

# M Management Committee

Community Development Committee: February 22, 2011

Environmental Services: February 8, 2011

Transportation Committee: February 14, 2011

Metropolitan Council: February 23, 2011

**Meeting date: February 9, 2011**

## ADVISORY INFORMATION

**Date:** February 4, 2011

**Subject:** 2011 Unified Operating Budget Amendment

**District(s), Member(s):** All

**Policy/Legal Reference:** MN Statutes section 473.13, sub. 1 -- Council Budget Requirements

**Staff:** Wes Kooistra (602-1567) Chief Financial Officer

**Prepared/Presented:** Paul Conery (602-1374), Manager, Budget & Evaluation

**Division/Department:** All

## Proposed Action

That the Metropolitan Council:

- Amend the 2011 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 to continue or complete projects initiated in prior years.

Staff recommends the following revisions to the 2011 budget.

## Regional Administration

**Change in Expenditures: \$400,700; Reserves: (\$400,700)**

- \$42,200 is requested to implement eProfile Manager, the final phase of the self service modules, and will complete the original PeopleSoft Human Resources Management System Upgrade Project.
- \$62,800 is requested for labor strategy consultant services for interest arbitration and unit determination hearings budgeted for in 2010 that were delayed into 2011.
- \$45,700 is requested for labor relations consultant services for negotiations related to the possibility of movement to the state's insurance plan.
- \$250,000 is requested for the Record Land Management System. This project is the expansion of the Washington County Pilot Project to include all Council property that was approved late last year.

## **Transportation**

**Change in Revenues: \$4,962,090; Expenditures: \$4,994,964; Reserves: (\$32,874)**

- \$938,928 is requested to continue the Job Access/Reverse Commute (JARC) and New Freedom programs into 2011. This is fully offset by federal revenues.
- \$360,000 is requested to continue the Forest Lake to St. Paul demonstration express bus service. This is offset by \$144,000 in federal revenue and \$216,000 in local match provided by Rush Line Task Force. In addition, \$20,400 in local revenues is recognized from the Rush Line Task Force to offset Council costs for administering the contract.
- \$3,650,036 in revenue and expense for the regional Travel Behavior Inventory (TBI) into the 2011 Unified Operating Budget. This is offset by \$3,596,762 in Federal Revenues and requires the use of \$53,274 of Transportation Planning Reserves as the local match. The project began in April 2010 and is anticipated to continue through mid-2013.
- \$46,000 is requested for the completion of the Cycloplan project. This is offset by Federal grant revenue.

## **Environmental Services**

**Change in Expenditures: \$616,200; Reserves: (\$616,200)**

- \$350,000 is requested to complete the Data Integration System software purchase and implementation.
- \$192,000 is requested for the Water Quality Data Review System software and implementation for the tracking of physical, chemical and biological water quality.
- \$74,200 is requested for the completion of the Fort Snelling Minnesota River Pier Maintenance, located down river from the Blue Lake and Seneca Wastewater Plants, used monitor both plant point source impact and general watershed condition.

## **Community Development**

**Change in Expenditures: \$1,317,000; Reserves: (\$1,317,000)**

- \$1,000,000 is requested for the small business support loan program in conjunction with the construction of the Central Corridor Light Rail Transit. The program is to be administered through the St. Paul HRA. This was a planned use of reserves when the program was originally authorized.
- \$217,000 is requested to complete the implementation of the new growth forecast model.
- \$100,000 is requested to complete the Land Use Inventory.

## **Rationale**

Staff is recommending the following revisions to the 2011 budget.

## Funding

The proposed operating budget amendment makes the following changes to the 2011 Unified Operating Budget.

The Transportation Division request is funded almost entirely with Federal and Local Revenues. The use of \$53,274 of Transportation Planning Reserves was fully anticipated when the Transportation Behavior Inventory was authorized and will not cause the reserve to fall below Council target.

The Environmental Services Division request is funded through the use of operating contingency reserves. Reserves will continue to meet Council targets.

General Fund Operations, which includes Community Development and Regional Administration, ended 2010 with an increase in fund balance of \$2.5M (unaudited) primarily the result of the \$1.7M in delays to the requested projects. Reserves will continue to meet Council targets.

