TRANSCRIPT OF
TEXAS DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION ADVISORY COMMITTEE
PUBLIC MEETING
TUESDAY, APRIL 28, 2020
10:00 A.M.
VIRTUAL MEETING VIA WEBEX EVENTS

TRANSCRIBED BY: Angelica Mathews
TRANSCRIPTION DATE: May 12, 2020
APPEARANCES

COMMITTEE MEMBERS PARTICIPATING VIA WEBEX:

- John McBeth, Chair
- Jim Cline, Vice Chair
- Marc Whyte
- Dietrich Von Biedenfeld
- J. R. Salazar
- Ken Fickes

TxDOT PARTICIPATING VIA WEBEX:

- Eric Gleason, PTN Director
- Josh Ribakove, PTN Communications Mgr.
MEETING AGENDA

ITEM

1 Call to Order

2 Safety briefing with guidance on virtual meeting participation

3 Approval of minutes for February 11, 2020 meeting (Action)

4 TxDOT’s Public Transportation Division Director’s report to the Public Transportation Advisory Committee regarding public transportation matters

5 Presentation and discussion on projected 2020 US Census funding impacts to public transportation for Texas transit providers. (Action)

6 Coronavirus Aid, Relief, and Economic Security (CARES) Act – presentation and discussion of potential impacts of CARES Act funding on Texas’ rural public transportation program

7 Discussion on exceptional items for 2022/2023 Legislative Appropriation Request, including additional funding due to 2020 US Census impacts (Action)

8 Public Comment – public comment will only be
accepted during the meeting. Link and
details are below. The meeting transcript
will be posted on the internet following the
meeting

9   Propose and discuss agenda items for next
meeting; confirm date of next meeting

10  Adjourn
PROCEEDINGS

JOHN MCBETH: Okay. It’s 10:05 according to my computer. This is John McBeth, Chairman of the Public Transportation Advisory Committee calling the meeting to order at 10:05. We will begin with a welcome to anyone who is tuning in via phone or computer to the April Public Transportation Advisory Committee meeting and we will begin with an introduction of committee members.

If we could, we’ll start with Marc.

MARC WHYTE: Yep, I’m here. Marc Whyte, PTAC member.

JOHN MCBETH: And then Dietrich?


JOHN MCBETH: Thank you, sir. J.R.?

J.R. SALAZAR: Yes. J.R. Salazar, PTAC member.

JOHN MCBETH: Jim? Is Jim there? Ken Fickes? And Ken doesn’t appear to be there either.

JOSH RIBAKOVE: I believe Jim Cline is with us, John.

JIM CLINE: Yeah, I am online.

JOHN MCBETH: Okay, okay. So Jim -- Jim’s here. Jim Cline. So, we have a quorum. The only
member we’re missing is Ken Fickes. We have Dietrich. We have Marc. We have J.R. We have Jim and we have myself so with that we’ve got a quorum. And we will begin with the Safety Briefing, which I will turn over to Josh.

JOSH RIBAKOVE: Hi folks. In lieu of -- and this is Josh from TxDOT, in lieu of our regular safety briefing since we’re not all in a room together, let me tell you about -- a little bit about meeting protocols for this virtual meeting. You’ll be able to hear the meeting. You can see the presentations on your screen when we have them. Public comment can be made in writing during the meeting via the WebEx chat feature. People who wish to comment should identify themselves. Identify the organization that you represent if there is any and also provide an email address where we can reach out to you. This should all be done in the chat feature. Address it to the host, that’s me. I’ll respond to let you know that we got your comment. If your comment relates to an agenda item in this meeting, we’ll bring it forward during the meeting. If it does not relate to a specific agenda item during this meeting, I will make sure that the committee gets it after the meeting. Thanks.

JOHN MCBETH: Thank you, Josh. We will move
to Agenda Item Number 3 which is approval of minutes from the February 11, 2020 meeting and I will look to Marc to make a motion to adopt those meetings -- those minutes.

MARC WHYTE: Yep. I make a motion to adopt --

JOHN MCBETH: We’ll get a second from Jim.

MARC WHYTE: -- to adopt the February minutes.

JOHN MCBETH: The motions been made by Marc to adopt the February minutes. Jim, do I have a second? Jim, are you there?

JIM CLINE: Yeah. Did you -- can you hear me now?

JOHN MCBETH: I can. Yes.

JIM CLINE: I second the motion.

JOHN MCBETH: We have a motion from Marc and a second from Mr. Cline, all in favor signify by saying aye. Aye.

(“Aye” spoken in unison.)

JOHN MCBETH: All against by saying nay. I hear no nay’s, so the aye’s have it. The minutes are adopted. And Josh if you will send those to me, I will be happy to sign them and fax them back to you.

JOSH RIBAKOVE: This is Josh, I will do that
John and Ken Fickes has joined us. We have full membership online now.

JOHN MCBETH: Super. Hi Ken. How are you doing? Okay, Agenda Item Number 4. TxDOT Public Transportation Division Director’s report to the Public Transportation Advisory Committee regarding public transportation matters. The Chair recognizes Eric Gleason. Eric, it’s your show. Eric?

ERIC GLEASON: -- to do that at least through May 15th. So, the earliest that we would be back in the office in any fashion would be Monday the 18th of May. Then we’re continuing to carry out the entire program, certainly looking to hear back at what we’re doing. Is it working or responsive enough for folks? But as far as I know things are going very smoothly in that regard.

