



Transit Service Delivery Advisory Committee (TSDAC)
VDOT Auditorium
1221 E. Broad Street, Richmond VA
February 14, 2017
10:00 am to 2:00 pm

Minutes

Members Present:

John McGlennon, Chair
Cheryl Openshaw
Brian Smith
Ken Pollock

Kate Mattice
Jim Dyke

Members Not Present:

Cindy Mester

Staff and Presenters:

Jennifer Mitchell

Jen DeBruhl

Chris Smith

Tom Harrington, Cambridge Systematics

Steve Pittard

Courtney Bujakowski

Katie Schwing

1. Call to Order / Introductions (10:07 AM) – Chairman John McGlennon called the meeting to order and asked members to introduce themselves to those watching via Livestream. He let the members know that Cindy Mester was not able to attend in person but was going to watch the livestream and email comments.
2. Revised Structure/Approach to Capital Program-Jen DeBruhl and Tom Harrington shared that they would be making the presentation together. They have been studying the inner workings of the methodology since the January 31st meeting and considering the broader funding implications. The committee still needs to come to a decision on what constitutes a major versus minor expansion. The ultimate goal is to begin running different scenarios. Tom and Jen began their presentation.
 - a. Tom Harrington introduced a revised flow chart to show three different funding tracks for SGR, Minor Expansion and Major Expansion. The process will produce three different ranked lists of projects. The goal for the meeting is to get to the allocation part of the process. The funding tiers currently define the funding levels.

- b. Jen DeBruhl introduced a chart showing an Illustrative Allocation Process. She shared that the funds would be divided into two pots. For purposes of this illustrative example the pots have been established as 70% for SGR/Minor Expansion and 30% for Major Expansion. She stressed that those percentages were a discussion point to be used preparing scenarios.
- c. The presentation was turned back over to Tom Harrington for a discussion on project types. The minor enhancement type continued to be debated and discussed. There are lots of projects that fit into this category but they comprise a very small percentage of the SYIP from a dollars standpoint. Chairman McGlennon asked a question about the threshold for minor versus major expansion and whether the 5% of the fleet means 5% of the entire fleet, or of one vehicle type. Tom Harrington agreed that that needs to be clarified.
- d. Jen DeBruhl discussed the Illustrative Allocation Process document given to the group. She shared that they would be doing a trend analysis to come to the appropriate floor for SGR. Minor Enhancements would be prioritized separately but funds allocated within the same bucket as the SGR funding. Funding can be moved from the expansion pot to the SGR pot if needed, but cannot be moved from SGR to Expansion projects.
- e. Tom reviewed some of the SGR Criteria.
 - i. Asset Condition-goes beyond age. Local Prioritization, as discussed at the last meeting, could be reflected through weighting of the asset condition score.
 - 1. Kate Mattice pointed out that there will be an issue with agencies who don't have federal TAM plans. There needs to be an incentive not to let assets deteriorate just to get funding.
 - ii. Service Quality-Discussion at the last meeting centered around who rated the projects. Tom established a guide to show what rankings align with the criteria. Applicants could make a case for deviations from the standard rankings. As a point of clarification, Cheryl Openshaw pointed out that projects would be evaluated against all 4 criteria.
- f. Jen DeBruhl returned the conversation to the illustrative allocation process
 - i. In the Illustrative example, Jen asked the group to look again at the eligibility line. The presented figure of 5% of vehicles or 5% of the fleet will be analyzed further to make sure it is the right definition, however these are the parameters that will be used to develop scenarios.
 - ii. Jen discussed the illustrative state match. For modeling purposes they want to look at funding up to 80%, which is higher than the current funding level but could provide more predictability. She asked the committee what gives better predictability, knowing that you will get 20% of funding for a vehicle, or knowing that when you do get funding you can get 80% and immediately procure that vehicle? She stops the presentation for discussion to ask the group what they are looking for when it comes to predictability.
 - 1. Brian Smith stated that he is glad that they are looking at funding. He pointed out that current match rates do not provide enough funding for all SGR and minor expansion needs which are critical.
 - 2. Jennifer Mitchell said that there is room to discuss these break points. DRPT needs feedback on the match rates. The funding theory is that when you apply and meet criteria you get fully funded. If you get full

funding, you could free up local resources to fund capital projects. SGR repair projects will get funded first. She asked that if funding is less predictable at the state level, will it affect local funding.

3. Kate Mattice stated that she has heard from Northern Virginia Transit providers that it is better for them to know they are going to get funding, and get it at a lower match rate. That would be the predictability they need. They are very concerned with the all or nothing approach and don't want a year when they receive no funding at all.
 - a. Jennifer Mitchell asked if they responded this way because that is what they are used to or is it a concern about local funding.
 - b. Cheryl Openshaw pointed out that when funding is spread so thin, collectively nothing can be purchased. A higher ranking in this prioritization would ensure that the most needed assets get replaced first.
4. Ken Pollock shared that from the perspective of rural providers, local resources are scarce so if something isn't fully funded it often has to wait until the following year. Rural providers would rather know that when they get awarded a grant they are getting the full funding.
5. Jim Dyke agreed with the full funding approach.
6. Kate Mattice expressed concern that if you needed buses in a particular year and you don't get the funding you will have to wait too long. Chairman McGlennon asked if there would be a way to introduce a moving time frame so that providers would know that there was funding on the horizon. Cheryl Openshaw said that asset management systems provide a transparent way to help see what needs are coming. Jennifer Mitchell said that the prioritization should be set up in a way that very old buses would be a need that would rise to the top. She also said that even if an agency does not get federal funding they will need to participate in an asset management system.
7. Brian Smith said that his concern still goes back to lack of funding and he asked to introduce a funding concept he worked to develop.
 - a. He introduced a document showing his proposed SGR/Minor Enhancement funding framework.
 - b. He proposed that all funds from the mass transit capital fund go to either SGR or Minor Expansion projects. Major Expansion projects should not be eligible for this funding.
 - c. He discussed how funding would work using his methodology. 85% of the funding would be eligible for SGR projects only and 15% would be eligible for both SGR and Minor Enhancement projects.
 - d. Brian proposed this because he stated that he would have a hard time recommending a policy to the Revenue Advisory Board where major expansion projects are eligible for funding when we can't meet our SGR needs.

