

# M Management Committee

Community Development Committee: October 19, 2009

Transportation Committee: October 26, 2009

Metropolitan Council: November 4, 2009

**Meeting date: October 28, 2009**

## ADVISORY INFORMATION

**Date:** October 20, 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:** 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 2009 Unified Operating Budget as indicated and in accordance with attached tables.

### Background

Staff recommends the following revisions to the 2009 budget.

#### Transportation

**Change in Revenues: \$18,407,971; Expenditures: \$719,598;  
Reserves: \$17,688,373**

Metro Transit - Bus: Revenues: \$17,659,448; Reserves: \$17,659,448

- This request recognizes an increase of \$17,659,448 in Federal Revenues. This increase is the result of receiving Federal American Recovery and Reinvestment Act funding in 2009 that was originally planned for 2010. The revenue will be held in reserves until 2010 when it will be used to fund operations.

MTS: Revenues: \$748,523; Expenditures: \$719,598; Reserves: \$28,925

- \$300,376 in additional expenditure authority is requested for the Transit On-Board Survey portion of the regional Travel Behavior Inventory. This request is partially offset by a \$240,301 grant from the Ramsey County Regional Rail Authority. The \$60,075 local match is required from reserves. This action will not reduce Planning and Transit Services reserves below Council target.
- \$419,222 in additional expenditure authority is requested to provide operating revenue to demonstrate Forest Lake to St Paul express service along the Rush Line Corridor. This request is offset by an increase in Federal Formula Revenues made available when the Ramsey County Regional Rail Authority contributed to the Maplewood Park and Ride Project. This action does not use reserves.
- This request recognizes an increase of \$89,000 in County Transportation Improvement Board Revenues. This represents 50% of the net operating cost of

the Cedar Avenue and I-35W Bus Rapid Transit Lakeville Express bus service. Expenditures are already included in the 2009 Unified Operating Budget.

### **Community Development**

#### **Change in Revenues: (\$6,066,947); Restricted Reserves: (\$6,066,947)**

- This request recognizes a reduction of \$6,066,947 in Federal Revenues. The Department of Housing and Urban Development (HUD) directed the draw down of cash held by the Council in restricted reserves to be used to fund Housing Assistance Subsidies to benefit families in the Section 8 Program. This action will result in a reduction in restricted reserves.

### **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.

	<b>Adopted Budget</b>	<b>Previous Amendments</b>	<b>Proposed Amendment</b>	<b>Proposed Budget</b>
<b>Revenues</b>				
Operating	\$ 519,981,466	\$ (880,624)	\$ 12,341,024	\$ 531,441,866
Pass Through	80,616,755	(3,999,595)	-	76,617,160
Debt Service	137,048,913	-	-	137,048,913
<b>Total Revenues</b>	<b>\$ 737,647,134</b>	<b>\$ (4,880,219)</b>	<b>\$ 12,341,024</b>	<b>\$ 745,107,939</b>
<b>Expenditures</b>				
Operating	\$ 521,497,748	\$ 3,606,876	\$ 719,598	\$ 525,824,222
Pass Through	78,254,927	(2,419,070)	-	75,835,857
Debt Service	150,379,079	-	-	150,379,079
<b>Total Expenditures</b>	<b>\$ 750,131,754</b>	<b>\$ 1,187,806</b>	<b>\$ 719,598</b>	<b>\$ 752,039,158</b>
<b>Surplus / (Deficit)</b>	<b>\$ (12,484,620)</b>	<b>\$ (6,068,025)</b>	<b>\$ 11,621,426</b>	<b>\$ (6,931,219)</b>

### **Know Support / Opposition**

Committee Actions:

Community Development: Passed October 19, 2009

Transportation Committee: To be presented October 26, 2009

**Metropolitan Council**  
**2009 Annual Budget - Summary of Revisions**  
**Operating Budget Amendment - Business Item 2009-326**

