Minutes

Members Participating:

John McGlennon, Chair Hap Connors Brad Sheffield
Jim Dyke Tom Fox Kate Mattice
Cindy Mester Brian Smith

1. Call to Order / Introductions (10:05 am) – Chairman John McGlennon called the meeting to order and asked members to introduce themselves. He noted that the meeting was being streamed for the first time from the DRPT offices using new technology.

2. Public Comment-No one was signed up for public comment.

3. Outline and Key Policy Questions-Jen DeBruhl, DRPT

   a. Jen DeBruhl gave an overview of the agenda. She said that the draft CTB policies had been sent to committee members in mid-August and that feedback from TSDAC members had been incorporated into the revised versions that were being reviewed. She said that a webinar had been conducted on August 29th to brief TSDAC members on the operating formula and the major equipment leasing program. Jen said that the agency had been conducting outreach to every transit agency and MPO. Jen said that the objective of the day’s meeting was to come to an agreement on the CTB policies, which need to be posted for 45 days for public comment. She said that the group also needs to come to a consensus around the MELP concept. Jen said that she and Jamie Motley from DRPT would be stepping in to give presentations on behalf of Chris Smith (DRPT) and Nate Macek (WSP) who were unable to attend. She said that she would be giving the presentation on the operating formula for Nate and that Jamie Motley would be giving the MELP presentation on behalf of Chris Smith.

4. Draft CTB Policies for Transit Capital and Strategic Planning-Jen DeBruhl

   a. Jen DeBruhl reviewed the draft CTB policies for Transit Capital and Strategic Planning. She said that the new strategic planning guidelines have to be implemented by December 1st, so they have to go to the board for action in October. Chairman John McGlennon reminded the group that the policies had been reviewed by TSDAC members early on and their comments had been incorporated into what was being reviewed today. The following discussion points were made on the strategic planning resolution.

      i. Brian Smith asked if the policies address data collection and analysis and identify what methods are acceptable. He suggested that methods accepted by FTA be a
starting point. Jen DeBruhl said that the Transit Development Plans (TDPs) have guidance. She said that the policy intentionally did not go into a lot of detail so that DRPT doesn’t have to keep going back to CTB to make revisions. She suggested attaching a technical memo to the policy. Jen said that the agency was trying to get through the pilot program before making specific recommendations.

ii. Brian Smith said that HRT plans to make a comment on the guidelines during the public comment period. He said there was too much minutiae to discuss during this meeting.

iii. Tom Fox said that there was good blending between the TDPs and the strategic plans, and that it gives the agency flexibility on how to handle the new process. Jen DeBruhl said that the Strategic Plan is the big picture, guiding document for the process. These will require a lot of work to reflect the changing industry in the guidelines. The strategic plans will replace the TDPs for 16 agencies. TDP guidance will be modified at a later point to focus on planning needs for the smaller agencies and rural providers.

iv. Cindy Mester asked what the TSDAC’s role would be with these documents after the 45 day comment period. Jen DeBruhl said that she would circulate a revised draft before the October meeting. She said that the TSDAC would not have an opportunity to meet again prior to the CTB meeting. Cindy Mester made a motion to note in the documents going to CTB that there was no public comment incorporated into the versions being approved by TSDAC. Brian Smith seconded this motion.

v. Hap Connors asked if feedback from MPOs was reflected in these documents. Jen DeBruhl confirmed that it was. Jen said that the resolutions are written so that they don’t have to go to the Board every time something needs a clarification.

vi. Rob Case from HRTPO asked what the main difference was between the TDPs and the strategic plan. Jen DeBruhl said that the intent is for the Strategic plan document to be more strategic and have the agencies do what was spelled out in the code. She said that some agencies haven’t changed their routes in decades so DRPT wants people to take a look at that and ask if the system is efficient and if it is serving the needs.

