



Minnesota Regional Transit
Board: Records.

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METROPOLITAN COUNCIL
Suite 300, Metro Square Building, St. Paul, Minnesota 55101

M E M O R A N D U M

July 17, 1984

TO: Elliott Perovich
CC: Moe Dorton, Ghaleb Abdul-Rahman, Ken Reddick, Peter Bachman
FROM: Bill Lester
SUBJECT: Metropolitan Transit Commission Appointment Process

One of the first duties of the newly-created Regional Transit Board is the appointment of a three-member Metropolitan Transit Commission (MTC) to oversee the operation of the bus company.

The Transit Commission consists of three members. One member must be a resident of Minneapolis; one of St. Paul; and one must reside in the service area of the commission outside of Minneapolis and St. Paul. The term of each member of the commission is three years and until a successor is appointed and qualified. Initially, one member must be appointed to a term of one year, one to an initial term of two years and one to an initial term of three years. The commission will annually elect a member to serve as the chair for a term of one year.

Each member of the commission must have management experience. Advertising for MTC members will include a request that an applicant's management experience be documented. MTC commissioners are eligible for per diems; thus, we will use the Secretary of State's application form to ensure that applicants are processed through the Secretary of State's office. Below you will find a suggested schedule for the MTC appointments:

July 20	Announcements to newspapers, plus Metropolitan Council publications of pending appointments to the MTC.
July 20 to August 15	Application period.
August 15	Public meeting for the applicants in the Metropolitan Council Chambers at 7:00 p.m.
August 20	RTB appoints MTC commissioners.

WJL:s1

REGIONAL TRANSIT BOARD
Suite 402 Metro Square Building, St. Paul, Minnesota 55101
291-6640
(temporary offices)

REGIONAL TRANSIT BOARD MEETING
Wednesday, July 25, 1984
Metropolitan Council Offices, Room E
300 Metro Square Building, St. Paul, Minn. 55101
3:00 P.M.

AGENDA

Oath of Office administered by
Sandra Gardebring, Chair of Metropolitan Council

- I. Call To Order
- II. Approval of Agenda
- III. Opening Remarks and Charge to the Regional Transit Board (Sandra Gardebring)
- IV. Statement of the Chair (Elliott Perovich)
- V. Receipt of RTB Transition Task Force Report - Questions and Answers (Ghaleb Abdul-Rahman)
- VI. New Business
 - A. Appointment of temporary secretary
 - B. Adoption of parliamentary authority
 - C. Appointment of organizational committee
 1. Prepare proposed bylaws
 2. Nominate slate of officers
 3. Prepare proposed initial staffing plan
 - D. Administrative start-up matters
 1. Designation of offices and mailing address - (Resolution No. 84-1)
 2. Authorization to request administrative assistance of Metropolitan Council or Metropolitan Transit Commission - (Resolution No. 84-2)
 3. Authorization to recommend employment decisions - (Resolution No. 84-3)
 - E. Per diem and travel expense procedures
 - F. MTC Appointments

Social Hour follows meeting - Suite 402.

Elliott Perovich
Chair

REGIONAL TRANSIT BOARD
Suite 402 Metro Square Building, St. Paul, Minnesota 55101
291-6640
(temporary offices)

Minutes of a Meeting of the

REGIONAL TRANSIT BOARD

July 25, 1984

PRESENT: Elliott Perovich, Reuben Acosta, Doris Caranicas, Juanita Collins, Ruth Franklin, Alison Fuhr, Paul Joyce, Edward Kranz, Todd Lefko, Steve Loeding, Gail MarksJarvis, James Newland, Bernand Skrebes, Margaret Snesrud, Frank Snowden.

Call to Order

Chairman Perovich called the meeting to order at 3:08.

Sandra Gardebring, Chair of the Metropolitan Council, administered the oath of office to the members. She announced that Dirk deVries would be the liaison for the Metropolitan Council to the RTB.

Each member of the Board then introduced themselves and told a little about themselves.

Approval of Agenda

The agenda was approved as submitted.

Statement of the Chair

The Chair discussed some of his hopes and expectations for the Board. He believes in frankness and believes everyone on the Board has something very significant to contribute. He sees this as a great challenge and believes this Board can function as a good unit.

Receipt of the RTB Transition Task Force Report

Ghaleb Abdul-Rahman presented the report. At the next few meetings the Board will discuss the report in greater detail.

Doris Caranicas asked if the transit alternative analysis will be coming before the Board in draft form. Mr. Abdul-Rahman stated that it would be.

1. That the Organizational Committee continue in existence as a special committee until such time as the Committee has nominated a slate of officers, completed its recommendations for an initial staffing plan, and made recommendations on such other organizational matters as the Committee and Chair deem appropriate.
2. That notwithstanding the provisions of Article I of the Bylaws governing the timing of elections of officers, the first officers of the Regional Transit Board shall be elected promptly after a slate of candidates has been nominated by the Organizational Committee.
3. That notwithstanding the provisions of Article III of the Bylaws governing the timing of appointment of members to standing committees, the first members of such committees shall be appointed and confirmed at the next regular meeting of the Regional Transit Board (August 20, 1984) or as soon thereafter as possible.

Ruth Franklin then went through the Bylaws Article by Article. The Board made several amendments to the bylaws (See Exhibit A).

Ruth Franklin moved, Edward Kranz seconded, to approve the amendments. Motion carried unanimously.

Ruth Franklin moved, Margaret Snestrud seconded, to approve the Bylaws as amended. Motion carried unanimously.

2. Employee Insurance Coverage

Peter Bachman explained the employee insurance coverage.

Doris Caranicas moved, Margaret Snestrud seconded, to approve Resolution 84-4 regarding the employee insurance coverage. Motion carried unanimously.

3. Chair's Benefits

Doris Caranicas moved, Paul Joyce seconded, Resolution 84-5 regarding establishing the Chair's benefits. Motion carried unanimously.

Reports

1. Executive Director and Executive Secretary Search

The Chair pointed out that the Executive Director and Executive Secretary positions have been posted. The deadline for applications are August 13th for the Executive Director and August 15th for the Executive Secretary. The positions were not advertised nationally.

2. Orientation Retreat

Judith McCourt highlighted the memo that was distributed on the Board orientation.

The Chair stated that the MTC would like some idea of when the Board would like to visit their facilities. Consensus of the Board was they would like to wait until after their orientation.

The Chair stated that the first meeting in September is on Labor Day. Therefore, the Board decided to meet either the first Tuesday or Wednesday afternoon in September.

The Chair asked that anyone wishing to attend the APTA conference in Washington, D.C. on October 1, 2, and 3 should let him know as soon as possible. Information will be mailed to the Board this week on the conference.

Adjournment

The meeting adjourned at 5:35 p.m.

Respectfully submitted,

Laurie Hinze
Acting Secretary

LA975A

REGIONAL TRANSIT BOARD
Suite 402 Metro Square Building, St. Paul, Minnesota 55101
(612) 291-6640

Resolution No. 84-3

RESOLUTION AUTHORIZING CHAIR AND
EXECUTIVE DIRECTOR TO RECOMMEND
EMPLOYMENT DECISIONS

WHEREAS, Minnesota Statutes Section 473.373, subd. 7, provides that the Regional Transit Board shall make all decisions on the appointment, promotion, demotion, suspension, and removal of all subordinate officers and regular employees of the board, and further provides that:

The board may authorize the chair or executive director to recommend employment decisions. The board shall act within 30 days on employment decisions recommended by the chair or executive director.

NOW, THEREFORE, BE IT RESOLVED:

1. THAT the Chair of the Regional Transit Board is hereby authorized and, upon appointment, the executive director, is authorized to recommend employment decisions to the Board.

Adopted this _____ day of _____, 1984.

