



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

BOARD MEETING AGENDA

March 19, 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. CEO Report: Charles D. Frazier
7. **Consent Agenda**
 - A. Adoption of Minutes: Brandon Meredith ([page 2](#))
 - B. Statistical Report: Daniel Dufour ([page 12](#))
8. **Action Items:**
 - A. Procurement Report: Annie Powell ([page 17](#))
 - B. Grant Resolutions: Annie Powell ([page 19](#))
 - C. February 2026 Financial Report: Melanie Jones ([page 25](#))
 - D. FY2027 DRAFT Operating Budget: Melanie Jones ([page 27](#))
 - E. FY2027 DRAFT Capital Budget: Melanie Jones ([page 31](#))
9. **Old Business**
 - A. Consumer Protection & Parking Compliance: Brent Matthews ([page 34](#))
10. **Executive Session**
11. **Adjournment**

NEXT MEETING: May 21, 2026, 10:00 AM ET

TO: CARTA Board of Directors
FROM: Brandon Meredith | Director of External
DATE: Affairs March 16, 2026
SUBJECT: January 29, 2026, Approval of Board Meeting Minutes
TYPE: Action Item

1. PURPOSE

The purpose of this memorandum is to request Board approval of the minutes from the January 29, 2026 meeting of the CARTA Board of Directors.

2. BACKGROUND

The minutes from the January 29, 2026 meeting of the CARTA Board of Directors were compiled and circulated to Board members on March 16, 2026 for review. Approval of the minutes will confirm their accuracy and establish them as the official record of the meeting pursuant to Article V, Section 7 of CARTA's By-Laws.

3. ANALYSIS

Board meeting minutes serve as the official record of actions taken by the CARTA Board of Directors. The minutes document motions, votes, and discussions that occurred during the meeting and are maintained in accordance with CARTA's governance and recordkeeping practices. Board members have been provided an opportunity to review the minutes in advance of the meeting and may propose amendments prior to final approval.

4. FINANCIAL IMPACT

There is no financial impact associated with this item.

5. PROCUREMENT OVERVIEW

This item does not involve procurement activity.

6. WHY IT MATTERS

Approval of this item will confirm the accuracy of the official record of the January 29, 2026. CARTA Board of Directors meeting and ensure compliance with CARTA's By-Laws governing the documentation and approval of Board proceedings.

7. BOARD ACTION

Board Action Requested:

Approval of the January 29, 2026, CARTA Board of Directors meeting minutes as presented, subject to any amendments approved by the Board

ATTACHMENTS

January 29, 2026, Meeting Minutes

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

AND

THE CHATTANOOGA PARKING AUTHORITY

January 29, 2026

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 29, 2026, 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, and in the Chattanooga Times Free Press on January 04, 2026. The following Board members were in attendance and constituted a quorum: Johan de Nysschen, Chairman; Evann Freeman, Vice Chairman; Charita Allen, Treasurer; 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. Mr. de Nysschen called on Ismael Rivera with Amalgamated Transit Union (ATU). Mr. Rivera advised that the ATU Local 1212 contract extension was ratified by an eighty-one percent (81%) vote on January 28, 2026. Mr. de Nysschen expressed gratitude to the ATU Local 1212 members stating the contract ratification shows its commitment to providing a high-quality public transit

service to the community and an understanding of the financial restraints of CARTA. Mr. de Nysschen stated that the CARTA Board of Directors and CARTA management look forward to continued collaboration and constructive engagement when working together to build a world-class public transit organization supporting members of the Chattanooga and Hamilton County communities.

Mr. de Nysschen called on Ms. McNulty to present the January 2026 Ambassador Award. Ms. McNulty recognized Duan Bush and Kelvin Dial with CARTA's Safety and Training Department. Mr. Bush and Mr. Dial were recognized for assisting a CARTA colleague, who was struck while driving a company vehicle when returning from CARTA's Twelfth (12th) Street location. Ms. McNulty stated that Mr. Bush's and Mr. Dial's response provided a clear example of the effectiveness, responsiveness, and professionalism that CARTA demonstrates every day, where safety is not just a policy, but a priority.

Mr. Frazier announced that CARTA had been awarded first place in the 2026 APTA AdWheel awards in the Best Marketing and Communications Educational Initiative category for CARTA's Maps for Schools program supporting CARTA's Read & Ride Program and Access to School Related Opportunities.

Mr. de Nysschen called on Mr. Carlson to provide a Transit Improvement Plan (TIP) update. Mr. Carlson advised that CARTA, in partnership with the Regional Planning Agency and Kimley-Horne, has developed a comprehensive plan for mobility in the Chattanooga region for the next five (5), ten (10), and twenty (20) years. The plan supports Plan Chattanooga for regional growth and connectivity. There are three (3) key agendas with the plan: universal access, seamless integration, and future-proof growth. Mr. Carlson advised that CARTA's long-term TIP includes two (2) high-capacity corridors, four (4) new CartaGo zones, countywide access to Care-A-Van

services, six (6) new fixed routes, CARTA's downtown Park Once initiative, and thirty-three (33) mobility hubs.

CARTA is working on phase zero that includes data cleanup, schedule optimization, service standard implementation, and reviewing bus stop design guidelines. Mr. Carlson also advised that CARTA has received mobility hub grant funding to begin designing CARTA's first mobility hub.

Mr. Frazier advised that CARTA is utilizing planning grant funds to review current bus stop compliance and develop bus stop design guidelines addressing any deficiencies. The next step in the process is to apply for implementation grants. Mr. de Nysschen inquired if implementation grants require local match. Mr. Frazier advised that it is dependent on grant guidelines but can be a little as ten percent (10%) and that CARTA is working with the City of Chattanooga to receive grant funding as a subrecipient to CARTA for bus stop improvement implementation. Receipt of this grant funding would also provide relief on the City's budgeting for CARTA.

Phase one objectives that are currently underway include additional optimization to fixed routes with the August markup, bus stop right-sizing, static and real-time signage, bench and shelter installations, continued work on ADA bus stop improvements, and shuttle redesign. At the close of Mr. Carlson's presentation, Mr. Frazier presented the TIP budget development concept and timeline to orient and prepare the Board for future TIP budget requests.

Under "Consent Agenda" Mr. de Nysschen stated that all members had been sent a copy of the January 29, 2026, Board packet containing the December 18, 2025, Board meeting minutes, the statistical report, Embassy Suites contract amendment and the procurement report on January 23, 2026, for review. Mr. de Nysschen asked if there were any questions, corrections, or comments on any items listed under consent agenda. There being none, a motion was made by Mr. Culp and

seconded by Ms. Allen, followed by a vote to approve. The motion to approve all the consent agenda items was unanimously approved.

Under “Action Items” Mr. de Nysschen asked Mr. Frazier to present the contract extension with the ATU Local 1212. Mr. Frazier stated that staff recommends that the Board approve a contract ratification with ATU Local 1212 through December 31, 2026. Approval of this item will finalize the conditional package deal between CARTA and the ATU Local 1212, which will expire, if not ratified and accepted by both the ATU’s and CARTA’s Board before January 31, 2026.

The conditional package deal includes financial improvements, including a three percent (3%) hourly wage increase for bargaining unit employees, effective at the date of ratification, ratification bonuses for eligible full-time and part-time employees ranging from four hundred dollars (\$400.00) to one thousand six hundred dollars (\$1,600.00) and an extension of the contract to December 31, 2026.

Mr. Frazier stated that in making the financial proposals, CARTA also required changes to the current union contract. The changes included expanding the time cap on regular runs from nine (9) hours to ten (10) hours per day with a cap on the number of ten hours (10) days allowed. Changes also included limiting the payment of overtime to hours actually worked in excess of forty (40) hours during the regular work week and requiring a schedule floater to perform Incline Railway employee's scheduled work or missed work before utilizing another employee.

Mr. de Nysschen asked Mr. Frazier if there was any additional material that the Board needed to be aware of. Mr. Frazier added that this ratification indicates a significant time of partnership for CARTA and the ATU Local 1212.

Mr. de Nysschen asked if there were any additional comments or questions regarding ratification of the union contract extension. There being none, a motion was made by Mr. Culp and seconded by Mr. Freeman followed by a vote to approve. The motion was unanimously approved.

Mr. de Nysschen called on Ms. Jones to present the December 2025 Financial Report. Ms. Jones reported that December's performance was strong in total although there were significant costs in excess of revenue in Care-A-Van, the Incline Railway, and transit that were driven by overtime expenses. Ms. Jones stated that management has actions plans identified to address overtime. CARTA's actual year-to-date operating loss is four hundred seventy-four thousand seven hundred seven dollars (\$474,707.00).

Mr. de Nysschen requested clarification on overtime expenses to which Ms. Jones replied that overtime expenses for 2025 were approximately one million three hundred thousand dollars (\$1,300,000.00) and for the first six (6) months of 2026, approximately one million one hundred thousand dollars (\$1,100,000.00). Mr. de Nysschen requested a review of managerial controls and structural issues focused on overtime to determine what is driving the sharp trend increase. Mr. de Nysschen further requested management implement corrective actions to reduce overtime and to focus on beginning to build an appropriately sized operational reserve.

Mr. Frazier presented details of management's action plan to address mid-year operating loss. Contributing factors to revenue loss were the missed peak Incline seasonal attendance, unpaid parking tickets, accounting leadership turnover, and the end of CARES Act/ARPA funding. Actions to balance costs and revenue that are underway are an increase of local Incline marketing, pursuing a vehicle booting ordinance for unpaid parking tickets, and reevaluation of grant revenue opportunities. Contributing factors for higher expenses were overtime and transit service

inefficiencies. Actions underway are reducing overtime with the newly ratified collective bargaining agreement and implementation of service efficiencies.

Mr. de Nysschen asked if there were any additional comments or questions regarding the December 2026 financial report. There being none, a motion was made by Ms. Allen and seconded by Mr. Evatt followed by a vote to approve. The motion was unanimously approved.

Mr. de Nysschen requested Mr. Matthews to present the details of the interim Incline vendor contract. Mr. Matthews stated that staff recommended the Board authorize CARTA's CEO, Charles Frazier, to negotiate an emergency contract with the Reinert Group LLC ("Reinert"), for the management of the Incline Railway ticket sales, retail operations, and concession operations. The base contract terms included a three-year contract effective March 1, 2026, CARTA to receive one hundred percent (100%) of ticket sales revenue and Reinert will give preference to hiring existing See Rock City employees.

Mr. Nye asked if Reinert could seamlessly assume operations on March 1, 2026, with no delay. Mr. Reinert confirmed that they will be fully operational on March 1, 2026. Mr. de Nysschen asked Mr. Reinert for details on how ticket sales are currently being processed. Mr. Reinert advised that they use Fair Harbor ticketing software and it will fully integrate into RideTheIncline.com. Mr. de Nysschen requested clarification on the transitions of inventories to ensure continuity from the customer point of view. Mr. Frazier advised that he had met with Mr. Chapin, See Rock City president, and that they have indicated they are committed to a successful seamless transition.

Mr. de Nysschen asked if there were any additional comments or questions regarding the interim Incline vendor contract with Reinert. There being none, a motion was made by Mr. Nye 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 FY2027 Preliminary Operating budget framework and preliminary budget assumptions. Mr. Frazier presented the budget development milestones as follows: (i) a budget framework that includes three versions; high, medium, and low, (ii) a presentation of the preliminary budget, and (iii) a draft budget that will be presented in February to the Executive Committee and a request to approve the draft will be made at the March 2026 Board meeting. The final budget will be presented for approval at the June Board meeting.

Ms. Jones stated that the budget framework includes the following base assumptions: (i) service efficiencies for fixed rout to be implemented August 2026 and May 2027, (ii) full cost recovery will be applied to services delivered by partner agencies, (iii) an operational reserve policy will be established and funded, and (iv) single points of failure for core operational disciplines will be addressed.

