

CATA FISCAL YEAR 2008 ANNUAL REPORT

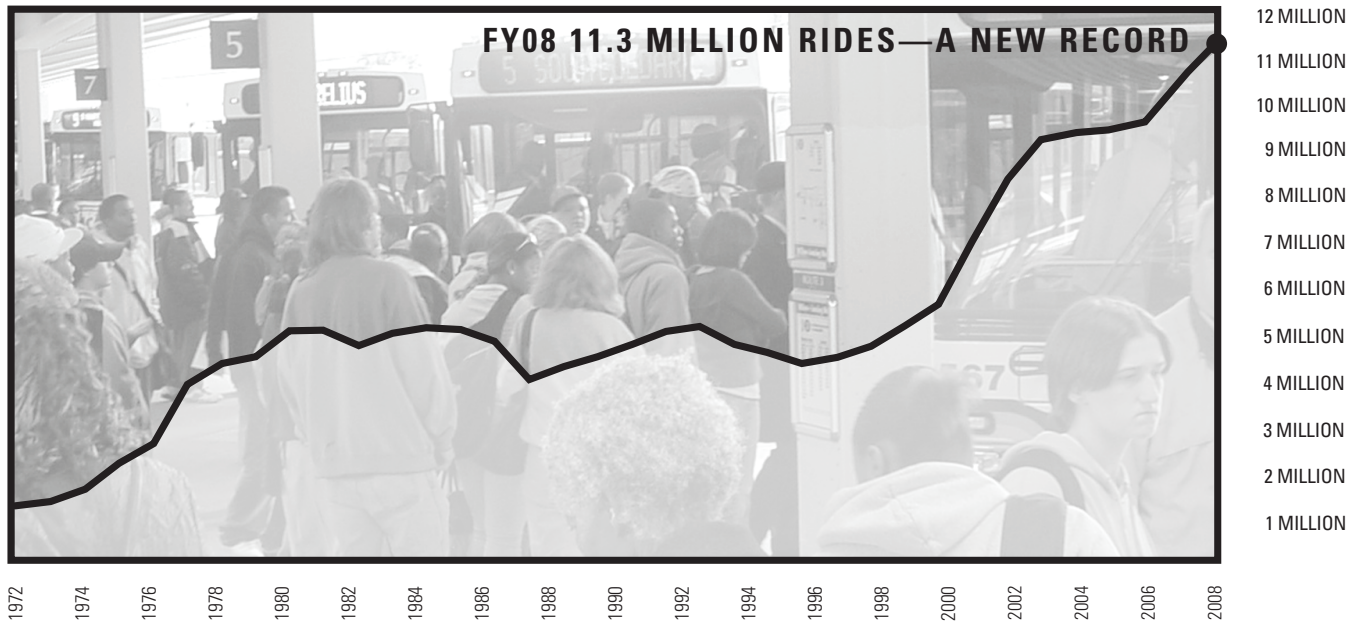
OCTOBER 1, 2007–SEPTEMBER 30, 2008

When **People Thrive, Communities Thrive**

CATA service is much more than a bus ride. Take a look at the many ways CATA helps residents thrive by getting them where they need and want to go. Not only do individual customers benefit, but a strong public transportation system helps our community thrive—in business, education, volunteerism, recreation and health. CATA connects our communities to boost the economy we all share. With access to affordable and convenient transportation, people are able to lead productive lives that add value to living in our communities.



