

Transportation Committee

Meeting date: March 14, 2016

For the Metropolitan Council meeting of March 23, 2016

Subject: 2016 Supplemental Operating Agreements with SouthWest Transit and Minnesota Valley Transit Authority

District(s), Member(s): 3 – Munt, 4 – Barber, 15 – Chavez, 16 – Wulff

Policy/Legal Reference: 2016 Unified Operating Budget

Staff Prepared/Presented: Arlene McCarthy, Director, MTS, (651) 602-1754

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Division/Department: Metropolitan Transportation Services

Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute grant agreements in the amount of \$1,047,000 with SouthWest Transit (SWT) and an amount not to exceed \$5,819,000 with Minnesota Valley Transit Authority (MVTA) to provide supplemental transit operating funding during CY2016.

Background

Each budget year Council staff work with the Suburban Transit Providers (STPs) and calculate the amount of regionally allocated MVST needed by the STPs to preserve existing service levels. As funds allow, staff also calculate the amount of regionally allocated MVST needed to increase STP target fund balances. CY2016 calculations result in a recommended amount of \$1,047,000 for SWT and an amount not to exceed \$5,819,000 for MVTA.

MVTA, Prior Lake and Shakopee merged in 2015. Council staff are working with MVTA staff to reconcile financial transactions of regional dollars associated with the 2015 merger. Results of this reconciliation will determine MVTA's final allocation of regionally allocated MVST for 2016.

Rationale

The region's projected transit operating revenues currently allow for preservation of existing transit service levels and building target fund balances to the upper ranges (35% for STPs, 12% for Metro Transit and 15% for MTS Contracted Services and Metro Mobility). This request is necessary for MVTA and SWT to preserve their existing service in CY2016 and to increase their target fund balances.

Funding

Funding for these grants is regionally allocated MVST. Regionally allocated MVST are MVST funds received by the Council as a result of the 2006 constitutional amendment and legislative action providing the metro region with 36% MVST, an increase above the 21.5% base established in 2002. The necessary grant amounts are included in the Transportation Divisions 2016 operating budget.

Known Support / Opposition

MVTA and SWT support this action. No known opposition.