



**CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY**  
**BOARD OF DIRECTORS MEETING**  
**2910 East Fifth Street Austin, TX 78702**

**~ MINUTES ~**

Executive Assistant/Board Liaison Gina Estrada  
512-389-7458

**Wednesday, November 4, 2009**  
**12:00 PM**

**12:02 PM Meeting Called To Order**  
**12:54 PM Meeting Adjourned**

**I. Call to Order**

**II. Action Items:**

**1. Resolution (ID # 1473) Fare Structure Change**

Approval of a Resolution Authorizing the Interim President/CEO or His Designee to Implement the Fare Structure Rate Adjustment Pursuant to Texas Transportation Code § 451.061(D).

Randy Hume, Finance gave a brief presentation on the Fare Structure

Chair Gomez - How long, if it goes January 18th through?

Randy Hume - No specific time when but our long range financial plan will be fiscal year 2010, normally we plan to raise the fares every year. It will probably be August 2011 or January 2012.

John Cowman - Does it mean that we are going to raise the fare every year, look at the fare year, doesn't mean we are automatically going to raise it?

Hume - We will be bringing back a more comprehensive fare policy which talks about fare recovery and index those fares to our cost.

Mike Martinez - Do we have a 3 or 5 day Rail pass?

Hume - We have a day pass and a 31 day pass.

Martinez - If I came in town for 3 or 4 day convention I would have to buy a pass for each and every day?

Hume - For Rail you would, we have a 7 day pass for the buses. We provided that for lower income individuals as an alternate so they would not have to put out so much and still get a discount.

Martinez -Does our ticketing system on the Rail line have the capability of paying for and creating a multiple day pass?

Hume -We would have to create it and put it on there but the equipment is capable of handling that, not a general one but our ticket machines do accommodate that.

Martinez - Do we have a pass that is interchangeable between Rail and Fixed Route service?

Hume - The day pass on Rail and the 31 day pass is good for all services.

Martinez - Out of all these line items which ones are highest revenue generation line? Is it the fixed ride single cash ride adult or something else?

Hume - I believe the single ride cash and the day pass.

Martinez - The fixed route single ride adult coupled with the fixed route day Metro pass?

Hume - Yes

Martinez - Those are the highest revenue generation?

Hume - Yes, the highest revenue generated.

Martinez - Do you know by what percentage or dollar amount?

Hume - I believe those two together generate over a million dollars.

Chris Riley - Comparison between the current proposal and the one for August 2010, what is on the table now is steeper than what we had contemplated for August 2010.

Hume - Yes, that is for the 31 day passes and MetroAccess.

Riley - Also for the Express Routes, those are higher? Can you go over and explain why we would propose something higher than we originally contemplated for August?

Hume - Yes, people that were riding Rail and Express could afford the fare, considered choice riders we could afford to charge them more so that's what moved those. The 31 day pass we always had in our plan to have our discounts in concert with other transit systems do. The 40-50% discount that we have is a very good discount compared to transit systems. In 2007 we proposed something similar. ADA allows us to have twice the base fare which would be \$2.00.

Mike Manor- When we approved the budget on 9/28/09 we didn't have the fare increase in mind at that time?

Hume - We pulled back in August and decided to use some of the Stimulus funds that were for the operating system so that is why we did not have that fare increase built into the budget. When the budget was approved part of that approval was for us to go back out and free up some of those Stimulus funds for more capital projects.

Manor -With those Stimulus funds will that help us determine if the Rail will operate on schedule? Not having those funds will we still be able to operate the Rail?

Hume - I am not a Rail expert but I do know where we plan to spend those to help us be more efficient like when some cars have to slow down this will allow those cars to operate at a faster speed.

Manor - Will the Rail be able to run without the 2.6 million?

