

Environment Committee

Meeting date: Nov 10, 2020

Management Committee

Meeting date: Nov 18, 2020

For the Metropolitan Council meeting of Dec 09, 2020

Subject: Authorization to Amend the 2020 Unified Budget
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: Ned Smith, 651-602-1162
Division/Department: MCES c/o Leisa Thompson, General Manager (651-602-8101)

Proposed Action

That the Metropolitan Council authorizes the amendment of the 2020 Unified Budget as indicated by Table B-1 in Attachment A.

Background

The Environmental Services Division requires an amendment to the 2020 operating budget. This is due to reduced Personal Time Off (PTO) use and lower vacancies than planned in 2020, and ongoing repairs needed after a fire damaged the St. Croix Valley odor control room in 2018.

Due to the fire repairs, Environmental Services will exceed its expense budget by \$1,800,000, which will be offset by \$1,800,000 in revenue from our insurance provider. In addition, Environmental Services will exceed its expense budget by \$1,800,000, due to lower PTO use and lower vacancies than planned in 2020.

Environmental Services

Change in Expenditures: \$3,600,000; Revenue: **\$1,800,000**; Reserves: **(\$1,800,000)**

The proposed budget amendment impacts the following areas of the Operations budget:

ES-Wide other Revenues by \$1,800,000 from \$0 to \$1,800,000

Technical Services Consulting and Contractual Services by \$1,800,000 from \$125,000 to \$1,925,000

Operations Salaries and Benefits by \$1,800,000 from \$41,450,000 to \$43,250,000

Rationale

The proposed amendments will bring forecasted 2020 revenues and expenses within the amended budget for the Environmental Services Division.

Thrive Lens Analysis

Outcomes:

Stewardship: the budget reflects MCES ongoing effort to be good stewards of ratepayer revenue and the metropolitan disposal system by incurring the necessary expenses to ensure regulatory compliance and meeting customer levels of service.



Principles:

Accountability: the amendment insures transparency into council operations.

Funding

The motion proposes that this needed funding come from the Wastewater Operating Contingency Reserve. This amendment will not cause wastewater operating reserves to fall below the 10% Council policy target balance level.

Fiscal Impact

The amendment will not impact wastewater users. The amendment uses available reserves and will not cause the year end 2020 fund balance to fall below the target fund balance for Environmental Services.

Known Support / Opposition

None

Attachments:

A – Table B-1 – Environmental Services Division Operating Budget as amended through Dec 09, 2020



**METROPOLITAN COUNCIL
SUMMARY BUDGET
ENVIRONMENTAL SERVICES DIVISION
FY20**

Table B-1

	Operations	Support Services	Maintenance Services	Technical Services	EQA	GM Office	ES Wide	Total Operating	Debt Service	Passthrough Grants	Memo Total
Revenues:											
Net Property Tax	-	-	-	-	-	-	-	-	-	-	-
State Revenues	-	-	-	-	1,663	-	-	1,663	-	400	2,063
Municipal Wastewater Charges	-	-	-	-	-	-	138,691	138,691	96,938	-	235,629
Industrial Wastewater Charges	-	-	-	-	-	-	13,591	13,591	815	-	14,406
Sewer Availability Charges	-	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	1,250	1,250	-	-	1,250
Other Revenues	940	275	25	-	120	144	1,800	3,304	-	-	3,304
Total Revenues	940	275	25	-	1,783	144	155,332	158,499	97,753	400	256,652
Expenses:											
Salaries & Benefits	43,250	13,257	6,346	4,494	4,830	2,520	(2,176)	72,521	-	-	72,521
Consulting & Contractual Services	9,330	2,062	2,421	1,925	2,066	380	494	18,678	-	-	18,678
Materials & Supplies	5,318	1,137	659	87	169	15	778	8,163	-	-	8,163
Fuel	233	19	28	10	8	-	-	298	-	-	298
Chemicals	8,578	-	-	-	-	-	-	8,578	-	-	8,578
Utilities	17,997	270	145	-	13	-	355	18,780	-	-	18,780
Printing	5	1	-	3	20	2	-	31	-	-	31
Travel	85	150	26	87	149	90	-	587	-	-	587
Insurance	-	-	-	-	-	-	1,450	1,450	-	-	1,450
Operating Capital	200	241	550	-	-	-	602	1,593	-	-	1,593
Governmental Grants	-	-	-	-	75	-	-	75	-	-	75
Other Expenses	252	35	20	21	463	255	6,020	7,066	-	-	7,066
Passthrough Grants	-	-	-	-	-	-	-	-	-	400	400
Debt Service Obligations	-	-	-	-	-	-	-	-	148,000	-	148,000
Total Expenses	85,248	17,172	10,195	6,627	7,793	3,262	7,523	137,820	148,000	400	286,220
Other Sources and (Uses):											
Interdivisional Allocation	-	-	-	-	-	-	(17,178)	(17,178)	-	-	(17,178)
SAC Transfers In	-	-	-	-	-	-	2,000	2,000	46,247	-	48,247
Transfers From Other Funds	-	-	-	-	200	-	-	200	-	-	200
Transfer in from OPEB	-	-	-	-	-	-	-	-	4,000	-	4,000
Transfers To Capital Program	-	-	-	-	-	-	(11,000)	(11,000)	-	-	(11,000)
Net Other Sources and (Uses)	-	-	-	-	200	-	(26,178)	(25,978)	50,247	-	24,269
Change in Fund Balance	(84,308)	(16,897)	(10,170)	(6,627)	(5,810)	(3,118)	121,631	(5,299)	-	-	(5,299)