

1 Introductions

Todd Morgan (BART, Chair) requested introductions from the attendees.

2 Approval of the June 2007 Minutes

Todd Morgan (BART, Chair) asked for approval of the June 6, 2007 meeting minutes; the Working Group approved the minutes.

3 Legislative Update

Rebecca Long (MTC) reported that the State budget is in final negotiations and could pass by July 20, when Legislature is scheduled to go on recess. The Conference Committee did finalize their actions and restored \$709M of the proposed \$1.39B cuts; total cuts from PTA are \$551M. According to the California Transit Association (CTA), the action leaves the new total for STA at \$408M, double the amount in the Governor's May revise. Factors are not official and no trailer bill language has been distributed. There should be about \$507M available for the STIP, approximately \$80M short of what is needed for FY08 allocations. The proposed funding for High Speed Rail will come out of PTA for a total of \$40M. There are proposed trailer bills using the Spillover funds into the future to offset expenditures from the general fund for special services. Rebecca reported that there is no interest in a long-term fix for folding the Spillover funds into Prop 42. All PTA allocations for the July CTC meeting have been deferred. Federal appropriations are moving forward.

4 2007 TIP Amendment Schedule & Update

Raymond Odunlami (MTC) provided an informational update on the Transportation Improvement Program (TIP). Raymond reported that formal amendments would now be referred to as Amendments and administrative amendments will now be referred to as Administrative Modifications.

- TIP Amendment 07-06, the SAFETEA-Compliant TIP Amendment, was approved by FHWA/FTA on June 14, 2007 and is now available for amendments.
- TIP Amendment 07-10 was approved by the MTC Commission on June 27, 2007 and is currently being reviewed concurrently by both Caltrans and FHWA/FTA. Final federal approval is anticipated in late July or early August.
- TIP Administrative Modification 07-11 is expected to be approved by Caltrans by mid-August.

The deadline to submit requests for the next formal TIP Amendment is August 1, with anticipated approval sometime in November. Requests for administrative modifications are due through the FMS – Universal Application, the first of each month.

Raymond advised the Group that the FTA recommends submitting an all-transit amendment to incorporate any funds awarded from the 5309 Bus Discretionary Program; there is no news on the 5309 Discretionary awards. The amendment is likely to be submitted prior to the approval of the next formal amendment.

5 Regional Transit Capital Inventory/RTP Data Collection Update

Glen Tepke (MTC) reported that the next steps for the Regional Transit Capital Inventory projects are to start building the inventory as well as do the RTP Transit Capital Inventory shortfall projections, simultaneously. MTC issued a call for data for the T2035 RTP projects and asked the operators to submit their capital assets in, as much as feasible, the form recommended for the inventory. MTC distributed an Excel template to collect asset and project data. Glen provided a step-by-step overview as to how to complete the Capital data. MTC planning staff will issue a separate call for data for expansion projects. Staff also requests that operators indicate the number of parking stalls within the comments section for relevant projects for this call for data. For vehicles covered under the Bus/Van Pricelist there is no need to project costs. For technological upgrades, under replacement costs, operators should include cost to replace with like assets. Upon the issuance of the call for data for expansion projects, operators should include incremental costs for enhancements.

Vince Petrites (MTC) provided an overview of the Operating portion of the RTP call for data, stating that the data is intended to build upon the ten-year projections in the SRTP. Operators are requested to detail service changes by all modes affected and include only those projects currently funded, not expansion projects.

The deadline to submit data is September 28, 2007.

6 Bus/Van Pricelist Update Request for Information

Marcella Rensi (VTA) provided an update of the bus/van pricelist subgroup and distributed a request for information for procurements over the past three years. Issues left to be discussed are 1) accessories that do not last twelve years and how to treat them in the TCP process, and 2) whether and how to apply the standardized process to railcars.

Buses purchased through the State contract should be included with the data submission.

