

# PRELIMINARY 2013 Unified Operating Budget



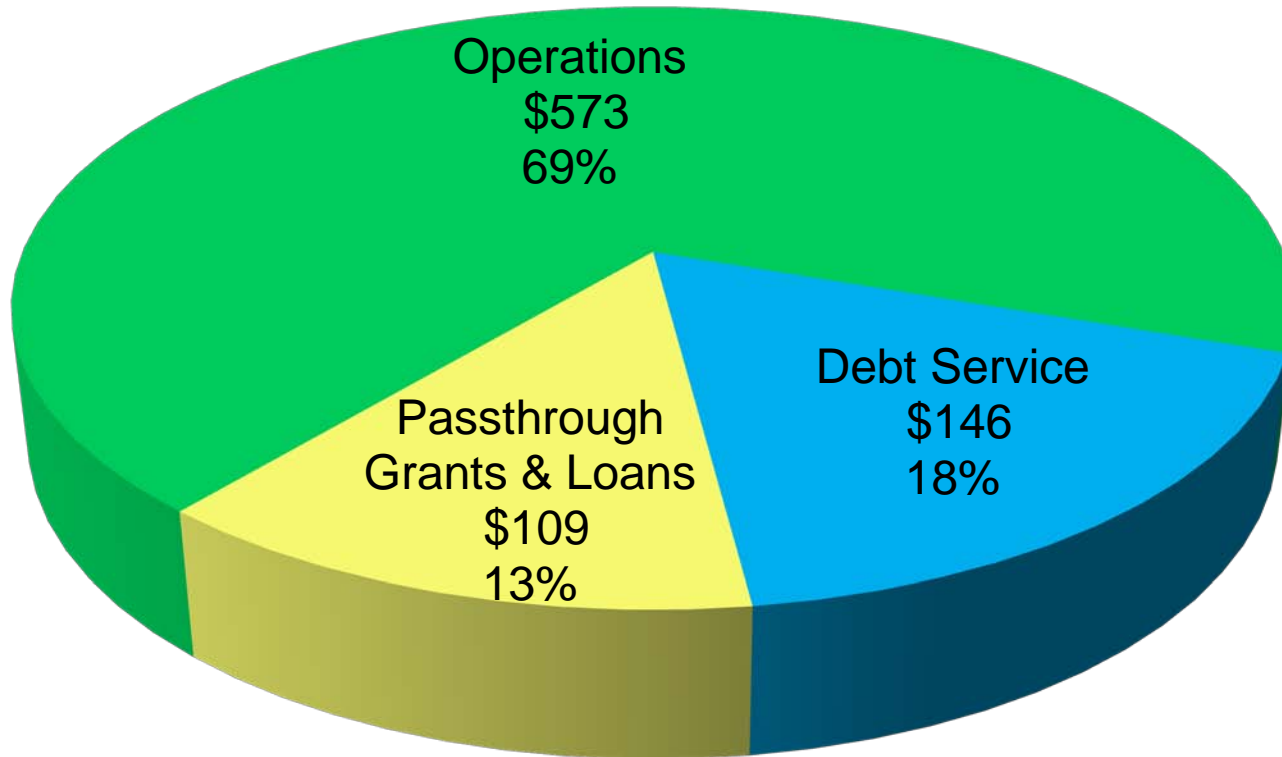
Council Meeting 8-08-12

# Council Priorities & Initiatives

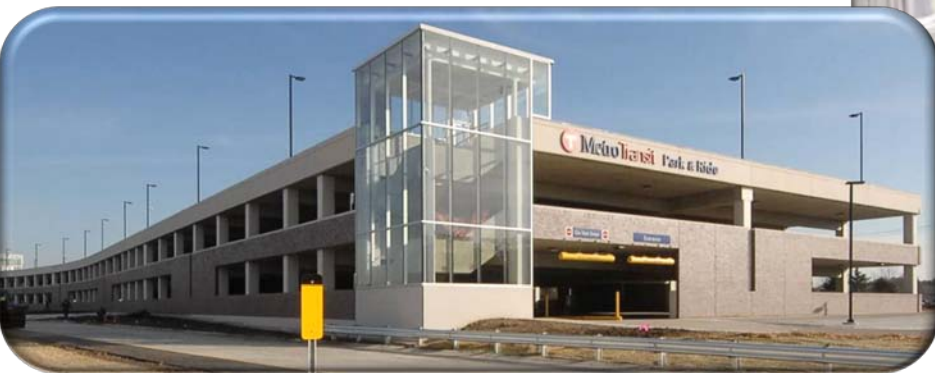
- Thrive MSP 2040
- Corridors of Opportunity
- Housing Policy Plan
- Transportation Funding Plan
- Integrated Operations
- Workforce Planning



# Proposed 2013 Operating Budget: \$828M



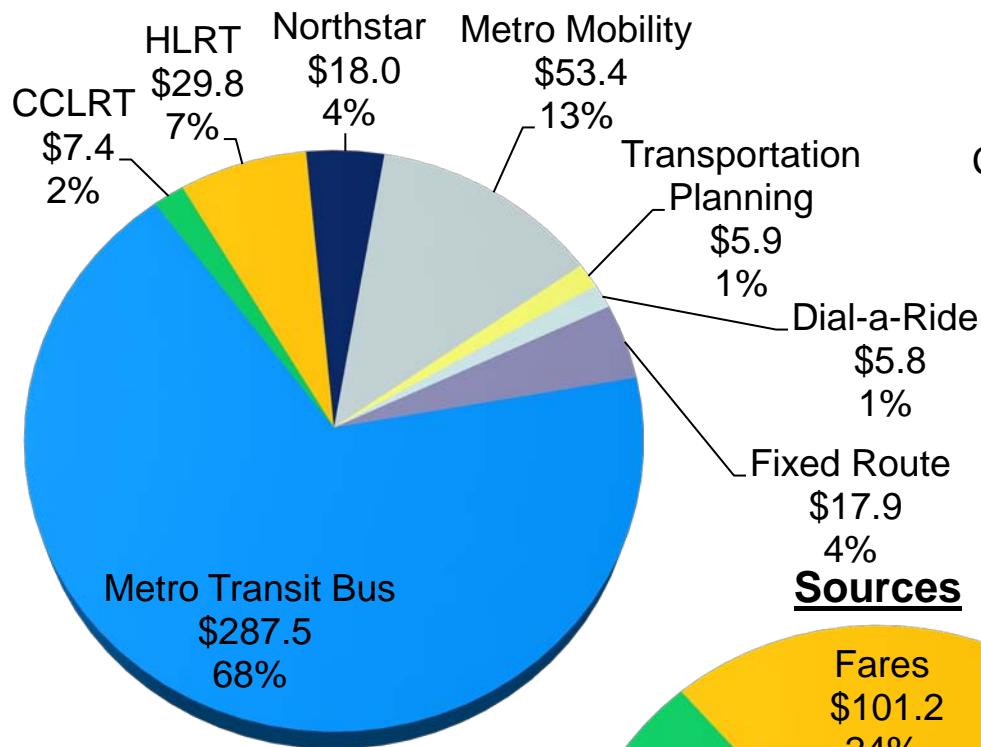
# TRANSPORTATION DIVISION



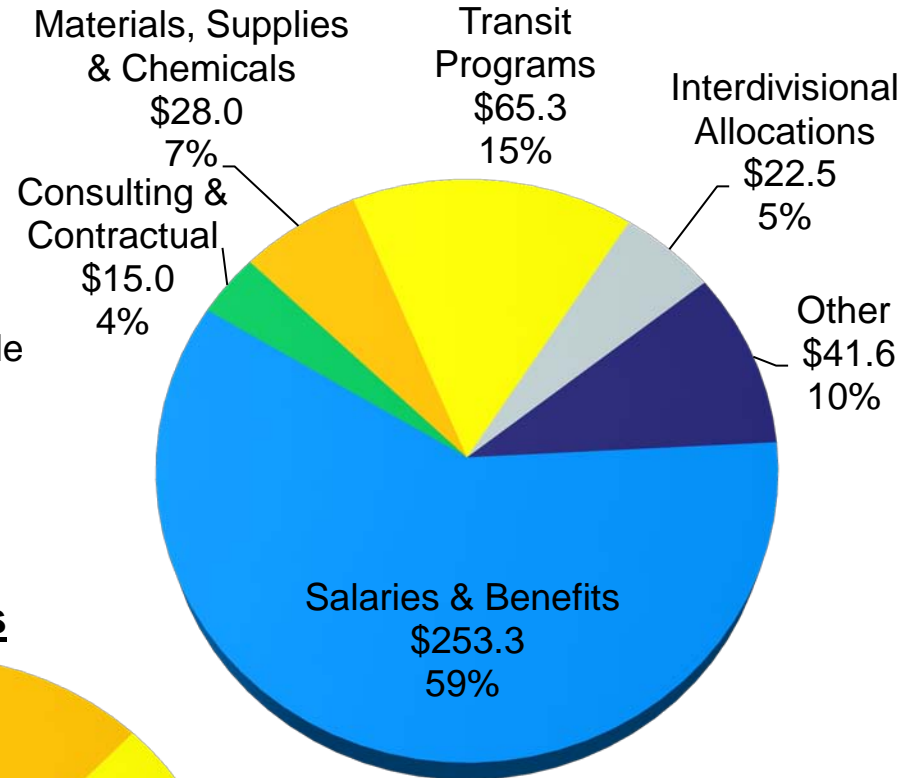
# Transportation: \$425.7M



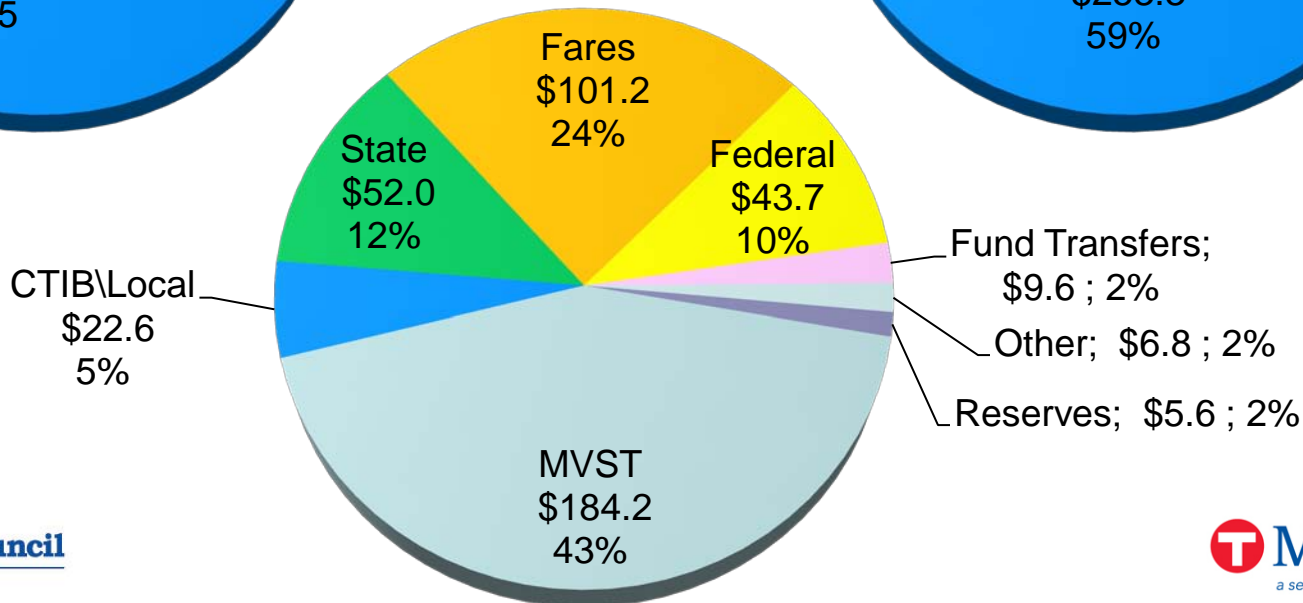
### Uses by Department



### Uses by Category



### Sources



# Metro Transit Budget Highlights

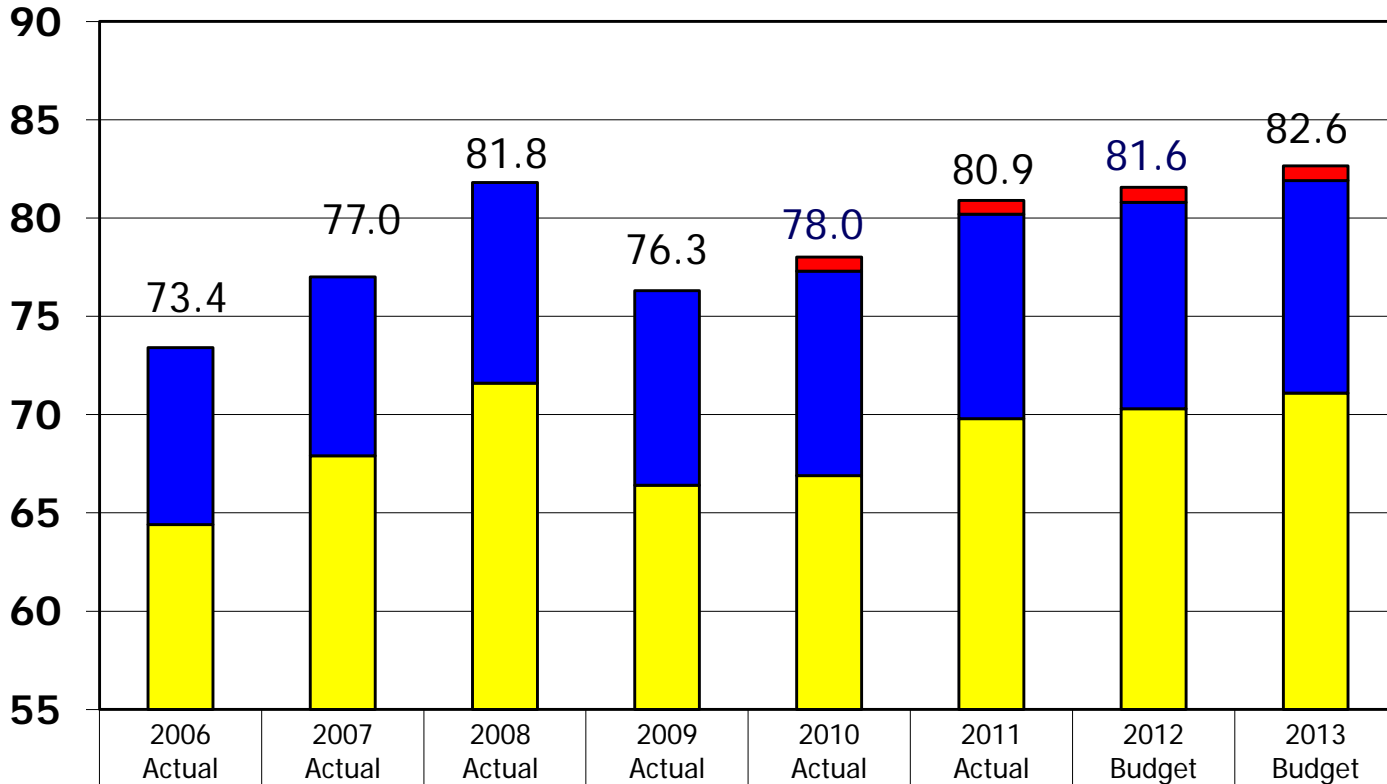
- Maintains 2012 service levels, plus Central Corridor construction detours
- Ridership at 82.6 million (1% growth)
- Diesel fuel at \$3.55/gallon
- CTIB funding for Hiawatha Light Rail and Northstar
- Central Corridor
  - Full system construction
  - Start up costs \$7.4M funded from FFGA

