



Virginia Department of Rail and Public Transportation

Transit Service Delivery Advisory Committee (TSDAC)

VDOT Auditorium

1221 E. Broad Street, Richmond VA

March 12, 2018

9:30 am to 1:00 pm

Minutes

Members Present:

John McGlennon, Chair
Brad Sheffield
Brian Smith
Hap Connors

Kate Mattice
Jim Dyke
Cindy Mester

Members Absent:

Tom Fox

1. Call to Order / Introductions (9:08 AM) – Chairman John McGlennon called the meeting to order and asked members to introduce themselves. He welcomed new members Brad Sheffield and Hap Connors and said that the third new TSDAC member, Tom Fox from Blacksburg Transit, was unable to attend due to the inclement weather.
2. Legislative Charge-Chris Smith, DRPT

Chris said that over the weekend the General Assembly had adopted the conference report. He said that DRPT was still working through the details. Lines 52-76 statutorily reauthorize the TSDAC and give them their charge. He said that the bill restructures DRPT's mass transit trust fund. WMATA's operating and capital funds have been moved to a newly created account. During the session the issue of the CPR bonds was discussed and the General Assembly was very clear that there was not debt capacity available to reissue these bonds for the statewide program. However, a one-time reauthorization of 50 million was made to provide federal PRIIA matching funds, only if these funds are reauthorized by Congress.

By July 1st of 2019 a capital prioritization process will need to be in place. Chris said that a big item for the group will also be to re address operating funds, which will now all be allocated on the basis of service delivery factors. In addition to the changes to the allocation of funds, there are other reforms included in the bill. The bill requires Urban Transit Agency Strategic Plans every five years for transit agencies with 20 or more buses serving urbanized areas of 50,000+ population. There is also a provision in the report that areas with populations of between 1.5 and 2 million population must work with their MPOs on planning, prioritization, and regional funding allocations.

The WMATA Capital Fund provisions of the bill are the result of two and a half months of negotiation. The reforms will be significant. WMATA has to report to NVTC and NVTC must certify receipt before DRPT can allocate funding from the WMATA Capital Fund. The CTB will have the ability to claw back funding if WMATA's operating expenses increase by more than 3% annually. Chris caveated that these were DRPT's thoughts on the bill after a quick 48 hour review and that this sets the stage for what this committee needs to accomplish over the next several months.

DRPT Director Jennifer Mitchell reiterated some of Chris's points. She said that lawmakers did not think that statewide transit capital funding was necessary this year because there is still two years of funding available. Bond funding for transit will not work because it will not provide a sustainable source of revenue for a program focused on state of good repair. She said that over the past few years there have been a lot of structured changes and reforms to VDOT and now it is DRPT's turn to undergo a similar effort. We need to make sure the state is making sound investments. She said it will be easier for the General Assembly to make longer term investments once the industry has implemented the reforms outlined. Director Jennifer Mitchell said that the requirements of the reform package will just build on what transit agencies are already doing. Putting these requirements into place will be very important and the TSDAC will have a big role in this process, which will give buy in to the industry.

Chairman John McGlennon offered clarification on this process and said that the General Assembly is setting the criteria for the measurements but leaving the determination of the actual metrics to TSDAC. Chairman McGlennon said that this will be a good opportunity to present the successes of transit. Director Mitchell clarified that the final decisions on implementation of the prioritization will be made at the CTB Board level.

- a. Brian Smith asked if the language survived that would look a work group for a master state leasing program and asked if it did how that work group would work.
 - b. Chris Smith said that that language was not in the conference bill but may still survive in appropriations.
 - c. Director Mitchell said that program would provide means for the short term financing of capital equipment.
 - d. Jim Dyke said that he thought that was a healthy suggestion. Something should be developed that is more in line with the life cycle of a bus which is 12 years versus 20 year bonds.
 - e. Director Mitchell said that originally a different group was suggested to look at the leasing issue but that that work may come back to TSDAC.
3. Work Plan/Schedule - Jen DeBruhl, DRPT

Jen DeBruhl shared that DRPT has been working on prioritization concepts since the conclusion of the Revenue Advisory Board last year. She said that there were four major pieces that the group would be working on over the next 4-6 months which are the project prioritization, the program structure, strategic plans and the operating formula. Jen walked through the initial work plan for the TSDAC. Jen DeBruhl also said that DRPT will be working to develop a brand package for the reforms. We are working on scoring of the complete FY18 SYIP and will simulate programming funds using a prioritized list in May to show what would happen if the program had been put through a prioritization. In June the group will start to pull together the policy statement and guidance. The prioritization needs to be ready for the CTB no later than September so it can be presented during the workshop meeting that month and go to the action meeting in October.

Jennifer Mitchell echoed Jen DeBruhl's statements and said that there is a sense of urgency to get this work done. DRPT will work to provide materials in advance of meetings. DRPT may have to make some decisions and then bring them before the TSDAC for input. DRPT needs the TSDAC's input for critical policy decisions, particularly in regards to eligibility and match rates. DRPT resisted the General Assembly's urge to codify more detail around project prioritization. Upcoming critical decisions will be worked into the schedule. Kate Mattice asked that materials be distributed a week prior to the meetings so that TSDAC members have an opportunity to dive into the presentations and have members of their agencies help with the reviews.

