

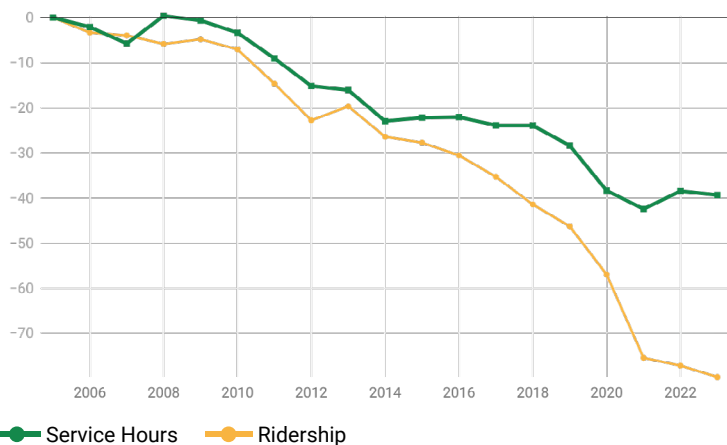
Transit at a Crossroads: Peer City Lessons to Rebuild Trust in Memphis's Transit System

RESEARCH REPORT

The Memphis Area Transit Authority (MATA) is one of the largest public transit operators in the state and provides vital support for working Memphians—half of MATA's bus users ride transit to work.¹ Yet funding shortfalls and past leadership decisions have led to a crisis of trust in the agency. Pending the completion of a financial audit, the City Council restricted half of MATA's \$30 million FY2026 budget—after having reduced it from \$35 million in FY2025—and imposed significant new reporting requirements.² MATA's interim CEO stated not receiving the remaining \$15 million would mean “ending public transit in Memphis.”³

MATA's financial crisis did not start this year. Over the last two decades, funding shortfalls have resulted in struggles to maintain assets and deliver reliable service. The number of **fixed-route buses in service has decreased from 155 in 2000 to just 54 in 2025**. Declines in funding and service, compounded by the COVID-19 pandemic, have led to drastic drops in ridership, going from **over 10.4 million total systemwide rides in 2013 to just 2.9 million in 2024**.⁴

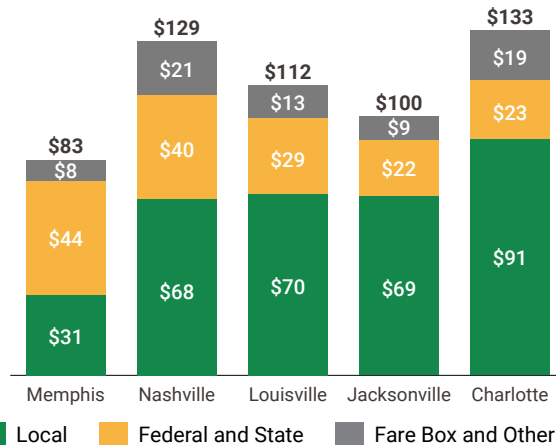
From 2005 to 2023, Memphis transit service was cut by 39% and ridership decreased by 80%.



Source: National Transit Database - Transit Agency Profiles



Memphis spends less per capita than peer cities on transit.



Source: National Transit Database - Transit Agencies Profiles. 2017-2023 average operational spending per service area population by source.



These issues led the city to appoint a **new MATA board of directors in October 2024** and bring in an **interim three-person leadership team from TransPro**. Under this leadership, MATA discovered a previous decision to reduce service on fixed routes was made without adequately notifying the public, further damaging trust.⁵

As TransPro's contract ends (in August 2025) and MATA brings on new leadership, Memphis officials must consider how to adequately fund MATA's operations and rebuild public trust. ThinkTennessee interviewed transit agencies, officials, and experts from six U.S. cities who faced similar challenges and were able to successfully recover and rebuild trust with their communities. This report shares key takeaways from their lessons learned.

KEY TAKEAWAYS

- 1** A CEO empowered to make hard decisions and committed to transparency can rebuild trust with stakeholders.
- 2** Empowering community voices, responding to community identity, and identifying new transit champions can help agencies rebuild public trust.
- 3** Improving service, reliability, and efficiency is vital to rebuilding trust that transit agencies can be good stewards of public dollars.

A CEO empowered to make hard decisions and committed to transparency can rebuild trust with stakeholders.

