

J Joint Report of the Community Development, Transportation and Management Committees

For the Metropolitan Council meeting of March 12, 2008

ADVISORY INFORMATION

Date Prepared: March 6, 2008

Subject: 2008 Unified Operating Budget Amendment

Recommendation:

That the Metropolitan Council:

- Amend the 2008 Unified Operating Budget as indicated and in accordance with the attached tables

Summary of Committee Discussion:

There was discussion regarding the Governor's hiring freeze and the impact of possible retirements that could leave Community Development shorthanded while reviewing the comprehensive plan updates. Committee members asked whether the carry forward monies for Division Management would give us enough to backfill with hired help if we lose people but can't replace them even if we have vacant Full Time Equivalents. Staff stated that this should be sufficient.

Passed unanimously by the Community Development Committee on February 19, 2008.

Passed unanimously by the Transportation Committee on February 25, 2008.

To be presented to the Council and Management Committee on March 12, 2008, as a 'Same Week' Business Item because the March 26, 2008, is expected to be cancelled.



Management Committee

Community Development Committee: February 19, 2008

Transportation Committee: February 25, 2008

Metropolitan Council: March 12, 2008

Meeting date: March 12, 2008

ADVISORY INFORMATION

Date: March 6, 2008

Subject: 2008 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: Paul Conery (602-1374), Manager, Budget & Evaluation

Division/Department: All

Proposed Action

That the Metropolitan Council:

- Amend the 2008 Unified Operating Budget as indicated and in accordance with the attached table.

Background

During the 1st Quarter of each year, staff requests changes to the Unified Operating Budget adopted by the Council the previous December. Requests are primarily to continue or complete projects initiated in prior years.

Staff is requesting the following revisions to the 2008 Unified Operating Budget.

Transportation

Change in Revenues: \$1,952,922; Expenditures: \$2,056,052; Reserves: (\$103,130)

- \$1,905,680 is requested for Job Access Reverse Commute (JARC) and New Freedom funding. These expenditures will be offset \$1,570,090 in JARC and New Freedom funds, a reallocation \$232,460 of Motor Vehicle Sales Tax Revenue and a \$103,130 use of reserves.
- \$150,372 is requested for transit program expenses paid on behalf of Edina and Senior Transportation Services. Both entities will reimburse Metropolitan Transportation Services.

Community Development

Change in Expenditures: \$325,000; Reserves: (\$325,000)

- \$325,000 is requested carried forward to complete activities/contracts initiated in 2007 to include formation of the Regional Parks Foundation, Comprehensive Plan Updates, Parks Study and Metro Atlas in cooperation with the Information Systems Department.

Regional Administration

Change in Expenditures: \$418,982; Reserves: (\$418,982)

- \$222,049 is requested carried forward in the Communications Department. \$179,000 is to continue Council E-Gov Initiatives, \$30,692 is to continue the Video Streaming Project and \$12,357 is for completion of projects initiated in 2007.
- \$87,159 is requested carried forward in the Geographic Information Systems Section of the Information Services Department. \$41,740 is for contracts related to the Address Point Data Synchronization shared development project, the Regional Geocoder Project agreement with Metropolitan Mosquito Control, the Spatial Services Directory and Broker project and PlanGraphics. \$45,419 is for the Metro Atlas in cooperation with the Community Development Division.
- \$109,774 is requested carried forward in the Human Resources Department. \$76,940 is to continue the PeopleSoft Upgrade, \$20,000 is for the Leadership Competency Model and \$12,834 is for final payment consultants in the Benefits Unit.

Metropolitan Transportation Services/Community Development/Regional Administration

Staff Realignment – Geographic Information Systems

- To properly reflect the work assignments of four (4) staff and their respective salaries it is requested that the summary level changes be authorized, in addition to the above changes, to division operating budgets as follows:
 - Metropolitan Transportation Services: +1.0 Full Time Equivalent
 - Community Development: Expenditure authority \$88,081
 - Regional Administration: Expenditure authority (\$88,081) and -1.0 Full Time Equivalent
- All requested adjustments to Salaries and Benefits and Internal Cost Allocation on the attached table are the result of this staff realignment.

