



Transit Service Delivery Advisory Committee (TSDAC)
Webinar
600 East Main Street, Richmond
August 29th, 2018
10:00 am to 11:00 am

Minutes

Members Participating:

John McGlennon, Chair	Hap Connors	Brad Sheffield
Jim Dyke (present at DRPT)	Tom Fox	Kate Mattice
Cindy Mester	Brian Smith	

1. Call to Order / Introductions (11:01 am) –John McGlennon opened up the meeting and said that the group was there to be briefed on two critical items. He said that the meeting was just for briefing purposes and that there would be no decisions made today. John McGlennon said that the meeting was being streamed from the DRPT office as practice for the upcoming September 7th in person TSDAC meeting. He confirmed that all members of the TSDAC were present.
2. Briefing on Operating Assistance-Background-Nate Macek, WSP

Nate Macek began his presentation. He told committee members that the purpose of the presentation was to understand how the current system works, so that members can determine how best to modify it based on the legislative changes. He said that suggestions for changes will be discussed at the September 7th TSDAC meeting, and that the day's presentation is intended to be purely informational. Nate said that the General Assembly has mandated that agencies be allocated funding strictly on performance. WSP will bring forth possible metrics to discuss for the performance measures on September 7th. Cindy Mester thanked DRPT for providing the refresher and the discussion of the work from 2014.

Brian Smith asked a question on what is being looked at for the metrics and asked if Nate could share any initial information. Brian said that the two main considerations are traditional system sizing/overall agency cost structure and ridership. He said that this bleeds over into the performance based metric. Brian said that it really comes down to how big your budgets are and ridership. He asked what other metrics might be considered. Nate said that is what the discussion next week will delve into. Some of the metrics that will be discussed and analyzed are a couple of different measures for cost, service provided, and different measures for ridership, such as unlinked passenger trips and passenger miles traveled. Their evaluation of these measures will be presented next week. John McGlennon reiterated that this is an informational briefing and that discussion will occur next week.

3. Briefing on Appropriations Act-MELP (Master Equipment Leasing Program), Chris Smith

Chris Smith transitioned the conversation back to capital. The General Assembly has asked DRPT to look into a master equipment leasing program for transit capital to help finance capital costs. DRPT has to report back on November 1st of this year. Chris said that DGS has a leasing program, but under that structure transit agencies are ineligible for the program. The program would provide bulk cost savings by providing lower financing rates. DRPT will be reaching out to TSDAC members between now and September 7th for feedback on the program.

Jim Dyke said that there is clearly a need for additional sources of funding since the agency was not able to get funding through the General Assembly. He said that he looked forward to seeing a model of the program. Kate Mattice said that financing would be an interesting option to explore but thought that we should look into other options and look outside of the transportation trust fund. Chris Smith said that the language from the General Assembly does not preclude us from looking at other revenue sources, such as the ones explored by the Revenue Advisory Board, but said that DRPT was asked to look at this particular source. Chris said that putting the reforms in place will set the stage for a future revenue ask, but that the General Assembly has made it clear that we need to put these things into place first. Kate Mattice asked if this program would run against the state bond limit. Chris said that is still being determined, the current program does run up against the bonds but the current program doesn't work for transit capital. The treasury can approve and deny all loans and would be involved in the program.

Jim Dyke asked about the decision to scale the loan down to 12 years and asked what the advantages were. Chris said that 12 years aligns with the actual useful lives of buses. He said that DGS uses the existing program to plug revenue short falls but said that transit capital needs fluctuate. Chris said that how many loans are authorized is going to depend on the needs of the agencies. Jim Dyke pointed out that bonds would have 20 year terms which are longer than the life of a bus. He said that now that the time frame is aligned it seems more efficient.

Kate Mattice asked a procedural question. She said that the bill asks for development of a working group that isn't TSDAC but could have TSDAC members and asked how that working group would be factored in. Chris Smith said that the agency got clarity from the General Assembly staff that TSDAC could be the working group. DRPT is also getting feedback from PRTC.

Brian Smith said that he thinks the MELP program is worth exploring. He said that in a larger context, there is so much overall reform to the state and the state wide program and that this could be another means to find additional resources. Revolving commitments speak to predictability. Brian said he is concerned that agencies are not really sure what they are going to experience in the next few years and what they will have in order to meet their core needs. Brian said that support vehicles are an example of something may not do as well in prioritization. He said that the MELP program could be used for important equipment that may not score well.

Chairman John McGlennon asked if the existing transit bonds were tied to particular assets. Chris Smith and Jen DeBruhl confirmed that they were not. He also asked if anything in the existing MELP would involve questions about titling because of contributions from a variety of sources. Chris Smith said that the current program is limited to state agencies, so the agency holds the title. Steve Pittard, DRPT's CFO said that this is a bridge financing program, not new source of funding. He said that DRPT is working through all of these reforms so our capital needs can be better documented. Chairman John McGlennon pointed out that the obstacles for a program like this may be so great that we shouldn't go into a lot of detail on how a program would be structured. He said that the General Assembly wouldn't want us to spend a lot of time on something that is insoluble.

4. Wrap Up/Next Steps

Jen DeBruhl said that the final package for September 7th would go out by the end of the week of August 27th. She said that a draft policy statements had been sent out for comments, so that this package will be revised based on those comments. The September 7th meeting will be at DRPT's office at 600 East Main Street in Suite 2102. DRPT staff has been trying out the technology to make sure we are ready to go for September 7th. She said that for those participating remotely; the information for how to register for the webinar will be posted on the DRPT website.

5. The meeting was adjourned at 11:04.