

# METROPOLITAN TRANSIT COMMISSION

## MEETING SUMMARY

June 23, 2010

---

Presiding: Jennifer Roberts (Chairman, Mecklenburg County Commission)

Present: Curt Walton (Charlotte City Manager)  
Mary Barker (CTAG Co-chair)  
Terry Lansdell (TSAC Acting Chair)  
Bobbie Shields (Mecklenburg Assistant County Manager)  
Sarah Nuckles (SCDOT Representative)  
Mayor Jeff Tarte (Cornelius)  
Mayor John Woods (Davidson)  
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

The regular meeting of the Metropolitan Transit Commission was called to order at 5:35 pm by MTC's Chairperson, Commissioner Jennifer Roberts. Members introduced themselves to Mary Barker, the new Co-chair of CTAG.

### II. Review of Meeting Summary

The meeting summary of May 26, 2010 was approved as written.

### III. Transit Services Advisory Committee Chair's Report

**Terry Lansdell**

At its June meeting, TSAC discussed the relationship between CATS and CMS and the possibility of CATS assisting CMS with magnet school student transportation. They also talked about the upcoming schedule change and discontinuation of regional service to Lincoln County. TSAC discussed travel markets and how they are used in forecast monitoring. TSAC will not meet in July.

**Discussion:** Mr. Lansdell reported that there were various meetings throughout the month between Larry Kopf, CATS Chief Planning Officer and Interim Manager of Bus Operations, and representatives from magnet schools and other schools. Mr. Kopf also met with Dr. Peter Gorman, CMS Superintendent, to explore opportunities to incorporate public transit and determine whether every opportunity has been covered to incorporate CATS routes with CMS routes. Commissioner Roberts said that neighborhood schools have more overlap with CATS routes than magnet schools, and said that the conversation will continue. Mr. Messera remarked that CMS should look at transit opportunities when designing school boundaries, particularly for high schools. Mr. Lansdell commented that anecdotally, magnet school students see bus stops as a way to go home more so than as a way to get to school.

**IV. Citizens Transit Advisory Group Chair's Report**

**Mary Barker**

CTAG met on June 15. Staff members reviewed the fare enforcement update and were told that less than one percent fare evasion occurs on the Blue Line (0.4 percent in the May blitz, down from 0.5 percent in August 2009). Members also received an overview of MTC policies and procedures including the advertising policy. (The North Davidson facility equipment will be reinstalled and new equipment installed in September.) The North Davidson facility is scheduled to reopen in late 2010. Former Governor Dukakis visited Charlotte and was very impressed with the area's transit system.

**V. Public Comment on General Items**

None.

**VI. Action Items**

**a. Name a Red Line Task Force**

Mayor Woods said that a group of MTC members, community leaders, and transit staff have been meeting informally and discussing the need to restart the North Corridor work. Now is the time to formalize the ad-hoc committee to work together to find alternative means to finance and advance the Red Line Commuter Rail Project. Mayor Woods listed the proposed committee membership.

**Discussion:** John Joye, Senior Assistant City Attorney, advised that the subcommittee have no more than four voting members from the MTC to avoid quorum issues. Commissioner Roberts suggested that the Vice-chair of the Mecklenburg County Commission take her place on the committee. She will attend meetings as a citizen if she wishes. Commissioner Roberts also suggested that membership be appointed based on position rather than individuals.

**Resolution:** Mayor Tarte motioned that the Red Line Task Force subcommittee be appointed with the membership changes suggested; Mayor Swain seconded. The MTC voted unanimously to appoint the Red Line Task Force as a standing committee of the MTC. As a committee of the MTC, the task force will report to the MTC on its findings, activities, and progress toward a viable and timely financial plan for the Red Line. The Task Force will be comprised of the mayors (or designee) from Davidson, Cornelius, Huntersville, and Charlotte, as well as the Vice Chair of the Mecklenburg County Commission (or designee), the Executive Director of the Lake Norman Transportation Commission, and one representative each, selected by the MTC, from Mooresville and Iredell County. CATS staff will advise and assist the committee as it does with other standing committees of the MTC.

