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⇒ Designates that this item is a change item

Agency Purpose

The Metropolitan Council is a political subdivision of the state governed by a chairperson and 16 other Council members who are appointed by the Governor. The Council provides a regional perspective and works towards a regional consensus on issues facing the seven-county metropolitan area, comprised of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington counties.

The mission of the Metropolitan Council is to develop, in cooperation with local communities, a comprehensive regional planning framework, focusing on transportation, wastewater, parks, and aviation systems that guide the efficient growth of the metropolitan area. The Council operates transit and wastewater services and administers housing and other grant programs.

At a Glance

Metropolitan Council Operations:

- 3,703 employees (FTE)
- \$738 million CY 2010 unified operating budget: \$519 million in operating expenditures, \$78 million pass-thru grants and loans and \$141 million debt service

Community Development Functions:

- Develop new Regional Development Framework to guide the efficient growth of the region
- \$14 million in Livable Communities grants
- Over 38 million visits a year to 55,000 acre regional park system
- 6,700 households receive rent assistance through the Metropolitan Housing and Redevelopment Authority

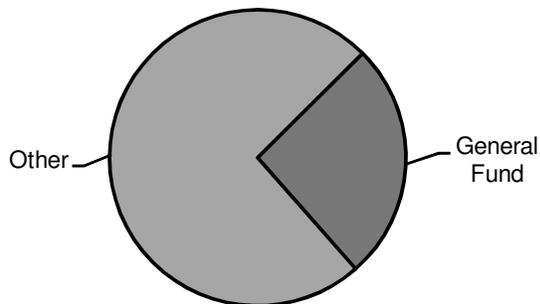
Transportation Functions:

- \$378 million CY 2010 operating budget (\$120 million FY 2010-11 biennial state General Fund appropriation)
- \$160 million annual projected motor vehicle sales tax (MVST) (\$21 million is committed to Suburban Transit Association Providers) in calendar year 2010
- Nearly 89 million rides in 2009

Environmental Services Functions:

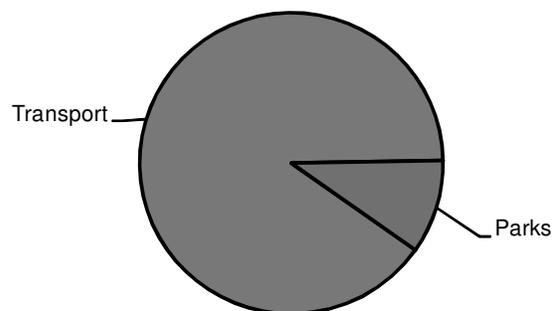
- \$120 million CY 2010 operating budget
- Average of 235 million gallons of wastewater treated daily

Est. FY 2010-11 Expenditures by Fund



Source: MAPS Local and federal funding not included.

Est. FY 2010-11 Expenditures by Program



Source: MAPS Data (excludes local funding sources).

Strategies

Core Functions

The Council's main functions are:

- providing a planning framework for regional growth and conducting long-range planning for regional transportation, wastewater, and parks systems;
- operating the regional transit system;
- operating and funding the regional wastewater system;
- coordinating system-wide planning and capital improvement funding for the regional parks system; and
- operating a regional housing and redevelopment authority that provides assistance to low-income families in the region.

Key Goals

- Accommodate growth within the metropolitan area by working collaboratively with our partners
- Maximize the effectiveness and value of regional services, infrastructure investments and incentives
- Enhance transportation choices and improve the ability of Minnesotans to travel safely and efficiently throughout the region
- Preserve vital natural areas and resources for future generations

Operations

The Council is organized into staff divisions that focus on community development, the environment, and transportation, supported by administrative and service units.

