



Minnesota Regional Transit
Board: Records.

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

REGIONAL TRANSIT BOARD MEETING
Monday, August 20, 1984
Metropolitan Council Offices
300 Metro Square Building, St. Paul, Minn. 55101
3:00 P.M.
Room E

AGENDA

- I. Call to Order
- II. Approval of Agenda
- III. Approval of Minutes of the August 6, 1984, Meeting
- IV. Communications to the Board
- V. Business
 - A. Election of Officers
 - B. Appointment of Standing Committee Members
 - C. Appointment of MTC Members
 - D. Report on Executive Director and Executive Secretary Search;
Appointment of Screening Committee
 - E. Evaluation of the second stage of T.H. 610 (Northtown Highway)
from I-94 to T.H. 252.
 - F. APTA Conference
- VI. Other Business
- VII. Reports
- VIII. Adjournment

Elliott Perovich
Chair

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

Minutes of a Regular Meeting of the
REGIONAL TRANSIT BOARD
August 20, 1984
Room E
3:00 p.m.

PRESENT: Elliott Perovich, Todd Lefko, Ruben Acosta, Bernard Skrebes, Doris Caranicas, Frank Snowden, Gail MarksJarvis, James Newland, Margaret Snesrud, Alison Fuhr, Juanita Collins, Steve Loeding, Ruth Franklin, Edward Kranz, Dirk de Vries.

Call to Order

Chair Perovich called the meeting to order at 3:05. The Chair made an announcement that there would be coffee and cake in Room 402 after the meeting for Mr. Skrebes' birthday.

Approval of Agenda

The agenda was approved as submitted.

Approval of Minutes

Motion was made by Mr. Newland, seconded by Ms. Caranicas, recommending approval of the minutes of the meeting held August 6, 1984, with the following changes: Dirk deVries was in attendance at that meeting, and correction of Ruben Acosta's name, from Reuben to Ruben. Motion carried unanimously.

Communications to the Board

There were no communications to the Board.

Business

A. Election of Officers

The Organizational Committee recommended that Ms. Caranicas be named as Vice-Chair, that Ms. Snesrud be named as Treasurer of the Board, and that the Executive Secretary to be hired be named as Secretary to the Board.

B. Appointment of Standing Committee Members

The Organizational Committee recommended that the following members serve on the Policy Committee: Todd Lefko, Chair, Ruben Acosta, Doris Caranicas, Alison Fuhr, Steve Loeding, Gail MarksJarvis, and Frank Snowden. It was recommended that the following members serve on the Administrative and Finance Committee: Ruth Franklin, Chair, Juanita Collins, Paul Joyce, Ed Kranz, Jim Newland, Bernie Skrebes, and Peg Snesrud.

Minutes of the RTB Meeting
August 20, 1984
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Motion was made by Mr. Acosta and seconded by Mr. Skrebes to appoint the standing committee members and the officers of the Board as recommended by the Organizational Committee. Motion carried unanimously.

The Chair announced that the Organizational Committee will meet at least one more time and then will be dissolved.

C. Appointment of MTC Members.

The Chair briefly recounted the significant actions which have occurred leading up to the MTC appointments and stated the statutory requirements for appointment to the MTC. He also stated that the Board should establish the length of terms of the MTC members.

Mr. Loeding moved and Ms. Collins seconded that the initial term of office of the MTC commissioner residing in Minneapolis be for a term of three years; that the initial term of the MTC commissioner residing in the service area of the Metropolitan Transit Commission outside of Minneapolis and St. Paul be for a term of two years; and that the initial term of the MTC commissioner residing in St. Paul be for a term of one year. It was further moved that each commissioner's initial term of office commence on August 27, 1984.

Considerable debate took place regarding the method of establishing the lengths of initial terms of office of MTC commissioners.

Frank Snowden formally excused himself from any discussion and vote on this issue.

Ms. Caranicas called for the question as originally stated. The vote on the motion carried with Mr. Acosta and Ms. MarksJarvis opposing.

The Chair announced that he would place all applicants for MTC commissioner in nomination with an opportunity for Board members to nominate any others who had not applied. The following applicants were placed in nomination: Saint Paul - Leonard Axelrod; Carolyn Cochrane; Margaret Flicker; Jan Kilby; Minneapolis - Frank Snowden; MTC Suburban Service Area - Edward Bayuk; Michael Bublitz; Ross Farmer; Anthony Finell; Arthur Helland; Gayle Kincannon; George Krockner; Lillian Warren Lazenberry; and Bruce Nawrocki. There were no other nominations.

A roll call vote was then taken for each MTC commissioner, the first being for the MTC commissioner from Minneapolis. Frank Snowden was appointed unanimously to serve as MTC commissioner from Minneapolis.

The results of the roll call vote for MTC commissioners from the MTC suburban service area and St. Paul are as follows:

RTB Members	Vote	
	MTC Suburban Service Area	St. Paul
Chair Elliott Perovich	Bruce Nawrocki	Carolyn Cochrane
Todd Lefko	Bruce Nawrocki	Peggy Flicker
Ruben Acosta	Gayle Kincannon	Peggy Flicker
Bernard Skrebes	Bruce Nawrocki	Carolyn Cochrane
Doris Caranicas	Bruce Nawrocki	Peggy Flicker
Frank Snowden	Abstained	Abstained
Gail MarksJarvis	Bruce Nawrocki	Peggy Flicker
James Newland	Bruce Nawrocki	Carolyn Cochrane
Margaret Snesrud	Gayle Kincannon	Peggy Flicker
Alison Fuhr	Bruce Nawrocki	Carolyn Cochrane
Juanita Collins	Ross Farmer	Carolyn Cochrane
Steve Loeding	Bruce Nawrocki	Carolyn Cochrane
Ruth Franklin	Gayle Kincannon	Peggy Flicker
Edward Kranz	Edward Bayuk	Carolyn Cochrane

Bruce Nawrocki was appointed as the MTC commissioner from the MTC service area with a total of eight (8) votes; and Carol Cochrane was appointed as the MTC commissioner from St. Paul with a total of seven (7) votes.

D. Report on Executive Director and Executive Secretary Search; Appointment of Screening Committee.

The Chair reported on the status of the search for an Executive Director and Executive Secretary. A preliminary screening committee was established consisting of Mr. Newland, Ms. MarksJarvis, and chaired by Mr. Loeding.

E. Evaluation of the second stage of T.H. 610 (Northtown Highway) from I-94 to T.H. 252.

Ghaleb Abdul-Rahman introduced Ann Braden, a staff member from the Metropolitan Council, who prepared and discussed the staff memo which was included in the packet for today's meeting on this item. Metropolitan Council and Metropolitan Transit Commission staff recommended that the Regional Transit Board concur with the design concept of TH 610 from I-94 in Maple Grove to TH 252 in Brooklyn Park, as shown in the Draft EIS and the concept plan. Mr. Lefko moved and Ms. Franklin seconded to accept Council staff's recommendation. The motion passed unanimously.

F. APTA Conference.

The Chair announced the names of the members who would be attending the APTA conference. The Metropolitan Council's travel policies were included in the packet for the meeting and brought to the Board's attention. The Chair announced that these policies should be followed until the Board adopts its own policies.

Minutes of the RTB Meeting
August 20, 1984
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Other Business

Judith McCourt briefed the Board on the upcoming Retreat at Spring Hill to be held on Wednesday, August 29. There will be a final outline passed out on the day of the conference, and presenters will have packets on that day.

A letter sent to banks in Downtown St. Paul requesting proposals for a checking account for the RTB was brought to the Board's attention. It was also announced that the Board did receive a check last week from the Department of Finance so the Board is now operating with some funds.

Judith McCourt from the MTC presented several logos designed by the Graphics Department of the MTC, and one was submitted by Paul Joyce. There was some discussion and Mr. Kranz moved and Mr. Skrebes seconded to adopt Paul Joyce's submittal as the official logo of the Board. The motion carried unanimously.

There being no further business, the meeting adjourned at 4:25 p.m.

Respectfully Submitted,

Chris Yankovec
Acting Secretary

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

MEMORANDUM

DATE: August 14, 1984
TO: Regional Transit Board
FROM: Metropolitan Council Staff
SUBJECT: Evaluation of the Second Stage of TH 610 (Northtown Highway) from I-94 to TH 252.

AUTHORITY FOR REVIEW AND BACKGROUND

Minn. Stat. 473.167 (as amended by the 1984 Legislature) require that, before acquisition of, and/or before commencement of construction of a controlled access highway in the Metropolitan Area, the Minnesota Department of Transportation (Mn/DOT) or the local government unit proposing the facility, must submit to the Council a statement describing the proposed project. The Council is required to transmit a copy of this statement to the Regional Transit Board (RTB) and both agencies are required to review the statement to ascertain its consistency with their respective plans.

In February, 1984, these procedures were revised to allow approval of a roadway prior to completion of a final EIS if Mn/DOT has prepared a Draft EIS, held a location public hearing and selected a preferred alternate.