4. RAB Recommendations - Jen DeBruhl

Jen DeBruhl reviewed the recommendations that had come out of the Revenue Advisory Board. She said there is still work to be done to make the distinction between what qualifies as a state of good repair project versus minor enhancement. An example of this gray area would be replacement of old technology with newer – are you replacing the same functionality or is it new. The following discussion on this presentation occurred.

- a. Jim Dyke asked if research had been done to determine how other states draw the line between state of good repair and minor enhancement projects. Jen DeBruhl said that DRPT looked at other state's programs but that ours is so much larger that it is hard to compare.
 - b. Hap Connors asked what defines a local priority. Jen said that has not been totally defined yet, but it would likely be something that is in the Six Year plan.
 - c. Jen DeBruhl said that the FY18 date is very qualitative for Service Impact but as time goes on the data will become more quantitative.
 - d. Jen DeBruhl said that there are not many major expansion projects in the program and that one of the RAB's recommendations was to establish a minimum funding level for SGR projects.
 - e. Jen discussed the concept of the state match. She said that with a low match rate there are concerns about being able to bring a project to fruition. Higher match rates would ensure that projects aren't sitting around waiting to be fully funded.
 - f. Kate Mattice said that this analysis was done with WMATA in mind. She asked if the analysis was the same now that WMATA is being pulled out and put into a separate account. Jen DeBruhl and Tom Harrington answered that yes SGR needs still constitute 80% of the program.
 - g. Kate Mattice asked what the cost of implementing this program would be to DRPT and to the local transit agencies. She said that the data and evaluation are important but not if the cost of doing so takes money out of the actual program. Jen DeBruhl said that they would answer that question in Tom Harrington's presentation, but emphasized that the testing was being done with data that DRPT has on hand from TransAM and grant applications.
5. Application of RAB Illustrative Methodology to FY18 SYIP Applications - Tom Harrington, Cambridge Systematics

Tom Harrington began his presentation. He reiterated what Jen DeBruhl had said about the gray area with minor enhancement and state of good repair projects in regards to replacing old technology with something better. He said that of the FY18 projects only 7 of the 202 would be categorized as a major expansion project. Tom said that a third of the items on the list qualify as minor enhancement projects but that those projects only account for about 5% of the total spending. He said that, based on the RAB methodology, State of Good Repair projects can earn a

total score of 100 and are scored based on asset condition and service impact. Minor Expansion projects can only score 40 points total which allows SGR projects to rise to the top of the list. Tom said that the idea is that agencies will be replacing their oldest assets first. Scoring would be based on how many years beyond its useful life an object has gone. Tom asked the committee if this scoring scale made sense. He said that there should be a differentiation between things that are older and things right at their useful life.

- a. John McGlennon asked if the prioritization will be set up to reward systems that are getting more life out of their assets or if there is a link to how these assets are performing and if they are breaking down and impacting service. Tom Harrington said that issue would be accounted for in the service impact score.
- b. Hap Connors asked if safety was a criteria that was being scored. Tom Harrington said that it was and that it is accounted for in the service impact score.
- c. Jim Dyke asked if Appropriations and Senate Finance staff could come and talk at the April meeting. Director Jennifer Mitchell agreed that they should.
- d. Brad Sheffield asked if there would be a way in the prioritization to make an exception for a bad batch of assets that would override age and mileage. Tom Harrington said that yes, that could be built in.
- e. Kate Mattice asked if everyone who participates in the statewide program has to submit asset data to TransAm. DRPT staff answered yes to Kate's question.
- f. Kate Mattice asked if useful life was based on different operating criteria. Tom Harrington said it was based on standard operating criteria and that is where mileage is factored in.
- g. Tom reviewed the service impact handout. He proposed that as part of the application process that projects be scored based on how their strategic alignment. Projects will be given a score of either; no impact, low impact, medium impact or high impact.

John McGlennon asked that the chart be modified so the colors follow a pattern of increasing significance. Cindy Mester said that she likes data to be as qualitative as possible. She asked if there were definitions for different impacts. Tom Harrington said that that would be the next step in the process. He said that we will be able to ask for information on the grant reviews going forward that we did not have for the FY18 simulation.

- g. Director Jennifer Mitchell said that there is only so much quantitative data that can be asked for. She asked the group to consider if what Tom Harrington presented is the right criteria, and if any weighting should be considered. She asked if all four factors should contribute the same amount of points or if there would be value in weighting.
- h. Cindy Mester suggested that transit agencies not be overburdened. She suggested that they look at the FY18 prioritization and see if it works.
- i. Brian Smith asked if it is possible to have pre-set categories for the project types so they can be packaged together with some predictability to how a project would score. He said that with so many components in scoring it would be better to package the possibilities up front. He said that some jurisdictions would put in a bus that had aged to a particular point when others wouldn't. He stressed the importance of the program's predictability. He said there should be a way to deal with subjectivity in an objective way.
- j. Cindy Mester asked that they be able to see service impacts applied in the simulation.

