

**SUMMARY MINUTES
MEETING OF THE BOARD OF DIRECTORS
CAPE FEAR PUBLIC TRANSPORTATION AUTHORITY
November 17, 2022**

A meeting of the Cape Fear Public Board of Directors was called to order at 12:30pm on Thursday, November 17, 2022, by Board Chairman Chris Coudriet at 505 Cando St., Wilmington, North Carolina.

Board Members Present

Chris Coudriet, Chair
Tony Caudle, Vice Chair
Kemp Burbeau, NHC Attorney
Eric Credle, NHC Chief Finance Officer
Meredith Everhart, City of Wilmington Deputy Attorney
Mike Kozlosky, WMPO Executive Director
Paul Lawler, City of Wilmington Appointee
Laura Mortell, City of Wilmington Budget & Research Director

Staff Members Present

Marie Parker, Executive Director
Jonathan Dodson, Deputy Director
Lance Flint, Director of Finance
Sylvia Armstrong, Human Resources Generalist
Mary Crawford, Accounting Coordinator
Brianna D'Itri, Mobility Manager
Cliff Rode, Paratransit Manager
Kathy Williams, Customer Service Supervisor

Board Members Absent

Honorable Deb Hays, NHC Commissioner

Others in Attendance: Noel Fox, Pamelyn Usher-Miller

Call to Order – Chair Coudriet opened the meeting with members confirmed as present. A moment of silence was observed followed by the reciting of the Pledge of Allegiance.

Approval of the November 17, 2022, Board of Directors Meeting Agenda – Mr. Coudriet presented the meeting agenda for approval. Mr. Lawler moved to approve the meeting agenda as presented. Mr. Caudle seconded, and the motion carried.

Public Comment – Mr. Coudriet closed the public comment portion of the meeting after confirmation that there were no submitted comments or people in attendance to provide comment.

Opening Public Hearing on FY24 ConCPT Funding Application with NCDOT – Mr. Coudriet opened the public hearing. Mr. Coudriet closed the public hearing following confirmation that no one was present to offer comment. Mr. Kozlosky moved to submit the FY24 ConCPT Funding Application. Ms. Mortell seconded, and the motion carried.

Approval of the November 17, 2022, Consent Agenda – Mr. Caudle moved to approve the consent agenda Ms. Mortell seconded, and the motion carried.

Director of Finance Briefing – Mr. Flint summarized the information in the financial statements. He explains CARES Act funding has been fully drawn down. Wave received SMAP funds, and the Volkswagen funds discussed last month have also been received. He discussed the ARP grant, that was awarded for \$4.2 million. \$1.15 million has been drawn from that grant. He explains that, if the Authority continues to use ARP as its primary operational funding support, the funding will run out in five months for operations and in nine months for maintenance. At which point, the Authority will return to using the 5307 grant which is fully matched and available to spend.

Mr. Coudriet asks if the Authority will draw down the full \$3 million in ARP funds or just what was appropriated for FY23 over the next nine months. Mr. Flint explains that the entire \$3 million will be expended by the end of the fiscal year, except for a small amount of maintenance funding. He explains that the local match funding contributed by the City and County has not yet been expended as we draw down federal funds first. This is strategic to consume what is available before it expires or policy changes.

Ms. Mortell states that the Board received a grant summary document and requests it be included. Mr. Coudriet asks if the Authority will draw down all the ARP money this fiscal year. Mr. Flint confirms, except for a small amount of maintenance funding which will last into the first quarter of next fiscal year. Mr. Lawler asks for confirmation that the total funding is received, and that the dollars are the same, but the sequencing is different than usual. Mr. Flint confirms. He also states that continued 5307 funding will require continued local contributions.

Mr. Credle asks if the \$7.5 million from this year's federal grants will be the same in next year's budget. Mr. Flint says that the CARES and ARP grants will not exist next year since they were always additional funds and not part of the standard federal apportionments. He explains that 5307 funds were increased significantly by the Infrastructure Investment and Jobs Act (IIJA). Mr. Kozlosky asks if conditions are still the same to bring the Authority to a fiscal cliff in two years or would it happen quicker. Mr. Flint confirms that the Authority is not expending funds faster than usual. Mr. Coudriet says that he was not under the impression that the Authority was choosing to draw down CARES and ARP funds completely and that he remembers a budget sheet showing only a percentage of the two funding sources being expended over the next two years. Ms. Parker clarifies that the Authority will use 5307 funds as primary operation funding in FY23-FY24. She says that the Authority has been stretching ARP funds over two years and will then going back to 5307. Mr. Coudriet agrees with Ms. Parker.

