



Minnesota Regional Transit  
Board: Records.

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**MEETING OF THE REGIONAL TRANSIT BOARD**

Monday, December 4, 1989  
Mears Park Centre Chambers  
4:00 p.m.

**AGENDA**

1. Public Meeting on Metro Mobility
2. Call to Order and Roll Call
3. Approval of Agenda
4. Approval of Minutes:
  - A. Administration and Finance Committee Meeting, November 13, 1989
  - B. Regional Transit Board, November 20, 1989
  - C. Administration and Finance Committee Meeting, November 21, 1989
5. CHAIR'S REPORT
6. REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE  
Elwyn Tinklenberg, Chair
  - A. Jobseekers Program - 1990 Contracts
  - B. Transit Provider Contracts for Calendar Year 1990
  - C. Approval of Metropolitan Transit Commission 1990 Operating and Capital Budgets
7. REPORT OF THE POLICY COMMITTEE  
Jeff Spartz, Chair
  - A. Standards for Per Diem Payments
  - B. Travel Expense Allowances
8. REPORT OF THE JOINT LIGHT RAIL TRANSIT ADVISORY COMMITTEE
9. OTHER BUSINESS
  - A. Public Comment

Michael J. Ehrlichmann  
Chair

*An Equal Opportunity Employer*

## Michael's Comments For Public Hearing.

Today we are receiving comments on the Metro Mobility program. Although this program has been nationally recognized, we realize there are many demands on the program and areas in which we can make improvements. As a person who has had to depend on Metro Mobility, I can empathize with the frustration that is sometimes felt about the program. However, as Chair of the RTB it is my desire to improve the program to meet everyone's needs. I am committed to working with you and the new Transit Accessibility Advisory Committee to make Metro Mobility a program which meets the needs of our community.

The format for today's public hearing is fairly simple. Ed Kounesk, the Manager of Programs at the RTB will give us some background on the program and explain some of the new areas the RTB is exploring to improve the Metro Mobility program. (EXPAND)

When Ed has concluded his remarks we will be taking public comment. Many of you have called into our office to put your name on the list of speakers. We will take your comments in the order you called in. For those of you in the audience who did not have the opportunity to call in, please make sure you sign up on the sign up sheet and we will take your comments in the order of sign up. Please limit your comments to FIVE minutes. We (Redundant) welcome your input and ideas and will be working to incorporate your constructive ideas into improvements for the program.

**Ask Ed to Speak.**

**Ed Kouneski-- Background on program.**

The first person providing public comment today is Mary Ohara Anderson. I'd also like to point out that I recently appointed Mary Chair of the Transit Accessibility Committee and we will be working with Mary to review all areas of accessible transit.

Our next person to provide public comment is:

**GO OFF List.**

**After everyone on list, ask if anyone else would like to comment.**

**Thank all who expressed their ideas today.**



REGIONAL TRANSIT BOARD

ROLL CALL AND ATTENDANCE SHEET

DATE: 12/4/89

BOARD OR COMMITTEE: Board + Metro Mo.

<u>Member Name</u>	<u>Present</u>	<u>Vote</u>	<u>Vote</u>	<u>Vote</u>	<u>Vote</u>
Mike Ehrlichmann	✓				
Doris Caranicas	✓				
John Finley	✓				
Ruth Franklin	✓				
Ed Kranz	✓				
Sandra Hilary	✓				
Terry O'Toole					
Jeff Spartz	✓				
Norbert Theis					
Elwyn Tinklenberg	✓				
Richard Wedell					

Visitors M M. Saughlin  
 de Vries, Donna Allen,  
 Greg Taylor, Tom Vicks  
 Bob Thompson, Annie Catz  
 W. J. Spanso

Staff  
 Weaner, SM, GA, JH  
 EK, VB, Curry, SW  
 Maizer, M. Kuehn.

**SPEAKERS ON METRO MOBILITY  
DECEMBER 4, 1989**

MARY O'HARA ANDERSON, MCIL

DAVID HALEY, MINNESOTA HABILITATION COALITION

MATT PETERSON, METRO RIDE AND PROVIDERS GROUP

ROGER BLOHM, UNITED HANDICAPPED FEDERATION

MARY JO NICHOLS, MCIL

COLLEN AHRENS, (SELF)

TIM MORIARITY

MARY JEAN HOOVER, (SELF)

TOM LIEJEWSKI

MORGAN GRANT

BETH BLIC



REGIONAL TRANSIT BOARD  
Mears Park Centre, 230 East 5th Street  
St. Paul, Minnesota 55101  
612/229-2700

Minutes of the meeting of the  
**REGIONAL TRANSIT BOARD**  
Mears Park Centre Chambers  
November 20, 1989

**MEMBERS PRESENT:** Michael Ehrlichmann, Chair; Doris Caranicas; John T. Finley; Ruth Franklin; Sandra Hilary; Ed Kranz; Norbert Theis; Elwyn Tinklenberg; Jeff Spartz; Richard Wedell

**MEMBERS EXCUSED:** Terrance O'Toole

**OTHERS PRESENT:** John Derus, Joint Light Rail Transit Advisory Committee Chair; Mike McLaughlin and Emil Brandt, Metropolitan Council; Arnie Entzel, Amalgamated Transit Union; Doug Ewald; Ewald Consulting Group; Jim Brimeyer, Sathe and Associates; Ken Stevens, Hennepin County; Charles Weaver, Legal Counsel; Gregory Andrews, Cyndie Mayer, Len Simich, Suzanne Hanson, Howard Blin, Dale Ulrich, Bob Dietrick, Randy Rosvold and Mary Fitzgerald, Regional Transit Board staff

The meeting was called to order at 4:00 p.m. and roll taken. The chair noted that Member O'Toole is vacationing in Europe.

Caranicas moved and Tinklenberg seconded approval of the agenda. The motion was unanimously approved.

Franklin moved and Finley seconded approval of the minutes of the Administration and Finance Committee meeting of October 30, 1989; the motion was unanimously approved.

Theis moved and Caranicas seconded approval of the minutes of the Policy Committee meeting of October 30, 1989. The motion was unanimously approved.

Caranicas moved and Finley seconded that the minutes of the Regional Transit Board meeting of November 6, 1989 be approved. The motion was unanimously approved.

**CHAIR'S REPORT**

**Appointment of Members to Advisory Committees**

The chair noted that a list had been handed out before the meeting showing the nominations for the three committees and read the lists into the record, Spartz moved and Theis seconded:

That the Regional Transit Board approve the appointment of the following people to the three advisory committees as shown below:

### **Transit Accessibility Advisory Committee**

District A	Diane Krogstad
District B	Sarah Lenz
District C	LeRoy Marshall
District D	Morgan Grant
District E	Jesse Ellingsworth
District F	Jerry Hayes
District G	Chuck Dustrud
District H	Tom Keene
Disabled Rep.	Mary Jo Nicols
Elderly Rep.	Corbin Kidder
Chair	Mary O'Hare Anderson

### **Rideshare Advisory Committee**

District A	Lisa Raduenz
District B	Richard Ellis
District C	Brenda Knapper
District D	Theresa Robinson
District E	Chuck LeRoux
District F	Peter Liupakka
District G	Wade Lau
District H	Dean Johnson
Disabled Rep.	Bob Owens
Elderly Rep.	Virginia Carroll
Chair	to be named later

### Provider Advisory Committee

District A	Greg Delno
District B	John Morley
District C	Bill Dolan
District D	James Johnson
District E	Diane Harberts
District F	Frank Boyles
District G	Kathy McGraw
District H	Beverly Miller
Disabled Rep.	Dorothea Burns
Elderly Rep.	George Nelson
Chair	to be named later

The above appointments are effective immediately.

The motion was unanimously approved.

#### Assistant to the Chair

The chair reviewed his memorandum of November 20, 1989 that was distributed before the meeting. The new assistant to the chair will join the board on December 4, 1989. Caranicas moved and Tinklenberg seconded:

That the Regional Transit Board approve the appointment of Sherry Roed Munyon to the unclassified position of Assistant to the Chair at salary class 9 with the standard Regional Transit Board benefits package.

The motion was unanimously approved.

There is a meeting of the American Public Transportation Association's legislative committee on December 3 and 4 in Dallas, Texas. The chair is unable to attend and asked if anyone on the board could find time to attend the meeting.

#### EXECUTIVE DIRECTOR'S REPORT

##### Manager of Light Rail Transit Development

Andrews reviewed his memorandum of November 16, 1989. The chair added that he had interviewed the candidate and found him to be fully capable of handling the engineering issues and communicating the board's positions. Hilary pointed out that she finds it unusual that the board is asked to approve the employment of the candidate without having interviewed him. Ehrlichmann said this hiring process was begun before the new chair and board members were appointed. There had been

concern over the situation of the previous board and the position could not be filled. We are now very far behind in the process. He stressed that this person will report to Judith Hollander, but the recommendation had to be brought to the board because the position is unclassified. It has been extremely difficult to find candidates willing to relocate. Theis added that at the APTA conference in Atlanta he met David Minister's manager, who said he will be very unhappy to lose him. Franklin moved and Caranicas seconded:

That the Regional Transit Board approve the appointment of David Minister to the unclassified position of Manager of Light Rail Development at salary class 14. Vacation accrual will be 15 days in the first year of the contract and two additional days in the second and third years.

Further, the executive director is authorized to execute a three-year employment contract with David Minister on behalf of the Regional Transit Board consistent with the terms described in the memorandum of November 16, 1989.

The motion was unanimously approved. Minister will join the RTB on December 11, 1989.

#### **REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE**

Committee Chair Tinklenberg reviewed the amended report of the committee meeting of November 13, 1989

#### **1991 International Special Olympic Games Funding Request**

Tinklenberg moved and Wedell seconded:

That the Regional Transit Board provide the 1991 International Special Olympic Committee an amount not to exceed \$50,000 for the purpose of transportation planning for the 1991 International Special Olympic Games and that the 1989 RTB Budget be amended to accommodate this request.

Funding is contingent upon RTB participation on the steering committee that will oversee transportation planning, and upon the International Special Olympic Committee making the plans and other material developed for the games available to the RTB for potential use in the planning of future special events.

Spartz asked if there is a policy governing the determination of which special events should receive RTB support. Andrews said events of a regional nature that offer an opportunity to learn things that can be applied to other situations are considered for funding. Ehrlichmann said there is no written policy and that the Policy Committee may wish to set parameters for these programs. Tinklenberg said it is the intent of the committee that these findings be used for other, similar events so the work does not have to be replicated. There is enough difference between the Special Olympics and the Olympic Festival that both should be funded. The motion was unanimously approved.

**Minnesota Department of Transportation (Mn/DOT) Light Rail Transit Grants**

Tinklenberg moved and Finley seconded:

That the Regional Transit Board approve the following allocation by the Minnesota Department of Transportation of Fiscal Year 1990 light rail transit funds:

Anoka County Regional Railroad Authority	\$385,569
Dakota County Regional Railroad Authority	\$63,260
Hennepin County Regional Railroad Authority	\$2,044,800
Ramsey County Regional Railroad Authority	\$914,271

Finley noted that the minutes should reflect that the committee discussed the Ramsey County application and approved the above recommendation with the understanding that Ramsey County Regional Railroad Authority had made a larger grant request, but since funds for the second phase of the Midway Corridor study will not be needed in 1990, the railroad authority reduced its request to \$914,271 with the understanding that the RTB will support their request for the balance of funds needed for Phase II preliminary engineering in Fiscal Year 1991. The motion was unanimously approved.

**Approval of Minnesota Rideshare 1990 Contract**

Tinklenberg moved and Caranicas seconded:

That the Regional Transit Board authorize the executive director to enter into a contract for calendar year 1990 with the Metropolitan Transit Commission to provide rideshare services through Minnesota Rideshare in an amount not to exceed \$669,826.

Tinklenberg said the committee discussed at length whether the dollars spent on the program have an effect on the amount of ridesharing in the Metropolitan Area. The committee plans to continue its review of the issue. The motion was unanimously approved.

**CARTS 1989 Contract Amendment**

Tinklenberg noted that there has been an increase in service miles and reviewed the changes to the program. He moved and Hilary seconded:

That the Regional Transit Board amend its contract with the Carver County Transportation Program (Contract No. 88/11/07-36) in an amount not to exceed \$121,015.

The motion was unanimously approved.

**REPORT OF THE JOINT LIGHT RAIL TRANSIT ADVISORY COMMITTEE**

Committee Chair Derus said the committee has worked long and hard and thanked the board for the support of RTB staff and consultants. The decision-making process is telescoping down very rapidly now. He reviewed the recommendations approved at the committee's meeting of November 15. Spartz said the volume of material presented to the advisory committee has been nearly overwhelming, but they are moving in the direction of specific proposals that will reduce the work of the board. Committee Chair Derus has demonstrated his broad knowledge of light rail transit. The LRT Development and Financial Plan will be forwarded to the Policy Committee for its consideration, which may need several meetings to complete its review. He asked members to reserve time for meetings on December 7, 14, 21 and 28.

Derus asked members to keep in mind the relationship in the final plans between the number of miles in the system and the costs. There is a stronger possibility of federal funds becoming available since the situation in Eastern Europe may have an effect on what can be built in the United States. The Governor will consider a bonding bill. This added that rural residents who have had the experience of 20-minute traffic jams become more supportive of light rail transit.

There being no other business, Finley moved and Caranicas seconded that the meeting be adjourned. The motion carried and the meeting adjourned at 4:45 p.m.

