

METROPOLITAN TRANSIT COMMISSION
Meeting Summary
January 27, 2010

DISCUSSION SUMMARY

Presiding: Mayor John Woods (Davidson, MTC Vice-chair)

Present: Curt Walton (Charlotte City Manager)
Jerry Fox (CTAG Co-chair)
Terry Lansdell (TSAC Co-chair)
Harry Jones (Mecklenburg County Manager)
John Collett (NCDOT Representative)
Sarah Nuckles (SCDOT Representative)
Mayor Jeff Tarte (Cornelius)
Anthony Roberts (Cornelius Town Manager)
Mayor John Woods (Davidson)
Leamon Brice (Davidson Town Administrator)
Mayor Jill Swain (Huntersville)
Mayor Jim Taylor (Matthews)
Ralph Messera (Matthews)
Brian Welch (Mint Hill Town Manager)

Chief Executive Officer: Carolyn Flowers

I. Call to Order

Ms. Flowers asked for nominations for a Chair Pro-tem to preside over the selection of a vice-chair. Mayor Woods was unanimously selected as Chair Pro-tem, and opened the floor for nominations for Vice-chair of the MTC Board. Mayor Tarte motioned to nominate Mayor Woods. The motion was seconded.

The regular meeting of the Metropolitan Transit Commission was called to order at 5:35 pm by Mayor John Woods, Vice-Chair.

II. Review of Meeting Summary

The Meeting Summary of November 18, 2009 was approved as written.

III. Transit Services Advisory Committee Chair's Report

Terry Lansdell

TSAC met on January 11 and welcomed a new member, Wilson McCrory, a devoted bus and rail rider. The committee received an overview of the Blue Line Extension (BLE) project, featuring a review of the BLE's alignment and an overview of the project development process to date, including road and station designs. CATS Bus Operations Division (BOD) gave a presentation on their Team of Professionals (TOP) program, designed to improve communications and teamwork among a total of 818 employees. BOD attributes the TOP program with helping to improve customer service, including a consistent on-time performance rate currently approaching 90 percent and a dramatically reduced accident rate.

IV. Citizens Transit Advisory Group Chair's Report

Jerry Fox

CTAG welcomed new CTAG Co-chair Tom Cox at its meeting on January 19. CTAG received information on the Enhanced Bus service and the streetcar grant funds project. CTAG's February and March meetings will discuss the annual operating budget. CTAG anticipates making a recommendation to the MTC after its March budget discussion.

V. Public Comment on General Items

Michael Morgan informed MTC members that talks are progressing with CATS staff about the Independence Busway, which he believes is discriminatory. Mr. Morgan urged the MTC to make the system regional by operating regular buses down the Independence Busway, and by making bus connections across county lines. He stated that the spoke system forces some bus riders to travel two to three hours for a distance a car could make in a few minutes. He urged MTC members to streamline the system to create a more user-friendly system. Mr. Morgan's suggestions are on his website, weridethebus.com.

Charles Strickland welcomed Ms. Flowers to Charlotte. He hoped her operations background will help her streamline the CATS system. Mr. Strickland said that CATS should find ways to condense travel times so bus riding is more attractive for riders. Tweaking routes to improve connections would help; it is not necessary to overhaul the entire system. He also urged that the LYNX run until 2:30 or 3am on Saturday and Sunday nights, so people could stay out later and service workers could use the train to get home. He said that six bus routes stop at 8pm and some have no weekend service. These schedules need to be addressed to serve workers better. Mr. Strickland concluded by saying he looked forward to working with CATS staff and Ms. Flowers.

VI. Action Item

Selection of Vice-chair

The MTC voted unanimously to approve Mayor Woods as Vice-chair of the MTC.