Mr. de Nysschen asked if there were additional comments or questions regarding the FY2027 preliminary operating budget framework. There being none, a motion was made by Mr. Nye and seconded by Mr. Freeman followed by a vote to approve. The motion was unanimously approved.

Mr. de Nysschen called on Mr. Wilson to present the FY2027 Budget request to Hamilton County. Mr. Wilson stated that staff recommended the Board authorize the Chief Financial Officer, Ms. Jones, to submit a formal budget request to Hamilton County in the amount of seven hundred sixty-six thousand eight hundred dollars (\$766,800.00) in operating support and fifty thousand dollars (\$50,000.00) for local capital match in the FY2027 budget, for a total request of eight hundred sixteen thousand eight hundred dollars (\$816,800.00). The request would support the following items: (i) second (2nd) hour free parking downtown, (ii) drug court transportation via CARTA GO, (iii) Care-A-Van Program three (3) subsidy, (iv) Red Bank and East Ridge Care-A-

Van trips at twenty-five dollars (\$25.00) per trip, (v) Chambliss Child Care school transportation, (vi) County Connect pilot program, and (vii) a seasonal Chattanooga Airport shuttle pilot program.

Mr. de Nysschen asked if there were additional comments or questions regarding the FY2027 budget request to Hamilton County. There being none, a motion was made by Mr. Freeman and seconded by Mr. Evatt followed by a vote to approve. The motion was unanimously approved.

Mr. de Nysschen called on Mr. Frazier to present on the Shuttle Park North Rooftop activation project. Mr. Frazier advised that Understory, a local artist-led agency, approached CARTA with a proposal that would temporarily activate the rooftop of 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 with no direct cost to CARTA. Understory and the artists will promote utilizing the first hour free parking at the garage for attendees. Additionally, they will promote park at Shuttle Park South, utilize the first hour free parking and take the free shuttle over to the event.

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 to an executive session.

CARTA BOARD OF DIRECTORS ATTENDANCE

Nov-25 Present

Johan de Nysschen	Chairman	YES
Charita Allen	Treasurer	YES
Arcie D. Reeves	Secretary	YES
Stephen Culp	Director	YES
Corey Evatt	Director	YES
Bill Nye	Director	YES
Daniela Peterson	Director	YES
LeAndrea Sanderfur	Director	NO
Evann Freeman	Director	YES

May-26 Present

Johan de Nysschen	Chairman	
Charita Allen	Treasurer	
Arcie D. Reeves	Secretary	
Stephen Culp	Director	
Corey Evatt	Director	
Bill Nye	Director	
Daniela Peterson	Director	
LeAndrea Sanderfur	Director	
Evann Freeman	Director	

NOVEMBER NO MEETING

Dec-26 Present

Johan de Nysschen	Chairman
Charita Allen	Treasurer
Arcie D. Reeves	Secretary
Stephen Culp	Director
Corey Evatt	Director
Bill Nye	Director
Daniela Peterson	Director

LeAndrea Sanderfur	Director
Evann Freeman	Director

Dec-25 Present

Johan de Nysschen	Chairman	YES
Charita Allen	Treasurer	YES
Arcie D. Reeves	Secretary	YES
Stephen Culp	Director	YES
Corey Evatt	Director	YES
Bill Nye	Director	YES
Daniela Peterson	Director	NO
LeAndrea Sanderfur	Director	YES
Evann Freeman	Director	NO

Jun-26 Present

Johan de Nysschen	Chairman	
Charita Allen	Treasurer	
Arcie D. Reeves	Secretary	
Stephen Culp	Director	
Corey Evatt	Director	
Bill Nye	Director	
Daniela Peterson	Director	
LeAndrea Sanderfur	Director	
Evann Freeman	Director	

Jan-26 Present

Johan de Nysschen	Chairman	YES
Charita Allen	Treasurer	YES
Arcie D. Reeves	Secretary	NO
Stephen Culp	Director	YES
Corey Evatt	Director	YES
Bill Nye	Director	YES
Daniela Peterson	Director	NO
LeAndrea Sanderfur	Director	YES
Evann Freeman	Director	YES

JULY NO MEETING

Aug-26 Present

Johan de Nysschen	Chairman	
Charita Allen	Treasurer	
Arcie D. Reeves	Secretary	
Stephen Culp	Director	
Corey Evatt	Director	
Bill Nye	Director	
Daniela Peterson	Director	
LeAndrea Sanderfur	Director	
Evann Freeman	Director	

FEBRUARY NO MEETING

Mar-26 Present

Johan de Nysschen	Chairman
Charita Allen	Treasurer
Arcie D. Reeves	Secretary
Stephen Culp	Director
Corey Evatt	Director
Bill Nye	Director
Daniela Peterson	Director
LeAndrea Sanderfur	Director
Evann Freeman	Director

SEPTEMBER NO MEETING

Oct-26 Present

Johan de Nysschen	Chairman	
Charita Allen	Treasurer	
Arcie D. Reeves	Secretary	
Stephen Culp	Director	
Corey Evatt	Director	
Bill Nye	Director	
Daniela Peterson	Director	
LeAndrea Sanderfur	Director	
Evann Freeman	Director	

APRIL NO MEETING

TO: CARTA Board of Directors
FROM: Daniel Dufour, CIO
DATE: March 12, 2026
SUBJECT: Statistical Report
TYPE: Information on Statistical Report

1. PURPOSE

This memo is being presented to inform the board of important trends in ridership and performance data as it pertains to CARTA.

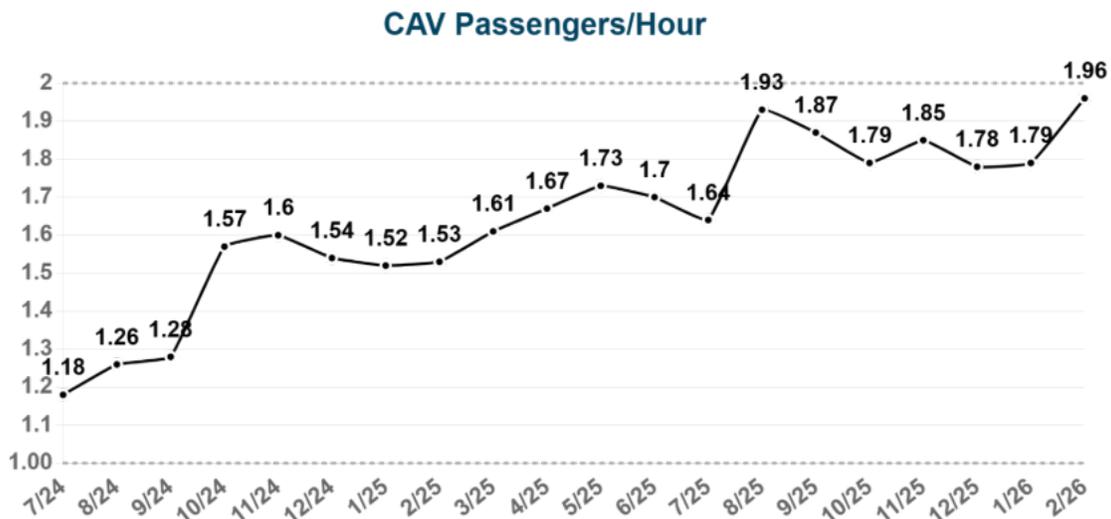
2. BACKGROUND

In preparation for every board of directors meeting, CARTA compiles data across its range of services on ridership and costs for the previous month.

3. ANALYSIS

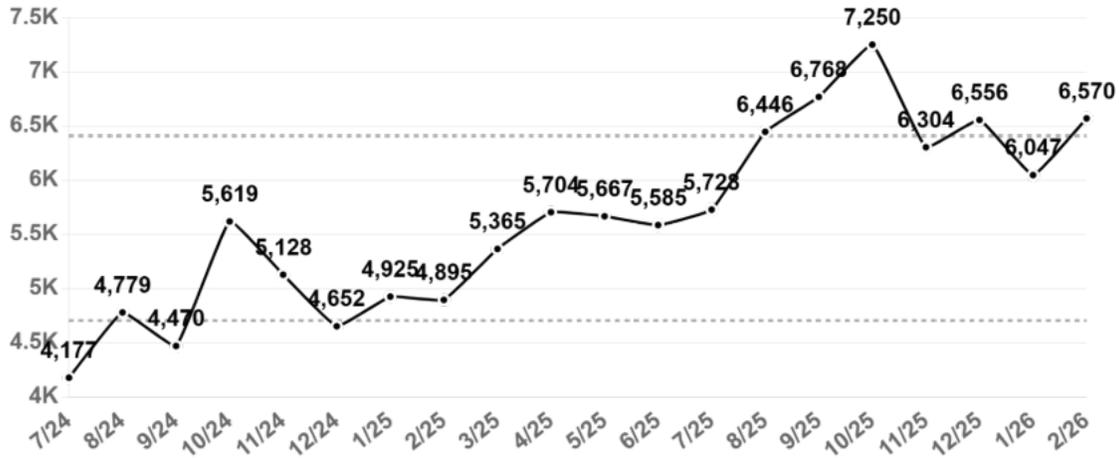
Reviewing the data, there are three main statistical takeaways for February 2026: (1) Care-a-Van (CAV) achieved its highest monthly average of passengers per hour in recent history (if not all time), (2) Incline ridership increased by 14% when compared to January, (3) system-wide ridership increased by 12% year-over-year.

CAV continues to focus on efficiency. By operating efficiently, CAV serves more passengers per hour and more passengers overall. CAV served 1.96 passengers per hour in February 2026, which is a 28% increase compared to the same time last year.



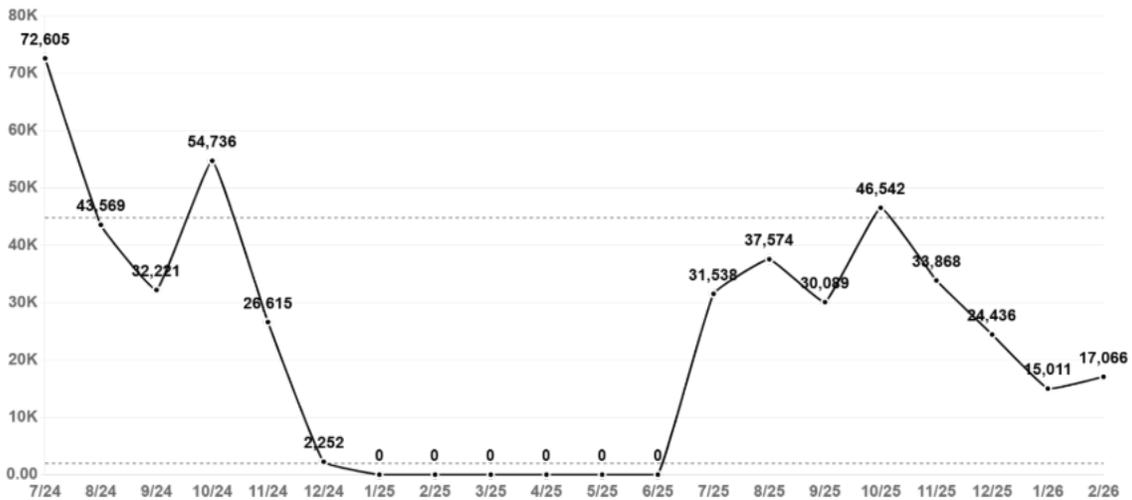
CAV passengers per hour is calculated by dividing the number of passengers by revenue hours. CAV served 6,570 passengers in February 2026, which is a year-over-year increase of 34% from 4,895 passengers in February of 2025.