Elliott Perovich, Chair _____, Acting Secretary

CZ0176-CHLGL1

REGIONAL TRANSIT BOARD
Suite 402 Metro Square Building, St. Paul, Minnesota 55101
(612) 291-6640

Resolution No. 84-1

RESOLUTION DESIGNATING TEMPORARY OFFICES
AND MAILING ADDRESS OF THE
REGIONAL TRANSIT BOARD

WHEREAS, the Regional Transit Board is a newly created public corporation and political subdivision of the State of Minnesota, with a need to establish offices; and

WHEREAS, the Metropolitan Council has offered to sublease 1,870 square feet of office space in Suite 402, Metro Square Building, St. Paul, Minnesota, 55101, to the Regional Transit Board on a month-to-month basis at the Council's cost for the premises.

NOW, THEREFORE, BE IT RESOLVED:

1. THAT the Chair of the Regional Transit Board is authorized to execute a lease or other documents necessary to sublease Suite 402 from the Metropolitan Council on a month-to-month basis terminable by either party upon 30 days notice given on or before the last day of any month.
2. THAT Suite 402, Metro Square Building, St. Paul, Minnesota, 55101, is designated as the principal offices and legal mailing address of the Regional Transit Board.

Adopted this July 25 day of _____, 1984.

Elliott Perovich, Chair _____, Acting Secretary

CZ0176-CHLGL1

REGIONAL TRANSIT BOARD
Suite 402 Metro Square Building, St. Paul, Minnesota 55101
(612) 291-6640

RESOLUTION NO. 84-2

RESOLUTION AUTHORIZING ADMINISTRATIVE ASSISTANCE
FROM THE METROPOLITAN COUNCIL OR METROPOLITAN TRANSIT COMMISSION

WHEREAS, the Regional Transit Board is a newly created public corporation and political subdivision of the State of Minnesota with numerous actions to take in the first several months of its existence, including: (1) appointment of MTC commissioners; (2) preparation of biennial budget request; (3) preparation of interim implementation plan; (4) preparation of annual budget; (5) certification of tax levy; (6) preparation of financial and staffing plans; and other matters; and

WHEREAS, administrative assistance by staff of the Metropolitan Council and/or the Metropolitan Transit Commission in such areas as finances and accounting; payroll; personnel; information systems; printing and reproduction; legal; and other areas may be helpful in assisting the Regional Transit Board to establish its operations and perform the actions listed above; and

WHEREAS, the Metropolitan Council and the Metropolitan Transit Commission have offered to provide the Regional Transit Board with staff assistance on a cost reimbursement basis.

NOW, THEREFORE, BE IT RESOLVED:

1. THAT the Chair of the Regional Transit Board be given the temporary authority to request and accept administrative and other services provided by the Metropolitan Council or the Metropolitan Transit Commission on a cost reimbursement basis, including but not limited to assistance in the following areas:
 - a. finance and accounting;
 - b. payroll;
 - c. personnel;
 - d. information systems;
 - e. purchasing;
 - f. printing and reproduction; and
 - g. legal.
2. THAT this authority is effective until the Organizational Committee has made its report to the Regional Transit Board, and the Regional Transit Board has reevaluated its need for administrative assistance services.

Adopted this _____ day of _____, 1984.

Elliott Perovich, Chair
CZ0172

, Acting Secretary

REPORT OF THE
REGIONAL TRANSIT BOARD TRANSITION TASK FORCE
TO THE
REGIONAL TRANSIT BOARD

July 1984

Metropolitan Council of the Twin Cities Area
300 Metro Square Building, 7th and Robert Streets
St. Paul, Minnesota 55101
Tel. 612 291-6359

Publication No. 25-84-109

RTB TRANSITION TASK FORCE MEMBERS

Metropolitan Council

Sandra Gardebring
Maurice Dorton
Ghaleb Abdul-Rahman
Peter Bachman

Metropolitan Transit Commission

Peter Stumpf
Judith McCourt
William Zwart

Minnesota Dept. of Transportation

Al Schenkelberg

Minnesota Department of Finance

Dwight Pederson

Minnesota Dept. of Administration

Terry Bock

Minnesota State Planning Agency

Charles Kenow

Other Participants

Dirk deVries
Ron Maddox
John Williams

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INTRODUCTION

The Regional Transit Board (RTB) Transition Task Force was created in mid-May, 1984, by the chair of the Metropolitan Council at the request of the Governor's Office. The purpose and charge of the task force is as follows: to lay the groundwork necessary to enable the RTB to meet the various deadlines for action specified in the RTB enabling legislation; to identify and take appropriate action on transition issues; to provide, upon request, short-term assistance to the RTB after its chair and members are appointed; and to coordinate administrative activities of the Metropolitan Transit Commission (MTC), the Minnesota Department of Transportation (Mn/DOT), the Metropolitan Council, and the Minnesota Department of Finance to facilitate consistent actions by each agency insofar as each agency is affected by the creation of the RTB.

Members of the task force include a representative or representatives from the Metropolitan Council, the Metropolitan Transit Commission, the Minnesota Department of Transportation, the Minnesota State Planning Agency, the Minnesota Department of Administration, and the Minnesota Department of Finance. The task force will remain in existence until the RTB members and chair are appointed and until any assistance requested by the RTB has been rendered. The agendas and minutes from task force meetings are included in the Appendix.

In fulfilling its charge, the task force was (and remains) cognizant of its role as facilitator rendering transition assistance. The task force recognized at the outset that it had no authority to speak for the RTB or to commit the RTB to any action. The task force has maintained a policy-neutral stance and has not made assumptions about how the RTB would deal with an issue once the RTB chair and members were appointed.

The focus of the task force has been "transition issues." Transition issues are those issues that the RTB is statutorily empowered or required to deal with during the transition period. The transition period extends until such time as the RTB assumes responsibility for all programs statutorily transferred to it, which will not occur until July, 1985 at the earliest. Issues identified as transition issues fall into two general categories: (1) administrative matters that must be resolved or addressed to permit the RTB to become fully operational as soon as possible; and (2) substantive issues that the RTB is empowered or required by statute to deal with promptly and that require significant lead-time preparation before action can be taken. In most cases, the task force has performed its role by identifying the issues and making arrangements to ensure that, wherever possible, administrative prerequisites have been met.

This document is the task force's report to the RTB. The report is divided into three sections:

Section I is a summary of the background leading up to enactment of the RTB enabling legislation and a summary of the major provisions of the law.

Section II is a discussion of the transition issues and options.

Section III is a summary of actions the RTB is empowered or required to take and a display of various RTB deadlines.

An appendix is available upon request containing task force meeting agendas, minutes, and correspondence; sample personnel policies; sample bylaws; report of the Legislative Commission on Metropolitan Transit; Regional Service and Finance Study on Transit report; RTB enabling legislation and tax feathering provisions; and RTB enabling legislation summaries.

I. ENACTMENT OF THE REGIONAL TRANSIT BOARD ENABLING LEGISLATION

A. THE PROBLEM WITH METROPOLITAN TRANSIT

The 1984 Minnesota Legislature responded to perceived inadequacies in the metropolitan area transit system by creating the Regional Transit Board and reorganizing metropolitan transit governance structure. 1984 Minn. Laws, Chapter 654, Article 3 (hereinafter referred to as "enabling legislation" or "legislation"). The enabling legislation, which is included in the appendix, is in large part a response to the work of the Legislative Commission on Metropolitan Transit (LCMT). The LCMT was created by the 1983 Minnesota Legislature to conduct a comprehensive evaluation of metropolitan transit and was co-chaired by Senator Steve Novak and Representative Kathleen Vellenga, chief authors of the RTB enabling legislation.

In February, 1984, the LCMT issued a report identifying certain structural and financial problems of the metropolitan transit system and making recommendations to deal with those problems. Most of the LCMT recommendations on structural issues were enacted into law. Because of its major impact on the enabling legislation, the LCMT Report is briefly summarized in the paragraphs which follow. A copy of the LCMT report is included in the Appendix.

