



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, December 15, 1986
Council Chambers
4:00 p.m.

AGENDA

1. Call to Order and Roll Call
2. Approval of Agenda
3. REPORT OF THE POLICY COMMITTEE Todd Lefko,
Chair
4. REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE Ruth Franklin,
Chair
 - A. Metropolitan Agencies Administrative Coordination Report
 - B. 1987 Compensation Plan and 1987 Compensation Adjustments, Resolution No. 86-24
 - C. Financial Statements, October 1986
 - D. 1987 Transit Operating Contracts
 - E. Increased Appropriations for Metro Mobility
5. OTHER BUSINESS
 - A. Chairman's Report
 - B. Members' Reports *- Kuehn appointment*
 - C. Staff Reports
6. PUBLIC COMMENT

Elliott Perovich
Chairman

REGIONAL TRANSIT BOARD

270 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the
REGIONAL TRANSIT BOARD
Metropolitan Council Chambers
December 1, 1986

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

MEMBERS ABSENT: Kenneth Bedeau and Doris Caranicas

OTHERS PRESENT: Gregory Andrews, Mary Fitzgerald, Katie Turnbull, Cindy Fish, Randy Rosvold, Jerry Brechlin and Mike Kuehn, Regional Transit Board Staff; Charles Kenow, State Planning Agency; Gregory Failor, Metropolitan Transit Commission; Charles Wiger and Dirk deVries, Metropolitan Council

The meeting was called to order at 4:00 p.m. and roll taken. Franklin moved that the agenda be amended to delete the committee meeting time change and substitute the Urban Mass Transportation Administration (UMTA) Grant. Joyce seconded the motion. Motion carried unanimously.

Lefko moved approval of the minutes of the November 3, 1986, meeting; Fuhr seconded the motion. Joyce offered a friendly amendment that the last page should state that the trains outside London travel a good deal faster than 60 miles per hour; they often hit speeds in excess of 100 to 125 miles per hour. Mover and seconded accepted the friendly amendment. The motion carried unanimously.

Skrebes moved approval of the minutes of November 17, 1986. Franklin seconded the motion; the motion carried unanimously.

REPORT OF THE POLICY COMMITTEE

Committee Chair Lefko said that the committee will discuss competitive bidding at this week's meeting, review the competitive services document and begin to develop programs and policies. At the meeting of December 17 the Citizens League will discuss its transit report.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

CONTINUED PARTICIPATION in I-394 MARKET RESEARCH

Committee Chair Franklin reviewed the committee report dated November 24, 1986, and moved:

That the Regional Transit Board authorize the executive director to enter into an interagency agreement with the Minnesota Department of Transportation for the continuation of the I-394 Market Research Program in an amount not to exceed \$25,000.

Skrebes seconded the motion; the motion carried unanimously.

MINUTES
December 1, 1986
Page Two

1986 FINANCIAL AUDIT PROPOSAL

Franklin moved:

That the Regional Transit Board approve engaging the auditing firm Deloitte Haskins & Sells for the 1986 financial audit and, further, that the 1987 audit go through the process of Request for Proposal.

Joyce seconded the motion; the motion carried unanimously.

AUTHORIZATION TO EXECUTE AGREEMENT WITH URBAN MASS TRANSPORTATION ADMINISTRATION (UMTA) FOR \$350,000 COMPETITIVE TRANSIT GRANT

Franklin reviewed the December 1, 1986, memorandum from Robert Dietrick. The board previously approved the application for the grant and staff is now requesting authorization to enter into the agreement for demonstration and planning funds. Franklin moved:

That the Regional Transit Board authorize the executive director to enter into agreement with UMTA for the \$350,000 Competitive Transit Grant, Project No. MN-06-0019.

Lefko seconded the motion. Andrews said the agreement was received today and states the board can begin to expend funds on November 3, 1986. The motion carried unanimously.

Franklin said the committee decided at its last meeting that Administration and Finance Committee meetings will begin at 4:00 p.m. In response to Kranz' question, she said there was no interest in holding evening meetings. In her experience, evening meetings have not generated more public participation.

OTHER BUSINESS

The chairman reported on the ongoing discussions with the Department of Finance on the budget. On December 2 there is a meeting with Lt. Governor Marlene Johnson. The recommendations will be finalized the second week of January. The members discussed the status of the transfer of the Motor Vehicle Excise Tax in relation to our need for a system of funding for long-range stability.

There was discussion of the Metropolitan Transit Commission's labor contract vote, which concludes this evening. The chairman said the proposal is a three-year contract and includes some changes to the part-time issue.

Depending on activity at the Legislature, the chairman would like to schedule another retreat within three months.

MINUTES

December 1, 1986

Page Three

Kuehn discussed the December 10 RTB annual conference. Invitations were sent to all the private providers now under contract. Approximately 1,000 invitations were mailed. The chairman asked members to personally encourage local city and county officials to attend. Various approaches to building community relationships were discussed. Wiger said the Chambers of Commerce will be meeting in the near future at the Metropolitan Council.

Kuehn explained the timetable of appointments to the Metropolitan Council and the Regional Transit Board. Public meetings on board and commission appointments will be held February 3 and 4. The appointments to the commission will be made February 12.

There being no other business, Joyce moved that the meeting be adjourned. Fuhr seconded the motion; the meeting adjourned at 4:55 p.m.

Respectfully submitted,

Mary Fitzgerald
Secretary



REGIONAL TRANSIT BOARD

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

MEETING OF THE REGIONAL TRANSIT BOARD

Monday, December 15, 1986
Council Chambers
4:00 p.m.

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Todd Lefko,
Chair

4. REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

Ruth Franklin,
Chair

- A. Metropolitan Agencies Administrative Coordination Report
- B. 1987 Compensation Plan and 1987 Compensation Adjustments, Resolution No. 86-24
- C. Financial Statements, October 1986
- D. 1987 Transit Operating Contracts
- E. Increased Appropriations for Metro Mobility

5. OTHER BUSINESS

- A. Chairman's Report
- appointing Kueh assistant
- B. Members' Reports
- C. Staff Reports

6. PUBLIC COMMENT

Elliott Perovich
Chairman

REGIONAL TRANSIT BOARD

270 Metro Square Building, St. Paul, Minnesota 55101

Minutes of the Meeting of the
REGIONAL TRANSIT BOARD
Metropolitan Council Chambers
December 15, 1986

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

MEMBERS ABSENT:

OTHERS PRESENT: Greg Andrews, Mary Fitzgerald, Judy Hollander, Katie Turnbull, Ed Kouneski, Randy Rosvold, Mark Ryan, Jan Hennings, Bob Dietrick and Mike Kuehn, Regional Transit Board Staff; Dirk deVries, Metropolitan Council liaison; Bob Rossman, Amalgamated Transit Union

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

REPORT OF THE POLICY COMMITTEE

Committee Chair Lefko said the Citizens League report on transit will be discussed at the committee meeting of December 17, along with competitive services and other items.

REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

MAFAC ADMINISTRATIVE COORDINATION REPORT

Committee Chair Franklin reviewed the committee report dated December 8, 1986, and moved:

That the Regional Transit Board accept and approve the Metropolitan Agencies Administrative Coordination Report. Joyce seconded the motion; the motion carried unanimously.

1987 COMPENSATION PLAN AND 1987 COMPENSATION ADJUSTMENTS, RESOLUTION NO. 86-24

Franklin moved:

That the Regional Transit Board accept and approve Resolution No. 86-24, which adopts a formal compensation plan and establishes compensation and benefits for 1987.

After discussion of how RTB salaries and benefits compare to other agencies, Joyce seconded the motion and a roll call vote was taken. The motion carried unanimously.

FINANCIAL STATEMENTS, OCTOBER 1986

Franklin moved:

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

Skrebes seconded the motion; the motion carried unanimously.

1987 TRANSIT OPERATING CONTRACTS

Franklin noted that two contracts, City of Hastings (TRAC) and City of Plymouth, are still being negotiated and are approved contingent upon certain conditions. She moved:

That the Regional Transit Board authorize the executive director to enter into transit operating contracts for the following programs for the calendar year 1987 in the amounts shown below:

	<u>State Funds</u>	<u>Tax-Related Funds</u>
<u>Rural Programs</u>		
Anoka County (Senior Volunteer)	\$ 30,699	\$ 8,265
Anoka County (Client Volunteer)	--	11,172
Anoka County (Coordinated)	--	45,487
Carver County	\$ 48,359	\$27,222
Dakota County (Volunteer)	--	20,883
DARTS (Dakota County)	\$251,550	\$93,628
Human Services, Inc. (Washington County)	\$133,792	\$30,021
Scott County	\$ 49,960	\$19,787
Senior Community Services	--	\$31,609
Westonka Rides	--	\$10,500 (a)
<u>Small Urban Programs</u>		
City of Columbia Heights	\$ 16,909	--
City of Hastings (TRAC)	\$ 39,058	\$ 5,794
Commuter Express, Inc. (Hastings)	--	\$19,964
City of Hopkins	\$ 38,311	--
St. Louis Park Emergency Program	\$ 7,165	--
White Bear Area Transit Commission	\$ 89,611	--
<u>Opt-Out Programs</u>		
City of Plymouth	--	\$369,200
City of Shakopee	--	\$154,440
<u>Regular Route/Private Operator Programs</u>		
Medicine Lake Lines	\$769,163	--
North Suburban Lines	\$610,797	--

NOTE: (a) CY 1986 carryover exurban funds.

Joyce seconded the motion; the motion carried unanimously.

INCREASED APPROPRIATIONS FOR METRO MOBILITY

Franklin moved:

That the Regional Transit Board authorize the executive director to execute a contract amendment with the Minnesota Department of Transportation for the \$100,000 increase in funding for Metro Mobility granted by the Legislative Advisory Commission.

Skrebes seconded the motion. Fuhr said Tom Haben called her after the last Transportation Handicapped Advisory Committee meeting and suggested funds would be put to better use by giving credit for the \$10 registration fee. Skrebes said this was not discussed at the meeting, adding that the money was allocated for a specific purpose and the board should use it as intended by the Legislative Advisory Committee. The chairman added that the Governor asked for the funds to defray the costs of rides over eight miles, which was the recommendation of the people involved in the process.

Member Kranz arrived.

Hollander said staff intends to evaluate the program and is putting together a program for identifying and measuring information. There is more information than ever on how people are using the service. Andrews said the Administration and Finance Committee will be discussing how to implement the program for using the \$100,000. Less than half the providers are charging the extra fare. Perovich said the service is expanding into new areas January 1 and rides may be much longer. Votes was taken; the motion carried unanimously.

METROPOLITAN COUNCIL COMMENTS ON MAFAC ADMINISTRATIVE COORDINATION REPORT

The Metro Governance legislation requires that the agencies be given an opportunity to react to the Metropolitan Council's comments on the report. The Council accepted the report at its meeting of December 4, 1986. Dietrick reviewed the staff's response to the Council comments, dated December 11, 1986. Franklin moved:

That the Regional Transit Board accept the comments on the MAFAC Administrative Coordination Report made by the Metropolitan Council.

Fuhr seconded the motion. the motion carried unanimously.

OTHER BUSINESS

CHAIRMAN'S REPORT

Chairman Perovich said that as outlined in his memo of December 15, 1986, he is recommending that Mike Kuehn be transferred to the position of assistant to the chair, which is an unclassified position and must, therefore, be approved by the board. The starting salary is \$33,000 and he is recommending a salary review and adjustment after six months. The position of public information officer will be advertised soon. That person will report to the executive director. Andrews said the public information aide position is in the 1987 budget and will be evaluated after the new person identifies the program. Fuhr moved approval of the transfer; Lefko seconded the motion. The motion carried unanimously.

MEMBERS' REPORTS

In response to a question on the Southwest Area Transit issue, Andrews said he has talked to Joel Ettinger and drafted a response, which will be discussed at the next Policy Committee meeting. Joyce said he is hesitant to interfere because the parties negotiated in good faith. They are concerned that the RTB might put the standards together and force them to go through the whole process again. Lefko agreed that they should not be penalized because of our process.

Skrebes said the problem regarding the appointment of a chair of the 504 committee has been resolved.

The Rideshare Advisory Committee would like to make a presentation to the board to discuss the committee's activities. Franklin noted that she has found a representative to serve on the committee from her district. Lefko said the Taxicab Advisory Committee also wishes to meet with the board. These sessions should be scheduled on a regular basis.

The chairman said the Bylaws require election of officers and appointments to Policy and Administration and Finance Committees at the first meeting of the new year. With new appointments to the board pending, he suggested that the committee appointments be delayed until the new members are named by the Council. Those appointments are expected in late February. There was consensus on the part of the members that the current committee appointments be continued until after the appointments are made.

STAFF REPORTS

Andrews announced that Kathryn Christopherson has been offered and accepted the position of comptroller.

There being no other business, Fuhr moved that the meeting be adjourned. Joyce seconded the motion; the motion carried unanimously.

Respectfully submitted,

Mary Fitzgerald
Secretary

REGIONAL TRANSIT BOARD
ROLL CALL AND ATTENDANCE SHEET

de Vries
Brecht
Ed K

Ryan
Kuch
Hammer

Randy

Bob D.

Rossman

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DATE: 12/15/86

BOARD OR COMMITTEE RTB

86-24

MEMBER NAME	PRESENT	VOTE	VOTE	VOTE	VOTE	VOTE
Chairman	✓		Y			
Kenneth Bedeau (P)	✓		Y			
Doris Caranicas (P)	✓		Y			
Ruth Franklin (Chair, A & F)	✓		Y			
Alison Fuhr (P)	✓		Y			
Paul Joyce (A & F)	✓		Y			
Edward Kranz (A & F)	✓		Y			
Todd Lefko (Chair, Policy)	✓		Y			
Bernard Skrebes (A & F)	✓		Y			

REGIONAL TRANSIT BOARD

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

DATE: December 8, 1986
TO: Regional Transit Board
FROM: Administration and Finance Committee
SUBJECT: A&F Committee Meeting Action Items

At its meeting December 4, 1986, the Administration and Finance Committee reviewed, discussed and moved the following:

SUBJECT: MAFAC Administrative Coordination Report

Recommendation:

That the Regional Transit Board accept and approve the Metropolitan Agencies Administrative Coordination Report.

SUBJECT: Compensation Plan & 1987 Compensation Adjustments

Recommendation:

That the Regional Transit Board accept and approve Resolution No. 86-24, which adopts a formal compensation plan and establishes compensation and benefits for 1987.

SUBJECT: Financial Statements - October 1986

Recommendation:

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

SUBJECT: 1987 Transit Operating Contracts

Recommendation:

That the Regional Transit Board authorize the executive director to enter into transit operating contracts for the following programs for the calendar year 1987 in the amounts shown below:

	<u>State Funds</u>	<u>Tax-Related Funds</u>
<u>Rural Programs</u>		
Anoka County (Senior Volunteer)	\$ 30,699	\$ 8,265
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<u>Small Urban Programs</u>		
City of Columbia Heights	\$ 16,909	--
City of Hastings (TRAC)	\$ 39,058	\$ 5,794
Commuter Express, Inc. (Hastings)	--	\$19,964
City of Hopkins	\$ 38,311	--
St. Louis Park Emergency Program	\$ 7,165	--
White Bear Area Transit Commission	\$ 89,611	--
<u>Opt-Out Programs</u>		
City of Plymouth	--	\$369,200
City of Shakopee	--	\$154,440
<u>Regular Route/Private Operator Programs</u>		
Medicine Lake Lines	\$769,163	--
North Suburban Lines	\$610,797	--

NOTE: (a) CY 1986 carryover exurban funds.

A&F ACTION ITEMS
December 15, 1986
Page Three

SUBJECT: Increased Appropriations for Metro Mobility

Recommendation:

That the Regional Transit Board authorize the executive director to execute a contract amendment with the Minnesota Department of Transportation for the \$100,000 increase in funding for Metro Mobility granted by the Legislative Advisory Commission.

INFORMATIONAL ONLY

RTB Advisory Committees

Staff indicated that the informational material on the advisory committees was provided in the A&F packet to allow review prior to the A&F meeting in January when further discussion will take place.

Other Business

Andrews indicated staff will be interviewing candidates for the Comptroller position December 8 and 9. It is anticipated that this person will be on board the early part of January, 1987.

Perovich indicated he intends to make a recommendation soon regarding the Assistant to the Chair position.

Ruth Franklin
Chair

REGIONAL TRANSIT BOARD
270 Metro Square Building, St. Paul, Minnesota 55101

RESOLUTION NO. 86-24

RESOLUTION APPROVING COMPENSATION PLAN
AND
ESTABLISHING 1987 STAFF BENEFITS AND COMPENSATION

WHEREAS, the Regional Transit Board (RTB) Personnel Code, Section 4.1 requires that the Board establish a compensation plan; and

WHEREAS, the RTB Personnel Code, Section 4.1 requires that the Board review compensation and benefits on an annual basis; and

NOW, THEREFORE, BE IT RESOLVED:

1. THAT the RTB hereby adopts the attached compensation plan establishing rates of pay and benefits for Board employees.
2. Salary ranges for each job class will be adjusted 3.75 percent effective January 1, 1987.
3. A performance evaluation system will be implemented on January 1, 1987, which will serve as the basis for determining merit increases. Merit increases will be granted for above average and outstanding performance only. These increases will be granted to eligible employees on their anniversary date in 1987.
4. The Board will pay the full cost of single health insurance and will contribute a maximum of \$155.00/month for dependent health coverage.
5. All other benefits shall remain the same as indicated in the statement of employee benefits.

Adopted this _____ day of _____, 1986.

Elliott Perovich, Chairman

Mary Fitzgerald, Secretary

RTBTX3/TRANSM
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REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota *55101

DATE: November 26, 1986
TO: Administration and Finance Committee
FROM: Mark Ryan, Project Administrator *MAD* *ER*
SUBJECT: Increased Appropriation for Metro Mobility

Action Requested

That the Regional Transit Board authorize its Executive Director to execute a contract amendment with the Minnesota Department of Transportation for the \$100,000 increase in funding for Metro Mobility granted by the Legislative Advisory Commission.

Background

In June 1986, the RTB adopted several changes to the Metro Mobility program. As part of the changes to the program, the base fare was increased to \$1.00 per trip and for travel over eight miles, a maximum charge of \$2.75 was established.

To help offset the added costs to Metro Mobility users, a request was made to Legislative Advisory Commission for interim (6 month) funding. The request was for \$100,000 and on November 13, the RTB was informed that the request had been granted. A copy of the request is attached.

Funding for the Metro Mobility program comes to the RTB by way of a contract with the Minnesota Department of Transportation. In order for the RTB to receive this additional appropriation for the Metro Mobility program, the agreement between Mn/DOT and the RTB needs to be amended. A copy of the proposed amendment to the contract between the RTB and Mn/DOT is attached.

Discussion

This interim funding will be used to reduce the maximum passenger cost for trips longer than 8 miles and will provide time for the legislature to consider a long term funding solution for Metro Mobility.

Staff is currently developing options for this additional appropriation. The options will be discussed at the Transportation Handicapped Advisory Committee scheduled for December 9, and will also be discussed with Metro Mobility providers.

Staff will develop a recommendation on the use of this additional appropriation and present it to the Policy Committee at its meeting scheduled for December 17, 1986.

Findings and Conclusions

- In order for the RTB to receive this additional appropriation of \$100,000 from the State, the agreement between Mn/DOT and the RTB needs to be amended.
- The increased appropriation in the amount of \$100,000 will be used to reduce the maximum passenger cost for trips longer than 8 miles and provide time for the legislature to consider a long term funding solution for Metro Mobility.
- Staff will discuss options with Metro Mobility providers and the Transportation Handicapped Advisory Committee prior to developing a recommendation.
- Staff will develop a recommendation on the use of this additional appropriation and present it to the Policy Committee at its meeting scheduled for December 17, 1986.

Recommendation

That the Regional Transit Board authorize its Executive Director to execute a contract amendment with the Minnesota Department of Transportation for the \$100,000 increase in funding for Metro Mobility granted by the Legislative Advisory Commission.

Accounting Unit:

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FYI
R. [unclear]
11/13*

LEGISLATIVE ADVISORY COMMISSION 1986-87

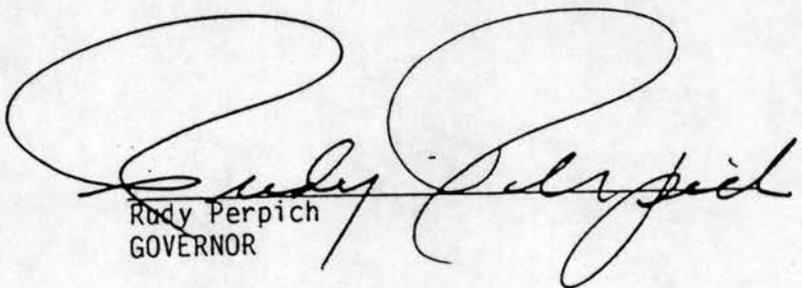
Order # 11

I, Rudy Perpich, as Governor of the state of Minnesota, do hereby order:

1. That there be transferred from the funds appropriated by Laws of 1985, First Special Session, Chapter 13, Section 45, the General Contingent Account (10900:00-10) the following:

a. To the Regional Transit Board, for \$100,000 for F.Y. 1987, Metro Mobility Funding, 71000:08-10, Laws 1985, Special Session, Chapter 10, Section 2, Subd. 5b.

11-10-86
Date


Rudy Perpich
GOVERNOR

LAC/CNH/004

Department of Finance
 309 Administration Building
 50 Sherburne Avenue
 St. Paul, Minnesota 55155
 Phone: 296-4207

Legislative Advisory Commission Request

NOTE: See Instructions on reverse side before filling out this form

Department/Agency/Program/Activity Regional Transit Board				Date October 13, 1986	
Title of Request: Metro Mobility Funding			Amount Requested \$100,000		Number of Personnel Requested None
From: (APIID Number) 10900:00-10	APIID - Title General Contingency Acct.	F.Y. 87	Legal Reference (Must be completed)		
			Laws '85 Sp.S	Chapter 13	Sect. 45 Subd.
To: (APIID Number)	APIID - Title	F.Y.	Legal Reference (Must be completed)		
			Laws	Chapter	Sect. Subd.
Type of Request (check one) <input type="checkbox"/> Emergency Request — State Funds and Positions <input type="checkbox"/> Federal Grant Approval <input type="checkbox"/> Other LAC Action					
Brief Summary of Request: To provide interim (6 month) additional funding to the Regional Transit Board (RTB) for operating costs associated with the Metro Mobility program, a public transportation service for elderly and handicapped persons residing in the Minneapolis/St. Paul area. The interim funding will be used to reduce the \$3.75 maximum passenger cost for trips longer than 8 miles. Specifically, the interim funding will be used to increase the subsidy payments to Metro Mobility providers that will permit providers to recover their costs from the subsidy payments rather than from additional passenger fares. This interim funding will provide time for the legislature to consider a long-term funding solution for the Metro Mobility program.					
Nature of the Emergency/Problem: On October 4, 1986, the RTB restructured the Metro Mobility program in response to rapidly escalating costs and the need to provide service throughout the entire transit taxing district. As part of the plan adopted by the RTB, Metro Mobility users are required to pay more for the service. Under the former program, Metro Mobility users paid between \$.60 and \$.90 for each trip, regardless of the trip length. Under the restructured program, Metro Mobility users will be required to pay \$1.00 for a trip up to 8 miles and up to \$1.00 per mile for travel over eight miles, but not more than \$3.75 per trip. Besides an increase in passenger fares, additional user fees have been introduced to the Metro Mobility program. For the first time, users will be required to pay an annual registration fee of \$10.00 and those users that wish to place a standing request must pay \$10.00 to establish the request and \$5.00 for changes to the request. Many users of Metro Mobility services are on a fixed income and/or have a low income. The increased costs could place a significant financial hardship on some Metro Mobility users. The magnitude of this hardship has surfaced through user response to the fare increase.					
Alternatives Considered: Several combinations of passenger fares and provider subsidies were considered before the RTB adopted a fare policy. Originally the RTB adopted a base fare of \$1.25, but has since lowered the base fare to \$1.00. The RTB also considered a hardship policy, but found that the implementation of such a policy would be more expensive and administratively unmanageable.					
I certify that this request for funds has not previously been considered by either the House Appropriations, or Senate Finance Committee, and that the request is submitted in accordance with the guidelines and instructions on the reverse side.					
Department Head Signature <i>Elliott Perovich</i>				Date <i>October 13, 1986</i>	

Supporting Information for
Metro Mobility
Legislative Advisory Commission Request

The request to the Legislative Advisory Commission (LAC) in the amount of \$100,000 will be used to reduce the fares paid by people who use Metro Mobility services.

Prior to adopting a specific revised fare structure, it will be necessary for the Regional Transit Board (RTB) to solicit input from Metro Mobility users and providers. Throughout the planning process for Metro Mobility, users of the service have had an opportunity to comment on all aspects of the restructuring. It is critical to the development of a successful fare policy, that users have an opportunity to comment on any proposed changes to the fare structure.

