



Cape Fear Public Transportation Authority

**MINUTES OF THE
CAPE FEAR PUBLIC TRANSPORTATION AUTHORITY REGULAR MEETING
May 27, 2021
Mr. Tony Caudle, Chairman, Presiding**

MEMBERS PRESENT

Mr. Sterling Cheatham, Outgoing Chairman, City of Wilmington Manager
Mr. Chris Coudriet, Vice Chairman, City of Wilmington Manager
Mr. Kemp Burpeau, New Hanover County, Attorney
Ms. Meredith Everhart, City of Wilmington Designee
Ms. Deb Hays, New Hanover County Commissioner
Mr. Mike Kozlosky, WMPO, Executive Director
Mr. Paul Lawler, City of Wilmington Appointee
Ms. Laura Mortell, City of Wilmington, Budget and Research Director
Ms. Lisa Wurtzbacher, New Hanover County, Chief Finance Officer

MEMBERS ABSENT

Mr. John Joye, City of Wilmington, Attorney

STAFF PRESENT

Ms. Marie Parker, Executive Director
Ms. Megan Matheny, Interim Director
Mr. Joe Mininni, Director of Finance & Administration
Ms. Mary Crawford, Accounting Coordinator
Mr. Cliff Rode, Paratransit Manager
Ms. Kathy Williams, Customer Service Supervisor

CONTRACT MANAGEMENT STAFF PRESENT

Mr. Matthew McBride, Contractor General Manager, First Transit
Ms. Noel Fox, Craige and Fox PLLC, Attorney
Mr. Bill Harned, Area Vice President, First Transit

GUESTS PRESENT

Mr. Ben Andrea, Director of Planning and Inspections, Town of Leland
Mr. Tom Pacelli, Transportation Program Coordinator, NHC Senior Resource Center
Mr. Michael Praats, WECT
Mr. David Rhew, Executive Director, North Carolina Public Transportation Association
Ms. Yzosne Riley, Citizen
Ms. Nancy Schillings, Citizen
Ms. Martha Wayne, Deputy Chief Finance Officer, New Hanover County

CALL TO ORDER

- Chairman Cheatham called the meeting to order at 12:31 pm
- The meeting began with a moment of silence

ROLL CALL

- Mr. Cheatham conducted roll call with attendance confirmed by all members and designees

APPROVAL OF MEETING AGENDA

- Mr. Cheatham presented the May 27, 2021 meeting agenda for approval

CERTIFIED TO BE A TRUE COPY
Secretary - Wave Transit

- Ms. Hays made a motion to approve the meeting agenda with an addition of the consent agenda to include postponement of the Authority's system network redesign until July 1, 2022
- There was a second by Ms. Everhart and the motion carried

PUBLIC COMMENT

- Mr. Cheatham opened the public comment period
- Ms. Schillings introduced herself and provided her address for record
- She stated she has been an employee for the company for thirteen years
- Ms. Schillings said since the arrival of the new management, she has been used as an example in front of coworkers, harassed, sent unofficial letters for on time performance and has been expressed as the worst operator in the company
- She stated management has confronted her without her union representative and her morale has gone down
- Ms. Schillings feels like she is working in a hostile environment and never on a professional level
- She said operators cannot always be on time for every bus stop due to traffic and often feels rushed
- Ms. Schillings stated she prides herself on being a good driver and is always on time
- She said by the time they arrive at the transfer station, they have no time to go to the restroom or anything because it takes time, longer than four minutes, to unload and load passengers
- Ms. Schillings thanked the board for allowing her to speak
- Ms. Riley thanked the board for the opportunity to provide comment and for postponing the route changes as this saved a lot of jobs
- She stated the problems reported last month, intimidation, harassment and bullying of certain operators by management, continue
- Ms. Riley reported two wrecks occurred due to operators trying to maintain their on-time performance
- She stated the union wants to work with management and said she had a good relationship with the former management
- Ms. Riley said this is an ongoing situation
- She stated she received an e-mail two days before the board meeting requesting the union and management work together
- Ms. Riley stated twenty-one drivers were written up at one time for not attending a safety meeting, because they were out driving
- She stated she has expressed several times the union has a binding contract but management refuses to hear that
- Ms. Riley said management does not take responsibility for their actions
- She stated the former board requested that Mr. Harned attend the monthly board meetings to ensure management employees are operating the company right
- Ms. Riley said that the system is not calibrated right, meaning the signs and time points are not correct
- She said the Assistant General Manager does understand the language in the contract and she has tried to explain it to him
- Ms. Riley thanked the board for listening to her concerns
- Hearing no further comments, Mr. Cheatham moved to the next item on the agenda