A transit agency's ability to navigate crises starts with hiring a strong CEO, with a close and trusted partnership with city leaders, who can rebuild trust with both external stakeholders and within the agency.



Hire a strong, impactful CEO empowered to make hard decisions.

Leadership transitions provide opportunities to bring in fresh perspectives and pursue strategic changes. Hiring a leader empowered by elected officials to make tough decisions has been critical for recovering transit agencies.



Bring in a seasoned CEO, maybe someone looking for their last gig before retirement. That way, they aren't worried about keeping their job and are able to make hard decisions that are best for the transit agency.



CASE STUDY

San Francisco

SFMTA demonstrated the agency's ability to make tough choices to reduce costs by removing senior leadership.

Faced with a \$322 million budget deficit, SFMTA's CEO oversaw an **internal reorganization** to reduce spending and eliminate positions not integral to service delivery. In addition to frozen positions, reduced hiring, cancelled one-time investments, and elimination of unproductive routes, 12 senior managers were released.⁶



Ensure a transparent budget process so that external stakeholders and city officials understand what levels of service the transit agency can deliver with the budget they have.

Transit agencies faced with funding cuts often must make difficult budget decisions. Transparent and detailed budget conversations promote an understanding of what services can be delivered with available funding.



CASE STUDY

Nashville

Nashville's WeGo proposes two different budget options to show the relationship between funding and service delivery.

WeGo's public budget hearing presents two budget tiers—a **baseline** (essential operating needs) and an **improvement tier** (potential service improvements requiring additional funding). Broadcast and recorded on the city's streaming platform, the meeting allows the public to see what services can be provided based on the funding received and helps build trust for future funding requests.⁷



Rebuild internal morale by recognizing the value of agency staff and committing to transparency.

Agency leadership can improve internal culture and morale by committing to transparency and engaging with—and building trust between—all levels of staff.



CASE STUDY

San Francisco

SFMTA's "Fix-it Week" is an all-hands approach to maintenance projects that builds inter-agency trust.

Facing a significant backlog in maintenance needs, SFMTA leadership worked with operators and the maintenance team to schedule a quarterly "**Fix-It Week**," which not only addressed maintenance backlogs but supported a culture of communication (between operators, maintenance, and leadership), experimentation, and innovation.⁸



Maintenance staff in SFMTA's "Fix-It Week" focus on completing projects, strengthening internal collaboration, and trust.



[The CEO] is aggressively transparent. He isn't afraid to talk about finances. He doesn't sugar coat anything. [People] may not like his decisions, but he explains why he is doing it that way.



Empowering community voices, responding to community identity, and identifying new transit champions can help agencies rebuild public trust.

Transit agencies can rebuild public trust by seeking and utilizing community input, demonstrating responsiveness to community identity, and empowering transit champions to support and advocate for funding and improved service.



Engage citizen advisory committees to supplement formal transit governance.

With citizen advisory committees, transit agencies can create a process to engage with community members, walk them through tough decisions, and build broader support for transit and understanding of why it is important.

Advisory committees also give the transit agency an opportunity to share and collaborate with the community on tough decisions and explain the rationales behind them. Using extensive outreach efforts to meet the community where they are, such as setting up tents at existing community and neighborhood events, committees can help share those messages.



TARC's Stakeholder Advisory Committee helped guide the agency through major service changes.

Facing an estimated \$30 million fiscal cliff after COVID-19 relief funds expired, TARC launched a network redesign process to balance regional service with available funding. To guide the process, they established a **Stakeholder Advisory Committee** and prioritized recruiting influential community members and stakeholders. Representatives from major employers, advocacy groups, and social services helped shape service changes and share key successes, needs, and opportunities with the larger community.⁹



Demonstrate responsiveness to community identity.

Agencies that seek community input through extensive outreach and engagement cultivate trust within local communities by being responsive to their identity.



Responding to changes in its service population, Merrimack Valley RTA rebranded buses.

To reflect the area's changing demographics, Merrimack Valley Transit in northern Massachusetts **incorporated input from the region's high proportion of Puerto Rican residents when rebranding**. Symbolic changes—improved Spanish translations and red, yellow, and green colors on buses and messaging—helped to promote accessibility and align the agency with its community.¹⁰

“It is so much about who is welcome.”



Build up the local transit advocacy ecosystem and empower local transit champions.