Respectfully submitted,

Mary Fitzgerald  
Secretary

Approved by the board: \_\_\_\_\_, 1989.



REGIONAL TRANSIT BOARD  
Mears Park Centre, 230 East 5th Street  
St. Paul, Minnesota 55101  
612/229-2700

Minutes of the Meeting of the  
**ADMINISTRATION AND FINANCE COMMITTEE**  
Mears Park Centre Room A  
Monday, November 13, 1989

**MEMBERS PRESENT:** Elwyn Tinklenberg, Chair; John T. Finley; Ruth Franklin; Ed Kranz; Richard Wedell

**OTHERS PRESENT:** Terrance O'Toole, RTB Member; Michael Ehrlichmann, RTB Chair; Charles Weaver, Legal Counsel; Mike McLaughlin, Margaret Schreiner and Natalio Diaz, Metropolitan Council; Roy Smalley, Executive Director; Mark Musso, Director of Operations, and Marshall Schwartz, Support Services Manager, Special Olympics Organizing Committee; John Capell, Bob Thompson and Leonard Oppenheimer, Metropolitan Transit Commission (MTC); Doug Ewald, Ewald Consulting Group, Inc., Kathy DeSpieglaere, Ramsey County Regional Railroad Authority; Gregory Andrews, Dale Ulrich, Clete Luberts, Ed Kouneski, Assata Brown, Howard Blin, Len Simich, Cyndie Mayer, Suzanne Hanson, Regional Transit Board Staff

The meeting was called to order at 4:00 p.m. and roll taken. Finley moved and Wedell seconded approval of the amended agenda. The motion carried unanimously (Kranz not present).

**1991 International Special Olympic Games Funding Request**

Simich reviewed the November 1, 1989 staff report. Ehrlichmann added that before he was appointed to the RTB he had worked with Roy Smalley regarding this request. He is impressed by the way this organization has reached out to the disability community in an attempt to develop a more positive approach to these games. The event draws attention to the accomplishments of the participants and he is comfortable with their plans. He noted that this event is different from the Olympic Festival. Their staff has been more than cooperative in justifying the need for the funds. Wedell moved and Franklin seconded:

That the Regional Transit Board provide the 1991 International Special Olympic Committee an amount not to exceed \$50,000 for the purpose of transportation planning for the 1991 International Special Olympic Games and that the 1989 RTB Budget be amended to accommodate this request.

Funding is contingent upon RTB participation on the steering committee that will oversee transportation planning, and upon the International Special Olympic Committee making the plans and other material developed for the games available to the RTB for potential use in the planning of future special events.

The motion was unanimously approved (Kranz not present).

**Minnesota Department of Transportation (Mn/DOT) Light Rail Transit Grants**

Blin reviewed the revised staff report dated November 13, 1989. Finley moved and Franklin seconded:

That the Regional Transit Board approve the following allocation by the Minnesota Department of Transportation of Fiscal Year 1990 light rail transit funds:

Anoka County Regional Railroad Authority	\$385,569
Dakota County Regional Railroad Authority	\$63,260
Hennepin County Regional Railroad Authority	\$2,044,800
Ramsey County Regional Railroad Authority	\$914,271

Finley said it was not until the Dakota County plan for South Corridor came up that the Ramsey County Regional Railroad Authority felt it should join in because Dakota's plan would connect the the St. Paul South and Hiawatha corridors south of the river, creating a loop. This is the reason the Joint Advisory Committee recommended dropping one of Ramsey's corridors because it will be considered one corridor rather than two. This development has just come about in the last few weeks. Ramsey is proceeding to acquire the Northeast corridor with its own funds. Phase I of the preliminary engineering will not be completed until the end of the year. This recommendation will allow Ramsey flexibility.

Wedell asked Blin for reaction to the editorial by Curt Johnson about the approximately \$20 million spent planning light rail transit over the past 20 years. Johnson, commenting that so much had been spent and nothing built. Wedell asked how much more planning will be required. Blin said the background planning is nearly complete. The counties are now progressing into preliminary engineering. Tinklenberg said flexibility is important in providing an opportunity for the counties to do broad based planning for an effective system with good coordination. Responding to Wedell, Finley said every activity is mistakenly referred to as planning, when in fact some of them are engineering activities. Until the first line is built, the public will continue to call it "planning." There is an important distinction. He added that if the area does build a \$2 billion system, a one-percent investment is reasonable. The motion carried unanimously (Kranz not present).

**Approval of Minnesota Rideshare 1990 Contract**

Kouneski reviewed the November 6 staff report. Finley moved and Tinklenberg seconded:

That the Regional Transit Board authorize the executive director to enter into a contract for calendar year 1990 with the Metropolitan Transit Commission to provide rideshare services through Minnesota Rideshare in an amount not to exceed \$669,826.

Tinklenberg questioned whether this proposal includes soliciting business participation. Kouneski said the Rideshare staff has people who work with employers to develop an on-site program. Franklin asked if the 1988 and 1989 goals and objectives were reviewed to determine what has been accomplished since a lot of money has been spent on this program over the years. Kouneski said there have been important gains. Since the evaluation study was completed a year ago, RTB has provided more direction in developing employer contracts. As more Transportation Management Organization (TMO) strategies are implemented, participation is expected to increase.

Ehrlichmann said that he is unfamiliar with past activities, but as we consider the University of Minnesota's Transportation Demand Management (TDM) program empirical data will be developed on the impact of the program. He is skeptical about whether the promotions are actually having a direct impact on the number of people who rideshare and he will want to see very specific data in the TDMs correlating expenditures and results. Tinklenberg asked if a change in the proportion of state and federal spending is expected. Kouneski said it is questionable that any FAU funds will be available since they are used for other purposes and competition for the funds is very strong.

O'Toole asked how many more people are using rideshare this year. Kouneski said there are 6,000 people in the program this year who were not there a year ago. They are taking two trips a day for about 250 days a year. There are 14,000 people on the match list with about 1,000 applications per month. There is a continuing effort to rematch riders as well.

In response to Finley's question, Kouneski said it is the responsibility of RTB to evaluate the program. In the evaluation study done last year by an outside consultant, the system was compared favorably to other systems in the nation. The study also pointed to new strategies. Responding to Caranicas' question, he said the University's program is not reflected in these figures, although Minnesota Rideshare provides technical assistance for the program. They are planning to gather regional figures that will include some of those kinds of locations.

Tinklenberg agreed with Ehrlichmann that if the total subsidy amount must be provided through state and local sources we must be able to point to accomplishments of those expenditures. The motion was unanimously approved.

#### Carver County Area Rural Transportation (CARTS) 1989 Contract Amendment

Mayer reviewed the October 26, 1989 staff report regarding the CARTS request to add staff time, vehicle charges and operating expenses.

That the Regional Transit Board amend its contract with the Carver County Transportation Program (Contract No. 88/11/07-36) in an amount not to exceed \$121,015.

The motion was unanimously approved.

Approval of Metropolitan Transit Commission (MTC) 1990 Operating and Capital Budgets

Kouneski reviewed the 1990 Operating Budget and Blin reviewed the Capital Budget.

Responding to O'Toole's question about accessible buses, Capell said the new buses are not accessible; the law requiring that has not been passed and the approved specifications, sent out a year ago, did not include lifts. When the Americans with Disabilities Act (ADA) is passed, MTC will have to comply with the statute. MTC's demonstration project on mainline accessible buses was very unfavorable and raised doubts about the viability of main line accessibility services. Tinklenberg asked, assuming ADA will pass and assuming the large number of buses (233) being purchased, whether it is reasonable to anticipate the need for lifts. Capell said that was considered and the financial impacts were discussed. The additional costs to include life equipment on these buses would be approximately \$4 million. The costs would be higher to retrofit the buses, but the law is not expected to require retrofitting of current equipment.

Finley commended staff on the questions posed in explaining the budget process, but found the budget document difficult to follow and he asked for clarification of the figures on part-time employees and full time equivalents. He questioned whether the 25 extra unfilled positions should continue to be funded. Capell said these are part time security staff. MTC has experienced a significant increase in incidents on the buses and has increased the number of hours for security officers by about 20 percent to provide more security coverage. The officers are off-duty police officers. Tinklenberg said 100 were projected and MTC is operating with 75 and projecting going above the 100 people. Thompson said MTC expects to use 18,000 hours with fewer people. Hours are being increased and that will entail the need for 25 additional officers.

Franklin asked if there is a formula for the number of drivers required for each bus. Capell said there are 800 vehicles and approximately 1,300 drivers. A committee works on the complicated formula for assignments. The ratio may be approximately 1.5 drivers per bus.

There was discussion of the fleet replacement program and the disposition of buses that are retired from service. Capell said after the buses have been cannibalized there is very little value left in them and they are disposed of through public auction. Wedell added that the storage site is a very poor location for bus storage.

Finley pointed out that the new budget assumes a 32-percent farebox recovery next year and asked what will be done to return to the 35-percent called for in the approved policy. Capell said MTC is considering a variety of options. It is difficult to achieve without reducing service and a fare increase may be considered. There has not been an increase in fares for several years. An increase would have an impact on ridership. The 35-percent farebox recovery figure was in Minnesota Statutes at one time, but when the RTB was created it was given the authority to set fares. RTB incorporated the figure in its policies. It is also Metropolitan Council policy to maintain a 35-percent farebox recovery. Finley said it is important to maintain adopted policies and he would like to discuss the issue at another time to determine how to return to the accepted policy, or decide whether it is realistic and should be revised.

Tinklenberg asked about the ATE Management Contract and questioned why MTC does not hire its own management. Capell reviewed the history since the public takeover of public transportation. Over the years the system has been examined and the commission has decided to continue the arrangement.

Regarding the LRT communications effort in the MTC budget, Tinklenberg raised concerns about the variety of organizations disseminating information and asked why MTC has a program for LRT. Capell said MTC is the designated LRT operator and feels it is important to communicate its efforts to the public. Other systems around the country also perform these activities. MTC's communications plans would be coordinated with those of the RTB. Tinklenberg said RTB's role is as regional coordinator of light rail and that must be followed. Franklin said in other parts of the country only one transit authority is responsible for planning and operating the system. Here there are two transit agencies and the seven counties are also have a role in planning. That portion of MTC's budget should be removed and consideration given to including those functions in RTB's budget to avoid the potential for misinformation. Tinklenberg agreed and said he also questions the new services. He suggested that the issues be tabled until the next meeting. Franklin moved and Wedell seconded that the item be tabled until the meeting of November 21. The motion was unanimously approved.

To accommodate the schedule of a Metropolitan Council member, O'Toole proposed that the agenda be amended. There was agreement and the agenda was revised.

#### Replacement Service (Opt-Out) Briefing

Weaver discussed the history of the issues that led to the legislation. Legislators were concerned about the effects on local systems by the Metropolitan Council's four regional systems: waste control, parks, airports and transportation. The transportation issues are similar to the Sewer Area Charges (SAC). The policy is that everyone should pay equally since it is reasonable to share the costs because without a transit system vehicles coming into the Central Business Districts (CBDs) from the outlying areas would encounter traffic congestion and parking would be difficult. Many people objected to paying those costs so the area went to a tax feathering system. The other question was what to do for those people who pay a great deal and get very little service. The Savage/Shakopee example was that it would be cheaper for the city to buy a car for each transit user in the city. The opt-out legislation is a compromise. Blin added that the communities that did not apply for replacement service by June 1, 1989 can no longer do so. The key point is that they do not keep the money, but they gained the right to apply for funds for replacement service.

Kranz said Weaver was very accurate. The term "opt-out" implies that communities must eliminate MTC service and go to private providers, but that is not really true. Some communities have negotiated with MTC to maintain the same service and that left additional funds available to provide services in the communities such as Dial-A-Ride. One change has been in the amount of taxes paid in some suburban areas compared to the past, with suburban areas paying increasingly larger amounts. The board should capitalize on its experience with this program. The lack of suburban service has been a major issue and was one of the factors that led to the creation of the RTB. RTB has been inadequate in addressing the need for suburban transportation. The Opt-Out program is a significant tool for addressing the problem and has dramatically improved the situation. It is the only program that was successful. Tinklenberg said one of its advantages is that it forced the local communities to

become actively involved in planning transit rather than waiting to be served and RTB should encourage this.

Following up on Weaver's remarks regarding transit for the total area, Franklin said because the program limited which communities could apply for the program some unfairness was created. Since Blaine has a large area and one corner receives full service, they could not opt-out and do not qualify for tax feathering. Plymouth, on the other hand, controls its routes so they could spread their headways by less than five minutes and qualify for feathering. Consequently, Plymouth has a better transit system.

Wedell said a study of trip destinations in done in his area showed that trips to the Central Business Districts were about fourth in frequency but the service is planned for those routes. There is a greater need for service between the suburban areas, which is where greater development will take place and the board must recognize the reality of those needs. Kranz said there is some frustration about the unfairness, but if you continue to fragment the system the costs will increase. There is a need for additional funding in transportation, whether or not there is an opt-out program. There may be a need to eliminate tax-feathering altogether. There must be a united approach to these questions and the RTB should be proactive and come up with some proposals. Wedell pointed out that ridership increased in the opt-out communities.

The chair suggested that the meeting be adjourned because of the lateness of the hour and the discussion continued to another meeting. Kranz suggested that a subcommittee address suburban transportation issues and current legislation to develop a plan to take to the board. The questions surrounding light rail throws fuel on the flame. The chair asked the members to give thought to how to proceed. There is a Suburban Mobility Conference at the end of the month and asked for information on it.