# Metro Transit Budget Highlights

- Southwest Preliminary Engineering
- Potential regional fare increase not budgeted
- Review of Regional Fare Policy

# Metro Transit Ridership

(in millions)

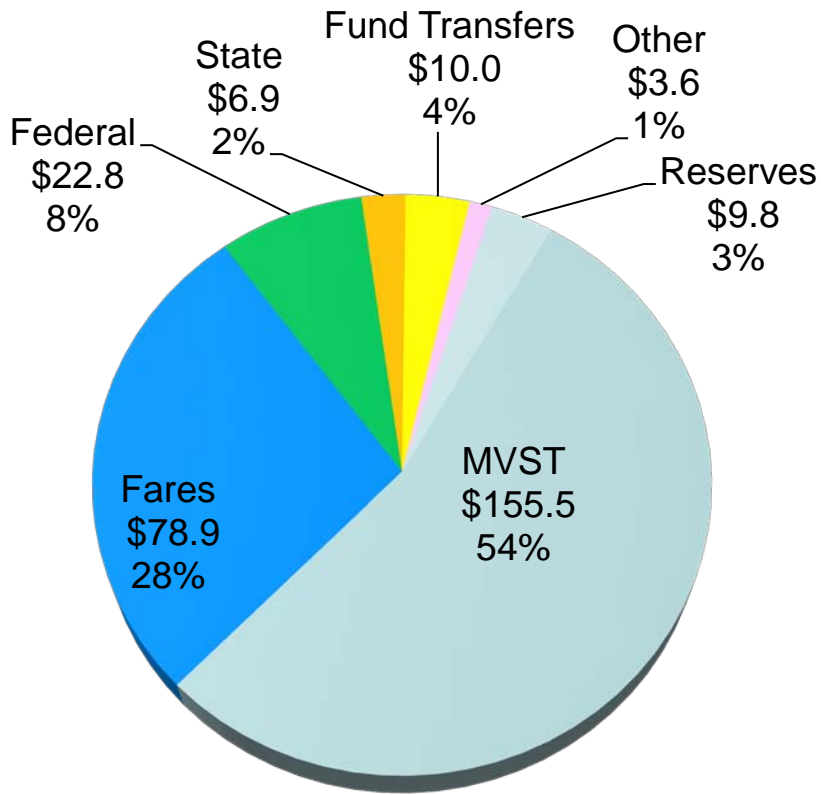


<span style="color: red;">■</span> Northstar					0.71	0.7	0.76	0.76
<span style="color: blue;">■</span> HLRT	9.0	9.1	10.2	9.9	10.4	10.4	10.5	10.8
<span style="color: yellow;">■</span> Bus	64.4	67.9	71.6	66.4	66.9	69.8	70.3	71.1