Developmental pressures are increasing along and within the TH 610 corridor. To allow advance purchase of some of the properties within the anticipated corridor under the Metropolitan Highway Right-of-Way Preservation Act, Metropolitan Council approval of this highway is necessary. To expedite the purchase of some of the property in Maple Grove, Council approval of the second stage of the Northtown highway is required as soon as possible.

PROJECT DESCRIPTION

A Draft EIS on the entire TH 610/TH 252 corridor was approved by Mn/DOT and the Federal Highway Administration in April 1981. The "build" alternative was subsequently chosen as the "preferred" alternative. The route is to be constructed in two stages. The first stage involves construction of approximately 2.7 miles of 4-lane freeway between TH 252 in Brooklyn Park and TH 10/47 in Coon Rapids (Mississippi River Crossing) and approximately 4 miles of TH 252 between I-94 in Brooklyn Center and TH 610 in Brooklyn Park. This first stage has been advanced through the Final EIS and into detail design. (The Metropolitan Council approved the first stage in 1982.) The river bridge is now under construction and the remainder of the roadways are scheduled for 1985 lettings.

Because of funding constraints, the section of TH 610 from new TH 252 in Brooklyn Park to I-94 in Maple Grove had been deferred. Although funding is still not yet available, Metropolitan Council approval of the second stage is needed to permit advance purchase of some properties within the right-of-way.

RTB INVOLVEMENT

According to 1984 Minn. Laws, Chapter 654, Article 3, Section III, RTB's involvement with review of controlled access highways is as follows:

"Before acquiring land for or constructing a controlled access highway in the area, the state transportation department or local government unit proposing the acquisition or construction shall submit to the Council a statement describing the proposed project. The statement must be in the form and detail required by the Council. Immediately upon receipt of the statement, the Council shall transmit a copy to the Regional Transit Board which shall review and evaluate the project in relationship to the board's implementation plan and report its recommendations and comments to the Council. The Council shall also review the statement to ascertain its consistency with its policy plan and the development guide. No such project may be undertaken unless the Council determines that it is consistent with the policy plan and implementation plan. This approval is in addition to the requirements of any other statute, ordinance or regulation."

Because the Board has yet to adopt an implementation plan, it is, obviously impossible to determine its consistency with the TH 610 project. However, the MTC has reviewed this project against its 1984 Transit Development Program. Their comments are attached.

RECOMMENDATION

That the Regional Transit Board concur with the design concept of TH 610 from I-94 in Maple Grove to TH 252 in Brooklyn Park, as shown in the Draft EIS and on the attached concept plan.

Att.

JM716A



METROPOLITAN TRANSIT COMMISSION

560-6th Avenue North, Minneapolis, Minnesota 55411-4398 612/349-7400

August 13, 1984

Mr. Lawrence Dallam, Director
Transportation Department
Metropolitan Council
300 Metro Square Building
Saint Paul, Minnesota 55101

RE: TH 610
I-94 to TH 252
Brooklyn Park
Controlled Access Highway Review

Dear Mr. Dallam:

We appreciate the opportunity to participate in the review process for the construction of the segment of TH 610 from I-94 to TH 252 in Brooklyn Park. The MTC previously commented upon this project through the draft Environmental Impact Statement review process.

Based upon a review of the project, the MTC finds this segment of TH 610 to be consistent with the 1984 Transit Development Program. It is also compatible with existing and anticipated regular scheduled transit service operating through the project area. It is requested that MnDOT continue to coordinate with the MTC regarding rideshare incentives and transit provisions for TH 610.

Questions pertaining to the MTC review and comments should be directed to the Transit Development Section. We look forward to our continued involvement in the development of the TH 610 project.

Sincerely,

Bob LaShomb
Director,
Planning, Development and Communications

jd

Regional Transit Board
402 Metro Square Building
Seventh and Robert Streets
St. Paul, Minnesota 55101

August 14, 1984

We wish to inform you that the Regional Transit Board (RTB) is requesting proposals from commercial banks in downtown St. Paul for its checking account. The RTB is a metropolitan agency created by the 1984 State Legislature to plan and coordinate transit in the seven county metropolitan area. Funds for transit operations will also funnel through this organization.

Account Description (the following are rough estimates)

Checks drawn/month	50
Deposits/month	3
Wire transfers/month - investment purchases (3) and maturities (3)	6
Stop payments/month	1
Dollars passing through account/annual	\$65,000,000 ¹

¹ Revenues will come from the State of Minnesota and a tax levy (i.e. all checks drawn on local banks). There will be a few, very large deposits which we intend to invest the day they become collected funds. Expenditures, other than the approximately \$1,100,000 for operations, will also be few in number and large in amount.

Requirements/Services to be Furnished

Pledge of \$200,000 collateral in U. S. government securities
Notification daily of the total of both ledger debits and credits and the collected funds balance
Accommodation of wire transfers out of deposits once they become collected funds
Capability to numerically sort checks
Furnishing of Account Analysis monthly

Proposal Format

Proposals should include:

Monthly fees
debits (checks), credits (deposits), wire transfers,
stop payments, account maintenance, check sorting, account balance reporting, etc.
Compensating balance requirement based on above assumptions including formula for calculation

Copy of latest annual financial report

Proposals should be submitted by August 24, 1984 and should be sent to:

Mr. Elliott Perovich
Chair
Regional Transit Board
402 Metro Square Building
Seventh and Robert Streets
St. Paul, Minnesota 55101

Proposals will be evaluated on the basis of fees, service, and compensating balance requirements.

Should you have any questions, please contact Jeff Dziuk at 291-6375.

Sincerely,

Elliott Perovich
Chair

CW346A

BANKS SENT REQUEST FOR PROPOSALS

American National Bank
Fifth and Minnesota Streets
St. Paul, MN 55101

Capital Bank
400 N. Robert Street
St. Paul, MN 55101

Commercial State Bank
Fifth Street at St. Peter
St. Paul, MN 55102

Exchange State Bank
519 Jackson Street
St. Paul, MN 55101

First National Bank of Saint Paul
332 Minnesota Street
St. Paul, MN 55101

Metropolitan Bank
441 Wabasha Street
St. Paul, MN 55102

Minnesota State Bank
200 S. Robert Street
St. Paul, MN 55107

Norwest Bank St. Paul
55 East Fifth Street
St. Paul, MN 55101

CW346C

TRAVEL POLICIES AND PROCEDURES

Contents

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 - 1. Telephone Calls
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 - 1. Authorization for Out-of-Area Travel
 - 2. Direct Payment
 - 3. Reimbursement of Expenses

Adopted by Metropolitan Council
June 23, 1977
Amended July, 1979
Amended November, 1979
Amended May, 1980
Amended July, 1981

I. PURPOSE

These procedures shall govern payment by the Metropolitan Council of travel and travel-related expenses incurred in connection with Council business. These procedures are adopted pursuant to Article VI, Paragraph G, of the Council's By-Laws, Minnesota Statutes 473.129, Subdivision 1, and in accordance with case and statutory law relating to the expenditure of public funds. These procedures may be amended by the Metropolitan Council.

II. DEFINITIONS

- A. Eligible Person means Council members, members of affiliated bodies, Council employees, and authorized out-of-area job applicants.
- B. Affiliated Bodies means the Metropolitan Parks and Open Space Commission, the Metropolitan Health Board, the Metropolitan Housing and Redevelopment Authority Advisory Committee, the Metropolitan Land Use Advisory Committee, the Criminal Justice Advisory Committee, the Advisory Committee on Aging, the Solid and Hazardous Waste Management Advisory Committee, the Wastewater Management Advisory Committee, the Transportation Advisory Board, the Transportation Technical Advisory Committee, and other boards, committees, or commissions designated by the Council.
- C. Local Travel means travel in performance of Council activities within the Metropolitan Area.
- D. Out-of-Area Travel means travel in the performance of Council activities outside of the Metropolitan Area.

III. POLICIES

- A. The Council shall pay travel and travel-related expenses incurred by an eligible person in accordance with the provisions herein, which serve a public purpose and are necessary, convenient, and incurred directly in furtherance of and to carry out the duties and responsibilities imposed upon the Council by law or regulation. Expenses not authorized and processed in accordance with these procedures shall not be paid by the Council.
- B. Persons utilizing private automobiles in performing Council activities shall be eligible for expense reimbursement only in the event that they use an automobile covered by automobile insurance in the amounts required by State law.
- C. The Council shall not pay Council employees' expenses for travel between the employee's place of residence and the Council offices for work during normal working hours.
- D. Council payment of travel and travel-related expenses is intended to encourage participation in Council activities by persons who would not or could not otherwise participate because of out-of-pocket expense or loss of income.

- E. Expense reimbursement procedures shall provide reasonable assurance that payments by the Council are not duplicated by other public or private bodies.

IV. PROCEDURES

A. Local Travel Expenses

1. Mileage Allowance. A mileage allowance of \$.23 per mile will be paid by the Council to eligible persons if a private automobile is used for performance of Council activities.
2. Parking Expenses. The Council will reimburse actual parking expenses at the destination of an eligible person during authorized travel for Council activities.

Other actual parking expenses, not to exceed \$3.50, shall be paid for each day in which an employee is required to use a private automobile for Council business specifically authorized by the employer.