CAV Ridership



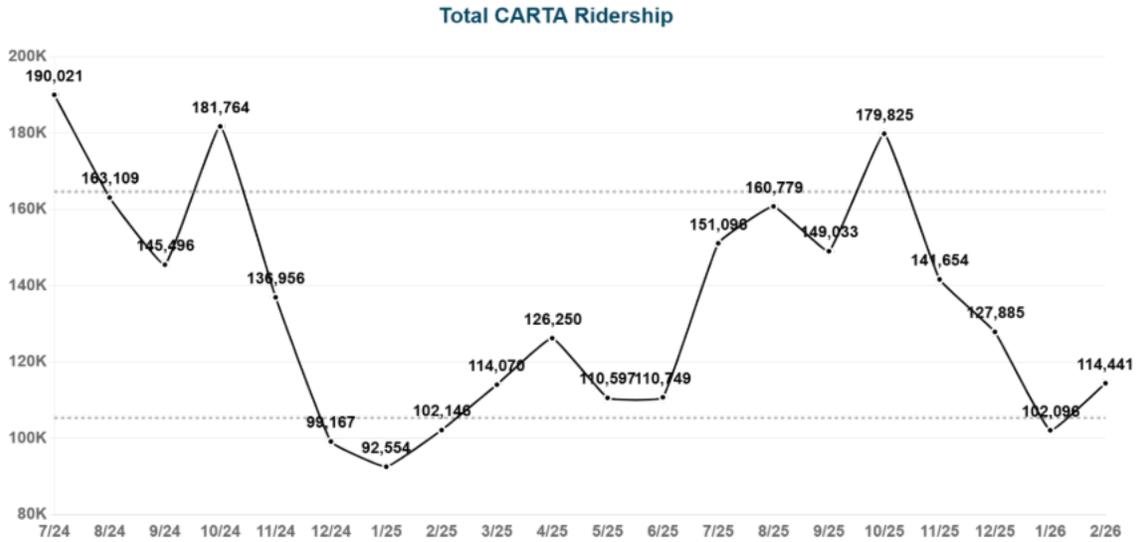
Incline ridership increased by 2,055 from 15,011 in January to 17,066 in February, representing a 14% month-over-month increase.

Incline Ridership



Incline ridership had a substantial positive impact on overall system-wide ridership, especially compared to the previous year when the Incline was closed because of the fire.

Overall CARTA system-wide ridership increased by 12,345 from 102,096 in January 2026 to 114,441 in February 2026, representing a 12% month-over-month increase. Compared to the same month last year, CARTA system-wide ridership increased by 12,295, representing a 12% year-over-year increase.



4. FINANCIAL IMPACT

There is no financial impact associated with this item.

5. PROCUREMENT OVERVIEW

This item does not involve procurement activity.

6. WHY IT MATTERS

Strong management and effective practices have enabled CAV to serve more and more people.

7. BOARD ACTION

Informational Item – No Board Action Required

ATTACHMENTS

7B.1 - Statistical Report Ridership.xlsx

7B.2 - Statistical Report Ridership.pdf

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	Jan-26	Feb-26
TRANSIT																						
Transit Ridership	73535.00	90226.00	83082.00	86162.00	82641.00	92096.00	79775.00	70349.00	70317.00	76260.00	82365.00	87605.00	80886.00	80556.00	85174.00	91108.00	89587.00	100,537	83,116	76,959	65,964	73,068
Transit Weekday Average - with Mocs	2971.00	3580.00	3242.00	3293.00	3535.00	3479.00	3311.00	2833.00	2817.00	3272.00	3265.00	3490.00	3056.00	3232.00	3353.00	3561.00	3694.00	3,773	3,565	2,987	2,601	3,157
Transit Weekday Average - without Mocs	2861.00	3411.00	3242.00	3164.00	3186.00	3205.00	3087.00	2789.00	2645.00	3051.00	3100.00	3331.00	3056.00	3232.00	3353.00	3517.00	3422.00	3,570	3,348	2,970	2,476	2,978
Transit Saturday Average	1842.00	2300.00	2124.00	2154.00	1990.00	2220.00	2079.00	1818.00	1495.00	2012.00	2053.00	2201.00	2145.00	2121.00	2090.00	2374.00	2179.00	2,483	2,271	2,033	1,616	1,957
Transit Sunday Average	662.00	857.00	816.00	737.00	795.00	799.00	789.00	717.00	588.00	691.00	708.00	676.00	733.00	842.00	762.00	892.00	827.00	958	805	777	757	524
Transit Miles	151806.00	167282.00	155741.00	163497.00	151310.00	167126.00	152652.00	148063.00	158654.00	147874.00	158427.00	159747.00	167157.00	157834.00	165811.00	165835.00	163624.00	176,291	152,602	N/A	N/A	N/A
Transit Passengers/Mile	0.00	1.00	0.53	0.53	0.55	0.55	0.52	0.48	0.44	0.52	0.52	0.55	0.48	0.51	0.51	0.55	0.55	0.57	0.54	N/A	N/A	N/A
Transit Accidents	0.00	4.00	2.00	1.00	5.00	2.00	2.00	1.00	1.00	0.00	2.00	1.00	3.00	5.00	1.00	4.00	3.00	6	0	2	0	1
Transit Operating Cost/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	N/A	N/A
SHUTTLE																						
Shuttle Ridership	19289.00	28844.00	30157.00	28599.00	26164.00	29313.00	25438.00	21914.00	17312.00	20991.00	26340.00	32941.00	24044.00	24608.00	28656.00	25,651	22,589	25,496	18,366	19,934	15,074	17,737
Shuttle Weekday Average	682.00	985.00	1014.00	971.00	906.00	956.00	917.00	775.00	607.00	797.00	912.00	1194.00	806.00	872.00	952.00	820	743	816	647	687	570	708
Shuttle Saturday Average	717.00	1118.00	1083.00	1080.00	953.00	1215.00	975.00	876.00	651.00	857.00	896.00	1198.00	832.00	851.00	1149.00	1,093	967	1,070	689	796	472	642
Shuttle Sunday Average	404.00	613.00	627.00	461.00	667.00	615.00	558.00	427.00	338.00	408.00	540.00	472.00	537.00	578.00	538.00	594	596	612	525	409	329	336
Shuttle Miles	15637.00	17993.00	18309.00	18073.00	16750.00	17834.00	16163.00	17123.00	16668.00	16186.00	17622.00	17780.00	15680.00	14107.00	14787.00	17,674	17,928	16,592	16,579	N/A	N/A	N/A
Shuttle Passengers/Mile	1.00	2.00	1.65	1.58	1.56	1.64	1.57	1.28	1.04	1.30	1.49	1.85	1.53	1.74	1.94	1.45	1.26	1.54	1.11	N/A	N/A	N/A
Shuttle Accidents	0.00	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00	0.00	0	0	0	0	0	0	1
Shuttle Operating Cost/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	N/A	N/A
INCLINE																						
Incline Ridership	2009.00	44804.00	72605.00	43569.00	32221.00	54736.00	26615.00	2252.00	0.00	0.00	0.00	0.00	0.00	0.00	31538.00	37,574	30,089	46,542	33,868	24,436	15,011	17,066
Incline Net Revenue/Passenger	-3.00	10.00	1.98	4.77	6.45	4.66	12.89	-9.21	N/A	N/A	N/A	N/A	N/A	N/A	0.00	5.85	N/A	N/A	N/A	N/A	N/A	N/A
Incline Days Down	0.00	26.00	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	5	8	3
CARE-A-VAN																						
CAV Ridership	4790.00	6474.00	4177.00	4779.00	4470.00	5619.00	5128.00	4652.00	4925.00	4895.00	5365.00	5704.00	5667.00	5585.00	5728.00	6,446	6,768	7,250	6,304	6,556	6,047	6,570
CAV Miles	47013.00	59559.00	49002.00	53103.00	49206.00	54830.00	68729.00	62535.00	65407.00	52360.00	45292.00	47324.00	47736.00	47495.00	49074.00	51,541	55,437	59,245	52,349	53,165	49,967	51,923
CAV 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	0	0
CAV Accidents	0.00	1.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00	1.00	1.00	1.00	1.00	1.00	0	1	0	0	0	0	0	2
CAV Operating Cost/Rider*	43.00	54.00	59.84	47.67	50.96	42.24	46.28	55.09	52.04	50.38	45.96	42.07	42.00**	48.07	48.59	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CAV Passengers/Hour	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	1.79	1.96
TOTAL CARTA																						
Total CARTA Ridership	105327.00	164642.00	190021.00	163109.00	145496.00	181764.00	136956.00	99167.00	92554.00	102146.00	114070.00	126250.00	110597.00	110749.00	151096.00	160779.00	149033.00	179,825	141,654	127,885	102,096	114,441
* Notes to the Statistical Report:																						
North Shore Shuttle	2021.00	2982.00	3537.00	3304.00	2998.00	2649.00	2635.00	2385.00	2116.00	2532.00	2703.00	2714.00	2428.00	2137.00	2820.00	2307.00	2741.00	2,509	1,964	2,237	1,694	1,613
MOCs Express	703.00	5183.00	0.00	2854.00	6991.00	6302.00	4495.00	917.00	3794.00	4424.00	3462.00	3486.00	0.00	0.00	0.00	934.00	5707.00	4,658	4,114	379	2,763	3,579
Bicycles Carried	1267.00	1675.00	1740.00	1636.00	1519.00	1740.00	1407.00	1275.00	1121.00	1418.00	1269.00	1321.00	1354.00	1472.00	1421.00	1500.00	1532.00	1,941	1,685	1,481	1,159	1,426
Wheelchairs Carried	897.00	1293.00	1078.00	1241.00	1089.00	1229.00	1087.00	887.00	862.00	898.00	973.00	1168.00	1146.00	1184.00	1536.00	1442.00	1156.00	1,316	983	925	771	936
St.Elmo/Incline	1933.00	3024.00	3062.00	2962.00	2407.00	2920.00	2051.00	1966.00	2089.00	2282.00	2451.00	2300.00	3110.00	3264.00	3575.00	2687.00	2331.00	2,442	2,276	2,331	1,334	1,733

