

Management Committee

For the Metropolitan Council meeting of February 10, 2016

Subject: Authorization to Amend the 2016 Unified Budget – Carry Forward Amendment

Proposed Action

That the Metropolitan Council authorize the amendment of the 2016 Unified Budget as indicated and in accordance with the attached tables.

Summary of Committee Discussion/Questions

The Management Committee reviewed and approved the proposed amendments for all the divisions at its meeting on January 27, 2016. There were no issues or concerns.

Management Committee

Meeting date: January 27, 2016

For the Metropolitan Council meeting of February 10, 2016

Subject: Authorization to Amend the 2016 Unified Budget – Carry Forward Amendment

District(s), Member(s): All

Policy/Legal Reference: MN Statutes Section 473.13, Subd. 1

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

Division/Department: All

Proposed Action

That the Metropolitan Council authorize the amendment of the 2016 Unified Budget as indicated and in accordance with the attached tables.

Background

During the first quarter of each year, Council staff request changes to the Unified Budget adopted by the Council the previous December. These carry forward items were authorized in the 2015 budget but either not initiated in 2015 or not completely expended in 2015, with unexpended budget authority credited to reserves at the end of the year. The regular carry forward amendment is scheduled to come before the Council on March 9, but Community Development and Regional Administration have operating budget carry forward requests that are time sensitive and being brought to the Management Committee and Council a month earlier than the regularly scheduled amendment.

The Community Development carry forward request brings \$1,000,000 in budget authority for land acquisition for affordable housing into the 2016 operating budget. The Community Development Committee on December 21 and the Council on January 13 authorized the Regional Administrator and Chair to negotiate and execute a Joint Exercise of Powers Agreement with the Minnesota Housing Finance Agency to provide \$1,000,000 in program support in the form of a grant to the Twin Cities Community Land Bank to acquire sites for future affordable housing. Because this business item was considered to be an administrative step to provide 2016 budget authority for that program, it was not sent to the Community Development Committee for review and approval.

Operating Component of Unified Budget

Carry Forward Requests:

The following carry forward requests totaling \$2,308,000 ~~\$2,581,000~~ are being made by Council Divisions:

Community Development

Change in Expenditures: \$1,000,000; Reserves: (\$1,000,000)

- Request to carry-forward of \$1,000,000 in budget authority from 2015 to 2016 for land acquisition for affordable housing. The project was

originally budgeted in 2015, but disbursements will be made in 2016. Funding comes from the general fund.

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Regional Administration

Change in Expenditures: ~~\$1,308,000 \$2,431,000~~; Reserves: (~~\$1,308,000 \$2,431,000~~)

- Request to carry-forward ~~\$188,000 \$461,000~~ in budget authority from 2015 to 2016 to complete the Robert Street window replacement project. The project was originally budgeted for \$1,000,000 in 2015, with ~~\$812,000 \$539,000~~ expended by the end of the year. The remaining ~~\$188,000 \$461,000~~ will be disbursed in 2016 with the project completed in February. Funding comes from the Robert Street Building fund.
- Request to carry-forward \$850,000 in budget authority from 2015 to 2016 for the build out of office space for Information Services at 375 Jackson Street. The project was budgeted for \$850,000 in 2015, but all disbursements on the project will occur in 2016. Funding comes from the general fund.
- Request to carry-forward \$270,000 in budget authority from 2015 to 2016 for the build out of the health clinic. The project was budgeted for \$270,000 in 2015, but all disbursements on the project will occur in 2016. Funding comes from the Health Self Insurance fund.

Year-end 2015 reserves were higher than they otherwise would have been due to these projects that were budgeted in 2015 but not expended. This amendment uses those available reserves to fund 2016 expenditures and will not cause reserves to fall below Council target reserve levels.

Rationale

The proposed amendments allow projects that were approved by the Council in 2015 to be completed in 2016.

Funding

The operating budget amendment is funded with available reserves.

Fiscal Impact

Cash Flow

Expenses are occurring in 2016 rather than 2015.

Impact on Regional Taxpayers

None

Known Support / Opposition

None

Attachments:

Table 2: Summary Budget: Operations, Pass-Through and Debt Service amended 2-10-2016

Table 3: Summary Budget: Operations by Fund amended 2-10-2016