



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

Monday, November 17, 1986
Council Chambers
4:00 p.m.

AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. Approval of Minutes of October 20 and October 27, 1986, Regional Transit Board Meetings
4. Certification of 1987 Property Taxes, Res. No. 86-22
5. CONSENT LIST
6. REPORT OF THE POLICY COMMITTEE Todd Lefko,
Chair
 - A. Metropolitan Transit Commission Recommendation to Terminate Sunday and Holiday Service on Minneapolis Route 1
 - B. RTB Response to Pre-Drafting Notice
 - C. Authorization to Issue Request for Proposals for Operation of Transit Service Substituting for MTC High Subsidy
7. REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE Ruth Franklin,
Chair
 - A. Metro Mobility Administrative Center Contract
 - B. Financial Statements, September 1986
 - C. Travel Request
 - D. 1987 Regional Transit Board Budgets Approval *Res. 86-23*
 - E. Review of Metropolitan Area Financial Advisory Committee (MAFAC) Metro Governance Consolidated Financial Report
8. OTHER BUSINESS AND REPORTS

Elliott Perovich
Chairman

de Vries
Laurie
Bertrand

Weaver

REGIONAL TRANSIT BOARD
ROLL CALL AND ATTENDANCE SHEET

RT
RR
CF
GB

DATE: RTB

BOARD OR COMMITTEE 11/17

86-22

86-23

MEMBER NAME	PRESENT	VOTE	VOTE	VOTE	VOTE	VOTE
Chairman	no					
Kenneth Bedeau (P)	✓		✓			✓
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)	✓		✓			✓

REGIONAL TRANSIT BOARD

270 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the
REGIONAL TRANSIT BOARD
Metropolitan Council Chambers
November 3, 1986

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

OTHERS PRESENT: Greg Andrews, Mary Fitzgerald, Judy Hollander, Katie Turnbull, Jerry Brechlin, Randy Rosvold and Roane Smothers, Regional Transit Board staff; Charles Weaver, legal counsel; Dirk deVries, Metropolitan Council liaison; Arnie Entzel, Amalgamated Transit Union; Jodie Hauer, Citizens League; Greg Failor, Metropolitan Transit Commission; and Steve Bertrand, United Handicapped Federation

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

IMPLEMENTATION AND FINANCIAL PLAN; ADOPTION AND TRANSMITTAL TO METROPOLITAN COUNCIL FOR REVIEW AND APPROVAL

Turnbull reviewed her memorandum dated October 31, 1986, which identifies major changes made to the Implementation and Financial Plan. The memorandum and the final plan were sent to the members on October 31. Franklin asked if the concerns of the Association of Metropolitan Municipalities were addressed. Turnbull said their concerns are with how the State applies the tax structure. Andrews said the mill rate reduction is discussed on page 74. This is an area where we will be making modifications before it is submitted to the the Metropolitan Council. Concerns are also addressed in the Opt-Out section and the passenger subsidies are discussed on page 75. Joyce complimented staff on an excellent, comprehensive plan.

Lefko asked how the plan will evaluate projects and be updated. Turnbull said key issues are identified in the Issues section. Next year's work program spells out specific activities. We will update the document in 1988 as part of the Metro Governance legislation. There are a number of sections of this document that will have to be updated. Lefko said, since we have a number of well defined activities, a method of showing where we are in completing projects should be developed. It is difficult to know where we are on projects that conclude in 1988. Caranicas said a PERT chart could be distributed every few months.

Turnbull said this document will be submitted to the Metropolitan Council, which has 90 days to review, comment and adopt it. Based on Council response, it may be necessary to revise the plan. There will be joint meetings to discuss the document. The key is the biennial budget request. Perovich said legislators may want to look at the longer projections.

MINUTES
November 3, 1986

Skrebes said people in his area are asking what will happen on I-694 and I-494. Turnbull said both freeways are under reconstruction. A number of test case analyses are looking at Rosedale and Maplewood. The Implementation and Financial Plan looks at the entire area and makes recommendations.

Joyce moved:

That the Regional Transit Board adopt the Implementation and Financial Plan and refer it to the Metropolitan Council for review and approval.

Caranicas seconded the motion; the motion carried unanimously.

OTHER BUSINESS

There was discussion of Southwest Area Transit's (SWAT) selection of MTC as a private contractor for service. There are some questions on some of the numbers in the bids and staff is reviewing the process. Perovich said ATE was an independent bidder and concerns were raised about ATE's management contract with MTC. Staff is assembling information for the board, which has the authority to review this type of contract. Caranicas said that whatever methods are applied in this should be established as a pattern.

Bedeau asked how the provider was selected. Hollander said the determination, which was made within the past two weeks, was according to established evaluation criteria. Perovich said ATE has been acquired by the Ryder Corporation and intends to become more involved in operations. They will bid on transit in this area. There is concern about how the dual role will play out.

Entzel said he has done some checking on the contract let by SWAT. The RTB should take into account that this is a transit group bidding for a certain type of business service. They are putting into their specs what they want for their area. Providers must deliver what the contractors are looking for. The MTC should be considered a provider like any other. That reasoning went into the four to one vote to award the contract to MTC. The people in that group have as much or more transit experience as some people on this board. The chairman said Entzel RTB is responsible and accountable for all transit in this area and will pass judgment on those contracts. It has to justify every expenditure because it approves and funds every contract. The decision may stand but the RTB must clarify the whole process. Entzel said the ATE management company operates MTC. Their operating company was going to bid and then backed away. Perovich said the president of ATE told him that the management agreement for MTC caused ATE to withdraw its bid. Entzel said he will be interested in seeing how this comes out and seeing if MTC can stay in after action of this board.

Lefko said the difference is the idea that there are people out there with more experience, but the RTB has the responsibility. The questions were not about MTC, but rather about the process. The key here is that this is the first major contract with a number of bidders. This will set a standard on how these are reviewed. Lefko said he hopes MTC will bid these contracts. The RTB is responsible to the Legislature.

MINUTES
November 3, 1986

Regarding the UMTA conference in San Diego, Fuhr said she regrets that board members are not going to attend. It appears people from the private sector might gain some knowledge on dealing with outside constituencies from the private sector.

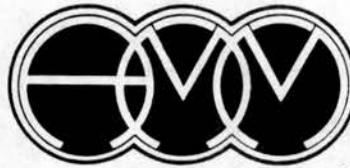
Joyce said he had an opportunity to take several trains outside London, which sometimes travel at 60 miles per hour. Fuhr said the system in Munich is fantastic. *nu 100*

Steve Bertrand asked, referring to page 40 of the Implementation and Financial Plan, what is being developed for the jobseekers paratransit program. Hollander said it had been decided to run the project through MTC only for one year. Very soon other providers will be reviewed.

There being no other business, Franklin moved that the meeting be adjourned. Joyce seconded the motion. The motion carried unanimously. The meeting adjourned at 4:55 p.m.

Respectfully submitted,

Mary Fitzgerald
Secretary



association of
metropolitan
municipalities

TO: Regional Transit Board

FROM: Association of Metropolitan Municipalities
Roger Peterson, Director of Legislative Affairs

SUBJECT: AMM Comments per RTB Implementation and Financial Plan

The Association of Metropolitan Municipalities submits the following comments relative to the 'Implementation and Financial Plan Draft' for Public Review of the Regional Transit Board dated October 10, 1986.

1. Local Property Tax
(Chapter V. Financial Plan, Paragraph B-3, Page 65.)

This paragraph states that communities receiving full service are taxed at 2.0 mills, those receiving full peak and limited off peak service are taxed at 1.5 mills, and those receiving limited peak service are taxed at 1.25 mills.

This is absolutely untrue and documents discussing the property tax issue should begin stating the true facts. The original 2 mills are adjusted by Minn. Statutes Section 273.13, subd. 7a, Section 275.49, and Section 272.64 which creates an actual mill levy of between a low of 3.025 in Hennepin County to a high of 3.4 in Carver County. However, the reduction of one half or three quarter mills for feathering is done in actual mills creating the following situation in 1986:

<u>County</u>	<u>2 mill levy adj. to actual mills</u>	<u>1.5 mill adj. to actual</u>	<u>1.25 mill adj. to actual</u>
Anoka	3.339	2.839	2.589
Carver	3.400	2.900	2.650
Dakota	3.159	2.659	2.409
Hennepin	3.025	2.525	2.275
Ramsey	3.063	2.563	2.313
Scott	3.297	2.797	2.547
Washington	3.308	2.808	2.558

If the feathering mills were calculated as the original levy mills the levies in Carver County as an example, would be 3.400, 2.550, and 2.125 respectively.

Regardless of complexity, for clarity sake, the facts should be stated truthfully.

2. Per passenger subsidy threshold of \$2.45.

The RTB indicates on page 69 that poor performing services, implied to be those with a subsidy of greater than \$2.45, will be identified and evaluated for elimination, restructuring or changing to a different type of service. There is a presumption that the status quo will not be maintained. Why?

An important element absent from the report is a comparison of revenue from fares plus property tax to operating cost on a zone to zone basis. In 1984 zones 3 and 4, basically 2nd. and 3rd. ring suburban areas, generated approximately one million dollars of combined fare and property tax in excess of operating expenses. Although there is a high per passenger subsidy on many suburban routes when comparing costs to fare revenue only, the suburban area is more than paying its share in fare plus property tax.

It seems logical that in any evaluation of service and cost for service that a comparison be made to all locally generated revenue. Ignoring this issue was a major part of the genesis of opt-out and the RTB as an agency separate from the MTC.

3. Replacement Service (page 74) (Opt-out)

The RTB has come to the conclusion that Opt-out must be sunset. However, no where is there rationale supporting this conclusion nor is there discussion about replacement or provision of service commensurate with monies generated through the property tax.

The initial purpose of the opt-out program was to provide a mechanism for a limited set of local areas to develop an alternative transit service that would be more cost effective and more service specific to the area. If the RTB cannot or will not provide a reasonable replacement program, its argument for sunset is no better today than the MTC argument against the program was in 1983. Opt-out should be left alone.

Ex B

September 29, 1986

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

TO WHOM IT MAY CONCERN:

We the associates of the JCPenney Company, petition the Metropolitan Transit Commission to add on a bus to Route 44C going in the opposite direction. We prefer this bus to be an express.

We need to leave the downtown and arrive at Co. Rd. 18 & Bloomington Ferry Rd. by 7:30 a.m. and the return leaving at 4:45 p.m. to go back downtown. Our office will be relocating to this area on April 1, 1987.

Enclosed please find 84 Signatures.

Your immediate response and reply would be greatly appreciated.

ROUTE 44c

EFFECTIVE: 01/08/85

EXPRESS BUS SERVICE BETWEEN DOWNTOWN MPLS. WESTERN BLOOMINGTON W. 98TH ST. W. 102ND ST.

MONDAY THRU FRIDAY

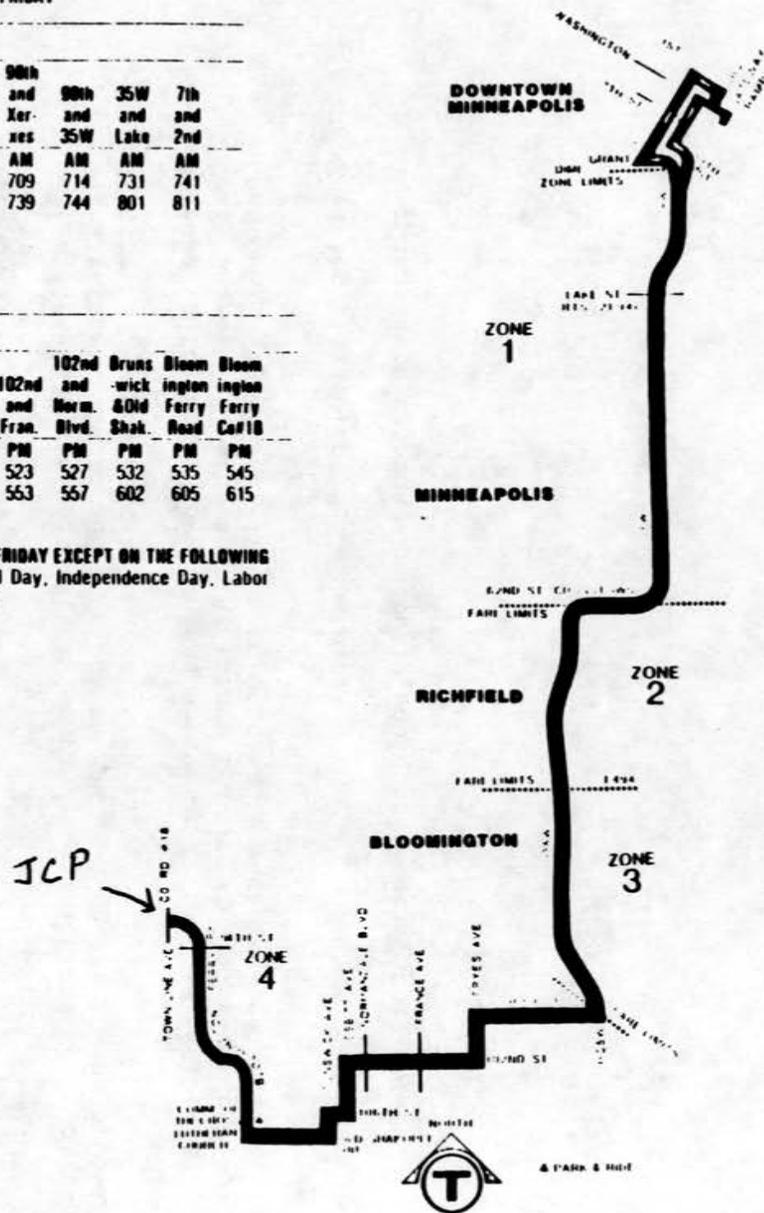
TO DOWNTOWN

Bloomington Ferry Co#18	Bloomington Ferry Road	Brunswick & Old Shak.	102nd and Norm. Blvd.	102nd and Fran.	98th and Xerxes	98th and 35W	35W and Lake	7th and 2nd
AM	AM	AM	AM	AM	AM	AM	AM	AM
645	652	656	701	706	709	714	731	741
715	722	726	731	736	739	744	801	811

FROM DOWNTOWN

Gate Ramp	Morg. Wash. Lake	35W and Old	35W and 98th	98th and Xerxes	102nd and Fran.	102nd and Norm. Blvd.	Brunswick & Old Shak.	Bloomington Ferry Road	Bloomington Ferry Co#18
PM	PM	PM	PM	PM	PM	PM	PM	PM	PM
434	440	455	513	518	523	527	532	535	545
504	510	525	543	548	553	557	602	605	615

SERVICE OPERATES MONDAY THRU FRIDAY EXCEPT ON THE FOLLOWING HOLIDAYS: New Year's, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.



ADULT FARE:
 All rides completely within Zone 1 \$.85
 All rides Zone 1 to Zone 4 \$1.25
 All rides completely outside the limits of Zone 1 \$.75

*PEAK HOURS - MONDAY-FRIDAY 6-9 AM and 3:30-6:30 PM.

PAY POLICY:
 GOING TOWARDS DOWNTOWN (OR ON CROSSTOWN ROUTES WHICH DO NOT GO DOWNTOWN): Pay the full adult fare when boarding

FROM DOWNTOWN: Pay the full adult fare including zone, express bus charge and the peak period surcharge when leaving the bus

See the route map to determine if your trip crosses any fare zone boundaries.

FARE ZONE LIMITS
 ZONE 1 - From downtown to Hwy 62 & 35W
 ZONE 4 - From 98th St. and 35W to terminal.

DESTINATION SIGNS
 44C "EXPRESS-FREEWAY"

CONNECTING ROUTES
 In downtown Minneapolis Route 44C connects with other MTC routes on these streets
 Washington - Rt 7 - 3rd St. - Rt 20 - 4th St. - Rts 16, 20 - 5th St. - Rts 14, 19, 58 - 6th St. - Rts 9, 14, 22, 94B, D, H - 7th St. - Rts 5, 8, 9, 34, 45, 81 - 8th St. - Rts 5, 8, 19 - 12th St. - Rt 51

PARK & RIDE LOCATION
 BLOOMINGTON COMMUNITY OF THE CROSS LUTHERAN CHURCH - Old Shakopee Rd & Bloomington Ferry Rd. - west side of lot along Bloomington Ferry Road.
 SCHEDULE SUBJECT TO CHANGE.

Please have exact fare ready. Drivers carry no change.
 DOLLAR BILLS NOT ACCEPTED.

Metropolitan Transit Commission
 580 - 8th Avenue North
 Minneapolis, Minnesota 55411-4398

Call 349-7400 to add more buses

Collections

The lady from Ride Share that spoke to me in the Customer Relations meeting gave us wrong info about the bus. She said we can catch a # 54 bus at Soudale to go to our new office, but that bus is being discontinued. That bus has nothing to do with our office. It only goes 5 miles from where we need to go. The #44C goes there but in the wrong direction. If you wish to, please sign this petition to add more busses to that line going in the opposite direction.

Cross off your name when you have seen this + pass it on.

Scott Olson
Mike Owen
Tom L. Allen

Jodi Johnston
Janice Campbell
Nancy Kurbey
~~Paul~~
Wendy Ryan
Jim Rongstad

Return to Joann

Collection Dept.

Joann Chalger

DA Treutz
Cynthia Williams
Denise Lynch
Paul Angerhofer
N. Kelm
C. Kover
Susan Dyer

Chris Zila
Cheryl Stephens
Janell M. Weigel
C. Nelson

Nancy Egger
Pete Barta
Joyce Lamunga
Marilyn Jangren
Dawn Roman
Carol Nelson
Michelle
Vanessa Patterson
Judit Jandics

Brian L. Flynn
Acidi Ellis

Mary L. Freeman

Kathy Likoo

Cathy Rha

Shirley Hollister

Brian Kitch
James E Brun
May Lee Tesch
Richard Benson
Mal C. Boon
Tamara Miller
Chas Olson
James S. Japadot

Diann Cusick

Cheryl Andre

Suzanne Poehler

Margie Hanson

Irene Ryder

Dolores Chyjs

Mary Gervais

Gay Lane

Belmont's M.C.

Ellen Anderson

Herrie Smith

Belmont's M.C.

Carl Bunk
Lynne Maslowski
Deb Clifton
Sue Denny
Babs Jadoo
Diana Solentini
Jodi L. McCain
Betty Hoagland
Barb Peterson

Lessa Olson
John Wright
Eline Muz
Marley Wright
David Thome



GEORGE LATIMER
MAYOR

CITY OF SAINT PAUL
OFFICE OF THE MAYOR

Ex C.

347 CITY HALL
SAINT PAUL, MINNESOTA 55102
(612) 298-4323

October 27, 1986

Elliot Perovich, Chairman, and
Members of the Regional Transit Board
270 Metro Square Building
Saint Paul, Minnesota 55101

Subject: Public Hearing on the RTB Implementation and Financial Plan

Dear Chairman Perovich and Board Members:

Thank you for the opportunity for Saint Paul to comment on the Board's Implementation Plan. As you know the city has taken an active interest in the promotion of public transit. Through its Planning Division staff Saint Paul has participated in the formulation of the RTB's recent Needs Assessment.

Saint Paul agrees with and supports the Implementation Plan's approach to meeting the transit needs of the Twin Cities region.

The recently completed Needs Assessment confirmed the need for and effective use of public transit services in the central cities. In addition it identified new central city needs for service improvement and for expansion of services to parts of the region not now served. We particularly support the Needs Assessment's identification of those areas where service can be more effectively provided and also where it needs to be upgraded.

Several services and routes in Saint Paul represent the backbone of the transit system. They must be nurtured if resources are to be available to expand our public transit to areas where services are less cost effective but still needed.

In particular Saint Paul supports the provisions of the Implementation Plan in the following areas:

1. Improvements to and testing of new services within the regular route transit network. While most of Saint Paul has some transit service, many areas need and deserve service expansion and improvement. The city hopes to work with the MTC and RTB to identify and implement the changes suggested in the Needs Assessment.
2. Development of the Saint Paul CBD layover facility.
3. Test marketing and trials to experiment with a variety of methods to extend services into suburban areas. Many Saint Paul residents work in the newly developed areas of the Twin Cities, but lack adequate public transit access to them. We support provisions for two-way transit to serve commuters traveling both to and from the central city to work sites throughout the region.

4. Further exploration of the use of Light Rail Transit (LRT) to upgrade service in the University Avenue area and in other heavily traveled corridors in the region. If the efficiencies projected here bear out, the Twin Cities could provide new alternatives to living/working/traveling not now available in the region. At the same time major operating costs savings could be made. This deserves our further exploration if we take transit service improvement seriously in the Twin Cities.
5. Expansion of Metro Mobility to the rest of the transit service district. The process of weighing fare increases against coverage has been an arduous one for the RTB. Your present program deserves to be implemented and tested. More change will probably be necessary but service expansion will ultimately benefit all users in new accessibility. Only by testing the new operations will we know if the new service is worth the added user costs.
6. Expansion of park-and-ride facilities and of Rideshare. Parking costs are so much less if auto users can be convinced to leave their car (or share their drive with others) before they reach major employment concentrations. We support provision of park-and-ride facilities and will encourage their use.

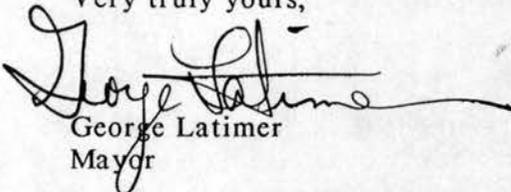
Rideshare programs are also an essential element of the transit picture, especially for people living in areas without regular transit service.

Besides these particular areas of concern, I am encouraged by the balanced program of proposed service improvements the RTB proposes in this Implementation Plan. Saint Paul supports the RTB's cautious, careful entrance into new areas of service. The Implementation Plan does not represent a jump into construction of fixed guideway transit. It does not commit to wholesale expansion into new service areas. What it is doing is moving the next step to analyze -- in specific applications -- the costs, revenues, and efficiencies of new services to meet our existing needs. The Implementation Plan does so without overburdening requests for state assistance or local property tax funding.

I am concerned, however, that recent press discussions of the Needs Assessment may have raised many expectations for rapid expansion of transit services into new geographic areas of the Twin Cities region. Saint Paul will not support expansion of service into less cost-effective areas if it means reductions in cost-effective services now existing in our city.

I do support the RTB's approach which makes cost-effective service improvements to all parts of the transit system, both suburban and urban. Saint Paul will continue to work with the RTB to provide efficient transit service to our city and region.

Very truly yours,



George Latimer
Mayor

REGIONAL TRANSIT BOARD

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

DATE: November 4, 1986
TO: Regional Transit Board
FROM: Elliott Perovich, Chairman
SUBJECT: CONSENT LIST

The following referrals have been reviewed by the staff and chair of the Regional Transit Board (RTB). In my opinion, the referrals meet the standards of consent referrals adopted by the board in its bylaws.

Draft Environmental Impact Statement For Trunk Highway 3 (Lafayette Freeway)
From Trunk Highway 55 to I-494 in Inver Grove Heights

This document outlines the approach to be taken and issues to be examined in the Environmental Impact Statement (EIS) for the proposed 3.5 mile extension of Trunk Highway 3 in Inver Grove Heights. The RTB has been asked to comment on the Draft Environmental Impact Statement by the Minnesota Department of Transportation. Review of this document has been completed, and the RTB finds that no significant impact on transit will occur by the extension of Trunk Highway 3.

Project Development/Location and Design Report for the Bridge Replacement on
East Fourth Street in Hastings, Minnesota

This design report outlines the nature of the proposed improvements to be made in the bridge replacement project. The RTB has been asked to comment on the Project Development Report by the Minnesota Department of Transportation. Review of this report has been completed and the RTB finds that no significant impact on transit will occur by the bridge replacement on East Fourth Street in Hastings, Minnesota.

CONSNT/TX1
EP:RR:jmo

handwritten

REGIONAL TRANSIT BOARD

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

DATE: November 17, 1986
TO: Regional Transit Board
FROM: Gerald E. Brechlin, Manager of Accounting Operations
SUBJECT: RTB 1986 (Payable 1987) Property Tax Levy
Request for Approval of Resolution No. 86-22

CPA

ACTION REQUESTED

That the Regional Transit Board approve Resolution No. 86-22, "Resolution Levying Ad Valorem Property Taxes" for 1986 (payable 1987).

BACKGROUND

Commencing with the August 21, 1986 Administration and Finance Committee meeting, staff has reviewed data and schedules with Committee and Board relating to the 1986 tax levy. On September 29, 1986, the Commissioner of Revenue granted an extension of the tax levy certification until November 20, 1986.

The basis for granting the extension of time was to enable the RTB to use 1986 assessment values and the Department of Revenue's current apportionment percentages that would be available by November 15, 1986. The apportionment percentages have been received; however, 1986 assessment data is still being accumulated by the counties and the Department of Revenue. Therefore, staff has utilized projections and the assessment information that is available to determine the levy amounts to be certified.

Also, on September 29, 1986, the Board approved the tax feathering mill rate reductions per a schedule submitted by staff.

In addition to the tax resolution, we are also enclosing several schedules that support the resolution and levy amounts. These are as follows:

- Table 1 Summary of 1986/87 tax levy.
- Table 2 Taxable assessed value based and projected levy limits - transit district.
- Table 3 Distribution of levy per equalization apportionment - transit district.
- Table 4 Recalculated levy base - transit district.
- Table 5 Tax feathering levy rate reduction by taxing unit.
- Table 6 Transit area tax levy.
- Table 7 Debt service levy detail.

PROPERTY TAX LEVY
November 17, 1986
Page Two

The RTB, by resolution, would then levy \$53,266,500 to assure that the lawful levy limit of an estimated \$47,359,117 will be spread by the counties, less the estimated tax feathering reduction of \$1,951,785. The tax feathering reduction would be off-set by the state grant proceeds for feathering reimbursement.

The tax levy also includes an amount of \$502,936 for transit area and \$4,965,770 for debt service.

RECOMMENDATION

That the Regional Transit Board approve Resolution No. 86-22, "Resolution Levying Ad Valorem Property Taxes" for 1986 (payable 1987).

RTBTX3/C1120B
ch

TABLE 1

TABLE 1
REGIONAL TRANSIT BOARD
SUMMARY OF 1986/87 TAX LEVY

COUNTY	TRANSIT DISTRICT			TRANSIT AREA (EXURBAN)		ESTIMATE OF TAX FEATHERING
	STATE APPORTIONMENT PERCENTAGE *	GENERAL FUND LEVY **	DEBT LEVY	STATE APPORTIONMENT PERCENTAGE *	LEVY	
ANOKA	6.4394%	\$3,430,043	\$319,766	19.6331%	\$98,743	\$3,250
CARVER	0.8002%	\$426,239	\$39,736	11.5932%	\$58,306	\$64,878
DAKOTA	9.3819%	\$4,997,410	\$465,884	24.9297%	\$125,380	\$667,109
HENNEPIN	55.5147%	\$29,570,738	\$2,756,732	13.8183%	\$69,497	\$716,704
RAMSEY	22.1895%	\$11,819,570	\$1,101,880	0.0000%	\$0	\$169,599
SCOTT	1.4627%	\$779,128	\$72,634	10.2607%	\$51,605	\$149,168
WASHINGTON	4.2116%	\$2,243,372	\$209,138	19.7650%	\$99,405	\$181,077
T O T A L	100.0000%	\$53,266,500	\$4,965,770	100.0%	\$502,936	\$1,951,785

* BASED ON APPORTIONMENT VALUES DEVELOPED BY THE STATE BOARD OF EQUALIZATION.

** PROJECTED LEVY AMOUNT CALCULATED AS NECESSARY TO ASSURE LEVY LIMIT CERTIFICATION BY EACH COUNTY.

TABLE2LEV

TABLE 2
REGIONAL TRANSIT BOARD
TAX LEVY - TRANSIT DISTRICT
TAXABLE ASSESSED VALUE BASE
AND PROJECTED LEVY LIMIT

	ANDKA		CARVER		DAKOTA		HENNEPIN		RAMSEY		SCOTT		WASHINGTON		TOTAL COUNTIES	
	Factor Change	Amount	Factor Change	Amount	Factor Change	Amount	Factor Change	Amount	Factor Change	Amount	Factor Change	Amount	Factor Change	Amount	Factor Change	Amount
Real & personal property assessed values	1984E	878,927,640		102,923,393		1,089,098,427		7,858,396,440		3,268,401,279		169,800,945		536,055,145		13,903,683,269
	1984A	893,596,212		105,875,100		1,118,095,932		7,864,684,181		3,221,454,106		168,117,477		572,472,578		13,944,295,586
	1985E 1.050	938,276,000	1.010	106,934,000	1.060	1,185,182,000	1.053	8,281,512,000	1.017	3,276,927,000	1.100	184,929,000	1.040	595,371,000	1.045	14,569,131,000
	1985A 1.050	938,467,000	1.045	110,597,000	1.097	1,226,387,000	1.044	8,210,332,000	1.022	3,292,017,000	1.130	189,955,000	1.052	602,277,000	1.045	14,570,032,000
	1986E 1.075	1,008,852,025	1.030	113,914,910	1.081	1,325,724,347	1.065	8,744,003,500	1.021	3,361,149,357	1.100	200,950,500	1.050	632,390,850	1.057	15,394,985,569
1966 Exempt property added (Goods and mach. etc.)		8,087,000		819,000		2,415,000		133,268,000		55,613,000		492,000		5,882,000		206,576,000
Class 3b and 3c (Homestead adj. added)	1984E	503,770,657		53,786,454		584,445,678		3,597,056,060		1,499,680,285		83,301,776		292,429,193		6,614,470,103
	1984A	521,449,930		52,433,973		560,738,648		3,408,242,636		1,478,635,297		84,755,354		300,739,636		6,406,995,474
	1985E 1.046	545,437,000	1.046	54,846,000	1.046	586,533,000	1.046	3,565,022,000	1.046	1,546,035,000	1.046	88,654,000	1.046	314,574,000	1.046	6,701,101,000
	1985A 1.049	546,838,000	1.087	56,997,000	1.076	603,339,000	1.050	3,577,671,000	1.037	1,532,802,000	1.119	94,801,000	1.060	318,001,000	1.051	6,731,249,000
	1986E 1.075	587,850,850	1.090	62,126,730	1.080	651,606,120	1.040	3,720,777,040	1.040	1,594,114,000	1.100	104,281,100	1.060	337,929,060	1.049	7,058,685,780
Total levy limit assessed value	1984E	1,390,785,310		157,528,469		1,675,958,716		11,588,720,100		4,823,694,711		253,594,221		834,366,336		20,724,647,871
	1984A	1,423,133,155		159,127,695		1,681,249,191		11,406,194,125		4,755,702,550		253,364,331		879,094,212		20,557,865,259
	1985E 1.048	1,491,800,013	1.022	162,598,622	1.055	1,774,129,611	1.050	11,979,001,600	1.026	4,878,575,147	1.082	274,074,500	1.042	915,826,998	1.045	21,476,806,499
	1985A 1.049	1,493,392,000	1.058	168,413,000	1.090	1,832,141,000	1.045	11,921,271,000	1.026	4,880,432,000	1.126	285,248,000	1.054	926,968,000	1.046	21,507,857,000
	1986E 1.075	1,604,789,875	1.050	176,860,640	1.081	1,979,745,467	1.057	12,598,049,420	1.027	5,010,876,437	1.100	313,723,600	1.053	976,201,910	1.054	22,660,247,349
Mill levy limit	2.00	2.00		2.00		2.00		2.00		2.00		2.00		2.00		2.00
Exempt class 2 adjustment factor (Personal-Household goods)		1.068689		1.079172		1.042005		1.044094		1.035339		1.064895		1.060419		1.056373
Adjusted Mill rate limit		2.137		2.158		2.084		2.088		2.071		2.130		2.121		2.113
Levy limit amount	1984E	2,972,108		339,946		3,492,698		24,197,248		9,989,872		540,156		1,769,691		43,301,719
	1984A	3,041,236		343,398		3,503,723		23,816,133		9,849,060		539,666		1,864,559		42,957,775
	1985E 1.048	3,187,976	1.022	350,888	1.055	3,697,286	1.050	25,013,826	1.026	10,103,529	1.082	583,779	1.042	1,942,469	1.045	44,879,753
	1985A 1.049	3,191,378	1.058	363,435	1.090	3,818,182	1.045	24,891,614	1.026	10,107,375	1.126	607,578	1.054	1,966,082	1.046	44,945,644
	1986E 1.075	3,430,043	1.050	381,726	1.081	4,125,009	1.057	26,307,096	1.027	10,375,912	1.100	668,165	1.053	2,070,366	1.054	47,359,117

TABLE3LEV

TABLE 3
 REGIONAL TRANSIT BOARD
 1986/87 TAX LEVY - TRANSIT DISTRICT GENERAL FUND
 DISTRIBUTION OF LEVY PER EQUALIZATION APPORTIONMENT

COUNTY	RTB PROJECTED LEVY	STATE EQUALIZATION APPORTIONMENT PERCENTAGE	REALLOCATION OF PROJECTED LEVY *	EXCESS OR SHORTFALL FROM APPORTIONMENT		
				EXCESS	SHORTFALL	NET *
ANOKA	\$3,430,043	6.4394%	\$3,049,643		(\$380,400)	(\$380,400)
CARVER	\$381,726	0.8002%	\$378,968		(\$2,758)	(\$2,758)
DAKOTA	\$4,125,809	9.3819%	\$4,443,185	\$317,376		\$317,376
HENNEPIN	\$26,307,096	55.5147%	\$26,291,272		(\$15,824)	(\$15,824)
RAMSEY	\$10,375,912	22.1895%	\$10,508,751	\$132,839		\$132,839
SCOTT	\$668,165	1.4627%	\$692,722	\$24,557		\$24,557
WASHINGTON	\$2,070,366	4.2116%	\$1,994,577		(\$75,789)	(\$75,789)
T O T A L	\$47,359,117	100.0000%	\$47,359,117	\$474,772	(\$474,772)	\$0

* RTB PROJECTED LEVY CERTIFIED MUST BE INCREASED BY 1.1247 TO ASSURE THAT LEVY LIMIT TOTAL WOULD BE CERTIFIED BY COUNTIES FOR COLLECTION

26/92
3 20/99

RUN DATE: 14-Nov-86

tab4

TABLE 4
REGIONAL TRANSIT BOARD
1986/87 TAX LEVY - TRANSIT DISTRICT GENERAL FUND

COUNTY	STATE EQUALIZATION APPORTIONMENT PERCENTAGE	RECALCULATED LEVY BASE	RTB PROJECTED LEVY	EXCESS OF TAX FROM LIMIT
ANOKA	6.4394%	\$3,430,043	\$3,430,043	\$0
CARVER	0.8002%	\$426,239	\$381,726	\$44,513
DAKOTA	9.3819%	\$4,997,410	\$4,125,809	\$871,601
HENNEPIN	55.5147%	\$29,570,738	\$26,307,096	\$3,263,642
RAMSEY	22.1895%	\$11,819,570	\$10,375,912	\$1,443,658
SCOTT	1.4627%	\$779,128	\$668,165	\$110,963
WASHINGTON	4.2116%	\$2,243,372	\$2,070,366	\$173,006
T O T A L	100.0000%	\$53,266,500	\$47,359,117	\$5,907,382

TABLE 5
REGIONAL TRANSIT BOARD
TAX FEATHERING

TAXING UNIT	SERVICE PEAK	FREQUENCY OFF PEAK	GOVERNING ROUTE	TAXABLE VALUE 1985/86	ESTIMATED TAXABLE VALUE 1986/87	MILL RATE REDUCTION (.50)	MILL RATE REDUCTION (.75)	TOTAL FEATHERING REDUCTION
ANOKA COUNTY								
CENTERVILLE, CITY OF	1 TRIP	0	NSL	4,194,310	4,333,000		3,250	3,250
TOTAL				4,194,310	4,333,000	0	3,250	3,250
CARVER COUNTY								
CHANHASSEN, CITY OF	3 TRIPS	3 TRIPS	MTC 53J/67	52,942,398	55,748,000	27,874		27,874
CHASKA, CITY OF	3 TRIPS	0	MTC 53J	46,899,418	49,338,000		37,004	37,004
TOTAL				99,841,816	105,086,000	27,874	37,004	64,878
DAKOTA COUNTY								
APPLE VALLEY, CITY OF	12 TRIPS	0	MTC 77 A/C	144,314,628	172,023,000		129,017	129,017
BURNSVILLE, CITY OF	16 TRIPS	0	MTC 35N	327,722,914	353,613,000		265,210	265,210
EAGAN, CITY OF	11 TRIPS	0	MTC 77EG	225,326,136	251,239,000		188,429	188,429
LILYDALE, CITY OF	2 TRIPS	0	MTC 72	7,122,966	7,515,000		5,636	5,636
MENDOTA, CITY OF	0	0	---	1,151,328	1,254,000		941	941
MENDOTA HEIGHTS, CITY OF	15-20 MIN.	3 TRIPS	MTC 5	75,307,129	82,687,000	41,344		41,344
ROSEMOUNT, CITY OF	1 TRIP	0	MTC 46	39,223,281	41,001,000		30,751	30,751
SUNFISH LAKE, CITY OF	0	0	---	6,527,683	7,788,000		5,781	5,781
TOTAL				827,496,065	917,040,000	41,344	625,765	667,108
HENNEPIN COUNTY								
CHAMPLIN, CITY OF	10 MIN.	120 MIN.	MTC 26	47,643,933	50,503,000	25,252		25,252
CHANHASSEN, CITY OF	3 TRIPS	0	MTC 53J	(863,980)	(863,980)		(648)	(648)
DEEPAVEN, CITY OF	20 MIN.	120 MIN.	MTC 67	43,796,749	44,935,000	22,468		22,468
EDEN PRAIRIE, CITY OF	3 TRIPS	0	MTC 53J	278,114,112	316,216,000		237,162	237,162
EXCELSIOR, CITY OF	20 MIN.	120 MIN.	MTC 67	20,899,404	20,899,404	10,450		10,450
GREENWOOD, CITY OF	20 MIN.	120 MIN.	MTC 67	9,000,458	9,432,000		4,716	4,716
LONG LAKE, CITY OF	30 MIN.	2 TRIPS	MTC 51	13,735,722	14,381,000		7,191	7,191
MAPLE GROVE, CITY OF	3 TRIPS	0	MTC 45	175,297,154	187,042,000		140,282	140,282
MEDICINE LAKE, CITY OF	0	0	---	4,216,150	4,216,000		3,162	3,162
MINNETONKA BEACH, CITY OF	20-30 MIN.	120 MIN.	MTC 51	10,746,763	11,306,000		5,653	5,653
OSSEO, CITY OF	3 TRIPS	0	MTC 45	16,997,426	18,731,000		14,048	14,048
PLYMOUTH, CITY OF	30 MIN.	61 MIN.	MLL	373,477,485	397,380,000	198,690		198,690
SHOREWOOD, CITY OF	20 MIN.	120 MIN.	MTC 67	49,280,372	49,428,000		24,714	24,714
TONKA BAY, CITY OF	2 TRIPS	0	MTC 67	19,135,778	19,849,000		14,887	14,887
WOODLAND, CITY OF	0	0	---	11,334,713	11,573,000		8,680	8,680
TOTAL				1,072,072,239	1,155,027,424	299,132	417,572	716,704
RAMSEY COUNTY								
ARDEN HILLS, CITY OF	15 MIN.	0	MTC 33	89,333,013	93,889,000		70,417	70,417
GEM LAKE, CITY OF	2 TRIPS	0	MTC 15	5,361,245	5,361,000		4,021	4,021
NORTH OAKS, CITY OF	0	0	---	49,009,528	49,157,000		36,868	36,868
VADNAIS HEIGHTS, CITY OF	20 MIN.	2 TRIPS	MTC 2	47,800,419	51,338,000	25,669		25,669
WHITE BEAR, TOWN OF	2 TRIPS	0	MTC 15	42,231,709	43,499,000		32,624	32,624
TOTAL				233,735,914	243,244,000	25,669	143,930	169,599
SCOTT COUNTY								
PRIOR LAKE, CITY OF	2 TRIPS	0	MTC 35N	57,857,078	66,420,000		49,815	49,815
SAVAGE, CITY OF	2 TRIPS	0	MTC 35N	34,622,184	38,846,000		29,135	29,135
SHAKOPEE, CITY OF	0	0	---	83,221,982	93,625,000		70,219	70,219
TOTAL				175,701,244	198,891,000	0	149,168	149,168
WASHINGTON COUNTY								
BAYTOWN, TOWN OF	30-60 MIN.	120+ MIN.	MTC 12	5,841,229	6,162,000	3,081		3,081
BIRCHWOOD, CITY OF	1 TRIP	0	MYC 35A	8,432,418	9,409,000		7,057	7,057
COTTAGE GROVE, CITY OF	10-20 MIN.	70 MIN.	MTC 61	95,132,804	96,857,000	48,429		48,429
DELLWOOD, CITY OF	30 MIN.	120 MIN.	MTC 15	13,882,952	14,823,000		7,412	7,412
LAKE ELMO, CITY OF	30-60 MIN.	120+ MIN.	MTC 12	33,593,944	34,818,000		17,409	17,409
MAHTOMEDI, CITY OF	30 MIN.	120 MIN.	MTC 15	24,682,709	25,882,000		12,901	12,901
NEWPORT, CITY OF	20 MIN.	70 MIN.	MTC 61	22,978,759	24,157,000		12,094	12,094
PINE SPRINGS, CITY OF	0	0	---	3,684,681	4,005,000		3,004	3,004
ST PAUL PARK, CITY OF	20 MIN.	70 MIN.	MTC 61	18,461,869	18,571,000	9,286		9,286
WILLERINE, CITY OF	30 MIN.	120 MIN.	MTC 15	2,287,219	2,477,000		1,239	1,239
WOODBURY, CITY OF	20-30 MIN.	2 TRIPS	MTC 94W/3	107,775,350	118,334,000	59,167		59,167
TOTAL				336,673,934	355,445,000	171,016	10,061	181,076
GRAND TOTALS				2,750,515,522	2,979,066,424	565,035	1,386,750	1,951,785

TABLE 7
REGIONAL TRANSIT BOARD
DEBT SERVICE LEVY DETAIL

The Metropolitan Transit Commission certifies the following amounts for outstanding debt of the Commission for levy of ad valorem property taxes.

- | | |
|---|-----------|
| 1. For principal and interest payments on general obligation certificates of 1979, including allowance for uncollectible taxes. | 908,200 |
| 2. For principal and interest payments on general obligation certificates of 1982, including allowance for uncollectible taxes. | 1,601,250 |
| 3. For principal and interest payments on general obligation certificates of 1985, including allowance for uncollectible taxes. | 2,012,220 |

The Metropolitan Council approves the certification of ad valorem property taxes necessary to provide full and timely payment of initial debt service on the proposed issuance of \$7,000,000 in general obligation certificates, the proceeds of which will be utilized for the Metropolitan Transit Commission 1987 Capital Development Program.

444,100

Total Scheduled Debt Service Levy	\$4,965,770
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REGIONAL TRANSIT BOARD

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

RESOLUTION NO. 86-22

RESOLUTION LEVYING AD VALOREM
PROPERTY TAXES

WHEREAS, the Regional Transit board is authorized by 1984 Minnesota Laws, Chapter 654, Article 3, Section 136, and Minnesota Statutes 473.446, as amended, to levy certain property taxes in the metropolitan area on or before October 10, 1986; and

WHEREAS, the Regional Transit Board has requested an extension of the certification date to November 20, 1986 and has been granted such extension by the Commissioner of Revenue; and

WHEREAS, the provision of 1984 Minnesota Laws, Chapter 502, Article 3, Section 25 require the Regional Transit Board to reduce the property tax to those properties receiving less than full peak and off-peak service; and

WHEREAS, the Regional Transit Board has defined the level of service provided to communities as the frequency of service received from the Metropolitan Transit Commission and private providers, excluding paratransit services, as specified in the service plans in effect on September 1, 1986.

NOW, THEREFORE, BE IT RESOLVED THAT the Regional Transit Board hereby levies upon all taxable property within the Metropolitan Transit Taxing District, as defined in Minnesota Statutes 473.446, Subdivision 2, the following amounts:

1. \$53,266,500 for use by the Regional Transit Board for payment of the expenses of operating transit and paratransit services. This amount represents a two (2) mill levy on all taxable property within the Metropolitan Transit Taxing District, except that the levy on taxable property located in the following communities is reduced by the following mill rate reduction:

<u>County</u>	<u>Community</u>	<u>Reduced Mill Reduction</u>
Anoka	Centerville	.75
Carver	Chanhassen (part)	.50
	Chaska	.75
Dakota	Apple Valley	.75
	Burnsville	.75
	Eagan	.75
	Lilydale	.75
	Mendota	.75
	Mendota Heights	.50
	Rosemount	.75
	Sunfish Lake	.75

Hennepin	Champlin	.50
	Chanhassen (part)	.75
	Deephaven	.50
	Eden Prairie	.75
	Excelsior	.50
	Greenwood	.50
	Long Lake	.50
	Maple Grove	.75
	Medicine Lake	.75
	Minnetonka Beach	.50
	Osseo	.75
	Plymouth	.50
	Shorewood	.50
	Tonka Bay	.75
	Woodland	.75
Ramsey	Arden Hills	.75
	Gem Lake	.75
	North Oaks	.75
	Vadnais Heights	.50
	White Bear, Town of	.75
Scott	Prior Lake	.75
	Savage	.75
Washington	Shakopee	.75
	Baytown	.50
	Birchwood	.75
	Cottage Grove	.50
	Dellwood	.50
	Lake Elmo	.50
	Mahtomedi	.50
	Newport	.50
	Pine Springs	.75
	St. Paul Park	.50
Willernie	.50	
Woodbury	.50	

- 2) \$908,200 for principal and interest payments on general obligation certificates of indebtedness of 1979, including allowance for uncollectible taxes; and
- 3) \$1,601,250 for principal and interest payments on general obligation certificates of indebtedness of 1982, including allowance for uncollectible taxes; and
- 4) \$2,012,220 for principal and interest payments on general obligation certificates of indebtedness of 1985, including allowance for uncollectible taxes; and
- 5) \$444,100 for principal and interest payments on general obligation certificates of indebtedness to be issued in 1987;

BE IT FURTHER RESOLVED THAT the Regional Transit Board hereby levies upon all taxable property within the Metropolitan Transit Area but outside of the Metropolitan Transit Taxing District an amount payable in 1987 of \$502,936, estimated to present ten (10) percent of the rate for the levies in 1 through 5 above, pursuant to Minnesota Statutes 473.446, Subdivision 1a.

