

Metropolitan Council

Preliminary Recommended 2015 Unified Budget

Council Meeting June 25, 2014



Thrive Executive Implementation Team

Charge: Champion internal organizational change and facilitate Council coordination towards implementing *Thrive MSP 2040*



METROPOLITAN
COUNCIL

Council Members--Thrive Working Group--Regional Administrator

Thrive Executive Implementation Team

Two Primary Areas of Focus

**Supporting Systems/Policy
Plans Integration**

**Incorporating Thrive into Council Operations,
Processes and Outcomes**

Initiating New Work

Thrive Implementation Working Groups: climate change, economic competitiveness and equity

Strengthening Existing Work

Operational Processes including, but not limited to, budget development, hiring, procurement, communications, and public engagement and outreach

Implementation Working Groups

- Three groups:
 - Climate Change and Sustainability
 - Economic Competitiveness
 - Equity
- Assess and recommend:
 - What are we already doing?
 - What are we doing that needs to be expanded or enhanced?
 - What new activities should we start doing to achieve the commitments in *Thrive*?

Making Budget Connections to Thrive

Ask: How does the initiative...

Stewardship

- Manage and/or protect natural resource?
- Preserve, maintain, or leverage existing infrastructure investments?
- Leverage infrastructure investments with land use?
- Responsibly manage public financial resources?

Prosperity

- Support the needs of businesses and job creators?
- Balance major investments across the region?
- Enhance infrastructure, amenities, & quality of life for competitiveness?
- Encourage redevelopment and infill development?



Making Budget Connections to Thrive

Ask: How does the initiative...

Equity

- Build a more equitable region?
- Create choices for all residents, across race/ethnicity, income and ability?
 - Choices for housing, transportation, recreation, etc.
- Engage a full cross-section of the community?

Livability

- Provide choices for changing demographics?
- Expand access to amenities, recreation, bicycling, and walking places?
- Promote health communities and active living?



Making Budget Connections to Thrive

Ask: How does the initiative...

Sustainability

- Promote wise use of water?
- Minimize, respond to, or prepare climate change?
- Operate sustainably by reducing energy, water use, or waste?

Integration

- Move beyond organizational silos?
- Leverage multiple authorities/policy areas?
- Coordinate effectively with internal and external partners?



Making Budget Connections to Thrive

Ask: How does the initiative...

Collaboration

- Build partnerships or reciprocal relationships outside the Council?
- Approach issues using the Council's convening role?
- Expand technical assistance and information to support local planning?

Accountability

- Use a data-driven approach to measure progress?
- Expand transparency of information?
- Promote the accountability to the Thrive outcomes?



Timeline for Budget Development

Jun 25	Council - “Big-Picture” Operating & Capital Budget
Jul-Aug	Committee - Division Level Budget Presentations
Jul 23	Council - Adopt Wastewater Rates
Aug 13	Council - Division Level Budget Presentation
Aug 27	Council - Adopt Preliminary Budget & Levies
Oct	Council - Adopt Public Comment Drafts
Dec 10	Council - Adopt Final Budget & Levies

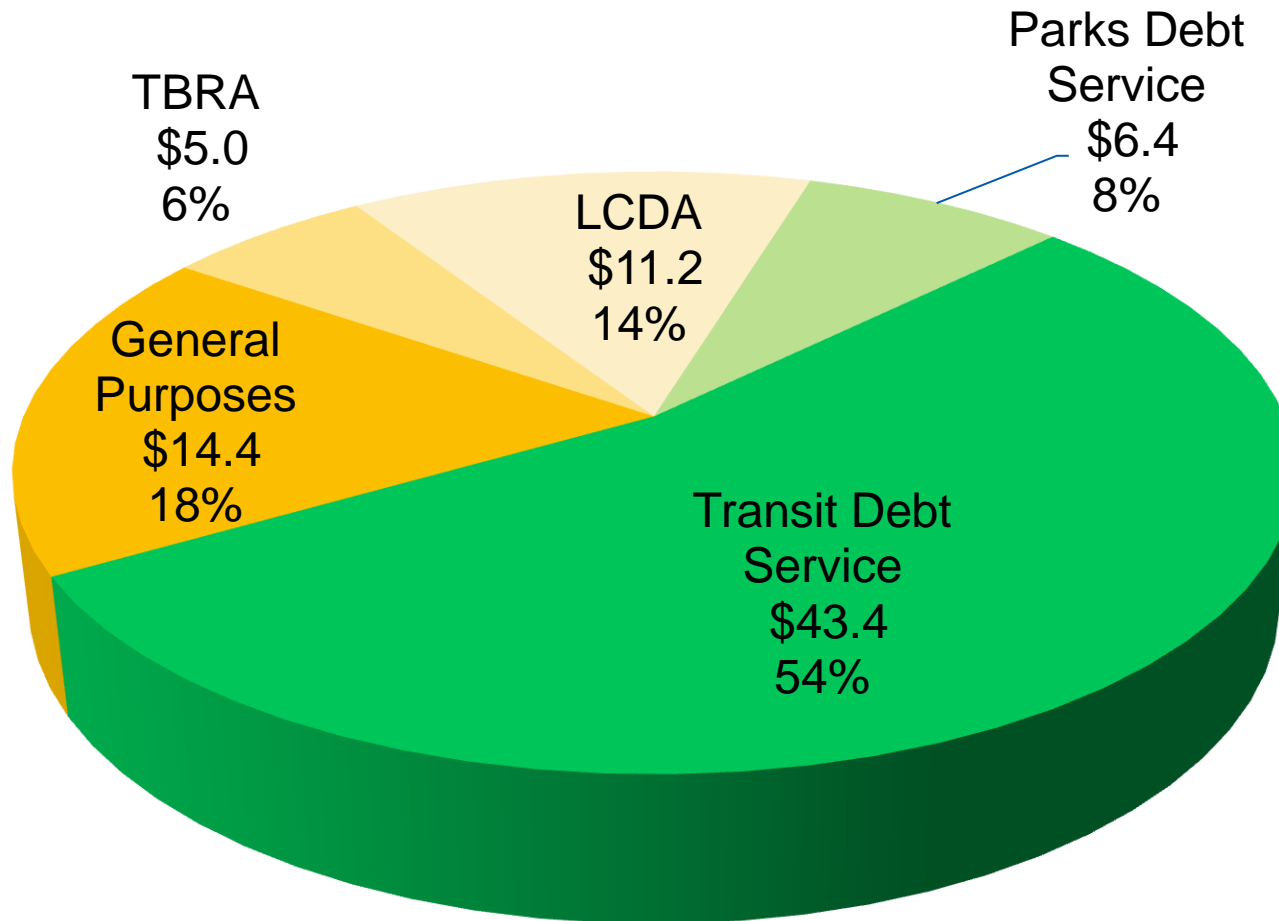
Recommended Levies + 0.5%

	2014	2015	Limit *
<u>Non-Debt Service Levies</u>			
General Purposes	\$ 14.261	\$ 14.370	14.370
Highway Right of Way	-	-	3.856
Livable Communities:			
- Demonstration Acct	11.194	11.261	11.261
- Tax Base Revitalization	5.000	5.000	5.000
Total Non-Debt Levies	\$ 30.455	\$ 30.631	\$ 34.487
			88.8%
<u>Debt Service Levies</u>			
Parks	\$ 6.156	\$ 6.400	
Transit	43.430	43.400	
Total Debt Levies	\$ 49.586	\$ 49.800	
Total All Levies	\$ 80.041	\$ 80.431	
	2.0%	0.5%	

