

M Management Committee

Community Development Committee: March 2, 2009

Transportation Committee: March 9, 2009

Metropolitan Council: March 25, 2009

Meeting date: March 11, 2009

ADVISORY INFORMATION

Date:	March 2, 2009
Subject:	2009 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:	Wes Kooistra (602-1567) Chief Financial Officer Paul Conery (602-1374), Manager, Budget & Evaluation
Division/Department:	All

Proposed Action

That the Metropolitan Council:

- Amend the 2009 Unified Operating Budget as indicated and in accordance with attached tables.
- Amend the 2008 Unified Operating Budget as indicated and in accordance with attached tables.

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 recommends the following revisions to the 2009 budget.

Transportation

Change in Revenues: \$1,744,519; Expenditures: \$1,769,519; Reserves: (\$25,000)

Metro Transit - Bus: Revenues: \$252,909; Expenditures: \$252,909

- \$252,909 in expenditure authority is requested for the Guardian Angels Park and Ride service offset entirely by a Federal Congestion Mitigation and Air Quality Improvement grant. This request does not affect reserves.

MTS: Revenues: \$1,491,610; Expenditures: \$1,516,610; Reserves: (\$25,000)

- \$1,192,770 in expenditure authority is requested for Job Access Reverse Commute and New Freedom project funding originally awarded and budgeted in 2008. Projects will be finalized in 2009 and is fully funded by Federal Revenues. This request does not affect reserves.
- \$125,000 in expenditure authority is requested for Metro Mobility to implement a Trapeze software module originally budgeted in 2008 that will map ADA requests to fixed route service. Work on the project is scheduled for 2009 and is offset in part by \$100,000 in Federal Revenues and the \$25,000 use of reserves represents the 20% local match.
- \$198,840 in expenditure authority is requested for completion of the 2030 Aviation System Plan Update started in 2008 and to be completed in 2009. The project is offset by a Federal Aviation Administration grant with the local match provided by in-kind services. This request does not affect reserves.

Community Development

Change in Expenditures: \$255,000; Reserves: (\$255,000)

- \$10,000 in expenditure authority is requested to complete the 2008 Parks Visitor Origin Survey. Originally anticipated to be completed in 2008, the consultant contract will be finalized in 2009. This request would commit General Fund reserves.
- \$170,000 in expenditure authority is requested for the new forecasting model. Research staff dedicated considerable effort to the evaluation of available models in 2008 to ensure funding would be spent as effectively as possible. Acquisition of the new model is now scheduled for 2009. This request would commit General Fund reserves.
- \$75,000 in expenditure authority is requested for the Local Planning Assistance unit. The unit expects to review 180 Comprehensive Plan Updates in 2009 and has an existing consulting contract to assist in these reviews. This request would commit General Fund reserves.

Regional Administration

Change in Expenditures: \$73,000; Reserves: (\$73,000)

- \$24,000 in expenditure authority is requested for Stanton Job Classification Spec Writing. This request is to complete work begun in 2008 on the research and writing of class specifications for 50-75 job classifications. Updated job classifications are necessary to create job postings in NeoGov. This request would commit General Fund reserves.
- \$49,000 in expenditure authority is requested for Human Resources Management System (HRMS) Upgrade – Info Crossing This request is to complete the work on the self-service modules of the HRMS upgrade. The upgrade was started in 2006 with the self-service modules planned and budgeted in 2008. The contract with InfoCrossing was extended to run through 2009. This request would commit General Fund reserves.

Staff recommends the following revisions to the 2008 budget.

Community Development

Change in Revenues: \$78,831; Expenditures: \$184,988; Reserves: (\$106,157)

- This request is to increase the 2008 expenditure authority in the Family Affordable Housing Authority program by \$184,988, partially offset by \$78,831 in additional revenues.
 - 30 homes experienced severe storm damage in 2008. Expenditures recorded when repairs are completed are reduced by insurance settlements. Insurance recoveries expected in 2008 will not be fully processed until 2009.
 - Non-routine maintenance expenses where higher than projected. This is primarily due to the program turnover rate of 30% in 2008 was double the average experienced in the program since 2004.
 - \$45,000 in costs associated with converting the units to Section 8 did not get amended into the budget. The costs were included in the policy discussion with the Council

Rationale

Staff is recommending the following revisions to the 2009 budget.

