

# TRANSIT SERVICE DELIVERY ADVISORY COMMITTEE MINUTES

12<sup>th</sup> Floor North Conference Room  
600 East Main Street  
Richmond, VA 23219  
Monday, July 29, 2013  
11 a.m. – 3 p.m.

1. Call to order – Chair (11:04 a.m.)
2. Public comment period – None at this time
3. Approval of minutes from July 1st and July 15<sup>th</sup> - Both sets of minutes were adopted
4. Capital Allocation: Staff/Consultant Presentation/TSDAC Discussion
  - a. Presentation of DRPT proposal featuring three capital tiers for all projects other than those qualifying as “major projects” (defined by DRPT staff as projects with an estimated cost of \$100 million or more), participation rates of 45%, 25%, and 15% (where the rates are percentages of gross costs rather than non-federal costs as capital grants are fashioned presently), and particular investment types associated with each tier. DRPT’s proposal related to major projects is that state assistance be capped at 25% of the gross cost. In response, some TSDAC members raised concerns about basing capital funding percentages on total cost, citing two complications and noting that DRPT’s historical analysis of the past three years’ capital grants (comparing grant awards based on percentages of non-federal vs. percentages of gross) evidence the fact that a change of this sort would have resulted in a major funding loss for NOVA.

The cited complications are:

- The proposal presumes that federal funds can be easily shifted among projects to dovetail with varying state participation rates, when in fact shifting of this sort promises to be difficult; and
- The complexities attendant to WMATA funding wherein costs are shared by three “states” are a further complication related to shifting federal funds.

The discussion prompted TSDAC to ask DRPT staff to furnish an analysis of future year capital grants -- comparing awards assuming participation rates based on non-federal costs vs. gross costs – so TSDAC can take up this question at its next meeting on a more fully informed basis. TSDAC also agreed to schedule its next meeting on August 22<sup>nd</sup>, after considering what more needs to be decided in advance of the September CTB meeting when draft recommendations are envisioned for presentation, while reserving judgment on whether the already scheduled meeting for September 9<sup>th</sup> will be necessary as well. Additionally, TSDAC requested DRPT consider options to hold WMATA/NOVA “harmless” if

gross calculation method is utilized and/or flexibility in STP to offset realignment of calculations

TSDAC further requested that the tier category and definitions document become the baseline component for the recommendations report with the following items to be included/addressed:

- 1) Include the purpose of tiering and participation rates, (e.g. address rolling stock replacement backlog, drive asset funding priorities such as facility over landscaping, not preclude local option and incentivize certain activities though state participation rate);
- 2) Define major capital projects within the definition and not solely in the overview as well as clarify known projects are included in the funding needs analysis;
- 3) Specify implementation year (e.g. FY2015)
- 4) Specify 2 or 3-year planning window
- 5) Specify participation % rate is set but allow by policy +/- 5% of total funding to be issue to account for variations in revenue availability; specify reserve balance policy
- 6) Include explanation/assumption for revenue estimate and expenditure allocations and clarify preventative maintenance

<http://www.drpt.virginia.gov/activities/files%5CTSDAC%20Capital%20Tier%20Definitions.pdf>

<http://www.drpt.virginia.gov/activities/files%5CCapital%20Tiers%20FY%2012%20or%20July%2029,%202013%20meeting.pdf>

<http://www.drpt.virginia.gov/activities/files%5CCapital%20Tiers%20FY%2013%20or%20July%2029,%202013%20meeting.pdf>

<http://www.drpt.virginia.gov/activities/files%5CCapital%20Tiers%20FY%2014%20or%20July%2029,%202013%20meeting.pdf>

<http://www.drpt.virginia.gov/activities/files%5CTSDAC%20-%20Capital%20Allocations%20Assumptions%20-%20Final.pdf>

<http://www.drpt.virginia.gov/activities/files%5CTSDAC%20-%20Sources%20Uses%20Capital%20Funding%20FY%2015%20-%20FY%2019.pdf>

<http://www.drpt.virginia.gov/activities/files%5CCapital%20Budgets%20FY%2015%20-%20FY%2019.pdf>

<http://www.drpt.virginia.gov/activities/files%5CCapital%20Budget%20Comparison%202015-2019%205311.pdf>

<http://www.drpt.virginia.gov/activities/files%5CCapital%20Budget%20Comparison%202015-2019%20Other.pdf>

