



METROPOLITAN COUNCIL

2004 UNIFIED OPERATING BUDGET

Adopted December 17, 2003

HT
394
.T9
M47cx
2004

Publication no. 35-03-028

Minn. Stat. 473.13 Subd. 1



Metropolitan Council

Mears Park Centre, 230 East Fifth Street, St. Paul, Minnesota 55101

Metropolitan Council Members

Peter Bell - Chair
Roger Scherer - District 1
Tony Pistilli - District 2
Mary Hill Smith - District 3
Julius C. Smith - District 4
Russ Susag - District 5
Peggy Leppik - District 6
Annette Meeks - District 7
Lynette Wittsack - District 8
Natalie Haas Steffen - District 9
Marcel Eibensteiner - District 10
Georgeanne Hilker - District 11
Chris Georgacas - District 12
Rick Aguilar - District 13
Song Lo Fawcett - District 14
Tom Egan - District 15
Brian McDaniel - District 16

General phone	651 602-1000
Regional Data Center	651-602-1140
TTY	651 291-0904
Metro Info Line	651 602-1888
E-mail	data.center@metc.state.mn.us
Web site	www.metrocouncil.org

Publication no. 35-03-028

Printed on recycled paper with at least 20% post-consumer waste.

On request, this publication will be made available in alternative formats to people with disabilities. Call the Metropolitan Council Data Center at 651 602-1140 or TTY 651 291-0904.

Metropolitan Council

2004 Unified Operating Budget

BUDGET MESSAGE	RECEIVED	1-1
MISSION, AUTHORITY AND ORGANIZATION	AUG 05 2004	2-1
BUDGET SUMMARY AND FINANCIAL RESOURCES	LEGISLATIVE REFERENCE LIBRARY STATE OFFICE BUILDING ST. PAUL, MN 55155	
- Budget Summary		3-1
- Budget Tables		
Table 1: 2002, 2003 & 2004 Operating, Passthrough and Debt Service Budgets		3-11
Table 2: Summary Budget, Operations, Passthrough and Debt Service		3-12
Table 3: 2004 Summary Budget for Council Operations, by Division		3-13
Table 4: 2004 Summary Budget, Environmental Services Division		3-14
Table 5: 2004 Summary Budget, Transportation Division		3-15
Table 6: 2004 Summary Budget, Community Development Division		3-16
Table 7: 2004 Summary Budget, Regional Administration		3-17
Table 8: 1999-2004 Revenue Detail for Operations		3-18
Table 9: Property Tax Levy History, 1999-2004		3-21
Table 10: Debt Service History, 1999-2004, Regional Bonding Authorizations		3-22
Table 11: Staffing History by Division, 2001-2004		3-28
ENVIRONMENTAL SERVICES DIVISION		4-1
TRANSPORTATION DIVISION		5-1
COMMUNITY DEVELOPMENT DIVISION		6-1
REGIONAL ADMINISTRATION		7-1
BUDGET DEVELOPMENT AND ADOPTION PROCESS		8-1
APPENDICES		
A. Passthrough Grant and Loan Programs, 1999-2004		9-1
B. Capital Outlay 2004, 2005-2008 Projected		10-1
C. Interdivisional Cost Allocation Summary		11-1
D. 2004 Property Tax Levy Estimates		12-1
E. 2004 Budget by Fund		13-1
F. Service Level History Charts		
1) Metro Transit and Metropolitan Transportation Services		14-1
2) Community Development		14-5
3) Environmental Services		14-6
G. 2004 Consultant Activity Report		15-1
1) 2002 Professional Services Contracts		
a. Summary of 2002 Consultant Activity by Division		15-4
b. 2002 Contracts \$50,000 and Greater		15-5
c. 2002 Contracts Less Than \$50,000		15-9
2) Consultant and Contractual Services – 2003 Budget		15-15
3) Consultant and Contractual Services – 2004 Budget		15-22
H. Glossary		16-1

BUDGET MESSAGE

BUDGET MESSAGE

The Metropolitan Council's budget addresses the charge given to the agency by the Pawlenty Administration's statement of Values, Goals, and Principles.

The budget supports the Council's Mission Statement, which is:

To develop, in cooperation with local communities, a comprehensive regional planning framework, focusing on transportation, wastewater, parks and aviation systems, that guides the efficient growth of the metropolitan area.

The Council operates transit and wastewater services and administers housing and other grant programs.

GUIDING PRINCIPLES

To address this mission, the 2004 Budget is focused on completing and implementing the Council's Regional Development Framework within the parameters of the following guiding principles:

- Focus on our mission
- Balance regional needs with local concerns
- Maximize Council accountability
- Involve citizens in the fulfillment of the Council's mission
- Efficiently utilize current and future regional infrastructure, services and resources
- Operate quality services in an inclusive, customer-focused and efficient manner
- Encourage innovation to improve services and programs

REGIONAL DEVELOPMENT FRAMEWORK

By the year 2030, the Twin Cities metropolitan area is expected to grow by nearly 1 million people and 460,000 households. The Council's Regional Development Framework is intended to help ensure that growth occurs in a coordinated, orderly, and economical manner – consistent with our legislative mandate.

The Framework will emphasize this Council's commitment to (1) work collaboratively with local governments, (2) make the most cost-effective use of new and existing infrastructure, and (3) be accountable to the public – by establishing benchmarks for measuring progress toward our goals.

In addition, the Framework will contain a new transportation policy that addresses the region's growing concerns about mobility and congestion. Finally, it will contain strategies to protect and manage the region's water resources – consistent with Governor Pawlenty's statewide water resources initiative.

Metropolitan Council 2004 Unified Budget Budget Message

2004 OPERATING BUDGET OVERVIEW

The financial objectives underlying the 2004 budget include:

- Focus on balanced budgets that support Council strategies;
- No unplanned use of reserves; and,
- Maintenance of AAA bond rating.

The 2004 budget must address several financial challenges. The challenges facing the Council include: dramatically rising medical costs, necessary investment in technology to maintain and improve council operational efficiencies; a decrease in the operating levy and a Council commitment to minimize the tax impact on residential taxpayers; and Council reductions in staffing and expenses in response to the state's budgetary issues.

The Operating Budget is comprised of three major categories: Operating expenditures, Pass-Through grants and loans, and Debt Service, which are the funds required to pay both the long-term principal and interest on bonds, notes, certificates, and loans.

- Operating expenditures are \$423.9 million, up 2.9 percent from the 2003 Adopted budget and 6.9 percent over the 2003 Amended budget. The increases are driven primarily by labor agreements currently in place and new programs such as Light Rail coming on line in 2004.
- Pass-Through grant and loan expenditures are \$71.8 million, up from \$56.9 million in 2003.
- Debt service expenditures are \$108 million, which is up 5.7% from \$102.2 million in 2003.

The total unified budget for operations, grants and loans, and debt service is \$603.7 million, an increase of 5.7 percent from \$571.2 million in 2003.

PROPERTY TAX LEVIES

Minnesota Statutes authorize 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. The Council's taxing area for all purposes except transit consists of the seven-county Twin Cities Metropolitan Area. The boundaries of the Transit Taxing District include those communities receiving regular route transit service.

The total combined 2004 property tax levy for all Council purposes is \$70.1 million, which is a 1.0 percent increase from the 2003 levy of \$69.4 million. The nominal overall increase represents a 5.5 percent decrease in the general, non-debt, and Parks debt service levies, offset by an 8.2 percent increase in transit debt service. The general operating levy is \$222,329 below the levy limit. The Highway Right-of-Way program and the Livable Communities levy recommendations are a combined \$100,000 below the levy limit.

Approximately 50.8 percent of the Council's total property tax levy supports transit debt service; 18.8 percent of the levy is for purposes specified in the Livable Communities Act; 11.7 percent supports parks, solid waste, and radio program debt service; 4.0 percent supports the Highway Right-of-Way Acquisition Loan program; and, the remaining 14.7 percent supports the general operations of the Council.

MISSION, AUTHORITY, AND ORGANIZATION

Metropolitan Council 2004 Unified Budget

Mission, Authority and Organization

MISSION

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 guides the efficient growth of the metropolitan area. The Council operates transit and wastewater services and administers housing and other grant programs.

Guiding Principles

- Focus on our mission.
- Balance regional needs with local concerns.
- Maximize Council accountability.
- Involve citizens in the fulfillment of the Council's mission.
- Efficiently utilize current and future regional infrastructure, services, and resources.
- Operate quality services in an inclusive, customer-focused, and efficient manner.
- Encourage innovation to improve services and programs.

Authority and Organization

The Metropolitan Council (the "Council") was created in 1967 by the State Legislature and Minnesota Statutes as a governmental unit responsible for coordinating the planning and development of the seven-county metropolitan area (the "area"). The Council is not a state agency, but is defined by statute as a "public corporation and political subdivision of the state."

The area over which the Council has responsibility consists of 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. The area includes 188 cities and townships and 2.7 million people.

The 1976 Metropolitan Land Planning Act strengthened the coordination of local land-use planning with the Council's planning for regional systems (transportation, wastewater treatment, airports, and regional parks).

Under the act, local governments prepare comprehensive plans and Council reviews them with respect to their compatibility with the plans of other communities, consistency with adopted Council policy plans, and conformity with metropolitan system plans. The Metropolitan Reorganization Act of 1994 made substantial changes in the metropolitan regional government structure by merging the functions of three regional agencies (the Metropolitan Waste Control Commission, the Metropolitan Transit Commission, and the Regional Transit Board) into the Metropolitan Council.

The Council has 17 members, 16 representing districts and one chairperson. Council members are appointed by the Governor after consultation with the Legislative representatives from the appointee's district with the advice and consent of the State Senate. Members serve at the pleasure of the Governor. The Chair presides at meetings of the Council, serves as the principal liaison of the Council with the Legislature and local elected officials, and is the principal spokesperson of the Council. Current Metropolitan Council members are listed on pages 2-5. The Council's policymaking structure is shown on pages 2-6.

Metropolitan Council 2004 Unified Budget

Mission, Authority and Organization

The Council is responsible for planning and coordinating metropolitan development cooperatively with the local communities of the area. The Council forecasts the area's growth, devises a plan to guide it (the Regional Development Framework), and makes decisions about developing transportation, wastewater service, aviation and parks to support it. Between 2000 and 2030, the Council anticipates an increase of 555,000 jobs, 461,000 households, and 931,000 people.

Regional planning saves millions of dollars that would otherwise be spent on inefficient public services or unplanned growth. The Council works with local governments and the private sector throughout the region to carry out the Development Framework.

In addition to planning and guiding growth and development, the Council is responsible for vital regional services, including:

- Operating a regional transit system that provides nearly 231,000 bus rides daily and about 4,300 rides daily for people with disabilities through Metro Mobility;
- Collecting and treating up to 300 million gallons of wastewater daily;
- Serving nearly 100 communities and about 6,800 households through Section 8 and other affordable housing programs; and
- Working with local governments to develop and maintain the 55,000-acre regional parks system.

The Council is organized into three operating divisions: Transportation, Environmental Services, and Community Development. The operating divisions report to the Regional Administrator who, in turn, reports to the 17-member Council. The Regional Administrator is responsible to ensure that policy decisions of the Council are carried out, to organize, and direct work of Council staff, to prepare and submit an annual budget and to keep the Council fully apprised of the financial condition of the Council.

TRANSPORTATION DIVISION

The Metropolitan Council operates or provides funding to five types of transit programs.

- **Metro Transit:** Directly provided service to 68 million customers in 2002 with a fleet of 965 buses and 136 routes.
- **Metro Mobility:** This program serves persons with disabilities that prevent them from using the regular transit system. This service provided over 1.3 million rides in 2002, to over 18,000 certified riders.
- **Contracted Regular Routes:** Approximately 5% of regular route service is bid and contracted out to private and non-profit organizations. Through 18 contracts, this service provided 1.9 million rides in 2002.
- **Community Programs:** Dial-A-Ride service is provided to rural areas and a number of cities through contracts with counties and non-profit organizations. In 2002, 375,000 rides were provided through this program through contracts for 11 rural and seven urban transit service providers.
- **Opt-Out Communities:** Twelve communities have chosen to "opt-out" of regional transit service and provide their own programs. The Council provides capital funding for these programs and passes through operating funds from the state. In 2002, these programs provided 3.4 million rides.

Metropolitan Council 2004 Unified Budget

Mission, Authority and Organization

The 2004 transportation budget is focused on maintenance of the existing transit system, yet also oriented toward continuing reasonable growth once funds become available. Transit ridership and service are anticipated to decline slightly in 2004.

The 2004 budget includes \$59.0 million from the general fund state appropriation for transit support. The state appropriation includes \$3.4 million for operations of the Hiawatha light rail line, which is scheduled to begin partial operations in April 2004.

ENVIRONMENTAL SERVICES DIVISION

Metropolitan Council Environmental Services (MCES) collects and treats up to 300 million gallons of wastewater each day from 103 communities, achieving near-perfect compliance with federal and state clean water standards. It also provides water resources monitoring and analysis for the region, and partners with numerous public and private groups committed to a clean environment. MCES operations and debt service are 100 percent funded by user fees.

The 2004 Annual Budget and 5-Year Plan focus on meeting the objectives and expected outcomes that align with the Council and MCES's strategic goals.

The following considerations were the top priorities during the planning of the 2004 budget.

- Meeting regulatory requirements.
- Meeting customer expectations for quality and level of service.
- Addressing watershed capacity and pollutant load issues.
- Remaining competitive in the marketplace.
- Fully funding the current cost of all programs.

COMMUNITY DEVELOPMENT

The Community Development unit conducts overall planning and policy development to support the Council's mission. The unit awards grants to local governments and provides technical assistance to help them carry out their comprehensive plans. It also provides housing assistance to lower-income households.

In 2004, Community Development will focus its resources, tools and incentives on implementation of the Regional Development Framework, the Council's new regional action plan. The Regional Development Framework is a comprehensive strategy for addressing regional policies and investments and is focused on integrating transportation, housing, development, and environmental protection to support the region's quality of life.

The Housing and Redevelopment Authority includes two major units, the Rental Assistance program providing HUD Section 8 rental assistance; and the Family Affordable Housing Program that rents 150 housing units owned and operated by the Council. 2003 was the first full year of operation for the Family Affordable Housing Program. The Family Affordable Housing Program has resulted in the Council owning and managing affordable housing units and is a key step in addressing the region's critical affordable housing shortage.

REGIONAL ADMINISTRATION

In addition to the three operating divisions, the Council has central administrative units, organized as Regional Administration, that also report to the Regional Administrator. The units establish administrative policies for the entire organization and support the three operating divisions. Regional Administration consists of functions such as human resources, finance, legal, purchasing, and risk management that provide Council-wide services to the operating divisions of the Council. The majority of the Regional Administration budget is allocated to the operating divisions of the Council.

Regional Administration's major priority for 2004 will be to continue supporting the Council's operating units by providing high quality, cost effective services. The Council's organizational structure is shown on pages 2-7.

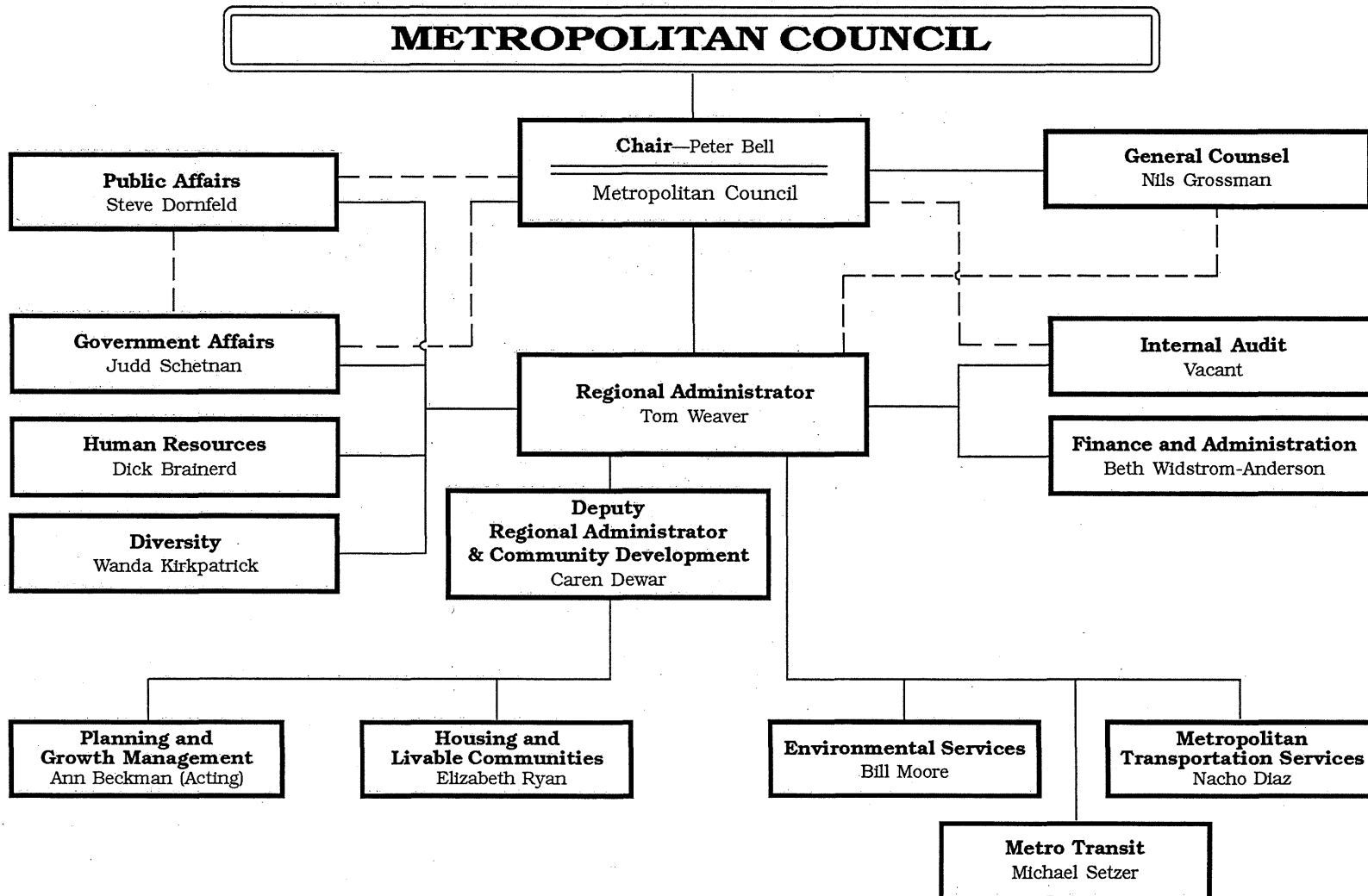
LEGISLATIVE COMMISSION ON METROPOLITAN GOVERNMENT

Legislation passed in 2001 established a Legislative Commission on Metropolitan Government, consisting of seven senators and seven state representatives. The legislation directs the commission to monitor, review, and make recommendations to the legislature and the Council on:

- The tax rate and dollar amount of the Council's property tax levies and any proposed increases in the rate or dollar amount of tax;
- Requests for an increase in the debt of the Council;
- The overall work and role of the Council;
- The Council's proposed operating and capital budgets, work program and capital improvement program; and
- The Council's implementation of the operating and capital budgets, work program, and capital improvement program

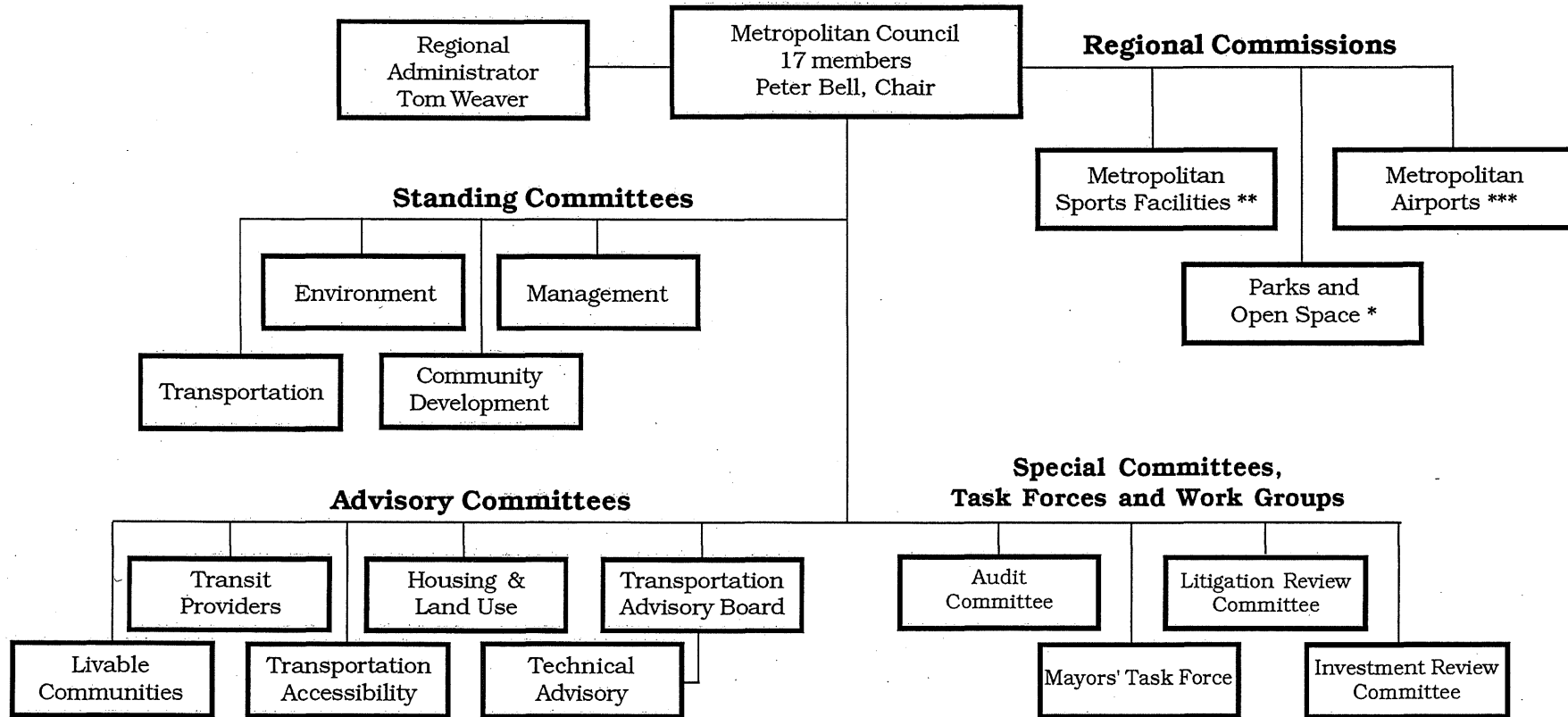
Metropolitan Council 2004 Unified Budget
Mission, Authority and Organization

Council Members	Term of Office	
	First Appointed	End of Term
Chair		
Peter Bell	January 9, 2003	Pleasure of the Governor
<u>District Members</u>		
District No. 1 - Roger Scherer	March 10, 2003	January 2007
District No. 2 - Tony Pistilli	March 19, 2003	January 2007
District No. 3 - Mary Hill Smith	January 4, 1993	January 2007
District No. 4 - Jules Smith	July 31, 1993	January 2007
District No. 5 - Russell Susag	March 10, 2003	January 2007
District No. 6 - Peggy Leppik	March 10, 2003	January 2007
District No. 7 - Annette Meeks	March 10, 2003	January 2007
District No. 8 - Lynette Wittsack	March 10, 2003	January 2007
District No. 9 - Natalie Haas Steffen	April 19, 1999	January 2007
District No. 10 - Marcel Eibensteiner	March 10, 2003	January 2007
District No. 11 - Georgeanne Hilker	September 11, 2003	January 2007
District No. 12 - Chris Georgacas	March 10, 2003	January 2007
District No. 13 - Rick Aguilar	March 10, 2003	January 2007
District No. 14 - Song Lo Fawcett	March 10, 2003	January 2007
District No. 15 - Tom Egan	May 22, 2002	January 2007
District No. 16 - Brian McDaniel	September 11, 2003	January 2007



January 2004

Metropolitan Council Policymaking Structure



* Staff support provided to Commission by Metropolitan Council.

** The Metropolitan Council has budget approval and issues bonds for the commission.

*** The Metropolitan Council reviews the capital budget and approves certain projects.



Metropolitan Council

Mears Park Centre
230 East Fifth Street
St. Paul, Minnesota 55101-1626
(651) 602-1000 • Fax 602-1550 • TTY 291-0904

BUDGET SUMMARY
AND
FINANCIAL RESOURCES

Metropolitan Council 2004 Unified Budget Budget Summary and Financial Resources

UNIFIED OPERATING, PASSTHROUGH AND DEBT SERVICE BUDGET

Highlights of the Unified Budget are as follows. The Unified budget includes the budget for operations, pass-through grant programs, and debt service.

- Total 2004 revenues and other financing sources for operations, pass-through and debt service are \$597,757,534, an increase of 2.7 percent from \$582,215,982 in the 2003 Adopted budget.
- Total expenditures for operations, pass-through and debt service are \$603,708,621, increasing 5.7 percent from \$571,209,734 in the 2003 Adopted budget.
- The General fund shows a balance between operating revenues and other sources and expenditures.
- Environmental Services shows a balance between operating revenues and other sources and expenditures.
- In Transportation, Metro Transit shows an \$5,691,695 deficit between operating revenues and other sources and expenditures. This deficit will be balanced when results of labor negotiations are known. Metropolitan Transportation Services shows a planned use of reserves in the Regular Route fund.

The Unified Budget is summarized in the following table for operating, pass-through and debt service for all Council units. The table shows 2002 actual; and, Adopted budgets for 2003 and 2004. Operating expenditures increase in 2004 by 2.86 percent from the 2003 Adopted, and debt service expenditures increase by 5.69 percent. Total expenditures increase 5.69 percent.

UNIFIED BUDGET OPERATING, PASSTHROUGH AND DEBT SERVICE

<u>Revenues</u>	<u>2002 Actual</u>	<u>2003 Adopted</u>	<u>2004 Adopted</u>	<u>Change</u>
Reg'l Administration	9,182,692	7,362,198	7,008,329	-4.81%
Comm Development	9,407,132	9,966,075	9,793,715	-1.73%
Environmental Services	93,289,736	101,149,695	103,525,304	2.35%
Transportation	214,195,057	294,540,676	297,690,920	1.07%
Total Operating Revenue	\$326,074,617	\$413,018,644	\$418,018,268	1.21%
Pass Through	69,959,873	58,508,000	71,242,827	21.77%
Debt Service	102,404,420	110,689,338	108,496,439	-1.98%
Total Revenues	\$498,438,910	\$582,215,982	\$597,757,534	2.67%
<u>Expenditures</u>				
Operating	\$370,324,830	\$412,092,540	\$423,895,107	2.86%
Pass Through.	\$68,916,944	\$56,899,550	\$71,781,027	26.15%
Debt Service	\$97,989,628	\$102,217,644	\$108,032,487	5.69%
Total Expenditures	\$537,231,402	\$571,209,734	\$603,708,621	5.69%
Other Sources & Uses	3,226,482	200,000		
Balance / (Deficit)	\$-35,566,010	\$11,206,248	\$-5,951,087	

Metropolitan Council 2004 Unified Budget

Budget Summary and Financial Resources

OPERATING BUDGET SUMMARY

The 2004 operating budget for all units is \$423,895,107 up 2.9 percent from the 2003 Adopted budget of \$412,092,540. The 2004 Adopted budget is an increase of 6.9 percent from the reduced 2003 Amended budget. This increase is driven primarily by labor agreements currently in place and new programs such as Light Rail coming on line in 2004.