Input from Metro Mobility providers is also important. The RTB currently has 19 providers under contract to provide Metro Mobility service. As part of their contract, the providers have agreed to provide Metro Mobility service at a set reimbursement rate. Any change in subsidy payments to providers can only take place once a new rate has been negotiated and approved by the RTB.

REGIONAL TRANSIT BOARD

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

DATE: November 26, 1986
TO: Administration and Finance Committee
FROM: Gerald Brechlin, Manager of Accounting Operations
SUBJECT: Financial Statements - October 1986

ACTION REQUESTED

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

Attachment
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REGIONAL TRANSIT BOARD
FINANCIAL STATEMENTS
OCTOBER 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
OCTOBER 31, 1986

	GENERAL FUND	SPECIAL REVENUE	FIXED ASSETS	TOTAL ALL FUNDS
ASSETS:				
CASH	\$116,339.82	\$141,706.14		\$258,045.96
INVESTMENTS	\$600,000.00	\$16,328,472.64		\$16,928,472.64
TAXES RECEIVABLE-CURRENT		\$20,008,149.92		\$20,008,149.92
TAXES RECEIVABLE-DELINQUENT		\$376,178.22		\$376,178.22
ACCRUED INTEREST RECEIVABLE	\$1,928.13	\$99,432.70		\$101,360.83
DUE FROM OTHER FUNDS	\$111,752.87			\$111,752.87
DUE FROM MET COUNCIL	\$92.70			\$92.70
DUE FROM STATE OF MINNESOTA		\$5,090,871.07		\$5,090,871.07
DUE FROM FEDERAL GOVERNMENT	\$77,181.00	\$97,152.93		\$174,333.93
FURNITURE AND EQUIPMENT			\$135,697.87	\$135,697.87
OTHER ASSETS	\$13,517.58			\$13,517.58
TOTAL ASSETS	\$920,812.10	\$42,141,963.62	\$135,697.87	\$43,198,473.59
LIABILITIES:				
ACCOUNTS PAYABLE	\$7,923.66	\$1,287,374.15		\$1,295,297.81
ACCRUED PAYROLL LIABILITIES	\$67,566.01			\$67,566.01
DUE TO OTHER GOVERNMENT UNITS	\$107,917.12			\$107,917.12
DUE TO MTC		\$13,345,914.50		\$13,345,914.50
DUE TO OTHER FUNDS		\$111,752.87		\$111,752.87
DEFERRED REVENUE & OTHER LIAB.	\$9,927.93	\$22,292,968.28		\$22,302,896.21
TOTAL LIABILITIES	\$193,334.72	\$37,038,009.80		\$37,231,344.52
FUND EQUITY:				
INVESTMENT IN GENERAL FIXED ASSETS			\$135,697.87	\$135,697.87
FUND BALANCE	\$727,477.38	\$5,103,953.82		\$5,831,431.20
TOTAL LIABILITIES AND FUND BALANCES	\$920,812.10	\$42,141,963.62	\$135,697.87	\$43,198,473.59

REGIONAL TRANSIT BOARD
 COMBINED STATEMENT OF REVENUES,
 EXPENDITURES & CHANGES IN FUND BALANCES
 FOR PERIOD TEN MONTHS ENDED 10-31-86

MONTH OF OCTOBER		
GENERAL	SPECIAL REVENUE	TOTAL
\$0.00	\$97,152.93	\$97,152.93
\$86,800.00		\$86,800.00
	\$1,564,171.38	\$1,564,171.38
	\$132,837.50	\$132,837.50
	\$707,482.56	\$707,482.56
	\$0.00	\$0.00
\$2,659.48	\$84,714.63	\$87,374.11
\$358.00	\$0.00	\$358.00
\$89,817.48	\$2,586,359.00	\$2,676,176.48
\$59,129.96	\$27,643.47	\$86,773.43
\$2,172.50	\$16,108.48	\$18,280.98
(\$177.52)	\$177.52	\$0.00
(\$1,191.11)	\$4,825.31	\$3,634.20
(\$7,534.13)	\$7,978.13	\$444.00
(\$162.93)	\$1,940.40	\$1,777.47
\$3,750.00		\$3,750.00
\$3,029.31	\$657.49	\$3,686.80
	\$1,426,382.42	\$1,426,382.42
(\$3,574.87)	\$6,955.79	\$3,380.92
\$5,732.04	\$3,540.33	\$9,272.37
	\$0.00	\$0.00
\$61,173.25	\$1,496,209.34	\$1,557,382.59
\$671.00		\$671.00
\$61,844.25	\$1,496,209.34	\$1,558,053.59
\$27,973.23	\$1,090,149.66	\$1,118,122.89
\$699,504.15	\$4,013,804.16	\$4,713,308.31
\$727,477.38	\$5,103,953.82	\$5,831,431.20

REVENUES:

YEAR TO DATE		
GENERAL	SPECIAL REVENUE	TOTAL
\$351,620.93	\$300,361.87	\$651,982.80
\$823,000.00		\$823,000.00
	\$14,775,961.62	\$14,775,961.62
	\$1,328,375.00	\$1,328,375.00
	\$7,076,917.54	\$7,076,917.54
	\$19,221,405.91	\$19,221,405.91
\$21,426.74	\$897,903.19	\$919,329.93
\$779.00	\$48,950.69	\$49,729.69
\$1,196,826.67	\$43,649,875.82	\$44,846,702.49

TOTAL REVENUE

EXPENDITURES:

\$507,549.76	\$112,906.94	\$620,456.70
\$82,792.83	\$411,344.89	\$494,137.72
\$153,702.88	\$1,763.69	\$155,466.57
\$27,699.02	\$22,316.04	\$50,015.06
\$47,063.41	\$14,273.43	\$61,336.84
\$11,826.65	\$3,456.48	\$15,283.13
\$27,050.00		\$27,050.00
\$40,413.77	\$2,103.03	\$42,516.80
	\$39,146,111.35	\$39,146,111.35
\$45,873.32	\$28,744.84	\$74,618.16
\$27,411.90	\$6,000.45	\$33,412.35
	\$229,350.00	\$229,350.00
\$971,383.54	\$39,978,371.14	\$40,949,754.68
\$38,712.79		\$38,712.79

TOTAL EXPENDITURES

\$186,730.34	\$3,671,504.68	\$3,858,235.02
\$540,747.04	\$1,432,449.14	\$1,973,196.18
\$727,477.38	\$5,103,953.82	\$5,831,431.20

BUDGET LINE ITEM STATUS REPORT
PERIOD 10/31/86

REVENUES:	1986 BUDGET	ACTUAL AS OF 10/31/86	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	\$300,361.87	\$300,361.87	
STATE GRANTS				
RTB ADMINISTRATION	\$1,082,500.00	\$823,000.00	(\$259,500.00)	76.03%
TRANSIT ASSISTANCE	\$20,550,400.00	\$14,775,961.62	(\$5,774,438.38)	71.90%
TAX FEATHERING	\$2,488,000.00	\$1,328,375.00	(\$1,159,625.00)	53.39%
HOMESTEAD CREDIT-GEN	\$0.00	\$6,539,230.00	\$6,539,230.00	
HOMESTEAD CREDIT-DEBT	\$0.00	\$537,686.74	\$537,686.74	
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	\$568,351.93	\$118,351.93	126.30%
MISCELLANEOUS INCOME				
I-35E PROJECT	\$0.00	\$48,950.69	\$48,950.69	
ALL OTHER	\$0.00	\$779.00	\$779.00	
TOTAL REVENUES	\$71,065,500.00	\$44,846,701.69	(\$26,218,798.31)	63.11%

EXPENSES:	1986 BUDGET	EXPENSES TO 10-31-86	UNEXPENDED BUDGET	PERCENT OF BUDGET EXPENDED
SALARIES AND BENEFITS	\$930,700.00	\$620,456.70	\$310,243.30	66.67%
PROF. AND TECH. SERVICES	\$755,000.00	\$494,137.72	\$260,862.28	65.45%
METRO COUNCIL CHARGEBACKS	\$209,700.00	\$155,466.57	\$54,233.43	74.14%
MATERIALS AND SUPPLIES	\$96,500.00	\$50,015.06	\$46,484.94	51.83%
LEASES & RENTALS	\$62,500.00	\$61,336.84	\$1,163.16	98.14%
UTILITIES	\$27,000.00	\$15,283.13	\$11,716.87	56.60%
MEMBERS PER DIEMS	\$38,000.00	\$27,050.00	\$10,950.00	71.18%
TRAVEL EXPENSE	\$93,500.00	\$42,516.80	\$50,983.20	45.47%
TRANSIT PROVIDER PAYMENTS	\$68,607,200.00	\$39,146,111.35	\$29,461,088.65	57.06%
MISCELLANEOUS	\$61,000.00	\$74,618.16	(\$13,618.16)	122.32%
GENERAL AND ADMINISTRATIVE	\$54,000.00	\$33,412.35	\$20,587.65	61.87%
INTEREST EXPENSE	\$0.00	\$229,350.00	(\$229,350.00)	0.00%
SUBTOTAL	\$70,935,100.00	\$40,949,754.68	\$29,985,345.32	57.73%
CAPITAL EXPENDITURES	\$50,000.00	\$38,712.79	\$11,287.21	77.43%
TOTAL EXPENDITURES	\$70,985,100.00	\$40,988,467.47	\$29,996,632.53	57.74%
EXCESS (DEF) REV. OVER EXP.	\$80,400.00	\$3,858,234.22	(\$3,777,834.22)	4798.80%

20952
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RTB Program Status Report 10/31/86
83.33% 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	\$171,684.88	\$144,559.12	54.29%
86-03	Programs/Planning Admin	\$289,660.00	\$290,180.00	\$196,637.02	\$93,542.98	67.76%
86-04	Transportation Planning Process	\$147,050.00	\$145,665.00	\$45,925.84	\$99,739.16	31.53%
86-05	Transit Corridor Study	\$24,170.00	\$23,758.00	\$48,870.57	(\$25,112.57)	205.70%
86-06	I-35W Study	\$38,100.00	\$37,664.00	\$4,397.86	\$33,266.14	11.68%
86-07	Service Needs Assessment and Implementation Plan	\$513,770.00	\$516,675.00	\$583,719.67	(\$67,044.67)	112.98%
86-08	Bus Related Improvements	\$27,310.00	\$28,010.00	\$743.42	\$27,266.58	2.65%
86-09	Urban Travel Analysis	\$49,910.00	\$49,654.00	\$54,580.05	(\$4,926.05)	109.92%
86-10	Handicapped Transp. Planning	\$99,110.00	\$99,265.00	\$78,707.05	\$20,557.95	79.29%
86-11	Regional Rideshare Prog. Coord.	\$80,550.00	\$80,515.00	\$7,905.75	\$72,609.25	9.82%
86-12	I-394 Planning & Implementation	\$257,750.00	\$258,265.00	\$28,345.40	\$229,919.60	10.98%
86-13	Transit System Planning & Impl.	\$229,190.00	\$229,290.00	\$57,114.05	\$172,175.95	24.91%
86-14	Transit Programs and Admin.	\$65,509,300.00	\$65,506,315.00	\$37,319,158.50	\$28,187,156.50	56.97%
86-21	Transit Operator Assistance Debt Service	\$3,353,600.00	\$3,353,600.00	\$1,889,651.79	\$1,463,948.21	56.35%
	Sub-Total	\$70,935,100.00	\$70,935,100.00	\$40,487,441.85	\$30,447,658.15	57.08%
86-20	Capital Expenditure Program	\$50,000.00	\$50,000.00	\$38,712.79	\$11,287.21	77.43%
	Sub-Total Programs and Capital Expenditures	\$70,985,100.00	\$70,985,100.00	\$40,526,154.64	\$30,458,945.36	57.09%
	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.			\$1,568.28		
	TOTAL	\$70,985,100.00	\$71,150,022.00	\$40,988,467.47	\$30,458,831.58	57.61%

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REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: December 11, 1986
TO: Regional Transit Board
FROM: Robert Dietrick, Administrative Aide *RD*
SUBJECT: Metropolitan Council Comments on MAFAC Administrative
Coordination Report

ACTION REQUESTED

It is requested that the Regional Transit Board accept the comments made by the Metropolitan Council on the MAFAC Administrative Coordination Report.

BACKGROUND

The Administration and Finance Committee, at its December 4th meeting, recommended for Board approval the MAFAC Administrative Coordination Report, with no additional comments.

The Metro Governance legislation requires that each agency be given the opportunity to comment on the Metropolitan Council comments on the report (copy enclosed). These comments were not available at the December 4th Administration and Finance Committee meeting. Staff has reviewed the comments made by the Metropolitan Council and we concur with their remarks.

RECOMMENDATION

It is recommended that the Regional Transit Board accept the comments on the MAFAC Administrative Coordination Report made by the Metropolitan Council.

METROPOLITAN COUNCIL
Suite 300 Metro Square Building, Saint Paul, Minnesota 55101
291-6359

REPORT OF THE MANAGEMENT COMMITTEE

DATE: December 2, 1986

TO: Metropolitan Council

SUBJECT: Review of the Metropolitan Agencies Financial Advisory Committee
(MAFAC) Administrative Coordination Report

BACKGROUND

The MAFAC report was presented to the Management Committee for its review and comment at its December 2, 1986, meeting. By statute, the Metropolitan Council is required to review the MAFAC report and make its comments available to the metropolitan agencies for their review prior to the report being submitted to the legislature by January 1, 1987.

The metropolitan governance legislation (Minn. Stat. 473.1623, subd. 5) passed in the 1986 session of the Minnesota Legislature contained a directive requiring the metropolitan agencies to evaluate the benefits, costs, methods and effects in the exercise of the agencies' powers while performing administrative functions. Specific categories were listed by not necessarily limited to the following: ongoing managerial reporting, contracts, purchasing, data processing, and personnel.

As part of the process to evaluate administrative coordination activities, the MAFAC was also to identify potential legal and other impediments that could have an effect on the metropolitan agencies' abilities to increase their existing level of coordination.

Due to the limited time available to adequately evaluate a number of coordination activities identified, the MAFAC has focused on the process that it will undertake in the first quarter of 1987 to complete an evaluation of a number of coordination projects and prepare specific recommendations for metropolitan agency consideration and action.

COMMITTEE COMMENTS

Since the report described in some detail the process that the MAFAC intends to undertake, the review of the committee tended to concentrate on coordination problems briefly discussed in the report. The committee was also interested by how the ongoing coordination between agencies is to be structured. Some specific comments were presented, and they are summarized as follows:

1. The Metropolitan Council, in preparation of its indirect cost study, should monitor those activities of the MAFAC that may be applicable.
2. Although the report identified some impediments to undertaking coordination activities by the agencies, this should not discourage the metropolitan agencies to aggressively identify opportunities and to pursue administrative coordination activities determined to be feasible.
3. The Council should continue to provide its support and encourage the other agencies to lend their support as well to the MAFAC as it develops administrative coordination activities in 1987.

RECOMMENDATIONS

1. That the Metropolitan Council forward these comments to the Metropolitan Airports Commission, Metropolitan Waste Control Commission, and Regional Transit Board as its response to the Metropolitan Agencies Financial Advisory Committee Administrative Coordination Report of November 24, 1986.
2. That the Metropolitan Council continue its active support and cooperation to the Metropolitan Agencies Financial Advisory Committee as it proceeds into the next phase of evaluating and selecting interagency coordination activities.

Respectfully submitted,

Pat Scully, Chair

METROPOLITAN AGENCIES
ADMINISTRATIVE COORDINATION REPORT

BACKGROUND

The metropolitan governance legislation (Minn. Stat. 473.1623, subd. 5) passed in the 1986 session of the Minnesota Legislature contained a directive requiring the metropolitan agencies to evaluate the benefits, costs, methods and effects in the exercise of the agencies' powers while performing administrative functions. Specific categories were listed but not necessarily limited to the following: ongoing managerial reporting, contracts, purchasing, data processing and personnel. The Metropolitan Agencies Financial Advisory Committee (MAFAC) was designated to prepare a progress report to the legislature to be submitted by January 1, 1987. Prior to its submittal, the Metropolitan Council is required to review the report. The other metropolitan agencies are to review the comments of the Council, and their responses are also to be forwarded along with the report.

The committee's report is to also identify potential legal and other impediments that could have an effect on the metropolitan agencies' abilities to increase the level of coordination between each agency's administrative functions. Comments resulting from their review of the report are included as an appendix.

Due to the limited time available for preparing the report, the focus has been to define an interagency coordination process and structure for supporting existing and future administrative coordination activities. The report also outlines a number of potential interagency administrative coordination activities to be evaluated during the first quarter of 1987.

INTERAGENCY ADMINISTRATIVE COORDINATION STRUCTURE

The diversity of roles and responsibilities given to the metropolitan agencies by the legislature presents both opportunities and constraints when attempting to initiate or improve coordinative administrative functions.

SUMMARY OF ADMINISTRATIVE FUNCTIONS

The matrix on the following page is intended to illustrate the extent of diversity that exists by providing a summary of each agency's administrative functions.

MAJOR DIFFERENCES AMONG AGENCIES

The agencies' administrative departments contain a number of common functions such as employee relations, financing and information systems. In addition, some agency administrative departments have developed over the years specialized services as required by the services provided and functions performed that range from property management to management of enterprise funds. The RTB administers a number of contracts for the provision of special transit services.

SUMMARY OF METROPOLITAN AGENCIES ADMINISTRATIVE FUNDS

<u>Agency</u>	<u>Administrative Organization</u>	<u>Functions Performed in this Column Common to All Agencies</u>	<u>Other Functions Performed or Services Provided</u>	
Metropolitan Council	The department of administration is one of five departments and is organized into three divisions: employee relations, information systems and finance.	<ul style="list-style-type: none"> o Employee Relations <ul style="list-style-type: none"> - Administer classification plan - Benefits program - Labor relations - Recruitment - Training o Finance--planning, directing and coordinating financial activities <ul style="list-style-type: none"> - Investments - Financing capital improvements - Cash management o Information systems <ul style="list-style-type: none"> - Maintain data base files - Word processing - System maintenance 	<ol style="list-style-type: none"> 1. Employee relations responsibilities include legislative affairs. 2. Managing enterprise funds. 3. Property management. 	
Metropolitan Airports Commission	Directed by the deputy director for administration and consists of four departments.			<ol style="list-style-type: none"> 1. Business services/special programs. Management of office facilities and performing special studies. 2. Purchasing--the agency's purchasing is centralized. 3. Affirmative action programs are managed as a separate division.
Metropolitan Parks and Open Space Commission	Metropolitan Council provides administrative support.			<ol style="list-style-type: none"> 1. Contract/procurement administration--management of agency's contracts and purchasing. 2. Facilities management--coordination of the purchasing of goods and services.
Metropolitan Sports Facilities Commission	The department of finance and administration provides the administrative services.			<ol style="list-style-type: none"> 1. Management of specific transit programs and dispatching.
Metropolitan Waste Control Commission	Six divisions provide administrative services to the agency: comptroller, information technologies, human resources, procurement, business services/special projects, affirmative action.			
Regional Transit Board	Administrative functions are organized into one section. Some administrative services are provided by the Metropolitan Council.			
Metropolitan Transit Commission	The agency currently consists of five divisions and provides its own administrative services.			

METROPOLITAN AGENCIES' APPROACH FOR PREPARATION OF THE REPORT

EXISTING INTERAGENCY COORDINATION ACTIVITIES

During the course of identifying potential topics for evaluation, a number of existing activities were identified.

The existence of these activities serves to illustrate that administrative coordination is occurring as necessitated by common interagency needs. Coordination activities have been, for the most part, informal (staff-to-staff communication). Some coordination has been formalized by adoption of interagency agreements such as sharing of computer systems, administering certain health care programs, consultant services and the selection of office space. The sharing of common facilities such as public meeting rooms by the Metropolitan Council, Regional Transit Board and the Metropolitan Waste Control Commission is to be included as part of the agencies' office space planning.

The activities listed in this section serve to illustrate the diversity of existing coordination activities reflecting the variety of functions and services provided by each agency. These activities do not occur between all agencies. The frequency and type of similar activities are often determined by common functions performed.

INTERAGENCY COORDINATION

Finance

- Sharing of investment information.
- Selling and managing investments for amortization of bonds sold by the Council.
- Participating in Government Finance Officers Association certificate of conformance in budgeting and comprehensive financial annual report programs.

Human Resources/Personnel

- Sharing of job postings.
- Sharing of union negotiation strategies.
- Salary/benefit comparison surveys.
- Sharing of comparable worth study format.
- Same health/dental/life insurance policies (RTB/MC/MSFC).
- Sharing in designing interview formats for supervisory positions.
- Sharing affirmative action plans and information as to how to develop a plan.

Information Systems

- Sharing IBM mainframe for word processing and finance/payroll functions.
- Joint participation in computer users group.
- Sharing of laser printer for large duplication projects.

Purchasing

- Sharing joint certification for DBE/WBE vendors.
- Jointly sponsored metro DBE/MBE/WBE vendor day.
- Joint purchase of office equipment for potential office move.
- Use state of Minnesota, Hennepin and Ramsey Counties, and cities of Minneapolis and St. Paul purchasing agreements.

General Office

- Sharing specialized copy and document binding equipment.
- Sharing in mailing (using same postage meter).
- Collectively seeking new space and exploring sharing of common areas, i.e., receptionist, meeting and hearing rooms, lobby and lunch room; sharing equipment costs such as common phone system, central services, duplicating, audiovisual room, etc. Other costs are shared for related consultant services and developing agency office space RFP.

Use of Equipment and Facilities

- Use of MWCC boat and lab for testing water samples.
- Use of Metropolitan Council legal library by other agencies.
- Joint participation of agencies in garage sale.

APPROACH FOR PREPARATION OF THE ADMINISTRATIVE COORDINATION REPORT

The MAFAC staff group formed a subcommittee with representation from each one of the agencies to oversee the preparation of the report. The committee was given the responsibility to develop specific recommendations for topics to be addressed within each one of the categories identified in the metropolitan governance legislation. A series of meetings with each of the agency's administrative staffs were held to solicit their input and identify potential opportunities for improving interagency administrative coordination and developing implementing strategies.

COORDINATION ISSUES AND CONCERNS

A significant element of the 1986 metropolitan governance legislation directs the metropolitan agencies to focus on improving the coordination of administrative functions between the agencies.

The initial analysis and investigation into the administrative operations of the agencies completed thus far has led to the identification of some significant issues and concerns affecting the direction and opportunities for future interagency coordination activities. The following is a list of those issues and concerns identified as part of the report preparation process.

1. The Diversity of Legislative Roles and Responsibilities Between Agencies Limits Opportunities for Administrative Coordination. The agencies' diversity has resulted in the development of a broad range of administrative operating philosophies, functions and practices that each agency has developed around the unique requirements of the regional services they provide. Special skills and resources have been developed to perform functions that are common and unique to each agency. Thus, this diversity places some practical limits as to what can be effectively and efficiently combined or coordinated.

2. Federal and State Rules and Regulations Affect Each Agency Differently. Federal and state regulations differ between agencies, placing restrictions on the performance of certain functions that are not always within the ability of the agency to change.
3. Coordination Activities Must Be Cost Effective. In order to respond to intent of statute, the benefits such as cost savings and other indicators must be identified before any recommendations are adopted and a commitment is made to proceed. It is appropriate that only those efforts that have the highest potential benefits be pursued first.
4. Interagency Administrative Cooperation and Coordination Already Exist. There has been a substantial amount of cooperation and coordination currently in place between the agencies. These existing relationships have developed out of mutual interests. Care must be taken to avoid creating artificial coordination activities that will not meet the individual and collective needs of the agencies.
5. Agencies Have Developed a Common Informal Support Network. In addition to existing cooperation among metropolitan agencies, an ongoing effort of coordination with the state of Minnesota, metropolitan area counties, cities, professional organizations, trade associations and others plays a major role in the operations of each agency.
6. Trend Towards Decentralization vs. Centralization. A trend relating to the optimum sizes for performing administrative functions in an efficient and effective manner indicates that a larger organization does not necessarily improve the quality of service provided. Significant advances in technology have made highly sophisticated data processing and financial systems available to small organizations, allowing for increased decentralization of decision-making without a substantial loss of organizational control.
7. Establish Interagency Network for Professional Staff. An immediate and long-term significant benefit to the agencies is the establishment of additional professional contacts in each of the administrative functions. These relationships will continue the process of sharing information, serving as a catalyst for identifying the areas where real coordination needs exist. A forum for continued contacts can only succeed if it is actively supported by the agencies.
8. Proximity of Agency Facilities Affects Coordination. The ability to physically communicate and interact quickly is a necessity to promote efficient operation in administrative functions such as purchasing, personnel and contracting. This factor will provide some unique opportunities for increased coordination between certain agencies while creating barriers to the coordination of some functions to other agencies.