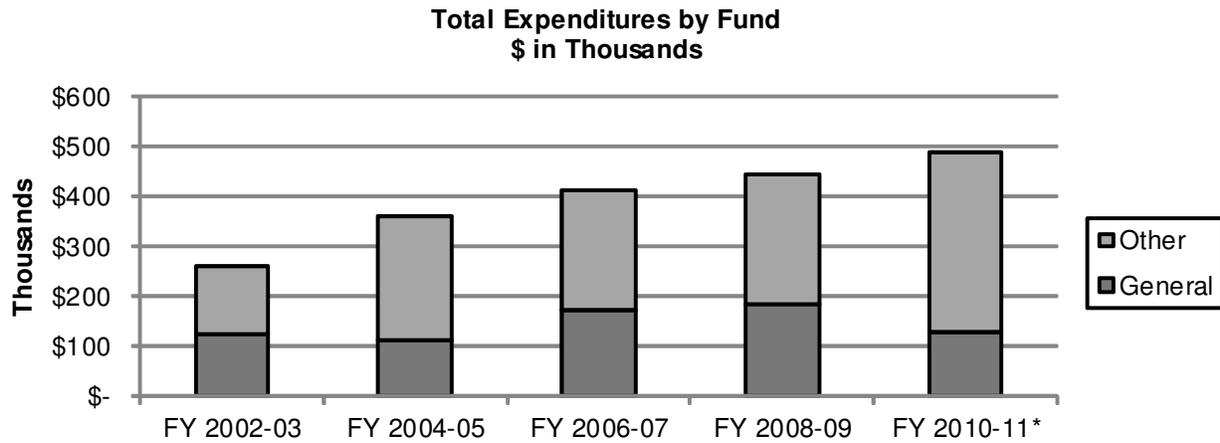
The **Community Development Division** provides regional planning and local planning assistance to communities, and conducts research to support its planning functions. The division administers the Metropolitan Livable Communities Act, which provides grants to eligible communities to help them clean up polluted sites, expand housing choices, and develop projects that use land and infrastructure more efficiently. The division administers planning and grants for the regional park system. It also delivers rent assistance and provides affordable housing to low-income households through the Metropolitan Housing and Redevelopment Authority.

The **Environmental Services Division** maintains approximately 600 miles of regional sewers and treats an average of 235 million gallons of wastewater daily at seven regional treatment plants. The division recently has maintained perfect compliance with clean water discharge permits, and in 2009, all Council treatment plants received awards for operations from the National Association of Clean Water Agencies. Wastewater services are fully fee funded, and the rates are well below the national average. In addition, the division works with approximately 800 industrial clients in the metro area to reduce pollution and provides water resources and water supply planning and analysis for the entire region.

The **Transportation Division** is responsible for providing transit services in the region. The division operates Metro Transit, the region's largest transit provider, with nearly 66.4 million bus rides in 2009. Metro Transit operates the Hiawatha Light Rail, which had over 9.9 million rides in 2009, and began NorthStar operations in November 2009. The division also provides Metro Mobility, the region's Americans with Disabilities paratransit service, and manages contracted regular route and dial-a-ride services. It also acts as a liaison with suburban transit authority providers and other regional transit services. The combined ridership for these services reached nearly 89 million in 2009. The Council's transit functions are funded by state General Fund dollars, Motor Vehicle Sales Tax (MVST), federal revenue, and fares.

The Council also serves as the federally designated Metropolitan Planning Organization and manages the allocation of federal transportation funds. In this role, the Transportation Division provides regional transportation planning including aviation, highway, and transit systems. Every four years it develops and updates the 20 - year regional transportation plan, and annually produces the federally required three- year Transportation Improvement Program (TIP) for the metropolitan area.

Budget Trends Section



Source data for the previous chart is the Minnesota Accounting and Procurement System (MAPS).

The primary external factors impacting Metropolitan Council operations are the current economic conditions. The slowdown in development has reduced collection of Service Availability Charges used to fund debt service on the system’s reserve capacity. Low consumer confidence levels has impacted motor vehicle sales tax collections and increased the risk associated with the highly volatile revenue source. Heavy reliance on energy and chemicals in daily operations can have a significant impact on budgets with minor cost fluctuations.

Contact

Regional Administrator: 651-602-1723
<http://www.metrocouncil.org>

Dollars in Thousands

	Current		Governor Recomm.		Biennium 2012-13
	FY2010	FY2011	FY2012	FY2013	
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	1,290	0	0	0	0
Recommended	1,290	0	0	0	0
Change		0	0	0	0
% Biennial Change from 2010-11					-100%
General					
Current Appropriation	74,334	52,629	52,715	52,715	105,430
Recommended	74,334	52,629	61,694	61,694	123,388
Change		0	8,979	8,979	17,958
% Biennial Change from 2010-11					-2.8%
Natural Resources					
Current Appropriation	5,070	5,370	5,370	5,370	10,740
Recommended	5,070	5,370	5,370	5,370	10,740
Change		0	0	0	0
% Biennial Change from 2010-11					2.9%
Clean Water					
Current Appropriation	400	400	400	400	800
Recommended	400	400	2,500	1,500	4,000
Change		0	2,100	1,100	3,200
% Biennial Change from 2010-11					400%
Parks And Trails					
Current Appropriation	12,641	15,140	15,140	15,140	30,280
Recommended	12,641	15,140	16,163	16,163	32,326
Change		0	1,023	1,023	2,046
% Biennial Change from 2010-11					16.4%
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	1,290	0	0	0	0
General	74,334	52,548	61,613	61,613	123,226
Natural Resources	5,070	5,370	5,370	5,370	10,740
Clean Water	364	436	2,500	1,500	4,000
Parks And Trails	697	27,084	16,163	16,163	32,326
Statutory Appropriations					
Transit Assistance	141,920	168,311	195,840	209,376	405,216
Total	223,675	253,749	281,486	294,022	575,508
<u>Expenditures by Category</u>					
Local Assistance	223,675	253,749	281,486	294,022	575,508
Total	223,675	253,749	281,486	294,022	575,508
<u>Expenditures by Program</u>					
Transit	207,356	212,201	250,137	263,673	513,810
Parks	11,145	36,374	26,175	25,175	51,350
Rail	5,174	5,174	5,174	5,174	10,348
Total	223,675	253,749	281,486	294,022	575,508

