



# Town Council Presentation

**Steve Spade, Transit Director**

**March 5, 2008**

## What we want to talk about

- How Chapel Hill Transit is doing
- Significant 2007/08 activities
- Trends
- Issues for 2008/09
- 2008/09 budget preview
- Seek input and answer questions from Council

# About Chapel Hill Transit

- 2nd largest system in the North Carolina
- 99 buses / 15 demand response vehicles
- 200 employees
- Fare free since 2002
- 6.1 million riders in 2007
- Partners with Carrboro and UNC
- Web site gets 3000+ hits daily

# How Are We Doing?

- Related to Council Goals
- Performance Standards
- Peer Comparison

- Maintain and operate a balanced multimodal transportation system
- Enhance mobility for all citizens and reduce automobile dependence
- Maintain and preserve our community assets
- Conserve and protect the natural setting in Chapel Hill

- **Method to measure system performance**
- **Performance indicators**
  - Ridership
  - Passengers per capita
  - Passengers Per mile
  - Passengers per hour
  - Cost per passenger
  - Cost per hour
  - Cost per mile

- **State Peers**

- Durham, Raleigh, Greensboro, Winston-Salem

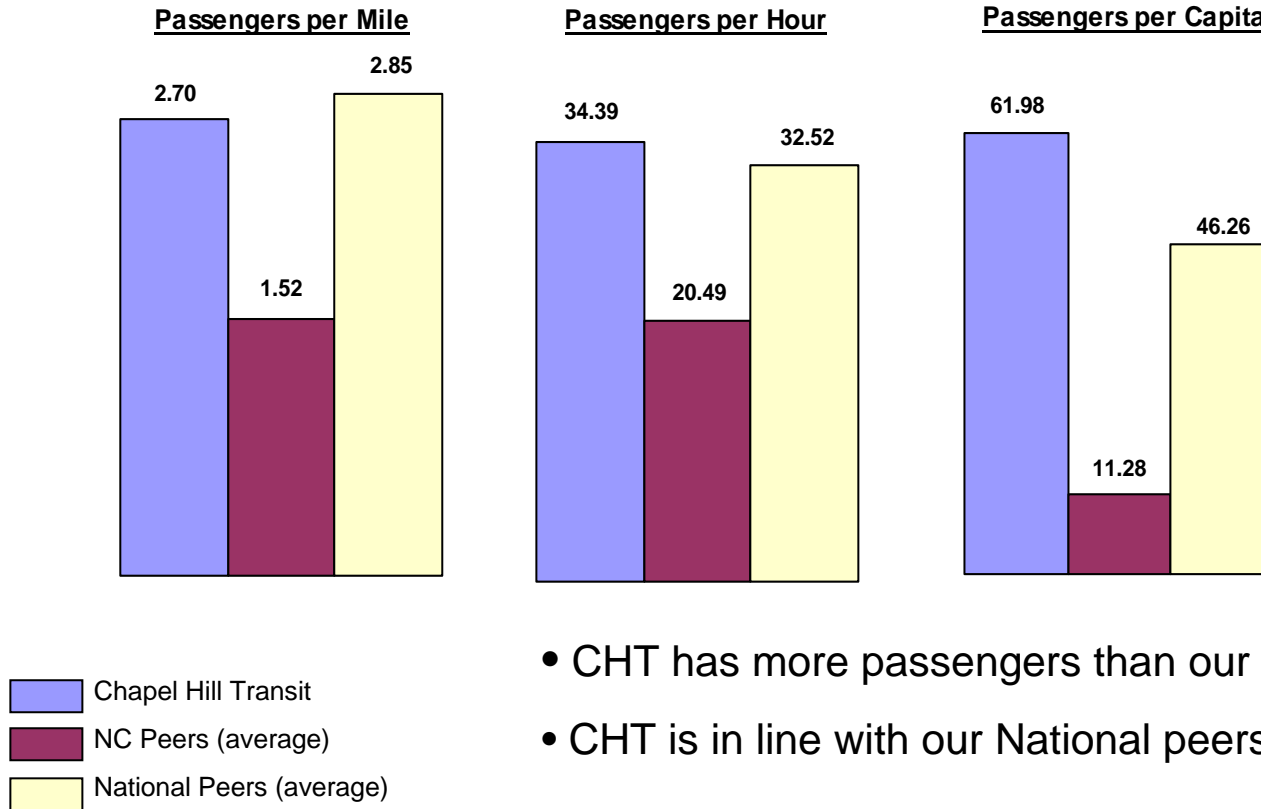
- **National Peers (college towns)**

- Ames, IA; Ann Arbor, MI; Athens, GA; Charlottesville, VA; Davis, CA; Gainesville, FL; Madison, WI; State College, PA; Tallahassee, FL; Champaign-Urbana, IL



# Peer Comparison

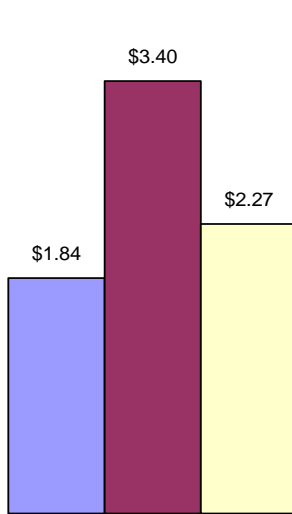
How we stack up....