**VII. Information Items**

**a. Fare Enforcement Update**

**John Trunk**

John Trunk, CATS Assistant Director of Transit Support Services, said this information is an update of the report staff gave MTC members in November 2009. A fare blitz is a random snapshot of fare compliance at a particular station at a particular time. CATS is evaluating other transit agencies' procedures to ensure fare compliance. CATS frequently adjusts times and locations for blitzes so riders will not be able to anticipate when fare blitzes will occur. Permanent signage has been ordered for Fare Zone areas on stations. In the August 2009 blitz, less than 0.5 percent did not have a valid ticket. Only 0.4 percent of passengers in the latest blitz, on May 6, 2010, did not have a valid ticket (7 out of 1,695 riders). Similar

systems around the country report fare evasion rates of 2-10 percent. Mr. Trunk noted that effective July 1, CATS will add nine AlliedBarton sworn company police officers who will be assigned to ride the train. The increased security presence will give greater security visibility on light rail vehicles.

**Discussion:** Mr. Messera asked if the AlliedBarton company officers will check fares. Mr. Trunk said that they will check fares as part of their duties while riding trains. Since January, CATS has augmented the five fare checkers with other AlliedBarton personnel. CATS believes that increased fare checking will have a positive effect on fare compliance. Mayor Taylor asked if people count as trying to evade a fare if they turn around and walk away when they see fare checkers at stations. Mr. Trunk replied that it is impossible to judge intent. Mr. Lansdell mentioned a light rail ride he had with fare checkers on board, and asked how fare checkers know how many fares they have checked. Mr. Trunk said fare checkers have clickers to keep track of the numbers of fares they have checked.

**b. Exterior Advertisement Update**

**Olaf Kinard**

Olaf Kinard, CATS Director of Marketing & Communications, said that his presentation would be on all advertising revenue opportunities, not just exterior advertising potential. When the pilot program was implemented with the Bobcats in April, staff promised to report on the results. Mr. Kinard reviewed the history of exterior bus advertising. Advertising revenue declined after 1996. In June 2000, the MTC approved discontinuing exterior advertising due to declining revenues and the feeling that exterior advertising competed with the new CATS brand. CATS continued interior advertising for bus and rail. Interior advertising has limited potential and may be able to generate approximately \$60,000 per year. Mr. Kinard noted that the Bobcats advertisements were a good example of exterior advertising that did not compete with the CATS brand. The Bobcats bought two ads for six light rail vehicles, one on each side. The ads were on vehicles for a little over two weeks, the length of the Bobcats' playoff run. The ads brought in about \$14,400 in revenue, which should be received in July. CATS has also done off premise advertising on light rail tickets for Texas Roadhouse at the I-485/South Blvd. Station and convention ticket sales advertising as with the 2008 ACC Tournament. CATS issued a RFP for constructing advertising kiosks at the LYNX stations, but held off on installing kiosks after the economy soured. Budget issues only allow for the flat-screen kiosks for advertisements at half of LYNX stations. In addition to ads, the kiosks could be programmed to give information of interest to riders, such as train arrival times.

There are other advertising avenues such as at bus shelters and benches, Wi-Fi networks, naming rights, schedules and maps, and other areas. Each possibility has associated issues and may require changing legal ordinances prior to implementation. CATS reviewed comparable agencies to determine potential revenue, and estimates that for our market the total revenue potential from exterior and kiosk ads would be from \$1,400,000 to \$2,300,000 annually in a non-recessionary period. Contracts are typically handled by an outside vendor. Mr. Kinard reviewed maintenance issues associated with the ads. A problem for the exterior bus advertisements in the 1990s was the glue, which attracted dirt. Adhesives have improved dramatically since then. Mr. Kinard reviewed the types of advertisements that are not allowed under current City policies.