RECOGNITION OF OUTGOING CHAIRMAN

- Mr. Cheatham recognized Mr. Coudriet to present the agenda item
- He stated the community will have a big loss since Mr. Cheatham will be stepping away from management
- Mr. Coudriet thanked him for serving as an incredibly effective City Manager for eighteen years and his length of time in service as the City Manager is to be admired

- Mr. Coudriet said they have worked well together rebuilding Wave Transit, and Mr. Cheatham has done an outstanding job serving as Chairman and leading the Board to what they are today
- Mr. Sterling received a standing ovation in honor of his service on the Wave Transit Board and to the community
- Ms. Parker presented Mr. Cheatham with an honorary plaque and a Wave Transit goodie bag and thanked him for his service

APPOINTMENT OF CHAIRMAN

- Mr. Cheatham entertained a motion to appoint Mr. Caudle as the new Chairman which would take effect immediately
- Mr. Kozlosky made a motion to appoint Mr. Caudle as the continuing Chairman of the Cape Fear Public Transportation Authority
- There was a second by Ms. Mortell and the motion carried

CONSENT AGENDA

- Mr. Caudle presented the May 27, 2021 consent agenda, with addition of postponement of the Authority's system network redesign until July 1, 2022, for approval
- Mr. Coudriet made a motion to approve the May 27, 2021 consent agenda with the revision
- There was a second by Ms. Hays and the motion carried
- Hearing no comments, Mr. Caudle moved to the next item on the agenda

GOVERNANCE STRUCTURE UPDATE

- In the absence of Mr. Joye, Mr. Caudle recognized Ms. Everhart to provide the update
- Ms. Everhart stated discussions within the joint city and county workgroup tasked with this project are underway
- She stated the next meeting is scheduled for June 8th
- They hope to have further guidance as to a dedicated funding source so they can proceed accordingly
- Hearing no further comments, Mr. Caudle moved to the next item on the agenda

FUNDING UPDATE

- Mr. Caudle recognized Mr. Coudriet for an update
- Mr. Coudriet stated the subcommittee of the city and county committee has been looking at transportation and housing and will be providing a recommendation to the collective bodies on June 8th
- He stated ultimately it is the decision of the County Commission to calendar the quarter cent sales tax vote in 2022 in the primary or general election
- Mr. Coudriet stated city and county staff worked through several scenarios for the subcommittee to look at in terms of how to allocate the proceeds it will generate in year one and incrementally thereafter
- He said staff has laid out a ten- or twenty-year funding plan that is inclusive of public transportation
- Mr. Caudle thanked Mr. Coudriet and staff for their efforts to address and fast track this item
- Hearing no further comments, Mr. Caudle moved to the next item on the agenda

STAFF REPORT

- Mr. Caudle recognized Ms. Matheny to begin the staff report
- Ms. Matheny provided an update and images from the 2021 Wilmington Historic Foundation Awards event
- She thanked the Wilmington Historic Foundation for nominating Padgett Station for the 2021 preservation award under the category of adaptive reuse

- Ms. Matheny confirmed the integrity of the 1930's Neuwirth Motors facility was fully preserved during construction and encouraged members to stop by for a tour if they have not done so already
- She provided an update on the transition of Non-Emergency Medical Transportation (NEMT) services to a managed care model scheduled for July 1, 2021
- Hearing no further comments, Mr. Caudle moved to the next staff item

