

## Transportation Committee

Meeting date: November 27, 2017

For the Metropolitan Council meeting of December 13, 2017

**Subject:** Master Operations Funding Agreement with Funding Transitway Counties for Transitway Service

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

**Policy/Legal Reference:** Metropolitan Council Policy 3-2-2

**Staff Prepared/Presented:** Brian J. Lamb, Metro Transit General Manager, (612) 349-7510  
Mark W. Fuhrmann, Metro Transit Deputy GMGR, (612) 373-3810  
Charles Carlson, Metro Transit Sr. Mgr. Small Starts (612) 349-7639  
Edwin D. Petrie, Director Finance, Metro Transit (612) 349-7624

**Division/Department:** Metro Transit

### Proposed Action

That the Metropolitan Council authorize the Regional Administrator to negotiate and execute a Master Operations Funding Agreement with the Funding Transitway Counties of Anoka, Hennepin and Ramsey. This agreement will be for the period of January 1, 2018 to December 31, 2022

### Background

The Counties Transit Improvement Board (CTIB) Master Operations Funding Agreement for Transitway Service was an agreement entered into between the Counties Transit Improvement Board and the Metropolitan Council under the authority of Minnesota Statute 297A.992. The original Master Operations Funding Agreement was for the period of January 1, 2009 through December 31, 2012, and was extended to December 31, 2017. This agreement established a uniform approach for any Grant Award by the Counties Transit Improvement Board to the Metropolitan Council for Transitway Service. Annually, the parties enter into Annual Operating Grant Agreements for specific Transitway Service and intend that the terms of the Master Operations Funding Agreement apply to each Annual Operating Grant Agreement.

Under CTIB Resolution #35-2017, the CTIB counties voluntarily dissolved CTIB and terminated the Joint Powers Agreement establishing CTIB so each participating county may impose a transportation sales tax and an excise tax of \$20.00 per motor vehicle for transportation purposes pursuant to Minnesota Statutes section 297A.993.

Subsequent to the CTIB dissolution, the counties of Anoka, Dakota, Hennepin, Ramsey and Washington adopted resolutions to impose up to a one-half percent sales and use tax and a \$20.00 per motor vehicle excise tax for transportation purposes pursuant to Minnesota Statutes section 297A.993.

Metropolitan Council staff have been working the County Staff to update the Master Operations Funding Agreement for Transitway Service to reflect the CTIB dissolution and issuance of the sales and use tax by the Counties. This agreement is intended to set forth a uniform approach for any grant award from the Counties to the Council for transitway service, and shall create a system of accountability for use of County funds. This agreement is intended to describe the provisions related to payment of the net operating costs of currently operating

transitways and to provide this basis for establishing the Counties' share for future lines when operations commence.

### **Rationale**

A Master Funding Agreement will establish a financial framework between the Metropolitan Council and the Funding Transitway Counties. The Master Operations Funding Agreement for the period of January 1, 2018 to December 31, 2022 will allow the Council to apply the terms of this agreement in its Annual Operating Grant Agreements.

### **Thrive Lens Analysis**

Stewardship – Operating projects fall within the parameters of the Counties Master Funding Agreement and demonstrate efficient and effective management of public financial resources of both the council and Counties.

Prosperity – Capital projects reflect strategic investment in regional infrastructure that will promote economic competitiveness and create prosperity for the region.

### **Funding**

This agreement establishes a uniform approach for any Grant Award by the Funding Transitway Counties to the Metropolitan Council for Annual Transitway Service. The Annual Operating Grant Agreements for specific Transitway Service are the mechanism for transfer of funding for Transitway Service.

### **Known Support / Opposition**

No known opposition. This action is supported by the Funding Transitway Counties of Anoka, Hennepin and Ramsey.