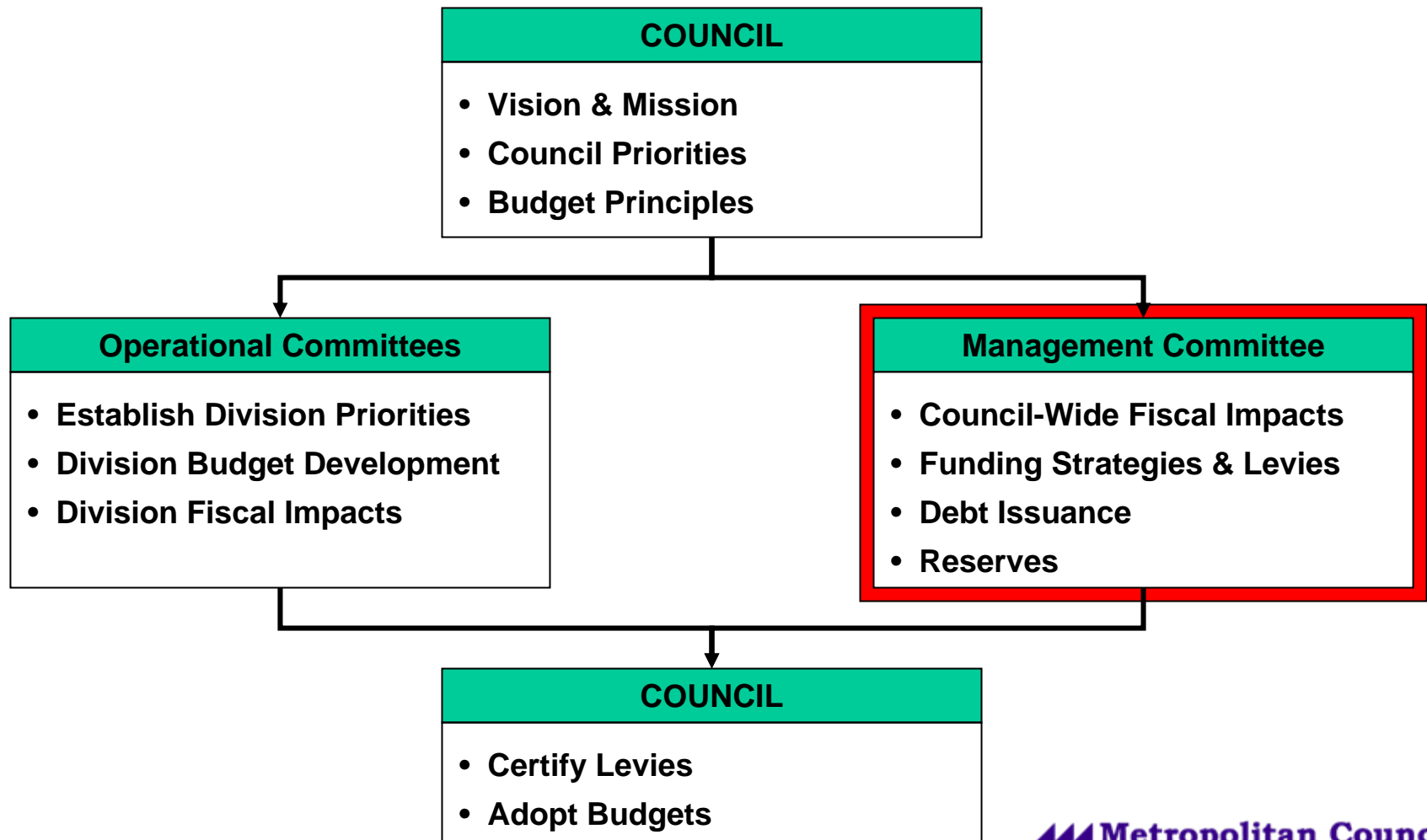


# 2009 Proposed Levies and Regional Administration Operating Budget

Management Committee  
June 25, 2008



# Budget Development Process



# Principles

---

- ❖ Focus on the Council's core Mission
- ❖ Perform in a cost-effective manner
- ❖ Work cooperatively with regional partners
- ❖ Be accountable to the public for results

