



Minnesota Regional Transit
Board: Records.

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MEMORANDUM

DATE: November 10, 1992

TO: Members of the Regional Transit Board and the Metropolitan Transit Commission

FROM: Andrews, Auld, Hollander, Johnson

SUBJECT: Proposed Process for Discussion and Resolution of Outstanding Organizational Issues between the RTB and MTC

In an effort to better understand and resolve some of the outstanding issues between our two agencies, we, offer for your consideration a process to identify and resolve our differences. This memorandum is a preliminary effort toward accomplishing that. We look forward to the opportunity to jointly present this memorandum to you at Wednesday night's meeting and hope that you will find it helpful in your discussions.

PROCESS

We have briefly discussed the process for carrying out this effort.

1. Make a commitment to resolve differences in order to create a more productive working environment and to ensure that transit funding is the topic that gets the focus during the upcoming legislative session.
2. Identify issues including "gray" areas of roles and responsibilities, activities where there have been disappointed expectations, and areas where we understand roles and responsibilities but feel that there may be a "better way."
3. Prioritize issues in recognition that we are not able to deal with everything at once.
4. Work closely with members of our respective boards both in agency work sessions, but also jointly. Report back regularly and bring key items for approval.
5. Set up regular meetings of senior staff and other knowledgeable and affected staff members.
6. Establish timetable and maintain it to the best of our ability.

PRELIMINARY IDENTIFICATION OF ISSUES

We have made a preliminary effort to identify some of the issues that regularly create conflict between the two agencies. These are not listed in any particular order of priority. Priorities are yet to be established. Input from the two boards would be helpful in establishing these priorities.

1. Capital Planning and Implementation

There has been some questions about respective roles and responsibilities for capital planning and implementation, e.g. decisions about size of buses to purchase, who should construct transit hubs, development of the transit facilities plan.

2. Service Planning

Legislation prohibits the RTB itself from conducting service planning (i.e., determination of specific routing and timing of transit services), but requires the board to contract with the MTC or others to perform this function. While the RTB has made an effort to focus on the broader function of "establishing service specifications," there have been times when our efforts may have exceeded our authority. On the other hand, the MTC has not had the resources during the past several years to conduct this work. Furthermore, it also needs to be determined if it is appropriate for the MTC to perform service planning for other providers with whom it may compete and/or who do not have an ongoing relationship with them.

3. Service Evaluation

Issues relating to service evaluation include the establishment of performance standards and the process for dealing with high subsidy routes. Concerns have been expressed about whether or not standards are imposed for non-MTC providers and which agency should make the recommendations regarding high-subsidy service.

4. Financial/Budgetary Oversight

MTC have felt that the RTB exercises inappropriate oversight over their financial matters, i.e., instead of dealing with specific operational items, the RTB should focus its attention on policy matters. RTB, on the other hand, has felt that the MTC have not always made decisions that were financially consistent with RTB policies. MTC has also raised issues about the appropriate uses of regular route transit funds.

5. Communications

Generally, there have not been well established lines of communications between the two agencies. Even though a number of efforts have been made (including Executive Director/Chief Administrator meetings, monthly RTB/MTC staff meetings, joint board/commission meetings), there seems to be a difference in opinion and/or expectation regarding the important items to discuss and/or obtain approvals and/or the level of detail about which to communicate.

6. Special Services

The MTC contracts with the RTB to provide both Metro Mobility Administrative Center and Minnesota Rideshare services. The RTB has the legislative mandate to set policy direction for these programs and the MTC has served as contractor.

Currently, there are discussions about restructuring both programs in order to maximize results and better control costs. The MTC and the RTB need to consider the future direction of these programs and the appropriate role of each agency.

7. Implementing Vision for Transit

The MTC embraces the concepts set forth in the Vision for Transit, yet urges that their specific role in carrying out the plan be established. Specifically, they have indicated an interest in building transit hubs and operating the service. The RTB is anxious to include the MTC in these efforts, but also feels that there are multiple methods for accomplishing the Vision.

8. Marketing

The MTC's marketing strategy and structure has gone through a great deal of transition in the last year. The RTB supports the MTC's efforts in marketing trial use of service. Unfortunately, marketing issues have been confused with other transit policy issues. Greater communication between the MTC, the RTB and other transit providers could result in greater marketing efficiencies. The MTC's Marketing Plan is scheduled to be presented to the RTB's Marketing Committee in December.

9. Special Events

Over the past year, there have been several occasions when the MTC and the RTB have had differences in opinion about the level of public subsidy that should be utilized for special events. When the MTC should provide special event service, how it should be paid for, and how fares are determined are some of the issues that need to be resolved and/or acknowledged. A draft policy is now being developed with input from both agencies.

10. Competitive Contracting

The RTB has promoted competitive contracting of various services in order to maximize cost-effectiveness of service delivery. In many cases, the MTC has seen this effort to promote competition as threatening the integrity of the MTC system and its long-term viability.

10. Legislative Program

Legislative initiatives will include, but are not limited to: establishing a dedicated source of transit revenues; traffic congestion management; priority fuel status for public transit providers; restriction of parking in transit loading/unloading zones to ensure access; and right-of-way for buses to enter flow of traffic.

