

# Minutes of the GOVERNOR'S BLUE RIBBON COMMITTEE

Monday, October 12, 2020 | 2:00 p.m.

## Committee Members Present:

Mary Liz Holberg, Peter Bell, Patrick Born, John (Jay) Cowles, Pahoua Yang Hoffman, James Hovland, Elizabeth Kautz, Douglas Loon, Mary Jo McGuire, Khani Sahebjam, George Schember, Alene Tchourumoff, Thomas Weaver, Janet Williams, Zhirong (Jerry) Zhao

## Committee Members Absent:

None

## CALL TO ORDER

Committee Chair Mary Liz Holberg called the meeting of the Governor's Blue Ribbon Committee to order at 2:00 p.m. on Monday, October 12, 2020.

## APPROVAL OF MINUTES

It was moved by Loon, seconded by Kautz to approve the minutes of the September 14, 2020 and September 28, 2020 meetings of the Governor's Blue Ribbon Committee. **Motion carried** on the following roll call:

Aye: 15 Holberg, Bell, Born, Hoffman, Hovland, Kautz, Loon, McGuire, Sahebjam, Schember, Weaver, Williams, Zhao

Nay: 0

Absent: 0

Not Recorded:2 Cowles, Tchourumoff

## INFORMATION

1. Overview of Regional Transit Service and Providers (Matt Burress, Legislative Analyst, House Research)

Matt Burress, Legislative Analyst with the Minnesota House Research Department, gave an overview of regional transit service and providers. Transit service in the region includes regular route bus, express/commuter bus, bus rapid transit (BRT), rail, demand response (dial-a-ride), route deviation, paratransit. Also proposed and/or in development are dedicated BRT and streetcar service. There are several entities involved in transportation in the region: the Metropolitan Council, MnDOT, the State legislature, counties and regional railroad authorities, cities, transit providers, private contractors and operators, residents, other state and regional agencies and the U.S. Department of Transportation. USDOT includes the Federal Transit Administration (FTA), Federal Highway Administration (FHWA), and the Federal Railroad Administration (FRA).

The Twin Cities metro area has several types of funding: federal, state (motor vehicle sales tax [MVST], general fund appropriations, General Obligation [G.O.] bond proceeds), regional/local, and generated revenue (farebox, advertising). MVST is the 6.5% sales tax on the sale of new and used vehicles; MVST funds for transit are statutorily appropriated. State bonding is debt financing for capital projects and has various constitutional requirements and limitations. State bonding is authorized in legislation. Key types

of state bonding are trunk highway bonds and other G.O. bonds. The regional transit capital (RTC) levy is the Met Council property taxes imposed by the Council under state statute and are separate from other Metropolitan Council levies. RTC tax revenue goes to debt service on bonds. County regional railroad authorities (RRA) are tied to each county and preserve and improve rail service and rail right-of-way.

The Metropolitan Council has several transit-related entities: Metro Transit, Metropolitan Transportation Services, the Transportation Advisory Board (TAB), and Regional Administration. Metro Transit operates regular route bus service and other core transit services in the Twin Cities metro area, including light rail transit (LRT), bus rapid transit (BRT), and commuter rail. Metro Mobility is the ADA bus service and offers shared rides for the eligible general public, which are reserved in advance. These trips are limited to riders who are unable to use regular route bus service. Metro Mobility is operated through a contracted service agreement. Transit Link is the dial-a-ride bus service which offers shared rides for the general public, in areas where regular route transit is limited or not offered. Eligibility for Transit Link is based on origin/destination distance from regular route transit. Transit Link is also operated as a contracted service. Vanpool is a service that offers organized shared rides. The driver of the Vanpool is among the commuters and offers subsidized vehicle leases. The remaining costs are split by the riders.

Four transit providers operate transit service in several suburban communities instead of Met Council regular route bus service. The types of service include local circulators, express/commuter bus and some dial-a-ride service. These suburban transit providers serve individual cities or multiple cities under joint powers agreements and are governed by elected officials or a mix of citizens and elected officials. The University of Minnesota Twin Cities also operates fixed route bus service, including a local circulator and Campus Connector as well as paratransit service. The Twin Cities campuses are also served by Metro Transit, Metro Mobility and suburban transit providers.

Committee members had questions about funding and bonding mechanisms, transit systems in Greater Minnesota, and ADA services and the role of an MPO in transit services. Jim Hovland asked that the Transportation Advisory Board be included in the list of Council functions. Doug Loon asked about farebox recovery per operating mode. Judd Schetnan will share farebox per person subsidy information with the committee.

## 2. Overview of the 2011 Legislative Auditor Report (Judy Randall, Deputy Legislative Auditor, Program Evaluation Division)

Judy Randall, Deputy Legislative Auditor with the Office of the Legislative Auditor gave an overview of the 2011 Legislative Auditor Report on Governance of Transit in the Twin Cities Region. In 2011 the Office of the Legislative Auditor completed an audit of transit governance in the Twin Cities. The key legislative recommendations were: the Legislature should restructure the Metropolitan Council; and the Legislature should clarify the goals and priorities of transit in the Twin Cities region. The report compared the Council to 11 peers, including Denver, Phoenix, Portland and Seattle. The Council performed well on efficiency measures, including operating cost per passenger, fare-recovery percentage, subsidy per passenger, subsidy per passenger mile. The Council also performed well on service-use and access measures. The report also highlights challenges due to the transit governance structure, including fragmentation and complexity, distrust among some of the transit organizations, time-consuming coordination, and no agreed-upon set of priorities.

The report asserts that the composition of the Metropolitan Council contributes to some of the challenges. The Council is appointed by the Governor, has limited accountability to the public, limited credibility with stakeholders and other transit organizations in the region, limited stability, and contributes to the large number of transit organizations in the region. The recommendations were that

the Legislature should restructure the Metropolitan Council to be a mix of appointed and elected members who serve staggered terms. This could potentially lead to more streamlined governance.

Khani Sahebjam asked how the efficiency of the Council was measured, if it was a dollar-to-dollar ratio or if it was efficiency of services. Judy Randall stated that it was based on economic measures compared to peers. Committee members had questions and comments about the composition of elected official and appointed official recommendations, as well as about the recommendation of staggered terms. Alene Tchourumoff asked if Ms. Randall would be able to share any concerns that other entities had about conflicts of interest due to elected officials serving a regulatory role over Council operations. Ms. Randall replied that Metro Cities would be a better group to answer that question, and Judd Schetnan shared that staff from Metro Cities will be speaking at the next meeting.

### 3. Committee Discussion

Committee members had no further questions or comments.

## **ADJOURNMENT**

Business completed; the meeting adjourned at 2:37 p.m.

Bridget Toskey  
Recording Secretary