<i>Dollars in Thousands</i>				
	FY2011	Governor's Recomm.		Biennium
		FY2012	FY2013	2012-13
<i>Fund: ENVIRONMENT & NATURAL RESOURCE</i>				
FY 2011 Appropriations	0	0	0	0
Subtotal - Forecast Base	0	0	0	0
Total Governor's Recommendations	0	0	0	0
<i>Fund: GENERAL</i>				
FY 2011 Appropriations	52,629	52,715	52,715	105,430
Technical Adjustments				
Current Law Base Change		15,825	15,825	31,650
Subtotal - Forecast Base	52,629	68,540	68,540	137,080
Change Items				
Transit Reduction Plan	0	(5,418)	(5,418)	(10,836)
Metropolitan Area Parks Reduction	0	(1,428)	(1,428)	(2,856)
Total Governor's Recommendations	52,629	61,694	61,694	123,388
<i>Fund: NATURAL RESOURCES</i>				
FY 2011 Appropriations	5,370	5,370	5,370	10,740
Subtotal - Forecast Base	5,370	5,370	5,370	10,740
Total Governor's Recommendations	5,370	5,370	5,370	10,740
<i>Fund: CLEAN WATER</i>				
FY 2011 Appropriations	400	400	400	800
Technical Adjustments				
One-time Appropriations		(400)	(400)	(800)
Subtotal - Forecast Base	400	0	0	0
Change Items				
Inflow & Infiltration Grants	0	2,000	1,000	3,000
Water Supply Planning	0	500	500	1,000
Total Governor's Recommendations	400	2,500	1,500	4,000
<i>Fund: PARKS AND TRAILS</i>				
FY 2011 Appropriations	15,140	15,140	15,140	30,280
Technical Adjustments				
One-time Appropriations		(15,140)	(15,140)	(30,280)
Subtotal - Forecast Base	15,140	0	0	0
Change Items				
Parks & Trails Legacy Funds	0	16,163	16,163	32,326
Total Governor's Recommendations	15,140	16,163	16,163	32,326
<i>Fund: TRANSIT ASSISTANCE</i>				
Planned Statutory Spending	168,311	195,840	209,376	405,216
Total Governor's Recommendations	168,311	195,840	209,376	405,216

METROPOLITAN COUNCIL

Program: **PARKS**

Change Item: Parks & Trails Legacy Funds

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$0	\$0	\$0	\$0
Revenues	0	0	0	0
Legacy Parks & Trails Fund (353)				
Expenditures	16,163	16,163	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$16,163	\$16,163	\$0	\$0

Recommendation

The Governor recommends \$16.163 million in FY 2012 and \$16.163 million in FY 2013 be appropriated to the Metropolitan Council from the Land and Legacy Amendment's Parks and Trails Fund to be granted to regional park implementing agencies to support land acquisition, facility renovation, facility development, visitor service improvements, natural resource restoration, and park/trail master planning for the Metropolitan Regional Park System.

Rationale

The Metropolitan Regional Park System currently open for public use encompasses over 54,600 acres of parkland and includes 39 regional parks, 12 park reserves, seven special recreation features and 231 miles of regional trails in 38 segments. These park/trail units are owned and operated by ten regional park implementing agencies – counties, special park districts and cities. The regional park implementing agencies include:

