

AGENDA

TTA Operations & Finance Committee

Thursday, March 6, 2008
1:30 p.m. – 3:30 p.m.

Board Room, 68 T.W. Alexander Drive
Research Triangle Park, NC
Web Site: www.rideTTA.org



Agenda Topic	Presenter(s)
I. Adoption of Agenda	Jeff Merritt
II. Approval of Minutes Attachment: February 7, 2008 page 2 Action Requested: Approve minutes.	Clerk to the Board
III. Wake Forest – Raleigh Express Service Attachments: Memorandum & Cost Information page 6 Action Requested: Recommend Board approval of Wake Forest – Raleigh Express Service beginning July 2008.	Commuter Resources
IV. Adjournment	Jeff Merritt

Triangle Transit Authority Board Meeting Calendar

Group	Monthly Meeting	Next Meeting
Board of Trustees	4 th Wednesday, 1:00 p.m.	March 26, 2008
Board Work Session	as scheduled	April 16, 2008, time TBD
Personnel Committee	as scheduled	May 1, 2008, 11:30 a.m.
Planning & Legislative Committee	1 st Tuesday, 11:00 a.m.	April 1, 2008
Operations & Finance Committee	1 st Thursday, 1:30 p.m.	April 3, 2008

**Triangle Transit Authority Board of Trustees
Operations & Finance Committee Meeting Minutes**

February 7, 2008

Board Room, 68 T.W. Alexander Drive
Research Triangle Park, NC

Committee Members Present:

Jean Davis
Robert Hinshaw

Jeff Merritt, Committee Chair
Bill Strom

Other Board Members Present:

Sig Hutchinson

Committee Members Absent:

William Smith (excused)

Kenneth Spaulding

Staff Present:

Amy Armbruster
Laurie Barrett
Michelle Dawson
Saundra Freeman
Sylvester Goodwin
Damien Graham

Wib Gulley
Terrell Heath
David King
Greg Northcutt
Brad Schulz
John Tallmadge

Committee Chair Jeff Merritt called the meeting to order at 1:32 p.m.

I. Adoption of Agenda

Action: The agenda was adopted by consensus.

II. Approval of Minutes

Action: On motion by Strom and second by Hinshaw the minutes of the January 3, 2008, regular session meeting were approved. The motion was carried unanimously.

III. Contract for Talking Bus Technology

John Tallmadge stated that this project is part of a regional advanced technology grant from NCDOT including DATA and the Cary Transit. He said the hardware is to be purchased off State contract from Digital Recorders, but the State contract does not include installation and software, which is covered under this contract. He added that the grant covers 90% of the costs. Tallmadge advised that the automated voice technology was included as part of the bus procurement from Gillig for the 23 buses that have been ordered and this contract covers the 25 existing vehicles that will remain in the TTA fleet.

Hutchinson asked if this procurement will move TTA any closer to other technologies like on-time information. Tallmadge responded that this technology GPS based, but does not communicate with a server. He said this technology assists the visually impaired, but also riders unfamiliar with the route or new to the system. Tallmadge said an added benefit is the opportunity to add promotional messages.

Action: On motion by Hinshaw and second by Strom the Committee voted to recommend that the Board authorize the General Manager to execute a contract with Digital Recorders. The motion was carried unanimously.

V. **Financial Overview**

Saundra Freeman discussed the information on rental and registration taxes included in the agenda package.

Merritt asked about the significant increase in cost per service hour from 2003 to 2007. Freeman responded that in 2002 TTA's insurance rates more than doubled after being dropped by its insurance carrier after an accident. She also noted the impact of fuel price increases and cost of parts. She said maintenance costs should decrease after the new buses are put in service. Merritt suggested added a footnote explaining this increase. King added that notes should be included for the three years TTA experienced large jumps in costs: 1999, 2003-2004 and 2005-2006.

Strom noted that although the relative values of the taxes today have declined since introduction, gross receipts are higher as the population has increased. He said TTA should have a good response to that. King said the growth rate of the registration receipts is less than half the growth rate of inflationary cost increases TTA has experienced.

