REPORT TO SHASTA COUNTY RTPA

SUBJECT		MEETING DATE	ITEM NUMBER
Minutes of the April 26, 2005 RTPA Meeting Minutes of the April 26, 2005 Workshop		7/26/05	3-1

RECOMMENDATION
It is recommended that the Agency approve the minutes of the April 26, 2005 RTPA meeting.

Daniel J. Kovacich

Daniel J. Kovacich, Executive Officer

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Attachment: Minutes of April 26, 2005 RTPA Meeting
Minutes of April 26, 2005 Workshop

APPROVED MINUTES

SHASTA COUNTY REGIONAL TRANSPORTATION PLANNING AGENCY (MPO)
Tuesday, April 26, 2005, 4:00 p.m.
Shasta Senior Nutrition Programs,
2225 College View Drive, Redding, California.

(Note: These minutes are not intended to serve as a transcript or verbatim record of the proceedings of the Shasta County Regional Transportation Planning Agency, but rather as a record of meeting time, place and attendance; the order and general nature of discussion; Agency deliberations; and action taken, if any.)

Agency Members Clarke, Hawes, Goekler, Stegall, Comnick and Murray were present. Agency Member Hartman was absent.

1. **Call to Order**:
Chair Hawes called the meeting to order at 4:05 p.m.

2. **Public Comment Period**:
There was no one who wished to speak during the Public Comment Period.

Consent Calendar

3-1 Minutes of February 22, 2005, RTPA Meeting

3-2 Future RTPA Meeting Schedule Through April 2006 - Information Only

3-3 Consider 2003/2004 Transportation Development Act (TDA) True-Up Instructions and Amended Claims

3-4 Consider Adopting a Resolution Making Required Findings and Certifications and Adopting a Priority List for the Annual Federal Transit Administration (FTA) Section 5310 Program for Transit Capital Projects

3-5 Accept TDA Fiscal and Compliance Audits for Year Ended June 30, 2004

3-6 Memorandum of Understanding Between Caltrans and Shasta County Regional Transportation Planning Agency

By motion made, seconded and carried, the items on the Consent Calendar were approved with Stegall and Murray abstaining on Item 3-1 because they were not at the February 22, 2005 RTPA meeting.

Regular Calendar

4. Unmet Transit Needs - Consider Approval of 2005/06 Transportation Development Act (TDA) Allocation Instructions and Claims Budget and Unmet Needs Findings

Executive Officer Dan Kovacich explained that this was an annual process and Larry Scarborough, Chairman of the Social Services Technical Advisory Committee (SSTAC) would speak first.

Larry Scarborough went over a list of what SSTAC has considered unmet needs:

1. RABA service hours expanded in the evening, prefer four hours, but at least by two hours.
2. Routes expanded in the service areas, even if only one day per week, to outlying areas such as Mountain Gate, Palo Cedro, Bella Vista, Cottonwood and Happy Valley.
3. Fixed route service on Sunday.
4. Increase frequency to half-hour intervals, at least on busy routes
5. Smaller busses on routes that do not justify the larger busses.
6. Request that the RTPA write the appropriate State Legislatures and officials, requesting a review of the way farebox ratios are currently done. Specifically that fixed route farebox ratios be kept separately from Demand Response farebox ratios.

Larry explained the fixed route farebox ratios do fairly well until they get combined with Demand Response, and then they get pulled down.

Executive Officer Dan Kovacich explained the responses to other comments previously received were in the packets. He stated that staff has concluded there are no unmet transit needs that are reasonable to meet within the service area.

Dan noted that RABA has requested the farebox ratio requirement be reduced by either reducing the farebox requirement itself, or modifying a service area in which RABA operates. RABA also requested the deferral of TDA claims approval. Dan explained that if the Agency chooses to adjust the farebox ratio or modify a service area, there is a process that includes public hearings, etc. Following that process, staff would come back with revised claims that would reflect any action that may be taken at that time. Dan continued to explain that if the Agency chooses not to approve the claims, a 45-day review period is required. Staff would like to disburse streets and roads monies to the three agencies that have streets and roads funding available starting July 2005.

