

**CENTRE AREA TRANSPORTATION AUTHORITY
BOARD WORK SESSION
MINUTES**

March 22, 2007

4:00 PM

CATA BOARD ROOM

2081 W. Whitehall Road, State College, PA 16801

BOARD MEMBERS PRESENT: John Spsychalski, Chairman
 Joe Davidson, Vice-Chairman
 Richard Kipp, Treasurer
 Gary Powers
 Kathryn Bittner

STAFF PRESENT: Hugh Mose, General Manager
 Judith Minor, Director of Administration
 Eric Bernier, Service Development Manager
 Sherry Snyder, Assistant Director of Transportation
 Terri Quici, Executive Assistant

CALL TO ORDER

Chairman Spsychalski called the meeting to order at 4:10 PM

FY 2007/2008 PRELIMINARY DRAFT BUDGET

Judith Minor began the meeting with a review of the Five-Page Budget, which shows what resources we expect to have available and what our costs will be if we operate the projected levels of service.

Ms. Minor briefly explained each line and brief discussion followed. She noted a projected 3% increase in Operating Revenue - Farebox and OnePass sales and a 5.58% increase in Football Shuttle receipts. She also noted a projected decrease in paratransit revenue, stating that Hearthside Nursing Home had bought their own van. Ms. Minor stated that "flex" money received this fiscal year would not be received next year but noted CMAQ funding for three projects in FY 2007/2008 had been granted. Ms. Minor pointed out the impact of the new fuel tax credit on Fuel Revenue Vehicles. Ms. Minor said that no increase in state funding is anticipated and the local shares are budgeted at 5%. Mr. Davidson asked about the expenses associated with paratransit. Ms. Minor stated that there are more and more participants who are under age 65 and who may be able to use fixed route transit. Mr. Mose stated CATA's paratransit program is very generous and that mobility assessments could help determine those who could use Centre Line, thereby reducing the cost. Mr. Davidson asked how much could be saved and Ms. Minor responded that \$50,000 could be saved annually if the ADA regulations were strictly enforced. Ms. Minor also noted that two management positions had been reclassified and a staff position (Carpool/Vanpool Coordinator) was added.

Mr. Mose said that he and Ms. Minor had met with the COG Finance Committee and that the municipalities were not quite so enthusiastic this year about continued local share increases. Discussion ensued regarding local share contribution requests. Richard Kipp asked how close the current local share contributions are to the minimum amount needed for the State match. Mr. Mose said that the local shares are already above the minimum amount needed for the State match. Joe Davidson recommended a status quo budget and a modest 3% local share increase; however, he said that staff needs to prepare the municipalities for 5-7% increases in future years.

Mr. Mose recommended a 4% increase in local shares, with a larger adjustment to the Penn State portion. Mr. Davidson stated that he felt comfortable asking for a 3-5% increase. Chairman Spychalski stated that due to what appeared to be about a 4% inflationary increase in numerous categories, a 4% increase should be requested. The Board was in consensus.

Mr. Mose stated that he had attended the Bellefonte Borough Council meeting on March 19 and they are unwilling to pay any more local shares than they do now. Joe Davidson asked where we draw the line when a municipality is not paying their fair share. Chairman Spychalski noted that we are not able to provide good service with the existing local share from Bellefonte. Eric Bernier suggested that reducing the service area in Bellefonte could get service in line with what they are paying. Chairman Spychalski said that Bellefonte residents need to be inspired to bring pressure to Bellefonte Borough Council to support public transportation and suggested a communications campaign to the passengers and/or surveys as to where riders are boarding. Discussion continued regarding service to Bellefonte and how it also affects the other two municipalities (Benner and Spring Townships). The Board agreed on three options, in order of preference: (1) reduce the area served but maintain the same number of trips, (2) maintain the same service and redistribute cost to other municipalities, (3) reduce service to match the local shares.

Mr. Mose stated that because it is not known what state funding will be received this year, the FY 2007/2008 Budget was developed with no new state assistance expected.