VII. Information Items

a. Budget Overview

Dymphna Pereira

Ms. Flowers introduced the budget discussion by saying that this is a preliminary budget. CATS has performed due diligence by examining the cost structure and identifying options to right-size expenditures to the constrained revenue available and to maintain funding for the capital programs. CATS objective is to provide a budget that sustains core services for the broad base of the region's ridership. Public transportation is a critical lifeline and is critical to the economy of this community. CATS currently operates in an economic downturn; sales tax revenue is down 15-18 percent this year, to the 2005 level. The loss of ridership this year means less farebox revenue and a cut in revenue from the State to CATS, resulting in the projected deficit. CATS has partially offset the revenue shortfall by allocating Federal revenue sources to cover preventative maintenance programs and other expenses. This still results in a \$1.8 million deficit. To address this deficit, CATS has used the tenets of zero-based budgeting to determine if CATS can continue doing business in the same manner. CATS has reviewed discretionary and controllable expenses, eliminated vacant positions in the budget, and frozen hiring to all but frontline, essential revenue-supported positions. CATS will also review administrative-to-management ratios, target telecommunications expense reductions, reduce meeting budgets and travel expenses, continue to monitor the spot market and fuel market to achieve the most cost-effective

purchases, and review the possibility of extending the life cycle of revenue vehicles from 12 years to 13-14 years, which will decrease the need for capital in the future. Staff will perform an analysis to determine how this will impact maintenance costs. CATS also recommends a fare increase to help offset the cost increases, and will review off-peak bus and low productivity services for potential reduction. Ms. Flowers concluded that CATS has three options to balance the final budget: CATS can reduce the menu of non-core service programs, take further reductions in fixed-route service, or come to a budget resolution that combines elements of both alternatives.

Ms. Flowers introduced Dymphna Pereira, CATS Division Manager of Finance, for the budget presentation. Ms. Pereira said that CATS will present a fiscally constrained balanced budget. Ms. Pereira noted that CATS CEO also recommends the advancement of the 2030 Plan within grant programs. Budget discussions will continue in February and March; the MTC will make a recommendation on the budget in April. In 2010, operating income is now projected at \$124.4 million; the approved FY10 budget was \$132.9 million, a reduction of \$8.5 million. The primary driver for the revenue reduction is the decrease in sales tax revenue. Currently, CATS estimates a \$5.1 million reduction in sales tax revenue for this year. Through November 2009, sales tax revenue was 18 percent lower than a similar period in the prior year. CATS projects a very slight increase over the next several months. CATS anticipates that fare revenue will go down about \$2.5 million due to reduced ridership. CATS had projected receiving about \$13 million from the State; however, the amount allocated to the City of Charlotte is close to \$1 million less than projected. CATS has requested meetings with State staff to determine what caused the decrease. CATS had budgeted to draw approximately \$3.6 million from the fund balance to cover the operating deficit, but does not currently plan to do that. Operating expenses have been reduced from projections. Capital income and capital expenses are more than projected; Federal apportionments were made late in the year last year. Grants were not executed and booked until this year. CATS expects that reimbursements next year will also arrive late in the fiscal year. Ms. Pereira laid out several general budgetary assumptions: sales tax revenue in FY11 will increase by approximately three percent over the reduced FY10 amount, local fares will increase by 25 cents or slightly more than 16 percent, and CATS will increase the general capital funds. The FY11 budget projects reductions from CATS midyear estimate, but remains within the financial policy parameters set by the MTC. The fund balance carried forward will exceed the required \$100 million. Ms. Pereira said that in FY11, CATS will book the Federal and State monies apportioned for FY10.

Ms. Pereira noted that the sales tax revenue increase of three percent that CATS projects for FY11 will be almost equal to the sales tax revenue received in 2005. If the MTC approves a fare increase, it should increase operating income by \$2.4 million. CATS anticipates that the State will flex Federal funds to use for operations by \$617,000. CATS does not recommend any changes in revenue service hours if the recommended program reductions are approved. Expenditure highlights include budgeting \$2.35 per gallon for fuel costs. Employee medical insurance costs have increased by five percent over the current fiscal year; rail risk insurance rates have increased by three percent. Other changes in employee costs include a 32 percent increase in the City's contribution toward retirement funds, and a contingency for employee merit increases pending approval by City Council and through negotiations with the unions that support bus operators and mechanics. CATS has eliminated 30 positions frozen last year, and will hold several positions vacant in FY11 until

