



CHAPEL HILL TRANSIT  
Town of Chapel Hill  
6900 Millhouse Road  
Chapel Hill, NC 27514-2401

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**CHAPEL HILL TRANSIT PUBLIC TRANSIT COMMITTEE  
NOTICE OF COMMITTEE MEETING AND AGENDA  
JANUARY 23, 2025 – 10:00 A.M. to 12:00 P.M.  
CHAPEL HILL TRANSIT**

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7. Next Meeting – February 27 <sup>th</sup> , 2025 (10:00 a.m. – 12:00 p.m. – Virtual Meeting)	
8. Adjourn	



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## MEETING SUMMARY OF A VIRTUAL MEETING OF THE PUBLIC TRANSIT COMMITTEE

November 21, 2024 – 10:00 A.M.

- Present:** Randee Haven-O'Donnell, Carrboro Town Council  
Jason Merrill, Carrboro Town Council  
Camille Berry, Chapel Hill Town Council  
Loryn Clark, Town of Chapel Deputy Town Manager  
Chassem Anderson, UNC Transportation and Parking  
Chris Dobek, UNC Transportation and Parking  
Melissa McCullough, Chapel Hill Town Council  
Theodore Nollert, Chapel Hill Town Council
- Absent:** Marie Parker, Assistant Town Manager for Town of Carrboro  
Gordon Merklein, Associate Vice Chancellor for Real Estate and  
Campus Enterprises at UNC
- Staff present:** Brian Litchfield, Transit Director  
Nick Pittman, Deputy Assistant Director  
Katy Fontaine, Transit Development Manager  
Tim Schwarzauer, Business Services Manager  
Caroline Dwyer, Transit Planning Manager
- Guests:** None

1. Approval of October 24, 2024, Meeting Summary
2. Employee Recognition
3. Discussion Item
  - A. North South Bus Rapid Transit – Property Acquisition for NCDOT Improvements – Provided for Committee's Information.  
Committee Member asked for clarification on how the funding will work.  
Committee Member asked if we are concerned about Fed Administration changes. We should have state legislative support. We did have improvements funded the last time. It's really too early to know now.  
Committee Member asked where funds would land if we got reimbursement and what are we mitigating by making this purchase ahead of time.  
Risk mitigation factor is using the local match money vs federal funding. It is easier to purchase and use locally funded property vs federal funding. There is a cost savings benefit to do this now because we could incur the full costs of all of

the construction costs vs including it in an ongoing project with NCDOT's work. NCDOT has been a good partner in this and is doing good work.

Reimbursement would remain with Transit to be used for other NSBRT costs.

- B. EZ Rider Advisory Committee Appointment – EZ Rider Committee vetted a new member to the EZ Rider Committee. The Partners Committee needs to vote to approve this new appointment.

Motion was made to approve the new EZ Rider Committee member.

2<sup>nd</sup> was Melissa McCullough

Motion Approved

4. Information Items

- A. Bus Stop Improvements Plan Update - Provided for Committee's Information  
Brain acknowledged the work that Katy & Henry have done over the past couple years. 36 improvements have been completed! \$2 million in federal funding was received for these improvements.

- B. High Capacity Transit Corridor Plan Update - Provided for Committee's Information

- 5. Next Meeting – January 23, 2025 (10:00 a.m. – 12:00 p.m. **In-Person at Chapel Hill Transit**)

- 6. Adjourn

**3A. December Financial Report**

Staff Resource: Nick Pittman, Assistant Director  
Tim Schwarzauer, Business Services Manager

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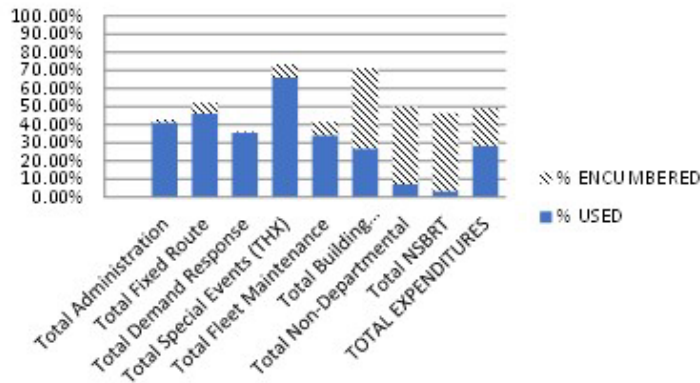
**December 2024**

- Expenses for the month of December were \$2,979,654. This aggregation of expenses and encumbrances is consistent with years past and is in line with what we would expect.
- The revised budget includes carryforward of projects not completed in FY24. This includes bus and LTV purchases, BRT design consultants, and other various projects.
- The Non-Departmental category includes bus purchases encumbrances from the previous fiscal year that will be expended in FY25.
- The attached data exhibits the financial information by divisions and should be a useful tool in monitoring our patterns as the year progresses and is a high-level representation of the data used by our division heads.

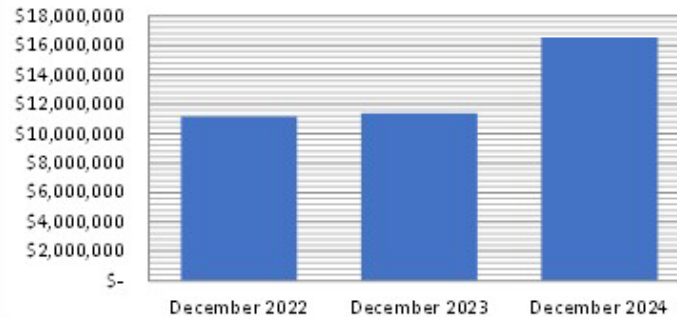
**Transit 640 Fund Budget to Actual at end of Dec 2024**

	ORIGINAL BUDGET	REVISED BUDGET	ACTUAL YTD EXPENSES	ACTUAL MONTH EXPENSES	CURRENT ENCUMBRANCES	BALANCE AVAILABLE	% USED OR ENCUMBERED Dec	% USED	% ENCUMBERED
Total Administration	2,705,051	2,713,765	1,120,276.93	173,761.03	40,302.53	1,553,186	42.80	41.28%	1.49%
Total Fixed Route	17,915,950	19,681,721	9,066,700.11	1,159,624.20	1,200,916.67	9,414,104	52.20	46.07%	6.10%
Total Demand Response	2,906,671	3,408,495	1,216,284.14	198,016.71	11,731.38	2,180,479	36.00	35.68%	0.34%
Total Special Events (THX)	317,845	318,056	209,538.44	49,277.92	23,891.12	84,626	73.40	65.88%	7.51%
Total Fleet Maintenance	5,697,185	5,903,250	2,015,233.43	337,624.34	437,717.62	3,450,299	41.60	34.14%	7.41%
Total Building Maintenance	929,213	1,131,546	302,517.33	47,111.27	504,645.30	324,383	71.30	26.73%	44.60%
Total Non-Departmental	2,184,523	18,418,690	1,301,186.14	0.00	7,921,989.44	9,195,514	50.10	7.06%	43.01%
Total NSBRT	4,000,000	6,696,567	236,516.67	12,622.80	2,863,880.56	3,596,170	46.30	3.53%	42.77%
<b>TOTAL EXPENDITURES</b>	<b>36,656,438</b>	<b>58,272,090</b>	<b>16,530,792.34</b>	<b>3,027,954.62</b>	<b>11,942,535.47</b>	<b>29,798,762</b>	<b>48.90</b>	<b>28.37%</b>	<b>20.49%</b>

**CHT Dec 2024 YTD Expenses as % of Budget**



**CHT Total YTD Expenses - Previous Years Comparison**



4A. FY2025-26 Chapel Hill Transit Budget Development Update  
Action: 1. Receive information and provide staff with feedback.

