

Other Business

Meeting date: December 14, 2016

Subject:	Adoption of Resolutions for the Metropolitan Council's 2017 Unified Budget and the 2016, Payable 2017 Tax Levies
District(s), Member(s):	All
Policy/Legal Reference:	Minnesota Statutes Section 275.065, Subdivision 1, Section 473.121, and Section 473.13, Subdivision 1
Staff Prepared/Presented:	Mary Bogie, Chief Financial Officer (651) 602-1359
Division/Department:	All

Proposed Action

Adoption of the following Resolutions for the Metropolitan Council's 2017 Unified Budget and the 2016, Payable 2017, Tax Levies:

- 2016-30:** Adopting of the Metropolitan Council's 2017 Unified Budget
- 2016-31:** Adopting of the Metropolitan Council's 2016 Tax Levy for General Purposes for Certification to the County Auditors
- 2016-32:** Adopting of the Metropolitan Council's 2016 Tax Levy for General Purposes for Certification to the Minnesota Commissioner of Revenue
- 2016-33:** Adopting of 2016 Tax Levy for the Livable Communities Demonstration Account in the Metropolitan Livable Communities Fund
- 2016-34:** Adopting of 2016 Tax Levy for the Tax Base Revitalization Account of the Livable Communities Act
- 2016-35:** Resolution Certifying a Tax Levy for 2016 for Debt Service on Future Transit Bonds
- 2016-36:** Resolution Certifying a Tax Levy for 2016 for Debt Service on Future Parks Bonds

Background

Minnesota Statutes 473.13, Subdivision 1, requires the Metropolitan Council adopt the final budget covering anticipated receipts and disbursements for 2017, as well as the capital expenditures for the budget year, based on a five-year capital program and decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget on or before December 20.

The Metropolitan Council:

- Adopted a preliminary budget and certified preliminary property tax levies to County Auditors and the Minnesota Commissioner of Revenue on August 24, 2016;
- Adopted the 2017 Unified Budget for public comment on October 26, 2016;
- Accepted public comment on the 2017 Unified Budget via phone, mail or email until 5:00 PM on December 14, 2016; and

- Received public comment on the 2017 Unified Budget at its regularly scheduled meeting on December 14, 2016.

Rationale

Resolutions 2016-31 through 36 certify final property tax levies for 2016, payable in 2017. The final property tax levies are consistent with the preliminary levies adopted by the Council in August. The Council may not increase, but may elect to reduce, those preliminary levies.

Resolution 2016-30 adopts the Metropolitan Council’s 2017 Unified Budget. The resolution adopts a final 2017 Unified Budget consistent with the budget adopted for public comment on October 26, 2016 with the following changes to the operating budget:

- The expenditure budget for the Robert Street Building fund is increased by \$1,950,000 for the Phase 2 restructuring of the Robert Street offices. Sources of funding include primarily reserves with some rent allocations. The project was discussed with the Management Committee at its November 9th meeting
- Motor Vehicle Sales Tax revenues are reduced by \$8,890,000 based on November 2016 state forecast. In addition, transfers from the MVST reserve fund are reduced by \$2,682,000 because underperformance of MVST in 2016 has reduced the projected year end 2016 funds available to be programmed in 2017.
- Metro Mobility fare revenues are reduced by \$1,000,000 due to transition from fare coupons to electronic fares. Of that total, \$405,000 are reductions in cash fares that are offset by a corresponding reduction in the expenditure budget for Metro Mobility.
- The Transit Operating Revenue Allocation Model was updated to include self-reported lower operating budgets and higher projected year end fund balances for the Suburban Transit Providers than were used in the public comment draft of the 2017 Unified Budget. Taking into account the impact of those changes and the lower MVST Forecast, the pass-through budget for suburban transit providers by \$5,885,000.
- The net impact of the above changes on the Transportation Division Budget results in operating reserves below minimum target. Metro Transit – Bus will be under by \$11,311,000, Minnesota Valley Transit Association by \$798,000 and SouthWest Transit by \$198,000.

