



CAPE FEAR PUBLIC TRANSPORTATION AUTHORITY

2013 ANNUAL REPORT

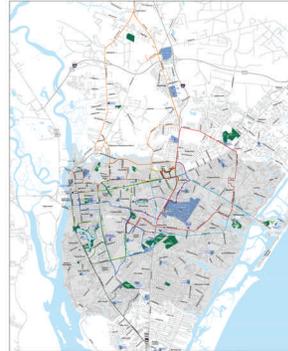
Restructured Routes & Fares Highlight Year

Following adoption of the *Wave Transit Short Range Plan* in 2012, the Authority implemented many of the recommendations highlighted in the plan in February 2013. Expansion of the service area, minor route modifications to keep buses on schedule and a thirty-three percent fare increase highlighted the changes. Additional measures to maintain the Authority's financial position were also undertaken.

An express route between Forden Station and Downtown Wilmington, elimination of duplicative services, service to the new Veterans Administration Clinic, and a new route to Pleasure Island were introduced to widen the coverage area served by the Authority. Shifting service hours, strongly supported in the short range planning survey process, were also implemented.

Public input leading up to the changes demonstrated the community's interest in the services offered by Wave Transit. A proposal to eliminate Sunday service, overwhelmingly opposed by the public was replaced by a fare increase. Following an initial drop in ridership, steady gains throughout the year coupled with rising farebox receipts demonstrated support for the changes.

Many challenges still linger from the changes that will require an ongoing dialogue to properly address. Most evident is the limitation of access to Wave Transit services as a result of the fare increase. The \$2.00 adult fare charged by Wave Transit is currently highest in the state. This limits access to public transportation services by those who are on limited incomes and leaves many available seats underutilized. Some of the challenges posed by the fare increase have been addressed by increased marketing of the Making Waves Foundation but the issue of fare equity is one that must continue to receive a high level of focus and attention from the Authority.



Regional Efforts Continue

As the Authority enters its tenth year, increased efforts to improve access to services throughout the region remain a priority. Chartered to provide services to all of New Hanover County, the Authority has struggled to find adequate local revenues to increase its fixed route service area to encompass the entire county. The Authority has had great success in providing service to Northern Brunswick County and increased regional coverage within and beyond New Hanover County remains a priority.

Spurred by restructured routes that have expanded the coverage area, the Authority held several formal meetings with elected officials throughout the region to develop funding strategies that meet the diverse needs of cities, towns and counties encompassing Southeastern North Carolina. As the discussion continues in 2014, the Authority is confident that consensus for a strong public transportation system which meets the diverse needs of the region can be realized.