Ms. Mortell asks if the Authority will be in violation of its budget ordinance if it changes the amount it draws down per grant and if the Board needs to change the revenue ordinance. Mr. Coudriet asks Ms. Parker how the Authority can avoid the violation. She explains that the Authority will cap its spending of CARES and ARP funds at the budgeted amounts before resuming use of 5307 funds.

Mr. Flint explains that using the federal monies first is strategic because acts of Congress can change funding. Mr. Caudle confirms that no one has a complaint with that strategy. Ms. Mortell and Mr. Caudle explain that a budget amendment is necessary. After brief discussion, Mr. Coudriet states that the Authority will do a budget revision in December to reflect need to use federal money first this fiscal year. Mr. Credle says our reasons for doing so are solid. Mr. Flint completes his presentation by summarizing the operational expenses.

Deputy Director Briefing – Mr. Dodson presented the October RideMICRO summary. Ridership increased 7% from September. He says that 'total revenue hours' and 'total revenue miles' are a summary of the service provided, including deadhead miles and miles the vehicle is not moving, against the total number of service hours for the month. Mr. Coudriet asks if data is available for the number of unique riders in RideMICRO's Northern New Hanover and Southern New Hanover zones. Mr. Dodson confirms that the information can be pulled. He explains the difference in ridership between the regional (1&2) and local (3&4) zones are due in part fewer days of service per week and a mid-day break in operations in the regional zones. Ms. Parker asks Mr. Coudriet if he wants to see that data monthly. Mr. Coudriet wants quarterly reporting. Usage patterns depend on days zones are in service and will be impacted by new in-house weekend booking for the local zones.

Mr. Dodson states that on-time performance dipped from the previous month. He explains that November has seen an improvement to on-time performance, due in part to attentions paid by dispatch. Mr. Kozlosky asks if there is a national average for on-time performance. Ms. Parker says that 85% is desirable but that changes from city to city.

Mr. Dodson presented the October operational statistics. He says, overall, ridership is up 8%. Fixed route alone is up about 5%, the Port City Trolley is down about 50% from a year ago, and UNCW ridership is up about 14%. Weekday ridership is up 7%, Saturday has seen a nominal increase, and Sunday is up 60%. He reports that overtime increased from September due to fewer staff available to work. He explains that, as staffing increases, so will service delivery. Mr. Lawler asks what 'revenue service' measures. Mr. Dodson explains that it is hours scheduled versus hours delivered.

Paratransit passenger trips have gone up about 20% from the previous year. Mr. Dodson states this increase is good as far as serving more of the community. He says that on-time performance for paratransit is 99.5%, which is an increase from last year.

Mr. Dodson presents the staffing breakdown and explains that the version in the packet is different from what he's speaking on today, as these numbers frequently change. He says that 55 operators is the baseline to serve the system. As of November 17, there are 49 operators. He says that a few months back, we were at 38 operators and that the number of available operators is slowly increasing. He explains that training time varies. Some are fast-tracked, while others need six weeks to complete. He says that the training wage is \$11 an hour and the revenue service wage is approximately \$17.

Mr. Coudriet asks for a refresher on a conversation from last month about how many people would need to be in training every two weeks to maintain 55 operators available for service. Mr. Dodson answers by pivoting to the data on operator retention. He explains that, as of July 2, 2021, there were 42 fixed route operators, with a baseline of 48 as this was before half-hour frequencies were added. At the end of the year, there were 46 in place. During the year, we hired 42 additional operators. Of that 42, 27 separated and 13 remain on staff, making the retention rate 30%. Of the 27 that left, 20 of those lasted less than 90 days. Once the baseline of 55 operators is met, the training goal is two per class, twice monthly, or four per month.

Mr. Lawler says that this seems like a high non-retention rate and asks if that is typical. He continues to say that 70% seems like a lot of departures. Mr. Dodson says that is typical. Ms. Parker adds that another challenge is the training wage, which is decided by the collective bargaining agreement. Ms. Parker says Wave would prefer to pay a higher and believes there would be a higher retention rate with a higher training rate. Ms. Mortell asks for confirmation that the training wage is not something we can negotiate or change. Ms. Parker responds that it is under Transdev's purview, and that Wave has offered to support a higher training rate without success. Mr. Coudriet and Ms. Mortell confirm that there is no workaround or bonus. Ms. Fox states that there are provisions in the contract with Transdev for liquidated damages which can be leveraged.