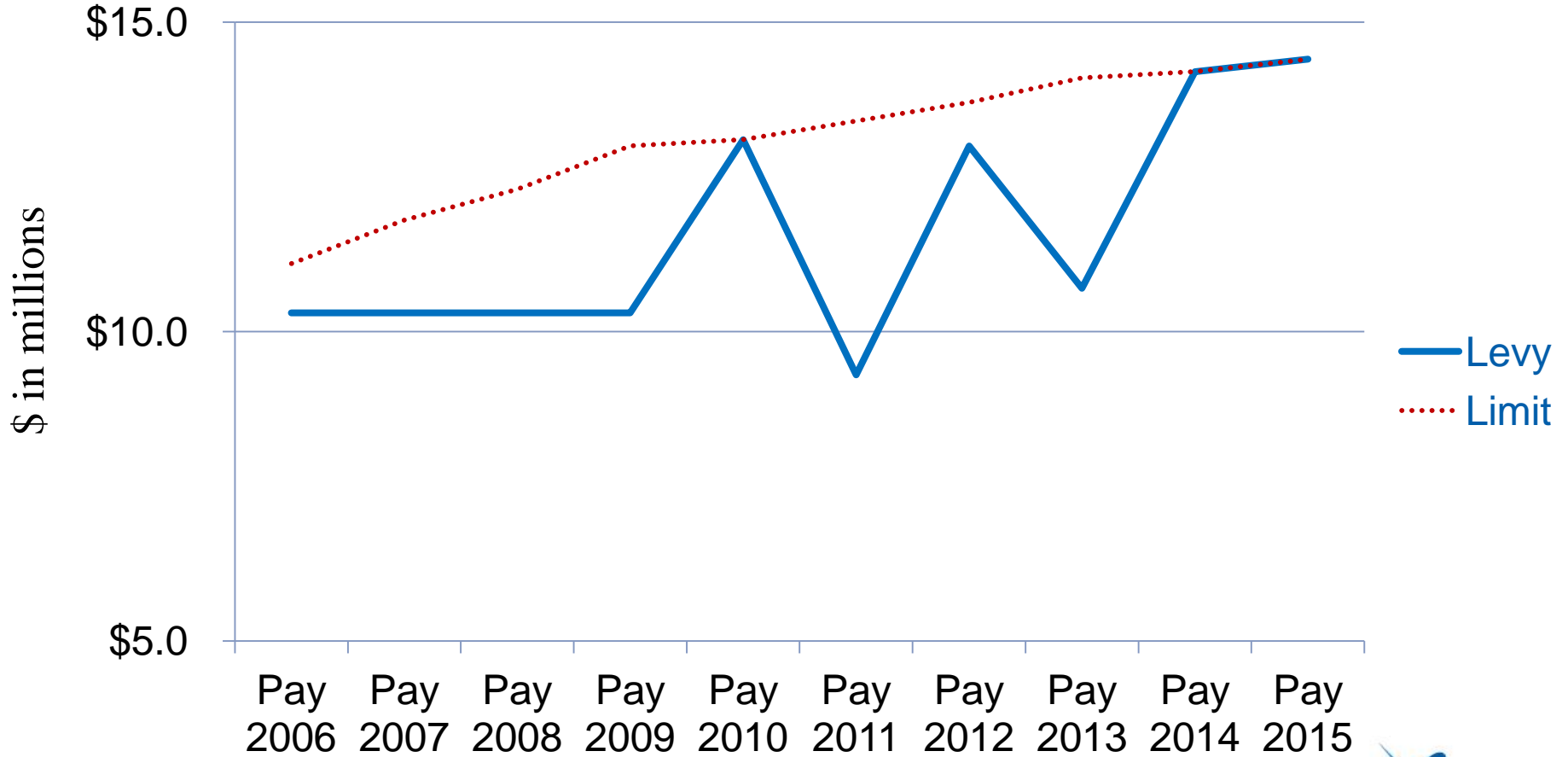
* Estimated using US Bureau of Economic Analysis 2013 4th quarter data. The actual maximum levy will not be known until published by the MN Dept of Revenue in late July.



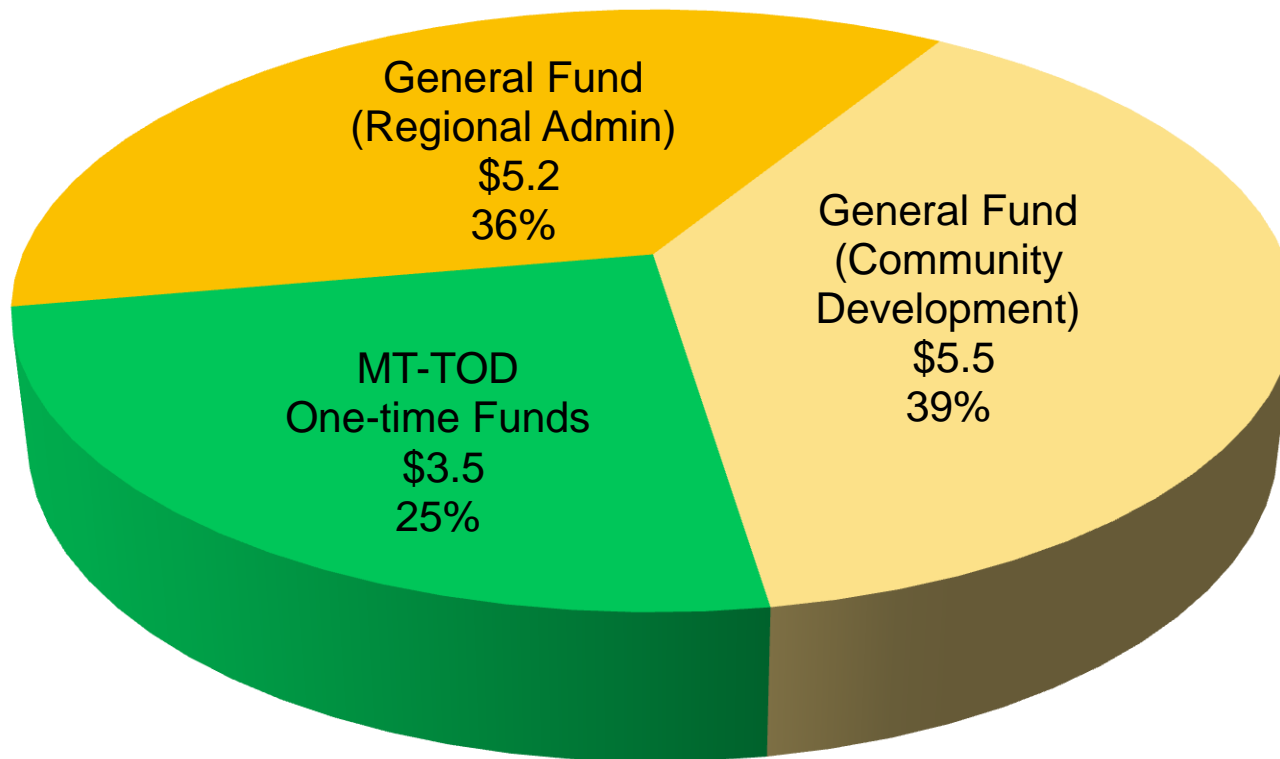
Recommended Payable 2015 Property Tax Levies \$80.4 M (+0.5%)



General Purposes Levy History

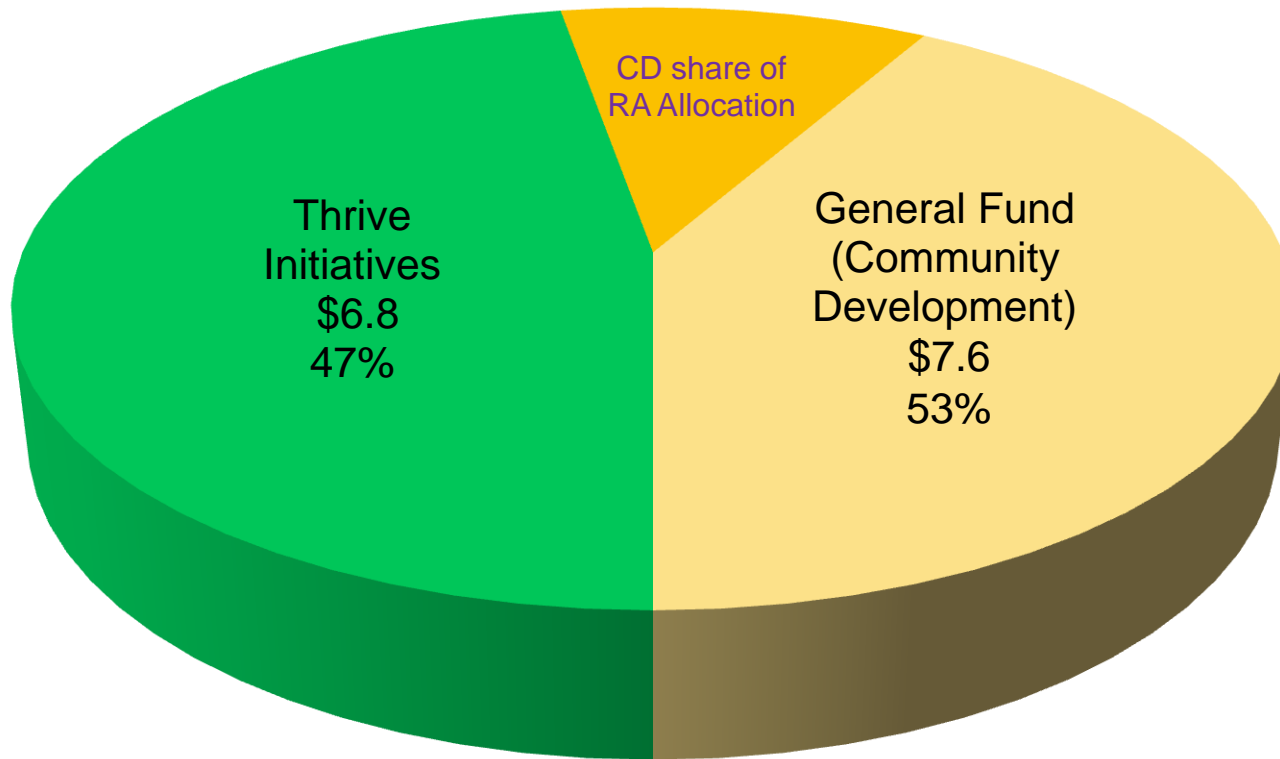


General Purpose Levy Strategy 2014 Budget Distribution (\$14.2 M)



