



Minnesota Regional Transit  
Board: Records.

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## MEETING OF THE REGIONAL TRANSIT BOARD

Monday, December 18, 1989  
Mears Park Centre Chambers  
4:00 p.m.

### AGENDA

1. Public Meeting on Draft Light Rail Transit Development and Financial Plan
2. Call to Order and Roll Call
3. Approval of Agenda
4. Approval of Minutes:
  - A. Policy Committee Meeting, November 27, 1989
  - B. Regional Transit Board Meeting, December 4, 1989
  - C. Policy Committee Meeting, December 7, 1989
5. CHAIR'S REPORT
6. REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE  
Elwyn Tinklenberg, Chair
  - A. Financial Statements - October 1989
  - B. 1990 Compensation and Benefits, Resolution No. 89-19
  - C. Anoka County Budget--Extension of Anoka County Contract
  - D. 1989 Airport Express Amendment
  - F. Light Rail Transit Consultant Contract Amendment
  - G. University of Minnesota Travel Demand Management Funding Request
  - H. Metropolitan Transit Commission Bond Request
  - I. Amendment to 1990 Regional Transit Board Budget
7. REPORT OF THE POLICY COMMITTEE  
Jeff Spartz, Chair
  - A. Dispute Resolution Board Findings on Southwest Metropolitan Transit Commission
8. REPORT OF THE JOINT LIGHT RAIL TRANSIT ADVISORY COMMITTEE  
John Derus, Chair
9. OTHER BUSINESS
  - A. Public Comment

Michael J. Ehrlichmann  
Chair

*An Equal Opportunity Employer*

REGIONAL TRANSIT BOARD

ROLL CALL AND ATTENDANCE SHEET

DATE: Dec 18, 1989

BOARD OR COMMITTEE: Board

Member Name	Present	Vote	89-19 Vote	Vote	Vote
Mike Ehrlichmann	✓		✓		
Doris Caranicas	✓		✓		
John Finley	✓		✓		
Ruth Franklin	✓		✓		
Ed Kranz	✓		✓		
Sandra Hilary	✓		✓		
Terry O'Toole	✓		✓		
Jeff Spartz	✓		✓		
Norbert Theis	✓		✓		
Elwyn Tinklenberg	✓		✓		
Richard Wedell	✓		✓		

Visitors

Staff

Weaver

de Vries

G. P. James

John Deacon

J. Capell

D. Chapdelaine

R. Hart

Arnie Entzgel

# SPEAKERS LIST

## LRT DEVELOPMENT & FINANCIAL PLAN

DECEMBER 18, 1989

1. RENO ROSSINI CITIZEN
2. Peggy Reichert St Paul Planning Dept
3. ~~John Keefe~~ Henn. Cty Bd. Member
4. Richard Hanson Citizen
5. ~~Nelson Berg~~ - Kaglin Mayor
6. CAROL JOHNSON MPLS. CITY COUNCIL
7. Ruby Hunt Ramsey Co. Reg Rail Authority
8. ~~Ragn Peterson~~ Assoc. of Metro Munic.
9. Don Chapdelaine Dakota Co Reg Rail Authority  
Ulrich ~~Wagner~~ Wiegner St. Paul Area CFC.

Curt Johnson, Citizen League ✓

George Osborn

Roger Peter

Ben Auld

Don Chapdelaine

Ken Steven

Donna Allen

Greg Sails

\*Kathy De Spieglaere

\*Ruby Hunt ✓

\*John Keefe ✓

\*Vp Peter M. Saughli ✓

Emil Brantt

Carol Johnson, City Council ✓

Nelson Berg, Mayor Hopkin ✓

Peggy Vauchut ✓



REGIONAL TRANSIT BOARD

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

## NOTICE OF PUBLIC MEETING

### **Draft Light Rail Transit Development and Financial Plan**

Monday, December 18, 1989  
4:00 p.m.

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

The Regional Transit Board will receive comments from local communities and interested individuals and consider the recommendations from the Joint Light Rail Transit Advisory Committee regarding the staging and financing of light rail transit implementation in the Twin Cities Metropolitan Area.

The RTB is legislatively required to adopt a Light Rail Transit Development and Financial Plan and submit it to the Metropolitan Council for review and approval. After the Council Review, the plan will be submitted to the Minnesota Legislature on February 15, 1990.

Written comments on the plan will be received through December 20, 1989. Those wishing to present comments at the public meeting or receive copies of the draft plan should contact Julie Opsahl at 292-8789.

Michael J. Ehrlichmann  
Chair

LRT hearing  
hand-out 1

T&PW - Your Committee recommends passage of the accompanying Resolution setting forth the City's position on Light Rail Transit (LRT) Development and Financial Plan being considered by the Regional Transit Board (RTB).

Approved as to Accuracy: *BSC*

REFERRED TO (NAME OF) COMMITTEE:
DATE:

89R-

**RESOLUTION  
of the  
CITY OF  
MINNEAPOLIS**

*Page 8*

By \_\_\_\_\_ Coyle, Niemiec, Cramer, Johnson, Maas

Setting forth the City's position on Light Rail Transit (LRT) Development and Financial Plan being considered by the Regional Transit Board (RTB).

Whereas, the Minnesota Legislature has created a Light Rail Transit (LRT) Advisory Committee to develop and recommend to the Regional Transit Board (RTB) a LRT Development and Financial Plan and said Committee has developed such a Plan and made its recommendation to the RTB; and

Whereas, these recommendations include all LRT corridors within Minneapolis in the Five-Year (1992-1997) Stage I Plan with the exception of the Minneapolis South Corridor, said Corridor not included based upon the assumption that the construction schedule and status of the I-35W EIS make it unlikely that LRT can be built in this Corridor in Stage I; and

Whereas, the City believes that LRT could be built in the Minneapolis South Corridor between a south tunnel portal at the Soo Line (29th Street) railroad tracks and the I-35W/TH 62 Common Section within the Stage I period; and

Whereas, the City is on record giving strong support to the Metropolitan Transportation Development Guide/Policy Plan which identifies six LRT Corridors for the Metropolitan Area for initial implementation and identifies the Central Corridor and the Minneapolis South Corridor as the two "First Priority" Corridors and sets forth criteria to guide in the selection of corridors for implementation or for addition to the LRT Plan; and

Whereas, the Chair and staff of the RTB have developed an alternative staging proposal which places the Central Corridor in the first priority grouping, the Minneapolis South Corridor, the Minneapolis Northwest Corridor, the Minneapolis Northeast Corridor and the Hiawatha Corridor in a second priority grouping, and the Minneapolis Southwest Corridor in a third priority grouping, and provides that those corridors in the second priority grouping that have met conditions set by the RTB and are ready for implementation will be considered for implementation as the RTB updates its LRT plan; and

Whereas, the RTB must adopt a LRT Development and Financial Plan in December, 1989; and

Whereas, Minneapolis is vitally interested in LRT planning and implementation and has participated in all such current and previous planning;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That it reaffirms its support for the Metropolitan Transportation Development Guide/Policy Plan, in particular as it relates to LRT.

That it supports the alternative staging approach proposed by the RTB which establishes groups of priorities. The identification of two priority groups which could proceed to implementation if all conditions set by the RTB are met keeps responsibility for advancing the corridor with the counties and their affected municipalities given that if the corridor is not advanced, other corridors will proceed to implementation instead.

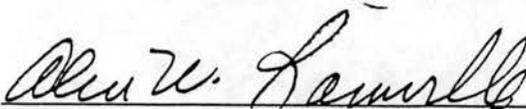
That it reaffirms its previous position that LRT should be included within the I-35W right-of-way in the I-35W alternative selected by the Commissioner of Transportation for implementation as part of the I-35W EIS.

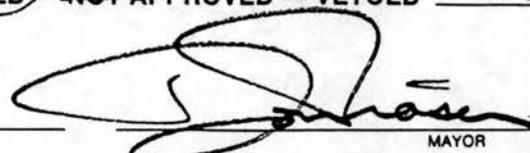
RECORD OF COUNCIL VOTE (X INDICATES VOTE)													
COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN	COUNCIL MEMBER	AYE	NAY	NOT VOTING	ABSENT	VOTE TO OVERRIDE	VOTE TO SUSTAIN
Dziedzic				X			Scallon	X					
Maas	X						Niemiec	X					
Hilary	X						Cramer	X					
White	X						Schulstad	X					
Coyle	X						Johnson	X					
Carlson	X						Pres. Rainville	X					
Sayles Belton	X												

PASSED DEC 15 1989  
DATE

APPROVED ~~NOT APPROVED~~ ~~VETOED~~

DEC 15 1989  
DATE

  
PRESIDENT OF COUNCIL

  
MAYOR

ATTEST \_\_\_\_\_  
CITY CLERK



GEORGE LATIMER  
MAYOR

CITY OF SAINT PAUL  
OFFICE OF THE MAYOR

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

*Handout - LRT  
hearing 12/18/89*

December 18, 1989

Mr. Michael Ehrlichman  
Chair  
Regional Transit Board  
230 East Fifth Street  
Saint Paul, Minnesota 55101

Dear Chairman Ehrlichman:

We in Saint Paul have been following the discussion over the past several months leading to the proposed Light Rail Transit Regional Development and Financial Plan. We realize that developing such a plan has not been a simple task, especially given time constraints and that the debate over the plans, scope, and direction will likely continue during the forthcoming legislative session.

We, therefore, will focus on comments on two basic issues--staging and financing.

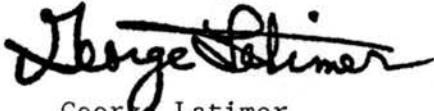
Regarding staging, we strongly endorse the recommendation that the central core of the system connecting to and through the two metro centers of Saint Paul and Minneapolis be constructed first, as expeditiously as possible with state and regional funding. The Midway corridor and the two downtowns have been consistently identified as having the greatest potential for LRT. We believe it is important to insure that the first corridor constructed is a real success in order to gain the necessary support to implement an entire metropolitan system over the next twenty years.

In terms of financing, we cannot endorse the concept of using monies derived through the fiscal disparities mechanism to pay for LRT. Fiscal disparities is not an existing tax, like the sales tax or motor vehicle excise tax. Fiscal disparities is a tax base redistribution formula. The proposed allocation of 40 percent of new growth in "fiscal disparities" to LRT funding would have the effect of making those communities with the least ability to pay carry the burden of financing LRT. If the RTB feels that property taxes are, in fact, an appropriate source of funding for LRT, the tax should be levied openly and directly, on a region wide basis.

Mayor George Latimer  
December 18, 1989  
Page Two

Thank you for this opportunity to comment on the proposed plan. We are looking forward to working with you on the continued planning and design of the core system.

Yours truly,

A handwritten signature in cursive script that reads "George Latimer". The signature is written in dark ink and is positioned above the typed name.

George Latimer  
Mayor

PAR:tmt

cc: Council President Elect Jim Scheibel  
Commissioner John Finley, Ramsey County  
Chair Steve Keefe, Metropolitan Council



REGIONAL TRANSIT BOARD

Mears Park Centre  
230 East 5th Street  
St. Paul, Minnesota 55101

Minutes of the meeting of the  
**POLICY COMMITTEE**  
Mears Park Centre, Room A  
November 27, 1989

**MEMBERS PRESENT:** Jeff Spartz, Chair; Doris Caranicas and Norbert Theis

**MEMBERS EXCUSED:** Terrance O'Toole and Sandra Hilary

**OTHERS PRESENT:** Arnie Entzel, Amalgamated Transit Union; Dick Wolsfeld, Peter Fausch and Charlene Zimmer, LRT consultants; Michael Ehrlichmann, Greg Andrews Judy Hollander, Suzanne Hanson and Mary Fitzgerald, RTB staff

The meeting was called to order at 4:00 p.m. and roll called. Caranicas moved and Theis seconded approval of the agenda. The motion was unanimously approved.

**LRT Development and Financial Plan**

Hollander reviewed the meeting schedule of the joint advisory committee and Zimmer used slides to illustrate the process followed by the staff committees. She emphasized that the two elements that must be developed are the staging plan and the financial plans. Theis asked for a map shows the streets that would be used for the corridors because the maps that are available have not been specific. Spartz commented that the ten-year timeframe is very ambitious. Blin said the term implies that contracts would be let in that period.

Zimmer reviewed the motions passed to date by the advisory committee and the issues that must be addressed. No action was taken.

**Metropolitan Council Review of Five-Year Transit Plan**

Blin reviewed the staff report of November 21. No action was taken.

**Standards for Per Diem Payments**

In response to Theis' question, Spartz said in those instances where it is not obvious that per diems would be available, members should check first with the chair. Ehrlichmann said this is coming to the board because there has been a need for a consistent policy. Too many agencies have created problems because their policies were not well defined. We have a caveat that the chair has the prerogative of assigning members to attend a particular meeting. Ulrich said he had searched through the procedures of other government bodies and tried to develop a policy that would reflect a composite of them. Members agreed that it is important to avoid the appearance of abuse of per diem payment. Ehrlichmann said he is required to sign off on members' reimbursement requests and has indicated to staff that they should

review and approve the requests beforehand to assure that they conform to existing policy. He found that a policy is needed for staff to use in that review. Caranicas moved and Theis seconded the staff recommendations. Spartz indicated that he has reservations about Item 3 since it might be necessary to set reasonable limitations. After discussion, it was agreed that the number of meetings should be limited to three. Ulrich said members may not claim per diems when they attend committee meetings unless they are members of that committee. Further, members' visits to staff are not per diem events. Ehrlichman said his feeling is that when chairs of committees meet to review agendas the meeting would be eligible for a per diem. Caranicas moved and Theis seconded:

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.

The motion was unanimously approved.