Operating expenditures by division (not including debt service and pass-through) are shown in the following table. Budgets for 2003 and 2004 are shown before cost allocation for comparison purposes, and after cost allocation for 2004 to reflect the level of expenditure by division after allocation of administrative costs to the operating divisions. This reflects the full expenditure authorization by division being recommended for Council approval.

Operating Expenditures, 2003 and 2004

<u>Division</u>	<u>2003 Before RA Allocation</u>	<u>2004 Before RA Allocation</u>	<u>2004 After RA Allocation</u>
Regional Administration	\$28,553,068	\$29,226,195	\$5,045,905
Community Development	\$9,937,174	\$9,789,652	\$10,018,607
Environmental Services	\$88,765,824	\$91,798,768	\$103,525,304
Transportation	\$282,502,713	\$290,437,052	\$304,478,291
Admin. Capital Expense	\$2,333,761	\$2,643,440	\$827,000
Total Operating	\$412,092,540	\$423,895,107	\$423,895,107

OPERATING EXPENDITURES

Major changes in operating expenditures are as follows:

- Salaries and benefits costs increase 4.6 percent to \$267,213,663 in 2004 from \$255,518,657 in the 2003 Adopted budget. With staffing levels down, this increase is driven primarily by in-place collective bargaining agreements, Light Rail implementation, and Post Retirement benefits.
- Consultant and contractual services increase 24 percent to \$25,234,277 in 2004 from \$20,272,968 in the 2003 Adopted budget. This increase is driven primarily by technology, software, and related project expenses from new systems coming on-line.
- Materials and Supplies costs increase 13.4 percent to \$16,474,312 in 2004 from \$14,522,918 in the 2003 Adopted budget. This increase is driven primarily by Transit.
- Transit assistance increases 1.3 percent to \$65,490,065 in 2004, from \$64,665,466 in 2003. Transit assistance to Metro Mobility is \$28,267,606 in 2004 up from \$26,246,223 in 2003; and, Transit Assistance to Opt-Out communities is \$23,315,000 in 2004, up from \$23,183,268 in 2003.

Metropolitan Council 2004 Unified Budget Budget Summary and Financial Resources

Regional Administration budgets for small administrative capital outlay expenses, consisting mainly of small computer equipment and software applications. These expenses decrease 12.7 percent to \$3,694,225 in 2004 from \$4,233,138 in the 2003 Adopted budget.

In 2004: \$2,722,325 (73.7 percent of total) supports MCES; \$642,270 (17.4 percent of total) supports Regional Administration; and \$329,630 (8.9 percent of total) supports Community Development (GIS, Metro HRA) and Transportation and Transit Development.

OPERATING REVENUES

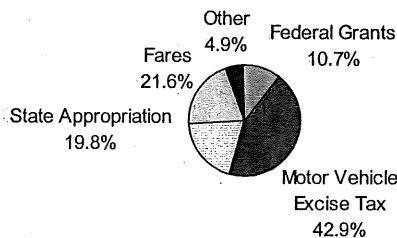
Total 2004 operating revenues increase .7 percent to \$415,924,228 from the Adopted 2003 budget and increase 4.7 percent over the 2003 Amended budget. The major items in operating revenue are:

- State transit funding includes the state transit appropriation (\$59.0 million), including funding for Light Rail operations, which commence in 2004.
- State Motor Vehicle Excise Tax (MVET) funds (\$133.3 million) are provided to the Council through the state Metropolitan Transit Fund, of which \$23.3 million will be passed through to Opt-Out communities. State appropriations for MVET funding were increased by the 2003 Legislature to 21.5 percent from 20.5 percent.
- Federal revenue increases \$6.9 million from \$29.4 million in 2003 to \$36.3 million in 2004. The increase is primarily for transit funding, with a slight increase in HRA.
- Transit passenger fares and special event revenue decline 4.8 percent from \$74.2 million to \$70.7 million.
- Municipal wastewater revenues for operations increase .4 percent from \$90.8 million in 2003 to \$91.2 million in 2004.
- The 2003 Legislature reduced the levy limit 6 percent for the General Operations Levy for 2004. In addition, the Council reduced the General Operations levy by an additional \$222,339 beyond that amount.

MAJOR REVENUE SOURCES

The major revenue sources for operations for the Transportation Division (including transit operations) are:

Transportation Revenue Sources for Operations - 2004



Transportation	2004 Adopted
Federal Grants	\$31,982,407
Motor Vehicle Excise Tax	\$127,804,700
State Appropriation	\$59,017,954
Fares	\$64,488,960
Other	\$14,663,899
Total	\$297,957,920

Metropolitan Council 2004 Unified Budget Budget Summary and Financial Resources

Federal Revenues

Federal support for transit operations is expected to increase 29.5 percent to \$27,617,628 in 2004, a \$6.3 million increase from \$21,319,074 in 2003. Federal support for transportation planning is expected to increase 9.4 percent to \$4,364,779 for 2004, a \$376 thousand increase from \$3,988,345 in 2003.

State Revenues

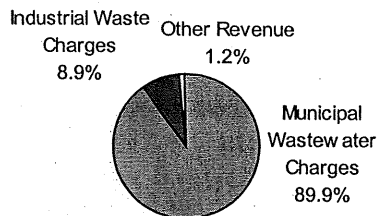
State appropriations primarily support transit operations, and are estimated at \$186,822,654 for 2004, a 2.6 percent decrease from \$191,774,790 in 2003. State revenues support transportation and transit (99.8% of total), Environmental Services (.13% of total), and HRA operations (.06% of total). The major changes in state funding for 2004 include:

- **Motor Vehicle Excise Tax**
State appropriations for MVET funding were increased by the 2003 Legislature. The effect was to increase the Council's portion of the MVET fund to 21.5 percent from 20.5 percent. MVET funding in 2004 is \$133,304,158 from which an allowance for variability of \$5,499,458 is deducted, as is the portion that is passed through to the Opt-Out communities of \$23,315,000. The net MVET revenues in the Council budget are \$104,489,700.
- **State Appropriations for Transit Operations**
The 2004 Transportation budget includes \$59,017,954 Base General Transit Assistance. This amount is \$287,522 or .49% higher than 2003, due primarily to funding for Light Rail.

Transit Fares

Revenues from passenger fares are estimated to decrease .4 percent to \$64,488,960 in 2004 from \$64,771,467 in 2003. Transit fares were increased in August 2003; no fare increase is assumed in 2004.

Environmental Services Revenue Sources for Operations - 2004



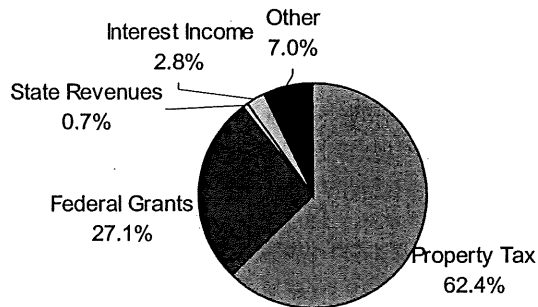
Environmental Services	2004 Adopted
Municipal Wastewater Charges	\$91,179,661
Industrial Waste Charges	\$9,007,819
Other Revenue	\$1,243,784
Total Operating	\$101,431,264

Municipal Wastewater Charges

Combined, Municipal Wastewater Charges and Industrial Strength Charges supporting water resources management increase 1.3 percent, or \$1,298,319, to \$100,187,480 in 2004, from \$98,889,161 in 2003.

Metropolitan Council 2004 Unified Budget Budget Summary and Financial Resources

Regional Administration / Community Development Revenue Sources for Operations - 2004



Regional Admin/Comm Dev	2004 Proposed
Property Tax	\$9,957,100
Federal Grants	\$4,326,044
State Revenues	\$117,224
Interest Income	\$450,000
Other	\$1,116,676
Total	\$15,967,044

Property Tax

The Property tax levy Adopted for 2004 reflects a levy amount \$222,339 below the limit, which had been reduced by the 2003 Legislature. Reduced the levy limit 6 percent for the General Operations Levy for 2004. In addition, the Council reduced the General Operations levy by an additional beyond that amount.

Federal Revenues

Federal revenues supporting HRA administration are expected to increase 5.6 percent to \$4,326,044 for 2004, a \$231,161 increase from \$4,094,883 in 2003.

PROPERTY TAX LEVY

Property taxes support operations and debt service, and provide funds for grant and loan programs. Property taxes are levied under a number of state authorizing statutes, and include support for:

- General Fund (which supports community development planning, and administration),
- Debt service for parks, transit and Metro Radio Communications bonds, and,
- Grant and loan programs including Livable Communities Act programs and the Highway Right-of-Way Acquisition Loan Fund.

Approximately 50.8 percent of the Council's total property tax levy supports transit debt service, while 18.8 percent of the levy is for purposes specified in the Livable Communities Act; 11.7 percent supports parks, solid waste, and radio program debt service; and 4.0 percent supports the Highway Right-of-Way Acquisition Loan program. The remaining 14.7 percent supports the general operations of the Council.

Total 2004 property taxes for all purposes are \$70,066,044, a 1.0 percent increase from 2003, which was \$69,371,639. Changes in the property tax levies for 2004 are as follows:

- The general-purpose levy decreased \$830,137 to \$10,300,000. The general purposes levy is \$222,329 below the 2004 levy limit. State statute requires the Council to annually provide \$1 million from the general-purpose levy for support of Livable Communities.
- Transit levies for debt service are \$35,574,713 in 2004, up 8.1 percent from \$32,894,175 in 2003.
- The Highway Right-of-Way Loan program (HROW) levy decreases 10.8 percent to \$2,803,379 from \$3,142,643 in 2003. The HROW 2004 levy is \$25,000 below the levy limit.

Metropolitan Council 2004 Unified Budget

Budget Summary and Financial Resources

- Levies for the Livable Communities program decrease .6 percent to \$13,184,070 from \$13,259,070 in 2003. The 2004 levies are \$75,000 below the levy limits.
- Other levies totaling \$8,203,882 provide debt service for Parks, Radio, and Solid Waste. Combined, these levies decreased 8.3 percent from 2003.

Property taxes support a number of grant and loan programs. Levies are authorized for the Livable Communities Accounts and the Highway Right-of-Way Acquisition Loan Program, which are grant and loan programs administered by the Council. The proceeds from these levies are passed through to local communities in the form of grants and loans. Grant and loan programs are referred to as “passthrough” funds in the budget tables. Total 2004 property taxes levied for these purposes are \$15,987,449, which is a 2.5 percent decrease from \$16,401,713 in 2003.

The Council’s taxing area for all purposes except transit consists of the seven-county Twin Cities Metropolitan Area. The boundaries of the Transit Taxing District include those communities receiving regular route transit service.

PASSTHROUGH GRANTS AND LOANS

The Council operates a number of grant programs that provide:

- Housing assistance payments through the Metro HRA.
- Parks operation and maintenance grants through the Metropolitan Parks and Open Space Commission.
- Grants to local units of government for pollution clean up, affordable housing development and demonstration projects from the Livable Communities accounts.
- Opportunity grants for land use planning and loans to local communities in support of comprehensive planning.
- Loans to local communities to purchase highway right of way under the Highway Right of Way Acquisition Loan Program.
- Grants from MCES for water quality improvement efforts from the Twin Cities Water Quality Initiative grant program, and the Metro Environment Partnership grant program.

These programs receive revenue from federal and state governments and local property taxes for grant expenditures and loans. Grants and loans are made to public and private Metropolitan Area organizations. Housing assistance payments are made to individuals.

Total 2004 expenditures for passthrough grants and loans, including the Highway Right-of-Way loan program, is estimated at \$75,336,027, up 24.7 percent from \$60,399,550 in the Adopted 2003 budget (see following table or Appendix A). Passthrough grants and new loan activity for 2003 and 2004 are summarized below.

Metropolitan Council 2004 Unified Budget

Budget Summary and Financial Resources

Passthrough Grant Expenditures and Loan Programs 2003 - 2004

Passthrough Grant and Loan Programs	<u>2003 Adopted</u>	<u>2004 Adopted</u>	<u>% Change</u>
<u>Grant Programs:</u>			
-Housing Assistance Payments-HRA	\$32,115,000	\$46,296,027	44.2%
-Parks Open. & Maintenance Grants	8,630,000	8,630,000	-
-Livable Communities Grants and Loans	15,904,550	16,605,000	4.4%
-Planning Assistance Grants	250,000	250,000	-
-Transit for Livable Communities grants	0	0	-
Total Grants	\$56,899,550	\$71,781,027	26.2%
<u>Loan Programs:</u>			
-Highway Right-of-Way (new loans)	3,500,000	3,555,000	1.4%
Total Loans	\$ 3,500,000	\$ 3,555,000	1.4%
Total Grants and Loans	\$60,399,550	\$75,336,027	24.7%

Housing Assistance Payments to HRA increase significantly from the Adopted 2003 budget of \$32.1 million to \$46.3 million in 2004. The 2004 Adopted budget reflects a combination of higher utilization rates and a higher per unit cost per family for the Section 8 housing.

In addition to the grant and loan programs listed above, the Environmental Services Division will make approximately \$2.0 million in grants to local communities and agencies under the Metro Environment Partnership. The grants are supported by penalty fees and operating revenues, and are included as operating expenses in the budget tables.

DEBT SERVICE EXPENDITURES

The Council is authorized under State statutes to issue debt to support capital programs in transit, wastewater, parks and open space, and radio communications. In the past, the Council had authority to issue bonds for solid waste landfill siting. While that authority no longer exists, there are still outstanding solid waste bonds being repaid.

Debt service data for 2003 and 2004 is summarized below. In 2004, total Adopted Council debt service expenditures are \$108,032,487, up 5.7 percent from \$102,217,644 in 2003. Major areas of change include: transit (+ \$7,128,653), parks debt service (+ \$1,296,048), and wastewater debt service (- \$2,614,000).

Debt service is financed from the following sources:

- Property taxes (38%), which support transit, parks, solid waste, and radio debt.
- Municipal wastewater charges and service availability charges (62%), which support Environmental Services.
- Interest income on debt service fund balances and use of fund balances (< 1%), supporting transit, parks, and solid waste debt.

Metropolitan Council 2004 Unified Budget Budget Summary and Financial Resources

Debt Service Expenditures Comparison 2003-2004

<u>Division</u>	<u>2003 Adopted</u>	<u>2004 Adopted</u>
Transportation – Transit	\$26,225,560	\$33,354,213
Environmental Services	68,615,339	66,001,339
Other		
-Parks & Open Space	6,589,967	7,886,015
-Solid Waste	399,725	404,460
-800 Megahertz Radio	387,053	386,460
Total Debt Service	\$102,217,644	\$108,032,487

DIVISION FINANCIAL SUMMARIES

TRANSPORTATION DIVISION

The 2004 transit budget includes support for the base transit system at the current level of service. The 2004 budget for transportation shows a decrease in state appropriations and MVET funds of 2.3 percent for the year 2004 from 2003. The 2004 budget includes \$127.8 million in MVET funds, after an allowance for funding variability, and includes \$59.0 million from the “base” biennial state appropriation for transit support.

Federal revenues for transportation are projected to increase 26.4 percent to \$31.9 million. This Adopted budget assumes no additional fare increases in 2004. In August 2003, Metro Transit implemented a transit fare increase; the last fare increases occurring in 2001 and 1996 respectively.

METROPOLITAN TRANSPORTATION SERVICES

Metropolitan Transportation Services’ 2004 budget is \$73,446,139, which is essentially flat when compared to the originally Adopted 2003 budget of \$73,762,461. The 2004 budget includes \$23,315,000 which is passed through to the Opt-Out communities and \$752,807 which is passed through to Travel Demand Organizations.

METRO TRANSIT

The Metro Transit 2004 Adopted budget supports transit system goals that include enhancement of its reputation with customers, maintaining ridership, continuing to deliver cost effective and efficient service, and positioning itself for future growth. In 2004, the Metro Transit budget for bus operations is \$219,684,940, an increase of \$418,680 (.2 percent) over the 2003 budget of \$218,967,940. Metro Transit shows an \$5,691,695 deficit between operating revenues and other sources and expenditures largely the impact of its unfunded retiree health benefits liability. The Metro Transit budget will be balanced when results of the labor negotiations are known.

The Council has established an Early Operation Date for Light Rail Transit (LRT) of April 2004 to begin revenue service from downtown Minneapolis to the Fort Snelling Station. Limited operating costs for LRT began in 2003 for the purposes of testing, training and calibration. Metro Transit received a \$3.4 million State of Minnesota operating subsidy for the Hiawatha rail line in the State 2004-2005 Biennium Budget Request. The Adopted 2004 Metro Transit Operating Budget for Hiawatha LRT includes \$12,064,213 for 2004 LRT operations.

Metropolitan Council 2004 Unified Budget Budget Summary and Financial Resources

ENVIRONMENTAL SERVICES DIVISION

Communities pay MCES for the flow entering the regional wastewater system. Municipal wastewater charges pay for the conveyance and treatment of wastewater, a service that protects the water quality of the region. Each community pays the same rate for wastewater services. In 2004, this rate will be \$134 per hundred thousand gallons, up from \$130 in 2003. Revenue generated by municipal wastewater charges accounts for 79 percent of MCES's total revenue for the year 2004. Approximately 13.7 percent of revenues come from Service Availability Charges (SAC), and 5.3 percent from industrial waste charges.

The total expenditures in 2004 for the Division are \$169,526,643 of which \$103,525,304 is for operations and \$66,001,339 is budgeted for debt service. Total 2004 expenses reflect a slight reduction of \$267,976 from the 2003 budget of \$169,794,619.

COMMUNITY DEVELOPMENT

The 2004 operating budget for Community Development is \$10,018,607 which is a \$84,469 decrease from the 2003 budget. Community Development has the responsibility for managing \$71.8 million in passthrough grants and loans for Section 8 Housing Assistance, Livable Communities, regional parks operations and maintenance, and local planning assistance.

HOUSING AND REDEVELOPMENT AUTHORITY

The Housing and Redevelopment Authority includes 2 major units, the rental assistance program including HUD Section 8 rental assistance; and the Family Affordable Housing Program that rents 150 housing units owned and operated by the Council. 2003 was the first full year of operation for the Family Affordable Housing Program and total operating expenditures are budgeted at \$897,915.

REGIONAL ADMINISTRATION

The 2004 budget for Regional Administration is \$29,226,195, which is a 2.3 percent increase from the 2003 budget. The majority of the budget (\$24.2 million) is allocated to the operating and line divisions of the Council in recognition of the Council-wide benefits provided by Regional Administration to those divisions.

Metropolitan Council 2004 Unified Budget Budget Summary and Financial Resources

ORGANIZATIONAL UNITS WITHIN THE BUDGET

The major units of the Council, which are detailed in the following budget tables, are as follows:

- **Metropolitan Council** (Tables 1-3)
 - All divisions and units
- **Environmental Services Division** (Table 4)
 - Environmental Services Operating Division
 - Debt Service
- **Transportation Division** (Table 5)
 - Transportation Planning and Travel Demand Management Activity
 - Metro Mobility
 - Opt-Out
 - Community Based Transit
 - Non-Metro Transit Regular Route
 - Metro Transit
 - Light Rail
 - Transit debt service
 - Transit Passthrough grants and loans
- **Community Development Division** (Table 6)
 - Division management
 - Planning and Growth Management (includes Planning and Technical Assistance, GIS, Research, and Parks)
 - Housing and Redevelopment department (includes Metro HRA, Livable Communities, Family Affordable Housing, and the Metropolitan Radio system)
 - Passthrough grants for Livable Communities accounts, housing assistance payments, Parks and Open Space, and operations and maintenance grants.
 - Debt Service for Parks, Radio Communications, and Solid Waste bonds
- **Regional Administration Department** (Table 7)

<ul style="list-style-type: none">- Legal Office- Internal Audit- Diversity- Human Resources- Government Affairs- Communications- Fiscal Services	<ul style="list-style-type: none">- Information Services- Risk Management- Budget and Evaluation- Purchasing/Contracting- Central Services- Office of the Regional Administrator- Council & Office of the Chair
---	---

**METROPOLITAN COUNCIL
UNIFIED BUDGET
OPERATING, PASSTHROUGH AND DEBT SERVICE
2002, 2003 and 2004**

TABLE 1

DESCRIPTION	2002 ACTUAL	2003 ADOPTED BUDGET	2004 ADOPTED BUDGET	CHANGE
<u>OPERATING REVENUES</u>				
Property Taxes	10,642,134	11,023,437	9,957,100	-9.67%
Federal Revenue	16,940,773	29,402,302	36,308,451	23.49%
State Revenue	127,455,128	191,774,790	186,939,878	-2.52%
Local	1,093,570	1,112,355	4,618,268	315.18%
Wastewater Service Charges	83,176,025	90,781,661	91,179,661	0.44%
Industrial Strength Charges	8,416,408	8,107,500	9,007,819	11.10%
Passenger Fares & Special Event Revenue	72,139,228	74,247,467	70,654,122	-4.84%
Interest	3,878,710	4,275,000	1,950,000	-54.39%
Other Revenues	2,332,641	2,294,132	5,308,929	131.41%
TOTAL OPERATING REVENUES	326,074,617	413,018,644	415,924,228	0.70%
<u>DEBT SERVICE REVENUES</u>				
Property Taxes	30,996,502	41,212,200	42,259,400	2.54%
State	2,393,496			
Wastewater Service Charges	42,832,000	41,818,339	42,820,339	2.40%
Interest & Other	1,157,422	234,700	235,700	0.43%
TOTAL DEBT SERVICE REVENUES	77,379,420	83,265,239	85,315,439	2.46%
PASSTHROUGH REVENUES	69,959,873	58,508,000	71,242,827	21.77%
OTHER SOURCES OF FUNDS	28,251,482	27,624,099	25,275,040	-8.50%
TOTAL REVENUES AND OTHER SOURCES	501,665,392	582,415,982	597,757,534	2.63%
<u>OPERATING EXPENSES</u>				
Salary & Benefits	236,025,272	255,518,657	267,213,663	4.58%
Contracted Services	25,805,252	20,272,968	25,234,277	24.47%
Materials & Supplies	24,242,089	14,522,918	16,474,312	13.44%
Chemicals	3,381,830	3,494,600	3,572,450	2.23%
Rent & Utilities	18,485,680	19,027,279	21,124,601	11.02%
Transit Assistance	52,926,031	64,665,466	65,490,065	1.28%
Capital Outlay	2,815,390	4,233,138	3,694,225	-12.73%
Other Operating Expenses	6,643,286	30,357,514	21,091,514	-30.52%
TOTAL OPERATING EXPENSES	370,324,830	412,092,540	423,895,107	2.86%
DEBT SERVICE OBLIGATIONS	97,989,628	102,217,644	108,032,487	5.69%
PASSTHROUGH EXPENSES	68,916,944	56,899,550	71,781,027	26.15%
TOTAL EXPENSES	537,231,402	571,209,734	603,708,621	5.69%
SURPLUS/(DEFICIT)	(35,566,010)	11,206,248	(5,951,087)	

**METROPOLITAN COUNCIL
SUMMARY BUDGET
OPERATIONS, PASSTHROUGH AND DEBT SERVICE
2004**

TABLE 2

	Council Operations	Passthrough Grants	Debt Service Funds	Total
<u>REVENUES:</u>				
Certified Property Tax Levy	10,300,000	15,987,449	43,778,595	70,066,044
Uncollectable & Market Value Credit Reduction	(342,900)	(400,649)	(1,519,195)	(2,262,744)
Net Property Tax	9,957,100	15,586,800	42,259,400	67,803,300
Federal	36,308,451	43,500,652		79,809,103
State Revenues (Including MVET)	186,939,878	9,713,773	-	196,653,651
Local/Other	4,618,268	1,711,602		6,329,870
Wastewater Service Charges	91,179,661		42,820,339	134,000,000
Industrial Strength Charges	9,007,819			9,007,819
Passenger Fares	64,488,960			64,488,960
Contract & Special Event Revenue	6,165,162			6,165,162
Interest	1,950,000	730,000	235,700	2,915,700
Other	5,308,929	-		5,308,929
TOTAL OPERATING REVENUES	415,924,228	71,242,827	85,315,439	572,482,494
<u>OTHER SOURCES:</u>				
Transfer from Favorable Variance Fund	436,540			436,540
Expense Contingency	-			-
SAC Transfers			23,181,000	23,181,000
Designated Reserves	1,657,500			1,657,500
TOTAL OTHER SOURCES	2,094,040	-	23,181,000	25,275,040
TOTAL SOURCES AND REVENUES	418,018,268	71,242,827	108,496,439	597,757,534
<u>EXPENSES:</u>				
Salaries & Benefits	267,213,663			267,213,663
Contracted Services	21,401,762			21,401,762
Materials & Supplies	16,474,312			16,474,312
Chemicals	3,572,450			3,572,450
Utilities	18,816,452			18,816,452
Rent	2,308,149			2,308,149
Insurance	3,832,515			3,832,515
Other Operating Expenses	20,091,514			20,091,514
St. Paul Repayment	1,000,000			1,000,000
Transit Assistance	65,490,065			65,490,065
Passthrough Grants & Loans		71,781,027		71,781,027
Debt Service			108,032,487	108,032,487
Capital Expenditures	3,694,225			3,694,225
Transit Expansion	-			-
TOTAL OPERATING EXPENSES	423,895,107	71,781,027	108,032,487	603,708,621
<u>OTHER USES OF FUNDS</u>				
Property Tax Transfer from General Fund to Livable Communities Fund	1,000,000	(1,000,000)		-
Transfers from Other Funds	-	-		-
Interdivisional Expense Allocation-MCES	-			-
Interdivisional Expense Allocation-MT	-			-
A-87 -HRA	-			-
A-87 -Transportation & Transit Development	-		-	-
Planning/User Chargeback Expense	-			-
TOTAL OTHER USES	1,000,000	(1,000,000)	-	-
TOTAL EXPENSES AND USES	424,895,107	70,781,027	108,032,487	603,708,621
SURPLUS/(DEFICIT)	(6,876,839)	461,800	463,952	(5,951,087)

