

METROPOLITAN COUNCIL
390 North Robert Street, St. Paul, Minnesota 55101

REGULAR MEETING OF THE MANAGEMENT COMMITTEE
Wednesday, June 25, 2008

Committee Members Present Roger Scherer, Chair; Lynette Wittsack, Vice Chair; Sherry Broecker; Mary Hill Smith; Craig Peterson; Tony Pistilli; Kris Sanda.

CALL TO ORDER

A quorum being present, Committee Chair R. Scherer called the regular meeting of the Council's Management Committee to order at 2:30 p.m. on Wednesday, June 25, 2008.

APPROVAL OF AGENDA AND MINUTES

It was moved by K. Sanda, seconded by S. Broecker to approve the agenda. *Motion carried.*

It was moved by S. Broecker, seconded by K. Sanda to approve the minutes of the June 11, 2008 regular meeting of the Management Committee. *Motion carried.*

BUSINESS

2009 Proposed Levies and regional Administration Operating Budget

Paul Conery presented this item to the Committee. It was moved by L. Wittsack and seconded by S. Broecker that the Metropolitan Council amend the 2008 Unified Operating Budget in accordance with the following table.

	Adopted Budget	Previous Amendments	Proposed Amendment	Proposed Budget
Revenues				
Operating	\$ 477,143,272	\$ 6,166,640	\$ -	\$ 483,309,912
Pass Through	82,032,500	-	-	82,032,500
Debt Service	132,755,208	-	-	132,755,208
Total Revenues	\$ 691,930,980	\$ 6,166,640	\$ -	\$ 698,097,620
Expenditures				
Operating	\$ 482,064,637	\$ 8,363,752	\$ 250,000	\$ 490,678,389
Pass Through	80,792,375	-	-	80,792,375
Debt Service	138,063,093	-	-	138,063,093
Total Expenditures	\$ 700,920,105	\$ 8,363,752	\$ 250,000	\$ 709,533,857
Surplus / (Deficit)	\$ (8,989,125)	\$ (2,197,112)	\$ (250,000)	\$ (11,436,237)

The \$250,000 is requested as a funding gift to the Regional Parks Foundation of the Twin Cities.

Motion carried.

INFORMATION

2009 Proposed Levies and Regional Administration Operating Budget

Mary Bogie and Paul Conery discussed the 2009 Operating Budget in detail with the Committee. The Proposed Levies and Regional Administration Operating Budget is attached.