#### **Cablecasting Regional Transit Board Meetings**

Ehrlichmann said a number of local governments have begun cablecasting their meetings to respond to the need for the public to have an opportunity to react to issues. In the coming year the RTB will be dealing with such controversial issues as light rail and Metro Mobility. The broadcast of RTB meetings might be preceded or followed by a discussion of the issues. While it would be expensive, he feels it is necessary to discuss as a policy question whether the issues should be put before the public and thereby limit the criticism that the agency fails to inform the public. The cost is certainly

a negative aspect. Spartz said he would not favor broadcasting routine meetings, but would support broadcasting those that deal with significant issues. Ehrlichmann said no specific authorization is being requested, but he would like direction from the committee on how to proceed. Caranicas said it might be done in conjunction with the Metropolitan Council and the Metropolitan Waste Control Commission. Ehrlichmann said staff can determine what kind of format the cable companies have and develop other issues presentations.

Entzel commented that the issue of mass transit and RTB's involvement would be a good idea because the public would be interested. Three or four times a year items could be scheduled on transit issues to educate the public. People lose interest if it is done too often. Spartz said the issue will be referred to staff for more information.

### Travel Expense Allowances

Ulrich reviewed his November 20 memorandum. This asked, if three or four people have a luncheon meeting and one pays the check, how would that be handled? Ulrich said no receipts are required and each would be entitled to reimbursement. It would not matter how they share those costs or whether a member pays for any meals. This moved and Caranicas seconded:

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."

This called the question and the motion was unanimously approved.

There being no other business, This moved and Caranicas seconded that the meeting be adjourned. The motion carried and the meeting was adjourned at 5:30 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  
**REGIONAL TRANSIT BOARD**  
Mears Park Centre Chambers  
December 4, 1989

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

**MEMBERS EXCUSED:** Norbert Theis, Richard Wedell and Terrance O'Toole

**OTHERS PRESENT:** ; Mike McLaughlin and Dirk deVries Metropolitan Council; Arnie Entzel, Amalgamated Transit Union; Doug Ewald; Ewald Consulting Group; Charles Weaver, Legal Counsel; Gregory Andrews, Ed Kouneski, Cyndie Mayer, Len Simich, Suzanne Hanson, Howard Blin, Dale Ulrich, Bob Dietrick, Randy Rosvold and Mary Fitzgerald, Regional Transit Board staff

The public meeting on Metro Mobility was called to order at 4 p.m. (See reporter's transcript). At 5:20 p.m. the regular meeting of the board was called to order and roll taken. Franklin moved and Spartz seconded approval of the agenda. The motion was unanimously approved.

Caranicas moved approval of the minutes of the Administration and Finance Committee meeting of November 13, the Regional Transit Board meeting of November 20, and the Administration and Finance Committee meeting of November 21, 1989, noting that she had attended the meeting of November 13. Franklin seconded the motion with that amendment; the motion was unanimously approved.

**CHAIR'S REPORT**

The chair noted that there will be a briefing for newly elected officials on December 13 in Chambers and a chair's breakfast meeting on December 18 at the Minneapolis Convention Center.

The Audit Advisory Committee has held its first meeting and recommendations will be directed to the Administration and Finance and Policy Committees by the end of the month.

Members Theis and Wedell attended the APTA Legislative Committee meeting on December 3 and 4. Their flight has been delayed and they were unable to attend this meeting. Member O'Toole will return from Europe this week. Since he has to attend a meeting later this evening, Committee Chair Spartz has asked that Item 7 be heard first.

**REPORT OF THE POLICY COMMITTEE**

Committee Chair Spartz reviewed the committee report of November 27, 1989.

### Standards for Per Diem Payments

Spartz moved and Tinklenberg seconded:

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.

Ehrlichmann said he wanted the per diem policies to be clearly understood, adding that as chair he will approve legitimate opportunities to participate in transit issues in the community. Franklin asked for clarification of the last paragraph concerning "actual and necessary expenses." Legal counsel had instructed that members may not be reimbursed for meals in the Metropolitan Area. Spartz said the reference is to mileage and parking expenses. She asked if members are no longer allowed to receive a per diem or be reimbursed for the cost of meals as they have in the past. Ulrich said these standards are collected from other agencies. Ehrlichmann said he would not object to changing that language.

In response to Caranicas' question related to a non-member of a committee collecting a per diem for attending an RTB committee meeting, Ehrlichmann said this is a general guide; however, in some instances, such as the LRT discussions, he will ask members to attend as many meetings as possible and those meetings would be eligible for per diem payments. The policy is effective immediately. The motion was unanimously approved.

**Travel Expense Allowances**

Spartz moved and Finley seconded:

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>
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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."

The motion was unanimously approved.

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

Committee Chair Tinklenberg reviewed the report of the Special Administration and Finance Committee meeting of November 21, 1989.

**Jobseekers Program 1990 Contracts**

Tinklenberg moved and Finley seconded:

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.

The motion was unanimously approved.

**Transit Provider Contracts for Calendar Year 1990**

Tinklenberg moved and Franklin seconded:

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
<b><u>Rural/Special Transportation Service</u></b>		
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
<b><u>Small Urban Communities</u></b>		
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

The motion was unanimously approved.

### Approval of MTC 1990 Operating and Capital Budgets

Tinklenberg said there had been a lengthy discussion in the course of two committee meetings regarding these budgets. Ehrlichmann said several board members have expressed concern over the MTC's purchase of 208 new buses and their relationship to emission control standards and lift equipment. Several Metro Council members have contacted him as well regarding concerns over emission controls. It is his understanding that those issues can be addressed when the request to approve bonding for the new buses comes to the Administration and Finance Committee. With that understanding, he would support this motion.

Finley questioned whether approval of this budget would allow MTC to proceed with negotiations. Kouneski responded that there are two bus orders for which contracts have been awarded. Next week the factory will begin production on 108 buses and it would be difficult to put that order on hold. The next portion of the contract will begin production in mid-February and it may be possible to have the second half of the order modified. Ehrlichmann said on the first half of the order he has received substantial comment from the Metro Council regarding emission control standards. In regard to equipping the new buses with lifts, the chief minority author of the Americans with Disabilities Act (ADA), Senator Durenberger, has expressed his support, along with all of our congressional representatives in the House except Representatives Penny and Stangeland, but the current standards do not conform with the provisions of the proposed legislation. He asked if there is an opportunity for the board to insert itself in the process for the first order of buses or whether that is impossible at this point. Kouneski said he does not know if production can be halted; if it is stopped, penalties may be incurred. However, if the board acts very quickly, it may be possible to modify the buses in the second half of the order.

In response to Finley's question regarding why the buses were ordered without approved funding, Andrews said the funding for the first portion was from a \$17 million bond issue sold in April 1988. For the 100 buses to be delivered in July, funds from the anticipated \$26 million bond issue will be used. Finley said the board should make it clear that these members did not approve the first order and it should hold the second order until it is approved by the RTB. He asked that staff find out how much that would cost to modify the order.

The chair said he would support the motion with an amendment that RTB will investigate the possibility of putting the portion of the order currently underway on hold and determine whether there would be substantial liability to the Metropolitan Transit Commission and the Regional Transit Board. The purchase of the second half of the order will be subject to the scrutiny of this body and possible consideration by the Administration and Finance Committee at its next meeting. Kranz said he assumes if it is found to be impossible to modify the order, that will be well documented by MTC. Tinklenberg said that by the December 12 meeting of the committee that information will be gathered. He accepted Ehrlichmann's friendly amendment.

Finley said the members should make it clear that nothing will be done on the second part of the order. Tinklenberg moved and Ehrlichmann seconded:

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, submit them 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 conditions:
    - a. The MTC should work jointly with RTB staff to examine future peak bus requirements for the years beyond 1990.
    - b. MTC is directed to investigate the possibility of putting the portion of the current order of bus procurement on hold in order to determine whether there would be substantial liability to the Metropolitan Transit Commission and the Regional Transit Board to modify the specifications to require wheelchair lifts and emission control devices..
  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.

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

Hollander reported on the discussions at the committee's November 29 meeting. The committee will meet again on December 6. The chair urged all members to attend the December 7 meeting of the Policy Committee and revisit any issues on light rail at the committee or board level.

#### **OTHER BUSINESS**

Tinklenberg said the December 12 Administration and Finance Committee meeting will be at 4:30 p.m.

There being no other business, Tinklenberg moved and Finley 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 5th Street  
St. Paul, Minnesota 55101

Minutes of the meeting of the  
**POLICY COMMITTEE**  
Room 10, State Office Building  
December 7, 1989

**MEMBERS PRESENT:** Jeff Spartz, Chair; Doris Caranicas; Sandra Hilary; Terrance O'Toole and Norbert Theis

**OTHERS PRESENT:** RTB Members John T. Finley, Richard Wedell, Elwyn Tinklenberg, Ed Kranz, Ruth Franklin and Michael Ehrlichmann; Joe Finley, Chair of the Dispute Resolution Board, Edward Pluimer, Medicine Lake Lines legal counsel; Roger Pauly, Southwest Metropolitan Transit Commission legal counsel; Michael Christensen, MTC legal counsel, Bob Rossman, Amalgamated Transit Union; John Derus, Chair of the Joint LRT Advisory Committee; Charlene Zimmer, LRT consultant; Representative Peter McLaughlin; Natalio Diaz and Alan Morris, Metropolitan Council, Ken Stevens, Hennepin County; Gregory Andrews, Judy Hollander, Ed Kouneski, Mary Lutz, Sherry Munyon, Suzanne Hanson and Mary Fitzgerald, RTB staff

The meeting was called to order at 2:00 p.m. and roll called. Caranicas moved and Theis seconded approval of the agenda. The motion was unanimously approved.

Committee Chair Spartz called the meeting to order and asked John Derus to address the committee.

Derus said the advisory committee had worked very hard. He thanked all the members and staff for their time and effort, and said he especially appreciated the RTB members attending the Joint LRT Advisory Committee meetings. The committee was charged by the RTB and the Legislature to develop a metropolitan-wide LRT system; the committee did just that and developed a system that will serve the Seven-County Metropolitan Area. While the committee's recommendations have been criticized, most of that criticism has been leveled at the costs of the proposed system. Derus emphasized that the cost of building LRT must be compared to costs of air pollution, congestion, and the costs of building and maintaining roads that will need to be added if light rail is not built. He offered his continued assistance to RTB in its difficult task of completing the LRT Development and Financial Plan. Spartz thanked Derus and the advisory committee members for their efforts.

**Dispute Resolution Board (DRB) Findings on Southwest Metropolitan Transit Commission**

Kouneski reviewed the staff report dated November 30, 1989 recommending that the RTB affirm the decision of the Southwest Metropolitan Transit Commission (SWMTC) to award a contract to the MTC to operate Route 53 express service and to authorize the MTC to charge Southwest Metro the marginal price, which reflects the additional variable costs the MTC incurs for operation of the service and the fully allocated vehicle costs.

Spartz introduced Joe Finley, Chair of the Dispute Resolution Board, to present the DRB findings. Finley said this was the first time the DRB had been convened. The DRB is charged to hear complaints related to transit provider contracts. He explained that it was convened by the Metropolitan Council in response to a complaint lodged by Medicine Lake Lines (MLL) after Southwest Metro Transit Commission awarded a contract to MTC on the basis of marginal costs. Originally MLL had a number of issues, but the DRB narrowed the issue to whether a contract can be awarded on the basis of marginal costs when it has been required by the Urban Mass transportation Administration (UMTA) and the RTB that bids by subsidized operators to third party providers must be made on a fully allocated cost basis.

Finley reviewed DRB's recommendations that the RTB affirm the SWMTC decision to award Route 53 service to MTC. DRB found that MTC disclosed its fully allocated costs and, therefore, met the bidding requirements. He noted that the DRB did not closely examine these fully allocated costs. DRB found nothing that says the bid award must be made on the basis of fully allocated costs. Rather, the purpose of this disclosure is to determine the subsidy level. He reviewed the report of the board dated December 29, 1989.

Edward Pluimer, representing MLL, addressed the committee and recommended that the board reject the recommendations of the Dispute Resolution Board to affirm SWMTC's decision and bid costs only on non-subsidized costs. MLL takes issue the statement "it is not a rational public policy to require fully allocated costs." He cited a staff memorandum by Ed Kouneski that suggested that as a matter of public policy the added cost to the region should be justified. Federal funds should not be used to permit unfair competition with private providers. UMTA has said the MTC should bid only fully allocated costs and the RTB rules have a full allocation of cost policy, stating that in order to permit equal competition all costs shall be included in the price of service. This proposed action would reverse that policy. Under federal policy MTC's marginal cost bid would not be permitted. MLL requests that the Regional Transit Board reject the decision and disapprove the contract on a marginal cost basis. If the RTB decides to have further review and analysis of what is proper, then it should freeze the approval of any marginal cost contracts and those of any other third party.

Ehrlichmann apologized for arriving late because of the difficulty of avoiding the downtown freeway and bridge construction. He also apologized for having to meet at the State Office Building because we had been unable to secure meeting room space at Mears Park Centre.

Ehrlichmann said UMTA had asked each local jurisdiction to establish a method to resolve disputes. He expressed confidence in the outcome of DRB's deliberations.

Roger Pauley said SWMTC does not agree with the legal interpretation stated by Mr. Pluimer, nor do they believe it is appropriate to suspend approval of contracts at this time. The process has continued during most of 1989 and the contract will expire December 31. It is imperative the new contract commence on January 1, 1990. It must be understood that they entered into a contract on the basis of marginal cost and MTC was the low bidder by \$14,000 over a three year period under the fully allocated cost method. SWMTC accepted MTC's bid and entered into a contract based on marginal costs with a difference of \$2 million.

In response to Franklin's question, Mike Christianson, MTC legal counsel, said MTC bid both formulas in this contract and has not ignored federal cost and fully allocated cost. All vehicles involved in the service bid reflect 100 percent of the cost. Franklin said it is necessary to clarify the rules and move on, but she asked staff to consider how marginal costs effect taxpayers in the Metropolitan Area. She questioned whether the rest of the area is paying for costs of garages, supervisors, schedules, and interest on bond expenses.

