



Management Committee

Community Development Committee: August 18, 2008
Metropolitan Council: September 10, 2008

Meeting date: August 27, 2008

Business Item

Item: 2008-210

ADVISORY INFORMATION

Date: August 21, 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 tables.

Background

Staff recommends the following revisions to the 2008 budget.

Community Development

Change in Revenues: \$225,000; Expenditures: \$209,000; Reserves: \$16,000

- The Family Affordable Housing Program (FAHP) requests an increase of \$209,000 in expenditure authority due to non-routine maintenance costs. The expenditures are more than offset by \$75,000 in increased rental income and a \$150,000 award from the Preservation of Affordable Rental Investment Fund of the Minnesota Housing Finance Agency.

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	\$ 6,666,640	\$ 225,000	\$ 484,034,912
Pass Through	82,032,500	-	-	82,032,500
Debt Service	132,755,208	-	-	132,755,208
Total Revenues	\$ 691,930,980	\$ 6,666,640	\$ 225,000	\$ 698,822,620
Expenditures				
Operating	\$ 482,064,637	\$ 9,113,752	\$ 209,000	\$ 491,387,389
Pass Through	80,792,375	-	-	80,792,375
Debt Service	138,063,093	-	-	138,063,093
Total Expenditures	\$ 700,920,105	\$ 9,113,752	\$ 209,000	\$ 710,242,857
Surplus / (Deficit)	\$ (8,989,125)	\$ (2,447,112)	\$ 16,000	\$ (11,420,237)

The Family Affordable Housing Program (FAHP) Reserves will increase \$16,000 as a result of this action.

Know Support / Opposition

Committee Actions:

Community Development - Passed unanimously on August 18, 2008

Metropolitan Council
2008 Annual Budget - Summary of Revisions
Operating Budget Amendment - Business Item 2008-210

	2008 Adopted Budget	2008 Amended Budget	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	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 8,759,250
Federal	35,322,757	40,288,845	-	-	-	-	-	-	40,288,845
State	217,535,315	218,035,315	-	150,000	-	-	-	150,000	218,185,315
Municipal & Wastewater Charges	105,433,000	105,433,000	-	-	-	-	-	-	105,433,000
Industrial Waste Charges	9,225,000	9,225,000	-	-	-	-	-	-	9,225,000
Passenger Fares	87,851,817	88,976,347	-	-	-	-	-	-	88,976,347
Debt Service	132,755,208	132,755,208	-	-	-	-	-	-	132,755,208
Passthrough	82,032,500	82,032,500	-	-	-	-	-	-	82,032,500
Other Sources	13,016,133	13,092,155	-	75,000	-	-	-	75,000	13,167,155
Total Revenues and Other Sources	\$ 691,930,980	\$ 698,597,620	\$ -	\$ 225,000	\$ -	\$ -	\$ -	\$ 225,000	\$ 698,822,620
Expenses									
Salaries & Benefits	\$ 283,924,618	\$ 286,160,067	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 286,160,067
Consultant / Contractual Services	31,010,886	32,226,811	-	-	-	-	-	-	32,226,811
Materials and Supplies	30,033,272	32,143,937	-	-	-	-	-	-	32,143,937
Rent, Utilities, & Insurance	29,665,162	29,665,162	-	-	-	-	-	-	29,665,162
Other Operating Expenses	28,782,568	29,037,529	-	209,000	-	-	-	209,000	29,246,529
Transit Assistance	71,825,238	75,121,990	-	-	-	-	-	-	75,121,990
Debt Service	138,063,093	138,063,093	-	-	-	-	-	-	138,063,093
Passthrough Grants & Loans	80,792,375	80,792,375	-	-	-	-	-	-	80,792,375
Capital Expenditures	6,822,893	6,822,893	-	-	-	-	-	-	6,822,893
Total Expenses	\$ 700,920,105	\$ 710,033,857	\$ -	\$ 209,000	\$ -	\$ -	\$ -	\$ 209,000	\$ 710,242,857
Other Uses									
Interdivisional Expense Allocation	\$ -	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -
A-87 Charges/Planning Chargebacks	-	-	-	-	-	-	-	-	-
Transfers From (To) Other Funds	-	-	-	-	-	-	-	-	-
Total Other Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses and Other Uses	\$ 700,920,105	\$ 710,033,857	\$ -	\$ 209,000	\$ -	\$ -	\$ -	\$ 209,000	\$ 710,242,857
Surplus/(Deficit)	\$ (8,989,125)	\$ (11,436,237)	\$ -	\$ 16,000	\$ -	\$ -	\$ -	\$ 16,000	\$ (11,420,237)



Community Development Committee

Business Item

Item: 2008-210

Meeting date: August 18, 2008

ADVISORY INFORMATION	
Date:	July 29, 2008
Subject:	2008 Unified Operating Budget Amendment
District(s), Member(s):	All
Policy/Legal Reference:	MN Statute 473.13 – Council Budget Amendment
Staff Prepared/Presented:	Beth Reetz, Manager, Housing and Redevelopment Authority (651) 602-1278 Terri Smith, Asst. Manager, Housing and Redevelopment Authority (651) 602-1187
Division/Department:	Community Development/Housing and Redevelopment Authority

Proposed Action

That the Metropolitan Council amend the 2008 Unified Operating Budget by increasing authorized expenditures and revenues in the Family Affordable Housing Program as follows:

<u>Description</u>	<u>Approved</u>	<u>Revised</u>
Revenue	\$ 841,000	\$1,066,000
Expenses	<u>\$1,026,063</u>	<u>\$1,235,063</u>
Projected Deficit	(\$ 185,063)	(\$ 169,063)

Background

In January, 2000, the Metropolitan Council established the Family Affordable Housing Program (FAHP). The FAHP is a federal public housing program that provides rental housing for low-income families. The FAHP operating revenue consists of resident rents and operating subsidy from the U.S. Department of Housing and Urban Development (HUD). Due to insufficient budget appropriations, the FAHP has and continues to run an annual operating deficit.

The Council approved 2008 FAHP budget reflects a projected deficit of (\$185,063). The HRA is now projecting a slightly lower deficit of (\$169,063) for 2008 year end due to both increased revenue and increased expenses. The additional revenue is due to higher than expected rental income of \$75,000 and the award of \$150,000 from the Preservation of Affordable Rental Investment Fund (PARIF) from the Minnesota Housing Finance Agency. The higher expense is primarily due to increases in non-routine maintenance expenses during tenancies and at the time of unit turnover.

This request will be presented to the Management Committee on August 27, 2008, and to the full Council on September 10, 2008, as part of a consolidated request.

Rationale

There are no policy issues relating to this request.

Funding

The FAHP currently has a reserve account balance of \$1,039,256. These funds will continue to cover FAHP projected deficits through the year 2011. These funds represent excess development funds awarded by FAHP funding partners. There is an additional \$2,075,000 in Section 8 reserves available to FAHP after 2011 if needed.

However, the budget for the program may not be an ongoing issue because staff is asking the Community Development Committee to approve the submission of an application to the U.S. Department of Housing and Urban Development (HUD) to voluntarily convert the FAHP properties from public housing to Section 8 Project Based Vouchers. This change in funding streams will significantly increase the operating revenue available for the properties such that the program will be financially self sustaining in the future.

Known Support / Opposition

There is no identified opposition to this request.