Finley moved and O'Toole seconded that the meeting be adjourned. The motion carried and the meeting was adjourned at 5:50 p.m.

Respectfully submitted,

Mary Fitzgerald  
Secretary

Approved by the board \_\_\_\_\_, 1989.



**REGIONAL TRANSIT BOARD**

Mears Park Centre  
230 East Fifth Street  
St. Paul, Minnesota 55101  
612/292-8789

Minutes of the  
**SPECIAL MEETING OF THE ADMINISTRATION AND FINANCE COMMITTEE**

Mears Park Centre Room 2A

Tuesday, November 21, 1989

**MEMBERS PRESENT:** Elwyn Tinklenberg, Chair; Ruth Franklin; Ed Kranz

**OTHERS PRESENT:** Michael Ehrlichmann, Judith Hollander, Gregory Andrews, Dale Ulrich, Edward Kouneski, Cynthia Curry, Cyndie Mayer, Mike Opatz, Suzanne Hanson, Elba Zuniga, Assata Brown, Mark Hoisser, Bob Thompson.

The meeting was called to order at 4:35 p.m. and roll taken. Franklin moved and Kranz seconded approval of the agenda.

**Jobseekers Program 1990 Contract**

Assata Brown explained the Jobseekers Program from when it started, the growth it has achieved in the past four years and the expansion projects that are underway. Both Ehrlichmann and Tinklenberg mentioned their approval of the jobseekers program in helping people get into the job field. Franklin questioned if the program was audited. Assata explained that Jerry Brechlin audits and she herself does spot checks frequently. Ed Kranz moved and Ruth Franklin seconded the following motion:

That the Regional Transit Board authorize the executive director to enter into a contract for calendar year 1990 with the agencies described in the November 13, 1989 memorandum, to provide discounted convenience fares to jobseekers.

Motion approved.

**Transit Provider Contracts**

Ed Kouneski discussed his November 15 memorandum seeking approval for 1990 Provider Contracts. Ehrlichmann mentioned that there are outstanding audits with some providers and suggests that they not be approved until these audits take place. Since the Regular Route contract with Medicine Lake Lines is only until the opt-out program is started, that contract should be extended. Kranz moved and Franklin seconded the following motion:

That the Regional Transit Board authorize the executive director to renew contracts effective January 1, 1990 with the following transit service providers for the amounts and terms listed below:

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<u>Replacement (Opt-Out Service)</u>	<u>Total Subsidy Amount</u>	<u>Contract Term</u>
City of Plymouth	\$ 800,697	12/31/90
City of Shakopee	209,640	12/31/90
Southwest Metropolitan Transit Commission	1,078,637	12/31/90
 <u>Regular Route (Private Operator)</u>		
Airport Express	\$ 13,263	8/31/90
Medicine Lake Lines	196,600	3/31/90
North Suburban Lines	919,988	12/31/90
 <u>Rural/Special Transportation Service</u>		
Carver County	\$ 131,359	12/31/90
Dakota County Volunteer	18,277	12/31/90
DARTS (Dakota County)	396,110	12/31/90
Human Services, Inc.	236,537	12/31/90
Scott County	97,558	12/31/90
Senior Community Services	56,094	12/31/90
Senior Transportation	16,200	12/31/90
Westonka Rides	13,500	12/31/90
 <u>Small Urban Communities</u>		
City of Columbia Heights	\$ 23,523	12/31/90
City of Hastings (TRAC)	71,276	12/31/90
City of Hopkins	37,692	12/31/90
Northeast Suburban Transit (NEST)	116,121	12/31/90
St. Louis Park Emergency Program (STEP)	8,492	12/31/90
White Bear Area Transit	108,464	12/31/90

Motion approved.

**Approval of MTC 1990 Operating and Capital Budgets -- continued**

Chair Tinklenberg asked if the representatives of the MTC additional information to present. Thompson stated that budget has been endorsed and recommended that it be forwarded to the Regional Transit Board by the MTC Board.

Tinklenberg asked if the MTC was aware of RTB staff recommendation. Thompson responded that they were aware of these recommendations and they are all acceptable to the MTC. Franklin questioned the LRT communication expenditure and whether it would be confusing to have both RTB and MTC doing this. Andrews responded that John Capell said the LRT communication program was going to be for internal use only and the MTC will be showing the RTB a plan by January 1, 1990. Chair

**Special Meeting of the  
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November 21, 1989  
Page 3**

Tinklenberg questioned if the MTC planned to respond to the 35% farebox recovery. MTC responded that they will have a plan and will submit it to the RTB by April 1, 1990.

Kranz moved, and Franklin seconded the following motion:

That the Regional Transit Board:

1. Approve an MTC operating budget of \$109,734,403 and an RTB subsidy of \$67,325,914 for regular route service, with the following conditions:
  - a. By April 1, 1990, the MTC should submit a plan to comply with the 35 percent fare recovery standard for a period of two to three years, consistent with the fare policy guidelines of the RTB's Five Year Transit Plan.
  - b. The MTC's expanded role as regional coordinator should focus on offering an information referral service on all public transit services in the region, arranging transfer reciprocity and convenience fare recognition agreements with other providers, improving information at bus stops including the identification of routes on signs, and posting schedule information at shelters.
  - c. In the coming months, the MTC should begin to identify strategies for expanded accessible regular route service and develop plans for actions in support of the RTB's transit disadvantaged program.
  - d. By March 1, 1990 or sooner, the MTC should submit recommendations to the RTB for corrective action on all high subsidy routes.
  - e. By January 1, 1990, the MTC should submit its LRT communications plan to the RTB for review prior to implementation
  - f. MTC bus feeder service plans should be developed, consistent with light rail transit coordination policies and standards advanced by the RTB, and when completed, submitted to the RTB for review and approval.
  - g. Future MTC budget assumptions and new service proposals should be submitted to the RTB staff for discussion early in the budget development process, so that RTB policy requirements can be fully satisfied.
2. Approve an MTC capital budget of \$98,722,687, with expenditures of \$56,593,076 in 1990, and with the following condition:
  - a. The MTC should work jointly with RTB staff to examine future peak bus requirements for the years beyond 1990.
3. Approve 1990 debt service expenditures of \$2,321,650.

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4. Disapprove expenses of \$1,253,000 and subsidy of \$614,000 requested by the MTC to continue replacement service and to implement new regular route services outside the fully developed service area and serving the University of Minnesota.
5. Direct RTB staff to:
  - a. Discuss plans with the University of Minnesota for implementation of express service from Roseville, as part of the Route 52 network administered by the University under a cost-sharing agreement with the RTB.
  - b. Communicate the potential for additional express routes in the communities of Apple Valley and Burnsville to the newly formed Six Cities joint powers authority, organized to administer replacement service in 1990.
  - c. Analyze the need for crosstown service in the White Bear/Arden Hills area.

Motion approved.

**1990 RTB Budget**

Ulrich completed the review of the 1990 RTB budget. The staff will be incorporating the provider contracts and MTC budget actions into an amended 1990 budget, which will be presented to the committee at its next meeting.

There being no further business, Kranz moved and Franklin seconded that the meeting be adjourned. The motion carried unanimously and the meeting was adjourned at 6:07 p.m.

Respectfully submitted,

Susan M. Fedorchak  
Acting Secretary

Approved by the committee: \_\_\_\_\_, 1989.



REGIONAL TRANSIT BOARD  
Mears Park Centre, 230 East 5th Street  
St. Paul, Minnesota 55101  
612/229-2700

### REPORT OF THE POLICY COMMITTEE

At its meeting of November 27, 1989, the committee discussed and approved the following recommendations:

#### Standards for Per Diem Payments

The Policy Committee recommends:

That the Regional Transit Board approve the following activities for per diem compensation:

1. Meetings and public hearings of the board and meetings of committees to which the member has been appointed.
2. Meetings as an official RTB representative designated by the chair or the board.
3. Up to three meetings of local government or community organizations per month at which the member is specifically requested to participate by the organization or the chair of the RTB.
4. Conferences, seminars and workshops if authorized by the chair, necessary travel days are also included.
5. Metropolitan Transit Commission public hearings related to member's district.
6. Other meetings or services related to RTB business that are authorized by the chair.

Per diems shall be limited to one per day regardless of the number of meetings attended.

Members shall not be paid a per diem for informal meetings of individual members with representatives of private or public organizations or members of the state legislature, or for appearances on radio or television programs, except as otherwise provided; but members may be reimbursed for actual and necessary expenses incurred in conjunction with those meetings and activities.

continued

Travel Expense Allowances

That the Policy Committee recommends:

1. That the Regional Transit Board adopt the meal allowance provision of the Commissioner's Plan, as described in detail at "State of Minnesota" in the staff memorandum of October 30, 1989 for payment of board members' expenses while in travel status. (As administered by the state agencies, meals paid for by the agency directly are not further reimbursed, e.g. meals paid for in conference fee or an airline ticket.)

<u>Meal</u>	<u>General</u>	<u>Named Cities*</u>
Breakfast	\$6.00	\$7.00
Lunch	\$7.50	\$8.50
Dinner	\$13.50	\$15.50

- \* Named Cities are: Atlanta, Boston, Chicago, Cleveland, Dallas, Denver, Detroit, Hartford, Houston, Los Angeles, Miami, New Orleans, New York City, Philadelphia, San Diego, San Francisco, Seattle, Washington D.C.

2. That the Regional Transit Board adopt the provisions of the Commissioner's Plan with respect to personal telephone call charges while the member is in travel status, which allows payment for: "Actual, documented personal telephone call charges. The maximum reimbursement for each trip shall be the result of multiplying the number of nights away from home by \$2.00."

Other Business

The committee discussed the issue of cablecasting RTB meetings and referred the matter back to staff with direction to develop more information on which meetings would be the appropriate events for broadcasting.

The committee also received an update on the LRT Development and Financial Plan and the Metropolitan Council Review of RTB's Five-Year Transit Plan.

Jeff Spartz  
Chair

Jl/mff



**REGIONAL TRANSIT BOARD**

Mears Park Centre  
230 East 5th Street  
St. Paul, Minnesota 55101  
612/292-8789

**REPORT OF THE SPECIAL ADMINISTRATION AND FINANCE COMMITTEE**

At its special meeting of November 21, 1989, the committee discussed and approved the following recommendations:

**Jobseekers Program 1990 Contracts**

The Administration and Finance Committee recommends:

That the Regional Transit Board authorize the executive director to enter into a contract for calendar year 1990 with the agencies described in the November 13, 1989 memorandum, to provide discounted convenience fares to jobseekers.

**Transit Provider Contracts for Calendar Year 1990**

The Administration and Finance Committee recommends:

That the Regional Transit Board authorize the executive director to renew contracts effective January 1, 1990 with the following transit service providers for the amounts and terms listed below:

<b><u>Replacement (Opt-Out Service)</u></b>	<b><u>Total Subsidy Amount</u></b>	<b><u>Contract Term</u></b>
City of Plymouth	\$ 800,697	12/31/90
City of Shakopee	209,640	12/31/90
Southwest Metropolitan Transit Commission	1,078,637	12/31/90
<b><u>Regular Route (Private Operator)</u></b>		
Airport Express	\$ 13,263	8/31/90
Medicine Lake Lines	196,600	3/31/90
North Suburban Lines	919,988	12/31/90

**Rural/Special Transportation Service**

Carver County	\$ 131,359	12/31/90
Dakota County Volunteer	18,277	12/31/90
DARTS (Dakota County)	396,110	12/31/90
Human Services, Inc.	236,537	12/31/90
Scott County	97,558	12/31/90
Senior Community Services	56,094	12/31/90
Senior Transportation	16,200	12/31/90
Westonka Rides	13,500	12/31/90

**Small Urban Communities**

City of Columbia Heights	\$ 23,523	12/31/90
City of Hastings (TRAC)	71,276	12/31/90
City of Hopkins	37,692	12/31/90
Northeast Suburban Transit (NEST)	116,121	12/31/90
St. Louis Park Emergency Program (STEP)	8,492	12/31/90
White Bear Area Transit	108,464	12/31/90

**Approval of MTC 1990 Operating and Capital Budgets (continued)**

The Administration and Finance Committee recommends:

That the Regional Transit Board:

1. Approve an MTC operating budget of \$109,734,403 and an RTB subsidy of \$67,325,914 for regular route service, with the following conditions:
  - a. By April 1, 1990, the MTC should submit a plan to comply with the 35 percent fare recovery standard for a period of two to three years, consistent with the fare policy guidelines of the RTB's Five Year Transit Plan.
  - b. The MTC's expanded role as regional coordinator should focus on offering an information referral service on all public transit services in the region, arranging transfer reciprocity and convenience fare recognition agreements with other providers, improving information at bus stops including the identification of routes on signs, and posting schedule information at shelters.
  - c. In the coming months, the MTC should begin to identify strategies for expanded accessible regular route service and develop plans for actions in support of the RTB's transit disadvantaged program.
  - d. By March 1, 1990 or sooner, the MTC should submit recommendations to the RTB for corrective action on all high subsidy routes.

