

SUMMARY OF MINUTES

PUBLIC WORKS COMMITTEE

6:14 p.m., Tuesday, January 10, 2017

COMMITTEE ROOM

Room 239, City Hall

MEMBERS PRESENT: *Council Member Dan Besse, Chair*
Council Member John C. Larson, Vice Chair
Council Member Derwin L. Montgomery
Council Member James Taylor, Jr.

OTHERS PRESENT: *Council Member Adams*
Council Member MacIntosh (left at 6:46 p.m.)

Chair Besse called the meeting to order and stated that without objection, the Committee would first consider the Consent Agenda. No items were pulled.

Council Member Taylor made a motion to approve the balance of the Consent Agenda and the motion was duly seconded by Council Member Montgomery and carried unanimously.

CONSENT AGENDA

C-1. APPROVAL OF PUBLIC WORKS COMMITTEE SUMMARY OF MINUTES –
December 13, 2016.

GENERAL AGENDA

G-1. WINSTON-SALEM TRANSIT AUTHORITY PUBLIC PARTICIPATION
REQUIREMENTS FOR FARE CHANGE CONSIDERATION.

Mr. Gregory Turner, Assistant City Manager introduced this item.

Mr. Stephen Hawryluk, Sr. Budget Analyst, gave the staff presentation on this item.

In response to Council Member MacIntosh, Mr. Turner stated the City is guaranteed to receive the Transit Administrative Grant Funds, however when the City will receive those funds is not guaranteed.

In response to Chair Besse, Mr. Turner stated Winston-Salem is the only city that charges a lesser fare for TransAID rides than for fixed route rides.

Chair Besse requested information concerning the historic behavior of the City's reserves. He noted the evening and Saturday routes were substantially expanded and asked what year did this occur.

In response to Council Member Montgomery, Mr. Hawryluk stated the 2.5% growth in the Transaid ridership is not reflected in the fund performma.

Council Member Montgomery requested the 2.5% growth of Transaid ridership, from the data be incorporated into the performma.

Council Member Montgomery requested information on what the projected growth from a property tax standpoint will be in the city of Winston-Salem with the County's revaluation.

In response to Council Member Montgomery, Mr. Ben Rowe, Assistant City Manager stated Mr. John Burgiss, the county's tax collector, is planning to release the findings of the projected tax growth in February.

In response to Council Member Montgomery, Mr. Hawryluk stated there had been a proposal to do a fare increase, but it was not done. He also noted the mass transit fund absorbed the cost of the Sunday bus services.

In response to Council Member Montgomery, Mr. Hawryluk stated there has not been an actual study done to measure the decrease in ridership.

In response to Council Member Montgomery, Mr. Turner stated the base of riders use the discounted monthly fee. There is a bigger impact when discretionary riders discontinue ridership versus regular traditional riders, in which turn decreased the revenue.

In response to Council Member Larson, Mr. Turner stated the TransAID fee is low due to the intent to be as generous as possible to the affected community.

In response to Council Member MacIntosh, Ms. McCullough stated advertising on the hybrid buses is still currently being done and is generating revenue.

Council Member MacIntosh requested information concerning the capacity and utilization of the buses based on their size.

Chair Besse stated the Committee will offer an allotted time in the near future for the public to share their concerns and questions about the City's bus routes.

In response to Council Member Adams, Mr. Turner stated the City has been looking at the demographics of the ridership, the aging of the population, and the health issues that have shifted more riders to TransAID. Hybrid buses have given the City some benefit, however the drivers are a large component of the price of the routes.

In response to Council Member Montgomery, Mr. Hawryluk stated the City generates about \$50,000 a year from advertising.

Council Member Montgomery requested staff examine new ways to generate additional revenue by advertising on new bus shelters because of the new routes.

In response to Council Member Taylor, Mr. Turner stated typically when buses are surplus, they are put into an auction or sold to other cities. By the time they are at this stage, as a used bus, the return is around \$10,000.

Council Member Adams requested staff do research to see if political ads are allowed to be put on bus shelters and buses to generate additional revenue.

In response to Chair Besse, Mr. Hawryluk stated when revenue estimates are done based on fare increases there is the potential for the increase in fares to decrease ridership. The estimated revenue from rescinding the TransAID fare exemption is \$71,000.

In response to Council Member Larson, Mr. Turner stated privatizing TransAID hasn't been discussed with Council. Staff has discussed it as a concept, but never has it been brought to Council for any action.

In response to Chair Besse, Mr. Hawryluk stated the fund reserves are used for operating expenses and any local match for capital spending. The projection for fiscal year 2017-2018 is for the City to spend that local match of \$600,000 to purchase five large buses and six TransAID buses.

In response to Council Member Montgomery, Ms. McCullough stated the qualifying exemptions for ridership are local standard in terms of who qualifies.

Chair Besse stated the Committee will consider a review of the revenue enhancement options recommended from staff.

Mr. Turner stated staff recommends the Committee consider a \$1.30 fixed route rate which is an increase of \$0.30, eliminate the TransAID exemption and discount, and set the rate for these rides at same as the fixed route for the upcoming fiscal year. For the subsequent fiscal year, raise the TransAID route to 150% of the fixed rate in place at that time. Federal Law has an allowance to go up to 200% or two times the fixed route rate. Staff is proposing to go up to 1.5 times the fixed route rate in 2018-2019.

In response to Chair Besse, Mr. Turner stated staff is not proposing action at this time. Staff would like to bring this item back to the Committee in February. Staff would bring it to both the Finance and Public Works Committees for those committees' considerations and recommendation to full Council. Then, directives would be given on how to enter the proposed plan and/or any new or revised recommendations for the coming year's budget.

In response to Chair Besse, Mr. Hawryluk stated out of 200,000 TransAID trips in the previous fiscal year, 10,000 of those trips were Medicaid trips.

In response to Council Member Taylor, Mr. Lee Garrity, City Manager stated Forsyth County is charged with doing the property assessments and evaluations.

Chair Besse stated the City is projecting the system cost running in the red by \$1,800,000 annually averaged over the next three years. Without factoring in to the picture any service enhancements that are directed to be undertaken in the new route system. The biggest potential revenue sources identified in the options, were to add an extra five dollars a year on the vehicle tax fee that would bring in about \$300,000. An extra \$0.30 a year on the fixed route that would bring in about an extra \$310,000. A one cent tax rate increase would bring in about \$2,000,000. He further noted, the only option in front of the Committee that would solve the projected deficit problem would be the property tax rate increase.

Council Member Adams requested that in the next report staff include the value of the increase and what it means out of that \$1,800,000.

Chair Besse stated staff would report back to Committee an update on the status report at each Public Works Committee meetings in February and March. At the April meeting, they would bring a more comprehensive overview of the system overhaul results and problems that need to be addressed. On an ongoing basis, staff is in the process of identifying small changes, for example moving a bus stop.

Council Member Adams requested immediate data concerning the calls that are coming in with concerns to City Link, Facebook, Twitter, Winston-Salem Transit Authority, staff, and Instagram and compiled with the data that Council receives.

G-2. ORDINANCE AMENDING SECTION 75 OF THE CITY CODE RELATING TO STORMWATER MANAGEMENT SYSTEM USER FEES.

Chair Besse indicated this item would be continued to the next Committee meeting.

ADJOURNMENT: 7:49 p.m.