General Purpose Levy Strategy 2015 Budget Distribution (\$14.4 M)

Fully Allocate RA to Operating Divisions



2015 Budget - Thrive initiatives

General Purpose Levy Use - \$6.8 M

- **\$0.9 M – Ongoing Budget Use**

- Housing & Redevelopment Authority (\$757 K)
 - Mobility Counseling
 - Fair Housing Activities
 - RA Allocation Subsidy
- Parks Equity Activities (\$100 K)

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability



2015 Budget - Thrive initiatives

General Purpose Levy Use - \$6.8 M

- **\$5.9 M – One-time Budget Use**

- Community Development:

- Comprehensive Planning Grants (\$500K)
- Parks Visitors Survey (\$100K)
- Strategic Land Acquisition (\$1.0M)
- Climate Change (\$500K)

- Transportation:

- Non-LCDA TOD Grants (\$2.0M)

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability



2015 Budget - Thrive initiatives

General Purpose Levy Use - \$6.8 M

- **\$5.9 M – One-time Budget Use (cont.)**

- Environmental Services:

- Storm Water Targeted Grants (\$800K)

- Regional Administration/Council-wide:

- Equity Demonstration initiatives (\$1.0M)

Stewardship

Prosperity

Equity

Livability

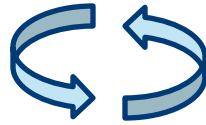
Sustainability

Integration

Collaboration

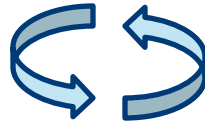
Accountability





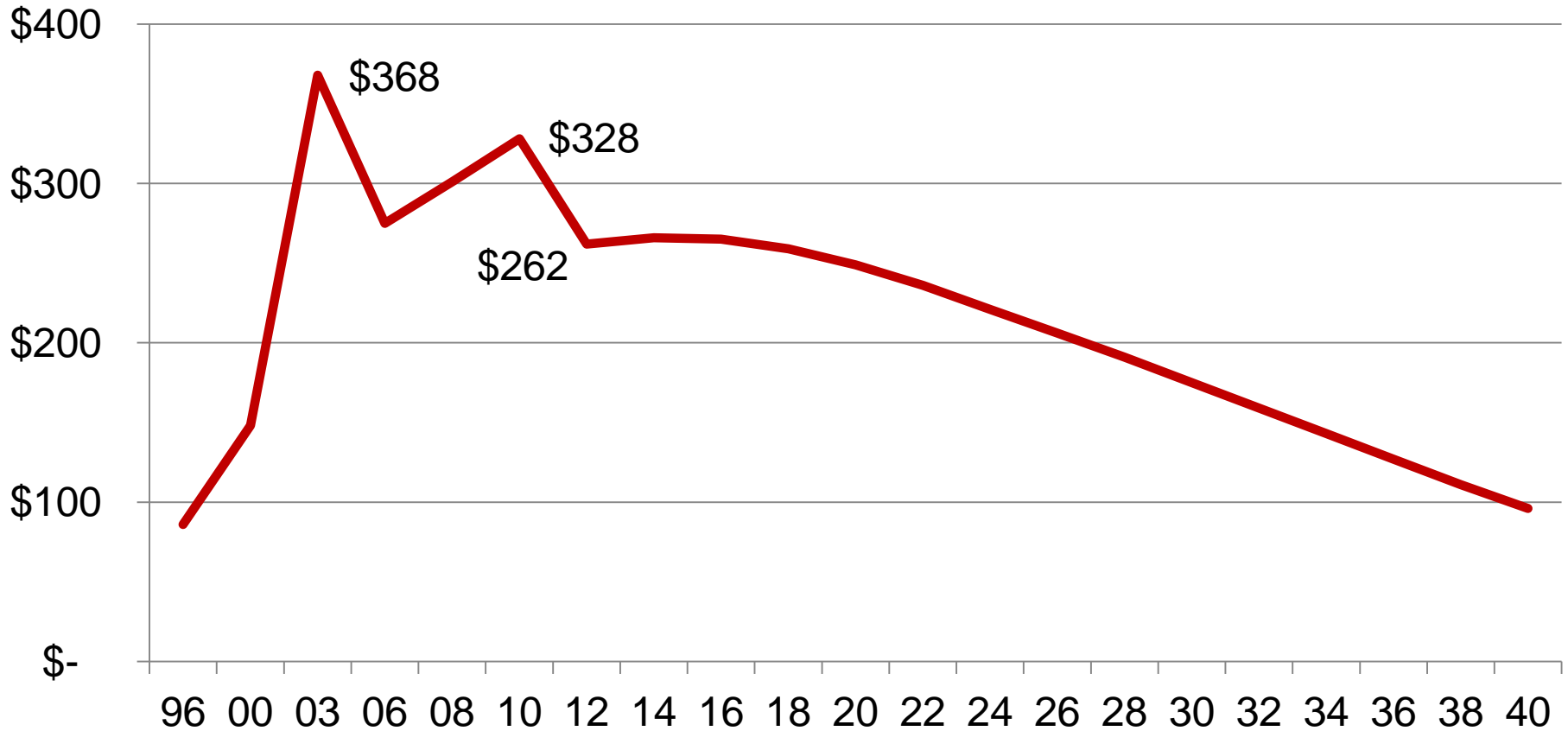
- Medical and Dental Insurance
 - Self Funded Health Care
 - Achieved reserve target
 - Total premiums remain flat for 2015 budget
 - Retiree Medical Plan Changes
- Other Post Retirement Benefits (OPEB)
 - Retiree Health Care
 - Actuarial Valuation
 - Fully Funded - Regional Admin and Environmental Services
 - 2015 budget impact – draw from OPEB fund