- e. In response to Brian's suggestion, Chairman McGlennon stated that in framing the issue, it is possible if Major Expansion projects were dropped out all SGR needs could be met.
- f. Jennifer Mitchell said that their purpose is to make the case for more resources. If we stick with the tiers all we will do is fund vehicles and at a lower rate. The task is to look more at how we will distribute funds between the three categories when looking at the possibility of less funding.
- g. Jen DeBruhl said that taking care of assets would be incentivized with prioritization because you may not get funding immediately for a particular asset.

3. Points of Consensus for Development of Scenarios

- i. Jennifer Mitchell said that for the purpose of decision making, example projects should be run on the first two types of funding scenarios. The third scenario that anticipates modest growth would not help inform any decisions.
 - ii. Tom Harrington said that 40 example projects will be run. Within the categories they will apply scoring and look at what types of projects come to the top. At a high level it gives an example of what would score better than others.
 - iii. Brian Smith asked questions about Economic Development. He asked if there were other measures other than square footage that could contribute to economic development. He suggested focusing on local/regional economic development strategies.
 - iv. Kate Mattice said that the most competitive projects should be identified by providers to put forth for funding. Research for these applications should be able to be used for multiple applications.
- b. Chairman John McGlennon read a comment from Cindy Mester that had been emailed to him during the course of the meeting: "for locality budgets we need some predictability on how much match we need to provide so I like the set match rate ratio like a known 80/20 split. I like your timing idea of knowing 3-5 years out. This is how the several state grants work such as the RSTP (federal pass thru to state and then to MPO like NVTa) they adopt a 6-year plan so you know your localities funding allocation for 6 years. We may not be able to do 6-years but a 3 year minimum would be preferred."
- c. Chairman McGlennon asked the group to identify specific questions that they want to go back and ask Jen DeBruhl and Tom Harrington after the break for lunch. He also worked to establish what they had come to consensus on.
- i. Ken Pollock wanted to know how the minimum floor is calculated and how we determine what that floor is. He wanted to know how many projects will get funded with that floor and if the floor will be established on an annual basis.
 - ii. Chairman McGlennon said the group had reached consensus on endorsing moving expansion money into the SGR pot based on requests and priorities but they agreed that SGR money cannot be moved into the expansion pot.
 - iii. Chairman McGlennon read a comment from Cindy Mester sent via email "John-agree that square footage is too blunt as it doesn't pick up the quality of economic development (as Jennifer just mentioned as well). Tying to economic development strategic plans as you mention is a good approach but I would also recommend that it be consistent to locality comprehensive plans that will include

economic development and transportation....so just as SGR and Minor enhancement have a locality priority so would the Smart scale piece.”

4. Meeting adjourned for Lunch at noon and was called back to order at 12:36.
5. Prioritization Recommendations for the Revenue Advisory Board (RAB)
 - a. During the break DRPT staff worked to figure out what could be brought forth to the Revenue Advisory Board. Jen DeBruhl pointed out the slides from today’s presentation that could be used at the March 8th meeting. In the Illustrative funding table she said that she would edit the chart so that 90% of funds were for SGR/Minor Enhancement Projects and 10% for Major Expansion Projects. She would also update the chart to reflect that money can flow from Major Expansion to SGR/Minor Enhancement Projects.
 - i. Kate Mattice asked if the presentation should show the RAB that the process would only work with new revenues. Jennifer Mitchell said that the system would work without additional funding.
 - ii. Brian Smith asked if the Major Expansion Money flexed to SGR/Minor Expansion would only be eligible for SGR projects? Jen DeBruhl told him to think of these as one category, with priority on funding SGR.
 - iii. Chairman McGlennon pointed out that if more SGR expenses are covered by this process more local funds can be used for Minor Expansion.
 - iv. Jennifer Mitchell asked the group if they were comfortable with what was going to the Revenue Advisory Board. The group agreed that they were.
 - v. Scenarios being to be analyzed were discussed by Tom Harrington
 1. A subset of 40 projects will be run through scoring to see the effect.
 2. They will then extrapolate from that scoring to the rest of the SYIP and then Nate Macek from PB will apply funding scenarios.
 3. Will look at the thresholds to see if they need any adjusting.
 4. Will look at a high funding rate vs. rate used to fund everything. The goal of the extrapolation is not to see what projects will get funded over others, it won’t give us that level of precision.
 - vi. Cheryl Openshaw asked that there be a slide for the Revenue Advisory Board to show what we are doing with the scenarios. Jen said that she will create a combination of slides 19 and 20 to show how we are running scenarios.
6. Other Business
 - a. Jennifer Mitchell asked if anyone had questions she could answer in regards to the FTA’s withholding of funds to DRPT over the Metro Safety Commission. She told the group that it will take 6 to 9 more months to finish the compact. DRPT is looking at funding sources to see how to keep everyone whole. The funds withheld currently only applies to FY17 funds but the FTA reserved the right to hold funds for longer.
7. Wrap Up/Next Steps
 - a. Already established.
8. Public Comment
 - a. No one was signed up for public comment.

9. Meeting was adjourned at 1:10 pm.