

MEMPHIS AREA TRANSIT AUTHORITY
Regular Meeting Agenda
Wednesday, October 30, 2024
9:00 AM



Memphis Area Transit Authority
One Commerce Square
40 S Main St
Memphis, TN 38103
Bacarra S. Mauldin, Interim CEO

Brandon Arrindell
Cynthia Bailey
Sandi Klink
Brian Marflak

Board of Commissioners
Emily Greer, Chair

Jackson McNeil
Anna McQuiston
Dana Pointer
Maya Siggers

-
- I. Welcome & CEO Briefing Bacarra Mauldin
- CEO Briefing **TMP-0263**
- Attachments:** 10-30-2024 CEO Presentation
10-30-2024 Renee Malone Presentation
- II. General Counsel Information Bruce Smith & Sara
McKinney
- General Council Briefing **TMP-0264**
- Attachments:** 10-30-2024 General Counsel Presentation
- III. Financial State of MATA Hamish Davidson
- Finance Orientation **TMP-0262**
- Attachments:** 10-30-2024 Finance Presentation
- IV. Lunch
- V. Facility Tour John Lancaster
- VI. Adjournment



MEMPHIS AREA TRANSIT AUTHORITY

Board of Commissioners

40 South Main Street,
Memphis, TN 38103
Bacarra Mauldin, Interim
CEO
www.matatransit.com

RESOLUTION NO. TMP-0263

A Guide for MATA Board Leadership

October 30, 2024

Powered by:  **MATA**
MEMPHIS AREA TRANSIT AUTHORITY





Leadership

“Management is doing things right; Leadership is doing the right things.”

Peter F. Drucker



Welcome to Our New Board Members



Bacarra S. Mauldin

Interim Chief Executive Officer

- MATA Leadership since 2021
- Industry Advocate
 - American Public Transit Association (APTA) - Executive Committee & Board of Directors
 - American Public Transportation Foundation (APTF) - Trustee
 - Tennessee Public Transit Association (TPTA)
 - Conference of Minority Transit Officials (COMTO)
 - Women in Transportation Symposium (WTS)
 - Bus Coalition – Board of Directors
- Locally Involved
 - Women’s Foundation of Greater Memphis – Board of Directors
 - Greater Memphis Chamber Chairmen’s Circle
 - Southwest Community College Foundation - Board of Trustees
 - Memphis Symphony Orchestra Trustee & Circle of Friends
 - Junior League Memphis – Community Advisory Board
 - Leadership Memphis Class of 2023
 - Delta Sigma Theta Sorority, Inc. - Memphis Alumnae Chapter



GO SO! MATA
THE CHIEFS

Erik Stevenson



- IT
- Policy
- Communications
- Partnerships & Programs
- Customer Service
- Human Resources

Hamish Davidson



- Finance
- Pension
- Grants

Anthony Amos



- ADA Compliance
- MATA Plus Certification
- DBE Certification
- Procurement

John Lancaster



- Capital Projects
- Scheduling & Planning

LaBarbara Houston



- Operations
- Fixed Routes
- MATA Plus
- Ready!
- Maintenance
- Buildings & Grounds

Thomas Davidson



- Trolley Operations
- Trolley Maintenance
- Labor Relations

Keith Watson



- Safety
- Security
- Risk Management
- Emergency Management
- Training



A Brief History Lesson

MATA

MEMPHIS AREA TRANSIT AUTHORITY

A Brief History

Memphis Street Railway
Company – Chartered in 1895

- Consolidated over 70 miles of independent streetcar track
- Facility at 821 Beale Street

Memphis Transit Authority

- @1960 City purchases Memphis Street Railway Company
- @1960 Private Employees became City Employees

Memphis Area Transit
Authority – Formed in 1975

- Title 2 MCC Administration / Chapter 2-56
- Nominated by the Mayor, Confirmed by the City Council



Public Transit in the U.S. A Brief History

- Public Transit was generally operated by local utilities
 - Precarious financial conditions by the private sector led to the formation of UMTA in 1964
 - Last private transit system was in Las Vegas and closed in 1992
- Urban Mass Transportation Administration (UMTA)
 - Created in 1964 by President Johnson
 - Expanded in 1970 with the passage of the National Mass Transit Assistance Act
 - UMTA renamed in 1991
- Federal Transit Administration
 - Funding
 - Chapter 53 of Title 49

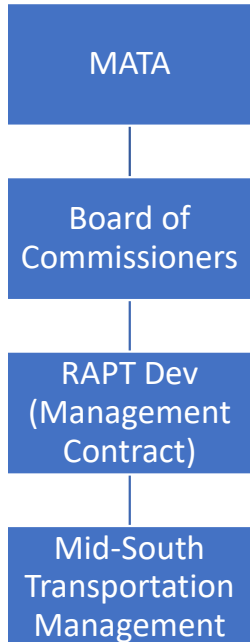




Local Structure and Oversight



Nationally Known as
"The Memphis Plan"



Board of Commissioners

Nine Members – Nominated by the City of Memphis Mayor and Approved by the City Council



State of Tennessee

Department of Transportation (TDOT) -Multimodal Transportation Division
Department of Environment and Conservation (TDEC)



United States Department of Transportation (USDOT)

Federal Transit Administration (FTA)

Fiscal and Programs including EEO, ADA, Safety, D&A, CIG, and others



Federal Rail Administration (FRA)

Oversight of rail lines that trolleys operate on. (Oversight is waived to FTA every five years)

U.S. Department of Transportation



United States Treasury

Memphis, TN--MS--AR Urbanized Area

Urban Area in: [United States](#)