Couple of items to update the Committee on -- a handful of times actually, Commission actions. So, in March the Commission did award FY20 5311 Formula funds to each of the 36 rural transit districts as well as a combination of FY19 and FY20 5399 Bus and Bus Facility funds to all rural transit districts. So that action occurred in March.

We have nothing on the agenda for later this week at the April meeting. We do have an item for the
May meeting, May 28th meeting which will be an initial distribution of CARES Act funding. We’ll talk about that in more detail with Agenda Item 6 today.

And then in June, June is typically a pretty big month for us at Commission and at this point it appears to be that for us even this year. We are looking at a distribution of FY21 State funds in June and the results of the Coordinated Call as well as second year 5310 Program funding. So, June should be a pretty -- pretty busy Commission meeting for us.

That’s it with Commission.

SmartBuy, the solicitation is posted to renew the SmartBuy transit offerings and we expect a contract to be available to buy off of by mid-July. So, it has taken us a while to get there but we have finally got this posted and feel like the next several months are pretty well predictable in terms of timing. So hopefully that will be up and available by mid-July.

2019 Transit Stat Report is available online and I would volunteer to the Committee that if you wanted, we could put together a report for you on those statistics. We could put together a report for you for your July meeting.

Agency Safety Plans, these are on track for completion by July 20th of this year. Now, FTA did
announce that they have chosen to not enforce these --

having these plans in place until the end of the

calendar year. However, in doing that it didn’t change
the date for which folks are supposed to have these
plans in place, which is still July 20th of 2020. We
are tracking well for completion on both the rail and
the bus side of the house for that. So, I don’t see
any issues with it.

And then finally, as most of you know, there
continue to be discussions back in D.C. on what yet
another stimulus package might look like. In some
instances that is being talked about in the context of
authorization or re-authorization FastAct does run out
at the end of this federal fiscal year, the
authorization for it ends in FY20. And so we are
participating in that conversation both on the transit
side as well the entire department and we’ll have more
for you on that at a subsequent meeting.

So that concludes my report Mr. Chair. I’d
be happy to answer any questions from the Committee
members, if there are any.

JOHN MCBETH: Thank you, Eric. On the 2019
Stats Report --

ERIC GLEASON: Yes, sir.

JOHN MCBETH: -- I for one would love to get
a report from y’all to the PTAC at the July meeting on those stats. I think they’re critical to the decisions that we make, but that’s just my -- just what I would like to see. I don’t know if the rest of the Committee would like to see that report but those of us that do transit, we’re kind of geeky about those kinds of things. And then congratulations on the SmartBuy.

Thank you.

ERIC GLEASON: Well it’s been kind of a long haul.

JOHN MCBETH: No kidding but I -- the not having it makes me and my staff wonder what we did before we had it. It’ll be great to have that back in place. So, with that.

KEN FICKES: John?

JOHN MCBETH: Yes.

KEN FICKES: This is Ken. I’m just checking my mic. I’ll go back to mute.

JOHN MCBETH: Okay.

J.R. SALAZAR: John?

JOHN MCBETH: Yes.

J.R. SALAZAR: This is J.R. I just wanted to agree with you. I’d like to see the stats as well.

And what I would assume would be a downward trend especially going forward with what’s going on now but
yes, I would like to see the stats as well.

JOHN MCBETH: Yeah. I feel based upon what all of us that are out there in the business are doing right now, 2019 stats are gonna be important as a comparative measure for what we’re going through right now with 2020. Because everybody is like our system, ridership has plummeted since January. So, anyway I think that’ll be a very, very good item to discuss at PTAC.

ERIC GLEASON: This is Eric again and I think we can -- why don’t we just make sure we identify that when we get to Agenda Item 9.

JOHN MCBETH: Absolutely. I will note that.

ERIC GLEASON: Okay. Good.

JOHN MCBETH: Okay, with that we’re going to move on to Agenda Item Number 5. Presentation and discussion on projected 2020 US Census funding impacts the public transportation for Texas transit providers. And I’m going to turn that likewise over to Eric.

ERIC GLEASON: Alright. Thank you, john. This is Eric. So, we are actually recommending that the Committee table this topic for today’s conversation. TGI has done a tremendous amount of work to pull information together. Our review of it at this point tells us that we need to tighten it up and we
don’t feel as though it’s ready today for you to discuss at a public meeting and make decisions on. So, I have directed my staff to pull the presentation down from our website. So, folks on the phone if you were trying to access it, it may not be available if we’d had a chance to do that. And I would ask that Committee members who’ve received a copy of the presentation as a part of your packet to ignore it. And that we will be in a position I would think by mid-May to -- if the Committee wishes to reconvene and have a special meeting to discuss these results, we would be more than willing to do that with you then but we are recommending that you do table this Item today.

JOHN MCBETH: Okay, this is John. I understand that and I understand, as all of us do the importance of particular report because it will impact all of our funding. I for one would love to have a special meeting on this in May. We might even be able to actually get together as a group because this is a fairly tricky issue and will have impacts on all of us, we go up or go down in population, I would entertain a motion to table this particular Agenda Item as recommended by Eric. So, I will open the floor for a motion and a second. Please identify yourself if you make the motion or if you make this second.
MARC WHYTE: This is Marc, PTAC member, I make the motion to table it as suggested.

JOHN MCBETH: I have motion from Marc. Do I have a second?

J.R. SALAZAR: This is J.R. Salazar, PTAC member, I second that motion.

JOHN MCBETH: We have a motion and a second to table the Agenda Item Number 5, discussion of the 2020 Census until a further date of the recommendation of Mr. Gleason. All those in favor signify by saying aye. Aye.