- e. By January 1, 1990, the MTC should submit its LRT communications plan to the RTB for review prior to implementation
  - f. MTC bus feeder service plans should be developed, consistent with light rail transit coordination policies and standards advanced by the RTB, and when completed, submitted to the RTB for review and approval.
  - g. Future MTC budget assumptions and new service proposals should be submitted to the RTB staff for discussion early in the budget development process, so that RTB policy requirements can be fully satisfied.
2. Approve an MTC capital budget of \$98,722,687, with expenditures of \$56,593,076 in 1990, and with the following condition:
    - a. The MTC should work jointly with RTB staff to examine future peak bus requirements for the years beyond 1990.
  3. Approve 1990 debt service expenditures of \$2,321,650.
  4. Disapprove expenses of \$1,253,000 and subsidy of \$614,000 requested by the MTC to continue replacement service and to implement new regular route services outside the fully developed service area and serving the University of Minnesota.
  5. Direct RTB staff to:
    - a. Discuss plans with the University of Minnesota for implementation of express service from Roseville, as part of the Route 52 network administered by the University under a cost-sharing agreement with the RTB.
    - b. Communicate the potential for additional express routes in the communities of Apple Valley and Burnsville to the newly formed Six Cities joint powers authority, organized to administer replacement service in 1990.
    - c. Analyze the need for crosstown service in the White Bear/Arden Hills area.

**Other Business:**

**1990 RTB Budget (continued)**

Ulrich completed the review of the 1990 RTB budget. The staff will be incorporating the provider contracts and MTC budget actions into an amended 1990 budget, which will be presented to the committee at its next meeting.



REGIONAL TRANSIT BOARD

Mears Park Center, 230 East Fifth Street, St. Paul, Minnesota 55101

DATE: November 20, 1989  
TO: Members of the Regional Transit Board  
FROM: Dale W. Ulrich, <sup>DM</sup>Comptroller  
SUBJECT: Standards for Per Diem Payments

Minnesota Statutes 473.141, subd. 7 provides for the payment of a \$50 per diem payment for "each meeting" and "for such other services as authorized by the commission." (Statute and attorney's analysis attached as Attachment A.)

The Board's bylaws specify that member attendance at Board meetings, committee meetings, Board approved seminars and other meetings specifically authorized by the Chair qualify for per diem compensation. In December 1987, the Board discussed the definition of "other services" and accepted guidelines (see Attachment B) to provide guidance to the Chair in approving per diem requests.

With a new Board and Chair, it is appropriate to revisit the per diem standards issue.

To facilitate that process, I have reviewed the standards of the Metropolitan Council, the Metropolitan Waste Control Commission and the Metropolitan Transit Commission (see Attachment C) and offer the following as a starting point for discussion and amendment.

#### Eligible Per Diem Activities

##### Attendance at:

- Meetings and public hearings of the Board and meetings of committees to which the member has been appointed.
- Meetings as an official RTB representative designated by the Chair or the Board.
- Meetings of local government or community organizations at which the member is specifically requested to participate by the organization or the Chair of the RTB.
- Conferences, seminars and workshops if authorized by the Chair; necessary travel days are also included.
- MTC public hearings relating to member's district.
- Other meetings or services related to RTB business which are authorized by the Chair.

Per diems shall be limited to one per day regardless of the number of meetings attended.

Members shall not be paid a per diem for informal meetings of individual members with representatives of private or public organizations or members of the state legislature, or for appearances on radio or television programs, except as otherwise provided; but members may be reimbursed for actual and necessary expenses incurred in conjunction with those meetings and activities.

**HOLMES & GRAVEN**

CHARTERED

470 Pillsbury Center, Minneapolis, Minnesota 55402

(612) 337-9300

**LARRY M. WERTHEIM**

Attorney at Law

Direct Dial (612) 337-9216

October 16, 1986

**HAND DELIVERED**

Gregg Andrews  
Director of Administration  
Regional Transit Board  
280 Metro Square Building  
Saint Paul, Minnesota 55101

RE: Regional Transit Board  
Our File No. RE165-1  
Legal Opinion No. 12  
Compensation and Expenses of Board Members

Dear Gregg:

Recently you asked our office to delineate the legal boundaries of the RTB's compensation and reimbursement plan for board members. Your concerns center on three issues. First, may the RTB pay members both per diem compensation and expense reimbursement for attendance at a single event? Second, to what extent may the RTB exercise its discretion in determining which events merit per diem compensation? Third, who must authorize per diem payments? It is our opinion that these issues are resolved in the following manner.

First, the RTB may pay members both per diem compensation and expense reimbursement for attendance at a single event. Compensation of commission members is regulated by Minnesota Statutes section 473.141, Subd. 7 (1984), which states:

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

The statute refers both to per diem compensation and to reimbursement of expenses, adding the proviso that payments made to commission members for expenses must conform to similar payments authorized for state employees. The question raised is

whether the statute permits the concurrent payment of both forms of compensation for attendance at a single event, or whether, instead, it implies that board members are entitled to one form of compensation or the other, but not to both. To answer this question, we must look both at the language of the statute itself and regulations pertaining to compensation of state employees.

The language of the statute strongly suggests that concurrent payment of both per diem and expense reimbursement is permitted. Subdivision 7 states that "Each commission member shall be paid a per diem compensation of \$50 for each added meeting. . .and shall be reimbursed. . . ." (Emphasis added.) If payment were to be restricted to one form or the other, one could expect this sentence to read: "Each commission member shall be paid a per diem compensation. . . or shall be reimbursed. . . ." Furthermore, the dual use of the word "each" in connection with the conjunctive "and" substantiates the conclusion that concurrent payment of both forms of compensation is appropriately made to any given board member for any given meeting or service.

Policy considerations lend additional support to this reading of the statute. It appears that the legislature intended to compensate board members for their time and services as well as to reimburse them for expenses. The second sentence of Subdivision 7 establishes that the chairman "shall receive a salary. . . and shall be reimbursed for reasonable expenses. . . ." It flows logically that other commission members similarly merit some financial compensation above and beyond reimbursement for out-of-pocket expenses. Certainly, per diem and reimbursement serve two distinct functions. Per diem is a form of compensation, comparable to the salary regularly received by the RTB chairman, whereas reimbursement is strictly a means of maintaining a person at the status quo by replacing out-of-pocket expenditures. Commission members do not receive any salary other than the \$50 per diem compensation. Apparently the legislature thus intended per diem to be a form of "salary" payable in addition to expense reimbursement.

This conclusion does not conflict with regulations affecting the compensation of state employees. There is no general Minnesota statute regulating compensation of state employees. Rather, the Commissioner of Employee Relations establishes Guidelines for Expense Reimbursement of unclassified state employees and a legislative committee gives the Guidelines a final stamp of approval. The Guidelines currently in effect do not address the payment of per diem in connection with reimbursement. State employees receive salaries which compensate them for the time they spend at off-site work-related activities and thus they do not require additional per diem compensation. What is significant for our purposes is the fact that the Guidelines do not specifically prohibit payment of both per diem and expense reimbursement for attendance at a single event. Therefore, state practice does not alter or restrain the statutory authorization to make concurrent payments of per diem and reimbursement to board members.

In summary, Minn. Stat. § 473.141, Subd. 7 permits the concurrent payment of per diem compensation and expense reimbursement. The RTB thus may provide both forms of payment to a member who participates in an authorized event.

Second, the RTB has authority to grant or to withhold per diem compensation for all services other than RTB meetings. Minn. Stat. § 473.141, Subd. 7 specifies that commission members are entitled to "\$50 for each meeting and for such other services as authorized by the commissioner". The payment of \$50 for each RTB meeting appears to be an absolute directive, beyond the scope of the commission's discretion. Had the statute omitted the word "for" before the phrase "such other services," one possibly could assert that the commission's authorization reaches payment for "each meeting." However, as the statute is constructed, "for each meeting" appears to be a separate and absolute mandate, distinct from "for such other services." Authorization by the commission thus modifies only services other than RTB meetings. Therefore, payment for RTB meetings is mandatory; however, per diem payment for all other services, such as workshops, seminars and other public meetings, is discretionary. Moreover, since the statute does not further limit the commission's authorization powers, it appears that decisions to pay per diem can be made both prospectively and retrospectively.

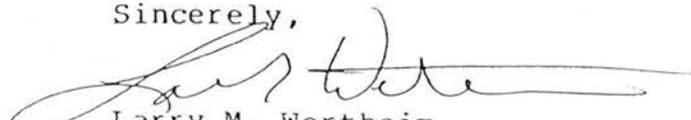
Third, per diem payments must be authorized by the commission, not by the Chair. Minn. Stat. § 473.141, Subd. 7 is explicit in this mandate, stating that members shall be paid per diem compensation for services "as authorized by the commission." There might be some conflict between the statute and Article VII-B.2 of the RTB bylaws, which provides that per diem authorizations are to be made by the Chair. In that case the statute, of course, controls. Since the bylaws refer to the statute, it probably is not necessary to amend this provision. In practice, however, the RTB should conform to the statutory requirement by having the commission and not the Chair authorize per diem payments.

Please note, also, that Minnesota Statutes require commissions to budget for per diem compensation and reimbursement. The last sentence of § 473.141, Subd. 7 requires that:

The annual budget of each commission shall provide as a separate account anticipated expenditures for per diem, travel and associated expenses for the chairman and members, and compensation or reimbursement shall be made to the chairman and members only when budgeted.

If you have further questions on these or related matters, we will be happy to provide additional assistance.

Sincerely,



Larry M. Wertheim

BYLAWS:

B. BOARD MEMBERS

1. Board members, other than the chair, shall be reimbursed a per diem pursuant to Minn. Stat. 473.141, subd. 7, as amended, for attendance at board meetings, committee meetings, board-approved seminars, and other meetings specifically authorized by the chair.

DEC. 1987 GUIDELINES:

REGIONAL TRANSIT BOARD

ALLOWABLE PER DIEMS

- o All regular and special meetings of the Regional Transit Board and its committees.
- o Regional Transit Board public hearings.
- o Public hearings for MTC routes - only in board member's district.
- o Meetings with state legislators and local officials as required by Minnesota statutes, not to exceed two per month (board members are encouraged to communicate more frequently with the above-mentioned officials).
- o National, state or regional transit conferences and workshops (one per year per member--additional conferences with the prior approval of the chairman). Note: Per diems can be claimed for the conference days plus any travel days necessitated by the conference schedule.
- o Approved meetings or assignments to gather information when board member is representing the RTB and is asked to participate.

12/17/87

prdiem

RTBTX1

## SUMMARY OF OTHER AGENCIES PER DIEM STANDARDS

### Metropolitan Council

#### Eligible per diem expenses:

- 1 ) Attendance at full Council and Council committee meetings;
- 2 ) Attendance at meetings as an official Council representative designated by the Chair or the Council (liaison to metro boards and commissions);
- 3 ) Participation in any public hearing or meeting held by the Council, metro boards or commissions;
- 4 ) Attendance at meetings of local government or community organizations in which the council member is specifically requested to participate by that organization or by the Chair of the Metropolitan Council;
- 5 ) Appearances at public hearings or public meetings of federal, state, county, city or special purpose district agencies when approved by the Chair of the Council to do so;
- 6 ) Attendance at local conferences and seminars when the Council is formally invited to participate;
- 7 ) Attendance at out-of-town conferences on Council business;
- 8 ) Attendance at regularly-scheduled meetings of a unit of local government or special district where the Council member formally participates in the meetings, either to make a presentation or to act as a resource for the local unit of government.

### Metropolitan Waste Control Commission

#### Commissioner's Per Diem and Authorized Expenditures

- a) Per Diem Compensation. Each Commission member shall be paid a per diem compensation of \$50.00 for each authorized service for the Commission (Minnesota Statutes 473.141, subd. 7). However, total per diem compensation is limited to \$50.00 for each 24-hour day, regardless of the number of authorized services rendered in each day.
- b) Authorized Services. Authorized service for per diem compensation shall include:
  - 1 ) Attendance by Commission members at regular, special or emergency Commission meetings;
  - 2 ) Attendance by Commission members at standing, special or ad hoc committee meetings;
  - 3 ) Other services or attendance at meetings or hearings related to Commission business which are authorized by the Commission Chair.

## SUMMARY (continued)

### Metropolitan Transit Commission

#### VI. COMPENSATION AND EXPENSES OF COMMISSION MEMBERS.

##### 2. Commissioners

Each commissioner, other than the chairman, shall be paid a per diem compensation of \$50 for each day or part thereof spent in attending the following types of meetings and other services:

- a. All meetings of the commission;
- b. All meetings of standing committees;
- c. All public hearings called by the commission;
- d. Meetings of a special purpose committee or agency to which the commissioner is appointed by the commission chairman or by the commission;
- e. Conferences, seminars, workshops and other similar meetings, if attendance is authorized and approved by the chairman;
- f. Scheduled and advertised public meetings where transit matters are part of the agenda and a copy of the agenda is filed with the per diem claim;
- g. Other services authorized by the chairman or commission from time to time.

Per diems shall be limited to one per diem payment per day regardless of the number of meetings attended by a commissioner in any one day.

Members shall not be paid a per diem for informal meetings of individual members with representatives of private or public organizations or members of the state legislature or for appearances on radio or television programs, except as provided for above; but members may be reimbursed for actual and necessary expenses incurred in connection with those meetings under the MTC travel and expense policy.



REGIONAL TRANSIT BOARD

Mears Park Center, 230 East Fifth Street, St. Paul, Minnesota 55101

DATE: November 20, 1989  
TO: Members of the Regional Transit Board  
FROM: Dale W. Ulrich, Comptroller  
SUBJECT: Travel Expense Allowances

After the recent APTA Conference, the Chair requested that the meal allowance policies of other metro agencies and state boards be reviewed for comparability. A copy of the memo summarizing that review activity is attached, as is a copy of our current travel policy.

Member's expense reports also indicated a need for a policy on personal phone call expenses; an examination of the RTB's current travel expense policies finds no mention of that issue.