# Financial Objectives

---

- ❖ Balanced budgets that support Council strategies
- ❖ No unplanned use of reserves
- ❖ Maintain AAA bond rating
- ❖ Hold property tax impact flat for tax payers

# 2009 Budget Challenges

---

- ❖ Projecting MVST Revenues
- ❖ Counties Transit Improvement Board (CTIB)
- ❖ Property Tax Collection (Foreclosures)
- ❖ Service Availability Charges (SAC)
- ❖ Use of Reserves for Operations
- ❖ Water Supply Planning

# Levy Principles

---

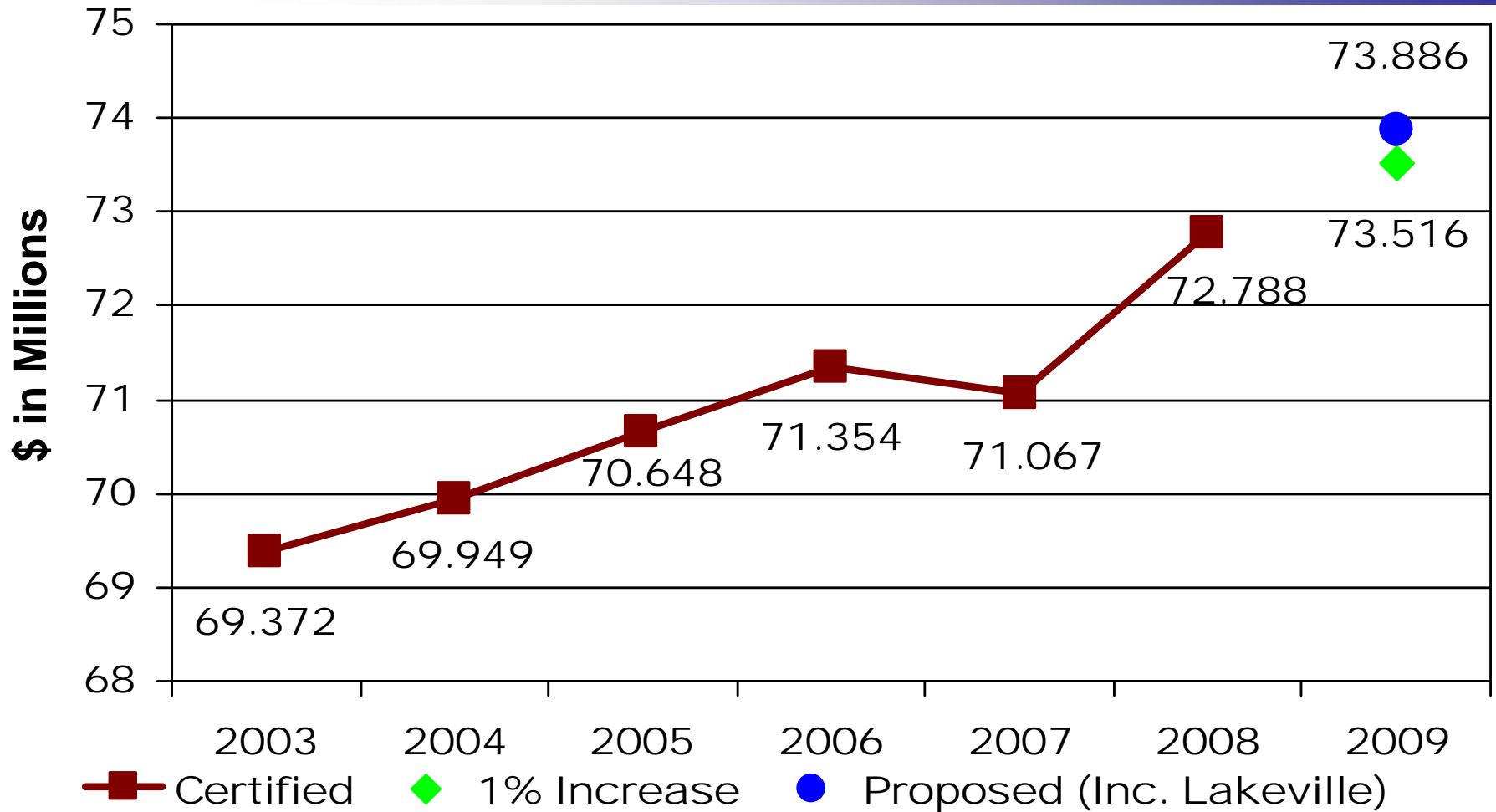
- ❖ Highway Right of Way to levy maximum
- ❖ Maintain levy growth to 1% plus Lakeville
  - ❖ Manage capital investment cash flow
  - ❖ Manage debt service financing

