TRANSCRIPT OF

TEXAS DEPARTMENT OF TRANSPORTATION

PUBLIC TRANSPORTATION ADVISORY COMMITTEE

PUBLIC MEETING

TUESDAY, JULY 28, 2020

10:00 A.M.

VIRTUAL MEETING VIA WEBEX EVENTS

TRANSCRIBED BY: Angelica Mathews

TRANSCRIPTION DATE: August 12, 2020

APPEARANCES

COMMITTEE MEMBERS PARTICIPATING VIA WEBEX:

John McBeth, Chair

Jim Cline, Vice Chair

Marc Whyte

J. R. Salazar

Ken Fickes

Dietrich Von Biedenfeld

TxDOT PARTICIPATING VIA WEBEX:

Eric Gleason, PTN Director

Josh Ribakove, PTN Business Operations Mgr.

OTHER PARTY PARTICIPATING VIA WEBEX:

Jimmy Cardenas, Texas A&M Transportation Institute

MEETING AGENDA

ITEM

1 Call to Order.

2 Guidance on virtual meeting participation.

3 Approval of minutes from April 28, 2020 meeting. (Action)

4 Approval of minutes from May 26, 2020 meeting. (Action)

5 Presentation and discussion on rural ridership trends. (Action)

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

7 Propose and discuss agenda items for next meeting; confirm date of next meeting. (Action)

8 Adjourn. (Action)

PROCEEDINGS

JOHN MCBETH: As the Chair of the Public Transportation Advisory Committee I, John McBeth, hereby convene the meeting and we'll first of all go over a few housekeeping items. I want to remind everyone that is on the call that's a member of the PTAC to please identify yourself before you begin speaking so that everybody that's on the call from elsewhere knows who is speaking. For standard motions such as the minutes and adjourning the meeting I will call on specific members that are on the call to make those motions. And on any other motions -- anybody wishing to make a motion, please identify yourself so the court reporter know who's trying to make the --

JIM CLINE: Josh, can you hear me okay? This is Jim Cline.

JOHN MCBETH: I can hear you, yeah.

JOSH RIBAKOVE: Yeah, Jim, we can hear you now. And we do have a quorum now.

JOHN MCBETH: Great, we now have a quorum. So, I will go ahead and hit Item Number 1, call to order. Welcome, everybody. We don't have to have a Safety Briefing because we're all safe in our own little offices. Josh if you would, would you tell us who is on the call?

JOSH RIBAKOVE: Sure. It looks like we've got a full Committee right now. John, we've got the Chair, you're on. Jim Cline is our Vice Chair and he is on. Ken Fickes is on. Marc Whyte is on. Dietrich Von Biedenfeld is on. Eric Gleason, Division Director of PTN is with us as well.

JOHN MCBETH: Great. We now know who is on the call. Josh, if you have anything to add as far as virtual meeting protocols, please go ahead and make those comments.

JOSH RIBAKOVE: We will have a Public Comments section of the meeting later on further down the Agenda, but if you have a comment that you would like to make related to any Agenda Item as it rolls out or earlier, you can let me know by the WebEx chat feature that goes along with this meeting. I'm monitoring that as well as the Q&A. And we will solicit the comments again when that Agenda comes up just to check and see if anyone has anything they (indiscernible). Please do identify yourself when you make the comment and let us know what organization (indiscernible).

JOHN MCBETH: Great. I will move on to Item Number 3 since we have a quorum, approval of the minutes from April 28, 2020 meeting. If I could have a motion from Ken and a second from Jim, I would appreciate it.

KEN FICKES: This is Ken, I so moved.

JIM CLINE: This is Jim, second and motion.

JOHN MCBETH: We have a motion and a second. Any discussion? Hearing none, I'll call the motion. All in favor say aye.

("Aye" stated in unison.)

JOHN MCBETH: All opposed, nay -- nay. All ayes, no nay's, the minutes passed.

We then have Item Number 4, approval of minutes from the May 26, 2020 meeting and if I could get a motion from J.R. and a second from Marc, I would appreciate it.

J.R. SALAZAR: Sure can. I move to approve the minutes of May 26, 2020.

MARC WHYTE: Second.

JOHN MCBETH: We have a motion and a second. Any discussion? Hearing none, I'll call for a vote. All in favor signify saying aye.

("Aye" stated in unison.)

JOHN MCBETH: All opposed by nay. Hearing all ayes and no nays, those minutes also passed.

We'll move on to Agenda Item Number 5 which is a presentation and discussion of rural ridership trends and I assume that Mr. Gleason’s going to lead off on this.

ERIC GLEASON: Thank you, Mr. Chair.

JOHN MCBETH: Eric, the table is yours.

ERIC GLEASON: Good morning everyone. So, we have a Texas A&M Transportation Institute with us this morning. I think Jimmy Cardenas and is Michael on the phone as well?

JIMMY CARDENAS: Good morning. Michael is not on the phone this morning.

ERIC GLEASON: Okay. So, it’s just gonna be Jimmy. Alright. So, we -- one of the things we’ve talked to the Committee about in the past and have been looking at ourselves is to try to wrap our arms around transit rural ridership -- Rural Program ridership. And so we asked TTI to take a look at over the past 5 or 6 years and to see if they could do an analysis of the trends, identify anything that was note worthy and to bring that discussion to the Committee. I think -- and so I think I want -- if I could ask Committee perhaps to listen to this on a couple of different levels. I think the -- the first level obviously is the specifics of the presentation around rural ridership. I think as well that it’s been interesting topic and one that is a continuing interest to the

Commission the more general notion of performance. Obviously, ridership is a big part of that but particularly in the Rural program when, you know, we have a basic responsibility of providing a Basic Mobility Network, access services is as important as well. So, the whole notion of, you know, watching performance, understanding trends, what is the right set up performance indicators to be using for the Rural Program in particular, and those kinds of things I think are the substance possibly of an ongoing conversation with the Committee.