Rationale

Staff has reviewed the Division/Department requests and unaudited financial results from 2007 and determined:

- Review of financial results indicate Metropolitan Transportation Services should end 2007 slightly ahead of the budgeted \$1.7 million dollar use of reserves.
- Community Development ended 2007 approximately \$850,000 under budget. \$85,000 of the requested changes are for continuing projects started in prior years. \$50,000 is for the parks survey. Each year carries forward funding for the survey until the project can be initiated. \$190,000 is to complete the review of over 170 comprehensive plans.
- Regional Administration ended 2007 approximately \$1.1 million under budget. The requested changes of \$418,982 are for continuing projects started in prior years.

Funding

Unaudited financial results for 2007 indicate the Undesignated General Fund Balance will increase approximately \$2.5 million to \$9.3 million. This amendment will reduce the Undesignated General Fund Balance by \$743,982 to approximately \$8.55 million, well above the target of \$3.7 million.

The proposed operating budget amendment makes the following changes to the 2008 Unified Operating Budget.

	Adopted Budget		Previous Amendments	Proposed Amendment		Proposed Budget
Revenues						
Operating	\$ 477,143,272	\$	-	\$ 1,952,922	\$	479,096,194
Pass Through	82,032,500		-	-		82,032,500
Debt Service	132,755,208		-	-		132,755,208
Total Revenues	\$ 691,930,980	\$	-	\$ 1,952,922	\$	693,883,902
Expenditures						
Operating	\$ 482,064,637	\$	-	\$ 2,800,034	\$	484,864,671
Pass Through	80,792,375		-	-		80,792,375
Debt Service	138,063,093		-	-		138,063,093
Total Expenditures	\$ 700,920,105	\$	-	\$ 2,800,034	\$	703,720,139
Surplus / (Deficit)	\$ (8,989,125)	\$	-	\$ (847,112)	\$	(9,836,237)

Know Support / Opposition

Committee Actions:

Community Development: approved February 19, 2008

Transportation Committee: approved February 25, 2008

Metropolitan Council
2008 Annual Budget - Summary of Revisions
Operating Budget Amendment 2008-39

