

August 22, 2013

TSDAC Meeting

Call to order 10:20am

Chairman John McGlennon opened the meeting by offering condolences to Sarah Jackson on the loss of her mother. He then made two opening observations:

- The public comment period regarding the “operating assistance allocation” proposal TSDAC has adopted for the two transition years (FY 2014 and FY 2015) has commenced; and
- TSDAC’s deliberations about capital funding will require more time, spilling over to the September 9th meeting and perhaps another meeting thereafter, so there will be a separate public comment period for capital which has not started as yet.

First Public Comment-

http://www.drpt.virginia.gov/activities/files%5C8_22_2013TSCACMeeting.mp3

- Kevin Danker (CEO of WATA).
 - Noted that there has not been a full accounting of federal, state, and local shares in capital spread sheets, and expressed a desire for that to be produced, observing that the local share is what is most daunting.
 - Asked for clarification on whether there will be a minimum local match for capital.
 - Cautioned TSDAC to be mindful of administrative burdens in fashioning its recommendations on capital, observing that administrative burdens are already quite daunting. Noted that he was making this observation in response to the notion of allowing shifts of state capital from one project to another.
 - Urged that third party contributions be accounted for in calculating the “net cost per trip” performance measure, and sought affirmation that this is TSDAC’s intent.
- Steve Yaffe (Arlington County).
 - Advocated more time for annual submission of data needed to drive the operating assistance allocation (from October 31st to December 31st).
 - Suggested that new services be included on a budgeted basis for the purpose of allocating new operating assistance, while noting the need for rigor in estimating the anticipated cost and revenues for new services.
 - Expressed support for TSDAC’s proposed size weighting factor, and urged that the “unlinked trips” element of the factor be calculated for WMATA in the same fashion as everyone else.

- Suggested that ADA accessibility improvements be treated as a state-of-good-repair (SOGR) type of investment for capital tiering purposes.
- Suggested that ancillary improvements often needed each time a bus is purchased be treated as though it is part of the bus and therefore qualifies as a tier one type of investment (e.g., fareboxes), And sought affirmation that this is TSDAC's intent.
- Suggested that changes related to capital be deferred rather than having such changes implemented at the same time as operating.
- Noelle Dominquez (Fairfax County).
 - Echoed Mr. Yaffe's plea for more time for data submission.
 - Expressed concern about VDRPT's objections to NVTC's / WMATA's methodology for measuring unlinked trips (an element of the sizing factor)
 - Also expressed concern about the proposal to change the capital participation rate to a percentage of gross instead of a percentage of net, observing that a conversion of this sort would have regional shift implications with the NOVA harmed.
- Keisha Branch (Hampton Roads Transit)
 - Expressed support for changing the participation rate to a percentage of gross, observing that HRT sees this as a way of leveraging more capital investment with its federal dollars, which it needs to do in light of scarce local funding.
 - Observed that spread sheets showing that HRT would have received less capital funds in prior years if the participation rate had been a percentage of gross rather than net are misleading, because HRTV believes the reported loss was a consequence of changes to the absolute values of the participation rates rather than the change from net to gross.
 - Suggested that perhaps a higher absolute value participation rate in tier one would be a way of mitigating the loss giving rise to NOVA's concern.
- Linda McMinimy (VTA)
 - Expressed support for the transitional operating assistance allocation method previously adopted by TSDAC as its recommendation to the CTB, reporting that VTA members have reacted positively to it.
 - Cautioned against a rush to judgment on capital, noting its complications. Urged careful deliberation and adequate time for public review and comment.
 - Also urged that the "capital" recommendations be kept simple to administer, and that they be structured in a way that support the overarching aims of HB 2313 and SB 1140 – a means by which transit service can be expanded and service performance ends up being enhanced. _

Two written sets of comments were also received -- one from NVTC and one from HRT.

Discussion of data collection effort

Terry Brown and Jennifer Mitchell presented an update on the transit data. All grantees have provided accurate, up to date data. DRPT is confident that the current data collected is accurate data with which the Board can make a decision.

There was a discussion of the reserve fund allowed in SB 1140.

