



Minnesota Regional Transit
Board: Records.

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REGIONAL TRANSIT BOARD

270 Metro Square Building
St. Paul, Minnesota 55101
612/292-8789

MEETING OF THE REGIONAL TRANSIT BOARD
April 7, 1986
Metropolitan Council Chambers
4:00 p.m.

AMENDED AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Approval of Minutes of March 17, 1986 Meeting
4. CONSENT LIST

5. REPORT OF THE POLICY COMMITTEE

Todd Lefko,
Chair

- a. Review of the Norwest Center (1985) Draft Environmental Impact Statement (EIS)*
- b. 1987 Exurban Funding Criteria*

6. REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

Ruth Franklin,
Chair

- a. Metropolitan Transit Commission (MTC) Tax Anticipation Notes Approval* *Res. No 86-9*
- b. MTC Section 9 Grant Approval, Resolution No. 86-10*
- c. Contract Amendment with Strgar-Roscoe-Fausch, Inc. on Transit Service Needs Assessment*
- d. Personnel Code*
- e. Employee Fidelity Bond*
- f. Financial Statements (Year's End)*
- g. Approval to Amend the Agreement and Conclude Consulting Services of Subhash Mundle and Associates for the Development of Regional Financial and Performance Standards, Resolution No. 86-__* *ref back*
- h. Metro Mobility Computer System Consultant Contract Approval*
- i. Contract for Computer Programming

b. OTHER BUSINESS

- a. Chairman's Report
- b. Members' Reports
- c. Staff Reports

8. PUBLIC COMMENT

Elliott Perovich
Chairman

An Equal Opportunity Employer

G. Andrew RD
 Bertrud LJ
 Brant MK
 G. B. JH
 T Marx KT
 A Engel CA
 E Brant JM

REGIONAL TRANSIT BOARD

ROLL CALL AND ATTENDANCE SHEET

DATE: 4/7/86

BOARD OR COMMITTEE RTB

MEMBER NAME	PRESENT	VOTE	86-9 TAN VOTE	86-10 Sutton VOTE	86-11 Mulle VOTE
Chairman	✓		✓	✓	
Kenneth Bedeau (P)	<u>vac</u>				
Doris Caranicas (P)	✓		✓	✓	
Ruth Franklin (Chair, A & F)	✓		✓	✓	
Alison Fuhr (P)	✓		✓	✓	
Paul Joyce (A & F)	✓		✓	✓	
Edward Kranz (A & F)	✓		✓	✓	
Todd Lefko (Chair, Policy)	✓		✓	✓	
Bernard Skrebes (A & F)	—		—	—	

Referred back.

REGIONAL TRANSIT BOARD

270 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the
REGIONAL TRANSIT BOARD
Metropolitan Council Chambers
March 17, 1986

BOARD MEMBERS PRESENT: Elliott Perovich, Chairman; Kenneth Bedeau, Ruth Franklin; Alison Fuhr; Paul Joyce; Edward Kranz; Todd Lefko and Bernard Skrebes

OTHERS PRESENT: Ghaleb Abdul-Rahman, Mary Fitzgerald, Katie Turnbull, Randy Rosvold, Mark Ryan, Regional Transit Board Staff; Larry Wertheim, legal counsel; Natalio Diaz, Metropolitan Council

The meeting was called to order at 4:00 p.m. and roll taken. Skrebes moved approval of the agenda; Lefko seconded the motion. Motion carried unanimously.

Lefko moved approval of the minutes of the February 24 and March 3, 1986 meetings; Skrebes seconded the motion. Motion carried unanimously.

Treasurer Paul Joyce called the meeting to order and explained that the chairman was at legislative hearings. The chairman arrived later but did not assume the chair.

REPORT OF THE POLICY COMMITTEE

Committee Chair Lefko noted that the committee met on March 12, but, lacking a quorum, took no action.

DRAFT STUDY OUTLINE/SCOPING DOCUMENT FOR THE SOUTHWEST CORRIDOR (T.H. 212) FROM COLOGNE TO 1-494

Committee Chair Lefko reviewed the committee report dated March 13, 1986, and moved:

That the Regional Transit Board adopt comments below on the Draft Study Outline/Scoping Document T.H. 212 and forward them to the Minnesota Department of Transportation (Mn/DOT).

There is a need for the designation of bus stops on T.H. 5 if either the Residential or Mitchell Lake alternative is used.

There is a need for consideration for future bus routes on T.H. 212. Any engineering designs for the new roadway, whatever the alternative route, should take into consideration possible use by transit, include bus stops, signage, park-and-ride lots, and traffic patterns.

Franklin seconded the motion. The motion carried unanimously.

Lefko suggested that this type of business be placed on the Chairman's Consent List.

DAKOTA COUNTY ENVIRONMENTAL ASSESSMENT FOR COUNTY STATE AID, HIGHWAY 42 FROM COUNTY ROAD 5 TO 750 FEET WEST OF PORTLAND AVENUE IN BURNSVILLE, MINNESOTA

Committee Chair Lefko reviewed the committee report dated March 13, 1986, and moved:

That the Regional Transit Board find the proposed improvement to be in compliance with the Regional Transit Board's Implementation Plan.

Franklin seconded the motion. The motion carried unanimously.

ADOPTION OF THE TRANSIT SERVICE NEEDS ASSESSMENT, PHASE I

Committee Chair Lefko reviewed the committee report dated March 13, 1986, and moved:

That the Regional Transit Board adopt Phase I of the Transit Service Needs Assessment.

Bedeau seconded the motion. Joyce commented that this is a good document and the map added today is one of the better, more readable maps he has seen during his years in transit. He commended staff on its accomplishment. Skrebes thanked staff for its efforts. Fuhr asked if the document can be changed to correct the spelling of her name. Abdul-Rahman said 3,000 copies of the map, which was done by Strgar-Roscoe-Fausch, Inc., will be printed. Vote was taken; motion carried (Fuhr abstained because she has been out of town and had not had time to read the document before the meeting).

REGIONAL TRANSIT BOARD FARE POLICY DEVELOPMENT

Lefko said a number of elements will come together over the next few months. The fare policy study will not conflict with the project being conducted by the Metropolitan Transit Commission (MTC) since it will be a broader discussion. Lefko moved:

That the Regional Transit Board approve the proposed work approach for the development of Regional Transit Board fare policies and, in concert with this process, the Regional Transit Board authorizes the executive director to enter into a contract to assist with the development of such a plan for an amount not to exceed \$10,000 and to amend the Transit Service Needs Assessment contract to include the proposed fare policy element and expenditures.

Skrebes seconded the motion. In response to Fuhr's question, Turnbull said the board is charged to provide guidelines for all providers. The board will consider the questions from the policy standpoint, as opposed to the technical level. The work will build on the technical analysis. Vote was taken; the motion carried unanimously.

CAPITAL PLAN DEVELOPMENT, 1987-1991

Committee Chair Lefko reviewed the committee report dated March 13, 1986. The committee discussed the special relationships the board has with all the transit providers. He moved:

That the Regional Transit Board approve the proposed work approach for developing a five-year capital plan for all transit operators providing public transit service in the seven-county Metropolitan Area and, in concert with this process, the Regional Transit Board authorize the executive director to enter into a contract with a consultant to assist with the development of such a plan for an amount not to exceed \$10,000.

Fuhr seconded the motion. Joyce commented that the amount is probably inadequate to accomplish the task. McCourt said she expects that staff will perform a significant amount of the work. The \$10,000 does not include printing costs; staff will put the report together and have it printed. Vote was taken; the motion carried unanimously.

Lefko said the committee will meet on March 26 and invited other board members to attend.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

EXURBAN FUNDING REQUEST: HASTINGS COMMUTER EXPRESS BUSPOOL, RESOLUTION NO. 86-8

Committee Chair Franklin reviewed the committee report dated March 7, 1986. In January, the board authorized funding for 11 of the 12 proposals. The Hastings proposal was referred to staff for further input. She moved:

That the Regional Transit Board adopt Resolution No. 86-8, Exurban Funding Request: Commuter Express, Inc., authorizing the executive director to execute a contract with Commuter Express, Inc., for an amount not to exceed \$13,882 for the provision of paratransit service in the exurban area from April 1, 1986, to December 31, 1986, and that the Regional Transit Board notify the Transportation Regulatory Board that it supports the application for the authority to operate such service.

Skrebes seconded the motion. Roll call vote was taken; the motion and resolution carried unanimously.

Franklin noted that the Administration and Finance Committee meeting scheduled for March 20 had been cancelled.

OTHER BUSINESS

STAFF REPORTS

Joyce said that since some of the out-of-town participants in the Metro Mobility discussion had not yet arrived, staff reports would be heard.

Hollander reported on her trip to Washington, D.C. to participate in the Privatization Workshop sponsored by the American Public Transit Association on Wednesday, March 12. She said it was one of the best-organized conferences she has attended. The word "privatization" is not reflective of what the Urban Mass Transit Agency (UMTA) goal. "Competitive transit" is a more accurate term because they do not want to take the public sector out of the picture. After they reviewed the UMTA policy guidelines, a panel of providers, including Ghaleb Abdul-Rahman, discussed what they are doing. Hollander will write up her notes and share the notebooks.

The following day, Hollander and Abdul-Rahman met with the Urban Institute, which is under contract to UMTA to look for providers for a demonstration project. They hope to bring a proposal to the board.

Hollander attended the National Meeting of Women's Transportation Seminar on March 14. She and Donna Allen presented a proposal to hold the 1988 national conference in the Twin Cities. The proposal was accepted.

CHAIRMAN'S REPORT

The chairman arrived, but indicated that Joyce should continue to chair the meeting. He reported on the activity at the Legislature. At this point there are rumors that the House will adjourn on March 20 if agreement is not reached. Joyce said if the House adjourns sine die, they may not return until May when the projections are done and most of the state income taxes have been filed. Franklin asked what has happened to the bonding authority; the chairman said nothing will happen and he is not sure the Metro Governance bill will pass. In the House it was amended onto the Mosquito Control bill. The taxicab amendment has been taken off the Metro Waste Control bill and is dead. The House does not want the RTB involved in regulation of taxis. If there is a special session the agenda will be very restricted. There is an amendment to the tax bill to take Motor Vehicle Excise Tax funds from the RTB and the Minnesota Department of Transportation in order to fund ethanol production. Further cuts are expected from the federal government. Senate Finance has language limiting all state and metro agencies to not more than eight percent aggregate salary increases over the biennium. Senator Luther said the Senate Research study found that management salaries at the Metropolitan Council are out of line.

Members Reports

Skrebes said he will receive an award on March 22 as New Bright Citizen of the Year.

Les Johnson said the Project Coordinating Committee for the new office space has been organized and met twice. Its task is to guide construction and development of the new building. However, the construction contract has not been signed because of issues about the garage that are unresolved between the development company and the City of St. Paul. The chairman said he is skeptical about whether the project will get off the ground. Construction has not yet started. He is concerned about where we are headed and how long we will have to stay in these quarters. There is no place to put new staff and we do not have an agreement with Metro Square. The board will have to address the question soon. He recommends that if ground is not broken within 30 days the agreement should be cancelled. Franklin said she has been concerned about that. In the contract the developer agreed to pay our rent and work out an agreement with the owners of this building. If that is signed we are off the hook because it would be to their disadvantage to have to pay the rent. The chairman said he is concerned about moving twice.

Lefko asked if there is a schedule of fail-safe days. Abdul-Rahman said the 30-Day Clause is the trigger. Johnson said that 30 days after the execution of the lease the developer must have financing in place. We would then have 30 days to notify them if we wish to cancel out of the agreement. Abdul-Rahman said there are also deadlines in the construction schedule.

The chairman said the first important date is at the end of the month and the board should reconsider the matter if we do not have a contract at that point. Lefko said, in terms of board action and the relationship with other agencies, there are benefits to being located with them. Abdul-Rahman said the agency policymakers have been meeting regularly. Johnson said Court International is the only other space available.

METRO MOBILITY DISCUSSION

Mark Ryan reviewed his memorandum dated March 17. The workshop with transit providers on March 17, 18 and 19 will focus on key administration elements in the reorganization of Metro Mobility services. Derrick Lightfoot has notified staff that he would have to cancel his visit. The board asked staff to develop a synopsis of the discussions.

Bedeau said the APTA Legislative Conference he attended last week in Washington with the chairman and Mike Kuehn was very rewarding and educational for him. The chairman said he will discuss the conference at the next board meeting or ask all the members to attend the next Policy Committee meeting for further discussion.

There was no public comment.

There being no further business, Franklin moved that the meeting be adjourned. Skrebes seconded the motion. The meeting adjourned at 6:00 p.m.

Respectfully submitted,

Mary Fitzgerald
Secretary

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 12, 1986
TO: Regional Transit Board
FROM: Elliott Perovich, Chair
SUBJECT: Consent List

The following referral has been reviewed by the staff and chair of the Regional Transit Board. In my opinion, the referral meets the standards of consent referrals adopted by the board in its bylaws.

Environmental Assessment Worksheet for the Reconstruction of Valley View Road Between County State Aid Highway (CSAH) 4 and Mitchell Road in Eden Prairie

This document outlines the approach to be taken by the City of Eden Prairie during the reconstruction of a 1.4 mile segment of Valley View Road. The project is necessary since the present condition of the roadway does not meet the requirements for the high amount of traffic it receives. The RTB has been asked to comment on the Environmental Assessment Worksheet by the City of Eden Prairie.

At present, no regular route transit vehicles operate on this stretch of roadway. However, the transit service plan being formulated by the cities of Chaska, Chanhassen, Eden Prairie and Shakopee, does include operation of a mid-day circulator on this section of roadway. The proposed project would bring the roadway up to standards which will enable usage by transit vehicles and thus is consistent with the RTB Interim Implementation Plan

RR:jmo
OP018A

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 31, 1986
TO: Regional Transit Board
FROM: Policy Committee
SUBJECT: Review of the Norwest Center (1985) Draft Environmental Impact Statement (EIS)

At its meeting of March 26, 1986, the Policy Committee reviewed the Norwest Center Draft EIS and approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board find the Norwest Center (1985) Draft Environmental Impact Statement and the Supplementary Transit Analysis for Minneapolis City Center II and Norwest Center (1985) consistent with the Regional Transit Board's Interim Implementation Plan.

jmo

Todd Lefko
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 13, 1986
TO: Policy Committee
FROM: Randy Rosvold, Planner ^{RR}
SUBJECT: Review of the Norwest Center (1985) Draft Environmental Impact Statement

Action Requested:

That the Policy Committee find the Norwest Center (1985) Draft Environmental Impact Statement and Supplementary Transit Impact Analysis for Minneapolis City Center II and the Norwest Center (1985) consistent with the Regional Transit Board's Interim Implementation Plan.

Background:

Norwest Center (1985) will be an office development with retail banking facilities to be located on the easterly 40 percent of the block bounded by Marquette Avenue, Sixth Street, the Nicollet Mall and Seventh Street (see attached map). This site was the location of the Northwestern National Bank Building prior to its destruction by fire on Thanksgiving day 1982. Construction of the 1.5 million square foot project will commence in July 1986 and be completed in late 1988.

The western 60 percent of the block will be developed into the Minneapolis City Center Phase II and will be completed in spring 1988. This project has been reviewed and approved by the Policy Committee in December of 1985.

At one time the complete block was being developed as one unit. However, the site has now been split into two developments, the MCCII and the Norwest Center. The Environmental Impact Statement (EIS) process was started when the one building was proposed. It has now been split into the two developments.

Since both developments will be constructed and completed by 1988 and both developments will share common impacts on the transit system--bus routes, bus stops, etc., a Supplementary Transit Impact Analysis for Minneapolis City Center II and Norwest Center (1985) has been included as an appendix in the Norwest Center (1985) Draft EIS. This transit impact analysis examines how the combined developments will impact transit in downtown Minneapolis. This supplementary transit impact analysis has been prepared in response to the request by the Minnesota Pollution Control Agency (MPCA) for a more comprehensive and detailed analysis.

Analysis:

RTB staff have reviewed the transit elements of the report and the supplementary analysis. RTB staff attended a meeting which was held with staff from MTC and the City of Minneapolis Planning Department to clarify assumptions

Policy Committee
March 13, 1986
Page 2

and identify critical issues related to transit in downtown Minneapolis. The evaluation of projected transit demand of the proposed projects and the potential impacts on existing regular route transit through 1989 were reviewed during this meeting and are addressed in the supplementary analysis.

Findings and Conclusions:

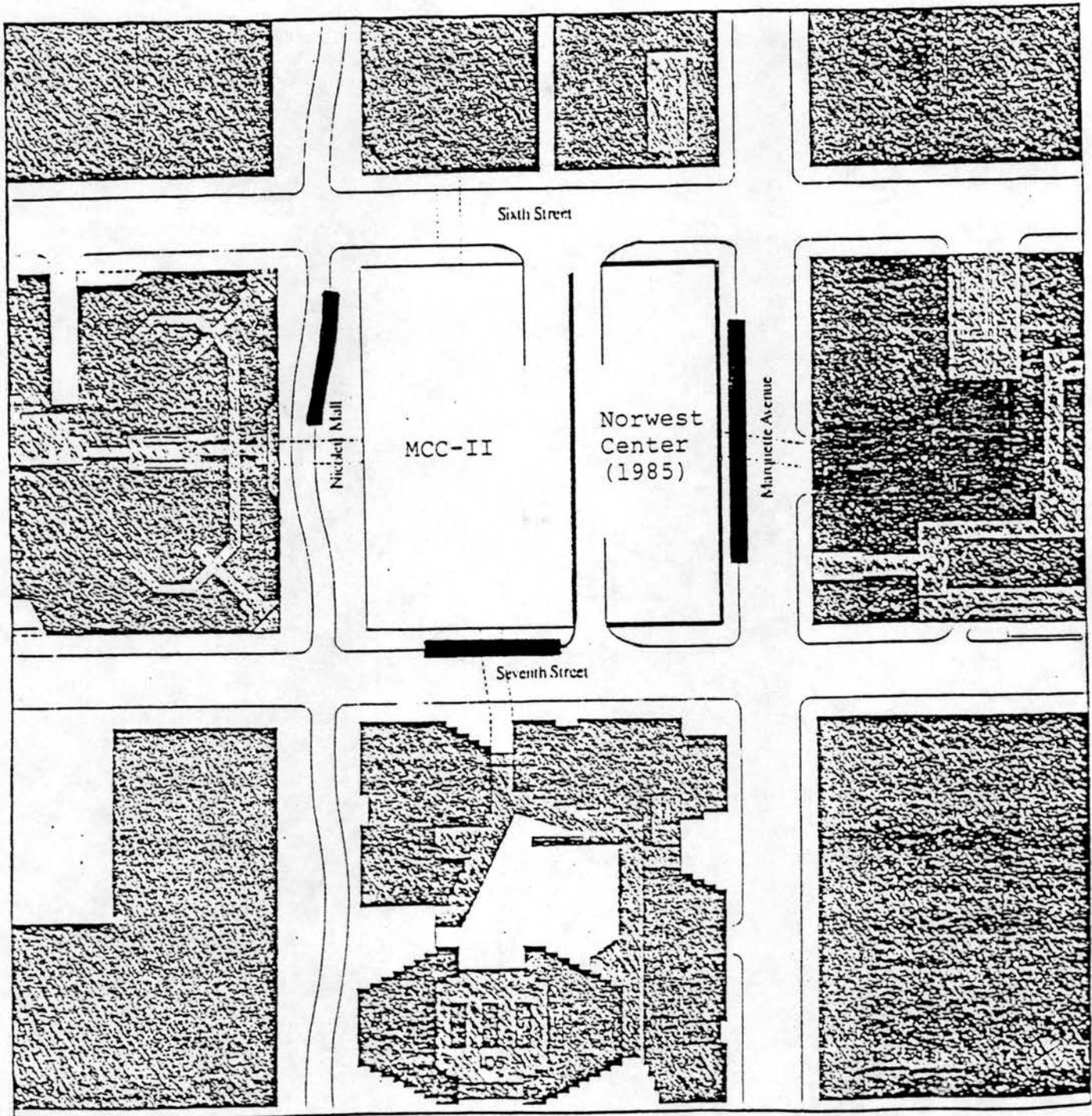
- o The RTB has reviewed the Draft Environmental Impact Statement for the Norwest Center (1985) and finds it consistent with the RTB Interim Implementation Plan.
- o RTB staff assisted in the development and review of transit assumptions prepared for the Supplementary Transit Impact Analysis for Minneapolis City Center II and Norwest Center (1985) DEIS. RTB staff finds this supplementary analysis consistent with the RTB's Interim Implementation Plan.

Recommendation:

That the Policy Committee find the Norwest Center (1985) Draft Environmental Impact Statement and the Supplementary Transit Analysis for Minneapolis City Center II and Norwest Center (1985) consistent with the Regional Transit Board's Interim Implementation Plan.

RR:jmo

GENERALIZED LOCATION OF REESTABLISHED BUS STOPS



Source: David Braslau Associates, Inc.

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 31, 1986
TO: Regional Transit Board
FROM: Policy Committee
SUBJECT: 1987 Exurban Funding Criteria

At its meeting of March 26, 1986, the Policy Committee reviewed the 1987 exurban funding criteria and approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board adopt a two-staged process for the distribution of exurban funds. In the first stage, it is recommended that the Regional Transit Board solicit exurban proposals based on the existing guidelines. In the second stage, it is recommended that, based on the remaining available funding, a project be developed to solicit proposals for one-time funding commitments.

jmo

Todd Lefko
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 20, 1986
TO: Policy Committee
FROM: Judith McCourt, Programs Manager *Jm*
SUBJECT: 1987 Exurban Funding Criteria

Action Requested:

That the Policy Committee approve the guidelines, as contained in this memorandum, for the purpose of soliciting exurban funding proposals for calendar year 1987.

Background:

In 1985, the Regional Transit Board (RTB) assumed responsibility for the exurban program from Metropolitan Transit Commission. This program provides financial assistance to paratransit and ridesharing programs that serve the outlying portions of the transit taxing area, shown in attachment one, and commonly referred to as the exurban area.

The exurban program was established in response to the 1981 legislation that required the proceeds of taxes collected from the area outside of the transit taxing district but inside of the transit taxing area be returned to it in the form of paratransit or ridesharing services. The legislation does not require that the actual proceeds of the taxes be returned to the originating community only that they be used to support service in the area as a whole.

Typically, the program guidelines are reviewed by the board in September and proposals are solicited in late fall. Decisions to fund proposals traditionally are made in December. Because the RTB's budget cycle requires the submission of a budget and a financial plan to the Metropolitan Council by August 1, it is necessary to adjust the cycle for reviewing the exurban guidelines and soliciting proposals. The exurban guidelines are, therefore, being presented to you for your review.

Discussion:

In September 1985, the RTB adopted five guidelines for the distribution of funds through the exurban program.

1. Projects shall predominantly serve persons residing within the exurban area (see attachment one).
2. Projects shall be predominantly subregional in nature and should provide access to existing service wherever possible.

3. Funding preference will be granted to projects providing accessible service.
4. Funding participation from the RTB shall not exceed fifty percent of the project deficit. The project deficit shall be determined by taking the total operating cost and subtracting federal, state and operating revenues from it. A local match shall be provided by the applicant, which is not less than the amount contributed by the RTB. If the project provides service in other than the exurban area, the funding provided by the RTB shall not exceed the actual deficit incurred by providing services to the exurban area.
5. Funding preference will be granted to projects that are cost-effective.
6. Projects wishing to apply for financial assistance must submit final proposals no later than November 1, 1985.

Proposals were solicited based on the guidelines and the Regional Transit Board funded twelve projects.

Anoka County Senior Transportation	\$ 9,027
Anoka County Social Services Client Transportation	10,994
Anoka County Transportation Coordination Project	29,178
Carver County Transportation Service	28,859
DARTS, Inc.	91,800
Dakota County Volunteer Transportation Program	19,888
City of Hastings, TRAC	9,162
Commuter Express, Inc.	13,882
Scott County Human Services	27,191
Suburban Community Services	26,930
Washington County Human Services	31,344
Westonka Community Services	15,096
	<u>\$313,351</u>

An additional \$50,000 will be used to defray expenses associated with ridesharing program activities in the exurban area.

The total budgeted expense for direct service is \$363,351. In addition to expenses budgeted for service, an additional \$15,000 has been reserved for special projects on an as-requested basis. Traditionally, these funds have been used to assist with the development of promotional materials such as brochures and posters. The total expected exurban expenditure for 1986 is, therefore, \$378,351.

It is estimated that in 1986, \$462,200 will be available for distribution. Because the carryover from 1985 cannot yet be determined, it is difficult to further refine this number. This is a conservative estimate based on the following assumptions:

	Levy Amount	Amount Available by 12/86
Carryover	---	\$ 51,100
July 1, 1985-June 30, 1986	\$407,000	199,400
July 1, 1986-June 30, 1987	\$424,100	<u>211,700</u>
		<u>\$462,200</u>

The funds that are estimated to be available in 1987 are \$ 508,000. This is based on the following assumptions. The 1987 tax levy is estimated to increase by 3 percent over the 1986 levy and the 1986 carryover is estimated as the difference between the dollars allocated in 1986 and the dollars for distribution during the year.

	Levy Amount	
Carryover (\$462,200-\$378,400)	---	\$ 83,800
July 1, 1986-June 30, 1987	\$424,100	211,700
July 1, 1987-June 30, 1988	\$433,800	<u>212,500</u>
		<u>\$508,000</u>

While the program expenses have increased over the years as the number of programs seeking funding have grown; the carryover has remained high. It is, therefore, proposed that some program changes be made to reduce the carryover. The carryover is a result of two factors. The carryover is high because of the six-month delay between the effective date of the legislation and the implementation of the program, and a lower demand for funding than dollars available for distribution. Two options are presented for reducing the carryover.

The first option would be to reduce the local match requirement. Currently, the program requires a 50 percent local match to receive funding from the RTB. For example, if the local match requirement was reduced to 35 percent, the financial impact in 1986 would have been an additional \$94,000 of expenses against the exurban budget. This would serve to virtually eliminate any carryover.

The two major drawbacks to this approach are that the program could not sustain a 35 percent matching requirement and in subsequent years the funding demand would exceed the funds available for distribution. The second drawback to this option is that if the requirement for local match was reduced for a one-year period, it might be exceedingly difficult for projects to regain the commitment for a local match from their present sources.

The second option involves a two-tiered approach. The first step would involve retaining the current guidelines with minor housekeeping revisions. The second step would be to develop a one-time funding project after all of the exurban projects meriting funding have been approved. The one-time special funding could allow for matching funds for capital purchases and other one-time funding commitments.

This option provides greater flexibility than the first option. It allows the RTB to first assess the level of funding necessary for eligible project applicants and then permits the RTB to place the remaining dollars in a project that would be clearly defined as a one-time funding effort. This approach would not decrease the local commitment of dollars or create a dependence for ongoing operating funding that could not be sustained in future years.

It is, therefore, proposed that the second option be adopted and that the current funding guidelines be used to solicit proposals. After funds have been allocated to support the exurban projects, a special one-time funding program should be developed to solicit special projects.

A minor modification is, however, needed to the adopted guidelines. The guidelines currently call for a November 1 submission of proposals. The submission date should be changed to June 1, 1986, in order to meet the requirements for the development of the RTB financial plan and the 1986 budget.

