public. While CARTA has made significant investments in downtown parking and transit infrastructure, awareness of key benefits — including first hour free parking and free downtown shuttle routes — more can be done. This activation provides an opportunity to:

- Attract new users to CARTA garages
- Communicate parking and transit benefits in a highly visible, experiential setting
- Encourage park-once and multimodal travel behavior
- Improve public perception of CARTA facilities as accessible and community-focused

These outcomes are achieved without direct financial investment by CARTA.

BACKGROUND AND HISTORY

Understory has proposed a temporary activation of the Shuttle Park North Garage rooftop through a multi-month initiative referred to as the “Picnic Project.” The activation is anticipated to occur between September 7 and November 15, 2026.

- Installation: September 7 – September 25, 2026
- Public Activation Period: September 26 – November 9, 2026
- Tear Down: November 10 – November 15, 2026

During the public activation period, the rooftop would function as a community-facing space featuring

artist-designed installations, food, music, and casual cultural programming. The space would remain primarily free and open to the public, with limited ticketed events. Understory would plan and facilitate the entire program, and CARTA intends to apply for a Lyndhurst Foundation grant to fund program-related costs.

PROCUREMENT OVERVIEW

CARTA anticipates entering into a Subrecipient and License Agreement with Understory, under which Understory would administer and deliver all programming, and CARTA would provide limited access and licensing rights for use of the rooftop.

FISCAL IMPACT

There is no direct fiscal impact to CARTA associated with this item.

- Program costs are anticipated to be covered through external grant funding
- CARTA staff involvement will be minimal, focused on coordination and oversight
- CARTA's Marketing and Communications Department will coordinate with Understory to promote: the activation itself, First Hour Free Parking, and Free Downtown Shuttle Routes

As a result, CARTA gains significant marketing and service awareness at no direct cost.

DBE PARTICIPATION

N/A