CATA RIDERSHIP – 1972–2008



CATA LEADERSHIP

CATA BOARD OF DIRECTORS

Patricia Munshaw
Board Chair
Meridian Township

Pete Kuhnmuensch
Vice-Chair
City of Lansing

Joseph Sambaer
Secretary-Treasurer
Lansing Township

Pat Cannon
Meridian Township

Walter Dell
Delhi Township

Jean Golden
City of East Lansing

Ralph Monsma
City of East Lansing

R. John Strolle
City of Lansing

Robert W. Swanson
City of Lansing

Anne Wilson
City of Lansing

Non-Voting Representatives

Mark Grebner
Ingham County

Michael A. Rice
Michigan State University

CATA EXECUTIVE STAFF

Sandra L. Draggoo
CEO/Executive Director

Debbie Alexander
Assistant Executive Director

Craig Allen
Director of Maintenance

Pat Gilbert
Director of Marketing

Martin Mecher
Director of Finance

Dwight D. Smith
Director of Operations

AMALGAMATED TRANSIT UNION (ATU) #1039 LANSING, MI

Michael Cullimore
President

Steven Soliz
Vice-President

Kathleen M. Kelley
*Recording Secretary &
Financial Secretary*

Committee Persons

Donald Bean

Phillip Bean

Michael Cramer

Raymond Doty

David Stanfield

Natalie Stone

LOCAL ADVISORY COUNCIL (LAC)

Alphonse Swain
Chairperson
Capital Area Center for
Independent Living

Deb Wiese
Vice-Chairperson
Michigan Rehabilitation
Services

Walter Dell
LAC Liaison
CATA Board Member

Elma Arnold
Citizen Representative

Donna Hobart
Tri-County Office on Aging

Susan Langendonk
Ingham Intermediate
School District

Suzanne Love
Citizen Representative

Paul Palmer
Citizen Representative

Jane Spitzley
Citizen Representative

Mitch Tomlinson
Peckham Inc.

Capital Area Transportation Authority



March 2009

This past year was a rewarding and challenging one for the Capital Area Transportation Authority. We were proud to serve more people than ever before in our history. The need for local public transportation services continued to climb and reach historic levels, as did prices for fuel and other operating expenses. State funding has not kept pace. Just ten years ago State funding covered 50% of our operating costs. This past year, State funds covered less than one-third of those costs. This funding gap threatened our ability to maintain services at a time when record numbers of people rely on them. We decided to undertake grassroots, people-to-people communication efforts to raise citizen awareness of the funding situation. Subsequently, we developed brochures and other informational materials and made them available to employees, Board members, community agencies and neighborhood organizations to help us spread the word. Many public presentations and media interviews were conducted as part of this five-month effort. Hundreds of people worked long hours to help us achieve a high level of awareness about this critical issue. Their hard work allowed us to inform the community without incurring high expenses. It was a great team effort!

Many people boarded buses for the first time this past year as a way to help stretch household budgets. Others, who have used CATA for years, began riding more often. This all added up to more people on buses—particularly on urban routes. The chart on this report cover tells that story; last year, CATA provided a record 11.3 million rides. This is a phenomenal number, given the Ingham County population of approximately 277,000.

People from all walks of life use our services. Some take CATA to work or to school every day. Others take the bus to the doctor or to buy groceries. For many, including persons with disabilities and seniors, CATA, and especially our curb-to-curb Spec-Tran service, is a vital link to living independently. In this Annual Report, we present a review of CATA services and the year's most significant accomplishments.

The value of CATA to this community cannot be measured solely in buses, routes or millions of rides. The true measure is in the service provided to every individual passenger; allowing them to live a fuller life...contributing to the economic vitality of our community. This system belongs to its citizens and CATA works hard to keep our community moving. We take great pride in that service!

Sincerely,

A handwritten signature in black ink that reads 'Patricia K. Munshaw'.

Patricia K. Munshaw
Board Chair

A handwritten signature in black ink that reads 'Sandra L. Draggoo'.

Sandra L. Draggoo
CEO/Executive Director

FY08 IN REVIEW

Funding Shortage Threatens Operations

On June 20, 2007, the CATA Board of Directors voted to place a five-year millage increase request on the November 2007 ballot. It was narrowly defeated, by a 51–49% margin. This was the first millage defeat in CATA's 37-year history. The funding gap required decisive action if service on the street was to continue at current levels. CATA Staff further tightened the belt on an already lean operation. The Board took the next step by approving a fare increase. The April 2008 price increase applied to all CATA cash fares, tokens and passes. The Board of Directors approved the new rates following feedback obtained from a series of public hearings. The regular fixed-route cash fare was raised from \$1.00 to \$1.25—its first increase since 1994. Discount cash fares increased from 50¢ to 60¢. Spec-Tran's one-way fare went from \$2.00 to \$2.50. These efforts helped, but a large funding gap remained. Operational expenses were continuing to rise at a time when the demand for CATA services was at an all-time high.

