



THE MODERNIZATION OF MATA: For its Customers, the Community and for City Hall

DRAFT

An Operational Assessment of the Memphis Area Transit Authority

Prepared for:
The City Of Memphis, Mayor Paul Young

Prepared by:
TransPro Consulting in partnership
with M3 Advisory Partners, LP



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MEMPHIS

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Executive Summary

INTRODUCTION

The City of Memphis engaged TransPro Consulting to assess the operations and financial conditions of the Memphis Area Transit Authority (MATA). The following report reflects the findings of a rapid diagnostic conducted between August 19, 2024 to October 11, 2024. This assessment includes initial recommendations intended to stabilize dire conditions that are adversely affecting MATA's customers.

TransPro understands that public transportation organizations nationwide are facing challenging financial conditions. Many are facing long-term financial limitations which is the result of an oversupply of transit service, mismatched with decreasing demand. While MATA is experiencing similar conditions, MATA's challenges are further amplified by a lack of focus on the daily needs of customers, poor financial management and oversight, and the pursuit of major projects that are straining the limited staff and fiscal resources of the Authority.

**...the problems at MATA have been created over many years
they also haven't been meaningfully addressed in recent months**



commercial [appeal](#)

MATA board OKs budget with service line cuts; 241 employees to be laid off



Brooke Muckerman and Lucas Finton Memphis Commercial Appeal
Published 4:43 p.m. CT Aug. 27, 2024 | Updated 4:44 p.m. CT Aug. 27, 2024

It is not yet clear who the impacted employees will be, but the proposed budget documents included in the MATA agenda Tuesday indicated it planned to lay off 76 fixed route operators, 23 MATAPlus drivers, 51 call center employees, and 85 administration and support staff.

SUMMARY OF RECOMMENDATIONS

TransPro recommends that MATA collaborate with the City of Memphis to *immediately*:

1. Meet the needs of customers and improve service.

- a. MATA's customer Net Promoter Score (willingness to recommend service to friends and family members) of -17 **is the worst in the transit industry**.
- b. MATA's customer satisfaction **has declined 49%** since March 2018. MATA's customer satisfaction is 51% below the industry average.
- c. MATA customers state they are least satisfied with MATA's:
 - **On-time performance.** Simply delivering what you said you would deliver to the community.
 - **Travel time.** Offer service that shortens the length of time it takes to make a trip.
 - **Service frequency.** Improve the frequency that MATA operates its service. Most routes operate with 1-hour frequency and some only come every two hours.

“ 24% of the time a scheduled MATA bus never even shows up ... and when it does actually show up, 34% of the time it is late This fundamental failure is a violation of the agency's 'contract with the community' ...”

2. Improve financial Management and oversight to build greater trust with the community.

- a. TransPro did not conduct a financial audit. However the diagnostic phase revealed **significant gaps in fundamental tracking of contracts, major projects, and financial commitments**.
- b. MATA has **not initiated significant austerity measures** to ensure the limited resources that are coming into the agency are spent on the fundamental needs of the customer.
- c. While better in recent months, **information provided to the Board of Trustees and the City of Memphis lacks detail** in explanation related to expenditures, contracts, and basic financial reports.
- d. **Lack of Board oversight** of staff recommendations has created a culture of poor accountability.

3. Get back to basics.

- a. The old proverb of you have to walk before you run applies for MATA. MATA has an On-Time Performance rating for its fixed route bus service that is consistently in the 50-60% range.
- b. The cause of this poor service record is lack of equipment and personnel to deliver the service.
- c. **MATA needs 74 vehicles** to deliver service and currently operates 56 on average today.
- d. **MATA needs 175 operators** to fulfill its schedule and currently has approximately 156 operators available to deliver service, according to September payroll information.
- e. MATA is seeking to advance multiple **capital projects that are currently financially unsustainable** and the agency simply does not have the institutional capacity to deliver basic bus service and deliver capital projects at this time.

>> **Simply put, MATA customers' greatest desire is reliable service – and they are not getting it today.**

The fundamental responsibility of a public transportation system is to deliver a high quality service that the community can afford and finds value in...period. None of that is true in Memphis today.

With immediate focus on these three (3) core strategies, TransPro believes that MATA can cost-effectively restore the confidence of its customers, community, and stakeholders.

These outcomes should be measured for performance through consistent monitoring of customer satisfaction, customer net promoter score, community value survey, budget compliance, on-time performance reporting, staffing plan, and tracking of overtime. In addition to improving financial reporting and transparency, the Mayor and City Council of Memphis should require regular reporting from the Board of Trustees and Chief Executive Officer of MATA's performance in these areas.

Upon initial review, TransPro recommends the rigorous prioritization of near term investments to Meet Customer Needs First, Improve Financial Management, and Get Back to Basics. Simply said, MATA should only spend money on things that move the needle in these three categories.

A comprehensive financial review is currently underway by financial services firm M3 Partners. Their initial findings are anticipated by mid-November 2024 and will be provided to the City of Memphis in a follow-up technical memorandum.

As work continues to provide a comprehensive picture of operational needs and liabilities of MATA, TransPro is committed to be a partner with the City of Memphis and its partners to support the needed modernizations of MATA.



SOURCE: THE COMMERCIAL APPEAL

Imagine a MATA that values its customers and the community, and provides a strong return on local investment dollars.

Not everything in this report points to a bleak future. By focusing on a strategy that delivers a quality customer experience, develops a financially sustainable service offering, and provides value

to the community, MATA has an opportunity to change its narrative. Envision instead an agency where the following success milestones were a reality:

SUCCESS OUTCOMES			
	Within 100 Days Success Will Look Like	Within 200 Days Success Will Look Like	Within 365 Days Success Will Look Like
Satisfied Customers	<ul style="list-style-type: none"> Reliable bus service provided on schedule Fleet maintenance plan Tucson fleet fully deployed and in service 	<ul style="list-style-type: none"> Redesigned bus network that supports increased levels of customer satisfaction All MATA service is delivered with reliability MATA has a plan to prioritize bus replacements 	<ul style="list-style-type: none"> Trained workforce that understands that satisfied customers don't happen by accident A focused service delivery model that matches revenue to expenses
Community Trust in MATA	<ul style="list-style-type: none"> New Board trained and focused on financial stability and accountability of MATA Communication plan to restore faith in agency 	<ul style="list-style-type: none"> Board alignment on definition of success with quantifiable metrics Public facing performance tool that presents transformation progress and greater transparency for Memphians 	<ul style="list-style-type: none"> State of the agency review team based upon Board established metrics Completed survey of the voice of customer and community value guides future investment decisions
City Investment	<ul style="list-style-type: none"> MATA refocused on basics of delivering reliable service to citizens Transparency from MATA on revenue and expenditures 	<ul style="list-style-type: none"> Complete analysis of MATA capital program and potential reallocation of funding MATA FY26 operating and capital budget delivered to Council 	<ul style="list-style-type: none"> MATA leadership team focused on customer satisfaction and financial stability under new operating model with independent verification Realistic 5-year capital program based on back to basics value



To achieve these success outcomes MATA needs to focus on the basics of delivering quality public transportation.



What are the immediate next steps the City of Memphis should consider implementing to modernize MATA’s service for its customers and the community?

To achieve the mobility service that other communities across the country enjoy, TransPro recommends the City of Memphis and MATA

advance the following strategies to modernize MATA and create transformational outcomes:

KEY STRATEGIES TO ACHIEVE SUCCESS

	Within 100 Days	Within 200 Days	Within 365 Days
To Create Satisfied Customers	<ul style="list-style-type: none"> ■ Form a Transformation Team that focuses on improving customer satisfaction and community relevance and develops a roadmap to support a back to the basics strategy in MATA that focuses on delivering core services first. ■ Pay outstanding maintenance vendor bills so parts can be supplied. ■ Implement recommended improvements identified in the RATP Dev memo dated March 2024 to improve safety, operational efficiency, maintenance and the training culture at MATA. ■ All 21 Tucson buses operational and being used to deliver service. ■ Pause currently proposed system wide service cuts. ■ Pause proposed fare increase until MATA can deliver its scheduled service. 	<ul style="list-style-type: none"> ■ Rebalance MATA’s fixed route system to maximize customer satisfaction. ■ 100% of MATA’s fixed route service is delivered daily. ■ Develop a safety & security culture and results are communicated to customers and employees. ■ Develop a fleet replacement strategy that maximizes bringing new vehicles to the agency. 	<ul style="list-style-type: none"> ■ Invest in MATA’s employees and workforce, particularly the front line employees who are responsible for delivering service day and night. Give them the tools needed to do their jobs effectively. This also means investing in employee development and training focused on customer service and improving the agency’s culture. ■ Continue to evaluate route efficiency and make changes that address the needs of the customers. ■ Continue to empower the customer experience by completing a statistical valid survey.

KEY STRATEGIES TO ACHIEVE SUCCESS

**To Improve
Community
Trust in
MATA**

The Memphis Community invests tens of millions of dollars annually in their public transit system ... Memphians deserve to have confidence in the agency and how it operates.

- | | Within 100 Days | Within 200 Days | Within 365 Days |
|--|---|---|--|
| | <ul style="list-style-type: none"> ■ Address governance oversight issues on the MATA Board that have resulted in unchecked and unbalanced agency budgeting and historical deficit spending practices. ■ Develop a communications strategy that will provide greater transparency around MATA's performance. | <ul style="list-style-type: none"> ■ Defer large capital expenditures until the agency can demonstrate it has capacity to deliver basic transit services on time and within the publicly stated schedules. ■ Board is aligned with management around measurable success outcomes. ■ Community value campaign and messaging developed and presented in a public facing performance dashboard. ■ Evaluation of trolley services analysis completed and report issued. | <ul style="list-style-type: none"> ■ New Board oversight policies and procedures in place ■ Budgeting process has built in coordination checks and greater transparency of expenditures. ■ MATA administrative space reduced by at least 14k sq. ft. ■ Comprehensive fleet plan developed and is being implemented with urgency. ■ High functioning board and administrative team structure is in place and delivering results. ■ Plan for how to advance major capital project initiatives. |



KEY STRATEGIES TO ACHIEVE SUCCESS

	Within 100 Days	Within 200 Days	Within 365 Days
<p>To optimize the City's Investment in MATA</p>	<ul style="list-style-type: none"> ■ Immediately begin designing and delivering high priority recommendations contained in this report that result in cost savings, bring additional revenue into the system, and serve MATA's customers with reliable transit service. Everything else is just noise at this point and time. ■ Deliver a 100 day state of MATA to council. 	<ul style="list-style-type: none"> ■ Hire an experienced transit Chief Financial Officer and continue requiring greater transparency and accountability associated with its annual local funding grants. ■ Will have developed a sustainable delivery financial model that supports MATAs service delivery plan. ■ Deliver a 200 day state of MATA to council. 	<ul style="list-style-type: none"> ■ Have third party oversight team that reports quarterly on progress to the city. ■ Improved financial systems, reporting and forecasting tools to achieve greater institutional capacity in this area. ■ ITS audit completed and system recommendations budgeted to improve operational efficiency and transparency reporting. ■ 365 day state of MATA delivered to council.
<p>The Memphis Community invests tens of millions of dollars annually in their public transit system ... Memphians deserve to have confidence in the agency and how it operates.</p>			



The Modernization of MATA: For its Customers, the Community, and for City Hall **OPERATIONAL ASSESSMENT**



THE MODERNIZATION OF MATA: Recommendations to improve the agency for its customers, the community and for City Hall.

The fundamental responsibility of a public transportation system is to deliver a high quality service that the community can afford and finds value in... period. None of this is true in Memphis in the recent past or today. MATA is clearly at a crossroads.

This narrative does not need to define MATA indefinitely. By focusing on a strategy that delivers a high quality customer experience, a financially sustainable service offering, and value to the community, MATA has an opportunity to change this narrative. Envision instead an agency where the following success milestones were a reality:

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To achieve these success inflection points, we believe it is important to identify the areas where MATA can and must do better.

The following pages begin to answer the fundamental questions of what MATA must do differently to achieve success.



What are the contributing factors to MATA low satisfaction levels amongst its customers and the overall perception of the agency across the region?

The City of Memphis engaged TransPro Consulting in August 2024 to assess the operations and financial conditions of the Memphis Area Transit Authority (MATA).

TransPro understands that nationally, public transportation organizations are facing challenging financial conditions. Many are facing long-term financial limitations which is the result of an oversupply of transit service, mismatched with decreasing demand. While MATA is experiencing similar conditions, MATA's

challenges are further amplified by a lack of focus on the daily needs of customers outlined in the previous sections, poor financial management and oversight, and the pursuit of major capital projects that are straining the limited staff and fiscal resources of the Authority.

To improve the experience that MATA customers have on a daily basis, TransPro recommends that it focus on the strategic goals outlined on the following page.



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Simply put, MATA customers' greatest desire is reliable service – and they are not getting it today.

Simply put, MATA customers' greatest desire is reliable service.

Over the following sections of this report, we will examine existing operating conditions and identify opportunities for MATA to improve service, but more importantly increase confidence with their customers, demonstrate a greater return on investment for the City of Memphis and the community as a whole, and finally transform the MATA system into one that Memphians take pride in.

The following report sections are organized to provide observations and recommendations for the City of Memphis and MATA to consider that would address the following questions:

- ▶ How does the way MATA delivers service impact the quality it provides for its customers?
- ▶ How does MATA's fleet impact its ability to deliver quality service?
- ▶ How does MATA's workforce impact the ability to deliver quality service?
- ▶ How does MATA's facilities impact their ability to deliver quality service?
- ▶ How does MATA's existing governance structure impact the agency's ability to deliver quality service?
- ▶ How can MATA improve its financial accountability and transparency reporting?
- ▶ What should MATA do with its existing Capital Projects?



The Purpose of this Report

TransPro was retained by the City of Memphis in August 2024 to conduct an operational assessment of the Memphis Area Transit Authority (MATA). TransPro's scope of work is focused on assessing the core elements of how MATA provides service today, how funding provided by the City of Memphis is being utilized, and to provide a set of recommendations to improve service to the customers and communities that MATA serves.

An important piece of context for this report is grounded in one of TransPro's core values of Believe:

We believe that public sector services can, and should be delivered with passion, with excellence, and with measurable value.

It is with this perspective that TransPro has completed this initial assessment over the course of the last 8 weeks based on the most current data made available to our team. The findings of this report provide recommendations to drive significant improvements for the customers that MATA serves in the following areas:

- ▶ Operations
- ▶ Fleet
- ▶ Facilities
- ▶ Workforce
- ▶ Governance
- ▶ Finance
- ▶ Capital Projects



Each section of this report provides an overview of existing conditions which MATA operates including challenges and opportunities that MATA is facing, TransPro's observations made over the course of the last two months including any associated benchmarking to industry or peer standards and finally recommendations to improve on the delivery of service to strengthen customer satisfaction, improve community and stakeholder trust and confidence – and ultimately improve the rate of return on the City of Memphis' annual investment.

To drive transformational change, the City of Memphis and MATA must continue to dedicate the time and resources to successfully implement the recommendations included in this report with an emphasis on prioritizing success for MATA's customers and the community. MATA did not get into the position that it finds itself in today by making a series of recent one-time decisions, but rather the findings suggest that it is a result of years of declining performance and fiscal transparency across the MATA system.

How to Read this Document

The following report is organized into sections that answer each of the preceding questions. Within each section, readers will see the question followed by a top line answer that answers the question.

Following the top line answer, facts are introduced to prove the answer to the question.

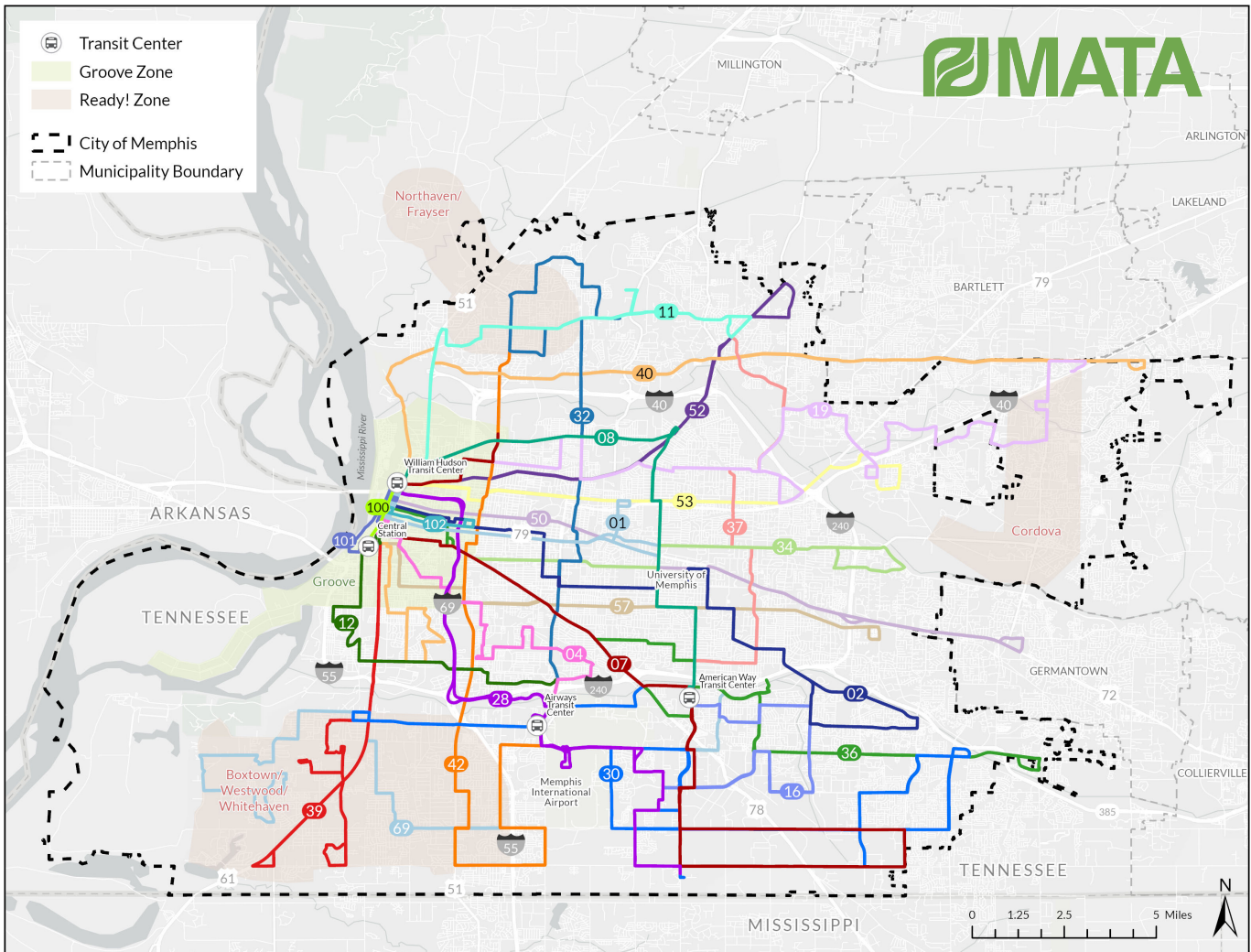
Each section closes with a set of recommendations framed by a fact about the current situation at MATA followed by a proposed solution offered by TransPro, based on the information available at the time of this report.



What service does MATA provide today?

MATA operates four modes: fixed route bus, trolley, complementary ADA paratransit and on-demand service over an almost 300 square mile service area. The following sections describe MATA services and, where available, current ridership and productivity data.

MATA SERVICE MAP



Sources: MATA GTFS and On-demand Zone Shape Files, August 2024

MATA Bus

MATA operates 23 fixed bus routes primarily focused on the City of Memphis.

- ▶ Route 50 provides service to neighboring municipality Germantown, and Route 40 provides service along Stage Road in the city of Bartlett to the north.
 - ▶ Eighteen (18) routes connect at the William Hudson Transit Center in downtown Memphis. The remaining five (5) routes provide crosstown service outside of downtown: routes 42, 32 and 37 provide north-south service, and routes 30 and 69 provide east-west service south of downtown.
 - ▶ Six (6) routes connect at the Airways Transit Center at the Memphis International Airport, which also provides connections to Greyhound buses.
 - ▶ Seven (7) routes connect at the American Way Transit Center. Route 12 connects to Amtrak service at Central Station on Main Street. One-way adult base fare is currently \$1.
 - ▶ Seniors and individuals with disabilities have a discounted fare of \$0.50. During their September 2024 meeting, the MATA Board passed a resolution to increase base fares to \$1.75 and \$0.85 for seniors and individuals with disabilities. This fare increase is scheduled to go into effect in November 2024.
- ▶ All routes operate Monday through Saturday, and most operate on Sunday.
 - ▶ Five (5) routes do not operate on Sunday.
 - ▶ Eight (8) bus routes have 30 minute or better weekday frequencies, 10 routes have 60 minute frequencies and 4 routes have 120 minute frequencies.
 - ▶ Service spans vary among routes. Many routes begin service at 5am on weekdays and end as late as midnight, but some routes' service ends as early as 6:30pm
 - ▶ Weekend service spans are shorter, with Saturday service typically beginning at 7am or 8am and ending between 6pm and 9pm.
 - ▶ Sunday service begins around 8am and ends between 5:30pm and 7pm.



MATA Trolley

- ▶ MATA operated three trolley lines in downtown Memphis. Service was suspended in August 2024.
- ▶ Before the service was suspended, MATA's Main Street Rail Line provided frequent service along Main Street between William Hudson Transit Center and Central Station. The Riverfront Shuttle Line provided service with 40-minute headways along Riverside Drive and Front Street, also connecting to the two transit centers.
- ▶ The Madison Avenue Shuttle Line provided service with 40-minute headways along Madison Avenue in downtown.

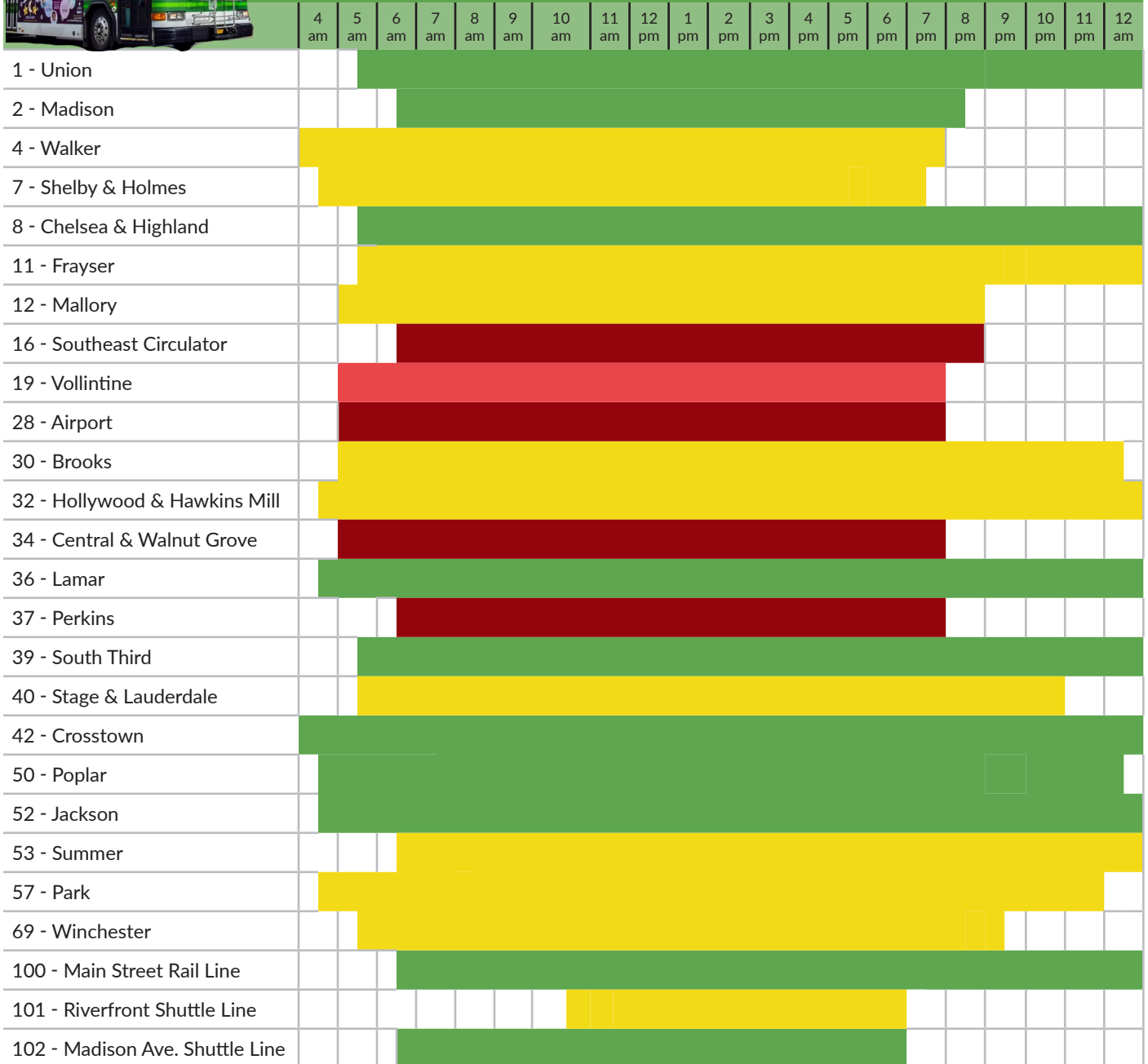


When and How Often Buses Run

Approximate spans and frequencies as of August 2024 are shown by route in the graphics below and on the next few pages. The tables illustrate how long the bus runs and how frequently it comes by route and day of the week.



Weekday Service Span



FREQUENCY | HEADWAYS

- Bus arrives every 30 minutes
- Bus arrives every hour
- Bus arrives every 90 minutes
- Bus arrives every 120 minutes



Saturday Service Span



FREQUENCY | HEADWAYS

- Bus arrives every 30 minutes
- Bus arrives every hour
- Bus arrives every 90 minutes
- Bus arrives every 120 minutes



Sunday Service Span

	7 am	8 am	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm	5 pm	6 pm	7 pm	8 pm	9 pm	10 pm	11 pm	12 am
1 - Union																		
2 - Madison																		
4 - Walker																		
7 - Shelby & Holmes																		
8 - Chelsea & Highland																		
11 - Frayser																		
12 - Mallory																		
16 - Southeast Circulator																		
19 - Vollintine																		
28 - Airport																		
30 - Brooks																		
32 - Hollywood & Hawkins Mill																		
34 - Central & Walnut Grove																		
36 - Lamar																		
37 - Perkins																		
39 - South Third																		
40 - Stage & Lauderdale																		
42 - Crosstown																		
50 - Poplar																		
52 - Jackson																		
53 - Summer																		
57 - Park																		
69 - Winchester																		
100 - Main Street Rail Line																		
101 - Riverfront Shuttle Line																		
102 - Madison Ave Shuttle Line																		

FREQUENCY | HEADWAYS

- Bus arrives every 30 minutes
- Bus arrives every hour
- Bus arrives every 90 minutes
- Bus arrives every 120 minutes

SOURCE: MATA route schedules, August 2024

Routes 28, 39 and 36 contain segments with 30 minute frequency and 60 minute frequency.

Route 30 contains one segment with 60 minute frequency.

The remaining route has a 120 minute frequency.

Span varies for different segments of Route 40.

Route 19's frequency alternate between 30 minutes and 90 minutes.

On Sundays, Route 28 has a shortened alignment.

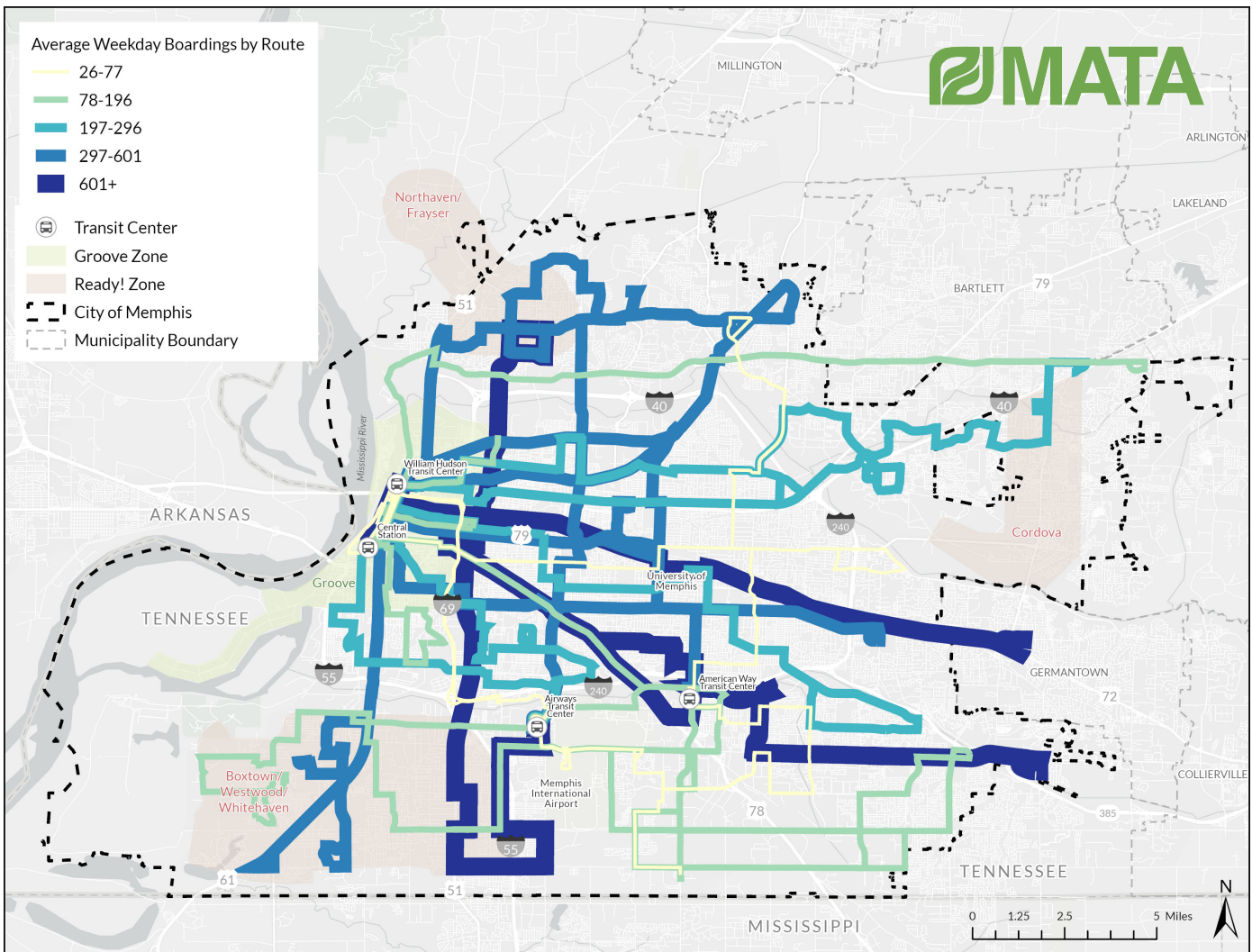
Ridership by Route

Average boarding data is from June through August, 2024. The below map shows average weekday boardings by route. The Main Street Trolley Line has the highest average weekday boardings, followed by Routes 50, 36 and 42.