**Discussion:** Mr. Messera asked what the estimated payoff was on the kiosks. Mr. Kinard said that if the sell-through rate was 50 percent with 10-15 percent commission, it would take two to three years in a good economy to recapture the capital investment, which is roughly \$650,000-700,000. The stations selected would be high-traffic stations such as the Charlotte Transportation Center (CTC), 3<sup>rd</sup> Street Station, and I-485. An RFP was issued and a vendor selected, but CATS decided to delay the project due to the current economy. Mr. Kinard noted that advertisements in elevators and on the Ticket Vending Machines (TVMs) would require an ordinance change. Exterior advertisement costs on buses and LYNX vehicles include application and removal. There were no maintenance issues with the Bobcats ads, but they would occur in regular use. There will also be issues if kiosk equipment is vandalized and CATS has to replace them through its insurance and risk policies. In April, Mayor Tarte had a question about the advertising policy indicating that the word “upon” was used when there was to be no advertising on the exterior of vehicles. Mr. Kinard noted that an old policy had been used and that the current policy states that advertisements are allowed only inside vehicles or at rapid transit stations

Commissioner Roberts asked about the kiosks. Mr. Kinard said that CATS would need to find someone to sell advertisements and install and update software. Mr. Messera stated that CATS will not see net revenue from kiosks for three years, and Mr. Kinard agreed. Commissioner Roberts said that she thought space on kiosks at Uptown stations would be easy to sell. Mr. Kinard responded with the types of advertisements that might have potential. Ms. Nuckles asked about NASCAR advertisements. Mr. Kinard said that he thought that the Hall of Fame might be interested in advertising during certain times of the year. Other short-term arena events such as the circus, concerts, etc. may have a greater potential than just the Bobcats.

Mr. Lansdell commented that protection of the CATS brand was important when the sales tax was first passed. He wondered how many ads CATS would need to sell to achieve revenue of \$300,000 per year. Mr. Kinard replied that it depends on the sell-through rate, how many vehicles are sold and for how long a period of time. CATS will need to specify a minimum number of vehicles to be sold in order to make an exterior advertisement campaign worthwhile. Kiosks are included in the current policy. Commissioner Roberts said that she understands the brand, but money is needed now. The Bobcats advertisements on the LYNX exteriors looked great. If the policy is well-written, it can be managed so advertisements are attractive, provide a good source of revenue and also add to the excitement of Center City. Mr. Messera noted that the highest revenue potential is on the buses; Mr. Kinard acknowledged that the bus fleet is larger and so has a higher potential. (The amount projected for the buses assumes advertisements only, with no wraps.)

Mayor Tarte commented that he sent an informal e-mail on the subject to about 40 people, all of whom were in favor of exterior advertising. Mayor Swain stated that with her advertising experience, she felt that it comes down to quality and standards. CATS' standards will have to be high and thorough, so nothing slips through that will be an embarrassment to the CATS brand. Commissioner Roberts asked if MTC members wished to consider the action, when a vote would occur on changing policy. Mr. Kinard said that MTC would need to let staff know what they wanted to change. The August MTC calendar is fairly full, but the matter could be considered in August or September.

Mayor Swain asked Mr. Kinard's opinion. He said that he felt that the fleet will reach a size when the matter is hard to ignore. That may be when we get to the second or third rapid transit line, but it is the MTC's decision. He stated that he is a brand-believer, and so would try to make sure that the brand was protected. Mayor Tarte asked for a show of hands on whether people would consider advertising. Mr. Messera said that he would be in favor of advertisements at stations, but not on buses. Commissioner Roberts asked if members wanted to bring this back at a future date. Mayor Taylor commented that it must be done tastefully. Mr. Kinard remarked that CATS surveyed customers two to three years after eliminating advertising. The branded buses were perceived as being more professional. Mayor Tarte asked if CATS had graffiti problems when exterior advertising was allowed, and Mr. Kinard replied that certain ads tended to be targeted. Commissioner Roberts said that if the August calendar is too full, the MTC can consider the item for action in September. The action will be worded to allow MTC members to choose specific items for advertisements.