Minnesota Statutes 473.141, subd. 7, which authorizes the payment of expenses to members of the Regional Transit Board, states that members "shall be reimbursed ...in the same manner and amount as state employees."

Expense reimbursement policies for state employees are established by the Department of Employee Relations. The publication of that agency most relevant to the RTB is the "Commissioner's Plan," which covers state boards and commissions. (The expense reimbursement provisions of other D.O.E.R. plans is identical to the Commissioner's Plan.)

Recommendation:

1. That the RTB adopt the meal allowance provision of the Commissioner's Plan, as described in detail at "State of Minnesota" in the attached memo of October 30, 1989, for payment of Board members' expenses while in travel status. (As administered by the state agencies, meals paid for by the agency directly are not further reimbursed, e.g. meals paid for in conference fee or an airline ticket.)
2. That the RTB adopt the provisions of the Commissioner's Plan with respect to personal telephone call charges while the member is in travel status, which allows payment for: "Actual, documented personal telephone call charges. The maximum reimbursement for each trip shall be the result of multiplying the number of nights away from home by \$2.00."

Date: October 30, 1989

To: Chairman M J Ehrlichmann

From: Dale Ulrich, Comptroller

Subject: Survey of Travel Meal Allowances II

This is in response to your request for information about the comparability of RTB per diems and the meal allowances provided by other Metro Agencies and the State of Minnesota.

#### RTB

Board maintains an allowance schedule of \$27/day for Board members with no differential for area of travel.

Board does not require receipts to prove expenditures to receive allowance, but does deduct for RTB paid meals, e.g. a meal provided at a conference for which the agency has paid the conference registration fee. The RTB plan does not allocate the daily allowance to specific meals, rather allows one third of the total to be paid for each eight hour period (midnight to 8 am, 8am to 4pm, 4pm to midnight) the individual is in travel status.

#### MET COUNCIL

Met Council allowance plan provides for differentials by area of travel.

Council members receive actual expense, per receipts, up to the maximum as determined by area of travel:

Meal	Within Minnesota	Out of Minnesota	Special Rates for Metropolitan Areas*
Breakfast	\$ 5.00	\$ 6.00	\$ 8.00
Lunch	7.00	8.00	10.00
Dinner	13.00	20.00	24.00
TOTAL	\$25.00	\$34.00	\$42.00

\*Baltimore, Boston, Chicago, Los Angeles, New Orleans, New York City, San Diego, San Francisco, and Washington, D. C.

Met Council meal allowances include the cost of gratuities and taxes. Reimbursement is not allowed for alcoholic beverages.

#### WASTE COMMISSION

Waste Commission maintains a single meal allowance of \$25/day for Commissioners, with no differential for area of travel. The allowance is divided among meals the same as the "within Minnesota" Met Council schedule above.

#### STATE OF MINNESOTA

The state's Managerial Plan and Commissioner's Plan allowance schedules apply to State boards, commissions, and political appointees. The allowance provided by these plans is also used to compensate members of advisory committees. They provide for a meal allowance of \$27/day for persons in travel status, with a \$31/day rate for specific cities: Atlanta, Boston, Chicago, Cleveland, Dallas, Denver, Detroit, Hartford, Houston,

Los Angeles, Miami, New Orleans, New York City, Philadelphia, San Diego, San Francisco, Seattle, Washington D.C.

The state does not require receipts to prove meal expense.

The State allowances are divided as follows:

	Generally	Named Cities
Breakfast	6.00	7.00
Lunch	7.50	8.50
Dinner	13.50	15.50

If you would like clarification or further information, please let me know.



- C. The Board shall not pay Board employees' expenses for travel between the employee's place of residence and the Board offices for work during normal working hours.
- D. Board payment of travel and expenses for members of affiliated bodies is intended to encourage participation in Board activities by persons who would not or could not otherwise participate due to out-of-pocket expense or loss of income.
- E. Expense reimbursement procedures shall provide reasonable assurance that payments by the Board are not duplicated by other public or private bodies.
- F. Local travel expenses are subject to audit and denial by the Executive Director if not directly incurred and necessary to carry out Board responsibilities in accordance with these procedures. Out-of-area travel and expenses for Board members and members of affiliated bodies must be pre-authorized by the Chairman and Executive Director on the long-distance travel request form (T&E2); for employees, by the Executive Director.

#### IV. PROCEDURES

##### A. Local Travel Expenses

1. Mileage Allowance. A mileage allowance equal to the Internal Revenue Service (IRS) standard mileage rate will be paid by the Board to eligible persons if a private automobile is used for performance of Board activities.
2. Parking Expenses. The Board will reimburse actual parking expenses of an eligible person traveling for Board activities.  
  
For other employee parking expenses, actual parking expenses not to exceed \$3.50 per day shall be paid for each day in which an employee is required to use a private automobile for Board business.
3. Toll Charges. Actual road, bridge and ferry toll charges paid by an eligible person during travel for Board activities will be reimbursed by the Board.
4. Bus Fares. Actual intra-city and inter-city bus fares paid by the eligible person during travel for Board activities will be reimbursed by the Board.
5. Taxi Fares. Actual taxi fares paid by an eligible person during travel for Board activities will be reimbursed by the Board. Local travel by taxi shall be eligible for reimbursement only when a private automobile or bus service is not available or where travel other than by taxi would be unsafe after dark or for other special conditions of travel.

B. Out-of-Area Travel and Expenses

1. Mileage Allowance, Parking Expenses, Toll Charges, Bus Fares and Taxi Fares. The Board shall pay eligible persons mileage allowances, parking expenses, toll charges, bus fares, and taxi fares as described under Section IV.A., Local Travel Expenses, if the expenses were incurred during authorized out-of-area travel for Board activities. Air travel shall be the preferred means of out-of-area travel. Reimbursement for private automobile use out-of-state will be paid on the basis of tourist air fare or actual mileage, whichever is less. If a private automobile is used for local transportation while in an area other than the seven-county metropolitan area, the same mileage allowance as indicated in Section IV.A, Local Travel Expenses.
2. Rail Fares. The Board will pay the lessor of tourist air fare of rail fares for authorized out-of-area travel. Travel by rail may be in first class accommodations, including lower berth or roomette in the case of overnight travel.
3. Airline Fares. The Board will pay airline fares for authorized out-of-area travel by an eligible person. Travel by airline shall be in the least expensive class available. If the least expensive class is not available, other classes may be considered in ascending order of expense. First class tickets shall be the option of last resort. The passenger ticket coupon shall be attached to the out-of-area travel expense report form.
4. Limousine Fares. Actual limousine fares paid by an eligible person during authorized out-of-area travel will be reimbursed by the Board.
5. Automobile Rental. Actual automobile rental charges including daily rates and mileage paid by an eligible person during authorized out-of-area travel will be reimbursed by the Board.
6. Baggage Handling Expenses. Actual baggage handling expenses paid by an eligible person during authorized out-of-area travel in performance of Board activities will be reimbursed by the Board.
7. Hotel and Motel Expenses. Actual hotel and motel expenses at the rate for single accommodations paid by an eligible person during authorized out-of-area travel will be reimbursed by the Board. Rates for hotel and motel accommodations shall be comparable to rates of other facilities in the area. Hotel and motel expenses shall be reimbursed only for days spent on Board activities.
8. Sustenance Allowance. Eligible persons will be paid a sustenance allowance of \$27.00 per day for meals and incidental expenses during authorized out-of-area travel in performance of Board activities. For partial days, the day will be divided into eight-hour periods, the first period commencing at 12:01 a.m.

The Board will pay a sustenance allowance of \$9.00 per eight-hour period or fraction thereof spent on authorized out-of-area travel in

performance of Board activities. Reimbursement shall not exceed \$27.00 per day with the exception of actual meals paid for by an eligible person traveling on Board business in cities where actual meals greatly exceed the \$9.00 allowance (typically New York, Washington, D.C. etc.); receipts **must** accompany the claim to be reimbursed. When authorized out-of-area travel is made by private automobile in lieu of air travel, the sustenance allowance shall be paid only for the period required if the trip had been made by air.

9. Personal Expenses. Eligible persons continuing in out-of-area travel for more than five days may be reimbursed for the reasonable cost of laundry, dry cleaning and pressing services. Receipts **must** accompany the claim for reimbursement.

C. Other Board-Related Expenses

1. Telephone Calls. The Board shall pay for telephone calls placed by an eligible person from outside the Board offices in performance of Board activities. Whenever possible, such telephone calls should be charged directly to an employee's office phone number or the Board's general phone number. If expenses for telephone calls related to Board activities are paid by an eligible person, the person will be reimbursed by the Board. Telephone calls made during the authorized out-of-area travel should be made from the person's hotel room so that expenses are itemized on the receipt for payment of hotel bills.
2. Registration Fees. The Board will pay registration fees for attendance by an eligible person at a pre-authorized conference, seminar or workshop.
3. Child Care Expenses. Eligible persons shall be reimbursed for the actual reasonable costs paid to person outside of their immediate family for the care of their children while engaged in performance of required Board activities upon submitting a proper receipt of date, hours and total cost. Board employees shall not be reimbursed for expenses incurred for the care of their children during normal working hours (normal working hours are defined as the eight-to-five or flexible hour day).
4. Meal Expenses. Eligible persons shall be reimbursed for actual costs paid by the person for meals served where attendance is necessary in the performance of Board activities (meetings, conference/seminars or like functions) or where RTB business of the person requesting reimbursement is discussed. Members of affiliated bodies shall be reimbursed for these meal expenses as above unless per diem compensation is to be paid for attendance at a meeting during the ay. Reimbursement requests shall indicate the business purpose and persons present for whose meals reimbursement is requested.
5. Lost Wages. Members of affiliated bodies shall be reimbursed for wages lost as a result of required attendance at an affiliated body meeting or authorized out-of-area travel in performance of Board activities provided that such reimbursement shall not exceed \$35.00 per day. Lost wages must be verified by an authorized representative of the employer before a member of an affiliated body may be reimbursed by the Board.

Members of an affiliated body will not be reimbursed for lost wages if they were paid per diem compensation by the Board for the time period during which the wages were lost.

6. Recruitment Expenses. Out-of-area job applicants authorized to come to the Twin Cities for an interview at Board expense shall be reimbursed for expenses in accordance with Section IV.B., Out-of-Area Travel Expenses, and the following conditions: Travel expenses for out-of-area job applicants to come to the Board for an interview shall be those expenses authorized (for employees) in this procedure. Such recruitment expenses must be authorized in writing--in advance of the trip--by the Executive Director. The Board shall pay moving expenses of prospective employees only as authorized in writing by the Executive Director.

D. Approval and Method of Payment

1. Reimbursement of Local Travel and Expense. Local travel and expense reimbursement requests form (T&E1) by all eligible persons must be approved by the Executive Director.
2. Authorization for Out-of-Area Travel and Expenses. Out-of-area travel and expenses by all eligible persons must be pre-authorized on form T&E2, Long Distance Travel Request, and approved for Board members and members of affiliated bodies by the Chairman, and for employees, approved by the Executive Director. Out-of-area expenses shall be estimated as requested on the form. An advance payment may be requested. Form T&E1 shall also be used for authorization of registration fees for conferences, seminars or workshops not requiring out-of-area travel.
3. Direct Payment. Direct payments shall be made whenever possible by the Board to common carriers or travel agencies for airline, rail or bus fares and to conference sponsors for registration fees. Common carrier tickets shall be ordered by the Administrative Aide after authorization for out-of-area travel on form T&E2 has been received. The purpose of the RTB directly ordering common carrier tickets is to assure the lowest possible cost; therefore, if an eligible person changes, for person reasons, a reservation which results in a higher cost, the eligible person shall reimburse the RTB for the cost differential. The common carrier or travel agency shall deliver or mail the tickets to the Board along with an invoice for payment. Registration fees shall be paid by the Board directly to conference sponsors in advance of the conference date.
4. Reimbursement of Expenses. All eligible travel expenses except those paid directly by the Board shall be paid by the traveler for reimbursement by the Board. Mileage and sustenance allowances are included as reimbursable expenses, even though they may not represent actual expenses paid by the traveler.

An advance payment on reimbursable expenses may be requested by eligible persons for estimated out-of-area travel expenses as provided on form T&E2. If an advance is requested, the form must be submitted at least two weeks in advance of the trip. Advances shall not be paid for

requests of less than \$25.00. Only one advance per person may be in effect at one time. Actual out-of-area travel expenses shall be reported on form T&E2 within one week after returning from the trip.

Reimbursable local travel expenses shall be reported on form T&E1. This form shall be turned in, at a minimum, on a monthly basis.

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

Board payment to an eligible person for reimbursable expenses shall be made by the next regular accounts payable date following submission of an expense report, if properly authorized, reported and documents with receipts as described above.

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

# REGIONAL TRANSIT BOARD

Mears Park Centre  
230 East Fifth Street, St. Paul, Minnesota 55101  
612/292-8789

DATE: November 13, 1989  
TO: Administration and Finance Committee  
FROM: Assata Brown, Project Administrator *AB*  
SUBJECT: Jobseekers Program 1990 Contracts

## SUMMARY

The purpose of this memorandum is to request the approval of contracts with 18 agencies to provide discounted convenience fares to persons seeking employment in the metropolitan area for calendar year 1990.

