

2009 Proposed Levies, Rates & Unified Operating Budget

**Metropolitan Council
July 23, 2008**



Budget Presentation

- ❖ Overview – Tom Weaver
- ❖ Levies & Regional Administration – Mary Bogie
- ❖ Environmental Services – Bill Moore
- ❖ Community Development – Guy Peterson
- ❖ Transportation Division
 - Brian Lamb & Arlene McCarthy

Council Mission Statement

To develop, in cooperation with local communities,
a comprehensive regional planning framework

Focusing on transportation, wastewater, parks and
aviation systems

That guides the efficient growth of the metropolitan
area

The Council operates transit and wastewater
services and administers housing and other
grant programs

Budget Principles & Assumptions

- ❖ Maintain AAA Bond Rating
- ❖ Hold property tax impact flat for tax payers
 - ❖ Addition of Lakeville to Transit Taxing District
- ❖ Maintain adequate reserves to mitigate risk
- ❖ Improve service levels

2009 Budget Challenges

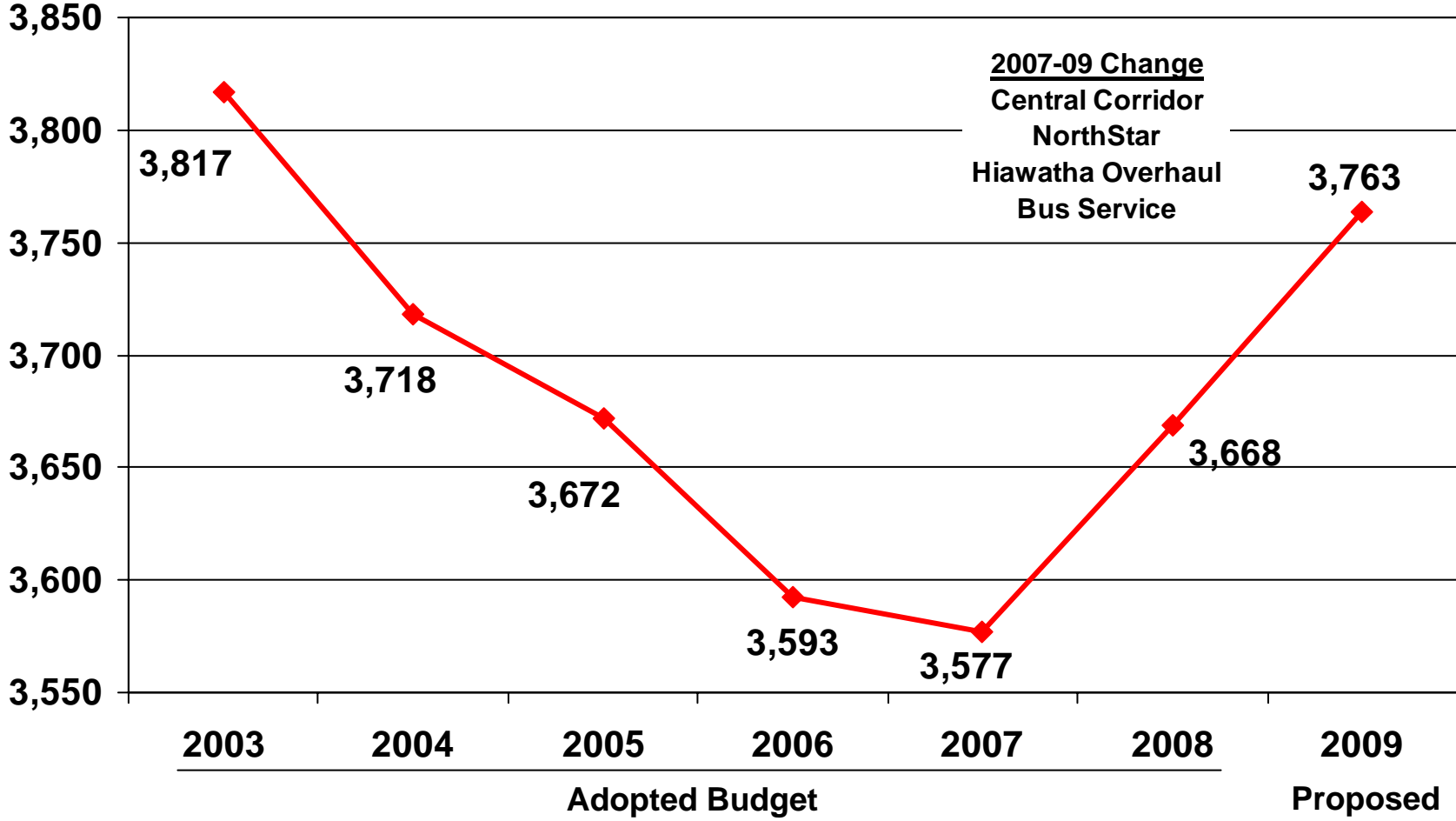
- ❖ Projecting Motor Vehicle Sales Tax Revenue
- ❖ Use of reserves
- ❖ Fare/Rate increases
- ❖ Increasing fuel/energy costs

