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0259 Joint Legislative Regional Transportation District Oversight Committee

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(Colorado General Assembly JOINT LEGISLATIVE
REGIONAL TRANSPORTATION DISTRICT OVERSIGHT COMMITTEE.)

REPORT TO THE COLORADO GENERAL ASSEMBLY

(Submitted to 53rd General Assembly
pursuant to Joint Rule No. 32,
S.J.R. 12, 1979 Session)

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House of Representatives
Members of the Fifty-third Colorado General Assembly

Pursuant to the provisions of Joint Rule No. 32, (S.J.R. 12,
1979 Session), the Committee on Regional Transportation District
Oversight herewith submits its findings and recommendations.

Respectfully submitted,

/s/ Senator Paul Powers
Chairman
Committee on RTD Oversight

PP/th

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Stanley Elofson
Principal Analyst II

Daniel Chapman
Research Associate

I. Introduction - Background Information

The Regional Transportation District (RTD) was established by the General Assembly in 1969 as a political subdivision of the State of Colorado (Title 32, Article 9, Colorado Revised Statutes, 1973). The enabling act sets forth the boundaries of the district and provides for the appointment of the board of directors of the district. The general powers of the district, including the taxing authority and other provisions relating to the operation of the district, are established by statute. The district encompasses all of Boulder and Jefferson counties, the City and County of Denver, the urbanized areas of western Adams and Arapahoe counties, and the northeast portion of Douglas county.

RTD Board of Directors

The board of directors of the RTD consists of 21 members: two members from Adams, Arapahoe, Jefferson, and Boulder counties; one member from Douglas county; ten members from the City and County of Denver; and two at-large directors. Members representing the counties are appointed by the county commissioners; members from Denver are appointed by the Mayor with the approval of the city council; and at-large members are chosen by the other appointed members of the RTD Board. Appointments to the RTD Board by the county commissioners must also be approved by a majority of governing bodies of the municipalities within the respective counties. Terms of members are four years. The RTD statutes do not provide specific procedures for removal or recall of a board member.

On November 4, 1980, the voters of the state voted favorably to enact an initiated proposal amending the statutes governing the appointment of the RTD board of directors. This proposal provided for the election of a fifteen member board of directors from director districts. The terms of the elected directors will begin in January, 1983, and each member of the board will be paid an annual salary of \$3,000.

Board member elections will be held concurrently with the state general election, beginning with the general election in 1982. At that time eight members will be elected for two-year terms and seven members will be elected for four-year terms. Thereafter, all members will be elected for four-year terms. It should be noted that this proposal amended statutory law so the General Assembly could make further amendments to the elected board procedures.

Current and Projected RTD Operations

The Regional Transportation District currently serves 35 cities and towns with an estimated population of 1.6 million people. RTD

operations presently cover 1,850 route miles, with annual bus miles totaling 23.8 million. Total annual ridership has increased since 1975 as follows:

1975	..	27.8 million riders
1976	..	32.5 million (+ 4.7 M)
1977	..	34.0 million (+ 1.5 M)
1978	..	43.1 million (+ 9.1 M)
1979	..	38.1 million (- 5.1 M)
1980	..	44.0 million (+ 5.9 M)

RTD projections for ridership between 1981 and 1985 are:

1981	..	48.0 million (+ 4.0 M)
1982	..	56.0 million (+ 6.0 M)
1983	..	61.5 million (+ 5.5 M)
1984	..	66.9 million (+ 5.4 M)
1985	..	70.7 million (+ 3.8 M)

Average weekday ridership has increased from 103,000 riders in 1977 to 160,000 riders currently. RTD projections indicate that in the final year of the current planning period -- 1985 -- average weekday ridership will be 260,000 passengers.

During 1980, RTD operated a total bus fleet of 636 buses, of which 534 were available for peak hour service. The total fleet is expected to remain stable in 1981, to increase to 661 buses in 1982, and to be capped at a total fleet of 750 buses in 1983. ^{1/} The final total fleet size may be reduced slightly in 1981 if fewer vehicles are purchased for the downtown Denver mall than had been originally planned.

^{1/} SOURCE: Regional Transportation District presentation to RTD Legislative Oversight Committee (August 5, 1980).

RTD Revenues

A breakdown of the sources of funding for RTD during 1980 follows:

One-half of one percent Sales Tax.....	\$52,725,000
Property Tax.....	-0-
Transit Operating Revenues.....	11,200,000
Federal Grants.....	46,794,743
Proceeds from Sales Tax Revenue Bonds.....	9,013,651
Accrued Funds.....	15,800,000
Investment Income.....	1,320,000
Other Income.....	<u>162,000</u>
TOTAL	\$137,015,394 <u>2/</u>

II. Committee on RTD Oversight

The legislative Committee on RTD Oversight was established in the 1979 Session under legislative Joint Rule No. 32. The committee was created in response to a legislative finding that there was "a need for continuing legislative vigilance of the manner in which the regional transportation district is fulfilling its statutory charge." 3/ The rule charges the committee with the following responsibilities:

- (a) To meet at least twelve times each year to review all functions of the district, including:
- content and revision of the mass transportation plan;
 - revenues and expenditures of the district;
 - short- and long-range planning for the district;
 - the effect of the district's services and plans on employment, commercial and industrial activities, housing within the district, and transportation habits and practices of the district residents;
 - compliance with the statutory provisions governing the district;

2/ SOURCE: RTD 1980 Facts and Figures (Regional Transportation District Publication).

3/ Senate Joint Resolution No. 12, 1979 Session: Joint Rule No. 32 (see Appendix A).

-- feasibility of appointment of board members on the basis of population representation.

- (b) To review and comment on the district's annual budget before it is adopted;
- (c) To hold public hearings concerning the level of services, routes, schedules, fees, charges, and any other matters of general public interest to the district.

A total of 22 meetings were held by the committee during 1980, five of which were public hearings on the proposed light rail system. These hearings were conducted in the 1980 session to seek public reaction and suggestions on the proposed light rail project. During the Summer and Fall, 1980, the principal focus of the committee's activity was an analysis and committee recommendations concerning review of the proposed 1981 RTD budget. The final part of this report concerns the committee's budget activities.

III. Activities of the Committee: an Overview

Light Rail Transit

Among the major issues of public discussion in 1980 was the RTD's proposal for a light rail transit system for Denver. In its public hearings the committee solicited a wide range of information concerning the proposal both to encourage community discussion on the proposed project and to obtain public evaluation of other aspects of RTD service.

Information on light rail was provided by officials of the Urban Mass Transit Administration (UMTA), the Colorado Department of Highways (CDH), the Denver Regional Council of Governments (DRCOG), and from sources independent of RTD in private industry. RTD board members and staff were active in making presentations on various aspects of the proposed system, including a report of the study trip to West Germany taken by members of the RTD Board and staff.

Numerous issues were discussed by committee members regarding the light rail proposal. Prominent in these discussions were the following: the process of selecting the corridor for construction of the initial light rail segment; possible funding mechanisms for the project; project costs, especially as compared with other types of transit systems; projected ridership and fuel savings; and the feasibility of extending the system once the initial segment was in place.

The RTD staff also responded to committee questions on alternative light rail systems studied, connections of light rail with the downtown transit mall, and the applications of light rail technology in Europe and elsewhere. RTD also recounted the process by which the light rail alternative was selected, and offered comparisons with

other types of transit service which might be considered appropriate for the Denver area.

On November 4, 1980, voters in the RTD area rejected a ballot proposal which would have provided for imposition of an additional 3/4 cent in sales tax on specific taxable items, for purposes of funding the light rail project. This proposal had been referred to the district voters by the General Assembly (Ch. 141, 1980 Session Laws).