Doug Allen - The two locations we anticipate the Stimulus money to be used, on is called the Austin Wye. That location is single track operation with a potential possible derailment, straitening that out would give us greater reliability. The other location is by the Lakeline station to extend a passing siding which would allow us to have more reliability of the schedule.

Manor - Do we have an estimate on how much it would cost per mile on the Rail? Passenger mile.

Allen - These 2 projects are about 5.6 million dollars.

Todd Hemingson - The two projects you referenced to downtown Wye is estimated at 1.5 million and second project around 5 million. We are optimistic that our bids will come in substantially lower; we hope to do both those projects with the Stimulus money that is under discussion.

Manor - We allowed for the 5% sales tax in our budget for FY2010? Did we allow for a 5% drop in sales tax?

Hume - Yes sir.

Manor - When we get to running the Rail will what we have in the fare at this time, would that be a wash for what it is costing us to operate the Rail once it starts running? Will we be able to cover the cost expense or would it be a deficit?

Hume - The Rail would still operate. With this increase our bus recovery rate would be a little over 10% our Rail would be 12.5 - 13%, a small percentage of the total cost.

Manor - Will there be a percentage of the bus recovery that would need to go to Rail?

Hume - The bus fare goes to cover the bus, a little over 10% even with this fare increase. The sales tax is still what is subsidizing both, the Rail would be less subsidy. Right now.

Manor - How much of the sales tax is committed to the Rail?

Hume - Our overall budget for Rail is about 4.1% of our total budget committed to Rail.

Riley - Last slide on Non profit, disabled, seniors, and military, nothing that targets low income folks. What are we doing to address this where low income folks don't fall into any of the categories?

Hume - Agencies buy discounted passes at half price, they usually provide for free. CMTA focuses on how we can expand the network. We put seed money in our budget for that.

Riley - How much seed money?

Hume - About \$200,000.

Cowman - Based on that line of questions, how many agencies do we actually deal with?

Hume - A little over 100.

Cowman - MetroRail, for Leander is \$3.00 enough for us to be paying? We like to pay our fair share.

Hume - We have express buses and that is \$2.50.

Cowman - Buses in Leander is that enough?

Hume - Yes it is fair.

Cowman - We will pay what is fair, what FTA has recommended for fares?

Hume - They have guidelines related to seniors & disabled fares during off peak hours they can ride for half fare.

Cowman - What would that be? That is half fare of a dollar?

Hume - Yes, that is .50 cents.

Cowman - What is our proposal?

Hume - Our proposal is a quarter. The 31 day pass we are currently at \$36.00 and we are asking to go up to \$70.00?

Hume - Yes, for Rail.

Cowman - Regarding Stimulus funds, approving this as recommended by staff what would be the offset?

Hume - We would not have to use Stimulus funds.

Cowman - Is there any excess?

Hume - Yes, a \$200,000 dollar excess.

Cowman - What would that be used for?

Hume - Right now could be used for reserves.

Cowman - We could use that toward bus stops for accessibility issues.

Hume - Yes.

Manor - Not saying that we are a social service but we are moving people to access sources, this business is a social situation, we are a people service. Can we serve the following benefits? Social equity & quality of life benefits? We do have some ethical consideration of what some social impacts are. We are an ozone attainment system which also distinguishes us, because we are not an air agency but we do have an effect on air pollution. As a public Agency we need to insure a safety net rather than negotiate one.

Hume - We are continuing to work on the proposals with agencies and try to filter down to where that line can be drawn.

Gomez - Clarification on the proposed fare structure, it will generate about 2.9 million?

Hume - Yes

Gomez - Stimulus funds are 2.6 million.

Hume - Yes.

Gomez - The way it appears here is for the elderly or disabled we will restore most of that money on the Rail. Exempt seniors and the disabled. No way can I over look that. We will be able to recover. I do make it my business to listen to people and to what they have to say. The fact that we can reduce some of that Stimulus money with the fares being proposed; however, exempting the elderly and the disabled. If we adopt this proposed fare and exempt elderly and disabled we still will be able to recover most of the Stimulus money. I would recommend to the new Board they will have plenty of time and perhaps some very creative ideas how to recover that money, so that is my motion.