	<b>Adopted Budget</b>	<b>Previous Amendments</b>	<b>Proposed Amendment</b>	<b>Proposed Budget</b>
<b>Revenues</b>				
Operating	\$ 510,941,143	\$ -	\$ 4,962,090	\$ 515,903,233
Pass Through	103,378,051	-	-	103,378,051
Debt Service	141,339,630	-	-	141,339,630
<b>Total Revenues</b>	<b>\$ 755,658,824</b>	<b>\$ -</b>	<b>\$ 4,962,090</b>	<b>\$ 760,620,914</b>
<b>Expenditures</b>				
Operating	\$ 514,474,138	\$ -	\$ 7,328,864	\$ 521,803,002
Pass Through	99,740,843	-	-	99,740,843
Debt Service	146,351,079	-	-	146,351,079
<b>Total Expenditures</b>	<b>\$ 760,566,060</b>	<b>\$ -</b>	<b>\$ 7,328,864</b>	<b>\$ 767,894,924</b>
<b>Surplus / (Deficit)</b>	<b>\$ (4,907,236)</b>	<b>\$ -</b>	<b>\$ (2,366,774)</b>	<b>\$ (7,274,010)</b>

## Know Support / Opposition

Committee Actions:

Community Development: to be presented February 22, 2011

Environmental Services: presented on February 8, 2011

Transportation Committee: to be presented February 14, 2011

**Metropolitan Council**  
**2011 Annual Budget - Summary of Revisions**  
**Operating Budget Amendment - Business Item 2011-36**

	2011 Adopted Budget	2011 Amended Budget	Total Reg'l Admin & Community Dev	HRA Programs	Total Transportation	Environmental Services	Capital	Net Change	2011 Revised Budget
<b>Revenues &amp; Other Sources</b>									
Property Tax (Net)	\$ 7,855,432	\$ 7,855,432	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,855,432
Federal	38,098,923	38,098,923	-	-	4,725,690	-	-	4,725,690	42,824,613
State	225,084,672	225,084,672	-	-	-	-	-	-	225,084,672
Municipal & Wastewater Charges	100,735,609	100,735,609	-	-	-	-	-	-	100,735,609
Industrial Waste Charges	11,472,000	11,472,000	-	-	-	-	-	-	11,472,000
Passenger Fares	103,786,979	103,786,979	-	-	-	-	-	-	103,786,979
Debt Service	141,339,630	141,339,630	-	-	-	-	-	-	141,339,630
Passthrough	103,378,051	103,378,051	-	-	-	-	-	-	103,378,051
Other Sources	23,907,528	23,907,528	-	-	236,400	-	-	236,400	24,143,928
<b>Total Revenues and Other Sources</b>	<b>\$ 755,658,824</b>	<b>\$ 755,658,824</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,962,090</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,962,090</b>	<b>\$ 760,620,914</b>
<b>Expenses</b>									
Salaries & Benefits	\$ 316,534,538	\$ 316,534,538	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000	\$ 316,634,538
Consultant / Contractual Services	40,148,630	40,148,630	617,700	-	3,650,036	124,200	-	4,391,936	44,540,566
Materials , Supplies & Chemicals	34,098,362	34,098,362	-	-	-	492,000	-	492,000	34,590,362
Rent, Utilities, & Insurance	27,321,392	27,321,392	-	-	-	-	-	-	27,321,392
Other Operating Expenses	36,750,927	36,750,927	-	-	-	-	-	-	36,750,927
Grants from Operating Accounts	-	-	1,000,000	-	1,344,928	-	-	2,344,928	2,344,928
Transit Assistance	55,460,947	55,460,947	-	-	-	-	-	-	55,460,947
Debt Service	146,351,079	146,351,079	-	-	-	-	-	-	146,351,079
Passthrough Grants & Loans	99,740,843	99,740,843	-	-	-	-	-	-	99,740,843
Capital Expenditures	4,259,342	4,259,342	-	-	-	-	-	-	4,259,342
<b>Total Expenses</b>	<b>\$ 760,666,060</b>	<b>\$ 760,666,060</b>	<b>\$ 1,717,700</b>	<b>\$ -</b>	<b>\$ 4,994,964</b>	<b>\$ 616,200</b>	<b>\$ -</b>	<b>\$ 7,328,864</b>	<b>\$ 767,994,924</b>
<b>Other Uses</b>									
Interdivisional Expense Allocation	\$ -	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
A-87 Charges/Planning Chargebacks	-	-	-	-	-	-	-	-	-
Transfers (From) To Other Funds	(100,000)	(100,000)	-	-	-	-	-	-	(100,000)
<b>Total Other Uses</b>	<b>\$ (100,000)</b>	<b>\$ (100,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (100,000)</b>
<b>Total Expenses and Other Uses</b>	<b>\$ 760,566,060</b>	<b>\$ 760,566,060</b>	<b>\$ 1,717,700</b>	<b>\$ -</b>	<b>\$ 4,994,964</b>	<b>\$ 616,200</b>	<b>\$ -</b>	<b>\$ 7,328,864</b>	<b>\$ 767,894,924</b>
<b>Surplus/(Deficit)</b>	<b>\$ (4,907,236)</b>	<b>\$ (4,907,236)</b>	<b>\$ (1,717,700)</b>	<b>\$ -</b>	<b>\$ (32,874)</b>	<b>\$ (616,200)</b>	<b>\$ -</b>	<b>\$ (2,366,774)</b>	<b>\$ (7,274,010)</b>