there is a positive change in the fiscal position. CATS also recommends replacing eight CMPD officers with nine private police. CATS recommends reducing or eliminating non-core service programs. Ms. Pereira noted that sales tax revenue, projected at 49 percent of the overall operating income, will be less than 50 percent for the first time. Farebox revenue is projected at 21 percent of operating income. Operating assistance from the State is anticipated to be \$13.3 million. Ms. Pereira reviewed the history of sales tax revenue, highlighting the yearly increases in sales tax revenue from FY04 to FY08. During that period, sales tax revenue increased an average of 7.6 percent yearly; long-term plans were based on that level of increase. The current reduction, which continues to widen, continues to impact CATS' long-term capital program.

CATS recommends a fare increase in FY11, in compliance with MTC's fare policy. CATS proposes to increase local fares by \$0.25, from \$1.50 to \$1.75, or about 16.7 percent. CATS recommends that this increase be effective July 1, 2010, which coincides with changes in service schedules. CATS projects that the fare increase will result in a \$2.4 million increase in fare revenue. This will help compensate for the significant reduction in operating income. Ms. Pereira showed a fare comparison with local bus/rail fares in the state and nationally. About 93 percent of the overall operating budget goes to service delivery; 7 percent is administrative and management overhead. In addition to the cost of human resources, key cost drivers for the operating budget are the cost of fuel and inventory. Although fuel has been less than projected for this year, CATS has budgeted \$2.35 per gallon for next year. If staff can identify a lower rate, staff will lock it in for as long as possible. Inventory for bus operations has stayed steady, but rail capital and operating costs have fluctuated. In FY12, CATS anticipates needing \$2 million or more to maintain rail service inventory.

A number of programs will be changed or eliminated in FY11. Of \$3.86 million of recommended program eliminations in FY11, CATS recommends a one-time allocation of \$1.7 million from preventative maintenance to the Federal Formula grant. This will impact the capital program in FY11 as fewer buses will be replaced. CATS recommends eliminating approximately \$1.8 million worth of programs. At this time, CATS is not recommending changes in bus/rail services. The MTC will review staff recommendations over next two months. Any changes the MTC recommends from the CEO's recommendations will be balanced against reductions in core services. For every \$200,000 of programs the MTC chooses not to eliminate, that will result in a reduction of about 2,000 bus ridership hours, impacting an average of 72,000 riders. CATS needs to start building up operating budget reserves. CATS must increase rail inventory in FY12, and the revenues are not there. BOD pension payment contributions have increased 35 percent due to changes in stock value and having to refurbish some of the base value of the pension plan. This is a huge increase for the cost of bus operations. If it continues, and CATS anticipates that it will, CATS will not be able to fund these without falling behind. CATS also needs to determine a level of funding for emergency contingency. The recent fuel leak was paid from the existing operating budget. This will be more difficult as funds are further constrained, and showed the need to have a contingency fund.

Ms. Pereira noted that Federal sources of income in the five-year capital plan program are projected to come from CATS regular annual formula grant and a small amount from bus discretion, but the majority of Federal grant capital income funding will be allocated to the BLE. Current estimates for 2010 to 2019 indicate a gap of \$349 million in sales tax revenue

over what was originally forecasted in the 2030 Transit Corridor System Plan approved in 2006. Growth is difficult to project, as economists are not presenting growth forecasts for the next few years. The gap impacts the schedule of the 2030 Plan. CATS five-year capital program projects replacing 99 buses, 134 STS buses, and 62 vanpool vans. CATS will complete the renovation of North Davidson Street bus garage and build another transit center, renovate the Charlotte Transportation Center, perform preventative maintenance on bus small assets, purchase rail equipment, and overhaul light rail vehicles. The majority of the money will go to corridor development over the next five years, with 95 percent of that funding allocated to the BLE. CATS will spend \$11 million on revenue vehicles in FY11, complete the park and ride lot at Albemarle Road, buy rail equipment, and spend about \$24.6 million on the BLE as well as a little over \$100,000 on the work plan for the North Corridor. The annual cost of debt financing over the next five years ranges from \$15.7 million to \$11.4 million. The overall cost of debt service expense will be reduced when two debt issuances are retired during the five-year period. Five-year debt service expenses are due to buses, the South Tryon Bus Garage, and the South Corridor project. Ms. Pereira reviewed CATS financial policies established by the MTC and reiterated that the budget meets all financial policies. In February, CATS will discuss the transit operating program in detail. In March, staff will present the Transit Capital Program to the MTC and the budget to the Charlotte City Council. The MTC is scheduled to adopt the budget in April; the Charlotte City Council will approve the budget after April, and it will be included in the City's budget in June.