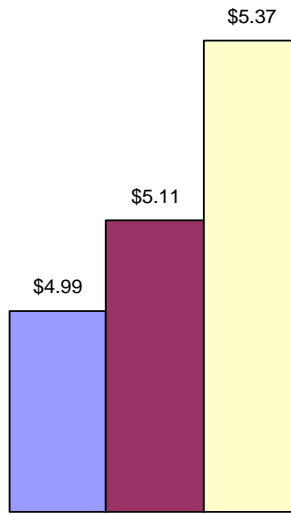
- CHT has more passengers than our NC peers
- CHT is in line with our National peers

## How we stack up....

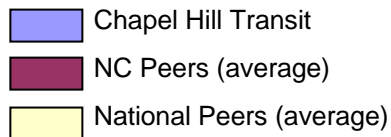
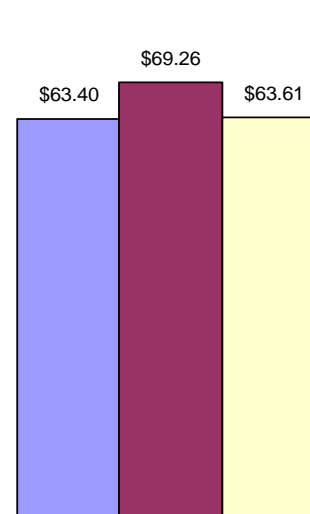
Cost per Passenger



Cost per Mile



Cost per Hour



- Our costs are less than our NC peers
- Our costs are less than or comparable with our National peers

- What the numbers mean
  - Rider related measures Chapel Hill:
    - Out performs state peers by a wide margin
    - Meets or exceeds national peers
  - Cost related measures Chapel Hill:
    - Are lower than North Carolina peers
    - Better than or comparable to national peers

# What Happened in FY2007-08

- Move to Town Operations Center
- Fleet Maintenance efforts
- Acquired 19 New Buses
  - 13 Diesel-Powered 40 Ft Buses
  - 3 Hybrid 40 Ft. Buses
  - 3 Diesel-Powered 60 Ft. Articulated Buses
- New Growth in Ridership
- EZ Rider Study
- Hybrid Bus – Comparative Analysis



# Hybrid / Diesel Comparison

<b>Diesel Comparison Buses</b>	Vehicle	Vehicle	Vehicle	Base Avg.
Vehicle ID#	<b>#807</b>	<b>#1207</b>	<b>#607</b>	
Miles in-service	22,518	19,674	25,066	22,419
Fuel - Gallons	6,003.8	5,750.9	6,598.9	6,117.9
Fuel _ Cost @ ----- / gal	\$14,867.31	\$14,200.25	\$16,293.23	\$15,120.26
<b>Miles Per gallon</b>	<b>3.755</b>	<b>3.415</b>	<b>3.791</b>	<b>3.654</b>
Maintenance parts Cost	\$190.14	\$199.94	\$331.39	\$240.49
Maintenance Labor Hours	27.3	52.1	42.6	40.7
Maintenance Labor Cost	\$1,296.25	\$2,492.50	\$1,910.00	\$1,899.58
<b>Total Maintenance Cost</b>	<b>\$1,486.37</b>	<b>\$2,692.44</b>	<b>\$2,241.39</b>	<b>\$2,140.07</b>
<b>Hybrid Buses</b>	Vehicle	Vehicle	Vehicle	Hybrid Avg.
Vehicle ID#	<b>#1407</b>	<b>#1507</b>	<b>#1607</b>	
Miles in-service	19,536	17,951	22,219	19,902
Fuel - Gallons	3,601.5	3,475.3	4,080.3	3,719.0
Fuel _ Cost @ ----- / gal	\$8,954.81	\$8,642.86	\$10,214.24	\$9,270.64
<b>Miles Per gallon</b>	<b>5.437</b>	<b>5.171</b>	<b>5.456</b>	<b>5.355</b>
Maintenance parts Cost	\$274.88	\$145.76	\$242.28	\$220.97
Maintenance Labor Hours	46.9	18.5	50.6	38.7
Maintenance Labor Cost	\$1,969.50	\$852.50	\$2,093.35	\$1,638.50
<b>Total Maintenance Cost</b>	<b>\$2,244.8</b>	<b>\$998.26</b>	<b>\$2,335.63</b>	<b>\$1,859.60</b>

# Hybrid / Diesel Comparison

- Hybrid buses get higher mpg of 5.4 compared to diesel buses at 3.6 mpg
- Total maintenance costs are lower for Hybrid buses
- Gallons of fuel needed is 39% less for Hybrid buses during reporting period



Purchase Price Comparison

40 ft. Hybrid bus - \$530,000

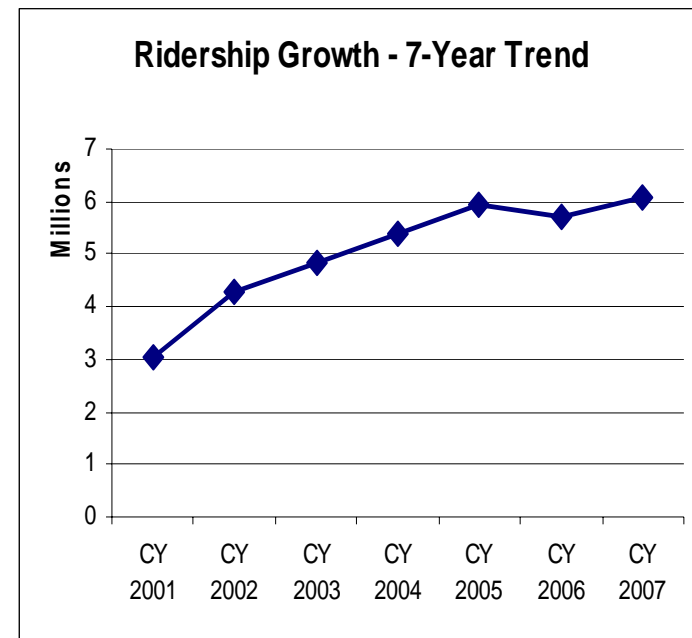
40 ft. Diesel bus - \$340,000

- **Ridership**
- **Costs**
  - Fuel
  - Maintenance
- **Fleet**
- **Service needs**



