



CATS
CAPITAL AREA TRANSIT SYSTEM

**OPERATING AND CAPITAL
BUDGET FOR THE YEAR ENDING
DECEMBER 31, 2023**



OFFICERS

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Linda Perkins, Vice-President

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Councilwoman Carolyn Coleman

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2023 BUDGET MESSAGE

Dear Commissioners and Residents of East Baton Rouge Parish:

In accordance with the Louisiana Local Government Budget Act, and our responsibility to prepare a comprehensive budget, the Capital Area Transit System (CATS) submits our balanced budget for fiscal year 2023. This budget presents the financial guide which will govern our strategic plan, goals, and direction, as well as enabling us to continue connecting our riders to what matters. The budget will be presented to the CATS Board of Commissioners at its December 2022 board meeting.

CATS' Total Operational Expenses for the year 2023 is estimated at \$34,172,805 an increase of \$5.1 million. This is due to increases in the cost of Labor and Fringe Benefits, the need for additional planning services associated with the Bus Rapid Transit (BRT) project, the funding of the Baker Microtransit project (LYNX), increases in costs for materials and supplies, and rising fuel costs.

CATS' Capital Expense budget totals \$17,177,057, in expected project expenditures, including the North Transit Center, updates to our Paratransit fleet, and the purchase of buses for the BRT project. These Capital projects are also funded by grant awards and local matching funds. This brings CATS' total estimated budget for fiscal year 2023 to \$51,349,862.

CATS' estimated total Revenues for 2023 is also budgeted at \$51,349,862, which results in a fully balanced budget.

CATS' self-generated revenues include passenger-paid fares, special transit fares, ADA Paratransit (CATS on Demand) fares, and advertising revenue. The budgeted amount totals \$2,235,648 compared to \$1,757,597 last year. The Parish and Local fund revenues anticipated amount to \$20,866,000. The increase in revenue is expected due to the recovery of ridership after the COVID-19 pandemic.

The budgeted Federal Operational Subsidies amount to \$13,313,357. Included in this amount is our annual formula funding provided under FTA Section 5307 and Section 5339, as well as an additional \$5,761,267 provided for under the American Rescue Plan Act of 2021.

As a taxpayer funded entity, CATS recognizes our duty to be careful stewards of the funds made available to us, and we continuously examine our operations to ensure that we are serving you in the most cost efficient manner possible.

Sincerely,

Dwana Williams

Dwana Williams, Interim CEO

Amended 12/19/22

**Capital Area Transit System
Proposed Operating Budget**

For the Year Ending December 31, 2023

Operating Revenues

Description	2023	2022	Dollar
	Budget	Budget	Variance
Operating Revenues			
Passenger Paid Fares	1,032,864	839,172	193,692
Special Transit Fares (Contract)	61,712	74,337	(12,625)
ADA/Paratransit Revenue	87,827	74,502	13,325
Advertising Revenue	551,835	525,000	26,835
Interest Income	35,350	4,584	30,766
Other Agency Revenue	466,060	240,002	226,058
Total CATS Generated	2,235,648	1,757,597	478,051
Non Federal Revenue			
Hotel/Motel Tax	1,210,000	1,045,032	164,968
Parish Transportation Fund	550,000	550,000	-
Property Tax Revenue	19,106,000	19,000,000	106,000
Total Non Federal	20,866,000	20,595,032	270,968
Federal Operating Subsidies			
FTA - Preventive Maintenance	3,797,840	4,300,000	(502,160)
FTA - Project Administration	1,468,000	500,000	968,000
FTA - Planning	1,600,000	691,000	909,000
FTA - Operating	1,115,499		
FTA - ARP	5,761,267	1,220,297	4,540,970
Total Federal Operating	13,742,606	6,711,297	5,915,810
Total Operating Revenue	36,844,254	29,063,926	6,664,829
FTA - Capital Projects	11,205,608	7,599,000	3,606,608
FTA - ARP	3,300,000	-	3,300,000
TOTAL SOURCES OF REVENUE	51,349,862	36,662,926	13,571,437

