Notice of Meeting

Date/Time: Tuesday, January 21, 2020, at 10:30 a.m.
Location: Lake Michigan Room, MDOT Horatio S. Earle Learning Center, 7575 Crowner, Lansing, MI

1. Call to Order
   Mr. Bruff called the meeting to order at 10:30 AM.

2. Introductions
   Introductions were made.

3. Changes or Additions to the Agenda
   Mr. Jon Start made a motion to approve the agenda as presented, supported by Ms. Suzann Flowers. The motion carried unanimously.

4. Approval of the November 2019 Meeting Minutes
   Mr. Tom Bruff made a motion to approve the minutes as presented, supported by Ms. Laurel Joseph. The motion carried unanimously.

5. Treasurer’s Report
   Ms. Lindsay Wallace reported the existing balance is $18,000.

6. Education Committee Report
   Ms. Maja Bolanowska noted that the Education Committee provided a memo with updated information. The next committee meeting is February 18 at 2:00PM at the Horatio Earle Center typical MTPA meeting room.

7. FHWA Update
   Mr. Aaron Dawson reminded members to post their FY 2019 Obligated Projects Report online. Several members from various MPOs reported that JobNet does not yet provide a canned report that can be used for the annual obligation report. In addition, some of the information that JobNet provides to develop the obligation report is incorrect. Mr. Bruff noted that this means that each MPO should contact their MDOT Program Manager to ask them to provide the correct information for each project. There was a request made to have Mr. Eric Mullen and
Ms. Heidi Phaneuf provide an afternoon training session on how the local agency balance report can be used to track allocation information.

8. Asset Management Council (TAMC) Update

Mr. Start noted that there is a TAMC memo that provides updated information. There may be funds this year to continue the Culvert Project for TAMC. Mr. Start requested, on the behalf of TAMC, for MTPA to consider providing a sponsorship to the Spring and Fall 2020 Asset Management Council conferences. Mr. Ryan Buck made a motion, supported by Ms. Pat Karr, to provide a $500 sponsorship to both of the Spring and Fall conference, with MTPA spending $1,000 total for the year. The motion carried unanimously.

9. FY2020 Target Funding Adjustments

Ms. Phaneuf reported that the FY2020 Target Funding Adjustments will be provided this week, and will be updated in JobNet.

10. General discussion to identify future agenda items for 2020

Mr. Bruff asked the group for future agenda items to discuss for the next year. Some of the topics that were mentioned include: Performance measures, TIP/JobNet, staff education & communication, MTPA subcommittees, legislation update, funding targets, asset management, new master agreements, regional ITS architecture updates, connected and automated vehicles, Title VI and Limited English proficiency Training. Future MTPA subcommittee updates may be reported as a memo at future MTPA meetings.

Mr. Orlando Curry, new Title VI Coordinator for MDOT, was introduced. He noted that he’s excited to start working, and wants to honor local processes. Mr. Dawson noted that FHWA is interested in learning from MDOT, as Michigan is a leader in the way the virtual/digital public process is being handled. Mr. Dawson noted that there is a good FHWA website on virtual public involvement:


11. Legislation (state budget, SB518, SB519, SB27)

Mr. Bruff noted that there is discussion to approve swapping out federal funds for state funds being considered by the state legislature in bills SB518 and SB519. They are also similar to buyout project that was started about
20 years ago. SB27 was also discussed, as it changes how the distribution of state gas tax and registration fees are distributed.

Ms. Flowers asked if there are other states that have examples of what is being proposed. Mr. Dawson noted that North Carolina has a state run process, as there are no local or county roads. Just state-owned roads. Mr. Mullen and Mr. Mayle noted that other states do this. MDOT has knowledge on what other states are doing because they have talked with other states and has seen what works and was it more difficult.

12. MDOT Update

A. General MDOT/SPS Update

Mr. Mullen noted that Luke Walters will be the new MDOT Program Manager with Holland and Muskegon MPOs. Mr. Mullen also noted that MPOs will be working to update Master Agreements soon. Pre-UWP meetings are being scheduled. Some MOUs also need updating, and some modeling MOUs are out of date. Mr. Brad Sharlow will be reviewing the MOUs and bring these up to date. He will also provide an update for MDOT’s Long Range 2045 plan update for phase 2. Furthermore, Small Area Contracts will be updated in February.

