



Cape Fear Public Transportation Authority

Providing Service and Value

Introduction

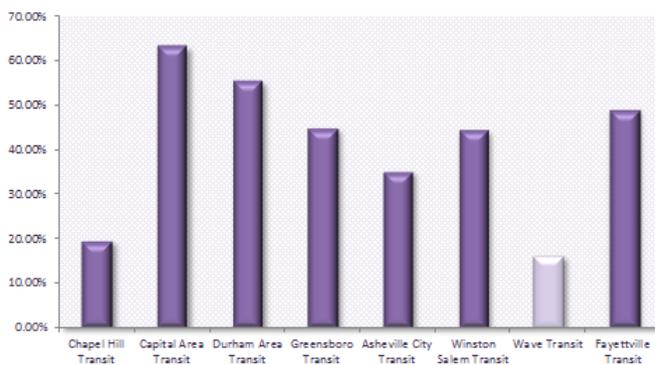
The purpose of this brief is to analyze how systems in urban North Carolina cities fund and support public transportation. It will also analyze the effectiveness and efficiency of Wave Transit in comparison to similarly sized transit systems in the state. Since transit systems offer different services and serve differing demographics, accurate comparison can be challenging, but the following broad comparison is valuable. The transit data used for this analysis was compiled by the National Transit Database (<http://www.ntdprogram.gov>). The budget data of cities was obtained from websites of the individual municipalities.

As is the case with Wave Transit, the systems in this abstract may be supported by multiple local governments. For example, Chapel Hill Transit is funded by the Towns of Chapel Hill and Carrboro. This analysis focused solely on local funding by the primary government. Services provided by the peer groups studied also vary greatly. This analysis was dedicated exclusively to fixed route transit and complementary Paratransit.

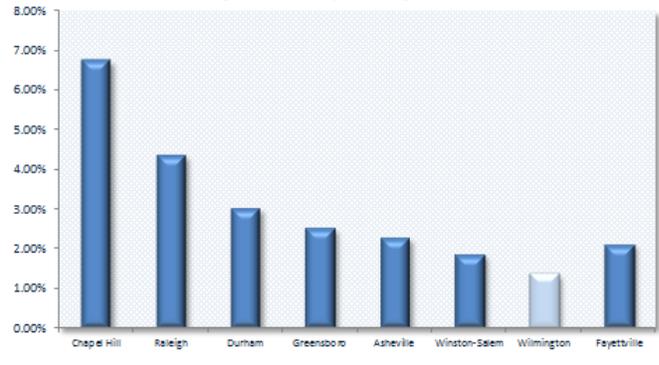
Primary Government Support

Wave Transit benefits tremendously from its support by the City of Wilmington which in turn receives great value for its investment in transit. In FY 2011 the City of Wilmington general fund contribution made up 16% of the Authority's annual operating budget, the lowest of all peer systems analyzed. The City's 1.175 million dollar

Transit Operating Budget From Primary Government



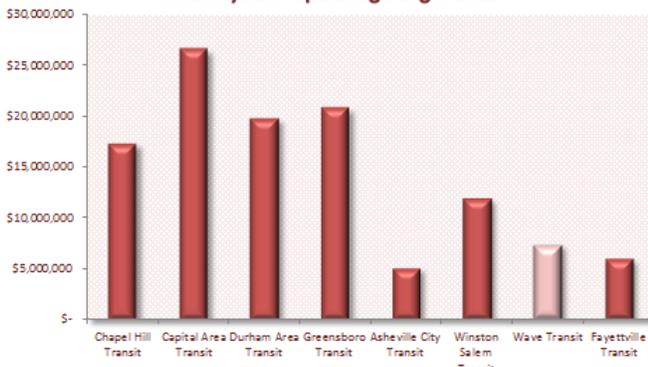
Percentage of Municipal Budget for Transit



contribution was 1.38% of the City's budget for the same year. This was the second lowest overall percentage. This is not to imply that the Authority does not receive adequate support from the City of Wilmington. It is proof that regionalization can be economically beneficial. Operating as a regional transit provider, Wave Transit is able to provide a high level of service at a low cost to the primary government.

Absent a dedicated funding source (i.e. vehicle registration fee, dedicated sales tax, etc...) utilized by most of its peers, the Authority is forced to manipulate the only source of revenue for which it has control which is passenger fares. This leads to the Authority charging a comparatively high fare to its passengers. Wave Transit has the highest fare of any of its peers in North Carolina. It can be argued that the end user should bear a significant portion of the cost of service. While this is a laudable goal, balancing the taxpayer subsidy and the affordability of service is challenging.