3. Toll Charges. Actual road, bridge, and ferry toll charges paid by an eligible person during travel on Council activities will be reimbursed by the Council.
4. Bus Fare. Actual intracity and intercity bus fares paid by an eligible person during travel related to Council activities will be reimbursed by the Council.
5. Taxi Fares. Actual taxi fares paid by an eligible person during travel related to Council activities will be reimbursed by the Council. Local travel by taxi shall be eligible for reimbursement only when a private automobile or bus service is not available or where travel other than by taxi would be unsafe after dark.

B. Out-of-Area Travel Expenses

1. Mileage Allowance, Parking Expenses, Toll Charges, Bus Fares, and Taxi Fares. The Council shall pay eligible persons for mileage allowances, parking expenses, toll charges, bus fares and taxi fares as described under Section IV.A., Local Travel Expenses, if the expenses were incurred in performing Council activities during authorized out-of-area travel. Air travel shall be the preferred means of out-of-area travel. If a private automobile is used, the normal mileage allowance of \$.23 per mile will be paid for travel within a 200-mile radius of the Council offices. Reimbursement for private automobile use beyond a 200-mile radius will be paid on the basis of tourist air fare or actual mileage, whichever is the lesser figure. If a private automobile is used for local travel in an area other than the Twin Cities Metropolitan Area, the same mileage allowance of \$.23 per mile shall be paid.

2. Rail Fares. The Council will pay rail fares for authorized out-of-area travel in performance of Council activities. Travel by rail may be in first class accommodations, including lower berth or roomette in the case of overnight travel.
 3. Airline Fares. The Council will pay airline fares for authorized out-of-travel by an eligible person in performance of Council activities. Travel by airline shall be in tourist class accommodations, when available. If tourist class accommodations are not available, first class tickets may be purchased. Purchase of first class tickets shall be noted on the out-of-area travel expense report.
 4. Limousine Fares. Actual limousine fares paid by an eligible person during authorized out-of-area travel in performance of Council activities will be reimbursed by the Council.
 5. Automobile Rental. Actual automobile rental charges including daily rates and mileage paid by an eligible person during authorized out-of-area travel in performance of Council activities will be reimbursed by the Council.
 6. Baggage Handling Expenses. Actual baggage handling expenses paid by an eligible person during authorized out-of-area travel in performance of Council activities will be reimbursed by the Council.
 7. Hotel and Motel Expenses. Actual hotel and motel expenses at the rate for single accommodations paid by an eligible person during authorized out-of-area travel in performance of Council activities will be reimbursed by the Council. Rates for hotel and motel accommodations shall be comparable to rates of other facilities in the area. Hotel and motel expenses shall be reimbursed only for days spent on Council activities.
 8. Subsistence Allowance. Eligible persons will be paid a subsistence allowance of \$24.00 per day for meals and incidental expenses during authorized out-of-area travel in performance of Council activities. For partial days, the day will be divided into eight-hour periods, the first period commencing at 12:01 A.M. The Council will pay a subsistence allowance of \$8.00 per eight-hour period or fraction thereof spent on authorized out-of-area travel in performance of Council activities. When authorized out-of-area travel is made by private automobile, in lieu of air travel, the subsistence allowance shall be paid only for the period required if the trip had been made by air.
- C. Other Travel-Related Expenses
1. Telephone Calls. The Council will pay for telephone calls placed by an eligible person from outside the Council offices in performance of Council activities. Whenever possible, such telephone calls should be charged directly to an employee's office phone number or the Council general phone number. If expenses for telephone calls related to Council activities are

paid by an eligible person, the person will be reimbursed by the Council. Telephone calls made during authorized out-of-area travel should be made from the person's hotel room so that expenses are itemized on the receipt for payment of hotel bills.

2. Registration Fees. The Council will pay registration fees for attendance by an eligible person at an authorized conference, seminar or workshop.
3. Child Care Expenses. Eligible persons shall be reimbursed for the actual reasonable costs paid to persons outside of their immediate family for the care of their children while engaged in performance of required Council activities, upon submitting a proper receipt of date, hours and total cost. Council employees shall not be reimbursed for expenses incurred for the care of their children during normal working hours.
4. Meal Expenses. Eligible persons shall be reimbursed for actual costs paid by the person for meals served at meetings or functions where attendance is necessary in performance of Council activities. Members of affiliated bodies shall be reimbursed for the actual cost, including tax and tip, paid by the member for meals made necessary by attendance at a meeting of the affiliated body, unless per diem compensation was paid for attendance at the meeting.
5. Lost Wages. Members of affiliated bodies shall be reimbursed for wages lost as a result of required attendance at an affiliated body meeting or authorized out-of-area travel in performance of Council activities, provided that such reimbursement shall not exceed \$35.00 per day. Lost wages must be verified by an authorized representative of the employer before a member of an affiliated body may be reimbursed by the Council. Members of an affiliated body shall not be reimbursed for lost wages if they were paid per diem compensation by the Council for the time period during which the wages were lost.
6. Recruitment Expenses. (a) Out-of-area job applicants authorized to come to the Twin Cities for an interview at Council expenses shall be reimbursed for expenses in accordance with Section IV.B., Out-of-Area Travel Expenses, and the following conditions. Travel expenses for out-of-area job applicants to come to the Council for an interview are normally paid only when a job has been advertised in national publications. Travel expenses must be authorized in writing in advance of the trip by the appropriate Department Director and the Executive Director. The applicant should be told prior to the trip that the Council will pay full travel expenses incurred if the applicant is offered the job and accepts, or if the applicant is not offered the job. The Council will reimburse half of incurred expenses if the applicant is offered the job and does not accept.

(b) The Council shall pay moving expenses of prospective employees only as authorized in writing by the appropriate Department Director and the Executive Director.

D. Method of Payment

1. Authorization for Out-Of-Area Travel. Out-of-area travel by all eligible persons must be authorized in advance on Form ER-46 and approved by the Executive Director (attached). Out-of-area expenses shall be estimated as indicated on the Form. An advance payment may be requested. Form ER-46 shall also be used for authorization of registration fees for conferences, seminars, or workshops not requiring out-of-area travel.
2. Direct Payment. Direct payments shall be made whenever possible by the Council to common carriers or travel agencies for airline, rail, or bus fares and to conference sponsors for registration fees. Common carrier tickets shall be ordered by an assigned person in the Department of Administration after authorization for out-of-area travel on Form ER-46. The common carrier or travel agency shall deliver or mail the tickets to the Council, along with an invoice for payment. Registration fees shall be paid by the Fiscal Officer directly to conference sponsors in advance of the conference date.
3. Reimbursement of Expenses. (a) All eligible travel expenses except those paid directly by the Council shall be paid by the traveler for reimbursement by the Council. Mileage and subsistence allowances are included as reimbursable expenses, even though they may not represent actual expenses paid by the traveler.

(b) An advance payment on reimbursable expenses may be requested by eligible persons for estimated out-of-area travel expenses authorized on Form ER-46. If an advance is requested, the form must be submitted at least two weeks in advance of the trip. Advances shall not be paid for requests of less than \$25.00. Only one advance per person may be in effect at one time. Actual out-of-area travel expenses shall be reported on Form ER-47 (attached) within one week after returning from the trip.

(c) Reimbursable local travel expenses for Council and affiliated body members shall be reported on Form ER-48 (attached). Reimbursable local travel expenses for Council employees shall be reported on Form ER-45 (attached). Forms ER-45 and ER-48 shall be turned in to the Finance Office when the page is completed, at the end of each month, or at a minimum, at the end of each quarter. End-of-the-year expense reports may be refused by the Finance Office if not turned in by the end of January.

(d) Receipts shall be attached to expense reports for all expenses paid by the traveler except subsistence allowances, mileage allowances, metered parking bus fares deposited in fare boxes, taxi and limousine fares, baggage handling costs, and telephone calls placed from public telephones. Lost wages must be verified by an authorized representative of the employer before a member of an affiliated body may be reimbursed by the Council.

(e) Council payment to an eligible person for reimbursable expenses shall be made by the Fiscal Officer on the next regular accounts payable date following submission of an expense report, if properly authorized, reported, and documented with receipts as described above.

(f) A claim for reimbursement must be accompanied by a certification by the claimant that such statement of claim is correct, that the amounts charged therein were actually and necessarily dispersed in performance of official duties for the Council, that no part of the claim has been paid previously to the claimant, and that the claimant will refund the Council any portion of the claim subsequently paid by other public or private bodies.

LM002A

REGIONAL TRANSIT BOARD
Request for Long Distance Travel and/or Conference Registration Authorization

Please read instructions at the bottom before filling this out.

Name _____ Employee No. _____

Department _____ Position Title _____

■ Part A – Long Distance Travel*

Purpose of Request: _____

Destination: _____ Period: From: _____ To: _____

Mode of Transportation: _____ Account Code: _____

Estimated Expenses and Amounts (if more space is required, list them on an attached sheet):

1. Lodging	\$ _____	5. _____	\$ _____
2. Transportation - Air	\$ _____	6. _____	\$ _____
3. Transportation - Other	\$ _____	7. _____	\$ _____
4. Meals	\$ _____	8. _____	\$ _____

Total Estimated Maximum Expenses \$ _____

Check if Advance Requested** _____

*All travel must be performed in accordance with the Council's travel regulations.
**No advance will be issued unless requested.