B. TPM Update

Mr. John Lanum noted that many of the safety target approvals have been received. Mr. Bruff asked for information TMP deadlines through 2025. Ms. Flowers asked if Mr. Lanum could contact MDOT OPT to provide for Statewide and Urban Transit Targets. Mr. Bruff also asked MDOT to reconsider the word “Target” when it comes to performance measures, as it comes to vision zero. Mr. Lanum noted that information is really a forecast rather than a target.

13. Other New Business

No new business was brought forward.

14. Adjournment for Lunch

Mr. Bruff adjourned the meeting at 11:55 AM.
Meeting Attendance Tuesday, January 21, 2020 at 10:30 a.m.

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<thead>
<tr>
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<tbody>
<tr>
<td>Andrea Strach</td>
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<td>Carolyn Ulstad</td>
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<td>Eric Mullen</td>
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<td>Aaron Dawson</td>
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<td>Lindsay Wallace</td>
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<td>Donna Wittl</td>
<td>MDOT</td>
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<td>David Engelhardt</td>
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TO: MTPA
FROM: Jon Start
DATE: February 12, 2020

REGARDING: Transportation Asset Management Council

The Transportation Asset Management Council (TAMC) met on February 5, 2020. The items discussed included the following:

- The Spring Asset Management Conference is scheduled for May 13, 2020. It will be held at the Amway Grand in Grand Rapids. A save the date is attached.
- The Michigan Infrastructure Council has received a budget. There is a Memorandum of Understanding between the Michigan Infrastructure Council and MDOT on the Transportation Asset Management Council’s FY 2020 budget.
- PASER and IRT trainings are scheduled and are being held.
- Work continues on the Annual Road and Bridge Report. Data has been submitted on road conditions. We are looking to revise the report to focus on the big picture and have more detailed background available.
- There is a call for nominations for awards for organizations and for individuals. This year they will be rated based on existing criteria.
- The TAMC is continuing to work toward the inclusion of the STIP projects into the maps contained in the TAMC sites.
- While there is money included in the FY 2020 TAMC budget for some culvert work the council is waiting for recommendations from the Bridge and Culvert Committee on how to allocate those funds. The council emphasized that in order to fruitfully spend those funds in 2020 decisions need to be made soon.
- At the Winter Summit held in Lawrence for the South West Regional Prosperity area, the new readiness assessment tools for local agencies was previewed.
Spring Transportation Asset Management Conference

May 13
Grand Rapids, MI
Amway Grand Plaza Hotel
187 Monroe Avenue NW
Grand Rapids, MI 49503

SAVE THE DATE

For more information:
Roger Belknap, TAMC Coordinator
(517) 230-8192 or BelknapR@Michigan.gov
Gloria Strong, Conference Coordinator
(517) 335-4581 or StrongG@Michigan.gov

Registration and Full Agenda Coming Soon
The MTPA JobNet Technical Committee Meeting was held Monday February 10, 2020.

The committee discussed recommendations for changes in JobNet regarding Air Quality Conformity requirements. The group discussed what technical changes need to be made so that AQ documentation is better reflected in JobNet.

Discussion included the new geographies of the AQ areas, documentation requirements for each of the designated areas, and how the requirements could be addressed through JobNet.
Public Transportation Agency Safety Plans
Key Requirements

- Public Transportation Agency Safety Plans (PTASP) rule requires certain operators of public transportation systems to develop such plans which include processes and procedures necessary for implementing Safety Management Systems (SMS).

- The final rule became effective July 19, 2019. Each transit operator is required to certify that it has a safety plan by July 20th, 2020.

- The rule applies to recipients or sub-recipients of financial assistance under 49 USC 5307.

- The rule does not apply to commuter rail service regulated by the Federal Railroad Administration, passenger ferry operators regulated by the U.S. Coast Guard, or 5310/5311 senior, disability, and rural service operations.

- The major general requirements of PTASPs include:
  - Scalable requirements for the identification, assessment, and mitigation of risks and strategies to minimize exposure to hazards.
  - Safety performance targets based upon measures established by the FTA’s National Public Transportation Safety Plan (NSP).
  - A process and timeline for conducting an annual review and update of the safety plan.