Mr. Coudriet asks if there is only one union that represents all drivers. Ms. Parker and Ms. Fox answer no, but there is only one union representing the operators at Wave Transit. Mr. Coudriet asks how we get another union. Ms. Parker says that we cannot. Mr. Coudriet asks if Transdev could go to another union and negotiate with them. Ms. Parker answers no. Ms. Everhart asks when the communication between Transdev and the union took place. Ms. Parker answers that a few months ago. She says that Transdev's Vice President reached out to union officials and was denied. Mr. Credle confirms that the conversation will happen again next spring.

Mr. Kozlosky asks when we will be back at 55 operators. Mr. Dodson says late December or early January, assuming we do not lose any trainees. Mr. Kozlosky says that we committed to a schedule and to provide a service that we cannot provide based on staffing until January, at least. Ms. Parker explains that we do not need 55 operators to provide complete service as people are working overtime. She says it's not ideal, but it can be done. Mr. Kozlosky asks if we are providing 100% service. Mr. Dodson answers that we are providing between 95-96% service. Mr. Lawler says he thinks we should consider suspending the half-hour runs so there is a better match between the services provided and services promised.

Ms. Parker states that we are making progress. She states it is her opinion that it is premature to consider cutting service. She says that we should get the new operators through training and into revenue service. She says she would like to see the conditions in another month. Mr. Coudriet asks that, if we can run 100% service with fewer than 55 operators, are we at the number of operators to do that today? Ms. Parker says that we do not have that number today due to flow of people. She says that we could get to that service delivery number but that it would be through forced overtime.

Mr. Kozlosky says that if we can't get to 100% service delivery that he wants the Board to have a conversation next month about service reductions. Mr. Lawler summarizes that there is a fiscal cliff coming in two years and he believes we would be better served by pulling back and figuring out what we can do, now that we know there isn't a quarter-cent sales tax coming in, to be in a better position. Mr. Caudle states that he feels next month is too soon and that we should wait at least 60 days. He explains that the labor market is changing and that the Board needs to give Marie and staff the opportunity to come back at it in January. Mr. Lawler says that every month delay is a month closer to the fiscal cliff and another month of poor service and reputation. Mr. Caudle says that service has improved. Mr. Lawler says the on-time

performance has not improved. Ms. Everhart asks if one month is enough to raise staffing to the required levels.

Mr. Coudriet asks if it's possible for staff to do what is necessary in one month to get to 97% or 98% service delivery, show the Board the plan to get to 100% service delivery, and, if that is not possible, present a plan for reduced service so that we can begin the process. He says he agrees with Mr. Lawler that more time at a lower service level will result in a loss of confidence and trust in the system. Mr. Dodson explains that service delivery was at 93.75% in September and at 95.5% this month.

Mr. Coudriet says that we are trending in the right direction but that the Board needs to see better next month and the plan to be better going into January. He continues that, if that is not possible, we must begin the process of cutting back. Mr. Caudle says that he thinks it needs to be 60 days for staff to do what is necessary and that 30 days will not make a big difference in the impending fiscal cliff in two years.

Mr. Coudriet asks the Board what they want to see for reporting in December and if they want to evaluate service reductions in December or January. Mr. Lawler states that he wants a report on performance for routes running on the half-hour to see if they are adding passengers to the system and wants to see how each route performs separately. Ms. Parker says that we can show the net increase across each route.

Mr. Kozlosky summarizes his earlier statement that performance is trending in the right direction, that he wants to see if we can provide 100% service, and that, if we cannot, that we need to begin the conversation about service reduction. Ms. Parker says that a realistic expectation is between 98% and 99% service delivery. She continues to say that other agencies that are cutting service are likely nowhere near 98% delivery or even near Wave's level of delivery. Mr. Coudriet says that the Board needs to see 98% service delivery and know what it takes to sustain that. He continues that, if Wave cannot sustain 98% service delivery, the Board must go through the motions of service reduction. Mr. Kozlosky agrees with Mr. Coudriet.