Staff Resource: Brian Litchfield, Director  
Nick Pittman, Assistant Director

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### Overview

Chapel Hill Transit staff have begun work internally and with the Town's Business Management Department (BMD) and Manager's Office towards developing our FY 2025-26 budget proposal. This year Orange County is completing a revaluation and the results will need to be considered as part of the Town's budget development process. Along with the revaluation, the Town of Chapel Hill is currently undertaking a classification and compensation study that will likely have impacts on the FY2025-26 budget development, as around 60% of the Chapel Hill Transit budget is dedicated to compensation.

For the current fiscal year, the Transit Partners' agreed to increases to their annual contributions to assist with the increased cost of personnel, standard parts/materials and contracts. This was the first significant contribution increase for the Partners' over the last six (6) years, outside of an increase in FY2022-23 to debt-finance replacement buses:

- FY19 to FY20: \$222,414
- FY20 to FY21: \$65,684
- FY21 to FY22: (-\$95,779)
- FY22 to FY23: \$2,906,283 – debt financing for buses
- FY23 to FY24: \$240,526

### Chapel Hill Transit Funding Sources Overview

- Local Funding: Each Transit Partner provides their local contribution for Chapel Hill Transit using sources that are available to them and each faces challenges with their funding sources. For example, the Town of Chapel Hill mostly uses a property tax levy for its contribution. This source of revenue generally grows around 1% a year, without increases to the levy rate, while expenses can grow around 3-8% in a typical year. The Town of Chapel Hill also uses vehicle registration fees (~\$450,000/year) towards its contribution. This funding sources stays relatively flat and would require legislative approval to increase the funding from this source.

- **Grant Funding:** While Transit maximizes the use of grant funding to reduce Partner contributions, these grants are typically for capital related expenses and there are no new grants that can be used toward on-going operating costs and/or service improvements. Additionally, the availability of capital grants and associated funding levels is greatly influenced by presidential administrations and Congress and should not be relied upon as dedicated sources of funding. The State does provide funding that can be used toward operating expenses, this source is shared across the State has stayed relatively flat and will likely decrease over the coming years as systems throughout the State are well positioned to add significant amounts of service.
- **Orange County Transit Plan:** The Orange County Transit Plan has been beneficial to Chapel Hill Transit, providing funding new services like Sunday Service and significant funding towards the North South Bus Rapid Transit (NSBRT) project. Most of the funding in the Orange County Transit Plan is programmed through FY30 and while Chapel Hill Transit is set to receive funding for some service improvements and bus replacements this is not a likely source to help cover ongoing operating costs. We are also looking at this source as an option to further assist with new operating costs for NSBRT.

### **Transit Fund and Fund Balance**

Chapel Hill Transit is an enterprise fund for the Town of Chapel Hill, meaning the fund was created for the purpose of dedicating and protecting funding for the provision of public transit services for Chapel Hill, Carrboro and the University. All annual revenues and expenses for the system are accounted for in the fund. The Transit Partners recommend an annual budget, including Partner contributions and that is included in the Manager’s Recommended Budget when submitted to the Chapel Hill Town Council for consideration.

### **Fund Balance**

- This section is provided to give some context on how fund balance has been used on occasion to assist with balancing the annual budget.
- Chapel Hill Transit maintains a fund balance to assist with cash flow (90-day reserve) to operate as a reserve in case of losses of or volatility of state or federal revenues, assist with multiyear contracts/projects, cover grant matches, reserve against claims not covered by insurance, and assist with capital purchases.
- The Partners have also agreed from time to time to budget fund balance and/or lapsed salary to help balance the budget and maintain annual Partner contributions. In the current fiscal year, \$1,150,926 was allocated to cover the cost of Carolina Livery services as a result of federal relief funding that was previously allocated to fund balance.

- The Partners have also agreed to allocate \$2M of fund balance towards North South Bus Rapid Transit local match.
- Fund balance allocations must be approved by the Chapel Hill Town Council. Prior to recommending an allocation from fund balance to Council, Transit staff provides a recommendation to the Transit Partners Committee for consideration. Outside of the annual budget, these allocations have been done to purchase buses and/or provide match on large federal/state grants.

**Current Year Budget as an Approximation**

While we will have a more detailed set of projections in the coming months, we wish to share some high-level items over which we will be seeking Partner guidance. Without major identifiable changes in our key expense areas, the current year budget serves as a reasonable approximation for our expenses for next year, *at current service levels*. The original Chapel Hill Transit budget for the current year was \$32,149,890. The current year Partner allocations are below the projected allocations that were adopted in the 2019 Capital Plan as shown in the chart below:

	Current Year Allocation	FY25 Capital Plan Projection	Difference
Town of Chapel Hill	\$ 6,968,289.00	\$ 7,912,000.00	\$ 943,711.00
Town of Carrboro	\$ 2,535,153.00	\$ 2,640,000.00	\$ 104,847.00
University	\$ 11,263,910.00	\$ 12,510,000.00	\$ 1,246,090.00

The FY26 2019 Capital Plan contributions projections (which reflect contributions to replacement buses and capital items, which may or may not be approved for funding by the Partners) can be used for early budget planning purposes:

Town of Chapel Hill – \$8,229,000  
 Town of Carrboro - \$2,745,000  
 University - \$13,011,000

It is also too early to determine the impacts of the classification and compensation study, insurance (health, liability, etc.) and any other personnel benefits on the budget. Cost adjustments to health insurance can have a positive or negative impact on the overall budget. We also continue to see cost increases for parts and supplies and contracts for vehicles and the facility.

## **Items for further discussion**

Some of the potential areas for discussion/consideration for the upcoming budget year include:

- Recruitment and retention remain significant marketplace drivers, and we need to continue to good progress we have made over the last two (2) years. will likely face increased expenses in the areas of compensation and health insurance. Note that our current starting rate for Bus Operators is \$20.50. GoDurham, GoRaleigh, and GoTriangle are starting Operators around \$20.50 per hour and moving them to around \$27.05-29.93 per hour within four (4) years. While above the current recommended Orange County Living Wage, we know that \$25-27/hr. is likely a more realistic living wage for our area considering rent and cost of living. We need to continue to advance our starting pay and pay for existing Team Members to be reasonably competitive in the market and provide opportunities for Team Members to live in the region. At this time, we are anticipating a 5% of market adjustment for existing Team Members, in addition to additional adjustments for Maintenance Team Members as noted below, and this amount could be around \$1.3M, including salary and benefits.

