



CAPE FEAR PUBLIC TRANSPORTATION AUTHORITY

2016 ANNUAL REPORT

Transit Improvements Underway

After years of planning, revenue identification, and public input, Wave Transit rolled out several significant transit improvements in 2016. These efforts include:

Passenger Waiting Shelters - long identified as a significant service need and an impediment to attracting new passengers, a program to introduce up to fifty shelters and benches at bus stops over five years became a reality in 2016. With generous local support from the City of Wilmington and New Hanover County, Phase 1 of the Wave Transit amenities update program introduced five new shelters along a number of stops throughout the service area. Phases 2 and 3, which will include benches, shelters, and sidewalk improvements, are in the permitting stage and should be complete in 2017. The significant investment in these important amenities demonstrate the commitment of the Authority to ensure that Wave Transit passengers have a safe and comfortable area to access our services.



WaveConnect - in 2016 the Authority launched the WaveConnect initiative aimed at "Making Public Transportation Available to All." Led by a board committee of passengers, nonprofits, elder and disabled advocates, and veterans agencies, and under the direction of the Authority's Mobility Manager, the effort has developed a *Locally Coordinated Elder and Disabled Transportation Plan* with significant input from the community. See page 2 for additional information about this exciting program.

Public Outreach - the addition of a Mobility Manager has allowed the Authority to improve its outreach efforts to the region. In 2016 Wave Transit significantly improved our social media presence and began efforts to develop and launch a mobile application and updated web site in 2017.

Fleet Improvements - in 2016 the Authority added four new compressed natural gas buses and three new shuttle buses to the fleet. These vehicles will reduce maintenance costs and improve air quality through reduced emissions. New CNG buses also significantly reduce fuel costs. In August 2016 the gallon equivalent cost for natural gas was 38 cents per gallon, an incredible \$1.07 per gallon savings over diesel!

Wilmington Multimodal Transportation Center - long anticipated progress on the Downtown Wilmington Multimodal Transportation Center was finally realized in 2016. The U-Haul building was demolished and the real property for the downtown transfer station was transferred to the Authority. Building stabilization and renovation funding was secured through federal and state sources. The next steps include renovation design and construction. Project completion is anticipated to occur in early 2018.



Authority Members

Honorable Jonathan Barfield, Jr.
New Hanover County Board of Commissioners

Honorable Kevin O'Grady
Wilmington City Council

William Bryden
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Wylie Beckman Smith, III
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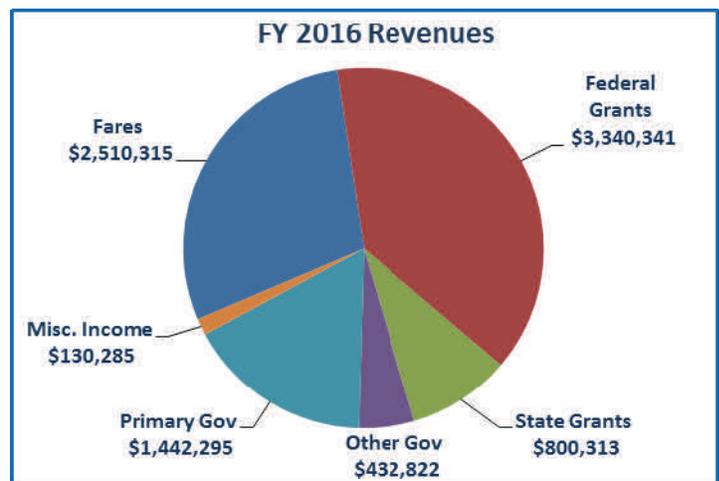
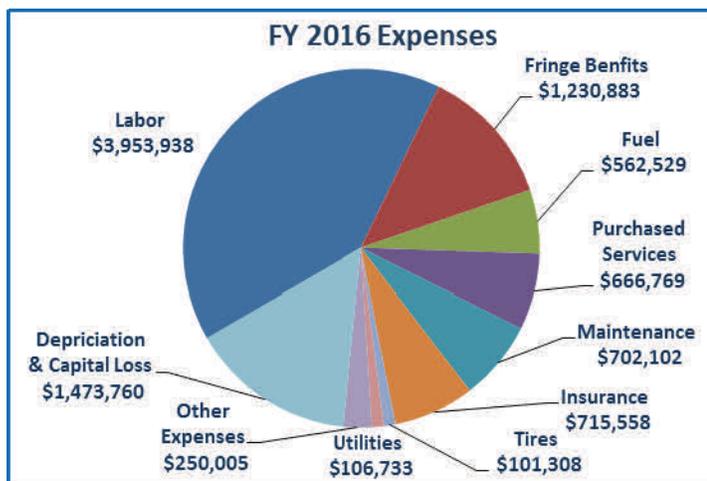
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Fiscal Year 2015-2016 Operating Revenues & Expenses

In FY 2016, expenses increased 1% over FY 2015. Increased costs to maintain an aging and fully depreciated fleet of rolling stock, meet the rising demands of a competitive labor market, and keep pace with an improving economy was challenging. The increased costs were offset by continued low diesel and gasoline prices and fuel savings from conversion to compressed natural gas which realized savings of over \$1.00 per gallon equivalent during several months of the year. Additional savings will be realized by acquiring new CNG buses.