Proposed Unified Budget Summary

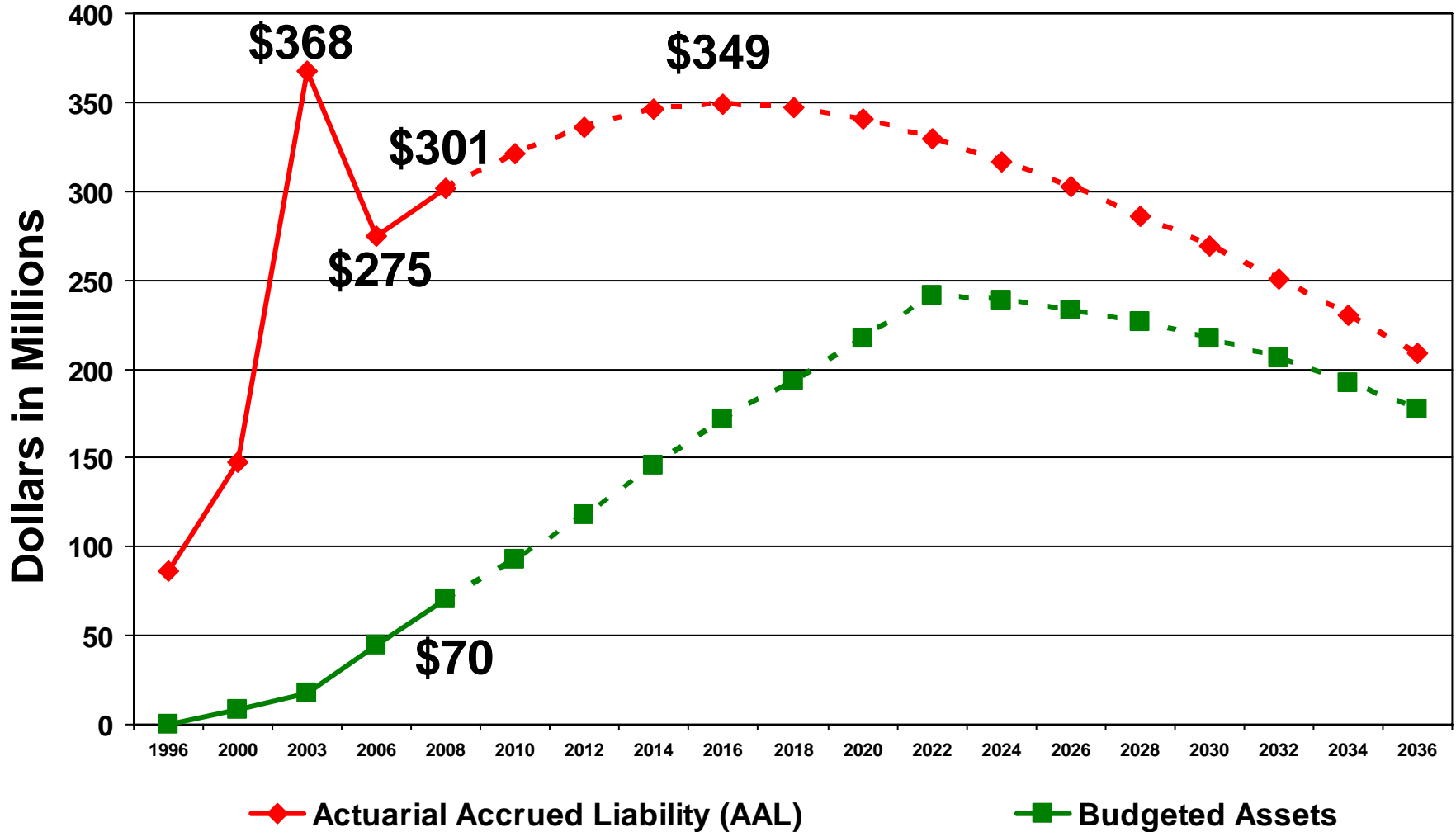
Operating, Passthrough & Debt Service

		2008	2009	Change
		Adopted	Proposed	
Revenues	Operating	\$ 477.2	\$ 515.9	8.1%
	Passthrough	82.0	80.6	-1.7%
	Debt Service	94.0	100.3	6.7%
	Total Revenues	\$ 653.2	\$ 696.8	6.7%
Expenditures	Operating	\$ (482.1)	\$ (524.6)	8.8%
	Passthrough	(80.8)	(78.3)	-3.1%
	Debt Service	(138.0)	(150.6)	9.1%
	Total Expenditures	\$ (700.9)	\$ (753.5)	7.5%
Reserves	Service Availability Charges	\$ 38.7	\$ 37.0	
	Motor Vehicle Sales Tax	-	7.3	
	Debt Service	5.3	13.3	
	Other	3.7	(0.9)	
	Total Reserves	\$ 47.7	\$ 56.7	
Total		\$ -	\$ -	

Staffing Levels Full-Time Equivalents - FTE(s)