We are also seeing similar challenges in Maintenance where our starting rate is around \$19.50 per hour for entry level Mechanics and our peers are starting at \$25 per hour or higher and moving to \$27.95-\$31.11 within four (4) years. Another example is Maintenance Supervisors, the starting rate regionally for transit systems and public works departments is \$70,000 and our current highest paid supervisor is at \$67,000 (with almost 10 years of service with Transit). We recently completed a Maintenance Pay Market Study in partnership with the Town's Public Works and Human Resources Department. The Consultant reviewed pay ranges, job postings, etc. from various regional (all NC) agencies both public and private sector for their comparisons. They recommended pay grade adjustments for all Maintenance staff to better align our current positions and starting rates to other regional employers. Based on these recommendations, the cost to adjust all current maintenance employees to their appropriate Grade and salary is approximately \$350,000 annually. Understanding that this approach was not fiscally viable in the current fiscal year, we provided a 7.5% increase (\$50,000) to the current Team Members for their new Grade using lapsed salary from open Maintenance positions. This approach will also allow us to offer increased hiring rates for these critical positions while we continue to work funding. This approach will allow us to make some much-needed progress and assist with retention while we develop an approach to fully fund the necessary adjustments. This will be reflected in next year's budget, along with

an increase beyond cost of living to continue to move our Maintenance Team Members to the appropriate levels in our current pay plan.

- Fuel may provide an opportunity for some budget savings going into next year if current trends continue. It is too early to make projections at this point; however, prices are currently trending favorably.
- Capital investments are required to maintain the transit fleet consistent with the adopted 2019 Capital Plan. Below is a chart of the fixed route bus purchase needs along with the number of buses that currently are funding for purchase (grants, fund balance, debt financing).

Fixed Route Buses FY21-26	FY21	FY22	FY23	FY24	FY25	FY26
Need to purchase (capital plan 2019)	6	6	7	7	7	7
Funded	0	3	8	16	2*	2*
+/-	9	12	11	2	7	12

\*FY25 Community Grant funding; FY26 Orange County Transit Plan funding

- Other Major Capital Expenses:
  - Radio system – this system was identified for replacement almost 15 years ago. Current cost estimate is \$1.5M.
  - Backup Power Source for Charging Stations – current facility generator needs to be replaced and is not capable of handling charging needs for cars or buses. Cost to be determined.
  - Facility Repairs and Upgrades – maintain a portion of the unrestricted fund balance to assist with anticipated needs for an aging facility: roof, HVAC, fire and safety alarm system, and solar. Capital Plan recommends reserving \$535,000 per year (~\$2.1M since Capital Plan was adopted) and no funding has been allocated to these projects. Parts and materials are being affected by inflationary increases and cost of labor increases. We have continued to utilize existing fuel contracts and will require a new contract in FY25.
- No additional capital funding is available in the Orange County Transit Plan (OCTP) and we do not have the ability to increase the cost of existing services funding. We are exploring using FY24 operating fund (route expansions that we are unable to fulfill due to Operator

shortages) to fill necessary staff vacancies. Should these positions be funded through the OCTP, Partner funding will be necessary in future years budgets.

- As the North South Bus Rapid Transit (NSBRT) project continues to progress we have funding to cover for our current phase of design and we will need to start planning for the addition of new positions consistent with the NSBRT staffing plan as early as next year to help move this project forward.

### **Next Steps**

- Staff will return with budget updates at the February Meeting in preparation for Council work sessions in March and April, the presentation of the Manager's Recommended Budget in May and consideration of adoption in June. We plan to have more detailed discussions with the Partners Committee over the next few months.

### **Recommendation**

- That the Partners Committee receive the information and provide staff with feedback.

## 4B. FY 2023-2024 Audit Report

Action: 1. Receive information and provide staff with feedback

Staff Resource: Brian Litchfield, Director

Nick Pittman, Assistant Director

Tim Schwarzauer, Business Services Manager

Amy Oland, Director of Business Management – Town of Chapel Hill

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**Overview**

Chapel Hill Transit is an enterprise fund for the Town of Chapel Hill, meaning the fund was created for the purpose of dedicating and protecting funding for the provision of public transit services for Chapel Hill, Carrboro, and the University. All annual revenues and expenses for the system are accounted for in the fund. Fund balance allocations must be approved by the Chapel Hill Town Council. Prior to recommending an allocation from fund balance to Council, Transit staff provides a recommendation to the Transit Partners Committee for consideration. Outside of the annual budget, these allocations have only been made to purchase buses, make capital investments and/or provide match on large federal/state grants, following Partner consideration and approval.

**Audit Summary – Transit Enterprise Fund for FY24**

The Town of Chapel Hill completed the audit process for FY2023-24 with full results of the Comprehensive Annual Financial Report presented to Council here: <https://chapelhill.legistar.com/View.ashx?M=F&ID=13575007&GUID=B864CB0E-6367-48E2-BCDF-EB016E1DDE87>. This report is typically shared with the Partners, in January or February, after it is presented to Council.

The schedule included with this update reflects the Budget to Actual Revenues and Expenditures for the Transit Fund. As of June 30, 2024, the Transit Fund had a positive change in Net Position over the preceding year of \$8,335,450 (see Attachment 1). This amount is higher than pre-COVID amounts because of several factors including lower fuel and maintenance expenses along with outstanding bus purchases that were not expensed during the fiscal year.

## **Fund Balance Overview**

- The Transit Fund currently has an unrestricted fund balance of \$35,847,090. This amount includes:
  - \$8,985,744 in carryforward projects from previous years.
  - \$6,654,396 for grant matches (includes \$2M for NSBRT)
  - \$8,720,842 for cash flow (90 days).
  - \$3,000,000 as a reserve against loss of or volatility of federal and state funds, major facility and equipment failures and other significant claims (workers compensation, liability, wrongful termination claims, etc.).

Providing an available fund balance of \$8,486,108, compared to the previous fiscal year of \$11,585,031. Staff is not recommending obligating additional fund balance at this time. As we have shared previously, there are several potential applications for fund balance that the Partners' could consider in the future, including reserving funding for bus replacements, facility needs and expansion, NSBRT and future operating budget needs.

## **Attachment**

- Attachment 1: FY2023-24 Revenues to Expenditures for Transit Fund.

## **Recommendation**

- That the Partners Committee receive the information and provide staff with feedback.