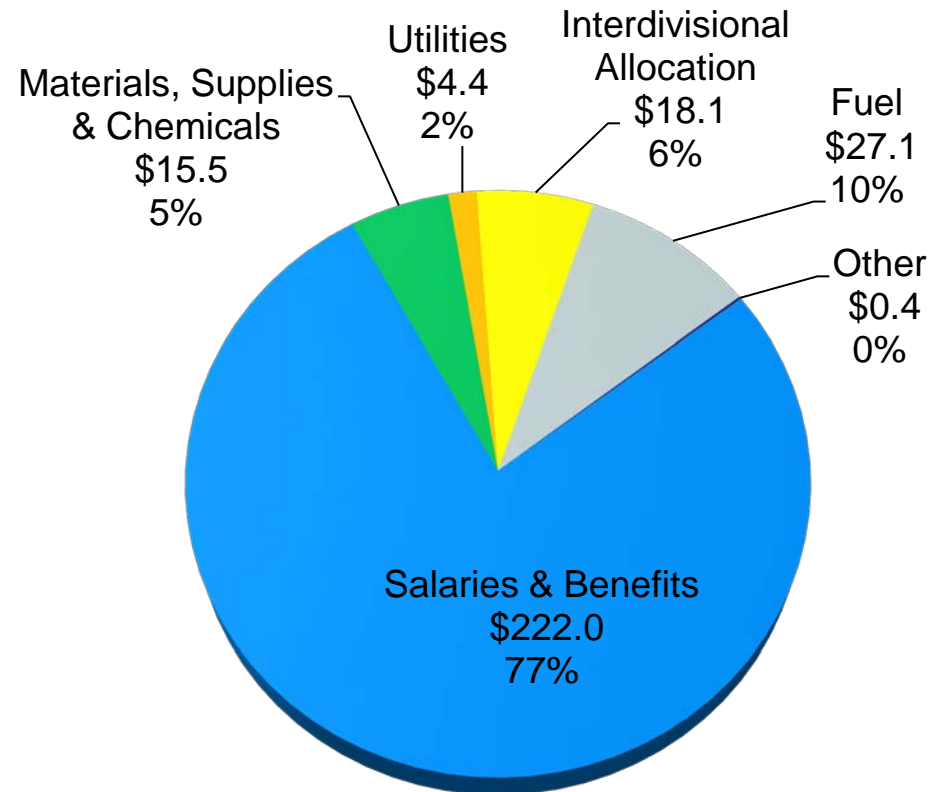


# Metro Transit Bus: \$287.5M

## Sources

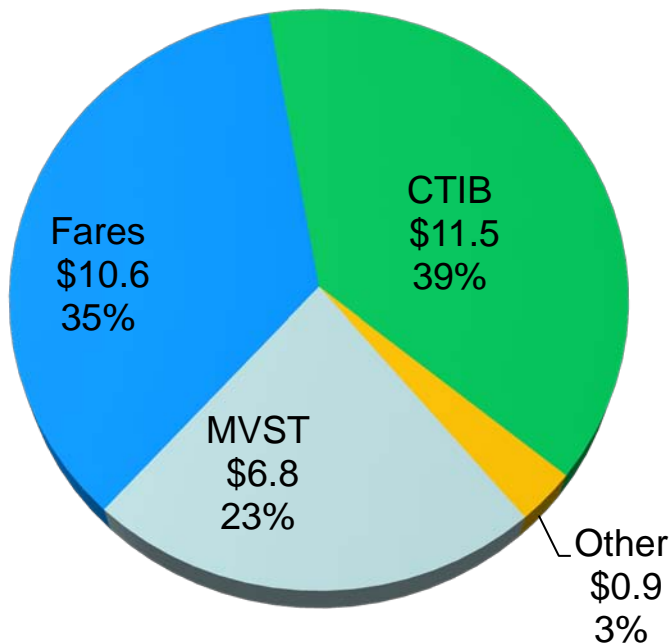


## Uses

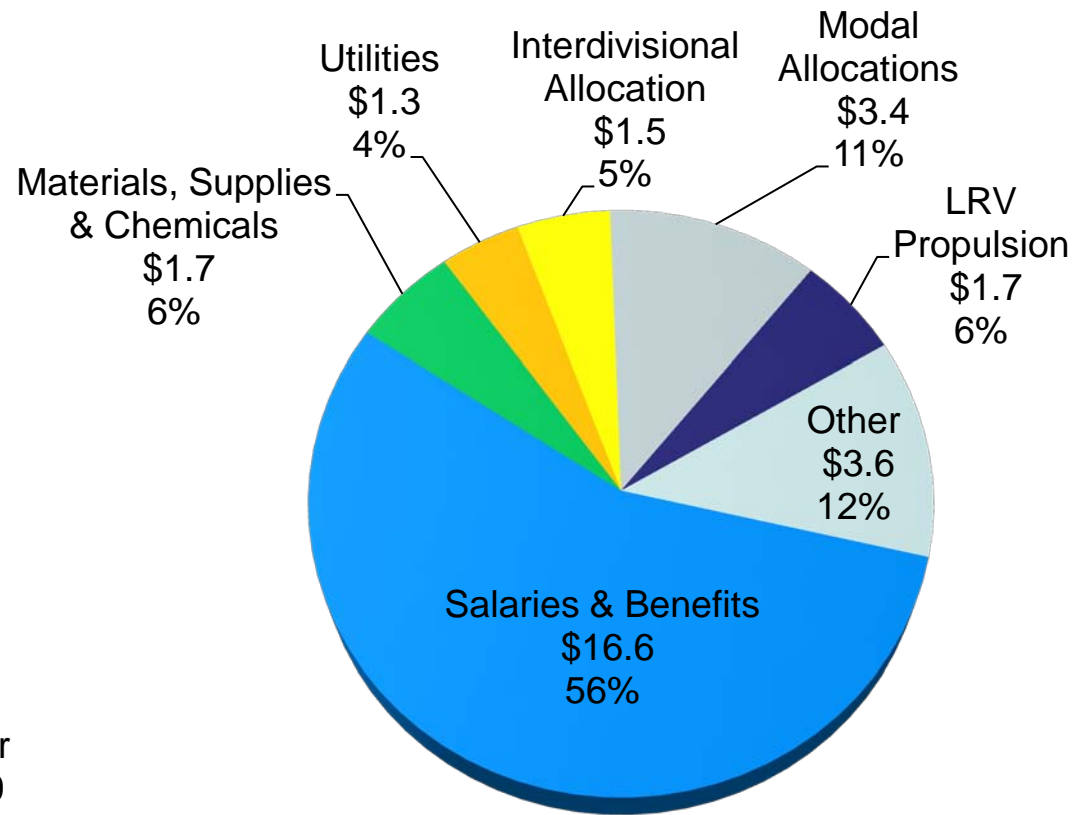


# Metro Transit HLRT: \$29.8M

## Sources

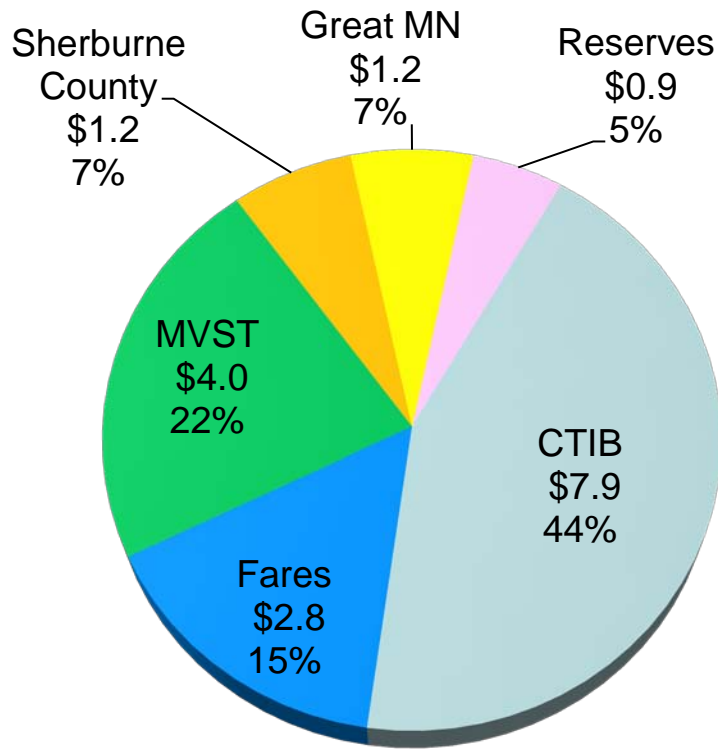


## Uses

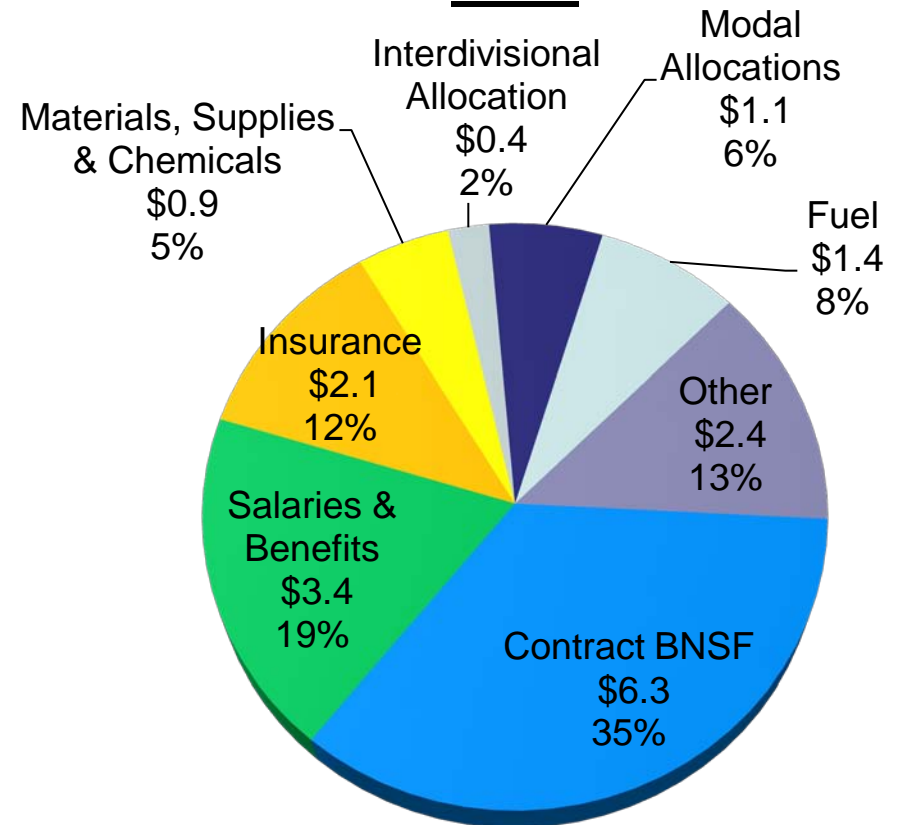


# Metro Transit Northstar: \$18.0M

## Sources



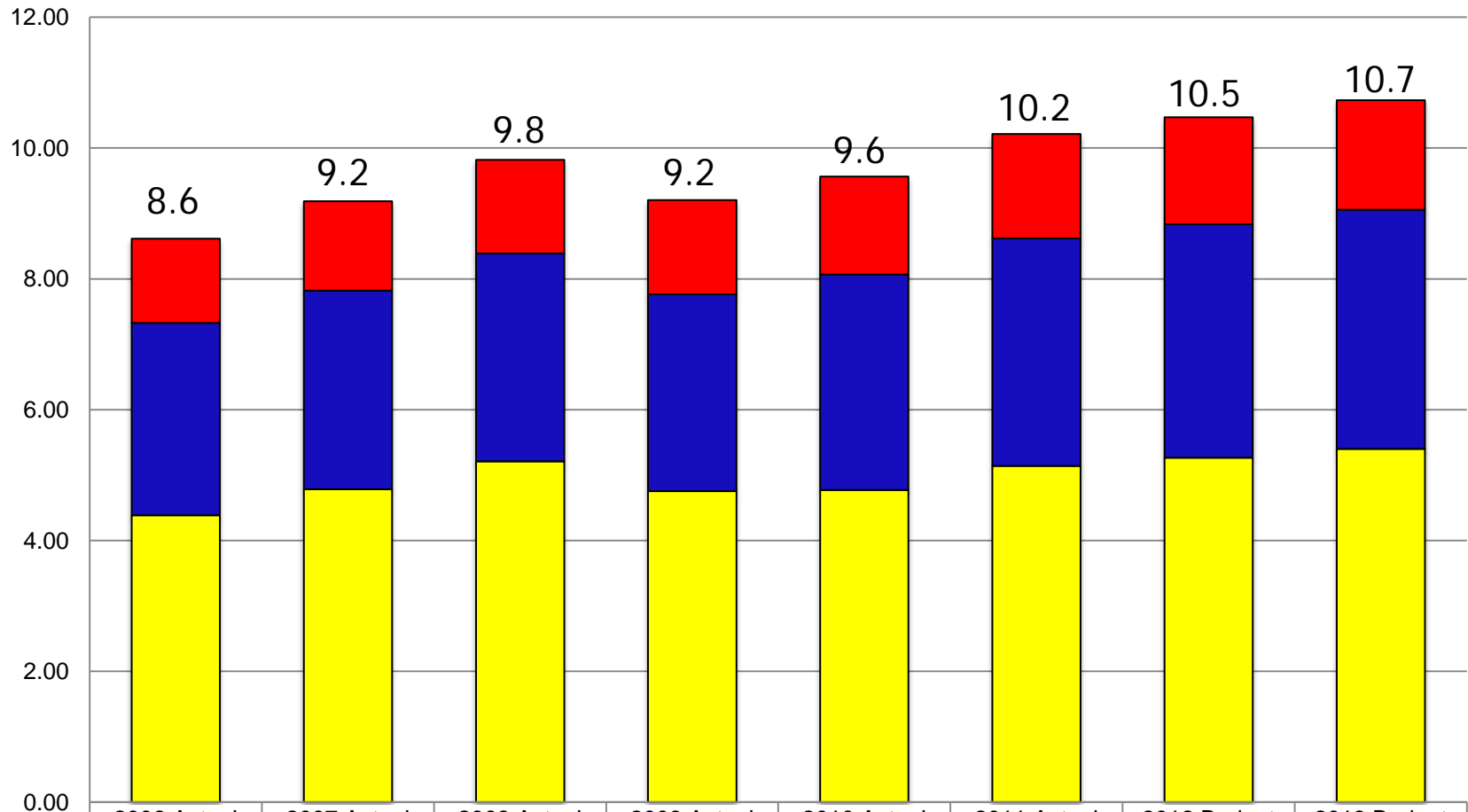
## Uses



## MTS Budget Highlights

- Preserve fixed route service levels at 2012 budgeted levels
- Implement station-to-station service for Red Line
- Preserve regional dial-a-ride service at 2012 budgeted levels
- Meet anticipated demand for the Metro Mobility ADA program
- STPs continue to draw from operating reserves where appropriate to address deficits
- Potential regional fare increase not budgeted

## Regional Provider Ridership (in millions)

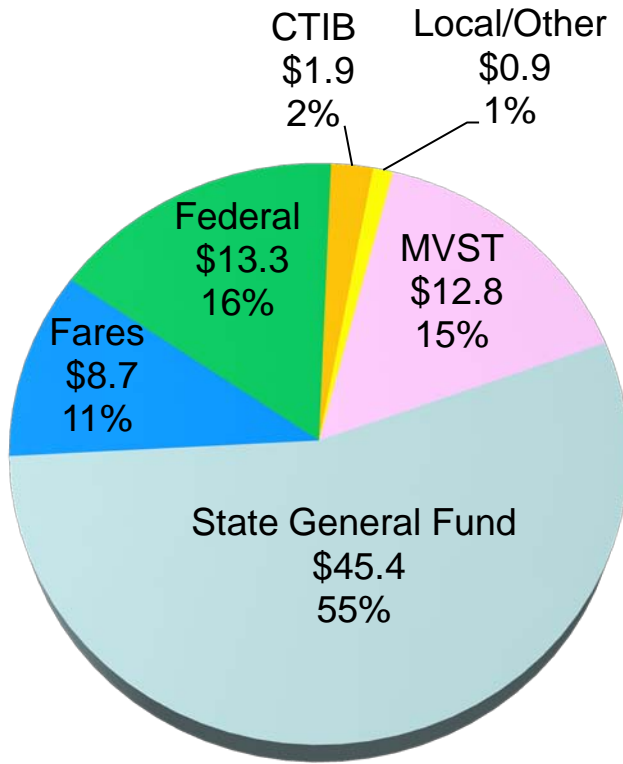


■	Metro Mobility/ADA	1.29	1.37	1.43	1.44	1.49	1.59	1.63	1.68
■	Contracted Services	2.94	3.03	3.18	3.01	3.30	3.48	3.57	3.66
■	Suburban Providers	4.39	4.79	5.21	4.76	4.77	5.14	5.27	5.40

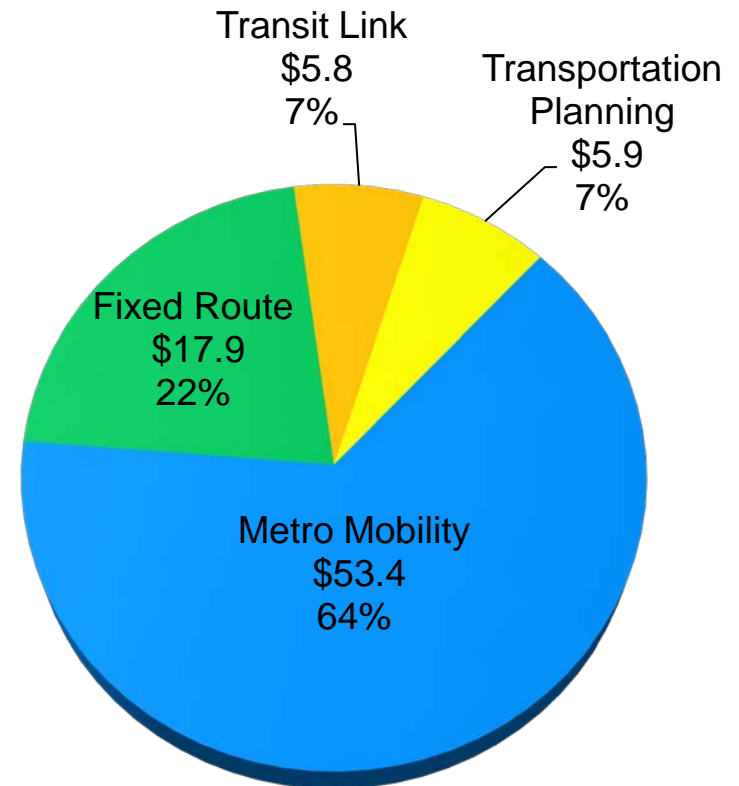
	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Budget	2013 Budget
<b>Total Ridership</b>	<b>8.6</b>	<b>9.2</b>	<b>9.8</b>	<b>9.2</b>	<b>9.6</b>	<b>10.2</b>	<b>10.5</b>	<b>10.7</b>
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# Metropolitan Transportation Services: \$83.0M