BE IT FURTHER RESOLVED THAT the Treasurer of the Regional Transit Board, on behalf of the Board, shall certify these levies to the respective county auditors of the counties in which the taxable property is located on or before October 10, 1986.

Adopted this _____ day of _____, 1986.

Doris Caranicas, Vice-Chair

Mary Fitzgerald, Secretary

REGIONAL TRANSIT BOARD

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

DATE: November 13, 1986
TO: Regional Transit Board
FROM: Policy Committee
SUBJECT: Metropolitan Transit Commission's Recommendation to Terminate
Sunday and Holiday Service on Minneapolis Route 1

At its meeting on November 12, 1986, the Policy Committee approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board approve the Metropolitan Transit Commission's request to terminate Sunday and Holiday service on Minneapolis Route 1, effective April 4, 1987.

Todd Lefko
Chair

REGIONAL TRANSIT BOARD

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

DATE: November 6, 1986
TO: Regional Transit Board
FROM: Policy Committee
SUBJECT: Metropolitan Transit Commission's Recommendation to Terminate
Sunday and Holiday Service on Minneapolis Route 1

At its meeting on November 12, 1986, the Policy Committee will discuss the subject Metropolitan Transit Commission recommendation. The committee's recommendation will be presented at the November 17, 1986, board meeting.

Todd Lefko
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: November 6, 1986
TO: Policy Committee
FROM: Edward F. Kouneski, Programs Manager
SUBJECT: Authorization to Issue Request for Proposals for Operation of Transit Service Substituting for MTC High Subsidy Routes

ACTION REQUESTED

That the Regional Transit Board authorize the executive director to issue a Request for Proposals (RFP) for management and operation of transit service substituting for MTC Route 25 (Saturday service) and Route 39 (weekday service).

BACKGROUND

At the Policy Committee of July 14, 1986, RTB staff presented the first round of the MTC's decisions to restructure or terminate regular route bus service. These requests for action submitted by the MTC were part of the process agreed upon by the MTC and the RTB in the interim report on the development and application of performance and financial standards. An interim standard adopted by the joint committee is a ceiling subsidy per passenger of \$2.45. Routes that exceed this standard are subject to review and corrective action. In this process, the RTB's role is to determine if the route performance can be improved through competitive bidding.

The MTC had recommended that Saturday service on Route 25 (Silver Lake Road) be discontinued and asked the RTB to consider providing contract or alternate service. The MTC also had recommended that weekday service on Route 39 (Apple Valley/Burnsville) be continued only on a temporary basis until the RTB had an opportunity to find an alternative way of providing this service.

Current MTC ridership and financial data for these routes are summarized on the following page.

DAILY AND ANNUAL OPERATING STATISTICS
 Based on MTC Route Profile Data (May 1986)

	<u>Route 25 - Saturday</u>		<u>Route 39 - Weekday</u>	
	<u>Daily</u>	<u>Annual</u>	<u>Daily</u>	<u>Annual</u>
Passengers	272	14,144	40	10,200
Miles	353.6	18,387.20	78.8	20,094.00
Hours	22.5	1,168.40	3.2	805.80
Passengers/Mile		.77		.51
Operating Cost (a)	\$1,098	\$57,096	\$198	\$50,490
Revenue	\$ 160	\$ 8,299	\$ 34	\$ 8,670
Subsidy		\$48,797		\$41,820
Revenue/Passenger		\$.587		\$.850
Subsidy/Passenger		\$ 3.45		\$ 4.10
Cost/Mile (a)		\$ 3.11		\$ 2.51
Cost/Hour (a)		\$ 48.87		\$ 62.66

Note: (a) Capital costs are excluded

The MTC had also requested action on two other routes: Route 54 (weekday service) and Route 27 (Sunday/Holiday service). Route 54 has become part of the Southwest Area Transit Commission's replacement service program. Route 27 is part of the Anoka transit service restructuring project and will soon be recommended for competitive bidding.

DISCUSSION

RTB staff has examined competitive bidding of Route 25 Saturday service and Route 39 weekday service and has also considered possible service restructuring based on findings of the Transit Service Needs Assessment. Attachments to this memorandum describe the type of service restructuring proposed by staff.

The Request for Proposals (RFP) to be developed for these routes will describe the proposed service levels, operating characteristics, and contractual requirements. Major specifications include the following:

- o Contract term: 11 months, with two 1-year options to extend.
- o Liability insurance: Minimum \$200,000 per claim and \$600,000 for any number of claims arising from a single occurrence. (This is consistent with other RTB contracts.)
- o Compensation method: Per vehicle service hour.
- o Farebox revenue: To be retained by contractor and deducted from monthly invoice.
- o Vehicle specifications: Minimum 25-passenger seating capacity.

The RFP will require that contractors submit a technical proposal that contains at least the following information:

1. Statement of Understanding. The contractor will provide narrative demonstrating an understanding of the service to be provided for each of the routes the contractor proposes to operate.
2. Approach to Management and Operations. The contractor will submit a management plan to ensure reliable, on-time, cost-effective service. the management plan will identify at least the following:
 - o Key management processes to include procedures to regularly monitor service performance and report ridership statistics and farebox revenues.
 - o Public information and marketing activities.
 - o Service performance goals and objectives.
 - o Key staff assigned to the project (resumes and experience) and their responsibilities.
 - o Organizational structure.
3. Vehicle Condition, Availability and Appearance. The contractor will identify the type of vehicles to be used for the services to be provided. A proposed equipment list--itemizing the date of manufacture, model or type and serial number, mileage and odometer reading at the time first placed into service, additional equipment and features, seating capacity, and current location and ownership--will be required. All vehicles proposed should have a seating capacity of at least 25 passengers.

The contractor also will specify its preventive maintenance program, describing in detail the frequency and nature of inspections and repairs proposed to be conducted.
4. Experience/Past Performance. The contractor will provide information demonstrating to the RTB that it has the experience to undertake this project including the number of years that the contractor has provided public transportation services, the average employee years of experience in passenger transportation, its safety record, the number and nature of similar ventures in which the contractor has been involved, and business references.

5. Financial Responsibility. The contractor will provide information demonstrating to the RTB that it has the necessary financial resources to perform the contract in a satisfactory manner and within the required time.

Following is the anticipated schedule for competitive bidding of the high subsidy MTC routes:

o Issue RFP	November 18
o Receive Proposals	December 8
o Evaluate Proposals and Prepare Recommendations	December 8 through 12
o Enter into Contracts	January 5
o Start New Service	February 1

Once received, the proposals will be evaluated on the basis of the following factors:

1. The contractor's previous experience on projects of similar size, scope and complexity.
2. The qualifications of the key staff who will be assigned to the contract.
3. The availability of sufficient personnel, facilities and vehicles to comply with the contractual requirements.
4. The quality, age and condition of the proposed vehicles.
5. The contractor's demonstrated understanding of the services to be operated.
6. The contractor's approach to service implementation and operation, including the management plan, maintenance practices and operational methods.
7. The contractor's financial responsibility and ability to obtain financing for the proposed service based upon audited and current financial statements, cash flow projections, bank references and other related financial information requested by the RTB.
8. The credibility of the detailed budget information and vehicle service hour rate bid.
9. The total price for operating the specified service levels during the contract period.

RTB staff may request contractors, as part of the evaluation process, to appear for interviews.

FINDINGS AND CONCLUSIONS

- o The MTC agreed to continue operating Route 25 (Saturday service) and Route 39 (weekday service), which do not meet the interim subsidy per passenger standard, until the RTB can arrange to provide contract or alternate service.
- o RTB staff has examined the feasibility of competitively bidding these routes and has also considered service restructuring.
- o Through restructuring and competitive bidding, it appears that service can be improved while lowering costs (per vehicle service hour), bringing these routes to perform within the interim subsidy per passenger standard.

RECOMMENDATION

That the Regional Transit Board authorize the executive director to issue a Request for Proposals (RFP) for management and operation of transit service substituting for MTC Route 25 (Saturday service) and Route 39 (weekday service).

EKAF23/TX2

ROUTE 25 - SATURDAY SERVICE

Route Description

Route 25 provides local, radial bus service between downtown Minneapolis and the Northtown Shopping Center in Blaine, serving northeast Minneapolis, Silver Lake Road, St. Anthony, New Brighton and Moundsview.

Saturday service on this route now requires two buses, operating at a 70-minute frequency from approximately 8:30 a.m. to 6:30 p.m. There is no Sunday service.

Proposed Route Change

The Transit Service Needs Assessment (TSNA) found that weekend service in the New Brighton area is "limited with long headways" and travel needs exist for internal circulation. Consistent with the TSNA, a potential transit service strategy would be a local circulator tying together the identified focal points of Apache Plaza and Northtown Shopping Center.

RTB staff proposes that a shuttle service be provided between Northtown Shopping Center, the current route terminus, and Apache Plaza, where connecting service to downtown Minneapolis is available on either MTC Route 1 or Route 4. By shortening the route, a 60-minute "clock" headway could be maintained with one bus. Travel to downtown Minneapolis would be available through timed transfer connections at Apache Plaza with MTC Route 1, which operates at a 60-minute frequency, and by transfer to MTC Route 4, which operates at a 24-minute frequency.

This route change would increase service levels in the areas north of Apache Plaza. Instituting a "clock" headway would simplify public understanding of the schedule and provide opportunities for timed transfer connections.

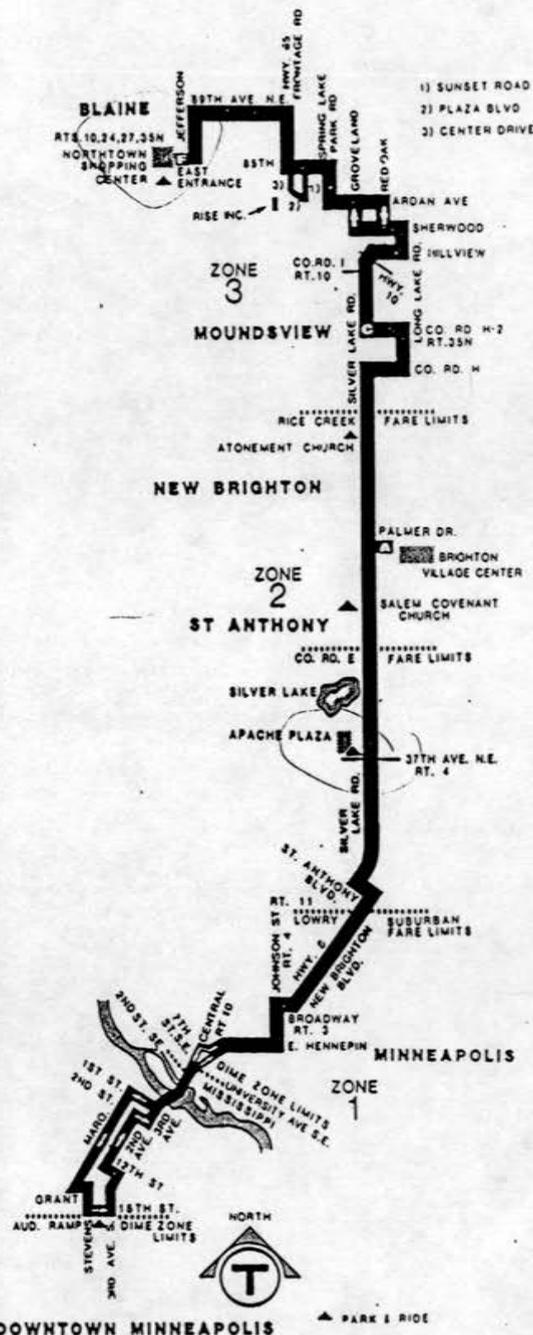
Eliminating the segment of the existing route that serves northeast Minneapolis would not have a significant effect on Saturday ridership because alternative MTC service is available to residents of the area on MTC Route 1 and Route 4.

This route change, furthermore, will bring substantial savings by reducing the vehicle requirement from two to one.

ROUTE 25

EFFECTIVE: 07/01/85

LOCAL BUS SERVICE BETWEEN
DOWNTOWN MPLS.
N.E. MPLS.
SILVER LAKE RD.
NEW BRIGHTON
MOUNDS VIEW
NORTHTOWN
SHOPPING CTR.



Metropolitan Transit Commission
 560 - 6th Avenue North
 Minneapolis, Minnesota 55411-4398

MONDAY THRU FRIDAY

TO DOWNTOWN										FROM DOWNTOWN									
North -town	85th & Hwy 65	Rise Inc.	CoRd H2 & Silver LkRd	Bright -ton VIII. Ctr.	37th and Silver LkRd	Broad -way John -son	Central & E. Henn.	12th and Marq.	7th and 2nd	Central & E. Henn.	Broad -way John -son	37th Ave. & Silver LkRd	Brigh -ton VIII. Ctr.	CoRd H2 & Silver LkRd	Rise Inc.	85th & Hwy 65	North -town		
AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	
519	526	---	534	543	551	558	603	615	639	645	650	658	704	711	---	720	726		
548	555	---	603	612	620	627	632	644	705	711	716	724	730	737	746	749	755		
				646	654	701	706	718	734	740	745	753	759	806	815	818	824		
620	628	---	638	647	655	702	707	718	829	835	840	848	854	902	---	911	917		
				659	708	716	721	733	938	944	948	955	1001	1009	---	1017	1023		
633	641	---	651	702	711	719	725	737	1048	1054	1058	1105	1111	1119	---	1127	1133		
			659	710	719	727	733	745	1158	1204	1208	1215	1221	1229	---	1237	1243		
646	654	---	704	715	724	732	738	750	PM	PM	PM	PM	PM	PM	PM	PM	PM		
			713	724	733	741	747	759	108	114	118	125	131	139	---	147	153		
702	710	---	720	731	740	748	754	806	218	225	229	237	244	254	---	303	310		
			735	746	755	803	809	821	241	248	252	300	307	317	---	326	333		
734	742	745	755	806	815	823	829	841	308	315	319	327	334	344	353	356	403		
806	813	817	825	833	841	848	852	903	334	341	346	357	405	415	424	427	435		
832	839	---	848	856	904	911	915	926	401	408	413	424	432	442	---	451	459		
929	936	---	945	953	1001	1008	1012	1023	414	421	425	437	445	455	---	516	524		
1039	1046	---	1055	1103	1111	1118	1122	1133	426	433	438	449	457	507	---	516	524		
1149	1156	---	1205	1213	1221	1228	1232	1243	434	441	446	457	505	515	---	516	524		
PM	PM	PM	PM	PM	PM	PM	PM	PM	439	446	451	503	511	522	---	516	524		
1259	106	---	115	123	131	138	142	153	445	452	457	509	517	528	---	537	545		
209	216	---	225	233	241	248	252	303	457	504	509	521	529	540	---	516	524		
247	254	---	303	313	321	328	332	345	503	510	515	527	535	546	---	516	524		
317	324	---	333	343	351	358	402	415	514	521	526	538	546	557	---	606	614		
344	351	354	403	413	421	428	432	445	534	541	546	558	606	617	---	626	634		
414	421	424	433	442	451	458	502	515	554	600	603	612	620	629	---	638	644		
443	450	---	459	508	514	520	524	537	624	630	633	642	650	659	---	708	714		
			x528	534	540	546	550	603	747	753	757	804	810	818	---	818	824		
640	647	---	656	702	708	714	718	731	916	922	926	933	939	947	---	947	953		
			x824	830	836	842	846	859											

xVia Silver Lake Road ONLY.

BOLD TYPE - EXPRESS SERVICE: NO STOPS between Old Highway 8 & Silver Lake Road and Central & E. Hennepin except to discharge inbound and pick up outbound.

SATURDAY

TO DOWNTOWN										FROM DOWNTOWN									
North -town	85th & Hwy 65	CoRd H2 & Silver LkRd	Bright -ton VIII. Ctr.	37th and Silver LkRd	Broad -way John -son	Central & E. Henn.	12th and Marq.	7th and 2nd	Central & E. Henn.	Broad -way John -son	37th Ave. & Silver LkRd	Brigh -ton VIII. Ctr.	CoRd H2 & Silver LkRd	85th & Hwy 65	North -town				
AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM	AM		
824	831	840	848	856	903	907	918	918	833	839	843	850	856	904	912	918	918		
934	941	950	958	1006	1013	1017	1028	1028	943	949	953	1000	1006	1014	1022	1028	1028		
1044	1051	1100	1108	1116	1123	1127	1138	1138	1053	1059	1103	1110	1116	1124	1132	1138	1138		
1154	1201	1210	1218	1226	1233	1237	1248	1248	PM	PM	PM	PM	PM	PM	PM	PM	PM		
PM	PM	PM	PM	PM	PM	PM	PM	PM	1203	1209	1213	1220	1226	1234	1242	1248	1248		
104	111	120	128	136	143	147	158	158	113	119	123	130	136	144	152	158	158		
214	221	230	238	246	253	257	308	308	223	229	233	240	246	254	302	308	308		
324	331	340	348	356	403	407	418	418	333	339	343	350	356	404	412	418	418		
434	441	450	458	506	513	517	528	528	443	449	453	500	506	514	522	528	528		
610	617	626	634	642	649	653	704	704	610	616	620	627	633	641	649	655	655		

SERVICE OPERATES MONDAY THRU SATURDAY EXCEPT ON THE FOLLOWING HOLIDAYS: New Year's, Memorial Day, Independence Day, Labor Day; Thanksgiving and Christmas.

ROUTE 39 - WEEKDAY SERVICE

Route Description

Route 39 is an express, crosstown service operating weekdays between Apple Valley/Burnsville and Veteran's Hospital in St. Paul, serving Control Data, the Bloomington Metro Office Park, Northwest Airlines offices and Government Services Administration offices.

Currently, one trip is provided in the morning and in the afternoon.

Proposed Route Change

Initially, the current service level may be retained with the substitution of a small bus. The route is now carrying between 20 and 25 passengers per trip. Because single trip express services, as we have learned from the Transit Service Needs Assessment, often display poor performance characteristics, service restructuring will be considered. Based on analysis of "trail check" data, which RTB staff intends to gather, the following is an option that will be examined:

1. Separating the existing route into two branches, serving Apple Valley with one trip and Burnsville with another trip. The current route alignment makes travel from Burnsville less direct and longer than from Apple Valley, where most of the ridership is now generated. This option would require two buses, but would significantly improve travel time from Burnsville and could increase ridership from this area.

It may be possible for expanded service on Route 39 to operate within the interim subsidy/passenger standard through the combined effect of attracting more riders with better, direct service; and of lowering costs (per vehicle service hour) through competitive bidding.

ROUTE

39

EFFECTIVE: 09/24/84

EXPRESS BUS
SERVICE BETWEEN

**APPLE VALLEY
BURNSVILLE
CONTROL DATA
METRO OFFICE
PARK
REPUBLIC
AIRLINES OFFICE
NORTHWEST
AIRLINES OFFICE
GSA BLDG.
V.A. HOSPITAL**

Metropolitan Transit Commission
560-6th Avenue North
Minneapolis, Minnesota 55411-4398



MONDAY THRU FRIDAY

NORTHBOUND

126th Pills -bury AM 643	142nd and Nic. Lane AM 649	Penn -ock Lane AM 700	127th Gal-axy AM 708	Co.Rd. 30 & Hy.77 AM 713	80St. 24th Ave. AM 720	Con-trol Data AM 724	Rep. Alr-ines AM 728	H.H.H. Term-Inal AM 730	N.W. Alr-ines AM 736	GSA Bldg. AM 740	Vets Hosp. AM 745
											C

SOUTHBOUND

Vets Hosp. PM 439	GSA Bldg. PM 444	Alr-ines PM 448	N.W. Term-Inal PM 454	H.H.H. Alr-ines PM 456	Rep. Alr-ines PM 500	Con-trol Data PM 504	80St. 24th Ave. PM 511	Co.Rd. 30 & Hy.77 PM 516	127th Gal-axy PM 524	Penn -ock Lane PM 524	142nd Nic. -bury PM 535	126th Pills and -bury PM 541
												C

SERVICE OPERATES MONDAY THRU FRIDAY EXCEPT ON THE FOLLOWING HOLIDAYS: New Years, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas.

REGIONAL TRANSIT BOARD

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

DATE: November 13, 1986
TO: Regional Transit Board
FROM: Policy Committee
SUBJECT: RTB Response to Pre-drafting Notice

At its meeting on November 12, 1986, the Policy Committee approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board submit the comments discussed in the October 24, 1986, staff memorandum to the Metropolitan Council regarding the Pre-drafting Notice to the Regional Transit Board and work closely with the Metropolitan Council on the development of the Implementation Plan and the Transportation Policy Chapter.

Todd Lefko
Chair

REGIONAL TRANSIT BOARD

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

DATE: November 6, 1986
TO: Regional Transit Board
FROM: Policy Committee
SUBJECT: RTB Response to Pre-drafting Notice

At its meeting on November 12, 1986, the Policy Committee will be discussing the Regional Transit Board's response to the Pre-drafting Notice. The committee's recommendation will be presented at the November 17, 1986, board meeting.

Todd Lefko
Chair

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: October 24, 1986
TO: Policy Committee
FROM: Judith Hollander
Director of Planning and Programs
SUBJECT: RTB Response to Pre-drafting Notice

Action Requested

That the Regional Transit Board submit the comments discussed in this memorandum to the Metropolitan Council regarding the Pre-drafting Notice to the Regional Transit Board and work closely with the Metropolitan Council on the development of the Implementation Plan and the Transportation Policy Chapter.

Background

At the September 15, 1986, Regional Transit Board meeting, Metropolitan Council staff presented a draft of the Pre-drafting Notice to the Regional Transit Board, a document that must be prepared before the Metropolitan Council begins to revise the transit portion of the Transportation Chapter of the Metropolitan Development Guide. The Pre-drafting Notice includes a statement of the subjects to be covered by the Council's Policy Plan, a summary of issues and matters to be addressed in the Policy Plan, and a summary of the studies and information to be used as input to the Policy Plan.

The Regional Transit Board has 90 days to review and comment on the draft Pre-drafting Notice. The Council will consider the RTB's comments and then distribute the final Pre-drafting Notice. Comments on the final Pre-drafting Notice can then be submitted until February 2, 1987, and Policy Plan drafting will begin in early 1987, with final adoption of the plan expected at the end of 1987. Public hearing input will likely occur in the late fall of 1987.

Analysis

Based on the discussion at the September 15, 1986, RTB meeting and additional staff analysis, staff recommends that the following comments be submitted to the Metropolitan Council regarding the Pre-drafting Notice:

- o There is some concern that the Regional Transit Board implementation plan, now being drafted, will not be consistent with the revised Policy Plan which will not be finalized until late 1987, and that as soon as the Policy Plan is drafted, the Implementation Plan will have to be re-written. These inconsistent preparation schedules are largely the result of transitioning the Metro Governance legislation. If the agencies continue to work closely together, the impact of these differing schedules should be minimized.

- o The Pre-drafting Notice adequately identifies key transit issues. These issues are long-range variations of concerns which the RTB has identified through its many studies and activities over the past year including the relationship of transit to highways, transit service reorientation, role of the private sector, etc. The Council and the Regional Transit Board, therefore, appear to have a common sense of the key transit issues facing the region.

Findings

- The Metropolitan Council is required to submit a draft of the Pre-drafting Notice to the Regional Transit Board in preparation for the update of the Transportation Policy Plan.
- The preparation schedules for the Transportation Policy Plan and the RTB Implementation Plan are not compatible, thereby creating some concern that policy development will be inconsistent. Close cooperation and dialogue between the two agencies should minimize any potential problems.
- The issues identified in the Pre-drafting Notice appear to accurately reflect RTB transit concerns and activities.

Recommendation

That the Regional Transit Board submit the comments discussed in this memorandum to the Metropolitan Council regarding the Pre-drafting Notice to the Regional Transit Board and work closely with the Metropolitan Council on the development of the Implementation Plan and the Transportation Policy Chapter.

PC12JH/TX2

REGIONAL TRANSIT BOARD

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

DATE: November 13, 1986
TO: Regional Transit Board
FROM: Policy Committee
SUBJECT: Authorization to Issue Request for Proposals for Operation
of Transit Service Substituting for MTC High Subsidy Routes

At its meeting on November 12, 1986, the Policy Committee approved the following recommendation:

RECOMMENDATION:

That the Regional Transit Board authorize the executive director to issue a Request for Proposal (RFP) for management and operation of transit service substituting for MTC Route 25 (Saturday service) and Route 39 (weekday service).

Todd Lefko
Chair

REGIONAL TRANSIT BOARD

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

DATE: November 6, 1986
TO: Regional Transit Board
FROM: Policy Committee
SUBJECT: Authorization to Issue Request for Proposals for Operation
of Transit Service Substituting for MTC High Subsidy Routes

At its meeting on November 12, 1986, the Policy Committee will discuss the subject authorization. The committee's recommendation will be presented at the November 17, 1986, board meeting.

Todd Lefko
Chair

REGIONAL TRANSIT BOARD

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

DATE: November 10, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Metro Mobility Administrative Center Contract

At its meeting November 6, 1986, the Administration and Finance Committee reviewed, discussed and moved the following:

Recommendation

That the Regional Transit Board approve the contract between the Metropolitan Transit Commission and the Regional Transit Board for operating the Metro Mobility Administrative Center for the period October 4, 1986 through December 31, 1987.

Ruth Franklin
Chair

RTBTX3/TRANSM/ch

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: October 31, 1986
TO: Administration and Finance Committee
FROM: Mark Ryan, Project Administrator
SUBJECT: Metro Mobility Administrative Center Contract

On September 29, 1986, the RTB authorized the Executive Director to enter into contract with the Metropolitan Transit Commission (MTC) to operate the Metro Mobility Administrative Center (MMAC).

At the Administration and Finance Committee meeting on Thursday, staff will ask the committee to review and approve the actual contract between the MTC and the RTB for operating the MMAC for the period October 4, 1986 through December 31, 1987.

REGIONAL TRANSIT BOARD

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

DATE: November 10, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Financial Statements - September 1986

At its meeting November 6, 1986, the Administration and Finance Committee reviewed, discussed and moved the following:

Recommendation

That the Regional Transit Board receive the 1986 September financial statements and direct that they be placed on file.

Ruth Franklin
Chair

RTBTX3/TRANSM/ch

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, St. Paul, MN 55101
292-8789

DATE: October 31, 1986
TO: Administration and Finance Committee
FROM: Gerald Brechlin, Manager of Accounting Operations
SUBJECT: Financial Statements - September 1986

ACTION REQUESTED

That the Administration and Finance Committee recommend the board receive the September 1986 financial statements and direct that they be placed on file. These have been prepared on the modified accrual basis and in accordance with generally accepted accounting principles. They are:

- the combined balance sheet
- the combined statement of revenues, expenditures and changes in fund balance
- the budget line item status report
- the RTB program status report

RECOMMENDATION

That the Administration and Finance Committee recommend the board receive the September 1986 financial statements and direct that they be placed on file.

Attachment
ch

REGIONAL TRANSIT BOARD
FINANCIAL STATEMENTS
SEPTEMBER 1986

Balance Sheet.....Page 1
Combined Statement of Revenues, Expenditures and Fund Balance.....Page 2
Budget Status Report.....Page 3
Work Program Budget Report.....Page 4

REGIONAL TRANSIT BOARD
BALANCE SHEET
SEPTEMBER 30, 1986

	GENERAL FUND	SPECIAL REVENUE	FIXED ASSETS	TOTAL ALL FUNDS
ASSETS:				
CASH	\$146,962.63	\$97,586.26		\$244,548.89
INVESTMENTS	\$291,000.00	\$15,436,515.13		\$15,727,515.13
TAXES RECEIVABLE-CURRENT		\$24,174,163.92		\$24,174,163.92
TAXES RECEIVABLE-DELINQUENT		\$376,178.22		\$376,178.22
ACCRUED INTEREST RECEIVABLE	\$1,327.42	\$136,537.41		\$137,864.83
DUE FROM OTHER FUNDS	\$52,627.10			\$52,627.10
DUE FROM MET COUNCIL				\$0.00
DUE FROM STATE OF MINNESOTA		\$5,090,871.07		\$5,090,871.07
DUE FROM FEDERAL GOVERNMENT	\$356,077.00			\$356,077.00
FURNITURE AND EQUIPMENT			\$135,026.87	\$135,026.87
OTHER ASSETS	\$9,078.36			\$9,078.36
TOTAL ASSETS	<u>\$857,072.51</u>	<u>\$45,311,852.01</u>	<u>\$135,026.87</u>	<u>\$46,303,951.39</u>
LIABILITIES:				
ACCOUNTS PAYABLE	\$21,595.05	\$1,485,011.57		\$1,506,606.62
ACCRUED PAYROLL LIABILITIES	\$40,724.04			\$40,724.04
DUE TO OTHER GOVERNMENT UNITS	\$89,760.56			\$89,760.56
DUE TO MTC		\$12,461,106.84		\$12,461,106.84
DUE TO OTHER FUNDS		\$52,627.10		\$52,627.10
DEFERRED REVENUE & OTHER LIAB.	\$5,488.71	\$27,299,302.34		\$27,304,791.05
TOTAL LIABILITIES	<u>\$157,568.36</u>	<u>\$41,298,047.85</u>		<u>\$41,455,616.21</u>
FUND EQUITY:				
INVESTMENT IN GENERAL FIXED ASSETS			\$135,026.87	\$135,026.87
FUND BALANCE	\$699,504.15	\$4,013,804.16		\$4,713,308.31
TOTAL LIABILITIES AND FUND BALANCES	<u>\$857,072.51</u>	<u>\$45,311,852.01</u>	<u>\$135,026.87</u>	<u>\$46,303,951.39</u>

BUDGET LINE ITEM STATUS REPORT
PERIOD 09/30/86

REVENUES:	1986 BUDGET	ACTUAL AS OF 9/30/86	VARIANCE	PERCENT OF BUDGET
FEDERAL GRANTS				
1985 UMTA PLANNING GRANT	\$0.00	\$127,571.93	\$127,571.93	
1986 UMTA PLANNING GRANT	\$325,000.00	\$224,049.00	(\$100,951.00)	68.94%
FEDERAL AID URBAN	\$0.00	\$203,208.94	\$203,208.94	
STATE GRANTS				
RTB ADMINISTRATION	\$1,082,500.00	\$736,200.00	(\$346,300.00)	68.01%
TRANSIT ASSISTANCE	\$20,550,400.00	\$13,211,790.24	(\$7,338,609.76)	64.29%
TAX FEATHERING	\$2,488,000.00	\$1,195,537.50	(\$1,292,462.50)	48.05%
HOMESTEAD CREDIT-GEN	\$0.00	\$5,860,047.54	\$5,860,047.54	
HOMESTEAD CREDIT-DEBT	\$0.00	\$509,387.44	\$509,387.44	
PROPERTY TAXES				
GENERAL	\$42,816,000.00	\$17,805,308.44	(\$25,010,691.56)	41.59%
DEBT SERVICE	\$3,353,600.00	\$1,416,097.47	(\$1,937,502.53)	42.23%
INTEREST INCOME:				
TAX ESCROW FUND	\$0.00	\$350,978.00	\$350,978.00	
ALL OTHER	\$450,000.00	\$480,977.82	\$30,977.82	106.88%
MISCELLANEOUS INCOME				
I-35E PROJECT	\$0.00	\$48,950.69	\$48,950.69	
ALL OTHER	\$0.00	\$421.00	\$421.00	
TOTAL REVENUES	\$71,065,500.00	\$42,170,526.01	(\$28,894,973.99)	59.34%

EXPENSES:	1986 BUDGET	EXPENSES TO 09-30-86	UNEXPENDED BUDGET	PERCENT OF BUDGET EXPENDED
SALARIES AND BENEFITS	\$930,700.00	\$533,683.27	\$397,016.73	57.34%
PROF. AND TECH. SERVICES	\$755,000.00	\$475,856.74	\$279,143.26	63.03%
METRO COUNCIL CHARGEBACKS	\$209,700.00	\$155,466.57	\$54,233.43	74.14%
MATERIALS AND SUPPLIES	\$96,500.00	\$46,380.86	\$50,119.14	48.06%
LEASES & RENTALS	\$62,500.00	\$60,892.84	\$1,607.16	97.43%
UTILITIES	\$27,000.00	\$13,505.66	\$13,494.34	50.02%
MEMBERS PER DIEMS	\$38,000.00	\$23,300.00	\$14,700.00	61.32%
TRAVEL EXPENSE	\$93,500.00	\$38,830.00	\$54,670.00	41.53%
TRANSIT PROVIDER PAYMENTS	\$68,607,200.00	\$37,719,728.93	\$30,887,471.07	54.98%
MISCELLANEOUS	\$61,000.00	\$71,237.24	(\$10,237.24)	116.78%
GENERAL AND ADMINISTRATIVE	\$54,000.00	\$24,139.98	\$29,860.02	44.70%
INTEREST EXPENSE	\$0.00	\$229,350.00	(\$229,350.00)	0.00%
SUBTOTAL	\$70,935,100.00	\$39,392,372.09	\$31,542,727.91	55.53%
CAPITAL EXPENDITURES	\$50,000.00	\$38,041.79	\$11,958.21	76.08%
TOTAL EXPENDITURES	\$70,985,100.00	\$39,430,413.88	\$31,554,686.12	55.55%

PROGR9

RTB Program Status Report 09/30/86
75.00% of Fiscal Year

Work Prog #	Program name	Original Budget	Revised Budget	Expenses thru Period end date	Unexpended Budget	Expenses as % of Budget
86-01	RTB Policy Management	\$315,630.00	\$316,244.00	\$155,312.48	\$160,931.52	49.11%
86-03	Programs/Planning Admin	\$289,660.00	\$290,180.00	\$176,438.28	\$113,741.72	60.80%
86-04	Transportation Planning Process	\$147,050.00	\$145,665.00	\$43,596.68	\$102,068.32	29.93%
86-05	Transit Corridor Study	\$24,170.00	\$23,758.00	\$38,569.73	(\$14,811.73)	162.34%
86-06	I-35W Study	\$38,100.00	\$37,664.00	\$3,181.78	\$34,482.22	8.45%
86-07	Service Needs Assessment and Implementation Plan	\$513,770.00	\$516,675.00	\$553,379.56	(\$36,704.56)	107.10%
86-08	Bus Related Improvements	\$27,310.00	\$28,010.00	\$0.00	\$28,010.00	0.00%
86-09	Urban Travel Analysis	\$49,910.00	\$49,654.00	\$53,986.92	(\$4,332.92)	108.73%
86-10	Handicapped Transp. Planning	\$99,110.00	\$99,265.00	\$65,758.18	\$33,506.82	66.25%
86-11	Regional Rideshare Prog. Coord.	\$80,550.00	\$80,515.00	\$7,132.05	\$73,382.95	8.86%
86-12	I-394 Planning & Implementation	\$257,750.00	\$258,265.00	\$24,571.85	\$233,693.15	9.51%
86-13	Transit System Planning & Impl.	\$229,190.00	\$229,290.00	\$47,126.27	\$182,163.73	20.55%
86-14	Transit Programs and Admin.	\$65,509,300.00	\$65,506,315.00	\$35,899,694.78	\$29,606,620.22	54.80%
86-21	Transit Operator Assistance Debt Service	\$3,353,600.00	\$3,353,600.00	\$1,861,351.22	\$1,492,248.78	55.50%
	Sub-Total	\$70,935,100.00	\$70,935,100.00	\$38,930,099.78	\$32,005,000.22	54.88%
86-20	Capital Expenditure Program	\$50,000.00	\$50,000.00	\$38,041.79	\$11,958.21	76.08%
	Sub-Total Programs and Capital Expenditures	\$70,985,100.00	\$70,985,100.00	\$38,968,141.57	\$32,016,958.43	54.90%
	1985 UMTA Grant		\$164,922.00	\$165,035.78	(\$113.78)	100.07%
	1985 Debt Service			\$66,358.77		
	430 - 1985 TAC Interest Expense			\$229,350.00		
	Adjustment - Non-allocable Exp.			\$1,527.76		
	TOTAL	\$70,985,100.00	\$71,150,022.00	\$39,430,413.88	\$32,016,844.65	55.42%

REGIONAL TRANSIT BOARD

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

DATE: November 10, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Travel Request

During discussion of the financial statements for September of 1986, it was noted that the budget line item status report indicated less than 45-percent has been expended in the travel expense portion of the budget. Fuhr mentioned that her request to attend the UMTA Conference in San Diego had been denied based, she thought, on monies not readily available for travel this late in the budget year. The Administration and Finance Committee moved the following:

Recommendation

That Alison Fuhr, her schedule permitting, be given approval to go to the UMTA Conference being held in San Diego starting Monday, November 17, 1986.

Ruth Franklin
Chair

RTBTX3/TRANSM/ch

REGIONAL TRANSIT BOARD

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

DATE: October 31, 1986
TO: Administration and Finance Committee
FROM: Gregory L. Andrews, Executive Director
Gerald E. Brechlin, Manager of Accounting Operations
SUBJECT: 1987 Regional Transit Budgets Approval

ACTION REQUESTED

That the Administration and Finance Committee recommend for Board approval the 1987 RTB and MTC budgets including the capital budget approved by the Metropolitan Council.

BACKGROUND

Commencing July 10, 1986 with the initial presentation of the 1987 Budget program for the Regional Transit Board, and the July 17, 1986 presentation of the 1987 Metropolitan Transit Commission budget, the Administration and Finance Committee and the full Board have received, reviewed and approved work draft budget documents. In addition, on August 11, 1986, a public hearing was held on the proposed budgets and request for written comment was open until August 18, 1986.

The capital budgets of the commission and the board were submitted to the Metropolitan Council, which took approval action at its Council meeting of October 9, 1986. Their actions are outlined in Chair Gardebring's transmittal of October 13, 1986 (attached).

The Board is required to adopt, by resolution, before December 15 of each year its final budget and file this document with the Metropolitan Council on or before December 20 of each year.

As discussed at prior committee meetings, changes have been made to the initial budget document. Attached are schedules of the changes from the initial drafts to the budget programs now submitted for Committee review and recommendation to the Board. Also attached are comparisons of MTC budget scenarios.

The most significant impact on the budget results from the MTC's revised budget scenario's based on updated operating assumptions for the 1987 budget year and revised estimates of 1986 budget estimated actual. Each reflects significant operating cost reductions which results in reduction in state funding requests.

1987 BUDGETS
October 31, 1986
Page Two

In addition, the establishment of a \$15 million working fund balance for the MTC further reduces the request for transit assistance by utilizing fund balances in excess of that amount. These reductions impact directly on the RTB's request for state transit assistance.

RECOMMENDATION

That the Administration and Finance Committee recommend for Board approval the 1987 RTB and MTC budgets including the capital budget approved by the Metropolitan Council.

<u>Metropolitan Transit Commission Budget</u>	<u>Proposed Expenditures</u>
Operations	\$101,597,000
Debt Service	4,501,000
Capital Improvements	31,798,400
Total	<u>\$137,896,400</u>
<u>Regional Transit Board Work Program & Budget</u>	
1987 Work Programs & Transit Assistance	79,997,100
Capital Improvements	70,000
Total	<u>\$80,067,100</u>

Attachments
ch



Metropolitan Council
300 Metro Square Building
Seventh and Robert Streets
St. Paul, Minnesota 55101

Telephone (612) 291-6359

October 13, 1986

RECEIVED

OCT 28 1986

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

RE: 1987 Regional Transit Board Capital Budget
Metropolitan Council Referral File No. 13914-1

Dear Mr. Perovich:

At its meeting on October 9, 1986, the Metropolitan Council considered the 1987 Regional Transit Board Capital Budget. This consideration was based on a report of the Metropolitan Systems Committee, Referral Report No. 86-91. A copy of this report is attached.

The Council adopted this report as presented and Resolution No. 86-52 approving the budget in part. The resolution contains the following provisions:

1. That the Metropolitan Council approves the 1987 Regional Transit Board capital budget, including the Metropolitan Transit Commission 1987 capital budget, with the exception of RTB project 87-26, Capital Improvement: Transit Providers;
2. That the Metropolitan Council disapproves RTB project 87-26, Capital Improvement: Transit Providers, until the RTB proposes specific use and need for the expenditure;
3. That the Metropolitan Council requests the Regional Transit Board to re-evaluate the decision of the MTC to use the 11 Project Mobility buses for regular route service rather than for Metro Mobility, in light of the needs of the Metro Mobility system;
4. That the Metropolitan Council directs the Regional Transit Board to submit, as part of its Implementation Plan, to the Council documentation regarding planned use of the 20 lift-equipped demonstration vehicles, including alternatives considered but not selected and the relationship to the restructured Metro Mobility program;

Page 2

Mr. Elliott Perovich

5. That the Metropolitan Council directs the Regional Transit Board to consider structuring the purchase of the 1987 Bus Replacement project in a manner such that vehicles can be redistributed on the basis of the needs of all public transit providers, if necessary.
6. That the Metropolitan Council direct the Regional Transit Board to adopt criteria for the appropriate budgeting of grant planning/administration costs that conform to the guidelines established in this report, at the time of or before resubmittal of the amended 1987 Capital Budget prior to December 19, 1986.

A copy of Resolution No. 86-52 is attached.

Sincerely,
METROPOLITAN COUNCIL


Sandra S. Gardebring
Chair

SSG:11
Attachment

cc: Steve Wilson, Metropolitan Council Staff

METROPOLITAN COUNCIL
Suite 300 Metro Square Building, Saint Paul, Minnesota 55101

RESOLUTION NO. 86-52

RESOLUTION APPROVING, SUBJECT TO CONDITIONS,
THE 1987 CAPITAL IMPROVEMENT BUDGET
OF THE REGIONAL TRANSIT BOARD

WHEREAS, the Regional Transit Board has submitted its proposed 1987 Capital Budget to the Metropolitan Council for review by the Council in accordance with Minnesota Statutes Sections 473.163 and 473.38; and

WHEREAS, said section authorizes and requires that the Metropolitan Council approve or disapprove the Capital Improvement Budget of the Regional Transit Board in whole or in part; and

WHEREAS, the Metropolitan Council has reviewed the proposed 1987 Capital Improvement Budget of the Regional Transit Board in relation to areawide fiscal capacity, functional system objectives, the Metropolitan Development Guide, and other applicable metropolitan plans, policies and programs; and

WHEREAS, the Committee on Metropolitan Systems of the Metropolitan Council, in discharge of the above statutory responsibility, has analyzed the budget of the Regional Transit Board and recommends that the Council act to approve, subject to compliance with certain conditions and recommendations, the Regional Transit Board's proposed 1987 Capital Budget and to direct the resubmission of the same prior to December 20, 1985.

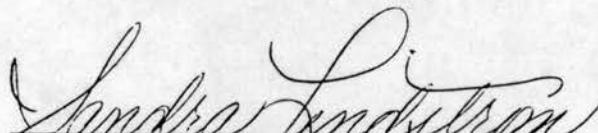
NOW, THEREFORE, BE IT RESOLVED:

1. That the Metropolitan Council approves the 1987 Regional Transit Board capital budget, including the Metropolitan Transit Commission 1987 capital budget, with the exception of RTB project 87-26, Capital Improvement: Transit Providers;
2. That the Metropolitan Council disapproves RTB project 87-26, Capital Improvement: Transit Providers, until the RTB proposes specific use and need for the expenditure;
3. That the Metropolitan Council requests the Regional Transit Board to re-evaluate the decision of the MTC to use the 11 Project Mobility buses for regular route service rather than for Metro Mobility, in light of the needs of the Metro Mobility system;

4. That the Metropolitan Council directs the Regional Transit Board to submit, as part of its Implementation Plan, to the Council documentation regarding planned use of the 20 lift-equipped demonstration vehicles, including alternatives considered but not selected and the relationship to the restructured Metro Mobility program;
5. That the Metropolitan Council directs the Regional Transit Board to consider structuring the purchase of the 1987 Bus Replacement project in a manner such that vehicles can be redistributed on the basis of the needs of all public transit providers, if necessary.
6. That the Metropolitan Council direct the Regional Transit Board to adopt criteria for the appropriate budgeting of grant planning/administration costs that conform to the guidelines established in this report, at the time of or before resubmittal of the amended 1987 Capital Budget prior to December 19, 1986.

Adopted this 9th day of October, 1986.


Sandra S. Gardebring, Chair


Sandra L. Lindstrom, Secretary

METROPOLITAN COUNCIL
Suite 300 Metro Square Building, Saint Paul, Minnesota 55101

REPORT OF THE METROPOLITAN SYSTEMS COMMITTEE
Referral Report No. 86-91

DATE: October 9, 1986
TO: Metropolitan Council
SUBJECT: 1987 Regional Transit Board Capital Budget, Referral No. 13914-1,
Resolution 86-__

BACKGROUND

The Metropolitan Systems Committee reviewed the 1987 Regional Transit Board Capital Budget at its October 7, 1986 meeting.

The proposed 1987 budget contains \$134.1 million worth of projects, with \$330,000 for the RTB and the balance submitted on behalf of the MTC. Most of the projects have been previously approved by the Council, with \$21.8 million in new projects. Estimated expenditures for 1987 are \$32.1 million.

ISSUES AND CONCERNS

Discussion focused primarily on the feasibility of redistributing vehicles purchased by and for the MTC to other providers in the Region. RTB staff said they are assessing overall capital needs but cautioned that sometimes private providers lack equipment and staff to use MTC buses. MTC said some financing/leasing arrangements may preclude use by other providers.

The Committee supported the idea of having flexibility in redistributing the new buses, but only if it is feasible. Staff recommendation #5 was amended to direct the RTB "to consider structuring the purchase of..." the new buses so that they could be redistributed.

