



Management Committee

Transportation Committee: April 9, 2012
Metropolitan Council: April 25, 2012

Business Item

Item: 2012-107
AMENDED

Meeting date: April 11, 2012

ADVISORY INFORMATION	
Date:	April 3, 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

Staff recommends the following revisions to the 2012 budget.

Transportation

Change in Revenues: \$177,600; Expenditures: \$177,600; Reserves: \$0

- \$222,000 is requested for the preventative maintenance painting of the rail cars. This will be funded by \$177,600 in federal revenues and a \$44,400 reduction in insurance expense. This does not require the use of reserves.

Regional Administration

Change in Revenues: \$0; Expenditures: ~~\$500,000~~ \$1,160,000;

Reserves: ~~(\$500,000)~~ (\$1,160,000)

- \$500,000 is requested for the purchase of a budget and planning software package for the Council. The budget software will replace obsolete budgeting software currently used by Environmental Services and replace Excel-based budget preparation by Metro Transit and Regional Administration. The amendment covers the initial costs for software licenses, customization, hardware and staff training.

This amendment will require the use of General Fund reserves. General Fund Operations, which includes Community Development and Regional Administration, ended 2011 with an undesignated fund balance of \$10.7M (unaudited). Reserves will continue to meet Council targets.

- \$660,000 is requested to fund the first year of a three year enterprise licensing agreement with Microsoft, Visual Studio and MSDN subscriptions. In 2009, the Council discontinued paying annual maintenance fees to Microsoft saving the Council in excess of \$900,000 between 2009 and 2011. At the time, the Council set aside \$550,000 in the General Fund to pay the estimated cost of upgrading Microsoft products in the future. The need to upgrade Microsoft Office, the growing demand for Sharepoint licenses and Microsoft restructuring its licensing fees combine to make it more advantageous to enter into a three year agreement.

This amendment will require the use of General Fund reserves. General Fund Operations, which includes Community Development and Regional Administration, ended 2011 with an undesignated fund balance of \$10.7M (unaudited). Reserves will continue to meet Council targets.

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.

	Adopted Budget	Previous Amendments	Proposed Amendment	Proposed Budget
Revenues				
Operating	\$ 535,652,175	\$ -	\$ 177,600	\$ 535,829,775
Pass Through	98,899,437	-	-	98,899,437
Debt Service	143,629,534	-	-	143,629,534
Total Revenues	\$ 778,181,146	\$ -	\$ 177,600	\$ 778,358,746
Expenditures				
Operating	\$ 536,345,778	\$ 5,112,620	\$ 1,337,600	\$ 542,795,998
Pass Through	95,262,229	-	-	95,262,229
Debt Service	148,698,643	-	-	148,698,643
Total Expenditures	\$ 780,306,650	\$ 5,112,620	\$ 1,337,600	\$ 786,756,870
Surplus / (Deficit)	\$ (2,125,504)	\$ (5,112,620)	\$ (1,160,000)	\$ (8,398,124)

Know Support / Opposition

Committee Actions:

Transportation Committee: To be presented on April 9, 2012

Metropolitan Council
2012 Annual Budget - Summary of Revisions
Operating Budget Amendment - Business Item 2012-107 AMENDED

	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	-	-	177,600	-	-	177,600	51,827,148
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	\$ -	\$ -	\$ 177,600	\$ -	\$ -	\$ 177,600	\$ 778,358,746
Expenses									
Salaries & Benefits	\$ 330,394,201	\$ 330,394,201	\$ -	\$ -	\$ 222,000	\$ -	\$ -	\$ 222,000	\$ 330,616,201
Consultant / Contractual Services	43,375,247	46,587,867	1,160,000	-	-	-	-	1,160,000	47,747,867
Materials, Supplies & Chemicals	38,242,275	38,242,275	-	-	-	-	-	-	38,242,275
Rent, Utilities, & Insurance	25,506,380	25,506,380	-	-	(44,400)	-	-	(44,400)	25,461,980
Other Operating Expenses	36,458,977	36,458,977	-	-	-	-	-	-	36,458,977
Grants from Operating Accounts	-	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	\$ 785,419,270	\$ 1,160,000	\$ -	\$ 177,600	\$ -	\$ -	\$ 1,337,600	\$ 786,756,870
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	\$ 785,419,270	\$ 1,160,000	\$ -	\$ 177,600	\$ -	\$ -	\$ 1,337,600	\$ 786,756,870
Surplus/(Deficit)	\$ (2,125,504)	\$ (7,238,124)	\$ (1,160,000)	\$ -	\$ -	\$ -	\$ -	\$ (1,160,000)	\$ (8,398,124)