ADJOURNMENT

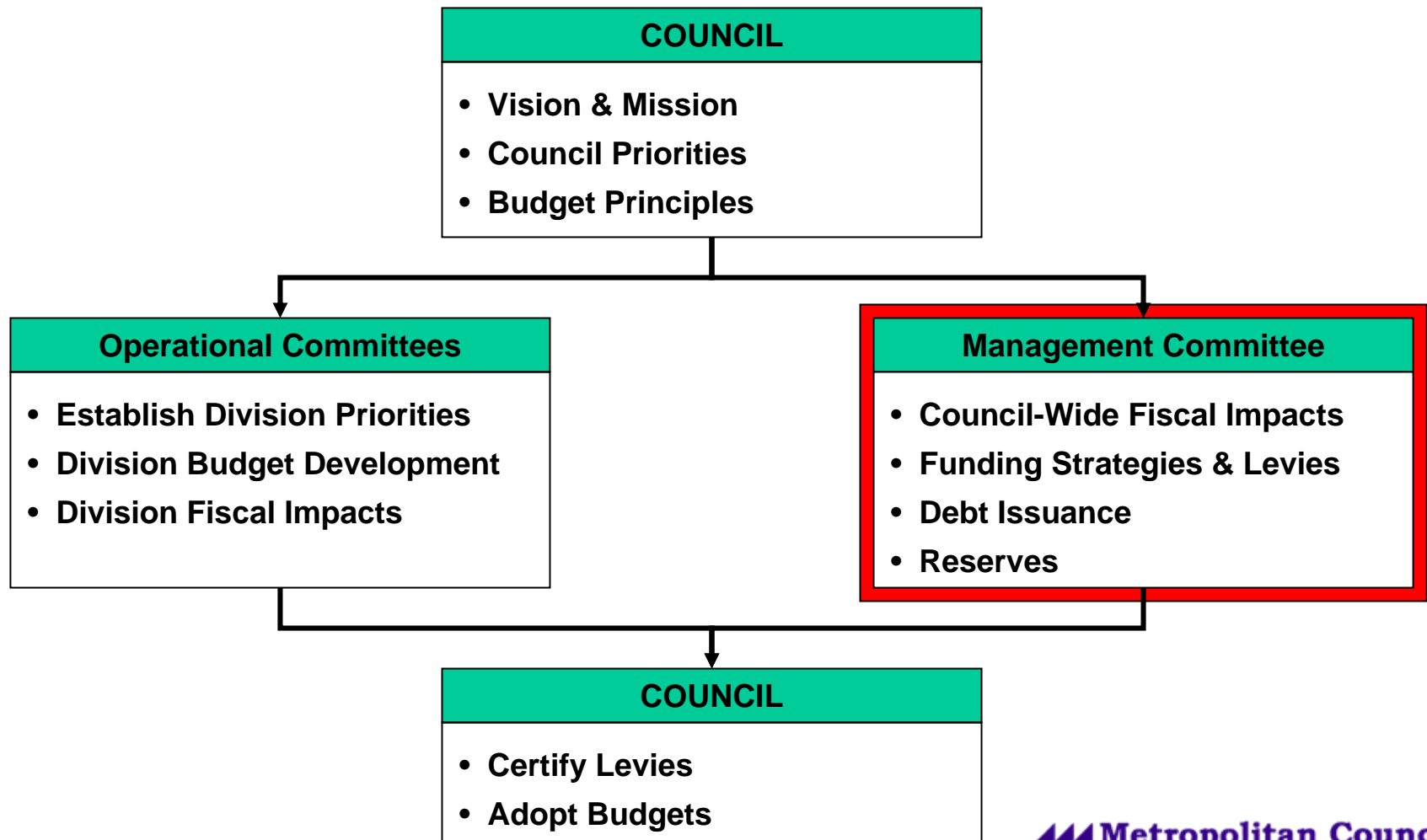
Business completed, the meeting adjourned at 3:38 p.m.

Respectfully submitted,

Lana K. Lindstrom
Recording Secretary

Attachment: [2009 Proposed Levies and Regional Administration Operating Budget](#)

Budget Development Process



Principles

- ❖ Focus on the Council's core Mission
- ❖ Perform in a cost-effective manner
- ❖ Work cooperatively with regional partners
- ❖ Be accountable to the public for results

Financial Objectives

- ❖ Balanced budgets that support Council strategies
- ❖ No unplanned use of reserves
- ❖ Maintain AAA bond rating
- ❖ Hold property tax impact flat for tax payers

2009 Budget Challenges

- ❖ Projecting MVST Revenues
- ❖ Counties Transit Improvement Board (CTIB)
- ❖ Property Tax Collection (Foreclosures)
- ❖ Service Availability Charges (SAC)
- ❖ Use of Reserves for Operations
- ❖ Water Supply Planning