1,073,300

Population

497.3 square miles

2,158.4 people per square mile

Census data: ACS 2021 1-year unless noted

TODAY'S MATA

OUR FOOTPRINT



55 BUSES & 23 ROUTES



280 SQUARE MILES



3621 BUS STOPS



3 ON -DEMAND ZONES



- Large footprint
- Aging fleet
- Too few buses



**UNRELIABLE &
LIMITED FREQUENCY**

MATA On-Demand Service



Coverage zone includes:

- Downtown
- New Chicago
- Medical District
- President's Island
- Uptown
- Harbor Town

Zone 1 includes:

- SW Memphis
- Whitehaven
- Boxtown

Zone 2 includes:

- North Haven
- Frasier

Zone 3 includes:

- Cordova





OPERATES:

- 55 Fixed Route Buses (Current service calls for 74 Buses)
- 23 Routes
- 61 Paratransit & On Demand Buses
- 3,691 Bus Stops
- Trolley Suspended (3 rail lines, 5 Rail Cars, 1 in rehab)
- @512 employees
- Service area = @280 Square Miles
- Bus Maintenance & Operations Facility
- Trolley Maintenance Facility
- Administrative Headquarters
- Three Transit Centers
 - William Hudson Transit Center
 - Airways Transit Center
 - American Way Transit Center



Today's MATA **SERVICE PAUSE**

The MATA Board of Commissioners has voted to pause the previously approved service updates until February 3, 2025. Those cuts were budget driven and would have removed five routes and 50+ employees.

The additional time will allow our organization to identify more sustainable, long-term solutions for the following:

1. Increasing our fleet
2. Boosting capacity to manage a larger fleet
3. Improving on-time performance/reliability
4. Improving community trust



Questions / Comments?



MATA 10.15.24



68% Negative



Measuring followers, not engagement



Frustrated riders & staff



MATA led community Meetings



100K+ views
Info is inconsistent

What's changing?

- KQ & MATA Comm are working as one team.
- KQ is managing external, digital & strategy.
- MATA Comm is managing engagement & internal.
- Messaging is consistent.
- Goodwill opportunities & partner collaborations are being sought.

NEXT STEPS:

Complete comm research by November 18

Strategic Comm Plan is due December 3

MATA Now...



Increasing Transparency/ Responsiveness



Boosting Engagement/ Responsiveness



Strengthening community connections & goodwill



Supporting existing community meetings



Slowly improving online information



MEMPHIS AREA TRANSIT AUTHORITY

Board of Commissioners

40 South Main Street,
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Bacarra Mauldin, Interim
CEO
www.matatransit.com

RESOLUTION NO. TMP-0264

MATA ONBOARDING

Bruce M. Smith, General Counsel

Sara Katherine McKinney

CREATION OF MATA

- Federal Authority
 - Federal Transit Authority
- State Authority
 - Tennessee State Statute
- City Authority
 - Memphis City Code of Ordinances
 - Memphis City Charter

THE MEMPHIS FORMULA

SECTION 13C & RATP DEV USA

- Public Sector Entity and Board
- Private Sector Employees

MTM

- MATA has no employees
 - All personnel are employed by MTM
- Collective Bargaining Agreement
 - ATU Local 713
 - Labor peace – without strike, work stoppage or lockout

GOVERNING BOARD

- MATA Board is the *sole* contracting authority
- MATA Board is a governance board
 - Elect a vice chairperson
 - Establish committees
 - Write bylaws
- Quorum:
 - Majority of Commissioners

CEO GOALS & OBJECTIVES

- Interim CEO and General Manager
- Annual Evaluation Overview

MEMPHIS CITY CODE

- PROVIDES FOR:

- Sole authority to enter contracts
- Set fares
- Establish routes and schedules
- Promulgate rules and regulations
- Annual operating & capital budget*
 - Must submit to City Council
- Hold no less than 10 meetings/year
 - Not more than 60 days to pass btwn mtgs
- Contract with management company

- DISALLOWS:

- Borrow money
- Levy taxes
- Issue bonds
- Sell, purchase, or lease real estate
 - *All assets are held in the City's name*

*All require approval of City Council

RULES & REGULATIONS

- Federal
 - Third-party contracting
 - Charter
 - DBE
 - Code of Ethics
- City
 - Code of Ethics
 - Gift Policies
 - Environment

SUNSHINE LAW

- CANNOT DO, without a public meeting:
 - Have a gathering of any two (or more) Board Commissioners;
 - AND
 - Deliberate or deliberate toward a decision
 - OF ANY MATTER.
- *MTM (and not the Board) is not responsible for personnel matters, but deliberations or discussions toward these matters are still subject.
- *The matter requires or requests legal advice, opinion or review.

OPEN MEETINGS

- Give reasonable notice to the public
- Post agenda (at least) 48 hours before
- Take and publish minutes
- Location does not dictate
- Attorneys present do not dictate

OPEN RECORDS

- Emails
- Meetings
- Privileges
 - We are here to help you and advise on legal issues
 - You, as the Board, are here to establish policy and make decisions



MEMPHIS AREA TRANSIT AUTHORITY

Board of Commissioners

40 South Main Street,
Memphis, TN 38103
Bacarra Mauldin, Interim
CEO
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RESOLUTION NO. TMP-0262

MATA Board Orientation Finance Presentation

Items to be Covered

- Audited Financial Statements
- Comptroller Letter
- Cash Flow
 - Key Revenue Items and Timing
 - Cares Act Impact
 - FY2025 Forecast
- Grants
 - Operating Funding
 - How it works
 - FY2025 Operating funding
 - Capital Grants
 - How FTA funding works
 - FY2025 Budget

Audited Financial Statements

Key Financial Issues

Historic

- A significant amount of MATA's funding is provided through Operating Grants which gives no certainty of future funding
 - Potential over-commitment for future years
 - No ability to effectively plan as extent of funding is never secure
 - 46 of the 50 largest metro areas nationwide have dedicated funding