## Sources

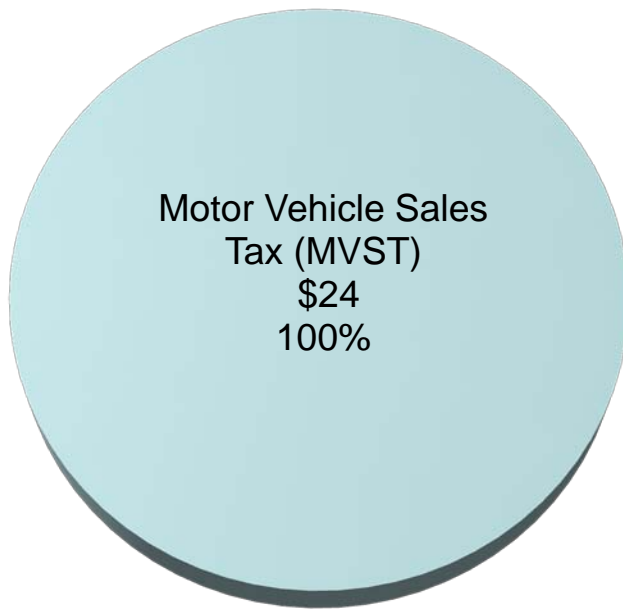


## Uses

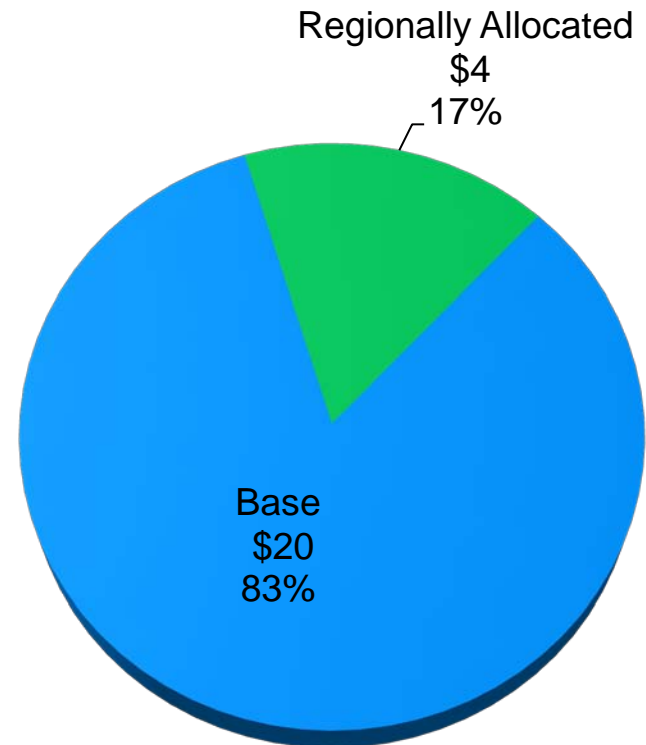


# MTS Passthrough Program: \$24M

## Sources



## Uses





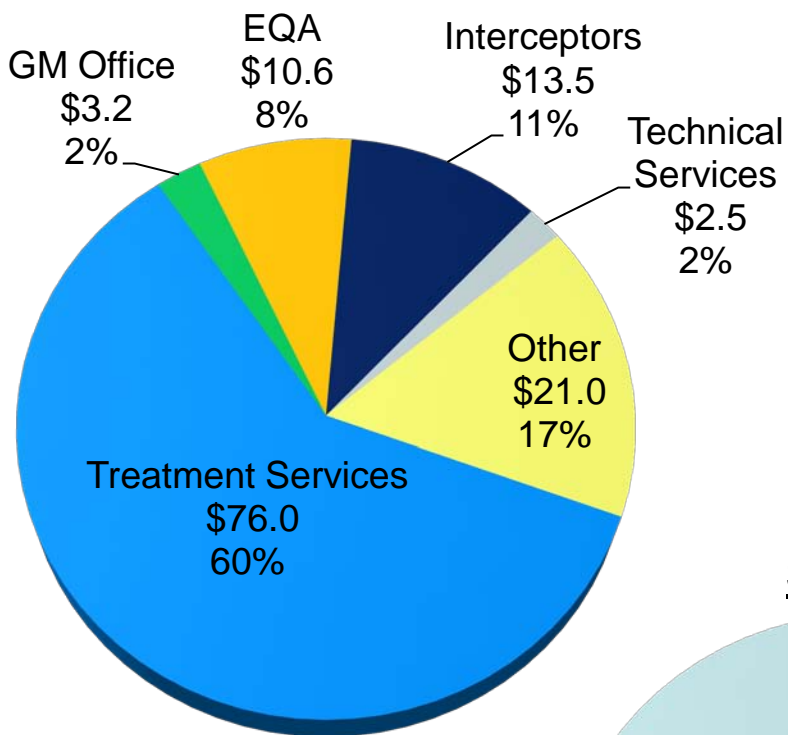
# ENVIRONMENTAL SERVICES



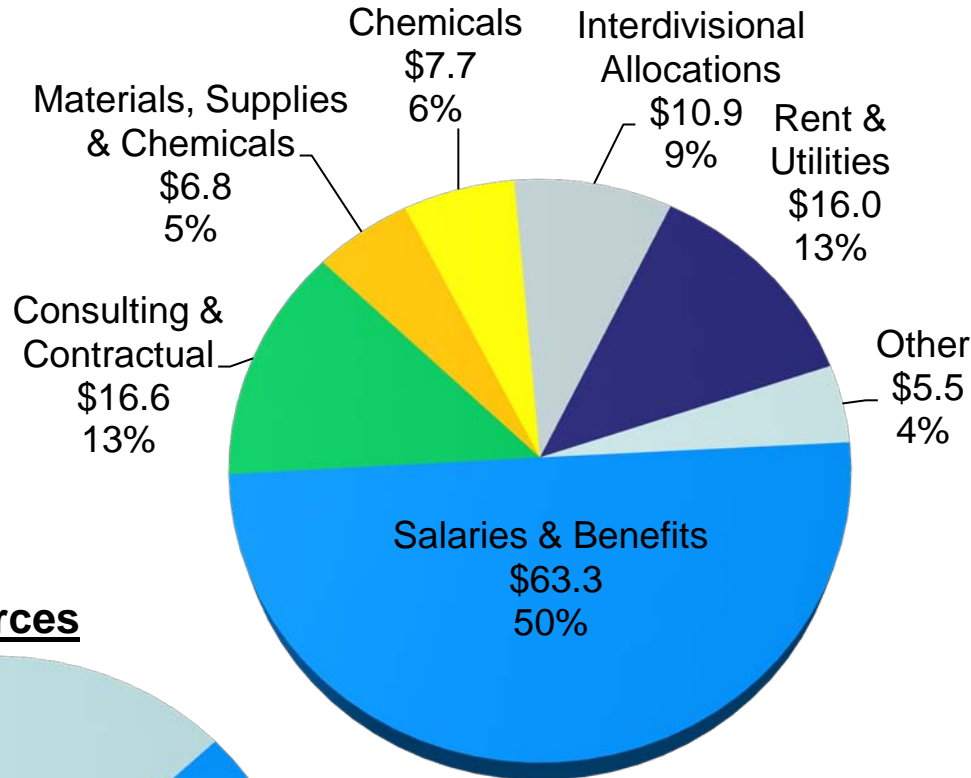


# Environmental Services: \$126.8M

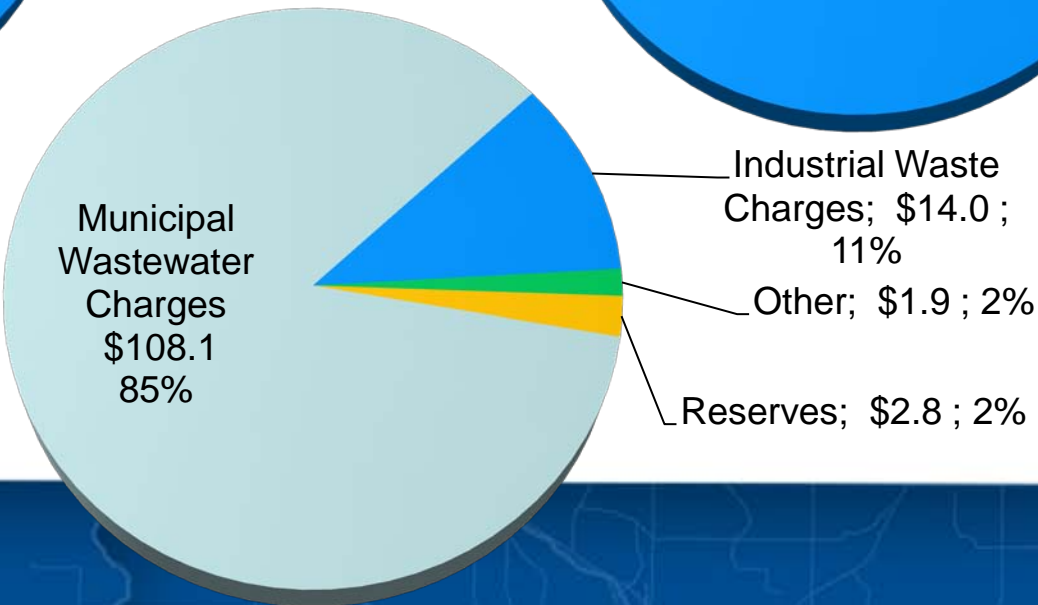
**Uses by Department**



**Uses by Category**



**Sources**

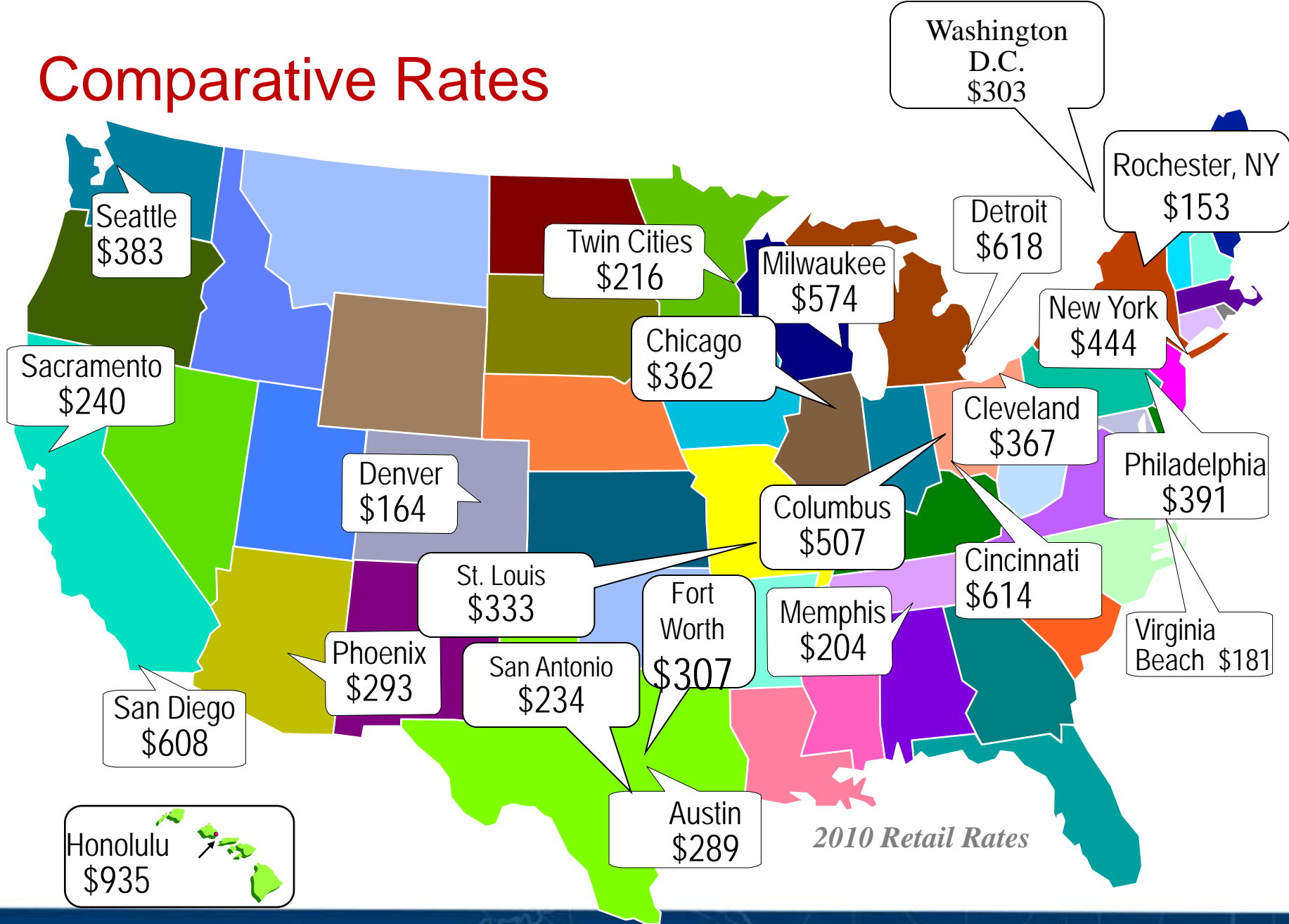




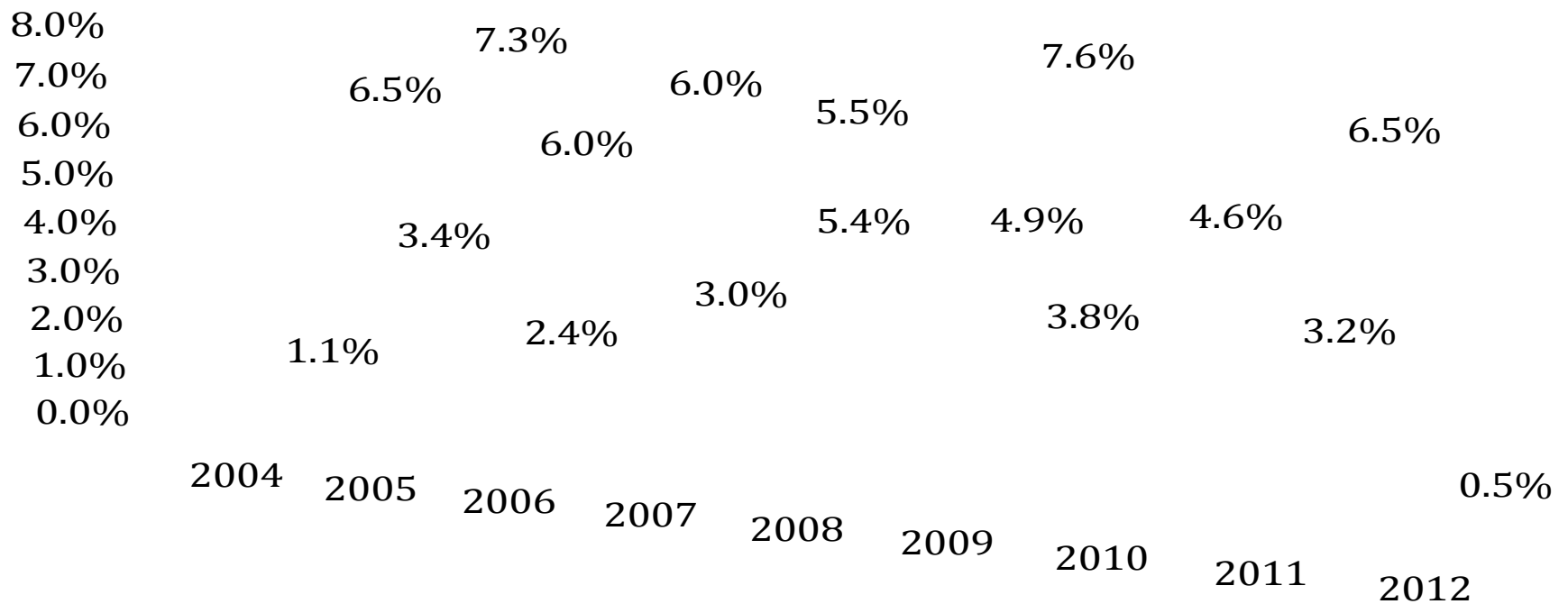
# Environmental Services Budget Highlights

- Key Operating Budget Sources
  - 3% increase in MWCs
  - No SAC shift
- Year after year, 99.9% Compliance or Better
- Energy Conservation Measures

