



Minnesota Regional Transit  
Board: Records.

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292-8789

MEETING NOTICE

January 7, 1985  
4:30 p.m.  
Metropolitan Council Offices  
Room E

AGENDA

1. Call to Order
2. Approval of Agenda
- OK* 3. Minutes of December 3, December 10 and December 17, 1984
- OK* 4. Recommendation on Additional LRT Evaluation
- na* 5. Review of Comments Made at the Draft Interim Implementation Plan Public Hearing of December 17, 1984
- 16* 6. Discussion of Legislative Program *OK in ad hoc*
7. Other Business
  - a. Chairman's Report
  - b. Committee Reports
  - c. Members' Reports

Elliott Perovich  
Chairman

REGIONAL TRANSIT BOARD

Record of Attendance and Vote

Date Jan 7, 1985

RTB Board Mtg

Dist.	Member Name	Present	Vote	Vote	Vote	Vote	Vote
Chair	Elliott Perovich	✓					
A	Todd Lefko	✓					
B	Ruben Acosta	✓					
C	Bernard Skrebes	✓					
D	Doris Caranicas	✓					
E	John Doyle, Sr.	✓					
F	Gail Marks Jarvis	✓					
G	James Newland	✓					
H	Margaret Snesrud	✓					
I	Alison Fuhr	✓					
J	Juanita Collins	✓					
K	Steve Loeding	✓					
L	Ruth Franklin	✓					
M	Paul Joyce	✓					
N	Edward Kranz						

REGIONAL TRANSIT BOARD

402 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the  
REGIONAL TRANSIT BOARD  
Metropolitan Council Chambers  
December 3, 1984

BOARD MEMBERS PRESENT: Elliott Perovich, Chairman; Ruben Acosta; Doris Caranicas; Juanita Collins; John Doyle; Ruth Franklin; Alison Fuhr; Paul Joyce; Edward Kranz; Todd Lefko; Steve Loeding; Gail MarksJarvis; Jim Newland; Bernard Skrebes; Peg Snesrud and Dirk deVries, Council Liaison

STAFF PRESENT: Ghaleb Abdul-Rahman and Mary Fudenberg

The meeting was called to order at 4:30 p.m. and roll taken. The chairman explained that he had to leave in order to take part in the Tax Study Commission meeting, but asked that the board consider the selection of the directors of administration and planning first. Fuhr moved approval of the amended agenda; Franklin seconded the motion. Motion carried unanimously (Collins and Kranz not present).

Franklin moved approval of the minutes of the November 19, 1984 meeting; Joyce seconded the motion. Motion carried unanimously (Collins and Kranz not present).

SELECTION OF PERSONNEL

Newland moved:

That the Regional Transit Board approve the appointment of Judith Hollander as Director of Planning, effective December 17, 1984, at a salary of \$48,000 per year, with the standard confidential employee benefit package.

That the Regional Transit Board approve the appointment of Leslie Johnson as Director of Administration, effective December 10, 1984, at a salary of \$48,000 per year, with the standard confidential employee benefit package.

Fuhr seconded the motion; motion carried unanimously (Collins and Kranz not present).

Vice-chair Caranicas chaired the rest of the meeting.

PRESENTATION OF I-394 BUS OPERATIONS PLAN

David Jessup of Metropolitan Transit Commission used maps to explain the bus operations plan. He said the bus service concept would accommodate the Light Rail Transit (LRT) if it were to be built in the Southwest Corridor. LRT would decrease the number of passengers in some links of the system because it would form one of the links of the time transfer. The passengers are counted only once so the numbers would not change. Jessup said specific recommendations

will be brought to the board in coming weeks. Lefko asked if these were state or regional improvements. There are two issues: this is a mix of investment by the state and the region. Lefko would like to know what kind of mix of financing is being arranged. Discussion followed regarding the type and level of funding. No action was taken.

#### DISCUSSION OF THE TRANSIT INTERIM IMPLEMENTATION PLAN AND ACCEPTANCE OF DRAFT PLAN FOR PURPOSES OF PUBLIC HEARING

Joe Kern, Strgar-Roscoe, Inc., distributed the December 3 draft of the Interim Implementation Plan (Exhibit A), a memorandum dated December 3, 1984 from Peter Fausch, and an Regional Transit Board organization chart (Exhibit C). Fausch noted that the draft plan does not contain tables. They are still being assembled and copied. He reviewed the changes made in response to comments by the members at the November 28 Committee of the Whole meeting.

MarksJarvis questioned why there is no mention in the organization chart of a legal staff. Abdul-Rahman said that function would be included under the Director of Administration. MarksJarvis asked when the Board will deal with the question of a legal counsel. Abdul-Rahman said no decision has been made yet on when to hire a counsel. He is waiting until the two new directors join the staff and a total staffing plan developed. MarksJarvis asked how many hours a week Holmes and Graven works for RTB. Abdul-Rahman said he will provide the exact figure, but it is less than expected. MarksJarvis said she wants to see what kind of hours they are putting in.

Skrebes asked, on Page 4, about the three-year terms of Metropolitan Transit Commission commissioners. Doyle suggested that a sentence be added explaining that the first appointments were on a staggered basis.

Lefko moved:

That the Regional Transit Board accept the Draft Interim Implementation Plan, 1985-87, which includes the Transit Service Plan, Financial Plan and Staffing Plan, dated December 3, 1984, for purposes of public hearing on December 17, 1984 at 4:30 p.m. in the Metropolitan Council Chambers.

Doyle seconded the motion. Motion carried unanimously.

#### TIMETABLE FOR LIGHT RAIL TRANSIT REVIEW PROCESS

Natalio Diaz reviewed the memorandum dated November 30, 1984 from Ghaleb Abdul-Rahman, Natalio Diaz and Bill Lester (Exhibit D). Lefko said meeting with the Council committee is good, but with all that information, more time is needed to discuss the board's concerns. The board needs at least three weeks because the staff assured the board that if major questions arise outside experts will be brought in to resolve the questions. He wants to ensure that the members understand there are different perspectives. Further, the tenor of this is which options should be built. Abdul-Rahman said these meetings do not preclude Policy Committee from discussing specific issues. We could have a special, ad hoc committee to discuss issues of forecasting. This memorandum outlines what is needed to go through the process. However, we have until mid-February to cover these questions.

Diaz said the board will take a position on which is the preferred alternative, but that is not the end of it. There will be other questions that are also the board's responsibility, such as funding and priorities. The schedule is meant to allow for extra meetings if they are required. Lefko said it is not a question of a date, but a comfortable decision process because we will be judged on that. Loeding asked if there is an alternative that we look at what a reasonable study should be and where other corridors might be outside the three already advanced. Abdul-Rahman said that is the board's prerogative. Loeding said we are not ready to decide if "no-build" is an option, but rather will look at the system as a whole. Abdul-Rahman said the board's option to go or not is available up to February 4. Acosta said the Council could make a decision contrary to the board's recommendation. Abdul-Rahman said the council has stated it will be a collective decision, but they are not precluded from overriding the RTB decision. The RTB position will be submitted to the council for them to act upon.

Responding to Newland's question about rewording Items 2 and 3 on Page 46, Abdul-Rahman said the whole section will be reworded, probably before the draft goes out.

Lefko said RTB is the lead agency in terms of build or no-build. Doyle hoped that whatever action is taken, no board can decide one way or another. One of the problems here is that the board could not make input at the front end of the study. The committee should describe what kinds of information it expects to see. Diaz said we are following a complex process. The authority to conduct studies was delegated to a multi-agency committee. By February 15 the Regional Transit Board and the council are asked to express their preference in terms of preferred corridors. That includes the option of doing nothing. Doyle said he would like something similar to the outline of the Interim Implementation Plan, which outlined elements of a final plan, and the board could review the draft with minimal disruption. Caranicas said in the briefings much of that will be clarified. Acosta said that since the board started it has been provided with a wealth of information on the alternatives analysis study and he is confident the work is being done. He is troubled by the value placed on that work since the board did not do it. Caranicas said people have commented to her that they hope the board does not have to "reinvent the wheel."

deVries said the council is no further ahead than the board. The joint meetings are a part of that process. The implementation committee meeting last Friday was fascinating; they have a computer model with all the financial scenarios imaginable. They will be a very valuable tool. He is concerned that their report might be delayed. Abdul-Rahman said we have five chapters on LRT this week and he hopes that at the January meetings the board can ask very specific questions regarding the funding. The senate staff is asking about holding a Finance Committee hearing on LRT.

Lefko said the issue here is philosophical and how the figures are interpreted. He will prepare a list of questions and sit down with the staff to resolve them. Caranicas suggested that be done as early as possible because the information may already be there. Abdul-Rahman said that instead of waiting for a board meeting, it might be beneficial for the members to deliver their questions to staff. If the board is not satisfied and wants an outside

person to review a specific issue, such as verifying numbers, that person will be brought in. Lefko said it is important that the board go through this jointly. Abdul-Rahman said figures cannot answer all the questions, but they are helpful for comparison.

#### OTHER BUSINESS

The schedules were discussed. Lefko asked when Policy Committee meetings are planned. Abdul-Rahman said only January 16 is possible. Lefko said he agreed to the present method of Committee of the Whole meetings he expected to go back to holding Policy Committee meetings. There are other issues besides LRT. Abdul-Rahman said discussion of Rideshare and Metro Mobility are planned for the Committee of the Whole. Lefko said the Policy Committee should meet separately to discuss policy.

There was discussion about holding a Policy Committee meeting on December 5. Franklin said the Administration and Finance Committee has a number of items to discuss, but there are very few staff people. The committee has to delay some of these things. She suggested the Policy Committee do the same. Lefko disagreed.

