

AGENDA

RTD Accountability Committee
Finance Subcommittee
Wednesday, October 21, 2020
11:00 a.m. - 12:00 p.m.
VIDEO/WEB CONFERENCE
Denver, CO

1. Call to Order
2. Introductions
3. October 7, 2020 Meeting Summary
(Attachment A)

DISCUSSION ITEMS

4. State Statutes Summary
(Attachment B)
5. Finance Subcommittee Strategic Priorities
(Attachment C)
6. Next Steps for RTD Role in COVID Crisis Resolution

ADMINISTRATIVE ITEMS

7. Member Comment/Other Matters
8. Next Meeting: November 4, 2020
9. Adjournment

ATTACH A

MEETING SUMMARY
RTD ACCOUNTABILITY COMMITTEE-Finance Subcommittee
Wednesday, October 7, 2020

Note: Meeting held virtually via GoToMeeting

MEMBERS PRESENT:

Rutt Bridges
Dan Blankenship
Krystin Trustman
Rebecca White
Lynn Guissing
Julie Mullica

Others Present: Douglas W. Rex, DRCOG Executive Director; Heather McKillop, RTD, Nicole Carey, RTD, Luke Palmisano, Jordan Sanchez, Natalie Shishido, Jennifer Brandeberry, Shelly Cook, Ron Papsdorf, DRCOG, Matthew Helfant, DRCOG.

Call to Order

Ron Papsdorf, Transportation Planning & Operations Director called the meeting to order at 11 a.m.

DISCUSSION ITEMS

Colorado's COVID Crisis: RTD's Risks and Opportunities

Rutt Bridges provided a presentation describing a concept for how RTD could play a role in the State's response to COVID-19, in particular the efficient and effective distribution of a vaccine. RTD has significant employee, facility, equipment, and service assets that could be useful. For instance, RTD park and ride lots could be used as vaccine distribution sites, RTD staff could be assigned to participate in mobile vaccination teams, and RTD buses could become mobile vaccination sites.

The subcommittee engaged in a discussion of this idea and supported pursuing next steps to identify potential partnerships.

Peer Agency Comparisons

Since time was running short, this item was tabled until the October 21, 2020 meeting.

State Statutes Summary

Since time was running short, this item was tabled until the October 21, 2020 meeting.

ADMINISTRATIVE ITEMS

Member Comment/Other Matters

There was a comment that the 2019 RTD Service Report includes a great deal of information that is relevant to the subcommittee's work. The 2020 report will be available in about May/June of 2021.

There was a request that RTD's most recent monthly ridership reports be posted each month.

The next meeting will take place on October 21, 2020.

The meeting adjourned at 12:10 p.m.

ATTACH B

To: Members of the RTD Accountability Committee Finance Subcommittee

From: Douglas W. Rex, Executive Director
(303) 480-6701 or drex@drcog.org

Meeting Date	Agenda Category	Agenda Item #
October 21, 2020	Discussion	4

SUBJECT

RTD State Statutes Summary

PROPOSED ACTION/RECOMMENDATIONS

N/A

ACTION BY OTHERS

N/A

SUMMARY

RTD is a creature of State statute (Title 32, Article 9). The statutes related to RTD give it specific authorities, responsibilities, and restrictions. Some of those have direct or potentially indirect impacts on the finances of RTD (Excerpts below).

CRS 32-9-119.5 Competition to provide vehicular service within the regional transportation district

The district may implement a system under which up to 58% of the district's vehicular service is provided by qualified private businesses. Sets out the processes and parameters for privately provided services.

CRS 32-9-119.7 Farebox recovery ratios – plans

Requires that 30% of RTD's operating costs be funded by revenues collected (all non-sales tax revenue generated through the operation and maintenance of the mass transit system, except ADA services).

CRS 32-9-119.8 Provision of retail and commercial goods and services at district transfer facilities – residential and other uses at district transfer facilities permitted – definitions

RTD may negotiate and enter into agreements with any person or public entity for the provision of retail and commercial goods and services to the public at transfer facilities or for the provision of residential uses or other uses at such facilities. The district itself shall not provide retail and commercial goods and services at transfer facilities pursuant to this section, except for the sale of mass transportation tickets, tokens, passes, and other transactions directly and necessarily related to the operation of a mass transportation system. The district may negotiate and enter into agreements with third parties to provide any of the goods and services or other uses contemplated under this section.