**METROPOLITAN COUNCIL
SUMMARY BUDGET
OPERATIONS 2004**

TABLE 3

	General Fund Regional Administration	General Fund Community Development	General Fund Total	HRA & FAHP	Environmental Services Division	Transportation Division	Capital Outlay	Total Council Operations
REVENUES:								
Property Tax	5,757,337	4,199,763	9,957,100	-	-	-		9,957,100
Federal Revenues	-	-	-	4,326,044	-	31,982,407		36,308,451
State Revenues	-	-	-	117,224	-	186,822,654		186,939,878
Local	215,992	23,680	239,672	641,666		3,736,930		4,618,268
Municipal Wastewater Charges	-	-	-	-	91,179,661			91,179,661
Industrial Strength Charges	-	-	-		9,007,819			9,007,819
Passenger Fares						64,488,960		64,488,960
Contract & Special Event Revenue						6,165,162		6,165,162
Interest	200,000	100,000	300,000	150,000	600,000	900,000		1,950,000
Other			-	235,338	643,784	3,594,807	835,000	5,308,929
TOTAL REVENUES	6,173,329	4,323,443	10,496,772	5,470,272	101,431,264	297,690,920	835,000	415,924,228
OTHER SOURCES:								
Transfer from Favorable Variance Fund					436,540			436,540
Expense Contingency					-			-
Designated Reserves					1,657,500			1,657,500
Total Other Sources	-	-	-	-	2,094,040	-	-	2,094,040
TOTAL SOURCES AND REVENUES	6,173,329	4,323,443	10,496,772	5,470,272	103,525,304	297,690,920	835,000	418,018,268
EXPENDITURES:								
Salaries & Benefits	17,291,788	4,128,116	21,419,904	2,167,752	56,643,049	186,982,958		267,213,663
Contracted Services	6,869,014	293,235	7,162,249	661,850	8,147,653	5,430,010		21,401,762
Materials & Supplies	-	-	-		4,963,439	11,510,873		16,474,312
Chemicals	-	-	-		3,572,450			3,572,450
Utilities					15,049,312	3,767,140		18,816,452
Rent	1,698,693	236,037	1,934,730	150,515		222,904		2,308,149
Insurance	68,050	-	68,050	110,625	-	3,653,840		3,832,515
Other Operating Expenses	3,298,650	341,524	3,640,174	1,699,998	1,372,080	13,379,262		20,091,514
Transit Assistance	-	-	-			65,490,065		65,490,065
Transit Expansion	-	-	-			-		-
Capital Outlay	-	-	-		1,050,785	-	2,643,440	3,694,225
St. Paul Repayment	-	-	-		\$1,000,000	-		1,000,000
TOTAL EXPENSES	29,226,195	4,998,912	34,225,107	4,790,740	91,798,768	290,437,052	2,643,440	423,895,107
	(23,052,866)							
OTHER USES:								
Interdivisional Expense Allocation-MCES	(9,943,996)		(9,943,996)		9,943,996			-
Interdivisional Expense Allocation-MT & LRT	(12,172,722)		(12,172,722)			12,172,722		-
A-87 -HRA	(777,000)		(777,000)	777,000				-
A-87 -Transportation & Transit Development	(1,294,573)		(1,294,573)			1,294,573		-
Property Tax Transfer to Livable Communities Prog	1,000,000		1,000,000					1,000,000
Planning/040 IS Chargeback Expense	-	(548,045)	(548,045)		\$742,800	573,945	(768,700)	-
Transfers From (To) Other Funds	8,000	-	8,000	-		(8,000)		-
IS Capital Outlay		-	-	-	1,039,740	-	(1,039,740)	-
TOTAL OTHER USES	(23,180,290)	(548,045)	(23,728,335)	777,000	11,726,536	14,033,240	(1,808,440)	1,000,000
TOTAL EXPENSES AND USES	6,045,905	4,450,867	10,496,772	5,567,740	103,525,304	304,470,292	835,000	424,895,107
SURPLUS/(DEFICIT)	127,424	(127,424)	0	(97,468)	0	(6,779,372)	-	(6,876,839)

**METROPOLITAN COUNCIL
SUMMARY BUDGET
ENVIRONMENTAL SERVICES DIVISION
2004**

TABLE 4

	Operations	Debt Service	Division Total
<u>REVENUES:</u>			
State Revenue	-		-
Federal Revenue			-
Local/Other			-
Municipal Wastewater Charges	91,179,661	\$42,820,339	134,000,000
Industrial Strength Charges	9,007,819		9,007,819
Interest Revenue	600,000		600,000
Other Revenue	643,784		643,784
Operating Revenues	101,431,264	42,820,339	144,251,603
<u>OTHER SOURCES:</u>			
Transfer from Favorable Variance Fund	\$436,540	-	436,540
Expense Contingency			-
SAC Transfers		\$23,181,000	23,181,000
Designated Reserves	1,657,500		1,657,500
Total Other Sources	2,094,040	23,181,000	25,275,040
TOTAL SOURCES AND REVENUES	103,525,304	66,001,339	169,526,643
<u>EXPENSE:</u>			
Salaries & Benefits	56,643,049		56,643,049
Contract Services	\$8,147,653		8,147,653
Materials & Supplies	\$4,963,439		4,963,439
Chemicals	3,572,450		3,572,450
Utilities	\$15,049,312		15,049,312
Other Operating Expenses	\$1,372,080		1,372,080
Capital Expenditures	1,050,785		1,050,785
St. Paul Repayment	\$1,000,000		1,000,000
Debt Service	-	\$66,001,339	66,001,339
Total Expenses	91,798,768	66,001,339	157,800,107
<u>OTHER USES:</u>			
Interdivisional Expense Allocation-MCES	\$9,943,996		9,943,996
Planning Chargeback Expense	\$111,000		111,000
HRIS System Cost			-
IS 040 Charges	\$631,800		631,800
IS Capital Outlay	1,039,740		1,039,740
Total Other Uses	11,726,536	-	11,726,536
TOTAL EXPENSES AND USES	103,525,304	66,001,339	169,526,643
SURPLUS/(DEFICIT)	0	-	0

**METROPOLITAN COUNCIL
SUMMARY BUDGET BY FUND-TYPE
TRANSPORTATION DIVISION 2004**

TABLE 5

Governmental Fund Types							Proprietary Fund Types					
Special Revenue Funds							Enterprise Fund					
Transportation Planning & TDM Activity	Metro Mobility Operations	Opt-Out	Community Based Transit	Regular Route	Subtotal Special Rev		Metro Transit	LRT	Division Operating Total	Transit Debt Service Funds	Passthrough (Hwy Right-of- way Program)	Memo Total
REVENUES:												
Net Property Tax												
Federal Revenues	4,364,779	4,000,000		69,811	1,416,900	9,851,490	19,136,326	2,994,591	31,982,407	34,375,200	2,696,100	37,071,300
MVET State Forecast			23,315,000	3,184,879	8,503,753	35,003,632	98,300,526		133,304,158			133,304,158
Less: Allowance for Variability				(159,244)	(425,188)	(584,432)	(4,915,026)		(5,499,458)			(5,499,458)
MVET Budgeted			23,315,000	3,025,635	8,078,565	34,419,200	93,385,500		127,804,700			127,804,700
State General Fund Appropriation - Base	339,358	22,236,854			23,035	22,599,247	33,031,777	3,386,930	59,017,954			59,017,954
State General Fund Appropriation-Expansion												
Total State Revenues	339,358	22,236,854	23,315,000	3,025,635	8,101,600	57,018,447	126,417,277	3,386,930	186,822,654			186,822,654
Local	350,000					350,000		3,386,930	3,736,930			3,736,930
Investment Earnings	400,000	200,000				600,000	300,000		900,000	180,000	87,000	1,167,000
Other	127,807	167,000				294,807	3,300,000		3,594,807			3,594,807
Fares - Base		2,815,000										
Fares - Expansion				664,718		3,479,718	58,713,480	2,295,762	64,488,960			64,488,960
Contract & Special Event Revenue		756,000				756,000	5,409,162		6,165,162			6,165,162
Total Revenue	5,581,944	30,174,854	23,315,000	3,095,446	10,183,218	72,350,462	213,276,245	12,064,213	297,690,920	34,555,200	2,783,100	335,029,220
EXPENSES:												
Salaries & Benefits	2,075,130	1,070,034		69,811	316,900	3,531,875	175,642,900	7,808,183	186,982,958			186,982,958
Contracted Services	1,149,138	282,783			30,000	1,461,921	3,409,592	558,497	5,430,010			5,430,010
Materials & Supplies							10,393,143	1,117,730	11,510,873			11,510,873
Utilities							3,406,236	360,904	3,767,140			3,767,140
Rent	136,296	86,608				222,904			222,904			222,904
Insurance							2,925,000	728,840	3,653,840			3,653,840
Transit Programs	538,842	28,267,606	23,315,000	2,966,899	10,401,718	65,490,065			65,490,065			65,490,065
Expansion Level 1												
Expansion Level 2												
Debt Service										33,354,213		33,354,213
Passthrough Grants & Loans												
Other Operating Expenses	508,323	364,692		30,074	200,167	1,103,256	11,034,340	1,241,666	13,379,262			13,379,262
Total Expenditures	4,407,729	30,071,723	23,315,000	3,066,784	10,948,785	71,810,021	206,811,211	11,815,820	290,437,052	33,354,213		323,791,265
OTHER USES:												
Interdivisional Expense Allocation-MT							11,924,329	248,393	12,172,722			12,172,722
A-87 -Transportation & Transit Development	832,670	303,131		28,662	130,110	1,294,573			1,294,573			1,294,573
Planning Chargeback Expense	341,545					341,545	232,400		573,945			573,945
TOTAL OTHER USES	1,174,215	303,131		28,662	130,110	1,636,118	12,156,729	248,393	14,041,240			14,041,240
Transfers in	8,000					8,000			8,000			8,000
TOTAL NET EXPENSES AND USES	5,581,944	30,374,854	23,315,000	3,095,446	11,078,895	73,446,139	218,967,940	12,064,213	304,478,292	33,354,213		337,832,505
SURPLUS/(DEFICIT)												
	8,000	(200,000)			(895,677)	(1,087,677)	(5,691,695)		(6,787,372)	1,200,987	2,783,100	(2,803,285)
ANALYSIS OF CHANGES IN FUND BALANCE												
Fund Balance January 1, 2004	5,010,137	2,187,601	3,233,544	1,175,414	2,794,703	14,401,399	16,600,000		31,001,399	22,666,067	23,796,384	77,463,850
Transfers From (To) Other Funds												
Excess(Deficit) of Revenues over Expenditures	8,000	(200,000)			(895,677)	(1,087,677)	(5,691,695)		(6,779,372)	1,200,987	2,783,100	(2,795,285)
Non-operating Fund Transfers-Opt Out Carryover												
Fund Balance Dec 31, 2004	5,018,137	1,987,601	3,233,544	1,175,414	1,899,026	13,313,722	10,908,305		24,222,027	23,867,054	26,579,484	74,668,565

**METROPOLITAN COUNCIL
SUMMARY BUDGET
COMMUNITY DEVELOPMENT - 2004**

TABLE 6

REVENUES:

Property Tax	4,199,763	4,199,763			4,199,763	7,884,200			12,890,700	24,974,663
Federal Revenues			193,711	4,132,333	4,326,044		43,500,652			47,826,696
State Revenues				117,224	117,224		8,630,000	1,083,773		9,830,997
Local Revenues	23,680	23,680	473,166	168,500	665,346			1,711,602		2,376,948
Investment Earnings	100,000	100,000		150,000	250,000	55,700			643,000	948,700
Other Revenue			231,038	4,300	235,338					235,338
Total Revenue	4,323,443	4,323,443	897,915	4,572,357	9,793,715	7,939,900	8,630,000	46,296,027	13,533,700	86,193,342

EXPENDITURES:

Salaries & Benefits	1,380,425	921,059	781,128	167,708	665,368	212,428	4,128,116	157,194	2,010,558	6,295,868					6,295,868
Consulting & Contractual Services	28,000	133,800	20,000		2,000	109,435	293,235	527,850	134,000	955,085					955,085
Rent	72,290	58,049	41,803	6,118	44,896	12,881	236,037		150,515	386,552					386,552
Other Operating Expenses	90,562	69,050	39,460	21,487	81,028	39,937	341,524	180,088	1,519,910	2,041,522					2,041,522
Insurance								110,625		110,625					110,625
FAHP Expenses charged to Capital															
Capital Outlay															
Pass-Through Grants & Loans												8,630,000	46,296,027	16,855,000	71,781,027
Debt Service											8,676,935				8,676,935
Total Expenditures	1,571,277	1,181,958	882,391	195,313	793,292	374,681	4,998,912	975,757	3,814,983	9,789,652	8,676,935	8,630,000	46,296,027	16,855,000	90,247,614

OTHER USES:

A-87 -HRA								69,500	707,500	777,000					777,000
Planning Chargeback Revenue	(163,545)	(175,500)	(175,000)		(34,000)		(548,045)			(548,045)					(548,045)
Transfers from Other Funds								(147,342)		(147,342)				(1,000,000)	(1,147,342)
Transfers to Other Funds									147,342	147,342					147,342
TOTAL OTHER USES	(163,545)	(175,500)	(175,000)		(34,000)		(548,045)	(77,842)	854,842	228,955				(1,000,000)	(771,045)
TOTAL NET EXPENSES AND USES	1,407,732	1,006,458	707,391	195,313	759,292	374,681	4,450,867	897,915	4,669,825	10,018,607	8,676,935	8,630,000	46,296,027	15,855,000	89,476,569
SURPLUS/(DEFICIT)	(1,407,732)	(1,006,458)	(707,391)	(195,313)	(759,292)	3,948,762	(127,424)		(97,468)	(224,892)	(737,035)			(2,321,300)	(3,283,227)

**METROPOLITAN COUNCIL
SUMMARY BUDGET
REGIONAL ADMINISTRATION - 2004**

TABLE 7

GENERAL FUND															
	Total Government Affairs	Communications	Human Resources	Information Services	Purchasing/ Contracting	Legal	Internal Audit	Office of the Regional Administrator	Diversity	Council & Office of the Chair	Central Services	Budget & Evaluation	Fiscal Services	Risk Management	Regional Administration Total
REVENUES:															
Property Tax															5,757,337
Federal Revenues															
State Revenue															
Local Revenues															
Investment Earnings															200,000
Other Revenues															215,992
TOTAL OPERATING REVENUES															6,173,329
EXPENSES:															
Salaries & Benefits	482,771	1,170,846	2,730,421	6,147,841	981,730	855,794	390,785	339,413	492,286	480,412	220,022	286,351	1,820,409	892,707	17,291,788
Consulting Contractual Services	100,000	305,000	788,278	3,954,533	2,000	1,115,000			42,000		162,650	17,000	362,303	20,250	6,869,014
Rent	36,196	140,486	129,506	220,130		99,623	23,571	16,621	28,305	33,846	760,184	10,073	122,925	77,227	1,698,693
Other Operating Expenses	34,341	260,878	625,996	1,557,340	24,000	93,099	27,979	54,706	30,979	108,921	281,573	18,105	127,581	53,152	3,298,650
Insurance														68,050	68,050
Non-governmental Grants															
TOTAL OPERATING EXPENSES	653,308	1,877,210	4,274,201	11,879,844	1,007,730	2,163,516	442,335	410,740	593,570	623,179	1,424,429	331,529	2,433,218	1,111,386	29,226,195
OTHER USES:															
Interdivisional Expense Allocation-MCES	(237,951)	(256,879)	(903,097)	(4,435,780)	(654,951)	(519,734)	(106,838)	(151,974)	(154,684)	(230,576)	(1,121,988)	(76,643)	(961,800)	(131,101)	(9,943,996)
Interdivisional Expense Allocation-MT	(250,575)	(198,797)	(2,693,437)	(5,264,867)	(184,208)	(1,039,136)	(269,953)	(160,189)	(240,318)	(243,040)	(1,319)	(102,756)	(359,857)	(915,879)	(11,924,329)
Interdivisional Expense Allocation-LRT				(163,000)					(47,835)			(800)	(6,508)	(30,250)	(248,393)
A-87 -HRA															(777,000)
A-87 -Transportation & Transit Development															(1,294,573)
Subtotal Allocations	(488,526)	(455,675)	(3,596,534)	(9,863,647)	(839,159)	(1,558,870)	(376,791)	(312,162)	(442,837)	(473,616)	(1,123,307)	(180,198)	(1,328,165)	(1,077,230)	(24,188,290)
Transfer to MTS															8,000
Property Tax Transfer to Livable Communities Pr															1,000,000
TOTAL OTHER USES	(488,526)	(455,675)	(3,596,534)	(9,863,647)	(839,159)	(1,558,870)	(376,791)	(312,162)	(442,837)	(473,616)	(1,123,307)	(180,198)	(1,328,165)	(1,077,230)	(23,180,290)
TOTAL NET EXPENSES AND USES	164,782	1,421,535	677,667	2,016,197	168,571	604,646	65,544	98,578	150,733	149,563	301,122	151,331	1,105,053	34,156	6,045,905
SURPLUS/(DEFICIT)															
															127,424

**CURRENT REVENUES AND OTHER SOURCES OF FUNDS FOR OPERATIONS
2000-2004 BUDGETS**

Table 8

	2000 Actual	2001 Actual	2002 Budget	2003 Budget	2004 Budget
Regional Administration and Community Development					
General Operations Property Tax Levy:					
Gross Levy	10,174,600	10,274,600	10,674,600	11,130,137	10,300,000
Less: Estimated Uncollectible	(101,700)	(102,700)	(110,702)	(106,700)	(103,007)
Net Levy Available for Operations	10,072,900	10,171,900	10,563,898	11,023,437	9,957,100
Less: State HACA Payments	(1,990,300)	(1,947,400)	-	-	-
Net Levy from Property Taxpayers	8,082,600	8,224,500	10,563,898	11,023,437	9,957,100
Federal Revenues:					
Department of Housing and Urban Development:					
Housing Assistance Administrative Fees	2,950,578	3,360,101	3,264,400	4,078,883	4,326,044
Portability Program Administrative Fees	97,147	194,188	-	25,000	-
Counseling Services	66,420	66,420	66,420	16,000	-
Department of the Interior-National Park Service	103,418	-	-	-	-
Federal Subtotal	3,217,563	3,620,709	3,330,820	4,119,883	4,326,044
State Revenues:					
State HACA	1,990,300	1,947,400	-	-	-
MHFA Administrative Fees	339,842	402,195	420,895	258,000	117,224
MnDOT	18,620	18,600	-	-	-
State Subtotal	2,348,762	2,368,195	420,895	258,000	117,224
Regional Agencies:					
Metropolitan Airports Commission	25,567	250,567	25,280	25,280	27,572
Metropolitan Sports Facilities Commission	2,100	2,100	2,100	2,100	2,100
Regional Agency Subtotal	27,667	252,667	27,380	27,380	29,672
Interest Income:					
General Fund	175,000	375,000	375,000	375,000	300,000
HRA Operating Reserve	150,000	150,000	150,000	150,000	150,000
Interest Income Subtotal	325,000	525,000	525,000	525,000	450,000
Other Revenue:					
McKnight Foundation	-	275,000	275,000	-	-
Data Center Sales	10,000	10,000	10,000	10,000	10,000
HRA Local Revenue/FAHP Rental Income	68,320	123,400	123,400	111,000	641,666
Investment Service Fees	125,000	125,000	125,000	202,400	200,000
HRA Other Revenue	125,000	-	-	417,175	235,338
Other Revenue Subtotal	328,320	533,400	533,400	740,575	1,087,004
Total Current Revenues	14,329,912	15,524,471	15,401,393	16,694,275	15,967,044
Other Sources:					
Parks Capital Fund Balance for Park Research	-	-	-	-	-
Metro HRA Fund Bal. for Family Housing Prog.	-	-	131,063	-	-
Other Sources Subtotal	-	-	131,063	-	-
Total Current Revenues and Other Sources	14,329,912	15,524,471	15,532,456	16,694,275	15,967,044
Less: Transfer to Environmental Services	(299,000)	(299,000)	(299,000)	-	-
Less: Transfer for Livable Communities	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Net Revenues and Other Sources	13,030,912	14,225,471	14,233,456	15,694,275	14,967,044

**CURRENT REVENUES AND OTHER SOURCES OF FUNDS FOR OPERATIONS
2000-2004 BUDGETS**

Table 8

	2000 Actual	2001 Actual	2002 Budget	2003 Budget	2004 Budget
Environmental Services Division					
User Fees:					
Sewer Service Charges (Operations Only)	77,659,000	84,717,000	82,883,000	90,781,661	93,617,000
Industrial Strength Charges	6,233,000	6,531,900	7,909,457	8,107,500	8,782,800
User Fee Subtotal	83,892,000	91,248,900	90,792,457	98,889,161	102,399,800
State Revenues:					
State Grants	238,000	-	404,050	300,000	250,000
State Subtotal	238,000	-	404,050	300,000	250,000
Interest Income/Other Revenue:					
Interest Income	2,742,000	1,700,000	1,800,000	1,600,000	600,000
Other Miscellaneous Revenue	600,000	175,000	175,000	360,534	175,000
Other Revenue Subtotal	3,342,000	1,875,000	1,975,000	1,960,534	775,000
Total Current Revenues-Environmental Services	87,234,000	93,423,900	93,171,507	101,149,695	103,424,800
Other Sources:					
Transfer of General Fund Property Tax Receipts	299,000	371,000	299,000	-	-
Transfer from MCES Funds	3,939,000	378,100	1,193,334	1,027,099	322,921
Metro Environmental Partnership	1,500,000	-	2,000,000	-	-
Other Sources Subtotal	5,738,000	749,100	3,492,334	1,027,099	322,921
Total Current Revenues and Other Sources	92,972,000	94,173,000	96,663,841	102,176,794	103,747,721

**CURRENT REVENUES AND OTHER SOURCES OF FUNDS FOR OPERATIONS
2000-2004 BUDGETS**

Table 8

	2000 Actual	2001 Actual	2002 Budget	2003 Budget	2004 Budget
Transportation (Excluding Opt Out Passthrough Funds)					
Transit Operations Property Taxes (Net Proceeds):					
Total Property Tax Receipts	89,932,000	98,067,000	-	-	-
Less: Local Option Opt Out	(11,376,000)	(12,586,900)	-	-	-
Net Tax Receipts Available for Operations	78,556,000	85,480,100	-	-	-
Less: State HACA	(11,935,000)	(11,829,700)	-	-	-
Net Tax Receipts from Property Taxpayers	66,621,000	73,650,400	-	-	-
Federal Revenues:					
ISTEA	1,450,000	1,600,000	1,801,065	1,732,120	2,994,591
Federal Highway Administration	1,784,000	1,600,000	1,600,000	2,059,903	2,254,779
Federal Transit Administration:					
Section 8 Planning	610,000	604,850	620,000	606,800	610,000
Section 3 Team Transit	-	-	-	-	-
Section 9 Operating	8,342,000	9,620,097	17,825,222	20,908,596	26,123,037
Federal Subtotal	12,186,000	13,424,947	21,846,287	25,307,419	31,982,407
State Revenues:					
MVET State Forecast	-	-	60,230,430	131,978,935	133,304,158
Less: MVET for Opt Outs	-	-	(10,161,048)	(23,183,268)	(23,315,000)
MVET for Council	-	-	50,069,382	108,795,667	109,989,158
(Allowance for Variability)	-	-	(6,212,000)	(4,703,666)	(5,499,458)
MVET Budgeted	-	-	43,857,382	104,092,001	104,489,700
General Transit Assistance - Base	58,091,000	63,899,550	112,803,184	58,730,432	59,934,954
General Transit Assistance - Expansion	-	-	-	2,982,134	-
State HACA	11,935,000	11,829,700	-	-	-
State Subtotal Excluding Opt Out Passthrough	70,026,000	75,729,250	156,660,566	165,804,567	164,424,654
Local Revenues:					
Hennepin County Rail Operations					3,386,930
Metropolitan Airports Commission Airport Plng					190,000
City of Minneapolis Carpool Registration					160,000
Local Subtotal					3,736,930
Passenger Fares:					
Transit Operations - Base	51,578,000	56,000,000	64,095,486	61,064,931	61,009,242
Transit Operations - Expansion	-	-	-	1,251,818	-
Metro Mobility	1,832,000	1,838,000	1,887,100	1,890,000	2,815,000
Other Transit Providers	2,357,000	2,176,000	588,500	564,718	664,718
Passenger Fare Subtotal	55,767,000	60,014,000	66,571,086	64,771,467	64,488,960
Interest Income/Other Revenue:					
MTS/Metro Mobility Interest Income	105,000	105,000	125,000	450,000	600,000
Transit Operations Interest Income	750,000	926,260	2,400,000	1,700,000	300,000
Transit Operations Contract Revenue	6,784,000	6,885,000	10,455,000	8,720,000	5,409,162
Metro Mobility Contract Revenue	750,000	700,000	756,000	756,000	756,000
Transit Operations Other Revenue	2,240,000	2,443,000	1,300,000	3,278,955	3,300,000
Metro Mobility Other Revenue	191,000	90,000	90,000	216,000	167,000
MTS Other Revenue	2,131,000	326,250	353,000	353,000	127,807
Other Revenue Subtotal	12,951,000	11,475,510	15,479,000	15,473,955	10,659,969
Total Current Revenues-Transportation	217,551,000	234,294,107	260,556,939	271,357,408	274,942,920
Other Sources:					
Other Sources Subtotal	-	-	-	-	-
Total Current Revenues and Other Sources	217,551,000	234,294,107	260,556,939	271,357,408	274,942,920

**CERTIFIED LEVIES AND LEVY LIMITS
2000-2004 BUDGETS**

Table 9

	Certified Payable 2000	Certified Payable 2001	Certified Payable 2002	Certified Payable 2003	Certified Payable 2004
Certified or Proposed Gross Levies:					
General Levy					
General Purposes	9,174,600	9,274,600	9,674,600	10,130,137	9,300,000
Transfer to Livable Communities	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Subtotal-General	10,174,600	10,274,600	10,674,600	11,130,137	10,300,000
Transit Operating District					
Total Levy	90,055,080	97,949,930	Levy Authority Repealed in 2001		
Less: Local Option Levies	11,549,029	12,778,569	Levy Authority Repealed in 2001		
Net Regional Levy	78,506,051	85,171,361			
Transit Operating Area	1,246,002	1,374,929	Levy Authority Repealed in 2001		
Highway Right-of-Way	1,142,446	1,142,446	2,822,906	3,142,643	2,803,379
Livable Communities					
Tax Base Revitalization-Fiscal Disparities	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Demonstration Account	6,132,936	6,675,781	7,418,782	8,259,070	8,184,070
Subtotal-Livable Communities	11,132,936	11,675,781	12,418,782	13,259,070	13,184,070
Sewer Deficiency	-	-	-	-	-
Subtotal - Non Debt	102,202,035	109,639,117	25,916,288	27,531,850	26,287,449
Solid Waste Debt Service	-	-	427,460	432,962	76,904
Parks Debt Service	6,047,814	6,598,577	6,848,080	8,090,496	7,710,695
Transit Debt Service	20,393,958	21,058,982	25,973,187	32,894,175	35,574,713
Radio Debt Service	423,525	340,454	421,840	422,155	416,283
Subtotal - Debt Service	26,865,297	27,998,013	33,670,567	41,839,789	43,778,595
Total	129,067,332	137,637,130	59,586,855	69,371,639	70,066,044
Transit Operating and Debt Levies	100,146,011	107,605,271	25,973,187	32,894,175	35,574,713
Other Operating, Passthrough and Debt Levies	28,921,321	30,031,858	33,613,668	36,477,463	34,491,331
Statutory Levy Limits:					
General Operations	10,472,714	10,786,895	11,110,502	11,195,137	10,522,329
Highway ROW	2,333,630	2,540,187	2,822,906	3,142,643	2,828,379
Livable Comm. Fiscal Disparity	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Livable Comm. Demonstration Acct	6,132,936	6,675,781	7,418,782	8,259,070	8,259,070
Transit Operations District					
Total Levy Limit	90,585,725	98,375,084	Levy Authority Repealed in 2001		
Less: Certified Local Option Levies	11,549,029	12,778,569	Levy Authority Repealed in 2001		
Regional Levy Limit	79,036,696	85,596,515			
Transit Operations Area	1,246,002	1,374,929	Levy Authority Repealed in 2001		