- Who develops and implements a Safety plan:
  - Large bus operators (operating more than 100 vehicles in peak revenue service) must develop their own safety plans.
  - Small bus operator (operating fewer than 100 vehicles in peak revenue service) may have the state develop their plans on their behalf. In Michigan all but one of those operators have opted to develop and implement their own plans.

- The safety performance measures in the NSP are:
  - Fatalities
  - Injuries
  - Safety Events
  - System Reliability (State of Good Repair)

- Approval of a Safety Plan:
  - The Safety Plan must be approved by the transit agency Board of Directors, or an equivalent authority such as a mayor, county executive, etc.
  - Each Safety Plan must be signed by the transit operator’s Account Executive.
  - The State must certify safety plans of small transit provider agencies, unless the providers opt to certify their own safety plans upon notification to the State.
The transit agency maintains the documents of its Safety Plan, but they must be made available to the FTA upon request.

- Coordination of PTASP with MPOs:
  - The FTA’s regulation (49 CFR § 673.15) requires applicable States or transit agencies to make their safety performance targets available to States and Metropolitan Planning Organizations (MPOs) to aid in the transportation planning process.
  - The regulations require that MPOs and the State to incorporate transit safety performance targets into the statewide and metropolitan planning process.
  - The major deadlines regarding the PTASPs are:
    - **July 20, 2020**: Transit providers subject to the PTASP final rule are required to have their certified agency safety plans in place, which includes safety performance targets, and share the targets with their MPO and State. For small public transportation providers, a State must certify compliance unless the provider opts to draft and certify its own agency safety plan.
    - **January 20, 2021 (or no more than 180 days after receipt of the agency safety plan from public transportation providers)**: MPOs are required to set their initial transit safety targets. Upon receipt of the transit agency safety plans, MPO Policy Committees as an action item should act to acknowledge receipt of the plans and support the implementation of the objectives and requirements of the plan.
    - **July 20, 2021**: Specific written provisions for the transit safety measure are jointly agreed upon and adopted by the MPOs, State, and providers of public transportation. The MPOs are required to reflect the transit safety measures and targets in all MTPs and TIPs updated or amended after this date.

- The MPO planning products must include a description of the performance measures and performance targets used in assessing the performance of the transportation system, for transit asset management, safety, and the FHWA performance measures. This should also include, to the maximum extent practicable, a description of the anticipated effect of the TIP toward achieving the performance targets identified in the metropolitan transportation plan, linking investment priorities to those performance targets.

- MPOs may adopt transit provider targets or identify appropriate targets that reflect the needs of multiple transit providers in a region. The MPO and transit providers can decide whether the MPO targets are the same or different from the targets set by each transit agency.

- In summary, each MPO has three primary responsibilities regarding the PTASP and its transit safety targets:
- To coordinate with their metro transit agency(s) to receive the safety targets of the PTASP.
- The Policy Committees to act to support the transit agency’s safety targets, or adopt their own, before January 20, 2021.
- The MPO to include a narrative description and discussion of the safety targets in MTPs and TIPs updated or amended after July 20, 2021.

- Links for more information:
  - https://www.transit.dot.gov/PTASP-FAQs
  - https://www.transit.dot.gov/PTASP-TAC
Agency Information
Michigan Department of Transportation (MDOT), NTD 5R03
425 W. Ottawa Street, P.O. Box 30050
Lansing, MI 48909
(517) 335-2534
POC: Amy Nobach, Program Manager

Prepared by Andy Brush, Section Manager
December 30, 2019 for reporting in FY2020

Useful Life Benchmark – Revenue Vehicles

What targets did your agency set?
Not more than 5% of small buses and vans will exceed their useful life benchmark (ULB) of 7 years
Not more than 10% of medium revenue vehicles will exceed their ULB of 10 years
Not more than 10% of large revenue vehicles will exceed their ULB of 14 years

How did your agency calculate these targets?
ULB and targets are based on current inventories and needs of the rural agencies. Most rural agencies do not use larger size vehicles so MDOT put more emphasize on replacing smaller size revenue vehicles.