Discussion: Mayor Woods asked for clarification on when the MTC will vote on a fare increase. The public hearing will be in March; the fare increase decision will be made along with the budget. Mr. Messera asked what the projected farebox recovery ratio is for this year, and what was projected following a fare increase. Ms. Pereira replied that CATS views it as the relationship between operating expense and operating revenue. CATS anticipates a 24.5 percent relationship for this year, and a 28.5 percent for next year, but the pure farebox ratio is 17 percent. This is the relationship between expenses directly achieved from the service, the pass and ticket sales, service reimbursement, any other revenue associated with the service, and interest income.

Mr. Collett asked what percentage the fare increase has been in the last few years. Olaf Kinard, CATS Director of Marketing and Communications, said that the 2008 increase was around 15.5 percent. The previous increase was about 8.5 percent, and the one before that was around 8-10 percent as well. Mr. Collett said that ridership was down in the system. He thought that increasing fares by 15 percent may result in less ridership, which will mean fewer dollars. He asked what the elasticity of demand is in increasing fares, whether it may be better to keep prices in line and ridership up. Mr. Kinard said that since 1997, CATS has not seen a dip in ridership when fares were increased, but that was during strong economic times. Staff anticipates that there will be a decrease in ridership in this economy, but that it will rebound, as happened with transit fares in the recession in the early 1990s. Ms. Pereira said that CATS typically works with an elasticity of between 1.5 and 3 percent when calculating fare increases. Mr. Collett pledged to work hard to get the \$1 million shortfall from the State. Ms. Pereira noted that CATS fiscal year is from July 1 to June 30. CATS feels that the sales tax estimates are reasonable, but has not seen a pattern developing yet. City economists are comfortable with the projected three percent increase in sales tax.

Mayor Woods asked staff to provide alternatives to a fare increase. He noted that in private industry, they cannot control revenues but can control only expenses. Ms. Flowers said that if the fare increase is not approved, CATS will have to look at other alternatives to fill the revenue gap. CATS generally anticipates that ridership will dip for about five months after a fare increase and then recover. Ms. Flowers said that covering a \$2.5 million in revenue shortfall would require reducing revenue service by about 40,000 hours, which is significant. CATS has held discussions with the County to see if we can realize operational efficiencies on social services programs. CATS has a fiduciary responsibility to look at all services provided. CATS objective is to balance the budget. It must be balanced by the types of programs CATS offers, or a combination of the programs plus service changes, but CATS budget must be balanced by April.

Ms. Nuckles asked about the South Carolina express bus routes, noting that service to Rock Hill was recently initiated. She asked what percentage that category contributes to the total. Ms. Pereira said staff could send out that information. Ms. Nuckles stated that they were trying very hard to get people to ride Express buses to improve area air quality. She anticipated that a fare increase of \$0.50 would impact express ridership, and felt that it might be better to concentrate on increasing Express bus ridership to bring in additional revenue. Ms. Nuckles also questioned increasing bus life from 12 to 14-15 years, and asked if CATS looked at a mileage cap as well as a time cap. Ms. Pereira replied that FTA required that buses could be retired when they reach 12 years or 500,000 miles. CATS will be studying the results of increasing mileage or years over the next few months. It will reduce the budget on the capital side to keep buses longer, but will increase the budget on the operating side. In terms of bus resale value, Ms. Pereira noted that FTA restricts what a transit system may receive.

