



Council Communication

Office of the City Manager

Date

March 8, 2010

Agenda Item No. 47

Roll Call No. 10-

Communication No. 10-113

Submitted by: Merrill Stanley, Deputy City Manager

AGENDA HEADING:

Approving payments to Des Moines Regional Transit Authority (DART) to maintain the property tax rate and restore services.

SYNOPSIS:

Approving the continuation of a payment of \$680,000 to DART to maintain the DART tax rate levied to Des Moines property owners, and a payment of \$150,000 for FY2011 only, to restore services to transit routes.

FISCAL IMPACT:

Amount: \$680,000 to maintain property tax rate
\$150,000 to restore services (FY2011 only)

Funding Source: FY2011 Recommended Operating Budget, Park and Ride Operations Fund – EN078, ENG100707, page 93.

ADDITIONAL INFORMATION:

Since FY2007, when DART became an independent regional transit entity for what is now 19 participating communities, Des Moines has appropriated funds to reduce the DART property tax rate for Des Moines property owners. For FY2011, it is necessary to appropriate \$680,000 to keep the rate constant.

DART is facing budget challenges for their FY2011 budget due to the regional economy, rising operating costs and the payment of unusually large accident claims. The FY2011 budget adopted by the DART Commission on February 23, 2010, included a reduction in staffing and a reduction in bus route intervals.

The reduction of bus routes did not eliminate routes in Des Moines. It did, however, increase the interval between buses on several Des Moines routes and reduced evening and Sunday operating times. In a related effort, DART is attempting to gain approval for the issuance of general obligation (GO) bonds, which would be used to refinance existing debt, and would reduce annual costs to allow DART to restore late evening and weekend services.

DART management has proposed several options for route interval times that could be restored at a cost to Des Moines. The current complement of buses could be maintained on Routes 3, 6 and 7, at a cost of

\$150,000 for FY2011. Funds to cover this cost are available in the Park and Ride Fund. It is City staff's recommendation that these funds be appropriated for this purpose, but for FY2011 only. We strongly encourage DART to make every effort to identify a source of funding to continue these services as a regional cost in future years.

PREVIOUS COUNCIL ACTION(S): NONE

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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