	2008 Adopted Budget	Reg'l Admin.	Community Development	Total Reg'l Admin & Community Dev	HRA Programs	Total Transportation	Environmental Services	Capital	Net Change	2008 Revised Budget
Revenues & Other Sources										
Property Tax (Net)	\$ 8,759,250	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 8,759,250
Federal	35,322,757	-	-	-	-	1,613,025	-	-	1,613,025	36,935,782
State	217,535,315	-	-	-	-	-	-	-	-	217,535,315
Municipal & Wastewater Charges	105,433,000	-	-	-	-	-	-	-	-	105,433,000
Industrial Waste Charges	9,225,000	-	-	-	-	-	-	-	-	9,225,000
Passenger Fares	87,851,817	-	-	-	-	-	-	-	-	87,851,817
Debt Service	132,755,208	-	-	-	-	-	-	-	-	132,755,208
Passthrough	82,032,500	-	-	-	-	-	-	-	-	82,032,500
Other Sources	13,016,133	-	-	-	-	339,897	-	-	339,897	13,356,030
Total Revenues and Other Sources	\$ 691,930,980	\$ -	\$ -	\$ -	\$ -	\$ 1,952,922	\$ -	\$ -	\$ 1,952,922	\$ 693,883,902
Expenses										
Salaries & Benefits	\$ 283,924,618	\$ (88,081)	\$ (3,097)	\$ (91,178)	\$ -	91,178	\$ -	\$ -	\$ -	\$ 283,924,618
Consultant / Contractual Services	31,010,886	406,625	325,000	731,625	-	(15,700)	-	-	715,925	31,726,811
Materials and Supplies	30,033,272	7,396	-	7,396	-	125,000	-	-	132,396	30,165,668
Rent, Utilities, & Insurance	29,665,162	-	-	-	-	-	-	-	-	29,665,162
Other Operating Expenses	28,782,568	4,961	-	4,961	-	-	-	-	4,961	28,787,529
Transit Assistance	71,825,238	-	-	-	-	1,946,752	-	-	1,946,752	73,771,990
Debt Service	138,063,093	-	-	-	-	-	-	-	-	138,063,093
Passthrough Grants & Loans	80,792,375	-	-	-	-	-	-	-	-	80,792,375
Capital Expenditures	6,822,893	-	-	-	-	-	-	-	-	6,822,893
Total Expenses	\$ 700,920,105	\$ 330,901	\$ 321,903	\$ 652,804	\$ -	\$ 2,147,230	\$ -	\$ -	\$ 2,800,034	\$ 703,720,139
Other Uses										
Internal Cost Allocation	-	-	91,178	91,178	-	(91,178)	-	-	-	-
Transfers From (To) Other Funds	-	-	-	-	-	-	-	-	-	-
Total Other Uses	\$ -	\$ -	\$ 91,178	\$ 91,178	\$ -	\$ (91,178)	\$ -	\$ -	\$ -	\$ -
Total Expenses and Other Uses	\$ 700,920,105	\$ 330,901	\$ 413,081	\$ 743,982	\$ -	\$ 2,056,052	\$ -	\$ -	\$ 2,800,034	\$ 703,720,139
Surplus/(Deficit)	\$ (8,989,125)	\$ (330,901)	\$ (413,081)	\$ (743,982)	\$ -	\$ (103,130)	\$ -	\$ -	\$ (847,112)	\$ (9,836,237)

C Community Development Committee

Meeting date: February 19, 2008

ADVISORY INFORMATION

Date:	February 11, 2008
Subject:	2008 Unified Operating Budget Amendment
District(s), Member(s):	All
Policy/Legal Reference:	MN Statute 473.13 – Council Budget Requirements
Staff Prepared/Presented:	Guy Peterson, Director (651-602-1418)
Division/Department:	Community Development Division

Proposed Action

That the Metropolitan Council amend the 2008 Unified Operating Budget as indicated:

Background

1. Carry forward of \$325,000 is requested to provide budget authority from 2007 as follows:
 - \$50,000 – This money has been contracted to outside counsel to prepare the articles of incorporation, by-laws and internal policies for the Regional Parks Foundation of the Twin Cities. The contract was not completed in 2007.
 - \$50,000 – This money will partially fund the 2008 Parks Visitor Origin Survey. The entire study will cost approximately \$180,000. An outside consultant will be hired to determine the origin of park visitors (“local” as opposed to “regional”). This study will update findings of the 1998 Park Visitor Origins study. The resulting percentage will inform the formula used to determine the park capital improvements program.
 - \$190,000 – The funds may be necessary for contracted assistance, including possible legal expertise, in the review of over 170 comprehensive plan updates that will be submitted before the end of 2008. It will also assist with costs associated with the expansion of the ECMS pilot project to include more elements of the comprehensive plans, i.e., surface water management, transportation, waste supply and watershed plans.
 - \$35,000 – This money will be used to assist with the “Metro Atlas” project – online maps, tables and charts for the Council’s redesigned website. This project was identified as a top priority of the Regional Administrator in 2007 and is a joint effort of Community Development’s Research staff and the IS Department’s GIS staff.
2. Change in Revenues of (\$91,178) and Expenditures of (\$3,097)
 - Reduction of \$91,178 in Salary Expense, offset by a reduction of Planning Chargeback Revenue of \$91,178, and reduction of one full-time equivalent, to recognize the transfer of staff from Community Development to Metropolitan Transportation Services.
 - Increase of \$88,081 in Salary Expense and one full-time equivalent to recognize the net effect of staff transfers between Community Development and Regional Administration.
3. This request will be presented to the Management Committee on February 27th, and the Council on March 12th, as part of a consolidated request.