**DEBT SERVICE REVENUES AND EXPENDITURES
2000-2004 BUDGETS**

Table 10

	2000 Actual	2001 Actual	2002 Actual	2003 Budget	2004 Budget
Parks and Open Space:					
Certified Levies	6,047,814	6,598,577	6,848,080	8,090,496	7,710,695
Less: Estimated Uncollectible	(13,747)	(38,818)	(102,525)	(121,396)	(30)
Net Current Tax Receipts	6,034,067	6,559,759	6,745,555	7,969,100	7,537,700
Revenues:					
Property Taxes	4,846,485	5,304,428	6,745,555	7,969,100	7,537,700
State HACA	1,187,582	1,255,331	-	-	-
Interest Income	198,113	223,748	40,000	40,000	40,000
Total Revenues	6,232,180	6,783,507	6,785,555	8,009,100	7,577,700
Total Revenues and Other Sources	6,232,180	6,783,507	6,785,555	8,009,100	7,577,700
Expenditures:					
Principal Repayment	2,825,000	4,240,000	5,535,000	5,425,000	6,700,000
Principal Refunding	-	-	-	-	-
Interest Expense/Fiscal Charges	923,636	1,185,717	1,142,178	1,164,967	1,186,015
Total Expenditures	3,748,636	5,425,717	6,677,178	6,589,967	7,886,015
Revenues & Other Sources Over/ (Under) Expenditures & Other Uses	2,483,544	1,357,790	108,378	1,419,133	(308,315)
Residual Equity Transfer In/(Out)	-	-	-	-	-
Fund Balance, Year End	6,140,572	7,498,362	7,606,740	9,025,873	8,717,557
Recap:					
Current Year Principal and Interest	3,748,636	5,425,717	6,677,178	6,589,967	7,886,015
Bond Refundings	-	-	-	-	-

**DEBT SERVICE REVENUES AND EXPENDITURES
2000-2004 BUDGETS**

Table 10

	2000 Actual	2001 Actual	2002 Actual	2003 Budget	2004 Budget
Solid Waste:					
Certified Levies	-	-	427,460	432,962	76,904
Less: Estimated Uncollectible	2,962	325	(6,460)	(6,462)	(957)
Net Current Tax Receipts	2,962	325	421,000	426,500	65,900
Revenues:					
Property Taxes	2,962	325	421,000	426,500	65,900
State HACA	-	-	-	-	-
Interest Income	17,190	(11,235)	5,000	5,000	5,000
Other Revenues	-	-	-	-	-
Total Revenues	20,152	(10,910)	426,000	431,500	70,900
Transfer from Other Funds	400,000	400,000	-	-	-
Total Revenues and Other Sources	420,152	389,090	426,000	431,500	70,900
Expenditures:					
Principal Repayment	325,000	335,000	345,000	360,000	380,000
Interest Expense/Fiscal Charges	82,345	67,581	54,091	39,725	24,460
Total Expenditures	407,345	402,581	399,091	399,725	404,460
Revenues & Other Sources Over/ (Under) Expenditures & Other Uses	12,807	(13,491)	26,909	31,775	(333,560)
Residual Equity Transfer	-	-	-	-	-
Fund Balance, Year End	163,051	149,560	176,469	208,244	(125,316)

**DEBT SERVICE REVENUES AND EXPENDITURES
2000-2004 BUDGETS**

Table 10

	2000 Actual	2001 Actual	2002 Actual	2003 Budget	2004 Budget
Transit:					
Certified Levies	20,393,958	21,058,982	25,973,187	33,432,888	35,574,713
Less: Estimated Uncollectible	(136,149)	(221,219)	(380,782)	(501,488)	(501,529)
Net Current Tax Receipts	20,257,809	20,837,763	25,592,405	32,931,400	34,364,200
Revenues:					
Property Taxes	17,202,189	17,913,047	25,592,405	32,931,400	34,364,200
State HACA	3,055,620	2,924,716	-	-	-
Interest Income	1,081,993	940,790	180,000	180,000	180,000
Other Revenues	-	-	-	-	-
Total Revenues	21,339,802	21,778,553	25,772,405	33,111,400	34,544,200
Proceeds from Bonds	-	-	-	-	-
Refunding Bonds Held in Escrow	-	-	-	-	-
Total Revenues and Other Sources	21,339,802	21,778,553	25,772,405	33,111,400	34,544,200
Expenditures:					
Principal Repayment	14,355,000	14,440,000	16,655,000	17,195,000	24,880,000
Principal Refunding	1,325,000	-	-	-	-
Interest Expense/Fiscal Charges	3,915,177	4,917,248	6,363,525	9,030,560	8,474,213
Total Expenditures	19,595,177	19,357,248	23,018,525	26,225,560	33,354,213
Revenues & Other Sources Over/ (Under) Expenditures & Other Uses	1,744,625	2,421,305	2,753,881	6,885,841	1,189,987
Residual Equity Transfer In/(Out)	-	-	-	-	-
Fund Balance, Year End	25,550,324	27,971,629	30,725,510	37,611,350	38,801,337
Recap:					
Current Year Principal and Interest	18,270,177	19,357,248	23,018,525	26,225,560	33,354,213
Bond Refundings	1,325,000	-	-	-	-

**DEBT SERVICE REVENUES AND EXPENDITURES
2000-2004 BUDGETS**

Table 10

	2000 Actual	2001 Actual	2002 Actual	2003 Budget	2004 Budget
800 Megahertz Radio:					
Certified Levies	423,525	340,454	421,840	422,155	416,283
Less: Estimated Uncollectible	(3,570)	(1,145)	(6,340)	(6,355)	(5,886)
Net Current Tax Receipts	419,955	339,309	415,500	415,800	400,600
Revenues:					
Property Taxes	336,833	274,568	415,500	415,800	400,600
State HACA	83,122	64,741	-	-	-
Interest Income	14,547	6,951	8,900	9,700	10,700
Other Revenues	-	-	-	-	-
Total Revenues	434,502	346,260	424,400	425,500	411,300
Proceeds from Bonds	-	-	-	-	-
Total Revenues and Other Sources	434,502	346,260	424,400	425,500	411,300
Expenditures:					
Principal Repayment	265,000	275,000	285,000	300,000	315,000
Interest Expense/Fiscal Charges	135,625	122,046	101,753	87,053	71,460
Total Expenditures	400,625	397,046	386,753	387,053	386,460
Revenues & Other Sources Over/ (Under) Expenditures & Other Uses	33,877	(50,786)	37,647	38,447	24,840
Fund Balance, Year End	401,813	351,027	388,674	427,121	451,961

**DEBT SERVICE REVENUES AND EXPENDITURES
2000-2004 BUDGETS**

Table 10

	2000 Actual	2001 Actual	2002 Actual	2003 Budget	2004 Budget
Environmental Services:					
MCES Debt Service (Budget Basis)					
Sewer Service Charges	43,367,048	39,781,984	42,577,000	41,906,000	42,820,339
Transfer from SAC Fund	19,890,000	24,793,000	25,443,000	28,961,000	23,181,000
Total Revenues and Other Sources	63,257,048	64,574,984	68,020,000	70,867,000	66,001,339
Expenditures:					
Local Government Debt	-	-	-	-	-
Current Value Credits	3,095,000	543,556	-	-	-
Transfer to Sewer Bond Fund	60,162,048	64,900,844	68,020,000	70,867,000	66,001,339
Total Expenditures	63,257,048	64,574,984	68,020,000	70,867,000	66,001,339
Sewer Bond Fund					
Revenues and Other Sources:					
Interest Income	778,000	1,851,557	532,000	442,000	400,000
Other Sources:					
Transfers from Environmental Services	60,162,048	64,900,844	68,020,000	70,867,000	66,001,339
Total Revenues and Other Sources	60,940,048	66,752,401	68,552,000	71,309,000	66,401,339
Expenditures:					
Principal Repayments	35,680,000	45,440,000	46,105,000	49,940,000	45,000,000
Interest Expense/Fiscal Charges	31,714,000	25,234,280	21,752,000	24,927,000	22,000,000
Total Expenditures	67,394,000	70,674,280	67,857,000	74,867,000	67,000,000
Fund Balance, Year End	13,225,048	9,303,169	9,998,169	6,440,169	5,841,508

**DEBT SERVICE REVENUES AND EXPENDITURES
2000-2004 BUDGETS**

Table 10

	2000 Actual	2001 Actual	2002 Actual	2003 Budget	2004 Budget
Combined-All Debt Service:					
Revenues:					
Property Taxes	22,388,469	23,492,368	33,174,460	41,742,800	42,368,400
State HACA	4,326,324	4,244,788	-	-	-
Sewer Service Charges/SAC Transfers	63,257,048	64,574,984	68,020,000	70,867,000	66,001,339
Interest Income	1,311,843	1,160,254	233,900	234,700	235,700
Other Income	-	-	-	-	-
Total Revenues	91,283,684	93,472,394	101,428,360	112,844,500	108,605,439
Other Sources:					
Proceeds from Bonds	-	-	-	-	-
Refunding Bonds Held in Escrow	-	-	-	-	-
Transfers from Other Funds	400,000	400,000	-	-	-
Total Other Sources	400,000	400,000	-	-	-
Total Revenues and Other Sources	91,683,684	93,872,394	101,428,360	112,844,500	108,605,439
Expenditures by Function:					
Parks Debt Service	3,748,636	5,425,717	6,677,178	6,589,967	7,886,015
Solid Waste Debt Service	407,345	402,581	399,091	399,725	404,460
Transit Debt Service	19,595,177	19,357,248	23,018,525	26,225,560	33,354,213
800 Radio System Debt Service	400,625	397,046	386,753	387,053	386,460
Environmental Services Debt Service	63,257,048	64,574,984	68,020,000	70,867,000	66,001,339
Certificates of Indebtedness	-	-	-	-	-
Total Expenditures	87,408,831	90,157,576	98,501,546	104,469,305	108,032,487
Revenues & Other Sources Over/ (Under) Expenditures & Other Uses	4,274,853	3,714,818	2,926,814	8,375,196	572,952
Recap:					
Current Year Principal and Interest	86,083,831	90,157,576	98,501,546	104,469,305	108,032,487
Bond Refunding	1,325,000	-	-	-	-

TABLE 11
METROPOLITAN COUNCIL
STAFF COMPLEMENT IN FTE's FOR 2000-2004

	Adopted 2001	Adopted 2002	Adopted 2003	Adopted 2004
CHAIR AND REGIONAL ADMINISTRATOR'S OFFICES				
Council and Chair's Office	2.00	1.80	0.80	1.00
Regional Administrator's Office	3.00	3.00	3.00	3.00
Budget and Evaluation	3.00	3.00	3.00	3.00
Diversity	8.50	7.50	8.60	6.60
Human Resources	26.25	25.75	25.25	32.25
Government Affairs	2.00	2.00	2.00	4.00
Internal Audit	5.50	5.50	5.25	5.00
Community Relations	7.00	7.00	8.00	
Risk Management	16.00	15.00	14.00	12.00
Communications and Data Center	14.00	17.50	16.50	17.50
Legal	10.00	10.50	10.50	9.00
Fiscal Services	25.80	27.60	25.60	22.60
Information Services	83.40	81.40	81.20	66.15
Central Services	7.50	5.50	4.50	3.00
Purchasing			13.80	12.80
Total Regional Administration	213.95	213.05	222.00	197.90
COMMUNITY DEVELOPMENT				
Division Director Office	2.00	2.00	2.00	2.00
GIS	15.00	13.00	13.00	12.35
Livable Communities	6.00	6.50	6.00	7.50
Research	10.00	11.00	11.00	9.00
HRA	33.00	34.00	32.20	32.00
Planning & Technical Assistance	13.00	15.50	15.55	16.55
Regional Growth Strategy	7.00	7.00	8.00	
FAHP			2.00	1.80
Parks	2.00	2.00	2.00	2.00
Radio	1.00	1.00		
Community Development	89.00	92.00	91.75	83.20
Total Regional Administration & Com Dev	302.95	305.05	313.75	281.10
ENVIRONMENTAL SERVICES DIVISION				
General Manager's Office	21.40	21.00	15.60	15.50
Treatment Services	619.60	606.00	594.20	582.00
Environmental Quality Assurance	133.00	128.00	121.90	121.50
Total Environmental Services	774.00	755.00	731.70	719.00
TRANSPORTATION DIVISION				
Transportation Planning	20.00	20.00	17.00	17.00
Regular Route	4.00	4.00	4.00	4.00
Rural/Small Urban Route	1.00	1.00	1.00	1.00
Metro Mobility	13.00	13.00	13.00	13.00
Commuter Service	9.00	9.00	9.00	8.00
Total Other Transit	47.00	47.00	44.00	43.00
Metro Transit				
Drivers	1591.90	1565.89	1606.79	1481.00
Mechanics	529.60	520.28	515.03	479.65
Administration-General	316.70	343.65	331.74	314.64
Administration-Clerical	234.70	233.55	233.64	211.10
Administration-Police	30.00	30.00	40.00	40.00
(1) Light Rail				149.00
Total Metro Transit	2702.90	2693.37	2727.20	2675.39
Total Transportation Division	2749.90	2740.37	2771.20	2718.39
TOTAL FTE' S	3826.85	3800.42	3816.65	3718.49

Footnotes:

(1) This represents 136 Rail Operations and 13 transit police employees that will be employed by year end 2004.

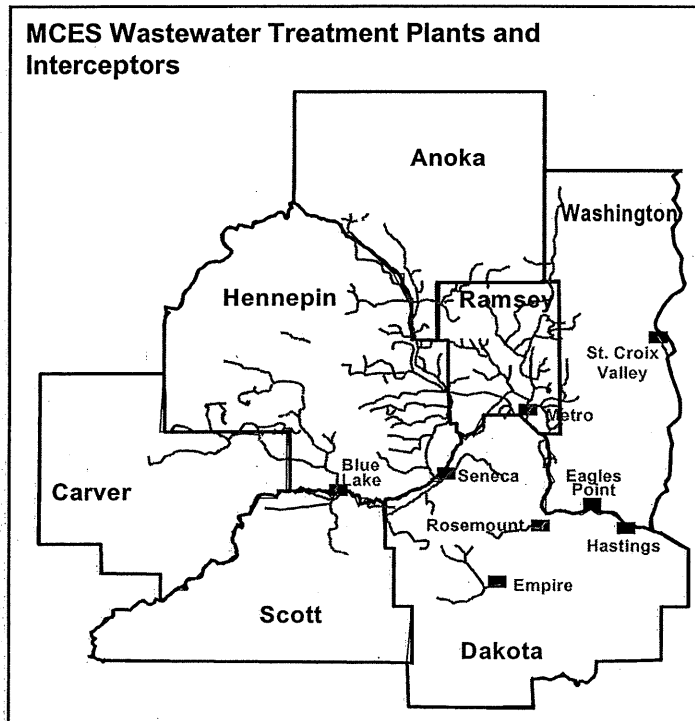
ENVIRONMENTAL SERVICES DIVISION

Metropolitan Council 2004 Unified Budget

Environmental Services Division

MISSION: The mission of Metropolitan Council Environmental Services (MCES) is to provide wastewater services that protect the public health and environment while supporting regional growth.

PROFILE: MCES is an operating division of the Metropolitan Council that:



- Owns and maintains approximately 600 miles of regional sewers that collect flow from 5,000 miles of sewers owned by 103 communities,
 - Treats up to 300 million gallons of wastewater daily at eight regional treatment plants,
 - Continues to achieve near-perfect compliance with federal and state clean water standards,
 - Maintains wastewater service rates consistently below the national average,
 - Works with approximately 800 industrial clients to substantially reduce the amount of pollution entering our wastewater collection system,
 - Provides water resources monitoring and analysis for the region, and
 - Partners with numerous public, private and non-profit groups committed to a clean environment.
- Water resources management services provided by MCES ensure that:**
- Sufficient sewer capacity exists to serve planned development,
 - Sufficient capital investments are made to preserve water quality in the region,
 - Wastewater collection and treatment services are provided in a cost- and quality-competitive manner, and
 - Local plans provide for adequate water supply and non-point pollution prevention in the region.

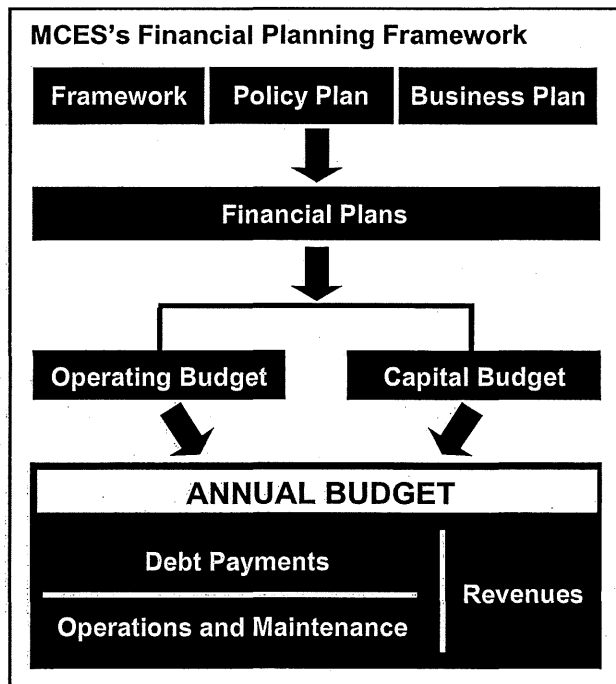
MCES's FINANCIAL PLANNING AND ANALYSIS

The *Regional Framework*, *Water Resources Management Policy Plan*, and the MCES Strategic Business Plan lay the foundation for MCES's planning process and are reflected in the capital and operating budgets.

The Division's financial planning framework (below) shows the linkage between policy, technical plans, financial plans, and MCES finances.

MCES's integrated financial plan information is presented in four documents.

They are as follows:



- The Summary Budget, which summarizes all the financial planning information of the Division,
- The Capital Budget, including the authorized Capital Program and the Capital Improvement Program (CIP), presents the annual and long-term infrastructure costs for the organization,
- The Annual Budget and five-year Plan, which includes the detailed annual operating budget, a high level multi-year budget and a forecast of municipal wastewater rates, and
- The Capital Finance Plan (CFP), which describes the plan to raise the capital required to perform the CIP and thus serves as a bridge between the CIP and the Annual Budget and five-year Plan.

The Summary Budget document contains executive summaries of the other three documents. Each of these documents is available on the Environment section of the Council's Web site (www.metrocouncil.org). The Summary Budget is also available in hard copy from the Council's data center at (651) 602-1140.

The process used to develop the 2004 Annual Budget and five-year Plan included interaction with the MCES management team, regional administration staff and municipal and industrial customers. A draft, high level budget was prepared in the spring of 2003 by budget staff. This effort incorporated responses requested from program managers regarding significant anticipated changes and proposed initiatives, as well as input from our municipal and industrial customers received at four budget planning meetings held in June. The result is financial planning that incorporates funding for new and existing programs essential to the short, mid and long-term goals of the Council, MCES and our customers. The draft budget was used to establish the 2004 municipal wastewater and industrial rates. After approval of these rates by the Environment Committee in July, a letter was mailed to all of MCES community customers to allow them time to plan their wastewater rates and budgets.

2004 Budget Planning

The 2004 Annual Budget and 5-Year Plan focus on meeting the objectives and expected outcomes that align with the Council and MCES's strategic goals.

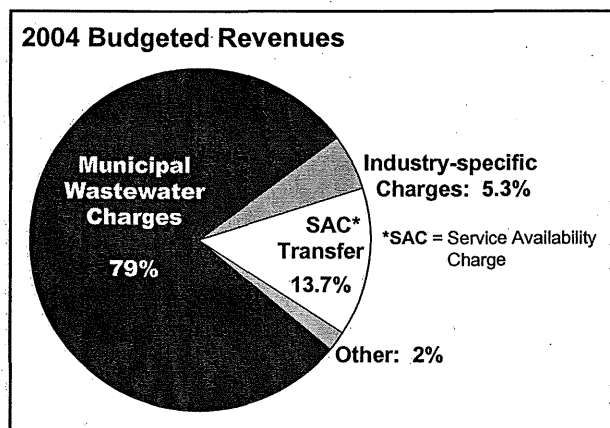
The following considerations were the top priorities during the planning of the 2004 budget.

- Meeting regulatory requirements.
- Meeting customer expectations for quality and level of service.
- Addressing watershed capacity and pollutant load issues.
- Remaining competitive in the marketplace.
- Fully funding the current cost of all programs and adding to operating reserves.

Meeting current and future regulatory requirements continues to be the top priority for MCES. Our near-perfect record of compliance is a commendable achievement, but it carries an inherent challenge: regulatory changes that cause additional capital and operating expenses. To meet these future challenges, MCES is committed to achieving the highest level of quality possible with the resources available, and will preserve its outstanding record of compliance with regulatory requirements and cost-effective service. MCES is committed to providing the wastewater infrastructure necessary to meet the needs of a changing metropolitan area and helping the region to be a good place to work, raise a family and grow a business.

MCES Revenues

MCES is a user-fee-based organization, which is run as an enterprise. The Council's rate setting



philosophy is that user classes should pay the "cost of service." Revenues include the municipal wastewater charge (based on volume), industry-specific charges, service availability charges (SAC) and miscellaneous revenues. The graphic on the left depicts the percentages of the 2004 budgeted revenue that is derived from each source.

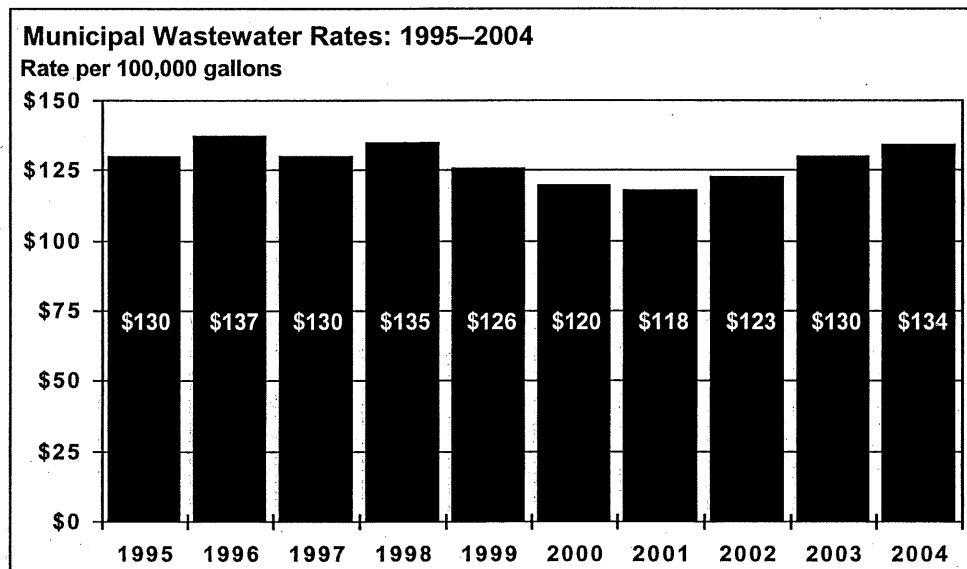
Municipal Wastewater Charges (MWC)—Communities pay MCES for the flow entering the regional wastewater system. Municipal wastewater charges pay for the conveyance and

treatment of wastewater. Each community pays at the same rate for wastewater services. Beginning in January of 2004 this rate will be \$134 per hundred thousand gallons. The revenue generated by the municipal wastewater charges are expected to account for 79.0 percent of MCES's projected total operating revenue for the year 2004.

Impact of Changes in System Flow. Despite approximately 20,000 new connections per year, we are not experiencing a corresponding increase in overall total system flow, a key factor in MCES's revenues. In 2002 new meters were installed at the Metro Plant where, previously, the flow had been analytically modeled for many years. After one year of operation, these meters indicate substantially less flow than had been modeled for the City of St. Paul. Overall system flow in 2003 was budgeted at 102 billion gallons (bg) and 102.5 had been anticipated for 2004.

However, because of the new data, the Council lowered the flow for the 2004 budget to 100.0 bg. The flow estimates for each of the years in the five-year forecast have been similarly reduced.

In addition, flow data from the period beginning July 1, 2003—which is used to estimate the flow for the 2004 billing year—has been substantially below even this reduced (100 bg) budget. Because of less rainfall than average, groundwater levels have fallen and consequently the clear water that normally enters the system as “inflow and infiltration” has been substantially reduced. This reduced flow may still be offset by increased flow in the remainder of the flow year (through June 30, 2004). However, if the flow does not increase but remains average, there will be a material financial challenge to manage during 2004. The Council has agreed to monitor the situation closely and review the budget during the spring of 2004.



The 2004 municipal wastewater charge revenue is budgeted at \$134.0 million, a 1.1 percent increase from the 2003 budgeted revenue. A 10-year rate history is shown in the accompanying bar graph. Note that the 2004 rate is 2.2 percent below the high rate in 1996.

Service Availability Charges (SAC)—Communities pay MCES for additional capacity demanded by new development or increased industrial or commercial use. Communities collect these one-time SAC fees from property owners at the time of development. Generally, one SAC unit equals 274 gallons of potential daily wastewater flow volume. A freestanding single-family residence is charged one SAC unit. Each community pays at the same rate for SAC. The 2004 basic SAC rate is \$1,350 per residence or equivalent unit.

The SAC revenue is intended to pay the average cost of growth and is used to finance the reserved capacity portion of the capital costs in the wastewater system. The transfer from SAC fees represents 13.7 percent of MCES’s total operating budget for 2004.