- k. Brian Smith expressed concern about bus replacement and SGR needs and wanted to know how much of the program was represented by ongoing fleet replacement. He asked if bus fleet replacement was important enough to deal with in a standardized way.
 - l. Kate Mattice said that the current priority of the statewide program appears to be rolling stock as it gets the highest matching rate for state funding. She asked if the goal of the statewide program is changing. She said she was not advocating for a change but that TSDAC needs to know what the priority of the state is.
 - m. Director Jennifer Mitchell said that that will be an important policy decision and asked if the replacement of a vehicle should be prioritized over everything else. She said that she isn't sure if vehicle replacement should always come first because agencies have different needs. All of the various needs of agencies will be illustrated by the FY18 prioritization.
 - n. Jim Dyke said that this is an important question because you cannot run a transit agency without vehicles.
 - o. Brad Sheffield asked about systems who don't perform adequate maintenance. He asked if system overhauls should be encouraged. Chairman John McGlennon said that was a very important question.
 - p. Jim Dyke said the Commonwealth should be investing in products that we know work.
 - q. Kate Mattice said that a bus may run differently in Northern Virginia versus Blacksburg because the operating conditions are different. She said that she assumes the state does not want to reward poor maintenance.
 - r. Director Jennifer Mitchell said that each geographic area in the state has its own set of challenges and so the operating conditions may be a wash.
 - s. Jen DeBruhl pointed out that a mid-life overhaul can be tracked in TransAM and would extend the useful life of the vehicle. There will be a full TransAM briefing at the next meeting so TSDAC members are aware of what tools we have in our tool box.
 - i. Director Mitchell asked Jen DeBruhl if we know how many transit agencies do mid-life overhauls. Jen DeBruhl said that DRPT is doing its grant reviews now and only knows of a handful that do these as a course of business.
 - ii. Kate Mattice asked if you can apply for a mid-cycle grant. DRPT staff said that you can.
 - t. Brad Sheffield said that the TSDAC needs to understand the ability of smaller systems to pull together the data requirements to support prioritization. Director Jennifer Mitchell said that most of the analysis is based on information we are already receiving from the transit systems in their applications.
6. Working Lunch-Lunch was held until after the meeting adjourned.
7. Wrap up/Next Steps - Jen DeBruhl
- a. Tom Harrington said that in April he will be showing the first cut of how all of this looks. In May the TSDAC will look at the prioritized list with funding and match rates.
 - b. Hap Connors asked if the VDOT portal could be used with this effort. Jen DeBruhl said she would check with VDOT to see if this is possible.
 - c. Cindy Mester asked if we would be able to digest all of this by June.

- d. Director Jennifer Mitchell said that the TSDAC needs to answer some fundamental questions. They will have to give their feedback in absence of running scenarios over and over again.
- e. Jen DeBruhl said that the work has to start early with activities running concurrently in order to achieve the time frame that was set forth by the General Assembly.
- f. John McGlennon asked if the group was supposed to come up with a general idea of what they would advocate and then run the prioritization and look for fatal flaws. DRPT staff concurred with this.
- g. Director Jennifer Mitchell said that the sooner these decisions can be made the better. Some decisions may have to be made without a highly quantitative analysis.
- h. Chairman John McGlennon asked that the TSDAC receive the information as soon as possible.
- i. Brian Smith said that in looking at the 4 factors for service impact, he does not see any reason why they would need to be weighted differently. He asked that subjectivity be built into the front end so transit agencies have some predictability with how their projects will score.
- j. Tom Harrington asked the group if they recommend one score for each category or if they should have the ability to add and subtract from a score to count for maintenance etc.
 - i. Brian Smith suggested it be handled so DRPT has to deal with less subjectivity.
 - ii. Director Jennifer Mitchell asked how you develop criteria so that everyone across the state is measured equally.
- k. Director Jennifer Mitchell summarized the major policy questions from today's discussion as follows for further TSDAC input:
 - i. Mid-life Overhauls – how many systems do these and how should it be incorporated into process?
 - ii. Vehicle Replacements – should these be prioritized above other assets at a certain threshold?
 - iii. Geographic Weighting – does it add value or add another layer of prioritization that is unnecessary?
 - iv. Data Availability – do we require more data over time and what are our gaps?
 - v. Service Impact Factors – are these the right areas of focus and should there be thresholds for scoring?
- l. Chairman John McGlennon thanked the new TSDAC members who had joined and said that it was nice to have a different set of eyes looking at these issues.

8. Public Comment-

- a. Lisa Guthrie from the Virginia Transit Association stood up to give public comment. She thanked the committee for its hard work during the General Assembly to secure Metro and Statewide Transit Capital Funding. She said that she believed they had planted very important seeds in legislator's minds. Transit is important for businesses, mobility and access to schools and jobs. VTA will be focused on telling legislators that DRPT is

working on a prioritization as directed, and will come back to the General Assembly next year when this is done.

9. The meeting was adjourned at 11:21 am.