The LCMT identified three functions of effective transit service: planning, arranging, and delivering. Misallocation of these functions among various agencies and levels of government was found to be a major cause of inadequacies in the transit system. Misallocation of functions resulted from an unclear assignment of responsibilities among agencies and levels of government and from an over-concentration of responsibility at the MTC. The LCMT evaluated the role that the Legislature, the Metropolitan Council, the MTC, Mn/DOT and local units of government presently play in metropolitan transit and made various recommendations regarding the role that these agencies or units of government should play in the future. The LCMT's evaluations and recommendations regarding each agency are as follows:

1. The Legislature.

The LCMT found that the Legislature has been too heavily involved in specific transit service development and operation issues and too little involved in the process of establishing broad policy objectives. The LCMT recommended that the Legislature discontinue its involvement in specific transit service and operation issues and establish its proper role by developing a set of overall transit policy goals for the region. The goals for regional transit recommended by the LCMT were adopted nearly verbatim by the Legislature and incorporated in Section 115 of the enabling legislation.

2. The Metropolitan Council.

The LCMT found that there was a lack of coordination between the transit planning done by the Metropolitan Council and that done by the MTC. It was recommended that the Metropolitan Council continue its long-range transit planning function, but that its transportation policy plan be amplified to include specific policies on funding levels and distributions, revenue sources, service objectives, and allocation of service. These recommendations were incorporated in Section 108 of the legislation. The amplification of the Metropolitan Council's policy plan is evidence of the moderately increased role that the Legislature wants the Council to play in the regional transit scheme. As further evidence of this intent, the Metropolitan Council is given expanded authority to ensure compliance with its policy plan. By these means, the LCMT thought that better coordination could be achieved between the long-range planning functions of the Metropolitan Council and the mid-range planning and implementation functions of the RTB.

3. The Metropolitan Transit Commission.

The LCMT observed that the MTC's responsibility for the region's transit planning was in conflict with its responsibility for operating the region's major fixed-route bus system. It was thought that the MTC's involvement in transit operations interfered with the MTC's independent judgment as policy-maker. After examining a continuum of alternative transit agency organizational structures from complete centralization of transit control at the state level on the one end to completely decentralized local control on the other, the LCMT recommended a regional model in which transit planning, financing and arranging would be separated from transit operating functions. This model required the creation of a new regional body, the RTB, to assume certain functions from the MTC and from Mn/DOT. Under the enabling legislation, the membership of the MTC was reduced to three commissioners and its responsibilities reduced to transit operations with financial assistance from the RTB.

4. Minnesota Department of Transportation

The LCMT noted that the trend toward assignment of metropolitan transit responsibilities to Mn/DOT had been done by the Legislature in an attempt to fill gaps in the regional transit system. The increasing authority of Mn/DOT, a state agency, over local and regional transit questions was thought by the LCMT to be inappropriate. The LCMT therefore recommended that Mn/DOT's participation in the arrangement of metropolitan transit services (including administration of state transit subsidies and administration of Metro Mobility and ridesharing programs) should be phased-out and transferred to the RTB. It was further recommended that Mn/DOT continue its role vis-a-vis outstate transit systems and continue to enforce operating and safety rules for all transit providers. The Legislature adopted these recommendations with minor modifications. The primary remaining involvement of Mn/DOT in metropolitan transit is the distribution of transit assistance funds derived from the motor vehicle excise tax to providers of transit services.

5. Local Units of Government

The LCMT observed that the inadequacy or nonexistence of transit service in many areas of the region is due, in part, to the nearly total lack of involvement of local units of government in metropolitan transit. It was recommended that local units be assisted and encouraged to plan and arrange transit services that meet their needs consistent with the Metropolitan Council's transportation policy plan. This recommendation was incorporated into Section 120 of the enabling legislation.

B. THE RTB ENABLING LEGISLATION

In general terms, the legislation:

- establishes the role of the Legislature in metropolitan transit as providing broad policy oversight;
- establishes the role of the Metropolitan Council as preparing and overseeing the implementation of a detailed long-range transportation policy plan;
- Removes mid-range transit planning authority from the MTC and establishes the MTC as an operating agency with short-term operations and service planning authority;
- Creates the RTB to perform mid-range transit planning policy and administrative functions and to foster new types of transit services;
- Reduces the role of Mn/DOT in metropolitan transit by transferring most of Mn/DOT's metropolitan transit responsibilities to the RTB;
- Establishes a program of local participation to provide an avenue for local units of government to have meaningful input in the design and operation of transit services; and
- Removes the authority of the Transportation Regulation Board to establish fares and determine routes for any regular-route passenger transportation service receiving operating assistance from the RTB.

Focusing on the RTB, the enabling legislation establishes a board consisting of 14 members appointed by the Metropolitan Council and a chair appointed by the Governor. The RTB is organized and administered like a metropolitan commission except as specifically provided otherwise in the legislation. (Enabling legislation, Section 116, subd. 1.) This means that most of the statutory provisions governing metropolitan commissions (E.g., Minn. Stat. §§473.141 and 473.163) apply to the RTB and govern such matters as qualifications of members, vacancies, compensation of members, meetings of the RTB, personnel code requirements, appointment of officers, certain operating procedures and budget preparation and review.

The major functions and activities of the RTB as specified in the enabling legislation include:

- To prepare implementation plans (§118);
- To certify property tax levy (§136);
- To assume Mn/DOT's operating assistance contracts and enter into new operating assistance contracts (§121, subd. 9);
- To appoint members to the restructured MTC (§126, subd. 2);
- To prepare and present required budgets, financial plans and staffing plans;
- To request, review and approve MTC budget (§131);
- To study and report to the Legislature on certain enumerated issues (§151 to 152);
- To implement local government participation program (§120);
- To convene annual transit conference (§116, subd. 5);
- To take steps to become a designated recipient of federal funds (§117, subd. 8);
- To implement a transit information program (§117, subd. 14);
- To execute and administer paratransit project contracts (§121, subd. 8);
- To assume rideshare program responsibilities except for the statewide vanpool leasing program (§121, subd. 8);
- To assume Metro Mobility Program responsibilities (§122);
- To assume Replacement Service (Opt-Out) Program responsibilities (§123, subd. 6);
- To establish and appoint members to various advisory committees; and
- To conduct research and render advice on transportation issues (§117, subd. 10).

Many of the above-listed activities are included within the various transition issues identified by the task force and discussed more fully in Section II of this Report. In addition, many of the above-listed activities are set forth in Section III of this Report indicating when each action must or may be taken.

II. TRANSITION ISSUES AND OPTIONS

Under the enabling legislation, some of the planning and policy functions of the MTC, the metropolitan transit program administration functions of Mn/DOT and the metropolitan transit regulation functions of the Transportation Regulation Board are transferred to the RTB. Thus, the RTB will have before it, for at least the next year, the issues of how best to integrate these functions into its organization. The programs transferred generally fall into three categories: (1) financial, (2) planning, and (3) program management.

The RTB functions which are primarily financial in nature include review and approval of the MTC budget, preparation and submission of the RTB capital budget and financial plan to the Metropolitan Council, preparation and submission of the RTB budget request for state operating assistance to the Governor and the Legislature, levying of property taxes for transit purposes, the issuance of bonds for capital improvements, investments and management of funds, and the development of payroll and accounting systems to deal with payroll and program management functions.

The functions that are primarily planning in nature are those associated with the development of interim and 5-year implementation plans and other special planning projects. Areas which may be covered by the implementation plans are regular route transit, suburban services, ridesharing, and paratransit services.

The program management functions transferred to the RTB include the provision of financial assistance to the MTC, contracting for financial assistance with other transit providers, program management for rideshare, Opt-Out and Metro Mobility, administration of federal grants, management of the Exurban Community Assistance Program, and the development of contract procedures, policies, and regulations to govern the RTB.