CATA's Board of Directors was faced with a difficult choice – make major service cuts or go back to the voters. On May 21, 2008, the Board decided to ask local voters to approve a 0.787 mill increase to the CATA millage on November 4, 2008. The increase would be in effect for a five-year period—2008–2012. The funds would be used to meet operational costs and maintain service to meet the growing demand. FY08 concluded with an extensive community education effort to raise public awareness of the operational funding gap, the implications for service delivery and the upcoming millage vote.

Note- The Nov. 4th millage request passed by a 64.4% margin.



APTA Presents CATA with #1 Award

At its annual conference in October 2007, the American Public Transportation Association (APTA) formally recognized CATA as America's Best Transit System. The award was presented to CATA employees and Board representatives who accepted the award on behalf of CATA's 300 employees.

Demand for CATA Service Soars

Hard economic times, rising gas prices and a trend toward greener lifestyles contributed to new ridership records. Monthly records were achieved throughout the year. Urban fixed routes accounted for the majority of the month-to-month growth. Many months showed double-digit increases over the previous year.

Total fixed-route service surpassed last year's level by 611,000 rides, despite a decline in MSU on-campus ridership. Customers took 10.8 million fixed-route rides—a 6.0% growth compared to the previous year. Spec-Tran's record ridership exceeded 348,000 rides in FY08. That was a 3.2% annual increase.

CATA customers took 11.3 million total rides in FY08. That was a 5.8% increase over the previous year—a new ridership record.

FY08 IN REVIEW

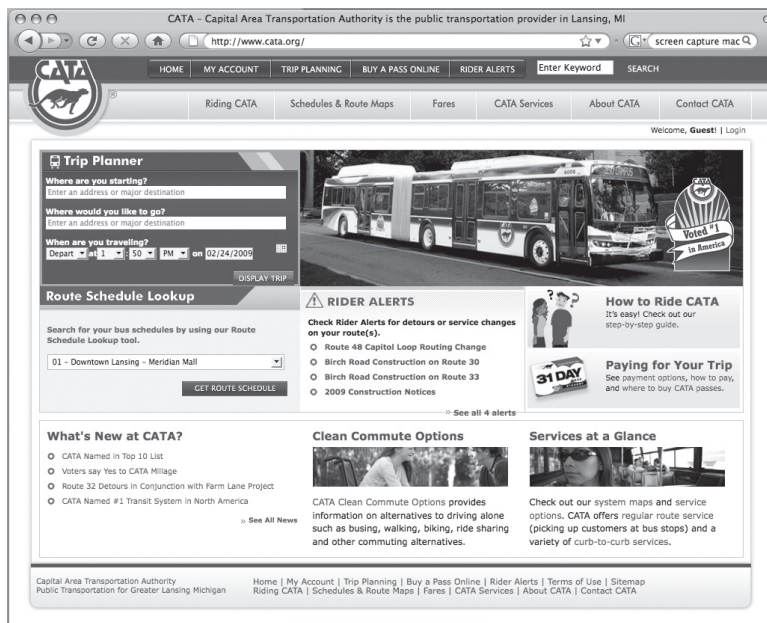


Sandy Draggoo Named Michigan Transportation “Woman of the Year”

The Michigan Chapter of the Women’s Transportation Society (WTS) honored Sandy Draggoo with their “2007 Woman of the Year” award. This award recognizes women transportation leaders who make an outstanding contribution to the transportation industry. In 1985, Sandy became one of the first women to lead a public transportation system in the country. She is viewed as a role model for women in the transportation field. Governor Jennifer Granholm and Senator Debbie Stabenow are among previous “Woman of the Year” recipients.

New Website Launched

An extensive redesign of CATA’s website (cata.org) put new personalized trip planning features at the fingertips of CATA customers. The site redesign features were chosen to improve site visitors’ access to key information. Launched in September 2008, the new site features more dynamic options for planning trips. Information is available down to the bus stop and trip level. A new Rider Alert subscription service pushes out detour and service change notices through email or text messages. Many other site amenities were added to improve the customer experience.