Authority Members

Honorable Jonathan Barfield
New Hanover County Board of Commissioners

Honorable Kevin O'Grady
Wilmington City Council

Capt. David Scheu, USN (Ret.)
Chairman

Hank Adams
Vice-Chairman

Don Betz
Secretary

Bill Bryden

Euran S. Daniels

Chris Hawkins

Jeff Petroff, PE

Wylie Beck Smith, III

Staff

Albert Eby
Executive Director
(910) 202-2035
aeby@wavetransit.com

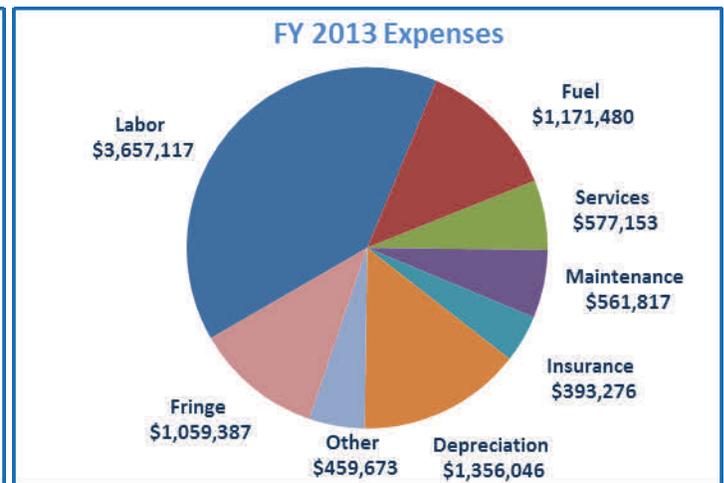
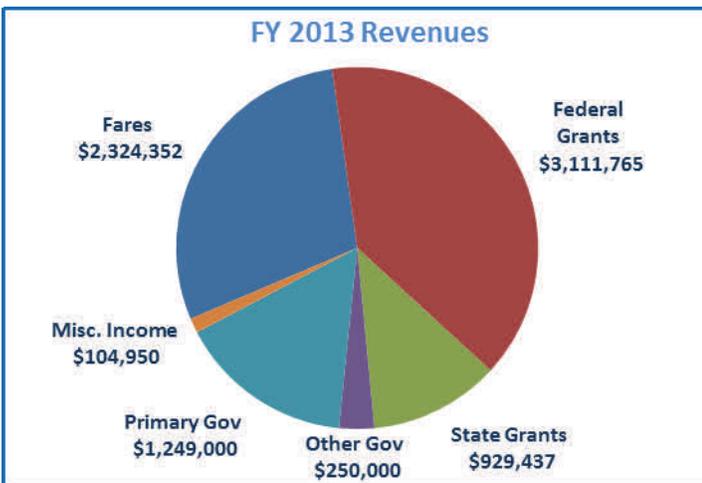
Megan Matheny
Director of Planning & Development
(910) 202-2057
mmatheny@wavetransit.com

Joseph Mininni, CPA, MBA, CMA
Director of Finance & Administration
(910) 202-2056
jmininni@wavetransit.com

Jean Smith
Director of Operations
(910) 202-2062
jsmith@wavetransit.com

Fiscal Year 2012-2013 Operating Revenues & Expenses

In FY 2013, actual charges for transportation services represented nearly thirty percent of all revenues. Direct recovery for services reduces the amount of subsidies required. The Authority annual audit report is available online at: http://www.wavetransit.com/Portals/0/documents/FY_13_Audit.pdf.



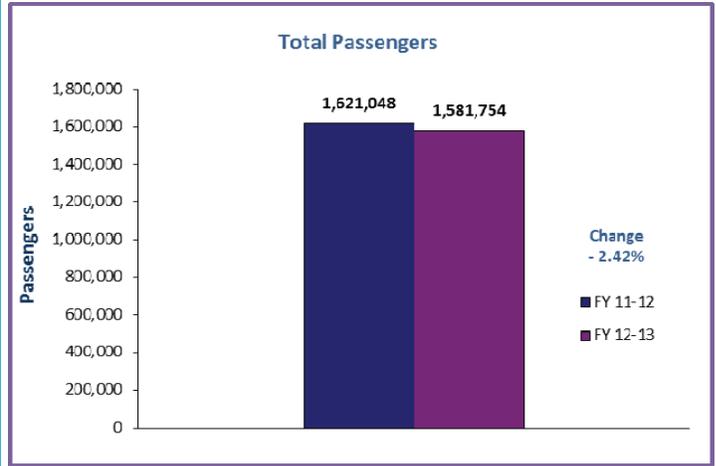
Operations Center Groundbreaking

On April 25, 2014, the Cape Fear Public Transportation Authority awarded an \$8,976,500 contract to Clancy & Theys Construction of Wilmington for a 36,000 square foot operations and maintenance facility. The new facility was designed to meet Leadership in Energy & Environmental Design (LEED) standards and hosts numerous sustainability features including: geothermal heating and air conditioning; a compressed natural gas (CNG) fueling station; water saving fixtures; native landscaping which will eliminate irrigation systems; light emitting diode (LED) exterior lighting; and a water reclamation system incorporated into the bus wash system. Features of the facility include: an undercarriage bus steam cleaning system; training facilities for seventy five participants; medical office; wellness center; operator amenities including a quiet room; and a bus training simulator. None of these features are currently available and the facility will be a marked improvement over the current accommodations. The facility is conveniently located at 1480 Castle Hayne Drive near downtown Wilmington. Completion is expected in November 2014.



