



TRAC FASTER Redistribution Sub-Committee Meeting #3 Minutes

Date Held: Monday, March 24, 2014
Time Held: 10:00 – 11:30 AM
Location: CDOT Headquarters, Auditorium and by Telephone/Web Conference

Subcommittee Attendees (“Y” if present):

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| Y Rob Andresen, Grants Mgr, CDOT-DTR | Y Tom Mauser, Transit Section Mgr, CDOT |
| Y David Averill, PIng & Infrastructure, CDOT | Y Ryan Mulligan, RTD Syst. PIng/FasTracks |
| Y Craig Blewitt, Mountain Metro Transit | Y Kurt Ravenschlag, General Mgr, TransFort |
| Y John Elias, RTD Syst. PIng/FasTracks | Ann Rajewski, Co Exec-Director, CASTA |
| Y Matthew Helfant, DRCOG | Marissa Robinson, R4 Liaison, CDOT-DTD |
| Y Mark Imhoff, Director, CDOT-DTR | Vince Rogalski, Gunnison Valley TPR/STAC |
| Y Will Jones, Greeley Transit | Y Mark Rogers, CDOT Region 3 |
| Y Lizzie Kemp, CDOT Region 1/FasTracks | Y Mike Timlin, Bus Services, CDOT |
| Y Lenna Kottke, Via Mobility Services | Leah Ware, Mgr., DTD/DTR Business Ofc. |
| Y David Krutsinger, Rail & Spec Proj, CDOT | Elena Wilken, Co Exec Director, CASTA |
| Y Tracey MacDonald, Sr. Transit Plnr, CDOT | Kathy Young, Mesa County/GVT |

Additional Copies:

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| Chuck Attardo, Region Planner, CDOT R1 | Michele Martinson, Tr. Technician II, DTR |
| Lisa Streisfeld, Region Planner, CDOT R2 | John Valerio, Transit Planner, DTR |
| Karen Schneiders, Region Plnr., CDOT R4 | Jeff Sudmeier, Sr. Planner, CDOT DTD |
| Matt Muraro, Region Planner, CDOT R5 | |

Agenda:

- Welcome / Introductions
- Review of Meeting #2 Minutes & Action Items
- Scenarios Discussion
- Next Meeting
- Adjournment

Welcome / Introductions

The meeting was opened at 10:05 after allowing time for subcommittee members to take their seats and call-in by phone. Subcommittee members introduced themselves.

Review of Meeting #2 Minutes & Action Items

The minutes and action items were reviewed. No changes to the minutes were proposed. A few additional questions from the action items were answered. Tom Mauser confirmed that, excepting poor-performing projects, that all eligible Section 5311 rural operating requests are funded. He stated most are funded, on average, at approximately 75% of the total amount requested, at a minimum 50% FTA match. All resort / large transit agencies over-match; a few make large requests, so are not always funded near the 75% of requested level.

Scenarios Discussion

This portion of the meeting reviewed emerging themes and preliminary recommendations. Each sub-area generated further discussion and refinement of the ideas.

\$5 Million Capital Program Themes

Most subcommittee members agreed with the general theme that the FASTER Local Pool of funds should primarily be used for bus/vehicle replacement, while retaining eligibility for other capital uses. It was noted that bus/vehicle emphasis would be less useful for large agencies like RTD, MMT, and TransFort, and that the subsequent “stipend” discussion might address some of those concerns (see more below). Subcommittee members stated a priority preference for existing vehicle replacements, with an allowance for vehicle expansions as a lower priority.

Asset management / fleet management efforts are viewed as a tool to make decisions, not as a promise or commitment. Even with such efforts, CDOT will need to confirm with agencies in advance of replacing vehicles to verify vehicle age, mileage, and other indicators of condition. Lizzie Kemp noted an example from prior experience in the San Francisco region, saying that collaborative decisions are helpful. It might be that not only is CDOT responsible, but agencies themselves can also be responsible for “flattening” the bumps/spikes in vehicle replacement backlog. Additionally, FTA and FASTER funds should be assessed together to handle the crests and valleys of vehicle replacement need. Tom Mauser noted that approximately 10% of 5311 funding is programmed to capital replacement. If FASTER funding is more focused on bus / vehicle / fleet replacements, then FTA 5311 funds could be used to help smaller operators replace other capital items.