MarksJarvis questioned Larry Wertheim about the Open Meeting Law. It requires that the usual advance notice be given to the public. RTB publishes notice of its meetings in the Council's Review every Friday. Press releases are published on special interest items. Lefko asked if a Policy Committee meeting can be held on the 12th. Abdul-Rahman said he does not have enough staff to do all this. He is relying on staff from other agencies and has been pushing them pretty hard. He will be happy to schedule a meeting if there is enough to put on the agenda. Caranicas said there is no point to irrelevant meetings. Newland said the committee chair can call meetings whenever he chooses with proper notice. Lefko said he wants to meet with the Director of Planning and Programs to lay out things for the committee to discuss. Her first day on staff is December 17. Franklin said the point of meeting as Committee of the Whole was to save some time and avoid meeting twice separately. The members could meet and receive information at the same time.

Fuhr moved that the meeting be adjourned. Snestrud seconded the motion. Motion carried unanimously.

Respectfully submitted,

Mary Fudenberg

REGIONAL TRANSIT BOARD

402 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the  
REGIONAL TRANSIT BOARD  
Metropolitan Council Chambers  
December 10, 1984

BOARD MEMBERS PRESENT: Elliott Perovich, Chairman; Ruben Acosta; Doris Caranicas; Juanita Collins; John Doyle; Alison Fuhr; Paul Joyce; Edward Kranz; Todd Lefko; Steve Loeding; Gail MarksJarvis; Bernard Skrebes; Peg Snesrud

METROPOLITAN COUNCIL MEMBERS PRESENT: Carol Flynn, Metropolitan Systems Committee Chair; Gertrude Ulrich; Patrick Scully; Dirk deVries; Don Stein, Ray Joachim; Dorothy Rietow; Mike McLaughlin

STAFF PRESENT: Ghaleb Abdul-Rahman, Les Johnson and Mary Fudenberg

The joint meeting of the Metropolitan Council Metropolitan Systems Committee and the Regional Transit Board was called to order by Carol Flynn.

Fuhr moved approval of the amended agenda; Skrebes seconded the motion. Motion carried unanimously.

PRESENTATION ON SOUTHWEST CORRIDOR ALTERNATIVES ANALYSIS

Natalio Diaz made a presentation on the results of the study. This corridor would extend from downtown Minneapolis to Excelsior. Diaz used maps and graphs to illustrate his report. There was discussion of a feeder system for the route, the cost of the alternative routes, density of population in the corridor and number of passengers. There has been some consideration of shipping freight on the route at night, but Diaz said Nicollet could not carry freight. Joyce asked if capital costs and cost-per-mile would be lower if more than one line were built. Diaz said there would not be a dramatic change.

MarksJarvis asked about the basis of the economic development figures. Diaz said they are an extrapolation of existing data. The data was collected on existing systems and these numbers are the best estimates based on what is known. The general assumptions tend to be conservative.

OTHER BUSINESS

Flynn asked that the joint meeting on December 20 begin at 5:00 p.m. in the Council Chambers. Her committee will meet separately at 4:00 p.m.

MEDIA PRESENTATIONS

Fuhr expressed concern that the media reporting of the light rail issue be balanced. Members discussed getting the issue before the public without favoring one side or the other before the board takes its position. The public appears to be unaware of who will make the decisions and what the issues are. MarksJarvis said three public meetings had been planned in December and then

cancelled. The board abdicated its role and let the steering committee hold their meetings. Perovich said it had been agreed that the work of the steering committee would go forward. The board does not have much information yet to share with the public because it came on the scene late in the process and cannot preempt everything others worked on. The board will take it one step further and then make its decision. The board may need to make some effort to inform people.

Doyle said a communications plan is needed. Abdul-Rahman agreed that the board should provide background to the media, but not talk about the LRT yet. Acosta said the board should relay the timetable to the public. Caranicas said the public hearing on December 17 will address much of this. The process will be evident there. Perovich said the image of the RTB will depend upon how it handles the issue. However, very few people come to public meetings. It is most important that the decision be made with good process and good information. Perovich said the public hearing is to receive comments.

MarksJarvis said the process appears to bring the public in after the fact. Perovich said that will only happen if the board allows it to happen, but a tentative plan is needed to hold a meeting. Changes will be made as a result of the public hearing. Doyle said public communication must be well thought out. Various constituents must be addressed in different ways. Acosta pointed out the public process will not end on March 1. After a solid decision has been arrived at, the process will be opened up.

Perovich said he does not sense that the board has decided to build anything. It will be clear when we are far enough along to solicit information from the public. Abdul-Rahman said the three public meetings were delayed because it was decided that they would conflict with the steering committee and create confusion. They are planned for January. The board has not yet had the results of the implementation study. There will be better input when there is some outline for the public to react to. MarksJarvis said she was responding to the RTB image question. If you want people to know who you are and what you are doing, you have to go to them. Perovich said when the board identifies its position, it will need to get public input. He agreed with Lefko that timing is important.

There being no further business, the meeting adjourned at 6:10 p.m.

Respectfully submitted,

Mary Fudenberg

REGIONAL TRANSIT BOARD

402 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the  
REGIONAL TRANSIT BOARD  
Metropolitan Council Chambers  
December 17, 1984

BOARD MEMBERS PRESENT: Elliott Perovich, Chairman; Ruben Acosta; Doris Caranicas; Juanita Collins; John Doyle; Ruth Franklin; Alison Fuhr; Paul Joyce; Edward Kranz; Todd Lefko; Steve Loeding; Gail MarksJarvis; Jim Newland; Bernard Skrebes; Margaret Snesrud

STAFF PRESENT: Ghaleb Abdul-Rahman and Mary Fudenberg

The meeting was called to order at 4:30 p.m. and roll taken. Fuhr moved approval of the agenda; Joyce seconded the motion. Motion carried unanimously (MarksJarvis not present).

Chairman Perovich declared the public hearing open at 4:30 p.m. to discuss the Draft 1985-1987 Interim Implementation Plan, which includes the transit service plan, financial plan, staffing plan and budget, and to accept testimony from the public on the plan elements. He noted that the hearing record will remain open until the close of business on December 27, 1984. The final plan will be adopted on February 4, 1984.

Peter Fausch, Strgar-Roscoe, Inc., reviewed the major elements of the plan. By prearrangement, the chairman called upon those visitors who depend upon Metro Mobility to speak first so they could meet their buses. There being no questions from the board, the chairman called for public comment.

Frances Strong from the United Handicapped Federation read the federation's position paper into the record (Exhibit 1). In response to Lefko's question on the intent of Item 6, Darlene Morris said the item refers to a problem a couple of years ago at the Transportation Center when service was adversely affected by a shift in personnel. Newland asked for amplification on Item 9. Strong said that presently there is no set deadline for completion of certification. Item 9 would establish standards to assure that certification is completed in a timely manner. Lefko asked if Item 14 envisioned modification of the current center at Heywood Facility. Morris said the coordination center would consolidate all public and private transportation such as churches and nursing homes so that people would know what is available. Snesrud said that now there is no facility in the Metropolitan Area that an individual can call to ask what is available. There is no central clearing house that can issue a complete listing for a given area. Morris said the federation is asking for a central clearinghouse. Fuhr said this appears to conflict with the Metro Mobility report. The chairman said the director of planning will have to work through that. Skrebes said that a subcommittee of the Metro Mobility Policy Committee has been working on a mission and goals statement to be presented to the advisory committee at their next meeting; this statement may clarify some of these questions. He invited people to attend that meeting.

Steve Kepple, speaking for the United Handicapped Federation and himself, said there was a "letter to the editor" (Exhibit 2) written several years ago that seemed to describe the current situation in the disabled community. Transportation is inadequate at best.

George Fail, a board member of the United Handicapped Federation and of the American Council for the Blind in Minnesota, referred to Item 1 of the federation's statement, noting that the Minnesota Department of Transportation has not been an equal opportunity provider of services to the blind. He distributed a newsletter (Exhibit 3) to the board and stated that last April the Legislation Commission to Review Administrative Rules held a hearing at which it was pointed out that Metro Mobility has rules regarding the availability of transportation and nowhere in the rules is it stated that a blind person must have a second disability to be eligible for Metro Mobility. The committee also discussed certification for the blind. Regarding Item 8, the Council of the Blind recognizes various degrees of blindness. People must be treated on a case-by-case basis. With the computer pass program being developed, there is no reason not to develop a computer program with all kinds of information. While many blind people can take mainline buses, they may need Metro Mobility. He would like to work with whatever committee the board creates. Regarding Item 15, there is an organization called "First Call for Help" that has a complete listing of every kind of agency available. Perhaps the board might consider looking into that resource as a clearinghouse for this type of transportation. Loeding asked if First Call for Help serves the whole region. In Dakota County the Community Action Program handles much of that but there is no regional agency for information and referral. Fail said there is no reason First Call for Help could not be linked with other systems in other areas. The chairman said the questions of transportation for the blind and the certification process are in the record and the board will be studying them.

Jesse Ellingworth, who serves on Metro Mobility Management Policy Committee and on the Board of the United Handicapped Federation, said he is concerned about the expansion and coordination statement of the United Handicapped Federation. All the various agencies should coordinate existing services and look for unmet needs. He commented that a great deal of thought went into the federation's paper.

Leroy Marshall, Metro Mobility Advisory Committee and the Metropolitan Advisory Committee on Elderly and Handicapped Transportation, said there is an appeals board for individuals denied Metro Mobility certification. People who were not certified have a right to appeal; in the past three years only five appealed and four of them were certified. He pointed out that we have one of the best systems in the United States. In traveling ten states this year, he found Minnesota is one of the best in serving the handicapped. People who do not use the service have no idea how much work is involved in lining up those rides. Some people feel they are turned down because of discrimination but that is not the case. More funding is needed.

