

METROPOLITAN TRANSIT COMMISSION

MEETING SUMMARY

April 25, 2012

Presiding: Harold Cogdell (Chairman, Mecklenburg County Commission)

Present: Mayor Anthony Foxx (Charlotte)
Curt Walton (Charlotte City Manager)
Mary Barker (CTAG Co-chair)
Rick Sanderson (TSAC Chair)
Bobbie Shields (Mecklenburg Assistant County Manager)
John Collett (NCDOT Representative)
Mayor Jeff Tarte (Cornelius)
Anthony Roberts (Cornelius Town Manager)
Mayor John Woods (Davidson)
Leamon Brice (Davidson Town Manager)
Mayor Jill Swain (Huntersville)
Greg Ferguson (Huntersville Town Manager)
Mayor Jim Taylor (Matthews)
Ralph Messera (Matthews)
Brian Welch (Mint Hill Town Manager)
Mike Rose (Pineville Town Administrator)

Chief Executive Officer: Carolyn Flowers

I. Call to Order

The regular meeting of the Metropolitan Transit Commission was called to order at 5:30 p.m. by MTC's Chairperson, Commissioner Harold Cogdell.

II. Review of Meeting Summary

The meeting summary of March 28, 2012 was approved as written.

III. Transit Services Advisory Committee (TSAC) Chair's Report

Rick Sanderson

Mr. Sanderson reported that TSAC met on April 12. Members heard presentations on the planned July service change and on the budget, including the proposed fare increase. After discussion, TSAC voted 10-1 in favor of the fare increase. TSAC members wished to give these comments to MTC: TSAC would like for CATS staff to seek additional ancillary revenue options to offset or minimize future fare increases and to report back to TSAC on how ridership has been affected by the fare increase. Additionally, given that the majority of STS riders are on a fixed income, TSAC members proposed not increasing STS fares. The \$0.40 increase in STS fares represents \$88,000 yearly, or about 3.5 percent of the income generated by the proposed fare increase, and represents only 1,000 revenue service hours.

IV. Citizens Transit Advisory Group (CTAG) Chair's Report

Mary Barker

Ms. Barker reported that CTAG members also discussed the fare increase at length. CTAG members voted unanimously to pass a motion to accept and recommend the fare increase.

Members discussed the operating and capital budgets over two meetings. Members voted unanimously to accept the operating budget and Capital Improvement Plan as written.

V. Red Line Task Force Update

John Woods

Mayor Woods reported that the Red Line Task Force (RLTF) met just prior to this meeting. Members discussed the draft finance and operating plan at length, as well as developing a framework to determine criteria for including additional stations to the line in the future. Task Force members are preparing for a meeting in June with Norfolk Southern (NS). Brian Nadolny will discuss for MTC action relocating the Mt. Mourne station later in this meeting.

Discussion: Commissioner Cogdell thanked Mayor Woods and others for their leadership in this. Mayor Woods said that it was a great team effort, with a lot of support from CATS and City staff.

VI. Public Comments

Christopher McMillan said he lives in the UNC Charlotte area. As a legally blind member of Mecklenburg County, he asked for MTC's support for funding requests put forth for the fare increase. For every cent that we cut back on the fare increase, it means cutting back on service for the bus system and STS hours. He lives over a mile from a bus route, which makes it difficult to conduct his consulting business. He asked MTC to continue to support CATS on its funding needs. He also asked for continued support for the BLE.

Charles Strickland said he is also legally blind. Speakers at the public hearing last month were taken aback when their time was cut from 3 to 2 minutes; he asked MTC members not to do that in the future. He is against the fare increase. By his calculations, fixing inoperable fareboxes would bring in \$2.4 million. CATS could increase ridership by having buses better timed at cross-connections. Route 29 misses the train at the Scaleybark station by one minute, resulting in a 19-minute wait for the next train and cascading to an extra 40 minutes over a few connections. Since Duke Power and property tax rates are rising, he asked MTC not to increase bus fares also.