Mayor Swain complimented Ms. Pereira's explanation of budget, and asked for further explanation for the \$1 million shortfall from the State. Ms. Pereira said CATS has typically received about \$13 million from the State Maintenance Assistance Program. The actual State appropriation went down by approximately two percent, but CATS is unclear why its share went down as drastically as it did. The State has agreed to sit down with CATS to explain the reduction. Ms. Flowers pointed out that this amount is strictly for bus service; the State does not count rail hours. Ms. Pereira noted that the MTC had directed CATS to ask for reimbursement for the rail program as well.

Mr. Messera asked about the chart identifying sources of FY11 income. He asked whether CATS counts in the operating budget the interest earned in capital reserves and on the \$100 million required reserves. Ms. Pereira affirmed that CATS does. The capital program does not earn as much interest as before, so those funds are included in the operating budget. CATS receives the Federal and State grant funds as a reimbursement. The funds do not sit in a bank account, so interest accrued is very small. The decision to include capital grant interest income with operating income was a staff decision. Mayor Tarte asked if the decision should have been made by staff. Mr. Roberts asked about the fund balance of \$103 million for FY09. The balance for FY10 is projected at \$104 million, and \$105 million in FY11. CATS internal policy is to maintain a fund balance of \$100 million. Mr. Roberts asked what was needed yearly in the fund balance on an ongoing basis. When City Finance ran the trial balance, Ms. Pereira said that CATS was just below \$100 million, but the maintenance of effort had not been booked yet. When the maintenance of effort was booked, the

balance jumped to \$104 million. Ms. Pereira said that staff can provide MTC members with information on monthly interest income versus expenditures. Mr. Roberts wondered if taking a million or two from the fund balance would hurt overall borrowing power. Ms. Pereira said that the small addition over \$100 million helps with Federal grants. When doing ordinances, CATS needs to have a level of funding appropriated in anticipation of receiving the Federal loan. CATS staff can determine if it would be better to keep the fund balance right at \$100 million.

Mr. Roberts expressed interest in receiving information on CATS current outstanding debts, the rates, and maturity dates. Mr. Collett asked whether the \$171 million in debt was for the entire CATS operation, including light rail. Ms. Pereira confirmed that it was. CATS has had four issuances of debt in its history. Two will be retired over the next five years, and two will be carried forward. Mr. Roberts asked if there is a way to slow capital improvements over the next five years to save dollars and keep fares in line. Ms. Pereira said that is an MTC decision. The capital program is already restricted now due to lack of funding.

Mr. Fox asked about farebox revenues. When the system began, he recalled that the goal was to maintain 25-33 percent of farebox revenues. Ms. Pereira said that 33 percent of the operating balance is to be contributed to the capital program. Financial policies are that farebox revenues have to average 20-33 percent. Over a 10-year rolling period, CATS must average 33 percent. This is in the policies under the heading of the relationship of operating revenue to operating expense. Ms. Pereira said that if the MTC would like change financial policies to specify a pure farebox ratio, CATS can do that. Ms. Flowers cautioned that when a specific farebox ratio is specified, the system will have to be ready to raise rates in order to stay at that ratio.

Mr. Jones asked what assessment tool was used to determine the risk of impact. Ms. Pereira replied that information is provided by City Risk Management. Mr. Jones said that risk and impact for rail are shown as low for FY11 but the risk level is rated as high in 2012, and he wondered why risk went from low to high in one year. Ms. Pereira replied that when the system was first opened, the amount of risk was rated as extremely high. However, the rail system's first-year performance has allowed a reduction in the risk level.

Mayor Tarte asked for the reasoning behind moving security from CMPD officers to private officers. John Trunk, CATS Director of Transit Support Services, said it was a cost issue. Allied Barton can provide a net increase of one private armed officer and still achieve a savings. Mayor Tarte expressed concern about salaries. Ms. Pereira said that CATS has built in a two percent increase. For City employees, any increase will depend on the City Council voting for employee increases. If no increase is approved, the money will go back into contingency. The second part of the salary issue is that salary will have to be negotiated for union employees. The unions did not take an increase last year, but they did not suggest that they would defer an increase for two years. Ms. Pereira noted that City staff also received no increase last year. Mayor Tarte cautioned that CATS should be careful about holding salaries flat for two consecutive years, as it impacts morale. CATS needs to take care of and reward good employees.