John Ludden, Phoenix House said a lot of problems evolve from the person taking orders over the phone. When a ride does not arrive, the rider is given no reason why it did not come. The scheduler often calls back and changes the times without recognizing the consequences for the rider. Riders often have to

ride all over town to get where they need to go. Often drivers arrive more than ten minutes early and are irritable with the rider or sometimes leave the rider behind (Exhibit 8).

Roger Peterson, Association of Metropolitan Municipalities (AMM), said the Regional Transit Board is to be commended because the Draft Interim Implementation Plan is a complete and easy-to-read document. He urged the board to implement its Policy 7 and include local government participation programs and public input programs. Testimony today indicates a need to get these working groups together. The AMM looks forward to working on these issues. This was an excellent presentation, very thorough, and he wished the board well. The chairman said the board appreciates those comments. The board recognizes the contributions of Peter Fausch, input from communities, other agencies and staff, who have done an excellent job. Local government and public participation is a vital part of the Board's mission.

Clifford Poetz, representing the Minnesota Association for Retarded Citizens, said the association has taken a stand in support of the United Handicapped Federation's position on mass transit issues. The association feels it is important to remember that handicapped people need accessible transit. This is one of the better systems in the nation, but we must consider the needs of the handicapped people. The association supports the United Handicapped Federation's recommendation that we begin the process to make the system a lot better. He said the association looks forward to working with the board.

Donald B. Regan, president and owner of North Suburban Bus Company in Maplewood, commended the board for its concern for handicapped transportation. He said there is a need to address the untenable and burgeoning cost of government-owned and operated fleets. He asked the board to consider carriers like his company as an alternative to government ownership because of lower taxes, lower costs, and to help communities attract and retain business. Regan said the companies he owns are in the Metropolitan Area and operate almost as many buses as Metropolitan Transit Commission at one-sixth the cost. This merits very close scrutiny. His companies operate regular school routes, charter services, handicapped service, senior citizen and church services, as do other private carriers. He said if there are deficiencies in the report it is that the board did not address that as thoroughly as it might have done. Regan said he operates as St. Paul and Suburban Bus Company, Minnesota Coaches, and is related to operators of other bus companies. He said Dallas-Fort Worth recently bailed out of government ownership, put its facilities up for sale and is now under contract with Trailways. Doyle asked if private ownership should have been more strongly addressed in the Interim Implementation Plan and how that should be done. Regan suggested that the board contact the Minnesota School Bus Operators Association's Executive Director, James DeVeau, in Hopkins. He could give the board insight into carriers like Regan who would be available to perform these services. Those operators move fewer deadhead miles. Perovich suggested that Regan contact DeVeau and ask him to submit to the Board some recommendations along those lines as part of the record of the public hearing. Lefko said these issues have been discussed internally and in a meeting held in Anoka with private providers. Doyle said as the board designs its process it should build into it some kind of ongoing dialogue with the private sector and institutionalize it. The chairman said the board made that commitment to the private sector at the retreat.

Fausch noted that Page 72, Table 9-2, the MTC Regular Route cost under the Local Assistance column should read \$42,110,000 rather than \$42,170,000.

Having called for and received no further testimony, the chairman declared the public testimony to be concluded. The record will remain open for written comment until the close of business on December 27, 1984.

Letters were received up to the close of business on December 27 from:

Exhibit 4, James A. Johnson, Vice President, Medicine Lake Lines, dated December 17, 1984.

Exhibit 5, Mark Ryan, Director, West Metro Coordinated Transportation, dated December 19, 1984.

Exhibit 6, Robert Regan, President, Osseo-Brooklyn School Bus Co., dated December 24, 1984.

Exhibit 7, Donald B. Regan, St. Paul & Suburban Bus Co., dated December 18, 1984.

Exhibit 8, Richard Braun, Commissioner, Minnesota Department of Transportation, dated December 21, 1984.

Exhibit 9, Worth Stiles, President, South and West St. Paul Transit, Inc., dated December 27, 1984.

#### PROPOSED URBAN MASS TRANSIT AGENCY POLICY ON PRIVATE ENTERPRISE PARTICIPATION IN THE URBAN MASS TRANSPORTATION PROGRAM

Referring to the memorandum dated December 17, 1984, Fuhr moved and Carnanicas seconded a motion that:

The chairman forward a letter to the Urban Mass Transit Agency (UMTA) expressing the Regional Transit Board's support of the proposed regulation. The committee also supports the recommendation that government agencies should self-certify their compliance with the regulations. In practice, this region has already complied with the intent of the regulations.

#### OTHER BUSINESS

Snesrud asked the members what kind of party they would like. It was agreed that it should be simple, and that Snesrud is authorized to appoint volunteers who will do what they are told. Others who have worked closely with the board are invited. The party will be January 19 at 6:30 p.m. Maps will be provided.

The chairman discussed his letter to Governor Perpich. He has had discussions with the Science Museum on the possibility of an exhibition in 1986 on transit. Perovich has talked to the university's Institute of Technology on putting together a transit studies center. The program is fragmented now and the university is interested in such a program. The university is now looking into small motorized circulating systems. It is hoped the governor will look at the

whole thing and help promote transit. We want to see what the university is doing from the standpoint of technology. They believe private industry will become involved. The board may want to consider offering research and development funds as additional seed money. They do not know yet what they will need. The university people said everything they have on the drawing board can be made in Minnesota, except possibly the car bodies. However, Minnesota produces snowmobile boides, which are very similar.

There being no other business, Leoding moved to adjourn. Snesrud seconded the motion. Motion carried unanimously. Meeting adjourned at 6:30 p.m.

Respectfully submitted,

Mary Fudenberg

REGIONAL TRANSIT BOARD

Suite 402 Metro Square Building, Saint Paul, Minnesota 55101

DATE: January 2, 1985  
TO: Regional Transit Board  
FROM: Elliott Perovich, Chair  
SUBJECT: Legislative Program

As we discussed earlier, I am recommending that an ad hoc committee be named to discuss and make recommendations on the Regional Transit Board Legislative Program for the upcoming session.

RECOMMENDATION:

That the Regional Transit Board approve the appointment of an ad hoc Legislative Committee. The members are:

Elliott Perovich, Chairman  
Doris Caranicas  
Ruth Franklin  
Paul Joyce  
Todd Lefko

EP/mf

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: January 10, 1985  
TO: Administrative and Finance Committee  
FROM: Les Johnson, Director of Administration   
SUBJECT: Selection of Secretary

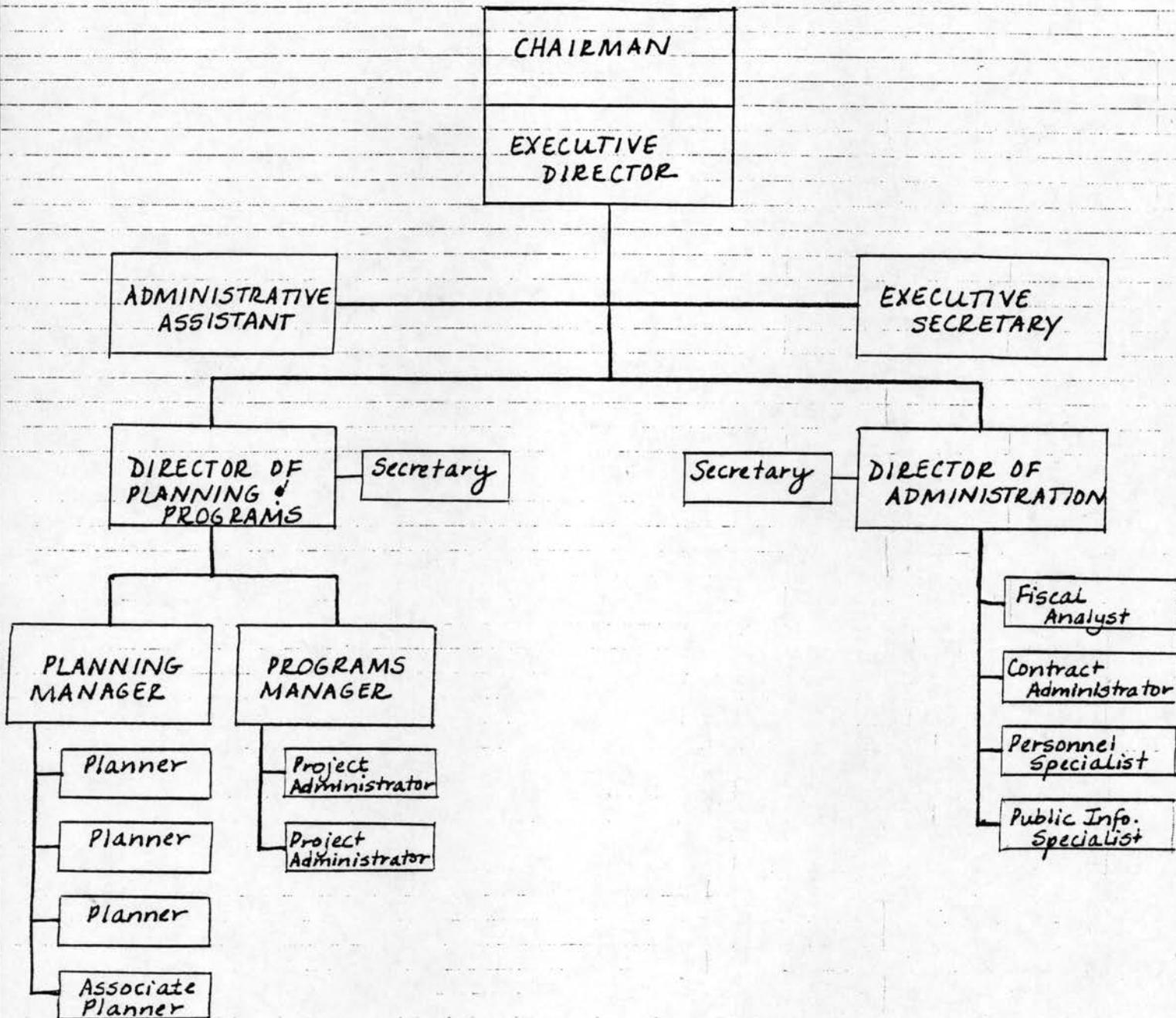
We have completed the recruitment process for another secretary. The process included screening of the applicants by the Metropolitan Council Equal Opportunity Coordinator. The prospective employee, Julie Opsahl, has been employed by the Department of Natural Resources for eight years and comes well recommended.