Randy Bachman, RABA Executive Officer addressed the Board. He noted that RABA was aware that it is not meeting its farebox ratio requirement of 19% and believes it will only be around 13% this year. The RABA Board had reviewed the system in an attempt to improve the farebox ratio and came up with some alternatives. Randy continued to state that to reach 19% some substantial service reductions and substantial fare increases are needed. He noted that the RABA Board wanted the RTPA Board to consider whether to keep the farebox at 19% or not. Randy continued to note that since the claims process is concluding and RABA is not making farebox, they will receive subsidies from the City of Redding and City of Shasta Lake this year, but they do not want the system to be continually subsidized. If the RTPA Board approves the claims today, the RABA Board will consider potential modifications and come back to put those in place to re-allocate the funds.

Board member Dean Goekler asked Dan Kovacich if the farebox ratio was adjusted or remained steady in 2002 when the RTPA lowered the farebox ratio to 16%, using the 80/20 method for the TDA funds?

Dan Kovacich answered that 80/20 is the cost allocation formula whereby the cost of RABA is allocated to the four jurisdictions. Eighty percent of the cost is allocated based on service hours provided in the jurisdiction, and 20% of the costs are allocated based on the population served by RABA. The funding formula has been in place since about 1994 and was not changed when the farebox was reduced in 2002.

Board member Dean Goekler asked why the farebox ratio is closer to the highest percent (19 percent), since it can be adjusted between 15-20 percent.

Dan Kovacich answered that the general theme of the legislation is that the farebox should be 20%. The 19% figure is a weighted average farebox based upon the service hours that were being provided in what was then considered a rural area of Anderson and is now considered urban, and the remainder of the service hours in an urbanized area. So it is a blended farebox standard based on the 20% urban standard and 10% rural standard. Dan concluded that it is at the discretion of the RTPA Board to go as low as 15%.

Board member Dean Goekler asked why the RTPA staff is recommending to keep the current service level for RABA along with the current farebox ratio since RABA is in their grace period this year and next year there will be major changes with funding.

Dan Kovacich answered that the staff recommendation is based on the historic level of service provided and up until recently it was understood that RABA had a corrective action plan to meet the farebox requirement. Dan continued to note what RABA would have to do in order for staff to make a recommendation:

1. Implement items mentioned in the RABA staff report to bring the farebox up to about 17%, a 3-4 percent improvement.
2. Since rates for fixed routes in the City of Redding and the City of Shasta Lake have not been increased since 1997 or 1998, it would seem reasonable to raise rates, instead of increasing subsidy

Board member Mary Stegall noted that if the farebox stays at 19% the rate of increase that riders will be asked to pay would be a 50% rate increase, and 100% for Demand Response. People would pay $1.50 per ride, more for transfers and $3.00 per ride for Demand Response. Mary continued to note that the RABA board is probably open to some degree of compromise on a rate increase, but this would be too much all at one time for the ridership. Mary stated that she hoped the RTPA board would consider some sort of a compromise on the farebox ratio.

Board member Trish Clarke noted that when the farebox ratio drops, the subsidy from the taxpayers increase. She also noted that the staff report recommending approval had previously been reviewed by the other agencies, and they agreed with staff. She explained that there are some things the RABA board needs to do to make their service more cost effective. Lowering the farebox ratio does not create any new money to run the system.

Board member Ken Murray noted that the unmet needs hearing should be in September, and would like the RTPA board to change the cycle so there is time to respond after the unmet needs hearing. He stated there should be an adjustment of the RTPA meeting dates so there is more time between meetings for the RABA board to have the opportunity to respond to the direction of the RTPA board.

Executive Officer Dan Kovacich stated that it was the first time in a number of years that the City of Redding would not be getting any streets and roads monies, because Redding pays approximately 85% of RABA's operating costs. As RABA's costs have gone up, the share of costs allocated to the City of Redding has gone up. Dan explained that FTA 5307 had been the primary source of funding for RABA capital for a number of years. FTA 5307 is used for both capital and operating. RABA no longer has 5307 money in the bank and is using its current allotment. Dan continued to explain that there will be a need for additional coaches as the fleet ages, the only place to get money for that is from TDA resources. Currently there is barely enough money for Redding's obligation to cover operating costs let alone some additional capital costs. The system as it is cannot be funded with the limited resources that are available. Dan suggested that a transit consultant be hired to redesign the entire system in light of the current funding constraints and issues. The current system was designed in 1994 based on revenues and costs at that time; it has not been changed in ten or eleven years. Dan suggested it might be appropriate to take a look at a long-term solution.

Board member Ken Murray agreed with Dan Kovacich's suggestion and recommended it be placed on the next RTPA meeting agenda.

