

METROPOLITAN COUNCIL
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TRANSPORTATION **A**CCES**S**IBILITY **A**DVISORY **C**OMMITTEE **M**EETING
Wednesday, June 1, 2011

1. Call to Order

At 12:33 p.m. the meeting was called to order by Chair Ron Biss. **Public present:** Chad McGuire and Mark Hughes. **Council staff present:** Pam Steffen, Jan Dietrich, Paul Colton, Mike Kuehn, David Russell, Andy Streasick and Alison Coleman.

Members Present: Ron Biss, Dave Bruflodt, Bruce Lattu, Heidi Myhre, Darrell Paulsen, Jerolyn Pofahl, Rozanne Severance, Diogo Reiss, Nichole Villavicencio and Willie Daniels. **Members Absent:** Wayne Wittman, Christian Knights, James Williams. **Members excused:** Margot Indieke Cross.

2. Approval of the Agenda

Lattu moved to approve the agenda. Villavicencio seconded the motion.

3. Approval of May 4, 2011 Minutes

Bruflodt moved to approve the minutes. Severance seconded the motion.

4. Legislative Update

Mike Kuehn spoke to the TAAC committee. There is a strong difference of opinion at the legislature on how to approach getting the budget to balance. Four weeks from Friday will be July 1st. They have to in some cases give 30 day's notice to some of the employees. The state troopers are being notified today of the potential for layoffs. That will continue throughout. We have had meetings in our front office dealing with how to manage any kind of budget concerns that we may have. A big part of that is transit. How that would be determined whether you make some initial reductions or whether you wait it out for a month and see what happens. What types of reductions so you could stretch the money. The general fund money we lost is about 1/6 of our operating money. That we don't have in our coffers.

Another big issue that has come up in our discussions is the Motor Vehicle Sales Tax money. Even though it is being collected and it is in the Metro Transit Assistance Account, it really needs to be allocated by the legislature. Can we spend that money? It is there, it is being collected but the legislature hasn't allocated that amount in a finance bill. The it gets into the questions of will legislative leadership and the governor look at all those types of funds that are there? It is not really part of the budget discussion. Will they pass some kind of bill in a one day special session before July 1 if they don't have an agreement on everything? That will allow those monies to be freed up. If those monies are not freed up it creates monumental problems. The Motor Vehicle Sales Tax dollars are a big part of our operating funds.

We have been asked by the governor's office to prepare a contingency plan of how to deal with this. But we are trying to look at and get the answers of how much a loss of funds we are trying to deal with.

For how long of a period, we don't know. The longest legislative special session in history was in 1971. It went 157 days. But there were no government shutdowns. The legislature dealt with continuing operations. This is not unusual in the US congress. You see these continuing resolutions that continue funding. But it is always at the same level. This is so unique because you can't really operate at the same level because you are looking at \$5 billion less than that amount. So there is a matter of trying to figure out how that would work even if you continued to operate state government at what percentage. Do you free up 80 percent or 90 percent of the funds or make some contingencies at that regard?

If it does go into the fall whatever you are dealing with may not be a final agreement. Say you are dealing with a \$1.8 billion in cuts and \$1.8 billion in tax increases you still have a shorter period of time to deal with that in the budget cycle. Every month is 1/24 of the biennial budget cycle. No one has any answers. No one knows when it will be resolved.

I wanted to talk about what was in the Transportation Finance conference committee report that the governor vetoed. The final agreement was not good news for transit. The Senate had made about \$32 million in general fund cuts to transit. The House had proposed \$130 million to wipe out completely our general fund dollars. What they agreed upon in conference committee was a little over \$109 million in cuts for two years. It was a huge amount of reductions in that bill. The Council's general fund contribution from the state would have been reduced from \$129.9 million that we got in the current biennium that ends on July 1st would have been reduced to \$20.5 million. There was also bill rider language that states that the transit replacement program otherwise known as the Opt Outs would continue at the 2011 appropriation level. They were not to be reduced by any of these reductions.

In addition the agreement gave the Council permission to use 100 percent of our Livable Communities and Right of Way Loan Acquisition Fund accounts, which we generate through property tax. It is probably in the \$15 million range. This would wipe out that grant program. It also said we could use the Council's operating levies that support our Planning, Government Affairs and Communications divisions for transit. That is about \$3.4 million if you completely wiped it out. Then another provision would allow the Council to seek the CTIB (Community Transit Improvement Board) that ¼ cent metro wide sales tax that the five counties participate in for transit operations as well. That is if they have any dollars available and are not committed for other things that they are doing.

We have indicated at that point that such reductions would likely lead to fare increases and significant cuts in transit services. The governor strongly indicated that the negative impacts of that were not acceptable to him in his veto letter. We indicated to the governor's staff what cuts of that magnitude would lead to. We looked at a 50 cent fare increase, a loss of about 22 million rides annually and close to a 50 percent cut in service.

The bills passed on party line votes in both the House and the Senate. The governor vetoed this bill and other major finance bills except the one dealing with agriculture and veterans affairs. That did get signed earlier in the session.

We also still have on the table our \$35 million in transit bonding requests and regional bonding. That bill was on the House floor at the end of session. We are still trying to get that into a bill someplace. If not we will request \$70 million in regional bonding next year. It does delay some of our ability to bid on vehicle purchases. Sometimes that can be a two year process. We do have around \$60 million available in bonding that we have yet to spend. It isn't dire that we have this money. We always try to get it ahead of time so we can plan. It is in the bank. It is there. We can go ahead with our purchase processes and procurements and purchase the things we need to run the system. It would only create a problem if we don't succeed this year and next year.

