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TEXAS DEPARTMENT OF TRANSPORTATION
PUBLIC TRANSPORTATION ADVISORY COMMITTEE -
TELECONFERENCE MEETING

3712 Jackson Avenue
Building 6, Room 324
Austin, Texas 78731

Tuesday, May 26, 2015

COMMITTEE MEMBERS PRESENT and PARTICIPATING:

Michelle Bloomer, Chair
J.R. Salazar, Vice Chair
Rob Stephens, Transportation Provider Representative
John McBeth, General Public Representative
Brad Underwood, Transportation Provider Representative

COMMITTEE MEMBERS PARTICIPATING VIA TELECONFERENCE:

Glenn Gadbois, Transportation User Representative

TxDOT PRESENT and PARTICIPATING:

Eric Gleason, Director, Public Transportation Division (PTN)
Ryan Granger, Federal Relations Representative
Josh Ribakove, Communications Manager, PTN
Michelle Conkle, Transportation Planning and Programming
Division

TxDOT PARTICIPATING VIA TELECONFERENCE:

Jay Bond, State Legislative Affairs

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MR. SALAZAR: All right. Thanks, everybody on the phone for being patient with us. As Eric said, we're waiting on a couple - Brad and Michelle are on their way in from the airport, they should be here shortly, but we'll go ahead and get the meeting called to order. We'll do the safety briefing.

MR. RIBAKOVE: All right. Well, I can give the safety briefing. This is Josh Ribakove here for TxDOT. If we need to evacuate the building today, we'll go straight down the hall out this door to the stairwell by the elevators. We'll take it down to the ground floor, come out the front door and proceed out to the sidewalk, walk to the right to be able to get to the -- our big parking lot there. Walk into the parking lot. There is a treed area and we'll muster right there and we'll all be together.

Should we need to shelter in place in this building, that same stairwell by the elevators is the great place to be doing that.

Restrooms are right by the elevators. And there is also a break room across the hall where you can find machines with snacks and -- and drinks. And that's our safety briefing.

MR. SALAZAR: Thank you, Josh. Moving on to Agenda Item Number 3, if everybody's had a chance to read

1 the minutes.

2 MR. McBETH: So moved.

3 MR. STEPHENS: Second.

4 MR. SALAZAR: We have a motion and a second. All
5 those in --

6 MR. GADBOIS: This is Glenn and I second.

7 MR. SALAZAR: We have a motion and a second from
8 Rob. Glenn, you're a little bit too late on that.

9 MR. GADBOIS: Okay.

10 MR. SALAZAR: We have a motion to second. Anymore
11 discussion before we vote?

12 (No audible response.)

13 MR. SALAZAR: Hearing none, all those in favor,
14 raise your -- or raise your hand or say aye.

15 IN UNISON: Aye.

16 MR. SALAZAR: Any opposed, same --

17 MR. GADBOIS: Aye.

18 MR. SALAZAR: Any opposed, same sign.

19 (No audible response.)

20 MR. SALAZAR: Motion carries. I'm assuming we
21 want to wait on Number 4. If that's all right with
22 everybody, we're just going to skip to Agenda Item Number 5.

23 MR. GLEASON: All right. This is Eric Gleason,
24 Director of Public Transportation for TxDOT. Jay Bond, are
25 you on the phone by any chance?

1 MR. BOND: Yes, I am.

2 MR. GLEASON: All right. Great. I thought what
3 we could do for the director's report today, three things:
4 I thought Jay who is with our State Legislative Affairs
5 group could provide the committee with an update on what's
6 happening over in the legislature. I would touch briefly on
7 our TIGER VII project application and then talk a little bit
8 about how we're approaching some of the uncertainty around
9 preauthorization or authorization.

10 So with that, Jay, why don't you real quickly go
11 over some of the pertinent items in the legislature.

12 MR. BOND: I guess the -- from the Department's
13 perspective, the -- the most important news is that the
14 Texas Tribune is reporting that Chairman Joe Pickett of the
15 House Transportation Committee and Senator Robert Nichols,
16 Chairman of the Senate Transportation Committee, have
17 reached an agreement on funding for the additional rev -- to
18 provide additional revenue for the Department.

19 The -- under this approach which still, you know,
20 has to clear some legislative hurdles, the voters would be
21 approved -- would be asked to amend the constitution to
22 dedicate 2.5 billion dollars of general sales tax revenue to
23 the highway fund right away, as well as a portion of future
24 motor vehicle sales taxes beginning in 2020.

25 So that's, you know, something in progress, but,

1 you know, to the extent that a rising tide floats all boats,
2 more money for the Department hopefully will mean more money
3 for public transportation. I guess it remains to be seen
4 what restrictions, if any, will be placed on the use of
5 these funds.

6 Moving along, I provided Eric with an annotated --
7 with some notes on the list of bills that TTA is tracking.
8 I guess the most -- most of those bills frankly are dead. I
9 can run through a couple of them real quick. House Bill 114
10 by Flynn, et al., which relates to the issuance of certain
11 capital appreciation bonds by political subdivisions is
12 pending on the senate, local and uncontested calendar.

13 HB 122 by Pickett relating to the Texas Mobility
14 Fund has been sent to the Governor. Let's see. HB 226 by
15 Representative Guillen which relates to certain offenses
16 relating to carrying concealed handguns and property owned
17 or leased by a governmental entity providing a civil
18 penalty. That bill itself appears to be dead, but 8 -- SB
19 -- its companion SB 273 seems to be moving.

20 Representative Fallon's HB 283 which relates to
21 the requirement that certain governmental bodies make audio
22 and video recordings of open meetings available on the
23 internet. That bill has passed the senate. So it stands a
24 good chance of becoming law.

25 Let's see here. Representative Burkett's HB 565

1 relating to powers of private toll project entities, that's
2 passed the senate as amended. And as I understand it, the
3 amendments would take or -- would take away the power of
4 eminent domain but would let those private toll project
5 entities or let the developers work on those projects, but
6 they wouldn't be able to use the power of eminent domain or
7 at least the private entity wouldn't.

8 Let's see. SB 685 by Representative Sheets
9 relating to the production of public information available
10 on the website of a political subdivision of the state.
11 That's passed the senate as amended and I think it stands a
12 good chance of becoming law. Let's see here. HB 3777 by
13 Collier, et al., that bill relates to the establishment and
14 governance of certain regional transportation authorities.
15 I believe that primarily applies to the T to Fort Worth
16 Transportation Authority. That's been placed on the senate
17 local and uncontested calendar, stands a good chance of
18 being -- of -- of becoming law.

19 On the budget, HB1, the conference committee
20 report is still pending, but it'll be adopted in the next
21 couple of days. SB 57 relating to information collected by
22 a regional tollway authority, regional transportation
23 authority or coordinated County transportation authority,
24 that's passed the house as amended and stands a good chance
25 of being law.

1 And it looks like everything else is -- well,
2 let's see. The only other bill on the list that still seems
3 to be alive is SB 1511 by Hancock relating to the
4 establishment and governance of certain regional
5 transportation authorities. Actually, that one was
6 postponed. So I think the Collier bill, HB 3777, that one
7 is still alive. And so that one I would cautiously suggest
8 is going to become law.

9 That's pretty much what I had unless there's
10 specific questions from the -- the committee members or
11 staff.

12 MR. GLEASON: Jay, this is Eric. I believe
13 Representative Guillen's bill on the -- on PTAC passed as
14 well; is that correct?

15 MR. BOND: Oh, yes. I'm sorry. Yes, that bill
16 did pass and has been sent to the Governor. Let me pull
17 that up and make sure that -- and that bill of course was
18 amended to -- that's been signed on -- in the house and
19 let's see. I guess we'll sign it in the senate and then --
20 then they'll -- they'll send it to the Governor. That bill
21 as you recall would provide fixed terms for the members of
22 PTAC and an amendment in house by Representative Israel
23 provided -- or better defined or better clarified the terms,
24 you know, like public transportation provider or public
25 transportation user or general public representative. So

1 the bill provided a little more clarity as to, you know, who
2 fits in what category.

3 And then the Israel amendment also included some
4 language requested by Representative Guillen. And that
5 language made it clear that the current members of the
6 committee couldn't be reappointed at the end of their terms
7 if the appointing entity, the governor, lieutenant governor
8 speaker sought fit to do that.

9 MR. GLEASON: Okay. All right.

10 MR. GADBOIS: So J.R., may I ask a question to
11 Jay?

12 MR. GLEASON: Glenn -- Glenn, I'm going to need
13 you to identify yourself on the phone for our recorder.

14 MR. GADBOIS: The -- this is Glenn. J.R.?

15 MR. SALAZAR: Go ahead, Glenn.

16 MR. GADBOIS: The -- may I ask a question --

17 MR. BOND: It's Jay.

18 MR. GADBOIS: -- to Jay? Okay. Mr. --

19 MR. BOND: Yes, go ahead.

20 MR. GADBOIS: Mr. Jay, your first bill, have they
21 come up with estimates on the revenues that would be
22 generated annually from both those actions should they pass,
23 both those sources as they pass?

24 MR. BOND: Well, I think we would have to wait for
25 a fiscal note and in fact TxDOT would, you know, weigh in on

1 the fiscal note, but we haven't -- I -- I -- frankly, I just
2 saw this news item which one of my supervisors alerted us
3 to. So I don't -- I mean, I think it's likely that they're
4 going to do something. As usual, the devil is in the
5 details. So until we see those details, we won't know what
6 it is. But it appears likely that it would at least in
7 sales tax revenue alone I think it's anticipated or the
8 authors anticipate that it would generate 2.5 billion
9 dollars additionally for the Department each year. And so
10 that would be approximately half of the \$5,000,000,000 we
11 have been saying that we need.

12 MR. GADBOIS: Okay. I mean, because --

13 MR. BOND: So and then I anticipate there would
14 be additional revenue from the motor vehicle sales tax
15 revenue. And -- but that apparently would be phased in
16 starting in 2020. So that's a ways off.

17 MR. GADBOIS: Okay. And -- well, and the order of
18 magnitude on that was a few hundred thousand as I -- is that
19 roughly accurate?

20 MR. BOND: Oh, no. I think that that's -- well,
21 my recollection is a little hazy, but I was thinking it was
22 more money than that, but I could be mistaken. In any case,
23 I think it's -- you know --

24 MR. GADBOIS: I mean, I'm sorry. A few hundred
25 million. I'm sorry, not thousand.

1 MR. BOND: Yes. Yes. I think that's -- that's in
2 the ballpark there.

3 MR. GADBOIS: Okay. Okay.

4 MR. GLEASON: Anything else for Jay?

5 (No audible response.)

6 MR. GLEASON: All right. Let me continue with a
7 couple other items in my report and then I'll turn it back
8 to the chair. The Department's in the process of preparing
9 an application to the TIGER discretionary program which is
10 out for a project call at the moment. You may recall
11 there's about \$500,000,000 available nationwide for all U.S.
12 DOT eligible projects. So it's not -- it's not just a call
13 for transit projects. It's a -- it's a U.S. DOT call.

14 And of that 500,000,000, there's approximately a
15 hundred million of which is targeted for rural area project
16 investments. And important there as well is that the rural
17 area projects are not required to be submitted with -- with
18 a match.

19 So we have prepared a asset replacement project
20 that is looking at a statewide approach to fleet
21 replacement, as well as finishing up for construction
22 projects or facility projects that are already underway with
23 previous funding from the Department.

24 And the application itself is due on the 5th of
25 June. I'll tell you real briefly that we -- we have

1 identified 325 vehicles that would be replaced in the
2 application. And as I said earlier, completion of four
3 facilities. We are looking at an application for TIGER
4 funding of about \$20,000,000.

5 And so key this year to this whole process is --
6 is a technical report. We have engaged TTI, Linda
7 Cherrington and her staff, to help us with this. I'm
8 looking at a final draft right now which -- which really
9 looks very, very good. And -- and when we upload this to
10 the -- to the TIGER grant website, we'll make sure that
11 shortly after that we -- we put it up on our own webpage for
12 everyone to look at.

13 I think it'll be interesting reading because the
14 -- the key here is a -- is a benefit cost analysis. And
15 what TTI really has done I think for the first time as far
16 as I'm aware of here is they really captured a wide range of
17 benefits associated with both fleet and facility investment
18 and have quantitated -- you know, they -- they have managed
19 to quantify the vast majority of those benefits. And so I
20 think it's a very useful piece generally for all of us to be
21 aware of.

22 The time frame on TIGER is such -- I've heard one
23 report that it says expect award announcements in the fall.
24 Beyond that, I'm not all that sure what and when we can
25 expect a decision from US DOT on TIGER.