Current

- Overspend in FY2022 through start FY2024
 - Liquidity eliminated
 - AP Size and Aging
 - Munis issues
- Access to Operating Grant
- Funding has not kept pace with inflation

Income and Expenditure - 10 Year Overview

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------------------------------------|--------------------|-------------------|-------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|---------------------|
| Revenues: | | | | | | | | | | |
| <u>Operating Revenue</u> | | | | | | | | | | |
| Farebox Revenue | 9,208,799 | 8,301,401 | 7,848,404 | 7,030,160 | 6,413,355 | 6,124,199 | 4,430,955 | 1,527,924 | 1,801,288 | 1,914,616 |
| Charter Revenue/Special Transit Fees | 46,517 | 10,248 | 26,451 | - | - | - | 288,077 | 87,110 | - | - |
| Auxilliary Revenue | 685,438 | 444,246 | 894,431 | 710,481 | 854,875 | 797,641 | 782,865 | 810,087 | 688,058 | 657,691 |
| Non-Transp.Revenue | 239,951 | 365,083 | 199,540 | 116,489 | 30,278 | 27,558 | (1,534) | 2,622 | 2,622 | 1,748 |
| Operating Revenue | 10,180,705 | 9,120,978 | 8,968,826 | 7,857,130 | 7,298,508 | 6,949,398 | 5,500,363 | 2,427,743 | 2,491,968 | 2,574,055 |
| <u>Grant Revenue</u> | | | | | | | | | | |
| City of Memphis | 20,952,013 | 23,093,474 | 23,661,328 | 26,268,197 | 28,917,846 | 29,170,000 | 32,719,012 | 19,170,000 | 19,170,000 | 32,463,217 |
| Federal Grants | 12,968,303 | 12,424,015 | 12,493,821 | 13,076,910 | 15,259,040 | 14,142,390 | 24,814,191 | 49,410,239 | 39,583,960 | 12,428,172 |
| State of Tennessee Grants | 7,463,427 | 7,529,534 | 7,444,678 | 7,706,347 | 7,683,844 | 7,669,445 | 8,009,358 | 8,259,275 | 8,384,833 | 8,621,566 |
| Other Income | 2,550,631 | 1,100,980 | 101,580 | (613,256) | 558,448 | 620,937 | 540,805 | 351,824 | (104,760) | 10,324 |
| Subsidy Revenue | 43,934,374 | 44,148,003 | 43,701,407 | 46,438,198 | 52,419,178 | 51,602,772 | 66,083,366 | 77,191,338 | 67,034,033 | 53,523,279 |
| Total Revenues | 54,115,079 | 53,268,981 | 52,670,233 | 54,295,328 | 59,717,686 | 58,552,170 | 71,583,729 | 79,619,081 | 69,526,001 | 56,097,334 |
| Operating Expenses: | | | | | | | | | | |
| Labor | 19,801,683 | 19,437,260 | 20,255,563 | 20,689,435 | 21,884,561 | 23,065,412 | 24,012,712 | 25,115,153 | 27,450,739 | 36,950,382 |
| Fringes | 23,752,087 | 14,052,869 | 16,165,504 | 17,890,501 | 19,084,219 | 21,654,939 | 13,439,271 | 11,428,552 | 9,149,245 | 6,813,835 |
| Services | 4,746,338 | 5,725,755 | 6,737,889 | 7,010,807 | 8,836,091 | 9,418,630 | 8,957,752 | 11,199,813 | 9,471,165 | 13,209,801 |
| Material and Supplies | 9,589,565 | 8,478,107 | 7,654,286 | 7,486,334 | 7,812,048 | 8,312,435 | 7,784,739 | 9,138,031 | 7,987,595 | 9,945,078 |
| Utilities | 1,338,754 | 1,095,817 | 1,037,188 | 1,098,859 | 1,122,085 | 1,111,360 | 1,162,055 | 1,325,477 | 1,552,760 | 1,196,558 |
| Insurances | 830,709 | 817,621 | 897,807 | 978,857 | 902,935 | 1,887,932 | 2,460,651 | 992,626 | 724,702 | 1,399,571 |
| Leases and rentals | 6,944 | 7,152 | 4,966 | 4,769 | 6,284 | 5,167 | 3,736 | 98,540 | 375,375 | 537,941 |
| Others, miscellaneous | 202,247 | 196,946 | 414,023 | 669,649 | 587,424 | 506,835 | 984,593 | 2,043,326 | 1,084,020 | 987 |
| Total Operating Expenses | 60,268,327 | 49,811,527 | 53,167,226 | 55,829,211 | 60,235,647 | 65,962,710 | 58,805,509 | 61,341,518 | 57,795,601 | 70,054,153 |
| Surplus/(deficit) | (6,153,248) | 3,457,454 | (496,993) | (1,533,883) | (517,961) | (7,410,540) | 12,778,220 | 18,277,563 | 11,730,400 | (13,956,819) |