As far as the timeline to resolve this, no one really knows. If they go past the shut down date of July 1st no one knows what will happen then. They might be able to work some agreements on some of the special revenue funds, not the state general fund dollars. There is a bill to deal with state agencies along with a lot of other cuts. They made a lot of cuts and then they also told the Office of Budget and Management, the former Department of Finance, that they were directed to make an additional \$94.9 million in additional cuts from executive branch agencies of their operations. But they didn't specify. They made their cuts. They couldn't identify anything more but they needed to reach a certain dollar amount. In addition that bill had things in there for cost savings that mandated a 15 percent reduction in state workforce, a state employee salary freeze and a directive to restructure the health care benefits for state employees to pursue some of the reduced costs to the state.

That was very typical of a lot of the bills in legislation. Health and Human Services as well dealt with an estimated loss of approximately 20,000 jobs according to some statistics. The cuts are in health care and nursing home care, etc.

If there are reductions in transit service they are going to look at the whole system and reduce the frequency of service throughout the system. If you have a route that the bus comes every half hour it could be reduced to every hour. You could look at weekend services. You could look at evening services. There are different ways of approaching how to save operating dollars. That has not been determined.

For so long the state budget hasn't factored in inflation. Even if it is two percent on a \$32 billion budget. That is about \$700 million. The state budget grows mainly in the health care industry. Those costs have gone up much faster than inflation. A big part of the state budget is health and human services. A big part of that is payments on Medicare and Medicaid. We built into our budget for the next two year cycle just for fuel increases \$11 million more than we needed in the previous budget cycle. There are always these cost factors that are going to inflate a budget. It has not been historically factored in.

We originally had some proposal for the entire transit system based on the auditor's report of last January on transit governance. There are several systems that are Opt Out systems that have significant operating reserves. They have operating reserves of over \$8 million. One has reserves to operate without needing another dollar for two years. The governor proposed to take about \$4 million of their reserves and use it for the rest of the transit systems. That ran into resistance. It could potentially be in there. It could go the other way and they could take some of the Opt Out dollars and use them in the metro system.

The governor proposed no cuts to transit operating funding from the general fund. That was when he proposed a little over a \$3 billion increase in income tax rates on the upper five percent. With that proposal of generating \$3.3 billion of tax increases in revenue, he proposed no cuts at all to Metro Transit. The bill that came out of the House conference committee that he vetoed proposed \$109 million in cuts.

5. Review of TAAC By-Laws

Chair Ron Biss spoke to the TAAC committee. The committee discussed the proposed changes in the By-Laws. We have struggled within the last few years to have representation from each one of the precincts. We thought we would broaden it to make it possible that someone could represent a precinct but still not be a resident of that precinct in order to have a full complement of members on the committee. An applicant applying for a position that is a resident of the precinct would have a priority over a non resident. This is when we have an ongoing vacancy.

Each precinct which makes up two Council districts can have one representative on the TAAC committee. If we had someone interested in being on the TAAC committee in an adjacent precinct and we had an ongoing vacancy we could exercise the option of saying: "O.K., we will have you represent that precinct even though you are not a resident." Whatever changes we would make would have to be approved by the Metropolitan Council itself.

Currently, for the members that represent precincts there is no limit to the term served. They serve at the pleasure of the Metropolitan Council. Those that come from the MCCD, the Senior Groups and AARP serve four year terms. The State Council on Disability is exempt from that.

Once the By-Laws are approved a copy will be sent to the MCCD and the other agencies.

Chair Biss suggested a yearly reminder to the agencies to notify the TAAC Chair in writing prior to January 1, each year to reappoint the member. A form would be sent to the agency with a cover letter.

Chair Biss stated the motion that in accordance with the Metropolitan Council Advisory Committee provisions regarding meeting attendance TAAC members may, at the pleasure of the TAAC, be removed if they miss three consecutive regular committee meetings unless such absences are excused. Lattu moved to accept the motion. Villavicencio seconded the motion. The motion carried.

A copy of the amended By-Laws will be sent to the participating agencies.

6. Task Force Update - CCLRT

Rozanne Severance spoke to the TAAC committee. They have torn up most of University Avenue and now Washington. They shut down Washington Avenue at the University of Minnesota.

Bruce Lattu spoke to the TAAC committee. Bruce will continue to send updates via email. If you are going to be on Cedar or Fourth you should check the website. Bus schedules are affected by the construction.

7. Metro Mobility Statistics

David Russell spoke to the TAAC committee. No notable changes in demand service. Denials are still zero on demand service. STS denials are still zero. System ridership is down from last month but up from the same month last year. System trips per hour are down a little. Demand service ridership is down from last month. The number of passenger trips per revenue hour last month is 1.85. Demand service percent of customer no shows is 2.5. Demand Service percentage of customer cancels 16.7. Demand service ride time performance is 89.14 percent. Demand service average weekday demand for rides was 3,487. Demand service percentage of on time performance was 98.02. We had two accidents. Demand service total number of complaints was 29. Demand service revenue hours were 47,135. Agency service ridership was 29,229. Agency service number of passenger trips per revenue hour was 3.9 trips.

8. Member Comment

Bruce Lattu spoke to the TAAC committee. I was made aware that Minneapolis is putting forward some kind of an application to be recognized as a city that has good walkability. There is a committee in Minneapolis that is working on pedestrian issues. They are making this application. I will forward the information to Chair Biss.

9. Public Comment

Pam Steffen spoke to the TAAC committee.

10. Adjourn

The meeting adjourned at 2:45 p.m.