The use of a transfer facility for the provision of retail or commercial goods or services or for the provision of residential uses or other uses **shall not be permitted if** the use would reduce transit services, **would reduce the availability of adequate parking** for the public, or, for uses involving the provision of retail or commercial goods or services, **would result in a competitive disadvantage to a private business** reasonably near a transfer facility engaging in the sale of similar goods or services. The provision of retail and commercial goods and services or the provision of residential uses or other uses at

transfer facilities shall be designed to offer convenience to transit customers and shall be conducted in a manner that encourages multimodal access from all users.

32-9-119.9 Limited authority to charge fees for parking – reserved parking spaces – penalties – definitions

With limitations, RTD may charge a parking fee at a district parking facility for certain types of parking and customers.

32-9-120 Levy of taxes – limitations

no general ad valorem property taxes shall be levied, directly or indirectly, by the district under the provisions of this article, except for the payment of any annual deficit, if any, in the operation and maintenance expenses of the district, such levy not to exceed one-half mill on each dollar of valuation for assessment each year.

32-9-124 Forms of borrowing

Subject to the provisions of this article, the district, to carry out the purposes of this article, may borrow money and may issue the following district securities to evidence such borrowing: Notes, warrants, bonds, temporary bonds, refunding bonds, special obligation bonds, and interim notes.

32-9-128 Incurrence of special obligations

The district may borrow money in anticipation of the revenues and the sales tax proceeds of the district, but not the proceeds of any general ad valorem property taxes, and issue special obligation bonds to evidence the amount so borrowed. Any special obligation bonds or other obligations payable in whole or in part from the sales tax proceeds of the district or revenues of the district, or both, may be issued or incurred without an election, in anticipation of such sales tax proceeds or revenues, or both.

PREVIOUS DISCUSSIONS/ACTIONS

N/A

PROPOSED MOTION

N/A

ATTACHMENT

None

ADDITIONAL INFORMATION

If you need additional information, please contact Douglas W. Rex, Executive Director, at drex@drkog.org or (303) 480-6701; or Ron Papsdorf, Director, Transportation Planning and Operations, at 303-480-6747 or rpapsdorf@drkog.org.

ATTACH C

To: Members of the RTD Accountability Committee Finance Subcommittee

From: Douglas W. Rex, Executive Director
(303) 480-6701 or drex@drcog.org

Meeting Date	Agenda Category	Agenda Item #
October 21, 2020	Discussion	5

SUBJECT

Finance Subcommittee Strategic Priorities

PROPOSED ACTION/RECOMMENDATIONS

N/A

ACTION BY OTHERS

N/A

SUMMARY

The subcommittee will continue the conversation about strategic priorities initiated at the October 19 RTD Accountability Committee. The goal is to further refine the strategic priorities and reach a consensus on the items the subcommittee will focus on over the next two months.

PREVIOUS DISCUSSIONS/ACTIONS

N/A

PROPOSED MOTION

N/A

ATTACHMENT

1. Draft RTD Accountability Committee: Initial Subcommittee Focus Areas

ADDITIONAL INFORMATION

If you need additional information, please contact Douglas W. Rex, Executive Director, at drex@drcog.org or (303) 480-6701; or Ron Papsdorf, Director, Transportation Planning and Operations, at 303-480-6747 or rpapsdorf@drcog.org.

RTD Accountability Committee: Initial Subcommittee Focus Areas

The Committee's mission is to provide feedback and a set of recommendations for improvement to the operations of and statutes related to RTD, to the board and staff of the RTD, the Governor, the General Assembly, and the public.

Core Problems at RTD the Committee Needs to Address

- Assuring financial stability by addressing insufficient revenues, an unsustainable financial model, high debt load, and operating within available resources and available contingency plans
- Rebuilding trust and transparency with constituents
- Increasing ridership to address both post-COVID-19 losses and pre-COVID-19 declines
- Ensuring appropriate levels of service, especially for transit-reliant and vulnerable populations
- Strengthening partnerships with local governments, other transit agencies, non-profits, and other entities such as Districts and Regional Transportation Authorities (RTA's)
- Addressing unfinished FasTracks corridors
- Encouraging RTD to innovate and anticipate new dynamics and trends
- Refocusing RTD on serving core mission: serving transit markets well
- Addressing workforce challenges, such as operator shortages, compensation, hours, etc.