# Levy Options

---

- ❖ Increase General Levy to fund Water Supply Planning
- ❖ Livable Communities – Demonstration Account
- ❖ Highway Right-Of-Way
- ❖ Anticipatory Parks and Transit Debt Service Levies

# Council Levy Amounts





# Proposed Levy vs. Limit

## 3.9% Cap on Property Tax Increases

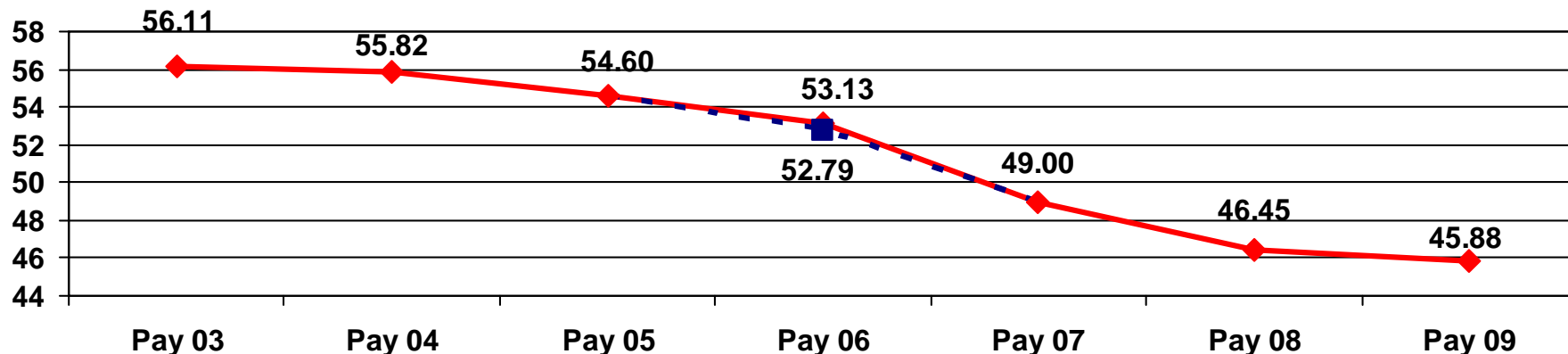
<u>Non-Debt Service Levies</u>	<u>2009 Estimated Levy Limit</u>	<u>2008 Levy</u>	<u>Proposed 2009 Levy</u>	<u>Change 2008 - 2009</u>
General Operations	\$ 10,701,700	\$ 10,300,000	\$ 10,300,000	\$ -
Highway Right of Way	3,426,923	3,298,290	3,426,923	128,633
Livable Communities				
- Demonstration Account	8,503,249	8,184,070	8,184,070	-
- Tax Base Revitalization	5,000,000	5,000,000	5,000,000	-
<b>Total Non-Debt Levy</b>	<b>\$ 27,631,872</b>	<b>\$ 26,782,360</b>	<b>\$ 26,910,993</b>	<b>\$ 128,633</b>
<u>Debt Service Levies</u>				
Parks		\$ 7,461,728	\$ 7,536,000	\$ 74,272
Transit		38,543,560	39,068,531	524,971
Transit - Lakeville		-	370,000	370,000
<b>Total Debt Service Levies</b>		<b>\$ 46,005,288</b>	<b>\$ 46,974,531</b>	<b>\$ 969,243</b>
<b>Total All Levies</b>	<b>\$ 75,626,366</b>	<b>\$ 72,787,648</b>	<b>\$ 73,885,524</b>	<b>\$ 1,097,876</b>
				1.51%
			Excluding Lakeville	1.00%