Findings and Conclusions:

- o Legislation requires that property taxes collected from the exurban area be returned to the area as whole in the form of paratransit and ridesharing services.
- o The program designed in 1982 to develop projects serving the exurban has continued to show a substantial carryover and revisions to the program are necessary to correct this situation.
- o Two options have been explored to reduce the carryover. The first calls for a reduction in the local matching requirement. The second option retains the current funding guidelines and later creates a one-time special funding program based on available dollars. The second option is recommended because it retains the commitment of local dollars and will not create a dependence for operating funds that cannot be sustained in future years.
- o The current guidelines call for a change in the due date for proposals. It is recommended that proposals be due on June 1, 1986, to permit on-time preparation of the 1986 RTB budget and financial plan.

Policy Committee
March 20, 1986
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Recommendation:

That the Regional Transit Board adopt a two-staged process for the distribution of exurban funds. In the first stage, it is recommended that the Regional Transit Board solicit exurban proposals based on the existing guidelines. In the second stage, it is recommended that based on the remaining available funding, a project be developed to solicit proposals for one-time funding commitments.

JM:jmo

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 7, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: MTC Tax Anticipation Notes Approval

At its meeting April 3, 1986, the Administration and Finance Committee reviewed the proposal of the Metropolitan Transit Commission (MTC) to issue \$17,600,000 in tax anticipation notes and approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board approve Resolution No. 86-____ authorizing the issuance of \$17,600,000 Tax Anticipation Certificates of Indebtedness of the Metropolitan Transit Commission pursuant to Minnesota Statutes, Section 473,436, Subdivision 5.

RUTH FRANKLIN
CHAIR

A&F432

REGIONAL TRANSIT BOARD

Resolution No. _____

APPROVING THE ISSUANCE OF \$17,600,000 TAX ANTICIPATION CERTIFICATES OF INDEBTEDNESS OF THE METROPOLITAN TRANSIT COMMISSION PURSUANT TO MINNESOTA STATUTES, SECTION 473.436, SUBDIVISION 6, AND APPROVING A FORM OF ESCROW AGREEMENT.

WHEREAS, pursuant to Minnesota Statutes, Section 473.436, Subdivision 6, the Metropolitan Transit Commission ("MTC") is authorized to issue, on or after the first day of any fiscal year, notes, the proceeds of which may be used by the MTC for any purpose, including current expenses. Such notes may be secured by a pledge of taxes levied by the Regional Transit Board (the "RTB") pursuant to Minnesota Statutes, Section 473.446, Subdivision 1, clause (a); and

WHEREAS, Minnesota Statutes, Section 473.436, Subdivision 7, requires that, commencing on the day the RTB has adopted an approved interim implementation plan and financial plan, the MTC may not issue debt without the approval of the RTB; and

WHEREAS, the RTB has adopted an approved interim implementation plan and financial plan pursuant to Minnesota Statutes, Sections 473.377 and 473.38; and

WHEREAS, the MTC proposes to issue its tax anticipation certificates of indebtedness in an aggregate principal amount not exceeding \$17,600,000 for the purposes of paying certain current expenses of the MTC and to pledge to the payment thereof taxes levied by the RTB pursuant to Minnesota Statutes, Section 473.446, Subdivision 1.

NOW THEREFORE BE IT RESOLVED by the RTB:

1. That the issuance by the MTC pursuant to Minnesota Statutes, Section 473.436, of its tax anticipation certificates of indebtedness in the aggregate principal amount not exceeding \$17,600,000 on terms and in the manner determined by the MTC is hereby approved; and

2. That the RTB hereby approves the Escrow Agreement to be entered into by the MTC, the RTB and an escrow agent in connection with the issuance of such certificates of indebtedness, in substantially the form of the Escrow Agreement attached hereto as Exhibit A, with such modifications or additions as may be approved by the MTC at the time of issuance of such certificates of indebtedness, and authorizes execution thereof by the Chair and Director of Administration of the Board.

Adopted this 7th day of April, 1986.

Elliott Perovich, Chairman

Mary Fitzgerald, Secretary

ESCROW AGREEMENT

THIS ESCROW AGREEMENT made and entered into as of the _____ day of May, 1986 (the "Agreement") by and between the Metropolitan Transit Commission, a public corporation and political subdivision of the State of Minnesota (the "Commission"), the Regional Transit Board, a public corporation and a political subdivision of the State of Minnesota (the "Board") and Norwest Bank Minneapolis, N.A., a national banking association (the "Escrow Agent");

WITNESSETH:

WHEREAS, the Commission has heretofore agreed with the purchasers and holders from time to time of its \$17,600,000 Tax Anticipation Certificates of Indebtedness, Series 1986 (the "Certificates") pursuant to the terms of a resolution adopted by the Commission on April 22, 1986 (the "Sale Resolution") that it will escrow certain tax receipts and other monies for payment of the principal of and interest on the Certificates and that it has approved the form and content of this Agreement and authorized its execution; and

WHEREAS, pursuant to the Sale Resolution the Commission has authorized the issuance of the Certificates and has designated Norwest Bank Minneapolis, N.A. to act as Escrow Agent under this Agreement; and

WHEREAS, pursuant to resolution adopted by it on April 7, 1986, the Board has approved the issuance of the Certificates by the Commission and has approved the form of this agreement and has authorized the execution hereof by its Chair and Director of Administration.

WHEREAS, pursuant to the Sale Resolution the Certificates were sold to _____ as purchaser (the "Purchaser"), and Norwest Bank Minneapolis, N.A. has been designated as paying agent for the Certificates (the "Paying Agent"); and

WHEREAS, a primary reason and object for providing for the escrow pursuant to this Agreement of tax receipts and other monies was to induce the sale of the Certificates, and the Purchaser, in making its offer to purchase the Certificates relied upon the covenant of the Commission that such tax receipts and other monies would be placed in escrow as stated in the offering materials related to the Certificates;

NOW THEREFORE, in consideration of the foregoing and the covenants and agreements hereinafter set forth, it is agreed by and between the parties hereto as follows:

Section 1. The Board shall deposit and use all taxes levied by it pursuant to Minnesota Statutes, Section 473.446, Subdivision 1(a) (the "Taxes") in 1985 and collected in 1986 by the County Auditors of Anoka, Carver, Dakota, Ramsey, Hennepin, Scott and Washington Counties together with all state aids paid in lieu of such taxes collected in 1986 (including, without limitation, the homestead credit, agricultural credit, wetlands credit and machinery credit) (the "Taxes"), which are receivable by the Board after the date of this Agreement as follows:

(a) The Taxes shall be used for the purposes for which such taxes were levied until all but 110% of the total amount of the principal of and interest due on the Certificates on May 15, 1987, remains unspent, at which time the Board shall pay to the Escrow Agent for deposit in the Account (as defined below) Remaining Taxes received by the Board in an amount equal to \$ _____ (the total principal of and interest due on the Certificates on May 15, 1987) less the amount then on hand in the Account. Any Remaining Taxes held by the Board following such deposit shall be used by the Board for the purposes for which they were levied. Accordingly the Escrow Account will be fully funded in 1986.

Section 2. If the amounts received by the Escrow Agent from the Board pursuant to Section 1 hereof (together with amounts deposited into the Account pursuant to Section 3 hereof, and investment earnings on such amounts) are insufficient for any reason to pay in full the principal of and interest on the Certificates on May 15, 1987, the Commission shall pay the difference to the Escrow Agent for deposit in the Account, from any taxes, income or revenue received or accrued during fiscal year 1986 or any other money of the Commission lawfully available therefor. The Escrow Agent shall notify the Commission of any deficiency not later than December 30, 1986, and the Board shall make such payment immediately upon receipt of such notice.

Section 3. The Escrow Agent hereby acknowledges the receipt on May 15, 1986, from the Commission of \$ _____, which represents the accrued interest received on the sale of the Certificates. Such \$ _____ has been deposited in the Account.

Section 4. All Taxes and other moneys paid over to the Escrow Agent shall be held in a separate escrow account to be designated "Metropolitan Transit Commission 1986 Tax Escrow Account" (the "Account"). The money in the Account has been and is hereby irrevocably appropriated by the Board and the Commission for the purpose of paying the principal of and interest on the Certificates, provided that any balance remaining in the Account after the payment of the Certificates and the interest thereon shall be transmitted to the Commission on the day following the final maturity and delivery to the Paying Agent of an amount sufficient to pay in full principal of and interest on the Certificates.

Section 5. The Escrow Agent shall pay over to the Paying Agent only from the sums on hand in the Account a sum sufficient to pay in full the principal of and interest on the maturing Certificates on their stated maturity date. If the sum on hand in the Account should be insufficient for this purpose, the Escrow

Agent shall notify the Commission of the deficiency pursuant to Section 2 of this Agreement, but the Escrow Agent shall not be required to make any further payments or take any further action, and in such event the Commission agrees to pay over to the Paying Agent the amount of such deficiency from other moneys available to the Commission pursuant to Section 2 of this Agreement. All sums in the Account which are needed to pay the principal of and interest on the Certificates at maturity shall be available in federal funds not later than the maturity date of the Certificates.

Section 6. Sums from time to time on deposit in the Account shall be invested by the Escrow Agent pursuant to instruction from the Commission, but only in securities authorized for investment as provided by Minnesota Statutes, Section 475.66, and only in securities which mature no later than the maturity date of the Certificates. The Escrow Agent is hereby authorized to trade to or from any of its affiliated banks. Earnings on sums on deposit in the Account may be used for the same purposes for which other moneys in the Account may be used. Investment decisions or instructions may be initially communicated orally to the Escrow Agent, but shall be confirmed and transmitted in writing within 48 hours thereafter. The Escrow Agent shall have no responsibility to invest sums from time to time on deposit in the Escrow Account except on instruction from the Commission.

Section 7. The Escrow Agent shall provide monthly accounting statements commencing October 1986 to the following:

Richard Bunde
Metropolitan Transit Commission
560 Sixth Avenue North
Minneapolis, MN 55411-4398

Director of Administration
Regional Transit Board
270 Metro Square
St. Paul, MN 55101

Section 8. If for any reason the Escrow Agent shall fail or refuse to act in accordance with the provisions of this Agreement, the Commission may

terminate this Agreement, and in such event the Commission and the Board shall enter into another escrow agreement with another bank or financial institution which in their reasonable opinion is qualified to act as escrow agent hereunder, and the Escrow Agent shall, on demand, deposit with the new escrow agent any cash or securities on hand in the Account.

Section 9. The Escrow Agent may conclusively rely upon, and shall be protected in acting upon, any statement, certificate, notice, request, consent, order or other document believed by it to be genuine and to have been signed or presented by the proper parties. The Escrow Agent shall have no duty or liability to verify any such statement, certificate, notice, request, consent, order or other document, and its sole responsibility shall be only to act as expressly set forth in this Agreement. The Escrow Agent shall be under no obligation to institute or defend any action, suit or proceeding in connection with this Agreement unless first indemnified to its satisfaction. The Escrow Agent may consult legal counsel with respect to any question arising hereunder and the Escrow Agent shall not be liable for any action taken or omitted by it in good faith upon advice of such legal counsel. All moneys held by the Escrow Agent pursuant hereto shall constitute trust property for the purposes for which they are held and the Escrow Agent shall not be liable for any interest thereon.

Section 10. The Escrow Agent has agreed to serve hereunder in consideration of \$ _____ which amount shall be paid to the Escrow Agent by the Commission on _____, 198 _____. In addition, the Escrow Agent shall be reimbursed by the Commission for its out-of-pocket expenses and disbursements hereunder, including, but not limited to, fees of such legal counsel as it may select to assist in the performance of its duties hereunder, including review of this Agreement.

The Escrow Agent expressly waives any lien upon or claim relating to payments or reimbursements required to be paid to the Escrow Agent pursuant to this Agreement against any moneys and investments in the Escrow Account, to the extent that such moneys and investments are needed to pay principal of and interest on the Certificates.

Section 11. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and shall terminate in its entirety when all moneys escrowed in accordance herewith have been paid and disbursed as herein provided.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed by their duly authorized officers or representatives as of the day and year first above written.

METROPOLITAN TRANSIT
COMMISSION

By _____
Frank Snowden
Chair

By _____
John J. Capell
Chief Administrator

REGIONAL TRANSIT BOARD

By _____
Elliott Perovich
Chair

By _____
Leslie M. Johnson
Director of Administration

NORWEST BANK MINNEAPOLIS, N.A.
Escrow Agent

By _____
Its _____

By _____
Its _____

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 31, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Metropolitan Transit Commission 1986 Tax Anticipation Notes
Resolution No. 86-__

At its meeting on April 3, 1986, the Administration and Finance Committee will be discussing issuance of Tax Anticipation Certificates of Indebtedness of the Metropolitan Transit Commission. An oral report and recommendation will be presented at the April 7 board meeting.

Ruth Franklin
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 28, 1986
TO: Administration and Finance Committee
FROM: Leslie M. Johnson, Director of Administration
SUBJECT: Metropolitan Transit Commission 1986 Tax Anticipation Notes

ACTION REQUESTED

The Administration and Finance Committee is asked to review the proposal of the Metropolitan Transit Commission (MTC) to issue \$17,600,000 in tax anticipation notes and recommend the board approve the issuance.

BACKGROUND

Minnesota Statutes 473.436, Subdivision 6, authorizes the MTC to undertake short-term borrowing, which the commission has done in each of the past two years (to provide for its cash flow needs prior to the receipt of tax collections).

MTC cash flow projections indicate a maximum 1986 deficit of \$9,593,479 November 30, December disbursements of \$8.8 million; consequently, MTC's financial advisors, Springsted, Inc., has recommended Tax Anticipation Certificates of Indebtedness issuance of \$17,600,000. Springsted, Inc. recommendations are attached, which include the MTC cash flow projections. Other attachments include the proposed RTB resolution of approval and the MTC approval documents.

Representatives of Springsted, Inc. and Greg Andrews, MTC Director of Finance, will be at the committee meeting to discuss the recommended sale.

RECOMMENDATION

That the Administration and Finance Committee recommend the Regional Transit Board approve Resolution No. 86-_____ approving the issuance of \$17,600,000 Tax Anticipation Certificates of Indebtedness of the MTC pursuant to Minnesota Statutes, Section 473.436, Subdivision 5.

Attachments
A&F4/3

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, St. Paul, MN 55101

RESOLUTION NO. 86-

RESOLUTION

APPROVING THE ISSUANCE OF \$17,600,0000 TAX
ANTICIPATION CERTIFICATES IN INDEBTEDNESS OF
THE METROPOLITAN TRANSIT COMMISSION
PURSUANT TO MINNESOTA STATUTES
SECTION 473.436, SUBDIVISION 5

WHEREAS, pursuant to Minnesota Statutes, Section 473.436, Subdivision 6, the Metropolitan Transit Commission (MTC) is authorized to issue, on or after the first day of any fiscal year, notes, the proceeds of which may be used by the MTC for any purpose, including current expenses. Such notes may be secured by a pledge of taxes levied by the Regional Transit Board (RTB) pursuant to Minnesota Statutes 473.446, Subdivision (1), Clause (a); and

WHEREAS, Minnesota Statutes, Section 473.436, Subdivision 7, requires that, commencing on the day the RTB has adopted an approved interim implementation plan and financial plan, the MTC may not issue debt without the approval of the RTB; and

WHEREAS, the RTB has adopted an approved interim implementation plan and financial plan pursuant to Minnesota Statutes, Section 473.377 and 473.38; and

WHEREAS, the MTC proposes to issue its tax anticipation certificates of indebtedness in an aggregate principal amount not exceeding \$17,600,000 for the purposes of paying certain current expenses of the MTC.

NOW, THEREFORE, BE IT RESOLVED:

1. THAT the issuance by the MTC pursuant to Minnesota Statutes, Section 473.436, of its tax anticipation certificates of indebtedness in the aggregate principal amount not exceeding \$17,600,000 on terms and in the manner determined by the MTC is hereby approved.

Adopted this _____ day of _____, 1986.

Elliott Perovich, Chairman

Mary Fitzgerald, Secretary

CERTIFICATION OF MINUTES

Governing Unit: Regional Transit Board

Meeting: A meeting of the Regional Transit Board held on the 7th day of April, 1986, at _____ .m. at _____.

Members present:

Members absent:

Documents: A copy of a resolution adopted by the Regional Transit Board at said meeting.

Certification:

I, _____, _____ of the Regional Transit Board do hereby certify the following:

Attached hereto is a true and correct copy of a resolution on file and of record in the offices of the Regional Transit Board, which resolution was adopted by the Board, at the meeting referred to above. Said meeting was a _____ meeting of the Regional Transit Board, was open to the public, and was held at the time and place at which meetings of the Regional Transit Board are regularly held. Member _____ moved the adoption of the attached resolution. The motion for adoption of the attached resolution was seconded by Member _____. A vote being taken on the motion, the following voted in favor of the resolution:

and the following voted against the resolution:

Whereupon said resolution was declared duly passed and adopted. The attached resolution is in full force and effect and no action has been taken by the Regional Transit Board which would in any way alter or amend the attached resolution.

Witness my hand officially as the _____ of the Regional Transit Board this _____ day of _____, 1985.

RECOMMENDATIONS
FOR
METROPOLITAN TRANSIT COMMISSION
MINNEAPOLIS-SAINTE PAUL METROPOLITAN AREA, MINNESOTA
\$17,600,000
TAX ANTICIPATION CERTIFICATES OF INDEBTEDNESS, SERIES 1986

STUDY NO. 3063
24 March 1986
SPRINGSTED Incorporated

SPRINGSTED INCORPORATED



Public Finance - Advisors
85 East Seventh Place, Suite 100
Saint Paul, Minnesota 55101-2144
612-224-3000

24 March 1986

Mr. Frank Snowden, Chair
Members, Metropolitan Transit Commission
560 Sixth Avenue North
Minneapolis, Minnesota 55411-4398

RE: Recommendations for the Issuance of \$17,600,000 Tax Anticipation
Certificates of Indebtedness, Series 1986

In each of the past two years, the Metropolitan Transit Commission has found it necessary to borrow money on a short-term basis to provide for its cash flow needs prior to the receipt of tax collections. Cash flow projections (attached) prepared by MTC staff indicate a deficit of nearly \$3.8 million by May 31, 1986, which deficit will grow to an estimated \$8,417,796 by June 30. In light of these projections, we recommend the Commission proceed with the issuance of \$17,600,000 of Tax Anticipation Certificates of Indebtedness.

In addition to being able to fund operating deficits, the availability of the Certificate proceeds dramatically increases the amount of available cash balances for reinvestment by the Metropolitan Transit Commission. We have assumed in all schedules attached, a reinvestment rate of 7.25% and a net interest rate on the Certificates of 5.25%. That arbitrage benefit over the term of the Certificates at these rates, is expected to produce an estimated favorable financial benefit to the Commission of \$336,931.

The computation of that benefit is illustrated in Exhibit II attached. You will note the total anticipated reinvestment income increases from \$176,396 as shown in Exhibit I (without the availability of the Certificate proceeds), to \$1,350,671 as illustrated in Exhibit II. We reduced that interest income by the \$176,396 of potential earned income without the borrowing, further reduced the interest income by the \$924,000 of interest expected to be paid on the Certificates at maturity, and further reduced the income by \$60,000 of expected discount and issuance cost expenses.

The amount of the borrowing is restricted by federal arbitrage regulations to the maximum "cumulative deficit" projected in the cash flow. The cumulative deficit is defined as a month-end balance plus the following month's disbursements. The computation of the maximum cumulative deficit must also take into account interest earnings on the borrowed funds.

We have rounded the amount to be borrowed, based on the arbitrage restrictions, and allowing some flexibility for changes in the cash flow, to \$17,600,000. We recommend the Commission borrow an amount sufficient to cover the full maximum cumulative deficit, rather than covering only a month-end deficit. The Commission's cash flow indicates a deficit of \$9.7 million at November 30, 1986, and December expenditures of \$8.8 million. If the borrowing was only in the amount of \$9.7 million, the Commission would

immediately be placed back into a deficit position if any December disbursements had to be made before revenues were received. We are advised this is a likely scenario since the bulk of December revenues is tax receipts which typically arrive during the last half of the month. In addition, the reduction of the borrowing would reduce the amount of funds available for reinvestment, thus reducing the potential reinvestment income of the Commission.

Unlike previous years, this issue is complicated by proposed federal tax law changes. On December 17, 1985, the United States House of Representatives passed the Tax Reform Act, referred to as HR 3838. The passage of the Act with its January 1, 1986 effective date, brought the tax-exempt market to a virtual halt for all of the month of January and most of February. Although HR 3838 does not specifically address tax anticipation borrowing, most bond attorneys are taking the position that certain provisions of the Act must be met before they would be comfortable giving an approving legal opinion.

In this regard, we asked Holmes & Graven, bond attorneys for the Commission, to opine on certain provisions of the Act so that the issue could be structured, marketed and sold in such a way as to assure receipt of an approving legal opinion. The key provisions, with respect to the Commission's current borrowing, are summarized below.

- 1) The Act requires 5% of the net bond proceeds to be spent within 30 days of bond settlement. Holmes & Graven has informed us that since State law provides that the Commission can do short-term borrowing only for operating purposes, it follows that proceeds of the Tax Anticipation Certificates must therefore be used to finance operations. Operating costs within 30 days of settlement of the Certificates are projected to be \$8,768,000; 5% of net proceeds is \$675,000, so this test is easily met.
- 2) HR 3838 contains provisions which restrict yields on investment earnings on the Certificates and require the issuer to rebate earnings above the restricted yield to the U.S. Treasury. The rebate provision does not apply, however, if all Certificate proceeds are spent within six months. We have been advised by Holmes & Graven that Certificate proceeds can be segregated from other funds of the Commission and spent prior to, or along with, other available funds. Again, given the Commission's cash flow requirements for May through October, spending all Certificate proceeds, thus avoiding the rebate provision, should not present a problem.
- 3) We expressed a concern to Holmes & Graven regarding the implied requirement of a "30-day temporary period" for funds used to acquire personal property, after which period investment yields would be limited to something approximating the rate paid on the borrowing. In Bond Counsel's opinion, the purchase of services and supplies, which comprises about 20% of the Commission's monthly expenditures, could conceivably be subject to the temporary period requirement. We have discussed this with MTC staff and they have agreed that Certificate proceeds can be segregated and then spent only on salaries and benefits, thus avoiding any temporary period yield restrictions.

Metropolitan Transit Commission
24 March 1986
Page 3

On Friday, March 14, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Secretary of the Treasury issued a joint statement that the provision of HR 3838 would not be applicable to essential purpose bonds issued prior to September 1, 1986. Therefore it is possible that the requirements listed hereinbefore will not have to be fully met, depending upon Bond Counsel's interpretation of the effect of the effective date extension. However since this Issue has been structured in such a way that HR 3838 requirements can be met, we do not believe this Issue will be adversely impacted.

We recommend you seek a rating for this Issue from Moody's Investors Service, Inc. We would expect that a MIG-1 rating would be assigned to this Issue. This is Moody's highest grade rating for short-term paper. Receiving the MIG-1 rating would require the establishment of an escrow account, held by third-party escrow agent, for receipt of tax proceeds and payment of debt service on the Certificates. This procedure has been used for the Commission's past tax anticipation issues.

You may recall that last year representatives of the Regional Transit Board and the MTC went to New York for a rating presentation. We felt this was important in order to discuss with Moody's the functions of the Board and the Commission and the effect of the creation of the RTB on MTC operations. We do not feel an in-person presentation is necessary this year. You may wish to consider, however, setting up a teleconference once the Official Statement is prepared to facilitate any discussions Moody's feels would be necessary or helpful. We will coordinate this with MTC staff people.

We estimate a net interest rate on this obligation of 5.25% based on current market conditions. However that market is quite volatile, as it attempts to adjust to continuing federal tax law provisions. With the effective date for HR 3838 moved to September 1, 1986, the market will probably see a large number of new offerings which have been postponed awaiting some definitive action. Hopefully your Issue will reach the market before many of these other anticipated sales. We will keep you advised of the market impact of this expected volume.

We recommend the Certificates be awarded by the Commission after its regular Finance and Administration meeting on April 22. As presented in the attached "Official Terms of Offering," the Certificates are dated May 15, 1986, and mature May 15, 1987. The Commission should receive the Certificate proceeds on or about May 15.

Respectfully submitted,

SPRINGSTED Incorporated

Springsted Incorporated

/dit

METROPOLITAN TRANSIT COMMISSION
TAX ANTICIPATION CERTIFICATES
CASH FLOW PROJECTION OPERATIONS

Month Ending (1)	Estimated Receipts (2)	Estimated Disbursements (3)	Interest Earned @ 7.25% (4)	Interest Paid @ 7.50% (5)	Cumulative Balance (6)
Beginning Balance (4/30/86)					962,000
May 31, 1986	4,032,000	8,759,000	0	8,759	-3,773,759
June 30, 1986	3,933,000	8,492,000	0	37,833	-8,370,592
July 31, 1986	22,935,000	8,714,000	0	7,876	5,842,532
August 31, 1986	5,901,000	8,510,000	27,393	0	3,252,925
September 30, 1986	4,311,000	8,444,000	7,168	0	-872,907
October 31, 1986	4,532,000	9,251,000	0	20,203	-5,612,110
November 30, 1986	4,171,000	8,105,000	0	47,369	-9,593,479
December 31, 1986	31,493,000	8,840,000	10,470	0	13,069,991
January 31, 1987	5,617,000	9,221,000	68,077	0	9,534,068
February 28, 1987	4,033,000	8,126,000	45,237	0	5,486,305
March 31, 1987	3,972,000	8,969,000	18,051	0	507,356
April 30, 1987	5,019,000	9,168,000	0	9,795	-3,651,439
May 31, 1987	3,980,000	9,035,000	0	38,618	-8,745,057
TOTALS:	103,929,000	113,642,000	176,396 (a)	170,453 (b)	

(a) Assumes interest earned on the average of beginning and ending monthly balances at a rate of 7.25%.

(b) Assumes interest paid on the average of beginning and ending monthly deficit balances based on issuing warrants at a rate of 7.50%.