Amended 12/19/22

Capital Area Transit System

Proposed Operating Budget

For the Year Ending December 31, 2023

Operating Expenses

Description	2023	2022	Dollar
	Budget	Budget	Variance
Operating Expenses			
Labor	12,839,623	11,443,841	1,395,782
Fringe Benefits	5,700,042	6,393,101	(693,059)
Labor and Fringe Benefits	18,539,665	17,836,942	702,723
Casualty and Liability	1,869,348	1,759,500	109,848
Services	4,081,789	2,881,030	1,200,759
Purchased Transportation	3,361,741	1,967,653	1,394,088
Materials & Supplies	4,394,103	3,150,000	1,244,103
Utilities	290,398	205,900	84,498
Miscellaneous Expenses	1,380,664	1,162,323	218,341
Leases and Rentals	255,097	100,578	154,519
Total Operating Expenses	34,172,805	29,063,926	5,108,879
FTA - Capital Projects	17,177,057	7,599,000	9,578,057
Total Operating/Planning/Capital	51,349,862	36,662,926	14,686,936
NET BALANCE (+/-)	0.00	0.00	

Amended 12/19/22

2023 Operating Budget Narrative

The 2023 CATS Operating Budget is projected at **\$34,172,805**.

As required by state law, the Operating Budget is fully balanced with CATS' 2023 Projected Revenues.

Casualty and Liability- \$1,869,348

This category includes costs for maintaining CATS' Worker's Compensation and self-insured Fleet Liability programs. The 2023 proposed budget in this category represents a 6.2% increase from last year, which is based on historical data trends.

Services- \$ 4,081,789

This category represents Professional Services utilized by CATS, such as security, graphic design, and consultants. The 2023 proposed budget in this category represents a 37.8% increase from last year, which is due in large part to increased planning related costs associated with the upcoming BRT project, as well as reflecting nearly \$1.2 million in competitive planning grants awarded to CATS in 2022.

Purchased Transportation- \$3,361,741

This category encompasses our ADA Paratransit services and the Baker Microtransit service. The 2023 proposed budget in this category represents a 70.8% increase from last year, as Microtransit was added to this category starting in 2023.

Materials & Supplies- \$4,394,103

This category incorporates all the necessary supplies and parts for use across the fleet, as well as office supplies. The 2023 proposed budget in this category represents a 39.5% increase from last year, which is due to increased prices on parts due to inflation and supply-chain issues, as well as a significant increase in fuel costs.

Utilities- \$290,398

This category includes all utilities, such as water, gas, and electricity. The 2023 proposed budget in this category represents a 41% increase from last year, which is a result of adding additional electric buses to the fleet, increasing our electricity costs.

Miscellaneous Expenses- \$1,380,664

This category encompasses a number of items that do not fall into another category, such as travel, training, marketing, dues for professional organizations, and others. The 2023 proposed budget in this category represents an 18.8% increase from last year. The increase is due to rising travel costs nationwide, as well as a significant investment in improving our training program.

Leases and Rentals- \$255,097

The 2023 proposed budget in this category represents a 153.6% increase from last year. The most significant new item in this category is \$49,000 for the North Transfer Center project, and will be used for a five (5) year servitude we have purchased from LSU. The increase is also due to the continued lease of ADA buses designed to fill the gap in our fleet until our new ADA vehicles arrive.

Amended 12/19/2022

2023 Capital Projects Budget Narrative

The total 2023 Capital Projects Budget is **\$17,177,057**. This total includes funding for the planning and construction of the North Transfer Center, updates to CATS' rolling stock (buses), an additional non-revenue service vehicle, and updated passenger amenities.

All 2023 Capital Projects are fully funded by a combination of **\$2,710,649** in local funds, and a number of federal grants- including 5307 formula funding, 5339 facilities funding, Surface Transportation Program (STP) dollars, and American Rescue Plan (ARP) COVID-19 monies totaling **\$14,466,408**.