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NEXT STEPS

Following discussion and concurrence from the RTB and MTC at Wednesday evening's meeting, staff will meet on a regular basis (every two weeks) to discuss these matters. In December, we would suggest that another joint RTB/MTC meeting be scheduled so that we can review our progress and get necessary board input.



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

MEETING NOTICE

**REGIONAL TRANSIT BOARD and
METROPOLITAN TRANSIT COMMISSION**

**Metropolitan Waste Control Commission
Metro 94 Facility*
455 Etna, Suite 32
St. Paul, Minnesota**

**Friday, December 4, 1992
1 p.m.**

The members of the Regional Transit Board and Metropolitan Transit Commission will meet for the purpose of discussing the roles and responsibilities of the respective agencies.

No action will be taken.

Michael J. Ehrlichmann
Chair

mff
11/17/92

* See Map

METROPOLITAN WASTE CONTROL COMMISSION

METRO 94 FACILITY
455 ETNA, SUITES 27-34



3RD STREET

COMING
FROM THE EAST

Take the Hwy 61 S. Exit,
Take a right hand turn at
the stop sign,
Take the first left turn into
the parking lot.

METRO 94

WILSON AVE.

ETNA

I-94

I-94

COMING
FROM THE WEST

Take the Hwy 61 S. Exit,
Get in the left hand turning lane,
Do a 'U' turn at the stop light,
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the parking lot.

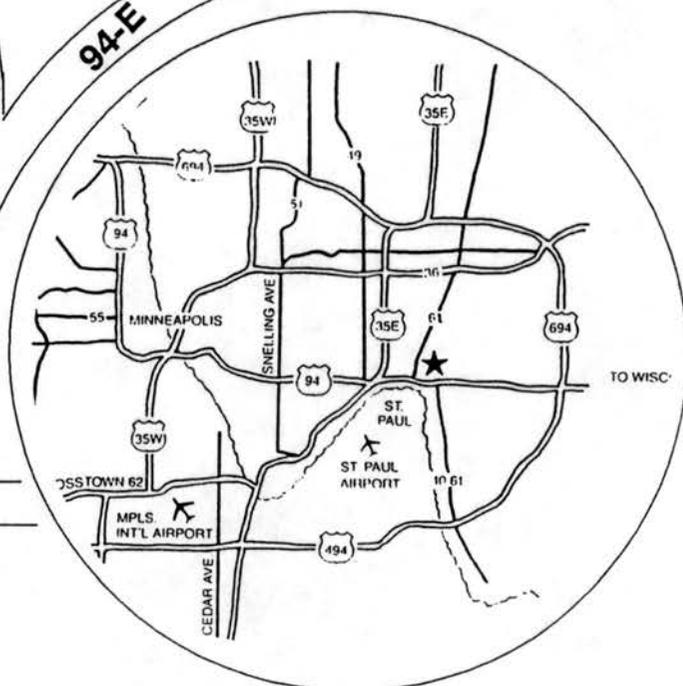
BURNS AVE.

HWY 61

HWY 61

94-W

94-E





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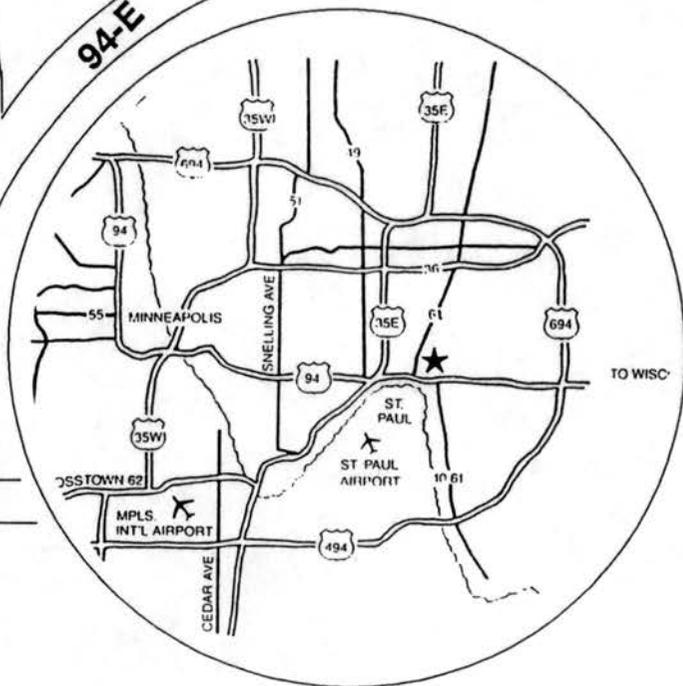
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BURNS AVE.