# Comparative Rates



# Historical Rate Change Compared to National Average

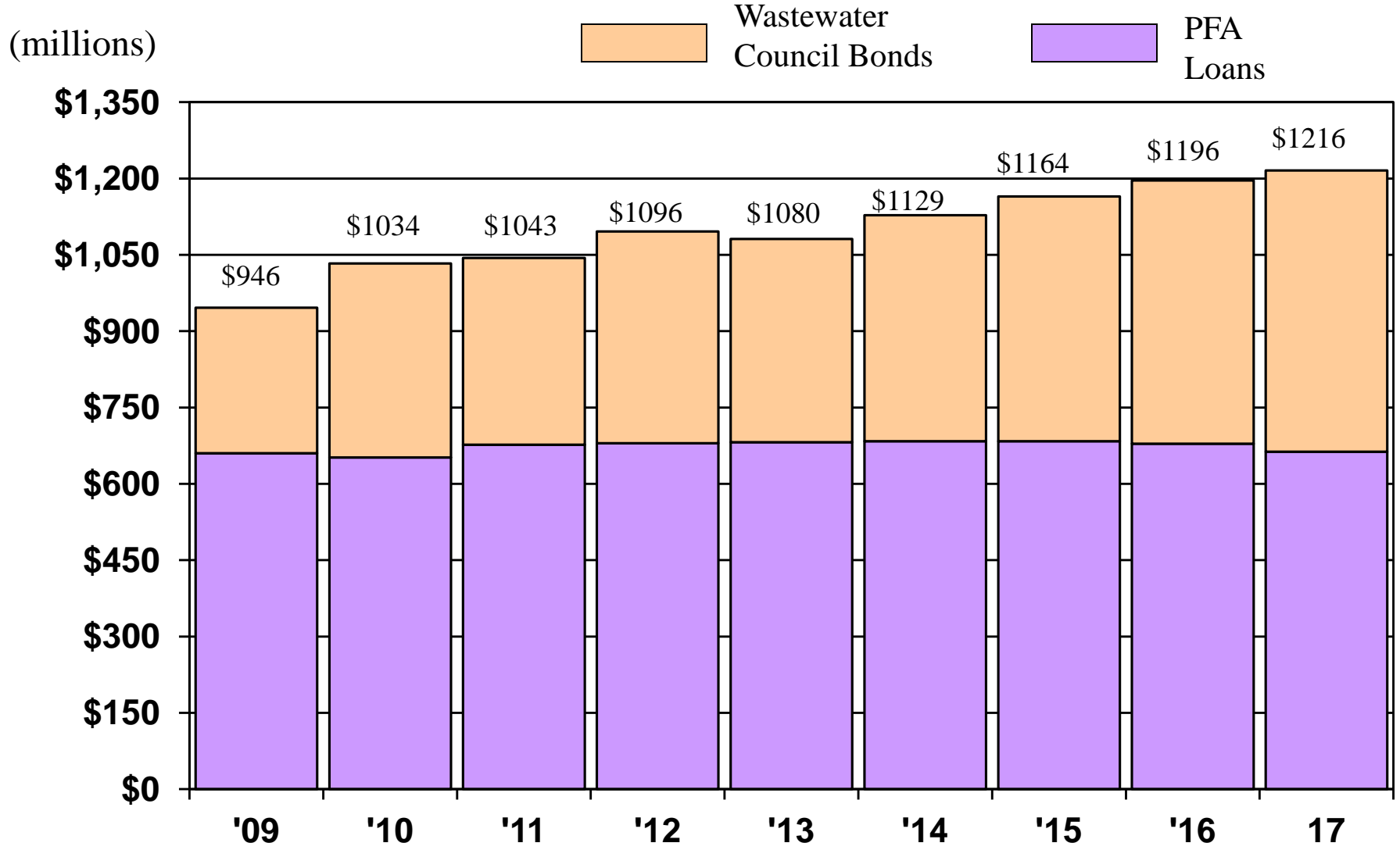


— Metropolitan Wastewater Charges

— National Association of Clean Water Agencies Average

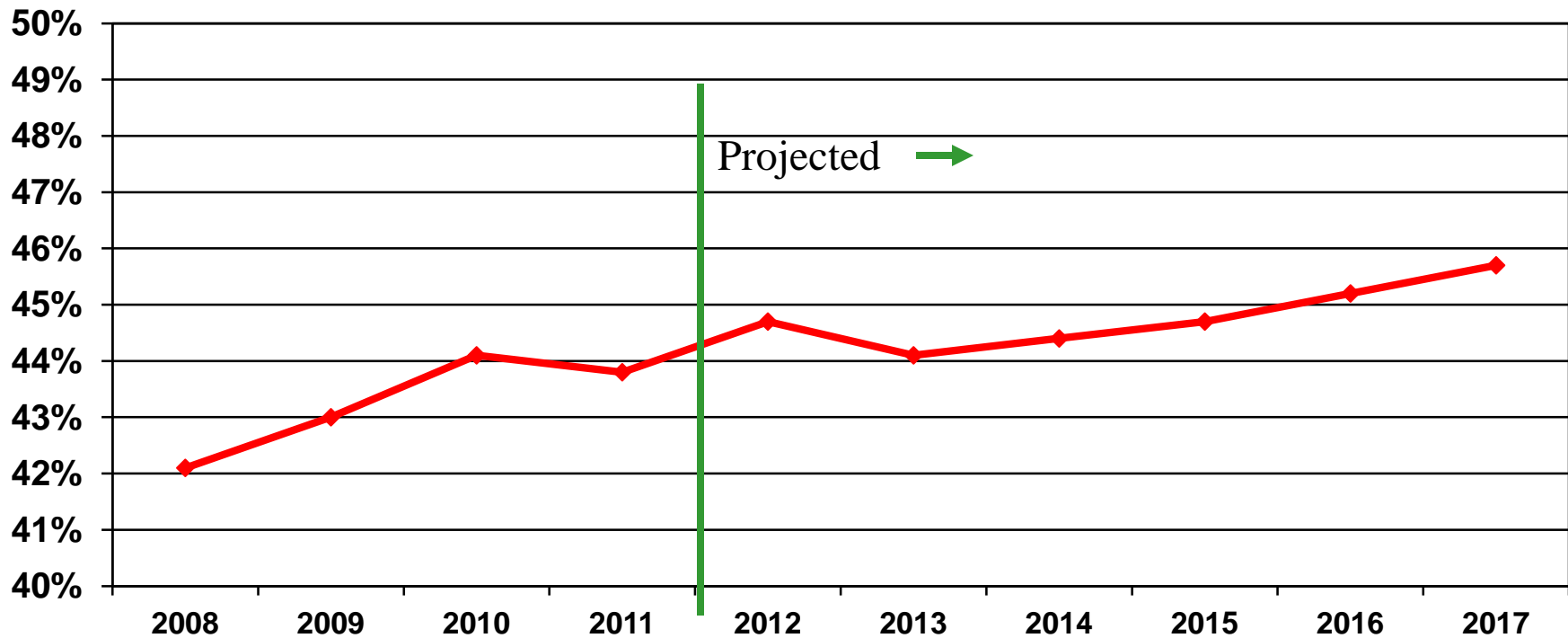
# Outstanding Debt

*Actual through 2011, projected thereafter*



# Projected Debt Service

Percent of annual budget

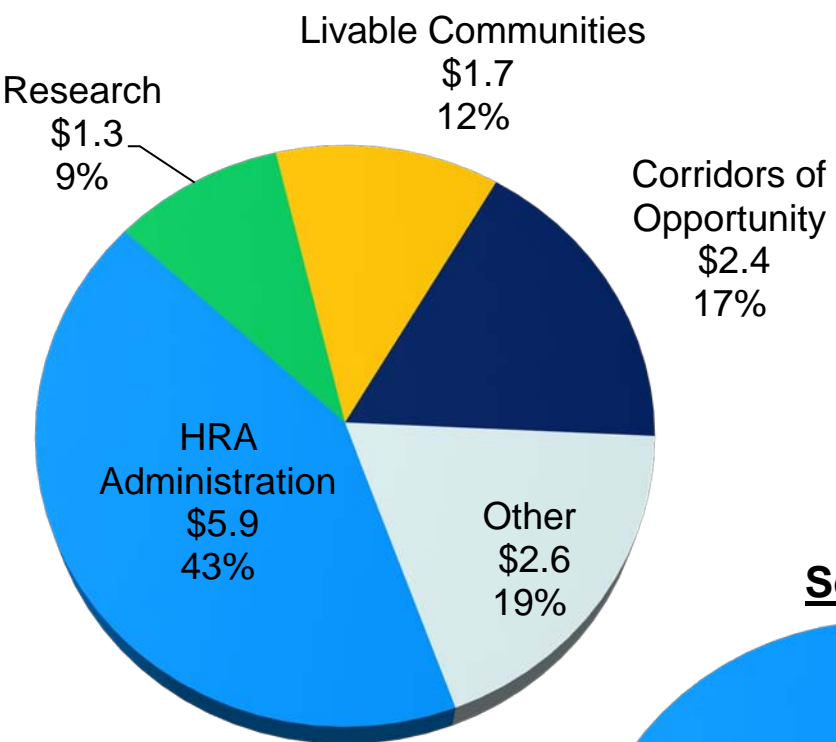




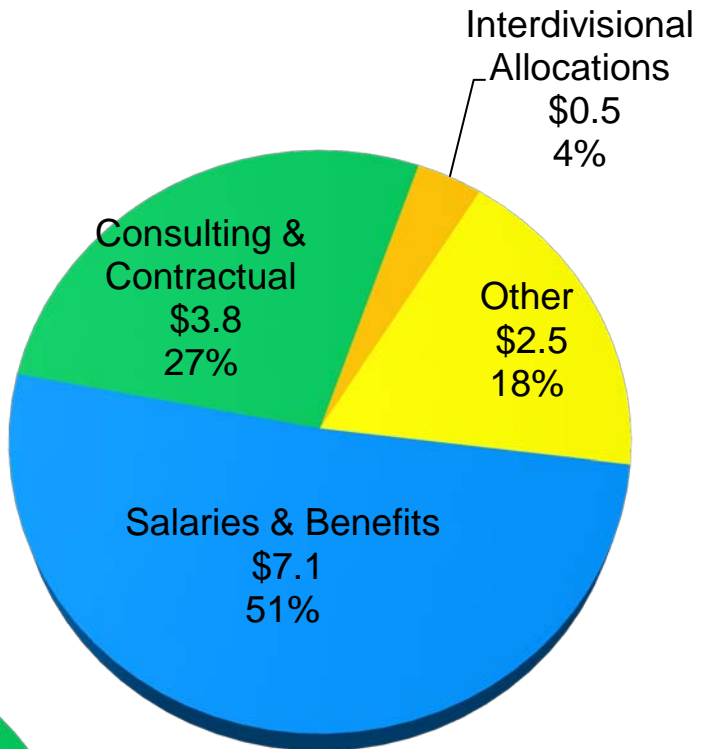
# COMMUNITY DEVELOPMENT

# Community Development: \$13.9M

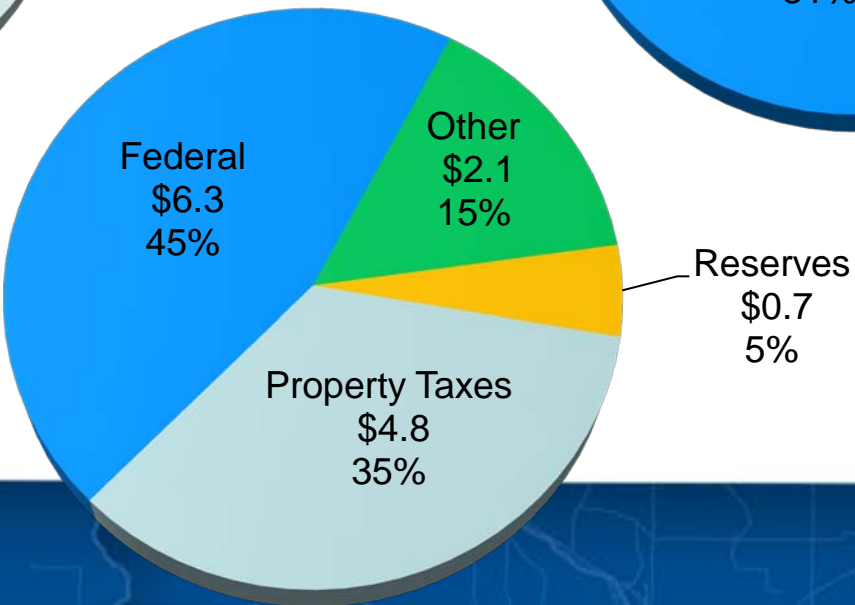
### Uses by Department



### Uses by Category



### Sources





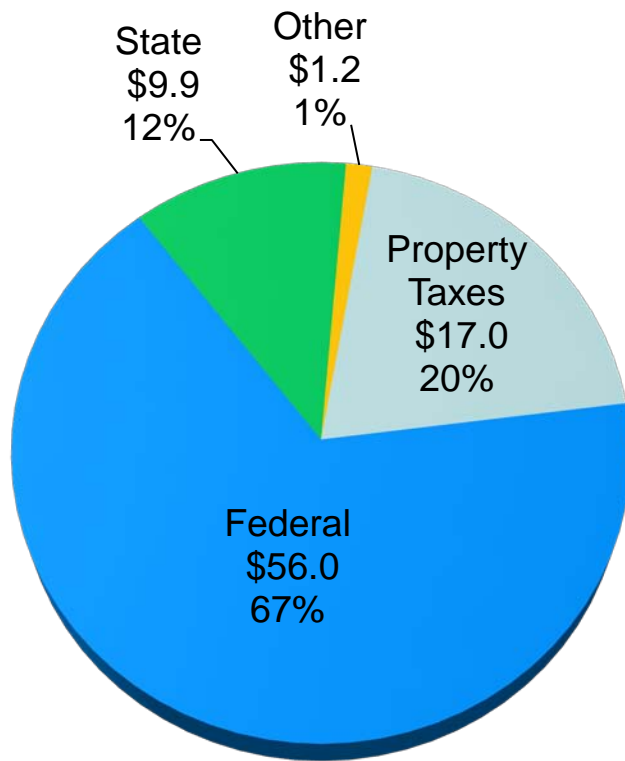


## Community Development Budget Highlights

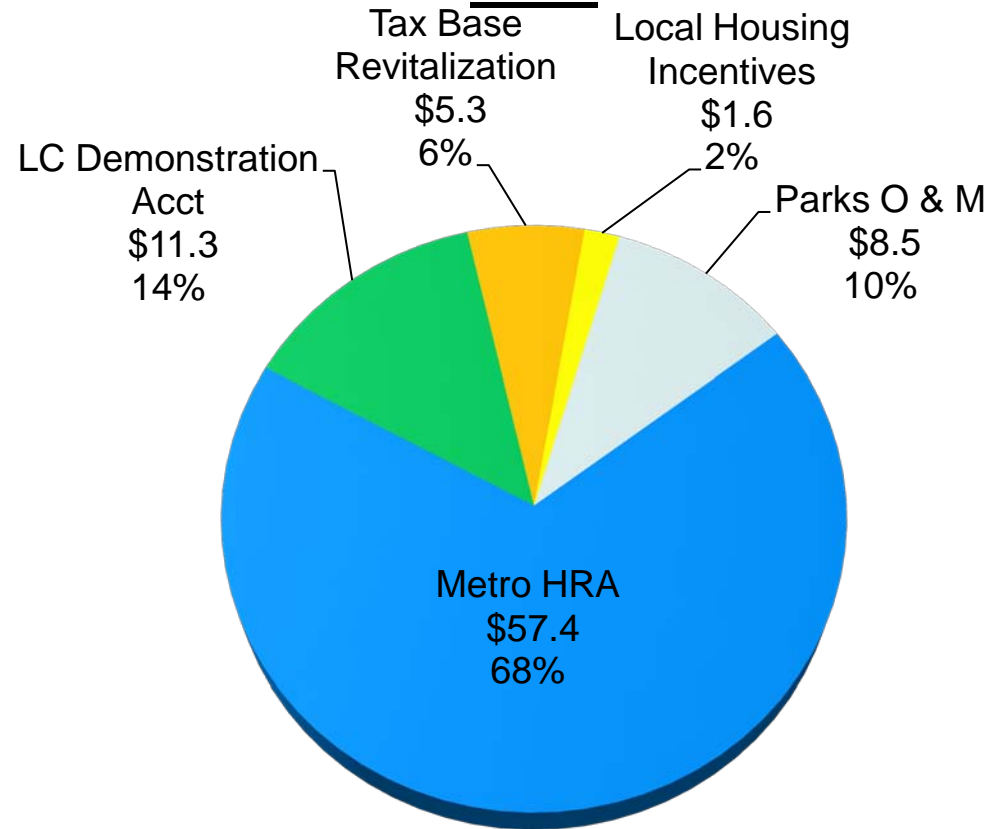