9. Evaluation and Coordination Activities Must Consider Their Impact on the Quality and Cost of Service Provided by the Agencies. Success is often measured by the responsiveness to the needs of those served. The agencies' organizational structures, policies and procedures should be governed by what results in the most effective level of service to the communities. The selection of a level of administrative coordination as affected by the variety of relationships that exist between the agencies must consider the effects on the agency's capacity and the cost of providing services while performing functions as required by statute.

DEVELOPMENT OF POTENTIAL COORDINATION ACTIVITIES FOR 1987

The agencies prepared a list detailing a number of potential coordination projects. A series of work sessions with agency administrative staff were used to narrow the list to those appearing to have the greatest benefit and should be considered for further study during 1987.

SELECTION CRITERIA

Given the broad range of potential topics developed and the time frame available to prepare this report, the MAFAC is adopting a relatively straightforward criteria for subjectively applying a ranking to potential projects. They are the following:

1. Quantify to the extent feasible potential costs/benefits to the agencies.
2. Determine the extent to which opportunity(ies) exist(s) for significant improvement in effectiveness and efficiencies of carrying out administrative functions.
3. Determine the extent to which a reduction in duplication of administrative functions could be achieved.
4. Identify opportunities for sharing of resources in certain common administrative functions.
5. Determine the extent to which the physical location of agency facilities allows for increased coordination.

Time available to prepare the initial report limits the agencies' abilities for undertaking any major coordination projects prior to 1987. Given this, the committee has focused on defining a process for selecting coordination projects beginning in 1987 and on establishing an interagency management structure for monitoring the completion of these activities. The remaining sections of this report present the process that was developed and the implementation schedule.

SELECTION PROCESS--INTERAGENCY COORDINATION STRUCTURE

The committee's selection process contains four phases. In the initial phases, a MAFAC subcommittee will rank the projects developed by a MAFAC staff subcommittee and reviewed by the MAFAC. Once the list is narrowed by MAFAC (with input from the agencies), particular attention will be given for ensuring that activities ultimately selected will sunset once the stated objectives are achieved.

Selection Phases

1. Adopt a system to rank potential projects.
2. Select the five highest ranked projects and initiate the development of a program that includes but is not limited to:
 - Objectives
 - Resources required
 - Agency staffing
 - Consulting
 - Listing products/actions
 - Schedule (includes sunset date)
3. Determine the number of activities to be undertaken considering the current and future allocation of resources as defined in the agencies' individual budgets for 1987 and beyond.
4. The agencies will be given an opportunity to review prior to adoption by MAFAC.

Interagency Coordination Structure

A coordination structure consisting of administrative department directors from each agency will be established to assist the committee by performing the following functions:

- Provide ongoing coordination for those activities selected by the committee.
- Support on interagency administrative coordination matters to identify, evaluate and develop activities as needed.
- Assist the committee in the resolution of conflicts between agencies relative to the selection, undertaking and completion of activities.

POTENTIAL COORDINATION PROJECTS TO BE CONSIDERED FOR EVALUATION IN 1987

The following section provides a general description by categories of projects to be considered by MAFAC for recommendation to the agencies. The intent is to illustrate the diversity and complexity of potential coordination projects.

Management Reporting

Develop common administrative procedures for tracking the status of those actions required by statute relative to budgeting, development programs and capital expenditures.

Personnel

An evaluation of opportunities for joint coordination of health care benefits. The cost of providing health care coverage continues to rise significantly as a component of each agency's total benefits costs. The topic, if evaluated, would determine the extent health care coverage could be combined to reduce costs within the agencies' administrative capacities.

Purchasing

In the area of purchasing, alternatives were identified that ranged from sharing of information to possible consolidation of certain purchasing functions for all metropolitan agencies.

- Enhance coordination in the support of Minority Business Enterprise/Women Business Enterprise (MBE/WBE) programs.
- Enter into a joint purchasing agreement for office furniture systems, office equipment and telephone system in conjunction with the RTB/Metropolitan Council/MWCC move to new office spaces.
- Initiate quarterly review and planning sessions among the purchasing staffs of the metropolitan agencies to share information on procedures, opportunities and disposal of surplus property.
- Identify within each agency staff who have expertise in particular areas of purchasing. Develop a directory of the individuals and their unique skills.
- Evaluate the feasibility of establishing an interagency service or contracting for repairing personal computers, electronic office and telephone equipment.

Ongoing Sharing of Information

- Formation of interagency staff committees to promote the regular exchange of information on the management of information systems, insurance-risk management and the joint development of certain employee educational and training programs.

SCHEDULE

The evaluation of topics and selection of activities is to be completed by MAFAC along with agencies' review and comment by March 31, 1987.

<u>Action</u>	<u>Completion Date</u>
1. MAFAC review of agencies' comments on report and adopt 1987 schedule.	December 17, 1986
2. Review evaluation and selection of topics.	February 11, 1987
3. Agencies' review completed.	February 27, 1987
4. Development of activities (work program).	March 11, 1987
5. Agencies' reviews completed.	March 27, 1987
6. MAFAC action.	April 8, 1987

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REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: November 26, 1986
TO: Administration and Finance Committee
FROM: Robert Dietrick, Administrative Aide *RD CCA*
SUBJECT: Compensation Plan and 1987 Compensation Adjustments

ACTION REQUESTED

It is requested that the Administration and Finance Committee accept the attached Resolution No. 86- , adopting a Compensation Plan and establishing compensation and benefit levels for 1987, for submittal to the full Board for approval.

BACKGROUND

The Regional Transit Board Personnel Code, Section 4.1 states that the Board must establish a Compensation Plan establishing rates of pay and benefits for Board employees. Such a plan must include a listing of all job classes and corresponding salary ranges for these positions. The attached Compensation Plan document spells out the roles and responsibilities for compensation and its administration. The document was reviewed by the RTB's personnel consultant, Karen Olsen of Labor Relations Associates, and it is recommended that the Board adopt the attached Compensation Plan document.

In addition to adopting a formal Compensation Plan document, the Personnel Code also requires that the Board review compensation and benefits on an annual basis. The Board is required to annually set compensation increases and to confirm or adjust benefits.

The RTB staff has recommended several compensation and benefits adjustments for 1987. These adjustments, and the Compensation Plan as a whole, are based on several principles, which are:

- A sound compensation program that will provide the flexibility to attract and retain highly qualified and productive employees;
- Rates paid for comparable employment elsewhere;
- Current inflation and cost of living indexes;
- Job evaluation results;
- The Board's financial resources and adopted budgetary guidelines;
- The philosophy of pay-for-high-quality-performance.

The proposed compensation and benefits adjustments are:

1. Adjustment to salary ranges.

It is proposed that all salary ranges be adjusted upward by 3.75% on January 1, 1987. This range increase is in line with the compensation adjustments that other metropolitan agencies are granting for 1987 and will serve to keep the salary ranges for RTB positions competitive with comparable employment elsewhere.

2. Benefit Increase.

It is proposed that the Board increase the maximum contribution for dependent health insurance coverage from the present \$145.00/month to \$155.00/month effective on January 1, 1987. This increase will serve to keep the Regional Transit Board in the same range on health insurance as the other metropolitan agencies. The cost of this benefit improvement for the present staff is \$600.00/year. No other benefit adjustments are proposed at this time.

3. Adoption of Merit Pay Program

Recommendation is to implement an agency-wide performance evaluation system as of January 1, 1987 and to use the results of this evaluation as the basis for determining eligibility for merit increases. The proposal calls for merit increases to be granted to eligible employees on their anniversary date in 1987. Increases would be in addition to the across the board increase on January 1 and would be granted for above average and outstanding performance only, as determined by the employee's supervisor. The performance evaluation system will operate on the principles of management by objectives and will reaffirm the RTB commitment to a system of performance review and pay-for-high-quality performance.

The proposal for the range adjustments and the merit pay plan is within the budgetary guidelines established by the Board in the adoption of the 1987 RTB Operating Budget.

ATTACHMENTS

1. Compensation Plan Document
2. Statement of Employee Benefits
3. Resolution No. 86 -

RECOMMENDATION

It is recommended that the Administration and Finance Committee accept for submittal to the full Board for approval Resolution No. 86- , which adopts a formal Compensation Plan and establishes compensation and benefits for 1987.

COMPENSATION PLAN

This document is the Compensation Plan of the Regional Transit Board and is adopted pursuant to authority contained in Minnesota Statutes Section 473.143, Subd. 9; and 473.373, and Section 4.1 of the Regional Transit Board's Personnel Code. This Plan shall govern the classification and compensation of all positions at the Regional Transit Board. This Plan sets forth a list of all the classes of positions at the Regional Transit Board by their official title in appendix A. The salary ranges for these position classes are contained in appendix B. Each class is described by a class specification and represents one or more positions sufficiently similar with respect to duties and responsibilities, such that the same salary range can be applied with equity to all the positions in the class.

2. Amendment to the Plan

The Compensation Plan may be amended only by the Board and may be amended for any changes which the Board deems are necessary. The Executive Director may temporarily amend class specifications, or may temporarily assign a new class for a newly created position to a salary range where no appropriate class exists, provided that such action is submitted to the Board for approval or disapproval within two months of the Executive Director's action.

3. Compensation Plan Administration

The Compensation Plan shall be administered and maintained by the Executive Director and it shall be the responsibility of the Executive Director to administer this Plan in a manner consistent with this document and the Personnel Code. The Executive Director shall establish procedures for the administration of this plan in the following specific areas:

A. Position Allocation and Reclassification

The Executive Director shall approve the allocation of each position to an appropriate class. He/she shall establish procedures for classification reviews of each position whenever the duties and responsibilities of an existing position have undergone significant changes, or whenever new positions are to be created.

A request for a classification review of a position may be initiated by an employee in writing, setting forth the changes that have occurred in the position since the last review or other factors which in the employee's opinion warrant reclassification. Following such classification review the Executive Director may approve the reclassification of a position to a different class. When the Executive Director denies an application for reclassification, he/she will notify the affected employee in writing.

B. Class Specifications

Class specifications shall include a class title, a description of the duties and responsibilities, and the job-relevant knowledge and skills a person shall possess for entry to the class and to be developed on the job. The title of the class will be the official title of every position in the class. The class specification shall be the same as the position description for those classes in which there is only one position. In classes in which there is more than one position, more specific position descriptions may be developed, at the request of the employee or supervisor, to further delineate the duties and responsibilities of each position. These position descriptions shall be consistent with the class specification in terms of the level and general type of duties and qualifications required.

C. Review of Position Allocations

The Executive Director shall establish procedures for the periodic review of the class specifications and the allocation of each position to the appropriate class.

D. Appeal of Classification Allocation Decisions

The allocation of an employee's position to a specific class shall be subject to the Grievance Procedure as outlined in Section X of the Personnel Code.

Following completion of all steps of the Grievance Procedure, the action taken may be appealed to the Administration and Finance Committee by filing a written request for a hearing concerning the action within thirty days following the Executive Director's decision under the Grievance Procedure.

The appeal may be based only on the grounds that proper processes were not followed in the position allocation or that the conclusions reached were without proper foundation. The request for a hearing shall include a statement regarding the applicability of these grounds to the appeal.

Material submitted for the Committee's consideration shall include, but not be limited to:

- a. A copy of the request for classification review, including the employee's written comments;
- b. A copy of the class specification for the class to which the employee's position was assigned.

A majority vote shall be necessary for a Committee determination in regard to these matters. The Committee shall either deny the grounds for appeal or refer the matter back to the Executive Director for further examination and determination.

A final determination by the Committee shall constitute the Board's final administrative determination with regard to the appeal and shall take place within thirty work days following the request for a hearing.

E. Determination of Salary Ranges

It is the policy of the Regional Transit Board, as represented in this Plan, to provide salary ranges which are comparable to compensation levels for similar occupational categories in public and private organizations, which provide comparability within the organization for like occupational categories, and which are capable of attracting and maintaining highly qualified personnel. In establishing the salary ranges for the Regional Transit Board positions, consideration shall be given to such factors including, but not limited to: the various types and classes of employment, rates paid for comparable employment elsewhere, job evaluation results, the Board's financial resources, and applicable Federal and State statutes.

F. Salary Ranges

The salary ranges for the various classes of employment at the Regional Transit Board are contained in the Appendix B.

G. Performance Increases

Salary increases based on work performance results may be granted within the salary ranges stipulated in Appendix B. The Executive Director shall establish a system of performance evaluation and guidelines for determination of and monitoring of performance increases. The overall expenditure under the plan shall not exceed an amount specified annually by the Board. The Executive Director shall be responsible for establishing the guidelines for performance increases, and for establishment of starting salaries, salary review dates, salary treatment in the event of promotions or demotions, and appeal of performance evaluations.

Appendix A Listing of Classes

Accountant
Assistant to Chair
Administrative Aide
Administrative Assistant/Executive Secretary
Comptroller
Competitive Transit Coordinator
Contracts & Grants Administrator
Director of Planning & Programs
Engineer/Planner
Executive Director
Manager of Accounting Operations and Treasury
Planning Manager
Planner I
Planner II
Programs Manager
Programs Auditor
Project Administrator
Public Information Officer
Public Information Assistant
Receptionist/Office Clerk
Secretary - Administration
Secretary - Planning & Programs

Appendix B Salary Ranges

	<u>Minimum</u>	<u>Mid-Point</u>	<u>Maximum</u>
<u>Managerial</u>			
Executive Director*	\$53,950	\$63,807	\$73,663
Director of Planning & Programs*	\$46,688	\$57,063	\$67,438
Planning Manager	\$32,163	\$40,779	\$49,395
Programs Manager	\$32,163	\$40,779	\$49,395
Manager of Accounting Operations	\$31,125	\$38,388	\$45,650
Comptroller	\$35,000	\$44,047	\$53,094
 <u>Professional</u>			
Accountant	\$19,194	\$22,047	\$24,900
Administrative Aide	\$22,209	\$27,932	\$33,655
Assistant to Chair*	\$27,114	\$33,823	\$39,451
Competitive Transit Coordinator	\$27,114	\$33,823	\$39,451
Contract Administrator	\$24,900	\$30,607	\$36,313
Engineer/Planner	\$24,900	\$29,156	\$36,313
Planner I	\$20,750	\$26,482	\$32,214
Planner II	\$24,900	\$30,607	\$36,313
Programs Auditor	\$24,900	\$30,607	\$36,313
Project Administrator	\$24,900	\$30,607	\$36,313
Public Information Officer	\$27,114	\$33,823	\$39,451
Public Information Assistant	\$16,393	\$19,869	\$23,344
 <u>Clerical</u>			
Administrative Assist/Exec. Sec.	\$20,750	\$26,482	\$32,214
Secretary - Administration	\$16,393	\$19,869	\$23,344
Secretary - Planning & Programs	\$16,393	\$19,869	\$23,344
Receptionist/Office Clerk	\$12,139	\$14,681	\$17,223

* Unclassified Positions

REGIONAL TRANSIT BOARD

STATEMENT OF EMPLOYEE BENEFITS

- A. Hospital - Medical Care. The RTB pays for employee health insurance coverage and a part of dependent coverage up to a maximum contribution of \$155 per employee. The employee has a choice of five (5) different HMO plans, two of which offer fee-for-service coverage in addition to HMO coverage.
1. Fee-for-Service Coverage. Two of the HMO's offered by the RTB: Group Health and Physicians Health Plan, offer access to physicians outside of their Group Health or PHP network in addition to the full coverage of their normal HMO plan. If an employee were to see a physician outside of the HMO network, each plan would provide benefits similar to that of a fee-for-service plan: a specified deductible and an 80/20 copayment. This is in addition to the normal HMO coverage. Booklets and coverage information are available in Personnel for interested employees.
 2. Health Maintenance Organization Coverage. The employee has the option of selecting health coverage through one of the following HMO's: Med Center Health Plan, Physicians Health Plan, Share Health Plan, Group Health or Coordinated Health Care Plan. Booklets and coverage information are available in Personnel for interested employees.
- B. Dental Insurance. The RTB pays the cost of employee dental insurance. Dependent dental coverage costs the employee \$11.05 monthly with the RTB paying \$47.05 monthly. Coverage includes preventive and restorative care, prosthetics and orthodontics.
- C. Long-Term Disability Insurance. The RTB pays full premium on a long-term disability insurance plan which provides disability benefits of 60-percent of base salary per month up to \$2,500 for covered employees after the 90th day of disability. Benefits are payable to recovery or age 65, except that persons disabled at age 62, or thereafter, receive benefits on a Decreasing Years of Benefits Duration Schedule. Employees are also eligible for basic disability benefits under Social Security and, after five years full coverage, under provisions of the retirement plan.
- D. Group Term Life Insurance. The RTB pays for coverage which is equal to one times the employee's annual salary rounded to the next highest \$1,000 with a minimum of \$10,000 and a maximum of \$50,000. The amount of coverage is reduced by 35-percent at age 65 and coverage ceases at retirement or the employee's termination. An additional \$75,000 in units of \$5,000 and dependency coverage of \$2,000 for spouse and \$2,000 for each child is also available at the employee's expense. Equal amounts of accidental death and dismemberment insurance are included in all coverages.
- E. Vacation Leave. Employees earn vacation according to the following schedule. Vacation is earned incrementally each bi-weekly pay period and may be used when earned, subject to prior supervisory approval.

<u>Service</u>	<u>Approximate No. of Days</u>
During first 3 years	13
After 3, up to 6 years	16
After 6, up to 8 years	20
After 8, up to 20 years	23
After 20 years	26

- F. Sick Leave. All full-time employees are credited with 96 hours (12 days) of sick leave on the first full pay period of each calendar year. Sick leave accumulation is unlimited.
- G. Retirement-Survivor Benefits. Full-time employees are members of the Minnesota State Retirement System. This system is coordinated with Social Security and provides retirement annuities and disability benefits for employees and survivor benefits for dependents when an employee dies. The employee contribution is 3.73-percent of total salary for retirement and disability provisions of the state retirement plan, plus the current rate for Social Security contributions. Employees in the Unclassified Service may choose to be covered under the Unclassified Retirement Plan. Unclassified employees interested in this plan should contact Personnel.
- H. Workers Compensation. Employees are covered under provisions of the Minnesota Worker's Compensation Act.
- I. Unemployment Compensation. Employees are eligible for unemployment compensation upon termination of employment provided they meet the requirements of the Minnesota Employment Security Law.
- J. Work Week. Employees work 40 hour per week. Office hours are from 8:15 a.m. to 5:00 p.m., Monday through Friday, with a 45 minute lunch period. Two 15 minute coffee breaks are also provided. Flexible hour arrangements of 7:15 a.m. to 4:15 p.m.; 7:45 a.m. to 4:30 p.m.; 8:00 a.m. to 4:45 p.m.; 8:30 a.m. to 5:15 p.m.; or 8:45 a.m. to 5:30 p.m. are also available, subject to supervisory approval.
- K. Overtime. For assigned overtime, clerical employees earn overtime pay at time-and-one-half for hours worked in excess of forty (40) hours in the pay period. Other personnel are not eligible for overtime pay; however, compensatory time off may be granted in accordance with established rules.
- L. Transportation. Metro Square Building parking is available and may be on payroll deduction. Parking in other lots in the vicinity is generally available. Prices for these lots vary and are paid directly by the employee daily or monthly. Monthly bus passes are available at a discount rate through payroll deduction.
- Personal automobile travel on RTB business is reimbursed at the rate of 23 cents per mile. Parking incurred on official business is also reimbursed.
- M. Employee Education Program. This program provides for payment of tuition for certain kinds of academic coursework in accordance with established rules.
- N. Employee Assistance Program. This service, provided outside the RTB, is available free of charge for diagnosis and referral of employee and family member problems.

REGIONAL TRANSIT BOARD
270 Metro Square Building, St. Paul, Minnesota 55101

RESOLUTION NO. 86-____

RESOLUTION APPROVING COMPENSATION PLAN
AND
ESTABLISHING 1987 STAFF BENEFITS AND COMPENSATION

WHEREAS, the Regional Transit Board (RTB) Personnel Code, Section 4.1 requires
— that the Board establish a compensation plan; and

WHEREAS, the RTB Personnel Code, Section 4.1 requires that the Board review
compensation and benefits on an annual basis; and

NOW, THEREFORE, BE IT RESOLVED:

1. THAT the RTB hereby adopts the attached compensation plan establishing rates of pay and benefits for Board employees.
2. Salary ranges for each job class will be adjusted 3.75 percent effective January 1, 1987.
3. A performance evaluation system will be implemented on January 1, 1987 which will serve as the basis for determining merit increases. Merit increases will be granted for above average and outstanding performance only. These increases will be granted to eligible employees on their anniversary date in 1987.
4. The Board will pay the full cost of single health insurance and will contribute a maximum of \$155.00/month for dependent health coverage.
5. All other benefits shall remain the same as indicated in the statement of employee benefits.

Adopted this ____ day of _____, 1986.

Elliott Perovich, Chairman

Mary Fitzgerald, Secretary

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: November 26, 1986
 TO: Administration and Finance Committee
 FROM: Edward Kouneski, Programs Manager *EK*
 Cynthia Mayer, Project Administrator *CM*
 Mark Ryan, Project Administrator *MR*
 SUBJECT: Authorization to Enter Into Provider Contracts for CY 1987

ACTION REQUESTED

That the Regional Transit Board authorize the executive director to enter into contracts (see attached forms) with the following for calendar year 1987 in the amounts shown below:

	<u>State Funds</u>	<u>Tax-Related Funds</u>
<u>Rural Programs</u>		
Anoka County (Senior Volunteer)	\$ 30,699	\$ 8,265
Anoka County (Client Volunteer)	--	11,172
Anoka County (Coordinated)	--	45,487
Carver County	\$ 48,359	\$27,222
Dakota County (Volunteer)	--	20,883
DARTS (Dakota County)	\$251,550	\$93,628
Human Services, Inc. (Washington County)	\$133,792	\$30,021
Scott County	\$ 49,960	\$19,787
Senior Community Services	--	\$31,609
Westonka Rides	--	\$10,500 (a)
<u>Small Urban Programs</u>		
City of Columbia Heights	\$ 16,909	--
City of Hastings (TRAC)	\$ 39,058	\$ 5,794
Commuter Express, Inc. (Hastings)	--	\$19,964
City of Hopkins	\$ 38,311	--
St. Louis Park Emergency Program	\$ 7,165	--
White Bear Area Transit Commission	\$ 89,611	--
<u>Opt-Out Programs</u>		
City of Plymouth	--	\$369,200
City of Shakopee	--	\$154,440
<u>Regular Route/Private Operator Programs</u>		
Medicine Lake Lines	\$769,163	--
North Suburban Lines	\$610,797	--

NOTE: (a) CY 1986 carryover exurban funds.

BACKGROUND

The RTB has 26 transit service contracts (among 20 programs) that expire on December 31, 1986. The contracts fall into four categories: 1) state funding, 2) exurban tax funding, 3) opt-out, and 4) private operator. The contract forms for each of the categories are attached. Each applicant has submitted a detailed management plan, which will be incorporated as part of the contract.

In preparing for the contract negotiation sessions, for each program staff has conducted:

- o a review of historical operating and financial data, including ridership, vehicles hours, miles, total costs, fare revenue, and the levels and sources of funding.
- o evaluation of service performance, through compilation of indicators such as subsidy per passenger, revenue-to-cost ratio, passengers per mile, cost per hour, etc.
- o analysis of 1986 year-to-date operating and financial data for projecting actual year-end results and estimating budget variance.
- o analysis of line items costs in the 1987 request for funds including comparison with the line item costs approved in past contracts with MN/DOT.

Following are the general guidelines under which RTB staff proceeded into negotiations with providers:

- o To the extent possible, individual 1987 contracts should be negotiated within the 4% increase that the RTB has requested in state funding.
- o Contracts that are substantially under the 1986 budgeted amount should be renegotiated at a reduced level of funding.
- o Any savings accrued through negotiations should be redistributed, where appropriate, to programs that have justified a need for expansion.

Applicants submitted information for 1987 funding last July to assist staff in the RTB's budgeting process.

DISCUSSION

Attached to this memorandum are descriptions of each program, highlighting funding sources and performance data, with narrative justifying the negotiated contract amounts for calendar year 1987. Also attached are two summary tables:

- o Table 1 shows the negotiated contract amounts for 1987, by RTB funding source (state or tax-related), and the percent change from calendar year 1986 contract amounts.

- o Combining the RTB funding sources, Table 2 compares for each provider: the original request for funding in 1987, the negotiated contract amounts for 1987 recommended by RTB staff, last year's approved contract amounts, and projected 1986 actual figures.

For the calendar year 1987 contracts, there is one major change from past practice that is appropriate to highlight here: Previous state funded contracts have stipulated a 50/40/9/1 payment plan, whereby the RTB advances 50% of the contract amount upfront, 40% at the end of the sixth month, 9% in the twelfth month, and 1% of the contract amount is retained pending the final audit. This payment plan has been eliminated from the contracts and a new plan has been developed that will be applied consistently for all contracts. It involves a 10% advance, as working capital, and an additional advance, granted at the discretion of the RTB, for unusual expenses such as insurance.