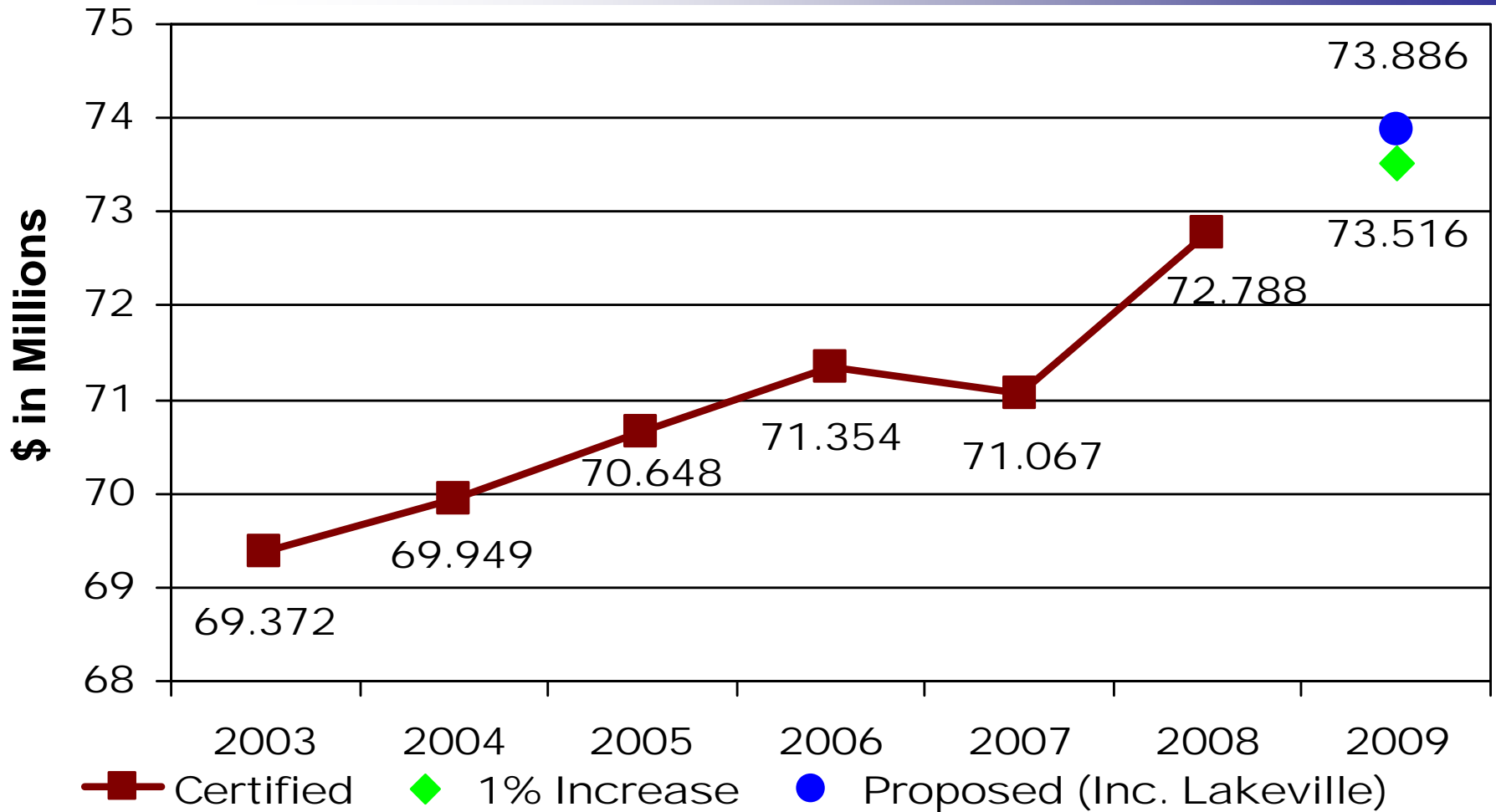
Levy Principles

- ❖ Highway Right of Way to levy maximum
- ❖ Maintain levy growth to 1% plus Lakeville
 - ❖ Manage capital investment cash flow
 - ❖ Manage debt service financing

Levy Options

- ❖ Increase General Levy to fund Water Supply Planning
- ❖ Livable Communities – Demonstration Account
- ❖ Highway Right-Of-Way
- ❖ Anticipatory Parks and Transit Debt Service Levies