Prepared by:
SPRINGSTED Incorporated
March 24, 1986

EXHIBIT I

METROPOLITAN TRANSIT COMMISSION
TAX ANTICIPATION CERTIFICATES
CASH FLOW PROJECTION OPERATIONS
(WITH TAX ANTICIPATION CERTIFICATES)

Tax Certificate Closing: 5/15/86
Maturity: 5/15/87

Month Ending (1)	Estimated Receipts (2)	Estimated Disbursements (3)	Interest Earned @ 7.25% (4)	Interest Paid @ 7.50% (5)	Cumulative Balance (6)
Beginning Balance (4/30/86)					962,000
May 31, 1986	21,632,000 (a)	8,819,000 (b)	48,448	411	13,823,037
June 30, 1986	3,933,000	8,492,000	69,742	0	9,333,779
July 31, 1986	22,935,000	8,714,000	99,351	0	23,654,130
August 31, 1986	5,901,000	8,518,000	135,005	0	21,172,135
September 30, 1986	4,311,000	8,444,000	115,430	0	17,154,565
October 31, 1986	4,512,000	9,251,000	89,387	0	12,524,952
November 30, 1986	4,171,000	8,105,000	61,788	0	8,654,740
December 31, 1986	31,493,000	8,840,000	120,720	0	31,428,460
January 31, 1987	5,617,000	9,221,000	178,993	0	28,003,453
February 28, 1987	4,033,000	8,126,000	156,823	0	24,067,276
March 31, 1987	3,972,000	8,969,000	130,311	0	19,200,587
April 30, 1987	5,019,000	9,168,000	103,470	0	15,155,057
May 31, 1987	3,980,000	27,559,000 (c)	39,403	23,586	-8,408,126 (d)
TOTALS:	121,529,000	132,226,000	1,350,871	23,997	

(a) Includes net proceeds of Tax Anticipation Certificates
Principal of 17,600,000 less: 0 discount

(b) Includes issuance cost for Tax Anticipation Certificates of 60,000

(c) Includes repayment of Tax Anticipation Certificates
Principal of 17,600,000 plus: 924,000 interest @ 5.25%

(d) This cash position represents an improvement of 336,931
vs. Exhibit I due to the following:

Interest Earnings (Ex. II, Column 4)	1,350,871
Less: Interest Earnings (Ex. I, Column 4)	<u>-176,396</u>
Net Increase in Interest Earnings	1,174,475
Plus: Avoided Interest Cost of Warrants (Ex. I, Column 5 Less Ex. II, Column 5)	146,456
Less: Costs of Borrowing:	
Coupon Interest @ 5.25%	924,000
Discount and Issuance Costs	<u>60,000</u>
Total Cost of Borrowing	<u>-984,000</u>
Estimated Favorable Effect Versus Issuing Warrants	336,931

OFFICIAL TERMS OF OFFERING

\$17,600,000
METROPOLITAN TRANSIT COMMISSION
MINNEAPOLIS-SAINT PAUL METROPOLITAN AREA, MINNESOTA
TAX ANTICIPATION CERTIFICATES OF INDEBTEDNESS, SERIES 1986

Sealed bids for the Certificates will be opened by the Director of Finance or his designee on Tuesday, April 22, 1986, at 12:00 Noon, Central Time, at the offices of SPRINGSTED Incorporated, 85 East Seventh Place, Suite 100, Saint Paul, Minnesota 55101. Consideration for award of the Certificates will be by the Metropolitan Transit Commission at 5:00 P.M., Central Time, of the same day.

DETAILS OF THE OBLIGATIONS

The Certificates will be dated May 15, 1986 as the date of original issue, and will bear interest payable at maturity. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. The Certificates will be issued in bearer form in the denomination of \$5,000 each, or in integral multiples thereof as requested by the Purchaser, without interest coupons attached but will have the amount of interest due on the interest payment date thereof stated in the text of the Certificates.

The Certificates will mature May 15, 1987.

The Certificates will not be subject to payment in advance of their respective stated maturity dates.

SECURITY AND PURPOSE

The Certificates are limited obligations of the Regional Transit Board payable from (i) taxes levied by the Board in 1985 for collection in 1986; (ii) any taxes, income and revenue received or accrued during 1986; and (iii) any other money lawfully available therefor, including ad valorem taxes levied on the Metropolitan Transit Taxing District within the limitations set forth in Minnesota Statutes, Section 473.446. The proceeds will be used for the same purposes for which taxes payable in 1986 were levied.

TYPE OF BID

A sealed bid for not less than \$17,600,000 and accrued interest on the total principal amount of the Certificates shall be filed with the undersigned prior to the time set for the opening of bids. Also prior to the time set for bid opening, a certified or cashier's check in the amount of \$100,000, payable to the order of the Commission, shall have been filed with the undersigned or SPRINGSTED Incorporated, the Commission's Financial Advisor. No bid will be considered for which said check has not been filed. The check of the Purchaser will be retained by the Commission as liquidated damages in the event the Purchaser fails to comply with the accepted bid. The Commission will deposit the check of the Purchaser, the amount of which will be deducted at settlement. No bid shall be withdrawn after the time set for opening bids, unless the meeting of the Commission scheduled for consideration of the bids is adjourned, recessed, or continued to another date without award of the Certificates having been made. Bidders shall specify a single rate which shall not exceed the maximum rate permitted by law, nor shall the net effective rate for the entire issue of the Certificates exceed the maximum rate permitted by law.

AWARD

The Certificates will be awarded to the Bidder offering the lowest dollar interest cost to be determined by the deduction of the premium, if any, from, or the addition of any amount less than par, to, the total dollar interest on the Certificates from their date to their final scheduled maturity.

The Commission's computation of the total net dollar interest cost of each bid, in accordance with customary practice, will be controlling, and will be on the basis of 17,600 bond years as calculated on a 360-day year.

The Commission will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Certificates, (ii) reject all bids without cause, and, (iii) reject any bid which the Commission determines to have failed to comply with the terms herein.

PAYING AGENT

The Paying Agent shall be _____ . The Commission will pay for the services of the Paying Agent.

CUSIP NUMBERS

If the Certificates qualify for assignment of CUSIP numbers such numbers will be printed on the Certificates, but neither the failure to print such numbers on any Certificate nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Certificates. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

SETTLEMENT

Within 40 days following the date of their award, the Certificates will be delivered without cost to the Purchaser at a place mutually satisfactory to the Commission and the Purchaser. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Holmes & Graven, Chartered of Minneapolis, Minnesota, which opinion will be printed on the Certificates, and of customary closing papers, including a no-litigation certificate. On the date of settlement payment for the Certificates shall be made in federal, or equivalent, funds which shall be received at the offices of the Commission, or its designee, not later than 1:00 P.M., Central Time of the day of settlement. Except as compliance with the terms of payment for the Certificates shall have been made impossible by action of the Commission, or its agents, the Purchaser shall be liable to the Commission for any loss suffered by the Commission by reason of the Purchaser's non-compliance with said terms for payment.

At settlement the Purchaser will be furnished with a certificate, signed by appropriate officers of the Commission, to the effect that the Official Statement did not as of the date of the Official Statement, and does not as of the date of settlement, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

OFFICIAL STATEMENT

Underwriters may obtain a copy of the Official Statement by request to the Commission's Financial Advisor prior to the bid opening. The Purchaser will be provided with 50 copies of the Official Statement.

Dated March 24, 1986

BY ORDER OF THE METROPOLITAN TRANSIT COMMISSION

/s/ Karen K. Wolf
Secretary



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

March 26, 1986

Mr. Leslie Johnson
Director of Administration
Regional Transit Board
270 Metro Square
St. Paul, Minnesota 55101

Dear Leslie:

As we have discussed, the Metropolitan Transit Commission unanimously adopted the attached resolution at its meeting of March 24, 1986 authorizing the sale of \$17,600,000 of Tax Anticipation Certificates of Indebtedness, Series 1986. This action was based upon the recommendation of our financial advisor, Springsted, Inc., using cash flow information from the MTC (attached).

In order to proceed with the sale on April 22, 1986, and in accordance with Minnesota Statute 473.436, Subdivision 7, it is necessary that the Regional Transit Board adopt the resolution prepared by our bond counsel, Homes and Graven, at its meeting on April 7, 1986. Therefore, I am by way of this letter transmitting the information that we discussed which can be mailed to your Administration and Finance Committee for its April 3, 1986 meeting. Further, representatives of Springsted, Inc. and myself will be available at the committee meeting on April 3 to discuss the recommended sale.

If you should have any questions relating to this matter, please contact me at your convenience.

Sincerely,

A handwritten signature in cursive script that reads "Gregory V. Andrews".

Gregory V. Andrews
Director of Finance

Enclosure
GLA:de/llm7

METROPOLITAN TRANSIT COMMISSION

RESOLUTION NO. 86-25

RESOLUTION AUTHORIZING ISSUANCE AND
PROVIDING FOR PUBLIC SALE OF UP TO \$17,600,000
TAX ANTICIPATION CERTIFICATES OF INDEBTEDNESS,
SERIES 1986 OF THE METROPOLITAN TRANSIT COMMISSION

BE IT RESOLVED BY THE METROPOLITAN TRANSIT COMMISSION AS FOLLOWS:

1. Bond Purpose and Authorization of Issuance.

a. Pursuant to the provisions of Minnesota Statutes, Section 473.436, Subdivision 6, the Metropolitan Transit Commission (the "Commission") is authorized to issue notes, secured by a pledge of taxes levied by the Regional Transit Board pursuant to Minnesota Statutes, §473.446, subd. 1, clause (a), the proceeds of which may be used by the Commission for any purpose, including current operating expenses.

b. It is hereby found, determined and declared that the Commission should issue and, subject to the approval of the Regional Transit Board, the Commission hereby authorizes and directs the issuance and sale of its Tax Anticipation Certificates of Indebtedness, Series 1986 (the "Certificates") in an aggregate principal amount not to exceed \$17,600,000, pursuant to authority conferred by Minnesota Statutes, Section 473.436, Subdivision 6, as amended, to pay certain current operating expenses of the commission.

2. Sale. Sealed bids for the purchase of the Certificates will be received at the time and place specified in the form of the Official Notice of Sale attached hereto as Exhibit A, and will be opened and recorded by the Director of Finance of the Commission. The Commission will thereafter meet at the time and place specified in the Official Terms of Offering and shall consider such bids and may award the sale, and authorize the execution and delivery, of the Certificates.

3. Notice of Bond Sale. The Finance Director of the Commission, or his designee, is hereby authorized and directed to cause notice of the proposed sale of the Bonds (in substantially the form of the Official Notice of Sale set forth as Exhibit A) to be published in Commercial West and The Bond Buyer, or any other or additional publication deemed advisable by the Finance Director, at least ten (10) days in advance of the date of sale, but only if the issuance of the Certificates is approved by the Regional Transit Board at its meeting on April 7, 1986. Each and all of the terms and provisions set forth in the Official Notice of Sale are adopted and confirmed as the terms and conditions of the Certificates and the sale thereof.

4. Terms of Offering. The terms and conditions of sale in substantially the form set forth in the Official Terms of Offering attached hereto as Exhibit B and incorporated herein by reference, shall constitute the terms and conditions for the sale of the Certificates, and this Commission hereby authorizes the incorporation of such terms and conditions in the materials to be distributed to prospective bidders for the Certificates.

5. The Director of Finance, in cooperation with Springsted Incorporated, financial advisor to the Commission, is hereby authorized and directed to prepare an official statement on behalf of the Commission to be distributed to potential purchasers of the Certificates. Such official statement shall set forth such information as shall be deemed advisable and necessary to adequately describe the Commission and the security, terms, and conditions of the Bonds and to disclose all material facts with respect thereto.

Adopted this 24th day of March, 1986.

Attest:

 Gregory Andrew *et al.*

CERTIFICATION OF MINUTES

Municipality: Metropolitan Transit Commission

Governing body: Board of Commissioners

Meeting: A meeting of the Board of Commissioners of the Metropolitan Transit Commission held on the 24th day of March, 1986, at 4:30 p. m. at the MTC Offices, 560 North Sixth Avenue, Minneapolis, Minnesota.

Members present: Frank W Snowden, Chairman
Carolyn Cochrane, Vice Chairman
Bruce G Nawrocki, Treasurer

Members absent: none

Documents: A copy of a resolution adopted by the Board of Commissioners of the Metropolitan Transit Commission at said meeting.

Certification:

I, Karen K Wolf, secretary of the Metropolitan Transit Commission do hereby certify the following:

Attached hereto is a true and correct copy of a resolution on file and of record in the offices of the Commission, which resolution was adopted by the Board of Commissioners, at the meeting referred to above. Said meeting was a regular meeting of the Metropolitan Transit Commission, was open to the public, and was held at the time and place at which meetings of the commission are regularly held. Member Nawrocki moved the adoption of the attached resolution. The motion for adoption of the attached resolution was seconded by Member Cochrane. A vote being taken on the motion, the following voted in favor of the resolution: Carolyn Cochrane, Bruce Nawrocki, and Frank Snowden

and the following voted against the resolution: none

Whereupon said resolution was declared duly passed and adopted. The attached resolution is in full force and effect and no action has been taken by the Board of Commissioners of the Metropolitan Transit Commission which would in any way alter or amend the attached resolution.

Witness my hand officially as the secretary of the
Metropolitan Transit Commission, Minnesota, this 26th day of March,
1986.

Karen H. Gray

EXHIBIT A

OFFICIAL NOTICE OF SALE

\$17,600,000

TAX ANTICIPATION CERTIFICATES OF INDEBTEDNESS, SERIES 1986
METROPOLITAN TRANSIT COMMISSION
Minneapolis-St. Paul Metropolitan Area
Minnesota

NOTICE is hereby given that the Metropolitan Transit Commission will receive sealed bids at the offices of Springsted Incorporated, 85 East Seventh Place, Suite 100, Saint Paul, Minnesota 55101, on Tuesday, April 22, 1986, until 12:00 Noon, Central Time, for the purchase of its Tax Anticipation Certificates of Indebtedness, Series 1986 (the "Certificates") in an aggregate principal amount not exceeding \$17,600,000. The Director of Finance will then open and record the bids, and the Metropolitan Transit Commission will meet at 5:00 p.m. the same day to consider and act upon the bids.

The Certificates will be issued as bearer obligations in denominations of \$5,000 and integral multiples thereof, will be dated May 15, 1986, and will mature on May 15, 1987.

Interest will be payable at maturity and will be computed on the basis of a 360-day year of twelve-30-day months and will be rounded pursuant to the rules of the MSRB.

An approving legal opinion for the Bonds will be furnished by Holmes & Graven, Chartered, of Minneapolis, Minnesota. Copies of the detailed Official Terms of Offering and additional information may be obtained from the Director of Finance of the Metropolitan Transit Commission or from Springsted Incorporated, 85 East Seventh Place, Suite 100, Saint Paul, Minnesota 55101, telephone: (612) 223-3000.

Dated: _____, 1986

BY ORDER OF THE METROPOLITAN
TRANSIT COMMISSION

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 31, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Metropolitan Transit Commission (MTC)
Section 9 Grant Approval,
Resolution No. 86-__

At its meeting on April 3, 1986, the Administration and Finance Committee will be discussing approval of the Metropolitan Transit Commission Section 9 grant application. An oral report and recommendation will be presented at the April 7 board meeting.

Ruth Franklin
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 28, 1986
 TO: Administration and Finance Committee
 FROM: Leslie M. Johnson, Director of Administration
 SUBJECT: Review and Recommend Approval of Metropolitan Transit
 Commission Section 9 Grant Application

REQUESTED ACTION

The Administration and Finance Committee is asked to review the proposed Metropolitan Transit Commission (MTC) Application for Federal Section 9 operating and capital grant and, if accepted, approve Resolution No. 86-___ granting Regional Transit Board (RTB) review agency approval to the MTC application.

BACKGROUND

Minnesota Statute 473.375, Subdivision 8 requires that the Regional Transit Board (RTB) approve the application of "political subdivision(s) within the metropolitan area" for "federal transit assistance". The Metropolitan Transit Commission (MTC) is applying for an Urban Mass Transportation Administration (UMTA) Section 9 operating and capital grant and requests RTB approval. The grant application materials are attached for your review.

All of the capital projects were approved by the RTB December 2, 1985 as part of the 1986 MTC Capital Budget. The operating assistance request is a function of the actual deficit from 1985 operations, which is calculated on Appendix F of these materials. The Capital Budget Project Numbers, should you wish to review the Capital Budget, are as follows:

Operating Assistance--		Total		
Reimbursement of Jan. 1 -				
Dec. 31, 1985				
Operating Costs		\$ 8,528,982	-0-	\$ 8,528,982
Capital Budget	Cap. Budget	Federal (80)	Local (20)	
Project Number	No. (pg)			
(1) Purchase 90-40'				
Buses	3610 (B59)	\$ 9,113,725	\$2,278,431	\$11,392,156
(2) Purchase Maint.				
Support Equip.	3623 (B61)	996,172	249,043	1,245,215
(3) Construct Two (2)				
Bus Turnarounds	3560 (B47)	145,310	36,328	181,638
(4) St. Paul CBD				
Layover	3460 (B33)	423,320	105,830	529,150
		<u>\$19,207,509</u>	<u>\$2,669,632</u>	<u>\$21,877,141</u>

FINDINGS

- 1) The "local share" of \$2,669,632 is obtained from in-place general obligation indebtedness or other local funds.
- 2) The Capital Budget requests are contained within the approved 1986 Capital Budget at the requested amounts excepting that Project 3610, purchase of 80 - 40' buses is reduced. The Capital Budget called for 125 buses. This reduction is a function of the remaining funds available. As a matter of information, the estimated price per bus is also less than that driving the Capital Budget document amount, \$141,400 versus \$159,175, but is in keeping with the Bus Fleet Modernization number.
- 3) The capital projects are all included in the 1986 Annual Element of the Transportation Improvement Program.
- 4) UMTA approval of this grant request will essentially complete funding for the MTC's \$97,174,426 1986 Capital Improvement Program excepting project 3580 (B53), vehicle leasing program, in an amount of \$212,625, which was proposed for funding from Section 4i of Section 3 funding and is not favored by UMTA for Section 9 funding. 1985's Section 9 Grant, funding \$11,255,366 of capital projects, was approved in December of 1985.

RECOMMENDATION

That the Administration and Finance Committee recommend the Regional Transit Board approve Resolution No. 86-____ approving the application of the Metropolitan Transit Commission for \$19,207,509 of federal transit assistance.

Attachment
A&F4/3

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, St. Paul, MN 55101

RESOLUTION NO. 86-

RESOLUTION

RESOLUTION APPROVING THE FILING OF AN APPLICATION
BY THE METROPOLITAN TRANSIT COMMISSION WITH THE
DEPARTMENT OF TRANSPORTATION, UNITED STATES OF AMERICA,
FOR A GRANT UNDER THE URBAN MASS TRANSPORTATION ACT OF 1964,
AS AMENDED

WHEREAS, the secretary of transportation is authorized to make grants for a mass transportation program of projects; and

WHEREAS, the Metropolitan Transit Commission has prepared and requested approval of an application for operating and capital assistance under Section 9 of the Urban Mass Transportation Act of 1964 as amended; and

WHEREAS, Minnesota Statute 473.475, Subdivision 8, requires that the Regional Transit Board approve the application of political subdivisions within the metropolitan area for federal transit assistance; and

WHEREAS, the Regional Transit Board at its regular meeting of April 3, 1986 reviewed the application of Metropolitan Transit Commission for \$19,207,509 of federal transit assistance.

NOW, THEREFORE, BE IT RESOLVED:

1. THAT the Regional Transit Board approves the application of the Metropolitan Transit Commission, dated March 24, 1986 for \$19,207,509 of federal transit assistance.

Adopted this _____ day of _____, 1986.

Elliott Perovich, Chairman

Mary Fitzgerald, Secretary



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

March 25, 1986

Mr. Elliott Perovich
Chairman
Regional Transit Board
270 Metro Square Building
St. Paul, MN 55101

RE: Grant Application for 1986 Section 9 Operating
and Capital Assistance

Dear Mr. Perovich:

The Metropolitan Transit Commission is submitting a grant application for Section 9 Operating and Capital assistance to the Urban Mass Transportation Administration. The enclosed grant application is submitted for your review in accordance with the Minnesota Intergovernmental Review Process.

The public hearing for this project is scheduled for Tuesday, April 29, 1986, at 5:30 p.m. in our office (hearing notice attached). Your prompt review of this grant application will be appreciated so that we may proceed with this project in a timely manner.

Please feel free to contact Cynthia M. Mayer, Grants Coordinator, at 349-7686 with any questions or concerns you might have regarding the grant application.

Sincerely,



John J. Capelli
Chief Administrator

JJC/CM/ka1/5658
attachment



METROPOLITAN TRANSIT COMMISSION

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

March 28, 1986

Mr. Joel P. Ettinger
Regional Administrator
Urban Mass Transportation Admin.
300 South Wacker Drive, Suite 1740
Chicago, IL 60606

RE: Grant Application for Operating and Capital Assistance

Dear Mr. Ettinger:

The Metropolitan Transit Commission hereby applies for a grant of \$19,207,509 under Section 9 of the Urban Mass Transportation Act of 1964, as amended to assist in the financing of 1985 operating and 1986 capital assistance. The local share of this project, \$2,669,632 will be obtained from local general obligation indebtedness or other local funds. The capital projects included in the Program of Projects will total \$10,648,527 and the operating assistance totals \$8,528,982.

The capital projects are all included in the 1986 Annual Element of the Transportation Improvement Program for the Twin Cities metropolitan area.

The applicant represents that the data submitted to the U.S. Department of Transportation in support of this application is true and correct.

Sincerely,

John J. Capell
Chief Administrator

JJC/kal/5658

B. Relocations:

No persons, families or businesses will be displaced by this project.

C. Environment:

The proposed project is anticipated to have no net deleterious environmental impact on the urban area.

D. Comprehensive Planning:

This project is in conformance with comprehensive land use and transportation planning for the Twin Cities Metropolitan Area. The project is currently under review by the Metropolitan and State Clearinghouses for federally-funded projects. This project is included in the Twin Cities Metropolitan Area's 1986 Annual element of the Transportation Improvement Program.

E. Elderly and Handicapped:

This project is necessary to provide operating assistance for continuation and expansion of bus service. This will permit more efficient service for all citizens including seniors who ride for 10¢ and handicapped persons who ride for 30¢ in the off-peak periods on the regular transit system, in compliance with Section 5(n) of the Urban Mass Transportation Act of 1964, as amended.

II. At the hearing, the MTC will afford an opportunity for interested persons or agencies to be heard with respect to the social, economic and environmental aspects of the project. Interested persons may submit, orally or in writing, evidence and recommendations with respect to this project.

III. A copy of the application for a Federal grant for the proposed project is currently available for public inspection at the MTC offices, 560 N. 6th Avenue, Minneapolis, MN 55411-4398.

John J. Capell
Chief Administrator

NOTICE OF PUBLIC HEARING

RE: OPERATING AND CAPITAL ASSISTANCE FOR THE METROPOLITAN TRANSIT COMMISSION

I. Notice is hereby given that a public hearing will be held by the Metropolitan Transit Commission (MTC) at 560 N. 6th Avenue, Minneapolis, MN 55411-4398, on Tuesday, April 29, 1986, at 5:30 PM for the purpose of considering a project for which financial assistance is being sought from the Urban Mass Transportation Administration, pursuant to the Urban Mass Transportation Act of 1964, as amended, generally described as follows:

A. Description of Project:

The purpose of this project is to provide operating and capital financial assistance to the Metropolitan Transit Commission. As the designated recipient of these funds, the Metropolitan Transit Commission provides transit service in the seven county Twin Cities Metropolitan Area. The following list of prioritized projects comprises the program of projects for the operating and capital assistance:

- 1) Operating Assistance for January 1, 1985, to December 31, 1985, in the amount of \$8,528,982.
- 2) Capital Assistance
Purchase 90, 40 foot buses to replace 1971-1974 Flexible buses in the amount of \$10,190,756.
- 3) Purchase maintenance support equipment in the amount of \$996,172.
- 4) Construct two (2) bus turnarounds including land acquisition and preliminary design in the amount of \$145,310.
- 5) Construct St. Paul Central Business District Layover Facility including land acquisition and preliminary design in the amount of \$423,320.

Total Apportionment: \$20,274,540

The total estimated net cost of the operating and capital projects is \$101,193,613. A federal grant of \$20,274,540 is being requested. The estimated state and local contribution will be \$47,762,413 from non-farebox operating revenues, state grants-in-aid, and property taxes from the general fund. The farebox revenues will be \$31,981,900.

EXHIBIT J - PUBLIC HEARING

This exhibit will be submitted along with the appropriate documentation following the public hearing which will be held on Tuesday, April 29, 1986. A copy of the Notice of Public Hearing is attached.

Submitted 3/25/85

CM/kal/5658

METROPOLITAN TRANSIT COMMISSION

RESOLUTION NO. 86-

RESOLUTION AUTHORIZING THE FILING OF AN APPLICATION
WITH THE DEPARTMENT OF TRANSPORTATION, UNITED STATES
OF AMERICA, FOR A GRANT UNDER THE
URBAN MASS TRANSPORTATION ACT OF 1964, AS AMENDED

WHEREAS the secretary of transportation is authorized to make grants for a mass transportation program of projects; and

WHEREAS the contract for financial assistance will impose certain obligations upon the applicant, including the provision by it of the local share of the project costs in the program; and

WHEREAS it is required by the U.S. Department of Transportation in accord with the provisions of Title VI of the Civil Rights Act of 1964, that in connection with the filing of an application for assistance under the Urban Mass Transportation Act of 1964, as amended, the applicant give an assurance that it will comply with Title VI of the Civil Rights Act of 1964 and the U.S. Department of Transportation requirements thereunder; and

WHEREAS it is the goal of the applicant that minority business enterprise be utilized to the fullest extent possible in connection with these projects, and that definitive procedures shall be established and administered to ensure that minority businesses shall have the maximum feasible opportunity to compete for contracts when procuring construction contracts, supplies, equipment contracts, or consultant and other services;

BE IT THEREFORE RESOLVED by the Metropolitan Transit Commission:

1. That the chief administrator is authorized to execute and file applications on behalf of the Metropolitan Transit Commission with the U.S. Department of Transportation to aid in the financing of capital and operating assistance projects pursuant to Section 9 of the Urban Mass Transportation Act of 1964, as amended.

2. That the chief administrator is authorized to execute and file with such applications an assurance or any other document required by the U.S. Department of Transportation effectuating the purpose of Title VI of the Civil Rights Act of 1964.

3. That the chief administrator is authorized to furnish such additional information as the U.S. Department of Transportation may require in connection with the application for the program of projects.

4. That the chief administrator is authorized to set forth and execute affirmative minority business policies in connection with the program of projects' procurement needs.

5. That the chief administrator is authorized to execute grant agreements on behalf of the Metropolitan Transit Commission with the U.S. Department of Transportation for aid in financing the capital and operating assistance program of projects.



MEMORANDUM

TO: Finance and Administration Committee

FROM: Cyndie M. Mayer *CM* *W* *Djk*
Grants Coordinator

DATE: March 18, 1986

SUBJECT: Section 9 Grant Application and Public Hearing

Background

Section 9 of the Urban Mass Transportation Act is the federal program which provides to the MTC operating assistance and capital funds for routine projects. It is a formula program, which allocates funds to individual metropolitan areas based upon a complex formula. Since the program is formula-based, there is a defined amount which is available to the Twin Cities for 1985; that amount is \$13,499,909.

The availability of these funds was anticipated at the time that 1985 capital and operating budgets were developed, although the exact amount of funds was unknown. Programmed uses for the grant are included in those budgets. Since the grant is needed, and has been allocated to this area, a grant application should be submitted to UMTA.

A public hearing will need to be held on the grant application, to provide an opportunity for public comment on the proposed uses of the funds. In order to provide a 30-day notice for the hearing, staff proposes that the hearing be scheduled for Tuesday, April 29, 1986, at 5:30 PM in the MTC Commission Chambers.

Recommendation

Staff recommends approval of the attached resolution authorizing the Chief Administrator to file and execute a grant application for capital and operating funds with the U.S. Department of Transportation, under the Urban Mass Transportation Act of 1964, as amended. In addition, staff recommends that a public hearing on the grant application be scheduled for April 29, 1986, at 5:30 PM.

