

Missouri Regional Transit Proposal - Governance Committee

June 18, 2008 Meeting Minutes

Mike Sanders, Chair- Chief Executive, Jackson County

Attendees:

Clay County – Craig Porter

Parkville – Jerry Richardson

Blue Springs – Carson Ross

Grain Valley – Chuck Johnston

Platte County – Ed Quick

Gladstone – Mark Revenaugh

MARC Staff – David Warm, Mell Henderson, Tom Gerend, Gerri Doyle

Armstrong Teasdale – Joe Bednar

Jackson County – Robbie Makinen

Kansas City – Tracy Gleason

Summary of Key Discussion Points:

1. Governing Board composition.
2. Equitable representation for cities of all sizes on the governing board.
3. Ground rules directing voting activity of the governing board.
4. Eligible disbursements of funds by the governing board.
5. Methods for creating/modifying a regional transit funding mechanism

General Consensus Points:

1. Focus on a 9 or 10 member governing board for the regional transit proposal.
2. No municipality in the region should have more than 1 representative on the board at the same time.
3. Board representatives need to be elected officials.
4. The new governing board should have a supermajority in agreement before the board takes an action.

Mr. Sanders was unable to attend the meeting, and asked Mr. Quick to chair the meeting in his place. Mr. Quick began the meeting with a statement that he believes the composition of a board is the most important conversation.

Mr. Gerend gave a report on the discussion from 6/17 to discuss the legislative models available for funding transit. Governance subcommittee came down to 2 alternatives that would be most viable. Discussed the regional investment fund and how could or should be modified. Time frame in the regional tax can only be on the ballot during certain election periods. Next available opportunity would be Aug. 2010 if we miss this November.

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Mr. Warm suggested that no matter what vehicle we use today's conversations are extremely important. The group engaged in a general conversation about the importance of agreeing on a governing structure.

Mr. Quick began the discussion of governing options. Mr. Quick indicated that he favors option C from the document Governance Strategy Supplemental Information. Mr. Ross replied that one member from the county and city representation is more complicated in Jackson County. Perhaps representation should be weighted for greater representation from Jackson County. The group discussed balancing the interests of large transit communities and smaller communities.

Mr. Johnston asked if there was need for a model based upon the legislature. Mr. Richardson noted that the rules for the governing board should address the issues of equity and proportional representation based upon population.

The group discussed the topic of the ground rules and how they work. Some members wondered if the ground rules might operate to stifle decision-making. Mr. Johnston discussed his preference for requiring that a majority of representatives from 2 counties supporting an action for the action to pass. Group discussed requiring a majority or supermajority before an action could be taken by the governing board. Mr. Ross discussed the issues related to equity representation in Jackson County and noted that there may need to be an additional structure for Jackson County.

Ms. Gleason noted that Option C might be a concern to the city because there is no representation for the City of the Kansas City. Mr. Warm noted that there is sensitivity to Kansas City representation, however, additional funding needs to be coordinated with the cent that KCMO is contributing, now.

Mr. Quick asked if the group is in favor of the 9 person board. Ms. Gleason did not think that Kansas City would favor that option. Mr. Richardson asked about the super majority. A super would be 2/3 of voting members or 6 members. Mr. Warm suggested looking at Option B to solve the issue of representation for Kansas City.

A question about why not have use the 7 member board was raised. Mr. Quick indicated that he did not like the 7 member board or the 10 member board because the Northland will not feel like they have equal representation. The group discussed board membership further and the taxes generated by the cities. Mr. Ross indicated that he was not against 10 member board. That option would provide equal representation for cities and counties and not discount Kansas City's contribution. With a supermajority, Kansas City would not be able to run the board, but it would still have a voice in decision making.

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Mr. Johnston thought that Option D gave more opportunity for representation from large and small cities.

Mr. Bednar added that legislation exists authorizing a county transit authority. This legislation allows the county to have a separate body to make local determinations to guide the regional governing body. The local transit authority would tell the regional members from that county how to vote. This would allow equal representation at the regional level, but provide an opportunity for complete city representation in the local transit authority.

Mr. Warm suggested that elected officials could choose Option C and require that one of the municipal members is KCMO. The county is accountable for financing, but services need to be coordinated with city initiatives. The issue is to determine the correct balance and create equity so that one entity cannot override the interests of other communities.