Industrial Rate System (IRS)—Industries pay MCES directly for a variety of charges that are targeted to specific customer services. The following charges/fees are included in the IRS:

- 1) Industrial strength charges
- 2) Liquid waste hauler load charges
- 3) Industrial discharge and permit fees
- 4) Add-on service charges
- 5) Enforcement fees (e.g., Self-monitoring report late fees)
- 6) Stipulation agreement payments
- 7) Cost recovery fees

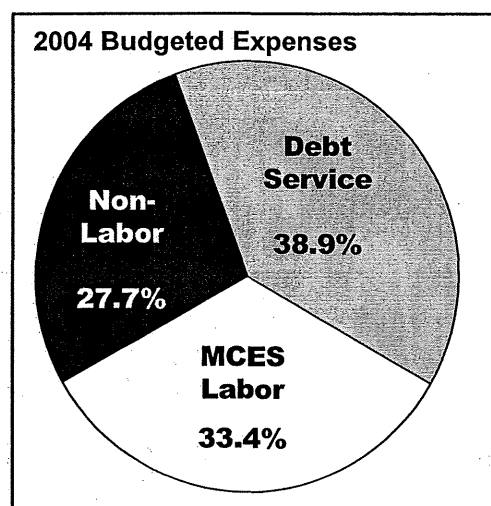
These charges are described in detail and the most recent rates are listed on the Council's Web site at: www.metrocouncil.org/environment/Rates&Billing/RatesCharges

The industrial strength charge provides the majority of the revenue from the industry-specific charges. It covers the higher treatment costs of that industrial wastewater which has more pollutants than typical domestic wastewater. The revenue anticipated from the entire IRS is 5.3 percent of MCES's 2004 revenues. However, industries also pay the MWC and SAC.

Other Revenue—The remaining 2.0 percent of MCES's 2004 revenue comes from other sources. This includes revenue from interest, a state contract, and designated reserves.

MCES Expenses

MCES expenses are categorized in one of three areas: labor expenses, non-labor expenses and debt service expenses. Of the three, debt service is the largest. The graphic on the



left depicts the percentages that each of the expense areas makes up of the total costs.

MCES Labor—In 1998, there were 984 budgeted FTEs (full time equivalent employees in the Division). An aggressive budget reduction plan resulted in a reduction to 767 FTEs by 2001. There are 719 FTEs budgeted for 2004 and the plans for future budgets include small reductions in FTE numbers achieved through attrition. In 2004, staff (labor) expenses account for 33.4 percent of total expenses.

A flexible, skilled and productive workforce includes having the right number of employees, in the right places, prepared with the right skills. The 2004 operating budget

supports maintaining the size of the workforce at a competitive level; repositioning the workforce to best meet organizational needs; and, retraining and supporting the workforce to deliver expected results.

Non-Labor Expenses—Included in the non-labor expense category are continuing operation expenses and interdivisional expenses. Continuing operational expenses include items such as utilities, materials and supplies, contracted services and security. The interdivisional expenses are for services shared with other Council divisions (e.g. Information systems and Human Resources departments) and are a little over one-fourth of the non-labor portion of expenses. While funded by wastewater revenues, the interdivisional expenses are not included in the MCES operating budget because they are included in the RA operating budget.

In 2004, non-labor expenses account for 27.7 percent of total expenses. Included in the non-labor expenses for 2004 is a \$1,000,000 repayment to the City of St. Paul. As previously described in the MCES Revenue section, new meters at the Metro Plant have indicated substantially less flow for the City of St. Paul than anticipated. Based on an agreement made with the City in 1998, the metering results require the Council to pay the City back for over-billing during the years 1999–2002 for an amount not to exceed 1.0 billion gallons per year. The Council will owe the City \$5–\$6 million, depending on interest rates and payment dates.

Debt Service Expenses—Debt service is forecast each year as an element of the Capital Finance Plan (CFP), which is based on the projected capital budget outlined in the Capital Improvement

Program (CIP). The CIP details the Division's capital projects and the associated cash flow requirements. The CFP combines this information with pay-as-you-go funds available, interest rate assumptions, current debt obligations and debt leveling requirements to form a debt service forecast for the five-year Plan period. In 2004, debt service expenses account for 38.9 percent of the budget. Debt service expense is considered part of the MCES Annual Budget because it is funded by wastewater revenues, but it is not part of the operating budget.

The 2004 Budget and the projections for future rates and expense targets can only be achieved with the continued commitment of the Council and MCES managers and staff. Even with this commitment, factors outside the control of MCES will provide significant challenges; these factors include the impact of dry weather conditions on flow levels and excessive inflation in the costs of utilities, fuels, chemicals and medical benefits.

SUMMARY

Summary of Rates, Revenues and Expenses—The following table shows MCES rates, revenues and expenses for the years 2002–2004.

MCES Revenue: 2002–2004 (Revenue in 000)			
2002 Actual	2003 Budget	2004 Budget	
Flow	102.4	102	100.0
X Rate	\$123	\$130	\$134
Municipal Wastewater Revenue	\$126,008	\$132,600	\$134,000
SAC Transfer	25,025	26,797	23,181
Industrial Charges	8,416	8,107	9,008
Misc. Revenue	1,697	2,261	1,244
Use of Designated Reserves	2,425	1,130	2,094
Total Revenue & Other Sources	\$163,571	\$170,895	\$169,527
MCES Expenses: 2002–2004 (Expenses in 000)			
2002 Actual	2003 Budget	2004 Budget	
Total MCES Labor	\$ 51,641	\$ 54,622	\$ 56,643
Total Non-Labor	44,187	46,462	45,883
Debt Service	67,857	68,615	66,001
St. Paul Repayment	--	--	1,000
Total Expenses	\$163,685	\$169,699	\$169,527
Surplus (Deficit)	(\$114)	\$1,196	(\$0)

TRANSPORTATION DIVISION

Metropolitan Council 2004 Unified Budget

Transportation Division - Transportation Division

TRANSPORTATION DIVISION

The Metropolitan Council's Transportation Division is composed of two units: Metropolitan Transportation Services and Metro Transit, which in addition to Bus operations incorporates Light Rail operations.

MAJOR REVENUE CHANGES

Prior to calendar year 2002, the Council, and certain Opt-Out communities levied property taxes to fund a portion of transit operations. This levy authority was eliminated by the 2001 Legislature. The property tax levy funding was replaced with a transfer from the Motor Vehicle Sales Tax (also known as the Motor Vehicle Excise Tax or MVET) into the Metropolitan Area Transit Appropriation Account starting for state fiscal year 2003 (which runs from July 1 to June 30).

The state transfers these funds to the Council, which in turn, distributes a portion of these funds to Opt-Out communities based on a formula established in state law. The Council distributes the remaining amount of these funds to the Council's transit programs through its regular budget processes.

KEY REVENUE ASSUMPTIONS

MVET

MVET funding is projected at \$133.3 million for calendar 2004. This assumes an increase in the MVET distributed by the state from 20.5% State Fiscal Year (SFY) 2003 to 21.5% of MVET in State Fiscal Year (SFY) 2004 and beyond. Of this amount, \$23.3 million is projected to be distributed to the Opt-Out communities, with \$93.4 million projected to go to Metro Transit and \$11.1 million projected to go to Metropolitan Transportation Services. Due to historic fluctuations only 95% of MVET revenues are budgeted, with 5% (\$5.5 million) held in the event that actuals fall short of projections.

State General Funds

\$114.7 million was appropriated by the state from State General Funds for the state fiscal year (State Fiscal Year (SFY) 2004 - 05. Of this, \$108 million was allocated for bus operations and \$6.7 million was allocated for the beginning of Hiawatha Light Rail Transit service.

For calendar 2004, \$33.0 million of the state biennial appropriation to Metro Transit is budgeted for Bus; \$22.6 million for Metropolitan Transportation Services; and, \$3.4 million for Hiawatha LRT. Funds for Hiawatha LRT will be matched 50/50 by funds from Hennepin County.

Fares

Two fare increases occurred in 2003 that will take full effect in 2004.

- Regular Route: peak express fare increase of \$0.25
- Metro Mobility: peak express fare increase of \$.50 and off peak of \$.25

Federal Grants

Utilization of federal formula fund grants for the capital costs of contracting and for capitalized maintenance has increased. Federal CMAQ grants for operating costs, federal planning grants, and Jobs Access/Reverse Commute grants have declined.

Balances

There is a planned drawdown of balances in the Contracted Regular Route fund and in Metro Mobility. These programs will be reviewed during 2004 to determine the best long-term financing approach. There are sufficient reserves to fund the 2004 use of reserves.

Metropolitan Council 2004 Unified Budget

Transportation Division - Metropolitan Transportation Services

METROPOLITAN TRANSPORTATION SERVICES

MISSION

Metropolitan Transportation Services:

- Plans for efficient regional transportation systems.
- Provides high quality, cost-effective contracted transit service.
- Promotes alternatives to trips taken in single occupant vehicles

FUNCTIONS

Metropolitan Transportation Services (MTS) carries out three basic functions:

- Conducts long-range transportation planning for all modes of transportation for the region. These activities include developing the region's overarching transportation planning documents and coordinating the allocation of federal funds among various transportation modes
- Provides or coordinates contracted transit services through four programs: contracted regular route service, community programs, Opt Out programs, and Metro Mobility/ADA programs.
- Manages and coordinates travel demand management activities for the metropolitan area.

KEY OUTCOMES:

- Cost-effective regional transportation plans that address the changing transportation needs of the region and is linked to development patterns
- Improved mobility for every citizen
 - Increased transit usage
 - Increased carpools/vanpool trips
 - Increased walking/biking trips
 - Improved transit options for every citizen
 - Zero trip denials for persons with disabilities using paratransit

2004 KEY WORK ACTIVITIES

Transportation Planning

- Update Transportation Policy Plan to reflect Development Framework
- Advance key transportation corridor development in 2004
 - Northwest Busway
 - Central Corridor
 - I-35W
 - I-494
 - TH 41
 - TH 65
 - Northstar
- Prepare 2005 - 2008 Transportation Improvement Program (TIP)
- Participate in Federal Metropolitan Planning Organization (MPO) Planning Certification
- Prepare regional travel forecasts and mobile source air quality modeling
- Participate in aviation, freight, and land use studies
- Staff support to Hiawatha LRT Implementation
- Staff support for 2004 Legislative session
- Provide transportation technical assistance to local governments
- Participate in MnDOT value pricing/HOT lane/FAST lane studies and implementation

Metropolitan Council 2004 Unified Budget

Transportation Division - Metropolitan Transportation Services

Metro Commuter Services/Travel Demand Management

- Expand the VanGo! program
- Expand accessibly to the Ridepro ride matching program

Metro Mobility

- Increase demand service hours by ten percent to achieve the goal of zero trip denials (as set by the federal government).

Opt Outs

- Work with Opt-Outs to implement facilities construction and bus purchases

Community Programs

- Maintain existing ridership
- Includes: STEP, Hopkins, Hastings, NEST, Lake Area Bus, Carver, Anoka Traveler, DARTS, HSI, Scott, Westonka, Anoka Linwood, Anoka Volunteer, Delano, Senior Transportation, Minnetonka, Edina, Prism, and West Hennepin

Contracted Regular Routes

- Fine-tune service to minimize the impacts of service cuts and increase ridership

KEY REVENUE ASSUMPTIONS

- MVET funding at \$34,419,200, including \$23,315,000 for Opt-Outs.
- State General Funds at \$22,599,245
- Federal Grants
 - CMAQ Metro Commuter Services TDM: \$2,240,697
 - Federal formula funds: \$5 million
 - JARC: \$100,000
 - Federal Planning Grants: \$2,510,793
- Fares of \$4,235,718
- Other revenues of \$1,244,807
- Fare media money collected by Metro Transit for MTS routes subsidizes Metro Transit by approximately \$1 million

KEY EXPENDITURE ASSUMPTIONS

- Staff salaries & fringe at union contract rates
- Materials and supplies at inflation
- Interdivisional costs decreased by 13% to \$1.3 million
- Direct support to Community Planning of \$341,545
- Metro Mobility demand hours increase by 10% while agency hours remain at 2003 levels
- \$752,807 in Travel Demand Management contracts
- Community transit programs costs remain at 2003 levels
- Contracted regular route programs per hour costs will be at bid amounts. Some contracts are multi-year contracts with set amounts and some will be bid in 2004.

Metropolitan Council 2004 Unified Budget

Transportation Division - Metropolitan Transportation Services

FINANCIAL ANALYSIS

Financial and Resource Outlook

The various Metro Transportation Services programs rely on different funding sources. Each funding source has its own a unique outlook as well as variability.

Federal Grants

Federal funding for transportation activities comes from the TEA-21 Act. This six-year act expired September 30, 2003, and Congress is currently working on a new bill for the next six years. Since it is currently unclear what funding levels will be, the 2004 budget is based on funding levels from previous years, but funding for individual programs may vary. The programs and funding sources that may be affected are:

- Transportation Planning is funded primarily with federal Unified Planning Work Program (UPWP) funds.
- Metro Mobility and Contracted Regular Route Transit receive Formula (5307) funds.
- Contracted Regular Route receives Jobs Access/Reverse Commute (JARC) funds.
- Metro Commuter Services is funded primarily from a Congestion Mitigation/Air Quality (CMAQ) grant.

State General Funds

The State of Minnesota projected a \$4.2 billion deficit in the 2004-05 biennium as well as shortfalls in the 2002-03 biennium. A portion of the state shortfall was passed to the Council from both biennia and budget adjustments were made to compensate. Global Insights, the firm that develops the State revenue forecasts, assigns a 20 percent risk for a significant downturn from current revenue projections, which could trigger yet additional reductions. Although other programs receive State General funds, Metro Mobility would be most at risk from further reductions in state funding as it receives 75 percent of its funds from this source.

This problem could be compounded by increasing ridership in Metro Mobility. The Metro Mobility program is prescribed by federal ADA law, which requires zero trip denials due to capacity constraints. A ride needs to be provided to each qualifying individual requesting a ride. Unlike regular route service, it is not possible to add substantially more people on each trip because it's a dial-a-ride service. Some improvements in service efficiency have been made, but if demand continues to increase, additional funding will be needed.

Motor Vehicle Excise Tax (MVET)

The State transfers a portion of the MVET tax to the Council for transit purposes. This funding source is a single sector sales tax, making it a fairly volatile funding source. On average, once every ten years MVET revenues have reflected substantial reductions, taking several years to recover to earlier levels. The largest amount of MVET funding is in the MTS budget (over \$23 million) is transferred to the Opt-Out communities. This is their largest and essentially only funding source other than self generated fares. Contracted Regular Route receives approximately 80% while Community Transit Programs receive virtually 100 percent of their funds from MVET.

Fares

Fare revenues are a small funding source for MTS. Metro Mobility receives about 10 percent of its funding from fares. Contracted Regular Route currently receives less than 5 percent, in part because Metro Transit retains \$1 million of fare media revenues earned by Contracted Regular Route service.

Metropolitan Council 2004 Unified Budget

Transportation Division - Metro Transit

METRO TRANSIT BUS OPERATIONS

Introduction

As the largest operator of bus service and the first and only operator of light rail in the Twin Cities region, Metro Transit is a key part of the Metropolitan Council's commitment to operating quality transit services in an inclusive, customer-focused, and efficient manner.

Metro Transit is one of the country's largest transit systems, providing roughly 95 percent of the 73 million bus trips taken annually in the Twin Cities. Each weekday customers board Metro Transit buses an average of 231,000 times.

The agency's 1,481 operators and 480 mechanics support a 965-bus fleet serving 136 local, express and contract routes. In service to its customers, Metro Transit drives more than 100,000 miles each weekday. Metro Transit provides service that results in fewer cars on Twin Cities' roadways and a reduction in congestion. In 2004, 66.9 million customers will ride on Metro Transit buses.

The Metro Transit budget proposal assumes the continuation of the current fare structure, adjusted state general funding as enacted by the State Legislature in 2003, and State forecasted Motor Vehicle Excise Taxes (MVET) revenues.

Budget Process

The budget was built by Metro Transit staff with direction from the General Manager. The General Manager then approves Metro Transit's budget and recommends it to the Regional Administrator. Once approved by the Regional Administrator, it is presented to the Council's Transportation Committee for review. When approved by the Transportation Committee, the budget moves to both the full Council and a public hearing for review, changes, and approval. Prospective fare changes and major service changes require separate public hearings. Budget amendments follow the same process.

Policy Choices and Constraints

The Council has wide latitude over how to pay for any of its programs, subject to majority voting rules, grant restrictions and bonding covenants. Within the Transportation Division, the Council also has the discretion to allocate motor vehicle excise taxes and state funds among Metro Transit, Metro Mobility, rural/small urban programs, non-Metro Transit operations, and Metropolitan Transportation Services. In consultation with the Transportation Advisory Board, the Council also allocates federal transportation funds among transit, highway, and other transportation projects.

The 2004 budget brings together numerous policy choices governing services provided by Metro Transit. Metro Transit has established guidelines to help decide where, when, and how much fixed route bus service is delivered, how frequently it runs, as well as service quality parameters. Metro Transit also decides what levels of marketing, advertising, customer service information, and customer relations to provide, consistent with the mobility needs of the region. Metro Transit recommends maintaining the level and structure of the fare system, which reflects the fare adjustments, implemented in August 2003.

Passenger fares provide about 30% of Metro Transit's operating revenue with motor vehicle excise taxes and state general funds providing most of the remainder. The state legislature determines the amount of state funds available in two-year, biennial appropriations. Metro Transit implements and operationalizes the Council's Regional Framework, Transportation Policy Plan, and various state legislative goals. The plans provide guidance for: transit quality, service levels, service locations, bus

Metropolitan Council 2004 Unified Budget

Transportation Division - Metro Transit

route financial and operational performance, fare policies, and system-wide fare recovery and transit infrastructure investment.

Metro Transit policy decisions are also affected by a competitive environment. In addition to Metro Transit service, fixed route buses in the metro area are operated by Opt-Out Cities/Commissions; the rest of the Council's Transportation Division, and the University of Minnesota. About 4% of the buses operated by Metro Transit are operated as a provider, rather than as a principal decision-maker. Finally, federal laws and regulations direct some Metro Transit policy decisions, such as reduced fares for seniors, accessibility for customers with disabilities, and pollution control.

FINANCIAL ANALYSIS

Financial and Resource Outlook

Metro Transit is proposing an operating budget with revenues of \$213.3 million and expenses of \$218.9 million. Expenses are expected to exceed revenues due to unforeseen increases in health care costs for retired employees. Available operating reserves in 2004 are estimated to start at about \$11.7 million.

Metro Transit has an approximate \$255 million unfunded long-term exposure for post-retirement health benefits based on an actuarial study done in 2003. Current accounting rules do not require Metro Transit or the Metropolitan Council to record or fund such exposure as a liability. However, in July 2001, the Council adopted a resolution committing to funding service cost as well as paying ongoing retiree premiums.

Metro Transit's Budget Committee monitors short-term performance to ensure that budgets are achieved. The Budget Committee also explores long-range operating scenarios to ensure that Metro Transit remains on a sustainable financial path. Metro Transit must be sure that existing and increased transit services can realistically be supported into the future. The following table shows Metro Transit's Sources and Uses of Funds for the period 2001 to 2004.

Metropolitan Council 2004 Unified Budget
Transportation Division - Metro Transit

Metro Transit
Sources and Uses of Operating Funds, 2001-2004
(All values in millions of dollars)

	2001 Actual	2002 Actual	2003 Amended Budget	2004 Adopted Budget
UNDESIGNATED RETAINED EARNINGS – JAN. 1	\$11.6	\$13.8	\$11.7	\$11.7
<u>SOURCES OF FUNDS:</u>				
Transit Fund	70.1	40.3	87.0	93.4
Passenger Fares	58.7	59.8	58.3	58.7
State General Fund	39.1	69.8	31.1	33.0
Federal Funds + Capital	7.2	9.0	19.0	19.1
All Other Sources	9.8	10.6	8.9	9.1
Transfers From Other Funds	3.6	4.8	0.0	0.0
Use of Reserve				
Total Sources	\$188.5	\$194.3	\$204.3	\$ 213.3
<u>USES OF FUNDS:</u>				
Salaries & Benefits	\$147.3	\$158.7	\$162.9	\$175.6
Materials & Supplies	16.9	16.9	18.8	19.7
All Other Expenses	12.8	10.9	13.3	11.5
Central Service Fees	9.3	9.9	9.3	12.2
Total Uses	\$186.3	\$196.4	\$204.3	\$ 219.0
SURPLUS (DEFICIT)	\$2.2	\$ (2.1)	\$0.0	\$ (5.7)
UNDESIGNATED RETAINED EARNINGS – DEC. 31	\$13.8	\$11.7	\$11.7	\$6.0

Note: Undesignated Retained Earnings do not include certain balances from State appropriation recognized in prior years due to implementation of GASB 33 (new accounting standard).

Revenues

Metro Transit's revenue budget in 2004 is \$213.3 million, up \$9 million or 4.4% from the 2003 amended Budget of \$204.3 million. The three largest sources of funds include the Metropolitan Area Transit Fund (MVET), customer fares, and state general funds.

In 2003, the Council did not levy property taxes for transit operations. The State Legislature eliminated this levying authority in 2001, replacing it with a percentage of the Motor Vehicle Excise Tax (MVET) to be transferred to the Metropolitan Area Transit fund for transit operations beginning in mid 2002.

The revenue assumptions in the 2004 Transportation Division budget include the growth of the MVET subsidy based on State economic forecasts and a legislatively increased share of the MVET receipts from 20.5% to 21.5%. Fare revenue will increase an estimated \$400,000

Metropolitan Council 2004 Unified Budget

Transportation Division - Metro Transit

Expenses

Metro Transit's expense budget in 2004 is \$218.9 million, up \$14.7 million from the 2003 amended Budget of \$204.3 million. The largest expense increase is in labor and fringe benefits. The increase to fringe benefits is primarily due to projected increases in health care costs and the recognition of increased liability for retirement health care benefits.

Personnel

Full-time equivalent positions included in the preliminary 2004 budget are:

Bus Operators	1,481.00
Mechanics: Vehicle & Facilities	479.65
Supervisory & Professional	314.64
Clerical	211.10
Police	40.00
Total FTEs	2,526.39

Bus operators, mechanics, and clerical employees are represented by Amalgamated Transit Union Local 1005. Police officers are represented by Law Enforcement Labor Services. Supervisors and managers are represented by Transit Managers and Supervisors Association.

KEY WORK PROGRAM ACTIVITIES FOR 2004

Ridership

During the 2000/2001 biennium, the state legislature increased transit funding while challenging the Metropolitan Council to increase ridership. Metro Transit's share of the goal was 138 million rides. Metro Transit achieved and exceeded this biennium goal at over 147 million rides. In the succeeding biennium, faced with an economic downturn resulting in a state funding reduction and a need to increase fares, Metro Transit did not achieve the ridership increases needed to continue the effort to double the system by 2020. When funding from the State was further reduced in 2002 and 2003, the legislature mandated route eliminations to achieve savings. In 2004, Metro Transit will maintain bus ridership at current levels while endeavoring to structure routes and service to best meet customer demand.

Metro Transit has acted to attract more new customers and to retain and better satisfy existing customers. Key actions include improving service reliability, expanding and simplifying transfers, adding employer-subsidized fare programs and making the riding experience comfortable and easy. In 2004, planned enhancements include the implementation of a new fare collection system that will make boarding faster and easier. Additionally, this customer-oriented fare-paying option will integrate with new rail systems and streamline administrative and accounting processes.

In October 1998, Metro Transit introduced the MetroPass program that allows employers to subsidize annual transit passes for all of their employees. The program is designed to be revenue neutral to Metro Transit. However, the long-term goal of this program is to encourage additional new riders and to grow passenger revenues. As of October 2003, 77 companies are enrolled in the MetroPass program with over 71,000 eligible employees within these companies; close to 14,000 of these employees are riding to work.

Metropolitan Council 2004 Unified Budget

Transportation Division - Metro Transit

Ridership cont'd

In August 2002, Metro Transit and the University of Minnesota negotiated a two-year U-Pass Transit Program. The U-Pass program is a deeply discounted bus pass that offers students unlimited rides on all metro area bus services for \$50 per semester.

CMAQ Grants:

- **Sector 1 and 2 Transit Service Expansion:** This is a three year service expansion started in March 2001, to run concurrent with Phase II NE Metro Service Restructuring. The transit plan implemented a significant restructured route network with key service strategies including a major improvement in the local grid regular route network, expanded peak-only commuter express service tied to expanded Park and Ride facilities in three congested highway corridors, and improved reverse commute transit. This grant provides for operating costs and marketing of expanded service and benefits to 31 cities within the NE Metro (Sectors 1 & 2).
- **Sector 7 West Metro Suburban Transit Service Expansion:** This is a three year service expansion started in March 2001, to run concurrent with the Hopkins-Minnetonka-St. Louis Park Service Restructuring. The transit restructuring plan focuses on improving suburb-to-suburb travel opportunities, improving reverse commute service to employment centers within the sub-region, adding commuter express trips, adding midday express service and improving transit facilities. This grant provides operating costs and marketing of expanded service.
- **Woodbury Park and Ride Transit Service Expansion:** This is a three-year service expansion started in March 2001. This expanded service more than doubles the current level of weekday express bus service between the Woodbury Park and Ride to downtown Minneapolis. Communities benefiting from this service will include Woodbury, Oakdale, Lake Elmo, Stillwater, Cottage Grove, and western Wisconsin.
- **I-35W North Corridor:** This is a three-year service expansion started in December 2002. This service will double rush hour express frequency, add reverse commute, midday and evening express bus service between downtown Minneapolis and 95th Ave. Park & Ride, County Road H Park & Ride, employers and local communities in the north metro area. This grant provides for operating costs and marketing of expanded service.
- **Sector 5 Transit Service Expansion:** This is a three year service expansion starting in April 2004, to run concurrent with implementation of the Sector 5 Transit Improvement Project. The transit plan will implement a restructured route network with key service strategies including a major improvement in the local grid regular route network, expanded peak-only commuter express service tied to expanded Park and Ride facilities in three congested highway corridors, and improved reverse commute transit. This grant provides for operating costs and marketing of expanded service and benefits the cities of Minneapolis, St. Paul, Edina, and Bloomington.

Special Service:

- Metro Transit provides express service to the State Fair from convenient locations and park-ride lots and provides shuttle service from various other locations. The service provided more than 937,000 State Fair rides in 2003, bringing 27% of all patrons to the State Fair.

Metropolitan Council 2004 Unified Budget

Transportation Division - Metro Transit

Service Review

As part of its ongoing review of best service alternatives, Metro Transit will complete added sector studies to ensure that communities are receiving the types and quantity of transit service that best meet their mobility needs. These sector studies are a logical continuation of the Council's Transit Redesign program, which set service standards for the region. The sector approach removes the natural inclination to examine service on a route-by-route basis. The sector approach will ensure broad community input while building Metro Transit's and the Council's constituency.

