



## Legislation Text

---

**File #:** 64972, **Version:** 1

---

### Fiscal Note

The proposed resolution amends the 2021 Adopted Capital Budget for Metro Transit to change funding sources for two capital projects.

Metro debt service has increased as the agency's capital program has expanded. This impacts the General Fund subsidy to Metro because it includes amounts to pay the agency's debt service. Because the general fund subsidy is considered within the limits of the state's Expenditure Restraint Program (ERP), the increased debt service puts stress on the City qualifying under ERP. One option to address the ERP issue is to fund Metro's capital budget from General Fund-supported borrowing and contribute the resulting asset to Metro.

The 2021 Adopted Capital budget included \$10.8 million in Metro-supported general obligation borrowing for Metro's Facilities Repairs and Improvements program. This resolution changes the funding source to be General Fund-supported borrowing.

The proposed resolution also changes the funding source for Metro's Transit Technology System project to make use of federal rescue funds. Metro is expected to receive approximately \$69 million in federal rescue funds. The 2021 Adopted Capital Budget appropriated \$10 million in Metro-supported borrowing for the Transit Technology System project. This resolution replaces that borrowing with federal rescue funds.

The net result of these changes is a \$10 million reduction in general obligation borrowing (\$10.8 million increase in GF-supported borrowing and a \$20.8 million decrease in non-GF borrowing).

### Title

Amending the 2021 Adopted Capital Budget to change the funding sources for the Metro Transit - Facilities Repairs and Improvements program and the Metro Transit -Transit Technology System project.

### Body

WHEREAS, the 2021 Adopted Capital Budget appropriated \$10,805,000 in Metro-supported general obligation borrowing for the Metro Transit - Facilities Repairs and Improvements program and appropriated \$10,000,000 in Metro-supported general obligation borrowing for the Metro Transit -Transit Technology System project;

WHEREAS, Metro's expanding capital program and associated debt service requires increases in the operating subsidy from the City's General Fund, with associated impacts on the city's capacity to qualify under the state's Expenditure Restraint Program and that use of General Fund-supported borrowing for some Metro capital projects could reduce this impact;

WHEREAS, Metro desires that the \$10,805,000 in 2021 appropriated borrowing for the Facilities Repairs and Improvements program be changed from Metro-supported borrowing to General Fund-supported borrowing;

WHEREAS, Metro is expected to receive approximately \$69,000,000 in federal funds from the Coronavirus Aid, Relief, and Economic Security Act, the Coronavirus Response and Relief Supplemental Appropriations Act, and the American Rescue Plan (herein referred to as "Rescue Funds");

WHEREAS, Metro desires to change the funding source for the \$10,000,000 Transit Technology System project from Metro-supported general obligation borrowing to instead use Rescue Funds;

NOW THEREFORE BE IT RESOLVED, that Metro Transit's 2021 Adopted Capital Budget is amended to

change the \$10,805,000 in Metro-supported borrowing for the Facilities Repairs and Improvements program (#85002) to be General Fund-supported borrowing;

BE IT FURTHER RESOLVED, that Metro Transit's 2021 Adopted Capital Budget is amended to change the funding source for the \$10,000,000 Transit Technology System project (#13120) from borrowing to federal funds.