The subcommittee again stated the importance of maintaining eligibility for capital uses other than buses & vehicles. In terms of local / regional input, the subcommittee noted it would be useful for CDOT-DTR to hold a meeting prior to releasing the call for projects, to identify year-by-year trends. This would help grant partners understand the likelihood of non-vehicle capital items being funded in a given year, and thereby focus grant application efforts. Such meetings were the practice in the time before MAP-21, when agencies in the Colorado Transit Coalition collectively put together Section 5309 funding requests.

Some subcommittee members expressed an interest in maximizing the flexibility of FASTER funds. A preference was stated for allowing FASTER funds to be used to match Federal funds, and thereby allow local funds to be the most flexible in purchasing things that FTA and FASTER programs collectively have as lower-priority.

Operating Assistance Themes

DTR staff reviewed projects generated through the *Inter City and Regional Bus Study*. About 50 potential projects were identified, of which about 20 were identified as “priority”, “essential”, or secondary priority/essential. Seeing the large need, compared to the limited amount of available funding, subcommittee members suggested that the definitions of “regional” and “interregional” service are important to managing and distributing those limited funds.

The subcommittee discussed and generally agreed with the statement that operating assistance should be requested at a modest / manageable level to begin, and if successfully used, to request more, later. Setting a smaller foundation, and being successful, was seen as an appropriate strategy not only for the

CDOT Transportation Commission, but also among transit agencies generally.

One portion of the discussion addressed issues of matching level, eligible projects, and how far outside jurisdictional boundaries services would have to travel to qualify (Outside city? Outside county? Crossing several county boundaries?). Answers to these questions are important to setting expectations about whether operating assistance would mean: (1) what you start with is pretty much what operating assistance would be retained into the future (no new operating projects funded) or (2) whether services that get in the door early in the program might be subject to shrinking FASTER matching funds as new projects are let in the door.

Streamlining Grant Process Themes

A table, for discussion purposes, showed that up to 93% of FASTER funds could be programmed by performance criteria (criteria still TBD), leaving as little as \$1 Million to be distributed in an “open” competitive pool. Represented this way, streamlining minimizes paperwork and unpredictability that can result from a competitive process. Some subcommittee members, however, felt that \$1 Million in a competitive pool was too little to be responsive to unknown / unplanned contingencies. A single agency currently has three “lemon” vehicle engines, \$150,000 each, totaling what could be a request for \$450,000 or half of a hypothetical million-dollar competitive pool.

This, in turn, raised several other questions, shown here with answers:

Q1: Are engine replacements / vehicle rehab or refurbishments eligible in the local pool?

A1: Yes

Q2: There should be some incentive to get extended life out of vehicles. That’s better for everyone.

A2: Yes, agreed. It was noted that the match rate could be adjusted higher for vehicles which had not reached their useful life, and lowered for those beyond their useful life, to incentivize good fleet management.

Q3: Is the statewide competitive pool limited to bus replacements?

A3: No. In fact, many of the statewide pool funds have gone for construction, not buses.

Q4: If a stipend is provided to some of the larger agencies, how is that computed?

A4: Unknown at this time.

Q5: Does “vehicle replacement” limit the funding to buses only?

A5: No, the intent is not to freeze out other “vehicles” in the statewide transit fleet, which include gondolas and light rail vehicles.

It was noted that three agencies receive federal funding (Section 5339) for bus replacements directly from FTA, and therefore those might be the agencies that would receive a stipend: RTD, MMT, and TransFort. Mark Imhoff suggested that possibly RTD’s stipend would come out of the Statewide Pool of funds, with MMT and TransFort stipends coming out of the Local Pool of funds.

Overview of FASTER Scenarios

As a prelude to discussing scenarios, the legislative intent of FASTER was re-stated. Of the total, \$5 Million is directed to funding local projects, and \$10 Million is directed to funding projects of regional

and statewide significance, connecting and expanding upon existing services.

One base scenario and four new scenarios were discussed. The base scenario represents FY 2015 funding and a request was made that FY 2014 should also be shown. Of the four new scenarios, the intent was to show policy implications of potential regional/interregional bus operating assistance, of potential stipends to large agencies, and of the resulting size of the competitive statewide pool.