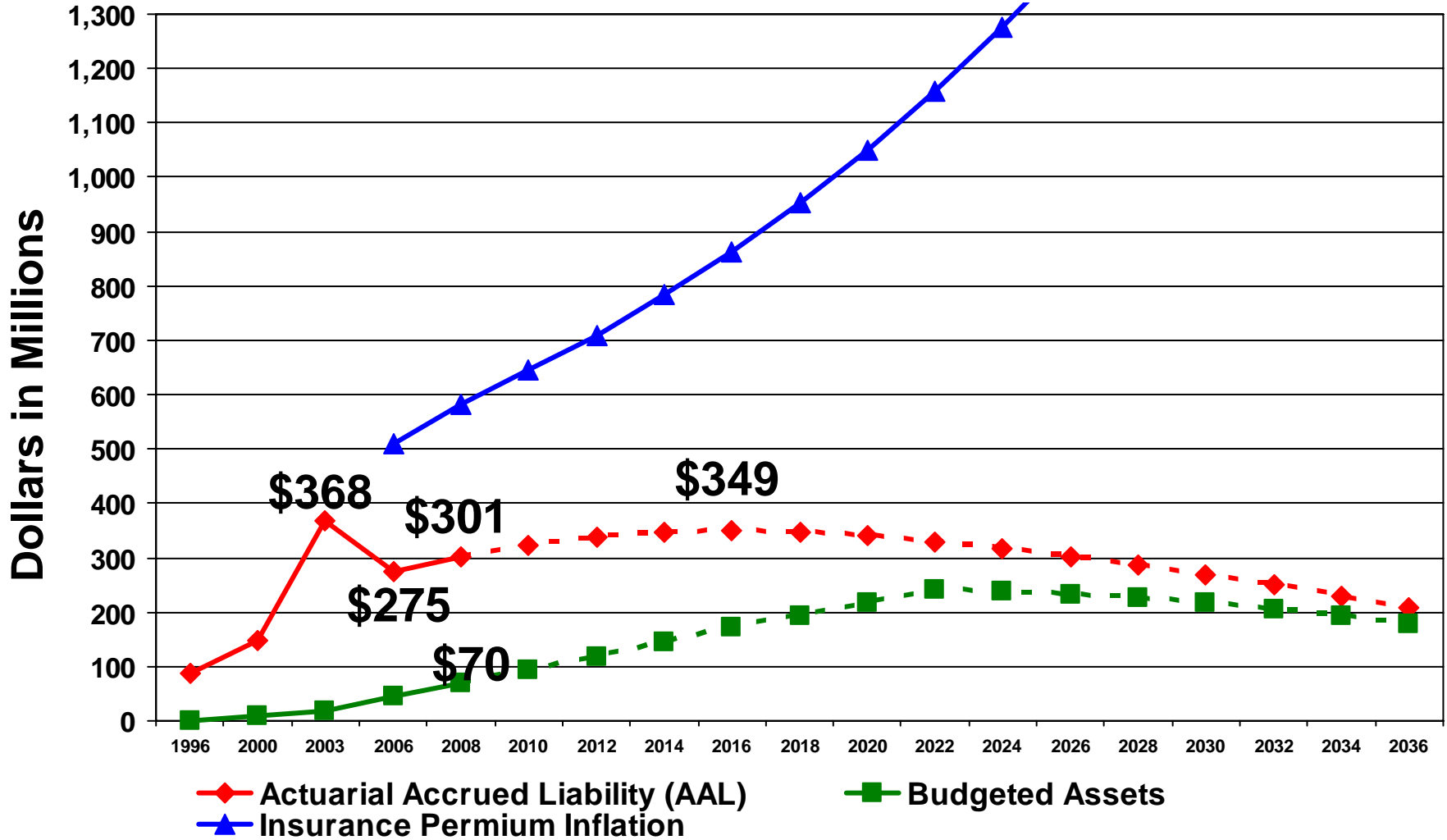


Retiree Medical Benefits



Fully Funded: ES - 2015 MT - 2021 RA - 2006

Retiree Medical Benefits

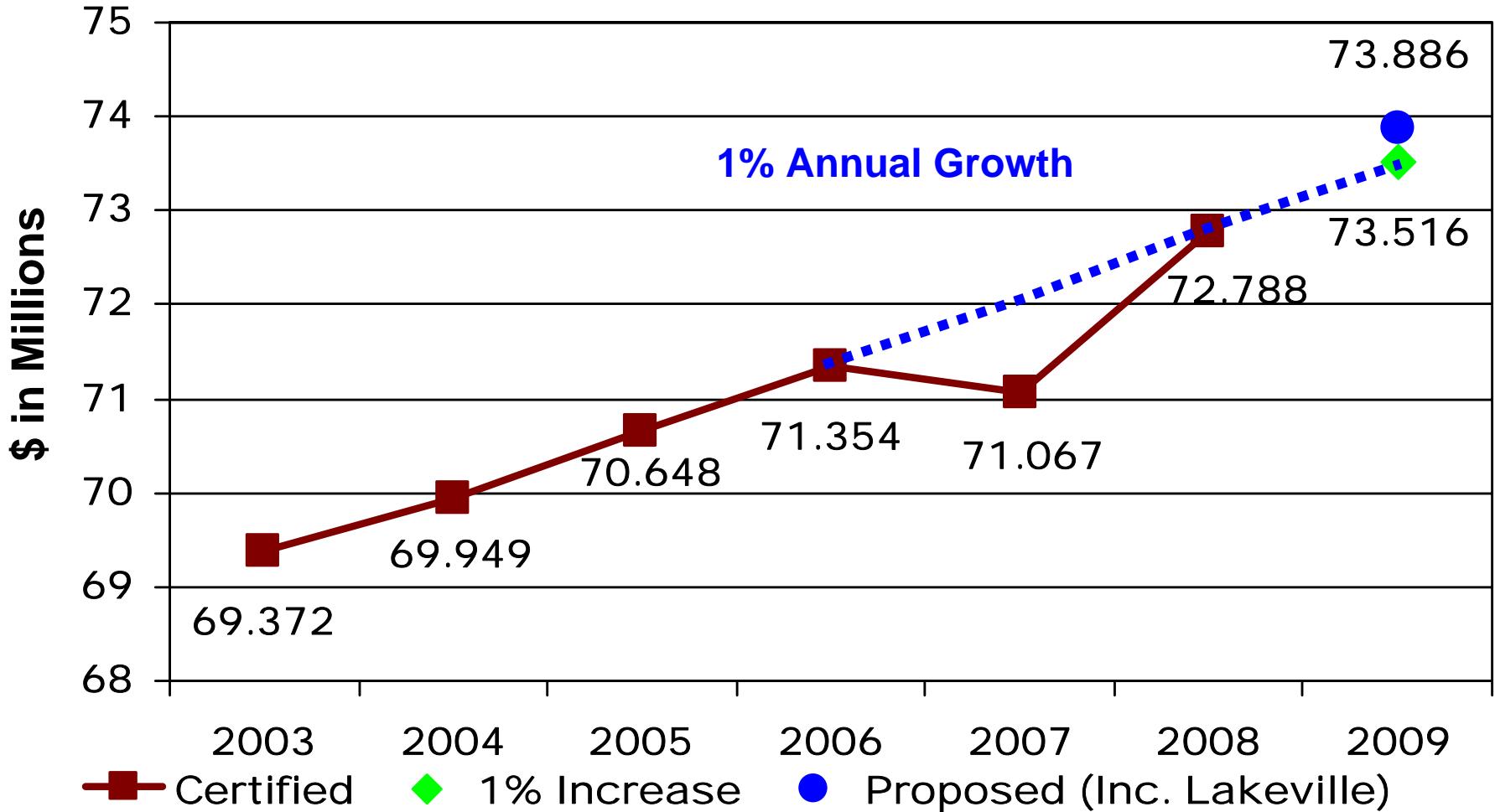


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Levy Recommendations

- ❖ Highway Right of Way increased by 3.9%
- ❖ Limit levy growth to 1% plus Lakeville
 - ❖ Manage capital investment cash flow
 - ❖ Manage debt service financing

Council Levy Amounts



History of Council Levies