	2009 Adopted Budget	2009 Amended Budget	Total Reg'l Admin & Community Dev	HRA Programs	Total Transportation	Environmental Services	Capital	Net Change	2009 Revised Budget
<b>Revenues &amp; Other Sources</b>									
Property Tax (Net)	\$ 8,759,250	\$ 8,759,250	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 8,759,250
Federal	36,802,474	39,009,006	-	(6,066,947)	18,318,971	-	-	12,252,024	51,261,030
State	196,102,713	185,912,402	-	-	89,000	-	-	89,000	186,001,402
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	102,110,572	-	-	-	-	-	-	102,110,572
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	58,331,907	-	-	-	-	-	-	58,331,907
<b>Total Revenues and Other Sources</b>	<b>\$ 737,647,134</b>	<b>\$ 730,488,355</b>	<b>\$ -</b>	<b>\$ (6,066,947)</b>	<b>\$ 18,407,971</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,341,024</b>	<b>\$ 742,829,379</b>
<b>Expenses</b>									
Salaries & Benefits	\$ 299,710,629	\$ 299,963,538	-	\$ -	-	\$ -	\$ -	\$ -	\$ 299,963,538
Consultant / Contractual Services	33,478,274	38,597,222	-	-	300,376	-	-	300,376	38,897,598
Materials and Supplies	34,238,577	34,363,577	-	-	-	-	-	-	34,363,577
Rent, Utilities, & Insurance	33,378,826	33,378,826	-	-	-	-	-	-	33,378,826
Other Operating Expenses	37,638,718	37,925,718	-	-	-	-	-	-	37,925,718
Transit Assistance	74,611,396	71,463,525	-	-	-	-	-	-	71,463,525
Debt Service	150,379,079	150,379,079	-	-	-	-	-	-	150,379,079
Passthrough Grants & Loans	78,254,927	75,835,857	-	-	419,222	-	-	419,222	76,255,079
Capital Expenditures	8,441,328	8,911,328	-	-	-	-	-	-	8,911,328
<b>Total Expenses</b>	<b>\$ 750,131,754</b>	<b>\$ 750,818,670</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 719,598</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 719,598</b>	<b>\$ 751,538,268</b>
<b>Other Uses</b>									
Interdivisional Expense Allocation	\$ -	\$ -	-	\$ -	-	\$ -	\$ -	\$ -	\$ -
A-87 Charges/Planning Chargebacks	-	-	-	-	-	-	-	-	-
Transfers From (To) Other Funds	-	(1,777,670)	-	-	-	-	-	-	(1,777,670)
<b>Total Other Uses</b>	<b>\$ -</b>	<b>\$ (1,777,670)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,777,670)</b>
<b>Total Expenses and Other Uses</b>	<b>\$ 750,131,754</b>	<b>\$ 749,041,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 719,598</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 719,598</b>	<b>\$ 749,760,598</b>
<b>Surplus/(Deficit)</b>	<b>\$ (12,484,620)</b>	<b>\$ (18,552,645)</b>	<b>\$ -</b>	<b>\$ (6,066,947)</b>	<b>\$ 17,688,373</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 11,621,426</b>	<b>\$ (6,931,219)</b>

# **C** Community Development Committee

Management Committee: October 28, 2009

Metropolitan Council: November 4, 2009

**Meeting date: October 28, 2009**

## **ADVISORY INFORMATION**

**Date:** October 16, 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:** Beth Reetz, Director of Housing & Livable Communities

**Prepared/Presented:** (651) 602-1060; Guy Peterson, Director of Community Development Division (651) 602-1418

**Division/Department:** All

### **Proposed Action**

- That the Metropolitan Council amends the 2009 Unified Operating Budget by decreasing Federal Revenues as indicated.

### **Background**

The Department of Housing and Urban Development (HUD) provides Housing Assistance Subsidies to benefit families in the Section 8 Program. Payments are made to the Council based on an estimated number of families and estimated subsidy per family. The Council then passes through payments to landlords based on actual families and subsidies. Any variance from the estimated payment received from HUD and the actual payments to landlords is deposited to, or withdrawn from, a restricted reserve account of HUD cash held by the Council. The current balance in the account is \$6,066,947. HUD has decided to draw down their balance in 2009 by withholding payments.

To reflect use of restricted reserves, staff recommends reducing Federal Revenues in the amount of \$6,066,947.

### **Rationale**

The use of reserves consists entirely of funds held by the Council that belong to HUD.