Over the last five years there have been relatively few capital projects of statewide significance around the state. TransFort and RFTA have each submitted for BRT. RTD has been able to submit for several projects, averaging about \$5 Million in FASTER funds received per year.

It was noted that if RTD received a stipend (example value of \$3 Million per year) that they would no longer be eligible for the local pool of funds. It was clarified that other Denver-region transit providers would still be eligible. MMT and TransFort are likely stipend recipients too, based on FTA funding noted earlier. MMT and TransFort stipends might be more appropriate out of the Local Pool of funds, and then they would not be eligible to compete for funds there. It was clarified that MMT and TransFort stipends likely would not be limited to vehicle replacements. It was clarified that stipends would not preclude any recipient agencies from competing for remaining Statewide Pool funds.

There was further discussion and interest in possibly seeing all past funding recipients as one benchmark for funding. Others stated it was more important to focus on the performance desired in the future.

Various perspectives were discussed as relates to operating assistance, including a possible \$200,000 ceiling, different match/incentive structures, and eligible recipients. Nine projects were received in the call-for-interest, one of which was VanGo's request for preventative maintenance funding. That was interpreted to be a capital request, not an operating request, leaving eight who better fit the operating call-for-interest intent. Greeley Evans Transit noted that they have an interest but that they were unable to submit at this time. Mark Rogers said that Montrose may have an interest in the future. Some questioned whether incentives, in the form of lower match rates for start-up services, might send the wrong message and encourage more participants in the operating assistance pool than can be sustained long-term. One suggestion was to reverse the incentive, instead offering less FASTER match until such time as a service can show that it is a successful service.

Next Meeting

Transit agencies volunteered to take the stipend idea and other ideas from this meeting back to their senior managers / boards / decision makers. CDOT DTR staff agreed to provide some additional scenarios with MMT and TransFort stipends out of the local pool and begin thinking about how performance criteria might be further applied. One subcommittee member re-stated the earlier concern that the funding discussions not get too bus-focused, that it is important to consider other vehicle types and other capital needs, that "state of good repair" is broader. Subcommittee members stated that the discussions seem to be heading in the right direction overall, dealing with the key topics. Subcommittee members suggested ways to talk with CDOT Transportation Commission: (1) Explain what "fix-it-first" means for transit, that buses are the infrastructure of transit, (2) that with a bus/vehicle replacement emphasis for the foreseeable future may mean it will be more difficult to fund transit facilities such as maintenance/storage and transfer/station facilities, and (3) that an infrastructure bank might be an idea to consider in the future.



Requests / Action Items

| Start | Complete | Action | Lead(s) for Response |
|--------------|-----------------|---|---|
| 2/24/2014 | 3/24/2014 | Any unfunded 5310 & 5311 operating requests? | Mauser, Andresen |
| 3/14/2014 | 3/24/2014 | Provide the resulting “weights” among riders, hours, miles implied by slide 21 MPACT 64 | Krutsinger, Kemp |
| 3/14/2014 | | Verify 2013 bar data re: all FTA funds to Colorado being >\$100 Million lower than any prior year | Andresen, RTD |
| 3/14/2014 | 3/20/2014 | Provide the “charge” to the subcommittee by posing policy questions sooner before the next meeting re: scenarios. Hoping for mix of formula-only, discretionary/competitive – only, and both. | DTR |
| 3/14/2014 | | Revise allocation bar charts for UFR & Eastern (re-allocate NECALG more to Eastern) and SLV & CFR (re-allocate Chaffee Shuttle more to SLV). | Martinson |
| 3/14/2014 | 3/20/2014 | Provide project lists showing “priority”, “essential”, and “secondary” from the Inter City & Regional Bus plan | Timlin |
| 3/14/2014 | | When issues have been vetted well, draft new screening/selection criteria for future call-for-projects | Averill, Mauser |
| 3/24/2014 | | Show a FASTER Scenario table with both the FY 2014 (no IX Bus service) and FY 2015 (with IX Bus) for two points of reference | Krutsinger |
| 3/24/2014 | | CDOT DTR provide a description of purpose of stipend | DTR |
| 3/24/2014 | | CDOT DTR provide some new scenarios with MMT and TransFort stipends out of the local pool | DTR |
| 3/24/2014 | | Transit Agencies / Subcommittee members seek input from decision makers / board of directors on Meeting #3 ideas and stipends | Transit Agency Subcommittee Members |