Ehrlichmann said his goal is to encourage and be a part of initiation of maximum transit services to the community. RTB must encourage the communities to make decisions on how best to participate in the process and how to meet their transit needs. Other communities should be encouraged to develop a coordinated program equivalent to that the the SWMTC to meet their needs in the same way. The process developed by the Metropolitan Council and RTB has been fulfilled and he would like to move ahead on the contract. O'Toole moved and Caranicas seconded:

That the Regional Transit Board:

1. Affirm the decision of the Southwest Metropolitan Transit Commission to award a contract to the Metropolitan Transit Commission to operate Route 53 express service; and
2. Authorize the Metropolitan Transit Commission to charge Southwest Metro the marginal price as submitted.

The motion was unanimously approved.

#### Light Rail Transit Development and Financial Plan

Spartz said no action will be taken at this meeting. Blin reviewed the schedule for review of the plan and discussed the advisory committee's draft report. Charlene Zimmer used slides to discuss the committee's report.

Finley asked if the implication is that state funding would not be used on the central corridor. Blin said the first \$40 million of state funds would have to be used for yards and buses.

In response to Tinklenberg's question, Ehrlichmann said the intent is to request a document that will reflect the revenue that can be generated through each of the methods.

In terms of fiscal disparities, he would like information on where the shortfall and windfall would be. Franklin said Charles Weaver, RTB legal counsel and author of the Fiscal Disparities legislation, has the greatest understanding of fiscal disparities and should give the board a presentation on how the proposed use of those funds would effect each individual city. She represents approximately 30 cities and only two of them pay out more than they receive. She would like information on how they would be hurt.

(The chair called for a brief recess.)

The meeting was called to order at 4:00 p.m. Ehrlichmann distributed a document titled "Proposed Alternative Staging Approach to Regional LRT Development and Financial Plan" (Exhibit A).

Since the staging plan does not match revenue, RTB is faced with three alternatives:

1. Adopt the recommended plan and attempt to seek a greater amount of funding than has been assumed to be reasonable;
2. Adopt the five-year plan presented to the advisory committee, which includes yards and shops, Minneapolis tunnel, Central Corridor, Hiawatha Corridor, and Minneapolis Northeast Corridor; or
3. Adopt an alternative approach to staging.

He asked members to be prepared at the next meeting to discuss those alternatives. The staff and consultants have recommended an alternative staging approach and developed criteria necessary before construction.

Spartz commented that in a sense, only the Central Corridor received ranking. In looking at Group B, there are several significant differences and it might be appropriate to have an internal ranking. Ehrlichmann said he is not negative to ranking, but it becomes implicit in meeting the conditions established for the corridors. Spartz said even the most pessimistic critics would concede that the Midway Corridor would be successful. To win the political battle for funding, we may have to agree to go slowly until there is one successful corridor operating. Ehrlichmann said this proposal would permit moving at a pace that avoids arbitrary deadlines. Finley said the five-year plan created an overly ambitious program by expecting to build a system and have it up and running in a short time frame. To overcome the naysayers, it is important to make sure the first line is successful. In all evaluation criteria, the Midway Corridor always came out first and should be the first one built. After that the lines can be extended from the downtowns. He favors the idea of groupings because a timetable may prove to be unrealistic. Ehrlichmann said the advisory committee also adopted a recommendation that their recommendations be reevaluated on an annual basis. Hilary said the process has served us very well. Even though she had concerns about the recommendations because of their scope, this alternative will make the decision easier. Wedell commented that the problem will be what the Legislature will allow in funding.

There being no other business, This moved the meeting be recessed until December 15, 1989. O'Toole seconded the motion and the meeting was recessed at 4:20 p.m.

Respectfully submitted,

Mary Fitzgerald  
Secretary

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

12/4/89  
RTB

## PROPOSED ALTERNATIVE STAGING APPROACH TO REGIONAL LRT DEVELOPMENT AND FINANCIAL PLAN

### Joint LRT Advisory Committee Recommendations

The Joint LRT Advisory Committee has approved staging recommendations for LRT construction that exceed apparent funding capabilities:

- That annual capital funds of approximately \$130 million per year could conceivably be available for LRT construction during the first ten-year period--or approximately \$650 million for the first five years.
- The costs of a five-year staging plan for LRT construction total approximately \$890 million (including yards and shops; Minneapolis tunnel; downtown St. Paul; Central Corridor; Hiawatha Corridor; Minneapolis Northeast; Southwest and Northwest Corridors; and St. Paul South Corridor).

The RTB is, therefore, faced with three alternatives:

- adopt the recommended plan and attempt to seek a greater amount of funding that has been assumed to be reasonable;
- adopt the five-year plan presented to the advisory committee, which includes: yards and shops; Minneapolis tunnel; Central Corridor; Hiawatha Corridor; and Minneapolis Northeast Corridor; or
- adopt an alternative approach.

### Alternative Staging Approach

RTB staff and consultants recommend that an alternative approach be pursued based on the following premises:

- Each LRT corridor in the ten-year plan has potential problem areas that could cause delay in the ability to initiate construction. The steps that each corridor must complete prior to initiating construction include:
  - completion of a comprehensive plan
  - complete preliminary design (10%), resolve alignment, and environmental review
  - gain city approval
  - complete preliminary engineering (30%)
  - complete final design (100%)
  - gain city and RTB approval
  - obtain bids

- To "over-program" for the short-range component of a plan is commonly done in transportation because of the inability to accurately forecast time schedules (the FAU program is a good example of this).
- To allocate funds on a first come/first serve basis can create an incentive and can assist in the timely completion of the required engineering process (Interstate Discretionary funds are an example of this).
- The analysis of LRT corridors makes it difficult to clearly define a five-year plan solely on the basis of technical criteria.
- In many cases, the ability to implement is the deciding factor for alternative transportation investments within a five-year period.

This approach, therefore, establishes the following priorities by groups:

Group A

• Yard/Shop	\$ 50M
• Minneapolis Downtown Tunnel	\$ 150M
• St. Paul Downtown	\$ 22M
• Central Corridor	<u>\$ 149M</u>
	\$ 371M

Group A represents the core of the regional LRT system and would receive first priority for regional funds. The Central Corridor ranks significantly higher than other corridors under all technical evaluation criteria. However, a sunset provision should be established so that construction can proceed on other corridors if the Central Corridor is significantly delayed.

Group B (no priority among corridors):

• Hiawatha to GSA	\$ 69M
• Minneapolis Northeast to Northtown	\$ 181M
• Minneapolis Northwest to 63rd Avenue	\$ 116M
• Minneapolis South to 96th Street	\$ 75M
• St. Paul South	<u>\$ 118M</u>
	\$ 559M

Group B corridors could proceed to construction on a first-ready basis if all conditions for approval are met. The conditions previously approved by the Joint LRT Advisory Committee are: all environmental approvals are obtained; full funding is available to support the corridor's capital cost; final design is completed and has received all required approvals; the corridor can be operated efficiently in coordination with other lines constructed or under construction; and existing transit services are coordinated within the corridor.

Group C (no priority among corridors):

• Minneapolis Southwest to T.H. 169	\$ 157M
• St. Paul Northeast to I-694	\$ 79M
• St. Paul Northwest to County Road C	\$ 96M
	\$ 332M

Group C corridors could complete 10 percent preliminary design, complete an EIS, and acquire right-of-way.

Group D (no priority among corridors):

- All extensions to above corridors in the 20-year plan
- St. Paul East (I-94 to Radio Drive)

Group D corridors could complete a generalized study of alignment and comprehensive planning.

Group E (no priority among corridors):

- Post-20-year corridors

Group E corridors could be included in local comprehensive plans.



GEORGE LATIMER  
MAYOR

CITY OF SAINT PAUL  
OFFICE OF THE MAYOR

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

December 18, 1989

Mr. Michael Ehrlichman  
Chair  
Regional Transit Board  
230 East Fifth Street  
Saint Paul, Minnesota 55101

Dear Chairman Ehrlichman:

We in Saint Paul have been following the discussion over the past several months leading to the proposed Light Rail Transit Regional Development and Financial Plan. We realize that developing such a plan has not been a simple task, especially given time constraints and that the debate over the plans, scope, and direction will likely continue during the forthcoming legislative session.

We, therefore, will focus on comments on two basic issues--staging and financing.

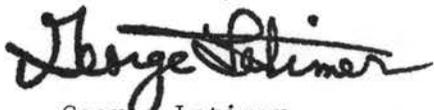
Regarding staging, we strongly endorse the recommendation that the central core of the system connecting to and through the two metro centers of Saint Paul and Minneapolis be constructed first, as expeditiously as possible with state and regional funding. The Midway corridor and the two downtowns have been consistently identified as having the greatest potential for LRT. We believe it is important to insure that the first corridor constructed is a real success in order to gain the necessary support to implement an entire metropolitan system over the next twenty years.

In terms of financing, we cannot endorse the concept of using monies derived through the fiscal disparities mechanism to pay for LRT. Fiscal disparities is not an existing tax, like the sales tax or motor vehicle excise tax. Fiscal disparities is a tax base redistribution formula. The proposed allocation of 40 percent of new growth in "fiscal disparities" to LRT funding would have the effect of making those communities with the least ability to pay carry the burden of financing LRT. If the RTB feels that property taxes are, in fact, an appropriate source of funding for LRT, the tax should be levied openly and directly, on a region wide basis.

Mayor George Latimer  
December 18, 1989  
Page Two

Thank you for this opportunity to comment on the proposed plan. We are looking forward to working with you on the continued planning and design of the core system.

Yours truly,

A handwritten signature in cursive script that reads "George Latimer". The signature is written in dark ink and is positioned above the typed name.

George Latimer  
Mayor

PAR:tmt

cc: Council President Elect Jim Scheibel  
Commissioner John Finley, Ramsey County  
Chair Steve Keefe, Metropolitan Council

## REGIONAL TRANSIT BOARD

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

DATE: November 30, 1989  
TO: Policy Committee  
FROM: Edward Kouneski, *ER* Manager of Programs  
SUBJECT: Dispute Resolution Board Findings on Southwest Metro

### SUMMARY

The Dispute Resolution Board (DRB), convened by the Metropolitan Council, met on November 6, 1989, to hear Medicine Lake Lines' protest of the Southwest Metropolitan Transit Commission's contract award to the Metropolitan Transit Commission (MTC). On November 17, 1989, the DRB met again to deliberate findings. Attached is the DRB report transmitted to the RTB chair on November 29, 1989. The recommendation is to affirm Southwest Metro's decision to award a contract to the MTC based on marginal costs.

The DRB chair will be present at the Policy Committee meeting to deliver the report, and Medicine Lake Lines has been invited to express its opinion. Under separate cover, copies of all of the background materials that were reviewed by the DRB have been transmitted to Policy Committee members.

### DISCUSSION

The DRB has determined that Southwest Metro acted appropriately, following RTB guidelines, in awarding the Route 53 express service contract to the MTC based on marginal costs. RTB staff supports the DRB decision. Furthermore, we have no reason to believe that the MTC did not accurately portray its costs in its proposal to Southwest Metro.

Given the deficit funding relationship that exists between the RTB and the MTC, the action requested below both affirms Southwest Metro's contract award and authorizes the MTC to charge a marginal price for the service.

For discussion, RTB staff suggests that at least two points be emphasized with this action:

1. As a matter of public policy, when bids from private operators exceed the MTC's marginal costs, the added cost to the region should be justified.
2. Given the perception that suburban communities do not receive service levels that match property tax contributions, it must be recognized that fully allocated costs, not marginal, represent the MTC's true costs of providing service.

To avoid future disputes, the DRB suggests that the RTB modify its written guidelines on competitive bidding in order to define when the use of marginal costs is properly justified and identify more explicit procedures for determining fully allocated costs. In addition, the DRB advises that the RTB consider the point at which certain MTC fixed costs may need to be allocated to third party contracts, along with the obvious marginal, or variable, costs. In staff's view, placing a limit on the amount of service that can be marginally priced by the MTC may be an option as well.

#### **Next Steps**

Based on the advice of the DRB, RTB staff will begin to develop modifications to the competitive transit guidelines. A financial analysis will be required to determine the increments of service over which additional fixed costs are incurred by the MTC. The RTB cost model will be a useful tool for this analysis, and it may be appropriate to have consultant assistance, with MTC participation.

We plan to bring new guidelines, in early 1990, to the RTB's newly formed Providers Advisory Committee for review, and then to the Policy Committee for approval.

#### **ACTION REQUESTED**

That the Regional Transit Board:

1. Affirm the decision of the Southwest Metropolitan Transit Commission to award a contract to the Metropolitan Transit Commission (MTC) to operate Route 53 express service; and
2. Authorize the MTC to charge Southwest Metro the marginal price, which reflects only the additional variable costs the MTC incurs for operation of the service.

Ed

TRANSIT DISPUTE RESOLUTION BOARD

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

November 29, 1989

Michael Erlichmann, Chair  
Regional Transit Board  
Mears Park Centre  
230 East Fifth Street  
St. Paul, Minnesota 55101

Dear Mr. Erlichmann:

Enclosed please find the written decision of the Transit Dispute Resolution Board concerning the complaint raised by Medicine Lake Bus Company against Southwest Metro Transit Commission over the award of Route 53 express transit service. The decision makes a number of recommendations regarding competitive bidding guidelines which the Regional Transit Board may want to address.

Sincerely,

*Joseph M. Finley (kml)*

Joseph Finley, Chair  
Transit Dispute Resolution Board

cc: Transit Dispute Resolution Board Members:  
Marcy Waritz, Metropolitan Council  
Jeff Spartz, Regional Transit Board  
Carolyn Hawkins, RTB Providers Advisory Committee  
William Dolan, RTB Providers Advisory Committee  
James Johnson, Medicine Lake Bus Company  
Beverley Miller, Southwest Metro Transit Commission  
John Capell, Metropolitan Transit Commission  
Steve Keefe, Chair, Metropolitan Council

TRANSIT DISPUTE RESOLUTION BOARD

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IN THE APPEAL OF MEDICINE LAKE )  
BUS COMPANY REGARDING THE )  
SOUTHWEST METRO TRANSIT )  
COMMISSION'S AWARD OF CONTRACT )  
FOR ROUTE 53 SERVICE TO THE )  
METROPOLITAN TRANSIT )  
COMMISSION )  
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BACKGROUND

This proceeding is in response to Medicine Lake Bus Company's (MLBC) protest of the Southwest Metropolitan Transit Commission's (SMTC) award of "Route 53" express transit service to the Metropolitan Transit Commission (MTC) on a "marginal cost" basis.