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	Jan-26	Feb-26
TRANSIT																						
Transit Ridership	73535.00	90226.00	83082.00	86162.00	82641.00	92096.00	79775.00	70349.00	70317.00	76260.00	82365.00	87605.00	80886.00	80556.00	85174.00	91108.00	89587.00	100,537	83,116	76,959	65,964	73,068
Transit Weekday Average - with Mocs	2971.00	3580.00	3242.00	3293.00	3535.00	3479.00	3311.00	2833.00	2817.00	3272.00	3265.00	3490.00	3056.00	3232.00	3353.00	3561.00	3694.00	3,773	3,565	2,987	2,601	3,157
Transit Weekday Average - without Mocs	2861.00	3411.00	3242.00	3164.00	3186.00	3205.00	3087.00	2789.00	2645.00	3051.00	3100.00	3331.00	3056.00	3232.00	3353.00	3517.00	3422.00	3,570	3,348	2,970	2,476	2,978
Transit Saturday Average	1842.00	2300.00	2124.00	2154.00	1990.00	2220.00	2079.00	1818.00	1495.00	2012.00	2053.00	2201.00	2145.00	2121.00	2090.00	2374.00	2179.00	2,483	2,271	2,033	1,616	1,957
Transit Sunday Average	662.00	857.00	816.00	737.00	795.00	799.00	789.00	717.00	588.00	691.00	708.00	676.00	733.00	842.00	762.00	892.00	827.00	958	805	777	757	524
Transit Miles	151806.00	167282.00	155741.00	163497.00	151310.00	167126.00	152652.00	148063.00	158654.00	147874.00	158427.00	159747.00	167157.00	157834.00	165811.00	165835.00	163624.00	176,291	152,602	N/A	N/A	N/A
Transit Passengers/Mile	0.00	1.00	0.53	0.53	0.55	0.55	0.52	0.48	0.44	0.52	0.52	0.55	0.48	0.51	0.51	0.55	0.55	0.57	0.54	N/A	N/A	N/A
Transit Accidents	0.00	4.00	2.00	1.00	5.00	2.00	2.00	1.00	1.00	0.00	2.00	1.00	3.00	5.00	1.00	4.00	3.00	6	0	2	0	1
Transit Operating Cost/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	N/A	N/A
SHUTTLE																						
Shuttle Ridership	19289.00	28844.00	30157.00	28599.00	26164.00	29313.00	25438.00	21914.00	17312.00	20991.00	26340.00	32941.00	24044.00	24608.00	28656.00	25,651	22,589	25,496	18,366	19,934	15,074	17,737
Shuttle Weekday Average	682.00	985.00	1014.00	971.00	906.00	956.00	917.00	775.00	607.00	797.00	912.00	1194.00	806.00	872.00	952.00	820	743	816	647	687	570	708
Shuttle Saturday Average	717.00	1118.00	1083.00	1080.00	953.00	1215.00	975.00	876.00	651.00	857.00	896.00	1198.00	832.00	851.00	1149.00	1,093	967	1,070	689	796	472	642
Shuttle Sunday Average	404.00	613.00	627.00	461.00	667.00	615.00	558.00	427.00	338.00	408.00	540.00	472.00	537.00	578.00	538.00	594	596	612	525	409	329	336
Shuttle Miles	15637.00	17993.00	18309.00	18073.00	16750.00	17834.00	16163.00	17123.00	16668.00	16186.00	17622.00	17780.00	15680.00	14107.00	14787.00	17,674	17,928	16,592	16,579	N/A	N/A	N/A
Shuttle Passengers/Mile	1.00	2.00	1.65	1.58	1.56	1.64	1.57	1.28	1.04	1.30	1.49	1.85	1.53	1.74	1.94	1.45	1.26	1.54	1.11	N/A	N/A	N/A
Shuttle Accidents	0.00	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00	0.00	0	0	0	0	0	0	1
Shuttle Operating Cost/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	N/A	N/A
INCLINE																						
Incline Ridership	2009.00	44804.00	72605.00	43569.00	32221.00	54736.00	26615.00	2252.00	0.00	0.00	0.00	0.00	0.00	0.00	31538.00	37,574	30,089	46,542	33,868	24,436	15,011	17,066
Incline Net Revenue/Passenger	-3.00	10.00	1.98	4.77	6.45	4.66	12.89	-9.21	N/A	N/A	N/A	N/A	N/A	N/A	0.00	5.85	N/A	N/A	N/A	N/A	N/A	N/A
Incline Days Down	0.00	26.00	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	5	8	3
CARE-A-VAN																						
CAV Ridership	4790.00	6474.00	4177.00	4779.00	4470.00	5619.00	5128.00	4652.00	4925.00	4895.00	5365.00	5704.00	5667.00	5585.00	5728.00	6,446	6,768	7,250	6,304	6,556	6,047	6,570
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CAV 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	0	0
CAV Accidents	0.00	1.00	0.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	1.00	0.00	1.00	1.00	1.00	0	1	0	0	0	0	2
CAV Operating Cost/Rider*	43.00	54.00	59.84	47.67	50.96	42.24	46.28	55.09	52.04	50.38	45.96	42.07	42.00 **	48.07	48.59	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CAV Passengers/Hour	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	1.79	1.96
TOTAL CARTA																						
Total CARTA Ridership	105327.00	164642.00	190021.00	163109.00	145496.00	181764.00	136956.00	99167.00	92554.00	102146.00	114070.00	126250.00	110597.00	110749.00	151096.00	160779.00	149033.00	179,825	141,654	127,885	102,096	114,441

* Notes to the Statistical Report:

North Shore Shuttle	2021.00	2982.00	3537.00	3304.00	2998.00	2649.00	2635.00	2385.00	2116.00	2532.00	2703.00	2714.00	2428.00	2137.00	2820.00	2307.00	2741.00	2,509	1,964	2,237	1,694	1,613
MOCs Express	703.00	5183.00	0.00	2854.00	6991.00	6302.00	4495.00	917.00	3794.00	4424.00	3462.00	3486.00	0.00	0.00	934.00	5707.00	4,658	4,114	379	2,763	3,579	
Bicycles Carried	1267.00	1675.00	1740.00	1636.00	1519.00	1740.00	1407.00	1275.00	1121.00	1418.00	1269.00	1321.00	1354.00	1472.00	1421.00	1500.00	1532.00	1,941	1,685	1,481	1,159	1,426
Wheelchairs Carried	897.00	1293.00	1078.00	1241.00	1089.00	1229.00	1087.00	887.00	862.00	898.00	973.00	1168.00	1146.00	1184.00	1536.00	1442.00	1156.00	1,316	983	925	771	936
St.Elmo/Incline	1933.00	3024.00	3062.00	2962.00	2407.00	2920.00	2051.00	1966.00	2089.00	2282.00	2451.00	2300.00	3110.00	3264.00	3575.00	2687.00	2331.00	2,442	2,276	2,331	1,334	1,733

TO: CARTA Board of Directors
FROM: Annie Powell | Director of Procurement and Grants
DATE: March 13, 2026
SUBJECT: Procurement Report – March 2026
TYPE: Action Item

1. PURPOSE

The purpose of this memorandum is to request Board approval for several procurement-related actions, including approval of new procurements exceeding \$50,000 and approval to utilize the Request for Proposals (RFP) procurement method for certain services.

2. BACKGROUND

On September 19, 2024, the CARTA Board of Directors formally adopted Resolution 606, which established guidelines governing the contracting authority of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO). This resolution established a contract execution threshold of up to \$50,000 for the CEO and CFO. Any contracts exceeding \$50,000 require approval of the CARTA Board of Directors.

Additionally, recent audits recommended that the Board of Directors approve the use of the Request for Proposals (RFP) process when evaluation criteria other than price are required to determine the most advantageous proposal. The audits also recommended that staff report any sole source or emergency procurements that occur between Board meetings.

In response, CARTA staff incorporated these elements into this Procurement Report template to ensure transparency and consistent reporting to the Board of Directors.

3. ANALYSIS

- A. Board Approval of New Procurements over \$50,000
 - 1. Bus Shelter Cleaning Services
 - Requesting approval to enter into an agreement for shelter cleaning services for a five-year period
 - Recommended Provider: Nooga Cleaning Services, LLC
 - Procurement Method: Request for Proposals
 - Number of Proposals Returned: 2
 - B. Request for Proposals (RFP) procurement method for the following service:
 - 1. Family and Medical Leave Act (FMLA) Administration - the scope of work associated with this procurement requires evaluation criteria beyond price alone. The RFP process will allow CARTA to evaluate proposals based on qualifications, experience, technical approach, and other factors necessary to select the most advantageous proposal for the Authority.
- C. Report on Sole Source Procurements
N/A

- D. Report on Emergency Procurements
N/A

4. FINANCIAL IMPACT

The financial impact of this action is listed below

A1. Bus Shelter Cleaning Services

- Upon approval, CARTA will enter into an agreement with Nooga Cleaning Services, LLC for a not to exceed amount of \$300,000 over a five year period. The cost is \$5,000 per month for cleaning CARTA's current shelter inventory of 84. As shelters are added to CARTA's inventory above 84, an additional cost of \$40 per unit per month is set for each year of the contract. CARTA will utilize Federal Transit Administration (FTA) Section 5307 funds for these services.

5. PROCUREMENT OVERVIEW

A1. Bus Shelter Cleaning Services

- On May 15, 2025, CARTA released a formal Request for Proposals for bus shelter cleaning services for a five-year period. CARTA advertised this procurement in the Chattanooga Times-Free Press, included a notice and link to the RFP on CARTA's website, and sent the RFP to four (4) interested proposers.
- CARTA utilized the following weighted evaluation criteria as part of this Request for Proposals process:
 - Price Proposal: 50 points
 - Qualifications and References: 30 points
 - Ability to Meet Specifications: 20 points

6. WHY IT MATTERS

Approval of this item will ensure CARTA maintains compliance with its procurement policies, audit recommendations, and Board-established contracting authority thresholds. Approval also supports transparency in procurement activities and enables staff to move forward with procurement processes necessary to support operational needs of the Authority.

7. BOARD ACTION

Board Action Requested:

Approval of procurements under Section A authorizes the Chief Executive Officer or Chief Financial Officer to enter into contracts with recommended vendors. Approval under Section B will allow staff to utilize the Request for Proposals process for Family and Medical Leave Act (FMLA) Administration.

ATTACHMENTS

None

TO: CARTA Board of Directors
FROM: Annie Powell, Director of Grants & Procurement
DATE: March 19, 2026
SUBJECT: Approval of Resolutions 609-611 for Grant Applications
TYPE: Action Item

1. PURPOSE

The purpose of this memorandum is to request Board approval of Resolutions 609-611 authorizing CARTA to submit grant applications through Public Entity Partners (PEP) James L. Richardson Driver Training (609) and Cybersecurity (610) programs as well as Federal Transit Administration (FTA) formula grants (611).

2. BACKGROUND

CARTA has recently applied for funding through the PEP James L. Richardson Driver Training and Cybersecurity programs and intends to apply for FTA formula grants once appropriations are available. The PEP grant programs require the submittal of a Board resolution authorizing the grant application and committing CARTA to provide the required 50% matching funds.

CARTA, as the designated recipient for the Chattanooga area, receives FTA formula funds every fiscal year for transit capital and operating assistance projects. Section 5307 funds are primarily used for preventive maintenance and other operating projects tasks but offer flexibility for capital projects also. Section 5337 funds are for keeping the Incline Railway in a state of good repair. Section 5339 funds are for capital projects involving bus and bus facilities. Section 5310 funds are for support of the transportation of older adults and people with disabilities. For capital projects (including preventive maintenance) CARTA is required to provide a 20% local share. For operating projects, a 50% local share is required.

3. ANALYSIS

Approval of these resolutions will allow CARTA to pursue available funding and reimbursement opportunities through PEP for driver training and cybersecurity projects as well as FTA formula grants for transit capital and operating projects.

4. FINANCIAL IMPACT

CARTA has been awarded \$5,000 under the James L. Richardson Driving Training grant and will request reimbursement for safety and training materials (DVD-based training). CARTA has been awarded \$1,000 under the Cybersecurity grant and will request reimbursement for a network monitoring solution.

5. PROCUREMENT OVERVIEW

Reimbursement of activities through PEP's James L. Richardson Driver Training and Cybersecurity programs have been completed through small purchasing procedures that do not require approval by the Board of Directors.

Procurement of items over \$50,000 under FTA's formula grants will be brought to the Board of Directors for approval.

6. WHY IT MATTERS

Approval of this item will allow CARTA to pursue external grant funding to support training, cybersecurity, and other capital and operating activities while maintaining fiscal responsibility and compliance with CARTA's strategic goals.

7. BOARD ACTION

Board Action Requested:

Approval of resolutions 609-611 authorizes CARTA to submit grant applications through Public Entity Partners and the Federal Transit Administration, committing the required matching funds.