RECOMMENDATIONS

1. Approve the 1987 Regional Transit Board capital budget, including the Metropolitan Transit Commission 1987 capital budget, with the exception of RTB project 87-26, Capital Improvement: Transit Providers;
2. Disapprove RTB project 87-26, Capital Improvement: Transit Providers, until the RTB proposes specific use and need for the expenditure;
3. Request the Regional Transit Board re-evaluate the decision of the MTC to use the 11 Project Mobility buses for regular route service rather than for Metro Mobility, in light of the needs of the Metro Mobility system;

4. Direct the Regional Transit Board to submit, as part of its Implementation Plan, to the Council documentation regarding planned use of the 20 lift-equipped demonstration vehicles, including alternatives considered but not selected and the relationship to the restructured Metro Mobility program;
5. Direct the Regional Transit Board to consider structuring the purchase of the 1987 Bus Replacement project in a manner such that vehicles can be redistributed on the basis of the needs of all public transit providers, if necessary.
6. Direct the Regional Transit Board to adopt criteria for the appropriate budgeting of grant planning/administration costs that conform to the guidelines established in this report, at the time of or before resubmittal of the amended 1987 Capital Budget prior to December 19, 1986.

Sincerely,

Carol Flynn
Chair

METROPOLITAN COUNCIL
Suite 300 Metro Square Building, Saint Paul, Minnesota 55101

RESOLUTION NO. 86-

RESOLUTION APPROVING, SUBJECT TO CONDITIONS,
THE 1987 CAPITAL IMPROVEMENT BUDGET
OF THE REGIONAL TRANSIT BOARD

WHEREAS, the Regional Transit Board has submitted its proposed 1987 Capital Budget to the Metropolitan Council for review by the Council in accordance with Minnesota Statutes Sections 473.163 and 473.38; and

WHEREAS, said section authorizes and requires that the Metropolitan Council approve or disapprove the Capital Improvement Budget of the Regional Transit Board in whole or in part; and

WHEREAS, the Metropolitan Council has reviewed the proposed 1987 Capital Improvement Budget of the Regional Transit Board in relation to areawide fiscal capacity, functional system objectives, the Metropolitan Development Guide, and other applicable metropolitan plans, policies and programs; and

WHEREAS, the Committee on Metropolitan Systems of the Metropolitan Council, in discharge of the above statutory responsibility, has analyzed the budget of the Regional Transit Board and recommends that the Council act to approve, subject to compliance with certain conditions and recommendations, the Regional Transit Board's proposed 1987 Capital Budget and to direct the resubmission of the same prior to December 20, 1985.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Metropolitan Council approves the 1987 Regional Transit Board capital budget, including the Metropolitan Transit Commission 1987 capital budget, with the exception of RTB project 87-26, Capital Improvement: Transit Providers;
2. That the Metropolitan Council disapproves RTB project 87-26, Capital Improvement: Transit Providers, until the RTB proposes specific use and need for the expenditure;
3. That the Metropolitan Council requests the Regional Transit Board to re-evaluate the decision of the MTC to use the 11 Project Mobility buses for regular route service rather than for Metro Mobility, in light of the needs of the Metro Mobility system;

4. That the Metropolitan Council directs the Regional Transit Board to submit, as part of its Implementation Plan, to the Council documentation regarding planned use of the 20 lift-equipped demonstration vehicles, including alternatives considered but not selected and the relationship to the restructured Metro Mobility program;
5. That the Metropolitan Council directs the Regional Transit Board to consider structuring the purchase of the 1987 Bus Replacement project in a manner such that vehicles can be redistributed on the basis of the needs of all public transit providers, if necessary.
6. That the Metropolitan Council direct the Regional Transit Board to adopt criteria for the appropriate budgeting of grant planning/administration costs that conform to the guidelines established in this report, at the time of or before resubmittal of the amended 1987 Capital Budget prior to December 19, 1986.

Adopted this 9th day of October, 1986.

Sandra S. Gardebring, Chair

Sandra L. Lindstrom, Secretary

Metropolitan Council of the Twin Cities Area
300 Metro Square Building, 7th and Robert Streets
St. Paul, Minnesota 55101 Tel. 612 291-6359/TDD 291-0904

DATE: September 30, 1986
TO: Metropolitan Systems Committee
FROM: Steve Wilson, Transportation
SUBJECT: 1987 Regional Transit Board Capital Budget, Referral No. 13914-1

AUTHORITY TO REVIEW

On August 19, 1986 the proposed 1987 capital budget of the Regional Transit Board was submitted to the Metropolitan Council for review and approval. Under the provisions of Minnesota Statutes, Section 473.163, Subdivision 2, the Regional Transit Board (RTB) is required to submit its annual budget to the Council by August 15 of each year. The Council must act to approve or disapprove, in whole or part, the proposed budget by October 1. Before December 15 of each year the RTB must adopt a final budget (capital and operating) and file it with the Council on or before December 20. Because of the delay in the receipt of the budget, the Council's action will be taken past the prescribed deadline.

Minnesota Statutes 473.38, subd. 2, also requires that a three year financial plan be prepared as part of the annual budget process and be submitted to the Council for approval. It is expected that the financial plan will be submitted along with the RTB Implementation Plan in November, 1986.

DESCRIPTION

The proposed 1987 RTB capital budget consists of \$330,500 for RTB projects and an MTC budget totalling \$133,785,569. The MTC budget consists of thirty projects previously approved (a total of \$111,936,817) and five new projects totalling \$21,848,752. Total estimated expenditures for 1987 are \$330,500 for the RTB projects and \$31,798,400 for the MTC.

The budget is best described in terms of the implementation and funding status of the projects. Discussion below separates the 1987 budget in terms of the following:

- a) MTC projects previously approved by the Council and anticipated to be fully completed before 1987, but submitted as status reports or for budget reconciliation;
- b) MTC projects previously authorized by the Council, at the dollar amount in the 1987 budget, with some expenditures anticipated in 1987;
- c) MTC projects previously approved by the Council but requiring amendments to the level of authorization;

d) New MTC projects to be implemented beginning in 1987;

e) New RTB projects;

By separating the projects into these various categories it is possible to better understand the actions being requested of the Council by the RTB and to determine feasible conclusions for the policy and fiscal analyses.

a) Previously Approved, Completed before 1987

These fourteen projects, shown in Tables 1 and 2, are included in the 1987 budget because they had technically not been completed as of August 1. Since it is fully anticipated that the projects will be finished by the end of 1986, each shows an expected 1987 expenditure level of zero dollars. The projects constitute nearly 1/2 of the \$133 million capital budget authorization. Three of the projects (Table 2) involve some reconciliation of the budget authorizations and expenditures, and thus are actually amendments to the 1986 budget. The Council had requested such information be included in the budget to provide a status report and to help MTC reconcile the budget.

The most significant of these projects are the completion of the Fred T. Heywood Facility near downtown Minneapolis (\$23.5 million) and the 1984 bus replacement project (with 134 new forty-foot buses at \$17.7 million)

b) Previously Approved at Present Authorization

Six projects, previously authorized by the Council at their presently anticipated funding levels, will be continuing at least through 1987. They are shown in Table 3. The projects have a total authorization of \$4,567,116, with anticipated 1987 expenditures of approximately \$1.5 million.

Final payment will be made on 11 buses originally intended for use in the Project Mobility program (total cost \$1,565,742). The project is discussed in more detail under the policy analysis section of this staff report. A second major project is the construction of the St. Paul CBD Layover Facility (\$529,150) in the Lowertown area of downtown St. Paul. It will provide an off-street parking area for buses between runs. Approximately one-half of the shelter program, recently approved by the Council in a 1986 budget amendment, will be completed during 1987. This project anticipates approximately 30 shelters in the I-394 area and 40 shelters in the rest of the transit service area. The two park-ride projects includes facilities in Brooklyn Park, Brooklyn Center, Burnsville, Newport, Mounds View, North St. Paul and Eden Prairie.

c. Previously Approved, Amended Authorizations

Eight projects (see Table 4) are included in this category, in which projects are being submitted for expenditure in 1987, were previously approved by the Council with new authorization levels. Most of the amended authorizations involve a reduction in the anticipated cost due to lower than expected bids.

The three major projects include major purchases or rehabilitations of buses. The rehabilitation project involves refurbishing 140 vehicles at least 12 years old, and thus extend their useful life by 8-10 years. The 1985 and 1986 bus purchase programs involve 67 and 107 new buses, respectively, to replace older

Table 1
 1987 RTB/MTC CAPITAL BUDGET
 PROJECTS TO BE COMPLETED PRIOR TO 1987,
 STATUS REPORT AND BUDGET RECONCILIATION

<u>Project</u>	<u>Estimated 1987 Expenditure</u>	<u>Percent Spent Pre-1987</u>	<u>Total Authorization</u>
1984 Bus Replacement	0	100	17,727,909
IDS Booth Relocation	0	100	92,947
F.T. Heywood Facility	0	100	23,511,544
Major Maintenance Facilities	0	100	394,106
Hennepin Avenue Transitway	0	100	56,700
Bus Turnarounds	0	100	165,700
I-394 Transit Facilities	0	100	506,158
Wayzata Park-Ride Improvements	0	100	88,007
Metro Mobility Equipment	0	100	89,211
1985 Capital Equipment	0	100	719,442
Grant Applications/Admin.	<u>0</u>	100	<u>77,241</u>
TOTAL	\$0		\$43,428,965

Table 2
 1987 RTB/MTC CAPITAL BUDGET:
 1986 AMENDMENTS FOR BUDGET RECONCILIATION

<u>Project</u>	<u>Change In Authorization</u>	<u>% Spent Pre-1987</u>	<u>Total Requested Authorization</u>
Vehicle Leasing Program	0 (283,500)	0	0
Articulated Buses	0 (265,015)	100	17,394,418
Management Info. Systems	<u>0</u> <u>205,864</u>	100	<u>1,622,808</u>
TOTAL	0 (342,651)		19,017,226

Table 3
1987 RTB/MTC CAPITAL BUDGET:
PREVIOUSLY AUTHORIZED PROJECTS WITH 1987 EXPENDITURES

<u>Project</u>	<u>Estimated 1987 Expenditure</u>	<u>Percent Spent Pre-1987</u>	<u>Total Authorization</u>
11 Project Mobility Buses	\$ 4,092	99 %	\$ 1,565,742
St. Paul CBD Layover	529,150	0	529,150
Central Money Counting Room	61,883	85	402,050
Park-Ride Facilities	140,870	4	448,200
Bus Turnarounds	55,850	6	181,637
Park-Ride Facilities	329,006	48	801,500
Shelter	<u>348,704</u>	4	<u>638,837</u>
TOTAL	1,469,555		4,567,116

Table 4
1987 RTB/MTC CAPITAL BUDGET
PREVIOUSLY AUTHORIZED: AMENDED AUTHORIZATIONS

<u>Project</u>	<u>Estimated 1987 Expend.</u>	<u>Change In Authorization</u>	<u>% Spent Pre-1987</u>	<u>Total Requested Authorization</u>
Bus Rehabilitation	4,041,138	(1,938,071)	64 %	11,102,904
20 Demonstration Vehicles	538,761	(1,190,675)	81	2,809,325
1985 Bus Replacement	6,651,402	(1,707,466)	71	9,412,900
1986 Bus Replacement	15,568,010	(4,326,644)	0	15,570,171
Vehicle Consumables System	10,560	(115,245)	90	101,005
Radio Equip. Upgrade	76,208	4,527	89	670,059
Computer Applications	203,584	(52,822)	22	803,241
Computer Related Equip.	565,275	354,877	60	2,891,442
1986 Capital Equipment	<u>1,257,453</u>	<u>35,467</u>	20	<u>1,562,463</u>
TOTAL	28,912,391	(9,347,780)		44,923,510

vehicles. The purchase of 20 demonstration vehicles consists of buses equipped with features to enable service to elderly and disabled on regular route buses. This project is discussed in more detail in the policy analysis.

Several other projects involve installation or upgrade of computers and computer-related systems. These systems will enhance the efficiency of the MTC management in monitoring vehicle performance and in other areas. Some of the reduced expenditures are due to achieving some internal time-sharing. Budget correspondence discusses the fact that excess capacity exists on MTC computers, but not during the time periods that would make integration of many of the functions practical.

d. New MTC Projects

The 1987 MTC capital budget includes five projects having a total cost of \$21.8 million. The projects are listed in Table 5 and described in detail in Table 7. The most significant of the projects is the purchase of 125 40-foot replacement buses, with a cost of \$19.1 million. \$1 million of the nearly \$2 million 1987 Capital Equipment project is slated for replacement bus radios. The remaining projects: Bus Turnarounds, Major Maintenance-Facilities and Grant Application/Administration, are 1987 renewals of annual budget categories. The projects are consistent with the adopted RTB Financial Plan and Interim Implementation Plan.

e. RTB Capital Projects

The Regional Transit Board has proposed two projects (Table 8). The first consists of \$130,500 for the purchase of office-related capital items including: office equipment and furniture, computer-equipment ("personal computer" and other terminals, presentation equipment, duplicating and mailing equipment, and an agency automobile. The second project anticipates \$200,000 in expenditures through the transit providers program being developed. No specific purchases have been identified because the RTB is still in the process of identifying capital needs of transit providers in the region.

In summary, while the RTB and MTC capital budgets contain a total of \$134,116,069 in authorizations, 16 percent of that (approximately \$22 million) is actually for new projects that have yet to receive approval from the Council. When combined with decreased authorizations for other projects, the net increase in authorization is \$13,271,998.

ANALYSIS

POLICY ANALYSIS

The 11 Project Mobility buses were purchased when MTC was participating in the Metro Mobility program for elderly and disabled. Since the buses were ordered, Metro Mobility has been restructured and the MTC will no longer be providing such services. It is the intent of the MTC to use these buses, without lifts, in regular route service. The buses were ordered such that they could be converted to either lift or non-lift vehicles.

Policy 3 of the adopted Transportation Development Guide/Policy Plan emphasizes more efficient and effective utilization of existing investments. It is clear that the original intent of the Council in approving the purchase was to improve and maintain the fleet of vehicles serving the needs of the disabled

Table 5
1987 RTB/MTC RTB CAPITAL BUDGET
NEW PROJECTS

<u>Project</u>	<u>Estimated 1987 Expenditure</u>	<u>Percent Spent Pre-1987</u>	<u>Total Authorization</u>
1987 Bus Replacement	8,523	0	19,110,170
Major Maintenance-Facilities	465,102	0	465,102
Bus Turnarounds	19,172	0	233,587
Grant Applications/Admin.	119,146	0	119,146
1987 Capital Equipment	<u>304,211</u>	0	<u>1,920,747</u>
TOTAL NEW PROJECTS	916,154		21,848,752

Table 6
SUMMARY OF MTC CAPITAL PROGRAM

<u>Project Status</u>	<u>Estimated 1987 Expenditure</u>	<u>Total Requested Authorization</u>
Previously Authorized (Pre-1987 Completion)	0	\$62,446,191
Previously Authorized (1987 or later Completion)	\$1,469,555	4,567,116
Amended Authorization	28,912,391	44,923,510
<u>New Projects</u>	<u>916,154</u>	<u>21,848,752</u>
TOTAL	31,298,100	133,785,569

Table 8
1987 RTB CAPITAL BUDGET

<u>Project</u>	<u>Proposed Authorization and 1987 Expenditure</u>
<u>Capital Equipment Program</u>	
Office Equipment & Furniture	\$ 30,000
Computer Equipment and Components	49,500
Presentation Equipment	10,000
Copier and Distribution Equipment	12,000
Communications and Miscellaneous Equipment	<u>29,000</u>
Subtotal	\$130,500
<u>Capital Improvements: Transit Providers</u>	
	200,000
TOTAL	\$330,500
SW110A	

TABLE 7

1987 MTC CAPITAL BUDGET: NEW PROJECTS

125 40-Foot Buses (\$19.1 million). In keeping with the 1986 Fleet Modernization Plan 125 buses will be purchased in this project to replace 1971-1974 Flexibles and 1976 AM Generals. The cost per vehicle is estimated at \$148,900. Most of the buses are scheduled for delivery in 1988; a few in 1989. The project is proposed to be funded with a combination of UMTA 1987 Section 9 and FAU funds.

1987 Capital Equipment (\$1.92 million). Each year MTC develops a two-year equipment project. In the first year, all equipment to be bought with local funds is purchased. In the second year, all federally funded equipment is purchased. All equipment requested as part of this project is itemized and listed on pages G-52 through G-56. Major items included in this particular project are \$1 million of replacement bus radios; \$100,000 of equipment to automate the Transit Information Center; \$120,000 for replacement of two bus wash racks; \$48,500 for replacement of five automobiles; \$90,000 for bus hoists; \$48,000 for permanent information display booths; \$50,000 for vehicle maintenance contingency, and many other items.

Bus Turnarounds (\$234,000). Bus turnarounds are a necessary program at MTC in which space on or off of roadways must be provided for buses to reverse direction or to layover. An average of two sites per year are constructed. The 1987 project is proposed to build one new site and improve upon an existing site.

Major Maintenance Facilities (\$344,000). This project includes several planned improvements and a contingency to cover capital improvement costs that may become necessary due to unexpected damages or failures of buildings or facilities. Several specific items planned are: boiler rehab, roof and floor repair or replacement, structural repair to outside walls, replace overhead doors and loop detectors. About \$194,000 of the estimated project cost is repair at the Nicollet facility which will not be completed if the proposed new Nicollet facility is approved.

Grant Application/Administration (\$119,100). The preparation of operating, capital, and demonstration grant applications, liaison with those organizations and governmental agencies concerned with the approval process. Also included in this project is estimated professional service fees for the issue of bonds and the selling of Safe Harbor Lease Agreement.

Source: MTC 1987 Capital Budget

population in the region. The restructuring of the Metro Mobility program has altered the number and role of private providers. These providers may already have adequate vehicles to accommodate the anticipated demand, but this adequacy has not been documented. If an insufficient number of vehicles exist in the Metropolitan Area, it would be prudent to use the eleven buses for their original purpose. The Regional Transit Board could appropriately make such a determination through its evaluation of capital needs.

The 20 demonstration buses were purchased under the federal New Bus Equipment Introduction (NBEI) program. They are forty feet long and are equipped with standard lifts. The buses will be used to provide accessible regular route transit on existing routes. The routes are in the central cities in areas having high Metro Mobility use, and the new service is expected to alleviate some Metro Mobility demand.

Policy 21 of the Transportation Policy Plan states that "transit services for disabled persons should be provided by the most cost-effective mix of services". Discussion has taken place over the past few years to determine how to use the buses. However, Metro Mobility is being reorganized and will experience changes in service area and fares. It may be possible that the assumptions used in determining the use of these vehicles have changed in light of the Metro Mobility restructuring and a different use for the vehicles may be more cost effective given the new service area and fare structure. The relationship between the new accessible regular route service and the new Metro Mobility is appropriately addressed in the RTB Implementation Plan.

The 1987 bus replacement program is the most significant new project. According to the MTC Fleet Modernization Plan, the 125 buses represent an actual replacement of 116 vehicles and an expansion of 9 buses.

With respect to the vehicle replacement program, the MTC has a fleet of buses that are aging, due to two major fleet expansions in the mid-1970's. The buses purchased at that time are reaching the end of their useful life (approximately 12 years) and need replacement and rehabilitation. In addition, the 1976 AM General models have been plagued by maintenance problems. This aging fleet requires the MTC to retain more spare vehicles because the buses break down more frequently, adding to the capital investment in the fleet.

With regard to the issue of fleet expansion, a major question being addressed by the RTB is: How big should the MTC fleet be? Routes and services are being cut back, and a shift in the balance of service areas and transit providers may take place based on implementation of the transit service needs assessment. The RTB's Implementation Plan will provide some answers to questions regarding where service will be continued or expanded, but it is becoming apparent that the service needs of the future are in areas where the MTC may not be the most effective provider of transit services.

Policy 2 of the policy plan states:

"Transportation investments should be made on the basis of need and the ability of the Metropolitan Area to finance and maintain these investments in relation to other metropolitan system needs and investments over time."

The purchase of 125 buses for the metropolitan area is justifiable on the basis of Metropolitan Area needs. To forego a purchase would deprive the transit fleet of replacement and expansion vehicles that are needed to efficiently

modernize the fleet. However, the RTB is making critical determinations on where within the Metropolitan Area the needs are and it would therefore be premature to conclude that all of the new vehicles are needed by the MTC. The MTC has in place a mechanism for purchasing the vehicles at this time, and therefore the buses should be ordered through the MTC's program. However, by the time the vehicles are received or within the lifetime of the vehicles it may become evident that the buses are needed on routes not served by the MTC. The Metropolitan Area's needs would best be served if a lease/use arrangement is pursued with the MTC such that the RTB determines which transit operator eventually uses the vehicle.

The RTB's transit provider program has a \$200,000 capital budget item proposed. The planning effort for the program is just now getting underway, and no specific purchase has been determined. Therefore, consistency with the Transportation Policy Plan can not be determined. It would be more appropriate for the RTB to complete its capital needs study and then to submit a budget amendment to the Council once a specific purchase has been determined.

METRO GOVERNANCE FISCAL POLICY CONSIDERATIONS

Capitalizing Planning/Administration Costs

The MTC includes the preparation and administration of grants as a capital budget item. In addition to grants for capital projects, the budget item includes operating grants, and professional services for bond issues and safe harbor leasing arrangements. The MTC has in the past defended this budget item as an extension of the labor required to obtain the capital improvement. It would seem contrary to the intent of Minnesota Statutes 473.38, the authorization for bonding for capital improvements, to use bonding as a local capital source for a project involving solely administration. In addition, if other transit providers do not include such administrative functions in their capital needs, it may raise the appearance of unfair competitive advantages toward the MTC. At a minimum, the inclusion in the capital project of costs associated with operating grants seems inappropriate.

The issue of what costs are appropriately capitalized was raised in the Metropolitan Council review of the Metropolitan Waste Control Commission (MWCC) capital budget. In that instance, long-range planning costs were included as a separate capital item.

How Are These Costs Best Accounted For?

Under guidelines established this year by the Minnesota Department of Finance, capital budget requests by state departments are to be distinguished from operating requests by the following characteristics among others:

- "they involve program improvements or program expansion"
- "they extend the life of or enhance the value of a facility"
- "they are not of a recurring, routine nature"

These characteristics do not specifically include general grant preparation and administration. However, the designation of a capital expense as something that is "not of a recurring...nature" but is "project specific" provides direction for setting guidelines. It should be noted that the Metropolitan Airports Commission and State Auditors's Office deal with the classification of

capital expense in much the same way as state finance. That is, only those expenses that are related to specific projects are capitalized. Ongoing planning and administration that is not related to specific project is classified as operating expense.

Guidelines for Coordination

In its review of the MWCC budget, Council staff proposed a set of guidelines that would provide consistency and comparability among metro agencies. The guidelines are:

- Costs that support the improvement or expansion of a specific capital project, and that are not recurring in nature may be capitalized;
- Costs that extend the life or increase the value of a facility may be capitalized;
- Costs of planning or designing that can be related to specific capital projects may be capitalized;
- All other ongoing planning costs should be classified and paid for as operating expenses.

In terms of its grant preparation/administration project, the MTC should be able to determine that many of the costs are project-specific, such as safe harbor leasing fees. Other costs, most notably the preparation/administration of operating grants, should no longer be included in the capital budget.

CASH FLOW/FINANCING ANALYSIS

In the past, the capital programs of the regional agencies were analyzed using several fiscal performance indicators for regional debt. No such analysis was conducted this year because the Metropolitan Development and Investment Framework had not been adopted at the time when the budget was submitted. The small increase in requested authorization, \$12 million, should have a negligible implication on the regional debt.

1987 expenditures for capital projects is estimated at \$32,128,900. Although this is nearly 75 percent higher than the 1986 expenditure estimate, virtually the entire difference is in the amount of federal grants received. Over \$30 million of these expenditures are for projects that have already been approved by the Council.

The MTC estimates a cash balance of \$5.5 million going into 1987. \$24.2 million in federal grants are anticipated during the year. Investment income is forecast at \$348,000. Safe Harbor Leasing, a financing technique where the depreciation rights of transit facilities are sold the private sector, are expected to bring in \$652,000. \$7 million in cash is anticipated from the sale of bonds for the Regional Transit Board. The MTC expects to finish 1987 with a cash balance of \$6.4 million.

The RTB Financial Plan will provide more in depth discussion of financing for all transit providers, including the MTC. It is anticipated the Financial Plan will be reviewed by the Council in November when the RTB Implementation Plan is submitted to the Council.

CONSISTENCY WITH FINANCIAL AND IMPLEMENTATION PLANS

No major differences exist between the capital projects proposed and either of the RTB's adopted Interim Implementation Plan or Financial Plan. Some of the differences are due to changes in anticipated costs of projects (lower bus costs, for example) or projects dropped from the budget (e.g.--bus rehabilitation and Nicollet Garage).

The major differences are caused by the amount of time since the approval of the Interim Implementation Plan (March, 1985) and Financial Plan (December, 1985). Some of the disparities would not have occurred if the Regional Transit Board had prepared and submitted its new implementation plan by August 1 and submitted its financial plan along with its capital budget, as intended by the Minnesota Legislature.

FINDINGS

- a) Fourteen of the projects included in the 1987 capital budget for the MTC were previously approved by the Council and should be completed before the end of 1986. Eleven of these require no change in authorization levels and are accepted as status reports. Three require some change in authorization and are accepted as 1986 budget amendments. The total of these fourteen projects is \$62.4 million.
- b) Seven projects previously approved by the Council, with a total authorization level of \$4.57 million, will be continued into 1987 and beyond.
- c) Nine projects previously approved by the Council, are being requested for authorization amendments with a net decrease of \$9,347,780. The new total cost for these projects is \$44.9 million.
- d) Five new projects have been proposed by the MTC at a total authorization request of \$21,848,752. The net increase in requested MTC authorizations is \$12,941,498.
- e) The Regional Transit Board is proposing \$130,500 for office-related capital equipment and \$200,000 in unspecified capital improvements for transit providers.
- f) The most significant new projects are \$19.1 million for 125 new buses and \$1 million for new bus radios as a part of the 1987 capital equipment project.
- g) The decision by the MTC to use eleven new Project Mobility vehicles on regular route service rather than service to the disabled may be inconsistent with the original intent of that purchase. It is appropriate for the Regional Transit Board to re-evaluate this decision for consistency with the capital needs of the Metro Mobility program.
- h) The most effective use of the 20 lift-equipped demonstration buses should be evaluated in light of the recent restructuring of the Metro Mobility system. This distinct transit service, accessible regular-route transit, is appropriate for inclusion in the RTB Implementation Plan.
- i) The 125 buses in the 1987 Bus Replacement project are needed to modernize the public transit fleet in the Metropolitan Area. The RTB, as the broker

of public transportation services, is responsible for making determinations of appropriate allocation of the public transit fleet.

- j) The consistency of RTB project 87-26, Capital Improvements: Transit Providers, with the Transportation Policy Plan can not be determined because the RTB has yet to decide what capital purchases to make.
- k) The use of local capital funds for projects involving only grant administration and preparation may be inconsistent with the intent of the legislative authorization for bond issues for local capital funding. The Council, because of its increased responsibilities for coordinating fiscal policy under the metro governance legislation, has established in this report some basic guidelines for determining costs eligible for capitalization. The RTB needs to adopt criteria complying with these guidelines. Although it is preferable to have the criteria applied to the 1987 budget when it is re-submitted to the Council on or before December 20, 1986, it would be sufficient to have the criteria in place at that time to accomodate future budgets and budget amendments.
- l) The 1987 Regional Transit Board capital budget contains \$13,271,998 in new authorization requests and therefore would have little impact on the level of regional debt service. The anticipated 1987 expenditures of \$32,128,900 can be accomodated with a \$7 million bond issue.

RECOMMENDATIONS

That the Metropolitan Council:

- 1) Approve the 1987 Regional Transit Board capital budget, including the Metropolitan Transit Commission 1987 capital budget, with the exception of RTB project 87-26, Capital Improvement: Transit Providers;
- 2) Disapprove RTB project 87-26, Capital Improvement: Transit Providers, until the RTB proposes specific use and need for the expenditure;
- 3) Request that the Regional Transit Board re-evaluate the decision of the MTC to use the 11 Project Mobility buses for regular route service rather than for Metro Mobility, in light of the needs of the Metro Mobility system.
- 4) Direct the Regional Transit Board to submit, as part of its Implementation Plan, to the Council documentation regarding planned use of the 20 lift-equipped demonstration vehicles, including alternatives considered but not selected and the relationship to the restructured Metro Mobility program;
- 5) Direct the Regional Transit Board to structure the purchase of the 1987 Bus Replacement project in a manner such that vehicles can be redistributed on the basis of the needs of all public transit providers, if necessary.
- 6) Direct the Regional Transit Board to adopt criteria for the appropriate budgeting of grant planning/administration costs that conform to the guidelines established in this report, at the time of or before resubmittal of the amended 1987 Capital Budget prior to December 20, 1986.

REGIONAL TRANSIT BOARD
1986/1987 BUDGET
AMENDMENT COMPARISONS

Revenues	Actual 1985	Change	1986 Estimated Actual	Change	1987 Budget proposed Aug. 1, 1986	Change	1987 Budget proposed Oct. 9, 1986	Change	1987 Budget proposed Nov. 6, 1986
Local Property Taxes	35,289,258	2,990,742	38,280,000	1,595,000	39,875,000	1,538,000	41,413,000	0	41,413,000
State Revenue Sources:									
Transit Provider Assistance	--	17,775,190	17,775,190	8,224,810	26,000,000	(5,742,300)	20,257,700	800,000	21,057,700
Planning Grant	1,750,000	(1,750,000)	0	2,000,000	2,000,000	0	2,000,000	0	2,000,000
RTB Administration	1,175,318	(265,718)	909,600	590,400	1,500,000	(370,000)	1,130,000	0	1,130,000
Homestead Tax Credit	8,295,094	204,906	8,500,000	100,000	8,600,000	240,000	8,840,000	0	8,840,000
Tax Feathering Reimbursemt	--	1,594,000	1,594,000	1,056,000	2,650,000	(698,000)	1,952,000	0	1,952,000
Capital Impr. - Transit Providers					1,700,000	(1,700,000)	0	0	0
Sub-Total	11,220,412	17,558,378	28,778,790	13,671,210	42,450,000	(8,270,300)	34,179,700	800,000	34,979,700
Federal Revenue Sources:									
UMTA/ Grant	231,371	220,629	452,000	(152,000)	300,000	0	300,000	0	300,000
UMTA Transit Study	--	--		192,000	192,000	73,000	265,000	0	265,000
Federal Aid urban	--	433,000	433,000	(82,000)	351,000	0	351,000	0	351,000
Sub-Total	231,371	653,629	885,000	(42,000)	843,000	73,000	916,000	0	916,000
Miscellaneous Revenue	1,528	(1,528)	--						
Interest Income:									
Operations	289,609	160,391	450,000	150,000	600,000	0	600,000	0	600,000
Note Escrow Account	--	437,000	437,000	(437,000)		550,000	550,000	0	550,000
Sub-Total	289,609	597,391	887,000	(287,000)	600,000	550,000	1,150,000	0	1,150,000
Bond Proceeds - I 394				1,500,000	1,500,000	(1,500,000)		0	
Total Revenue	47,032,178	21,798,612	68,830,790	16,437,210	85,268,000	(7,609,300)	77,658,700	800,000	78,458,700
Expenses:									
Salaries and Benefits	574,120	227,880	802,000	441,800	1,243,800	(151,900)	1,091,900	0	1,091,900
Professional & Technical Services	295,374	381,626	677,000	1,965,200	2,642,200	(486,200)	2,156,000	0	2,156,000
Travel	62,452	2,548	65,000	52,000	117,000	(10,200)	106,800	0	106,800
Per Diems	47,950	(9,950)	38,000	0	38,000	0	38,000	0	38,000
Council Cahrgebacks	213,554	(3,854)	209,700	70,300	280,000	0	280,000	0	280,000
General Admin. - Other	183,022	114,478	297,500	217,150	514,650	(132,050)	382,600	0	382,600
Transit Provider Expense	38,874,247	19,598,753	58,473,000	12,792,000	71,265,000	(1,089,000)	70,176,000	800,000	70,976,000
RTB Adm. Capital	93,875	(43,875)	50,000	280,500	330,500	(260,500)	70,000	0	70,000
Interest on notes & bonds	700,820	(471,470)	229,350	(229,350)	--	0	--	0	--
Debt Service - MTC	4,453,033	(1,099,033)	3,354,000	1,147,000	4,501,000	464,800	4,965,800	0	4,965,800
	45,498,447	18,697,103	64,195,550	16,736,600	80,932,150	(1,665,050)	79,267,100	800,000	80,067,100

METROPOLITAN TRANSIT COMMISSION
1987 BUDGETING: OPERATING BUDGET ASSUMPTIONS

SEP. 29, 1986

			BUDGET CAL. YEAR 1986	EST. ACTUAL CAL. YEAR 1986	PROPOSED CAL. YEAR 1987	PROPOSED CAL. YEAR 1988
SERVICE PLAN	REGULAR TRANSIT	ANNUAL MILES	28,250,000	28,250,000	27,823,500	27,823,500
		PASSENGERS	75,428,000	73,167,000	72,063,000	72,063,000
		PASSENGERS/MILE	2.67	2.59	2.59	2.59
		MAX PEAK BUSES	830	830	832	832
		I-394 SERVICE	NOT INCLUDED	INCLUDED	INCLUDED AT '86 LEVEL	INCLUDED AT '86 LEVEL
	PROJECT MOBILITY	ANNUAL MILES	1,026,000	770,000	0	0
		PASSENGERS	186,000	139,000	0	0
		PASSENGERS/MILE	0.18	0.18	0.00	0.00
		BUSES	33	33	0	0
	EXPENSES	INFLATIONARY INCREASE		+4%/YEAR	+4%/YEAR	+4%/YEAR
	WAGES & SALARIES		-PER FINAL OFFER: \$850/F.T. EMPLOYEE, \$425/P.T. EMPLOYEE; PAYABLE 1ST HALF 1987. 1988 WAGE CHANGES SUBJECT TO FINAL CONTRACT.			
	FUEL	PRICE/GALLON	\$0.820	\$0.590	\$0.670	\$0.697
	CASUALTY & LIABILITY		\$2,095,000	\$2,733,000	\$3,500,000	\$3,640,000
REVENUES	FARE	STRUCTURE LEVEL	NO CHANGE NO CHANGE	NO CHANGE NO CHANGE	NO CHANGE NO CHANGE	NO CHANGE NO CHANGE
SUBSIDIES	FEDERAL REVENUE	SEC. 9 OPERATING ASSIST.	\$7,676,000	\$7,676,000	\$6,823,000	\$6,823,000
		OTHER NON-CAPITAL	\$808,000	\$199,000	\$626,000	\$626,000
	TOTAL FEDERAL		\$8,484,000	\$7,875,000	\$7,449,000	\$7,449,000
	SEC. 9 REDUCTION FROM '84 BASE (\$8.528M)		10%	10%	20%	20%
RTB TRANSIT ASSISTANCE	BASE		\$60,292,000	\$52,470,000	\$59,794,000	\$61,280,000
	POSSIBLE COST-SAVING REDUCTION		(\$400,000)	\$0	\$0	\$0
	STATE LOSS		\$0	\$0	\$0	\$0

RTB ASSISTANCE IN 1986 AND THEREAFTER IS COMPUTED TO MAINTAIN MTC'S
\$15 MILLION WORKING CAPITAL.

METROPOLITAN TRANSIT COMMISSION
OPERATING BUDGET SCENARIO
IN THOUSANDS

	6-11-86 Initial 1986 Projected Actual	Change	9-29-86 Revised 1986 Estimated Actual	6-11-86 Original 1987 Budget Scenario	Change	9-29-86 Revised 1987 Budget Scenario
Revenues						
Passenger Fares/Other	32,946	423	33,369	33,036	373	33,409
Investments	882	(359)	523	901	44	945
Federal Grants	7,631	244	7,875	5,744	1,705	7,449
Sub-Total MTC Revenues	41,459	308	41,767	39,681	2,122	41,803
RTB Transit Assistance	59,490	(7,020)	52,470	62,547	(2,753)	59,794
Sub-Total Revenues & Assistance	100,949	(6,712)	94,237	102,228	(631)	101,597
Application of Working capital	2,004	1,702	3,706	1,702	(1,702)	0
	102,953	(5,010)	97,943	103,930	(2,333)	101,597
Expenses						
Labor	56,200	(1,659)	54,541	56,496	(3,048)	53,448
Fringes	24,954	(729)	24,225	24,734	790	25,524
Fuel	4,800	(254)	4,546	4,811	0	4,811
All other materials & supplies	6,579	(607)	5,972	6,762	(9)	6,753
Casualty & Liability	3,500	(767)	2,733	3,500	0	3,500
Other	6,061	(741)	5,320	6,611	(66)	6,545
Interest	859	(253)	606	1,016	0	1,016
Total expenses	102,953	(5,010)	97,943	103,930	(2,333)	101,597

REGIONAL TRANSIT BOARD

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

DATE: November 17, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: 1987 Regional Transit Budgets Approval

At its meeting November 6, 1986, the Administration and Finance Committee reviewed, discussed and moved the following:

Recommendation

That the Regional Transit Board approve the 1987 RTB and MTC budgets including the capital budget approved by the Metropolitan Council, subject to staff's response to Gardebring's letter dated October 13, 1986.

<u>Metropolitan Transit Commission Budget</u>	<u>Proposed Expenditures</u>
Operations	\$101,597,000
Debt Service	4,501,000
Capital Improvements	31,298,100
Total	\$137,396,100
<u>Regional Transit Board Work Program & Budget</u>	
1987 Work Programs & Transit Assistance	75,031,300
Capital Improvements	70,000
Debt Service - RTB	444,100
Debt Service - MTC	4,521,700
Total	\$80,067,100

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Ruth Franklin
Chair

RTBTX3/TRANSM/ch

REGIONAL TRANSIT BOARD
1987 SOURCE OF REVENUE BY WORK PROGRAM

<u>REGIONAL TRANSIT BOARD WORK PROGRAM ACTIVITIES</u>	<u>FEDERAL</u>	<u>STATE</u>	<u>LOCAL PROPERTY TAXES</u>	<u>OTHER SOURCE FUNDS</u>	<u>TOTAL WORK PROGRAM ACTIVITIES</u>
87-01 RTB Policy Management		\$368,423			\$368,423
<u>PLANNING & PROGRAM ACTIVITIES</u>					
87-03 Planning & Program Administration		249,313			249,313
87-04 Transportation Planning Process	\$ 38,838	198,226			237,064
87-05 Major Corridor Studies	65,320	54,739			120,059
87-09 Urban Travel Analysis & Policy Plan Updates	41,559	75,143			116,702
87-10 Handicapped Transportation Planning	16,519	21,197		98,683	136,399
87-11 Regional Rideshare Program Coordination	20,312			67,473	87,785
87-12 I-394 Planning & Implementation	34,067			133,177	167,244
87-13 Transit System Planning & Implementation	83,385			585,110	668,495
87-14 Transit Programs & Administration	351,000	31,004,700	\$40,066,157		71,421,857
87-22 Competitive Transit Services	265,000	472			265,472
87-23 Preliminary Engineering/Corridor Transit Improvements		1,171,085			1,171,085
87-24 Taxicab Planning & Coordination		21,402			21,402
<u>CAPITAL PROGRAMS</u>					
87-20 RTB Capital Expenditures		70,000			70,000
<u>DEBT SERVICE</u>					
87-21 Debt Service		845,000	4,120,800		4,965,800
TOTALS	\$916,000	\$34,079,700	\$44,186,957	\$884,443	\$80,067,100

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REGIONAL TRANSIT BOARD
EXPENDITURE BUDGET
WORK PROGRAM ACTIVITIES

<u>RTB WORK PROGRAM ACTIVITIES</u>		<u>Salaries & Benefits</u>	<u>Consultants</u>	<u>Travel Local/Non Local</u>	<u>Printing</u>	<u>Per Diems</u>	<u>General O/H Support</u>	<u>Met Council Chargebacks</u>	<u>Trnst Prvdr Payments</u>
87-01	RTB Policy Mgmt	\$118,710	\$ 26,500	\$40,900		\$38,000	\$ 125,563	\$ 18,000	
<u>PLANNING & PROGRAM ACTIVITIES</u>									
87-03	Plng & Prgms Admin	94,276	2,500	17,600			123,337	11,600	
87-04	Trnsp Plng Process	30,424		2,000			38,640	166,000	
87-05	Major Corridor Studies	51,167					68,892		
87-09	Urbn Trvl Anlys/Plcy Plan Updtes	32,555					46,347	37,800	
87-10	Handicapped Trnsp Planning	12,941	90,000	1,200	12,500		17,758	2,000	
87-11	Rgnl Rideshare Prgm Coord	15,912	40,000	1,200			21,173	9,500	
87-12	I-394 Plning/Implem	26,685	100,000		5,000		35,559		
87-13	Transit System Plning/Implem	65,318	500,000	3,300	5,000		87,877	7,000	
87-14	Transit Prgms/Admin	158,728	75,000	3,000	10,900		198,229		\$70,976,000
87-22	Competitive Transit Services	62,121	120,000	5,000	2,500		75,851		
87-23	Prel Eng/Corridor Trnst Improv	27,041	1,100,000	2,500	2,000		39,544		
87-24	Taxicab Plning/Coord	9,093					12,309		
<u>CAPITAL PROGRAMS</u>									
87-20	RTB Capital Expenditures								
87-26	Captl Improv - Trnst Prvdrs								
<u>DEBT SERVICE</u>									
87-21	Debt Service								
TOTAL WORK PROGRAM EXPENDITURES		\$704,971	\$2,054,000	\$76,700	\$37,900	\$38,000	\$ 891,079	\$251,900	\$70,976,000

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Corrected 11/18/82

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-21

DATE: August 1, 1986

ACTIVITY TITLE: Debt Service

Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To provide funds for payment of certificates of indebtedness pursuant to Minnesota Statute 473.446 (Transit Tax Levies).

Approach:

Not applicable.

Relationship to Previous Work:

Not applicable.

PRODUCTS

COMPLETION DATES

Payment of funds.

STAFF COMPLEMENT

1987 HOURS

None

0

EXPENDITURES

1987 ESTIMATED

RTB Debt Service

\$ 444,100

MTC Debt Service

4,521,700

\$4,965,800

REVENUES

1987 ESTIMATED

Property Tax Related Revenues

\$4,965,800

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-21

DATE: August 1, 1986

ACTIVITY TITLE: Debt Service

Cont'd. New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To provide funds for payment of certificates of indebtedness pursuant to Minnesota Statute 473.446 (Transit Tax Levies).

Approach:

Not applicable.

Relationship to Previous Work:

Not applicable.

PRODUCTS

Payment of funds.

COMPLETION DATES

STAFF COMPLEMENT

None

1987 HOURS

0

EXPENDITURES

RTB Debt Service
MTC Debt Service

1987 ESTIMATED

\$ 444,100
~~4,521,800~~ 700
\$4,965,800

REVENUES

Property Tax Related Revenues

1987 ESTIMATED

\$4,965,800

REGIONAL TRANSIT BOARD
1987 BUDGET

Proposed
July 10, 1986

Revised
July 24, 1986
October 9, 1986
November 6, 1986

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REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: November 6, 1986
TO: Regional Transit Board
FROM: Gregory L. Andrews, Director of Administration
SUBJECT: 1987 Regional Transit Board Budget Overview

The proposed 1987 Regional Transit Board (RTB) budget sets forth the projected revenues and expenditures associated with the public transit activities of the RTB in the Twin Cities metropolitan area. The document has been developed to reflect agency priorities identified in the Interim Implementation Plan, preliminary conclusions and findings made in the Transit Service Needs Assessment, and additional federal and state legislative mandates. Many of these activities represent ongoing RTB efforts, whereas several other activities have been developed as new RTB initiatives in the area of public transit service planning and programming.

All of the budget activities have been developed within the context of meeting five basic objectives:

1. Provide for a comprehensive set of transit and paratransit services to meet the needs of metropolitan area residents.
2. Utilize private and public transit providers to ensure the most efficient and coordinated use of existing and planned transit resources.
3. Develop a public information and legislative strategy to ensure that metropolitan area residents, organizations, and the Legislature are well informed and actively involved in public transit activities.
4. Utilize public resources and investments in the most efficient manner possible in order to establish and maintain a strong financial base for public transit activities.
5. Maintain a strong internal organization that operates as a coordinated and effective team.

These objectives are reflective of an agency that is still growing in order to better meet the public transit needs of the metropolitan area and, at the same time, indicative of an agency that is now recognized as a viable and responsible partner in the transportation community. A description of specific changes from the 1986 budget and new activities follow.

Activities

--The RTB has become increasingly involved with Major Corridor Studies (Activity 87-05), including I-35W, I-494 and I-94 to ensure that transit issues and components are adequately addressed. In 1986, the I-35W study (Activity 86-06) was singled out as a project. However, in 1987, this study has been grouped with other corridor efforts for simplicity and also to indicate the total level of effort that the RTB is making in coordination with the variety of major corridor studies planned or underway.

--Activity 87-09--Urban Travel Analysis and Policy Plan Updates--has been modified to indicate the necessary RTB involvement in the Metropolitan Council's Policy Plan Update, which will be underway in 1987.

--The RTB's involvement in handicapped transportation planning in 1987 (Activity 87-10) will focus on the evaluation of the restructured Metro Mobility service and the preparation of documentation necessary to submit to the Urban Mass Transportation Administration required by the recently enacted 504 regulations.

--In the area of Regional Rideshare Coordination (Activity 87-11), the RTB will focus its efforts on implementing recommendations to be made as a result of its evaluation of alternative management structures for the rideshare program, which is expected to be completed in February, 1987.

--RTB's efforts in the I-394 Planning and Implementation Activity (87-13) will be continued. Although this is a major corridor project, it has been identified as a separate activity to reflect the more detailed implementation planning efforts required of this project.