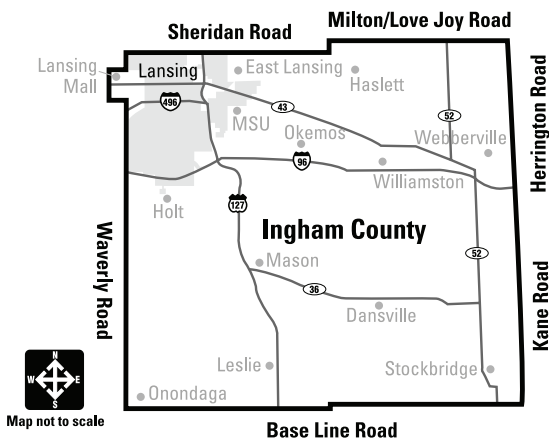


CATA PROGRAMS & SERVICES

Serving Greater Lansing since 1972, the Capital Area Transportation Authority was formed under Act 55 (Public Acts of Michigan 1963). The Authority's governmental membership includes the Cities of Lansing and East Lansing and the Townships of Delhi, Lansing and Meridian. CATA's growth is really a growth in opportunity for thousands of area residents. Throughout the CATA service area, employees, seniors, students and persons with disabilities step onto a CATA bus and step off into a wider world. At its beginning in 1972, CATA operated 14 fixed routes and provided 750,000 rides. Today, there are over 30 fixed routes and a variety of demand-response services designed to meet the varied transportation needs of our local population. Passengers took a record 11.3 million rides last year.

CATA Service Area at a Glance

Service Types	Lansing	East Lansing	Lansing Township	Delhi Township (Holt)	Meridian Township (Haslett/Okemos)	MSU	Dansville	Leslie	Mason	Onondaga	Stockbridge	Williamston/ Webberville
Fixed-Route	X	X	X	X	X	X						
Limiteds	X	X			X				X			X
Entertainment Express	X	X										
Spec-Tran	X	X	X	X	X	X						
Rural Service							X	X	X	X	X	X
Redi-Ride				X	X				X			X
Connector	X			X	X				X			X
Shopping Bus	X	X		X	X							
MSU Lot Link						X						
MSU Night Owl						X						



Fixed-Route Service

With over 30 routes, odds are CATA serves a bus stop within easy walking distance of most residents' homes. Fixed-route service is what most people are familiar with—big buses traveling regular routes at scheduled times throughout the greater Lansing area. This includes bus service on Michigan State University's campus, which operates during the fall and spring terms. This on-campus service is funded, in part, by MSU. Customers took 10.8 million rides on fixed routes in FY08. That is a 6.0% increase compared to 2007.

CATA PROGRAMS & SERVICES

Entertainment Express

The express CATA trolley service provides a unique option to get to entertainment establishments during an evening out on the town. The Entertainment Express operates evenings and late night—Thursday through Saturday. The trolley travels between Lansing and East Lansing downtown districts. Entertainment Express bus stops are identified by signs along the route. Passengers take the trolley to hotels, restaurants and other entertainment venues along the Michigan and Grand River corridor. The Express is funded, in part, by the Lansing Entertainment & Public Facilities Authority (LEPFA). People took nearly 11,000 trips on the Entertainment Express last year—6.9% more than in FY07.

Commuters Ride the Limiteds

During weekday morning and afternoon rush hours, CATA offers commuter services between the southern and eastern regions of the service area and downtown Lansing. The *Mason Limited* and the *Williamston/Webberville Limited* pick-up customers in their respective communities, and travel directly to downtown Lansing; making limited stops, to create a faster commute. The 33.7% rise in annual ridership on these two routes translated to 23,600 total commuter trips.

Spec-Tran Service

Spec-Tran is CATA's advance-reservation service for persons with disabilities who are unable to use fixed-route buses. Spec-Tran service is provided with small lift-equipped buses and low floor vans. The service operates seven days a week. Customers are certified in accordance with the Americans with Disabilities Act (ADA). The demand for this service rose by 3.2% in FY08. Spec-Tran customers took 10,800 more trips than the previous year; exceeding 348,000 total rides for FY08.