7 End of SAFETEA STP/CMAQ Delivery Update

Ross McKeown (MTC) reported on potential delivery issues resulting from the end of SAFETEA funding. The Safe, Accountable, Flexible, Efficient, Transportation Equity Act (SAFETEA) expires on September 30, 2009. The issues are:

- i. Regional Delivery Policy Deadlines. The Regional Delivery Policy deadline requires that all STP/CMAQ funds be obligated by May 31, 2009 with the obligation request due to Caltrans by March 1, 2009. Funding cannot be carried over into the next Act, so any funds not obligated by May 31, 2009 will likely be lost.
- ii. Under SAFETEA, \$8.5 billion in federal funds will be rescinded with the potential of \$60 million, approximately one year's worth, in apportionment to be rescinded from the region on September 30, 2009. Every time funds are rescinded, there are fewer funds available for reprogramming. Rescinded funds will come from unobligated apportionment, making it more important to deliver projects as soon as possible. The majority of rescinded funds typically come from the Bridge and CMAQ funds; however, at the end of SAFETEA the language indicates that the funds will be rescinded equally from all the fund programs.
- iii. Under SAFETEA, a region must have a SAFETEA-compliant TIP and Plan by July 1, 2007. Though TIP Amendment 07-06's approval brought the TIP into SAFETEA compliance, the Plan will not be deemed SAFETEA-compliant until March 2009, when the new RTP update is approved. The current 2007 TIP expires on October 1, 2008; therefore, it is possible the TIP will be in a lapse between October 2008 and March 2009. During this time, amendments to the TIP will not be approved and it is unclear whether FHWA will approve obligations during this time. Staff is seeking clarification from FHWA on this matter.

MTC staff strongly encourages project sponsors to review project schedules to ensure they can meet the regional obligation deadlines for both FY 2007-08 and FY 2008-09, and, if possible, consider advancing projects from FY 2008-09 into FY 2007-08.

8 Revision to FY 2007-08 Fund Estimate to Reflect Actual Revenues

Theresa Romell (MTC) reported that, at the July 16 PAC meeting, the revision to the FY 2007-08 Fund Estimate was done. The FY 2006-07 TDA revenues came in below what was expected when it was last updated in February, resulting in some necessary rescissions for transit operators in Alameda, Contra Costa, Marin, San Francisco and Solano counties, totaling a little over \$1.5M. For STA, the total increase in FY 2006-07 was approximately \$133M. Regarding STA, 3rd quarter factor results from the State Controller's office indicate that the region's share of the revenue-based STA funds went up from 51.2% to 51.4%, which means the region is not losing a proportionate share of revenue-base; however, it was interesting to see there was quite a bit of variation amongst the individual transit operators within the region. MTC staff encourages operators to review the State Controller's reporting criteria to get the maximum out of the revenue-base funds.

Theresa provided the FY 2007-08 Outlook report and cautioned that the amounts reflected are only estimates and there will be an opportunity to revise the estimate in February. The information in the packet is based on what was in the Governor's proposed May revise of State budget, which is probably the most conservative estimate of what, is likely to actually occur.

9 Proposition 1B Transit Element – Next Steps

Anne Richman (MTC) reported that on June 27, 2007, the MTC Commission adopted the framework for the Prop 1B Transit funds. The adopted investment categories for the \$419 million package are as follows: \$143M for Lifeline Funding for Transit Operators, \$203M for (5) Urban Core Transit Improvement projects, \$41M for Small Operators – Operating Enhancements, and \$32M for Small Operators – Capital Enhancements. In addition, the Commission confirmed their intent to direct \$62 million in population-based state spillover funds to increase Lifeline, Urban Core, and Small Operators/Northern Counties funding, as well as to resolve outstanding issues regarding the Caltrain right of way. Proposed funding is contingent upon the passage of the State Budget. Anne distributed Resolution 3814, which

defined the Commission's action and set forth the terms of the distribution and outlined the next steps in implementing the policy framework.

10 Resolution 3434

Anne Richman (MTC) reported that on July 11, the MTC Programming and Allocations Committee (PAC) authorized staff to develop a strategic financing and phasing plan for Resolution 3434, the Regional Transit Expansion Program. Anne provided an overview of the Resolution 3434 Strategic Plan process, which is to be used as input in the development of the 2009 Regional Transportation Plan.