Rationale

The two parks-related carry forward items are necessary to allow expenditures for which carry forward in 2008 was anticipated and planned for last year. Budgeting for the parks visitor survey, for example, was intended to be program funding from both 2007 and 2008.

The significant amount sought for carry forward in 2008 for comprehensive plan review related work is a necessary contingency arising from the very large number of plans expected to be submitted in late 2008. Many cities that had anticipated completion of their plans in 2007 have more recently indicated their intent to submit their plans in the second half of 2008. This may create the potential need for assistance in preparing the plan reviews to successfully achieve this Council priority and high profile responsibility in 2008.

Funding

Community Development ended 2007 over \$600,000 under budget. This action will reduce that to approximately \$190,000.

Known Support / Opposition

None.

Transportation Committee

Meeting date: February 25, 2008

ADVISORY INFORMATION

Date:	February 20, 2008
Subject:	2008 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:	Arlene McCarthy, MTS Director (651-602-1217) Amy Vennewitz, Deputy Director, MTS (651-602-1058) Sean Pfeiffer, Financial Analyst, MTS (651-602-1887)
Division/Department:	Metropolitan Transportation Services

Proposed Action

That the Council:

- Amend the 2008 Unified Operating Budget in accordance with the [attached table](#).

Background

This amendment recognizes additional Federal Revenue, related expenses and accounting adjustments. Staff is recommending the following revisions to the 2008 operating budget.

Metropolitan Transportation Services

- Contracted Regular Route and Rural Small Urban programs are requesting an increase of \$150,372 in transit program expense offset by \$150,372 in local revenue. The increase is due to additional payments being made on behalf of Edina and Senior Transportation Services for their local share of service. Both entities will reimburse Metropolitan Transportation Service (MTS) for their local share per a previously executed agreement.
- VanGo was recently awarded a \$70,000 Job Access Reverse Commute (JARC) grant from the Minnesota Department of Transportation-Office of Transit to cover the cost of vanpool service outside of the seven county metropolitan area. This amendment recognizes the revenue into the program and removes the need for a higher local match by those riders that have routes that leave and enter the seven county metropolitan area.. In addition, staff is requesting \$15,700 in consulting and contractual services be moved into the line item for transit program expense to better reflect the nature of the expense.
- Due to the recent regional solicitation and award of JARC and New Freedom monies, MTS is requesting an increase of \$1,159,499 of transit program expense, \$125,000 for a Metro Mobility software project, and \$621,181 for operating five contracted regular routes. These expenses will be offset by \$1,570,090 of JARC and New Freedom funds, a reallocation of Metro Transit Motor Vehicle Sales Tax Revenue of \$232,460, and a \$103,130 use of reserves.
- Staff requests the addition one full-time equivalent staff member be transferred from Community Development to MTS Planning resulting in an increase of \$91,178 in salary expense and a reduction of an equivalent amount in planning chargebacks. This position had previously been funded by MTS chargebacks.

Rationale

Bring in additional operating expenses related to contract changes and federal program starts.

Funding

These amended changes will result in \$103,130 use of reserves in 2008. Metropolitan Transportation Services was budgeted to end 2007 with a \$1.7 million dollar use of reserves. Actual operating results added \$700,000 for a positive variance of \$2.4 million.

Known Support/Opposition

None.