Regarding capital funding: RTB staff is in the process of developing a program of capital improvement for providers consisting of vehicle acquisition and rehabilitation, service facilities, and other related improvements. As a first step, staff is involved in a planning effort to document the existing facilities and rolling stock of all providers and to identify the capital needs. Our transit providers have indicated the need for some kind of capital funding support in order to maintain viable transit services. Four providers have requested capital funds for calendar year 1987, as follows:

- o Carver County -- \$25,600 for purchase of a replacement lift-equipped vehicle.
- o DARTS -- \$30,000 for purchase of computer software and components related to installation of a demand-responsive dispatching and scheduling system.
- o Human Services, Inc. -- \$950 for purchase of a two-way radio for its back-up vehicle.
- o Scott County -- \$28,000 for purchase of a replacement lift-equipped vehicle.

These requests for calendar year 1987 funding will be evaluated as part of the RTB's capital needs planning process and recommendations to authorize capital funding will be made by staff at a later date.

It should also be noted that three providers have expressed interest in expanding service levels significantly during the coming year. The negotiated contract amounts for these providers do not assume expansion. Specific plans and justification for expansion have not yet been presented to the RTB, but upon further evaluation during the coming year, contract amendments may be requested by the following:

- o The City of Shakopee is considering expanding its dial-a-ride service to Saturdays and also is interested in developing connecting service with the cities of Chaska, Chanhassen and Eden Prairie.

- o The City of Plymouth is considering adding a midday circulator system operating on Monday-Friday that would serve the northeastern area of Plymouth. In addition, the city is considering serving the Prudential Insurance Company, which has expressed an interest in having service provided to its offices in Plymouth.
- o Medicine Lake Lines would like to add an additional morning and evening peak period bus that would provide service to northern Plymouth.

FINDINGS AND CONCLUSIONS

Following are highlights of the results from the 1987 contract negotiations. For more detailed information, please refer to the individual program descriptions attached.

- o The negotiated contract amounts for 1987, overall, represent a 6.2 percent increase (approximately \$170,800) in funding from calendar year 1986. By program category the 1987 totals and percent changes from 1986 are as follows:

	<u>Total 1987 RTB Funding</u>	<u>Percent Change from 1986</u>
Rural	\$ 812,934	8.2%
Small Urban	\$ 216,812	15.2%
Opt-Out	\$ 523,640	2.7%
Private Operator	\$1,379,960	5.1%

- o Three providers have experienced a significant cutback in federal funding. Two of the providers operate rural programs, one operates a small urban program. The cumulative loss, in Section 18 funds, is approximately \$38,000, and an increased allocation of state funds is proposed to offset this amount.
- o One contract, a new transportation service, is spending far below its CY 1986 budget. Staff is recommending that this contract, with Westonka Rides, be authorized to continue through its demonstration period with carryover exurban funds from its 1986 appropriation.
- o The recommendation to authorize funding for the Hastings Commuter Express service is contingent upon Commuter Express Inc.'s ability to secure a 50% local match, a requirement for exurban funding. At this time, it is uncertain whether the City of Hastings will contribute the local match for calendar year 1987 as it did in 1986.

Table 1

RTB TRANSIT SERVICE PROGRAMS
NEGOTIATED CY 1987 CONTRACT AMOUNTS AND PERCENT CHANGE FROM CY 1986
BY RTB FUNDING SOURCE

	<u>State Funds</u>	<u>Percent Change</u>	<u>Tax Funds</u>	<u>Percent Change</u>
<u>Rural Programs</u>				
Anoka County (Senior Volunteer)	\$ 30,699	(14.1%)	\$ 8,265	(8.4%)
Anoka County (Client Volunteer)	--	--	11,172	(1.6%)
Anoka County (Coordinated)	--	--	45,487	55.0%
Carver County	48,359	59.0%	27,222	(5.7%)
Dakota County (Volunteer)	--	--	20,883	5.0%
DARTS (Dakota)	251,550	2.4%	93,628	2.0%
Human Services, Inc. (Washington)	133,792	4.0%	30,021	1.3%
Scott County	49,960	91.9%	19,787	(17.1%)
Senior Community Services	--	--	31,609	17.4%
Westonka Rides	--	--	10,500(a)	
<u>Small Urban Programs</u>				
City of Columbia Heights	16,909	26.0%	--	--
City of Hastings (TRAC)	39,058	30.0%	5,794	(34.6%)
Commuter Express, Inc. (Hastings)	--	--	19,964	43.8%
City of Hopkins	38,311	(2.0%)	--	--
St. Louis Park Emergency Program	7,165	4.0%	--	--
White Bear Area Transit Commission	89,611	4.0%	--	--
<u>Opt-Out Programs</u>				
City of Plymouth	--	--	369,200	3.9%
City of Shakopee	--	--	154,440	0.0%
<u>Regular Route/Private Operator Programs</u>				
Medicine Lake Lines	769,163	4.9%	--	--
North Suburban Lines	610,797	5.3%	--	--

Note: (a) CY 1986 carryover exurban funds

Table 2

RTB TRANSIT SERVICE PROGRAMS
COMPARISON OF CY 1987 NEGOTIATED CONTRACT AMOUNT
WITH ORIGINAL REQUEST AND PAST CONTRACT DATA

	<u>CY 1987 Request</u>	<u>CY 1987 Negotiated Amount</u>	<u>CY 1986 Contract Amount</u>	<u>CY 1986 Projected Actual</u>
<u>Rural Programs</u>				
Anoka County (Senior Volunteer)	\$ 38,964	\$ 38,964	\$ 44,752	\$ 39,000
Anoka County (Client Volunteer)	\$ 11,172	\$ 11,172	\$ 10,994	\$ 8,000
Anoka County (Coordinated)	\$ 45,487	\$ 45,487	\$ 29,178	\$ 23,178
Carver County	\$ 75,448	\$ 75,581	\$ 59,095	\$ 59,095
Dakota County (Volunteer)	\$ 20,883	\$ 20,883	\$ 19,888	\$ 19,888
DARTS (Dakota)	\$348,852	\$345,178	\$337,450	\$337,450
Human Services, Inc. (Washington)	\$171,006	\$163,813	\$158,282	\$158,282
Scott County	\$ 80,185	\$ 69,747	\$ 49,919	\$ 49,919
Senior Community Services	\$ 31,609	\$ 31,609	\$ 26,930	\$ 26,930
Westonka Rides	\$ 29,335	\$ 10,500	\$ 15,096	\$ 4,596
<u>Small Urban Programs</u>				
City of Columbia Heights	\$ 16,909	\$ 16,909	\$ 13,419	\$ 13,419
City of Hastings (TRAC)	\$ 47,798	\$ 44,852	\$ 38,831	\$ 38,831
Commuter Express, Inc. (Hastings)	\$ 19,962	\$ 19,962	\$ 13,881	\$ 13,881
City of Hopkins	\$ 84,471	\$ 38,311	\$ 37,860	\$ 37,860
St. Louis Park Emergency Program	\$ 9,456	\$ 7,165	\$ 6,889	\$ 6,889
White Bear Area Transit Commission	\$ 98,309	\$ 89,611	\$ 86,164	\$ 86,164
<u>Opt-Out Programs</u>				
City of Plymouth	\$369,200	\$369,200	\$355,200	\$355,200
City of Shakopee	\$154,440	\$154,440	\$154,440	\$140,000
<u>Regular Route/Private Operator Programs</u>				
Medicine Lake Lines	\$854,400	\$769,163	\$733,050	\$733,050
North Suburban Lines	\$667,368	\$610,797	\$580,063	\$580,063

RURAL PROGRAM: Anoka County Senior Transportation (Volunteer)

Description

Anoka County Senior Volunteer Transportation was established about 15 years ago. In 1974 the county took over the service. Transportation services are provided to Anoka County residents 60 years and over, who have no other means of transportation, by volunteer drivers using their own vehicles. Volunteer drivers donated 13,000 hours in 1985. The majority of the rides are for medical appointments (both in county and out), congregate dining and social services.

Operating and Performance Statistics

Below are operating and performance statistics compiled from year-to-date data reported by the Anoka County Senior Transportation (Volunteer) program up to September 30, 1986.

Cost/Passenger	\$ 2.80	Passengers/Vehicle Hour	1.65
Fare Revenue/Passenger	\$.47	Passengers/Vehicle Mile	.17
Subsidy/Passenger	\$ 2.33	Miles/Passenger	5.76
Cost/Vehicle Hour	\$16.73	Hours/Passenger	.61
Cost/Vehicle Mile	\$.49	Miles/Hour	9.51
Fare Revenue/Cost	\$ 4.62		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	\$35,725	\$30,699	(14.1%)
Exurban Tax	9,027	8,265	(8.4%)
SUBTOTAL	\$44,752	\$38,964	(12.9%)
Federal (Section 18)	--	--	--
Amoco Grant	--	--	--
Local (County)	9,028	8,265	(8.5%)
Fare Revenue	--	--	--
Donations	3,375	3,400	.7%
Other	--	--	--
TOTAL	\$57,155	\$50,629	(11.4%)

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	112,000	3.7%	24,000	9.1%
1986 Budgeted	108,000	5.8%	22,000	7.1%
1985 Actual	102,050		20,549	

Recommendation

For the Anoka County Senior Transportation (Volunteer) program, staff is recommending that a maximum of \$30,699 in state funds and \$11,172 in exurban funds be authorized by the RTB for calendar year 1987. These amounts, combined, represent a 12.9% decrease from calendar year 1986.

RURAL PROGRAM: Anoka County Client Transportation (Volunteer)

Description

Anoka County Client Transportation (Volunteer) program started about 15 years ago. Transportation is provided to Anoka County social service clients under 60 needing transportation for counseling, therapy or social service assistance. The service is provided by volunteer drivers with their own cars. Eighty percent of the trips are for medical purposes and 20 percent of the trips are for social services. Their main goal this year is to maintain the present level of volunteer drivers with the new driver insurance liability and taxation issues.

Operating and Performance Statistics

Below are operating and performance statistics compiled from year-to-date actual data reported by the Anoka County Client Transportation (Volunteer) up to September 30, 1986.

Cost/Passenger	\$7.76	Passengers/Vehicle Hour	.48
Fare Revenue/Passenger	\$.37	Passengers/Vehicle Mile	.07
Subsidy/Passenger	\$7.39	Miles/Passenger	13.77
Cost/Vehicle Hour	\$3.74	Hours/Passenger	2.07
Cost/Vehicle Mile	\$.56	Miles/Hour	6.64
Fare Revenue/Cost	\$4.78		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	--	--	--
Exurban Tax	\$10,994	\$11,172	1.6%
SUBTOTAL	\$10,994	\$11,172	
Federal (Section 18)	--	--	--
Amoco Grant	--	--	--
Local (County)	10,994	11,173	1.6%
Fare Revenue	--	--	--
Donations	3,000	3,346	11.5%
Other	--	--	--
TOTAL	\$24,988	\$25,691	2.8%

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	63,000	5.0%	4,000	5.3%
1986 Budgeted	60,000	5.3%	3,800	5.6%
1985 Actual	57,000		3,600	

Recommendation

For the Anoka County Client Transportation (Volunteer) program, staff is recommending that a maximum of \$11,172 in exurban funds be authorized by the RTB for calendar year 1987. This amount represents a 2.8% increase from calendar year 1986.

RURAL PROGRAM: Anoka County Coordinated Transportation

Description

The Anoka County Coordinated Transportation program began in February 1985. This program consists of two service projects, which serve different parts of the county.

The Linwood Senior Center Transportation Project, started in August of 1985, is the first system in the county to provide accessible transportation service to seniors for congregate dining, shopping, senior meetings and other services.

The Northwest Anoka Project began in March of 1986. The County of Anoka subcontracts with Care Van to provide accessible transportation service to Anoka County seniors.

The main goal of the project is to expand transportation services to the elderly and elderly handicapped in Anoka County by developing these services through purchase of service agreements.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual year-to-date data reported by the Anoka County Coordinated Transportation program up to October 1986.

Cost/Passenger	\$13.16	Passengers/Vehicle Hour	6.80
Fare Revenue/Passenger	\$ 0	Passengers/Vehicle Mile	.33
Subsidy/Passenger	\$13.16	Miles/Passenger	3.00
Cost/Vehicle Hour	\$89.46	Hours/Passenger	.15
Cost/Vehicle Mile	\$ 4.38	Miles/Hour	20.43
Fare Revenue/Cost	0 %		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	--	--	--
Exurban Tax	\$29,178	\$45,485	55.9%
SUBTOTAL	\$29,178	\$45,485	55.9%
Federal (Section 18)	--	--	--
Amoco Grant	16,500	--	(100.0%)
Local (County)	29,178	45,485	55.9%
Fare Revenue	1,000	2,280	128.0%
Donations	--	--	--
Other (Title III)	38,000	25,000	34.2%
TOTAL	\$113,856	\$118,250	3.9%

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	18,000	28.6%	2,250	28.6%
1986 Budgeted	14,000	--	1,750	--
1985 Actual				

Recommendation

For the Anoka County Coordinated Transportation program, staff is recommending that a maximum of \$45,485 in exurban funds be authorized by the RTB for calendar year 1987. This amount represents a 55.9% increase from calendar year 1986.

A significant increase in service levels is proposed to begin serving parts of the exurban area in the county that are not now served and to meet the increased ridership demand within the existing area.

In addition, the recommended contract amount offsets the loss of \$16,500 from the Amoco energy overcharge grant.

RURAL PROGRAM: Carver County

Description

Carver Area Rural Transportation was established in 1969 for all residents of Carver County. Medical appointments are the number one priority. Elderly, handicapped, and disadvantaged people are the major users of the service. There are two service components, regular route service and dial-a-ride. Service is provided by county-owned and operated vehicles and by 70 volunteer drivers using their own vehicles. The Carver County Board of Commissioners is the governing body and the program is administered by Carver County Community Social Services.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by Carver County during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 3.14	Passengers/Vehicle Hour	3.20
Fare Revenue/Passenger	\$.08	Passengers/Vehicle Mile	.17
Subsidy/Passenger	\$ 3.06	Miles/Passenger	5.93
Cost/Vehicle Hour	10.07	Hours/Passenger	.31
Cost/Vehicle Mile	\$.53	Miles/Hour	19.00
Fare Revenue/Cost	2.66%		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	\$30,237	\$48,359	59.5%
Exurban Tax	28,858	27,222	(5.7%)
SUBTOTAL	\$59,095	\$75,581	27.7%
Federal (Section 18)	\$84,543	\$68,536	(18.9%)
Amoco Grant	--	--	--
Local (County)	28,859	27,222	(5.7%)
Fare Revenue	7,500	8,500	13.3%
Donations	--	--	--
Other	--	--	--
TOTAL	\$179,997	\$179,839	(.1%)

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	329,052	2.8%	62,500	.8%
1986 Budgeted	320,000	3.0%	62,000	6.1%
1985 Actual	310,752		58,434	

Recommendation

For the Carver County transportation program, staff is recommending that a maximum of \$48,359 in state funds and \$27,222 in exurban funds be authorized by the RTB for calendar year 1987. These amounts, combined, represent a 27.7% increase/decrease from calendar year 1986.

Section 18 funds to Carver County have been significantly reduced. The recommended CY 1987 contract amount offsets the loss of approximately \$16,000 from this revenue source.

RURAL PROGRAM: Dakota County (Volunteer Transportation)

Description

The Dakota County Volunteer Transportation program began in 1976. The program is administered by the Social Services Department. The main goal of the program is to use private agency and social services volunteer drivers to provide rides for Dakota County residents who have a serious need for transportation and no immediate alternative. There is a pool of volunteer drivers from two private non-profit agencies (Community Action and Neighbors, Inc.) who provide service for this project. These agencies recruit and coordinate their own volunteer drivers but the drivers are reimbursed by the county.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by the Dakota County Volunteer Transportation program during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 8.67	Passengers/Vehicle Hour	N/A
Fare Revenue/Passenger	0	Passengers/Vehicle Mile	.78
Subsidy/Passenger	\$ 8.67	Miles/Passenger	1.28
Cost/Vehicle Hour	N/A	Hours/Passenger	N/A
Cost/Vehicle Mile	\$ 6.76	Miles/Hour	N/A
Fare Revenue/Cost	0		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	--	--	--
Exurban Tax	\$19,888	\$20,883	5.0%
SUBTOTAL	\$19,888	\$20,883	5.0%
Federal (Section 18)	--	--	--
Amoco Grant	--	--	--
Local (County)	\$31,502	\$33,077	5.0%
Fare Revenue	0	0	--
Donations	--	--	--
Other	--	--	--
TOTAL	\$51,390	\$53,960	5.0%

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	110,368	5.0%	6,300	5.0%
1986 Budgeted	105,114	27.9%	6,000	73.3%
1985 Actual	82,185		3,463	

Recommendation

For the Dakota County Volunteer Transportation program, staff is recommending that a maximum of \$20,883 in exurban funds be authorized by the RTB for calendar year 1987. This amount represents a 5.0% increase from calendar year 1986.

The increase is due principally to the projected ridership growth figures of the county.

RURAL PROGRAM: DARTS (Dakota County)

Description

DARTS is a private non-profit agency that has provided services for the past eleven years to persons in the metropolitan area that have no other available means of transportation. The average senior rider is 73, female, has a low income and has multiple physical disabilities. Sixty-percent of all trips are for medical and life essential purposes. Seventy-percent of DARTS' riders are elderly. DARTS has 13 vehicles offering service to all Dakota County communities. DARTS also has a volunteer car and driver program.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by DARTS during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 4.50	Passengers/Vehicle Hour	5.16
Fare Revenue/Passenger	\$.26	Passengers/Vehicle Mile	.37
Subsidy/Passenger	\$ 4.24	Miles/Passenger	2.72
Cost/Vehicle Hour	\$23.21	Hours/Passenger	.19
Cost/Vehicle Mile	\$ 1.65	Miles/Hour	14.06
Fare Revenue/Cost	5.81%		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	\$245,650	\$251,550	2.4%
Exurban Tax	91,800	93,628	2.0%
SUBTOTAL	\$337,450	\$345,178	2.3%
Federal (Section 18)	--	--	--
Amoco Grant	--	--	--
Local (County)	\$112,784	93,628	(17.0%)
Fare Revenue	19,421	24,200	24.6%
Donations	--	--	--
Other	78,008	--	(100.0%)
TOTAL	\$547,663	\$463,006	(15.5)

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	236,000	1.5%	90,000	12.5%
1986 Budgeted	232,500	21.8%	80,000	36.5%
1985 Actual	190,835		58,595	

Recommendation

For the DARTS transportation program, staff is recommending that a maximum of \$251,550 in state funds and \$93,628 in exurban funds be authorized by the RTB for calendar year 1987. These amounts, combined, represent a 2.3 percent increase from calendar year 1986.

RURAL PROGRAM: Human Services, Inc. (Washington County)

Description

The main goal of the Transporter is to help elderly and handicapped citizens of Washington County to maintain their independence and provide a continuing cost effective service. The program was established in 1978 to assist elderly people and others remain independent. Seventy-five percent of the riders are elderly and the remaining 25 percent of the riders are non-elderly, handicapped people. A very active group of senior citizens and users of the system have conducted fund raisers and solicited donations and have successfully developed a vehicle replacement fund.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by Human Services, Inc. for its Washington County transportation service during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 7.85	Passengers/Vehicle Hour	3.17
Fare Revenue/Passenger	\$.54	Passengers/Vehicle Mile	.17
Subsidy/Passenger	\$ 7.31	Miles/Passenger	5.80
Cost/Vehicle Hour	\$24.89	Hours/Passenger	.32
Cost/Vehicle Mile	\$ 1.35	Miles/Hour	18.38
Fare Revenue/Cost	6.86%		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	\$128,646	\$133,792	4.0%
Exurban Tax	29,636	30,021	1.3%
SUBTOTAL	\$158,282	\$163,813	3.5%
Federal (Section 18)	--	--	--
Amoco Grant	--	--	--
Local (County)	29,636	30,021	1.3%
Fare Revenue	10,000	12,000	20.0%
Donations	--	--	--
Other	--	--	--
TOTAL	\$197,918	\$205,834	4.0%

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	134,600	0%	23,000	4.5%
1986 Budgeted	134,600	8.3%	22,000	3.9%
1985 Actual	124,283		21,182	

Recommendation

For the Washington County transportation service operated by Human Services, Inc., staff is recommending that a maximum of \$133,792 in state funds and \$30,021 in exurban funds be authorized by the RTB for calendar year 1987. These amounts, combined, represent a 3.5% increase from calendar year 1986.

RURAL PROGRAM: Scott County

Description

The Scott County Transportation Program is a combined fixed route, dial-a-ride and volunteer driver program designed primarily for Scott County's elderly and handicapped citizens. The transportation system is owned and operated by Scott County. Administration of the day-to-day operations of the system is the responsibility of the Human Services Department. A major goal of the system is to assist the County's senior citizens in living independently in the community. Trips within the county provide access to medical facilities, shopping, social services and recreation. When necessary for medical purposes, transportation to Minneapolis is provided.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by Scott County during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 4.91	Passengers/Vehicle Hour	2.74
Fare Revenue/Passenger	\$.11	Passengers/Vehicle Mile	.32
Subsidy/Passenger	\$ 4.80	Miles/Passenger	3.09
Cost/Vehicle Hour	\$13.43	Hours/Passenger	.37
Cost/Vehicle Mile	\$ 1.59	Miles/Hour	8.45
Fare Revenue/Cost	2.28%		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	\$ 26,040	\$ 49,960	91.9%
Exurban Tax	23,879	19,787	(17.1%)
SUBTOTAL	\$ 49,919	\$ 69,747	39.7%
Federal (Section 18)	\$ 73,797	\$ 59,690	(19.1%)
Amoco Grant	--	--	--
Local (County)	23,879	19,787	(17.1%)
Fare Revenue	6,000	20,116	235.3%
Donations	--	--	--
Other	--	--	--
TOTAL	\$153,595	\$169,340	10.3%

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	208,080	2.0%	38,800	2.1%
1986 Budgeted	204,000	13.7%	38,000	14.3%
1985 Actual	179,466		33,246	

Recommendation

For the Scott County transportation program, staff is recommending that a maximum of \$49,960 in state funds and \$19,787 in exurban funds be authorized by the RTB for calendar year 1987. These amounts, combined, represent a 39.7% increase from calendar year 1986.

Scott County has experienced a significant reduction in Section 18 funds. The recommended contract amount for calendar year 1987 offsets the loss of approximately \$14,100 from this federal funding source.

RURAL PROGRAM: Senior Community Services (Delano and West Hennepin County)

Description

The transportation program is operated locally by SCS's Delano Area Senior Center. The main goal of the project is to provide transportation to seniors and handicapped persons and persons in need using a wheelchair lift equipped van and volunteer drivers in their private cars. Other goals include providing transportation to and from the Senior Center nutrition program, to provide a weekly or bi-weekly shopping day in all communities served, to provide transportation for seniors to area physicians, to link the project to the existing MTC bus service area, and to provide coordinated service with Wright County Human Services Volunteer Driver Project and with Westonka Rides.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by Senior Community Services for its transportation program serving Delano and West Hennepin County communities during the fiscal year ending June 30, 1986.

Cost/Passenger	\$11.15	Passengers/Vehicle Hour	3.91
Fare Revenue/Passenger	\$.33	Passengers/Vehicle Mile	.35
Subsidy/Passenger	\$10.82	Miles/Passenger	2.86
Cost/Vehicle Hour	\$ 3.90	Hours/Passenger	.26
Cost/Vehicle Mile	2.92%	Miles/Hour	11.21
Fare Revenue/Cost			

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	--	--	--
Exurban Tax	\$26,930	\$31,609	17.4%
SUBTOTAL	\$26,930	\$31,609	17.4%
Federal (Section 18)	--	--	--
Amoco Grant	--	--	--
Local (County)	26,930	31,609	17.4%
Fare Revenue	1,200	1,400	16.7%
Donations	--	--	--
Other	--	--	--
TOTAL	\$55,060	\$64,618	17.4%

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	16,500	3.1%	6,500	8.3%
1986 Budgeted	16,000	--	6,000	--
1985 Actual	--	--	--	--

Recommendation

For the Delano and West Hennepin County transportation service operated by Senior Community Services, staff is recommending that a maximum of \$31,609 in exurban funds be authorized by the RTB for calendar year 1987. This amount represents a 17.4% increase from calendar year 1986.

More miles of service are budgeted in the coming year in order to serve the growing demand for this service from outlying portions of the exurban area.