Stewardship

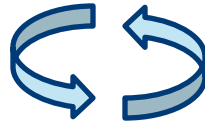


Accountability

Other Post Employment Benefits – Actuarial Accrued Liability

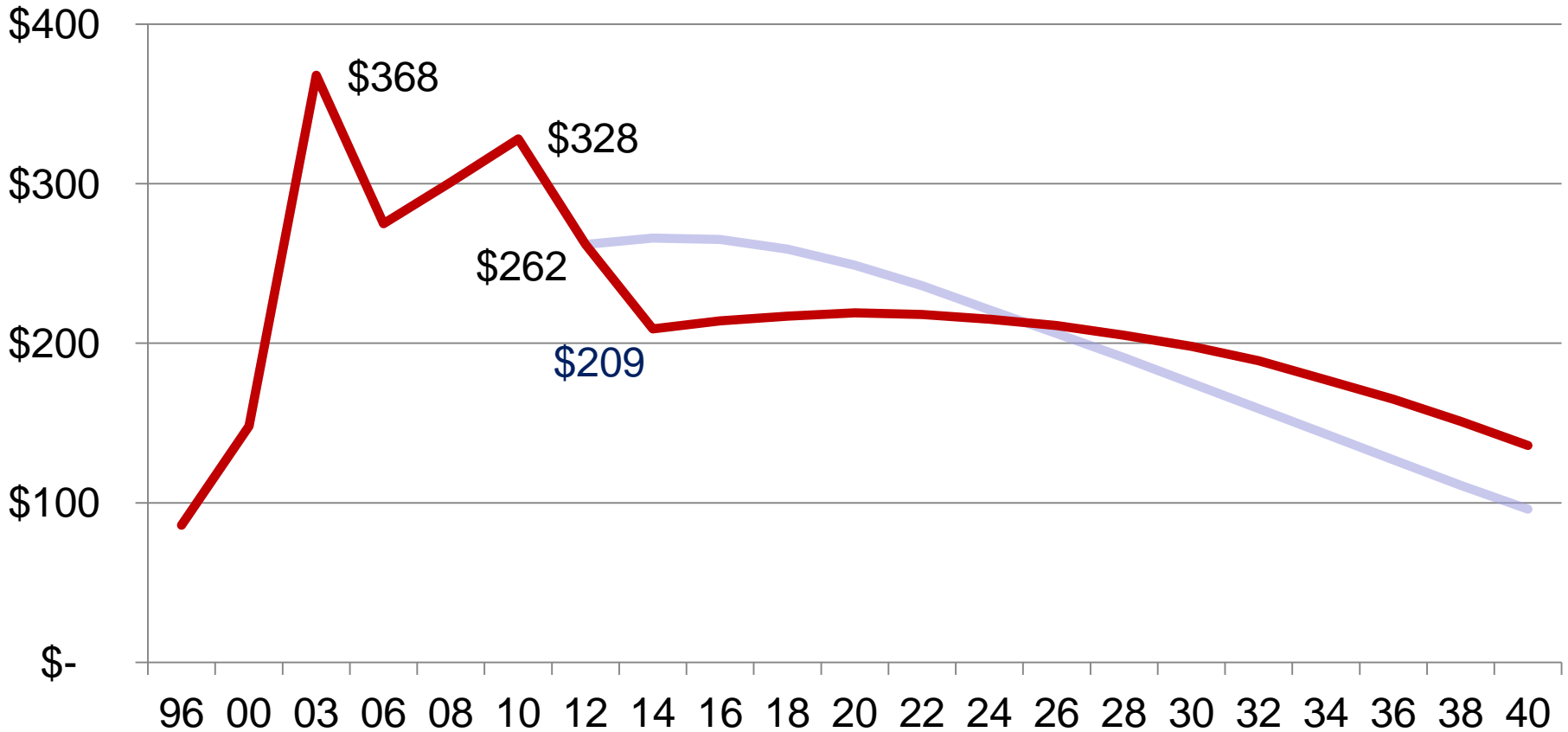


Stewardship

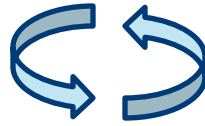


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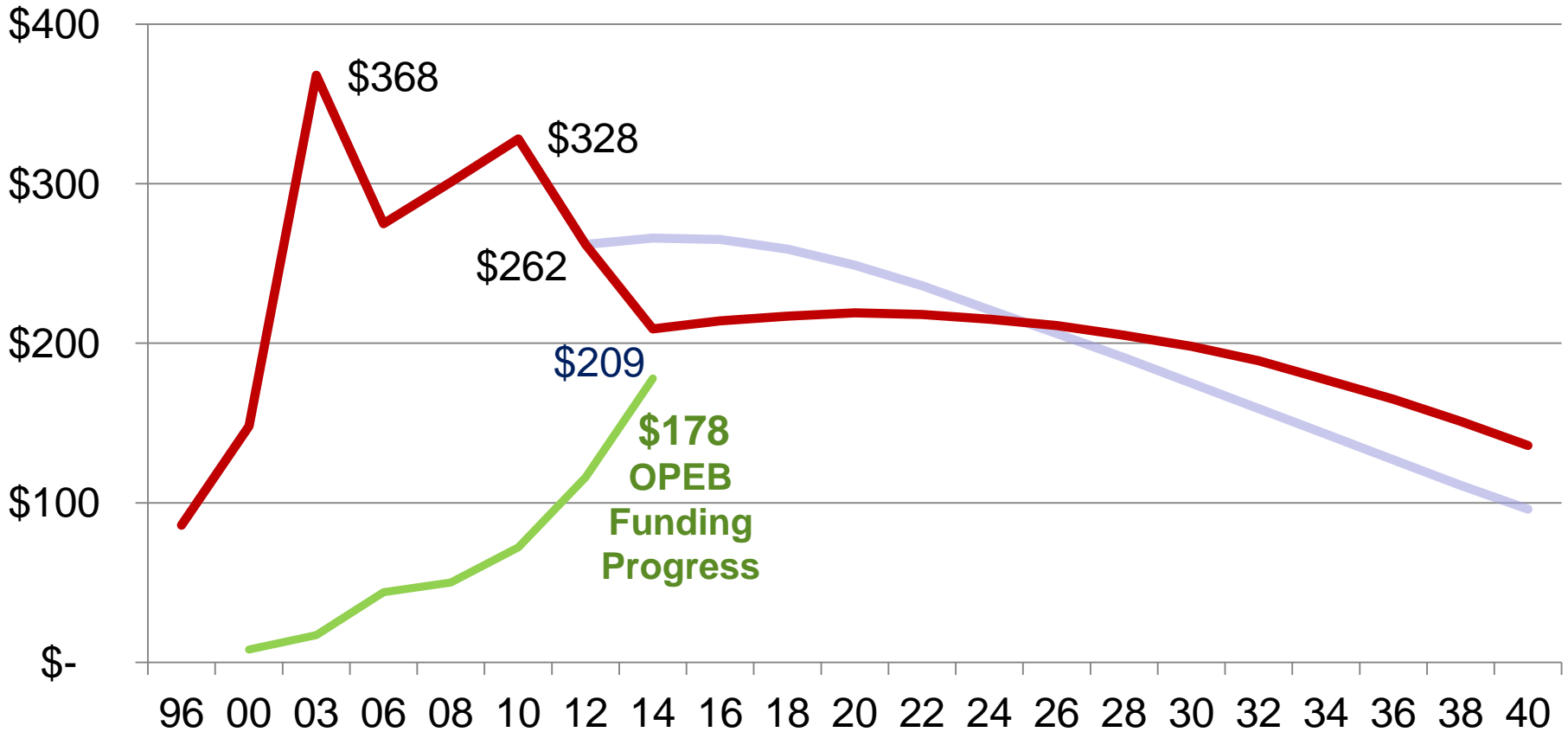


