

Policy Guidance Programming Federal Transit Funds – Preventive Maintenance

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Questions From Last TPC Meeting

- n **Definition of Preventive Maintenance**
- n **Peer Region Review**
- n **Baseline Operation and Prev. Maint. Budgets and Financing**
- n **Balance of Operations/Prev. Maint. And Capital Needs**



Preventive Maintenance Definition

- n Preventive Maintenance: All maintenance costs related to vehicles and non-vehicles including all activities, supplies, materials, labor, services and associated costs required to preserve or extend the functionality and serviceability of the asset in a cost effective manner.
- n ATTACHMENT 1 – FTA Circular 9030.1D



Six Peer Region Review

- n Four of the six peer regions have multiple operators, and there is no set policy on funding preventive maintenance (PM). It is collaborative and flexible effort to ensure the balance of the region's needs for capital and operations are met.
 - l The use of federal funds for PM varies greatly.
- n Two of the six peer regions, have single operators, and they use all or close to all of the federal 5307 funds to fund PM.
- n Since there is strong support for funding PM by these six regions, agencies diligently pursue discretionary funding to meet their other needs.
- n ATTACHMENT 2 FOR THE DETAILED PEER ANALYSIS.





Baseline Information: Operation and Prev. Maint. Budget

- n **Table 1 of Attachment 3**
- n **8 Operators in Region**
 - l Operating and Preventive Maintenance Budgets from 2009 and 2010
 - l Regionwide: \$300 million to operate annually
 - l Regionwide: \$50 million for prev. maintenance
- n Funds for PM is critical to support transit operations in this time of budget shortfalls.



Baseline Information

Federal Funds in TIP for Prev. Maint.

- n **Table 2 of Attachment 3**
- n The FY 2011 to FY 2015 TIP includes \$34 million of FTA 5307 funds for PM, about 13% of the region's PM needs.
 - l \$6.5 - \$7 million annually
- n In addition, another \$30 million of 5307 from 2011-2015 can be used for PM.
 - l With an increase, the region will be supporting about 25% of the transit operators preventive maintenance budgets.
 - l \$12.5-13.5 million annually



Balance of Operation/Prev. Maint. And Capital Needs

- n The Transit Life Cycle Program (TLCP) needs are first met –and then any funds remaining can be used for preventive maintenance.
- n To balance out the current needs and future needs, the region can continue programming this way, and when a new regional 5 year TIP is developed, MAG staff will work with the transit operators, MAG member agencies, and the TPC to evaluate the region's need for PM funding and/or account for any other regional priorities that could use federal funds.





Recommendation

MAG staff recommends that up to \$29,735,966 of federal 5307 transit funds be programmed for preventive maintenance in 2011-2015. If the federal transit funds are less than expected, the amount of 5307 programmed for preventive maintenance would be adjusted accordingly. When developing a new 5 year TIP, funding for preventive maintenance will be reviewed.





Information & Discussion

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QUESTIONS?