Board member Dean Goekler asked for an explanation of why the agenda recommended that unmet needs are currently being met, and at the same time recommended an overhaul for the system because it is in trouble and funding is drying up.

Executive Officer Dan Kovacich noted that although RABA is sustaining some troubles, it was always presented that they had a plan to meet farebox. He stated that staff only became aware in the last week or so that RABA is looking at a 13% farebox.

Board member Dean Goekler asked if RABA met farebox last year.

Executive Officer Dan Kovacich answered that they did not meet farebox in 02/03 initially, but had some additional revenue that made it possible to make farebox. The first year officially that RABA did not make farebox was 03/04. They also did not meet farebox this year.

Board member Dean Goekler asked if the RTPA staff was aware that RABA has been using reserve money to catch up.

Executive Officer Dan Kovacich answered that staff was aware and in fact had disbursed around $345,000 from the $500,000 in reserve for the purchase of the El Rancho Motel property.

Board member Trish Clarke recommended approval of staffs recommendation with an additional recommendation that RABA come back to the July meeting with a plan of action.

Board member Norma Comnick seconded the motion.

Board member Mary Stegall asked at what point it would be appropriate to bring in a consultant and how would it help in this situation; or would it be better to hire a consultant later.

Executive Officer Dan Kovacich answered that staff would only suggest a consultant if the RABA board enthusiastically supported it. He recommended that any approach to this problem be done jointly with RABA and the RTPA. Funding would come from the Overall Work Program so it would be of no cost to RABA.

Board member Mary Stegall asked how it would help to pass staffs recommendation today and not look at a plan of action until after July 1st. How will RABA's plan affect the next year, if Board approves staff recommendation today?

Executive Officer Dan Kovacich answered that any changes RABA comes up with, such as cutting routes, etc., a public hearing process must be conducted by the claimant agency. If a route were being cut that serviced the City of Shasta Lake, public hearings would have to be held in the City of Shasta Lake, City of Redding and Shasta County. If the route were determined not to meet the reasonable to meet standard, they would be eligible to be terminated. The Agencies then would resubmit revised claims to the RTPA reflecting their lower transit obligations to RABA, with those funds being claimed for some other purpose. After this process it then could be presented to the Agency and claims revised, the claims could also be revised retroactively.

Board member Mary Stegall stated that she was voting no on the motion, hoping that the RTPA Board would be willing to work on a compromise position with the RABA Board on this issue.

Board chairman Glenn Hawes asked if RABA decided to raise rates if they would they have to go through a public hearing process.

Executive Officer Dan Kovacich answered that they would have to go through a public hearing process.

Board member Trish Clarke noted that the RTPA Board should work with RABA, but would like to see what RABA intends to do. First, see what RABA's plan is, then reach a compromise if their plan is going in the direction that will help bring a solution to the problem, rather than the RTPA taking the lead. Lowering the farebox ratio takes the pressure off of RABA to do anything.

The staff recommendation passed 4-2 with Hawes, Clarke, Comnick and Murray voting aye, Goekler and Stegall voting no.

5. **<u>Conduct Public Hearing and Consider Adoption of the 2005/06 Overall Work Program (OWP)</u>**

Executive Officer Dan Kovacich explained the 2005/06 OWP is essentially next years budget. It is funded with Federal Planning funds and TDA revenue is used to match it. The special projects in the budget are to fund the phase II of the Traffic Model Improvement Program, and Traffic Impact Fee Studies or Zone of Benefit Analysis or Plan Line Studies at the request of local agencies.

No one from the public addressed the Board.

By motion made and seconded (Clarke/Murray) the staff recommendation passed unanimously.

6. **<u>Amendment #3 to the 2004 Federal Transportation Improvement Program (FTIP)</u>**

Staff member Dan Little explained that this was the third amendment to the FTIP. This amendment was necessary because additional funds are available in two programs, the Hazard Elimination and Safety (HES) Program and the Highway Bridge Replacement and Rehabilitation (HBRR) Program. There is $624,000 for HES projects and $23.5 million for HBRR projects. Most of this money will go for programming for the Cypress Bridge Replacement Project.

No one from the public addressed the Board.

By motion made and seconded (Dean/Comnick) the staff recommendation passed unanimously.

There being no other business to discuss, Chairman Hawes dismissed the meeting for a recess at 4:48 p.m., to reconvene at 5:00 p.m. for a workshop.