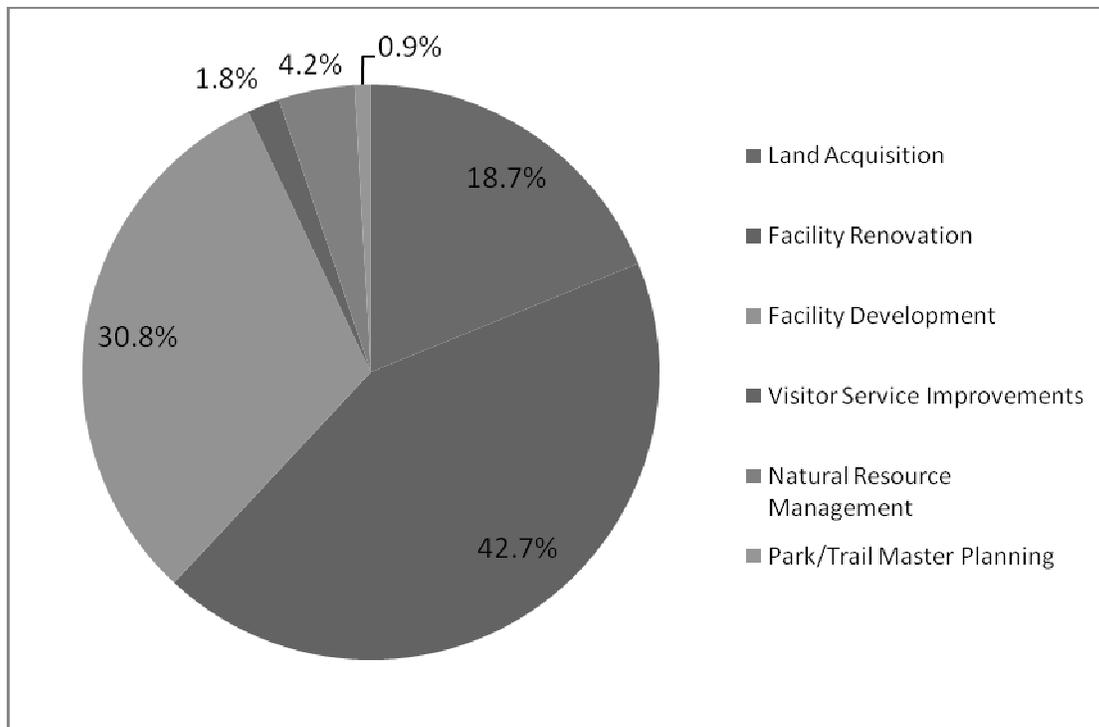
Anoka County	Ramsey County
City of Bloomington	City of St. Paul
Carver County	Scott County
Dakota County	Three Rivers Park District
Minneapolis Park & Recreation Board	Washington County

This change is necessary to implement the parks and trails portion of the Clean Water, Land, and Legacy amendment to Minnesota's Constitution, which dedicates an increase of 3/8ths of 1% of the state sales tax to clean water, habitat, arts, and parks and trails of state or regional significance. In accordance with M.S. Sec. 85.53, Subd. 3, the funds would be disbursed as follows:

FY 2012-13 Parks and Trails Fund distribution for Metropolitan Regional Parks/Trails		
Park Agency	FY 2012	FY 2013
Anoka County	\$1,411	\$1,411
City of Bloomington	258	258
Carver County	263	263
Dakota County	1,165	1,165
Minneapolis Park & Recreation Board	3,260	3,260
Ramsey County	1,210	1,210
City of St. Paul	2,263	2,263
Scott County	525	525
Three Rivers Park District	3,410	3,410
Washington County	780	780
Metropolitan Council for land acquisition grants	1,618	1,618
Grand Total	\$16,163	\$16,163

Key Goals and Measures

Each regional park implementing agency is finalizing how it will spend its portion of the appropriation and developing lists of projects in priority order. Draft proposals are being reviewed by each agency's elected board. An approved list of projects from each agency was compiled by the Metropolitan Council and submitted to Legislative Committees in late January for review with this budget recommendation. The draft proposals are summarized in the chart below which illustrates the percentage of funds proposed for land acquisition, facility renovation, facility development, visitor service improvements, natural resource management and park/trail master plans.



Based on the draft proposals, here are examples of projects that would be funded with this recommendation:

- Land acquisition: Lands within approved master plan boundaries of regional parks, trails, and park reserves would be acquired. Acquisitions are based on willing seller negotiations with the purchasing regional park implementing agency. Every \$1 from the Parks and Trails Fund is matched with \$1.20 of funds provided by the Metropolitan Council and the regional park implementing agency acquiring the land.
- Facility renovation: Renovation and replacement of worn out park and trail facilities in 15 locations is proposed. Examples of renovation include resurfacing or total replacement of paved trails, parking lots and roads; replacement of play structures associated with large group picnic areas, and renovation or replacement of restroom buildings and picnic shelters which have reached their useful life.
- Facility development: New park and trail facilities proposed in Metropolitan Council approved master plans would be constructed in 22 locations. Examples include extension of existing trails, construction of trail bridges to replace unsafe at-grade road crossings, and construction of outdoor classroom space for environmental education purposes. In many cases, the Parks and Trails Fund appropriation is used to leverage Federal transportation enhancement grants for trail and trail bridge projects.

METROPOLITAN COUNCIL

Program: **PARKS**

Change Item: Parks & Trails Legacy Funds

- Visitor service improvements: Improvements to visitor experiences in parks are provided in a variety of ways. This includes hiring staff to coordinate volunteers in land stewardship and wildlife monitoring projects; hiring staff to develop and implement environmental educational programs; and providing shuttle bus service at Como Regional Park to reduce congestion/pollution from motor vehicles and improve safety for all park visitors.
- Natural resource management: Restoration of degraded prairie, forest and wetland habitat would be done in at least five locations. The MN Conservation Corps would be utilized for some of these projects.