Transit champions, even if not current transit riders, are key messengers to communicate to elected officials and community leaders why transit is critical for a thriving, equitable regional economy. Buy-in from chambers of commerce, major employers, community associations, and local advocacy groups helps to underscore transit's benefits and move the needle for public support for funding and improvements.



Indianapolis's chamber of commerce laid the groundwork for long-term transit improvements.

The Indy Chamber brought together local business leaders in 2009 to convene the **Central Indiana Transit Task Force**. Their goal was to identify solutions to Indianapolis's mobility needs and improve its economic competitiveness, which helped create a lasting vision for the chamber to serve as a transit champion for IndyGo. The chamber played a crucial role in organizing and coordinating support for the passage of Indianapolis's 2016 transit referendum by utilizing economic mobility data and storytelling to inform and shape community conversations.¹¹

Improving service, reliability, and efficiency is vital to rebuilding trust that transit agencies can be good stewards of public dollars.

Even facing budget cuts, agencies can be more transparent about the service levels they can provide given the funding they are allocated, ensuring they can achieve what they set out to do. Interviewees encouraged redesigning networks to optimize ridership, modernizing streetcar operations, and carefully evaluating on-demand services.



Redesign networks to optimize ridership.

Most cities began rebuilding trust with a network redesign. Limited funding means considering trade-offs between prioritizing networks serving more residents (**coverage-based**) and maximizing frequency (**ridership-based**). Cost-constrained redesign processes allow agencies to walk communities through tough decisions, such as how eliminating unproductive routes can help improve more productive ones.



New Orleans launched a complete network redesign under new management after Hurricane Katrina.

After a decade of contracted management, New Orleans hired strong new leadership and educated the public on tradeoffs between coverage and ridership using variations in multiple funding- and service-level scenarios informed by 3,000 pieces of public input. The new system **simplified service coverage, improved efficiency, and optimized performance.**¹²

“

Focus on the corridors you know you can serve well and make a **commitment to underpromise and overdeliver.**

”



Modernize streetcar operations through innovative partnerships.

Memphis's downtown trolley system once represented the largest growth in ridership of any light-rail system in the nation, but has long operated inconsistently due to maintenance and safety issues.¹³

Interviewees with heritage streetcar systems advised taking the opportunity to rethink the system and not be constrained by the idea that they must remain heritage trolleys or operated by the transit agency.

“

Focus on the economic development benefits of downtown streetcars.”

“Make it run like an efficient light rail, with better station design, wider stop spacing, reconfigure crossings, and level boarding.”

”



Market Street Railway uses innovative public-private partnerships to improve streetcar service.

The Market Street Railway works in close partnership with SFMTA but operates as a **separate non-profit entity** that works to improve streetcar service. This opens up alternative revenue streams such as private funding and allows them to be transit champions for the city's streetcar system.¹⁴



Carefully evaluate on-demand service.

Interviewees cautioned against an overreliance on on-demand rather than fixed-route services. On-demand service often proves to be expensive—even in dense cities—as operating costs scale directly with ridership compared to high-capacity, fixed-route transit.¹⁵ They advised on-demand works best when constrained to specific areas (e.g. pick up zones), to supplement fixed route buses, and when prioritized for paratransit.¹⁶

“

On-demand service is outrageously expensive. In my city, I've never been able to find a business case for any on-demand services [except for paratransit service].

”

Learning lessons from those who have found a path to recovering community trust can help provide a guide forward for both the city of Memphis and MATA's new leadership.



Quotes are not directly tied to adjoining case studies.

Interviewees: **Scudder Wagg**, President and Principal Consultant, Jarrett Walker + Associates; **Noah Berger**, Administrator and CEO and **Christina Minucci**, Director of Development, Merrimack Valley Transit Authority (Northern Massachusetts); **Jeff Tumlin**, Executive Director (2020-2024), San Francisco Municipal Transportation Agency (SFMTA); **Alex Posorske**, Director of Marketing & Communications, Transit Authority of River City (TARC)(Louisville); **Vivek Shah**, Senior Planner / Project Manager, Adaptation Strategies (New Orleans); **Lisa Soard**, Director of Communications, **Annette Darrow**, Senior Director Service Planning, and **Brooke Thomas**, Chief Development Officer, IndyGo (Indianapolis); and **Steve Bland**, President & CEO, Nashville Metropolitan Transit Agency (MTA)/WeGo.



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