Respectfully submitted,

Daniel J. Kovacich, Executive Officer

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APPROVED MINUTES

SHASTA COUNTY REGIONAL TRANSPORTATION PLANNING AGENCY (MPO)
WORKSHOP ON ENHANCING FUNDING FOR TRANSPORTATION
Tuesday, April 26, 2005, 5:00 p.m.
Shasta Senior Nutrition Programs,
2225 College View Drive, Redding, California.

(Note: These minutes are not intended to serve as a transcript or verbatim record of the proceedings of the Shasta County Regional Transportation Planning Agency, but rather as a record of meeting time, place and attendance; the order and general nature of discussion; Agency deliberations; and action taken, if any.)

Agency Members Clarke, Hawes, Goekler, Stegall, Comnick and Murray were present. Agency Member Hartman was absent.

1. **Call to Order**:
Chair Hawes called the meeting to order at 5:02 p.m.

2. **Workshop to Discuss Funding for Transportation**:
Executive Officer Dan Kovacich gave a presentation on the current and future condition of transportation needs versus transportation revenue in Shasta County. He stated that there will be approximately $4 billion in transportation needs over the next 20 years with only an anticipated $2 billion in revenue.

Dan explained that the gas tax has not kept up with inflation and cars are more fuel-efficient these days. For two years the State has kept money from Proposition 42 that was intended for transportation needs. It is expected that the State will continue to keep Proposition 42 money in the future. Dan continued to explain that even if the money is received, there is still a need for additional revenue. There is also no expectation to receive monies from the federal government, as it has not reauthorized the TEA-21 federal transportation bill, although they are expected to do an extension in the near future. If monies did come in, other revenue would be needed to match it to complete projects.

Dan stated that besides projects, maintenance needs also are in need of being met. More potholes can be expected in the region as pavement condition continues to worsen due to lack of revenue. The City of Redding has a $30 million pavement maintenance deficit and it is estimated that the deficit is growing by $2 to $3 million annually.
Dan gave examples of projects in need of being funded: An additional lane added to Interstate 5, an additional lane added from Dana Drive to downtown, widen Highway 44 from

Airport Road to Palo Cedro, Placer street widened to four lanes west of Redding, and the Buckhorn Pass.

Dan offered potential possibilities for Shasta County to raise revenues for transportation needs:

- Assessment district financing. The City of Redding will be considering this method to make some improvements near the South Bonnyview interchange. Dan noted that this is debt financing and improvements made today will be paid for later.

- Traffic impact fees. These are currently being charged by the City of Redding, City of Anderson and Shasta County. However, the revenue they bring in is not near enough to cover the costs of major road projects. These fees also are not used to fund major projects on the state highway system.

- Developer mitigation fees. These are currently being charged within urban areas. However, they do not fund current deficiencies of the system.

- Toll roads. If a private entity felt it was a wise investment, a toll would be paid to use a new facility.

- Sales tax measure. The revenues from this would be dedicated to transportation. There would need to be a 2/3 majority for the measure to be implemented. Voters would be presented with a specific list of projects and there would be local control over revenues generated. The tax would have a finite life, anywhere from 10 to 40 years. If a countywide $.005 sales tax were implemented, it would generate approximately $12 million per year that could be used on transportation improvements and/or programs within Shasta County.

Citizen John Biendara noted that there is a need to curtail our representatives from continuously approving projects when there is not adequate funding to maintain our existing streets.

Citizen Richard Paz asked Dan Kovacich if the sales tax Proposition is an across the board sales tax or just a fuel tax.

Dan Kovacich answered that it would be an across the board sales tax. Sales tax would go from seven and one-fourth to seven and three-fourths.

John Biendara stated there was a need to improve arterial movement adjacent to the freeway. There is nothing in the works as far as legislation to enforce congestion mitigation measures that have been constructed and are being misused. He noted that the toll concepts need to be aggressively investigated and the citizens cannot continuously be taxed.

Terry Anderson expressed her concern regarding developers paying their fare share towards traffic mitigations. She wondered if taxpayers' money is spent to improve the system and raise the level of service, could developers come in, in the future, and drop it back down to the level of service that we have now.

Marilyn Knight expressed concern about the condition of Highway 44 and if the tax would help make it a safe road.

Robert Harding expressed concern about how the tax money is going to be spent and if there is a priority plan established. He noted that money is being spent today that could probably be spent more efficiently. The need is for at least a ten-year program, showing how it will be funded, and recommended the City and County have a streets and highways committee to help develop a priority plan, consisting of lay people as well as engineers and contractors.