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -  
(MODIFIED ACCRUAL BASIS) - TRANSIT FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
<b>OPERATING REVENUES</b>				
Charges for services:				
Tarheel Express	\$ 306,238	\$ 306,238	\$ -	\$ (306,238)
Bus advertising	200,000	200,000	102,379	(97,621)
Other	510,949	510,949	395,393	(115,556)
Total charges for services	1,017,187	1,017,187	497,772	(519,415)
<b>OPERATING EXPENSES</b>				
Personnel	18,234,467	17,884,271	17,372,945	511,326
Fuel and tires	2,086,900	2,026,400	1,448,751	577,649
Indirect costs	1,660,264	1,660,264	1,548,342	111,922
Building maintenance	699,322	1,080,437	892,106	188,331
Vehicle maintenance	1,757,737	1,896,482	1,057,485	838,997
Insurance	449,183	449,183	468,484	(19,301)
Tarheel Express	286,149	286,149	288,052	(1,903)
Uniforms and supplies	136,245	156,245	148,835	7,410
Professional services	153,734	72,234	300	71,934
Contracted services	4,452,178	11,451,687	7,390,908	4,060,779
Other	527,403	610,914	564,947	45,967
Total operating expenses	30,443,582	37,574,266	31,181,155	6,393,111
<b>OPERATING LOSS</b>	<b>(29,426,395)</b>	<b>(36,557,079)</b>	<b>(30,683,383)</b>	<b>5,873,696</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Federal Operating Assistance Grant	4,350,000	7,916,655	7,964,491	47,836
State Operating Assistance Grant	3,500,000	3,500,000	3,631,704	131,704
Operating assistance-UNC Chapel Hill	10,389,234	10,389,234	10,630,812	241,578
Operating assistance-Town of Carrboro	2,233,512	2,233,512	2,308,917	75,405
Operating assistance - TTA Vehicle Fees	4,074,423	4,074,423	3,051,310	(1,023,113)
Vehicle licenses	450,034	450,034	442,339	(7,695)
Ad valorem taxes	6,037,000	6,037,000	5,983,593	(53,407)
Interest on investments	10,000	10,000	1,898,108	1,888,108
Insurance recovery	48,000	48,000	8,641	(39,359)
Capital outlay	(20,000)	(10,809,357)	(256,232)	10,553,125
Gain (Loss) from sale of capital assets	14,000	14,000	25,029	11,029
Debt service	(1,686,308)	(1,686,308)	(1,682,558)	3,750
Revenue in lieu	26,500	26,500	-	(26,500)
Contribution to reserve	-	(4,605,835)	-	4,605,835
Appropriated fund balance	-	22,306,710	-	(22,306,710)
Total nonoperating revenues (expenses), net	29,426,395	39,904,568	34,006,154	(5,898,414)
<b>INCOME BEFORE TRANSFERS</b>	<b>-</b>	<b>3,347,489</b>	<b>3,322,771</b>	<b>(24,718)</b>

Continued

**SCHEDULE OF REVENUES AND EXPENDITURES - BUDGET AND ACTUAL -  
(MODIFIED ACCRUAL BASIS) - TRANSIT FUND  
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance - Positive (Negative)
	Original	Final		
TRANSFERS				
Transfers out	-	(3,347,489)	(1,182,698)	2,164,791
EXCESS OF REVENUES OVER EXPENSES AND TRANSFERS	\$ -	\$ -	2,140,073	\$ 2,140,073
Reconciliation of modified accrual basis to full accrual basis:				
Accrued vacation payable			(31,064)	
Accrued OPEB liability			1,526,675	
Pension Expense			(911,601)	
Debt service principal			1,338,000	
Capital outlay			256,232	
Depreciation and amortization			(4,286,221)	
Capital contributions			8,303,356	
Change in net position			\$ 8,335,450	

**5A. North-South Bus Rapid Transit Project Update**

Staff Resource: Katy Fontaine, Transit Development Manager  
Caroline Dwyer, Transit Planning Manager

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**NSBRT Funding Update**

In March 2024, funding for NSBRT was included in USDOT’s Annual Report on Funding Recommendations and in President Biden’s FY25 Recommended Budget. These recommendations are a substantial step towards a future grant award, reflecting FTA’s confidence in our project and achieving major project milestone. While the project is unfunded in the current House Budget Resolution, both full and incremental funding pathways remain open to NSBRT in the current federal fiscal year and beyond. For example, the House Budget Resolution includes \$200 million for Small Starts projects like NSBRT that “may become ready” in FY25, a significant increase compared to the \$59 million recommended by FTA for this purpose.

Opportunities also exist for NSBRT to potentially be awarded Small Starts funding that was unspent in prior fiscal years, and we are excited to share that FTA recently awarded Chapel Hill Transit \$24,403,800 (in unallocated FY22 and FY23 funding) for NSBRT. This award, a clear demonstration of FTA’s confidence in NSBRT’s success, increases the project’s total awarded federal funding to \$32,538,400 (\$8.1 million was previously allocated to the project by FTA in FY23) of the anticipated \$146.4 million total federal share. This award also decreases the outstanding amount of unallocated federal funding from approximately \$138 million to approximately \$114.1 million. Chapel Hill will submit a formal grant request for the remaining funding later this year and continue working closely with Congresswoman Foushee and Senator Tillis to secure the remaining project funding. The project’s funding schedule remains on track, with a federal funding decision expected in early 2026.

Transit staff continue to await updates on non-federal funding for NSBRT requested through NCDOT’s Strategic Transportation Prioritization (SPOT) process. Projects submitted to NCDOT for consideration are currently being reviewed and scored and staff are working closely with NCDOT Division 7 staff, the DCHC MPO, and other funding partners to ensure NSBRT remains among the region’s highest project priorities. These discussions suggest the project enjoys strong support from staff and key decision makers who have assured us they will continue advocating for the funding needed to close the remaining gap in committed funds (\$5.5 million). Preliminary funding announcements are still anticipated in early 2025.

We have included a few of the local articles that have

- [Federal Government Awards \\$24.4 Million to Chapel Hill Transit's Transformative North-South Bus Rapid Transit Project](#)
- [Congresswoman Foushee Announces \\$24 Million Federal Investment for Chapel Hill North-South Bus Rapid Transit System](#)
- [Chapel Hill Transit Lands \\$24.4 Million in Federal Grants for Bus Rapid Transit Project](#)

### **NSBRT Progress Report**

NSBRT's 60% Design phase is successfully advancing, with significant progress being made in several key focus areas. Recently, Transit staff and our consultant team have:

- Completed inter-departmental and inter-agency review of draft 60% designs for corridor segment 1 (Southern Village Park & Ride to NC-54 Bypass).
- Continued the design and engineering of corridor segments 2 and 3 (segment 2 draft designs will undergo review in February and March 2025).
- Continued coordinating with NCDOT including negotiating a cost sharing agreement for planned improvements on NC-86 in corridor segments 3 and a planned resurfacing project in segment 2.
- Continued discussing the placement and design of stations and supportive multimodal infrastructure with UNC staff to mitigate potential utility conflicts. Segment 2 draft designs will be provided to UNC for formal review and approval next month.
- Worked with the consultant team on developing photorealistic NSBRT station renderings to support future project marketing and communications initiatives.
- Completed several elements of the Federal Transit Administration's (FTA) required Project Management Plan, including chapters on Safety and Security and Fleet Management.
- Finalized NSBRT's schedule of required permits and third party agreements.
- Worked with the Town's Strategic Communications team on a marketing and communications approach supporting the project's next phases.