Even with a decrease in ridership, actual charges for transportation services represented 29% of all revenues, equal to FY 2015. Fare recovery represents actual dollars paid for service by end users. The recovery rate is important because increased farebox recovery minimizes taxpayer subsidies. The Authority's annual audit report is available online at: http://www.wavetransit.com/Portals/0/documents/2016_Audit.pdf



Wave Connect Debuts

Under the federal MAP-21 regulation, Congress changed federal appropriations under Section 5310 to allocate elderly and disabled transit funding directly to local governments instead of the states. The belief was that planning efforts and the needs of the elderly and disabled could be better identified and met at the local level. The region has designated the Cape Fear Public Transportation Authority as the recipient of federal \$5310 funding and in 2016 the program was branded Wave Connect.



To date the effort has shown tremendous success. Wave Transit was able to draft a federally compliant *Program Management Plan* which provides an overview of the region's efforts toward elderly and disabled transportation. In December 2016, the Authority adopted the *Locally Coordinated Public Transportation Plan* which quantifies and prioritizes the needs of the elderly and disabled in Southeastern North Carolina and their mobility challenges.

These important planning efforts will lead to a targeted approach to elderly and disabled allocations and will result in improved service delivery and program efficiency. Both plans are available at www.wavetransit.com/documents.

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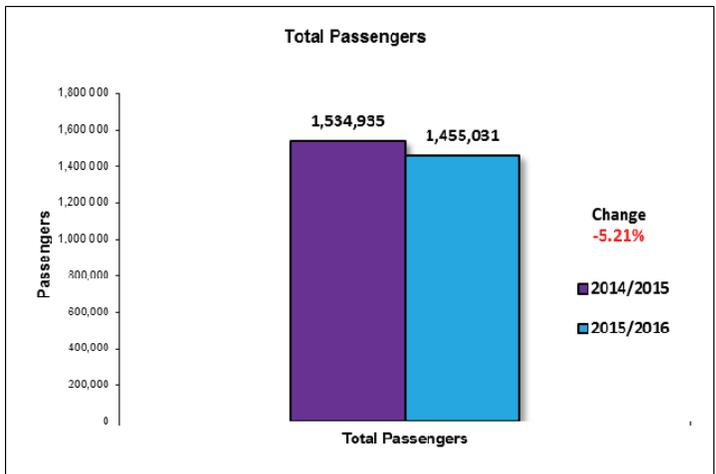
In 2016 the Making Waves Foundation received donations and local grants totaling over \$10,595 and granted requests for reduced transportation services for over 4,794 trips. The Foundation continues to deliver upon its mission to provide assistance to members of the community in need who otherwise would not have access to transportation. Your tax deductible donation can make a difference in Southeastern NC. Please consider a gift today.

Fiscal Year 2016 Ridership

Overall ridership showed a 5.21% decrease from FY 15 to FY 16. Fixed route passengers decreased by 5.60%. Ridership on the Seahawk Shuttle decreased by 5.75%, and Paratransit ridership increased by 5.76%.

Falling transit ridership is trending nationwide. The majority of the decrease is attributable to a relatively long period of low fuel prices and a healthy economy. The proliferation of ride sharing companies like Uber and Lyft are also siphoning passengers from traditional bus transit. Aging buses without technological amenities to attract new riders and are also believed to contribute to the trend.

As with any industry, public transportation is cyclical and many of the factors to improve ridership are beyond the reach of the Authority. A plan to introduce new buses will assist in maintaining current riders and attracting new ones. Service expansion, including areas served and the hours of service are also critical to reversing sliding passenger tendencies. As the region continues its growth, Wave Transit should have the infrastructure in place to meet future transit needs.



Looking Ahead 2017

2017 Planning Efforts

Following adoption of Cape Fear Transportation 2040 by the Wilmington Metropolitan Planning Organization (WMPO), Wave Transit is preparing to begin its latest short range plan. The plan will set a course for public transportation initiatives, route structure, and revenue programming for the next five years.



Under the direction of the Authority's Operations and Planning Committee made up of Board members, staff, WMPO planners, passengers, interested citizens, and professional transit planning consultants, the 9 - 12 month plan is an important tool for mapping future public transportation needs of the community. Marketing, public relations, and community support for meeting the transit needs of a quickly growing region will be the focus of the report. A key component of the plan will be extensive data collection to quantify public opinion, level of support, and transit needs of the region.

The Authority has drafted and is working toward adoption of a *Short Range Financial Plan* to quantify future revenues and expenses in an effort to prepare for upcoming essentials, including significant bus replacement. The *Short Range Financial Plan* will serve as the fiscal planning blueprint for future Authority initiatives.

Organizational Analysis

In 2016 the Authority identified organizational limitations that could pose future threats to operational efficiency and effectiveness if not addressed. The greatest threats come from a vastly improved job market which places great emphasis on recruiting seasoned transit professionals. The lack of identified senior leadership succession and the ability to provide market competitive compensation could have repercussions if not addressed.

To this end, an ad hoc Personnel Committee was appointed by the Chairman to provide an in depth look at efforts to prevent or minimize significant interruption of administrative efforts caused by employee turnover. The committee has commissioned a salary analysis to ensure that the investment in employees is competitive and responsible. It is anticipated that organizational restructuring of administrative personnel may be a result of the effort. A succession plan, drafted to ensure seamless transition of administrative employees will be a key component of the report.

The succession plan will focus on organizational gaps in training, education, and other areas where limited employees with significant institutional knowledge can be replaced without significant disruption to the Authority or its passengers. Completion of the plan is expected in the spring with adoption to commence shortly thereafter. A timeline for implementation will be a component of the plan and the amount of time necessary to roll out the effort will be dependent upon the complexity of the plan specifics.