Board and Staff Activities

A second major area of concern was related to the activities of some RTD Board and staff members which were viewed as potentially harmful to the public image of the Regional Transportation District. The principal focus of the committee's attention was the activities of some members of the RTD board as they related to the resignation of executive director Howard J. Beck. The committee heard two days of testimony from board and staff members on the events preceding and leading to the Beck resignation; they then acted to issue a statement of concerns and recommendations to the RTD Board. This statement (see Appendix B) indicated that the RTD Oversight Committee did not have complete confidence in all members of the RTD board.

While the committee determined that the RTD Board had acted properly in accepting the resignation of Howard Beck, the committee disapproved of the use of private investigators in examining allegations of personal misconduct on the part of board or staff members. It was recommended that the board establish an explicit procedure for investigating such allegations. The full board should determine whether the officers, the executive committee, or the board itself be responsible for initiating such investigations and acting on the findings of such investigations. The committee also expressed the sentiment that the RTD Board consider effecting better communication between board members and staff members.

The Oversight Committee reviewed other incidents relating to board and staff activities, including the activities of Acting Executive Director and General Manager Robert Nelson in regard to review of signatures on ballot petitions filed with the Secretary of State on the issue of an elected board of directors for the district. Mr. Nelson explained his actions in investigating an anonymous allegation of misconduct in the preparation of these petitions so as to determine if any obvious irregularities existed in the petition process. He noted that new board guidelines had been issued following this incident. The new procedures prohibit the executive director from pursuing anonymous allegations unless such allegations constitute a threat to health or safety, or indicated an immediate emergency.

A third incident which came under committee scrutiny involved the activities of some RTD board members in contacting the appointing authority (members of the Douglas County board of county commissioners) of board member Edward J. Cassinis. This contact had allegedly

been made for the purpose of registering dissatisfaction with Mr. Cassinis' performance as a board member. The request for a meeting was subsequently withdrawn when county commissioners for Douglas County insisted on Mr. Cassinis' presence at any such meeting.

The reaction of the committee to these incidents was that such activities tend to tarnish the public image of RTD and should be avoided. The committee urged RTD Board Chairman Flodie Anderson to discourage any activities which could be deemed inappropriate for a public agency.

Capital Projects

In addition to the proposal for a light rail system and plans for meeting future service needs, other capital projects were subject to ongoing committee interest. Many of the concerns in the capital projects area were concentrated in the committee's review of the RTD budget. The committee monitored the progress of construction of the 16th Street transitway mall and of the transit centers which will be constructed at either end of the mall. The construction of community transit centers, park-n-rides, and the purchase, development and remodeling of support facilities was also reviewed and are described in the budget analysis part of this report.

The RTD staff provided the committee with an overview of the 1980-85 Transit Development Plan (TDP) that included major capital projects. Projects in the TDP include: construction to facilitate value capture in the Kassler-Cheesman block; bus purchases and bus rehabilitation; purchase, development, and remodeling of support facilities such as the East Metro bus garage and the Alameda bus garage; construction of community transit centers and park-n-rides; and purchase of support vehicles, and vans for van-pooling programs. The financial implications of the 1980-85 TDP were also discussed, particularly in regard to the amount of unprogrammed reserve which RTD has determined to be necessary for the five-year period.

Transit Service for Handicapped

The problems associated with providing transit service for handicapped persons was another area of major interest. The committee was particularly concerned about the impact of federal regulations which mandate that one-half of the peak hour bus fleet be wheelchair accessible by July 2, 1982. The implications of federal regulations in terms of costs, system efficiency, and quality of service for handicapped and non-handicapped transit patrons were considered.

Committee meetings were held with officials of the U.S. Department of Transportation (DOT), the Urban Mass Transit Administration (UMTA), RTD officials, private paratransit carriers, and members of the handicapped community. Concerns were expressed to the state's congressional delegation over the cost of meeting federal requirements

and the effectiveness of mainline service in meeting the transit needs of handicapped persons. (See also Section V -- Ongoing Concerns, page 21, and Budget Items #6 and #7, pages 14 and 16.)

Current Bus System Operations

The efficiency and responsiveness of RTD bus system operations was a recurrent theme in the committee's deliberations. Such topics as performance and safety records and safety procedures for RTD vehicles were reviewed. Of particular concern was the speed of operations of the RTD Action Center in its handling of customer requests and complaints. Numerous questions related to the responsiveness of the RTD Action Center in processing requests for route or schedule changes.

RTD presented information on the evaluation and planning of the grid route system, and committee questions focused on improvements in levels of ridership, access for inner-city routes, and the possibility of using additional part-time drivers during peak hours.

Several related issues were also raised by the committee, generally addressing problems of cost savings or cost efficiencies. Such revenue items as advertising on buses, contracting of current in-house functions, and the expenses incurred by board and staff members at conferences were discussed. The committee encouraged RTD to explore all avenues of possible cost savings as a way of offsetting increasing costs of operations. It was emphasized to the district that there is a definite need to exercise greater cost consciousness on the part of board and staff members.

IV. Staff Analysis and Review of the 1981 Proposed RTD Budget

The central activity of the committee during the 1980 legislative interim was the review of RTD's proposed 1981 budget. Staff analysis, presented below, was performed by members of the Joint Budget Committee (JBC) staff, assisted by the Legislative Council staff. The analysis consisted of ten major issues relative to the proposed 1981 budget. These issues were reviewed on September 3 and September 24. Committee recommendations were submitted to the RTD Board of Directors prior to adoption of the 1981 budget, and Board Chairman Flodie Anderson responded to these recommendations in an October 6 letter.

Issue #1 Difference Between Adopted and Estimated Budget

JBC Staff Analysis and Conclusion

The purposes of the adopted budget are to set forth fiscal policy for the coming year and to give departments budgeting guidelines for management of their operations. The estimated budget is the year-end

projection for the current fiscal year based on a combination of actual experience and projection.

RTD's budget is divided into three categories, and an unprogrammed reserve. Category I is called systems development, transit planning and administration. Category II is concerned with transit operations and maintenance, and Category III is the capital portion of the budget. All of the personnel and operational costs of the agency are contained in Categories I and II.

The differences between the 1980 adopted and estimated budgets are vast. The difference between adopted and estimated budgets for Category I, for example, is \$167,531; the variance in the Category II adopted and estimated budgets amounts to \$6,406,497. The primary causes of the difference in the Category II budgets are: an increase of \$1.6 million for union contract salary settlement for represented employees; the addition of 33 full-time positions; \$2.5 million in increased fuel and repair costs, and \$1.1 million in increased outside fees and technical services.

It is the state's practice to treat agency divisions as separate entities with isolated funding accounts. For the sake of accounting clarity and ease of tracking the movement of people and dollars, this approach is effective. RTD is not capable of providing current fund authorization information with reliability and confidence. It is RTD's stated policy that fund mixing among the three categories not be done. However, the Board's practice has been that, as long as the total of the three categories did not increase, the mixing of funds and the addition of employees was acceptable. Thus, the \$6.4 million increase in Categories I and II over the adopted budget is not regarded by the board as an over-expenditure. Accrued funds in the capital budget are the source of the fund transfers to Categories I and II. RTD's expressed goal for the 1981 adopted budget is to establish an unprogrammed reserve (Category IV).

RTD should maintain independent accounts for each category. Changes in the adopted budget should be confined to a structured mid-year supplemental process. Guidelines for evaluating the necessity for mid-year changes should be clearly established. RTD should inform the Oversight Committee of all changes in the adopted budget (dollars and personnel) as they occur.

Committee Recommendation

Due to changes which have been made in the 1980 budget, the Committee requests that changes or transfers in the 1981 budget which occur between budget categories, i.e., Category I, II, III, IV, be reported in writing to the committee.

RTD Board Response

The concern expressed relative to the 1980 budget has occurred only within budget categories (Categories I, II, and III). No budget amendment for 1980 has been made among Categories I, II, and III, nor have any unappropriated funds been added to those categories as yet, although changes will be made in a budget amendment tentatively scheduled for November of this year. 4/ In 1981, any changes or transfers between budget Categories I, II, III, and IV will be the subject of a full budget amendment and adoption by the entire board of directors. Any such changes will be reported to the legislative Oversight Committee.

