

1. Introductions

Gayle Prior (GGBHTD) requested introductions from the attendees.

2. Selection of PTAC Chair for 2011

Monique Webster (SFMTA) was nominated and accepted position of Chair for PTAC. Next PTAC meeting is March 21st. [Note: Subsequent to the meeting, Ms. Webster declined and Kate Miller (AC Transit) accepted the position. Ms. Miller has volunteered as a back-up nominee at the TFWG meeting, should she be needed.]

3. Legislative Update

Rebecca Long (MTC) reported that for FY11, House Republicans have proposed eliminating all prior high-speed rail funding that has not been obligated, saving a total of \$8.7 billion. The proposal would also cut New Starts funding to \$1.6 billion, eliminate TIGER II funding and rescind TIGER funding that is not yet obligated.

The Administration's FY 2012 transportation budget reflects significant policy and funding changes proposed as part of a six-year reauthorization of the federal surface transportation program. There is a big emphasis on state of good repair, however, no specific formulas have been provided. In addition, they are creating a new sustainable communities program in which they continue to fund capital investment grants. On the formula side, they maintain the urbanized area program. JARC, New Freedom, etc. will be consolidated into one specialized transportation program. MTC generally supports the consolidation because it makes things more flexible by not having as many pots and rules. There is also a proposal for higher funding especially in 2012 by front loading \$50 billion for transportation in the first year of authorization, but it does not have an accompanying new revenue source.

Glen Tepke stated that the State of Good Repair is supposed to receive \$10.7 billion in FY2012 but there is no mention of the formula. A key policy issue would be how to allocate the funds to those with the greatest needs without penalizing operators who have done a good job of maintaining their infrastructure.

Rebecca Long added that on the state side staff believes they will see the state budget earlier than usual. There is desire to put something on ballot in June in terms of extensions of existing taxes. The Legislature had a target of March 10 to adopt a budget, but it has been pushed out to the end of March. Both houses have approved the Governor's budget of \$331 million for STA and staff hopes the gas tax swap will be reaffirmed.

Rebecca Long also requested support from all transit agencies for SB582, an Emerson bill. It would allow regional agencies like MTC in cooperation with their air district to require employers to offer a commute benefit policy.

4. FY12 Fund Estimate

Mat Adamo (MTC) reviewed the FY 2011-12 annual Fund Estimate with the working group.

Kenneth Folan stated that the funds that were transferred from BATA to MTC in April are to benefit both agencies for FY2011-12. MTC is using the amounts from FY 2010-11 actuals and is not proposing any increases in the near future.

Proposition 1B, Resolution 3814, anticipated a spillover of funding that would be available in the future. However, there has been no spillover funding in the last two years. Resolution 3925 shifted some funding from STP/CMAQ into areas that were previously supposed to be paid by spillover, relieving some of those commitments.

5. FY11 POP

Glen Tepke (MTC) reported that there has been no Congressional action on enacting the FY11 DOT appropriations or extending the current Continuing Resolution, which expires March 4. Staff will provide an update at the April 6 TFWG meeting.

FTA released partial year apportionments for the formula programs including 5307 and 5309 Fixed Guideway last month which funds the formula programs at 5/12 of their annual amount. However, there are no partial year

apportionments for 5309 Fixed Guideway programs for the SF/O, Concord, Antioch or San Jose Urbanized Areas (UA) because of the unusual seven-tiered formula used for apportioning 5309 FG funds, but those UAs will get their funds when their apportionment for the remainder of the year comes in.

Each operator has an option of submitting a partial year grant application to FTA or waiting for the rest of the apportionments for the whole year. FTA staff is encouraging operators to submit partial year because it will allow them to get the projects through DOL review sooner. When submitting the partial year operators should put the entire FY2011 program in the grant - the balance not covered by the share of the partial year apportionments will go below the line as contingency items and through an amendment operators can later move the amount above the line.

Glen Tepke urged the working group members to take a look at their list of earmarks for 5309 Bus program, New Starts, and Alternatives Analysis that have not been obligated.