How has your agency made progress toward its targets?
In FY 2019 we were able to exceed our targets, both the ULB and our useful life standards. Our goal has been and remains to be to keep the rural fleet less than 20% past useful life. In FY19 we were able to get the rural fleet to less than 10% past useful standard life.

What challenges face your agency in making progress toward the targets?
Continued funding. We were granted a 5339(b) discretionary grant in FY18 that was used in FY19. With this and our 5339(a) formula funds we were able to replace 122 revenue vehicles. We also used some Section 5310, 5311 and 100% state funds and were able to replace approximately 100 vehicles more. If we do not have sustainable funding the fleets will fall behind again in their state of good repair.

Useful Life Benchmark – Non-Revenue Vehicles

What targets did your agency set?
Service vehicles may exceed the ULB of 7 years.
Equipment over $50,000 may exceed the ULB, which varies depending on type of equipment.

How did your agency calculate these targets?
MDOT’s priority has been to replace revenue vehicles. Most service vehicles and equipment are purchased with either local funds or funds that have been secured through the planning process. The need for these types of purchases is a local decision so MDOT does not prioritize funds to replace these items.
**How has your agency made progress toward its targets?**

Agencies have been able to keep their service vehicles and equipment over $50,000 under our targeted goal.

**What challenges face your agency in making progress toward the targets?**

Agencies need to have access to funds from the Surface Transportation Block Grant and the Congestion Mitigation and Air Quality programs to continue keeping these items within a state of good repair.

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**Facilities - Condition**

**What targets did your agency set?**

Facilities will not exceed more than 5% ULB. ULB is an assessment rating less than 3.

**How did your agency calculate these targets?**

Each 5311 and 5310 agency did a self-assessment of their facility. The average rating for 5311 agencies is 3.72 and the average for 5310 facilities is 3.4. Our term rating is as follows:

- 5 Excellent- No visible defects, new or near new condition, may still be under warranty if applicable
- 4 Good- Good condition, but no longer new, may be slightly defective or deteriorated, but is overall functional
- 3 Adequate- Moderately deteriorated or defective; but has not exceeded useful life
- 2 Marginal- Defective or deteriorated in need of replacement; exceeded useful life
- 1 Poor- Critically damaged or in need of immediate repair; well past useful life

Currently there are four facilities with a rating less than 3. In FY18 and FY19 MDOT provided 100% state funds for two of the facilities to be replaced. One of the other facilities we provided 100% state funds for them to hire an Architecture and Engineering (A&E) firm to start evaluating their needs and cost estimates. The fourth facility will be reassessed in FY2020 and if funding is needed, MDOT will provide funding for this facility. MDOT is hiring a consultant in FY2020 to reassess all facilities to ensure equitable assessments are done statewide. After those assessments, if needed, we will consider using more funds for repairs on facilities and facility components with a rating less than 3.

**How has your agency made progress toward its targets?**

As stated above, we provided 100% state funds for two facilities and for A&E for a third facility. We also applied for funding under the 5339(b) program for these facilities but were not awarded any funds. We will continue to apply every year for 5339(b) funds for facility repairs and replacement.

**What challenges face your agency in making progress toward the targets?**

When the TAM requirements were first published our administration had each of the agencies do their own assessment of their facility. As mentioned, we plan to hire a consultant this year do an assessment of each of the facilities to ensure consistency of the assessments. We will continue to request 5339(b) funds for any needed repairs. Without additional funds facilities will continue to fall below a state of good repair.
What are extenuating circumstances that impact your agency’s transit asset management?

No extenuating circumstances have impacted our rural assets.

Include additional information below, or attach additional documentation, if desired.

No additional documentation.

S:\PASS\LOCALBUS\Andy\TAM plans\2020\2019 Narrative for NTD reporting.docx
TRANSIT ASSET MANAGEMENT PLAN
MICHIGAN GROUP PLAN
10/1/18

The Michigan Department of Transportation’s (MDOT) Transit Asset Management Group plan includes all Federal Section 5311 and Section 5310 subrecipients which do not also receive Section 5307 funding. There are 58 Section 5311 subrecipients and 42 Section 5310 subrecipients included in the plan. The plan includes 1,460 revenue vehicles, 100 service vehicles, 81 facilities (79 administration/maintenance and 3 passenger), and maintenance equipment over $50,000.

