

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 | Metro Transit Bus | Metro Transit Rail | Metro Transit Northstar | 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) |