Martinez - I will second that motion. The estimate of two projects at 6.5 million, if we come in 58% cheaper, 2.6 is still not going to cover the cost of those two projects. Do we have a plan to back into what ever number we end up with?

Allen -The 2.6 was the amount we were considering using for fares and the 3.1 million we had already earmarked for Rail so it was the 2.3 plus the 5.1

Martinez - We still have a plan?

Allen - Our goal is 3.1 plus 2.3 = 5.4 hopefully when we go to bid that will be enough to cover those two projects. If not we will have to talk to Randy to find additional funds.

Martinez - Can you briefly describe the why's of the train derailments?

Allen - There has not been a lot of them one was pulling a rock train locomotive & had a hard time going around a curve and derailed and so it was a wake up call for us to

protect ourselves to have a straighter line and reduce the chance of that same thing happening to us, the more we can reduce the possibility of this happening the more reliable it is.

Cowman - Madam Chair you made a motion that it is exempting seniors etc..?

Gomez - Yes.

Cowman - I did some research, .25 cents will take a senior around the city, I think everybody should pitch in to be part of the solution. I don't think anyone should be exempt, everyone should chip in. That \$300,000 extra we could use that toward the inaccessible stops. I am not being cruel we all need to pitch in to build CMTA. I have a legal question on SB 1263. If we do pass this as the motion that has been made CAMPO has 60 days to approve, disapprove or do nothing? Do we have a right to override that and change the fare structure?

Kerri Butcher - Under the Statute that is in affect at this time the CAMPO Board can disapprove or essentially veto the single ride base fare rate that includes seniors.

Cowman - They can override the single fare base rate, the can override it.

Butcher - No, they can override the single ride base fare which the interpretation we have received at this time is the \$1.00 fare.

Cowman - Ok, Randy I believe you said the FTA is 50% of the base fare and that would be .50. All we are asking for is .25 cents, is that being harsh and cruel? I think we need to build a sustainable Metro and we are not a social service company we are a transit company.

Manor - Randy you said this fare increase is not dependent on Rail.

Hume - The reason we are doing this is not because of the Rail. The purpose of the fare is to help us diversify our revenues and deal with the economic situation.

Manor - We could do this fare increase and not have any of the money go to Rail?

Hume - This revenue does not have to go to support Rail.

Manor - Equity is a factor and we need to be open and transparent to this being a portion of people's income, if we don't have a crisis to raise fares and we are not generating revenue from the Rail and we have a system that is potentially being impacted by 2.6 million dollars that no one is using ....do you value something that is potential verses something that is actual? ... Can we leave this board this year and say yes you will have Rail running by March, April, May, June and the people will get some kind of return on this investment?

Riley - I appreciate Randy's comment that part of the reason for this fare increase is because of the economic situation. It impacts people in the community in different ways, in particular the elderly, disabled and low income are the hardest hit. I am going to support the motion with the elderly and disabled being exempt. We need to keep working on our discount program through our non profits.

Gomez - I think that's a good start with the \$200,000 seed money and hopefully there are some other agencies that can help. Mayor Cowman we are not a social service agency but we provide service to everyone, so if you have a little more money in Leander maybe you can partner with the rest of us some money?

Cowman - We will pay our share. The local government approval committee did they approve .25 cents?

Hume - No.

Cowman - They did not? I do feel that we all need to pitch in.

Gomez - Are we ready for a vote?

Manor - I am leaning towards pushing the button for No, I like the idea of staying at our September 28, 2009 vote, I think we just hired a great President/CEO, one month after passing a budget, not having the Sunset Commission Report I will challenge us to understand the implications that we are dealing with and it's not just a matter of our fair share.