Targets

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<th>Asset Class</th>
<th>Current Condition</th>
<th>2019 Targets</th>
<th>Plus</th>
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<tr>
<td>Revenue vehicles – small bus and van</td>
<td>2% past ULB</td>
<td>Not more than 5% will exceed ULB</td>
<td>Not more than 25% or each agency’s fleet will exceed ULB</td>
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<tr>
<td>Revenue vehicles – large bus</td>
<td>6% past ULB</td>
<td>Not more than 10% will exceed ULB</td>
<td>Not more than 25% or each agency’s fleet will exceed ULB</td>
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<td>Service vehicles</td>
<td>54% past ULB</td>
<td>100% may exceed ULB</td>
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<td>Facilities – admin/maintenance</td>
<td>5% past ULB</td>
<td>Not more than 5% will exceed ULB</td>
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<tr>
<td>Facilities - passenger</td>
<td>0% past ULB</td>
<td>Not more than 1% will exceed ULB</td>
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In FY 2018, MDOT provided federal and state funding for 291 replacement revenue vehicles to 5311 and 5310 subrecipients. This included 98 buses funded with 100 percent state dollars.

Decision Support Tool

Per the FTA Group TAM Plan Sponsor Workbook, decision support tools are an analytical process or methodology for group plan sponsors and participants to understand their underlying asset and condition data. These tools can be specially created for a group plan, borrowed from other TAM plans, or modified versions of existing tools to fit a group’s needs. Decision support tools should be customized to fit the strategic needs of each group plan sponsor and its participants.

A decision support tool interprets data and may be based on software, spreadsheets, or formulas, but it can also be a process or methodology.

MDOT’s current decision support tool is a combination of data queried from its Public Transportation Management System, or PTMS, its annual application process and the
methodology that MDOT uses to interpret the data to develop an annual program of projects for the federal funds available for Section 5311 and Section 5310 subrecipients.

MDOT's State of Good Repair (SGR) targets for the group covered by this plan only considers the federal funds of which MDOT's Office of Passenger Transportation is the recipient (as described below) and that MDOT programs across members of the group. MDOT's targets and its decision support tool do not yet consider any other federal, state or local funds that individual group members may receive, including funds transit agencies secure through processes other than those directly controlled by the Office of Passenger Transportation. The other funds available to a transit agency to replace a specific asset will be taken into consideration when MDOT determines if it will provide funding to replace that asset. However, since those funds are not programmed by MDOT, they are not covered by this group plan.

MDOT's Decision Methodology

Section 5339(a) and Section 5310 Funds

MDOT uses 100% of its annual Section 5339(a) allocation for transit assets owned, operated or managed by its Section 5311 subrecipients (rural transit agencies). MDOT uses Section 5310 funds for the assets of transit and non-profit agencies that provide services targeted to seniors and persons with disabilities in small urban and rural areas of the state (i.e., specialized agencies) and for the assets of its rural and small urban transit agencies if the agency has significant ridership by seniors and individuals with disabilities. The decision process MDOT uses for allocating the funds for these two federal programs is described below.

MDOT's goal is for each rural and specialized agency to have no more than 20% of the revenue vehicles within its fleet past their useful life based on MDOT standards. MDOT's useful life standards are based on vehicle age and mileage and are shown in Appendix 6. Each year, MDOT allocates available funding across all its rural agencies and Section 5310 specialized agencies toward the goal of no more than 20% of their revenue vehicle fleet past useful life. The decision process MDOT uses is iterative and both data and judgment based, as follows:

1) All transit and specialized agencies must submit an annual application to MDOT for capital assistance using MDOT's PTMS system. Their application must identify the projects for which they are seeking assistance and identify the proposed funding sources. MDOT uses annual applications and the vehicle inventory in PTMS to determine:
   a) For each agency, the revenue vehicles that are eligible for replacement and
   b) For each agency, the revenue vehicles that are eligible for replacement with Section 5339(a) or Section 5310 funding and that will not be replaced with other sources of funding.

2) MDOT ranks the agencies by the percent of their revenue vehicles eligible for replacement compared to their fleet size. Separate lists of rural transit agencies and specialized agencies are generated from PTMS.