Stewardship



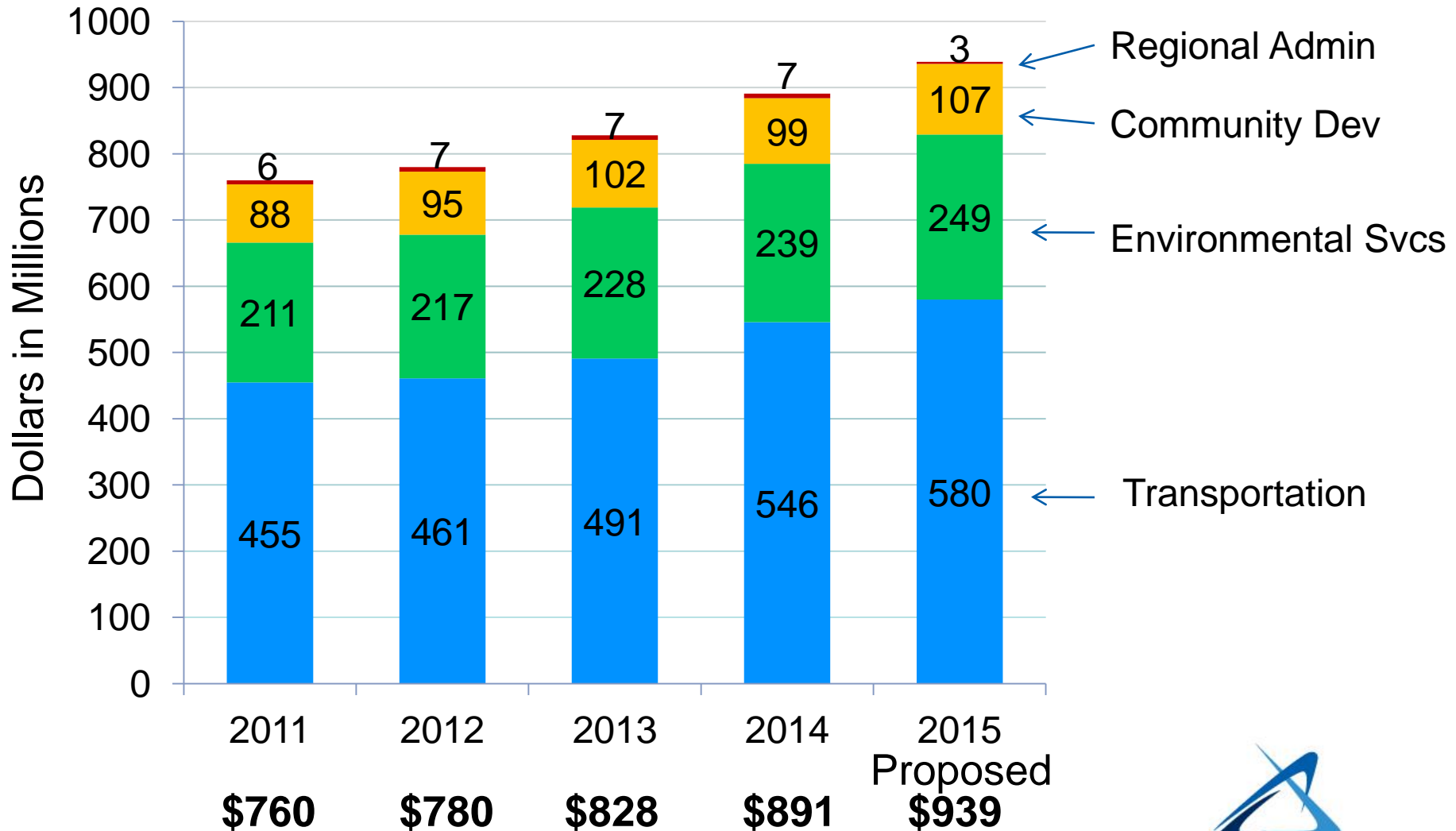
Accountability

Other Post Employment Benefits – Actuarial Accrued Liability

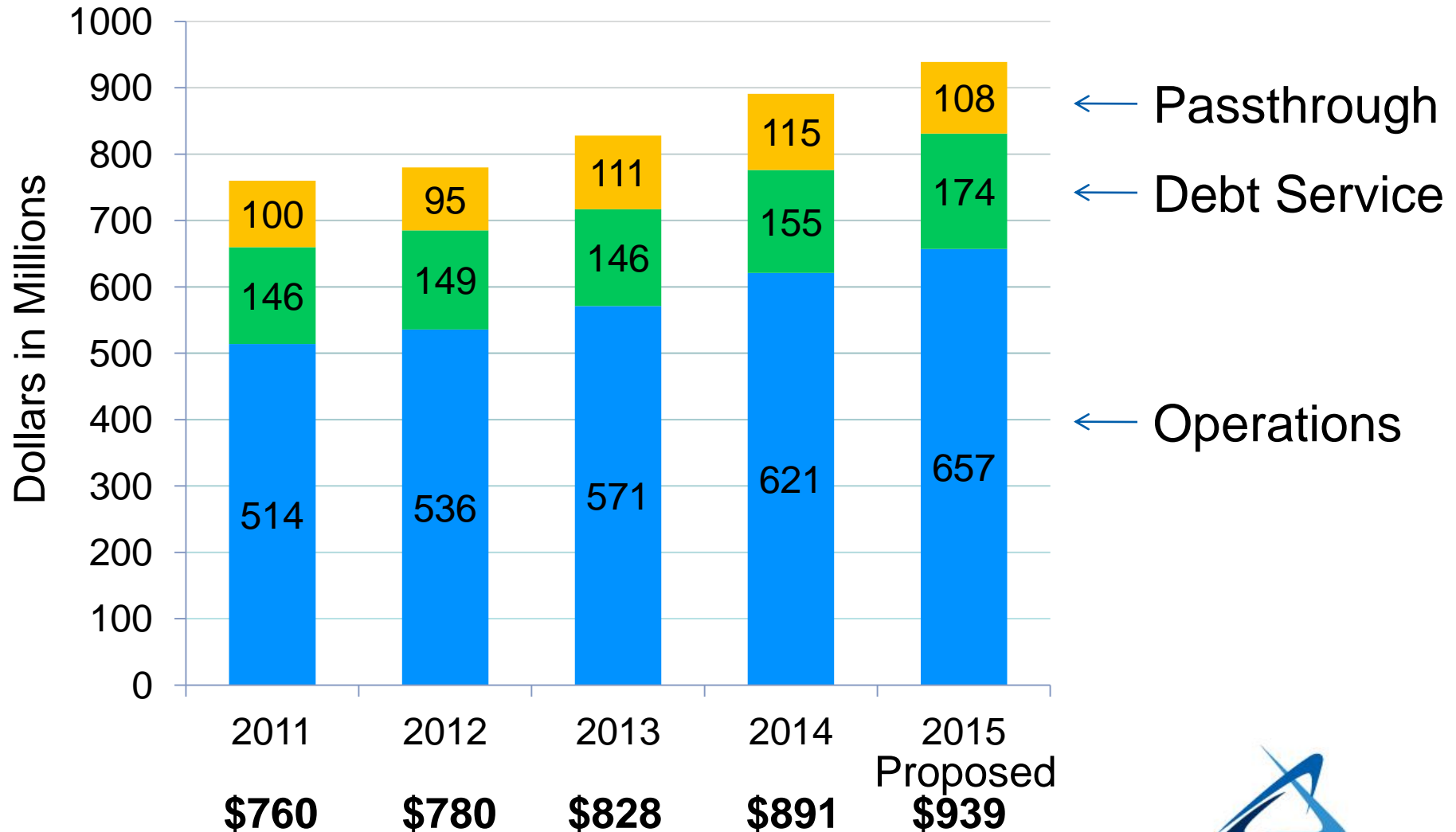


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Operating Budget Trend - Expenses & Uses



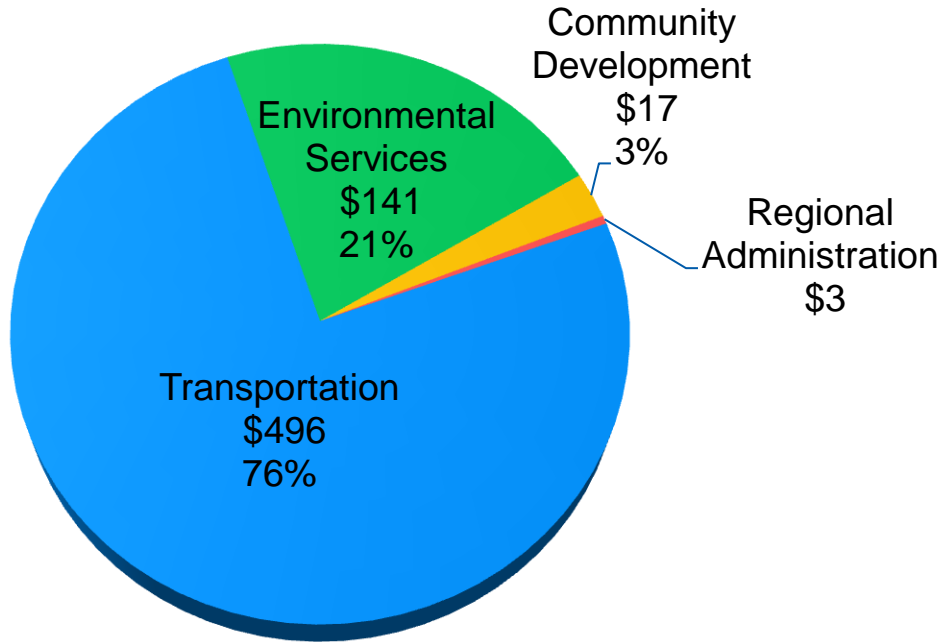
Operating Budget Trend - Expenses & Uses



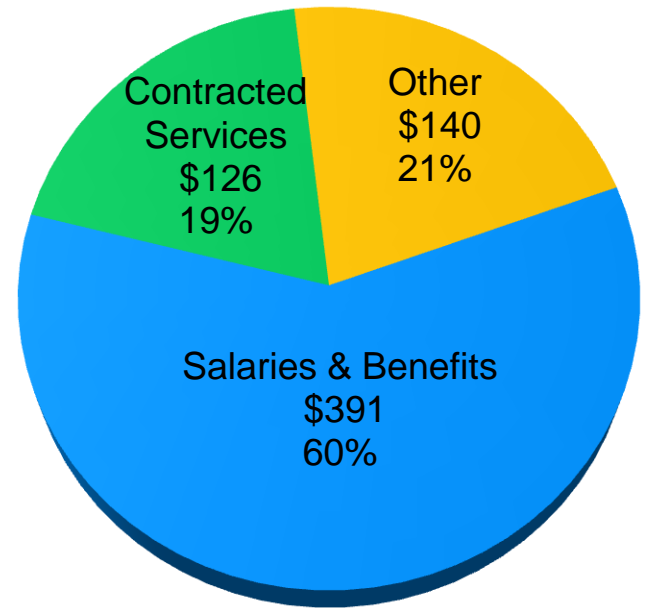
Total Budget Change - \$48 Million

- **\$36 M Operations**
 - \$6.8 M Thrive Initiatives from General Purposes Levy
 - \$21 M Inflationary Pressures
 - \$5.5 M Green Line (CCLRT) Full Year of Operations
 - \$1.6 M Metro Mobility Service Demand
 - \$1.1 M Other
- **(\$7) M Passthrough Grant & Loan Programs**
 - \$0.5 M Parks Pass-Through Grants
 - (\$6.1) M Suburban Transit Provider MVST
 - (\$1.5) M I & I Grants
- **\$19 M Debt Service**
 - \$1.5 M Parks, \$11.8 M Transit & \$6.0 M Wastewater

