



Legislation Text

File #: 10397, **Version:** 2

Fiscal Note

This resolution would increase budgeted Transit expenses by \$52,606 associated with proposed service changes. These additional expenses would be funded by the application of Metro's reserve funds, thus resulting in no net levy impact. At the beginning of 2008, Metro had total reserves of \$733,950. (Please see attached documents: Cost Estimate for Revised Service Changes and Contingency Est 5.28.08 for details.)

However, it should be noted that increased and rising diesel fuel prices are projected to result in Metro cost-overruns of perhaps as much as \$1,000,000 in the current year, a very significant cost overrun that Metro will not be able to mitigate via expense reductions elsewhere in its budget. The precise magnitude of Metro's 2008 operating budget deficit won't be known until later this year, but it is likely that all remaining Transit fund reserves, as well as additional City levy support, will be required to fund Metro operations by the end of this year.

Title

SUBSTITUTE - Authorizing Metro Transit to amend its 2008 Operating Budget to increase expenditures by \$78,606 \$52,606 funded with Transit reserves in order to support urgently needed route and schedule changes.

Body

PREAMBLE

Metro Transit has proposed a number of service changes that are necessary in order to correct some issues with routes in the system. Over the years, growth on some routes along with schedule tightening and bids for efficiency have resulted in on-time problems and overcrowding. In order to alleviate the worst of these problems, Metro, as approved by the Transit and Parking Commission, is making changes to the routes most in need.

~~In addition, Route 13 has been partly supported by funding from investment partner the Town of Madison in the past. In making their budget decisions for service this year, the Town of Madison only allocated \$85,000 of the \$111,000 needed to support their service. This has left a shortfall of \$26,000. Metro Transit staff presented options for Route 13 to the Transit and Parking Commission (TPC). The TPC chose to support staff Option 2 for Route 13 that addresses some on-time issues but does not cut service south of Olin Avenue as Option 1 did. This means Metro needs the \$26,000 to fund that service. Although talks are happening between the City, Town of Madison and Dane County and possibly other funding sources, no agreement has yet been reached. If funding is forthcoming With funding from some other sources now forthcoming for Route 13, Option 2, Metro will need \$52,606 from their reserve funds to support the service changes. ~~If no funding or only partial funding to cover the \$26,000 is available from another source, Metro will need up to \$78,606 from their reserve fund to cover the service changes.~~~~

Due to rising operating costs, most specifically fuel, Metro does not have money in the operating budget to cover the costs of these changes. There is sufficient money to fund the changes in the contingency reserve. The requested amount, ~~from~~ of \$52,606 ~~to \$78,606~~, would be used to fund the changes.

WHEREAS, Metro Transit wants to institute route changes to improve the overall system; and

WHEREAS, additional costs will be incurred due to the service changes; and

WHEREAS, the Transit and Parking Commission has approved the changes; and

~~WHEREAS, the Transit and Parking Commission has directed the City to continue current discussions to find all possible sources of funding to support Route 13, Option 2 of the staff proposal; and~~

~~WHEREAS, those discussions and decisions about funding sources are not yet finalized; and~~

WHEREAS, Metro Transit has funds for the changes in their contingency reserve;

NOW, THEREFORE BE IT RESOLVED that the 2008 Metro Transit Operating Budget be amended to increase authorized expenditures by ~~\$78,606~~ \$52,606, funded with Transit reserves, to support the listed service changes.