## BACKGROUND

The Regional Transit Board (RTB) is responsible for the establishment and implementation of the Jobseekers program in the metropolitan area pursuant to Minn. Stat. 473.387, Subd. 3. The RTB provides reduced transportation cost for persons seeking employment who lack a private means of transportation. The RTB contracts with various government agencies, civic, community and non-profit organizations to implement the program. To ensure that a structured job placement program is in place, staff has developed several criteria that an agency must meet (see attachment). The goal of the program is to serve an increased number of eligible jobseekers.

## DISCUSSION

Discounted convenience fares are provided by a user-side subsidy approach in which the RTB subsidizes 75 percent of an all-you-can-ride pass or 10-ride commuter ticket. The remaining 25 percent is paid by the jobseeker or approved agency.

The RTB provides convenience fare vouchers to approved agencies, which distribute them to jobseekers to be redeemed at MTC transit stores. In 1989, up to 2,100 jobseekers per month are being served. Jobseekers can participate in the program for up to six months. Monthly reports of voucher usage are sent to the RTB, which includes the name of the jobseeker receiving voucher.

This year, applications were mailed to 42 agencies that have expressed interest in the program. The RTB received 18 applications, 10 from existing, approved agencies and eight from new agencies. Including branches, those 18 agencies serve jobseekers in 53 separate programs or locations, including 35 in Hennepin County, 13 in Ramsey County, two in Anoka County, and three in Dakota County. In 1990, RTB staff plans to target

- City of St. Paul Job Creation administers the federal JTPA program under contract with four vendors to provide job services:
  - St. Paul Urban League
  - Ramsey County OIC
  - Labor Studies Resource Center
- Putting It All Together is a non-profit employment assistance agency that empowers single parents, non-degreed women to achieve self-sufficiency.

#### New Agencies

- Project for Pride in Living is a non-profit agency; the self sufficiency program works with low income tenants of their housing unit to intervene in the cycle of unemployment.
- County of Anoka has a county job program serving Anoka County residents in need of employment.
- Education Is Our Goal is a non-profit program assisting people of color in attaining short-term training for full time employment.
- Wilder Foundation, a human service organization, has a Community Assistance program that is a joint venture with the Ramsey County Community Corrections department.
- C.L.U.E.S. is a non-profit agency; their employment program places Spanish speaking persons in employment.
- Wayside House, Inc. is a halfway house with a employment development program that places women involved in chemical dependency treatment in employment.
- Jewish Vocational Service, a non-profit agency, specializes in placing immigrants in employment.
- Reentry Services, Inc., a halfway house, works with ex-offenders during the transitional period from prison to community.

#### Budget

The approved 1989 budget for Jobseekers was \$405,000, all of which will be spent. The requested budget for 1990 is \$500,000. Projected expenditures (with five percent growth) for the 18 applications received is \$406,200, leaving \$93,800 available for expansion of the Jobseekers program into Washington, Scott, and Carver counties. These figures are based on continuation of the 75 percent subsidy paid by the RTB.

## JOBSEEKERS PROGRAM

### ELIGIBILITY CRITERIA and RESPONSIBILITIES for APPROVED AGENCIES

#### CRITERIA

1. Serve persons seeking employment living in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott or Washington county.
2. Be a government agency, civic/community organization or non-profit organization.
3. Have a structured job placement program, which meets the following criteria.
  - Job counseling and placement assistance sessions.
  - Verifiable job interviews or informational interviews regarding employment.
  - Seminars/classes on job search techniques and career development.
  - Vocational training lasting no longer than six months directly related to job placement.
  - Verification of first paycheck or first month of employment.

#### RESPONSIBILITIES

1. Distribute vouchers to persons seeking employment.
2. Keep files on persons receiving vouchers.
3. Submit monthly reports on voucher activity.
4. Reapply yearly.

## REGIONAL TRANSIT BOARD

Mears Park Centre  
230 East Fifth Street, St. Paul, Minnesota 55101  
612/292-8789

**DATE:** November 15, 1989

**TO:** Administration and Finance Committee

**FROM:** Edward Kouneski, Manager of Programs *OK*  
Cyndie Mayer, Senior Project Manager  
Cynthia Curry, Paratransit Analyst  
Mike Opatz, Transit Analyst

**SUBJECT:** Transit Provider Contracts for Calendar Year 1990

### SUMMARY

The purpose of this memorandum is to present staff comments and recommendations on the contracts to be renewed with transit service providers for calendar year 1990. A brief analysis of each program is attached. Staff has negotiated final contract figures and recommends renewing 20 contracts for a total subsidy amount of \$4,550,064.

Please note that this memorandum does not discuss the Metropolitan Transit Commission (MTC) budget, which has been reviewed separately, or contracts authorized earlier this year with the following providers:

- Morley Bus Company to operate the Roseville Circulator;
- the University of Minnesota to administer Route 52 express service, which has been subcontracted to Medicine Lake Lines;
- the MTC to provide Minnesota Rideshare service; and
- the City of Maple Grove and the six cities of Apple Valley, Burnsville, Eagan, Rosemount, Prior Lake, and Savage, to administer replacement service programs.

Two contracts yet to be presented are scheduled for committee review next month: the new Anoka County dial-a-ride service; and the Metro Mobility Administrative Center service to be provided by the MTC.

### BACKGROUND

The Regional Transit Board (RTB) is authorized by legislation to enter into and administer contracts for financial assistance to transit providers in the metropolitan area. Transit service programs administered by the RTB have been classified into four categories: small urban, rural, regular route, and replacement (opt-out) service. The RTB distributes state and property tax-related funds to these programs.

### Small Urban and Rural or Special Transportation Service Programs

Legislation requires that the RTB's contribution of state funds to small urban communities and to rural or special transportation service providers be calculated as a maximum percentage of total operating expenses as follows:

	<u>RTB Share</u>
• Small urban (population between 2,500 and 50,000) or urbanized (population over 50,000) areas	60%
• Rural (population less than 2,500) or special transportation service (for elderly and disabled persons)	65%

### Regular Route and Replacement Service Programs

The regular route, private operators receive state funds, and the replacement (opt-out) service communities receive property tax funds; in each case, the RTB's share is 100 percent of the operating deficit, which is calculated as total operating and capital expenses less revenues.

### Exurban Funds

Any program that operates paratransit service outside of the transit taxing district is also eligible to receive exurban property tax funds from the RTB. Funding guidelines were revised last year to increase the RTB share, which is determined as a percentage of the operating deficit directly attributable to the service being provided in the exurban area. The percentage varies from 60 percent for small urban or replacement service communities to 65 percent for rural or special transportation service providers.

## DISCUSSION

### Service Management Plan Requirements

To receive financial assistance from the RTB, providers are required annually to submit a service management plan, which becomes incorporated as part of the contract. The management plan includes the following information:

- operating characteristics of the service, including vehicles, routes, schedules, and fare structure;
- specific program goals and objectives for the contract period;
- projected ridership and service levels;
- estimated line item expenditures; and
- funding sources, including operating revenues, federal grants, and local assistance.

Detailed service management plans for each program are available for committee member review upon request.

### **Contract Negotiations Process**

To develop the contract recommendations for committee review and approval, RTB staff:

- analyzed historical operating and performance trends related to changes in program ridership, service levels, costs, revenues, and funding sources;
- estimated budget variances and investigated significant line item changes, if any, proposed in the 1990 budgets; and
- reviewed local transit needs in order to identify and pursue opportunities for service improvements.

The following guidelines were generally applied by RTB staff during this year's discussions with providers to arrive at the negotiated contract amounts:

- A five percent increase in operating expenses is the maximum allowable for maintaining the same level of service.
- Increases greater than five percent are granted to programs that can justify service expansion or enhancements.
- Exceptions include allowances for external factors such as insurance market fluctuations, fuel price increases, and employee comparable worth adjustments.

### **Analysis**

A summary table, followed by service descriptions and budget highlights for individual programs, is attached which shows total expenses, fares, and funding sources proposed for the transit provider contracts. Overall, staff findings are:

- By program category, the proposed RTB subsidy for calendar year 1990 amounts to: \$2,088,974 for replacement service communities; \$1,129,851 for regular route providers; \$965,671 for rural and special transportation service providers, and \$365,568 for small urban communities. The total amount is \$4,550,064.
- Several programs have significantly expanded service during 1989 and will continue improvements in 1990. These include the City of Plymouth, Southwest Metropolitan Transit Commission, North Suburban Lines, and Carver County
- Airport Express will operate service through August 31, 1990, at which time the replacement service program to be administered by the six cities begins.

- Plymouth and Maple Grove are jointly in the process of selecting an operator for commuter service to be provided under a new contract that would become effective April 1, 1990.
- The existing regular route contract with Medicine Lake Lines (MLL) should be extended through March 31, 1990. At that time, the cities of Plymouth and Maple Grove will assume responsibility for part of MLL's service. MLL is currently preparing a proposal to continue operating service in the communities of Golden Valley, New Hope, and Crystal, while RTB staff is exploring alternative arrangements.
- Westonka Rides and the St. Louis Park Emergency Program (STEP) both predominantly serve elderly persons and are eligible for funds administered by the Metropolitan Council under the federal Title IIIb, Older Americans Act. If a transfer can be arranged, these programs may no longer require RTB funding after 1990.
- Three rural programs that receive federal Section 18 funds have been cut for the third consecutive year. State funds again will make up the difference; this amounts to \$3,400 in Hastings, \$800 in Carver County, and \$3,000 in Scott County.
- In 1990, two rural programs begin expanded service: Senior Community Services, in the exurban area, and Senior Transportation Program, during weekend and evening hours. These programs serve communities in western Hennepin County.
- During 1990, the contract with DARTS in Dakota County may be amended after plans are completed to expand service in the Lakeville/Farmington area.
- Northeast Suburban Transit Commission (NEST) has successfully completed its 18-month demonstration period, meeting the service performance standards for a dial-a-ride program. It serves Maplewood, North St. Paul, and Oakdale. Community support will continue along with RTB funding.
- Ridership in 1989 increased approximately six percent across all service categories. The greatest gains were in the replacement and small urban communities. By service category, ridership figures and goals are as follows:

	1988 Actual	1989 Estimated	Percent Change	1990 Goal
Replacement (Opt-Out) Service	336,600	369,300	9.7%	406,800
Regular Route (Private Operator)	596,400	608,500	2.0%	564,500
Rural/Special Transportation Service	220,800	226,200	2.5%	230,800
Small Urban Communities	<u>116,900</u>	<u>138,800</u>	<u>18.8%</u>	<u>142,900</u>
	1,270,700	1,342,800	5.7%	1,345,000

Note: \*Reflects transfer of service from regular route to replacement category.

**ACTION REQUESTED**

That the Regional Transit Board authorize the executive director to renew contracts effective January 1, 1990 with the following transit service providers for the amounts and terms listed below:

	<u>Total Subsidy Amount</u>	<u>Contract Term</u>
<u>Replacement (Opt-Out) Service</u>		
City of Plymouth	\$ 800,697	12/31/90
City of Shakopee	209,640	12/31/90
Southwest Metropolitan Transit Commission	1,078,637	12/31/90
<u>Regular Route (Private Operator)</u>		
Airport Express	\$ 13,263	8/31/90
Medicine Lake Lines	196,600	3/31/90
North Suburban Lines	919,988	12/31/90
<u>Rural/Special Transportation Service</u>		
Carver County	\$ 131,359	12/31/90
Dakota County Volunteer	18,277	12/31/90
DARTS (Dakota County)	396,110	12/31/90
Human Services, Inc.	236,573	12/31/90
Scott County	97,558	12/31/90
Senior Community Services	56,094	12/31/90
Senior Transportation Program	16,200	12/31/90
Westonka Rides	13,500	12/31/90
<u>Small Urban Communities</u>		
City of Columbia Heights	\$ 23,523	12/31/90
City of Hastings (TRAC)	71,276	12/31/90
City of Hopkins	37,692	12/31/90
Northeast Suburban Transit (NEST)	116,121	12/31/90
St. Louis Park Emergency Program (STEP)	8,492	12/31/90
White Bear Area Transit	108,464	12/31/90

**Regional Transit Board**  
**1990 PROPOSED TRANSIT PROVIDER CONTRACTS**

Program	Total Expenses	Fares	Local/Other	Federal	RTB Subsidy		
					State	Property Tax	Contract Amount
<b>Replacement (Opt-Out) Service</b>							
Plymouth	\$1,018,673	\$217,976	\$0	---	---	\$800,697	\$800,697
Shakopee	247,640	38,000	0	---	---	209,640	209,640
Southwest Metro	<u>1,278,279</u>	<u>193,852</u>	<u>5,790</u>	---	---	<u>1,078,637</u>	<u>1,078,637</u>
	\$2,544,592	\$449,828	\$0	---	---	\$2,088,974	\$2,088,974
<b>Regular Route</b>							
Airport Express	\$15,266	\$2,003	\$0	---	\$13,263	---	\$13,263
Medicine Lake Lines	271,300	74,700	0	---	196,600	---	196,600
North Suburban Lines	<u>1,114,688</u>	<u>187,500</u>	<u>7,200</u>	---	<u>919,988</u>	---	<u>919,988</u>
	\$1,401,254	\$264,203	\$7,200	---	\$1,129,851	---	\$1,129,851
<b>Rural/Special Transportation Service</b>							
Carver	\$236,250	\$14,500	\$23,866	\$66,525	\$87,037	\$44,322	\$131,359
Dakota Volunteer	51,618	0	33,341	---	0	18,277	18,277
DARTS	608,708	24,000	188,598	---	292,945	103,165	396,110
HSI	281,821	16,500	28,748	---	183,184	53,389	236,573
Scott	173,474	7,500	18,624	49,792	62,966	34,592	97,558
Sr. Community	89,399	3,100	30,205	---	0	56,094	56,094
Sr. Transportation	64,800	6,300	35,300	7,000	0	16,200	16,200
Westonka	<u>38,300</u>	<u>4,500</u>	<u>5,590</u>	<u>14,710</u>	<u>0</u>	<u>13,500</u>	<u>13,500</u>
	\$1,544,370	\$76,400	\$364,272	\$138,027	\$626,132	\$339,539	\$965,671
<b>Small Urban</b>							
Columbia Heights	\$39,205	\$9,600	\$6,082	---	\$23,523	---	\$23,523
Hastings	154,318	38,686	10,116	\$34,240	58,351	\$12,925	71,276
Hopkins	62,820	13,200	11,928	---	37,692	---	37,692
NEST	193,535	30,274	47,140	---	116,121	---	116,121
STEP	14,154	0	5,662	---	8,492	---	8,492
White Bear	<u>180,773</u>	<u>34,809</u>	<u>37,500</u>	---	<u>108,464</u>	---	<u>108,464</u>
	\$644,805	\$126,569	\$118,428	\$34,240	\$352,643	\$12,925	\$365,568
<b>TOTAL</b>	<b>\$6,135,021</b>	<b>\$917,000</b>	<b>\$495,690</b>	<b>\$172,267</b>	<b>\$2,108,626</b>	<b>\$2,441,438</b>	<b>\$4,550,064</b>