vii. John McGlennon reiterated Jen’s point that the TSDAC wants to meet the legislative mandate but remain flexible as DRPT works its way through the process. Jen DeBruhl said that there is language in the prioritization resolution that discusses that the recommendations will be revisited after 2 years. She said that can be incorporated into the strategic plan resolution as well. Brad Sheffield asked if 2 years is the right measure. Jen DeBruhl said that there is a 5 year phase in by code and that the 2 pilots will take about 2 years so she felt that was the right timing.

viii. Brian Smith said that HRT was happy to be part of the pilot program. He said that HRT would deliver a write up at the end of the project on lessons learned.

ix. John McGlennon said that the draft language for the resolution should include a clause that this will be revisited in 2 years.
x. Jen DeBruhl reviewed the whereas clause in the prioritization resolution and asked if it was ok to use in the strategic plan resolution. The TSDAC agreed that it was.

xi. Cindy Mester asked that the resolution references that technical assistance will be provided.

xii. John McGlennon asked if there was a motion to adopt the strategic plan resolution with the addition of the inclusion of the language referencing that the guidelines will be revisited in 2 years, the language added for a technical memo and the acknowledgement that the resolution is being adopted prior to the public comment phase. Cindy Mester made the motion, which was seconded by Brian Smith and unanimously approved.

b. The resolution for the Policy for the Implementation of the state transit capital prioritization was reviewed and the following discussion points were made.

i. Jen DeBruhl said that a table had been added on page 3 which shows how additional points could be added for service quality. She wanted to clarify that these are not bonus points. These points will help to differentiate within the scoring range of low, medium and high.

ii. Cindy Mester asked for a walk through and asked that the word additional be removed. Kate Mattice pointed out that the document references an “Attachment A” which is the basis of scoring.

iii. Brian Smith asked for clarification on the operating efficiency ratios. Jen DeBruhl asked Tom Harrington from Cambridge Systematics to answer his questions. Tom Harrington reviewed items that were factored in as part of TSDAC discussions. Jen DeBruhl reminded the TSDAC that the service quality score was for SGR and minor enhancement. Tom Fox asked if the spare ratio was just for fixed route and not paratransit and Tom Harrington said that was correct.

iv. Brian Smith said that he saw the value in additional methodology and the value in tying this to FTA guidelines. He asked that we do more than just take an academic look and see what the true merit is to this policy in Virginia. He asked what the spare ratios are of transit, because if there is a big disconnect then the policy may not be valid. He said that he wanted to make sure these numbers were grounded in the real environment.

v. Tom Harrington suggested that quantitative information not be put in the board resolution so that there will be some flexibility. Jen DeBruhl said that specificity is needed because transit agencies need to understand how they are being scored. The process has to be transparent to maintain integrity.

vi. Kate Mattice said that the table was really what is extra and should be the attachment. She said that what is really valid for scoring is in the first 4 bullet points.

vii. There was a discussion on how certain types of grant applications would be scored. Jen DeBruhl said that DRPT staff is working to put together technical assistance for scoring and that program guidance will be posted so that everyone understands the process.
viii. Kate Mattice asked if pedestrian safety had been incorporated. Jennifer Mitchell said that John McGlennon had requested that pedestrian safety be incorporated into the scoring and that his request was incorporated.

ix. Jen DeBruhl said that DRPT staff would work all of this into an appendix with a table that explains how points are awarded and how these fill gaps within the range.

x. Cindy Mester confirmed that all of this would be incorporated into one attachment, as one scoring unit and that the word additional would be removed.

xi. Brad Sheffield asked if DRPT had thought about scoring if a grantee comes with request as part of larger effort that will benefit connections. Jen DeBruhl said that the Smart scale program has facilitated good multimodal conversations. Brad Sheffield said that localities should understand that defining the benefits to connections in their projects will help them to score well.

xii. Jen DeBruhl said that applications will be structured with boxes for each factor areas so that the transit agencies can tell DRPT about their projects. Brad Sheffield pointed out that strategic plans will inform these applications.