North Transfer Center- \$4,200,000 (80/20; 5307 & STP)

The North Transfer Center, which is part of the overall Bus Rapid Transit (BRT) project, will begin construction in the First Quarter of 2023, with a total projected budget of \$4,200,000. This is a projected estimate that may be adjusted at a later dates to unpredictable fluctuations in the cost of materials and potential supply chain issues. **Federal: \$3,360,000 Local: \$840,000**

Reimbursement of Design Services to City-Parish- \$850,000 (80/20; 5307)

Related to the North Transfer Center, CATS entered into a Cooperative Endeavor Agreement (CEA) with the City-Parish. As part of this CEA, CATS agreed to reimburse the City-Parish for their design service expenditures for the North Transfer Center, at a cost of \$850,000. **Federal: \$680,000 Local: \$170,000**

Rolling Stock Improvements- \$6,465,242 (80/20; 5307 & 80/15; 5339)

In order to deliver on CATS' promises to the community regarding maintaining a modernized fixed-route fleet, we have order placed an order with Gillig to replace seven (7) of our clean-diesel buses. Four (4) of these diesel buses will be delivered in 2023, at an estimated cost of \$1,970,000. The additional three buses will be delivered in 2024, and will be included in the 2024 Capital Budget. **Federal: \$1,576,000 Local: \$394,000**

Additionally, there are six (6) 30' BYD buses that were ordered in 2022 to replace cutaway vans were taken out of service in 2020. The cutaway buses have a total cost of \$4,495,242. **Federal: \$3,820,956 Local: \$674,286**

ADA Paratransit Fleet Improvements- \$1,140,815 (80/20; Lo-No)

As part of our commitment to our differently-abled riders, CATS is also updating our Paratransit vehicles in 2023, purchasing ten (10) new ADA compliant vans through a State of Louisiana contract, at a cost \$1,140,815. **Federal: \$912,652 Local: \$228,163**

Upgraded Passenger Amenities- \$290,000 (80/20; 5307)

CATS will be replacing older bus shelters and adding new locations along our system at an estimated cost of \$100,000. **Federal: \$80,000 Local: \$20,000**

Additionally, we will be purchasing and installing updated bus stop signs throughout the system, at an estimated cost of \$190,000. These updated signs will allow us to ensure that all signs are highly visible and recognizable, reducing confusion for both our operators and our riders.

Federal: \$152,000 Local: \$38,000

New, Non-Revenue Service Vehicle- \$75,000 (80/20; 5307)

There is a need for a non-revenue service vehicle which will be purchased via a State of Louisiana contract, for \$75,000. This vehicle will be used by Facilities Maintenance to maintain passenger amenities such as bus shelters. The vehicle is also needed in anticipation of the addition of 44 new stations that will need to be maintained as part of the upcoming BRT project.

Federal: \$60,000 Local: \$15,000

Leased Bus Payments- \$656,000 (80/20; 5339)

In 2014, CATS entered a lease-purchase agreement with Gillig, for ten (10) clean diesel buses, which will end in 2024. The lease costs CATS \$656,000 annually. **Federal: \$524,800 Local: \$131,200**

CAD/AVL (Computer Aided Dispatch/Automated Vehicle Location) - \$3,500,000 (ARP)

The acquisition of new CAD/AVL software is an integral component of the new BRT service, allowing us to offer riders real-time updates on arrival times, and will allow dispatch to more effectively track our fleet for internal purposes as well. The estimated cost for this software is \$3,500,000, pending acceptance of current bids. **Federal: \$3,300,000 Local: \$200,000**

Amended 12/19/2022

Proposed 2023 Budget Adoption Resolution

RESOLUTION OF CATS BOARD OF COMMISSIONERS APPROVING 2023 BUDGET

BE IT RESOLVED by the Board of Commissioners of Capital Area Transit System that the attached document setting forth the 2023 budget for the Capital Area Transit System, which has been made available for public inspection and presented to the Board, is hereby approved.

BE IT FURTHER RESOLVED that the agency's Chief Executive Officer shall have the authority to make changes to the line item amounts of the operating budget without the approval of the Board of Commissioners if the change does not exceed 5% in either direction. If the change exceeds a 5% variance in either direction, the agency's Chief Executive Officer shall have to return to the Board of Commissioners for approval. In no event may the amounts for total revenues or total expenditures be changed without the approval of the Board of Commissioners.

Amended 12/19/2022



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