# REGIONAL TRANSIT BOARD

Mears Park Centre  
230 East Fifth Street, St. Paul, Minnesota 55101  
612/292-8789

**DATE:** November 8, 1989

**TO:** Administration and Finance Committee

**FROM:** Edward Kouneski, Manager of Programs <sup>EK</sup>  
Howard Blin, Manager of Planning <sup>HB</sup>

**SUBJECT:** Approval of MTC 1990 Operating and Capital Budgets

## SUMMARY

This memorandum reviews the 1990 operating and capital budgets submitted by the Metropolitan Transit Commission (MTC) and presents the staff recommendations for Regional Transit Board (RTB) approval.

## BACKGROUND

The MTC annually prepares and submits a budget to the RTB for approval. As authorized by Minn. Stat. 473.435, the RTB reviews the MTC budget for consistency with its Five-Year Transit Plan. The RTB may approve or disapprove the budget, in whole or part, and can specify conditions for approval.

The final MTC budget document was issued September 1, 1989. To begin the budget review process, RTB staff transmitted a set of questions to elicit more detailed information and then met with MTC staff to discuss the questions. During the month of October, the MTC prepared its response, which is attached along with summary pages from the MTC budget document.

The following sections review the MTC operating and capital budgets separately.

## OPERATING BUDGET

The MTC operates 110 routes serving communities in the transit taxing district. Service on four routes is subcontracted to private operators including Airport Express, Medicine Lake Lines, and Valley Transit. Additional routes are operated by the MTC under contracts with the Southwest Metropolitan Transit Commission and the Metropolitan Airports Commission.

The most immediate concern for the MTC is to increase ridership. In 1988 and 1989, ridership held steady, at near 70 million, after a continual drop from a high of 93 million in 1980. This past year, several key MTC accomplishments to boost ridership include: a simplified fare structure, an upgraded fleet, and improved customer services. It is clear that the trend of ridership decline has halted.

**MTC 1990 Operating/Capital Budgets**  
**November 8, 1989**  
**Page 2**

In 1990, the MTC plan for regular route service is highlighted below:

- Ridership is projected to be 70.1 million in 1990, a slight increase from 69.8 million estimated for 1989. This figure excludes a projected .6 million riders, combined, on new routes proposed by the MTC and routes to be replaced by the communities of Apple Valley, Burnsville, Eagan, Rosemount, Prior Lake, Savage, and Maple Grove.
- The MTC proposes to operate an additional 29 peak vehicles in the regular route system, raising its active fleet from 822 vehicles in 1989 to 851 in 1990. Service miles increase 1.7 percent from an estimated 28.3 million in 1989 to 28.8 million in 1990.
- New services proposed in 1990 increase expenses by \$881,000 and require 13 vehicles, 220,000 miles, and \$558,000 of RTB subsidy. The services proposed are:
  - a crosstown route between White Bear and Arden Hills;
  - an express route from Maple Grove to downtown Minneapolis; and
  - express routes to the University of Minnesota and downtown Minneapolis from Apple Valley, Burnsville, and Roseville.
- Added service in suburban communities will reduce overloads on existing bus routes, increasing expenses by \$1.2 million and requiring 21 vehicles and 289,000 miles of service.
- Service planning priorities include redesigning express service to improve travel time downtown and restructuring 16 routes in South Minneapolis, Richfield, Edina, and Bloomington.
- The MTC has assumed continued operation of replacement service scheduled to be implemented by Maple Grove on April 1, 1990 and by the six cities of Dakota and Scott counties on September 1, 1990. Expenses and subsidy for this service, if removed from the budget, amount to \$372,000 and \$56,000, respectively.
- To improve customer access to route and schedule information, the MTC plans to restructure and expand its telephone information service, arrange for schedules to be posted in bus shelters, and improve information signs for the downtown dime zone.
- The MTC continues its bus fleet upgrade. Currently, more than half (54%) of the buses in service are air conditioned. During 1989, 233 new buses will be delivered. The average fleet age will improve to 4.4 years.
- Reconstruction of the Nicollet garage, one of five operating facilities, will be completed in late 1990. MTC will incur \$950,000 in extra costs during 1990 for the redeployment of buses from other garages.
- From the complement of 2,035 full-time employees at the start of 1990, the MTC proposes a net increase of 20 positions including 14 drivers.

**MTC 1990 Operating/Capital Budgets**  
**November 8, 1989**  
**Page 3**

- The MTC is allocating \$200,000 in consultant services for its light rail transit planning activities.
- The MTC is currently negotiating a contract with ATE Management & Service Company, Inc. for a two-year period beginning January 1, 1990. ATE will provide three positions to manage the MTC organization at a cost of \$356,800 in 1990, compared with \$343,000 in 1989.
- The MTC is the recipient of federal funds for both operating and capital purposes. The outlook for 1990 is the same level, \$7.4 million, of operating funds and a 15 percent decrease in capital funds.
- The fare simplification plan implemented in April 1989 effected a one percent increase in fare revenue.
- One of the MTC's innovative revenue generating programs involves use of the Heywood facility by Greyhound for bus storage and maintenance.
- The MTC total operating budget proposed for 1990 is \$112.6 million. Of this, \$109.3 million (up six percent from an estimated \$103.1 million in 1989) is to provide regular route service, general agency administration, and policy management; \$1.7 million is for contract services; and \$1.6 million, combined, is for Minnesota Rideshare (Mn/RS) and Metro Mobility Administrative Center (MMAC) services.
- The proposed level of regular route operating expenses brings the MTC 1990 fare recovery ratio to near 32 percent, below the regional standard of 35 percent. According to the MTC, more than \$7.3 million in expenses would need to be cut in order to meet the financial performance standard.
- The MTC requests an RTB operating subsidy of \$67.9 million for 1990 (excluding Mn/RS and MMAC). This is 9.2 percent, or \$5.7 million, more than that required in 1989.

**Policy Analysis**

The RTB is responsible for identifying transit needs and for planning, implementing, monitoring, and evaluating transit services in the region. In 1987, the RTB completed its *Transit Service Needs Assessment Study*, which provided the basis for setting new service implementation priorities.

In 1989, the RTB completed a new Five-Year Transit Plan that sets forth policies and programs to promote service quality, cost effectiveness, and responsiveness to the diverse travel needs in the metropolitan area. This plan is intended to build upon the policy direction and priorities provided by the Metropolitan Council.

The RTB's Five-Year Transit Plan establishes five major areas of emphasis, or priorities, which provide a general framework for evaluating the MTC budget proposal, as follows:

1. Relieving congestion, by ensuring that transit and travel demand management strategies are promoted and implemented in key travel corridors.
2. Getting ready for light rail transit by taking steps to integrate and coordinate it into the overall transit system.
3. Meeting the needs of transit dependents by improving the capacity and performance of transit services for disadvantaged persons.
4. Responding to changing travel needs by finding cost-effective solutions that respond to the various needs within the metropolitan area.
5. Coordinating the regional transit system to provide for diversity in services that are unified through image and information.

The MTC, in general, has responded to the RTB priorities by proposing to introduce suburban service improvements in 1990, provide technical support activities for the planning of light rail transit, maintain service levels in the central cities, restructure bus service in the southwest corridor, and improve customer access to route and schedule information.

The Five-Year Transit Plan provides specific policy guidance to the MTC in the areas of regional coordination, fares, accessibility, transit disadvantaged, and performance standards, among others. It also provides guidelines for new service plans and light rail transit coordination. These areas are noted below, along with a discussion of MTC staffing plans. Issues of concern are highlighted.

#### Regional Coordination

Last year, with RTB encouragement, the MTC began providing route and schedule information on regular route services operated by private bus companies under contract to the RTB.

The RTB's Five-Year Transit Plan calls for expanding the role of the MTC to coordinate information services, convenience fares, and transfers among regional service providers. The MTC intends to post regular route private operator schedule information in shelters and is proposing to add six Telephone Information Center (TIC) representatives to improve customer response time. The addition of TIC staff presents an opportunity for the MTC to offer information on all public transit services, including non-regular route, operating in the region.

The MTC asserts that its success administering programs such as Metro Mobility and Minnesota Rideshare demonstrates readiness to assume more regional coordination responsibilities. The MTC has offered to provide contract management and administration, route planning and scheduling, marketing, street supervision, and training. The need for these other services, however, is not apparent at this time.

**Consistent with the direction established in the RTB's Five-Year Transit Plan, the MTC should focus on developing a centralized information referral services for all types of public transit service operating in the metropolitan area. Also, the MTC should work cooperatively with the RTB to complete transfer reciprocity and revenue recognition agreements with other regional service providers.**

#### Fares

RTB fare policies include a minimum 35 percent fare recovery ratio for regular route services, systemwide. In the 1990 budget submitted by the MTC, the fare recovery ratio drops to 32 percent. The Five-Year Transit Plan calls for a fare increase in 1991 in order to maintain performance above this standard for a period of two to three years. RTB staff requested the MTC to specify budget adjustments, or contingency options, that could bring performance within the standard during 1990. While no specific options were proposed, the MTC stated that, overall, \$7.3 million in expenses would need to be cut.

The MTC is responsible to set fares, consistent with RTB fare policies. To accommodate the time required for RTB review and approval, it may be necessary for the MTC to complete an analysis by the spring 1990.

**The MTC should modify fares or propose other actions that would be implemented in 1991, to bring financial performance above the regional standard set by the RTB.**

#### Accessibility

The MTC has 20 lift-equipped buses in its fleet and during 1989 concluded a two-year accessible bus demonstration project. As a result of low ridership, the MTC has eliminated service during the winter months. Limited service on routes 16 and 19 will resume in April 1990.

The RTB's Five-Year Transit Plan strategy is to complement Metro Mobility with efforts to make regular route service accessible. The MTC acknowledges that bus service for

persons with disabilities is a challenge for the transit industry in the 1990s. The Americans with Disabilities Act of 1989, if passed by Congress this year, would require all new buses purchased to be accessible.

**The MTC should begin to identify strategies for expanded accessible regular route service.**

#### Transit Disadvantaged

RTB policies carry forth suggestions of the minority community, which supports efforts of the MTC to improve service and communications in the central city areas. These could include route and schedule modifications, target marketing communications activities, reverse commuter service, expanded translation of printed information, and a cultural sensitivity training program for transit employees.

**The direction established in the Five-Year Transit Plan for improved service and programs to benefit transit disadvantaged persons should be reviewed by the MTC and incorporated into 1990 work plans.**

#### Performance Standards

In 1985, the RTB and the MTC agreed on a subsidy per passenger standard of \$2.45, maximum, for evaluating individual route performance. This represents the threshold at which route adjustment or termination is considered. Currently, 10 weekday routes fall below the standard, four of which the RTB requested continue until service restructuring is completed. Revision of the standard has been suggested by the MTC, and the Five-Year Transit Plan calls for new performance standards to be developed in 1990 for all types of service. The RTB is concerned that even before new standards are in place, corrective action on some of these routes should be examined by the MTC.

**The MTC should proceed to submit a plan to the RTB for corrective action on all routes which exceed the subsidy standard.**

#### New Service Plans

The MTC has proposed to expand suburban service on existing express routes to correct overloads. The MTC has also proposed to implement several new suburban routes.

The MTC acknowledges that regional policy for regular route service gives first priority to service within the central cities and second priority to service within the fully developed suburbs. The MTC's new service proposals are not consistent with the policy. To note:

- The proposed White Bear/Arden Hills crosstown route, which is outside of the fully developed service area, was not identified in the RTB's *Transit Service Needs Assessment*. This route is not supported by any documented needs analysis.
- The new express route from Roseville to the University of Minnesota and downtown Minneapolis is within the fully developed service area but could be provided as part of the Route 52 network, which is managed by the University under a cost-sharing agreement with the RTB. The University has expressed interest in service expansion.
- The new express routes from Maple Grove to Minneapolis and from the Apple Valley/Burnsville area to the University of Minnesota and downtown Minneapolis begin outside of the fully developed service area and could be incorporated into the replacement service programs to be implemented by Maple Grove and the six cities of Dakota and Scott counties in 1990.