Council Levy Amounts



Proposed Levy vs. Limit

3.9% Cap on Property Tax Increases

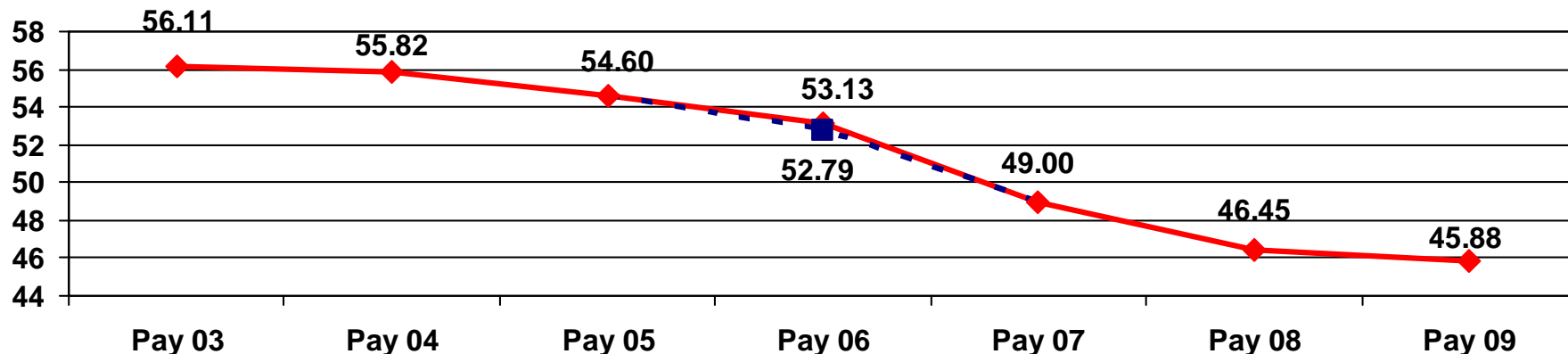
<u>Non-Debt Service Levies</u>	<u>2009 Estimated Levy Limit</u>	<u>2008 Levy</u>	<u>Proposed 2009 Levy</u>	<u>Change 2008 - 2009</u>
General Operations	\$ 10,701,700	\$ 10,300,000	\$ 10,300,000	\$ -
Highway Right of Way	3,426,923	3,298,290	3,426,923	128,633
Livable Communities				
- Demonstration Account	8,503,249	8,184,070	8,184,070	-
- Tax Base Revitalization	5,000,000	5,000,000	5,000,000	-
Total Non-Debt Levy	\$ 27,631,872	\$ 26,782,360	\$ 26,910,993	\$ 128,633
<u>Debt Service Levies</u>				
Parks		\$ 7,461,728	\$ 7,536,000	\$ 74,272
Transit		38,543,560	39,068,531	524,971
Transit - Lakeville		-	370,000	370,000
Total Debt Service Levies		\$ 46,005,288	\$ 46,974,531	\$ 969,243
Total All Levies	\$ 75,626,366	\$ 72,787,648	\$ 73,885,524	\$ 1,097,876
				1.51%
			Excluding Lakeville	1.00%

