



CAPE FEAR PUBLIC TRANSPORTATION AUTHORITY

2018 ANNUAL REPORT

Hurricane Florence Tests Authority's Preparedness

On September 14, 2018 Hurricane Florence made landfall just south of Wrightsville Beach, NC as a Category 1 hurricane. Over the course of four days, Hurricane Florence pelted the greater Wilmington area with unprecedented rain and flooding. The storm ranked second only to Hurricane Harvey in 2017 in amounts of rainfall. Wave Transit services were suspended for ten days due to flooding, downed power lines and significant infrastructure damage.

Pre-storm services provided to the community included: out of county evacuations; intra shelter transportation; in-county transportation to emergency shelters; and non-emergency medical transportation services.

Post-storm activities included: first responder transportation services; non-emergency medical transportation; reintegration of evacuated residents; UNCW student transportation; and shelter relocation assistance.

Many lessons, both positive and negative, were learned during the disaster. One of the most important takeaways from Florence is that a strong and well funded public transportation system is invaluable during times of emergency. Transportation ranks very high in importance when dealing with significant disasters. The services provided by Wave Transit before and after Florence were vital to ensuring the safety and well being of our community. Although several lessons were learned throughout the event, the response by Wave Transit was excellent and only minor changes to the response are being considered.

Authority employees put the community ahead of their personal needs and were essential to a successful response. The relationship between the Authority, NHC Emergency Management, NC Emergency Management, the Red Cross and NCDOT-PTD was proven to be a key to the successful response. Each of these agencies have demonstrated a strong commitment to serving communities in emergency situations and the level of knowledge and professionalism can not be overlooked. While we hope future significant storms will not impact the area, we find comfort in the fact that our efforts to respond to a disaster have been tested and proven successful.

The region will recover from Hurricane Florence and be stronger from it. Authority employees continue to volunteer and serve the community as our recovery efforts continue and our appreciation for these efforts is greater than words can express. The Authority is proud of our efforts in response to Florence and will remain diligent in providing value to Southeastern North Carolina.



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Wilmington City Council

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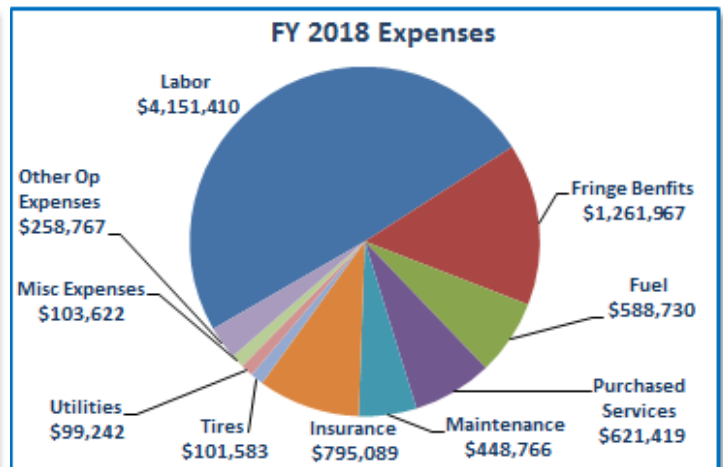
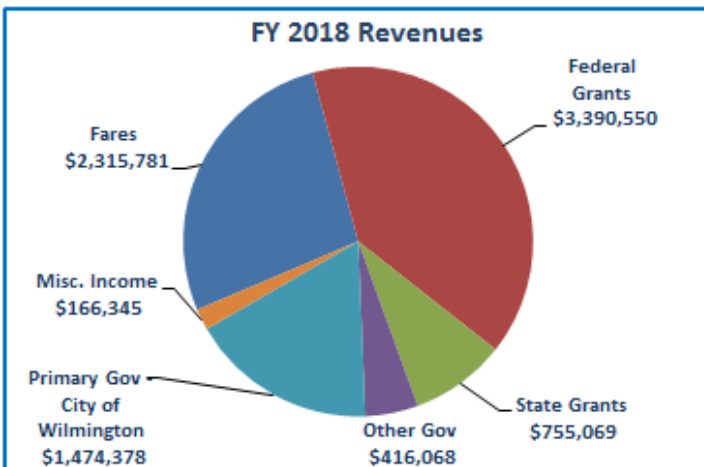
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Fiscal Year 2017-2018 Operating Revenues & Expenses

In Fiscal Year 2018, expenses increased 4.31% over FY 2017. Increased costs were witnessed in almost every line item with the most significant increases in the labor and fuel categories. Maintenance of an increasingly aging fleet also contributed to increased expenses in 2018.

Charges for transportation services represented 27.19% of all revenues, slightly lower than FY 2015 and FY 2016. 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 2018 audit report is available online at: https://www.wavetransit.com/wp-content/uploads/2019/01/2018_Audit-1-unlocked.pdf.



WMMTC Begins Final Phase of Construction

After twenty years of stops and starts, the WMMTC began its final phase of construction on December 03, 2018. Bolstered by generous funding from the Wilmington Metropolitan Planning Organization through the Surface Transportation Block Grant Program, the reality of a safe and modern public transportation facility in Downtown Wilmington is finally coming to fruition. The WMMTC will feature safe off-street bus transfers, staffed customer waiting areas, public restrooms, and a facility that will transform a long idle parcel in the Brooklyn neighborhood. Barring unforeseen delays, the WMMTC is expected to be dedicated in 2019.

