

Environment Committee

Meeting date: March 22, 2022

Management Committee

Meeting date: March 23, 2022

For the Metropolitan Council meeting of April 13, 2022

Subject: 2022 April Budget 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: Margaret Grefig, 651-602-1020; Matt Gsellmeier, 651-602-1802

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

Proposed Action

That the Metropolitan Council amend the 2022 Unified Operating Budget for wastewater operations to increase expenses by \$920,000 and increase revenues by \$450,000.

Background

Change in Revenues: \$450,000; Expenditures/Transfers: \$920,000; Reserves: -\$470,000

Table B-1 is part of the unified budget workbook (attached). The adjustments to Environmental Services operating budget have been highlighted and include new budget totals.

American Rescue Plan Funds:

The State of Minnesota will receive an estimated \$2.8 billion dollars of American Rescue Plan (ARP) funds in response to the COVID-19 Pandemic. Of these funds, \$600,000 will be sent to the Metropolitan Council Environmental Services (MCES) division to support the ongoing study of SARS-CoV-2 using wastewater data. These funds will cover expenditures between January 1, 2022, and June 30, 2023, with \$450,000 planned for 2022, and \$150,000 planned for 2023.

Regular Carryforward Budget Amendment:

The following expenses were budgeted in 2021 but were not spent due to delays caused by supply chain and product availability issues. These expenses were authorized in 2021 and were not included in the final 2022 budget. These expenses include:

- \$210,000 Industrial Control System Servers
- \$160,000 Technology Refresh Equipment (Laptops and Desktops at various locations)

Each of these items meet the carryforward requirements such as having purchase orders in place, being over \$50,000, and having residual 2021 budget funds available.

Regional Administration Budget Amendment for new FTEs:

The allocation for Regional Administration has increased to account for additional investments in Human Resources, Audit, and OEO. This increase will have a \$100,000 expense impact on Environmental Services.

Rationale

This amendment authorizes the planned receipt and use of ARP funds to test SARS-CoV-2 using wastewater data. In addition, this amendment authorizes expenses that management believes are necessary for MCES to maintain up to date and working technology equipment.

Thrive Lens Analysis

This amendment advances financial stewardship by ensuring that proper investments are made for the ongoing operation and preservation of the Metropolitan Disposal System.

Funding

Funds to pay for SARS-CoV2 wastewater testing will come from American Rescue Plan dollars via the State of Minnesota. Carryforward expenses were not incurred in 2021 and shifting them to 2022 will not cause reserves to fall below the Council Target Reserve Balance level. Regional Administration expenses will be paid with operating funds and also will not cause the operating reserve to fall below the Council Target Reserve Balance level.

Known Support / Opposition

None

Attachments

1. Operating – 2022 Table B-1



**METROPOLITAN COUNCIL
SUMMARY BUDGET
ENVIRONMENTAL SERVICES DIVISION
FY22**

Table B-1

	Treatment Services	Interceptors	Support Services	Maintenance Services	PLNG & CAP Delivery	Water Resources Planning	Utility Mgmt. Systems	GM Office	ES Wide	Total Operating	Debt Service	Passthrough Grants
Revenues:												
Net Property Tax	-	-	-	-	-	-	-	-	-	-	-	-
Federal Revenue	-	-	450	-	-	-	-	-	-	450	-	-
State Revenues	-	-	-	-	-	-	919	-	-	919	-	-
Municipal Wastewater Charges	-	-	-	-	-	-	-	-	147,742	147,742	102,213	-
Industrial Wastewater Charges	-	-	-	-	-	-	-	-	14,634	14,634	667	-
Sewer Availability Charges	-	-	-	-	-	-	-	-	-	-	-	-
Investment Earnings	-	-	-	-	-	-	-	-	500	500	-	-
Other Revenues	11	-	25	275	-	100	334	101	-	846	-	-
Total Revenues	11	-	475	275	-	100	1,253	101	162,876	165,091	102,880	-
Expenses:												
Salaries & Benefits	37,367	7,947	7,092	7,458	4,694	2,181	6,807	5,131	(1,669)	77,008	-	-
Consulting & Contractual Services	8,635	981	2,924	1,477	236	219	2,444	491	944	18,351	-	-
Materials & Supplies	6,203	629	1,016	964	91	101	277	81	660	10,022	-	-
Fuel	134	70	34	5	10	7	1	10	-	271	-	-
Chemicals	6,516	3,964	-	-	-	-	-	-	-	10,480	-	-
Utilities	16,911	2,340	147	-	1	16	-	288	431	20,134	-	-
Printing	1	1	-	1	4	10	7	1	-	25	-	-
Travel	31	33	41	72	113	48	250	100	-	688	-	-
Insurance	-	-	-	-	30	-	-	-	2,300	2,330	-	-
Operating Capital	442	-	550	197	-	-	-	5	363	1,557	-	-
Governmental Grants	-	-	-	-	-	69	-	-	-	69	-	-
Other Expenses	181	21	27	26	65	2	524	338	2,302	3,486	-	-
Passthrough Grants	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Obligations	-	-	-	-	-	-	-	-	-	-	157,000	-
Total Expenses	76,421	15,986	11,831	10,200	5,244	2,653	10,310	6,445	5,331	144,421	157,000	-
Other Sources and (Uses):												
Interdivisional Allocation	-	-	-	-	-	-	-	-	(21,846)	(21,846)	-	-
SAC Transfers In	-	-	-	-	-	-	-	-	9,500	9,500	50,120	-
Transfers From Other Funds	-	-	-	-	-	-	250	-	-	250	-	-
Transfer in from OPEB	-	-	-	-	-	-	-	-	-	-	4,000	-
Transfers To Other Funds	-	-	-	-	-	-	-	-	(11,000)	(11,000)	-	-
Net Other Sources and (Uses)	-	-	-	-	-	-	250	-	(23,346)	(23,096)	54,120	-
Change in Fund Balance	(76,410)	(15,986)	(11,356)	(9,925)	(5,244)	(2,553)	(8,807)	(6,344)	134,199	(2,426)	-	-