Anne added that during the 2006 update of Resolution 3434, the Commission agreed to consider endorsing one additional candidate project for the Small Starts program. MTC staff plans on working with the Partnership to identify qualified candidates and recommending an additional project to the Commission for endorsement by the end of 2007. Anne provided an overview of the guidelines and project selection criteria and discussed the timeline for identifying the project; candidates would be requesting FY 2008-09 funds and project readiness would be one criterion for selection. Group members suggested having more than one strategy for types of projects. MTC is expected to release a call for projects in August with proposal due back to MTC in September. During the selection process, both Small Starts and Very Small Starts projects will be reviewed. MTC staff will make a recommendation to the Commission at the November or December Programming and Allocations Committee meeting.

11 SFMTA Request to Exchange Bus Replacement for Preventive Maintenance

Glen Tepke (MTC) reported that SFMTA requested to exercise the provision in our TCP policy to exchange the eligibility for replacement of (6) articulated buses and instead receive preventive maintenance funding to be used for the mid-life overhaul of (45) standard buses. SFMTA previously exercised the same policy for (12) artics and now has (15) artics that would re-enter the replacement process for FY2015. MTC staff requests concurrence from the Working Group on the exchange of funds; the Group concurred.

INFORMATION ITEMS / OTHER ITEMS OF BUSINESS:

12 MacArthur Maze Meltdown Funding Agreements Update

Vince Petrites (MTC) reported on the status of funding reimbursement for extended service operation as a result of the I-580/880/80 ramp disaster. MTC and Caltrans have entered into an agreement that specifies that MTC will administer the reimbursement to Bay Area transit operators for fares not collected on April 30, 2007 and for additional services provided in the 25 days the I-580 connector was closed. Costs will be reimbursed in two parts: 1) lost fare revenue, based on average weekday fare revenue, based on Spare the Air factors for 2007, and 2) additional services, eligibility consists of additional services provided and any overtime costs less fare revenues. Invoices are to be submitted with a cover letter that includes certification of compliance with certain conditions required by Caltrans. MTC requests that operators submit their letter and invoice by July 16 in order to meet the Caltrans submittal deadline of July 31, 2007.

13 Section 5310 FY 2006-07 Update

Anne Richman (MTC) provided an update on the Section 5310 program. For California, approximately \$12M in Federal funds is available annually; historically, the region receives approximately \$3-4M of the state total, annually. SAFETEA introduced three primary changes to the program: 1) a Coordinated Planning Requirement, 2) Mobility Management, which expands the eligibility of projects, and 3) Program Measures that require Grant recipients to report how projects fill gaps in service. Caltrans is now in the process of revising the project application and evaluation criteria in accordance with the above changes. Once adopted, the new application and evaluation criteria will be effective with the FY 2007-08 grant cycle. Generally, the Program is open to non-profit organizations; however, transit operators are eligible with certification that no other organizations qualify for the Program. MTC staff will provide more detailed information on the Coordinated Plan, the 5310 Program, and the New Freedom Program in the fall.

14 RM2 Annual Audits Update

Christina Verdin (MTC) announced that MTC is preparing for the annual Regional Measure 2 fiscal audits conducted by an independent auditor. Projects that are being audited are: Capital Program projects that have invoiced and received reimbursement from MTC between July 1, 2006 and May 31, 2007; and, Operating Program projects that

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have invoiced and received reimbursement from MTC for activities that took place between July 1, 2006 and June 30, 2007. The site visits are expected to commence in July and continue through September.

15 FTA Grant Status Report

Glen Tepke (MTC) distributed a current listing of FTA grant applications for which MTC provided concurrence through June 30, 2007. Operators should contact Marcella Aranda at maranda@mtc.ca.gov with any changes.

16 Recommended Future Agenda Items

- RTP Strategies – creating a Transit Strategic Plan through coordination with the TFWG and the Transit Planning Managers sub-committee
- State Budget and Legislative Update. Standing item.
- Coordinated Plan Update

Next Transit Finance Working Group Meeting:

(There will be no August meeting)

Wednesday, September 5, 2007

10:00 a.m. – 12:00 p.m.

MTC MetroCenter, Fishbowl Conference Room