Non-Debt Service Levies	Certified Council Levies						Proposed	Change
	2003	2004	2005	2006	2007	2008	2009	08 / 09
General Operations	11.13	10.30	10.30	10.30	10.30	10.30	10.30	0.00
Highway Right of Way	3.14	2.81	2.81		3.16	3.30	3.43	0.13
Livable Communities								
- Demonstration Account	8.26	8.18	8.18	8.18	7.18	8.18	8.18	0.00
- Tax Base Revitalization	5.00	5.00	5.00	5.00	5.00	5.00	5.00	0.00
Total Non-Debt Levy	27.53	26.29	26.29	23.48	25.64	26.78	26.91	0.13
Debt Service Levies								
Parks	8.09	7.59	7.69	7.77	7.86	7.46	7.54	0.08
Transit	32.90	35.57	36.26	31.23	37.14	38.54	39.07	0.53
Transit - Lakeville							0.37	0.37
Transit Tax Anticipation				8.45				
Radio	0.42	0.42	0.41	0.42	0.41			
Solid Waste	0.43	0.08						
Total Debt Levy	41.84	43.66	44.36	47.87	45.41	46.00	46.98	0.98
Total All Levies	69.37	69.95	70.65	71.35	71.05	72.78	73.89	1.11
Total Increase		0.84%	1.00%	1.00%	-0.42%	2.43%	1.51%	
					Excluding Lakeville		1.00%	