ATTACHMENTS

Resolution 609, James L. Richardson "Driver Training" Matching Grant Program

Resolution 610, Cybersecurity Partners Matching Grant Program

Resolution 611, Transit Capital and Operating Grants Under Sections 5307, 5310, 5337, and 5339 of the Federal Transit Administration Act of 1964

RESOLUTION NO. 609

A RESOLUTION AUTHORIZING THE CHATTANOOGA AREA REGIONAL TRANSPORTATION AUTHORITY (CARTA) TO PARTICIPATE IN THE JAMES L. RICHARDSON “DRIVER TRAINING” MATCHING GRANT PROGRAM

WHEREAS, the safety and well-being of the employees of CARTA is of the greatest importance; and

WHEREAS, all efforts shall be made to provide a safe and hazard-free workplace for CARTA employees; and

WHEREAS, Public Entity Partners seeks to encourage the establishment of a safe workplace by offering a “Driver Training” Matching Grant Program; and

WHEREAS, CARTA now seeks to participate in this important program.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHATTANOOGA AREA REGIONAL TRANSPORTATION AUTHORITY (CARTA), the following:

SECTION 1. That CARTA is hereby authorized to submit application for a “Driver Training” Matching Grant Program through Public Entity Partners.

SECTION 2. That CARTA is further authorized to provide a matching sum for any monies provided by this grant.

Resolved this 19th day of March in the year 2026.

ADOPTED:

March 19, 2026

Date

Johan de Nysschen, Chairman

ATTEST:

Arcie D. Reeves, Secretary

APPROVED AS TO FORM AND LEGALITY:

Miller & Martin
CARTA Legal Counsel

RESOLUTION NO. 610

**A RESOLUTION AUTHORIZING THE CHATTANOOGA AREA REGIONAL
TRANSPORTATION AUTHORITY (CARTA) TO PARTICIPATE IN THE
CYBERSECURITY PARTNERS MATCHING GRANT PROGRAM**

WHEREAS, the cyber security safety of CARTA is of great importance; and

WHEREAS, all efforts shall be made to provide a reduced liability for CARTA employees; and

WHEREAS, Public Entity Partners seeks to encourage secure cyber environment by offering Cyber Security Partners Matching Grant Program; and

WHEREAS, CARTA now seeks to participate in this important program.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE CHATTANOOGA AREA REGIONAL TRANSPORTATION AUTHORITY (CARTA), the following:

SECTION 1. That CARTA is hereby authorized to submit application for a Cyber Security Partners Matching Grant Program through Public Entity Partners.

SECTION 2. That CARTA is further authorized to provide a matching sum for any monies provided by this grant.

Resolved this 19th day of March in the year 2026.

ADOPTED:

March 19, 2026
Date

Johan de Nysschen, Chairman

ATTEST:

Arcie D. Reeves, Secretary

APPROVED AS TO FORM AND LEGALITY:

Miller & Martin
CARTA Legal Counsel

RESOLUTION NO. 611

**A RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION WITH
THE DEPARTMENT OF TRANSPORTATION, UNITED STATES OF AMERICA,
AND THE TENNESSEE DEPARTMENT OF TRANSPORTATION
FOR TRANSIT CAPITAL AND OPERATING GRANTS
UNDER SECTIONS 5307, 5310, 5337, AND 5339 OF THE
FEDERAL TRANSIT ADMINISTRATION ACT OF 1964**

WHEREAS, the Secretary of Transportation is authorized to make grants for mass transportation projects to qualified applicants; and

WHEREAS, if a grant is awarded to an applicant, the contract for financial assistance will impose certain obligations upon the applicant, including contributing its share of local project costs; and

WHEREAS, it is required by the U.S. Department of Transportation, in accordance with the provisions of Title VI of the Civil Rights Act of 1964, that in connection with the filing of an application for assistance under the Federal Transit Administration Act of 1964, as amended, the applicant give an assurance that it will comply with Title VI of the Civil Rights Act of 1964, and the U.S. Department of Transportation requirements thereunder; and

WHEREAS, it is the goal of CARTA that minority owned business enterprises be utilized to the fullest extent possible in connection with these projects, and that procedures shall be established and administered to ensure that minority owned businesses shall have the maximum feasible opportunity to compete for contracts when CARTA is procuring construction contracts, supplies, equipment contracts, consultants or other services;

NOW, THEREFORE, BE IT RESOLVED THAT:

1. The Chief Executive Officer or designee and the Director of Grants and Procurement of this Authority are authorized to file applications on behalf of CARTA with the U.S. Department of Transportation and the Tennessee Department of Transportation, for aid in financing the operating and transit capital projects pursuant to Sections 5307 (including Job Access eligible projects); 5310 (including New Freedoms eligible projects); 5337 (State of Good Repair Program); and 5339 (Bus and Bus Facilities) of the Federal Transit Administration Act of 1964, as amended, generally described as capital assistance and operating assistance for fiscal year 2026.
2. The Board Chairman and the Chief Executive Officer or designee for the Authority are hereby authorized to execute and file all such certifications and assurances and/or any other documents relating to such applications as are required to be filed by the Board Chairman or the Chief Executive Officer by the U.S. Department of Transportation or the Tennessee Department of Transportation.

3. The Chief Executive Officer or designee and the Director of Grants and Procurement of the Authority are hereby authorized to furnish such additional information as may be required by the U.S. Department of Transportation and the Tennessee Department of Transportation in connection with the applications for such projects.
4. The Chief Executive Officer or designee and the Director of Grants and Procurement are hereby authorized to execute grant agreements and any amendment modification or extension thereto, as may be awarded on behalf of CARTA by the U.S. Department of Transportation and the Tennessee Department of Transportation for aid in financing said projects.

ADOPTED:

March 19, 2026
Date

Johan de Nysschen, Chairman

ATTEST:

Arcie Reeves, Secretary

APPROVED AS TO FORM AND LEGALITY:

Miller & Martin PLLC
CARTA Legal Counsel

TO: CARTA Board of Directors
FROM: Melanie Jones, CFO
DATE: March 19, 2026
SUBJECT: February 2026 Financials
TYPE: Action

1. PURPOSE

The February 2026 Financial Report has been prepared for review and approval by the Board.

2. BACKGROUND

Each month, CARTA prepares financial performance reporting for the prior month's operational financial performance. This performance is prepared for each operating division and reflects prior month's activity. It also reflects the comparison of performance against the budget on a monthly and year-to-date basis.

3. ANALYSIS

In total, expenses exceeded revenues in February, due in part to funding completion of certain grants in prior periods.

4. FINANCIAL IMPACT

The financial impact is reflected on a monthly and year-to-date basis.

Funding sources include Federal, State, and Local grants, both operating and capital, as well as passenger and parking revenues.

For the month of February 2026, CARTA posted an operating loss of \$(282k), and a year-to-date loss of \$(167k).

The 2026 budget still contains budgeted revenue for both CARES and Incline insurance proceeds (which were recognized in 2025), which necessitates a budget amendment which will be proposed to address.

5. PROCUREMENT OVERVIEW

Consideration for all items involving contracts, expenditures, amendments, or cooperative purchasing will be addressed in compliance with the existing policies.

6. WHY IT MATTERS

Strategic framing:
Financial responsibility

7. BOARD ACTION

Board Action Requested:

Staff recommends that the Board approve CARTA's financial report for the month ended February 2026, and the fiscal year-to-date period then ended.

TO: CARTA Board of Directors
FROM: Melanie Jones, CFO
DATE: March 19, 2026
SUBJECT: Updated DRAFT 2027 Budget
TYPE: **Approval of Updated DRAFT 2027 Budget**

1. PURPOSE

An Updated DRAFT 2027 Budget has been prepared for review and consideration by the Board.

2. BACKGROUND

On January 29, 2026, the Board approved the FY2027 Preliminary Operating Budget Framework, which presented multiple scenarios for consideration.

The 2027 Budget is necessary to provide the anticipated operational sources and uses of funding for the upcoming fiscal year. This information may be provided to prospective funding sources, in anticipation of their active support of this budget and the associated operations.

In FY 2026, CARTA has received support from Federal, State, and Local governments.

With the support of the Board in its advisory and oversight capacity, the governmental sources of support may support the growth and operations of CARTA.

Approvals of the 2027 Preliminary Operating Budget Framework were approved in the January 29, 2026 Board meeting; the Updated Draft 2027 Budget is being presented in today's meeting, and the Final 2027 Budget will be presented for approval in the June 2026 Board meeting.

3. ANALYSIS

Executive reasoning and operational considerations:

- In the January 29, 2026 meeting, there were multiple Preliminary 2027 Budget scenarios presented for consideration. The Updated Draft 2027 Budget most closely represents the midpoint of the ranges considered.
- The Updated Draft 2027 Budget takes into consideration operational and financial impacts of implementing service efficiencies, while continuing to address “single

points of failure” in our support staff, and also ensures that operational staffing challenges to mitigate overtime needs are addressed.

- Attracting and hiring of the necessary resources and reliance on grant funding is still required in this version. However, the approach best balances the long-term strategic opportunities of the organization and its support of the community.
- Approval of this Updated Draft 2027 Budget will enable CARTA and the community to continue the positive strides in community development and partnership.

4. FINANCIAL IMPACT

- Continued focus on prospective additional funding opportunities and effective cost management are being built into the
- Funding sources include Federal, State, and Local grants, both operating and capital, as well as passenger and parking revenues.

5. PROCUREMENT OVERVIEW

There is no procurement associated with this item

6. WHY IT MATTERS

Strategic framing:

- Alignment with Plan Chattanooga
- Risk mitigation
- Compliance stewardship
- Service reliability
- Financial responsibility
- Community impact

Approval of this item will enable CARTA to move forward with continued focus on preparation of the Final 2027 Budget, which will be submitted for approval by the Board at the June 2026 Board meeting. Approval will also allow CARTA to submit a request of \$8,395,000 to the city of Chattanooga for unfunded FY 27 operating budget needs.

7. BOARD ACTION

Board Action Requested:
Staff recommends approval of Updated Draft 2027 Budget

Chattanooga Area Regional Transit Authority (CARTA)
DRAFT Budget for the Year Ended June 30, 2027 with Comparative Prior Year Information
Updated DRAFT 2027 Budget Income Statement