### **Funding**

This request will reduce restricted reserves.

### **Know Support / Opposition**

None

**T** Transportation Committee  
Meeting date: October 26, 2009  
Management Committee: October 28, 2009  
Metropolitan Council: November 4, 2009

**ADVISORY INFORMATION**

Date: October 15, 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 – Metro Transit/Metropolitan Transportation Services

**Proposed Action**

That the Council:

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

**Background**

This amendment recognizes additional federal revenue from ARRA Funding to be used to cover transit operations needs. Due to timing of the federal funds, these monies will be drawn and recognized in 2009 Metro Transit Operations, but will be used to offset expenses in the 2010 Operating Budget. These federal funds were planned with the proposed operations balancing solutions for the 2010/2011 biennium.

This amendment also recognizes additional federal revenues received from the Ramsey County Regional Rail Authority (RCRRA) to be used on the Travel Behavioral Inventory (TBI) study, federal formula funds to be used by RCRRA to operate the St. Paul to Forest Lake express bus service, and Counties Transit Improvement Board (CTIB) sales tax funds for the operation of Cedar Avenue BRT Lakeville and I-35W BRT Lakeville express bus services. Staff is recommending the following changes.

**Metro Transit – Bus Operations**

**Increase/(Decrease) in Revenues: \$17,659,448; Expenditures: \$0; Reserves: \$17,659,448**

- The Metropolitan Council executed a grant with the Federal Government for ARRA funds for Metro Transit preventive maintenance activities in August 2009. Due to terms of the federal grant, the funds must be drawn and recognized in 2009 operations in compliance with generally accepted accounting principles. These funds were planned with the proposed transit operations balancing solutions for calendar year 2010. These early drawn funds will increase Metro Transit operating

reserves by \$17,659,448 in 2009 and will be drawn an equal amount in 2010 to offset operating expenses.

### **Metropolitan Transportation Services**

**Increase/(Decrease) in Revenues: \$748,523; Expenditures: \$719,598;**

**Reserves: \$28,925**

- The RCRRA recently granted the Metropolitan Council \$240,301 in 5339 federal discretionary funds for the Transit On-Board Survey portion of the regional TBI study. This amendment recognizes the \$240,301 of federal funds and \$60,075 of local match required for those funds. The local match requires a use of reserves that does not reduce Planning and Transit Services below the Council's adopted fund balance target of 10%.
- The Metropolitan Council will pass through \$419,222 of federal formula funds to the RCRRA to operate new Forest Lake to St. Paul express bus service along the Rush Line Corridor. These funds are being made available because RCRRA will be supplying the Council with \$419,222 in federal discretionary capital funds to be used on construction of facilities along the Rush Line Corridor. Anoka, Chisago, Ramsey and Washington counties are all contributing to the first year operating budget of this new demonstration service. The Rush Line Corridor Task Force will implement this service.
- This amendment recognizes \$89,000 of CTIB funds being provided to cover 50% of the net cost of operating the Cedar Avenue BRT Lakeville express service and I-35W BRT Lakeville express bus service. The full expense of the service and the Council's share of the funding have already been recognized in the 2009 operating budget.

### **Rationale**

Recognize new federal ARRA, discretionary, and formula funds and CTIB sales tax funds for transit operations.

### **Funding**

Metro Transit Bus Operations is recognizing additional federal ARRA funds to cover the costs of preventive maintenance activities. These additional funds will be used to offset operating expenses in 2010.

Metropolitan Transportation Services is recognizing additional federal discretionary and formula funds to cover the costs the TBI On-Board Transit Survey, RCRRA provided Forest Lake to St. Paul express bus service, and CTIB funding to cover half of the net operating subsidy for the Cedar Avenue BRT Lakeville and I-35W BRT Lakeville express bus services.