### **NSBRT – NCDOT Cost Share Agreements Update**

Staff continue to collaborate with NCDOT District 7 project managers and engineers on a cost share agreement integrating elements of NSBRT's right of way acquisition and construction with the ongoing STIP Project I-3306AC (part of the I-40 widening and interchange improvements). Coordinating the planned construction activities on NC-86 between Weaver Dairy Road and

Eubanks Road generates efficiencies that save both time and money. Staff anticipate the first of three planned cost share agreements (incorporating property acquisition) will be executed by the Interim Town Manager in January 2025. Staff are currently reviewing and negotiating a scope of work for agreements covering roadway and multimodal improvements. Unlike the property acquisition cost share agreement, FTA must issue a Letter of No Prejudice (LONP) before the construction cost share agreements with NCDOT can be executed by the Town.

### **NSBRT Next Steps**

Staff expect to reach several important project milestones in the next few months:

- **February 2025:** Segment 2 draft 60% design review begins.
- **February 11, 2025:** Technical and Policy Committee meetings held.
- **May/June 2025:** Segment 3 draft 60% design review begins.

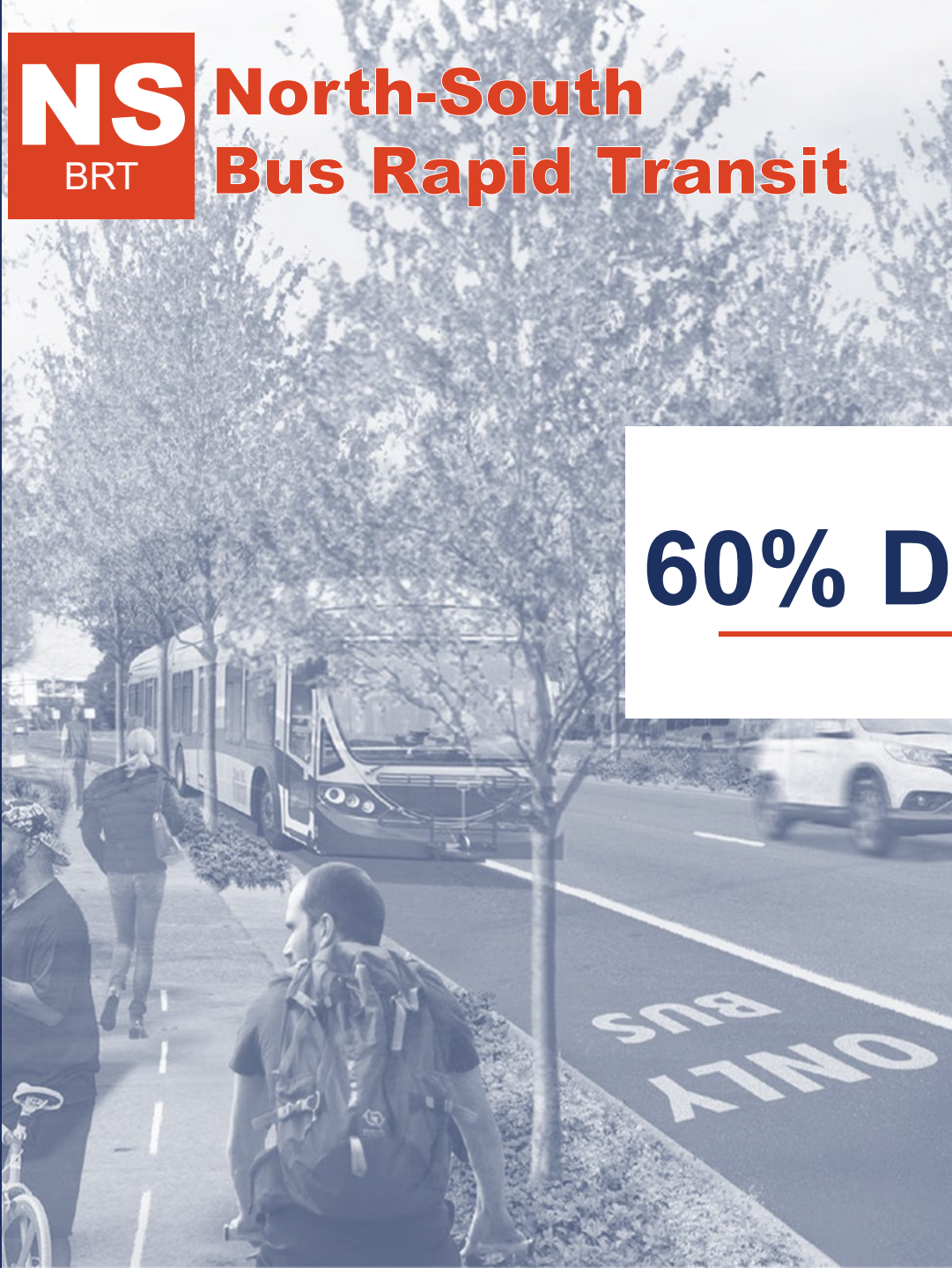
**NS**  
BRT

**North-South  
Bus Rapid Transit**

Chapel Hill  
**transit**

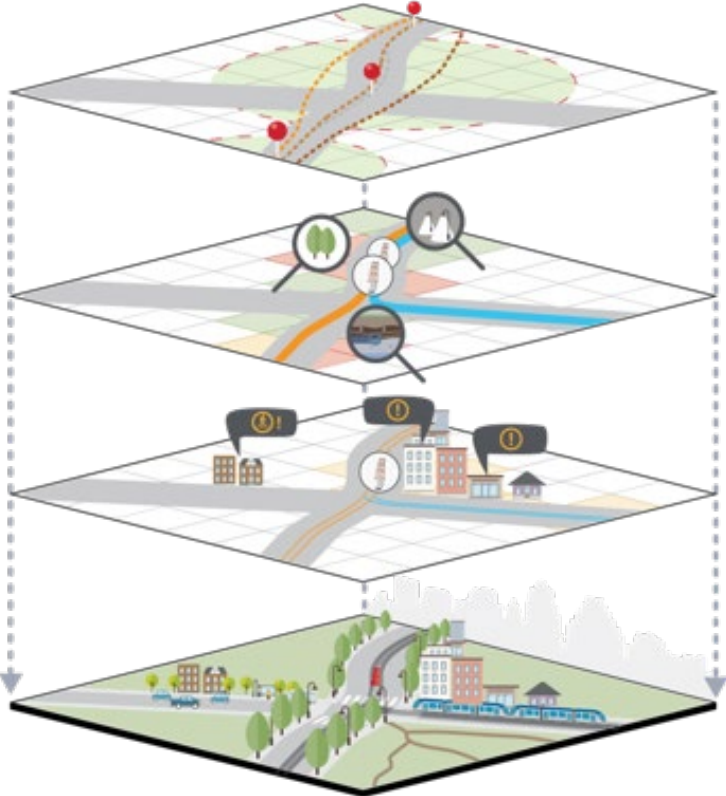
# 60% Design Update

Transit Partners Committee  
January 23<sup>rd</sup>, 2025



# DESIGN OVERVIEW

What is the difference between 30%, 60%, and 90% design?