The RTB priorities for regular route service implementation include restructured service to new transit hubs in order to create timed transfers, new central city crosstown routes to fill in the gaps identified in the *Transit Service Needs Assessment* study, and new reverse commute service linking the central cities to suburban employment centers.

**The MTC has placed emphasis on improving suburban service, but should also pursue opportunities to develop new or expanded central city services such as crosstown and reverse commute routes.**

#### Light Rail Transit Coordination

The MTC, as the eventual operator of light rail transit, is involved in the current development and coordination planning efforts led the RTB. The MTC activities proposed for 1990 include the following:

- an organization plan and structure for integration of light rail transit with bus operations, including personnel requirements, job descriptions, costs, and training needs;
- orientation and training for MTC managers including internal review sessions and site visits to other cities;
- public information and marketing to promote the public understanding of light rail as well as the MTC's interests as the operator of the system; and
- provide technical support to the RTB's LRT advisory committee, the regional rail authorities as coordination and engineering plans are developed.

The RTB began LRT public information activities this past year and plans 1990 activities as well. There is the potential for duplication of effort and inconsistency in messages to be communicated to the public about LRT.

**The MTC should submit its 1990 LRT communications plan to the RTB for review before any activities are initiated.**

Operations planning for light rail will be a significant effort of the MTC in 1990, and will require much coordination with the RTB. Currently, the MTC devotes to LRT most of the time of one of its four service planners. It has received consultant support services from ATE Management & Service Company, Inc., and has retained Strgar-Roscoe-Fausch to assist with feeder bus planning. A total of \$200,000 in consulting services is allocated to the 1990 budget for LRT planning efforts.

In the development of service plans to restructure routes in light rail transit corridors, the RTB needs to ensure that service is appropriately coordinated in a cost-effective manner. Legislation specifies that MTC "route planning and scheduling shall be subject to the approval by the board." MTC plans must be evaluated by the RTB for consistency with the LRT coordination policies and standards to be completed in early 1990.

**Feeder bus plans of the MTC should be developed, consistent with RTB service policies and standards to be issued in 1990, and subsequently submitted to the RTB for review and approval.**

Staffing Plan

The change in positions proposed for 1990 are noted by MTC division:

MTC 1990 STAFFING PLAN					
	<u>Administrative</u>	<u>Clerical</u>	<u>Driver</u>	<u>Mechanic</u>	<u>Total</u>
Executive	(3)	4			1
Communications, Planning & Development	2	6			8
Finance	--	1			1
Human Resources	1	1			2
Information Services	--	(1)			(1)
Transportation	.7	(.4)	13.8		14.1
Vehicle Maintenance	1	--		(6)	(5)
Engineering & Facilities	--	--		(.5)	(.5)
Risk Management	--	--			

MTC 1990 STAFFING PLAN  
 (Continued)

	<u>Administrative</u>	<u>Clerical</u>	<u>Driver</u>	<u>Mechanic</u>	<u>Total</u>
No. Added	4.7	12.0	13.8		
No. Subtracted	(3)	(1.4)		(6.5)	
Net Increase/(Decrease)	4.7	12.0	13.8		
1989 Budget	250.5	178.9	1,180.0	425.5	
1990 Proposed	252.2	189.5	1,193.8	419.0	

Of special interest to the RTB staff are the changes in the Communications, Planning & Development division: six additional Telephone Information Center (TIC) representatives, a graphics designer, and a communications coordinator. These positions support the advancement of regional coordination efforts by the MTC.

**Financial Analysis**

Expenses

MTC's proposed operating budget represents a six percent increase in total expenses, from \$106.1 million estimated actual in 1989 to \$112.6 million proposed for 1990. A synopsis of the budget is as follows:

MTC 1990 OPERATING EXPENSES  
 (millions)

	1989 Estimated	1990 Proposed	Percent Change
Regular Route Services	\$102.2	\$108.3	6 %
General Agency Administration	.8	.9	13 %
Policy Management	.1	.1	--
Subtotal	\$103.1	\$109.3	6 %
Contract Services	\$1.5	\$1.7	13 %
Minnesota Rideshare	.7	.7	--
Metro Mobility Administrative Center	.8	.9	13 %
Subtotal	\$3.0	\$3.3	10 %
Total Expenses	\$106.1	\$112.6	6 %

For regular route operations, the most significant of the budget line item changes are highlighted here:

1. Fringe benefits increase by about six percent, or \$1.7 million, from \$29.4 million in 1989 to \$31.1 million in 1990. More than 70 percent, or \$1.2 million, of the increase is attributed to an expected rise in health insurance costs.
2. Services increase by 34 percent, or \$.9 million, from \$2.6 million in 1989 to \$3.5 million in 1990. Light rail transit planning services are increased from \$100,000 in 1989 to \$200,000 in 1990 and three new programs will be started: soil contamination testing, \$150,000; garage cleaning, \$65,000; and random drug testing of employees in safety related positions, \$46,000.
3. Materials and supplies increase by eight percent, or \$.8 million, from \$10.2 million in 1989 to \$11.1 million in 1990. Nearly half of the increase is due to an eight percent projected increase in the price of fuel.

Other significant factors affecting MTC costs are described below:

- The impact of the new three-year labor agreement with the Amalgamated Transit Union Local 1005, effective May 1, 1989, is an average cost increase for wages and benefits of 3.4 percent annually.
- Peak period express service represents the most costly type of transit service for the MTC to operate. The MTC has determined that the cost of adding peak period express service is two to three times higher than adding other service. Part-time driver restrictions and work rules are contributing factors.
- Nicollet garage reconstruction, started last year, will require \$950,000 in extra operating expenses during 1990 for the labor, fuel, materials and supplies required to operate an additional 450,000 miles for bus deployment from other facilities. This expense will not be required after 1990.

#### Funding Sources

The chart on the following page displays funding sources and amounts proposed for MTC operations in 1990.

MTC 1990 PROPOSED SOURCES OF OPERATING FUNDS  
 (millions)

	<u>1990 Proposed</u>	<u>Percent of Total</u>
RTB Assistance		
• Regular Route	\$68.0	60%
• MMAC and Mn/RS Contracts	\$1.4	1%
Federal Funds (Section 9)	<u>\$7.4</u>	<u>7%</u>
Subtotal	\$76.8	68%
Fare Revenue	\$32.1	29%
Contract Revenue	\$1.4	1%
Auxiliary Revenue	\$0.8	1%
Investment Income	\$0.6	1%
Other Revenue	<u>\$0.9</u>	<u>1%</u>
Subtotal	\$35.8	32%
Total Sources	\$112.6	

Note: RTB regular route assistance includes \$2.9 million recognized as social fare difference.

**CAPITAL BUDGET**

The MTC has requested multi-year authorization for eight new capital projects in its 1990 budget document. These total \$12 million, of which \$7.2 million is for the purchase of new buses. The amount requested for new projects this year is significantly lower than in recent years, as shown below:

NEW AUTHORIZATIONS (millions)							1990 (Proposed)
<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	
\$12.9	\$42.0	\$29.5	\$22.1	\$37.0	\$27.2	\$22.1	\$12.0

The total capital budget, which includes projects authorized in previous years, is \$99.0 million. Of this amount, \$56.6 million is planned to be spent during 1990.

**Projects**

The 1990 budget includes the eight new projects listed below and further described in the MTC budget document (see pages G-6 and G-7).

No. 3010	Purchase 37 40-Foot Buses	\$7,200,000
No. 3023	1990-91 Capital Equipment	\$1,100,000
No. 3043	1990 Major Improvement of Facilities	\$673,000
No. 3080	1990 Computer Related Acquisitions	\$834,000
No. 3081	Customer Call System	\$300,000
No. 3083	Rideshare System	\$162,000
No. 3085	Driver Timeroll System	\$378,000
No. 3086	Vehicle Management System	\$290,000

The 1990 budget includes no new facility projects. Typically, MTC constructs two bus turnarounds each year. Given the large number of turnarounds currently under development, MTC is proposing no new turnarounds for 1990. In addition, until light rail transit development plans are finalized, MTC is not proposing any new park-and-ride facilities.

**Funding**

Federal Funds

Federal capital funding for new projects is expected from only one source, the UMTA Section 9 formula grant program. The MTC estimates that \$5.4 million will be available from this source in 1990. This estimate is based on a 15-percent reduction from the previous year's Section 9 capital allocation, which is consistent with the recent trend:

UMTA SECTION 9 CAPITAL FUNDING (millions)						
<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>	<u>1990 (Proposed)</u>
\$10.9	\$10.2	\$8.9	\$9.9	\$7.0	\$6.3	\$5.4

MTC will also be seeking federal funding from two additional sources, the UMTA Section 3 discretionary program and the Federal Aid Urban (FAU) program. In 1989, MTC submitted a \$6.7 million application to UMTA for Section 3 overmatch funds for a bus replacement project. UMTA has yet to act on this application. Due to the uncertainty of obtaining funding from either source, MTC is including only Section 9 funds in the 1990 budget. Projections for federal funding for the multi-year program should, therefore, be considered conservative. The estimated Section 9 funds represent 45 percent of total new authorizations, which is comparable to the level of funding in recent years.

### Local Funding

\$6.6 million in local funds will be required for new capital projects included in the budget. Local funding is obtained from the proceeds of bonds sold by the Metropolitan Council at the request of the RTB in an amount authorized by the legislature. The 1989 legislature approved \$26 million in bonding authority for MTC projects during the 1989-1990 biennium. MTC estimates that this amount will be sufficient to fund projects through 1990. It is anticipated that an additional \$18 million in bonding authorization will be required in the next biennium.

### **Analysis**

MTC's 1990 capital program is generally consistent with the goals and strategies of the RTB Five-Year Transit Plan. The budget calls for replacement of existing capital assets, primarily buses, and capital investments aimed at improving the productivity and reliability of MTC operations.

Review of the budget has raised concerns regarding the bus replacement program, including the projected increases in the peak bus requirement, the large number of buses to be delivered in 1990.

### Fleet Size

Fleet Size. The MTC Fleet Plan is based on an assumption of an annual one percent increase in the peak hour bus requirement beyond 1990. Although this would only add approximately eight buses annually, over time significant growth in the MTC fleet would occur, which directly impacts operating costs. Some additional buses will be needed to provide additional service and to correct overload conditions. Given, however, recent ridership trends, it is questionable whether continued growth in the MTC fleet is warranted. As outlined in the Five-Year Transit Plan, it is suggested that the RTB and MTC jointly examine trends in ridership and the resulting effects on bus requirements.

### Bus Delivery Schedule

MTC has scheduled the delivery of 233 new buses in 1990, representing the replacement of approximately one-quarter of the active fleet. This large number of buses in one year is due to delays in bus purchase projects included in previous budgets. MTC is proposing to catch up with its bus replacement program, taking delivery of buses originally scheduled for 1989 as well as those scheduled for 1990.

This is inconsistent with the MTC Fleet Plan, which calls for regular purchases of smaller numbers of buses in order to avoid future peaks in replacement needs and maintenance requirements. Although delivery of these buses will be spread out over 1990, these buses will require replacement at one time in the future.

In evaluating whether to delay some projects, the MTC has determined that given the immediate need to replace older buses and the stringent emission standards that take effect after 1990, it is best to proceed with the purchases. While agreeing with this analysis, this situation underscores the need for a program of regular bus purchases.

## **RECOMMENDATIONS**

That the Regional Transit Board:

1. Approve an MTC operating budget of \$109,734,403 and an RTB subsidy of \$67,325,914 for regular route service, with the following conditions:
  - a. By April 1, 1990, the MTC should submit a plan to comply with the 35 percent fare recovery standard for a period of two to three years, consistent with the fare policy guidelines of the RTB's Five Year Transit Plan.
  - b. The MTC's expanded role as regional coordinator should focus on offering an information referral service on all public transit services in the region, arranging transfer reciprocity and convenience fare recognition agreements with other providers, improving information at bus stops including the identification of routes on signs, and posting schedule information at shelters.
  - c. In the coming months the MTC should begin to identify strategies for expanded accessible regular route service and develop plans for actions in support of the RTB's transit disadvantaged program.
  - d. By March 1, 1990 or sooner, the MTC should submit recommendations to the RTB for corrective action on all high subsidy routes.
  - e. By January 1, 1990, the MTC should submit its LRT communications plan to the RTB for review prior to implementation.
  - f. MTC bus feeder service plans should be developed, consistent with light rail transit coordination policies and standards advanced by the RTB, and when completed, submitted to the RTB for review and approval.
  - g. Future MTC budget assumptions and new service proposals should be submitted to the RTB staff for discussion early in the budget development process, so that RTB policy requirements can be fully satisfied.
2. Approve an MTC capital budget of \$98,722,687, with expenditures of \$56,593,076 in 1990, and with the following condition:
  - a. The MTC should work jointly with RTB staff to examine future peak bus requirements for the years beyond 1990.

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3. Approve 1990 debt service expenditures of \$2,321,650.
4. Disapprove expenses of \$1,253,000 and subsidy of \$614,000 requested by the MTC to continue replacement service and to implement new regular route services outside the fully developed service area and serving the University of Minnesota.
5. Direct RTB staff to:
  - a. Discuss plans with the University of Minnesota for implementation of express service from Roseville, as part of the Route 52 network administered by the University under a cost-sharing agreement with the RTB.
  - b. Communicate the potential for additional express routes in the communities of Apple Valley and Burnsville to the newly formed Six Cities joint powers authority, organized to administer replacement service in 1990.
  - c. Analyze the need for crosstown service in the White Bear/Arden Hills area.