

J Joint Report of the Community Development and Management Committees

For the Metropolitan Council meeting of June 27, 2012

ADVISORY INFORMATION

Date Prepared: June 21, 2012

Subject: 2012 Unified Operating Budget Amendment

Proposed Action:

That the Metropolitan Council: Amend the 2012 Unified Capital Program as indicated and in accordance with attached tables.

Summary of Committee Discussion / Questions:

Management Committee – June 13, 2012: Staff presented the business item and answered Committee-members questions. The motion passed unanimously.

Community Development Committee – June 18, 2012: Staff presented the business item and answered Committee-members questions. Passed unanimously.

M Management Committee

Community Development Committee: June 18, 2012
Metropolitan Council: June 27, 2012

Meeting date: June 13, 2012

ADVISORY INFORMATION

Date:	June 5, 2012
Subject:	2012 Unified Operating Budget Amendment
District(s), Member(s):	All
Policy/Legal Reference:	MN Statutes section 473.13, sub. 1 -- Council Budget Requirements
Staff	Mary Bogie (602-1359) Chief Financial Officer
Prepared/Presented:	Paul Conery (602-1374) Director, Budget & Operations
Division/Department:	All

Proposed Action

That the Metropolitan Council:

- Amend the 2012 Unified Operating Budget as indicated and in accordance with attached tables.

Background

Staff recommends the following revisions to the 2012 budget.

Community Development

**Change in Revenues: \$3,249,391; Expenditures: \$3,295,510;
Reserves: (\$46,119)**

- \$46,119 reduction in projected administrative fee revenue for the Section 8 Housing Choice Voucher program.
- \$3,220,510 in pass through revenue and expense for the rental assistance programs administered by the Council's Housing and Redevelopment Authority.
- \$75,000 in revenue and expense on a grant from McKnight Foundation to help defray expenses associated with 2012 events related to the State of the Region, Housing Policy, Transportation Finance and the Charles Landry Residency.

Rationale

Staff is recommending the following revisions to the 2012 budget.

Funding

The proposed operating budget amendment makes the following changes to the 2012 Unified Operating Budget.

	Adopted Budget	Previous Amendments	Proposed Amendment	Proposed Budget
Revenues				
Operating	\$ 535,652,175	\$ 177,600	\$ 28,881	\$ 535,858,656
Pass Through	98,899,437	-	3,220,510	102,119,947
Debt Service	143,629,534	-	-	143,629,534
Total Revenues	\$ 778,181,146	\$ 177,600	\$ 3,249,391	\$ 781,608,137
Expenditures				
Operating	\$ 536,345,778	\$ 6,450,220	\$ 75,000	\$ 542,870,998
Pass Through	95,262,229	-	3,220,510	98,482,739
Debt Service	148,698,643	-	-	148,698,643
Total Expenditures	\$ 780,306,650	\$ 6,450,220	\$ 3,295,510	\$ 790,052,380
Surplus / (Deficit)	\$ (2,125,504)	\$ (6,272,620)	\$ (46,119)	\$ (8,444,243)

Know Support / Opposition

Committee Actions:

Community Development Committee: June 18, 2012

Metropolitan Council
2012 Annual Budget - Summary of Revisions
Operating Budget Amendment - Business Item 2012-156 AMENDED

	2012 Adopted Budget	2012 Amended Budget	Total Reg'l Admin & Community Dev	HRA Programs	Total Transportation	Environmental Services	Capital	Net Change	2012 Revised Budget
Revenues & Other Sources									
Property Tax (Net)	\$ 11,791,064	\$ 11,791,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,791,064
Federal	51,649,548	51,827,148	(46,119)	-	-	-	-	(46,119)	51,781,029
State	210,219,972	210,219,972	-	-	-	-	-	-	210,219,972
Municipal & Wastewater Charges	104,160,160	104,160,160	-	-	-	-	-	-	104,160,160
Industrial Waste Charges	12,745,000	12,745,000	-	-	-	-	-	-	12,745,000
Passenger Fares	101,933,759	101,933,759	-	-	-	-	-	-	101,933,759
Debt Service	143,629,534	143,629,534	-	-	-	-	-	-	143,629,534
Passthrough	98,899,437	98,899,437	3,220,510	-	-	-	-	3,220,510	102,119,947
Other Sources	43,152,672	43,152,672	75,000	-	-	-	-	75,000	43,227,672
Total Revenues and Other Sources	\$ 778,181,146	\$ 778,358,746	\$ 3,249,391	\$ -	\$ -	\$ -	\$ -	\$ 3,249,391	\$ 781,608,137
Expenses									
Salaries & Benefits	\$ 330,394,201	\$ 330,616,201	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 330,616,201
Consultant / Contractual Services	43,375,247	47,747,867	75,000	-	-	-	-	75,000	47,822,867
Materials, Supplies & Chemicals	38,242,275	38,242,275	-	-	-	-	-	-	38,242,275
Rent, Utilities, & Insurance	25,506,380	25,461,980	-	-	-	-	-	-	25,461,980
Other Operating Expenses	36,458,977	36,458,977	-	-	-	-	-	-	36,458,977
Grants from Operating Accounts	-	1,900,000	-	-	-	-	-	-	1,900,000
Transit Assistance	57,449,328	57,449,328	-	-	-	-	-	-	57,449,328
Debt Service	148,698,643	148,698,643	-	-	-	-	-	-	148,698,643
Passthrough Grants & Loans	95,262,229	95,262,229	3,220,510	-	-	-	-	3,220,510	98,482,739
Capital Expenditures	4,919,370	4,919,370	-	-	-	-	-	-	4,919,370
Total Expenses	\$ 780,306,650	\$ 786,756,870	\$ 3,295,510	\$ -	\$ -	\$ -	\$ -	\$ 3,295,510	\$ 790,052,380
Other Uses									
Interdivisional Expense Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A-87 Charges/Planning Chargebacks	-	-	-	-	-	-	-	-	-
Transfers (From) To Other Funds	-	-	-	-	-	-	-	-	-
Total Other Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses and Other Uses	\$ 780,306,650	\$ 786,756,870	\$ 3,295,510	\$ -	\$ -	\$ -	\$ -	\$ 3,295,510	\$ 790,052,380
Surplus/(Deficit)	\$ (2,125,504)	\$ (8,398,124)	\$ (46,119)	\$ -	\$ -	\$ -	\$ -	\$ (46,119)	\$ (8,444,243)