(3) Eligible Operating Expenses (Line 1-Line 2)		\$ <u>92,407,500</u>	(3)
(4) Less Farebox and Other Revenues Not Includable as Local Share (Itemize)			
	<u>Farebox Revenue</u>	\$ <u>31,981,900</u>	
	<u>TOTAL FAREBOX AND OTHER REVENUE APPLIED AGAINST ELIGIBLE EXPENSES NOT INCLUDABLE AS LOCAL SHARE:</u>	\$ <u>31,981,900</u>	(4)
(5) Net Project Cost (Line 3-Line 4)		\$ <u>60,425,600</u>	(5)
(6) Local Share (Itemize)			
	RTB Assistance	\$41,237,118	
	State Grants	9,431,200	
	<u>Contract Fares</u>	330,800	
	<u>Advertising</u>	500,300	
	LOCAL SHARE: Other	\$ <u>397,200</u>	\$ <u>51,896,618</u> (6)
(7) Net Expenses Before Applying UMTA Funds (Line 5-Line 6)		\$ <u>8,528,982</u>	(7)
(8) UMTA Funds Available		\$ <u>8,528,982</u>	(9)
(9) UMTA Funds Requested		\$ <u>8,528,982</u>	(9)

PROJECT BUDGET WORKSHEET

For the Period: January 1 through December 31, 1985

Transit Operator(s): METROPOLITAN TRANSIT COMMISSION

Designated Recipient: METROPOLITAN TRANSIT COMMISSION
(Applicant)

(1) Total Operating Expenses (Itemize)

<u>Labor</u>	\$ 54,718,800
<u>Fringe Benefits</u>	23,202,300
<u>Materials and Supplies</u>	12,348,600
<u>Other</u>	8,834,000
_____	_____
_____	_____
<u>TOTAL OPERATING EXPENSES</u>	<u>\$ 99,103,700 (1)</u>

(2) Less Eliminations

(a) Less Ineligible Expenses (Itemize)

_____	\$

(b) Less Non-Mass Transportation Expenses (Itemized)

<u>Charter</u>	\$ 80,000

(c) Less Contra-Expenses (Itemize)

<u>Interest Income</u>	\$2,826,800

(d) Less Other Exclusions (Itemize)

<u>Metro Mobility (E & H)</u>	\$3,789,400

<u>TOTAL ELIMINATIONS</u>	<u>\$ 6,695,200 (2)</u>

EXHIBIT D
Section 9
Program Budget

Urbanized Area: Minneapolis - St. Paul
 Designated Recipient: Metropolitan Transit Commission (MTC)
 Grantee: Metropolitan Transit Commission (MTC)
 Program Number: _____

<u>B. Bus and Bus Related Facilities</u>	<u>Federal</u>	<u>Total</u>
(1) Purchase 80, 40 foot buses to replace '71-'74 Flexible buses.	\$ 9,113,725	\$ 11,392,156
(2) Purchase maintenance support equipment.	996,172	1,245,215
(3) Construct two (2) bus turnarounds including land acquisition and preliminary design.	145,310	181,638
(4) Construct St. Paul Central Business District Layover Facility including land acquisition and preliminary design.	<u>423,320</u>	<u>529,150</u>
Subtotal Bus	\$ 10,648,527	\$ 13,348,159
GROSS PROGRAM COST	\$ 10,648,527	
Revenue Financing	0	
NET PROGRAM COST	\$ 10,648,527	
Federal Share (30%)	\$ 10,648,527	
Local Share (20%)	\$ 2,669,632	
 <u>D. Operating</u>		
(1) Operating Assistance January 1 - December 31, 1985	\$ 8,529,982	
Subtotal Operating	\$ 8,529,982	
 <u>E. TOTAL FEDERAL FUNDS REQUESTED</u>	 \$ 19,207,509	

EXHIBIT B
Section 9
Program of Projects

Urbanized Area: Minneapolis - St. Paul
 Apportionment: \$17,432,877
 Carryover Funds: \$ 1,026,054 - (1985)
 Transfer Funds: \$ 748,578 - (Section 5)
 Total Funds Available: \$19,207,509

RECIPIENTS:

SUBAREA APPORTIONMENT

(1) Metropolitan Transit Commission (MTC)	\$17,432,877
TOTAL	\$19,207,509

PROGRAM OF PROJECTS

	<u>Project Description</u>	<u>Federal Amount</u>	<u>Project Type</u>	<u>Designated Recipient</u>
(1)	11.12.01 Purchase 80, 40-foot buses to replace '71-'74 Flexible buses.	\$ 9,113,725	C	MTC
(2)	11.42.20 Purchase maintenance support equipment.	996,172	C	MTC
(3)	11.30.02 Construct two (2) bus turnarounds including land acquisition and preliminary design.	145,310	C	MTC
(4)	11.30.01 Construct St. Paul Central Business District Layover Facility including land acquisition and preliminary design.	423,320	C	MTC
(5)	30.09.00 Operating Assistance January 1 - December 31, 1985	8,528,982	C	MTC
	TOTAL	\$19,207,509		

FEDERAL ASSISTANCE		2. APPLICANT'S APPLICATION	a. NUMBER	3. STATE APPLICATION IDENTIFIER	a. NUMBER
1. TYPE OF ACTION <input type="checkbox"/> PREAPPLICATION <input checked="" type="checkbox"/> APPLICATION <small>(Mark appropriate box)</small> <input type="checkbox"/> NOTIFICATION OF INTENT (CpL) <input type="checkbox"/> REPORT OF FEDERAL ACTION		<small>Leave Blank</small>	b. DATE Year month day 19 86 04 15	b. DATE ASSIGNED Year month day 19	
4. LEGAL APPLICANT/RECIPIENT a. Applicant Name : John J. Capell, Chief Administrator b. Organization Unit : METROPOLITAN TRANSIT COMMISSION c. Street/P.O. Box : 560 - 6th Avenue North d. City : Minneapolis e. County : Hennepin f. State : Minnesota 2. ZIP Code: 55411-4398 h. Contact Person (Name & telephone No.) : Grants Coordinator 612/349-7686				5. FEDERAL EMPLOYER IDENTIFICATION NO. 41-6080003	
7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT 1985 Operating Assistance and 1986 Capital Projects Funding for the Metropolitan Transit Commission				6. PROGRAM <small>(From Federal Catalog)</small> a. NUMBER 2015017 b. TITLE Formula Grant	
				8. TYPE OF APPLICANT/RECIPIENT A-State H-Community Action Agency B-Interstate I-Higher Educational Institution C-Substate J-Indian Tribe District K-Other (Specify): D-County <u>Regional</u> E-City F-School District G-Special Purpose District District Enter appropriate letter <input checked="" type="checkbox"/> K	
10. AREA OF PROJECT IMPACT (Names of cities, counties, States, etc.) Twin Cities Metropolitan Area				9. TYPE OF ASSISTANCE A-Basic Grant C-Insurance B-Supplemental Grant E-Other Enter appropriate letter(s) <input checked="" type="checkbox"/> A C-Loan	
13. PROPOSED FUNDING		14. CONGRESSIONAL DISTRICTS OF:		12. TYPE OF APPLICATION A-New C-Revision E-Augmentation B-Renewal D-Continuation Enter appropriate letter <input checked="" type="checkbox"/> A	
a. FEDERAL \$ 19,207,509.00	a. APPLICANT 5	b. PROJECT 1,2,3,4,5,6,8	15. TYPE OF CHANGE (For 1st or 2nd) A-Increase Dollars F-Other (Specify): B-Decrease Dollars C-Increase Duration D-Decrease Duration E-Cancellation Enter appropriate letter(s)		
b. APPLICANT 2,669,632.00	16. PROJECT START DATE Year month day 19 86 06 31	17. PROJECT DURATION 24 Months	19. EXISTING FEDERAL IDENTIFICATION NUMBER NA		
c. STATE 9,431,200.00	18. ESTIMATED DATE TO BE SUBMITTED TO FEDERAL AGENCY 19 86 04 01	20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code) UMTA - 300 So. Wacker Drive, Suite 1740, Chicago, IL 60606			
d. LOCAL 38,331,218.00	21. REMARKS ADDED <input type="checkbox"/> Yes <input type="checkbox"/> No		22. THE APPLICANT CERTIFIES THAT a. To the best of my knowledge and belief, data in this preapplication/application are true and correct, the document has been duly authorized by the governing body of the applicant and the applicant will comply with the attached assurances if the assistance is approved. b. If required by OMB Circular A-95 this application was submitted, pursuant to instructions therein, to appropriate clearinghouses and all responses are attached: <input type="checkbox"/> No response <input type="checkbox"/> Response attached		
e. OTHER 31,981,900.00	(1) Regional Transit Board (2) Metropolitan Council (3) State Planning Agency		23. CERTIFYING REPRESENTATIVE a. TYPED NAME AND TITLE: John J. Capell, Chief Administrator b. SIGNATURE:  c. DATE SIGNED: 19 86 03 28		
f. TOTAL \$ 101,621,459.00	24. AGENCY NAME UMTA - 300 So. Wacker Drive, Suite 1740, Chicago, IL 60606		25. APPLICATION RECEIVED Year month day 19		
26. ORGANIZATIONAL UNIT		27. ADMINISTRATIVE OFFICE		28. FEDERAL APPLICATION IDENTIFICATION	
29. ADDRESS		30. FEDERAL GRANT IDENTIFICATION		31. ACTION TAKEN <input type="checkbox"/> a. AWARDED <input type="checkbox"/> b. REJECTED <input type="checkbox"/> c. RETURNED FOR AMENDMENT <input type="checkbox"/> d. DEFERRED <input type="checkbox"/> e. WITHDRAWN	
32. FUNDING a. FEDERAL \$.00 b. APPLICANT .00 c. STATE .00 d. LOCAL .00 e. OTHER .00 f. TOTAL \$.00		33. ACTION DATE 19		34. STARTING DATE 19 35. CONTACT FOR ADDITIONAL INFORMATION (Name and telephone number) 36. ENDING DATE 19 37. REMARKS ADDED <input type="checkbox"/> Yes <input type="checkbox"/> No	
38. FEDERAL AGENCY A-95 ACTION		a. In taking above action, any comments received from clearinghouses were considered. If agency response is due under provisions of Part 1, OMB Circular A-95, it has been or is being made. b. FEDERAL AGENCY A-95 OFFICIAL (Name and telephone no.)			

SECTION I--APPLICANT/RECIPIENT DATA

SECTION II--CERTIFICATION

SECTION III--FEDERAL AGENCY ACTION

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 7, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: MTC Section 9 Grant Approval

At its meeting April 3, 1986, the Administration and Finance Committee reviewed the proposed Metropolitan Transit Commission (MTC) Application for Federal Section 9 operating and capital grant and approved the following recommendation:

RECOMMENDATION:

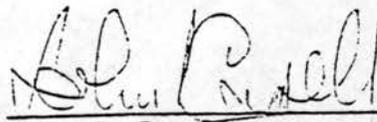
That the Regional Transit Board approve Resolution No. 86-____ authorizing the application of the Metropolitan Transit Commission for \$19,207,509 of federal transit assistance.

RUTH FRANKLIN
CHAIR

A&F432

INTERGOVERNMENTAL REVIEW - EXECUTIVE ORDER 12372

Certification is given by the recipient named herein Metropolitan Transit Commission with respect to its application for assistance pursuant to Section 9 of the Urban Mass Transportation Administration of 1964, as amended and filed with the Urban Mass Transportation Administration (UMTA) that the recipient has complied with the provision of 49CFR17, Intergovernmental Review of Department of Transportation Programs and Activities and Executive Order 12372.



John J. Capen
Authorized Official

Chief Administrator
Title of Authorized Official

March 25, 1986
Date

CERTIFICATION OF MAINTENANCE CAPABILITY

Certification is given by the recipient, the Metropolitan Transit Commission (MTC) with respect to any application for assistance pursuant to section 9 of the Urban Mass Transportation Act of 1964, as amended, that it has in preparation, a maintenance plan and commensurate facilities, financing, qualified personnel and equipment to implement such a plan.

GRANTEE: Metropolitan Transit Commission
560 6th Avenue North
Minneapolis, MN 55411



~~(Authorizing Official)~~
John V. Capell

Chief Administrator
~~(Title of Authorizing Official)~~

March 25, 1986
~~(Date)~~

PROJECT DESCRIPTIONS

PURCHASE 90 40-FOOT BUSES TO REPLACE 1971-1974 FLXIBLE BUSES

This project is concerned with the acquisition of 90 40-foot standard sized buses. These 90 buses will replace 90 1971 through 1974 Flxible buses. This replacement is in accordance with the Metropolitan Transit Commission Bus Fleet Modernization Plan of March, 1986.

As emphasized in the Bus Fleet Modernization Plan, the oldest buses in the active fleet will be the first to be retired. All bus models will complete a minimum of twelve years in the active fleet prior to retirement.

(2) Purchase Maintenance Support Equipment

7/86	COST CENTER NAME	EQUIPMENT DESCRIPTION	LINE ITEM	UNITS	COST/UNIT	TOTAL COST	PROJECT #	FUND SOURCE	YR TO PRCHS
	ENG/FCLTS-ADM	AUTOMOBILES	552.01	10	9200	92,000	3623	FEDERAL	1987
	SERVICE PLANNING	LETTERING MACHINE	552.02	1	900	900	3623	FEDERAL	1987
	ENG/FCLTS-ADM	LETTERING SYSTEM	552.02	1	875	875	3623	FEDERAL	1987
	PURCHASING	SHRINK WRAPPER	552.02	1	2000	2,000	3623	FEDERAL	1987
	CLAIMS	DICTAPHONE CASSETTE RECORDER	552.02	12	400	4,800	3623	FEDERAL	1987
	CLAIMS	DICTAPHONE CASSETTE TRNSCRBR	552.02	3	730	2,190	3623	FEDERAL	1987
					TOTAL	10,765			
	SERVICE PLANNING	DESK	552.03	2	500	1,000	3623	FEDERAL	1987
	TRNST SPRV	CONTROL CNTR DECK CHAIRS	552.03	5	500	2,500	3623	FEDERAL	1986
	SERVICE PLANNING	DRAFTING TABLE	552.03	2	550	1,100	3623	FEDERAL	1987
					TOTAL	4,600			
	REVENUE SECURITY	ODIN PLATES	552.04	6	2500	15,000	3623	FEDERAL	1987
	REVENUE SECURITY	TOKEN COUNTER PACKAGER	552.04	1	4000	4,000	3623	FEDERAL	1987
	REVENUE SECURITY	HIGH SPEED ODIN SORTER/COUNTER	552.04	1	3000	3,000	3623	FEDERAL	1987
					TOTAL	27,000			
	REVENUE SECURITY	CCTV TIME LAPSE RECORDER	552.06	1	4000	4,000	3623	FEDERAL	1987
	REVENUE SECURITY	CCTV SWITCHER	552.06	1	700	700	3623	FEDERAL	1987
					TOTAL	4,700			
	RADIO MAINTENANCE	BUS MOBILE RADIOS	552.08	125	4000	500,000	3623	FEDERAL	1987
	MSMT SVCS	TELEPHONE EQUIPMENT	552.08			70,000	3623	FEDERAL	1987
	RADIO MAINTENANCE	WALKIE TALKIES	552.08	2	600	1,200	3623	FEDERAL	1987
	TRNSP-SHELLING	WALKIE TALKIES	552.08	2	500	1,000	3623	FEDERAL	1987
	RADIO MAINTENANCE	MICROWAVE RELAY SYSTEM	552.08	1	50000	50,000	3623	FEDERAL	1986
	RADIO MAINTENANCE	CAPACITANCE TESTER	552.08	1	900	900	3623	FEDERAL	1987
					TOTAL	583,000			
	EQUIP MNTC-BODY SHOP	FREBOX TRUCK	553.01	1	20000	20,000	3623	FEDERAL	1987
	SHELTER MNTC-I-374	SHELTER VANS	553.01	3	13000	39,000	3623	FEDERAL	1987
	EQUIP MNTC-SANGL CK	DIESEL SERVICE TRUCK	553.01	2	35,000	70,000	3623	FEDERAL	1986
	SHELTER MNTC	1-TON SHELTER VANS	553.01	4	13000	52,000	3623	FEDERAL	1987

LAW/1/27/86

CST CTR	COST CENTER NAME	EQUIPMENT DESCRIPTION	LINE ITEM	UNITS	COST/UNIT	TOTAL COST	PROJECT #	FUND SOURCE	YR TO PRCHS
3320	STORES-SOUTH	HEAVY DUTY PALLET RACK	553.02	2	450	900	3623	FEDERAL	1986
3362	EQUIP MNTC-BRK SHOP	RECONDITION BRAKE LATHES	553.02	2	8000	16,000	3623	FEDERAL	1987
3351	EQUIP MNTC-NICOLET	20-TON FLOOR JACK	553.02	2	700	1,400	3623	FEDERAL	1987
3362	EQUIP MNTC-BRK SHOP	3/4" AIR GUN	553.02	6	450	2,700	3623	FEDERAL	1987
3352	EQUIP MNTC-SWELL	BEAR LUBE PUMP	553.02	2	1,800	3,600	3623	FEDERAL	1987
3357	EQUIP MNTC-PRO MO	WHEEL DOLLY AND JACK	553.02	1	650	650	3623	FEDERAL	1987
3438	SHELTER MNTC-I-394	CABINETS FOR VANS	553.02	3	400	1,200	3623	FEDERAL	1987
3357	EQUIP MNTC-PRO MO	20-TON PRESS	553.02	1	1000	1,000	3623	FEDERAL	1987
3436	BLDG MNTC-OVERHAUL	3500 WATT PORTABLE GENERATOR	553.02	1	1000	1,000	3623	FEDERAL	1987
3357	EQUIP MNTC-PRO MO	VOLT AND AMP METER	553.02	2	1100	2,200	3623	FEDERAL	1987
3435	BLDG MNTC-SOUTH	RIDING LAWNMOWER	553.02	1	1800	1,800	3623	FEDERAL	1987
3361	EQUIP MNTC-UNIT OH	DEPTH GAUGE TOOL/BEARING PULLER	553.02	1	700	700	3623	FEDERAL	1987
3351	EQUIP MNTC-NICOLET	PORTABLE BUS HOIST	553.02	1	22,000	22,000	3623	FEDERAL	1987
3362	EQUIP MNTC-BRK SHOP	1" LONG SHANK AIR GUN	553.02	1	900	900	3623	FEDERAL	1987
3436	BLDG MNTC-I-394	10-HP SNOW BLOWER	553.02	2	1100	2,200	3623	FEDERAL	1987
3361	EQUIP MNTC-UNIT OH	VALVE GRINDER	553.02	1	5300	5,300	3623	FEDERAL	1987
3435	BLDG MNTC-SHNS CRK	SALT SPREADER FOR TRACTOR	553.02	1	1050	1,050	3623	FEDERAL	1987
3436	BLDG MNTC-I-394	20" SNOW BLOWER	553.02	2	400	800	3623	FEDERAL	1987
3361	EQUIP MNTC-UNIT OH	MAGNAFLUX MACHINE	553.02	1	1000	1,000	3623	FEDERAL	1987
3361	EQUIP MNTC-UNIT OH	REHAB-TOYOTA TOW MOTORS	553.02	2	10000	20,000	3623	FEDERAL	1987
					TOTAL	333,150			

3170	TRANST SPRV	REBUILD AUTO-TAPE RECORDER	554.03	1	9000	9,000	3623	FEDERAL	1986
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2210	MGMT SVCS	ELECTRICAL/TELEPHONE WIRING	503.03	----	----	10,000	3623	FUND 10 LOCAL	1986
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3100	TRANSP-SWELLING	TV-DRIVERS ROOM	552.02	1	500	500	3623	FUND 10 LOCAL	1986
2250	OFFICE SERVICES	LAMINATOR	552.02	1	1500	1,500	3623	FUND 10 LOCAL	1986
2250	OFFICE SERVICES	MEMORY TYPEWRITER	552.02	1	3,000	3,000	3623	FUND 10 LOCAL	1986
2250	OFFICE SERVICES	ELECTRONIC TYPEWRITER	552.02	1	3,000	3,000	3623	FUND 10 LOCAL	1986
2250	OFFICE SERVICES	OFFC EQUIP REPLACE CONTINGENCY	552.02	----	----	9,000	3623	FUND 10 LOCAL	1986
3150	TRANSP-PTH	TV-DRIVERS ROOM	552.02	1	500	500	3623	FUND 10 LOCAL	1986
2250	OFFICE SERVICES	880 BINDER	552.02	1	1000	1,000	3623	FUND 10 LOCAL	1986
3053	EQUIP MNTC-SHNSL BK	MICROWAVE & REFRIGERATOR	552.02	2	800	1,600	3623	FUND 10 LOCAL	1986
3110	TRANSP ADM	DIOTAPHONE TRANSDRENS UNIT	552.02	1	450	450	3623	FUND 10 LOCAL	1986
3100	TRANSP-SWELLING	PADDLEBOARD BACKS	552.02	2	1,350	2,700	3623	FUND 10 LOCAL	1986
2250	TECH SVCS	FILING CABINET	552.02	1	425	425	3623	FUND 10 LOCAL	1986
					TOTAL	22,675			

2210	MGMT SVCS	MISCELLANEOUS FURNITURE	552.03	----	----	10,000	3623	FUND 10 LOCAL	1986
3110	TRANSP ADM	SECRETARIAL DESK	552.03	1	500	500	3623	FUND 10 LOCAL	1986
3140	PAYROLL	CRT DESKS	552.03	2	500	1,000	3623	FUND 10 LOCAL	1986
3000	STORES-SWELLING	VIDEO COMPUTER STATION	552.03	5	600	3,000	3623	FUND 10 LOCAL	1986

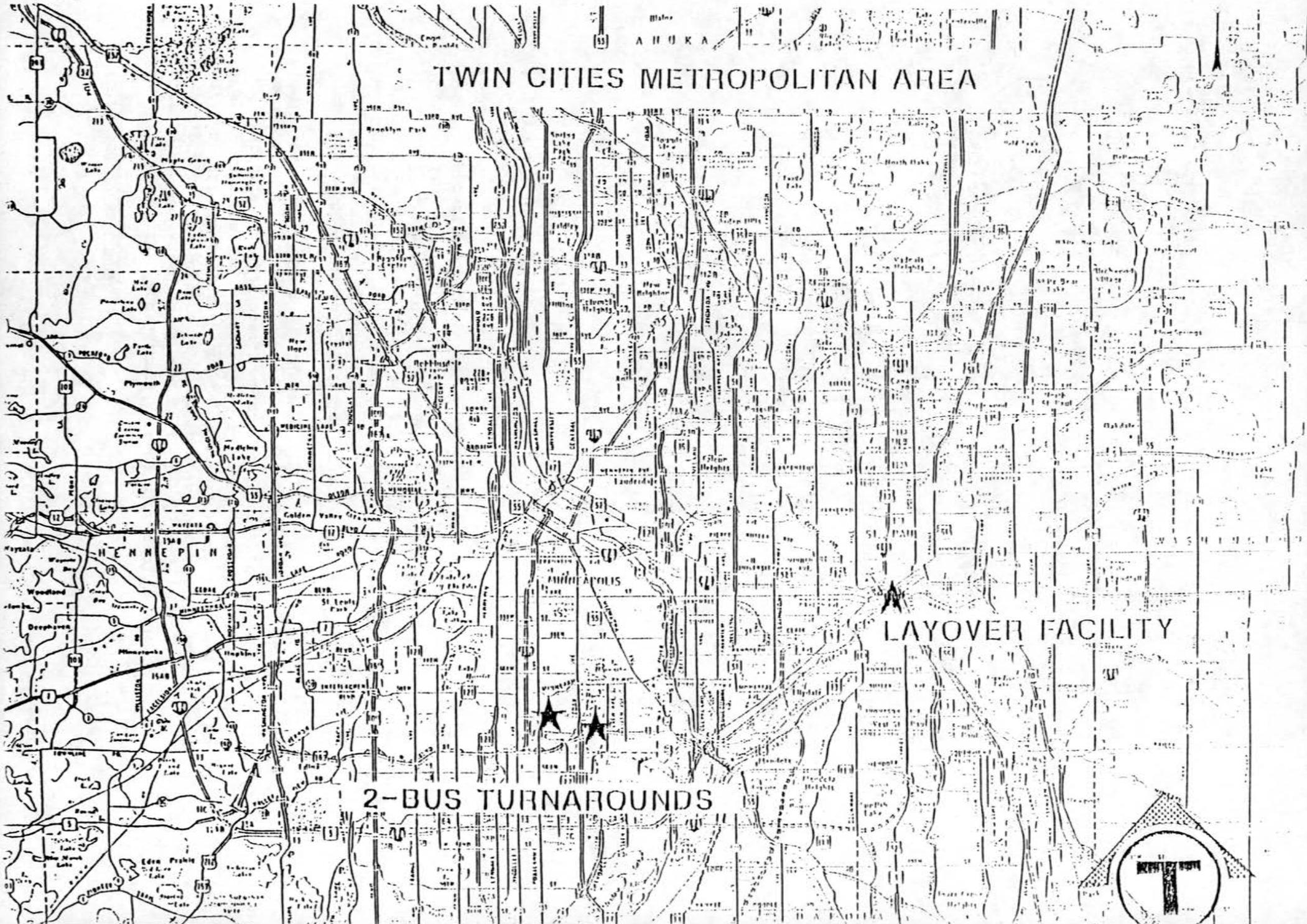
27/96	R #COST CENTER NAME	EQUIPMENT DESCRIPTION	LINE ITEM#	UNITS	COST/UNIT	TOTAL COST	PROJECT #	FUND SOURCE	YR TO PRCHS
					TOTAL	191,000			
54	EQUIP MNTC-HEYWOOD	WALK BEHIND FLOOR SCRUBBER	553.02	1	1,600	1,600	3623	FEDERAL	1987
61	EQUIP MNTC-UNIT OH	FLAME CUTTING MACHINE	553.02	1	6000	6,000	3623	FEDERAL	1987
52	EQUIP MNTC-SHELL	RIDING FLOOR SWEEPER	553.02	1	26,000	26,000	3623	FEDERAL	1987
52	EQUIP MNTC-SHELL	80 GALLON WATER HEATER	553.02	2	450	900	3623	FEDERAL	1987
42	CUST MNTC-FTH OFFICE	18" UPRIGHT VACUUM	553.02	3	450	1,350	3623	FEDERAL	1987
61	EQUIP MNTC-UNIT OH	MAN ENGINE REMOVAL JACK STAND	553.02	3	3000	9,000	3623	FEDERAL	1987
52	EQUIP MNTC-SHELL	PRESSURE WASHER	553.02	2	1,800	3,600	3623	FEDERAL	1987
08	SHELTER MNTC-I-394	10 HP SNOWBLOWERS	553.02	2	1100	2,200	3623	FEDERAL	1987
61	EQUIP MNTC-UNIT OH	SEAT GRINDER	553.02	1	1500	1,500	3623	FEDERAL	1987
52	EQUIP MNTC-SHELL	3/4" DRIVE AIR IMPACT WRENCH	553.02	1	450	450	3623	FEDERAL	1987
08	SHELTER MNTC-I-394	SHELTER FLUSHERS	553.02	7	3300	23,100	3623	FEDERAL	1987
52	EQUIP MNTC-SHELL	DIGITAL MULTIMETER	553.02	2	400	800	3623	FEDERAL	1987
00	STORES-MICOLLET	FORKLIFT	553.02	1	14,000	14,000	3623	FEDERAL	1987
02	BLDG MNTC-SHELLING	PIPE THREADER/CUTTER	553.02	1	1900	1,900	3623	FEDERAL	1987
06	BLDG MNTC-I-394	RIDING LAWNMOWER	553.02	1	1900	1,900	3623	FEDERAL	1987
02	CUST MNTC-SHELLING	18" UPRIGHT VACUUM	553.02	1	450	450	3623	FEDERAL	1987
06	BLDG MNTC-OVERHAUL	PORTABLE WELDER	553.02	1	1700	1,700	3623	FEDERAL	1987
50	EQUIP MNTC-SHNL CK	FLOOR SWEEPER	553.02	1	26,000	26,000	3623	FEDERAL	1987
06	BLDG MNTC-I-394	22" SELF PROPELLED LAWNMOWER	553.02	2	500	1,000	3623	FEDERAL	1987
50	EQUIP MNTC-SHNL CK	FLOOR MODEL DRILL PRESS	553.02	1	2,000	2,000	3623	FEDERAL	1987
00	STORES-CENTRAL	HOPPER SELF DUMPING	553.02	2	450	900	3623	FEDERAL	1987
01	CUST MNTC-MICOLLET	18" UPRIGHT VACUUM	553.02	1	450	450	3623	FEDERAL	1987
00	STORES-FTH	FORKLIFT	553.02	1	14,000	14,000	3623	FEDERAL	1987
50	EQUIP MNTC-SHNL CK	AC-DC WIRE FEED WELDER	553.02	1	1,600	1,600	3623	FEDERAL	1987
06	BLDG MNTC-OVERHAUL	FLOOR MOUNT DRILL PRESS	553.02	1	550	550	3623	FEDERAL	1987
50	EQUIP MNTC-SHNL CK	10-TON PRESS	553.02	1	1,200	1,200	3623	FEDERAL	1987
01	CUST MNTC-SOUTH	18" UPRIGHT VACUUM	553.02	1	450	450	3623	FEDERAL	1987
50	EQUIP MNTC-SHNL CK	DIGITAL VOLT, OHM METER	553.02	2	1,100	2,200	3623	FEDERAL	1987
00	STORES-SOUTH	SINGLE SIDE CANTILEVER RACK	553.02	3	600	1,800	3623	FEDERAL	1986
50	EQUIP MNTC-SHNL CK	HOT WATER BLEASHER	553.02	3	1,600	5,400	3623	FEDERAL	1987
51	EQUIP MNTC-MICOLLET	10-TON PRESS	553.02	1	900	900	3623	FEDERAL	1987
50	EQUIP MNTC-SHNL CK	WALK BEHIND FLOOR SCRUBBER	553.02	1	1,600	1,600	3623	FEDERAL	1987
51	EQUIP MNTC-MICOLLET	PORTO POWER	553.02	1	600	600	3623	FEDERAL	1987
50	EQUIP MNTC-BODY SHOP	FLOOR TRUCKS & JACK	553.02	3	600	1,800	3623	FEDERAL	1987
52	EQUIP MNTC-SHELL	10-TON FLOOR JACK(AIR)	553.02	2	1,100	2,200	3623	FEDERAL	1987
50	EQUIP MNTC-BODY SHOP	WELDER	553.02	1	2000	2,000	3623	FEDERAL	1987
01	CUST MNTC-SHNL CK	18" UPRIGHT VACUUM	553.02	1	450	450	3623	FEDERAL	1987
54	EQUIP MNTC-HEYWOOD	10-TON HYDRAULIC PRESS	553.02	1	2,000	2,000	3623	FEDERAL	1987
41	CUST MNTC-FTH GARAGE	18" UPRIGHT VACUUM	553.02	2	450	900	3623	FEDERAL	1987
50	EQUIP MNTC-SOUTH	10-TON WALKER FLOOR JACKS	553.02	4	1000	4,000	3623	FEDERAL	1987
06	CUST MNTC-OVERHAUL	18" UPRIGHT VACUUM	553.02	1	450	450	3623	FEDERAL	1987
50	EQUIP MNTC-SOUTH	10-1 PUMP & WATER HEATER	553.02	3	1,300	3,900	3623	FEDERAL	1987
06	BLDG MNTC-I-394	6-TON DUMP TRUCK W/PLow/SPRDR	553.02	2	26000	52,000	3623	FEDERAL	1987
52	EQUIP MNTC-BRK SHOP	FIXTURES FOR STAR BRAKE LATHES	553.02	3	1100	3,300	3623	FEDERAL	1987
06	BLDG MNTC-I-394	NEED BATER	553.02	2	350	700	3623	FEDERAL	1987
50	EQUIP MNTC-SOUTH	ELECTRIC BOLF CART	553.02	1	3,500	3,500	3623	FEDERAL	1987
00	STORES-SHNL CK	9 UNIT STORAGE SHELVES	553.02	24	375	9,000	3623	FEDERAL	1986
52	EQUIP MNTC-BRK SHOP	1 1/2 TON WHEEL COLLIS	553.02	3	650	1,950	3623	FEDERAL	1987