The task force identified thirteen transition issues:

- A. INITIAL ADMINISTRATIVE START-UP
 - 1. Transfer of funds
 - 2. Adoption of personnel code
 - 3. Location of office space
 - 4. Availability of employee insurance
 - 5. Availability of administrative services assistance
- B. MTC APPOINTMENTS
- C. BIENNIAL BUDGET
- D. IMPLEMENTATION PLAN
- E. TAX LEVY
- F. ANNUAL BUDGET, FINANCIAL PLAN AND STAFFING PLAN

G. CONTRACTS

1. Mn/DOT
2. MTC

H. FEDERAL GRANTS

I. UNIFIED PLANNING WORK PROGRAM

J. TRANSIT ALTERNATIVES ANALYSIS STUDIES

K. METRO MOBILITY

1. Service Evaluation
2. Eligibility Criteria

L. LEGISLATIVE REPORTS

M. RTB COMMITTEE STRUCTURES AND APPOINTMENTS

Each of these issues is discussed below.

A. INITIAL ADMINISTRATIVE START-UP

The RTB is statutorily empowered to commence operations as soon after July 1, 1984, as the chair and at least seven other members have been appointed and qualified. (Enabling legislation, Section 116.) There are numerous actions that the RTB must take before the end of the year and the task force believes it is crucial that the RTB become operational as soon as possible to deal with these actions. To assist the RTB in establishing its operations, the task force has made certain administrative arrangements for possible adoption by the RTB.

1. Transfer of funds.

The task force has taken steps to assure that funds and a method to disburse those funds are available to the RTB promptly upon the RTB's commencement of operations. The enabling legislation transfers \$1,084,800 of the amount originally appropriated for the MTC to the RTB and \$14,700 of the amount originally appropriated for Mn/DOT to the RTB for fiscal year 1985 (total transfer: \$1,099,500). The funds are reappropriated to the Commissioner of Transportation for transfer to the RTB. The Commissioner of Finance is empowered to supervise this transfer of funds. The Department of Finance and Mn/DOT have agreed and propose to the RTB that the transfer of funds occur as follows: The Mn/DOT will transfer to the RTB the sum of \$1,099,500.00 of which \$219,900.00 (20%) will be transferred on August 1, 1984. One-tenth of the remaining \$879,600.00 will be transferred on the first day of each subsequent month of fiscal year 1985. The Mn/DOT will consider accelerating the transfer of the remaining \$879,600.00 provided the RTB submits to the Commissioner of Transportation a request with appropriate justification and receives approval by the Commissioner of Transportation. If an accelerated transfer of funds is approved, the balance of funds available for transfer will be transferred in equal installments over the remaining months of fiscal year 1985.

2. Personnel Code.

The RTB is required by Minn. Stat. §473.141 to adopt a personnel code in conformance with guidelines established by the Metropolitan Council. A copy of those guidelines is included in the Appendix. In addition, sample copies of the personnel codes of the Metropolitan Council, the Metropolitan Transit Commission and the Metropolitan Waste Control Commission are included in the Appendix so as to provide the RTB with detailed models for its own personnel code. Because the law does not specify a particular date by which the RTB must adopt its personnel code, the RTB will have a "reasonable time" for adoption.

3. Office space.

At the request of the task force, the Metropolitan Council has agreed to make temporary office space available to the RTB in the Metropolitan Council's offices in the Metro Square Building in St. Paul. Arrangements have been made so that the RTB will have furniture, telephones and other services available almost immediately if the RTB chooses to use the space. In addition, the owners of the Metro Square Building have agreed to reserve space adjacent to the Metropolitan Council's offices in case the RTB desires to locate its permanent offices there.

4. Employee insurance.

The RTB may wish to hire some staff almost immediately after appointment of its chair and members. The task force did not want the lack of employee insurance by the RTB to be an impediment to hiring staff and requested the Metropolitan Council to investigate whether RTB employees could be included as a subsidiary group in the Metropolitan Council's employee insurance programs. The Metropolitan Council's insurance carriers have agreed to provide such coverage. Arrangements have been made for the provision of life, health, disability, and dental insurance coverage to RTB employees to become effective only if and when adopted by the RTB.

5. Administrative services.

During the transition period, the RTB may desire various types of administrative assistance. The Metropolitan Council and the MTC are prepared to provide short-term administrative services and staffing assistance to the RTB upon request at terms to be agreed upon. Possible services which could be rendered include:

a. Finance/account assistance

- i) Provide forms for purchase requisitions, time sheets, purchase orders, and member expense claims.
- ii) Establish business accounts.
 - FICA employer number
 - Minnesota State Retirement Service
 - Checking account
 - Federal employer number

- iii) Establish accounting system.
 - Ledger
 - Registers
 - Journals
 - Procedures manual
- b. Payroll assistance.
- c. Personnel and equal employment opportunity services assistance.
- d. Information systems assistance.
 - i) Provide assistance to the RTB in acquiring and operating word processing, data entry systems.
 - ii) Provide assistance in accessing state computers, including access to transportation programs and data files.
- e. General administrative services:
 - i) Provide purchasing and space planning services upon request.
 - ii) Provide printing and reproduction services upon request.
- f. Provide legal assistance.

B. MTC APPOINTMENTS

Under the enabling legislation, the membership of the MTC is reduced from 9 members to 3 members. One member must be a resident of the City of Minneapolis, one must be a resident of the City of St. Paul, and one must reside in the service area of the commission outside of Minneapolis and St. Paul. The term of each member of the commission is three (3) years and until a successor is appointed and qualified. The initial terms of members commence on the first day after August 1, 1984, that all three members have been appointed and qualified. One member must be appointed to an initial term of one year, one to an initial term of two years, and one to an initial term of three years. The current MTC members retain office until the new members are appointed. Since the new MTC members will elect their own chair, the RTB need not appoint a chair.

The MTC members' qualifications are as follows. Each member of the commission must have management experience. Furthermore, a member may not during his term of office be a member of the Metropolitan Council, the RTB, the Metropolitan Waste Control Commission, the Metropolitan Airports Commission, the Metropolitan Sports Facilities Commission, or any other independent regional commission, board or agency, or hold any judicial office.

Appointments to the MTC must follow the procedures specified in the Minnesota Open Appointments Law, Minn. Stat. §15.0597. The task force coordinated with the MTC to ensure that the required notice of vacancy was published in the June

18, 1984, State Register. The Secretary of State will receive applications until July 10, 1984, at which time the Secretary of State will forward the applications to the appointing authority.

The RTB may appoint a person other than one for whom an application was submitted, but it must complete an application form on behalf of that person and submit it to the Secretary of State indicating that the application is being submitted by the appointing authority. The RTB may not appoint any person until 10 days after applications have been forwarded to the RTB by the Secretary of State, or July 20, 1984. A public hearing on the appointments is not required by law. After it is decided who the appointees shall be, the RTB must issue a public announcement and inform the Secretary of State in writing of the names of the persons it intends to appoint to fill the positions. Five days after the announcement of the intended appointees by the RTB, they may take office (but no earlier than August 2, 1984).

C. BIENNIAL BUDGET

The 1985-87 biennial budget process officially began with Governor Perpich's speech to Commissioners and agency heads on May 8, 1984, and continues through the 1985 legislative session. This process leads to the authority to spend state funds for the period of July 1, 1985, to June 30, 1987.

The Regional Transit Board's request for state funds will be transmitted to the Governor and Legislature using Mn/DOT as the budget vehicle. The Commissioner of Transportation will have no responsibility or authority relative to the RTB's budget other than providing this budget mechanism and acting as a fiscal agent for the state in transmitting legislative appropriations to the RTB. The RTB chair will be responsible for developing and presenting the budget request to the Governor and Legislature.

The Mn/DOT staff is prepared to draft budget narrative for consideration by the RTB, provide historical data, and provide technical assistance for budget development as requested by the RTB.

By statute, the Department of Finance has the overall responsibility for managing the budget process. Budget requests are collected and reviewed, and specific recommendations are developed for the Governor by the Department of Finance. The role of the Department of Finance Controller includes providing technical assistance, assistance in interpreting the budget guidelines, and developing options and recommendations for the Governor.