Fleet

Metro Transit buses are replaced after 12-years of service. The purchase of new buses is timed so that they will arrive around June of the year their replacements are due for retirement. In 2003, 86 forty-foot buses and twenty-five articulated buses were scheduled for delivery (a portion of these buses will be delivered in early 2004). In 2004, another twenty-five articulated buses will be purchased to replace buses due for retirement. The next purchase is scheduled for 2006 when another group of buses reach 12-years of age. In the case of potential growth, (1.5%) some expansion buses may also be purchased in 2006.

In 2003, three Hybrid-Electric buses were introduced to Metro Transit's fleet. Manufactured by the Gillig Corporation, this low-floor designed bus utilizes an Allison Diesel-Electric Hybrid Power train. The power from a relatively small Cummins diesel engine and a 640-volt battery pack are blended together. A component called the Ev Drive, consisting of two AC induction motors/generators and some gearing, integrates the mechanical and electrical power elements. Through the use of Hybrid Control Modules, operation of the two power sources are optimized, resulting in reduced emissions, lower fuel consumption, and continuous freeway speed capability. The unit also utilizes regenerative braking, which recaptures energy while decelerating. The purchase of additional Hybrid buses is being considered for the future.

Public and Support Facilities

In addition to the maintaining its fleet, Metro Transit is responsible for the maintenance of both publicly used facilities and bus-related facilities. Coverage within the seven county Metro area includes conventional bus shelters, large custom shelters, transit centers, and park and ride lots. The maintenance work is conducted around the clock, every day of the week. In the next few years, 25% more park and ride spaces will be added and additional garages will need to come on line.

Summary

Metro Transit proposes a FY 2004 operating budget to maintain current service levels. The budget plan projects revenues of \$213.3 million, expenditures of \$218.9 million and ridership of 66.9 million rides. Funding shortfalls will be recouped from operating reserves. The 2004 operating budget has a major focus on quality service in a customer-focused and efficient manner.

Metropolitan Council 2004 Unified Budget

Transportation Division - Metro Transit

METRO TRANSIT HIAWATHA LIGHT RAIL

INTRODUCTION

HIAWATHA CORRIDOR LIGHT RAIL TRANSIT PROJECT—ON TRACK

In January 2001, the Metropolitan Council secured a Full Funding Grant Agreement from the Federal Transit Administration to provide \$334 million for construction of the Hiawatha Light Rail Project. Local match funding in the amount of \$291 million has been committed from local funding partners State of Minnesota, Metropolitan Airports Commission, and the Hennepin County Regional Rail Authority (HCRRA).

The Hiawatha Project is 78 percent complete as of August 2003. With a length of 12.0 miles, the Hiawatha Line will connect three of the Twin Cities most popular destinations - downtown Minneapolis, Minneapolis/St. Paul International Airport and the Mall of America in Bloomington. Full operations between downtown Minneapolis and Mall of America begin, as scheduled, in December 2004.

Metro Transit will offer 46 bus routes with connecting service and timed transfers at 13 light rail stations. Bus service will provide neighborhood access to the LRT line and will facilitate crosstown and reverse commuting travel options. University of Minnesota express buses will connect to the Downtown East/Metrodome Station.

FINANCIAL ANALYSIS

The Full Funding Grant Agreement calls for the Hiawatha project to be in revenue operation for the entire line from downtown Minneapolis to the Mall of America by December 31, 2004. The Council has established an Early Operation Date of April 3, 2004 to begin service from downtown to the Fort Snelling Station. This allows the first completed segment of Hiawatha to begin serving passengers nine months early.

By April 3 2004, construction will be completed on the Early Operation section and 16 light rail vehicles will be delivered and commissioned for service. Rail operators, supervisors, control center managers, electro-mechanical technicians, traction power and SCADA specialists will have completed testing and training on the vehicle, safety procedures, traction power, signals and communication systems required to operate from the Warehouse District Station to the Fort Snelling Station (112 full-time-equivalent employees required to operate the line at this stage). In addition, ten members of the Metro Transit police will be specifically trained in rail operations and deployed to safeguard the passengers and provide security to the new rail stations and provide random fare inspection of passengers.

Beginning April 3, 2004 daily LRT service will commence at 4:00 AM and terminate at 1:00 AM based on the following schedule.

Early AM Service	Trains every 30 minutes
Rush hour service from 6AM to 9AM	Trains every 7-½ minutes.
Mid-day service from 9AM to 3PM	Trains every 10 minutes.
Rush hour service from 3PM to 630 PM	Trains every 7-½ minutes
Early Evening Service 6:30 PM to 9PM	Trains every 15 minutes.
Late Evening Service	Trains every 30 minutes.

Metropolitan Council 2004 Unified Budget

Transportation Division - Metro Transit

Light Rail Fares will be the same as bus fares. Transfers between bus and rail will be valid for 150 minutes from time of initial boarding. Fare collection is barrier-free with tickets issued from self-service vending machines located on station platforms. Passengers are required to provide valid ticket upon request as proof of payment.

In December 2004, the full 12.0-mile line will open serving 17 stations including the MSP International Airport and the Mall of America. Twenty-four Light Rail Vehicles will be commissioned for operation and the 1.4-mile HLRT Dual Tunnels will be opened to serve two Airport Stations and three stations in Bloomington. The service schedule will maintain the train frequencies listed in the above table and passenger fare structures noted above. Park and Ride facilities at Fort Snelling and 28th Avenue in Bloomington will provide free day-commuter parking for approximately 1,500 automobiles. Staffing at December 2004 is anticipated to be 136 Rail Operations employees plus 13 Metro Transit Police.

HIAWATHA LRT OPERATIONS FUNDING

Resulting from the 2003 State Legislative Session, the State of Minnesota has appropriated \$6.70 million to operate the Hiawatha LRT line for the 2004-2005 Biennium. This appropriation is to cover 50 percent of the operating costs after operating revenue and federal funds are used for light rail transit operations. The remaining 50 percent are to be funded by Hennepin County Regional Rail Authority (HCRRA).

For the 2004 calendar year, passenger fares will generate \$2.29 million for the Early Start operations running April through December of 2004. Federal CMAQ grant funds will provide \$2.99 million to assist the new start rail system. The remaining \$6.78 million will be funded 50/50 by the State and HCRRA at \$3.39 million each. The total \$12.06 million for the 2004 Hiawatha Light Rail Operating Budget is composed of the following sources and uses:

Metropolitan Council 2004 Unified Budget
Transportation Division - Metro Transit

Hiawatha Light Rail
Sources and Uses of Operating Funds, 2004
(All values in millions of dollars)

	2004 Budget
UNDESIGNATED RETAINED EARNINGS – JAN. 1	---
<u>SOURCES OF FUNDS:</u>	
Property Taxes/Transit Fund	---
Passenger Fares	\$ 2.29
State General Fund	\$ 3.39
Federal Funds + Capital	\$ 2.99
Hennepin County	\$ 3.39
Transfers From Other Funds	---
Use of Reserve	---
Total Sources	\$ 12.06
<u>USES OF FUNDS:</u>	
Salaries & Benefits	\$ 7.81
Materials & Supplies	\$ 1.12
All Other Expenses	\$ 2.88
Central Service Fees	\$.25
Total Uses	\$ 12.06
SURPLUS (DEFICIT)	---
UNDESIGNATED RETAINED EARNINGS – DEC. 31	---

COMMUNITY DEVELOPMENT DIVISION

METROPOLITAN COUNCIL 2004 UNIFIED BUDGET

COMMUNITY DEVELOPMENT DIVISION

Mission: Provide high quality, coordinated planning, policy and program development to support regional growth and reinvestment; provide specialized technical assistance to local communities; identify and analyze strategic regional issues; provide leadership in facilitating community collaboration; implement the Livable Communities Act; and deliver assisted housing through existing programs to low income households in the region.

Organization: The Community Development Division is one of four divisions of the Metropolitan Council. It has primary responsibility for the development and implementation of *2030 Framework* as well as housing and redevelopment activities. The division is organized into two departments: Planning and Growth Management, which includes planning and technical assistance, research, parks and open space and geographic information systems - and Housing and Livable Communities, which includes the Livable Communities program, the Housing and Redevelopment Authority and the Family Affordable Housing Program.

Functions:

- **Division Management:** Provide overall policy direction and leadership to the division and policy alignment with operating units.
- **Planning and Technical Assistance:** Process the principal reviews of statute requirements for comprehensive plans and amendments, environmental reviews and grant applications; provide technical assistance and be liaison to 190 jurisdictions in the metro area.
- **Research Division:** Provide reliable research that monitors and analyzes growth and development in the region, studies policy issues for the Council and provides accessible data to customers throughout the region.
- **Geographic Information Systems:** Support the Council's planning, transit and environmental services functions through Geographic Information System (GIS) technology, data and expertise.
- **Regional Parks:** Long-range planning of the regional park system to meet the future needs of the region, reviewing park master plans and managing/funding the Capital Improvements Program (CIP).
- **Housing and Livable Communities:** Administer the livable communities programs and implement regional housing policy.
- **Housing and Redevelopment Agency (HRA):** Administer and deliver existing rental assistance programs to low income seniors, disabled individuals and families in a comprehensive, accurate and cost-effective manner.
- **Family Affordable Housing Program (FAHP):** Administer the Metropolitan Council's Family Affordable Housing Program.

Key 2004 Outcomes:

- Strategic leadership for implementation of *2030 Framework*.
- Update local planning handbook.
- Review and comment on all comprehensive plans and amendments and environmental review.
- Provide data and analysis for Regional Policy Plan updates.
- Develop complete set of Regional Framework Benchmarks.
- Lease up remaining units for Family Affordable Housing Program.
- Publish a Natural Resource Inventory Atlas as an educational resource for the 2030 Framework implementation.
- Update the 2001 Parks Policy Plan.
- Improve rental housing affordability.
- Work with communities to develop and preserve affordable and life cycle housing.
- Work in partnership with local units of government and funding agencies to implement the Metropolitan Livable Communities Act.

Key 2004 Work Activities:

- **Division Management:**
 - ✓ Strategic leadership for *2030 Framework*.
 - ✓ Policy alignment with operating units.
 - ✓ Support intergovernmental partnerships to implement key Council initiatives.
- **Research:**
 - ✓ Annual population and household estimates.
 - ✓ Annual employment estimates.
 - ✓ LCA Report Card to the legislature.
 - ✓ Data and analysis for policy plan updates.
 - ✓ Background research for setting housing goals.
 - ✓ Build expanded development monitoring system.
 - ✓ Conduct several detailed Census studies.
 - ✓ Produce on-going reports: building permits, construction starts, quarterly economic indicators, fiscal disparities summary, Twin Cities area survey, etc.
- **Geographic Information Systems (GIS):**
 - ✓ Implement new GIS software.
 - ✓ Maintain Council GIS web pages.
 - ✓ Produce and maintain a Natural Resource Atlas.
 - ✓ Develop methods to support development monitoring of land use.
 - ✓ Support GIS components of Metro Transit SmartCom project.
 - ✓ Support quarterly updates of GIS bus route data used for Transit Itinerary. Planning System, Bus Route Service Planning, and federal fixed guide-way reporting.

- ✓ Assist Regional Maintenance staff in developing GIS and Web applications.

Metro GIS:

- ✓ Complete regional solutions for four additional common priority information needs: 1) existing land use, 2) highways and roads. 3) lakes and wetlands and 4) socioeconomic characteristics of areas.
- ✓ Use performance measures to gauge progress and enhance MetroGIS sharing efforts.
- ✓ Maintain www.MetroGIS.org web site for access to organizational information on MetroGIS.
- ✓ Maintain www.datafinder.org web sites for access to over 100 GIS data files.

- **Planning and Technical Assistance:**

- ✓ Technical assistance and staff review of grant programs including Livable Communities Demonstration Account (LCDA), Tax Based Revitalization Account (TBRA) and TEA-21.
- ✓ Technical outreach to local communities.
- ✓ Develop a method of integration of the Natural Resource Inventory (NRI) into comprehensive plans.
- ✓ Provide staff assistance to numerous Council, Commission and Advisory committees.
- ✓ Provide staff assistance on corridor studies.

- **Regional Parks:**

- ✓ Review of master plan amendments, management of the Capital Improvement Program and related grants, preparation of annual parks use estimate, review of local comprehensive plan amendments.
- ✓ Update of the system analysis to include new social data, forecasts and natural resource inventory products.
- ✓ Policy Plan update, public involvement meetings, drafting and getting approval of plan updates.
- ✓ Issue updated system statements to local communities.

- **Housing and Livable Communities:**

- ✓ Administer Livable Communities Act Programs
 - ✓ Establish annual distribution/spending plan.
 - ✓ Prepare annual report to the Legislature with an evaluation of effectiveness.
 - ✓ Conduct application submittal, review and selection process.
 - ✓ Negotiate contracts and amendments.
 - ✓ Monitor contracts.
 - ✓ Monitor and evaluate projects.
- ✓ Provide staff support for Livable Communities Advisory Committee.
- ✓ Partner with Metropolitan Housing Implementation Group.
- ✓ Partner with Department of Employment and Economic Development.
- ✓ Conduct reviews of housing elements of local comprehensive plan updates and amendments.

- ✓ Administer comprehensive plan loan program for local communities.
 - ✓ Administer technical assistance grant program (supported by Minneapolis Foundation and Family Housing Fund).
 - ✓ Facilitate implementation of the Mississippi Riverfront Initiative with the collaborating partner groups and communities.
- **Housing and Redevelopment Authority (HRA):**
 - ✓ Fully utilize all rent subsidy resources.
 - ✓ Continue implementation of Family Self-Sufficiency and Homesteps Pilot Homeownership Programs.
 - ✓ Continue design and implementation of improved quality control processes, procedures and internal controls.
 - ✓ Continue to identify and implement processes that improve efficiency and customer service.
- **Family Affordable Housing Program:**
 - ✓ Work with construction management vendor to ensure improvements are completed in a timely fashion and within budget.
 - ✓ Manage waiting list to ensure sufficient base of FAHP unit applicants.
 - ✓ Monitor and ensure compliance with Metropolitan Council's Admissions & Continued Policies and U.S. Department of Housing & Urban Development regulations.
 - ✓ Identify and research potential cost-savings measures.

Financial Analysis:

Expenditures:

The Community Development Division's operating expenditures and pass-through grants total \$81,570,679. Operating expenditures are made up of \$4,998,912 for planning, technical assistance, GIS, research, parks and livable communities; \$3,814,983 for the HRA; and \$975,757 for the Family Affordable Housing Program. Pass-through grants make up \$71,781,027 of the division's budget.

Revenues:

HRA revenues come entirely from local, state and federal funding sources, whereas the Community Development Division's other functions are funded primarily through the local property tax levy.

The 2004 budget assumes a staff of 83.2 FTE's.

Livable Communities Fund:

An important function of the Community Development Division is to administer grant programs authorized by the 1995 Livable Communities Act. Under this statute, the Council established the Livable Communities Fund, which has three accounts:

- The Tax Base Revitalization Account provides grants to help local units of government pay for cleanup of polluted land to make it available for commercial and industrial development.
- The Livable Communities Demonstration Account funds projects that create connected places linked to transit, where available, and support walkable neighborhoods; propose a mix of uses; expand housing choices, especially in locations close to jobs; foster distinctive community places; and protect and enhance natural resources.
- The Local Incentives Housing Account provides grants to local units of government to increase the availability or to preserve affordable and lifecycle housing.

Grant commitments for 2004 are expected to total \$16,330,000, which includes \$5,940,000 for the Tax Base Revitalization Account, \$8,855,000 for the Livable Communities Demonstration Account, and \$1,535,000 for the Local Housing Initiatives Account.

REGIONAL ADMINISTRATION

Metropolitan Council 2004 Unified Budget

Regional Administration

Regional Administration consists of functions such as human resources, finance, legal, purchasing, and risk management that provide Council-wide services to the operating and line divisions of the Council. The majority of the Regional Administration budget is allocated to the operating and line divisions of the Council.

MISSION: To provide essential, integrated management, support, and oversight services to the Council and its operating units.

Regional Administration's major priority for 2004 will be to continue supporting the Council's operating units by providing high quality, cost effective services.

EXPECTED RESULTS

- Leadership in anticipating changes and issues for the agency
- Facilitate continuous improvement of support services
- Customer service that builds partnerships and relationships
- Effective communication of the customer service and problem solving vision so it improves day-to-day service delivery.
- Integrated stakeholder and public involvement in regional decision making.

OVERALL TACTICAL GOALS

- Assistance to the Council
- Implementation of Council priorities
- Implementation of performance measurement
- Improvement of organizational effectiveness and efficiency.

ORGANIZATION OF REGIONAL ADMINISTRATION

Regional Administration includes the Office of the Chair and the Office of the Regional Administrator. The organization chart in the Mission and Organization section of the budget shows reporting relationships within Regional Administration.

The administrative support units within Regional Administration include:

- | | |
|---------------------------|------------------------------------|
| • Legal - General Counsel | • Fiscal Services/Central Services |
| • Internal Audit | • Information Services |
| • Government Affairs | • Risk Management |
| • Communications | • Contracts and Procurement |
| • Diversity | • Budget and Evaluation |
| • Human Resources | |

The administrative units within Regional Administration recommend Council-wide administrative policy and procedures. A number of administrative functions are administered and staffed centrally in Regional Administration, including: Legal Office,

Metropolitan Council 2004 Unified Budget

Regional Administration

Internal Audit, Diversity, Information Services, and Government Affairs, while other administrative functions are administered centrally for policy and procedures, but not all staff are centrally managed. As an example, Metro Transit houses and manages some Human Resources staff. As needs require administrative staff resources are used Council-wide.

Administrative services are provided to business units on a cost reimbursement basis. Allocation of administrative costs is administered under procedures documented in the Council's Cost-Sharing System Guidebook. A portion of administrative costs for Council-wide administrative duties not attributable to specific units are allocated to business units under cost allocation procedures.

Resource needs and budget requests from administrative units are developed through joint work planning involving administrative unit managers and business unit management. On a quarterly basis administrative managers prepare reports for business units that assess services provided and costs allocated. Considerable effort is put into administrative cost control including sharing administrative resources and system development costs Council-wide.

DEPARTMENTAL TACTICAL GOALS

LEGAL

- Provide prompt advice to the Council to assist in compliance with all appropriate federal and state legal requirements.
- As needed, realign internal legal staff assignments and external legal service providers so that high quality, cost-competitive legal services are delivered.
- Improve transactional documentation process through increased client contact and timely document production.
- Increase productivity through the use of appropriate cutting-edge research and document production tools.
- Design and implement effective communication links with clients.
- Facilitation and encouragement of preventive legal services practices throughout the organization.

INTERNAL AUDIT

- Develop and execute a comprehensive Annual Audit Plan identifying activities to be audited through the use of a risk assessment ranking system.
- Conduct special audits and/or investigations at the request of the Regional Administrator, Council Chair, or the Audit Committee.
- Coordinate audit activities with the Minnesota State Auditor's staff, the Federal Transit Administration auditors, and other federal auditors.
- Utilize technology and audit software in auditing new computer systems in order to maximize auditing effectiveness.

Metropolitan Council 2004 Unified Budget

Regional Administration

- Assess control adequacy of current systems and new systems through on-going audits and reviews.
- Design and implement audit programs to verify and to assist operating management to comply with laws and regulations for new projects such as the Light Rail Transit project.

COMMUNICATIONS

- Affordable Housing: Build community understanding of role of affordable housing in supporting jobs and local businesses and in meeting the changing housing needs of local residents.
- Light Rail Transit: Ensure public awareness of the role of light rail transit in the region's overall transit system and its importance in maintaining the region's competitiveness and quality of life.

DIVERSITY

- Provide leadership in creating and sustaining an emotionally healthy and inclusive organization by providing diversity related training and consultation.
- Promote the development and contribution of all employees by providing them with fundamental workplace behavior training regarding harassment and discrimination.
- Increase the use of technology in the collection, reporting, and communication of diversity and equal opportunity information.
- Create procedures and practices that support the Council's commitment to utilizing a diverse range of suppliers and contractors through efficient and comprehensive contract compliance programs.
- Establish and sustain relationships with communities and organizations to help achieve the mission of the Office.
- Create and/or support diversity awareness opportunities and events that support the Council's mission.

HUMAN RESOURCES

- Review and update Council salary policy for consideration by Executive Management and Council.
- Deliver training and organization development services around the key areas of leadership development, customer service, new technology, efficiency, and other issues of organizational effectiveness as they emerge.
- Design and deliver a comprehensive management development program for the agency.

FISCAL SERVICES

- Identify and implement additional efficiencies in systems and processes to provide the most effective service to customers.

Metropolitan Council 2004 Unified Budget

Regional Administration

- Upgrade the PeopleSoft financial system to version 8.4. Determine functionality to be implemented to increase productivity and improve service to customers.
- Evaluate process and system improvement possibilities in Accounts Receivable, Accounts Payable, and Payroll; including increased use of Electronic Funds Transfer (EFT).

INFORMATION SYSTEMS

- Provide leadership in planning, developing, and implementing business driven strategic information technology (IT) solutions to support the mission of our customers.
- Provide a seamless data communication infrastructure that facilitates data access throughout the organization.
- Provide leadership in the efforts of all divisions to fully utilize the capabilities of all information systems.
- Implement IT projects in partnership with each business unit, as prioritized by the Information Technology Steering Committee.
- Provide superior customer service through partnership efforts with and feedback from all business areas.

RISK MANAGEMENT

- Advise Council management on appropriate risk management strategies to manage risk and minimize loss.
- Develop strategic plan for risk management.
- Assist each division in analyzing loss exposures and identifying risk management tools/resources to manage those costs.

CONTRACTS AND PROCUREMENT

- Assist internal customers in solicitations for goods and services, the creation of purchase orders, and the execution of contracts.
- Follow processes and maintain records that demonstrate compliance with procurement policy and procedures.
- Continuously improve the process of procuring goods and services most advantageous to the Council.
- Facilitate accurate reporting of Council expenditures and encumbrances.

Financial Overview of Regional Administration Budget

Total 2004 expenditures for Regional Administration are \$29,226,195 of which \$24,180,290 (approximately 83 percent) is allocated to business units under Council cost sharing and allocation procedures.

Cost allocation to business units includes \$11.8 million for services directly provided to and funded by the operating divisions; and \$12.4 million allocated as either

Metropolitan Council 2004 Unified Budget

Regional Administration

residual expense or as an indirect charge to business units under cost allocation and Federal OMB A-87 guidelines.

2004 Regional Administration department and sub-unit expenditure budgets are as follows:

Unit	2004 Adopted Budget
Legal Office	\$2,163,516
Internal Audit	442,335
Communications & Government Affairs	2,530,518
Diversity	593,570
Human Resources	4,274,201
Fiscal Services	2,433,218
Information Services	11,879,844
Risk Management	1,111,386
Budget & Evaluation	331,529
Offices of Chair & Regional Administrator	1,033,919
Purchasing & Contract Services	1,007,730
Central Services	1,424,429
Total	\$29,226,195

Comparison of 2003 Budget to 2004 Adopted Budget

In total, the Regional Administration budget increases 2.4 percent in 2004 compared to the 2003 Adopted budget. Salary and Benefit expenses decrease 5 percent in 2004 the result of staffing reductions. Consultant and contractual service costs increase \$1.7 million driven primarily by investment in technology. Rent and utility costs decrease 6.5 percent or \$118,067.

Capital outlays for 2004 includes costs for replacement of PC's and Printers, and implementation of firewall and security initiatives, as well as hardware for the upgrade of the PeopleSoft Financial system.

Expenditures	2003 Budget Adopted	2004 Budget Adopted	2003 - '04 Percent Change
Salaries & Benefits	\$ 18,218,824	\$ 17,291,788	-5.1%
Consultants & Contract.	5,211,945	6,869,014	31.8%
Rent & Utilities	1,816,760	1,698,693	-6.5%
Other Direct Expenses	3,272,539	3,298,650	0.8%
Insurance	33,000	68,050	106.2%
Total	\$ 28,553,068	\$ 29,226,195	2.4%
Capital Outlay	\$ 2,333,761	\$ 2,643,440	13.3%

BUDGET DEVELOPMENT

AND

ADOPTION PROCESS

Metropolitan Council 2004 Unified Budget Budget Development and Adoption Process

Introduction

The Metropolitan Council budget is a unified operations budget that reflects all units and revenue sources. It is composed of four organizational units: Environmental Services Division, Transportation Division, Community Development Division, and Regional Administration. A separate capital improvement program and budget for 2004-2009 will also be prepared including major facilities primarily financed by means of long term debt.

The fiscal policies guiding development of the budget provide that the agency will be managed by retaining the individually organized and financed operating units, while providing centralized leadership and policy guidance. Fiscal management is centered in the Regional Administrator's Office and the Council's Management Committee.

The Council's budget addresses the overall vision and mission of the agency, which will guide the development of the 2004 work program. Each of the individual operating divisions develops its own mission based upon the Council's Implementing Strategies and the needs of the customer, client or stakeholder served.

Each of the Council's operating divisions has unique revenue sources that are based upon specific client relationships. For example, in the Environmental Services Division municipal customers pay for the level of service based on actual wastewater flow. The unit cost of the service is the same for all users. Cities, in turn, collect fees for the volume of wastewater collected and treated from residential, commercial and industrial customers. In the Metropolitan Housing and Redevelopment Authority (HRA), cities and the federal Department of Housing and Urban Development (HUD) depend upon specific results from the HRA, while clients are the recipients of the services being provided. The Council's operating divisions develop their budget proposals in consideration of their clients service needs, respective funding sources, and Council policy.

Budget Schedule

During the early part of the year, the Council's operating divisions develop presentations and hold meetings with their constituent groups and stakeholders to receive comments on their portion of the Council's budget. In April, May and June the operating divisions review and discuss goals and strategies with their respective Council committee.

Proposed division budgets are reviewed with the Regional Administrator's Office during the second quarter. Division budgets are then presented to the Council committees. In June and July, the Environmental Services Division proposed budget is presented to the Council's Environment Committee, while the Transportation and Community Development budgets are presented to the Transportation and Livable Communities committees of the Council respectively. The Council's Management Committee reviews the Regional Administration section of the budget. In August, the Council was presented the preliminary unified budget for consideration and discussion.

The Environmental Services Division budget determines municipal wastewater charges for cities in the region for the upcoming year. Public meetings on the proposed Environmental Division budget are held

Metropolitan Council 2004 Unified Budget Budget Development and Adoption Process

prior to adoption of the proposed budget so that communities and other clients have the opportunity to comment on the budget and proposed municipal wastewater charges.

On August 27, 2003, the Council approved the 2004 preliminary unified budget and proposed property tax levies including the Environmental Services Division budget and wastewater service fees. In September, the Council transmits to the State Department of Revenue and the county auditors the preliminary budget and proposed property tax levies in compliance with State Truth-in-Taxation and other statutory requirements. The State Department of Revenue determines whether or not the levies are within statutory levy limits. The county auditors then include the proposed levies in the Truth-in-Taxation certificates sent to metropolitan area households in November.