--In 1986, an activity was designated for the RTB's major efforts in developing the Transit Service Needs Assessment and the Implementation Plan. This activity is not included in the 1987 budget. Rather, the detailed planning and implementation efforts required to carry out the recommendations and priorities established in these two documents are included as part of Activity 87-13--Transit System Planning and Implementation.

--Activity 87-14--Transit Programs and Administration--reflects the full assumption of responsibility by the RTB for the administration of transit contracts with providers for transit services. Several specialized projects, such as the development of a capital plan for identifying the fleet and facilities needs of providers, will be developed as part of this activity.

--Competitive Transit Services (Activity 87-22) is a new RTB activity. This activity, funded as an UMTA demonstration project, is intended to increase the efficiency of transit in the metropolitan area through fully competitive transit services.

--Preliminary Engineering for Corridor Transit Improvements (Activity 87-23) is also a new RTB activity. This project builds upon the work of previous studies and recommendations adopted by the RTB and the Metropolitan Council. Activity expenses are primarily for consultant costs. Costs of additional staff, specific to this project, are not included.

--Although previous work has been done in the area of Taxicab Planning and Coordination (Activity 87-24), the separation of this activity is new to the 1987 budget. Efforts in this area will focus on the identification of appropriate roles for taxis as providers of public transit service and identification and implementation of program initiatives intended to increase taxicab participation.

--Contract and Procedures Administration (Activity 87-18) was expanded in the 1987 budget to reflect increased RTB responsibilities in this area. Contract administration will provide support services, including accounting and auditing service, compliance procedures and administrative and financial management expertise to the development of contracts.

--Office Services (Activity 87-25) is a new activity, added to the 1987 budget to coordinate the office services function of the RTB as the agency expands. Efforts in this area will focus on providing efficient, cost-effective office services. A major effort in 1987 will be space planning for the anticipated office move and coordination with the other metropolitan agencies regarding joint services.

Personnel

In 1986, the RTB identified a staff of 24 individuals necessary to carry out its responsibilities, in addition to the Chairman. As the agency has become involved in the full-scale implementation of its duties and, furthermore, has identified the necessary activities required to make transit service more cost-effective and responsive to the needs of the metropolitan area residents, it is clear that additional personnel will be required. Three additional positions are scheduled to be hired in 1987 in order to meet these needs. A careful analysis of the legal needs of the agency has led to the decision to eliminate the full-time in-house attorney from the 1987 budget. This position was budgeted for in 1986 but has never been filled. The RTB will continue contracting for legal services. The net gain in positions proposed by this budget is three, bringing the total staff complement to 27 in addition to the Chairman. There are three position changes involving work assignments and responsibilities. The staffing changes are described as follows:

PLANNING & PROGRAMS

1. The Planner Engineer will be responsible for conducting preliminary engineering activities for transit improvement on the University Avenue corridor. It is not anticipated that the individual filling this position would be hired until July, 1986.
2. The Competitive Transit Project Administrator will coordinate the fully competitive transit service demonstration project. This individual will identify and evaluate the capability of providers, identify barriers to participation and establish, implement, monitor and evaluate the competitive bidding process. This position is funded under the UMTA demonstration grant. The position of an additional Project Administrator identified in the 1986 budget has been deferred.

ADMINISTRATION

3. The Contracts and Procedures Administrator will contribute administrative and financial management expertise to the development and negotiation of contracts as well as provide staff support for audit and compliance procedures and purchasing functions.
4. The Public Information Assistant will report to the Public Information Officer and will assist with developing and carrying out strategies to inform and involve the public about RTB activities.
5. Comptroller. The position of Director of Administration is deleted and replaced by the staff position of Comptroller, which more closely aligns Administration responsibilities toward financial matters in addition to administrative duties.
6. Program Auditor. This position is established to coordinate and perform audits, primarily of transit providers. Duties will include financial and performance analysis in liaison with the Planning and Programs staff.
7. Manager of Accounting and Treasury. This position change results from the RTB's assumption of the general ledger and treasury functions initially performed under service agreement with the Metropolitan Council. This position replaces the Fiscal Analyst.

A copy of the proposed organizational chart which includes these three new positions can be found in the personnel section of the budget document.

Expenditures and Revenues

The proposed 1987 budget of \$80,067,100 represents a 13 percent increase over the 1986 budget. This increase reflects the ongoing costs of planning and providing transit services as well as those associated with the expanded activities of the Regional Transit Board.

The majority of the expense, \$71,421,857, is found in Activity 87-14, Transit Programs and Administration. The expense is based on the requests for financial assistance in 1987 recently submitted to the Regional Transit Board. The final cost of this effort will change when staff has the opportunity to analyze these requests and negotiate contracts with providers. The remaining Planning and Programs activities of \$3,241,020 reflect an 84 percent increase over 1986 estimates. This increase is due to the addition of new activities (87-22) Competitive Transit, (87-23) Preliminary Engineering.

Expenditures for supporting services are \$891,079 in 1987, an increase of 47 percent over 1986. The support activities show significant growth as the agency's needs have become more clearly identified. The costs are allocated to the various work programs based upon labor dollars and hours.

Many of the programs in this budget have been allocated a portion of the Metropolitan Council "chargeback" of \$280,000 for 1987, a 33.5 percent increase over the estimate for 1986. Meetings will be held with Council staff to discuss the specific elements of the chargeback.

Sources of revenue to fund the 1987 budget remain the same; federal and state grants as well as local property taxes. Federal grant revenues of \$916,000 are projected to fund the Board's Unified Planning Work Program, ridesharing activities administered by the Metropolitan Transit Commission, and the Competitive Transit Demonstration Program.

State grants of \$34,979,700--including \$10,792,000 for state reimbursed homestead credit and tax feathering--are projected for 1987. The remaining \$24,187,700 of state grants are are anticipated from appropriations for Board administration, special planning programs, capital and operating assistance for transit providers.

REGIONAL TRANSIT BOARD
1987 SOURCE OF REVENUE BY WORK PROGRAM

<u>REGIONAL TRANSIT BOARD WORK PROGRAM ACTIVITIES</u>	<u>FEDERAL</u>	<u>STATE</u>	<u>LOCAL PROPERTY TAXES</u>	<u>OTHER SOURCE FUNDS</u>	<u>TOTAL WORK PROGRAM ACTIVITIES</u>
87-01 RTB Policy Management		\$368,423			\$368,423
<u>PLANNING & PROGRAM ACTIVITIES</u>					
87-03 Planning & Program Administration		249,313			249,313
87-04 Transportation Planning Process	\$ 38,838	198,226			237,064
87-05 Major Corridor Studies	65,320	54,739			120,059
87-09 Urban Travel Analysis & Policy Plan Updates	41,559	75,143			116,702
87-10 Handicapped Transportation Planning	16,519	21,197		98,683	136,399
87-11 Regional Rideshare Program Coordination	20,312			67,473	87,785
87-12 I-394 Planning & Implementation	34,067			133,177	167,244
87-13 Transit System Planning & Implementation	83,385			585,110	668,495
87-14 Transit Programs & Administration	351,000	31,004,700	\$40,066,157		71,421,857
87-22 Competitive Transit Services	265,000	472			265,472
87-23 Preliminary Engineering/Corridor Transit Improvements		1,171,085			1,171,085
87-24 Taxicab Planning & Coordination		21,402			21,402
<u>CAPITAL PROGRAMS</u>					
87-20 RTB Capital Expenditures		70,000			70,000
<u>DEBT SERVICE</u>					
87-21 MTC Debt Service		845,000	4,120,800		4,965,800
TOTALS	\$916,000	\$34,079,700	\$44,186,957	\$884,443	\$80,067,100

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REGIONAL TRANSIT BOARD
EXPENDITURE BUDGET
WORK PROGRAM ACTIVITIES

<u>RTB WORK PROGRAM ACTIVITIES</u>		<u>Salaries & Benefits</u>	<u>Consultants</u>	<u>Travel Local/Non Local</u>	<u>Printing</u>	<u>Per Diems</u>	<u>General O/H Support</u>	<u>Met Council Chargebacks</u>	<u>Trnst Prvdr Payments</u>	<u>Other</u>	<u>TOTAL</u>
87-01	RTB Policy Mgmt	\$118,710	\$ 26,500	\$40,900		\$38,000	\$ 125,563	\$ 18,000		\$ 750	\$ 368,423
<u>PLANNING & PROGRAM ACTIVITIES</u>											
87-03	Plng & Prgms Admin	94,276	2,500	17,600			123,337	11,600			249,313
87-04	Trnsp Plng Process	30,424		2,000			38,640	166,000			237,064
87-05	Major Corridor Studies	51,167					68,892				120,059
87-09	Urbn Trvl Anlys/Plcy Plan Updtes	32,555					46,347	37,800			116,702
87-10	Handicapped Trnsp Planning	12,941	90,000	1,200	12,500		17,758	2,000			136,399
87-11	Rgnl Rideshare Prgm Coord	15,912	40,000	1,200			21,173	9,500			87,785
87-12	I-394 Plning/Implem	26,685	100,000		5,000		35,559				167,244
87-13	Transit System Plning/Implem	65,318	500,000	3,300	5,000		87,877	7,000			668,495
87-14	Transit Prgms/Admin	158,728	75,000	3,000	10,900		198,229		\$70,976,000		71,421,857
87-22	Competitive Transit Services	62,121	120,000	5,000	2,500		75,851				265,472
87-23	Prel Eng/Corridor Trnst Improv	27,041	1,100,000	2,500	2,000		39,544				1,171,085
87-24	Taxicab Plning/Coord	9,093					12,309				21,402
<u>CAPITAL PROGRAMS</u>											
87-20	RTB Capital Expenditures									70,000	70,000
87-26	Captl Improv - Trnst Prvdrs										
<u>DEBT SERVICE</u>											
87-21	MTC Debt Service									4,965,800	4,965,800
TOTAL WORK PROGRAM EXPENDITURES		\$704,971	\$2,054,000	\$76,700	\$37,900	\$38,000	\$ 891,079	\$251,900	\$70,976,000	\$5,036,550	\$80,067,100

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REGIONAL TRANSIT BOARD
1987 EXPENDITURE BUDGET
SUPPORT ACTIVITY

	<u>Salaries</u>	<u>Consultants</u>	<u>Travel</u>	<u>Printing</u>	<u>General Service Expenses</u>	<u>Met Council Chargebacks</u>	<u>Other</u>	<u>TOTAL</u>
87-02 Executive Director's Office	\$103,707	\$ 45,000	\$ 9,100					\$ 157,807
87-19 Public Information	70,105	10,000	5,900	\$ 6,000			7,500	99,505
87-15 Administrative Services	38,066	12,500	5,000		\$ 94,000	\$ 600	\$ 50,000	200,166
87-16 Financial Management	95,272	27,000	3,650	7,500		27,500		160,922
87-17 Personnel Administration	18,172	7,500	1,750	2,000	40,000			69,422
87-18 Contract/Procedures Admini.	48,624		4,200	1,500				54,324
87-25 Office Services	12,933		500	1,000	134,500			148,933
TOTAL SUPPORT SERVICES	\$386,879	\$102,000	\$30,100	\$18,000	\$268,500	\$28,100	\$ 57,500	\$ 891,079

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-01

DATE: August 1, 1986

ACTIVITY TITLE: RTB Policy Management

Cont'd. New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To support the activities of the Regional Transit Board, its Chair, and the assistant to the Chair.

Approach:

The expenses associated with the Board's activities, including travel, per diems, salaries of the Chair and direct staff assistance are included within this activity.

Relationship to Previous Work:

Continuing project.

PRODUCTS

COMPLETION DATES

Policy direction for transit planning activities and transit programs.	Ongoing
Staff assistance to the Chair and the Board in the adoption of Board policies and programs.	Ongoing
Legislative program and maintenance of intergovernmental communications.	Ongoing

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Chairman	1708
Assistant to Chair	1812
Administrative Assistant	880
	<hr/>
TOTAL	4400

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$118,710
Consultants	26,500
Travel	40,900
Printing	0
General Overhead - Support Services	125,563
Metropolitan Council Chargebacks	18,000
Per Diems	38,000
Other - Equipment Rental/Maintenance	750
	<hr/>
TOTAL	\$368,423

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	
UMTA Transit Study	
State Grants:	
RTB Administrative Funds	\$368,423
Planning Funds	
Interest Revenues	
Other Source Funds	
	<hr/>
TOTAL	\$368,423

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-02

DATE: August 1, 1986

ACTIVITY TITLE: Executive Director's Office

Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To carry out the administrative responsibilities of the Regional Transit Board with the assistance of the Director of Planning and Programs and the Director of Administration. Major responsibilities include strategic planning, personnel administration, management of RTB's work programs and budget, and implementation of policies and procedures to ensure that Board programs are carried out effectively.

Approach:

This activity includes the expenses of the Executive Director, and the Administrative Assistant.

Relationship to Previous Work:

This work represents a continuation of 1986 activities.

PRODUCTS

COMPLETION DATES

Management of the annual work program and budget to ensure the implementation of RTB policies and programs.	Ongoing
Coordination of the RTB's strategic planning activities.	Ongoing
Coordination of the RTB Staffing Plan.	Ongoing
Coordination of legal services to the Board and departments.	Ongoing
Implementation of Board decisions through the appointment and executive direction of Board employees.	Ongoing

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Executive Director	1734
Administrative Assistant	880
Receptionist	1812
	—
TOTAL	4426

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$103,707
Consultants	45,000
Travel	9,100
Printing	0
General Overhead - Support Services	0
Metropolitan Council Chargebacks	0
	—
TOTAL	\$157,807

REVENUES STATEMENT

The Executive Director's Office expenditures are allocated as indirect overhead - support services - to planning and program activities where they are balanced by various revenue resources.

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-19

DATE: August 1, 1986

ACTIVITY TITLE: Public Information

Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To inform the public about activities and programs of the RTB through external communications, contacts and informational materials. To encourage the public to be informed about the RTB and to participate in the RTB's decision-making process.

Approach:

Community relations, intergovernmental relations, media relations and public relations are the primary activities used to fulfill the public information role of the RTB. Each of these elements provide a broad-based, coordinated effort designed to encourage public awareness and participation of all RTB programs and their impacts on regional transit.

Relationship to Previous Work:

Continuous.

PRODUCTS

COMPLETION DATES

Public information materials - development and distribution	Ongoing
Coordination of RTB's legislative informational materials and assist in informing legislature about our programs and legislative goals	Ongoing
Media relations for RTB programs.	Ongoing
RTB annual conference development	December 1987
Intergovernmental, business and community relations activities	Ongoing
Development of public participation strategies of RTB programs	Ongoing

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Public Information Officer	1734
Public Information Assistant	1812
Secretary	100
Interns	1000
TOTAL	<u>4646</u>

<u>EXPENDITURES</u>	<u>1987 HOURS</u>
Salaries & Benefits	\$70,105
Consultants	10,000
Travel	5,900
Printing	6,000
Other	7,500
TOTAL	<u>\$99,505</u>

REVENUES STATEMENT

Public Information expenditures are allocated as indirect overhead (support services) to planning and program activities where they are balanced by various revenue resources.

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

Activity Number: 87-03

Activity Title: Planning and Programs Administration Cont'd. New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To provide general administration activities for the Planning and Programs Division of the Regional Transit Board.

Approach:

To participate in projects, activities and provide overall management of the Planning and Programs Division. Project includes the expenses of two secretaries, local travel expenses and other general administrative expenses of the division.

Relationship to Previous Work:

This work represents a continuation of 1986 activities.

PRODUCTS

COMPLETION DATES

Preparation of technical memoranda and reports responding to legislative and community requests.	Ongoing
Participation in 1988 Budget.	Fall, 1987
Staff hiring and training.	Ongoing
Organizational support to the board, staff and the general public.	Ongoing

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Director of Planning and Programs	720
Manager of Planning	189
Manager of Programs	195
Planner	364
Secretary	3546
Interns	200
	—
TOTAL	5214

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$94,276
Consultants	2,500
Travel	17,600
Printing	0
General Overhead - Support Services	123,337
Metropolitan Council Chargebacks	11,600
	—
TOTAL	\$249,313

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	
UMTA Transit Study	
State Grants:	
RTB Administrative Funds	\$249,313
Planning Funds	
Interest Revenues	
Other Source Funds	
	—
TOTAL	\$249,313

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

Activity Number: 87-04

Activity Title: Transportation Planning Process Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To provide RTB planning and programs support to coordinate, support and maintain the interagency 3-C (continuing, comprehensive, cooperative) planning process pursuant to state and federal statutes and regulations, specifically those associated with the Urban Mass Transportation Administration's Section 8 Planning Program.

Approach:

The RTB will participate in the 3-C process through participation in the interagency committee structure, special technical advisory committees and task forces. Staff will provide the necessary assistance in the development and review of the FAU program, TIP program, referrals, development of the 1988 Unified Planning Work Program, quarterly reports and invoices, and other state and federal programs as needed. Activities also include participation in Minnesota Public Transit and Regional Transit Board conferences.

Relationship to Previous Work:

These activities represent the RTB's continued role in the 3-C process.

PRODUCTS

COMPLETION DATES

Review and approval of plans and projects.	Ongoing
Participate in committee meetings, task forces, etc.	Ongoing
Participate in maintaining certification of the Metropolitan Area Planning Process.	December, 1987
Participate in 1988 Unified Planning Work Program.	June-October, 1987
Participation in preparation of the 1988-90 T.I.P., including an annual element.	December, 1987
Amendments to the 1988-90 T.I.P.	As Needed
Referral reports.	Ongoing
Input to FAU programs as necessary.	October, 1987
Input to Interstate Substitution Quarterly status reports as necessary.	April, July, Oct. 1987
	January, 1988
Assistance to and Coordination with Minnesota Public Transit Association (MPTA).	Ongoing
MPT Conference.	October, 1987
RTB Conference.	December, 1987
Total Staff Weeks	34

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Director of Planning and Programs	90
Manager of Planning	235
Manager of Programs	195
Project Administrator	193
Planner	685
Interns	200
	<hr/>
TOTAL	1598

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$ 30,424
Consultants	0
Travel	2,000
Printing	0
General Overhead - Support Services	38,640
Metropolitan Council Chargebacks	166,000
	<hr/>
TOTAL	\$237,064

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	38,838
UMTA Transit Study	
State Grants:	
RTB Administrative Funds	198,226
Planning Funds	
Interest Revenues	
Other Source Funds	
	<hr/>
TOTAL	\$237,064

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

Activity Number: 87-05

Activity Title: Major Corridor Studies

Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To participate in the major corridor studies, including, but not limited to, I-35W, I-494, and I-94. To ensure that transit issues and components are adequately addressed through active participation in the Project Management Teams. To conduct specific transit studies and activities related to planning and implementing transit improvements in these corridors.

Approach:

At least three major corridor studies--I-35W, I-494, and I-94--will be conducted in 1987 through the joint efforts of Mn/DOT, the Metro Council and RTB. The results of the Long Range Transit Study and the Transit Service Needs Assessment may recommend other corridors for further examination. The RTB will participate on the Project Management Teams, core staff groups and conduct specific activities related to transit planning. The RTB may take a major role in specific studies as appropriate.

Relationship to Previous Work:

The RTB has been actively involved in corridor studies since 1984. RTB staff participated in the Project Management Teams and conducted key activities in the I-35W, I-494 and I-94 studies in 1985 and 1986.

PRODUCTS

COMPLETION DATES

Participate in Project Management Team Meetings.	Ongoing
Assist with Information Coordination on Transit.	Ongoing
Conduct Specific Work Activities.	Ongoing
Review Project Documentation.	Ongoing

Total Staff Weeks

100

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Director of Planning & Programs	90
Manager of Planning	280
Engineer Planner	491
Planners	1802
Interns	800
TOTAL	<u>3463</u>

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$ 51,167
Consultants	0
Travel	0
Printing	0
General Overhead - Support Services	68,892
Metropolitan Council Chargebacks	0
TOTAL	<u>\$120,059</u>

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	65,320
IMTA Transit Study	
State Grants:	
RTB Administrative Funds	54,739
Planning Funds	
Interest Revenues	
Other Source Funds	
TOTAL	<u>\$120,059</u>

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

Activity Number: 87-09

Activity Title: Urban Travel Analysis and Policy
Plan Updates

Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To ensure transit is adequately considered in activities relating to the metropolitan urban travel analysis, updating the long-range highway element and assisting with and reviewing the Metropolitan Council's revision of the Transportation Policy Plan.

Approach:

The RTB will participate in various committees and task forces. Staff will examine urban travel analysis, the long-range highway element, revising the Metropolitan Council Transportation Policy Plan and other plans conducted by the Metropolitan Council and Mn/DOT.

Relationship to Previous Work:

This work element continues the RTB's involvement in these activities.

PRODUCTS

COMPLETION DATES

Participate in committee and task force meetings.	Ongoing
Provide input on transit concerns and information.	Ongoing
Review project documents.	Ongoing

Total Staff Weeks

52

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Director of Planning & Programs	64
Manager of Planning	185
Planners	1025
Interns	800
	<hr/>
TOTAL	2074

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$ 32,555
Consultants	0
Travel	0
Printing	0
General Overhead - Support Services	46,347
Metropolitan Council Chargebacks	37,800
	<hr/>
TOTAL	\$116,702

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	\$ 41,559
UMTA Transit Study	
State Grants:	
RTB Administrative Funds	75,143
Planning Funds	
Interest Revenues	
Other Source Funds	
	<hr/>
TOTAL	\$116,702

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-10

DATE: August 1, 1986

ACTIVITY TITLE: Handicapped Transportation Planning Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To formulate mid and short range plans for the provision of handicapped transportation in the Twin Cities Metropolitan Area. To implement and evaluate handicapped transportation services to improve the delivery of service. To conduct other planning, policy-making, research and reviews as necessary for handicapped transportation. To staff and coordinate the activities of the Handicapped Transportation Advisory Committee. To ensure public participation in the Handicapped Transportation planning process.

Approach:

A variety of activities focusing on handicapped transportation will be conducted under this element. These will include, but not be limited to, the following: follow up implementation activities and evaluation of the changes in the Metro Mobility system; review of the metropolitan area 16(b) (2) applications and participation in Mn/DOT's statewide review; staffing support and coordination of the Handicapped Transportation Advisory Committee. Conduct other planning, policy making, research and review activities as needed.

Relationship to Previous Work:

This work represents a continuation of work performed during 1985 with an added emphasis on transferring the responsibility for providing transportation services to handicapped people from Mn/DOT to the RTB.

PRODUCTS

COMPLETION DATES

Assist in design and implementation of service delivery changes	June, 1987
Conduct initial evaluation of these changes	December, 1987
16(b) (2) Reviews	June, 1987
Assist in implementation and evaluation of MTC Accessible Bus Demonstration	Ongoing
Advisory Committee Meetings	Ongoing
Other Issue Papers or Reports	As Needed

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Director of Planning and Programs	40
Manager of Programs	145
Project Administrator	291
Interns	300
	—
TOTAL	776

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$ 12,941
Consultants	90,000
Travel	1,200
Printing	12,500
General Overhead - Support Services	17,758
Metropolitan Council Chargebacks	2,000
	—
TOTAL	\$136,399

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	\$16,519
UMTA Transit Study	
State Grants:	
RTB Administrative Funds	21,197
Planning Funds	
Interest Revenues	
Other Source Funds	98,683
	—
TOTAL	\$136,399

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

Activity Number: 87-11

Activity Title: Regional Rideshare Program Coordination Cont'd. New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

The purpose of this element is to coordinate, monitor and evaluate the Minnesota Rideshare program in the metropolitan area.

Approach:

The RTB will implement recommendations made in its evaluation of alternative management structures for the rideshare program and conduct other studies related to evaluation of the rideshare program's effectiveness. The Rideshare Advisory Committee activities and staffing are also included as part of this activity.

Relationship to Previous Work:

This work activity is a continuation of the planning efforts devoted to improve the delivery of ridesharing services.

PRODUCTS

COMPLETION DATES

Advisory Committee Meetings	Ongoing
Staff Assistance	Ongoing
Completion of Rideshare Evaluation Study	February, 1987
Implementation of Rideshare Study recommendations	December, 1987

Total Staff Weeks

22

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Director of Planning and Programs	40
Manager of Planning	55
Manager of Programs	145
Project Administrator	293
Planner	73
Interns	300
	—
TOTAL	906

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$15,912
Consultant	40,000
Travel	1,200
Printing	0
General Overhead - Support Services	21,173
Metropolitan Council Chargebacks	9,500
	—
TOTAL	\$87,785

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	\$20,312
IMTA Transit Study	
State Grants:	
RTB Administrative Funds	
Planning Funds	
Interest Revenues	
Other Source Funds	67,473
	—
TOTAL	\$87,785

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

Activity Number: 87-12

Activity Title: I-394 Planning and Implementation Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

The purpose of this element is to support the planning and implementation activities necessary to insure the successful completion of the transit elements of the I-394 project. This will include follow-through, coordination and implementation of the transit service and rideshare planning, HOV lanes, capital and physical facilities and marketing efforts.

Approach:

Participate in the I-394 Corridor Management Team, the I-394 Marketing Committee, and the I-394 Transit Working Group. Coordinate and support implementation of all transit elements including bus service and facilities, highway construction elements, rideshare activities and marketing efforts. Coordinate with Mn/DOT, MTC and communities on these efforts.

Relationship to Previous Work:

The RTB has taken a lead role in the transit elements associated with I-394 and has been involved in other planning activities including the I-394 Transportation System Management Plan, I-394 Transit Facilities Plan, I-394 Corridor Management Team, I-394 Marketing Committee and I-394 Transit Working Group.

PRODUCTS

COMPLETION DATES

Participate in Corridor Management Team and Marketing Committee Meetings.	Ongoing
Take Lead Role in I-394 Transit Working Group and Implementation of Service Improvement.	Ongoing
Review and Coordinate Plans and Programs.	Ongoing
Coordinate and Facilitate Funding.	Ongoing
Coordinate Marketing Efforts.	Ongoing

Total Staff Weeks

45

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Director of Planning and Programs	40
Manager of Planning	185
Manager of Programs	145
Project Administrator	73
Planner	580
Interns	500
	<hr/>
TOTAL	1523

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$ 26,685
Consultants	100,000
Travel	0
Printing	5,000
General Overhead - Support Services	35,559
Metropolitan Council Chargebacks	0
	<hr/>
TOTAL	\$167,244

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	\$ 34,067
UMTA Transit Study	
State Grants:	
RTB Administrative Funds	
Planning Funds	
Interest Revenues	
Other Source Funds	133,177
	<hr/>
TOTAL	\$167,244

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

Activity Number: 87-13

Activity Title: Transit System Planning and
Implementation

Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To conduct short and mid-range transit planning, implementation and review activities, including recommendations from the Transit Service Needs Assessment and other RTB planning activities.

Approach:

Activities undertaken as part of this work element will include conducting short to mid range transit planning studies. Activities will include para-transit activities, assist in the implementation of the results of these and other studies, review plans, programs and development proposals for their transit impacts, perform activities related to the identification and preliminary engineering for transit-related street and highway improvements, ensure coordination and review between the activities of the Regional Transit Board, Metropolitan Council, Metropolitan Transit Commission and others, provide technical assistance to communities on transit services as requested and participate in other transit-related activities as appropriate. Many of the transit projects identified in the Transit Service Needs Assessment will be implemented as part of this activity.

Relationship to Previous Work:

This element represents a continuation of past transit planning and implementation conducted by the Metropolitan Council, Regional Transit Board and Metropolitan Transit Commission.

PRODUCTS

COMPLETION DATES

Transit Planning Activities and Studies.	Ongoing
Implementation Assistance and Activities.	Ongoing
Technical Assistance to Communities on Transit Projects and Issues.	Ongoing
Review Plans, Programs and Developments.	Ongoing
Participate in Meetings.	Ongoing
Reports, Memoranda and Other Documentation as appropriate.	Ongoing
Total Staff Weeks	109

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Director of Planning and Programs	90
Manager of Planning	280
Manager of Programs	145
Project Administrator	174
Planners	2300
Interns	800
	<hr/>
TOTAL	3789

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$ 65,318
Consultants	500,000
Travel	3,300
Printing	5,000
General Overhead - Support Services	87,877
Metropolitan Council Chargebacks	7,000
	<hr/>
TOTAL	\$668,495

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	\$ 83,385
UMTA Transit Study	
State Grants:	
RTB Administrative Funds	
Planning Funds	
Interest Revenues	
Other Source Funds	585,110
	<hr/>
TOTAL	\$668,495

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

Activity Number: 87-14

Activity Title: Transit Programs and Administration Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To arrange for the delivery of regional transit services in the seven-county metropolitan area and determine the cost-effectiveness of existing transit programs.

Approach:

Staff will negotiate and administer transit contracts with public and private providers for transit services. Contract procedures and program guidelines will be developed for exurban, opt-out and state assistance programs. A newsletter to providers will be sent on a regular basis. Evaluation and implementation of Jobseekers and Transit Disadvantaged programs will be undertaken as part of this activity. A capital plan, identifying fleet and facilities needs of providers, will be developed.

Relationship to Previous Work:

This work represents a continuation of activities.

PRODUCTS

COMPLETION DATES

Negotiation and Administration of Provider Contracts.	December, 1987
Jobseekers Program.	Ongoing
Capital Plan.	August, 1987
Transit Disadvantaged Program.	Ongoing
Metro Mobility Program.	Ongoing
Opt-Out Program.	Ongoing

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Director of Planning and Programs	190
Comptroller	350
Manager of Programs	550
Manager of Accounting	604
Contracts Administrator	906
Project Administrator	2425
Program Auditor	1812
Accountant	755
Interns	500
	<hr/>
TOTAL	8092

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$ 158,728
Consultants	75,000
Travel	3,000
Printing	10,900
General Overhead - Support Services	198,229
Metropolitan Council Chargebacks	0
Transit Provider Payments	70,976,000
	<hr/>
TOTAL	\$71,421,857

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	
UMTA Transit Study	
Federal Aid Urban	\$ 351,000
State Grants:	
RTB Administrative Funds	
Planning Funds	
Transit Provider Assistance	31,004,700
Local Property Tax	40,066,157
Interest Revenues	
Other Source Funds	
	<hr/>
TOTAL	\$71,421,857

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

Activity Number: 87-22

Activity Title: Competitive Transit Services Cont'd. New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To increase the efficiency of transit in the metropolitan area through fully competitive transit services. The RTB will establish the process and competitively bid routes through an UMTA funded demonstration project.

Approach:

The RTB will establish a competitive bidding process for transit services in the metropolitan area. The process will allow the MTC and other public and private operators to compete for different types of services based on fully allocated costs. This would be done based on the development of the necessary cost models for fully allocating costs between public and private services.

Relationship to Previous Work:

This demonstration builds on work initiated by the RTB in 1985.

PRODUCTS

COMPLETION DATES

Development of Work Program.	1987
Development of Cost Models.	January, 1987
Development of Competitive Bidding Process.	May, 1987
Implement Competitive Bidding Process.	December, 1987
Evaluate Competitive Bidding Process.	1988

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Director of Planning & Programs	90
Manager of Planning	75
Manager of Programs	196
Project Administrator	175
Competitive Transit Coordinator	1812
Planner	393
Interns	300
TOTAL	3041

<u>EXPENDITURES</u>	<u>1987 HOURS</u>
Salaries & Benefits	\$ 62,121
Consultants	120,000
Travel	5,000
Printing	2,500
General Overhead - Support Services	75,851
Metropolitan Council Chargebacks	0
TOTAL	\$265,472

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	
UMTA Transit Study	\$265,000
State Grants:	
RTB Administrative Funds	472
Planning Funds	
Interest Revenues	
Other Source Funds	
TOTAL	\$265,472

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

Activity Number: 87-23

Activity Title: Preliminary Engineering for Corridor Cont'd. New
Transit Improvements

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To conduct preliminary design activities for transit improvements on the University Avenue corridor.

Approach:

Preliminary engineering activities for transit improvements will be initiated in the University Avenue corridor. A Request for Proposal for preliminary engineering activities will be issued, a consultant selection process will be conducted and a consultant contract for services will be negotiated. Preliminary engineering activities will be initiated. Preliminary engineering activities will be coordinated with other corridor projects.

Relationship to Previous Work:

This activity builds on previous studies and recommendations by the RTB and Metropolitan Council.

PRODUCTS

COMPLETION DATES

Update RFP.	March, 1987
Issue RFP.	April, 1987
Select Consultant.	June, 1987
Initiate Preliminary Engineering Activities.	July, 1987 - Ongoing

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Director of Planning & Programs	190
Manager of Planning	203
Engineer Planner	906
Interns	500
	<hr/>
TOTAL	1799

<u>EXPENDITURES</u>	<u>1987 HOURS</u>
Salaries & Benefits	\$ 27,041
Consultants	1,100,000
Travel	2,500
Printing	2,000
General Overhead - Support Services	39,544
Metropolitan Council Chargebacks	0
	<hr/>
TOTAL	\$1,171,085

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	
UMTA Transit Study	
State Grants:	
RTB Administrative Funds	
Planning Funds	\$1,171,085
Interest Revenues	
Other Source Funds	
	<hr/>
TOTAL	\$1,171,085

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

Activity Number: 87-24

Activity Title: Taxicab Planning and Coordination

Cont'd. New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To identify the appropriate roles for taxis as providers of public transit service. To identify and implement legislative, regulatory and program initiatives which will increase their participation.

Approach:

To participate and/or conduct planning and implementation projects and activities that will increase the participation of taxicab operators as public transit providers. Staff and coordinate the activities of the Taxicab Advisory Committee.

Relationship to Previous Work:

This work activity is a continuation of the RTB's efforts in 1985 and 1986.

PRODUCTS

COMPLETION DATES

Advisory Committee Meetings.
Reports, memoranda and other documentation.

Ongoing
As needed

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Director of Planning & Programs	90
Manager of Planning	47
Manager of Programs	96
Interns	300
	—
TOTAL	533

<u>EXPENDITURES</u>	<u>1987 HOURS</u>
Salaries & Benefits	\$ 9,093
Consultants	0
Travel	0
Printing	0
General Overhead - Support Services	12,309
Metropolitan Council Chargebacks	0
	—
TOTAL	\$21,402

<u>REVENUES</u>	<u>1987 ESTIMATED</u>
Federal Grants:	
UMTA Planning	
UMTA Transit Study	
State Grants:	
RTB Administrative Funds	\$21,402
Planning Funds	
Interest Revenues	
Other Source Funds	
	—
TOTAL	\$21,402

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1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-15

DATE: August 1, 1986

ACTIVITY TITLE: Administrative Services

Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To administer the general administrative service functions of the RTB through management and coordination of other administrative support services.

Approach:

Provide efficient and cost-effective general administrative services and technology to the RTB.

Relationship to Previous Work:

Continuous activity.

PRODUCTS

COMPLETION DATES

General administrative services functions.	Ongoing
Records management systems including data privacy and office automation procedures.	Ongoing
Administrative Procedures Manual.	Ongoing
Interagency liaison.	Ongoing
Board and committee services.	Ongoing
Administer and coordinate the general administrative services, including the following: Coordinating all administrative services provided to the board, committees and staff; development and maintenance of administrative policies and procedures; liaison with other agencies; develop and/or coordination over all administrative services including budgeting, administrative and financial plans, staffing, training and procurement.	

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Comptroller	450
Administrative Aide	585
Secretary	434
Interns	1200
	—
TOTAL	2669

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$ 38,066
Consultants	12,500
Travel	5,000
Computer	55,000
Printing	0
Administrative Service Expenses	39,000
Metropolitan Council Chargebacks	600
Miscellaneous - moving	50,000
	—
TOTAL	\$200,166

REVENUES STATEMENT

Administrative Services expenditures are allocated as indirect overhead (support services) to planning and program activities where they are balanced by various revenue resources.

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-16

DATE: August 1, 1986

ACTIVITY TITLE: Financial Management

Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To provide the RTB with the functions of accounting, budget coordination, treasury and cash management, and financial analysis and reporting.

Approach:

To develop and maintain the systems and procedures of accounting, treasury and financial management in accordance with policies of the board, applicable statutes and standards, and generally accepted practices and procedures. The primary function being:

- 1) general accounting
- 2) treasury and cash management.
- 3) financial analysis and reports
- 4) budget coordination
- 5) internal procedures and controls
- 6) revenue accounting
- 7) forecasts and plan liaison and development

Relationship to Previous Work:

Continuous activities.

PRODUCTS

COMPLETION DATES

Maintenance of financial data base.	Ongoing
Financial program consistent with implementation plan and board policies.	Ongoing
Financial reports and analysis.	Ongoing
Forecast and financial assistance for biennium budgets, etc.	Ongoing
Participation in special projects and programs - financial modeling	Ongoing
Assistance in transit provider financial evaluations and monitoring.	Ongoing

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Comptroller	300
Manager of Accounting & Treasury	1208
Accountant	2869
Secretary	400
Interns	1400
	—
TOTAL	6177

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$ 95,272
Consultants	27,000
Travel	3,650
Printing	7,500
Metropolitan Council Chargebacks	27,500
	—
TOTAL	\$160,922

REVENUES STATEMENT

Financial Management expenditures are allocated as indirect overhead (support services) to planning and program activities where they are balanced by various revenue resources.

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-17

DATE: August 1, 1986

ACTIVITY TITLE: Personnel Administration

Cont'd. New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To perform services and programs to support the effective use of RTB staff resources.

Approach:

Develop and administer personnel policies, salary plans, staff planning, job classification, employee benefits, performance evaluation, affirmative action programs, employee training and development, and payroll records.

Relationship to Previous Work:

Ongoing.

PRODUCTS

COMPLETION DATES

Recruitment/selection of employees.	Ongoing
Long-range staffing plan.	Ongoing
Administration of salary/benefit program.	Ongoing
Administration of Personnel Coding.	Ongoing
Coordination of Equal Opportunity/Affirmative Action Programs.	Ongoing
Development of and administration of performance evaluation system.	by January 1987

STAFF COMPLEMENT1987 HOURS

Comptroller	100
Administrative Aide	585
Interns	600
	—
TOTAL	1285

EXPENDITURES1987 ESTIMATED

Salaries & Benefits	\$ 18,172
Consultants	7,500
Travel	1,750
Printing	2,000
Metropolitan Council Chargebacks	0
Recruitment/Employee Development	40,000
	—
TOTAL	\$ 69,422

REVENUES STATEMENT

Personnel Administration expenditures are allocated as indirect overhead (support services) to planning and program activities where they are balanced by various revenue resources.

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-18

DATE: August 1, 1986

ACTIVITY TITLE: Contract/Procurement Administration Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To provide the support services in the administration of contracts and the procurement of goods and services.

Approach:

The Contract and Procurement support services include purchasing, audit services, the contribution of administration and financial management expertise to the development of contracts, as well as audit and compliance procedures.

Relationship to Previous Work:

Ongoing.

PRODUCTS

COMPLETION DATES

Purchasing and acquisitions.	Ongoing
General contract administration/procurement.	Ongoing
Assistance in development and maintenance of transit provider performance and measurement standards.	Ongoing
Development and maintenance of internal control procedures.	Ongoing
The contract and procurement support services provides expertise and service in the development and maintenance of purchases and acquisitions; these services will include procedures, internal and external control and compliance reviews and audits.	Ongoing

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Comptroller	362
Contracts Administrator	906
Administrative Aide	590
Secretary	400
Interns	600
	<hr/>
TOTAL	2858

<u>EXPENDITURES</u>	<u>1987 ESTIMATED</u>
Salaries & Benefits	\$48,624
Travel	4,200
Printing	1,500
	<hr/>
TOTAL	\$54,324

REVENUES STATEMENT

Contract Administration expenditures are allocated as indirect overhead (support services) to planning and program activities where they are balanced by various revenue resources.

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-25

DATE: August 1, 1986

ACTIVITY TITLE: Office Services

Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To provide the RTB with the functions of office services.

Approach:

To provide efficient, cost-effective office services through a centralized service system. The activity will coordinate services to department and sections as well as purchased and joint services with other metropolitan agencies.

Relationship to Previous Work:

Not Applicable.

PRODUCTS

COMPLETION DATES

Space coordination.	Ongoing
Rental and maintenance coordination.	Ongoing
Maintenance and distribution of supplies.	Ongoing
Reproduction and duplication.	Ongoing
Mailing and distribution.	Ongoing

<u>STAFF COMPLEMENT</u>	<u>1987 HOURS</u>
Comptroller	250
Secretary	400
	<hr/>
TOTAL	650

<u>EXPENDITURES</u>	<u>1987 HOURS</u>
Salaries & Benefits	\$ 12,933
Consultants	0
Travel	500
Printing	1,000
Office Service Charges	134,500
	<hr/>
TOTAL	\$148,933

REVENUES STATEMENT

Office Services expenditures are allocated as indirect overhead (support services) to planning and program activities where they are balanced by various revenue resources.

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-20

DATE: August 1, 1986

ACTIVITY TITLE: Capital Equipment Program

Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To acquire additional equipment for use by staff in carrying out RTB programs.

Approach:

Not applicable.

Relationship to Previous Work:

Additional equipment needs identified by staff and board members.

PRODUCTS

COMPLETION DATES

Office equipment and furniture.	1987
Computer equipment and components.	1987
Presentation equipment.	1987
Copier equipment.	1987
Communications and miscellaneous equipment.	1987

STAFF COMPLEMENT

1987 HOURS

None	0
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EXPENDITURES

1987 ESTIMATED

Capital Expenditures	\$ 70,000
----------------------	-----------

REVENUES

1987 ESTIMATED

RTB Funds - Appropriated Capital	\$ 70,000
----------------------------------	-----------

1987 REGIONAL TRANSIT BOARD WORK ACTIVITY STATEMENT

ACTIVITY NUMBER: 87-21

DATE: August 1, 1986

ACTIVITY TITLE: MTC Debt Service

Cont'd. X New

PURPOSE, APPROACH AND RELATIONSHIP TO PREVIOUS WORK

Purpose:

To provide the Metropolitan Transit Commission with funds for payment of certificates of indebtedness pursuant to Minnesota Statute 443.446 (Transit Tax Levies).

Approach:

Not applicable.

Relationship to Previous Work:

Not applicable.

PRODUCTS

COMPLETION DATES

Payment of funds.

STAFF COMPLEMENT

1987 HOURS

None

0

EXPENDITURES

1987 ESTIMATED

MTC Debt Service

\$4,965,800

REVENUES

1987 ESTIMATED

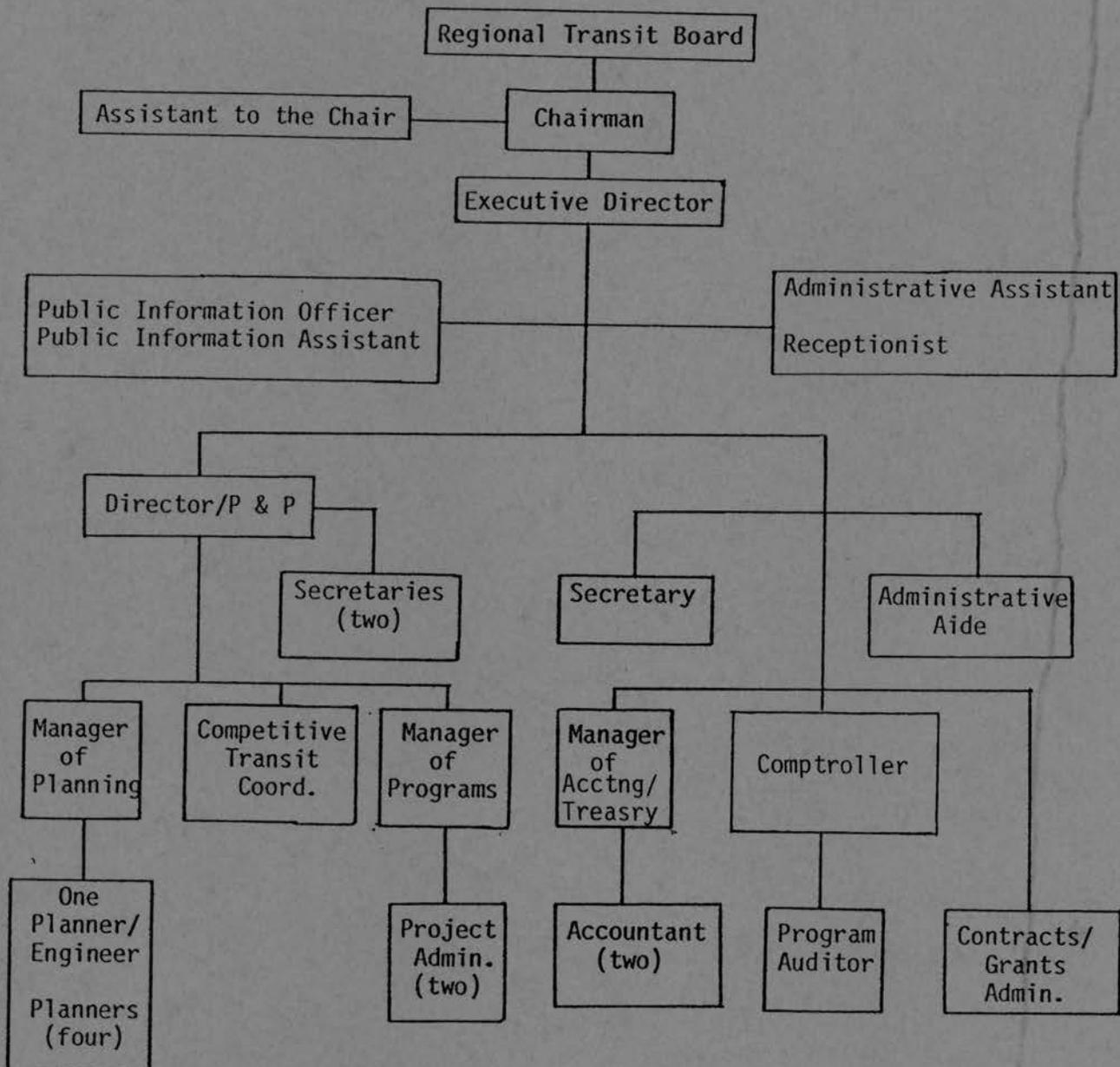
Property Tax Related Revenues

\$4,965,800

REGIONAL TRANSIT BOARD
1987 STAFF COMPLEMENT

	Planned 1985	Budget 1986	Actual 10/1/86	Budget 1987
<u>Chair's Office</u>				
Chair	1	1	1	1
Assistant to Chair	1	1	-	1
Total	2	2	1	2
<u>Exec. Director's Office</u>				
Executive Director	1	1	1	1
Admin. Assistant	1	1	1	1
Attorney	-	1	-	-
Total	2	3	2	2
<u>Public Information</u>				
Public Information Officer	1	1	1	1
Public Information Asst.	-	-	-	1
Total	1	1	1	2
<u>Planning & Programs</u>				
Dir/Planning & Programs	1	1	1	1
Secretary	1	2	1	2
Competitive Transit Coord.	-	-	-	1
Manager of Planning	1	1	1	1
Planner Engineer	-	-	-	1
Planner	4	4	3	4
Manager of Programs	1	1	1	1
Project Administrator	2	3	2	2
Total	10	12	9	13
<u>Administration</u>				
Director of Admin.	1	1	0	0
Comptroller	0	0	0	1
Secretary	1	1	1	1
Receptionist	1	1	1	1
Administrative Aide	1	1	1	1
Contracts & Grants Admin.	-	-	-	1
Manager of Acctng/Treasury	-	-	1	1
Fiscal Analyst	1	1	0	0
Program Auditor	0	0	0	1
Accountant	-	2	2	2
Total	5	7	6	9
TOTAL	20	25	19	28

REGIONAL TRANSIT BOARD
ORGANIZATIONAL CHART



APPENDIX

REGIONAL TRANSIT BOARD

CAPITAL PROGRAM BUDGET

1987

Project Name	Office Equipment/Furniture	Project Number	87-20-1
Project Description			
Purchase or lease additional office equipment and furniture for staff and office services. The method of acquisition, whether lease or purchase, will be evaluated on a case-by-case basis depending on options available, type of usage, etc.			
Detail of Expenditure			
Office equipment/furniture			\$21,400
Source of Funds			
State appropriation.			
Project Control		Project Manager	
Date Prepared	_____	Date Authorized	_____ Est. Completion Date _____
REMARKS			

REGIONAL TRANSIT BOARD

CAPITAL PROGRAM BUDGET
1987

Project Name Computer Equipment and Components		Project Number 87-20-2
Project Description		
The RTB utilizes the Metropolitan Council mainframe computer system for word processing and the general ledger financial system. The RTB also utilizes microcomputers for transit data collection, study base statistics, etc. and financial subsystems.		
Detail of Expenditure		
Microcomputer and system software		\$30,000
Source of Funds		
State appropriation.		
Project Control	Project Manager	
Date Prepared	Date Authorized	Est. Completion Date
REMARKS		

REGIONAL TRANSIT BOARD

CAPITAL PROGRAM BUDGET

1987

Project Name	Presentation Facilities	Project Number	87-20-3
Project Description			
The RTB programs will include presentations to the board, committees, staff presentations and training. In addition, there will be public presentations. This will require support equipment.			
Detail of Expenditure			
Display and presentation facilities.			\$3,600
Source of Funds			
State appropriation.			
Project Control		Project Manager	
Date Prepared _____	Date Authorized _____	Est. Completion Date _____	
REMARKS			

REGIONAL TRANSIT BOARD

CAPITAL PROGRAM BUDGET

1987

Project Name Communications and Miscellaneous Project Number 87-20-4

Project Description

The RTB has purchased primary telephone and other communications equipment. These facilities will be expanded and upgraded as additional staff are employed.