VII. Action Items

**a. FY2013 Operating Budget and
FY2013-2017 Capital Improvement Plan (CIP)**

Dee Pereira

Ms. Pereira, CATS Chief Financial Officer, Assistant Director of Public Transit, summarized three months of budget discussions. The FY2013 budget reflects 6 percent income growth and 3.5 percent expenditure growth over the FY2012 adopted budget, including a fare increase of \$0.25 on the base fare effective July 1, 2012. The budget includes additional funding for ADA paratransit service and adds 10,078 bus revenue service hours. The FY2013-17 Capital Investment Plan focuses on bus fleet asset maintenance, advancing the LYNX Blue Line Extension (BLE) into Final Design and Construction and provides funding for the next steps on the Silver and Red Lines.

Discussion: Mayor Taylor commented that the average increase was between 14-15 percent with the exception of express passes, which went up around 18 percent. He asked why express passes went up more than other fares. Olaf Kinard, CATS Director of Marketing & Communications, said fare differences were generally due to rounding to the nearest dollar or five-dollar amount. For Title VI purposes, the ten-ride pass has a 15 percent discount across all ten rides. Therefore, that pass, a discount pass available to everyone, rounds out differently. Mayor Taylor commented that the increase for the monthly express pass was

well in excess of rounding. Mr. Kinard replied that pass prices are set on historical pass usage rates. For example, senior pass usage is so high that those passes amount to almost a 70 percent discount on average for senior passes. The average senior pass is used for 75 rides per month. Mayor Taylor noted that the senior local monthly and senior ADA express monthly pass went up 14.3 percent, but the senior ADA express monthly pass went up 18.3 percent. Mr. Kinard replied that there are a minimum number of trips calculated per pass. For example, monthly riders are assumed to take 40 trips per month. In some years, the actual numbers may be less than 40, which affects future calculations. The proposed fare increase for express riders is a per-ride allocation for express rider average usage. In addition, fare policy indicates express fares should be 1.4 times the local rate. Over the past few fare increases, CATS has tried to bring the express fare gradually to the ratio indicated in the fare policy. Per fare policy, the senior rate is always one-half the monthly rate.

Mayor Tarte asked how a one percent change in ridership would translate into revenue. Mr. Kinard said it would be around \$2 million. Ms. Pereira said CATS' average fare is about 93 cents per trip. If the new fare is approved, the average fare will be \$1.06 per trip, so a one percent change would translate into \$2-3 million. CATS projects ridership reduction of about 3 percent for fare increases. Mayor Tarte asked if staff have looked at the impact of reducing fares to increase ridership. Mr. Kinard said that in 2004 or 2006 staff examined various scenarios without actually testing them to determine revenue impact. CATS does not have the price demand elasticity needed to model this. The 3 percent ridership decrease figure is an industry-wide model determined in a study performed during another recession in 1990-1991, which may have affected results as employment was lower then.

Mayor Tarte asked if we know what percent of fareboxes are inoperative at any given time. Larry Kopf, CATS Chief Operations Planning Officer and Manager of Bus Operations, said that fareboxes fail as does any mechanical equipment. He did not have the percentage, but said he could get that information for Mayor Tarte. If a farebox has problems, staff swaps out the bus when it gets to the Transit Center or fixes the farebox. So a route's farebox is not out of order all day and revenue loss is not great. Ms. Flowers noted that our fareboxes are old and no longer manufactured. Replacement would cost \$10 million. Mechanics must repair them as replacements cannot be ordered.

Mayor Tarte asked if there were any major themes among TSAC or CTAG members about the fare increases. Ms. Barker said that several CTAG members came to the public hearing, where people complained about scheduling being off and bus drivers not being nice. CTAG heard a report this year about efficiency and time schedules. CATS does a superb job of trying to meet the needs of special-needs people. Routes will have to be cut if the fare is not increased. CTAG did not support the last fare increase and asked for a smaller increase. This time, CTAG is comfortable with the increase. Mr. Sanderson said that TSAC was not happy about the increase at first. After much discussion, every member except the one STS member approved the increase in order to keep the system moving forward.