CATA Rural Service (CRS)

An advance-reservation, curb-to-curb service in the outlying areas of Ingham County, CATA Rural Service can be used for any trip purpose within the rural Ingham area. Rides are provided Monday through Friday, from 7 AM to 6 PM. This service is funded, in part, by Ingham County. CRS customers took over 4,500 more rides in FY08 raising total ridership to more than 48,000—a 10.7% increase.

Redi-Ride Service

This is a curb-to-curb, advance-reservation service operating in Delhi and Meridian Townships and the Mason and Williamston areas. The Meridian Redi-Ride service is funded, in part, by Meridian Charter Township. Rides are provided Monday through Saturday. The four Redi-Ride services provided over 58,000 rides in FY08—showing a 10.8% increase over the previous year.

CATA PROGRAMS & SERVICES

CATA Connector Service

CATA Connector Service offers regularly scheduled small-bus service connecting outlying communities and Lansing. No reservations are necessary. The service operates Monday through Saturday. The *Mason Connector* operates between the Mason Meijer and the South Pennsylvania Meijer, via Cedar Street. The *Williamston/Webberville Connector* travels from Webberville through Williamston to the Meridian Mall, via Grand River. Ridership climbed 17.3% on the two Connectors for a combined total of over 20,000 FY08 trips.

Shopping Bus

CATA provides regularly scheduled transportation between area senior housing complexes, grocery stores and shopping centers. The Shopping Bus operates Monday through Friday, traveling to major shopping locations each week. Reservations are not required. Seniors took nearly 12,000 Shopping Bus rides in FY08.

Lot Link & Night Owl

These phone-ahead evening and weekend services operate exclusively on MSU's campus during fall and spring semesters. Both services provide curb-to-curb transportation. The Lot Link travels between MSU's student parking lots—#83 on the west side of campus or #91 on the east side of campus and another university location. The Night Owl serves all campus locations at times when other CATA services are not running. The two services provided nearly 22,000 rides in FY08.

Accessibility

CATA vehicles and facilities are accessible to persons with disabilities. Service animals, such as guide dogs, are always welcome on CATA vehicles. Major intersections and bus boarding areas are announced on fixed-route buses. Passengers waiting at a bus stop hear the route name and number announced when the bus arrives at the stop. Large-print or audio route schedules are available through CATA Customer Service. The CATA website provides information in formats that meet federal accessibility guidelines. CATA bus hailing kits are also available to customers. They are designed for use at bus stops served by more than one route. The kit allows the user to signal the number of their route to operators of approaching buses. The kit consists of 3.5" x 4" double-sided cards with a large printed route number and Braille tag.

Bike Racks and Lockers

CATA fixed-route buses are equipped with easy-to-use bike racks. Bike rack use is free. In addition, CATA offers a bike locker rental program. Lockers are located at the CATA Transportation Center in downtown Lansing and at the East Lansing Division Street parking ramp.

CATA Transportation Center (CTC)

The main boarding center for CATA, the CTC, is located in downtown Lansing on Grand Avenue, between Lenawee and Kalamazoo Streets. This indoor facility is the transfer point for half of CATA's fixed routes. Customer Service Representatives are available at the CTC on weekdays, from 7 AM to 7 PM and weekends, from 9 AM to 5 PM to assist with trip planning, service information and bus pass sales. The Center also features Greyhound/Indian Trails operations.

CATA PROGRAMS & SERVICES

MSU-CATA Transportation Center (MSU-CTC)

The first public transportation center on MSU's campus, the MSU-CTC is the main boarding center for CATA bus routes serving campus. CATA and MSU partnered to build this facility, located on the ground level of the parking ramp between North and South Shaw Lanes. It is open 24 hours a day, 7 days a week.

The Way to Pay

CATA's fare payment system features a magnetic card reader and printer, offering fixed-route customers more payment flexibility and convenience. Bus pass options allow customers to select the payment plan that best meets their needs.

Clean Commute Options

CATA offers a free program dedicated to raising community awareness about the alternatives to driving alone. Information is provided to help choose commute alternatives such as the bus, walking and biking. The objective is to improve air quality in the tri-county area. A ride-matching service is available to those interested in car or vanpooling.

