

M Management Committee

Community Development Committee: February 21, 2012

Environmental Services: February 14, 2012

Metropolitan Council: February 22, 2012

Meeting date: February 22, 2012**ADVISORY INFORMATION****Date:** February 15, 2012**Subject:** 2012 Unified Operating Budget Amendment**District(s), Member(s):** All**Policy/Legal Reference:** MN Statutes section 473.13, sub. 1 -- Council Budget Requirements**Staff:** Mary Bogie (602-1359) Chief Financial Officer**Prepared/Presented:** Paul Conery (602-1374) Director, Budget & Operations**Division/Department:** All**Proposed Action**

That the Metropolitan Council:

- Amend the 2012 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. Funding for these items was authorized in the 2011 budget with the unexpended funding credited into reserves at the end of the year. Staff is requesting those reserves be reauthorized to complete the projects in 2012.

Staff recommends the following revisions to the 2012 budget.

Regional Administration**Change in Expenditures: \$341,330; Reserves: (\$341,330)**

- \$74,000 is requested from Human Resources for consulting services to assist with the implementation of PeopleSoft eBenefits. This project was put on hold due to staff resources being assigned to other priorities.
- \$56,800 is requested from Communications for subscription, video equipments, shelving, and computer software and hardware. Execution of the contracts was delayed due to staff transition and delivery by vendors.
- \$210,530 is requested from Legal for consultant services and the remaining contractual services for Land Records Management Project.

Environmental Services

Change in Expenditures: \$2,638,740; Reserves: (\$2,638,740)

- \$184,040 is requested for the Water Quality Data Review and Business Process system software and implementation.
- \$90,000 is requested for scheduled computer replacement.
- \$710,000 is requested for vehicle purchases.
- \$461,700 is requested for maintenance projects.
- \$400,000 is requested for replacement of 2 front loaders.
- \$500,000 is requested for Data Integration and Business Objects Systems software, maintenance and implementation.
- \$200,000 is requested for dredging of the chlorine channel at Metro Plant.
- \$93,000 is requested for advanced aeration control technology purchase.

Community Development

Change in Expenditures: \$2,132,550; Reserves: (\$2,132,550)

- \$85,000 is requested for two regional surveys (Metro Residents and Residential Preference). Request for Proposals have been issued but vendors have not been selected.
- \$147,550 is requested to cover the remaining costs of current contractual services associated with implementing the new growth forecast model.
- \$1,900,000 is requested for the Small Business Support Loan and Grant Program to provide financial assistance and incentives for small businesses along the Central Corridor Light Rail Transit Project to plan and prepare for the potential disruptions that might occur in connection with the construction of the project in phases into 2013.

Rationale

Staff is recommending the following revisions to the 2012 budget.

Funding

The proposed operating budget amendment makes the following changes to the 2012 Unified Operating Budget.

The Environmental Services Division request is funded through the fund balance Reserve. These projects and purchases were originally approved in 2011 budget but at year end transfer into the fund balance. This amendment will not cause reserves to fall below the 10% Council Target Reserve Balance policy level.

General Fund Operations, which includes Community Development and Regional Administration, ended 2011 with an undesignated fund balance of \$9.8M (unaudited). Reserves will continue to meet Council targets.

| | Adopted Budget | Previous Amendments | Proposed Amendment | Proposed Budget |
|----------------------------|-----------------------|------------------------|-----------------------|-----------------------|
| Revenues | | | | |
| Operating | \$ 535,652,175 | \$ - | \$ - | \$ 535,652,175 |
| Pass Through | 98,899,437 | - | - | 98,899,437 |
| Debt Service | 143,629,534 | - | - | 143,629,534 |
| Total Revenues | \$ 778,181,146 | \$ - | \$ - | \$ 778,181,146 |
| Expenditures | | | | |
| Operating | \$ 536,345,778 | \$ - | \$ 5,112,620 | \$ 541,458,398 |
| Pass Through | 95,262,229 | - | - | 95,262,229 |
| Debt Service | 148,698,643 | - | - | 148,698,643 |
| Total Expenditures | \$ 780,306,650 | \$ - | \$ 5,112,620 | \$ 785,419,270 |
| Surplus / (Deficit) | \$ (2,125,504) | \$ - | \$ (5,112,620) | \$ (7,238,124) |