Funding

The attached tax levy resolutions are summarized as follows:

<u>Levies Requiring Council Action</u>	<u>Preliminary Levies</u>	<u>Resolution No.(s)</u>
General Purposes	\$14,481,534	2016-31
Livable Communities Demonstration Account	11,366,686	2016-33
Livable Communities Tax Base Revitalization Account	5,000,000	2016-34
Transit Debt Service Anticipation	15,014,475	2016-35
Parks Debt Service Anticipation	<u>4,526,288</u>	2016-36
Total Levies Requiring Council Action	<u>50,388,983</u>	

Levies Not Requiring Council Action (previously certified)

Transit Debt Service 31,202,523

Parks Debt Service 2,029,125

33,231,648

TOTAL LEVIES 83,620,631

Known Support / Opposition

None

METROPOLITAN COUNCIL
390 Robert Street North, Saint Paul, Minnesota 55101
(651) 602-1000 TTY (651) 291-0904

RESOLUTION NO. 2016-30

**RESOLUTION ADOPTING THE METROPOLITAN COUNCIL'S
2017 UNIFIED BUDGET**

- WHEREAS,** Minnesota Statutes, Section 473.121 defines the Metropolitan area as including only the Counties of Anoka, Carver, Dakota excluding the City of Northfield, Hennepin excluding the Cities of Hanover and Rockford, Ramsey, Scott excluding the City of New Prague and Washington; and
- WHEREAS,** Minnesota Statutes, Section 473.121, Subdivision 1, requires that on or before December 20, the Council shall adopt a final budget and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget; and
- WHEREAS,** The Council adopted the 2017 Unified Budget for public comment on October 26, 2016; and
- WHEREAS,** Public comment on the 2017 Unified Budget was accepted via phone, mail or email on or before 5:00 PM December 13, 2016; and
- WHEREAS,** Minnesota Statutes, Section 473.13, Subdivision 1, requires that the budget shall state in detail the capital expenditures of the Council for the budget year, based on a five-year capital program adopted by the Council; and
- WHEREAS,** Minnesota Statutes, Section 473.39, Subdivision 4, requires the transit capital improvement plan include supplemental information for each project; and
- WHEREAS,** Public comment on the 2017 Unified Budget was allowed at 6:00 PM during the Metropolitan Council's regularly scheduled meeting on December 14, 2016.

NOW, THEREFORE, BE IT RESOLVED:

THAT the Metropolitan Council 2017 Unified Budget includes a Unified Operating Budget of \$1,017,395,000 consisting of \$716,558,000 for Council operations, \$114,838,000 for pass-through grants, \$173,419,000 for debt service and \$12,580,000 for Other Post-Employment Benefits.

THAT the Metropolitan Council 2017 Unified Budget includes the Capital Program, to include supplemental information required by Minnesota Statutes, 473.39, Subdivision 4, as follows:

1. A 2017-2022 Capital Program of \$6,998,450,000 consisting of \$5,236,334,000 for Transit, \$1,413,640,000 for Environmental Services and \$348,476,000 for Parks.

2. A multi-year Authorized Capital Program of \$2,129,870,000 consisting of \$1,067,620,000 for Transit, \$924,140,000 for Environmental Services and \$138,110,000 for Parks.
3. A 2017 Capital Budget of \$401,165,000 consisting of \$171,764,000 for Transit, \$183,000,000 for Environmental Services and \$46,401,000 for Parks.

Adopted this 14th day of December 2016

Adam Duininck, Chair

Emily Getty, Recording Secretary

METROPOLITAN COUNCIL
390 Robert Street North, Saint Paul, Minnesota 55101
(651) 602-1000 TTY (651) 291-0904

RESOLUTION NO. 2016-31

**RESOLUTION ADOPTING THE METROPOLITAN COUNCIL'S
2016 TAX LEVY FOR GENERAL PURPOSES
FOR CERTIFICATION TO THE COUNTY AUDITORS**

- WHEREAS,** Minnesota Statutes, Section 473.121, Subdivision 2, defines the Metropolitan Area as including only the Counties of Anoka, Carver, Dakota excluding the City of Northfield, Hennepin excluding the Cities of Hanover and Rockford, Ramsey, Scott excluding the City of New Prague and Washington; and
- WHEREAS,** Minnesota Statutes, Section 473.13, Subdivision 1, requires that on or before December 20, the Council shall adopt a final budget and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget; and
- WHEREAS,** Minnesota Statutes, Section 473.13, Subdivision 1, requires that no later than five working days after December 20, the Council shall certify to the county auditors the property tax levy for taxes payable in the following year; and
- WHEREAS,** Minnesota Statutes Section 473.13, Subdivision 1, requires that the share of the tax to be levied within each county by the Council must be an amount bearing the same proportion to the total final levy agreed on by the Council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area; and
- WHEREAS,** Minnesota Statutes Section 473.249, Subdivision 1, authorizes the Council to levy a tax on all taxable property in the Metropolitan Area to provide funds for the general purpose of carrying out the Council's responsibilities as provided by law.

NOW, THEREFORE, BE IT RESOLVED:

THAT the amount to be raised from ad valorem taxes levied in 2016, for collection during 2017, for general purposes is \$ 14,481,534.

