



Board Meeting

April 23, 2025



FINANCE UPDATE

SPEND OBSERVATIONS

FY24 and CURRENT STATE REVIEW

While still in process, the opportunities to shift spending to service improvements are becoming clear:

People

Since 2017, the increase in non-operating people spend is over **\$4.4 million**

During that time service has decreased

Over that time, MATA took over **\$4.4 million** away from service delivery annually

Non-People

Administrative spend nearly **\$10 million** with multiple areas of redundant spend (*i.e., paying multiple vendors for the same or like service*)

MATA lacks procurement protocols and proper checks and balances on spend

Opportunity

1. Look at ways to shift administrative spend to operations
2. Revisit all admin spend to eliminate unnecessary spend and redundant spend

OPERATIONAL PLANNING

FY26 OPERATING BUDGET

Income Statement (\$s)	FY24 Unaudited	FY25 YTD Act. (As of 1/31/2025)	FY25 Estimate	FY26 Budget Draft	Budget Notes
Revenues					
Operating Revenue	2,153,607	1,617,065	2,772,112	2,375,000	
Federal Grants	7,199,300	11,562,939	25,177,254	16,070,408	FY24 funds received in FY25; FY26 represents average
State Grants	7,593,912	1,553,542	7,424,349	7,740,236	
City of Memphis	32,170,000	28,199,014	35,670,000	30,000,000	FY25 was \$30.67 million plus \$5 million one-time
Shelby County	-	500	857	-	
Other	386,608	-	-	-	
Total Revenues	\$ 49,503,427	\$ 42,933,061	\$ 71,044,572	\$ 56,185,644	
Expenses					
Employment Expenses	49,506,500	26,169,521	42,138,452	35,580,000	Pro Forma Future State w/o service increase
Services	15,953,200	9,759,728	16,730,962	12,562,701	YTD 1/25 annualized * % Reduction Assumption
Materials & Supplies	10,219,000	5,775,383	9,900,656	8,756,519	YTD 1/25 annualized * % Reduction Assumption
Other Operating Expenses	4,787,200	2,086,186	3,576,318	2,832,160	YTD 1/25 annualized * % Reduction Assumption
Depreciation	11,219,200	6,256,164	10,724,852		
Total Operating Expenses	\$ 91,685,100	\$ 50,046,981	\$ 83,071,240	\$ 59,731,380	
Net Gain/Loss	(\$ 42,181,673)	(\$ 7,113,920)	(\$ 12,026,668)	(\$ 3,545,736)	

DRAFT

OPERATIONAL PLANNING

GAP CLOSURE TO BALANCED BUDGET

Category	FY26 Budget Draft	Target Improvement	FY26 Target Budget	Budget Notes
Net Gain/Loss	(\$ 3,545,736)			
Overtime Contingency	1,500,000	1,000,000	500,000	Target to outperform FY25 spend of ~\$1.3M
Professional / Technical	6,693,820	700,000	5,993,820	Further reduce spend across third parties
Maintenance	2,086,001	200,000	1,886,001	Reduce third party spend via more Buildings & Grounds personnel
Fuel	3,454,451	554,451	2,900,000	Negotiations pending; recent rates well below FY25 price lock-in
Other M&S	4,576,548	1,000,000	3,576,548	Pending fleet replenishment driving lower hard parts spend
Utilities & Phone	945,655	100,000	845,655	Closure of Airways and American Way to drive incremental savings
Target Net Gain/Loss		\$ 3,554,451	\$ 8,715	

CAPITAL PLANNING

KEY PRINCIPLES

1. Capital dollars are sourced from capital-specific grants, requiring a secondary fiscal management and reporting effort
2. Capital planning is wholly independent of the operating planning and budgeting process
3. Leading practice in capital planning for fleets is to spread spend across the full life of assets with a “replace-as-you-go” approach
 - Impact is better distribution of cash outlays (even vs lumpy)
 - Supports easier life cycle management of assets and reduced maintenance costs (from timely end-of-life

CAPITAL PLANNING

TARGET FIXED ROUTE FLEET REPLACEMENT PROGRAM

Schedule	54	Life:			Delivery		Capital (\$000s)	
Spares %	20%	Years	12		Low	High	Low	High
Spares	11	Miles	500,000	Annual ²	5	6	\$4,000.0	\$4,800.0
Net Replacement Cost	65	Schedule	800,000					

Year	1	2	3	4	5	6	7	8	9	10	11	12
Purchase	14	18	6	3	~10%	~10%	~10%	~10%	~10%	~10%	~10%	~10%