Funding for New Buses Awarded

On April 05, 2018 Wave Transit was awarded FTA §5339(b) program funding for seven buses and two trolley replica vehicles. \$264,000,000 from a total of approximately \$2,000,000,000 requested nationwide was awarded under the program. The Cape Fear Public Transportation Authority was one of two North Carolina transit systems chosen for funding. The award of \$3.6M in FTA funding will assist Wave Transit with the purchase of seven new CNG buses and two new CNG trolleys, which represents almost 40% of the bus fleet. The buses are scheduled to begin production in June of 2019 for a July delivery. Bids for the trolleys were released in December 2018.

Support the Making Waves Foundation

Donate online at www.wavetransit.com/makingwaves



In 2018 the Making Waves Foundation received donations and local grants totaling \$9,900 and granted requests for reduced transportation services for \$11,258 trips. The total pass value of transportation assistance awarded was \$17,490 and the total number of transportation passes awarded was 5,527. The Foundation continues to deliver upon its mission to provide assistance to members of the community who otherwise would not have access to transportation. Your tax deductible donation can make a difference. Please consider a gift today.

Looking Ahead - 2019

Planning Efforts Lead to Improvements

In 2017 the Authority kicked off its five year short range planning effort. Consulting firm Nelson Nygaard was tasked with collecting data and evaluating peer systems to deliver a plan to deal with the rapidly changing transit environment. A separate effort analyzing the operating efficiencies and governing structure of the Authority was commissioned by the City of Wilmington and New Hanover County in 2018. Both studies were presented to the community in 2018 and recommendations from the consultants have been analyzed.

Revenue neutral recommendations were suggested to be implemented with the opening of the WMMTC in 2019. Other improvements are being reviewed to determine the funding necessary to make these important changes.

Of great importance is improvement to the Downtown Trolley initiative. The studies, advised by a group of downtown stakeholders, have already moved to implement a pilot trolley route to include the Castle Street and South Front districts. Long term changes will be gauged by the success of the pilot program.

Other improvements, including new routes to serve the rapidly growing region, are being analyzed to determine resources available to meet the public transportation needs of the community.



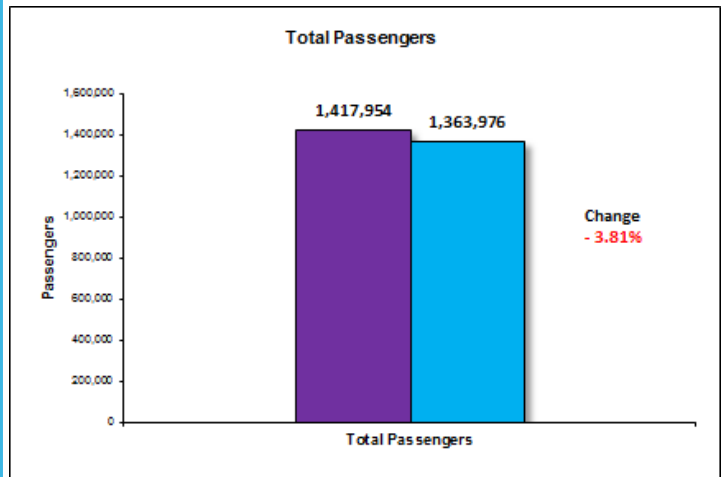
Federal Shutdown Threatens Stability

On December 22, 2018 federal funding for the US Department of Transportation for fiscal year 2019, operating under a continuing resolution, expired. Without a full year appropriation or a continuing resolution for short-term funding, most USDOT employees, including most employees of the FTA, were furloughed. This resulted in Wave Transit being unable to draw federal funds appropriated to active grants.

In the short term, the Authority is able to continue transit service utilizing fund balance. A prolonged shutdown, which some are forecasting, could result in the suspension of service as well as a disruption in the WMMTC project due to a lack of federal reimbursement. The shutdown highlights the Authority's precarious financial situation due to lack of a dedicated funding source.

Ridership

Overall passengers decreased by 3.81% from FY 17 to FY 18 representing a continuing trend in Wave ridership. The decrease is less than the national average of 5.0%.



Funding Challenges Lie Ahead

A key component highlighted in both the *Wave Transit Short Range Plan*, and *Wave Transit's Short-Term Efficiencies and Long Term Governing Model* studies was the lack of dedicated funding available to the transit Authority. According to TransPro "The biggest improvement to Wave Transit service would be the securing of dedicated funding - this will allow the realization of the transit vision described in both New Hanover County and the City of Wilmington's Comprehensive Plans." Nelson Nygaard states "Several future complications exist, chiefly Wave Transit's current funding arrangement. Wave Transit lacks a dedicated local funding source, and only 18% of the system's operating budget is provided via local sources."

These challenges were in the spotlight in 2018 during Hurricane Florence and the federal government shutdown. The Authority's ability to operate services outside of its charter to provide critical disaster relief were only available to revenue on hand, until special disaster relief reimbursement is approved and received. Additionally, Wave Transit's ability to provide scheduled service in the absence of FTA reimbursement during a prolonged government shutdown is not feasible without FTA funding.

As highlighted by the two independent analyses, the most efficient and economical way to provide adequate funding for an eight plus million dollar agency is through a dedicated funding source with an appropriate fund balance. The Authority plans promote a dedicated funding initiative as the highlight of its 2019 priorities.