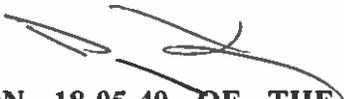


Date: May 23, 2018

To: Board of Directors

From: Doug Kelsey 

Subject: RESOLUTION 18-05-40 OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING A MODIFICATION OF THE STREETCAR OPERATING AGREEMENT WITH THE CITY OF PORTLAND

1. Purpose of Item

The purpose of this item is to request that the TriMet Board of Directors (Board) authorize the General Manager to execute a modification to the Streetcar Operating Agreement with the City of Portland (City).

2. Type of Agenda Item

- Initial Contract
- Contract Modification
- Other: Intergovernmental Agreement Modification

3. Reason for Board Action

Board approval is required for intergovernmental agreements obligating TriMet to pay in excess of \$1,000,000.

4. Type of Action

- Resolution
- Ordinance 1st Reading
- Ordinance 2nd Reading
- Other _____

5. Background

On July 25, 2012, the Board approved Resolution 12-07-64 authorizing the General Manager to execute a Streetcar Master Agreement and a Streetcar Operating Agreement with the City of Portland. The Streetcar Master Agreement covers understandings between TriMet and the City for TriMet and City shares of Streetcar operating funding. Actual amounts of TriMet funding to the City for Streetcar operations each fiscal year are specified in annual modifications to the Streetcar Operating Agreement, effective each July 1 for the new fiscal year.

At this time, Board authorization is required for a modification of the Streetcar Operating Agreement to authorize TriMet funding to the City for Streetcar operations for FY2019 (beginning July 1, 2018).

The amount of TriMet funding to the City for Streetcar operations for FY2019 is set forth in the following table, which also includes FY2018 figures, for comparison.

		<u>FY2018</u>		<u>FY2019</u>	
A.	City's Streetcar Operating Budget	\$ 13,907,315		\$ 14,606,013	
B.	Portion of City's Streetcar Operating Budget as City's Reimbursement to TriMet for Operating Personnel & Other Services	7,854,118		8,433,889	
C.	TriMet funding to City for Streetcar operations per revenue vehicle hour	\$ 149.60		\$ 161.93	
D.	NS Line revenue vehicle hours	31,627		32,020	
E.	A/B Loops Line revenue vehicle hours	42,167		42,404	
F.	TriMet funding portion of NS Line revenue vehicle hours	85.00%	26,883	85.00%	27,217
G.	City funding portion of NS Line revenue vehicle hours	15.00%	4,744	15.00%	4,803
H.	TriMet funding portion of A/B Loops Line revenue vehicle hours	50.00%	21,083	61.67%	26,150
I.	City funding portion of A/B Loops Line revenue vehicle hours	50.00%	21,084	38.33%	16,254
J.	Total TriMet funding portion of Streetcar revenue vehicle hours	47,966		53,367	
K.	Ongoing TriMet funding to City for Streetcar operations = C x J	\$ 7,175,379		\$ 8,641,740	
L.	One-time TriMet fare reciprocity funding to City	\$ 500,000		\$ 200,000	
M.	Total TriMet funding to City for Streetcar operations	\$ 7,675,379		\$ 8,841,740	

Row B above shows the portion of the City's Streetcar operating budget that the City pays to TriMet for wages, benefits, and overhead for TriMet personnel in Streetcar operator and mechanic positions, as well as for maintenance of way and scheduling services provided by TriMet to Streetcar.