# Trends - Ridership

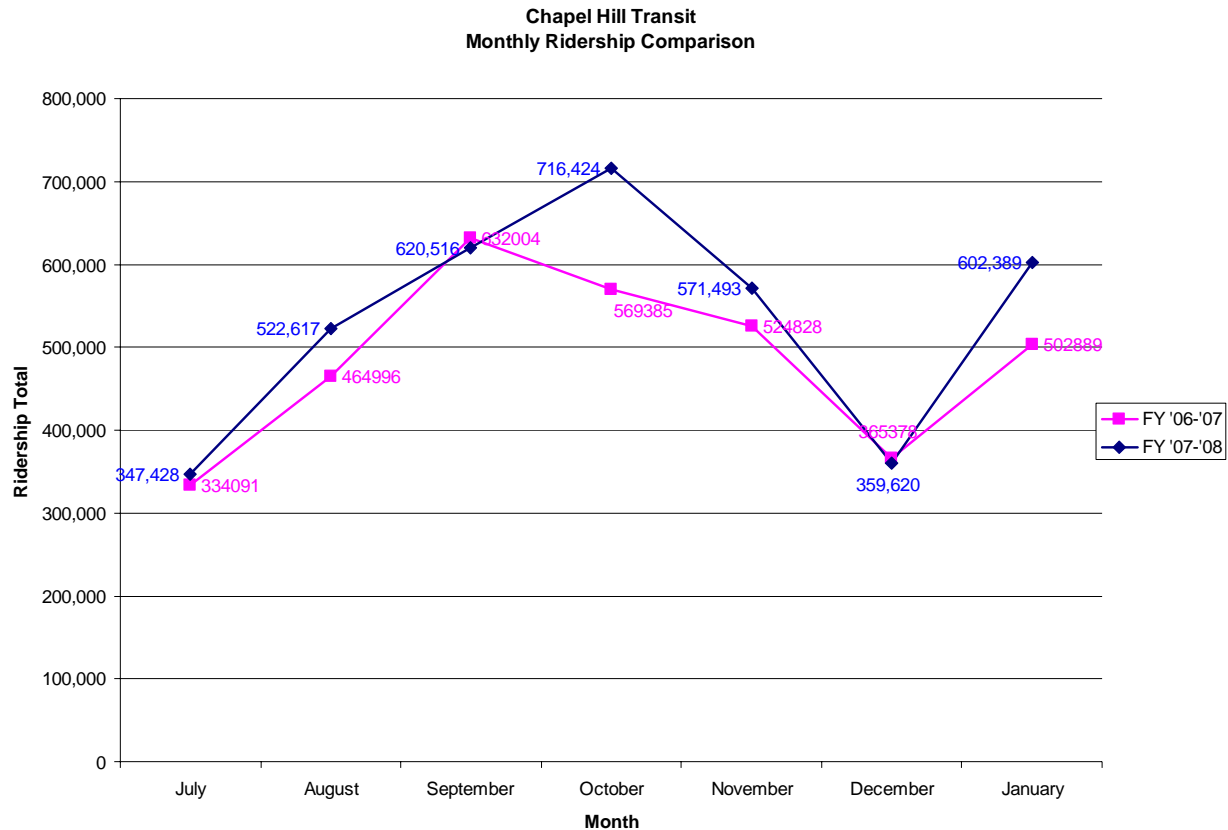
- Annual Ridership of over 6 million is 2<sup>nd</sup> only to Charlotte
- Annual ridership has more than doubled since going fare free in Jan. 2002
- Lack of capacity contributed to slowing growth in 2006