# C Community Development Committee

Meeting date: February 22, 2011

Business Item  
Item: 2011-36

## ADVISORY INFORMATION

<b>Date:</b>	February 1, 2011
<b>Subject:</b>	2011 Unified Operating Budget Amendment – Carry Forward
<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	MN Statute 473.13 – Council Budget Requirements
<b>Staff Prepared/Presented:</b>	Guy Peterson, Director 651 602-1418
<b>Division/Department:</b>	Community Development Division

### Proposed Action

That the Metropolitan Council amend the 2011 Unified Operating Budget as indicated:

### Background

1. Carry forward \$1,317,000 is requested to provide budget authority from 2010 as follows:
  - \$1,000,000 – This amount was budgeted in 2010 to be made available to the Saint Paul HRA to assist in implementation of a small business support loan program in conjunction with construction of the CCLRT line.
  - \$217,000 – These funds are necessary to cover the remaining costs for current contractual services associated with implementation of the new growth forecast model.
  - \$100,000 – These dollars are requested to pay for other on-going contractual services activities in support of the Council's Land Use Inventory in the form of salaries for short-term temporary staff.
2. This request was presented to the Management Committee on February 9<sup>th</sup> and will be presented to the Council on February 26<sup>th</sup>, as part of a consolidated request.

### Rationale

The million dollar carry forward represents the Council's commitment to Saint Paul in 2010 to assist in capitalizing its small business support loan program that is awaiting a Full Funding Grant Agreement for the CCLRT to initiate loans to businesses on University Avenue.

All of the dollars related to the regional growth forecast model are necessary to continue development of this valuable tool that will be the foundation of the forecast work that grounds our regional long-range planning. The new model will enable the Council to integrate demographic, land use and transportation forecasting for the first time – bringing us in line with "best Practices." The carry forward request for the Land Use Inventory work is to pay the small group of temporaries for work initially anticipated for completion by the end of 2010, but was delayed and is now to be completed in the first quarter of this year.

### Funding

Community Development ended the calendar year 2010 more than \$1.8M (unaudited) under budget. The items requested here represent \$1.317M of that amount.

### Known Support / Opposition

None.

**T** Transportation Committee  
Meeting date: February 14, 2011  
Management Committee: February 9, 2011  
Metropolitan Council: February 26, 2011

<b>ADVISORY INFORMATION</b>	
Date:	February 1, 2011
Subject:	2011 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 (651-602-1058) Sean Pfeiffer, Financial Analyst, MTS (651-602-1887)
Division/Department:	Transportation/Metropolitan Transportation Services

**Proposed Action**

That the Council amend the 2011 Unified Operating Budget in accordance with the attached table.

**Background**

This amendment carries forward previously budgeted federal revenue and required local match, local revenue and related expenses from the 2010 Unified Operating Budget to the 2011 Unified Operating Budget. The proposed changes are described below.