RECOMMENDATION:

That the Regional Transit Board approve the appointment of Julie Opsahl to the secretarial position, effective January 21, 1985, at a salary of \$20,000 per year, with the standard confidential employee benefit package.

LJ/mf

PROPOSED ORGANIZATIONAL CHART  
REGIONAL TRANSIT BOARD



Consulting:

- Project Development & Evaluation

Consulting:

- Auditing
- Training
- Legal

JGH:  
1-3-84

REGIONAL TRANSIT BOARD BUDGET REQUEST  
(Dollars in thousands)

<u>ACTIVITY</u>	FY 1985 <u>ESTIMATED ACTUAL</u>	FY 1986 <u>REQUEST</u>	FY 1987 <u>REQUEST</u>	<u>TOTAL REQUEST 1985-87 BIENNIUM</u>
MTC (Operating Assistance & Social Fares)	\$ 7,861.5	\$14,260.0	\$19,097.0	\$33,357.0
Opt-Out	684.0	731.9	783.1	1,515.0
Private Operators	965.1	1,032.7	1,104.9	2,137.6
Metro Mobility	5,000.0	5,350.0	5,724.6	11,074.6
Rural & Small Urban	612.0	816.7*	872.3*	1,689.0
RTB - Administration	<u>1,099.5</u>	<u>1,099.5</u>	<u>1,099.5</u>	<u>2,199.0</u>
TOTAL	\$16,222.1	\$23,290.8	\$28,681.4	\$51,972.2

\*Includes capital request of \$162,000 in FY 1986 and \$172,000 in FY 1987

GF:jao  
1/3/85

REGIONAL TRANSIT BOARD 1985 LEGISLATIVE PROGRAM

I. APPROPRIATIONS

The Regional Transit Board's 1985-87 Biennial Budget request is comprised of two budget activities -- Metropolitan Transit Assistance and Metropolitan Transit Administration. The Metropolitan Transit Assistance Activity is further divided into five budget programs -- the Metro Mobility Program; the Private Operator's Program; the Metropolitan Transit Commission (MTC) Program; Metropolitan Transit Service Demonstration Program (Opt-Out); and the Rural and Small Urban Program. The Metropolitan Transit Administration Activity encompasses RTB administrative costs associated with the planning and coordination of public transit resources within the metropolitan area. The RTB's 1985-87 appropriations request is summarized below in Table 1 and the following <sup>ed</sup> by a short narrative on each budget activity. ✓

TABLE 1  
REGIONAL TRANSIT BOARD 1985-87 BIENNIAL BUDGET REQUEST

<u>BUDGET ACTIVITY</u>	<u>FISCAL YEAR 1986</u>	<u>FISCAL YEAR 1987</u>	<u>TOTAL 1985-87 BIENNIUM</u>
Metro Mobility	\$ 5,350,000	\$ 5,724,600	\$11,074,600
Private Operators	1,032,700	1,104,900	2,137,600
MTC	14,260,000	19,097,000	33,357,000
Opt-Out	731,900	783,100	1,515,000
Rural/Small Urban	816,700	872,300	1,689,000
RTB - Administration	<u>1,099,500</u>	<u>1,099,500</u>	<u>2,199,000</u>
Total	<u>\$23,290,800</u>	<u>\$28,681,400</u>	<u>\$51,972,200</u>

A. Metro Mobility

Metro Mobility is a coordinated transportation system that provides public transit for disabled individuals in the Twin Cities metropolitan area. The project had its beginnings in 1976 as a demonstration program in a small area of Minneapolis. That service, called Project Mobility, was operated by the MTC. The service was expanded to a larger area in Minneapolis in 1978, and then expanded again in 1979. The Minnesota Department of Transportation, in conjunction with the Metropolitan Council and the MTC, developed Metro Mobility to coordinate Project Mobility and several private providers. Currently, service is available in both central cities and the first ring suburban communities. Six taxi companies, one private non-profit company, one private for-profit company and the

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MTC's Project Mobility participate in the program. There were over 10,000 persons certified to use Metro Mobility in the fall of 1984.

The 1985-87 biennial request of \$11,074,600 represents the amount necessary to maintain the existing level of service for the project. In preparing this budget request, no growth in service miles was assumed. The request is based on existing contracts and inflated by 7.0 percent annually to represent the same service level. Contracts include the Metro Mobility Transportation Center, Project Mobility and the private providers (Morley Bus Co., Suburban Paratransit and six taxi companies).

B. Private Operators

The private operators' budget activity provides financial assistance to two private bus companies which operate regular route public transit service in Anoka, Hennepin, and Ramsey counties. North Suburban Lines operates local and express bus service between Southern Anoka County and Northern Ramsey County and downtown St. Paul. Medicine Lake Lines provides service between downtown Minneapolis and the suburban communities of Crystal, New Hope, Golden Valley, Plymouth, and Medina. ✓

The 1985-87 biennial request represents the amount necessary to maintain the existing level of service. The budget request for this activity assumes no change in service levels and an annual inflation rate of 7.0 percent.

C. Metropolitan Transit Commission (MTC)

The level of funding requested for the 1985-87 biennium is \$33,357,000. This request includes \$9.2 million for social fare reimbursement and \$24,157,000 for operating assistance grants.

M.S. 473.408 requires the MTC to provide reduced "social fare" rates for the elderly, handicapped and youths during off-peak hours. The difference between these reduced rates and the regularly charged full adult fare is made up by the State of Minnesota through a special appropriation. The level of funding requested for the continuation of this program during the 1985-87 biennium is \$9.2 million.

During the next biennium, MTC regular route service miles will grow modestly by about 2.6 percent primarily due to four major service enhancements in the region and the expansion of non-traditional services such as subregional service and timed-transfer. To maintain the current network of MTC service and implement innovative and improved transit service, the MTC will need \$24,157,000 in state operating assistance grants during the next biennium. This request is based on a total operating budget for the 1985-87 biennium of \$224,463,000, exclusive of MTC operated Project/Metro Mobility and any debt service.

In determining the level of state operating assistance needed by the MTC during the next biennium, the following assumptions have been made:

REVENUE

Passenger Revenues: No change in fares. Ridership to grow in 1985 by 1.5% over 1984 actual levels. No subsequent year ridership increases.

Investment Income: Invested funds to earn 10%. Short term tax anticipation borrowing based upon cash flow needs.

All Other Revenues: Continued at levels of 1984 estimated actual for advertising special (U of M Express and charter fares).

SUBSIDIES

Federal Grants: Continuation of Section 9 operating assistance at \$8.5 million. Limited additional funding.

Regional Transit Board: Uses Mn/DOT subsidy projections necessary to maintain minimum working capital balance of \$15 million. Funding sources to include property taxes and state subsidies.

EXPENSES

Regular Transit: 1985 service enhancements continued.

Project Mobility: Continuation of existing (1984) service plan.

Labor and Fringes: 5% wage increases for union employees on each May 1 from 1985 through 1987. 5% wage increases for administrative employees on each January 1 from 1985 through 1987. Productivity to reflect full 15% part-time driver utilization. Yearly hiring progression savings varies by projected seniority of the labor force. Complement positions to remain at 421 from July 1, 1985 forward. Pension as lowered in 1983 legislation (3.9%). FICA at 7.05% in 1985 and 7.15% thereafter. Hospitalization premiums returning to historical trends in 1986 and 1987. Workers compensation expense to level off, increasing only 1% per year after 1985.

Casualty & Liability: No increases in 1986 or 1987, budgeted at \$2,030,000.

General Inflation: 5% per year affecting all non-detailed expenses.

The enclosed chart shows MTC revenue and expense projections for the next biennium.

D. Opt-Out

The amount needed next biennium to continue transit service under the opt-out program is \$1,515,000.

The opt-out program was first enacted by the Legislature in 1981 as the Metropolitan Transit Service Demonstration Program. As part of the RTB enabling legislation passed in 1984, the opt-out program was transferred from Mn/DOT to the RTB and renamed the Replacement Service Program.

In order to be eligible to opt-out, a community must meet the following requirements:

- (1) be within the metropolitan transit taxing district;
- (2) not be served by the MTC or be served by bus routes which begin or end in the community; and
- (3) have fewer than four schedules runs of MTC bus service during off-peak hours.

In addition to meeting the above eligibility requirements, the 1984 Legislature limited participation in the opt-out program to those communities which were receiving financial assistance or submitted an application or a letter of intent to apply for assistance under the program by July 1, 1984. About fifteen suburban metropolitan communities are eligible to participate in the opt-out program under the criteria listed above.