Pursuant to the regional transit dispute resolution guidelines, developed in 1986, MLBC's protest was first heard by the SMTC, which issued a decision dated October 2, 1989 affirming the award of Route 53 service to the MTC on a marginal cost basis. Because that decision sets out the relevant facts in detail, the facts are not repeated here. MLBC now appeals from the decision of the SMTC; pursuant to the dispute resolution guidelines this Dispute Resolutive Board (DRB) was convened to hear the appeal. A hearing was held by the DRB on November 6, 1989; the DRB reconvened on November 17, 1989 to review additional written submissions and vote.

Initially, MLBC identified several issues on appeal (including the alleged inaccuracy of MTC's "fully-allocated costs".) Prior to the DRB hearing, however, the issues were narrowed to specific questions of law/policy: (1) whether a marginal cost bid can be submitted by the MTC to a third-party provider such as the SMTC, and (2) whether the SMTC's award of Route 53 service to MTC can be made on a marginal cost basis. MLBC's protest was premised on Urban Mass Transportation Administration (UMTA) and Regional Transit Board (RTB) policies that bids by subsidized operators to third-party providers must be made on a "fully-allocated cost" basis.

The SMTC is an "opt out" provider of transit services, and receives funding from the RTB for Route 53 service. No federal funds, that is, UMTA funds, are used to subsidize Route 53 service, though the RTB does receive funding from UMTA for certain other matters. The MTC receives substantial funding from UMTA for operating and capital costs.

### SCOPE OF REVIEW

The DRB's charge is to make recommendations to the RTB regarding the matter on appeal. As this DRB is the first one convened under the dispute resolution guidelines, the members felt it appropriate to clarify the scope of review that the DRB would apply.

Generally, the DRB's scope of review is limited: it will assess only whether the RTB or its funding recipient has acted in an arbitrary or capricious manner -- that is, whether or not there was a "rational basis" for the disputed decision. If a disputed decision has a rational basis, the DRB will not recommend overturning the decision even if another equally rational decision were possible. In short, where there is more than one rational result possible, the DRB will not recommend that the RTB substitute its judgment for the rational judgment of the subject agency.

The DRB's scope of review is broader, though, where the decision being appealed turns on a disputed interpretation of law and/or policy. In such cases, the DRB will consider the issue de novo, allowing interested parties full opportunity to be heard, and will make its recommendation after an independent review of the law or policy at issue. The DRB will give due consideration to the subject agency's interpretation of the law or policy, but that interpretation will not be a controlling factor.

In this case, since the DRB's review has been limited to two related issues of law and policy, the DRB considered the issues de novo.

### RECOMMENDATION AND RATIONALE

We recommend that the RTB affirm the SMTC's decision that Route 53 service may be awarded to the MTC on a marginal cost basis. Given the record below, the DRB is satisfied that the award is in keeping with the intent of the RTB's guidelines and does not offend federal law or UMTA policies.

The request for proposal by the SMTC required that the MTC submit its proposal on both fully-allocated and marginal cost bases, as RTB rules envision. UMTA rules require "fully-allocated cost" bids. In this case, the MTC did disclose its fully-allocated costs and, under the circumstances, the DRB finds that this satisfies the spirit of the fully-allocated cost proposal and "bid" requirements.

An underlying issue in this appeal is whose rules govern -- UMTA's or the RTB's? It is the DRB's opinion that the MTC, as a direct recipient of UMTA funds for capital and operating costs, is subject to UMTA rules and guidelines when bidding out contract services to third-parties. The RTB, since it is not an operator, is subject to UMTA rules and guidelines only with respect to programs for

which it actually receives UMTA funds. The SMTC, which receives no federal funds, is not subject to UMTA rules and guidelines though, as a recipient of RTB funds, it is subject to RTB policies and guidelines. The issue of whose rules govern, however, is not determinative in this case, because both the RTB's and UMTA's policies are similar with respect to the issues under consideration. The DRB believes that whether RTB or UMTA guidelines are applied, the same decision is warranted: that a marginal cost contract award to the MTC is permitted.

The real problem in this case is the vagueness of the RTB and UMTA policies requiring that, when third-party service contracts are involved, subsidized operators must bid their fully-allocated costs. There is no written RTB policy, that states on what basis contracts may be awarded, nor apparently is there any written UMTA policy on this point. RTB policy does state that marginal costs may be taken into consideration when "properly justified," but does not elaborate on what circumstances constitute proper justification. Our review of the documents submitted by the parties indicate that, over the past few years, UMTA has sent out mixed signals on this issue, never really clarifying its position.

To bring clarity to this issue, the DRB has concluded that MTC bids to third-party providers should include an accurate description of the MTC's fully-allocated costs. MTC bids, however, can properly be segregated into components such as fixed costs that are already fully funded (and therefore need not be recovered under service contracts) and marginal costs which, of course, must be recovered from under service contracts. The DRB is of the opinion that it was proper for the SMTC to award the Route 53 contract to the MTC for a price that reflects recovery of the MTC's marginal costs so long as the MTC's fully-allocated costs were accurately disclosed and considered in the bid process -- as the record before the DRB indicates they were.

MLBC has argued that, for UMTA and RTB bidding policies to have meaning, a fully-allocated cost bid necessarily implies a contract award based on fully-allocated, not marginal costs. We disagree. The purpose of a fully-allocated cost "bid" is to foster comparison of the subsidized operator's true costs with the nonsubsidized operator's bid. The comparison may lead third-party providers or the RTB to conclude that the subsidy involved is too great, or is being used to further low-priority public transit policies. In this sense, a fully-allocated cost "bid" is an analytical tool that enables the third-party providers and the RTB to make policy determinations as to whether the magnitude and application of the public subsidy involved is appropriate under the circumstances.

That comparative process does not require that service contracts between a subsidized operator and third-party providers be pegged at fully-allocated costs. In the typical case, a number of the fully-allocated costs contained in the "bid" will already have been funded and need not be recovered under the service contract. The

service contract price, at minimum, need only be for the subsidized operator's marginal costs, which it must recover.

The DRB feels that general policy considerations further support its recommendations. If subsidized providers were compelled to enter into fully-allocated cost contracts, as MLBC urges, the public would be ill-served, since the cost of service to users would increase while pre-existing subsidies were squandered because subsidized operators were denied the benefits of economies of scale. This is not rational public policy. Moreover, the enforced award of fully-allocated cost contracts in situations where marginal cost pricing is appropriate would lead to inefficiencies and misallocations in transit provision -- a result contrary to federal and local transit policy.

#### ADVISORY COMMENTS

The DRB viewed its charge as dual: to make recommendations (1) with respect to the actions of the SMTC in this particular case, and (2) that would help resolve similar issues that may arise in the future. The DRB has decided to make the following advisory comments and recommendations to the RTB in the hope that future disputes can be avoided -- or will at least be more focused.

The DRB first recommends that the RTB define when the use of marginal costs is properly justified. The DRB's view is that marginal cost awards are justified when a subsidized operator has "bid" its fully-allocated costs, has shown that costs other than marginal costs are already fully funded, and has considered whether the public subsidy involved is of an appropriate magnitude and serves recognized public transit policies.

Second, to enable meaningful cost comparisons, the RTB should spell out in more detail what it considers to be fully-allocated costs. These costs may vary some from service to service or bid to bid, though they would normally include allocable portions of facilities costs or rent, and general overhead, including administrative salaries (unless earmarked for specific projects or planning functions). The DRB was not asked to review the MTC's accounting of fully-allocated costs, and it had neither the time nor resources to do so. Nevertheless, MLBC has expressed concern that the MTC's fully-allocated cost bid was not accurate. If there were more explicit procedures for determining a subsidized operator's fully-allocated costs, complaints of this nature may not recur in the future.

Third, the RTB should consider whether the proliferation of "marginal cost" service contracts somehow biases the MTC's calculation of fixed cost. In other words, is there a point at which some fixed costs are really nothing more than an aggregation of marginal costs attributable to a variety of third-party service contracts? If this could be determined without inordinate effort, the RTB may consider whether an allocable portion of these types

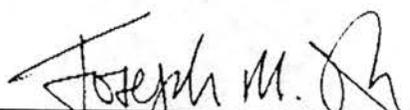
of fixed costs should be recovered from third parties along with obvious marginal costs.

Finally, one member of the DRB suggested that the RTB consider a policy of earmarking certain funds for private sector participation, in order to reconcile the perceived shortcomings of the bid/award process with the federal policy to maximize private sector participation.

SUMMARY

The DRB recommends that the RTB affirm the decision of the SMTC to award Route 53 express transit service to the MTC on a marginal cost basis. The DRB believes that subsidized operators such as the MTC must "bid" their fully-allocated costs to facilitate a meaningful comparison of their true costs (and the public subsidy involved) with bids received from private operators. This requirement, however, does not bar marginal cost contract awards so long as provision has been made to fund the costs other than marginal costs from sources other than the service contract. Finally, the DRB believes that, to effect federal policy and avoid confusion in the future, the RTB should clarify its policies that require fully-allocated cost bids yet allow the use of marginal costs in when "properly justified."

Dated: November 28, 1989

  
\_\_\_\_\_  
Joseph M. Finley, Chairman,  
Transit Dispute Resolution Board

Vote:

	<u>Affirm</u>	<u>Reverse</u>	<u>Abstain</u>
Joseph M. Finley	X		
Marcy Waritz	X		
Jeff Spartz	X		
Carolyn Hawkins	X		
William Dolan			X

REGIONAL TRANSIT BOARD  
MEARS PARK CENTRE, 230 EAST FIFTH STREET  
SAINT PAUL, MINNESOTA 55101  
612/292-8789

DATE: December 5, 1989  
TO: Administration and Finance Committee  
FROM: Clete Luberts, Accountant *mw*  
SUBJECT: Financial Statements - October 1989

SUMMARY

The Administration and Finance Committee is asked to review the October 1989 financial statements. These financial statements have been prepared on the modified accrual basis and in accordance with generally accepted accounting principles. They are:

- balance sheet
- statement of revenues, expenditures and changes in all funds
- schedule of revenues, expenditures and changes in general fund
- statement of revenues, expenditures and changes in special revenue funds
- program status report and comments
- transit provider status report
- investment summary by fund

RECOMMENDATION

That the Regional Transit Board receive the October 1989 financial statements and direct that they be placed on file.

Attachment  
ch

REGIONAL TRANSIT BOARD  
FINANCIAL STATEMENTS  
Ending October 31, 1989

Balance Sheet.....Page 1  
Combined Statement of Revenues, Expenditures and Fund Balance.....Page 2  
General Funds.....Page 3  
Special Revenue Funds.....Page 4  
Program Status Report and Comments.....Pages 5  
Transit Provider Status Report.....Pages 6 & 7  
Investment Summary by Fund.....Pages 8

REGIONAL TRANSIT BOARD  
BALANCE SHEET - ALL FUNDS  
FOR TEN MONTHS ENDED OCTOBER 31, 1989

	GENERAL FUND	SPECIAL REVENUE FUNDS	AGENCY FUND	FIXED ASSETS	TOTAL ALL FUNDS	TOTAL OCTOBER 1988 ALL FUNDS	CHANGE
<b>ASSETS:</b>							
CASH	\$989,817	\$25,920	\$0		\$1,015,737	\$7,264,538	(\$6,248,802)
INVESTMENTS	\$272,768	\$7,727,099			\$7,999,866	\$9,181,706	(\$1,181,840)
TAXES RECEIVABLE		\$30,041,721	\$3,681,601		\$33,723,322	\$29,846,771	\$3,876,551
ACCRUED INTEREST REC.	\$510	\$74,554			\$75,064	\$46,846	\$28,218
DUE FROM OTHER FUNDS	\$3,578	\$0	\$0		\$3,578	\$3,889	(\$311)
DUE FROM OTHER GOVT. UNITS	\$0	\$0			\$0	\$63,202	(\$63,202)
DUE FROM STATE OF MINNESOTA	\$675,000	\$11,786,500	\$0		\$12,461,500	\$2,609,000	\$9,852,500
DUE FROM FEDERAL GOVT.	\$224,366	\$287,549			\$511,914	\$497,955	\$13,959
OTHER ASSETS	\$35,112	\$407,969	\$98,461	\$544,388	\$1,085,931	\$849,455	\$236,476
<b>TOTAL ASSETS</b>	<b>\$2,201,151</b>	<b>\$50,351,311</b>	<b>\$3,780,062</b>	<b>\$544,388</b>	<b>\$56,876,913</b>	<b>\$50,363,363</b>	<b>\$6,513,550</b>
<b>LIABILITIES:</b>							
ACCOUNTS PAYABLE	\$31,286	\$0	\$0		\$31,286	\$87,692	(\$56,406)
ACCRUED PAYROLL LIABILITIES	\$103,757	\$0	\$0		\$103,757	\$108,943	(\$5,186)
DUE TO OTHER GOVT. UNITS	\$156,295	\$0	\$2,633,778		\$2,790,073	\$201,117	\$2,588,955
DUE TO MTC	\$0	\$18,946,717	\$1,047,824		\$19,994,541	\$21,256,138	(\$1,261,596)
DUE TO OTHER PROVIDERS	\$0	\$2,063,986	\$0		\$2,063,986	\$1,946,484	\$117,502
DUE TO OTHER FUNDS	\$0	\$3,578	\$0		\$3,578	\$3,889	(\$311)
DEFERRED REVENUE	\$204,167	\$14,982,648	\$0		\$15,186,815	\$13,981,366	\$1,205,449
LONGTERM LIABILITY	\$0	\$0	\$0	\$0	\$0	\$70,719	(\$70,719)
DEFERRED COMP HELD	\$0	\$0	\$98,461		\$98,461	\$57,375	\$41,087
<b>TOTAL LIABILITIES</b>	<b>\$495,505</b>	<b>\$35,996,930</b>	<b>\$3,780,062</b>	<b>\$0</b>	<b>\$40,272,498</b>	<b>\$37,713,724</b>	<b>\$2,558,774</b>
<b>FUND EQUITY:</b>							
INVESTMENT IN GEN FIXED ASSETS	\$0	\$0		\$544,388	\$544,388	\$369,153	\$175,235
FUND BALANCE							
RESERVE FOR ENCUMBRANCES	\$0	\$0			\$0	\$0	\$0
UNRESERVED							
DESIGNATED	\$0	\$0			\$0	\$0	\$0
UNDESIGNATED	\$1,705,646	\$14,354,381			\$16,060,027	\$12,280,486	\$3,779,540
<b>TOTAL FUND EQUITY</b>	<b>\$1,705,646</b>	<b>\$14,354,381</b>	<b>\$0</b>	<b>\$544,388</b>	<b>\$16,604,415</b>	<b>\$12,649,639</b>	<b>\$3,954,776</b>
<b>TOTAL LIABILITIES &amp; FUND EQUITY</b>	<b>\$2,201,151</b>	<b>\$50,351,311</b>	<b>\$3,780,062</b>	<b>\$544,388</b>	<b>\$56,876,913</b>	<b>\$50,363,363</b>	<b>\$6,513,550</b>