1 Welcome, Michelle --

2 MS. BLOOMER: Thank you.

3 MR. GLEASON: -- and Brad.

4 MS. BLOOMER: Sorry.

5 MR. GLEASON: I hope you enjoyed your ride in from
6 the airport. I didn't check on your itinerary. I --

7 MR. McBETH: I was going to that way you could
8 track it, you know --

9 MR. GLEASON: That's all right. So the final part
10 of my report then is real briefly on federal funding and --
11 and when you all might expect commission action on the
12 balance of this fiscal year's federal funds, we are
13 approaching this time frame and -- and Ryan will get into
14 this in just a minute with the authorization decision in
15 Congress to extend for another two months for a total of 10
16 months of -- of this federal fiscal year amount. We are
17 waiting for and hoping we will get relatively quickly
18 following the President's signature we'll get apportioned
19 amounts from FTA for the next two months of the year. We
20 got the first eight months of the year and we'll get the
21 next two months in this action. And we will begin making a
22 series of decisions on it from our coordinator call process
23 associated with those partial year funding amounts.

24 So looking ahead at the June and July Commission
25 meetings, what you can expect in June from a funding

1 standpoint in June, assuming that the state legislature
2 finishes their business on time and that there is an
3 appropriations bill adopted, we will award state funds for
4 fiscal year '16, we'll award state funds at the June
5 Commission Meeting. We are looking at being able to award
6 inner city bus operating funding at the June meeting as
7 well.

8 Sliding to July, you would have presumably the
9 balance of the coordinated call awards going out in July
10 assuming we get apportionments in a timely fashion. We will
11 also have the 5310 program going in July as well. And so
12 those are the highlights of the funding we are considering.
13 And I'm not sure what our recommendation will be with
14 respect to the 5339 program, but I'll -- I have a meeting on
15 that later this week if we do move ahead with that -- that
16 as well would be with the July meeting.

17 Now what we are doing internally to address then
18 one of the major issues that July presents for us from a
19 Commission Meeting standpoint and the timing standpoint is
20 we are beginning to approach the -- the time frame and TEAM
21 that we're able to submit project applications. TEAM
22 traditionally goes down in, what, mid-September every year.
23 And, you know, to get through the entire project submission
24 -- grant submission and then approval process, you know, the
25 5311 grant does not go to DOL. The 5339 grant does go to

1 the Department of Labor.

2 And so we're going to try and prepare those
3 applications all the way up to the point where the last
4 thing we need to add is the commission action. And to have
5 been reviewing those with FTA up until that time, so that
6 we're ready to go immediately following the July action.

7 Because the other challenge we have this year on
8 the federal side is that when the system comes back up in
9 the fall, it will no longer be TEAM. It will be TRAMS which
10 is a brand new federal system. And so we want to make sure
11 we hit that window in TEAM with the critical awards, the
12 critical funding that -- that needs to happen so that we're
13 not delayed both by the shutdown and then bringing up a
14 brand new grant system.

15 So that's where we stand on that and that
16 concludes my report.

17 MR. McBETH: Question; this is John.

18 MR. BOND: Eric --

19 MR. McBETH: This is John.

20 MR. BOND: Eric --

21 MR. GLEASON: Yes, sir.

22 MR. BOND: Eric, this is Jay Bond. Before you end
23 your -- your report, if I may, I wanted to add something
24 that I neglected to mention. This is Jay Bond, TxDOT State
25 Legislative Affairs. I should have mentioned that the --

1 the two year state budget that the house and senate are
2 poised to adopt also ends 1.3 billion dollars in so-called
3 diversions in which funds from the motor fuel tax goes to
4 other purposes like the Department of Public Safety. So
5 TxDOT's funding would -- that budget would also boost
6 TxDOT's funding by approximately 1.3 billion dollars over
7 the biennium. I'm sorry, I didn't mention that earlier.
8 And that would conclude anything I have to say. Thank you.

9 MR. GLEASON: Thanks, Jay. John.

10 MR. McBETH: What's the money number on the TIGER
11 request or have you all put it together yet?

12 MR. GLEASON: Right now it's looking at 20,800,000
13 is what I'm looking at right now. Now keeping in mind that
14 the entire rural set aside to the target nationally is a
15 hundred million.

16 MR. McBETH: Uh-huh.

17 MR. GLEASON: 20 percent for Texas sounds good to
18 me.

19 MR. STEPHENS: It sure does.

20 MR. McBETH: Well, we have 20 percent of the world
21 population.

22 MR. GLEASON: How much?

23 MR. McBETH: 20 percent. I just made that up.

24 MR. GLEASON: Oh, okay. Yeah. Yeah, you bet.

25 Yeah. Yeah. So it -- it's an extremely aggressive ask, but

1 honestly it's not that aggressive when you look at what goes
2 into it. These are fleet members that are at a hundred and
3 thirty-three percent of their useful life. And facilities,
4 we've got -- we can demonstrate a need for almost
5 \$50,000,000 worth of facility replacement. And we're asking
6 for 16,000,000 right now to finish projects we started.

7 And what I'll tell the committee is if we're
8 successful in getting the TIGER money to help us finish
9 those four projects, then the future streams of our own
10 funding that we do administer that were targeted for those
11 projects will then apply to a next generation of facility
12 projects to help bring them through the project development
13 phase so that they too perhaps with -- if there's a TIGER
14 opportunity in the future, they too can be highly
15 competitive for TIGER.

16 So we drew the line at that because the ask was
17 getting so big that we felt like it was big enough. And
18 that concludes my report.

19 MS. BLOOMER: Thank you, Eric. Any other
20 questions for Eric?

21 (No audible response.)

22 MS. BLOOMER: All right. And thank you all. I
23 apologize we're late. Mother Nature had other plans or
24 Southwest did. Understand we've completed Items 1, 2, 3 and
25 5?

1 MR. GLEASON: Yes, ma'am.

2 MS. BLOOMER: And we'll go back to 4.

3 MR. GLEASON: Up to you.

4 MS. BLOOMER: Okay. So we'll go back to 4 which
5 is selection of a new chairperson and vice chairperson.
6 Before we did that though, I just wanted to say I was first
7 appointed to PTAC in September of 2007. Thank you to Bobby
8 for digging that up. It's not as long as I thought or had
9 felt, but it's almost eight years. And I believe of that
10 almost eight years, all but maybe the first year, year and a
11 half, have been as chair.

12 MR. GLEASON: Yes.

13 MS. BLOOMER: And so I feel at this time it's time
14 to turn it over to some fresh blood. But I wanted to thank
15 all the members and J.R. for being my vice chair and for
16 stepping up for me when I wasn't able to attend and
17 supporting me and to the TxDOT staff, to Josh for keeping me
18 in line, to Bobby for doing that before Josh and making it
19 fun along the way. Kelly and to Eric --

20 MR. GLEASON: As opposed to Josh. Bobby made it
21 fun.

22 (Laughter.)

23 MS. BLOOMER: You know, the safety briefings come
24 on. Bobby would always make me laugh. And to Eric for
25 putting up with me. So I -- I really appreciate the

1 opportunity to serve as your chair and to serve on this
2 committee and for the professional and personal growth that
3 it's allowed me. So I would like to open it up then for --
4 and we start with the chair and then vice chair? Okay. So
5 a nomination for chair.

6 MR. SALAZAR: This is J.R. Salazar. I would like
7 to nominate Rob Stephens as chairperson of the PTAC
8 Committee.

9 MS. BLOOMER: And this is Michelle. I second
10 that. Any questions before calling the vote?

11 (No audible response.)

12 MS. BLOOMER: Okay. All those in favor and we'll
13 start this way and work our way down. And Glenn, I'll get
14 you -- I'll hit you, last, okay? John?

15 MR. McBETH: Yes.

16 MS. BLOOMER: Brad?

17 MR. UNDERWOOD: Aye.

18 MS. BLOOMER: Michelle, aye.

19 MR. SALAZAR: J.R., yes.

20 MS. BLOOMER: And Rob.

21 MR. STEPHENS: Yes.

22 MS. BLOOMER: And Glenn.

23 MR. GADBOIS: Aye.

24 MS. BLOOMER: All right. So we now have a chair.

25 So can I turn it over to the new chair --

1 MR. STEPHENS: You may.

2 MS. BLOOMER: -- to take over and elect a vice
3 chair?

4 MR. STEPHENS: You may. Okay. This is --

5 MR. MCBETH: Well, you -- you shed that job quick.
6 (Laughter.)

7 MR. GLEASON: That would be pretty -- before we
8 move on, I -- Michelle, I just wanted to thank you for your
9 service. I've been here almost 10 years. I've had two
10 chairs of this committee. The first one was Fred Gilliam.
11 And I was stretching my memory back and I just couldn't
12 remember another one other than you. So you have served as
13 chair for a really long time. And I certainly have
14 appreciated your commitment very much.

15 You've gone through some career transitions.
16 Started with us when you were with the Council of
17 Governments.

18 MS. BLOOMER: Council of Governments, yes.

19 MR. GLEASON: Catholic Charities. And now General
20 Manager of the Collin County system. I don't know if I got
21 that title right, but that's what it sounds like to me.

22 MS. BLOOMER: That was good.

23 MR. GLEASON: And so just thank you so much for
24 your -- your patience and your commitment. I think you've
25 made a huge impact on this committee, what it's done. I

1 know you've spoken to the Commission several times. And so
2 I think the entire stature is -- is better off now than when
3 you started. So thank you. Appreciate the time.

4 MS. BLOOMER: Thank you.

5 MR. STEPHENS: Thank you, Michelle. All right. I
6 guess we'll continue. This is Rob Stephens. Continuing
7 Item Number 4 in selection of a vice chair. Is there any
8 nominations on the floor for vice chair?

9 MR. SALAZAR: This is J.R. Again, I -- kind of on
10 a similar to Michelle's comments. I've been vice chair for
11 quite a while, too. I visited with Michelle and I visited
12 with Eric the other day, too. And I -- I think it's time
13 for me to step down from that position as well. And, you
14 know, it's a -- it's been -- it's been a long time. The
15 years fly by, don't they?

16 MS. BLOOMER: Yep.

17 MR. SALAZAR: But I -- I do appreciate everybody
18 and -- and all the things and all the meetings that we've
19 had. And -- and I'll -- and I'll -- I'm still -- it's not
20 like we're going away all -- away altogether, but I -- I am
21 going to step down as the vice chair.

22 Having said that, I would like to nominate John
23 McBeth as vice chair of the PTAC Committee.

24 MS. BLOOMER: And I second that motion.

25 MR. STEPHENS: Okay. Good. We have a -- a

1 nomination, John McBeth as vice chair made by J.R. Salazar,
2 seconded by Michelle Bloomer. I guess we'll start -- Glenn
3 on the phone. We'll start on the phone. Take a vote.

4 Glenn?

5 MR. GADBOIS: Yes.

6 MR. STEPHENS: Yes. Okay.

7 MR. GADBOIS: Yes. John?

8 MR. McBETH: Yes.

9 MR. STEPHENS: Brad?

10 MR. UNDERWOOD: No. No, I'm just --

11 MR. McBETH: See, I knew it was coming.

12 (Laughter.)

13 MR. UNDERWOOD: See, I can vote for John.

14 MR. McBETH: I knew it was coming.

15 MR. UNDERWOOD: Please let mine reflect as a yes.

16 MR. STEPHENS: Michelle?

17 MS. BLOOMER: Yes.

18 MR. STEPHENS: And J.R.?

19 MR. SALAZAR: Yes.

20 MR. STEPHENS: And this is Rob Stephens and that's
21 a yes. So we have a new chair and vice chair for the PTAC
22 Committee. There you go.

23 I guess we've already covered Item 5, Director's
24 report. We'll move on to Item Number 6, update on federal
25 authorization and revised GROW AMERICA Act proposal.

1 MR. GLEASON: Yes, this is Eric Gleason again.
2 Ryan Granger from our Federal Affairs Office is here with us
3 today. Ryan spoke to the committee I think at their -- at
4 their last -- at their March meeting. Ryan is back to
5 report all things ever happening back in D.C. So Ryan, an
6 update on authorization.

7 MR. GRANGER: Oh, this is Ryan Granger, federal
8 relations representative with TxDOT Federal Affairs. Thanks
9 to the committee for having me back and the --

10 MR. GLEASON: Only if you brought money.

11 MR. GRANGER: I don't have any cash on me. But --
12 and neither does congress unfortunately. To -- I'll be
13 talking about the federal authorization where things stand
14 right now and the revised GROW AMERICA proposal that -- that
15 just came out.