3) While for most agencies, useful life (i.e., age/mileage of the vehicle) determines if the vehicle will be considered for replacement, MDOT also looks at annual vehicle miles and the
agency’s spare ratio. If the agency has vehicles in their fleet with low usage, in terms of annual miles, or a spare ratio greater than 20%, a vehicle that is past its useful life in terms of age may not be replaced.

4) For specialized agencies, in recent years MDOT has had sufficient funding to replace all eligible vehicles each year, as well as all expansion requests. However, if that is not possible in the future, MDOT will follow the same process as for rural transit agency vehicles per #5 below.

5) For rural transit agencies, based on the ranked list per #2 above, MDOT allocates funding to the agency with the highest percent of unfunded eligible buses, unless an adjustment is made per #3 above.
   a) MDOT determines the amount of funding available for these replacements.
   b) MDOT determines the most appropriate source of funding for the vehicle, i.e., Section 5339(a) or Section 5310. Section 5310 funds are only used for rural transit agencies which a high percent of senior and persons with disabilities ridership.
   c) MDOT works through the ranked list until the available federal funds in each apportionment to MDOT is exhausted.

Since MDOT provides state funds to match all available FTA capital funds, MDOT can be assured that the federal funding it allocates to a capital project to any rural or specialized agency will be matched. Decisions across the group are made by MDOT using the asset information for each agency in PTMS.

Now that assessments have been completed on most of the transit facilities, a portion of the Section 5339 (a) funding may be allocated for facility projects that have a condition rating of 1 – 3. MDOT anticipates only using small amounts of Section 5310 funds for capital needs other than revenue vehicles, over the life of this plan. The priority for the use of Section 5310 funds is replacing revenue vehicles previously awarded under any FTA or state program that have met both age and mileage criteria. After 55 percent of funds have been used for traditional 5310 projects which meet this priority, MDOT will fund continuation of New Freedom (NF) activities, which, as an operating expense, the decisions are not governed by this plan. If funds are remaining, MDOT will fund additional 5310 projects, such as replacement of vehicles purchased with funds other than FTA or state funds, expansion vehicles, other capital and expansion NF activities.

Section 5339(b) Funds

When the Notice of Funding Opportunity (NOFO) for this discretionary program was issued in July 2017, MDOT used the following process.

1. All eligible vehicles for rural transit agencies were included in MDOT’s application.
2. Small urban transit agencies submitted requests for replacement vehicles in an application to MDOT. All eligible vehicles requested by small urban transit agencies were included in MDOT’s application.
3. MDOT also sought requests from rural and small urban transit agencies regarding facility improvement needs and included all requests in its application. Since facility assessments had not yet been completed using the FTA guidebook, MDOT did not prioritize facility needs. All eligible facility needs were included. MDOT did not accept requests for any kinds of equipment, including service vehicles.

For future Section 5339(b) NOFOs that are issued over the life of this plan, MDOT anticipates following the same process as used for the July 2017 NOFO. However, we may rank facility projects, based on the condition of each of the facilities. Service vehicle replacement and other equipment needs might also be considered in the future.

Federal and State Funds Governed by this Plan

The following federal and state funds are covered by this plan and decision support tool.

Section 5339 (a)– Bus and Bus Facilities Formula Program
FY2018 Amount: $3,500,000 (Apportionment to MDOT)

Section 5339(b) – Bus and Bus Facilities Discretionary Program
FY2018 Amount: $3,600,000 (Appointment to MDOT – a portion used for Small Urban projects)

Section 5310 Enhanced Mobility of Seniors and Individuals with Disabilities Program
FY 2018 Amount - Urbanized Areas 50,000 to 199,999 in Population: $1,726,489
FY 2018 Amount - Nonurbanized Areas under 50,000 in Population: $1,913,310

State Matching Funds

MDOT receives an annual appropriation of state funds from the Comprehensive Transportation Fund (CTF) to be used to match federal grants issued to MDOT and to individual transit agencies. Under state law, if money is raised by an eligible authority or an eligible governmental agency for a public transportation capital outlay project funded pursuant to federal transit law, the state shall pay not less than 66-2/3% of the local match. To date, MDOT has had sufficient state funding to provide 100% of the required local match for the federal transit capital grants it receives as well as the grants that transit agencies receive directly from the FTA. When state funds are used to match federal grants that MDOT’s Office of Passenger Transportation issues to members of the Group, the state funds are governed by this plan. However, since the state funds automatically “follow” the federal funds there are no additional decisions made regarding the allocation of state funds as match. The use of state funds to match the FTA capital grants received by Michigan’s urban agencies is not covered by this plan.