**Metropolitan Transportation Services**

**Increase/(Decrease) in Revenues: \$4,962,090; Expenditures: \$4,994,964; Reserves: (\$32,874)**

- In 2008 and 2009 a regional solicitation awarded Job Access/Reverse Commute (JARC) and New Freedom federal monies to a number of regional agencies. Many of these federal projects have activities that continue into 2011. This amendment carries forward the remaining awarded project balances and corresponding expense totaling \$938,928. These projects were previously approved by the Council with business items 2008-039 and 2009-057.
- In 2010, MTS began administering a contract on behalf of the Rush Line Task Force (RLTF) to run Forest Lake to St. Paul demonstration express bus service. This amendment recognizes \$360,000 of expense, \$144,000 in offsetting federal revenue and \$216,000 in local match provided by the RLTF to pay for the service. This amendment further recognizes \$20,400 of local revenue from RLTF to administer the contract. This revenue will be used to offset the Council's costs of administering the contract. This project was previously approved by the Council with business item 2009-326.
- This amendment carries forward \$3,650,036 in revenue and expense for the regional Travel Behavior Inventory (TBI) into the 2011 Unified Operating Budget. This project is primarily funded by federal sources but does require a \$53,274 planned use of reserves to match those sources. This project was put out for competitive proposals and a consultant selected during 2009. The project began in April 2010 and is anticipated to continue through mid-2013.
- Federal grant revenue and corresponding expense of \$46,000 for the Cycloplan project is being carried forward. This grant award and project was previously approved by the Council with business item 2009-179.

**Rationale**

This amendment carries-forward unspent federal funds and local match, local funds and expenses from previously approved projects.

**Funding**

<u>Project Activity</u>	<u>Expenses</u>		<u>Revenues</u>		<u>Net Use of Reserves</u>
	<u>Consulting</u>	<u>Grants</u>	<u>Federal</u>	<u>Local</u>	
JARC	0	215,911	215,911	0	0
New Freedom	0	723,017	723,017	0	0
RLTF	0	360,000	144,000	236,400	20,400
TBI	3,650,036	0	3,596,762	0	(53,274)
Cycloplan	0	46,000	46,000	0	0
	<u>\$3,650,036</u>	<u>\$1,344,928</u>	<u>\$4,725,690</u>	<u>\$236,400</u>	<u>(\$32,874)</u>

The \$4,994,964 in expenses will be funded with \$4,725,690 in federal dollars, \$236,400 in local revenue and a net use of reserves of \$32,874. This usage of reserves will not cause Transportation Planning to fall below its 10% target fund balance policy levels.

**Known Support / Opposition**

No known opposition.

## Metropolitan Council - Transportation Division 2011 Annual Budget - Summary of Revisions Operating Budget Amendment - Business Item 2011-036