Saturday and Sunday ridership is 56% and 34% of weekday ridership, respectively. The Main Street Trolley Line's average Saturday ridership is 122% of average weekday ridership, the only route with higher Saturday ridership than weekday ridership.

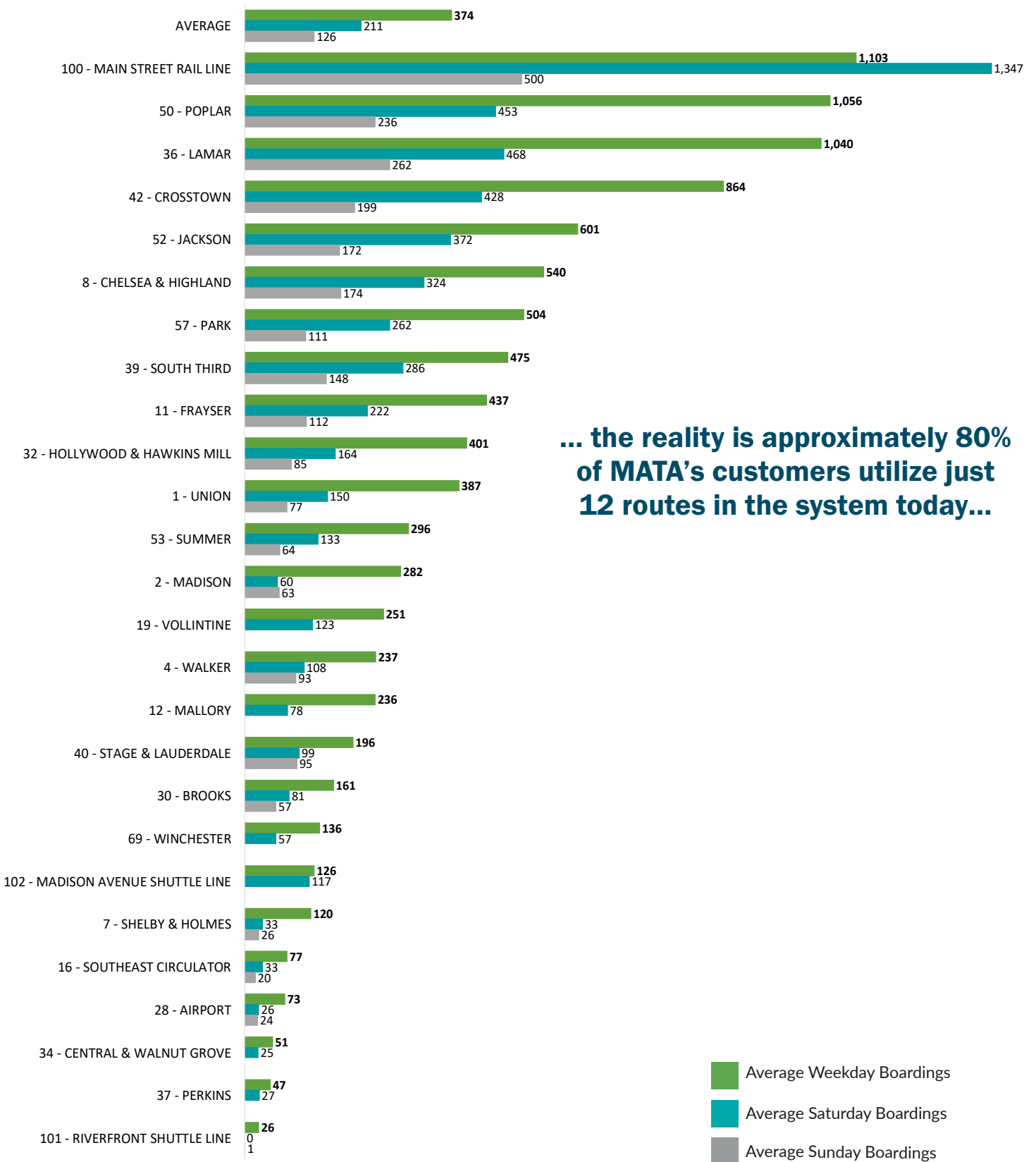
The routes with the lowest weekday boardings are the Riverfront Shuttle Line and Routes 37, 34, 28 and 16. The 12 routes with the highest ridership consist of almost 80% of total fixed route ridership.

AVERAGE WEEKDAY BOARDINGS BY ROUTE



SOURCE: MATA, June - August 2024

Average Daily Boardings by Route



... the reality is approximately 80% of MATA's customers utilize just 12 routes in the system today...

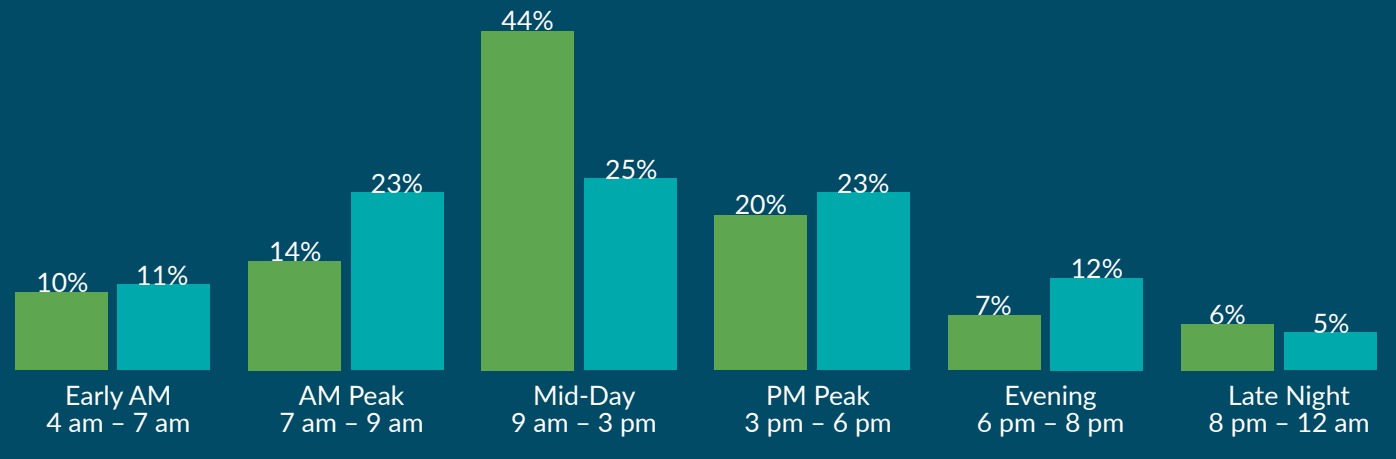
SOURCE: MATA, June - August 2024

Ridership by Time of Day

44% of weekday ridership occurs during the midday period and 20% occurs during the PM peak period, shown in dark blue in the graph below. However, the midday time period consists of six (6) hours of service compared to three (3) hours in the peak afternoon period.

To account for this difference, we calculated hourly ridership per period (shown in teal in the graph below), which demonstrates that MATA's fixed route ridership lacks clear morning and afternoon peaks.

Weekday MATA Boardings by Time Period



SOURCE: MATA, JULY 2023 - JULY 2024

- Total Ridership
- Total Ridership per Hour



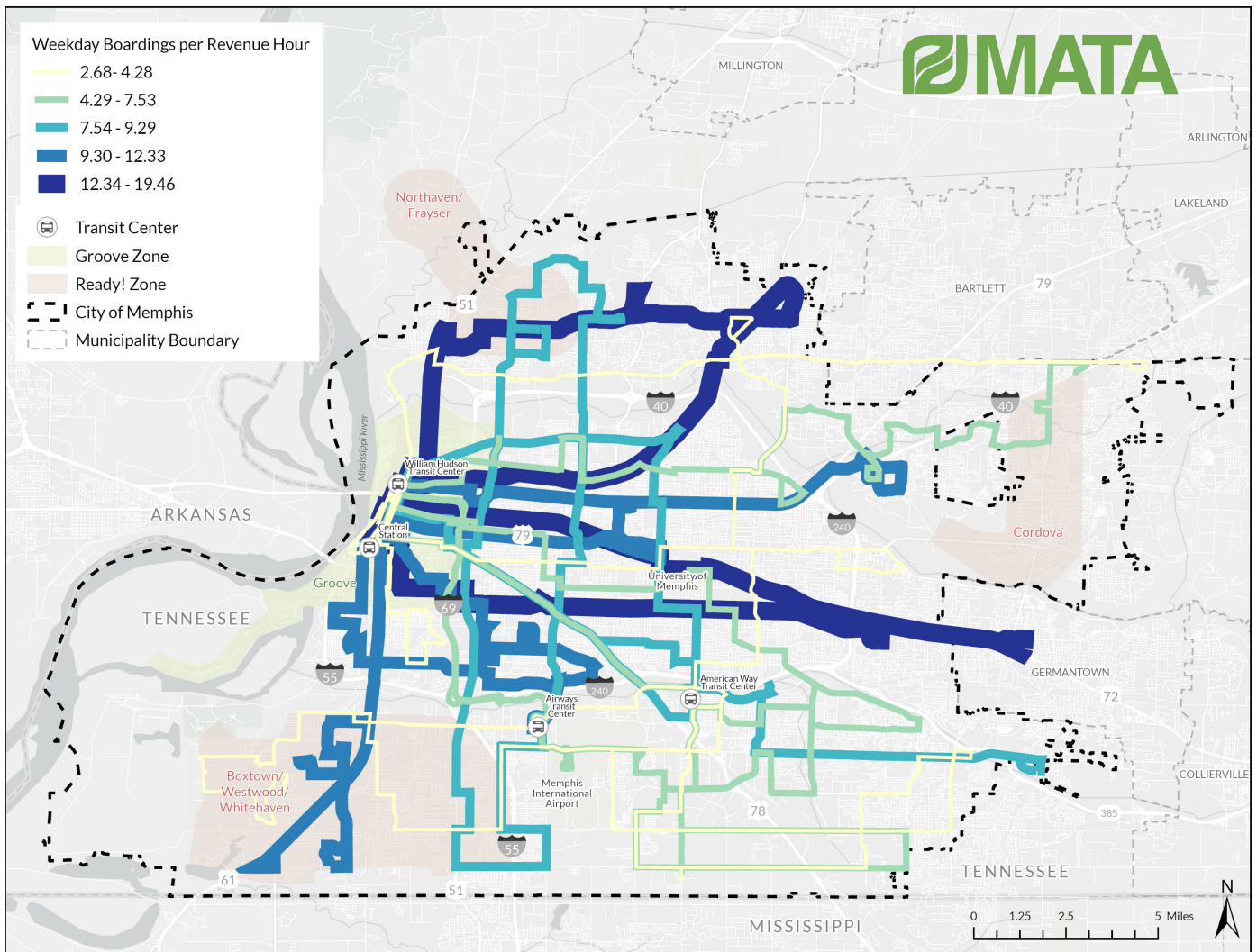
Productivity by Route

Productivity of transit service can be measured by the number of boardings per hour of revenue service. On average, weekday productivity is higher than weekend productivity. However, Main Street Trolley and Route 52 have higher Saturday productivity.

The Main Street Trolley is the most productive route, with 19.46 boardings per revenue hour on weekdays and 25.58 boardings per revenue hour on Saturdays. Route 52 has the next highest productivity, with 21.7 boardings per revenue hour on Saturdays.

Because productivity is a function of both ridership and revenue hours, several routes that have higher average weekday ridership compared to Saturday ridership still experience higher productivity on Saturdays than weekdays, including the Main Street Rail Line and Routes 52, 50, 1 and 42. Except the Main Street Trolley, all routes mentioned have reduced service on Saturdays compared to weekdays (see span and frequencies on pages 19-21).

AVERAGE WEEKDAY BOARDINGS PER REVENUE HOUR BY ROUTE



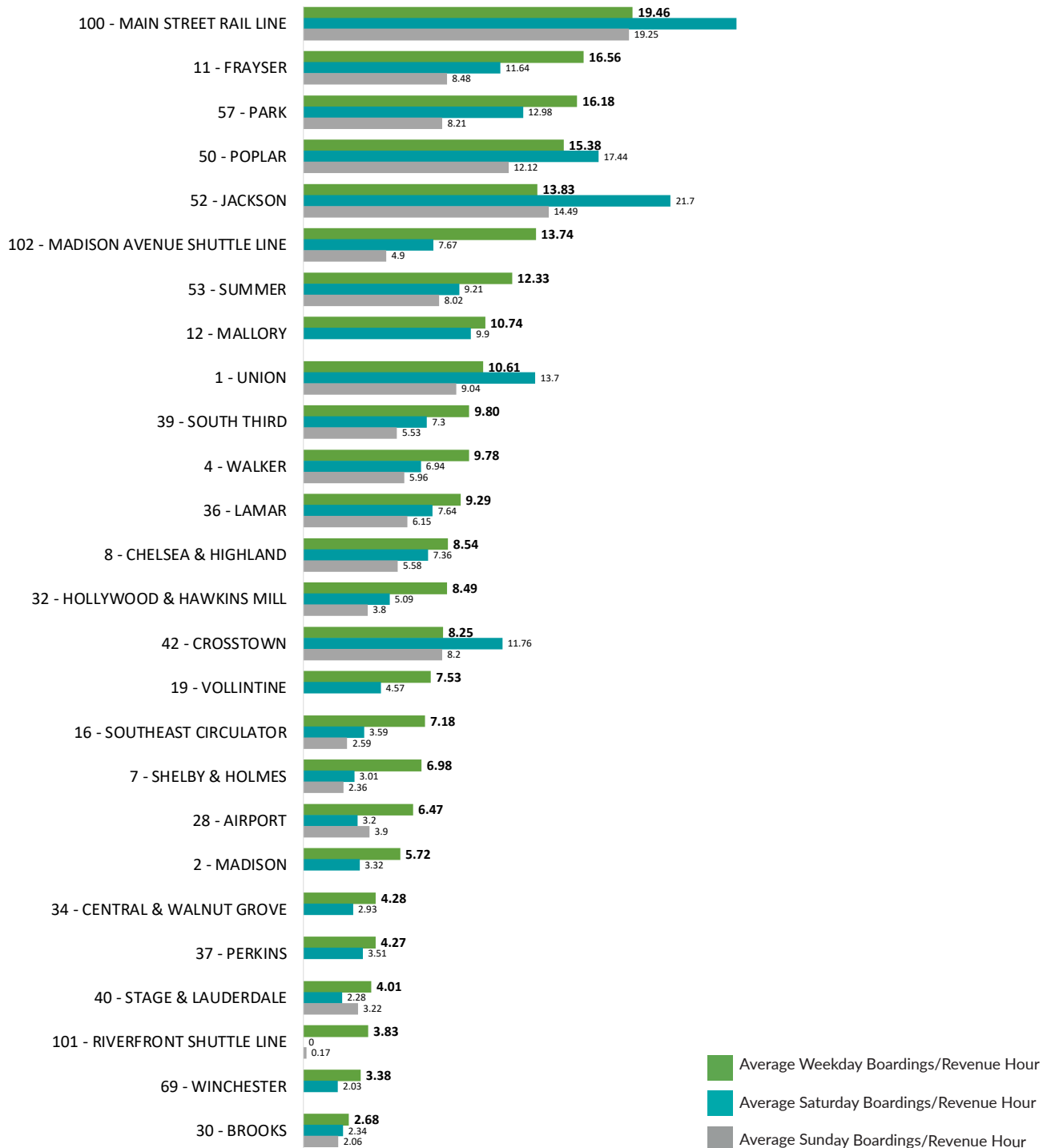
SOURCE: MATA, June - August 2024

Average Daily Boardings per Revenue Hour by Route

Overall Productivity Average



Productivity Average by Route



SOURCE: MATA, June – August 2024

MATApplus

MATApplus is MATA's ADA complementary paratransit service, which provides demand response service within a ¼ mile buffer of fixed routes to people with disabilities.

MATApplus operates from 4am - midnight. As required by ADA guidance, MATA determines eligibility for access to MATApplus service.

MATApplus customers can make a reservation from three days up to the day before the date of travel by calling MATApplus reservation agents.

Customers can also reserve subscription service for trips that are made regularly at the same time and location. The pick-up window is 30 minutes. MATA has late cancellation and no-show policies. One-way fare is \$2.



Groove and Ready! On-Demand

Ready! is an on-demand, curb-to-curb service offered in three zones: Southwest Memphis, Northaven/Frayser and Cordova (see above service map). MATA began service in August 2021. Customers can book trips using a mobile application or by calling MATA reservation agents. The service is free to ride.

Groove is an on-demand service in downtown Memphis, offered from 6am-10pm everyday. The service launched in February 2021 in collaboration with the Downtown Memphis

Commission and the Memphis Medical District Collaborative. Fare is \$1.25 per trip.

MATA has proposed the base fare for both Groove and Ready! services increase to \$2 per trip in November 2024.

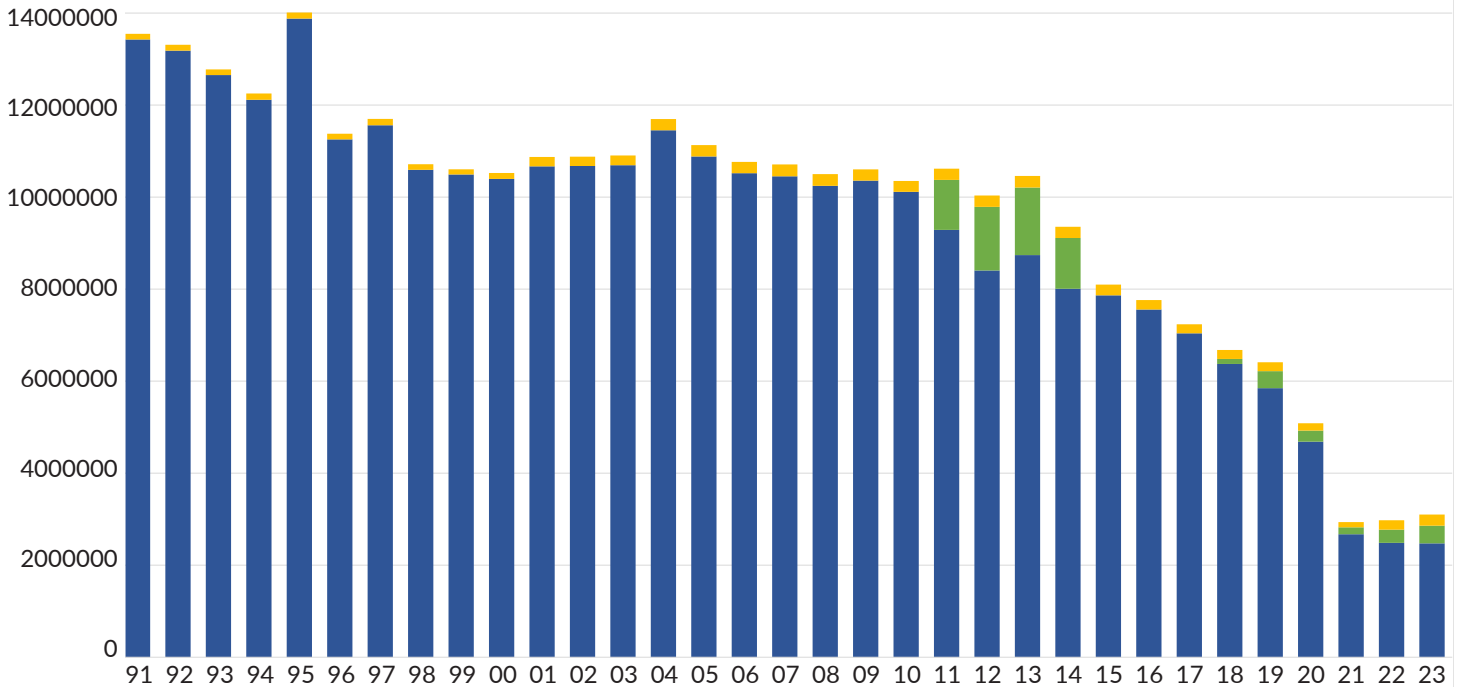
While MATApplus has reservation and eligibility requirements, on-demand services do not require advanced reservations and are open to any customers.

System Ridership

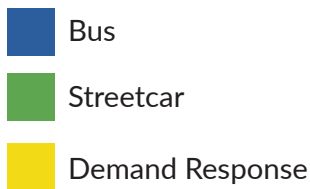
MATA annual ridership has declined overall since 1991, with large decreases in 2015 and 2021. Bus ridership has declined by 82% since 1991. Demand response ridership peaked in 2007 with 257,717 trips provided. Since 2021, this mode

has included ridership from MATA's on-demand services, Groove and Ready!. Streetcar ridership peaked in 2013 with 1,468,030 trips provided, decreasing 74% by 2023.

Ridership by Mode



SOURCE: National Transit Database, 1991 - 2023



Why This Matters

Over half of MATA’s fixed route service routes have buses that come every 60 minutes or more.

Four (4) routes have buses that come every two hours. In a transit industry where frequent service is defined by 15-30 minutes or less, the time Memphians wait for the bus is much longer than other communities across the country.

The Main Street Trolley Line had the highest ridership and productivity of all fixed routes.

Twelve (12) routes with the highest usage make up almost 80% of total fixed route ridership.

Five (5) bus routes have less than five boardings per revenue hour, meaning that on average, fewer than five customers board in a single hour.

Service hours vary significantly between routes: some routes operate until midnight and some cease service as early as 6:30pm.



How does MATA compare nationally?

MATA is Less Efficient and More Expensive to Operate Compared to Peers.

TransPro conducted a peer analysis which can help identify opportunities for improving customer experience, cost effectiveness and efficiency.

TransPro selected peer agencies based on service area population and density, modes of transit operated and agencies representing a diversity

of operating models (directly-operated vs. contracted services).

Throughout this report, peer comparison is provided when data is available. The primary source for peer data is the 2022 National Transit Database (NTD), the most up-to-date data available.



PEER AGENCY COMPARISON						
Agency	Location	Agency VOMS*	Service Area (Sq.Miles)	Service Area Population	Percent Service Purchased	2022 Ridership
Birmingham-Jefferson County Transit Authority	Birmingham, AL	94	186	541,852	0%	1,785,977
Central Ohio Transit Authority	Columbus, OH	274	336	1,168,779	23%	10,275,316
Central Oklahoma Transportation and Parking Authority, dba: EMBARK	Oklahoma City, OK	72	283	783,134	8%	2,512,635
City of Charlotte North Carolina, dba: Charlotte Area Transit System	Charlotte, NC	289	675	1,306,574	64%	12,640,017
City of Greensboro , dba: Greensboro Transit Authority	Greensboro, NC	76	136	297,878	100%	2,184,957
City of Memphis, dba: Memphis Area Transit Authority	Memphis, TN	137	291	690,943	0%	2,976,709
City of Tucson	Tucson, AZ	265	335	788,356	100%	14,743,765
City of Winston Salem, dba: Winston-Salem Transit Authority	Winston Salem, NC	58	134	253,531	0%	1,580,823
Fort Worth Transportation Authority, dba: Trinity Metro	Fort Worth, TX	392	350	879,939	61%	4,603,740
Greater Dayton Regional Transit Authority	Dayton, OH	123	274	559,062	0%	5,666,081
Hillsborough Area Regional Transit Authority	Tampa, FL	174	1,243	1,450,191	0%	10,967,535
Jacksonville Transportation Authority	Jacksonville, FL	208	1,366	1,237,843	47%	6,112,801
Metropolitan Transit Authority	Nashville, TN	239	504	703,953	0%	6,370,413
Rock Region Metropolitan Transit Authority	North Little Rock, AR	83	109	202,333	23%	1,750,545
Transit Authority of River City	Louisville, KY	300	288	736,150	15%	5,341,409

* VOMS-VEHICLES OPERATED IN MAXIMUM SERVICE

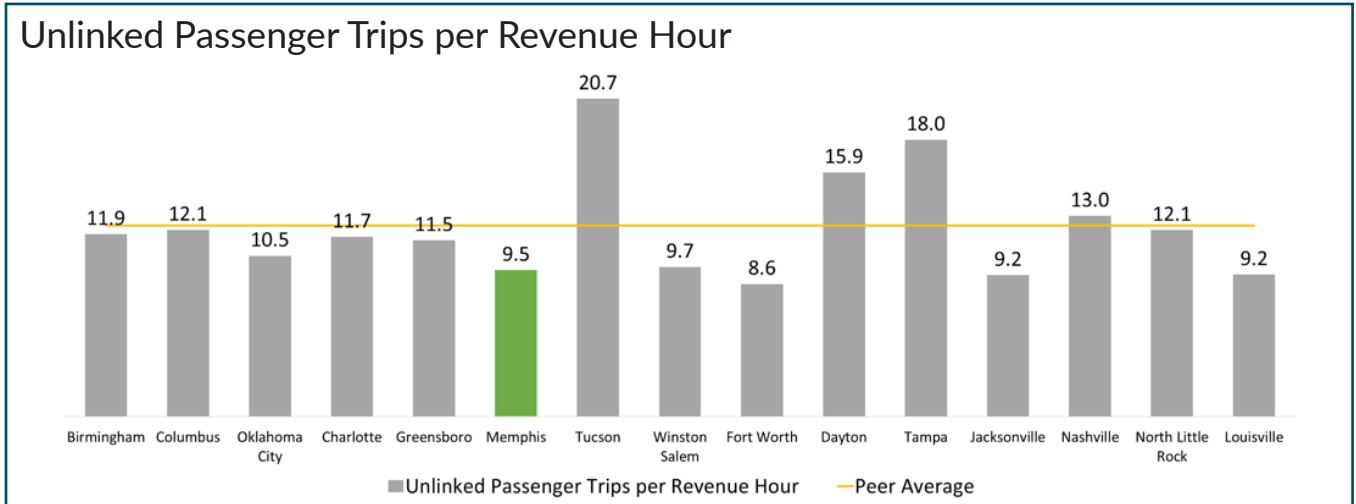
For the purposes of this report, service efficiency is measured by four key metrics for each of MATA's service modes:

1. Unlinked Passenger Trips per Revenue Hour
2. Total Cost per Revenue Hour
3. Total Cost per Revenue Mile
4. Total Cost per Unlinked Passenger Trip

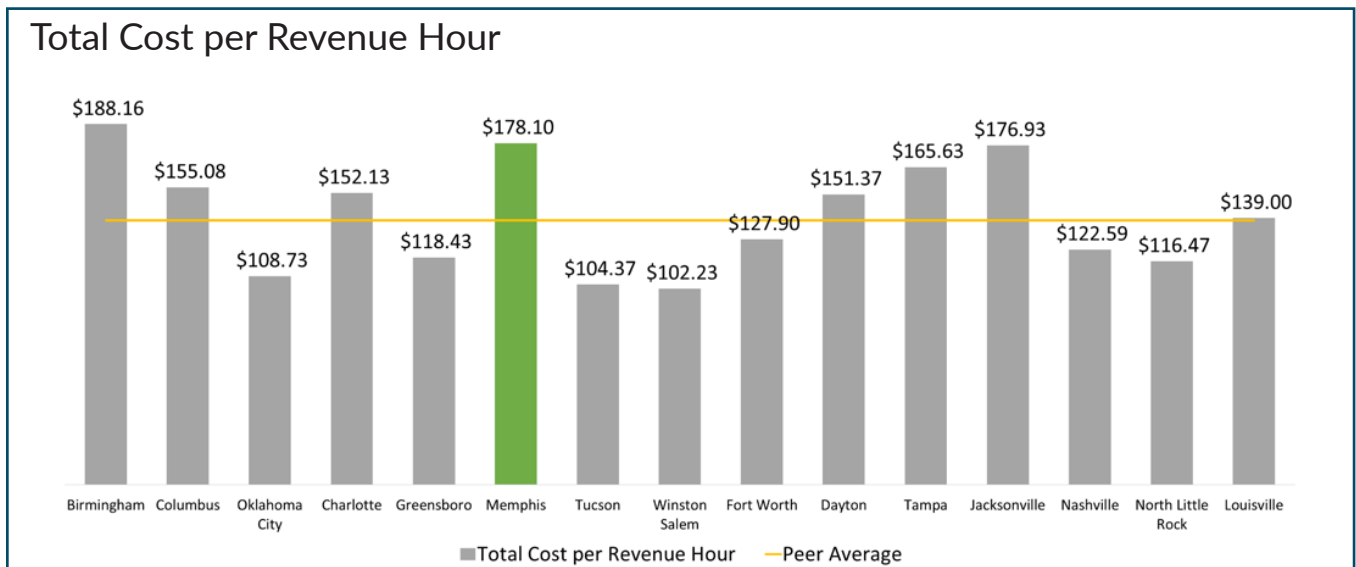
Bus

MATA bus service is less efficient and more costly compared to peers.

