



Management Committee

Transportation Committee: October 22, 2012
Metropolitan Council: November 14, 2012

Business Item

Item: 2012-291

Meeting date: October 24, 2012

ADVISORY INFORMATION	
Date:	October 17, 2012
Subject:	2012 Unified Operating Budget Amendment
District(s), Member(s):	All
Policy/Legal Reference:	MN Statutes section 473.13, sub. 1 -- Council Budget Requirements
Staff	Mary Bogie (602-1359) Chief Financial Officer
Prepared/Presented:	Paul Conery (602-1374) Director, Budget & Operations
Division/Department:	All

Proposed Action

That the Metropolitan Council:

- Amend the 2012 Unified Operating Budget as indicated and in accordance with attached tables.

Background

Staff recommends the following revisions to the 2012 budget.

Transportation

Change in Revenues: \$200,000; Expenditures: \$1,500,000; Reserves: (\$1,300,000)

- \$1,500,000 is requested to cover the expenses related to the Metro Mobility ridership increase. This is offset by anticipated \$200,000 increase in fare-base revenue. The rest is offset by using reserves of \$1,300,000. This use of reserves will drop Metro Mobility \$3,900,000 below its Council approved target fund balance of 10% which is \$4,900,000. This use of reserves will be replenished in 2013 with Regionally Allocated MVST.

Other: Fund Cleanup

- Authority is requested to transfer the entire remaining balance of approximately \$270,000 from Fund 482, the Housing Bond Credit Enhancement Debt Service Fund, to the General Fund and designated to water supply planning activities. Fund 482 was established to finance the Council's liability for 1999 Carver County (Chaska) HRA G.O. Bond issuance under the credit enhancement program. The bonds were refunded in 2010 and we no longer have any obligation for these bonds.

- Authority is requested to transfer the entire remaining balance of approximately \$270,000 from Fund 328, a Parks Capital Fund created in 1991 when the Council defeased the 1974 Parks Bond Issue, to a Parks Debt Service Fund to be used for debt service on the next Parks Bond Issuance. Fund 328 has not had any activity since 2003.

Rationale

Staff is recommending the following revisions to the 2012 budget.

Funding

The proposed operating budget amendment makes the following changes to the 2012 Unified Operating Budget.

	Adopted Budget	Previous Amendments	Proposed Amendment	Proposed Budget
Revenues				
Operating	\$ 535,652,175	\$ 576,481	\$ 200,000	\$ 536,428,656
Pass Through	98,899,437	3,371,770	-	102,271,207
Debt Service	143,629,534	-	-	143,629,534
Total Revenues	\$ 778,181,146	\$ 3,948,251	\$ 200,000	\$ 782,329,397
Expenditures				
Operating	\$ 536,345,778	\$ 12,290,220	\$ 1,500,000	\$ 550,135,998
Pass Through	95,262,229	3,371,770	-	98,633,999
Debt Service	148,698,643	-	-	148,698,643
Total Expenditures	\$ 780,306,650	\$ 15,661,990	\$ 1,500,000	\$ 797,468,640
Surplus / (Deficit)	\$ (2,125,504)	\$ (11,713,739)	\$ (1,300,000)	\$ (15,139,243)

Know Support / Opposition

Committee Actions:

Transportation Committee: October 22, 2012

Metropolitan Council
2012 Annual Budget - Summary of Revisions
Operating Budget Amendment - Business Item 2012-291