Mr. Messera observed that Route 27, the bus he rode to the MTC meeting, had only one cash fare. Ms. Flowers said that is why we say we only get an average of 93 cents per rider now, as almost everyone rides on discounted media. Commissioner Cogdell asked what the service reduction hours had been. Ms. Pereira said it was just over 21,000 hours. He asked the impact of a service reduction on other projects; would that affect competitiveness for

obtaining federal funding for projects such as the BLE or the future Red Line. Ms. Flowers responded that FTA is very sensitive about reducing bus hours when talking about expanding the network elsewhere. Los Angeles received a letter from FTA yesterday that they will undergo a civil rights investigation for cutting their bus hours. CATS wants to sustain the system's base hours as it moves forward. Commissioner Cogdell asked Mr. Sanderson about TSAC's discussion on the budgetary impact of not increasing fares for STS. Mr. Sanderson replied that the amount translates to about 1,000 service hours, or one-tenth of one percent of total service hours. Nevertheless, TSAC voted 10-1 to approve the budget including the fare increase as is. Mayor Swain commented that she thought she had heard today that air pollution numbers in the region have gone down. She asked if CATS has made any calculations on how transit use correlates to the decrease. Mr. Kinard said that transit riders locally remove approximately 3.3 million pounds of carbon emissions per year. Mayor Swain noted there is likely to be a correlation between air quality changes and taking rides from the transit system which put people back in vehicles. Ms. Barker added that CATS buses use fuel that reduces air toxicity as well.

Commissioner Cogdell asked about the interest rate on debt in the CIP, commenting that it seemed high. Ms. Pereira said that because the City has a AAA bond rating, CATS gets the best market rates available and has been paying an average of 4.7 percent on existing fixed-rate debt for two years. There has not been an opportunity to refinance at a lower rate.

Resolution: Mayor Foxx asked to be recused from voting on the Operating Budget and CIP due to a conflict of interest. MTC members unanimously voted to recuse Mayor Foxx from voting on the Operating Budget and CIP. Mayor Taylor motioned to approve the Operating Budget as written; Mayor Swain seconded and the motion passed unanimously. Mayor Swain motioned to approve the CIP; Mayor Taylor seconded and the motion passed unanimously.

b. Relocation of the Mt. Mourne Station

Brian Nadolny

Mr. Nadolny, CATS Assistant Project Manager for the North Corridor LYNX Red Line, stated that due to concerns about traffic congestion and development, the Town of Mooresville requested in 2011 that CATS perform a study to determine the feasibility of moving the Red Line's terminal station to a point approximately a mile south of the adopted station location. The proposed site takes advantage of I-77's Exit 31, which did not exist when CATS began studying potential stations. The feasibility study indicated that the relocated station would result in project savings of approximately \$5 to \$7 million, which has been incorporated into the current Financial Plan's cost estimate. The Mooresville Town Board and Lowe's Corporate Headquarters support the station's relocation.

Discussion: Mr. Messera noted that it seemed a long walk from the relocated station to Lowes Corporate Headquarters. Mr. Nadolny replied that it was, but it was also a long walk from the original station to the center of the Lowe's Corporate Headquarters campus. It was almost a half-mile walk from the original station to the Headquarters buildings; it is just over a half-mile walk from the Lowe's Headquarters buildings to the new station. In all talks, Lowe's has mentioned having a shuttle to their campus from the station. Mayor Woods added that Lowe's is in favor of the site's relocation.

Resolution: Mayor Woods motioned to approve the station's relocation to the proposed site; Mayor Taylor seconded. MTC members voted unanimously to relocate the Mt. Mourne station to a location closer to the Mecklenburg-Iredell county line.

c. State Transportation Demand Management (TDM)

Olaf Kinard

Mr. Kinard said that CATS receives funds from the TDM grant yearly to fund areas such as carpool, vanpool and outreach areas. Staff recently learned that the TDM grant is due this week. NCDOT requires that each transit system's governing board certify it has allocated 50 percent of funding prior to applying to NCDOT for the remaining 50 percent in TDM funding. Therefore, MTC must authorize funding in the FY2013 budget for the remaining 50 percent.

Discussion: None.

Resolution: Mayor Swain motioned to allocate half of TDM funding in the CATS FY2013 budget; Mayor Taylor seconded the motion. MTC members voted unanimously to approve the motion.