Mayor Tarte asked about grant capital. Ms. Pereira stated that most of the Federal and State grant allocations are anticipated to be for the BLE, although regular formula grants are also included in the total. The BLE is budgeted for 50 percent from the Federal New Starts program, 25 percent from the State and 25 percent from local funds. Mayor Tarte was concerned that if the next five-year budget allocates 27 percent of the build-out for the BLE that we were effectively saying that line was the next thing that would be built, since it was the only budgeted project. Ms. Pereira replied that the BLE is the only line approved by the FTA to move forward. Since there is not a Full Funding Grant Estimate in place, all BLE figures in the budget are estimates based on the financial plan submitted with last year's New Starts submittal. Nothing is currently guaranteed; all funds are discretionary. CATS also is not allocating funds for streetcar; the project is currently funded by the City of Charlotte.

Mayor Taylor noted that the STSII service is projected for elimination, and asked for details about that service. Larry Kopf, CATS Chief Operations Planning Officer and Interim Manager of Bus Operations, replied that the service was initiated in 2005-06. CATS is required under the Americans with Disabilities Act (ADA) to provide door-to-door service for people with disabilities within $\frac{3}{4}$ mile of local routes; the STSII service goes beyond that. CATS does not project cost savings because the current STS priority is to provide trips required by the ADA. CATS currently denies trips that are beyond $\frac{3}{4}$ mile of local routes. Mr. Brice said that it might be helpful to talk about financial policies before budget presentations, to help newer MTC members, and to refresh the memories of older members. Mr. Brice said the most important policy is the overall 2030 Plan. Ms. Flowers said CATS staff could make a presentation on that next month. Mayor Woods thanked CATS staff for its leadership, high morale, and hard work during this difficult time.

b. Enhanced Bus Grant

John Muth

Mr. Muth said that he would talk about the bus livability grant first, and then the urban circulator grant. USDOT announced two grant opportunities in early December, both of which are due February 8. The Bus and Bus Facilities Livability grant will make funds available to purchase new or replacement buses and to construct bus related facilities. FTA would fund 80 percent of the project cost; the local match required is 20 percent. Mr. Muth reviewed the grant's evaluation criteria. CATS will submit an application for a \$15 million project, with \$12 million from Federal funds and \$3 million from the local match. The \$3 million in local funds are already allocated for bus purchases in the current budget, so this represents no additional budget money.

This grant would allow CATS to expand the Sprinter service down the Central Avenue corridor and out Beatties Ford Road. This will interline the Central Avenue corridor with Sprinter Airport and will provide a quick connection to LYNX. CATS will purchase hybrid-electric buses and construct Enhanced Bus stops. Mr. Muth reviewed the Sprinter Airport service, a phased approach for future streetcar service in those locations. Local routes would continue to run, so the expansion of Sprinter service to Central Avenue would provide customers a choice of local or "Express" service, with a bus coming every ten minutes. Mr. Muth reviewed the operational benefits of Enhanced Bus service, including a 40 percent improvement in bus maintenance costs for hybrid buses, and how the Enhanced Bus will integrate with the system. CATS will finalize information and submit its application by the February 8 deadline.

The maximum Federal contribution per project for the Urban Circulator Grant opportunity announced in December is \$24.99 million. The City is required to provide a minimum 20 percent match or \$6.25 million. The grant cannot be used for planning and design, but can be used for construction and construction of right of way. Mr. Muth presented the alignment of the streetcar project proposed for the grant. The proposal is to use three Gomaco trolleys CATS already has for this service. Mr. Muth said that Charlotte City Council decided on Monday night to move forward with the grant application for streetcar, and reviewed funding sources for the \$12 million local match, which will come from the City's budget. The City will also come up with the annual operating costs if the grant is awarded and this urban circulator is built.