- **5% Design:** identify corridor & station areas



- **30% Design:** station locations identified; NEPA clearance; corridor refined



- **60% Design:** station dimensions/ footprint identified; refining ROW





- **90% Design:** project details finalized (e.g., conduit locations, colors)

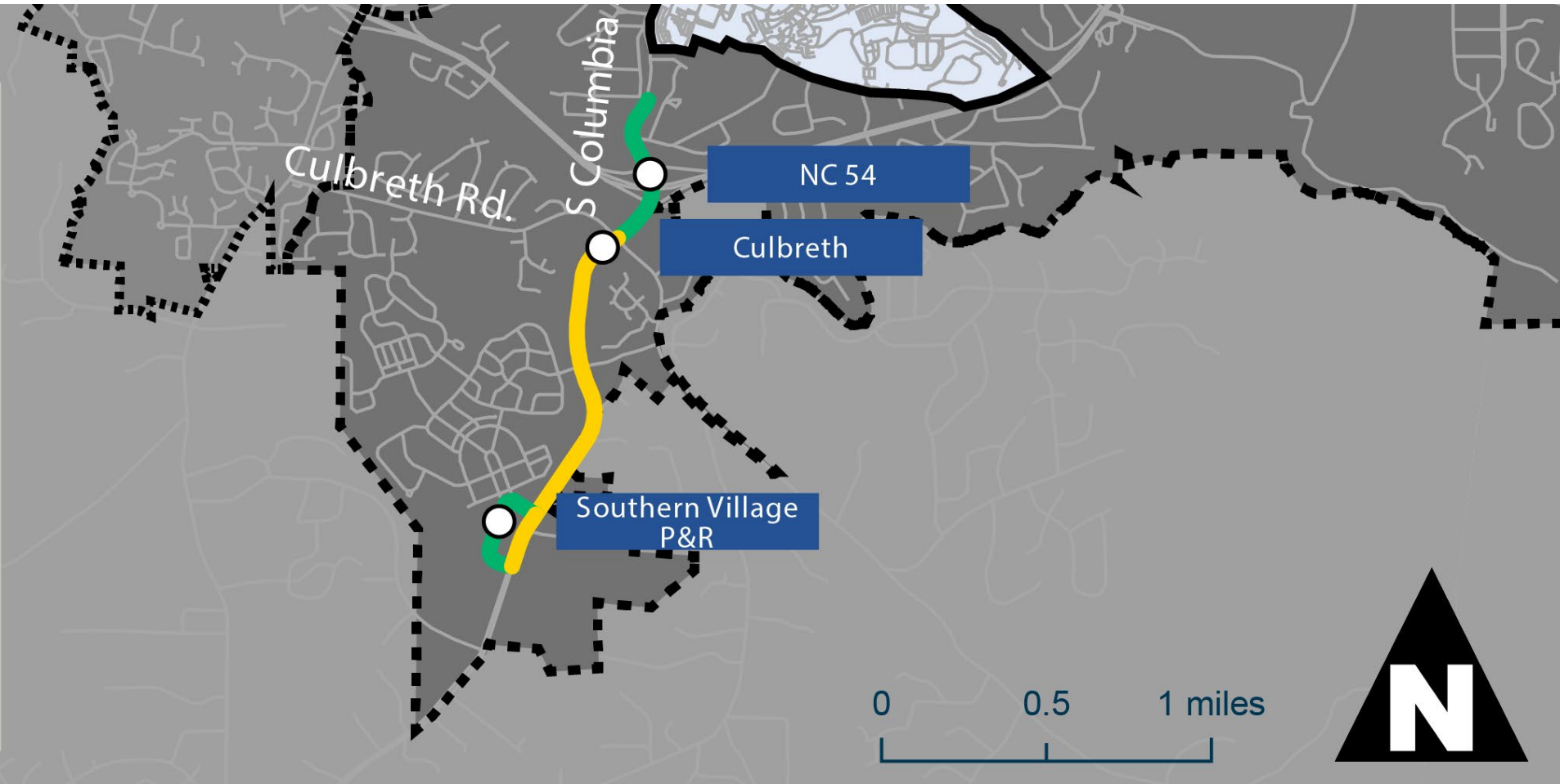
# 60% Design Review Timeline



# SEGMENT 1 OVERVIEW

## LEGEND

-  Potential Station Locations
-  Dedicated Lanes (5.7 mi)
-  Mixed Traffic (2.5 mi)
-  Carrboro
-  Chapel Hill
-  UNC Chapel Hill, (Main Campus)







# THANK YOU!

## STAFF CONTACTS

Katy Fontaine

*Transit Development Manager &  
NSBRT Project Manager*

Caroline Dwyer, AICP

*Transit Planning Manager*

Brian Litchfield

*Transit Director*



**5B. Electric Bus Update**

Staff Resource: Brian Litchfield - Director  
Nick Pittman – Assistant Director  
Peter Aube – Maintenance Manager

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**Background**

On December 12, 2024, a thermal event (fire) of an undetermined origin occurred on Chapel Hill Transit battery electric bus number 2201. There were no injuries or property damage that occurred as a result of the event. The bus was a total loss as a result of the damage from the thermal event.

The event occurred in/near the rear battery packs on the bus. The bus is equipped with seven (7) different battery packs located at the rear and top of the bus. The bus was parked, with no one on board, on the Chapel Hill Transit bus yard and the time of the event and was not on or charging.

The Chapel Hill Fire Department (CHFD) responded to the event around 2:45pm and was on location until around 9:00 a.m. the following morning. CHFD placed water (around 500,000 gallons) on the bus until around 6:00 a.m., until the thermal temps on the bus stopped rising. Following the event, and out of an abundance of caution due to the amount of water that was used and discharged to surface waters we contacted the Department of Environmental Quality (DEQ) Regional Office. DEQ indicated that no further action was necessary. Out of an abundance of caution we had a consultant sample the water in our rendition basin for heavy metals and no issues were identified.

Following the event, investigators from the Federal Transit Administration (FTA) and National High Traffic Safety Administration (NHSTA) contacted us and are reviewing information related to the thermal event. The investigators are waiting on the results of the root cause analysis that will be conducted by a qualified independent third-party. Neither have opened official investigations at this time.