# Estimated Impact of Council Levies on Homes in the Region

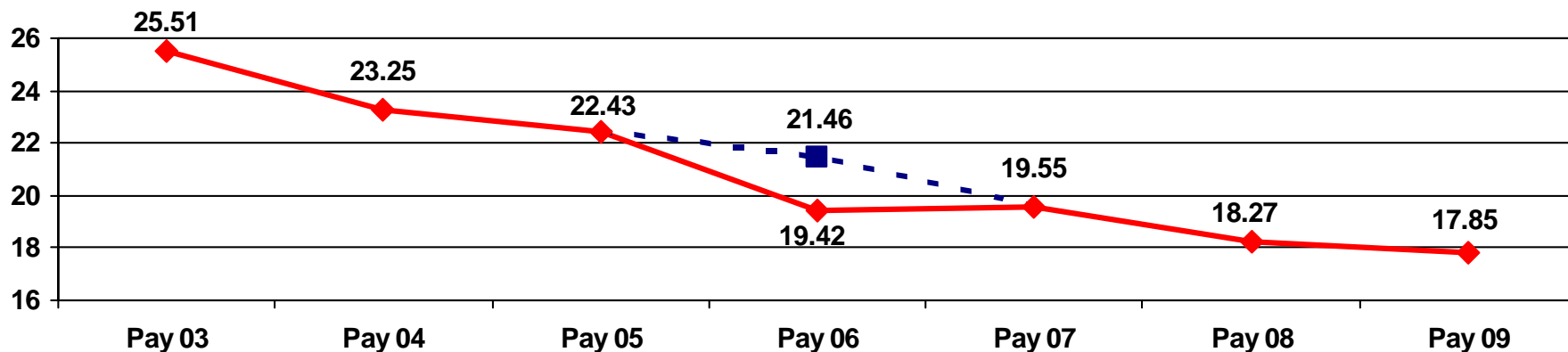
	Pay			2008-2009 Change	
	2007	2008	2009	Dollars	Percent
<b>Market Value \$150,000</b>					
Inside Transit District	28.13	26.66	26.34	(0.32)	-1.20%
Outside Transit District	11.22	10.49	10.24	(0.25)	-2.38%
<b>Market Value \$250,000</b>					
Inside Transit District	49.00	46.45	45.88	(0.57)	-1.23%
Outside Transit District	19.55	18.27	17.85	(0.42)	-2.30%
<b>Market Value \$350,000</b>					
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%
<b>Market Value \$600,000</b>					
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%