**REGIONAL TRANSIT BOARD**  
**STATEMENT OF REVENUES, EXPENDITURES & CHANGES**  
**IN ALL FUNDS FOR TEN MONTHS ENDING OCTOBER 31, 1989**

	GENERAL FUND	SPECIAL FUNDS	TOTAL ALL FUNDS	TOTAL BUDGET ALL FUNDS	ACTUAL/BUDGET VARIANCE FAVOR/(UNFAVOR)
BEGINNING FUND BALANCE	\$2,123,153	\$11,170,421	\$13,293,574	\$13,293,574	\$0
REVENUES:					
PROPERTY TAXES	\$0	\$46,479,303	\$46,479,303	\$46,455,454	\$23,848
FEDERAL GRANTS	\$317,352	\$241,333	\$558,685	\$711,500	(\$152,815)
STATE APPROPRIATIONS	\$1,020,833	\$20,878,069	\$21,898,902	\$21,527,083	\$371,819
INTEREST INCOME	\$160,993	\$1,253,971	\$1,414,964	\$500,000	\$914,964
MISCELLANEOUS/BONDS	\$3,493	\$14,998	\$18,491	\$166,667	(\$148,175)
TOTAL REVENUE	\$1,502,670	\$68,867,674	\$70,370,345	\$69,360,704	\$1,009,641
EXPENDITURES:					
SALARIES AND BENEFITS	\$886,609	\$19,897	\$906,506	\$1,169,500	\$262,994
PROFESSIONAL AND TECHNICAL	\$391,440	\$14,998	\$406,438	\$1,086,500	\$680,062
MET COUNCIL CHARGEBACKS	\$197,501	\$0	\$197,501	\$197,501	\$0
MATERIALS SUPPLIES	\$13,474	\$0	\$13,474	\$25,833	\$12,359
OCCUPANCY	\$78,439	\$0	\$78,439	\$129,167	\$50,728
EQUIPMENT RENTAL AND MAINTENANCE	\$29,976	\$0	\$29,976	\$38,333	\$8,357
MEMBER PER DIEMS	\$25,000	\$0	\$25,000	\$41,667	\$16,667
TRAVEL EXPENSE	\$83,078	\$0	\$83,078	\$119,750	\$36,672
CASUALTY AND LIABILITY	\$66,577	\$0	\$66,577	\$83,333	\$16,756
PRINTING AND PUBLISHING	\$56,862	\$0	\$56,862	\$104,417	\$47,555
CAPITAL EXPENDITURES/OTHER	\$68,225	\$0	\$68,225	\$386,732	\$318,507
TRANSIT GRANTS/PROVIDERS	\$22,996	\$65,648,819	\$65,671,815	\$67,751,125	\$2,079,310
TOTAL EXPENDITURES	\$1,920,177	\$65,683,715	\$67,603,892	\$71,133,858	\$3,529,966
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$417,507)	\$3,183,960	\$2,766,453	(\$1,773,153)	\$4,539,606
TRANSFERS:					
BUDGET AUTHORIZATION			\$0	\$0	\$0
STATUTORY AUTHORIZATION					
NET TRANSFERS	\$0	\$0	\$0	\$0	\$0
ENDING FUND BALANCES	\$1,705,646	\$14,354,381	\$16,060,027	\$11,520,421	\$4,539,606
RESERVE FOR ENCUMBRANCE DESIGNATED			\$0		\$0
UNRESERVED/UNDESIGNATED	\$1,705,646	\$14,354,381	\$16,060,027	\$11,520,421 #	\$4,539,606

REGIONAL TRANSIT BOARD  
 SCHEDULE OF REVENUES, EXPENDITURES & CHANGES  
 IN THE GENERAL FUND  
 FOR TEN MONTHS ENDED OCTOBER 31, 1989

	GENERAL 010	PLANNING PROGRAMS 011	TOTAL GENERAL FUND	TOTAL BUDGET GENERAL FUND	ACTUAL/BUDGET VARIANCE FAVOR/(UNFAVOR)
BEGINNING FUND BALANCE	\$2,005,037	\$118,116	\$2,123,153	\$2,123,153	\$0
REVENUES:					
PROPERTY TAXES			\$0	\$0	\$0
FEDERAL GRANTS		\$317,352	\$317,352	\$328,167	(\$10,815)
STATE APPROPRIATIONS	\$395,833	\$625,000	\$1,020,833	\$1,020,833	\$0
INTEREST INCOME	\$38,427	\$122,565	\$160,993	\$91,667	\$69,326
MISCELLANEOUS	\$3,493	\$0	\$3,493	\$0	\$3,493
TOTAL REVENUE	\$437,753	\$1,064,917	\$1,502,670	\$1,440,667	\$62,004
EXPENDITURES:					
SALARIES AND BENEFITS	\$469,521	\$417,088	\$886,609	\$1,074,087	\$187,478
PROFESSIONAL AND TECHNICAL	\$138,045	\$253,395	\$391,440	\$901,500	\$510,060
MET COUNCIL CHARGEBACKS	\$14,167	\$183,334	\$197,501	\$197,501	\$0
MATERIALS SUPPLIES	\$13,474	\$0	\$13,474	\$25,833	\$12,359
OCCUPANCY	\$78,439	\$0	\$78,439	\$129,167	\$50,728
EQUIPMENT RENTAL AND MAINTENANCE	\$29,931	\$45	\$29,976	\$38,333	\$8,357
MEMBER PER DIEMS	\$25,000	\$0	\$25,000	\$41,667	\$16,667
TRAVEL EXPENSE	\$54,136	\$28,943	\$83,078	\$114,750	\$31,672
CASUALTY AND LIABILITY	\$66,577	\$0	\$66,577	\$83,333	\$16,756
PRINTING AND PUBLISHING	\$48,479	\$8,383	\$56,862	\$104,417	\$47,555
CAPITAL EXPENDITURES/OTHER	\$68,225	\$0	\$68,225	\$86,583	\$18,358
TRANSIT PROGRAMS/GRANTS	\$0	\$22,996	\$22,996	\$22,996	\$0
TOTAL EXPENDITURES	\$1,005,993	\$914,184	\$1,920,177	\$2,820,168	\$899,990
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(\$568,240)	\$150,733	(\$417,507)	(\$1,379,501)	\$961,994
TRANSFERS:					
BUDGET AUTHORIZATION			\$0	\$0	\$0
STATUTORY AUTHORIZATION					
NET TRANSFERS	\$0	\$0	\$0	\$0	\$0
ENDING FUND BALANCES	\$1,436,797	\$268,849	\$1,705,646	\$743,652	\$961,994
RESERVE FOR ENCUMBRANCES DESIGNATED			\$0		\$0
UNRESERVED/UNDESIGNATED	\$1,436,797	\$268,849	\$1,705,646	\$743,652	\$961,994

REGIONAL TRANSIT BOARD  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN SPECIAL REVENUE FUNDS  
FOR TEN MONTHS ENDED OCTOBER 31, 1989

	REGULAR ROUTE 012	METRO MOBILITY 013	OPT OUT 014	RURAL SMALL URBAN 015	LRT ENGINEERING 016	NEW SERVICE TEST MARKETING 017	TOTAL SPECIAL FUNDS	TOTAL BUDGET SPECIAL REVENUE FUND	ACTUAL/BUDGET VARIANCE FAVOR/(UNFAVOR)
BEGINNING FUND BALANCE	\$5,670,398	\$447,021	\$59,597	\$505,021	\$1,551,750	\$2,936,635	\$11,170,421	\$11,170,421	\$0
<b>REVENUES:</b>									
PROPERTY TAXES	\$43,682,145	\$0	\$2,291,667	\$505,491		\$0	\$46,479,303	\$46,455,454	\$23,848
FEDERAL GRANTS	\$241,333	\$0		\$0	\$0	\$0	\$241,333	\$383,333	(\$142,000)
STATE APPROPRIATIONS	\$10,004,236	\$9,062,500	\$0	\$687,083	\$100,000	\$1,024,250	\$20,878,069	\$20,506,250	\$371,819
INTEREST INCOME	\$704,886	\$177,602	\$28,487	\$41,487	\$121,838	\$179,671	\$1,253,971	\$408,333	\$845,638
MISCELLANEOUS							\$0	\$166,667	(\$166,667)
TOTAL REVENUE	\$54,632,600	\$9,240,102	\$2,320,153	\$1,234,062	\$221,838	\$1,203,921	\$68,852,676	\$67,920,038	\$932,639
<b>EXPENDITURES:</b>									
MTC OPERATING SUBSIDY	\$50,763,078						\$50,763,078	\$51,570,500	\$807,422
MTC RIDESHARE	\$514,660						\$514,660	\$564,867	\$50,207
MTC JOBSEEKERS	\$349,372						\$349,372	\$337,500	(\$11,872)
MTC METRO MOBILITY ADMIN		\$624,598					\$624,598	\$540,748	(\$83,850)
NON-MTC FIXED ROUTE	\$1,359,727						\$1,359,727	\$1,317,200	(\$42,527)
OPT - OUT			\$1,148,659				\$1,148,659	\$1,428,308	\$279,649
RURAL SYSTEM				\$839,321			\$839,321	\$878,950	\$39,629
SMALL URBAN				\$269,097			\$269,097	\$278,800	\$9,703
METRO MOBILITY		\$9,382,826					\$9,382,826	\$10,000,919	\$618,094
LIGHT RAIL TRANSIT					\$19,897		\$19,897	\$283,250	\$263,353
TEST MARKETING						\$397,482	\$397,482	\$770,250	\$372,768
TOTAL EXPENDITURES	\$52,986,837	\$10,007,423	\$1,148,659	\$1,108,418	\$19,897	\$397,482	\$65,668,717	\$67,971,292	\$2,302,575
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$1,645,762	(\$767,321)	\$1,171,494	\$125,644	\$201,941	\$806,439	\$3,183,960	(\$51,254)	\$3,235,214
<b>TRANSFERS:</b>									
BUDGET AUTHORIZATION							\$0		\$0
STATUTORY AUTHORIZATION									
NET TRANSFERS	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ENDING FUND BALANCES	\$7,316,160	(\$320,300)	\$1,231,091	\$630,665	\$1,753,691	\$3,743,075	\$14,354,381	\$11,119,167	\$3,235,214
RESERVE FOR ENCUMBRANCES DESIGNATED									
UNRESERVED/UNDESIGNATED							\$0		\$0
RESERVE FOR ENCUMBRANCE DESIGNATED							\$0		\$0
UNRESERVED/UNDESIGNATED	\$7,316,160	(\$320,300)	\$1,231,091	\$630,665	\$1,753,691	\$3,743,075	\$14,354,381	\$11,119,167	\$3,235,214

**RTB PROGRAM STATUS REPORT - OCTOBER 1989**  
**83.33% OF FISCAL YEAR**

Work Prog #	Program name	Original Budget	Expenses thru Period end date	Unexpended Budget	Expenses as % of Budget
89-01	RTB Policy Management	\$276,200	\$231,716	\$44,484	83.89%
89-02	Executive Director's Office	\$202,450	\$129,731	\$72,719	64.08%
89-03	Programs/Planning Admin	\$175,850	\$162,133	\$13,717	92.20%
89-04	Transportation Planning Process	\$245,400	\$173,236	\$72,164	70.59%
89-10	Elderly and Disabled	\$91,300	\$66,107	\$25,193	72.41%
89-11	Regional Rideshare Prog. Coord.	\$102,200	\$14,511	\$87,689	14.20%
89-12	I-394 Planning & Implementation	\$52,900	\$5,541	\$47,359	10.47%
89-13	Transit System Planning & Impl.	\$274,800	\$239,654	\$35,146	87.21%
89-14	Transit Programs and Admin.	\$80,827,750	\$65,343,400	\$15,484,350	80.84%
89-15	Administrative Services	\$488,600	\$312,200	\$176,400	63.90%
89-16	Financial Management	\$262,100	\$143,323	\$118,777	54.68%
89-17	Personnel Administration	\$46,200	\$76,252	(\$30,052)	165.05%
89-19	Public Information	\$383,200	\$107,642	\$275,558	28.09%
89-22	Competitive Transit Services	\$93,800	\$81,700	\$12,100	87.10%
89-23	Light Rail Transit	\$339,900	\$35,175	\$304,725	10.35%
89-26	Transit Test Mktg of New Serv.	\$924,300	\$412,103	\$512,197	44.59%
89-27	Community Demo. Grant Prg	\$168,500	\$29,443	\$139,057	17.47%
	<b>Sub-Total</b>	<b>\$84,955,450</b>	<b>\$67,563,868</b>	<b>\$17,391,582</b>	<b>79.53%</b>
89-20	Capital Expenditure Program	\$335,178	\$25,026	\$310,152	7.47%
	<b>Total Programs and Capital Expenditures</b>	<b>\$85,290,628</b>	<b>\$67,588,894</b>	<b>\$17,701,734</b>	<b>79.25%</b>
025	AGENCY-HOV CONTRACT	N/A	\$14,998	N/A	
		<b>\$85,290,628</b>	<b>\$67,603,892</b>	<b>\$17,701,734</b>	

