

ATTACHMENT C

From: Steven Mott, Senior Wake Transit Planner, CAMPO

To: Wake County Transit Planning Advisory Committee (TPAC)

Date: 9/12/2024

Re: FY 2024 Wake Transit Plan Implementation Annual Project Progress and Expenditure Review

BACKGROUND

Through framework established and endorsed through TPAC in 2019, Capital Area Metropolitan Planning Organization (CAMPO) staff is to lead annual structured reviews of Wake Transit Work Plan project reporting deliverables for implementation elements allocated funding in previously approved/adopted Work Plans. As successor to the Planning & Prioritization and Budget & Finance Subcommittees, these reviews are to be coordinated through the Program Development Subcommittee. CAMPO staff is charged with discussing changes to existing or future programmed projects based on project progress and performance. Any insight gained from these reviews may be used to inform the considerations of project funding requests submitted for the next fiscal year Wake Transit Work Plan.

During August 2024, CAMPO staff facilitated project activity and expenditure monitoring review calls with representatives of the City of Raleigh, GoTriangle, and the Town of Cary to discuss project progress and associated expenditures for implementation elements that were allocated funding within Wake Transit Work Plans spanning from fiscal year 2022 to the second quarter of fiscal year 2024. As done in the past, these project sponsors continued to be the primary focus of these reviews because they are each recipients of funding for multiple Wake Transit-funded implementation elements as part of a larger program of projects they individually manage. The overall purpose of this memo/report is to document the overall health of Wake Transit-funded program activity and expenditures, document discussions regarding progress and expenditures for individual implementation elements with the aforementioned project sponsors, and detail any next steps resulting from those discussions for those implementation elements. This review was presented at the August Program Development Subcommittee meeting.

PARTNER AGENCY-LEVEL IMPLEMENTATION PROGRESS AND EXPENDITURES

Attachment D to this memo summarizes progress of the Wake Transit program toward implementation of projects and implementation elements authorized for funding in previously approved Wake Transit Work Plans through the lens of expenditures of authorized budgets for each of the three partner agencies reviewed. For projects/implementation elements in previously approved annual operating budgets, expenditure performance is broken down by the three (3) sub-units of annual operating budgets:

- 1) Tax District Administration,
- 2) Transit Plan Administration, and
- 3) Transit Operations.

Further, performance reflected in the tables provided in **Attachment D** is measured in terms of budgeted funds left unexpended at the end of each applicable fiscal year, beginning with the FY 2022 operating budget and ending with the second quarter of FY 2024, utilizing a similar span as that had been performed previously for this review (FY19-Q2 of FY21 for the FY21 Review).

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For projects/implementation elements in previously approved annual capital budgets, expenditure performance is broken down by the five (5) sub-units of annual capital budgets, including:

- 1) Capital Planning,
- 2) Transit Infrastructure,
- 3) Commuter Rail,
- 4) Bus Rapid Transit, and
- 5) Bus Acquisition.

REVIEW OF PROJECT ACTIVITY AND EXPENDITURES with PROJECT SPONSORS

As a result of the aforementioned program-level performance (or underperformance), CAMPO staff's goal was to determine what specific issues exist with project progress and expenditures at the individual project- or project sponsor-level that could help explain this potential pattern of over-budgeting. CAMPO staff identified specific projects and implementation elements that, through quarterly reporting, suggested they could be exhibiting conditions of expenditure or progress inactivity or general underperformance. These projects became the focus of the project progress and expenditure review calls held with project sponsors in August. **Attachment E** to this memo identifies the specific projects and implementation elements discussed with project sponsors, the questions asked for each project, and the disposition of the discussion.

Overall Trends and Insights:

- **Pandemic Impact:** All three agencies experienced disruptions due to the pandemic, leading to service adjustments, budget fluctuations, and project delays. As normalcy returns, ongoing monitoring and adaptability are crucial.
- **Budget Monitoring and Adjustment:** Consistent monitoring of budget utilization is critical for all agencies. Identifying and addressing discrepancies as well as identifying possibilities for budget adjustments in future fiscal years from underutilized projects.
- **Communication and Transparency:** Clear communication between the funding agency and transit providers is vital. Regular updates, detailed project reports, and open dialogue on challenges and successes facilitate informed decision-making.
- **Data-Driven Insights:** Leveraging data on ridership patterns, project costs, and operational expenses will enable agencies to make informed decisions about service adjustments, budget allocations, and future planning.
- **Return to Fare Impacts:** The recent move to return to fare collection will likely impact budget needs and should be monitored accordingly.

City of Raleigh:

- **Contractor and Accounting System Transition:** The transition to a new accounting system with the new contractor (TO003-A, TO004-D, TO005-R) makes it difficult to accurately assess budget utilization. Continued monitoring and clear communication with contractors are crucial to ensure accurate financial tracking.
- **Service Reductions and Restorations:** Similar to GoTriangle, GoRaleigh faced pandemic-related service reductions (TO005-I, TO005-J). While restorations are underway, budget adjustments might be necessary based on ridership recovery.
- **Project Delays:** Several projects (TC002-AC, TC002-AL) face delays due to real estate challenges and staffing shortages. GoRaleigh should explore strategies to expedite these projects or consider alternative solutions.

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GoTriangle:

- Budget Utilization: Several projects (TO002-I, TO005-AC, TO005-X, TO005-Y, TO005-F) show consistent underutilization of budgets. While GoTriangle provides explanations, further analysis is needed to determine if these are temporary dips (e.g., pandemic-related) or require permanent reductions/reallocation.
- Impact of Pandemic and Operator Shortage: These factors heavily impacted GoTriangle's operations, leading to service reductions (TO005-AC, TO005-AS, TO005-X) and cost escalations (Bus Stop Improvements). As the situation improves, careful monitoring is needed to adjust budgets and prioritize service restoration.
- Funding Delays: Delays in receiving federal funds (Bus Stop Improvements) highlight the need for proactive planning and potentially adjusting project timelines.

Town of Cary:

- Contractual Delays: Delays in receiving invoices (TO004-A, TO004-B, TO005-BE) impact budget utilization assessment.
- Fare-Free Policy: The ongoing fare-free policy (TO005-O, TO005-L2) requires careful consideration when planning future budgets. GoCary should analyze the financial sustainability and potential impact of reinstating fares.
- Project Prioritization: GoCary demonstrates proactive project management by recommending shifting funds from TC002-R to FY2026. This allows for completion of ongoing work and better utilization of allocated funds.