Funding

The proposed operating budget amendment makes the following changes to the 2009 Unified Operating Budget.

The Transportation Division request is funded almost entirely with Federal Revenues. The use of \$25,000 of Metro Mobility Reserves was originally scheduled for 2008.

General Fund operations, which includes Community Development and Regional Administration, ended 2008 over \$1.4 M (unaudited) under budget. This action would reduce that by \$328,000.

2009 Unified Operating Budget	Adopted Budget	Previous Amendments	Proposed Amendment	Proposed Budget
Revenues				
Operating	\$ 519,981,466	\$ -	\$ 1,744,519	\$ 521,725,985
Pass Through	80,616,755	-	-	80,616,755
Debt Service	137,048,913	-	-	137,048,913
Total Revenues	\$ 737,647,134	\$ -	\$ 1,744,519	\$ 739,391,653
Expenditures				
Operating	\$ 521,497,748	\$ -	\$ 2,097,519	\$ 523,595,267
Pass Through	78,254,927	-	-	78,254,927
Debt Service	150,379,079	-	-	150,379,079
Total Expenditures	\$ 750,131,754	\$ -	\$ 2,097,519	\$ 752,229,273
Surplus / (Deficit)	\$ (12,484,620)	\$ -	\$ (353,000)	\$ (12,837,620)

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

The Family Affordable Housing Program has a reserve balance of slightly over \$1M. The program is expected to be approved for conversion to Section 8 soon. Once converted, the program will no longer carry an annual deficit.

2008 Unified Operating Budget	Adopted Budget	Previous Amendments	Proposed Amendment	Proposed Budget
Revenues				
Operating	\$ 477,143,272	\$ 9,246,640	\$ 78,831	\$ 486,468,743
Pass Through	82,032,500	-	-	82,032,500
Debt Service	132,755,208	-	-	132,755,208
Total Revenues	\$ 691,930,980	\$ 9,246,640	\$ 78,831	\$ 701,256,451
Expenditures				
Operating	\$ 482,064,637	\$ 12,063,252	\$ 184,988	\$ 494,312,877
Pass Through	80,792,375	-	-	80,792,375
Debt Service	138,063,093	-	-	138,063,093
Total Expenditures	\$ 700,920,105	\$ 12,063,252	\$ 184,988	\$ 713,168,345
Surplus / (Deficit)	\$ (8,989,125)	\$ (2,816,612)	\$ (106,157)	\$ (11,911,894)

Know Support / Opposition

Committee Actions:

Community Development - passed unanimously to be presented March 2, 2009

Transportation Committee: passed unanimously to be presented March 9, 2009

Metropolitan Council
2009 Annual Budget - Summary of Revisions
Operating Budget Amendment - Business Item 2009-57

	2009 Adopted Budget	2009 Amended Budget	Total Reg'l Admin & Community Dev	HRA Programs	Total Transportation	Environmental Services	Capital	Net Change	2009 Revised Budget
Revenues & Other Sources									
Property Tax (Net)	\$ 8,759,250	\$ 8,759,250	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 8,759,250
Federal	36,802,474	36,802,474	-	-	1,744,519	-	-	1,744,519	38,546,993
State	196,102,713	196,102,713	-	-	-	-	-	-	196,102,713
Municipal & Wastewater Charges	108,703,000	108,703,000	-	-	-	-	-	-	108,703,000
Industrial Waste Charges	9,996,550	9,996,550	-	-	-	-	-	-	9,996,550
Passenger Fares	102,082,572	102,082,572	-	-	-	-	-	-	102,082,572
Debt Service	137,048,913	137,048,913	-	-	-	-	-	-	137,048,913
Passthrough	80,616,755	80,616,755	-	-	-	-	-	-	80,616,755
Other Sources	57,534,907	57,534,907	-	-	-	-	-	-	57,534,907
Total Revenues and Other Sources	\$ 737,647,134	\$ 737,647,134	\$ -	\$ -	\$ 1,744,519	\$ -	\$ -	\$ 1,744,519	\$ 739,391,653
Expenses									
Salaries & Benefits	\$ 299,710,629	\$ 299,710,629	-	\$ -	252,909	\$ -	\$ -	\$ 252,909	\$ 299,963,538
Consultant / Contractual Services	33,478,274	33,478,274	328,000	-	198,840	-	-	526,840	34,005,114
Materials and Supplies	34,238,577	34,238,577	-	-	125,000	-	-	125,000	34,363,577
Rent, Utilities, & Insurance	33,378,826	33,378,826	-	-	-	-	-	-	33,378,826
Other Operating Expenses	37,638,718	37,638,718	-	-	-	-	-	-	37,638,718
Transit Assistance	74,611,396	74,611,396	-	-	1,192,770	-	-	1,192,770	75,804,166
Debt Service	150,379,079	150,379,079	-	-	-	-	-	-	150,379,079
Passthrough Grants & Loans	78,254,927	78,254,927	-	-	-	-	-	-	78,254,927
Capital Expenditures	8,441,328	8,441,328	-	-	-	-	-	-	8,441,328
Total Expenses	\$ 750,131,754	\$ 750,131,754	\$ 328,000	\$ -	\$ 1,769,519	\$ -	\$ -	\$ 2,097,519	\$ 752,229,273
Other Uses									
Interdivisional Expense Allocation	\$ -	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
A-87 Charges/Planning Chargebacks	-	-	-	-	-	-	-	-	-
Transfers From (To) Other Funds	-	-	-	-	-	-	-	-	-
Total Other Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses and Other Uses	\$ 750,131,754	\$ 750,131,754	\$ 328,000	\$ -	\$ 1,769,519	\$ -	\$ -	\$ 2,097,519	\$ 752,229,273
Surplus/(Deficit)	\$ (12,484,620)	\$ (12,484,620)	\$ (328,000)	\$ -	\$ (25,000)	\$ -	\$ -	\$ (353,000)	\$ (12,837,620)



