

T Transportation Committee
Meeting date: October 26, 2009
Management Committee: October 28, 2009
Metropolitan Council: November 4, 2009

ADVISORY INFORMATION

Date: October 15, 2009
Subject: 2009 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 (651-602-1217)
Ed Petrie, Director of Finance (612-349-7624)
Sean Pfeiffer, Financial Analyst, MTS (651-602-1887)
Division/Department: Transportation – Metro Transit/Metropolitan Transportation Services

Proposed Action

That the Council:

- Amend the 2009 Unified Operating Budget in accordance with the attached table.

Background

This amendment recognizes additional federal revenue from ARRA Funding to be used to cover transit operations needs. Due to timing of the federal funds, these monies will be drawn and recognized in 2009 Metro Transit Operations, but will be used to offset expenses in the 2010 Operating Budget. These federal funds were planned with the proposed operations balancing solutions for the 2010/2011 biennium.

This amendment also recognizes additional federal revenues received from the Ramsey County Regional Rail Authority (RCRRA) to be used on the Travel Behavioral Inventory (TBI) study, federal formula funds to be used by RCRRA to operate the St. Paul to Forest Lake express bus service, and Counties Transit Improvement Board (CTIB) sales tax funds for the operation of Cedar Avenue BRT Lakeville and I-35W BRT Lakeville express bus services. Staff is recommending the following changes.

Metro Transit – Bus Operations

Increase/(Decrease) in Revenues: \$17,659,448; Expenditures: \$0; Reserves: \$17,659,448

- The Metropolitan Council executed a grant with the Federal Government for ARRA funds for Metro Transit preventive maintenance activities in August 2009. Due to terms of the federal grant, the funds must be drawn and recognized in 2009 operations in compliance with generally accepted accounting principles. These funds were planned with the proposed transit operations balancing solutions for calendar year 2010. These early drawn funds will increase Metro Transit operating

reserves by \$17,659,448 in 2009 and will be drawn an equal amount in 2010 to offset operating expenses.

Metropolitan Transportation Services

Increase/(Decrease) in Revenues: \$748,523; Expenditures: \$719,598;

Reserves: \$28,925

- The RCRRA recently granted the Metropolitan Council \$240,301 in 5339 federal discretionary funds for the Transit On-Board Survey portion of the regional TBI study. This amendment recognizes the \$240,301 of federal funds and \$60,075 of local match required for those funds. The local match requires a use of reserves that does not reduce Planning and Transit Services below the Council's adopted fund balance target of 10%.
- The Metropolitan Council will pass through \$419,222 of federal formula funds to the RCRRA to operate new Forest Lake to St. Paul express bus service along the Rush Line Corridor. These funds are being made available because RCRRA will be supplying the Council with \$419,222 in federal discretionary capital funds to be used on construction of facilities along the Rush Line Corridor. Anoka, Chisago, Ramsey and Washington counties are all contributing to the first year operating budget of this new demonstration service. The Rush Line Corridor Task Force will implement this service.
- This amendment recognizes \$89,000 of CTIB funds being provided to cover 50% of the net cost of operating the Cedar Avenue BRT Lakeville express service and I-35W BRT Lakeville express bus service. The full expense of the service and the Council's share of the funding have already been recognized in the 2009 operating budget.

Rationale

Recognize new federal ARRA, discretionary, and formula funds and CTIB sales tax funds for transit operations.

Funding

Metro Transit Bus Operations is recognizing additional federal ARRA funds to cover the costs of preventive maintenance activities. These additional funds will be used to offset operating expenses in 2010.

Metropolitan Transportation Services is recognizing additional federal discretionary and formula funds to cover the costs the TBI On-Board Transit Survey, RCRRA provided Forest Lake to St. Paul express bus service, and CTIB funding to cover half of the net operating subsidy for the Cedar Avenue BRT Lakeville and I-35W BRT Lakeville express bus services.

Known Support / Opposition

No known opposition.