Estimated Impact of Council Levies on Homes in the Region

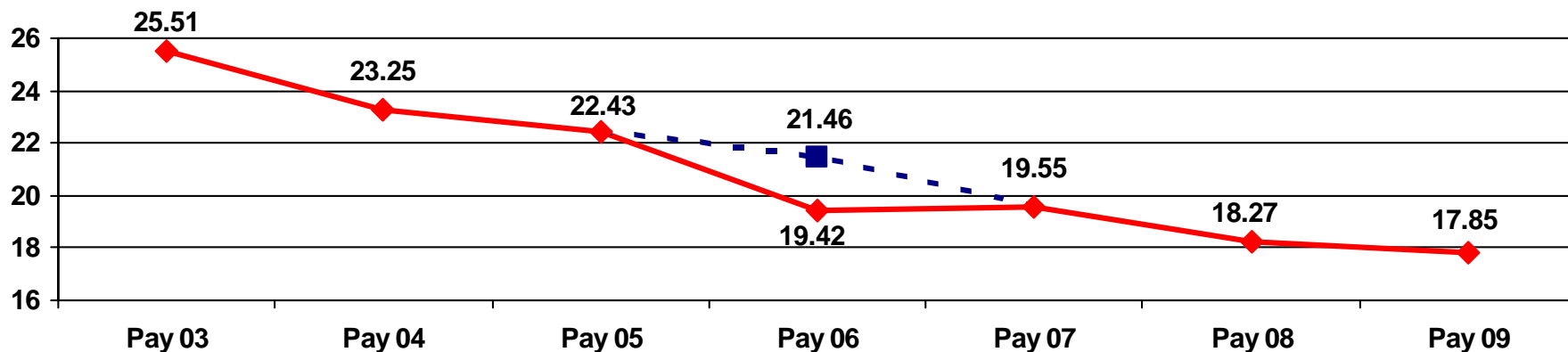
	Pay			2008-2009 Change	
	2007	2008	2009	Dollars	Percent
Market Value \$150,000					
Inside Transit District	28.13	26.66	26.34	(0.32)	-1.20%
Outside Transit District	11.22	10.49	10.24	(0.25)	-2.38%
Market Value \$250,000					
Inside Transit District	49.00	46.45	45.88	(0.57)	-1.23%
Outside Transit District	19.55	18.27	17.85	(0.42)	-2.30%
Market Value \$350,000					
Inside Transit District	65.63	62.21	61.45	(0.76)	-1.22%
Outside Transit District	26.18	24.47	23.90	(0.57)	-2.33%
Market Value \$600,000					
Inside Transit District	113.50	107.47	105.34	(2.13)	-1.98%
Outside Transit District	45.27	42.28	40.98	(1.30)	-3.07%