APRIL 2021 FINANCIAL REPORT

- Mr. Caudle recognized Mr. Mininni to provide an update
- Mr. Mininni stated we are predicting to come in at about \$8.4 million or \$600,000 below adopted budget levels
- He stated the budget was created at the onset and prior to the full realization of the impact of the pandemic
- Mr. Mininni reported operating income is projected to come in \$900,000 below budget
- He stated the shortfall will be addressed through a \$600,000 reduction in expenses and \$300,000 in CARES Act funding will be used to cover the variance
- Mr. Lawler asked how much of the farebox revenues are from the Wave fixed-route system versus UNCW
- He stated he is interested in seeing if our customers come back or not
- Mr. Mininni esstated half of the shortfall in farebox revenues is from fixed-route services and half is from UNCW
- Ms. Wurtzbacher requested the Wave and UNCW data be separated out on the report moving forward
- Mr. Mininni stated he provided an e-mail addressing the request for additional information from the members regarding current and past performance
- He stated the data reflected what the new budget would look like for this year at \$9.8 million
- Mr. Mininni stated the information provided previously reflected a budget of \$9.1 million
- He stated the increase is due to the addition of three line items including a pass through for on-demand/Microtransit services with the addition of Brunswick County as a regional partner on the project, an additional staff member for fixed-route operations, and professional management fees
- Hearing no further questions or comments, Mr. Caudle moved to the next item on the agenda

PRESENTATION OF THE FISCAL YEAR 2022 BUDGET ORDINANCE

- Mr. Caudle recognized Ms. Parker to present the FY2022 budget ordinance
- Ms. Parker stated the FY2022 budget is set at \$9.8 million dollars and includes the regional on-demand/Microtransit pilot project scheduled for implementation October 2021
- She said the goal for staff is to provide public transportation services to the community as effectively and efficiently as possible
- Ms. Parker thanked everyone involved in making the decision to postpone the system network redesign
- She reported variances in anticipated revenues including a 44% reduction in farebox revenues, a direct impact of the ongoing pandemic, and a \$225,000, or 25% increase, in the transit management fee
- Ms. Parker stated negotiations between UNCW and the Authority are underway
- Service levels are projected at 15,000 revenue hours with a slight rate increase
- An increase in revenues for contracted services provided under our Paratransit Department is also projected
- Ms. Parker said the focus for the upcoming year has been on recovering more of a much broader percentage of cost for service through contract negotiations

- She said a 21% increase in federal funding is noted; however, half of the increase realized will cover a projected loss of \$525,000 in passenger revenues with the remaining to offset the loss of State Maintenance Assistance Program (SMAP) funding
- Ms. Parker said that the state budget has not yet been approved so the status of the restoration of SMAP funding is unknown
- She said if restored, SMAP funds will be used to reduce the federal funding appropriation for future years
- Ms. Parker referenced federal operating revenues as Section 5307 and CARES Act
- She confirmed the CARES Act funding is the only grant in which the Authority has been utilizing to support operations since March 2020
- Ms. Parker said staff consulted representatives at FTA for further guidance as to the preference of use of CARES Act funds as compared to Section 5307 formula allocation funds
- She stated while there is no written mandate as to the order in which funds are to be utilized, the expectation is that funds administered in response to the pandemic should be used expeditiously and in response to losses resulting from the health crisis
- Ms. Parker confirmed CARES Act funds are earmarked for operations
- She stated per the request of the board, staff will proceed with the application for Section 5037 funds, in the amount of \$1.6 million, to support operations
- Ms. Parker said this will allow for the preservation of CARES Act funds to be used in FY2023 and FY 2024
- She stated Section 5307 is the only grant that provides flexibility for any new operating projects
- Ms. Parker said the Authority, like other agencies in the industry, are experiencing a shortage in the labor pool which is having a negative impact on overtime for fixed route operations
- She presented the projected expenses confirming increases illustrated include an increase in professional management fees as well as annual salary increases for both Authority and contracted employees
- Ms. Parker stated sixteen revenue vehicles are coming due for a midlife rehab and the Authority will realize a 9% increase in insurance which includes a 7% increase in premiums and a higher election in employee health coverage
- She said the objective and priority is to keep expenses at a minimum and proceed in a manner most responsible
- Ms. Parker stated the intent is to present a realistic and thoroughly vetted budget that accounts for unknowns and ensures stability in performance
- She confirmed staff is actively working to reduce costs where feasible and preserve federal funds for future years
- Ms. Parker concluded that high level data collected in the coming year will inform planning efforts to address and increase efficiencies within the service network for future years
- Ms. Matheny stated the formal opening of the thirty-day public comment period occurred with the publication of the draft budget ordinance and notification advertised on May 24, 2021 in the Star News
- Hearing no questions or comments, Mr. Caudle moved to the next item on the agenda