MTC MPLS. BUS TURNAROUNDS

- 1) Route 5, 56th Street and Chicago Avenue, Minneapolis, MN.
Current maximum weekday bus trips - 61 buses.
Description: The purpose is to improve and upgrade the design of an existing off-street turnaround/layover lot, which is in need of extensive roadway improvements. The goal is to improve the operational reliability and aesthetics of the property which is currently owned by the Minneapolis Park Board.
Design capacity maximum - 3 buses.

- 2) Route 19, 58th Street and Longfellow Avenue, Minneapolis, MN.
Current maximum weekday bus trips - 51 buses.
Description: The purpose is to relocate an existing on-street residential layover to a permanent off-street site identified on 58th Street between 21st and 22nd Avenue South. This new location is currently owned by the Metropolitan Airports Commission.
Design capacity maximum - 3 buses.

TWIN CITIES METROPOLITAN AREA



2-BUS TURNAROUNDS

LAYOVER FACILITY

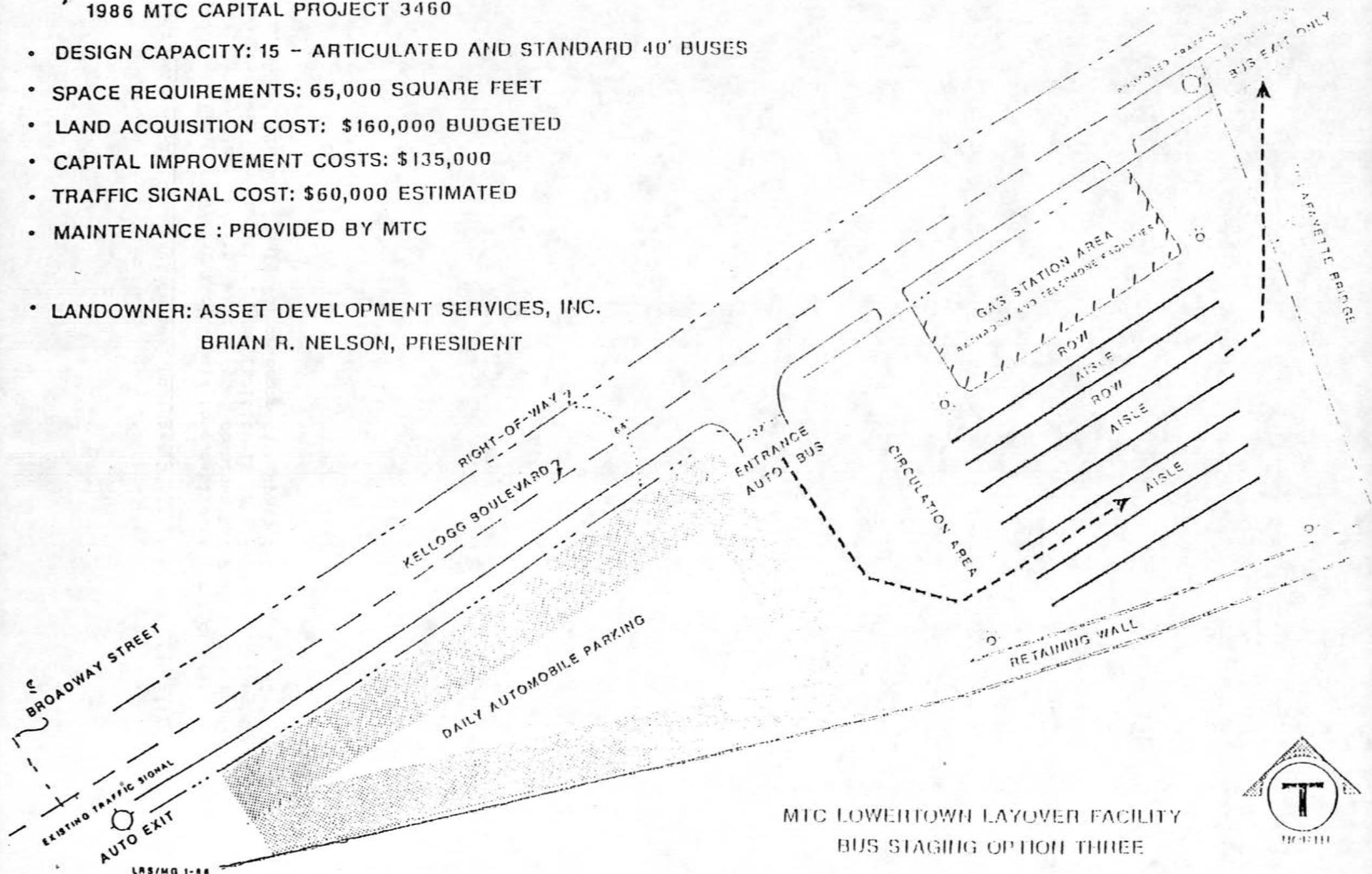


Construction of the St. Paul Central Business District Layover Facility

The purpose of this layover facility is to consolidate eight different current on-street locations near the east side of downtown St. Paul with a single off-street permanent location. The facility is an at-grade 65,000 square foot bituminous parking lot designed to accommodate up to fifteen (15) 40-foot buses.

1986 MTC CAPITAL PROJECT 3460

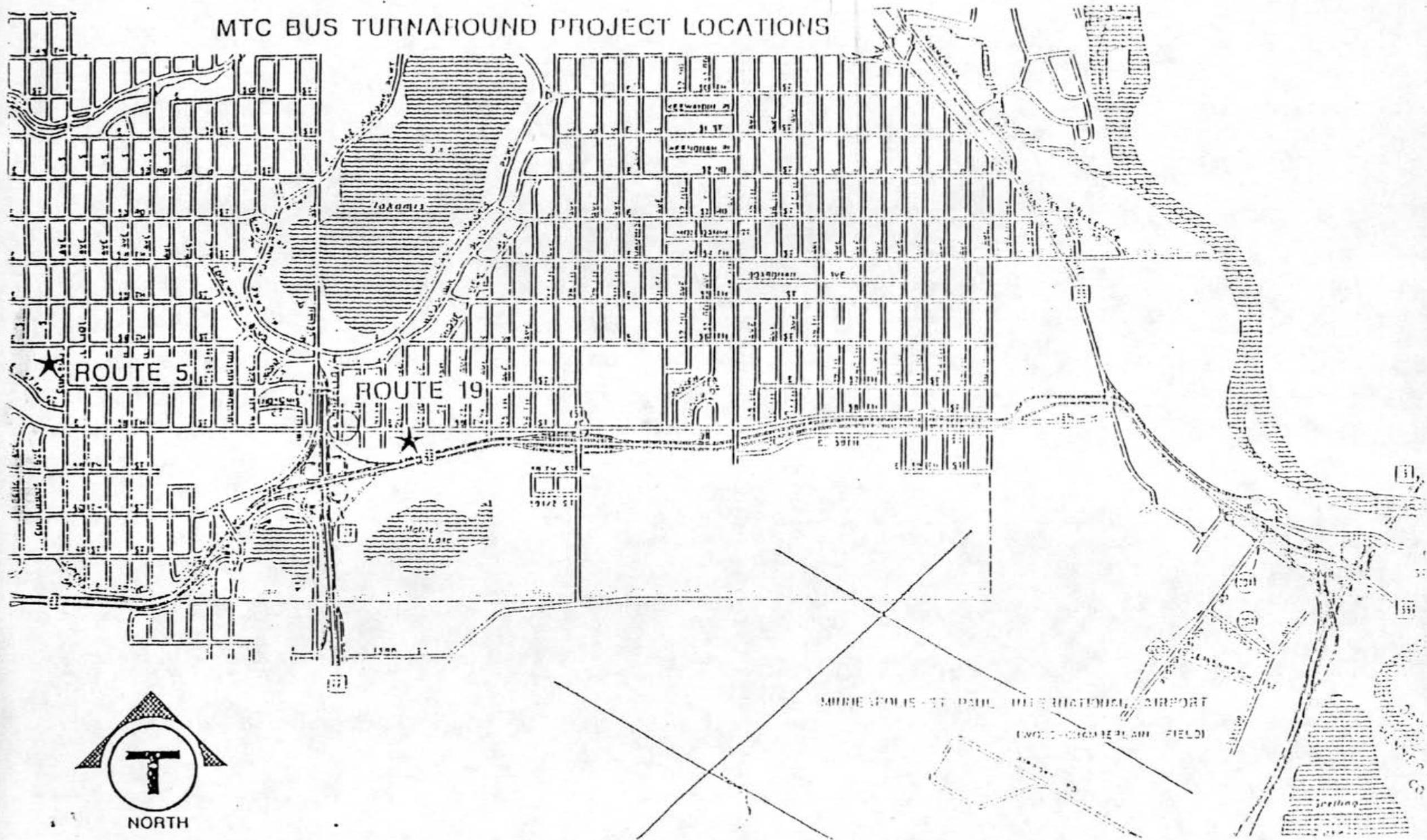
- DESIGN CAPACITY: 15 - ARTICULATED AND STANDARD 40' BUSES
- SPACE REQUIREMENTS: 65,000 SQUARE FEET
- LAND ACQUISITION COST: \$160,000 BUDGETED
- CAPITAL IMPROVEMENT COSTS: \$135,000
- TRAFFIC SIGNAL COST: \$60,000 ESTIMATED
- MAINTENANCE : PROVIDED BY MTC
- LANDOWNER: ASSET DEVELOPMENT SERVICES, INC.
BRIAN R. NELSON, PRESIDENT



MTC LOWERTOWN LAYOVER FACILITY
BUS STAGING OPTION THREE



MTC BUS TURNAROUND PROJECT LOCATIONS



NORTH

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 7, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Contract Amendment with Strgar-Roscoe-Fausch, Inc. on
Transit Service Needs Assessment

At its meeting April 3, 1986, the Administration and Finance Committee reviewed the staff proposal to execute an amendment to the Transit Service Needs Assessment contract with Strgar-Roscoe-Fausch, Inc., and approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board authorize the executive director to execute an amendment to the Transit Service Needs Assessment contract with Strgar-Roscoe-Fausch, Inc., to increase the amount of the contract to \$461,000.

RUTH FRANKLIN
CHAIR

A&F432

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 31, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Contract Amendment With Strgar-Roscoe-Fausch, Inc., on Transit Service Needs Assessment

At its meeting on April 3, 1986, the Administration and Finance Committee will be discussing the proposed amendment to the contract with Strgar-Roscoe-Fausch, Inc., for work on the Transit Service Needs Assessment. An oral report and recommendation will be presented at the April 7 board meeting.

Ruth Franklin
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 25, 1986
TO: Administration and Finance Committee
FROM: Katherine F. Turnbull, Planning Manager
SUBJECT: Contract Amendment With Strgar-Roscoe-Fausch, Inc., on
Transit Service Needs Assessment

Action Requested:

To authorize the executive director to execute an amendment to the Transit Service Needs Assessment contract with Strgar-Roscoe-Fausch, Inc., to increase the amount of the contract to \$461,000.

Background:

On July 22, 1985, the Regional Transit Board authorized the executive director to enter into a contract with Strgar-Roscoe-Fausch, Inc., to conduct specific elements of the Transit Service Needs Assessment. This authorization was based on the selection of Strgar-Roscoe-Fausch, Inc., following the RTB's issuance of a Request for Proposal (RFP) and consultant selection process.

The estimated cost for consultant services on the Transit Service Needs Assessment was \$100,000 for Phase I and \$200,000 for Phase II for a total of \$300,000. The contract states in Section 2.01 "the RTB reserves the right to adjust the expenditures between the two phases. The final work program for Phase II will be negotiated toward the end of Phase I and the scope and cost will be finalized at that time."

A number of additional activities were added to the Phase I process. These included a greater level of detailed data collection and analysis, additional involvement of the Strategic Planning Group, assistance with the Anoka County Advisory Committee and additional Project Management Team meetings. These changes increased the estimated Phase I budget.

The work program and budget for Phase II have been developed based on the recommendations of Phase I. A summary of the work program and consultant budget are attached. The work program is broader in scope than originally envisioned and a number of elements have been added. These include improving the microcomputer data base to a menu driven format, the addition of the fare policy development, a greater level of analysis in the route and Minor Civil Division work tasks, the test case area analysis, greater use of marketing research activities and greater involvement of the Strategic Planning Group (SPG).

Based on these work activities, a new Phase II budget has been developed. The Phase II budget and adjustments to the Phase I budget require amending the contract with Strgar-Roscoe-Fausch, Inc., on the Transit Service Needs Assessment to increase the amount of the contract from \$300,000 to \$461,000.

Findings and Conclusions:

- o On July 22, 1985, the RTB authorized the executive director to enter into a contract with Strgar-Roscoe-Fausch, Inc., to conduct specific elements of the Transit Service Needs Assessment. This authorization was based on the selection of Strgar-Roscoe-Fausch, Inc., following the RTB's issuance of a Request for Proposal (RFP) and consultant selection process.
- o The contract states in Section 2.01 that "the RTB reserves the right to adjust the expenditures between the two phases. The final work program for Phase II will be negotiated toward the end of Phase I and the scope and cost will be finalized at that time."
- o The RTB adjusted Phase I to include additional work activities beyond those originally outlined.
- o The RTB and Strgar-Roscoe-Fausch, Inc., have developed the Phase II Work Program and Budget.
- o The contract with Strgar-Roscoe-Fausch, Inc., on the Transit Service Needs Assessment needs to be amended to reflect the revised work program and budget total of \$461,000.

RECOMMENDATION:

That the Administration and Finance Committee authorize the executive director to execute an amendment to the Transit Service Needs Assessment contract with Strgar-Roscoe-Fausch, Inc., to increase the amount of the contract to \$461,000.

KT:jmo
SRFCTX2

REGIONAL TRANSIT BOARD
TRANSIT SERVICE NEEDS ASSESSMENT
PHASE II
WORK PROGRAM

I. Introduction

The Phase II Transit Service Needs Assessment Work Program has been developed based on the recommendations contained in the Phase I Final Report. The initial Transit Service Needs Assessment Work Program contained detailed work elements for the Phase I activities. The Phase II work elements were outlined in a general fashion, to be further refined based on the outcome and recommendations of Phase I.

The same approach and organization utilized in Phase I will continue in Phase II. This includes the team approach taken by the Regional Transit Board (RTB) and the consultants, the use of the Strategic Planning Group and the local Project Management Team. The RTB will continue to be responsible for the overall management of the Transit Service Needs Assessment and will conduct specific elements. Strgar-Roscoe-Fausch, Inc., Midwest System Science, N. K. Friedrichs and Associates, and a Strategic Planning Group will conduct specific elements as outlined in the work program. The consultant team, Strategic Planning Group, and the RTB will continue to work in a team approach and build on the strong working relationship established during Phase I.

II. Work Program and Products

A summary of the major tasks associated with each work element is provided in this section, along with the anticipated products, responsibilities and timing.

1. Establish Phase II Project Management Team

Members of the Phase I Project Management Team have been invited to continue to participate in the Project Management Team during Phase II. Additional representatives have been requested from Mn/DOT District 5 and District 9 and the private providers. The Phase II Project Management Team will be finalized based on response to these requests. It is anticipated that the Project Management Team will meet on a monthly basis during Phase II.

Products:

- Phase II Project Management Team
- Minutes of the Project Management Team Meetings

Responsibilities:

- RTB: - Finalize Phase II Project Management Team
- Meeting Agendas, Minutes and Other Correspondence

Timing:

- The Phase II Project Management Team will be finalized by April 4.
- Project Management Team meetings will occur on a monthly basis during Phase II.

2. Initial Transit Planning Procedures

The purpose of this element is to initiate development of four elements of the RTB's Transit Planning Procedures. These will be developed in draft form during this step and will be further refined and finalized based on the results of the other work activities. The four elements included in this activity are outlined below.

a) Development of the Ongoing Transit Service Needs Assessment Program

The original work program for the Transit Service Needs Assessment identified one of the key products as the development of an ongoing Transit Service Needs Assessment program. The results of Phase I substantiate this need. This program will provide for the ongoing analysis of transit service needs in different geographical subareas and market segments. It will also allow for the reevaluation of transit needs based on changing conditions.

b) Development of RTB Transit Planning and Service Specification Process

The results of Phase I of the Service Needs Assessment indicate that the regional level assessment process does not provide the level of detail necessary for specific service adjustments to individual transit services throughout the Twin Cities area. There is a finer level of detail needed to address these issues. To accomplish this specification, a transit planning and service process will be developed. This comprehensive process will be responsive to changing levels of need, service availability and funding. The result of this planning process will be the determination of the appropriate role of the RTB and providers in the subsequent service implementation and the development of the service specification process which the RTB will use with providers.

c) Development of a Transit Test Marketing Program

The Strategic Planning Group in Phase I discussed the development of a transit test marketing program for initiating new transit services. The test marketing program would be used for testing new service concepts. The program would include the development of standards for initiating new service, the monitoring program, the evaluation program, local support and other key elements.

d) Improvement of Transit Planning Data Collection, Management and Analysis Procedures.

The importance of accurate data cannot be overstated. Phase I of the Service Needs Assessment identified several differences with the data collection procedures and databases maintained by the individual transit and paratransit service providers. A review of existing data collection, management, and analysis procedures will be undertaken to identify potential areas for streamlining and improving procedures and incorporating new requirements such as regular surveys of users, and

data-sharing among the providers. This element would also include consultant assistance to improve the RTB database to utilize a menu driven format. This will allow for much easier access to the different data files and make the system better.

Products:

- Technical memorandums on the draft process for each element.

Responsibilities:

- RTB: - Complete technical memorandums.

Consultants:

- Assist RTB with identification of key elements for the four processes and review of technical memorandums.
- Develop menu driven format for the microcomputerized database.

Timing:

- Task 2 will be completed by April 11.

3. Systemwide Route Analysis

The purpose of this element is to conduct a comprehensive analysis of transit services in the metro area at the route level. The focus of this analysis will be on the mid-range planning level and will include classification of routes and services, analysis of performance measures and development of performance thresholds for different types of services. The analysis will include a more detailed examination of a selected number of routes. These activities will be coordinated with the ongoing efforts of the RTB/MTC Joint Committee and the RTB's work on the development of performance standards for all providers. Specific activities include:

a) Identification of Route Structure/Interface and Route Classification

The different types of routes and services will be classified into specific groupings to allow for the evaluation of services with similar characteristics.

b) Analysis of Evaluation Parameters

Different evaluation parameters will be examined and analyzed. This will include both evaluation parameters which have been used locally and national examples. The parameters that are most suited for use in the metropolitan area will be identified.

c) Development of Performance Thresholds

Based on the performance parameters selected for use in the previous step, performance thresholds will be identified for each parameter. These will cover all types of services.

Products:

- Technical memorandum.

Responsibilities:

- RTB:
- Identify the route structure and route classification systems.
 - Assist consultants with analysis of evaluation parameters.
 - Assist consultants with development of performance thresholds.
 - Review technical memorandums.

Consultants:

- Assist with identification of route structure and route classification system.
- Conduct analysis of evaluation parameters.
- Develop performance thresholds.
- Prepare technical memorandums.

Timing:

- Task 3 will be completed by May 30.

4. Metrowide Transit Service Needs Assessment at the Minor Civil Division (MCD) Level

Activities in this category will involve a more detailed level of analysis for each Minor Civil Division (MCD). This will build on the analysis completed in Phase I, but will focus on a greater level of detail than was possible in Phase I. This will start with an analysis of supply and demand by market segment at the MCD level. This will be followed by an identification of the existing level of transit services for the market segments. An analysis of highway congestion will be completed for each MCD. The last step in this element will analyze transit service options.

a) Analysis of Supply and Demand

The level or supply of transit will be identified for each MCD as will the demand. The analysis will build on that utilized in Phase I.

b) Transit Accessibility Measures

A set of transit accessibility measures will be developed and applied to each MCD. These will assist in the identification of unmet transit needs.

c) Transit Service Options

This activity will focus on identifying appropriate service options for different market segments within the MCD's. This will build on the service concepts identified in Phase I and will utilize different concepts for different areas and market groups.

d) Evaluate the Cost-Effectiveness of the Service Options

This step will evaluate the cost-effectiveness of the different service options based on the performance thresholds identified in Task 3. This evaluation will help identify the most appropriate and feasible service concepts for each area.

Products:

- Technical memorandums.

Responsibilities:

- RTB:
- Identify the existing transit supply and demand by MCD.
 - Assist with the development of the transit accessibility measures.
 - Assist with the development of transit service options.
 - Assist with the evaluation of the cost-effectiveness of the service options.
 - Review technical memorandums.

Consultants:

- Assist with the identification of transit supply and demand by MCD.
- Develop the transit accessibility measures.
- Develop the transit service options.
- Evaluate the cost-effectiveness of the service options.
- Prepare the technical memorandum.

Timing:

- Task 4 will be completed by May 30.

5. Detailed Service Needs Assessment of Test Case Subareas and Sectors

The purpose of this element is to focus on the further refinement of the transit service needs and on evaluating potential transit concepts to serve the travel needs in each through the use of test cases. Test cases have been selected from each of the rings identified in Phase I--Central Business District (CBD), central city, first ring suburbs, second ring suburbs and third ring suburbs--and from the sectors analyzed.

These test cases will include major market research activities focusing on telephone surveys, detailed analysis of transit supply, demand and needs, evaluation of transit service options and market segments, and examination of funding and possible implementation plans.

a) First and Second Ring Suburban Transit Service Needs Assessment--
Western Crescent Test Case

Phase I identified many strong transit need indicators in first and second ring subareas. These were strongest in the western segment of first and second ring suburbs surrounding Minneapolis. This test case will focus on evaluating the transit needs and service alternatives in these western suburban subareas. Existing transit service is

predominantly radial to downtown Minneapolis. However, the north-south travel patterns and the congestion on T.H. 100 and County Road 18 may provide opportunities for transit. The development of crosstown transit service feeding into the radial routes, implementing timed-transfer service between the two and improving the accessibility of this area will be examined. The role and further potential of ridesharing in the area will also be analyzed.

b) Rural Service Needs Assessment--Anoka County Test Case

Phase I identified that many rural and semi-rural subareas are experiencing growth in population, exhibiting medium to low levels of transit need indicators and currently enjoying limited transit service. Since regular transit does not appear to be a cost-effective way to serve these extensive areas, more flexible, adaptable service better suited to the needs of the rural population need to be examined.

Subareas within Anoka County, which exhibited a number of transit need indicators, will be examined as a test case among third ring subareas. Potential transit service alternatives to be examined are all day and skip-day circulators within the County, crosstown line-haul service to the western crescent with timed-transfer, service for the disabled, and premium radial transit service.

c) Northwest Sector Test Case

A portion of the Phase I analysis focused on sectors and corridors. Out of this analysis one sector, the Northwest Minneapolis subareas, emerged as both a strong travel sector and an area with high transit need indicators. Additional analysis of the transit service needs of this sector will be conducted in Phase II.

