

J **Joint Report of the Environment,
Community Development and
Management Committees**
For the Metropolitan Council meeting of March 14, 2012

ADVISORY INFORMATION

Date Prepared: March 13, 2012

Subject: 2012 Unified Operating Budget Amendment

Proposed Action:

That the Metropolitan Council: Amend the 2012 Unified Capital Program as indicated and in accordance with attached tables.

Summary of Committee Discussion / Questions:

Environment Committee – February 14, 2012: Staff presented the business item and answered Committee-members questions. Passed unanimously.

Community Development Committee – February 21, 2012: Staff presented the business item and answered Committee-members questions. Passed unanimously.

Management Committee – February 22, 2012: Staff presented the business item and answered Committee-members questions. The motion passed unanimously.

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)