So, I’m gonna turn it over to Jimmy right now and let him walk you through the presentation. And then, you know, questions along the way, please chime in, save them for later, that’s fine as well. And we’ll kind of circle back I think at the end of this and talk specifically perhaps about your thoughts on this and then you know, talk a little bit more about just performance in general. So, with that, Jimmy.

JIMMY CARDENAS: Alright, thanks Eric. Good morning. My name is Jimmy Cardenas with the Texas A&M Transportation Institute and Eric did a good introduction for the presentation I’m about to go over looking at our project at examining the ridership trend.

Next slide, please. So, some spoiler alerts up front. As Eric mentioned, ridership -- rural ridership has been general decreasing since 2014. The project, research did not find a singular identifiable cause. We couldn’t t point to any one thing and say this is causing the rural ridership decline. We have some ideas and -- that could be contributing to that, and we’ll go over that today. And it’s important to note that each region is unique, so there are different challenges and subsets of what causes the trend in each particular transit district and region so it’s important to keep that in mind as we’re looking through this.

Next slide, please. So, going over what TTI did it’s important to note that (indiscernible) the passenger trips is what we’re referring to as ridership from here on out. And our research included a Literature Review of ridership transit across the US to kind of put some context around what we’re looking at here in Texas in the rural side. Then we go down into the rural ridership data from the past 5 years and that’s -- in this instance it’s 2014 to 2018 because the 2019 numbers when we started weren’t finalized so we’re looking at that timestamp from ’14 to ’18. Then we looked at what we found in the Literature Review and we tied it in to see if anything was applicable in Texas, which we're referring to as our contributing factors. And we also reached out to some transit agencies to get their perspective on what was -- what they thought was causing the rural ridership trend to decline.

And we're gonna go ahead and skip ahead to the -- we're gonna look at the Rural Ridership Analysis. So next slide please. So, this Analysis was kind of a three-pronged approach. We looked at the ridership data for any big outliers or errors and we tried to correct for that, and I'll go over that -- those in a minute. We also just did a high-level review of ridership change by funding source or by trip category. And we also -- one of the last things we did was look at population change within the rural transit districts to see how that was changing from that timestamp.

Next slide. So, while reviewing the data for ridership, one of the first things we did was to remove Galveston County rural from the totals that we see in 2014 to 2018. So, if you look at the original totals including Galveston county we see 6.5 million passenger trips in 2014, and then 4.6 million passenger trips in '18, so this -- this alone is a 29% decrease in ridership. However, if we remove Galveston County rural, we see that number in 2014 is 5.6 and then it goes from 5.6 to 4.6 million in ’18 so that’s -- in actuality an 18% decrease because Galveston county was skewing that data since they’re not reported in ’18 that’s gonna be moved back to the urban section. So that’s already an 11% change just removing Galveston to get a more accurate number. And we’ll look at that ––

ERIC GLEASON: Jimmy?

JIMMY CARDENAS: I’m sorry, yes?

ERIC GLEASON: Jimmy, this is Eric. I wonder if I could just jump in for a second for some context for some folks who may not be familiar about some (inaudible). In Galveston, with the 2010 Census following Hurricane Ike in 2008, Galveston went from an area -- an urban area in the 2000 Census of over 50,000 population. The Hurricane in 2008 and then when they counted in 2010, the population fell below 50,000 and that triggered a re-designation of Galveston as an urban area transit system, they became rural. And then in the 2018 timeframe, I think it was ’18, maybe ’17, they managed -- they were successful at the federal level in attaining an exception to those 2010 Census results and they were granted a reclassification back into urban area. And the reason at the federal level that that is so important is because per capita funding amount for the Urban Program, it's about 2 ½ times higher than the per capita funding amount for the Rural Program. So, from a federal funding standpoint it was very much to Galveston's advantage to be an urban area. So, this Analysis recognizes that and this simply removes them entirely from this timeframe. (indiscernible).

JIMMY CARDENAS: Sure. Okay. Thank you for that background, Eric. And so on the next -- the next slide, please Josh, we see the trend with Galveston removed. So we that trend starting from 5.6 million all the way down -- and we actually included the 2019 number in this chart, 4.72, so there's a big drop from '14 to '15, from '15 to '16. And then we see a general leveling out and them some increases later.

Next slide, please. So, while we're looking at the data, the next thing that we did was to identify some transit districts with data reporting problems in 2014. That subsequently corrected those problems when reporting for the following years. So, what we did is we moved -– removed those trips completely from 2014. So that resulted in a 4.9 million trips number and then the 4.6, which is a 6% decrease from -- so, what does that really represent? So, when I say "we removed all the trips" that's what we did and that's how we got that 4.9 million passenger trip number in 2014. So in actuality those two transit districts they didn't have zero trips, right. So, what that 6% decline number represents is really a floor for what we're looking at for the actual ridership change and if we can go to that next slide, please Josh.

So in this same graph we see that 4.9 number and it's helpful to visualize the real -- the actual trend number to start from in 2014 falls between 4.92 and 5.65, so we're pretty confident that the 5.65 number is not accurate. And we're also confident that its not as low as 4.92 so the real number falls somewhere in between those two points.

Next slide, please. And yeah, it's important to highlight again the next remaining slides will focus on our 2014 to 2018 numbers.

