

CITIZENS TRANSIT ADVISORY GROUP (CTAG)
Meeting Summary
April 19, 2011
DISCUSSION SUMMARY

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

Staff: Eric Hershberger, John Trunk, Larry Kopf, Olaf Kinard, Dee Pereira,

Meeting time 7:30 a.m. – 9:00 a.m.

I. Call to Order

Mary Barker CTAG Co-Chair called the meeting to order at 7:28 a.m.

II. Approval of March 15, 2011 meeting summary

The meeting summary was approved with the additional of Sam Spencer listed as present.

III. Information Items

IV. Action Items

A. FY2012-16 Capital Improvement Plan

Dee Pereira

The Capital Improvement Plan (CIP) covers a five-year span. The process for the improvement plan in the first year is appropriated and the remaining four years can be adjusted, as needed. Based on the reduced sales tax revenue and the federal government limited funds, priorities were established on the plan to keep projects moving forward. The priorities adopted by CATS are 1) maintaining the current system in a state of good repair, 2) safety and security and 3) economic development.

The CIP is in alignment with grants that CATS is eligible to receive. The proposed CIP was amended in the areas of the Blue Line Extension (BLE) and the Red Line.

The capital revenue is anticipated at \$1.4 billion. A \$100 million is applied to CATS debt. It includes the new debt service issuance. The overall expense is \$1.3 million. Over half of a billion dollars is anticipated from federal grants with a large portion being applied toward the BLE. A little over a quarter of a billion is anticipated from state funding. CATS will do a bond

issuance in 2014 for CATS' share for the BLE project. Through the Red Line Task Force, the 2014 budget includes a \$2.25 million placeholder for the project allowing the task force time to identify the funding needed.

CATS CIP expenditures key categories include the State of Good Repair Program which includes replacement of revenue vehicles, maintenance of bus and rail amenities, facilities and equipment. No expansion vehicles are being purchased. In the fifth year, CATS will purchase only replacement vehicles. STS revenue vehicles are on a different cycle and are scheduled for purchase in the fourth year. The park and ride lots are funded by federal grants. The park and ride projects will move forward as funding is received. The Davidson and Cornelius park and ride lots will be built and coordinated with contributions from the towns. The transit amenities are also a state of good repair. The funds will be booked into the transit program and should begin in 2012. Asset maintenance is charged to the federal funds for preventive maintenance of operations.

The rail capital has allocated \$14.5 million and it includes \$9.4 million to start the Light Rail Vehicles (LRV) Overhaul Program. The remaining funds are for the building of the Maintenance of Way facility located at the South Boulevard Light Rail Facility.

The Safety program is \$4.9 million. Most of the funding is from Homeland Security which requires the maintaining of all aspects of safety that prevents terrorism.

Over the next five years, \$5.0 million is allocated to technology. Two point one million dollars is coming from the state's advanced technology grant. It is hopeful that once the state budget is approved, the funds will be released.

The budget has \$1.8 million for the purchase of non-revenue vehicles such as the vehicles used by management and staff for travel and the purchasing of platform advertisements.

The BLE budget is amended to include the 30 percent revised cost. CATS has received approximately \$40 million in funding from federal and \$20 million from state. Work has begun on the State Full Funding Grant Agreement with anticipation of signing by December 2011. The Federal Full Funding Agreement is targeted for the fall of 2012. The expenditure schedule for the BLE is final design in fiscal year 2012 with construction in 2014-2016. Revenue operation is anticipated for late 2016 or early 2017.

The Red Line Task Force (RLTF) has begun work on identifying funding. The RLTF has begun looking at opportunities to close the funding gap identified in November 2010.

In the debt profile, there are two debts issuances to be retired. Outstanding debt is \$163.7 million. After the debt retirements, it will be \$144.7 million. A new debt of \$180 million is anticipated for 2015.

Staff's recommendations for CTAG to present to MTC on April 27 are:

- Revise fare discount to 5 percent for the non-profit and the full profit agencies,
- Two-year Operating Budget and
- Five-year Capital Improvement Plan.

Discussion

Mr. Spencer asked if the BLE State Full-Funding Agreement is impacted by the General Assembly. Mr. Pereira said that as of last month the State Full-Funding Grant Agreement is still in the state budget.

Mr. Steiss asked who was mostly affected by the lowering of the fare discount rate. Mr. Kinard said that majority of the agencies will feel the effect of the discount are Salvation Army, Goodwill, churches, etc. Mr. Steiss asked who were the riders using the service. Mr. Kinard said that the riders are a combination of white collar, mid-management and secretarial. Mr. Kinard said that TSAC voted to lower the discount percentage for the for-profit agencies but not the non-profit agencies. Mr. Kinard said in 1997 the Employer Transportation Coordinator (ETC) Program was established allowing CATS to market transportation alternatives to non-profit and for-profit agencies. The agencies participating in the program are given a discount based on the agencies' dollar volume of sales.

Mr. Bischoff asked about the Bridge Program. Ms. Pereira said it is a contingency for the South Corridor's alignment bridge repairs, i.e. inspections and repair work needed.