■ Part B – Conference or Workshop Registration

Conference or Workshop: _____ Account Code: _____

Where Held: _____ Date(s) Held: _____

Fees: (itemize; if more space is required, list them on an attached sheet):

1. _____	\$ _____	3. _____	\$ _____
2. _____	\$ _____	4. _____	\$ _____

Total Fees: \$ _____ to be (check one):

_____ prepaid directly by Board. (Application blank attached.)

_____ included in travel advance.

_____ paid by employee. Request reimbursement on "Long Distance Travel Expense Report." (Attach receipt.)

_____ billed to the Board.

- INSTRUCTIONS:**
1. Complete Part A when requesting long distance travel authorization. Complete Part B also if requesting conference registration authorization while on long distance travel. Complete Part B when *only* requesting authorization for conference or workshop registration.
 2. Finance needs two weeks from receipt of this approved form to produce an advance check or a check to pay a prepaid registration. Plan accordingly. See the Finance Director if you anticipate problems here.

I hereby certify that the travel and/or conference specified is in connection with or related to the work program of the Regional Transit Board, and I request that approval be granted.

Signed _____ Approval Recommended by _____
Executive Director

Date _____ Date _____

Advance Amount Approved \$ _____

Finance _____ Date _____
(initials)

RETURN TO FINANCE

REGIONAL TRANSIT - BOARD
Long Distance Travel Expense Report
 Submit for approval within one week of return.

Name _____ Employee No. _____

Dept. _____ Position Title _____

Account Code: _____ Destination _____

Date	Travel		Subsistence Allowance ***	(Attach Receipt) Lodging	Other Expenses****		TOTAL EXPENSES
	Common Carrier*	Other** Transportation			Itemize	Amount	
TOTAL ACROSS							

*Travel fare by common carrier, if paid by traveler. If travel to/from destination is by personal automobile, show actual mileage expense at \$.23 per mile or coach air fare, whichever is less.

**Show taxi, bus, limousine, car rental and parking costs in this column. Also use this column for personal automobile expenses to/from airport, etc. at \$.23 per mile.

***Twenty-four dollars per day or \$8.00 per eight hour period or fraction thereof commencing at 12:01 a.m. For local approved meals or for employment applicants show actual meal costs in this column and so indicate at bottom of form (do not use subsistence amount).

****Show conference connected expenses, including registration fees, if paid by traveler: business phone calls (not personal) and similar non-subsistence, non-personal charges.

I hereby certify that to the best of my knowledge the above claim is correct, the amounts charged herein were actually and necessarily disbursed in the performance of official Board duties, that no part of the claim has been paid previously, and that the Board will be refunded any portion of the claim subsequently paid by other public or private bodies.

Signed _____

Date _____

Approved by _____
Executive Director

Date _____

Audited by _____

Date _____

Finance Use Only

• Trip authorized _____ by _____
(date)

• Travel Allowance

Amount \$ _____ Check No. _____ Date _____

Total Expenses \$ _____

Reimbursement \$ _____ Check No. _____ Date _____

Balance Due the Board \$ _____ Receipt No. _____ Received by _____ Date _____

REGIONAL TRANSIT BOARD Members attending
APTA Meeting in Washington, DC Sept 3, - Oct 4.

Elliott Perovich
Ruben Acosta
Bernard Skrebes
Doris Caranicas
Gail MarksJarvis
James Newland
Peg Snesrud
Steve Loeding
Ruth Franklin
Paul Joyce

DATE: August 20, 1984
TO: Regional Transit Board
FROM: Organizational Committee
SUBJECT: Standing Committees and Officers

The Organizational Committee recommends the following appointments to the Standing Committees:

- I. Policy Committee
Todd Lefko, Chair
Ruben Acosta
Doris Caranicas
Alison Fuhr
Steve Loeding
Gail MarksJarvis
Frank Snowden
- II. Administrative and Finance Committee
Ruth Franklin, Chair
Juanita Collins
Paul Joyce
Edward Kranz
James Newland
Bernard Skrebes
Peg Snesrud

The Organizational Committee recommends the following members be elected officers of the Regional Transit Board:

- I. Vice Chair
Doris Caranicas
- II. Secretary
Staff Executive Secretary (to be hired)
- III. Treasurer
Peg Snesrud

BusinessWeek

AUGUST 27, 1984

A MCGRAW-HILL PUBLICATION

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MASS TRANSIT: THE EXPENSIVE DREAM