<b>RESULT:</b>	<b>ADOPTED [4 TO 1]</b>
<b>AYES:</b>	Margaret Gomez, John Cowman, Mike Martinez, Chris Riley
<b>NAYS:</b>	Mike Manor
<b>ABSENT:</b>	John Trevino

### III. Adjournment

#### ADA Compliance

*Reasonable modifications and equal access to communications are provided upon request. Please call 512-389-7583 (voice or 711 Relay) or email [nancy.crowther@capmetro.org](mailto:nancy.crowther@capmetro.org) if you need more information.*

**BOARD OF DIRECTORS:** *Commissioner Margaret Gomez, Chairperson; Mike Manor, Board Secretary; Mayor John Cowman ; Mayor Pro Tem Mike Martinez; Council Member Chris Riley and Mayor Pro Tem John Trevino. Board Liaison: Gina Estrada 389-7458, email [gina.estrada@capmetro.org](mailto:gina.estrada@capmetro.org)*

The Board of Directors may also announce it will go into Executive Session, if necessary, to receive advice from legal counsel in accordance with Section 551.071 of the Texas Government Code.

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Yvonne Allen  
Legal Support Specialist II

Date: November 4, 2009

**Capital Metropolitan Transportation Authority  
Board of Directors**

**MEETING DATE: 11/04/2009  
(ID # 1473)  
Fare Structure Change**

**SUBJECT:** Approval of a Resolution Authorizing the Interim President/CEO or His Designee to Implement the Fare Structure Rate Adjustment Pursuant to Texas Transportation Code § 451.061(D).

**FISCAL IMPACT:** Revenue generated.

**EXECUTIVE SUMMARY:** In order to maintain a financially sustainable future and to meet increasing demand related to our growing region, rising transportation costs and traffic congestion, Capital Metro proposed a change to its fare structure. On September 28, 2009, the Board authorized staff to submit the recommended fare structure rate adjustment to the public. On October 28, 2009, the Board held a public meeting on the fare changes.

The Fare Structure Change moves up the implementation of the approved August 2010 base fare increase to January 2010, makes modifications to other multi-ride passes, rail fares and proposes a discounted fare for seniors and mobility impaired riders. The base fare change increases the base fare to \$1.00.

Subject to the Board's approval, the new fare structure will be implemented to be effective mid-January, 2010. This proposal will generate \$2,920,500.

**ROUTE 2025 STRATEGIC ALIGNMENT:** Sustainable Business Growth

**DBE PARTICIPATION:** Does not apply.

**PROCUREMENT:** No procurement action.

**RESPONSIBLE DEPARTMENT:** Finance & Administration

**LEGAL COUNSEL SIGNATURE:** \_\_\_\_\_



**RESOLUTION  
OF THE  
CAPITAL METROPOLITAN TRANSPORTATION AUTHORITY  
BOARD OF DIRECTORS**

**STATE OF TEXAS  
COUNTY OF TRAVIS**

**RESOLUTION (ID # 1473)  
Fare Structure Change**

**WHEREAS**, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management endeavors to protect the assets of the agency, including employees, visitors, facilities and the fleet; and

**WHEREAS**, the Capital Metropolitan Transportation Authority Board of Directors and Capital Metro management recognize the need to increase operating revenues to provide a sustainable future while striving to meet growing demand for transportation options.

**NOW, THEREFORE, BE IT RESOLVED** that the Capital Metropolitan Transportation Authority Board of Directors hereby authorizes the Interim President/CEO, or His Designee, to implement the approved rates and fare structure.

<b>RESULT:</b>	<b>ADOPTED [4 TO 1]</b>
<b>AYES:</b>	Margaret Gomez, John Cowman, Mike Martinez, Chris Riley
<b>NAYS:</b>	Mike Manor
<b>ABSENT:</b>	John Trevino

**Date: November 4, 2009**

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**Gina Estrada**  
**Executive Assistant/Board Liaison**