Issue #2
Sources of Revenue and Revenue Estimates

JBC Staff Analysis

The differences between RTD requested revenues for 1981 and staff recommendations for revenues are as follows:

Sales Tax (1/2%):

Request 1981 -----	\$57,710,000
Staff Recommendation 1981 -	\$59,052,000

RTD's sales tax estimate for 1981 assumes passage of the light rail referendum. Its expenditure budget does not. Staff assumes that the referendum will fail. 5/ The difference in dollars caused by the loss in food tax revenues will be greater than the 13 percent set aside passed by the Legislature.

Proceeds from Sales Tax Revenue Bonds, Series 1977:

Request 1981 -----	\$10,503,207
Staff Recommendation 1981 -	\$18,349,163

Assuming that RTD spends all of the \$10.9 million of sales tax revenue bonds estimated for FY 1980, the balance of bonds remaining from the 1977 issue is \$23,472,000. There is no restriction on RTD spending these bonds faster than they have. To the contrary, there are legal problems with the possibility of arbitrage if RTD does not spend them faster. By substituting the use of bonds for sales tax and investment income in the capital budget, \$7,845,956 could be expended for other purposes, namely the creation of the capital reserve.

4/ A memorandum summarizing the board amendment which was adopted on November 5, 1980, is Appendix C.

5/ The light rail proposal was not adopted in the general election, November 4, 1980.

Accrued Funds:

Request 1981 ----- \$21,508,627
Staff Recommendation 1981 - \$22,374,538

The staff recommendation for accrued funds includes probable unspent revenues from the 1980 capital budget. Historical data indicates that actual expenditures end up being 66 percent of estimated expenditures.

Other Income:

Request 1981 ----- \$298,065
Staff Recommendation 1981 - \$398,065

Staff has added \$100,000 to the RTD estimate for the estimated market value of 27 buses they plan to sell when the new fleet arrives early in 1981.

JBC Staff Conclusion

RTD Requested 1981 Revenues --- \$160,798,934
Staff Projected 1981 Revenues - \$170,952,801

Committee Recommendation

None.

RTD Board Response

None.

Issue #3
Level of Reserves for RTD

JBC Staff Analysis

In previous years, the unprogrammed surplus has never been identified in the posted budget as such. Instead, unrealistic capital programs were budgeted, the district knowing quite well that their programs were overly ambitious, and there was no fear of spending all moneys that were budgeted. For example, in 1979 the district posted a capital budget of \$55.2 million, yet spent only \$19.7 million. The unexpended non-federal portion of their capital budget over the years has built into a surplus of \$20.5 million. The source of this money is unspent sales tax collections, fare box revenues, investment income, and other income. The RTD Board has now adopted a policy that there be an unprogrammed reserve and the reserve should be ten percent

of the adopted budget, or \$16.1 million. The requested reserve is greater than that figure by \$4.35 million.

The RTD's policy of identifying the surplus is positive and indicative of prudent financial management. The method of arriving at the surplus is arbitrary, however, with the ten percent being an unjustified number. The surplus should address the following issues:

1. Working capital should be established at 45 days of operational budgets;
2. Reserve for operating contingencies or emergencies should provide for one year's operating budgets, with negative assumptions;
3. Reserve for capital replacement or expansion, although residual, should still be identifiable in the budget.

JBC Staff Conclusions

RTD has proposed operating budgets for FY 1981 of \$78.8 million. This is an increase over the 1980 estimate of 8.7 percent. The increase in the previous three years has averaged 22.4 percent. The FY 1981 budget has proposed no real growth in miles traveled, even though the real growth in terms of miles traveled for the previous three years has averaged 8.9 percent.

Working capital. This reserve is recommended at 45 days of the \$78.8 million proposed operations and administration budget of \$9.85 million.

Reserve for contingencies. This reserve is recommended to cover twelve months operational costs assuming that: (a) sales tax, fare box and federal revenues remain level for one fiscal year; and (b) inflation remains at ten percent. The reserve necessary to provide for these assumptions is \$7.88 million, but with no increase in miles traveled.

Reserve for capital replacement. This reserve is where revenues in excess of reserves and budgeted expenditures should be deposited. Future capital expansion or replacement projects can be planned with reasonably definite knowledge that these funds will be available.

Using the staff estimate for revenues, plus the district's request for expenditure projects and unprogrammed reserve for FY 1981, a total reserve of \$18.05 million would be reached.

Committee Recommendation

The Committee supports RTD's policy of a contingency category (Category IV). We request that a policy be established for use of that reserve. Also, the Committee wants to be informed in writing as

to any changes in the reserve and the reasons for such changes.

RTD Board Response

The policy for use of any funds in the contingency category is described above. (See their response to Issue #1). If unanticipated situations should arise during the budget year, a transfer from Category IV to any of the other categories may only be made through a full budget amendment as outlined above. Again, the legislative Oversight Committee will be advised should that circumstance arise.

Issue #4

Fare Box Receipts as a Percentage of Operating Costs

JBC Staff Analysis and Conclusion

The national trend in this area has been characterized by a decline in the percentage that fare box revenues represent to operating costs. RTD is attempting to counter the national trend by increasing the percentage of fare box revenues collected. This will require an increase in the average fare from 32.9 cents to 39.1 cents, or a nineteen percent increase. RTD has options for increasing revenues without increasing the posted fares. For example, they could reduce the discount currently provided customers in purchase of tokens.

As a matter of legislative policy, staff recommends that the Oversight Committee recommend establishment of the percentage of fare box receipts either through statute, resolution, or policy transmittal. At what level the percentage should be established is a judgemental and philosophical issue. It could be argued that a transit system whose revenues come 51 percent from the fare box would have to be more responsive to the market's need for service. The increase to 51 percent would have to be phased in over a period of time, five years or so, in order to avoid serious dislocation in the revenue stream. Another factor to be considered is the demand elasticity of the fare (RTD uses a factor of a 1 percent increase in fares which will result in a .33 percent reduction in ridership, all other factors remaining equal).

Committee Recommendation

The proposed policy of fare box receipts to be thirty percent of district operating costs across the district is supported by the Committee. We request, however, that RTD define what constitutes operating costs so, when organizational and other changes are made, the base assumptions do not change.

RTD Board Response

We understand the concern that the expense side of the operating ratio be stabilized so that comparisons can be made between equals on an annual basis. The operating cost assumption for 1981 is contained in the 1981 budget and will be maintained in that fashion unless circumstances should arise (such as federal accounting requirements) which require us to do otherwise. The current operating costs are consistent with Urban Mass Transportation Administration Section 15 reporting requirements. If the base assumptions should change, we will make that change visible to all concerned.

Issue #5 Route Specific Productivity Measures for RTD

JBC Staff Analysis and Conclusion

RTD is one of the few transit districts in the country to be measuring route specific productivity. Most districts use systemwide measures and use of these measures in internal management decisions on resource allocations is limited. Staff has identified the productivity measure of "number of riders per dollar of direct variable cost" to be the most useful for the General Assembly in assessing operating efficiencies of the RTD, and for RTD use in measuring internal resource allocation. (Other measures which may be used are riders per mile and riders per hour.)

All routes have a productivity measure of riders per dollar of direct variable cost assigned to them. Based on comparisons between routes, decisions could be made on which routes could be eliminated; those resources could then be transferred to routes which might be more productive. More sophisticated analysis, which could lead to increased productivity using similar resources, could also be performed. For example, another comparison of productivity which could be employed would be comparison of various types of service, such as local route productivity as compared with express or regional route productivity.

Other uses of the measure would be considered when expanding park-n-rides or assessing the impact of capital investments.

JBC Staff Conclusion

The General Assembly should adopt the riders per dollar cost as the measure of RTD efficiency. RTD should be instructed to report quarterly on the route specific productivity measure. Increases in service can be obtained in ways other than adding miles of service and therefore increasing costs. Legislative review of the riders per dollar measure will indicate the success of RTD in achieving the goal of increased service.

