

T Transportation Committee
Meeting date: May 23, 2011

Council meeting date: June 8, 2011

ADVISORY INFORMATION

Date:	May 13, 2011
Subject:	Authorization to Accept Federal 5311 Operating Funds from MnDOT
District(s), Member(s):	All
Policy/Legal Reference:	Council Policy 3-2-2 Income/Grants, Federal Transit Administration Section 5311, Council Resolution 2010-26
Staff Prepared/Presented:	Arlene McCarthy, Director MTS (651) 602-1754 Gerri Sutton, Asst. Director MTS (651) 602-1672 John Harper, Manager, Contracted Transit Services (651) 602-1744
Division/Department:	Metropolitan Transportation Services (MTS)

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to accept an award of \$609,000 in 5311 Non-Urbanized Area formula funds for 2011 and enter into a grant agreement with the Minnesota Department of Transportation (MnDOT) to receive those funds.

Background

The Federal Transit Administration (FTA) apportions the funds appropriated annually to the chief executive officer of each State for public transportation projects in nonurbanized areas. Within Minnesota, these funds are administered by MnDOT. Eighty percent of the statutory formula is based on the nonurbanized population of the state and twenty percent is based on land area. Based on 2000 census data, the seven county metro area accounts for 11% of the population and 2.4% of the geographic area of the total Minnesota nonurbanized area.

MnDOT oversees a competitive process to disburse Section 5311 funds, which may be used to fund capital projects, at 80 percent reimbursement, or operating costs, at 50 percent reimbursement. The actual reimbursement level established by MnDOT for 2011 operating expenses is 34 percent. Projects funded through this program must serve residents of nonurbanized areas. The Council authorized staff to apply for these funds under Resolution 2010-26.

Rationale

MnDOT receives about \$11 million annually from the FTA to fund transit services in nonurbanized areas throughout the state of Minnesota. The Council implemented Transit Link service in 2010 and with the new program identified 5311 funds as a viable funding source to support services in the non-urbanized portion of the seven counties. A competitive application was submitted in late 2010 and the amount of the award was finalized by MnDOT in May.

Funding

The Council's adopted 2011 budget assumed \$1,000,000 in 5311 funds for Transit Link dial-a-ride service. Because the reimbursement rate for 2011 was set at 34 percent rather than the federally allowed 50 percent, staff anticipated a revised budget revenue estimate of \$700,000 and proceeded with a budget amendment accordingly. Subsequent to the Council amending the 2011 Unified Operating Budget on May 11, Council staff learned that based on recent service data, the program will likely be eligible for only \$609,000 in 5311 funds reimbursement. MnDOT has further reduced the funding contract amount accordingly. Fund balance will be used to supplant the \$91,000 difference, if necessary.

Known Support / Opposition

No known opposition.