Park/trail master planning: Master plans for two regional parks and one regional trail in St. Paul would be prepared in conformance with MS Sec. 473.313, Subd. 1. These plans would be developed in consultation with neighboring communities, user groups and the general public to determine how best to meet existing and future recreation needs for that park or trail. The master plans must be reviewed and approved by the Metropolitan Council under MS Sec 473.313, Subd. 2. Capital projects proposed for funding in this recommendation and in proposals for State bonds must be consistent with Metropolitan Council approved master plans.

METROPOLITAN COUNCIL

Program: **PARKS**

Change Item: Inflow & Infiltration Grant Program

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$0	\$0	\$0	\$0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	2,000	1,000	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$2,000	\$1,000	\$0	\$0

Recommendation

The Governor recommends \$3 million from the Clean Water Fund in FY12-13 to the Metropolitan Council to provide matching grants to cities for a cost sharing program with private parties to: i) mitigate inflow and infiltration (I&I) of clear water into sanitary sewer systems, ii) protect Minnesota's water quality from risk of backups, spills, or outflow of sewage into the environment, and iii) to preserve clear water that should infiltrate back into Minnesota's aquifers. There is no base funding for this appropriation.

Rationale

I&I is both an environmental and economic issue for the metropolitan area. Excessive I&I into the sewers can and has caused sewage backups into houses, and spills into area lakes. While the Metro area's sewer performance is comparatively good, proactive management is required to avoid unnecessary costs.

Recent examples of the kinds of problems this initiative seeks to avoid include the metropolitan Milwaukee sewage system, which suffered a large storm in 2010 that backed up sewage in 10,000 homes and spilled billions of gallons of sewage-contaminated water into Lake Michigan. The Sioux Falls sewer district actually asked homeowners to delay washing laundry in 2010 due to excessive I&I. Among its many problems, I&I wastes clean water that should recharge underground aquifers, but instead gets sent down the Mississippi River.

While the 2010 legislature provided state bond funding to help cities with *municipal* infrastructure repairs, greater problems originate on *private* properties, and bond funds can't be used on private property. A 2008/09 pilot program was effective in attracting private and municipal partners to replace leaking pipes running between private homes and city sewer lines, and rerouting foundation drains and sump pumps that discharge clean water into wastewater lines. These problems are common, resulting from the failure of the 1970's era state plumbing code to prohibit connecting storm water disposal systems to the sanitary sewer system. The problem will persist until the backlog of disconnections is complete.

I&I is one of the biggest water resource issues in the metropolitan area. Past public and private mitigation efforts resulted in several metro cities reducing peak flows during large rain events, but much work remains. The estimated cost of building enough sewer capacity to handle the excess I&I is \$1 billion. The Metropolitan Council is pursuing this program to limit I&I at its sources, which will save hundreds of millions of dollars, and avoid an estimated 30% increase in sewer rates for all metro cities.

I&I mitigation in the metro area is comparable to eliminating straight sewer pipes or managing old septic systems in Greater Minnesota. If funding is appropriated, the Council will be able to start a grant program and begin providing the environmental benefits and jobs for small contractors within about three months.

Additional information on the Council's I&I initiatives and progress to date can be found at: <http://www.metrocouncil.org/environment/ProjectTeams/I-I-Home.htm>.

METROPOLITAN COUNCIL

Program: **PARKS**

Change Item: Inflow & Infiltration Grant Program

Key Goals and Measures

The Council will collect data on the number of repairs funded by this appropriation and the other funding it leverages. In addition to the quantity of fixes, we will project the volume of I&I mitigated.

Estimates of the billions of gallons of water that will be returned to aquifers instead of being poured into the river will also be made.

Statutory Change: Not Applicable.

METROPOLITAN COUNCIL

Program: **PARKS**

Change Item: **Metropolitan Water Supply Availability Analysis**

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$0	\$0	\$0	\$0
Revenues	0	0	0	0
Clean Water Fund				
Expenditures	500	500	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$500	\$500	\$0	\$0

Recommendation

The Governor recommends \$1 million to the Metropolitan Council in the 2012-2013 biennium from the Clean Water Fund (M.S. 114D.50) to *implement* projects related to the master water supply plan developed for the Twin City metropolitan area under M.S. 473.1565. A total of \$800,000 was allocated from the Clean Water Fund to the Metropolitan Council for FY 2010-11 for this purpose. The \$1 million will allow the Metropolitan Council to continue technical evaluations of water use and availability, to ensure that water supplies are available to meet current and future growth in the Twin Cities area without adverse impacts to natural resources.