So that the Biennial Budget submission deadline can be met, the following timetable is suggested by the task force:

- | | |
|---|------------|
| - Mn/DOT transit staff presents draft budget narrative to RTB | Aug. 1 |
| - Task force provides budget orientation to RTB | Aug. 1-15 |
| - RTB makes preliminary budget decisions | Aug. 15-30 |
| - Final budget submission due in the Department of Finance | Sept. 28 |

D. IMPLEMENTATION PLAN

Under Section 118 of the enabling legislation, the RTB is required to prepare a transit service implementation plan for submission to the Metropolitan Council by August 1, 1986, for review and approval. In addition, the RTB is required to prepare a scaled-down version called an "interim implementation plan" by December 1, 1984. The task force addressed itself only to interim implementation plan issues.

The interim implementation plan is intended to describe the planning, functions and activities of the RTB to be conducted in the years 1985, 1986 and 1987 to implement the Metropolitan Council's transportation policy plan. The interim implementation plan is an important document for at least two reasons: (1) it establishes a three-year overall work plan for the RTB; and (2) adoption of the plan is a prerequisite for becoming a recipient of federal funds and for assuming program and contract responsibilities from Mn/DOT and the MTC.

The enabling legislation provides the RTB with some flexibility in determining the contents of the interim plan. The plan should be in the scope and detail that the RTB deems "appropriate and practicable" except that it must contain at least the following:

1. Capital Development Program (Minn. Stat. §473.161, subd. 1).
 - a. description of improvement;
 - b. manner of financing;
 - c. development schedule;
 - d. description of need for improvement, alternatives, and environmental and social effects;
 - e. impact of improvement on the metropolitan commissions (MWCC is only remaining commission);
 - f. estimate of operating costs and funding sources;
 - g. priority ranking of the improvement;
 - h. additional information as deemed appropriate by the Metropolitan Council.
2. Schedule of expected levels of public expenditure, both capital and operating, for the services and facilities planned;
3. Schedule of funding sources; and
4. A plan and schedule of fund distribution.

Additional elements may be included in the interim plan at the discretion of the RTB. The plan must be submitted to the Metropolitan Council by December 1, 1984, and the Council has 90 days to review and approve or disapprove it. The Metropolitan Council can approve or disapprove the plan in whole or in part based upon its consistency with the Metropolitan Council's transportation policy plan.

E. TAX LEVY

Under Section 136 of the enabling legislation, the authority to levy transit taxes in the metropolitan area is transferred from the MTC to the RTB. The transfer of authority is effective for taxes levied in 1984, payable in 1985, and for each succeeding year. On or before October 10, 1984, the RTB must certify to the auditor of each metropolitan county the total amount of the transit property tax to be levied in the taxing district. The tax must be based upon the level of service provided to the property, up to a maximum of two mills. One of the first major issues to be decided by the RTB is the level of tax relief to be provided to outlying communities in the October 10, 1984, tax levy. Some background information is helpful to understand the issue.

Under Minn. Stat. §473.466, the MTC has, until last year, levied a fixed-mill rate tax in the transit taxing district of the metropolitan area. It has also levied a tax equal to 10% of the transit taxing district mill levy in areas outside of the transit taxing district but within the metropolitan transit area. In addition, the MTC has levied amounts within and without the transit taxing district sufficient to provide for timely payment of capital debts.

In 1983, the transit tax levy law was changed to require the MTC to "feather" taxes within the transit taxing district so that the tax rate would be based upon the level of transit service provided for the community, subject to the two mill maximum. (1983 Minn. Laws, Chapter 293, section 106.) Thus, last year the MTC provided limited tax relief to communities eligible for the "opt-out" program based upon the level of transit service provided in those communities. Some communities had their mill levy rate reduced from 2 mills to 1.75 mills; others had their mill levy rate reduced to 1.65 mills.

Several communities were not entirely satisfied with the MTC tax relief program. Two primary objections were raised. First, relief was granted only to those communities eligible for the "opt-out" program. Thus, communities receiving a relatively low level of transit service but not eligible to "opt-out" did not receive any tax relief. Second, many communities felt that the amount of tax relief granted was too small in comparison to the level of service they were receiving from the MTC.

In response to this, the Legislature acted in 1984 to statutorily mandate transit property tax relief according to a specified formula. (1984 Minn. Laws, Chapter 502, Article 3, Section 25.) When this section becomes effective, the mill levy in areas receiving full, all-day service will be 2.0 mills; in areas receiving full peak and limited off-peak service, 1.5 mills; in areas that receive limited peak service, 1.25 mills. The tax relief will be accomplished through a reduction automatically made by the county auditor of the county in which the property is located and certified to the Commissioner of Revenue. The Commissioner of Revenue will then reimburse the RTB for the amount of proceeds lost through the property tax relief program. However, this state-funded tax relief program does not take effect until the 1985 tax levy.

The 1983 tax feathering legislation thus remains in effect and governs the October 10, 1984, tax levy. The 1983 legislation requires that some level of feathering be done based upon the level of service received by communities within the transit taxing district. Furthermore, the Legislature felt that, although state reimbursement would not be available for property tax relief in this biennium, the MTC (or the new RTB) would be in a position to grant the level of tax relief set forth in the 1984 legislation to be paid out of the MTC's current fund balance. Thus, many communities and legislators anticipate that greater tax relief will be given in the upcoming tax levy, even though no state funding will be available to reimburse the transit taxing district for the funds lost through the property tax relief program.

The actual process of certifying the levy is not uncommonly difficult or complex. MTC staff has assured the task force that it is willing and able to provide the RTB, upon request, with any information needed on a timely basis and that it is able to adjust the levy certification to account for any tax feathering approved by the RTB.

F. ANNUAL BUDGET, FINANCIAL PLAN AND STAFFING PLAN

The annual budget is governed by Section 119 of the enabling legislation and by Minn. Stat. §473.163 (Metropolitan Commission Budget Preparation). The annual budget is based on the calendar year and must be prepared by August first of each year (except for the budget prepared in 1984, discussed below). The capital improvements portion of the budget must be submitted to the Metropolitan Council for review and approval. The RTB must prepare an implementation plan and a three-year financial plan for review and approval by the Metropolitan Council. These plans must contain a schedule of anticipated operating expenses, but the Council has no direct review of the RTB's operating budget.

As to the annual budget prepared in 1984, the enabling legislation requires that it be prepared by December 1, 1984, for presentation to the Senate Finance and House Appropriations Committees. (Enabling legislation, Section 150, subd. 4.) In addition, the RTB's 1985 capital budget and financial plan for 1985-87 must be submitted to the Metropolitan Council by December 1, 1984, for review and approval. The Council has 30 days for review. (Enabling legislation Section 119, Subd. 3.) Thereafter, the RTB shall by resolution adopt its final budget and file a copy with the Metropolitan Council.

Except in emergency, the RTB is prohibited by Minn. Stat. §473.163 from spending any money for any purpose, other than debt service, without an appropriation in its budget. This appears to be in conflict with the enabling legislation because the enabling legislation requires the RTB to perform certain actions requiring expenditure of funds before adoption of its final budget. Under principles of statutory construction, it is clear that the RTB has authority to spend funds to accomplish actions required by the enabling legislation to be taken before a final budget is adopted. Authority of the RTB to spend money before adoption of its final budget for purposes not specifically required by the enabling legislation is, however, questionable.

Whenever there is any question that an expenditure may not be reasonably necessary in furtherance of actions that are required to be taken before adoption of the final budget, the RTB may wish to postpone the expenditure until a budget is adopted or obtain approval from the Metropolitan Council of a temporary budget.

The enabling legislation also requires that the RTB present a staffing plan to the Senate Finance and House Appropriations Committee by December 1, 1984. The approved complement of the RTB may not exceed 19 full-time positions. (Enabling legislation, Section 150, subd. 4). This limit on staff size will expire on June 30, 1985, unless extended or amended by the Legislature. The staffing plan is the RTB's opportunity to tell the Legislature what staff it will need to adequately perform its functions. The enabling legislation further provides that the chief administrative officer of the RTB shall hold the position of executive director. The executive director is appointed by the chair subject to the approval of the board. The RTB may authorize the chair or executive director to recommend employment decisions, but the RTB must make all decisions regarding appointment, promotion, demotion, suspension or removal of employees under a merit system. The RTB enabling legislation does not provide for automatic transfer of staff from the MTC or Mn/DOT to the RTB. Staffing decisions are a matter for the RTB to determine.