Committee Recommendation

With productivity measures available for each route, we urge RTD to establish a procedure for comparing productivity on a year-to-year basis so that routes can be reviewed regularly in order to maximize RTD efficiency and service to riders.

RTD Board Response

Productivity measures are already in use to serve as the basis for changes in bus routes. With the November workshop on route productivity and fare structure, board and staff will be summarizing the process so that the year-to-year comparisons requested can be made available.

Issue #6 Budget Needs for 1981 Transit Operations

JBC Staff Analysis and Conclusion -- Operations

Transit operations consist of two divisions: operations and maintenance. Operations is concerned with the actual bus routes and service, while maintenance handles the upkeep and repair of the fleet as well as the physical facilities used in the bus operations.

Of the \$2,713,193 increase in the 1981 operations budget, 99 percent is for personal services costs. With the RTD policy of maintaining the same service level in 1981 as in 1980, the budget does not reflect any increases in staff and, in fact, indicates a decrease of 12.7 FTE. The increase in cost is due to contract costs and merit pay increases.

The staffing of drivers is determined by the daily run board (schedule of routes) needs. With the same (1980) level of service planned for 1981, the need for additional staff is not there. However, as programs are discontinued, such as the HandyRide, the changes should be reflected in the budget. The personal services budget for 1981 should be reduced by \$372,147 to show the change in the HandyRide. Since increases have been made in the maintenance budget due to additional wheelchair accessibility, the decreases should also be reflected in the operations budget.

JBC Staff Analysis and Conclusion -- Maintenance

Personal services account for 59 per cent of the increase in the 1981 budget. FTE is budgeted to increase by 11.2 percent due to the addition of 15 positions for mechanics to maintain the wheelchair lifts. RTD estimates that they will need one mechanic for every 25 buses that have wheelchair lifts, because of problems anticipated with

the lifts. There is no justification for the 1:25 ratio, and a similar problem exists for other transit districts as well. An increase of five positions is for maintaining bus shelters and park-n-rides. The remaining staff is to stay stable. There are, however, no standards with which to measure the need for the number of staff, nor does there appear to be statistics with which to compare transit properties. Although problems of appropriate staffing will be changing in the future, RTD should begin to establish its own standards.

The remaining budget increase for maintenance is primarily due to projected inflationary increases in such operating costs as diesel fuel, oil, and repair parts. This increase, plus an increase in the utilities line item, accounts for 95 percent of the 1981 operating increase. The projected inflationary increases are within the increases appropriated for state budgets.

As mechanics are added to service the wheelchair lifts, a reduction in operators for the discontinued handicap services should be made. In addition, records have not been kept in the past which identify the time used on maintaining wheelchair lifts. With the increase in staff devoted entirely to wheelchair lifts, recordkeeping for this function should no longer be a problem. Records should be available next year to evaluate the staffing needs. In addition, operating expenses for handicap services should be subtracted from the budget, since the service is to be discontinued.

Future analysis of cost savings activities should include all costs to the activity in order that an accurate comparison can be made. Since there are no standards for maintenance with which to determine staffing, performance indicators should be monitored to determine the level of performance for the service given.

Committee Recommendation

The Committee recommends that, when future cost savings decisions are made, all costs be considered so that accurate comparisons are made and the cost savings be reflected in the budget. We also recommend that objective criteria be used for adding additional expenses to the budget, such as the addition of mechanics.

RTD Board Response

The request to consider the appropriate costs and to use objective criteria in cost savings decisions is noted. That is the philosophy which RTD follows in developing programs.

Issue #7
Handicap Services

JBC Staff Analysis and Conclusion

In 1979, the federal Department of Transportation issued guidelines for transit systems which address the topic of non-discrimination on the basis of handicap in federally assisted programs. The purpose of the regulation is that handicapped individuals, solely by reason of handicap, shall not be excluded from the participation in, be denied the benefits of, or be subjected to discrimination under any program receiving federal financial assistance. To this end, the Department of Transportation is requiring that 50 percent of the peak hour bus fleet be accessible to handicapped riders. By May, 1981, RTD plans to have equipped 343 buses of its mainstream fleet with wheelchair lift capability.

At the present time, RTD provides two primary types of handicap service. The first is HandyRide service which is a subscription service to the elderly and handicapped persons featuring door-to-door service. The second type is a fixed route service -- "a shadow service" -- along three routes.

With the retrofitting of buses with wheelchair lifts beginning in September, 1980, RTD plans to discontinue the three fixed routes. The retrofitted buses will be used on already existing routes which will provide the same service, resulting in a savings of 369,025 miles per year at an estimated cost of \$675,316. When retrofitting of existing buses is completed and the new buses with wheelchair accessibility arrive in April, 1981, RTD will have met the federal requirements.

The primary issues to consider are, since RTD will meet the federal regulations by mid-1981, when will HandyRide be discontinued? Why does the budget not reflect the savings which will result from discontinuing the program? Moreover, although the fixed routes are to be discontinued, the savings from this action are not reflected in the 1981 budget. The savings are to be used for increased service, such as paratransit service in some outlying areas and transit centers which are being established.

With on-route service substantially more accessible to handicapped riders, HandyRide should be discontinued and the reduction in operations should be reflected in the district's budget.

Committee Recommendation

With the additional wheelchair accessibility to be available by May, 1981, the budget should reflect the decreased costs of operating the HandyRide.

RTD Board Response

As we reported during the review of the RTD 1981 budget on September 24, 7/ the HandyRide program does not terminate in 1981, thus this item is premature.

Issue #8 Reserve Fleet

JBC Staff Analysis

Included in the fleet modernization and expansion line item of the capital budget is a request of \$2,290,000 for bus rehabilitation. RTD's plans are to rehabilitate 61 of the 127 buses that will become surplus when the 127 new transit coaches are delivered in early 1981. The district plans to sell 27 of those buses in the market and keep 100 for rehabilitation. The maintenance division's request to rehabilitate all 100 buses was pared to 61 by the executive director.

One failure of RTD's budget process is that the budget is not viewed as a policy document, and the reserve fleet issue is demonstrative of that problem. Staff has been informed that board "policy" is that the 61 buses will become a "reserve" fleet to be utilized in "emergencies" and the costs of operation will be financed 100 percent from the farebox.

This plan creates three concerns. First, on other items where the board in the past has directed 100 percent cost recovery for expenses, that level of cost recovery has not been achieved. Second, cost for the RTD service is based on operations cost; indirect costs such as administrative costs are not included. Third, although the capital expenditures are budgeted, operational expenditures are not budgeted, such as driver time, diesel fuel, maintenance, etc.

7/ At the September 24 meeting of the Oversight Committee, Acting Executive Director and General Manager Robert Nelson explained to the committee that despite federal regulations mandating mainstreaming of handicapped riders, RTD would not immediately discontinue the HandyRide service. He said RTD plans to phase out the service during 1982, and was attempting to find an alternative mode of service for current HandyRide patrons.

No objective criteria for "emergencies" have been defined by the board. RTD says that the reserve fleet will be used in a "situation in which gasoline is not readily available." What this means is not clear. If the emergency does not develop, pressure to place the buses into operation and exceed the adopted operational budgets will be intense. The overall productivity of the system will decrease because service requests will be met with additional travel miles and additional buses rather than fine tuning the existing system. Emergencies can be met in other ways than increasing buses, miles, and costs. Reduction of off-hour service and increasing peak hour service is one possibility.

JBC Staff Conclusion

Remove the \$2,290,000 for bus rehabilitation from the expenditure budget. Place the \$458,000 local share expenses in the capital reserve fund. Require the RTD Board to identify what criteria will be used to determine the emergencies that will cause the reserve fleet to be operational.

Committee Recommendation

None.

RTD Board Response

None.

