

Management Committee

Meeting date: February 27, 2013

Environment Committee: January 22, 2013

Community Development Committee: February 19, 2013

Transportation Committee: February 25, 2013

For the Council Meeting of March 13, 2013

ADVISORY INFORMATION

Date: February 19, 2013

Subject: 2013 Unified Operating Budget Amendment

District(s), Member(s): All

Policy/Legal Reference: MN Statutes Section 473.13, Subd. 1 – Council Budget Requirements

Staff Prepared/Presented: Alan Morris, Budget Coordinator (651-602-1446)

Division/Department: All

Proposed Action

That the Metropolitan Council:

- Amend the 2013 Unified Operating Budget as indicated and in accordance with the attached tables.

Background

During the first quarter of each year, staff requests changes to the Unified Operating Budget adopted by the Council the previous December. Requests are to continue or complete projects initiated in prior years. Funding for these items was authorized in the 2012 budget with the unexpended funding credited to reserves at the end of the year. Staff requests budget authority be carried forward from 2012 to 2013 for projects in progress and scheduled to complete in 2013.

In addition to the carry forward requests, Environmental Services requests increased expenditure authority for bio-solid transportation and disposal costs resulting from capital projects and Regional Administration requests additional expenditure authority for an e-benefits system.

Staff recommends the following revisions to the 2013 budget.

Regional Administration

Change in Expenditures: \$817,146; Reserves: (\$817,146)

- \$277,000 is requested from Finance to complete implementation of the Oracle Hyperion Public Sector Planning and Budgeting system. This project was fully funded in the 2012 budget with implementation scheduled to occur in 2012 and 2013. The total carry forward budget authority requested is \$727,400, with \$299,000 in the Metro Transit budget, \$277,000 in the Regional Administration budget and \$151,400 in the Environmental Services budget.

- \$250,000 is requested from Finance to complete implementation of a new grants management system. During 2012, the project team completed a needs assessment and reviewed vendor proposals. Requested carry forward budget authority of \$250,000 is for 2013 implementation costs and is significantly below the 2012 budget of \$500,000 for this project.
- \$65,146 is requested from Communications for expenses on a contract for the Council's website redesign that was begun but not completed in 2012.

In addition to the carry forward requests, Human Resources requests a \$225,000 increase in expenditure authority and use of reserves in 2013 for implementation of an e-benefits system.

Environmental Services

Change in Expenditures: \$3,318,781; Reserves: (\$3,318,781)

Carryover requests include:

- \$1,472,091 for 11 maintenance-related contracts with unexpended balances from 2012.
- \$465,850 for 8 consultant or contractual services contracts with unexpended balances from 2012.
- \$160,000 for a contract for Network Firewall hardware that was not completed in 2012.
- \$151,400 for the Environmental Services share of a contract to implement the Oracle Hyperion budgeting software that was not completed in 2012.
- \$69,440 for 2 contracts for capital outlays for pumps that were budgeted in 2012 but not received and expensed until 2013.

In addition to the carry forward requests, Environmental Services requests a \$1M increase in expenditure authority to cover increases in operating costs for bio-solid transportation and disposal that will occur because of capital projects at the Metro and Empire WWTPs. These costs were not anticipated during the 2013 budget development process.

Community Development

Change in Expenditures: \$355,100; Reserves: (\$355,100).

- \$68,100 for a contract for an Economic Competitiveness Study that was started in 2012 but will be completed in 2013.
- \$50,350 for a contract for the Regional Forecast Model that was started in 2012 but will be completed in 2013.
- \$78,300 for a contract for the Transit Oriented Development Strategic Action Plan that was started in 2012 but will be completed in 2013.
- \$50,000 for visualization and illustration work to support Thrive MSP 2040. The funds for this effort were budgeted in 2012 but a contract will be executed and work completed in 2013.
- \$98,350 for a contract writer for the Thrive MSP 2040. The funds for this effort were budgeted in 2012 but a contract will be executed and work completed in 2013.

- \$10,000 for a focus group research on use of and barriers to use of regional parks and trails by communities of color. The funds for this effort were budgeted in 2012 but a contract will be executed and work completed in 2013.

Transportation

Change in Expenditures: \$299,000; Reserves: (\$299,000)

- \$299,000 for a Metro Transit's share of a contract to implement the Oracle Hyperion budgeting software that was not completed in 2012.

Rationale

This proposed amendment carries forward budget authority from 2012 to 2013 so that budget authority matches when expenditures will occur on an annual basis.

Funding

Carry forward requests for Environmental Services (\$2,318,781) and Transportation (\$299,000) are proposed to be funded through fund balance reserves available at the end of 2012. The activities being carried forward were budgeted in 2012 but not fully expended in 2012 and the unexpended amounts increased the year-end fund balance for each division.

New expenditure authority of \$1,000,000 for Environmental Services is proposed to be funded from operating reserves.

The General Fund carry forward request (\$947,246), which includes Community Development and Regional Administration requests, is proposed to be funded from general fund unassigned fund balance reserves available at the end of 2012. The activities being carried forward were budgeted in 2012 but not fully expended in 2012 and the unexpended amounts increased the year-end unassigned fund balance in the general fund.