### VIII. Chief Executive Officer's Report

Carolyn Flowers

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

- a. **Ridership:** Ridership for May 2010 increased 3.3 percent over May 2009, the second month of ridership recovery. Bus ridership increased 3.4 percent, which is a hopeful sign, and Blue Line ridership was up 9.1 percent. Saturday rail ridership reached a record 35,703 on the Saturday before Memorial Day during Speed Street.

CATS has experienced media attention on ridership, including a write-up in *Progressive Railroading*. Atlanta is looking at Charlotte as a model. A documentary crew came from Atlanta this week. The Federal Railroad Administration (FRA) will be here June 29-30 for a tour of the Blue Line and Blue Line Extension. The FRA will also receive an overview of the Red Line.

- b. **Funding Opportunities:** Ms. Flowers reported that CATS has applied for livability grants under TIGER II for bus purchases. CATS has also applied for several other grants to augment funding sources for the capital program. Among them are grants to maintain and restore facilities and amenities at the North Tryon and North Davidson Street garages, a grant to renovate the CTC, and grants to update the asset management system and automatic passenger counters. The grants require a local match, so CATS will look at matching if selected as recipients for these grants. These are pre-award grants, so CATS will have to be approved by the FTA in the pre-award phase of the grants.
- c. **Stockholders' Meetings:** Ms. Flowers listed the current schedule of eight stockholders' meetings in July and August to discuss the area's transit vision and to gather public opinions. Everyone who pays sales tax in Mecklenburg County is an investor in the transit system, whether they use the system or not. All corridors are represented, because CATS would like to connect with the entire county through these meetings.
- d. **Transportation Safety:** Ms. Flowers reported that CATS will conduct active campaigns around rail and bus safety. This is a precursor to a task force Curt Walton has set up to reduce workers' compensation costs and risk management. CATS will post reminders on actions the public can take to protect themselves around stations and parking lots. This weekend, there will be a transit emergency drill at the I-485 station, in conjunction with

local first responders and federal agencies to train for possible emergencies. CATS seeks volunteers for this drill.

- e. **Service Changes:** CATS will implement service changes and fare increases with the beginning of the new fiscal year. Mr. Messera asked about the Lincoln County Express. Ms. Flowers replied that Lincoln County indicated that they would not be able to fund that service any longer, so it will be discontinued. The Lincoln County Express will be replaced by Route 88x – Mountain Island Express, which will operate only within Mecklenburg County.
- f. The August meeting will include a presentation on the Blue Line Extension.

**IX. Public Comment on Agenda Items**

None.

**X. Other Business**

Ms. Flowers explained that Gold Rush funding commitments from Bank of America will be phased out over the next three years. CATS still has funding commitments from Center City Partners and Wachovia/Wells Fargo, and will adjust service frequency to match revenue. CATS is seeking other public-private partnerships between Johnson C. Smith University, Central Piedmont Community College and Presbyterian Hospital to expand service to the Elizabeth Avenue-Beatties Ford corridor. CATS is also seeking Congestion Mitigation and Air Quality (CMAQ) funds to expand the service to the east.

When the Bank of America subsidy is phased out, Gold Rush funds will be reduced by approximately \$230,000. Mayor Taylor asked if CATS had considered charging riders a small fee of \$0.25 or \$0.50. Ms. Flowers replied that the service is subsidized by the State; the subsidies would be lost if the service was no longer free for riders. Finance will determine what the breakeven point would be if CATS charged for the service and lost State subsidies.

MTC members voted to cancel the July meeting.

**XI. Adjourn**

The meeting was adjourned at 7:00 pm by Commissioner Roberts.

---

NEXT MTC MEETING: WEDNESDAY, AUGUST 25, 2010, 5:30 PM