16 I'll talk about GROW AMERICA Act first. Well,
17 when I came here before, it had just come out a couple days
18 before. Since then TxDOT Federal Affairs has analyzed the
19 bill. And -- and it was introduced by Representative
20 DeFazio from Oregon just last week. So it is officially a
21 piece of legislation now. It has 23 co-sponsors, most of
22 whom were on the House Transportation & Infrastructure
23 Committee.

24 I don't know what -- what odds it has of going
25 anywhere, but -- but this is an overview of it. It

1 authorizes a hundred and fifteen billion for public
2 transportation programs that's up from 72,000,000,000 in a
3 previous version of the GROW AMERICA Act. The new version
4 includes increases to address the bus and rail, State of
5 Good Repair backlog and substantially invest in public
6 transportation capacity.

7 Just like in the original AMERICAN -- GROW AMERICA
8 Act, it proposes two new programs. One of which is the
9 Rapid Growth Area Transit Program. And the other is the
10 fixing and accelerating surface transportation grants. The
11 -- the first -- the Rapid Growth Area Transit Program, that
12 -- that's the discretionary grant program that for bus rapid
13 transit projects and in -- especially in urbanized areas
14 that had experienced significant increases, population
15 growth between the 2000 Census and the 2010 Census. And the
16 FAST Program is kind of a TIGER-like program that's based
17 off of a Department of Education program actually. It's
18 funded at 6,000,000,000 over -- actually, yeah,
19 6,000,000,000 over six years. And the aim of that is to
20 incentivize the adoption of progressive forward thinking,
21 best practices in transportation for projects of 50,000,000
22 and above.

23 FAST would fund up to 100 percent of the cost for
24 public transportation projects as well as other modes. And
25 also of note would be that a quarter of the FAST funds would

1 be distributed to MPOs that are designated high performing
2 under FAST metropolitan mobility program.

3 Now as far as comparing what the GROW AMERICA Act
4 2.0 proposes versus what was enacted in the fiscal year of
5 2015, there is significant increases for the Section 5339
6 bus and bus facilities. That is up 353 percent from 427.8
7 million to 1.9 billion. That's significant.

8 Section 5337, State of Good Repair, that is up a
9 hundred and sixty-four percent. And that's from 2.2 billion
10 up to 5.7 billion.

11 But to give some context for that, even the six
12 year total for the State of Good Repair is 35.2 billion --
13 I'm sorry, I'm throwing a lot of -- a lot of numbers. But
14 according to APTA, the current backlog is 86 billion. So
15 even the six year bill, you know, doesn't solve any -- all
16 of the problems overnight unfortunately as far as capital
17 investment needs.

18 MS. BLOOMER: Question.

19 MR. GRANGER: Another -- oh, I'm sorry.

20 MS. BLOOMER: I'm sorry. Is the backlog the 80 --
21 is that a one year or is that over that six year period?

22 MR. GRANGER: I think that is -- that's the
23 current accumulated backlog that APTA has --

24 MS. BLOOMER: Okay.

25 MR. GRANGER: -- has talked about. When -- when

1 the president CEO testified before the Senate Banking
2 Committee last month, he cited between 84 and 86 billion. I
3 -- he -- he vacillated between the two numbers, but -- but
4 so that's --

5 MR. GLEASON: That that's -- it's a current right
6 now today number.

7 MR. GRANGER: Well, that's current as of when he
8 testified last month --

9 MR. GLEASON: Yeah.

10 MR. GRANGER: -- but -- but yeah.

11 MS. BLOOMER: And it was 86,000,000,000?

12 MR. GRANGER: 86,000,000,000.

13 MS. BLOOMER: Billion.

14 MR. GRANGER: That is the State of Good Repair
15 backlog in any capital improvement. So that is -- and
16 that's increased from where we were last year about the same
17 time.

18 And another -- another area of -- it's a bright
19 spot in the GROW AMERICA Act is Section 5309, capital
20 investment grants are up 53 percent from 2.1 billion to 3.25
21 billion. It's another significant increase. But -- but I
22 think that -- you know, the -- the thing that's probably
23 more newsworthy than the GROW AMERICA Act is the federal
24 authorization that happened early, early Saturday morning.

25 So after weeks of debate over a two month

1 extension versus an eight month extension, the senate passed
2 HR 2353 which was a two month extension of the highway trust
3 fund spending authority. And it's now cleared for the
4 President's signature. He is expected to sign it.

5 Although, you know, his Press Secretary Josh
6 Earnest did urge lawmakers to use the next two months to do
7 something a little bit more permanent than -- than one of --
8 than one more extension.

9 So this is the by count it's the 33 -- 33rd time
10 in more than six years that congress has passed a temporary
11 patch to keep the transportation programs going. So with --
12 with congress extending the highway trust fund's authority
13 on road and transit spending to July 31st, but not voting to
14 add any additional funding, AASHTO believes that the trust
15 fund is on course to see at least its highway account
16 balance fall below safe cash management levels this summer
17 without any further action.

18 And -- and so two months from now we're basically
19 going to be back at square one except that now they actually
20 have to find money. This current extension didn't require
21 any, but this next one will. So many republicans including
22 leaders of house and senate transportation committees have
23 already conceded even before this current extension that
24 congress will probably indeed move toward another extension
25 to allow more time to round up the \$90,000,000,000 that's

1 needed for a six year bill. And that Plan A still seems to
2 be tax reform and various repatriation proposals.

3 But a lot of the democratic leaders of the same
4 transportation committees and financing committees have come
5 out staunchly against any new patches. Barbara Boxer of
6 California, Representative DeFazio from Oregon, have both
7 come out as on the record as saying that no more patches,
8 that they're done with them and through with them as Senator
9 Boxer said.

10 Are there any questions about the current
11 reauthorization status?

12 (No audible response.)

13 MR. GRANGER: Well -- and I know that I wouldn't
14 ask to speak on this, but I would be remiss if I didn't
15 mention the 2016 THUD appropriations. THUD is the
16 Transportation, Housing and Urban Development. And that's
17 the -- the yearly bill that actually gives us the money.

18 And the transit formula grants, when -- when that
19 was -- when the house passed -- subcommittee passed that
20 April 29th, transit formula grants stayed completely flat as
21 they had. The previous year for -- and compared with the
22 GROW AMERICA Act proposal for FY 16, it's more than 38
23 percent less than that. As far as capital investment grants
24 go, there is 9.4 percent less than was enacted in FY 15 and
25 almost 41 percent less than the GROW AMERICA Act proposes

1 for FY 16. So relatively flat funding overall and, you
2 know, some pretty -- some fairly significant cuts to -- to
3 transportation -- public transportation programs.

4 But with that, I conclude my report unless there
5 are any questions from the committee members.

6 MR. STEPHENS: Any questions on Item Number 6,
7 guys?

8 (No audible response.)

9 MR. STEPHENS: Glenn, on the phone? Glenn, you're
10 still with us?

11 MR. GADBOIS: I am. I was on mute. Sorry, it
12 takes me a while to get off there. Yep, fine. Thanks.

13 MR. GLEASON: I have a question if I may. This is
14 Eric. Question for the committee. Is this an item that the
15 committee wishes to continue hearing about in future
16 meetings? We're on track again to meet late July which
17 would be --

18 MR. GRANGER: Good timing.

19 MR. GLEASON: -- another time to meet with
20 information.

21 MR. McBETH: Yeah, absolutely.

22 MR. SALAZAR: I think so.

23 MR. GLEASON: Okay.

24 MR. STEPHENS: I agree.

25 MR. GLEASON: We'll get you on the July agenda.

1 MR. STEPHENS: All right. Sounds good. Anyone
2 have questions for Eric or Mr. Granger? On to Item Number
3 6.

4 (No audible response.)

5 MR. STEPHENS: It shows an action item. So --

6 MR. GLEASON: Action is here, Mr. Chair, just in
7 case the committee wishes to take action.

8 MR. STEPHENS: Okay.

9 MR. GLEASON: It is not a necessary --

10 MR. STEPHENS: Necessary action item.

11 MR. GLEASON: Exactly.

12 MR. STEPHENS: Okay. So there doesn't appear to
13 be any action taken here. We'll just accept the report
14 unless otherwise noted from anyone on -- on the committee.

15 We'll move on to Item Number 7, discussion on the
16 scope and timing of TxDOT's look at the impact of growth,
17 urbanization on public transportation in Texas.

18 MR. GLEASON: All right, Mr. Chair. This is Eric
19 again. Item 7 is something that the committee discussed at
20 its last meeting wanting to hear about in the context of its
21 work program over the coming year or so. We have Linda
22 Cherrington here with us today from TTI. And Linda and her
23 group have a long history of working with this issue. They
24 worked closely with us in preparation for the 2010 Census.

25 And I think that work serves us well to have a

1 discussion with the committee identifying sort of the -- the
2 major policy areas if you will that a Census -- that the
3 Census actually triggers for us in Texas in a growing state.
4 We -- we can review our 2010 experience. And I think it's
5 not too soon to begin this discussion in preparation for the
6 next Census.

7 And so I think this will be one of these
8 conversations where, you know, we'll have to probably go
9 into something in a fair amount of detail to understand it.
10 And then I think it would be appropriate for the committee
11 to backup out of that detail and speak about what it means
12 more from a broad policy standpoint. So it's probably kind
13 of a into detail and then backup to understand it from its
14 policy implications.

15 And with that, Linda, I know you have some slides
16 today. I think we want to have a fairly interactive
17 conversation with the committee. We'll kind of watch our
18 time. I know John, you need to leave at 3:00. And I know
19 this is actually an item that you brought up to have put on
20 the committee's work program. So I want to make sure you
21 have every chance to participate in this conversation. And
22 with that, Mr. Chair, I will turn it over to you and Linda.

23 MR. STEPHENS: Okay. Linda, when you're ready, go
24 ahead.

25 MS. CHERRINGTON: Thank you. Linda Cherrington

1 with Texas A&M Transportation Institute. And good
2 afternoon. Good to see you all. And what I'd like to do is
3 step through a key -- a few key points particularly
4 reflecting on what were the impacts of the 2010 Census and
5 perhaps commenting a little bit on what we might anticipate
6 going forward.

7 So we -- we're going to talk about the primary
8 impacts of urbanization in the state. Next slide, please.
9 And to -- to highlight this, we looked at the change in
10 population from 2000 to 2010. And the urban population in
11 the state grew much faster than the state as a total, 26
12 percent versus 21 percent. And that meant that the -- the
13 state is now 75 percent of the population is in urbanized
14 areas.

15 If you kind of put that in perspective, the land
16 area that is urbanized in the state grew by 32 percent, but
17 it's still 2.8 percent of the total land area of the state.

18 So 90 percent of the population -- 75 percent of
19 the population of the state is within just three percent of
20 the land area. And that's -- the significant impact is the
21 growth in that population and the affected land area.

22 Next slide, please. When we -- when we think
23 about the impact on public transportation, there really are
24 four major areas of impact. First of all, the rare occasion
25 when a small urban area moves to the rural side, I'll speak

1 to that just -- in just a moment. When rural areas become
2 urban and there are several perturbations on that which
3 we'll talk about.

4 When a small urban area comes -- becomes a large
5 urban and there's a change in the impact on funding and then
6 a growing area of concern in the state and that is the urban
7 gaps that are created when urbanization grows beyond the
8 limits of a transit provider. And I'll show some examples
9 of that.

10 I want to talk about each of those major types of
11 changes, but I also want to talk about the kinds of impact
12 you see. Next slide, please.

13 There are four major impacts that happen when an
14 area becomes urbanized. There may be a change in funding
15 for the transit provider, the funding source. And that
16 applies to both federal funding which we'll spend some time
17 about today, as well as the state funding source, rural or
18 urban. There are also changes that eligible use of funding.
19 We most often are concerned about use going from eligible
20 for operating to only capital.

21 And then a change in the status of the recipient,
22 I want to speak a minute about the terms that we use. The
23 designated recipient is -- is identified in the case of the
24 state for all Section 5311 rural and all Section 5307 small
25 urban. The state of Texas, TxDOT, the Public Transportation

1 Division is the designated recipient for those funds.

2 In each large urbanized area, there is at least
3 one and in two cases more than one designated recipient for
4 that large urbanized area. Why is this particularly
5 important? A designated recipient answers directly to FTA,
6 is accountable to FTA for following all the rules and
7 guidelines, but most particularly the designated recipient
8 is also responsible for allocating funds to all other
9 recipients under that jurisdiction. And that's the most
10 important power of a designated recipient.