RURAL PROGRAM: Westonka Rides

Description

Westonka Rides has increased and improved its transportation service since its initiation in October 1982. Westonka Rides, in addition to its own two vehicles, has a pool of volunteers driving their own cars. Over 10,000 rides were provided in 1985. The service is available to persons 60 years of age or older who are homebound, handicapped, or to non-elderly persons with no other means of transportation.

The RTB began contributing funds to Westonka Rides in January 1986. The program, to date, has carried very few exurban riders and is far under budget.

Operating and Performance Statistics

To date, few exurban riders have been transported. Statistics for the total program have not been reported.

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>
State	--	--
Exurban Tax	\$ 15,096	\$ 10,500
SUBTOTAL	\$ 15,096	\$ 10,500
Federal (Section 18)	--	--
Amoco Grant	--	--
Local (County)	\$ 15,096	\$ 10,500
Fare Revenue	4,985	--
Donations	--	2,390
Other	27,208	64,450
TOTAL	\$ 74,560	\$ 77,340

Recommendation

For Westonka Rides, staff is recommending that a maximum of \$10,500 in carryover exurban funds be authorized by the RTB for calendar year 1987. It is projected that Westonka Rides will spend less than one-third of its calendar year 1986 contract amount.

Westonka Rides was a new addition to the exurban program in 1986. During the year, their efforts to expand into the exurban area was limited due to staffing changes. Their program expansion includes more trips to medical clinics in the area, more coordination with day care centers and future expansion with the new senior highrise being developed in Mound.

SMALL URBAN PROGRAM: City of Columbia Heights

Description

The City of Columbia Heights has been operating a paratransit program called SHARED RIDE since December 1978. Shared Ride is a community-centered transit service for residents of Columbia Heights and Hilltop. Paratransit service is provided within each community as well as to local shopping centers and nearby medical clinics. The majority of users are elderly and disabled people. Ridership breakdown is approximately 78 percent elderly, 3 percent children, 2 percent handicapped and 17 percent other. Yellow Cab Company of Minneapolis has successfully bid to provide this service. The City maintains no capital investment in the program.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by the City of Columbia Heights during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 1.99	Passengers/Vehicle Hour	11.00
Fare Revenue/Passenger	\$.59	Passengers/Vehicle Mile	.85
Subsidy/Passenger	\$ 1.40	Miles/Passenger	1.18
Cost/Vehicle Hour	\$21.89	Hours/Passenger	.09
Cost/Vehicle Mile	\$ 1.69	Miles/Hour	12.95
Fare Revenue/Cost	29.67%		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	\$13,419	\$16,909	26.0%
Exurban Tax	--	--	--
SUBTOTAL	\$13,419	\$16,909	26.0%
Federal (Section 18)	--	--	--
Amoco Grant	--	--	--
Local (County)	2,846	4,673	64.2%
Fare Revenue	6,100	6,600	8.2%
Donations	--	--	--
Other	--	--	--
TOTAL	\$22,365	\$28,182	26.0%

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	17,452	7.4%	15,866	22.0%
1986 Budgeted	16,250	68.3%	13,000	40.1%
1985 Actual	9,655		9,282	

Recommendation

For the City of Columbia Heights, staff is recommending that a maximum of \$16,909 in state funds be authorized by the RTB for calendar year 1987. This amount represents a 26.0% increase from calendar year 1986.

After improvements in service quality were made last year, ridership has nearly doubled, and significantly more miles of service are being operated.

SMALL URBAN PROGRAM: City of Hastings (TRAC)

Description

The City of Hastings has been operating a six-day a week transportation service for the residents of Hastings since 1977. Major employers of the area rely on TRAC, as well as two nursing homes, a major medical center and the Dakota County Government Center. A full mix of riders, including workers, elderly, handicapped and students, use TRAC for a variety of trip purposes within the corporate limits of the city. At present the City has one taxi company that serves Hastings, but that company only commutes between Hastings and the Twin Cities airport. DARTS offers a limited service to senior citizens one day per week for those going to St. Paul. Volunteer drivers, using their personal vehicles, are utilized five days of the week for congregate dining. Hastings system works with DARTS in providing rides to congregate dining on a daily basis. The City has no intercity carriers or regular route transit. The social services will provide volunteer drivers for those in need, but only for out of town trips.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by the City of Hastings for its TRAC program during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 2.98	Passengers/Vehicle Hour	5.63
Fare Revenue/Passenger	\$ 1.14	Passengers/Vehicle Mile	.55
Subsidy/Passenger	\$ 1.84	Miles/Passenger	1.83
Cost/Vehicle Hour	\$16.77	Hours/Passenger	.18
Cost/Vehicle Mile	\$ 1.63	Miles/Hour	10.29
Fare Revenue/Cost	38.22%		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	\$ 29,977	\$ 39,058	30.3%
Exurban Tax	8,854	5,794	(34.6%)
SUBTOTAL	\$ 38,831	\$ 44,852	15.5%
Federal (Section 18)	\$ 41,527	\$ 33,764	(18.7%)
Amoco Grant	--	--	--
Local (County)	2,696	5,794	114.9%
Fare Revenue	36,120	36,960	2.3%
Donations	--	--	--
Other	--	--	--
TOTAL	\$119,174	\$121,370	1.8%

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	65,000	0%	28,800	0%
1986 Budgeted	65,000	1.4%	28,800	(12.5%)
1985 Actual	64,000		32,915	

Recommendation

For the City of Hastings TRAC program, staff is recommending that a maximum of \$39,058 in state funds and \$5,794 in exurban funds be authorized by the RTB for calendar year 1987. These amounts, combined, represent a 15.5% increase from calendar year 1986.

Section 18 funds to this program have been reduced for the coming year. The recommended contract amount offsets the loss of approximately \$7,800 from this federal funding source.

SMALL URBAN PROGRAM: Commuter Express, Inc. (Hastings)

Description

Commuter Express, Inc. operates a subscription bus express route to downtown St. Paul from park-and-ride lot locations in Hastings. One trip is provided in the morning and in the afternoon. This program started in April 1986 as a demonstration project. The City of Hastings agreed to fund it through calendar year 1986 but at this time has not committed funds to the program for 1987.

Operating and Performance Statistics

Hastings Commuter Express service is now carrying approximately 30 passengers per trip. During the first half of November 1986, the service averaged approximately 54 daily riders, for a subsidy per passenger of \$2.88. Revenue per passenger averages approximately \$1.73.

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	--	--	--
Exurban Tax	\$13,882	\$19,964	43.8%
SUBTOTAL	\$13,882	\$19,964	43.8%
Federal (Section 18)	--	--	--
Amoco Grant	--	--	--
Local (County)	\$13,882	\$19,964	43.8%
Fare Revenue	\$30,359	\$43,663	43.8%
Donations	--	--	--
Other	--	--	--
TOTAL	\$58,122	\$83,591	43.8%

Ridership and Service Levels

The same level of service is proposed for calendar year 1987. Ridership will be monitored closely and a formal evaluation of this project is proposed to be completed by April 1987.

Recommendation

For the Hastings to downtown St. Paul express route operated by Commuter Express, Inc., staff is recommending that a maximum of \$19,964 in exurban funds be authorized by the RTB for calendar year 1987. This amount represents a 43.8% increase from calendar year 1986.

The contract amount for calendar year 1986 represents nine months of service. The proposed subsidy level for the coming year calculates to \$155.97 per day--the same level at which service was budgeted in 1986.

SMALL URBAN PROGRAM: City of Hopkins

Description

Hop-a-Ride is a program of the City of Hopkins and is six years old. The objective of the Hopkins transit program is to provide an advance reservation shared-ride taxi service to the residents of the city of Hopkins. Service is also provided outside of Hopkins to Methodist Hospital, Opportunity Workshop and Shady Oak Beach, an area park. The major trip purposes are medical trips, shopping and recreation. Services are provided by a local taxi company (Town Taxi) who was awarded the project after competitive bidding. The program also has a 16(b)(2) van which is operated by the City for the Open Circle Adult Day Care Center located in the Harley Hopkins old elementary school building.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by the City of Hopkins during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 1.79	Passengers/Vehicle Hour	8.98
Fare Revenue/Passenger	\$.39	Passengers/Vehicle Mile	.80
Subsidy/Passenger	\$ 1.40	Miles/Passenger	1.25
Cost/Vehicle Hour	\$16.06	Hours/Passenger	.11
Cost/Vehicle Mile	\$ 1.43	Miles/Hour	11.23
Fare Revenue/Cost	21.86%		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	\$37,860	\$38,311	1.2%
Exurban Tax	--	--	
SUBTOTAL	\$37,860	\$38,311	1.2%
Federal (Section 18)	--	--	--
Amoco Grant	--	--	--
Local (County)	10,240	9,492	(7.3%)
Fare Revenue	15,000	16,048	7.0%
Donations	--	--	--
Other	--	--	--
TOTAL	\$63,100	\$63,851	1.2%

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	43,000	1.2%	35,000	2.9%
1986 Budgeted	42,500	4.7%	34,000	4.7%
1985 Actual	40,588		32,484	

Recommendation

For the City of Hopkins, staff is recommending that a maximum of \$38,311 in state funds be authorized by the RTB for calendar year 1987. This amount represents a 1.2% increase from calendar year 1986.

SMALL URBAN PROGRAM: St. Louis Park Emergency Program (STEP)

Description

STEP is a private non-profit agency that has provided services for persons in the metropolitan area for the past seven years that have no other available means of transportation. STEP predominantly serves persons who are elderly and disabled persons who can ride in an automobile. Transportation is provided primarily for medical related purposes with occasional recreation and shopping trips. STEP uses a corp of 30-40 volunteers who provide rides with personal automobiles. Consequently, the service is not accessible. Much of the area served by STEP is also served by regular route transit. The clients that use STEP do not generally travel well on regular route transit service. An effort should be made by STEP to teach and encourage persons to use regular route service when appropriate.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by the St. Louis Park Emergency Program (STEP) during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 4.00	Passengers/Vehicle Hour	1.21
Fare Revenue/Passenger	\$ 0	Passengers/Vehicle Mile	.12
Subsidy/Passenger	\$ 4.00	Miles/Passenger	8.07
Cost/Vehicle Hour	\$ 4.83	Hours/Passenger	.83
Cost/Vehicle Mile	\$.50	Miles/Hour	9.74
Fare Revenue/Cost	0		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	\$ 6,889	\$ 7,165	4.0%
Exurban Tax	--	--	--
SUBTOTAL	\$ 6,889	\$ 7,165	4.0%
Federal (Section 18)	--	--	--
Amoco Grant	--	--	--
Local (County)	--	--	--
Fare Revenue	--	--	--
Donations	4,593	4,776	4.0%
Other	--	--	--
TOTAL	\$11,482	\$11,941	4.0%

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	30,000	51.5%	2,700	6.8%
1986 Budgeted	19,800	(3.7%)	2,527	0%
1985 Actual	20,563		2,526	

Recommendation

For the St. Louis Park Emergency Program (STEP) staff is recommending that a maximum of \$7,165 in state funds be authorized by the RTB for calendar year 1987. This amount represents a 4.0% increase from calendar year 1986.

SMALL URBAN PROGRAM: White Bear Area Transit Commission

Description

White Bear Area Transit has been transporting White Bear and Birchwood Village residents for eight years. The service is provided by a donated van to the White Bear Senior Citizens Program and by an independent contractor service provided (currently Morley Bus Service). The service is available to all residents in the area. The main goal for 1987 is to increase ridership by 5 percent by emphasizing off-peak hour availability and encourage shopping trips on Saturdays during the holidays.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by the White Bear Area Transit Commission during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 4.70	Passengers/Vehicle Hour	2.94
Fare Revenue/Passenger	\$.90	Passengers/Vehicle Mile	.23
Subsidy/Passenger	\$ 3.81	Miles/Passenger	4.42
Cost/Vehicle Hour	\$13.81	Hours/Passenger	.34
Cost/Vehicle Mile	\$ 1.06	Miles/Hour	12.99
Fare Revenue/Cost	19.09%		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	\$86,164	\$89,611	4.0%
Exurban Tax	--	--	--
SUBTOTAL	\$86,164	\$89,611	4.0%
Federal (Section 18)	--	--	--
Amoco Grant	--	--	--
Local (County)	25,444	26,141	2.7%
Fare Revenue	32,000	33,600	5.0%
Donations	--	--	--
Other	--	--	--
TOTAL	\$143,608	\$149,352	4.0%

Service Levels

Following is a comparison of service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	143,678	0%	33,075	5.0%
1986 Budgeted	143,678	6.3%	31,500	.8%
1985 Actual	135,182		31,257	

Recommendation

For the White Bear Area Transit Commission, staff is recommending that a maximum of \$89,611 in state funds be authorized by the RTB for calendar year 1987. This amount represents a 4.0% increase from calendar year 1986 and reflects plans to introduce Saturday service on a trial basis during the holiday season.

OPT-OUT PROGRAM: City of Plymouth

Description

Plymouth was the first city to develop replacement service and has been operating since October 1983. The City of Plymouth contracts with Medicine Lake Lines to operate commuter service, reverse commuter service and an internal midday circulator. The commuter service offers morning and evening express trips to downtown Minneapolis on Monday through Friday. The reverse commuter service provides trips from downtown Minneapolis to Plymouth on Monday through Friday. The internal midday circulator operates seven days each week, from 9:00 a.m. to 4:00 p.m. Mini-coaches operate a fixed route that circulates through Plymouth on a regular basis.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by the City of Plymouth during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 5.08	Passengers/Vehicle Hour	8.15
Fare Revenue/Passenger	\$ 1.09	Passengers/Vehicle Mile	.52
Subsidy/Passenger	\$ 3.98	Miles/Passenger	1.91
Cost/Vehicle Hour	\$41.41	Hours/Passenger	.12
Cost/Vehicle Mile	\$ 2.67	Miles/Hour	15.54
Fare Revenue/Cost	21.56%		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
Property Tax	\$355,200	\$369,200	3.90%
Fare Revenue	91,900	92,200	.32%
Other	34,900	--	--
TOTAL	\$482,000	\$461,400	(4.50%)

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	191,700	.5%	104,770	.3%
1986 Budgeted	190,700	1%	104,400	9.3%
1985 Actual	188,795	--	95,557	--

Recommendation

For the City of Plymouth, staff is recommending that a maximum of \$369,200 in available local transit property tax dollars be authorized by the RTB for calendar year 1987. This amount represents a 3.9% increase from calendar year 1986 and reflects the addition of one morning express bus serving commuters traveling to downtown Minneapolis.

OPT-OUT PROGRAM: City of Shakopee

Description

The City of Shakopee has been providing service since September 1984 through a combination of dial-a-ride and commuter van pooling. The van pools operate Monday through Friday, during the morning and evening peak hours, and provide service from Shakopee to downtown Minneapolis, St. Louis Park and Roseville. The dial-a-ride operation serves the city from 6:00 a.m to 6:00 p.m., Monday through Friday. During 1986 the City of Shakopee put the dial-a-ride service out for bid and Kare Kabs was awarded the contract. RTB staff worked with the City of Shakopee to develop an hourly based contract that included productivity incentives for the provider. The van pool contract was also put out for bid and was awarded to Van Pool Services, Inc.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by the City of Shakopee during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 3.98	Passengers/Vehicle Hour	9.01
Fare Revenue/Passenger	\$.60	Passengers/Vehicle Mile	.25
Subsidy/Passenger	\$ 3.38	Miles/Passenger	4.08
Cost/Vehicle Hour	\$35.88	Hours/Passenger	.11
Cost/Vehicle Mile	\$.98	Miles/Hour	36.76
Fare Revenue/Cost	15.12%		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>Approved CY 1986 Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
Property Tax	\$154,440	\$154,440	0%
Fare Revenue	44,934	44,934	0%
TOTAL	\$199,374	\$199,374	0%

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles and ridership, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	208,303	0.0%	46,822	8.4%
1986 Budgeted	208,303	18.6%	43,202	10.2%
1985 Actual	175,569		39,203	

Recommendation

For the City of Shakopee, staff is recommending that a maximum of \$154,440 in available local transit property tax dollars be authorized by the RTB for calendar year 1987. This amount represent no change from calendar year 1986.

REGULAR ROUTE PROGRAM: Medicine Lake Lines

Description

Medicine Lake Lines is a privately owned bus company that provides regular route service to the communities of Golden Valley, Crystal, New Hope, Plymouth, Maple Grove and downtown Minneapolis. Medicine Lake Lines has been providing service to the greater Medicine Lake area since 1942. Service offered by Medicine Lake Lines includes the operation of peak hour buses for commuters to downtown Minneapolis along with midday and Saturday service. Twenty-two buses are operated by Medicine Lake Lines under this contract with the RTB.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by Medicine Lake Lines during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 2.58	Passengers/Vehicle Hour	15.94
Fare Revenue/Passenger	\$.79	Passengers/Vehicle Mile	1.07
Subsidy/Passenger	\$ 1.79	Miles/Passenger	.93
Cost/Vehicle Hour	\$41.09	Hours/Passenger	.06
Cost/Vehicle Mile	\$ 2.76	Miles/Hour	14.89
Fare Revenue/Cost	30.46%		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>CY 1986(a) Budget</u>	<u>Recommended CY 1987 Budget</u>	<u>Percent Change</u>
State	\$733,050	\$769,163	4.9%
Fare Revenue	278,490	271,000	(2.75%)
Other	5,415	5,500(b)	--
TOTAL	\$1,016,955	\$1,045,663	2.8%

(a) Based on January-June actual expenses and July-December contract amount.

(b) RTB estimate.

Ridership and Service Levels

Following is a comparison of service levels, in terms of miles and ridership, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	305,983	0.0%	347,000	(.5%)
1986 Budgeted	305,983	(5.5%)	348,829	1.0%
1985 Actual	322,851	--	345,092	--

Recommendation

For Medicine Lake Lines, staff is recommending that a maximum of \$769,163 in state funds be authorized by the RTB for calendar year 1987. This amount represents a 4.9% increase from the estimated 1986 contracted amount.

REGULAR ROUTE PROGRAM: North Suburban Lines

Description

North Suburban Lines is a privately owned company that provides regular route service to the communities of Anoka, Coon Rapids, Blaine, Lino Lakes, Centerville, Mounds View, Circle Pines, Lexington, Shoreview, North Oaks, Vadnais Heights, Little Canada and Roseville. North Suburban Lines began providing regular route service to this area in October 1970. North Suburban Lines provides express commuter service to downtown St. Paul and operates midday service Monday through Friday. North Suburban Lines operates 16 transit and coach-style buses.

Operating and Performance Statistics

Below are operating and performance statistics compiled from actual data reported by North Suburban Lines during the fiscal year ending June 30, 1986.

Cost/Passenger	\$ 2.71	Passengers/Vehicle Hour	14.86
Fare Revenue/Passenger	\$.79	Passengers/Vehicle Mile	.65
Subsidy/Passenger	\$ 1.92	Miles/Passenger	1.55
Cost/Vehicle Hour	\$40.32	Hours/Passenger	.07
Cost/Vehicle Mile	\$ 1.76	Miles/Hour	22.96
Fare Revenue/Cost	29.11%		

Funding Sources

Following are the amounts and sources of funds budgeted in 1987, compared with 1986.

<u>Source of Funds</u>	<u>CY 1986*</u> <u>Budget</u>	<u>Recommended</u> <u>CY 1987</u> <u>Budget</u>	<u>Percent</u> <u>Change</u>
State	\$580,063	\$610,797	5.3%
Fare Revenue	198,883	211,212	6.2%
Other	4,173	4,548	9.0%
TOTAL	\$783,119	\$826,557	5.5%

*Based on January-June actual expenses and July-December contract amount.

Ridership and Service Levels

Following is a comparison of ridership and service levels, in terms of miles, projected in 1987 compared with budgeted 1986 and actual 1985 data.

	<u>Total Miles</u>	<u>Percent Change</u>	<u>Total Ridership</u>	<u>Percent Change</u>
1987 Projected	392,955	.43%	268,240	5.9%
1986 Budgeted	391,244	19.25%	253,300	(3.7%)
1985 Actual	328,062	--	262,649	--

Recommendation

For North Suburban Lines, staff is recommending that a maximum of \$610,797 in state funds be authorized by the RTB for calendar year 1987. This amount represents a 5.3% increase from the estimated 1986 contract amount. The slightly higher than average increase for North Suburban Lines is attributable to the initiation of an employee pension plan and higher depreciation expenses for new vehicles that will be in service January 1.

C O N T R A C T F O R M S

STATE CONTRACT FORM

Contract _____

REGIONAL TRANSIT BOARD
AGREEMENT WITH

FOR FUNDING THE
PUBLIC TRANSIT ASSISTANCE PROGRAM CONTRACT

This contract, entered into this _____ day of _____, 1986, is made by and between the Regional Transit Board, (hereinafter referred to as "RTB"), and _____, (hereinafter referred to as "RECIPIENT").

WHEREAS, the RTB is authorized in accordance with Laws of Minnesota 1985, First Special Session, Chapter 10, Section 2, Subd. 5, Clause (b) to use as much as may be needed of the previously mentioned appropriation to enter into and administer contracts after June 30, 1985, for financial assistance to transit providers in the metropolitan area under Minnesota Statutes sections 473.384, 473.388 and 473.386, having certified readiness to assume existing Mn/DOT contracts under Minnesota Statutes sections 174.23, 174.24, 174.265 and 174.31; and

WHEREAS, the RTB assumed responsibility for administering contracts made by the commissioner under Minnesota Statutes section 174.23, 174.24, 174.265 and 174.31 effective February 28, 1986; and

WHEREAS, the RTB has authorized the executive director to enter into agreement with the RECIPIENT; and

WHEREAS, the RECIPIENT is willing to provide such services for the RTB in accordance with all the terms, provisions and conditions stated within this agreement;

NOW THEREFORE BE IT AGREED THAT the RECIPIENT shall comply with the terms, provisions and conditions as follows:

I. Financial Participation - Operating Costs

A. Responsibility of Recipient

Except as provided below, the RECIPIENT will fund or cause to be funded an amount equal to _____ percent (___%) of the total operating cost incurred in the operation of the public transit system described in the Management Plan which is attached to this document, made a part of the contract by reference and designated Exhibit 1.

Exception: In the event that the availability of state and federal operating assistance funding is insufficient to reimburse the RECIPIENT the difference between the RECIPIENT's fixed percentage share and the total operating cost, the RECIPIENT will fund an amount equal to the difference between the sum of the total amounts of state and federal operating assistance funds participation and the total operating cost.

The term "total operating cost," as used in this contract, has the meaning given in the rules adopted pursuant to Minn. Stat. Section 174.23, subd. 7.

The RECIPIENT's share of the total operating costs may include but is not limited to farebox revenue, other system revenue, donations, property taxes and other local revenue sources deemed appropriate by the RECIPIENT and not prohibited by federal, state and/or local statute, law, ordinance, rule or regulation.

B. State and Federal Funds Availability

For the purposes of this contract, the determination of the amounts of the Regional Transit Board public transit assistance funds eligible and available for payment to the RECIPIENT under the terms and conditions of this contract as it applies to this contract shall rest solely and exclusively with RTB.

C. Basis of Payment by RTB of State Public Transit Assistance Funds

RTB will pay to the RECIPIENT, as the State of Minnesota public transit assistance funds share of total operating cost, an amount equal to the difference between the sum of the amount of the RECIPIENT's share, as determined in accordance with the provisions of section A above, plus the amount of the Federal Section 18 Funds share, as determined in accordance with the provisions of section C above, and the RTB approved total operating cost incurred in the operation of the public transit system.

D. Estimated Recipient and State Funds Cost Shares

Projections as taken from the Budget Section of the Management Plan, shown as Exhibit 1, estimate the RECIPIENT, and RTB shares of the total operating cost of the public transit system to be as shown in the following calculations.

RECIPIENT's Share Estimate

(Total operating cost) \$ _____ x ___% equals RECIPIENT's share amount of \$ _____.

RTB State Public Transit Assistance Funds Share

(Total operating cost) \$ _____ minus
(RECIPIENT's share) \$ _____ minus
(Federal Section 18 Funds share \$ _____ (Agreement _____))
equals state public transit assistance funds share of
\$ _____.

II. Financial Participation - Capital Equipment Costs

A. Basis of Payment by RTB of Transit Assistance Program Funds

Subject to the availability of sufficient state funds, RTB will pay to the RECIPIENT, as the public transit assistance funds share of total eligible capital equipment costs, the lesser of the two following amounts: (1) the lump sum amount of \$ _____, (2) an amount equal to ___ percent (___%) of the total eligible capital equipment costs.

B. Responsibility of Recipient

The RECIPIENT will fund all of that portion of the total capital equipment costs not reimbursed by public transit assistance funds in accordance with the provision of section A above.

It shall be understood that at least half of the RECIPIENT's funding share, which matches the public transit assistance funds participating in capital equipment costs, must be provided in cash from sources other than federal funds or revenue from the operation of the system. The other half of the RECIPIENT's matching share may be made up of unrestricted funds from other federal programs.

