

Transportation Committee

Meeting date: October 27, 2008

Management Committee: October 22, 2008

Metropolitan Council: November 12, 2008

ADVISORY INFORMATION	
Date:	October 10, 2008
Subject:	4 th Quarter 2008 Unified Operating Budget Amendment
District(s), Member(s):	All
Policy/Legal Reference:	MN Statutes Section 473.13, sub. 1 – Council Budget Requirements
Staff Prepared/Presented:	Brian Lamb, General Manager Metro Transit (612-349-7510) Arlene McCarthy, MTS Director (651-602-1754) Ed Petrie, Director of Finance (612-349-7624) Sean Pfeiffer, MTS Financial Analyst (651-602-1887)
Division/Department:	Transportation (Metro Transit & Metropolitan Transportation Services)

Proposed Action

That the Council:

- Amend the 2008 Unified Operating Budget in accordance with the attached table.

Background – 2008 Amendment

This amendment recognizes additional Federal revenue and related expenses. Staff is recommending the following revisions to the 2008 operating budget.

Metro Transit Bus Operations

Changes in Revenues: \$1,822,000; Expenditures: \$1,822,000; Reserves: \$0

- Increase bus parts expense by \$1,500,000 for parts previously allowable in the Capitalized Maintenance program. These parts will now be charged to operations and will be offset by a Federal grant revenue of \$1,500,000 for preventative maintenance expenses.
- Increase other miscellaneous expense by \$322,000 to allow Metro Transit to use operating expenses as a match to a Federal Grant for tire lease in the capital program. This is being offset by an increase in advertising revenues.

Metro Transit Northstar Commuter Rail

Changes in Revenues: \$295,500; Expenses: \$681,000; Reserves: \$385,500; FTE's: 1.75

- Add \$681,000 and 1.75 FTE's to begin the pre-revenue start up operations for the Northstar Commuter Rail. The revenue source will be motor vehicle sales tax transfer funds and subordinate funding agreements with the Hennepin, Anoka and Sherburne Regional Rail Authorities.
- Previously adopted FTE 5.8 Capital Project
Additional FTE's 1.75 Operating
 7.55 Total FTE's

Metropolitan Transportation Services

Change in Revenues: \$237,500; Expenditures: \$237,500; Reserves: \$0

- Planning and transit services' staff is seeking to add a \$237,500 Federal Aviation Administration (FAA) grant for the 2030 Aviation System Plan Update. This grant will be matched using in-kind services of \$12,500 which is already included in our operating budget.
- Metropolitan Transportation Services is seeking to reallocate federal dollars for the I-35W bridge collapse. This reallocation is necessary because Minnesota Valley Transit Authority (MVTA) did not have federally eligible expenses for the last half of 2007 and Maple Grove did not have any federally eligible expenses. Both Maple Grove and MVTA expenses were ineligible for federal reimbursement because their procurements of service providers did not follow federal guidelines. An additional \$211,458 will be reallocated from contracted regular route due to a discontinuation of federal funding for the Forest Lake I-35W service based on the date of the bridge reopening. All amounts being reallocated will be transferred to Metro Mobility which does have additional eligible expenses.

Rationale

Metro Transit amendments are necessary to recognize additional federal funding for preventive maintenance activities and to recognize the Northstar Budget for pre-revenue operations.

Metropolitan Transportation Services' amendments are necessary to reallocate I-35W bridge collapse monies to the funds that can use them and bring in additional federal funding.

Funding

Metro Transit Bus Operations is recognizing additional Federal Funding which is eligible for Preventive Maintenance activities per federal 5307 guidelines. The Northstar pre-revenue operations is beginning in 2008 with anticipated revenue operations late in 2009. These pre-revenue operations in 2008 will be funded with a combination of 50% MVST funds and 50% through subordinate funding agreements with Hennepin, Anoka and Sherburne Regional Rail Authorities.

Metropolitan Transportation Services' is bringing in federal grant dollars to fund the above listed FAA project system update. No additional funding for the I-35W bridge collapse is being brought in by this amendment it is simply seeking to recognize the expense in the appropriate funds where it can be drawn from.

Known Support/Opposition

MVTA was made aware of the ineligibility of their service provider expenses for the last half of 2007. MVTA conveyed to staff their dissatisfaction with this loss of funding and asked that we look into other ways to fund their costs related to the collapse. No other funding source for these expenses was found by staff.

2008 Budget Amendment Items

ENTER BUDGET AMENDMENT \$ BY PROGRAM AFFECTED																Total Amount	Reason for Amendment / Comment
Division	Fund	Org	Acct	Account Desc	000	010 RA	013 ComDev	015 HRA	020 MCES	030 MT	032 LRT	035 MTS	040 Residual	045 MP			
MTS	TA	201	30010	4705	I35W Bridge Collapse funds	\$211,458										\$211,458	Forest Lake is no longer federally eligible
MTS	TA	201	30010	5221	Transit Provider Expense	(\$211,458)										(\$211,458)	Forest Lake is no longer federally eligible
MTS	TA	201	30010	4703	Federal Aviation Admin	(\$237,500)										(\$237,500)	Bring in FAA grant for the 2030 system pain update
MTS	TA	201	30010	5204	Consultant	\$237,500										\$237,500	Bring in FAA grant for the 2030 system pain update
MTS	STP	204	30023	5821	Grants - Governmental	(\$200,000)										(\$200,000)	Remove Ineligible expenses from the STPs and move them to Metro Mobility
MTS	STP	203	30023	4705	Transit Provider Expense	\$200,000										\$200,000	Remove Ineligible expenses from the STPs and move them to Metro Mobility
MTS	MM	202	30026	4705	I35W Bridge Collapse funds	(\$411,458)										(\$411,458)	Pick up additional revenue and expense related to the collapse - from STP and RR (Forest Lake)
MTS	MM	202	30026	5221	Transit Provider Expense	\$411,458										\$411,458	Pick up additional revenue and expense related to the collapse - from STP and RR (Forest Lake)
Total																	
NOTE:					() In Revenue Accounts are Increases												