G. CONTRACTS

The creation of the RTB affects numerous contracts held by Mn/DOT and the MTC as summarized below.

1. Mn/DOT Metro Area Service Contracts

Mn/DOT currently administers a total of twenty-six Metro Area transit contracts. The majority of these contracts are processed according to the regular annual procedure for state transit assistance grants, a brief description of which follows:

- Application forms are prepared by Mn/DOT and sent out in June.
- Applicants develop a project budget and a management plan describing how the proposed system operates. Applications must be submitted by July 30.
- Mn/DOT assists where needed in: preparation of operating budgets, ridership projections, and cost/deficit estimates; design of transit service elements; development of project goals and objectives.
- Mn/DOT analyzes application to determine if costs are eligible for reimbursement, and negotiates with the applicant those costs that appear unreasonable.
- When applicant and Mn/DOT are in agreement, Mn/DOT prepares a calendar year contract. Providers receive contract for signature in mid-October.

- Contracts are processed by Mn/DOT and finalized by the end of November.
- Contracts are audited pursuant to Mn/DOT procedures and federal regulation.

Before assuming responsibility for any Mn/DOT operating assistance contracts, the RTB must adopt an approved interim implementation plan and certify to the Commissioner of Transportation that it is ready to assume the contracts. (Enabling legislation, §121, subd. 9.) The RTB's interim implementation plan will likely not be adopted until late December, 1984, or early January, 1985. The RTB may or may not be ready to assume responsibility for administering all or some of Mn/DOT's metro area transit contracts at that time. To ensure an orderly transition, the task force has requested that Mn/DOT deal with the various categories of contracts as set forth below. The RTB can assume these contracts when it is ready to do so after adoption of its interim implementation plan. If the RTB disagrees with an anticipated Mn/DOT action on metro area transit contracts, it should notify Mn/DOT as soon as possible. The chart on page 16 shows each of the projects currently under contract and sets forth anticipated Mn/DOT action. By category, those actions are as follows:

MTC

Mn/DOT will contract with the MTC for state operating assistance through the end of the biennium. This will necessitate a six month contract to begin on 1/1/85 and end 6/30/85. The RTB can assume this contract after adoption of its interim implementation plan and when ready. The MTC social fares reimbursement contract was written for the entire biennium. No further Mn/DOT action on the social fares reimbursement contract is anticipated.

Private Operators

Private regular route operators in the Metro Area, Medicine Lake Bus Company and North Suburban Lines, have contracts for the fiscal year. The contracting procedure outlined above is applicable except that it is initiated at the beginning of the year and finalized in June. Mn/DOT is in the final stages of contracting for these projects through the end of the biennium. The RTB can assume these contracts after adoption of its interim implementation plan and when ready.

Metro Mobility

All contracts for Metro Mobility, with the exception of Morley Bus Company, are on a calendar year basis. Mn/DOT will contract for Metro Mobility services through CY 1985. A mid-year assumption of these contracts by the RTB is anticipated. (Enabling legislation, Section 122, subd. 7.) Morley Bus Company is under contract through the Department of Administration, Division of Procurement, until the end of the biennium (6/30/85). These services were procured by competitive bid. No further action by Mn/DOT is anticipated on the contract.

METRO AREA SERVICE CONTRACTS

MN/DOT - STATE FUNDS

June 5, 1984

<u>Provider</u>	<u>Contract End Date</u>	<u>Anticipated DOT Action</u>
<u>Regular Route</u>		
MTC - Operating	12/31/84	Contract to 6/30/85
MTC - Social Fares	6/30/85	None
Medicine Lake Bus Co.	6/30/84	Contract to 6/30/85
North Suburban Lines, Inc.	6/30/84	Contract to 6/30/85
<u>Special Service</u>		
MTC - Project Mobility	12/31/84	Contract CY 1985
MTC - Transportation Center	12/31/84	Contract CY 1985
Yellow Taxi	12/31/84	Contract Cy 1985
Blue and White Cabs	12/31/84	Contract CY 1985
Red and White Taxi	12/31/84	Contract CY 1985
Transportation Mgmt. Inc.	12/31/84	Contract Cy 1985
City Wide Cab Company	12/31/84	Contract CY 1985
Diamond Taxi	12/31/84	Contract CY 1985
Suburban Paratransit, Inc.	12/31/84	Contract CY 1985
Morley Bus Company	6/30/85	None
<u>Small Urban and Rural</u>		
Anoka County	12/31/84	Contract CY 1985
Carver County	12/31/84	Contract CY 1985
Columbia Heights	12/31/84	Contract CY 1985
D.A.R.T.S.	12/31/84	Contract CY 1985
Hastings	12/31/84	Contract CY 1985
Hopkins	12/31/84	Contract CY 1985
STEP	12/31/84	Contract CY 1985
Scott County	12/31/84	Contract CY 1985
Washington County	12/31/84	Contract CY 1985
White Bear Lake	12/31/84	Contract CY 1985
<u>Opt-Out</u>		
City of Plymouth	12/31/84	Contract CY 1985
City of Shakopee	12/31/84	Contract CY 1985

CZ0000

Small Urban and Rural

Mn/DOT will contract with all projects falling within the small urban and rural category for CY 1985. A mid-year assumption of these contracts by the RTB is anticipated.

Opt-Out

Mn/DOT will contract for local service with Plymouth and Shakopee for CY 1985. A mid-year assumption of these contracts by the RTB is anticipated. (Enabling Legislation, Section 123, subd. 6.) It should be noted that Plymouth will have completed a full year demonstration and that an evaluation is scheduled for the first three months in 1985. A transit feasibility study for Chaska and the surrounding area has been approved under this program, and a contract will be established between Mn/DOT and the City of Chaska.

2. MTC Contracts

The MTC contracts with providers to supply paratransit and ridesharing services in outlying portions of the transit area. This area, commonly referred to as the exurban area, lies outside of the metropolitan transit taxing district but inside the metropolitan transit area.

The exurban program is funded by property taxes collected from the exurban area, which is taxed at 1/10th the level of the metropolitan transit taxing district. The program was developed in response to the 1981 Transit Omnibus Bill that required funds collected from the area to be returned to the area in the form of paratransit services or ridesharing programs.

In 1984, the exurban program provides funds to one ridesharing project and nine paratransit projects. The chart on page 18 identifies these contracts.

The exurban program and contracts will become an RTB responsibility. Several projects funded by the exurban program are also funded by the Transit Assistance Program. These projects rely on funds from the exurban program to meet a portion of their local funding match. Program continuity is, therefore, essential. The MTC procedure for exurban contracting has three steps. The first step, which generally occurs in September, entails the Commission reviewing and approving funding guidelines and determining the percentage of funds to be allocated for paratransit and the percentage of funds to be allocated for ridesharing. Traditionally, the MTC has retained twenty-five percent of the exurban funding to support Minnesota Rideshare. The second step entails soliciting proposals from parties interested in providing paratransit services. These proposals are requested following the approval of the funding guidelines and are due to the MTC in November. In the third step, the proposals are evaluated and funding allocations are made and the contracts are negotiated. This step occurs in November and December. The MTC will continue to administer the exurban program until program transfer is requested by the RTB.

The MTC also contracts for supplemental service in the Stillwater and Bayport area with a private provider (Valley Transit). This contract is funded through MTC general property tax proceeds. The contract is negotiated annually with negotiations beginning in October and concluding by December. The MTC will continue to administer the Valley Transit contract until program transfer is requested by the RTB.