Plymouth was the first city to opt-out of the MTC system. In October, 1983, Medicine Lake Lines began operating Metrolink Service between Plymouth and downtown Minneapolis. Midday circulator service in the city of Plymouth is also provided. Shakopee followed Plymouth's lead and began operating service under the opt-out law in September, 1984. Chaska and Eden Prairie are studying the feasibility of opting-out.

E. Small Urban and Rural System

Beginning with the 1985-87 biennium the RTB will administer the grant programs for the metropolitan small urban and rural systems that were previously funded through Mn/DOT. The amount necessary to fund these programs for the next biennium is \$1,689,000. The budget request for the small urban and rural program was prepared on the basis that state assistance will increase 7.0 percent annually and there will be no change in service levels from the fiscal year 1985 level. In addition, the request includes \$162,000 in fiscal year 1986 and \$172,000 in fiscal year 1987 for capital needs.

County transit services are provided in five metropolitan counties: Anoka, Carver, Dakota (DARTS), Scott and Washington. The services provided are primarily for the elderly and handicapped.

Community transit services or small urban system service are provided in six metropolitan area communities: Columbia Heights, Hastings,

Hopkins, Plymouth, St. Louis Park and White Bear Lake. These systems generally provide local circulator service, primarily for the transit dependent.

F. RTB Administration

\$2,199,000 is the amount needed by the RTB in the 1985-87 budget period to administer transit assistance programs for grant recipients in the metro region and to plan, coordinate and implement transit programs in the Twin Cities metropolitan area.

The budget request recognizes that the RTB has nineteen authorized full-time employees who will be organized into two divisions -- (1) Planning and Programs, and (2) Administration.

The administrative functions of the RTB include:

- o The preparation of a transit implementation and financial plan.
- o Certification of transit property tax levy.
- o The assumption of Mn/DOT's operating contracts with metropolitan area providers.
- o The preparation of required budgets, staffing plans and financial plans.
- o The review and approval of MTC budget.
- o Study and report to the legislature on statutorily required issues.
- o The implementation of a transit information program.
- o The administration of paratransit contracts.
- o The assumption of the ridesharing program.
- o The assumption of the opt-out program.
- o The implementation of a local government participation program.

EXHIBIT G.4  
10/24/84

METROPOLITAN TRANSIT COMMISSION  
BIENNIAL COST PROJECTIONS(\$000'S) (EXCLUDING CAPITAL ACQUISITIONS)

	ACTUAL 81-83 BIENNIUM	ACTUAL 1983 JUL-DEC	ACTUAL 1983 TOTAL	ACTUAL 1984 JAN-JUN	1984 JUL-DEC	1984 TOTAL	1985 JAN-JUN	83-85 BIENNIUM	1985 JUL-DEC	1985 TOTAL	1986 JAN-JUN	1986 JUL-DEC	1986 TOTAL	1987 JAN-JUN	85-87 BIENNIUM	1987 JUL-DEC	1987 TOTAL
<b>REVENUES:</b>																	
PASSENGER FARES	64,641	15,787	32,351	16,849	16,011	32,860	16,971	65,618	16,971	33,942	16,971	16,971	33,942	16,971	67,884	16,971	33,942
OTHER OPERATING	5,866	524	2,010	467	423	890	514	1,928	513	1,027	514	513	1,027	514	2,054	513	1,027
INVTMNT INCOME	3,226	586	860	651	374	1,025	1,146	2,677	1,147	2,293	1,351	1,440	2,799	1,476	5,422	1,556	3,032
PROP TAX-GENERAL	65,253	19,458	38,916	20,257	20,143	40,400	20,647	80,505	20,646	41,293	21,265	21,265	42,530	21,903	85,079	21,903	43,806
-DEBT	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
STATE-OPER ASST	8,271	2,735	4,541	2,929	1,737	4,666	2,019	9,420	3,928	5,947	5,732	6,478	12,210	8,019	24,157	8,820	16,839
-METRO SUB	6,375	1,571	3,043	1,575	1,853	3,428	1,834	6,853	1,834	3,668	1,962	1,962	3,924	2,099	7,857	2,099	4,198
-SOC FARES	9,925	2,305	4,574	2,317	2,445	4,762	2,300	9,367	2,300	4,600	2,300	2,300	4,600	2,300	9,200	2,300	4,600
-TX RETURNS	0	0	0	0	0	0	0	0	0	0	1,244	1,244	2,488	1,281	3,769	1,281	2,562
FEDERAL GRANTS	19,100	4,650	9,088	4,392	4,963	9,355	5,006	19,011	5,004	10,010	4,484	4,483	8,967	4,484	18,455	4,483	8,967
<b>TOTAL REVENUE</b>	<b>181,857</b>	<b>47,556</b>	<b>95,391</b>	<b>49,437</b>	<b>47,949</b>	<b>97,386</b>	<b>50,437</b>	<b>195,379</b>	<b>52,343</b>	<b>102,700</b>	<b>55,823</b>	<b>56,664</b>	<b>112,487</b>	<b>59,047</b>	<b>223,877</b>	<b>59,926</b>	<b>118,973</b>
<b>EXPENSES:</b>																	
LABOR	97,248	25,039	49,860	25,570	26,990	52,560	26,767	104,366	27,306	54,073	28,198	28,684	56,882	29,000	113,996	30,318	60,126
FRINGE BENEFITS	44,107	12,041	23,051	12,170	12,032	24,202	12,565	48,800	12,566	25,131	13,825	13,964	27,789	14,760	55,115	14,906	29,666
FUEL & LUBRICANTS	16,331	3,379	6,762	3,394	3,407	6,801	3,651	13,831	3,675	7,326	3,834	3,859	7,693	4,026	15,394	4,052	8,078
MATERIALS	13,469	3,101	6,455	3,302	3,160	6,462	3,704	13,267	3,704	7,408	3,976	3,993	7,969	4,160	15,833	4,190	8,350
OTHER	12,909	3,343	6,848	4,420	7,323	11,743	5,169	20,255	5,170	10,339	5,274	5,300	10,654	5,489	21,313	5,600	11,089
INTRST EXPENSE	0	0	0	0	0	0	500	500	500	1,016	716	784	1,500	804	2,012	860	1,664
DEBT SERVICE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL EXPENSES</b>	<b>184,364</b>	<b>46,903</b>	<b>92,976</b>	<b>48,856</b>	<b>52,912</b>	<b>101,768</b>	<b>52,364</b>	<b>201,035</b>	<b>52,929</b>	<b>105,293</b>	<b>55,823</b>	<b>56,664</b>	<b>112,487</b>	<b>59,047</b>	<b>224,463</b>	<b>59,926</b>	<b>118,973</b>
<b>SURPLUS OR DEFICIT</b>	<b>-2,207</b>	<b>653</b>	<b>2,415</b>	<b>581</b>	<b>-4,963</b>	<b>-4,382</b>	<b>-1,927</b>	<b>-5,656</b>	<b>-586</b>	<b>-2,513</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-586</b>	<b>0</b>	<b>0</b>
<b>CHANGE IN RET EARN</b>		<b>153</b>		<b>-54</b>	<b>-99</b>	<b>-153</b>		<b>0</b>									
<b>WORKING CAPITAL</b>		<b>22,048</b>		<b>22,575</b>	<b>17,513</b>		<b>15,586</b>		<b>15,000</b>		<b>15,000</b>	<b>15,000</b>		<b>15,000</b>		<b>15,000</b>	
<b>TOTAL MIL'S</b>	<b>60,052</b>	<b>14,064</b>	<b>28,400</b>	<b>14,491</b>	<b>14,538</b>	<b>29,029</b>	<b>15,031</b>	<b>58,124</b>	<b>14,745</b>	<b>29,776</b>	<b>15,085</b>	<b>14,782</b>	<b>29,867</b>	<b>15,022</b>	<b>59,634</b>	<b>14,762</b>	<b>29,784</b>
<b>TOTAL PASSENGERS</b>	<b>164,416</b>	<b>36,042</b>	<b>75,536</b>	<b>38,074</b>	<b>38,204</b>	<b>76,278</b>	<b>40,035</b>	<b>152,355</b>	<b>39,335</b>	<b>79,370</b>	<b>40,035</b>	<b>39,335</b>	<b>79,370</b>	<b>40,035</b>	<b>158,740</b>	<b>39,335</b>	<b>79,370</b>

REGIONAL TRANSIT BOARD 1985 LEGISLATIVE PROGRAM

II. OTHER STATUTORY CHANGES

1. FINANCIAL ASSISTANCE FOR CERTAIN PROVIDERS

Article III, Sec. 121 (codified as M.S. 473.384, Subd. 6) requires the RTB to provide financial assistance to all transit providers receiving funds under contract with Mn/DOT on the effective day of the act so that the percentage of total operating costs paid from local sources does not exceed the percentage for the recipient's classification under its final contract with Mn/DOT. M.S. 174.24, Subd. 3, establishes the maximum percentage of total operating costs that can be paid from local funds for transit programs funded through Mn/DOT as follows:

<u>Type of System</u>	<u>Percent Local Share</u>
Large Urbanized Area Service	55%
Urbanized Area & Small Urban Area Service	40%
Rural Area Service	35%
Elderly and Handicapped Service	35%

In effect, this section "grandfathers" in all programs currently receiving funds from Mn/DOT and places a statutory cap on the portion of total operating costs that can come from local sources, thereby preventing the RTB from determining the appropriate mix of state, local and federal dollars for different transit operations in the metropolitan area. While this section gives current providers some protection, it also inhibits the RTB from taking a fresh look at the provision of those transit services and from determining the appropriate mix of state, federal and local transit operating dollars.

Recommendation: Repeal M.S. 473.384, Subd. 6, in order that the RTB, not the Legislature, determines the appropriate mix of transit operating revenues for transit operations in the metropolitan area and who the ultimate recipients of those funds will be.