# Estimated Impact of Council Levies on a Home Currently Valued at \$250k

## Inside Transit District



## Outside Transit District



- With Certificates
- Without Certificates

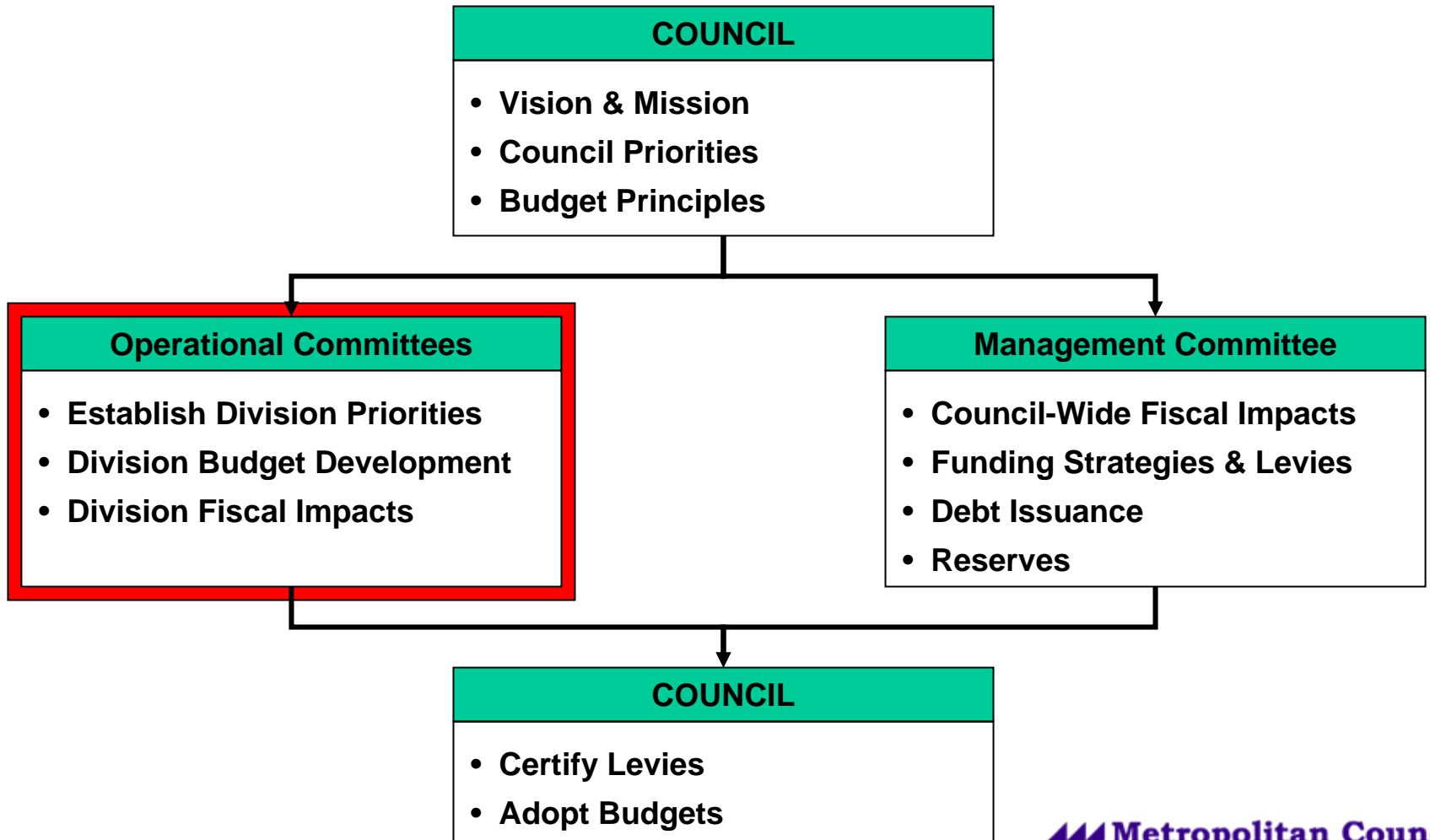
# Highway Right-of-Way Program Loan Fund Projected Activity

	2007 Actual	2008 Revised	2009 Proposed	2010 Projected
<b>Levy Limit</b>	3,162,756	3,298,290	3,426,923	3,560,573
<b>Certified or Proposed Levy</b>	3,162,756	3,298,290	3,426,923	3,560,573
<b>Potential Sources (Cash Receipts)</b>				
<b>Property Tax Levies</b>	3,002,299	3,125,130	3,247,010	3,373,643
<b>State Aid</b>	155,522	123,686	128,510	133,521
<b>Interest Income</b>	337,137	65,000	75,000	75,000
<b>Loan Repayments</b>	6,390	-	-	-
<b>Total Potential Sources</b>	3,501,348	3,313,816	3,450,520	3,582,164
<b>Potential Uses (Cash Disbursements)</b>				
<b>New Loans and Expenditures</b>	1,282,976	4,087,063	4,000,000	4,050,000
<b>Sources Over/(Under) Uses</b>	2,218,372	(773,247)	(549,480)	(467,836)
<b>Ending Cash Balance</b>	5,756,045	4,982,798	4,433,318	3,965,482

# Highway Right-of-Way Program Projected Loan Activity

	2007 Actual	2008 Revised	2009 Proposed	2010 Projected
<b><u>Loan Repayments</u></b>				
TH 212 Chaska/Chanhassen	\$ 6,390	\$ -	\$ -	\$ -
<b>Total</b>	<b>\$ 6,390</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>New Loans</u></b>				
I-494 Bloomington	\$ 430,000	\$ 1,250,000	\$ 750,000	\$ 750,000
I-35W Blaine	37,447	-	-	-
TH 10 Anoka	815,528	-	-	-
TH 10 Ramsey	-	2,611,832	1,250,000	300,000
TH 169 Belle Plaine	-	225,231	-	-
Unspecified	-	-	2,000,000	3,000,000
<b>Total</b>	<b>\$ 1,282,975</b>	<b>\$ 4,087,063</b>	<b>\$ 4,000,000</b>	<b>\$ 4,050,000</b>