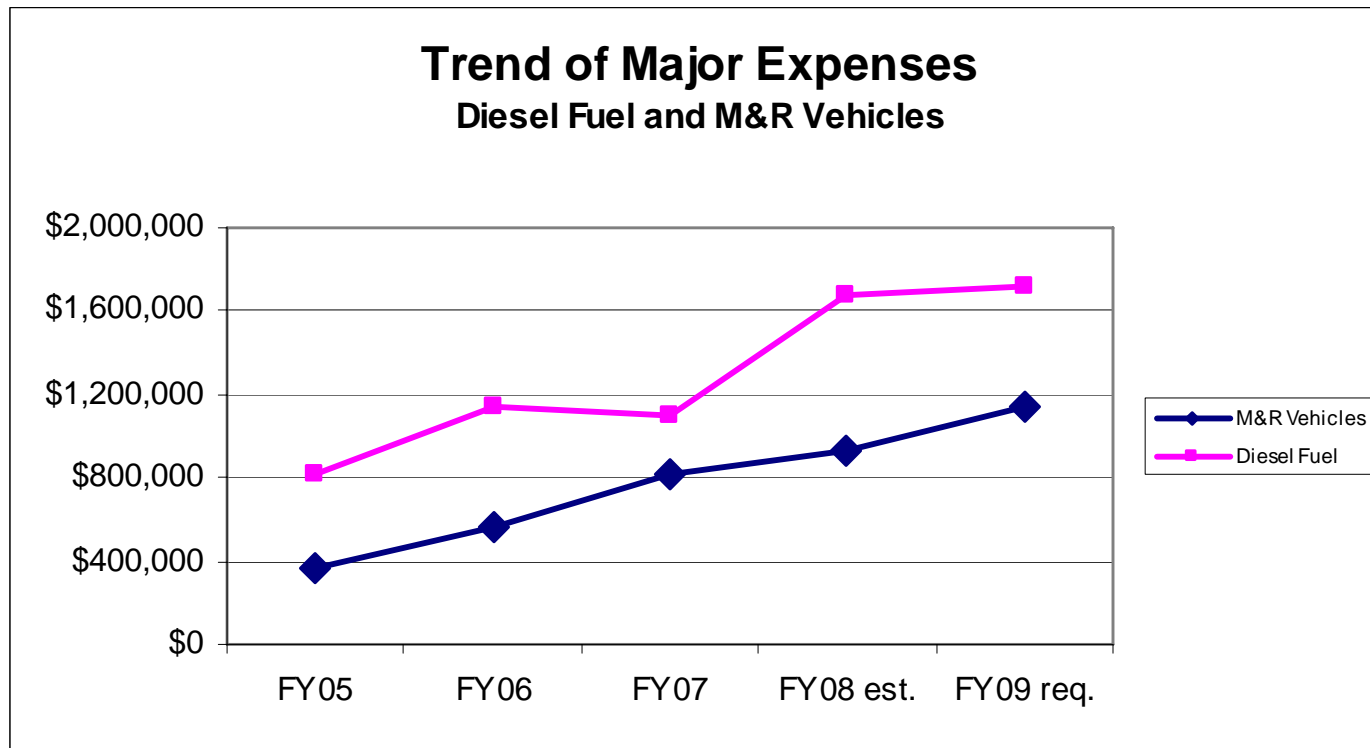


# Trends - Ridership

- FY2007-08 Ridership is up 11% year-to-date



# Trends – Fuel / Maint. Costs

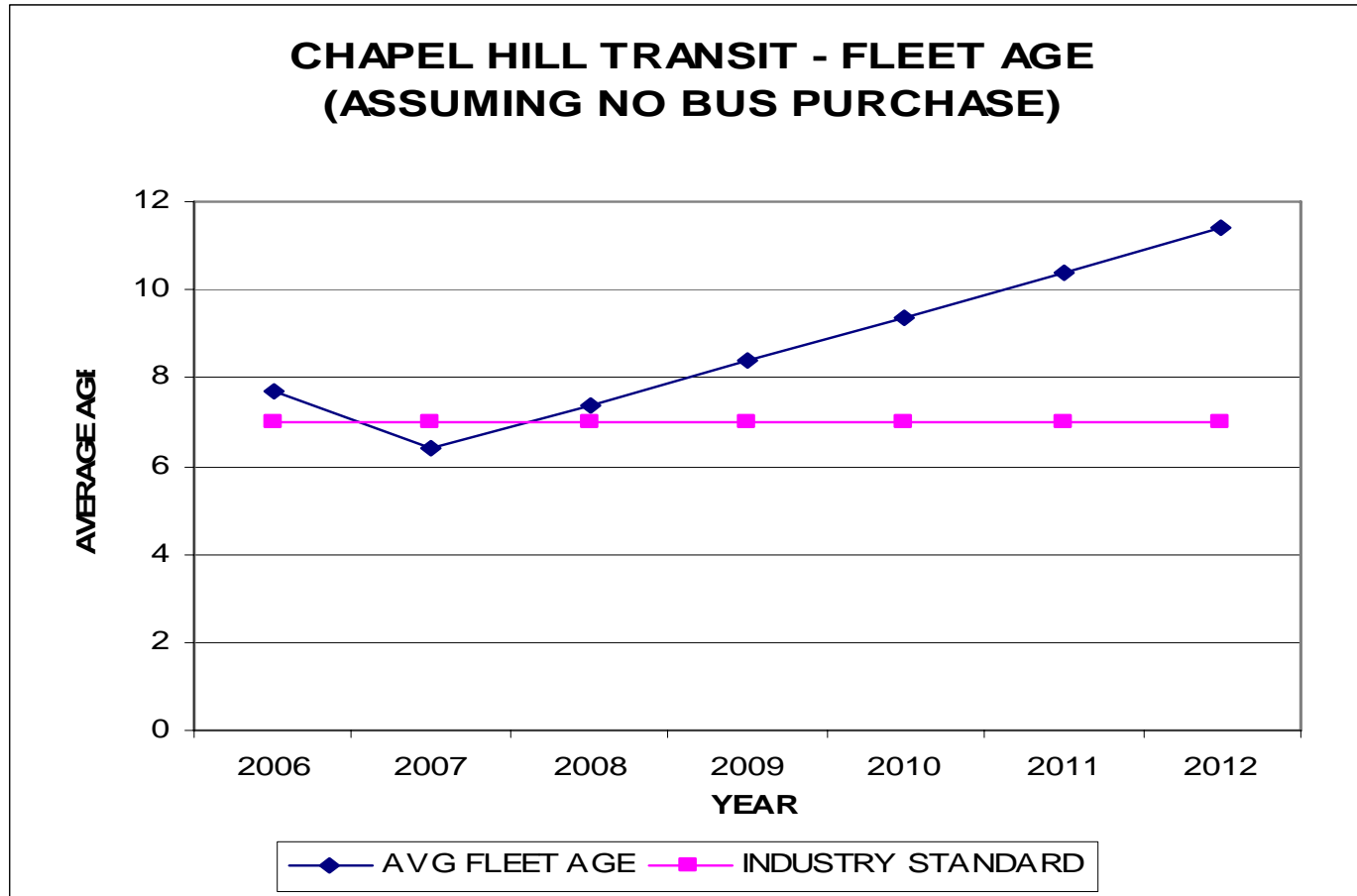


# Trends - Fleet

- Fleet is aging
- 26 buses eligible for immediate replacement
- Larger buses means more capacity
- Going “green”