xiii. Brian Smith brought up the issues with paratransit vehicles. Jennifer Mitchell said that it wouldn’t make sense to evaluate paratransit vehicles under the same framework as major expansion projects and that paratransit should be scored under a separated framework.

xiv. Tom Fox asked about the lead time on replacement vehicles and how we get to a “just in time replacement” model. Jen DeBruhl said that initially the backlog has to be worked through so that the asset age at the time of application will be used to clear the back log, then DRPT can move to more predictive scoring. Cindy Mester clarified that the resolution would have to be changed at a later date to move to the predictive model. Jen said that it would and that the resolution says it will need to be revisited within 3 years. Jennifer Mitchell said that consistency is important and that everyone is evaluated on the same basis regardless of the duration of your procurement process.

xv. Chairman John McGlennon asked to review the changes. Jen DeBruhl reviewed each item. Items 1 and 2 are confirmed as program structure. Item 3 addresses the match rates. Item 4 is the SGR scoring breaking down by age and mileage. Jen confirmed that the table will be moved and incorporated into Attachment A. Item 5 is the evaluation process for minor enhancement. Item 6 is focused on major expansion. Item 7 is a general description of the measure for each factor area. These descriptions are a little more general. Item 8 gets into the weighting frameworks. Kate Mattice asked about the relationship between transit and the MPOs. She asked it transit agencies can request a different typology or if that goes to an MPO. She asked if transit agencies can be involved in this discussion. Jennifer Mitchell said we don’t want 2 different transit agencies in the region with different typology. Jennifer Mitchell said that she will check into how this was done in SMART SCALE. Brian Smith suggested that the language in the resolution be reflected to say “MPO or PDC, in consultation with the transit agency”. Jennifer Mitchell said that the intent is for there to be a single regional framework that would be applied to the region. Item 9 and 10 talk about how the major expansion projects will be scored. Brian Smith asked about the effect of the leveraged funds on the score. Jen DeBruhl said that other state funding can
be included but is not part of the calculation. Jennifer Mitchell said are trying to find the benefit per dollar of transit capital funding. Item 11 is intended to maintain the integrity of the program and make sure that funding for a project is not applied for and then switched out to something else. The final 3 statements talk about implementation. Cindy Mester would like the word appendix to be used instead of attachment for the charts. Cindy suggested pulling all of the tables out into a separate document and cross referencing. Jen DeBruhl said the formatting is consistent with other board resolutions, for example SMART SCALE. Jen said they will go back and see if they can make the other chart more concise.

xvi. Chairman McGlennon suggested that the resolution be adopted with the TSDAC’s comments and that the formatting is left to DRPT.

xvii. Jen DeBruhl mentioned there were live stream issues with the audio. She asked that members speak up.

xviii. Cindy Mester made a motion to approve the amendment with amendments to Item A, the combining of table on page 3 and Attachment A be called Appendix A. The motion was seconded by Kate Mattice. Brian Smith asked for one additional amendment which was a brief note to explain how the other points will be administered. The motion was unanimously approved.

5. Major Equipment Leasing Program-MELP (Master Equipment Leasing Program), Jamie Motley

Jamie Motley started his presentation. He said that the current MELP programs used by the Commonwealth will not work for transit but that we can look into other options and see what will. He said that the real question is whether or not transit agencies need low interest loans from the state. The following discussion points were noted.

a. Brad Sheffield asked if debt financing is currently identified in grant applications. Jamie Motley said not currently.

b. Jen DeBruhl said that we had been tasked at looking at the here and now transit picture to see if a revolving loan program would be helpful. This does not look at future technology.

c. Jim Dyke said that the packaging of the response to the General Assembly is important. It needs to address that the transit needs are not being met and that there are not many options. He said that the Secretary of Finance would not like to issue debt.