Estimated Impact of Council Levies on a Home Currently Valued at \$250k

Inside Transit District



Outside Transit District



- With Certificates
- Without Certificates

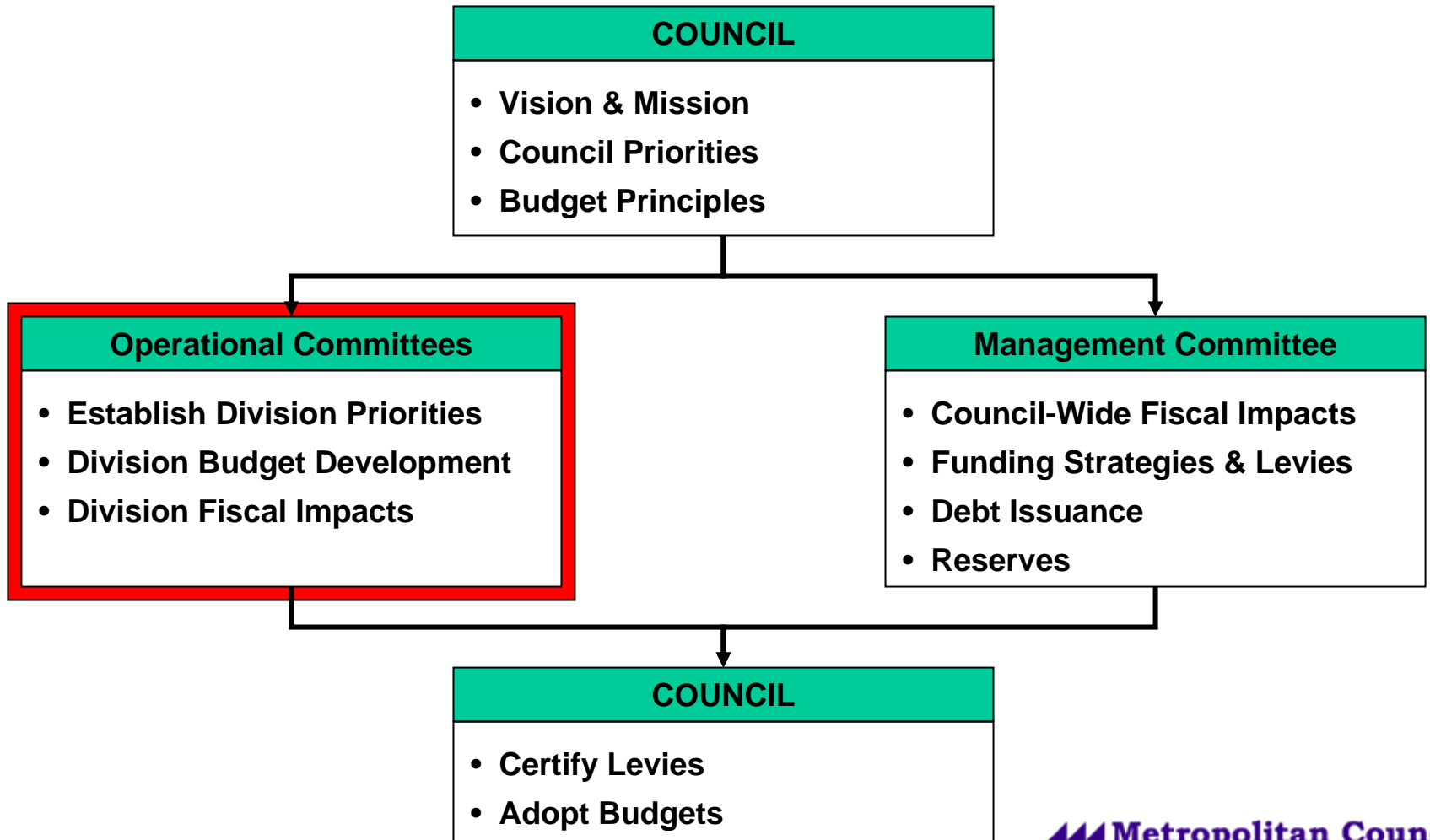
Highway Right-of-Way Program Loan Fund Projected Activity

	2007 Actual	2008 Revised	2009 Proposed	2010 Projected
Levy Limit	3,162,756	3,298,290	3,426,923	3,560,573
Certified or Proposed Levy	3,162,756	3,298,290	3,426,923	3,560,573
Potential Sources (Cash Receipts)				
Property Tax Levies	3,002,299	3,125,130	3,247,010	3,373,643
State Aid	155,522	123,686	128,510	133,521
Interest Income	337,137	65,000	75,000	75,000
Loan Repayments	6,390	-	-	-
Total Potential Sources	3,501,348	3,313,816	3,450,520	3,582,164
Potential Uses (Cash Disbursements)				
New Loans and Expenditures	1,282,976	4,087,063	4,000,000	4,050,000
Sources Over/(Under) Uses	2,218,372	(773,247)	(549,480)	(467,836)
Ending Cash Balance	5,756,045	4,982,798	4,433,318	3,965,482

Highway Right-of-Way Program Projected Loan Activity

	2007 Actual	2008 Revised	2009 Proposed	2010 Projected
<u>Loan Repayments</u>				
TH 212 Chaska/Chanhassen	\$ 6,390	\$ -	\$ -	\$ -
Total	\$ 6,390	\$ -	\$ -	\$ -
<u>New Loans</u>				
I-494 Bloomington	\$ 430,000	\$ 1,250,000	\$ 750,000	\$ 750,000
I-35W Blaine	37,447	-	-	-
TH 10 Anoka	815,528	-	-	-
TH 10 Ramsey	-	2,611,832	1,250,000	300,000
TH 169 Belle Plaine	-	225,231	-	-
Unspecified	-	-	2,000,000	3,000,000
Total	\$ 1,282,975	\$ 4,087,063	\$ 4,000,000	\$ 4,050,000