\$ in Millions

Proposed Levy vs. Limits

	2009 Levy Limit	Proposed 2009 Levy	Variance From Levy Limit	Percent
<u>Non-Debt Service Levies</u>				
General Operations	\$ 13,030,596	\$ 10,300,000	\$ (2,730,596)	-21%
Highway Right of Way	3,502,596	3,426,923	(75,673)	-2%
Livable Communities				
- Demonstration Account	10,227,832	8,184,070	(2,043,762)	-20%
- Tax Base Revitalization	5,000,000	5,000,000	-	
Total Non-Debt Levy	\$ 31,761,024	\$ 26,910,993	\$ (4,850,031)	-15%
<u>Debt Service Levies</u>				
Parks		\$ 7,536,000		
Transit		39,068,531		
Transit - Lakeville		370,000		
Total Debt Service Levies		\$ 46,974,531		
Total All Levies		\$ 73,885,524		

Estimated Impact of Council Levies on Homes by Current Market Value

	Pay			2008-2009 Change	
	2007	2008	2009	Dollars	Percent
Market Value \$150,000					
Inside Transit District	28.13	26.66	26.34	(0.32)	-1.20%
Outside Transit District	11.22	10.49	10.24	(0.25)	-2.38%
Market Value \$250,000					
Inside Transit District	49.00	46.45	45.88	(0.57)	-1.23%
Outside Transit District	19.55	18.27	17.85	(0.42)	-2.30%
Market Value \$350,000					
Inside Transit District	65.63	62.21	61.45	(0.76)	-1.22%
Outside Transit District	26.18	24.47	23.90	(0.57)	-2.33%
Market Value \$600,000					
Inside Transit District	113.50	107.47	105.34	(2.13)	-1.98%
Outside Transit District	45.27	42.28	40.98	(1.30)	-3.07%

Metropolitan Council Final Payable Property Tax Rates

<u>County</u>	<u>Inside Transit District</u>			<u>Outside Transit District</u>		
	<u>2003</u>	<u>2008</u>	<u>Change</u>	<u>2003</u>	<u>2008</u>	<u>Change</u>
Anoka	3.16%	2.05%	-35.1%	1.42%	0.80%	-43.7%
Carver	3.12%	2.11%	-32.4%	1.45%	0.85%	-41.4%
Dakota	3.03%	2.06%	-32.0%	1.37%	0.82%	-40.1%
Hennepin	3.26%	2.08%	-36.2%	1.47%	0.81%	-44.9%
Ramsey	3.36%	2.05%	-39.0%	1.51%	0.80%	-47.0%
Scott	3.22%	2.06%	-36.1%	1.51%	0.82%	-45.7%
Washington	3.24%	2.06%	-36.4%	1.45%	0.80%	-44.8%

General Fund Summary

Revenue and Expenditures

		2008	2009	
		Adopted	Proposed	Change
Revenues	Property Tax Levy	\$ 10,300	\$ 10,300	-
	Less: Uncollectable Levy	(155)	(155)	-
	Property Tax Transfer	(1,100)	(1,100)	-
	Revenue From Property Taxes	\$ 9,045	\$ 9,045	-
	Cost Allocation Revenue	26,666	27,699	3.9%
	Interest/Other Revenue	944	893	-5.4%
	Total Revenues	\$ 36,655	\$ 37,637	2.7%
Expenditures	Regional Administration	\$ 32,500	\$ 33,428	2.9%
	Community Development	4,155	4,209	1.3%
	Total Expenditures	\$ 36,655	\$ 37,637	2.7%
Surplus/(Deficit) from Operations		\$ -	\$ -	-
Use of Designated Reserves - Water Supply		(650)	(451)	
Change in General Fund Balance		\$ (650)	\$ (451)	
Undesignated Fund Balance		\$ 8,085	\$ 8,085	
Undesignated Target Balance		\$ 3,666	\$ 3,764	
Staffing	Regional Administration	206.0	216.4	
	Community Development	83.4	72.0	

\$ in Thousands