

CITIZENS TRANSIT ADVISORY GROUP (CTAG)
Meeting Summary
March 15, 2011
DISCUSSION SUMMARY

Present: Tom Cox, CTAG Co-Chair
Henry Antshel, City of Charlotte
Rhonda Odom, Mecklenburg County
Jonathan Goldberg, City of Charlotte
Craig Lewis, Town of Davidson
George Sottilo, Town of Matthews
Todd Steiss, Town of Huntersville
Pete Larson, Town of Mint Hill
Sam Spencer, CMS

Staff: John Muth, Eric Hershberger, John Trunk, Larry Kopf, Olaf Kinard, Rocky Paiano, Wanda Braswell

Meeting time 7:30 a.m. – 9:00 a.m.

I. Call to Order

Tom Cox, CTAG Co-Chair called the meeting to order at 7:30 a.m. Mr. Cox introduced Ms. Odom, a representative for Mecklenburg County.

II. Approval of February 15, 2011 meeting summary

The meeting summary was approved as written.

III. Action Items

None

IV. Information Items

A. FY2012-13 Operating Budget

Eric Hershberger

Mr. Hershberger gave an overview of the FY2012-2013 Operating Budget. Most of the operating budget is in direct service. Indirect service consists of 79 percent for the bus system, nine percent is for Special Transportation Services (STS) and 11 percent is for rail. The total operating budget for this year is \$101.8 million, 2012 is \$102.8 million and 2013 is \$105.7 million.

CATS is projecting a four percent operating expense growth in the long-range plans. FY12 shows a one percent growth in operating expense from FY11. In FY12-FY13, staff is projecting a 2.8 percent growth. This is important because of the reduction in sales tax revenue. To meet all of the performance objectives, CATS is closely monitoring the sales tax.

In FY12-13, revenue hours increased by less than one percent. The increase is in anticipation of receiving federal and state grant funds for operating. Cost per revenue hour for bus and rail over

the next three years will increase. The operating revenue and operating expenses ratio is used to show the revenue generated from the service and to ensure the cost to ride is fair in relation to the operating cost of the service. The capital investment level is over 20 percent to ensure that the correct funds are going into the capital share.

Mr. Kinard said the volume sales discounts structure is being changed from 25 percent to 20 percent for the Employee Transportation Coordinators (ETC) and the non-profits organizations. The change would generate a half of a million dollars in revenue. Because the change will affect a large number of riders, a public hearing will be held at the March 23 MTC meeting. CATS is in the process of finalizing the RFP for the advertising program. It will be sent to City Council in early to mid April for a contract on the vendor. Based upon the bids received, CATS is looking at a guaranteed amount plus a percent of revenue which is approximately \$600,000 of the first year guaranteed revenue.

Mr. Antshel asked if \$600,000 was a net figure after expenses. Mr. Kinard said it was the number given by the bidder and is the amount of total revenue. Mr. Kinard said that the bids were requested with a 60/40 percent; CATS 60 percent and the vendor 40 percent.

In the customer service area, the agent assistance calls cost is down even though the call volume has increased. The cost per call remains level. The automated call system handles 88 to 89 percent of the calls received. The assisted calls compared to the total calls shows a cost of \$.31 a call.

Mr. Steiss asked what type of calls are assisted calls. Mr. Kinard said the assisted calls can range from trip planning to a complaint to compliments or a request, i.e. new bus stop, shelter, new service. A non-assisted call is a call handled by the automated attendant. The percentage of complaints to the percentage of riders has decreased this year.

Mr. Kopf gave an overview of the bus operation division starting with the fixed route system. The overall theme for the next few years is managing the ridership with the demand and the limited growth in the bus system. This year's goal was to maintain the ridership of the previous year. By comparison to last year, this year's ridership has increased 1.7 percent. February showed an increase of six to seven percent from February 2010.

CATS operation is currently developing the countywide service plan. It is a five-year plan that looks at the entire bus system and how routes can be best utilized. CATS did a capacity analysis on the express bus service and it showed an average of 50 percent capacity being used. CATS is looking for grant opportunities that will be used toward new services and public/private partnerships. Recently, the Gold Rush service was extended from Johnson C. Smith to Central Piedmont Community College by funding received from the institutions through the Center City Partners. With an additional partnership in the future, CATS hopes to extend the Gold Rush to Presbyterian Hospital.

Over the last several years, the budget's fuel percentage has been 10 to 14 percent. About 40 percent of CATS fuel is purchased on the future market. When fuel is purchased on a future market, there is a premium to pay but the price of fuel is locked.

The STS is a door-to-door service required by federal law for the disabled residing within three-quarters of a mile of a fixed service. The STS II is service provided in the outer areas where there are no fixed routes and as capacity allows. There has been an increase in the STS services due to discontinuing of some of the DSS service. Some new technology systems being implemented is the call ahead system where the driver will call the next pickup prior to the van's arrival so the passenger can be ready, navigational systems, etc. There is also a recertification schedule. All STS customers must be recertified every three years. To provide saving, CATS is proposing recertification every four years. STS will be moving to the North Davidson facility where they will be able to purchase gas at a better rate.

Mr. Paiano said the rail operations have five focus areas. First is the ridership which rail plans on maintaining. Another goal is maintenance of the light rail vehicle fleet and Right of Way. To maintain the reliability, the rail vehicle fleet and the right of way must be maintained. Within a couple years, the light rail vehicles will be approaching 300,000 miles and which would require having an overhaul program in place.