Income and Expenditure - 10 Year Overview

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--------------------------------------|--------------------|-------------------|-------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|---------------------|
| Revenues: | | | | | | | | | | |
| Operating Revenue | | | | | | | | | | |
| Farebox Revenue | 9,208,799 | 8,301,401 | 7,848,404 | 7,030,160 | 6,413,355 | 6,124,199 | 4,430,955 | 1,527,924 | 1,801,288 | 1,914,616 |
| Charter Revenue/Special Transit Fees | 46,517 | 10,248 | 26,451 | - | - | - | 288,077 | 87,110 | - | - |
| Auxilliary Revenue | 685,438 | 444,246 | 894,431 | 710,481 | 854,875 | 797,641 | 782,865 | 810,087 | 688,058 | 657,691 |
| Non-Transp.Revenue | 239,951 | 365,083 | 199,540 | 116,489 | 30,278 | 27,558 | (1,534) | 2,622 | 2,622 | 1,748 |
| Operating Revenue | 10,180,705 | 9,120,978 | 8,968,826 | 7,857,130 | 7,298,508 | 6,949,398 | 5,500,363 | 2,427,743 | 2,491,968 | 2,574,055 |
| Grant Revenue | | | | | | | | | | |
| City of Memphis | 20,952,013 | 23,093,474 | 23,661,328 | 26,268,197 | 28,917,846 | 29,170,000 | 32,719,012 | 19,170,000 | 19,170,000 | 32,463,217 |
| Federal Grants | 12,968,303 | 12,424,015 | 12,493,821 | 13,076,910 | 15,259,040 | 14,142,390 | 24,814,191 | 49,410,239 | 39,583,960 | 12,428,172 |
| State of Tennessee Grants | 7,463,427 | 7,529,534 | 7,444,678 | 7,706,347 | 7,683,844 | 7,669,445 | 8,009,358 | 8,259,275 | 8,384,833 | 8,621,566 |
| Other Income | 2,550,631 | 1,100,980 | 101,580 | (613,256) | 558,448 | 620,937 | 540,805 | 351,824 | (104,760) | 10,324 |
| Subsidy Revenue | 43,934,374 | 44,148,003 | 43,701,407 | 46,438,198 | 52,419,178 | 51,602,772 | 66,083,366 | 77,191,338 | 67,034,033 | 53,523,279 |
| Total Revenues | 54,115,079 | 53,268,981 | 52,670,233 | 54,295,328 | 59,717,686 | 58,552,170 | 71,583,729 | 79,619,081 | 69,526,001 | 56,097,334 |
| Operating Expenses: | | | | | | | | | | |
| Labor | 19,801,683 | 19,437,260 | 20,255,563 | 20,689,435 | 21,884,561 | 23,065,412 | 24,012,712 | 25,115,153 | 27,450,739 | 36,950,382 |
| Fringes | 23,752,087 | 14,052,869 | 16,165,504 | 17,890,501 | 19,084,219 | 21,654,939 | 13,439,271 | 11,428,552 | 9,149,245 | 6,813,835 |
| Services | 4,746,338 | 5,725,755 | 6,737,889 | 7,010,807 | 8,836,091 | 9,418,630 | 8,957,752 | 11,199,813 | 9,471,165 | 13,209,801 |
| Material and Supplies | 9,589,565 | 8,478,107 | 7,654,286 | 7,486,334 | 7,812,048 | 8,312,435 | 7,784,739 | 9,138,031 | 7,987,595 | 9,945,078 |
| Utilities | 1,338,754 | 1,095,817 | 1,037,188 | 1,098,859 | 1,122,085 | 1,111,360 | 1,162,055 | 1,325,477 | 1,552,760 | 1,196,558 |
| Insurances | 830,709 | 817,621 | 897,807 | 978,857 | 902,935 | 1,887,932 | 2,460,651 | 992,626 | 724,702 | 1,399,571 |
| Leases and rentals | 6,944 | 7,152 | 4,966 | 4,769 | 6,284 | 5,167 | 3,736 | 98,540 | 375,375 | 537,941 |
| Others, miscellaneous | 202,247 | 196,946 | 414,023 | 669,649 | 587,424 | 506,835 | 984,593 | 2,043,326 | 1,084,020 | 987 |
| Total Operating Expenses | 60,268,327 | 49,811,527 | 53,167,226 | 55,829,211 | 60,235,647 | 65,962,710 | 58,805,509 | 61,341,518 | 57,795,601 | 70,054,153 |
| Surplus/(deficit) | (6,153,248) | 3,457,454 | (496,993) | (1,533,883) | (517,961) | (7,410,540) | 12,778,220 | 18,277,563 | 11,730,400 | (13,956,819) |