# Budget Development Process



# Regional Administration Organization

- ❖ Office of the Chair and Regional Administrator

- ❖ Government Affairs

## **Administrative support units:**

- ❖ Budget and Evaluation

- ❖ Communications

- ❖ Diversity & Equal Opportunity

- ❖ Fiscal/Central/Payroll Services

- ❖ Human Resources

- ❖ Information Services \*

- ❖ Legal - General Counsel

- ❖ Program Evaluation & Audit

- ❖ Purchasing/Contracting

- ❖ Risk Management

\* GIS Transferred from Community Development to Information Services in 2008

# Regional Administration Budget Comparison

	2008	2009	
	Adopted	Proposed	Change
Legal	\$ 2,664	\$ 2,738	2.78%
Internal Audit	506	513	1.38%
Diversity & Equal Opp.	686	710	3.50%
Human Resources	4,764	4,933	3.55%
Fiscal/Central/Payroll Services	4,316	4,472	3.61%
Information Services/GIS	13,486	14,038	4.09%
Purchasing/Contracting	1,048	1,043	-0.48%
Risk Management	1,198	1,223	2.09%
Budget & Evaluation	363	372	2.48%
Communications	1,936	1,834	-5.27%
Government Affairs	488	500	2.46%
Chair / Reg'l Admin	1,045	1,052	0.67%
<b>Total Regional Admin</b>	<b>\$ 32,500</b>	<b>\$ 33,428</b>	<b>2.86%</b>

\$ in Thousands



# Regional Administration Summary of Expenditures

	2008 Adopted	2009 Proposed	Change	
	Budget	Budget	\$	%
<b>Total Labor</b>	\$ 19,937,420	\$ 20,467,617	\$ 530,197	2.66%
<b>Consultant/Contractual</b>	8,442,702	8,997,813	555,111	6.58%
<b>Other Expenses</b>	4,120,111	3,962,830	(157,281)	-3.82%
<b>Total Expenditures</b>	<b>\$ 32,500,233</b>	<b>\$ 33,428,260</b>	<b>\$ 928,027</b>	<b>2.86%</b>
<b>Staffing (FTE)</b>	<b>216.35 *</b>	<b>216.35</b>		

\* Includes 10.35 FTE transferred from Community Development to Information Services in 2008

# General Fund Summary

## Revenue and Expenditures

		2008 Adopted	2009 Proposed	Change
<b>Revenues</b>	Property Tax Levy	\$ 10,300	\$ 10,300	-
	Less: Uncollectable Levy	(155)	(155)	-
	Property Tax Transfer	(1,100)	(1,100)	-
	<b>Revenue From Property Taxes</b>	<b>\$ 9,045</b>	<b>\$ 9,045</b>	<b>-</b>
	Cost Allocation Revenue	26,666	27,699	3.9%
	Interest/Other Revenue	944	893	-5.4%
	<b>Total Revenues</b>	<b>\$ 36,655</b>	<b>\$ 37,637</b>	<b>2.7%</b>
<b>Expenditures</b>	Regional Administration	\$ 32,500	\$ 33,428	2.9%
	Community Development	4,155	4,209	1.3%
	<b>Total Expenditures</b>	<b>\$ 36,655</b>	<b>\$ 37,637</b>	<b>2.7%</b>
<b>Surplus/(Deficit) from Operations</b>		<b>\$ -</b>	<b>\$ -</b>	<b>-</b>
<b>Fund Balance</b>	Undesignated Balance	\$ 8,085	\$ 8,085	
	Undesignated Target Balance	\$ 3,666	\$ 3,764	
	Water Supply Transfer	\$ 650	\$ 421	

\$ in Thousands

# 2009 Council & Management Committee Budget Schedule

- ❖ JUN 25 – Present Regional Administration and Levies
- ❖ JUL 23 – Present Preliminary Unified Operating Budgets, Rates and Levies
- ❖ AUG 27 – Adopt Preliminary Operating Budget, Rates and Levies  
**Set Public Hearing Date**
- ❖ SEP 10 – Present Preliminary Capital Program
- ❖ SEP 24 – Set Public Hearing Drafts
- ❖ NOV 12 – Public Hearing
- ❖ DEC 10 – Adopt Final Budget