Detail of Expenditure

Upgrade and expansion of telephone equipment. \$5,000

Source of Funds

Project Control

Project Manager

Date Prepared

Date Authorized

Est. Completion Date

REMARKS

REGIONAL TRANSIT BOARD

CAPITAL PROGRAM BUDGET
1987

Project Name Automobile Purchase		Project Number 87-20-5
Project Description		
The RTB provides one (1) vehicle for special use; all other means of transportation is provided by staff's own resources and public transit.		
Detail of Expenditure		
Purchase automobile		\$10,000
Source of Funds		
State appropriation.		
Project Control	Project Manager	
Date Prepared	Date Authorized	Est. Completion Date
REMARKS		

REGIONAL TRANSIT BOARD
OPERATING SCENARIO
BIENNIAL BUDGET

	AUDITED YEAR 1984 *	JAN-JUN 1985	STATE F. Y. 1984-1985 BIENNIAL	JUL-DEC 1985	AUDITED YEAR 1985	ACTUAL JAN-JUN 1986	JUL-DEC 1986	EST. ACT. CAL. YEAR 1986	JAN-JUNE 1987
NON-OPERATING REVENUES									
LOCAL PROPERTY TAX SOURCES		\$17,644,629	\$17,644,629	\$17,644,629	\$35,289,258	\$14,972,274	\$23,307,726	\$38,280,000	\$28,706,500
SUB TOTAL	\$0	\$17,644,629	\$17,644,629	\$17,644,629	\$35,289,258	\$14,972,274	\$23,307,726	\$38,280,000	\$28,706,500
STATE REVENUE SOURCES									
METRO TRANSIT ASSISTANCE	\$747,660	\$587,650	\$1,335,318	\$2,337,660	\$2,925,318	\$9,072,990	\$9,611,000	\$18,684,790	\$9,531,400
HOMESTEAD TAX CREDIT		\$4,147,547	\$4,147,547	\$4,147,547	\$8,295,094	\$4,246,987	\$4,253,013	\$8,500,000	\$4,420,000
TAX FEATHERING REIMB.			\$0	\$0	\$0	\$797,025	\$796,975	\$1,594,000	\$976,000
SUB TOTAL	\$747,660	\$4,735,205	\$5,482,865	\$6,485,207	\$11,220,412	\$14,117,002	\$14,661,788	\$28,778,790	\$14,927,400
FEDERAL REVENUE SOURCES									
UMTA PLANNING GRANT		\$115,685	\$115,685	\$115,686	\$231,371	\$237,566	\$214,434	\$452,000	\$150,000
UMTA TRANSIT STUDY			\$0	\$0	\$0	\$0	\$0	\$0	\$96,000
FEDERAL ATO-URBAN			\$0	\$0	\$0	\$129,820	\$383,100	\$433,000	\$175,500
SUB TOTAL	\$0	\$115,685	\$115,685	\$115,686	\$231,371	\$367,386	\$517,614	\$885,000	\$421,500
BOND PROCEEDS & MISC REVENUE		\$764	\$764	\$764	\$1,528		\$0	\$0	
SUB TOTAL	\$0	\$764	\$764	\$764	\$1,528	\$0	\$0	\$0	\$0
INTEREST INCOME OPERATIONS	\$13,541	\$144,804	\$158,345	\$144,805	\$289,609	\$118,862	\$331,138	\$450,000	\$143,000
NOTE ESCROW ACCOUNT			\$0	\$0	\$0	\$350,978	\$66,022	\$437,000	\$500,000
SUB TOTAL	\$13,541	\$144,804	\$158,345	\$144,805	\$289,609	\$469,840	\$417,160	\$887,000	\$643,000
TOTAL NON-OPERATING REVENUE	\$761,201	\$22,641,087	\$23,402,288	\$24,391,090	\$47,032,178	\$29,926,502	\$38,904,288	\$68,830,790	\$36,630,400
OPERATING EXPENDITURES									
SALARIES AND BENEFITS	\$83,849	\$287,060	\$370,909	\$287,060	\$574,120	\$370,356	\$431,644	\$802,000	\$492,000
PROFESSIONAL & TECHNICAL EXP	\$161,627	\$147,687	\$389,314	\$147,687	\$295,374	\$263,310	\$411,690	\$677,000	\$520,000
TRAVEL	\$14,829	\$31,226	\$46,055	\$31,226	\$62,452	\$25,711	\$39,289	\$65,000	\$50,000
PER DIEMS	\$20,950	\$23,975	\$44,925	\$23,975	\$47,950	\$15,450	\$22,550	\$38,000	\$19,000
COUNCIL PLANNING CHARGEBACK		\$106,777	\$106,777	\$106,777	\$213,554	\$70,594	\$139,106	\$209,700	\$126,000
GENERAL & ADMIN./OTHER	\$37,371	\$91,510	\$128,881	\$91,512	\$183,022	\$111,186	\$186,314	\$297,500	\$176,900
TRANSIT PROVIDER EXPENSE		\$19,437,123	\$19,437,123	\$19,437,124	\$38,874,247	\$26,418,349	\$32,854,651	\$58,473,000	\$35,488,000
SUB TOTAL-OPERATING EXP.	\$318,626	\$20,125,358	\$20,443,984	\$20,125,361	\$40,250,719	\$27,276,956	\$33,285,244	\$60,562,200	\$36,879,900
NON-OPERATING EXPENDITURES									
RTB ADMIN.-CAPITAL	\$3,110	\$46,937	\$50,047	\$46,938	\$93,875	\$20,764	\$29,236	\$50,000	\$25,000
INTEREST ON NOTES & BONDS		\$240,273	\$240,273	\$468,547	\$700,820	\$229,350	\$0	\$229,350	\$0
DEBT SERVICE - MTC		\$2,226,517	\$2,226,517	\$2,226,516	\$4,453,033	\$1,416,602	\$1,937,398	\$3,354,000	\$2,482,900
DEBT SERVICE - RTB									
TRANSIT PROV. CAPITAL EXP									
SUB TOTAL-NON-OPERATING EXP.	\$3,110	\$2,513,727	\$2,516,837	\$2,734,001	\$5,247,728	\$1,666,716	\$1,966,634	\$3,633,350	\$2,517,900
TOTAL EXPENDITURES	\$321,736	\$22,639,085	\$22,960,821	\$22,859,361	\$45,498,447	\$28,943,672	\$35,251,878	\$64,195,550	\$39,397,800
APPLICATION OF RESERVE FUNDS									
FUND BALANCE RESERVE									
BEGINNING FUND RESERVE	\$0	\$439,465	\$0	\$441,467	\$439,465	\$1,973,196	\$2,956,026	\$1,973,196	\$6,608,436
NET SURPLUS/(DEFICIT)	\$439,465	\$2,002	\$441,467	\$1,531,729	\$1,533,731	\$982,830	\$3,652,410	\$4,635,240	(\$2,693,400)
ENDING FUND RESERVE	\$439,465	\$441,467	\$441,467	\$1,973,196	\$1,973,196	\$2,956,026	\$6,608,436	\$6,608,436	\$3,909,036

* RTB ORGANIZED JULY 1984

REGIONAL TRANSIT BOARD
OPERATING SCENARIO
BIENNIAL BUDGET

	STATE F. Y. 1986-1987 BIENNIUM	JULY-DEC 1987	PROPOSED BUDGET 1987	JAN-JUNE 1988	JULY-DEC 1988	PROJECTED CAL. YEAR 1988	JAN-JUNE 1989	PROJECTED STATE F. Y. 1988-1989 BIENNIUM	JULY-DEC 1989	PROJECTED CAL. YEAR 1989
NON-OPERATING REVENUES										
LOCAL PROPERTY TAX SOURCES	\$76,631,129	\$20,706,500	\$41,413,000	\$21,996,700	\$21,996,700	\$43,993,400	\$22,605,500	\$87,305,400	\$22,605,500	\$45,211,000
SUB TOTAL	\$76,631,129	\$20,706,500	\$41,413,000	\$21,996,700	\$21,996,700	\$43,993,400	\$22,605,500	\$87,305,400	\$22,605,500	\$45,211,000
STATE REVENUE SOURCES										
METRO TRANSIT ASSISTANCE	\$30,553,850	\$14,656,264	\$24,187,664	\$13,285,500	\$13,610,500	\$26,816,000	\$14,018,500	\$55,490,764	\$13,329,500	\$27,348,000
HOMESTEAD TAX CREDIT	\$17,067,547	\$4,420,000	\$8,840,000	\$4,596,000	\$4,596,000	\$9,193,600	\$4,781,000	\$18,394,600	\$4,781,000	\$9,562,000
TAX FEATHERING REIMB.	\$2,570,000	\$976,000	\$1,952,000	\$1,015,000	\$1,015,000	\$2,030,000	\$1,056,000	\$4,062,000	\$1,056,000	\$2,112,000
SUB TOTAL	\$50,191,397	\$20,052,264	\$34,979,664	\$18,817,300	\$19,222,300	\$38,039,600	\$19,855,500	\$77,947,364	\$19,166,500	\$39,022,000
FEDERAL REVENUE SOURCES										
UMTA PLANNING GRANT	\$717,686	\$150,000	\$300,000	\$150,000	\$150,000	\$300,000	\$150,000	\$600,000	\$150,000	\$300,000
UMTA TRANSIT STUDY	\$96,000	\$169,000	\$265,000	\$154,000	\$79,000	\$233,000	\$0	\$402,000	\$0	\$0
FEDERAL AID-URBAN	\$600,500	\$175,500	\$351,000	\$182,500	\$182,500	\$365,000	\$190,000	\$730,500	\$190,000	\$380,000
SUB TOTAL	\$1,414,186	\$494,500	\$916,000	\$486,500	\$411,500	\$998,000	\$340,000	\$1,732,500	\$340,000	\$680,000
BOND PROCEEDS & MISC REVENUE	\$764	\$0	\$0	\$1,500,000	\$0	\$1,500,000	\$0	\$1,500,000	\$0	\$0
SUB TOTAL	\$764	\$0	\$0	\$1,500,000	\$0	\$1,500,000	\$0	\$1,500,000	\$0	\$0
INTEREST INCOME										
OPERATIONS	\$737,005	\$457,000	\$600,000	\$325,000	\$325,000	\$650,000	\$350,000	\$1,457,000	\$350,000	\$700,000
NOTE ESCROW ACCOUNT	\$937,000	\$50,000	\$550,000	\$535,000	\$55,000	\$590,000	\$572,000	\$1,212,000	\$60,000	\$632,000
SUB TOTAL	\$1,674,005	\$507,000	\$1,150,000	\$860,000	\$380,000	\$1,240,000	\$922,000	\$2,669,000	\$410,000	\$1,332,000
TOTAL NON-OPERATING REVENUE	\$129,920,280	\$41,760,264	\$78,458,664	\$43,660,500	\$42,010,500	\$85,671,000	\$43,723,000	\$171,154,264	\$42,522,000	\$86,245,000
OPERATING EXPENDITURES										
SALARIES AND BENEFITS	\$1,501,060	\$599,900	\$1,091,900	\$573,000	\$573,000	\$1,146,000	\$600,000	\$2,345,900	\$600,000	\$1,200,000
PROFESSIONAL & TECHNICAL EXP	\$1,352,687	\$1,628,000	\$2,156,000	\$1,150,000	\$1,150,000	\$2,300,000	\$1,350,000	\$5,278,000	\$300,000	\$1,650,000
TRAVEL	\$146,226	\$56,000	\$106,000	\$55,000	\$55,000	\$110,000	\$57,000	\$223,000	\$57,000	\$114,000
PER DIEMS	\$80,975	\$19,000	\$38,000	\$20,000	\$20,000	\$40,000	\$20,000	\$79,000	\$20,000	\$40,000
COUNCIL PLANNING CHARGEBACK	\$442,477	\$154,000	\$280,000	\$150,000	\$150,000	\$300,000	\$150,000	\$604,000	\$150,000	\$300,000
GENERAL & ADMIN./OTHER	\$565,912	\$205,700	\$382,600	\$205,000	\$205,000	\$410,000	\$215,000	\$830,700	\$215,000	\$430,000
TRANSIT PROVIDER EXPENSE	\$113,398,124	\$35,488,000	\$70,976,000	\$36,718,500	\$36,718,500	\$73,437,000	\$38,196,000	\$147,121,000	\$38,196,000	\$76,392,000
SUB TOTAL-OPERATING EXP.	\$117,567,461	\$38,151,400	\$75,031,300	\$38,871,500	\$38,871,500	\$77,743,000	\$40,500,000	\$156,482,400	\$39,530,000	\$80,126,000
NON-OPERATING EXPENDITURES										
RTB ADMIN.-CAPITAL	\$131,938	\$35,000	\$70,000	\$35,000	\$35,000	\$70,000	\$35,000	\$140,000	\$35,000	\$70,000
INTEREST ON NOTES & BONDS	\$689,897	\$0	\$0	\$60,000	\$60,000	\$120,000	\$54,000	\$174,000	\$54,000	\$108,000
DEBT SERVICE - MTC	\$0,063,416	\$2,482,900	\$4,965,800	\$3,044,000	\$3,044,000	\$6,088,000	\$2,896,000	\$11,466,900	\$2,895,000	\$5,791,000
DEBT SERVICE - RTB				\$150,000	\$0	\$150,000	\$150,000	\$300,000	\$0	\$150,000
TRANSIT PROV. CAPITAL EXP				\$1,500,000	\$0	\$1,500,000		\$1,500,000		\$0
SUB TOTAL-NON-OPERATING EXP.	\$8,885,251	\$2,517,900	\$5,035,800	\$4,789,000	\$3,139,000	\$7,928,000	\$3,135,000	\$13,580,900	\$2,984,000	\$6,119,000
TOTAL EXPENDITURES	\$126,452,711	\$40,669,300	\$80,067,100	\$43,660,500	\$42,010,500	\$85,671,000	\$43,723,000	\$170,063,300	\$42,522,000	\$86,245,000
APPLICATION OF RESERVE FUNDS										
FUND BALANCE RESERVE										
BEGINNING FUND RESERVE	\$441,467	\$3,909,036	\$5,608,436	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$3,909,036	\$5,000,000	\$5,000,000
NET SURPLUS (DEFICIT)	\$3,467,569	\$1,090,964	(\$1,608,436)	\$0	\$0	\$0	\$0	\$1,090,964	\$0	\$0
ENDING FUND RESERVE	\$3,909,036	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000

* RTB ORGANIZED JULY 1984

REGIONAL TRANSIT BOARD
SUMMARY OF TRANSIT POLICY, PLANNING, PROGRAMS AND TRANSIT OPERATIONS
CALENDAR YEAR 1987

	FARE REVENUES	WORKING FUNDS & OTHER SOURCES	FEDERAL APPROPRIATIONS	STATE APPROPRIATIONS TRANSIT ASSISTANCE	IN LIEU OF PROPERTY TAXES	PROPERTY TAX (TRANSIT)	LOCAL FUND SOURCES	TOTAL ESTIMATED COST
<u>REGIONAL TRANSIT BOARD</u>								
POLICY, PLANNING & PROGRAMS		884,443	565,000	988,915		445,857		2,884,215
PRELIMINARY ENGINEERING				1,171,085				1,171,085
SUB TOTAL	0	884,443	565,000	2,160,000	0	445,857	0	4,055,300
<u>TRANSIT ASSISTANCE TO OPERATORS</u>								
REGULAR ROUTE OPERATORS	32,735,722	2,094,900	7,098,000	14,170,100	9,947,000	37,055,300		103,101,022
RIDE SHARE			351,000			243,700		594,700
METROMOBILITY	911,141			5,720,200				6,631,341
SMALL URBAN SYSTEMS	89,655	9,600	39,180	181,400		23,600	55,700	399,135
OPT-OUT SYSTEMS	264,185					1,501,000		1,765,185
RURAL SYSTEMS	51,298	10,290	215,710	486,000		296,700	347,500	1,415,498
TEST MARKETING PROGRAM	250,000			500,000		500,000		1,250,000
SUB TOTAL	34,302,001	2,122,790	7,703,890	21,057,700	9,947,000	39,620,300	403,200	115,156,881
<u>DEBT SERVICE</u>					845,000	4,120,800		4,965,800
<u>CAPITAL IMPROVEMENT PROGRAM</u>								
REGIONAL TRANSIT BOARD				70,000				70,000
METROPOLITAN TRANSIT COMMISSION		7,055,300	24,242,800					31,298,100
SUB TOTAL	0	7,055,300	24,242,800	70,000	0	0	0	31,368,100
TOTAL	34,302,001	10,062,533	32,511,690	23,287,700	10,792,000	44,186,957	403,200	155,546,081

REGIONAL TRANSIT BOARD

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

DATE: November 10, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: Metro Governance Consolidated Financial Report

At its meeting November 6, 1986, the Administration and Finance Committee reviewed, discussed and moved the following:

Recommendation

That the Regional Transit Board approve the Metropolitan Area Financial Advisory Committee's Consolidated Financial Report dated October 29, 1986.

Ruth Franklin
Chair

RTBTX3/TRANSM/ch

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: October 31, 1986
TO: Administration and Finance Committee
FROM: Gregory L. Andrews, Executive Director 
SUBJECT: Review of Metro Governance Consolidated Financial Report

ACTION REQUESTED

The Administration and Finance Committee is asked to approve the proposed Metropolitan Area Financial Advisory Committee (MAFAC) Consolidated Financial Report for submittal to the full Board for approval.

BACKGROUND

Since early this summer, representatives of each of the seven metropolitan agencies have been meeting for the purpose of developing a consolidated financial report as required by the Metro Governance legislation. The attached draft report, which was approved by the MAFAC committee (consisting of the chairs of the Metropolitan Council, Regional Transit Board, Metropolitan Waste Control Commission, Metropolitan Airports Commission and the Sports Facilities Commission) on October 29, 1986 for transmittal to each regional commission for comment. Agency comments are due back to MAFAC on November 19, 1986 for final acceptance. The report and agency comments will then be transmitted to the Metropolitan Council for approval.

I have attached for your review a letter received from the author of the legislation that relates to the importance of the report.

Since the report is still incomplete at the time of this mailing, it is my intention to take the additional time to review each section for Board and staff comments with more focus on the overview section (pages 1-9) and the individual sections relating to transit. I will also report on a meeting with the state auditor and legislative staff that will be held at 10:00 a.m. on November 6, 1986.

RECOMMENDATION

That the Administration and Finance Committee approve the Metropolitan Area Financial Advisory Committee's Consolidated Financial Report dated October 29, 1986.

Attachment
GLA/mf
LETTER/RTBTX1

Representative Brad Stanius

District 53B
White Bear Lake, White Bear Township,
Gem Lake, Vadnais Heights

Committees:

Appropriations
Human Services Division
Health and Human Services
Local and Urban Affairs
Metropolitan Affairs Subcommittee,
Chairman
Crime and Family Law



Minnesota House of Representatives

David M. Jennings, Speaker

RECEIVED
OCT 1 - 1986

September 23, 1986

Mr. Elliott Perovich
Regional Transit Board
270 Metro Square Building
Seventh and Roberts Streets
St. Paul, MN 55101

Dear Elliot:

As the House author of the metropolitan governance legislation enacted in the 1986 session, I am naturally interested in the effective implementation of the law. As a legislator looking forward hopefully to the 1987 session, I want to convey to you my belief that the effective implementation of one provision in that law is particularly important at this time.

The provision to which I refer establishes the Metropolitan Agency Financial Advisory Committee (MAFAC), of which you are a member. Your work on this new interagency group will yield the first products of the new law presented for legislative examination. Legislators will look to these reports--the one on financial affairs and the other on administrative coordination--as bellweathers of the success of the new law. I hope you will assign priorities accordingly.

I am encouraged by what I hear of the initial work of the interagency staff groups advising and assisting MAFAC, but I want to remind you that the legislation clearly intended that these reports be products of policy level people, not staff. As you know, concern about staff domination of metropolitan agencies is endemic in the Legislature and among local governments. I assure you that the Legislature intended to address this concern in the design of the 1986 law. Of course I know that much of the work that will go into these reports will be staff work. But I want you to know that I regard the attendance and active participation in MAFAC affairs of policy level people like yourself as crucial to success, and I want to thank you in advance for bearing the extra burden that this imposes in your busy schedule.

Reply to: 329 State Office Building, St. Paul, Minnesota 55155
 4160 Myrle Ave., White Bear Lake, Minnesota 55110

Office: (612) 296-5363
Home: (612) 426-2914



Stanis letter

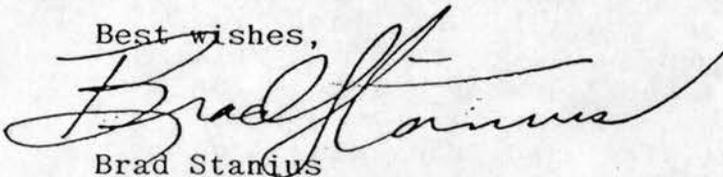
Page 2

September 23, 1986

Because better and earlier intergovernmental communication is one of the purposes of the 1986 law, I would also like to suggest that you get some feedback on both reports from outside of the agencies early this fall, before you make your final decisions. Unfortunately, this is a period when legislators, preoccupied with other matters, are unlikely to respond well to a request for comments. In this circumstance, for the purpose of eliciting some external feedback in the short-term, I think it would be helpful if your staff were to organize a meeting in September or October of staff people from the state auditor's office, the legislative auditor's office, and the Senate and House, and representatives of the relevant local government associations. I hope you will instruct your staff to arrange such a meeting.

I look forward with great anticipation to the completion of these reports this year. Although I know that the time is short and the task difficult, in this first year of MAFAC effort, consider that as the result of your work, for the first time ever, we will have a complete and internally consistent outline of metropolitan agency finance, plus an analysis of and recommendation on at least some opportunities for interagency administrative coordination. That is no small achievement, and I compliment you on it in advance.

Best wishes,



Brad Stanis
STATE REPRESENTATIVE
DISTRICT 53B

BS/bb

REGIONAL TRANSIT BOARD
1984-1989 MAFAC REPORTS

Balance Sheet.....page 1
Statement of Cash & Investments.....page 2
Statement of Revenues, Expenditures and Changes in Fund Balance...page 3

BALANCE SHEET

REGIONAL TRANSIT BOARD

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
ASSETS							
Unrestrict Cash & Invest	436,200	2,901,192	8,541,136	6,903,500	6,912,600	6,955,200	1494.5%
Restrict Cash & Invest:							
Debt Service		16,952,695					
Construction							
Total Cash & Investments	436,200	19,853,887	8,541,136	6,903,500	6,912,600	6,955,200	1494.5%
Accounts Receivable	176,384	1,870,570	2,029,000	2,662,000	2,987,000	3,065,000	1637.7%
Gov Grants Receivable:							
Construction							
Operations							
Fixed Assets	3,110	96,985	146,985	216,985	1,786,985	1,856,985	59610.1%
Future Long-term							
Debt Levy					1,350,000	1,200,000	
Other							
Total Assets	615,694	21,821,442	10,717,121	9,782,485	13,036,585	13,077,185	2024.0%
LIABILITIES & FUND EQUITY							
Accounts Payable & Accrued Expenses	163,060	1,475,285	2,140,700	2,088,500	2,096,600	2,103,200	1189.8%
Payables from Restricted Assets:							
Debt Service		16,952,695					
Construction							
Employee Comp & Payroll	10,059	61,162	65,000	71,000	78,000	86,000	755.0%
Deferred Revenue		1,262,119	1,756,000	2,406,000	2,725,000	2,831,000	
Bonds Payable					1,350,000	1,200,000	
Other							
Total Liabilities	173,119	19,751,261	3,961,700	4,565,500	6,249,600	6,220,200	3493.0%
FUND EQUITY							
Contributed Capital							
Investment in General							
Fixed Assets	3,110	96,985	146,985	216,985	1,786,985	1,856,985	59610.1%
Retain Earn/Fund Balance							
Reserved							
Unreserved	439,465	1,973,196	6,608,436	5,000,000	5,000,000	5,000,000	1037.7%
Total Fund Equity	442,575	2,070,181	6,755,421	5,216,985	6,786,985	6,856,985	1449.3%
Total Liabilities and Fund Equity	615,694	21,821,442	10,717,121	9,782,485	13,036,585	13,077,185	2024.0%

STATEMENT OF CHANGES IN CASH AND INVESTMENTS

REGIONAL TRANSIT BOARD

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
CASH AND INVESTMENTS							
Net Income							
Excess of Revenues Over (Under) Expenditures	442,575	1,627,606	4,685,240	(1,538,436)	70,000	70,000	-84.2%
Depreciation							
Amortization of Bond Premium & Discount							
Total Cash & Investments	442,575	1,627,606	4,685,240	(1,538,436)	70,000	70,000	-84.2%
OTHER ACCOUNTS							
Accounts Receivable	(176,384)	(1,694,186)	(158,430)	(633,000)	(325,000)	(78,000)	-55.8%
Other Assets							
Accounts Payable & Accrued Expenses	163,060	1,764,820	212,820	(52,200)	8,100	6,600	-96.0%
Employee Comp & Payroll	10,059	51,103	3,838	6,000	7,000	8,000	-20.5%
Deferred Revenue		1,262,219	493,781	650,000	319,000	106,000	
Total of Other Accounts	(3,265)	1,383,956	552,009	(29,200)	9,100	42,600	-1404.7%
FIXED ASSETS	3,110	93,875	50,000	70,000	1,570,000	70,000	2150.8%
FINANCE							
Issuance of Bonds		16,500,000			1,500,000		
Payments on Bonds Payable			(16,500,000)				
Federal Grant Receipts							
State Grant Receipts							
Total of Finance		16,500,000	(16,500,000)		1,500,000		
INCREASE (DECREASE) IN CASH AND INVESTMENTS Beginning of Year							
	436,200	19,417,687	(11,312,751)	(1,637,636)	9,100	42,600	-90.2%
		436,200	19,853,887	8,541,136	6,903,500	6,912,600	
YR-END CASH & INVESTMENTS	436,200	19,853,887	8,541,136	6,903,500	6,912,600	6,955,200	1494.5%

revenues

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

REGIONAL TRANSIT BOARD

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
REVENUES							
Property Taxes		35,289,258	38,280,000	41,413,000	43,993,400	45,211,000	
Interest Income		289,609	887,000	1,150,000	1,240,000	1,332,000	
Federal	13,541	231,371	885,000	916,000	898,000	680,000	4921.8%
State	747,660	11,220,412	28,778,790	34,979,664	38,039,600	39,022,000	5119.2%
Local							
Bond & Other		1,528			1,500,000		
Total Revenues	761,201	47,032,178	68,830,790	78,458,664	85,671,000	86,245,000	11230.1%
Intergov Transfer:							
Property Taxes		35,032,186					
State		8,295,094					
Local Chargebacks							
Net revenues	761,201	3,704,898	68,830,790	78,458,664	85,671,000	86,245,000	11230.1%
EXPENDITURES							
Salaries, Benefits, & Contract Services	245,476	869,494	1,479,000	3,247,900	3,446,000	2,850,000	1061.0%
Genl/Adm & Other	73,150	293,424	400,500	527,400	560,000	584,000	698.4%
Provider Payments		43,327,280	61,827,000	75,941,800	79,525,000	82,183,000	
Utilities & Maintenance							
Capital	3,110	93,875	50,000	70,000	1,570,000	70,000	2150.8%
Bond Interest & Principal		700,820	229,350		270,000	258,000	
Other		213,554	209,700	280,000	300,000	300,000	
Total Expenditures	321,736	45,498,447	64,195,550	80,067,100	85,671,000	86,245,000	26706.1%
Intergov Transfer:							
Property Taxes		35,032,186					
State		8,295,094					
Local Chargebacks							
Net Expenditures	321,736	2,171,167	64,195,550	80,067,100	85,671,000	86,245,000	26706.1%
EXCESS REVENUE OVER (UNDER) EXPENDITURES	439,465	1,533,731	4,635,240	(1,608,436)			
Beginning Fund Balance		439,465	1,973,196	6,608,436	5,000,000	5,000,000	
ENDING FUND BALANCE	439,465	1,973,196	6,608,436	5,000,000	5,000,000	5,000,000	1037.7%

METROPOLITAN AGENCIES CONSOLIDATED FINANCIAL REPORT

DRAFT

October 29, 1986

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INTRODUCTION

PURPOSE OF THE REPORT

This is the first biennial consolidated financial report of the metropolitan agencies required by metropolitan governance legislation passed in 1986. Minnesota Statutes 473.1623 establish a financial advisory committee to assist the Metropolitan Council in preparing a report that summarizes fiscal information about the metropolitan agencies and the services they provide.

The chairs of the following metropolitan agencies comprise the advisory committee, commonly referred to as the Metropolitan Agencies Financial Advisory Committee (MAFAC): Metropolitan Council, Metropolitan Airports Commission, Metropolitan Sports Facilities Commission, Regional Transit Board and Metropolitan Waste Control Commission. The services provided by the Metropolitan Parks and Open Space Commission and Metropolitan Transit Commission are also to be included in the report. Thus, the report is to cover planning coordination provided by the Council, and the air transportation, parks and open space, sports facilities, transit and wastewater treatment services provided by the other metropolitan agencies.

BRIEF DESCRIPTION OF THE LEGISLATION

The legislation requires that the Metropolitan Council provide by December 15 of even-numbered years a consolidated financial report for the Council and all metropolitan agencies. It must cover the year in which the report is published, the two years preceding and the three years succeeding that year. Financial information must be presented for each agency, function or system, as well as in aggregate to allow comparison over time and among agencies.

The legislation specifies that the report should:

- Provide financial policies, goals and priorities;
- Describe levels of expenditure in categories of capital, debt, operations and pass-through funding, stated both in the aggregate and by appropriate functional, programmatic, administrative and geographical categories;
- List current revenue sources available;
- List additional revenue sources which may be required in the future;
- List changes in Council or metropolitan agency policies on regional revenue sources in levels of debt, user charges and taxes;
- List changes in existing fiscal policy regarding regional revenue which are anticipated or which may be recommended;
- Describe the relationship between fiscal policies set up for raising revenue and the use of that revenue by program or function;
- Describe how current fiscal policies enable metropolitan agencies to carry out their policy and implementation plans;
- Summarize significant changes in finance and fiscal trends.

SCOPE OF 1986 CONSOLIDATED FINANCIAL REPORT

In this first consolidated financial report, the metropolitan agencies present financial and fiscal policy information on the seven metropolitan agencies that will describe operations and functions of each agency from 1984 and project them through 1989. This is done by agency and for all agencies combined. In addition, it describes the coordination among the various metropolitan agencies in their cooperative planning and implementing of designated regional services.

In the fiscal policies and financial statement section of this report, the focus is on individual metropolitan agency purpose, function, revenues, fiscal policies and trends. As specified in the metro governance legislation, this section describes each agency's sources and uses of revenue, fiscal policies that enable the individual agency to accomplish its service objectives, and fiscal trends that may affect future agency function. Included in this section are individual agency financial data presented by year and categorized as revenue, expenditure, bonded indebtedness, debt service, operating revenue, operating expense, capital expenditure and pass-through expenditure.

Included in the summary of financial data and trends are the total aggregated financial data that look at the financial situation of the agencies as a whole. There is also a brief narrative identifying significant financial trends which appear to be developing in the region that may affect the delivery of regional services. Finally, the aggregate section identifies patterns and trends that may significantly affect the metropolitan agencies' abilities to achieve their objectives and maintain the financial viability of the service delivery systems.

DESCRIPTION OF THE REPORT PROCESS

MAFAC was formed in July 1986 to assist and advise the Council in publishing this financial report. It met monthly to direct and oversee the preparation of the report. A staff work group of financial and administrative persons representing the agencies was also established in July to support the advisory committee by working out the details of the report outline and format, and by developing the financial information required.

MAFAC met six times between July and November, reviewing financial material drafted by the staff work group and directing final preparation of drafts of the report first presented in October. MAFAC is expected to give final approval of the report on November 19 for forwarding to the Council and legislature. Prior to finalizing the report, MAFAC will refer its draft to the individual metropolitan agencies for review and comment and make adjustments subsequent to their review.

The Metropolitan Council is expected to accept the consolidated financial report on December 4, 1986, for transmittal to appropriate legislative committees as required by statute.

SCOPE OF FUTURE REPORTS

The 1986 consolidated financial report sets the stage for subsequent editions that will put more emphasis on fiscal analysis and policy implications. Because of the very short time frame between passage of the law in mid-1986 requiring the report and the first deadline of December 15, 1986, this first report is by necessity not as complete as the metropolitan agencies would like. It is a good beginning, however.

This report has made significant advances over previous attempts to provide consolidated financial information. It puts a wealth of information about all seven metropolitan agencies' finances, fiscal policies and trends affecting them in one document and in a reasonably comparable format. Much of the effort going into this report focused on establishing a consistent set of financial reporting formats that all the agencies could follow in presenting

information. Although this report is not intended to be an accounting exercise, a consistent data and information base is essential to being able to build a storehouse of information that will be comparable over time. This, in turn, requires a considerable amount of attention to and analysis of accounting approaches used by the agencies.

In reconciling the various methods of financial reporting used by the seven agencies, two key points became evident:

1. This consolidated financial report should not be used as a substitute for the financial reports of the individual agencies. In order to establish a reasonably consistent base of information, each agency's normal reporting methods had to be compromised and generalized somewhat to be made to fit a standardized approach. This was done for the purpose of making interagency comparisons. Thus, this report does not necessarily correspond to the regular agency reports line item by line item, and, in fact, it may somewhat distort individual agency financial positions. While this report is quite informative, details of each agency's financial situation are more accurately reported in its own annual financial report.
2. The metropolitan agencies perform two distinctly different functions that do not lend themselves to uniform budgeting and financing practices. The Metropolitan Council, Regional Transit Board and Metropolitan Parks and Open Space Commission are planning agencies with no direct responsibilities for operating service delivery systems. The Metropolitan Airports Commission, Metropolitan Sports Facilities Commission, Metropolitan Transit Commission and Metropolitan Waste Control Commission, on the other hand, are operating agencies that actually own and operate facilities that deliver services to consumers. By legislative definition, the metropolitan agencies are expected to play very different roles in service delivery-- planning and operating. Therefore, combining or comparing information among the two kinds of agencies was done where it made sense, but this was not done just for the sake of consolidating information where distortions or misinformation would result.

The metropolitan agencies responsible for developing this consolidated report intend in future editions to move further toward analyzing trends represented by the data, identifying trends for which fiscal policies need to be set, and improving financial planning by the agencies. One approach may be to look at metropolitan services rather than agencies. Another example would be to look at how much federal money is received by all the agencies and spent on each of the regional service systems. Analyzing financial information in terms of the services delivered may provide another kind of perspective that would allow comparisons like how much is spent for planning a service versus how much for operating facilities. Also, in future reports the MAFAC expects to evaluate the degree of uniformity or consistency of metro agency budget and financial report formats in order to improve the comparability and quality of financial information available about the agencies.

The Council's Metropolitan Development and Investment Framework (MDIF) points in the direction of the kind of fiscal analysis that is needed, and it provides a structure for doing better financial planning. The MDIF establishes a fiscal philosophy that the Council intends to apply in its own decisions regarding special projects, major economic development proposals, or wherever economic analysis would be useful. It will involve analyzing investments by looking at the equity methods of financing services, efficiency of fiscal policies and

financial methods, use of external funds from other than regional sources, use of public financial mechanisms such as bonding, and the appropriateness of various public revenue sources for various purposes. In addition, the Council intends to regularly monitor the public fiscal health of the Metropolitan Area. It will develop a series of economic or fiscal indicators to give the Council a general picture of fiscal trends in the region, which can be applied to information from consolidated financial reports of the metropolitan agencies, as well as other investment reviews. The measures include economic indicators (personal income, employment growth, etc.), revenue indicators (revenue per household, ratios of regional revenue to assessed value, etc.), and debt indicators (regional agency debt in total and per household, ratios of debt service to personal income and to assessed value, etc.).

Finally, as noted previously, there are two fundamentally different approaches reflected in this report describing the financial planning and budgeting of metropolitan agencies involved in planning and operating service delivery systems. Although the financial information presented in this report has been made as comparable as possible for the purpose of having a consolidated report, it must be recognized that the fiscal policy expectations should be different for the two types of agencies.

The aggregated data provides a basis for making generalizations about the agencies that may obscure important information about any one specific agency that happens not to follow the general pattern. It is useful to look at the financial information both ways--aggregated and by agency--to discern fiscal policy implications that might not be apparent from only one viewpoint. Each viewpoint has its strengths and weaknesses. Trying to make all the agencies conform to a uniform financial planning model, however, may be unnecessary or even counter to legislative mandates defining each agency's role and purpose. What is important is that enough of each approach be done in order to provide policy-makers with clear and useful information for making decisions.

SUMMARY OF FINANCIAL DATA AND TRENDS

It is the objective of this report to present summary data that can be logically consolidated and trends that can be clearly identified and supported by consistent agency practices and presentations. In most cases this will result in dividing data and analysis into categories and functions which may not include all metropolitan agencies, but which still provide insight to financing of operations and capital and evaluation of different agency functions.

Each of the seven regional metropolitan agencies functions primarily in one of two distinct roles: either as an "operating" agency, which implements a specific regional service (air transportation, sports facilities, regular route bus service, wastewater treatment), or as a "system planning" agency to support one or more regional service systems (transit, parks and open spaces, transportation, solid waste, natural resources, housing, human services) with long-range planning, research, system monitoring and evaluation, and passthrough development funds.

The methods used by the agencies in financing and accounting for either "operations" or "system planning" are also distinct. As operating agencies, the Metropolitan Airports Commission (MAC), the Metropolitan Sports Facilities Commission (MSFC), the Metropolitan Transit Commission (MTC) and the Metropolitan Waste Control Commission (MWCC) rely heavily on generating income from those who use the services provided by the agencies. This income is accounted for in terms of service operation costs and assets acquired for both present and future service operation. As system planning agencies, the Regional Transit Board (RTB), the Metropolitan Council and the Metropolitan Parks and Open Space Commission (MPOSC) are financed through various sources of public funds such as federal, state and local grants and property taxes. These funds are accounted for in terms of policy and service system development plans. Assets acquired for the delivery of these services, although financed by the commissions, become the property of other local and regional service implementing agencies and not part of Metropolitan Council, RTB or MPOSC assets.

Understanding this basic functional difference between the two types of metropolitan agencies provides a basis for understanding differences in the agencies' financial reports, fiscal policies regarding agency administration and accounting systems. These differences are significant enough that Generally Accepted Accounting Principles (GAAP) recognizes two separate methods of accounting for these two functions: enterprise accounting for operating agencies and governmental accounting for planning agencies. In addition, a distinctly different method of financial presentation is required for each.

FINANCING OF AGENCY OPERATIONS

OPERATING AGENCIES

There are currently four major sources of funding for the four operating agencies: user fees (operating revenue), government grants for capital and service operations (non-operating revenue), state/federal and tax subsidy, and interest. As shown below, the MAC, MSFC and the MWCC finance their operations and improvements almost entirely from user fees and interest income. Of the four agencies, only the MTC currently receives state and federal revenues and transit tax subsidies.

<u>Source</u>	<u>1984</u>	<u>1989</u>	<u>6 Yr Change</u>	<u>Agencies</u>
User Fees	\$172m	\$232m	35%	MAC, MSFC, MTC, MWCC
Gov Grants	29m	29m	0	MAC, MTC, MWCC
State/Fed/Tax	72m	82m	14	MTC, MSFC (\$2.5m 1984 only)
Interest	21m	14m	(33)	MAC, MSFC, MTC, MWCC

Federal and state grants for financing of qualifying construction and improvement costs (not considered revenue under enterprise accounting guidelines) have historically been available to MAC, MTC and MWCC. Specific operations grants have also been utilized by the MTC. And although there appears to be an overall trend in the continuance of those funds, it should be pointed out that by 1989, the MWCC anticipates a loss from this source of nearly \$16 million for construction and improvement of wastewater treatment plants. Clearly, the loss of financing will require additional user fees to replace this loss.

The obvious trend in financing for the operating agencies is the steady increase in user fees or operating revenue to support regional services. This trend is further defined by fiscal policies adopted by the agencies over the past few years. MAC has established an agency policy to provide all of its needed financial resources from users of the airports without tax support and is currently restructuring its major lease agreements to allow it that necessary flexibility. The MSFC has also created both long-term lease agreements and management agreements which have allowed it to meet its operation and debt service obligations since 1984 without implementing the Minneapolis Liquor and Hotel/Motel Tax. In the past two years, the MWCC has established a new and more equitable method for setting its regular sewer service rates and will be continuing its efforts to revise its current method of financing costs related to the reserve sewer capacity. The MTC/RTB has begun implementing its "tax feathering" policy of levying transit taxes in the region based on the availability of regular route service, and establishing guidelines for altering or eliminating regular transit routes.

SYSTEM PLANNING AGENCIES

There are currently four major sources of funding for the three system planning and development agencies: property taxes, federal and state moneys, and interest. As shown below, the Metropolitan Council, the RTB and the MPOSC finance their planning and passthrough development projects exclusively from public resources and the interest earned from investing public funds. Because the agencies bond for and pay for capital development projects where assets become the property of other governmental bodies, the agencies, as specified by accounting guidelines, include proceeds from bond sales as an additional non-operating revenue source.

<u>Source</u>	<u>1984</u>	<u>1986</u>	<u>1989</u>	<u>3 Yr Change</u>	<u>Agencies</u>
Property Tax	\$ 6m	\$ 7m	\$ 9m	29%	MC, MPOSC
Federal	16m	20m	20m	0	MC, RTB
State	11m	29m	27m	(7)	MC, RTB, MPOSC
Interest	3m	3m	3m	0	MC, RTB, MPOSC
Bond Proceeds	0	3m	0		MC, RTB

Three exceptions should be noted when considering the above figures: 1) that property taxes and interest income in excess of the annual bond interest are not included in the sources since they do not have any net effect on the fund balances of the agencies; 2) that the sources in 1984 include only a very small amount of funding for the RTB (its year of creation) and sources in 1989 do not include those RTB funds passed through to the MTC; and 3) that the most changes in financing system planning agencies will be between 1986 and 1989.

The major trend apparent from the above figures is the decline in all resources except property taxes from 1986 onward. As with the operating agencies, the planning agencies have also over the past two years adopted specific policies to address these trends. The Council/MPOSC has begun implementing a formal process to reduce both its staff complement and those services which do not support the set of strict priorities set by the Council in its annual budget process. For 1987, the Council will be levying its full property tax authorization for the first time in years. The RTB also continues to work on streamlining its planning and administrative operations as well as the restructuring of the region's many transit programs.