- b. TSDAC adopted a three-tiered capital structure as DRPT proposed and as summarized below, while deferring judgment on whether the state participation rates should be percentages of gross cost or non-federal cost and on the handling of “major capital projects”.
    1. **Replacement and Expansion Vehicles** – cost of replacement or expansion rolling stock including line inspection, farebox, radios, and surveillance cameras. Aftermarket installation of farebox, radios, and surveillance cameras would also be covered under this tier. This tier also includes vehicle tracking hardware and software and scheduling hardware and software. Rebuilds and mid-life repower of rolling stock are also included in this tier.
    2. **Infrastructure/Facilities** – cost of real estate used for a transit purpose and items built or installed such as facilities, bus shelters, signage, and surveillance/security equipment for facilities. Rehabilitation or renovation of infrastructure (facilities) would also be included in this tier.
    3. **Other** – all support vehicles, shop equipment, spare parts, hardware and software not related to vehicle tracking or scheduling hardware and software, project development, office furniture and other equipment.
5. Operating Allocation Discussion
- a. Status of data submission – all data has been submitted by transit systems. Model 11 with data will be presented prior to the committee meeting on August 22<sup>nd</sup> and posted on the VDRPT TSDAC web-site
  - b. Revisions to Performance-Based Operating Assistance Allocation Implementation Plan and Implementation Plan schedule gantt chart – DRPT staff provided TSDAC with the updated Implementation Plan and schedule. DRPT staff provided a thorough review of TSDAC comments on the Implementation Plan that were received from Mr. Harf on 7/26/13 and subsequent response from DRPT staff. Further revisions were made to:
    - Explicitly call for an examination of possible additional performance metrics to measure proficiency in mitigating congestion and serving the transit dependent;
    - Assess the adequacy of existing grant programs in helping grantees to self-improve;
    - Assess the data collection prowess of DRPT’s grantees; and
    - Assess the adequacy of existing grant programs for improving data collection prowess as may be required.
    - Reordering/formatting of definitions

DRPT staff concurred with those additions and agreed to incorporate them into the Implementation Plan. TSDAC approved the Performance-Based Operating Assistance Implementation Plan contingent on the satisfactory incorporation of same.

- c. TSDAC began a discussion on what format the recommendation report will take and how to build from the white papers. DRPT staff will provide the Chair sample CTB reports and presentations and the Chair/Vice-Chair agreed to develop a draft for TSDAC consideration at the August 22<sup>nd</sup> meeting. Full process allocation model description, revised timeline were some of the items identified for additional inclusion as well as combining with the capital allocation recommendations.

<http://www.drpt.virginia.gov/activities/files%5C072913%20DRAFT%20FINAL%20TSDAC%20Performance%20Based%20Funding%20Allocation%20Implementation%20Plan%20%28v6%29.pdf>

## 6. Public Comment

- a. Linda McMinimy (VTA) commented that progress was being made and items were moving forward with the meetings and TSDAC's work. She urged that all the work and data be shared with the public prior to meetings so there's ample opportunity for review and comment. She also noted that the performance measures envisioned for operating assistance allocation, while well-reasoned, don't fully capture the benefits of transit, citing air quality and congestion relief as two examples. While the plan discussed by TSDAC for possible performance measurement refinements may lessen this problem, she observed that it is likely that some benefits will not lend themselves to easy measurement and urged DRPT to compensate for that by assembling additional data / information that helps to make the case about other transit benefits besides those that are readily measurable. She concluded by expressing support for TSDAC's decision to evolve to a 3 year rolling average, and by urging TSDAC to assess the chosen operating assistance model's performance once the data is a settled issue, asking "is it yielding the desired result?"
- b. Kelly Coyner (NVTC) concurred with Linda McMinimy that work and data should be provided to all the stakeholders before each meeting, referencing the next meeting explicitly (August 22<sup>nd</sup>). She also observed that the benefits of transit are not fully captured by the performance metrics, reiterating Ms. McMinimy's observations about the need for supplemental efforts to do justice to the subject. Finally, she urged careful further deliberation by TSDAC on the "gross vs. non-federal" rate question, and said she is eager to participate in those deliberations.
- c. Kevan Danker (WATA) understood the priorities with capital tiers but has concerns about the lowness of the state participation rate in tier 3 (Other), suggesting that it be assigned a rate close to if not equal to the tier 2 rate. He also urged DRPT to focus on how it can help to facilitate self-improvement sought by its grantees, highlighting the importance of technical assistance.

For the full comments please visit the website  
<http://www.drpt.virginia.gov/activities/Meetingsandagendas.aspx>

7. DRPT advised that informed the September 18<sup>th</sup> CTB meeting will be held in Fredericksburg, not Culpepper. A DRPT/TSDAC Public Hearing will be held following the CTB meeting on September 18<sup>th</sup> in Fredericksburg. Next TSDAC meeting will be held on Thursday, August 22, 2013 from 10 a.m. to 2 p.m. at 600 East Main Street, 12<sup>th</sup> Floor North Conference Room, Richmond, Virginia 23219.
8. Adjourn

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