

T Transportation Committee
Meeting date: April 12, 2010
Management Committee: April 14, 2010
Metropolitan Council: April 28, 2010

ADVISORY INFORMATION	
Date:	April 6, 2010
Subject:	2010 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) Edwin D. Petrie, Director of Finance, (612-349-7624) Amy Vennewitz, Deputy Director (651-602-1058) Sean Pfeiffer, Financial Analyst, MTS (651-602-1887)
Division/Department:	Transportation/Metro Transit & Metropolitan Transportation Services

Proposed Action

That the Council amend the 2010 Unified Operating Budget in accordance with the attached table.

Background

In February/March of each year, Minnesota Management and Budget (MMB) releases a new four-year forecast for the Motor Vehicle Sales Tax (MVST). The new February 2010 MVST forecast resulted in \$19,884,375 of additional MVST revenue in CY2010 for the Council. This amount is distributed as follows: \$16,722,918 to Metro Transit Bus Operations, \$2,281,303 to the Suburban Transit Providers (STPs) and per Council policy of budgeting at 95% of the Council's share of the MVST forecast, 5% or \$880,154 of the MVST funds are unallocated in the current year. In addition, \$32,000 of MVST is being transferred from MTS to Metro Transit for staff time for the development of Regional Transitway Guidelines. This results in a total change in MVST receipts for Metro Transit of \$16,754,918.

In addition, legislation was recently enacted (HF1671) reducing the Council's SFY 2011 general fund appropriation for transit assistance by \$12,915,000 or a loss of \$6,457,500 in CY2010 (one-half of the fiscal year). This amendment reduces the general fund appropriation for Metro Transit Bus Operations in accordance with this legislation.

Each spring, Metropolitan Transportation Services (MTS) also receives an updated estimate of federal Unified Planning Work Program (UPWP) funds expected to be received from MnDOT in the calendar year. This amendment recognizes the new UPWP funds (\$280,601), the required 20% local match (\$70,150) and includes proposed expenditures (\$350,751) for the new funds.

The specific changes for Metro Transit and MTS are as follows:

Metro Transit

Increase/(Decrease) in Revenues: \$10,265,418; Expenditures: \$32,000

- Reduces budgeted State General Fund revenues by \$6,457,500 in the second half of Calendar Year 2010 for Metro Transit Bus Operations.
- Increases MVST revenues for Metro Transit Bus Operations by \$16,722,918 due to the MVST forecast and recognizes a MVST transfer of \$32,000 from MTS for a total increase of \$16,754,918.

- Adds salaries and benefits expenditure of \$32,000 for Metro Transit facilities and maintenance staff time that will be spent on the development of Transitway Guidelines led by MTS.
- The actions proposed in this operating amendment allow Metro Transit to reduce its use of reserves in 2010 by \$10,265,418, thereby reducing the budgeted use of reserves from \$17,659,448 to \$7,394,030.

Metropolitan Transportation Services

Increase/(Decrease) in Revenues: \$2,529,904; Expenditures: \$2,600,054; Reserves: (\$70,150)

- Recognizes \$2,281,303 in new MVST revenues and transit program expense for the Suburban Transit Providers due to the increase in the state February 2010 forecast.
- Recognizes \$280,601 in new UPWP funds, matched by a \$70,150 (20%) use of reserves. This use of reserves does not bring the Planning and Contracted Services fund balance below its 10% target fund balance policy.
- Proposes to expend the new UPWP funds and reserve match totaling \$350,751 as follows:
 - \$32,000 is moved to Metro Transit for facility and maintenance staff time that will be spent on the development of Transitway Guidelines as led by MTS.
 - \$318,751 in expenditure is added to MTS consulting and contracted services. Expected new consultant costs to be funded include: the development of Regional Transitway Guidelines (\$100,000); study of Arterial BRT (\$100,000), Council participation on the I-94 Transitway Alternatives Analysis (\$30,000) and database design and programming costs for the Metro Mobility/Transit Link Cubic system (\$88,751).

Rationale

This amendment recognizes MVST revenues realized from a new state forecast, reduces state general fund appropriations for transit operations due to recently passed legislation, reduces Metro Transit's use of reserves in CY2010 and recognizes new UPWP funds, the required local match and new expenditures for the UPWP funds.

Funding

Funding is provided from an increase in the state MVST forecast, a reduction in the state general fund appropriation, new UPWP funds and a use of reserve for the local match.

Known Support / Opposition

No known opposition.