Fiscal Year 2012-13 Operating Statistics

Overall ridership showed a 2.42% decrease over 2012. Much of the loss is attributable to the route restructuring and fare increase in February. Ridership on the Seahawk Shuttle continues to increase and was at its highest level since inception of the program in 1997.



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Peer Analysis

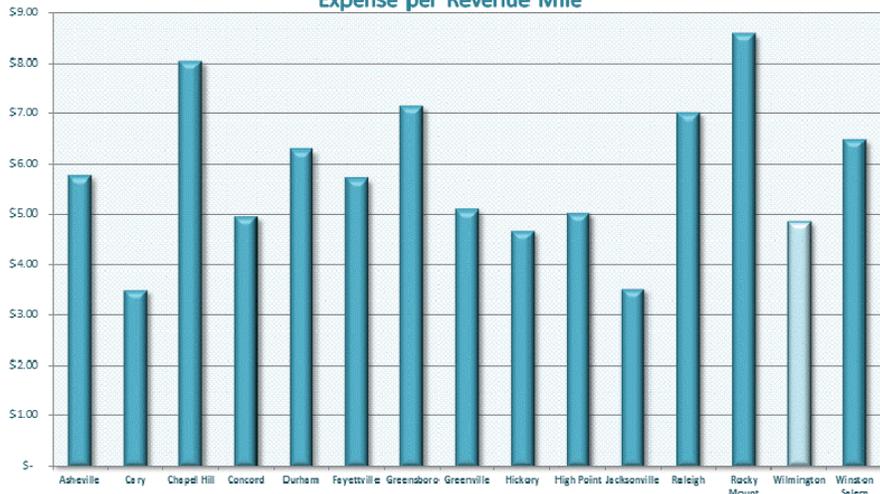
The Authority annually evaluates its performance among peers to ensure that the community's investment in transit is efficient, economical and effective.

The 2012 peer analysis showed that Wave Transit carried slightly over one passenger for every revenue mile traveled based on over 1.5 million passenger trips. The Authority reported the fourth lowest cost per passenger mile in North Carolina.

The Authority also reported 16.11 passengers per revenue hour. The cost per revenue hour was fifth lowest in the state. These statistics demonstrate that the Authority exceeds in the economic and efficiency metrics compared to transit systems in North Carolina. The data, derived from the National Transit Database, produced similar findings in 2011.

The Cape Fear Public Transportation Authority clearly meets its responsibility to provide efficient and effective public transportation service to the Cape Fear region while minimizing the financial subsidy of local funding partners and taxpayers.

Expense per Revenue Mile



Looking Ahead 2014

Challenges Ahead

Rising costs and shrinking subsidies will continue to challenge the Authority in 2014. Insurance costs and unstable fuel pricing continue to exert downward pressure on the Authority's ability to accurately forecast expenses.

Uncertainty at the federal and state level supporting transit also make for an unclear picture. Funding for MAP-21 is set to expire on September 30, 2014 and inadequate revenues coming into the highway trust fund continues to challenge public transportation providers when planning for future needs. Subsidies at the state level also remain uncertain.

Moving Forward

The transition to a new operations and maintenance facility will dramatically improve the efficiency of the operation. Infrastructure improvements will provide a safer working environment, streamlined operations, improved training facilities and more efficient and economical delivery of services. Automated bus washing equipment will improve the Wave Transit brand throughout the community.

The conversion of the fleet to CNG is expected to see delivery the first CNG powered vehicle in 2014. CNG will reduce emissions and fuel costs and a new fleet will reduce maintenance costs and mechanical failures. Eighteen new buses, fifteen shuttle buses and twenty-six new vehicles, comprising over ninety percent of the fleet are programmed to be replaced over the next five years.

