

Community Development Committee

Meeting date: February 16, 2016

Transportation Committee

Meeting date: February 22, 2016

Management Committee

Meeting date: February 24, 2016

Environment Committee

Meeting date: March 8, 2016

For the Metropolitan Council meeting of March 9, 2016

Subject: Authorization to Amend the 2016 Unified Budget – Carry-Forward Amendment

District(s), Member(s): All

Policy/Legal Reference: Council Admin Policy 3-1 and Procedure 3-1a / MN Statute 473.13- Council Budget Requirements, and 473.517 – Wastewater fees and reserve authority

Staff Prepared/Presented: John Atkins, 651-602-1020

Division/Department: MCES c/o Leisa Thompson, 651-602-8101

Proposed Action

That the Metropolitan Council amend the 2016 Unified Operating Budget for wastewater operations to increase expenses by \$2,664,480 and revenues by \$1,864,480.

Background

These expenses were budgeted in 2015, but due to delays were not expended through the end of 2015 as authorized and are not in the 2016 budget. These delays were caused by issues of scheduling, design, contracting and bidding, parts availability and competing priorities. The amount includes:

- \$1,864,480 for repair and restitution costs associated with the March 10, 2015 fire at the Metro Plant Flotation Building; and,
- \$800,000 for Targeted Stormwater Grants.

The repair and restitution costs associated with the fire will be covered by the Council's insurance carrier, FM Global. This revenue was also included in the 2015 budget but will not be received until the work is completed in 2016. Therefore, this carryforward includes a revenue component as well:

- \$1,864,480 insurance reimbursement for repair and restitution costs associated with the March 10, 2015 fire at the Metro Plant Flotation Building.

Rationale

This amendment authorizes expenses that management believes are necessary for MCES operations and maintenance, along with fulfilling grant obligations and commitments.

Funding

The repair and restitution costs associated with the fire will be covered by the Council's insurance carrier, FM Global, and will have no impact on reserves. The Stormwater Grants were authorized through a prior budget but not spent

in 2015, although the grant revenue was received in 2015. This means that the 2015 year-end balance of the Wastewater Operating Contingency Reserve is higher due to not disbursing grant funds. This amendment makes that surplus available for the grant work and will not cause reserves to fall below the 10% Council Target Reserve Balance policy level.

Known Support / Opposition

No known opposition.