Metropolitan Council - Transportation Division 2010 Annual Budget - Summary of Revisions Operating Budget Amendment - Business Item 2010-115

	2010 Adopted Budget	2010 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	2010 Revised Budget
Revenues											
State Revenues											
Motor Vehicle Sales Taxes	\$ 134,456,065	\$ 134,456,065	\$ 16,754,918	\$ -	\$ -	\$ 16,754,918	\$ -	\$ 2,281,303	\$ (32,000)	\$ 2,249,303	\$ 153,460,286
State Revenues	71,708,898	71,708,898	\$ (6,457,500)	-	-	(6,457,500)	-	-	-	-	65,251,398
Total State Revenues	\$ 206,164,963	\$ 206,164,963	\$ 10,297,418	\$ -	\$ -	\$ 10,297,418	\$ -	\$ 2,281,303	\$ (32,000)	\$ 2,249,303	\$ 218,711,684
Other Revenues											
Federal Revenues	34,013,610	40,565,293	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ 280,601	280,601	40,845,894
Local Revenues	14,797,824	14,797,824	-	-	-	-	-	-	-	-	14,797,824
Investment Earnings	755,290	755,290	-	-	-	-	-	-	-	-	755,290
Other Revenues	4,540,139	4,634,139	-	-	-	-	-	-	-	-	4,634,139
Fares - Base	95,251,539	95,251,539	-	-	-	-	-	-	-	-	95,251,539
Contract & Special Event Revenue	5,473,236	5,473,236	-	-	-	-	-	-	-	-	5,473,236
Total Revenues	\$ 360,996,601	\$ 367,642,284	\$ 10,297,418	\$ -	\$ -	\$ 10,297,418	\$ -	\$ 2,281,303	\$ 248,601	\$ 2,529,904	\$ 380,469,606
Expenses											
Salaries & Benefits	\$ 217,397,553	\$ 217,397,553	\$ 32,000	\$ -	\$ -	\$ 32,000	\$ -	\$ -	\$ -	\$ -	\$ 217,429,553
Consulting & Contractual Services	14,798,154	19,163,777	-	-	-	-	-	-	318,751	318,751	19,482,528
Materials & Supplies	18,577,998	18,693,092	-	-	-	-	-	-	-	-	18,693,092
Rent & Utilities	7,828,033	7,828,033	-	-	-	-	-	-	-	-	7,828,033
Printing	108,500	108,500	-	-	-	-	-	-	-	-	108,500
Travel	38,500	38,500	-	-	-	-	-	-	-	-	38,500
Insurance	5,134,448	5,134,448	-	-	-	-	-	-	-	-	5,134,448
Transit Programs	73,079,597	73,079,597	-	-	-	-	-	2,281,303	-	2,281,303	75,360,900
Operating Capital	888,590	888,590	-	-	-	-	-	-	-	-	888,590
Grants - Governmental	-	2,041,424	-	-	-	-	-	-	-	-	2,041,424
Other Operating Expenses	30,851,635	30,851,635	-	-	-	-	-	-	-	-	30,851,635
Capital Outlay	-	470,000	-	-	-	-	-	-	-	-	470,000
Total Expenses	\$ 368,703,008	\$ 375,695,149	\$ 32,000	\$ -	\$ -	\$ 32,000	\$ -	\$ 2,281,303	\$ 318,751	\$ 2,600,054	\$ 378,327,203
Other Uses											
Interdivisional Expense Alloc-MT & LRT	\$ 15,024,379	\$ 15,024,379	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,024,379
A-87- Metropolitan Transportation Services	1,492,680	1,492,680	-	-	-	-	-	-	-	-	1,492,680
Planning Chargeback Expense	-	-	-	-	-	-	-	-	-	-	-
Total Other Uses	\$ 16,517,059	\$ 16,517,059	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,517,059
MVST Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers (To) / From Other Funds	6,564,018	6,469,318	-	-	-	-	-	-	-	-	6,469,318
Total Expenses and Uses	\$ 378,656,049	\$ 385,742,890	\$ 32,000	\$ -	\$ -	\$ 32,000	\$ -	\$ 2,281,303	\$ 318,751	\$ 2,600,054	\$ 388,374,944
Surplus/(Deficit)	\$ (17,659,448)	\$ (18,100,606)	\$ 10,265,418	\$ -	\$ -	\$ 10,265,418	\$ -	\$ -	\$ (70,150)	\$ (70,150)	\$ (7,905,338)