(“Aye” spoken in unison.)

JOHN MCBETH: All opposed replying nay. The aye’s have it. Motion carries and we will move to Agenda Item Number 6. Coronavirus Aid, Relief, and Economic Security Act presentation and discussion of potential impacts of CARES Act funding on Texas Rural Public Transportation program and Eric and I will give that to you.

ERIC GLEASON: Alright. Well, thank you. I appreciate that very much. So, I’m sure the Committee is aware that with the CARES Act that was passed recently there was a significant amount of funding, 25 billion dollars at the national level, a significant amount of funding included in that Act for transit
across the country. And as a part of that 25-billion-dollar package we have received and been allocated for our Rural Transit program here in Texas, we have received 143.2 million dollars, which is roughly three times the annual program apportioned it. We have received 143.2 million dollars to be used to provide relief and support recovery from the pandemic. This is -- these funds -- this is 100 percent federal funding so there are no match requirements with these funds. If you’re interested in tracking the Texas total, Texas as a whole got 1.18 billion dollars for Transit programs throughout Texas. So that’s going to include DART and Houston and all the metropolitan area programs as well. So I believe at the national level what drove this conversation was largely the needs and anticipated issues in many of the country’s larger metropolitan areas where the transit systems there are so dependent on local tax revenues and the anticipated decline of those for an unknown timeframe as a result of the pandemic. And just to give the Committee a sense of how important that is, when I was working in Seattle and we were operating a 300 million dollar service program every year, 75% of the funding for that 300 million came from either sales tax or motor vehicle excise tax. Both of which would take an enormous hit
in this kind of a situation. So you can understand the scale of this issue just on that alone for a lot of the larger systems and I think that the whole scale and magnitude of the conversation trickled down to the world program with what I would consider to be an enormous sum of funding for us. And to that extent, I think it represents an opportunity for the program in general. Not only to address immediate relief needs but to also build in some resilience if you will into the program to put us in a better position either financially or from an asset conditional standpoint to withstand whatever the next pandemic or the next emergency might look like.

So, we have, consistent with what FTA has said about how they see these funds being used, we have put together an approach to spending down these funds that divides into three general areas. And the very first area is what we’re calling emergency relief. So Phase 1 of implementing the use of these sums in Texas will be a focus on emergency relief. Which translates to providing 100% coverage of rural transit district operational expenses over an eight-month period. And that eight month time frame can begin as soon as February 1st of 2020 and as late as May 1st of 2020 running through the end of the calendar year. So, we
are working right now, we’re working toward an award of eight months’ worth of operational service expenditure funding -- coverage and funding, eight months’ worth to go in front of the Commission at their May 28th meeting. And so, we have worked with individual -- each of the rural transit districts have prepared budgets for what they believe they need. We have confirmed to the best extent that we are able to ahead of time, confirmed those amounts against previous year expenditure amounts and in some cases discussions with each of the rural transit districts as needed. But we are honing in on award amounts for May that will do that.

The 143.2 million also includes funding for the Intercity Bus program. These funds come to us through the 5311 Program. So, they’re coming down to Texas as 5311 Program funding and I should say up front when they do that, they’re picking up all the trappings of the program. So, from the federal standpoint they come to us with the traditional 15% set aside for intercity bus support. So, in this instance that’s about 21 and a half million dollars. And so, we will be pursuing investments for emergency relief with intercity bus program providers as well.

So, when it comes down to the 5311 Program it
also picks up the requirements of the Administrative Code and how we determine that it be allocated to rural transit districts. So, our general counsel division has deemed it important and necessary that we use the formula allocation mechanism that we have in the TAC to at least allocate these funds to rural transit districts. Now we are gonna try and focus -- we’re trying to focus these investments on specific objectives as we go through. And so, for example, on this first instance our first objective is eight months of coverage -- 100 percent coverage of operational expenses; that’s also subjective if you will. So, we are in the process of allocating funds via formula to those needs for the May Commission meeting.

So that’s Phase 1. Phase 2 is something we are calling economic recovery. Now Phase 2 is mostly focused or almost entirely focused on addressing revenue shortfalls as a result of the pandemic. Whether they are because of the loss of (indiscernible) revenue, a loss of contract service revenue or, and perhaps most importantly, looking at our traditional state funding amounts and if the economic downturn that’s expected impacts the department’s ability to sustain those funds at their appropriated levels or traditional levels, then we can use these CARES funds
to fill that gap until such time that the economy recovers to the extent that full funding can be returned to that. So, this is a, you know, we don’t know a lot about this at this point. I don’t think anybody’s stepping forward with really good data on what the downturn will be. I have heard that the Comptroller will make a statement I believe sometime in July on a revised a revenue forecast but I think this is gonna be an area of uncertainty for us for some time and these funds do represent an ability to sustain funding to the Rural Transit District Program that would otherwise come from the state. And that extends to the urban transit districts as well.

Now, so and then finally, assuming when we get through Phase 1 and Phase 2, we have some remaining funds, what we’re looking at is something we’re calling resilience. Which is a combination of modernization of fleet facilities and even perhaps talking with everyone about how perhaps a one-time allocation would allow agency’s to create and sustain for the future some operating reserves to again to strengthen their ability to withstand any unanticipated demands on their resources.