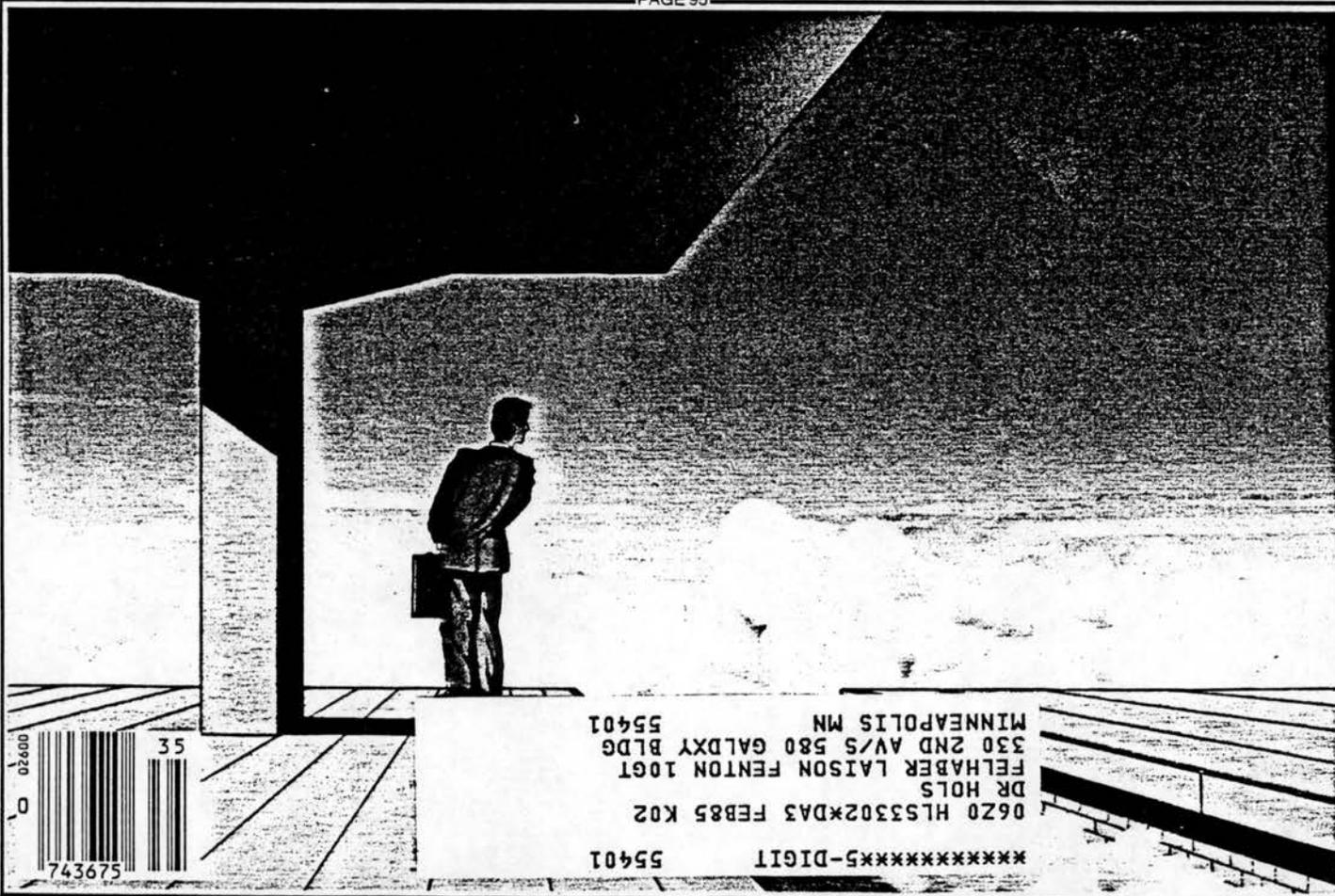
PAGE 62

COLOMBIA: FIGHTING DRUGS, GUERRILLAS, RECESSION

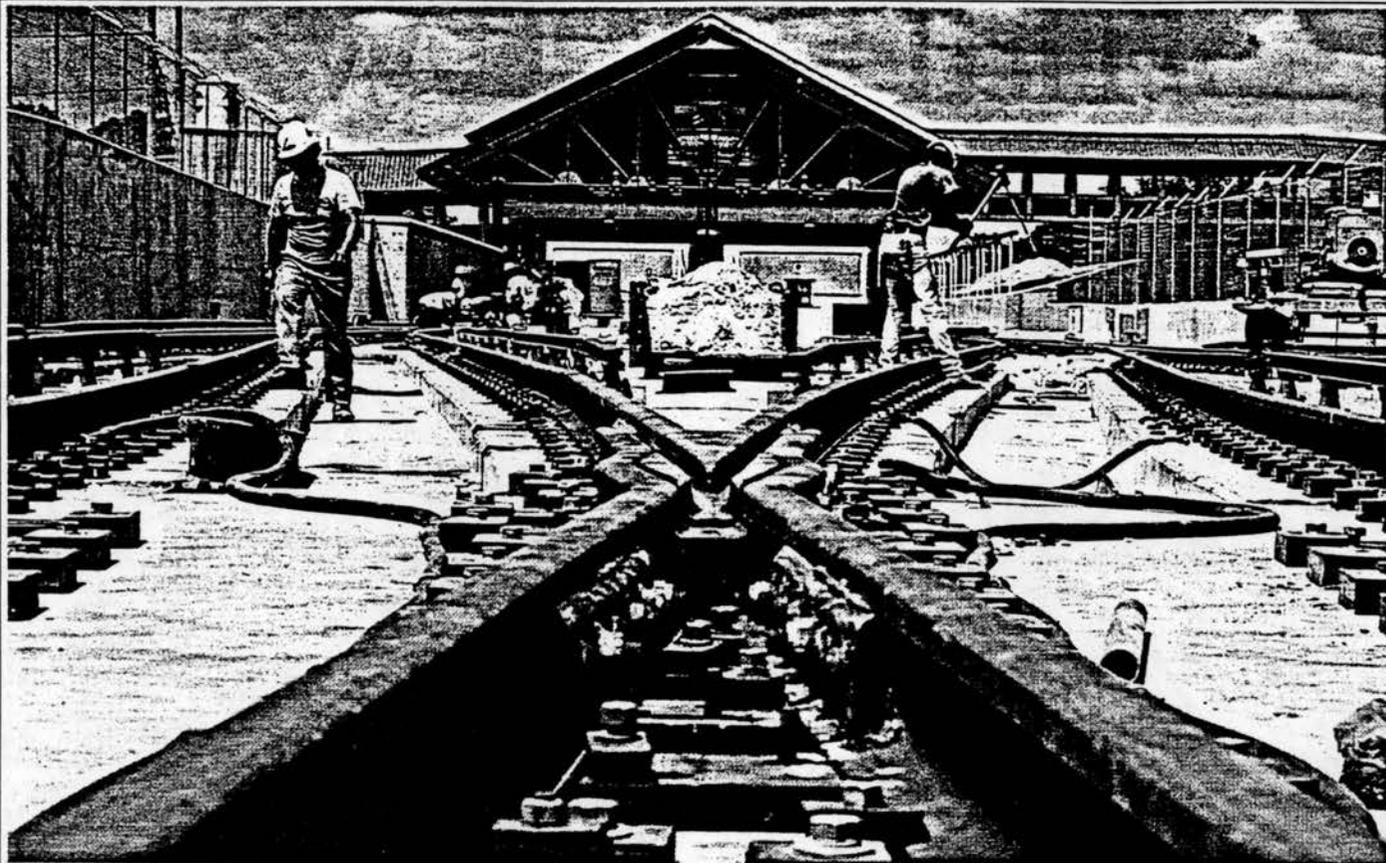
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CORPORATE STRATEGIES: ALCAN • HORN & HARDART

PAGE 95



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THE FIRST PHASE OF ATLANTA'S SYSTEM WAS \$24 MILLION OVER BUDGET AND SIX MONTHS LATE, RAISING DOUBTS ELSEWHERE

MASS TRANSIT: THE EXPENSIVE DREAM

ARE FEDERALLY FUNDED SYSTEMS AN URBAN PANACEA OR A FISCAL FIASCO?

Lured by a federal fund set up in 1982, many of America's biggest cities are now lining up at the government's window for money for rail transit systems. Los Angeles and Dallas want systems to ease traffic congestion. Detroit, Buffalo, and St. Louis think theirs will bring economic revival. Milwaukee and Minneapolis-St. Paul see big-city status in them. It all seems like an urban planner's dream—but it is already turning into a financial nightmare.

"There's no way you can fund all these projects," warns Transportation Secretary Elizabeth H. Dole. The Urban Mass Transportation Administration (UMTA) estimates that systems already under way or on the drawing boards will cost \$19 billion. Los Angeles alone wants

\$2.1 billion from Washington. Yet only \$1.1 billion a year in federal money has been set aside for building new systems and refurbishing old ones, and experience shows that few recently built systems come in even close to budget. Washington, D. C., originally estimated its subway would cost \$2.5 billion; already, some \$6 billion has been spent or committed, and the system is only half finished (page 64).

BIGGER DEFICITS. The proposed new systems are opening the door to giant operating deficits, as well. By law, the federal government is supposed to put up not only 75% to 80% of the capital cost but also up to 50% of all operating deficits. "If you look at the history of the systems built in the 1970s, they consistently

overestimated patronage and underestimated both capital and operating costs," notes Professor Jose A. Gomez-Ibanez, a mass-transit expert at Harvard University. The cost of providing a ride on the San Francisco, Atlanta, and Washington systems, he continues, averages four times as much as was forecast. Says UMTA chief Ralph L. Stanley: "I think cities get caught up in rail systems the way they do in convention centers and domed stadiums."

At the same time, cities that already have rail transit are planning to expand—even though many face enormous costs to rehabilitate existing lines—and they will be competing with the new starts for the limited federal funds. The American Public Transit Assn. puts the

hospital needs for refurbishing existing systems over the next five years at \$10 billion. New York City, which has the nation's largest rail transit network, is already halfway through a five-year rehabilitation plan costing \$8.5 billion, and the system remains sadly dilapidated.

What started the rush to rail transit is Congress' decision to allocate 1¢ of the 5¢-a-gal. surtax on gasoline for such projects. Now federal legislators are on the verge of approving money for 10 new systems, and they show no inclination to turn down any of the requests. The inevitable result, experts say, will be both additions to the federal deficit and big tax boosts at the local level. "If we fund these amounts," predicts Stanley, "we're going to be \$4 billion to \$4.5 billion short within two years."

Despite the dangers, few experts expect these requests for federal funds to be decided on their merits. If the past is any guide, such questions as whether a rail system will spell financial disaster for a specific city or whether it will bring its vaunted benefits—reduced congestion, better air quality, and economic development—will be raised, then ignored for political reasons. UMTA's efforts to establish criteria to sort out good projects from uneconomical ones, for example, met stiff opposition on Capitol Hill. As it turned out, the bills approved by the House and Senate Appropriations Committees designated a set amount of money for each city, such as \$4.8 million for a system to serve sprawling San Jose, thus ensuring funding. Explains one staffer: "If you're a powerful senator, you're going to get the project for your state, even if it's not a good one." The program, says Stanley, is simply unmanageable."

COMMON SENSE. To be sure, mass transit proposals sometimes do stall even before they reach Congress. Transit advocates in Houston took a beating at the polls last year when they lost a \$2.35 billion bond referendum for an 18.5-mi. rail system. In Denver, skeptical voters not only rejected a sales tax rise to finance a proposed system but also insisted that their transit board be elected so residents could exert greater control.

More typically, however, the local political machinery joins forces with developers and some neighborhood supporters to promote a project and enlist the aid of their representatives on Capitol Hill. While the cities are competing with each other for money, they are united in their belief that Washington has an obligation to help finance the systems. "Sixty-five percent of American people live in cities, and if the welfare of American people isn't a concern of the feds, I don't know what is," declares Jack R. Gilstrap, executive vice-president of the American Public Transit Assn. "If cities

TRYING TO EASE THE COMMUTE



LIKE MANY CITIES, DALLAS IS BANKING ON A RAIL SYSTEM TO COMBAT TRAFFIC WOES

MORE AND MORE CITIES ARE RUSHING TO TAP FEDERAL FUNDS FOR NEW TRANSIT SYSTEMS . . .

City	Planned route miles	Projected completion date	Estimated cost (millions of dollars)
DALLAS	160.0	2010	\$3,400
LOS ANGELES	18.5	1990	3,300
DETROIT	15.0 (light rail)	1990	2,000
	1.9 (people mover)	1985	117
PITTSBURGH	12.0	1985	559
BUFFALO	6.4	1985	535
SAN JOSE	20.0	1987	380
PORTLAND	16.0	1986	307
ST. LOUIS	18.0	1987	229
MILWAUKEE	14.3	1990	166
SAN DIEGO	15.5	1990	113

. . . AND EXISTING SYSTEMS ARE LOOKING FOR MORE MONEY TO EXPAND

City	Planned miles of extension	Projected completion date	Estimated cost (millions of dollars)
WASHINGTON	54.0	Undetermined	\$6,000
SAN FRANCISCO	35.0	Over next 20 years	1,400
BOSTON	7.9	1985*	1,300
ATLANTA	19.3	1984*	956
CHICAGO	11.7	1984*	696
MIAMI	10.0	1984	550
NEW YORK	8.0	1995	500
PHILADELPHIA	11.1	1984*	425
CLEVELAND	4.5	1984	400
BALTIMORE	6.0	1987	198

*First stage only

DATA: AMERICAN PUBLIC TRANSIT ASSN., BW

HOLLY KUPER

Cover Story

don't work, then America doesn't work."