Adopted this 14th day of December 2016

Adam Duininck, Chair

Emily Getty, Recording Secretary

METROPOLITAN COUNCIL
390 Robert Street North, Saint Paul, Minnesota 55101-1805
(651) 602-1000 TTY (651) 291-0904

RESOLUTION NO. 2016-32

**RESOLUTION ADOPTING THE METROPOLITAN COUNCIL'S
2016 TAX LEVY FOR GENERAL PURPOSES
FOR CERTIFICATION TO THE MINNESOTA COMMISSIONER OF REVENUE**

WHEREAS, Minnesota Statutes, Section 275.065, Subdivision 1, requires that on or before September 15, the Council adopt the proposed budget and certify to the county auditors a proposed property tax levy for taxes payable in the following year; and

WHEREAS, Minnesota Statutes, Section 473.121, defines the Metropolitan Area as including only the Counties of Anoka, Carver, Dakota excluding the City of Northfield, Hennepin excluding the Cities of Hanover and Rockford, Ramsey, Scott excluding the City of New Prague and Washington; and

WHEREAS, Minnesota Statutes, Section 473.249, Subdivision 1, authorizes the Council to levy a tax on all taxable property in the Metropolitan Area to provide funds for the general purpose of carrying out the Council's responsibilities as provided by law; and

WHEREAS, Minnesota Statutes, Section 473.249, Subdivision 2, requires the Council to certify its proposed property tax levy for general Council purposes to the Minnesota Commissioner of Revenue by September 1 of the levy year.

NOW, THEREFORE BE IT RESOLVED:

THAT the amount proposed to be raised from ad valorem taxes levied in 2016, payable in 2017, for general Council purposes is \$14,481,534.

Adopted this 14th day of December 2016

Adam Duinick, Chair

Emily Getty, Recording Secretary

METROPOLITAN COUNCIL
390 Robert Street North, Saint Paul, Minnesota 55101
(651) 602-1000 TTY (651) 291-0904

RESOLUTION NO. 2016-33

**RESOLUTION ADOPTING THE 2016 TAX LEVY FOR THE
LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT IN THE
METROPOLITAN LIVABLE COMMUNITIES FUND**

- WHEREAS,** Minnesota Statutes, Section 473.121, Subdivision 2, defines the Metropolitan Area as including only the Counties of Anoka, Carver, Dakota excluding the City of Northfield, Hennepin excluding the Cities of Hanover and Rockford, Ramsey, Scott excluding the City of New Prague and Washington; and
- WHEREAS,** Minnesota Statutes, Section 473.13, Subdivision 1, requires that on or before December 20, the Council shall adopt a final budget and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget; and
- WHEREAS,** Minnesota Statutes, Section 473.13, Subdivision 1, requires that no later than five working days after December 20, the Council shall certify to the county auditors the property tax levy for taxes payable in the following year; and
- WHEREAS,** Minnesota Statutes Section 473.13, Subdivision 1, requires that the share of the tax to be levied within each county by the Council must be an amount bearing the same proportion to the total final levy agreed on by the Council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area; and
- WHEREAS,** Minnesota Statutes Section 473.253, Subdivision 1, authorizes a property tax levy for the Livable Communities Demonstration Account in the Metropolitan Livable Communities Fund.

NOW, THEREFORE, BE IT RESOLVED:

THAT the amount to be raised from ad valorem taxes levied in 2016, for collection during 2017, for the Livable Communities Demonstration Account in the Metropolitan Livable Communities Fund is \$ 11,366,686.

Adopted this 14th day of December 2016

Adam Duinick, Chair

Emily Getty, Recording Secretary

METROPOLITAN COUNCIL
390 Robert Street North, Saint Paul, Minnesota 55101
(651) 602-1000 TTY (651) 291-0904

RESOLUTION NO. 2016-34

**RESOLUTION ADOPTING THE 2016 TAX LEVY FOR THE
TAX BASE REVITALIZATION ACCOUNT
OF THE LIVABLE COMMUNITIES ACT**

- WHEREAS,** Minnesota Statutes, Section 473.121, Subdivision 2, defines the Metropolitan Area as including only the Counties of Anoka, Carver, Dakota excluding the City of Northfield, Hennepin excluding the Cities of Hanover and Rockford, Ramsey, Scott excluding the City of New Prague and Washington; and
- WHEREAS,** Minnesota Statutes, Section 473.13, Subdivision 1, requires that on or before December 20, the Council shall adopt a final budget and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget; and
- WHEREAS,** Minnesota Statutes, Section 473.13, Subdivision 1, requires that no later than five working days after December 20, the Council shall certify to the county auditors the property tax levy for taxes payable in the following year; and
- WHEREAS,** Minnesota Statutes Section 473.13, Subdivision 1, requires that the share of the tax to be levied within each county by the Council must be an amount bearing the same proportion to the total final levy agreed on by the Council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area; and
- WHEREAS,** The Hennepin County Auditor has certified an amount of \$ 7,876,457.50 under Minnesota Statutes, Section 473F.08, Subdivision 3b(b); and
- WHEREAS,** Minnesota Statutes, Section 473F.08, Subdivision 3b(c), provides that the Metropolitan Council may annually certify to the Ramsey County auditor the amount certified by the Hennepin County auditor under Minnesota Statutes, Section 473F.08, Subdivision 3b(b), but not to exceed \$ 5,000,000, to be used to provide funds for the cleanup of polluted lands in the metropolitan area.

