

M Management Committee

Meeting Date: July 23, 2008

Business Item

Item: 2008-195

Environment Committee: July 22, 2008

For Metropolitan Council Meeting of August 13, 2008

ADVISORY INFORMATION

Date: July 16, 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

Staff recommends the following revisions to the 2008 budget.

Environmental Services

Change in Revenues: \$500,000; Expenditures: \$500,000

- \$500,000 is requested to fund the algae to biofuel research program is part of the Council's energy research collaboration with the University of Minnesota's Institute on Renewable Energy and Environment (IREE). This expenditure will be offset by an increase in State Revenue.

Rationale

Staff is recommending the following revisions to the 2008 budget.

Funding

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 | \$ 6,166,640 | \$ 500,000 | \$ 483,809,912 |
| Pass Through | 82,032,500 | - | - | 82,032,500 |
| Debt Service | 132,755,208 | - | - | 132,755,208 |
| Total Revenues | \$ 691,930,980 | \$ 6,166,640 | \$ 500,000 | \$ 698,597,620 |
| Expenditures | | | | |
| Operating | \$ 482,064,637 | \$ 8,613,752 | \$ 500,000 | \$ 491,178,389 |
| Pass Through | 80,792,375 | - | - | 80,792,375 |
| Debt Service | 138,063,093 | - | - | 138,063,093 |
| Total Expenditures | \$ 700,920,105 | \$ 8,613,752 | \$ 500,000 | \$ 710,033,857 |
| Surplus / (Deficit) | \$ (8,989,125) | \$ (2,447,112) | \$ - | \$ (11,436,237) |

This amendment does not effect reserves.

Know Support / Opposition

The University of Minnesota and the State Department of Commerce/Office of Energy Security have been supportive. No known opposition exists.

Committee Actions:

Environment Committee: presented July 22, 2008

E Environment Committee

Meeting date: July 22, 2008

Management Committee Meeting: July 23, 2008

For the Metropolitan Council Meeting of August 13, 2008

ADVISORY INFORMATION

| | |
|----------------------------------|---|
| Date: | July 11, 2008 |
| Subject: | Amendment to the 2008 Annual Budget |
| District(s), Member(s): | All |
| Policy/Legal Reference: | MS 473.1565 |
| Staff Prepared/Presented: | Jason Willett, 651-602-1196 |
| Division/Department: | MCES c/o William G. Moore, 651-602-1162 |

Proposed Action

That the Metropolitan Council approve increased 2008 expenses of \$500,000 for an “Algae to Biofuel” research program in collaboration with the University of Minnesota.

Background

Previously this work was granted \$150,000 by Xcel Energy and with seed money of \$40,000 each from MCES and University of Minnesota/Renewable Energy and Environment (IREE).

Rationale

The algae to biofuel research program is part of the Council’s energy research collaboration with the University of Minnesota’s Institute on Renewable Energy and Environment (IREE). It is hoped that economic methods developed from this research will: 1) produce a clean renewable fuel from local resources 2) reduce the cost of water pollution mitigation through the absorption of phosphorus and nitrogen out of the wastewater, and 3) reduce air pollution by absorption of carbon dioxide from flue gas or ambient air around our treatment plants.

Funding

The increased expenses will be funded by an appropriation of \$500,000 made by the 2008 Legislature.

Known Support / Opposition

The University of Minnesota and the State Department of Commerce/Office of Energy Security have been supportive. No known opposition exists.