FINANCING CAPITAL PROJECTS

Of the seven metropolitan agencies, three of the operating agencies (MAC, MTC, MWCC) are most involved in the ongoing financing of capital projects. The Metropolitan Council, although not an operating agency, presently reviews capital budgets for the MWCC and the RTB/MTC, and in cases of major expenditures, for MAC. The Council also sells or has sold bonds for capital improvements for the MWCC, MPOSC, MSFC and the RTB/MTC and will be issuing bonds of its own for solid waste treatment beginning in 1986. At the present time, only MAC and the Council are authorized to sell bonds.

There are three ways that capital projects are financed by the agencies: 1) issuance of general obligation or special revenue bonds, 2) receipt of federal or state grants (contributed capital) for special project use, and 3) use of general revenue. In 1986, the amount of general obligation bonds issued for the agencies for capital projects was \$67 million (MTC, MWCC, Council), the amount of federal and state grants available for capital projects was \$55 million (MAC, MTC, MWCC), and the amount of capital projects paid for from federal revenue was \$18 million (MTC only).

DEBT ISSUANCE

From 1986 through 1989, an estimated \$392 million in general obligation bonds will be issued by the metropolitan agencies for capital projects costing \$506 million: MAC, \$52 million for construction of airport facilities and runways; MWCC, \$243 million primarily for the improvement of wastewater treatment plants and interceptors; MTC, \$85 million for improvement of its fleet and MTC facilities; and the Council, \$15 million to establish an alternative system for handling of solid waste in landfills. The result is an increase in the metropolitan agency level of net debt of 61 percent over the six-year period and 50 percent from 1986 through 1989. It should be noted, however, that nearly two-thirds of the anticipated debt is to be issued for the improvement of the regional waste treatment facilities, a purpose for which a relatively small amount of debt has been issued from 1981 to 1985. From 1972 to 1981, the MWCC issued no new debt.

The ratio of metropolitan agency debt to assessed property values of the Metropolitan Area is expected to decline between 1985 and 1986, thereby reducing the overall debt burden in terms of the region's ability to pay. Debt per capita will probably remain essentially stable during 1986 because of slowing population. By 1989, the increase in the agency debt is expected to increase the net debt per capita by 45 percent over 1986 levels.

Before approving the issuance of new debt, the Council intends to apply its fiscal policies set forth in its Metropolitan Development Investment Framework (MDIF) to analyze the proposed investments in relation to the region's economic growth and ability to pay. The MDIF establishes guidelines for the use of public financial mechanisms and the appropriateness of various public revenue sources used to finance goods and services.

Current and projected net debt for 1984 and 1989 by the metropolitan agencies is as follows:

1984

Assessed Value of Metropolitan Area	\$14,993,265,000
Net Bonded Debt of the Metropolitan Agencies	\$323,024,000
Population of the Metropolitan Area	2,057,150
Number of Households in the Metropolitan Area	767,500
Ratio of Net Debt to Assessed Value	2.16%
Net Bonded Debt Per Capita	\$157.03
Net Bonded Debt Per Household	\$420.88

1989 (Projection)

Assessed Value of Metropolitan Area at 4% Annually	\$18,573,963,592
Net Bonded Debt of the Metropolitan Agencies	\$520,843,000
Population of the Metropolitan Area	2,204,000
Number of Households in the Metropolitan Area	863,000
Ratio of Net Debt to Assessed Value	2.81%
Net Bonded Debt Per Capita	\$236.32
Net Bonded Debt Per Household	\$603.53

For purposes of comparison, the 1985 ratio of net debt to assessed value for other governmental units and in total is as follows:

Combined cities and townships	11.36%
Combined school districts	3.34%
Metropolitan agencies	2.12%
Combined seven counties	1.45%
Miscellaneous	1.79%
Total	20.06%

While the projected increase in debt levels of the metropolitan agencies is substantial, the ratio of net debt to assessed value of the agencies would reach 2.81 percent in 1989, a relatively low debt burden even in comparison to other 1985 government debt levels.

ASSETS

In return for more than \$334 million of metropolitan agency bonded indebtedness in 1985, the Metropolitan Area received about \$1.3 billion worth of service facilities and assets. In addition, the MPOSC/Metropolitan Council has transferred another \$146 million worth of park lands and facilities to other governmental agencies, the assets of which are not recorded as Council or MPOSC property. A current description of metropolitan agency (recorded) assets are as follows:

Airports Commission	
Land	\$ 13,161,000
Airports Improvements & Buildings	271,137,000
Moveable Equipment	9,447,000
Projects in Progress	14,122,000
Sports Facilities Commission	
Metrodome Site	8,700,000
Metrodome Stadium	71,545,000
Sports Center Site	2,385,000
Sports Center Equip and Property	3,851,000
Waste Control Commission	
Land	4,165,000
Treatment Plants and Interceptors	503,609,000
Office Furniture and Equipment	306,000
Laboratory Equipment	651,000
Motor Vehicles and Trailers	1,604,000
Maintenance Equipment	572,000
Operating Equipment	1,492,000
Projects in Process	189,316,000
Regional Transit Board	
General Fixed Assets	97,000
Transit Commission	
Land and Buildings	69,174,000
Buses	89,184,000
Other Equipment	11,935,000
Projects in Progress	1,588,000
Metropolitan Council	
General Fixed Assets	1,669,000
Total Agency Fixed Assets	\$1,269,710,000
Accumulated Depreciation	\$ 290,779,000
Net Agency Fixed Assets	\$ 978,931,000

BALANCE SHEET

CONSOLIDATED

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
ASSETS							
Unrestrict Cash & Invest	76,682,000	71,777,000	78,387,000	73,838,000	81,190,000	82,718,000	7.9%
Restrict Cash & Invest:							
Debt Service	77,528,000	98,042,000	90,485,000	67,906,000	108,235,000	96,517,000	24.5%
Construction/Capital	126,024,000	104,796,000	100,932,000	98,848,000	117,610,000	142,893,000	13.4%
Total Cash & Investments	280,234,000	274,615,000	269,804,000	240,592,000	307,035,000	322,128,000	14.9%
Accounts Receivable	12,290,000	18,937,000	17,866,000	20,033,000	22,843,000	24,989,000	103.3%
Gov Grants Receivable:							
Construction/Capital	6,001,000	6,720,000	4,709,000	3,709,000	3,209,000	2,709,000	-54.9%
Operations	14,358,000	14,410,000	13,939,000	13,513,000	13,513,000	12,660,000	-11.8%
Fixed Assets	914,129,000	974,265,000	1,049,046,000	1,174,541,000	1,245,818,000	1,325,429,000	45.0%
Future Long-term							
Debt Levy	7,487,000	9,831,000	8,557,000	7,726,000	12,749,000	10,767,000	43.8%
Other	7,618,000	8,745,000	8,891,000	9,191,000	9,491,000	9,791,000	28.5%
Total Assets	1,242,117,000	1,307,523,000	1,372,812,000	1,469,305,000	1,614,658,000	1,708,473,000	37.5%
LIABILITIES & FUND EQUITY							
Accounts Payable & Accrued Expenses	18,610,000	21,017,000	20,035,000	20,131,000	20,313,000	20,530,000	10.3%
Payables from Restricted Assets:							
Debt Service	33,085,000	50,660,000	44,653,000	55,051,000	56,679,000	58,413,000	76.6%
Construction/Capital	8,022,000	7,096,000	7,106,000	7,531,000	10,962,000	12,800,000	59.6%
Employee Comp & Payroll	12,589,000	13,626,000	14,030,000	14,596,000	15,296,000	16,038,000	27.4%
Deferred Revenue	8,731,000	11,423,000	11,916,000	12,557,000	12,353,000	12,656,000	45.0%
Bonds Payable	338,788,000	323,397,000	340,079,000	404,276,000	445,796,000	491,100,000	45.0%
Other	57,750,000	55,638,000	49,374,000	42,166,000	39,040,000	36,224,000	-37.3%
Total Liabilities	477,575,000	482,857,000	487,193,000	556,308,000	600,439,000	647,761,000	35.6%
FUND EQUITY							
Contributed Capital	471,519,000	488,803,000	512,417,000	538,864,000	547,789,000	555,600,000	17.8%
Investment in General Fixed Assets	11,033,000	11,346,000	12,430,000	19,372,000	36,522,000	49,929,000	352.5%
Retain Earn/Fund Balance							
Reserved	153,481,000	133,791,000	143,699,000	149,304,000	160,629,000	196,978,000	28.3%
Unreserved	128,509,000	189,257,000	217,073,000	241,457,000	268,279,000	258,205,000	100.9%
Total Fund Equity	764,542,000	823,197,000	885,619,000	948,997,000	1,013,219,000	1,060,712,000	38.7%
Total Liabilities and Fund Equity	1,242,117,000	1,306,054,000	1,372,812,000	1,505,305,000	1,613,658,000	1,708,473,000	37.5%

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

	SERVICE OPERATIONS						6-YEAR % CHANGE
	1984	1985	1986	1987	1988	1989	
OPERATING REVENUES							
User and Service Charges	171,199,000	183,198,000	198,595,000	207,096,000	218,449,000	231,260,000	35.1%
Miscellaneous	652,000	750,000	860,000	950,000	1,000,000	1,050,000	61.0%
Total Operating Revenues	171,851,000	183,948,000	199,455,000	208,046,000	219,449,000	232,310,000	35.2%
OPERATING EXPENSES							
Salaries, Benefits, & Contract Services	125,290,000	130,240,000	136,284,000	142,716,000	147,898,000	154,853,000	23.6%
Depreciation	33,564,000	36,682,000	36,791,000	44,262,000	48,864,000	52,703,000	57.0%
Operating Supplies	18,635,000	18,387,000	16,070,000	17,409,000	18,121,000	18,863,000	1.2%
Mgmt & Provider Expense	2,760,000	2,774,000	3,207,000	3,306,000	3,422,000	3,542,000	28.3%
Utilities & Maintenance	20,069,000	18,950,000	23,983,000	23,882,000	25,608,000	27,507,000	37.1%
Other	15,941,000	20,859,000	21,073,000	22,228,000	23,142,000	24,108,000	51.2%
Total Operating Expenses	216,259,000	227,892,000	237,408,000	253,803,000	267,055,000	281,576,000	30.2%
OPERATING INCOME	(44,408,000)	(43,944,000)	(37,953,000)	(45,757,000)	(47,606,000)	(49,266,000)	10.9%
OTHER REVENUES (EXPENSES)							
Interest Income	19,260,000	18,802,000	10,784,000	9,637,000	11,125,000	13,231,000	-31.3%
Bond Interest	(17,357,000)	(16,777,000)	(21,026,000)	(19,841,000)	(20,158,000)	(25,980,000)	49.7%
Other Income (Expense)	18,656,000	7,215,000	4,035,000	1,654,000	(346,000)	(3,199,000)	-117.1%
Intergov Transfer	57,609,000	55,957,000	55,824,000	64,295,000	65,553,000	70,209,000	21.9%
NET INCOME	33,760,000	21,253,000	11,664,000	9,988,000	8,568,000	4,995,000	-85.2%
AMORTIZATION OF CONTRIBUTED CAPITAL							
Federal Grants	12,846,000	14,719,000	14,670,000	19,046,000	21,667,000	23,664,000	84.2%
State/Loc Grants	934,000	966,000	945,000	1,045,000	1,144,000	1,249,000	33.7%
INCREASE IN RETAINED EARN	47,540,000	36,938,000	27,279,000	30,079,000	31,379,000	29,908,000	-37.1%
Beginning of Year	235,092,000	282,632,000	319,571,000	346,850,000	376,929,000	408,718,000	73.9%
YEAR-END RETAINED EARNINGS	282,632,000	319,570,000	346,850,000	376,929,000	408,308,000	438,626,000	55.2%
DISTRIBUTION OF NET INCOME							
Debt Service	3,112,000	3,921,000	1,114,000	3,100,000	2,752,000	2,765,000	-11.2%
Construction/Capital	5,540,000	3,842,000	7,376,000	1,602,000	(315,000)	(2,337,000)	-142.2%
Total Distribution	8,652,000	7,763,000	8,490,000	4,702,000	2,437,000	428,000	-95.1%

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE

SYSTEM PLANNING AND DEVELOPMENT

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
REVENUES							
Property Taxes	6,717,000	42,269,000	45,696,000	49,248,000	52,151,000	53,706,000	699.6%
Interest Income	3,192,000	2,825,000	3,048,000	3,169,000	3,284,000	3,361,000	5.3%
Federal	16,839,000	17,862,000	20,039,000	20,095,000	20,310,000	20,463,000	21.5%
State	10,870,000	26,486,000	48,724,000	52,556,000	56,139,000	57,091,000	425.2%
Local	915,000	1,097,000	1,460,000	1,291,000	1,115,000	1,147,000	25.4%
Other	0	2,000	0	0	0	0	ERR
Total Revenues	38,533,000	90,541,000	118,967,000	126,359,000	132,999,000	135,768,000	252.3%
Intergov Transfer:							
Property Taxes	0	35,032,000	36,379,000	34,880,000	39,577,000	41,134,000	
State	0	8,295,000	23,111,000	27,667,000	30,890,000	35,668,000	
Local Chargebacks	915,000	1,097,000	1,460,000	1,291,000	1,115,000	1,147,000	25.4%
Net Revenues	37,618,000	46,117,000	58,017,000	62,521,000	61,417,000	57,819,000	53.7%
EXPENDITURES							
Salaries, Benefits, & Contract Services	7,964,000	9,270,000	10,799,000	12,549,000	12,775,000	12,322,000	54.7%
Supplies	281,000	305,000	337,000	337,000	338,000	343,000	22.1%
Provider Payments	27,133,000	75,851,000	94,461,000	111,000,000	114,179,000	121,617,000	348.2%
Utilities & Maintenance	0	0	0	0	0	0	
Capital	652,000	634,000	50,000	70,000	1,570,000	70,000	-89.3%
Bond Interest	0	701,000	229,000	0	270,000	258,000	
Other	3,817,000	4,467,000	4,360,000	4,542,000	4,607,000	4,688,000	22.8%
Total Expenditures	39,847,000	91,228,000	110,236,000	128,498,000	133,739,000	139,298,000	
Intergov Transfer:							
Property Taxes	0	35,032,000	36,379,000	34,880,000	39,577,000	41,134,000	
State	0	8,295,000	23,111,000	27,667,000	30,890,000	35,668,000	
Local Chargebacks	915,000	1,097,000	1,460,000	1,291,000	1,115,000	1,147,000	25.4%
Net Expenditures	38,932,000	46,804,000	49,286,000	64,660,000	62,157,000	61,349,000	57.6%
OTHER FINANCIAL SOURCES							
Bond Sale Proceeds	1,233,000	4,096,000	371,000	832,000	6,850,000	293,000	-76.2%
EXCESS REVENUE OVER (UNDER)							
EXPENDITURES	(81,000)	3,409,000	9,102,000	(1,307,000)	6,110,000	(3,237,000)	3896.3%
Beginning Fund Balance	29,600,000	29,519,000	32,928,000	42,030,000	40,723,000	46,833,000	58.2%
ENDING FUND BALANCE	29,519,000	32,928,000	42,030,000	40,723,000	46,833,000	43,596,000	47.7%

STATEMENT OF CHANGES IN CASH AND INVESTMENTS

CONSOLIDATED

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
CASH AND INVESTMENTS							
Net Income	21,434,000	21,964,000	13,007,000	11,205,000	9,226,000	4,599,000	-78.5%
Excess of Revenues Over (Under) Expenditures	(81,000)	3,409,000	9,102,000	(1,307,000)	6,110,000	(3,237,000)	3896.3%
Depreciation	30,939,000	34,027,000	34,091,000	41,562,000	46,164,000	50,003,000	61.6%
Amortization of Bond Premium & Discount	237,000	218,000	175,000	150,000	125,000	125,000	-47.3%
Total Cash & Investments	52,529,000	59,618,000	56,375,000	51,610,000	61,625,000	51,490,000	-2.0%
OTHER ACCOUNTS							
Accounts Receivable	627,000	(8,409,000)	2,670,000	(1,241,000)	(2,310,000)	(793,000)	-226.5%
Other Assets	1,476,000	(2,561,000)	1,128,000	531,000	(3,973,000)	1,532,000	3.8%
Accounts Payable & Accrued Expenses	1,618,000	3,881,000	(3,432,000)	(4,679,000)	3,479,000	760,000	-53.0%
Employee Comp & Payroll	1,673,000	1,036,000	404,000	566,000	700,000	742,000	-55.6%
Deferred Revenue	(1,796,000)	2,691,000	493,000	641,000	(204,000)	302,000	-116.8%
Total of Other Accounts	3,598,000	(3,362,000)	1,263,000	(4,182,000)	(2,308,000)	2,543,000	-29.3%
FIXED ASSETS	(76,244,000)	(93,858,000)	(104,458,000)	(166,862,000)	(117,240,000)	(129,406,000)	69.7%
FINANCE							
Issuance of Bonds	104,240,000	20,460,000	45,800,000	96,500,000	68,200,000	91,750,000	-12.0%
Payments on Bonds Payable	(90,868,000)	(22,928,000)	(37,095,000)	(24,163,000)	(26,932,000)	(44,260,000)	-51.3%
Federal Grant Receipts	28,587,000	29,223,000	31,068,000	42,246,000	25,848,000	25,976,000	-9.1%
State/Loc Grant Receipts	1,131,000	3,760,000	3,704,000	11,639,000	20,250,000	18,000,000	1491.5%
Total of Finance	43,090,000	30,515,000	43,477,000	126,222,000	87,366,000	91,466,000	112.3%
INCREASE (DECREASE) IN CASH AND INVESTMENTS							
Beginning of Year	22,973,000	(7,087,000)	(3,343,000)	6,788,000	29,443,000	16,093,000	-29.9%
YR-END CASH & INVESTMENTS	257,261,000	280,234,000	273,147,000	269,804,000	276,592,000	306,035,000	19.0%
YR-END CASH & INVESTMENTS	280,234,000	273,147,000	269,804,000	276,592,000	306,035,000	322,128,000	14.9%

FISCAL POLICIES AND FINANCIAL STATEMENT OF THE AGENCIES

AGENCY DESCRIPTIONS

METROPOLITAN COUNCIL

The Metropolitan Council was established by the Minnesota Legislature in 1967 to plan and coordinate land use and economic development of the seven-county Metropolitan Area. The Council's area of jurisdiction includes the seven counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington. There are 188 cities and towns within these counties.

The Metropolitan Council has 17 members, appointed by the governor. Sixteen members serve four-year terms and represent districts of equal population. The chair serves at the governor's pleasure. Council vacancies are advertised within the appropriate districts and a list of qualified nominees for each district is provided to the governor by a seven-member citizen participation committee. The Council conducts much of its business through standing committees representing four basic functions: metropolitan and community development, metropolitan systems, environmental resources, and management.

The Council encourages citizen participation in its planning efforts with public hearings, meetings and forums. Central to this effort are 10 advisory committees served by several hundred area citizens, whose advice and technical information help the Council set policies and solve complex problems.

METROPOLITAN AIRPORTS COMMISSION

The Metropolitan Airports Commission was created in 1943 by the Minnesota Legislature to provide for efficient development of air transportation facilities in the Metropolitan Area. The purpose of the Metropolitan Airports Commission is to promote air navigation and transportation, international, national and local, in and through the state of Minnesota. In addition to promoting the efficient, safe and economical handling of air commerce, the Commission has the responsibility of assuring residents of the Metropolitan Area of the minimum environmental impact from air navigation and transportation.

The Commission's jurisdiction is throughout the Minneapolis-St. Paul Metropolitan Area (Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties), as well as 35 miles in all directions from Minneapolis and St. Paul City Halls. The Commission owns and operates seven airports in the Metropolitan Area, including Minneapolis/St. Paul International Airport serving as the primary air carrier facility, and the following reliever airports serving general aviation: St. Paul Downtown Airport, Flying Cloud Airport, Crystal Airport, Anoka County/Blaine Airport, Lake Elmo Airport and Airlake Airport.

The Metropolitan Airports Commission provides a variety of services at each of its airports. At Minneapolis/St. Paul International, the Commission is responsible for providing buildings and facilities for air carrier activity, as well as police, fire protection, maintenance, administrative and planning services, and other related services and facilities that are deemed to be necessary.

METROPOLITAN PARKS AND OPEN SPACE COMMISSION

In 1974, the Minnesota Legislature authorized the Council to sell up to \$40 million in bonds to acquire and develop regional parklands. A nine-member Metropolitan Parks and Open Space Commission was established to act as an advisory body to assist the Council in setting policies and plans for the regional park system. From 1976 through 1985, the legislature appropriated a total of \$125 million for regional parks and trails. Neither the Council nor the Commission acquires property directly. Rather, grant funds are provided to regional implementing agencies which take title and develop the facilities. The Council's decisions on parks and open space are based on its long-range plan and how proposals coordinate with regional programs.

The Metropolitan Parks and Open Space Commission advises the Metropolitan Council in setting forth a plan and an acquisition and development program, with funding priorities, for regional parks. The Commission also advises on grant requests from local governmental units for federal and state monies for park acquisition and development. The Commission identifies the problems and issues to be addressed in planning and seeks broad community participation in its planning work. Commission members are appointed by the Council.

METROPOLITAN SPORTS FACILITIES COMMISSION

The Metropolitan Sports Facilities Commission was established under Chapter 89 (the Stadium Act) of Minnesota Laws of 1977 and operates under Minnesota Statutes Chapter 473, as amended. The primary responsibility of the Commission is the operation of the Metropolitan Sports Center and the Hubert H. Humphrey Metrodome sports facility.

The Commission has entered into use agreements with the Minnesota Twins, Inc., the Minnesota Vikings Football Club and the University of Minnesota. These agreements contain provisions for, among other things, rental rates, exclusive use space, payment of event-related costs and expenses, private boxes, and sharing of concession revenue. Special events are also held at the Metrodome.

The Commission consists of six members, appointed by the Minneapolis City Council and a chair, appointed by the governor. The Commission owns the concessions of the Metrodome and has an agreement with a management company to operate the concessions. The management company is responsible for handling the receipts and paying operating costs. The Commission also has an agreement with the city of Minneapolis concerning parking receipts whereby the Commission is guaranteed certain minimum amounts to be paid by the city to the Commission for the increase in parking near the Metrodome.

The Metropolitan Center facility was built by North Star Financial Corp. with the ownership of the facility being transferred at no cost to the Commission. Beginning Aug. 1, 1985, the North Star will pay the Commission a percentage of receipts each agreement year for consideration, and will also pay all operating, maintenance, managing and insurance costs each year.

REGIONAL TRANSIT BOARD

Based on findings and recommendations of the Legislative Study Commission on Metropolitan Transit, the Minnesota Legislature created the Regional Transit Board in 1984. The Board was created to perform mid-range transit planning, make policy decisions, handle administrative functions and facilitate the establishment of new and alternative transit services for the Twin Cities Metropolitan Area.

eight
The Regional Transit Board enabling legislation established a board consisting of ~~six~~ members appointed by the Metropolitan Council and a chair appointed by the governor. The major functions of the Board are to prepare transit implementation plans, review and approve the Metropolitan Transit Commission budget, execute and administer paratransit project contracts, and conduct research and render advice on transportation issues.

METROPOLITAN TRANSIT COMMISSION

The Metropolitan Transit Commission was created by the Minnesota Legislature in 1967 as the region's public transit agency. In 1984, when the legislature created the Regional Transit Board, it redefined the Commission's role to focus on the operation of the regular route transit system. The Commission consists of three members, one from St. Paul, one from Minneapolis, and one representing suburban communities. Commission members are appointed by the Regional Transit Board and serve three-year terms.

The Metropolitan Transit Commission is responsible for the operation of the majority of the Metropolitan Area's public transit system. The Commission focuses on increasing ridership and achieving the fullest and most efficient use of public resources and investments in public transit and paratransit.

METROPOLITAN WASTE CONTROL COMMISSION

The Metropolitan Waste Control Commission (originally the Metropolitan Sewer Board) was established as an agency of the Metropolitan Council pursuant to Minnesota Laws of 1969, Chapter 449. The Commission, as an agency of the Council, is charged with the responsibility of the operation, maintenance and administration of the Twin Cities Metropolitan Disposal System consisting of major wastewater treatment works and major sewer interceptors in the area. Although the Commission has independent powers to construct and operate the system, its development program and annual capital budget are subject to review and approval by the Council.

The Commission hires its own staff, enters into contracts for its activities, and establishes rates and charges to local governmental units, but has no taxing power and no power to issue obligations for capital improvements. Local financing of the Commission's capital projects, as approved by the Council, is provided by general obligation bonds issued by the Council to which it may pledge any revenues of the Commission from charges to local governmental units served by the system.

The governing body of the Commission is a nine-member board. Eight members are appointed by the Metropolitan Council for four-year terms. The chair is appointed by the governor.

RELATIONSHIPS AMONG THE AGENCIES

The Metropolitan Council plays a unique role among the metropolitan agencies. It is responsible for overseeing and reporting on each of the other agencies and for coordinating the activities of the agencies as a group. The Council's specific responsibilities vary greatly among the metropolitan agencies, however. The relationships are summarized on the chart found on page 10 showing existing statutory relationships.

METRO GOVERNANCE
EXISTING STATUTORY RELATIONSHIPS

TRANSIT	Council	Prepares policy plan	Approves implementation plan	Approves capital budget ¹	Approves and issues GO bonds
Est. 1984/67	RTB/MTC	Reviews and comments on policy plan	Prepares implementation plan including a financial element	Prepares capital budget	Develops bond program
SEWERS	Council	Prepares policy plan	Approves development program	Approves capital budget ¹	Approves and issues GO bonds
Est. 1969	MWCC	Reviews and comments on policy plan	Prepares development program	Prepares capital budget	Develops bond program
PARKS	Council	Prepares policy plan	Approves CIP and master plans		Issued GO bonds (1974 only)
Est. 1974	MPOSC	Reviews and comments on policy plan	Prepares CIP; reviews master plan		
AIRPORTS	Council	Prepares policy plan	Approves long-term comprehensive plan	Approves capital projects ²	
Est. 1943	MAC	Review and comments on policy plan	Prepares long-term comprehensive plan	Prepares capital budget	Issues GO and airport improvement bonds
SPORTS FACILITIES	Council			Approves operating budget	Issued revenue bonds (1979 only)
Est. 1977	MSFC			Prepares budget	

¹Approval authority until 1990 fiscal year budget.

²Projects over \$5 million at Minneapolis-St. Paul International, over \$2 million at other airports.

The Council reviews and approves the capital improvements plans and budgets of the Metropolitan Waste Control Commission, the Regional Transit Board, the Metropolitan Sports Facilities Commission and major capital projects proposed by the Metropolitan Airports Commission. Beginning with the budgets for 1990, however, the Council will no longer approve capital budgets for the Metropolitan Waste Control Commission and the Regional Transit Board as it presently does. The Council adopts a regional, five-year recreation open space capital improvements program as advised by the Metropolitan Parks and Open Space Commission, and provides administrative staff to the commission. As part of the review of the Metropolitan Sports Facilities Commission budget, the Council must make a determination of ongoing need for the Minneapolis liquor/lodging tax to support operation of the Hubert H. Humphrey Metrodome.

The Council sells or has sold bonds for capital improvements for the Metropolitan Waste Control Commission, for designated regional agencies implementing its parks and open space plan, the Metropolitan Sports Facilities Commission and, for the first time in 1986, will begin bonding for the Metropolitan Transit Commission through the Regional Transit Board.

Two of the legislatively defined "metropolitan agencies," the Metropolitan Transit Commission and the Metropolitan Parks and Open Space Commission, are organized and related to the Metropolitan Council in unique ways. The Metropolitan Transit Commission is made up of three commission members appointed by the Regional Transit Board. Although the commission is a separate financial entity with separate staff, most of its operating revenue is passed through the Regional Transit Board and included by the board in its budget submitted to the Council for review and approval. The Metropolitan Parks and Open Space Commission is the only commission without any operating authority. It was created by the legislature as an advisory planning arm of the Metropolitan Council. Staff for the commission is supported in the Council's budget and its financial activities are described in the Council's financial statements. Ten Council-designated agencies in the Metropolitan Area (six counties, two special park district agencies and two cities) implement the Metropolitan Parks and Open Space Commission's regional parks plan and are required to submit their master plans to the Council for review and final approval.

The metro governance legislation passed in 1986 is a recent alteration of the Council's role in relation to the metropolitan agencies. The Council will be reviewing and approving implementation plans for the metropolitan sewer and transit agencies based on specific policy plans prepared by the Council. Also, future policy plans of the Council and implementation plans of the Metropolitan Waste Control Commission and the Regional Transit Board will emphasize service delivery and management, financial implications and fiscal policies, and monitoring of system implementation. The new legislation has also entrusted the Council with improving the efficiency, effectiveness and the responsiveness of all the metropolitan agencies through the coordination of financial reporting and the management of regional service delivery systems.

AIR TRANSPORTATION

Two metropolitan agencies play roles in providing air transportation in the Metropolitan Area. These agencies are the Metropolitan Airports Commission (MAC) and the Metropolitan Council. Total revenue from both agencies dedicated to air transportation in 1984 was approximately \$55 million and projected revenues for 1989 are \$75 million. This provides for an average annual increase of only 6.5 percent over six years.

The MAC owns and operates seven of eight publicly owned airports in the Twin Cities Area. Minneapolis/St. Paul International Airport (MSP) is the largest one. It benefits the region and state by providing access to the national and international marketplace. Besides promoting air access, the MAC works with the federal, state and local governments to minimize environmental effects of air transportation. MAC also manages the operations of all commercial activities, auto parking and building rentals at its airports. It is also responsible for facility planning, engineering and project implementation.

The Metropolitan Council's involvement in aviation planning includes reviewing certain large-scale capital improvements (those over \$2 million at reliever airports and those over \$5 million at MSP) proposed by MAC. The Council is also involved through its review of environmentally sensitive projects and its efforts to promote land use compatibility around MAC system airports. The Council approves MAC's long-term comprehensive plans for airports upon which capital improvements and other MAC operating actions are based.

MAC is represented on the Aviation Committee of the Metropolitan Council's Technical Advisory Committee. Similarly, the Council designates one of its members to act as a formal liaison between MAC and the Council.

PARKS AND OPEN SPACE

The Metropolitan Parks and Open Space Commission (MPOSC) was created as an agency of the Metropolitan Council to advise on the Council's mandated park activities. This includes preparation of a policy plan for regional recreation open space, and implementation of a grants program for acquisition and development of regional parks. Although the MPOSC is considered to be one of the seven metropolitan agencies, it is the Council which is the agent for the system planning and capital funding of the regional recreation open space program. The two agencies dedicated approximately \$20 million in revenues to the parks and open space system in 1984, and projected revenues for 1989 are nearly identical.

The regional service delivery system has been set up as a partnership with 10 implementing agencies (six counties, two cities and two special parks districts) that own and operate the regional parks. These are the only agencies eligible for funding from the Council.

Part of the Council's policy plan is a capital improvements plan that describes planned capital expenditures from 1986 through 1996. Projects are funded by the Council on the basis of their consistency with the goals and objectives of the policy plan.

Since the MPOSC is not an independent agency or commission, it has no operational authority, taxing authority or bonding authority of its own. The MPOSC staff are Council employees, and revenues used for its operations come from state bond funds and the Council's property tax levy. The Council first issued bonds for parks and open spaces in 1974. Since 1976, state bond funds have been appropriated by the legislature and the proceeds made available to the Metropolitan Council for the acquisition and development of the regional park system.

SPORTS FACILITIES

The Metropolitan Sports Facilities Commission (MSFC) plays by far the most significant role in the planning and operation of sports facilities in the Metropolitan Area. In 1977 the legislature authorized the construction of a new or remodeled stadium and created the MSFC to choose the location and design specifications of the facility and to take ownership and operate the existing Metropolitan Stadium and Met Center.

With the sale of the Metropolitan Stadium in 1984, the two major responsibilities of the MSFC became the operation of the Met Center and the Hubert H. Humphrey Metrodome. The MSFC may exercise all powers necessary to carry out the duties required by law but is not limited to the powers specifically authorized in the legislation. As part of its operations, the MSFC enters into a number of contracts and lease agreements with management companies and tenants for: management of the Metrodome concessions, management of the Met Center operations and maintenance, parking receipts in the City of Minneapolis, facilities use by the Minnesota Twins, Inc., facilities use by the Minnesota Vikings Football Club, and facilities use by the University of Minnesota.

The Metropolitan Council has the authority to review and approve the MSFC's operating budget, but has limited its oversight to ensuring that revenues are adequate to meet debt service requirements on stadium bonds and to setting the amount that must be raised from the Minneapolis liquor and hotel/motel sales tax. The Council is responsible for issuing any bonds on behalf of the MSFC for acquisition or improvement of its sports facilities.

WASTEWATER TREATMENT

The region's wastewater treatment system is planned by the Metropolitan Council and operated by the Metropolitan Waste Control Commission (MWCC) in close coordination with one another. The Council defines the long-term direction that the metropolitan wastewater treatment system is to take through its policy plans for wastewater management. Based on the Council's policy plans, the MWCC prepares five-year capital development programs and annual capital budgets to implement the Council's system plan. The Council approves MWCC development programs and capital budgets. The two agencies combined dedicated approximately \$87 million in revenues to wastewater treatment in 1984, with projected 1989 revenues of \$118 million. This is an average annual increase of 7 percent over the six-year period, but net sewer rates are expected to rise only 3.8 percent annually.

The MWCC plays the most significant role in providing wastewater treatment in the Metropolitan Area. The MWCC is charged with the responsibility of the construction, operation, maintenance and administration of a regional system of sewers and treatment plants to control water pollution.

The MWCC independently enters into contracts for its activities and establishes rates and user charges to local governmental units, even though the Council may comment on user fees in an advisory capacity. However, the MWCC has no taxing authority to issue obligations for capital improvements. Regional financing of MWCC capital improvements, as approved by the Metropolitan Council, is provided by general obligation bonds issued by the Council.

TRANSIT

The Regional Transit Board (RTB), the Metropolitan Transit Commission (MTC) and the Metropolitan Council have significant yet differently defined roles in the planning and provision of transit services in the Metropolitan Area. Total revenues raised by the three metropolitan agencies for transit in 1984 were \$107 million and projected revenues for 1989 are \$125 million. This is an average annual increase of 4 percent over six years.

In 1984 the RTB was created by the legislature to consolidate transit service programming, transit financing and the arranging of transit services. The major functions and activities of the RTB as specified in the enabling legislation include:

- Preparing transit implementation plans;
- Preparing and presenting required transit budgets, including special transportation services, financial plans and staffing plans;
- Executing and administering transit project contracts and assuming rideshare program responsibilities;
- Appointing members to the Metropolitan Transit Commission (MTC);
- Requesting, reviewing and approving the MTC budget;
- Assuming Replacement Services (Opt-Out) program responsibilities; and
- Conducting research and rendering advice on transportation issues.

In the same 1984 legislation, the MTC's role and composition were refocused by designating it as the public transit operating agency and service provider in the Metropolitan Area. It was made responsible for maintaining facilities, planning routes and schedules, distributing information, marketing and other service-related activities. The MTC operating and capital budgets are reviewed by the RTB.

The Metropolitan Council's role in the regional system is defined in terms of longer-range planning and monitoring of the current transit system. It provides urban travel analysis, local governmental assistance, reviews of applications for state and federal funds, review of the RTB/MTC Transportation Improvements Budget and implements the 3-C (continuing, comprehensive, cooperative) transportation planning process for the Metropolitan Area. The metro governance legislation passed in 1986 further refines this role to include the reviewing and approving of the RTB implementation plan, which is to be based on a transportation policy plan prepared by the Council. Both the policy and implementation plan will emphasize service delivery and management, financial implications and fiscal policies, and monitoring of system implementation.

The Council has been represented on the project management teams responsible for assisting the RTB with its regional Transit Service Needs Assessment. The Council has also been involved with the RTB's task force studying the potential transit capital investments in the Twin Cities' corridors. Similarly, RTB staff chairs the Transportation Advisory Committee's Inter-Agency Activity Committee. Federal Urban Mass Transit Assistance planning and implementation funds are passed through the Council and, beginning in 1987, the Council will begin issuing bonds necessary to fund the capital program of the RTB as identified in the implementation plan.

AGENCY FINANCIAL REPORTS

METROPOLITAN COUNCIL

Priorities and Objectives

The Metropolitan Council's central objectives are to carry out comprehensive land use planning for the region; set public policies for the regional sewer, transit, highway, airports and parks systems; monitor the finances and performance of the metropolitan agencies that operate these systems. The Council is also authorized by state and federal laws to plan for regional solid waste management, housing, health, aging and arts. In addition, the Council conducts research; helps communities and counties resolve differences; administers a number of federal, state, and private foundation loan and grant programs; serves as a Metropolitan Housing and Redevelopment Authority.

For 1987, the Council will focus time and resources on six priority activities:

- Improve the region's long-term care system. Efforts will be made to gain refinements in the cost and quality of long-term care for the chronically ill and physically and mentally handicapped. Legislation will be proposed to restructure the long-term care financing system and develop guidelines for local government comprehensive plans.
- Initiate a new approach to metropolitan governance. Mechanisms will be developed to oversee the financial and managerial accountability of the regional agencies and monitor the performance of the metro service delivery system. This will be accomplished in cooperation with the metropolitan operating agencies through a variety of joint and coordinated mechanisms.
- Develop a regional solid waste system to eliminate dependence on landfills. Technical assistance for organized collection and economic analysis will be provided to private and local government agencies. Ideas such as centralized composting, development of recycling centers and fuel-making plants, and separation of recyclables at mass burn facilities will be analyzed and progress reported to the legislature.
- Integrate a human services perspective into the Metropolitan Development and Investment Framework. The impact of demographic trends on human service needs will be analyzed and new policies will be developed as needed.
- Continue to strengthen economic/fiscal research and analysis. Support for research, and policy development and implementation will be increased. Work will include analysis of local government financing issues and any new major regional plans, or projects and implementation of new state legislation on metro governance and the Council's 1987 research agenda.
- Enhance the compatibility of airports with other land uses. The issues of airport noise and land use from the perspectives of the airports and the surrounding communities will be addressed.

Sources of Revenue

For the Council's overall financial operations, property taxes and federal and state grants comprise the largest sources of revenue. Federal and state funds provide the majority of funding for pass-through activities, and agency operations are funded primarily with property taxes and federal revenues. The Council's major funding sources are:

- Property Taxes. The Council levies property taxes to fund general agency operations, a highway right-of-way acquisition loan program, and debt service for regional parks and solid waste bonds.
- Interest Income. The Council carries out an active cash management program to invest all available revenue. Interest income from these investments is used to fund agency operations, various pass-through programs and debt service.
- Reimbursement from Regional Agencies. The Council is reimbursed by metro agencies that operate sewer, transit, airports and sport facilities systems for expenditures related to the Council's planning of the service systems for the region and monitoring of the metro agencies' implementing activities.
- Federal Grants. The Council receives grants from federal agencies for transportation planning, administration of housing assistance programs, aging planning, and a variety of other planning, administrative and pass-through activities.
- State Grants and Appropriations. The Council receives a direct appropriation from the legislature for parks planning. Grants from other state agencies fund a variety of planning, administrative and pass-through activities such as parks acquisition and development, arts, developmental disabilities, housing rehabilitation and transportation planning.

Fiscal Policies on Raising and Using Revenues

Approximately 40 percent of the Council's revenue in 1986 was restricted by federal, state and local sources for specific functions, activities and projects. Interest earned on that restricted revenue is used for the restricted purpose.

The remaining 60 percent of the Council's revenue was unrestricted general funds derived from the property tax levy and interest earned on those funds. General property tax revenue is used primarily to finance the Council's work program priorities and state-mandated activities. Reductions in restricted revenue will be concentrated in the affected program unless that program is of sufficient priority to warrant support from the Council's general property tax revenue.

Property Tax Levy

The Council is authorized by Minnesota Statute to levy property tax to repay bonds issued for development of specific regional systems (sewer, transit, parks) and to finance the overall operations of the Council. Since 1974 the rate at which the Council could levy for its general operations has been 8/30

of a mill. In 1986, by a decision of the Council, the tax levy was limited to an increase of 4.5 percent of the tax amount levied in 1985. Although the full amount authorized by the legislature will be levied for 1987, the Council's operating budget expenses will decrease over 6.5 percent in 1987 from 1986 levels. Expenditures will be maintained within this funding restraint by identifying major program objectives, setting priorities and reducing staff.

Reserves

Over a number of years, the Council has built up specific reserve funds that function as a cash flow management fund. Maintenance of this fund has allowed the Council to eliminate annual short-term borrowing to cover cash flow needs and is partially responsible for the Council's excellent bond rating. In the future, the Council intends to maintain the current level of reserves to ensure sufficient funds to meet the cash flow management requirements.

Bond Rating

Because the Council's successful repayment of debt is contingent upon its ability to levy taxes as authorized by the legislature, its current AAA bond rating is tied substantially to the economic health of the region: growth of assessed property values, diversity of employment, ratio of current and projected debt per capita. However, other security features, such as maintaining adequate cash reserves, are also key factors in receiving a high credit rating. In 1986 the Council again stated its intention to maintain its current cash management reserve to ensure adequate security for debt service cash flow and thereby maintain its excellent bond rating.

Fiscal Trends

A strong trend of declining federal revenue became apparent early in the 1980s. The Council responded by adopting more tightly controlled budgets and financial management plans. Within the last two years, further federal reductions have resulted in Council policies regarding staff structure and level, and limitations on specific types of expenditures. For example, the staff structure was streamlined; staff complement and temporary staff systematically reduced; nonlabor expenses such as consultants and printing were scrutinized and limited. In early 1986 an accelerated decline in federal funding under the Gramm-Rudman-Hollings law and a 5.4 percent overall reduction in total revenue projected for 1987 precipitated additional Council action in regard to the 1987 budget.

Fiscal Policies for Managing Council Operations

Because of intergovernmental fiscal trends, the Council identified the need for a 1986-87 transition budget program that would move the Council to a level of operation characterized by a smaller staff and restrained expenditures. At the same time, it emphasized accomplishing major program objectives through priority-setting. The Council identified the following three fiscal policies to be used in accomplishing this transition:

- Achieve staff reductions by attrition, avoiding layoffs to the extent possible;

- Reduce nonlabor costs such as consultants, travel and printing;
- Make use of all funding sources available to the Council, including the full property tax levy for 1987, to support major program objectives.

It is important to note that the authorized staff complement of the Metropolitan Council in 1986 was 222.5; by the end of 1987 it is to be 195. The Council's objective is a more efficient and stable staff complement that can achieve Council program priorities which are evaluated annually and redefined as necessary to meet regional planning needs. At the beginning of 1986, the staff underwent a major reorganization designed to make the agency's structure more flexible in addressing regional issues and problems, improve management accountability, and create new career opportunities for employees.

The Council has set up special budget management and monitoring practices to evaluate progress made during the transition period. Monthly reports to the Council's Management Committee will be made on staff attrition as well as the general financial status of the Council. To the extent that the progress of attrition falls short of expectations in 1987, layoffs would have to be considered if current funding assumptions are accurate.

Anticipated Changes in Fiscal Policies

Historically, a much greater share of Council revenues came from federal revenues. Over the last six years, federal revenues have fallen from 34 percent of funding for agency operations to 21 percent projected for 1987. This drop in federal revenues has produced a number of fiscal policy changes:

- A firm intention to reduce expenditures consistent with anticipated revenue. Since labor costs make up a substantial part of the Council's budget, a 1986-87 initiative is to reduce the Council's current staff complement by 12 percent by the end of 1987. Other across-the-board, nonlabor expenditures such as printing, travel, temporary staff costs and consultants have also been reduced to meet this objective;
- Establishment of strict priorities and objectives, reducing or eliminating those programs or activities that do not support the accomplishment of those priorities and objectives;
- Coordination or joint use of facilities and services with other regional or metropolitan agencies; and
- Exploration of new funding sources for priority objectives.

At this time, the Council intends to keep its expenditures within the limits of anticipated funding. This will be accomplished primarily by across-the-board reduction in expenditures, emphasizing a limited number of priority projects each year, staff reductions and other means.

Intergovernmental Fiscal Policies

In addition to fiscal policies for managing its internal operations, the Council establishes fiscal policies that govern certain interagency functions. These are in recognition of the Council's legislatively mandated oversight responsibilities. A series of mechanisms has been instituted for the purpose of improving the political and fiscal accountability of the metro agencies as a group, and for improving interagency relations and cooperation in policy-setting and administrative matters. They are as follows:

- Monitoring and Coordination. Under recent legislation, metropolitan sewer and transit agencies will be required to submit for the Council's review and approval implementation plans that will describe (among other requirements) anticipated expenditures for capital developments; services, administration and management; revenue sources and changes in revenue; and agency fiscal policies and strategies regarding taxes, debt, user charges and cost containment. This fiscal information will provide a better basis for clarifying and coordinating financial planning by the metro agencies. Also, budget and financial report formats will be evaluated to determine ways to improve their quality and comparability.
- Reporting. The Metropolitan Agencies Financial Advisory Committee (MAFAC) has been established legislatively to assist the Council in improving the responsiveness and accountability of the metropolitan agencies. With the assistance of the MAFAC, the Council will be reporting biennially on the financial status and trends of the metro agencies and the services they provide. As a matter of Metropolitan Development and Investment Framework policy, the Council will supplement the legislatively required report with its own annual metro investment review report. It will provide a summary of regional service planning and measures of achievement, and it will emphasize the relationship between regional priorities and regional infrastructure investments.
- Infrastructure Investment Guidelines. Fiscal policies contained in the Council's MDIF provide metropolitan agencies with a guide for future development and a basis for making investment decisions in regard to regional facilities. As part of that guide, the Council will be grouping development investments for the region and developing a financing plan which will outline the most effective use of the region's financial resources for capital investment. The Council will also be using a set of economic criteria for evaluating investments, as well as a set of monitoring measures, to determine whether the Council's policy priorities are being carried out and to gauge the general fiscal and economic health of the region.
- Administrative Practices. Under the Council's auspices, the MAFAC is developing a report on coordinating administrative practices among the metro agencies. This was done pursuant to statutory directive to evaluate benefits, costs, methods and effects of jointly performing certain administrative functions. Specifically, the Council is required to report on legal or other impediments to increasing the level of interagency coordination in performing administrative functions. The result is likely to be an interagency work program for 1987 to develop common practices and administration to the extent practicable in the areas of management reporting; personnel programs and benefits; purchasing; information systems; staff training and education; investment and risk management.