Next slide, please. So, another thing we wanted to map out were the changes by transit district. And essentially what this map shows is the high-level view of the changes from 2014 to 2018. So basically, what you're seeing right now, the green -- the light green represents transit districts that gained ridership, essentially, from that timespan. The yellow represents transit districts that sort of remain steady. So, they fell between 10% -- plus 10% or minus 10% so they somewhat remain constant for all intents and purposes. And the orange represents transit districts that lost ridership during that time span. Now, another note to -- another mental note when looking at this map is to realize that these -- the transit districts are representative of how -- that the boundaries are representative of how they are currently, right. They don't include the boundaries of the transit districts in 2014. So that's important because during that time there are several transit districts that changed service areas, right. Some area either lost counties or gained counties and this sort of skews some numbers when you're looking at transit district by district level so it's not entirely -- not entirely fully accurate to say that this is the exact change for each of these transit districts. There're underlying changes that may affect some of those numbers. So, this is really just a general view to kind of see the changes at a district level. But it's important to realize the Study in itself is kind of like a statewide level. So this is an attempt to kind of look at the changes at a district level.

And our next slide. So next thing we looked at were trips by category. If you're familiar with the

PTN128 system for agencies on the line but with these in actuality are are trips by funding sources between 2014 and 2018. So, the Funding Sources Table here shows you the categories for those. And it's important to note that General Public represents Section 5311 funding as well as Rural State funding. And another major thing to notice that the largest trips -- the largest amounts of trips fall really into only a few programs; that being the Medical Transportation Program, General Public, or Section 5310 and then JARC funding, which we'll go over. So really those four programs contain the most trips.

So when we look at the next slide what we see that these three programs; General Public, Medical Transportation Program or NEMT, more commonly known and JARC, they represented the majority of that loss -- of that decrease, right, from 2014 to 2018. And that makes sense because a lot of the trips are in these pods, if we look at them by trip category.

So, let's go over these generally. So, Medical Transportation Program, NEMT, we know that from '14 to '18 there's a lot of transit districts either lost contracts for NEMT or decided not to engage those contracts or take those trips on. And so that contributed to a lot of the decline of the Medical

Transportation Program.

We know that JARC as a fund -- as a category is no longer as a MAP21, it doesn’t exist as a funding category. Now the revenue didn’t disappear, it got -- it merged with Section 5311 and then 5307 for urban areas. And we’ll go into that in the next slide but it’s important to realize on this slide that General Public as well, that’s the other (indiscernible) question, right. What’s driving the General Public loss in ridership? And that’s what the second half of the presentation will try to go over and identify some contributing factors.

And if you look at the next slide, we’ll see the trend -- it’s all just interesting to graph out the trend in General Public rides and JARC rides/trips. So, we know that JARC funding from ’14 to ’18, essentially transit agencies are just trying to spend down the remaining JARC funds that they have. So when we’re looking at this initially, we’re wondering -- well maybe, you know, did these JARC trips, did they just disappear? Or what happened to these trips in JARC? And we know that the funding didn’t disappear, it actually went into the what we call General Public here 53 -- Section 5311, so it’s interesting when we look at the sharp decline in JARC from 2016 to 2017 we see a bump in General Public. So, we can’t definitely say that this is -- these are the JARC trips that we’re seeing jumping into the General Public but it’s interesting to note that we’re not necessarily losing those trips from JARC. So they maybe being captured in the General Public bump right there. So I thought that was interesting to note.

And if we go to our next slide, the last thing we looked at in our Analysis was the population. So we used 2013 and 2017. The reason being the rest of the numbers here are from 2014 and 2018, is that the 2017 numbers were the latest we had for population estimates by transit district. So to keep that five year time span we went from ’13 to ’17. And what we see is that there’s actually an increase in rural -- in population for the rural transit districts. It’s a 13% increase. So if we’re looking at population as a, you know, maybe a big contributing factor we kind of have of to look elsewhere. And we also see urban areas are increasing as well.

And another thing to note, so this is the statewide total for population at the rural level for transit districts. So does that mean that every rural transit district is increasing in population? No. Does that mean that every county is increasing? No.

We know that there’s counties and some transit districts that are also decreasing in their population numbers but on a whole we have an increase, a big increase at the rural level.

And next slide please. So moving from our -- look (indiscernible) in the data from the -- our rural ridership data, let me start tying in what we found in the Literature Review. So overwhelmingly a strong economy as well as the remaining factors here are what comes up in our Literature Review from the recent literature in the past five years. If we go to our -- in our slide, we’ll see some of the national highlights for the national trend is that during that time from ’15 to ’18 there was a rise in car crashes and vehicle sales. And that was also spurred on by low gas prices and low interest rates for car loans.

A lot of the literature also mentioned that what ties into higher ridership were providing more service days, having low fares, et cetera, some of these things we know already. And also, in the past five years we’ve seen an increase in alternative modes of transportation, T&C’s, delivery services. Of course, putting in context with the rural, we have to look at that limitedly, right. We -- a lot of these changes for alternative modes of transportation are prevalent in urban areas. So that’s also something to keep in mind when you’re looking at that as a factor. And from the national level, we’re seeing, this is not on the slide, but it’s a 6.6% decrease of national transit ridership. So that’s everything, urban to rural. If we take out the rural, it’s 5.4% decrease for those trips from that time span to get more some more perspective in the national side.

If we go to the next slide we’ll look at -- well, let’s look at Texas. So, if we put this context at the US level, what’s happening in Texas? So, personal income grew 3.7% annually. So that’s a compound annual growth that we saw -- that Texans saw in their personal income from 2014 to 2018. And as we know, and it was documented in the literature that higher amounts of income relate to less trips on transit.

Gas prices also followed the national trend, generally decreasing from their highs in 2014. We see a little tail end bump in 2018 but then that decreases again, (indiscernible) 2019 on here. And, as I was mentioning earlier there are a wider availability of delivery services now. Amazon or Wal-Mart, these stores are providing free delivery services for things that you would find in store, for instance.

In our -- if we go to our next slide -- so that -- and that wraps up kind of our Literature Review perspective.