- For the current 54-bus schedule, the fleet needs a total of 65 active vehicles, including spares
- We recommend accelerating the replacement of the current aging fleet with n upfront infusion of new buses using available capital funds³ before transitioning to a more sustainable capital replacement program (10% annual replacement rate) in year 5
- A proper replacement program would mean taking delivery of 5-to-6 new buses every year and \$4.0 – 4.8M of capital annually

¹Based on recent quotes and acquisition prices (prices impacted by market uncertainty related to fluctuating tariffs)

²Based on 2025 fleet size

³ BUILD (\$14.6M, EXP 7/27); CMAQ (\$12.9M, EXP 3/29); CIP Funds (\$7.6M)

CAPITAL PLANNING

TARGET DEMAND RESPONSE FLEET REPLACEMENT PROGRAM

Life:		Today's fleet	55	Denials	3%
Years	5	Miles / year / van	50,000	Total potential miles	2,832,500
Miles	150,000	Total miles / year	2,750,000	Target miles / year	30,000
	\$				
Cost *	148,216	Capital (\$000s)		Target fleet	76
	Low High	Low High		Target Replacement Schedule	
Annual	15 16	\$ \$		Year	1 2 3 4 5
		2,223.2 2,371.5		Purchase	15 15 15 15 16

- Based on miles driven and useful life of vehicles MATA DR needs a fleet of roughly 76 vehicles
- With 15 units on order, MATA should continue buying ~15 units annually with select retirements to maintain a sustainable fleet

CAPITAL PLANNING

NEXT STEPS

1. Assess capital grant opportunities and schedules to align with capital planning approach and needs assessment
2. Develop calendarized execution program
3. Confirm access to capital and initiate execution

FINANCE KEY MESSAGES

CASH FORECAST

Period Ending:	4/18/2025	Forecast 4/25/2025	Forecast 5/2/2025	Forecast 5/9/2025	Forecast 5/16/2025	Forecast 5/23/2025	Forecast 5/30/2025	Forecast 6/6/2025	Forecast 6/13/2025	Forecast 6/20/2025	Forecast 6/27/2025	Forecast 7/4/2025
Cash Operating Receipts												
System/Misc. Collections	\$43,799	\$20,000	\$25,000	\$20,000	\$25,000	\$20,000	\$25,000	\$20,000	\$25,000	\$20,000	\$25,000	\$20,000
Federal	—	—	—	6,100,000	—	—	—	—	—	—	—	7,000,000
State	49,953	—	—	—	—	—	—	—	—	—	—	—
County	—	—	—	—	—	—	—	—	—	—	—	—
City Ops & CIP Funding	—	13,152	21,530	776,135	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Operating Receipts	\$93,752	\$33,152	\$46,530	\$6,896,135	\$25,000	\$20,000	\$25,000	\$20,000	\$25,000	\$20,000	\$25,000	\$7,020,000
Cash Operating Disbursements												
Payroll & Related (incl CBA-related)	\$197,214	\$1,000,358	\$802,200	\$1,000,358	\$215,700	\$1,000,358	\$195,200	\$1,000,358	\$226,500	\$1,000,358	\$195,200	\$1,250,000
Healthcare/Benefits/EE Spending	310,559	—	400,000	—	420,000	—	400,000	—	420,000	—	400,000	—
Vendor Payments	407,804	600,000	375,000	600,000	375,000	600,000	375,000	600,000	375,000	600,000	375,000	—
Amex / P-Card	—	—	—	—	—	—	—	—	—	—	—	—
Bank Charges	—	—	3,200	—	840	—	—	3,200	—	840	—	—
Insurance	—	—	—	—	—	—	—	—	—	—	—	—
Workers Comp	—	—	—	30,000	—	—	—	30,000	—	—	—	30,000
Self-Insurance Payments	3,000	—	—	—	—	—	—	—	—	—	—	—
Other	—	—	—	—	—	—	—	—	—	—	—	—
Total Cash Operating Disbursements	\$918,578	\$1,600,358	\$1,580,400	\$1,630,358	\$1,011,540	\$1,600,358	\$970,200	\$1,633,558	\$1,021,500	\$1,601,198	\$970,200	\$1,280,000
Net Operating Cash Flow	(\$824,826)	(\$1,567,206)	(\$1,533,870)	\$5,265,777	(\$986,540)	(\$1,580,358)	(\$945,200)	(\$1,613,558)	(\$996,500)	(\$1,581,198)	(\$945,200)	\$5,740,000
Transfer From Savings	—	—	—	—	—	—	—	—	—	—	—	—
Transfer To Savings	—	—	—	—	—	—	—	—	—	—	—	—
Total Savings Transfers	—	—	—	—	—	—	—	—	—	—	—	—
Net Cash Flow - Operating Account	(\$824,826)	(\$1,567,206)	(\$1,533,870)	\$5,265,777	(\$986,540)	(\$1,580,358)	(\$945,200)	(\$1,613,558)	(\$996,500)	(\$1,581,198)	(\$945,200)	\$5,740,000
Bank Cash												
BOP Bank Cash Balance	\$4,439,708	\$3,614,882	\$2,047,676	\$513,806	\$5,779,583	\$4,793,043	\$3,212,685	\$2,267,485	\$653,927	(\$342,573)	(\$1,923,771)	(\$2,868,971)
Net Cash Flow	(824,826)	(1,567,206)	(1,533,870)	5,265,777	(986,540)	(1,580,358)	(945,200)	(1,613,558)	(996,500)	(1,581,198)	(945,200)	5,740,000
Revolver Draw / (Paydown)	—	—	—	—	—	—	—	—	—	—	—	—
EOP Bank Cash Balance	\$3,614,882	\$2,047,676	\$513,806	\$5,779,583	\$4,793,043	\$3,212,685	\$2,267,485	\$653,927	(\$342,573)	(\$1,923,771)	(\$2,868,971)	\$2,871,029