### **Known Support / Opposition**

No known opposition

**Metropolitan Council - Transportation Division  
2009 Annual Budget - Summary of Revisions  
Operating Budget Amendment - Business Item 2009-326**

	2009 Adopted Budget	2009 Amended Budget	Metro Transit Bus	Metro Transit Rail	Metro Transit Northstar	Total Metro Transit	Metro Mobility	Suburban Transit Providers	Planning and Transit Services	Total Metropolitan Transport Services	2009 Revised Budget
<b>Revenues</b>											
<b>State Revenues</b>											
Motor Vehicle Sales Taxes	\$ 110,966,976	\$ 110,191,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,191,173
State Revenues	84,581,487	75,006,979	-	-	-	-	-	-	-	-	75,006,979
<b>Total State Revenues</b>	<b>\$ 195,548,463</b>	<b>\$ 185,198,152</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 185,198,152</b>
<b>Other Revenues</b>											
Federal Revenues	32,319,763	40,950,693	\$ 17,659,448	\$ -	\$ -	17,659,448	\$ -	\$ -	659,523	659,523	59,269,664
Local Revenues	43,660,458	44,097,458	-	-	-	-	-	-	89,000	89,000	44,186,458
Investment Earnings	215,000	215,000	-	-	-	-	-	-	-	-	215,000
Other Revenues	1,562,263	1,562,263	-	-	-	-	-	-	-	-	1,562,263
Fares - Base	93,593,096	93,621,096	-	-	-	-	-	-	-	-	93,621,096
Contract & Special Event Revenue	8,489,476	8,489,476	-	-	-	-	-	-	-	-	8,489,476
<b>Total Revenues</b>	<b>\$ 375,388,519</b>	<b>\$ 374,134,138</b>	<b>\$ 17,659,448</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,659,448</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 748,523</b>	<b>\$ 748,523</b>	<b>\$ 392,542,109</b>
<b>Expenses</b>											
Salaries & Benefits	\$ 213,989,573	\$ 214,274,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 214,274,982
Consulting & Contractual Services	9,556,520	14,164,968	-	-	-	-	-	-	300,376	300,376	14,465,344
Materials & Supplies	20,082,463	20,207,463	-	-	-	-	-	-	-	-	20,207,463
Rent & Utilities	8,032,007	8,032,007	-	-	-	-	-	-	-	-	8,032,007
Printing	145,000	145,000	-	-	-	-	-	-	-	-	145,000
Travel	38,500	38,500	-	-	-	-	-	-	-	-	38,500
Insurance	5,715,150	5,715,150	-	-	-	-	-	-	-	-	5,715,150
Transit Programs	74,611,396	71,463,525	-	-	-	-	-	-	-	-	71,463,525
Operating Capital	867,319	867,319	-	-	-	-	-	-	-	-	867,319
Grants - Governmental	-	2,068,303	-	-	-	-	-	-	419,222	419,222	2,487,525
Other Operating Expenses	33,176,078	33,176,078	-	-	-	-	-	-	-	-	33,176,078
Capital Outlay	-	470,000	-	-	-	-	-	-	-	-	470,000
<b>Total Expenses</b>	<b>\$ 366,214,006</b>	<b>\$ 370,623,295</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 719,598</b>	<b>\$ 719,598</b>	<b>\$ 371,342,893</b>
<b>Other Uses</b>											
Interdivisional Expense Alloc-MT & LRT	\$ 15,394,835	\$ 15,394,835	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,394,835
A-87- Metropolitan Transportation Services	825,000	825,000	-	-	-	-	-	-	-	-	825,000
Planning Chargeback Expense	208,343	208,343	-	-	-	-	-	-	-	-	208,343
<b>Total Other Uses</b>	<b>\$ 16,428,178</b>	<b>\$ 16,428,178</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 16,428,178</b>
MVST Transfers In	7,232,515	9,010,185	-	-	-	-	-	-	-	-	9,010,185
Transfers (To) / From Other Funds	21,150	21,150	-	-	-	-	-	-	-	-	21,150
<b>Total Expenses and Uses</b>	<b>\$ 375,388,519</b>	<b>\$ 378,020,138</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 719,598</b>	<b>\$ 719,598</b>	<b>\$ 378,739,736</b>
<b>Surplus/(Deficit)</b>	<b>\$ -</b>	<b>\$ (3,886,000)</b>	<b>\$ 17,659,448</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,659,448</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,925</b>	<b>\$ 28,925</b>	<b>\$ 13,802,373</b>