So, lots of opportunity. Lots of unknowns. We are committed to working hand in hand with the
transit districts as we make these decisions and I am looking at each point along the way for opportunities to make the program better than it already is. So, I’d be willing and more than willing to make the kind of updates of this effort a part of my regular Director’s Report for the Committee. I don’t necessarily anticipate the Committee meeting to participate in sort of formal policy direction on these things. I don’t anticipate at this point the need for any rule changes to allow us to implement this. But should any of that change then we would certainly bring that to the Committee’s attention.

Finally, the final thing I’ll mention in all this is that because of this funding and because of the eight months of coverage that we’re able to provide, we are going to defer activation of private grant agreements for the FY20 5311 Program funds that were just awarded in March by the Commission. So, we’ve got the award. We’ve got the grant executed in the federal grant system. We don’t intend at this point to enter into any project grant agreements with transit districts for the use of those funds until after this eight month of CARES funding is expended. The benefit of that -- the benefit of that is it actually allows us to put the entire rural program, entire rural federal
program 12 months behind or a year (indiscernible) relative to federal appropriations which is a really great spot for us to be because it means that during any given federal budget year that we are not waiting on congressional appropriation and FTA (indiscernible) to make money -- make federal money available throughout the year for rural transit districts. We’re running a year behind on that. Okay, so that is a really good place for us to get back to. We used to be there years ago, I am told, and this will allow us to get everybody back to that point. So again, that’s an example of what we’re trying to do at each point along the way to strengthen the Program. And that concludes my report. I know it’s a lot of information to internalize and we will have, you know, we’ll probably be able to put together a more formal presentation at your next meeting on this with (inaudible). I will stop at this point and take any questions that the Committee might have.

JIM CLINE: Eric, this is Jim Cline. Can I ask a quick question, please?

ERIC GLEASON: Absolutely Jim.

JIM CLINE: It sounds -- all of this -- I’ll say I really support what you’re talking about in this approach. I think it makes a lot of sense. The sales
tax numbers are going to be so upside down that we’re
gonna have certainly a lot of use, you know, agency’s
or districts will have a lot of issues. I would
suggest however one thing to do is make sure you
include the intent. Often, we see in these types of
Programs that there’s a sometimes a second order impact
that may not restrict some things. Maybe some spending
that would not be supporting the idea of continuing
operations through the pandemic and so I think
carrying, you know, you made some excellent comments
during your remarks about, you know, what the intent
was and what you’re hoping to achieve and I would
certainly like to see that something that’s carried
into the direction to the rural transit districts. Not
necessarily as a rule making but as an, you know,
defining that intent and then you certainly have the
opportunity with the FY20 or with the current 5311
funds that are out there to be able reshape that if
needed in the future. But I just -- that’s just the
one concern I have is nothing I’m not -- I can’t think
of anything specific that would be at risk that if it
was strict -- if it was very clear to everyone what
your intent was then I think it would be helpful for
the fidelity of the program overall as we -- because it
will be looked back at as did you achieve what you
hoped to achieve and so I want to -- I’m kind of thinking that a year and a half from now that presentation that’s made to the TTC could be a whole lot more comfortable if some steps are taken now. So, again that’s just a food for thought.

ERIC GLEASON: So Jim, this is Eric, I appreciate that. And that’s actually what we’re trying to do, and it is a significant departure from our traditional management of these programs. So, and let me try and give the Committee an example of what I mean by that. The traditional approach would have had us identifying an amount to be awarded to transit districts from the formula and then letting them run with it for as long as it lasted to cover their operations. So we could say, you know, we’re gonna spend 60 million dollars on this first phase and we’ll run it through the formula and this is what you get and it’s for as long as it last it’s 100 percent funding. What we’re doing is saying we have literally -- what we’re saying is we have a project. Our first project is going to be to cover eight months of expenditure. And we’re gonna -- you’ve given us estimates of what you think that (indiscernible). We’re gonna make sure you’re getting enough money through the Commission action to get that done. Then when you get if there’s
a remaining balance then it’s coming back to the
program. We’ve accomplished the project objective.
And it gets used in the next step and so on and so on.
So, we are going to try to be more, if you will,
prescriptive about what we’re trying to accomplish with
each phase. What the intent of each phase is. And
we’re gonna work to monitor to make sure that everyone
gets the eight months’ worth of relief that they get.
Whether you’re Brazos transit district or the city of
Del Rio, you get eight months. And then whatever’s
left over from what you were awarded, if there is
anything, will come back into the program for the next
intent, if you will. So that’s what we’re trying to
do.

JOHN MCBETH: Eric, this is John. That all
sounds great. Just to be clear, you’re going to not
issue grant agreements on the 2020 5311 funding that
was awarded in March and instead we’re going to keep
that and basically create a one-year cushion for the
future. Am I getting that correct?

ERIC GLEASON: That’s the result of doing a –
– yes. So John, if you guys, I’m trying to remember
the date y’all picked to begin your eight month period.
I think it was -- I want to say it was March. I think
it’s March. So, you know, March, April, May, June,
July, August, September, October. You’ll have -- we’ll award you enough funding based on what you told us you needed, we’ll award you enough funding to cover on all of those expenses through October.

JOHN MCBETH: Correct.

ERIC GLEASON: Then we will work with you in the September/October time frame to make sure when those are gone that you’re FY20 funding grant is available for you to use.