FINANCE KEY MESSAGES

CASH FORECAST (CONT'D)

- State funds of \$5.56M were received the last week of March, funding March/April MATA operations
- We continue to expect initial FY25 FTA formula funds of \$6.1M by early May
 - This should cover liquidity through May, into early June
- Remaining FTA funds on account of Federal FY25 should be ~\$7.5M
 - Remaining FY25 allocation is not yet available to be applied for; timing still TBD
 - Those funds should be made available due to Continuing Resolution signed on 3/15/25; funds are typically received 4-6 weeks after the agency applies
- Next pinch point will be early June, and will intensify until either the Federal funds or City FY26 funds become available
- Vendor payments continue to be carefully managed

DRAFT

We remain focused on delivering dependable operations within current

FINANCE KEY MESSAGES

VENDOR MANAGEMENT

- Beginning April 2025, we added \$1.9M of vendor payments that were not already recorded in MUNIS; the change is reflected in all periods in the chart below
- Up to \$0.6M additional may be recorded in the coming weeks to bring the payables report in line with the reality of what is owed

Date		Current	30 - 60	60 - 90	90 & Over	Total Balance ⁽¹⁾
4/23/2025	\$	645,302	905,715	1,246,084	7,301,731	10,098,832
	% of total	6.4%	9.0%	12.3%	72.3%	100.0%
3/31/2025	\$	904,797	1,555,161	985,225	6,793,918	10,239,101
	% of total	8.8%	15.2%	9.6%	66.4%	100.0%
2/28/2025	\$	1,796,267	1,600,862	1,897,239	5,629,339	10,923,706
	% of total	16.4%	14.7%	17.4%	51.5%	100.0%
1/31/2025	\$	1,723,501	2,463,740	1,232,569	4,739,683	10,159,492
	% of total	17.0%	24.3%	12.1%	46.7%	100.0%
12/31/2024	\$	2,621,561	1,257,124	2,027,037	3,251,198	9,156,920
	% of total	28.6%	13.7%	22.1%	35.5%	100.0%
9/30/2024	\$	1,576,329	1,139,994	786,449	6,151,068	9,653,839
	% of total	16.3%	11.8%	8.1%	63.7%	100.0%
6/30/2024	\$	1,675,116	4,412,654	1,862,761	4,932,804	12,883,334
	% of total	13.0%	34.3%	14.5%	38.3%	100.0%
3/31/2024	\$	3,306,425	2,650,964	1,336,655	2,958,998	10,253,042
	% of total	32.2%	25.9%	13.0%	28.9%	100.0%

INTERIM CEO REPORT

DEFINING SUCCESS FOR MATA

Transformation Success Outcomes



Improve Community Trust in MATA

Increase the percentage of the community that believes MATA manages its finances appropriately

**Community Value Survey
Results**



Optimize the City's Investment

Develop a balanced budget (i.e., operating expenses are less than or equal to available revenue)

Past Due Payables

Admin as % of Operating Cost

Cost per Revenue Hour



Create Satisfied Customers

Increase OTP and reduce MT and TD, providing better service to the community and leading to improved NPS



On Time Performance (OTP)

Missed Trips (MT)

Total Denials (TD)