**REGIONAL TRANSIT BOARD  
PROVIDER STATUS REPORT**  
as of October 31, 1989  
83.33% of Fiscal Year

	1989 Contract	10 months Contract	10 months Accr. Exp	*Variance Dollars
<b>Regular Route</b>				
Airport Express	18,181	15,151	15,692	541
Medicine Lake	748,900	624,083	631,331	7,247
(1) North Suburban	816,510	680,425	712,675	32,250
<b>Total</b>	<b>1,583,591</b>	<b>1,319,659</b>	<b>1,359,697</b>	<b>40,038</b>
Medicine Lake- Adj	0	0	30	30
<b>Adj Total</b>	<b>1,583,591</b>	<b>1,319,659</b>	<b>1,359,727</b>	<b>40,068</b>
<b>Opt Out</b>				
Plymouth	433,910	361,592	366,970	5,378
Shakopee	217,661	181,384	153,326	-28,058
Southwest Metro	910,830	759,025	628,363	-130,662
<b>Total</b>	<b>1,562,401</b>	<b>1,302,001</b>	<b>1,148,659</b>	<b>-153,342</b>
<b>Rural Systems</b>				
Anoka County	85,646	71,372	69,252	-2,119
Carver County	104,650	87,208	92,575	5,366
Dakota Volunteer	10,800	9,000	10,800	1,800
DARTS	376,008	313,340	326,692	13,352
HSI (Washington Co.)	224,960	187,467	183,436	-4,031
Scott County	81,241	67,701	69,899	2,198
Senior Community	57,035	47,529	45,978	-1,552
Senior Transp. Prog	15,600	13,000	14,428	1,428
Westonka	15,559	12,966	12,621	-345
<b>Total</b>	<b>971,499</b>	<b>809,583</b>	<b>825,680</b>	<b>16,097</b>
Scott Co- 1988 Adj	0	0	6,258	6,258
Sr Comm- sp exurban	0	0	5,213	5,213
Westonka - sp 88	0	0	2,171	
<b>Adj Total</b>	<b>971,499</b>	<b>809,583</b>	<b>839,321</b>	<b>27,568</b>
<b>Small Urban Systems</b>				
Columbia Heights	21,420	17,850	18,969	1,119
Hastings - TRAC	61,775	51,479	49,101	-2,378
Hopkins	39,000	32,500	30,689	-1,811
NEST	109,342	91,118	76,614	-14,504
STEP	8,205	6,838	6,841	3
White Bear	102,508	85,423	86,882	1,459
<b>Total</b>	<b>342,250</b>	<b>285,208</b>	<b>269,097</b>	<b>-16,112</b>

**REGIONAL TRANSIT BOARD  
PROVIDER STATUS REPORT**  
as of October 31, 1989  
83.33% of Fiscal Year

	1989 Contract	10 months Contract	10 months Accr. Exp	*Variance Dollars
<b>Metro Mobility</b>				
City Wide Cab			242,990	
DARTS			308,173	
Diamond Cab			355,258	
Ebenezer Society			669,051	
H.T.S.			1,487,761	
Handicabs			167,543	
Human Services, Inc.			597,106	
Med Kab (Health East)			63,465	
Metro Ride			840,425	
Morley Bus			1,870,354	
Suburban Paratransit			895,528	
Twin City Mobility			414,162	
Wilder Transp.			257,305	
Yellow Taxi			1,213,708	
<b>Total</b>	<b>12,001,103</b>	<b>10,000,919</b>	<b>9,382,826</b>	<b>-618,094</b>
<b>Total other than MTC</b>	<b>16,460,844</b>	<b>13,717,370</b>	<b>12,999,630</b>	<b>-719,911</b>
<b>MTC</b>				
Regular Route	61,884,600	51,570,500	50,763,108	-807,392
Jobseekers	405,000	337,500	349,342	11,842
Over 8 Mile Coupons	125,000	104,167	55,254	-48,913
MMAC	648,897	540,748	569,344	28,596
Minnesota Rideshare	695,966	579,972	514,660	-65,312
<b>Total</b>	<b>63,759,463</b>	<b>53,132,886</b>	<b>52,251,708</b>	<b>-881,178</b>
<b>Test Mktg &amp; New Serv</b>				
ABC Weekender	105,416	87,847	81,191	-6,655
(2) * Roseville Circulator	737,180	302,876	316,291	13,415
<b>Grand Total</b>	<b>81,062,903</b>	<b>67,240,978</b>	<b>65,648,819</b>	<b>-1,592,159</b>

\*+ = over budget

\*- = under budget

(1) Incl amendment

(2) 18 month contract

Investment Summary by Fund - October 1989

Date Purch.	Date Due	Description	Purchase Price	Broker	Yield
<b>General Fund</b>					
10/16/89	10/23/89	CP- GE	299,533	American Bank	8.013
	10/23/89	sold	(299,533)		
10/23/89	11/27/89	CP- Westinghouse	<u>272,767</u>	American Bank	8.418
			272,767		
<b>Regular Route Fund</b>					
8/21/89	10/16/89	CP- GE Credit	888,072	Piper Jaffray	8.634
	10/16/89	sold	(888,072)		
9/05/89	11/06/89	CP- GMAC	1,379,313	American Bank	8.709
9/18/89	11/20/89	CP- News America	2,265,184	Dain Bosworth	8.783
9/25/89	10/10/89	CP- GMAC	672,553	American Bank	8.732
	10/10/90	sold	(672,553)		
9/28/89	10/02/89	CP- American Exp.	2,299,826	Marquette Bank	8.508
	10/02/89	sold	(2,299,826)		
10/02/89	11/15/89	CP- Honeywell Bull	<u>1,558,060</u>	Shearson	8.896
			5,202,557		
<b>LRT Fund</b>					
9/11/89	10/26/89	CP- Honeywell Bull	989,063	Piper Jaffray	8.847
	10/26/89	sold	(989,063)		
10/26/89	11/06/89	CP- GMAC	<u>997,449</u>	Piper Jaffray	8.371
			997,449		
<b>New Test Marketing Fund</b>					
8/21/89	11/06/89	CP- Dreyfuss	981,498	Dain Bosworth	8.813
9/11/89	10/30/89	CP- GMAC	790,581	Piper Jaffray	8.753
	10/30/89	sold	(790,581)		
10/10/89	11/13/89	CP- GE	<u>545,595</u>	American Bank	8.548
			1,527,093		

Total outstanding end of October: 7,999,866

## REGIONAL TRANSIT BOARD

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

DATE: November 29, 1989  
TO: Administration and Finance Committee  
FROM: Robert Dietrick, Administrative Aide *Bob D*  
SUBJECT: 1990 Compensation and Benefits Package

### Summary:

The Administration and Finance Committee is asked to review the proposed 1990 compensation and benefits package and recommend approval to the Board.

### Background:

The Regional Transit Board Personnel Code, Section 4.1 states that the Board will adopt a compensation plan establishing rates of pay and benefits for RTB employees and that the Board will review this plan on an annual basis. In late Fall of 1988, the Board authorized a compensation study by DCA Stanton and the results of this study were incorporated into the Board's 1989 compensation and benefits package. The management staff has found that the salary ranges established in this study and approved by the Board for 1989 have granted the flexibility needed to attract and retain highly qualified and productive employees.

Staff recommendation for 1990 is to use the same salary ranges established for 1989 and to adjust them by 4%. This adjustment is comparable to the range adjustment for other metropolitan agencies for non-union staff and is slightly under the projected C. P. I. for 1989. No changes are recommended to the benefits package.

This proposed adjustment applies only to the salary ranges. Compensation adjustments for 1990 will continue to be granted on a merit performance basis on employee s' anniversary dates.

### Recommendation:

It is recommended that the Administration and Finance Committee adopt Resolution No. 89- 19, "Resolution Establishing Compensation and Benefits for 1990."

### Attachments:

Resolution No. 89-19  
Classification/Salary Structure  
Statement of Benefits

REGIONAL TRANSIT BOARD  
MEARS PARK CENTRE, 230 E. FIFTH STREET, ST. PAUL, MINNESOTA 55101

RESOLUTION NO. 89-19

RESOLUTION ESTABLISHING COMPENSATION AND BENEFITS FOR 1990

**WHEREAS,** the Regional Transit Board (RTB) Personnel Code, Section 4.1 requires that the Board annually review salary ranges and benefits, and:

**WHEREAS,** the Regional Transit Board (RTB) wishes to establish a sound compensation program which will provide the flexibility to attract and retain highly qualified and productive employees:

**NOW, THEREFORE, BE IT RESOLVED:**

1. That the Regional Transit Board (RTB) adopt the attached job classifications and salary ranges for calendar year 1990.
2. That the Regional Transit Board (RTB) adopt the attached statement of benefits for RTB staff for calendar year 1990.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_ 1990

\_\_\_\_\_  
Michael Ehrlichmann, Chair

\_\_\_\_\_  
Mary Fitzgerald, Secretary

Regional Transit Board

JOB CLASSIFICATION SYSTEM - 1990

<u>Proposed Grade</u>	<u>Job Title</u>
1	Receptionist/Office Clerk Clerical Assistant - Administration and Finance
2	Secretary/Clerical Assistant - Planning and Programs
3	Secretary to Executive Director and Director of Planning & Programs Secretary to Manager of Light Rail Transit Development
4	Bookkeeper Secretary - Planning & Programs
5	Accountant I
6	Planner I Administrative Assistant Contract Administrator Project Administrator I Accountant II Public Information Specialist
7	Administrative Aide Fiscal Analyst Writer-Editor
8	Planner II Program Auditor Project Administrator II Community Relations Coordinator
9	Senior Project Administrator Assistant to the Chair Principal Planner
10	Public Information Manager
11	Planning Manager Programs Manager
12	Comptroller
13	Director of Planning & Programs
14	Executive Director Manager of Light Rail Transit Development

Regional Transit Board

1990 SALARY STRUCTURE

Grade Level	Zone 1	Zone 2 (Midpoint)	Zone 3
1	14,560 - 15,575	15,575 - 17,600 (16,600)	17,600 - 18,615
2	16,015 - 17,185	17,185 - 19,525 (18,350)	19,525 - 20,700
3	17,575 - 18,900	18,900 - 21,555 (20,225)	21,555 - 22,880
4	20,070 - 21,630	21,630 - 24,750 (23,200)	24,750 - 26,310
5	22,050 - 23,790	23,790 - 27,275 (25,535)	27,275 - 29,015
6	24,335 - 26,415	26,415 - 30,575 (28,500)	30,575 - 32,655
7	27,040 - 29,485	29,485 - 34,370 (31,925)	34,370 - 36,815
8	30,265 - 33,150	33,150 - 38,920 (36,050)	38,920 - 41,810
9	35,880 - 39,365	39,365 - 46,330 (42,850)	46,330 - 49,815
10	39,830 - 43,810	43,810 - 51,765 (47,800)	51,765 - 55,745
11	43,680 - 48,255	48,255 - 57,410 (52,825)	57,410 - 61,985
12	47,630 - 52,860	52,860 - 63,310 (58,075)	63,310 - 68,535
13	52,000 - 57,980	57,980 - 69,940 (63,950)	69,940 - 75,920
14	56,265 - 64,170	64,170 - 79,975 (72,075)	79,975 - 87,880

## REGIONAL TRANSIT BOARD

### STATEMENT OF EMPLOYEE BENEFITS

A. **HOSPITAL/MEDICAL CARE.** The RTB pays for employee health insurance coverage and contributes 90% of the cost of dependent health coverage of the lowest cost carrier. The employee has a choice of three (3) different HMO plans, one of which offers fee-for-service coverage in addition to the HMO coverage.

1. Health Maintenance Organization Coverage. The employee has the option of selecting health coverage through one of the following HMO's: Med Center Health Plan, Share Health Plan, or Group Health. Booklets and coverage information is available in Personnel for interested employees.
2. Fee-for-Service Coverage. One of the HMO's offered by the RTB, Group Health, offers access to physicians outside of their Group Health network, in addition to the full coverage of their normal HMO plan. If an employee were to see a physician outside of the Group Health network, the plan provides benefits similar to that of a fee-for-service plan; a specified deductible and an 80/20 co-payment. This is in addition to the normal HMO coverage. Booklets and coverage information are available in Personnel for interested employees.

B. **DENTAL INSURANCE.** The RTB pays the cost of employee dental insurance and contributes 90% of the cost of dependent dental coverage. Coverage includes preventative and restorative care, prosthetics and orthodontics.

C. **GROUP TERM LIFE INSURANCE.** The RTB pays for coverage which is equal to two (2) times the employee's annual salary rounded to the next highest \$1,000 with a minimum of \$10,000 and a maximum of \$200,000. The amount of coverage is reduced by 35% at age 65 and coverage ceases at retirement or the employee's termination. An additional \$75,000 in units of \$5,000 and dependent coverage of \$2,000 for spouse and \$2,000 for each child is also available at the employee's expense. Equal amounts of accidental death and dismemberment coverage are included in all coverages.

D. **LONG TERM DISABILITY COVERAGE.** The RTB pays full premium on a long term disability insurance plan which provides disability benefits of 60% of base salary per month up to \$5,000 for covered employees after the 90th day of disability. Benefits are payable to recovery or age 65, except that persons disabled at age 62, or thereafter, receive benefits on a Decreasing Years of Benefits Duration Schedule. Employees are also eligible for basic disability benefits under Social Security, and after five years full coverage, under provisions of the retirement plan.