So, then our last thing we wanted to do was get a transit agency perspective on what the agencies thought or felt was contributing to the statewide decrease in ridership at the rural level. So, we reached out to 15 transit agencies based on their ridership trends and some of their effectiveness performance measures and we asked what they felt was the cause behind the rural ridership decrease. And then four of those agencies sat down for a phone interview.

So, some of the perspectives we heard they included, you know, rural population decline in the rural areas, right. Which we just showed that at a statewide that’s actually the opposite. And then they also merit some of the things we found in the Literature Review such as increased car ownership.

And on the next slide we talked to four agencies specifically to get their perspective from the agencies, from their side as well their general ideas, a little bit more on the statewide side.

So, we go to the next slide, please. So these are the four agencies we talked to. And just to summarize their perspectives, it’s important to note that some of these agencies were impacted by their MTP Program, their Medical Transportation Program or NEMT trips that they decided to not take as many MTP trips or if they lost their contracts for those trips. So they were effected by that during that time span. Several of these agencies mention that the marketing services, they found that there was a lack of awareness in the community. That they wanted to increase their marketing services to provide more information on what services they’re providing in the service area.

And in summary, it’s really important to note that each of these transit districts and for transit districts across the Rural Program, they’re very unique, right. And they’re -- they have their own different sets of service areas, geographies, which could cause different context and challenges in and out of itself. And there’s different needs within their own communities and their populations within their service area. So that also may contribute to the outcomes in ridership change.

If we go to our next slide, so what are our other big takeaways? Kind of wrapping this all up. We know that rural ridership loss is occurring in Texas, but we see it’s not the big value we see at our point to point comparison. It’s not 29%. So, we can drill it down between 6 and 18%, really. We know it’s not -- we know it’s not 18% so it’s probably somewhere in the middle there. That’s really what -- the realistic number that we’re looking at. And there’s also a gradual trend upwards since 2016.

Now unfortunately we don’t know if that trend would have continued in 2020 because of the pandemic this year, so we’ll never know unfortunately since everything will be skewed downward. So that’s also one thing to note, this is, you know, everything that we looked at was pre-Covid-19, so.

So, what are some of the contributing factors, just to wrap up specific to Texas? We saw personal income growth in Texas as well as at the national level. We also saw low gas prices and a national trend of car purchases. And I put more delivery services here because I think it’s really important to note that what we think of traditional transit trips to the grocery store or to run some errands or go to the mall, these sort of non-work type trips, right, there’s a lot of new delivery services that have appeared since 2014. And that involves even restaurant delivery, grocery delivery, so there’s more of an unexplained sort of, I guess an area of more research to see how much this may be affecting or replacing trips on transit. And of course, to go back to the overarching thing that these ridership trends do vary across the different transit district. So that's very important to still keep in mind. And with that I'll open the floor to any questions.

JOHN MCBETH: Are there any questions? This is John.

J.R. SALAZAR: This is J.R., I have one question. Let me, Josh, let me try to find that slide. I believe it's the -- with the percentages above 10%, minus 10%.

JIMMY CARDENAS: It's the map.

J.R. SALAZAR: Yes. Ridership Change, at first when I read this, I thought that that was a typo on the yellow which says minus 10% to 10%. That is correct, right? When I read that I thought that should be 1% to 10% but that is correct.

JIMMY CARDENAS: That is correct, J.R. The reason for that, we wanted to show agencies that were kind of more or less what I consider constant through that time. If your familiar with the MTD Annual Review, they look at 10% threshold as well as TxDOT, when we're doing the annual PTN 128 reviews. So we felt that was a good threshold to set that yellow marker to essentially mean that these agencies were more or less constant through that time frame.

ERIC GLEASON: Jimmy, this is Eric. Josh, can you find that map?

JOSH RIBAKOVE: Looking for it, Eric. Let me scroll through some slides and let me know when we get there. It’s a map slide.

ERIC GLEASON: It’s about midway. There it is, right there. Thank you.

JOSH RIBAKOVE: Okay.

ERIC GLEASON: So this -- I think this is a useful picture to the extent that, you know, I think you can draw some general conclusions that once we eliminate some of the outliers that we have a -- we have a general decline occurring virtually throughout the entire state. Even the green in the south that you see there, where it’s more than 10% in both cases those transit districts took on additional service area during this timeframe. And so, the ridership increased is actually more reflective of just picking up additional service area and ridership that the previous district used to have but no longer does. So, it doesn’t represent an increase at the state level as much as an increase for the transit district itself. So as Jimmy pointed out there are some flaws and some nuances if you will to looking at this. But I think the overall picture is accurate. And, you know, with the orange being greater than 10% and we know from the Analysis that we think it’s somewhere between 18% as a ceiling and 6% as a floor this matches that conclusion.

You know, I think the -- the -- when you look nationally and you look at the experience in the industry in general, I think less is understood about what drives Rural Program ridership. As opposed to how much is understood about what drives urbanized area ridership.

The Rural Program has a Basic Mobility Network, you know, we’re not buy and large, rural transit districts are not chasing after choice riders like a lot of the large metropolitan areas are. And so, when you have what essentially a basic mobility system then some of these national trends that are accurate predictors of urban area ridership changes not so much a rural. But I think you can say that as income goes up that car ownership would likely go up. And we what we know about Texas in this timeframe, particularly with the oil shell development, is that we’re a lot, you know, we had a worn economy and it wasn’t limited to only the large metropolitan areas. And so, you can understand in this time frame why income and car ownership might trend in a direction that would discourage ridership.