Issue #9

Workers Compensation Self-Insurance

JBC Staff Analysis and Conclusion

In 1976, RTD's general liability insurance policy was cancelled because of their history of large claims. Consequently, RTD designed a program of self-insurance whereby a private insurance carrier provides coverage for portions of claims which exceed \$100,000. That plan has been advantageous to RTD, as an estimated \$200,000 was saved in premium dollars last year.

On March 1, 1980, RTD became self-insured for their Workers Compensation coverage. Here again, a private insurance carrier provides coverage for portions of claims which exceed \$150,000. In order to comply with requirements concerning the establishment of a Workers Compensation self-insurance program, RTD was required to post a \$650,000 letter of credit. Additionally, they had to set aside a reserve fund of \$1.3 million to cover claims. An insurance industry rule of thumb predicts a first year claim payout of approximately 30

percent of the reserve and investment income from the balance. The reserve must always be maintained at a sufficient level to cover all claims.

Prior to establishing a Workers Compensation self-insurance program, RTD had their coverage with the State Fund. The policy they chose was a three-year Retroactive Plan. That plan would adjust the third year's premium up or down, depending upon the claim experience. RTD's claim history has consistently exceeded their adjusted premium plan. It is interesting to note that RTD could have elected to go with a plan which would have allowed them to pay a fixed premium. It should also be noted that State Fund Director Glenn Adams called RTD "one of the poorest self-insurance risks around." He explained that no company or agency should self-insure until their accident claims are under control. RTD Operations Director Mike Smith has indicated there had been little improvement over the years in reducing the number or severity of accidents.

RTD contends they will be able to reduce their costs through more efficient and effective claim management. They predict the area of greatest impact to be in time lost by employees. For example, when an employee is recovering from an injury, rather than allow them to remain on leave, they would be assigned to light duty. However, RTD could provide no projection or analysis as to what cost savings may be anticipated. There has been no significant reduction in the number and severity of accidents, and first year real costs (for nine months) exceed the average annual claim experience with the State Fund. Once RTD processed its first claim, it was obligated to paying it and all subsequent claims fully.

The committee should urge RTD to discontinue its Workers Compensation self-insurance program until the district has effected a reduction in the number and severity of accidents. The district should suspend the insurance program until they can develop and implement an accident reduction program sufficient to justify the belief that there indeed will be a cost saving.

Committee Recommendation

The Committee recommends that RTD monitor the cost spread between self-insurance and premiums and determine the most cost effective coverage.

RTD Board Response

The board and staff will continue to monitor the cost of its self-insurance program against other possible alternatives. In addition, the benefit to RTD is not only in lower premiums, but also in returning employees to work in a more effective manner, a benefit which will be weighed along with cost savings.

Issue #10
Community Transit Centers

JBC Staff Analysis

RTD's proposed 1981 capital budget contains funding for four Community Transit Centers (CTC) which amounts to an expenditure of \$2,196,343. Three additional CTC's are in the planning stage but are not budgeted at this time. The stated purpose of Community Transit Centers is to provide a convenient, sheltered, highly visible "pulse point" for the convergence of local, circulator, and express routes within a given area. Located at proven "activity centers", such as shopping centers, CTC's provide access to express routes out of the area, to local and circulator service, and to the activity center itself.

The key to the CTC's success or failure is seen to be the synchronization of routes that provide access to rapid and convenient transfers between rides, the "pulsing" activity on which planning has focused. In addition to shelter, CTC's offer provisions for dissemination of transit information, passenger loading and unloading areas, and rest facilities. No extensive parking for transit patrons will be provided in order to encourage originations by foot, car, bicycle, or transfer from another bus.

Analysis of the validity of the Community Transit Center concept focuses upon two core features -- location and projected increases in patronage.

1. Multiple criteria were employed by RTD in assessing the value of CTC's to the overall system. For each CTC location considered, measures such as population, employment, and area retail employment were considered. In addition, the existing bus service to the area was surveyed, and projections for proposed local, express, and circulator service were considered. Qualitative measures which were evaluated included relation to a primary transit corridor project, relationship with an activity center, joint use potential, and fit with community development plans.
2. Preliminary transit center patronage estimates indicate significant gains in the number of peak hour originations, terminations, and transfers which would be experienced at transit centers. It must be noted, however, that it is not possible to determine what percentage of these increases would be made up of new riders as opposed to existing riders not now using a centralized facility.

JBC Staff Conclusion

Only two Community Transit Centers should be funded at this time, one at an "in-town" locale and one in a suburban locale. Based on RTD's own evaluation criteria, in-town sites rank as high or higher

than comparable suburban sites. Secondly, the "pulsing" activity concept is unproven in terms of increasing patronage or efficiency and should be tested in a prototypical fashion before beginning construction of more facilities.

Committee Recommendation

We urge RTD to reevaluate the plans for establishing four Community Transit Centers in 1981. Until the need and success of these centers is established, it may be best to test the concept before building the entire program.

RTD Board Response

The transit centers in Littleton, Northglenn, and Arvada are being reevaluated to ensure their compatibility with light rail transit alignments as they are evolving. In large measure the location and the operation of these transit centers must be and is guided by the planning requirements of the local communities. In the case of these three cities and Boulder, commitments have been made for these projects, both by RTD and UMTA, and in the case of Boulder the project is scheduled for final design and construction.

The idea of testing the concept has merit, and it is apparent that we did not make the point that experience does exist, both here and in other cities. There is an operational transit center at Stapleton International Airport, built for RTD by the airport. It focuses eight bus routes, providing route interchange as well as walk-in service to the air terminal. RTD will continue to monitor the effectiveness of these centers as we build them over a period of several years. Should experience prove the concept ineffective, the program would be contracted.

V. Issues Under Consideration -- Ongoing Concerns

The Committee on RTD Oversight identified a number of issues as ongoing concerns relative to the operations and activities of RTD. These issues include the following:

1. Of primary importance was the committee's concern over the costs of RTD compliance with DOT Section 5 regulations on transit services for handicapped persons. As the cost of retrofitting buses with wheelchair lifts and maintenance of lifts seems extreme, the committee expressed strong objections to the federal requirement that one-half the peak-hour bus fleet be made wheelchair accessible. Members pointed out that the technology related to wheelchair lifts is still largely unproven, and that equipping half the bus fleet with lifts could impair system efficiency. On November 26, the committee sent letters to the Colorado congressional delegation, urging congressional action which would

require modification of DOT regulations on transit service for handicapped. (See Appendix D.)

2. The committee maintained ongoing interest in the efficiency of the RTD Action Center in responding to customer questions and complaints. Members emphasized the importance of this service as the first line of contact for many transit patrons. RTD was urged to monitor carefully turnaround time on calls, operator courtesy, and methods of improving telephone services during the coming year.
3. The committee emphasized its interest in the possibility of RTD employing part-time drivers to bolster the peak hour transit fleet. System efficiency could be improved if part-time drivers could be used to supplement the peak-hour force. RTD was urged to further explore this possibility from standpoints of both efficiency and economic savings.
4. The committee stressed that RTD board members and staff who attend conferences and seminars should adhere to a philosophy of cost consciousness. While the value of attending such functions was viewed as important, the committee emphasized that selectivity in participation and keeping costs under control should be an important priority. In addition, the notion of cost consciousness could be extended to those measures which might be used to help defray operating costs, such as uses of bus advertising, contracting of in-house functions, and other economies.
5. Finally, the committee expressed concern that RTD board members and staff do everything in their power to maintain a positive public image for RTD. In particular, the use of secret meetings, hiring of private investigators, and review of signatures on ballot petitions were cited as inappropriate actions on the part of a public body. The committee strongly suggested curtailing activities of an extra-legal nature as one approach toward enhancing RTD's public image.

APPENDIX A

SENATE JOINT RESOLUTION NO. 12.