- Thrive MSP 2040
- TOD Strategic Action Plan
- Grow and Sustain TOD Program
- Housing Policy Plan and Fair Housing Equity Assessment
- Final Year HUD Sustainable Communities Grant
- Monitor Federal Section 8 Funding Uncertainties and Possible Reductions

# Community Development Passthrough: \$84.1M

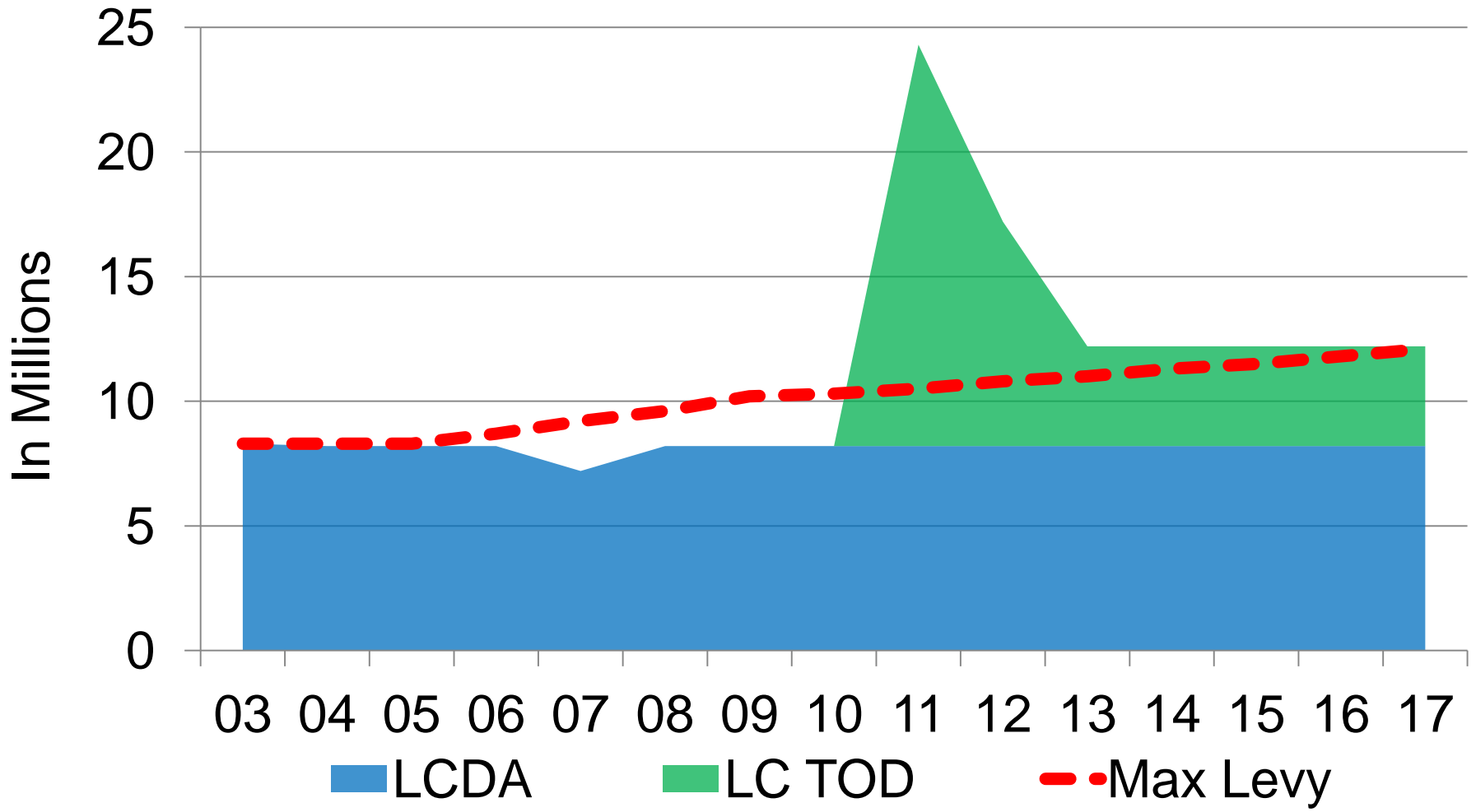
## Sources



## Uses



# Funding Livable Communities Transit Oriented Development

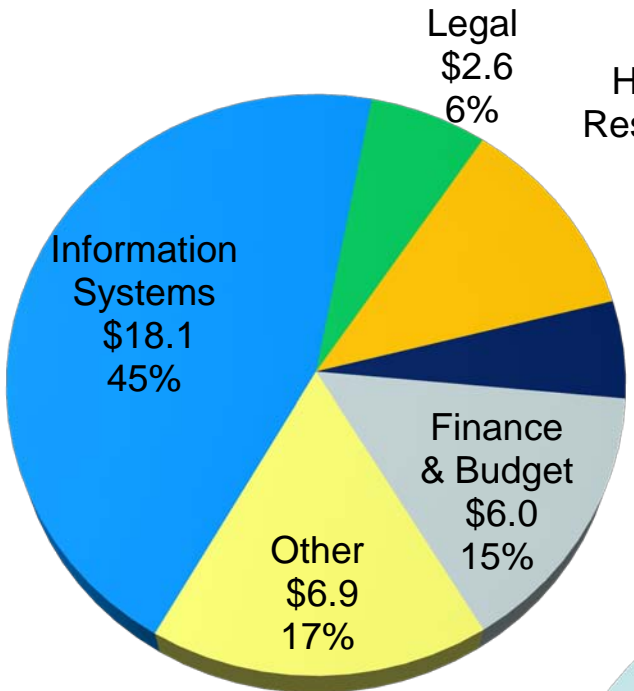


# REGIONAL ADMINISTRATION

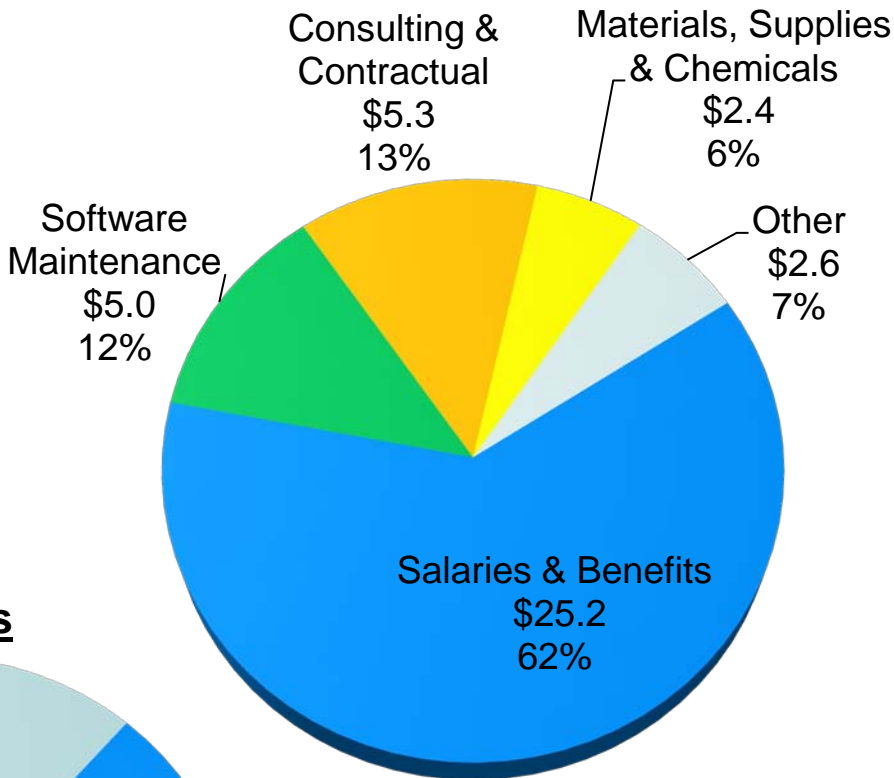
- Chair/Regional Administrator
- Communications
- Contracts & Procurement
- Diversity
- Finance
- Government Affairs
- Human Resources
- Information Services
- Legal
- Program Evaluation & Audit
- Risk Management