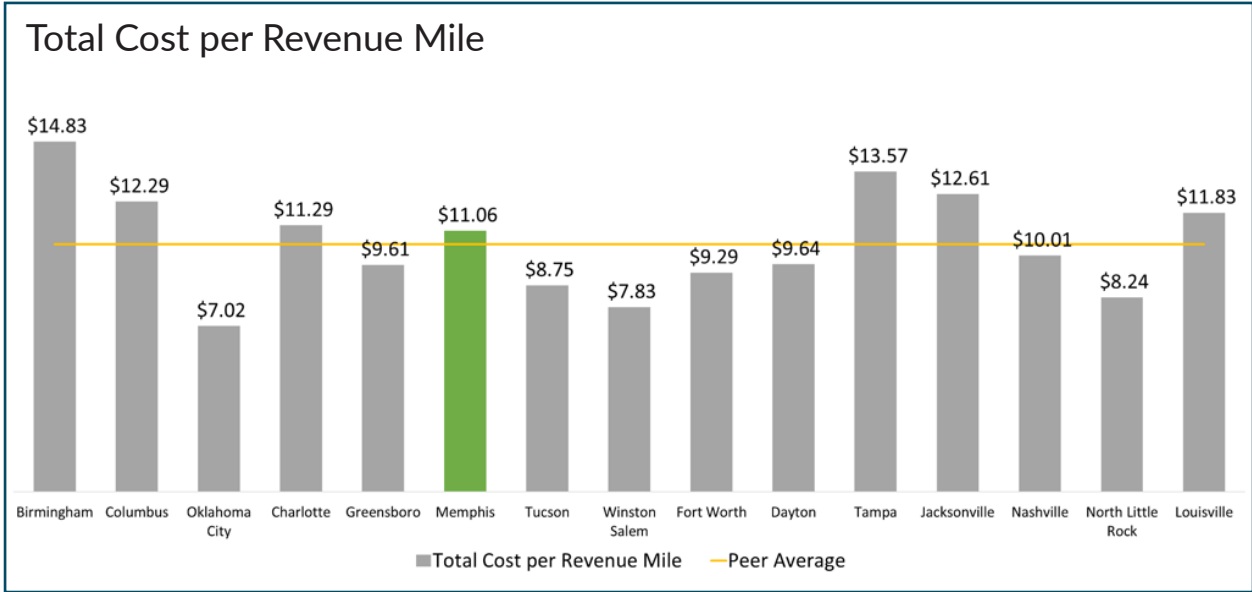
- ▶ MATA's boardings per revenue hour is 23% lower than the peer average, the 4th lowest in the peer group.
- ▶ MATA's cost per revenue hour is 29% higher than the peer average, and the second highest among peers, only lower than Birmingham.
- ▶ MATA's cost per trip is \$18.71, 59% higher than the peer average and only lower than Jacksonville.



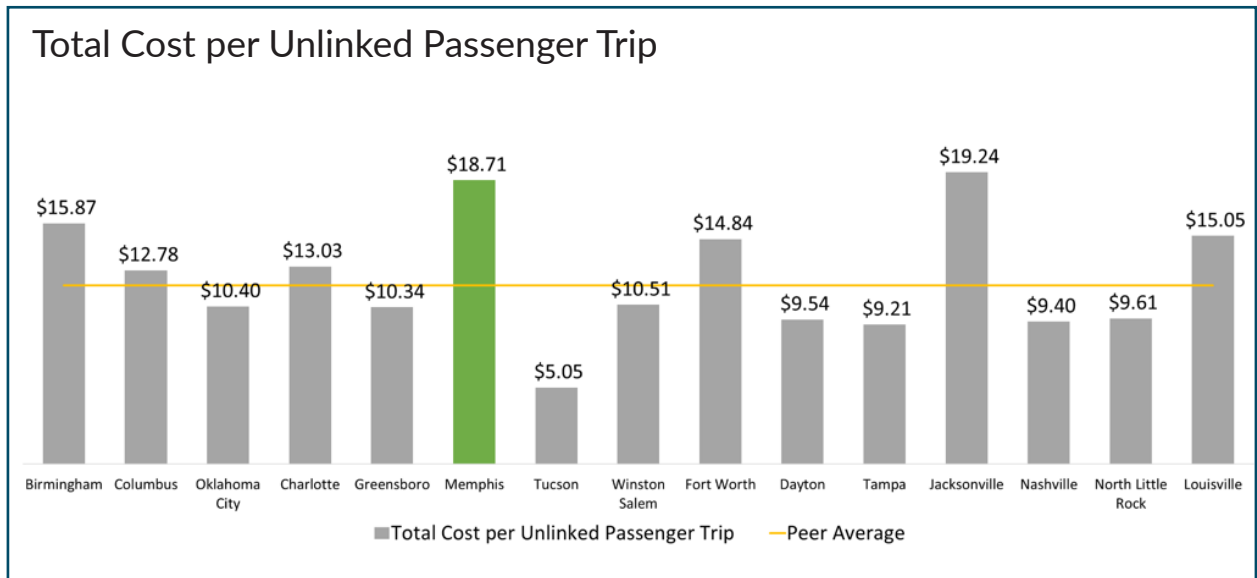
SOURCE: National Transit Database, 2022



SOURCE: National Transit Database, 2022



SOURCE: National Transit Database, 2022

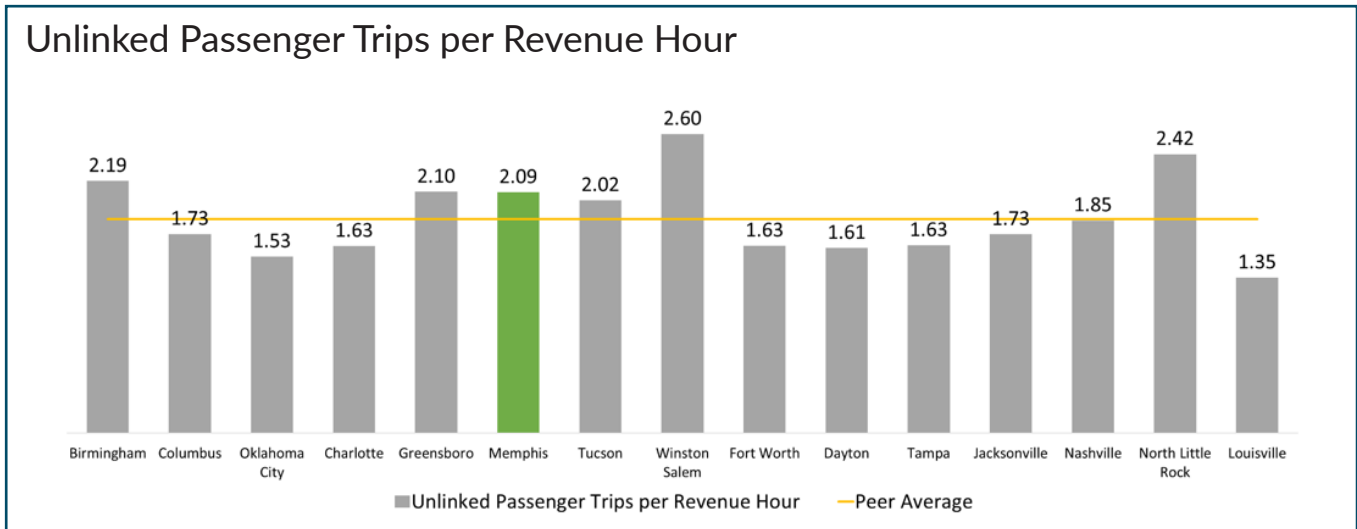
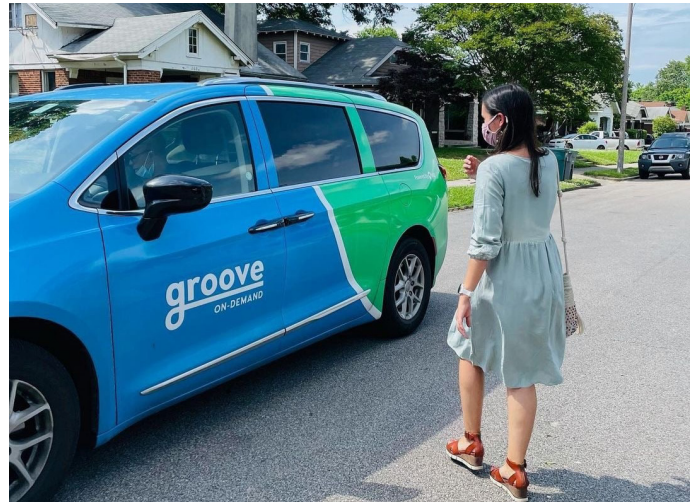


SOURCE: National Transit Database, 2022

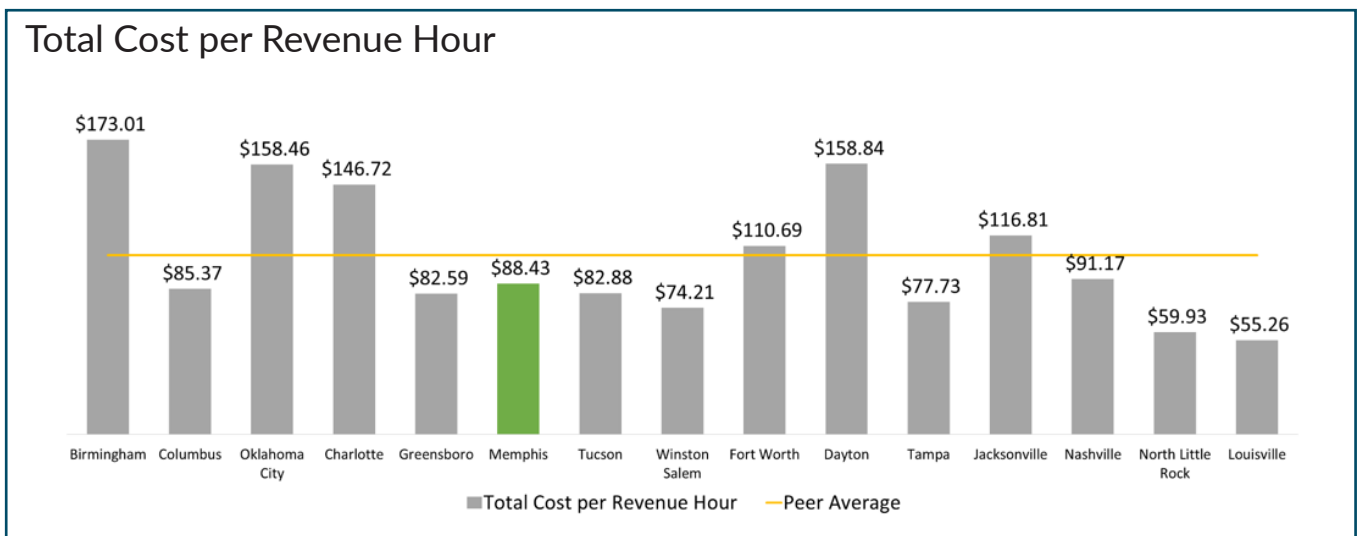
Demand Response

Unlike MATA's bus service, MATA's demand response service is more efficient on all measures compared to peers.

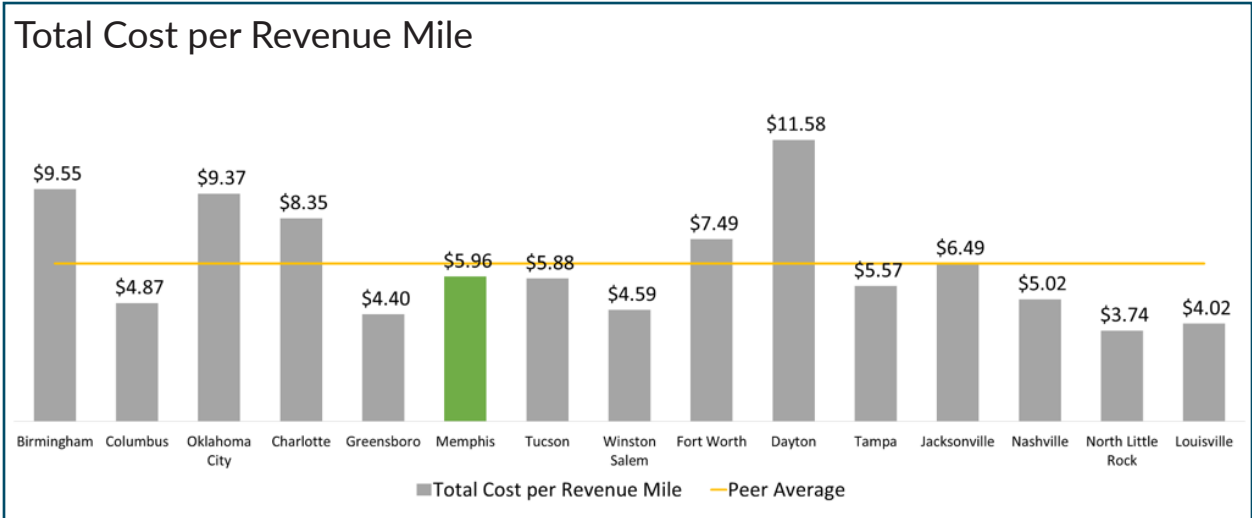
- ▶ MATA's boardings per revenue hour is 12% higher than the peer average.
- ▶ MATA's cost per revenue hour is 16% lower than the peer average, and cost per revenue mile is 8% lower than the peer average.
- ▶ MATA's cost per trip is \$42.25, 29% lower than the peer average.



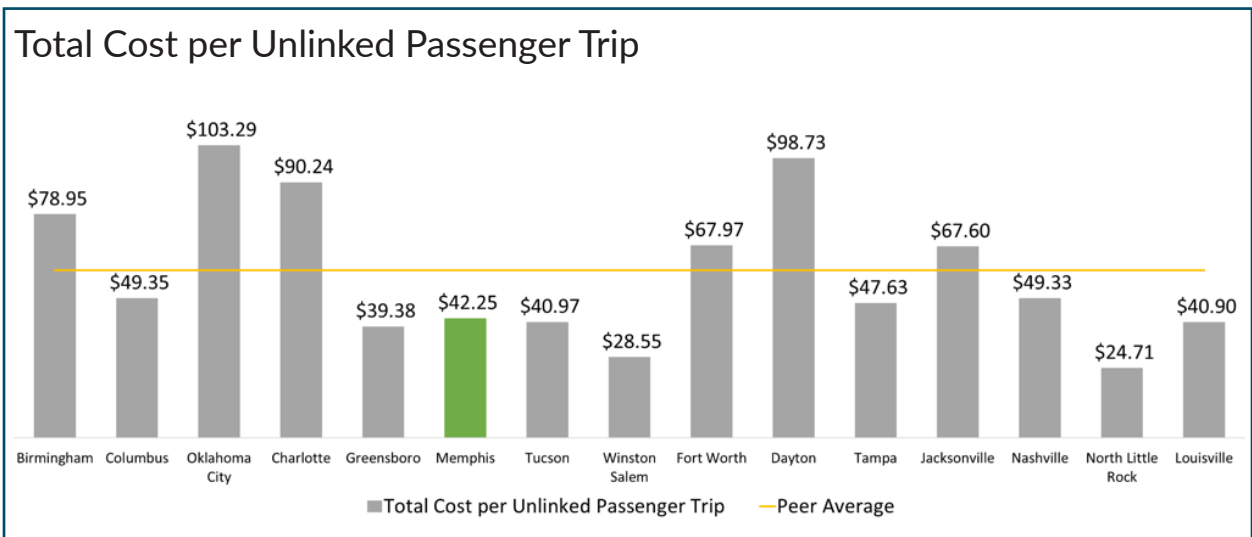
SOURCE: National Transit Database, 2022



SOURCE: National Transit Database, 2022



SOURCE: National Transit Database, 2022

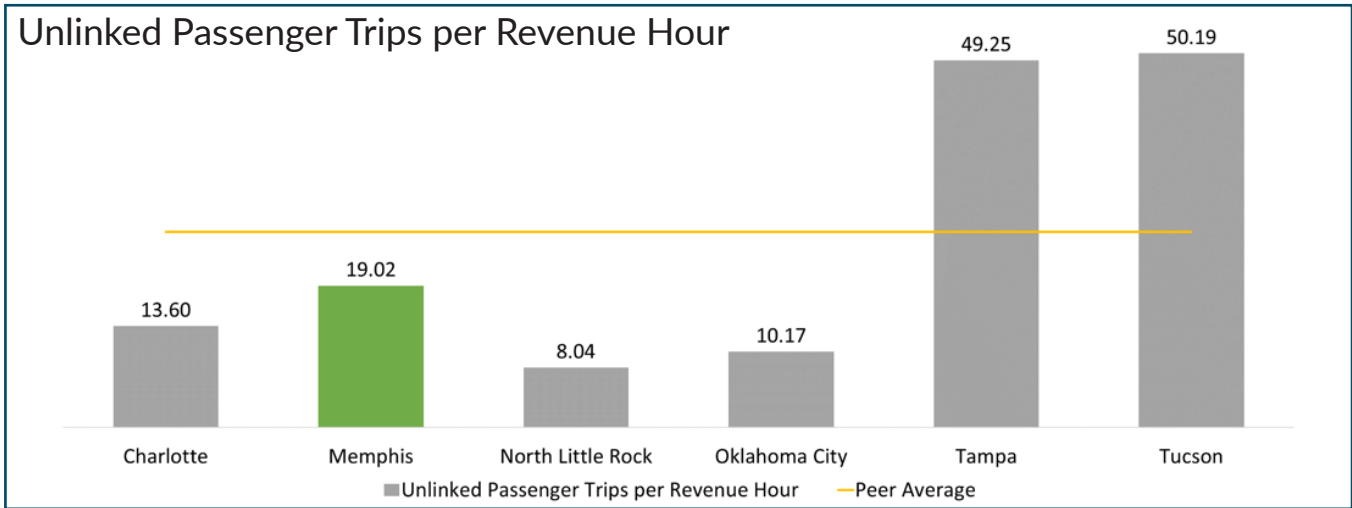


SOURCE: National Transit Database, 2022

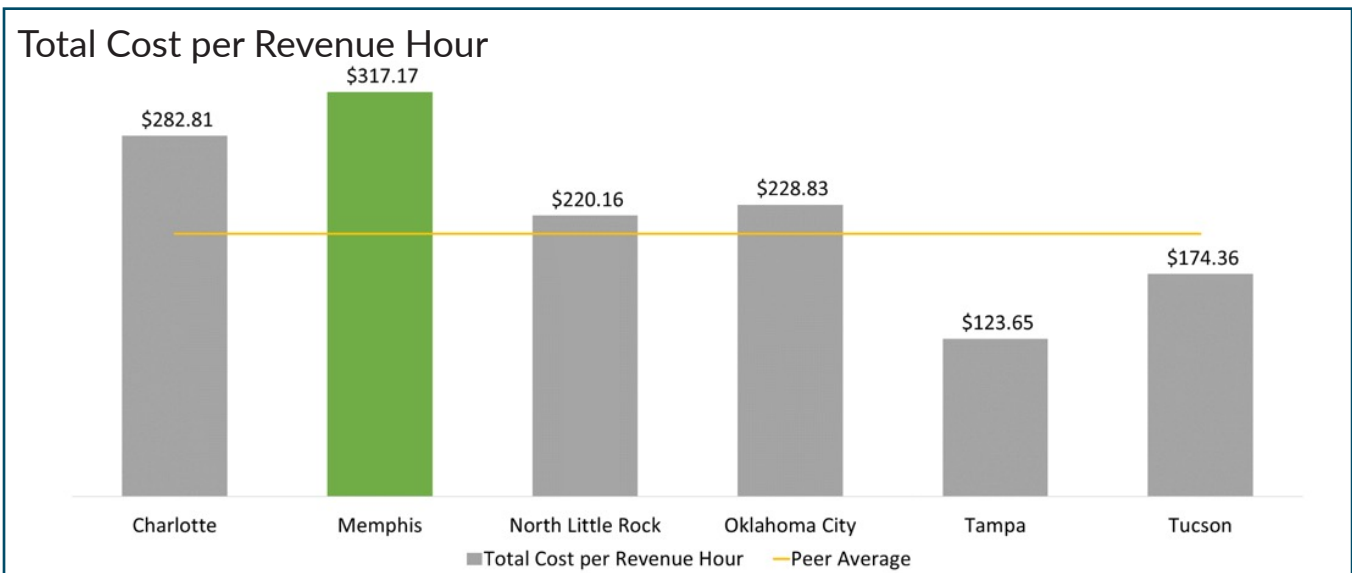
Streetcar

MATA's streetcar is more expensive to operate compared to peers.

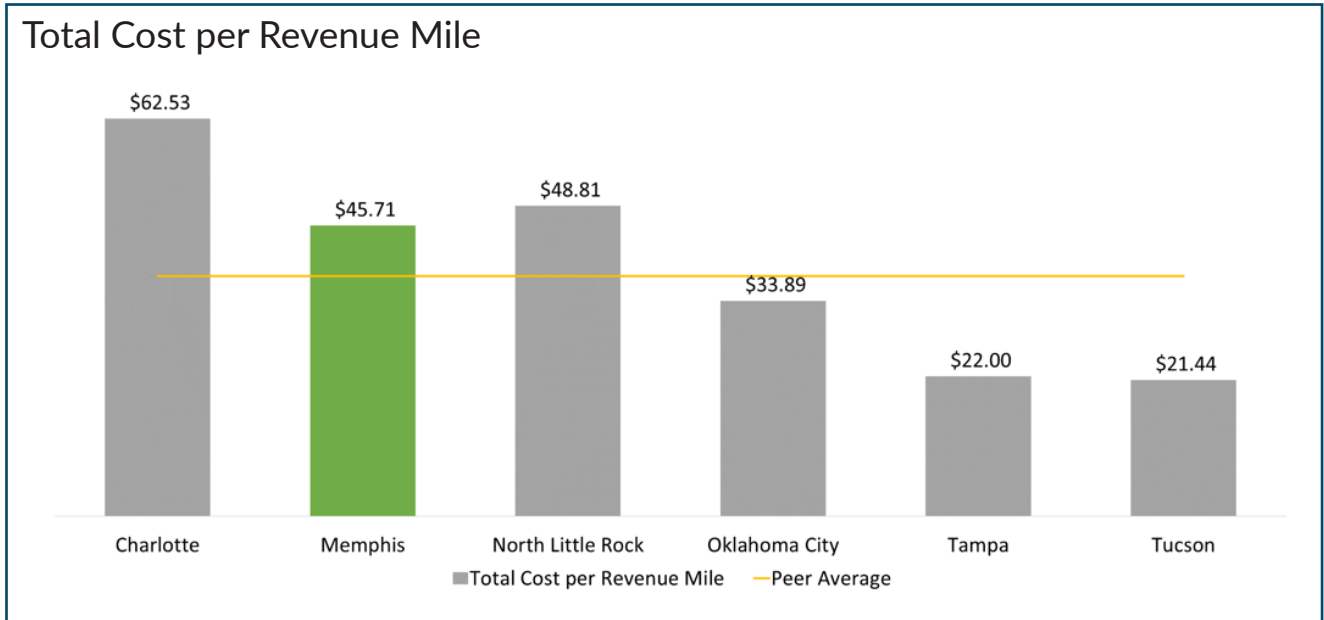
- ▶ In general, MATA's trolley is more similar to Charlotte, North Little Rock and Oklahoma City streetcar services in terms of service efficiency. These agencies have lower efficiency compared to Tampa and Tucson.
- ▶ MATA is below the peer average trips per revenue hour, but is highest among its more similar peers, omitting Tampa and Tucson.
- ▶ MATA's cost per revenue hour is the highest among all peers, 54% higher than the peer average.



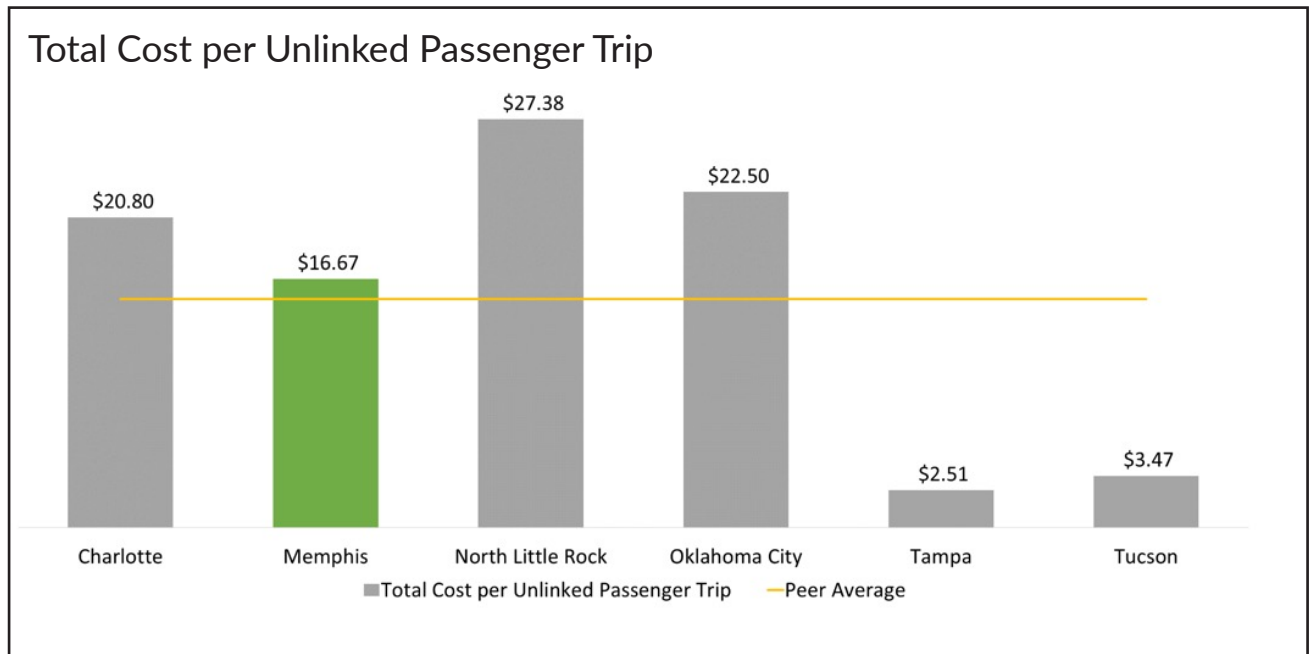
SOURCE: National Transit Database, 2022



SOURCE: National Transit Database, 2022



SOURCE: National Transit Database, 2022



SOURCE: National Transit Database, 2022

Why This Matters

- ▶ MATA's bus system consists of many low-frequency routes, including several routes that operate every 2 hours or 90 minutes, many that operate every 60 minutes, and a select few that operate every 30 minutes. This results in worse service efficiency, measured by trips per hour, compared to its peers.
- ▶ MATA bus service costs more to operate per hour compared to peers. Its cost per hour is well above the peer average, and is 2nd highest compared to the 14 other comparable agencies.
- ▶ MATA's trolley service costs more to operate per hour compared to peers.

Recommendation

FACT

MATA's bus service costs 29% more to operate compared to peers.

SOLUTION

Identify operational efficiencies in bus and trolley operations to lower the cost per hour.



How satisfied are MATA customers with bus service today?

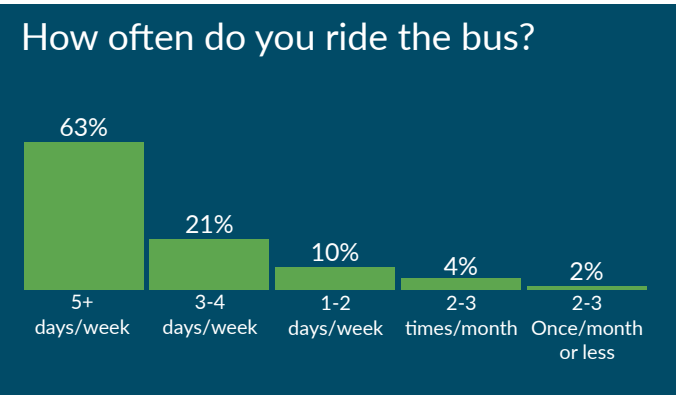
Customer Satisfaction Plummeted 49% Since 2018, Ranks Amongst Lowest in Nation.