BY SENATORS POWERS, ALLSHOUSE, MACMANUS, AND D. SANDOVAL; ALSO REPRESENTATIVES GORSUCH, BLEDSOE, DAVOREN, DEFILIPPO, DODGE, FAATZ, HAMLIN, HILSMIEIER, MCELDERRY, NEALE, POWERS, SCHAUER, SHEPARD, SHOWALTER, SPELTS, TAYLOR, AND WITHERSPOON.

WHEREAS, The regional transportation district was created ten years ago by the general assembly and has conducted its affairs since its creation independent of any continued legislative oversight; and

WHEREAS, The board of directors of the district consists of twenty-one members appointed by the governing bodies of the various counties and cities and counties included within the district, with the exception of at-large directors, and such members are therefore not accountable to the electors of the district as a whole; and

WHEREAS, The transportation needs of the district are increasing and changing rapidly as development of the area proceeds, prompting concern at local and state levels that such transportation needs are not being met adequately with existing transportation services; and

WHEREAS, The problem of pollution generated by present transportation modes has generated great concern at all levels of government and may precipitate federal action if not dealt with adequately; and

WHEREAS, There is a need for continuing legislative vigilance of the manner in which the regional transportation district is fulfilling its statutory charge; now, therefore,

Be It Resolved by the Senate of the Fifty-second General Assembly of the State of Colorado, the House of Representatives concurring herein:

That the Joint Rules of the Senate and House of Representatives are amended BY THE ADDITION OF A NEW RULE to read:

JOINT RULE NO. 32

- (a) (1) There is hereby established a joint legislative regional transportation district oversight committee composed of three senators appointed by the President of the Senate, two from one major political party and one from the other major political party, and three representatives appointed by the Speaker of the House of Representatives, two from one major political party and one from the other major political party, to provide continuing legislative review of the operation of said district. On or before July 1, 1979, the President of the Senate shall appoint a chairman for a term of two years. On the expiration date of said term, the Speaker of the House of Representatives shall appoint a chairman for a term of two years. Thereafter, this procedure of appointment shall be repeated every two years. Committee members shall represent legislative districts which are within the area comprising the regional transportation district.
- (2) Members of the committee shall be appointed for terms of two years, and appointments shall be made no later than thirty days after the convening of the first regular session of each General Assembly. Any committee member who ceases to be a member of the General Assembly or who fails to attend seventy-five percent of the meetings of the committee in any six-month period shall be deemed to have resigned from the committee. Vacancies shall be filled for the remainder of the unexpired term in the same manner as for original appointments.
- (3) Members of the committee shall receive no additional compensation but shall be reimbursed for necessary expenses incurred in the performance of their duties from funds appropriated for legislative expenses.
- (b) The committee shall meet at least twelve times each year to review all functions of the district, including but not limited to:
- (1) Content and revision of the mass transportation plan adopted by the board of directors, including the district's mass transportation services, routes, and schedules and alternative modes of providing mass transportation;

- (2) All revenues of the district from any source, including investments and securities issued, and proposals for increasing such revenues;
 - (3) All expenditures of the district, including capital outlays, operational expenses, and expenses for equipment and maintenance;
 - (4) Short- and long-range planning for the district;
 - (5) The effect of the district's services and plans on employment, commercial and industrial activities, and housing within the district and transportation habits and practices of the residents of the district, together with any other related social, economic, and environmental impacts of such services and plans;
 - (6) Compliance with the statutory provisions governing the district;
 - (7) Feasibility of requiring that the board of directors of the district be appointed on the basis of population representation in accordance with federal census data.
- (c) The committee shall also review and comment on the district's annual budget before it is adopted.
 - (d) The committee may conduct public hearings concerning the level of services, routes, schedules, fees, charges, and any other matters of general public interest with regard to the services and plans of the district.
 - (e) The committee may request staff services from the legislative council and the legislative drafting office and staff assistance from any other legislative or executive branch agency or department. The committee shall seek the cooperation of the board of directors, officers, and employees of the district in obtaining information required in carrying out its duties and functions.
 - (f) The committee shall report its findings and recommendations annually to the general assembly, including recommendations in bill form for changes in the statutes governing the regional transportation district.
 - (g) This joint rule shall be repealed effective July 1, 1981.

Be It Further Resolved, That the General Assembly hereby requests that the board of directors, officers, and employees of the regional transportation district cooperate with the committee established by Joint Rule No. 32 in carrying out its duties and functions.

Fred E. Anderson
PRESIDENT OF
THE SENATE

Robert F. Burford
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Marjorie L. Rutenbeck
SECRETARY OF
THE SENATE

Lorraine F. Lombardi
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

OFFICERS

SEN. FRED E. ANDERSON
Chairman

REP. JOHN G. HAMLIN
Vice Chairman

STAFF

LYLE C. KYLE
Director

DAVID F. MORRISSEY
Assistant Director



LEGISLATIVE COUNCIL

ROOM 46 STATE CAPITOL
DENVER, COLORADO 80203

839-3521

AREA CODE 303

MEMBERS

SEN. J. ROBERT ALLSHOUSE
SEN. REGIS F. GROFF
SEN. BARBARA S. HOLME
SEN. DAN D. NOBLE
SEN. DONALD A. SANDOVAL
SEN. L. DUANE WOODARD
REP. W. H. "BILL" BECKER
REP. ROBERT F. BURFORD
REP. STEVEN J. DURHAM
REP. CHARLES B. "CHUCK" HOWE
REP. BOB LEON KIRSCHT
REP. PHILLIP MASSARI

APPENDIX B

TO: The Board of Directors Regional Transportation District:

The RTD Oversight Committee of the General Assembly, created by S.J.R. 12 of the 1979 Session, is charged with the responsibility of conducting a thorough review of the administration and operation of the district, an entity created in statute by the General Assembly. Relative to its charge, the committee took under consideration the recent controversial activities of the RTD Board of Directors, the executive committee, and its officers to determine the appropriateness of the actions of any or all of these individuals in the matter of the resignation of the district's executive director and general manager. The objective of this inquiry was to determine the committee's level of confidence in the RTD board, and to develop a statement as to the committee's assessment of the board's conduct in its recent activities.

At its meeting of February 4, 1980, the Oversight Committee adopted the following motions which, as a whole, provide a statement as to the committee's position upon the conclusion of its inquiry. Each of these motions appears in the order in which it was presented at the meeting.

1. ANY FURTHER INQUIRY INTO THE SITUATION SURROUNDING THE SEVERING OF THE EMPLOYMENT RELATIONSHIP BETWEEN THE REGIONAL TRANSPORTATION DISTRICT AND HOWARD J. BECK BE DISCONTINUED, AND THAT THE OVERSIGHT COMMITTEE PROCEED IN THE DIRECTION PROVIDED IN SENATE JOINT RESOLUTION 12.

2. THE COMMITTEE RESOLVES TO ADOPT A FORMAL MOTION AS TO ITS LEVEL OF CONFIDENCE IN THE RTD BOARD.

Relative to these two motions, it was the committee's sentiment that it had been provided with sufficient testimony from members of the RTD board, and that it was prepared to develop its conclusions regarding these recent events. It was the committee's intent that these conclusions be viewed as recommendations to the RTD Board of Directors, with regard to the issues brought to light during the inquiry, and urged that the recommendation be considered by the board in examining its decision-making process.

3. THE RTD BOARD OF DIRECTORS ACTED PROPERLY AND IN THE BEST INTEREST OF RTD IN ACCEPTING THE RESIGNATION OF HOWARD J. BECK.

4. THE COMMITTEE ACKNOWLEDGES THE BOARD'S OBLIGATION AND DUTY TO INVESTIGATE ALLEGATIONS OF CRIMINAL MISCONDUCT BY EMPLOYEES OR BOARD MEMBERS OF THE DISTRICT. HOWEVER, THE ENTIRE BOARD SHOULD IMMEDIATELY ESTABLISH AN EXPLICIT PROCEDURE FOR HAVING SUCH ALLEGATIONS INVESTIGATED, AND SPECIFICALLY DELINEATE WHETHER THE OFFICERS, THE EXECUTIVE COMMITTEE OR THE FULL BOARD MAY DECIDE TO COMMENCE SUCH INVESTIGATIONS AND TAKE ACTION ON THE FINDINGS OF SUCH INVESTIGATIONS.