On the other hand, you've got gas prices that particularly at the rural districts are a much larger share of the operating budget than gas is typically for urbanized area services. And the national experience would suggest that gas is, you know, anywhere from 7 to 10% of an operating (indiscernible) budget, when in fact the rural experience in Texas can save as much as 20%. So, a lot more sensitive to gasoline prices. And of course, if your gasoline -- if fuel is 20% of the budget and we see a significant decline in the price, then you can offer more service in theory. And so, you know, the trends work in different ways and there may be a message there, but I think at the end of the day the stronger message that comes out is the uniqueness of these districts story that while in general we may see a decline we have systems that are going up, we have systems that are going down at any given year. Some systems are very sensitive to changes in funding sources. At a statewide level the major changes to seem to be in both the general Rural Program ridership as well as in the Medical Transportation Program ridership. So its when we get down to the district level that I think we get the answers we need to address performance issues. There is no statewide silver bullet in my view.

What we do as a Program to try and work on performance, we really come at it in two different ways. The first way we come at performance is in the formula that allocates the state rural funds and the majority of the federal rural program funding, gets allocated by a formula and 35% of that allocation is based on transit and district performance relative to other transit districts in the states. And that looks at things like cost per mile, ridership per revenue mile and local contributions to funding.

And so, we do factor in performance into the allocation. We also, for like Training and Technical Assistance Program, provide individual districts with the opportunities to work on performance related issues. We have, through our Training Program, we are now offering a Business Development Plan -- a Business Plan Development where -- and a part of that Business Plan, that five-year Business Plan is focused on performance. So as individual agencies take this Business Plan Development course, we can get to establishing performance targets within each agency. How are we gonna measure it? What are you measuring? How are you tracking towards that?

We also have a Technical Assistance Program where consultant services that we have on retainer are available to transit -- rural transit districts to come in and assist with an operational analysis, a system where it’s working well. Where it’s not working well. Where the ridership is growing or it’s not growing. Identifying areas that could be addressed that would result (indiscernible) performance. So, we kind of come at it from both ends of the spectrum.

What we don’t do as a Program is somehow tie discretionary funding to performance. We don’t necessarily have our penalties that, you know, are levied on someone if their performance goes down. It’s all kind of relative to what others are doing. So, I think we stopped short of a more prescriptive approach to performance as a Program. I’ll just kind of throw that out there as food for thought because I think anyone will tell you that if in general your performance measures are trending down that as a Program your ability to convince the state for example that you should -- that they should invest in you, when your performance measures are trending down I don’t think you have as strong an argument for that investment then you do if you were trending up. It’s pretty basic stuff that way. So, I just kind of of throw those thoughts out. See if it generates any discussion in the Committee. Whether the Committee is interested in pursuing this topic (indiscernible) in some sort of a more structured format. John, I'll throw it back to you at this point.

JOHN MCBETH: I have a question. In looking at the counties in orange, did -- is there a way for us to take into consideration mortality?

JIMMY CARDENAS: Mortality rate?

JOHN MCBETH: Right.

JIMMY CARDENAS: So, in terms of the --

JOHN MCBETH: The mortality rate in those counties. I mean we have people die all the time. I mean, it's -- and I know out west, way out west, in northwest you have very elderly populations. When we established those systems up there long -- many, many years ago, ridership was quite high but it's because of their huge elderly population. I just wonder what is going on with the mortality rate out there. I, you know, population, we're adding population, certainly adding more population than we're losing. But I know coming from West Texas, I know the little town I grew up in and there is nobody moving in there and there are people, you know, five or six funerals a week. People are just dying off, so. I just wonder is there a way of looking at the mortality and seeing, even if it’s a small percentage, say it accounts for 2, 2 ½, 3% that cuts -- that cuts down that big percentage loss even if we go from not 18 but let’s say they go down, you know, maybe 12 and that’s a lot easier to explain to elected officials then a bunch of other stuff. So, I just wonder if there’s a way of looking -- just get a broad thing. What’s the mortality rate in those counties. I would think we would be able to look at the mortality rate and see how many people we’re losing.

ERIC GLEASON: So, John, this is Eric. Let me --

JOHN MCBETH: Yeah.

ERIC GLEASON: -- let me just (indiscernible) a little further. So, we are able to track population changes.

JOHN MCBETH: Correct.

ERIC GLEASON: Which that is a part of but you --

JOHN MCBETH: Yeah, mortality would be a part of the population change, that’s correct.

ERIC GLEASON: Right. But what you’re talking more specifically it’s a customer base.

JOHN MCBETH: Correct. And that’s --

ERIC GLEASON: Okay.

JOHN MCBETH: -- our customer base is always -- yeah, it's always been -- I've been doing this since 1982, it has always skewed toward the elderly. Because they don't -- they -- most of them can't drive or they can't afford the insurance or their kids took their car away or TxDOT took their car -- or motor vehicles took their driver's license away, thank God. So yeah, it's that group, not just the population but that specific group that we've always classically served.

We look at that. We look at -- we do surveys through our dispatch operation, basically demographic surveys to see where were -- if we're skewing one way or the other. But I do know that we have lost elderly ridership. Now we've replaced it with other ridership, but I do know we've lost it. We've lost some, not all, but we've lost some and I would think that would be exacerbated in far West Texas.

ERIC GLEASON: So as a part of your overall customer base, the share of it that is elderly has --

JOHN MCBETH: Right.

ERIC GLEASON: -- decreased. Interesting.

JOHN MCBETH: I think it has decreased. I just have that feeling the elderly shared ridership has decreased. Now we see increases in certain counties. Polk county over in (indiscernible), Texas is a good example. They’ve got -- they’ve got an R.V. park over there that is bigger than most cities. I mean, that R.V. parks got, you know, I think you counted those people as citizens of the community, they have 65,000 people living there but they’re only living there three or four months a year.

ERIC GLEASON: Yeah.