VIII. Information Items

a. Comprehensive Transportation Plan (CTP)

David McDonald

Mr. McDonald, CATS Transit Planning Manager, said that a CTP is a multi-modal transportation plan to identify future transportation system needs. It includes highways, public transportation, rail and bicycle facilities needed to serve anticipated travel demand. By law, CTPs will ultimately replace existing Thoroughfare Plans, which only address roadway needs. CTPs will improve efficiency for Metropolitan Planning Organizations as they will tie CTP and federal Long Range Transportation Plan processes together. The CTP will not be financially constrained and will serve as the overarching transit vision for communities. Mr. McDonald showed a series of maps illustrating examples of a CTP in the various corridors, including the Uptown area illustrating bus, rail and streetcar connections. These maps will be taken out to the public for a series of meetings in the fall. It will be back to MTC as an information item in October or November, incorporating the public's suggestions and comments.

Discussion: Mayor Foxx noted that there was discussion that the plan was not optimal because it does not connect in one place. He felt that long-term, it would be better for the Blue Line to connect directly to the Charlotte Gateway Station (CGS). Mr. McDonald replied that in the current plan, streetcar will provide the ultimate connection between the Charlotte Transit Center and CGS. Most large cities with complete transit systems have multiple destinations for downtown access, with the seamless availability of transfers to go from one location to another. With one line in place, everyone wants the one-seat ride. As additional fixed-guideway routes are implemented, there will be more options to have a more educated and experienced user base and transfers will become second-nature. Mr. Foxx responded that he felt that the fewer transfers that had to be made, the better. Mayor Tarte said he would second if Mayor Foxx was making a motion, and Mayor Foxx concurred that he was making a motion. Members agreed that connectivity would be difficult to achieve. Mayor Woods asked for a description of the conceptual options to accomplish connectivity. Ms. Flowers responded that conceptually, the system could go underground, which is extremely expensive. The Uptown area is very built up; it would affect a lot of businesses if we tried to bifurcate the Blue Line to go to CGS. She summarized that everything is possible, but at a cost. Commissioner Cogdell asked if it could be included as a

marker for future study. Mayor Tarte remarked that he lived in D.C. when they were installing the subway. Even though they were digging, it worked. Mr. Shields said that in addition to streetcar, he was curious about the loop connecting to the Silver Line. Mr. McDonald said that was the existing alignment for BRT on the Silver Line. That alignment will be carried forward until the Silver Line study is updated. Mayor Taylor commented that the motion needed to include that this was in addition to the trolley mentioned earlier. Mr. Messera said since the CTP was not financially constrained, this could be a long-term vision.

Resolution: Mayor Foxx motioned to add to the CTP a place marker for a future study to provide a direct connection between the Blue Line and the Charlotte Gateway Station, in addition to the streetcar connection already planned. Mayor Tarte seconded the motion. The MTC voted unanimously to approve the motion. MTC members acknowledged that there is a challenge with connectivity; it may be necessary to go above- or below-ground in order to provide a direct connection to avoid disrupting existing businesses.

IX. Chief Executive Officer's Report

Carolyn Flowers

Under the CEO's report, Ms. Flowers discussed the following:

a. MTC membership:

Sarah Nuckles, MTC representative from South Carolina DOT, has completed her service on MTC. She was unable to attend the April meeting, her last meeting, so staff will send her a commendation for her service to MTC.

b. Upcoming Events:

Staff will present an update of the BLE cost and schedule information to City and State delegations on April 30. On May 3, staff will present a BLE cost and schedule update to NCDOT, as well as the Municipal Services Agreement with NCDOT for the BLE for North Tryon Street. The Clear the Air celebration will be held in the Government Center on May 4. Bike Charlotte will be from April 27 to May 13, seventeen days of activities to encourage incorporating bicycling into everyday life. To promote the program, riders with bicycles will ride transit free between April 29 and May 5.

c. MTC hiatus:

MTC typically has a one-month hiatus during the summer, usually in July. Since the August meeting of MTC is scheduled close to the time when staff will be busy with Democratic National Convention (DNC) activities, Ms. Flowers requested that MTC cancel the August 2012 meeting instead of the July meeting.

Resolution: Mayor Swain motioned to cancel the August 22, 2012 MTC meeting. Mayor Taylor seconded. The motion passed unanimously.

X. Other Business

None.

XI. Adjourn

The meeting was adjourned at 6:40 p.m. by Commissioner Cogdell.

NEXT MTC MEETING: WEDNESDAY, MAY 23, 2012, 5:30 P.M.