# Regional Administration: \$40.5M

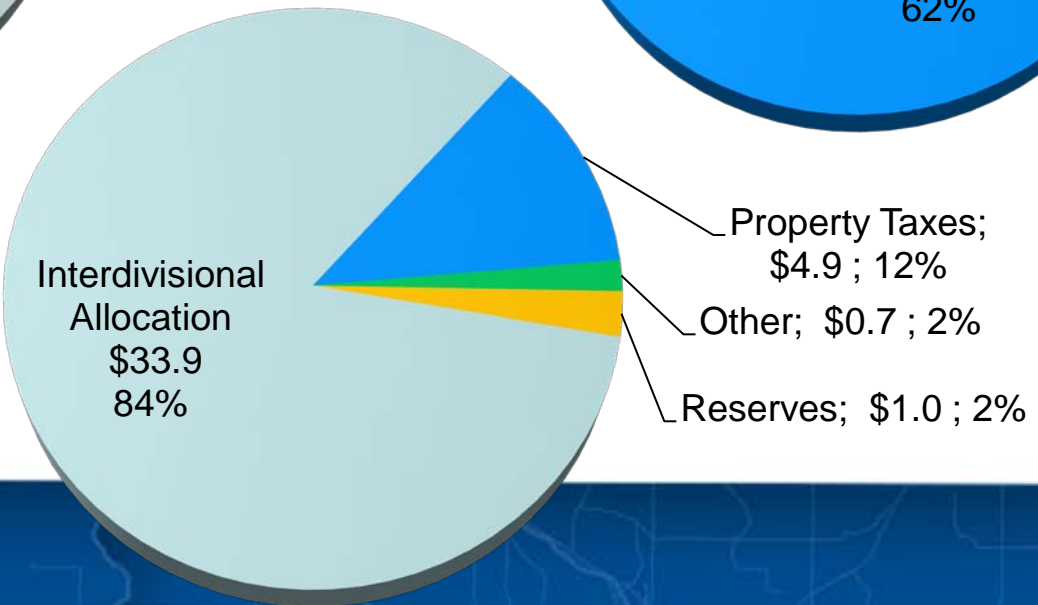
**Uses by Department**



**Uses by Category**



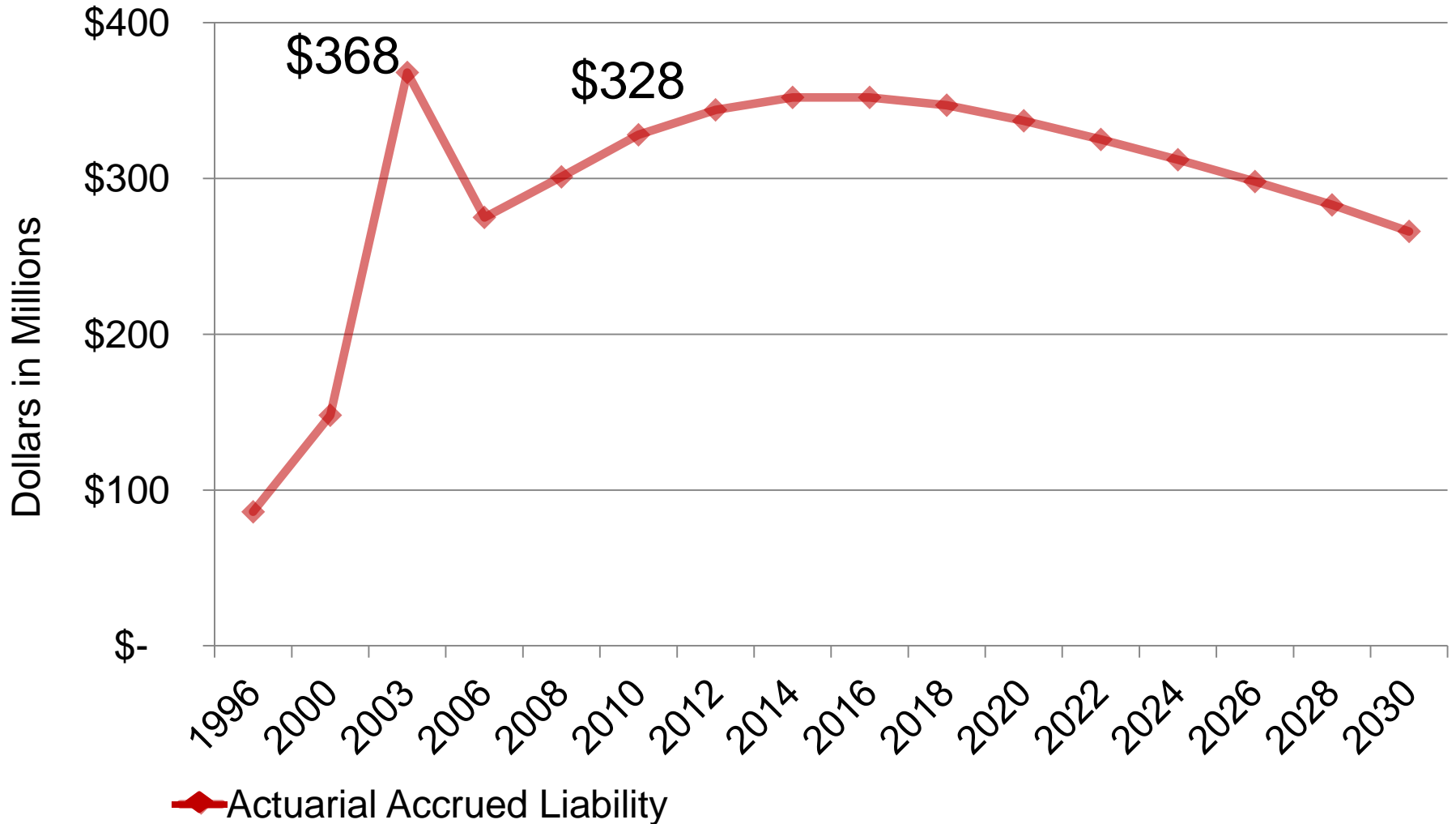
**Sources**



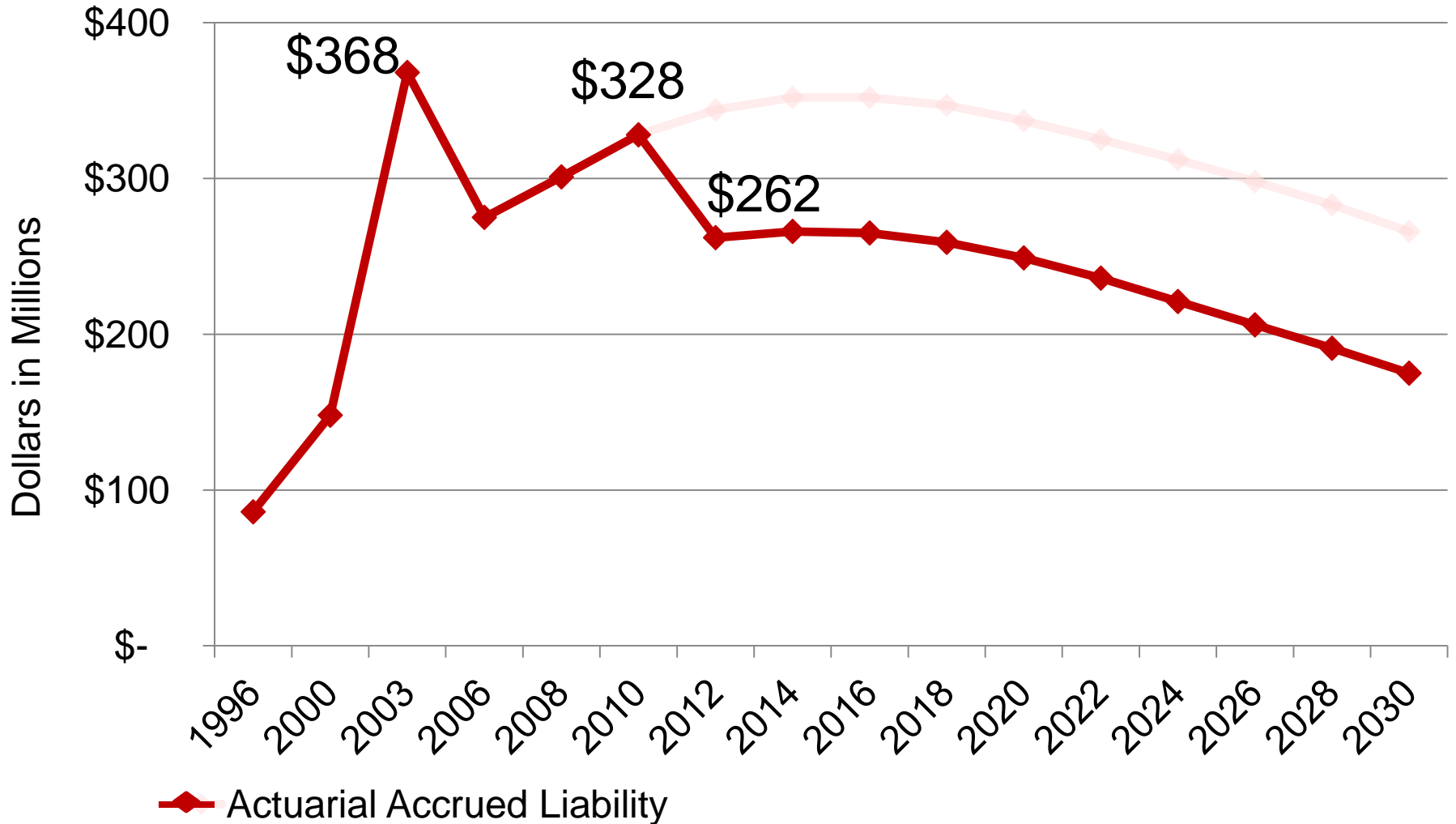
# Regional Administration Budget Highlights

- Human Resources
  - Workforce Recruitment Efforts
- Risk Management
  - Claims Liability Limits
- Technology Investments
  - Budget System
  - Document Management