Senator Mark Andrews (R-N. D.), who is chairman of the Appropriations Committee's transportation subcommittee, agrees. "These are the investments in the future of this country," he declares. "The Administration has been wrong-headed in where they've directed their cuts." Andrews is leading the fight against the UMTA criteria by including in the appropriations measure not only funding for three cities the agency ranked as unacceptable—St. Louis, Jacksonville, Fla., and San Diego—but also a bar against applying the criteria at all until hearings are held. The criteria would allocate funds based on new riders, reductions in travel time, capital and operating costs, and local financial contribution—an approach that Secretary Dole believes is just common sense. "You've got to have some kind of order," she declares. "You just can't do it willy-nilly and say, 'Everybody come,' and then see what happens."

'RUSH MINUTE.' St. Louis, which fared poorly under the criteria, wants to use existing track for a \$229 million, 18-mi. light-rail system (a streetcar-like system usually above ground, as contrasted with the typical underground system, which is classified as heavy rail), even though UMTA calculated that ridership would be higher with a bus alternative

costing only \$40 million. "St. Louis is a dog project," says a key House committee staffer. Despite Administration reservations, the system is being funded in the Senate appropriations bill because Senator Thomas F. Eagleton (D-Mo.) serves on the committee, and committee members historically are allowed their pet projects. Local boosters see a rail line as the key to reviving the downtown area.

San Diego will get money, too, largely because of sleeve tugging by Senator Pete Wilson (R-Calif.), a former San Diego mayor. Even Andrews' subcommittee had balked at setting aside funds for the San Diego project, but Wilson prevailed by getting the committee to allot San Diego \$3 million of the \$122 million originally allocated to Los Angeles. Since they are in the same state, no one objected. "The transit program is the worst kind of pork-barrel politics," says Gerald K. Miller, a senior research associate at the Urban Institute in Washington.

Milwaukee, with an average commute of 19 minutes, would not seem to be a prime candidate for a rail system either, yet officials there are plunging ahead with an \$890,000 study—80% financed by Washington—of a \$165.8 million, 14.3-mi. rail system to link downtown with the Northridge Shopping Center on the northwest side. Brian F. O'Connell, a

transportation planner with Milwaukee's City Development Dept., defends the proposal even though he concedes that Milwaukee has been described as having "a rush minute."

Opposition is stirring, however, primarily from members of the Sherman Park Community Assn., whose integrated neighborhood would be divided by the rails. Says William F. Fogarty, president of the association: "There is fear of being on the wrong side of the tracks."

SOCIAL CLIMBING? Minneapolis and St. Paul, which also have manageable auto traffic, are considering several light-rail proposals whose cost would range upward from \$180 million. Minnesota Governor Rudy Perpich strongly supports such a system, arguing that it would make Minneapolis and St. Paul "world-class cities." But because the Twin Cities have frequent commuter bus service and just a 17-minute average commute, the proposal is generating controversy. "Just what are the problems light rail is supposed to solve?" asks Robert de la Vega, research associate at the Citizens League, a public policy group.

Los Angeles, by contrast, clearly has traffic problems to solve. With estimates that daily vehicle-miles traveled on freeways will have jumped 24% by 2000, to 7.5 million, the public is looking for alternatives, and the Southern California

THE RUNAWAY COST OF WASHINGTON'S METRO

Old-timers at Washington's Metro, the mass transit system that serves the nation's capital, fondly remember that President Lyndon B. Johnson wanted the system to serve as an example for the rest of the country. An example it is—in more ways than Johnson had in mind. The money lavished on its impressive stations and trains demonstrates just how much such systems can drain from the coffers of federal, state, and local governments.

Originally, the cost of completing the system was put at \$2.5 billion, but the Urban Mass Transportation Administration (UMTA) now puts the cost at \$12 billion. At the same time, the system's operating deficit has steadily ballooned. The \$190 million shortfall in fiscal 1984 was double the figure just five years ago, when the system was two-thirds its present size. Metro officials expect the deficit to soar over the \$200 million mark during the current fiscal year, which began July 1, and UMTA

chief Ralph L. Stanley predicts that figure will double again by the time all the tracks are laid.

Metro's \$6.94 cost for each mile a train travels with passengers is the highest of the six cities with rail operations that have reported 1983 figures to the American Public Transit Assn. Ridership, which stands a shade under 350,000 on weekdays, is 10% below projections, according to William I. Herman, Metro's director of planning.

CLOSING THE GAP. Moreover, Metro officials say that they will miss the originally targeted 1979 completion date by at least 14 years—while UMTA officials wonder if the 101-mi. network will ever be finished at all. Construction money, appropriated under special legislation so that Metro does not compete with other cities, is running out fast. Stanley estimates that the system will be \$1.5 billion to \$2 billion short by the time its currently authorized funding is used up.

And local residents are only now



PARTISANS SAY THE TRANSIT SYSTEM'S ROLE AS A

Rapid Transit District has mobilized considerable support for a rail system.

The transit authority is set to start building 4.4 mi. of a line underneath famed Wilshire Boulevard as soon as Congress approves funding. The rail line would eventually be 18.6 mi. long, linking downtown Los Angeles with the San Fernando Valley. Even UMTA, with its tough criteria, gave the line a high ranking for meeting so much of its financial commitment at the local level. Although their city is eligible for the 75% match, transit officials say they plan to build the \$3.3 billion system with only 62% of the bill paid by Uncle Sam.

But that still amounts to \$2.1 billion for a system that rail transit opponent Catherine Burke, associate professor of public administration at the University of Southern California, thinks will not meet the city's needs. The only reason it is moving ahead, she says, is that the "politicians have promised Los Angeles a rail system, and they don't want to be accused of breaking that promise."

Ironically, the Los Angeles basin once had an effective light-rail system. But it ceased operating after World War II, wiped out by the Angelenos' love of their automobiles and their desire to live between rail lines, not along them.

This desire to disperse is becoming more and more prevalent throughout America. The 1980 census indicates a strong trend away from concentration in

'Our biggest job is to convince people still driving cars to start using the system'

the cities. Thus, economists and planners say a more sensible approach is to use more flexible bus systems. "Suburbanization of employment, coupled with an increasingly large proportion residing outside central cities, is changing the nature of commuting patterns," notes Philip N. Fulton, chief of the journey-to-work and migration statistics branch of the Census Bureau.

DEDICATED TO BUSES. This is particularly true of Sunbelt cities such as Houston, where a residential downtown never developed, and it perhaps explains why Houstonians rejected a rail system despite their famed traffic jams. According to the Texas State Highways & Public Transportation Dept., Houston has rush-hour traffic no less than six hours a day—6 to 9 a.m. and 4 to 7 p.m.—in addition to a noon-hour peak. The proposed \$2.95 billion rail and bus program was designed to ferry passengers from outlying areas in southwest and north Houston to downtown's heavy employment area, with a later extension

planned to the predominantly minority and blue-collar southeast side.

City Councilman John G. Goodner, who led the opposition, contends that the numerous employment centers and satellite shopping areas such as the Galleria, Greenway Plaza, and Greenspoint Mall have emerged mainly because of traffic congestion in Houston's geographic downtown and now obviate a rail system. The city is busy improving its once-dismal bus system and is in line for some \$76 million to build highway lanes dedicated to buses. Similarly, Seattle is opting for a \$300 million tunnel to be used exclusively by buses.

Dallas, on the other hand, has gone the other way. Voters there and in 14 suburban communities approved a 1¢ rise in the sales tax a year ago to fund an ambitious plan to double bus service by 1987 and build a 160-mi. light-rail system by 2010. According to Dallas Area Rapid Transit (DART) officials, federal aid would contribute only 5.5% of the planned budget of \$8.9 billion, with revenues from fares and the tax supplying the rest. How did the region pull off such a self-help proposal? "That's just the Texas way," answers R. Dan Matkin, vice-chairman of the DART board.

But even with strong business support, DART has come in for criticism, specifically for serving rich, white northern Dallas much more than poor, black southern Dallas even though everyone is

starting to grapple with the operating deficit. The Greater Washington Board of Trade, a business group, is studying the feasibility of a variety of new taxes that would help close the gap, while Metro is taking steps to boost revenue. These measures range from leasing air rights above stops, a practice that is already bringing in about \$3 million a year, to studying the possibility of running fiber-optic communications cables along the lines and leasing excess capacity.

Metro's Herman stoutly defends the system's record. "Of all the systems in the country, this has been by far the most successful," he declares. He contends that capital costs multiplied because of inflation and funding delays, which also pushed back completion targets. In addition, he attributes below-projected ridership to overestimates of employment and population growth by other agencies. Revenues have increased about as fast as expenses, he says, with both varying little from the rate at which living costs have risen. Herman also argues that the system has given the local economy a shot in the arm.

