

T Transportation Committee

For Metropolitan Council Meeting of July 25, 2007
Management Committee: July 11, 2007

Meeting date: July 9, 2007

ADVISORY INFORMATION

Date:	June 28, 2007
Subject:	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:	Edwin Petrie (349-7624), Director Finance Metro Transit Amy Vennewitz (602-1058), Director of Finance & Planning Paul Conery (602-1374), Manager, Budget & Evaluation
Division/Department:	All

Proposed Action/Motion

That the Metropolitan Council amend the 2007 Operating Budget as shown on the attached summary sheet.

Overview and Funding

The proposed operating amendment is brought to the Transportation Committee for review and endorsement before presentation to the Management Committee on July 11 and the Council on July 25, 2007.

This Amendment:

- Adds revenue to the Metro Transit bus budget for the service agreement renewal with the City of Maple Grove for the period January 1, 2007 to December 2, 2009. This agreement was amended with additional service added effective June 2, 2007.
- Adds the cost of providing increased service to the City of Maple Grove effective June 2007 in conformance with the revised service plan.
- Increases total full-time equivalent (FTE) positions by 19. 18.0 FTEs are added in Metro Transit for increased service for the City of Maple Grove and Routes 755/756, increased Metro Transit Police and an additional position in Hiawatha Light Rail. 1.0 FTE is in Metropolitan Transportation Services for contract oversight.
- Recognizes additional federal revenue, carry-over funds, local match and related expenditures for the federal Unified Planning Work Program (UPWP).
- Transfers federal and state revenues among funds and adds an FTE to MTS Contracted Regular Route Services.
- Recognizes \$15,302,980 in increased State Appropriations to cover MVST shortfalls in 2007. \$7,847,000 is from a deficiency appropriation for State Fiscal Year 2007 and \$7,455,980 is from the Council's Base/Supplemental appropriation for State Fiscal Year 2008.

Fiscal Analysis

Metro Transit

Changes: Revenues/Sources: +\$558,291; Expenditures/Uses: +\$558,291; Reserves: \$0; FTEs +18.0

- Add four (4) new full-time Police Officer positions to the Metro Transit bus budget for increased patrol and investigation services. This cost will be offset by reductions in other miscellaneous expenses of \$134,000.
- Add one (1) new Senior Material Planner position to the Hiawatha Light Rail budget to support parts ordering and inventory services for the rail vehicle overhaul program. This cost will be offset by reductions in other miscellaneous expenses of \$43,000.
- Add Contracted Service revenue and the related expense of \$558,291 for increased transit service provided to the City of Maple Grove under terms of the contract approved by the Council in Action Item 2006-384 on December 13, 2006 and amended by the Council in Action Item 2007-202 on May 23, 2007. Additional contract service in June 2007 is based on the addition of 44.8 weekly platform hours covering approximately 932 miles using nine peak buses. This change results in increased costs for operator labor and fringe benefits offset by contract revenue at negotiated contract rates. Six (6) new full-time equivalent positions are added to the agency complement for the added Maple Grove contract service.
- Contract Service revenue and expense for service provided for Routes 755/756 in Sector 8 was included in the operating budget amendment outlined in Council Action Item 2007-87 of April 11. This service began in June 2007 and includes 48.3 hours of weekday platform hours covering 628 miles using eight peak buses. At the time of the original amendment, the operator labor position count for this service was not added to the full-time equivalent count. With this amendment an adjustment of +7 FTEs is requested for this purpose.
- Adjust the total full-time equivalent complement for bus and rail operations from 2,592.7 to 2,610.7 positions.

Metropolitan Transportation Services

Changes: Revenue/Sources: +\$2,536,448; Expenditures/Uses: +\$2,764,476; Reserves: (\$228,028); FTEs +1.0

The MTS operating budget amendment reflects changes in four funds:

- **Fund 201 Transportation Planning**
Additional funds are available from the federal UPWP grant as approved by the Council on June 13, 2007. (Item #2007-210) The major changes include recognizing additional federal revenue in the amount of \$748,805 which includes \$251,345 in new federal revenue and \$497,460 in federal revenue carried over from the 2006. The local match of \$228,028 will come from MTS reserves. The total increase of \$976,833 is budgeted in 2007 for consultant contracts, including for the Regional Transit Master Plan, Principal Arterial Study and the Regional Garage Needs Study. It is anticipated that a large amount of federal UPWP revenue and local match will continue to be carried over from year to year to provide funding for the 2010 Travel Behavior Inventory (TBI) which will be conducted concurrently with the

decennial census. The Transportation Planning Reserve grew by \$781,000 in 2006 resulting in a balance on December 31, 2006, \$2,097,000. Total MTS reserves on December 31, 2006, were \$9,605,000. This was \$1,200,148 over the 15% target of \$8,404,852.

- **Funds 202 Metro Mobility and 203 Suburban Transit Providers**

In 2007, due to the falling MVST forecasts, the Suburban Transit Association Providers (STAP) chose to use the federal 5307 (NTD) funds they earn for operating rather than capital purposes. This amendment increases federal revenue by \$1,787,643 in the Metro Mobility budget and transfers an equivalent amount to the STAPs budget. This amount also appears as an expense for STAP transit assistance.

- **Fund 204 Contracted Regular Route**

Add one FTE for a Project Administrator in Contracted Regular Route Services to provide oversight and support of all contracted services. Salary and benefits costs will be offset by savings in transit assistance payments. The impact in 2007 will be \$35,000.