11 Now a designated recipient may name direct
12 recipients that can get their money from FTA directly, but
13 only after that designated recipient has approved the
14 allocation of the funds. Or a designated recipient may
15 decide that they are not going to give direct funding
16 authority to any recipient. Instead, will only consider
17 sub-recipients which are accountable only to that entity,
18 the designated recipient.

19 So for example, the state of Texas is the
20 designated recipient for all Section 53 rural funds. And
21 the state of Texas has named each rural transit district a
22 sub-recipient. The sub-recipient must apply for funds and
23 is allocated funds and must answer for all grants to the
24 state of Texas.

25 The state of Texas is also the designated

1 recipient for Section 5307 small urban funds. However,
2 TxDOT, through the commission, has authorized that each
3 urban transit district is named as the direct recipient and
4 that direct recipient deals directly with FTA with the funds
5 that are allocated by the -- by the TxDOT by the commission.

6 So that is the difference between a designated
7 recipient which allocates funds, a sub-recipient which
8 answers only to the designated recipient and a direct
9 recipient who has independent funding if approved. And I'm
10 going to speak more to that as it affects the changes in the
11 Census.

12 And then the last major change is also somewhat
13 subtle, but very significant to the impact areas and that is
14 the change in the planning process. As any area becomes
15 part of a large urbanized -- is -- becomes part of an
16 urbanized area, they were responsible to the MPO. But that
17 MPO's authority and jurisdiction grows with the large
18 urbanized areas. And so the role of the MPO becomes more
19 and more significant the larger the urbanized area. And
20 again, I'll give some examples about that in a moment.

21 The next slide. In the discussion today, I'm
22 going to refer to the primary fund -- formula funding
23 programs from FTA. You are all very familiar with 5307
24 which is the urbanized program, 5311, the non-urbanized or
25 rural program.

1 There are also some significant changes that
2 affect 5310 for mobility of seniors and -- and individuals
3 with disabilities. And 5339 which is the Bus and Bus
4 Facilities Program. And so I wanted to bring up the source
5 of these funds as I refer to them later.

6 The 5340 is also important because it adds funds
7 to 5307 and 5311. But it is not in of -- of itself a
8 separate discussion. But it is a significant in that being
9 as growing state, we are receiving funds and that are --
10 that are also -- add to the 5311 and 5307.

11 MR. MCBETH: Linda, is this where we see like STIC
12 funding? Is that what this is? They refer to STIC high
13 density areas and --

14 MS. CHERRINGTON: No, the -- the STIC program
15 comes from small urbanized areas with significant
16 performance above the average of all the -- the small
17 urbanized areas in -- in the state. And they get some
18 additional funding out of 5307.

19 MR. MCBETH: Okay.

20 MS. CHERRINGTON: The growing states formula fund
21 simply adds money to the allocation for 5307 and 5311. It's
22 an unusual provision that was passed in the dead of night in
23 the last federal authorization. And it was intended to give
24 more money to growing states, but at the last moment 50
25 percent went to growing states and 50 percent went to high

1 density states.

2 MR. McBETH: Yeah, it was basically --

3 MS. CHERRINGTON: And so it -- it just --

4 MR. McBETH: -- divided between six --

5 MS. CHERRINGTON: Yeah.

6 MR. McBETH: -- northeastern states --

7 MS. CHERRINGTON: Right.

8 MR. McBETH: -- is what happened because of the
9 chair.

10 MS. CHERRINGTON: So it's -- it's kind of a -- a
11 stealth funding program. But you see it mentioned. And so
12 I wanted to -- to mention it today. So -- and it simply
13 adds to the dollar value.

14 And it's interesting. The legislation said oh,
15 and we won't name exactly how much that is. We'll just put
16 it in the 5307 and 5311 pots.

17 So recently FTA has been -- has provided some
18 information about how much those dollars are and how they --
19 they're calculated. But it's been kind of an interesting
20 program, so -

21 MR. McBETH: Yeah, there's some move on at CPAA to
22 basically abolish this program and take the money that's in
23 it and move it into the 5339 program and put a rural
24 component to it so that rural America gets a certain
25 percentage of it. I -- I don't know how successful they're

1 going to be. Right now we've got somewhere between 18 and
2 23 senators that say that it's a good idea.

3 MS. CHERRINGTON: So that would put more money in
4 -- into the --

5 MR. MCBETH: Yeah, just to get --

6 MS. CHERRINGTON: -- capital investment.

7 MR. MCBETH: Yeah, it would.

8 MS. CHERRINGTON: Okay. So now I'd like to talk
9 about each of those major changes that have occurred as in
10 -- instance to Census. Next slide, please.

11 The -- the first we wanted to talk about was small
12 urban to rural. Of course, this is unusual. It has not
13 happened many times in the -- in the history of -- of the
14 funding. It happened in 2010 when Galveston just two years
15 after Hurricane Ike no longer met the criteria for a small
16 urbanized area. Whether or not this might happen again we
17 hope not, but obviously the most vulnerable areas in the
18 state are the smallest small urban areas in which the
19 economy could affect those states, those cities. The
20 smallest are Victoria, Texarkana and San Marcos which just
21 became small urban area.

22 I don't think this is going to happen again, but
23 the impact was significant of course to the city of
24 Galveston. The funding source changed. There was reduced
25 funding, the city was no longer a direct recipient, but

1 became a sub-recipient under the TxDOT 5311 funding formula.
2 And there was a requirement for a change in local government
3 to become a rural transit district as a function of that
4 change in status.

5 So it was quite significant. The -- the city of
6 Galveston has been affected by it. Luckily they are part of
7 a larger trans -- transportation management area. And so
8 they are -- they have the help of their friends and
9 neighbors to assist through some of this as well as a great
10 deal of assistance from the TxDOT Public Transportation
11 Division to help them get through this census change.
12 Again, we hope that this doesn't happen to any other area.

13 The next slide, please. So this is an
14 illustration of a rural area that became small urban. This
15 is the city of San Marcos. It was the only new small urban
16 system as a result of Census 2010. It is a separate UZA
17 because it was separated by -- from the city -- from the
18 Austin UZA by a gap that met the criteria to create a new
19 UZA. It is just over 50,000.

20 Next slide, please. The impact to the city was
21 again a change in funding sources so it became from a 5311
22 to 5307 small urban that did indicate increased funding. It
23 was still -- it still is a part of the state apportionment
24 for 5310 and 5339. Remember, TxDOT is the designated
25 recipient for those funds. And TxDOT is -- has sub-

1 recipients for 5310 and 5339.

2 So San Marcos receives directly the 5307 small
3 urban and -- and is a direct recipient. And there was a
4 change in funding approvals. So it's now a local
5 government. It's no longer a part of the rural transit
6 district. It's now an urban transit district. And its role
7 as a member of the MPO, the capital area MPO campo is -- it
8 changed significantly. And quite frankly, the city of San
9 Marcos was always involved with the MPO. But now as an
10 urban transit district and the necessary to establish its
11 funding and to get on the TIP to represent its 5307 has a
12 much more important role. And it's an indication of the
13 significance of a rural area that anticipates being
14 urbanized to be very active on the MPO to establish its --
15 its seat at the table if you will.

16 That's the only rural area to small urban in 2010.
17 And areas that we might anticipate that we were watching
18 last time, the city of Eagle Pass, possibly Del Rio, the
19 city of Cleburne, those are other urban clusters in rural
20 areas that could possibly be growing to small urban areas.

21 Next slide. I want to talk about two examples of
22 rural areas that go into large urban. And I've used two
23 very different examples. The first that I want to talk
24 about is Fort Bend County. On the -- on the phone, Fort
25 Bend of course is in the southeast area of the Houston

1 urbanized area. There is a Fort Bend County Public
2 Transportation Department, a rural transit district. And
3 you see the significant increase in the urbanized area in
4 Fort Bend County.

5 There is a part of the Houston Metro that goes
6 into Fort Bend. And then the growth in gold and dark red is
7 the area that's become more and more urbanized. And the
8 significance of this is that Fort Bend County serves transit
9 in that area. In fact, they operate a significant park and
10 ride program going into the Houston metro area. And so the
11 significance of funding is a bit unique because of the size
12 of the urbanized area, the adjacency to metro and the fact
13 that they operate public transit through fixed route on the
14 park and ride.

15 Next slide, please. So here are the significant
16 things that changed for Fort -- for that urbanized area in
17 Fort Bend County. And I highlighted a couple that were
18 unique.

19 First of all for that area that became urbanized,
20 it was no longer generating 5311 dollars, but now was part
21 of the area for Section 5307, large urban. That meant its
22 funds had to come from the Houston urbanized area. And I'll
23 speak to the designated recipient status in a moment.

24 The most significant change was the change in
25 eligible uses of funds. As large urban area, funds that

1 might be allocated for that area could only be used for
2 capital. It wasn't eligible for operating.

3 But here comes in the special 100 bus rule that
4 was -- that is a part of MAP-21. In large urbanized areas
5 where there are small operators that -- that operate public
6 transportation, that population, that land area, those
7 revenue miles, those passengers, all contribute to the 5307
8 funds that are generated for the large urbanized area. They
9 generate funds for the large urbanized area that is sent to
10 the designated recipient.

11 If small providers operate fixed route services
12 and report those fixed routes as small operators to the NTD,
13 National Transit Database, two years later there generates
14 an eligibility to use funds for operating if other criteria
15 are met.

16 First of all, you had to operate fixed route. You
17 had to report it to NTD. And you had to operate less than
18 100 buses. And if you did those things, then you could be
19 eligible to use up to 75 percent of the funds that you
20 generated toward the large urbanized area for operating.

21 And if that confuses you, I can assure you Fort
22 Bend County, if -- if any of you all have ever talked to
23 Paulette, you know that -- Paulette Shelton, you know that
24 she can explain every detail of this funding. But it's been
25 a huge challenge because it limits the amount of funding.

1 It limits the amount of funding that can be used for -- for
2 operating. And if you break the 100 bus rule, then you
3 cannot use it for operating anymore. And -- and if you have
4 75 to 100 buses, you can only use 50 percent of what you
5 generate as urban -- as operating funding.

6 So this circumstance is a Census impact and it
7 particularly affects the small providers in large urbanized
8 areas who operate a fixed route. And they have -- Fort Bend
9 County for that area that's urbanized, go -- the 5339 and
10 the 5310 is also part of the large urban area. So again,
11 back to the designated recipient.

12 The designated recipient for Fort Bend County
13 changed for that area that was urbanized from a TxDOT sub-
14 recipient, rural area, to designated recipient being Houston
15 Metro. So Houston Metro has to approve and agree to the
16 allocation of large urbanized 5307 funds to that portion of
17 Fort Bend County for their transit services. And it has to
18 be approved by the MPO.

19 Any questions or comments? Because I know that's
20 -- so again, if you think about that map, there's a huge
21 part of Fort Bend County that's now urbanized and all the
22 rules apply to large urban. Only that remaining rule
23 applies to the rural. And yet there's one provider. It's
24 the Fort Bend County rural transit district.

25 Now just to keep this interesting, let me go to

1 the next slide. So I have another rural area to large
2 urban. But in this case, it's New Braunfels. And it's in
3 the San Antonio urbanized area.

4 Next slide. What makes New Braunfels particularly
5 interesting is that it expected that it was going to be a
6 small urban area. So it was prepared to be San Marcos, to
7 have a new urban transit district, to be a municipal transit
8 system, and to -- it was considering perhaps creating its
9 own MPO.

10 Instead by Census designated Census procedures,
11 there is a little bitty connection from -- from New
12 Braunfels into the San Marcos urbanized -- excuse me. From
13 New Braunfels into the San Antonio urbanized area. It's a
14 little bit -- it's a parking lot that connects the
15 impervious surface to connect New Braunfels to San Antonio.

16 And so boom, 22 -- 2010 Census comes out and New
17 Braunfels is not a small urbanized area. It's now part of
18 San Antonio. And nobody planned for this. The -- the
19 Guadalupe and Comal counties were not part of an MPO. It
20 was expecting to be a whole different story. And so they
21 were -- that area is no longer eligible for state rural
22 funds. It now has to get its funds from the federal
23 government through the Section 5307 large urban area. Those
24 funds can only be used for capital. That area now has to go
25 to the San Antonio urbanized area for 5310 and 5339 large

1 urban funds.

2 The designated recipient is San Antonio VIA. San
3 Antonio VIA had no expectation of sharing its funds. It's
4 not comfortable naming an -- an agent -- another district --
5 another area as a direct recipient. And so it allocates
6 some dollars as a sub-recipient to serve for the rural
7 transit provider in Comal and Guadalupe County to serve the
8 New Braunfels area.