Exactly how potent that shot has been is unclear. Developers say they

would have built many projects even without the system. A case in point: three Metro-stop projects totaling \$270 million being built by Rozansky & Kay Construction Co. "They are great locations with or without Metro," says President Alan I. Kay, though he concedes the projects may be larger and further along because of it.

CRIME-FREE. In some ways Metro really is a model for the country. It is clean, fast, and surprisingly free of crime. "It is safer in our subway system than it is on the city streets," boasts Herman. With some of the longest escalators in the world, it is even a tourist attraction. "People come to see the Smithsonian and Metro," beams Metro spokesman Al Long.

As partisans see it, the system's role as a national showcase and its use by so many government workers justify the money it draws from the federal Treasury. But this argument does not impress other cities envious of Washington's special transit funding status. Notes one staffer with the House Appropriations transportation subcommittee: Some lawmakers "question why we're spending \$250 million [a year] in Washington, D.C., while the rest of the country gets \$400 million."



NATIONAL SHOWCASE JUSTIFIES ITS EXPENSE

Cover Story

paying the additional sales tax. This was exactly the objection raised by the black community in Oakland, Calif., when the Bay Area Rapid Transit (BART) system was being built.

A driving force behind all these moves, both in the Sunbelt and the Frostbelt, is the hope that a rail system will be an economic panacea. Detroit's downtown, strewn with decaying and abandoned buildings, is deserted after 5 p.m. by the professional population. Yet under construction is a \$137 million "people mover" system—automated cars powered by magnetic propulsion—that will encircle the area with a 3-mi. loop of elevated track. "The purpose of the system is to do its part to revitalize Detroit," says David J. McDonald, people mover project director for the Southeastern Michigan Transportation Authority. In negotiating with developers, the city offered to redesign stops so passengers would walk through shopping areas to get to the street.

Officials hope to feed commuters into the system from a planned 15-mi. light-rail line connecting downtown with the affluent northern suburbs. Other proposed extensions into the suburbs will add up to a \$2.3 billion system.

But the recent experience of Miami casts doubt on how well a rail system can revive local economies. Half of that

city's system started up in late May with much fanfare—and few riders. Even before it opened, the 11-mi. segment was plagued with problems, including cost overruns, accidents, and construction and design flaws. The estimated cost to build the entire 21.5-mi. system has rocketed from an initial \$867 million to almost \$1.2 billion.

Already, dismayed merchants complain that trains stop running at 7 p.m. even though their stores stay open until 9 p.m. Says Hernando Vergara, spokesman for the Metro-Dade Transportation Administration: "Our biggest job is to convince people who are still driving their cars to start using the system."

SHINY TOY. Critics say that is an almost impossible task. "These systems are oversold and overpromised," charges the Urban Institute's Miller. "The potential impacts of lessening congestion and pollution aren't going to happen. There's no growth in downtown areas anywhere. I think [the new rail boom] comes down to the fascination with rail and the local financial incentives. If you can get \$2 billion from Uncle Sam, why not?"

One reason why not is that a rail transit system that looks at first like a shiny toy under the Christmas tree can quickly tarnish. In Atlanta, for example, the first phase of construction for the Metropolitan Atlanta Transit Authority

(MARTA) was \$24 million over budget and six months late. That experience helped sour sentiment in Houston. "The people of Atlanta originally voted for a 54-mi., \$2 billion system and after years of delay got a 13-mi. system costing the same amount," says Jon McEwen, a board member of the Greater Houston Tax Coalition. The government also pays MARTA \$7 million annually in operating subsidies, part of the \$875 million the U.S. spends nationwide on such payments.

Mass transit advocates say rail transit systems—like other public services—should not be expected to operate in the black. And indeed, few do. With the exception of Hong Kong's new subway (below), not a single major system in the world meets even its bare-bones operating expenses from fares. But in the U.S., at least, the burden falling on the local communities is invariably more than they bargain for.

Melvin M. Webber, director of the University of California at Berkeley's Institute of Urban & Regional Development, has studied San Francisco's BART system extensively and has concluded that that system has been "horrendously expensive" for Bay Area communities. "The operating costs were so high that we got a sales tax we weren't supposed to get," he says. BART's revenues cover only 50% of its operating costs; a 0.5%

HOW HONG KONG KEEPS ITS SUBWAY HUMMING

Hong Kong's subway is the kind other cities wish they had. Each section built thus far has been finished on or ahead of schedule and on or below budget. Revenues exceed nonfinancing operating costs by 55%. The trains, all air-conditioned, are fast, frequent, clean—and full seven days a week. The air-conditioned stations are roomy, spotless, and quiet.

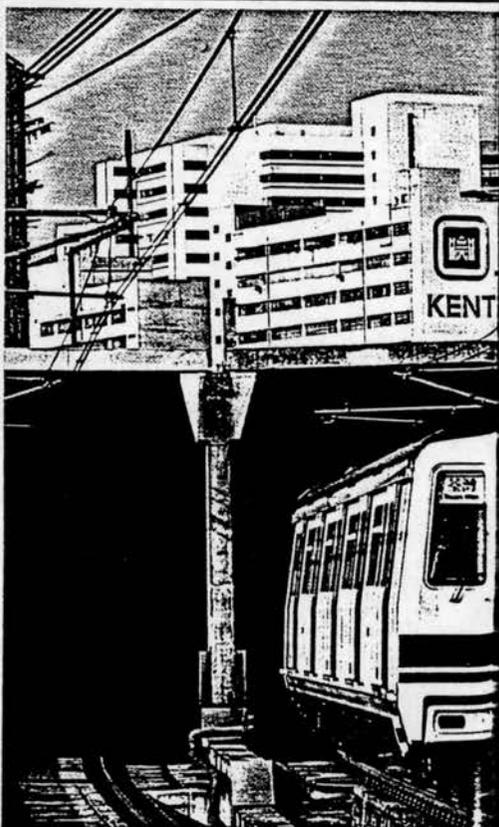
With 74,300 passengers per day per mile, Hong Kong's Mass Transit Railway (MTR) claims to be the world's most intensively used underground system. If current projections hold true, it may also become the world's only new citywide subway to pay for itself. Delegations from Los Angeles, San Francisco, Washington, Singapore, Bangkok, and Shanghai have all trooped to Hong Kong to learn the secrets of its success. They find two main ones: geography and politics—or the lack of it.

As a British colony, Hong Kong is what MTR Managing Director Eric A.

Black calls "a benign dictatorship." When the government decided to invest the first \$1 billion in a subway in 1974, only one Chinese legislator opposed it. He argued that it was a gamble the colony could not afford to lose and urged more roads and overpasses instead.

TEAMWORK. But the government created the Mass Transit Railway Corp., a Hong Kong-owned body that operates like a private company. Under it, the MTR has been relatively free of political interference. "We don't have to have on our board representatives of the Hispanic minority, the Italian minority, the fair sex," says Black. "We are one team working together for the same aim. We are all businessmen."

Hong Kong built each of its first two lines, 10 mi. and 7 mi. long, in less than four years, and its third is on schedule for completion in July, 1985. All three lines will have cost about \$4.2 billion. Since the government legally owns all the land, obtaining rights of



THE COLONY'S SUBWAY COULD BE THE ONLY

sales tax levied in the three counties BART serves makes up the rest.

Moreover, Webber says, since the sales tax that supports the system is generally regressive, "we found that the poor were paying, and the rich were riding." Worst of all, he believes BART has drawn most of its riders not from cars but from bus lines that it eliminated.

The ongoing problem of operating deficits puts constant pressure on rail transit operators to raise fares—frequently decreasing ridership—while elected officials face pressure to hold them down. Since the politicians win more than they lose, a revenue shortfall inevitably results, and that usually means deferred maintenance. Boston, Philadelphia, and New York City all provide painful examples of this pattern.

In 1979, to stay on budget, the Southeastern Pennsylvania Transportation Authority (SEPTA) spent only \$17 million to upgrade its aging system of subways, elevated lines, and commuter railroads. To catch up, it had to spend \$120 million in fiscal 1983. Although ridership has increased on some lines, the job of restoring the system remains awesome. "I'm trying to think of something that puts us further ahead," says SEPTA General Manager Joseph T. Mack. "I can't."

Nowhere is the situation more desperate than at New York's Metropolitan Transportation Authority (MTA), whose annual operating budget now totals \$3

The feeling is, says one critic, 'if you can get \$2 billion from Uncle Sam, why not?'