Mr. Antshel asks if the \$225 million is the total cost of the Red Line and who is on the task force. Ms. Pereira said that the total Red Line cost is \$456 million. The Red Line Task Force consist of the mayors of the towns of Davidson, Huntersville, Cornelius, representatives from Mooresville, Charlotte, Mecklenburg County and Lake Norman Transportation Commission and is chaired by Davidson's Mayor Woods.

Mr. Goldberg said fuel was budgeted at \$2.50 a gallon but if CATS was to purchase at today's market price, what would be the cost. Mr. Trunk said year to date the cost of fuel is \$2.47 a gallon. For the future purchase, CATS has a tool to use to get the best purchase price. Mr. Goldberg asked how CATS derived at \$2.50 a gallon for the budget. Mr. Trunk said that it is an estimate of past market prices and CATS' best estimate of future prices. Mr. Spencer asked if CATS was engaging in any further purchases at the present time. Mr. Trunk said CATS has a current contract and is only spot purchasing for fuel. Mr. Antshel asked if City Council has to approve any contracts. Mr. Trunk said contracts over \$100,000 must have City Council approval.

MOTION on the Revised Fare Discount Program

Mr. Spencer motioned against the revised fare discount for the non-profit agencies and in favor of the revised fare discount for the for-profit agencies. Mr. Antshel seconded. The motion was passed.

MOTION for the FY2012-13 Operating Budget

Mr. Bischoff motioned to accept the FY2012-13 Operating Budget. Mr. Antshel seconded. The operating budget was passed.

Mr. Goldberg expressed concern for the fuel budget.

MOTION for the FY2012-16 CIP

Mr. Goldberg motioned to accept the FY2012-16 Capital Improvement Plan. Mr. Steiss seconded. The motion was passed.

V. Chief Executive Officer's Report

Dee Pereira

A. American Public Transportation Legislative Conference

Ms. Flowers and Ms. Pereira attended the conference held in Washington, DC in March. During the conference, it was heard that many were concerned about the future economy. The industry is trying to understand the uncertainty of federal funding for transportation. In a keynote speech, the FTA stressed the importance of maintaining current assets in state of good repair. The State of Good Repair is an important item that FTA is reviewing when they receive funding requests. During the FTA speech, CATS was mentioned as an example of an agency that "gets it and does it right".

B. North Carolina Board of Transportation Multi-Modal Committee Meeting

In April 2011, Mr. Muth, Ms. Flowers and Ms. Pereira met with the Multi-Modal Committee to provide information on the transit system in Charlotte. During the presentation, staff emphasized the sustainability of the system through the maintenance of the core services. It was said that the major projects were revised to make them more affordable.

C. State Full Funding Agreement

Staff is moving forward on the process for the BLE full-funding agreement. The target date is the end of 2011 following the receipt of the Record of Decision. The Record of Decision is received once the project satisfies all the environmental requirements. FTA receives the final impact statement and then will issue the Record of Decision and that is anticipated to be received at the end of the 2011. At the April 27 MTC meeting, MTC will take action to authorize the City to start moving forward with applications for the state full-funding agreement. The North Carolina Board of Transportation will meet on May 6 and is schedule to adopt a resolution in support of the BLE and authorize the Secretary of Transportation to issue a Letter of Recommendation that will accompany other reports to be submitted to the FTA.

D. Davidson's Bus Garage

The renovation of the Davidson bus garage is progressing and a ribbon cutting ceremony in June 2011 is anticipated.

E. February's Sales Tax Report

The sales tax for February is 7.5 percent higher than in February 2010. Even though the sales tax is less than expected, staff still expects to achieve the mid-year estimate of \$56 million.

Discussion

Mr. Bischoff asked if with Congress zeroing out all funding for high speed rail in 2011 that the \$545 million budgeted is not to be effected but could the \$600 million that is anticipated be affected? Ms. Pereira said yes.

Ms. Barker said with finishing the budget there is no business to discussion at the May meeting and asked about cancelling the meeting. Mr. Spencer suggested a social meeting in May. Mr. Kopf suggested a tour of the Davidson facility.

MOTION Davidson facility tour

Mr. Steiss motion to have May 17 meeting substituted for a tour of the renovated North Davidson facility. Mr. Spencer seconded. The motion passed.

The CTAG members are to meet at the Charlotte Mecklenburg Government Center at 7:30 a.m. and ride as a group to the facility. Mr. Cox and Ms. Barker said the May's meeting is an excused meeting for members who do not wish to attend the tour.

Ms. Barker the June meeting is to be on June 14.

MOTION to cancel July CTAG Meeting

Mr. Bischoff made the motion to cancel the July 19 CTAG meeting. Mr. Antshel seconded the motion. The motion passed.

Mr. Sottilo asked about the Stallings and Independence Express bus and the worst scenario if that route is discontinued. Mr. Kopf said express bus expenses are shared with the individual counties. Because of budgetary issues, Union County is considering eliminating or making cutbacks to the express service. Mr. Kinard said that if Union County decided to discontinue the service, there are alternative such as the Matthews Park and ride lot and vanpools.

VI. Adjourn

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

NEXT CTAG MEETING: TUESDAY, JUNE 14, 2011, 7:30 A.M.