FTA SECTION 5310 GRANT PROGRAM UPDATE

- Mr. Caudle recognized Ms. Matheny to give the update
- Ms. Matheny stated a draft of the Authority's Locally Coordinated Plan (LCP) was presented on behalf of Ms. Lacer during the April meeting
- Ms. Matheny stated the LCP and regular updates are required by FTA to receive Section 5310 grant funds which are used to support the WaveConnect Program
- Ms. Matheny said that staff is recommending approval of the resolution
- Mr. Kozlosky made a motion to accept the LCP resolution
- There was a second by Mr. Coudriet and the motion carried

CONTRACTOR REPORT

- Mr. Caudle recognized Mr. McBride to give the report
- Mr. McBride first recognized Mr. Harned
- Mr. Harned stated that First Transit takes harassment and bullying claims very seriously and he will personally be looking into claims brought forth by the employee during the public comment period
- He stated that First Transit understands the Authority's requirement to improve the system's on-time performance and staff is working towards that goal
- Mr. Harned confirmed that to date, no employee has been disciplined due to on-time performance
- He said they are trying to work with the union to see what can be done to improve on-time performance
- Mr. McBride stated service has been good and noted an increase in overtime
- He stated a job fair was held recently, and four operators were hired
- Mr. McBride stated the team has been working very hard to improve on-time performance
- Hearing no questions or comments, Mr. Caudle moved to the next item on the agenda

EXECUTIVE DIRECTOR BRIEFING

- Mr. Caudle recognized Ms. Parker to provide the Executive Director update
- Ms. Parker provided an estimated timeline for the July 1, 2022 system network redesign
- She provided a reminder that the Request for Proposals (RFP) for Transit Management Services is open
- A recommendation to the board was anticipated for the May meeting; however, the Authority requested further clarification to be submitted by the two proposers on May 28, 2021
- Ms. Parker stated since the submission date falls after this meeting an alternate meeting is required to discuss this item
- She provided an update on the regional Microtransit project confirming a formal solicitation for on-demand/Microtransit service planning and software was released with proposals due June 11, 2021
- Ms. Parker confirmed staff is working through the NCDOT application for funding to support this regional effort
- She confirmed she met with leaders from Brunswick County, Town of Leland, Town of Navassa, and Town of Belville to discuss and garner support for this regional Microtransit initiative
- Ms. Parker stated she presented to the Brunswick County Commission at their most recent meeting, and they are excited and cautiously optimistic about reinstating transportation services
- She stated officials are in support of the on-demand service delivery model as this is a better suit for the needs of the community
- Ms. Parker referenced availability of another state grant in the amount of \$100,000 for the Microtransit project, and confirmed a total of \$300,000 available for our county and \$200,000 available for Brunswick County
- She stated there might be funding to support the project for a second year; however, the plan is to operate the service for one year and not to exceed the project funding afforded by NCDOT
- Ms. Parker said Wave Transit will be the designated recipient of the funds and act as the project manager
- She confirmed additional information will be provided and a public hearing required and will be advertised for the June meeting
- Ms. Parker said that the MOU between Wave Transit and Brunswick County has been reviewed, edited with final approval received from NCDOT and legal counsel for both partners
- She said the Authority is requesting approval to proceed with the MOU and to move forward with the project
- Mr. Kozlosky made a motion to approve the request to proceed with the MOU and to move forward with the regional Microtransit project

- There was a second by Mr. Coudriet and the motion carried
- Ms. Parker concluded with a brief update regarding the recent FTA triennial review and on-time performance
- Ms. Kozlosky commended staff for taking the time and effort to improve the on-time performance
- Hearing no questions or comments, Mr. Caudle moved to the final item on the agenda

NEW BUSINESS AND MEETING RECESS

- Mr. Caudle entertained a motion to reconvene at an identified date for the purposes of discussing the transit management contract
- Mr. Coudriet made a motion to recess the May 27, 2021 meeting until Wednesday, June 2, 2021 at 4:00 pm in light of the need to approve a new transit management contract
- Mr. Lawler requested an update on the Authority's efforts to get customers back can be included on an upcoming
- Hearing no further comments, Mr. Caudle called the vote
- There was a second by Ms. Mortell and the motion carried

Respectfully Submitted,

A handwritten signature in cursive script that reads "Marie Parker".

Marie Parker
Executive Director
/Megan Matheny
/Kathy Williams