In November, the Council adopts a Public Hearing draft of the proposed budget. The Council held a Truth-in-Taxation hearing on the proposed property tax levies December 3, 2003; a public hearing on the 2004 operating and capital budgets on December 10, 2003. Council adoption of the final 2004 Unified Budget occurred at the regular Council meeting on December 17, 2003.

Capital Budgeting

Under State statute, the Council is required to adopt a Capital Improvement Program (CIP) and Annual Capital Budget for major equipment, facilities, and land; and grants programs administered by the Council for similar purposes. In response to state statute (473.13), the Council's annual CIP and Capital Budget is adopted and published separately from the Council's operating budget.

The CIP generally covers a five-year period; however, in the past six-year CIP's have been prepared for the following periods: 2000-2005, 2001-2006, 2002-2007, 2003-2008, and the current CIP 2004-2009. The CIP and Annual Capital Budget includes major asset purchases for the Metropolitan Council Environmental Services Division, transit operations including Metro Transit and other transit providers, and the Metropolitan Parks and Open Space Commission.

The CIP and annual Capital Budget document presents

- A unified 2004-2009 capital improvement program which details capital investments and financing;
- A fiscal impact assessment which considers 2004-2009 capital investments and financing within the context of the region's ability to pay; and
- A unified 2004 capital program and budget with new multi-year capital program authorizations and 2004 capital expenditures.

APPENDICES

**METROPOLITAN COUNCIL
GRANT AND LOAN PROGRAMS**

	2000 Actual	2001 Actual	2002 Actual	2003 Budget	2003 Revised	2004 Budget
<u>Passthrough Grant Programs:</u>						
Passthrough Grant Revenues:						
Property Taxes:						
Livable Communities Program	10,014,834	10,536,521	12,360,803	13,135,000	13,002,000	12,890,700
Highway Right-of Way Loan Program	920,786	920,036	2,794,692	3,096,000	3,045,000	2,696,100
Subtotal-Property Taxes	10,935,620	11,456,557	15,155,495	16,231,000	16,047,000	15,586,800
Federal:						
HUD Housing Assistance	22,916,893	31,160,625	41,447,367	29,291,600	42,500,000	43,500,652
National Park Service-MNRRRA	-	-	-	-	-	-
Subtotal-Federal	22,916,893	31,160,625	41,447,367	29,291,600	42,500,000	43,500,652
State:						
HACA Payments (Livable Communities)	1,099,868	1,099,678	-	-	-	-
HACA Payments (Highway Right-of-Way)	224,107	217,181	-	-	-	-
Inclusionary Housing Appropriation	-	-	-	-	-	-
MHFA Housing Assistance	1,471,991	1,109,258	1,744,870	1,908,400	1,300,000	1,083,773
Transit Appropriation-Welfare to Work	-	-	-	-	-	-
Parks O&M Appropriation	6,712,428	6,982,677	9,143,291	8,630,000	8,630,000	8,630,000
MPCA Stream Monitoring	-	-	-	-	-	-
Subtotal-State	9,508,394	9,408,794	10,888,161	10,538,400	9,930,000	9,713,773
Local/Other Intergovernmental - HRA	948,669	1,045,475	1,542,991	915,000	1,700,000	1,711,602
Interest Income - Livable Communities	2,511,347	1,748,899	686,091	1,463,000	650,000	592,000
Interest Income - Highway Right-of-Way Loan Progra	809,076	551,384	156,259	18,000	18,000	87,000
Interest Income - Planning Assistance Loan Program	99,241	52,998	33,780	51,000	51,000	51,000
Interest Income - Planning Assistance Grant Program	10,991	7,358	-	-	-	-
Other Revenue - TCWQI	-	-	-	-	-	-
Total Current Revenues	47,740,231	55,432,090	69,910,145	58,508,000	70,896,000	71,242,827
Other Sources:						
Transfer to Metro HRA from Gen Fund	-	-	-	-	-	-
Transfer to Livable Comm from Solid Waste Cap	-	-	-	-	-	-
Transfer to Livable Comm from General Fund	1,000,000	1,000,000	1,810,000	1,000,000	1,000,000	1,000,000
Transfer to Planning Assist from Solid Waste Cap	-	-	-	-	-	-
Transfer to Highway ROW from Radio Board	-	(34,000)	-	-	-	-
Transfer to Transit for Livable Comm from T&TD Ad	1,530,000	1,000,000	-	-	-	-
Total Other Sources	2,530,000	1,966,000	1,810,000	1,000,000	1,000,000	1,000,000
Total Revenues and Other Sources	50,270,231	57,398,090	71,720,145	59,508,000	71,896,000	72,242,827
<u>Passthrough Grant Expenditures:</u>						
Community Development:						
Housing Grants	25,244,824	33,083,245	44,735,228	32,115,000	45,500,000	46,296,027
Parks O&M Grants	6,712,428	6,982,677	9,143,291	8,630,000	8,630,000	8,630,000
Livable Communities Grants	13,125,382	13,798,086	14,709,364	15,904,550	17,320,000	16,605,000
Planning Assistance Grants	27,885	323,094	305,552	250,000	250,000	250,000
MNRRRA Planning Grants	-	-	-	-	-	-
Subtotal-Community Development	45,110,519	54,187,102	68,893,435	56,899,550	71,700,000	71,781,027
Transportation:						
Highway Right-of-Way Loans	-	-	-	-	-	-
Welfare to Work Grants	-	-	-	-	-	-
Transit for Livable Communities Grants	-	-	-	-	-	-
Subtotal-Transportation	-	-	-	-	-	-
Environmental Services:						
Stream Monitoring Grants	-	-	-	-	-	-
Subtotal-Environmental Services	-	-	-	-	-	-
Total Grant Expenditures	45,110,519	54,187,102	68,893,435	56,899,550	71,700,000	71,781,027
Other Uses:						
Transfers to Other Funds	33,900	-	-	200,000	-	-
Total Expenditures and Other Uses	45,144,419	54,187,102	68,893,435	57,099,550	71,700,000	71,781,027

**METROPOLITAN COUNCIL
GRANT AND LOAN PROGRAMS**

	2000 Actual	2001 Actual	2002 Actual	2003 Budget	2003 Revised	2004 Budget
Revenues/Other Sources Over/(Under)	5,125,812	3,210,988	2,826,710	2,408,450	196,000	461,800
Expenditures/Other Uses						
Changes in Fund Balance by Program:						
Metro HRA	92,729	-	-	-	-	-
Parks O&M	-	232,113	-	-	-	-
Planning Assistance	82,347	-	(271,772)	(199,000)	(199,000)	(199,000)
Livable Communities	2,996,767	(262,738)	147,531	(506,550)	(2,668,000)	(2,122,300)
Highway Right-of-Way	1,953,969	1,587,012	2,950,951	3,114,000	3,063,000	2,783,100
Welfare-to-Work	-	1,654,601	-	-	-	-
Stream Monitoring	-	-	-	-	-	-
Total	5,125,812	-	2,826,710	2,408,450	196,000	461,800

NOTE: Estimated 2002 revenues and expenditures are included along with the 2002 adopted budget.

Environmental Services Grant Programs:

Revenues and Other Sources

Interest/Other Income - TC Water Quality Initiatives	-	-	-	-	-	-
Interest/Other Income - Metro Envir Partnership	-	-	-	-	-	-
Transfer to TCWQI from Envir Serv	2,680,118	-	-	-	270,000	-
Transfer to Metro Environ Partnership from Envir Ser	-	(215,000)	-	1,000,000	1,000,000	-
Total Revenues and Other Sources	2,680,118	2,000,000	-	1,000,000	1,270,000	-

Expenditures

Twin Cities Water Quality Initiative Grants	742,471	-	287,616	883,969	755,377	-
Metro Environmental Partnership Grants	248,100	966,819	1,151,436	2,000,000	2,000,000	2,000,000
Total Expenditures	990,571	776,543	1,439,052	2,883,969	2,755,377	2,000,000

Revenues/Other Sources Over/(Under)	1,689,547	-	(1,439,052)	(1,883,969)	(1,485,377)	(2,000,000)
Expenditures/Other Uses						

Revenues and expenditures reflected in Environmental Services operations budget section of consolidated reports.

**METROPOLITAN COUNCIL
GRANT AND LOAN PROGRAMS**

	2000 Actual	2001 Actual	2002 Actual	2003 Budget	2003 Revised	2004 Budget
<u>Highway Right-of-Way Loan Program:</u>						
Certified Levy	1,142,446	1,142,446	2,822,906	3,142,643	3,142,643	2,803,379
Less: Uncollectible	(2,447)	5,229	28,214	46,643	46,842	39,544
Net Current Tax Receipts	1,144,893	1,137,217	2,794,692	3,096,000	3,045,000	2,696,100
Revenues:						
Property Taxes	920,786	920,036	2,794,692	3,096,000	3,045,000	2,696,100
State HACA Payments	224,107	217,181	-	-	-	-
Interest Income	809,076	551,384	156,259	18,000	18,000	87,000
Other Revenues	94,445	1,579	-	-	-	-
Total Revenues	2,048,414	1,690,180	2,950,951	3,114,000	3,063,000	2,783,100
Expenditures and Other Uses						
Grant Expenditures/Loan Forgiveness	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-
Expenditures/Other Uses:	-	-	-	-	-	-
Revenues Over/(Under) Expenditures	2,048,414	1,690,180	2,950,951	3,114,000	3,063,000	2,783,100
Other Sources(Uses)						
Transfers From/(To) Other Funds	(33,900)	(34,000)	-	-	-	-
Revenues/Other Sources Over/(Under) Expenditures/Other Uses	2,014,514	1,656,180	2,950,951	3,114,000	3,063,000	2,783,100
Fund Balance, Year End	25,575,408	27,231,588	30,182,540	33,312,189	33,245,540	36,028,640
Loan Activity:						
Loan Repayments	-	-	-	-	(1,389,862)	(2,573,717)
New Loans	-	4,333,115	6,876,243	3,500,000	3,000,000	3,555,000
Loans Outstanding, Year End	16,093,788	20,426,903	27,303,147	33,072,371	28,913,285	29,894,568
Funds Available for Loans, Year End	9,481,620	6,804,685	2,879,393	239,818	4,332,256	6,134,073

**METROPOLITAN COUNCIL
GRANT AND LOAN PROGRAMS**

	2000 Actual	2001 Actual	2002 Actual	2003 Budget	2003 Revised	2004 Budget
<u>Planning Assistance Grant/Loan Program:</u>						
Revenues:						
Interest Income - Grant Program	10,991	7,358	-	-	-	-
Interest Income - Loan Program	99,241	52,998	33,780	51,000	51,000	51,000
Other Revenues	-	-	-	-	-	-
Total Revenues	110,232	60,356	33,780	51,000	51,000	51,000
Transfer from Solid Waste Capital Fund	-	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-	-
Total Other Sources	-	-	300,000	-	-	-
Total Revenues and Other Sources	110,232	60,356	333,780	51,000	51,000	51,000
Expenditures:						
Grant Expenditures	27,885	323,094	305,552	250,000	250,000	250,000
Other Expenditures	-	-	-	-	-	-
Total Expenditures	27,885	323,094	305,552	250,000	250,000	250,000
Revenues/Other Sources Over/(Under) Expenditures/Other Uses	82,347	(262,738)	28,228	(199,000)	(199,000)	(199,000)
Fund Balance:						
Designated for Future Grants	89,885	39,885	-	-	-	-
Undesignated (Available for Grants)	-	-	-	-	-	-
Undesignated (Available for Loans)	1,169,975	957,237	1,025,350	609,237	826,350	627,350
Loan Activity:						
Loan Repayments	(47,916)	(161,959)	(41,865)	(75,165)	(83,365)	(108,565)
New Loans	209,323	59,000	26,000	100,000	100,000	100,000
Loans Outstanding, Year End	270,417	167,458	151,593	240,290	168,228	231,725
Funds Available for Loans, Year End	899,558	789,779	873,757	368,947	658,122	395,625

**METROPOLITAN COUNCIL
GRANT AND LOAN PROGRAMS**

	2000 Actual	2001 Actual	2002 Actual	2003 Budget	2003 Revised	2004 Budget
Livable Communities Grant/Loan Program:						
Certified Levy	11,132,936	11,675,781	12,418,782	13,259,070	13,259,070	13,184,070
Less: Uncollectible	18,234	39,582	57,979	124,070	257,070	293,370
Net Current Tax Receipts	11,114,702	11,636,199	12,360,803	13,135,000	13,002,000	12,890,700
Revenues:						
Property Taxes	10,014,834	10,536,521	12,360,803	13,135,000	13,002,000	12,890,700
State HACA Payments	1,099,868	1,099,678	-	-	-	-
State Appropriation	-	-	-	-	-	-
Interest Income	2,511,347	1,748,899	686,091	1,463,000	650,000	592,000
Other Revenues	-	-	-	-	-	-
Total Revenues	13,626,049	13,385,098	13,046,895	14,598,000	13,652,000	13,482,700
Other Sources:						
Transfer from Solid Waste Capital Project Fund	-	-	-	-	-	-
Transfer from Transit Development Fund	1,530,000	1,000,000	-	-	-	-
Transfer from General Fund	1,000,000	1,000,000	1,810,000	1,000,000	1,000,000	1,000,000
Total Other Sources	2,530,000	2,000,000	1,810,000	1,000,000	1,000,000	1,000,000
Total Revenues and Other Sources	16,156,049	15,385,098	14,856,895	15,598,000	14,652,000	14,482,700
Expenditures:						
Grant Expenditures	13,125,382	13,798,086	14,709,364	15,904,550	17,320,000	16,605,000
Other Expenditures	-	-	-	-	-	-
Total Expenditures	13,125,382	13,798,086	14,709,364	15,904,550	17,320,000	16,605,000
Other Uses:						
Transfers of Interest Earnings to General Fund	-	-	-	(200,000)	-	-
Total Other Uses	-	-	-	(200,000)	-	-
Total Expenditures and Other Uses	13,125,382	13,798,086	14,709,364	16,104,550	17,320,000	16,605,000
Revenues/Other Sources Over/(Under) Expenditures/Other Uses	3,030,667	1,587,012	147,531	(506,550)	(2,668,000)	(2,122,300)
Fund Balance, Year End	30,565,666	32,152,678	32,300,209	30,737,212	29,632,209	27,509,909
Grant Expenditures by Category:						
Tax Base Revitalization Account	6,242,193	4,711,260	5,005,532	5,405,000	5,770,000	5,940,000
Livable Communities Demonstration Acct	4,601,881	6,299,213	6,965,319	8,237,550	8,770,000	8,855,000
Local Housing Initiatives Program	1,831,308	216,329	2,035,796	1,862,000	2,380,000	1,535,000
Inclusionary Housing Account	450,000	2,571,284	702,716	400,000	400,000	275,000
Total Grant Expenditures	13,125,382	13,798,086	14,709,364	15,904,550	17,320,000	16,605,000
Grant Awards by Category:						
Tax Base Revitalization Account	5,208,802	5,300,000	5,300,000	5,300,000	5,200,000	5,100,000
Livable Communities Demonstration Acct	7,900,000	7,900,000	8,785,000	8,200,000	8,400,000	7,800,000
Local Housing Initiatives Program	1,247,000	1,900,000	1,725,000	1,500,000	1,500,000	1,400,000
Inclusionary Housing Account	4,199,000	-	-	-	-	-
Total Grant Awards	18,554,802	15,100,000	15,810,000	15,000,000	15,100,000	14,300,000

METROPOLITAN COUNCIL
CAPITAL OUTLAY EXPENDITURES AND SOURCES OF FUNDS

APPENDIX B

	2004 Projected	2005 Projected	2006 Projected	2007 Projected	2008 Projected
SOURCES OF FUNDS					
Environmental Sewer Service Fees	\$1,671,540	\$36,300	\$97,500	\$36,000	\$36,000
Transportation Current Operating Revenues	\$326,698				
* Regional Administration User Charges	\$575,292	\$229,700	\$317,500	\$104,000	\$109,000
HRA Fund	\$69,910				
Fund Balance-Capital					
Total Sources of Capital Funds	\$2,643,440	\$266,000	\$415,000	\$140,000	\$145,000
CAPITAL OUTLAYS-BY CATEGORY					
CENTRAL SERVICES					
MEARS PARK FURNITURE & EQUIPMENT	\$126,000	\$121,000	\$325,000	\$120,000	\$120,000
Less: Mces portion	(\$37,800)	(\$36,300)	(\$97,500)	(\$36,000)	(\$36,000)
-Other	\$88,200	\$84,700	\$227,500	\$84,000	\$84,000
INFORMATION SERVICES					
COMMUNITY DEVELOPMENT					
GIS Data Server Replacement		\$30,000			
GIS Fleet Management of Computers	\$5,000	\$15,000	\$10,000	\$10,000	\$10,000
GIS Laser Printer				\$10,000	
GIS Plotter					\$15,000
GIS Server & Disk			\$80,000		
Ortho Imagery		\$100,000			
REGIONAL ADMINISTRATION					
HRIS System Replacement					
Minus: MCES & Metro Transit portions					
HRIS System Replacement Allocation from Corp.					
PC Upgrades(150)	\$225,000				
Printer Upgrades (60)					
Laptop Upgrades(14)	\$38,000				
	<u>\$263,000</u>				
040 File Server Consolidation	\$750,000				
040 PeopleSoft update-hardware only	\$250,000				
040 Server Upgrades(Test & Production)	\$250,000				
040 External Firewalls	\$250,000				
040 Document Management	\$25,000				
040 Telephone system upgrades	\$75,000				
040 PeopleSoft HRIS performance upgrade					
040 Remote Access Solutions					
040 File Server(4)					
040 AIX upgrade	\$20,000				
040 2000 sql Database					
	<u>\$1,620,000</u>				
Less: MT Capital Portion	(\$462,500)				
	<u>\$1,157,500</u>				
ENVIRONMENTAL					
EIMS	\$170,000				
Industrial Waste - new system	\$141,540				
Data Center Set up in Admin Bldg.	\$150,000				
LIMS Project Carryover from 2003	\$125,000				
Capital Equipment	\$374,000				
Synergen web enable	\$30,000				
Software	\$11,400				
MEARS PARK FURNITURE & EQUIPMENT	\$37,800	\$36,300	\$97,500	\$36,000	\$36,000
	<u>\$1,039,740</u>	<u>\$36,300</u>	<u>\$97,500</u>	<u>\$36,000</u>	<u>\$36,000</u>
Transportation Services-Metro Mobility (Web Enable)	\$90,000				
TOTAL CAPITAL OUTLAY	\$2,643,440	\$266,000	\$415,000	\$140,000	\$145,000

**METROPOLITAN COUNCIL
INTERDIVISIONAL COST ALLOCATION SUMMARY**

APPENDIX C

2004 Adopted	MCES	Metro Transit (Including LRT)	Metropolitan Transit Services	Regional Administration	HRA	Total
Assigned Charges from Admin. Support Units	\$4,510,506	\$7,307,652	\$732,157	\$2,260,560	\$277,254	\$15,088,129
Central Support Units Corp. and Mears Park Alloc.	\$5,433,490	\$4,865,070		\$3,839,509		\$14,138,068
A-87 Allocation, Based on Federal Guidelines			\$562,416	(\$1,062,162)	\$499,746	
Subtotal	\$9,943,996	\$12,172,722	\$1,294,573	\$5,037,907	\$777,000	\$29,226,197
Capital Items	\$1,671,540	\$136,900	\$189,798	\$575,292	\$69,910	\$2,643,440
Planning Chargebacks	\$238,424	\$95,500	\$341,545	(\$548,045)		\$127,424
Total	\$11,853,960	\$12,405,122	\$1,825,916	\$5,065,154	\$846,910	\$31,997,061

Description of Allocations

Assigned charges from administrative support units are charges to business units for support services provided by central office units. When staff within support units provide services that directly benefit a specific business unit, such as Environmental Services, the costs of providing that service are charged to that business unit.

Central Support, Corporate and Mears Park Allocations are support services costs that benefit more than one cost objective and are not readily assignable to a particular business unit without effort disproportionate to the results. These costs are allocated to divisions based on procedures and steps detailed in the Council's Cost-Sharing System Guidebook.

Federal A-87 Cost Allocation Guidelines for Federal Grant Recipients. Principles for determining the allowable costs incurred by federally funded programs. The principles outline allowable and unallowable costs and means of allocation. The principles provide that federal awards bear their fair share of costs recognized under these principles. Federally funded Council programs affected include the HRA and Transportation and Transit Development.

Chargeback of planning support to business units. A portion of the cost of planning functions that benefit specific business functions are allocated to business units. Planning activities that are charged include the preparation of population, household and employment forecasts and estimates; referral reviews; and geographic information systems work.

**METROPOLITAN COUNCIL
PAYABLE 2004 PROPERTY TAX LEVIES**

APPENDIX D

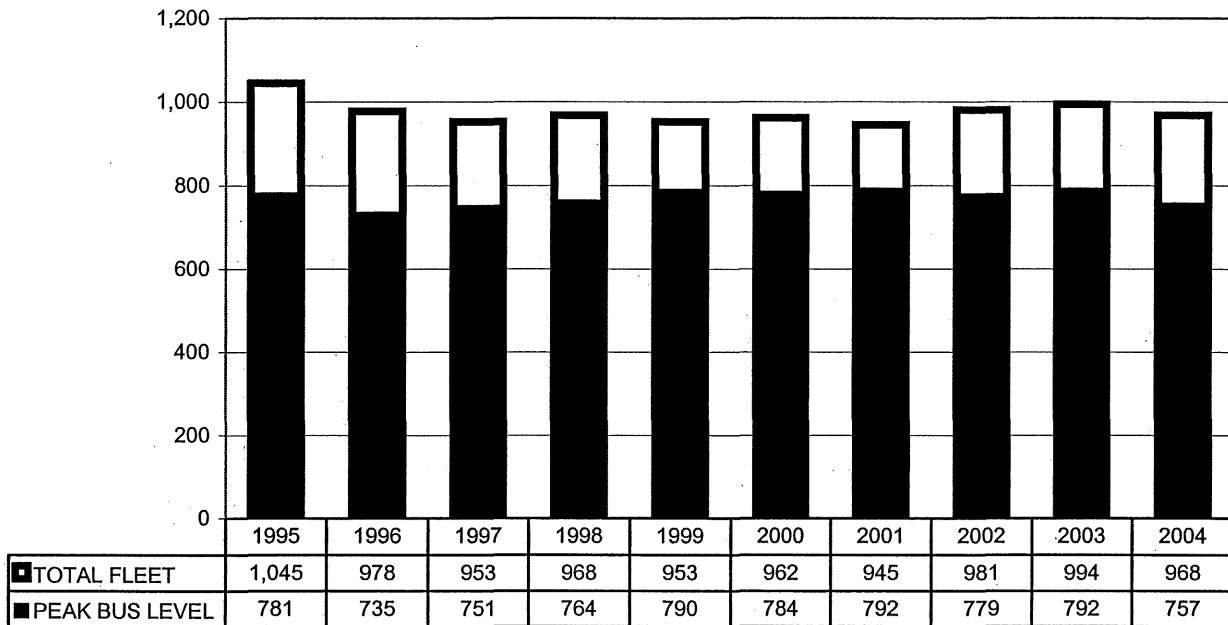
Purpose of Tax Levy	Actual	Certified	2003-2004 Change		Comments
	Payable 2003 Levy	Payable 2004 Levy	Amount	Percent	
General					
General Operations	10,130,137	9,300,000	(830,137)	-8.19%	
Livable Communities	1,000,000	1,000,000	-		
Subtotal-General	11,130,137	10,300,000	(830,137)	-7.46%	
Highway Right-of-Way	3,142,643	2,803,379	(339,264)	-10.80%	Levy limit of \$2,828,379, a decrease of 10.0 percent from 2003
Livable Communities					
Tax Base Revitalization-Fiscal Disp	5,000,000	5,000,000	-		Levy limit of \$5,000,000
Demonstration Account	8,259,070	8,184,070	(75,000)	-0.91%	Levy limit of \$8,259,070, no change from 2003
Subtotal-Livable Communities	13,259,070	13,184,070	(75,000)	-0.57%	
Sewer Deficiency	-	-	-		
Subtotal - Non Debt	27,531,850	26,287,449	(1,244,401)	-4.52%	
Debt Service:					
Solid Waste	432,962	76,904	(356,058)	-82.24%	
Parks and Open Space	8,090,496	7,710,695	(379,801)	-4.69%	Includes bond issue of \$6.0 million in late 2003
Transit	32,894,175	35,574,713	2,680,538	8.15%	Includes bond issue of \$41.375 million in late 2003
800 Megahertz Radio	422,155	416,283	(5,872)	-1.39%	
Subtotal - Debt Service	41,839,789	43,778,595	1,938,807	4.63%	
Total - All Council Levies	69,371,639	70,066,044	694,406	1.00%	