d. Kate Mattice agreed and said that financing is not funding and that this program will actually cost more in the long run. This would only be near term. Kate Mattice said NVTC agencies wouldn’t use this program and would issue their own debt. This is not a substitute to long term sustainable funding.

e. Jim Dyke said that transit needs to be worked into the GO Virginia message. Transit can’t be put to the side and needs to be discussed in the context of growing the economy.

f. Brian Smith said that there may be a merit for this program with support vehicles. He said he continues to be concerned about how they would score. He said this may be a tool that could be used for that.

g. Jamie Motley said that these scenarios should show that this program could help a little bit but will not fill the gap.
h. Jim Dyke said that we need to reach out to the business community and other assets to have them show support for this.

i. Hap Connors said that the P3 office needs to be more proactive and creative. He plans to discuss this with the CTB.

j. A response is owed to the General Assembly by November 30th. The response won’t get into other financing options, just an analysis of this program.

k. Brian Smith asked if TSDAC is confirmed as the working group required by the general assembly. It was confirmed that the TSDAC body can serve as that working group.

6. Lunch-The group broke for lunch at 11:54. The meeting was called back to order at 12:30.

7. Performance Based Operating Formula-Jen DeBruhl, DRPT

Jen DeBruhl let the group know that she would be stepping in for Nate Macek who was out of the office at a funeral. Jennifer Mitchell said that there were many people involved in the previous operating discussion. She said that the General Assembly has now given DRPT a new charge. She said that everyone immediately wants to know who the winners and losers are. Jennifer said that first we need to take a step back and see what we are actually trying to accomplish for the industry before we get too focused on how specific metrics affect certain agencies. She encouraged staff to think about it as a clean slate and think about the best way to allocate all of the operating funding. Jen DeBruhl said that the new language directs updates to be put into place by July 1, 2019. She said that the goal for the meeting is to have a dialogue on concepts so that the consultants can put some analytics behind the concepts and bring them back to the group in October. The following discussion points were noted.

a. Brian Smith asked about the importance of the size/weight factor. Jennifer Mitchell said that the size/weight factor establishes a baseline on the relative size of a system. The size metric is a starting point and then the performance metrics are applied to that. Brian Smith asked if the future will still factor in size and weight. Jennifer Mitchell said that it would, that the size metric has the most impact, more so than the performance measures. Jennifer Mitchell said we need to determine how size will be measured. Tom Fox asked if there had been a discussion about using geographic size. Hap Connors asked if fiscal responsibility included the avoidance costs of building highways. Jennifer Mitchell said that operating costs may not promote fiscal responsibility because people who spend the most get the most money. A more efficient operation could get less money.

d. Jennifer Mitchell reminded the group that there is a new charge. She said that previously we were asked to develop a performance based approach for just the new money. She said that today we are being asked to apply something to all the money. It is a very different charge and we can’t just stick with what we had. Jennifer said that she did recognize how much good work had gone into the last discussion.

b. Kate Mattice asked if there is a flaw in the current sizing system before starting from scratch.

c. Cindy Mester said previously we ended up with the best product that we could with the data we had. She asked if we had better data now and said that she didn’t think that the TSDAC needed to start from ground zero.

d. Brian Smith said that having what we have today is an important reference point. Jennifer Mitchell clarified if that is the performance based funding or the actual formula. Brian agreed that we should take a fresh look to start but said that all of it is still important. Brian Smith said that encouraging operators to provide effective and efficient transportation is important.
f. Kate Mattice asked about transit with different types of service characteristics and asked if there was something that can capture long haul commuter rails and the benefits to taking people off the road, even though the operating costs may be higher.

g. Tom Fox said it is important to capture the benefit of transit to people with no other choice.

h. Brian Smith said that funding stability is important and suggested using 3 year rolling averages. He said that each system is compared against itself and then against the statewide average. He said that helps to account for regional differences. Jennifer Mitchell said that DRPT has talked internally about supplementing funding if there are big variances. She said that nationwide ridership is going down and asked the group how much they want to rely on ridership.