Statement of Net Position - 10 Year Overview

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Current Assets | 10,535,928 | 15,530,105 | 16,331,542 | 15,892,581 | 16,965,215 | 15,964,279 | 36,609,877 | 41,277,013 | 42,156,121 | 26,339,953 |
| Restricted Assets | 501,167 | 502,917 | 505,717 | 509,567 | 509,567 | 507,642 | 505,318 | 502,506 | 485,180 | 485,180 |
| Other Assets | 12,709 | 12,709 | 12,709 | 12,709 | 12,709 | 12,709 | 12,709 | 12,709 | 12,709 | 12,709 |
| Capital Assets, Net | 142,834,546 | 130,891,926 | 121,300,468 | 115,989,840 | 111,051,919 | 103,533,917 | 98,853,081 | 98,340,081 | 93,392,288 | 97,290,017 |
| Net Pension Asset | - | - | - | - | 5,136,843 | - | 8,592,145 | 13,531,909 | 21,049,635 | 470,737 |
| Total Assets | 153,884,350 | 146,937,657 | 138,150,436 | 132,404,697 | 133,676,253 | 120,018,547 | 144,573,130 | 153,664,218 | 157,095,933 | 124,598,596 |
| Deferred Outflows of Resources | | 3,345,265 | 15,117,304 | 7,752,373 | 2,947,535 | 19,319,452 | 5,580,608 | 3,122,649 | 1,884,632 | 14,420,781 |
| Total Assets and Deferred Outflows of Resources | \$ 153,884,350 | \$ 150,282,922 | \$ 153,267,740 | \$ 140,157,070 | \$ 136,623,788 | \$ 139,337,999 | \$ 150,153,738 | \$ 156,786,867 | \$ 158,980,565 | \$ 139,019,377 |
| Current Liabilities | 6,614,396 | 7,656,829 | 5,517,074 | 3,639,352 | 4,178,640 | 5,281,134 | 12,977,431 | 11,539,400 | 8,522,701 | 10,558,161 |
| Due to the City of Memphis | - | 2,491,000 | 6,000,000 | 5,000,000 | 6,000,000 | 6,700,000 | 6,700,000 | - | - | - |
| Other Postemployment Benefits | 23,104,109 | 28,169,591 | 31,521,218 | 36,084,443 | 91,109,709 | 101,995,497 | 67,422,731 | 70,906,989 | 51,786,948 | 50,240,531 |
| Net Pension Liability | - | 3,279,056 | 11,869,536 | 6,211,920 | - | 8,209,603 | - | - | - | 5,838,632 |
| Total Liabilities | 29,718,505 | 41,596,476 | 54,907,828 | 50,935,715 | 101,288,349 | 122,186,234 | 87,100,162 | 82,446,389 | 60,309,649 | 66,637,324 |
| Deferred Inflows of Resources | - | - | 871,688 | 1,585,137 | 8,321,280 | 4,709,615 | 41,643,306 | 32,765,538 | 47,842,362 | 34,507,142 |
| Investment in capital assets | 142,834,546 | 130,891,926 | 121,300,468 | 115,989,840 | 111,051,919 | 103,533,917 | 98,853,081 | 98,340,081 | 93,392,288 | 97,290,017 |
| Restricted for self insurance | 500,948 | 502,917 | 505,717 | 509,567 | 509,567 | 507,642 | 505,318 | 505,318 | 505,318 | 505,318 |
| Unrestricted | (19,169,649) | (22,708,397) | (24,317,961) | (28,863,189) | (84,547,327) | (91,599,409) | (77,948,129) | (57,270,459) | (43,069,052) | (59,920,424) |
| Total Net Position | 124,165,845 | 108,686,446 | 97,488,224 | 87,636,218 | 27,014,159 | 12,442,150 | 21,410,270 | 41,574,940 | 50,828,554 | 37,874,911 |
| Total Liabilities, Deferred Inflows of Resources and | \$ 153,884,350 | \$ 150,282,922 | \$ 153,267,740 | \$ 140,157,070 | \$ 136,623,788 | \$ 139,337,999 | \$ 150,153,738 | \$ 156,786,867 | \$ 158,980,565 | \$ 139,019,377 |

Tennessee Comptroller Letter

Comptroller Letter Explained

The Statement of Net Position reported a deficit unrestricted net position of \$(59,920,424) for the year ended June 30, 2023. In comparison, the entity reported a deficit unrestricted net position of \$(43,069,052) for the year ended June 30, 2022. Management should take steps to ensure they are operating the entity in a fiscally responsible manner.

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|------------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Unrestricted | (19,169,649) | (22,708,397) | (24,317,961) | (28,863,189) | (84,547,327) | (91,599,409) | (77,948,129) | (57,270,459) | (43,069,052) | (59,920,424) |
| Total Net Position | 124,165,845 | 108,686,446 | 97,488,224 | 87,636,218 | 27,014,159 | 12,442,150 | 21,410,270 | 41,574,940 | 50,828,554 | 37,874,911 |
| Total Liabilities and Net Position | \$ 153,884,350 | \$ 150,282,922 | \$ 153,267,740 | \$ 140,157,070 | \$ 136,623,788 | \$ 139,337,999 | \$ 150,153,738 | \$ 156,786,867 | \$ 158,980,565 | \$ 139,019,377 |

- A letter encompassing similar language has been received by MATA in prior years but was not reported publicly
- Unrestricted Net Position is a cumulative item not reflective of any single year
- Press coverage of this complex issue was inaccurate
- MATA has had a negative Unrestricted Net Position for > the past 10 years

Cash Flow

Cash Flow – Key Issues

- The structure of MATA does not permit it to retain cash reserves
- FY2025 operating revenues did not include provision to settle aged payables
 - This leads to a shortfall in available cash for operations by end of FY2025
- Income cycle is weighted into H2 giving rise to a historic need for Bridge funding from the City
- Cash flow gaps are likely to remain in the future as revenue timings are unlikely to change