Financial Summary

The proposed operating budget amendment makes the following changes to the Amended 2007 Operating Budget:

TRANSPORTATION DIVISION 2007 SUMMARY

	Adopted Budget	Previous Amendments	Proposed Amendment	Proposed Budget
Revenues				
Operating	\$ 321,432,511	\$ 2,492,234	\$ 3,094,739	\$ 327,019,484
Pass Through	3,256,033	-	-	3,256,033
Debt Service	36,951,721	-	-	36,951,721
Total Revenues	\$ 361,640,265	\$ 2,492,234	\$ 3,094,739	\$ 367,227,238
Expenditures				
Operating	\$ 324,612,878	\$ 2,492,234	\$ 3,322,767	\$ 330,427,879
Pass Through	-	-	-	-
Debt Service	43,392,581	-	-	43,392,581
Total Revenues	\$ 368,005,459	\$ 2,492,234	\$ 3,322,767	\$ 373,820,460
Surplus / (Deficit)	\$ (6,365,194)	\$ -	\$ (228,028)	\$ (6,593,222)

Metropolitan Council - Transportation Division
2007 Annual Budget - Summary of Revisions
Operating Budget Amendment - Business Item 2007-205

	2007 Amended Budget	Metro Transit Bus	Metro Transit Rail	Total Metro Transit	Metro Mobility	Suburban Transit Providers	Planning and Transit Services	Total Metropolitan Transport Services	Debt Service	Passthrough (HROW)	2007 Revised Budget
Revenues											
State Revenues											
Motor Vehicle Sales Taxes	\$ 121,326,042	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,326,042
State Market Value Credit Aid	1,802,991	-	-	-	-	-	-	-	-	-	1,802,991
State Revenues	80,963,082	-	-	-	(1,787,643)	1,787,643	-	-	-	-	80,963,082
Total State Revenues	\$ 204,092,115	\$ -	\$ -	\$ -	\$ (1,787,643)	\$ 1,787,643	\$ -	\$ -	\$ -	\$ -	\$ 204,092,115
Other Revenues											
Property Taxes	38,099,763	-	-	-	-	-	-	-	-	-	38,099,763
Federal Revenues	29,851,886	-	-	-	1,787,643	-	748,805	2,536,448	-	-	32,388,334
Local Revenues	6,939,782	-	-	-	-	-	-	-	-	-	6,939,782
Investment Earnings	809,000	-	-	-	-	-	-	-	-	-	809,000
Other Revenues	731,602	-	-	-	-	-	-	-	-	-	731,602
Fares - Base	75,006,710	-	-	-	-	-	-	-	-	-	75,006,710
Fares - Expansion	-	-	-	-	-	-	-	-	-	-	-
Contract & Special Event Revenue	8,601,641	558,291	-	558,291	-	-	-	-	-	-	9,159,932
Total Revenues	\$ 364,132,499	\$ 558,291	\$ -	\$ 558,291	\$ -	\$ 1,787,643	\$ 748,805	\$ 2,536,448	\$ -	\$ -	\$ 367,227,238
Expenses											
Salaries & Benefits	\$ 189,015,556	\$ 692,291	\$ 43,000	\$ 735,291	\$ -	\$ -	\$ 35,000	\$ 35,000	\$ -	\$ -	\$ 189,785,847
Consulting & Contractual Services	5,981,553	-	-	-	-	-	976,833	976,833	-	-	6,958,386
Materials & Supplies	11,248,797	-	-	-	-	-	-	-	-	-	11,248,797
Utilities	6,131,292	-	-	-	-	-	-	-	-	-	6,131,292
Rent	208,141	-	-	-	-	-	-	-	-	-	208,141
Printing	109,040	-	-	-	-	-	-	-	-	-	109,040
Travel	46,000	-	-	-	-	-	-	-	-	-	46,000
Insurance	3,462,333	-	-	-	-	-	-	-	-	-	3,462,333
Transit Programs	69,524,738	-	-	-	-	1,787,643	(35,000)	1,752,643	-	-	71,277,381
Fares Affecting Expense	3,456,564	-	-	-	-	-	-	-	-	-	3,456,564
Debt Service	43,392,581	-	-	-	-	-	-	-	-	-	43,392,581
Passthrough Grants & Loans	40,000	-	-	-	-	-	-	-	-	-	40,000
Other Operating Expenses	22,940,919	(134,000)	(43,000)	(177,000)	-	-	-	-	-	-	22,763,919
Total Expenses	\$ 355,557,514	\$ 558,291	\$ -	\$ 558,291	\$ -	\$ 1,787,643	\$ 976,833	\$ 2,764,476	\$ -	\$ -	\$ 358,880,281
Other Uses											
Interdivisional Expense Alloc-MT & LRT	\$ 13,453,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,453,401
A-87- Metropolitan Transportation Services	790,000	-	-	-	-	-	-	-	-	-	790,000
Planning Chargeback Expense	186,170	-	-	-	-	-	-	-	-	-	186,170
Total Other Uses	\$ 14,429,571	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,429,571
Transfers To (From) Other Funds	510,608	-	-	-	-	-	-	-	-	-	510,608
Total Expenses and Uses	\$ 370,497,693	\$ 558,291	\$ -	\$ 558,291	\$ -	\$ 1,787,643	\$ 976,833	\$ 2,764,476	\$ -	\$ -	\$ 373,820,460
Surplus/(Deficit)	\$ (6,365,194)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (228,028)	\$ (228,028)	\$ -	\$ -	\$ (6,593,222)