Discussion: Mayor Swain said that she had read that Beatties Ford corridor had experienced a ridership decrease. Mr. Kopf responded that connecting neighborhood shuttle services were reduced in March, but not the buses along Beatties Ford Road. Mr. Muth said that CATS will try to get letters of support from the neighborhoods for both grant applications. CATS anticipates working with Holland and Knight to carry the application forward once the grant application is submitted. For the streetcar, Mr. Brice asked if this grant had consequences for streetcar's later participation in the New Starts or Small Starts grant programs. Mr. Muth said this grant's award would not preclude pursuing Federal funds for future phases of streetcar, if those phases were eligible for funding. Mr. Muth said that CATS is part of the City team working on the project. Staff time is devoted to the project, but no CATS capital or operational funding is involved. Staff time is paid out of the City funding for the project. If the City builds the project, CATS would operate it, but the City would fund the operating cost. Mayor Woods asked whether this project has any impact on the North Corridor project. Muth said that the North Corridor project would not be eligible for funding under the Urban Circulator Program, so the streetcar grant application does not impact the North Corridor project. Staff time is still allocated to the North Corridor project.

VIII. **Chief Executive Officer's Report**

Carolyn Flowers

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

a. Streetcar Technology Showcase:

Ms. Flowers invited everyone to attend the Streetcar Technology Showcase on Friday, January 29 from 8am to 6pm in CMGC room 267. Vendors from several companies will display new technologies for streetcar systems.

b. February 1 service changes:

Ms. Flowers reviewed the February 1 service changes. A full listing is available on CATS website.

Discussion: Mayor Swain asked for consideration of route adjustments between Stumptown Road and the Salvation Army. Mr. Kopf said that CATS was aware of the issue, and is investigating that matter. She thanked CATS for the new Huntersville Gateway Park and Ride at Exit 23 for the 48X Huntersville Express; she understands it is already full.

c. BLE FTA submission:

Ms. Flowers noted that CATS needs letters of support from regional transportation officials for the next BLE submission to the FTA's Blue Line Extension project. CATS staff will distribute letters for MTC members' signatures.

d. Fuel spill:

Ms. Flowers noted that there was a recent fuel spill. Every step was taken to mitigate the impact. The fuel spill is now contained.

IX. Public Comment on Agenda Items

Charles Strickland asked that the MTC consider making the proposed fare increase a temporary increase, based on economic conditions, one that could be rescinded in the future. He believed that ridership lost due to a fare increase would be a permanent loss. If the fare increase was proposed as one that could be rescinded when sales tax revenue comes back, he felt that riders would understand, and fewer riders would abandon transit. He also urged CATS to provide regional buses so people could come from surrounding areas to shop in Charlotte and contribute to the county's sales tax revenue. CATS has experienced a ridership loss as workers lost jobs and found new jobs in the suburbs. Those riders cannot take the bus because the commute takes two hours.

X. Other Business

Mayor Woods introduced Carroll Gray, Executive Director of the Lake Norman Transportation Commission. Mr. Gray invited MTC members to participate in an event Friday morning, January 29, 2010 at Central Piedmont Community College-North Campus Auditorium. The Urban Land Institute will present its final report on the economic potential for the north Mecklenburg County region. Several MTC members are on the panel. Sponsors include the City of Charlotte, CATS, four towns, and 30 private donors for this public-private venture.

Mayor Woods added that a review of the 2030 Plan would be helpful, including a discussion of the regionally-published report concerning the central station of Charlotte and the preferred alternatives for the various corridors. Mayor Tarte said he would like to enter a process to revalidate the assumptions and priorities of CATS. The public is asking questions, technologies have changed, so the MTC needs to do due diligence to see if current plans are appropriate. Mayor Woods asked when the 2030 report was adopted. Mr. Muth said it was adopted in 2002 as 2025 Plan, and updated in November 2006 as 2030 Plan. Mayor Woods said that he would like to discuss at a future meeting the effect of the deletion of cost effectiveness from the formula for commuter rail and how that affects our current status. He felt it would also be helpful in the first quarter or early second quarter analysis of all lobbying efforts, to know what the focus is, and where CATS is spending that effort.

XI. Adjourn

The meeting was adjourned at 7:20 pm by Mayor Woods.

NEXT MTC MEETING: WEDNESDAY, FEBRUARY 24, 2010, 5:30 PM