

J Joint Report of the Transportation and
Management Committees

Item: 2010-115

For the Metropolitan Council meeting of April 28, 2010

ADVISORY INFORMATION

Date Prepared: April 20, 2010

Subject: 2010 Unified Operating Budget Amendment

Proposed Action:

That the Metropolitan Council: Amend the 2010 Unified Operating Budget as indicated and in accordance with attached tables.

Summary of Committee Discussion / Questions:

Transportation Committee – April 12, 2010: Staff presented the business item and answered Committee-members questions. Passed unanimously.

Management Committee – April 14, 2010: Staff presented the business item and answered Committee-members questions. Passed unanimously.



Management Committee

Transportation Committee: April 12, 2010

Metropolitan Council: April 28, 2010

Meeting date: April 14, 2010

Business Item

Item: 2010-115

ADVISORY INFORMATION	
Date:	April 7, 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	Wes Kooistra (602-1567) Chief Financial Officer
Prepared/Presented:	Paul Conery (602-1374), Manager, Budget & Evaluation
Division/Department:	All

Proposed Action

That the Metropolitan Council:

- Amend the 2010 Unified Operating Budget as indicated and in accordance with attached tables.

Background

Staff recommends the following revisions to the 2010 budget.

Transportation

Change in Revenues: \$12,827,322; Expenditures: \$2,632,054;
Reserves: \$10,195,268

State Revenue Changes: Revenues: \$12,546,721; Expenditures: \$2,281,303;
 Reserves: \$10,265,418

- Recently enacted legislation (HF 1671) includes a State Fiscal Year 2011 reduction of \$12,915,000 in State General Fund Appropriations for bus operations. This requires a reduction in budgeted State Revenues of \$6,457,500 in the second half of Calendar Year 2010 for Metro Transit Bus Operations.
- The February 2010 forecast includes an increase of \$19,884,375 in MVST revenues for the Council in calendar year 2010. \$2,281,303 is committed in statute to the Suburban Transit Providers and requires an increase in both revenues and expenditure authority. \$16,722,918 is requested to increase MVST Revenues for Metro Transit Bus Operations with no increase in expenditure authority. Per Council policy of budgeting at 95% of the projected MVST revenues, 5% or \$880,154 of the MVST funds are unallocated in the current year.

* For Metro Transit Bus, these actions will result in an increase in total budgeted revenues of \$10,265,418. This will reduce the budgeted use of reserves from \$17,659,448 to \$7,394,030.

MTS: Revenues: \$248,601; Expenditures: \$318,751; Reserves: (\$70,150)

- \$318,751 in expenditure authority is requested to fund additional development of Regional Transitway Guidelines, study of Arterial BRT, Council participation on the I-94 Transitway Alternatives Analysis and design and development of the Metro Mobility Cubic System. This is offset by \$255,001 in Federal Unified Planning Work Program (UPWP) Revenues and a \$63,750 use of reserves.
- A transfer of \$32,000 of MVST Revenues to Metro Transit – Bus is requested to fund supporting activities identified above and is offset by \$25,600 in Federal UPWP Revenues and a \$6,400 use of reserves.

Metro Transit-Bus: Revenues: \$32,000; Expenditures: \$32,000

- \$32,000 in expenditure authority is requested to fund salaries and benefits of Metro Transit staff for work on the development of Transitway Guidelines with Metropolitan Transportation Services. This is offset by an increase in MVST Revenue previously designated in the adopted budget to Planning. This does not impact reserves.

Regional Administration

Change in Expenditures: \$80,000; Reserves: (\$80,000)

- Requests an increase in expenditure authority of \$80,000 for consulting services to assist Human Resources in identifying and assessing insurance plan changes. This will require a use of reserves.

Other Fund

Change in Unrestricted Reserves: (\$500,000); Restricted Reserves: \$500,000

- Requests the increase of \$500,000 in General Fund designated reserves for the Regional Administration Self-insurance Fund to a total of \$1.5M. This covers public officials' liability and self-insured auto exposures. The change is due to the increase in the tort cap to \$1.5M effective July 1, 2009. This action will not reduce cash in the General Fund Reserve. The General Fund will continue to meet Council Targets.

Rationale

Staff is recommending the following revisions to the 2010 budget.

Funding

The proposed operating budget amendment makes the following changes to the 2010 Unified Operating Budget.