The subcommittees will focus their initial inquiry and development of recommendations in the following areas:

Governance Subcommittee

1. Explore and develop an alternative governance structure and deployment of transit services proposals that follow a regional/subregional model and partnership with local governments, with the following potential characteristics:
 - Use of community-based transit planning
 - A regional/local division of RTD funding and routes, with RTD focusing on regional routes and local governments focusing on local transit networks that meet regionally established criteria and can be competitively contracted out. Consideration of the disparities in the amount of local funding governments from high income and low-income areas could supply should be included.
 - The ability/requirement for locals to match a portion of RTD funds to leverage additional local funding. Match requirement could be lower for counties with higher low income/vulnerable populations to address equity concerns.
 - A DRCOG Subregional TIP Forum-type process and structure with RTA's, counties, cities, or other regional jurisdictions serving as subregions
 - Adherence to consistent performance criteria throughout RTD's service area, e.g., MetroVision goals
2. Explore how to enable partnerships with other transit agencies and nonprofits to provide for better service outside and inside RTD boundaries, e.g., using the HOP in Boulder as a local model and the Fort Collins/Transfort Flex as an inter-regional model.
 - This model can be useful for providing service to low ridership areas such as Evergreen
3. Assess whether the size and structure of RTD's service area is appropriate relative to its ability to provide transit service.
4. Assess whether the RTD Board would be more effective with a different size or structure, e.g, elected vs. appointed, number of districts, at-large vs. districts, representation at both the regional and subregional scale (e.g., DRCOG subregional forums, LA Metro, etc.).
 - Consider the addition of select community/organization representatives connected with key transit user groups, ex-officio members such as a representative of CDOT, DRCOG, the state legislature, governor's office, or others

Operations Subcommittee

1. Assess and make recommendations on how RTD fares and pass programs can be improved to increase equity, ridership, affordability, and ease of access.
 - Make eco passes available to riders outside of their employment
 - Consider an expansion of mobile ticketing
 - Consider allowing for rear loading of buses
2. Make recommendations on how RTD can enhance service delivery to transit-reliant, vulnerable populations (i.e., older adults, communities of color, people with disabilities, low income, zero car households) through different models of service delivery (e.g., contracting out to local providers, use of Lyft/Uber/TNCs, vanpool support, etc.) and reflecting changing travel trends post-COVID-19.
 - Consider changes in service provision that focuses on higher density areas rather than the entire eight-county area
 - Look at first and last mile deficiencies
3. Focus on proactive, community-based transit service planning and operations (e.g., work with locals to develop options for service changes, integrate transit routes and stop/stations with local land use plans, seek out partnership opportunities, etc.). Strengthen and formalize coordination between RTD and cities and counties with development review/approval of projects and design of transit service for key developments.
4. Undertake an overall organizational assessment (human resources, work culture, management, and governance of the District; organizational and Board structure).
5. Emphasize social/environmental justice and equity analysis to influence transit services provided, and how needed changes are determined.

Finance Subcommittee

1. Review and make recommended changes to RTD to achieve a more sustainable financial model, including review of investment policies/guiding principles, debt, regional/subregional funding allocation, and statutes that limit opportunities for revenue generation, cost savings, and increased ridership, including provisions that:
 - Require RTD to raise a certain amount through fares (this is a barrier to lower-cost service).
 - Limit RTD's ability to develop anything but parking lots on its properties (e.g., rather than affordable housing and key services at TOD sites that can generate transit riders and potential revenue).
 - Limit RTD from charging for parking. Examine how changes in parking policies and pricing could increase revenues, TOD, and ridership.
 - Affect RTD's ability to contract for cheaper service delivery.
2. Review FasTracks spending and make recommendations on how to achieve an equitable resolution for the unfinished FasTracks Corridors. This will include answering the following questions:
 - How have FasTracks and base operating monies been generated and spent to date across the RTD service area?
 - How much of base funding has been diverted to FasTracks projects?
 - What is the cost of finishing FasTracks?
 - How can unfinished corridors be served in a cost-effective and cost-efficient manner (e.g., project completion, equivalent mobility, financial, etc.)?
3. Make recommendations on how to improve financial transparency to build back public trust and demonstrate RTD accountability to the voters and policymakers, such as the development of a public, online dashboard to show how RTD money is generated and spent, similar to CDOT's dashboard regarding SB 267 funds.
4. Examine partnership opportunities (i.e., with CDOT, local governments, human services agencies, non-profits, private sector, etc.) to enhance mobility services, allow RTD to focus on delivering the types of service(s) they can do most effectively/efficiently, and leverage RTD funding and/or decrease costs of service.