**Community Commitment Score
(CCS)**

**Key Performance
Indicator (KPI)
Readiness**

 In process
 Tracking



KEY ACCOMPLISHMENTS

SINCE THE LAST COMMITTEE MEETING

The interim leadership team has accomplished the following actions:

Category	Action	Description	Benefit to Memphians
Satisfied Customers	New Paratransit Vehicles	Received board approval for & completed purchase of new paratransit vehicles, expected to arrive in 3-4 months.	Increases fleet size, lengthening in-service duration, reducing per vehicle maintenance costs, and greater service delivery
	Additional Fixed-Route Vehicles	Identified sister agencies with spare buses who are willing to transfer ownership to MATA Received quote for 14 new buses at \$800K/each	Increases working fleet size, reliability, and greater service delivery
Community Trust	Procurement Spend Review	Initiated review of all non-employee spend to identify 1) unnecessary and redundant spend and 2) savings opportunities through better management	Better control of spend management and oversight, and savings which can be redeployed to improve service
	Policy and Procedure Revisions	Instituted an immediate ban on all non-safety certification related travel by agency personnel. Implemented revisions to personnel expense reimbursement policies.	
City Investment	Capital Projects Prioritization	Led grant review and prioritization discussion for capital projects with MATA staff [1. Revenue Fleet, 2. OMF, 3. Trolley (Main)]	Better management of grant applications, funds capture, and use of dollars from all sources
	Established	Gained administrator access to the MATA	Eliminates significant non-operational spend and identifies unidentified spend for

KEY ACCOMPLISHMENTS

NEW PARATRANSIT VEHICLES



Vehicle Information

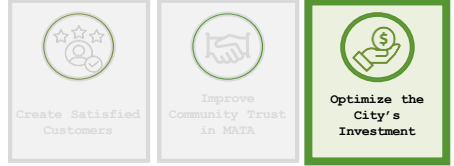
Type	Ford Transit
Useful Life	5 Years or 100K Miles
ETA	12/31/2025

Purchase Details

Qty	15
Unit Price	\$148,216
Total Cost	\$2,223,236

Source of Funds

100% Grant funded



SUCCESS OUTCOME

OPTIMIZE THE CITY'S INVESTMENT

Metric	Description	Target	March 2025	April 2025
Past Due as a % of Payables	The percent of all open payables that are past due <i>(while some past due payables is circumstantially acceptable, 94% of AP being > 30 days past due is not sustainable)</i>	< 10%	94%	94.5%
Administrative Cost as a % of Total Operating Cost	Percent of total expenses spent on administrative purposes	18 - 22%	In Process	23.3% ¹
Cost per Hour Key updates:	Total operating expenses per vehicle revenue hour	<= Peer Average	In Process	DR: \$78.49 FR: \$157.75 ²
<ul style="list-style-type: none"> • Step one in enabling the planning and achievement of a balanced budget is taking control of spending and prioritizing available dollars for operations instead of administrative costs • Supporting operations includes effectively managing cash to prioritize payables to vendors that directly support service delivery 				
<small>Excludes non-employee spend Does not include trolley</small>				



SUCCESS OUTCOME

CREATE SATISFIED CUSTOMERS – FIXED ROUTE

Metric	Description	Best in Class	Jan 2025	Feb 2025	March 2025
On Time Performance (OTP)	Percentage of buses that arrive between 1 minute early and 5 minutes late at their scheduled stop (metric excludes Missed Trips)	85%	63%	64%	66%
Missed Trips (MT)	Percentage of scheduled stops not performed (i.e., no bus arrived for a scheduled stop)	0%	33%	21%	7%
Community Commitment Score (CCS)	Total percentage of scheduled stops performed on time (calculated by multiplying OTP and the percentage of completed trips)	85%	42%	51%	62%

Key updates:

- Identified sister agencies with spare buses who are willing to transfer ownership to MATA
- Received quote for 14 new buses at \$800K/each



SUCCESS OUTCOME

CREATE SATISFIED CUSTOMERS – PARATRANSIT

Metric	Description	Best in Class	Jan 2025	Feb 2025	March 2025
On Time Performance (OTP)	Percentage of transit requests that arrived at the requested time or up to 30 minutes after the requested pick-up time (metric excludes Denials)	98%	98%	96%	97%
Capacity Denials (CD)	Percentage of transit requests not performed (includes denials by MATA for lack of capacity and customer denials due to being late)	0%	3%	2%	3%
Community Commitment Score (CCS)	Total percentage of requests performed on time (calculated by multiplying OTP and the percentage of completed trips)	98%	95%	93%	94%

delivery in July