The Northwest Sector ranked high in Phase I in both transit need indicators and in travel desire. No recent studies have addressed this sector to identify potential radial corridors within it to Minneapolis. This element will further analyze the transit needs and evaluate transit service options in this sector.

d) Central City Test Case

As identified in Phase I, the central city neighborhoods in St. Paul and Minneapolis reflect the highest transit need indicators, especially employment, population and transit dependent populations. These areas also show the highest level of existing transit service. The stabilization of the population in these central city neighborhoods, their sheer size and the extent of their transit service, suggest the need for further analysis. Route rationalization and simplification, schedule coordination, implementation of timed-transfer service, evaluation of expansion of off-peak, night and weekend service will be considered in this assessment. This effort will focus on neighborhoods where the most significant changes are occurring. These studies will then become prototypes for service implementation in other subareas and for subsequent studies.

e) Downtown Accessibility and Bus Operations Assessment

As the Phase I results outline, the two downtowns are forecasted to experience significant growth in office and retail activity during the next 5-10 years. Transit services must be improved to keep up with this growth and maintain the accessibility of the downtowns. In the short range, circulation problems and priorities must be examined in detail as well as anticipating the potential for more significant investments in the future.

f) Transit Service Potential of Regional Shopping Centers--Rosedale Test Case

Phase I results identified the regional shopping centers as major generators of trips. Because of the large number of trips attracted to them, and because each is a single-destination magnet within its area of influence, regional shopping centers represent an important opportunity for serving non-work transit trips. Rosedale Shopping Center and the surrounding area are experiencing significant growth. It is also located in an area where existing transit service is sparse and has received only moderate examination for transit potential assessment.

The Wooddale Shopping Center, which is currently in the planning stages, was also identified as an area in need of more detailed analysis. The results from the Rosedale test case would be used as part of a comprehensive approach to transit strategies for the development of the Wooddale Shopping Center.

Products:

- Results of the market research activities, telephone surveys
- Technical memorandums of each test case

Responsibilities:

- RTB:
- Review market research methodology and survey instruments
 - Lead role in Anoka, CBD and Rosedale test cases
 - Prepare technical memorandum on above test cases
 - Review results of market research
 - Review technical memorandum prepared by consultants

Consultants:

- Develop market research methodology and survey instruments
- Conduct market research
- Prepare summary of results of market research
- Lead role in Northwest Sector, Western Crescent and Central City test cases
- Prepare technical memorandums on above test cases
- Review RTB prepared technical memorandums

Timing:

- Task 5 will be completed by July 31.

6. Special Studies

Phase I identified a number of areas where additional analysis was necessary before specific recommendations on service changes and improvements could be made. These are identified in this section for additional study in Phase II. These studies will be conducted at a level of detail deemed necessary for Phase II.

a) University of Minnesota Service Potential Study

With the recent reexamination of the University's mission, the student population size and profile are anticipated to undergo extensive changes in the short- to mid-range timeframe. These changes, coupled with recent shifts of student trip origins to the north and west, strongly indicate the need to examine their impact on the existing and future transit service.

b) Regional Park and Ride Screening Study

Park and ride sites need to be developed according to the significance of the demand in the area and coordinated with responsive changes, if necessary, in regular route service. A screening process will be developed to identify areas of need, the level of the transit requirements and the timing of development.

c) Service Quality Improvements Study

Phase I identified a number of areas where improvements could be made in the overall quality of transit services. These included the physical appearance and condition of the vehicles, cleanliness, a review of driver screening and training programs, and the methods used to disseminate transit service information including signing, telephone information response time, and schedule displays on vehicles and at stops. The standardization of headways and revision of schedules to enhance readability will also be considered. In addition, the maintenance of shelters and potential safety and security improvements will be reviewed.

d) Impact on Parking Cost and Availability on Transit Use in Central Business Districts and University of Minnesota

One of the key factors identified in Phase I in determining the level of transit use is the availability and cost of parking. This is especially true in the downtown areas and at the University of Minnesota. A rigorous parking demand analysis, availability study and cost analysis will need to be performed to better define the existing parking situation and the need for transit policies and transit service provisions.

e) Evaluation of Priority Treatment for Transit Service

Peak period regular route transit services operate in the same traffic conditions as regular traffic. In spite of the existing priority treatment on I-35W, I-94 and I-394, opportunities still exist all over the region to provide priority to transit operations in order to avoid congested areas and increase operating speed. Such improvements generally improve transit services and increase the people-carrying capacity of the transportation system. The potential costs and benefits of completing priority treatments on all metropolitan interstate highways (e.g., HOV lanes and facilities, exclusive bus and carpool ramps, ramp bypass lanes for buses and carpools, traffic signal priority systems and park and ride facilities) will be examined, specifically in conjunction with highway construction and reconstruction projects. Also, consideration will be given to improvements on the local roadway system.

f) Identification of Needs of the Handicapped Population Outside of the Current Metro Mobility Service Area

Phase I indicated that the level and location of the handicapped population outside of the existing Metro Mobility service area is not well documented and non-Metro Mobility users within the service boundary. With the expansion of Metro Mobility being considered as one of the recommendations under implementation by the RTB, the need exists to closely examine both the location and travel needs of the handicapped population in this area.

g) RTB Fare Policy Development

This element will focus on the development of RTB fare policies based on the requirements and direction of the Minnesota Legislature. A separate work program, which was approved by the Board on March 17, has been developed for this activity. This work program utilizes a local task force composed of representatives from different provider groups and the use of a national consultant with expertise in fare policy development. It also will utilize and build upon the work completed by the MTC in their fare pricing study.

Products:

- Technical memorandums will be prepared for each special study.

Responsibility:

- RTB:
- Conduct analysis necessary for each special study.
 - Prepare technical memorandums for each special study.

Consultant:

- Assist with analysis on each special study.
- Review technical memorandums.

Timing:

- Task 6 will be completed by July 31.

7. Detailed Metropolitan-Wide Needs Assessment at the Minor Civil Division (MCD), Subarea and Sector Level

This element will bring together the results of the steps previously described. The short and medium term transit needs will be identified by MCD and the subareas and sector test cases. The analysis will include examination of the applicability of transit service options for different market segments, the applicability of express transit, analysis of suburban services and examination of service levels.

Product:

- Technical memorandum.

Responsibilities:

- RTB: - Assist with final analysis.
- Review technical memorandum.

Consultant:

- Conduct final analysis.
- Prepare technical memorandum.

Timing:

- Task 7 will be completed by July 31.

8. Regional Service Needs Assessment, Service Plan and Planning Procedures

This element will develop the final processes and procedures initiated in the first element. These will be included in the final report. These include the ongoing Transit Service Needs Assessment process, the transit planning process, the test marketing program and the uniform data collection and management procedures. The service plan and recommendations will also be major components of this section. The major results of Phase II will be utilized in the development of the RTB's Implementation Plan.

Product:

- Technical memorandum.

Responsibilities:

- RTB: - Prepare technical memorandum.
- Prepare final report.

Consultants:

- Assist with development and review of technical memorandum and final report.

Timing:

- The technical memorandum will be completed by July 31 and the final report by August 29.

TRANSIT SERVICE NEEDS ASSESSMENT
PHASE II
BUDGET SUMMARY FOR CONSULTANTS

Work Activity	Strgar-Roscoe- Fausch, Inc., Total
A. Initial Transit Planning Procedures	\$ 8,170
B. Systemwide Route Analysis	26,650
C. Metrowide Analysis at MCD Level	17,480
D. Test Case Subareas and Sectors	43,400
E. Special Studies	26,380
F. Needs Analysis at MCD, Subarea and Sector Level	17,480
G. Regional Assessment, Service Plan and Planning Procedures	11,290
H. Final Report	7,150
I. Participation in SPG Meetings	6,000
	<u>\$164,000</u>
Strgar-Roscoe-Fausch, Inc.	- \$164,000
Surveys (Norma K. Fredricks)	- 50,000
Market Research (Midwest System Science)	- 31,000
Strategic Planning Group (SPG)	- 21,000
Funding Options (Gary Brosch)	- 5,000
Fare Policy Development	- 10,000
Graphics	- 5,000
Direct Charges	- 5,000
TOTAL	- <u>\$291,000</u>
Total Phase I	- \$170,000
Total Phase II	- <u>291,000</u>
	<u>\$461,000</u>

Anticipated Phase II Strategic Planning Group

Gary Brosch, Rice Center, Transit Financing
Dick Pratt, Richard H. Pratt Consultant, Inc., Fares and Transit Planning
Frank Koppleman, Northwestern University, Market Research
G.J. Fielding, University of California at Irvine, Fares, Pricing and
Evaluation Criteria

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 7, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Personnel Code

At its meeting April 3, 1986, the Administration and Finance Committee reviewed the proposed Regional Transit Board Personnel Code and approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board approve the Personnel Code as proposed.

RUTH FRANKLIN
CHAIR

A&F432

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 31, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Personnel Code

At its meeting on April 3, 1986, the Administration and Finance Committee will be discussing the Regional Transit Board's proposed personnel code. An oral report and recommendation will be presented at the April 7 board meeting.

Ruth Franklin
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 27, 1986
TO: Administration and Finance Committee
FROM: Bob Dietrick, Administrative Aide
SUBJECT: Personnel Code

ACTION REQUESTED

The Administration and Finance Committee is asked to review and recommend for approval the proposed Regional Transit Board Personnel Code.

BACKGROUND

The Regional Transit Board has been operating since its inception under the personnel policies of the Metropolitan Council Personnel Code. It has been the intention of the RTB to develop its own Personnel Code, using the Metropolitan Council Personnel Code as a guideline. The proposed Personnel Code for the RTB has been developed primarily from the existing Metropolitan Council Personnel Code. Most of the changes that were made were non-substantive language changes which made the document clearer and easier to read and interpret, and also related it specifically to the RTB. There were several substantive issues that were identified in this process and they are presented for the committee's review.

1. Sick Leave. Present Met Council policy, which the RTB follows, has the employees accruing sick leave on a bi-weekly basis. The accrual rate is 13 days during the first three years and 16 days following three years of employment, with a cap of 520 hours. The RTB policy proposes to discontinue the accrual on a bi-weekly basis and grant all the sick hours that an employee is entitled to at the beginning of the year. It is proposed that all employees earn 12 days a year, credited on the first pay period of the year. It is also proposed that the cap of 520 hours be lifted, allowing unlimited accumulation of sick leave. Any employee who has used more than his/her accumulated sick leave balance at the end of the year will pay those hours back to the agency.
2. Part-time Employees Benefits. The proposed policy that you have in front of you provides pro-rated benefits for part-time employees whose appointment is for more than 13 weeks and whose hours are at least 20 hours a week. This is consistent with Met Council policy. It should be noted that some agencies do not provide benefits for part-time employees.

3. Vacation Leave. The proposed vacation schedule that you have is the same as the vacation schedule at the Met Council. This vacation schedule is comparable with other metropolitan agencies and the State of Minnesota. It should be noted, however, that this vacation schedule is much more liberal than other units of government in the metropolitan area, as surveyed by the Stanton Group. This schedule is also considerably higher than that of private industry in the Twin Cities (as reported in a survey of 105 representative companies conducted by the Stanton Group). The committee may want to take a look at this schedule as to whether or not it is too liberal in comparison with other units of government and the private industry. The committee may choose to look at this in conjunction with the Metropolitan Council and other metropolitan agencies, rather than tackling the issue alone.
4. Intergovernmental Exchange. The policy on intergovernmental exchange that is proposed in the Regional Transit Board Personnel Code is the same as that which presently exists at the Metropolitan Council. This policy permits a employee directly transferring to the RTB from any political subdivision in the State of Minnesota to transfer his/her accumulated vacation and sick leave to the RTB. The vacation and sick leave accrual rate is then based on total employer service credit, which includes the time spent at other political subdivisions. The policy permits this exchange only with a direct transfer to the RTB. The issue that we would like the committee to look at is whether this policy should be extended to grant credit to all Minnesota public-sector experience, irregardless of whether it was a direct transfer. At the present time there are two RTB staff members who have had previous public-sector experience in Minnesota but did not directly transfer. These individuals were not permitted to bring their accumulated vacation and sick leave with them and they are accruing vacation and sick leave at a lower rate than if they had directly transferred. The committee is asked to consider changing the policy to remove the requirement of direct transfer in order to grant intergovernmental exchange for all Minnesota public-sector experience.
5. Staff Comment. This policy was presented to the staff this past week for comment and suggestions. The staff has several suggestions which we offer for the committee's reaction. A suggestion given on the sick leave was to build in some sort of a bonus for employees who don't use any sick leave during the calendar year. This could involve granting extra vacation days to employees who didn't use sick leave.

A comment was received on the intergovernmental exchange policy in that it gives employees with public-sector experience an unfair advantage over those who enter the agency with private-sector experience. These staff comments are presented for your reaction and any modifications to the policy can be made after discussion.

PERSONNEL CODE
March 28, 1986
Page Three

RECOMMENDATION

It is recommended that the Administration and Finance Committee review and recommend for approval the Regional Transit Board Personnel Code, suggesting any modifications that are felt to be necessary.

RD001A

REGIONAL TRANSIT BOARD

PERSONNEL CODE

1986

Regional Transit Board
Personnel Code

- I. Purpose; Authority; Coverage
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 - 1.2 Scope
 - 1.3 Adoption and Amendment
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REGIONAL TRANSIT BOARD
PERSONNEL CODE

I. PURPOSE; AUTHORITY; COVERAGE

1.1 Purpose. This Personnel Code is adopted pursuant to Minnesota Statutes, Section 473.141, Subdivision 9, and 473.373, to establish personnel rules for employees of the Regional Transit Board. It is the purpose of this personnel code to establish a uniform and effective system of personnel administration within the framework of an approved organizational structure and budgetary requirements and in accord with requirements established by applicable law, regulation and ordinance, and the by-laws and personnel guidelines adopted by the Regional Transit Board. The Executive Director of the Board shall be responsible for the appointment and supervision of Board employees in accordance with this Code and applicable law.

1.2 Scope. In accord with applicable legal requirements and consistent with the provisions of this Code, the responsibility and authority for all matters of inherent managerial policy not explicitly discussed herein is vested exclusively in the Board and the Chair, including, but not limited to, such matters as the function, program, and budget of the Board, utilization of technology, organizational structure, the selection and direction and number of personnel, and schedules of work. The Executive Director is responsible for administering the Personnel Code in accordance with approved Board policy.

1.3 Adoption and Amendment. This Code and amendments hereto shall be effective only upon approval by the Board. The consideration of an amendment to this Code may be initiated by the Chair, Executive Director, a regular full-time employee, or the Board. The Board may approve, reject or modify any amendments presented to it for consideration. The Executive Director shall interpret the provisions contained herein and issue administrative memoranda interpreting or establishing procedures for the implementation of the rules contained in this Code provided that the same are necessary and consistent with the provisions contained herein. The Executive Director shall recommend the dismissal, demotion or suspension of regular employees.

II. DEFINITIONS

The following words and phrases whenever used in this Code shall have the meaning indicated below:

Chair - The Chair of the Regional Transit Board.

Class - A designation established in the Compensation Plan including one or more classified positions sufficiently similar with respect to duties and responsibilities, that the same class title may be used with clarity to designate each position allocated to the class, that the same general qualifications are needed for performance of the duties of the class, that the same general entry requirements may be used to recruit and select employees and that the same salary range can be applied with equity to all positions in the class under the same or substantially the same employment conditions.

Classified Service - The employment category to which all regular full-time, probationary and temporary employees of the Board belong except those who are designated by the Board as being in the Unclassified Service.

Complement - The total number of positions authorized by the Board.

Demotion - The movement of an employee from one class to another class which is in a lower salary range.

Employee - Any person employed by the Board but not including persons performing volunteer services at the Board, consultants, independent contractors, and persons employed by another agency while performing services for the Board pursuant to contract or other arrangements.

Executive Director - The Executive Director of the Regional Transit Board.

Full Time Employee - A regular, probationary or temporary employee who normally works a regular work week.

- Grievance - (1) A claim by an employee that there has been a mis-application or misinterpretation of the Personnel Code or related administrative memoranda, excluding management decisions concerning performance evaluations and discretionary salary increases,
- or-
- (2) A claim by an employee that the Regional Transit Board has been or is engaged in action which is discriminatory under current applicable federal or state statutes and regulations, local ordinances, or the Board's Affirmative Action Plan.

Grievances do not include complaints relating to suspension, demotion or dismissal.

Lay Off - Separation from Board employment due to circumstances beyond the Board's or employee's control which is, in no way, related to disciplinary action.

Intern or Trainee - A person who does work at the Board for a limited duration (up to 520 hours) either in connection with attendance at an academic institution or immediately following graduation from an academic institution.

Part-time Employee - An employee, either regular, probationary or temporary, whose appointment is for less than a regular work week.

Payroll Period - The two regular work weeks identified on employee time sheets and on which bi-weekly wage payments are based.

Probationary Employee - Every new Board employee appointed to a regular full-time or temporary position who is serving a six (6) month performance test to enable the supervisor to evaluate the employee's ability to perform the various duties, activities and responsibilities of the position. A probationary employee may be terminated at any time during or at the conclusion of the six (6) month period with no right to appeal to the Board.

Promotion - The movement of an employee from one class to another class which is in a higher salary range.

Reclassification - The reassignment of a position from one class to another new or existing class.

Regular Position - A collection of activities, duties and responsibilities requiring the full or part-time employment of a person in the classified or unclassified service which is authorized in the complement.

Regular Work Day and Work Week - Eight (8) hours of service constitutes a regular work day and forty (40) hours of service constitutes a regular work week. The Executive Director shall prescribe specific hours of work for any and all employees consistent with the provisions contained herein.

Relative - A spouse, parent, son, daughter, brother, sister, grandparent, grandchildren, aunt, uncle, niece, nephew, first cousin, and in-law, including parent, son, daughter, brother or sister.

Rule - Procedural requirement contained in an administrative memorandum.

Salary Range - A range of pay established in the Compensation Plan to which one or more classes may be assigned for purposes of salary administration. Payment of wages and salaries to classified employees shall be based upon specification contained in the Compensation Plan.

Service Credit -

a.) Total Employer Service Credit: The aggregate amount of paid employment in a regular full-time position including: periods of leave without pay other than sick leave when followed by a return to work; periods of employment through inter-agency exchange; periods of regular full-time employment with metropolitan commissions, the State of Minnesota or any political subdivision within the State of Minnesota provided that the employee directly transfers from one of these subdivisions to the Regional Transit Board; and periods of sick leave without pay prior to the commencement of long term disability benefits.

b.) Job Classification Service Credit: The length of continuous service in the employee's current position.

Service credit shall also be given for any temporary periods of employment during which the employee was eligible for vacation and sick leave accruals.

Temporary Employee - An employee in a position budgeted on a temporary basis, either full or part-time, for an explicit limited period of time.

Termination Date - The last day worked in event of resignation, dismissal, layoff, or failure to return from a leave of absence other than sick leave. The termination date in connection with sick leave shall be the first day of failure to return to work following the date that the employee's doctor has indicated he/she may return, or the day of commencement of disability insurance benefits except that the Executive Director may extend the period of sick leave in the case of disability in accordance with policy established herein.

Transfer - The movement of an employee from one department or division to another department or division within the same salary range.

Unclassified Service - Members of the Board, the Chair, the Executive Director, the Department Directors, and any other employees so designated as being within such service by the Board. Employees are designated as being in the unclassified service on the basis of their confidential relationship with the Board. Members of the Board, however, are compensated in accord with and governed by provisions contained in Minnesota Statutes 473.141, Subdivision 7, and are not entitled to the benefits contained herein.

III. EQUAL EMPLOYMENT OPPORTUNITY; AFFIRMATIVE ACTION; NEPOTISM

3.1 Equal Employment Opportunity. Equal employment opportunities shall be provided to all qualified applicants and all employees with respect to initial appointment, promotion, transfer and general working conditions without regard to race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, age, political affiliation, or sexual preference.

3.2 Affirmative Action. The Regional Transit Board has adopted an Affirmative Action Plan composed of elements required by Federal Revised Orders No. 4 and 14 and will undertake a progressive program of affirmative and positive action to insure that equal employment opportunities are provided to all people on the basis of individual qualifications and to encourage all persons to seek employment with the Regional Transit Board and to strive for advancement on this basis.

3.3 Nepotism. Relatives of Board employees may not be employed or otherwise be engaged to perform services where one relative will or may exercise direct supervision or may otherwise directly influence the recruitment, employment, salary, fee or performance appraisal of another relative.

IV. COMPENSATION; INSURANCE; PENSION

4.1 Compensation Plan. The Board shall adopt a Compensation Plan establishing rates of pay and benefits for Board employees. Such a plan shall establish a salary range for each class and may include such performance increases, general increases, or other types of compensation adjustments which the Board deems necessary or equitable. The Executive Director shall recommend the Compensation Plan contents to the Board. In establishing the Compensation Plan and salary ranges for the various classes, consideration shall be given to such factors as: the various types and classes of employment, rates paid for comparable employment elsewhere, job evaluation results, the Board's financial resources, and applicable Federal and State statutes. The Compensation Plan shall be reviewed by the Board at least annually and the Plan and amendments thereto shall take effect following final approval and on the date designated by the Board.

4.2 Insurance and Pension. The Board shall provide and keep in effect programs for life, health, dental, and disability insurance covering eligible full-time regular and probationary employees, and eligible part-time and temporary employees, of the types and in amounts specifically authorized by the Board. Employee contributions shall be established by the Board and may include prorata contributions for part-time employees. Full-time temporary employees and eligible part-time temporary employees, except interns, shall be covered for life and health insurance if their appointments are for more than thirteen (13) weeks. Part-time employees, except interns, shall be eligible for life, dental, and health insurance if their appointment is for a normal work week of twenty (20) or more hours and shall be eligible for disability insurance if their appointment is for a normal work week of thirty (30) or more hours. Effective dates of coverage and Board contributions shall be in accord with established rules and applicable benefit contract provisions.

The Board shall comply with applicable statutes in providing safe and healthful employment conditions. Board employees shall be covered by workers compensation insurance in accordance with law. Employees shall be eligible for unemployment compensation upon termination of employment or otherwise in accordance with the requirements of the Minnesota Employment Security Law. All employees hired by the Regional Transit Board shall belong to and participate in the Minnesota State Retirement System. The Board shall pay the employer costs for the employee retirement plan.

V. STAFFING

5.1 The Complement. The complement can be changed only with the approval of the Board. The Executive Director may recommend an increase or decrease in the complement. Temporary employment positions shall not be included in the complement. The appointment of all employees shall be in accord with authorization contained in the complement, this Code and rules adopted pursuant hereto.

5.2 General Provisions Relating to Filling Positions. Vacant regular positions in the classified service may be filled by internal transfer or through competitive recruitment and selection in accordance with the following procedures. Vacant positions in the unclassified service may be filled with or without competitive recruitment. The appointment of a qualified person(s) to the unclassified service will be subject to the prior or subsequent approval of the Board.

5.3 Transfer. The Executive Director may transfer employees and fill vacant positions by the internal transfer of one or more employees without utilizing competitive recruitment and selection as provided herein. A transferred employee shall not be required to serve a probationary period in his/her new position. A transfer may not be imposed as a disciplinary action or without the employee's voluntary consent except in extenuating circumstances as determined by the Executive Director. Whenever the Executive Director intends to transfer an employee, a "Notice of Intent to Transfer" shall be posted containing the name of the employee(s) subject to transfer, the names of the positions involved and the reason for transfer at least seven (7) work days prior to the effective date.

5.4 Recruitment. In accordance with the authorized complement, the Executive Director may authorize the commencement of recruitment to fill a vacant position following the receipt of a request for the same and verification that the position has been budgeted. The Executive Director shall establish recruitment procedures which shall be based upon affirmative action and merit principles. Every reasonable effort shall be made to publicize job openings so that all interested persons are informed. Requirements and limitations with regard to the scope of recruitment, minimum job-relevant qualifications, class and salary range, shall be established simultaneously with recruitment authorization. To insure advancement opportunity and continuity of employment, internal recruitment shall, to the extent practicable, be given preference over external recruitment. Internal and external recruitment may, however, be commenced and undertaken separately, exclusively or jointly. The Executive Director may expedite, delay, or suspend recruitment or selection.

5.5 Selection. Specific job-relevant criteria relating to the activities, duties and responsibilities of a position shall be established prior to the commencement of any recruitment. Procedures for evaluating and selecting candidates, both internal and external, shall be relevant to the criteria and may include oral and written examinations, performance tests, structured interviews, ratings of qualifying education, training and/or work or other experience, ratings based on job elements, or any combination of the same. Procedures for evaluation and selection shall be applied uniformly to all candidates.

The candidate determined to be best suited for appointment shall be selected on the basis of the established criteria and procedures utilized. The Director of Administration, Department Directors and Equal Opportunity Coordinator shall review the selection process. To the extent practicable, more than one person shall participate in the selection process.

5.6 Veteran's Preference. In all treatment of applicants or employees, the Regional Transit Board will comply with established legal requirements for Veteran's Preference (Minnesota Statutes Section 197.455 et seq.).

5.7 Temporary Appointment. Whenever additional employees are needed due to special projects of limited duration or a temporary increase in work, the Executive Director may authorize the appointment of one or more temporary employees for explicit limited periods of time. A person may not be employed in a temporary capacity for more than one (1) year. Temporary employees must be advised of their temporary status and the duration of their employment prior to their appointment. Temporary appointments may be extended to the one (1) year maximum only following approval of the Executive Director. The recruitment and selection procedures for regular full-time positions shall be used to the extent practicable in filling temporary positions. Such procedures must be used for any temporary appointment which will exceed six (6) months except where not practicable, including, but not limited to: interns, programs such as Division of Vocational Rehabilitation on-the-job training programs, and residencies in special academic programs.

Employees in temporary positions shall not be considered internal candidates for vacant positions except under the following circumstances:

If a temporary position becomes part of the complement, the incumbent in the temporary position may be considered an internal candidate or appointed to that position without further internal or external recruitment provided that the person was initially hired through procedures used for recruitment of regular full-time positions.

VI. EMPLOYEE STATUS

6.1 Probationary Period. Every new Board employee appointed to a regular full-time position in the classified service shall be required to complete a six (6) month performance test or probationary period to enable the supervisor to observe the employee's ability to perform the various duties, activities and responsibilities pertaining to that position. Temporary employees may also be required to serve established probationary periods. At the discretion of the Executive Director, the initial probationary period may be extended for a period not to exceed an additional six (6) months. The probationary period shall begin on the first day of employment; any paid or unpaid periods of absence which exceed one (1) week shall not be counted as part of the total probationary period.

At the conclusion of or during the probationary period, a probationary employee may be terminated without cause and there shall be no right to appeal that action to the Board. An employee shall accumulate vacation and sick leave during his/her probationary period and may be allowed to use the same during the probationary period subject to requirements established by code or rule.

6.2 Layoff. Whenever a reduction in the authorized complement of positions is required because of a shortage of funds, work, a change in the duties and responsibilities of the agency or other reasons of business necessity, the Executive Director, with the prior approval of the Board, may lay off one (1) or more employees. Primary consideration in laying off employees shall include program requirements, performance records, and other relevant criteria. Job classification service will be the determining criterion for layoff only when all job-relevant qualifications are equal. Regular full-time employees shall be notified of the effective date of a layoff as early as practicable, but not later than fifteen (15) work days in advance of the effective date of layoff. Temporary, probationary, and part-time employees may be given three (3) work days of advance notice. The termination date for laid off employees shall be the last day worked. A laid off employee shall be called back to his/her former position if that position is reinstated within twelve (12) months following the effective date of layoff. Any regular employee who is laid off shall be notified of posted positions during the first six (6) months following the effective date of the layoff.

6.3 Overtime. Non-exempt employees, in accordance with legal requirements of the Fair Labor Standards Act and established procedures, shall be eligible for and will be paid overtime for overtime worked in accordance with established procedures. This overtime shall be authorized by the employee's supervisor and shall involve the performance of urgent Board work.