Mr. Richardson noted that under this system Kansas City could have a representative in each county. In this scenario, Kansas City would have three representatives on the 9 member board. The group then discussed whether a municipal representative should be an elected official. Mr. Bednar suggested that the group should think about defining municipal representative as "mayor" or "councilperson," so that the representative is an elected official.

Mr. Johnston asked the group if they should set term limits for representatives and make a suggestion to the group at the June 20th regional forum. He also indicated that he favored a staggered membership, so that the entire governing board would not turn over at the same time.

Mr. Warm asked the group for clarification on the means for choosing a municipal representative in Option C. Mr. Warm indicated that it may be important to specify that a body of mayors are required to select the municipal representatives to the governing board. Mr. Warm further asked for clarification on the Kansas City membership.

Mr. Johnston suggested that no city should have more than one member on the board at one time. Mr. Warm indicated that all actions under Option C would require a supermajority of 6 votes. Ms. Gleason voiced concern that under Option C the City of Kansas City might not have any representation.

The group discussed Option D and clarified the option. This option would require a supermajority of 7 votes. The group also discussed the way to handle Kansas City membership since city is given a specific seat. The group agreed that membership in

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Option D should also include a statement that no city could have more than one representative at any given time.

Mr. Quick asked the group if they wanted to present Options C and D at the regional forum on June 20th. Group members nodded agreement to this question.

Mr. Gerend asked the group if there are requirements around the criteria and models for the structure of a governing board. Mr. Bednar indicated that there is significance in how the board grows out of the funding model the region chooses. Each funding system has nuances, and suggested that a side-by-side table that summarizes these differences. He stated that his research has indicated that under the Regional Investment District, the governing board is constructed from the MARC Board provides oversight. He stated that he is unclear if the Board becomes the commission or the oversight body. A Transit Development District (TDD) would have membership from the transit authority, as well.

Mr. Quick asked the group if they were suggesting new legislation, if the region does not vote in November. Mr. Bednar replied that if the region uses a TDD, an election can be held on the issues at the discretion of the political leadership, unlike the existing Regional Investment District. He stated that he believe the region needs to flesh out which model would be best to use, and then if there is a need to go back to the legislature make sure have all the fixes needed and take a package to Jefferson City.

Mr. Quick asked if TDD's could be established in all 3 counties and voted on at the same time. Mr. Bednar suggested that timing is an issue with TDD's. It was his opinion that each county could put a TDD on the ballot and then combine the funding if all use the same language and accept the Smart Moves Corridors. After construction, then the assets would be turned over to an operating agency and MARC would retain its advisory role.

Mr. Ross suggested that the most important thing is to decide what is best for the region and ask the legislature to address the region's needs. Mr. Quick asked what members thought would happen if all three TDD's don't pass.

Mr. Warm suggested that one of the issues the group needs to consider is that it is very difficult to separate out one county. It depends on how the tax is presented and may want to consider requiring all three to pass any funding mechanism.

Mr. Johnston wondered if a TDD doesn't answer some of these concerns about a county not passing a tax.

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Mr. Warm replied that as a practical matter, we really need all 3 counties to make a full system. Under the Regional Investment District, each county must have a majority of votes within each county, and a TDD must have a majority vote of all voters in the district in order for the measure to pass.

Mr. Richardson asked if there are restrictions placed upon the governing board's ability to disburse funds. What if the board decides that it needs staff or want to get paid? Mr. Bednar indicated that he thought that limitations were included and that some simple clarifications to the language could tighten those.

Mr. Warm indicated that the Regional Investment District was created as a fund generation and distribution body.

Mr. Richardson, asked if at some point there would need to be restrictions on the board. Mr. Warm replied that restrictions on the board have been covered, but that the responsibilities of the board should be itemized. Mr. Bednar agreed that it would be advisable to itemize all things know that Board is empowered to do, and then list all the things board should be able to do.

Mr. Quick asked how the region would handle bonding, and the group asked a number of questions about bonding authority under the regional investment district and TDD's. Mr. Bednar replied that the Regional Investment District is not able to bond, so under this legislation, each county would be responsible for bonds. A county could contract with the ATA, which also has the authority to issue bonds. A TDD's has the authority to issue bonds without a contractual agreement with the county. The MO 36 Coalition formed a multi-county TDD, and that could be used as a model for an effort in this region.

Mr. Gerend suggested presenting the funding models the Governance Sub-Committee likes best and then presenting the board configurations that this group likes the best on June 20th.

The Subcommittee on models and legislation will continue to meet and flesh out the issues for the governance committee members.