9 Change in funding approvals, now it was a part of
10 -- and I -- I purposefully struck out San Antonio Bexar
11 County, because that's part of the story. San Antonio Bexar
12 County, it didn't -- nobody thought about going into another
13 county. And so the MPO wasn't even including this area in
14 their planning.

15 Now there's an Alamo area MPO. It's taken several
16 years to get through the process. And they are still
17 working through this process. So this is another example of
18 the changes. Your --

19 MR. McBETH: Is -- is the -- is the Alamo area MPO
20 the only one or is there also still the San Antonio Bexar
21 County MPO?

22 MS. CHERRINGTON: No, it's changed the Alamo area
23 MPO and it's changed its membership --

24 MR. McBETH: Wow.

25 MS. CHERRINGTON: -- to include Guadalupe and

1 Comal County.

2 MR. McBETH: Wow. Wow.

3 MS. CHERRINGTON: And it's now aware that Kendall
4 County which is where Boerne is --

5 MR. McBETH: Yeah, that's what I was thinking.

6 MS. CHERRINGTON: -- maybe urbanized next.

7 MR. McBETH: Yeah.

8 MS. CHERRINGTON: So now --

9 MR. McBETH: So --

10 MS. CHERRINGTON: -- they're moving forward. So
11 -- but that's -- that's been a very significant change since
12 the 2010 Census. Going to the next slide.

13 The -- the next area I want to talk about, small
14 urban to large urban. The diagram is Brownsville. There
15 were four small urban areas that went to large urban. They
16 were Brownsville, Killeen, Conroe, The Woodlands and Laredo.
17 They joined Lubbock and McAllen Hidalgo County. And I've
18 used Brownsville as the example. If you go to the next
19 slide.

20 So the significance of the change in funding
21 sources is to go from small urban funds as a -- as a direct
22 recipient under TxDOT to Section 5307, large urban. And
23 that now means that Brownsville, for example, is a large
24 urbanized area. It's a designated recipient for its 5307
25 funds. It's also the designated recipient for 5310 and

1 5339.

2 The state urban funding formula is now limited
3 because the population has gone over 200,000. Now there's a
4 cap on the -- the formula for need, for the state urban
5 funding formula at 199,999. They do not have a local sales
6 tax dedicated to transit to generate a match for those
7 funds. So the city of -- of Brownsville deals with -- with
8 those funding issues.

9 Because of Section 5307 large urban funds, it's
10 prim -- it's dedicated for capital, there is a transition
11 period, but it is still moving toward an additional
12 obligation to find operating funds.

13 And the recipient status, it now stands on its own
14 and is no longer a direct recipient under TxDOT. And this
15 is the same that occurs in other small urban to large urban
16 areas. We don't know what may happen in 2020, but some
17 areas that we watch out for are Amarillo, Midland and Odessa
18 separately because they're individual organized areas,
19 College Station/Bryan. John was just telling me today that
20 they think they have already burst the 200,000, and Waco.

21 There also may be others that we don't anticipate
22 because Conroe, The Woodlands was a surprise. A portion of
23 that was -- was the way that the -- the funding -- the
24 calculations by the Census changed a bit.

25 Go to the next slide. The last thing --

1 MR. McBETH: And Linda, can I -- I would just like
2 to add, this --

3 MS. CHERRINGTON: Yeah.

4 MR. McBETH: -- I think this one probably is the
5 -- out of the presentation, this particular slide small
6 urban/large urban --

7 MS. CHERRINGTON: If you can go back one, please.

8 MR. McBETH: I think this one's probably the --
9 the one that gets the point that I was -- I've been trying
10 to make at the last few PTAC --

11 MS. CHERRINGTON: Okay.

12 MR. McBETH: -- meetings, is that you mentioned
13 Laredo, Temple, Killeen and Woodlands, Conroe. Then there's
14 going to be Waco, there's going to be Bryan/College Station
15 and probably at least one other that are going to come in as
16 past recipients of the state 5307 dollars. And even though
17 they're limited to that population on the performance side
18 of the formula, they can blow everybody else out of the
19 water. That's -- that's the reason I kept asking questions.
20 So I think this one is really the -- the -- really the most
21 important slide there.

22 MS. CHERRINGTON: And --

23 MR. STEPHENS: Let me interject real quick just
24 then -- and for time, we're about 2:30 --

25 MR. McBETH: Yeah.

1 MR. STEPHENS: -- 2:35. So we're going to move
2 this and make sure we -- we're sensitive to that, because I
3 think John, you're there at 3:00 and I think he's --

4 MR. McBETH: Yeah.

5 MR. STEPHENS: -- there at 4:00. Also if you
6 would just as housekeeping, identify yourself when you're
7 talking --

8 MR. McBETH: Right.

9 MR. STEPHENS: -- just for the record so that we
10 can know who's saying what.

11 MS. CHERRINGTON: And I'll try to wrap up the
12 remaining slides. The -- the reason why John made this
13 point here is because this also has an impact on state
14 funding.

15 So wrapping it up, go to the next slide, please.
16 Urban gaps. What -- and urban gap is a transit -- when a
17 transit -- when a transit service area boundary does not
18 always match the UZA boundaries. And so if you look at the
19 maps for 20 -- 2000/2010, you see that transit service
20 boundaries are often within a UZA. And that means that
21 there's part of that area that -- what we call an urban gap.

22 There's really three kinds of urban gaps. One is
23 old metropolitan areas that did not join the transit
24 authority. And those particularly in Houston, it's
25 Pasadena. And in the Dallas-Forth Worth area it's the mid-

1 cities. There is also an urban gap when an urbanized area
2 grows into a rural transit district. We talked about Fort
3 Bend County earlier.

4 And lastly, when a small urbanized area grows
5 beyond the city limits. But the city is providing a
6 municipal transit system and is not considering the
7 urbanized area that goes around it. Often as -- as a
8 doughnut.

9 If you go -- go to the next slide. These are the
10 urban gap -- urban gaps were identified in all of these
11 metro areas and cities that are shown on the slides. So
12 it's not unique to Austin or Houston or Dallas-Fort Worth.
13 And I'll show you a few slides. If you can go to the -- the
14 next one -- so this is the Dallas-Fort Worth and the Denton
15 and the McKinney UZA. And you will see in the green areas
16 around Dallas-Fort Worth where this urbanized gap.

17 Now some of that gap, it goes into -- where the
18 urbanized area is going into the rural transit districts
19 adjacent to that. And -- and that becomes as Brad well
20 knows, that becomes a challenge in the D -- DFW area because
21 those urbanized gaps are the funding is 5307 large urban and
22 it's managed by NCTCOG, the MPO. And the same in McKinney,
23 north -- north of -- of Dallas.

24 If you go to the next map. We've already looked
25 at the Houston urbanized area, but I put this map out

1 because the -- the blue hash line is the Metro service area.
2 And you'll look to the east. How much of the urbanized area
3 has grown out beyond the urbanized area particularly to the
4 east. And there is no transit district in that area.
5 Harris County does provide some transit service, but there's
6 no transit district.

7 You can go to the next slide. I wanted to show
8 this because it's Austin. Part of the metro service area is
9 -- the capital metro service area includes some of this
10 urbanized area, but the growth in Williamson County -- and
11 this is Georgetown, which is now well outside the urbanized
12 area. And this is Buda, Kyle, which is now well outside --
13 excuse me, the capital metro service area.

14 And so those are urban gaps. Each -- each of the
15 designated recipients in these areas deal with this
16 differently. The next map -- we've already taken a look at
17 San Antonio, but it just points out how much removed the --
18 the New Braunfels area is. And there's also the Schertz,
19 Cibolo area just adjacent to Bexar County.

20 And then the next. This is El Paso. And they --
21 El Paso is a municipal transit department. It has a locally
22 dedicated sales tax, but it's to the city of -- of El Paso
23 which is in the blue area. All of this area growing to the
24 east and growing to the west in New -- New Mexico is outside
25 the El Paso transit system. And so it creates an urbanized

1 gap.

2 And lastly, just so you don't think it's still the
3 big cities, this is Beaumont. Beaumont is the municipal
4 transit system, again, is serving what was originally the
5 urbanized area, city of Beaumont, Vidor and Lumberton have
6 now grown -- become urbanized. They're outside to the --
7 the Beaumont municipal area. They are an urban gap. There
8 is no rural money generated for those areas and the -- it's
9 beyond the -- the transit system.

10 Next slide. So that concludes the items that I
11 wanted to bring to your attention. Every urbanized area has
12 a story. And I appreciate your patience in hearing some of
13 those, some of these examples. Thank you.

14 MR. STEPHENS: Okay. This is listed as an action
15 item. Before we get there, is there any discussion? John,
16 did you have something that you want to share?

17 MR. McBETH: Yeah, it -- it just proves what --
18 why I brought the question up again with. It's a -- it's a
19 firestorm and it's -- it's 2015 and there's going to be
20 another census in five years. And Linda just mentioned the
21 number of over 200,000 population cities that we're going to
22 add to the pool.

23 MS. CHERRINGTON: Possibly.

24 MR. McBETH: Possibly to add the pool. I know
25 that Bryan/College Station is already over 200,000. We're

1 going to add -- at -- at a minimum we're going to add at
2 least four new cities that are going to go beyond 200,000
3 that will -- that still get state funds that would still be
4 able to access those state funds.

5 And even though we cap the population, their
6 performance because of the systems that are performed there
7 are going to begin taking more and more of that small urban
8 pot. And I assume some rural areas that are -- are
9 currently rural are going to shift into the small urban
10 area, the 50 to 200,000. I think that's something we would
11 want to look at, too. What's the trend there? And I know
12 you all look at all those trends.

13 But it's -- it's going to be the perfect storm,
14 because I don't think we can count on the legislature to
15 increase our funding for -- for small urban or rural
16 transit. We -- we haven't had a lot of luck this session
17 and we -- we're sitting on a bundle of money right now.

18 So I think it's something that we -- I would like
19 to see us continue working on this at the PTAC and -- and
20 look at some of the specifics and come up with some
21 recommendations of -- of how we're going to deal with this
22 problem, because it's going to be a big problem. It's going
23 to -- for -- for those that are -- because I'm in the small
24 urban and the rural business. After the next census, I
25 won't be in the small urban business anymore I'm pretty sure

1 about that.

2 But I think we're -- we're going to all have to
3 start looking at that, because otherwise we're going to see
4 those 200,000 and above cities probably eat up I'm just
5 guessing 50 percent of the entire allocation for the -- for
6 the small urban. And I -- I don't know what the answer -- I
7 don't know what the answer is. It's -- it -- it's either
8 establish 200 to 300 or 400,000 as a new funding mechanism
9 and get the legislature to appropriate money for it which I
10 think that is a long shot or it's to somehow mitigate the
11 effect of those cities coming in and taking more -- more of
12 the money, because we just don't get enough of an increase.
13 We haven't had an increase since 2000. Hoping to get one
14 this time around, but it's a very small one.

15 So I think this points out as usual TTI does great
16 work. It really points out what -- what we're facing.

17 MS. CHERRINGTON: Thank you.

18 MR. MCBETH: It's -- it's a -- it -- these are
19 some real scary numbers.

20 MR. STEPHENS: Thank you, Linda.

21 MR. UNDERWOOD: My -- my question is --

22 MR. MCBETH: And I'm glad I'm not in New
23 Braunfels.

24 MR. UNDERWOOD: In the urban gap areas, I think a
25 lot of times it's -- been heard it called like conclave

1 cities and we've used that reference a lot. Is there
2 anything in -- one time there was supposed to be something
3 in GROW AMERICA that was going to correct some of the
4 conclave cities. Is that out of the bill now, do we know or
5 is it still being talked about or we don't know?

6 MS. CHERRINGTON: I -- I think you're mentioning
7 there are four cities within the DFW area that -- that
8 Michelle knows well that the four cities are Arlington,
9 Grand Prairie and Mesquite and NET, the northeast
10 transportation services, in Tarrant County.

11 There was legislation under SAFETEA-LU that
12 provided special provision that they could use their 5307.
13 And not more money, but just some of 5307 for operating.