2. MTC IMPACT ASSESSMENT PROVISION

Article 3, Sec. 121 (codified as M.S. 473.384, Subd. 7) prohibits the RTB from entering into a contract for operating assistance with a non-MTC provider unless it "determines that the service to be assisted under the contract will not impose an undue hardship on the ridership or financial condition of the Commission, cause the dismissal of persons that are employed by the Commission, or reduce the total level of service in the metropolitan area provided by the Commission."

While this provision may offer protection to the MTC and its union employees, it does so by placing an unwarranted statutory barrier to competition for the provision of transit services in the metropolitan area. The major complaint aired against the MTC during legislative hearings on the RTB bill and before the Legislative Commission on Metropolitan Transit was that the MTC was unwilling to open markets to

other transit providers. The RTB was established, in part, to open these markets by exploring and evaluating the economic and service benefits of providing transit services on a competitive bid basis. Unfortunately, the MTC impact assessment provision creates a major impediment to lowering costs on some of the MTC's non-productive and marginal suburban routes. The RTB will be prohibited from bidding out this service to lower cost private operators if the contract would cause the dismissal of MTC employees or reduce the total level of MTC service.

Recommendation: Repeal M.S. 473.384, Subd. 7, the MTC impact assessment provision, to give the RTB the needed flexibility to design better and more cost effective service through the use of competitively negotiated service contracts.

3. METRO MOBILITY MANAGEMENT POLICY COMMITTEE

Article 3, Sec. 122 (codified as M.S. 473.386) transfers the responsibility for the Metro Mobility program from Mn/DOT to the RTB. Subdivision 2 of this section continues the role of the Metro Mobility Management Policy Committee as the body that sets management policy for the Metro Mobility project.

There has been some concern in the past regarding the vested interests of representatives of the Management Policy Committee and their ability to set objective policy for the project. Since the RTB is made up of individuals from a variety of different backgrounds with a diversity of interests, it may be more appropriate for the RTB to develop policy for the Metro Mobility project. The current representatives of the Management Policy Committee could be placed in an advisory capacity to the RTB.

While it may have made some sense to have such a policy committee when the project was run by an agency in the executive branch of state government, that necessity is lessened when the responsibility for the Metro Mobility program is placed in a quasi-legislative policy body. Furthermore, if the RTB is to be the policy authority on all metropolitan transit concerns and ultimately have control over the policy direction of the Metro Mobility project, it should be the authority which establishes the policy for the project in the first instance.

Recommendation: Amend M.S. 473.386, Subd. 2, to provide that the RTB is to set management policies for the Metro Mobility project. The current Management Policy Committee would be established in law as an advisory committee to the RTB on Metro Mobility concerns.

4. RIDESHARING LEGISLATION

The following two legislative proposals were approved by the Metropolitan Ridesharing Board on December 13, 1984. The MTC, after approval by the Commission, has in the past assisted the ridesharing board with its legislative initiatives before the Minnesota Legislature. Under the recent transit reorganization, the RTB is responsible for pursuing metropolitan ridesharing legislation.

A. Rideshare Tax Incentives

The ridesharing board has developed a series of tax incentives to promote the use of alternative modes of commuter transportation such as vanpooling as follows:

1. Excise tax exemption for purchase of vans for vanpools.
2. 20% tax credit for purchase of vans by individuals or corporations for vanpooling.
3. 20% tax credit for employer-paid compensation of rideshare coordinators.
4. Tax deduction for employers who subsidize transit and rideshare activities including transit passes, vanpool/bus fares and free parking for carpools/vanpools.
5. Accelerated depreciation on constructing facility improvements for ridesharing and transit such as preferential parking and shelters.

B. Emergency Exemption from Class B License Requirements

M.S. 171.02 requires that drivers of vehicles designed for carrying more than 10 passengers must have a Class B license. Certain situations have arisen where the regular driver of a commuter vanpool has been unavailable to drive, leaving the responsibility to a passenger who possesses a valid Class C license but does not have a Class B license.

The ridesharing board would like to amend the law to allow backup drivers or passengers of commuter vanpools, who do not possess a Class B license, to legally drive the vehicle when the regular licensed driver is unavailable. The law would have to be amended to grant a specific exemption to the Class B licensing requirements for individuals to drive the van during emergency situations where the regular licensed driver of the vanpool is not available to drive the van.

5. DEBT AUTHORIZATION

Article III, Sec. 124 (codified as M.S. 473.39) provides that the RTB may not issue obligations in excess of the amount specifically authorized by law (emphasis added). Since the RTB does not currently have any debt authorization specifically in statute, the RTB will need to request that the Legislature provide for debt authorization during the 1985 session in an amount necessary to cover any bonded indebtedness for planned capital projects the RTB will undertake in the next biennium.

Recommendation: Establish in law a debt authorization for the RTB in an amount (to be determined) necessary to successfully complete the RTB's capital improvement program during the next biennium.

6. CONDEMNATION AUTHORITY

Article III, Sec. 117 (codified as M.S. 473.375, Subd. 4) provides that the RTB may acquire property by purchase, lease or gift but does not give the RTB the power to condemn property for the accomplishment of its purposes. The board may find it necessary at some point in the

future to use the power of eminent domain to acquire property, particularly if the RTB takes an active role in the construction of a light rail system in the Twin Cities metropolitan area. It should be noted that the MTC and the Hennepin County Regional Rail Authority have the power to condemn property.

Recommendation: Amend M.S. 473.375, Subd. 4, to give the RTB general condemnation authority.

7. TERMS OF RTB MEMBERS

Article III, Sec. 116 (codified as M.S. 473.373, Subd. 4) establishes initial terms for members of the RTB as follows: the Chairman and members representing Districts B, E, F, J, K, L and N have initial terms expiring the first Monday in January in 1987. Members representing Districts A, C, D, G, H, I and M have initial terms which expire the first Monday in January in 1989.

This section, however, is silent as to the duration of subsequent terms of RTB members after initial terms expire. To head-off the potential for any confusion over the length of terms of RTB members, this section should be amended to clearly state that after initial terms expire, the term of an RTB member is four years and until a successor is appointed and qualified.

Recommendation: Amend M.S. 473.373, Subd. 4 to clarify that the terms of RTB members subsequent to the members' initial terms are four years by adding the following sentence: "Thereafter the term of each member and the chairman is four years and until a successor is appointed and qualified."

8. CARRY-OVER OF LRT FUNDS

During the 1984 session, the entire portion of the metropolitan share of the Transit Assistance Fund in fiscal year 1985 was dedicated for planning and engineering design for light rail transit in the University, Southwest and Hiawatha corridors (see Chapter 654, Article 3, Sec. 1(i)). Current estimates indicate that about \$10 million will be available for this purpose. These funds must be spent or obligated by June 30, 1985 or the unspent monies will cancel back to the Transit Assistance Fund.

Further legislation during the 1985 session will be needed to carry-over any unspent portion of these funds for light rail purposes.

Recommendation: Seek the necessary legislation needed to carry-over these funds for further engineering and planning design for light rail transit.

9. TRANSIT ASSISTANCE FUND - DIRECT APPROPRIATION OF FUNDS TO RTB

Article 3, Sec. 74 (codified as M.S. 174.32) creates the Transit Assistance Fund to receive the transit share of money distributed from the motor vehicle excise tax. This section provides that 80% of the fund

is to be distributed to metropolitan area transit programs and 20% is to be spent outstate. This section further provides that the Commissioner of Transportation is responsible for the distribution of these funds to eligible recipients such as cities, public transit systems, regional rail authorities and private providers.

The RTB enabling legislation clearly indicates that the RTB is the agency charged with the planning and funding of all transit programs in the Twin Cities metropolitan area. The Minnesota Department of Transportation, the agency formerly charged with providing financial assistance to both outstate and certain metropolitan transit programs, is now responsible only for those transit programs outside the metropolitan area. All other transit functions of Mn/DOT that are in metropolitan area are transferred to the RTB. (See Article 3, Sec. 63 to 72).

The direct allocation of the metropolitan share of the Transit Assistance Fund to the Commissioner of Transportation for distribution by him to eligible transit programs in the metropolitan area is clearly contradictory to the intent of the RTB legislation. The metropolitan share of the Transit Assistance Fund should come directly to the RTB for distribution to metropolitan transit programs thereby avoiding an inconsistent and unnecessary step in the funds allocation process.

Recommendation: Amend M.S. 174.32 to provide that the metropolitan share of the Transit Assistance Fund is to be appropriated to the RTB, not the Commissioner of Transportation. The RTB would allocate these funds according to its budget priorities.

METROPOLITAN TRANSIT COMMISSION  
1985-87 LEGISLATIVE PROGRAM  
REQUEST TO THE RTB FOR STATUTORY CHANGES

MTC requests the following changes to existing law, primarily to help clarify certain ambiguities and correct certain administrative problems that resulted from the enactment of the 1984 transit reorganization bill:

1. Salary for MTC Chairman

Amend Article III, Sec. 15 of the RTB/MTC enabling legislation (M.S. 15A.081, Subd. 7) to establish a part-time salary for the chairman of the MTC.

Article III, Sec. 15 of the transit reorganization bill sets the MTC's chairman's salary at zero. Article III, Sec. 126, Subd. 7, of the same bill further provides that each member of the MTC must be compensated as provided in M.S. 473.141, Subd. 7, which distinguishes between a per diem compensation for members of the commission and a salary for the chairman. It states:

"Each commission member shall be paid a per diem compensation of \$50 for each meeting and for such other services as authorized by the commission, and shall be paid for all actual and necessary expenses incurred in the performance of his duties in the same manner and amount as state employees. The chairman shall receive a salary in an amount fixed by section 15A.081 and shall be reimbursed for reasonable expenses to the same extent as a member."