	2011 Adopted Budget	2011 Amended Budget	Metro Transit Bus	Metro Transit Rail	Metro Transit Northstar	Total Metro Transit	Metro Mobility	Contracted Services	Transportation Planning	Total Metropolitan Transportation Services	2011 Revised Budget
<b>Revenues</b>											
<b>State Revenues</b>											
Motor Vehicle Sales Taxes	\$ 164,145,012	\$ 164,145,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 164,145,012
State Revenues	58,154,162	58,154,162	-	-	-	-	-	-	-	-	58,154,162
<b>Total State Revenues</b>	<b>\$ 222,299,174</b>	<b>\$ 222,299,174</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 222,299,174</b>
<b>Other Revenues</b>											
Federal Revenues	33,297,970	33,297,970	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,725,690	4,725,690	38,023,660
Local Revenues	14,711,235	14,711,235	-	-	-	-	-	-	-	-	14,711,235
Investment Earnings	749,920	749,920	-	-	-	-	-	-	-	-	749,920
Other Revenues	3,925,635	3,925,635	-	-	-	-	-	-	236,400	236,400	4,162,035
Fares - Base	98,083,645	98,083,645	-	-	-	-	-	-	-	-	98,083,645
Contract & Special Event Revenue	5,703,334	5,703,334	-	-	-	-	-	-	-	-	5,703,334
<b>Total Revenues</b>	<b>\$ 378,770,913</b>	<b>\$ 378,770,913</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,962,090</b>	<b>\$ 4,962,090</b>	<b>\$ 383,733,003</b>
<b>Expenses</b>											
Salaries & Benefits	\$ 227,621,317	\$ 227,621,317	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 227,621,317
Consulting & Contractual Services	15,786,691	15,786,691	-	-	-	-	-	-	\$ 3,650,036	3,650,036	19,436,727
Materials & Supplies	21,456,807	21,456,807	-	-	-	-	-	-	-	-	21,456,807
Rent & Utilities	7,952,226	7,952,226	-	-	-	-	-	-	-	-	7,952,226
Printing	108,250	108,250	-	-	-	-	-	-	-	-	108,250
Travel	36,000	36,000	-	-	-	-	-	-	-	-	36,000
Insurance	4,808,248	4,808,248	-	-	-	-	-	-	-	-	4,808,248
Transit Programs	55,460,947	55,460,947	-	-	-	-	-	-	-	-	55,460,947
Operating Capital	911,422	911,422	-	-	-	-	-	-	-	-	911,422
Grants - Governmental	-	-	-	-	-	-	-	-	1,344,928	1,344,928	1,344,928
Other Operating Expenses	25,981,426	25,981,426	-	-	-	-	-	-	-	-	25,981,426
Capital Outlay	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 360,123,334</b>	<b>\$ 360,123,334</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,994,964</b>	<b>\$ 4,994,964</b>	<b>\$ 365,118,298</b>
<b>Other Uses</b>											
Interdivisional Expense Alloc-MT & LRT	\$ 17,804,183	\$ 17,804,183	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,804,183
A-87- Metropolitan Transportation Services	1,539,030	1,539,030	-	-	-	-	-	-	-	-	1,539,030
Planning Chargeback Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Other Uses</b>	<b>\$ 19,343,213</b>	<b>\$ 19,343,213</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 19,343,213</b>
MVST Transfers In	-	-	-	-	-	-	-	-	-	-	-
Transfers (To) / From Other Funds	21,150	21,150	-	-	-	-	-	-	-	-	21,150
<b>Total Expenses and Uses</b>	<b>\$ 379,445,397</b>	<b>\$ 379,445,397</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 4,994,964</b>	<b>\$ 4,994,964</b>	<b>\$ 384,440,361</b>
<b>Surplus/(Deficit)</b>	<b>\$ (674,484)</b>	<b>\$ (674,484)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (32,874)</b>	<b>\$ (32,874)</b>	<b>\$ (707,358)</b>



**E** Environmental Committee  
Meeting date: February 8, 2011  
Management Committee: February 9, 2011  
Metropolitan Council: February 23, 2011

**ADVISORY INFORMATION**

**Date:** February 1, 2011  
**Subject:** 2011 Unified Operating Budget Amendment  
**District(s), Member(s):** All  
**Policy/Legal Reference:** MN Statute 473.13-Council Budget Requirements  
**Staff Prepared/Presented:** Kay Dawson 651-6902-1020, Jason Willett 651-602-1196  
**Division/Department:** MCES c/o William G Moore 651-602-1162

**Proposed Action**

That the Metropolitan Council amend the 2011 Unified Operating Budget to increase expenditures and transfers in from the Wastewater Operating Contingency Reserve by \$616,200 for projects indicated below:

**Background**

- \$350,000 Data Integration System software purchase and implementation
- \$192,000 Water Quality Data Review System software and implementation
- \$74,200 Fort Snelling Minnesota River Pier Repair completion

All of the dollars are one-time budgeted projects that were funded in the 2010 budget. When projects were delayed, the unspent funds create a surplus in the 2010 Wastewater Operating Contingency Reserve. Funds for the Data Integration and Water Quality Review System projects were delayed to improve the decision-making and selection process. The pier repair project was delayed by design delays and flooding. None of these projects are budgeted in 2011.

**Rationale**

This amendment carries-forward 2010 unspent operating funds that will be transferred to the Wastewater Operating Contingency Reserve at the final year end close. These projects are still critical to MCES operations and control.

**Funding**

The three projects will be funded with \$616,200 in Wastewater Operating Contingency Reserve. This usage of reserve will not cause Environmental Services to fall below their 10% target fund balance policy levels.

**Known Support / Opposition**

None.