	2026 Budget	2027 Budget	
Passenger Revenue	\$ 7,518,993	\$ 5,517,704	More conservative budgeting than prior year, based on current run rates
Advertising Revenue	158,000	100,000	More conservative budgeting than prior year
Concessions Revenue	312,436	-	N/A with new agreement
Parking Revenue	7,338,352	7,700,000	Addition of new garages; \$2 on street
Rent Revenue	103,362	103,137	
Federal Revenue	4,503,991	5,038,829	Maximize PM; ADA
FTA Grant 5307		3,000,000	5307 operating funding
CARES ACT/CRRSAA/ARPA	974,765	-	N/A
State Revenue	3,359,296	3,149,346	
Local Operating Revenue	7,861,000	8,640,349	Includes additional \$750,000 from City
Incline Insurance Proceeds	2,466,442	-	N/A
Other Operating Revenue	209,680	19,584	
Total Revenue	34,806,317	33,268,949	
Salary and Wages	15,910,586	15,367,763	Based on current run rates
Add Open positions w/ bene(15 FT, 18 PT)		1,833,000	Add Open positions w/ bene(15 FT, 18 PT)
Add single point of failure staff support		500,000	Add single point of failure staff support
Reduce for service savings		(500,000)	Reduce for service savings
Raises (2% ann; 1/2 year impact)		153,678	Raises (2% annual; 1/2 year impact)
Add 1FT CAV, 1 CTG, 10 Shuttle (2 mo.)		212,667	5 Year Plan
Lag time/delays in filling positions/vacancies		(1,800,000)	Lag/vacancies
Subtotal	15,910,586	15,767,108	
FICA Taxes	1,217,160	1,182,533	
Pension	3,023,011	2,680,408	Budgeted at 17%
Medical Insurance	3,174,162	2,680,408	Budgeted at 17%
Other Employee Benefits	334,122	331,109	
Subtotal	7,748,455	6,874,459	
Mgmt Fee Parking Garage	493,776	678,318	Additional garages added
Tariffs & Schedules	25,795	34,949	
Adv Exp Other Publications	155,150	155,150	
Professional Services	1,091,667	800,000	More conservative budgeting; focus on capital
Pro. Services -Legal	210,124	216,428	
Pro. Services-Audit	37,080	38,192	
Pro. Services-Temp Help	127,592	150,000	
Pro. Services-Contract Maintenance	32,092	50,000	
Pro. Services-Custodial	130,890	130,890	
Pro. Services-Security	69,574	71,661	
Discounts	(85)	(85)	
Parking Expenses - Meters	1,948,838	1,877,892	
Professional and other services	4,322,493	4,203,395	
Fuel, Tires and Tubes	1,535,905	1,427,028	More conservative budgeting; increased from current run rate
Postage Meter & Supplies	11,565	13,000	
Shop & Garage Maint M&S	1,825,944	1,700,000	More conservative budgeting; increased from current run rate
Material & Office Supplies	149,656	175,000	
Safety, Licensing, & Compliance	127,817	127,817	
Fuel, tires, and supplies	3,650,887	3,442,845	
Propulsion Power	14,509	14,944	
Utilities	571,285	571,285	
Communications	198,683	198,683	
Charging Station Power	32,422	33,395	
Utilities and communications	816,899	818,307	
Insurance	526,349	542,139	
Workers Comp Insurance	612,936	631,324	
Property and casualty and workers comp insurance	1,139,285	1,173,464	
Other Taxes	60,245	60,245	
Other	60,245	60,245	
Purchase Transportation E&H	67,537	67,537	
Subtotal	67,537	67,537	
Dues and Subscriptions	77,841	77,841	
Travel	52,343	52,343	
Training	53,972	53,972	
Bank and Credit Card Fees	408,777	110,000	More conservative budgeting
Meetings	86,954	86,954	
Software Maintenance	229,000	300,000	Increased software
Fines, Penalties, Late Fees	1,279	1,279	
Other Expenses Directors Fees	5,400	5,400	
Community Outreach	30,000	30,000	
Employee Relations/Promotional	125,000	125,000	
Credit Card Fees/Dues/Sub/Other	1,070,566	842,789	
Rent Expense	19,364	18,800	
Total Expenses	34,806,317	33,268,949	
Net operating income/(loss) before depreciation	0	\$ 0	

TO: CARTA Board of Directors
FROM: Melanie Jones, CFO
DATE: March 13, 2026
SUBJECT: Updated DRAFT 2027 Capital Budget
TYPE: Action Item

1. PURPOSE

The purpose of this memorandum is to request Board approval of CARTA's draft FY 2027 capital budget.

2. BACKGROUND

CARTA's Board of Directors last approved the capital budget for FY 26 on June 12, 2025. Preliminary Board approval of the draft FY 27 budget in March will allow CARTA to request the local match and develop discretionary grant applications to other funding partners for these projects. Final Board approval of the FY 27 capital budget will occur on June 18, 2026.

3. ANALYSIS

The executive and management leadership teams submitted capital requests in December and have prioritized projects. A preliminary capital budget for FY 27 has been developed for consideration by the Board of Directors.

4. FINANCIAL IMPACT

A preliminary capital budget has been developed, identifying funded capital projects for FY 27 of \$24,671,543 and unfunded capital projects in the amount of \$25,791,270.

5. PROCUREMENT OVERVIEW

This item does not involve procurement activity.

6. WHY IT MATTERS

Approval of this item will align with CARTA's strategic imperatives of Financial Accountability and Transparency. Approval will also allow CARTA to submit a request of \$2,579,127 to the city of Chattanooga for 10% of the unfunded FY 27 capital budget needs. CARTA has also submitted a request to Hamilton County for \$50,000 for the local match of an on-demand vehicle expansion project.

7. BOARD ACTION

Board Action Requested:

Approval of CARTA's draft preliminary capital budget.

ATTACHMENTS

FY 27 Draft Capital Budget

**2027
Capital Budget**

Priority	Department	Project	Project Owner	FY 27 Allocated	FY 27 Remaining Needed	2027	Notes
2	Administration	Enterprise Resource Planning Software Expansion	Melanie Jones	100,000	-	100,000	
4	Administration	Support Vehicles Replacement	Larnzell Harper	300,000	-	300,000	
2	Administration	Facilities Work Truck	Brent Matthews	50,000	-	50,000	
2	Care-A-Van/CARTA GO	Generator	Brent Matthews	150,000	-	150,000	
1	Care-A-Van/CARTA GO	Radio Base Stations for Care-A-Van and Shuttle Park South	Larnzell Harper	100,000	-	100,000	
4	Care-A-Van/CARTA GO	Vehicles - Expansion	Doug Carlson	-	780,000	780,000	
1	Care-A-Van/CARTA GO	Paratransit and CARTA Go Vehicle Replacement (26 Vehicles)	Billy Summerrow	2,150,940	1,269,060	3,420,000	
4	Care-A-Van/CARTA GO	Bi-Directional Radio Antenna	Daniel Dufour	30,000	-	30,000	
1	Facilities	HVAC Replacement at Board Building	Brent Matthews	400,000	-	400,000	
5	Facilities	Outdoor Work Space/Employee Canopy	Brent Matthews	10,000	-	10,000	
1	Facilities	12th Street Interior Update	Brent Matthews	-	-	-	
1	Facilities	Rear Steps Replacement - Board Building	Brent Matthews	105,000	-	105,000	
1	Facilities	Replace Security Cameras	Daniel Dufour	31,025	177,505	208,530	
1	Facilities	Architectural/Engineering Services	Brent Matthews	-	250,000	250,000	
1	Facilities	State of Good Repair	Brent Matthews	-	300,000	300,000	
1	Fixed Route	Automatic Passenger Counting Reporting Software & NTD Certification	Doug Carlson	198,000	-	198,000	
4	Fixed Route	Bus Shelters (50)	Doug Carlson	103,294	-	103,294	
4	Fixed Route	Bus Signs (1,000)	Brent Matthews	75,000	-	75,000	
1	Fixed Route	Driver Barriers	Mark Logan	500,000	-	500,000	
1	Fixed Route	Handheld Radio Chargers for Supervisor Vehicles	Larnzell Harper	40,000	-	40,000	
1	Fixed Route	Laptop Mounts for Supervisory Vehicles	Larnzell Harper	2,500	-	2,500	
4	Fixed Route	Mobility Hubs	Doug Carlson	396,555	-	396,555	396,555 for design
2	Fixed Route	Operational Dashboard Software	Doug Carlson	85,000	-	85,000	
1	Fixed Route	Radio Console for Dispatch	Larnzell Harper	-	200,000	200,000	
4	Fixed Route	Bus Shelter Technology	Doug Carlson	122,725	854,775	977,500	
3	Fixed Route	Fare Technology Replacement	Melanie Jones	1,329,821	1,070,179	2,400,000	
1	Fixed Route	Fare Technology Vault & Garage Updates	Melanie Jones	50,000	-	50,000	
4	Fixed Route	Real Estate - Downtown Transit Center	Doug Carlson	-	1,800,000	1,800,000	
1	Fixed Route	Vehicle Replacement	Billy Summerrow	10,299,971	5,249,751	15,549,722	
2	Fixed Route	Infrastructure for Electric Bus Transition	Brent Matthews	-	6,975,000	6,975,000	
1	Incline	Wayside Cooling Equipment	Matthew Higgins	300,000	-	300,000	
1	Incline	Dry Pipe System	Matthew Higgins	350,000	-	350,000	
2	Incline	Drive Technology	Matthew Higgins	250,000	-	250,000	
4	Incline	Elevator - Replacement at the Upper Station	Matthew Higgins	100,000	-	100,000	
1	Incline	Stone Repair	Matthew Higgins	75,000	-	75,000	
1	Incline	Engineering Services	Matthew Higgins	40,000	-	40,000	
1	Incline	Rail Replacement	Matthew Higgins	220,000	-	220,000	
1	Incline	Track Replacement	Matthew Higgins	150,000	-	150,000	
1	Incline	Floor Covering at the Upper Station	Matthew Higgins	-	200,000	200,000	
4	IT	Cabling	Daniel Dufour	10,000	-	10,000	
1	IT	Computer Replacements	Daniel Dufour	10,000	10,000	20,000	
1	IT	Rapid Response Cabinets (UPS batteries, mice, etc.)	Daniel Dufour	12,663	-	12,663	
4	IT	Standardized Tablets	Daniel Dufour	21,999	-	21,999	
1	IT	Vehicle Tracking System (Mesh Network)	Daniel Dufour	15,402	-	15,402	
4	IT	Engineering Services	Daniel Dufour	100,000	-	100,000	
1	IT	Switches, firewalls, miscellaneous hardware (5 Years)	Daniel Dufour	25,000	-	25,000	
4	IT	Server and Storage Upgrade	Daniel Dufour	-	300,000	300,000	
4	Maintenance	Fleet Management Software Deployment	Billy Summerrow	119,536	-	119,536	
2	Maintenance	Fuel Management System	Billy Summerrow	24,570	-	24,570	
2	Maintenance	Generators for Shop and Bus Barn	Brent Matthews	200,000	-	200,000	
4	Maintenance	Replacement Shelving for Store Room	Katrina Oliver	250,000	-	250,000	
1	Maintenance	Maintenance Bus Vacuum	Brent Matthews	250,000	40,000	290,000	
4	Parking	Sealing at Shuttle Park North	Brent Matthews	370,000	-	370,000	
2	Parking	Garage Updates - Shuttle Park North (lighting and painting)	Brent Matthews	241,000	-	241,000	
2	Parking	Garage Updates - Shuttle Park North Shore (lighting)	Brent Matthews	30,000	-	30,000	
2	Parking	Garage Updates - Shuttle Park South (lighting)	Brent Matthews	142,500	-	142,500	
1	Parking	Enforcement Vehicle	Brent Matthews	-	40,000	40,000	
1	Shuttle	Shuttle Park North Passenger Amenities	Brent Matthews	-	20,000	20,000	
1	Shuttle	Shuttle Park South Passenger Amenities	Brent Matthews	-	20,000	20,000	
4	Planning	Service Planning & Scheduling Support	Doug Carlson	300,000	-	300,000	
4	Planning	Misc. Services	Doug Carlson	50,000	-	50,000	
1	Planning	Transit-Oriented Development (TOD) Planning Project	Doug Carlson	787,500	-	787,500	
1	Planning	Preliminary Engineering for Mobility & Innovation Center	Doug Carlson	750,000	-	750,000	
1	Planning	Downtown Transit Center Site Selection & Programming	Doug Carlson	100,000	-	100,000	
1	Planning	Shelter Specifications and Bid Package	Doug Carlson	150,000	-	150,000	
1	Planning	Incline Railway Site Master Plan	Doug Carlson	200,000	-	200,000	
1	Planning	Transit Safety, Training, and Security	Mark Logan	105,292	-	105,292	assumes 5307 planning allocation for each year
1	Planning	Electronic Quality Management System	Doug Carlson	20,000	-	20,000	
5	Planning	Wide Format Plotter/Printer	Doug Carlson	5,000	-	5,000	
2	Planning	Rider Mobility App	Doug Carlson	15,000	-	15,000	
4	Planning	Scheduling Software Replacement	Doug Carlson	51,000	-	51,000	
1	Planning	Business Services	Annie Powell	40,000	10,000	50,000	5310 funds available for subrecipient monitoring
4	Planning	Vanpool Feasibility Analysis	Doug Carlson	-	50,000	50,000	
1	Planning	Design & Construction Services	Doug Carlson	-	50,000	50,000	
5	Planning	Transit Vehicles & Maintenance Support	Billy Summerrow	-	50,000	50,000	
1	Planning	Transit Facility Assessment & Design	Brent Matthews	-	75,000	75,000	
1	Planning	Transit Management Support	Doug Carlson	-	100,000	100,000	
5	Planning	Workforce Development	Jeanine McNulty	-	100,000	100,000	
1	Planning	Transit Technology Support	Daniel Dufour	-	200,000	200,000	assumes 5307 planning allocation for each year
1	Safety	Emergency Evacuation Design Plan	Mark Logan	10,250	-	10,250	
1	Safety	Event Triggered Camera System	Mark Logan	450,000	-	450,000	
4	Shuttle	Vehicle Expansion (3)	Doug Carlson	1,500,000	-	1,500,000	
1	Shuttle	Vehicle Replacement (14)	Billy Summerrow	-	5,600,000	5,600,000	
1	Training	Bus Simulator	Mark Logan	300,000	-	300,000	
		Total		24,671,543	25,791,270	50,462,813	

TO: CARTA Board of Directors
FROM: Brent Matthews | Director of Parking & Facilities
DATE: March 13, 2026
SUBJECT: Consumer Protection & Parking Compliance Ordinance Update
TYPE: **Information Item**

1. PURPOSE

The purpose of this memorandum is to provide the Board of Directors with an update regarding the proposed Consumer Protection & Parking Compliance Ordinance currently under consideration by the City of Chattanooga.