i. Brian Smith said it is important to have metrics that incentive efficiency with miles of service and hours of service and other things that operators have more control over. Jennifer said that number of riders is the core element of performance and can’t completely be thrown out. She said that the General Assembly sees riders as a key element of performance as well.

j. Cindy Mester said that from a local government perspective, we need to undo the negative trend in transit ridership to alleviate congestion and promote economic development.

k. Chairman John McGlennon said that the best measure of efficiency is to measure against where you were. He said that a decision needs to be made on how best to measure operating efficiency. How transit fits into economic development is a broader conversation.

l. Kate Mattice said that Chairman Marty Nohe from NVTA had sent a letter to the TSDAC. She asked Joe Swartz from VRE to conversationally discuss the highlights from that letter. Joe Swartz said that the letter basically said that all transit agencies are unique and that VRE is especially unique. Operating a train is inherently more expensive than operating a bus. Joe said that the gist of the letter is to see if there is a way to evaluate commuter rail agencies differently than agencies with buses. Jennifer Mitchell said that VRE is the only commuter rail service in the state. If there were more than one it may make sense to give them their own metrics but she said that there may be merit in pulling out an outlier. She said she doesn’t want to treat it as VRE getting a carve out, which they have not asked for, but a separate set of metrics to compare themselves to. Jennifer said the decision may not need to be made right away but said that VRE has valid points.

m. Tom Fox said that there is also a very big difference between demand bus services and fixed route services. Jennifer Mitchell asked if we pulled out paratransit vs. fixed route when looking at operating costs. She said that the transit companies may have to do that work for DRPT.

n. John McGlennon said that the TSDAC needs to think about what the response should be to differentials in operating performance and how transit systems can get help to improve their performance.

o. Jennifer Mitchell summarized the following points that she had heard on the direction of the operating formula.
i. The TSDAC is comfortable with the existing framework and that could be used as a base case to see what happens if we apply 100% of the funding to this model.

ii. DRPT should look more at net cost per revenue mile as a metric that could replace passengers per revenue mile.

iii. The metrics should be simple and easy to understand.

iv. Transit agencies need year after year stability without wild swings. John McGlennon asked if DRPT knew how the new money had been allocated and if there had been wild swings. Jennifer Mitchell said that she did not think so. Jennifer Mitchell said we could look at that.

v. Expansion should be added to the goals.

8. Wrap Up/Next Steps
   a. Jen DeBruhl said that meetings had been booked through the end of the year on October 3, November 13 and December 3. Hap Connors asked if the future TSDAC agendas were directed by the legislative mandate or if there could be an opportunity to look at nationwide transit trends and have a broader discussion. Jennifer said that could be an agenda item at the next meeting and that could help with scenarios discussion.

   b. Jen DeBruhl reviewed the legislative time frame. She said that the draft resolutions reviewed at the meeting would be on the workshop agenda in September and on the action agenda in October. Jen said that the CTB will be briefed on the operating formula at the December meeting, and then will go back to them in January with a draft policy and workshop presentation and then action in February.

   c. Jennifer Mitchell and John McGlennon will be briefing the Senate Finance Committee on Sept 19 and the House Appropriations Committee in October on the capital formula. Kate Mattice asked for the latest information on the cliff. Jennifer Mitchell said that she will not be discussing the cliff with the House Appropriations or Senate Finance committee. She said that DRPT didn’t get the applications that were expected last year. Kate Mattice said that in looking to the General Assembly session, transit agencies need to know where things are, our position is that the cliff is a couple of years out and we are focusing on reforms. Jennifer said this is not the year to ask for money. Kate Mattice said we need to make sure everyone is on the same page.

9. Public Comment-No requests for public comment.

10. The meeting was adjourned at 2pm.