

## Transportation Committee

Meeting date: June 22, 2015

Management Committee of June 24, 2015

For the Metropolitan Council meeting of June 24, 2015

**Subject:** Authorization to Amend the 2015 Unified Budget

**District(s), Member(s):** All

**Policy/Legal Reference:** 2015 Unified Budget; Mn Statutes Section 473.13, Subd. 1 – Council Budget Requirements

**Staff Prepared/Presented:** Mary Bogie, Chief Financial Officer 651-602-1359; Brian J. Lamb, General Manager, Metro Transit 612-349-7510; Mark W. Fuhrmann, Deputy General Manager 612-373-3810; Edwin D. Petrie, Director of Finance, Metro Transit 612-349-7624

**Division/Department:** Transportation / Metro Transit

### Proposed Action

That the Metropolitan Council amend the 2015 Unified Budget – Capital Program (annual appropriation) and Authorized Capital Program (multi-year authorization) as indicated and in accordance with the spreadsheet in Capital Attachment #1 (Program Level).

### Background

State of Minnesota Session Laws 2013, chapter 117, article 1, section 4 originally appropriated State General Funds of \$37.0M for the Southwest Corridor Light Rail Transit Line to be used for environmental studies, preliminary engineering, acquisition of real property and design. This was a one-time appropriation and was available until expended.

State of Minnesota Session Laws 2015, SF 1647, article 1, section 6 cancelled \$29.7M of unspent State General Fund Appropriations from the Minnesota Session Laws of 2013. This State Appropriation Cancellation created an immediate funding and cash flow shortfall for the Southwest Corridor Light Rail Transit Project.

Staff presented a cash flow/funding plan to finance the state's share of project costs to the Transportation and Management Committees on June 8 and June 10, respectively. This budget amendment addresses the first step in implementing that plan and resolves the immediate cash flow needs for calendar year 2015 by transferring Motor Vehicle Sales Tax (MVST) reserve funds totaling \$13M to the capital program.

The Metropolitan Council budgets Motor Vehicle Sales Taxes (MVST) at 95% of the current state forecast. Actual MVST receipts above 95% go into the MVST Reserve and are included in the budget for the following year. The MVST Reserve has a minimum balance target of \$15.0M, with a current reserve balance of \$28M. MVST funds transferred to the capital program will be replenished in the 2016 operating budget by increased State General Fund revenues appropriated in the 2015 legislative session for transit operations.

Funding decisions for project costs projected for calendar year 2016 and beyond will come forward to the Council as future budget decisions.

Prior to the receipt of the federal full funding grant, New Start projects are funded solely with local monies. The local shares are 20% state, 20% Hennepin County Regional Railroad Authority (HCRRA) and 60% Counties Transit Improvement Board (CTIB). Therefore, the balance of the expenditures will be funded by the local funding partners which include HCRRA and CTIB.

### **Capital Program:**

#### **Metro Transit**

#### **Reduce Authorized Funding/Authorize New Projects:**

##### **Southwest LRT – Project #61001**

This amendment provides \$13,000,000 in Motor Vehicle Sales Tax (MVST) Reserve Transfers and removes \$29,700,000 of State General Fund Appropriations cancelled with the State of Minnesota Laws of 2015, SF 1647, article 1, section 6. This project is identified in the CIP.

#### **Rationale**

This amendment is required to authorize additional funding and remove cancelled funding required to carry out the long-term capital improvement program for transit. This amendment will also move \$16.7M from the Authorized Capital Program to the Planned Capital Program for a future funding decision. The proposed action is the only practical statutorily available funding solution for the short term expenditures in calendar years 2015 and early 2016. Staff will come to the Management and Transportation Committees for long term funding solutions at a future date.

#### **Funding**

##### **Capital Program:**

This amendment increases other funds by \$13,000,000 and decreases state funds by \$29,700,000.

#### **Known Support / Opposition**

No known opposition.

Attachments:

1. Capital – Attachment #1 (Program Level)
2. Capital – Attachment #3 (Project Level) – Informational Only

		CURRENTLY AUTHORIZED					PROPOSED CHANGE					AMENDED					2015 Budget	Multi-Year Authorization	
		Federal	State	Other	Regional	Total	Federal	State	Other	Regional	Total	Federal	State	Other	Regional	Total			
<b>METRO TRANSIT</b>																	Original Adopted	\$ 234,954,016	\$ 2,682,751,928
																	After Prior Amendments	\$ 326,489,387	\$ 2,797,869,509
																	After This Amendment	\$ 326,489,387	\$ 2,781,169,509
<b>Administrative Adjustments</b>																			
None		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Section Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>CLOSING PROJECTS / REALLOCATE AUTHORIZED FUNDING</b>																			
None		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Section Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
* Metro Transit Projects Closed and Removed from Authorized Capital Program																		\$ -	
<b>REDUCE AUTHORIZED FUNDING</b>																			
None		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Section Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>INCREASE AUTHORIZED FUNDING / AUTHORIZE NEW PROJECTS</b>																			
<b>FEDERAL NEW STARTS RAIL PROJECTS</b>																			
61001	Southwest LRT	\$ -	\$ 44,000,000	\$ 128,153,857	\$ -	\$ 172,153,857	\$ -	\$ (29,700,000)	\$ 13,000,000	\$ -	\$ (16,700,000)	\$ -	\$ 14,300,000	\$ 141,153,857	\$ -	\$ 155,453,857	\$ -	\$ (16,700,000)	
	Section Subtotal	\$ -	\$ 44,000,000	\$ 128,153,857	\$ -	\$ 172,153,857	\$ -	\$ (29,700,000)	\$ 13,000,000	\$ -	\$ (16,700,000)	\$ -	\$ 14,300,000	\$ 141,153,857	\$ -	\$ 155,453,857	\$ -	\$ (16,700,000)	
<b>METRO TRANSIT TOTAL</b>		\$ -	\$ 44,000,000	\$ 128,153,857	\$ -	\$ 172,153,857	\$ -	\$ (29,700,000)	\$ 13,000,000	\$ -	\$ (16,700,000)	\$ -	\$ 14,300,000	\$ 141,153,857	\$ -	\$ 155,453,857	\$ -	\$ (16,700,000)	
<b>METROPOLITAN TRANSPORTATION SERVICES</b>																	Original Adopted	\$ 25,629,000	\$ 104,970,000
																	After Prior Amendments	\$ 25,563,000	\$ 105,264,000
																	After This Amendment	\$ 25,563,000	\$ 105,264,000
None		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
None		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>METROPOLITAN TRANSPORTATION SERVICES TOTAL</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>TRANSPORTATION DIVISION TOTAL</b>		\$ -	\$ 44,000,000	\$ 128,153,857	\$ -	\$ 172,153,857	\$ -	\$ (29,700,000)	\$ 13,000,000	\$ -	\$ (16,700,000)	\$ -	\$ 14,300,000	\$ 141,153,857	\$ -	\$ 155,453,857	\$ -	\$ (16,700,000)	