Upon discussion with legislators regarding their intent, the MTC has opted to compensate the chairman in the form of \$50 per diem for each day in which the chairman is required to perform services for the commission, as stated in its adopted bylaws.

Although this arrangement of per diem payments to the chairman is an acceptable method of compensation, the statutes should be changed to allow the MTC to do so. However, the MTC would prefer an amendment to pay the MTC chairman a nominal annual salary comparable to the salary paid to part-time chairmen of other metropolitan agencies for two reasons:

- o The MTC chairman's duties are similar to the duties of the chairmen in other metropolitan type agencies, which are set at \$16,000 - \$20,000 annually. Compensation of commission members and chairmen would thus become more uniform.
- o The chairman should receive a slightly higher amount of compensation because he/she performs many additional duties and attends functions that other members of the commission do not. A fixed annual salary would minimize the resulting administrative work surrounding per diem forms.

2. Unclassified Pension Plan - Chief Administrator of MTC

Amend M.S. 352D.02, Subd. 1, Clause 5, to allow the Chief Administrator of the MTC to participate in the State Unclassified Employees Retirement Program.

The law now permits the Chief Administrator of the Waste Control Commission and the Executive Director of the Metropolitan Council to participate in the unclassified plan. The Regional Transit Board may also wish to pursue this option for its executive director.

The unclassified pension plan was established by the legislature in 1971 to provide pension benefits to agency heads, political appointees, etc., whose public service would likely amount to less than the ten years of service needed to qualify for a regular MSRS pension.

Under the unclassified plan, the employee contributes 4% of his salary and his employer 6% of salary to the employee's account. The primary advantage to the unclassified plan is that thirty days after terminating MSRS covered employment, the employee may withdraw the full value of the account, including the employer's contribution.

A change in state law to allow for this coverage would be an asset to the MTC commissioners in searching for a qualified Chief Administrator, should that individual be barred from working for the MTC under contract with a private management firm.

3. Elderly Member on Regional Transit Board

Amend M.S. 15.0591, Subd. 2, Clause 20, to provide that the RTB, not the MTC, be required to have an elderly member on its board.

The 1984 law, as passed, provides that the Metropolitan Transit Commission "or its successor" must have an elderly member on its board. Since the MTC is still a viable legal entity, it is unclear whether the elderly member should serve on the MTC or RTB. However, since the RTB will be the policymaker on issues of importance to senior citizens, this would suggest that the elderly member would best be placed on the RTB, requiring that the law be amended to clearly indicate that the senior citizen representative will serve on the RTB.

4. Size of MTC and Terms of Members

Amend M.S. 473.404, Subdivision 2, to allow for increased size of MTC board from three to five members.

Existing law (M.S. 473.404, Subd. 2) requires the MTC board to consist of three commissioners, which creates some administrative problems in committee assignments and quorum, as defined by the Minnesota open meeting law. If the board were increased to five members from its current level of three members, the MTC could more effectively organize into committees of the Commission and it would be more reasonable to meet the requirements of the open meeting law.

The number of members and representation thereof is a matter for the RTB to handle through its legislative program. However, the MTC supports the concept of increasing the size of the commission and offers any assistance deemed desirable by the RTB to effect such a change.

5. Fare Cap Removal

Amend Laws 1981, Chapter 363, Sec. 55, Subd 1(i), to remove restrictions on MTC fares.

Since 1981, the MTC has operated under a statutorily mandated fare cap. This has reduced MTC's flexibility with respect to the setting of fares, particularly the

"base fare." It is the RTB's and the MTC's plan to, during this current biennium, conduct an overall fare study, beginning with a thorough review of the results of its own fare pricing strategy study, in order to make recommendations to the RTB on the proper structure (including fare simplification) of MTC user fees. The RTB and MTC jointly feel that any statutory fare restrictions will impede the ability of the MTC to properly assess where fares should be, and the RTB to subsequently act on these recommendations.

6. Future Bonding Authority

Amend M.S. 473.436, Subd. 5, to allow the MTC additional bonding authority up to \$7.0 million over the course of the 1985-87 biennium.

The MTC's current approved 1985 capital budget and TIP will require another sale of bonds to fund capital fleet and facilities prior to the end of the upcoming biennium. The sum required is \$7.0 million, which can be produced either by the RTB sale of bonds or by MTC, with prior approval by the RTB.. This will allow MTC to complete its planned capital improvements program through June, 1987, which are outlined in Attachment #1.

The RTB may wish to pursue additional bonding authority above the \$7.0 million for MTC purposes in order that other priority needs be met, as well. This could include bond sales for other operators, I-394 demonstration projects or other appropriate uses. It is assumed that the RTB will be pursuing this legislative action as part of its own legislative program.

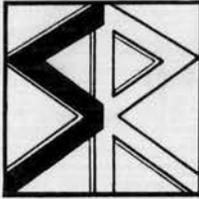
7. Free Bus Passes for Participants in the Work Incentive Program

Laws of 1984, Chapter 654, Article 3, Sec. 1(i) requires the MTC to give 575 monthly "All You Can Ride" passes each month to the Department of Economic Security's Work Incentive Program for use by its participants. This mandated distribution of free monthly bus passes to the Work Incentive Program is scheduled to end, by law, on June 30, 1985.

The Department of Economic Security has requested that the free distribution of bus passes to participants in the Work Incentive Program be continued. The MTC concurs with the department's request with one condition -

that the law be amended to provide that the free passes given to participants in the Work Incentive Program be considered a social fare for which the MTC can receive reimbursement in the same manner as reduced fares for the elderly are reimbursed.

According to data supplied by the Department of Economic Security, an average of 385 passes have been distributed to Work Incentive Program participants each month, resulting in an average monthly revenue loss to the MTC of \$12,685. The MTC strongly feels that the state should assume the responsibility for farebox revenue loss caused by mandated free and reduced fares. This would require an increase in state assistance to the MTC of \$304,440 during the next biennium.



# STRGAR-ROSCOE-FAUSCH, INC.

CONSULTING ENGINEERS

TRANSPORTATION ■ CIVIL ■ STRUCTURAL ENGINEERS ■ LAND SURVEYORS

January 7, 1985

Mr. Ghaleb Abdul-Rahman  
Executive Director  
REGIONAL TRANSIT BOARD  
270 Metro Square Building  
St. Paul, Minnesota 55101

Dear Ghaleb:

As you directed, we have conducted a search to identify a resource of professional expertise to review the development forecasts which support the Southwest/University Avenue Alternatives Analysis/Draft EIS. As part of this search, we identified four experts who might be available. One declined the assignment and another is available if necessary.

We believe it is desirable to have at least two outside experts to provide a balanced, impartial review. Two persons appear to be well suited for this assignment:

Dr. Kevin Neels  
Charles Rivers Associates

Mr. Gary Brosch  
Director  
Joint Center for Urban Mobility Research  
Rice Center

Both of these individuals have exceptional backgrounds and experience in the issues related to how transportation affects development. While I do not personally know either individual, based on their references, background and organizational credentials, I believe they can provide an impartial, third party review of the LRT AA/DEIS development forecasts and make comment on the appropriateness, accuracy and significance of the forecasts. Resumes for each individual are enclosed with this memorandum.



Mr. Ghaleb Abdul-Rahman

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January 7, 1985

Based on discussions with you and staff from the Metropolitan Council on the credentials of these individuals, I recommend that both Dr. Neels and Mr. Brosch be retained. A budget should be established which allows each individual about two days to prepare for this assignment by reading material prepared for the AA/DEIS. Then these individuals should spend two days in St. Paul for meetings and discussions with the Board, Metropolitan Council, staff and other parties. With allowances for travel time and expenses this all can be accomplished for less than \$10,000.

Please let me know if there are additional services or arrangements that I can provide to support this activity.

Sincerely,

STRGAR-ROSCOE-FAUSCH, INC.

Peter A. Fausch, P.E.  
Vice President

PAF:bba

KEVIN NEELS -- Senior Research Associate

Ph.D. City and Regional Planning, Cornell University  
M.R.P. Urban Planning and Development, Cornell University  
B.A. Political Science, Cornell University

Dr. Neels has extensive experience in the areas of urban transportation planning; real estate economics; and local government finance. Prior to joining Charles River Associates he worked for the Rand Corporation; The Urban Institute; Peat, Marwick, Mitchell & Co.; and Abt Associates.

In the area of transportation, Dr. Neels has participated in a variety of projects, including planning studies for the Baltimore subway and a research project to investigate linkages between development patterns and urban travel behavior. On several occasions he has been called upon to conduct critical reviews of travel forecasting studies. For the City of Richmond he prepared a critique of traffic projections for the proposed beltway around the city. For the navy he reviewed estimates of travel demand growth associated with the opening of the Trident support base in Bangor, Washington.

Dr. Neels's experience in the area of real estate economics includes extensive analyses of building technology and market behavior. He evaluated the impacts of Los Angeles' rent control law on the quality and maintenance of the city's rental housing stock and directed studies of landlord operating behavior and profitability as part of the federally funded Housing Assistance Supply Experiment. He also participated in a comprehensive review of military housing policy for the Department of Defense.

In the area of local government finance, Dr. Neels has consulted with local governments on techniques for improving financial management, including application of new techniques for municipal budgeting, and cost and revenue forecasting. He recently directed a project to strengthen finances and management for the city of Saint Paul, Minnesota.

#### SELECTED PUBLICATIONS

Coauthored. October 1984. The Entrepreneurial City: Innovations in Finance and Management for Saint Paul. R-3123-SP/FF. Rand Corporation.