2. BACKGROUND

When a new Board and new CARTA management arrived in 2023 - 2024, staff identified a system with a significant backlog of unresolved on-street parking violations and limited enforcement tools. Rather than immediately implementing enforcement actions, CARTA developed a phased compliance plan that prioritized voluntary compliance through an amnesty program followed by fair and consistent enforcement for repeat violators.

Before the plan could be implemented, state law changed in a way that removed any enforcement ability without adoption of a local ordinance. As a result, Chattanooga currently lacks an enforcement mechanism to address chronic non-payment of parking citations.

At the same time, elected officials and community stakeholders have expressed concerns regarding limited parking availability downtown as well as excessive parking rates and exorbitant fines imposed by some privately owned parking facilities.

The ordinance establishes a local enforcement option permitted under Tennessee law and a regulated framework governing parking enforcement activity administered by the Chattanooga Parking Authority (CPA). It also authorizes CPA to serve as the licensing administrator for private operators that choose to participate in the regulated enforcement system.

The goal of the proposed ordinance is not to generate revenue, but to ensure fair and consistent access to parking. Parking spaces in downtown Chattanooga are a limited resource that support local businesses, employees, residents, and visitors. When parking regulations are ignored repeatedly without consequence, the result is reduced turnover and fewer available spaces for responsible parkers. The proposed framework establishes a balanced enforcement tool for chronic violators along with consumer protections and transparency requirements that apply to all parking enforcement activities in the city.

3. ANALYSIS

The proposed Consumer Protection & Parking Compliance Ordinance is designed to complete the parking compliance plan originally developed by CARTA in 2024 while also introducing a consistent regulatory structure for parking enforcement and pricing in downtown Chattanooga.

Key components of the ordinance include:

- Establishment of the local enforcement option allowed under Tennessee law for addressing chronic parking violations
- Creation of consumer protections for any entity involved with enforcement
- Allows the Chattanooga Parking Authority to enforce parking on-street and in CPA-managed lots & garages
- Assigns the Chattanooga Parking Authority as the licensing administrator for private operators wanting to use the enforcement mechanism
- Allows the CARTA Board of Directors to establish the licensing requirements for private operators

Under the proposed framework, any third-party operator seeking to participate in regulated parking enforcement must comply with both the requirements of the ordinance and the licensing requirements to be established by the CPA.

Licensing requirements for private operators will be set by the CARTA Board of Directors and may include the following:

- \$3.00 - Maximum hourly parking rate (no more than 150% of on-street rate)
- \$18.00 - Maximum daily parking rate any licensed operator may charge
- 1-Hour Minimum - Allowance for as little as one hour of parking
- \$25.00 – Maximum ticket fine not-to-exceed daily max plus \$25.00
- \$20.00 - Maximum escalation fee for delinquent parking tickets
- 3 Citations / 60 Days Delinquent – The threshold for booting: only chronic repeat violators with outstanding citations qualify

Participation by private operators in the regulated enforcement framework is voluntary; however, operators that choose not to participate will not have access to the enforcement tools authorized by the ordinance.

The CARTA Board of Directors will establish a community support program to include:

- An amnesty period during which violators can pay outstanding fines
- A hardship and payment resolution program
- A food donation option to reduce overall fine balances

4. FINANCIAL IMPACT

Costs associated with implementation of the parking compliance and enforcement program will be absorbed within existing parking operations.

5. PROCUREMENT OVERVIEW

This item does not involve procurement activity.

6. WHY IT MATTERS

Approval of this item will establish consumer protection standards and restore a fair and consistent framework for addressing chronic parking violations that apply to all parking enforcement activities in downtown Chattanooga. The ordinance promotes transparency and accountability in parking operations, protects drivers from unreasonable practices, and helps ensure that responsible parkers are not subsidizing those who repeatedly ignore parking regulations.

7. BOARD ACTION

Informational Item – No Board Action Required

ATTACHMENTS

Draft Consumer Protection & Parking Compliance Ordinance

Consumer Protection & Parking Compliance Ordinance One-Page Overview

First Reading: _____
Second Reading: _____

ORDINANCE NO. _____

AN ORDINANCE AMENDING CHATTANOOGA CITY CODE, PART II, CHAPTER 24, SECTION 24-337, AND CREATE A NEW ORDINANCE RELATIVE TO BOOTING AND IMMOBILIZATION OF VEHICLES.

Section 1. BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CHATTANOOGA, TENNESSEE, That Chattanooga City Code, Part II, Chapter 24, Section 24-337(a) be and is hereby amended by deleting the first sentence of such section and replacing it with the following:

(a) If a vehicle has a record of three (3) or more currently delinquent parking citations which have been outstanding for more than sixty (60) days and that are not under appeal to any court above the Chattanooga City Court, and if the Parking Authority is in compliance with the procedural requirements of this Section and of Part II, Chapter 24, Sections 24-311 through 24-312, the Parking Authority may immobilize or impound a motor vehicle parked, stopped or standing upon a street, public way, parking lot, garage or other areas where the Parking Authority has been granted enforcement authority.

Section 2. BE IT FURTHER ORDAINED, That Chattanooga City Code, Part II, Chapter 24, is hereby amended by adding the following new Division 10 as follows:

DIVISION 10. IMMOBILIZATION OF VEHICLES

Sec. 24-511. Title.

The City of Chattanooga hereby elects to adopt an ordinance pursuant to the Tenn. Code Ann. § 55-31-101 *et seq.*, commonly known as the Motion Act, and specifically in compliance with Tenn. Code Ann. § 55-31-201(c) of the Motion Act. In addition to the powers granted in Part II Chapter, Chapter 24, Division 2, the Parking Authority, as a public body, corporate and politic, and constituted authority of the City of Chattanooga, shall be and is hereby vested with the powers and obligations described in this part.

Sec. 24-512. Purpose.

It is declared to be the purpose and intent of this chapter that all Contracted Property and Commercial Parking lot owners in the City of Chattanooga be licensed and bonded and meet the minimum requirements as set out in this chapter for the protection and welfare of the public. The provisions of this chapter shall regulate the use of Boots and Booting within the City of Chattanooga.

Sec. 24-513. Definitions.

As used in this chapter, the following definitions shall apply:

(1) “Boot” or “Booting” means the act of installing a vehicle immobilization device on a parked motor vehicle;

(2) “Commercial Parking Lot” means:

(A) A privately owned parking lot or parking garage used for the temporary storage of motor vehicles, either for a fee or for use by customers of the owner of the parking lot or parking garage; and

(B) Does not include:

(i) A public street;

(ii) A public right-of-way;

(iii) A publicly owned parking lot or parking garage;

(iv) A motor vehicle storage facility; or

(v) An establishment for the servicing, repair, or maintenance of motor vehicles;

(3) “Commercial Parking Lot Owner” means the owner or operator of a Commercial Parking Lot as defined in Tenn. Code Ann. § 55-31-102;

(4) “Contracted Property” means private or public property, including but not limited to, a Commercial Parking Lot or property owned by a public institution of higher education within the City, and for which the owner or lessee of the property has entered into a contract with a Licensed Parking Enforcement Vendor for the enforcement of parking rules or restrictions on the property or a designated portion of the property;

(5) “Employee” means a natural person who is required to file a federal form W-2, wage and tax statement, with the federal internal revenue service for the compensation the natural person receives for work performed;

- (6) “Law Enforcement Agency” means:
- (A) The Tennessee highway patrol;
 - (B) The sheriff’s department of Hamilton County;
 - (C) The Chattanooga Police Department; or
 - (D) Any department, board, or commission designated by the legislative body of any county with a metropolitan form of government to perform the duties of a law enforcement agency specified in this chapter;
- (7) “Licensed Booting Operator” means a natural person who:
- (A) Is an employee of a Licensed Parking Enforcement Vendor;
 - (B) Holds a valid license issued by the Parking Authority pursuant to this ordinance, and whose license has not expired, been suspended, or revoked; and
 - (C) Is employed to enforce parking rules or restrictions on Contracted Property;
- (8) “Licensed Parking Enforcement Vendor” means a Person, including other than a natural person, who:
- (A) Holds a valid license issued by the Parking Authority pursuant to this ordinance, and whose license has not expired, been suspended, or revoked;
 - (B) Is contracted to engage in parking enforcement activities on Contracted Property; and
 - (C) Has recorded the required surety bond with the Register of Deeds in Hamilton County, Tennessee;
- (9) “Motor vehicle” has the same meaning as defined in Tenn. Code Ann. § 55-8-101 and includes a tractor or trailer as those terms are defined in Tenn. Code Ann. § 55-8-101;
- (10) “Motor vehicle portal” means the electronic database or online platform established by the department of revenue pursuant to Tenn. Code Ann. § 55-31-104;
- (11) “Person” includes a natural person, firm, association, corporation, or partnership;
- (12) “Self-releasing device” means a vehicle immobilization device that:
- (A) Allows the vehicle owner or vehicle operator to remove the device without third-party assistance;

(B) Is equipped with an automated or electronic release mechanism that enables removal of the device immediately upon payment of the fees described in 201(b)(5) of the Motion Act;

(C) Permits the electronic processing of payment of the fees listed in 201(b)(5) of the Motion Act by credit card or debit card;

(D) Provides clear, written, and visual instructions for how to make payment of fees and for device removal; and

(E) Ensures the device can be safely removed by the vehicle owner or vehicle operator without damaging the vehicle or presenting a hazard;

(13) “Third-party service provider” means an entity that is approved by the department of revenue to create and implement the motor vehicle portal in compliance with Section 104 of the Motion Act;

(14) “Vehicle immobilization device” means a device that is designed or adapted to be attached to a parked motor vehicle to prohibit the motor vehicle's usual manner of movement or operation.

Sec. 24-514. Booting.

(1) No person shall engage in booting motor vehicles within the City of Chattanooga without first obtaining and keeping in force a license from the Parking Authority pursuant to this chapter.

(2) It is an offense for any Person to Boot a motor vehicle, including, but not limited to, a tractor or trailer, if the motor vehicle is clearly identifiable by:

(A) A United States department of transportation (USDOT) number issued by the federal motor carrier safety administration (FMCSA);

(B) A registration plate issued and attached to the motor vehicle described in Tenn. Code Ann. § 55-4-113(a)(2); or

(C) A registration plate issued and attached to a trailer described in Tenn. Code Ann. § 55-4-113(a)(5).