BALANCE SHEET

METROPOLITAN COUNCIL

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
ASSETS							
Unrestrict Cash & Invest	8,554,000	10,369,000	10,424,000	10,086,000	10,429,000	10,562,000	23.5%
Restrict Cash & Invest:							
Debt Service		8,000	329,000	395,000	317,000	1,129,000	
Construction/Capital		2,947,000	3,127,000	757,000	5,257,000	257,000	
Total Cash & Investments	8,554,000	13,324,000	13,880,000	11,238,000	16,003,000	11,948,000	39.7%
Accounts Receivable	2,833,000	3,807,000	5,307,000	6,849,000	8,377,000	9,900,000	249.5%
Gov Grants Receivable:							
Construction/Capital							
Operations							
Fixed Assets	1,129,000	1,669,000	1,700,000	1,725,000	1,750,000	1,775,000	57.2%
Future Long-term							
Debt Levy		2,952,000	2,631,000	2,880,000	7,533,000	6,641,000	
Other		151,000					
Total Assets	12,516,000	21,903,000	23,518,000	22,692,000	33,663,000	30,264,000	141.8%
LIABILITIES & FUND EQUITY							
Accounts Payable & Accrued Expenses	949,000	1,063,000	1,189,000	1,187,000	1,191,000	1,210,000	27.5%
Payables from Restricted Assets:							
Debt Service							
Construction/Capital							
Employee Comp & Payroll	291,000	372,000	416,000	416,000	417,000	423,000	45.4%
Deferred Revenue	1,269,000	3,112,000	3,480,000	3,515,000	3,571,000	3,639,000	186.8%
Bonds Payable		2,960,000	2,960,000	3,275,000	8,050,000	7,770,000	
Other							
Total Liabilities	2,509,000	7,507,000	8,045,000	8,393,000	13,229,000	13,042,000	419.8%
FUND EQUITY							
Contributed Capital							
Investment in General							
Fixed Assets	1,129,000	1,669,000	1,700,000	1,725,000	1,750,000	1,775,000	57.2%
Retain Earn/Fund Balance							
Reserved	2,564,000	2,891,000	4,400,000	5,942,000	7,470,000	8,993,000	250.7%
Unreserved	6,314,000	9,836,000	9,373,000	6,632,000	11,214,000	6,454,000	2.2%
Total Fund Equity	10,007,000	14,396,000	15,473,000	14,299,000	20,434,000	17,222,000	72.1%
Total Liabilities and Fund Equity	12,516,000	21,903,000	23,518,000	22,692,000	33,663,000	30,264,000	141.8%

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE

METROPOLITAN COUNCIL

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
REVENUES							
Property Taxes	6,467,000	6,730,000	7,166,000	7,585,000	7,908,000	8,245,000	27.5%
Interest Income	843,000	711,000	661,000	519,000	544,000	529,000	-37.2%
Federal	16,826,000	17,631,000	19,154,000	19,179,000	19,412,000	19,783,000	17.6%
State	1,213,000	2,027,000	2,774,000	2,826,000	2,849,000	2,819,000	132.4%
Local	915,000	1,097,000	1,460,000	1,291,000	1,115,000	1,147,000	25.4%
Other							
Total Revenues	26,264,000	28,196,000	31,215,000	31,400,000	31,828,000	32,523,000	23.8%
Intergov Transfer:							
Property Taxes							
State							
Local Chargebacks	915,000	1,097,000	1,460,000	1,291,000	1,115,000	1,147,000	25.4%
Net Revenues	25,349,000	27,099,000	29,755,000	30,109,000	30,713,000	31,376,000	23.8%
EXPENDITURES							
Salaries, Benefits, & Contract Services	7,289,000	8,010,000	8,967,000	8,948,000	8,976,000	9,119,000	25.1%
Supplies	263,000	289,000	323,000	323,000	324,000	329,000	25.1%
Provider Payments	14,335,000	15,752,000	17,634,000	20,558,000	18,154,000	22,934,000	60.0%
Utilities & Maintenance							
Capital	649,000	540,000					
Bond Interest							
Gen Adm & Other	3,583,000	3,852,000	3,616,000	3,602,000	3,614,000	3,671,000	2.5%
Total Expenditures	26,119,000	28,443,000	30,540,000	33,431,000	31,068,000	36,053,000	38.0%
Intergov Transfer:							
Property Taxes							
State							
Local Chargebacks	915,000	1,097,000	1,460,000	1,291,000	1,115,000	1,147,000	25.4%
Net Expenditures	25,204,000	27,346,000	29,080,000	32,140,000	29,953,000	34,906,000	38.5%
OTHER FINANCIAL SOURCES							
Bond Sale Proceeds	1,233,000	4,096,000	371,000	832,000	5,350,000	293,000	-76.2%
EXCESS REVENUE OVER (UNDER)							
EXPENDITURES	1,378,000	3,849,000	1,046,000	(1,199,000)	6,110,000	(3,237,000)	-334.9%
Beginning Fund Balance	7,500,000	8,878,000	12,727,000	13,773,000	12,574,000	18,684,000	149.1%
ENDING FUND BALANCE	8,878,000	12,727,000	13,773,000	12,574,000	18,684,000	15,447,000	74.0%

STATEMENT OF CHANGES IN CASH AND INVESTMENTS

METROPOLITAN COUNCIL

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
CASH AND INVESTMENTS							
Net Income							
Excess of Revenues Over (Under) Expenditures	1,378,000	3,849,000	1,046,000	(1,199,000)	6,110,000	(3,237,000)	-334.9%
Depreciation							
Amortization of Bond Premium & Discount							
Total Cash & Investments	1,378,000	3,849,000	1,046,000	(1,199,000)	6,110,000	(3,237,000)	-334.9%
OTHER ACCOUNTS							
Accounts Receivable	(346,000)	(973,000)	(1,500,000)	(1,542,000)	(1,528,000)	(1,523,000)	340.2%
Other Assets	100,000	(3,103,000)	472,000	(249,000)	(4,653,000)	892,000	792.0%
Accounts Payable & Accrued Expenses	(208,000)	114,000	126,000	(2,000)	4,000	19,000	-109.1%
Employee Comp & Payroll	31,000	80,000	44,000		1,000	6,000	-80.6%
Deferred Revenue	383,000	1,843,000	368,000	35,000	56,000	68,000	-82.2%
Total of Other Accounts	(40,000)	(2,039,000)	(490,000)	(1,758,000)	(6,120,000)	(538,000)	1245.0%
FIXED ASSETS							
FINANCE							
Issuance of Bonds		2,960,000		500,000	5,000,000		
Payments on Bonds Payable				(185,000)	(225,000)	(280,000)	
Federal Grant Receipts							
State/Loc Grant Receipts							
Total of Finance	0	2,960,000	0	315,000	4,775,000	(280,000)	
INCREASE (DECREASE) IN							
CASH AND INVESTMENTS	1,338,000	4,770,000	556,000	(2,642,000)	4,765,000	(4,055,000)	-403.1%
Beginning of Year	7,216,000	8,554,000	13,324,000	13,880,000	11,238,000	16,003,000	121.8%
YR-END CASH & INVESTMENTS	8,554,000	13,324,000	13,880,000	11,238,000	16,003,000	11,948,000	39.7%

METROPOLITAN AIRPORTS COMMISSION

1986-1987 Priorities and Objectives

Finance and Administration

- Implement all approved MAC staff changes as identified by the personnel committee as a result of the organizational restructuring.
- Design and implement an approved program of employee development and training for first-line managers.
- Design and implement a new centralized purchasing function under the responsibility of the maintenance department.
- Complete the plan for implementation of changes to our compensation system as required under the comparable worth legislation.
- Complete a review of MAC concession policies, including space available, services desired and estimated revenues.

Planning and Development

- Complete the preparation of an update to the master plan for the future development of Wold-Chamberlain Field.
- Complete the first phase of development and construction in the southwest hangar/cargo area including a leasing and management philosophy for the area.
- Establish a policy and approach for construction, financing and use of the Hubert H. Humphrey Terminal facility.
- Complete an analysis of the feasibility of extending Runway 4/22.

Operations

- Complete the review of existing employee and passenger shuttle bus systems recommending required operating improvements and user fees.
- Recommend changes in the existing ground transportation system at Minneapolis/St. Paul International Airport (MSP). Changes are designed to improve public access, facilitate construction of additional parking facilities, and provide adequate control over all modes of ground transportation.
- Complete a study of differential landing fees as a method of encouraging the use of quiet aircraft at MSP.
- Evaluate the feasibility of providing financial incentives to airlines to upgrade existing fleets to a higher proportion of Stage III aircraft, and to utilize those aircraft at MSP.
- Complete a pilot program of residential insulation in noise-impacted areas to evaluate the benefits achieved in relation to various levels of insulation. This program is being carried out in conjunction with the city of Minneapolis.

- Continue efforts toward obtaining a grant from the Federal Aviation Administration to assist communities adjacent to MSP.
- Complete a Part 150 Study, designed to coordinate and integrate the various noise abatement efforts into a comprehensive program dealing with both operational procedures and off-airport and land use techniques.

Sources of Revenue

Operating revenues for MAC come entirely from user fees that are established for various services and facilities that are provided at all MAC airports. While MAC has the power to levy property taxes to support its operations, it has operated since the late 1960s without general tax support. Revenue sources are classified as follows:

Traffic: Aircraft landing and parking fees

Commercial:

Concessions--Revenue from food and beverage sales, merchandise sales, auto parking, etc.

Rentals--Fees for ground and building rentals.

Utilities--Charges for tenants' use of water and sewer.

Miscellaneous--Charges for other services provided by MAC.

Major investments in facilities for MSP are financed with revenue from lease agreements with those airlines using the facilities. Major sections of the agreements include description of the formula for determining rates to be charged and procedures for the adjustment or collection of fees. Certain of these agreements which began in the 1960s and 1970s will expire in 1989, requiring negotiation of new agreements.

Fiscal Policies on Raising and Using Revenues

One of the guiding principles of MAC is to generate enough income to support the entire airport system without requiring the use of general taxes. In order to do this, tenant rates and charges are established at a level necessary to recover operating and debt service costs. Funds for construction are raised through the sale of bond issues and contributed from funds currently on hand. In order to maintain its ability to sell bonds, MAC is committed to maintaining its AAA bond rating.

As established by the state of Minnesota, MAC is limited in its activities to creating, maintaining and operating airport facilities in its jurisdiction. This definition of activities results in three uses of funds: payment of debt service; payment of operational costs; payment of capital improvement costs for remodeling or constructing new facilities.

Debt Administration

MAC has issued two forms of indebtedness, airport revenue bonds and general obligation revenue bonds. From 1943 to 1975, MAC issued airport revenue bonds to provide funds for its capital improvement program. Since 1976, MAC has issued general obligation revenue bonds which are backed by its revenues and the authority to levy any required taxes on the assessed valuation of the seven-county Metropolitan Area. By each Oct. 1, MAC is required by law to maintain a debt service reserve equal to all bond applications for the subsequent 27 months.

Capital Improvement Financing

Funds required for completion of all capital projects come from three sources: general obligation revenue bonds; state or federal grants; internally generated funds from operations. In order to limit the cost of facilities at the reliever airports, MAC uses only grant funds or retained earnings to finance construction projects at those airports. Capital improvements at MSP are financed from all three sources as appropriate.

Fiscal Policies

One of the strengths of MAC has been its sound financial principles which have formed a solid foundation for continued safe and efficient operation. These key principles which continue to guide the decision-making process include:

- Generating needed revenues without use of tax support.
- Maintaining a AAA bond rating.
- Encouraging increased use of all reliever airports through a system of favorable user charges.
- Promoting the use of professional firms whenever possible as an alternative to employing a large permanent staff.
- Achieving the highest level possible of airport safety during all weather conditions.
- Making maximum use of federal and state grant funds for airport construction programs.
- Promoting and fostering air transportation locally, state-wide, nationally and internationally.
- Ensuring residents of the Metropolitan Area the minimum environmental impact from aircraft operations.

Fiscal Trends

As the operator of one of the busiest airport systems in the United States, including one of the 22 major hub airports, MAC was directly affected by the Airline Deregulation Act of 1978. This landmark legislation continues to change many of the fundamental operating relationships of airports throughout the country as it redefines the responsibilities of airport proprietors. Its elimination of barriers to airlines serving MSP to increase from less than 12 in 1979 to more than 30 today, causing a substantial increase in landings and takeoffs and in the number of connecting passengers (using MSP as an intermediate stop). The balancing of environmental and economic impacts of airports on the surrounding communities, the levels of desired air service, airport security and the need for improved ground transportation facilities will be key topics for MAC attention during the coming years.

Anticipated Changes in Fiscal Policies

Several of the major lease agreements between MAC and its airport tenants will expire during the next five years, and MAC has begun a thorough review and analysis of needed improvements in these leases to assure that its strong financial position and operating flexibility is maintained. Providing all of the needed financial resources from users of the airports without tax support remains a prime objective of MAC.

One of the most important developments in the airline industry for MAC and the state of Minnesota during the past year has been the recent acquisition of Republic Airlines by Northwest Airlines. Both have their headquarters at MSP. MAC is and will continue to take an active significant role to assure that the interests of the region in both air service and economic impact generated by these two large employers are protected.

BALANCE SHEET

METROPOLITAN AIRPORTS COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
ASSETS							
Unrestrict Cash & Invest	7,697,000	7,674,000	7,500,000	7,500,000	7,500,000	7,500,000	-2.6%
Restrict Cash & Invest:							
Debt Service	21,789,000	21,293,000	27,581,000	35,467,000	33,972,000	34,048,000	56.3%
Construction/Capital	72,305,000	57,163,000	49,840,000	43,200,000	42,710,000	67,264,000	-7.0%
Total Cash & Investments	101,791,000	86,130,000	84,921,000	86,167,000	84,182,000	108,812,000	6.9%
Accounts Receivable	679,000	2,855,000	1,704,000	1,805,000	1,931,000	2,068,000	204.6%
Gov Grants Receivable:							
Construction/Capital	749,000	414,000	1,000,000	500,000	500,000	500,000	-33.2%
Operations							
Fixed Assets	177,688,000	201,416,000	225,434,000	287,664,000	300,341,000	288,044,000	62.1%
Future Long-term							
Debt Levy							
Other	146,000	195,000	200,000	200,000	200,000	200,000	37.0%
Total Assets	281,053,000	291,010,000	313,259,000	376,336,000	387,154,000	399,624,000	42.2%
LIABILITIES & FUND EQUITY							
Accounts Payable &							
Accrued Expenses	1,242,000	2,592,000	2,000,000	2,200,000	2,420,000	2,662,000	114.3%
Payables from Restricted							
Assets:							
Debt Service	21,789,000	21,293,000	27,581,000	35,467,000	33,972,000	34,048,000	56.3%
Construction/Capital	2,977,000	2,665,000	2,500,000	2,625,000	2,756,000	2,894,000	-2.8%
Employee Comp & Payroll	1,133,000	1,361,000	1,400,000	1,610,000	1,852,000	2,130,000	88.0%
Deferred Revenue	6,926,000	6,758,000	6,388,000	6,305,000	5,740,000	5,876,000	-15.2%
Bonds Payable	92,104,000	85,297,000	76,074,000	112,658,000	106,608,000	100,197,000	8.8%
Other							
Total Liabilities	126,171,000	119,966,000	115,943,000	160,865,000	153,348,000	147,807,000	17.1%
FUND EQUITY							
Contributed Capital	48,196,000	48,637,000	56,937,000	59,652,000	62,232,000	64,662,000	34.2%
Investment in General							
Fixed Assets							
Retain Earn/Fund Balance							
Reserved	69,328,000	54,498,000	47,340,000	40,575,000	39,954,000	64,370,000	-7.2%
Unreserved	37,358,000	67,909,000	93,039,000	115,244,000	131,620,000	122,785,000	228.7%
Total Fund Equity	154,882,000	171,044,000	197,316,000	215,471,000	233,806,000	251,817,000	62.6%
Total Liabilities and							
 Fund Equity	281,053,000	291,010,000	313,259,000	376,336,000	387,154,000	399,624,000	42.2%

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

METROPOLITAN AIRPORTS COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
OPERATING REVENUES							
User and Service Charges	43,695,000	49,757,000	56,790,000	60,183,000	64,377,000	68,920,000	57.7%
Miscellaneous							
Total Operating Revenues	43,695,000	49,757,000	56,790,000	60,183,000	64,377,000	68,920,000	57.7%
OPERATING EXPENSES							
Salaries, Benefits, & Contract Services	10,649,000	12,412,000	14,087,000	15,496,000	17,045,000	18,750,000	76.1%
Depreciation	12,257,000	13,244,000	12,246,000	14,884,000	16,373,000	18,010,000	46.9%
Operating Supplies	1,654,000	1,842,000	664,000	697,000	732,000	768,000	-53.6%
Mgmt & Provider Expense	2,473,000	2,446,000	3,102,000	3,211,000	3,323,000	3,439,000	39.1%
Utilities & Maintenance	5,371,000	6,477,000	7,676,000	8,649,000	9,750,000	10,996,000	104.7%
Other	2,050,000	3,759,000	2,727,000	3,035,000	3,109,000	3,188,000	55.5%
Total Operating Expenses	34,454,000	40,180,000	40,502,000	45,972,000	50,332,000	55,151,000	60.1%
OPERATING INCOME	9,241,000	9,577,000	16,288,000	14,211,000	14,045,000	13,769,000	49.0%
OTHER REVENUES (EXPENSES)							
Interest Income	11,223,000	9,827,000	5,560,000	4,429,000	4,226,000	6,226,000	-44.5%
Bond Interest	(6,932,000)	(5,889,000)	(6,576,000)	(6,185,000)	(5,786,000)	(7,984,000)	15.2%
Other Income (Expense)		(452,000)					
Intergov Transfer							
NET INCOME	13,532,000	13,063,000	15,272,000	12,455,000	12,485,000	12,011,000	-11.2%
AMORTIZATION OF CONTRIBUTED CAPITAL							
Federal Grants	1,495,000	1,692,000	1,755,000	1,940,000	2,126,000	2,321,000	55.3%
State/Loc Grants	934,000	966,000	945,000	1,045,000	1,144,000	1,249,000	33.7%
INCREASE IN RETAINED EARN	15,961,000	15,721,000	17,972,000	15,440,000	15,755,000	15,581,000	-2.4%
Beginning of Year	90,725,000	106,686,000	122,407,000	140,379,000	155,819,000	171,574,000	89.1%
YEAR-END RETAINED EARNINGS	106,686,000	122,407,000	140,379,000	155,819,000	171,574,000	187,155,000	75.4%
DISTRIBUTION OF NET INCOME							
Debt Service	2,618,000	2,390,000	1,855,000	2,272,000	2,334,000	2,355,000	-10.0%
Construction/Capital	10,914,000	10,673,000	13,417,000	10,183,000	10,151,000	9,656,000	-11.5%
Total Distribution	13,532,000	13,063,000	15,272,000	12,455,000	12,485,000	12,011,000	-11.2%

STATEMENT OF CHANGES IN CASH AND INVESTMENTS

METROPOLITAN AIRPORTS COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
CASH AND INVESTMENTS							
Net Income	13,532,000	13,063,000	15,272,000	12,455,000	12,485,000	12,011,000	-11.2%
Excess of Revenues Over (Under) Expenditures							
Depreciation	12,257,000	13,244,000	12,246,000	14,884,000	16,373,000	18,010,000	46.9%
Amortization of Bond Premium & Discount	25,000	25,000	25,000	25,000	25,000	25,000	0.0%
Total Cash & Investments	25,814,000	26,332,000	27,543,000	27,364,000	28,883,000	30,046,000	16.4%
OTHER ACCOUNTS							
Accounts Receivable	632,000	(2,175,000)	1,151,000	(101,000)	(126,000)	(137,000)	-121.7%
Other Assets	208,000	(49,000)	(5,000)				
Accounts Payable & Accrued Expenses	(236,000)	1,349,000	(591,000)	200,000	220,000	242,000	
Employee Comp & Payroll	269,000	228,000	39,000	210,000	242,000	278,000	3.3%
Deferred Revenue	(2,253,000)	(169,000)	(369,000)	(83,000)	(565,000)	136,000	
Total of Other Accounts	(1,380,000)	(816,000)	225,000	226,000	(229,000)	519,000	-137.6%
FIXED ASSETS	(23,946,000)	(37,284,000)	(31,931,000)	(77,014,000)	(28,944,000)	(5,600,000)	-76.6%
FINANCE							
Issuance of Bonds				52,000,000			
Payments on Bonds Payable	(6,981,000)	(7,327,000)	(7,460,000)	(7,530,000)	(7,545,000)	(6,335,000)	-9.3%
Federal Grant Receipts	5,585,000	2,574,000	9,000,000	4,200,000	3,850,000	4,000,000	-28.4%
State/Loc Grant Receipts	1,131,000	860,000	1,414,000	2,000,000	2,000,000	2,000,000	76.8%
Total of Finance	(265,000)	(3,893,000)	2,954,000	50,670,000	(1,695,000)	(335,000)	26.4%
INCREASE (DECREASE) IN							
CASH AND INVESTMENTS	223,000	(15,661,000)	(1,209,000)	1,246,000	(1,985,000)	24,630,000	10944.8%
Beginning of Year	101,568,000	101,791,000	86,130,000	84,921,000	86,167,000	84,182,000	-17.1%
YR-END CASH & INVESTMENTS	101,791,000	86,130,000	84,921,000	86,167,000	84,182,000	108,812,000	6.9%

METROPOLITAN PARKS AND OPEN SPACE COMMISSION

Priorities and Objectives

The following objectives guide investment in the regional recreation open space system. All immediate objectives are to be accomplished by 1990; continuing objectives are long-term.

Immediate Objectives

Develop evaluation processes to aid in, at a minimum, selection of sites for the system, selection of special recreation features for detailed study and the setting of capital improvement priorities.

Identify those segments of the region's population that are underserved or for other reasons do not use regional recreation open space, and take steps to remedy problems.

Study the impact fees have on the regional system and use by various segments of the population and, if need is demonstrated, consider appropriate system-wide policy.

Obtain legislative authorization for operation and maintenance grants that will be:

- Adequate to supplement up to 50 percent of implementing agencies' operation and maintenance costs.
- Based on a regional or statewide, nonproperty tax source.
- Stable enough to provide a predictable and continuing basis of support.

Develop a program to fund the long-term capital rehabilitation of major developments in the system in a planned and orderly manner.

Work with the implementing agencies to develop a uniform reporting process that accomplishes two things:

- Accounts for revenues earned from nonrecreation use of regional recreation open space and clearly shows the disposition of such funds.
- Provides an annual report on each project in progress.

Continuing Objectives

Seek legislative authorization for bonding in each biennium which will continue acquisition and development at a rate consistent with needs shown in the capital improvement plan. Appropriations which provide \$25 million in grant funds to agencies will enable that rate to be maintained.

Plan and coordinate a program with the implementing agencies that will improve public awareness and familiarity with the regional recreation open space system and increase public utilization of the recreation opportunities it offered.

Sources of Revenue

Four sources of revenue support the regional recreation open space system:

- Regional Bonds. In 1974, parks legislation permitted the Council to issue \$40 million in regional bonds. The Council is authorized to issue up to \$20 million in regional bonds annually but has chosen to use other sources of revenue to date.
- State Bonds. State bond funds appropriated by the legislature were first made available to the Metropolitan Council in 1976. From that time through 1985, a total of \$114.6 million has been made available to 10 regional agencies for acquisition and development of parks and open space.
- Property Taxes. Regional levy authority of Council. Of the \$500,000 spent by the Council in 1985 to plan and administer the recreation open space program, \$250,000 came from the regional property tax levy.
- Interest Income. Interest earned on all regional recreation open space funds is used by the Metropolitan Council to increase the amount of park acquisition and development grant funds available to the regional implementing agencies.

Fiscal Policies on Raising and Using Revenues

The parks policy plan voluntarily limits the Council's sources of funding for acquisition and development of the regional recreation open space system. It recommends that federal Land and Water Conservation Funds and matching Legislative Commission on Minnesota Resources funds for the Metropolitan Area be reserved for local recreation open space projects, so long as the legislature continues to provide adequate funding levels for regional recreation open space projects. In addition, the plan recommends that the regional recreation open space system should receive supplemental operation and maintenance funds financed by an adequate, stable, statewide revenue source that is not based on property taxes.

The majority of funds used by the Council in the parks program are restricted by source. State revenues used for acquisition and development grants for regional recreation open space are so designated. Moneys for operation and maintenance grants to implementing agencies are designated by the legislature in the same way. Part of the Council's cost to administer the program is supported through the legislative appropriations. The remainder is controlled by Council policy, budgeted annually and supported by the Council's property tax levy.

The Metropolitan Council makes acquisition grants to implementing agencies for land costs, relocation assistance, land stewardship, utility assessments and fees for services performed by nonagency staff. Revenue from interim land uses is used by the agency for costs of stewardship in regional parks in order to reduce cash transferred for acquisition grants. When acquisition grant contracts are terminated, unexpended revenue from interim uses may be designated for grant-eligible costs of stewardship in regional parks by agreement of the Council and the implementing agency. Undesignated and unexpended revenues are returned to the Council.

The Metropolitan Council makes development grants to implementing agencies for the following purposes:

- Improvements such as recreational facilities, utilities, roads, parking and landscaping in regional parks, park reserves, trail corridors and special-use areas;
- Natural resources rehabilitation within park reserves and conservation zones of regional parks; and
- Preparing and executing construction documents for developments which are grant-eligible.

The legislation that established regional operation and maintenance funding in 1985 includes a formula for funding allocations which delineates the implementing agency activities to be used to determine the level of reimbursement. The allocation formula comprises the following factors:

- Use in the regional parks for which the agency is responsible;
- Operation and maintenance expenditures for regional parks by the agency; and
- Acreage in the regional system for which the agency is responsible (a weighted formula is applied in this category).

Fiscal Policies

Minnesota Statutes require that the Metropolitan Council's regional recreation open space policy plan "...include a five-year capital improvement program, which shall be revised periodically and shall establish criteria and priorities for the allocation of funds for such acquisition and development."

Consequently, in its parks policy plan the Council has adopted specific fiscal policies for the regional recreation open space program that supplement the Council-wide policies described earlier. The MPOSC advises the Council on preparing the capital improvement program consistent with master plan information and needs identified in the system planning process. The Council completely revises the capital improvement program in even-numbered years. The Council reviews allocation of available funds each year based on MPOSC recommendations.

The single current policy that has the greatest effect on implementation of the regional recreation open space system plan is external to metropolitan agencies. For the first time, the state bonding bill for regional recreation open space from the 1985 session was cast as a line item bill, specifying not only the parks that were to be eligible for grants for acquisition and development but also the specific project to be carried out in each park. Several problems ensue from this specificity:

- The project descriptions incorporated into the bill were abbreviated from information provided to legislators by the Council. In the abbreviations, some projects became too severely limited in what could be done.
- The specificity of language made capital adjustments or project modifications a matter of legislative action. Modification of an approved project required a change in the law before the Council could approve the modification. A project change, even of a relatively minor nature, could require from 12 to 18 months before it could be approved, during which time, related development could be halted and the allocated regional funds unusable.

- In selecting the projects, the legislation modified the project priority assigned by the Council.
- The final legislative project list approved for funding completely excluded one regional implementing agency and severely reduced allocations to others. For the first time, individual lobbying by some implementing agencies in their own interests was more successful than lobbying for the whole system. The lost equity sent the message that the regional system is secondary to the individual lobbying effectiveness of the 10 implementing agencies.

Fiscal Trends

The reduction in federal Land and Water Conservation Funds (LAWCON) for recreation and open space has been felt keenly at both the local and state levels. These funds, derived from federal public land revenues such as offshore oil leases, have been reduced severely. The reductions, which began before 1984, are eroding the one reliable outside source of significant capital funding available to local and state recreation agencies.

Because of regional recreation open space policy which reserves these funds to local projects in the region, the Council's regional program is not directly affected by reductions in LAWCON. However, LAWCON revenues are matched by the state with the cigarette tax under the oversight of the Legislative Commission on Minnesota Resources (LCMR), significantly reducing the necessary local match. Reductions in federal revenues have been magnified by reductions in cigarette tax allocations for recreation. The result has been an approximately tenfold decrease in funds for recreation projects. Although the direct effect has fallen on state and local projects, the reduced revenues have also led to legislative decisions which reduced state funds available to the regional system. The Council's regional parks funding must compete for a reducing revenue pool, and it is probable that it will suffer diminishing fiscal support. A national recreation policy review committee is expected to produce a report which suggests substitutions for the LAWCON funds, but an early remedy, especially an early reversal of the decrease in federal funds, is highly unlikely.

Because the source of both acquisition/development and operation/maintenance grant funds is the state of Minnesota, any changes or trends which affect the state legislature's ability to continue these investments are exceedingly important to the regional park program. Either further reductions in state revenue or appropriation "postponements," as was done in 1983, would have a serious impact on the regional park system.

Changes in fiscal policy pertaining to the regional recreation open space system are expected in the following areas.

- Sources of Revenue. Although the state legislature has displayed reluctance to designate special or dedicated funds for parks and open space, the MPOSC and the Council continue to look for a "stable, reliable, nonproperty tax-based source to support the regional system."
- Debt Level. Regional bonds authorized in 1974 are callable in 1987-88. These are scheduled to be paid from the escrow account maintained at the Council.

- User Charges. Fees are currently set by the implementing agencies according to the policy of each. The regional recreation open space program involves no ownership or operation of parks by either the Metropolitan Council or the advisory MPOSC. However, the Council has an objective in its policy plan to study the impact of fees on the use of the system. The Council may choose to adopt a policy which would be responsive to identified issues.
- Taxes. A reduced levy need is anticipated after regional bonds are paid from the escrow account.

BALANCE SHEET

METROPOLITAN PARKS AND OPEN SPACE COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
ASSETS							
Unrestrict Cash & Invest							
Restrict Cash & Invest:							
Debt Service	22,672,000	22,104,000	21,871,000	22,012,000	21,996,000	4,980,000	-78.0%
Construction/Capital	20,192,000	18,354,000	20,850,000	22,317,000	22,288,000	22,259,000	10.2%
Total Cash & Investments	42,864,000	40,458,000	42,721,000	44,329,000	44,284,000	27,239,000	-36.5%
Accounts Receivable	775,000	1,284,000	1,344,000	1,435,000	1,466,000	1,074,000	38.6%
Gov Grants Receivable:							
Construction/Capital							
Operations							
Fixed Assets							
Future Long-term							
Debt Levy	7,487,000	6,879,000	5,926,000	4,846,000	3,866,000	2,926,000	-60.9%
Other							
Total Assets	51,126,000	48,621,000	49,991,000	50,610,000	49,616,000	31,239,000	-38.9%
LIABILITIES & FUND EQUITY							
Accounts Payable & Accrued Expenses							
Payables from Restricted Assets:							
Debt Service		114,000					
Construction/Capital	138,000	907,000	150,000	150,000	150,000	150,000	8.7%
Employee Comp & Payroll							
Deferred Revenue	86,000	52,000	42,000	81,000	67,000	60,000	-30.2%
Bonds Payable	30,700,000	29,320,000	28,150,000	27,230,000	26,250,000	7,880,000	-74.3%
Other							
Total Liabilities	30,924,000	30,393,000	28,342,000	27,461,000	26,467,000	8,090,000	-73.8%
FUND EQUITY							
Contributed Capital							
Investment in General							
Fixed Assets							
Retain Earn/Fund Balance							
Reserved	10,010,000	6,859,000	6,850,000	6,850,000	6,850,000	6,850,000	-31.6%
Unreserved	10,192,000	11,369,000	14,799,000	16,299,000	16,299,000	16,299,000	59.9%
Total Fund Equity	20,202,000	18,228,000	21,649,000	23,149,000	23,149,000	23,149,000	14.6%
Total Liabilities and Fund Equity	51,126,000	48,621,000	49,991,000	50,610,000	49,616,000	31,239,000	-38.9%

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE

METROPOLITAN PARKS AND OPEN SPACE COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
REVENUES							
Property Taxes	250,000	250,000	250,000	250,000	250,000	250,000	0.0%
Interest Income	2,349,000	1,824,000	1,500,000	1,500,000	1,500,000	1,500,000	-36.1%
Federal							
State	8,909,000	13,239,000	17,171,000	14,750,000	15,250,000	15,250,000	71.2%
Local							
Other							
Total Revenues	11,508,000	15,313,000	18,921,000	16,500,000	17,000,000	17,000,000	47.7%
Intergov Transfer:							
Property Taxes							
State							
Local Chargebacks							
Net Revenues	11,508,000	15,313,000	18,921,000	16,500,000	17,000,000	17,000,000	47.7%
EXPENDITURES							
Salaries, Benefits, & Contract Services	429,000	391,000	353,000	353,000	353,000	353,000	-17.7%
Supplies	18,000	16,000	14,000	14,000	14,000	14,000	-22.2%
Provider Payments	12,798,000	16,772,000	15,000,000	14,500,000	16,500,000	16,500,000	28.9%
Utilities & Maintenance							
Capital							
Bond Interest							
Other	161,000	108,000	133,000	133,000	133,000	133,000	
Total Expenditures	13,406,000	17,287,000	15,500,000	15,000,000	17,000,000	17,000,000	26.8%
Intergov Transfer:							
Property Taxes							
State							
Local Chargebacks							
Net Expenditures	13,406,000	17,287,000	15,500,000	15,000,000	17,000,000	17,000,000	26.8%
OTHER FINANCIAL SOURCES							
Bond Sale Proceeds							
EXCESS REVENUE OVER (UNDER)							
EXPENDITURES	(1,898,000)	(1,974,000)	3,421,000	1,500,000	0	0	
Beginning Fund Balance	22,100,000	20,202,000	18,228,000	21,649,000	23,149,000	23,149,000	4.7%
ENDING FUND BALANCE	20,202,000	18,228,000	21,649,000	23,149,000	23,149,000	23,149,000	14.6%

STATEMENT OF CHANGES IN CASH AND INVESTMENTS

METROPOLITAN PARKS AND OPEN SPACE COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
CASH AND INVESTMENTS							
Net Income							
Excess of Revenues Over (Under) Expenditures	(1,898,000)	(1,974,000)	3,421,000	1,500,000			
Depreciation							
Amortization of Bond Premium & Discount							
Total Cash & Investments	(1,898,000)	(1,974,000)	3,421,000	1,500,000	0	0	
OTHER ACCOUNTS							
Accounts Receivable	(206,000)	(509,000)	(60,000)	(91,000)	(31,000)	392,000	
Other Assets	1,878,000	608,000	953,000	1,080,000	980,000	940,000	-49.9%
Accounts Payable & Accrued Expenses	39,000	883,000	(871,000)				
Employee Comp & Payroll							
Deferred Revenue	21,000	(34,000)	(10,000)	39,000	(14,000)	(7,000)	-133.3%
Total of Other Accounts	1,732,000	948,000	12,000	1,028,000	935,000	1,325,000	-23.5%
FIXED ASSETS							
FINANCE							
Issuance of Bonds							
Payments on Bonds Payable	(1,240,000)	(1,380,000)	(1,170,000)	(920,000)	(980,000)	(18,370,000)	1381.5%
Federal Grant Receipts							
State/Loc Grant Receipts							
Total of Finance	(1,240,000)	(1,380,000)	(1,170,000)	(920,000)	(980,000)	(18,370,000)	1381.5%
INCREASE (DECREASE) IN							
CASH AND INVESTMENTS	(1,406,000)	(2,406,000)	2,263,000	1,608,000	(45,000)	(17,045,000)	1112.3%
Beginning of Year	44,270,000	42,864,000	40,458,000	42,721,000	44,329,000	44,284,000	.0%
YR-END CASH & INVESTMENTS	42,864,000	40,458,000	42,721,000	44,329,000	44,284,000	27,239,000	-36.5%

METROPOLITAN SPORTS FACILITIES COMMISSION

Sources of Revenue

The MSFC's financial base rests on a combination of user fees, taxes and other financial agreements. Principal sources of revenue are from use of the Metrodome by major tenants. This includes stadium rents, share of concession receipts, parking fees, admissions tax, advertising and interest income.

- Stadium Rents. The Minnesota Twins pay no rent on their first 1.2 million paid admissions. Thereafter, they pay 7.5 percent of gross after taxes. The Minnesota Vikings pay 9.5 percent of gross after taxes. The University of Minnesota pays no rent. Rents on other events are based on gross receipts subject to individual negotiations.
- Admission Taxes. A 10 percent ticket tax is collected on all sold or complimentary tickets issued for events held at the Metrodome.
- Concession Revenues. The MSFC owns the concessions in the Metrodome. It has an agreement with a management company to operate the concessions. The management company is responsible for handling receipts and paying operating costs, including payment of 5 percent receipts to various reserve accounts for repair, replacement or additions to concession equipment. Prior to 1987, the agreement allows the management company to retain 10 percent of the net operating profit, with the remainder remitted to MSFC which distributes amounts to major tenants based upon their respective use agreements. Effective Jan. 31, 1987, the concession management firm will receive 5 percent of net profits.
- Other Sources. The MSFC also receives revenues from advertising fees for the stadium's scoreboards, private box rentals, interest income from the investment of MSFC operating funds and other miscellaneous sources.

Fiscal Policies on Raising and Using Revenue

The Stadium Act authorizes the Council to issue revenue bonds to provide funds for construction of the Metrodome subject to specific determinations made by the council. The Council may also issue bonds to refund bonds authorized or assumed under the act and to fund judgments entered in court against the MSFC.

Revenues generated from operations of the MSFC are used to fund the operating and capital expenses. Any net operating revenues are used for debt service. Any anticipated deficiency in revenues is made up by a sales tax on Minneapolis liquor and hotel/motel sales. The Council annually determines the city tax requirements and the city is required to set the tax rates.

The MSFC is required to impose a 10 percent admission tax on all admissions to events conducted at the Metrodome. The admission tax is intended for use by the MSFC as a source of revenue to pay current operating expenses and, to the extent available, debt service.

The MSFC has entered into a hotel/motel and liquor tax agreement with the City of Minneapolis. Each year, the Metropolitan Council is required to establish the "city tax requirement" for the following year. The city tax requirement is the revenue determined by the Council from year to year to be required, together with revenue available to the MSFC, to pay all debt service on bonds

and all expenses of operation, administration and maintenance of the Metrodome, including reserves for debt service and expenses. Once the determination of the dollar amount of the city tax requirement is made, the city is required to set the rate or rates of the liquor tax or the hotel/motel tax, or both, so that the estimated net tax proceeds from such sales taxes will equal the city tax requirement. There has been no city tax requirement since Dec. 31, 1984.

Fiscal Policies

The Stadium Act required that the MSFC enter into agreements with the Twins and Vikings before the Council issued revenue bonds for construction of the stadium. The agreements are to guarantee continuance of the franchises in the Metropolitan Area for the life of the bonds and include provisions protecting the MSFC and the Council in the event of change in ownership of the professional teams.

The agreements with the Twins and Vikings are for 30 years from April 1, 1982, the completion date of the Metrodome. The agreements define stadium rents, share of concessions and payment of expenses. Also, the University of Minnesota has agreed to a contract to play its home football games in the Metrodome until 2009.

The Twins' contract contains termination rights. The agreement may be terminated by the Twins: if the team is unable for three consecutive seasons to sell an average of either 1.4 million tickets or the average number of tickets sold by all teams in the American League, whichever is the lesser; or if the Twins have a cumulative net operating loss for three consecutive years. The Vikings' contract does not contain any termination rights.

Fiscal Trends

When the state legislature authorized the construction of a new stadium in 1977, its mandate called for a reasonably priced, multipurpose facility that would be flexible enough to accommodate virtually every type of sporting event. This challenge has been met. The stadium has been the site of more than 550 events which have been witnessed by more than 12 million people in its first five years of operation.

The Metrodome has been selected to be the host for the NCAA Final Four Basketball Tournament in 1992. It is estimated that the area impact will be at least \$50 million from this event. The Metrodome has also been suggested as a temporary home for the University of Minnesota Gopher basketball team during the time that either a remodeled Williams Arena or a new facility is constructed on the University campus.

The Metropolitan Sports Facilities Commission remains flexible in exploring any type of event that would spur the economy, not only of the Metrodome, but the entire area. There is a concerted effort to attract an NFL Super Bowl and additional NCAA Division I Men's Basketball Championships.

No general tax revenues will be needed to support the stadium's operations and debt service requirements. Stadium revenues appear adequate even in the event that the Twins terminate their contract.

The Metropolitan Council has authority to review and approve the MSFC's operating budget, but has limited its oversight to ensuring that revenues are adequate to meet debt service requirements on stadium bonds and to setting the amount that must be raised from the Minneapolis liquor and hotel/motel sales tax. No change in this approach is anticipated.

BALANCE SHEET

METROPOLITAN SPORTS FACILITIES COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
ASSETS							
Unrestrict Cash & Invest							ERR
Restrict Cash & Invest:							
Debt Service							ERR
Construction/Capital							ERR
Total Cash & Investments	0	0	0	0	0	0	ERR
Accounts Receivable							ERR
Gov Grants Receivable:							
Construction/Capital							ERR
Operations							ERR
Fixed Assets							ERR
Future Long-term							
Debt Levy							ERR
Other							ERR
Total Assets	0	0	0	0	0	0	ERR
LIABILITIES & FUND EQUITY							
Accounts Payable & Accrued Expenses							ERR
Payables from Restricted Assets:							
Debt Service							ERR
Construction/Capital							ERR
Employee Comp & Payroll							ERR
Deferred Revenue							ERR
Bonds Payable							ERR
Other							ERR
Total Liabilities	0	0	0	0	0	0	ERR
FUND EQUITY							
Contributed Capital							ERR
Investment in General							
Fixed Assets							ERR
Retain Earn/Fund Balance							
Reserved							ERR
Unreserved							ERR
Total Fund Equity	0	0	0	0	0	0	ERR
Total Liabilities and Fund Equity	0	0	0	0	0	0	ERR

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

METROPOLITAN SPORTS FACILITIES COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
OPERATING REVENUES							
User and Service Charges	13,472,000	14,341,000	14,206,000	14,797,000	15,827,000	17,390,000	29.1%
Miscellaneous	119,000	250,000	300,000	350,000	400,000	450,000	278.2%
Total Operating Revenues	13,591,000	14,591,000	14,506,000	15,147,000	16,227,000	17,840,000	31.3%
OPERATING EXPENSES							
Salaries, Benefits, & Contract Services	1,319,000	1,477,000	1,510,000	1,586,000	1,664,000	1,747,000	32.4%
Depreciation	2,625,000	2,655,000	2,700,000	2,700,000	2,700,000	2,700,000	2.9%
Operating Supplies	761,000	963,000	929,000	976,000	1,024,000	1,075,000	41.3%
Mgmt & Provider Expense							ERR
Utilities & Maintenance	1,501,000	1,586,000	1,625,000	1,708,000	1,792,000	1,882,000	25.4%
Other	6,022,000	7,560,000	7,548,000	7,930,000	8,320,000	8,738,000	45.1%
Total Operating Expenses	12,228,000	14,241,000	14,312,000	14,900,000	15,500,000	16,142,000	32.0%
OPERATING INCOME	1,363,000	350,000	194,000	247,000	727,000	1,698,000	24.6%
OTHER REVENUES(EXPENSES)							
Interest Income	1,686,000	2,787,000	2,300,000	2,300,000	2,300,000	2,300,000	36.4%
Bond Interest	(3,965,000)	(3,906,000)	(3,837,000)	(3,764,000)	(3,685,000)	(3,602,000)	-9.2%
Other Income(Expense)	13,241,000	58,000					
Intergov Transfer							
NET INCOME	12,325,000	(711,000)	(1,343,000)	(1,217,000)	(658,000)	396,000	-96.8%
AMORTIZATION OF CONTRIBUTED CAPITAL							
Federal Grants							
State/Loc Grants							
INCREASE IN RETAINED EARN	12,325,000	(711,000)	(1,343,000)	(1,217,000)	(658,000)	396,000	-96.8%
Beginning of Year	17,836,000	30,161,000	29,451,000	28,108,000	26,891,000	26,233,000	47.1%
YEAR-END RETAINED EARNINGS	30,161,000	29,450,000	28,108,000	26,891,000	26,233,000	26,629,000	-11.7%
DISTRIBUTION OF NET INCOME							
Debt Service							
Construction/Capital							
Total Distribution							

STATEMENT OF CHANGES IN CASH AND INVESTMENTS

METROPOLITAN SPORTS FACILITIES COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
<hr/>							
CASH AND INVESTMENTS							
Net Income							ERR
Excess of Revenues Over (Under) Expenditures							ERR
Depreciation							ERR
Amortization of Bond Premium & Discount							ERR
<hr/>							
Total Cash & Investments	0	0	0	0	0	0	ERR
OTHER ACCOUNTS							
Accounts Receivable							ERR
Other Assets							ERR
Accounts Payable & Accrued Expenses							ERR
Employee Comp & Payroll							ERR
Deferred Revenue							ERR
<hr/>							
Total of Other Accounts	0	0	0	0	0	0	ERR
FIXED ASSETS							ERR
FINANCE							
Issuance of Bonds							ERR
Payants on Bonds Payable							ERR
Federal Grant Receipts							ERR
State/Loc Grant Receipts							ERR
<hr/>							
Total of Finance	0	0	0	0	0	0	ERR
<hr/>							
INCREASE (DECREASE) IN CASH AND INVESTMENTS Beginning of Year	0	0	0	0	0	0	ERR ERR
<hr/>							
YR-END CASH & INVESTMENTS	0	0	0	0	0	0	ERR

METROPOLITAN WASTE CONTROL COMMISSION

Priorities and Objectives

During the 1982-1983 biennium, the MWCC saw the completion of major construction projects which ended more than a decade of facilities expansion to handle increased effluent (treated wastewater) and more complex treatment. The MWCC then entered a phase where the focus was on cost containment and organizational efficiency. Two outside groups scrutinized the MWCC--a blue ribbon committee appointed by Governor Perpich and an MWCC task force with broad community representation, including individuals from city and state governments, the Metropolitan Council, the Association of Metropolitan Municipalities, the Suburban Rate Authority, and the Metropolitan Area Managers Association. The MWCC task force hired Touche Ross and Co. to conduct an independent management review. The review helped the MWCC to identify the priorities on which it should focus in the upcoming years. The priorities included:

- Organization structure
- Communication with the communities we serve
- Long-range planning
- Data processing
- Evaluation of the rate structure

Although some of the study's recommendations will be implemented over a number of years, most have already been acted upon. For example, changes in organizational structure were recommended to improve operating effectiveness. The reorganization, implemented during 1985 and 1986, helped address several of the priorities outlined above. It helped consolidate job functions, created a planning department, brought several functions into a single administrative services department, and created an office of public information and an office of the internal auditor. The MWCC also has begun to improve its data processing capabilities by purchasing microcomputers and word processors for those areas which justified the need and entered into a contract to develop a comprehensive, long-range information systems plan.