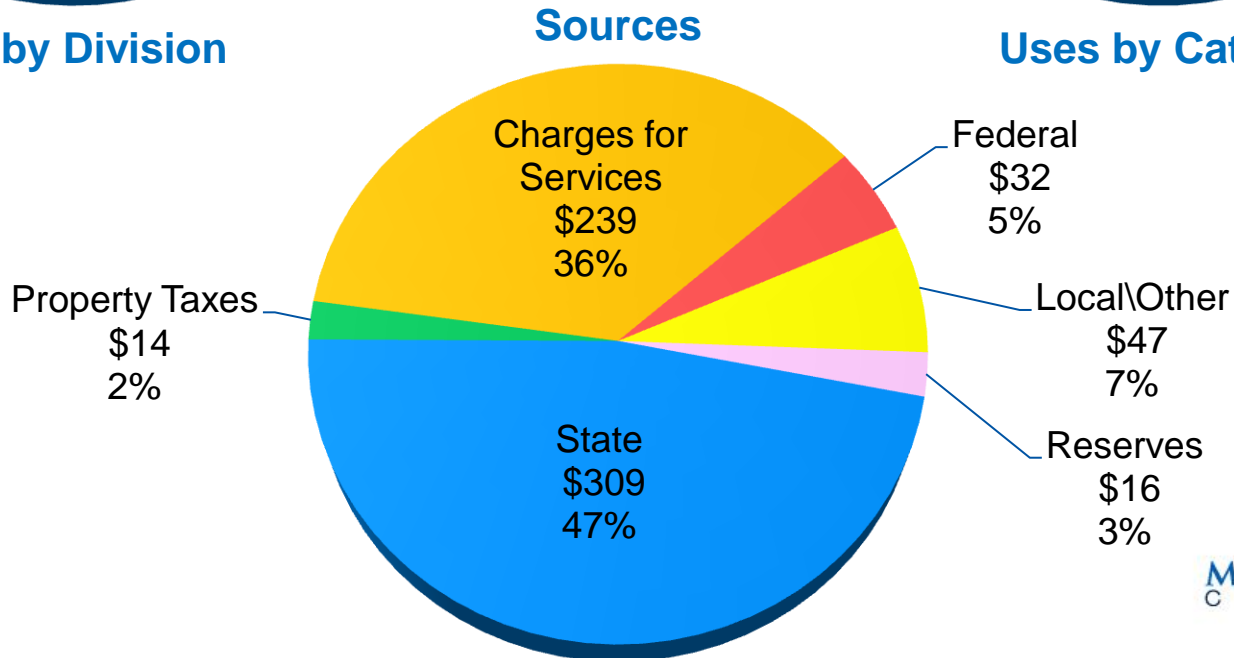
2015 Operations Budget - \$657 M



Uses by Division



Uses by Category



Sources



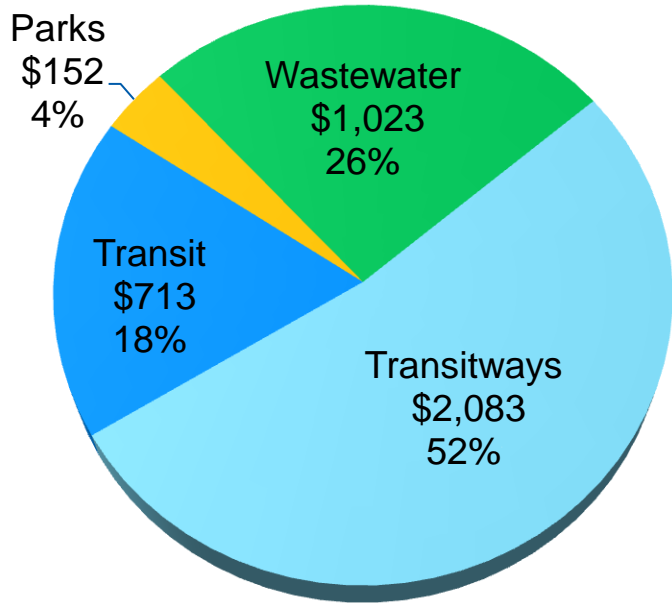
Planned Use of Reserves - Operations

\$15.7 Million

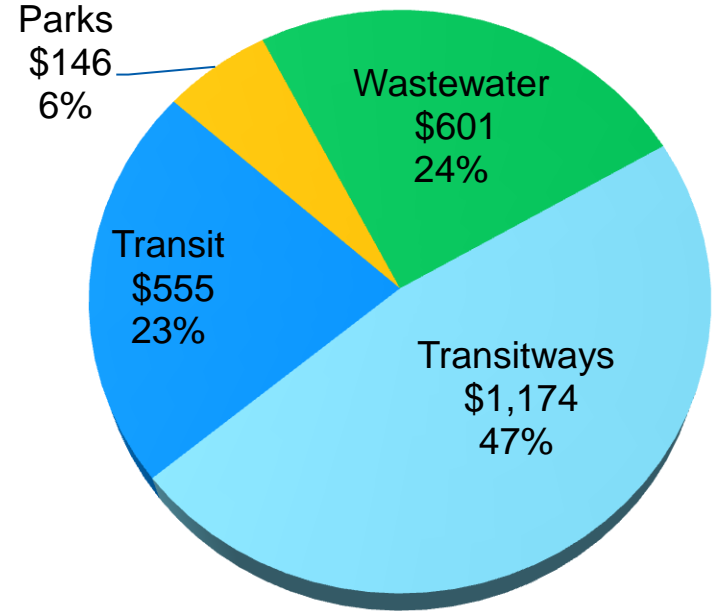
- Regional Administration
 - \$800 K Urban Scholars, Interns, and Greater MSP membership
 - \$200 K Water Supply Planning
 - \$100 K Robert Street Building Façade Design
- Community Development
 - \$283 K HRA Administration
- Environmental Services
 - \$865 K Rate mitigation
- Transportation
 - \$13.4 M Revenue Allocation Procedure

All Operating Reserves will continue to meet target

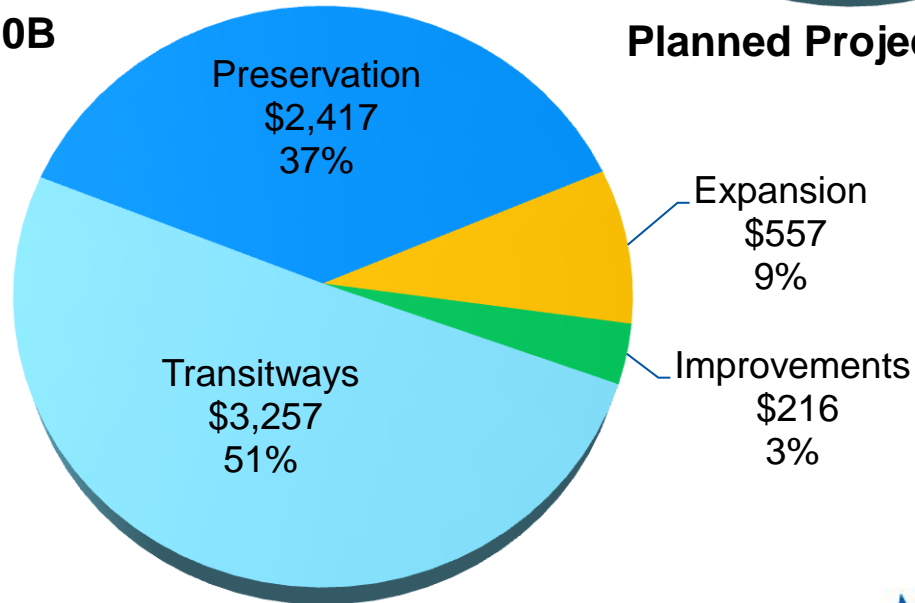
Unified Capital Improvement Program - \$6.5B