JOHN MCBETH: Outstanding. I like the idea of building that cushion. As you said, we did have one at one time and it was for the 5311 Program which at that time was Section 18, it was three years’ worth of 5311 -- or Section 18 money. For the small urban program, it totaled 56 million dollars. And that was back during the days of congressional earmarks and we got told by our delegation as long as you’re sitting on that much money, we’re not gonna give Texas any earmarks at all. And so, the decision was made that we would spend all of that money down. Now a large amount of that small urban money was transferred over to the Rural program because it had grown so large and we spit out pretty quickly. So, I like the idea of getting back to having that -- we used to call that the cushion. I like having that cushion particularly
during a time through reauthorization because we never know what’s going to happen there. We know we’re gonna get reauthorized, but we don’t know how long it’s gonna take. So, I think y’all are to be applauded for doing that. That’s a really good idea.

ERIC GLEASON: Well I’ll take the applause for the idea and I’ll wait for the applause to see if we get it done. But I do appreciate that, John. I think one of the things I’ll point out to the Committee and this may be going a little bit further than you’d want to but now we have the ability to work collaboratively with the rural transit districts on these (indiscernible). Now the urban transit districts, who are direct recipients are building their own grant applications in trams for the use of these funds. And I think one of the most important messages that I could send to any one of them is that when you build your applications and when you think about expenditure of these funds, I would build in and safeguard against the unknown of effects of the downturn on state capacity to have state money for public transportation funding.

So again, I don’t want to send -- no cause for concern but I think we can all understand that the downturn is gonna be, particularly when combined with
the oil issue, the price of oil, that those two things are gonna have a significant impact on the Texas economy. And from TxDOT’s standpoint we have a dedicated source of revenue which is a gas tax which can only be spent on highways. And then our program along with others is funded through those revenue streams that come to the department that are non-dedicated. And our program is a part of that revenue stream, along with a lot of others at the department. And they expect to which to downturn --

UNKNOWN MALE:  Hey John, I think we lost Eric.

JOHN MCBETH:  Sounds like it.
ERIC GLEASON:  Uh-oh.

JOSH RIBAKOVE:  This is Josh. I see that Eric went on mute for a moment. I just unmuted him from here and he may be able to speak again.

JOHN MCBETH:  Okay.
ERIC GLEASON:  Have you got me know?

JOHN MCBETH:  Yeah, we got you.
ERIC GLEASON:  I didn’t touch anything.

JOSH RIBAKOVE:  WebEx is a harsh and strange creature.

JOHN MCBETH:  It’s all Josh’s fault.

JOSH RIBAKOVE:  It’s all my fault.
ERIC GLEASON: Any questions? Just joking.

Okay. So, I was going through a rather long explanation. It’s important that the urban transit districts who are entering into these grants directly with FTA, that they build into those grants some flexibility to accommodate changes in state funding levels. And, you know, we don’t know a lot about what those are specifically but I would certainly encourage them to build in some anticipation that the downturn will affect the department’s capacity with its non-dedicated revenue stream to sustain traditional funding levels for a period of time. That make sense.

JOHN MCBETH: Yes. This is John. It makes perfect sense to me since I follow the oil market on a daily basis and, you know, a few weeks -- or last week West Texas Intermediate crude being at minus 35 dollars a barrel, that’s just one week worth of gas tax that is not existent. It’s just gone, forever. It’s in a negative position. I think it’s prudent and I would offer up that, you know, you don’t control those funds it would be to all of our advantage if you would let the small urbans know, and I think most of them do know that there is going to be a downturn and gas tax revenues if they’re not watching them and that they need to program, set aside certain amount of this money
for that eventuality. Because it’s not isn’t going to happen, it’s just when is it going to happen. And the oil market right now is explosive. So, I’d just be afraid of seeing the number that your number crunchers are seeing. It would make me not sleep at night. ‘Cause I know how much TxDOT depends on that money. So I’m glad y’all understand that and I think it would be great if you sent just a cautionary note out to all the 5307 Programs that there’s a distinct possibility, I don’t even want to say possibility, it’s probable that gas tax revenues will shrink as then will the amount of money we get out of the non-dedicated/dedicated fuel tax. So that’s (indiscernible).

ERIC GLEASON: Will do.

JOHN MCBETH: Anybody have any other comments on this Agenda Item? Hearing none, I’ll move on to Agenda Item Number 7, discussion on exceptional items for 2022/2023 Legislative Appropriation’s Request, including the additional funding due to 2020 US Census impacts. And Eric, I will give this to you.

ERIC GLEASON: Okay, so we want to talk with the Committee about two things with this Agenda Item. Talk about your -- the transit needs assessment which was conducted before the last session and we want to revisit with you that discussion and see if the
Committee want to recommend to the Commission an exceptional item consistent with the results of that study. And the other thing we would like to do with regards to the Census is even though we were not able to present the Committee with information today that would have resulted in a discussion around how much money the impact might represent; between now and the time when we are able to get together with you with those numbers to have that discussion, between now and then as staff it would be helpful if the Committee would express to us what it’s intent would be to address with that money. So, in other words, let me phrase a potential outcome to that. So potentially what would be helpful for us would be to hear from the Committee that TxDOT, independent of the amount of money that this represents, we would like the department to include in its baseline appropriations request. Now baseline appropriations request means that the department is funding this item from its projected revenue streams. It is not asking for additional revenue to fund this item. So that is -- so the Committee would direct staff or convey to staff that it’s intent would be to include a recommendation to the (indiscernible) out of the baseline request that would be sufficient to cover anticipated negative
impacts from the Census on state funding allocations.

So, with that general direction from the Committee, staff can go together in this next -- can go forward in this next time frame and if a number is needed between now and the time we meet again, we will be able to communicate a number that we know is consistent with your intent. Make sense?

