

Centre Area Transportation Authority Work Session

MINUTES

March 11, 2004

4:00 PM

CATA Conference Room – 2081 W. Whitehall Road, State College, PA

BOARD MEMBERS PRESENT: John Spychalski, Chairman
 Don Sherman, Vice-Chairman
 Richard Kipp, Treasurer
 Gary Powers
 Joe Davidson

STAFF PRESENT: Hugh Mose, General Manager
 Judi Minor, Director of Administration
 Joe Gilbert, Director of Transportation

Chairman Spychalski called the meeting to order at 4:00 PM to discuss the preliminary DRAFT 2004/05 Budget.

Hugh Mose began the meeting with items of interest that he previously had provided in a memo. Mr. Mose noted that for the first time in a number of years, the FY 2004/05 DRAFT Budget is essentially a status quo budget; therefore, staff proposes to maintain service levels, fares and existing programs and allow for a slight increase in staff levels. In addition, an increase in either federal or state funding is anticipated and staff members plan to identify some initiatives should the funding become available.

The following revenue issues were discussed by staff and Board members:

- Local Shares – Staff has proposed a 5% increase, consistent with the previous three years. This was in response to the local municipalities' refusal to increase their local shares by 25% in FY 2002/03 when fares were increased.

There are concerns with Bellefonte Borough's unwillingness to commit to their local share set by the Miller Formula. Joe Davidson asked what would happen if they don't contribute their share. Hugh indicated that if the Borough is not committed to paying their local share to support the current level of service, an adjustment to the current service level will be made. Hugh stated that he tried very hard to figure out ways to keep them in the game; and if the formula included hourly, as well as mileage costs, they would benefit and their share would probably be less. Mr. Mose said that it benefits the Centre Region to have service to Bellefonte, because many residents use County services in Bellefonte at the Courthouse. Hugh stated that staff needs to work on solutions, noting that last year a couple of ½ trips were eliminated. There was discussion regarding whether contacting regular bus riders and/or the County Commissioners for support would benefit.

Chairman Spychalski stated that there comes a time when if they aren't going to pay a reasonable share, then we have to reconsider the service. Don Sherman noted that it hurts those people who depend on the service.

Discussion continued regarding the mileage formula. Chairman Spychalski asked that staff run some numbers using the hourly and mileage costs to see how it comes out.

- State Subsidies - Mr. Mose stated that the Governor's Budget includes a 3% increase in state operating assistance (general fund). The two other funding components (Act 26 and Act 3) have remained unchanged. Mr. Mose noted that this funding process doesn't work very well for smaller systems which are growing.
- Federal Assistance – Mr. Mose stated that there is no way to know how much funding will be allocated with the reauthorization of TEA-21 still in limbo, so the FY 2004/05 DRAFT Budget is built around that same amount as this year. Mr. Mose indicated that there is a lot of support in the House and Congress for transit and has heard that the bill may go from a 6-year to a 2-year bill; and this may mean more federal dollars for small transit systems. There is a carry-forward into FY 2004/05 of about \$450,000.

Don Sherman asked if it would help if the municipalities would write letters to our legislators asking support, as Hugh did. Mr. Mose said that our congressmen and representatives already favor public transit.

Joe Davidson asked what the time limit is for passing the bill. Mr. Mose stated that it has been extended for a second time to the end of April with only partial funding. Mr. Davidson asked whether we should have information by then on the funding and be able to better manage the federal assistance portion of the budget. Mr. Mose said that is true but then again it may be extended until after the election. Chairman Spychalski agreed that there are conflicts between Congress and administration regarding highway funding and so it may not be settled by the end of April.

- Operating Revenues – Mr. Mose stated that it is the recommendation from staff that fares not be increased because it is probably the most that the general public is willing to pay. Hugh noted that ridership declined with the last fare increase but that ridership has slowly risen again. Mr. Mose also noted that service with Penn State will operate basically the same.

The following expenditure issues were discussed between staff and Board members:

- Discretionary Spending – Mr. Mose stated that the marketing budget will remain the same this year and travel & training will slightly increase due to additional training needs.
- Technology Support – To keep up with ever increasing technology needs, \$15,000 (about .5 FTE) has been budgeted for technology support, possibly through the IT Coalition. Mr. Mose stated that Judi Minor has invested many hours of her time along with Centrepc, Inc. but the needs have risen above the availability of both Judi and Centrepc, Inc. Mr. Mose stated that the IT Coalition was formed through the Centre Regional Council of Governments and the State College Borough for municipalities with a need for technological services. Mr. Mose indicated that the program just got up and running and anticipated it would be ready for business by January 1st at the earliest.

