

TRANSPORTATION ADVISORY BOARD
Metropolitan Council
390 N. Robert St., St. Paul, Minnesota 55101-1805

Minutes of a Meeting of the
FUNDING AND PROGRAMMING COMMITTEE
February 19, 2015

MEMBERS PRESENT: Tim Mayasich (chair), Colleen Brown, Mark Filipi, Jenifer Hager, Brian Isaacson, Craig Jenson, Jane Kansier, Mary Karlsson, Elaine Koutsoukos, Bruce Loney, Eriks Ludins, Paul Oehme, Ryan Peterson, Lyndon Robjant, John Sass, Cory Slagle, Amanda Smith, Carla Stueve, Michael Thompson, Cynthia Wheeler, Andrew Witter, and Joe Barbeau (staff)

1. Call to Order

The meeting was called to order at 1:30 p.m.

2. Adoption of Agenda

MOTION: Brian Isaacson moved to adopt the agenda. Seconded by Mark Filipi. The motion was approved unanimously.

3. Approval of the Minutes

MOTION: Filipi moved to approve the minutes from the January meeting. Seconded by Paul Oehme. The motion was approved unanimously.

4. TAB Report

At the February 18, 2015 TAB meeting, Elaine Koutsoukos provided an update of the Regional Solicitation process. The Scoring Committees completed scoring on February 6. The scores were sent to the members of Funding & Programming Committee and TAC and the applicants on February 13. Elaine will send the preliminary scores to the TAB members. The scoring appeals deadline is February 27. Met Council staff will begin preparing funding options across modal categories by application types, functional classification, scored point distribution, and geographic balance. Katie Rodriguez was appointed by Adam Duininck as acting Council representative to the TAB. She reported that Council-appointed TAB member interviews will be held on Wednesday, February 25, with Council approval March 11 or 25. A new TAB chair will be appointed before the March TAB meeting.

The TAB approved program extensions for CSAH 10/TH10, sponsored by Ramsey County, and North Creek Regional Greenway Trail, sponsored by the City of Lakeville.

5. Federal Funding Reallocation Process – Action Item

Joe Barbeau said that a work group was formed to assess current policy on federal funding reallocation of funds from withdrawn and deferred projects, establish proposed principles for funding reallocations, and develop recommendations to manage funding reallocations. Current policy, established in 2002, did not recognize differences between highway and transit programming and may not be workable under MAP-21 in some cases.

The work group had five recommendations:

- Confirm principles. Principles include: keep funds in the region; fund or advance projects selected through the regional process first; projects, not agencies, are funded; maintain transparency, inclusiveness, fairness and geographic balance; use a performance-based evaluation; reward project readiness; and keep funding within the same mode when possible.
- Establish priorities to reassign federal funds in current year; more options in future years. For current year, this means, in order: 1) funding regionally selected projects slated for advanced construction (AC) payback initiated locally for projects in the same mode; 2) AC payback for previously deferred projects in the same mode; 3) advancing regionally selected projects in the same mode; pro-rating remaining federal funds to regional projects in the same mode in the current program year up to the maximum proportion

federally allowed; and 4) repeating these items for projects in another mode. For future years, the first priority is to include funds in a future TAB solicitation, if possible. Otherwise TAB has more flexibility.

- Authorize staff to reallocate funds on TAB's behalf in the current year.
- Encourage additional advancement of projects.
- Consider selection of additional projects in regional solicitation to ensure an adequate pool of projects that can be delivered

MOTION: Filipi moved to recommend the policy as written. Seconded by Isaacson.

Isaacson asked whether Highway Safety Improvement Program (HSIP) projects are subject to this policy and, if so, how reference to the 80% federal maximum impacts such projects, which are allowed 90% federal funding.

It was agreed to change "up to the maximum 80%" to "up to the federal maximum allowed."

Robgent suggested capping the maximum at the maximum allowed for funding through the solicitation. Isaacson replied that most projects are already at that maximum and would not be able to have an increase. Thompson said that this is probably not a key issue and that a nominal maximum is not needed.

The motion, with the above language change, was approved unanimously.

6. Scope Change Consultation Process Update

Barbeau said that work group also finalized the proposed scope change policy that had been tabled by TAB about two years ago. The policy defines scope changes, clarifies that adding a locally funded project to a federally funded project does not require a scope change, distinguishes between a scope change and a new project, and establishes a scope consultation and scope change request process.

Ryan Peterson suggested elimination of words like "significant" and "slight," along with examples of project changes that do not require a formal scope change. Mayasich said the examples may be helpful to local project managers.

Thompson suggested that the language could clarify that aspects of the policy are "not limited to" the examples.

Mary Karlsson suggested that the sub-header "Scope changes requiring approval" be changed to add who approves such changes (TAB).

MOTION: Isaacson moved to recommend approval of the policy. Seconded by Karlsson. The motion was approved unanimously.

7. Scope Change Request – City of Minneapolis East-West Pedestrian Improvements – Action Item

Jenifer Hager said that the project, funded in 2011, is a series of pedestrian improvements to Downtown Minneapolis streets. Since the project was awarded, some initiatives implemented in the City have incorporated some of these improvements. Therefore, the city is proposing to replace those improvements with improvements in other locations.

Barbeau said that staff reviewed the scope change request. He shared the request with the original solicitation scorers, none of whom indicated that the project as now proposed would have received a lower score than as originally proposed. Therefore, staff recommends approval of the scope change.

Robgent asked why all work is eliminated from 8th Street. Hager replied that 8th Street is due to be reconstructed and the changes will take place during that project.

MOTION: Robgent moved to recommend approval of the scope change. Seconded by Isaacson. The motion was approved unanimously.