JOHN MCBETH: Yeah, it makes perfect sense to me. Perhaps this being able to discuss the Census data because we tabled Item Number 5, but I also understand the process of the LAR and that over there at the Keaton building they -- they’re not really concerned with our process. They’ve got their process which they have on a fairly tight schedule so I would have no problem at all if, it’s fine with the Committee, unless there’s an objection on the PTAC, of basically approving the direction of staff to come up with that number to mitigate any negative impacts of the Census within the base budget and present that number to the powers at be anytime in the future before we can meet again. Is that what you’re looking for? That type of direction?

ERIC GLEASON: This is Eric. Yes, it is. And I think we can probably two step this Agenda Item. We could, if I could recommend, you could have this
conversation with the Committee now about this topic and if there’s a desire you can pass a motion directing on us on this topic. And then we could take on the needs assessment piece as a separate action. So, this Agenda Item would actually have two actions from the Committee.

JOHN MCBETH: Correct. Well, I will entertain a motion on the first item which is to have staff come up with a number that they can present to Administration that will mitigate any negative Census impacts to the program. I think that’s more important right now then the needs assessment. The needs assessments kind of cream on top of the milkshake. So, if that’s the Committee’s desire I’ll entertain a motion and second.

JIM CLINE: John, this is Jim Cline. I’ll make that motion.

DIETRICH VON BIEDENFELD: John, this is Dietrich Von Biednefeld, I’ll second it.

JOHN MCBETH: Okay, I have a motion from Jim to approve the motion and a second from Dietrich. Is there any discussion?

JIM CLINE: Yeah, John this is Jim Cline. Just a quick discussion on -- I agree with the prioritization of first of all if you kind of think
really big picture with this, right? We’re covering
the Covid piece then we’re with our federal funds we’re
covering the gap in the, you know, potentially covering
some of the gap in the state funding and then this will
be based on the Census. I think the fourth priority
that we need to continue talking about though is this
gap. You know, from the perspective of the public I
think that, you know, to me it’s really important that
we continue pressing that (indiscernible) so far. And
I also believe that this, while this is a lot of money
relative to our previous request, in terms of the
request in an overall legislative request these are
still fairly de minimis numbers in terms in the overall
numbers they’re dealing with. So whether it’s approved
or not, I agree with the prioritization but I don’t
think it’s -- I don’t think we should stop asking and
stop recommending that we continue to the path we’ve
been on with these gaps.

JOHN MCBETH: This is John. I agree with
that 1,000 percent. Always being aggressive. Knowing
if this next legislative session more than ever before
they’re all going to show up over there at the capital
going we ain’t got no money. And for sure they’re
probably gonna be correct relative to their take on
sales tax as well as fuel tax. And so, with that being
said, any further discussion on this motion that’s on the table right now.

ERIC GLEASON: John, this is Eric.

JOHN MCBETH: Uh-huh.

ERIC GLEASON: John, this is Eric.

JOHN MCBETH: Right.

ERIC GLEASON: If I could clarify? If I could clarify for the Committee; (indiscernible) Census, 2010 Census, the number -- the amount of money needed to mitigate the anticipated negative impacts was 1.6 million dollars a year. So --

JOHN MCBETH: Right. Very small amount of money.

ERIC GLEASON: Yeah. So, to Jim’s point it is a de minimis amount.

JOHN MCBETH: Yeah, it is.

ERIC GLEASON: But very important.

JOHN MCBETH: Extremely so.

ERIC GLEASON: That’s the scale that we’re anticipating. This time it might be bigger, but I think generally speaking this is not a big ticket item which is why it makes sense as well to push it as a part of the baseline. The next item that we’ll talk about after this motion, the next one will be, you know, what is an exceptional request. Which means that
you’re not necessarily asking for out of the baseline. You do know that it represents a significant increase that would need to come from somewhere else.

JOHN MCBETH: Exactly.

ERIC GLEASON: That’s how we (indiscernible) those two. I’m sorry. Continue on.

JOHN MCBETH: Okay. We have a motion and a second on the table. All in favor signify by saying aye. Aye.

(“Aye” spoken in union.)

JOHN MCBETH: All opposed of saying nay. The ayes have it and that motion carries and now we’ll go to the second item which is the estimated total cost to fill all gaps. Eric, give it back to you.

ERIC GLEASON: Ah, thank you. So, for those of you with the Committee three years ago, PTAC went through a very, very extensive and helpful exercise to try and get our ops around. The additional investment needed focusing on the span or the length of time each day and days of week that service is offered in both rural and smaller than places in the state as well as coverage. And I think they looked at this on a county level and they came up with, with the input of the Committee, we came up with four general scenarios that you have in front of you with 2016 numbers associated
with scenarios. So -- and the way it reads is this the span description on the left-hand side relates to the gold colored portion of the bar and the dollar amount it takes to go to that level universally throughout the state. The blue and the raspberry colored, watermelon colored blocks relate to what it’s going to take to extend coverage into areas that do not have it today. And there is both a service expense associated with that which is blue and then there’s a one-time capital cost which is fleet that is associated with providing new service where you don’t currently provide service today.

Now that fleet number, the 18 million dollars that you see is the one-time expense of buying the fleet that you need. The last time we talked about this we looked at an annualized number for that which was 3 million a year. So, if you set aside 3 million a year and the average life of your vehicle was six years, you’d have enough money every six years to replace those vehicles. So, you may recall a number that was 41 million dollars that we used last time, last session, to communicate an exceptional item request to move to a 14-hour weekday standard service and -- Monday through Friday, 14 hours. And that amounted to 31 million dollars in additional operating
cost for the stand. Seven million dollars for coverage and 3 million a year for a fleet. And so that totaled 41 million dollars. so that may be -- some of you may remember the 41 million dollar number and that’s the difference between what you see on the slide and what we ended up talking about was we used an annualized fleet replacement number. We did not use the 18 million dollars in our conversations.