5. THE COMMITTEE DOES NOT CONDONE THE USE OF PRIVATE INVESTIGATORS TO TRAIL EMPLOYEES OR BOARD MEMBERS OF THE DISTRICT AGAINST WHOM ALLEGATIONS OF PERSONAL MISCONDUCT AFFECTING THE DISTRICT ARE MADE, BUT URGES THE FULL BOARD TO ARRIVE AT AN ACCEPTABLE METHOD OF DETERMINING FACT FROM RUMOR WHEN ALLEGED VIOLATIONS OF THE RTD CODE OF PERSONAL CONDUCT ARE MADE KNOWN.

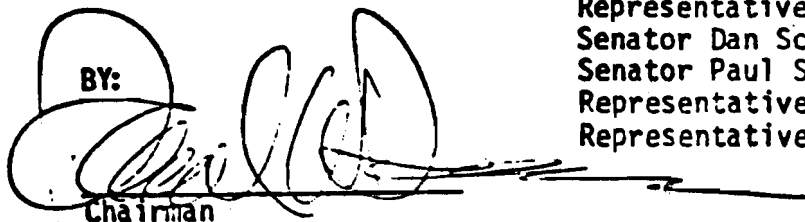
6. THE COMMITTEE RESOLVES THAT ALTHOUGH SOME JUDGMENTAL ACTIONS OF CERTAIN BOARD MEMBERS MIGHT IN RETROSPECT HAVE BEEN MADE MORE WISELY, NO OVERT VIOLATION OF THE RTD BYLAWS ARE APPARENT. OBVIOUSLY, MORE COMMUNICATION AND DEFINITION OF DELEGATION TO THE OFFICERS IS IN ORDER. THE RTD BYLAWS CALL FOR AN ANNUAL ELECTION OF BOTH OFFICERS AND EXECUTIVE COMMITTEE MEMBERS IN JULY. ALL MEMBERS OF THE RTD BOARD HAVE THE OPPORTUNITY TO EXPRESS THEIR WILL OR CONFIDENCE IN THE PRESENT OFFICERS BASED ON NOT ONE OCCURRENCE BUT ON ALL ACTIONS OF THE OFFICERS AND EXECUTIVE COMMITTEE DURING THE PRECEDING YEAR.

7. THE COMMITTEE VOICES ITS STRONG SENTIMENT THAT THE BOARD OF DIRECTORS CONSIDER BETTER COMMUNICATION BETWEEN OFFICERS AND BOARD MEMBERS, AND THE COMMITTEE URGES THAT THE BOARD AND OFFICERS DO EVERYTHING IN THEIR POWER TO AVOID THE ESTRANGEMENT THAT OCCURRED IN THE MOST RECENT SITUATION. THE COMMITTEE ALSO URGES THAT EACH OF THE PREVIOUS MOTIONS PASSED TODAY BY THE COMMITTEE BE ACTED UPON BY THE BOARD AS SOON AS POSSIBLE.

8. THE RTD OVERSIGHT COMMITTEE DOES NOT HAVE COMPLETE CONFIDENCE IN THE ENTIRE BOARD OF DIRECTORS OF RTD.

Very truly yours,

Senator Paul Powers, Chairman
Representative Jeanne Faatz, Vice Chairman
Senator Dan Schaefer
Senator Paul Sandoval
Representative Paul Schauer
Representative James Shepard

BY: 
Chairman



APPENDIX C

TO: Board of Directors
FROM: E. J. Cathell, Jr.
DATE: October 30, 1980

1325 South Colorado Boulevard
Denver, Colorado 80222
303/759 1000

SUBJECT

1980 Proposed Budget and Appropriation Amendment.

ACTION PROPOSED

Amendment to the 1980 Budget and Appropriation.

BASIS FOR PROPOSED ACTION

The primary purpose of the proposed Amendment is to provide for increased costs in the Transit Operations category due largely to higher than anticipated inflation in costs, especially in salaries and in union wages and benefits provided in the new collective bargaining agreement and in petroleum related products. Also, anticipated sales tax revenues are decreased due to impact of economic recession; transit operating revenues are increased due to increased ridership; and investment income is increased due to high interest rates during 1980. Finally, provision is made for reduction in the estimate of capital programs to be completed in 1980, and for reduction of federal grant receipts associated with those projects which are deferred until later years. The reduction in Capital program includes deferral of payment of \$15,466,920 for 127 transit buses from 1980 to 1981.

The proposed amendment would reduce the 1980 Budget/Appropriation from \$137,015,394 to a new total of \$124,686,777. Specifically the amendment that is proposed:

- a) Would leave the Systems Development, Transit Planning and Administration Category unchanged at \$16,099,080.
- b) Would supplement expenditures by \$6,096,010 in the Transit Operations Category.
- c) Would reduce expenditures by \$34,903,192 in the Capital Category.
- d) Would establish a Contingency Category of \$16,478,565.
- e) Would reduce total revenues by \$12,328,617 with the decrease in federal grants of \$21,180,257 and a decrease of sales tax of \$2,525,000 being partly offset by a carryover of \$1,928,808 of Bond proceeds unexpended in 1979, an increase of \$2,750,000 in investment income, and an increase of \$5,494,335 in accrued funds carryover from 1979.

Memorandum
Board of Directors
October 30, 1980
Page 2

Attachment I shows the 1980 Adopted Budget in the same format as was adopted for the 1981 budget with all revenues aggregated together and being equal to the total of Categories I, II, III and the new Contingency Category IV. Proposed changes are indicated as well as the new amounts for the Proposed 1980 Budget Amendment.

The proposed resolution is enclosed as Attachment II.

REGIONAL TRANSPORTATION DISTRICT

1980 Proposed Budget Amendment

REVENUES

	<u>1980 Adopted Budget</u>	<u>Changes</u>	<u>Proposed 1980 Budget Amendment</u>
Sales Tax	\$ 52,725,000	- \$ 2,525,000	\$ 50,200,000
Federal Grants-Capital	41,226,825	- 21,180,257	20,046,568
Federal Grants-Technical Assistance	192,000	0	192,000
Federal Grants-Operating Assistance	5,375,918	0	5,375,918
Proceeds from Sales Tax			
Revenue Bonds, Series 1977	9,013,651	+ 1,928,808	10,942,459
Transit Operating Revenues	11,200,000	+ 2,750,000	13,950,000
Investment Income	1,320,000	+ 1,203,497	2,523,497
Accrued Funds	15,800,000	+ 5,494,335	21,294,335
Other Income	162,000	0	162,000
	<u>\$137,015,394</u>	<u>- \$12,328,617</u>	<u>\$124,686,777</u>
TOTAL			

EXPENDITURESSystems Development, Transit Planning
and Administration - Category I

- Personal Services	\$ 8,177,584	- \$ 662,727	\$ 7,514,857
- Materials and Supplies	561,699	-	561,699
- Other Outside Services	3,322,709	+ 662,727	3,985,436
- Other General Expenses	1,794,585	-	1,794,585
SUB TOTAL	<u>\$ 13,856,577</u>	-	<u>\$ 13,856,577</u>
- Interest Expense	2,242,503	-	2,242,503
SUB TOTAL - Systems Development, Transit Planning and Administration	\$ 16,099,080	-	\$ 16,099,080

Transit Operations - Category II

- Personal Services	\$ 38,323,974	+ \$ 3,139,229	\$ 41,463,203
- Advertising and Promotion	1,064,330	- 1,064,330	-
- Materials and Supplies	8,331,592	+ 2,609,221	10,940,813
- Outside Services	227,460	+ 598,095	825,555
- Insurance	1,316,700	+ 391,830	1,708,530
- Other General Expenses	724,653	+ 421,965	1,146,618
SUB TOTAL TRANSIT OPERATIONS	\$ 49,988,709	+ \$ 6,096,010	\$ 56,084,719