IV. **Bus Expansion Partnerships**

John Tallmadge explained that this item also was reviewed with the Planning & Legislative Committee. He presented a memorandum, which is attached and hereby made a part of these minutes. Tallmadge then noted several points brought up by the P&L Committee during its discussion:

1. Does the proposed policy "box in" the Board to expansion only when a partner participates financially?
2. For areas outside the three-county jurisdiction, one point of view is that since they have not contributed financially, they should cover 100% of the cost of service. Another viewpoint expressed was that such a position effectively says TTA is not interested in expanding outside the region. There was agreement that if no portion of the service was within the three-county area then the outside community should pay 100%.

Tallmadge said that the P&L Committee asked staff to draft a resolution to amend current service standards and talking points about the policy.

Strom commented that for services outside the three counties, there should be additional evaluation criteria beyond current service standards and consideration or preference for increased service on existing routes before investing in service outside the region. He also stated that for a period of time the request for new service should be funded by the requester at 100% when outside the service area.

Tallmadge explained that the Short Range Transit Plan (SRTP) would include service opportunities and tradeoffs of the various options.

Hinshaw noted that there are communities in the three-county jurisdiction that have been paying vehicle registration fee since 1992 but have no service and are very sensitive to that fact.

VI. Bus Transfer Center Lease Update

Wib Gulley explained that due to LC Industries' non-profit status, they are not willing to lease to Dilweg but will lease only directly to TTA. He said that the plan now is to aim for a July or August timeframe for the re-location, which coincides with annual service changes and the start of the fiscal year. Gulley added that an extension to the current lease for the Bus Transfer Center (BTC) at 6 Park Drive is being sought for this new timeframe. He added that TTA will realize some savings by leasing the new property directly. Gulley also advised the Committee that the site plan for the BTC should be approved this week.

VII. Property Management Update

Wib Gulley stated that he had asked Terrell Heather to prepare an annual property management update for the Committee. Heather presented a memorandum, which is attached and hereby made a part of these minutes.

Merritt asked how liability concerns on vacant properties are addressed. Heather responded that for properties in disrepair, windows are boarded up or taped and twice per year vacant lots are cut and debris and trash are collected. She said some properties have monthly landscaping maintenance and trash pick up. Heather also noted that no trespassing signs are posted on the properties and local police departments have been given authorization to go on the properties for law enforcement activities.

Strom asked where rental receipts are held. Freeman responded within the Major Transit Investment (MTI), tracked by property. Strom suggested transferring the money into a separate fund since the State and FTA have a stake in those funds.

Strom then asked if there is a policy on whom TTA leases to and if preferential treatment should be given to non-profits. Heather said that often the cost of up-fitting or repairing a property and the short term of the lease discourages potential tenants. Strom asked staff to determine if TTA has the authority to make a policy that gives preference to non-profits.

General Manager King requested that the Committee allow staff to include on the February Board agenda two items that typically would come to Committee first. The first item is a re-decals contract for the existing fleet when the new logo is rolled out. He said the contract is estimated at between \$120,000 and \$130,000 and already budgeted.

Action: On motion by Strom and second by Hinshaw the Committee authorized the General Manager to request Board approval for a re-decals contract once bids are received. The motion was carried unanimously.

King then said the second item is approval of the purchase of five cutaways off State contract. He said State and federal funds are expected as reimbursement, with TTA's share being around \$50,000. Sandra Freeman noted that these funds were included in the \$650,000 budget transfer from the MTI fund approved by the Board in December.

Action: On motion by Strom and second by Hinshaw the Committee authorized the General Manager to make the acquisition and request Board ratification at the February Board of Trustees meeting. Strom asked that the Manager advise the full Board of this action in advance. The motion was carried unanimously.

VIII. Adjournment

Action: On motion by Strom the meeting was adjourned at 2:55 p.m.

Jeff Merritt, Chair

Attest:

Michelle C. Dawson, CMC

DRAFT

MEMORANDUM

TO: TTA Operations & Finance Committee
FROM: Commuter Resources
DATE: February 26, 2008
SUBJECT: Commitment of Funds to a Wake Forest – Raleigh Express Route

Action Requested

Staff requests that the Committee recommend that the Board commit \$125,000 in Triangle Transit funds toward a Wake Forest – Raleigh Express route beginning operation in July 2008.