14 MR. McBETH: Right.

15 MS. CHERRINGTON: MAP-21 did not carry that
16 through.

17 MR. McBETH: Right.

18 MS. CHERRINGTON: And as of the most recent
19 conversation I've had unless -- unless you all have heard
20 something more recent, that's still not addressed and --

21 MR. McBETH: And it's still not going to be.
22 Okay.

23 MS. CHERRINGTON: -- to date.

24 MR. McBETH: Okay.

25 MS. CHERRINGTON: Nor is -- or the problems of the

1 100 bus rule. I -- I think the 100 bus rule I think
2 somebody thought was a great idea and it was poorly
3 constructed. And I -- I think it's -- it was unintended
4 consequences. But that still has not been addressed in any
5 of the appropriation bills since MAP-21.

6 MR. McBETH: Okay.

7 MR. STEPHENS: Glenn, you still with us? I'll
8 give you a chance to take it off of mute. I just wanted to
9 give you an opportunity to -- to chime in on this item if
10 you're -- if you're still with us.

11 MR. GADBOIS: I -- I am with you. This is Glenn.
12 And what team is in -- and thank you Linda, because this is
13 usually helpful to wrap our minds around one piece of the
14 overall issue. What -- what I was doing internet research
15 on while you were doing your presentation is whether any
16 states give county sales tax authority.

17 We have decided to fund our transit system in
18 Texas with sales taxes. And part of the problem is it's
19 left in city to city, with our county having no sales tax
20 authority.

21 But there are actually some states that give their
22 counties sales tax authority. And -- and it -- you know, it
23 -- as John pointed out, you know, it would be a fight with a
24 legislature to do that. But in terms of kind of big issue
25 solutions, it would help to move the geographic boundaries

1 significantly larger than metropolitan areas.

2 So -- so just -- just a kernel in the pot, we need
3 to do a lot more kind of looking in -- into this and talking
4 about it. But that's what I'm thinking at the moment.

5 MR. STEPHENS: Thank you, Glenn. Michelle, J.R.?

6 (No audible response.)

7 MS. BLOOMER: No.

8 MR. STEPHENS: No? Okay. This is an action item.
9 Do we want to accept a report or do we want to give -- I
10 checked with Eric just a minute ago. This is something
11 that's in our work plan. It's -- if we can -- and in
12 visiting with Eric, we can address this maybe as we go along
13 in the next couple of meetings. We can figure out how to do
14 some more work and fine tune the scope of work to maybe
15 tease out some solutions and what we do, how we handle this
16 going forward. So it is in our work plan. We can -- we can
17 keep it on -- on the agenda. And --

18 MS. BLOOMER: This is Michelle. I --

19 MR. GADBOIS: Yes, who --

20 MS. BLOOMER: I think it --

21 MR. GADBOIS: As to the --

22 MS. BLOOMER: I would agree. I think it's
23 something we need to keep on the agenda and just keep an eye
24 on so we don't wait until the 2020 Census and then go oh,
25 shoot, what do we do in 2023 when the results come out.

1 MR. STEPHENS: Yeah. Thank you, Michelle. Glenn?

2 MR. GADBOIS: So -- so -- yes, this is Glenn. I
3 would like to make it more specific than that.

4 We need to start doing some analysis of -- of
5 possible -- either -- either scenarios or options to move
6 forward in preparation for 2020 Census. And so I guess we
7 need to figure out a way to get somebody that's thinking
8 about -- that's smarter and thinking about it a whole lot
9 more than we're able to coming back with some potential
10 scenarios and/or solutions that we could start to think
11 about and analyze.

12 Is there a way to do that, Eric?

13 MR. GLEASON: I think what we -- this is -- this
14 is Eric. I think what we can do, Glenn and other members of
15 the committee, I think today's conversation, if we can tease
16 out three or four or five general areas that the committee
17 has a particular interest in, you know, for example, John
18 has brought up the issue over the potential increase in the
19 number of, you know, state funded areas, urban areas going
20 above the 200,000 threshold further exasperating --
21 exacerbating the issue we have already there.

22 Brad has brought up the, you know, the enclave
23 city issue. If -- if there are two or three other areas of
24 what you heard Linda talk about that seemed particularly
25 important to you and we could hear what those were today,

1 what we can do is come back not at your next meeting but at
2 the meeting after that which I believe would probably be
3 September.

4 And between now and then and we'll look at these
5 issues and we'll sit down with Linda and her team and we
6 could probably put together an approach over the next year
7 or two that would have the committee engaged in
8 conversations sort of at the right time. Either when, you
9 know, projections for next census might become more readily
10 available with the state -- state demographer or whatever.

11 Looking at, you know, areas of -- of federal
12 concern for authorization issues, looking at -- at state
13 concern for legislative issues, looking at what TxDOT might
14 be able to do, maybe we could kind of put a roadmap out at
15 the September meeting for how we might address this issue
16 over the next 12 to 24 months.

17 MR. GADBOIS: When -- when -- so without even
18 pointing to solutions, Eric, there are --

19 MR. GLEASON: Yes.

20 MR. GADBOIS: -- two scenarios I would like to
21 explore. One is the more money scenario. You know, and --
22 and that could be more federal money, more state money, but
23 just apply more money to the problem.

24 MR. GLEASON: Okay.

25 MR. GADBOIS: And -- and the other -- the other is

1 there -- is there some changes in the regulatory
2 distribution? The -- you know, the -- the grant funding
3 formulas or anything like that, that might be of assistance
4 in solving the problem.

5 MR. GLEASON: Okay.

6 MR. GADBOIS: Those are at least two scenarios.

7 MR. GLEASON: Okay. And when you say solving the
8 problem, Glenn, is it -- the problem is defined as
9 everything Linda's talked about?

10 MR. GADBOIS: Well, so -- so the problem I'm
11 looking at is -- is the way we're doing it is creating
12 significant gaps. And with -- with no end in sight to the
13 number of gaps that are being generated and no real solution
14 for how to -- how to bring those gaps into the system.

15 MR. GLEASON: The urban gaps that Linda --

16 MR. GADBOIS: And -- and --

17 MR. GLEASON: -- identified?

18 MR. GADBOIS: Yeah, the --

19 MR. GLEASON: Okay.

20 MR. GADBOIS: -- the urban gaps in particular.

21 MR. GLEASON: Okay.

22 MR. STEPHENS: Anyone else?

23 (No audible response.)

24 MR. STEPHENS: Glenn, do you want to put that in a
25 form of a motion so we can get -- we can just vote on it?

1 MR. GADBOIS: Well --

2 MR. STEPHENS: Do you want to handle it like that?

3 MR. GADBOIS: Well so -- so what I would rather do
4 first is are there any other scenarios we would like to look
5 at? I threw out two. But if there -- the -- you know, I'm
6 not the only one that thinks about this stuff. If there are
7 more, then let's include those in a list. I'm happy to make
8 a motion with the list of items and go from there.

9 MR. STEPHENS: Okay.

10 MR. GADBOIS: Anybody else have scenarios?

11 MR. STEPHENS: Michelle?

12 MS. BLOOMER: This is Michelle. I think we have
13 four.

14 MR. GADBOIS: Okay.

15 MS. BLOOMER: The two that you mentioned, Glenn,
16 and then the state funded urban areas that John brought and
17 then the enclave cities which Brad mentioned are the four --

18 MR. STEPHENS: The four areas.

19 MR. GADBOIS: Okay.

20 MS. BLOOMER: -- that I had.

21 MR. McBETH: Yeah.

22 MR. UNDERWOOD: And even just --

23 MR. GADBOIS: Okay. So -- so --

24 MR. UNDERWOOD: Go ahead, Glenn. This is Brad.

25 Even just some scenarios about what happens to the riders.

1 One day they have a rider and the next day they don't. I
2 mean, kind of displacement of service.

3 MS. BLOOMER: And this is Michelle. I guess --
4 and maybe there is a way around it. But I know -- Linda,
5 correct me if I'm wrong, but the San Marcos, because there
6 was one projection or one scenario and the -- what actually
7 happened was something that hadn't been considered, that
8 created a significant -- and correct me if I'm wrong,
9 created a significant delay or gap in actually getting
10 service.

11 MS. CHERRINGTON: New Braunfels.

12 MS. BLOOMER: New Braunfels.

13 MS. CHERRINGTON: New Braunfels.

14 MS. BLOOMER: Into that area. If there's sort of
15 a Plan B for if things don't go -- and so how do we get
16 those and to do -- starting to talk and started -- create
17 that relationship so we're not waiting for the Census
18 designation to come out and then oh, all of a sudden now I
19 have to play nice with somebody that I wasn't all that nice
20 to six months ago. And now they're my new best friend.

21 MR. STEPHENS: Yeah.

22 MS. BLOOMER: Because in order to get transit --

23 MR. McBETH: Oh, yeah.

24 MS. BLOOMER: -- funding, I have to be nice to
25 them. So starting to kind of create those relationships,

1 getting those folks to the table be -- in advance of the
2 census occurring and the results coming out so they're in a
3 better place when the designation comes down and all of a
4 sudden they now have to switch from what they thought or
5 what they were doing to something completely different.

6 MR. GLEASON: Yeah, and --

7 MS. CHERRINGTON: And it is probably worth
8 mentioning that that was bridged through the help of the
9 public transportation division and the Census impact funding
10 from the legislature. So that did help, but they still ran
11 it right down to the wire in the case of New Braunfels.

12 MR. GLEASON: Well, and -- and part of the issue
13 is I think we did our research in 2009 which led up to some
14 additional money being included for the 13 and 14 biennium.
15 We know that even though the census took place in 2010 that
16 I don't -- I believe the -- the actual urbanized area
17 designations took place in the Spring of 2012 is when we
18 actually got the word on what --

19 MS. CHERRINGTON: 2013 --

20 MR. GLEASON: -- they were.

21 MS. CHERRINGTON: For 2013 funding.

22 MR. GLEASON: For 2013 funding.

23 MS. CHERRINGTON: Right.

24 MR. GLEASON: And so this whole thing stretches
25 out even though the census might be 2020, we know if past

1 patterns are correct, we won't know until the spring of 2012
2 what the new urbanized area designations will be.

3 And then whether that will then be for the next
4 year's worth funding. So -- and -- and getting started,
5 backing up, getting started is going to be dependent on when
6 the state demographer might feel as though the estimates
7 they have which is what we used the last time to help us in
8 our -- in our research, when they feel like they'll have
9 estimates which we can work with.

10 So what we will do is take this information and
11 put it together with what we learned about these things last
12 time around, and put together a schedule for the committee
13 on when and -- and -- you know, when in the next 24 months
14 for example would it be a good time to tackle and at what
15 level of detail each of these areas. Kind of a roadmap for
16 it.

17 MR. GADBOIS: Well, and -- and Eric, this is
18 Glenn. I appreciate that reminder of the history of last
19 time.

20 Part of what my more money scenario is trying to
21 do is make sure we're not in a position where come 2022 the
22 -- our only option is to go back to the commission and ask
23 for more stopgap, you know, money.

24 MR. GLEASON: Right.

25 MR. GADBOIS: That we've at least thought through

1 the different sources we might be able to get for money and
2 had some level of conversation with those source -- with the
3 people who could authorize those sources.

4 MR. GLEASON: Right. And I think a lot of our
5 lessons --

6 MR. GADBOIS: So that when we go back to the
7 Commission next time we're saying we've done due diligence
8 and thought about this well in advance and, you know, and
9 tried the options available.

10 MR. GLEASON: Correct. And -- and I think one of
11 the lessons we've learned is a lot of what happens is
12 actually are items that need to be pursued at the federal
13 level. And so Ryan is still here with us here today and so,
14 you know, will be dialing into our federal affairs folks as
15 welfare this time around and --

16 MR. GADBOIS: Sure.

17 MR. GLEASON: -- perhaps more so than we did
18 before.

19 MR. STEPHENS: Okay, guys. Since we're --

20 MR. GADBOIS: Sure.

21 MR. STEPHENS: Glenn, so in -- in fairness to time
22 and -- and the -- and to Eric and his staff, what -- you
23 know, what are we going to vote on? What kind of -- what
24 kind of motion do we need here?

25 MR. GADBOIS: I -- I move to prepare for the 2020

1 Census adjustments. For fairness to writers and to get as
2 much preparation done including work at the federal level
3 and work at the local level building partnerships. We
4 engage an analysis within these four scenarios. One of
5 which is the money that would be needed to simply apply
6 money to this solution and help with transitions.

7 The second would be looking regulatorily at any
8 adjustments we can make in program regulations to help make
9 that a smoother transition to fill the urbanized gaps. And
10 then I will leave to John to articulate his and -- you know,
11 his scenario and to -- was it Rob who had the other
12 scenario?