Metro Area Service Contracts
MTC - Property Tax Proceeds

<u>Provider</u>	<u>Classification</u>	<u>Contract end date</u>
Anoka County*	exurban/paratransit	12/31/84
Carver County	"	"
Dakota County	"	"
DARTS	"	"
City of Hastings	"	"
Scott County	"	"
Suburban Community Services	"	"
Washington County	"	"
Minnesota Rideshare	exurban/ridesharing	"
Valley Transit	regular route	

* two contracts

H. FEDERAL GRANTS

Presently, the MTC is the recipient of federal grants of several types. The intended role of the RTB as the regional provider of transit financial assistance may require that it begin to receive some or all of those grants. The decision of which agency should be the grantee for a particular type of funding will depend upon how the purpose of the grant relates to the responsibilities of the local agencies, as well as to federal program requirements and administrative concerns.

The majority of funds are received from the Urban Mass Transportation Administration (UMTA) and are referred to by the section number of the law under which they are appropriated. Section 9 funds are allocated each year in an amount determined by formula. A portion of the funds are available to support transit operating costs; the balance is available for capital improvements and planning. Because of the regular annual nature of the grant, the types of capital improvements expected to be funded through this source are routine ones, such as bus replacement.

Section 9 funds go to a designated recipient, selected by "The Governor, responsible local officials, and publicly owned operators of mass transportation services. . ." (UMTA, Section 9(m)(1)). The MTC is presently the designated recipient for the Twin Cities metropolitan area. The enabling legislation provides that the RTB shall become a designated recipient for the region and further provides that "no political subdivision within the metropolitan area may apply for federal transit assistance unless its

application has been submitted to and approved by the board." (Enabling legislation Section 117, Subd. 8.) Multiple recipients may be designated; for example, one agency might be the recipient of capital funds and another the recipient of operating funds. Any of the agencies involved in transit could be designated recipients. (Enabling legislation, Section 114.) Deciding which agency should be the designated recipient for these funds during the transition period will require some analysis.

The Section 3 funds are somewhat simpler to address. These funds are available for capital improvement purposes only. They are awarded on a discretionary basis so that there is no prior assurance that any amount will be awarded to a given metropolitan area in any year. These funds are intended to be used primarily for non-routine improvements, such as the construction of a service garage, a bus layover facility or a rail transit project, and can also be used under certain circumstances for bus purchases. Unlike Section 9 funding, there is no designated recipient for Section 3 funds. Any public entity may apply for funds for an eligible transit purpose. However, to the extent that the funds constitute "federal transit assistance," under Section 117, subd. 8 of the enabling legislation, approval of the RTB is required. For a given grant, either the RTB or the MTC could be the applicant, depending upon the purpose of that particular grant.

UMTA Section 18 funds (operating and capital assistance for areas under 50,000 population) and Sec. 16(b)(2) funds (capital assistance for private, non-profit providers) will continue to be administered through Mn/DOT although all applications must be submitted to the RTB for review and approval. Other UMTA funds are available for such purposes as training and demonstration projects, but these funding categories do not create issues of identification of grant recipient.

Federal highway funds are also used for certain portions of the metropolitan transit program. Federal Aid Urban System funds have been used for such purposes as purchasing buses, developing park-ride lots, and supporting the rideshare program. Interstate substitution funds have been used for bus purchases, and are programmed to be used for the construction of the University of Minnesota transitway linking the campuses. All federal highway funds which are used by the region come through Mn/DOT, and can be passed through to the appropriate local agency based upon program responsibilities.

A related issue has to do with reporting of transit operating and financial statistics to UMTA. This reporting is required under Section 15 and provides the data used in the formula which allocates Section 9 funds. Presently, the MTC submits a Section 15 report annually, covering its fixed route bus operations, Project Mobility and Rideshare, as well as the other operators which it assists, including Valley Transit and exurban operators. Mn/DOT does not report statistics for the private operators which it assists. After the RTB is established, it will have to decide whether to take over the Section 15 reporting function. If it does so, some means will need to be established to collect the necessary data from all private as well as public operators.

I. UNIFIED PLANNING WORK PROGRAM

The Unified Planning Work Program (UPWP) is a document which lists and describes the federally funded transportation planning to be carried out in the region during a given year. The UPWP serves both as an information tool for local decision makers and as the basis for a federal grant application for planning funds. Previously, Mn/DOT, the Metropolitan Council and the MTC jointly developed the UPWP with the Council as the responsible agency in accordance with federal regulations. With the creation of the RTB, and its assumption of certain planning responsibilities, it will become a participant in the development of the program.

The act of defining RTB projects in the UPWP is significant. Planning is to be one of the major functions of the RTB, so defining its UPWP projects begins to define the RTB's role and means of discharging its responsibilities. Two issues need to be resolved. One is the identification of RTB projects in the 1985 UPWP, the other is the question of whether revisions should be made to the existing 1984 UPWP.

The process of developing the 1985 UPWP has already begun. This creates a problem because it requires that the RTB's planning activities be at least generally defined before the RTB is appointed and functioning. To cope with this problem, MTC and Metropolitan Council staff have developed proposed RTB planning projects for inclusion in the initial draft 1985 UPWP. The projects are broadly defined and are considered to be in draft form until the Board can address this issue. The 1985 UPWP will undergo an extensive interagency review process before being submitted to the United States Department of Transportation in the fall for funding approval, so final local approval of the document need not occur for several months. The RTB must review and adopt its portion of the 1985 UPWP and submit the program to the Metropolitan Council for approval.

The 1984 UPWP presents a different issue. The projects in it are already defined and underway. Some of the projects now being carried out by the MTC are in areas of responsibility that will move to the RTB. These projects include subregional transit planning, development programs, and paratransit planning and evaluation. Under the enabling legislation, the RTB is given authority to conduct metropolitan transit planning as of July 1, 1984. The RTB must decide whether it should attempt to assume certain 1984 UPWP activities currently being performed by the MTC or whether it should allow the MTC to continue administering the projects through 1984. If projects remain with the MTC through 1984, unexpended project funds would be reallocated to the RTB for 1985.

J. TRANSIT ALTERNATIVES ANALYSIS STUDIES

Two important studies of transit alternatives are on-going in the metro area. These studies are evaluating the transit alternatives available within the Hiawatha, Southwest and University Avenue Corridors.

Hiawatha Corridor - The preferred alternative selected is light rail transit, final EIS work is close to being completed and approved by federal agencies.

Southwest and University Avenue Corridors - A transit Alternatives Analysis and a draft Environmental Impact Statement (AA/DEIS) are being conducted for the University Avenue and the Southwest corridors. The purpose of the study, sponsored by the Urban Mass Transportation Administration (UMTA), is to analyze and evaluate four different transit improvements or alternatives in each of these two corridors. The study will culminate with the selection of a preferred alternative in each corridor based upon the information contained in the DEIS document and the testimony received at a public hearing. The alternatives considered include both light rail transit and busways. The Metropolitan Council is the recipient of the funds granted by UMTA to carry out the analysis. The study, however, is being conducted under the direction of a Steering Committee composed of policy-level representatives from eleven participating agencies. A draft EIS is expected to be available by the middle of September. The Steering Committee is expected to hold a public hearing by the end of October and select the preferred alternative for each corridor by the end of 1984.

Once a preferred alternative is selected in each corridor, priorities among corridors will have to be established if federal funding is pursued. The priority corridor for which federal aid would be sought will be selected by the Metropolitan Council in the context of the regional transportation planning process. This will include the involvement of the RTB and the TAB/TAC.

K. METRO MOBILITY CONSULTANT EVALUATION

1. Evaluation Study

In March, 1984, Mn/DOT contracted with the Urban Institute in Washington, D.C., for the purpose of evaluating the Metro Mobility coordinated transportation system which provides public transit service to eligible elderly and handicapped persons with special transportation needs. The Department seeks to identify possible service improvements and cost efficiencies under this contract. The evaluation is expected to be completed early this November. The Urban Institute will provide answers to questions like: Does the current provider mix and method of operation provide need-specific service in the most cost-efficient manner possible? Under current arrangements, are we getting the maximum service that five million dollars per year could possibly provide? If not, why not, and what can we do about it?

The following major contract items have been accomplished: a) all Metro Mobility providers have been interviewed; b) Metro Mobility forum workshop for users and social service agencies; c) peer-to-peer workshop; d) literature review of other specialized services has begun; and e) progress reports to Metro Mobility management policy committee have been made.