Authorized Projects - \$4.0B



Planned Projects - \$2.5B

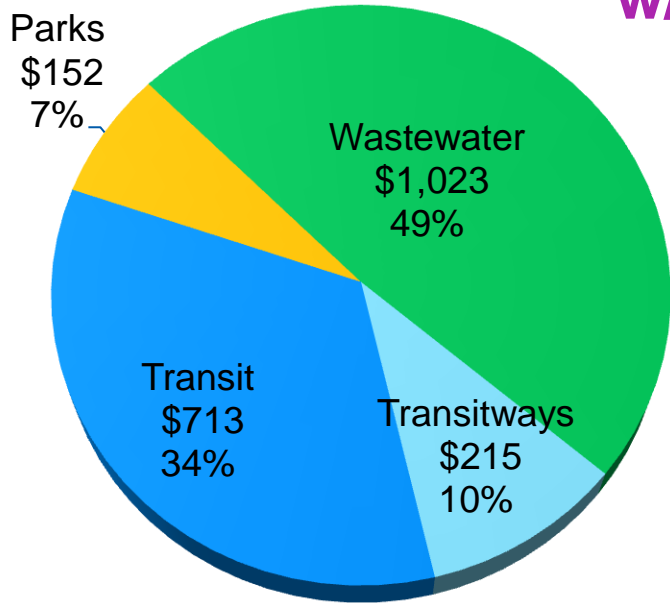


Projects By Category - \$6.5B

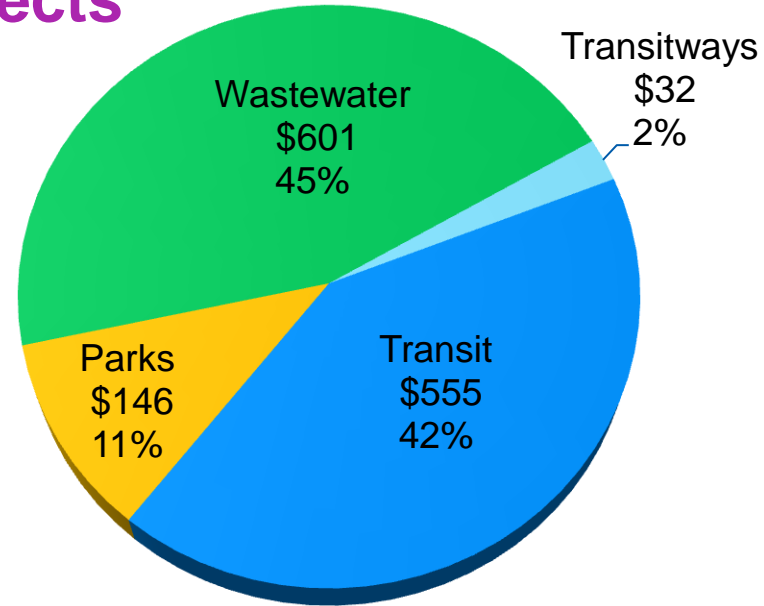


Unified Capital Improvement Program - \$3.4B

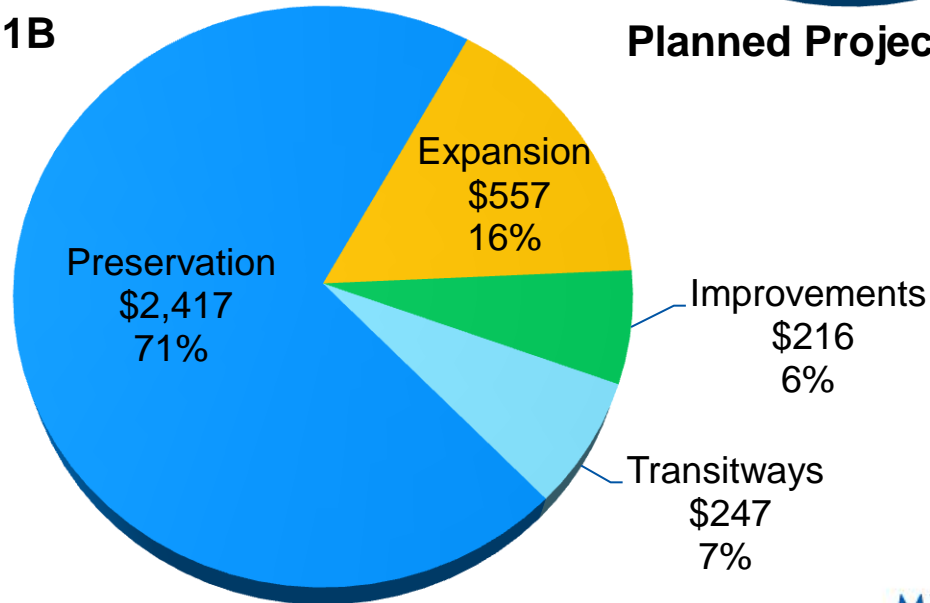
w/o new rail projects



Authorized Projects - \$2.1B



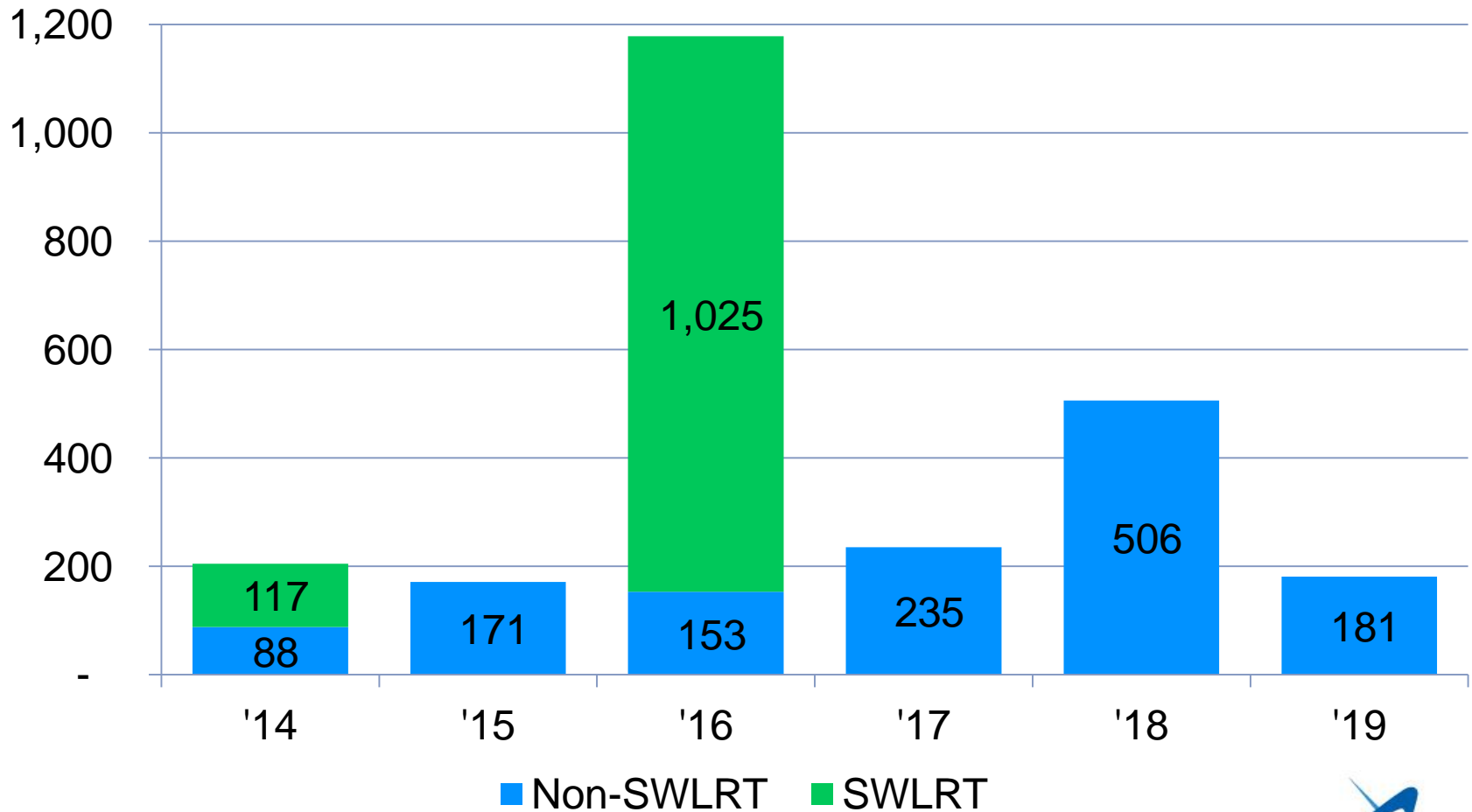
Planned Projects - \$1.3B



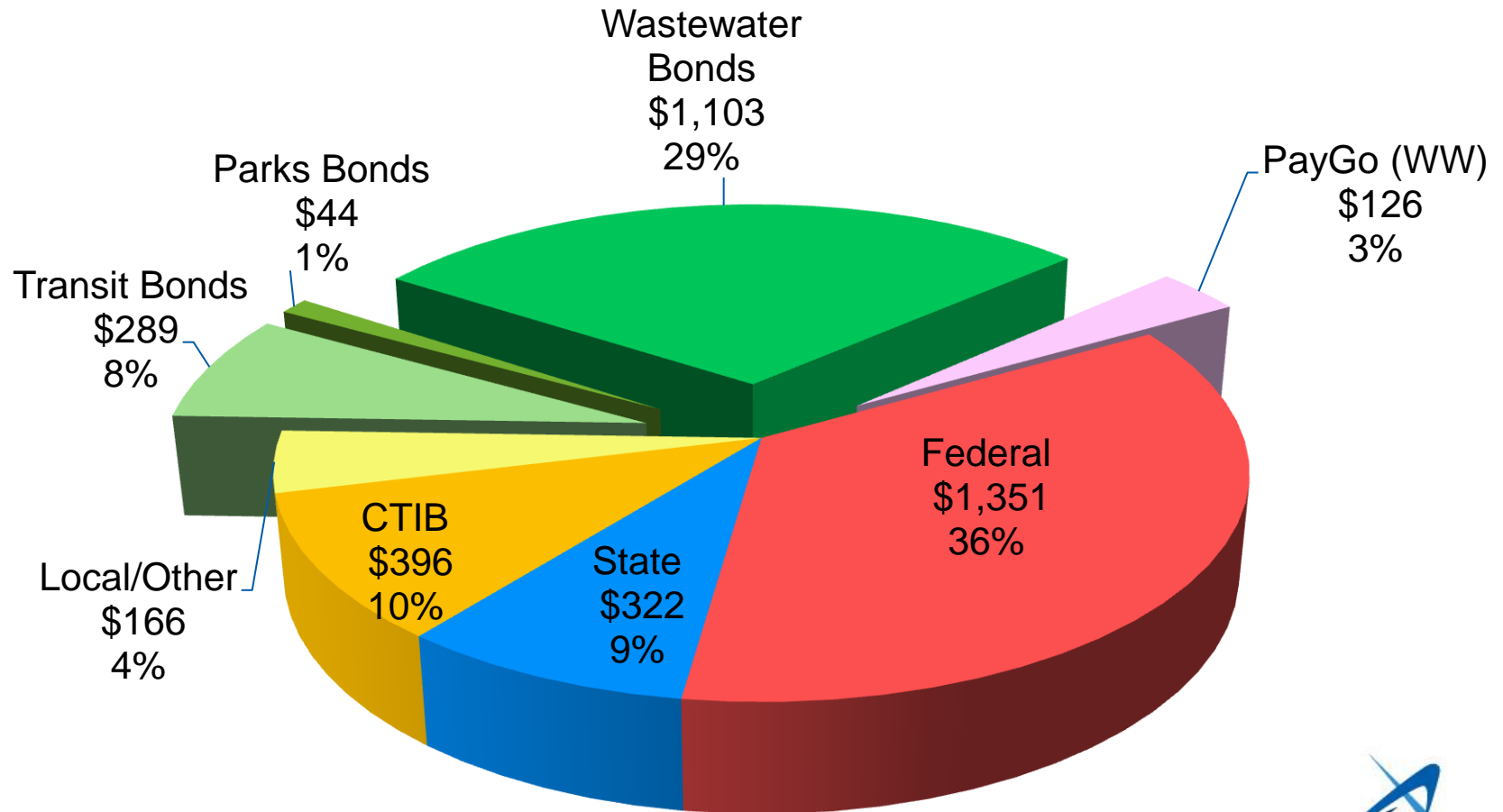
Projects By Category - \$3.4B