# Trends – Fleet



- Routes at capacity
- Requests for service in new areas
  - Rogers Rd.
  - Weaver Dairy Ext
- Requests for expanded hours
  - Night
  - Weekend
- Regional coordination

- Maintain current services
- Continued focus on fleet maintenance
- Funding for new buses
  - 26 in need of replacement
- EZ Rider service study
  - Joint Grant with Orange County
  - Improved scheduling / training
- Improved public information



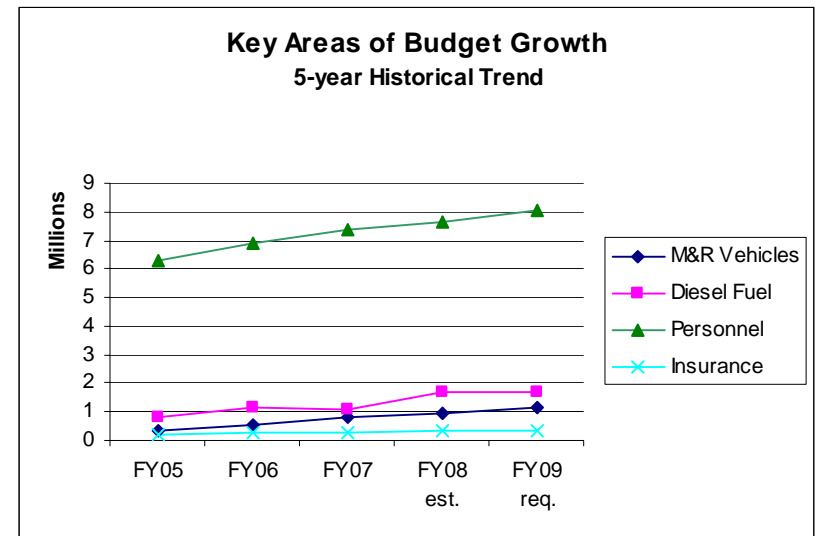
- Long Range Transit Plan
  - How do we get there from here???
  - Short Range transit planning
  - Funding a sustainable system
- Regional Planning
  - Cooperative planning
  - STAC recommendations

- Preliminary draft
- Partners
- Annual cost trends increase 6.5% annually
- Key areas comprise 94% of cost
  - Wages
  - Benefits
  - Fuel
  - Maintenance
  - Insurance
  - Utilities
  - Charges to General Fund
  - Building and Grounds



# Key Areas of Budget Growth

- Maint. and Repair - Vehicles have increased 158% since FY 2004-05
- Diesel Fuel costs have increased 106% since FY 2004-05
- Personnel Costs have increased 21% since FY 2004-05
- Liability Insurance Premiums and costs have increased an average of 10% per year



- Total operating expenses
  - FY 2008/09 (preliminary)           \$ 16,114,112
  - FY 2007/08 (budget)                 \$ 14,663,000
  - FY 2007/08 (annualized)           \$ 15,159,484
  
- Total operating expenses projected to increase 9.9% from FY 2008/09 budget-up \$1,451,000

- Sources of increase

● Fuel and Lubes –	\$270,000
● Maintenance and repairs –	\$416,000
● Wages and benefits	
● Operators / EZ Rider / fixed	\$200,000
● Overtime ops and maint.	\$130,000
● Capital reserve transfer –	\$300,000
● General fund transfer –	<u>\$ 50,000</u>
	\$ 1,366,000

- Service Requests

	Est. Annual Cost
● Rogers Rd	\$106,600
● Night service	\$288,100
● Weekend service	\$127,100
● Weaver Dairy Ext	\$26,100
● Regional Call Center	\$76,000

# Thanks for your support



## Trends – Current & Upcoming

- FY 2008-09 estimates for fuel and lubricant products represent a 37% increase over the current year budgeted amount
- The FY 2007-08 year-end estimate for M&R Vehicles exceeds the budgeted amount by 23%
- \$300K was not budgeted in FY 2007-08 for Capital Reserve

# Priorities for the Future

- Sustainability (develop consensus regarding transit growth and plan to sustain it)
- Improve maintenance and dependability of CHT fleet
- Improve public information and marketing
- Continue efficient and effective use of Town and partner resources



# Key Expenses – 5 year Projection

KEY EXPENSE INDICATORS	FY07-08 Projection	FY 2008-09 Projected	FY 2009-10 Projected	FY 2010-11 Projected	FY 2011-12 Projected
Salaries & Wages	6,893,664	7,504,679	7,804,866	8,117,061	8,441,743
Benefits	2,696,976	2,834,386	3,046,167	3,273,772	3,518,383
Diesel Fuel	1,679,249	1,719,951	1,823,148	1,932,537	2,048,489
Maint. & Repair Vehicles	975,936	1,168,063	1,226,466	1,287,789	1,352,179
M&R Bldgs/Grounds/Equip.	82,353	86,471	90,794	95,334	100,101
Utilities	144,846	149,191	153,667	158,277	163,025
Insurance	346,509	343,330	384,537	430,690	482,382
Charges by General Fund	986,060	1,400,943	1,470,315	1,543,458	1,620,597
<b>Total Key Expenditures</b>	<b>13,805,593</b>	<b>15,207,014</b>	<b>15,999,961</b>	<b>16,838,918</b>	<b>17,726,899</b>
<b>Total Estimated Budget</b>	<b>14,840,446</b>	<b>16,114,111</b>	<b>16,975,958</b>	<b>17,849,253</b>	<b>18,790,513</b>
<i>Key Expenditures as % of Budget</i>	<b>93%</b>	<b>94%</b>	<b>94%</b>	<b>94%</b>	<b>94%</b>



- Expense up 9.9 %
- Key areas of growth
  - Diesel fuel
  - Maintenance and repairs
  - Building and grounds -