Community Development Committee

Business Item

Item: 2009-57

Meeting date: March 2, 2009

ADVISORY INFORMATION

Date:	February 17, 2009
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, Community Development Division (651) 602-1418; Terri Smith, Asst. Manager, Housing and Redevelopment Authority (651) 602-1187
Division/Department:	Community Development

Proposed Action:

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

1. Increase authorized expenditures and revenue in the FAHP as described in the business item, and
2. Carry forward \$255K in budget authority from 2008.

Background

Family Affordable Housing Program (FAHP) Amendment

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 federal funding, the FAHP has and continues to run an annual operating deficit. FAHP reserves are sufficient to cover the operating shortfalls through 2014, but more immediately, an application has been submitted to HUD to convert the units to project based Section 8 units. The conversion to Section 8 will generate greater rental income and enable the program to operate without a deficit.

The Council approved 2008 FAHP amended budget reflects approved expenditures of \$1,235,065 and revenue of \$1,066,000. The year end 2008 numbers reflected higher than expected revenue and expense as indicated below. The increase in revenue is due to higher than projected rents and miscellaneous income. The increase in expense is due to increased turnover costs, repairs due to unexpected storm damage, and the costs of the conversion application process.

Amended 2008 Unified Operating Budget for FAHP

<u>Description</u>	<u>Approved</u>	<u>Revised</u>
Revenue	\$1,066,000	\$ 1,144,831
Expenses	<u>\$1,235,065</u>	<u>\$ 1,420,053</u>
Projected Deficit	(\$169,065)	(\$275,221)

Since full operation of the FAHP program in 2004, the average turnover rate of the units has been approximately 15% per year. However, during 2008, the FAHP experienced a 30% turnover, double from previous years. This caused the non-routine maintenance budget to reflect much higher than projected costs.

Additionally over 30 FAHP homes experienced severe storm and hail damage during 2008. There was \$90,000 in expense related to the storms that was not budgeted. Although the expense will be reimbursed from the insurance company, all claims were not fully processed in 2008. Additional insurance reimbursement is expected in the first quarter 2009.

There were also costs totaling \$45,000 associated with the FAHP Voluntary Conversion strategy as outlined at the August 14, 2008 Community Development Committee meeting. The costs were associated with appraisals required by HUD of all 150 units as well as the consultant hired to assist in maneuvering the application process.

Carry Forward Budget Authority From 2008

Carry forward of \$255,000 is requested as follows:

\$10,000 - These funds will support documentation of the 2008 Parks Visitor Origin Survey. This study updated the findings of the 1998 Park Visitor Origins study and inform the formula used to determine the park capital improvements program. The consultant contract was not completed in 2008, but will be finalized in early 2009.