**Current Status**

The Town and the bus manufacturer, Gillig LLC, have executed an agreement for the replacement of electric bus number 2201. Gillig is fully replacing the lost bus with a model year 2025 electric

bus at no cost to the Town and is fully responsible for all any all claims related to the bus and thermal event. As a result of the agreement, we do not anticipate filing a claim with our insurer.

A qualified independent third-party (Exponent - <https://www.exponent.com/>) will conduct a root cause investigation for the event. The full cost of investigation and the replacement bus is the responsibility of Gillig LLC.

Out of caution we have kept the remaining 10 electric buses in our fleet out of service. We are taking steps to safely return our seven (7) newest electric buses ([2301-2307](#)) to service - this will not happen until we are certain that these vehicles are safe for our Team Members to operate.

The following is a summary of the steps we have taken and next steps:

1. Our three oldest electric buses (2101-2103) which have battery packs made by the same battery manufacturer (Cummins) used in bus 2201 will stay out of service until the investigation into 2201 is finalized and a cause of the fire is identified and necessary fixes are in place.
2. Our newest seven electric buses ([2301-2307](#)) use battery packs made by a different manufacturer (BorgWarner) than those used in 2201. The battery packs used in [2301-2307](#), in addition to being made by a different manufacturer, they also have distinct design differences from those in our older electric buses. The newest electric buses will undergo additional safety inspections by the bus manufacturer (Gillig) and when that is completed to our satisfaction, these vehicles will be road tested before returning to service. The safety inspections are currently scheduled for the end of January.
3. Following the safety inspections, Managers, Supervisors and Maintenance Team Members will conduct the road tests before [2301-2307](#) are returned to service.
4. Gillig is developing additional training on the safety features of [2301-2307](#) and this will be shared with our Team before these buses are returned to service. This will include additional training for first responders.

We believe these steps are prudent and necessary prior to returning our electric buses to service.

## 5C. Project Updates

Staff Resource: Tim Schwarzauer, Business Services Manager  
Katy Fontaine, Transit Development Manager

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**Vehicle Orders and Deliveries**

- 8 Battery Electric Buses expected to build May 21, 2025, with delivery in June/July.
- 5 Articulated Buses expected to begin build on January 27, 2025, with delivery expected in March/May
- 1 diesel 40' bus went into production on January 10, 2025, with expected delivery in February.
- 5 EZ Rider vehicles are expected to go into production in January 2025, with expected delivery in February/March.

**Bus Stop Improvements**

In January 2025, our construction contractor finished work on a new shelter at Homestead Road at Seymour Center. These additional amenities at the stop allow the stop to be fully ADA accessible and provide a greater customer experience for those riding from the Seymour Center or Southern Human Services.

Our construction contractor is also finalizing installing 33 posts to support our new Papercast Real Time Signs (small real time information signs) from Connexionz. While we are still waiting on the signs to be shipped, having the posts installed will allow for a quicker implementation once they are delivered.

Staff is currently working with our design firm to compile the next construction set. Sites include the West Franklin Street bus islands, Ephesus Church Road improvements, and East Franklin Street at the Coffee Shop. We anticipate a request for bids in Spring 2025.

***Next Steps***

In 2023-2024, Chapel Hill Transit undertook a bus stop audit to take inventory of our stops and the state of the amenities. Using the data collected, we were able to complete a comprehensive improvement list, based on four weighted focus areas – Safety, Equity, Ridership, and Community Connections.

Our next step will be to take the improvement list and determine the level of improvements needed at the stop and the cost to improve. This will allow us to allocate federal funding for bus stop improvements of around \$3M.

### **Radio Study**

We are in the process of identifying options to improve or replace our existing in vehicle two-radio system, as mentioned in the budget item. We have contracted with Mission Critical Partners ([About MCP - Mission Critical Partners](#)) to conduct a wireless communication study and the project is underway. Alexius Farris, Senior Grants and Strategic Project Manager will lead the project team that currently consists of Travis Parker, Peter Aube, Josh Martin, Henry DePietro and Nick Pittman. We anticipate the first phase of the study to take about 90 days and it will complete the following objectives.

- Conduct a full evaluation of the existing communication system.
- Identify alternative communication upgrades, additions, or replacements.
- Identify infrastructure upgrades that are needed.
- And provide a transition protocol that includes training and training materials needed to ensure a transition that will not interrupt transit services.

This phase will include focus groups with Operators and Supervisors. We will continue to keep you posted.

### **Title VI Plan**

The federal government requires that Chapel Hill Transit have a Title VI plan as required by the Federal Transit Administration (FTA) Title VI Circular 4702.1B – “Title VI Requirements and Guidelines for Federal Transit Administration Recipients” effective October 12, 2012. Chapel Hill Transit’s Title VI plan is required to be updated and submitted every three years. Chapel Hill Transit’s last submission was 2022. Town staff have updated the program for 2025 using the most recently available American Community Survey information. There are no substantive changes to the program. The program will go before Town Council at the January 29<sup>th</sup> business meeting as a consent item.

### **Triennial Review Update**

Town staff worked diligently to address all outstanding Triennial Review findings. At this time, all corrections have been submitted and are pending final closure.

**6A. Operations**

Staff Resource: Joe McMiller – Deputy Operations Manager  
Melissa Patrick – Assistant Operations Manager  
Peter Aube – Maintenance Manager  
Michelle Sykes-Parker – Training Coordinator  
Mark Lowry – Safety Officer

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**Fixed Route Division – Joe McMiller, Deputy Operations Manager**

- On time Performance (OTP) – January 2025 – 67%
- Jan 6<sup>th</sup> – 2025 Spring Service began (service restoration to several routes to pre-covid levels)
- Jan 6<sup>th</sup> – 3 new Full Time Operators started training
- Jan 7<sup>th</sup> – Tar Heel Express for UNC Basketball vs SMU
- Jan 10<sup>th</sup> – Winter Storm Cora, caused service to be suspended at 8pm
- Jan 11<sup>th</sup> – Winter Storm Cora remnants delayed service until 12pm
- Jan 15<sup>th</sup> – Tar Heel Express for UNC Basketball vs Cal
- Jan 18<sup>th</sup> – Tar Heel Express for UNC Basketball vs Stanford
- Jan 20<sup>th</sup> – Martin Luther King Jr. Holiday (Sunday Level Service, no NU, U, or 420 routes)
- Jan 25<sup>th</sup> – Tar Heel Express Basketball vs Boston College

**Demand Response Division – Melissa Patrick, Assistant Operations Manager**

- On Time performance 90.22%.
- Looking to replace 2 program support operators.
- Final testing for PASS-Web (scheduling website).
- Senior Shuttle started new line of route on Jan. 6, 2025.

**Maintenance Division – Peter Aube, Maintenance**

- Demand response ran 32,564 miles in December.
- Non-revenue Gas and Diesel vehicles ran 7,880 miles in December.
- Non-revenue Electric Cars ran 15,749 miles in December.
- Fixed route buses ran 145,255 miles in December.
- Battery Electric buses ran 4,924 miles in December.
- Maintenance performed (95) Preventive Maintenance Inspections in December (100% on-time).
- Maintenance performed (8) road calls in December, (18,157) miles between road calls for fixed route.
- Maintenance performed (0) road calls in December, (32,564) miles between road call for demand response.