C Community Development Committee

For the Metropolitan Council meeting of June 27, 2012

Item: 2012-156

June 20, 2012

Date Prepared:**Subject: 2012 Unified Operating Budget Amendment****Proposed Action:**

That the Metropolitan Council amend the 2012 Unified Operating Budget in accordance with the table below:

<u>Description</u>	<u>Approved</u>	<u>Revised</u>
HRA Operating Revenue	\$ 6,553,631	\$ 6,507,512
HRA Operating Expense	\$ 6,238,890	\$ 6,238,890
Projected Surplus/Deficit	\$ 314,741	\$ 268,622
HRA Pass Through Revenue	\$ 50,569,490	\$53,790,000
HRA Pass Through Expense	\$ 50,569,490	\$53,790,000
CD Division (non HRA) Operating Revenue	\$ 4,492,985	\$4,567,985
CD Division (non HRA) Operating Expense	\$ 4,492,985	\$4,567,985

Summary of Committee Discussion / Questions:

Staff presented a short overview of the amendment. The motion passed unanimously with no discussion.

Meeting date: June 18, 2012

ADVISORY INFORMATION	
Date:	June 5, 2012
Subject:	2012 Unified Operating Budget Amendment
District(s), Member(s):	All
Policy/Legal Reference:	MN Statutes section 473.13, sub. 1 -- Council Budget Requirements
Staff Prepared/Presented:	Beth Reetz, Director, Housing and Livable Communities (651-602-1060)
Division/Department:	Community Development

Proposed Action

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HRA Pass Through Revenue	\$ 50,569,490	\$53,790,000
HRA Pass Through Expense	\$ 50,569,490	\$53,790,000
CD Division (non HRA) Operating Revenue	\$ 4,492,985	\$4,567,985
CD Division (non HRA) Operating Expense	\$ 4,492,985	\$4,567,985

Background

There are three purposes for this 2012 Operating Budget Amendment. One reduces the projected administrative fee revenue for the Section 8 Housing Choice Voucher program. The other increases the projected pass through revenue and expense for the rental assistance programs administered by the Council’s Housing and Redevelopment Authority (HRA). The third reflects the receipt and expenditure of a grant from the McKnight Foundation.

In November 2011, Congress enacted and the President signed into law, the appropriations bill for the Section 8 Housing Choice Voucher program. Housing authorities were notified by the U.S. Department of Housing and Urban Development on

March 1, 2012 and March 13, 2012 of final funding awards. Although the rental subsidy/pass through revenue increased, the administrative fees earned for program administration were reduced to an 80% pro-ration. The final funding awards result in a reduction in HRA operating revenue and an increase in HRA pass through revenue and expense.

The Council's HRA experienced similar administrative fee reductions in 2011 and projected continued fee cuts into 2012. As a result, the HRA made some significant changes in administrative process to absorb the funding reductions including bringing the service associated with 1,200 vouchers in-house, increasing staff workloads and reducing some services to program participants.

Prior to this amendment, the Metro HRA's 2012 budget reflected a surplus of approximately \$314,741. Following this budget amendment, the HRA's budget will reflect a surplus of \$268,622.

The grant from the McKnight Foundation was requested to help defray expenses associated with 2012 events related to the State of the Region, Housing Policy, Transportation Finance and the Charles Landry Residency.

Rationale

This amendment reflects changes to the 2012 Operating Budget resulting from changes in Federal revenue and expense for the Section 8 rent assistance program and the receipt of a grant and associated expenses.

Funding

The requested increases in expense authority are offset by higher than anticipated Federal and Grant revenue. This operating amendment has no fiscal impact on the Council.

Known Support / Opposition

None.