JOHN MCBETH: Bird watchers are 26,000 of them. So we’ve gained population there and those people, you know, they bring their R.V. in, they park it and then they call us. And we see spikes depending upon when all those people migrate down from the northeast down to Texas to, you know, either, you know, go fishing. Or, you know, go look at birds or -- I had no idea birding was that big of a deal but it sure is. So, we gain elderly ridership there because once they park their car, they just assume use us. And they’re coming from the northeast where public transportation is something they use all the time.

ERIC GLEASON: Right. The other trend that I’m aware of that has been communicated to me is that particularly in areas like West Texas demographically that the -- as populations generally decline that the remaining population has a higher level of characteristics associated with it. Which are more like the traditional ridership of the rural transit system.

JOHN MCBETH: Uh-huh. Yeah.

ERIC GLEASON: So, yes, I think probably knowing more specifically about that, even at the county level, is probably --

JOHN MCBETH: Yeah.

ERIC GLEASON: -- an important of this, yeah.

JOHN MCBETH: I would love to see those numbers. I mean, I just -- I mean I know from the little town I come from Snyder, Texas, my older sister and brother in law moved back from, you know, Manassas, down to Snyder to retire and, you know, they’re pretty conservative people and they were pretty well off and they probably never even thought about using public transportation but I know my older sister is five years older than me, she can drive and she do all the stuff but she depends upon the rural transit system out there to get her to and from where she goes. I mean, being proud to admit that is just is pretty amazing, but no she really actually does depend upon it. So, you know we added at least one elderly person, but I know at the same time I read obituaries and I see how many are going away. And I know a lot of them probably use rural public transit. I’m just interested in that number. I just -- as a subset of the population number. I know it was it was included in the population number, but. It's hard to replace dead people, I think.

JIMMY CARDENAS: I think, John, this is Jimmy.

JOHN MCBETH: Yeah.

JIMMY CARDENAS: The easiest way would be probably the Census has estimates on by age stratification, right.

JOHN MCBETH: Uh-huh.

JIMMY CARDENAS: (Indiscernible) by an over -- that population changes per year. That's probably the easiest way to capture that number.

JOHN MCBETH: Yeah, I would think so.

JIMMY CARDENAS: Mortality --

JOHN MCBETH: I wouldn't spend a lot of time doing it. I would just be interested in the number because it's another explanation as to why we're seeing this downward drift. And it may be a very small percentage but it's still a percentage. And it's an irreplaceable percentage that's the other issue. If people are not moving into Amarillo, then -- and people are dying then it's not -- they're not replaceable. And the people moving in are probably younger instead of being older and so they’re not going to be your classical transit riders. Even though we find ourselves, right now my marketing V.P. she’s spending a tremendous amount of time marketing to the younger generation. When I say “younger” I’m talking about, you know, people from 21 to 35 who, you know, they’re beginning to make up quite a large amount of our ridership. They have a different perspective on car ownership. I mean I’ve got two sons that are in that group and they wouldn’t even think about owning a car. It’s just not something that ever crossed their mind. And they don’t drive. They use public transit to get where they’re going.

But no, I’d agree --

JIMMY CARDENAS: Inaudible) --

JOHN MCBETH: -- I’d like to -- I think the number would be a useful number for us. It’d be useful to explore just to see if that’s got something to do with it.

ERIC GLEASON: Okay. We can take a look at that.

JOHN MCBETH: That’d be great. Any other questions or comments?

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

JOHN MCBETH: Yes J.R.

J.R. SALAZAR: I have a -- just a comment Eric, you can probably help. You know, we talk about the 5310 Program and I don’t know what year it was that we made the change from, and I was thinking of the wording, I don’t know if it was called Traditional Providers, but when we moved from rural transit gestures from getting the money from the 5310 Program to other people getting the money, I don’t remember what year that was, Eric.

ERIC GLEASON: No, I think that’s probably consistent with a change at the federal authorization level in the Program description at the federal level. And I’m thinking that that was possibly MAP21, although I’m not sure. Which would have been in the ’13 and ’14 timeframe is when we -- well that’s when -- that’s when the federal language would’ve changed. It would’ve been several years after that before the rules were published. So, if you’re recalling something in the ‘16/’’17 timeframe I’m thinking it’s as a result of changes that occurred at the federal level in ’13 and ’14 and are carried throughout the current authorization as well.

J.R. SALAZAR: And I believe TTI did some work for us and it showed a decrease in that program as far as ridership earned a significant decrease.

ERIC GLEASON: Yeah, it’s a little hard to track. I mean, that’s the other thing that some of the more targeted Programs are just hard to track. And we’re not always 100% confident that those rural transit districts that may continue to get some of these funds, that they are universally separating them out from the general program ridership either. So, it’s a little (indiscernible). As anything does, it bears closer in also QC --

J.R. SALAZAR: Sure.

ERIC GLEASON: -- whether or not and if so what has changed about those -- about the ridership in that specific program. Because we’re also, you know, that was one that was on the receiving end of (indiscernible), 5317 when it was consolidated. That, you know, when they did that consolidation, they put in place specific allocations that allocated a larger share of 5310 to the metropolitan areas.

JOHN MCBETH: Yeah. I was going to bring that up. This is John. I was going bring that.

ERIC GLEASON: Cause that’s the other thing that happened, J.R. in this time frame where as we used to have a statewide program where we were managing the Program for all areas of the states and then I think it was MAP21 where –- that what they did at the federal level is they carved off 60% of the program and allocated it to the metropolitan -- to the large urbanized areas directly where they became their own recipients of the money rather than it being -- so it went from a statewide program to an area -- to Program in areas of the state of under 200,000. And they even went one step further and really created some firewalls between these areas on transferring money downward. Easy to transfer money from rural to urban and up but you can't go from urban to rural. And when they put these percentages in place what they did -- it was like a -- there was a disconnect because they gave the single largest share of the Program to the areas in the country that have the largest existing infrastructure of transit services for this population. And they took away funding available to the areas, like the rural areas with the least amount of service infrastructure in place to address this target population need. And so, it was really kind of a double whammy when they made those changes.