Richard Kipp provided information about IT students who work on campus about 20 hours per week. Judi Minor didn't think that 20 hours per week would work because on some days there is a lot of jobs to be done and on others very little. Chairman Spychalski noted the need to establish a permanent relationship and would have concerns with work ethics and continuity.

- Employee Compensation – Hugh Mose stated that there are two elements: represented and non-represented employees. The rate for non-represented employees has been between 2% - 3.5% over the past years. Mr. Mose recommended an adjustment at the lower end of this range. For

represented employees, staff has made some assumptions about the wage increase for the upcoming labor negotiations.

Staffing Level issues were next discussed by staff and the Board members. Mr. Mose noted that the Purchasing Agent position has been eliminated and replaced with a second Maintenance Supervisor. Mr. Mose stated that staff is recommending the following: adjusting the Money Counter position to a full-time position (currently part-time) and adding a full-time Operations Supervisor.

Mr. Mose described the need for additional administrative support in the front office to cover telephones and greet customers. Mr. Mose indicated that making this a full time position will free up time for Terri and allow Pegeen to provide more help for Amanda, who could then take on more duties for succession planning.

Mr. Mose stated that consistent with the number one recommendation of last year's Management Performance Review, staff has included a sixth Operations Supervisor position. With the increase of on-street supervision, accident investigations, customer complaints, training, etc., the existing five operations supervisors couldn't cover the job adequately,

In summary, Mr. Mose stated that the FY 2004/05 DRAFT Budget is still being reviewed. He believes that a few minor adjustments may still be made, particularly relating to Bus Driver wages and benefits.

Joe Davidson asked whether more apartments will request contracts with CATA. Hugh indicated that no contract goes beyond the end of the coming fiscal year but if ridership increased, there would be consideration to adding trippers. Hugh noted that the apartments are competitive and that CATA will continue to see more interest as they add benefits to their respective contracts.

After a break for dinner, Chairman Spychalski called upon Judi Minor to discuss the 5-page DRAFT Budget line items. Ms. Minor stated that she prepared the memo that was included in their packets to address significant line item changes. Ms. Minor described each line item to include revenue, subsidies, maintenance expenses, transportation expenses, and administrative expenses.

Discussion continued regarding the procedure used for filling a job, re-classification of jobs, and overtime. Don Sherman noted that overtime seemed to be creeping back into the budget. Judi Minor and Joe Gilbert explained that there are three additional working holidays this FY, as well as coverage for vacancies in maintenance. Hugh Moses explained it was unusual because of the three working holidays.

Joe Davidson asked whether provisions were needed to inspect the CNG bus tanks, as reported in the November report. Hugh noted that it was discovered that the tanks are good for the life of the bus. He had thought that a mid-term check was needed, but that was not correct.

Ms. Minor felt it was worth noting that the per-tire lease rates have significantly increased, with the expiration of the current five-year contract. Other areas of interest noted by Mr. Minor included maintenance & licensing agreement costs for the RideShare program and an upgrade to the Intellifare program, as well as probable increased cost for legal counsel.

Don Sherman asked about increased travel costs to see new buses. Joe Gilbert noted that it is charged to capital grants.

Richard Kipp asked about the projected natural gas prices and how we would adjust the budget. Judi Minor stated that part of the carry-forward of \$440,000 would be used. Chairman Spychalski shared information

about concerns with natural gas prices and noted that some say it will greatly increase with higher usage by other countries.

Chairman Spychalski acknowledged that it is the best first cut and that the DRAFT Budget looks good and provides a good sense of direction.

Gary Powers inquired about ridership compared to last year. Hugh indicated that overall it doesn't show any changes. There is an increase in Ride for Five and LOOP/LINK services but a decrease in Centre Line cash and Pass riders. Don Sherman asked how much Penn State could contribute on these services and Hugh indicated that the best thing would be for Penn State to expand the Ride for Five program. Hugh also noted that when the new parking garage at Lot 80 opens, Penn State may not support the cross-campus service any longer.

Chairman Spychalski asked for additional comments and questions. Hugh Mose also pointed out the final attachment that highlights Programs, Services and Activities that staff expect to pursue over the next year.

Don Sherman asked if there were a possibility for municipalities to make voluntary contributions or pay for additional services. Hugh Mose stated that there may be a way in which a fund could be set up, perhaps through an organization like Centre County Charitable Foundation, in which community members could make donations for services. Mr. Sherman indicated that it was worth looking into for more information.

As there was no further discussion, the meeting was adjourned at 7:30 PM.

Attachment: Addendum A – March 5, 2004 Memo