NOW, THEREFORE, BE IT RESOLVED:

THAT the amount to be raised from ad valorem taxes levied in 2016, for collection during 2017, as an addition to the area wide levy under the Metropolitan Revenue Distribution Act and credited to the Tax Base Revitalization Account within the Metropolitan Livable Communities Fund is \$ 5,000,000.

Adopted this 14th day of December 2016

Adam Duininck, Chair

Emily Getty, Recording Secretary

METROPOLITAN COUNCIL
390 Robert Street North, Saint Paul, Minnesota 55101-1805
(651) 602-1000 TTY (651) 291-0904

RESOLUTION NO. 2016-35

**RESOLUTION CERTIFYING THE TAX LEVY FOR 2016
FOR DEBT SERVICE ON FUTURE TRANSIT BONDS**

WHEREAS, The Council anticipates issuing general obligation transit bonds in 2016 and/or 2017 and making principal and interest payments on said bonds during the period from February 2, 2017 to February 1, 2018; and

WHEREAS, The Council may certify a tax levy in anticipation of the issuance of general obligation bonds in a manner and to the extent permitted by Minnesota Statutes Section 475.61, Subdivision 1; and

WHEREAS, Minnesota Statutes, section 473.4461 provides that notwithstanding any provision of section 473.446 or any other law, the Council may not levy a tax under section 473.446, subdivision 1, in any city not included in the transit taxing district as it existed on January 1, 2001, unless the Council and the governing body of that city have agreed on a transit service expansion plan; and

WHEREAS, The Council has reached agreement on a transit service expansion plan with each of the governing bodies of the Cities of Columbus, Forest Lake, Lakeville, Maple Plain and Ramsey in accordance with the provisions of Minnesota Statutes, section 473.4461; and

WHEREAS, It has been determined that a tax levy in 2016, payable in 2017, is necessary to fund principal and interest payments on said bonds during the period from February 2, 2017 to February 1, 2018.

NOW, THEREFORE BE IT RESOLVED:

THAT pursuant to the provisions of Minnesota Statutes Section 475.61, subdivision 1, the Chair of the Council is directed to authorize and direct the County Auditors of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties to levy a tax in 2016, payable in 2017, of \$15,014,475 upon the Transit Taxing District as defined in Minnesota Statutes, section 473.446, subdivision 2, and upon the cities of Columbus, Forest Lake, Lakeville, Maple Plain and Ramsey for debt service on general obligation transit bonds to be issued by the Council in 2016 and/or 2017.

Adopted this 14th day of December 2016

Adam Duininck, Chair

Emily Getty, Recording Secretary

METROPOLITAN COUNCIL
390 Robert Street North, Saint Paul, Minnesota 55101-1805
(651) 602-1000 TTY (651) 291-0904

RESOLUTION NO. 2016-36

**RESOLUTION CERTIFYING THE TAX LEVY FOR 2016
FOR DEBT SERVICE ON FUTURE PARKS BONDS**

WHEREAS, The Council anticipates issuing general obligation on parks bonds in 2016 and/or 2017 and making principal and interest payments on said bonds during the period from February 2, 2017 to February 1, 2018; and

WHEREAS, The Council may certify a tax levy in anticipation of the issuance of general obligation bonds in a manner and to the extent permitted by Minnesota Statutes Section 475.61, Subdivision 1; and

WHEREAS, It has been determined that a tax levy in 2016, payable in 2017, is necessary to fund principal and interest payments on said bonds during the period from February 2, 2017 to February 1, 2018.

NOW, THEREFORE BE IT RESOLVED:

THAT pursuant to the provisions of Minnesota Statutes Section 475.61, Subdivision 1, the Chair of the Council is directed to authorize and direct the County Auditors of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties to levy a tax in 2016, payable in 2017, of \$4,526,288 for debt service on general obligation parks bonds to be issued by the Council in 2016 and/or 2017.

Adopted this 14th day of December 2016

Adam Duininck, Chair

Emily Getty, Recording Secretary