It was noted by TSDAC that program administration will remain the responsibility of DRPT as well as determining the guidelines on how systems report their data while TSDAC is attending to policy and formula framework recommendations.

There was a lengthy discussion about how WMATA's Metrorail unlinked trips are estimated, prompted by VDRPT staff's acknowledgement that this is not yet a settled issue. Because counts are limited to entries and exits through fare gates, transfers between rail lines which happen once a person is inside the system are not counted since there are no intermediate fare gates to pass through in the course of making transfers. Consequently, transfers have to be estimated, which WMATA does relying on periodic surveys to derive an average number of transfers per passenger.

VDRPT staff indicated that discussions about how unlinked trips attributable to Virginia should be estimated are continuing, and reported that opinions on this matter differ. VDRPT staff favors one of two methodologies aimed at insuring that unlinked trips attributable to Virginia, Maryland, and DC collectively equals 100% of the total Metrorail system unlinked trips (i.e., in which trips attributable to Virginia would be either a share of total Metrorail unlinked trips equal to Virginia's share of the Metrorail subsidy or a share equal to the share of Metrorail riders who are Virginia residents), while NVTC and WMATA are proposing a methodology that results in a total exceeding 100%.

NVTC staff responded by observing that the methodology it favors aims to insure that all trips made by Virginia residents **and** trips made to Virginia destinations regardless of residency are fully accounted for, which VDRPT's methodological approaches don't do.

The TSDAC Chair expressed appreciation on behalf of all the TSDAC members for the efforts being made by the affected parties to seek a mutually acceptable solution, and indicated that TSDAC anticipates a further update on this issue at its next meeting. The Chair went on to say that the resolution being sought is one in which it can be reasonably said that unlinked trips are being commonly measured.

VDRPT staff concluded this part of the meeting discussion by clarifying the difference between the "low" and "high" estimates appearing on the newly distributed worksheets with operating assistance allocations pivoting off the latest data. Both estimates employ one of the two WMATA unlinked trips" methodologies VDRPT favors (i.e., the "subsidy-based share"

methodology), and the differences between “low” and “high” is simply a function of whether the legislatively permitted reserve fund is or isn’t built in (i.e., the high scenario takes no money out for the reserve fund while the low one does).

The ensuing discussion of the worksheets prompted TSDAC to conclude and/or affirm that:

- “Actual” expenses would be used for both the old funds and new transit funding;
- New services will not be accounted for in the size weighting factor except for wholly new **system** starts (**not individual service** starts);
- The deadline for receipt of the required annual data is October 31st for transit systems with fiscal years running from July to June, and December 31st for transit systems with fiscal years running from October to September, with two exceptions:
 - The deadline for all WMATA Compact Members and WMATA is December 31st; and
 - Transit systems requiring and receiving a time extension for the submission of NTD data will be granted the same time extension for submission of data to VDRPT.
- The exclusion of costs borne by other VDRPT programs from the “operating expense” portion of the size weighting calculation will be limited to only the portion of costs that VDRPT participates in financially (including match requirements, if any);
- The formal, 45 day public comment period which has commenced and ends on October 1st pertains to the transitional operating assistance allocation;
- A public hearing on the transitional operating assistance allocation proposal will be held in Richmond at the VDOT auditorium on September 18th;
- The CTB will be receiving an informational presentation on the transitional operating assistance allocation proposal and a status report about the remainder of TSDAC’s deliberations at the CTB’s September 18th meeting in Fredericksburg;
- The CTB would be asked to approve the transitional operating assistance allocation proposal at its October 16th meeting;
- TSDAC’s eventual recommendations about capital will be the subject of a separate public comment process, timed with the aim of allowing the CTB to approve TSDAC’s recommendations at the CTB’s December meeting;

Amy Inman documented several other changes to the implementation plan as they were denoted as highlighted areas in the work plan posted on the TSDAC web site.

VDRPT staff introduced the “capital” white paper by reviewing the policy issues present within it requiring resolution. The TSDAC Chair concluded the meeting by noting that time for this

meeting had expired and the white paper would be the focus of the next meeting, which is scheduled for September 9th.

There were no ending public comments. Meeting adjourned at 2:25pm

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