# 5 Year Historic Growth Areas

Key Expenses	FY03-04 Actuals	FY04-05 Actuals	FY 05-06 Actuals	FY06-07 Actuals	FY07-08 Projected	Avg. Yrly % Inc
Salaries & Wages	\$5,447,342	\$6,004,133	\$6,030,839	\$6,642,553	\$6,863,664	6%
Benefits	\$1,978,652	\$2,129,205	\$2,209,232	\$2,441,595	\$2,696,976	8%
Diesel Fuel	\$563,697	\$814,043	\$1,139,680	\$1,092,134	\$1,679,546	34%
Maint. & Repair of Vehicles	\$508,146	\$464,306	\$773,282	\$946,436	\$975,936	21%
M&R Bldgs/Grounds/Equip	\$59,418	\$64,379	\$67,856	\$77,105	\$82,353	9%
Utilities	\$70,907	\$73,953	\$88,758	\$112,741	\$144,846	20%
Insurance	\$207,454	\$230,505	\$241,472	\$279,542	\$346,509	14%
Charges by General Fund	\$680,155	\$751,543	\$844,029	\$872,445	\$986,060	10%
<b>TOTAL KEY EXPENSES</b>	<b>\$9,515,771</b>	<b>\$10,532,066</b>	<b>\$11,395,150</b>	<b>\$12,464,550</b>	<b>\$13,775,893</b>	<b>10%</b>
<b>TOTAL BUDGET</b>	<b>\$11,646,590</b>	<b>\$12,469,180</b>	<b>\$13,254,555</b>	<b>\$14,256,085</b>	<b>\$14,840,446</b>	<b>6.25%</b>
<i>Key Expenses as % of Budget</i>	<b>82%</b>	<b>85%</b>	<b>86%</b>	<b>88%</b>	<b>93%</b>	<b>3.26%</b>