Rationale

While the Twin Cities region is fortunate to have relatively abundant supplies of high-quality water, these supplies are not limitless and they are not always located near demand. Moreover, there have been instances where withdrawals have adversely impacted sensitive natural resources or other users. In addition, groundwater or surface water contamination has led to limits on supplies or increased costs for treatment. Many of these issues cut across community boundaries, but municipalities still typically plan only for their own supplies – lacking the information, management tools, and planning authority to consider the impacts or potential benefits of concurrent supply development in neighboring communities. Lack of sufficient information on the extent, capacity, vulnerability and effects of withdrawals from groundwater systems has led to ineffective resource protection and to delays in the water supply decision-making process in the region. In 2005, the Minnesota State Legislature recognized that as the region continues to grow, demands on supplies will continue to increase and a coordinated planning effort was necessary to ensure that resources are developed in a sustainable, efficient and informed manner.

The 2005 Legislature (in MS 473.1565) directed the Metropolitan Council (Council) to “carry out planning activities addressing the water supply needs of the metropolitan area”. Specifically, the Council was charged with developing a base of technical information for water supply planning decisions and to prepare a metropolitan regional master water supply plan. The legislature also established a Water Supply Advisory Committee to assist the Council in its planning activities, and directed the Council to submit regular reports to the legislature detailing progress. The legislature also authorized the Council to redirect \$2 million to these purposes. The results were outlined in the 2007 Report to the Legislature. Subsequent work, including a rigorous stakeholder involvement process, led to the completion of the Master Water Supply Plan in early 2010. The master plan outlines water demand and availability throughout the region. It describes issues that must be addressed in order to sustainably supply projected demands and identifies steps to address those issues.

A total of \$800,000 was allocated from the Clean Water Fund to the Metropolitan Council for FY 2010 and FY 2011 to implement the master plan and undertake specific projects addressing water supply issues in the region.

The current funding request will support the further analysis of water supply availability within the metropolitan region *and the surrounding area*. Because the aquifers and rivers used by metropolitan area communities extend beyond the seven county area, water supply analyses must also consider information from beyond its boundaries.

Funding will be used to improve technical analyses of long-term water availability and to develop water conservation and reuse program implementation and evaluation tools. Specifically, information generated from further hydro-geologic research will support improvement and application of the regional groundwater flow model; the effectiveness of water conservation programs will be evaluated against region-specific factors; and storm

water management tools will be developed to maximize aquifer recharge while protecting quality. These water supply modeling and management efforts, beyond the scope and ability of local water utilities, will reduce the uncertainties – and associated delays and additional costs - that communities face when developing supplies on their own.

As communities use the information generated through this water supply planning effort, the decisions made will result in more efficient approaches to our ultimate goal of sustainable development (MS 4A.07).

This division of the Council (MCES) has achieved about a 40% reduction in its work force (which performs mostly wastewater services) since the merger with the Metropolitan Council in 1994, and maintains sewer rates lower than 80% of peer agencies (National Association of Clean Water Agencies, 2008), while having some of the most stringent regulations in the Midwest and a very high compliance record (at September 2010, had 43 consecutive months of perfect NPDES permit compliance).

Reducing Costs:

This water supply initiative will reduce the aggregate governmental cost of planning for water supply, but the savings will be distributed among the state agencies and cities that use the services. As communities plan for water supply, the information and analysis generated from this effort can be used for decision making by multiple communities, without each having to collect and analyze it themselves. In some cases, this effort will reduce water supply system costs by identifying water supply sources and limitations prior to growth and planning for appropriate infrastructure to meet projected demands.

Key Goals and Measures

Minnesota Milestone Indicator 59 Water Use has the following goal and rationale:

Goal: Minnesotans will conserve natural resources to give future generations a healthy environment and a strong economy. Continued prosperity and community well-being depend on conserving and maintaining the natural systems that are the base for economic activity.

An assessment of water supplies available to each community will continue and be prioritized for areas with high projected demands and where some potential limitation on future withdrawal exists. Options for those communities will be developed so that requests for proposed withdrawals can be reviewed in a much shorter time frame than in the past, in most cases, preventing delays in growth.

Past water use information will be used to project future demand. MCES will track and report per capita water use for each community in the region to determine trends and effects of conservation and planning efforts and will estimate the amount of conservation which was impacted by the tools and programs provided by this program and funding.

Also, MCES will track and report the number of new wells and appropriation permit conditions related to water resource issues identified through the regional availability analysis and estimate the value of having the information available for supply system planning.

Statutory Change: Not Applicable.