HWY 61
HWY 61

94-W

94-E



6/15/92

REGIONAL TRANSIT BOARD
ROLL CALL AND ATTENDANCE SHEET

DATE: Dec

Member Name Present Vote Vote Vote Vote Vote Vote Vote Vote

ISSUE

Mike Ehrlichmann

✓

Maryann Campo

—

Doris Caranicas

Sharon Feess

2:05

Ruth Franklin

✓

Val M. Higgins

—

Sandra Hilary

Ruby Hunt

Tom Sather

✓

Don Scheel

✓

Tom Workman

Visitors

Staff

Paulson

Andel

gla

Harold

Werner

jh

Mauri

Christina

mf

Palson

John

sh

Hakert

Blair

mff

REGIONAL TRANSIT BOARD

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

DATE: December 4, 1992
TO: Regional Transit Board Members and Staff
Metropolitan Transit Commission Members and Staff
FROM: Michael J. Ehrlichmann, Chair
SUBJECT: Joint Retreat Agenda

AGENDA

1. Continued Discussion of Outstanding Organizational Issues Paper
2. 1993 Legislative Agenda
 - A. Transit Funding
 - B. Transit Structure
 - C. Traffic Congestion Act



Handout 12/4

METROPOLITAN TRANSIT COMMISSION

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

November 30, 1992

Mr. Gregory Andrews, Executive Director
Regional Transit Board
Mears Park Centre
230 East Fifth Street
St. Paul, MN 55101

Dear Greg:

The MTC has again reviewed its 1993 budget and current financial condition in an effort to bridge the difference in fixed route assistance requested in the 1993 budget and the amount available from the RTB. The RTB has proposed that MTC fixed route service be funded in the following amounts:

\$63,395,424	Fixed Route Service
<u>430,660</u>	Jobseekers
\$63,826,080	RTB Total Fixed Route
<u>64,988,000</u>	MTC Fixed Route Request
\$ 1,161,920	Deficit

MTC staff has reviewed the revenue and expense assumptions of the 1993 budget and recommended the following changes.

<u>Revenue Enhancements</u>	
Bus Advertising Revenue	\$ 50,000
Rental Income - Northside Garage	240,000
Federal Grant (Sabo Appropriation)	<u>300,000</u>
Total Revenue Enhancements	\$ 590,000
<u>Expense Changes</u>	
Increases	
Team Transit Projects Funded by Sabo Grant	\$ 240,000
Reductions	
Bus Parts Reduction	(100,000)
Advertising Agency Fee	<u>(50,000)</u>
	\$ 90,000
<u>Retained Earnings</u>	
Reduce Working Capital	\$ <u>700,000</u>
Grand Total	\$1,200,000

The revised MTC budget resolves the issue of the difference between the RTB's recommended MTC fixed route funding and the MTC's requested level of funding. The revised budget would also reduce the MTC's working capital balance to \$14,300,000.

This revised budget is being proposed in order to avoid the fare increase in 1993 and to allow for twelve additional months to build on the ridership growth currently being experienced. While the proposed action would balance the MTC's 1993 operating budget, it will not provide the 35% farebox recovery ratio. The MTC continues to ask for an exemption to the 35% farebox recovery policy for 1993 based on the following:

- MTC is proposing an increased service level of 7%.
- MTC is proposing a significant increase in on-street security.
- MTC is proposing increased and improved customer services.
- MTC's expectation is that if the three previous items are in place without increased fares, ridership will increase by at least 3%.

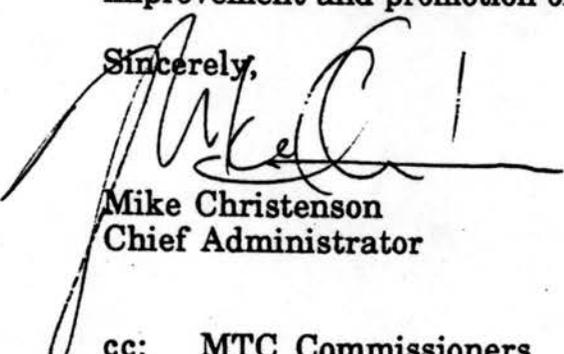
These major activities have increased the MTC's 1993 budget by only 3.15% over the 1992 estimated level of expenditures. More importantly, the RTB's total assistance to the MTC during 1993 is less than the assistance provided in 1992 by approximately 2%.

We will make every effort to maintain our accountability within the 1993 approved budget and in addition we propose to report our results to the RTB on a regularly scheduled basis.

In the event that the MTC is successful in obtaining additional revenues during 1993, i.e., new state appropriations, passenger fares or advertising revenues greater than projected, the MTC will amend the 1993 budget to restore the working capital and expense reductions.

In summary, the revised MTC proposed operating budget will allow the RTB to fund MTC at the recommended \$63,826,000 level. This action will balance the MTC's 1993 budget without a fare increase but will not achieve the 35% farebox recovery ratio. The MTC requests the RTB's approval of the MTC's 1993 budget, as revised, to allow for the opportunity to continue our ridership growth without the accompanying ridership loss due to a fare increase, to continue to promote customer service and security, and be permitted an exception to the fare recovery policy and operate at less than a 35% farebox ratio for the year 1993. MTC is making a strong commitment to build on the improvement and promotion of transit to better meet our customers' needs.

Sincerely,



Mike Christenson
Chief Administrator

cc: MTC Commissioners
Bev Auld
Tom Johnson
Jerry Olson

RDT:pjs/656

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