New expenditure authority of \$225,000 for Regional Administration is proposed to be funded from general fund unassigned reserve balances.

This amendment will not cause operating reserve balances to fall below the Council Target Reserve Balance policy level for the General Fund or respective division operating funds.

	Adopted Budget	Previous Amendments	Proposed Amendment	Proposed Budget
Revenues				
Operating	\$ 555,840	\$ -	\$ -	\$ 555,840
Pass Through	112,944	-	-	112,944
Debt Service	149,004	-	-	149,004
Total Revenues	\$ 817,788	\$ -	\$ -	\$ 817,788
Expenditures				
Operating	\$ 572,006	\$ -	\$ 4,790	\$ 576,796
Pass Through	109,891	-	-	109,891
Debt Service	145,882	-	-	145,882
Total Expenditures	\$ 827,779	\$ -	\$ 4,790	\$ 832,569
Surplus / (Deficit)	\$ (9,991)	\$ -	\$ (4,790)	\$ (14,781)

(\$ in 000s)

Known Support / Opposition

No known opposition

Attachments:

Environment Committee Business Item 2013-40

Community Development Committee Business Item 2013-40

Transportation Committee Business Item 2013-40

Metropolitan Council
2013 Annual Budget - Summary of Revisions
Operating Budget Amendment - Business Item 2013-40

(\$ in 000s)

	2013 Adopted Budget	2013 Amended Budget	Total Reg'l Admin & Community Dev	HRA Programs	Total Transportation	Environmental Services	Capital	Net Change	2013 Revised Budget
Revenues & Other Sources									
Property Tax (Net)	\$ 9,658	\$ 9,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,658
Federal	31,632	31,632	-	-	-	-	-	-	31,632
State	235,954	235,954	-	-	-	-	-	-	235,954
Municipal & Wastewater Charges	108,074	108,074	-	-	-	-	-	-	108,074
Industrial Waste Charges	13,977	13,977	-	-	-	-	-	-	13,977
Passenger Fares	100,530	100,530	-	-	-	-	-	-	100,530
Debt Service	149,004	149,004	-	-	-	-	-	-	149,004
Passthrough	112,944	112,944	-	-	-	-	-	-	112,944
Other Sources	56,015	56,015	-	-	-	-	-	-	56,015
Total Revenues and Other Sources	\$ 817,788	\$ 817,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 817,788
Expenses									
Salaries & Benefits	\$ 349,140	\$ 349,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 349,140
Consultant / Contractual Services	45,679	45,679	1,172	-	299	3,250	-	4,721	50,400
Materials , Supplies & Chemicals	42,542	42,542	-	-	-	-	-	-	42,542
Rent, Utilities, & Insurance	32,163	32,163	-	-	-	-	-	-	32,163
Other Operating Expenses	30,770	30,770	-	-	-	-	-	-	30,770
Grants from Operating Accounts	585	585	-	-	-	-	-	-	585
Transit Assistance	65,306	65,306	-	-	-	-	-	-	65,306
Debt Service	145,882	145,882	-	-	-	-	-	-	145,882
Passthrough Grants & Loans	110,891	110,891	-	-	-	-	-	-	110,891
Capital Expenditures	4,821	4,821	-	-	-	69	-	69	4,890
Total Expenses	\$ 827,779	\$ 827,779	\$ 1,172	\$ -	\$ 299	\$ 3,319	\$ -	\$ 4,790	\$ 832,569
Other Uses									
Interdivisional Expense Allocation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
A-87 Charges/Planning Chargebacks	-	-	-	-	-	-	-	-	-
Transfers (From) To Other Funds	-	-	-	-	-	-	-	-	-
Total Other Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses and Other Uses	\$ 827,779	\$ 827,779	\$ 1,172	\$ -	\$ 299	\$ 3,319	\$ -	\$ 4,790	\$ 832,569
Surplus/(Deficit)	\$ (9,991)	\$ (9,991)	\$ (1,172)	\$ -	\$ (299)	\$ (3,319)	\$ -	\$ (4,790)	\$ (14,781)

NOTES:

Environment Committee

Meeting date: January 22, 2013,
For the Council Meeting of March 13, 2013

ADVISORY INFORMATION

Date:	January 16, 2013
Subject:	2013 Unified Operating 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
Staff Prepared/Presented:	John Atkins 651-602-1020
Division/Department:	MCES / ES-Finance

Proposed Action

That the Metropolitan Council amend the 2013 Unified Operating Budget to increase expenditures by \$3,318,781 funded through the use of Wastewater Operating Contingency Reserves.