METROPOLITAN COUNCIL

Program: TRANSIT

Change Item: Transit Operating Reduction

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Bus Operations Expenditures	(5,418)	\$(5,418)	\$(5,418)	\$(5,418)
Rail Operations Expenditures				
Other Fund				
Expenditures				
Revenues				
Net Fiscal Impact	\$(5,418)	\$(5,418)	\$(5,418)	\$(5,418)

Recommendation

The Governor recommends a base reduction of \$5.418 million in the Metropolitan Council's base appropriation for transit operations.

Background

The Transportation Division's operating budget has maintained existing regional transit system service while adding committed Northstar Commuter Rail and Federal Urban Partnership Agreement service.

Based on the November 2010 Motor Vehicle Sales Tax forecast and the proposed reduction in State General Fund Appropriations, existing service levels cannot be maintained. To minimize the impact of service reductions, the Council may consider a \$0.25 "across the board" fare increase for bus and rail effective January 1, 2012, which would generate approximately \$9.3 million over the biennium.

The Council benefits from both General Fund Appropriations and Motor Vehicle Sales Tax Revenues to fund transit operations. Between FY 2007 and FY 2012, the Council portion of statewide MVST increases from 21.5% to 36%. This increase in the Council share of MVST collections has not resulted in a significant increase in total revenues. Reductions in statewide MVST collections and General Fund appropriations have offset nearly all growth in the Council's MVST share.

This permanent General Fund reduction will have an increasingly significant impact on the Council's ability to maintain existing bus and rail service and start-up Central Corridor LRT in the 2014-15 biennium. Central Corridor is scheduled to begin operations in 2014 and operating costs will need to be addressed.

Relationship to Base Budget

Bus Operations: Current law provides \$59.796 million each year for bus operations or \$119.592 million for the biennium. This recommendation would reduce this appropriation by approximately 9% to \$54.378 million each year or \$108.756 million for the biennium.

Rail Operations: Current law provides \$5.174 million each year or \$10.348 million of state funding for the biennium for operations of the Hiawatha light rail transit line and no base funding for Northstar Commuter Rail or for future Central Corridor Operations.

Key Goals and Measures

Regional transit ridership is at a 25-year high with minimal existing capacity for growth. Concurrently, demand for transit is growing in response to the improving economy and increasing fuel prices. A reduction in State General Fund will reduce service levels.

Alternatives Considered

Absent additional state funding, there does not appear to be alternatives to bus and rail service reductions that are in addition to the reduction in reserves and increases in fares already proposed.

Statutory Change: Not Applicable.

METROPOLITAN COUNCIL

Program: **PARKS**

Change Item: **Metro Regional Parks Appropriation Reduction**

Fiscal Impact (\$000s)	FY 2012	FY 2013	FY 2014	FY 2015
General Fund				
Expenditures	\$(1,428)	\$(1,428)	\$(1,428)	\$(1,428)
Revenues	0	0	0	0
Other Fund				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact	\$(1,428)	\$(1,428)	\$(1,428)	\$(1,428)

Recommendation

The Governor recommends a general fund base reduction of \$1.428 million in FY 2012 and FY 2013 to the Metropolitan Council for operating and maintenance expenses of the Metropolitan Regional Parks System.

Background

Since 1985, State appropriations have supplemented local property taxes and park user fees to finance operations and maintenance of the Metropolitan Regional Park System. These appropriations are disbursed under a formula in MS 473.351 to ten regional park agencies who collectively own and operate the Metropolitan Regional Park System.

Relationship to Base Budget

Base General Fund appropriations total \$7.14 million over the biennium. However, Lottery in Lieu of Sales Tax Revenue statutorily dedicated for this purpose would provide \$10.74 million over the biennium. The General Fund biennial reduction of \$2.856 million represents a reduction of 16% when both funding sources are combined. Under this reduction, the combined general fund and Lottery In Lieu of Sales Tax Revenue would finance 8.34% of the operating and maintenance budget of the Metropolitan Regional Park System. The General Fund reduction would cut the amount a park agency received in a range from \$15,526 to \$365,555 per year.

Key Goals and Measures

Key Goal effected: Maximize the effectiveness and value of regional services, infrastructure investments and incentives.

Measure: The reduction may impact the ability of park agencies to operate and maintain their portion of the Regional Park System at current standards.

Alternatives Considered

Appropriation of State Lottery in Lieu of Sales Tax collections for Parks and Trails could be increased if there was unobligated revenue in the account.

Statutory Change: Not Applicable.