	Adopted Budget	Previous Amendments	Proposed Amendment	Proposed Budget
Revenues				
Operating	\$ 499,850,930	\$ 6,795,683	\$ 12,827,322	\$ 519,473,935
Pass Through	78,378,860	-	-	78,378,860
Debt Service	137,278,790	-	-	137,278,790
Total Revenues	\$ 715,508,580	\$ 6,795,683	\$ 12,827,322	\$ 735,131,585
Expenditures				
Operating	\$ 519,405,804	\$ 7,573,641	\$ 2,712,054	\$ 529,691,499
Pass Through	78,253,455	-	-	78,253,455
Debt Service	140,929,993	-	-	140,929,993
Total Expenditures	\$ 738,589,252	\$ 7,573,641	\$ 2,712,054	\$ 748,874,947
Surplus / (Deficit)	\$ (23,080,672)	\$ (777,958)	\$ 10,115,268	\$ (13,743,362)

Know Support / Opposition

Committee Actions:

Transportation Committee: To be presented April 12, 2010

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

	2010 Adopted Budget	2010 Amended Budget	Total Reg'l Admin & Community Dev	HRA Programs	Total Transportation	Environmental Services	Capital	Net Change	2010 Revised Budget
Revenues & Other Sources									
Property Tax (Net)	\$ 11,555,894	\$ 11,555,894	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 11,555,894
Federal	38,506,243	45,151,926	-	-	280,601	-	-	280,601	45,432,527
State	207,353,555	207,353,555	-	-	12,546,721	-	-	12,546,721	219,900,276
Municipal & Wastewater Charges	105,628,000	105,628,000	-	-	-	-	-	-	105,628,000
Industrial Waste Charges	9,665,000	9,665,000	-	-	-	-	-	-	9,665,000
Passenger Fares	100,724,775	100,724,775	-	-	-	-	-	-	100,724,775
Debt Service	137,278,790	137,278,790	-	-	-	-	-	-	137,278,790
Passthrough	78,378,860	78,378,860	-	-	-	-	-	-	78,378,860
Other Sources	26,417,463	26,417,463	-	-	-	-	-	-	26,417,463
Total Revenues and Other Sources	\$ 715,508,580	\$ 722,154,263	\$ -	\$ -	\$ 12,827,322	\$ -	\$ -	\$ 12,827,322	\$ 734,981,585
Expenses									
Salaries & Benefits	\$ 304,349,627	\$ 304,444,327	-	\$ -	32,000	\$ -	\$ -	\$ 32,000	\$ 304,476,327
Consultant / Contractual Services	37,927,699	42,780,122	80,000	-	318,751	-	-	398,751	43,178,873
Materials and Supplies	33,827,578	33,942,672	-	-	-	-	-	-	33,942,672
Rent, Utilities, & Insurance	27,820,000	27,820,000	-	-	-	-	-	-	27,820,000
Other Operating Expenses	40,401,128	40,401,128	-	-	-	-	-	-	40,401,128
Transit Assistance	73,079,597	73,079,597	-	-	2,281,303	-	-	2,281,303	75,360,900
Debt Service	140,929,993	140,929,993	-	-	-	-	-	-	140,929,993
Passthrough Grants & Loans	74,785,040	76,826,464	-	-	-	-	-	-	76,826,464
Capital Expenditures	5,468,590	5,938,590	-	-	-	-	-	-	5,938,590
Total Expenses	\$ 738,589,252	\$ 746,162,893	\$ 80,000	\$ -	\$ 2,632,054	\$ -	\$ -	\$ 2,712,054	\$ 748,874,947
Other Uses									
Interdivisional Expense Allocation	\$ -	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
A-87 Charges/Planning Chargebacks	-	-	-	-	-	-	-	-	-
Transfers (From) To Other Funds	-	(150,000)	-	-	-	-	-	-	(150,000)
Total Other Uses	\$ -	\$ (150,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (150,000)
Total Expenses and Other Uses	\$ 738,589,252	\$ 746,012,893	\$ 80,000	\$ -	\$ 2,632,054	\$ -	\$ -	\$ 2,712,054	\$ 748,724,947
Surplus/(Deficit)	\$ (23,080,672)	\$ (23,858,630)	\$ (80,000)	\$ -	\$ 10,195,268	\$ -	\$ -	\$ 10,115,268	\$ (13,743,362)

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)