

**CITY COUNCIL
COMMUNICATION:**

ITEM _____

02-180

**OFFICE OF THE CITY MANAGER
CITY OF DES MOINES, IOWA**

AGENDA:

SYNOPSIS -

APRIL 8, 2002

The Des Moines Area Metropolitan Planning Organization (MPO) has prepared a proposed Fiscal Year (FY) 2003 Unified Planning Work Program (UPWP) and FY2003 budget. This must be approved by resolution of the governing bodies of at least a majority of the member governments.

SUBJECT:

METROPOLITAN
PLANNING
ORGANIZATION-
UNIFIED PLANNING
WORK PROGRAM
AND BUDGET

FISCAL IMPACT -

Approximately \$112,000 has been budgeted for the MPO in the approved FY2003 Operating Budget. The MPO is requesting \$119,209.

TYPE:

RECOMMENDATION -

RESOLUTION
ORDINANCE
RECEIVE/FILE

Denial.

SUBMITTED BY:

BACKGROUND -

ERIC A. ANDERSON
CITY MANAGER

With this UPWP and budget, the MPO begins its 20th year carrying out responsibilities for transportation planning. The MPO cooperates with a number of agencies, including the Federal Highway Administration, the Federal Transit Authority, the Iowa Department of Transportation, the Central Iowa Regional Transportation Planning Alliance, the Des Moines International Airport, the Greater Des Moines Partnership, 15 member communities, and three member counties. The total FY2003 budget amounts to \$1,005,528, a 22 percent increase over last year's proposed budget.

Funding is divided among several projects including Long Range Planning, Geographic Information Systems Activities, Intelligent Transportation Systems, Transit Planning, Public Participation, Information Technology, and Special Projects.

Member governments, based on a per capita assessment rate, share funding for the MPO. The rate for FY2003 is 60 cents per capita based on the 2000 Census for an assessment to Des Moines of \$119,209. The rate for FY2002 was 48 cents per capita based on the 1990 Census, which is the rate that was set by approval of the member governments in 1995. The assessment was \$92,730.72. The City of Des Moines' population has grown from 193,189 for 1990 population to 198,682. The increase for the City of Des Moines is \$26,478, a 28.5 percent increase. The total assessments for all member governments is \$236,403, a total increase over last year of \$63,659, a 36.9 percent increase.

There are three fundamental reasons for the recommendation of denial:

- The MPO has included an additional full-time staff person in the work program and budget. The additional tasks for this position are not defined. The introduction to the FY2003 UPWP states: "This subject is broached because of the increased number of projects and activities." The City of Des Moines and other member communities are reducing staff but also are asked to increase the MPO assessment. The introduction to FY2003 UPWP states: "The Des Moines Area MPO's Executive Director includes such a cost (the additional staff person) in this document given the Des Moines Area MPO's financial resources are more than sufficient to cover this scenario."
- The MPO has created a budget that will use half of its fund balance of over \$600,000. There are some significant one-time expenses in this budget and there has been a desire to reduce the large fund balance. However, this proposed reduction in the fund balance occurs after the increase in assessment from 48 cents per capita based on 1990 census population to 60 cents per capita based on the 2000 census population. If the program expenses continue in the future at a much higher level than revenues, the local assessments will be raised again or programs significantly cut in the very near future. In February of 2001, the MPO chose not to increase the assessment for FY2002 since it carried a \$600,000 fund balance, but in the same resolution increased the assessment for FY2003.
- In my opinion, the MPO staff failed to perform due diligence in the selection of a new location resulting in higher than necessary rent and a longer lease. The MPO staff did not investigate alternatives adequately and failed to negotiate terms to its best advantage at its new location.

The UPWP and the annual UPWP budget must be approved by

resolution of the governing bodies of at least a majority of the member governments (ten of the 18 member governments).

Under Article IV-Budget and Assessment Schedule of the Second Amended and Substituted Agreement Establishing the Des Moines Area Metropolitan Planning Organization (1998):

All annual assessments are due and payable on July 1 of each year. Any member government which fails to pay any assessment, in full, within 30 days (or such other period of time as may be requested by the member government and approved by the MPO) after the due date shall become delinquent for nonpayment of the assessment. No representatives of that member government shall thereafter be allowed to vote on any matter coming before the MPO.

Written notice of delinquency shall be sent by certified mail, return receipt requested, to the Mayor or Chair of the Board of Supervisors and City Clerk or County Auditor of the member government involved. Upon non-payment of the full assessment within 30 days of receipt of the delinquency notice, that member government will be deemed to have withdrawn its membership on the MPO.