- Maintenance continued interior major cleaning /Stripping waxing floors previously completed by Vendor.
- Maintenance continues working with procurement on bid documents for phase three depot charging station Installation.
- Working with procurement to prepare bus head sign upgrade bid for 45 buses.
- Working with procurement to get radio maintenance contract in place.

**Training Division – Michelle Sykes- Parker, Training Coordinator**

- Five (5) Fixed Route operator candidates in the hiring process
- Five (5) new operator hires since October 2024 remain in the Training Program
- Next Training Classes – February 3<sup>rd</sup>, 2025
- Recent Training Areas of Focus
  - Newly integrated and reintegrated routes: C and CCX
  - Smith System Refresher
  - Bus securement
  - Smith System Refresher Class ongoing through July 2025
    - Roughly 80 operators to be trained through July 2025
  - Operator Trainer Recruitment – ongoing
  - Hiring of 1 additional Training and Safety Specialists – TBD 2025
  - Two (2) Additional NCDOT 3rd Party Testers to be added by Fall 2025
  - Operator Trainer Refresher – February/March

**Safety Division – Mark Lowry, Safety Officer**

	December-23	December-24
<b>Fixed Route</b>		
Preventable	1	3
Non- Preventable	2	0
<b>Demand Response</b>		
Preventable	0	1
Non-Preventable	0	0
<b>Maintenance</b>		
Preventable	0	0
Non-Preventable	0	0

## 6B. Community Outreach

Staff Resource: Emily Powell – Community Outreach Manager

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**Outreach Events**

The Winter months have been a little quieter for Outreach, but we proudly paraded through the Chapel Hill and Carrboro communities with other Town departments for the Holiday Parade. Our candy and swag were big hits with the crowd.

**Communications**

Communicating everything from holiday hours, weather-related service changes, recruitment, and the recent service restoration and route changes was a recent priority. We successfully used social media, customer emails, on-board screens, the Town's newsletter, webpages, large A-frames, and alerts on the Transit app to do so. The insights from all these platforms are monitored and feedback has been overall good about our efforts (please submit your own!) In 2025, we will continue to make progress on good customer-focused communications including expanding language access and look forward to a new website with the Town.

**Internal**

We celebrated the Holidays during December by sharing gifts, sweets, and crafts. Team members were excited to decorate their work and lounge spaces and show off their spirit wearing fun sweaters and casual uniforms.



Team members are recognized for their Years of Service quarterly. They are especially enjoying showing off their milestone pins. This month we will celebrate another 22 Operators and Mechanics for one, five, ten, and fifteen years of service. The photo below is from December's event (which had to be rescheduled).



The Community Outreach Team is expanding. In addition to our current Thorpe Intern, we'll add a second intern and a communications specialist. The additional intern will help with marketing the Transit app and analyzing user-created data from it. The Transit and Commuter Solutions Communications Specialist will help promote commuter alternative solutions as part of the overall Town's sustainability goals.

### **Upcoming**

Transit Equity Day (Rosa Parks' birthday) is Monday, February 4<sup>th</sup>. We are planning to partner with Habitat For Humanity and UNC School of Social of Work's Food, Fitness, and Opportunity Research Collaborative to offer a bus tour of significant civil rights locations throughout Chapel Hill and Carrboro. Please be on the lookout for the final details of the event coming soon.

On February 11<sup>th</sup>, we continue with our 50<sup>th</sup> Anniversary events by hosting a "Fireside Chat- A Conversation with leaders about how civil rights shaped 50 years of Chapel Hill Transit". The panel features Howard Lee, Chapel Hill Mayor 1969-1975; Braxton Foushee, Carrboro Alderman 1969; Gerry Cohen, Chapel Hill Board of Alderman 1974; and Director Brian Litchfield. Everyone is invited to the Chapel Hill Public Library.

*please join us for a*

# **Fireside Chat**

*with Braxton Foushee, Brian Litchfield,  
Gerry Cohen, and Howard Lee*

A conversation with leaders about  
how civil rights shaped 50 years of  
Chapel Hill Transit!

February 10  
6:30-7:30 pm  
Chapel Hill Public Library  
Room A



Staff Resource: Caroline Dwyer, Transit Planning Manager

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### **SERVICE UPDATES**

In response to customer feedback and positive hiring trends, Transit implemented several service changes on January 6, 2025. We will continue to monitor performance and staffing levels over the next several months, to ensure these adjustments are meeting goals. The January 6, 2025, service updates include:

- Restructuring the HS Route and creating the C Route (previously the southern portion of the HS Route) to improve on time performance – we reallocated currently funded HS hours to the C route, so no cost impact to the Partners.
- Returning to full weekday service on the following routes:
  - A Route
  - CL Route
  - CW Route
  - J Route
  - N Route
- Serving the Seymour Center and Homestead Road on the 8:00 am Saturday NS Route bus to strengthen a Town Low Income Housing Tax Credit (LIHTC) application.
- Returning the CCX route to Chapel Hill Transit operations. Customers will now be able to track CCX buses on the Transit app.
- Adjusting the Senior Shuttle schedule in response to customer feedback – route and schedule were adjusted to improve customer experience and on-time performance.

### **PROJECT UPDATES**

#### **North-South Bus Rapid Transit (NSBRT)**

Staff continue to advance planning activities for the NSBRT's 60% design. Additional information can be found in Agenda item 5A.

#### **Chapel Hill Transit High-Capacity Transit Corridor Study**

This study will assess the feasibility of high-capacity transit options (including but not limited to bus rapid transit, express bus service, bus on shoulder, transit signal priority, queue jumps, etc.)

in our service area's key travel corridors. This project is funded in the DCHC MPO UPWP and MPO staff are administering the project's procurement. The Transit Planning Manager will oversee overall project management and plan development. In early January, a committee including Chapel Hill Transit, DCHC MPO, and NCDOT IMD staff reviewed and scored five responses to the Request for Letters of Interest (RFLOI) issued for this project in December 2024. The four highest scoring firms were invited to participate in a 30-minute virtual interview conducted on January 22, 2025. Staff anticipate finalizing contract negotiations and issuing notice to proceed by the end of January. Partners will be provided with frequent updates as the project progresses.

### **Chapel Hill Transit Short Range Transit Plan Update**

The Planning Division continues to refine the scope of work for this plan update. Staff will present a more detailed project summary at a future meeting. The SRTP update will review and confirm the 2020 SRTP's service recommendations and integrate additional elements such as a microtransit feasibility study (funded by a federal grant) and a demand response service assessment. The update will also enhance the plan's implementation element, providing an action-oriented, cost-feasible roadmap for achieving the plan's goals. This project is supported with Orange County Transit Tax District revenues.