6.4 Compensatory Time Off. Exempt employees are not eligible for and may not be paid overtime, but may be granted compensatory time off (CTO) where excessive overtime work and compensatory time off has been authorized by the employee's supervisor in accordance with established procedures.

6.5 Holidays. The following days shall be holidays for all employees of the Board:

New Year's Day	January 1
Martin Luther King Day	Third Monday in January
Presidents' Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11
Thanksgiving Day	Fourth Thursday in November
Thanksgiving Day	Following Friday
Christmas Day	December 25

In addition to the above holidays, one personal holiday shall be granted to each eligible employee annually to be scheduled with the employee's supervisor in accordance with procedures for vacation leave. Provisions for pro-rating the personal holiday for part-time and temporary employees and employees hired during the calendar year shall be established by administrative procedure.

When New Year's Day, Independence Day, Veteran's Day or Christmas falls on a Sunday, the following Monday shall be a holiday for all employees. When any one of these four (4) holidays falls on a Saturday, the preceding Friday shall be the holiday for all employees.

An employee being paid for less than a full payroll period shall earn holiday pay on a pro-rata basis for the payroll period in which the holiday falls. No new employees shall receive holiday pay for a holiday which occurs prior to his/her first day of work. No terminating employee shall receive holiday pay for a holiday which occurs after his/her last day of work.

VII. VACATION; SICK LEAVE; LEAVES OF ABSENCE

7.1 General Provisions Relating to Leaves with Pay. The accrual of vacation for employees in regular full-time positions shall commence on the first day of employment and shall continue until the termination of employment. Sick leave shall be credited to employees in regular full-time positions on the first pay period of the year. No vacation leave shall accrue during periods of layoff, suspension, or leave without pay. A full-time temporary employee whose appointment is for more than thirteen (13) weeks shall accrue vacation and sick leave in the same manner as regular full-time employees. Other temporary employees are not eligible for vacation and sick leave. Part-time employees, except interns, who work at least twenty (20) hours a week, and whose employee appointment is for at least thirteen (13) weeks shall earn vacation and sick leave on a pro-rated basis. Sick leave for eligible part-time employees shall be accrued on a bi-weekly basis. An eligible employee being paid for less than a full payroll period will accrue vacation leave on a pro-rated basis for that payroll period. The rate of accumulation of vacation leave shall be on the basis of total employer service credit, as defined in Section 11 of this Personnel Code. Changes in the rate of accumulation of vacation leave shall become effective at the beginning of the next payroll period following the completion of the specified amount of employment. Employees who do not return to work after a leave with pay may be terminated effective on the last day of the paid leave.

7.2 Vacation Leave. Regular full-time, probationary and eligible temporary and part-time employees (except interns) shall earn annual vacation with pay at the following rates or on a pro-rata basis in proportion to the following:

<u>Service Requirements</u>	<u>Accumulation Rate</u>
During the first three years of service.	Four hours per full payroll period.
After three years and up to six years of service.	Five hours per full payroll period.
After six years and up to eight years of service.	Six hours per full payroll period.
After eight years of service.	Seven hours per full payroll period.
After twenty years of service.	Eight hours per full payroll period.

The employee's supervisor shall approve employee requests to use accrued vacation leave and may deny such requests if the employee's absence at the requested time would be detrimental to the work schedule of the department. The supervisor will notify the Executive Director of such request for vacation leave.

Employees may not have an accumulation of more than 240 hours of unused vacation leave at the end of the calendar year. Any hours in excess of this maximum as of the end of the calendar year shall be forfeited unless used in the payroll period immediately following accrual.

When an employee is separated from Board employment by layoff, resignation, termination or death, the employee or the employee's heirs shall be paid for the amount of unused vacation time accumulated to his/her credit at the rate of pay he/she was receiving at the date of termination. An employee who is placed on an extended or indefinite leave of absence pursuant to Section 7.3 of this Code may be paid for the amount of unused vacation leave accumulated to his/her credit at the rate of pay he/she was receiving on the effective date of leave.

7.3 Sick Leave. Regular full-time, probationary, and temporary employees whose appointment is for more than 13 weeks, shall earn sick leave at the rate of twelve (12) days (96 hours) per calendar year. These employees shall be credited with this time on the first pay period of the year. An employee who has used more than the accumulated balance of sick leave will pay back the excess hours used to the agency at the end of the calendar year. There will be no limit as to the number of hours of sick leave that an employee may accumulate. An employee must go on long-term disability after 520 hours (13 weeks) of disability. An employee with more than 520 accumulated sick leave hours may choose to use this accumulated balance to supplement the long-term disability benefits until the accumulated balance is exhausted. Part-time employees, except interns, working more than twenty (20) hours a week shall earn sick leave on a pro-rated basis provided that the employee appointment is for more than thirteen (13) weeks.

An employee shall use sick leave in accordance with authorization by an appropriate supervisor and consistent with applicable policies and procedures established therefore. No employee will be reimbursed for accumulated sick leave outstanding at the time of termination or separation from Board employment.

7.4 Military Leave of Absence With Pay. Regular and probationary employees shall be entitled to a leave of absence with pay for services in the Armed Forces of the United States or the State of Minnesota in accordance with established legal requirements (Minnesota Statutes, Section 192.26).

7.5 Funeral Leave of Absence With Pay. In the event of death to the employee's spouse, parents, grandparents, court appointed guardians, children, brothers, sisters, or parents-in-law, the employee may be granted up to three (3) days of accumulated sick leave.

7.6 Other Leave of Absence With Pay. Any regular full-time or probationary employee may be granted a leave of absence with pay in connection with participation in: court or other quasi-judicial proceedings; or an authorized training program or professional meeting.

Employees subpoenaed as witnesses in matters relating to the Board shall receive authorized expense reimbursement and their regular compensation less any witness fees. Employees called for jury duty shall receive their regular compensation less jury pay. All leaves of absence must be authorized by the Executive Director in accordance with established procedures and should be authorized prior to the beginning of the leave. Any appearance in court or other quasi-judicial proceeding in a matter unrelated to Board activity shall be taken as vacation, leave of absence without pay or as a deduction from authorized accumulated compensatory time off and travel expenses shall not be reimbursed. Employees who do not return to work after leave of absence may be terminated effective on the last day of the paid leave.

7.7 Leaves of Absence Without Pay. An employee may be granted a leave of absence without pay by the Executive Director in connection with: service in the Federal or State Armed Forces; sickness or other disability; advance training or study beneficial to the Board; or for other good and sufficient purposes.

In conformance with the Minnesota Human Rights Act and the Pregnancy Discrimination Act disabilities caused or contributed to by pregnancy, childbirth, or related medical conditions shall be treated the same as disabilities caused or contributed to by other medical conditions.

An employee who is unable to perform work duties and responsibilities due to disabilities caused or contributed to by pregnancy, childbirth, or related medical conditions is eligible to use sick leave in accordance with Section 7.3 of the Personnel Code.

An employee who wishes to request a leave of absence for purposes of child care may request an unpaid leave of absence. The Executive Director shall approve any such leave of absence. This leave of absence shall be subject to the ability of the individual's work program to perform its essential functions in his/her absence at no increased expense to the Board. Leaves of absence without pay in excess of six (6) months for other than sickness or disability must be specifically authorized by the Board. A leave of absence without pay except one relating to military leave, may be cancelled by the Executive Director at any time upon prior written notice to the employee which specifies a reasonable date for termination of the leave and the employee's return to work. An employee not returning to work after an unpaid leave of absence may be terminated effective on the last day of the unpaid leave.

7.8 Leave of Absence Without Pay - Disability. An eligible employee who has exhausted accrued sick leave benefits, and who is deemed by proper medical evidence to be totally disabled, shall be granted a disability leave of absence without pay during the ninety (90) day waiting period for long-term disability insurance benefits.

An employee who is granted long-term disability benefits following the waiting period and who is eligible for a disability benefit under the Minnesota State Retirement System, shall be placed on an indefinite disability leave of absence without pay. Service credit shall not accrue during such leave. Unused vacation leave shall be paid as if the employee were terminating. Should the employee cease to be totally disabled, he/she may apply as an internal applicant for subsequent posted vacancies if his/her position has been filled.

An employee who is granted long-term disability benefits following the waiting period and who is not eligible for a disability benefit under the Minnesota State Retirement System shall normally be terminated when long-term disability benefits commence, except that the Executive Director may extend the disability leave of absence without pay for one (1) year with medical evidence that the employee can be expected to return to work within one (1) year. Service credit shall not accrue during this extended disability leave of absence without pay. At the request of the employee, unused vacation leave may be paid to the employee as if he/she were terminating. If an employee ceases to be totally disabled and if his/her original position has been filled, he/she may apply as an internal applicant for posted vacancies during the one (1) year extended leave. If the employee has not returned to work at the end of the extended leave he/she shall be terminated.

7.9 Unauthorized Absence. Unauthorized absences for work for a period of three (3) work days may be considered resignation without proper notice.

VIII. PERFORMANCE EVALUATION; DISCIPLINE; CONFLICT OF INTEREST

8.1 Performance Appraisal. The Executive Director shall establish, and implement by procedure an employee performance appraisal system governing all employees. This system shall include the establishment of goals and objectives for each position, the delegation of specific review responsibilities to supervisory employees, the development of specific written appraisals and appropriate participatory meetings between supervisors and employees. Performance appraisals for regular employees shall be completed at least annually, in writing, and state the level and adequacy of performance by the employee in all areas of his/her activity and responsibility. At the time of the appraisal, the supervisor shall meet with the employee, show him/her a copy of the written evaluation and present explanation.

An employee shall be required to sign the evaluation to acknowledge having seen it and may place written commentary concerning the appraisal in his/her personnel file. Probationary employees shall be appraised of their progress during the probationary period and a performance appraisal shall be completed prior to the termination of the probationary period. Performance appraisals shall be used, as appropriate, in making decisions concerning permanent status, promotion, training, pay increases and decreases, layoff, dismissal and other appropriate personnel actions.

8.2 Training Programs. The Executive Director may develop and implement employee training programs for the purpose of Board-related employee self-development and advancement. Such programs shall prescribe eligibility requirements for employees to take specialized training and be reimbursed for tuition or other necessary expenses in connection with such training programs and may contain appropriate provisions for reimbursement in the event of separation from Board service prior to utilization. Provisions may be made to permit employees to secure leaves of absence for the purpose of enrolling in courses of training appropriate to Board activities and provisions may also be made to permit qualified students to serve as interns or trainees to the Board.

8.3 Discipline. Upon recommendation from the employee's supervisor, the Executive Director may impose disciplinary action on employees for just cause. This recommendation for disciplinary action shall only be made after the supervisor and employee have met and discussed the situation and explored possible solutions to the problem. Examples of just cause include, but are not limited to, the following: incompetence, misconduct, theft of Board property and negligence. Disciplinary action normally takes the form of: oral reprimand, written reprimand, suspension, demotion, or dismissal. However, depending upon such considerations as the timeliness, severity, nature and other circumstances of an employee's activity, the disciplinary procedure may commence with any of the preceding actions.

8.4 Ethics and Conduct. No employee shall accept any gift, favor, or service that might reasonably tend to improperly influence his/her employment duties, nor use or attempt to use his/her position to secure special privileges or exemptions for himself/herself or others including but not limited to those in connection with appointment, proposed appointment; promotion or any advantage in connection with Board employment. Falsification of information in connection with an application for employment shall be grounds for dismissal.

8.5 Professional Dues. The Board shall not pay dues for employee membership in professional or other organizations unless agency memberships are not available and individual membership is the only means whereby the Board may receive necessary publications from said organization.

IX. SEPARATION; INTERGOVERNMENTAL TRANSFER OR EXCHANGE

9.1 Suspension, Demotion, Dismissal. The Executive Director may suspend, demote, or dismiss a regular employee in the classified service for incompetence, inefficiency, inappropriate performance, for disciplinary reasons and for other just cause. Dismissal for deficiencies in performance shall not occur until the regular employee has been given notice of such deficiency and an opportunity to improve. Suspension shall be without pay and benefits shall not accrue during any period of suspension. In the event of suspension, demotion or dismissal, a regular employee shall, upon his/her request, be furnished with a statement in writing setting forth the reasons for such action. Such employee may, within thirty (30) calendar days after such action becomes effective, file with the Administration and Finance Committee a written request for a hearing concerning the action stating his/her present mailing address and reasons for appeal. Upon receipt of a request for hearing, the committee shall act as an appeal board and preside at a hearing on the action taken by the Executive Director. Appeal hearings which involve information which might detrimentally affect an employee's reputation shall be

closed meetings for purposes of Minnesota Statutes, Section 471.705. The hearing shall be held within thirty (30) calendar days after the request is received by the committee and written notice of the hearing shall be mailed or delivered to the employee at his/her present mailing address not less than seven (7) calendar days before the hearing. The committee shall approve or disapprove the action of the Executive Director or remand the action for further disposition within fifteen (15) calendar days of the hearing. Approval or disapproval by the committee shall constitute final Board action on the matter. A majority vote shall be necessary for a committee determination in regard to these matters. In the event of disapproval, the committee shall order the payment to the employee of compensation lost as a result of the suspension, demotion or dismissal and shall reinstate the employee if he/she desires.

9.2 Separation of Other Employees. Temporary employees, employed interns, and employees in the unclassified service may be suspended, demoted or dismissed by the Executive Director for any reason and without cause or a right to appeal that decision to the Board or as a grievance under Section 10 of this Code. Severance pay shall be given to unclassified employees who are terminated involuntarily except that the Executive Director may deny such severance pay in cases of termination for flagrant misconduct. The amount of severance pay shall be in accord with the following schedule based on the total length of continuous, uninterrupted employment with the Board including service prior to the adoption of this policy. The Chair shall not be considered an unclassified employee for purposes of this policy and shall not be eligible for severance pay.

<u>Length of Employment</u>	<u>Severance Pay</u>
Less than 2 years	2 weeks
2 years but less than 3 years	3 weeks
3 years but less than 4 years	4 weeks
4 years but less than 5 years	5 weeks
5 years but less than 6 years	6 weeks
6 years but less than 7 years	7 weeks
7 or more years	8 weeks

9.3 Resignation. An employee may resign by submitting his resignation in writing to the Executive Director. An employee must give the Executive Director at least fourteen (14) calendar days prior notice.

9.4 Retirement. Sixty-five (65) shall be the normal retirement age for Board employees. Seventy shall be the mandatory retirement age. An employee may elect retirement prior to the normal retirement age in accordance with rules and requirements of the Minnesota State Retirement System or the Public Employee's Retirement Act.

9.5 Interagency Transfer. An employee of the metropolitan commissions, the State of Minnesota or any political subdivision in the State of Minnesota, transferring directly to an employment position with the Board shall have his/her vacation and sick leave accrual rate based on the service credit procedures of the Board. Any sick leave accrued as of the date of transfer shall automatically be transferred as an obligation of the Board. Any annual or vacation leave accrued as of the date of transfer may be paid the employee at that time by the originating agency or, at the option of the Board, be transferred. In the latter case, the agency from which the employee is transferring shall reimburse the Board for the amount of such accrued annual or vacation leave. An employee of the Board transferring to employment with any one of the above governmental units may be paid accrued vacation leave by the Board at the option of the agency to which he/she transfers.

9.6 Intergovernmental Exchange. An employee of the Board may be temporarily assigned to work for another government agency and an employee of another government agency may be accepted for temporary assignment with the Board if such an arrangement would benefit the Board. The status of such temporarily assigned employees shall be governed by agreements between the agency and Board concerning the payment and rate of salary, continuation of benefits, and accrual of vacation and sick leave. The Board shall approve any assignment exceeding six (6) months and in no event shall such an assignment exceed two (2) years.

X. GRIEVANCE PROCEDURE

10.1 Grievance. A dispute over the interpretation or application of this Personnel Code as specified in Section 11. Definitions.

10.2 General Provisions Relating to the Grievance Procedure. Employees shall have the right to present grievances individually or as a group or through their designated representatives. In so doing, employees shall be assured freedom from restraint, interference, discrimination and reprisal. An employee with a complaint which concerns a Board member but which does not fall within the definition of a grievance should bring it to the attention of the Executive Director who shall take appropriate action.

10.3 Procedure. Before filing a formal grievance, an employee shall discuss his/her complaint informally with his/her supervisor within thirty (30) calendar days after the occurrence of the event giving rise to the complaint, or within thirty (30) calendar days following the time the employee may have been reasonably expected to have learned of the event.

Step 1 - Presentation to Supervisor

If the complaint is not resolved informally, the employee shall present a written grievance to his/her supervisor within seven (7) calendar days following the informal meeting. The supervisor shall provide a written answer to the employee within fourteen (14) calendar days following such presentation. Such written record shall become part of the file on the grievance.

In the event that the employee feels that the nature of the grievance precludes presentation to the immediate supervisor the grievance may commence with Step 2 provided that an explanation for non-submission to the supervisor be included in the written grievance.

Step 2 - Appeal to Department Management

If the grievance is not resolved in Step 1, the aggrieved employee may, within fourteen (14) calendar days after receiving the supervisor's answer present the grievance in writing to the Department Director. The written grievance shall set forth the nature of the grievance, the facts relevant to the grievance, and the remedy requested. The Department Director shall give a written answer to the aggrieved employee within fourteen (14) calendar days following receipt of the written grievance.

Step 3 - Appeal to Executive Director

If the grievance is not resolved in Step 2, the aggrieved employee may, within fourteen (14) calendar days after receiving the Department Director's written answer, present the grievance to the Executive Director setting forth the nature of the grievance, relevant facts and opinion and the action requested. The Department Director shall provide the Executive Director with the written record of the grievance. The Executive Director may refuse to hear and act on the matter on the grounds that it is not a grievance, as so defined, and the Executive Director's decision in this regard shall be the final resolution of the matter. The Executive Director may request additional relevant facts or arguments not already a part of the record from the grievant, the employee's supervisor, the Department Director or others who may be knowledgeable about the matter such as the personnel office or staff counsel. If the Executive Director makes a determination without further process, the decision shall be delivered to the aggrieved employee in writing within ten (10) calendar days following receipt of the grievance.

10.3 Time Limits. If a grievance is not presented within the time limits set forth in Step 1 of this procedure, it is considered waived for purposes of the formal grievance procedure. If a grievance is not appealed within the time limits specified in each step, or within the time limits of an agreed upon extension, it shall be considered settled on the basis of the last answer. If an answer to a grievance is not provided within the time limit specified in each step, the employee may elect to treat the grievance as denied at that step, and immediately appeal the grievance to the next step. The time limits for each step may be extended by mutual written agreement of the parties involved.

XI. RECORDKEEPING AND PERSONNEL FILES

11.1 Recordkeeping. A system of recordkeeping procedures shall be established and maintained for matters pertaining to filling vacancies, attendance and leave, pay and status changes, performance appraisals and any other matters deemed necessary by the Executive Director or required by law.

11.2 Personnel Files. Personnel files of employees shall be safeguarded against unauthorized access for the protection of employees' personal privacy. An employee shall be permitted to review his/her personnel file under procedures which shall be prescribed by the Executive Director.

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 7, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Employee Fidelity Bond

At its meeting April 3, 1986, the Administration and Finance Committee reviewed the staff proposal to secure an Employee Fidelity Bond.

During the meeting, staff advised the committee that a premium quote of \$544.00 for a \$500,000 blanket bond covering the Manager of Accounting Operations and Treasury, Accountant, and Receptionist as recommended by the auditors has been received from United Pacific.

The committee approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board authorize the executive director to secure an Employee Fidelity Bond in the amount of \$500,000 for a premium of \$544.00 from United Pacific.

RUTH FRANKLIN
CHAIR

A&F432

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 31, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Employee Fidelity Bond

At its meeting on April 3, 1986, the Administration and Finance Committee will discuss the securing of an Employee Fidelity Bond. An oral report and recommendation will be presented at the April 7 board meeting.

Ruth Franklin
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 28, 1986
TO: Administration and Finance Committee
FROM: Bob Dietrick, Administrative Aide
SUBJECT: Employee Fidelity Bond

ACTION REQUESTED

It is requested that the Administration and Finance Committee authorize the executive director to secure an Employee Fidelity Bond in the amount of \$500,000.

BACKGROUND

At a previous Administration and Finance Committee meeting, a question was raised as to whether Regional Transit Board employees were covered by a Security Bond. We have looked into our insurance coverages and found that we have no one at the present time covered by a Security (Fidelity) Bond. Our auditors, Deloitte Haskins & Sells, have recommended that we purchase an Employee Fidelity Bond for those employees who physically handle large receipts and checks. At this time, that would be three employees: the Manager of Accounting Operations, the Accountant I and the Receptionist. Conversations with parties like ourselves have led us to recommend a coverage in the amount of \$500,000.

At the present time, we have not requested a formal quote from our insurance agent, Cedarleaf, Cedarleaf, & Cedarleaf, Inc., for the amount of \$500,000. We have received an estimate that this coverage would be approximately \$500 per employee covered, for a total of approximately \$1500.00. This compares to a cost of \$345 for \$100,000 coverage. It should be noted that the individuals that are proposed to be covered handle very large receipts and checks which may at times be in excess of \$1,000,000. The coverage of \$500,000 is expensive and with the insurance market being as tight as it is, we may have trouble finding a company that will write this insurance. If the committee feels that we do need this level of coverage, we would recommend that the committee authorize staff to seek a quote for a \$500,000 Employee Fidelity Bond.

RECOMMENDATION

It is recommended that the Administration and Finance Committee authorize the executive director to secure an Employee Fidelity Bond in the amount of \$500,000 for a premium of approximately \$1500.00.

RD001B

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 7, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Financial Statements (Year's End)

At its meeting April 3, 1986, the Administration and Finance Committee reviewed the year end 1985 financial statements and approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board approve the year end 1985 financial statements and direct they be placed on file subject to final approvals with acceptance of audited reports.

RUTH FRANKLIN
CHAIR

A&F432

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 31, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Financial Statements (Year's End)

At its meeting on April 3, 1986, the Administration and Finance Committee will review the year end 1985 financial statements. An oral report and recommendation will be presented at the April 7 board meeting.

Ruth Franklin
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 1, 1986
TO: Regional Transit Board
FROM: Gerald Brechlin, Manager of Accounting Operations & Treasury
SUBJECT: Financial Statements as of December 31, 1985

Attached please find revised copies of the materials sent to you in the Administration and Finance Committee packet dated March 28, 1986.

Attachment
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REGIONAL TRANSIT BOARD
COMBINED BALANCE SHEET - ALL FUNDS & ACCOUNT GROUPS
DECEMBER 31, 1985

Unaudited*

	Governmental Fund Types		Account Group	Totals (Memorandum Only)	
	General	Special Revenue	Gen. Fixed Assets	1985	1984
ASSETS					
Cash & Temporary Cash Investments	\$246,389	\$ 9,926	\$	\$ 256,315	\$436,200
Cash with Fiscal Agent		16,952,695		16,952,695	
Investments at Cost	235,622	2,250,030		2,485,652	
Receivables (net of allowance for uncollectibles):					
Taxes		1,631,733		1,631,733	
Accrued Interest	1,167	180,970		182,137	
Due From Other Funds	13,170			13,170	
Due From Other Governmental Units	293,846			293,846	176,384
Furniture & Equipment			96,985	96,985	3,110
TOTAL ASSETS	\$790,194	\$21,025,354	\$96,985	\$21,912,533	\$615,694
LIABILITIES & FUND EQUITY					
LIABILITIES:					
Accounts Payable	\$ 19,975	\$ 58,970	\$	\$ 19,975	\$163,060
Contracts Payable				58,970	
Accrued Liabilities	61,162			61,162	10,059
Due to Other Governmental Units	168,310	820,180		988,490	
Due to Other Funds		13,170		13,170	
Deferred Revenue		1,284,535		1,284,535	
Tax Anticipation Notes Payable		16,500,000		16,500,000	
Accrued Interest Payable-Notes		688,050		688,050	
Total Liabilities	\$249,447	\$19,364,905	\$	\$19,614,352	\$173,119
FUND EQUITY:					
Investment in General Fixed Assets	\$	\$	\$96,985	\$ 96,985	\$ 3,110
Fund Balances:					
Reserved		1,631,872		1,631,872	
Unreserved:					
Designated for Subsequent Years' Expenditures	540,747			540,747	439,465
Undesignated		28,577		28,577	
Total Fund Balances	\$540,747	\$1,660,449	\$96,985	\$2,298,181	\$442,575
TOTAL LIABILITIES & FUND EQUITY	\$790,194	\$21,025,354	\$96,985	\$21,912,533	\$615,694

REGIONAL TRANSIT BOARD
 COMBINED STATEMENT OF REVENUES, EXPENDITURES & CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED DECEMBER 31, 1985

	Unaudited*				
	Governmental Fund Types		Account Group	Totals (Memorandum Only)	
	General	Special Revenue	Gen. Fixed Assets	1985	1984
REVENUES:					
Taxes	\$	\$35,767,574		\$35,767,574	\$
Federal Grant	231,371			231,371	
State Grants	1,175,318	10,045,094		11,220,412	747,660
Interest	30,637	258,972		289,609	13,541
Miscellaneous Revenue	1,528			1,528	
Total Revenue	<u>\$1,438,854</u>	<u>\$46,071,640</u>		<u>\$47,510,494</u>	<u>\$761,201</u>
EXPENDITURES:					
Transit Provider Assistance	\$	\$43,577,596		\$43,577,596	\$
Interest Expense - Tax Anticipation Notes		688,050		688,050	
Professional & Technical Services	171,694	130,898		302,592	161,627
Metropolitan Planning Charges	213,555			213,555	
Salaries & Benefits	573,712			573,712	83,849
Per Diems	47,950			47,950	20,950
Personnel Travel, Training & Development	83,314			83,314	14,829
Printing & Publications	18,747			18,747	5,162
Rent & Utilities	52,010			52,010	21,971
Office Services	85,843			85,843	
Insurance & Miscellaneous	10,042	1,477		11,519	10,238
Total Expenditures	<u>\$1,256,867</u>	<u>\$44,389,021</u>		<u>\$45,654,888</u>	<u>\$318,626</u>
OTHER FINANCING SOURCES (USES):					
Capital Expenditure Transfers	(\$93,875)		\$93,875		\$ 3,110
Other Operating Transfers	13,170	(\$13,170)			
Total Other Financing Sources (Uses)	<u>(\$80,705)</u>	<u>(\$13,170)</u>	<u>\$93,875</u>		<u>\$ 3,110</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES & OTHER USES	\$101,282	\$1,660,449	\$93,875	\$1,855,606	\$439,465
FUND BALANCE - JANUARY 1	<u>\$439,465</u>		<u>\$ 3,110</u>	<u>\$ 442,575</u>	<u>\$</u>
FUND BALANCE - DECEMBER 31	<u>\$540,747</u>	<u>\$1,660,449</u>	<u>\$96,985</u>	<u>\$2,298,181</u>	<u>\$439,465</u>

*The financial statements are unaudited. Audited statements are scheduled to be available upon request by May 31, 1986.