	2012 Adopted Budget	2012 Amended Budget	Total Reg'l Admin & Community Dev	HRA Programs	Total Transportation	Environmental Services	Capital	Net Change	2012 Revised Budget
Revenues & Other Sources									
Property Tax (Net)	\$ 11,791,064	\$ 11,791,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,791,064
Federal	51,649,548	51,932,289	-	-	-	-	-	-	51,932,289
State	210,219,972	210,219,972	-	-	-	-	-	-	210,219,972
Municipal & Wastewater Charges	104,160,160	104,160,160	-	-	-	-	-	-	104,160,160
Industrial Waste Charges	12,745,000	12,745,000	-	-	-	-	-	-	12,745,000
Passenger Fares	101,933,759	102,243,759	-	-	200,000	-	-	200,000	102,443,759
Debt Service	143,629,534	143,629,534	-	-	-	-	-	-	143,629,534
Passthrough	98,899,437	102,119,947	-	-	-	-	-	-	102,119,947
Other Sources	43,152,672	43,287,672	-	-	-	-	-	-	43,287,672
Total Revenues and Other Sources	\$ 778,181,146	\$ 782,129,397	\$ -	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ 782,329,397
Expenses									
Salaries & Benefits	\$ 330,394,201	\$ 330,616,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,616,201
Consultant / Contractual Services	43,375,247	50,722,867	-	-	-	-	-	-	50,722,867
Materials , Supplies & Chemicals	38,242,275	38,985,275	-	-	-	-	-	-	38,985,275
Rent, Utilities, & Insurance	25,506,380	25,461,980	-	-	-	-	-	-	25,461,980
Other Operating Expenses	36,458,977	36,458,977	-	-	-	-	-	-	36,458,977
Grants from Operating Accounts	-	1,900,000	-	-	-	-	-	-	1,900,000
Transit Assistance	57,449,328	59,571,328	-	-	1,500,000	-	-	1,500,000	61,071,328
Debt Service	148,698,643	148,698,643	-	-	-	-	-	-	148,698,643
Passthrough Grants & Loans	95,262,229	98,633,999	-	-	-	-	-	-	98,633,999
Capital Expenditures	4,919,370	4,919,370	-	-	-	-	-	-	4,919,370
Total Expenses	\$ 780,306,650	\$ 795,968,640	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000	\$ 797,468,640
Other Uses									
Interdivisional Expense Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A-87 Charges/Planning Chargebacks	-	-	-	-	-	-	-	-	-
Transfers (From) To Other Funds	-	-	-	-	-	-	-	-	-
Total Other Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses and Other Uses	\$ 780,306,650	\$ 795,968,640	\$ -	\$ -	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000	\$ 797,468,640
Surplus/(Deficit)	\$ (2,125,504)	\$ (13,839,243)	\$ -	\$ -	\$ (1,300,000)	\$ -	\$ -	\$ (1,300,000)	\$ (15,139,243)

T Transportation Committee

Meeting date: October 22, 2012

Management Committee: October 24, 2012

Metropolitan Council: November 14, 2012

ADVISORY INFORMATION

Date:	October 11, 2012
Subject:	2012 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, Director, MTS, (651) 602-1217 Amy Vennewitz, Deputy Director, MTS, (651) 602-1058 Sean Pfeiffer, Principal Financial Analyst, MTS, (651) 602-1887
Division/Department:	Transportation / Metropolitan Transportation Services

Proposed Action

That the Council amend the 2012 Unified Operating Budget in accordance with the attached table.

Background

MTS is requesting an operating budget amendment as a result of continued and anticipated Metro Mobility ridership growth as described below.

Metro Mobility, by federal law, is not permitted to deny trip requests by ADA certified riders that begin and end within $\frac{3}{4}$ mile of any all-day fixed route service during the times fixed route service is available. In addition, state law requires that all ADA certified riders receive Metro Mobility service within the Transit Taxing District, as established by the State effective March 2006.

The 2012 budget assumed Metro Mobility ridership growth between 3% and 5%. For the first nine months of 2012, ridership compared to the same period for 2011 was up 10%. Growth for the remainder of 2012 is expected to be over 10%. This additional demand for service requires Metro Mobility to increase service hours. These increased service costs will be partially offset by higher fare revenues. The \$1,300,000 net cost of the service level increase will be covered with existing reserves (fund balances). With this amendment, Metro Mobility's 2012 operating budget will be \$49,022,544.

The specific changes for MTS are as follows:

Metropolitan Transportation Services

Metro Mobility

Increase/(Decrease) in Revenues: \$200,000; Expenditures: \$1,500,000; Reserves: (\$1,300,000)

- Increase anticipated fare revenue \$200,000 to recognize higher than expected ridership and fare collections.
- Increase transit programs expense by \$1,500,000 to account for increased service hours needed by Metro Mobility to address additional service demand.