REGIONAL TRANSPORTATION DISTRICT

1980 Proposed Budget Amendment

	<u>1980 Adopted Budget</u>	<u>Changes</u>	<u>Proposed 1980 Budget Amendment</u>
<u>Capital - Category III</u>			
- Transitway/Mall	\$ 24,741,185	- \$11,538,570	\$ 13,202,615
- On/Off-Street Improvements	1,041,481	- 598,914	442,567
- Transit Centers	3,388,872	- 1,690,372	1,698,500
- Park-n-Rides	3,564,171	- 496,305	3,067,866
- Shelters, Bus Stop Signs, Bike Racks	365,000	+ 26,902	391,902
- Fleet Modernization and Expansion	17,031,562	- 13,282,809	3,748,753
- Maintenance and Storage Facilities	7,522,197	- 1,322,669	6,199,528
- Vehicle Management Systems and Operations Support Equipment	1,223,137	- 455	1,222,682
- Primary Corridor Projects	10,350,000	- 6,000,000	4,350,000
- Bond Principal	1,700,000	-	1,700,000
	<u>\$ 70,927,605</u>	<u>- \$34,903,192</u>	<u>\$ 36,024,413</u>
<u>Contingency - Category IV</u>	-	+ \$16,478,565	\$ 16,478,565
TOTAL ACTUAL/BUDGET	<u>\$137,015,394</u>	<u>- \$12,328,617</u>	<u>\$124,686,777</u>

PROPOSED

REGIONAL TRANSPORTATION DISTRICT

RESOLUTION NO. , SERIES OF 1980

(Amendment to 1980 Budget and Appropriation)

WHEREAS, since the adoption of the 1980 Budget and Appropriation Resolution a number of changes have occurred in the anticipated income and expenditures shown therein, necessitating an amendment to the 1980 Budget and an amendment and supplement to the Appropriation Resolution, to wit:

1. The Regional Transportation District has \$11,376,640 that was not anticipated or assured at the time of the adoption of the 1980 Budget and Appropriation, of which \$6,096,010 is available for the Transit Operations Category. \$7,423,143 of the \$11,376,640 is prior year accrued funds, \$2,750,000 is increased Transit Operating Revenue, and \$1,203,497 is increased Investment Income; and
2. The Regional Transportation District's 1980 sales tax receipts will be \$2,525,000 less than budgeted; and
3. In the Transit Operations Category of the Budget, the cost of fuel and petroleum related products will increase in the amount of \$1,735,992; the cost of parts, materials and supplies will increase in the amount of \$873,229; the cost of personal services will increase in

the amount of \$3,139,229; and the cost of other operations maintenance expenses will increase in the amount of \$347,560; and

4. In the Capital Category of the Budget, it is anticipated that \$34,903,192 of the Capital Program will not be completed in calendar year 1980; and that associated federal grant receipts will be \$21,180,257 less than budgeted; and

5. The Regional Transportation District has determined a need to establish a contingency within the 1980 Budget and the 1980 Appropriation; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Regional Transportation District that the following adjustments be made to the 1980 Budget:

- a) Systems Development, Transit Planning and Administration expenditures remain at \$16,099,080.
- b) Transit Operations Category expenditures will be supplemented by \$6,096,010 for a new total of \$56,084,719.
- c) Capital Category expenditures will be decreased by \$34,903,192 to a new total of \$36,024,413.
- d) Contingency Category be established in the amount of \$78,565.
- e) Total reduction in 1980 Budget by \$12,328,617 to a new total of \$124,686,777.

BE IT FURTHER RESOLVED that the 1980 Appropriation and Categories therein of the District shall be and the same is supplemented, modified and amended to read as set forth herein and so much thereof as may be

needed and deemed necessary to defray the expenses and liabilities of the District be and the same are hereby appropriated for the corporate purpose of the Regional Transportation District, to wit:

For System Development, Transit Planning and Administration Category	\$ 16,099,080
For Transit Operations Category	56,084,719
For Capital Category	36,024,413
For Contingency Category	<u>16,478,565</u>
Total Appropriation	\$124,686,777

Passed and Adopted by the Board of Directors of the Regional
Transportation District on the day of , 1980.

Chairman

Secretary

COLORADO GENERAL ASSEMBLY

OFFICERS
SEN. FRED E. ANDERSON
Chairman

REP. JOHN G. HAMLIN
Vice Chairman

STAFF
LYLE C. KYLE
Director

DAVID F. MORRISEY
Assistant Director



LEGISLATIVE COUNCIL

ROOM 48 STATE CAPITOL
DENVER, COLORADO 80203
839-3521

AREA CODE 303

November 24, 1980

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SEN. REGIS F. GROFF
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REP. STEVEN J. DURHAM
REP. CHARLES B. "CHUCK" HOWE
REP. BOB LEON KIRSCHT
REP. PHILLIP MASSARI

APPENDIX D

Letter to Colorado Congressional Delegation

Senator Gary Hart
Senator William L. Armstrong
Congresswoman Patricia Schroeder
Congressman Tim E. Wirth

Congressman Raymond P. Kogovsek
Congressman James P. Johnson
Congressman Kenneth B. Kramer

The Committee on Legislative Oversight of the Regional Transportation District (RTD) of the Colorado General Assembly has had under consideration an issue concerning regulations of the U.S. Department of Transportation under Section 504 of the "Rehabilitation Act of 1973", regarding transit services for handicapped persons.

The apparent intent of the regulation is provision of equal access to public mass transit for handicapped persons by requiring local transit services to provide mainstream access rather than separate special systems. In order to provide such access to the mainstream bus fleet of the Regional Transportation District, an estimated capital cost of \$5,630,000 will be incurred. This cost includes the purchase and installation of 313 wheelchair lifts, but does not take into account the significant operating cost which can only be determined when the wheelchair lift-equipped buses are in operation. The Committee has noted that a recent study of costs of bus accessibility over a 30-year period is \$4.8 billion (Congressional Budget Office), as compared to the Department of Transportation's estimated 30-year cost of \$1.8 billion.

Members of the Oversight Committee believe that these funds could be used more effectively in a local option format, a conclusion which is supported by the Congressional Budget Office study. Additionally, we have serious concerns over the reliability of wheelchair lift technology, given the uneven experiences of other U.S. cities, and

over the negative effects that mainstream access could have upon overall bus system efficiency. Our major concern, however, is that the amount spent on purchase, installation, and maintenance of wheelchair lifts, could be better spent for two other purposes: 1) the purchase of new buses for the overall system; and 2) the provision of better, more personalized service for the handicapped community. The RTD already provides an excellent service of this type through the "HandyRide", which is scheduled to be phased out due to the cost of implementing DOT Section 504 regulations.

We would stress that any compromises made in the Congress this year concerning transit service to the handicapped be in the direction of providing greater local option. The committee hopes that the members of the Colorado Congressional delegation will support (or propose) amendments which would provide a greater local planning role in meeting the transportation needs of the handicapped.

We want to stress that it is the philosophy of the committee that the needs of all handicapped persons be recognized. Local option decisions could result in the use of two or more different programs designed to meet the needs of the total handicapped community.

It is our strong belief that regulations such as Section 504 of the "Rehabilitation Act of 1973", no matter how well intended, are costly, technologically unsound, and detrimental to service for all transit patrons, handicapped and non-handicapped alike. We therefore urge that the issue of transit service for handicapped persons be reviewed with respect to these concerns, and that Congress take definitive action to modify existing regulations so to provide for greater local option. The result, we feel certain, will be better transit service for all citizens.

Very truly yours,

/s/ Senator Paul Powers, Chairman

/s/ Representative Jeanne Faatz,
Vice Chairman

/s/ Senator Paul Sandoval

/s/ Senator Dan Schaefer

/s/ Representative Paul Schauer

/s/ Representative Jim Shepard