REGIONAL TRANSIT BOARD
1985 YEAR END BUDGET REPORT

	1985 Work Program & Budget 2/4/85	Budget Revision 4/1/85	Budget Revision 12/16/85	1985 Revenues & Expenses	Net Over (Under) Budget ¹
<u>Revenues</u>					
<u>RTB Administration</u>					
Federal Grant - Umta	\$313,000	\$313,000	\$313,000	\$231,371.07	(\$81,628.93)
State Grant - Administration					
FY 85 (July-Dec 84)*	302,776				
FY 85 (Jan-June 85)	527,760				
FY 86 (July-Dec 85)	549,750				
Subtotal	<u>1,693,286</u>	<u>1,103,493</u>	<u>1,103,493</u>	<u>1,086,240.00</u>	<u>(17,253.00)</u>
State Grant - Transit Study				89,078.29	89,078.29
Interest Income	44,700	44,700	44,700	30,637.30	(14,062.70)
Miscellaneous Income				1,527.96	1,527.96
Subtotal RTB Administration	<u>1,737,986</u>	<u>1,461,193</u>	<u>1,461,193</u>	<u>1,438,854.62</u>	<u>(22,338.38)</u>
<u>Property Tax Funds</u>					
Transit Assistance	41,293,000	41,293,000	41,293,000	39,609,634.87	(1,683,365.13)
Debt Service - MTC				4,453,033.75	4,453,033.75
Subtotal Taxes	<u>41,293,000</u>	<u>41,293,000</u>	<u>41,293,000</u>	<u>44,062,668.62</u>	<u>2,769,668.62</u>
Interest Income					
Tax Revenues				13,256.15	13,256.15
Note Proceeds				45,415.98	45,415.98
Escrow Account				171,722.20	171,722.20
Subtotal Interest				<u>230,394.33</u>	<u>230,394.33</u>
Subtotal Property Tax Funds	<u>41,293,000</u>	<u>41,293,000</u>	<u>41,293,000</u>	<u>44,293,062.95</u>	<u>3,000,062.95</u>
<u>State Planning Grant</u>					
Grant Revenues				1,750,000.00	1,750,000.00
Interest Income				28,577.41	28,577.41
Subtotal Planning Grant Funds				<u>1,778,577.41</u>	<u>1,778,577.41</u>
<u>State Grant - Transit Assistance**</u>					
MTC	7,130,000				
Opt Out Communities	365,950				
Private Operators	516,350				
Metro Mobility	2,675,000				
Rural/Small Urban	408,350				
Subtotal State Transit	<u>11,095,650</u>				
Total Revenues	<u>54,126,636</u>	<u>42,754,193</u>	<u>42,754,193</u>	<u>47,510,494.98</u>	<u>4,756,301.98</u>

* Originally Classified as Revenue
** Responsibility for State Funds Initiated in 1986

REGIONAL TRANSIT BOARD
1985 YEAR END BUDGET REPORT

	1985 Work Program & Budget 2/4/85	Budget Revision 4/1/85	Budget Revision 12/16/85	1985 Revenues & Expenses	Net Over (Under) Budget
<u>Expenditures</u>					
<u>RTB Administration & Planning</u>					
Salaries Benefits	\$696,226	\$574,831	\$585,000	\$573,711.55	(\$11,288.45)
RTB Board Expenses	99,776	99,776	84,700	85,905.63	1,205.63
Computer Expenses	36,000	36,000	12,000	12,083.86	83.86
Services: Legal	113,643	113,643	62,000	58,407.91	(3,592.09)
Services: Consultant	152,643	152,643	112,000	113,286.49	1,286.49
Employ: Recruitment	3,500	3,500	15,000	14,950.19	(49.81)
Employ: Training	5,000	5,000	800	409.00	(391.00)
Employ: Fees	3,900	3,900	10,000	9,408.50	(591.50)
Employ: Dues	2,400	2,400	3,500	2,765.00	(735.00)
Travel: Non Local	18,400	18,400	12,500	11,468.49	(1,031.51)
Travel: Local	10,000	10,000	8,000	6,357.02	(1,642.98)
Rent & Utilities	22,000	45,000	43,500	42,203.51	(1,296.49)
Office: Improvements & Fixed Assets	40,000	60,000	100,000	113,349.92	13,349.92
Office: Equipment Rental	8,600	8,600	14,500	15,855.96	1,355.96
Office: Maintain	4,200	4,200	1,500	1,191.76	(308.24)
Office: Supplies	37,300	37,300	23,500	15,080.52	(8,419.48)
Communicate: Phones	6,500	18,000	21,000	9,806.85	(11,193.15)
Communicate: Postage	25,000	25,000	9,000	8,996.51	(3.49)
Communicate: Notices	3,000	3,000	6,000	5,551.57	(448.43)
Duplicating/Printing	66,100	60,300	20,500	18,747.79	(1,752.21)
Met Council - Planning	200,000	125,000	206,000	213,554.46	7,554.46
Miscellaneous	10,000	10,000	10,500	17,649.78	7,149.78
Contingencies	173,798				
Transit Provider Administration				(13,169.94)	(13,169.94)
Subtotal RTB Admin. & Planning	<u>1,737,986</u>	<u>1,416,493</u>	<u>1,361,500</u>	<u>1,337,572.33</u>	<u>(23,927.67)</u>
<u>RTB Planning Grant</u>					
Services: Consultant			75,000	118,128.27	43,128.27
<u>Transit Provider Expenses - Tax Fund</u>					
Transit Assistance (Property Taxes)	41,293,000	41,293,000	41,293,000	39,124,562.69	(2,168,437.31)
Debt Service - MTC				4,453,033.75	4,453,033.75
Interest on Tax Anticipation Notes				688,050.00	688,050.00
Miscellaneous Expense				14,246.57	14,246.57
Transit Provider Administration				13,169.94	13,169.94
Subtotal - Tax Funds	<u>41,293,000</u>	<u>41,293,000</u>	<u>41,293,000</u>	<u>44,293,062.95</u>	<u>3,000,062.95</u>
<u>Transit Provider Expenses - State Funds**</u>					
MTC Operating	7,130,000				
Opt Out	365,950				
Private Operators	516,350				
Metro Mobility	2,675,000				
Rural/Small Urban	408,350				
Subtotal - State Funds	<u>11,095,650</u>				
Total Expenses	<u>54,126,636</u>	<u>42,709,493</u>	<u>42,729,500</u>	<u>45,748,763.55</u>	<u>3,019,263.55</u>
Excess of Revenues Over Expenses	-0-	44,700	24,693	1,761,731.43	1,737,038.43
Beginning Fund Balances*	302,776	302,776	302,776	439,464.75	
Ending Fund Balances	<u>302,776</u>	<u>347,476</u>	<u>327,469</u>	<u>2,201,196.18</u>	

* Originally Classified as Revenue

** Responsibility for State Funds Initiated in 1986

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

*Ref back to
Committee*

DATE: April 7, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Approval to Amend the Agreement and Conclude Consulting Services of Subhash Mundle and Associates for the Development of Regional Financial and Performance Standards, Resolution No. 86-_____

At its meeting April 3, 1986, the Administration and Finance Committee reviewed the staff proposal to amend the Regional Transit Board's agreement with the Metropolitan Transit Commission (MTC) to reimburse fifty-percent of the consulting services contract of Subhash Mundle and Associates for the development of Regional Financial and Performance Standards.

The Administration and Finance Committee memorandum incorrectly stated the total contract cost as \$18,811, correctly \$18,480, and did not restate the fifty-percent direct out-of-pocket expense provision totaling \$6,272.63. RTB's obligation is \$9,240 labor plus \$3,136.32 expenses for a total of \$12,376.32 to close out the agreement.

The committee approved a recommendation to amend the contract to close it out, which with corrected figures would be the following recommendation:

RECOMMENDATION:

That the Regional Transit Board authorize the executive director to amend the Regional Transit Board's agreement with the Metropolitan Transit Commission to reimburse MTC an additional \$3,132.42 for fifty-percent of labor costs plus fifty-percent direct out-of-pocket expenses of the Subhash Mundle and Associates contract, total not to exceed \$12,136.32.

RUTH FRANKLIN
CHAIR

Attachment: Revised Resolution
A&F433

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, St. Paul, MN 55101

RESOLUTION NO. 86-

RESOLUTION

Approving an Amended Agreement and Conclusion of Consulting Services of Subhash Mundle and Associates for the Development of Regional Financial and Performance Standards

WHEREAS, The Regional Transit Board (hereinafter called the RTB) is jointly involved with the Metropolitan Transit Commission (hereinafter called the MTC) in a Joint RTB/MTC Committee to develop financial and performance standards for regular route transit service in the metropolitan area; and

WHEREAS, The MTC retained the services of Subhash Mundle of Mundle and Associates to assist with the development of regional financial and performance standards; and

WHEREAS, The RTB, date of October 21, 1985, agreed to share in the expenses of the contract with Mundle and Associates and to reimburse the MTC for an amount not to exceed \$7,500 plus fifty-percent of direct out-of-pocket expenses of said contract; and

WHEREAS, The expenses associated with Mr. Mundle's assignment exceed the contracted \$15,000 due a request of MTC and RTB staff that Mr. Mundle complete some work beyond the original scope of work.

NOW, THEREFORE, BE IT RESOLVED:

1. THAT the RTB authorize the executive director to amend the contract with the MTC to reimburse MTC an additional \$3,132.42 for fifty-percent of labor costs plus fifty-percent direct out-of-pocket expenses of the Subhash Mundle and Associates contract, total not to exceed \$12,136.32.

Adopted this _____ day of _____, 1986.

Elliott Perovich, Chairman

Mary Fitzgerald, Secretary

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 7, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Approval to Amend the Agreement and Conclude Consulting Services of Subhash Mundle and Associates for the Development of Regional Financial and Performance Standards, Resolution No. 86-_____

At its meeting April 3, 1986, the Administration and Finance Committee reviewed the staff proposal to amend the Regional Transit Board's agreement with the Metropolitan Transit Commission (MTC) to reimburse fifty-percent of the consulting services contract of Subhash Mundle and Associates for the development of Regional Financial and Performance Standards.

The Administration and Finance Committee memorandum incorrectly stated the total contract cost as \$18,811, correctly \$18,480, and did not restate the fifty-percent direct out-of-pocket expense provision totaling \$6,272.63. RTB's obligation is \$9,240 labor plus \$3,136.32 expenses for a total of \$12,376.32 to close out the agreement.

The committee approved a recommendation to amend the contract to close it out, which with corrected figures would be the following recommendation:

RECOMMENDATION:

That the Regional Transit Board authorize the executive director to amend the Regional Transit Board's agreement with the Metropolitan Transit Commission to reimburse MTC an additional \$3,132.42 for fifty-percent of labor costs plus fifty-percent direct out-of-pocket expenses of the Subhash Mundle and Associates contract, total not to exceed \$12,136.32.

RUTH FRANKLIN
CHAIR

Attachment: Revised Resolution
A&F433

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 7, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Metro Mobility Computer System Review

At its meeting April 3, 1986, the Administration and Finance Committee reviewed the staff proposal to enter into contract for consulting services for the Metro Mobility computer system.

The committee approved the following recommendation. (The purpose of the consulting services is to assist staff with a review of the Metro Mobility computer system and to assess options for upgrading the present system as part of the reorganization of Metro Mobility.)

RECOMMENDATION:

That the Regional Transit Board authorize the executive director to enter into contract for consulting services with the firm Arthur-Young for an amount not to exceed \$6,500.

RUTH FRANKLIN
CHAIR

A&F432

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

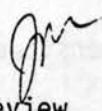
DATE: March 31, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Metro Mobility Computer System Consultant
Contract Approval

At its meeting on April 3, 1986, the Administration and Finance Committee will be discussing the Metro Mobility computer system as relates to the reorganization of Metro Mobility service. An oral report and recommendation will be presented at the April 7 board meeting.

Ruth Franklin
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 28, 1986
TO: Administration and Finance Committee
FROM: Judith McCourt, Programs Manager 
SUBJECT: Metro Mobility Computer System Review

Action Requested:

Authorization is requested for the executive director to enter into contract for consulting services with the firm of Arthur Young for an amount not to exceed \$6,500. The purpose of the consulting services is to assist staff with a review of the Metro Mobility computer system and to assess options for upgrading the present system as part of the reorganization of Metro Mobility.

Discussion:

The Metro Mobility program acquired the present computer system in 1983. The acquisition resulted in the automation of many functions that were previously completed manually. When the system was purchased, the monthly ridership was estimated to be in the range of 30,000-33,000. Currently the system is providing more than 42,000 rides per month. While the system can handle the current ridership, it is clear that additional ridership would substantially tax the system.

The restructuring of Metro Mobility will require some modifications to the current computer system to allow interactive capability between the providers and the transportation management center. There is also the question of additional ridership, increased certification, and the capability of the present system to meet those demands.

In order to ensure that the restructuring of Metro Mobility can occur by October 1986, decisions regarding the computer system need to be made immediately.

Staff has begun to analyze the need to upgrade the computer and to identify the role of the computer and the specific functions that it will be required to complete in the context of a modified userside subsidy approach. Technical expertise is needed at this point to assist in validating an internal recommendation to upgrade the current system.

The firm of Arthur Young was contacted because of their knowledge of computer system applications and their specific knowledge of WICAT, the current Metro Mobility system. Arthur Young submitted a proposal--Attachment One--that outlines the proposed process for completing the review.

Arthur Young has a strong understanding of computer hardware and software and is able to complete the system review within the desired timeframe. The recommendation to upgrade the computer will be part of the implementation plan that will be presented to the Regional Transit Board in June. The projected cost for the analysis is \$6,500.

Findings and Conclusions:

- o The current Metro Mobility computer system will need to be modified to successfully implement the restructuring of Metro Mobility.
- o Staff has conducted a preliminary review of the current system and has identified an option for upgrading it. Staff lacks the technical expertise to verify the recommendation and to identify other options for the upgrade.
- o The firm of Arthur Young is familiar with software and hardware options that are available to complete the upgrade. They can complete the review within the required timeframe and they have substantial experience with transit applications.

Recommendation:

That the Administration and Finance Committee authorize the executive director to enter into contract for consulting services with the firm of Arthur Young for an amount not to exceed \$6,500. The purpose of the consulting services is to assist staff with a review of the Metro Mobility computer system and to assess options for upgrading the present system as part of the reorganization of Metro Mobility.

JM:jmo



Arthur Young

1000 Pillsbury Center
Minneapolis, Minnesota 55402
Telephone: (612) 343-1000

March 19, 1986

Ms. Judith McCourt
Regional Transit Board
270 Metro Square
St. Paul, Minnesota 55101

Dear Ms. McCourt:

Earlier this week we discussed the possibility of Arthur Young & Company assisting the RTB in analyzing the need to upgrade the Metro Mobility project computer system. This proposal is based on those discussions. I think it addresses your needs, and is within your anticipated budget for outside consultants.

You are asking us to assist in validating the internal recommendation to acquire a larger WICAT minicomputer to handle the Mobility trip reservation and dispatching system. Specifically, you have asked us to comment on what has been done to develop the recommendation, and to briefly determine whether there are other packages available to consider. You also have some questions about the hardware and its ability to expand to meet future needs. Dave Naiditch of the MTC has developed the computer recommendation informally, but has not produced the formal report to the RTB for its approval.

During our discussions with you, Dave, and Mark Ryan, we expressed our understanding of what you are looking for. This would include the following questions:

- ° Is the current software system adequate for your needs, or are there many potential changes and enhancements which users want? Is the system operationally smooth enough to allow external (that is, non-RTB) personnel to use it?
- ° Is the recommendation fully developed, in terms of cost/benefits, alternatives, sizing, and volume projections?
- ° Are there alternatives to the current software?

Ms. Judith McCourt
March 19, 1986
Page 2

- ° Is the hardware likely to be adequate in terms of expansion capability, beyond this configuration?

We have developed a work plan to answer these questions, and to help you gather the material you will need to present the computer enhancement part of your recommendations to the Board. This work plan assumes that we are primarily reviewing your staff's work and that we do not run into any major problems during the project. There are five steps:

- Step 1: Preliminary meetings and project kickoff, including reviewing the recommendation development to date (10 hours). We would meet with RTD and MTC project personnel and review the current system and its performance. We will also mutually decide on the interviewees and set the schedule for the remainder of the project.
- Step 2: Interviews (24 hours). One of our greatest concerns is that there may be a considerable pent-up demand for changes to the software -- changes which will be needed to use it effectively in your new environment. Therefore, we will interview representatives of your major user communities to assess their perceived needs. The user groups we will survey will include:
- ° RTB Project Mobility managers
 - ° Service providers
 - ° Terminal users
- Step 3: Hardware review (4 hours). We will review the adequacy of your definition of the hardware requirements for the new system, and will review manufacturer's specifications for the proposed order.
- Step 4: Interim report (20 hours). This will include consolidating our findings and preparing a letter report to you. We will identify other candidate dispatching packages which are potentially usable for this application. We will perform this task in conjunction with RTB and MTC staff so that there is internal agreement with our findings.
- Step 5: Final report (7 hours). Our interim report may suggest that your staff study further issues or develop clarifying material for your recommendation to the

Ms. Judith McCourt
March 19, 1986
Page 3

Board. Task 5 will include reviewing these findings and preparing a final report.

Our fee for performing this work will not exceed \$5,800 plus out-of-pocket expenses for travel, communications, and clerical support. These expenses are charged at our actual costs and typically do not exceed 10-12% of the fee total. We bill monthly for fees and expenses. We are assuming that our work on the project will be completed and the final report will be in your hands prior to the first of May.

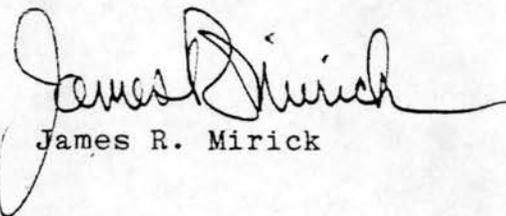
This project is being completed with an aggressive schedule and with a minimum of "hard" data for us to begin with. More typically, we have the draft of the board recommendation to work with. This is not the case in this situation. We may find things during the course of the engagement which would prevent us from completing the work as we have defined it above, or which would require more work to resolve. If this situation occurs, we will notify you and present our suggestions on what needs to be done. Our work is at all times under your control, and we will not deviate from this work plan unless it is with your approval. We will bill only for the work we actually perform.

The work will be performed by Mr. Peter Simpson, a manager in our office with extensive experience in the transportation industry, including experience with reservation and dispatching systems. I will supervise him and conduct the more technical aspects of the work. I have performed significant work for several transit properties, including several large engagements for the MTC.

We look forward to working with you on this project, and we are prepared to start immediately when we receive your approval to proceed.

Very truly yours,

ARTHUR YOUNG & COMPANY


James R. Mirick

REGIONAL TRANSIT BOARD

added C. I.

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 7, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Contract for Computer Programming

At its meeting April 3, 1986, the Administration and Finance Committee reviewed the Albers Associates, Inc. retainer contract proposal and approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board authorize the executive director to execute a retainer contract with Albers Associates, Inc., for computer programming services not to exceed 100 hours at \$45 per hour.

RUTH FRANKLIN
CHAIR

A&F432

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

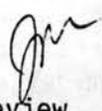
DATE: March 31, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Metro Mobility Computer System Consultant
Contract Approval

At its meeting on April 3, 1986, the Administration and Finance Committee will be discussing the Metro Mobility computer system as relates to the reorganization of Metro Mobility service. An oral report and recommendation will be presented at the April 7 board meeting.

Ruth Franklin
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: March 28, 1986
TO: Administration and Finance Committee
FROM: Judith McCourt, Programs Manager 
SUBJECT: Metro Mobility Computer System Review

Action Requested:

Authorization is requested for the executive director to enter into contract for consulting services with the firm of Arthur Young for an amount not to exceed \$6,500. The purpose of the consulting services is to assist staff with a review of the Metro Mobility computer system and to assess options for upgrading the present system as part of the reorganization of Metro Mobility.

Discussion:

The Metro Mobility program acquired the present computer system in 1983. The acquisition resulted in the automation of many functions that were previously completed manually. When the system was purchased, the monthly ridership was estimated to be in the range of 30,000-33,000. Currently the system is providing more than 42,000 rides per month. While the system can handle the current ridership, it is clear that additional ridership would substantially tax the system.

The restructuring of Metro Mobility will require some modifications to the current computer system to allow interactive capability between the providers and the transportation management center. There is also the question of additional ridership, increased certification, and the capability of the present system to meet those demands.

In order to ensure that the restructuring of Metro Mobility can occur by October 1986, decisions regarding the computer system need to be made immediately.

Staff has begun to analyze the need to upgrade the computer and to identify the role of the computer and the specific functions that it will be required to complete in the context of a modified userside subsidy approach. Technical expertise is needed at this point to assist in validating an internal recommendation to upgrade the current system.

The firm of Arthur Young was contacted because of their knowledge of computer system applications and their specific knowledge of WICAT, the current Metro Mobility system. Arthur Young submitted a proposal--Attachment One--that outlines the proposed process for completing the review.

Arthur Young has a strong understanding of computer hardware and software and is able to complete the system review within the desired timeframe. The recommendation to upgrade the computer will be part of the implementation plan that will be presented to the Regional Transit Board in June. The projected cost for the analysis is \$6,500.

Findings and Conclusions:

- o The current Metro Mobility computer system will need to be modified to successfully implement the restructuring of Metro Mobility.
- o Staff has conducted a preliminary review of the current system and has identified an option for upgrading it. Staff lacks the technical expertise to verify the recommendation and to identify other options for the upgrade.
- o The firm of Arthur Young is familiar with software and hardware options that are available to complete the upgrade. They can complete the review within the required timeframe and they have substantial experience with transit applications.

Recommendation:

That the Administration and Finance Committee authorize the executive director to enter into contract for consulting services with the firm of Arthur Young for an amount not to exceed \$6,500. The purpose of the consulting services is to assist staff with a review of the Metro Mobility computer system and to assess options for upgrading the present system as part of the reorganization of Metro Mobility.

JM:jmo



Arthur Young

1000 Pillsbury Center
Minneapolis, Minnesota 55402
Telephone: (612) 343-1000

March 19, 1986

Ms. Judith McCourt
Regional Transit Board
270 Metro Square
St. Paul, Minnesota 55101

Dear Ms. McCourt:

Earlier this week we discussed the possibility of Arthur Young & Company assisting the RTB in analyzing the need to upgrade the Metro Mobility project computer system. This proposal is based on those discussions. I think it addresses your needs, and is within your anticipated budget for outside consultants.

You are asking us to assist in validating the internal recommendation to acquire a larger WICAT minicomputer to handle the Mobility trip reservation and dispatching system. Specifically, you have asked us to comment on what has been done to develop the recommendation, and to briefly determine whether there are other packages available to consider. You also have some questions about the hardware and its ability to expand to meet future needs. Dave Naiditch of the MTC has developed the computer recommendation informally, but has not produced the formal report to the RTB for its approval.

During our discussions with you, Dave, and Mark Ryan, we expressed our understanding of what you are looking for. This would include the following questions:

- Is the current software system adequate for your needs, or are there many potential changes and enhancements which users want? Is the system operationally smooth enough to allow external (that is, non-RTB) personnel to use it?
- Is the recommendation fully developed, in terms of cost/benefits, alternatives, sizing, and volume projections?
- Are there alternatives to the current software?

Ms. Judith McCourt
March 19, 1986
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- Is the hardware likely to be adequate in terms of expansion capability, beyond this configuration?

We have developed a work plan to answer these questions, and to help you gather the material you will need to present the computer enhancement part of your recommendations to the Board. This work plan assumes that we are primarily reviewing your staff's work and that we do not run into any major problems during the project. There are five steps:

- Step 1: Preliminary meetings and project kickoff, including reviewing the recommendation development to date (10 hours). We would meet with RTD and MTC project personnel and review the current system and its performance. We will also mutually decide on the interviewees and set the schedule for the remainder of the project.
- Step 2: Interviews (24 hours). One of our greatest concerns is that there may be a considerable pent-up demand for changes to the software -- changes which will be needed to use it effectively in your new environment. Therefore, we will interview representatives of your major user communities to assess their perceived needs. The user groups we will survey will include:
- RTB Project Mobility managers
 - Service providers
 - Terminal users
- Step 3: Hardware review (4 hours). We will review the adequacy of your definition of the hardware requirements for the new system, and will review manufacturer's specifications for the proposed order.
- Step 4: Interim report (20 hours). This will include consolidating our findings and preparing a letter report to you. We will identify other candidate dispatching packages which are potentially usable for this application. We will perform this task in conjunction with RTB and MTC staff so that there is internal agreement with our findings.
- Step 5: Final report (7 hours). Our interim report may suggest that your staff study further issues or develop clarifying material for your recommendation to the

Ms. Judith McCourt
March 19, 1986
Page 3

Board. Task 5 will include reviewing these findings and preparing a final report.

Our fee for performing this work will not exceed \$5,800 plus out-of-pocket expenses for travel, communications, and clerical support. These expenses are charged at our actual costs and typically do not exceed 10-12% of the fee total. We bill monthly for fees and expenses. We are assuming that our work on the project will be completed and the final report will be in your hands prior to the first of May.

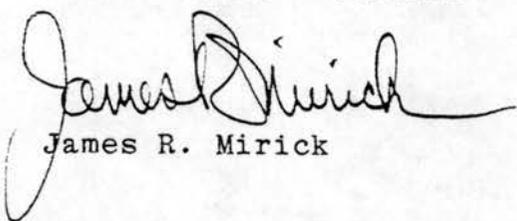
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Very truly yours,

ARTHUR YOUNG & COMPANY


James R. Mirick

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: April 4, 1986
TO: Joe Sizer, Director of Intergovernmental Section, State Planning
FROM: Elliott Perovich, Chairman, Regional Transit Board
SUBJECT: Legislative Trends and Issues

Per your request, I am conveying information to you on some potential policy issues that are becoming apparent based on legislative actions during this year's legislative session. If I can be of assistance in providing more insight on these issues, please give me a call.

1. A stabilized funding source for the state's transit assistance monies.

There is a need to examine alternative ways to fund transit assistance and provide a more stabilized funding source, other than the conventional legislative appropriation process. Transit has few advocates in the legislature and has absorbed a significantly higher percentage of budget reductions than the averages. The reduction this year was 9.1 percent of our original 1985 appropriation. Most importantly, the delivery of transit services needs to be planned and analyzed over extended periods and it is extremely difficult to plan an efficient and cost-effective system without knowing what amount of funds will be available and how they may fluctuate each budget cycle.

Some alternative ideas for state funding of transit that we may want to examine include:

- o A reliable dedicated source of revenue:
 - Gas tax - requires constitutional change
 - Sales tax - gasoline, parking
- o Continued acceleration of Motor Vehicle Excise Tax (MVET) monies as supplemental funding

2. Examination of the current statutory language concerning the property tax levy.

Current law assesses property taxes to support transit service at a 2.0, 1.5, and 1.25 mill rate, based on the level of transit service each particular community receives. Major modification of this tax feathering plan should be analyzed with the insight of local governmental officials, legislators and transit providers.

Modification of the tax levy may be needed to encourage the development of local transit services in suburban communities and to find a more equitable way for communities to be assessed for bus service that they actually receive.

Joe Sizer
April 4, 1986
Page Two

Some options to examine include:

- o Revised service parameters for mill levies
- o Caps on mill increases for opt-out communities
- o Revised feathering formula

3. Competitive bidding for some transit service should be placed into practice.

The use of competitive bidding for some delivery of transit service has emerged in several legislative discussions, especially in the House. Competitive bidding, or privatization, has been a major topic at the federal level by Urban Mass Transit Agency (UMTA) as a way to provide transit service cost-effectively.

Consideration is being given to look at competitive bidding as a way to improve suburban transit service, in terms of local systems, as well as, replacing some of the least productive MTC routes. It is also being used in a new implementation strategy for delivering Metro Mobility service. Legislative changes may be needed to make more competitive bidding possible in terms of insurance, worker's compensation issues and funding of operating assistance and capital investment.

MK001A