Background and Purpose

Staff has been meeting with representatives of Wake Forest, Raleigh, and Wake County in response to a request from Wake Forest for regional transit service. In recent weeks, we have developed a draft operating concept and cost-sharing arrangement (see attachment).

Staff is requesting a commitment of funds for this service now because it will enable us to move forward with public involvement activities in April to firm up the routing and scheduling of the proposed services. A delay of the public involvement activities will result in a delay in the commencement of services. The City of Raleigh and Town of Wake Forest also will be seeking commitments of local funds during March.

Reason for Moving this Service Forward Now

There are a number of reasons for recommending that the Board commit to funds to operate this service now, before the Short-Range Transit Plan, or our budget for the upcoming year, is completed.

First, staff believes that there is ample evidence of sufficient demand, and that it would be the highest priority service expansion recommendation in the Short-Range Transit Plan. In prior analysis conducted for the Mayors' Regional Bus Expansion plan, this corridor was in the top three for estimated commuting travel demand, behind the corridor connecting Southpoint Mall area in south Durham to Duke University (largely a local service) and the Hillsborough Street corridor in Raleigh (a service coordination opportunity). According to 2000 Census Journey-to-Work data, there are 3,500 people commuting between the Wake Forest area and Raleigh in the US 1 corridor. This was more than the combined total for the areas served by the Chapel Hill – Raleigh and Durham – Raleigh express routes. Also, the 2007 population density for the Town of Wake Forest is 1,614 persons per square mile, which meets our New Service Introduction standard.

Second, we have willing and enthusiastic partners in Wake Forest, Raleigh, and Wake County. Wake Forest's mayor has specifically requested this service, and we have had direct involvement from the Town Manager, Assistant Town Manager, Director of Planning and Director of Town Engineering. They are willing to provide in-kind contributions in the form of secure vehicle storage space and maintenance assistance. They also will be considering financial responsibility for local circulator service that would connect to the regional express route.

Third, Wake Forest has enacted some important planning policies and ordinances that support walkable neighborhood development in their town center. The *Renaissance Plan for the Heart of Wake Forest*, and its corresponding *Urban Code Handbook*, was adopted in 2004 to guide development and investment toward a walkable town center. The Town is in the middle of developing a Community Plan, which will be broader in scope.

Financial Impact

The estimated cost for providing this service (including leasing park-and-ride spaces and up-fitting two buses with radios and fareboxes) is \$375,000 for FY2009. The proposed revenue sources to offset these costs are \$100,000 from a JARC grant, \$100,000 from the City of Raleigh, and \$50,000 in fare revenue. This leaves a balance of \$125,000 to be covered by our agency.

The JARC funds would last for one year. It is anticipated that our agency would continue to pay for the service assuming that it meets productivity standards.

Attachments

- Proposed service concept and funding for commuter route and local circulator route, page 8

Staff Contact

John Tallmadge, 485-7430, jtallmadge@rideTTA.org

Erik Landfried, 485-7508, elandfried@rideTTA.org

Revised Estimated Annual Costs of Wake-Forest Raleigh Commuter Express Service and Local Wake Forest Circulator Service

Hourly Commuter service during weekday peak periods = ~\$300,000
 Annual lease of park-and-ride spaces at two locations = ~\$50,000
 1st Year capital costs to upfit buses with fareboxes and radios = ~\$25,000

1st full-year costs = ~\$375,000

JARC grant =	\$100,000	26.7%
Raleigh contribution =	\$100,000	26.7%
Fare revenue =	\$ 50,000	13.3%
TTA general fund =	\$125,000	33.3%
Total revenues =	\$375,000	100.0%

1 bus for local circulator route (connection to Triangle Town Center during mid-day) 5:30am until 8:00pm weekdays w/10 holidays (3640 hours) = ~\$170,000

New Freedom grant =	\$ 75,000	44.1%
Wake Forest contribution =	\$ 75,000	44.1%
Fare revenue =	\$ 20,000	11.8%
Total revenues =	\$170,000	100.0%

Operating cost per revenue hour = \$46.00

At this operating cost:

- Adding Saturday service from 8am-6pm would cost an additional \$24,000
- Adding a second vehicle during peak weekday times (7 hrs. per day) would add \$80,000 to the cost