Metropolitan Council - Transportation Division
2008 Annual Budget - Summary of Revisions
Operating Budget Amendment - Business Item 2008-039

	2008 Amended Budget	Metro Transit Bus	Metro Transit Rail	Total Metro Transit	Metro Mobility	Suburban Transit Providers	Transportation Planning & TDM Activity	Community Based Transit	Regular Route	Total Metropolitan Transport Services	2008 Revised Budget
Revenues											
State Revenues											
Motor Vehicle Sales Taxes	\$ 125,008,369	\$ (232,460)	\$ -	\$ (232,460)	\$ -	\$ -	\$ -	\$ -	\$ 232,460	\$ 232,460	\$ 125,008,369
State Market Value Credit Aid	1,569,038	-	-	-	-	-	-	-	-	-	1,569,038
State Revenues	91,833,241	-	-	-	(39,556)	-	-	-	39,556	-	91,833,241
Total State Revenues	\$ 218,410,648	\$ (232,460)	\$ -	\$ (232,460)	\$ (39,556)	\$ -	\$ -	\$ -	\$ 272,016	\$ 232,460	\$ 218,410,648
Other Revenues											
Property Taxes	39,644,365	-	-	-	-	-	-	-	-	-	39,644,365
Federal Revenues	30,976,675	-	-	-	139,556	-	1,159,499	-	313,970	1,613,025	32,389,700
Local Revenues	6,041,977	-	-	-	-	-	-	150,372	(50,000)	100,372	6,142,346
Investment Earnings	873,030	-	-	-	-	-	-	-	-	-	873,030
Other Revenues	838,600	232,460	-	232,460	-	-	-	-	-	-	1,071,060
Fares - Base	79,111,951	-	-	-	-	-	-	-	7,965	7,965	79,119,916
Fares - Expansion	-	-	-	-	-	-	-	-	-	-	-
Contract & Special Event Revenue	8,739,866	-	-	-	-	-	-	-	-	-	8,739,866
Total Revenues	\$ 384,637,112	\$ -	\$ -	\$ -	\$ 100,000	\$ -	\$ 1,159,499	\$ 150,372	\$ 543,051	\$ 1,952,922	\$ 386,590,034
Expenses											
Salaries & Benefits	\$ 199,547,162	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 91,178	\$ -	\$ -	\$ 91,178	\$ 199,638,340
Consulting & Contractual Services	7,184,662	-	-	-	-	-	-	-	(15,700)	(15,700)	7,168,962
Materials & Supplies	17,173,568	-	-	-	125,000	-	-	-	-	125,000	17,298,568
Rent & Utilities	6,336,951	-	-	-	-	-	-	-	-	-	6,336,951
Printing	118,000	-	-	-	-	-	-	-	-	-	118,000
Travel	43,000	-	-	-	-	-	-	-	-	-	43,000
Insurance	3,496,957	-	-	-	-	-	-	-	-	-	3,496,957
Transit Programs	71,825,238	-	-	-	-	-	1,159,499	20,644	766,609	1,946,752	73,771,990
Operating Capital	873,231	-	-	-	-	-	-	-	-	-	873,231
Debt Service	40,166,402	-	-	-	-	-	-	-	-	-	40,166,402
Other Operating Expenses	24,063,525	-	-	-	-	-	-	-	-	-	24,063,525
Total Expenses	\$ 370,830,696	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 1,250,677	\$ 20,644	\$ 750,909	\$ 2,147,230	\$ 372,977,926
Other Uses											
Interdivisional Expense Alloc-MT & LRT	\$ 14,815,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,815,401
A-87- Metropolitan Transportation Services	805,000	-	-	-	-	-	-	-	-	-	805,000
Planning Chargeback Expense	295,735	-	-	-	-	-	(91,178)	-	-	(91,178)	204,557
Total Other Uses	\$ 15,916,136	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (91,178)	\$ -	\$ -	\$ (91,178)	\$ 15,824,958
Transfers To (From) Other Funds	(21,150)	-	-	-	-	-	-	-	-	-	(21,150)
Total Expenses and Uses	\$ 386,725,682	\$ -	\$ -	\$ -	\$ 125,000	\$ -	\$ 1,159,499	\$ 20,644	\$ 750,909	\$ 2,056,052	\$ 388,781,734
Surplus/(Deficit)	\$ (2,088,570)	\$ -	\$ -	\$ -	\$ (25,000)	\$ -	\$ -	\$ 129,728	\$ (207,858)	\$ (103,130)	\$ (2,191,700)