The FY2018 amendment to the TriMet/City Streetcar Operating Agreement established that as of FY2019 and later, the annual amount of TriMet funding to the City for Streetcar operations will be determined by adjusting the prior-year TriMet funding rate on a per Streetcar vehicle hour basis (row C above), according to increases or decreases in Streetcar system vehicle hours (e.g., service frequency) for the upcoming fiscal year, if any; adjustments to TriMet represented employee wage rates for the upcoming fiscal year, if any, resulting from TriMet's Working & Wage Agreement (WWA) with the Amalgamated Transit Union (ATU); and adjustments to the TriMet/City funding share ratios for the upcoming fiscal year, if any, which under provisions of the Master Agreement may be "triggered" by growth in Streetcar ridership and Streetcar-related property and economic development. The \$149.60 FY2018 initial basis of the TriMet funding rate per Streetcar vehicle hour was set by dividing the City's \$11,039,045 FY2018 Streetcar net operating cost (operating cost less fares and sponsor revenues) by its 73,794 FY2018 revenue vehicle hours. For FY2019, the TriMet funding rate for its share of Streetcar vehicle hours is \$161.93, reflecting adjustments to TriMet represented employee wage rates from December 1, 2016 through December 1, 2018 under the current WWA with ATU ratified in November, 2017.

TriMet's funding share of A/B Loops Line revenue vehicle hours increases from 50% in FY2018 to 61.67% in FY2019, pursuant to the Master Agreement provisions regarding growth in Streetcar ridership and Streetcar-related property and economic development.

The one-time TriMet fare reciprocity funding to City amount (row L) is pursuant to provisions of an Intergovernmental Agreement between TriMet and the City of Portland authorized by

the Board on October 22, 2014 by Resolution 14-10-53, regarding participation in the regional HOP Fastpass system. The TriMet fare reciprocity funding to the City is in recognition of Streetcar fares currently collected by TriMet. After the HOP Fastpass system is used for all non-cash fare payments, all Streetcar fare revenue will be received by the City directly from the system, and there will be no TriMet fare reciprocity funding to the City.

6. Financial/Budget Impact

Provisions in both the Streetcar Master Agreement and Streetcar Operating Agreement require that the amount of TriMet funding to the City for Streetcar operations may not exceed the amount provided for this purpose in the TriMet budget for the respective fiscal year, as adopted by the Board.

TriMet's FY2019 budget, proposed to be adopted by the Board by Resolution 18-05-39, includes the specific amount of \$8,841,740 for TriMet funding to the City for Streetcar operations in FY2019, as set forth in the foregoing section.

7. Impact if Not Approved

The Streetcar Operating Agreement provides the City with TriMet funding, personnel, and other services for day-to-day ongoing operations of the Portland Streetcar system, which need to be continued beyond the June 30, 2018 current expiration of the Streetcar Operating Agreement, as amended to-date.

RESOLUTION 18-05-40

RESOLUTION OF THE TRI-COUNTY METROPOLITAN TRANSPORTATION DISTRICT OF OREGON (TRIMET) AUTHORIZING MODIFICATION OF THE STREETCAR OPERATING AGREEMENT WITH THE CITY OF PORTLAND

WHEREAS, on July 25, 2012, the TriMet Board of Directors (Board) approved Resolution 12-07-64 authorizing the General Manager to execute a Streetcar Master Agreement and a Streetcar Operating Agreement with the City of Portland (City); and

WHEREAS, TriMet funding to the City for Streetcar operations has been determined for fiscal year 2019, under current provisions of the Streetcar Master Agreement and Streetcar Operating Agreement; and

WHEREAS, the fiscal year 2019 modification of the Streetcar Operating Agreement (Modification) shall exceed \$1,000,000; and

WHEREAS, the Board, by Resolution dated October 25, 2017, adopted a Statement of Policies requiring the Board to approve intergovernmental agreements obligating TriMet to pay in excess of \$1,000,000;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Modification shall be in conformance with applicable laws.
2. That the fiscal year 2019 amount of TriMet funding to City for Streetcar operations shall not exceed \$8,841,740.
3. That the General Manager or his designee is authorized to execute the Modification.

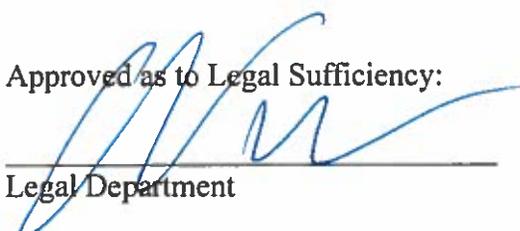
Dated: May 23, 2018

Presiding Officer

Attest:

Recording Secretary

Approved as to Legal Sufficiency:



Legal Department