Rationale

This amendment recognizes Metro Mobility's increased ridership demand and the expense adjustments required to meet that demand.

Funding

The \$1,300,000 net costs associated with the ADA increase in ridership demand will be funded out of Metro Mobility's existing fund balance. This use of reserves will drop Metro Mobility below its Council approved target fund balance of 10%. This use of reserves will be replenished in 2013 with Regionally Allocated MVST.

Known Support / Opposition

There is no known opposition to this amendment.

Metropolitan Council - Transportation Division
2012 Annual Budget - Summary of Revisions
Operating Budget Amendment - Business Item 2012-291

	2012 Adopted Budget	2012 Amended Budget	Total Metro Transit	Metro Mobility	Contracted Services	Transportation Planning	Total Metropolitan Transportation Services	2012 Revised Budget
Revenues								
State Revenues								
Motor Vehicle Sales Taxes	\$ 168,132,000	\$ 168,132,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,132,000
State Revenues	40,184,884	40,184,884	-	-	-	-	-	40,184,884
Total State Revenues	\$ 208,316,884	\$ 208,316,884	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,316,884
Other Revenues								
Federal Revenues	44,231,048	44,408,648	-	\$ -	\$ -	\$ -	-	44,408,648
Local Revenues	23,806,213	23,806,213	-	-	-	-	-	23,806,213
Investment Earnings	682,000	682,000	-	-	-	-	-	682,000
Other Revenues	884,889	944,889	-	-	-	-	-	944,889
Fares - Base	92,689,964	92,999,964	-	200,000	-	-	200,000	93,199,964
Contract & Special Event Revenue	9,243,795	9,243,795	-	-	-	-	-	9,243,795
Transfer in from other funds	13,703,004	13,703,004	-	-	-	-	-	13,703,004
Total Revenues	\$ 393,557,797	\$ 394,105,397	\$ -	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ 394,305,397
Expenses								
Salaries & Benefits	\$ 238,123,912	\$ 238,345,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,345,912
Consulting & Contractual Services	16,383,621	16,383,621	-	-	-	-	-	16,383,621
Materials & Supplies	24,513,319	25,256,319	-	-	-	-	-	25,256,319
Rent & Utilities	6,314,197	6,314,197	-	-	-	-	-	6,314,197
Printing	93,250	93,250	-	-	-	-	-	93,250
Travel	37,000	37,000	-	-	-	-	-	37,000
Insurance	4,456,362	4,411,962	-	-	-	-	-	4,411,962
Transit Programs	57,449,328	59,571,328	-	1,500,000	-	-	1,500,000	61,071,328
Operating Capital	68,820	68,820	-	-	-	-	-	68,820
Grants - Governmental	-	151,260	-	-	-	-	-	151,260
Other Operating Expenses	27,528,060	27,528,060	-	-	-	-	-	27,528,060
Capital Outlay	-	-	-	-	-	-	-	-
Total Expenses	\$ 374,967,869	\$ 378,161,729	\$ -	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000	\$ 379,661,729
Other Uses								
Interdivisional Expense Alloc-MT & LRT	\$ 18,482,751	\$ 18,482,751	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,482,751
A-87- Metropolitan Transportation Services	1,693,890	1,693,890	-	-	-	-	-	1,693,890
Planning Chargeback Expense	(21,150)	(21,150)	-	-	-	-	-	(21,150)
Total Other Uses	\$ 20,155,491	\$ 20,155,491	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,155,491
MVST Transfers In	-	-	-	-	-	-	-	-
Transfers (To) / From Other Funds	-	-	-	-	-	-	-	-
Total Expenses and Uses	\$ 395,123,360	\$ 398,317,220	\$ -	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000	\$ 399,817,220
Surplus/(Deficit)	\$ (1,565,563)	\$ (4,211,823)	\$ -	\$ (1,300,000)	\$ -	\$ -	\$ (1,300,000)	\$ (5,511,823)