METROPOLITAN COUNCIL

Program: TRANSIT

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	65,436	43,971	43,971	43,971	87,942
Technical Adjustments					
Current Law Base Change			15,825	15,825	31,650
Subtotal - Forecast Base	65,436	43,971	59,796	59,796	119,592
Governor's Recommendations					
Transit Reduction Plan		0	(5,418)	(5,418)	(10,836)
Total	65,436	43,971	54,378	54,378	108,756
<u>Expenditures by Fund</u>					
Direct Appropriations					
General	65,436	43,890	54,297	54,297	108,594
Statutory Appropriations					
Transit Assistance	141,920	168,311	195,840	209,376	405,216
Total	207,356	212,201	250,137	263,673	513,810
<u>Expenditures by Category</u>					
Local Assistance	207,356	212,201	250,137	263,673	513,810
Total	207,356	212,201	250,137	263,673	513,810
<u>Expenditures by Activity</u>					
Met Council Transit	207,356	212,201	250,137	263,673	513,810
Total	207,356	212,201	250,137	263,673	513,810

METROPOLITAN COUNCIL

Program: PARKS

Program Summary

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
<u>Direct Appropriations by Fund</u>					
Environment & Natural Resource					
Current Appropriation	1,290	0	0	0	0
Subtotal - Forecast Base	1,290	0	0	0	0
Total	1,290	0	0	0	0
General					
Current Appropriation	3,724	3,484	3,570	3,570	7,140
Subtotal - Forecast Base	3,724	3,484	3,570	3,570	7,140
Governor's Recommendations					
Metropolitan Area Parks Reduction		0	(1,428)	(1,428)	(2,856)
Total	3,724	3,484	2,142	2,142	4,284
Natural Resources					
Current Appropriation	5,070	5,370	5,370	5,370	10,740
Subtotal - Forecast Base	5,070	5,370	5,370	5,370	10,740
Total	5,070	5,370	5,370	5,370	10,740
Clean Water					
Current Appropriation	400	400	400	400	800
Technical Adjustments					
One-time Appropriations			(400)	(400)	(800)
Subtotal - Forecast Base	400	400	0	0	0
Governor's Recommendations					
Inflow & Infiltration Grants		0	2,000	1,000	3,000
Water Supply Planning		0	500	500	1,000
Total	400	400	2,500	1,500	4,000
Parks And Trails					
Current Appropriation	12,641	15,140	15,140	15,140	30,280
Technical Adjustments					
One-time Appropriations			(15,140)	(15,140)	(30,280)
Subtotal - Forecast Base	12,641	15,140	0	0	0
Governor's Recommendations					
Parks & Trails Legacy Funds		0	16,163	16,163	32,326
Total	12,641	15,140	16,163	16,163	32,326
<u>Expenditures by Fund</u>					
Direct Appropriations					
Environment & Natural Resource	1,290	0	0	0	0
General	3,724	3,484	2,142	2,142	4,284
Natural Resources	5,070	5,370	5,370	5,370	10,740
Clean Water	364	436	2,500	1,500	4,000
Parks And Trails	697	27,084	16,163	16,163	32,326
Total	11,145	36,374	26,175	25,175	51,350
<u>Expenditures by Category</u>					
Local Assistance	11,145	36,374	26,175	25,175	51,350
Total	11,145	36,374	26,175	25,175	51,350
<u>Expenditures by Activity</u>					

METROPOLITAN COUNCIL

Program: PARKS

Program Summary

Dollars in Thousands

	Current		Governor Recomm.		Biennium
	FY2010	FY2011	FY2012	FY2013	2012-13
Parks	11,145	36,374	26,175	25,175	51,350
Total	11,145	36,374	26,175	25,175	51,350

METROPOLITAN COUNCIL

Program: RAIL

Program Summary

<i>Dollars in Thousands</i>					
	Current		Governor Recomm.		Biennium 2012-13
	FY2010	FY2011	FY2012	FY2013	
<u>Direct Appropriations by Fund</u>					
General					
Current Appropriation	5,174	5,174	5,174	5,174	10,348
Subtotal - Forecast Base	5,174	5,174	5,174	5,174	10,348
Total	5,174	5,174	5,174	5,174	10,348
 <u>Expenditures by Fund</u>					
Direct Appropriations					
General	5,174	5,174	5,174	5,174	10,348
Total	5,174	5,174	5,174	5,174	10,348
 <u>Expenditures by Category</u>					
Local Assistance	5,174	5,174	5,174	5,174	10,348
Total	5,174	5,174	5,174	5,174	10,348
 <u>Expenditures by Activity</u>					
Rail Operations	5,174	5,174	5,174	5,174	10,348
Total	5,174	5,174	5,174	5,174	10,348

Dollars in Thousands

	Actual FY2010	Budgeted FY2011	Governor's Recomm. FY2012 FY2013		Biennium 2012-13
<i>Non Dedicated Revenue:</i>					
Total Non-Dedicated Receipts	0	0	0	0	0
<i>Dedicated Receipts:</i>					
Taxes:					
Transit Assistance	141,920	168,311	195,840	209,376	405,216
Total Dedicated Receipts	141,920	168,311	195,840	209,376	405,216
Agency Total Revenue	141,920	168,311	195,840	209,376	405,216