Transit System Operating Budget 2011



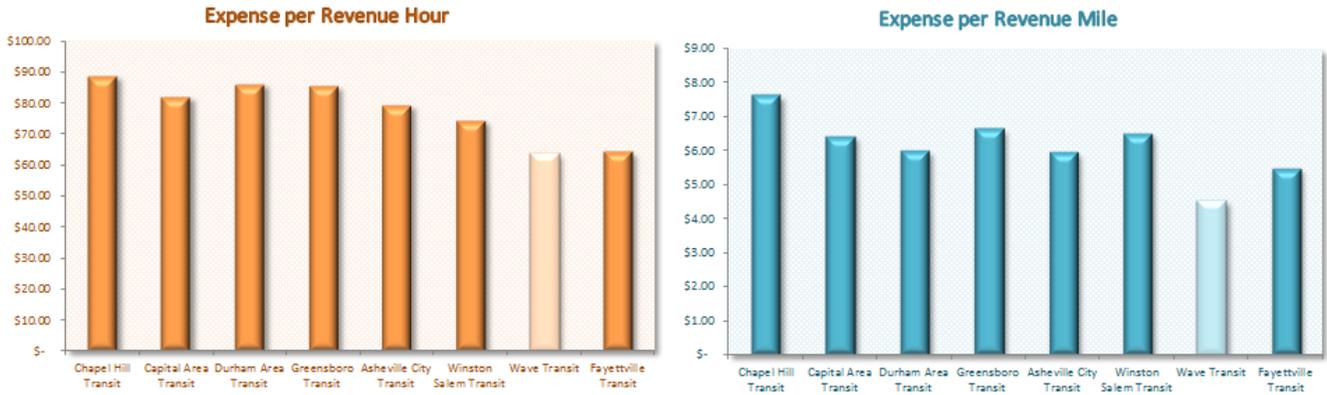
Current Adult Fare



Efficiency & Effectiveness

Service efficiency and effectiveness are important performance indicators in evaluating public transportation. Economy is only valuable if the services provided are effectively serving the needs of the community. Economy is typically measured by expense per revenue mile or expense by revenue hour. These are also measures of efficiency since ridership is used in the calculation. Wave Transit expends less per revenue mile and less per revenue hour than any of its peers.

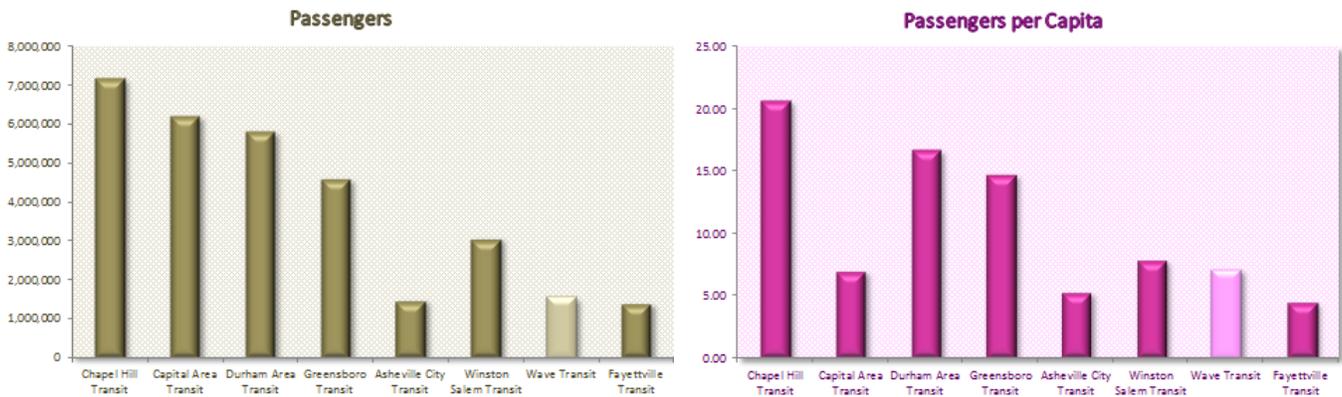
It may be argued that expense per revenue mile is somewhat skewed due to the county's small geographic footprint, giving Wave Transit an unfair advantage over its peers. Service efficiency, when calculated as expense



per revenue hour, proves that Wave Transit provides a very economical service in comparison to similar systems.

Effectiveness is typically measured by use of the service. Passengers per revenue mile, passengers per revenue hour, overall passengers and passengers per capita are common metrics used to measure effectiveness. Data from all of these performance measures can make comparison difficult due to demographics, economics, population, population density and a host of other factors.

In 2011 Wave Transit reported 1,567,499 passenger trips. Based on the census population of 219,957 in the Wilmington urban area, Wave Transit had 7.13 passengers for each citizen of the urban area. This was only slightly below the median of the systems listed in the charts.



Analysis

This abstract is evidence that the Cape Fear Public Transportation Authority excels in providing efficient and effective public transportation service to the Cape Fear region while minimizing the financial subsidy of its local funding partners, particularly the City of Wilmington, and its taxpayers. Wave Transit is staffed to meet numerous reporting and compliance requirements in a streamlined manner. The operation of Wave Transit is managed to keep expenses in check. An engaged board judiciously monitors the financial dealings of the Authority.

Continued escalation in passenger fares threatens to jeopardize the ability of Wave Transit to provide affordable public transportation to its core demographic which is the transit dependent. Riding fares also reduce overall ridership which threatens the efficiency of the system and leaves the Authority with valuable unused passenger seats. Absent a general fund comparable to all of the peer systems analyzed, the Authority must continue to seek the proper balance to meet challenging cash flow requirements. Resolving this important funding concern is paramount to the continued success of the Authority.