So what we want to do today is to, with this slide, the only slide we have, we wanted to remind the Committee of the various scenarios we talked about and open it up for Committee discussion about whether or not, and if so what you would recommend to the Commission that it included exceptional item request in the Commissions FY22 and FY23 Legislative Appropriation’s request. So, happy to answer any questions on this. We didn’t create any new information for this conversation.

JIM CLINE: Hey John, this is Jim Cline. I would like to see us be consistent in how we send our message and not dial back to say 12 hours or something like that. Let’s remain consistent with the 3 million and the budget. If we go to the 14-hour work week/ work day and now Eric, did the eight hour Saturday, that was not included last time? Or it was?
ERIC GLEASON: It was not. The request last time was Monday through Friday, 14-hour weekday coverage and stand.

JIM CLINE: This is Jim again. I think we should be consistent in how we ask for those things. John, I’d throw that out there.

JOHN MCBETH: This is John. I also agree with the -- Jim’s comment on consistency. I think from an economic development point of view, which is gonna be a big deal in this upcoming session, the 14 hour day, just adding one hour in the morning and one in the afternoon, does a lot for people out there looking for jobs and also trying to keep their jobs. It allows us to get them to work at those early morning shifts and pick them up in those late evening shifts when they get off. I think that is more important now than Saturday service. I have very few communities I serve that are asking for Saturday service because even in the family’s that only have one car, that one car normally is available to the whole family on Saturday’s because the rest of the family members have five day a week jobs. So I think the consistency is a good idea and it would just be my recommendation that we go with the 14 hour day over adding an additional eight hours on Saturday that may not give us the bang for the buck
that we need to justify that money. I don’t know that the ridership will be there. That’s just my two cents worth.

J.R. SALAZAR: John, this is J.R.

JIM CLINE: -- resonate on the idea -- this is Jim again. I think it will resonate with the idea of getting people back to work and sustaining --

JOHN MCBETH: Absolutely.

JIM CLINE: -- people in our rural communities.

JOHN MCBETH: Absolutely. And we are going to have to get a lot of people back to work. Some of these jobs are gone and they’re not coming back. New ones have to be created.

KEN FICKES: This is Ken. This is Ken. (indiscernible) to John and Jim, we have Saturday service but its only about nine hours and they’d like to add more of it. About 40 percent of our riders on Saturday are going to work. Which is a little higher than a normal work weekday, so Saturday service is needed. We even get request for Sunday service but I’m not -- we don’t have enough -- there’s not enough demand for that but that’s just my two cents worth.

J.R. SALAZAR: Hey John --

JOHN MCBETH: Yes.
J.R. SALAZAR: -- this is J.R. I just wanted to say, you know, I agree with your comments and with Jim’s comments. I think the 14-hour weekday is something we need to shoot for and especially with what’s going on now. It would be wonderful if we could provide that service. You know, the only other comment really that I have is that I think Eric had that discussion or those comments, you know, what if we ask for 56 million but we only, you know, whatever figure, 25 million then it creates another problem but I guess we can wait if that happens and, you know, see what we could work out. But that maybe an issue.

JOHN MCBETH: Correct and I think if we pair it with what Eric commented earlier on the CARES Act, their Phase 3 which is increasing -- enhancing the program if there’s CARES money sufficient after all -- after Phase 1 and Phase 2 that we could use some of those funds for enhancing the program as well as building an operational reserve. Those are good things, I mean, knowing the numbers that the legislature are facing right now in the upcoming session I don’t think it’s gonna be that much better. Maybe. Maybe it will. I think going -- just going for the act to ask for money we need for a 14-hour work week is probably a much better ask than asking for
Saturday service.

UNKNOWN MALE: Hey John, I think a way to frame and certainly in deference Ken’s comment is that, we’re not asking for Saturday service yet.

JOHN MCBETH: Right. Exactly. It’s something we want but right now the most important thing is to add that extra hour in the morning and an extra hour in the afternoon to get people to and from jobs that are maybe not as accessible as other jobs.

Any further discussion? Could we -- Eric, I assume you want a motion on this because it’s an exceptional item. How would you like that motion worded?

ERIC GLEASON: So, I think -- this is Eric. I think the way for the Committee -- the Committee just needs to express its desire to see the Commission include in the FY22/FY23 Legislative Appropriation’s Request to include an exceptional item request to address the need to expand service across Texas with an initial expansion amount totaling an additional 41 million dollars a year. Yeah.

JOHN MCBETH: Okay.

ERIC GLEASON: And it, you know, comprised -- that it’s comprised with service and capital. What I -- what I -- so assuming the Committee comes up with something like that, well lets the Committee finish
this conversation and then I want to come back and talk
to the Committee about how this information gets
communicated to the department but that’s separate and
apart from this decision. So, go ahead and finish this
collection.

JOHN MCBETH: Eric has placed what he wants
on the table, do I have a motion to approve that?

JIM CLINE: This is Jim. I would say yes,
I’d make that motion.

JOHN MCBETH: I have a motion from Jim. Is
there a second.

ERIC GLEASON: John, this is Eric. I hate to
do this, but somebody’s got to repeat that in the
motion. I can’t make a motion.