Mr. Lawler asks if Carolina Beach was approached for support and what the outcome was. Ms. Parker says Wave receives \$10-11k.

Mr. Dodson moves to the next portion of his report. The Volkswagen grant settlement was awarded with the stipulation of the bus being a like-replacement. Wave will be replacing a 15-year-old diesel Gillig bus with a new CNG Gillig. The intent is to use the new bus on the most productive routes. The bus was paid for in full. This was an informational item.

Executive Director Briefing – Ms. Parker presented her updates. She spoke on two successful wellness events. She summarized NCDOT offered Wave Transit \$600k, or 100% funding, through the ConCPT grant after conversation that began with NCDOT offering half that amount. The outcome is a third year of full funding for microtransit. She explained that the program will likely need a larger local match as the contractor raised its rate for FY24. Ms. Parker explained that staff are reviewing the annual audit and the Board should expect the presentation in December or January to give their report to the Board. Ms. Parker announced the 'Stuff-the-Bus' food drive is ongoing through Wednesday, November 23. She included her updates by explaining that two capital projects – two passenger amenities projects and generator installation – are anticipated for completion in the next few months.

Ms. Parker presented the Wage Study as an informational item. She explained that a market study was completed by an outside partner last year, but the results were insufficient. The study was redone in-house this year. Ms. Parker explains the reasons for this study, including high inflation rates, remaining competitive in the job market, and to correct issues stemming from a 2017 study that resulted in role consolidation and wage reductions. The Authority also instituted a \$15 per hour 'living wage' in 2020. She explained that some positions were not included in either of these actions. Mr. Coudriet asked if the Authority has been granting raises based on market or merit. Ms. Parker replied that both have occurring but 2021 and 2022 were solely merit-based raises. The last merit raise was capped at 4%. Mr. Coudriet stated that the Authority has not completed a market adjustment which Ms. Parker confirmed. She explained that most transit agencies have already completed a market adjustment in the past two years due to the labor market and inflation. Ms. Parker stated that the compensation study reviewed industry data to ensure competitiveness, focusing on transit agencies, public sector data, and a few private industry employers. She tells the Board that her intent is to bring this forward as an action item in December. Ms. Parker summarized the suggested changes, including leveled positions for customer service

and paratransit with a 5% difference between levels; raising the minimum wage to \$16.73; and a 3% adjustment for employees below the new minimum. Leveling qualifications will later be made by human resources. New positions were included in the current budget at market rate and will not need adjusted. She explains that the total cost of wage adjustments is about \$200,000 and can be absorbed into the current budget. Ms. Parker also introduces a retention bonus to go into effect January 1 that totals \$50,000 and is funded wholly by ARP funds. Mr. Coudriet asked if \$240,000 was the annualized cost. Ms. Parker says \$100 – 150,000 will be the total cost for FY23, due to a partial year. FY24 will cost around \$200,000. She concludes her presentation by explaining the benefits of paying a higher wage, including reducing churn, increasing productivity, and increasing morale. She requests that the Board bring forward specific questions to be answered between now and the December meeting. If approved, changes would be enacted January 1, 2023.

Mr. Coudriet asks the Board what it wants to see more changes or other considerations to be presented next month. Mr. Lawler says that he assumes these adjustments are something other government agencies are doing. Mr. Coudriet confirms by nodding. Ms. Mortell asks the difference between Paratransit drivers and union drivers. Ms. Parker confirms with General Manager Pamelyn Usher that the fixed-route drivers begin at \$17 per hour. Mr. Lawler asks about the wage rate of the RideMICRO drivers and if they will be included in the adjustments. Ms. Parker explains that RideMICRO drivers are employed by a subcontractor, are not Authority employees, and the Authority does not have access to their wage data. Mr. Coudriet asks how the retention bonuses will be determined. Ms. Parker answers that the criteria are not finalized but years of service is the current discussion. She says that no Authority staff have received bouses in the last 2.5 years. She confirms to Mr. Coudriet that next month's presentation will have more details.

New Business and Comments from the Board – Mr. Coudriet asks for New Business. Hearing none, he moves on.

Next Meeting - The next regularly scheduled meeting will be on Thursday, December 15, 2022, at 12:30 pm in the Forden Station boardroom located at 505 Cando St.

Adjournment – Mr. Lawler made a motion to adjourn the board meeting and the motion carried. The meeting adjourned at 2:04pm.

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Secretary - Wave Transit