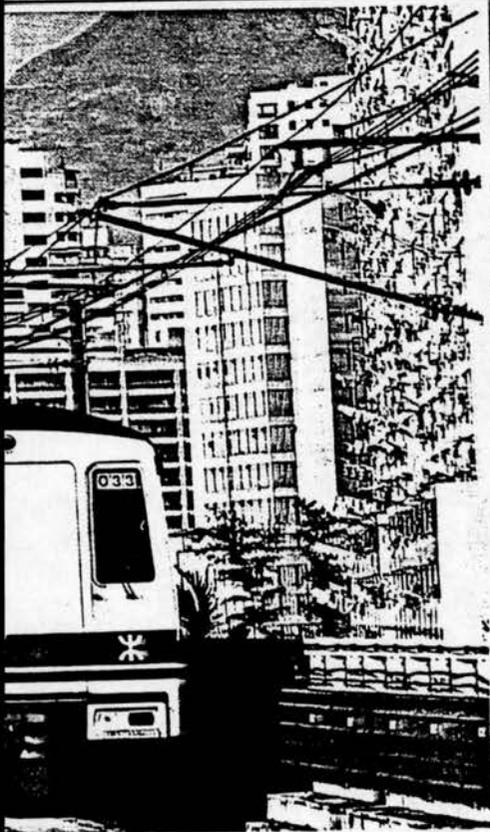
billion. Even after a \$150 million injection from the authority's bridge and tunnel tolls, revenues from fares still leave a shortfall of some \$350 million a year. When the city teetered on the brink of bankruptcy during the 1970s, political pressure to keep the fare down forced management to defer all maintenance except in obvious emergencies. The result: Today the city's subways are widely considered unsafe, cars and stations are filthy, service is unreliable—even the repair facilities are worn out.

GETTING WORSE. "The capital needs for the MTA are so great we cannot wait for federal dollars to materialize," says Mortimer L. Downey, deputy executive director for capital programs. Accordingly, the MTA is in the third year of a five-year, \$8.5 billion improvement plan made possible by an ingenious financial invention: the sale of bonds whose interest and amortization are guaranteed from fare receipts. But "when that is completed, we will need at least another \$10 billion program, and we still will not

have all the deferred maintenance of the 1970s behind us," Downey says. Since its asset base is \$55 billion, the MTA figures it needs to spend \$1 billion a year just to keep things from getting worse.

With a weekday average of nearly 5.8 million passengers (almost 3.5 million on the subways alone), the MTA accounts for as much as 40% of all transit riders in the nation. Yet in a good year it gets only 20% of the federal dollars dispensed to transit agencies; in a bad year the figure falls to 16%. Downey is concerned that a lot of new systems unable to pay for themselves could make matters even worse. "If all or most of the new-start systems are truly successful, then old systems like ours will benefit because the political base will have been broadened," he says. "But if they are not successful or only moderately successful, then that will hurt us all."

This is exactly why UMTA chief Stanley wanted to establish rigid criteria forcing new-start cities to shoulder more of the financial burden before they could get any federal dollars. Cities would then have to be a lot more hardheaded about their proposals, and presumably only those with a good chance of success would see their systems built. As it stands, though, no such acid test exists. Not all the mass transit rail systems now under consideration will be built, of course, but many will—including a lot that no one can really afford. ■



NEW CITYWIDE SYSTEM TO PAY FOR ITSELF

way was fairly simple—and reasonably priced. And since local unions are not strong and public outcries tend to be relatively mild, construction was possible 24 hours a day, even in residential areas.

Equally important, Hong Kong's geography cries out for a subway. More than 4 million of the 5.3 million residents live in two densely packed areas squeezed between the mountains and the sea. The subway runs along these heavily populated coastal corridors, connecting them via a tunnel under the harbor. The MTR claims that half the colony's residences and factories are within a five-minute walk of a station. No political pressures have forced it to serve less populated areas.

SERIOUS WORRY. Only one person in 27 owns a car, so residents must rely on public transport. While they have alternatives—buses, reasonably priced taxis, and ferries—the subway still draws 1.2 million riders a day even though its fares, which range from 25¢ to 60¢, average twice as much as bus fares.

The MTR's biggest worry is its heavy debt. From about \$1.8 billion now, it is expected to rise to nearly \$3 billion by 1987. Last year, finance charges of \$100 million ate up 76% of the system's

revenue, leaving the biggest yearly loss ever: \$96 million. Yet with careful assumptions about ridership, interest rates, and inflation (fare increases are tied to living costs), the MTR has predicted that it will make a profit in 1990 and pay back every penny by 1996.

So far, bankers have certainly not shied away. Last fall they flocked to take part in a syndicated loan for \$256 million even though it came during one of the worst financial panics Hong Kong has seen. "[The MTR] is a tight ship and a well-run outfit," says A. G. Bacon, deputy general manager of Barclay's Bank International, which is backing a \$100 million issue of commercial paper this month with a standby letter of credit. Goldman Sachs & Co., which is handling the issue in the U. S.—the first public issue ever from Hong Kong—expects a sellout.

But the main reason the banks are so eager is the MTR's well-heeled parent: The government has large financial reserves and almost no debt. China's plan to take back the colony after 1997 does not faze them. "Most banks would dearly love to lend to China," notes one U. S. banker in Hong Kong. "If the mountain comes to Mohammed, we would be only too pleased."

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

Minutes of a Meeting of the
COMMITTEE OF THE WHOLE
September 12, 1984
Metropolitan Council Conference Room E
4:30 p.m.

MEMBERS PRESENT: Ruth Franklin, Todd Lefko, Ruben Acosta, Bernard Skrebes, Gail MarksJarvis, James Newland, Margaret Snesrud, Alison Fuhr, Juanita Collins, Steve Loeding, Paul Joyce, Edward Kranz, Elliott Perovich.

MEMBERS ABSENT: Doris Caranicas

Call to Order

Ruth Franklin, acting Chair, called the meeting to order at 4:40 p.m. She announced that Chair Elliott Perovich ~~would be late~~, will join the meeting ^{man} as soon as he is done with the Gov. sub. Cab. meeting.

Final Draft of Biennial Budget

Al Vogel from Mn/DOT presented the final draft of the Biennial Budget to the Committee. The draft was discussed in detail, and ~~members were given an opportunity to ask questions.~~ ^{discussion followed} This item was for discussion only and no action was taken. Action will be taken at the next meeting of the Board on September 17, 1984.

Legal Counsel Contract

Peter Bachman, Metropolitan Council staff, presented and discussed two memoranda regarding the process to be used in contracting with legal counsel and other consultants. Also presented to the Committee for discussion was a retainer agreement for legal services with Holmes and Graven. Mr. Bachman informed the Committee that the agreement does not require that Holmes and Graven perform all legal services. The Board is free to hire in-house counsel or select another law firm. The agreement may be terminated at any time by either party. The Committee asked questions and discussed the memos and agreement. Action will be taken at the next meeting of the Board on September 17, 1984.

Consultant Contract

Ghaleb Abdul-Rahman, Metropolitan Council staff, distributed and discussed his memo regarding selection of a consultant to help develop an interim implementation plan and financial and staffing plan. Strgar-Roscoe, Inc., has been proposed as the consultant to perform this service. This item was discussed by the Committee. Action will be taken by the Board at its next meeting on September 17, 1984.

There being no further business, the meeting adjourned at 6:45 p.m.

Respectfully Submitted,

Chris Yankovec
Acting Secretary

CH LGL1 - RTB MIN *open*

REGIONAL TRANSIT BOARD
Suite 402 Metro Square Building, St. Paul, Mn 55101
291-6640

Minutes of a Meeting of the
ADMINISTRATIVE AND FINANCE COMMITTEE
September 6, 1984
RTB Board Room
4:30 P.M.

PRESENT: Juanita Collins, Ruth Franklin, Paul Joyce, Todd Lefko, Gail Marksjarvis, Jim Newland, Elliott Perovich, Peg Snesrud.

STAFF: Judith McCourt, Ghaleb Abdul-Rahman

Paul Joyce was elected Vice Chair, P. Snesrud temporary secretary.

I. Bank Selection

Jeff Dziuk, Metropolitan Council Accounting Operations Manager, made a presentation regarding the selection of a depository. Motion was made by Paul Joyce, seconded by Juanita Collins recommending the Capitol Bank be named depository for the RTB. Motion carried unanimously.

II. Checklist

Explanation was made by Ghaleb Abdul-Rahman regarding the following:

- Discussion of space needs
- Discussion of computer needs
- Discussion of legal counsel
- Discussion of per diem expense
- Discussion of budget

III. Personnel Code

The committee discussed the overall guidelines, agreed to refer to new Executive Director and then review at a future committee meeting.

IV. Policy Development for Contracts, Travel, etc.

Discussion of the use of ^{Metropolitan Council} ~~Council~~ policies and the need for a consultant to develop an interim implementation plan which is due in December 1984.

Motion was made by Jim Newland, seconded by Paul Joyce to temporarily adopt the same travel policy used currently by the Metropolitan Council. Motion carried unanimously.

V. Car Allowance/lease arrangement for Chairman.

Motion was made by Bernie Skrebes, seconded by Paul Joyce to lease a car for the Board Chairman. Motion carried unanimously.

VI. Legal Counsel.

After discussion by the committee the motion was made by Peg Snesrud, seconded by Juanita Collins to accept Holmes & Graven as temporary counsel for a six month period and to seek proposals for legal counsel on an annual basis.

Ayes - 2 Nays - 4

Motion was again made to accept Holmes & Graven as temporary legal counsel by Paul Joyce, seconded by Bernie Skrebes.

Ayes - 4 Nays - 2

There being no further business, the meeting was adjourned.

Respectfully submitted,

Peg Snesrud, Temporary Secretary
JA012A