It is expected that a set of draft system options will be produced for Mn/DOT review in July. Since the RTB will be assuming responsibility for the Metro Mobility program, a role for RTB's participation in the review of the evaluation study needs to be defined.

2. Eligibility Criteria.

During the 1981 Third Special Session of the Legislature, there was considerable discussion regarding who should be eligible to use Metro Mobility and to what extent there was mis-use of the system due to inadequate certification criteria. As a result of those discussions, the Legislature mandated that Mn/DOT develop and adopt agency rules that would establish individual eligibility criteria. These rules were published in the State Register on August 16, 1982.

On April 2, 1984, the Legislative Commission to Review Administrative Rules (LCRAR) heard testimony on a request to review these rules governing eligibility of blind persons. On June 13th the LCRAR recommended that Mn/DOT amend these rules so that people who cannot learn to use mainline service, and who do not necessarily have a mental impairment or emotional problem be more adequately addressed in the rules.

The LCRAR's recommendation to amend the rules will most likely require the RTB's direct involvement due to Section 122 of the enabling legislation which requires establishment of criteria for determining eligibility.

L. LEGISLATIVE REPORTS

The enabling legislation requires that the RTB make the following reports to the Governor, the Legislature, and to legislative committees:

- Section 119 of the enabling legislation requires the RTB to prepare a financial plan for submission to the Metropolitan Council for approval. Under Section 116, subdivision 5(c), the chair of the RTB is required to present the financial plan to the Governor and the Legislature after it has been approved by the Metropolitan Council. The RTB's first financial plan must be approved by the Metropolitan Council no later than December 31, 1984.
- Section 117, subd. 16 of the enabling legislation requires that the RTB submit an annual report to the Metropolitan Council, the Governor, and the Legislature detailing its activities and finances for the previous year. The legislation does not specify a particular date by which these reports must be made.

- Section 150, subd. 4, of the enabling legislation requires the chair of the RTB to present a complete budget and staffing plan to the Senate Finance and House Appropriations Committees by December 1, 1984.
- Section 151 of the enabling legislation requires the RTB to conduct a study and issue a report to the Legislature by February 1, 1985, on the following issues: (1) changes needed in replacement service and contract programs; and (2) changes needed in the RTB's authority to contract indebtedness and to levy property taxes to retire debt.
- Section 152 of the enabling legislation requires the RTB to make a progress report to the Legislature by February 1, 1985, regarding the RTB's progress in (1) developing programs to improve service in inadequately served areas and (2) preparing and implementing the required implementation plan and financial plan.
- Section 117, subd. 8, of the enabling legislation requires the RTB to certify to the Governor when it has adopted an approved implementation plan and is ready to receive federal funds. The RTB will then be designated by the Governor as a recipient of federal transit assistance for the metropolitan area.

M. RTB COMMITTEE STRUCTURES AND APPOINTMENTS

The enabling legislation specifies that the RTB shall or may establish or appoint members to various committees. These appointments are as follows:

- Under Section 109 of the enabling legislation, the Metropolitan Council's Transportation Advisory Board shall contain a representative of the RTB. This position may be filled any time after July 1, 1984. The enabling legislation does not require that the appointment occur by any particular date.
- Under Section 117, subd. 9, of the enabling legislation, the RTB is authorized (but not required) to establish one or more advisory committees representing transit providers, transit users and local units of government to assist the RTB in carrying out its purposes. Members of any RTB advisory committees established receive no compensation.
- Under Section 117, subd. 11, of the legislation, the RTB is required to appoint a rideshare advisory committee to advise it in carrying out the program. No date is specified in the legislation by which the advisory committee must be established. A Metropolitan Ridesharing Board is currently in existence under the auspices of the Metropolitan Council.

- Under Section 122, subd. 2, the RTB is required to establish a management policy committee to set management policy for the special transportation (Metro Mobility) program and an advisory task force to advise the management policy committee. A Metro Mobility Policy Management Committee and Advisory Task Force are currently in existence under Mn/DOT's administration of the program. (Minn. Stat. §174.31.)

Under the terms of the enabling legislation, the membership of the Policy Management Committee, the Advisory Task Force, and the Metropolitan Ridesharing Board do not transfer automatically at the time the program is assumed by the RTB. The RTB may reappoint all, some or none of the existing members as it sees fit. Since the Management Policy Committee sets management policies for the Metro Mobility program, it will have to be in place at the time that the RTB assumes responsibility for the program.

III. CALENDAR OF RTB ACTIONS

The following is a list of activities which have occurred or actions which are required or expected to be taken by the RTB.

1984

- May - Task Force established by the Metro Council chair (May 16)
- June - Metro Council holds public hearings for the selection of the RTB members. (June 6 - June 28)
 - Metro Council nominates a list of six candidates for RTB Chair to the Governor (June 28).
 - Metro Council makes temporary office space available for RTB.
 - Required notice of vacancy for MTC members published in State Register. (June 18)
 - Mn/DOT, MTC and Dept. of Finance staff begin to prepare draft FY 1985-1987 biennial budget.
 - Metro Council and MTC staff begin to prepare draft Unified Planning Work Program (UPWP).
 - Metro Council and Dept. of Administration staff prepare administrative services check list.
- July - Task Force adopts its report to the RTB (July 11)
 - Metro Council selects RTB members (July 12), new members take oath of office.
 - Governor appoints RTB Chair.

- RTB holds organizational and orientation meeting.
- RTB selects and appoints MTC members (no earlier than August 2, 1984).
- August - RTB receives draft FY 1985-87 Biennial Budget from MTC.
- Task Force provides budget orientation to RTB (August 1 - 15)
- RTB makes preliminary Biennial Budget decision (August 30)
- Review existing CY 84 UPWP activities and review proposed CY 85 UPWP
- Metro Council staff provides orientation on the Transportation Policy Plan.
- MTC staff provides information and assistance to RTB to start process of certifying the tax levy.
- Prepare for development of interim implementation plan.
- Request MTC operating and capital budget.
- Sept. - Adopt final Biennial Budget (Sept. 28)
- Review MTC annual budget
- Oct. - Submit CY 85 UPWP comments to Metropolitan Council
- Receive and prepare comments on draft transit alternatives analysis study for Southwest and University Corridors.
- Certify tax levy (Oct. 10).
- Nov. - Review draft Interim Implementation Plan
- Approve MTC annual capital and operating budget.
- Dec. - Approve Interim Implementation Plan (Dec. 1)
- Adopt annual budget and financial plan and submit capital budget and financial plan to Metro Council (Dec. 1);
- Adopt staffing plan and submit staffing plan and complete budget to House Appropriations and Senate Finance Committees (Dec. 1);

1985

- Feb.
- Study and report to Legislature on changes needed in replacement service and contract programs (Feb. 1);
 - Study and report to Legislature on changes needed in authority to contract indebtedness and levy property taxes (Feb. 1);
 - Report to the Legislature on progress in developing and implementing programs to improve service in areas that are not adequately served at present (Feb. 1);
 - Report to the Legislature on progress in preparing the regional implementation and financial plan (Feb. 1).

The following is a list of actions or activities to be taken by the RTB at some time in the future:

- Appoint a member to the TAB.
- Appoint members to various advisory committees.
- Convene annual transit conference.
- Governor certifies RTB as a recipient of federal funds.
- Assume Mn/DOT operating assistance contracts.
- Assume exurban contracts.
- Establish a program for local government participation.
- Review any temporary borrowing requests by MTC.
- Require submission of operation plans and service plans from MTC.
- Establish procedures for review and approval for financial assistance.
- Chair presents financial plan to Governor and Legislature.
- Prepare or require financial assistance applicants to prepare transit study.
- Conduct research and render advice on transportation issues.

- Perform MTC impact assessment on contracts for operating assistance.
- Establish transit information program.
- Assume responsibility for rideshare programs; and establish Rideshare Advisory Committee (after June 30, 1985).

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