8. TIP Amendment – Anoka County Roundabout – Action Item

Barbeau said that this TIP amendment is needed to adjust total project cost. Local work is being added to an HSIP-funded project.

MOTION: Robjent moved to recommend approval of the TIP amendment. Seconded by Thompson. The motion was approved unanimously.

9. TIP Amendment – Minneapolis Bike Lane Pavement Installation – Action Item

Barbeau said that a TIP amendment is needed to add an HSIP project to replace a previously dropped HSIP project. Isaacson added that this is an example of how MnDOT Metro State Aid addresses the HSIP program when a project is dropped.

Robjent asked what the schedule is for this project. Colleen Brown said that the project will be let in fiscal year 2015.

MOTION: Isaacson moved to recommend approval of the TIP amendment. Seconded by Filipi. The motion was approved unanimously.

10. Regional Solicitation Inflation Level and Authorization Level – Action Item

Carl Ohrn, MTS, provided authorization and obligation levels for the regional solicitation. STP and CMAQ are not shown in the 2017 model target because inflation rates have already been agreed to by TAB.

Obligation is shown at 90% of authorization. Obligations never turn out to be 100% of authorization.

Traditionally, the Committee agrees to add inflation to projects. The federal target is 2 percent today. Therefore, in theory, 2017 would have a 6% adjustment, 2018 would have a 8% adjustment, and 2019 would have a 10% adjustment. However, because previous 2017 solicitations already are using a 4% adjustment, staff is recommending that this hold true for the current solicitation and that fiscal years 2018 and 2019 have 6% and 8% adjustments, respectively.

Traditionally, transit and demand management projects have not received inflation adjustments. However, given some of the equipment and construction elements, they can receive adjustments if budget elements are broken out. Kansier said that transit operation costs are much more than salaries and include such elements as fuel and overhead.

Ohrn said that past practice has been to add inflation only for construction projects. The capital costs of buses used in applications are inflated to year of purchase by the applicant. This is done based on either long term purchase agreements for buses or by the bus manufacturer that adds an inflation factor for each year into the future.

Transit operations are made up of salaries for the most part and the increases were not assumed as significant so they were not inflated. In addition, salary increases, in many cases, are set in contracts. So inflating project estimates for transit operations was not felt necessary.

Craig Jenson asked what the range is for TDM and TMO funding for 2018 and 2019. Ohrn replied that it is \$5.5 million plus \$1.5 million into a competitive process for TDM.

MOTION: Filipi moved to approve the funding levels and inflation adjustments of 4% for 2017, 6% for 2018, and 8% for 2019. Seconded by Oehme. The motion was approved unanimously.

11. Regional Solicitation Release of Scores – Information Item

Steve Peterson, MTS, said that the scoring committees have completed their work and scores have been tabulated. Scores have been shared with applicants, who now have the opportunity to appeal their scores. Peterson invited scoring committee chairs to share their thoughts on the process.

Joe Lux, chair of the Roadway Expansion committee said that point distribution needs to be done in a way that keeps functional class in mind, as evidenced by the low scores for “A” minor connectors. He said that he re-totaled the project scores with the equity criterion removed and found minimal change in ranking order for expansion but several changes for modernization/reconstruction. He added that application-to-application consistency was achieved through communication between scorers.

Robjant, chair of the System Management committee said that scores showed very little differentiation for many measures so it may be worth examining these measures to see whether they can be changed or even eliminated. He noted that one project had the maximum score in seven measures but still finished second-to-last overall. The Synchro model produced inconsistent results that were rectified in part by the scorer going to great lengths to improve it. Outlier scores cause scorers to need to take measures to temper what would have been very wide scoring gaps on some measures. Scorers were able to adjust the multimodal criterion to minimize punishment of areas without transit service.

Kim Lindquist, chair of the Reconstruction and Modernization committee said that equity measure 3A was very skewed toward inner cities. One housing score caused a problem in terms of how to assign a score to a project that was partly located outside of an area with a housing score. The committee came to a reasonable solution but it is best to solve those issues in advance. The multimodal criterion was difficult to score as it was hard to determine how to address how not to punish non-transit areas.

Jan Lucke, chair of the Transit committee, said that there was some uncertainty about accuracy of ridership projections and that perhaps methodologies should be required. Transit expansion includes two types of projects: those that enhance routes and those that extend routes to new geographies. The former incurs no new operating costs and tends to have a lot of existing riders, giving an advantage in cost effectiveness per rider and operating cost effectiveness per new rider. There were two fairly similar projects that applied in differing categories—transit expansion and modernization. It seems that the later is at an advantage because it modernization did not have other applications. Park-and-ride lots suffered versus routes because their locations do not tend to have a lot of nearby population.

Michelle Beaulieu, chair of the Pedestrian and Safe Routes to Schools committee said that many scores had to be re-scored after the meeting, due in part to confusing scoring guidelines. It was difficult to balance “absolute” versus “relative” when scoring projects against the top performer.

Craig Jenson, chair of the Multiuse Trails and Bicycle Facilities said that the regional bicycle trail network is important and the applicants will probably realize that now. Robjant added that the safety scores for this category were all very high.

The bridge chair was not in attendance. Barbeau said that all projects are located in Minneapolis and St. Paul, which helped to minimize differentiation. He added that for the infrastructure criterion, which is worth 400 points, all projects scored very well.

Robjant said that by allowing an increased maximum for trail projects, very few will be funded.

Peterson said that appeals will be heard at the March 19 meeting.

12. Other Business

None.

13. Adjournment

MOTION: Brown moved to adjourn the meeting. Seconded by Thompson. The motion was approved unanimously and the meeting adjourned.