Budget Development Process



Regional Administration Organization

- ❖ Office of the Chair and Regional Administrator

- ❖ Government Affairs

Administrative support units:

- ❖ Budget and Evaluation

- ❖ Communications

- ❖ Diversity & Equal Opportunity

- ❖ Fiscal/Central/Payroll Services

- ❖ Human Resources

- ❖ Information Services *

- ❖ Legal - General Counsel

- ❖ Program Evaluation & Audit

- ❖ Purchasing/Contracting

- ❖ Risk Management

* GIS Transferred from Community Development to Information Services in 2008

Regional Administration Budget Comparison

	2008	2009	
	Adopted	Proposed	Change
Legal	\$ 2,664	\$ 2,738	2.78%
Internal Audit	506	513	1.38%
Diversity & Equal Opp.	686	710	3.50%
Human Resources	4,764	4,933	3.55%
Fiscal/Central/Payroll Services	4,316	4,472	3.61%
Information Services/GIS	13,486	14,038	4.09%
Purchasing/Contracting	1,048	1,043	-0.48%
Risk Management	1,198	1,223	2.09%
Budget & Evaluation	363	372	2.48%
Communications	1,936	1,834	-5.27%
Government Affairs	488	500	2.46%
Chair / Reg'l Admin	1,045	1,052	0.67%
Total Regional Admin	\$ 32,500	\$ 33,428	2.86%

\$ in Thousands

Regional Administration Summary of Expenditures

	2008 Adopted	2009 Proposed	Change	
	Budget	Budget	\$	%
Total Labor	\$ 19,937,420	\$ 20,467,617	\$ 530,197	2.66%
Consultant/Contractual	8,442,702	8,997,813	555,111	6.58%
Other Expenses	4,120,111	3,962,830	(157,281)	-3.82%
Total Expenditures	\$ 32,500,233	\$ 33,428,260	\$ 928,027	2.86%
Staffing (FTE)	216.35 *	216.35		

* Includes 10.35 FTE transferred from Community Development to Information Services in 2008

General Fund Summary

Revenue and Expenditures

		2008 Adopted	2009 Proposed	Change
Revenues	Property Tax Levy	\$ 10,300	\$ 10,300	-
	Less: Uncollectable Levy	(155)	(155)	-
	Property Tax Transfer	(1,100)	(1,100)	-
	Revenue From Property Taxes	\$ 9,045	\$ 9,045	-
	Cost Allocation Revenue	26,666	27,699	3.9%
	Interest/Other Revenue	944	893	-5.4%
	Total Revenues	\$ 36,655	\$ 37,637	2.7%
Expenditures	Regional Administration	\$ 32,500	\$ 33,428	2.9%
	Community Development	4,155	4,209	1.3%
	Total Expenditures	\$ 36,655	\$ 37,637	2.7%
Surplus/(Deficit) from Operations		\$ -	\$ -	-
Fund Balance	Undesignated Balance	\$ 8,085	\$ 8,085	
	Undesignated Target Balance	\$ 3,666	\$ 3,764	
	Water Supply Transfer	\$ 650	\$ 421	

\$ in Thousands

2009 Council & Management Committee Budget Schedule

- ❖ JUN 25 – Present Regional Administration and Levies
- ❖ JUL 23 – Present Preliminary Unified Operating Budgets, Rates and Levies
- ❖ AUG 27 – Adopt Preliminary Operating Budget, Rates and Levies
Set Public Hearing Date
- ❖ SEP 10 – Present Preliminary Capital Program
- ❖ SEP 24 – Set Public Hearing Drafts
- ❖ NOV 12 – Public Hearing
- ❖ DEC 10 – Adopt Final Budget