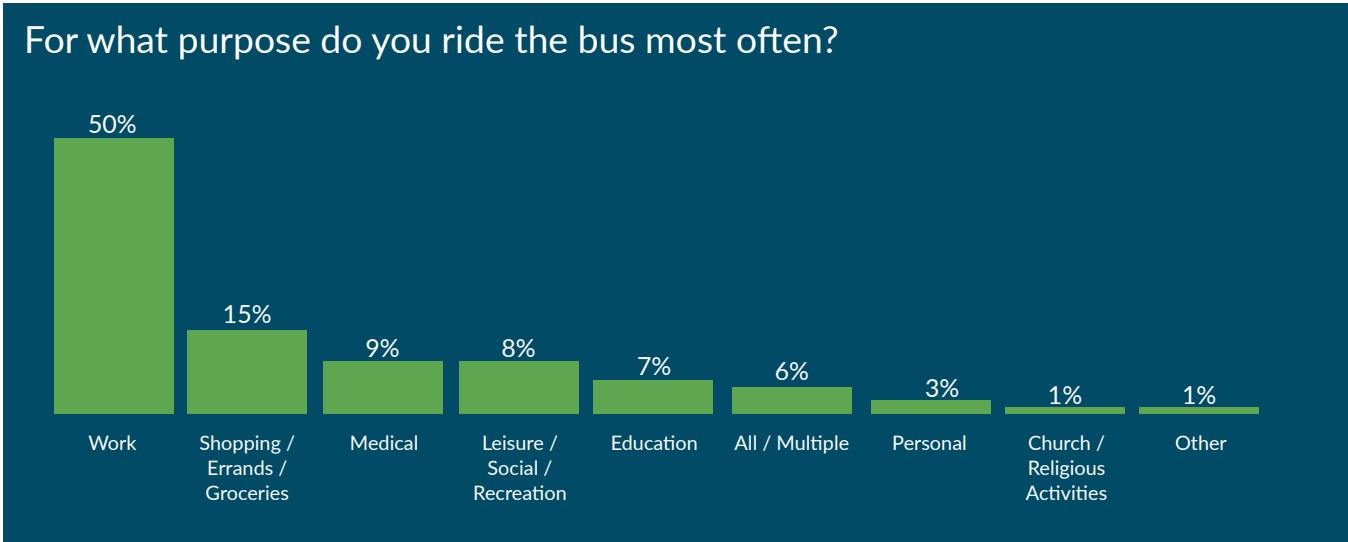
Bus Usage

- ▶ 93% of MATA bus customers are dependent on using MATA to get to/from their destination
- ▶ 50% use MATA primarily for work, a large decline since the February 2021 survey, when 69% of bus customers reported using MATA primarily for work
- ▶ 63% ride the bus 5+ times per week
- ▶ Almost half of customers have been riding MATA for 10+ years
- ▶ 37% of customers used the trolley in the past year
- ▶ 52% of customers transferred to another bus to complete their trip
- ▶ 34% of customers take 3 or more buses to complete their trip



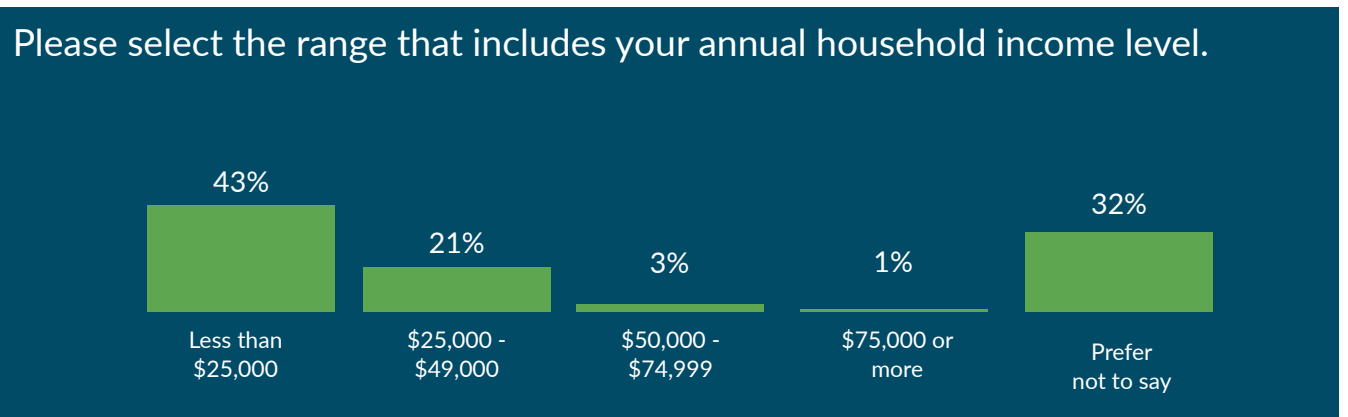
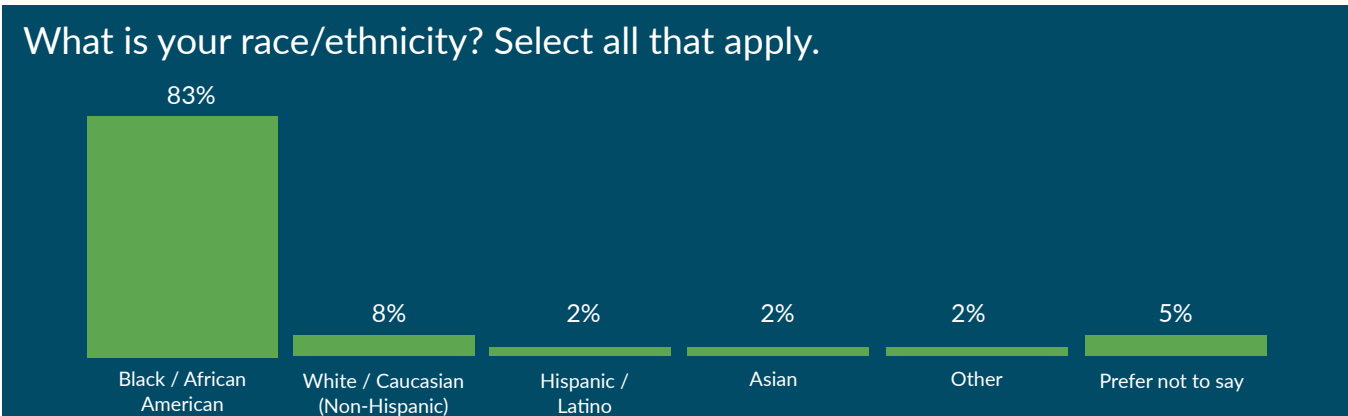
▶ On an average day, MATA only delivers 76% of its scheduled service.





Demographics

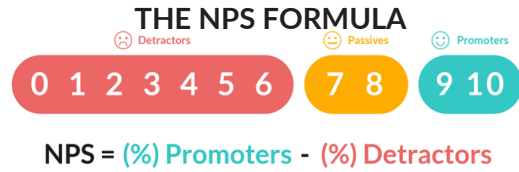
- ▶ 83% of bus customers are Black / African American
- ▶ 64% of bus customers have household incomes less than \$50,000



Net Promoter Score

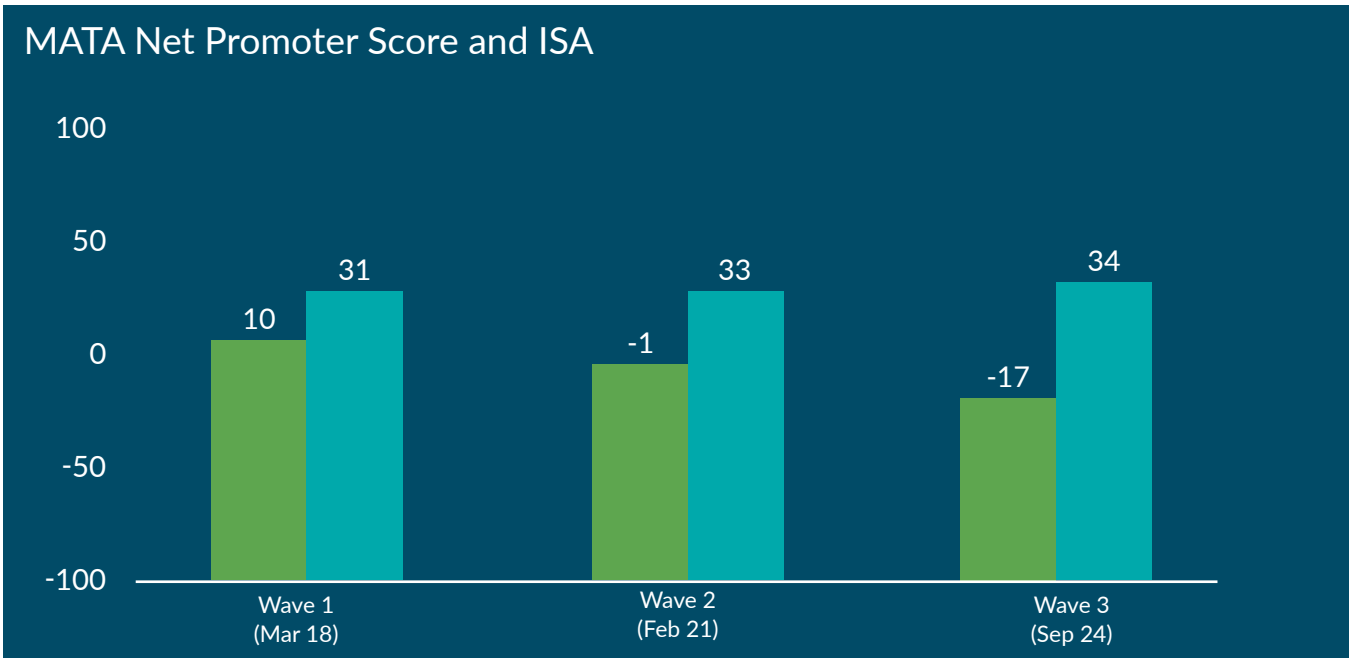
Net Promoter Score (NPS) poses the question: "How likely would you be to recommend riding a MATA bus to a friend or neighbor?"

Customers respond on a 0-10 scale. NPS is calculated by subtracting Promoters (those who respond 9-10) with Detractors (those who respond 0-6). NPS ranges from 0 - 100. MATA's NPS is -17, 150% lower than the ISA.



NPS SAMPLE SCORES

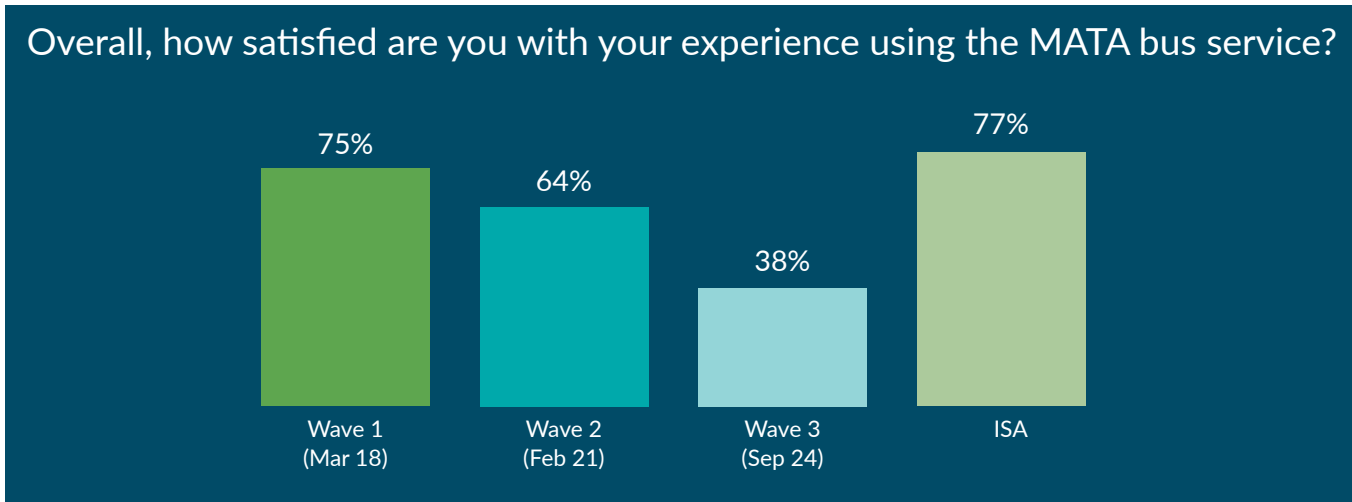
ORGANIZATION	NPS
Apple	72
Chick-fil-a	64
Amazon	51
Transit Agencies (Fixed Route)	35
Cell Phone Providers	25
Airlines	12



- MATA
- ISA

... The quality of customer experience was below national average six years ago and has only declined further...

Satisfaction

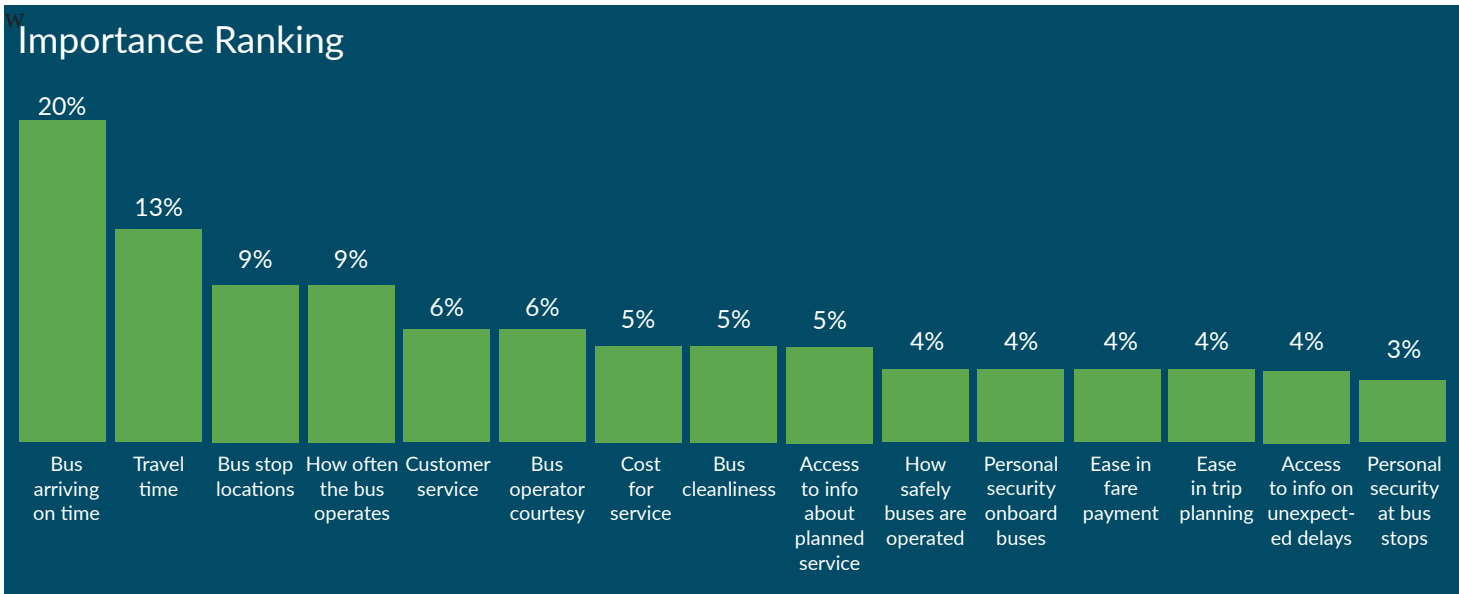


Importance Factors

Customers were asked to pick the three most important service factors to them. On-time performance, travel time, bus stop locations and bus frequency are the most important factors to customers.

Customer service and bus driver courtesy, fare price, bus cleanliness and access to information

about planned service changes are in the middle importance ranking. Buses operated safely, personal security at bus stops on buses, ability to pay fare, trip planning and information about unexpected delays are less important to customers.



SOURCE: Customer survey 2024

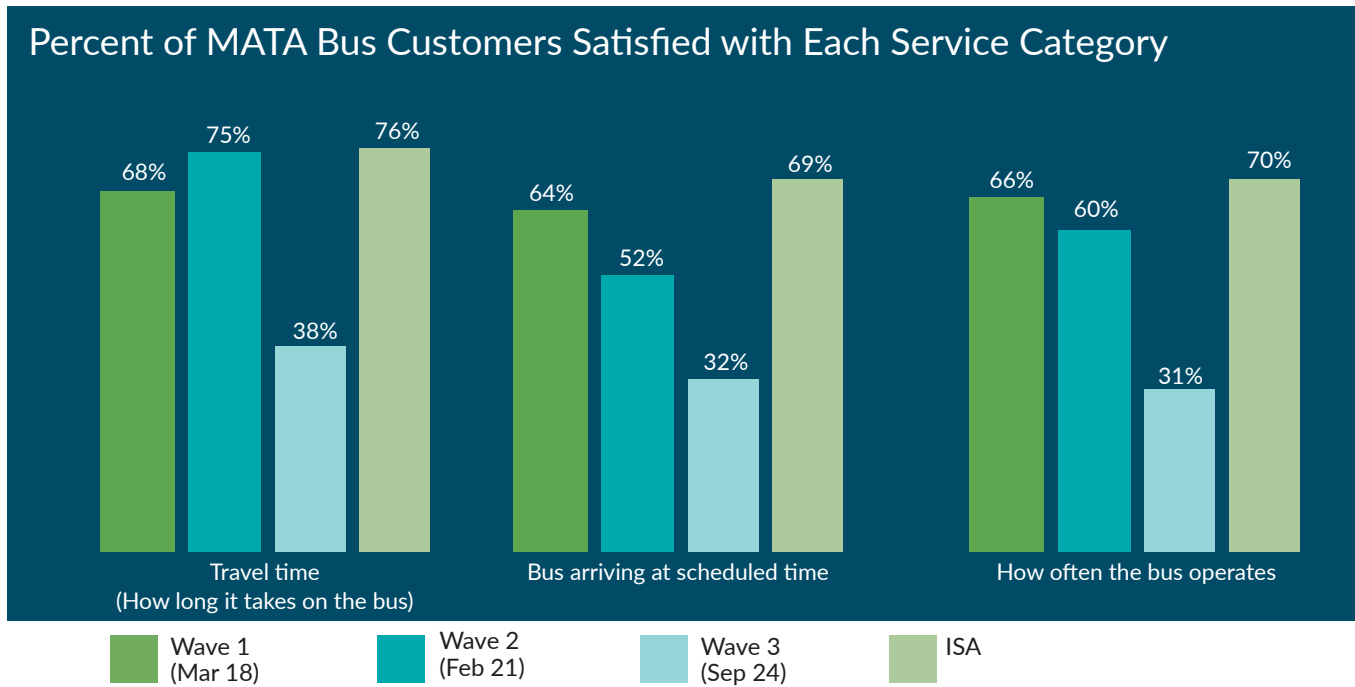
...Customer satisfaction for a MATA bus customer today is 51% below industry norms...

High Importance and Low Satisfaction

Bus arriving at the scheduled time, travel time, and how often the bus operates are the most important factors to MATA customers and have the lowest satisfaction.

Travel time satisfaction is half the industry average, and has declined 49% since February 2021.

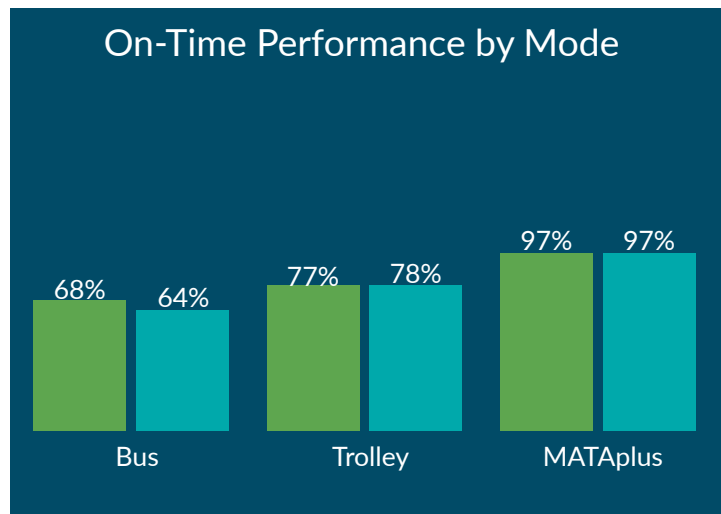
On-time performance satisfaction is even lower, and is less than half the industry average. Satisfaction with bus frequency is 31%, less than half the industry average.



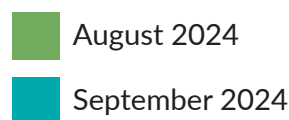
Operational Data

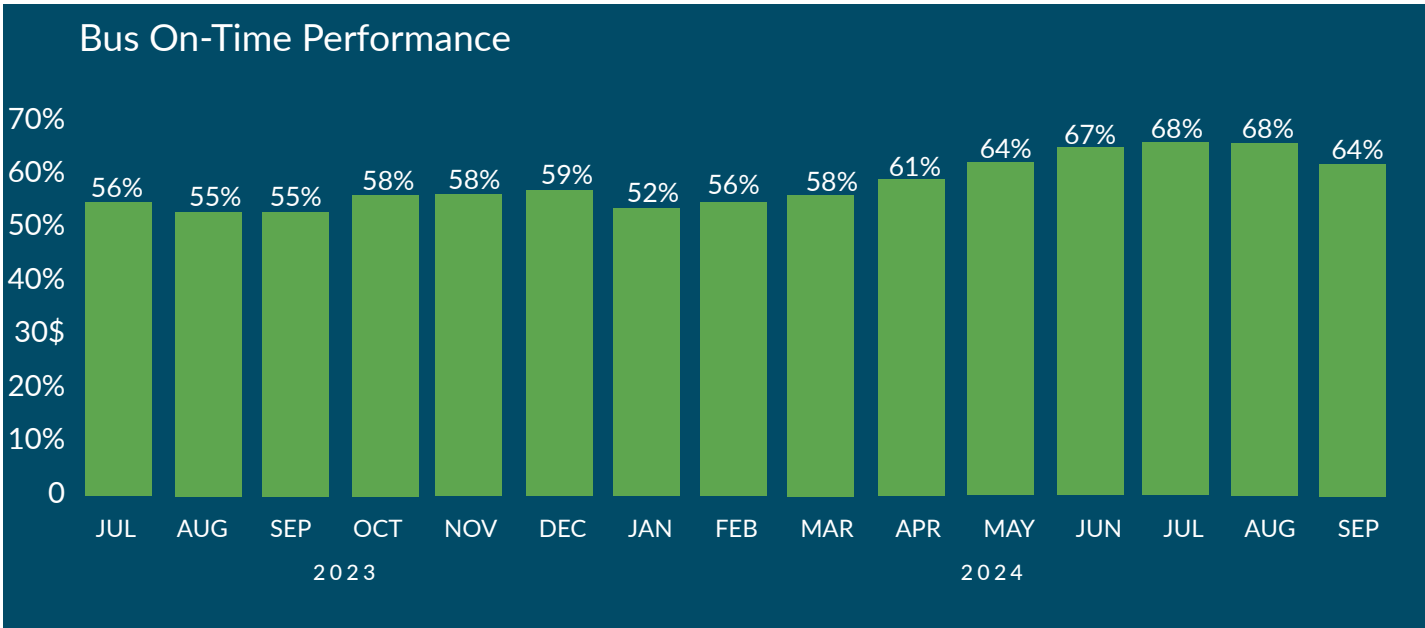
MATA reported on-time performance by mode. Bus on-time performance is especially low compared to industry standards, confirming customer perception.

September 2024 bus on-time performance was 64%, meaning over 1/3 of bus trips were late.



SOURCE: MATA Board Presentation





SOURCE: Memphis Data Hub

Missed Trips

Missed trips are scheduled trips that are not completed. TransPro observations and interviews with MATA staff indicate approximately 24%¹ of buses needed to provide service are not making it into service on a daily basis. In addition to missed trips, MATAplus and on-demand service customers might be impacted by trip denials, which occur when MATA does not have sufficient capacity to fulfill a trip request.

...On an average day, MATA only delivers 76% of its scheduled service...

¹MATA staff indicated that 74 buses were needed for daily service, but only 56 make it into operation each day.

Why This Matters

- ▶ **The overwhelming majority of customers are dependent on MATA to get where they need to go.** When buses don't arrive when they are scheduled to, MATA customers are left stranded.
- ▶ **On-time performance, travel time, and frequency are the most important factors** to MATA customers, but have the lowest satisfaction.
- ▶ Actual data confirms customer perception: **24% of buses don't arrive at all.** Of the buses that do arrive, 36% are not on time.
- ▶ **Currently, 50% of customers use MATA primarily for work,** a large decline since the February 2021 survey, when 69% of bus customers reported using MATA primarily for work. While a portion of this decline can be attributed to post-pandemic changes in commuting, this decline can also be attributed to lack of reliability. Customers can't rely on MATA to get them to work.
- ▶ MATA's proposed November 2024 service reductions will impact all MATA customers through **eliminating routes, decreasing frequency on many routes and reducing span across the board.**

Recommendation

FACT

On-time performance is the most important factor to MATA customers, but only 32% are satisfied that the bus comes on time.

SOLUTION

MATA must focus on improving operational performance for its customers. If nothing else comes out of this operational assessment, the need to improve the experience of MATA's customers should be the top priority.

- ▶ Focus on the most important things to the customer to improve satisfaction
- ▶ Deliver scheduled service on time

The bus schedule is your contract with the community. All available resources should be focused first on making sure buses arrive when MATA says they will arrive. Fleet and workforce recommendations address service reliability issues.



What does the greater Memphis Community think of MATA?

Memphis Community Values Transit As Connector to Jobs: Memphians Lack Trust in MATA’s Financial Management.

To get a better understanding of how Memphians feel about MATA beyond those that use the service everyday, TransPro surveyed 388 residents in the City of Memphis from September 12 - 17, 2024 to ask them of their impression of MATA.

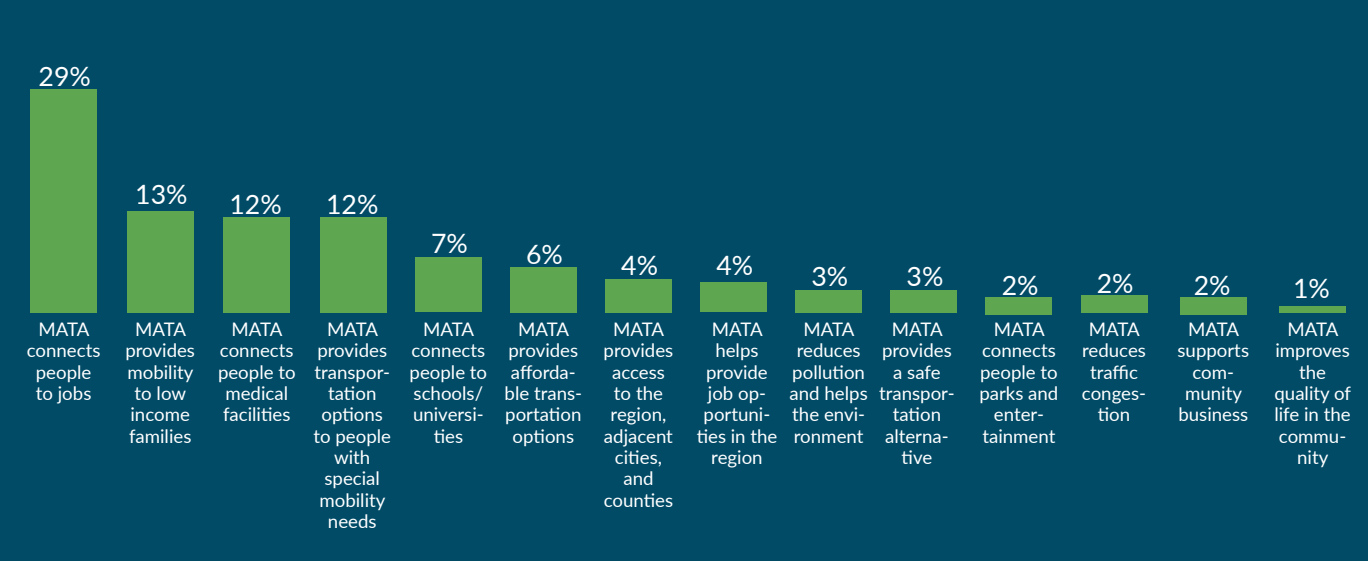
Select questions are compared to TransPro’s industry database containing community survey data from other transit agencies, including those in Denver, Cleveland, and Albany. The Industry Sampled Average (ISA) is calculated using a 2-year rolling average.

Overall Value

- ▶ **26% of respondents believe MATA manages their finances appropriately**, and 26% weren't sure. This is slightly lower than the industry average of 33%.
- ▶ **85% of respondents believe MATA is important to the community**, and 44% believe MATA is valuable to them personally.

Community members overwhelmingly rank job access as their most important area for MATA to focus on to improve the value it provides the community. Providing mobility to low-income families, connecting to medical facilities and providing transportation options to people with special mobility needs are also highly important.

Importance Ranking



SOURCE: Community Survey, September 2024

Why This Matters

- ▶ Public transit that connects people to jobs is most important to community members, followed by providing mobility to low-income families, connecting people to medical facilities, and providing transportation options to people with special mobility needs.
- ▶ Only 26% of respondents believe MATA manages their finances appropriately, 8 percentage points lower than the industry average of 33%. 26% of respondents aren't aware of how MATA manages their finances.

Recommendation

FACT

The Memphis community prioritizes public transit that connects people to jobs, provides mobility to low-income families, connects people to medical facilities, and provides transportation options to people with special mobility needs.

SOLUTION

MATA's service should consider community priorities. Service scenarios should try to preserve or improve job and healthcare access, especially for low-income families and individuals.



What are the contributing factors that cause MATA customers and the community to have little trust in MATA's service?

Lack of Buses and Lack of Qualified Personnel

MATA Has Too Many Buses Not In Service; Fails to Adequately Train Bus Operators to Industry Norms.

Based on a review of MATA's Transit Asset Management Plan (TAMP) and field observations conducted by the TransPro team it is clear that MATA's condition of its assets contribute significantly to its ability to deliver reliable service to its customers.

Maintaining assets in a state of good repair is an industry standard so much that as part of the Moving Ahead for Progress in the 21st Century

(MAP-21) Act of 2012 the Federal Transit Agency (FTA) enacted regulations requiring all transit agencies that receive federal funding to establish asset management performance measures and targets to maintain asset in a state of good repair. MATA complied with requirements and in May 2022 adopted its TAMP.

As part of the TAMP, MATA was required to adopt State of Good Repair policies.

MATA's State of Good Repair policy is as follows:

- ▶ MATA inventories all capital assets of which value is higher than \$3,000 and keeps track of its condition as calculated by several PMs.
- ▶ MATA possesses an Asset Management Plan (to be distinguished with TAM plan) stating exactly what action is executed and when for each capital asset.
- ▶ The asset's lifecycle policy (to be discussed later in the document) is adhered.
- ▶ The use of the asset in its current condition does not pose an identified unacceptable safety risk and/or deny accessibility; and
- ▶ The %BULB for an asset group shall not be lowered than a predefined threshold.

The entire fixed route bus fleet is made up of Gillig buses – fifty (50) diesel, forty-five (45) hybrid-electric and three (3) battery electric.

Shortage of equipment on the fixed route fleet is a daily concern with 74 buses needed to deliver service and only fifty-six (56) going out each day.

Of the ninety-eight (98) buses available in the fleet, ninety (90) need engines replaced based on the mileage being past their useful life. Twenty-

seven (27) used buses were acquired from Tucson, but only six (6) have been put on the road.

There are twenty-one (21) functional buses sitting in the yard that are mechanically sound. This brings the actual fixed route bus fleet to a total of 119.

The table below shows the industry average life cycle for MATA’s assets.