Metropolitan Council - Transportation Division

2009 Annual Budget - Summary of Revisions

Operating Budget Amendment - Business Item 2009-326

	2009 Adopted Budget	2009 Amended Budget	Metro Transit Bus	Metro Transit Rail	Metro Transit Northstar	Total Metro Transit	Metro Mobility	Suburban Transit Providers	Planning and Transit Services	Total Metropolitan Transport Services	2009 Revised Budget
Revenues											
State Revenues											
Motor Vehicle Sales Taxes	\$ 110,966,976	\$ 110,191,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,191,173
State Revenues	84,581,487	75,006,979	-	-	-	-	-	-	-	-	75,006,979
Total State Revenues	\$ 195,548,463	\$ 185,198,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 185,198,152
Other Revenues											
Federal Revenues	32,319,763	40,950,693	\$ 17,659,448	\$ -	\$ -	17,659,448	\$ -	\$ -	\$ 659,523	659,523	59,269,664
Local Revenues	43,660,458	44,097,458	-	-	-	-	-	-	89,000	89,000	44,186,458
Investment Earnings	215,000	215,000	-	-	-	-	-	-	-	-	215,000
Other Revenues	1,562,263	1,562,263	-	-	-	-	-	-	-	-	1,562,263
Fares - Base	93,593,096	93,621,096	-	-	-	-	-	-	-	-	93,621,096
Contract & Special Event Revenue	8,489,476	8,489,476	-	-	-	-	-	-	-	-	8,489,476
Total Revenues	\$ 375,388,519	\$ 374,134,138	\$ 17,659,448	\$ -	\$ -	\$ 17,659,448	\$ -	\$ -	\$ 748,523	\$ 748,523	\$ 392,542,109
Expenses											
Salaries & Benefits	\$ 213,989,573	\$ 214,274,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,274,982
Consulting & Contractual Services	9,556,520	14,164,968	-	-	-	-	-	-	300,376	300,376	14,465,344
Materials & Supplies	20,082,463	20,207,463	-	-	-	-	-	-	-	-	20,207,463
Rent & Utilities	8,032,007	8,032,007	-	-	-	-	-	-	-	-	8,032,007
Printing	145,000	145,000	-	-	-	-	-	-	-	-	145,000
Travel	38,500	38,500	-	-	-	-	-	-	-	-	38,500
Insurance	5,715,150	5,715,150	-	-	-	-	-	-	-	-	5,715,150
Transit Programs	74,611,396	71,463,525	-	-	-	-	-	-	-	-	71,463,525
Operating Capital	867,319	867,319	-	-	-	-	-	-	-	-	867,319
Grants - Governmental	-	2,068,303	-	-	-	-	-	-	419,222	419,222	2,487,525
Other Operating Expenses	33,176,078	33,176,078	-	-	-	-	-	-	-	-	33,176,078
Capital Outlay	-	470,000	-	-	-	-	-	-	-	-	470,000
Total Expenses	\$ 366,214,006	\$ 370,623,295	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 719,598	\$ 719,598	\$ 371,342,893
Other Uses											
Interdivisional Expense Alloc-MT & LRT	\$ 15,394,835	\$ 15,394,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,394,835
A-87- Metropolitan Transportation Services	825,000	825,000	-	-	-	-	-	-	-	-	825,000
Planning Chargeback Expense	208,343	208,343	-	-	-	-	-	-	-	-	208,343
Total Other Uses	\$ 16,428,178	\$ 16,428,178	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,428,178
MVST Transfers In	7,232,515	9,010,185	-	-	-	-	-	-	-	-	9,010,185
Transfers (To) / From Other Funds	21,150	21,150	-	-	-	-	-	-	-	-	21,150
Total Expenses and Uses	\$ 375,388,519	\$ 378,020,138	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 719,598	\$ 719,598	\$ 378,739,736
Surplus/(Deficit)	\$ -	\$ (3,886,000)	\$ 17,659,448	\$ -	\$ -	\$ 17,659,448	\$ -	\$ -	\$ 28,925	\$ 28,925	\$ 13,802,373