E. **VACATION LEAVE.** Employees earn vacation according to the following schedule. Vacation is earned incrementally each bi-weekly pay period and may be used when earned, subject to prior supervisory approval.

<u>Service</u>	<u>Approximate Number of Days</u>
During first three years	13
After 3, up to 6 years	16
After 6, up to 8 years	20
After 8, up to 20 years	23
After 20 years	26

F. **SICK LEAVE.** All full-time employees are credited with 96 hours (12 days) of sick leave on the first full pay period of each calendar year. Sick leave accumulation is unlimited.

G. **RETIREMENT-SURVIVOR BENEFITS.** Full-time employees are members of the Minnesota State Retirement System (MSRS). This system is coordinated with Social Security and provides retirement annuities and disability benefits for employees and survivor benefits for dependents when an employee dies. The employee contribution is 4.34% of total salary for retirement and disability provisions of the state retirement plan, plus the current rate for Social Security contributions. Employees in the Unclassified Service may choose to be covered under the Unclassified Retirement Plan. Unclassified employees interested in this plan should contact Personnel.

H. **WORKERS COMPENSATION.** Employees are covered under the provisions of the Minnesota Worker's Compensation Act.

I. **UNEMPLOYMENT COMPENSATION.** Employees are eligible for unemployment compensation upon termination of employment provided they meet the requirements of the Minnesota Employment Security Law.

J. **WORK WEEK.** Employees work a 40 hour week. Official office hours are 8:15 a.m. to 5:00 p.m. Monday through Friday. Flexible hour arrangements are also available, subject to supervisory approval.

K. **OVERTIME.** For assigned overtime, office and clerical employees earn overtime pay at time and one half for hours worked in excess of forty (40) hours in the pay period. Other personnel are not eligible for overtime pay; however, compensatory time off may be granted in accordance with established rules.

L. **TRANSPORTATION.** Monthly bus passes are available at a discount rate through payroll deduction. Personal automobile travel on RTB business is reimbursed at the Internal Revenue Service standard mileage rate. Parking incurred on official business is also reimbursed.

M. **EMPLOYEE EDUCATION PROGRAM.** This program provides for payment of tuition for certain kinds of academic course-work in accordance with established rules. Additional information is available from Personnel.

N. **EMPLOYEE ASSISTANCE PROGRAM.** This service, provided outside the RTB, is available free of charge for diagnosis and referral of employee and family member problems.

O. **EMPLOYEE WELLNESS PROGRAM.** This program provides for the payment of tuition for specific courses in the area of employee health and wellness. Additional information is available from Personnel.

P. **DEFERRED COMPENSATION PROGRAM.** The RTB, through the State of Minnesota, offers a deferred compensation program. This is a voluntary plan that allows employees to place a portion of their earnings in a pretax deferred investment program. Taxes on money set aside and earnings are deferred until the time of withdrawal. Several different investment options are offered. Additional information is available from Personnel.

# REGIONAL TRANSIT BOARD

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

**DATE:** December 4, 1989  
**TO:** Administration and Finance Committee  
**FROM:** Cyndie Mayer, Senior Project Manager   
**SUBJECT:** Anoka County 1989 Contract Extension

## SUMMARY

This memorandum presents a recommendation to extend the existing contract with Anoka County for six months, coinciding with implementation of the new countywide accessible dial-a-ride program on July 1, 1990.

## BACKGROUND

The Regional Transit Board has provided funding for the Anoka County Coordinated Transportation Program for the past three years. The coordinated program has grown considerably and now includes five types of paratransit services. These will be merged during 1990 into the proposed countywide accessible dial-a-ride service, which was reviewed by the RTB Policy Committee in October 1989.

## DISCUSSION

To ensure the success of the new service, local community support and commitment must be developed. The Anoka County Transportation Coordination Program has been and will continue to work cooperatively with the existing programs to transition them into the new dial-a-ride service plan. A budget and management plan for the new service will be presented to the Administration and Finance Committee in January 1990, at which time there may be more detailed discussion.

## ACTION REQUESTED

That the Regional Transit Board authorize the executive director to extend the 1989 Anoka County Transportation Coordination Program contract adding \$73,709 of RTB subsidy for the period January 1 through June 30, 1990.

## REGIONAL TRANSIT BOARD

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

**DATE:** December 5, 1989

**TO:** Administration and Finance Committee

**FROM:** Edward Kouneski, <sup>EK</sup> Manager of Programs  
Mike Opatz, Transit Analyst

**SUBJECT:** Airport Express 1989 Contract Amendment

### SUMMARY

This memorandum summarizes a request from Airport Express to amend its 1989 contract to provide regular route service. Action is requested to approve additional subsidy to offset a shortfall in passenger revenues.

### BACKGROUND

Airport Express began operating Route 39 in 1987 as replacement of Metropolitan Transit Commission (MTC) high subsidy service. Route 39 provides commuter express service between Apple Valley, Burnsville, Eagan, and airport area employers. One vehicle operates weekdays during the peak period.

The calendar year 1989 contract between Airport Express and the RTB provides for a subsidy not to exceed \$18,181 assuming \$4,035 to be collected in fares.

### DISCUSSION

Passenger fares in 1989 generated only \$2,979 on Route 39, thus creating a shortfall of \$1,056. This is due to:

1. A loss of ridership, due to relocation of Northwest Airlines executive offices.
2. Greater use of MTC convenience fare items. Airport Express does not currently receive credit for convenience fare revenue that is collected by the MTC from sales of its monthly passes and commuter tickets to Route 39 patrons.

### RECOMMENDATION

That the Regional Transit Board amend the 1989 contract with Airport Express (Contract No. 88/11/07-47) from \$18,181 to \$19,237 in RTB subsidy.

## REGIONAL TRANSIT BOARD

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

**DATE:** December 5, 1989  
**TO:** Administration and Finance Committee  
**FROM:** Howard Blin, Planning Manager *HB gnd*  
**SUBJECT:** Consultant Contract for LRT Development and Financial Plan

### SUMMARY

The RTB has authorized \$200,000 for consultant services on this contract. Action is requested to increase the total authorization to \$272,000.

### BACKGROUND

On September 11, 1989, the RTB approved an amendment to the 1989 budget to include \$250,000 for consultant services on the LRT Development and Financial Plan. The board also authorized \$200,000 to contract with the consulting team of Strgar-Roscoe-Fausch, BRW, and Springsted. The \$50,000 difference between the budgeted and authorized amounts reflected the potential for additional consultant services necessary to complete the plan. It was thought that in the areas of patronage forecasting, capital and operating costs, information in addition to that developed by the regional railroad authorities may be necessary in order to consistently evaluate LRT corridors.

### DISCUSSION

Since work on the project was initiated in September, it has been necessary to extensively refine the existing data. This had led to a corridor evaluation process acceptable to all agencies involved. It has, however, added considerably to the amount of work performed by the consultant team.

For this reason, additional authorization of \$72,000 is requested to amend the consultant contract. This amount will cover all anticipated work through the end of the project.

### FINDINGS AND CONCLUSIONS

- The RTB previously approved an amendment to the 1989 budget to include \$250,000 for consultant services on the LRT Development and Financial Plan and authorized \$200,000 for a consultant contract on the project.

- Due to the need to refine existing data and develop additional information in the areas of patronage forecasting, capital and operating costs, authorization of an additional \$72,000 for the project is requested.

**RECOMMENDATION**

That the Regional Transit Board authorize the executive director to amend the existing contract with the firms of Strgar-Roscoe-Fausch, BRW, and Springsted to increase the contract budget by an amount not to exceed \$72,000.

## REGIONAL TRANSIT BOARD

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

**DATE:** November 28, 1989  
**TO:** Administration and Finance Committee  
**FROM:** Len Simich, Planner *LS LB JS*  
**SUBJECT:** University of Minnesota Travel Demand Management Plan

### SUMMARY

The University of Minnesota is recognized as the second highest traffic generator in the Twin Cities and experiences high levels of traffic congestion. Given this, the Regional Transit Board (RTB), the Minnesota Department of Transportation (Mn/DOT), Minnesota Rideshare, and the Metropolitan Council have identified the University of Minnesota as an area where travel demand management (TDM) measures should be undertaken to aide in reducing congestion.

To assist in developing effective TDM measures responsive to the University's environment, specific data relating to transportation needs, attitudes and behavior must be gathered. To gather this type of information, the University has requested funding not to exceed \$20,000 from the RTB to cover 50% of the costs to undertake a student, staff and faculty transportation survey. Action is requested to approve the funding request.

### BACKGROUND

The University of Minnesota has been identified in the RTB's 5-Year Plan and I-35W TDM Plan as an area where TDM measures should be undertaken to aid in reducing congestion. Some of the transportation problems that currently affect travel in and around the University are:

- Presently, I-35W, I-94, Hwy 280, and arterial streets in and around the University are very congested, not only during the peak hours but frequently throughout the day.
- University Parking Services estimates that they are approximately 4,000 parking spaces short of demand. The cost of constructing additional parking is roughly \$8,000-\$10,000 per space in a ramp, \$1,000 per space on a surface lot.
- Low cost student housing in and around campus has traditionally been in short supply. This creates an additional strain on the regional and campus transportation system.

- Developable land to use for new housing, class-room buildings, and additional parking lots/ramps is at a premium around the University.

TDM strategies aim to reduce single occupant vehicle (SOV) trips. TDM strategies include transit and carpool incentives such as: preferential parking for carpoolers; reduced transit passes; subsidized vanpools; guaranteed carpool parking spaces; on-site transportation coordinators; instant match lists; guaranteed ride home programs; designated carpool drop off zones; and many other low cost methods involving both incentives and disincentives designed to redirect travel to use higher occupancy modes, and/or away from the peak periods.

The University has long demonstrated its support for transit and ridesharing. Additional TDM strategies would not only benefit the campus transportation system, but would aid in reducing congestion on the regional highway system.

#### DISCUSSION

RTB staff has taken the lead in forming a coordinating committee consisting of representatives from the University's Departments of Transportation and General Services, Physical Planning, and the University Hospital; the Minnesota Department of Transportation; the Metropolitan Council; the Metropolitan Transit Commission; Minnesota Rideshare; and Medicine Lake Bus Company. This coordinating committee will assist in developing a set of TDM strategies distinctive to the University's needs. The overall objective of the TDM plan will be aimed at discouraging solo driving and increasing rideshare and transit use.

The plan will be developed in three phases. Phase I includes collecting relevant information needed for determining the market and the type of TDM measures that should be undertaken, and the development of rideshare and parking management strategies that can be implemented by the start of the 1990-91 school year. Phase II will include the examination and feasibility of Route 52 expansion and other transit improvements and incentives. Phase III of the TDM plan will look at additional long term planning measures, including: ramp metering and high occupancy vehicle (HOV) bypass lanes; dedicated bike lanes; drop-off zones; flex time strategies; and other incentives, disincentives, and regulations. Phase II and III recommendations would be scheduled for implementation later in 1991 and 1992.

For this TDM program to be successful and effective, both the public agencies involved and the University must be committed to the project. In this case commitment includes:

- Providing the technical assistance and funding to develop and carry out the identified TDM strategies.
- Establishing policies beneficial to transit and rideshare.
- Enlisting University and agency support for the project.

#### FINDINGS AND CONCLUSIONS

- The University is the second highest traffic generator in the Twin Cities, and has been identified as an area where TDM measures should be undertaken to aid in reducing congestion and help resolve some of the transportation and parking problems that currently effect travel.
- To assist in developing TDM measures for the University, specific data relating to the University's transportation needs, attitudes and behavior must be gathered. The University has requested funding not to exceed \$20,000 from the RTB to cover 50% of the costs to gather this type of information.
- RTB staff has taken the lead in forming a coordinating committee to assist in developing a set of TDM strategies that will be aimed at discouraging solo driving and increasing rideshare and transit use at the University.
- The controlled environment at the University will aid the RTB's development in TDM planning by enabling us to determine what type of measures and incentives are most effective in this area.
- For this TDM program to be successful and effective, both the public agencies involved and the University must be committed to undertake and provide financial support to the recommendations that come out of the TDM plan.
- The University has long demonstrated support for transit and ridesharing. Additional TDM strategies would not only benefit the University but would aid in reducing regional congestion along with contributing to the environmental well-being of the entire metropolitan area.

#### RECOMMENDATION

That the Regional Transit Board provide the University of Minnesota an amount not to exceed \$20,000 to cover 50% of the costs to undertake a student, staff and faculty transportation survey to be used in developing travel demand management strategies.

## REGIONAL TRANSIT BOARD

230 E. Fifth Street, St. Paul, Minnesota 55101  
(612) 292-8789

**DATE:** December 4, 1989  
**TO:** Administration and Finance Committee  
**FROM:** Dale Ulrich, Comptroller *DU*  
**SUBJECT:** Request for Authorization for Issuance of General Obligation Bonds

### SUMMARY

The purpose of this memorandum is to request the Regional Transit Board to authorize the issuance of \$26,000,000 of General Obligation Bonds to provide capital assistance to the Metropolitan Transit Commissioner (MTC).

### BACKGROUND

During the 1989 legislation session, the RTB received legislative approval to increase the Metropolitan Council's (MC) authorization to issue an additional \$30.7 million of general obligation bonds to support the capital program of the RTB. Included in that authorization was \$26,000,000 requested by the MTC to further its capital improvement program. Minnesota Statutes 473.39, Subd. 1, provides that "... the council, if requested by vote of at least two-thirds of all of the members of the transit board, may issue general obligation bonds subject to the volume limitation in subdivision 1a to provide funds to the board for expenditure to implement the board's approved implementation plan." I have attached a memo from Robert Thompson, MTC Director of Finance, requesting MTC approval to begin the authorization process.

We would anticipate that the bond sale could take place in conjunction with a Metropolitan Waste Control Commission sale in mid- to late-February, 1990.

### RECOMMENDATION

That the Regional Transit Board request the Metropolitan Council issue \$26,000,000 of general obligation bonds to implement the board's implementation plan.



