

## Transportation Committee

Meeting date: July 24, 2017

For the Metropolitan Council meeting of August 9, 2017

**Subject:** 2017 Supplemental Operating Agreements with Minnesota Valley Transit Authority and SouthWest Transit

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

**Policy/Legal Reference:** 2017 Unified Operating Budget

**Staff Prepared/Presented:** Nick Thompson, Director, MTS (651) 602-1754

Heather Aagesen-Huebner, Finance Director, MTS (651) 602-1728

**Division/Department:** Metropolitan Transportation Services

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to execute grant agreements in the amount of \$958,000 with Minnesota Valley Transit Authority (MVTA) and \$359,000 with SouthWest Transit (SWT) to provide supplemental transit operating funding during CY 2017. This item is contingent on Council adoption of the Q2 Unified Budget Amendment on July 26, 2017.

### Background

Council staff work with Suburban Transit Providers (STPs) each budget year and calculate the amount of regionally allocated Motor Vehicle Sales Tax (MVST) needed by the STPs to preserve existing service levels. Staff also calculate the amount of regionally allocated MVST needed to increase STP target fund balances as funds allow. CY2017 calculations result in a recommended amount of \$958,000 for MVTA and \$359,000 for SWT.

### Rationale

The region's projected transit operating revenues currently allows for preservation of existing transit service levels and maintaining fund balances slightly above minimums (29% for STPs, 9.8% for Metro Transit and 12% for MTS Contracted Services and Metro Mobility). This request is necessary for MVTA and SWT to preserve their existing service in CY2017.

### Thrive Lens Analysis

This item supports stewardship by responsibly planning and managing limited regional operating resources.

### Funding

Regionally allocated MVST funds these agreements. Regionally allocated MVST are MVST funds received by the Council as a result of the 2006 constitutional amendment and legislative action providing the metro regional with 36% MVST, an increase above the 21.5% base established in 2002.

This item is contingent on Council adoption of the Q2 Unified Budget Amendment on July 26<sup>th</sup>. The Q2 amendment adjusts the revenue budgets in the Transportation Division to reflect changes in available funding and an update of the revenue allocation model to reflect year end fund balances. The Q2 amendment was approved by the Transportation Committee on July 10<sup>th</sup>, the Management Committee meeting on July 12<sup>th</sup>, and will be taken before the full Council on July 26<sup>th</sup> for adoption.

### **Known Support / Opposition**

SouthWest Transit has requested funds over those calculated by the regional allocation model. Allocations are consistent with policy, regional practice and the established allocation model.