Vehicle Type	Asset Category	Useful Life (years)	Useful Mileage (miles)
Heavy Bus (i.e., 40ft Gillig)	Fixed Route Bus	12	500,000
Medium Bus (i.e., 30ft Gillig)	Fixed Route Bus	10	350,000
Light Bus (i.e., 25ft Bus)	Fixed Route Bus/Paratransit	5	100,000
Car/Van/Truck/Wreckers	Non-Revenue Vehicle	4	100,000

SOURCE: MATA TAMP Plan, May 2022

Based on data taken from MATA’s most recent TAMP, the current fleet used to deliver service is an aging fleet – reaching its useful life and/or useful mileage across many different vehicle classes.

The tables on the following page reflect MATA’s average accumulated mileage, as well as the age of MATA’s fixed route bus fleet.



Category	Group	Average Accumulated Mileage (Miles)
Revenue Vehicle	Fixed Route Bus -Total	404,953
	Refurbished 401 - 418 Gillig 40' Diesel	204,026
	425 - 447 Gillig 40' Diesel	619,557
	448 - 462 Gillig 40' Diesel	428,683
	21501 - 21809 Gillig 40' Diesel	310,209
	4004 - 4033 Gillig 40' Hybrid	436,879
	21201 - 21215 Gillig 40' Hybrid	460,015
	3007 - 3022 Gillig 29' Diesel	525,550
	601 -608 Hometown Trolley	100,244
	Paratransit	83,556
	Trolley	12,078
Non-Revenue Vehicle	Car/Van	72,875
	Truck/Wreckers	81,570

Numbers	In Service	Notes
401 - 418	2018	40' Gillig Diesel Bus from 2003 refurbished in 2018
425 - 447	2010	40' Gillig Diesel Bus
448 - 462	2014 - 2015	40' Gillig Diesel Bus
21501 - 21809	2017 - 2018	40' Gillig Diesel Bus
4004 - 4033	2012 - 2014	40' Gillig Hybrid Bus
21201 - 21215	2021	40' Gillig Hybrid Bus
3007 - 3022	2009 - 2010	29' Gillig Bus (Hybrid and Diesel)
601 -608	2015	Bus refitted as Vintage Hometown Trolley used as Fixed Route service

SOURCE: MATA TAMP Plan, May 2022

The TAMP plan also identifies MATA's Transit Asset Management vision that includes strategies to optimize fleet and facilities to achieve the following objectives:

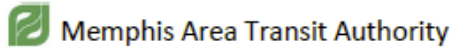


Table 1. MATA's TAM Vision

Objective	Explanation
Ridership	The goal is to increase ridership through strategic planning and innovative initiatives. Some of the initiatives include providing (off)peak service on major corridors, and to high demand origins and destinations such as residential, employment, and shopping, and recreation centers. Enhancement of trolley services, and other initiatives for using public transit in downtown and suburbs.
Reliability	The TAM plan will provide capital improvement program with optimal improvement and replacement plans such that fleet and facilities will continue to serve the community without minimum or no failure.
Safety	Safety includes safe operation and maintenance of fleet and facilities of MATA and its customers. The goal is to preserve and maintain the assets in such a way that the safety standards are always met. Safety is a critical aspect in asset management and MATA aims to review assets nearing useful life and monitor any safety-related issues.
Optimal Efficiency	Efficiency refers utilization of funds optimally in such a way the benefits are maximized with appropriate cost while meeting all constraints. MATA aims to maintain optimal efficiency policy by using decision tools developed as a part of the TAM plan to prioritize investments and providing rehabilitation/replacement plans to fleet and improving the condition of the facilities.
Communication	MATA will make outreach plan to keep the stakeholders and user updated with current practices, and future vision.
Workforce	Maintaining a workforce to contribute to the growth of the agency is imperative for MATA. In the business practices, MATA will make transition plans for in such a way that senior employees transfer knowledge to the juniors for smooth operation of agency activities.
Continuous Improvement	MATA aims to keep-up with the best practices and update the TAM plan to continuously improve various performance targets.

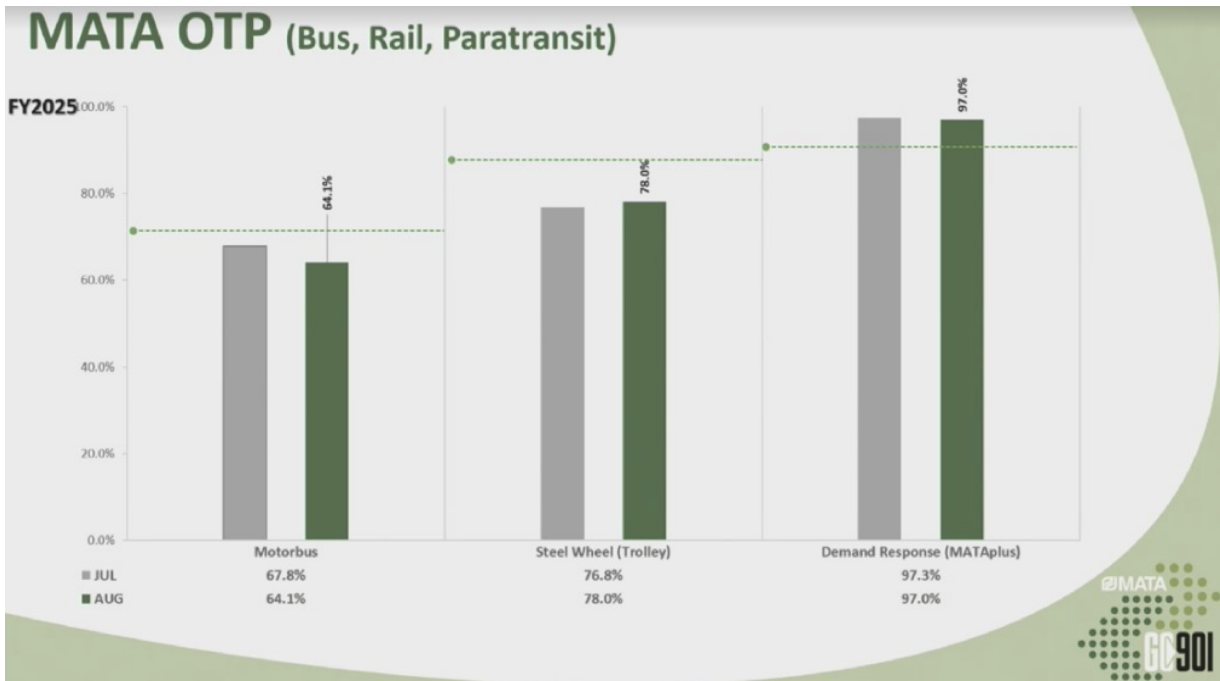
Why This Matters

Of the 98 fixed route buses, 30 are out of operation due to major repairs needed, including one electric bus that was involved in a collision. Six (6) new buses in the fleet were purchased in 2023 – prior to that purchase, 2018 was the last time buses were ordered. After repeated requests, TransPro has yet to receive a fleet replacement or refurbishment schedule.

While the State of Good Repair policies and MATA’s TAM vision as stated above meet or exceed industry standards, how the policies and vision are followed and implemented ultimately drive a transit agency’s ability to deliver quality service to its customers and the communities they serve. As of the writing of this report, TransPro is still waiting to receive many data points from MATA that allow us to make a complete assessment of the current state of good repair.

Based on the data and field observations that we have received, however, we offer the following observations:

- ▶ MATA has an aging fleet that is stressed daily to meet the required service levels that MATA currently advertises to its customers.
- ▶ MATA needs 74 fixed route buses to meet the current schedules. Our observations found that MATA is sending out on average 56 buses daily.
- ▶ MATA must utilize a “back to the basics” approach to get as many buses as possible back in a safe operable condition.
- ▶ Without a concerted effort to focus on improving its equipment, the condition of MATA’s fleet will continue to be a significant cause behind why MATA struggles to achieve industry standard on-time performance for its customers.



SOURCE: MATA Board Presentation, September 2024.

Why This Matters

MATA also lacks a forward facing capital improvement program that identifies optimal improvement and replacement plans such that the fleet will continue to serve the community without minimum or no failure. MATA must adopt a strategy to address the condition of its rolling stock fleet. MATA currently has 90 out of 98 fixed route buses in its fleet that have exceeded the recommended useful mileage and that are recommended to be replaced or have new engines installed.

To help close the gap in its fixed route fleet, MATA acquired 27 vehicles earlier this year from the city of Tucson, six (6) of which are currently in service. These vehicles can help MATA overcome some of the fleet conditions mentioned above, however, they are still not fully in service because they are waiting on branding and equipment upgrades.

Getting all the available equipment on the road is imperative to improve customer satisfaction. There needs to be an effort to make that happen. As shown by the results of the recent customer survey data, MATA customers that use the service to get to work, the grocery store, or a medical appointment don't care about the graphics on the bus transporting them.

They want the bus to show up on time, be safe, and get them where they need to go. Getting the 21 Tucson vehicles on the road allows MATA to deliver more of what they say they will.

The branding can happen slowly and gradually as money for bus refurbishment becomes available through grants and other means. We believe there are quick and inexpensive solutions available to get

the recently acquired Tucson vehicles into service, but no action has been taken to put them on the road. Rather than spending \$8,000 to wrap each one, they simply need a coat of white paint, and some identification numbers affixed as well as some technology equipment installed to be service ready.

MATApplus service is also currently short vehicles everyday to meet service demand. For MATApplus vehicles a different problem is plaguing this fleet: Lack of parts. MATA can't repair vehicles across all vehicle classes because vendors have stopped servicing MATA due to non-payment or excessive late payment to several of its vendors. MATA must prioritize payment of outstanding parts vendors so they can resume the needed supply chain to keep vehicles on the road.

A final contributing factor in the state of MATA's fleet is around its workforce. MATA acknowledges in its TAM Vision that it must "maintain a workforce to contribute to the growth of the agency is imperative for MATA. In the business practices, MATA will make transition plans in such a way that senior employees transfer knowledge to the juniors for smooth operation of agency activities."

While we concur this is an important priority, this is not, however, what TransPro observed in discussion with MATA front line employees.

What we observed was a culture where MATA maintenance staff felt paralyzed around the ability to make maintenance and asset preservation decisions that would realize any small wins due to uncertain budget constraints and uncertainty around parts availability from MATA's vendors.

Recommendations

FACT 1

Vendors have stopped providing parts due to non-payment.

SOLUTION

MATA should immediately complete a triage assessment on outstanding vendor payments and should bring past due accounts with vendors that provide parts required to repair both fixed route and MATAPlus vehicles and bring them current. MATA should prioritize the fundamentals of paying vendors directly tied to service delivery.

Imagine not being able to do your job because you cannot purchase parts to repair a vehicle out of service has to be a frustrating situation to be in. Being able to acquire parts and complete needed maintenance on a timely basis especially on a fleet as old as MATA's is a basic core function. If necessary, resources being spent on other agency priorities should be redirected to this critical task until MATA's fleet can be stabilized.

FACT 2

MATA acquired 27 fixed route buses earlier this year from the city of Tucson, but 21 buses are not currently in service.

SOLUTION

Prioritize efforts to put all 21 of these vehicles into service immediately so that MATA has added capacity in its fleet providing operational flexibility needed to complete preventive maintenance activities on existing MATA buses and creating greater probability of meeting daily pull out goals.

...MATA mechanics simply lack parts inventory to repair buses...because local parts suppliers have gone unpaid for months...and refuse delivery.

Recommendation

FACT 3

MATA has not produced a comprehensive fleet replacement plan, however, MATA’s FY 2025 capital budget includes \$6,985,000 for fixed route vehicle replacements with little detail provided during the September 2024 board meeting.

SOLUTION

Before spending any of the budgeted funding, MATA should complete a comprehensive vehicle replacement plan to address the needs of its entire fleet. As part of this plan, an assessment should be undertaken to assess the tradeoffs between moving forward with purchasing electric vehicles as proposed or evaluating vehicles with different propulsion systems. As shown below, current industry average prices for electric vehicles are almost double the cost of modern clean diesel vehicle propelled buses.

Given the state of MATA’s fleet and the need to have a reliable fleet to be able to meet pull out associated with the current system design, TransPro recommends MATA complete this analysis before advancing to the next phase of the Gillig bus procurement. While the agency will likely have to trade off some environmental benefits associated with transitioning to an electric fleet, we believe it is far more important to stabilize MATA’s service for the customers that it serves by modernizing more of its fleet and maximizing on-time performance and reliability of the system.

Industry Average Bus Prices (Oct. 2023 to Sept. 2025)		Gillig			New Flyer	
		Cost 30' Bus	Cost 35' Bus	Cost 40' Bus	Cost 35' Bus	Cost 40' Bus
ENGINE TYPE						
1	Diesel	\$524,360	\$530,410	\$534,610	\$534,990	\$539,990
2	Hybrid	N/A	\$830,024	\$834,224	\$774,990	\$779,990
3	Electric	N/A	\$952,065	\$956,265	\$989,990	\$994,990

FY2025 Capital Budget								
As of September 12, 2024								
	Admin	Facilities	Safety & Security	Finance	Fixed Route	MATA Plus	Trolley	Total
Computer	0	0	0	0	0	0	0	0
Construction	0	0	0	0	6,500,000	0	0	6,500,000
Equipment	0	0	0	0	600,000	0	0	600,000
Facility	0	200,000	0	0	0	0	0	200,000
Fare	0	0	0	0	250,000	0	0	250,000
Office	0	0	0	0	0	0	0	0
Parts	0	0	0	0	0	0	1,500,000	1,500,000
Track	0	0	0	0	0	0	0	0
Utility	0	0	0	0	0	0	0	0
Vehicle	82,000	0	0	0	6,985,000	287,500	0	7,354,500
Total	82,000	200,000	0	0	14,335,000	287,500	1,500,000	16,404,500

SOURCE: MATA Board Meeting Packet, September 2024

Recommendation

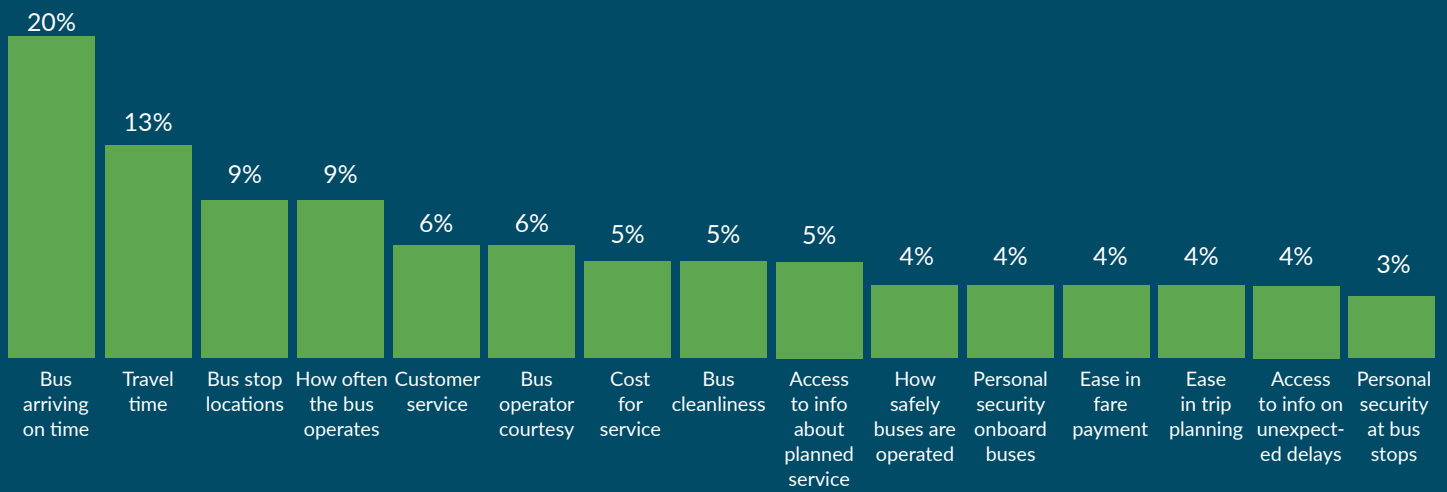
FACT 4

MATA customers care most that MATA's bus service arrives on time.

SOLUTION

MATA needs a dependable fleet that will meet pullout and won't fail on a regular basis. Beyond its FY2025 Capital Budget expenditure, MATA should develop a prioritized asset management investment strategy to reverse the failing State of Good Repair trend line and address the below average industry ratings of mean failures between to distances of its current fleet. To accomplish this, MATA will likely need to reprioritize other capital investment priorities and double down on investing on the core fleet needed to deliver reliable service that are most important to MATA's customer base.

Importance Ranking



SOURCE: Customer survey 2024

Trolley System Observations



The TransPro team also completed an analysis of the recent brake failures in the trolley system, focusing on their causes, associated issues, and recommendations for improvement. The investigation highlights several critical factors that have compromised the safety and reliability of trolley operations.

Causes of Brake Failures

1. Faulty Turnbuckles

The primary cause of the brake failures was identified as defective turnbuckles, essential components of the braking system. Investigations revealed that these turnbuckles were manufactured below the required standards by Gomaco Trolley Company. This defect rendered them unsuitable for their intended purpose, resulting in a complete failure of the service brake system.

2. Lack of Dynamic Brake Training

A significant contributor to the recent runaway streetcar incidents was the insufficient training provided to operators on dynamic emergency braking. The previous Director of Trolley Operations opposed the inclusion of dynamic braking in the training curriculum, believing it to be inconsistent with modern light rail operations. This exclusion left operators inadequately prepared to handle brake failures, severely limiting their ability to stop the trolley in emergency situations.

3. Safety Department Turnover and Inexperience

Turnover and a lack of experience within the safety department further exacerbated the issues surrounding brake failures. Newly appointed safety personnel lacked essential rail safety experience and did not possess the required TSSP certification. This deficiency in expertise contributed to inadequate safety oversight and follow-up on critical safety concerns, ultimately failing to address the issues related to brake reliability.

Other Issues Impacting Operations

Equipment Failures and Reliability Concerns

The trolley system has faced multiple turnbuckle failures over the past 20 years. While dynamic emergency braking has historically mitigated some of these impacts, the recent incidents involving faulty parts supplied by Gomaco, presented as OEM, raise serious questions about the reliability of these components. Notably, a similar failure occurred with a non-adjustable brake part in Little Rock, casting further doubt on the integrity of the equipment.

Concerns About the U2 Car Project

The U2 (San Diego) car project currently lacks detailed planning and costing, raising concerns about its feasibility. Interviews indicate that these cars may not be well-suited for operations in Memphis. Additionally, the projected costs for refurbishment, new maintenance facilities, and necessary infrastructure adaptations on the Madison Line may exceed MATA's budgetary capacity.

Safety and Personnel Qualifications

The MATA safety department, particularly those responsible for trolley safety, currently lacks trained and qualified personnel with TSI training and TSSP certification. The only individual within the agency holding TSSP credentials is the Trolley Operations Manager, who lacks formal safety oversight responsibilities. The departures of the former Trolley Director and Trolley Maintenance Manager have resulted in a significant gap in qualifications and expertise.

Technical Capacity to Operate the System

Interviews indicate a concerning lack of technical capacity to operate the trolley system safely and reliably. This issue extends to management and director levels, where insufficient training and initiative hinder proactive decision-making. Staff often wait for direction, which continues to affect current operations, a problem rooted in previous leadership shortcomings.

Facility Security and Operational Challenges

Security measures at the trolley facility are inadequate, with gates frequently left unlocked and unauthorized access permitted. Initial visits revealed that individuals could enter the facility without proper identification. This lapse poses significant risks to both equipment and personnel safety.

Infrastructure and System Maintenance

The infrastructure along the Main Street trolley route, including tracks and overhead lines, is generally in serviceable condition, with only minor adjustments required. However, the Riverfront and Madison Lines remain closed due to unserviceable rolling stock, with the Riverfront Line requiring approximately \$1.5 million in maintenance work to restore service.

ADA Compliance and Accessibility Issues

On the closed Madison Line, only 50% of the ADA lifts are operational, with Otis Elevators citing unavailable parts and repair costs that exceed MATA's budget. Similarly, the Main Street line faces significant challenges, with 12 of its 18 ADA lifts currently out of service.



Recommendations

FACT 1

MATA needs to further invest in training and certification development for its operators before resuming trolley operations.

SOLUTION

MATA should enhance TSI training for safety personnel and ensure that all safety staff obtain TSP certification to address current gaps in qualifications.

FACT 2

MATA systems for trolley equipment maintenance are outdated.

SOLUTION

MATA should deploy and adopt best practices for vehicle equipment, including the installation of low-voltage controllers and redundant braking systems such as track brakes or spring-loaded brakes. Additionally, comprehensive training on the correct operation and maintenance of the trolley cars must be provided to all relevant staff.

FACT 3

MATA lacks proactive management and oversight on its trolley system.

SOLUTION

Establishing ongoing oversight will be crucial to fostering a culture of safety, efficiency, and timely operations within MATA. Empowering staff to take initiative and act proactively in their roles will also be essential for improving operational effectiveness.

The investigation into the causes of brake failures within the trolley system reveals critical deficiencies in equipment reliability, personnel training, and operational oversight. By addressing these issues through targeted training, best practices, and improved management structures, TransPro believes MATA can enhance the safety and reliability of its trolley operations moving forward.



How does MATA’s workforce impact the ability to deliver quality service?

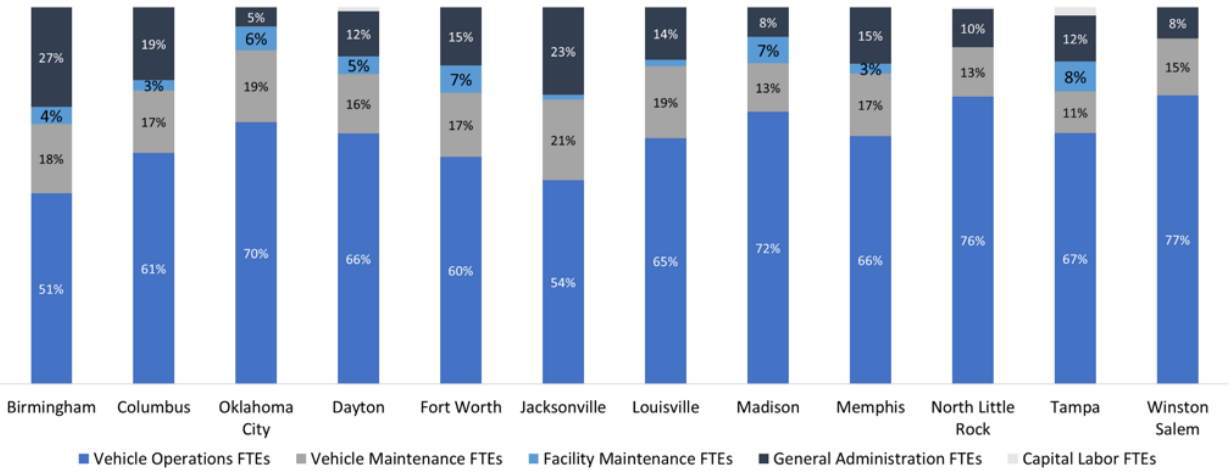
**MATA Fails Community and Customers 24% Of The Time
Lack of Operable Buses, Lack of Properly Trained Drivers
and Lack of Professional Supervision**

The other factor that significantly contributes to MATA’s ability to deliver its daily service is people power. According to an organizational chart provided by MATA, MATA’s workforce is made up of 561 Full Time Equivalent (FTE) employees split across the following areas of responsibility:

- ▶ Operations Staff - 321 FTEs
- ▶ Maintenance Staff - 139 FTEs
- ▶ General Administration Staff - 89 FTEs
- ▶ Facilities Staff - 11 FTEs

This workforce mix is relatively similar to national peers as shown on the graph below. Given the age of its fleet and the current service requirements MATA, may want to consider investing more resources in vehicle maintenance FTEs until a longer term fleet modernization plan is executed.

Employee FTEs by Category



SOURCE: NTD, 2022 - Charlotte, Tucson and Greensboro contract services, so employee data is not reported to the NTD.

As of August 2024, MATA reported 52 open vacant positions. At its May 2024 Board meeting, MATA also announced that it is implementing a hiring freeze given the uncertainty of its current financial situation.

**... the inability to effectively deliver 100% of scheduled bus service stems primarily from two factors... buses in disrepair... and insufficient number of bus drivers...
...**

All MATA Bus Operators, Maintenance Department employees, Call Center Agents, Trolley Operators, Trolley Maintenance employees and MATAplus Operators other than clerical, professional, and supervisory employees are covered by a collective bargaining agreement (CBA) that was executed in May 2024 and runs through June 30, 2026.

The bargaining employees covered under the CBA are part of the Amalgamated Transit Union, Local Division 713. The CBA dictates wage scale, compensation (including wage increases), benefits, associated costs and premiums,

vacation time, holidays, grievance procedures, work day rules and other employment terms affecting operators, maintenance employees, call center agents, trolley operators, trolley maintenance staff, and MATAplus employees.

In addition to its workforce, MATA also utilizes the services of many contractors, consultants and vendors to supplement its workforce.

The following table provides a partial listing of professional vendors and contractors that currently support MATA's workforce:

Vendor Name	Contract Duration	Role it Provides
VIA	Thru 2025	Groove On Demand Service
RATP Dev USA	Thru 2026	Management Service Support
Dean & Associates	Thru 2025	Legislative Advocacy Services
Trapeze	Thru 2026	Asset Management
nMomentum	Thru 2025	Technology Consultant
AllWorld	Thru 2026	Program Management Consultant
Infrastrategies	Thru 2027	Strategic Planning Consultant
WSP	Thru 2025	Transportation Consultant
Marlene Connor & Assoc.	Thru 2025	Transportation Consultant
Kimley-Horn	Thru 2026	Traffic Management Consultant
Walden Security	Thru 2025	Security Services
5 separate law firms	Various	On-call legal support

Why This Matters

As we interviewed MATA employees and inquired what they thought the primary reason for MATA's poor service was, there was a resounding theme stated over and over – lack of equipment and staffing. MATA's Chief Operating Officer reported there is a need for 215 operators to reliably deliver service with forty (40) of those being extra board operators (required to cover scheduled and unscheduled absences). Therefore, the current schedule requires 175 operators to deliver bus service. The August 2024 operator pool sat at 162 with three (3) operators retiring soon, leaving 159 to deliver MATA's existing service.

Another consequence of understaffing of bus operators and front line staff is that MATA often has to utilize overtime pay to deliver service. During a two-week pay period in September 2024, MATA paid

3,399 hours of overtime. Overtime can be used as a temporary means of filling service deficiencies but in the long run it increases costs of operations through excessive overtime and fatigue of your bus operators, increased risk of safety incidents, increased absenteeism further exacerbating the situation. TransPro has yet to receive any information on absenteeism rates, recruiting efforts, current training class sizes, if any, or daily operator demand per hour.

For MATAPlus, there were ninety (90) operators allocated in August 2024, with seventy (70) available. Approximately 85 are needed for the extra board to reliably deliver service.

In reviewing payroll data provided by MATA, it appears the agency has the following number of active operators on the payroll:

Payroll Period	Fixed Route Operators	MATAPlus Operators
June 2023	184	83
September 2023	183	81
December 2023	174	76
March 2024	164	71
June 2024	161	68
July 2024	164	70
August 2024	157	70
September 2024	153	64

This data illustrates a downward trend of losing operators to a host of attribution factors. Unfortunately this trend is before proposed layoffs or staff reduction are scheduled to go into effect in November 2024, which will only compound the difficulty of MATA being able to deliver its service reliably.

...while Management's answer to financial shortfalls has been to lay off bus drivers, the reality is MATA actually needs to hire more bus drivers...

One opportunity that MATA has within its current purview is to more fully utilize its existing contract with RATP Dev to identify opportunities to support the delivery of operations and service improvements that MATA provides with an eye towards improving on-time performance and delivery of core fixed route and MATAplus service. RATP Dev brings over 50 years of success in managing and operating high-quality, safe, responsive and efficient transit systems throughout the United States.

RATP Dev has the ability to marshal resources, talent and innovative spirit from our global operating agencies. MATA's existing contract includes hours within the contract to work with the home office and the MATA team would benefit from collaborating with RATP Dev in thinking about how best to design, manage and operate service to support improved customer satisfaction levels.

RATP Dev also brings expertise in all modes of transit service that MATA provides including, fixed route bus, streetcar, paratransit, and on-demand services.

Beyond RATP Dev, MATA should leverage its current contracts to identify opportunities to retool the organization to deliver basic transit service that improves customer satisfaction. This would likely include investing in development and training around customer satisfaction and experience development, manager and supervisor training, providing and receiving feedback on performance, communications, and other people skills that are needed to improve the overall experience both internally and externally for MATA's workforce.

MATA also could benefit from expanding training and development opportunities for its front line employees. Currently training for operators consists of five (5) trainers and currently training is four weeks with seven days of behind-the-wheel training.

Ideally, MATA would try to get five to seven trainees in a class at one time. We were unable to ascertain how regularly that class size is achieved or why it is limited to that number. Based on our experience, MATA could accommodate larger class sizes if they had more candidates.



...MATA's shortage of bus drivers is manifested in nearly 4,000 hours of overtime...in just one pay period in September 2024.

Recommendations

FACT 1

MATA lacks the number of operators to deliver scheduled service today.

SOLUTION

Need to determine the number of operators required to deliver that level of service, especially in light of pending layoffs scheduled to go into effect in November 2024.

FACT 2

MATA fails to support bus operators with adequate training and supervision, based on our assessment of MATA's training program.

SOLUTION

Fully leverage the RATP Dev contract seeking opportunities to supplement MATA's existing operations and maintenance staff. Focus should be on how MATA improves service delivery so that customers and the community see the difference – including on-time performance, bus cleanliness, and reliability.

FACT 3

MATA has numerous open contracts with professional vendors.

SOLUTION

MATA should evaluate their existing contract capacity to identify opportunities to retool the scope of work to deliver core transit services that support improving on-time performance, service reliability, and improving the customer experience. These opportunities could be technology driven, employee development focused, or planning/scheduling enhancements that provide real benefits to MATA's customers.

FACT 4

MATA has multiple disparate systems that are one-off solutions and it lacks functional systems to support efficient delivery of operations.

SOLUTION

TransPro recommends an IT systems audit to identify the systems and integrations needed to support modernization.



How do MATA's facilities impact their ability to deliver quality service?