13-Week Cash Flow

| MATA Oper, Savings & Trn-State | | Actual | Actual | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated |
|--|---------|---------------|---------------|--------------|--------------|---------------|---------------|---------------|--------------|--------------|---------------|---------------|----------------|
| \$250,095 | | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS |
| CASH BALANCE | 250,095 | \$ 6,552,223 | \$ 6,635,262 | \$ 7,056,915 | \$ 6,688,057 | \$ 6,036,557 | \$ 5,671,199 | \$ 6,155,658 | \$ 5,786,800 | \$ 4,679,300 | \$ 4,313,942 | \$ 3,662,442 | \$ 3,297,084 |
| Inter-Company Transfer | | | | | | | | | | | | | |
| Month | | | | | | | | | | | | | |
| | | 10/14 - 10/18 | 10/21 - 10/25 | 10/28 - 11/1 | 11/4 - 11/8 | 11/11 - 11/15 | 11/18 - 11/22 | 11/25 - 11/29 | 12/2 - 12/6 | 12/9 - 12/13 | 12/16 - 12/20 | 12/23 - 12/27 | 12/30 - 1/3/25 |
| EXPENDITURES | | | | | | | | | | | | | |
| Payrol | | | 750,358 | | 750,358 | | 750,358 | | 750,358 | | 750,358 | | 750,358 |
| Payrol | | | | 10,000 | | 10,000 | | 10,000 | | 10,000 | | 10,000 | |
| Retro Bonus | | | | | | | | | | | | | |
| Payrol Taxes | | | 234,053 | | 235,000 | | 235,000 | | 235,000 | | 235,000 | | 235,000 |
| Payrol Taxes | | | | | | | | | | | | | |
| State Taxes | | | | | | | | | | | | | |
| Payrol Deductions | | 30,510 | | 30,000 | | 30,000 | | 30,000 | | 30,000 | | 30,000 | |
| Payrol Deductions | | 1,166 | | 2,500 | | 2,500 | | 2,500 | | 2,500 | | 2,500 | |
| Pension-Employee | | 16,293 | | 25,000 | | 25,000 | | 25,000 | | 25,000 | | 25,000 | |
| DCP - Employee | | 66,556 | | 67,000 | | 67,000 | | 67,000 | | 67,000 | | 67,000 | |
| DCP - Employer | | 61,503 | | 62,000 | | 62,000 | | 62,000 | | 62,000 | | 62,000 | |
| DCP Pension Loan | | 24,748 | | 25,000 | | 25,000 | | 25,000 | | 25,000 | | 25,000 | |
| Bank Service Charge | | | 3,969 | | 3,500 | | | | 3,500 | | | | |
| MTM Vendors Pymts | | 81,350 | | 125,000 | | 125,000 | | 125,000 | | 125,000 | | 125,000 | |
| MATA Vendors Pymts | | 159,667 | 426,918 | 5,720 | 850,000 | | 850,000 | | 850,000 | | 850,000 | | 850,000 |
| Tool Allowance | | | | | | | | 164,041 | | | | | |
| Uniform Allowance | | | | | | | | | | 456,000 | | | |
| American Express | | | | | | | | | | | | | |
| Gallagher/PMA Ins | | | | | | | | | | | | | |
| PMA-Workers Comp Claims | | | | 30,000 | | 30,000 | | 30,000 | | 30,000 | | 30,000 | |
| Liability Claims | | | | | | | | | | | | | |
| CIGNA | | 64,616 | | 300,000 | | 300,000 | | 300,000 | | 300,000 | | 300,000 | |
| RX Benefits | | | | | | | | | | | | | |
| Employee Spending | | | | 20,000 | | 20,000 | | 20,000 | | 20,000 | | 20,000 | |
| Radio Tower/ MATA Savings Transfer | | | | 440,589 | | | | | | | | | |
| Capital items - advance state's & local portion | | | | | | | | | | | | | |
| Operating Expenditures | | \$ 506,409 | \$ 1,415,298 | \$ 1,142,809 | \$ 1,838,858 | \$ 696,500 | \$ 1,835,358 | \$ 860,541 | \$ 1,838,858 | \$ 1,152,500 | \$ 1,835,358 | \$ 696,500 | \$ 1,835,358 |
| ACTUAL CASH RECEIPTS | | | | | | | | | | | | | |
| | | 10/14 - 10/18 | 10/21 - 10/25 | 10/28 - 11/1 | 11/4 - 11/8 | 11/11 - 11/15 | 11/18 - 11/22 | 11/25 - 11/29 | 12/2 - 12/6 | 12/9 - 12/13 | 12/16 - 12/20 | 12/23 - 12/27 | 12/30 - 1/3/25 |
| FareBox, NET, AmWay, ATC | | 27,364 | 32,523 | 4,461 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Misc Deposits | | | 21,166 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Federal Funds FY2024 | | | | | | | | | | | | | |
| Federal Funds FY2025 | | | 19,228 | | | | | | | | | | |
| Federal - Oper Asst & PMIADA | FY2024 | | | | | | | | | | | | |
| Shelby County Oper Grant | FY2025 | | | | | | | 1,300,000 | | | | | |
| State of TN Funds | FY2025 | | 420 | | | | | | | | | | |
| State-TN, Oper Asst & PMIADA | FY2024 | | | 1,550,000 | | | | | | | | | |
| City of Mphs-Oper Assistance | FY2025 | | 1,425,000 | | 1,425,000 | | 1,425,000 | | 1,425,000 | | 1,425,000 | | 1,425,000 |
| SAVINGS transfers | | 346,742 | | | | | | | | | | | |
| Capital items - drawdown state and local portion | | | | | | | | | | | | | |