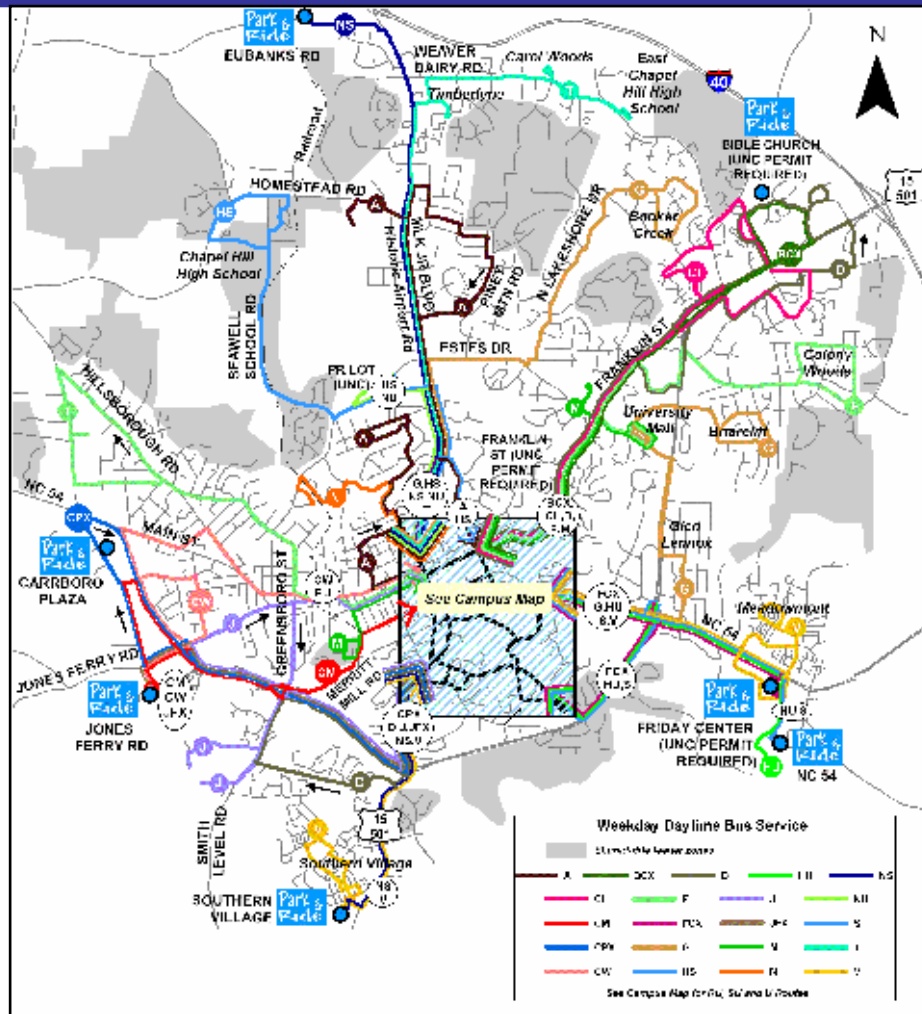


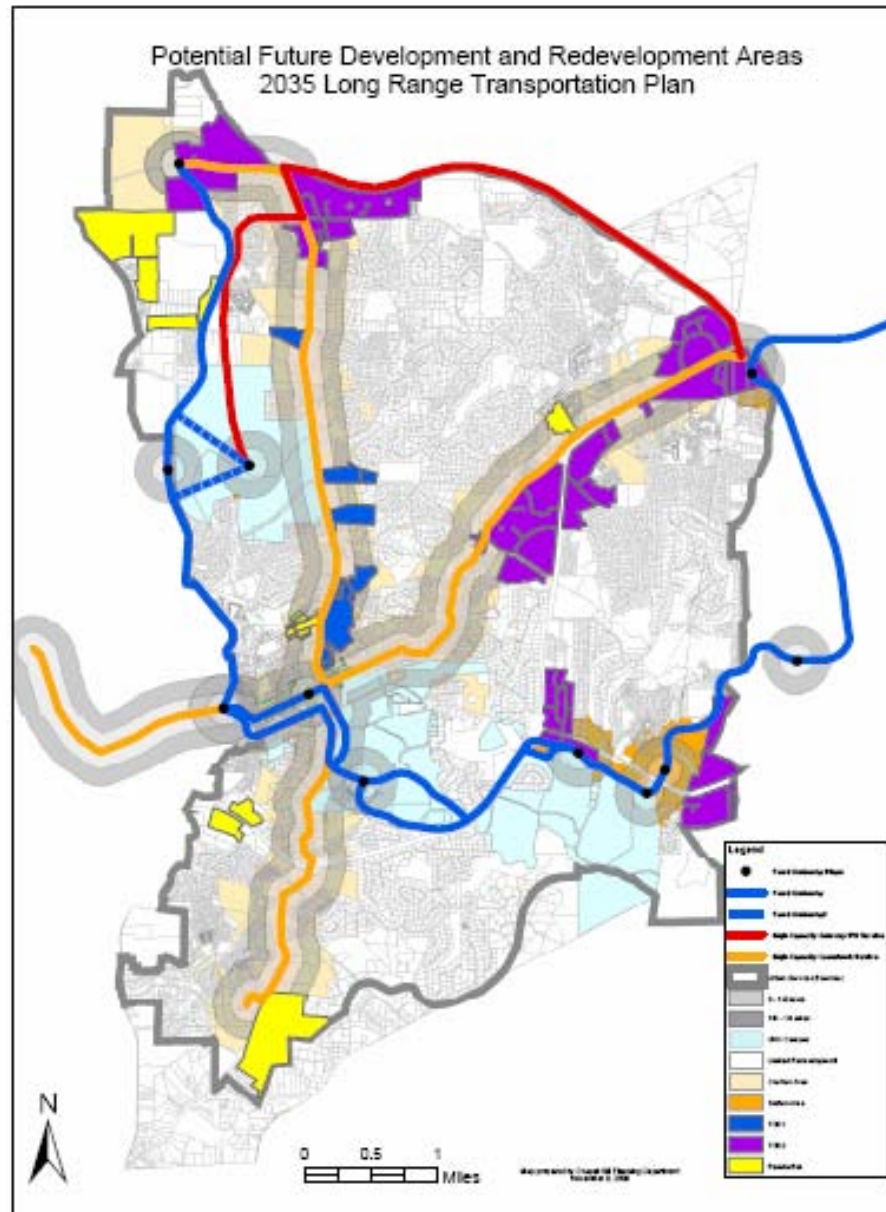
# 5 Year Operating Budget Projection

	FY2007-08 Current Budget	FY2008-09 Requested Budget	FY2009-10 Projected	FY2010-11 Projected	FY2011-12 Projected	5-Year Percent Increase
<i>OPERATING EXPENSES:</i>						
<b>Total Operating Expenses</b>	<b>\$14,840,446</b>	<b>\$16,114,111</b>	<b>\$17,161,528</b>	<b>\$18,277,028</b>	<b>\$19,465,034</b>	<b>31%</b>
<i>OPERATING REVENUES:</i>						
Preventative Maintenance (Fed)	\$1,115,308	\$1,182,226	\$1,253,160	\$1,290,755	\$1,329,478	19%
State Maint. Assist Program	\$3,475,000	\$3,579,250	\$3,686,628	\$3,797,226	\$3,911,143	13%
Other Revenues	\$839,823	\$856,619	\$873,752	\$891,227	\$909,051	8%
<i>PARTNER CONTRIBUTIONS (estimated)</i>						
Univ. of North Carolina	\$5,770,156	\$6,402,569	\$6,922,273	\$7,501,670	\$8,122,371	41%
Town of Carrboro	\$948,935	\$1,049,602	\$1,134,799	\$1,229,782	\$1,331,536	40%
Town of Chapel Hill	\$2,691,224	\$3,043,844	\$3,290,917	\$3,566,368	\$3,861,455	43%
<b>Total Operating Revenues</b>	<b>\$14,840,446</b>	<b>\$16,114,111</b>	<b>\$17,161,528</b>	<b>\$18,277,028</b>	<b>\$19,465,034</b>	<b>31%</b>