III. Disbursement of State Funds

Payments of the RTB transit assistance funds share of the total operating cost will be made by RTB to the RECIPIENT based on an estimated total state funds share of \$ _____ and in accordance with the following schedule:

1. Payments will be made by RTB to RECIPIENT monthly, based on submission of the Request for Funds form, attached to this contract as Exhibit 1.

2. It is agreed that 10 percent of the final payment will be withheld pending a final audit by RTB, which will determine an approved operating deficit for the period of this contract.
3. If, at the end of this contract period, the final operating deficit is determined to be less than 100-percent of the RTB approved operating deficit, RTB will reduce the final payment to comply with the provisions of this contract. If it is determined that RTB has overpaid the RECIPIENT, the RECIPIENT will refund to RTB that amount sufficient to comply with the provisions of this contract.
4. If it is determined, as a result of final audit, that RTB has overpaid RECIPIENT on any previous contract, RTB may reduce payments under this contract by that amount overpaid, upon notification of RECIPIENT.
5. As detailed below, provision is hereby made for an advance payment:
 - a) RECIPIENT must submit a written request for an advance payment, accompanied by supporting financial and operating documentation. If sufficient funds are available, upon approval of the RTB project administrator, RTB will advance to the RECIPIENT an amount up to 10-percent of the approved annual operating deficit.
 - b) It is agreed that no retainage will be withheld from the advance payment. The amount of the advance will be withheld in equal amounts from the last two monthly payments.
 - c) After RTB has approved one advance payment, subsequent advance payments shall be considered only after additional documentation is submitted.

Upon completion of the final contract audit, RTB will make a final payment to the RECIPIENT of the amount of any unpaid balance of the State of Minnesota public transit assistance funds share based on final, actual, eligible costs and in accordance with the provisions of article I, section D of this contract. If it is determined based on the results of the final contract audit that RTB has overpaid the RECIPIENT through partial payment advancements, the RECIPIENT will refund the amount of overpayment upon receipt of an RTB invoice in the amount of such refund.

IV. Management of Transit Service

A. Management Plan

The RECIPIENT agrees to fully carry out the provisions of the current Management Plan as approved by RTB and attached to this contract as Exhibit 1. The RECIPIENT agrees to oversee and operate the project in accordance with the Management Plan and any revisions thereof. The parties agree that the Management Plan, including the

budget thereof, can be amended only with the written approval of the RTB project administrator. Any modifications of the Management Plan by the RECIPIENT without prior RTB approval shall be grounds for termination by RTB of continued funding.

B. Subcontracting by Recipient

RTB shall review and approve all contracts between the RECIPIENT and third parties prior to the execution of any such contract for services to be performed or goods to be provided pursuant to the current approved Management Plan and retains the right to disapprove any such third party contracts. All third party contracts, when approved by RTB, will become an element of the current approved Management Plan and subject to the provisions of Section A above.

C. Independent Contractor

Under the terms of this contract, RECIPIENT is an independent contractor and has and retains full control and supervision of the services and full control over the employment and direct compensation and discharge of all persons assisting in the performance of its services hereunder. RECIPIENT agrees to be solely responsible for all matters relating to payment of employees, including compliance with social security, all payroll taxes and withholdings, unemployment compensation, and all other regulations governing such matters. RECIPIENT agrees to be responsible for its own acts and those of its subordinates, employees and any and all subcontractors during the life of this contract.

V. Records and Documentation

A. Records

RECIPIENT agrees to maintain all accounting and operating records required by RTB relative to this contract and its Management Plan. RECIPIENT also agrees to require any and all subcontractors as a written condition of said RECIPIENT's contract with such subcontractors to likewise maintain the same accounting and operating records required of RECIPIENT, and to make said records available to RTB upon reasonable notice during the term of this contract and for five years thereafter. Said records will serve to determine the total operating cost and deficit and state and federal funds participation as specified in Articles I and II of this contract.

B. Audits

As required by Minn. Stat. Section 16B.06, subd. 4, the records, books, documents and accounting procedures and practices of the RECIPIENT and of any subcontractor relating to this program and to this contract shall be subject to audit and examination by RTB and the legislative auditor or state auditor at any time during working hours.

C. Reports

The RECIPIENT agrees to provide RTB with a report at the end of each month of operation summarizing its activities during the period. Said report shall be submitted no later than 20 days after the end of the month being reported. Forms specified in Article III, Section B of this contract shall be used for this purpose.

D. Allowability of all expenses charged to RTB relating to this contract, shall be in accordance with the Code of Federal Procurement Regulations 41 CFR Part 1-15 and Federal Office of Management and Budget Circular A-87 for all RECIPIENTS who are not Private Non-Profit Organizations. Private Non-Profit RECIPIENTS will comply with the Federal Office of Management and Budget Circular A-122.

E. Surveys

Surveys may be required by RTB for the purpose of project evaluation; if so, the RECIPIENT agrees to survey the patrons of the transit project at the times specified by RTB. The survey format to be used shall be administered by the RECIPIENT in a manner acceptable to RTB and the results of the surveys required under this contract shall be provided to RTB.

VI. Contract Period

A. Effective Period

The contract shall be in effect from January 1, 1987, through December 31, 1987.

B. Termination of this Contract

RTB may withhold payment or terminate this contract at any time if the RECIPIENT does not comply with the provisions of this contract or if the purpose of Minn. Stat. Chap. 174 is not being accomplished thereunder. If RTB terminates this contract it reserves the right

to take such action as it deems necessary and appropriate to protect the interests of the state. Such action may include curtailing the disbursement of any additional funds and requiring the return of all or part of the funds that have already been disbursed to the extent that the final RTB approved shares of state and/or federal funds assistance are not exceeded. RTB may terminate this contract or reduce the amount of state and/or federal funds participation shown in Articles I and II herein if funding becomes unavailable.

C. Disposition of Capital Equipment

As long as any value remains, RTB shall retain control over the disposition of any capital assets whose cost it participated in under the terms of this or any previous contract. RECIPIENT agrees to comply with the following RTB requirements if any such asset is disposed of at any time hereafter:

1. Transfer title of capital equipment purchased totally or in part with RTB transit assistance funds to such other parties as RTB may designate, according to the terms set forth below; or
2. Sell said capital equipment on public sealed bids, according to the terms set forth below; or
3. Purchase RTB interest in said capital equipment, according to the terms set forth below.

If said capital equipment is required to be transferred to another party, RECIPIENT will receive from RTB at least that percentage of the present fair market value of the equipment said RECIPIENT contributed to the original cost of the equipment when it was purchased. Fair market value shall be calculated on the basis of at least three appraisals acceptable to RTB.

If said equipment is sold on bids, the parties agree that the RECIPIENT may retain the same percentage of the net price realized from the sale as said RECIPIENT contributed to the original cost of the equipment when it was purchased. The remainder of the price realized will be paid to RTB. RTB reserves the right to request additional bids on capital equipment should it feel this action is necessary to establish the value of the equipment or to reject all such bids if it feels all bids submitted are unacceptably lower than the fair market price of the equipment.

If RECIPIENT purchases RTB's interest in said equipment, RECIPIENT agrees to pay to RTB the same percentage of the present fair market value of the equipment as RTB, through the assistance funds, contributed to the original cost of the equipment when it was purchased. Fair market value shall be calculated on the basis of at least three appraisals acceptable to RTB.

VII. General Provisions

A. RECIPIENT agrees that Sections B, C, D, E, H, I, J and K of this Article VII, below, shall be included in their entirety in any subcontracts executed between itself and any third parties for goods and services provided for in this contract requiring that such contractors make the same undertaking as therein required of RECIPIENTS.

B. Equal Employment Opportunity

In conjunction with the execution of this contract, the RECIPIENT agrees that it shall not discriminate against any employee or applicant for employment because of race, color, sex, or national origin. RECIPIENT will take affirmative actions to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selections for training, including apprenticeship.

C. Services

Services performed by the RECIPIENT, under this contract, shall be performed in a diligent and competent manner and their performance shall be subject to review and inspection by RTB through its designated agents at all reasonable times.

D. Insurance

The RECIPIENT, and its subcontractor, agree to provide liability insurance in the amounts of at least \$200,000 per claim for injury, death or property damage by wrongful act or omission, and \$600,000 for any number of claims arising out of a single occurrence. Insurance coverage shall be provided to protect the RECIPIENT and RTB from any loss arising out of the furnishing of the service. RECIPIENT agrees to furnish all appropriate certificates of insurance, and to carry higher limits of insurance if required by RTB.

E. Indemnity

RECIPIENT agrees to indemnify and hold harmless RTB from and against all claims or demands of every nature on account of injury to or death of persons or damage to or loss of property, caused by or resulting in any manner from any acts or omissions of the RECIPIENT,

its subcontractors or its agents or employees, in performing or failing to perform any of the service, duties or operations to be performed by the RECIPIENT and its subcontractor under this contract.

It is hereby understood and agreed that any and all employees of the RECIPIENT and all other persons employed by the RECIPIENT in the performance of any of the services required or provided for under this contract shall not be considered employees of the State and that any and all claims that may arise under the Worker's Compensation Act of the State of Minnesota on behalf of said employees while so engaged and any and all claims by any third parties as a consequence of any act or omission on the part of said RECIPIENT's employees while so engaged in any of the services to be rendered under this contract by the RECIPIENT, shall in no way be the obligation or responsibility of the State.

F. Limitations

The RECIPIENT shall not be required to furnish the service required under this contract or any portion thereof in the event of its inability to do so by virtue of a concerted refusal of its employees to work or any strike of any kind or character of its or other employees, including a so-called wild-cat strike or slowdown or stoppage, any riot, civil strife or disturbance, closing of streets, roads or bridges, inclement weather, destruction by any means or methods of any of its property necessary for the performance thereof, flood, fire, act of God or any other cause beyond its control.

G. Public Utilities Commission

Under circumstances and conditions where regulations apply, the furnishing of all service and the charges to be made to passengers in connection therewith are expressly subject to the approval, certification and licensing of the Public Utilities Commission or its successor and any other governmental body or authority having legal jurisdiction over any such matters.

H. Disadvantaged/Women Business Enterprises

The RECIPIENT, in connection with the execution of this contract, agrees to abide by the statements and conditions of Exhibit 3 attached hereto and hereby incorporated into this contract.

I. Title VI--Civil Rights Act of 1964

The RECIPIENT, in connection with the execution of this contract, assures compliance with the statements and conditions of Exhibit 4, attached hereto and hereby incorporated into this contract.

J. Charter Operators Protection Clause

The RECIPIENT in connection with the execution of this contract, assures compliance with the statements and conditions of Exhibit 5 attached hereto and hereby incorporated into this contract.

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K. Non-Waiver

The failure of RTB at any time to insist upon a strict performance of any of the terms, conditions and covenants herein shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants herein contained.

IN WITNESS WHEREOF, the parties signed below have caused this agreement to be executed as of _____, 198__.

REGIONAL TRANSIT BOARD

Gregory L. Andrews
Its Executive Director
270 Metro Square Building
St. Paul, MN 55101

Its _____

AF/CON--TX2

EXURBAN CONTRACT FORM

Contract No. _____

REGIONAL TRANSIT BOARD
AGREEMENT WITH
FOR FUNDING THE EXURBAN PROGRAM

This Agreement is made and entered into by and between the Regional Transit Board, ("RTB,") and _____, ("CONTRACTOR").

WHEREAS, the RTB, in accordance with Minnesota Statutes 473.446, Subdivision 1, shall levy upon all taxable property within the Metropolitan Transit Area but outside of the Metropolitan Transit Taxing District, a transit tax equal to ten percent of the levies provided in Subdivision 1(a) to (c); and

WHEREAS, The RTB, in accordance with Minnesota Statutes 473.466, Subdivision 1(a), shall use the proceeds of this tax for paratransit services or ridesharing programs designed to serve persons located within the transit area but outside of the Metropolitan Transit Taxing District, commonly known as the "exurban area"; and

WHEREAS, the CONTRACTOR is willing to provide such paratransit services for the RTB in accordance with all of the terms, provisions and conditions stated in this agreement; and

WHEREAS, the RTB has authorized the executive director in Resolution 86-01 to enter into agreement with the CONTRACTOR for the provision of paratransit services;

NOW THEREFORE be it agreed that:

The CONTRACTOR shall comply with the terms and conditions contained on pages 1 through 7.

1. SERVICE

- (a) The CONTRACTOR agrees to provide services in accordance with Attachment A, ("Management Plan"), consisting of ___ pages, which is attached to and part of this agreement. The service which shall be provided by the CONTRACTOR shall be available for the carriage of all persons who may desire to utilize it, at such times, in such places and upon payment of such fares or service charges as described in the Management Plan. It is understood that the service will be provided by volunteer drivers and/or paid drivers under the management of the CONTRACTOR.
- (b) The CONTRACTOR specifically agrees to make service available to persons residing in the portion of the exurban area served by the CONTRACTOR as described in the Management Plan.

2. CHANGES IN SERVICE

The CONTRACTOR shall notify the RTB in writing of any proposed service changes that will affect the Management Plan not less than thirty (30) days prior to the intended implementation date. Any changes must remain consistent with the Management Plan, unless approved in writing by the RTB prior to the implementation of such change. Changes will be determined to be consistent with the Management Plan by the RTB project administrator. The term RTB project administrator, for purposes of this agreement, means the person who is assigned by the RTB to monitor the provisions of this agreement. Any modifications of the Management Plan by the CONTRACTOR without prior approval of the RTB, shall be grounds for termination of continued funding by the RTB.

3. EQUIPMENT

The CONTRACTOR shall furnish vehicles and equipment which are necessary for the operation of the service. Volunteer drivers who have been screened by the CONTRACTOR may also furnish vehicles necessary for the operation of service.

4. PERSONNEL

(a) Any and all employees of the CONTRACTOR, its subcontractor or other persons while engaged in the performance of any work or services required by the CONTRACTOR under this agreement shall not be considered employees of RTB, and any and all claims that may or might arise under the Worker's Compensation Act of Minnesota on behalf of said employees or other persons while so engaged, and any and all claims made by any third party as a consequence of any act or omission on the part of the CONTRACTOR'S employees its subcontractors or other persons while so engaged in any of the work or services to be rendered shall in no way be the obligation or responsibility of the RTB.

(b) In connection with the carrying out of this agreement, the CONTRACTOR or its subcontractor shall not discriminate against any employee or organization on the basis of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, age, political affiliation or sexual preference.

(c) The CONTRACTOR and its subcontractors shall use their best efforts to obtain goods and services from small business concerns owned and controlled by women and socially and economically disadvantaged individuals.

(d) Under terms of this agreement the CONTRACTOR and its subcontractors shall be considered as independent contractors.

5. OPERATION, MAINTENANCE, AND HOUSING

The CONTRACTOR and its subcontractors shall operate and maintain the buses and related equipment and service in compliance with administrative regulations promulgated by the RTB and all lawful orders, rules and regulations of properly constituted authorities governing the operation

of service and in a manner reasonably suitable for the transportation of persons. In addition, the CONTRACTOR and its subcontractors shall furnish all fuel, oil, lubricants, supplies, and accessories necessary for the operation of said vehicles and shall undertake their repair and maintenance to keep them in good and sound operating condition. The CONTRACTOR and its subcontractors shall provide for the inspections and cleaning of all vehicles necessary and suitable for their maintenance and for the comfort and safety of the passengers. The CONTRACTOR and its subcontractors shall supply storage and housing of all vehicles, parts, and supplies to be furnished or used by it in connection with the furnishing of the service under this agreement.

6. LICENSES AND TAXES

The CONTRACTOR and its subcontractors shall procure and keep current any and all licenses, permits or certificates which are or may be required by properly constituted authorities for the performance of the service. Furthermore, the CONTRACTOR and its subcontractors shall be responsible for all taxes assessed on property owned by it, including storage facilities and vehicles, to be used in connection with the furnishing of the service.

7. INSURANCE

The CONTRACTOR and its subcontractors agree to procure from companies acceptable to the RTB and authorized to do business in the state of Minnesota, liability coverage of at least \$200,000 per claim for injury, death or property damage by wrongful act or omission and \$600,000 for any number of claims arising out of a single occurrence during the term of this contract to protect the CONTRACTOR, its subcontractors and the RTB from any loss arising out of the furnishing of the service. The CONTRACTOR shall furnish to the RTB Certificates of Insurance naming the RTB as additional insured. The RTB requires notice of any change to the insurance coverage and policies thirty (30) days prior to cancellation, termination, or implementation of any changes in the policies.

8. INDEMNITY

- (a) The CONTRACTOR and its subcontractors shall indemnify and save harmless the RTB from and against any and all claims or demands including all costs of defense of every nature on the account of injury to or death of persons or damage to or loss of property, caused by or resulting in any manner from any acts or omissions of the CONTRACTOR, its subcontractors, its volunteers, agents or employees, and its subcontractors, in performing or failing to perform any of the services, duties or operations to be performed by the CONTRACTOR whether under this agreement or otherwise.
- (b) The CONTRACTOR and its subcontractors shall also indemnify and hold harmless the RTB against risk or loss of all kinds including all costs of defense through injury to the CONTRACTOR'S employees, and its subcontractors and volunteers, while in the course and scope of their employment under this agreement.

9. REPORTS, RECORDS AND DOCUMENTATION

- (a) The CONTRACTOR shall submit a monthly report summarizing monthly operating statistics on the format shown as Attachment B, consisting of four pages which is attached to and made part of this agreement. On a quarterly basis, the CONTRACTOR shall submit a report in the format shown in Attachment C, consisting of three pages which is attached to and made part of this agreement.
- (b) The CONTRACTOR shall maintain all records pertaining to the project for a period of three (3) years from date of final payment.
- (c) Upon request, the CONTRACTOR will furnish to the RTB copies of all reports required by law or regulation to be furnished to the RTB or any other governmental body or authority having legal jurisdiction over operational matters of the CONTRACTOR.
- (d) The CONTRACTOR shall, at the end of the term of this agreement, turn over in a timely fashion any and all records that are requested and deemed to be appropriate by the RTB.

10. CONDITIONS, LIMITATIONS AND RESTRICTIONS

- (a) The CONTRACTOR shall not be required to furnish the service or any portion thereof in the event of its inability to do so by virtue of any concerted refusal of its employees to work or any strike of any kind or character of its or its subcontractors, including a so-called wild-cat strike or slowdown or stoppage; any riot, civil strike or disturbances; closing of streets, roads, routes, or bridges; inclement weather; destruction of any means or methods of any of its property necessary for the performance of this agreement; flood, fire, or any other cause beyond its control.
- (b) The services of the CONTRACTOR to be performed in this agreement shall not be assigned or transferred unless written authority to do so is granted by the RTB. This written consent shall in no way relieve the CONTRACTOR from its primary responsibility for performance of the work.
- (c) The RTB shall not be responsible for any loss or damage sustained or claimed to be sustained by the CONTRACTOR or its subcontractors through the failure of the CONTRACTOR or its subcontractors to maintain at all times a timely operating schedule.
- (d) The failure of the RTB at any time to insist upon a strict performance of any of the terms, conditions and covenants contained within this agreement shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants contained within this agreement.

11. ARBITRATION

Any dispute under this agreement shall be settled in accordance with rules and procedures of the American Arbitration Association, provided that only one arbitrator shall be used to settle any dispute.

12. INSPECTIONS

- (a) The RTB shall have the right and shall be at liberty to monitor and inspect, with the CONTRACTOR'S cooperation, all elements of the system under this agreement.
- (b) The CONTRACTOR and its subcontractors shall keep full and complete books of account under generally accepted accounting principles reflecting its operations pursuant to this agreement. The CONTRACTOR further agrees to permit the RTB or its designee to inspect, copy or audit its accounts or its subcontractor, records and business documents at any time during regular business hours, as they may relate to the agreement.
- (c) The CONTRACTOR shall provide full and competent technical services to handle and correct any and all problems associated with the operation of the system.

13. PAYMENT

- (a) The CONTRACTOR will be reimbursed on actual expenses computed and submitted in accordance with Attachment B.
- (b) Payment shall be based on services provided as specified in the Management Plan. The format of the monthly statement is to be in the form shown in Attachment B. The CONTRACTOR shall furnish the statements to the RTB not later than the fifteenth (15th) day of the first month after commencing operation and will be accompanied by a cover letter stating the amount due from the RTB. Except for the final invoice, the RTB shall process invoices for payment within twenty (20) days of receipt providing the invoice has been prepared and submitted in accordance with Attachment B.
- (c) Subject to the availability of sufficient exurban funds, RTB will pay to the CONTRACTOR, the lesser of the two following amounts: 1) the lump sum amount of _____; 2) an amount equal to fifty percent of the total operating deficit providing that the amount paid by the RTB in no instance exceeds the operating deficit of the CONTRACTOR connected with providing service in the exurban area and that the CONTRACTOR provides a local match equal to the amount contributed by the RTB.

The term total operating cost as used in this agreement has the meaning of all mutually agreed upon costs necessary to operate the service as outlined in the Management Plan, as taken from the budget section of the Management Plan.

The term operating deficit means the total operating cost minus farebox revenues, other system revenue, donations, and state and federal assistance.

- (c) Capital expenses shall not be reimbursed under this agreement.
- (d) Eligible cost and expense shall be based on actual documented costs.

- (e) Invoices shall be sent to:

Regional Transit Board
Attn: Programs Section
270 Metro Square Building
St. Paul, MN 55101

- (f) For the purposes of this agreement, the determination of the amounts of exurban property taxes eligible and available for payment to the CONTRACTOR and/or the determination of the participating percentage as it applies to this contract shall rest solely and exclusively with RTB.
- (g) Upon final audit, if it is determined that the RTB has overpaid the CONTRACTOR, the CONTRACTOR will refund the amount of overpayment upon receipt of an invoice, from the RTB, in the amount of such overpayment.

14. MANAGEMENT ASSISTANCE AND COOPERATION

The CONTRACTOR agrees that major problems and occurrences will be reported to the RTB. Promotion, service changes, and other significant changes to the Management Plan by the CONTRACTOR, whether proposed by the CONTRACTOR or the RTB, shall be made only with prior consultation between the CONTRACTOR and the RTB. The CONTRACTOR specifically agrees to assist the RTB in any matters which, in the discretion of the RTB, are in the interest of improving the service by way of survey, public notice, publicity, or public education.

15. TERMINATION OF THIS AGREEMENT

- (a) RTB may withhold payment or terminate this agreement at any time if the CONTRACTOR does not comply with the provisions of this agreement. If RTB terminates this agreement, it reserves the right to take such action as it deems necessary and appropriate to protect the interests of the RTB. Such action may include curtailing the disbursement of additional funds.
- (b) The RTB may terminate this agreement if funding is not available.
- (c) This agreement may be terminated and cancelled by either the CONTRACTOR or the RTB with thirty (30) days' written notice to the other party and all obligations contained in this agreement shall cease upon the expiration of thirty days.

16. NOTICE

Notice by certified mail shall be deemed to have been given on the day of mailing using the addresses contained on the contract agreement.

17. RESERVATION OF RIGHTS

Nothing in this agreement shall modify, waive, restrict, abrogate or limit the powers of the RTB conferred by law or regulation.

18. TERM

The term of this agreement shall be from January 1, 1987, to December 31, 1987.

IN WITNESS WHEREOF, the parties signed below have caused this agreement to be executed as of _____, 1987.

REGIONAL TRANSIT BOARD

Gregory L. Andrews
Its Executive Director
270 Metro Square Building
St. Paul, MN 55101

Its _____

OPT-OUT CONTRACT FORM

Contract No. _____

REGIONAL TRANSIT BOARD
AGREEMENT WITH

FOR FUNDING PUBLIC TRANSIT

This contract, entered into this _____ day of _____, 1986, is made by and between the Regional Transit Board, (hereinafter referred to as "RTB"), and _____, (hereinafter referred to as "RECIPIENT").

WHEREAS, the RTB is authorized in accordance with Minnesota Statute, Section 473.388, to enter into and administer contracts for financial assistance for a replacement service program to eligible cities or towns; and

WHEREAS, the RTB has authorized the executive director to enter into agreement with the RECIPIENT; and

WHEREAS, RECIPIENT had submitted an application or a letter of intent to apply for assistance by July 1, 1984; and

WHEREAS, the RTB has determined that the proposed service is consistent with its approved implementation plan and is intended to replace the service to the RECIPIENT by the MTC and that the proposed service will meet the needs of the RECIPIENT at least as efficiently and effectively as the existing service; and

WHEREAS, the RECIPIENT is willing to provide such services for the RTB in accordance with all the terms, provisions and conditions stated within this agreement;

NOW THEREFORE BE IT AGREED THAT the RECIPIENT shall comply with the terms, provisions and conditions as follows:

I. Financial Participation

A. Payment by RTB

RTB agrees to pay the RECIPIENT an amount not to exceed the available local transit funds of \$ _____ or 100-percent of the approved total operating deficit, whichever is less. Total operating deficit is defined as the amount by which the total approved operating expenses incurred in the operation of the public transit system exceed the amount of revenues derived therefrom. In no event shall the RTB's obligation hereunder exceed the limit set forth in Minnesota Statutes Section 473.388, subdivision 4.