Mr. Mose reported that the federal apportionment (Section 5309 formula funding) is anticipated to be the same amount for the coming year, and staff expects to draw down about \$480,000 from the year-end carry-forward in addition, leaving about \$450,000 for the subsequent fiscal year. Mr. Mose said that if the Board felt we needed more of a "cushion", staff could delay the bus refurbishment for a year and gain \$600,000 in reserves. After some discussion, Chairman Spychalski agreed that staff continue with plans for the bus refurbishment.

Mr. Mose next discussed new program funding that CATA is eligible to receive: Job Access/Reverse Commute (JARC), New Freedom, and Section 5310. These programs provide service for non-traditional employee transportation, enhanced service for persons with disabilities and services for seniors. Mr. Mose reported that PENNDOT continues to develop the process for distribution, so none of this funding request has been included in the budget. However, CATA will receive CMAQ funding for three projects but will not be able to take advantage of the full amount of these funds in the current fiscal year; so only a portion of the CMAQ funds are included in the FY 2007/2008 Budget.

Mr. Mose discussed the possibility of a fare increase and noted that the last increase was five years ago. Mr. Mose stated that it looks as if CATA will have enough funding resources this coming year to get by without an increase, but he is unsure of the state funding for the following year. Mr. Mose felt it could be premature to raise fares now when we do not know if additional state funding will be available or not. Discussion continued regarding whether to implement a fare increase at this time. The Board decided to maintain the same fares for now.

Mr. Mose stated that staff would continue to negotiate higher rates with the thirteen apartment complexes in an effort to get the average fare to at least \$.85 per trip.

Mr. Mose reported that the Penn State administration had been evaluating the possibility of offering the Ride For Five program to part-time employees, as well as full-time. Mr. Mose said that the additional revenue would be significant if the program is expanded. Mr. Mose stated that he has learned that, at this time, University administration has decided not to expand the program but it is still in their long-range plan. Therefore, no additional revenue is included in this budget.

Mr. Mose discussed staffing levels for FY 2007/2008, which includes a Ridesharing/Vanpool Coordinator and a Mechanic. Mr. Mose stated that CATA has received CMAQ funding to cover the first year's operating costs for the vanpool program and Penn State continues to support most of the Rideshare program. The mechanic position was included in this year's budget but remains vacant. Should CATA receive additional funding, positions that were previously recommended for future consideration would again need to be discussed.

Mr. Mose recommended the Board consider a 3% wage increase for non-represented employees that is commensurate with the bargaining unit wage adjustment. There was Board consensus to budget the 3% increase for staff.

Mr. Mose said that with the uncertainty of state funding, service changes will be minimal. Mr. Mose stated that the preliminary budget includes the following: running times on the V, N, and R Routes will increase; commuter level service to the airport will begin with five trips per day; and Centre Ride service will be extended to the airport area. Again, if increased state funding is received then additional service enhancements will be reviewed. Eric Bernier stated that in addition to the above service changes, the V Route will be extended to the eastern loop of Oakwood Avenue, the N/V Express will be supplemented by additional trippers; the "clock" will be instituted on the White LOOP as well as the Blue LOOP; and there may be some additional service enhancements to the S Route.

In summary, Mr. Mose stated that the Preliminary Draft Budget was developed to maintain existing service levels and that staff believes assumptions about revenues are reasonable.

Richard Kipp asked if an Annual Report would be produced this year. Mr. Mose indicated it would be created as an "executive summary" document, about eight pages long, and available to the community. Mr. Mose stated that if the Board had any ideas on how they would like to see the final layout or contents, to please contact Jackie Sheader.

Chairman Spsychalski thanked Mr. Mose for his participation in APTA through which he worked for transit improvements and funding.

Eric Bernier provided an update to the Board on the Curtin Road Transit Center and presented a drawing of the future improvements. Mr. Bernier noted the display at the Transit Center that will provide real time bus information to riders.

With no further discussion, Chairman Spsychalski adjourned the meeting at 8:35 PM.