Coauthored. April 1984. Five Year Revenue and Cost Forecasts for the City of Saint Paul. N-2066-SP. Rand Corporation.



KEVIN NEELS -- 2

Coauthored. 1984. "Energy and the Existing Stock of Housing." In Energy Costs, Urban Development, and Housing. Ed. Anthony Downs and Katherine L. Bradbury. Washington, D.C.: The Brookings Institution.

Kevin Neels. March 1983. Energy Use in Housing. R-3030-DOE. Rand Corporation.

\_\_\_\_\_. September 1982. The Economics of Rental Housing. R-2776-HUD. Rand Corporation.

Coauthored. September 1982. Price Effects of a Housing Allowance Program. R-2720-HUD. Rand Corporation.

C. Peter Rydell and Kevin Neels. June 1982. Rent Control, Undermaintenance, and Housing Deterioration. P-6779. Rand Corporation.

Kevin Neels. May 1982. "Reducing Energy Consumption in Housing: An Assessment of Alternatives." International Regional Science Review 7, 1.

\_\_\_\_\_. May 1982. Specification Bias in Housing Production Functions. N-1744-HUD. Rand Corporation.

\_\_\_\_\_. March 1982. Revenue and Expense Accounts for Rental Properties. N-1704-HUD. Rand Corporation.

\_\_\_\_\_. August 1981. The Impact of Rent Control on the Los Angeles Housing Market. N-1747-LA. Rand Corporation.

\_\_\_\_\_. February 1981. Measuring Capital's Contribution to Housing Services Production. P-6587. Rand Corporation.

Kevin Neels. 1981. "Production Functions for Housing Services." Papers of the Regional Science Association 48.

\_\_\_\_\_. February 1980. Determinants of Spatial Variations in the Cost of Living. P-6444. Rand Corporation.

Coauthored. 1980. "The Effects of Urban Development Patterns on Transportation Energy Use." Transportation Research Record, No. 764.

KEVIN NEELS -- 3

\_\_\_\_\_. 1979. "Approaches for Improving Urban Travel Forecasts." In Proceedings of the Workshop on Transportation/Urban Form Interactions. U.S. Department of Transportation.

\_\_\_\_\_. April 1978. The Impact of Beltways on Central Business Districts: A Case Study of Richmond. URI 21500. Urban Institute.

\_\_\_\_\_. 1978. "Toward Rational Road User Charges." Transportation Research Record, No. 680.

Coauthored. 1978. "A Review of Road Expenditures and Payments by Vehicle Class (1956-1975)." Transportation Research Record, No. 680.

\_\_\_\_\_. June 1977. An Empirical Investigation of the Effects of Land Use on Urban Travel. WP-5049-17. Urban Institute.

\_\_\_\_\_. March 1977. Congressional Intent and Road User Payments. URI 18500. Urban Institute.



GARY L. BROSCHE -- Director of the Joint Center for Urban Mobility Research, and the Director of Transportation Research, is responsible for directing the Joint Center, managing current work, maintaining on-going client relations, and developing new transportation-related research projects.

Education: M.S., Economics, Florida State University  
Economics, 1973

B.S., Economics, University of South Florida,  
1971

Honors: Omicron Delta Epsilon, International Honor Society in Economics (past President, Gamma Chapter, Florida State University)

Experience: Rice Center 1983-Present  
Director of the Joint Center for Urban Mobility Research

As Director of the Joint Center for Urban Mobility Research, a major joint effort supported by the U.S. Department of Transportation (UMTA and FHWA), the Texas State Department of Highways and Public Transportation, and local public and private entities, responsible for the development and management of all transportation related projects.

Urban Mass Transportation Administration, U.S. Department of Transportation with UMTA in 1981-1983  
Special Economic Advisor.

Primary responsibilities included directing and managing, on behalf of the Administrator, economic analysis of alternative 1981-1983 taxation, finance and regulatory policies for state, local and federal transportation systems, both public and private. Additional responsibilities included serving as liaison to special interest groups such as the League of Cities, the Conferences of Mayors, and the American Public Transit Association. Committee on Tourism and Economic Development, Florida House of Representatives 1979-1981 Staff Director. Primary responsibilities included directing and managing research and analysis leading to and including development of legislation in the areas of tax reform for economic development, industrial revenue bonding,

state and local infrastructure development, economic revitalization, ad valorem taxation, international banking, and environmental regulation. Other responsibilities included overseeing of Department of Commerce budget and programs: testimony before legislature and liaison with both public and private sectors.

State of Florida Office of the Governor, Economic and Tax Research Unit 1978-1979, Senior Research Economist

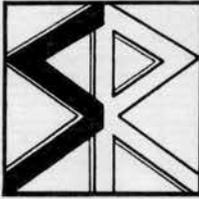
Responsibilities included directing the development and analysis of projection of economic conditions and resulting tax revenue forecasts, preparing alternative tax policy recommendations for the Governor; serving as legislative liaison on economic and tax matters; directing the preparation of the Economic Report of the Governor and the Florida Price Level Index.

#### Projects Underway:

Private Transit Operators and the Public Sector  
Workshop on Private Sector Contract Service  
Operations for Public Transportation  
Public Versus Private Ownership  
Urban Transportation Financial Forecasting  
Guidebook  
Case Studies on Non-Federal Transit Funding  
Private Sector Involvement in Urban Transportation Planning  
Incentives for Private Investment in Urban Mass  
Transportation  
Pinellas County Guideway Transit Project  
Tampa Downtown People Mover

#### Recent Completed Projects:

Transportation Forecasting Seminars  
Financing Urban Transportation Improvements  
Administrative Impacts of Private Financing  
Techniques  
Alternative Financing for Urban Transportation  
State-of-the-Art Case Analysis  
Denver LRT: Value Capture Evaluation  
A Guide to Innovative Financing Mechanisms  
for Mass Transportation



# STRGAR-ROSCOE-FAUSCH, INC.

CONSULTING ENGINEERS

TRANSPORTATION ■ CIVIL ■ STRUCTURAL ENGINEERS ■ LAND SURVEYORS

TO: Ghaleb Abdul-Rahman  
Executive Director  
REGIONAL TRANSIT BOARD

FROM: Peter A. Fausch

DATE: January 7, 1985

SUBJECT: CHANGES IN THE DECEMBER 3, 1984 DRAFT OF THE  
INTERIM TRANSIT SERVICE IMPLEMENTATION PLAN

The following changes have been made to the December 3, 1984 Draft of the Interim Transit Service Implementation Plan, based on comments received in writing after the Public Hearing December 17, 1984, comments received from Clarence Shallbetter, and upon our own review. Small editorial changes have not been documented in this memo. The text of substantial changes is included.

Page 11: The second sentence of the first paragraph was rewritten to state more clearly the reasons for the creation of the RTB.

The RTB was created to: 1) perform midrange transit planning, 2) make policy decisions, 3) handle administrative functions, and 4) facilitate the establishment of new and alternative transit services for the Twin Cities Metropolitan Area.

Page 23: The fourth paragraph has been changed and updated to match the data appearing in Appendix A, page 98.

The MTC vehicle fleet has 1183 operating vehicles distributed as follows:

- 1003 standard 40 foot buses for daily service
- 81 articulated 60 foot buses for daily service
- 33 Project Mobility lift equipped buses for daily service
- 41 standard buses and 14 Project Mobility buses not required for operations are stored at the Twin Cities Arsenal in Arden Hills
- 1 standard bus and 10 shuttle vans are leased to other parties



Page 24: The number of full time equivalents employed by each private operator has been added to each section.

Page 28: An additional paragraph defining paratransit services has been inserted at the beginning of the section.

Paratransit services refer to forms of public transportation that are more feasible and personalized than conventional fixed route, fixed schedule services. Paratransit services may include ridesharing, subscription buses and vans, dial-a-ride, or shared ride taxi-cab service. Paratransit services are most often directed at providing transportation to transit dependent handicapped and elderly individuals.

Any sentence reading ..."paratransit and special services"... has been changed to simply read "paratransit service" throughout the entire document.

Page 29: In the Community Services section, the word "provides" has been replaced by "contracts for", to reflect the direct source of the service.

Page 29: The description of available county services has been rewritten to address, where the service is provided, who provides the service, and who the service is directed at.

Page 30: The heading has been changed to Rideshare Services. The second paragraph has been expanded to describe the Minnesota Rideshare program in greater detail.

In 1983 Minnesota Rideshare assisted over 13,200 individuals by processing computer match lists. Twenty-nine percent (about 3,800) of these individuals succeeded in forming new carpools or joining previously registered carpools. Minnesota Rideshare currently has almost 5,000 carpools and 204 vanpools registered. The 204 vanpools, 68 of which are owned and operated by the rideshare program, serve approximately 2,350 persons. Minnesota Rideshare estimates that the car and vanpools registered with their program represent only 4% of the total number of car and vanpools operating in the seven county metropolitan area.

Mn/DOT currently coordinates an additional program which utilizes a fleet of 32 state owned vans serving 328 state employees. Many other corporate vanpool programs exist in the metro area and there is a high degree of self started car and vanpooling in the region.



Memo to Ghaleb Abdul-Rahman

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January 7, 1985

Page 43: The issues have been reordered to show what the transit needs are, who will direct the transit programs, and how the programs will be funded.

Page 62: Two sentences referring to past, and presently conducted LRT studies have been added to the first paragraph.

In 1981, a study was conducted that determined LRT could be feasible in several Twin Cities travel corridors. (2nd sentence)

An LRT Implementation Study is currently being conducted by the Hennepin County Regional Rail Authority. (5th sentence)