B. Responsibility of Recipient

The RECIPIENT agrees to provide, from other sources, all additional funds necessary for full payment of the total operating deficit if it exceeds the amount of available local transit funds.

C. Disbursements

1. Payments will be made by RTB to RECIPIENT monthly, based on submission of the Request for Funds form, attached to this contract as Exhibit 1.
2. It is agreed that 10 percent of the final payment will be withheld pending a final audit by RTB, which will determine an approved operating deficit for the period of this contract.
3. If, at the end of this contract period, the final operating deficit is determined to be less than 100-percent of the RTB approved operating deficit, RTB will reduce the final payment to comply with the provisions of this contract. If it is determined that RTB has overpaid the RECIPIENT, the RECIPIENT will refund to RTB that amount sufficient to comply with the provisions of this contract.
4. If it is determined, as a result of final audit, that RTB has overpaid RECIPIENT on any previous contract, RTB may reduce payments under this contract by that amount overpaid, upon notification of RECIPIENT.
5. As detailed below, provision is hereby made for an advance payment:
 - a) RECIPIENT must submit a written request for an advance payment, accompanied by supporting financial and operating documentation. If sufficient funds are available, upon approval of the RTB project administrator, RTB will advance to the RECIPIENT an amount up to 10-percent of the approved annual operating deficit.
 - b) It is agreed that no retainage will be withheld from the advance payment. The amount of the advance will be withheld in equal amounts from the last two monthly payments.
 - c) After RTB has approved one advance payment, subsequent advance payments shall be considered only after additional documentation is submitted.

II. Management of Transit Service

A. Management Plan

The RECIPIENT agrees to fully carry out the provisions of the current Management Plan submitted by the RECIPIENT on file at the RTB and approved by the RTB. The Recipient agrees to oversee and operate the project with the Management Plan and any revisions thereof.

The parties agree that the Management Plan, including the budget and estimated total operating deficit thereof, can be amended only with the written approval of the RTB project administrator. Any modifications of the Management Plan by the RECIPIENT without prior RTB approval shall, in addition to any other remedies of the RTB, entitle the RTB to terminate continued funding hereunder.

B. Subcontracting by Recipient

RTB shall review and approve all contracts between the RECIPIENT and third parties prior to the execution of any such contract for services to be performed pursuant to the current approved Management Plan and retains the right to disapprove any such third party contracts. All such third party contracts, when approved by RTB, will become an element of the current approved Management Plan and subject to the provisions of Section II.A. of this contract.

C. Independent Contractor

Under the terms of this contract, RECIPIENT is an independent contractor and has and retains full control and supervision of the services and full control over the employment and direct compensation and discharge of all persons assisting the performance of its services hereunder. RECIPIENT agrees to be solely responsible for all matters relating to payment of employees, including compliance with social security, all payroll taxes and withholdings, unemployment compensation, and all other regulations governing such matters. RECIPIENT agrees to be responsible for its own act and those of its subordinates, employees and any and all subcontractors during the life of this contract. Nothing herein shall be construed to classify the relationship of RECIPIENT to any other party as anything other than an independent contractor relationship.

III. Records and Documentation

A. Records

RECIPIENT agrees to maintain all accounting and operating records required by RTB relative to this contract and its Management Plan. RECIPIENT also agrees to require any and all subcontractors, as a written condition of said RECIPIENT'S contract with such subcon

tractors, to likewise maintain the same accounting and operating records required of RECIPIENT, and to make said records available to RTB upon reasonable notice during the term of this contract and for five years thereafter. Said records will serve to determine the total deficit and RTB participation as specified in I.A.

B. Audits

As required by Minn. Stat. 16B.06, subd. 4, the records, books, documents and accounting procedures and practices of the RECIPIENT and of any subcontractor relating to this program and to this contract shall be subject to audit and examination by RTB and the legislative auditor or the state auditor at any time during working hours.

C. Reports

The RECIPIENT agrees to provide RTB with a report at the end of each month of operating summarizing its activities during the period. Said report shall be submitted no later than 30 days after the end of the preceding month. Forms specified in Paragraph I.C.1. of this contract shall be used for this purpose.

D. Allowability of all expenses charged to RTB, relating to this contract, shall be in accordance with the Code of Federal Regulations 41 CFR Part 1-15 for all Recipients who are not Private Non-Profit Organizations. Private Non-Profit Recipients will comply with the Federal Office of Management and Budget Circular A-122.

E. Surveys

Surveys may be required by RTB for the purpose of project evaluation; if so, the RECIPIENT agrees to survey, at its own expense, the patrons of the transit project at the times specified by RTB. The survey format to be used shall be administered by the RECIPIENT in a manner acceptable to RTB and the results of the surveys required under this contract shall be provided to RTB.

IV. Contract Period

A. Effective Period

The contract shall be in effect from January 1, 1987 through December 31, 1987.

B. Termination of this Contract

RTB may withhold payment or terminate this contract at any time if the RECIPIENT does not comply with the provisions of this contract or if the purpose of Minn. Stat. Section 473.371-473.449 is not being accomplished thereunder. If RTB terminates this contract, it reserves the right to take such action as it deems necessary and appropriate to protect the interests of the state. Such action may include refusing to make any additional disbursement of funds and requiring the return of all or part of any funds that have already been disbursed to the extent that the RTB share of the final approved operating deficit is not exceeded. RTB may terminate this contract or reduce the amount of financial participation shown in Section I herein if funding becomes unavailable to the RTB.

C. Disposition of Capital Equipment

As long as any value remains, RTB shall retain control over the disposition of any capital assets whose cost it participated in under the terms of this or any previous contract. RECIPIENT agrees to comply with the following RTB requirement, which shall be selected at the option of the RTB, if any such asset is disposed of at any time hereafter:

1. Transfer title of capital equipment purchased totally or in part with RTB transit funds to such other parties as RTB may designate, according to the terms set forth below; or
2. Sell said capital equipment on public sealed bids, according to the terms set forth below; or
3. Purchase RTB's interest in said capital equipment, according to the terms set forth below.

If said capital equipment is required by the RTB to be transferred to another party, RECIPIENT will receive from RTB that portion of the then-current depreciated sale value of the equipment as is equal to a fraction, the numerator of which is the amount which RECIPIENT contributed, by means of its own funds, exclusive of any grant funds provided by the RTB under this contract or any subsequent contract, to the original purchase of the capital equipment, and the denominator of which is the total original purchase price of the capital equipment. Depreciation shall be calculated on the basis of a schedule acceptable to RTB.

If said equipment is sold on bids, the parties agree that RECIPIENT may retain the portion of the net price realized from the sale as is equal to a fraction, the numerator of which is the amount which RECIPIENT contributed, by means of its own funds, exclusive of any grant funds provided by the RTB under this contract or any subsequent

contract, to the original purchase of the capital equipment, and the denominator of which is the total original purchase price of the capital equipment. The remainder of the price realized will be paid over to RTB. RTB reserves the right to request additional bids on capital equipment should it feel this action is necessary to establish the value of the equipment or to reject all such bids if it feels all bids submitted are unacceptably lower than the fair market price of the equipment.

If RECIPIENT purchases RTB's interest in said equipment, RECIPIENT agrees to pay to RTB the portion of the then-current depreciated sale value of the equipment which is equal to a fraction, the numerator of which is the amount of grant which the RTB contributed under this contract or any subsequent contract to the original purchase of the capital equipment, and the denominator of which is the total original purchase price of the capital equipment. Depreciation shall be calculated on the basis of a schedule acceptable to the RTB.

Upon purchase of any capital equipment, RECIPIENT shall provide a certificate to the RTB, subject to audit, setting forth the respective amounts of RECIPIENT and RTB contributions to the purchase of the capital equipment. RECIPIENT hereby grants RTB a security interest in any capital equipment purchased by RECIPIENT to secure RECIPIENT's obligations to the RTB hereunder. In the event of RECIPIENT's failure to pay amount due RTB under this paragraph or otherwise honor RTB's rights, RTB shall have all the rights of a secured party under the Uniform Commercial Code. RECIPIENT agrees to designate RTB as a lienholder on any vehicle certificate of title or to otherwise execute any instrument necessary to perfect RTB's security interest granted hereunder.

V. General Provisions

A. RECIPIENT agrees that Paragraphs B, C, D, E, I, J and K of this section, below, shall be included in their entirety in any subcontracts executed between itself and any third parties for goods or services provided for in this contract requiring that such contractors make the same undertaking as therein required of Recipients.

B. Equal Employment Opportunity

In connection with the execution of this contract, the RECIPIENT agrees that it shall not discriminate against any employee or applicant for employment because of race, color, sex, or national origin. RECIPIENT will take affirmative actions to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, sex, or national origin. Such actions shall include, but not be limited to, the following:

employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selections for training, including apprenticeship.

C. Services

Services performed by the RECIPIENT, under this contract, shall be performed in a diligent and competent manner and their performance shall be subject to review and inspection by RTB through its designated agents at all reasonable times.

D. Insurance

The RECIPIENT and its subcontractors agree to provide liability insurance in the amounts of at least \$200,000 per claim for injury, death, or property damage by wrongful act or omission, and \$600,000 for any number of claims arising out of a single occurrence. Insurance coverage shall be provided to protect the RECIPIENT and RTB from any loss arising out of the furnishing of the service and shall name the RTB as an additional insured. RECIPIENT agrees to furnish all appropriate certificates of insurance, and to carry higher limits of insurance if required by RTB. A subcontractor who is qualified as a self-insurer need not comply with the provisions of this subsection.

E. Indemnity

RECIPIENT agrees to indemnify and hold harmless RTB from and against all claims or demand of every nature on account of injury to or death of persons or damage to or loss of property, caused by or resulting in any manner from any acts or omissions of the RECIPIENT, its subcontractors or its agents or employees, in performing or failing to perform any of the service, duties or operations to be performed by the RECIPIENT, and its subcontractors under this contract.

It is hereby understood that any and all employees of the RECIPIENT and all other persons employed by the RECIPIENT in the performance of any of the services required or provided for under this contract shall not be considered employees of the State and that any and all claims that may arise under the Worker's Compensation Act of the State of Minnesota on behalf of said employees while so engaged and any and all claims by any third parties as a consequence of any act or omission on the part of said RECIPIENT'S employees while so engaged in any of the services to be rendered under this contract by the RECIPIENT shall in no way be the obligation or responsibility of the state.

F. Limitations

The RECIPIENT shall not be required to furnish the service required under this contract or any portion thereof in the event of its inability to do so by virtue of a concerted refusal of its employees to work or any strike of any kind or character of its or other employees, including a so-called wild-cat strike or slowdown or stoppage, any riot, civil strife or disturbance, closing of streets, roads or bridges, inclement weather, destruction by any means or methods of any of its property necessary for the performance thereof, flood, fire, act of God or any other cause beyond its control.

G. Transportation Regulatory Board

Under circumstances and conditions where regulations apply, the furnishing of all service and the charges to be made to passengers in connection therewith are expressly subject to the approval, certification and licensing of the Transportation Regulatory Board or its successor and any other governmental body or authority having legal jurisdiction over any of such matters.

H. Disadvantaged Business Enterprises (DBE's) and Women-owned Business Enterprises (WBE's)

The RECIPIENT, in connection with the execution of this contract, agrees to abide by the statements and conditions of Exhibit 3 attached and hereby incorporated into this contract.

I. Title VI--Civil Rights Act of 1964

The RECIPIENT, in connection with the execution of this contract, assures compliance with the statements and conditions of Exhibit 4 attached and hereby incorporated into this contract.

J. Charter Operators' Protection Clause

The RECIPIENT, in connection with the execution of this contract, assures compliance with the statements and conditions of Exhibit 5 attached and hereby incorporated into this contract.

K. Non-Waiver

The failure of RTB at any time to insist upon a strict performance of any of the terms, conditions and covenants herein shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants herein contained.

L. Extension

Provided that the RECIPIENT is not in default under the terms of this agreement and further provided that the RTB has sufficient funds for such purpose, this agreement shall be extended for an additional period from January 1, 1988, through May 31, 1988, upon all of the same terms and conditions of this agreement except the amount of payment in Section I, Paragraph A, shall be increased as permitted by law.

IN WITNESS WHEREOF, the parties signed below have caused this agreement to be executed the date first above written.

REGIONAL TRANSIT BOARD

Its Executive Director
270 Metro Square Building
St. Paul, MN 55101

Its _____

PRIVATE OPERATOR CONTRACT FORM

Contract No. _____

REGIONAL TRANSIT BOARD
AGREEMENT WITH
FOR FUNDING PUBLIC TRANSIT

This contract is made by and between the Regional Transit Board, (hereinafter referred to as "RTB"), and _____, (hereinafter referred to as "RECIPIENT").

WHEREAS, the RTB is authorized in accordance with Laws of Minnesota 1985, First Special Session, Chapter 10, Section 2, Subd. 5, Clause (b) to use as much as may be needed of the previously mentioned appropriation to enter into and administer contracts after June 30, 1985, for financial assistance to transit providers in the metropolitan area under Minnesota Statutes sections 473.384, 473.388 and 473.386, having certified readiness to assume existing Mn/DOT contracts under Minnesota Statutes sections 174.23, 174.24, 174.265 and 174.31; and

WHEREAS, the RTB assumed responsibility for administering contracts made by the commissioner under Minnesota Statutes section 174.23, 174.24, 174.265 and 174.31 effective February 28, 1986; and

WHEREAS, the RTB has authorized the executive director to enter into agreement with the RECIPIENT; and

WHEREAS, the RECIPIENT is willing to provide such services for the RTB in accordance with all the terms, provisions and conditions stated within this agreement;

NOW THEREFORE BE IT AGREED THAT the RECIPIENT shall comply with the terms and conditions contained on pages 1 through 8.

I. Financial Participation

A. Payment by RTB

RTB agrees to pay the RECIPIENT the sum of \$ _____ or 100 percent of the total operating deficit, whichever is less. Total operating deficit is defined as the amount by which the total approved operating expenses incurred in the operation of the public transit system exceed the amount of revenues derived therefrom.

B. Responsibility of RECIPIENT

The RECIPIENT agrees to provide, from other sources, all additional funds necessary for full payment of the total operating deficit.

C. Disbursements

1. Payments will be made by RTB to RECIPIENT monthly, based on submission of the Request for Funds form, attached to this contract as Exhibit 1.
2. It is agreed that 10 percent of the final payment will be withheld pending a final audit by RTB, which will determine an approved operating deficit for the period of this contract.
3. If 100 percent of the final approved operating deficit is determined to be less than \$_____, RTB will reduce the final payment to comply with the provisions of this contract. If it is determined that RTB has overpaid the RECIPIENT, the RECIPIENT will refund to RTB that amount sufficient to comply with the provisions of this contract.
4. If it is determined, as a result of final audit, that RTB has overpaid RECIPIENT on any previous contract, RTB may reduce payments under this contract by that amount overpaid, upon notification of RECIPIENT.
5. As detailed below, provision is hereby made for an advance payment:
 - a) RECIPIENT must submit a written request for an advance payment, accompanied by supporting financial and operating documentation. Upon approval of the RTB project administrator, RTB will advance to the RECIPIENT an amount up to 10 percent of the estimated annual RTB share of the contract in the amount of \$_____.
 - b) It is agreed that no retainage will be withheld from the advance payment. The amount of the advance will be withheld in equal amounts from the last two monthly payments.

II. Management of Transit Service

A. Management Plan

The RECIPIENT agrees to fully carry out the provisions of the current Management Plan as approved by the RTB. This Management Plan is made a part of this contract and attached as Exhibit 2. The RECIPIENT agrees to oversee and operate the project in accordance with the Management Plan and any revisions thereof. The parties agree that the Management Plan, including the budget thereof, can be amended only with the written approval of the RTB project administrator. Any modifications of the Management Plan by the RECIPIENT without prior RTB approval shall be grounds for termination by RTB of continued funding.

B. Subcontracting by RECIPIENT

RTB shall review and approve all contracts between the RECIPIENT and third parties prior to the execution of any such contract for services to be performed or goods to be provided pursuant to the current approved Management Plan and retains the right to disapprove any such third party contracts. All third party contracts, when approved by RTB, will become an element of the current approved Management Plan and subject to the provisions of Section II.A. of this contract.

C. Independent Contractor

Under the terms of this contract, RECIPIENT is an independent contractor and has and retains full control and supervision of the services and full control over the employment and direct compensation and discharge of all persons assisting the performance of its services hereunder. RECIPIENT agrees to be solely responsible for all matters relating to payment of employees, including compliance with social security, all payroll taxes and withholdings, unemployment compensation, and all other regulations governing such matters. RECIPIENT agrees to be responsible for its own act and those of its subordinates, employees and any and all subcontractors during the life of this contract.

III. Records and Documentation

A. Records

RECIPIENT agrees to maintain all accounting and operating records required by RTB relative to this contract and its Management Plan. RECIPIENT also agrees to require any and all subcontractors, as a written condition of said RECIPIENT's contract with such subcontractors, to likewise maintain the same accounting and operating records required of RECIPIENT, and to make said records available to RTB upon reasonable notice during the term of this contract and for five years thereafter. Said records will serve to determine the total deficit and RTB participation as specified in I.A.

B. Audits

As required by Minn. Stat. 16.095, the records, books, documents and accounting procedures and practices of the RECIPIENT and of any subcontractor relating to this program and to this contract shall be subject to audit and examination by RTB and the legislative auditor or the state auditor at any time during working hours.

C. Reports

The RECIPIENT agrees to provide RTB with a report at the end of each month of operating summarizing its activities during the period. Said report shall be submitted no later than 20 days after the end of the preceding month. Forms specified in Paragraph I.C.1. of this contract shall be used for this purpose.

- D. Allowability of all expenses charged to RTB, relating to this contract, shall be in accordance with the Code of Federal Regulations 41 CFR Part 1-15 for all RECIPIENTS who are not Private Non-Profit Organizations. Private Non-Profit RECIPIENTS will comply with the Federal Office of Management and Budget Circular A-122.

E. Surveys

Surveys may be required by RTB for the purpose of project evaluation; if so, the RECIPIENT agrees to survey the patrons of the transit project at the times specified by RTB. The survey format to be used shall be administered by the RECIPIENT in a manner acceptable to RTB and the results of the surveys required under this contract shall be provided to RTB.

IV. Contract Period

A. Effective Period

The contract shall be in effect from January 1, 1987, through December 31, 1988.

B. Termination of this Contract

RTB may withhold payment or terminate this contract at any time if the RECIPIENT does not comply with the provisions of this contract or if the purpose of Minn. Stat. Chap. 174 is not being accomplished thereunder. If RTB terminates this contract, it reserves the right to take such action as it deems necessary and appropriate to protect the interests of the state. Such action may include refusing to make any additional disbursement of funds and requiring the return of all or part of any funds that have already been disbursed to the extent that the RTB share of the final approved operating deficit is not exceeded. RTB may terminate this contract or reduce the amount of financial participation shown in Section I herein if funding becomes unavailable.

C. Disposition of Capital Equipment

As long as any value remains, RTB shall retain control over the disposition of any capital assets whose cost it participated in under the terms of this or any previous contract. RECIPIENT agrees to comply with the following RTB requirement if any such asset is disposed of at any time hereafter:

1. Transfer title of capital equipment purchased totally or in part with RTB transit funds to such other parties as RTB may designate, according to the terms set forth below; or
2. Sell said capital equipment on public sealed bids, according to the terms set forth below; or
3. Purchase RTB's interest in said capital equipment, according to the terms set forth below.

If said capital equipment is required to be transferred to another party, RECIPIENT will receive from RTB at least that percentage of the present depreciated sale value of the equipment said RECIPIENT contributed to the original cost of the equipment when it was purchased. Depreciation shall be calculated on the basis of a schedule acceptable to RTB.

If said equipment is sold on bids, the parties agree that RECIPIENT may retain the same percentage of the net price realized from the sale as said RECIPIENT contributed to the original cost of the equipment when it was purchased. The remainder of the price realized will be paid over to RTB. RTB reserves the right to request additional bids on capital equipment should it feel this action is necessary to establish the value of the equipment or to reject all such bids if it feels all bids submitted are unacceptably lower than the fair market price of the equipment.

If RECIPIENT purchases RTB's interest in said equipment, RECIPIENT agrees to pay to RTB the same percentage of the present depreciated sale value of the equipment as RTB, through the grant funds, contributed to the original cost of the equipment when it was purchased. Depreciation shall be calculated on the basis of a schedule acceptable to RTB.

V. General Provisions

- A. RECIPIENT agrees that Paragraphs B, C, D, E, I, J and K of this section, below, shall be included in their entirety in any subcontracts executed between itself and any third parties for goods or services provided for in this contract requiring that such contractors make the same undertaking as therein required of RECIPIENTS.

B. Equal Employment Opportunity

In connection with the execution of this contract, the RECIPIENT agrees that it shall not discriminate against any employee or applicant for employment because of race, color, sex, or national origin. RECIPIENT will take affirmative actions to ensure that applicants are employed, and that employees are treated during employment, without regard to race, color, sex, or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selections for training, including apprenticeship.

C. Services

Services performed by the RECIPIENT, under this contract, shall be performed in a diligent and competent manner and their performance shall be subject to review and inspection by RTB through its designated agents at all reasonable times.

D. Insurance

The RECIPIENT and its subcontractors agree to provide liability insurance in the amounts of at least \$200,000 per claim for injury, death, or property damage by wrongful act or omission, and \$600,000 for any number of claims arising out of a single occurrence. Insurance coverage shall be provided to protect the RECIPIENT and RTB from any loss arising out of the furnishing of the service. RECIPIENT agrees to furnish all appropriate certificates of insurance, and to carry higher limits of insurance if required by RTB.

As detailed below, provision is hereby made for an advance payment to the RECIPIENT for insurance premium expenses:

1. RECIPIENT must submit a written request for an advance payment accompanied by supporting documentation. Upon approval of the RTB project administrator, the RTB will advance to the RECIPIENT an amount up to \$_____ to be applied towards insurance premium expenses.

E. Indemnity

RECIPIENT agrees to indemnify and hold harmless RTB from and against all claims or demand of every nature on account of injury to or death of persons or damage to or loss of property, caused by or resulting in any manner from any acts or omissions of the RECIPIENT, its subcontractors or its agents or employees, in performing or failing to perform any of the service, duties or operations to be performed by the RECIPIENT, and its subcontractors under this contract.

It is hereby understood that any and all employees of the RECIPIENT and all other persons employed by the RECIPIENT in the performance of any of the services required or provided for under this contract shall not be considered employees of the State and that any and all claims that may arise under the Worker's Compensation Act of the State of Minnesota on behalf of said employees while so engaged and any and all claims by any third parties as a consequence of any act or omission on the part of said Recipieint's employees while so engaged in any of the services to be rendered under this contract by the RECIPIENT shall in no way be the obligation or responsibility of the state.

F. Limitations

The RECIPIENT shall not be required to furnish the service required under this contract or any portion thereof in the event of its inability to do so by virtue of a concerted refusal of its employees to work or any strike of any kind or character of its or other employees, including a so-called wild-cat strike or slowdown or stoppage, any riot, civil strife or disturbance, closing of streets, roads or bridges, inclement weather, destruction by any means or methods of any of its property necessary for the performance thereof, flood, fire, act of God or any other cause beyond its control.

G. Public Utilities Commission

Under circumstances and conditions where regulations apply, the furnishing of all service and the charges to be made to passengers in connection therewith are expressly subject to the approval, certification and licensing of the Public Utilities Commission or its successor and any other governmental body or authority having legal jurisdiction over any of such matters.

H. Minority Business Enterprise

The RECIPIENT, in connection with the execution of this contract, agrees to abide by the statements and conditions of Exhibit 3 attached and hereby incorporated into this contract.

I. Title VI--Civil Rights Act of 1964

The RECIPIENT, in connection with the execution of this contract, assures compliance with the statements and conditions of Exhibit 4 attached and hereby incorporated into this contract.

J. Charter Operators' Protection Clause

The RECIPIENT, in connection with the execution of this contract, assures compliance with the statements and conditions of Exhibit 5 attached and hereby incorporated into this contract.

K. Non-Waiver

The failure of RTB at any time to insist upon a strict performance of any of the terms, conditions and covenants herein shall not be deemed a waiver of any subsequent breach or default in the terms, conditions and covenants herein contained.

IN WITNESS WHEREOF, the parties signed below have caused this agreement to be executed effective July 1, 1986.