Joanne Parker encouraged operators to get their civil rights documents attached in TEAM because FTA had to pull some grants that did not do so.

6. SCS/RTP Transit Needs Assessment

a. Transit Operating Update

Sri Srinivasan (MTC) reported that the RTP/SCS – Transit Operating Needs survey was due to MTC on February 16 and passed around the results so far.

b. Clipper Cost Estimates

Jake Avidon (MTC) reported that staff is unable to provide a draft of the cost forecast for its projections of Clipper operations and maintenance costs. He stated that he would have the estimates by the end of March and noted that annual costs are going up because Clipper customers are acquiring cards in greater volumes than expected and as a result operating expenses are bumping up the annual cost predictions.

c. Transit Capital Update

Glen Tepke (MTC) provided an update on the Transit Capital Needs Assessment approach for the SCS/RTP. The projected cost of replacing everything on schedule would lead to an ideal state of good repair but it is also expensive and could result in a substantial transit capital shortfall. MTC staff is proposing to do three different needs scenarios for the next RTP: 1) same scenarios as in T-2035, 2) look at cost to maintain current average age of assets, and 3) an intermediate between the first two scenarios. Staff will come back to the group and PTAC with a modified proposal for different levels of investment.

MTC has not determined what the funding scenarios will be on the revenue side in T-2035 for FTA formula uncommitted funds.

Booz Allen is currently loading the data that was received in January into the TERM model. Staff hopes to bring the results back to the working group for review in April.

7. Recommendations on Use of RTCI by Transit Operators

Yonel Grant (MTC) presented Booz Allen's recommendations to the working group. They are trying to address two questions: 1) whether the State of Good Repair measure is useful to operators and its connection to the RTCI, and 2) does developing the inventory and maintaining it over time help with other general management tasks.

Kate Miller suggested having some sort of meeting with fellow operators do discuss whether to upgrade the existing asset management database or procure a new one. Glen Tepke stated that it is a good suggestion and perhaps staff may set up some kind of workshop for the operators.

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8. SRTP Update

Christina Verdin (MTC) stated that staff suspended the SRTP policy for FY 2010-11 and is not requiring that operators submit their scheduled mini-SRTP this year. Instead of funding the SRTPs, FTA Section 5303 planning funds are being used to support the Transit Sustainability Project and an upcoming Transit Origin-Destination and Demographic survey. Based on comments from the TFWG in January for an interim SRTP proposal for FY 2011-12, staff has modified the proposal to assist operators that produce the document in-house or with some consultant support.

A working group member thanked staff for hearing their comments and adapting their proposal.

Staff will come back to working group in April to allow the group to provide further input.

Todd Morgan stated that the second cycle may be a good place to put money aside for operators.

Kenneth Folan stressed transit participation and attendance at PTAC meeting since the SRTP is discussed further at those meetings.

9. 2011 TIP Updates

Sri Srinivasan (MTC) the progress of TIP Amendment 11-05 will be on the website soon.

10. ARRA Grant Status

Anne Richman (MTC) provided an ARRA grant status update. FTA reminds grantees that the ARRA projects and funds were intended to be spent quickly to create jobs and boost the economy. Many of the grants are 100% expended, and most are well over 50% spent. However, a few are well below that.

11. Prop 1B Update: Transit (PTMISEA) and Transit Security (CTSGP)

Amy Burch (MTC) reported that the PTMISEA semi-annual reports, certification and assurances, and authorized agent forms were due to Caltrans by February 15.

Two reports are due at the end of April for CAL EMA transit security program: 1) Close-out reports, and 2) FY 2008/09 performance reports.

Amy Burch reported that last month the Commission programmed \$5.4 million in transit security in population based funds and staff plans to go back to Commission in May for PTMISEA Round 2 fund programming.

Next Transit Finance Working Group Meeting:

Wednesday, April 6, 2011

10:00 AM – 12:00 PM