Along the right of way, the track and overhead wire must be maintained. The overhead wire must be adjusted periodically to ensure the wire is properly placed for good levels of wear. The life span of the wires is typically 10 to 15 years. In 2012, rail operation will be doing realignments on the tracks to make sure they are straight and providing a comfortable ride for the riders.

Another focused area is to enhance operational safety. Within three years, four months and 2.6 million miles, CATS rail has experienced only one preventable accident. To maintain the level of safety, several programs are being put in place over the next couple of years. Training programs are being upgraded to provide the technicians, mechanics and operators the most current training to maintain the rail systems.

Cost drivers for rail operations are related to personnel services at 52 percent, 15 percent for insurance. Because CATS rail operates approximately four and a half miles alongside the railroad, CATS has to maintain a high level of insurance that cost approximately \$1.6 million. Another cost driver is traction power at about \$500,00 a year for electricity.

Mr. Trunk said he is responsible for the Safety and Security and Facilities. Safety and Security (S & S) is paramount for our transit system. S & S is comprised of four CMPD liaison police officers, 33 sworn and armed company police officers who were hired through Allied Barton and in addition Allied Barton provides 14 security officers and five dispatchers. CATS has five fare inspectors who are CATS employees.

CATS has 10 safety employees who are responsible for conducting training, inspections and audits. Safety and Security manages and plans for bus and rail, investigates all safety and security events and coordinates with the Federal and State authorities.

The surveillance system has numerous cameras that are strategically mounted on the vehicles, platforms and Park N Ride lots. The videos from the cameras are used by CATS as well as by CMPD to investigate events that have occurred.

The Facilities division is amenities that enhance the customers experience while riding CATS. Facilities include all CATS properties including buildings and grounds, Park N Ride lots, transit centers, 3600 bus stops, 200 shelters and 91 benches.

Most of the Facilities services are outsourced through private contractors or other City departments. The trash picked up by Solid Waste Services through a Memorandum of Understanding. Engineering and Property Management does the landscaping through a Memorandum of Understanding. The janitorial services are contracted through the public sector. CATS does have a small staff that is responsible for the snow and ice removal, monitoring the utilities and energy management. Currently, Facilities has a project at I-485 deck to change the lighting to a more efficient LED lighting. The project is funded with Stimulus money.

Discussion

Mr. Lewis asked about the budget contingency when fuel prices increase. Mr. Kopf said that there are many components within the budget and though the fuel cost is a concern, how the increase in fuel cost will be handled is not clearly understood at this time. Mr. Kopf said 40 percent of this year's fuel was purchased on the future market. With the current fuel contract expiring, CATS is reviewing bids for a new contract. Mr. Hershberger said the budget does have a projected amount of funds for fuel and if the funds allocated for fuel proves to be insufficient, the budget will be adjusted. Mr. Kopf said that CATS is monitoring consumption by reducing the idling time of the bus and running weekend bus schedules for holidays or special events. Mr. Hershberger said the projection for the 2012 budget with an operating fund balance at a total of \$113 million. Mr. Hershberger said the projected diesel consumption for this year is approximately 100,000 gallons less than last year.

Mr. Steiss said the increase in ridership should help some even though it will not be dollar for dollar. Mr. Kinard reminded the members the difference between 2008 gas shortage and the current gas situation is 2008 were full employment.

Mr. Antshel asked about the support services and how many items are cash burdens and how many are handled through other City departments. Mr. Hershberger said most of the support services for the facilities are outsource to private contractors or with the City departments through memorandums. Even though the City is doing some of the support services, CATS still has to pay the service but at less than a private contractor rate. Mr. Lewis asked about the cost of personnel and the expected increase. Mr. Hershberger said personnel cost is approximately 70 percent of the budget with a small increase in 2012 because of increases in the health insurance cost and the contribution to the State retirement system.

Mr. Sottilo asked about a direct route from Mint Hill to Pineville. Mr. Kopf said CATS has applied for a grant to develop a Highway 51 bus route that would run from Matthews into Pineville.

V. Chief Executive Officer's Report

John Muth

A. March 4 Round Table

On March 4, Senator Hagan hosted a roundtable with 15 participants. After the meeting, Secretary LaHood and Administrator Rogoff walked to the 3rd Street station and took a train ride to Bland Street. Secretary LaHood and Administrator Rogoff visited Charlotte in November and

attended the November 17 MTC workshop. The positive response from Secretary LaHood and Administrator Rogoff was that the process is doing correctly in terms of land use and transit.

B. January Sales Tax

Mr. Hershberger said the January sales tax was 25 percent higher than January 2010. The sales tax figures have a month lag in reporting so the figures reflected the holiday expenditures. CATS revenue is still 2.5 percent down for this fiscal year in the same seven month of the last fiscal year. CATS is optimistic that the January numbers still improve and allow CATS to meet or exceed the current projected estimate for this year.

C. March MTC Meeting

Mr. Muth announced the MTC meeting is Wednesday, March 23. The first item on the agenda is a public hearing concerning the sales discount reduction. An action item is the Rules and Regulations policies. Staff will do a presentation on the capital budget for 2012-2016. Danny Pleasant, the City Transportation Director, and Debra Campbell, the Planning Director, will present the results of the ULI Independence Boulevard study.

D. April's CTAG Meeting

CTAG's April 19 meeting will have the capital budget presentation with CTAG giving a recommendation to MTC for the overall budget.

VI. Adjourn

The meeting was adjourned at 8:15 a.m.

NEXT CTAG MEETING: TUESDAY, APRIL 19, 2011, 7:30 A.M.