MATA Has Invested in Excessive Administrative Office Space: Failed to Modernize of Core Service Delivery Maintenance Facilities

MATA has a total of 8 buildings that they own or occupy to deliver service across almost a 300 square mile area. The following table provides an overview of the facilities that MATA owns or occupies.

Building Name	Location	Dates Built/ Reconstructed	Notes
ADMINISTRATION			
MATA Administration Building	One Commerce Square 12th & 13th floors, 40 S. Main St Memphis, TN 38103	Lease began in November 2021	Serves as MATA's Administration. Leased for \$267,210 a year for a 10-year term. In 2023, MATA leased the 13th floor at an annual cost of \$251,352
MATA Maintenance and Operations	1370 Levee Rd Memphis TN, 38108	6/30/1995	Continues to serve as MATA's Maintenance, Operation, and Service center
Bus Garage	1393 North Watkins St Memphis TN, 38108	6/30/1995	Shop and Garage for MATA's Buses
Main Street Trolley Depot	547 N Main St Memphis TN, 38105	6/30/1998	Trolley depot, also serves as Maintenance facility for MATA's trolley
Central Station	545 S. Main St, Memphis TN	6/30/2001	Managed by MATA, also housing Amtrak and Memphis Police Department
TRANSIT CENTERS			
William Hudson Transit Center	444 N. Main St	6/30/2000	
American Way Transit Center	3921 American Way	5/31/2001	
Airways Transit Center	3033 Airways Boulevard	10/1/2012	Located near Memphis International Airport; also serves as Greyhound's depot

The 28,000 sq. ft. Levee Road location was flooded and required drying out. In November 2021, MATA leased 14,363 square feet of administration space in downtown Memphis as a temporary location.

The Levee Road location has since dried out, however, the walls still need to have some drywall reapplied and finished to be move-in ready space for MATA to occupy.

Instead of completing these repairs and looking to move back into this space, in December 2023, the MATA board authorized the expenditure of an additional \$1,355,210.92 for design, furniture and fixtures costs for the 12th floor space and a lease agreement for the 13th floor at an amount not to exceed \$251,352 a year for base term of 10 years for an additional 14,363 square feet of office space.

In addition to the above existing facilities MATA is also planning to construct a new Operations Facility at a cost of approximately \$67.5 million that began in August 2022 and is scheduled to be completed in May 2028.

The current maintenance facility has several issues including need for improved ventilation, pit flooding, poor drainage requiring pump out services to avoid site contamination, hoist repairs or needing replaced, upgrade the tire area, and a significant amount of "graveyard equipment" and scrap metal accumulation that could be disposed of to help generate funds to help pay to get vehicles and equipment back into service.



Why This Matters

MATA appears to have taken steps in recent years to build capacity in its administrative facilities to support its two large scale capital projects that it plans to pursue. The rationale for approval for the 13th floor lease expansion, taken from an internal memo dated December 19, 2023 outlines the following reasons:

MATA has been awarded major federally funded capital projects and expects future awards of federal capital grants, supported by Tennessee Department of Transportation and City of Memphis matching funds, that will exceed \$400 million in value. These capital projects will require additional office space for MATA's staff, its consultants, and contractors for the efficient and expeditious implementation of these projects (Resolution 23-56).

While TransPro understands the importance of advance planning, delivery of a capital project like the Innovative Corridor BRT project could be delivered within the space that already exists within MATA's portfolio.

Conversely contracts for consultants and other support services could require those firms to provide their own space as opposed to being co-located within MATA's offices, something that is typically reserved for mega-projects within the industry.

Currently, there is an abundance of office space available on both the 12th and 13th floors and the continued lease expenditure for this space seems to be a frivolous use of taxpayer funds, especially considering the operational needs that exist widely across MATA's entire system.

Recommendations

FACT 1

The 13th floor office space added in late 2023 was done based on speculative purposes to support future capital project delivery purposes.

SOLUTION

TransPro recommends that MATA take steps to immediately get out of its lease for the 13th floor at One Commerce Square and reprioritize these dollars to the delivery of fixed route bus service. While there may be short-term penalties associated with breaking the lease, longer term savings can be realized by getting out of the annual \$251,352 lease for the 13th floor space.

FACT 2

MATA's maintenance facility contributes to its lack of ability to get service out on time.

SOLUTION

MATA should prioritize efforts to advance the construction of the operations and maintenance facility. This facility is badly needed and should remain a clear investment priority for the MATA as a back to the basics priority.

Recommendations

FACT 3

MATA has a graveyard full of vehicles and steel that could be auctioned off or hauled away for scrap to generate a revenue stream.

SOLUTION

MATA should salvage decommissioned vehicles and scrap metal and seek to spend the proceeds on needed short-term maintenance facility repairs such as being able to get a flooded pit pumped out or buy some paint and decals to get buses on the road would be forward progress. At the same time, cleaning up and clearing out the junk provides a better working environment. Supplying fluid hose reels that do not need to be held together with clamps and duct tape or leak all over the floor when used would probably make a difference when doing simple Preventive Maintenance activities. A number of strategies can be devised to deal with the little things. By applying a “back to the basics” culture can prove to solve a bunch of little things that should be accomplished before addressing large capital projects.

FACT 4

MATA has multiple administrative facilities and is planning to add a new maintenance facility, yet does not have a comprehensive facility master plan.

SOLUTION

MATA should develop a comprehensive space allocation plan to evaluate the best long term solution to its future space needs.

FACT 5

MATA has three transit centers (William Hudson Transit Center, American Way Transit Center, and Airways Transit center) which are used to accommodate transfer among routes and services needs regarding route and schedule information, personal trip planning, Fast Pass purchases, and photo identification for youth, seniors, and people with disabilities.

SOLUTION

As part of any service redesign efforts, MATA should consider if all three transit centers are still needed to support the desired customer experience that Memphis taxpayers deserve.





How does MATA's existing governance impact the agency's ability to deliver quality service?

Existing MATA Board Fails to Provide Reasonable Oversight

Mid-South Transportation Management, Inc (MTM) was created as a not-for-profit organization in the State of Tennessee to meet the requirements of Section 13(c) of the Urban Mass Transportation Act of 1964 (now codified as Section 5333(b) of the Federal Transit Act). Section 13(c) requires that labor protections be in place for transit employees when federal funds are used for mass transit projects. This section ensures that employees affected by such projects will continue to have their collective bargaining rights and benefits protected. In response to this federal law, transit systems often set up specific entities, such as MTM, to manage operations and labor relations while fulfilling federal funding eligibility criteria.

MATA is governed by a Board of Commissioners appointed by the Mayor of Memphis and confirmed by the Memphis City Council. The Board of Commissioners has nine positions and typically meets monthly. The Chief Executive Officer has eight direct reports including the Chief Administrative Officer. Chiefs manage agency departments and are organized by function. MATA employs an extensive network of employees, about 80% of whom are bus operators and maintenance personnel.

MATA has a transit management contract with RATP Dev, which is in the third year of a 5-year contractual relationship. Management responsibilities are assigned in part to Mid-South Transportation Management, Inc. (MTM). All transit personnel are employed by MTM with the exception of four positions vaguely outlined in the management contract with RATP Dev who are RATP Dev employees.

Transit agency boards are typically responsible for overseeing the operations, policies, and strategic direction of a public transportation agency. These boards often consist of appointed or elected officials, and their responsibilities can vary depending on the agency and region.

It is also standard for many boards to be professionally trained by associations such as the American Public Transportation Association (APTA) or the Tennessee Public Transportation Association (TPTA) or at a minimum have a clear understanding around the following typical duties of a transit board:

...just a month ago the MATA Board unanimously adopted a budget with no questions ...for a fiscal year that started more than 100 days prior.

TYPICAL DUTIES OF A TRANSIT BOARD:

1. Policy Development and Oversight

- ▶ **Establishing Policies:** The board develops and approves policies related to the transit system's operation, fare structures, safety standards, and service levels.
- ▶ **Regulatory Compliance:** Ensuring that the agency complies with local, state, and federal regulations, including accessibility, safety, and environmental standards.

2. Strategic Planning

- ▶ **Long-Term Vision:** Working with the leadership team of the agency to develop a long-term strategic plan for the transit system, including service expansion, infrastructure development, and technological upgrades.
- ▶ **Capital Projects:** Approving major capital projects such as new transit lines, stations, or vehicle purchases.
- ▶ **Sustainability Goals:** Incorporating sustainability and environmental goals into transit planning, such as reducing emissions or promoting the use of renewable energy.

3. Financial Oversight

- ▶ **Budget Approval:** Reviewing and approving the agency's annual operating and capital budgets, ensuring financial sustainability.
- ▶ **Fare Structures:** Setting fare rates and policies that balance the need for revenue with affordability and access for riders.
- ▶ **Funding and Grants:** Overseeing efforts to secure funding from government sources, grants, or partnerships.
- ▶ **Audit and Accountability:** Ensuring regular financial audits and maintaining transparency in financial reporting.

4. Service Quality and Performance Monitoring

- ▶ **Service Evaluation:** Monitoring the performance of transit services in terms of reliability, efficiency, and customer satisfaction.
- ▶ **Public Feedback:** Reviewing and addressing public concerns or feedback about the service, including service disruptions, fare increases, and safety issues.
- ▶ **Performance Metrics:** Establishing key performance indicators (KPIs) and monitoring system performance, including ridership levels, on-time performance, and farebox recovery ratios.

5. Personnel and Leadership Oversight

- ▶ **Hiring and Evaluating the CEO/GM:** The board often hires, evaluates, and, if necessary, terminates the agency's chief executive officer or general manager.
- ▶ **Labor Relations:** Providing guidance on labor negotiations, employee contracts, and staffing issues, including pay, benefits, and working conditions for transit employees.

6. Safety and Security

- ▶ **Ensuring Safe Operations:** Setting policies that ensure the safety and security of riders, employees, and the general public.
- ▶ **Emergency Preparedness:** Overseeing the agency's plans for handling emergencies, whether natural disasters, accidents, or other unforeseen disruptions.

Why This Matters

The MATA Board has two committees, Finance and Service Development. These committees are structured to provide oversight of the financial sustainability of the organization and oversight of the transit services provided by the organization. All other oversight functions fall to the full board.

The totality of the oversight function of the MATA Board is focused upon evaluating and passing an annual budget despite a paucity of details or documentation provided by the MATA staff and evaluating and making

recommendations on routes that MATA provides for bus, trolley, paratransit and on-demand service options.

At the September 2024 Board meeting for example, the MATA Board was asked to authorize a \$16.4 million FY25 capital budget with no detail provided on the specific projects that were being funded, the current status or expenditures to date on the projects, nor the availability and source of funding for these projects.

TO: MATA Board of Commissioners
FROM: Bacarra Mauldin, Interim Chief Executive Officer
DATE: September 24, 2024
SUBJECT: Fiscal Year 2025 Capital Budget

MATA’s Capital Budget for Fiscal Year 2025 includes major projects valued at over \$50,000 (which will require individual Board Action at the time of the project) and various smaller projects of lesser value. Procurement of all approved projects will conform to the MATA Procurement Manual. The total Capital Budget for FY2025 is \$16,404,500.

A breakdown of the funds by mode of service and equipment type is as follows:

Memphis Area Transit Authority								
FY2025 Capital Budget								
As of September 12, 2024								
	Admin	Facilities	Safety & Security	Finance	Fixed Route	MATA Plus	Trolley	Total
Computer	0	0	0	0	0	0	0	0
Construction	0	0	0	0	6,500,000	0	0	6,500,000
Equipment	0	0	0	0	600,000	0	0	600,000
Facility	0	200,000	0	0	0	0	0	200,000
Fare	0	0	0	0	250,000	0	0	250,000
Office	0	0	0	0	0	0	0	0
Parts	0	0	0	0	0	0	1,500,000	1,500,000
Track	0	0	0	0	0	0	0	0
Utility	0	0	0	0	0	0	0	0
Vehicle	82,000	0	0	0	6,985,000	287,500	0	7,354,500
Total	82,000	200,000	0	0	14,335,000	287,500	1,500,000	16,404,500

The FY2025 capital budget is considered to be financially feasible, notwithstanding MATA’s extremely tight liquidity position.

MATA staff recommends approval of the FY 2025 Capital Budget in the amount of \$16,404,500.

At the same September meeting, the MATA Board authorized a significant reduction in bus service without any discussion on the methodology or impact of the recommended service cuts to MATA customers.

The last action of the Board during this September meeting was to raise fares for transit riders by 75% (\$1 to \$1.75), again without any discussion or documentation of the impact to ridership or expected revenue to be derived from this increase in fare.

RESOLUTION NO. 24-27

TO: MATA Board of Commissioners

FROM: Bacarra Mauldin, Interim Chief Executive Officer

DATE: September 24, 2024

SUBJECT: RESOLUTION TO IMPLEMENT A TWO DOLLAR (\$2.00) FARE ON FIXED ROUTE BUS & ON-DEMAND SERVICES

MATA staff has determined that it is in the best interest of MATA and our passengers to implement fare prices outlined in the adopted 2023 Fare Policy on the fixed route bus and microtransit services.

The Ready! on-demand services that has previously operated as pilot program in Memphis has been fare free.

MATA has determined that implementation of the adopted fare policy for the fixed route bus and on-demand services will not have a disparate impact on minority populations or result in a disproportionate burden for low-income populations.

Since the MATA Board of Commissioners has the authority to determine service levels and to establish fares, MATA Staff is recommending that the MATA Board of Commissioners approve fares for fixed route bus and on-demand services with an effective date of 11/3/2024.
Please let me know if you have any questions.

MATA staff recommend the implementation of the adopted fare policy for the Fixed Route Bus, Ready! and Groove-on-Demand microtransit services.

...the Board has largely rubber stamped Management requests ... with minimal, if any, questions or conversation ...

Another example of limited fiduciary oversight discovered by the Board can be seen in evaluating the dollar amount of contract authority given to the CEO over the last several years. In the evaluation of the MATA's financial capacity, TransPro requested the agency provide a listing of all major contracts. MATA staff provided a list of professional service contracts totaling over \$50 million.

Upon closer examination of this list, there appeared to be discrepancies between the contract values and the contract authority amounts authorized for the CEO to execute by the Board. In reviewing all resolutions passed by MATA's Board since 2022, an additional \$76 million in contract authority was authorized by the Board over and above the \$50 million of active contracts MATA staff is actively tracking. In total since 2022, the MATA Board has authorized more than \$126 million in contract authority for the CEO to advance and execute.

While it is common for Boards to give CEO or authorized signatory's of public agency's spending authority with not to exceed limits, the order of magnitude of difference that exists between these two values causes pause and at a minimum poses the need to question does the Board have clear understanding of the fiduciary authority it is providing to the agency compared to available financial resources.

It is also important to note that there is no discussion, evaluation or documentation of performance standards for the organization. The board is not provided with basic metrics of operational performance such as on-time performance, farebox recovery, status of the fleet, safety and security statistics, nor customer satisfaction statistics. All of these metrics are standard for public transit agencies and typically part of the normal report to the board by the leadership team. As a result, the MATA board is functioning as a rubber stamp to the whims of the MATA leadership team with little to no actual oversight of the agency.

Lastly, the decision was made to cease operations of the trolley in August of 2024 as a result of two safety incidents that occurred on the system. Despite an ongoing investigation into the root cause of the failures by TDOT, MATA leadership made the decision to cease all trolley operations and lay off most trolley employees.

This decision had a profound impact upon the riders, employees and the greater community and there has been zero mention, update or discussion of the status of the investigation or the future of the trolley.

Recommendations

FACT 1

Only 26% of the community believes that MATA provides sound financial management of the public funds they are entrusted with, below the industry standard.

SOLUTION

The MATA board as currently constituted should be replaced with new members who will take seriously their responsibility to act as the policy and oversight entity of the agency. Systems must be developed to ensure that the board does not continue to authorize expenditures that are beyond the financial capacity of MATA to encumber. New board members should be trained on the expectations and responsibilities that membership on this board entails. Furthermore, performance metrics should be established on the operations, finances, and customer satisfaction of the agency for the leadership team to be held accountable to and provide true transparency to the community.

FACT 2

Customer satisfaction with the service provided by MATA dropped by 15% from 2018 to 2021 and dropped another 41% from 2021 to 2024.

SOLUTION

The MATA Board should give serious consideration to evaluating the ability of the existing management team to move the agency forward and reverse the negative customer perception the agency is struggling to overcome.

FACT 3

Between 2022 and 2024, the MATA board approved contract authority for the agency of approximately \$126 million while revenues continued to dwindle.

SOLUTION

The MATA board should examine its fiduciary oversight responsibilities and develop greater institutional control over the agency's budgeting practices and develop greater transparency in its monthly, quarterly and annual financial reporting.

FACT 4

MATA leadership requested a review of bus operations, maintenance, and safety culture by RATP Dev. Results were provided to MATA leadership in March of 2024. These recommendations were largely ignored by MATA leadership and were never presented to the board for consideration.

SOLUTION

The management contract with RATP Dev should immediately be modified to provide transit management professionals to oversee the bus operations, bus maintenance, trolley operations, and trolley maintenance. This will provide immediate stability to the MATA operations and develop a plan for restoring fleet and service reliability.



SOURCE: THE COMMERCIAL APPEAL

How can MATA improve its financial accountability and transparency reporting?

MATA must Overcome a Long Standing History to Deliver the Most Basic Financial Management and Performance Transparency to Improve Community Value.

TransPro’s engaged M3 Partners for the sole purpose of evaluating the current financial condition of the agency, including its uses and sources of funding. This engagement does not constitute an audit of the financial dealings of the agency or its leadership.

M3 Partners, a professional financial advisory firm was engaged in late September 2024 to provide analysis of the sources and uses of cash over the recent historical period, and to develop a medium and long-term dynamic financial forecast showing outcomes under various scenarios.

This engagement was initially estimated to take four to six weeks to complete, which was

dependent on timely provision of data and access to the finance team. This analysis is separate from any financial audit or forensic audit under consideration which may also be completed by the city of Memphis or MATA.

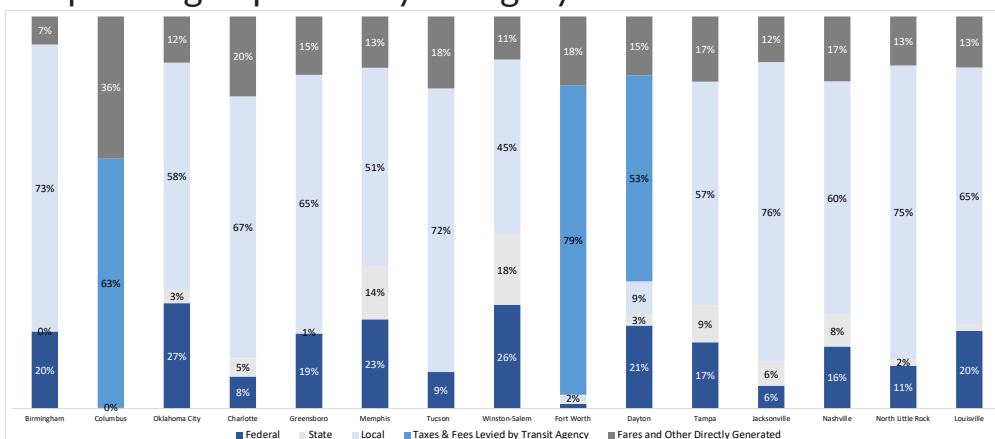
M3 provided MATA with an initial data request list on September 24, 2024 and as of the writing of this report, fulfillment of the request list has been minimal due to limited capacity and other competing priorities from MATA’s financial team. It should be noted that MATA has stated that they intend to provide all requested data, just the timing of receipt of that data is taking longer than expected.

Service Costs

Peer Comparison

MATA’s proportion of expenses by category is similar to its peers. The largest difference is MATA’s proportional spending on Vehicle Maintenance, which was 22% of its operating budget in 2022, compared to the peer average of 16%.

Operating Expenses by Category



SOURCE: NTD, 2022

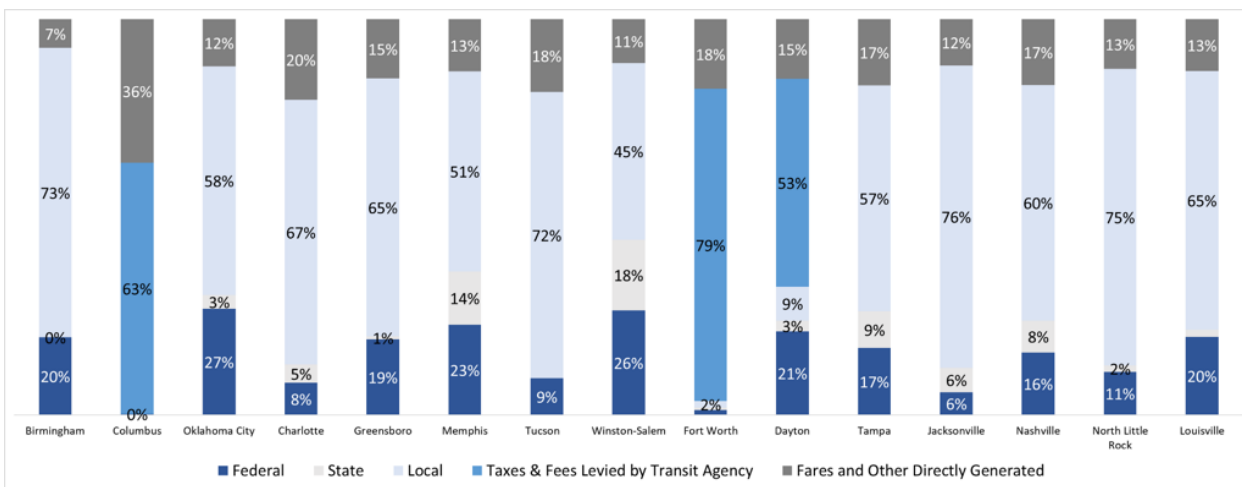
Revenue

Peer Comparison

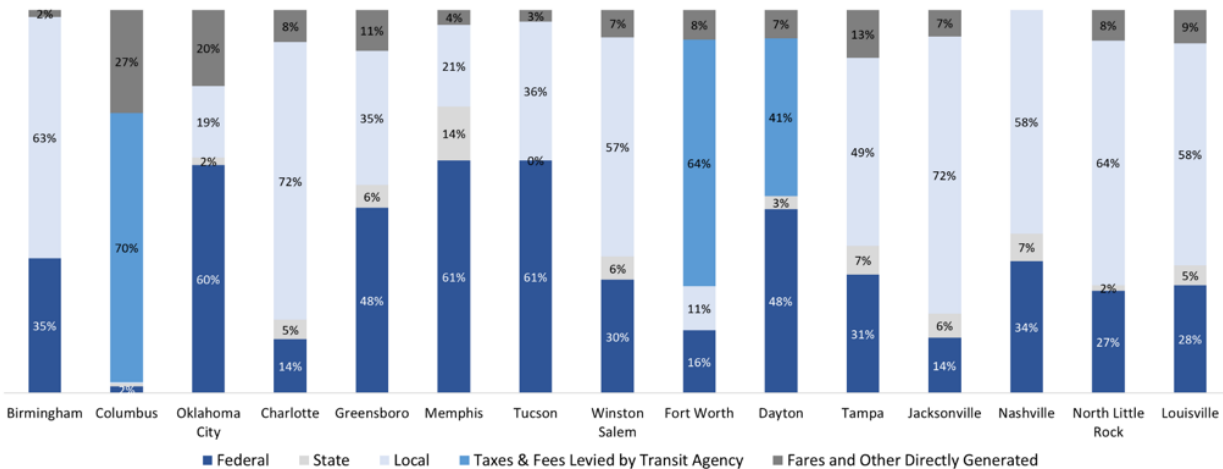
Transit agency revenue can be categorized into five buckets: fares or other directly generated revenue, taxes levied by the agency, federal, state and local funding. Agencies report revenue in these categories to the NTD.

Operating Revenue

2019 Operating Revenue by Source

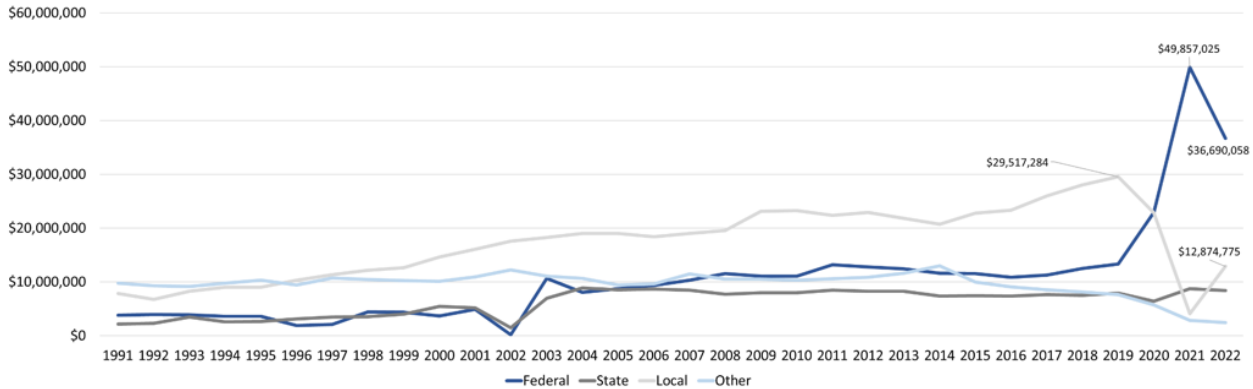


2022 Operating Revenue by Source



SOURCE: NTD, 2022

MATA's Operating Revenue by Source, 1991-2022



SOURCE: NTD, 1991-2022

MATA's Operating Revenue by Source

Fares or Directly Generated

Any funds where revenues are generated by or donated directly to the transit agency, including:

- ▶ Passenger fare revenues
- ▶ Advertising revenues
- ▶ Donations
- ▶ Bond proceeds

In 2019, average fare or directly generated operating revenue was 16% of total operating revenue among the peer group, including MATA. In 2022, fare or directly generated operating revenue made up 9% of total operating revenue in the peer group. In 2022, MATA's fare revenue made up 4% of total operating revenue.

Directly Levied Tax

The tax revenues to transit agencies that are organized as independent political subdivisions with their own taxation authority, which MATA does not have. Three agency peers have taxing authority: Central Ohio Transit Authority (COTA) in Columbus, Trinity Metro in Fort Worth and Greater Dayton RTA in Dayton's share of local sales tax is 0.5%.

Federal Funding

Federal funding includes financial assistance from federal governments to assist in providing transit services. FTA includes formula and competitive grants. Formula funds include Congestion Mitigation and Air Quality (CMAQ) program, Section 5311 for Rural Areas, Section 5339 for Buses and Bus Facilities, Section 5337 for State of Good Repair, Section 5307 for Urbanized Area, Section 5310 for Enhanced Mobility of Seniors & Individuals with Disabilities, and more.

In 2019, the peer group average federal operating revenue percentage was 15%. In 2022, it was 34%. The share of MATA's operating revenue from federal sources was 23% in 2019 and 61% in 2022. Compared to peers, MATA had the highest proportion of federal revenue in 2022, similar to Tucson and Oklahoma City.

State Funding

State funding includes financial assistance from state governments to assist in providing transit services. State governments fund public transit through motor fuel taxes, general funds, property taxes, income taxes, vehicle registration/license/title fees, sales taxes and more. State funding is typically used as a local match for federal funding support.

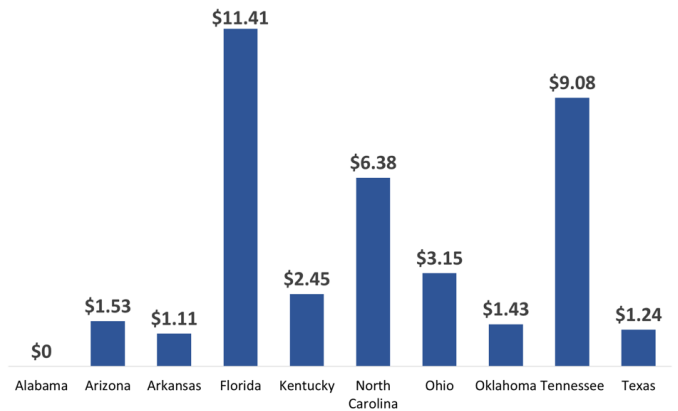
On average, state funding made up 5% of operating revenue in 2019 and 4% in 2022. State funding makes up 14% of MATA's operating revenue in both years.

State Transit Funding Comparison

The American Association of State Highway and Transportation Officials (AASHTO)'s Survey of State Funding for Public Transportation includes state funding data from fiscal year 2022.

The adjacent graph compares FY2022 per capita state funding for public transit among states containing one or more peer agencies. Tennessee has the second highest public transit spending per capita among state peers.

State Funding for Public Transit per Capita



SOURCE: AASHTO, FY2022

Local Funding

Local funding includes financial assistance from local governments (below the state level) to assist in providing transit service.

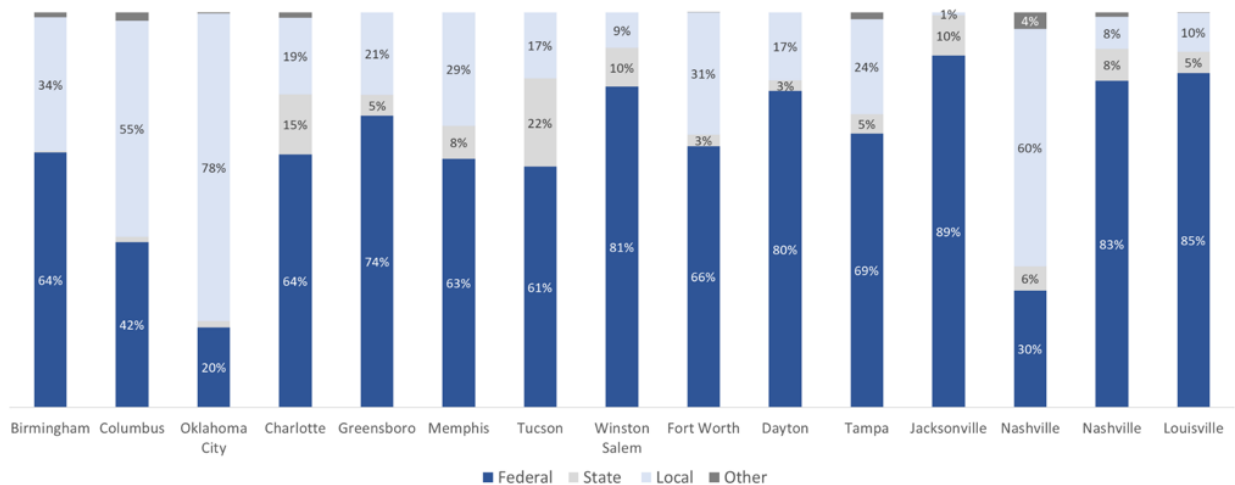
In 2019, local funding made up 52% of operating revenue on average, just above the proportion of revenue MATA received in local sources in 2019. In 2022, 21% of MATA's operating revenue came from local funding, much lower than the peer average of 41%.