Federal and State Funds Not Covered by this plan and decisions support tool
The following federal and state funds are not covered by this plan and decision support tool:

Section 5311 Rural Area Formula Funds
FY2018 Amount: $17,881,779 (Apportionment)

The amount above is the FY18 apportionment, minus the 15% used for intercity bus, as required under Section 5311(f) and minus $972,000 which MDOT uses for administration. MDOT issues these funds as operating assistance to eligible transit agencies and authorities. Operating assistance is based on a percentage of eligible agency’s annual operating budget. The annual percentage is calculated by MDOT based on the 5311-apportionment available to MDOT and the total eligible expenses of the eligible agencies. In the past few years, including FY2018, the annual percentage has been 18.5%. Currently, the funds are paid out quarterly based on operating assistance reports submitted to MDOT. The only eligible use for each transit agency is to use the funds to offset their operating expenses.

Starting in FY 2019, agencies will have the option to use all or part of their allocation for operating or capital. Their allocation will continue to be based on a percentage of their operating expenses; however, once a transit agency is informed of the dollar amount that percentage represents for them, they may determine if they will use any of those funds for capital expenses. Those agencies opting to do that must inform MDOT of their decision and the specific capital items for which they will use the Section 5311 funds so that MDOT can reflect that in its annual 5311 grant application to the FTA. However, the decision as to which capital expenses will be covered by the transit agencies remains local and is not governed by this plan.

Relevance to this TAM Plan: Currently, MDOT allocates Section 5311 funds as operating assistance as a percent of each rural agency’s approved budget. As noted above, starting in FY19, individual agencies may opt to use their allocation for capital expenses. Other than ensuring the items are eligible for federal funds, MDOT will not be involved in that decision. Because there are no decisions MDOT is making for the Group or for individuals within the group regarding the investment of Section 5311 funds in transit assets, these funds are not covered by this plan.

Federal Highway Administration (FHWA) Surface Transportation Funds
FY2018 Amount: $3,139,713
FHWA Congestion Mitigation and Air Quality Funds (CMAQ)
FY2018 Amount: $1,018,887

The amounts above are the FHWA funds that were allocated to rural transit projects through the Rural Task Force process. This is a locally determined project-selection process for the FHWA STP and CMAQ funding.

Relevance to this TAM Plan: Other than ensuring the items are eligible for federal funds, MDOT will not be involved in that decision. Because there are no decisions MDOT is making for the
Group or for individuals within the group regarding the investment of the FHWA funds in transit assets, these funds are not covered by this plan.

PRIORITIZATION

In FY 2018, MDOT used the Section 5339(a) funds and a portion of the Section 5310 funds to purchase 80 buses. Assuming the same level of funding through the four years of this plan, we would be able to purchase 320 buses. Appendix 1 – Revenue Vehicles includes the vehicles currently in each of the agencies’ inventory. The vehicles were sorted based on the % of the useful life benchmark (ULB). The plan uses the following ULB:

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>ULB</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sedan/Van</td>
<td>7 years</td>
</tr>
<tr>
<td>Light/Medium Duty Buses</td>
<td>10 years</td>
</tr>
<tr>
<td>Heavy Duty Buses</td>
<td>14 years</td>
</tr>
</tbody>
</table>

The prioritized list shows the number, type of vehicle, year purchased, and the percentage of ULB for the oldest vehicles in the list. The list will be used along with the percent of unfunded eligible vehicles to fleet size for each agency to allocate any Section 5339(a) or Section 5310 funds.

If MDOT receives Section 5339(b) funds or other additional funding or the targets for revenue vehicles has been met, funds will be allocated for facility projects that have a condition score between 1 – 3.

APPENDICES

Revenue Vehicles – Appendix 1
Facilities – Appendix 2
Service Vehicles – Appendix 3
Maintenance Equipment – Appendix 4
Prioritized List – Appendix 5
MDOT Useful Life Standards – Appendix 6