Know Support / Opposition

Committee Actions:

Community Development: presented on February 21, 2012

Environmental Services: presented on February 14, 2012

Metropolitan Council
2012 Annual Budget - Summary of Revisions
Operating Budget Amendment - Business Item 2012-42

| | 2012 Adopted Budget | 2012 Amended Budget | Total Reg'l Admin & Community Dev | HRA Programs | Total Transportation | Environmental Services | Capital | Net Change | 2012 Revised Budget |
|---|-----------------------|-----------------------|-----------------------------------|--------------|----------------------|------------------------|-------------|-----------------------|-----------------------|
| Revenues & Other Sources | | | | | | | | | |
| Property Tax (Net) | \$ 11,791,064 | \$ 11,791,064 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 11,791,064 |
| Federal | 51,649,548 | 51,649,548 | - | - | - | - | - | - | 51,649,548 |
| State | 210,219,972 | 210,219,972 | - | - | - | - | - | - | 210,219,972 |
| Municipal & Wastewater Charges | 104,160,160 | 104,160,160 | - | - | - | - | - | - | 104,160,160 |
| Industrial Waste Charges | 12,745,000 | 12,745,000 | - | - | - | - | - | - | 12,745,000 |
| Passenger Fares | 101,933,759 | 101,933,759 | - | - | - | - | - | - | 101,933,759 |
| Debt Service | 143,629,534 | 143,629,534 | - | - | - | - | - | - | 143,629,534 |
| Passthrough | 98,899,437 | 98,899,437 | - | - | - | - | - | - | 98,899,437 |
| Other Sources | 43,152,672 | 43,152,672 | - | - | - | - | - | - | 43,152,672 |
| Total Revenues and Other Sources | \$ 778,181,146 | \$ 778,181,146 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 778,181,146 |
| Expenses | | | | | | | | | |
| Salaries & Benefits | \$ 330,394,201 | \$ 330,394,201 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 330,394,201 |
| Consultant / Contractual Services | 43,375,247 | 43,375,247 | 573,880 | - | - | 2,638,740 | - | 3,212,620 | 46,587,867 |
| Materials, Supplies & Chemicals | 38,242,275 | 38,242,275 | - | - | - | - | - | - | 38,242,275 |
| Rent, Utilities, & Insurance | 25,506,380 | 25,506,380 | - | - | - | - | - | - | 25,506,380 |
| Other Operating Expenses | 36,458,977 | 36,458,977 | - | - | - | - | - | - | 36,458,977 |
| Grants from Operating Accounts | - | - | 1,900,000 | - | - | - | - | 1,900,000 | 1,900,000 |
| Transit Assistance | 57,449,328 | 57,449,328 | - | - | - | - | - | - | 57,449,328 |
| Debt Service | 148,698,643 | 148,698,643 | - | - | - | - | - | - | 148,698,643 |
| Passthrough Grants & Loans | 95,262,229 | 95,262,229 | - | - | - | - | - | - | 95,262,229 |
| Capital Expenditures | 4,919,370 | 4,919,370 | - | - | - | - | - | - | 4,919,370 |
| Total Expenses | \$ 780,306,650 | \$ 780,306,650 | \$ 2,473,880 | \$ - | \$ - | \$ 2,638,740 | \$ - | \$ 5,112,620 | \$ 785,419,270 |
| Other Uses | | | | | | | | | |
| Interdivisional Expense Allocation | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| A-87 Charges/Planning Chargebacks | - | - | - | - | - | - | - | - | - |
| Transfers (From) To Other Funds | - | - | - | - | - | - | - | - | - |
| Total Other Uses | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Expenses and Other Uses | \$ 780,306,650 | \$ 780,306,650 | \$ 2,473,880 | \$ - | \$ - | \$ 2,638,740 | \$ - | \$ 5,112,620 | \$ 785,419,270 |
| Surplus/(Deficit) | \$ (2,125,504) | \$ (2,125,504) | \$ (2,473,880) | \$ - | \$ - | \$ (2,638,740) | \$ - | \$ (5,112,620) | \$ (7,238,124) |