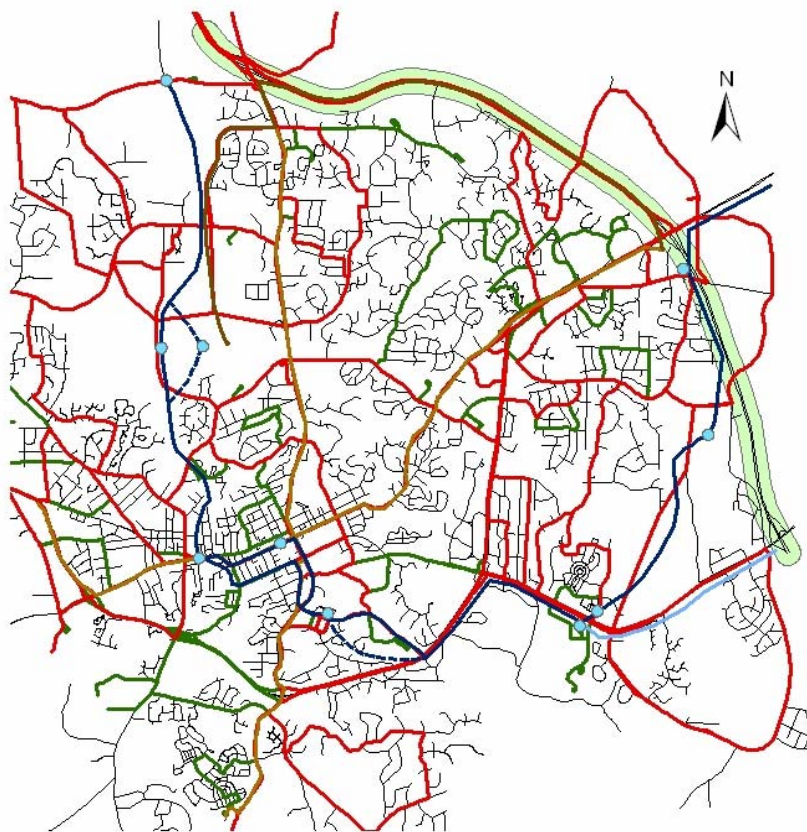
# System-wide Map







## 2030 Proposed Transit System



### Transit Corridors

#### Fixed Guideway

- Light Rail/Bus Rapid Transit
- NC-54 to Durham
- Possible Rail Stations

#### High Capacity Transit

- Crosstown Connectors
- Gateway P&R to Horace Williams

#### Buses

- Proposed Bus Routes
- Existing Bus Routes

#### Other

- HOV Lanes

Prepared by: Chapel Hill Planning Department  
Source: Chapel Hill Planning Department

# Accomplishments in 2007-08

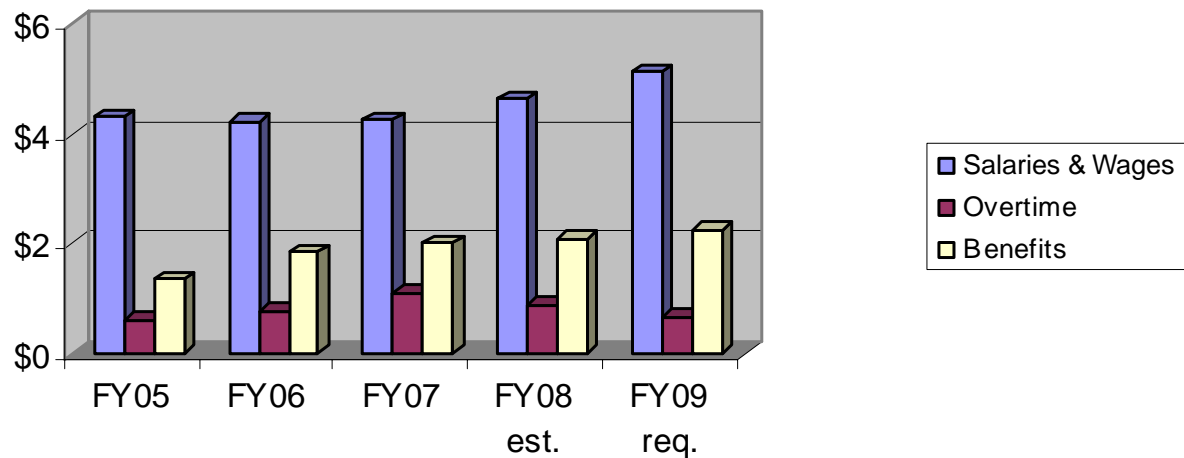
- **Fleet Modernization Program – 19 new buses**
- **Green Fleet Purchases and Activities**
- **Improved Communications with Partners**
- **Maintenance Efforts**





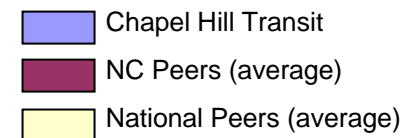
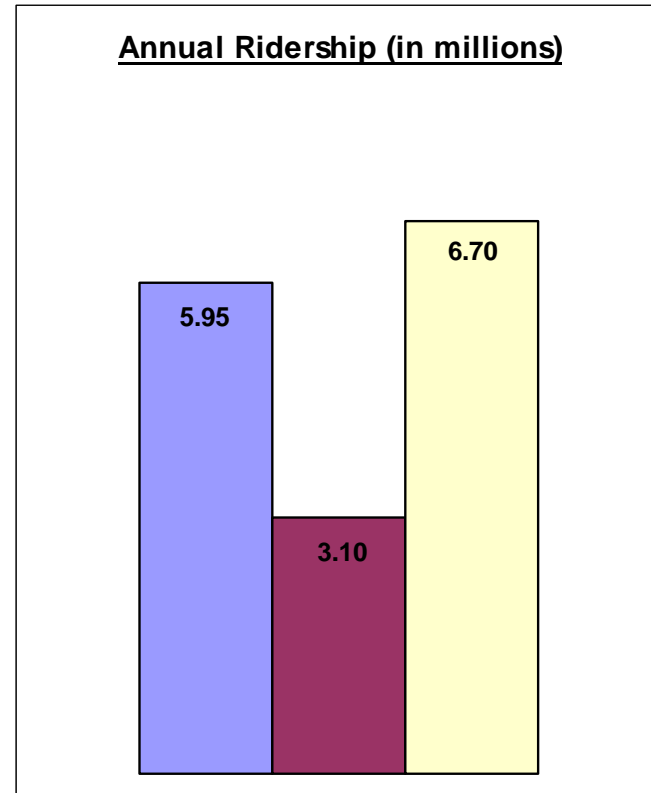
## Trends in Personnel Costs (Operations)

Millions



# Trends - Ridership

- Ridership has more than doubled since going fare-free in 2002
- Ridership appeared to slow in 2006, however the last quarter of 2007 was 19% higher than the same quarter in 2006



- Fleet is aging
- 26 buses eligible for immediate replacement
- Larger buses means more capacity
- Going “green”