Cash Flow Through June 30, 2025

| MATA Oper., Savings & Tri-State | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated | Estimated |
|--|---------------|----------------|--------------|---------------|--------------|----------------|--------------|------------------|----------------|
| \$250,095 | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS | RESULTS |
| CASH BALANCE | 250,095 | \$ 3,662,442 | \$ 3,297,094 | \$ 2,075,168 | \$ 4,709,904 | \$ (\$168,812) | \$ 2,143,772 | \$ (\$2,734,944) | \$ (\$178,860) |
| Inter-Company Transfer | | | | | | | | | |
| Month | | | | | | | | | |
| | 12/23 - 12/27 | 12/30 - 1/3/25 | January 2025 | February 2025 | March 2025 | April 2025 | May 2025 | June 2025 | |
| EXPENDITURES | | | | | | | | | |
| Payroll | | 750,358 | 1,500,716 | 1,500,716 | 1,500,716 | 1,500,716 | 1,500,716 | 1,500,716 | 1,500,716 |
| Payroll | 10,000 | | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Retro Bonus | | | | | | | | | |
| Payroll Taxes | | 235,000 | 470,000 | 470,000 | 470,000 | 470,000 | 470,000 | 470,000 | 470,000 |
| Payroll Taxes | | | | | | | | | |
| State Taxes | | | | | | | | | |
| Payroll Deductions | 30,000 | | 70,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Payroll Deductions | 2,500 | | 7,500 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Pension-Employee | 25,000 | | 25,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 | 40,000 |
| DCP - Employee | 67,000 | | 201,000 | 134,000 | 134,000 | 134,000 | 134,000 | 134,000 | 134,000 |
| DCP - Employer | 62,000 | | 186,000 | 124,000 | 124,000 | 124,000 | 124,000 | 124,000 | 124,000 |
| DCP Pension Loan | 25,000 | | 75,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Bank Service Charge | | | | | | | | | |
| MTM Vendors Pymts | 125,000 | | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| MATA Vendors Pymts | | 850,000 | 3,200,000 | 1,700,000 | 1,700,000 | 1,700,000 | 1,700,000 | 1,700,000 | 1,700,000 |
| Tool Allowance | | | | | | | | | |
| Uniform Allowance | | | | | | | | | |
| American Express | | | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 | 25,000 |
| Gallagher/PMA Ins | | | | | | | | | |
| PMA-Workers Comp Claims | 30,000 | | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 | 30,000 |
| Liability Claims | | | | | | | | | |
| CIGNA | 300,000 | | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 | 250,000 |
| RX Benefits | | | 275,000 | 275,000 | 275,000 | 275,000 | 275,000 | 275,000 | 275,000 |
| Employee Spending | 20,000 | | 20,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Radio Tower/ MATA Savings Transfer | | | | | | | | | |
| Capital items - advance state's & local portion | | | | | | | | | |
| Operating Expenditures | \$ 696,500 | \$ 1,835,358 | \$ 6,595,216 | \$ 4,923,716 | \$ 4,923,716 | \$ 4,923,716 | \$ 4,923,716 | \$ 4,923,716 | \$ 4,923,716 |
| ACTUAL CASH RECEIPTS | | | | | | | | | |
| | 12/23 - 12/27 | 12/30 - 1/3/25 | January 2025 | February 2025 | March 2025 | April 2025 | May 2025 | June 2025 | |
| FareBox, NET, AmWay, ATC | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Misc Deposits | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Federal Funds FY2024 | | | | | | | | | |
| Federal Funds FY2025 | | | 2,478,300 | 4,695,700 | | 391,300 | | 7,434,800 | |
| Federal -Oper Asst & PMIADA | FY2024 | | | | | | | | |
| Shelby County Oper Grant | FY2025 | | | | | | | | |
| State of TN Funds | FY2025 | | | | | 6,800,000 | | | |
| State-TN, Oper Asst & PMIADA | FY2024 | | | | | | | | |
| City of Mphs-Oper Assistance | FY2025 | | 1,425,000 | 2,850,000 | 2,817,752 | | | | |
| SAVINGS transfers | | | | | | | | | |
| Capital items - drawdown state and local portion | | | | | | | | | |
| Incoming Operating Funds | 45,000 | 1,470,000 | 5,373,300 | 7,558,452 | 45,000 | 7,236,300 | 45,000 | 7,479,800 | |

Grants

Grants 1

Operating Grants

Operating Grants – How They Work

- FTA provides annual formula grants to transit agencies nationwide
- The Formula is based on population and population density
- Timing of Grant receipts depends when the apportionment is made.
 - Partial apportionments are sometimes made
- The 5307 and 5337 grants are generally available for drawdown during H2 of the Fiscal year

Operating Funding Sources FY2025

| | Federal Share | | | | | | | | | |
|---------------|--|--|--|------------------|------------------|--------------------------|-------------------------------|-------------------------------|-------------------|-------------------------|
| | City of Memphis FY2025 Operating Grant | Shelby County FY2025 Operating Grant | State of Tennessee FY2025 Operating Grant | 5307 FY2024 | 5337 FY2024 | Planned Reallocations | 5307 FY2025 (estimated) | 5337 FY2025 (estimated) | Total Federal | Total Available FY25 |
| | 30,670,000 | 1,300,000 | 7,100,000 | 7,200,700 | 1,500,000 | 1,299,300 | 13,200,000 | 1,800,000 | 25,000,000 | 64,070,000 |
| Totals | 30,670,000 | 1,300,000 | 7,100,000 | 7,200,700 | 1,500,000 | 1,299,300 | 13,200,000 | 1,800,000 | 25,000,000 | 64,070,000 |
| % | 48% | 2% | 11% | | | | | | 39% | 100% |

| | Jul 2024 | Aug 2024 | Sep 2024 | Oct 2024 | Nov 2024 | Dec 2024 | Jan 2025 | Feb 2025 | Mar 2025 | Apr 2025 | May 2025 | Jun 2025 | Total Year |
|------------------------------|----------------|----------------|-----------------|----------------|----------------|----------|----------------|----------------|----------|----------------|----------|----------------|-----------------|
| Revenues: | | | | | | | | | | | | | |
| Grant Revenue | | | | | | | | | | | | | |
| City of Memphis | 3,345.0 | 8,878.4 | 7,621.4 | 7,360.6 | 3,464.6 | | | | | | | | 30,670.0 |
| City of Memphis PILOT FY2024 | | | | | | | | | | | | | |
| City of Memphis PILOT FY2025 | | | | | | | | | | | | | |
| Shelby County | | | 118.2 | | 1,181.8 | | | | | | | | 1,300.0 |
| Dedicated Funding - County | | | | | | | | | | | | | |
| Shelby County other | | | | | | | | | | | | | |
| State of Tennessee | | | 100.0 | | 200.0 | | | | | 6,800.0 | | | 7,100.0 |
| Federal Government FY2024 | | | 10,000.0 | | | | | | | | | | 10,000.0 |
| Federal Government FY2025 | | | | | | | 2,478.3 | 4,695.7 | | 391.3 | | 7,434.8 | 15,000.0 |
| Non Gov't Grants | | | | | | | | | | | | | |
| Subsidy Revenue | 3,345.0 | 8,878.4 | 17,839.6 | 7,360.6 | 4,846.4 | | 2,478.3 | 4,695.7 | | 7,191.3 | | 7,434.8 | 64,070.0 |