13 MR. STEPHENS: It was Brad and John.

14 MR. GADBOIS: Somebody has another scenario.

15 MR. STEPHENS: It was John and Brad.

16 MR. GADBOIS: Brad. Okay.

17 MR. STEPHENS: All right. Thank you --

18 MR. GADBOIS: So -- so John, if you will add your
19 scenario --

20 MR. MCBETH: My scenario --

21 MR. GADBOIS: -- to the motion.

22 MR. MCBETH: This is John. My scenario is that we
23 do an analysis of how many cities that currently exist that
24 based upon the report we got from TTI today that we -- we
25 have a pretty good understanding that they are going to move

1 to above 200,000 and what impact that is going to have if
2 they do that as far as the state funds go. And then I
3 believe Brad's and Michelle's issue were the impact that the
4 enclave cities in the metroplex are going to have all -- all
5 the -- all the state funding as we move forward.

6 MR. STEPHENS: Okay. Thank you, John. Glenn,
7 would it be fair just to move that we give Eric some
8 direction here to -- and next time give us a schedule for an
9 approach and a scope of work to address some of the issues
10 we discussed here today, would it be fair enough?

11 MR. GADBOIS: Indeed.

12 MR. STEPHENS: Okay.

13 MR. GADBOIS: Indeed.

14 MR. STEPHENS: The -- the meeting after next, I'm
15 sorry, September. Would someone like to make a motion?
16 I'll make that motion if someone else won't.

17 MR. McBETH: I'll second it.

18 MR. STEPHENS: Okay. Then we got a motion.

19 MR. GADBOIS: I --

20 MR. STEPHENS: And John -- take about a second.

21 MR. GLEASON: Want to repeat it for the committee?

22 MR. STEPHENS: I'll repeat it -- do you need me to
23 repeat it? We're -- we're giving Eric and his staff a
24 chance to put together a scope of work in an approach to
25 take care of some of the items that we are discussing

1 they're concerned of. So we trust that he's well versed in
2 those. I have a motion that I made myself, Rob Stephens.
3 John McBeth seconded. Anyone need discussion?

4 (No audible response.)

5 MR. STEPHENS: Want to vote? All in favor?

6 IN UNISON: Aye.

7 MR. STEPHENS: Aye. Any opposed, same sign.

8 (No audible response.)

9 MR. STEPHENS: No? No opposition? Good. Then
10 let's move onto the next item. It's 3:00 o'clock.

11 MR. MCBETH: I have to -- I have to leave, but I
12 would like to -- I would like to say thank you for electing
13 me as vice chairman. I mean, this is I think my third
14 meeting. Boy, you all -- you all move quickly. And most
15 importantly, thank -- thanks for Linda in TTI. You all do
16 such outstanding work.

17 MS. CHERRINGTON: Thank you, John.

18 MR. MCBETH: This -- this report, it really says
19 it all.

20 MS. CHERRINGTON: Thank you.

21 MR. MCBETH: It's what we needed.

22 MR. STEPHENS: Thank you, John.

23 MR. MCBETH: Thank you all.

24 MR. SALAZAR: Thank you, Linda.

25 MR. STEPHENS: Thank you, Linda.

1 MR. RIBAKOVE: I would just like to take a moment
2 just to extend a greeting from Christina Crain who regrets
3 that she could not participate in today's meeting. She's
4 dealing with some family medical issues at home.

5 MR. STEPHENS: Thank you. Okay. All right.
6 We'll move onto Item Number 8 on the agenda, discussion of
7 how to track progress of TxDOT's long range transportation
8 plan, Texas Transportation Plan 2040. Eric.

9 MR. GLEASON: All right. This is Eric. Again,
10 members will recognize this is an item that you all
11 discussed as part of your work program. And we promised you
12 a presentation on this at this meeting. So without further
13 ado, Michelle Conkle is with us from our Transportation and
14 Planning and Programming Division. Michelle.

15 MS. CONKLE: Good afternoon. My name is Michelle
16 Conkle -- you got it? Sorry. Do you need me to spell?

17 COURT REPORTER: Please.

18 MS. CONKLE: C-O-N-K-L-E. I think the last time I
19 was able to present to the PTAC we brought to you the -- the
20 draft final recommendations for the Texas Transportation
21 Plan 2040, presented those to you. Our commission then
22 adopted the TTP 2040 at their February commission meeting.
23 And then shortly after that we started on phase two on the
24 plan implementation. Next slide.

25 So basically the month of January and February we

1 put together our project management plan and implementation
2 criteria. We are currently working through task three which
3 is project level data analysis. Task four will be budgeting
4 analysis and then task five will be findings and
5 recommendations.

6 The products that we expect from this
7 implementation phase are milestone based deliverables and
8 project level priorities. In other words, what we're doing
9 is we're working with the present unified transportation
10 program criteria for scoring projects. We are better -- I
11 guess we're better refining those criteria. We are pulling
12 them together with the MAP-21 criteria and then we'll be
13 going through the process of allowing decision makers to
14 help us weight those criteria.

15 After that, we will be doing public and
16 stakeholder involvement -- or we would be doing public and
17 stakeholder involvement while we're in this process. And
18 then we'll be doing some public involvement afterwards to
19 approve the methodology and the process. Subsequently
20 making updates and revisions to the TTP 2040. Next slide.

21 From this base planning, we are -- we are clearly
22 -- we have our goals and objectives. We're in the process
23 of looking at the performance criteria evaluation. So
24 looking at the present criteria and matching those with
25 Texas strategic plan, MAP-21 goals and the goals defined in

1 the Texas Transportation Plan 2040.

2 We've done our unconstraining assessment and
3 revenue forecasting. So now we're looking at financial
4 constrained decision making using -- using a subset of
5 system projects in which to testimony the criteria and the
6 weighting. We're going to do some exploratory tradeoff
7 analysis and then move to project selection criteria that
8 can then be applied across the board to various projects on
9 the system.

10 Resource allocation and all this fits, basically
11 again we have identified agency goals and objects, made --
12 made them specific to MAP-21 and the Texas Transportation
13 Plan 2040. We're -- when it says -- up here on the side, it
14 -- it indicates that we're selecting performance measures
15 that align directly to the goals and objectives.

16 Basically the performance were defined in MAP-21.
17 We adopted a few -- a few additional measures that were
18 presented to you here previously for the Texas
19 Transportation Plan 2040. And now we're at a point where we
20 are evaluating criteria towards meeting those goals.

21 And again, after a full alternative set is
22 evaluated, again, these are projects currently they're
23 defined as UTP projects that are -- have planned authority.
24 We're also going -- we've reached out to TEMPO. So we're
25 going to be asking them to provide some projects from their

1 MTP. This would include transit projects and others to --
2 to provide projects that we can put into decision based
3 matrix so that we can come up with methodology that they --
4 we think it would get applied to the larger universe of
5 projects.

6 We are hoping to predict the performance outcomes
7 of all the proposed projects and alternatives. And the goal
8 being that projects should improve performance in more than
9 one area. We're using decision science to compare those
10 alternatives on a level playing field. And what that means
11 is to -- to the extent possible we're trying to collect
12 similar data points on all types of projects to be able to
13 compare them on a more level playing field.

14 Clearly, there -- there are -- there are
15 constraints to that based on the fact that that for pavement
16 and bridge we have different metrics than we're going to
17 have for transit projects. But to the extent that they meet
18 the MAP-21 criteria, to the extent that they meet more than
19 one TxDOT goal, we think that those will apply. We can
20 apply those nicely across various types of projects.

21 And then again, we're going to conduct a scenario
22 analysis using a combination of the reason -- reasonably
23 expected budgets and performance targets that have been
24 identified for us at the MAP-21 level by our administration
25 and targets that we are working through right now at the

1 state level as a part of the implementation of the Texas
2 Transportation Plan 2040. Next slide.

3 This is a slide -- these are just several -- to
4 give you a quick overview of the implementation methodology.
5 We're calculating project impacts across all performance
6 areas. So again, as we accept these projects in, we're
7 looking -- we're looking at the goals that had been set for
8 TxDOT's strategic plan as the first cut. We're looking at
9 the goals for the Texas Transportation Plan 2040. And MAP-
10 21 is the second cut. Then we would move down into the
11 criteria that are currently established for projects in the
12 Unified Transportation Program. And from that point we'll
13 be looking to have the decision makers come in and
14 participate in an exercise that will help weight the most
15 important criteria. Of course, the selection of projects.

16 Then we're going to assign relative importance to
17 those performance metrics after they have looked at those
18 and evaluated them using analytic -- the analytic hierarchy
19 process. And this basically elicits priorities through
20 structured repeatable and collaborative pair wise comparison
21 process.

22 AHP is used to generate the weights from a series
23 of pairwise comparisons where we ask decision makers if
24 several criteria -- criteria X is more important than
25 criteria Y, criteria Y is more important than -- than

1 criteria Z and so on. We're going to compare the similar
2 performance metrics on a level playing field, use utility
3 curves to express preference for performance values on a
4 zero being worst to one being best scale.

5 As -- as I said before, we're going to score and
6 prioritize projects, combine the weight and scale values to
7 score the projects. The projects are going to be ranked by
8 the project's score to cost ratio. And then we're -- we're
9 going to optimize project selection and evaluate tradeoffs
10 wanting to maximize the program value by taking into account
11 the score to cost ratios.

12 Again, this is another -- this is another type of
13 -- this optimizing the project selection has to be done by a
14 type of project because you can't -- you -- you're not going
15 to be easily able to compare highway type projects with
16 transit projects. But the -- and they roll back up into an
17 overall list statewide ranked projects. And then we're
18 going to optimi -- or optimize process -- resources
19 allocation based on the selected projects. Next slide.

20 The technical methodology for waiting. Again,
21 this just goes into a little more detail of what the
22 analytic hierarchy process is. And it's going to help us
23 quantify those subjective opinions for various groupings of
24 staff of facili -- for staff facility discussions. We think
25 this is very important.

1 This is actually one of the most important parts
2 of the process in terms of being able to come up with
3 weights that -- that fairly evaluation transit projects
4 against highway projects, as being able to bring decision
5 makers in the room and to get them to weight certain
6 criteria properly so that our criteria are not all skewed
7 towards -- we want them to be data driven, but are not
8 skewed towards highway and bridge where we have more
9 engineering data than we do sometimes on transit projects.

10 Next slide.

11 Technical methodology for scaling, we're going to
12 apply utility and value scaling to project attribute or
13 impact. We can accommodate data driven or subjective
14 ratings. As I -- as I said, sometimes on -- on projects
15 where you -- where you lack hard data or engineering data,
16 they are going to be subjective. But we want to make sure
17 that we come out with the set of criteria that fairly
18 evaluates transit projects in relationship to the value and
19 utility of -- of highway projects.

20 And we want to support the varying risk tolerances
21 and outcome preferences. In other words, being able to show
22 people visually what we believe those decisions are going to
23 look like in terms of system performance, because currently
24 when we make decisions on projects, we can assume what the
25 utility is going to be, what the system's going to look

1 like. When you're using analytic software, you can actually
2 do some -- it has some predictive capabilities that lets you
3 know what the cost of making a certain decision over another
4 decision is instead of just saying we're going to make this
5 decision and not realize how that's going to affect your
6 portfolio or possibly affect performance across the system.
7 Next slide.

8 So again, technical methodology, scoring and
9 prioritizing. We have -- you can't see these very well, but
10 if -- if you have the slide electronically, basically you
11 have your weighted performance measures and criteria on the
12 right side of the screen and then your prioritized list
13 based on a score determined by weighted project ratings.

14 And essentially the tool we're using right now
15 allows you on a sliding scale to make changes to those
16 weighted performance measures and criteria or they can gate
17 set again to -- to reflect what decision makers have
18 determined by process of a pairwise comparison. And what
19 you end up with at the end of the day is a prioritized list
20 of projects based on the score determined by those weighted
21 project ratings. And again, you can't see them very clearly
22 here, but the projects here are -- actually, these are
23 demonstration projects. These are from Caltrans and this is
24 done for an AASHTO demonstration. But it does have the
25 capability again to rank projects whether they be subjective

1 criteria or they're data driven objective criteria through
2 that normalization process. You can bring them on to as
3 much of a level playing field as possible and rank them
4 against each other. Next slide.

5 This is the optimizing. This is where you look at
6 your regional split, maximizing your portfolio scores
7 subject to your financial constraints. So again, you can --
8 in this tool, you can move that curve up and down to achieve
9 your maximum portfolio value. Again, you can put projects
10 in there that you're going to fund and it will tell you what
11 you're buying or you can let it optimize based on this is
12 how much funding we have. These are the way the projects
13 are ranked. And let it take those projects in order in
14 which it can reasonably fund -- fund them over say the three
15 to four years of -- of a TxDOT program. Next slide.

