

Transportation Committee

Meeting date: February 25, 2008

ADVISORY INFORMATION

Date:	February 20, 2008
Subject:	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:	Arlene McCarthy, MTS Director (651-602-1217) Amy Vennewitz, Deputy Director, MTS (651-602-1058) Sean Pfeiffer, Financial Analyst, MTS (651-602-1887)
Division/Department:	Metropolitan Transportation Services

Proposed Action

That the Council:

- Amend the 2008 Unified Operating Budget in accordance with the [attached table](#).

Background

This amendment recognizes additional Federal Revenue, related expenses and accounting adjustments. Staff is recommending the following revisions to the 2008 operating budget.

Metropolitan Transportation Services

- Contracted Regular Route and Rural Small Urban programs are requesting an increase of \$150,372 in transit program expense offset by \$150,372 in local revenue. The increase is due to additional payments being made on behalf of Edina and Senior Transportation Services for their local share of service. Both entities will reimburse Metropolitan Transportation Service (MTS) for their local share per a previously executed agreement.
- VanGo was recently awarded a \$70,000 Job Access Reverse Commute (JARC) grant from the Minnesota Department of Transportation-Office of Transit to cover the cost of vanpool service outside of the seven county metropolitan area. This amendment recognizes the revenue into the program and removes the need for a higher local match by those riders that have routes that leave and enter the seven county metropolitan area.. In addition, staff is requesting \$15,700 in consulting and contractual services be moved into the line item for transit program expense to better reflect the nature of the expense.
- Due to the recent regional solicitation and award of JARC and New Freedom monies, MTS is requesting an increase of \$1,159,499 of transit program expense, \$125,000 for a Metro Mobility software project, and \$621,181 for operating five contracted regular routes. These expenses will be offset by \$1,570,090 of JARC and New Freedom funds, a reallocation of Metro Transit Motor Vehicle Sales Tax Revenue of \$232,460, and a \$103,130 use of reserves.
- Staff requests the addition one full-time equivalent staff member be transferred from Community Development to MTS Planning resulting in an increase of \$91,178 in salary expense and a reduction of an equivalent amount in planning chargebacks. This position had previously been funded by MTS chargebacks.

Rationale

Bring in additional operating expenses related to contract changes and federal program starts.

Funding

These amended changes will result in \$103,130 use of reserves in 2008. Metropolitan Transportation Services was budgeted to end 2007 with a \$1.7 million dollar use of reserves. Actual operating results added \$700,000 for a positive variance of \$2.4 million.

Known Support/Opposition

None.

**Metropolitan Council - Transportation Division
2008 Annual Budget - Summary of Revisions
Operating Budget Amendment - Business Item 2008-039**

	2008 Amended Budget	Metro Transit Bus	Metro Transit Rail	Total Metro Transit	Metro Mobility	Suburban Transit Providers	Transportation Planning & TDM Activity	Community Based Transit	Regular Route	Total Metropolitan Transport Services	2008 Revised Budget
Revenues											
State Revenues											
Motor Vehicle Sales Taxes	\$ 125,008,369	\$ (232,460)	\$ -	\$ (232,460)	\$ -	\$ -	\$ -	\$ -	\$ 232,460	\$ 232,460	\$ 125,008,369
State Market Value Credit Aid	1,569,038	-	-	-	-	-	-	-	-	-	1,569,038
State Revenues	91,833,241	-	-	-	(39,556)	-	-	-	39,556	-	91,833,241
Total State Revenues	\$ 218,410,648	\$ (232,460)	\$ -	\$ (232,460)	\$ (39,556)	\$ -	\$ -	\$ -	\$ 272,016	\$ 232,460	\$ 218,410,648
Other Revenues											
Property Taxes	39,644,365	-	-	-	-	-	-	-	-	-	39,644,365
Federal Revenues	30,976,675	-	-	-	139,556	-	1,159,499	-	313,970	1,613,025	32,589,700
Local Revenues	6,041,977	-	-	-	-	-	-	150,372	(50,000)	100,372	6,142,346
Investment Earnings	873,030	-	-	-	-	-	-	-	-	-	873,030
Other Revenues	838,600	232,460	-	232,460	-	-	-	-	-	-	1,071,060
Fares - Base	79,111,951	-	-	-	-	-	-	-	7,965	7,965	79,119,916
Fares - Expansion	-	-	-	-	-	-	-	-	-	-	-
Contract & Special Event Revenue	8,739,866	-	-	-	-	-	-	-	-	-	8,739,866
Total Revenues	\$ 384,637,112	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 1,159,499	\$ 150,372	\$ 543,051	\$ 1,952,922	\$ 386,590,034
Expenses											
Salaries & Benefits	\$ 199,547,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,178	\$ -	\$ -	\$ 91,178	\$ 199,638,340
Consulting & Contractual Services	7,184,662	-	-	-	-	-	-	-	(15,700)	(15,700)	7,168,962
Materials & Supplies	17,173,568	-	-	-	125,000	-	-	-	-	125,000	17,298,568
Rent & Utilities	6,336,951	-	-	-	-	-	-	-	-	-	6,336,951
Printing	118,000	-	-	-	-	-	-	-	-	-	118,000
Travel	43,000	-	-	-	-	-	-	-	-	-	43,000
Insurance	3,496,957	-	-	-	-	-	-	-	-	-	3,496,957
Transit Programs	71,825,238	-	-	-	-	-	1,159,499	20,644	766,609	1,946,752	73,771,990
Operating Capital	873,231	-	-	-	-	-	-	-	-	-	873,231
Debt Service	40,166,402	-	-	-	-	-	-	-	-	-	40,166,402
Other Operating Expenses	24,063,525	-	-	-	-	-	-	-	-	-	24,063,525
Total Expenses	\$ 370,830,696	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 1,250,677	\$ 20,644	\$ 750,909	\$ 2,147,230	\$ 372,977,926
Other Uses											
Interdivisional Expense Alloc-MT & LRT	\$ 14,815,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,815,401
A-87- Metropolitan Transportation Services	805,000	-	-	-	-	-	-	-	-	-	805,000
Planning Chargeback Expense	295,735	-	-	-	-	-	(91,178)	-	-	(91,178)	204,557
Total Other Uses	\$ 15,916,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (91,178)	\$ -	\$ -	\$ (91,178)	\$ 15,824,958
Transfers To (From) Other Funds	(21,150)	-	-	-	-	-	-	-	-	-	(21,150)
Total Expenses and Uses	\$ 386,725,682	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 1,159,499	\$ 20,644	\$ 750,909	\$ 2,056,052	\$ 388,781,734
Surplus/(Deficit)	\$ (2,088,570)	\$ -	\$ -	\$ -	\$ (25,000)	\$ -	\$ -	\$ 129,728	\$ (207,858)	\$ (103,130)	\$ (2,191,700)