Unified Capital Improvement Program Planned Projects - \$2.5 Billion

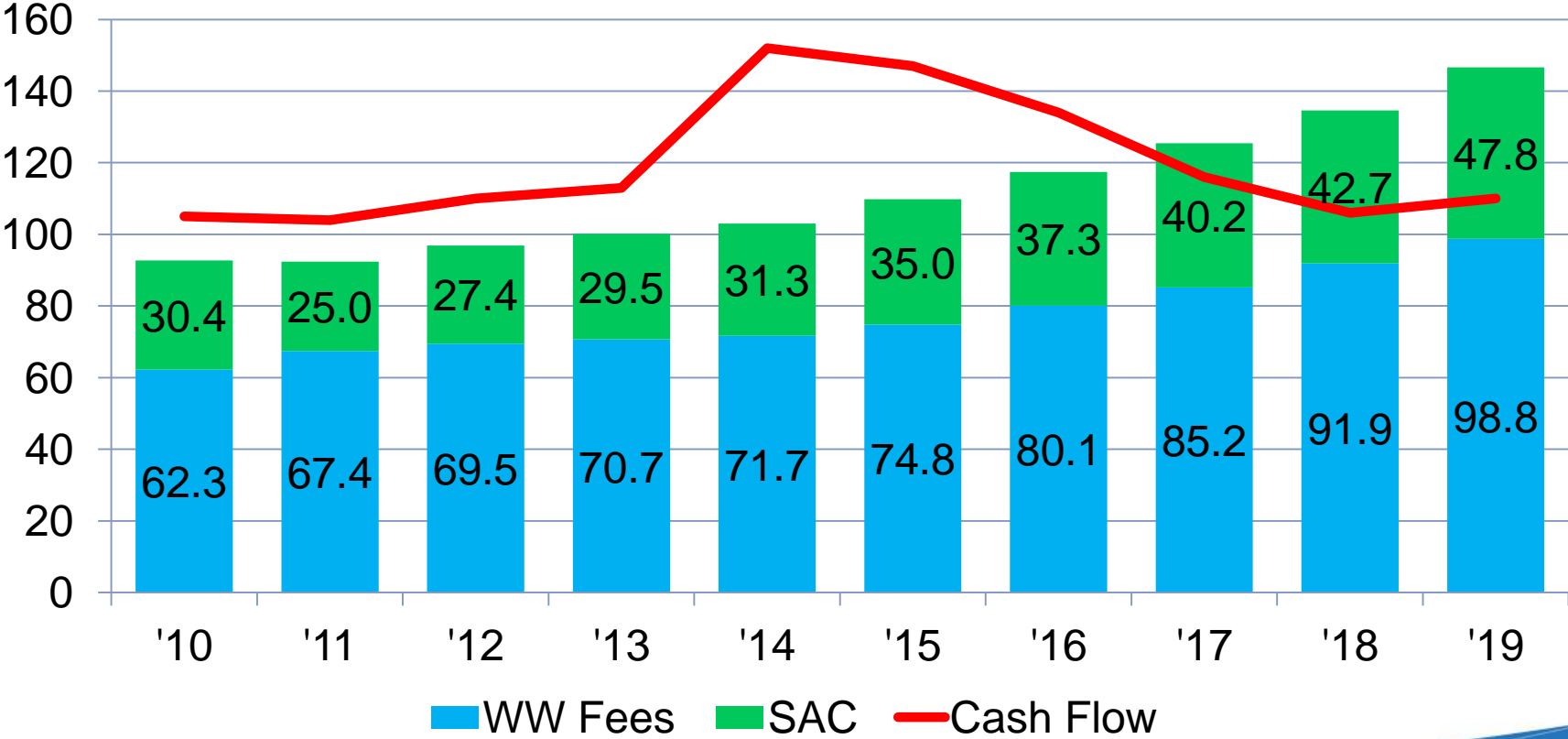


Financing the CIP: Sources of Funds Authorized and Planned Projects



\$ in Millions

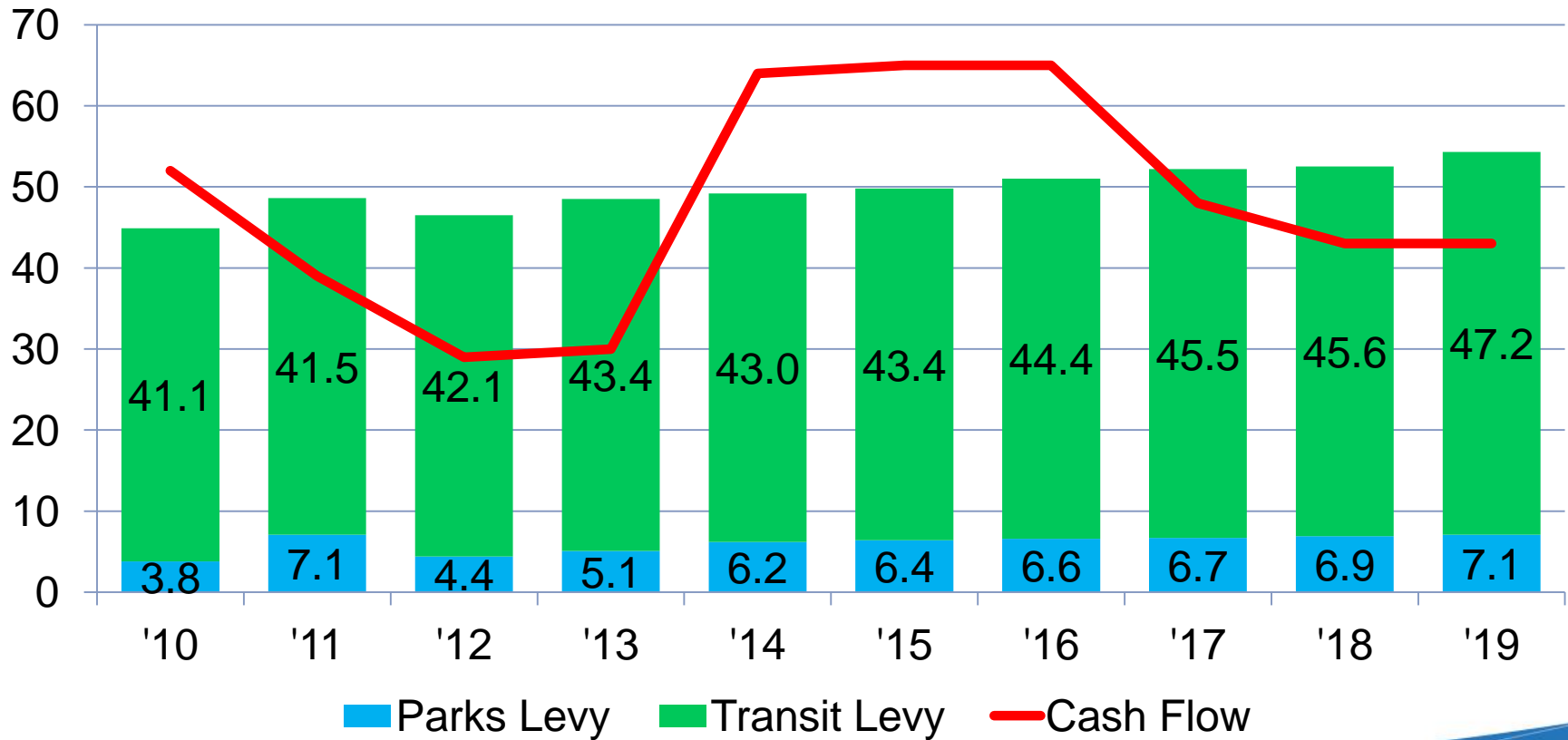
Regional Bonding Cash Flow and Wastewater Fee Supported Debt Service



\$ in millions



Regional Bonding Cash Flow and Property Tax Supported Debt Service



\$ in millions

Outstanding Debt