Capital Revenue

The below graph shows average capital revenue by source from the past 10 years (2013-2022). MATA's average federal revenue for capital is

63%, very similar to the peer average of 65%. MATA's local and state proportions of revenue for capital are also very similar to peer averages.

Average Capital Revenue by Source



SOURCE: NTD 2013-2022

Why This Matters

Based on available public data collected from public sources such as the National Transit Database and roughly two weeks encompassing initial discussions and observations of the team, review of publicly available data on MATA's website, M3 has the following observations and recommendations. These are highly preliminary, and will be refined as further data is provided and analyzed by the TransPro/M3 team with a complete technical memorandum anticipated to be delivered to the City of Memphis by mid-November 2024.

Financial Team Capacity: MATA finance team (reporting to an Interim CFO) is thinly staffed. As M3 was engaged, the two staff accountants were focused on initiating the external financial audit for FY24, performing their regular day-to-day work activities related to financial accounting and reporting, and now have the additional work of fulfilling M3's data requests. The team is also dealing with calls from vendors, which have been increasing due to invoices being delayed and unpaid at levels that are creating risks to the agency's operations. Further, MATA has been working without a permanent CFO since 2023 which is a rarity within the transit industry.

Cash Flow: As stated previously in this report, vendor payments have been greatly slowed due to limitations on cash availability. Cash availability is limited due to the on-demand funding nature of city funds (and no line of credit to allow smoother cash management) and the "lumpy" nature of other large cash receipts from various federal, state and local revenue sources.

An industry best practice that MATA should immediately institute is a rolling 13-week cash flow forecast. This will create accountability, transparency and predictability in forecasting the cash needs of the agency. It will allow the City of Memphis to have a level of confidence in the agency's cash position and near-term financing needs.

Systems: MATA has implemented a new ERP system in FY24, called MUNIS (now known as Enterprise ERP), for financial reporting as well as other functions. MATA finance staff and the interim

CFO believe the system is inadequate for the agency's needs; M3 has not been able to assess this assertion. Aside from this ERP, there is a separate Excel-based tracking of contracts, which is wholly inadequate for accurate tracking and accounting procedures.

Limited Revenue Streams: Because MATA is so reliant on federal and state funding sources for its operating revenue compared to most of its peers, it is susceptible to increased risks for volatility when evaluating potential service reductions or modifications. For example, when MATA implements its service cuts planned in November 2024, it will likely have an adverse impact on the amount of future 5307 federal formula dollars that the agency will receive. As MATA continues to balance delivery of customer focused service with sustainable service options, this will need to be monitored closely over the next 365 days.

Anticipated Cost Savings: Because we are still waiting for the expenditure data and verified grant revenue data from MATA, the M3 and TransPro teams are limited in our ability to quantitatively develop a detailed line by line item cost savings tied to MATA's existing expenditures. Qualitatively, as discussed throughout this report, we believe there are significant opportunities to defer, cancel, reprogram, or re-purpose existing MATA expenditures that do not directly support an agenda focused on improving the customer experience, providing greater community value and improving the rate of return for the city of Memphis continued investment in the MATA system. A detailed list of potential cost savings will be provided in the November 2024 M3 technical memorandum.

Improving Transparency & Financial Reporting: In reviewing Board meeting minutes, TransPro has observed a marked improvement over the level of financial transparency and reporting that has occurred in the past four months. However, the fact that MATA did not in the past and still is a couple of months behind in presenting industry standard monthly financial reports speaks to the dire need to improve MATA's financial transparency and reporting practices.



SOURCE: THE COMMERCIAL APPEAL

What should MATA do with its existing Capital Projects?

The Pursuit of Large Capital Projects has Distracted the Agency From Delivering Core Services: Distraction Directly Conflicts Agency Mission: “to connect people to places through affordable, safe, reliable and accessible transportation.”

MATA has multiple major grant-funded capital projects underway that require closer scrutiny, given the agency’s financial and technical challenges. Many of the projects require local match and long-term commitments to keeping new or refurbished assets in a “state of good repair”.

The City of Memphis has been a partner in advancing some of these projects, the largest of which is the Innovation Corridor Bus Rapid Transit (BRT) project – which is tied to the transit components (Transit Vision) of the City’s comprehensive plan (Memphis 3.0). This is also the project that has the most significant impact on long-term operating costs.

Each major capital project is described in detail below, based on data reported to the FTA, the public, and internal procurement records obtained by TransPro.

Innovation Corridor BRT

In collaboration with the City of Memphis, MATA advanced the Innovation Corridor Bus Rapid Transit project based on conceptual work completed in 2017.

The Innovation Corridor project was accepted into the FTA’s Capital Investment Grant (CIG) “Small Starts” program in 2020 and was rated sufficiently high enough (Medium) to advance in the federal funding process. MATA also received a related federal BUILD Grant to fund electric bus charging equipment, a traffic signal management system (ATMS), and ticket vending machines (TVMs) that will support off-board fare collection associated

with the project. The new BRT line was originally estimated to enter revenue service in 2026, but is now estimated to begin in 2032.

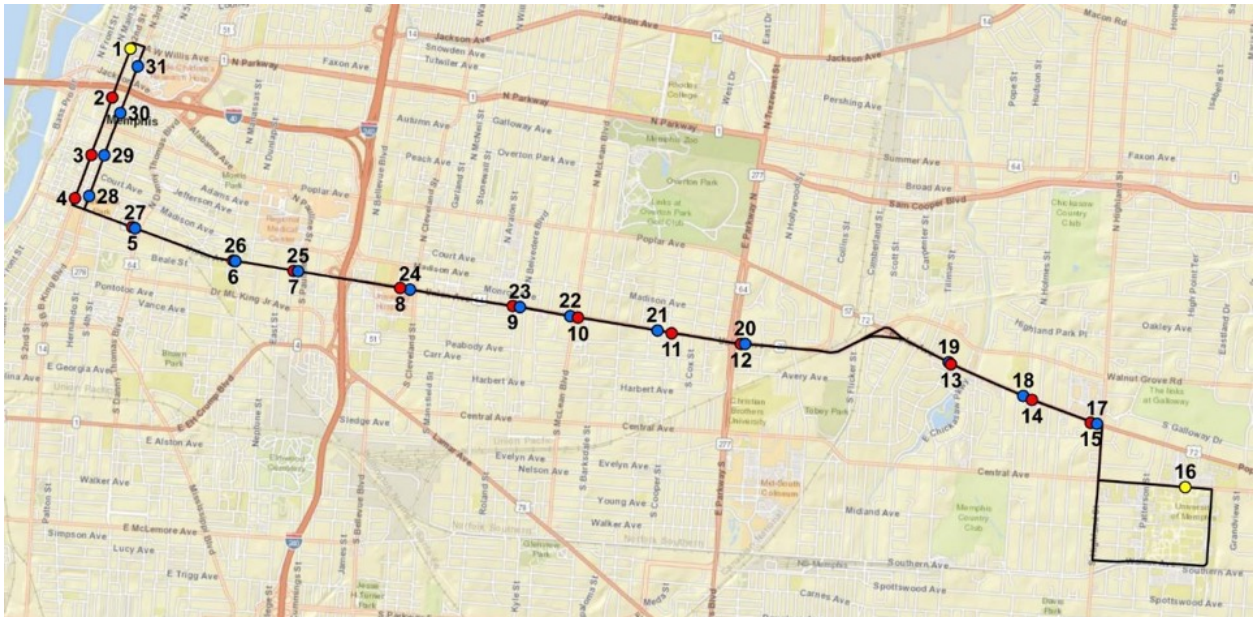
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- ▶ **Overview:** Connect downtown to the Memphis Medical District and the University of Memphis with frequent 8.3-mile bus rapid transit service along the existing 1-Union bus route
- ▶ **Key Features:** One mile of bus-only lanes, 10-minute peak service, battery electric buses, off-board fare collection, transit signal priority and queue jumps, green infrastructure, LED streetlights
- ▶ **Total Capital Cost:** \$114 million total cost (increase from the original \$74 million)
- ▶ **Financial Plan:** See the table below as reported to FTA, which does not include the related BUILD Grant
- ▶ **Current Status:** Property acquisition initiated in 2024, ATMS contract approved, TVM contract postponed, Notice to Proceed issued for 14 electric buses in March 2024

Innovation Corridor Financial Plan (as of June 2024)

Source	Description	Amount
Federal	5309 Small Starts	\$74,295,599
	STBG (2017 and 2020)	\$6,800,000
	CRRSAA	\$2,329,854
	Total Federal	\$83,425,453
Local	GO Bond Small Starts Match	\$16,617,227
	GO Bond STBG Match (2017 and 2020)	\$1,700,000
	Stormwater Enterprise Fund	\$2,075,000
	General Fund	\$2,425,717
	State IMPROVE Act	\$7,774,788
	Total Local	\$30,592,732
Total all Funding Sources		\$114,018,185

Innovation Corridor Station Locations



Crosstown Corridor BRT

MATA's Crosstown Corridor BRT project received a competitive federal RAISE Grant in 2023 for construction of a second bus rapid transit service that would run north and south along the existing 42-Crosstown route, intersecting with the Innovation Corridor BRT route described above.

It's unclear from available documents what level of service would be operated on the Crosstown Corridor, but it would certainly be an increase from the current peak level of service as of October 2024 in order to meet the FTA's definition of bus rapid transit.

- ▶ **Overview:** 26-mile bus rapid transit corridor
- ▶ **Key Features:** Sidewalks, enhanced bus stations, intersection improvements and signalization, traffic signal prioritization (TSP), and ADA enhancements
- ▶ **Total Capital Cost:** \$47 million
- ▶ **Financial Plan:** RAISE Grant (\$38.2 million)
- ▶ **Current Status:** Unknown

MATA reported to the FTA in June 2024 that the project would begin construction in 2026 and be operational in 2031.



...with MATA having the functional capability to only deliver 76% of scheduled service ... and customer's expressing overwhelming disappointment at the quality of that service showing up late 36% of the time... 'pie in the sky' projects are not in customers, taxpayers or the community's best interests at this point in time ...

New Operations and Maintenance Facility

MATA received competitive federal Bus and Bus Facilities Grants in 2022 and applied in 2024 “to build a new operations and maintenance facility”. The new facility will replace the Levee Road facility and be designed to accommodate more than 300 vehicles – including up to 50 battery electric buses.

MATA reported to FTA in June 2024 that the project would be completed in 2029.

- ▶ **Overview:** New operations and maintenance facility to replace the River Road facility
- ▶ **Key Features:** Added space for a larger fleet, support for electrification of the fleet
- ▶ **Financial Plan:** Two Bus & Bus Facilities Grants, local match source unclear
- ▶ **Total Capital Cost:** \$67.5 million
- ▶ **Current Status:** Preliminary engineering in progress (as of June 2024)



Trolley Improvements

MATA reported to the FTA in June 2024 that additional capital investments were planned for multiple portions of the existing trolley network, which was shut down in August 2024 due to safety issues. Such improvements include:

- ▶ **Main Street Rail Line**
 - Replace existing stations with mechanical lifts
- ▶ **Riverfront Line**
 - Tie replacement and bridge repairs
- ▶ **Fleet**
 - Rehabilitation of vehicles not yet in service (does not include the San Diego vehicle pictured above in storage)

These capital improvements are in addition to previous federal, state, and local investments made to MATA's trolley infrastructure. Federal investments require operation and maintenance of the asset for its entire useful life. Should the City of Memphis and MATA decide to permanently retire any or all of the trolley system, the FTA's investment would need to be repaid. Given the limited data provided to TransPro as part of our trolley program assessment, it's unclear what amount would need to be repaid if the program were partially or fully shuttered. Conversely, it's also unclear what additional investment – beyond the safety issue with the vehicle brakes that led to the August 2024 shutdown – would be required to restore service on any of the existing lines.



U2 trolley from San Diego in unsecured storage

Why This Matters

Despite limited financial capacity and multiple years of deficit spending offset by temporary federal funds, MATA attempted to advance all of the above projects and contractually commit the agency to increased long-term operating costs – both through increased frequency required for bus rapid transit operations and continued restoration of the trolley system.

All of the projects listed in this section require local funds to match the federal grants. These local funds could also be used to support MATA's existing operating expenses since there is no known requirement for MATA to spend a portion of its budget on capital expenditures.

Additional staffing would be required to administer federal grants for large capital projects, primarily the two BRT projects. MATA intended to house project staff in new downtown office space, which also increased operational costs for the agency.

Record keeping for federal grants is questionable, with limited systems in place to ensure prompt processing of funds and the substantial reporting requirements for federal grant programs like Small Starts and RAISE.

Since MATA has been successful in attracting federal funds, great care should be taken to ensure that future opportunities are not diminished by implementation and administration issues with the projects that have been awarded grants – in particular the very competitive CIG and RAISE programs funding the BRT projects.

MATA is not required to spend revenue on capital projects, so any funds allocated to matching federal capital grants is money that could be used for operations. BRT projects will also require long-term operating obligations above and beyond basic bus service for the community.

.... with MATA having the functional capability to only deliver 76% of scheduled service ... and customer's expressing overwhelming disappointment at the quality of that service showing up late 36% of the time 'pie in the sky' projects are not in customers, taxpayers or the community's best interests at this point in time"

Recommendations

FACT 1

There is a clear lack of technical and financial capacity to complete a single large capital project like the Innovation Corridor, let alone a second BRT project and a new operations and maintenance facility.

SOLUTION

MATA should defer all major capital projects and associated procurements or contracts until MATA can demonstrate it can deliver basic service to the community. It's unclear whether one of the largest procurements for BRT vehicles can be halted or renegotiated.

FACT 2

It's unclear if MATA staff has taken the long-term federal obligations for large capital projects into account while implementing an austerity budget or in its conversations with the City about ongoing operational support.

SOLUTION

Every effort should be taken to revisit the long-term financial obligation of accepting multiple large federal grants and the associated increase in operating costs for each – as well as the long-term obligation to ensure a “State of Good Repair” (SOGR) for the life of each physical asset with a federal investment. For example, it's not unusual for SOGR obligations to run from 10 to 40 years depending on the asset. An independent cost-benefit analysis of the proposed new operations facility and the investment in battery electric buses would be a logical next step, as each will also have long-term operational costs.

FACT 3

The trolley system has not been properly maintained.

SOLUTION

Scrap or sell the excess vehicles and focus on the number of vehicles required to operate the Main Street line (if the service is to be restored).

FACT 4

Focus on electrification and BRT investment has distracted from addressing the fleet shortages that are affecting service delivery today.

SOLUTION

Refocus fleet modernization on meeting basic customer needs first.

FACT 5

Existing Levee Road bus operations facility is in need of total replacement.

SOLUTION

Streamline the scope of the new O&M facility to match the size of the current system.



SOURCE: THE COMMERCIAL APPEAL

What are the immediate next steps the City of Memphis should consider implementing to modernize MATA's service for its customers and the community?

Deliver Scheduled Service to MATA Customers

Face Failure of Adequate Oversight to Establish Community Confidence

Design a Service Offering that is Financially Sustainable to the Community

To achieve mobility service that other communities across the country enjoy, TransPro recommends the City of Memphis and MATA advance the strategies outlined on the following pages to modernize MATA and create transformational outcomes:

.... the opportunity is to simply get 'back to basics' and deliver a bus consistent with promised schedule, that is clean and on time

KEY STRATEGIES TO ACHIEVE SUCCESS

	Within 100 Days	Within 200 Days	Within 365 Days
To Create Satisfied Customers	<ul style="list-style-type: none"> ■ Form a Transformation Team that focuses on improving customer satisfaction and community relevance and develops a roadmap to support a back to the basics strategy in MATA that focuses on delivering core services first. ■ Pay outstanding maintenance vendor bills so parts can be supplied. ■ Implement recommended improvements identified in the RATP Dev memo dated March 2024 to improve safety, operational efficiency, maintenance and the training culture at MATA. ■ All 21 Tucson buses operational and being used to deliver service. ■ Pause currently proposed system wide service cuts. ■ Pause proposed fare increase until MATA can deliver its scheduled service. 	<ul style="list-style-type: none"> ■ Rebalance MATA's fixed route system to maximize customer satisfaction. ■ 100% of MATA's fixed route service is delivered daily. ■ Develop a safety & security culture and results are communicated to customers and employees. ■ Develop a fleet replacement strategy that maximizes bringing new vehicles to the agency. 	<ul style="list-style-type: none"> ■ Invest in MATA's employees and workforce, particularly the front line employees who are responsible for delivering service day and night. Give them the tools needed to do their jobs effectively. This also means investing in employee development and training focused on customer service and improving the agency's culture. ■ Continue to evaluate route efficiency and make changes that address the needs of the customers. ■ Continue to empower the customer experience by completing a statistical valid survey.

KEY STRATEGIES TO ACHIEVE SUCCESS

	Within 100 Days	Within 200 Days	Within 365 Days
To Improve Community Trust in MATA	<ul style="list-style-type: none"> ■ Address governance oversight issues on the MATA Board that have resulted in unchecked and unbalanced agency budgeting and historical deficit spending practices. ■ Develop a communications strategy that will provide greater transparency around MATA's performance. 	<ul style="list-style-type: none"> ■ Defer large capital expenditures until the agency can demonstrate it has capacity to deliver basic transit services on time and within the publicly stated schedules. ■ Board is aligned with management around measurable success outcomes. ■ Community value campaign and messaging developed and presented in a public facing performance dashboard. ■ Evaluation of trolley services analysis completed and report issued. 	<ul style="list-style-type: none"> ■ New Board oversight policies and procedures in place ■ Budgeting process has built in coordination checks and greater transparency of expenditures. ■ MATA administrative space reduced by at least 14k sq. ft. ■ Comprehensive fleet plan developed and is being implemented with urgency. ■ High functioning board and administrative team structure is in place and delivering results. ■ Plan for how to advance major capital project initiatives.

KEY STRATEGIES TO ACHIEVE SUCCESS

	Within 100 Days	Within 200 Days	Within 365 Days
To optimize the City's Investment in MATA	<ul style="list-style-type: none"> ■ Immediately begin designing and delivering high priority recommendations contained in this report that result in cost savings, bring additional revenue into the system, and serve MATA's customers with reliable transit service. Everything else is just noise at this point and time. ■ Deliver a 100 day state of MATA to council. 	<ul style="list-style-type: none"> ■ Hire an experienced transit Chief Financial Officer and continue requiring greater transparency and accountability associated with its annual local funding grants. ■ Will have developed a sustainable delivery financial model that supports MATAs service delivery plan. ■ Deliver a 200 day state of MATA to council. 	<ul style="list-style-type: none"> ■ Have third party oversight team that reports quarterly on progress to the city. ■ Improved financial systems, reporting and forecasting tools to achieve greater institutional capacity in this area. ■ ITS audit completed and system recommendations budgeted to improve operational efficiency and transparency reporting. ■ 365 day state of MATA delivered to council.

Appendices

A. Peer Comparison, Customer & Community Survey Results

B. RATP Dev Report, March 26, 2024

C. Comprehensive List of Modernization of MATA Recommendations

APPENDIX A

Peer Comparison

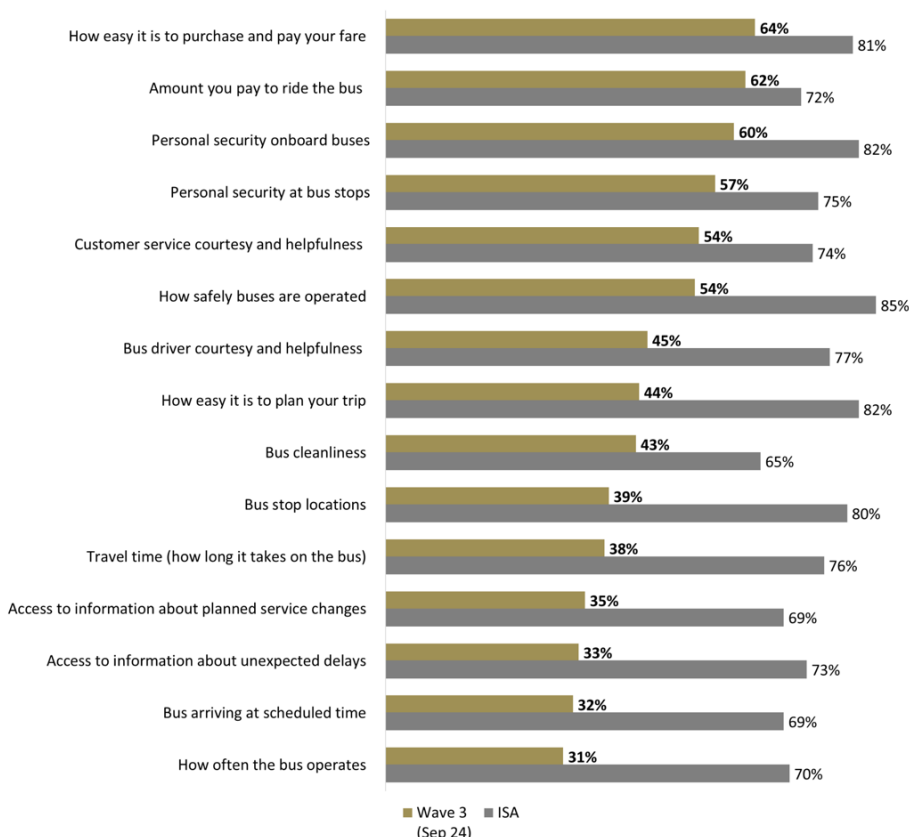
Data is from the 2022 National Transit Database (NTD), the most recent year available. While outdated, the NTD provides consistently-defined data from all transit agencies in the nation, allowing for direct comparisons. Comparisons provide a useful benchmark, but it is important to keep in mind that service occurs in different contexts, including political conditions, service areas and population, regions and environments. All peers operate bus and demand response service, but only five peers operate streetcar service.

Transit agencies report data by mode. Bus includes bus service with fixed routes and schedules. Demand response does not have fixed routes or schedules. Vehicles are dispatched in response to customer requests. Importantly, demand response encompasses MATAplus and MATA's on-demand services, Groove and Ready!, because the NTD does not currently have a separate mode for microtransit services. MATA's trolley service is considered a streetcar, which is defined by overhead catenaries, frequent stops and operating in mixed traffic.

Customer Experience Survey

Trained, local surveyors targeted customers riding or waiting for the bus throughout the day. Every 4th customer is surveyed to ensure random sampling. Results are accurate at 95% confidence with margin of error of +/- 4.3%. 517 customers were surveyed.

Percent of MATA Bus Customers Satisfied with Each Service Category



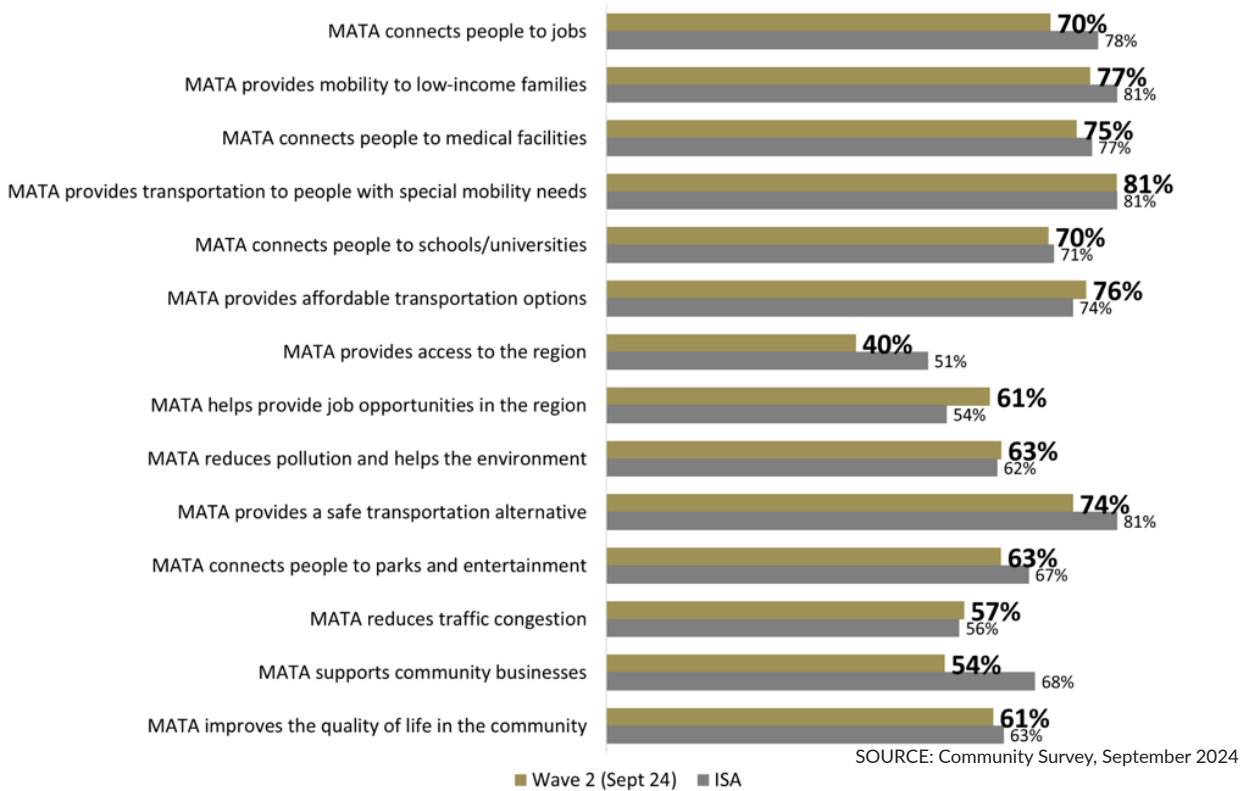
Community Value Survey

The results of this analysis yielded a statistically valid sample with margin of error $\pm 5.0\%$ at the 95% confidence level.

Results are weighted to ensure the data collected resemble the Memphis community. Responses are grouped by their gender and age range and weighted based on the survey count in each category compared to demographics in Memphis.

Memphis community members believe MATA provides the most value in providing mobility to low-income families and people with special mobility needs, providing affordable transportation options, and connecting people to medical facilities.

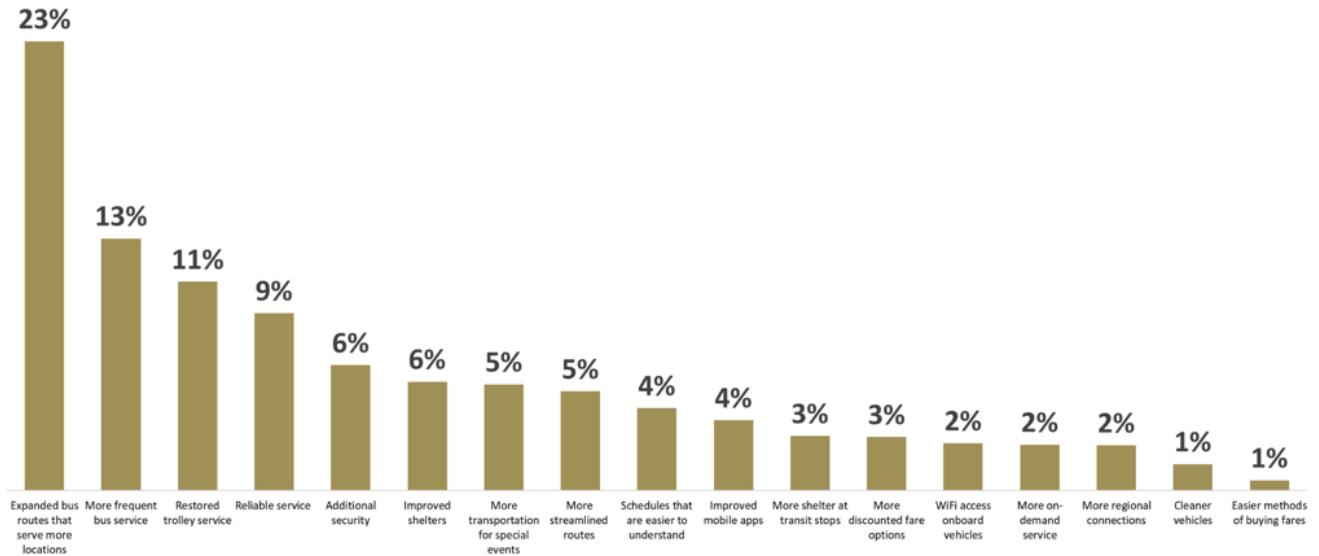
Percent of Memphis community members that Agree or Strongly Agree with each statement



Features/Amenities

Community members were asked to pick 3 features or amenities that MATA could add that would provide more value to the community. Community members prioritized expanded bus routes that serve more locations, more frequent bus service and restored trolley service.

Features in order of importance to Community members



APPENDIX B



Ms. Bacarra S. Mauldin
Interim Chief Executive Officer
Memphis Area Transit Authority
40 S. Main St. Suite 1200
Memphis, TN 38103

March 26, 2024

Dear Ms. Mauldin,

During the week of February 12, 2024, a team of RATP Dev staff visited Memphis to assess Memphis Area Transit Authority (MATA) operations. This document will provide observations from the RATP Dev team and potential actions for consideration.