**MEMORANDUM**

**TO:** Finance and Administration Committee  
of the Metropolitan Transit Commission

**FROM:** Robert D. Thompson  
Director of Finance *RT*

**DATE:** November 29, 1989

**SUBJECT:** Authorization to Request the Sale of \$26 million of  
General Obligation Bonds.

*5th F&A  
12 on MTC  
12 on A&F  
18 Bd.*

Pursuant to present legislation, Minnesota Statutes Section 473.39, Subdivision 1a, the Metropolitan Council currently may issue certificates of indebtedness, bonds or other obligations in an amount not exceeding \$26,000,000 for financial assistance to the Metropolitan Transit Commission, as prescribed in the implementation plan of the Regional Transit Board and the capital program of the Metropolitan Transit Commission. The 1990 Metropolitan Transit Commission's capital budget, as approved by the Regional Transit Board, projects 1990 locally funded capital expenditures as follows:

Fleet Improvements	\$24,350,000
MTC Facilities Improvements	3,169,000
Public Facilities Improvements	803,000
Computerization	2,411,000
Other Capital Improvements	<u>1,323,000</u>
	\$32,056,000

The proceeds of a January 1990 bond sale and the present cash balance of the Metropolitan Transit Commission's capital account will provide sufficient capital to fund the Metropolitan Transit Commission's 1990 capital plan.

Staff recommends that the Commission request the Regional Transit Board to authorize and approve the sale of \$26,000,000 of bonds, certificates of indebtedness or other obligations and forward this request to the Metropolitan Council for a January 1990 sale.

cc: John Capell  
Bev Auld  
Richard Bunde

RT:ps/1221



DATE: December 6, 1989  
TO: Administration and Finance Committee  
FROM: Dale W. Ulrich, Comptroller  
SUBJECT: 1990 RTB Budget Amendment

### **BACKGROUND**

The "final" 1990 RTB budget was adopted by the board September 18, 1989 as required by the state law then in effect with respect to the 1989 property tax levy. At that time, none of the 1990 provider contracts had been established and the newly appointed board had not had an opportunity to review planned agency expenditures.

The September budget balanced the general fund by applying all anticipated earnings on investments to the general fund and none to the special revenue funds. The amended work plan restores investment earnings to the respective funds with investable balances, and allocates the costs of several work programs to the related funds in order to keep the general fund solvent.

As a consequence of the previous adoption of the "final" 1990 budget, the changes resulting from actual contract approvals and committee reviews must be incorporated into the 1990 budget as an amendment.

These changes:

#### Revenues

- Decrease in the 1990 payable transit area property tax (result of a 1989 statute change): \$154,065.
- Decrease in the 1991 Metro Mobility appropriation to be used in 1990: \$80,000.

#### Expenditures:

- Increase in salaries and benefits: \$109,687 (addition of Community Relations Coordinator, adjustment to Manager of Light Rail Transit Development position cost, increased benefits costs).
- Increase in light rail transit financial plan contract (\$22,000).
- Increases in provider contract expenses (\$3,335,833).

### **RECOMMENDATION**

That the Regional Transit Board approve an amendment to the 1990 Work Program and Budget to adopt total sources of funds of \$100,792,018 and expenditures of \$93,375,696, as detailed in the 1990 RTB Budget dated December 12, 1989.

UNITED HANDICAPPED FEDERATION  
*and*  
*The Friends of Handicapped People Association*



Handout 12/10/89  
Griggs/Midway Bldg.  
Suite 284 South  
1821 University Ave.  
St. Paul, MN 55104  
645-8922 TTY

18 December 1989

Mr. Michael J. Ehrlichmann, Chair  
Regional Transit Board  
230 E. 5th St.  
St. Paul, MN 55101

Dear Mr. Ehrlichmann:

The United Handicapped Federation Board of Directors, at its December 14th, 1989 meeting, voted to endorse the proposed purchase of up to 100 new lift-equipped buses, which will be added to MTC routes in 1990.

Since 1974, UHF has advocated accessible mainline bus service. We welcome the news that, at long last, the MTC will begin making regular route service accessible to all persons with disabilities. Paratransit, however, remains the only mode of public transportation as of today, and because of this, we will continue to support Metro Mobility as the dominant means of providing access, while working to coordinate it with new mainline MTC services. This will enable us to achieve our goal of a dual system, which we established as an official UHF position with the advent of Project Mobility in 1976.

Realizing that reductions in Metro Mobility may inevitably be proposed, we stipulate that new purchases of lift-equipped vehicles will serve as a supplement to Metro Mobility and will not detract from the delivery of paratransit service or funding for that service now or in the future.

The following factors - inclement weather, already inadequate Metro Mobility services, persons too severely disabled to ride mainline buses - all point to the prudent use of a seasonal, coordinated combination of regular route and paratransit which can be used by the entire Twin Cities' disabled population.

We applaud the Regional Transit Board for their leadership on this historic proposal.

Sincerely  
  
Jacqueline T. Alfonso  
Executive Director



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

## REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

At its meeting of December 12, 1989, the committee discussed and approved the following recommendations:

### Financial Statements - October 1989

The Administration and Finance Committee recommends:

That the Regional Transit Board receive the October 1989 financial statements and direct that they be placed on file.

### 1990 Compensation and Benefits Package, Resolution No. 89-19

That the Administration and Finance Committee recommends:

That the Regional Transit Board adopt Resolution No. 89-19, "Resolution Establishing Compensation and Benefits for 1990."

### Anoka County Budget - Extension of Anoka County Contract

The Administration and Finance Committee recommends:

That the Regional Transit Board authorize the executive director to extend the 1989 Anoka County Transportation Coordination Program contract adding \$73,709 of RTB subsidy for the period January 1 through June 30, 1990.

### 1989 Airport Express Amendment

The Administration and Finance Committee recommends:

That the Regional Transit Board amend its contract with Airport Express (Contract No. 88/11/07-47) from \$18,181 to \$19,237 in RTB subsidy.

### Light Rail Transit Consultant Contract Amendment

That the Regional Transit Board authorize the executive director to amend the existing contract with the firms of Strgar-Roscoe-Fausch, BRW, and Springsted, Inc. to increase the contract budget by an amount not to exceed \$72,000.

### University of Minnesota Travel Demand Management Plan

That the Regional Transit Board provide the University of Minnesota an amount not to exceed \$20,000 to cover 50-percent of the costs to undertake a student, staff, and faculty transportation survey to be used in developing travel demand management strategies.

**Metropolitan Transit Commission (MTC) Bonding Request**

That the Regional Transit Board request a modification in the purchase order for the remaining 108 buses that are not currently in production by Gillig, Inc. to provide for the installation of wheelchair lifts; and

That Gillig, Inc. provide a written estimate of the additional costs associated with the installation of lifts, and

Further, ~~staff~~ be directed to provide a recommendation for the funding associated with these modifications.

**Amendment to 1990 Regional Transit Board Budget**

That the Regional Transit Board approve an amendment to the 1990 Work Program and Budget to adopt total sources of funds of \$100,792,018 and expenditures of \$93,375,696, as detailed in the 1990 RTB Budget dated December 12, 1989.

**Other Business**

The Administration and Finance Committee referred the item on the Metro Mobility Administrative Center contract renewal to the Transit Accessibility Advisory Committee for its review.

Elwyn Tinklenberg  
Chair

ET/mff

# Options of Funding of Lifts

~~R~~

Finance lifts from investment earnings on early bond sale:-

Adjust fleet procurement schedule

Increase future bond authorization

~~1,160,000~~

~~78 buses~~

\$ 18,500

18500  
78  
148000

manage metro mobility

13,500  
2,500

18023

1295000  
443000

Direct the Executive Director to request a budget amendment to bus procurement project to provide lifts to bus procurement in 78 buses.



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

## REPORT OF THE ADMINISTRATION AND FINANCE COMMITTEE

At its meeting of December 12, 1989, the committee discussed and approved the following recommendations:

### Financial Statements - October 1989

The Administration and Finance Committee recommends:

That the Regional Transit Board receive the October 1989 financial statements and direct that they be placed on file.

### 1990 Compensation and Benefits Package, Resolution No. 89-19

That the Administration and Finance Committee recommends:

That the Regional Transit Board adopt Resolution No. 89-19, "Resolution Establishing Compensation and Benefits for 1990."

### Anoka County Budget - Extension of Anoka County Contract

The Administration and Finance Committee recommends:

That the Regional Transit Board authorize the executive director to extend the 1989 Anoka County Transportation Coordination Program contract adding \$73,709 of RTB subsidy for the period January 1 through June 30, 1990.

### 1989 Airport Express Amendment

The Administration and Finance Committee recommends:

That the Regional Transit Board amend its contract with Airport Express (Contract No. 88/11/07-47) from \$18,181 to \$19,237 in RTB subsidy.

### Light Rail Transit Consultant Contract Amendment

That the Regional Transit Board authorize the executive director to amend the existing contract with the firms of Strgar-Roscoe-Fausch, BRW, and Springsted, Inc. to increase the contract budget by an amount not to exceed \$72,000.

### University of Minnesota Travel Demand Management Plan

That the Regional Transit Board provide the University of Minnesota an amount not to exceed \$20,000 to cover 50-percent of the costs to undertake a student, staff, and faculty transportation survey to be used in developing travel demand management strategies.

**Metropolitan Transit Commission (MTC) Bonding Request**

That the Regional Transit Board request a modification in the purchase order for the remaining 108 buses that are not currently in production by Gillig, Inc. to provide for the installation of wheelchair lifts; and

That Gillig, Inc. provide a written estimate of the additional costs associated with the installation of lifts, and

Further, staff be directed to provide a recommendation for the funding associated with these modifications.

**Amendment to 1990 Regional Transit Board Budget**

That the Regional Transit Board approve an amendment to the 1990 Work Program and Budget to adopt total sources of funds of \$100,792,018 and expenditures of \$93,375,696, as detailed in the 1990 RTB Budget dated December 12, 1989.

**Other Business**

The Administration and Finance Committee referred the item on the Metro Mobility Administrative Center contract renewal to the Transit Accessibility Advisory Committee for its review.

Elwyn Tinklenberg  
Chair

ET/mff

## REGIONAL TRANSIT BOARD

230 E. Fifth Street, St. Paul, Minnesota 55101  
(612) 292-8789

DATE: December 4, 1989  
TO: Administration and Finance Committee  
FROM: Dale Ulrich, Comptroller *DU*  
SUBJECT: Request for Authorization for Issuance of General Obligation Bonds

### SUMMARY

The purpose of this memorandum is to request the Regional Transit Board to authorize the issuance of \$26,000,000 of General Obligation Bonds to provide capital assistance to the Metropolitan Transit Commissioner (MTC).

### BACKGROUND

During the 1989 legislation session, the RTB received legislative approval to increase the Metropolitan Council's (MC) authorization to issue an additional \$30.7 million of general obligation bonds to support the capital program of the RTB. Included in that authorization was \$26,000,000 requested by the MTC to further its capital improvement program. Minnesota Statutes 473.39, Subd. 1, provides that "... the council, if requested by vote of at least two-thirds of all of the members of the transit board, may issue general obligation bonds subject to the volume limitation in subdivision 1a to provide funds to the board for expenditure to implement the board's approved implementation plan." I have attached a memo from Robert Thompson, MTC Director of Finance, requesting MTC approval to begin the authorization process.

We would anticipate that the bond sale could take place in conjunction with a Metropolitan Waste Control Commission sale in mid- to late-February, 1990.

### RECOMMENDATION

That the Regional Transit Board request the Metropolitan Council issue \$26,000,000 of general obligation bonds to implement the board's implementation plan.

*Direct the M.T.C. to modify the specifications for the procurement of the buses on order to provide for seats as many as buses as possible, with the Hillig Corporation wheel chair*

*Direct staff to prepare an analysis of the impact of the ~~board~~ action on cash flow*



**MEMORANDUM**

**TO:** Finance and Administration Committee  
of the Metropolitan Transit Commission

**FROM:** Robert D. Thompson  
Director of Finance *RT*

**DATE:** November 29, 1989

**SUBJECT:** Authorization to Request the Sale of \$26 million of  
General Obligation Bonds.

*5th F&A  
12 MTC  
12 on A&F  
18 Bd.*

Pursuant to present legislation, Minnesota Statutes Section 473.39, Subdivision 1a, the Metropolitan Council currently may issue certificates of indebtedness, bonds or other obligations in an amount not exceeding \$26,000,000 for financial assistance to the Metropolitan Transit Commission, as prescribed in the implementation plan of the Regional Transit Board and the capital program of the Metropolitan Transit Commission. The 1990 Metropolitan Transit Commission's capital budget, as approved by the Regional Transit Board, projects 1990 locally funded capital expenditures as follows:

Fleet Improvements	\$24,350,000
MTC Facilities Improvements	3,169,000
Public Facilities Improvements	803,000
Computerization	2,411,000
Other Capital Improvements	<u>1,323,000</u>
	\$32,056,000

The proceeds of a January 1990 bond sale and the present cash balance of the Metropolitan Transit Commission's capital account will provide sufficient capital to fund the Metropolitan Transit Commission's 1990 capital plan.

Staff recommends that the Commission request the Regional Transit Board to authorize and approve the sale of \$26,000,000 of bonds, certificates of indebtedness or other obligations and forward this request to the Metropolitan Council for a January 1990 sale.

cc: John Capell  
Bev Auld  
Richard Bunde

RT:ps/1221



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 December 7, 1989, the committee discussed and approved the following recommendation:

### Dispute Resolution Board Findings on Southwest Metropolitan Transit Commission

The Policy Committee recommends:

That the Regional Transit Board:

1. Affirm the decision of the Southwest Metropolitan Transit Commission to award a contract to the Metropolitan Transit Commission to operate Route 53 express service; and
2. Authorize the Metropolitan Transit Commission to charge Southwest Metro the marginal price as submitted.

### Other Business

The committee began its discussion of the LRT Development and Financial Plan. The meeting was recessed and will reconvene on Friday, December 15, 1989 to continue that discussion.

Jeff Spartz  
Chair