

MOTION by Directors Butts, Knabe and DuBois to Amend Item No. 5

A Fiscal Stability Overview and Funding Commitments Inventory

Metro currently finds itself at an interesting crossroads; in so far as this Board has three new members, a pending new CEO and is currently in the process of updating the 2009 Long Range Transportation Plan (LRTP) while concurrently developing information that could lead to a new sales tax ballot measure as early as November, 2016.

Before us this month is the timely issue of Debt Management and Debt Service policy. A primary goal of such policy is to monitor and manage Metro debt commitments so as to avoid over leveraging longer-term future revenues in order to finance present and near future programs and projects. We believe that everyone would agree that we should be consciously aware of how much future debt we have already committed in order that we may seek to strike a responsible balance between paying for the costs of on-going Operations and Maintenance and the State of Good Repair needs with real-time revenues prior to embarking on a shared ambition to continue to expand the transit network. We are concerned that we may be over-mortgaging future sales tax revenues to grow beyond our means to sustain the operations and maintenance of Metro's growing infrastructure.

We also feel it might be helpful for us all if the Board were to step back and undertake a ***Fiscal Stability Overview and Funding Commitments Inventory*** to be submitted by Capital Planning, Operations and Construction staff to the Chief Financial Officer and Treasurer that examines the following areas:

1. A consolidated budgetary statement on all Metro Transit Projects and Programs currently funded through Propositions A and C and Measure R, including
 - a. Life of Project Budgets;
 - b. Estimated projected capital, operations, and rehabilitation shortfall for each project; and
 - c. A list of estimated costs for approved and pending "betterments" for each of those projects that have been approved by the Metro Board since the LRTP was adopted in 2009.
2. An Inventory of Debt and Debt Service commitments pertaining to each Proposition A, C and Measure R, and programmed debt issuance for existing projects and programs, and the remaining residual ***Debt Policy Maximum*** in each sales tax measure debt issuance category;
3. A list of Grant Agreements and future plans for funding the *Call for Projects* program;
4. This inventory should also include the funding needs of Bus and Rail Operations and the State of Good Repair

Specifically, such an inventory should list each project and program funded through the three existing sales tax measures (*A, C, and R*) in a 3-column chart that lists

- a) Current funding
- b) Amount needed to complete the Project; and
- c) Shortfall amount (projected to be included in a new ballot measure, re-programming of current commitments, or issuance of new debt)

WE THEREFORE MOVE that this Board:

- ~~A. Approve the staff Recommendation as contained in Item number Five; and~~
- B. Instruct the Capital Planning, Construction and Operations staff with the validation of data by the Chief Financial Officer and Treasurer to report back in June, 2015 to the Finance and Budget and Planning committees with the information described above in order to provide this Board, the new CEO and the subregion stakeholder partners a **financial baseline** from which to develop a framework for the updated LRTP, sales tax measure and other pertinent strategic financial decisions for the future of transportation development.