

CARTA RESPONSE TO ATU LOCAL 1212'S RALLY PRESS RELEASE

In April of 2020, CARTA received CARES Act funding of \$11.9 million, which has been used to cover operational expenses for our fiscal years 2020 and 2021 for employee hazard pay, disinfecting/cleaning of vehicles and facilities, and PPE for all employees and customers. This total grant of \$11,936,761 was allocated in following categories: \$3,360,161 for preventive and protective maintenance; \$1,506,279 for our Americans with Disabilities Act Paratransit Service (Care-A-Van); \$6,600,954 for operating expenses; \$119,367 for security equipment (required); and \$350,000 for Incline track repairs.

During the pandemic CARTA has suffered enormous losses of revenue from several sources, including suspension of all fare revenue; loss of revenue from our downtown parking lots; and closure/reduced operations at the Lookout Mountain Incline. CARES Act funding allowed CARTA to remain in operation. This grant funding covered the time frame March 2019 through January 2021. An additional award of \$3 million was provided at the end of 2020 in the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), and those funds will be used for CARTA's fiscal year 2022, starting July 1, 2021, to cover future operational expenses, as CARTA still suffers reduced revenue flow due the ongoing pandemic limitations noted above. We are hopeful the the American Rescue Plan Act of 2021 passed by Congress this month will provide additional federal funding, however, the final allocation of those funds has not yet been provided by the Federal Transit Administration.

As with all federal funding, an audit of grant expenditures is required. Due to new requirements for all CARES Act reporting, the audit could not be undertaken as part of CARTA's normal annual review, and instead had to be covered by a "single audit" performed separately by our auditors. That audit was just completed last week, and our auditors report a clean audit with no findings of concerns or discrepancies. This review means that the CARES Act funds as spent by CARTA were utilized correctly and in full accordance with CARES Act requirements.

In the early weeks of the pandemic, CARTA management felt it would be appropriate to implement extra "Hazard Pay" to our drivers and other employees given what was evolving, although such Hazard Pay was not and is not a requirement of the CARES Act or CRRSA funding. Of the four largest urban transit agencies in Tennessee (Nashville, Memphis, Knoxville, and Chattanooga), CARTA sustained this extra Hazard Pay the longest, running from April, 2020 until it was concluded on January 31, 2021.

The funding from the new American Rescue Plan has not yet been allocated; when it is, CARTA has discussed with the union representatives whether there is sufficient funding to consider a lump sum payment for employees which could possibly replace the discontinued Hazard Pay, but we cannot yet make that determination. CARTA is also considering providing broader services to our customers, such as increased frequencies of bus service on some of our main routes, which would cost additional money.

We also would like to correct misinformation regarding lay-offs as set forth contained in the press release from the ATU. The 26 employees which we considered for layoffs were all part-time operators who were utilized only when work was available. To keep them on the payroll but not provide them work would be a disservice to them, as it would have prevented them from drawing unemployment. When the chaos of those early months finally diminished, CARTA was very pleased that not one single federally-funded position was laid off. Some of our staff at the Chattanooga Parking Authority had to lay off staff due to decreased parking downtown and attendant lack of revenue, but those positions are funded entirely through parking revenue.

The CARTA Board of Directors is made up exclusively of appointed representatives of the cities/counties who receive CARTA services. To place an employee on the board would create a conflict of interest, as the Board votes on and approves, budgets, audits our ATU labor contract, and determines all service restructuring. The ATU, along with the public, has an opportunity to speak at CARTA Board meetings, and also meets on a regular basis with management. ATU also negotiates a comprehensive labor contract every 2-3 years for wages, benefits and working conditions.

CARTA continues to be very diligent to limit exposure for all employees by doing all of the following:

- no fares are being collected, so personal interaction with drivers is limited
- we still operate with strict capacity limits
- rear door boarding is required except for disabled customers who require the lift
- PPE is required for all employees
- masks are required for customers, and are distributed for free when needed
- CARTA undertakes nightly disinfecting and extra cleaning and disinfecting by an outside company
- CARTA has doubled up air filters on all the vehicles
- all high touch surfaces throughout CARTA's facilities are disinfected every two hours
- CARTA continues to pay all employees who are not able to work due to COVID19

CARTA appreciates all of its employees' dedication to providing service to the citizens of Chattanooga and Hamilton County. We are looking forward to returning to full service in May to continue to provide safe service to all our dedicated customers.

March 26, 2021