REGIONAL TRANSIT BOARD

Gregory L. Andrews
Its Executive Director
270 Metro Square Building
St. Paul, MN 55101

Its _____

AF/CON-TX2

STANDARD CONTRACT ATTACHMENTS

MONTHLY OPERATIONS REPORT

PROJECT NAME _____

MONTH _____

<u>OPERATING EXPENSES</u>		CURRENT MONTH	TOTAL EXPENSES YTD	EXURBAN EXPENSE ONLY
<u>Personnel Services</u>				
Administrative, Management and Supervisory Salaries	1010			
Operators' Wages	1020			
Maintenance and Repair Wages	1030			
Other Wages (Direct Labor) \$	1035			
Other Wages (Indirect Labor Charges)	1045			
Fringe Benefits	1055			
TOTAL				
<u>Administrative Charges</u>				
Management Fees	1085			
Tariffs and Traffic Expenses	1088			
Advertising, Marketing and Promotional	1090			
Legal and Auditing & Other Prof. Fees	1100			
Security Costs	1105			
Office Supplies	1110			
Leases and Rentals (Admin. Facilities) (specify)	1120			
Utilities	1130			
Other Direct Administrative Charges (specify)	1135			
Other Indirect Admin. Charges	1140			
TOTAL				
<u>Vehicle Charges</u>				
Fuel and Lubricants	1170			
Maintenance and Repair Material (Vehicles)	1180			
Contract Service Maintenance Labor	1185			
Tires	1190			
Other Vehicle Charges (specify)	1195			
TOTAL				
<u>Operations Charges</u>				
Purchase of Service	1230			
Depreciation	1238			
Mileage Reimbursement (for Passenger Service Only)	1240			
Repair and Maintenance of Other Property	1243			
Leases and Rentals (Garages, vehicles, etc.) (Specify)	1246			
Other Operations Charges (specify)	1248			
TOTAL				
<u>Insurance Charges</u>				
Public Liability and Property Damage on Vehicles	1280			
Public Liability & Property Damage-Other than Vehicles	1310			
TOTAL				
<u>Taxes and Fees</u>				
Vehicles Registration and Permit Fees	1350			
Federal Fuel and Lubricant Taxes	1360			
State Fuel and Lubricant Taxes	1370			
Other Taxes and Fees (specify)	1380			
TOTAL				
TOTAL OPERATING EXPENSES	1426			

PROJECT NAME _____

MONTH _____

REVENUES		CURRENT MONTH	TOTAL EXPENSES YTD	EXURBAN EXPENSE ONLY
Passenger Fares	1440			
Contract Revenues	1472			
School Bus Revenues	1474			
Charter Revenues	1476			
Auxiliary Revenues	1478			
Other Financial Assistance (specify)	1490			
Federal Operating Grants (specify)	1492			
TOTAL REVENUES	1505			

CAPITAL EXPENSES				
Vehicle	1600			
Lift, Ramp, etc.	1602			
Radio Equipment	1604			
Fare Box	1606			
Other Capital Expenses (specify)	1610			
TOTAL CAPITAL EXPENSES	1585			
Revenue for Capital Equipment				
Federal Capital Grants (specify)	1617			
Other Financial Assistance (specify)	1619			

OPERATING STATISTICS				
Total Number of Passengers	1830			
Of this total, how many passengers were:				
Elderly	1850			
Handicapped	1860			
Children	1870			
Free Rides	1880			
Dial-a-Ride	1890			
Total Vehicle Hours	1955			
Revenue Vehicle Hours	1960			
Total Vehicle Miles	1995			
Revenue Vehicle Miles	2000			
Number of Dial-a-Ride Vehicle Trips	1930			
Number of Times Lift or ramp Was Used	1940			

Maintenance Summary	Vehicle Number									
	1	2	3	4	5	6	7	8	9	10
Miles Driven										
Fuel Used (gal.)										
Oil Used (qt.)										
Parts Cost										
Labor Cost										

Use the back of this page to give the specifics of items listed as "other Charges" and for other comments.

Project Name _____

Month _____

COMMENTS

NOTE: All source materials used to prepare this report, including but not limited to, bills, invoices and timesheets, must be retained on file for RTB audit.

REGIONAL TRANSIT BOARD
270 Metro Square Building, St. Paul, MN 55101
292-8789

Exhibit 3

Participation of Disadvantaged Business Enterprises (DBE's)
and Women-owned Business Enterprises (WBE's)

Section 105(f) of the Surface Transportation Assistance Act of 1982 requires recipient of UMTA funds to establish minimum goals of 10 percent DBE and 3 percent WBE participation for all contracting opportunities. These opportunities include but are not limited to: insurance, office supplies and equipment, building maintenance, vehicle maintenance, bus parts, fuel, printing, consultant services and advertising.

Based on the above federal regulation, please submit with your application for Regional Transit Board assistance the following information for each DBE/WBE with whom you presently contract or purchase goods/service.

<u>Name of Firm</u>	<u>Owner</u>	<u>Address</u>	<u>Service/Goods Provided</u>	<u>Estimated Dollar Amount</u>
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Compliance With Title VI Of The Civil Rights Act of 1964

The Recipient HEREBY AGREES THAT it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352) and all requirements imposed by the U.S. Department of Transportation, to the end that, in accordance with Title VI of the Act, no person in the United States shall, on the ground of race, color, sex or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Recipient receives Federal financial assistance from the Department under Federal urban mass transportation programs; and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any real property or structure thereon is provided or improved with the aid of Federal financial assistance extended to the Recipient by the Department under Federal urban mass transportation programs, this assurance shall obligate the Recipient, or in the case of any transfer of such property, and transferee, for the period during which the real property or structure is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits. If any personal property is so provided this assurance shall obligate the Recipient for the period during which it retains ownership or possession of the property. In all other cases, this assurance shall obligate the Recipient for the period during which the Federal financial assistance is extended to it by the Department under Federal urban mass transportation programs.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the Recipient by the Department under Federal urban mass transportation programs. The Recipient recognizes and agrees tht such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the Recipient its, successors, transferees, and assignees.

TITLE 49-DEPARTMENT OF TRANSPORTATION
CHAPTER VI-URBAN MASS
TRANSPORTATION ADMINISTRATION
PART 604-CHARTER BUS OPERATIONS
CODIFICATION OF REQUIREMENTS

The following excerpt from legislation is for the purpose of explaining that recipients of grant assistance cannot compete unfairly with private operators by reason of receiving grant assistance. This serves as a reminder that a recipient cannot operate any charter service which is not subject to Public Utilities Commission regulation and also that charges for providing charter service must be equal to or greater than those charged by authorized charter carriers.

CHARTER AND SCHOOL BUS OPERATIONS
CHARTER OPERATORS PROTECTION CLAUSE

"The proposed regulations required public operators in constructing their charter rates to take into account the actual costs (both direct and indirect) of operating charter service, without regard to capital or operating assistance received under either the Federal-Aid Highway Act or the UMT Act, and compelled public operators to generate revenues from their charter bus operations that were equal to or greater than the cost of providing the service."

REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: December 11, 1986
TO: Regional Transit Board
FROM: Robert Dietrick, Administrative Aide *RD*
SUBJECT: Metropolitan Council Comments on MAFAC Administrative
Coordination Report

ACTION REQUESTED

It is requested that the Regional Transit Board accept the comments made by the Metropolitan Council on the MAFAC Administrative Coordination Report.

BACKGROUND

The Administration and Finance Committee, at its December 4th meeting, recommended for Board approval the MAFAC Administrative Coordination Report, with no additional comments.

The Metro Governance legislation requires that each agency be given the opportunity to comment on the Metropolitan Council comments on the report (copy enclosed). These comments were not available at the December 4th Administration and Finance Committee meeting. Staff has reviewed the comments made by the Metropolitan Council and we concur with their remarks.

RECOMMENDATION

It is recommended that the Regional Transit Board accept the comments on the MAFAC Administrative Coordination Report made by the Metropolitan Council.

METROPOLITAN COUNCIL
Suite 300 Metro Square Building, Saint Paul, Minnesota 55101
291-6359

REPORT OF THE MANAGEMENT COMMITTEE

DATE: December 2, 1986

TO: Metropolitan Council

SUBJECT: Review of the Metropolitan Agencies Financial Advisory Committee
(MAFAC) Administrative Coordination Report

BACKGROUND

The MAFAC report was presented to the Management Committee for its review and comment at its December 2, 1986, meeting. By statute, the Metropolitan Council is required to review the MAFAC report and make its comments available to the metropolitan agencies for their review prior to the report being submitted to the legislature by January 1, 1987.

The metropolitan governance legislation (Minn. Stat. 473.1623, subd. 5) passed in the 1986 session of the Minnesota Legislature contained a directive requiring the metropolitan agencies to evaluate the benefits, costs, methods and effects in the exercise of the agencies' powers while performing administrative functions. Specific categories were listed by not necessarily limited to the following: ongoing managerial reporting, contracts, purchasing, data processing, and personnel.

As part of the process to evaluate administrative coordination activities, the MAFAC was also to identify potential legal and other impediments that could have an effect on the metropolitan agencies' abilities to increase their existing level of coordination.

Due to the limited time available to adequately evaluate a number of coordination activities identified, the MAFAC has focused on the process that it will undertake in the first quarter of 1987 to complete an evaluation of a number of coordination projects and prepare specific recommendations for metropolitan agency consideration and action.

COMMITTEE COMMENTS

Since the report described in some detail the process that the MAFAC intends to undertake, the review of the committee tended to concentrate on coordination problems briefly discussed in the report. The committee was also interested by how the ongoing coordination between agencies is to be structured. Some specific comments were presented, and they are summarized as follows:

1. The Metropolitan Council, in preparation of its indirect cost study, should monitor those activities of the MAFAC that may be applicable.
2. Although the report identified some impediments to undertaking coordination activities by the agencies, this should not discourage the metropolitan agencies to aggressively identify opportunities and to pursue administrative coordination activities determined to be feasible.
3. The Council should continue to provide its support and encourage the other agencies to lend their support as well to the MAFAC as it develops administrative coordination activities in 1987.

RECOMMENDATIONS

1. That the Metropolitan Council forward these comments to the Metropolitan Airports Commission, Metropolitan Waste Control Commission, and Regional Transit Board as its response to the Metropolitan Agencies Financial Advisory Committee Administrative Coordination Report of November 24, 1986.
2. That the Metropolitan Council continue its active support and cooperation to the Metropolitan Agencies Financial Advisory Committee as it proceeds into the next phase of evaluating and selecting interagency coordination activities.

Respectfully submitted,

Pat Scully, Chair

METROPOLITAN AGENCIES
ADMINISTRATIVE COORDINATION REPORT

BACKGROUND

The metropolitan governance legislation (Minn. Stat. 473.1623, subd. 5) passed in the 1986 session of the Minnesota Legislature contained a directive requiring the metropolitan agencies to evaluate the benefits, costs, methods and effects in the exercise of the agencies' powers while performing administrative functions. Specific categories were listed but not necessarily limited to the following: ongoing managerial reporting, contracts, purchasing, data processing and personnel. The Metropolitan Agencies Financial Advisory Committee (MAFAC) was designated to prepare a progress report to the legislature to be submitted by January 1, 1987. Prior to its submittal, the Metropolitan Council is required to review the report. The other metropolitan agencies are to review the comments of the Council, and their responses are also to be forwarded along with the report.

The committee's report is to also identify potential legal and other impediments that could have an effect on the metropolitan agencies' abilities to increase the level of coordination between each agency's administrative functions. Comments resulting from their review of the report are included as an appendix.

Due to the limited time available for preparing the report, the focus has been to define an interagency coordination process and structure for supporting existing and future administrative coordination activities. The report also outlines a number of potential interagency administrative coordination activities to be evaluated during the first quarter of 1987.

INTERAGENCY ADMINISTRATIVE COORDINATION STRUCTURE

The diversity of roles and responsibilities given to the metropolitan agencies by the legislature presents both opportunities and constraints when attempting to initiate or improve coordinative administrative functions.

SUMMARY OF ADMINISTRATIVE FUNCTIONS

The matrix on the following page is intended to illustrate the extent of diversity that exists by providing a summary of each agency's administrative functions.

MAJOR DIFFERENCES AMONG AGENCIES

The agencies' administrative departments contain a number of common functions such as employee relations, financing and information systems. In addition, some agency administrative departments have developed over the years specialized services as required by the services provided and functions performed that range from property management to management of enterprise funds. The RTB administers a number of contracts for the provision of special transit services.

SUMMARY OF METROPOLITAN AGENCIES ADMINISTRATIVE FUNDS

<u>Agency</u>	<u>Administrative Organization</u>	<u>Functions Performed in this Column Common to All Agencies</u>	<u>Other Functions Performed or Services Provided</u>	
Metropolitan Council	The department of administration is one of five departments and is organized into three divisions: employee relations, information systems and finance.	<ul style="list-style-type: none"> o Employee Relations <ul style="list-style-type: none"> - Administer classification plan - Benefits program - Labor relations - Recruitment - Training o Finance--planning, directing and coordinating financial activities <ul style="list-style-type: none"> - Investments - Financing capital improvements - Cash management o Information systems <ul style="list-style-type: none"> - Maintain data base files - Word processing - System maintenance 	<ol style="list-style-type: none"> 1. Employee relations responsibilities include legislative affairs. 2. Managing enterprise funds. 3. Property management. 	
Metropolitan Airports Commission	Directed by the deputy director for administration and consists of four departments.			
Metropolitan Parks and Open Space Commission	Metropolitan Council provides administrative support.			
Metropolitan Sports Facilities Commission	The department of finance and administration provides the administrative services.			
Metropolitan Waste Control Commission	Six divisions provide administrative services to the agency: comptroller, information technologies, human resources, procurement, business services/ special projects, affirmative action.			<ol style="list-style-type: none"> 1. Business services/special programs. Management of office facilities and performing special studies. 2. Purchasing--the agency's purchasing is centralized. 3. Affirmative action programs are managed as a separate division.
Regional Transit Board	Administrative functions are organized into one section. Some administrative services are provided by the Metropolitan Council.			<ol style="list-style-type: none"> 1. Contract/procurement administration--management of agency's contracts and purchasing. 2. Facilities management--coordination of the purchasing of goods and services.
Metropolitan Transit Commission	The agency currently consists of five divisions and provides its own administrative services.		<ol style="list-style-type: none"> 1. Management of specific transit programs and dispatching. 	

METROPOLITAN AGENCIES' APPROACH FOR PREPARATION OF THE REPORT

EXISTING INTERAGENCY COORDINATION ACTIVITIES

During the course of identifying potential topics for evaluation, a number of existing activities were identified.

The existence of these activities serves to illustrate that administrative coordination is occurring as necessitated by common interagency needs. Coordination activities have been, for the most part, informal (staff-to-staff communication). Some coordination has been formalized by adoption of interagency agreements such as sharing of computer systems, administering certain health care programs, consultant services and the selection of office space. The sharing of common facilities such as public meeting rooms by the Metropolitan Council, Regional Transit Board and the Metropolitan Waste Control Commission is to be included as part of the agencies' office space planning.

The activities listed in this section serve to illustrate the diversity of existing coordination activities reflecting the variety of functions and services provided by each agency. These activities do not occur between all agencies. The frequency and type of similar activities are often determined by common functions performed.

INTERAGENCY COORDINATION

Finance

- Sharing of investment information.
- Selling and managing investments for amortization of bonds sold by the Council.
- Participating in Government Finance Officers Association certificate of conformance in budgeting and comprehensive financial annual report programs.

Human Resources/Personnel

- Sharing of job postings.
- Sharing of union negotiation strategies.
- Salary/benefit comparison surveys.
- Sharing of comparable worth study format.
- Same health/dental/life insurance policies (RTB/MC/MSFC).
- Sharing in designing interview formats for supervisory positions.
- Sharing affirmative action plans and information as to how to develop a plan.

Information Systems

- Sharing IBM mainframe for word processing and finance/payroll functions.
- Joint participation in computer users group.
- Sharing of laser printer for large duplication projects.

Purchasing

- Sharing joint certification for DBE/WBE vendors.
- Jointly sponsored metro DBE/MBE/WBE vendor day.
- Joint purchase of office equipment for potential office move.
- Use state of Minnesota, Hennepin and Ramsey Counties, and cities of Minneapolis and St. Paul purchasing agreements.

General Office

- Sharing specialized copy and document binding equipment.
- Sharing in mailing (using same postage meter).
- Collectively seeking new space and exploring sharing of common areas, i.e., receptionist, meeting and hearing rooms, lobby and lunch room; sharing equipment costs such as common phone system, central services, duplicating, audiovisual room, etc. Other costs are shared for related consultant services and developing agency office space RFP.

Use of Equipment and Facilities

- Use of MWCC boat and lab for testing water samples.
- Use of Metropolitan Council legal library by other agencies.
- Joint participation of agencies in garage sale.

APPROACH FOR PREPARATION OF THE ADMINISTRATIVE COORDINATION REPORT

The MAFAC staff group formed a subcommittee with representation from each one of the agencies to oversee the preparation of the report. The committee was given the responsibility to develop specific recommendations for topics to be addressed within each one of the categories identified in the metropolitan governance legislation. A series of meetings with each of the agency's administrative staffs were held to solicit their input and identify potential opportunities for improving interagency administrative coordination and developing implementing strategies.

COORDINATION ISSUES AND CONCERNS

A significant element of the 1986 metropolitan governance legislation directs the metropolitan agencies to focus on improving the coordination of administrative functions between the agencies.

The initial analysis and investigation into the administrative operations of the agencies completed thus far has led to the identification of some significant issues and concerns affecting the direction and opportunities for future interagency coordination activities. The following is a list of those issues and concerns identified as part of the report preparation process.

1. The Diversity of Legislative Roles and Responsibilities Between Agencies Limits Opportunities for Administrative Coordination. The agencies' diversity has resulted in the development of a broad range of administrative operating philosophies, functions and practices that each agency has developed around the unique requirements of the regional services they provide. Special skills and resources have been developed to perform functions that are common and unique to each agency. Thus, this diversity places some practical limits as to what can be effectively and efficiently combined or coordinated.

2. Federal and State Rules and Regulations Affect Each Agency Differently. Federal and state regulations differ between agencies, placing restrictions on the performance of certain functions that are not always within the ability of the agency to change.
3. Coordination Activities Must Be Cost Effective. In order to respond to intent of statute, the benefits such as cost savings and other indicators must be identified before any recommendations are adopted and a commitment is made to proceed. It is appropriate that only those efforts that have the highest potential benefits be pursued first.
4. Interagency Administrative Cooperation and Coordination Already Exist. There has been a substantial amount of cooperation and coordination currently in place between the agencies. These existing relationships have developed out of mutual interests. Care must be taken to avoid creating artificial coordination activities that will not meet the individual and collective needs of the agencies.
5. Agencies Have Developed a Common Informal Support Network. In addition to existing cooperation among metropolitan agencies, an ongoing effort of coordination with the state of Minnesota, metropolitan area counties, cities, professional organizations, trade associations and others plays a major role in the operations of each agency.
6. Trend Towards Decentralization vs. Centralization. A trend relating to the optimum sizes for performing administrative functions in an efficient and effective manner indicates that a larger organization does not necessarily improve the quality of service provided. Significant advances in technology have made highly sophisticated data progress and financial systems available to small organizations, allowing for increased decentralization of decision-making without a substantial loss of organizational control.
7. Establish Interagency Network for Professional Staff. An immediate and long-term significant benefit to the agencies is the establishment of additional professional contacts in each of the administrative functions. These relationships will continue the process of sharing information, serving as a catalyst for identifying the areas where real coordination needs exist. A forum for continued contacts can only succeed if it is actively supported by the agencies.
8. Proximity of Agency Facilities Affects Coordination. The ability to physically communicate and interact quickly is a necessity to promote efficient operation in administrative functions such as purchasing, personnel and contracting. This factor will provide some unique opportunities for increased coordination between certain agencies while creating barriers to the coordination of some functions to other agencies.

9. Evaluation and Coordination Activities Must Consider Their Impact on the Quality and Cost of Service Provided by the Agencies. Success is often measured by the responsiveness to the needs of those served. The agencies' organizational structures, policies and procedures should be governed by what results in the most effective level of service to the communities. The selection of a level of administrative coordination as affected by the variety of relationships that exist between the agencies must consider the effects on the agency's capacity and the cost of providing services while performing functions as required by statute.

DEVELOPMENT OF POTENTIAL COORDINATION ACTIVITIES FOR 1987

The agencies prepared a list detailing a number of potential coordination projects. A series of work sessions with agency administrative staff were used to narrow the list to those appearing to have the greatest benefit and should be considered for further study during 1987.

SELECTION CRITERIA

Given the broad range of potential topics developed and the time frame available to prepare this report, the MAFAC is adopting a relatively straightforward criteria for subjectively applying a ranking to potential projects. They are the following:

1. Quantify to the extent feasible potential costs/benefits to the agencies.
2. Determine the extent to which opportunity(ies) exist(s) for significant improvement in effectiveness and efficiencies of carrying out administrative functions.
3. Determine the extent to which a reduction in duplication of administrative functions could be achieved.
4. Identify opportunities for sharing of resources in certain common administrative functions.
5. Determine the extent to which the physical location of agency facilities allows for increased coordination.

Time available to prepare the initial report limits the agencies' abilities for undertaking any major coordination projects prior to 1987. Given this, the committee has focused on defining a process for selecting coordination projects beginning in 1987 and on establishing an interagency management structure for monitoring the completion of these activities. The remaining sections of this report present the process that was developed and the implementation schedule.

SELECTION PROCESS—INTERAGENCY COORDINATION STRUCTURE

The committee's selection process contains four phases. In the initial phases, a MAFAC subcommittee will rank the projects developed by a MAFAC staff subcommittee and reviewed by the MAFAC. Once the list is narrowed by MAFAC (with input from the agencies), particular attention will be given for ensuring that activities ultimately selected will sunset once the stated objectives are achieved.

Selection Phases

1. Adopt a system to rank potential projects.
2. Select the five highest ranked projects and initiate the development of a program that includes but is not limited to:
 - Objectives
 - Resources required
 - Agency staffing
 - Consulting
 - Listing products/actions
 - Schedule (includes sunset date)
3. Determine the number of activities to be undertaken considering the current and future allocation of resources as defined in the agencies' individual budgets for 1987 and beyond.
4. The agencies will be given an opportunity to review prior to adoption by MAFAC.

Interagency Coordination Structure

A coordination structure consisting of administrative department directors from each agency will be established to assist the committee by performing the following functions:

- Provide ongoing coordination for those activities selected by the committee.
- Support on interagency administrative coordination matters to identify, evaluate and develop activities as needed.
- Assist the committee in the resolution of conflicts between agencies relative to the selection, undertaking and completion of activities.

POTENTIAL COORDINATION PROJECTS TO BE CONSIDERED FOR EVALUATION IN 1987

The following section provides a general description by categories of projects to be considered by MAFAC for recommendation to the agencies. The intent is to illustrate the diversity and complexity of potential coordination projects.

Management Reporting

Develop common administrative procedures for tracking the status of those actions required by statute relative to budgeting, development programs and capital expenditures.

Personnel

An evaluation of opportunities for joint coordination of health care benefits. The cost of providing health care coverage continues to rise significantly as a component of each agency's total benefits costs. The topic, if evaluated, would determine the extent health care coverage could be combined to reduce costs within the agencies' administrative capacities.

Purchasing

In the area of purchasing, alternatives were identified that ranged from sharing of information to possible consolidation of certain purchasing functions for all metropolitan agencies.

- Enhance coordination in the support of Minority Business Enterprise/Women Business Enterprise (MBE/WBE) programs.
- Enter into a joint purchasing agreement for office furniture systems, office equipment and telephone system in conjunction with the RTB/Metropolitan Council/MWCC move to new office spaces.
- Initiate quarterly review and planning sessions among the purchasing staffs of the metropolitan agencies to share information on procedures, opportunities and disposal of surplus property.
- Identify within each agency staff who have expertise in particular areas of purchasing. Develop a directory of the individuals and their unique skills.
- Evaluate the feasibility of establishing an interagency service or contracting for repairing personal computers, electronic office and telephone equipment.

Ongoing Sharing of Information

- Formation of interagency staff committees to promote the regular exchange of information on the management of information systems, insurance-risk management and the joint development of certain employee educational and training programs.

SCHEDULE

The evaluation of topics and selection of activities is to be completed by MAFAC along with agencies' review and comment by March 31, 1987.

<u>Action</u>	<u>Completion Date</u>
1. MAFAC review of agencies' comments on report and adopt 1987 schedule.	December 17, 1986
2. Review evaluation and selection of topics.	February 11, 1987
3. Agencies' review completed.	February 27, 1987
4. Development of activities (work program).	March 11, 1987
5. Agencies' reviews completed.	March 27, 1987
6. MAFAC action.	April 8, 1987

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REGIONAL TRANSIT BOARD

Suite 270 Metro Square Building, Saint Paul, Minnesota 55101

DATE: December 15, 1986
TO: Regional Transit Board
FROM: Elliott Perovich, Chairman
SUBJECT: Recommendation for Hiring of Assistant to the Chair

I am recommending the assignment of Mike Kuehn to the position of Assistant to the Chair effective today, December 15, 1986.

EP/mff