The assessment provides observations and recommendations in the following areas:

- **Safety and Training**
Safety culture is not evident throughout the organization and training activities are not coordinated. The recent addition of the Chief Safety and Security Officer presents an opportunity to build a coordinated safety and training program.
- **Operations**
The lack of buses to meet daily service requirements has eroded public confidence in the transit service. Short term strategies to place additional buses into service through a planned service growth can help rebuild confidence.
- **Maintenance**
The poor condition of the MATA fleet is the single most serious problem. MATA will acquire 30 buses from Tucson as a short-term measure to augment the MATA fleet. To build a sustainable system in the long term and major fleet replacement program will be necessary. In the interim, a focus on maintenance department performance coupled with a program to refurbish existing MATA buses will be key activity requiring a commitment of resources.

The information contained in the attached document summarizes the work of the RATP Dev team. Our intent is to stimulate a discussion about priorities and strategies to build Memphis Area Transit Authority into the high-quality public service your team envisions for the citizens of Memphis. RATP Dev looks forward to working with MATA leadership to realize these goals.

Respectfully,

Steve Spade
Director of Operations
Mgmt. Contracts/Streetcar
RATP Dev USA

MATA System Assessment

March 2024

MATA has experienced serious service delivery challenges. While MATA is aware of many of the issues driving the current service deficiencies the RATP Dev team was tasked to provide an independent assessment of issues and to suggest short, medium, and long-term opportunities to improve system performance and reliability. Short-term objectives were identified as actions that could provide immediate results within 30 days, medium term could provide operational improvements within 30 to 90 days and long-term programs for sustained improvement.

Departmental Observations:

Safety Culture

- There does not appear to be a strong safety culture in operations or maintenance.
- The safety and training departments are independent with little communication or collaboration.
- The recent hiring of a new Chief Safety and Security Officer provides MATA the opportunity to combine the Safety and Training departments under one executive and build continuity and community between the intertwined disciplines.

Safety

- The Safety Team does not appear to be proactive or reactive to their risk or recent incidents: For example, recently a battery fell from a fabricated pushcart and injured an employee's foot. No action was taken to mitigate further circumstances and the in-house fabricated cart remains in service.
- The Safety Team mentioned that the air circulation systems have not been operational for quite some time, however, the painting area remains operational. The team was unsure of any previous air quality testing or if the ventilation system was active and it did not appear that any respirators were being worn or located in the vicinity. This is a significant Industrial Hygiene (IH) concern for employees working in this area.
- General Housekeeping of both the body shop and the vehicle maintenance area were average.
- The understaffing of the safety team paired with the operator training being conducted by inexperienced individuals reflected in the responses we received when talking to operators.

Training

- Training Department Representatives (Thomas and Fred) communicated that the training department began 3 years ago, referring to this department as "new" despite the fact it's existed for 3 years with minimal progressive improvements. The training and safety departments are separate and there appears to be limited communication.
- The training team is partnered with an outside contracted educator with no specific transit industry experience.
- Integrating the safety and training department could make a potential improvement in terms of accident mitigation and improvement. Integration would also benefit the creation of a more effective curriculum for new operators and retraining existing operators.
- Operator training consists of two weeks of training, details limited as to what that training includes, followed by 4 weeks of being "mentored". Interviews with operators suggested that trainers are inexperienced, some only recently possessing a license to operate a bus.
- The training department does not have an internal feedback system for trainers to determine if trainers are effectively training new operators.
- The training department does not track the trainer's performance. Trainers are resistant to discussing changes in the training program.
- Operators interviewed made mention of many new operators leaving shortly after training because the training did not prepare them for what they would experience as an operator.

Operations

- The lack of buses for daily service has a direct impact on the ability to meet daily service requirements and has caused public concern about service reliability. is the primary and immediate concern. As a result of this equipment deficiency:
- MATA has only 54 buses available to meet an 76-bus pullout.
- With no spares, buses must remain in service all day, leaving limited time to perform PM inspections and basic repairs.
- Bus scheduling and frequency has been reduced to provide limited service on each route based on vehicle availability.
- The lack of vehicles causes Operators to wait out the time on their shift because they had no vehicle to drive.
- There is a high volume of public complaints about reliability. This has partially been mitigated by the recent schedule revisions.
- The system is using Navineo CAD/AVL from EQUANS (sold by ENGIE to Bouygues group in Oct 2022), but training and support has been inadequate. Staff are learning the system on their own.
- S OmniAlert- is used for notifications to operations staff and customers about route/schedule changes and detours. The system has been well received.
- Trackit Transit software is used for accident reporting, which is compliant with SMS and PTASP requirements.

Operations staff appear to be inexperienced and have had minimal industry specific training. This leads to weak leadership and team ineffectiveness.

Maintenance

MATA has a fleet of 105 fixed route buses and 76 paratransit vehicles. Maintenance only has 54 buses available to make a 74-bus pullout. In addition to the large number of down vehicles the maintenance department is challenged by the lack of a clear plan to meet operational goals in the short term and prioritization of workloads with available manpower (open positions and absenteeism). Although MATA has recently updated the Bus Fleet Management Plan, that plan does address the short-term needs of the maintenance department to meet service obligations. Below are recommendations for immediate actions focused on fleet maintenance and the maintenance department to quickly bring some stability to fleet availability.

Recommended Immediate Maintenance Actions:

- Continue to pursue buses from Tucson and develop a servicing plan.
 - Identify IT hardware needed for equipping fleet and begin procuring.
 - Identify workforce to provide necessary maintenance.
 - Identify timeline to in service and train on the equipment to minimize time from arrival to in-service.
- Schedule adjustments: Move staff to appropriate shifts to meet short-term needs. Adjusting schedules need to be coordinated with CBA language and clearly explained to employees who may resist change to get their buy in.
- Maximize external resources in the short-term including local repair facilities and traveling fleet mechanic services until the shop is fully staffed and trained.
- Management Schedules: Having the maintenance management staff be more involved in the night shift. Having key management staff present on all shifts at least a couple of days a week will ensure that scheduled work is completed and improve coordination.
- Roll out: Management observations of roll out are also important to identify causes of shortages and identify and correct issues such as rejection of buses by operators and other unidentified causes.
- DVI Process review: The DVI process should be a key element to the mx process to identify defects and improve the relationship between the shop and operations.
- Operators spend at least one day in the shop during initial/refresher training to observe a PMI from start to finish, and/or what happens when they report a defect on the DVIR. Good opportunity for the technician to emphasize why it's important to complete the DVIR properly (e.g. neat, legible, accurate, no scribbling or ranting, describe the problem rather than trying to diagnose it).
- Road Calls: A review of road call causes and procedures can produce some basic changes in maintenance operations.
- Parts and Purchasing: Evaluate the parts and supplies processes within the organization to ensure that parts are available, and that the lack of parts is not a primary reason for bus operational shortages.

- Parts room staffing should be available on all mechanic shifts, ensuring that parts availability does not impact repair activities.
- Regen Diesel Buses: Maintenance staff indicated that one major issue in the operation is the older diesel engines are oil burners and are prematurely clogging up DPF's as well as the extended idle operations that diesel bus fleets experience. Forcing buses into static degeneration (using Insite software) on a scheduled basis is a part of the solution to the derating problems.
- Operational/Maintenance meetings: Schedule regular weekly meetings to discuss operational issues. Communications will improve the working relationship between the departments to collectively identify and solve these issues. Communications could also focus on the customer impact to emphasize the importance of customer service.
- Down List Evaluations: Analyze the scheduling work within maintenance related to priorities to meet pull out and operational needs, parts availability, ease of repairs, labor availability etc., all need to be evaluated and amended, if applicable.
- PMI Audit: Improve review of work performed on PMI inspection and monitor rework and road calls of buses. The effectiveness of the process should be measured by the need to shop equipment prior to the next scheduled service interval.

APPENDIX C

Comprehensive List of Modernization of MATA Recommendations

<p>FACT: On-time performance is the most important factor to MATA customers, but only 32% are satisfied that the bus comes on time.</p>	<p>SOLUTION: MATA must focus on improving operational performance for its customers. If nothing else comes out of this operational assessment, the need to improve the experience of MATA’s customers should be the top priority. Focus on the most important things to the customer to improve satisfaction Deliver scheduled service on time. The bus schedule is your contract with the community. All available resources should be focused first on making sure buses arrive when MATA says they will arrive. Fleet and workforce recommendations address service reliability issues.</p>
<p>FACT: The Memphis community prioritizes public transit that connects people to jobs, provides mobility to low-income families, connects people to medical facilities, and provides transportation options to people with special mobility needs.</p>	<p>SOLUTION: MATA’s service should consider community priorities. Service scenarios should try to preserve or improve job and healthcare access, especially for low-income families and individuals.</p>
<p>FACT: Vendors have stopped providing parts due to nonpayment.</p>	<p>SOLUTION: MATA should immediately complete a triage assessment on outstanding vendor payments and should bring past due accounts with vendors that provide parts required to repair both fixed route and MATAPlus vehicles and bring them current. MATA should prioritize the fundamentals of paying vendors directly tied to service delivery. Imagine not being able to do your job because you cannot purchase parts to repair a vehicle out of service has to be a frustrating situation to be in. Being able to acquire parts and complete needed maintenance on a timely basis especially on a fleet as old as MATA’s is a basic core function. If necessary, resources being spent on other agency priorities should be redirected to this critical task until MATA’s fleet can be stabilized.</p>
<p>FACT: MATA acquired 27 fixed route buses earlier this year from the city of Tucson, but 21 buses are not currently in service.</p>	<p>SOLUTION: Prioritize efforts to put all 21 of these vehicles into service immediately so that MATA has added capacity in its fleet providing operational flexibility needed to complete preventive maintenance activities on existing MATA buses and creating greater probability of meeting daily pull-out goals.</p>
<p>FACT: MATA has not produced a comprehensive fleet replacement plan; however, MATA’s FY 2025 capital budget includes \$6,985,000 for fixed route vehicle replacements with little detail provided during the September 2024 board meeting.</p>	<p>SOLUTION: Before spending any of the budgeted funding, MATA should complete a comprehensive vehicle replacement plan to address the needs of its entire fleet. As part of this plan, an assessment should be undertaken to assess the tradeoffs between moving forward with purchasing electric vehicles as proposed or evaluating vehicles with different propulsion systems. As shown below, current industry average prices for electric vehicles are almost double the cost of modern clean diesel vehicle propelled buses. Given the state of MATA’s fleet and the need to have a reliable fleet to be able to meet pull out associated with the current system design, TransPro recommends MATA complete this analysis before advancing to the next phase of the Gillig bus procurement. While the agency will likely have to trade off some environmental benefits associated with transitioning to an electric fleet, we believe it is far more important to stabilize MATA’s service for the customers that it serves by modernizing more of its fleet and maximizing on-time performance and reliability of the system.</p>

Comprehensive List of Modernization of MATA Recommendations, cont.

FACT: MATA customers care most that MATA's bus service arrives on time.	SOLUTION: MATA needs a dependable fleet that will meet pullout and won't fail on a regular basis. Beyond its FY2025 Capital Budget expenditure, MATA should develop a prioritized asset management investment strategy to reverse the failing State of Good Repair trend line and address the below average industry ratings of mean failures between to distances of its current fleet. To accomplish this, MATA will likely need to reprioritize other capital investment priorities and double down on investing on the core fleet needed to deliver reliable service that are most important to MATA's customer base.
FACT: MATA needs to further invest in training and certification development for its trolley operators before resuming trolley operations.	SOLUTION: MATA should enhance TSI training for safety personnel and ensure that all safety staff obtain TSP certification to address current gaps in qualifications.
FACT: MATA systems for trolley equipment maintenance are outdated.	SOLUTION: MATA should deploy and adopt best practices for vehicle equipment, including the installation of low-voltage controllers and redundant braking systems such as track brakes or spring-loaded brakes. Additionally, comprehensive training on the correct operation and maintenance of the trolley cars must be provided to all relevant staff.
FACT: MATA lacks proactive management and oversight on its trolley system	SOLUTION: Establishing ongoing oversight will be crucial to fostering a culture of safety, efficiency, and timely operations within MATA. Empowering staff to take initiative and act proactively in their roles will also be essential for improving operational effectiveness.
FACT: MATA lacks the number of operators to deliver scheduled service today.	SOLUTION: Need to determine the number of operators required to deliver that level of service, especially in light of pending layoffs scheduled to go into effect in November 2024.
FACT: MATA fails to support bus operators with adequate training and supervision, based on our assessment of MATA's training program.	SOLUTION: Fully leverage the RATP Dev contract seeking opportunities to supplement MATA's existing operations and maintenance staff. Focus should be on how MATA improves service delivery so that customers and the community see the difference – including on-time performance, bus cleanliness, and reliability.
FACT: MATA has numerous open contracts with professional vendors.	SOLUTION: MATA should evaluate their existing contract capacity to identify opportunities to retool the scope of work to deliver core transit services that support improving on-time performance, service reliability, and improving the customer experience. These opportunities could be technology driven, employee development focused, or planning/scheduling enhancements that provide real benefits to MATA's customers.
FACT: MATA has multiple disparate systems that are one-off solutions and it lacks functional systems to support efficient delivery of operations.	SOLUTION: TransPro recommends an IT systems audit to identify the systems and integrations needed to support modernization.
FACT: The 13th floor office space added in late 2023 was done based on speculative purposes to support future capital project delivery purposes.	SOLUTION: TransPro recommends that MATA take steps to immediately get out of its lease for the 13th floor at One Commerce Square and reprioritize these dollars to the delivery of fixed route bus service. While there may be short-term penalties associated with breaking the lease, longer term savings can be realized by getting out of the annual \$251,352 lease for the 13th floor space.

Comprehensive List of Modernization of MATA Recommendations, cont.

<p>FACT: MATA's maintenance facility contributes to its lack of ability to get service out on time.</p>	<p>SOLUTION: MATA should prioritize efforts to advance the construction of the operations and maintenance facility. This facility is badly needed and should remain a clear investment priority for the MATA as a back to the basic's priority</p>
<p>FACT: MATA has a graveyard full of vehicles and steel that could be auctioned off or hauled away for scrap to generate a revenue stream.</p>	<p>SOLUTION: MATA should salvage decommissioned vehicles and scrap metal and seek to spend the proceeds on needed short-term maintenance facility repairs such as being able to get a flooded pit pumped out or buy some paint and decals to get buses on the road would be forward progress. At the same time, cleaning up and clearing out the junk provides a better working environment. Supplying fluid hose reels that do not need to be held together with clamps and duct tape or leak all over the floor when used would probably make a difference when doing simple Preventive Maintenance activities. A number of strategies can be devised to deal with the little things. By applying a "back to the basics" culture can prove to solve a bunch of little things that should be accomplished before addressing large capital projects.</p>
<p>FACT: MATA has multiple administrative facilities and is planning to add a new maintenance facility, yet does not have a comprehensive facility master plan.</p>	<p>SOLUTION: MATA should develop a comprehensive space allocation plan to evaluate the best long-term solution to its future space needs.</p>
<p>FACT: MATA has three transit centers (William Hudson Transit Center, American Way Transit Center, and Airways Transit center) which are used to accommodate transfer among routes and services needs regarding route and schedule information, personal trip planning, Fast Pass purchases, and photo identification for youth, seniors, and people with disabilities.</p>	<p>SOLUTION: As part of any service redesign efforts, MATA should consider if all three transit centers are still needed to support the desired customer experience that Memphis taxpayers deserve.</p>
<p>FACT: Only 26% of the community believes that MATA provides sound financial management of the public funds they are entrusted with, below the industry standard.</p>	<p>SOLUTION: The MATA board as currently constituted should be replaced with new members who will take seriously their responsibility to act as the policy and oversight entity of the agency. Systems must be developed to ensure that the board does not continue to authorize expenditures that are beyond the financial capacity of MATA to encumber. New board members should be trained on the expectations and responsibilities that membership on this board entails. Furthermore, performance metrics should be established on the operations, finances, and customer satisfaction of the agency for the leadership team to be held accountable to and provide true transparency to the community.</p>
<p>FACT: Customer satisfaction with the service provided by MATA dropped by 15% from 2018 to 2021 and dropped another 41% from 2021 to 2024.</p>	<p>SOLUTION: The MATA Board should give serious consideration to evaluating the ability of the existing management team to move the agency forward and reverse the negative customer perception the agency is struggling to overcome.</p>

Comprehensive List of Modernization of MATA Recommendations, cont.

<p>FACT: Between 2022 and 2024, the MATA board approved contract authority for the agency of approximately \$126 million while revenues continued to dwindle.</p>	<p>SOLUTION: The MATA board should examine its fiduciary oversight responsibilities and develop greater institutional control over the agency’s budgeting practices and develop greater transparency in its monthly, quarterly and annual financial reporting.</p>
<p>FACT: MATA leadership requested a review of bus operations, maintenance, and safety culture by RATP Dev. Results were provided to MATA leadership in March of 2024. These recommendations were largely ignored by MATA leadership and were never presented to the board for consideration.</p>	<p>SOLUTION: The management contract with RATP Dev should immediately be modified to provide transit management professionals to oversee the bus operations, bus maintenance, trolley operations, and trolley maintenance. This will provide immediate stability to the MATA operations and develop a plan for restoring fleet and service reliability.</p>
<p>FACT: There is a clear lack of technical and financial capacity to complete a single large capital project like the Innovation Corridor, let alone a second BRT project and a new operations and maintenance facility.</p>	<p>SOLUTION: MATA should defer all major capital projects and associated procurements or contracts until MATA can demonstrate it can deliver basis service to the community. It’s unclear whether one of the largest procurements for BRT vehicles can be halted or renegotiated.</p>
<p>FACT: It’s unclear if MATA staff has taken the long-term federal obligations for large capital projects into account while implementing an austerity budget or in its conversations with the city about ongoing operational support.</p>	<p>SOLUTION: Every effort should be taken to revisit the long-term financial obligation of accepting multiple large federal grants and the associated increase in operating costs for each – as well as the long-term obligation to ensure a “State of Good Repair” (SOGR) for the life of each physical asset with a federal investment. For example, it’s not unusual for SOGR obligations to run from 10 to 40 years depending on the asset. An independent cost-benefit analysis of the proposed new operations facility and the investment in battery electric buses would be a logical next step, as each will also have long-term operational costs.</p>
<p>FACT: The trolley system has not been properly maintained.</p>	<p>SOLUTION: Scrap or sell the excess vehicles and focus on the number of vehicles required to operate the Main Street line (if the service is to be restored).</p>
<p>FACT: Focus on electrification and BRT investment has distracted from addressing the fleet shortages that are affecting service delivery today.</p>	<p>SOLUTION: Refocus fleet modernization on meeting basic customer needs first.</p>
<p>FACT: Existing Levee Road bus operations facility is in need of total replacement.</p>	<p>SOLUTION: Streamline the scope of the new O&M facility to match the size of the current system.</p>

APPENDIX D

Operating Funding Comparison

Compared to peer agencies, MATA covers a much larger proportion of operating expenses with federal funding (61%) than average (40%).

2022 Operating Expenses: Federal Support

Agency	City, State	Operating Expenses	Federal Funding
City of Knoxville	Knoxville, TN	\$22,166,846	\$16,242,746 (73%)
City of El Paso	El Paso, TX	\$56,568,273	\$34,886,865 (62%)
City of Memphis	Memphis, TN	\$60,387,320	\$36,690,058 (61%)
Kansas City Area Transportation Authority	Kansas City, MO	\$100,789,198	\$61,113,795 (61%)
Central Oklahoma Transportation and Parking Authority	Oklahoma City, OK	\$37,385,064	\$22,258,189 (60%)
Greenville Transit Authority	Greenville, SC	\$7,673,258	\$4,494,209 (59%)
Southwest Ohio Regional Transit Authority	Cincinnati, OH	\$127,969,781	\$70,890,022 (55%)
Indianapolis and Marion County Public Transportation	Indianapolis, IN	\$110,694,920	\$54,456,648 (49%)
City of Greensboro	Greensboro, NC	\$27,630,858	\$13,349,086 (48%)
Interurban Transit Partnership	Grand Rapids, MI	\$46,107,160	\$22,192,313 (48%)
Toledo Area Regional Transit Authority	Toledo, OH	\$33,180,149	\$15,291,962 (46%)
Metropolitan Tulsa Transit Authority	Tulsa, OK	\$23,486,463	\$10,631,705 (45%)
AVERAGE		\$60,626,028	\$22,270,062 (40%)
Central Midlands Regional Transportation Authority	Columbia, SC	\$28,858,366	\$11,264,027 (39%)
Capital District Transportation Authority	Albany, NY	\$121,371,468	\$45,604,100 (38%)
Birmingham-Jefferson County Transit Authority	Birmingham, AL	\$34,351,244	\$12,061,525 (35%)
Metropolitan Transit Authority	Nashville, TN	\$73,476,390	\$25,317,666 (34%)
Transit Authority of River City	Louisville, KY	\$89,796,714	\$25,290,184 (28%)
Rock Region Metropolitan Transit Authority	Little Rock, AR	\$20,187,491	\$5,374,448 (27%)
Chattanooga Area Regional Transportation Authority	Chattanooga, TN	\$24,167,013	\$5,939,868 (25%)
Pinellas Suncoast Transit Authority	St. Petersburg, FL	\$102,067,733	\$22,685,392 (22%)
Transit Authority of Omaha	Omaha, NE	\$35,591,238	\$7,892,359 (22%)
City of Albuquerque	Albuquerque, NM	\$58,180,293	\$11,941,668 (21%)
Greater Richmond Transit Company	Richmond, VA	\$62,190,537	\$10,094,377 (16%)
City of Madison	Madison, WI	\$56,790,076	\$8,110,083 (14%)
Central Ohio Transit Authority	Columbus, OH	\$154,582,847	\$2,678,263 (2%)

Compared to peer agencies, MATA covers a larger proportion of operating expenses with state funding (14%) than average (10%).

2022 Operating Expenses: State Support

Agency	City, State	Operating Expenses	State Funding
Capital District Transportation Authority	Albany, NY	\$121,371,468	\$61,511,458 (51%)
Interurban Transit Partnership	Grand Rapids, MI	\$46,107,160	\$15,508,909 (34%)
Greater Richmond Transit Company	Richmond, VA	\$62,190,537	\$18,349,811 (30%)
City of Madison	Madison, WI	\$56,790,076	\$14,314,128 (25%)
City of Knoxville	Knoxville, TN	\$22,166,846	\$5,444,434 (25%)
City of Memphis	Memphis, TN	\$60,387,320	\$8,423,114 (14%)
Chattanooga Area Regional Transportation Authority	Chattanooga, TN	\$24,167,013	\$2,770,623 (11%)
Indianapolis and Marion County Public Transportation	Indianapolis, IN	\$110,694,920	\$11,240,036 (10%)
AVERAGE		\$60,626,028	\$6,772,133 (10%)
Toledo Area Regional Transit Authority	Toledo, OH	\$33,180,149	\$2,885,379 (9%)
Pinellas Suncoast Transit Authority	St. Petersburg, FL	\$102,067,733	\$8,243,212 (8%)
Metropolitan Transit Authority	Nashville, TN	\$73,476,390	\$5,268,323 (7%)
City of Greensboro	Greensboro, NC	\$27,630,858	\$1,646,937 (6%)
Greenville Transit Authority	Greenville, SC	\$7,673,258	\$398,720 (5%)
Transit Authority of River City	Louisville, KY	\$89,796,714	\$4,611,907 (5%)
Metropolitan Tulsa Transit Authority	Tulsa, OK	\$23,486,463	\$1,150,000 (5%)
Transit Authority of Omaha	Omaha, NE	\$35,591,238	\$1,740,377 (5%)
Southwest Ohio Regional Transit Authority	Cincinnati, OH	\$127,969,781	\$3,045,630 (2%)
Central Oklahoma Transportation and Parking Authority	Oklahoma City, OK	\$37,385,064	\$710,260 (2%)
Rock Region Metropolitan Transit Authority	Little Rock, AR	\$20,187,491	\$310,000 (2%)
Central Ohio Transit Authority	Columbus, OH	\$154,582,847	\$1,013,050 (1%)
City of Albuquerque	Albuquerque, NM	\$58,180,293	\$340,844 (1%)
Kansas City Area Transportation Authority	Kansas City, MO	\$100,789,198	\$376,172 (<1%)
Birmingham-Jefferson County Transit Authority	Birmingham, AL	\$34,351,244	\$0 (0%)
Central Midlands Regional Transportation Authority	Columbia, SC	\$28,858,366	\$0 (0%)
City of El Paso	El Paso, TX	\$56,568,273	\$0 (0%)

Compared to peer agencies, MATA covers a much smaller proportion of operating expenses with local funding (21%) than average (40%).

2022 Operating Expenses: Local Support

Agency	City, State	Operating Expenses	Local Funding
City of Albuquerque	Albuquerque, NM	\$58,180,293	\$44,607,461 (77%)
Central Ohio Transit Authority	Columbus, OH	\$154,582,847	\$109,184,196 (71%)
Rock Region Metropolitan Transit Authority	Little Rock, AR	\$20,187,491	\$12,888,313 (64%)
Birmingham-Jefferson County Transit Authority	Birmingham, AL	\$34,351,244	\$21,646,910 (63%)
Pinellas Suncoast Transit Authority	St. Petersburg, FL	\$102,067,733	\$63,554,165 (62%)
Transit Authority of Omaha	Omaha, NE	\$35,591,238	\$21,856,030 (61%)
Metropolitan Transit Authority	Nashville, TN	\$73,476,390	\$42,890,401 (58%)
Transit Authority of River City	Louisville, KY	\$89,796,714	\$52,051,719 (58%)
Greater Richmond Transit Company	Richmond, VA	\$62,190,537	\$30,918,251 (50%)
Central Midlands Regional Transportation Authority	Columbia, SC	\$28,858,366	\$13,374,470 (46%)
City of Madison	Madison, WI	\$56,790,076	\$23,995,335 (42%)
Toledo Area Regional Transit Authority	Toledo, OH	\$33,180,149	\$13,428,412 (40%)
AVERAGE		\$60,626,028	\$25,396,248 (40%)
Metropolitan Tulsa Transit Authority	Tulsa, OK	\$23,486,463	\$9,265,496 (39%)
Kansas City Area Transportation Authority	Kansas City, MO	\$100,789,198	\$37,051,552 (37%)
City of Greensboro	Greensboro, NC	\$27,630,858	\$9,661,486 (35%)
Indianapolis and Marion County Public Transportation	Indianapolis, IN	\$110,694,920	\$32,698,303 (30%)
City of El Paso	El Paso, TX	\$56,568,273	\$16,480,148 (29%)
Southwest Ohio Regional Transit Authority	Cincinnati, OH	\$127,969,781	\$35,743,917 (28%)
Chattanooga Area Regional Transportation Authority	Chattanooga, TN	\$24,167,013	\$6,309,280 (26%)
Greenville Transit Authority	Greenville, SC	\$7,673,258	\$1,893,257 (25%)
City of Memphis	Memphis, TN	\$60,387,320	\$12,874,775 (21%)
Central Oklahoma Transportation and Parking Authority	Oklahoma City, OK	\$37,385,064	\$6,954,777 (19%)
Capital District Transportation Authority	Albany, NY	\$121,371,468	\$11,989,543 (10%)
Interurban Transit Partnership	Grand Rapids, MI	\$46,107,160	\$3,108,344 (7%)
City of Knoxville	Knoxville, TN	\$22,166,846	\$479,666 (2%)

Compared to peer agencies, MATA covers a smaller proportion of operating expenses with fares and other funding (4%) than average (10%).

2022 Operating Expenses: Fares and Other Support

Agency	City, State	Operating Expenses	Fares and Other Funding
Chattanooga Area Regional Transportation Authority	Chattanooga, TN	\$24,167,013	\$9,147,242 (38%)
Central Ohio Transit Authority	Columbus, OH	\$154,582,847	\$41,707,338 (27%)
Central Oklahoma Transportation and Parking Authority	Oklahoma City, OK	\$37,385,064	\$7,461,838 (20%)
City of Madison	Madison, WI	\$56,790,076	\$10,370,530 (18%)
Central Midlands Regional Transportation Authority	Columbia, SC	\$28,858,366	\$4,219,869 (15%)
Southwest Ohio Regional Transit Authority	Cincinnati, OH	\$127,969,781	\$18,290,212 (14%)
Greenville Transit Authority	Greenville, SC	\$7,673,258	\$887,072 (12%)
Transit Authority of Omaha	Omaha, NE	\$35,591,238	\$4,102,472 (12%)
Interurban Transit Partnership	Grand Rapids, MI	\$46,107,160	\$5,297,594 (11%)
Indianapolis and Marion County Public Transportation	Indianapolis, IN	\$110,694,920	\$12,299,933 (11%)
City of Greensboro	Greensboro, NC	\$27,630,858	\$2,973,349 (11%)
Metropolitan Tulsa Transit Authority	Tulsa, OK	\$23,486,463	\$2,439,262 (10%)
AVERAGE		\$60,626,028	\$6,187,584 (10%)
City of El Paso	El Paso, TX	\$56,568,273	\$5,201,260 (9%)
Transit Authority of River City	Louisville, KY	\$89,796,714	\$7,842,904 (9%)
Rock Region Metropolitan Transit Authority	Little Rock, AR	\$20,187,491	\$1,614,730 (8%)
Pinellas Suncoast Transit Authority	St. Petersburg, FL	\$102,067,733	\$7,584,964 (7%)
Toledo Area Regional Transit Authority	Toledo, OH	\$33,180,149	\$1,574,396 (5%)
Greater Richmond Transit Company	Richmond, VA	\$62,190,537	\$2,828,098 (5%)
City of Memphis	Memphis, TN	\$60,387,320	\$2,399,373 (4%)
Kansas City Area Transportation Authority	Kansas City, MO	\$100,789,198	\$2,247,679 (2%)
City of Albuquerque	Albuquerque, NM	\$58,180,293	\$1,290,320 (2%)
Birmingham-Jefferson County Transit Authority	Birmingham, AL	\$34,351,244	\$642,809 (2%)
Capital District Transportation Authority	Albany, NY	\$121,371,468	\$2,266,367 (2%)
City of Knoxville	Knoxville, TN	\$22,166,846	\$0 (0%)
Metropolitan Transit Authority	Nashville, TN	\$73,476,390	\$0 (0%)