JOHN MCBETH: Oh, okay. Well I know you
can’t make a motion.

JIM CLINE: Let me restate it then. I would
move that the Committee support the Legislative
Exceptional Request to continue our process of
expanding coverage to provide 14 hour weekday service
as our priority.

JOHN MCBETH: Okay. We have a motion from
Jim. Do I have a second?

KEN FICKES: This is Ken. I second.

JOHN MCBETH: Jim has made the motion to
approve the exceptional item, the 14-hour service. Ken
has seconded it. Is there any discussion? Hearing
none I will call for a vote. All those in favor
signify by saying aye.

("Aye" stated in unison.)

JOHN MCBETH: All those oppose by saying nay.
Hearing all ayes and no nays, the motion passes. Okay,
Eric, now your next discussion item.

ERIC GLEASON: Well so just to communicate, I
think the way to communicate most of these motions
under this Agenda Item, I would suggest that we can
take a cut at a draft of a letter to be signed by John
on behalf of the Committee to go to Chairman Buck with
the two motions that passed today and that’s that we
would go ahead and draft a version of that. And I
think I would probably recommend that both John and Jim
as Vice Chair take a look at it to make sure that we
have captured the intent of the Committee and that they
sign -- that look of this action that that letter would
be sent.

JOHN MCBETH: Sounds like a good idea to me.

JIM CLINE: This is Jim. I would be happy to
do that, and we’d could certainly share it with the
other Committee members as well.

JOHN MCBETH: Yeah.
ERIC GLEASON: That’s up to you. That’s fine.

JOHN MCBETH: Yeah. I think send it myself and Jim but also copy the Committee members so that we all are on the same boat.

ERIC GLEASON: Alright. We will take a stab at that and get something out to all of you to look at by the end of next week.

JOHN MCBETH: Alright. Okay. That finishes Item Number 7. We can now go to Public Comments.

Josh, have we received any public comments during the WebEx?

JOSH RIBAKOVE: We have not received any public comments that arise to this level.

JOHN MCBETH: There being no public comments that Agenda Item is done. We’ll go on to the --

ERIC GLEASON: Can we go back to the agenda, Josh? Can we go back to the agenda on the screen please?

JOSH RIBAKOVE: Yes.

JOHN MCBETH: That’ll take us to Agenda Item Number 9, propose and discuss agenda items for the next meeting and confirm the date of the next meeting. One of the things that we talked about earlier was a report to the Committee on the 2019 stats so we will put that
on the next meeting agenda. Anybody have anything else they would like to add?

ERIC GLEASON: Mr. Chair, this is Eric. If I could interrupt again, I’m sorry. So just to be clear, our next regularly scheduled meeting would be in July.

JOHN MCBETH: Correct.

ERIC GLEASON: We talked today about a meeting sometime in May with the Committee when we have been able to finely tune the research work that TGI has done to the extent that we can present it to you and talk about numbers and impact. So I really think this conversation on Number 9 is really probably talking about two meetings with the next meeting being sometime in mid-May.

JOHN MCBETH: Relative to the Census data?

ERIC GLEASON: For just the Census data. And then anything else, such as the Stat Report review would be for the regularly scheduled July meeting.

JOHN MCBETH: July meeting, yeah. I’m all for that. I just assumed we were gonna meet in May anyway. Is there any objections with the members to meeting in May relative to the Census? And then July relative to things. Hearing none, I assume --

ERIC GLEASON: Hey John --

JOHN MCBETH: -- we will go ahead and
schedule a meeting at the call of the department
sometime in mid to late May for just the Census data.
And then we will have our normally scheduled July
meeting and one of the items on that meeting will be
the 2019 stats. Is there anything that anyone else
would like to add to that July meeting?

ERIC GLEASON: Hey John, should we do a
target the May meeting as a WebEx meeting and then the
July meeting as in person? I mean be optimistic.

JOHN MCBETH: A WebEx meeting would be fine
with me for the May Census meeting unless Eric and
staff thinks we need to be there.

ERIC GLEASON: I think I suspect it’s prudent
to assume that that is WebEx format.

JOHN MCBETH: Okay. Sounds like a good idea
to me. Well the May meeting will be a WebEx format.
The July meeting will be an in (inaudible) meeting with
safe distances.

ERIC GLEASON: We will try for that for July,
yes. We will try for that.

JOHN MCBETH: Super. And Josh can go ahead
and send out the official dates for both of those when
they’re available.

JOSH RIBAKOVE: You bet.

ERIC GLEASON: Alright, well. Yes.
JOHN MCBETH: Okay. Is there anything else on Agenda Item Number 9? Hearing none we’ll go to Item Number 10, which is adjournment and I’ll call upon J.R. to make the motion and Dietrich to second it.

J.R. SALAZAR: Yes, this is J.R. I move to adjourn the virtual meeting.

DIETRICH VON BIEDENFELD: This is Dietrich and I second.

JOHN MCBETH: Great. Thank y’all.

(Inaudible) objection to adjourning. We are adjourned.

Thank you all.

(END OF PROCEEDINGS.)
CERTIFICATION PAGE OF AUDIO RECORDING

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Before me, Kathryn Martinez, on this day personally appeared Angelica Mathews, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same for the purposes and consideration therein expressed.

Given under my hand and seal of office this 12th day of May, 2020.

Kathryn

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COMMISSION EXPIRES: 5/6/2023

KATHEREN L. MARTINEZ
Notary Public, State of Texas
Comm. Expires 05-06-2023
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