Finally, the MWCC has undertaken a sweeping re-evaluation of the rate structure. After a thorough study, a task force recommended that a new rate allocation system be adopted. Under the changed system, the costs of wastewater treatment will be allocated on a metropolitan basis. The six service areas previously used will be eliminated, and the new system will be phased in over five years. By 1991, all communities will pay a uniform, system-wide rate.

Sources of Revenue

The MWCC's major funding sources are as follows:

- Sewer Service Revenues. The MWCC allocates to communities current costs, as legislatively prescribed. Current costs are defined as annual estimated costs of operation, maintenance and debt service of the Metropolitan Disposal System and the cost of acquisition and betterment of the system. These are to be paid during the year from funds other than bond proceeds. Current costs are allocated to seven cost pools consisting of treatment works and six sewer service areas. This allocation also complies with the Clean Water Act, which requires that a recipient of federal grants proportion equally the costs to each

community. Minnesota Statutes prescribe allocation of current costs based on a community's flow to the total flow. Thus, each community pays its proportionate share of the costs. Sewer service charges accounted for 76.6 percent of the MWCC's total income in 1985.

- Service Availability Charges. In 1972 the MWCC adopted a method for allocation and collection of costs attributable to reserve capacity (the unused portion of the system). This "Service Availability Charge" method involves the placing of all reserve capacity costs in one cost pool. Each system municipality then collects a charge from the builder for each building permit issued on new construction, and each sewer permit issued for connection of old construction. This method of allocation was upheld by the Minnesota Supreme Court in City of Brooklyn Center vs. Metropolitan Council, 306 Minn. 309, 243 N.W. 2d 102(175). This SAC income accounted for 11.3 percent of the MWCC's total income in 1985.
- Industrial Strength Charges. These fees are collected from approximately 200 companies located in 31 units of local government for discharge of high-strength wastewaters. In 1987, 7.6 cents per pound will be charged for suspended solids above 250 mg/l and 3.8 cents per pound on chemical oxygen demand above 500 mg/l. In 1985 these fees accounted for 4.7 percent of the MWCC's total income.
- Investment Income. The MWCC carries out an active cash management program to invest all available revenue. Five-year cash projections are utilized to invest MWCC moneys to the maximum maturity and secure the highest yields. Over \$16 million is currently invested with yields exceeding 10 percent. Investment income accounts for 7 percent of total MWCC income.
- Federal and State Grants. As the MWCC is an internal service fund as determined by Generally Accepted Accounting Principles (GAAP), federal and state grants are recorded as contributed capital, not income. In 1985 federal and state grants totaled \$14,195,000.

Fiscal Policies on Raising and Using Revenues

Sewer Service Revenues

Sewer service revenues are generated by user fees that allocate costs throughout the system according to a set formula based primarily on usage. The MWCC carries no fund balance; moneys collected from communities for any given year that are not utilized (budget underspent) are returned to the communities on a proportionate basis. To determine proportionate shares, a community's actual flow is divided by the total flow of the particular cost pool (treatment works, service area).

Sewer service revenues are a direct product of the current costs for that year. Based on future projections, it appears that sewer service revenues will continue to approximate 80 percent of total income. Moneys received from the 105 communities that the MWCC serves can be used only to fund current costs as defined in the Minnesota Statutes.

Service Availability Charges (SAC)

Moneys received from the communities that the MWCC serves can be used only for reserve capacity debt service as legislatively prescribed. The method of determining reserve capacity costs is determined by dividing the unused system capacity by the total capacity. The resulting ratio is multiplied times the sum of local and Metropolitan Council debt service. The total number of new connections for housing/building is divided into that amount to determine the charge per new connection.

Industrial Strength Charges

Industry pays additional user fees for discharges of high strengths that significantly exceed levels typically discharged by residential users. All revenues from industrial strength charges are used in the operating fund to reduce sewer service charges to communities.

Investment Income

All moneys invested for the construction fund are used for project expenditures thus reducing bonding requirements and the resulting debt service. Investment income for the operating fund is divided as follows:

- The SAC fund balance is determined for each month of the fiscal year and the average investment return for each month multiplied times that balance. The sum of the interest for the 12 months is then credited to the SAC fund balance.
- The remainder of the interest earnings is credited to the operating fund and deducted from the sewer service charges of the communities.

Federal and State Grants

All grants received are used to fund projects, thus reducing the need for bonding and the resulting debt service requirements.

Fiscal Trends

Service Availability Charge

The SAC rate is increasing approximately 9 percent annually. This increase is the result of fewer new building units projected for the Metropolitan Area by the Council. Whereas 20,384 SAC units are projected for 1986, only 9,513 SAC units are projected for 1996. After 1996 the SAC units continue to decrease until the years 2003 and 2004 when only 2,718 SAC units are forecast. At that time the SAC rate would exceed \$5,000 per unit. After the year 2004, the number of SAC units increases at the rate of approximately 700 SAC units a year. However, the SAC rate would still remain over \$2,000 per unit. Thus, after 1996 an alternative method of collecting income for reserve capacity costs may be required.

Investment Income

In that the MWCC has \$16 million invested long term at yields exceeding 10 percent, the average investment yield will continue to be above those of other government agencies.

Federal and State Grants

By the year 1994, it appears that the federal government will eliminate all federal grants to sewerage agencies. It appears also that the state of Minnesota will continue to apportion 80 percent of the state sewerage appropriation to nonmetropolitan communities and that the state moneys the MWCC receives will be increasingly small when compared to our total program needs. It is anticipated the MWCC will receive approximately \$2 million a year in state aid.

Anticipated Changes in Fiscal Policies

Sewer Service Charge

The MWCC hired Touche Ross to study the rate-setting methodology and present alternatives for consideration to a task force composed of representatives of various communities and organizations. The task force recommended a uniform rate for the Metropolitan Area (now there are seven different rates). This proposal will be presented to the legislature at the next session.

There would be a five-year phasing-in of the uniform rate so that no community will be affected in a major way. The rates for approximately 45 percent of the communities will be about the same. Approximately 40 percent will receive reduced sewer rates and 15 percent will have slightly higher sewer rates (approximately 2 percent higher rates yearly). More communities will be receiving reductions than increases because of a transfer of part of the debt service to the SAC fund (approximately \$1.3 million a year). All communities have received the new rate structure proposal and, with a few exceptions, have endorsed the new rate system.

Service Availability Charges

The current method of producing income for reserve capacity debt services costs may have to be altered by 1996 if new building starts decrease as forecast by the Council. A joint committee of Metropolitan Council and MWCC staff will be meeting at least biannually and, if required, will recommend to the MWCC an alternative method. The joint committee will be reviewing these future forecasts and, after the 1990 census data is obtained (1991), will be making a recommendation to the MWCC in 1992.

In addition, the MWCC is currently considering a rebate for those houses/buildings which have paid a SAC charge but have not been able to connect to the Metropolitan Disposal System. Presently, all houses/buildings are charged at the time of the building permit even though they may not be able to connect for 20 or more years.

Federal and State Grants

The MWCC has anticipated the decrease in federal and state grants. This is considered in the forecast of future sewer service charges.

Wages and Benefits

A study is currently under way at our Metro Plant to reassign and hopefully reduce our labor complement. Over half the employees of the MWCC work at the Metro Plant. The MWCC has hired an outside negotiator for new contracts. Local No. 35 recently settled for less than a 3 percent wage increase for fiscal year 1988.

Energy Costs

The MWCC recently won state and federal awards for energy conservation. Processes installed saved over \$3 million in fuel oil. Currently, electrical savings of approximately \$20,000 a month are being realized. The MWCC will continue to promote an active program for reducing energy costs.

BALANCE SHEET

METROPOLITAN WASTE CONTROL COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
ASSETS							
Unrestrict Cash & Invest	27,759,000	34,676,000	39,000,000	36,000,000	42,000,000	43,500,000	56.7%
Restrict Cash & Invest:							
Debt Service	28,569,000	31,739,000	35,500,000	4,000,000	45,500,000	49,500,000	73.3%
Construction/Capital	28,205,000	12,860,000	17,812,000	24,357,000	28,582,000	35,777,000	26.8%
Total Cash & Investments	84,533,000	79,275,000	92,312,000	64,357,000	116,082,000	128,777,000	52.3%
Accounts Receivable	6,001,000	6,637,000	5,000,000	4,800,000	5,600,000	6,400,000	6.6%
Gov Grants Receivable:							
Construction/Capital	4,098,000	6,097,000	3,500,000	3,000,000	2,500,000	2,000,000	-51.2%
Operations							
Fixed Assets	643,622,000	668,557,000	710,754,000	746,536,000	792,957,000	862,050,000	33.9%
Future Long-term							
Debt Levy							
Other	3,770,000	4,008,000	4,300,000	4,600,000	4,900,000	5,200,000	37.9%
Total Assets	742,024,000	764,574,000	815,866,000	823,293,000	922,039,000	1,004,427,000	35.4%
LIABILITIES & FUND EQUITY							
Accounts Payable &							
Accrued Expenses	4,715,000	4,282,000	3,100,000	3,050,000	3,000,000	2,950,000	-37.4%
Payables from Restricted							
Assets:							
Debt Service	10,824,000	11,324,000	16,096,000	18,608,000	21,731,000	23,389,000	116.1%
Construction/Capital	3,564,000	3,268,000	4,200,000	4,500,000	7,800,000	9,500,000	166.6%
Employee Comp & Payroll	4,633,000	4,933,000	5,250,000	5,600,000	6,050,000	6,500,000	40.3%
Deferred Revenue	450,000	239,000	250,000	250,000	250,000	250,000	-44.4%
Bonds Payable	188,574,000	179,110,000	208,735,000	239,253,000	284,378,000	357,593,000	89.6%
Other	57,319,000	55,161,000	48,897,000	41,689,000	38,563,000	35,747,000	-37.6%
Total Liabilities	270,079,000	258,317,000	286,528,000	312,950,000	361,772,000	435,929,000	61.4%
FUND EQUITY							
Contributed Capital	353,634,000	361,633,000	371,084,000	373,061,000	371,121,000	365,831,000	3.4%
Investment in General							
Fixed Assets							
Retain Earn/Fund Balance							
Reserved	67,260,000	63,693,000	80,000,000	90,000,000	100,000,000	110,000,000	63.5%
Unreserved	51,051,000	79,463,000	78,254,000	83,282,000	89,146,000	92,667,000	81.5%
Total Fund Equity	471,945,000	504,789,000	529,338,000	546,343,000	560,267,000	568,498,000	20.5%
Total Liabilities and							
Fund Equity	742,024,000	763,106,000	815,866,000	859,293,000	922,039,000	1,004,427,000	35.4%

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

METROPOLITAN WASTE CONTROL COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
OPERATING REVENUES							
User and Service Charges	81,147,000	86,653,000	94,950,000	99,512,000	105,641,000	112,346,000	38.4%
Miscellaneous							
Total Operating Revenues	81,147,000	86,653,000	94,950,000	99,512,000	105,641,000	112,346,000	38.4%
OPERATING EXPENSES							
Salaries, Benefits, & Contract Services	35,165,000	37,204,000	40,127,000	43,964,000	45,916,000	47,753,000	35.8%
Depreciation	10,818,000	11,175,000	12,500,000	15,500,000	16,500,000	17,000,000	57.1%
Operating Supplies	2,988,000	3,234,000	3,959,000	4,172,000	4,339,000	4,513,000	51.0%
Mgmt & Provider Expense							
Utilities & Maintenance	11,075,000	8,992,000	12,820,000	11,509,000	11,969,000	12,448,000	12.4%
Other	4,052,000	5,061,000	6,504,000	6,025,000	6,266,000	6,517,000	60.8%
Total Operating Expenses	64,098,000	65,666,000	75,910,000	81,170,000	84,990,000	88,231,000	37.7%
OPERATING INCOME	17,049,000	20,987,000	19,040,000	18,342,000	20,651,000	24,115,000	41.4%
OTHER REVENUES (EXPENSES)							
Interest Income	5,761,000	6,504,000	4,550,000	4,350,000	4,950,000	4,750,000	-17.5%
Bond Interest	(7,151,000)	(7,708,000)	(11,367,000)	(10,189,000)	(10,812,000)	(14,694,000)	105.5%
Other Income (Expense)	(3,982,000)	(1,134,000)	(4,000,000)	(6,000,000)	(8,000,000)	(10,000,000)	151.1%
Intergov Transfer							
NET INCOME	11,677,000	18,649,000	8,223,000	6,503,000	6,789,000	4,171,000	-64.3%
AMORTIZATION OF CONTRIBUTED CAPITAL							
Federal Grants	5,977,000	6,196,000	6,875,000	8,525,000	9,075,000	9,350,000	56.4%
State/Loc Grants							
INCREASE IN RETAINED EARN	17,654,000	24,845,000	15,098,000	15,028,000	15,864,000	13,521,000	-23.4%
Beginning of Year	100,657,000	118,311,000	143,156,000	158,254,000	173,282,000	189,146,000	87.9%
YEAR-END RETAINED EARNINGS	118,311,000	143,156,000	158,254,000	173,282,000	189,146,000	202,667,000	71.3%
DISTRIBUTION OF NET INCOME							
Debt Service							
Construction/Capital							
Total Distribution							

STATEMENT OF CHANGES IN CASH AND INVESTMENTS

METROPOLITAN WASTE CONTROL COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
CASH AND INVESTMENTS							
Net Income	11,677,000	18,649,000	8,223,000	6,503,000	6,789,000	4,171,000	-64.3%
Excess of Revenues Over (Under) Expenditures							
Depreciation	10,818,000	11,175,000	12,500,000	15,500,000	16,500,000	17,000,000	57.1%
Amortization of Bond Premium & Discount	212,000	193,000	150,000	125,000	100,000	100,000	-52.8%
Total Cash & Investments	22,707,000	30,017,000	20,873,000	22,128,000	23,389,000	21,271,000	-6.3%
OTHER ACCOUNTS							
Accounts Receivable	2,107,000	(2,821,000)	2,766,000	700,000	(300,000)	(300,000)	
Other Assets	33,000	(62,000)	(292,000)	(300,000)	(300,000)	(300,000)	
Accounts Payable & Accrued Expenses	838,000	(165,000)	(2,309,000)	(4,825,000)	3,247,000	492,000	-41.3%
Employee Comp & Payroll	752,000	300,000	317,000	350,000	450,000	450,000	-40.2%
Deferred Revenue	53,000	(211,000)	11,000				
Total of Other Accounts	3,783,000	(2,959,000)	493,000	(4,075,000)	3,097,000	342,000	-91.0%
FIXED ASSETS	(33,963,000)	(36,127,000)	(54,697,000)	(51,282,000)	(62,921,000)	(86,093,000)	
FINANCE							
Issuance of Bonds	93,240,000		45,800,000	44,000,000	61,700,000	91,750,000	-1.6%
Payments on Bonds Payable	(80,947,000)	(11,852,000)	(9,415,000)	(13,228,000)	(15,482,000)	(16,575,000)	
Federal Grant Receipts	8,915,000	11,295,000	9,161,000	7,863,000	3,692,000		
State/Loc Grant Receipts		2,900,000	2,290,000	2,639,000	2,250,000	2,000,000	
Total of Finance	21,208,000	2,343,000	47,836,000	41,274,000	52,160,000	77,175,000	263.9%
INCREASE (DECREASE) IN							
CASH AND INVESTMENTS	13,735,000	(6,726,000)	14,505,000	8,045,000	15,725,000	12,695,000	-7.6%
Beginning of Year	70,798,000	84,533,000	77,807,000	92,312,000	100,357,000	116,082,000	64.0%
YR-END CASH & INVESTMENTS	84,533,000	77,807,000	92,312,000	100,357,000	116,082,000	128,777,000	52.3%

REGIONAL TRANSIT BOARD

Priorities and Objectives

In creating the RTB, the legislature established four goals to guide the RTB. These are:

- To provide, to the greatest feasible extent, a basic level of mobility for all people in the Metropolitan Area.
- To arrange, to the greatest feasible extent, for the provision of a comprehensive set of transit and paratransit services to meet the needs of all people in the Metropolitan Area.
- To cooperate with private and public transit providers to assure the most efficient and coordinated use of existing and planned transit resources.
- To maintain public mobility in the event of emergencies or energy shortages.

As part of the Interim Implementation Plan dated April 1985, the RTB developed a set of policies to be used to guide the RTB through 1986. These policies, which were based on existing policies of metropolitan transit agencies, are as follows:

- The RTB shall develop all plans, policies and programs in a manner that will meet all mandated schedules and will assure timely decisions and service implementations.
- The RTB shall develop plans, policies and programs consistent with the Metropolitan Council's Transportation Policy Plan.
- RTB programming decisions shall be made on the basis of transit service needs, the availability of financial resources, and adopted RTB transit policies and plans.
- Transit service needs assessments shall be conducted for all transit programs, including type of service, location, schedule, level of service and level of investment. These assessments shall consider alternative service concepts or operations strategies, involve representatives of affected users and governmental agencies, and evaluate alternatives against specific performance objectives, including Metropolitan Council transportation policies.
- The primary objective of the RTB shall be the setting of priorities for the allocation of available financial resources among the competing transit service needs in the Twin Cities Metropolitan Area.
- Transit investment priorities shall be given to: travel corridors with the highest congestion and poorest travel times to downtown Minneapolis and St. Paul; areas with the highest level of unmet needs; areas with the highest density of population dependent on transit.
- Transit service needs assessments and transit investment decisions shall recognize and balance the special service needs of the central cities, suburban and exurban areas in the Metropolitan Area.

- Individual transit programs shall be planned, managed and evaluated to use all funds effectively and efficiently.
- The most cost-effective transit providers, whether public or private, shall be selected to provide specific transit services.
- Metropolitan transit services shall be responsive to the needs of the young, disabled, elderly and economically disadvantaged.
- A stable funding program shall be developed in support of the funding goals established by legislation.
- A transit fare structure shall be established that will be equitable and in balance with the cost of transit service and available funding levels.
- The RTB shall develop and maintain a continuous and comprehensive transit decision-making process in cooperation with local units of government, interested individuals, organizations and agencies.
- The RTB shall encourage and support new and innovative transit service programs through a regular research, demonstration and evaluation program.

The RTB will have completed its overall evaluation of metropolitan transit needs and services as part of the Transit Service Needs Assessment by September 1986. The results of this major study, as well as the results of other RTB research and evaluation activities, will form the basis of the implementation plan now scheduled to be submitted to the Metropolitan Council on Nov. 3, 1986. Existing transit policies will be modified as appropriate.

Sources of Revenue

The programs administered by the RTB receive funding from three sources: federal, state and local property tax revenues. The specific grant or revenue sources are as follows:

- Federal Funds. The primary sources of federal funds for both operating and capital assistance are administered by the Urban Mass Transportation Administration (UMTA). All federal highway funds are provided to the RTB by the Minnesota Department of Transportation.
- State Funds. The RTB receives state transit assistance from the General Fund and Motor Vehicle Excise Tax (Transit Assistance Fund).
- Property Taxes. In 1984 the legislature transferred the authority to levy property taxes from the MTC to the RTB. The transit tax levy consists of an amount up to two mills times the assessed value of all property within the metropolitan transit taxing district and is based upon the level of transit service provided for the property.

Fiscal Policies on Raising and Using Revenue

In addition to the basic property tax levy, Minnesota Statutes have set policies which further provide that the board levy an additional tax equal to 10 percent of the sum of the property tax levy on all taxable property within the metropolitan transit area but outside the metropolitan transit district.

The proceeds of this tax may be used only for paratransit services or ridesharing programs designed to serve persons within the transit area but outside the transit taxing district, referred to as the "exurban area."

The transit tax levied within the transit taxing district is reduced by either 0.5 or 0.75 mills, depending upon whether a particular city or town receives full peak service and limited off-peak service or only limited off-peak service. The definition of "full peak and limited off-peak service" means peak period regular route service plus weekday midday regular route service at intervals longer than 60 minutes on the route with the greatest frequency. "Limited peak period service" means peak period regular route service only. The RTB receives reimbursement from the general fund of the State Treasury for the amounts of the levy reduction effective July 1, 1987.

Minnesota Statutes also require that the RTB establish and enforce uniform fare policies for regular route transit in the Metropolitan Area. The policies must be stated in the board's transit service implementation and financing plan and be consistent with the Council's transportation policy plan. The MTC and other operators shall charge a base fare and any surcharges for peak hours and distances of service, and must submit their fare schedules to the board for approval. Statutes further require that fare revenue for all regular route service must produce annually not less than 35 percent of total operating costs for that service.

Federal funds received by the RTB are restricted in their use for specific functions according to UMTA categories. Federal highway funds can also be used for transit-related projects. Federal Aid Urban (FAU) funds have been used for purchasing buses, developing park/ride lots and supporting Minnesota Rideshare. Interstate substitution funds have been used to purchase buses. All federal highway funds come through Mn/DOT. Funding decisions are made through the metropolitan planning process.

State transit assistance received from the General Fund and Motor Vehicle Excise Tax (Transit Assistance Fund) may be used to fund:

- Transit provider programs including the MTC, Metro Mobility, private operators or other operators of public transit service;
- Specific planning funds for transit needs assessment, planning or preliminary engineering; and
- Transit board administration.

The transit tax levy authorized by the legislature may be used for payment of the expenses of operating transit and paratransit service and to provide for payment of obligations issued by the MTC and to be issued by the Metropolitan Council.

Fiscal Policies

The RTB has assumed the responsibility of administering all transit programs in the Metropolitan Area. As part of that responsibility, the staff is involved in performance monitoring, financial and nonfinancial, auditing, planning and evaluation.

In March 1986, the Joint RTB/MTC Committee on Performance and Financial Standards adopted its "Interim Report on Development of Financial and Performance Standards for MTC Regular Route Transit Services." This report outlined the decision-making process for determining appropriate action for continuing, restructuring, alternately providing or terminating MTC routes which exceed the adopted interim standard. This report was later adopted by both the MTC and the RTB.

An interim subsidy standard for new and existing MTC regular route transit services has been adopted recently. This interim standard, to be used for evaluation of MTC fixed-route service, will be a ceiling subsidy per passenger (SPP) set at \$2.45. Routes which do not meet this standard are placed either on a review or action list. Once it is determined that the MTC is unable to make changes to the routes that improve its subsidy per passenger so that it is within the standard, the RTB will designate action from the following alternatives:

- Major restructuring
- Contract for the same service from an alternate provider
- Designate the MTC as contractor; the MTC, in turn, will contract with an alternate provider
- Terminate the route
- Maintain the route "as is"

As part of the evaluation of the appropriate alternatives, consideration will be given to the proportion of transit dependents using the route and other special needs of users. At this point, the MTC has recommended, and the RTB has acted upon, recommendations for terminating or restructuring 10 routes. Action will be taken on another seven routes in the next few months. The MTC estimates that approximately 6.7 percent of the 1987 miles budgeted exceed the \$2.45 subsidy threshold.

In addition to this effort, the RTB will, once it has completed its Transit Service Needs Assessment, develop more refined financial and performance standards for a variety of service types and service providers. Particular attention will be paid to looking for cost-effective alternatives for providing high subsidy services.

Fiscal Trends

In 1983 the legislature created the Legislative Study Commission on Metropolitan Transit. The Study Commission made the following recommendations regarding transit financing:

- The RTB should develop a long-range financing structure that will promote stability and revenue certainty.
- The fare structure should be simplified and should be consistent across the Metropolitan Area. Fares, other than social fares, should be established to ensure that operating revenues are proportionate to the cost of providing service.
- In time, funding sources should become approximately 35 percent fares, 35 percent property taxes, 20 percent state aid and 10 percent federal aid.

- The property tax structure should be adjusted between communities to reflect the level of transit service provided in them.
- Funds should be made available to all providers to the extent that they qualify under federal and state guidelines.

The trend of the various revenue sources as it relates to Recommendation 3 is a concern that faces the RTB. While the fare structure has remained relatively stable over the last several years, state and federal grants have continued to decrease as a percentage of transit expenditures. At the same time, property taxes have continued to increase and are now the largest source of transit funding, nearly 45 percent in 1985. The property tax feathering mentioned earlier has lessened the burden of property taxes in many communities while limited transit service and fares have continued to return in excess of 35 percent of operating expenses. A fare study is currently under review that will serve as a basis for fare simplification and the development by the board of its fare policy.

Federal grants as a result of the Gramm-Rudman-Hollings legislation will be reduced only further from the 8 percent level currently being received. Motor vehicle excise tax projections have declined significantly and the transfer from the General Fund to the Transit Assistance Fund may be delayed further. The RTB, through its operating agreement with the MTC, has established a minimum level of working capital that is necessary to support the agency through the economic short-term instability. However, there is still a need to borrow money temporarily in the short term due to the cash flow of subsidy payments in the form of property taxes and state appropriations. The level of short-term borrowing has also increased since 1984 from 11 million to 17.6 million in 1986.

BALANCE SHEET

REGIONAL TRANSIT BOARD

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
ASSETS							
Unrestrict Cash & Invest	436,000	2,901,000	8,541,000	6,904,000	6,913,000	6,955,000	1495.2%
Restrict Cash & Invest:							
Debt Service		16,953,000					
Construction/Capital							
Total Cash & Investments	436,000	19,854,000	8,541,000	6,904,000	6,913,000	6,955,000	1495.2%
Accounts Receivable	176,000	1,871,000	2,029,000	2,662,000	2,987,000	3,065,000	1641.5%
Gov Grants Receivable:							
Construction/Capital							
Operations							
Fixed Assets	3,000	97,000	147,000	217,000	1,787,000	1,857,000	61800.0%
Future Long-term							
Debt Levy					1,350,000	1,200,000	
Other							
Total Assets	615,000	21,822,000	10,717,000	9,783,000	13,037,000	13,077,000	2026.3%
LIABILITIES & FUND EQUITY							
Accounts Payable &							
Accrued Expenses	163,000	1,475,000	2,141,000	2,089,000	2,097,000	2,103,000	1190.2%
Payables from Restricted							
Assets:							
Debt Service		16,953,000					
Construction/Capital							
Employee Comp & Payroll	10,000	61,000	65,000	71,000	78,000	86,000	760.0%
Deferred Revenue		1,262,000	1,756,000	2,406,000	2,725,000	2,831,000	
Bonds Payable					1,350,000	1,200,000	
Other							
Total Liabilities	173,000	19,751,000	3,962,000	4,566,000	6,250,000	6,220,000	3495.4%
FUND EQUITY							
Contributed Capital							
Investment in General							
Fixed Assets	3,000	97,000	147,000	217,000	1,787,000	1,857,000	61800.0%
Retain Earn/Fund Balance							
Reserved							
Unreserved	439,000	1,973,000	6,608,000	5,000,000	5,000,000	5,000,000	1039.0%
Total Fund Equity	442,000	2,070,000	6,755,000	5,217,000	6,787,000	6,857,000	1451.4%
Total Liabilities and							
 Fund Equity	615,000	21,821,000	10,717,000	9,783,000	13,037,000	13,077,000	2026.3%

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE

REGIONAL TRANSIT BOARD

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
REVENUES							
Property Taxes		35,289,000	38,280,000	41,413,000	43,993,000	45,211,000	
Interest Income		290,000	887,000	1,150,000	1,240,000	1,332,000	
Federal	13,000	231,000	885,000	916,000	898,000	680,000	5130.8%
State	748,000	11,220,000	28,779,000	34,980,000	38,040,000	39,022,000	5116.8%
Local							
Other		2,000					
Total Revenues	761,000	47,032,000	68,831,000	78,459,000	84,171,000	86,245,000	11233.1%
Intergov Transfer:							
Property Taxes		35,032,000	36,379,000	34,880,000	39,577,000	41,134,000	
State		8,295,000	23,111,000	27,667,000	30,890,000	35,668,000	
Local Chargebacks							
Net Revenues	761,000	3,705,000	9,341,000	15,912,000	13,704,000	9,443,000	1140.9%
EXPENDITURES							
Salaries, Benefits, & Contract Services	246,000	869,000	1,479,000	3,248,000	3,446,000	2,850,000	1058.5%
Supplies							
Provider Payments		43,327,000	61,827,000	75,942,000	79,525,000	82,183,000	
Utilities & Maintenance							
Capital	3,000	94,000	50,000	70,000	1,570,000	70,000	2233.3%
Bond Interest		701,000	229,000		270,000	258,000	
Other	73,000	507,000	611,000	807,000	860,000	884,000	1111.0%
Total Expenditures	322,000	45,498,000	64,196,000	80,067,000	85,671,000	86,245,000	
Intergov Transfer:							
Property Taxes		35,032,000	36,379,000	34,880,000	39,577,000	41,134,000	
State		8,295,000	23,111,000	27,667,000	30,890,000	35,668,000	
Local Chargebacks							
Net Expenditures	322,000	2,171,000	4,706,000	17,520,000	15,204,000	9,443,000	2832.6%
OTHER FINANCIAL SOURCES							
Bond Sale Proceeds					1,500,000		
EXCESS REVENUE OVER (UNDER)							
EXPENDITURES	439,000	1,534,000	4,635,000	(1,608,000)	0	0	
Beginning Fund Balance		439,000	1,973,000	6,608,000	5,000,000	5,000,000	
ENDING FUND BALANCE	439,000	1,973,000	6,608,000	5,000,000	5,000,000	5,000,000	1039.0%

STATEMENT OF CHANGES IN CASH AND INVESTMENTS

REGIONAL TRANSIT BOARD

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
CASH AND INVESTMENTS							
Net Income							
Excess of Revenues Over (Under) Expenditures	439,000	1,534,000	4,635,000	(1,608,000)			
Depreciation							
Amortization of Bond Premium & Discount							
Total Cash & Investments	439,000	1,534,000	4,635,000	(1,608,000)	0	0	
OTHER ACCOUNTS							
Accounts Receivable	(176,000)	(1,694,000)	(158,000)	(633,000)	(325,000)	(78,000)	-55.7%
Other Assets							
Accounts Payable & Accrued Expenses	163,000	1,765,000	213,000	(52,000)	8,000	7,000	-95.7%
Employee Comp & Payroll	10,000	51,000	4,000	6,000	7,000	8,000	-20.0%
Deferred Revenue		1,262,000	493,000	650,000	319,000	105,000	
Total of Other Accounts	(3,000)	1,384,000	552,000	(29,000)	9,000	42,000	
FIXED ASSETS					(1,500,000)		
FINANCE							
Issuance of Bonds		16,500,000			1,500,000		
Payments on Bonds Payable			(16,500,000)				
Federal Grant Receipts							
State/Loc Grant Receipts							
Total of Finance	0	16,500,000	(16,500,000)	0	1,500,000	0	
INCREASE (DECREASE) IN CASH AND INVESTMENTS							
Beginning of Year	436,000	19,418,000	(11,313,000)	(1,637,000)	9,000	42,000	-90.4%
		436,000	19,854,000	8,541,000	6,904,000	6,913,000	
YR-END CASH & INVESTMENTS	436,000	19,854,000	8,541,000	6,904,000	6,913,000	6,955,000	1495.2%

METROPOLITAN TRANSIT COMMISSION

Priorities and Objectives

The MTC's goals, as outlined in the 1984 Transit Development Program, are as follows:

- An integrated public transportation system, comprehensive in scope to provide mobility for the general population, with special emphasis on the transit dependent, and the ability to provide continued public mobility in the event of major disruptions in the availability of motor vehicle fuel and during other emergencies.
- A coordinated network of special services for the elderly, handicapped, and others with special transportation needs, to be implemented in the most cost-efficient manner using existing public and private providers of service.
- Increased vehicle occupancy through marketing programs encouraging more extensive use of transit, paratransit and ridesharing, with the objective of reducing the use of vehicles occupied by only one person, especially during peak travel times.
- A well-maintained modern vehicle fleet, clean and comfortable, providing reliable service that is attractive to the rider and economical to operate.
- Adequately staffed, properly equipped, and well-maintained garage and overhaul facilities to service the MTC fleet of 40-foot and articulated buses, Project Mobility vehicles, and paratransit buses and vans.
- Well-maintained and attractive facilities to expedite the movement of transit, paratransit and ridesharing vehicles; provide for intermodal use of the transit system; and facilitate use by the handicapped, transit dependent and general population.
- The fullest and most efficient use of public resources and investments in public transit and paratransit through provision of a high level of service in areas with large numbers of transit dependents and a high density of demand for service, placing special emphasis on increasing the number of regular riders.
- A reasonable balance between public subsidy and level of service, with operating revenues proportioned to the cost of providing the service; the fare structure established to be affordable by the users, easily administered and understood, and minimizing any disparities in the subsidy per passenger.

One should note that the MTC goals of 1984 are in a state of transition, as a result of the creation of the RTB. MTC's focus is on being the public transit operating agency and service provider in the Metropolitan Area, as legislatively directed. The result is that each of the eight cited goals are valid for the MTC in conjunction with the RTB's responsibilities for planning and coordinating the public/private participation in providing transit to the region.

Sources of Revenue

The MTC's sources of revenue are shown below:

<u>Operating Fund</u>	<u>1986 Estimated Actual</u>	<u>1987 Proposed Budget</u>
SOURCE OF FUNDS		
Working Capital		
Beginning of Year	\$ 18,706,000	\$ 16,702,000
Operating Revenues	32,916,000	33,036,000
Investment Income	882,000	901,000
Federal Grants	7,631,000	5,744,000
State Grants	30,000	-0-
RTB Transit Assistance	59,490,000	62,547,000
 TOTAL SOURCE OF FUNDS	 \$119,655,000	 \$118,930,000

Capital funds come primarily from federal discretionary and formula grants, proceeds from local bond issues, safe harbor leasing and investment income. The MTC is the designated recipient in the Twin Cities Area for federal Urban Mass Transportation Administration (UMTA) operating assistance and capital grants. Federal UMTA funds, as a result, flow directly to the MTC. Property tax receipts from the metropolitan transit tax levy and state assistance grants, which previously came directly to the MTC, now pass through the RTB in the form of RTB transit assistance. Fares are established by the MTC subject to approval by the RTB.

Fiscal Trends

The MTC has relatively little control over the various sources of revenue required to meet operating expenses. In addition, the outlook for future funding is uncertain at this time. Federal UMTA funding for operating and capital assistance will not be known until this fall. The MTC's 1987 budget assumes a 40 percent cut from the 1984 level in federal operating assistance and a 25 percent cut from the 1985 level in federal capital assistance. This assumption may be pessimistic since the U.S. House of Representatives recently approved legislation essentially freezing Section 9 funding for fiscal year 1987 at fiscal year 1986 levels. Section 3 discretionary funds increased slightly from \$1 billion in the fiscal year 1986 to \$1.015 billion in fiscal year 1987. Within Section 3 is \$140 million earmarked for bus and bus facilities improvements. This is up slightly from \$138.7 million in fiscal year 1986. Senate action on the level of transit funding is expected shortly. The joint budget resolution agreed upon by the Senate and House calls for a 10 percent cut in transit assistance in fiscal year 1987.

Transit appropriations from the state legislature to the RTB for the next biennium will not be known until May 1987. Compounding the problem of the uncertainty of the level of state funding is the potential for further delay of the transfer of the motor vehicle excise tax from the general fund to the transit assistance fund.

Fiscal Policies

The following are adopted MTC fiscal policies:

- Bus revenues for regular transit service shall represent 40 percent to 45 percent of the expenses for providing such service. State law requires a 35 percent farebox recovery ratio.
- In monitoring and evaluating regular scheduled service, disparities in subsidies will be minimized and costs reduced by using as a guideline a route subsidy limit of \$2.45 per passenger. Service that cannot meet the \$2.45 per passenger subsidy ceiling will be restructured to bring the service within the subsidy guideline. Service that cannot ultimately meet the standard will be referred to the RTB to allow for competitive bidding.
- Before determining that regular route bus service should be implemented, evaluation should include an investigation of whether paratransit and ridesharing would meet the service objective at a comparable or lesser cost.
- Maintain a minimum working capital balance of \$15 million.

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BALANCE SHEET

METROPOLITAN TRANSIT COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
ASSETS							
Unrestrict Cash & Invest	32,236,000	16,157,000	12,922,000	13,348,000	14,348,000	14,201,000	-55.9%
Restrict Cash & Invest:							
Debt Service	4,498,000	5,945,000	5,204,000	6,032,000	6,450,000	6,860,000	52.5%
Construction/Capital	5,322,000	13,472,000	9,303,000	8,217,000	18,773,000	17,336,000	225.7%
Total Cash & Investments	42,056,000	35,574,000	27,429,000	27,597,000	38,571,000	38,397,000	-8.7%
Accounts Receivable	1,826,000	2,483,000	2,482,000	2,482,000	2,482,000	2,482,000	35.9%
Gov Grants Receivable:							
Construction/Capital	1,154,000	209,000	209,000	209,000	209,000	209,000	-81.9%
Operations	14,358,000	14,410,000	13,939,000	13,513,000	13,513,000	12,660,000	-11.8%
Fixed Assets	91,687,000	102,526,000	111,011,000	138,399,000	148,983,000	171,703,000	87.3%
Future Long-term Debt Levy							ERR
Other	3,702,000	4,391,000	4,391,000	4,391,000	4,391,000	4,391,000	18.6%
Total Assets	154,783,000	159,593,000	159,461,000	186,591,000	208,149,000	229,842,000	48.5%
LIABILITIES & FUND EQUITY							
Accounts Payable & Accrued Expenses	11,541,000	11,605,000	11,605,000	11,605,000	11,605,000	11,605,000	0.6%
Payables from Restricted Assets:							
Debt Service	472,000	976,000	976,000	976,000	976,000	976,000	106.8%
Construction/Capital	1,343,000	256,000	256,000	256,000	256,000	256,000	-80.9%
Employee Comp & Payroll	6,522,000	6,899,000	6,899,000	6,899,000	6,899,000	6,899,000	5.8%
Deferred Revenue							
Bonds Payable	27,410,000	26,710,000	24,160,000	21,860,000	19,160,000	16,460,000	-39.9%
Other	431,000	477,000	477,000	477,000	477,000	477,000	10.7%
Total Liabilities	47,719,000	46,923,000	44,373,000	42,073,000	39,373,000	36,673,000	-23.1%
FUND EQUITY							
Contributed Capital	69,689,000	78,533,000	84,396,000	106,151,000	114,436,000	125,107,000	79.5%
Investment in General Fixed Assets	9,901,000	9,580,000	10,583,000	17,430,000	32,985,000	46,297,000	367.6%
Retain Earn/Fund Balance Reserved	4,319,000	5,850,000	5,109,000	5,937,000	6,355,000	6,765,000	56.6%
Unreserved	23,155,000	18,707,000	15,000,000	15,000,000	15,000,000	15,000,000	-35.2%
Total Fund Equity	107,064,000	112,670,000	115,088,000	144,518,000	168,776,000	193,169,000	80.4%
Total Liabilities and Fund Equity	154,783,000	159,593,000	159,461,000	186,591,000	208,149,000	229,842,000	48.5%

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS

METROPOLITAN TRANSIT COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
OPERATING REVENUES							
User and Service Charges	32,885,000	32,447,000	32,649,000	32,604,000	32,604,000	32,604,000	-0.9%
Miscellaneous	533,000	500,000	560,000	600,000	600,000	600,000	12.6%
Total Operating Revenues	33,418,000	32,947,000	33,209,000	33,204,000	33,204,000	33,204,000	-0.6%
OPERATING EXPENSES							
Salaries, Benefits, & Contract Services	78,157,000	79,147,000	80,560,000	81,670,000	83,273,000	86,603,000	10.8%
Depreciation	7,864,000	9,608,000	9,345,000	11,178,000	13,291,000	14,993,000	90.7%
Operating Supplies	13,232,000	12,348,000	10,518,000	11,564,000	12,026,000	12,507,000	-5.5%
Mgmt & Provider Expense	287,000	328,000	105,000	95,000	99,000	103,000	-64.1%
Utilities & Maintenance	2,122,000	1,895,000	1,862,000	2,016,000	2,097,000	2,181,000	2.8%
Other	3,817,000	4,479,000	4,294,000	5,238,000	5,447,000	5,665,000	48.4%
Total Operating Expenses	105,479,000	107,805,000	106,684,000	111,761,000	116,233,000	122,052,000	15.7%
OPERATING INCOME	(72,061,000)	(74,858,000)	(73,475,000)	(78,557,000)	(83,029,000)	(88,848,000)	23.3%
OTHER REVENUES (EXPENSES)							
Interest Income	590,000	(316,000)	(1,626,000)	(1,442,000)	(351,000)	(45,000)	-107.6%
Bond Interest	691,000	726,000	754,000	297,000	125,000	300,000	-56.6%
Federal & Other Inc(Exp)	9,397,000	8,743,000	8,035,000	7,654,000	7,654,000	6,801,000	-27.6%
Intergov Transfer	57,609,000	55,957,000	55,824,000	64,295,000	65,553,000	70,209,000	21.9%
NET INCOME	(3,774,000)	(9,748,000)	(10,488,000)	(7,753,000)	(10,048,000)	(11,583,000)	206.9%
AMORTIZATION OF CONTRIBUTED CAPITAL							
Federal Grants	5,374,000	6,831,000	6,040,000	8,581,000	10,466,000	11,993,000	123.2%
State/Local Grants							
INCREASE IN RETAINED EARN	1,600,000	(2,917,000)	(4,448,000)	828,000	418,000	410,000	-74.4%
Beginning of Year	25,874,000	27,474,000	24,557,000	20,109,000	20,937,000	21,765,000	-15.9%
YEAR-END RETAINED EARNINGS	27,474,000	24,557,000	20,109,000	20,937,000	21,355,000	22,175,000	-19.3%
DISTRIBUTION OF NET INCOME							
Debt Service	494,000	1,531,000	(741,000)	828,000	418,000	410,000	-17.0%
Construction/Capital	(5,374,000)	(6,831,000)	(6,041,000)	(8,581,000)	(10,466,000)	(11,993,000)	123.2%
Total Distribution	(4,880,000)	(5,300,000)	(6,782,000)	(7,753,000)	(10,048,000)	(11,583,000)	137.4%

STATEMENT OF CHANGES IN CASH AND INVESTMENTS

METROPOLITAN TRANSIT COMMISSION

	1984	1985	1986	1987	1988	1989	6-YEAR % CHANGE
CASH AND INVESTMENTS							
Net Income	(3,775,000)	(9,748,000)	(10,488,000)	(7,753,000)	(10,048,000)	(11,583,000)	206.8%
Excess of Revenues Over (Under) Expenditures							ERR
Depreciation	7,864,000	9,608,000	9,345,000	11,178,000	13,291,000	14,993,000	90.7%
Amortization of Bond Premium & Discount							ERR
Total Cash & Investments	4,089,000	(140,000)	(1,143,000)	3,425,000	3,243,000	3,410,000	-16.6%
OTHER ACCOUNTS							
Accounts Receivable	(1,384,000)	(237,000)	471,000	426,000		853,000	-161.6%
Other Assets	(743,000)	45,000					-100.0%
Accounts Payable & Accrued Expenses	1,022,000	(65,000)					-100.0%
Employee Comp & Payroll	611,000	377,000					-100.0%
Deferred Revenue							ERR
Total of Other Accounts	(494,000)	120,000	471,000	426,000	0	853,000	-272.7%
FIXED ASSETS	(18,335,000)	(20,447,000)	(17,830,000)	(38,566,000)	(23,875,000)	(37,713,000)	105.7%
FINANCE							
Issuance of Bonds/Cert*	11,000,000	1,000,000					-100.0%
Payments on Bonds Payable	(1,700,000)	(2,369,000)	(2,550,000)	(2,300,000)	(2,700,000)	(2,700,000)	58.8%
Federal Grant Receipts	14,087,000	15,354,000	12,907,000	30,183,000	18,306,000	21,976,000	56.0%
State/Loc Grant Receipts				7,000,000	16,000,000	14,000,000	ERR
Total of Finance	23,387,000	13,985,000	10,357,000	34,883,000	31,606,000	33,276,000	42.3%
INCREASE (DECREASE) IN							
CASH AND INVESTMENTS	8,647,000	(6,482,000)	(8,145,000)	168,000	10,974,000	(174,000)	-102.0%
Beginning of Year	33,409,000	42,056,000	35,574,000	27,429,000	27,597,000	38,571,000	15.5%
YR-END CASH & INVESTMENTS	42,056,000	35,574,000	27,429,000	27,597,000	38,571,000	38,397,000	-8.7%

* Note:

--In 1984, the MTC issued \$11 million of short-term certificates

--In 1985, the MTC redeemed in full the certificates and issued \$12 million in GO bonds