16 This -- some of you have seen this. This is our
17 -- our Texas Transportation Plan 2040 tradeoff tool.
18 Basically what we're doing now, I want to bring you back to
19 this tool. This was our 20 year scenario planning tool that
20 allowed us to -- allowed us to optimize performance or State
21 of Good Repair based on the money we actually had.

22 There were several ways that this tool functioned.
23 You can put the money in that you had and allow it to
24 optimize where you should spend it across investment areas,
25 transit and bicycle pedestrian being two of those areas.

1 You could tell that this is how much you're going to spend
2 and it would give you what the state of good repair would be
3 in 20 years. And you could also -- you -- there was also a
4 page where you could move funding around and account for
5 additional funding over years again that would allow you to
6 determine State of Good Repair.

7 So you've actually seen this. It's just a tie
8 back to what we're doing here was this was the macro level.
9 Now we're going down to the micro level where we're looking
10 at -- if this is the money we have and this is the state of
11 repair we want, what are the projects that are going to get
12 us that -- that State of Good Repair based on our ranking
13 and scoring methodology. Next slide.

14 So our next step is coordination meetings and
15 providing TxDOT identified project database and working with
16 stakeholders which is exactly what we're doing right now.
17 We have identified projects -- actual projects that are
18 going to be included for plan authority. And the 2016 UTP
19 on the highway side, we needed to find a project subset.

20 We're a little bit off of this. I didn't want to
21 change. This is what we presented to TEMPO. And I'm very
22 big on everybody getting a -- a -- the same message. We're
23 a little bit off on this because now we are approaching them
24 to get additional projects for our subset, be those transit
25 projects, whatever is important to them, because we need a

1 nice robust set of data that includes more than highway and
2 bridge were compiling a performance measure of criteria and
3 -- and developing some draft -- well, we're developing draft
4 criteria for -- in addition to the UTP criteria that -- that
5 are more multimodal in nature and compliant with MAP-21 and
6 the Texas Transportation Plan 2040 goals, to make
7 recommendations for that implementation subset and we're
8 developing ratings scales for the performance base analysis.

9 Again, that's moving forward with the highway
10 side. We still are -- are going to collect data on the
11 transit side to put into the final analysis. Going to
12 analyze projects and report on findings. And we say August
13 1st to September 30th. That is the deadline that has been
14 set for analyzing UTP projects to the extent that -- that
15 there are some transit related -- or projects not
16 necessarily fully funded with transit funds in the UTP.
17 Those will be in there. And then we are suspecting maybe an
18 additional three months to -- to wrap back in the transit
19 projects into this analysis.

20 And then to demonstrate an Ex -- Excel
21 supplemental dashboard to view the tradeoffs and running
22 optimization process for various funding and weighting
23 scenarios. Again, to be completed by December 2015 because
24 that's the deadline the administration has given us for the
25 UTP.

1 But even though they stay focused on the UTP, we
2 want to ensure you as we always have that we're in -- in the
3 statewide planning group we are bringing in other types of
4 projects to make sure that our pilot set of projects again
5 is more representative of the entire system and not just
6 highway and bridge.

7 And so if you have any questions, I would be happy
8 to take those.

9 MR. STEPHENS: Very good. Glenn, you're still
10 with us? Do you have any questions for -- for our
11 presenter?

12 MR. GADBOIS: I -- I do. So I'm -- but should I
13 start or we give privilege to people that are actually in
14 the room?

15 MR. STEPHENS: Okay. The -- we'll -- we'll start
16 there. Thanks, Glenn. Anybody? Brad, Michelle, J.R.?

17 (No audible response.)

18 MR. STEPHENS: The -- the -- no one here has
19 anything. Go ahead, Glenn.

20 MR. GADBOIS: Okay. So -- and -- and I'm sorry.
21 I didn't catch your name. The -- go ahead.

22 MS. CONKLE: Michelle Conkle.

23 MR. GADBOIS: I'm sorry, say that again?

24 MS. CONKLE: Michelle Conkle.

25 MR. GADBOIS: Michelle. Okay. Michelle, so this

1 -- this looks like a great programming tool to help you all
2 program dollars across the system to different kinds of
3 investment. This came out of the planning -- the -- the
4 long range planning process, correct?

5 MS. CONKLE: Correct.

6 MR. GADBOIS: Okay. And so my question is back to
7 the planning side, the planning side is also kind of
8 incumbent on the planning is looking at how we can assess
9 your -- what we're doing given long term trends that we're
10 seeing and how we inject innovation doing things differently
11 into our -- our investments.

12 Those missed tool also provide information on --
13 on how to inject the -- the innovation when we need to
14 radically change the balance of investment and/or look at
15 different trends and/or new things coming and how we invest
16 in those.

17 MS. CONKLE: That's a -- that's a pretty broad
18 question. I will tell you that what this tool will do is it
19 will -- if you -- if you have enough data to where you can
20 accurately assess the benefit to a project, it will -- it
21 will be able to show you what you're buying in terms of your
22 investment for your dollar.

23 In terms of -- we have to -- we have to move back
24 into -- we have to really go the next step and look at
25 portfolio analysis and portfolio management I think to

1 address your question of when we need to look at trends and
2 when you're going to try to turn the ship. You need several
3 years of data coming out of an analytic tool like this to
4 see if the assumptions that you had going into it based on
5 the types of projects you fund actually gave you the utility
6 and did what you thought they were going to do in terms of
7 optimizing system performance.

8 But yes, the answer to your question is yes, not
9 -- not in on year, two year or possibly even three years,
10 but after we have gone on a path and invested in certain
11 types of projects and been able to come back and look at
12 performance over time, it would be able to do some analysis
13 such as you're describing.

14 MR. GADBOIS: Okay. And -- and you all do have
15 resources to do that kind of assessment, resources allocated
16 over time?

17 MS. CONKLE: I don't -- I -- I don't -- I don't
18 think I understand the question. Do we have resources to do
19 what we're doing currently?

20 MR. GADBOIS: No. No. No. No. So -- so you
21 said over time we will have the data. The second question
22 is and do you have the resources allocated to do the
23 analysis of the data?

24 MS. CONKLE: Oh, yes. Absolutely.

25 MR. GADBOIS: Perfect. Thank you.

1 MR. STEPHENS: Okay. Any -- anyone else got
2 anything for Michelle?

3 (No audible response.)

4 MR. STEPHENS: Okay. This is an action item, so
5 we can take action if we need to. If not, I'll just -- we
6 can accept the report and move on. So if there's no -- no
7 one else has any other questions for Michelle, I'll give it
8 -- we can move on to Item Number 9 which is public comment.
9 I -- I will ask if I can open up with a public comment, I've
10 had a few questions about how public comment works. So if
11 you could for the record just tell us how that works and
12 explain things. Eric. Or just -- I think there's some
13 folks asking how -- how that works. I think there's some
14 folks that ask how -- how that works. I think they would
15 like more flexibility, but there's probably a good reason
16 why we do it the way we do. If you could --

17 MR. RIBAKOVE: Sure.

18 MR. STEPHENS: -- talk -- talk about that.

19 MR. RIBAKOVE: Now?

20 MR. STEPHENS: Uh-huh.

21 MR. RIBAKOVE: Okay. This is Josh Ribakove for
22 the record. At each meeting we have comment sheets on the
23 table by the door when -- when people come in. They can
24 fill them out and they can bring them to me. And if we had
25 -- had had more people, I had a chance to -- to talk

1 personally to everybody who came in about it. And then when
2 it's time for public comment, I will turn those over to you
3 as the chair. But if somebody has a comment that goes
4 straight to an earlier item on the agenda, then we -- we are
5 permitted to take a comment at that time when we're having
6 that -- that agenda discussion.

7 (No audible response.)

8 MR. STEPHENS: Okay. Okay. Very good.

9 MR. RIBAKOVE: And -- and for today, there -- are
10 -- nobody has decided to make a public comment.

11 MR. STEPHENS: Awesome. Thank you, Josh. I just
12 -- yes, Michelle.

13 MS. BLOOMER: This is Michelle. Just to clarify,
14 the only way an individual can make a public comment though
15 is they have to physically be here in Austin to --

16 MR. RIBAKOVE: Correct.

17 MS. BLOOMER: -- do it which I think for some
18 folks may be a stumbling --

19 MR. STEPHENS: Yeah.

20 MS. BLOOMER: -- block.

21 MR. RIBAKOVE: The -- the call in line, the public
22 call in line is listen only.

23 MR. STEPHENS: Okay.

24 MR. RIBAKOVE: And so if you want -- if you do
25 want to make a public comment, you do need to -- to be here

1 in person for that.

2 MR. SALAZAR: This is J.R. Josh, we don't have a
3 time limit on public comment either, do we?

4 MR. RIBAKOVE: We do not have a specific time
5 limit on that. It really hasn't been an issue in -- in the
6 -- the amount of time that I've been here with TxDOT which
7 is about a year and a half so far. But if things needed to
8 -- to be, you know, regimented for time, I -- I would leave
9 that to the -- to the chair to take care of them.

10 MR. STEPHENS: Okay. And since there are no
11 public comments, then we'll move onto -- if there is any, if
12 there is none, Josh -- we'll move to Item Number 10 proposed
13 and discuss the agenda items for next meeting, confirm date
14 and time of next meeting.

15 MR. RIBAKOVE: Currently, the -- this is Josh
16 again. Currently the -- the next meeting is scheduled for
17 Tuesday, July 28th which is the last Tuesday of July.
18 However it's been PTAC's tradition in July to move the
19 meeting ahead a few days to coincide with our semiannual
20 operators meeting. The operators meeting is happening on
21 Wednesday, July 22nd. Traditionally PTAC would meet the
22 following day, Thursday the 23rd, in the same room where the
23 operators meeting is down at 200 East Riverside. Generally
24 those meetings have started at 8:30 a.m.

25 MR. STEPHENS: Okay. Everybody okay with the

1 meeting time? No discussion on the meeting time for next
2 time?

3 (No audible response.)

4 MR. STEPHENS: So it looks like July 23rd for our
5 next PTAC meeting which is the following day after the
6 semiannual this summer. Does anyone have any discussion
7 items that you would like for us to talk about next time?

8 COURT REPORTER: Do you mind mentioning the time
9 of that meeting?

10 MR. STEPHENS: Time of the meeting. 8:30 --

11 MR. RIBAKOVE: We did --

12 MR. STEPHENS: 8:30 a.m.

13 MR. RIBAKOVE: -- 8:30 a.m. is our traditional
14 start.

15 MR. STEPHENS: July 23rd, 8:30 a.m., a -- a day
16 after the -- the semiannual TxDOT meeting.

17 MR. RIBAKOVE: Correct. And that's -- that's in
18 the -- in the first floor auditorium at 200 East Riverside.

19 MR. STEPHENS: Thank you, Josh. Thank you, Eric.
20 So our next meeting time is set. I have -- I have one item
21 I would like to ask Eric to bring to next time is just an
22 update on -- and I like to thank you very much for -- for
23 doing this. The -- he's got a study going for tracking
24 effects on transit in Texas, the -- the rural and small
25 urbans and how it affects us -- so he's got that going and I

1 just -- I would ask that you bring a report to the full
2 committee on next time on where we're at and what we found
3 out.

4 Does anybody else have anything for agenda items
5 for next time?

6 (No audible response.)

7 MR. STEPHENS: Any discussion on anything at all?

8 (No audible response.)

9 MR. STEPHENS: Okay, guys. Hearing no discussion
10 or no new or old business, we are adjourned. Thank you.

11 MR. GLEASON: Thank you, sir.

12 MS. BLOOMER: Congratulations, Rob.

13 MR. RIBAKOVE: Do you -- do you a motion to
14 adjourn? We've done that in the past.

15 MR. STEPHENS: We can. It's a -- it's a
16 privileged motion. I asked everybody if they had anything
17 to -- you know, if they had any --

18 MR. RIBAKOVE: Okay.

19 MR. STEPHENS: -- any items. So we're adjourned.

20 (Proceedings concluded at 3:28 p.m.)

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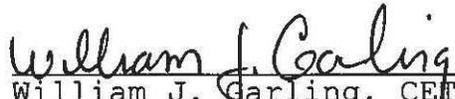
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C E R T I F I C A T E

I, Kimberly C. McCright, CET, certified electronic transcriber, do hereby certify that the foregoing pages 1 through 88 constitute a full, true, and accurate transcript from electronic recording of the proceedings had in the foregoing matter.

DATED this 12th day of June, 2015.


William J. Garling, CET
Certified Electronic Transcriber
CET**D-543