Eric Haley, Executive Director, Riverside County Transportation Commission, gave a presentation on Shasta County's transportation issues, Self-Help Counties, and a sales tax measure.

Riverside County has passed two sales tax measures since 1988. Local money is now funding 100% for some state highway improvements, and in the last four years they have not lost any of their projects.

Eric explained that there are 17 Self-Help Counties that have special transportation sales taxes. The reason projects are being done in these counties is because fees and local transportation sales tax are funding them. Eric stated that without local self-determination and local revenues, Shasta County will not have a long-term transportation program. The region will lose to self-help counties for the little bit of monies the state or federal government does have to give because they are able to match it.

Eric explained that Riverside County has approved one-half cent sales tax measures two times, 1988 and 2002. Before the first measure in 1988, 2% of their budget was local, 98% state and federal. In 2005, 73% is local, 27% state and federal. In 17 years they went from 2% to 73% that covers everything, from highways, transit, rails, senior citizens, ride sharing, public information, etc. Riverside County has expenditure plans, specific projects and timelines. They have specific commitments to specific projects in specific programs. Administrative costs are limited to 1% overhead; they have a bonding limit, publish annual reports and public hearings.

On the political side during the campaign to pass the sales tax measure, Eric was the only professional staff involved in the process. Their commission consisted of a twenty-nine-member board. Every jurisdiction had a place at the table and minority rights were guaranteed. They built a three-layer level of veto power within their government structure, which guaranteed nobody could roll over any special interest in the government setting.

On the private side there was two stages. First a non-profit entity was created to raise money for polling and public education. It was disbanded as soon as the decision was made to go to the ballot.

The second was a finance committee that doubled as a sounding board for the projects. This was an 18-member committee that raised $1.2 million dollars and mounted a successful campaign.

Eric concluded by stating that the leadership group in Shasta County must be 100% committed to the measure, to broaden the coalition by finding out what the marketplace is, and to do serious polling to see if there is a market for the program.

Kimberly Fancher from the Shingletown Highway 44 Safety Project was concerned with it taking 14 months to come up with a plan. She noted that it is very hard for this county to tax themselves, and the community would need to be educated. There would be a need to prioritize, have more meetings and work closely with community members. The Shingletown Highway Safety Committee will support and do anything to get the word out and try to get more of the community to buy in.

Dan Kovacich noted that there were questionnaires on the back table for public input. They would be tabulated, and based upon the input received; a recommendation for the next steps will be presented at the July RTPA meeting.

Board member Ken Murray asked why toll roads are being ruled out. He suggested adding two more lanes to I-5 from Cottonwood to the North of Shasta Lake and let them pay for themselves.

Under State law it takes special legislation to get toll roads approved. The self-help counties are sponsoring Assembly Bill 1699, which would open the process and give authorities like the RTPA ability to have High Occupancy Vehicle lanes and under some circumstances have toll roads as well.

Board member Dean Goekler asked where the funding came from for the measure.

Eric Haley answered that $1.2 million came from heavy construction companies, the financial industry, sand and gravel companies, heavy equipment operators and the building industry. No financial support came from the trucking or rail industry. Board member Dean Goekler asked if when Riverside County was in process of funding their own projects, did they realize they were taking pressure off the State. He wondered if that was an advantage or disadvantage.

Eric Haley answered that it was both. He noted that in 1990 with Proposition 111 there was a significant increase of state revenues and for a few years they combined local monies with state monies. He noted that the legislature has an awful track record in raising revenue systematically over time, so there might be a model developing that says voters trust their local officials and their local commitments and local expenditure plans and are willing to tax themselves under those limited circumstances.

Board member Dean Goekler stated that since 1982 the state legislature has systematically taken transportation money away from transportation and funneled it through the General Plan to fund social programs. He continued to note that the state legislature is taking our money and there needs to be discussion about how to create an atmosphere that would force our leaders to do the right thing. Dean stated that there should be a partnership of other RTPA's in the state that are going through the same condition as Shasta County to collectively unite and educate the public. People need to be told what is going on and get their reaction because there is strength in numbers.

Board member Glenn Hawes noted that the Board of Supervisors has been telling people that for years and it does not work.

There being no other business to discuss, Chairman Hawes dismissed adjourned the meeting at 6:40 p.m.

Respectfully submitted,

Daniel J. Kovacich, Executive Officer

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