JIM CLINE: Hey John, this is Jim, I had a quick question.

JOHN MCBETH: Sure.

JIM CLINE: I'm looking at slides 14 and 15 and Jimmy, just kind of big picture when we're telling the story that if you had shown the data from ‘14 to ‘19 and it went from 4, oh gosh, I’m looking at the numbers here real quick. It went from 4.92 to 4.72, if it was scaled, if the, you know, if that was what the part of the chart we were showing and we scaled to zero to 5 million, you know, we’ve -- you kind of looking at it, you probably say that’s kind of flat. And so it’s interesting of how story gets told and so I just, Eric, I throw that out as a, you know, for when we start thinking about the consumption by the TTC and the broader perspective you get to a little different clusion kind of based on where you land on the data and what the scale of the graphs, stuff like that.

So, I just throw that out there as a thought that in terms of presentation and you know, how this comes together, you know, that number would be instead of 6% would be 4% something like that. And it would look kind of flat. Anyway, just a food -- some food for thought as you proceed forward with this.

ERIC GLEASON: Yes, and you’re exactly right Jim. It depends on, you know, where you -- where you window with your analysis, what you show, what you choose to show and of course as Jimmy mentioned, you know, next year’s, or this year’s performance data we’ll have to throw out and hard to know about fiscal year ’21 and, you know, the longer term impacts of the pandemic as well, so, you know, it’s gonna be difficult moving forward to understand what’s going on. So, you know, I think -- and that has ramifications for next year’s formula allocations because, you know, we typically work with the previous year performance data for to do the current year allocation and, you know, I for one certainly don’t want to rely on the FY20 data to make that decision on FY21 funding. I don’t think anybody does. And so on -- and I don’t know for how long we might need to keep choosing to use 2019 data. You know, how long is it going to be until we feel as though (indiscernible) performance data is back where it should be. I don’t know the answer to that. I don’t think anybody does.

JOHN MCBETH: A long way off. This is John. A long way off.

ERIC GLEASON: Yes.

JOHN MCBETH: 2019 data is abysmal. We’ve got a reason for that. We know that. Yeah, it’s abysmal. Okey doke, are there any other questions? Well hearing none, Josh, during these discussions have we received any request or public comment?

JOSH RIBAKOVE: Yes. We have two questions and the first is from, hang on. I got it written down right down, the first is from Ellen Smith who is the new Director at Sun Metro in El Paso and she might have missed it. She wants to know what happened in Galveston that skewed the numbers.

ERIC GLEASON: Hi Ellen, this is Eric. So yeah, so what happened in Galveston was Hurricane Ike in 2008. That resulted in a loss of population for Galveston when they went from being an urban area of over 50,000 in the 2000 Census, they went from that to that being below 50,000 and what we classified as a Rural Program area. And then -- and so they're 2000 -- so our 2014 data would show Galveston rural area ridership as part of our overall total.

The challenge becomes then in 2017 or '18 when they managed to secure an exemption to that classification, in, I think it was 2018 Appropriations and so -- and they got re-designated as an urban area. So literally their ridership then went from rural to being counted in the 2018 (inaudible). So that's why we just remove them entirely from the calculation. Does that help?

ELLEN SMITH: Yes, thanks.

ERIC GLEASON: Okay.

JOSH RIBAKOVE: And the second question -- pardon me, Ellen if you'd like to as a follow-up, your mic is open now.

ELLEN SMITH: Can you hear me?

JOSH RIBAKOVE: Yes.

JOHN MCBETH: Yes ma'am, we can.

ELLEN SMITH: Oh wow, I was wondering how I could talk. Yeah, no, so thank you for inviting me to the meeting. It's been very interesting. The one question that I had was on the national highlights you had said that the low fares contribute to the ridership. How low are the fares? Have we ever done a study across the state of Texas on what various transit authority's charge?

JIMMY CARDENAS: Not recently to -- so I can answer to the Literature Review is essentially showing case study examples, right, that there's a linear or there's a relationship between lower fare and higher ridership on the Regression Analysis for several studies but yeah, I'll throw it back to Eric. I'm not aware of any state, at least recent statewide fare analysis for each transit district.

ERIC GLEASON: No. We don't -- I'm not aware of that either, Ellen. It's not something that I think we've done. And I don't think it -- so -- and even in the annual statistics reporting we don't report on fares as much we do on fare revenue and --

JOHN MCBETH: Yeah.

ERIC GLEASON: -- you know, a (indiscernible) tech stuff.

ELLEN SMITH: Okay. Well the only reason I was asking was on that slide about national highlights that --

ERIC GLEASON: (Inaudible) --

ELLEN SMITH: -- more service days, lower fares, shorter reservations; I just wondered, you know, here in El Paso for the fixed bus route our fare is $1.50, that’s the full (indiscernible) and then we have a million discounts all the way down to $.30 for some of the seniors.

ERIC GLEASON: Right.

ELLEN SMITH: And we still don’t have the ridership but oh well.

ERIC GLEASON: Yeah, that’s always complicated by the specifics of the policies in place in any individual agency just as you suggested. So, it’s really hard to draw overall conclusions. And you know fares in the Rural Program which is what we were focused mostly about here today, fares in the Rural Program just, you know, are not and never have been an overarching objection of the Program to begin with. And (indiscernible) are important but I think most policy boards have recognized that the customer base has not necessarily -- does not have the income to support a large fare that would contribute a greyer amount towards the overall expense of the trips.

ELLEN SMITH: Right. Thank you.