Background

\$2,318,781 of expenses were budgeted in 2012 and were approved in that Unified Budget, but due to delays the funds were not expended through the end of 2012. These delays were caused by issues of scheduling, design, contract and bidding, along with parts availability and competing priorities. These expenses were not budgeted for 2013, however these are necessary works in progress and management and recommends carrying forward the budget via this amendment:

- \$1,472,091 Maintenance projects
- \$465,850 Contracted Services and Consultant agreements
- \$311,400 Computer software and hardware costs
- \$69,440 Capital Outlays

In addition, MCES determined in the fall of 2012 that due to 2013 capital projects, the Metro and Empire WWTPs will likely incur substantially increased operating costs for the transportation and disposal of stabilized bio-solids. These costs were not anticipated during the 2013 budget process and therefore not included in the 2013 Operating budget:

- \$1,000,000 Estimated cost associated with bio-solid transportation and disposal

Rationale

This amendment authorizes funding projects and purchases that management believes are needed for MCES operations and maintenance, through the use of Wastewater Operating Reserves.

Funding

These projects or purchases were authorized through a prior budget but not spent in 2012 and the funds at year end are transferred into the Wastewater Operating Contingency Reserve. This amendment makes that surplus available to complete the work and will not cause reserves to fall below the 10% Council Target Reserve Balance policy level.

Known Support / Opposition

None.



Community Development Committee

Meeting date: February 19, 2013

For the Metropolitan Council meeting of March 13, 2013

Subject: Amend Metropolitan Council 2013 Unified Operating Budget – Carry Forward

District(s), Member(s): All

Policy/Legal Reference: MN Statute 473.13 – Council Budget Requirements

Staff Prepared/Presented: Beth Reetz, Director, Housing and Livable Communities

Division/Department: Community Development

Proposed Action

That the Metropolitan Council amend the 2013 Unified Operating Budget as indicated below.

Background

During the first quarter of each year, staff requests changes to the Unified Operating Budget adopted by the Council the previous December. Requests are to continue or complete projects initiated in the previous year. This amendment carries forward previously budgeted expenses from the 2012 Unified Operating Budget to the 2013 Unified Operating Budget. The changes are described below:

1. \$68,100 , Janna King, Economic Development Services, under current contract for economic competitiveness study. Work began in 2012 but will be completed and payment made in 2013.
2. \$50,350, Citilabs, under contract for Forecast Model. Some work completed in 2012, but will be completed in 2013.
3. \$78,300, Parsons Brinckerhoff, under contract for Transit Oriented Development Strategic Action Plan. Work began in 2012, but will be completed in 2013.
4. \$50,000 for visualization and illustration work to support Thrive MSP 2040. Budgeted in 2012, but will be completed in 2013. No contract at this time.
5. 98,350 for an outside writer for the Thrive MSP 2040 plan. Budgeted in 2012, but will be completed in 2013. No contract at this time.
6. \$10,000 for focus group research on use of and barriers to use of regional parks and trails by communities of color. Budgeted in 2012, but will be completed in 2013. No contract at this time.

This request will also be presented to the Management Committee on February 27, 2013 as part of a consolidated request.

Rationale

Staff is recommending the following revisions to the 2013 budget to complete essential Department work.

Funding

General Fund Operations, which includes Community Development, ended 2012 with a positive fund balance (unaudited) reflecting the delay in the requested activities/projects.

Known Support / Opposition

None

Transportation Committee

Meeting date:

Transportation February 25, 2013

Management February 27, 2013

For the Council Meeting of March 13, 2013

ADVISORY INFORMATION

Date: February 19, 2013

Subject: 2013 Unified Operating Budget Amendment

District(s), Member(s): All

Policy/Legal Reference: MN Statutes Section 473.13, Subd. 1 – Council Budget Requirements

Staff Prepared/Presented: Edwin D. Petrie, Director of Finance, Metro Transit, (612) 349-7624

Division/Department: Transportation/Metro Transit

Proposed Action

That the Metropolitan Council amend the 2013 Metro Transit Operating Budget to increase appropriations by \$299,000.

Background

During the first quarter of each year, staff requests changes to the Unified Operating Budget adopted by the Council the previous December. Requests are to continue projects that were budgeted and initiated in the previous year but will be completed in the current year. Budget authority for these projects was authorized in the 2012 budget but not completed by the end of the year. Staff is requesting that budget appropriations be carried forward from 2012 to 2013 so that budget authority matches the year in which expenditures on the project occurred.

Transportation/Metro Transit

Change in Expenditures: \$299,000; Reserves: (\$299,000)

In 2012, the Council authorized spending of \$1,350,000 to implement a new budget system at the Council. Metro Transit's share of the budget for this project was \$541,000. The project was initiated in 2012 but will be completed in 2013 and \$727,400 of the amount budgeted will be expended in 2013. This amendment carries forward \$299,000 from the 2012 budget to the 2013 budget to cover Metro Transit's share of the projected 2013 expenditures on the project.

Rationale

This proposed amendment carries forward budget authority from 2012 to 2013 so that budget authority matches when expenditures will occur on an annual basis.

Funding

This amendment will be funded from fund balance reserves available at the end of 2012. The full cost of the project was budgeted in 2012 but not fully expended in 2012 and the unexpended amounts increase the year-end fund balance in Metro Transit. This amendment will not cause reserves to fall below the Council Target Reserve Balance policy level for Metro Transit.

Known Support / Opposition

No known opposition