# Other Post Employment Liability

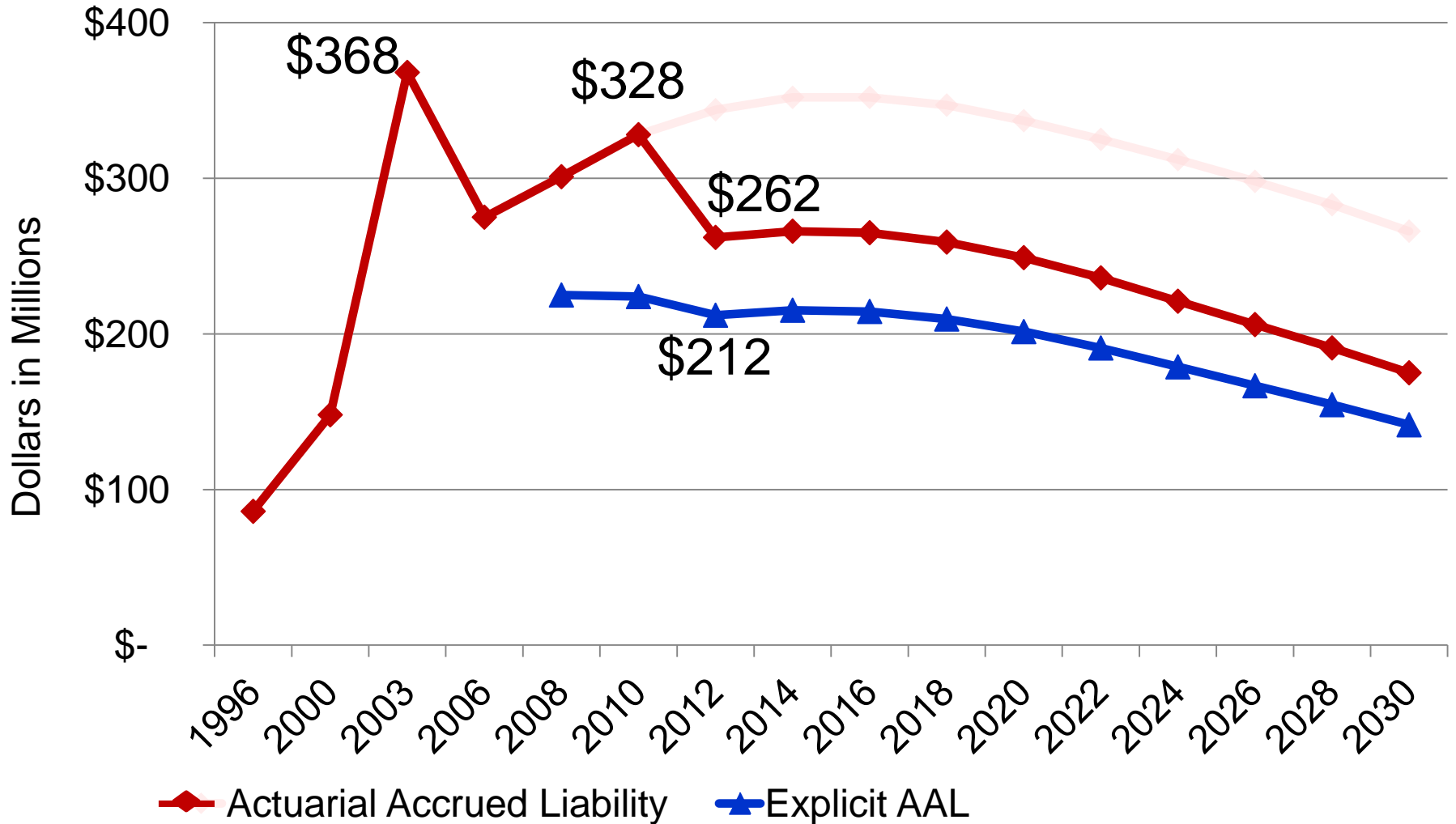


# Other Post Employment Liability

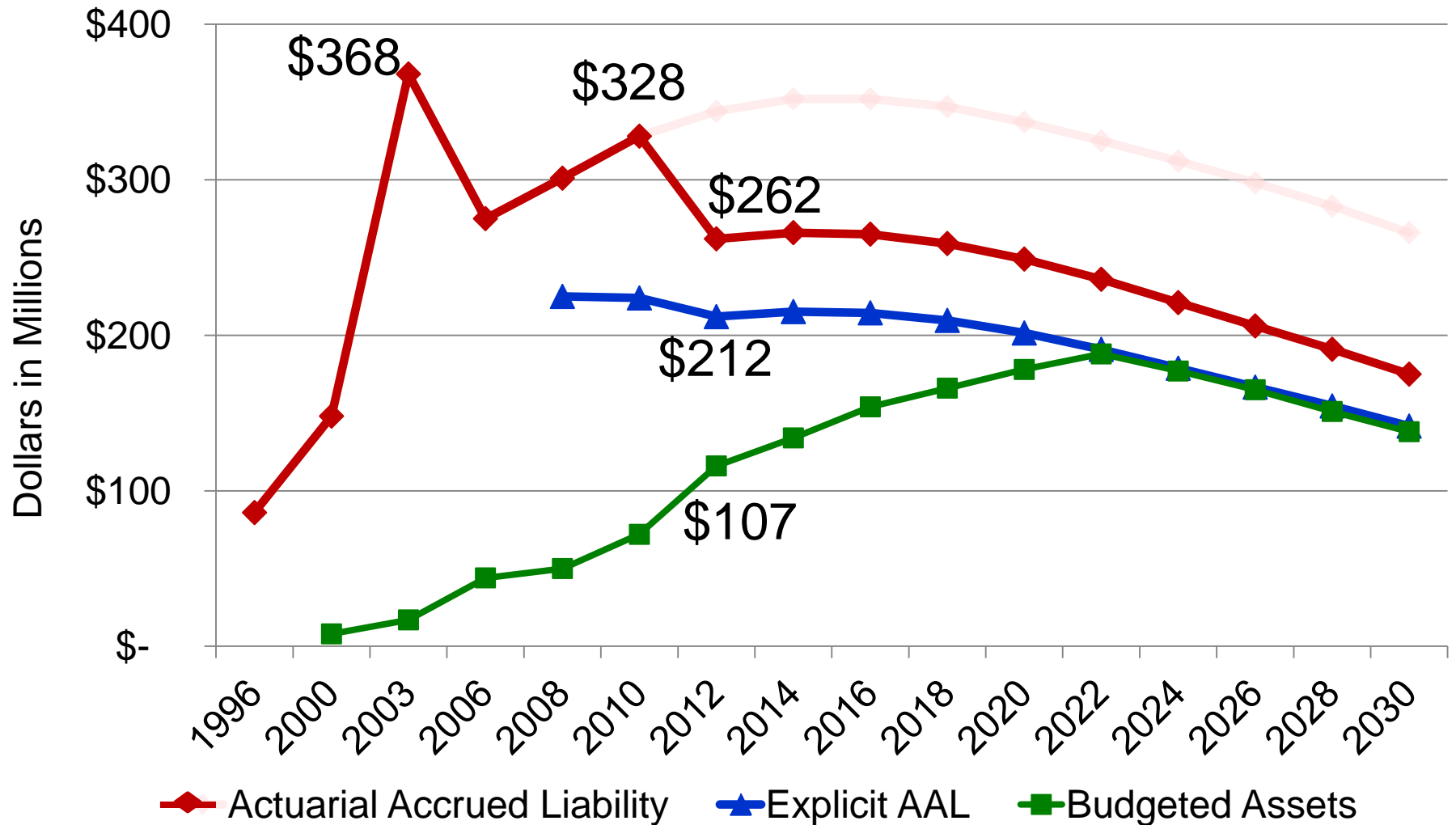




# Other Post Employment Liability



# Other Post Employment Liability



# Funding Plan Operating Budget Impact

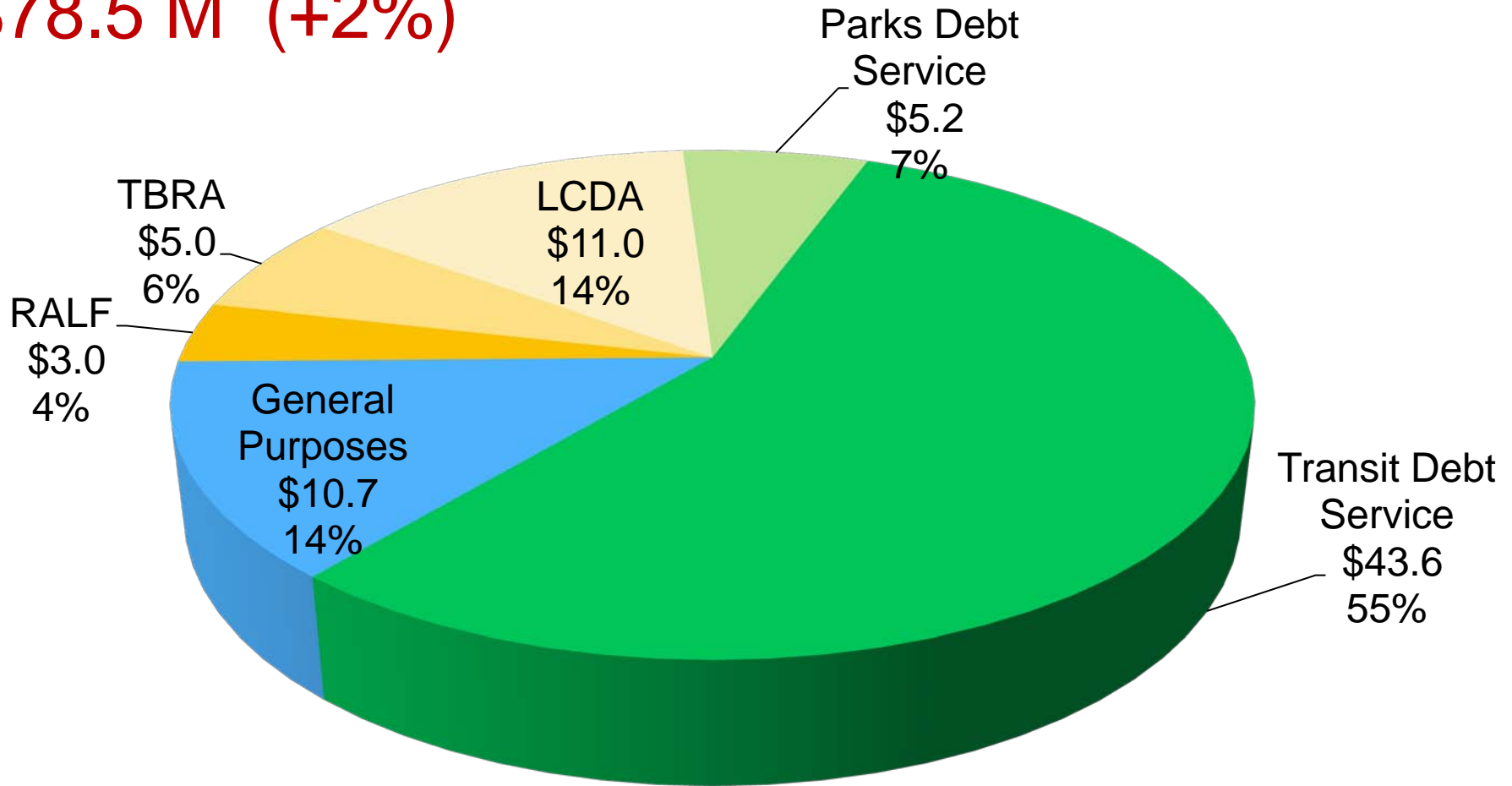
	<u>Metro Transit</u>	<u>Envr Services</u>	<u>Regional Admin</u>	<u>Total</u>
2013 Required	\$11.1	\$3.6	\$0.1	\$14.8
Est. Funded Date	2022	2015	2012	
2013 Proposed Budget	\$11.7	\$5.5	\$0.1	\$17.3

Dollars in Millions

# Property Tax Levy Strategy

- Support Business Needs for Operating and Capital Programs
- Maintain AAA Bond Rating
- Reasonable Levy Impact on Taxpayer
- Identify long-term risks and strategy

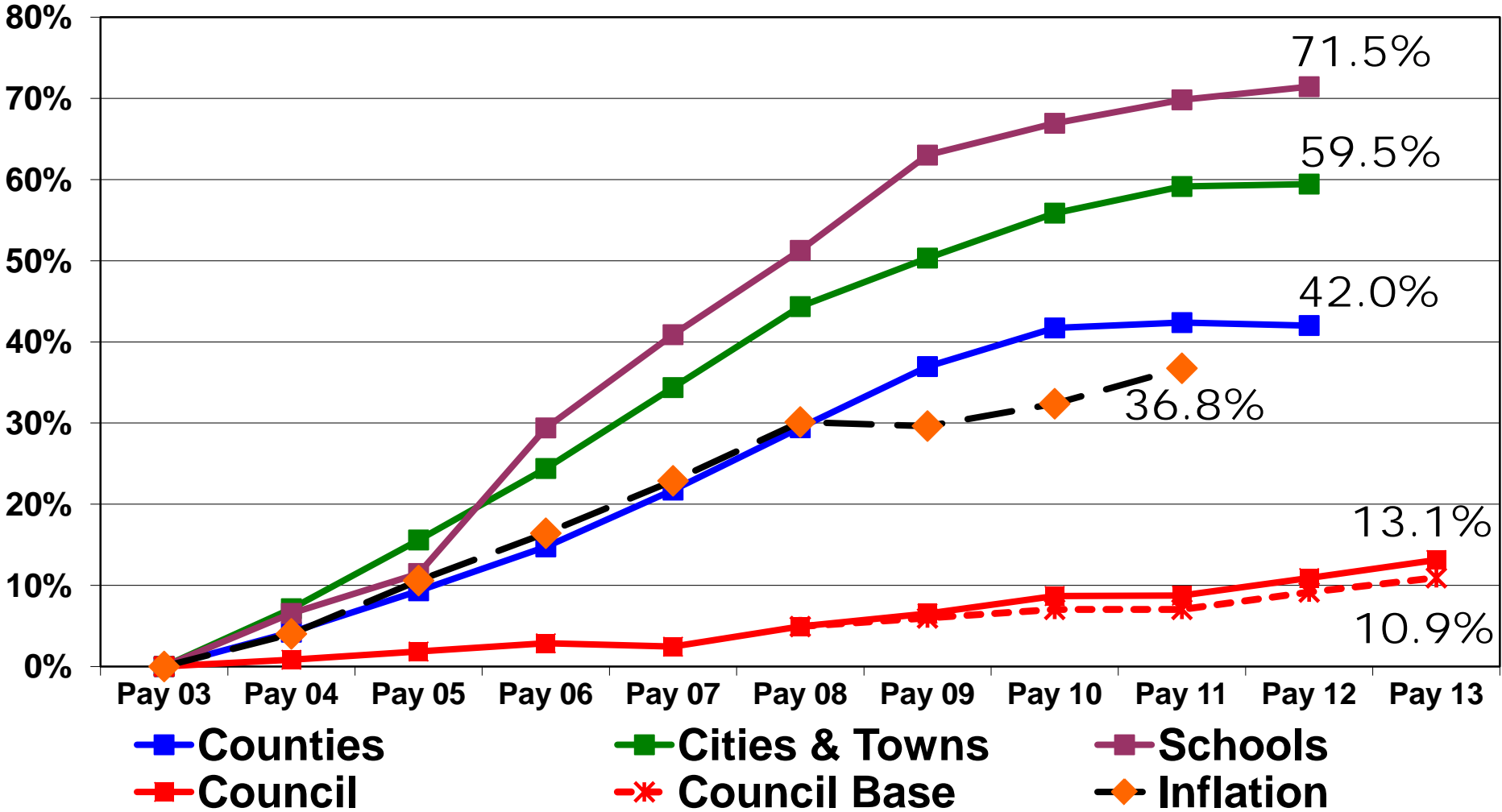
# Proposed Payable 2013 Property Tax Levies \$78.5 M (+2%)



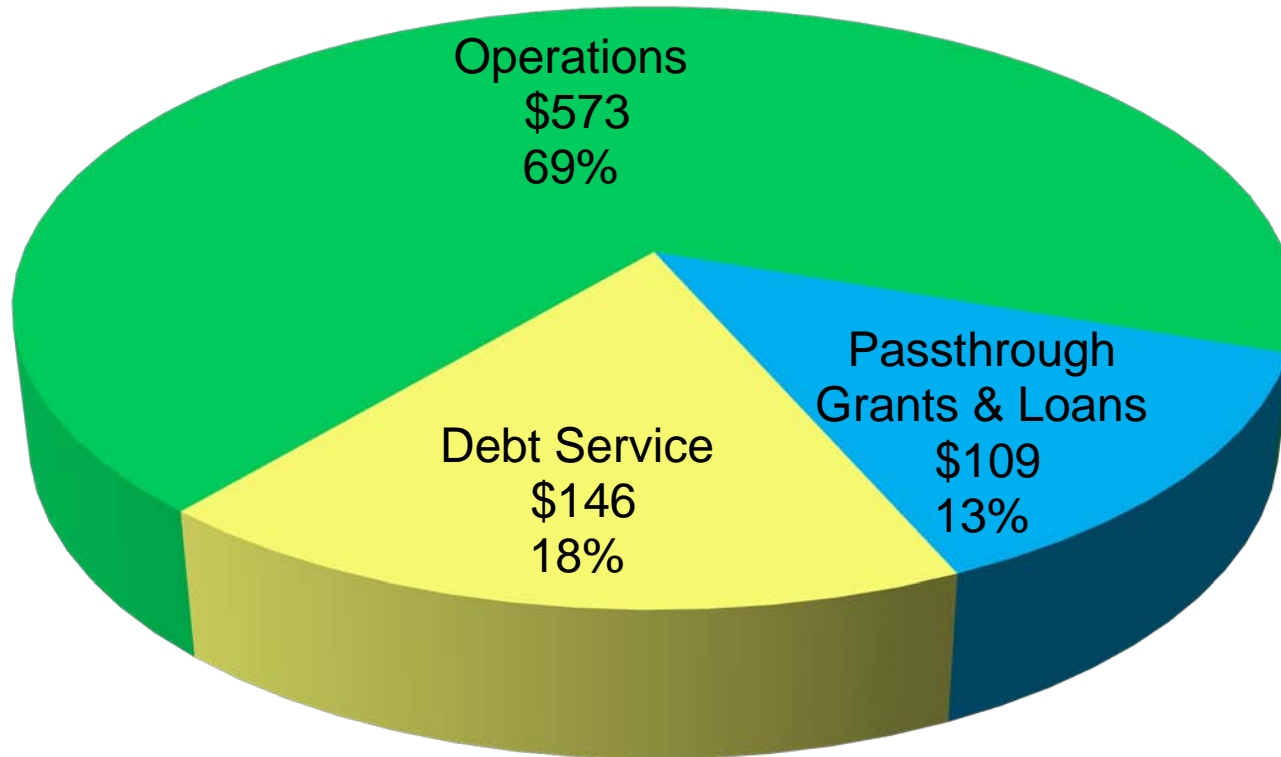
# Impact on the Taxpayer

	Outside Transit Taxing Communities			Inside Transit Taxing Communities		
Market Value	\$125k	\$250k	\$500k	\$125k	\$250k	\$500k
MV after Exclusion	\$99k	\$235k	\$500k	\$99k	\$235k	\$500k
Net Tax Capacity	\$990	\$2,358	\$5,000	\$990	\$2,358	\$5,000
Payable 2012	\$10.93	\$26.02	\$55.18	\$26.50	\$63.13	\$133.85
Proposed 2013	\$11.16	\$26.58	\$56.36	\$27.03	\$64.38	\$136.52
Change	\$0.23	\$0.56	\$1.18	\$0.53	\$1.25	\$2.67

# Changes in Property Tax Levies by Metropolitan Area Unites of Government



# Proposed 2013 Operating Budget: \$828M





# Council Action on August 15th

- Business Item 2012-239
  - Unified Operating Budget
  - Property Taxes: Setting Max Levies
    - General Purposes Levies
    - Highway Right of Way
    - Livable Communities Demonstration Account
    - Tax Base Revitalization Account
    - Parks Debt Service
      - Anticipatory Levy
      - Levied through Bond Issuance
    - Transit Debt Service
      - Anticipatory Levy
      - Levied through Bond Issuance

# Timeline for Budget Development

- Aug 8 Committee/Division Updates Council
- Aug 15 Council - Adopt Preliminary Operating  
Special Meeting Budget & Maximum Levies
- Sep 12 Preliminary Capital Program Presentation
- Sep/Oct Committee Review/Refine Division Capital Plan
- Oct 10 Committee/Division Updates Council
- Oct 24 Council - Adopt Public Comment Drafts
- Dec 12 Council - Adopt Final Budget & Levies