\$170,000 - The Research Budget for 2008 contained a large set-aside of consultant and contracted services resources for the new forecasting model that the Research staff are developing. This resource will cover the costs of both an economic model to project the regional control totals as well as a land-use allocation model to distribute overall regional growth across communities and transportation analysis zones in the seven-county region. The Research staff did not commit the funds in 2008 but instead evaluated available models to ensure that the funds are spent as efficiently as possible. By waiting to acquire an economic model for a regional control total until 2009, the Research staff learned of an alternative model that is both less expensive and more relevant to our needs.

\$75,000 - The LPA unit expects to review or commence review of 180 Comprehensive Plan Updates in 2009. Minnesota Statute requires the Council to determine within 15 business days if the plans are complete for review. The Council also must review the plans, if complete within 120 days or hold a public hearing process to require the community to modify its plan. The unit has an existing contract with a planning consultant to assist with these reviews.

This request will be presented to the Management Committee on March 11 and to the Council on March 25.

Rationale

All of the carry forward items are necessary for the completion of priority work plan items in the Community Development Division.

Funding

The Community Development Division, excluding the HRA, ended 2008 \$508,916 under budget. This action will reduce that to \$253,916.

The FAHP currently has a reserve account balance of slightly over \$1,000,000. A portion of these funds will be used to cover the FAHP deficit. The FAHP will no longer carry an annual deficit once the program is converted from Public Housing to Section 8 in 2009.

Known Support / Opposition

There is no identified opposition to this request.

T Transportation Committee

Meeting date: March 9, 2009

Management Committee: March 11, 2009

Metropolitan Council: March 25, 2009

ADVISORY INFORMATION

Date:	February 24, 2009
Subject:	2009 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:	Brian Lamb, General Manager Metro Transit (612-349-7510) Arlene McCarthy, MTS Director (651-602-1217) Ed Petrie, Director of Finance (612-349-7624) Sean Pfeiffer, Financial Analyst, MTS (651-602-1887)
Division/Department:	Transportation

Proposed Action

That the Council:

- Amend the 2009 Unified Operating Budget in accordance with the attached table.

Background

This amendment recognizes additional federal revenue, required local match, and related expenses in the Transportation Division 2009 Operating Budget. Staff is recommending the following changes.

Metro Transit – Bus Operations

Increase/(Decrease) in Revenues: \$252,909; Expenditures: \$252,909; Reserves: \$0

- Metro Transit was awarded a Federal CMAQ grant for service for the Guardian Angels Park and Ride. The federal grant for 2009 is \$252,909 to cover cost of bus operations to support this service.

Metropolitan Transportation Services

Increase/(Decrease) in Revenues: \$1,491,610; Expenditures: \$1,516,610; Reserves: (\$25,000)

- In 2008 a regional solicitation awarded JARC and New Freedom monies to a number of regional agencies. Many of these federal projects have activities that overlap into 2009. This amendment carries forward their remaining awarded project balances. The \$1,192,770 in transit provider expense (intergovernmental grants) is offset by federal revenue in the same amount. These projects were previously approved by this Committee on February 25, 2008, with business item 2008-039.
- In 2008 Metro Mobility was awarded a New Freedoms grant in the amount of \$125,000. This award was to provide Metro Mobility with funds to implement a software project. No work had been performed on this project in 2008 so the entire federal award, local match and project expense are being carried into 2009. The \$25,000 use of reserves is the required local match to match the awarded \$100,000 of federal funds. This project was previously approved by this Committee on February 25, 2008, with business item 2008-039.

- In 2008 MTS was awarded a \$237,500 Federal Aviation Administration (FAA) grant for the 2030 Aviation System Plan Update. This grant will be matched using in-kind services of \$12,500 which is already included in our 2009 operating budget. As of the end of 2008, \$198,840 of this grant is still unexpended. This amendment seeks to bring in the remaining balance as a consulting expense that will be offset by federal revenue.

Rationale

Carry forward unused federal grant awards and their related projects, and recognize a new federal CMAQ grant for operations.

Funding

Metro Transit Bus Operations is recognizing additional federal CMAQ funding for to support service for the Guardian Angel Park and Ride.

MTS's expenditure items will be funded with previously awarded federal funds and a one-time use of reserves of \$25,000.

Known Support/Opposition

Supported by JARC and New Freedom project recipients (Anoka, Dakota, Scott and Carver counties, SouthWest Transit and the Cities of St. Paul and Minneapolis).