(3) It is an offense for any Person to Boot any other motor vehicle not described above unless:

(A) The vehicle immobilization device is a self-releasing device;

(B) The motor vehicle is located on a Commercial Parking Lot or on Contracted Property;

(C) The person attaching the vehicle immobilization device is an employee of a Commercial Parking Lot Owner or is a Licensed Booting Operator;

(D) The Commercial Parking Lot or Contracted Property posts signage in conspicuous locations on the Commercial Parking Lot or Contracted Property bearing notice that:

- (i) Any motor vehicle not authorized to park on the lot or property is subject to Booting;
- (ii) Is designed and placed in a manner that ensures clear visibility and readability by consumers parking on the lot or property;
- (iii) Is located at each designated entrance and exit of the lot or property;
- (iv) Contains:
 - a. The phone number that a consumer can call for support with removing the vehicle immobilization device and that is monitored by a natural person twenty-four (24) hours per day, seven (7) days per week; and
 - b. The license number issued by the Parking Authority to the Licensed Parking Enforcement Vendor contracted to Boot on the lot or property, if any; and
 - c. This chapter protects consumers from Booting violations and that violations may be reported to the attorney general and reporter;

(E) The cost to remove the vehicle immobilization device is not greater than the actual cost of the delinquent parking fees owed by the vehicle owner that led to the attachment of the vehicle immobilization device, if any, plus a vehicle immobilization device removal fee of not greater than seventy-five dollars (\$75.00); and

(F) A fee is not charged to remove a vehicle immobilization device to any person who had paid to park and who was improperly Booted.

(4) Licensed Booting Operators and Licensed Parking Enforcement Vendors shall be required to renew their license annually by the Parking Authority;

(5) Licensed Booting Operators shall ensure that a person attaching a vehicle immobilization device to motor vehicles can be clearly identified as licensed pursuant to this ordinance;

(6) Each Licensed Booting Operator and each Licensed Parking Enforcement Vendor shall have their own unique license number issued by the Parking Authority;

(7) Consumers may file and track complaints against a Licensed Booting Operator or Licensed Parking Enforcement vendor by contacting the Parking Authority at 1362 Market Street, Chattanooga, TN 37402, or calling (423) 629-1411;

(8) Any license granted under this chapter may be revoked or suspended by the Parking Authority for good cause following a hearing, including, but not limited to, a violation of this chapter;

(9) The Parking Authority shall timely investigate consumer complaints and provide quarterly reports of all such complaints to the Chattanooga City Council;

(10) The Parking Authority shall ensure that each Commercial Parking Lot or Contracted Property complies with the signage requirements of Section (3)(D)(i)-(iv) above;

(11) Any suspected violation of this chapter by any licensee shall be referred to the attorney general and reporter, a Law Enforcement Agency, or both.

(12) The Parking Authority shall maintain a publicly accessible registry of all Licensed Booting Operators and Licensed Parking Enforcement Vendors, including license number, license status, and contact information.

(13) The Parking Authority is hereby authorized to establish program requirements for the purpose of licensing Licensed Parking Enforcement Vendor and Licensed Booting Operator for public benefit. As a condition of licensure, each Licensed Parking Enforcement Vendor and Licensed Booting Operator must:

(A) file a surety bond in an amount of no less than two hundred fifty thousand dollars (\$250,000.00) with the Treasurer's Office of the City of Chattanooga, which must be recorded with the Office of the Register of Deeds of Hamilton County, Tennessee;

(B) provide and maintain a contact phone number that with 24/7 answering services to assist parking customers, which phone number shall be visible on all parking citations;

(C) clearly describe the appeal procedure on all parking citations; and

(D) comply with other such licensing requirements adopted from time to time by the Parking Authority for public benefit.

(14) Notwithstanding anything contained herein to the contrary, if a vehicle owner or operator intentionally damages a vehicle immobilization device or fails to return the vehicle immobilization device to a clearly designated on-site storage location, the vehicle owner or operator may be subject to an additional fee not to exceed one hundred dollars (\$100.00).

(15) If an employee of a Commercial Parking Lot Owner or a Licensed Booting Operator removes or causes the removal of a vehicle immobilization device from a vehicle that has been immobilized on the Commercial Parking Lot or Contracted Property for the purpose of having the motor vehicle towed from the Commercial Parking Lot or Contracted Property, then the motor vehicle owner or operator will not be assessed the vehicle immobilization device removal fee permitted in Section 24-514 (E).

(16) A person injured as a result of any violation of this section by a Licensed Booting Operator or Licensed Parking Enforcement Vendor may file a claim against the surety bond required hereunder to recover actual damages incurred as a result of the violation. The surety must be liable up to the amount of the bond for any damages shown to have been caused by a licensee's unlawful or negligent conduct while acting within the scope of parking enforcement activities on a Commercial Parking Lot or Contracted Property.

Sec. 24-515. License Application.

(1) Applications—Conditions.

(2) Any Person desiring to engage in Licensed Booting Operator or Licensed Parking Enforcement Vendor services within the City of Chattanooga shall make application to the Parking Authority, which application shall be upon forms to be adopted and provided by the Parking Authority. The completed application must contain all the information required by such form and must be verified under oath.

(3) The application form to be adopted and provided by the Parking Authority shall require such information as the Parking Authority determines to be necessary and proper, including, but not limited to, the following:

(4) The full name and address of the Commercial Parking Lot Owner or Contracted Property Owner desiring to obtain a license and full name of a natural Person to serve as the agent for such entity;

(5) The location and description of the place and premises from which the applicant requests the right to Boot;

(6) The parking rates, citation rates, and escalation rates for the intended Commercial Parking Lot(s) and/or Contracted Property(ies).

(7) That the applicant is of good moral character and is ready, willing and able to comply with all the laws of the City of Chattanooga, the State of Tennessee, and the United States;

(8) The full name and address of the agent for the applicant, if an entity, or a sworn statement that the applicant, if a natural Person, will be at least twenty-one years of age.

(9) A sworn statement that the applicant provides proof that it has filed the required surety bond with the Register's Office of Hamilton County, Tennessee.

(10) The applicant agrees to promptly respond to and assist with any investigation conducted by the Parking Authority in response to any complaint filed against the Commercial Parking Lot Owner or Contracted Property Owner.

(11) Upon denial of an application for a license for the failure to meet the conditions of this section, no new application shall be considered by the Parking Authority for a period of three (3) months.

Sec. 24-516. Parking Fees.

The following provisions shall apply to all Licensed Commercial Parking Lot Owners. The following provisions shall not apply to the Parking Authority, which is separately governed by Section 24-321 and 24-325.

(1) A Commercial Parking Lot Owner shall not charge a penalty for nonpayment of parking fees **unless:**

(A) The Commercial Parking Lot Owner posts signage that:

- (i) Is designed and placed in a manner that ensures clear visibility and readability by consumers parking in the Commercial Parking Lot;
- (ii) Provides notice that motor vehicle owners who leave the Commercial Parking Lot without paying parking fees will be subject to a penalty if the parking fees are not paid within seventy-two (72) hours from the time of the Commercial Parking Lot Owner's discovery of the nonpayment of parking fees; and
- (iii) Is located at each designated entrance and exit of the Commercial Parking Lot;

(2) The actual cost of parking fees owed remains unpaid after seventy-two (72) hours from the time of the Commercial Parking Lot Owner's discovery of the nonpayment of parking fees; and

(3) (A) If the actual cost of parking fees owed remains unpaid for thirty (30) days or less from the date of the Commercial Parking Lot Owner's discovery of the nonpayment of parking fees, the fee is not greater than fifty dollars (\$50.00); or

(B) If the actual cost of parking fees owed remains unpaid for greater than thirty (30) days from the date of the Commercial Parking Lot Owner's discovery of the nonpayment of parking fees, the fee is not greater than seventy-five dollars (\$75.00).

(4) If an entity requires on-site payment from a consumer for the parking of a motor vehicle on the entity's property, and the entity only accepts payment by use of a quick response (QR) code or a credit or debit card machine, then, in the event the QR code or the credit or debit card machine fails to operate correctly to process the payment transaction, the entity must:

(A) (i) Accept payment from the consumer by cash or check, or through a system that allows the consumer to provide the consumer's credit or debit card information over the phone; or

(ii) Allow the consumer to leave the property without providing payment at the time; and

(B) Not charge a penalty or late fee for nonpayment until at least seven (7) business days have passed from the date that the QR machine failed to operate and the individual left the property without paying.

(C) (i) The entity may provide information to a consumer enabling the consumer to mail payment to the entity, or provide the consumer's credit or debit card information over the phone for payment of the services at a later date.

(ii) If the entity does not provide the information described herein, then the consumer is not required to provide payment at a later date for the service.

(D) For a Commercial Parking Lot that is temporarily or continuously unattended, the Entity shall provide notice of the alternative forms of payment accepted on a prominent sign located at each site on the Entity's property where payment is taken.

(E) As used in this section:

(i) "Entity" includes a Person, Commercial Parking Lot Owner, and this state or a political subdivision of this state; and

(ii) "On-site" means on an Entity's property where parking services are provided.

Sec. 24-517. Penalties.

(A) Except as otherwise provided herein, any person injured as a result of a violation of this chapter is entitled to maintain a private right of action for injunctive relief and to recover actual damages, compensatory damages, punitive damages, and reasonable attorneys' fees against a Licensed Booting Operator or Licensed Parking Enforcement Vendor for an alleged violation.

(B) The violation of any of any licensing requirements or requirements of this chapter or the Act, as determined by the Parking Authority in its commercially reasonable discretion, could result in the immediate revocation of a Booting Operator or Parking Enforcement Vendor license.

Section 3. BE IT FURTHER ORDAINED, That this Ordinance shall take effect two (2) weeks from and after its passage.

Passed on second and final reading: _____

CHAIRPERSON

APPROVED: _____ DISAPPROVED: _____

MAYOR

PAN/mem/v9



Consumer Protection & Parking Compliance Ordinance

The Situation

When new CARTA management arrived in 2024, staff identified years of unresolved parking violations-including over \$4 million in outstanding fines from over 60,000 citations. CARTA developed a responsible, phased plan — starting with amnesty, then fair enforcement for repeat violators. Before that plan could be implemented, state law changed and removed any enforcement ability without a local ordinance.

This ordinance does more than establish an enforcement tool. It creates a regulated framework that can bring all parking operators — including private companies — under consistent, consumer-friendly standards.

What the Ordinance Does

<p>Creates Consumer Protections</p> <ul style="list-style-type: none"> • Caps hourly rates charged by participating, private operators • Restricts unreasonable time minimums for paid parking • Mandates licensing and oversight for all enforcement operators • Establishes a complaint process and appeals procedure 	<p>Restores Fair Enforcement</p> <ul style="list-style-type: none"> • Completes the phased compliance plan designed in 2024 • Uses the local option permitted under Tennessee law • Focuses on repeat, chronic illegal violators – not first-time violations • Keeps amnesty and voluntary payment the first step
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The Private Operator Issue

Some private parking operators require customers to pay for 8–10 hours minimum, even for a quick errand. Some charge excessive rates and fines. This ordinance changes that — any third-party company that wants to participate in the regulated enforcement system must comply with CARTA's licensing requirements. Companies that won't meet those standards don't get access to those tools.

How This Helps Chattanoogaans

- Drivers are protected from arbitrary fees and unreasonable time minimums
- Businesses benefit from fairer parking that encourages more frequent parking space turnover
- Responsible parkers stop subsidizing those who ignore the rules
- All enforcement — public or private — operates under the same transparent standards
- Oversight and complaints are handled by the Chattanooga Parking Authority

What This Is — and Is Not

<p>This IS</p> <ul style="list-style-type: none"> • A consumer protection framework • A fair enforcement program • A local option allowed by Tennessee law • Accountability for all parking operators • A strategy for more accessible parking 	<p>This IS NOT</p> <ul style="list-style-type: none"> • A revenue-generating crackdown • An expansion of penalties • Punishment for ordinary parkers • An unchecked power to immobilize vehicles • A benefit to private companies at drivers' expense
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