Rider Alerts

CATA customers get up-to-the-minute information on route changes by visiting the web at cata.org or by calling the Rider Alert phone line at 367-7277. The alerts help customers know when their bus is on detour due to road work or when service changes go into effect. Rider Alert subscribers receive automated notices of route changes via email or text messages. The Rider Alert phone line is accessible 24 hours a day, 7 days a week.

cata.org

The redesigned CATA website provides dynamic features for accessing a new trip planning program, route descriptions and service information, online bus pass sales, rider alerts, CATA business opportunities, job openings and much more.

Community Pride

Throughout the year, CATA looks for opportunities to serve area citizens. CATA programs such as *Santa Free Rides*, *New Year's Eve Safe Ride Home*, *We Love Riders Week*, and the *CATA Senior Health Fair* allow CATA to give back to customers and non-customers alike. CATA also participates in community-sponsored events such as *Be a Tourist in Your Own Town*, *Silver Bells in the City*, the Safety Council *Patrol Picnic* and holiday parades. Each year CATA employees give generously to the Capital Area United Way campaign, deliver Meals-on-Wheels on their noon hour and "adopt" Operation Santa families at a local elementary school, providing holiday gifts to those in need.

CAPITAL AREA TRANSPORTATION AUTHORITY

STATEMENTS OF NET ASSETS

Year ended September 30

	<u>2008</u>	<u>2007</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 522,692	\$ 1,062,517
Investments	15,163,718	13,664,671
Accounts receivable	473,782	240,081
Due from governmental units	2,363,405	1,385,653
Single business taxes receivable	15,522	15,522
Property tax receivable	89,691	33,851
Inventories	1,069,137	950,556
Prepaid expenses	428,469	399,163
TOTAL CURRENT ASSETS	20,126,416	17,752,014
CAPITAL ASSETS - net of depreciation	<u>38,932,506</u>	<u>42,406,917</u>
TOTAL ASSETS	<u>\$ 59,058,922</u>	<u>\$ 60,158,931</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	\$ 940,503	\$ 984,036
Accrued payroll	420,235	304,885
Accrued pension	466,304	473,783
Accrued interest	69,301	81,672
Accrued insurance	0	100,759
Accrued vacation, incentive and sick pay	973,313	912,833
Current portion of capital lease obligations	807,903	778,214
Reserve for workers' compensation claims	72,923	61,496
Reserve for health insurance costs	450,162	428,159
Other current liabilities	240,827	143,994
TOTAL CURRENT LIABILITIES	4,441,471	4,269,831
LONG TERM LIABILITIES:		
Capital lease obligations, net	3,551,813	4,359,717
Accrued severance pay	129,487	146,110
TOTAL LONG-TERM LIABILITIES	3,681,300	4,505,827
TOTAL LIABILITIES	<u>8,122,771</u>	<u>8,775,658</u>
NET ASSETS		
Invested in capital assets, net of related debt	34,572,790	37,268,986
Unrestricted - designated for post employment benefits	400,000	—
Unrestricted	15,963,361	14,114,287
TOTAL NET ASSETS	<u>\$ 50,936,151</u>	<u>\$ 51,383,273</u>

CAPITAL AREA TRANSPORTATION AUTHORITY STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	Year ended September 30	
	<u>2008</u>	<u>2007</u>
OPERATING REVENUES	\$ 7,755,552	\$ 6,380,060
OPERATING EXPENSES	<u>41,087,653</u>	<u>37,716,018</u>
Operating loss	-33,332,101	-31,335,958
NON-OPERATING REVENUES	<u>30,068,810</u>	<u>28,374,199</u>
Net loss before capital contributions	-3,263,291	-2,961,759
CAPITAL CONTRIBUTIONS - GRANTS	<u>2,816,169</u>	<u>7,747,727</u>
Change in net assets	-447,122	4,785,968
NET ASSETS, BEGINNING OF YEAR	<u>51,383,273</u>	<u>46,597,305</u>
NET ASSETS, END OF YEAR	<u><u>\$ 50,936,151</u></u>	<u><u>\$ 51,383,273</u></u>



CAPITAL AREA TRANSPORTATION AUTHORITY

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