ERIC GLEASON: Uh-huh.

JOHN MCBETH: Yeah, this is John, I mean we struggle -- my board, we struggle with fares all the time. You know, from the logical point of view it's counterintuitive that in a Rural Program all things being equal you should charge, you know, by the distance cause rural is driven by distance. Your costs are driven by distance but if you charge by distance, you're not gonna have anybody riding because nobody could afford it. So, you know, whereas the fare in Bryan College Station is $1.00 for a fixed route system, it's pretty much the same thing in a Rural Program for demand response program for a trip that travels 65 miles. I mean, if you charge what it cost by distance, you wouldn't have any riders. No one could afford it.

I wonder, you know, I have one other question going back to TTI Report, did y'all look at -- I know you looked at delivery, which I think is a big, big deal. I think Amazon alone makes a big dent. Did you look at Uber and Lyft to determine if they are actually taking over a portion of the ridership in the rural program? I know they are in my more urban rural areas like Lufkin, Nacogdoches. I don't think so much in my real rural ones, but I just wonder if y'all looked at that.

JIMMY CARDENAS: Sure, John. This is Jimmy. So actually, that's a good example in Lufkin and Nacogdoches, your more urban areas. Those still fall in the rural category, right. However --

JOHN MCBETH: Right, they do. They're Rural Programs but I do know they've got a whole lot of -- they've got a lot of Uber and a whole lot of Lyft.

JIMMY CARDENAS: So, in our scan at the statewide level, those two examples Nacogdoches and Lufkin, were one of the only ones that had such a big presence in the rural areas. So --

JOHN MCBETH: Yeah.

JIMMY CARDENAS: -- a lot of -- you're correct in the urban areas, yes, there's a significance presence growing since 2014 for these T&C's, particularly Uber and Lyft but aside from those two examples, we did not find a very significant presence in the rural -- of the other rural programs.

JOHN MCBETH: Yeah. I would think not.

Okay, Josh what was our second question? Second public comment.

JOSH RIBAKOVE: John, our second question came from Jane Westfall who is no longer on the call but she did ask about -- really for Jimmy Cardenas, was wondering if TTI was open to riders?

JIMMY CARDENAS: Josh, (inaudible) repeat --

JOSH RIBAKOVE: Say it again?

JIMMY CARDENAS: Would you repeat the question, Josh?

JOSH RIBAKOVE: Yes. Jane Westfall asks did you talk to riders.

JIMMY CARDENAS: Not for this project. We didn’t do a rider survey or -- the only perspective we got was from the transit agencies so in short this project didn’t include our statewide rider survey. There was a -- we did use data from a 2017 rider survey generally just to show the trip distributions but we didn’t update that for this research.

JOSH RIBAKOVE: Thanks. I’ve got her email and I’ll let her know.

JOHN MCBETH: Great. Okay, that’s end of Public Comments. For Item Number 7 is propose and discuss Agenda items for the next meeting and confirm the date. Let’s go with the easy one first. Let’s confirm the date. Josh? Josh, are you there?

JOSH RIBAKOVE: Sorry, I was muted. The next date would be the last Tuesday in October which is --

JOHN MCBETH: Halloween -- no.

JOSH RIBAKOVE: -- the 27th -- actually Tuesday, October 27th.

JOHN MCBETH: 27th?

JOSH RIBAKOVE: Yes.

JOHN MCBETH: Does anybody have a problem with that date?

UNKNOWN MALE: No.

UKNOWN MALE: No, it works for me.

JOHN MCBETH: It works for me. Ten o’clock, Josh?

JOSH RIBAKOVE: That’s our standard, yes.

JOHN MCBETH: Okay. So, there will be no objection the next meeting. PTAC will be October the 27th at 10 o’clock and hopefully by then we will be able to meet as a group but who knows. It might not occur until 2021. And as far as Items on the Agenda, Eric I’m sure y’all have some items you’d like to have on the Agenda.

ERIC GLEASON: So I think at this point -- at that point in time, you know, I think whatever needs to happen between now and then State appropriations, levels and (indiscernible) maybe we'll have some clarity there. I think that we will, if I have the schedule correctly, we'll be -- we could have an Inner City Bus Consultant selected by then.

JOHN MCBETH: Oh, that'd be great.

ERIC GLEASON: It might be close. If we've done that then we can certainly refresh the Committee on that Study and introduce the consultant team to the Committee. Probably an update on CARES Act funding at that point would be appropriate.

JOHN MCBETH: Okay.

ERIC GLEASON: And so, we'll come up with a list of ideas to go over with you, John as that date approaches.

JOHN MCBETH: Great. Okay. That takes care of Item Number 7 and Item Number 8 is always the final one which adjourn. I will take a motion to adjourn from Jim and a second from J.R.

JIM CLINE: This is Jim, so moved.

J.R. SALAZAR: This is J.R., I second.

JOHN MCBETH: With a motion and a second, any discussion? Hearing none, we'll call a vote. All in favor signify by saying aye.

("Aye" stated in unison.)

JOHN MCBETH: All others nay. Hearing no

nays and all ayes, we are officially adjourned. Thanks everybody for the meeting.

(END OF PROCEEDINGS.)

CERTIFICATION PAGE OF AUDIO RECORDING

I, Angelica Mathews, hereby certify that the foregoing is a correct transcription from the audio file of the proceedings in the above-entitled matter.

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THE STATE OF TEXAS)

COUNTY OF TRAVIS)

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

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

NOTARY PUBLIC IN AND FOR
THE STATE OF TEXAS
COMMISSION EXPIRES: 5/6/23

NOTARY PUBLIC STATE OF TEXAS
KATHEREN L. MARTINEZ
Notary Public, State of Texas
Comm. Expires 05-06-2023
Notary ID 124196477