

CITIZENS TRANSIT ADVISORY GROUP (CTAG)
Meeting Summary
February 19, 2014
DISCUSSION SUMMARY

Present: Hugh Wrigley, CTAG Co-Chair
Rob Watson, CTAG Co-Chair
Kate Payerle, City of Charlotte
Gus Kretschmer, City of Charlotte
Christy Kluesner, Charlotte Mecklenburg Schools
Matt Covington, Mecklenburg County
Jane Dunne, Town of Mint Hill
Kenneth Carnes, Town of Cornelius

Staff: Carolyn Flowers, John Muth, Allen Smith, Austin Faulk, Larry Kopf, Kirk Scott, Dee Pereira, Brandi Decker, Wanda Braswell

Meeting time 7:30 a.m. – 8:35 a.m.

I. Call to Order

Hugh Wrigley, CTAG Co-Chair, called the meeting to order at 7:30 a.m.

II. Approval of January 21, 2014 meeting summary

The meeting summary was approved as written.

III. Budget Overview

CATS CEO Carolyn Flowers stated that CTAG's primary role is to recommend a budget to the MTC in April. CATS staff continues to see constraints in the budget while managing the BLE expansion. The Transit budget is predicated by state funding. We will have a public hearing on March 26 regarding a proposed .20 fare increase. The increase is to help with a debt reserve and to increase bus operation hours. Staff is looking to preserve the ADA services by adding positions. The City of Charlotte has an escalated cost of three percent. Sales tax is based on the same level of services. Operating expenses and revenue for the streetcar starter project will include positions (12 for streetcar; four for STS and four for BLE). Those positions will fall under rail operations. Rail operations is working to develop a training program. These are the first additional positions since 2008. Our capital program was impacted by sequestration and the state matching funds. The debt reserve is due to the BLE because we had to do short-term borrowing.

Dee Pereira added that CTAG received an executive summary of the FY2015 budget and the five year CIP. There are three key factors to developing the budget (the dedicated half-cent sales tax; the 2030 Transit System Plan; and the CATS financial policies) Sales tax revenue provides a source of funds for the operating budget and the local share of the capital budget. The 2009 recession has significant impact on the sales tax; a \$3.2 billion reduction in revenues. Staff will revise the 2030 plan that was adopted in 2006. The original assumptions

are no longer valid. The fleet would have increased accordingly if it were not for the recession. The Transit Funding Working Group, introduced by Mayor Foxx, is working with staff to meet goals for the entire system and to build community awareness. CTAG is guided by the financial policies to qualify for debt financing. The unrestricted fund balance and the revenue reserve account protect the sustainability of the CATS programs.

The FY2015 operating budget and FY2015-FY2019 CIP were developed considering the potential impact of limited transit funding for our programs: federal funding has been reduced; the changes in the state program and the funding formula and need for appropriate legislation to allow for creative approaches in transportation funding.

Transit will receive \$25 million annually for BLE. MTC changed the sales tax policy in 2013 to pay the debt service then the operating expense. The \$9 million increase is an escalation from Huntersville, Mecklenburg County and City of Charlotte maintenance of effort. CATS will assume full management of the transit center; however, that is not new income. The proposed fare increase is a part of the MTC policy. The sales tax available for operation is much lower. Rail will start taking delivery of four cars; the reason for staffing. Dee added that the CIP can be funded through grants.

The FY2015-2019 Community Investment Plan includes rapid transit construction of the BLE; fleet replacement; upgrading the automatic train protection (ATP); replacing / upgrading the radio equipment, upgrading the route scheduling system, replacing the 21-year old fare box system and upgrading bus stops to ADA standards. **NOTE:** The ATP system will take over the car if there is a human error. The system can sense objects on the track and will automatically stop.

Q: Is there an increase in the Maintenance of Effort?

A: We will get three percent from Mecklenburg County, the City of Charlotte and Huntersville.

Q: How much from the City of Charlotte?

A: \$18.6 million. The city paid \$19 million this year. The City of Charlotte has the largest amount. The Interlocal agreement had a set amount. This is the second time that the City of Charlotte has paid their share. Transit has to request the funds from the towns and the county.

CTAG is asked to make a budget recommendation during the April meeting.

IV. CEO's Report

Carolyn Flowers thanked the finance staff for preparing the budget. She also thanked staff for the response to the snow. Rail staff stayed in the facility for 36 hours. This took a huge effort to ensure services were delivered. She is working with American Public Transportation Association (APTA) on the re-authorization of funding. CATS started a campaign that APTA will run.

The legislative conference is March 10-12. The conference provides an opportunity to meet with the elected official and talk about funding for transit and for roads. A streetcar coalition

meeting is March 12-13. The East Coast P3 Infrastructure conference is March 5-6 in Charlotte. The Charlotte Chamber is sponsoring. All but the closing speaker has been secured. North Carolina P Transportation Association is April 7-9. We will also host the 2016 Revolution and the APTA bus conference in 2016. CRVA gave CATS an award for the conferences.

BLE status: some issues with utilities movement. It is private and public utilities. Duke and AT&T are working with CATS. The first civil contract was awarded. The current system will need to integrate with the new system.

We applied for a smart starts grant for another 2.5 miles in center city.

Q: Does the utility delay have a budget impact?

A: Although we included it in the budget, any delay does impact the budget. The change board reviews the major change orders. The project is currently \$7 million below the projected cost.

Q: Where does the silver line fit into the plan?

A: After the ULI study, it is time to review the major investment program.

Q: Will there be bus rapid transit in the center of Independence?

A: It is possible to run BRT on that corridor; however, it will not be in the center. Running in the center does not help economy development.

Adjourn

The meeting was adjourned at 8:35 a. m.

NEXT CTAG MEETING: MARCH 19 AT 7:30 AM