Grants 2

Capital Grants

Capital Grants – How They Work

- Grant related projects need to be established in the system from the outset
- This allows for an established process to be followed



- The Federal portion is received prior to invoice settlement
- The City and/or State match needs to be advanced from cash flow and will be received after 6-12 weeks

FY2025 Capital Grants

| Capital Project Funding Sources | | Federal Share | | | | | | | | | | TDOT Improve Act | Total Available FY25 |
|---------------------------------|---|---------------|--------------|-----------|-------------------------|-----------------|------------|-----------|------------|------------|-----------------|------------------|----------------------|
| | | 5307 (FY24) | 5310 Formula | 5337 Rail | 5339 Bus-Bus Facilities | CMAQ/STBG & TAP | DOT BUILD | CRRSAA | CIG | DOT RAISE | 5339 FTA Low-No | | |
| GA03001 | MATA - Service Vehicles | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 | 0 | 28,387 |
| GA03007 | MATA - Fixed-Route Buses* | 0 | 0 | 0 | 1,080,972 | 9,600,000 | 0 | | | | 22,378,905 | 0 | 33,877,475 |
| GA03011 | MATA - Paratransit Vehicles | 0 | 1,080,972 | 0 | 0 | 0 | 0 | | | | 0 | 0 | 1,388,757 |
| GA03022 | MATA - Adv Public Transp System/ITS* | 400,000 | 0 | 0 | 0 | 0 | 0 | | | | 0 | 0 | 1,676,188 |
| GA03023 | MATA - Operations/Maintenance Facility* | 509,616 | 0 | 0 | 54,000,000 | 0 | 0 | | | | 0 | 0 | 55,775,511 |
| GA03024 | MATA - Rail Facility Improvements | 0 | 0 | 250,000 | 0 | 0 | 0 | | | | 0 | 697,000 | 947,000 |
| GA03025 | MATA - Bus Facility Improvements | 0 | 0 | 0 | 0 | 955,600 | 0 | | | | 0 | 0 | 1,463,102 |
| GA03026 | MATA - Rail Vehicles* | 0 | 0 | 0 | 0 | 2,500,000 | 0 | | | | 0 | 1,744,033 | 7,357,273 |
| GA03028 | MATA - Innovation Corridor BRT Project* | 0 | 0 | 0 | 0 | 6,800,000 | 17,802,375 | 2,329,854 | 74,295,599 | | 0 | 500,000 | 122,982,402 |
| GA03029 | MATA - Transit Vision Capital Projects | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 | 0 | 2,750,000 |
| GA03030 | MATA - Fixed-Route Buses | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 | 0 | 0 |
| GA03031 | MATA - Paratransit Vehicles | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 | 0 | 0 |
| GA03032 | MATA - Bus Facility | 0 | 0 | 0 | 0 | 0 | 0 | | | | 0 | 0 | 0 |
| GA TBD | MATA - Crosstown Connector (mConnect BRT) | 0 | 0 | 0 | 0 | 0 | 0 | | | 25,000,000 | 0 | 0 | 0 |
| | | 909,616 | 1,080,972 | 250,000 | 55,080,972 | 19,855,600 | 17,802,375 | 2,329,854 | 74,295,599 | 25,000,000 | 22,378,905 | 2,941,033 | 228,246,095 |
| Federal Share | | 80% | 80% | 80% | 80% | 80% | 72% | 100% | 72% | 80% | 80% | 70% | |

FY2025 Capital Grants

| Capital Project Funding Sources | | | | | | |
|--|---|-----------------------------|---|---|-----------------------------|---------------------------------|
| | | FY25 CIP (Total) | City of Memphis CIP Carryover as of 06/30/24 | City of Memphis FY25 CIP (Local Share) | TDOT Improve Act | Total Available FY25 |
| GA03001 | MATA - Service Vehicles | 0 | 28,387 | 0 | 0 | 28,387 |
| GA03007 | MATA - Fixed-Route Buses* | 0 | 817,598 | 0 | 0 | 33,877,475 |
| GA03011 | MATA - Paratransit Vehicles | 0 | 307,785 | 0 | 0 | 1,388,757 |
| GA03022 | MATA - Adv Public Transp System/ITS* | 0 | 1,276,188 | 0 | 0 | 1,676,188 |
| GA03023 | MATA - Operations/Maintenance Facility* | 0 | 1,265,895 | 0 | 0 | 55,775,511 |
| GA03024 | MATA - Rail Facility Improvements | 0 | 0 | 0 | 697,000 | 947,000 |
| GA03025 | MATA - Bus Facility Improvements | 0 | 507,502 | 0 | 0 | 1,463,102 |
| GA03026 | MATA - Rail Vehicles* | 0 | 3,113,240 | 0 | 1,744,033 | 7,357,273 |
| GA03028 | MATA - Innovation Corridor BRT Project* | 7,041,500 | 14,213,074 | 7,041,500 | 500,000 | 122,982,402 |
| GA03029 | MATA - Transit Vision Capital Projects | 0 | 2,750,000 | 0 | 0 | 2,750,000 |
| GA03030 | MATA - Fixed-Route Buses | 4,440,000 | 0 | 4,440,000 | 0 | 0 |
| GA03031 | MATA - Paratransit Vehicles | 287,500 | 0 | 287,500 | 0 | 0 |
| GA03032 | MATA - Bus Facility | 523,231 | 0 | 523,231 | 0 | 0 |
| GA TBD | MATA - Crosstown Connector (mConnect BRT) | 0 | 0 | 0 | 0 | 0 |
| | | 12,292,231 | 24,279,669 | 12,292,231 | 2,941,033 | 228,246,095 |

FY2025 Capital Budget

| | 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 |

Questions / Discussion

[END]