**METROPOLITAN COUNCIL
SUMMARY BUDGET BY FUND
ALL BUDGETED FUNDS**

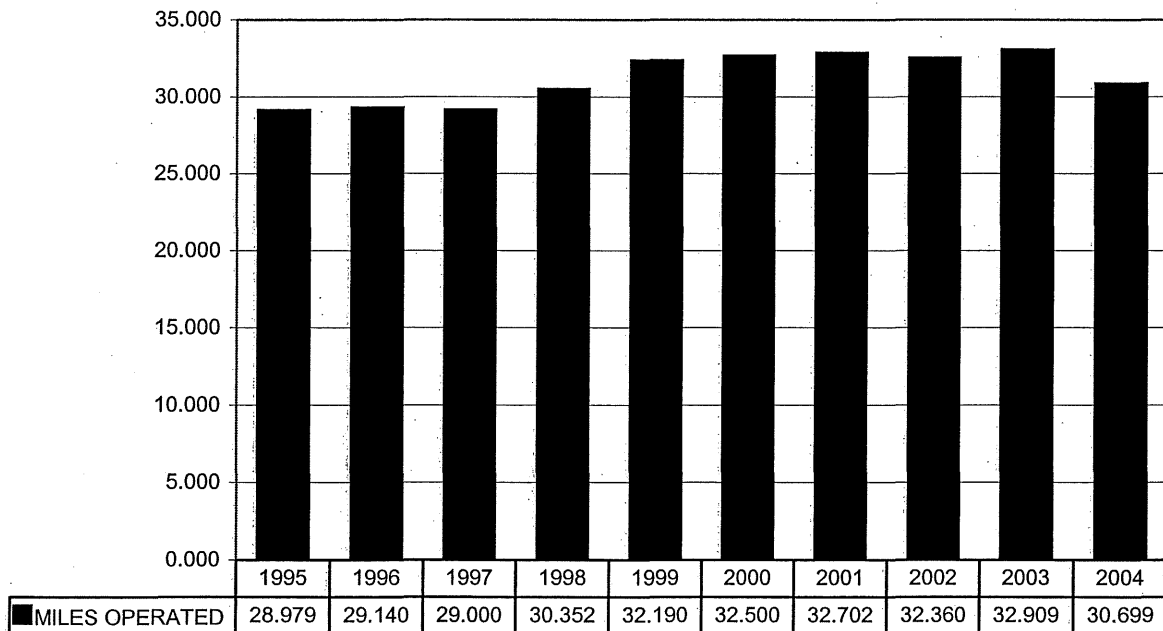
APPENDIX E

	GENERAL FUND	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	ENTERPRISE FUNDS	TOTAL
EXTERNAL REVENUE					
Property Tax	\$9,957,100	\$15,586,800	\$42,259,400		\$67,803,300
State Revenue	\$8,630,000	\$58,219,444		\$129,804,207	\$196,653,651
Federal-Operating		\$57,678,186		\$22,130,917	\$79,809,103
Local	\$23,680	\$2,703,268		\$3,386,930	\$6,113,878
Sewer Service Charges			\$42,820,339	\$91,179,661	\$134,000,000
Industrial Strength Charges				\$9,007,819	\$9,007,819
Passenger Fares		\$3,479,718		\$61,009,242	\$64,488,960
Contract & Special Event Revenue		\$756,000		\$5,409,162	\$6,165,162
Interest	\$300,000	\$1,480,000	\$235,700	\$900,000	\$2,915,700
Other	\$215,992	\$1,365,145		\$3,943,784	\$5,524,921
Total Revenue	\$19,126,772	\$141,268,561	\$85,315,439	\$326,771,722	\$572,482,494
OTHER SOURCES:					
Transfer from Favorable Variance Fund				\$436,540	\$436,540
Expense Contingency					
SAC Transfers			\$23,181,000		\$23,181,000
Designated Reserves				\$1,657,500	\$1,657,500
TOTAL OTHER SOURCES			\$23,181,000	\$2,094,040	\$25,275,040
EXPENDITURES					
Salaries & Benefits	\$21,419,904	\$5,699,627		\$240,094,132	\$267,213,663
Contracted Services	\$7,162,249	\$2,123,771		\$12,115,742	\$21,401,762
Materials & Supplies				\$16,474,312	\$16,474,312
Chemicals				\$3,572,450	\$3,572,450
Utilities				\$18,816,452	\$18,816,452
Rent	\$1,934,730	\$373,419			\$2,308,149
Insurance	\$68,050	\$110,625		\$3,653,840	\$3,832,515
Other Direct Expenses	\$3,640,174	\$2,803,254		\$13,648,086	\$20,091,514
Transit Programs		\$65,490,065			\$65,490,065
Passthrough Grant & Loan Programs	\$8,630,000	\$63,151,027		\$1,000,000	\$72,781,027
Transit Expansion					
Expense Reduction Final Budget					
Capital Expenditures		\$2,643,440		\$1,050,785	\$3,694,225
Debt Service Expenditures			\$108,032,487		\$108,032,487
Total Expenditures	\$42,855,107	\$142,395,228	\$108,032,487	\$310,425,799	\$603,708,621
INTERDIVISION EXPENSE ALLOCATION					
Assigned Residual Charges-Central Support Units	(\$22,116,717)	\$2,071,573		\$22,116,717	\$2,071,573
Capital Expense Allocation	(\$2,071,573)	(\$1,031,740)		\$1,671,540	(\$1,431,773)
HRIS System					
Transfers from Other Funds					
Other Fund Transfers	\$1,000,000	(\$1,000,000)			
Planning Chargeback Exp Allocation		(\$427,155)		\$343,400	(\$83,755)
Planning Chargeback Revenue in CDD	(\$548,045)				(\$548,045)
TOTAL ALLOCATIONS	(\$23,736,335)	(\$387,322)		\$24,131,657	\$8,000
	\$19,118,772	\$142,007,906	\$108,032,487	\$334,557,456	\$603,716,621
	\$8,000	(\$739,345)	\$463,952	(\$5,691,694)	(\$5,959,087)

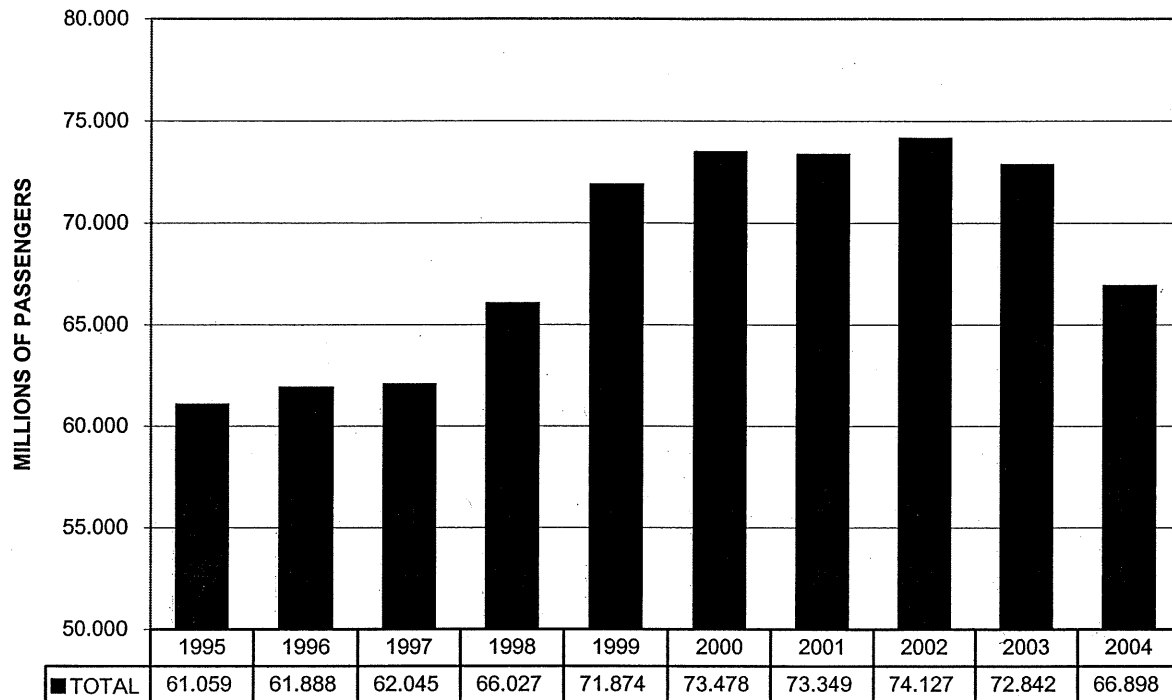
**METRO TRANSIT
FLEET SIZE AND PEAK BUS LEVEL 1995-2004**



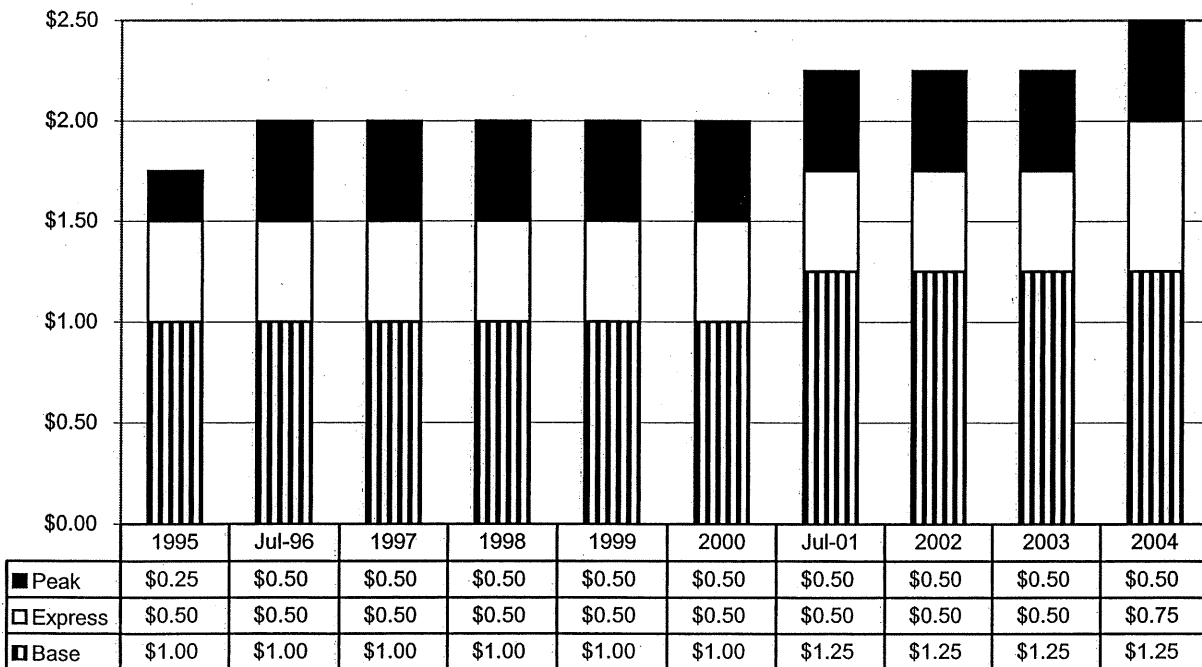
**METRO TRANSIT
TOTAL MILES OPERATED 1995-2004**



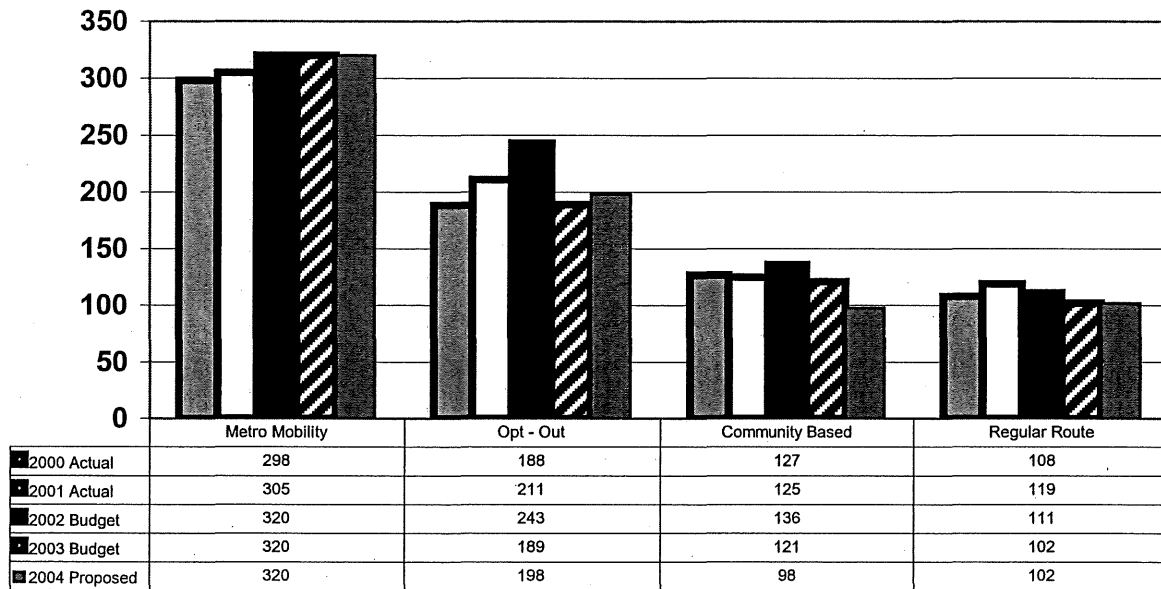
**METRO TRANSIT
RIDERSHIP 1995-2004**



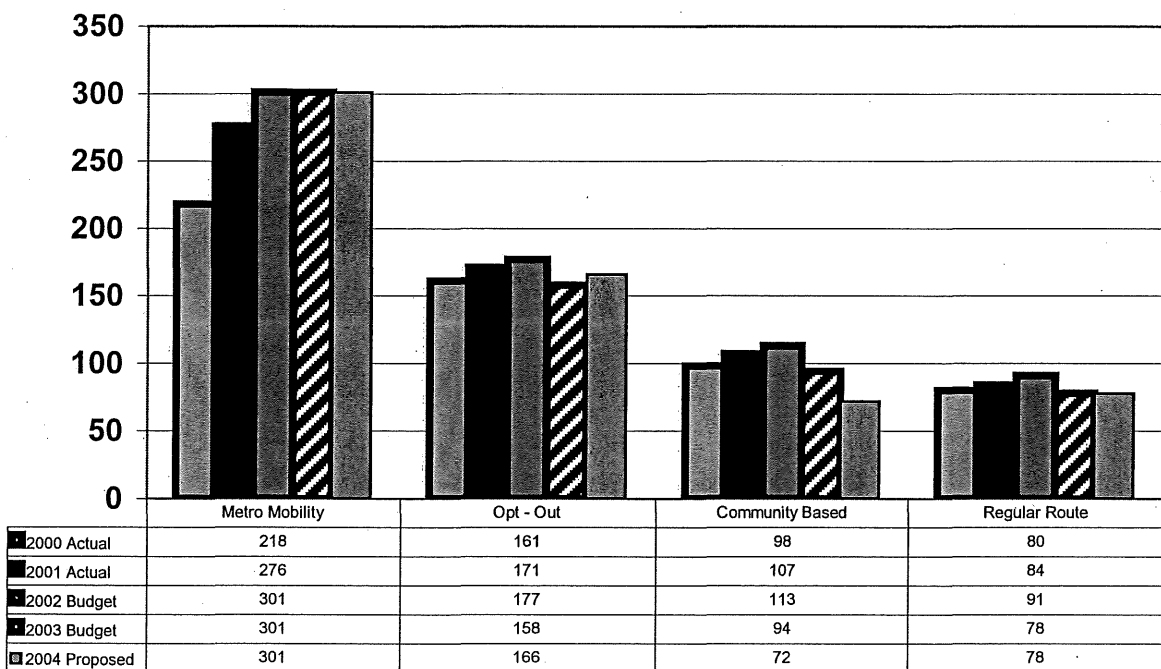
**METRO TRANSIT
FARE HISTORY 1995-2004**



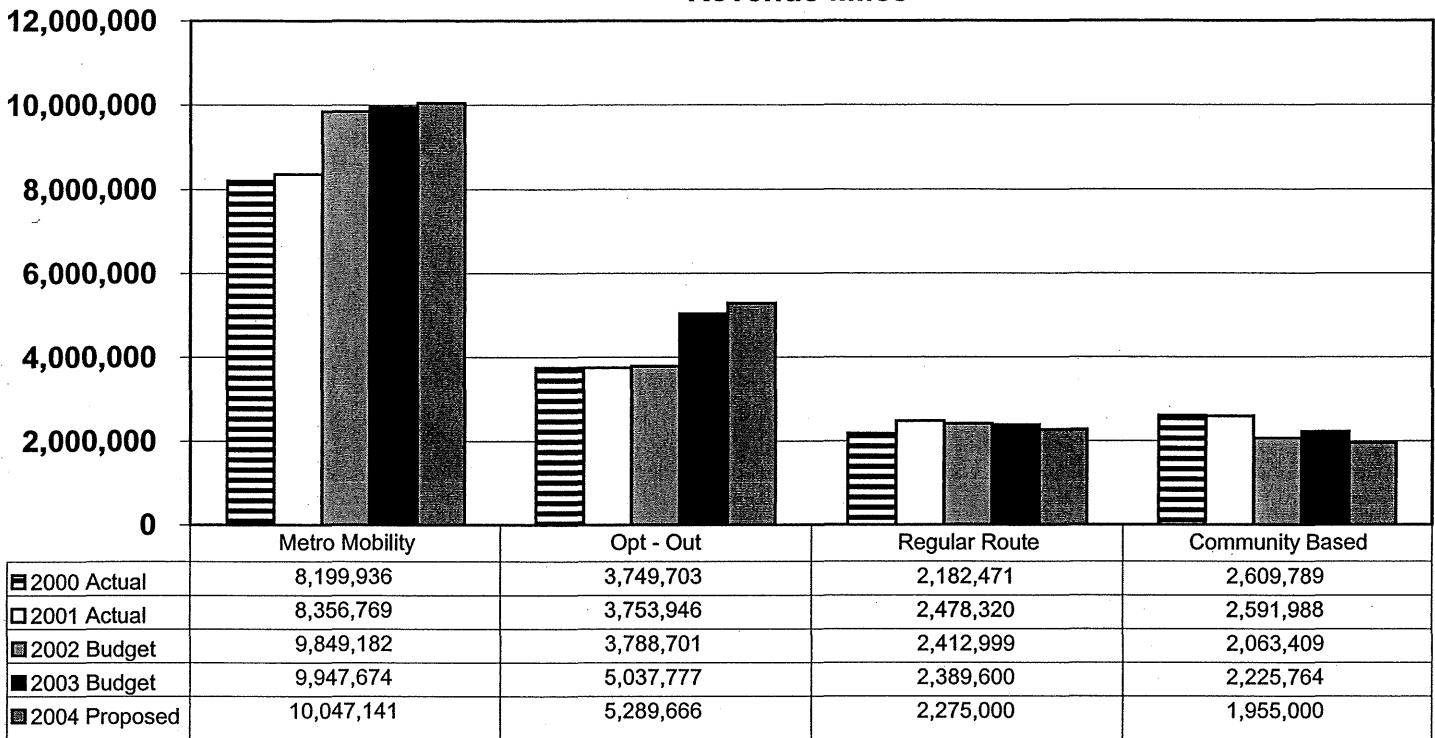
**Metropolitan Transportation Services
Maximum Vehicles 2000-2004**



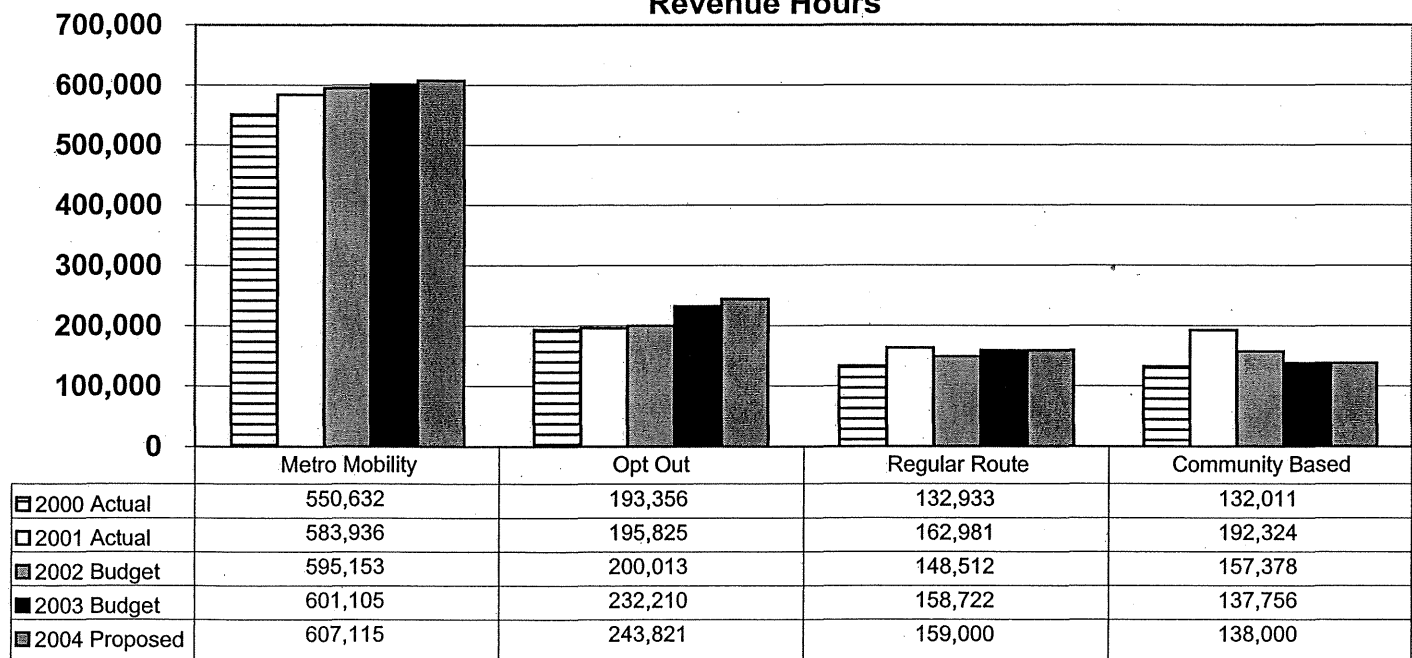
**Metropolitan Transportation Services
Peak Vehicles 2000-2004**



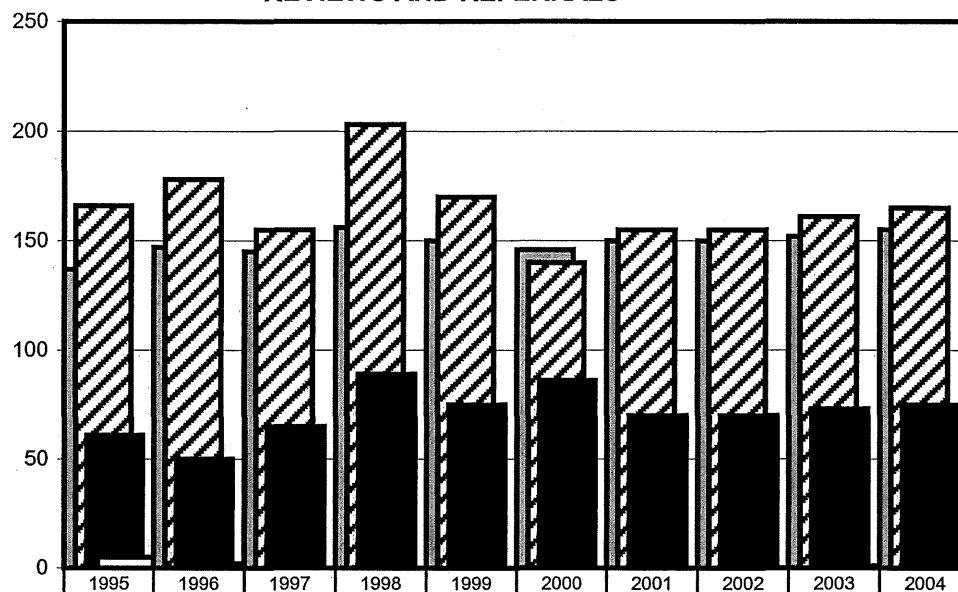
Metropolitan Transportation Services Revenue Miles



Metropolitan Transportation Services Revenue Hours

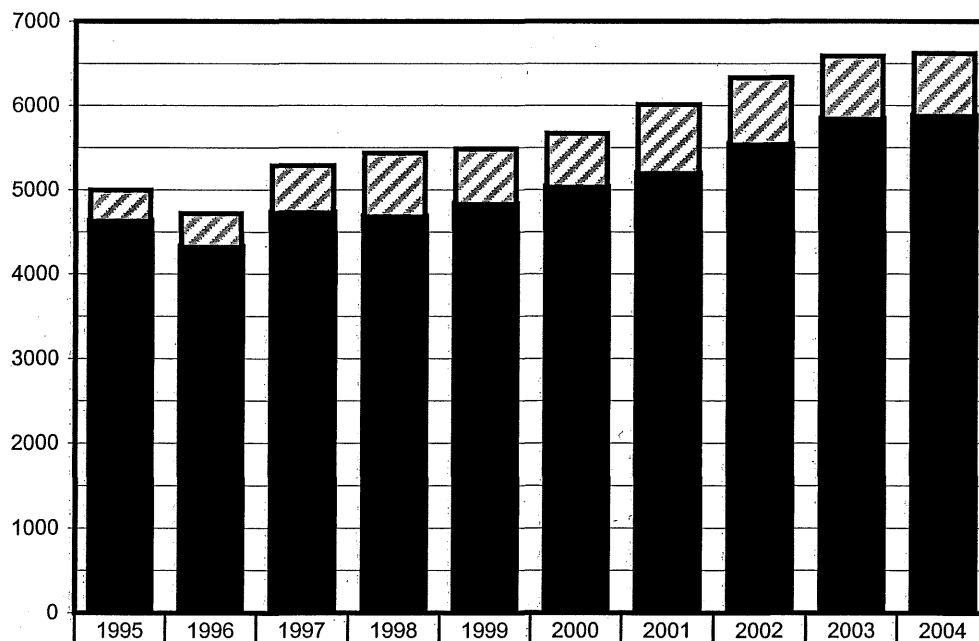


OFFICE OF LOCAL ASSISTANCE
REVIEWS AND REFERRALS



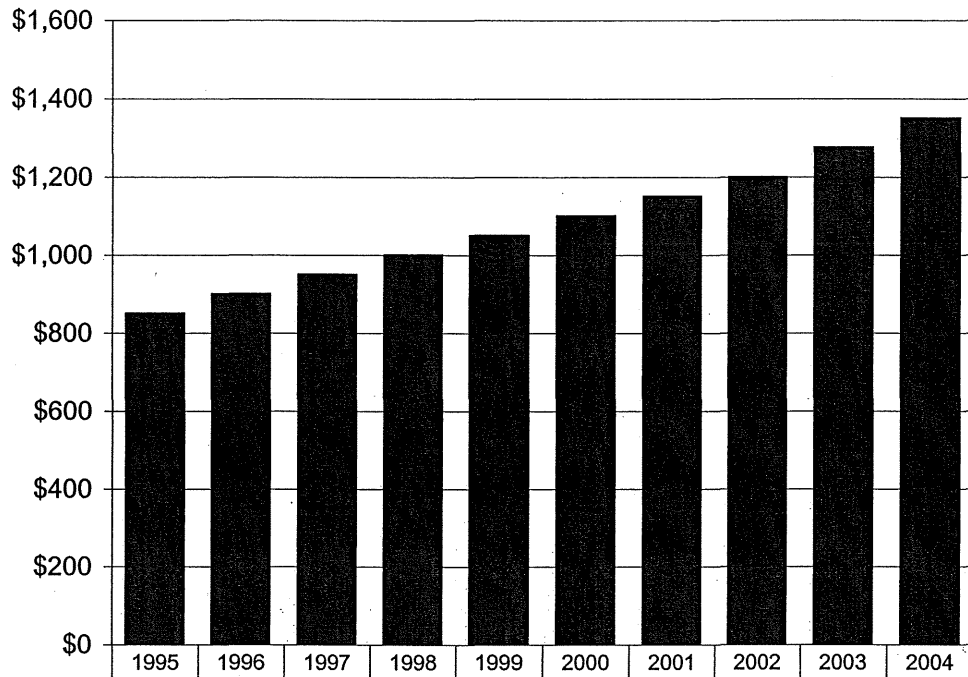
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Other	137	147	145	156	150	146	150	150	152	155
Comp Plans	166	178	155	203	170	140	155	155	161	165
EAW/EIS	61	50	65	89	75	86	70	70	73	75
Land Use Airport Search	5	2	0	0	0	0	0	0	1	0

NUMBER OF HRA ASSISTED HOUSEHOLDS



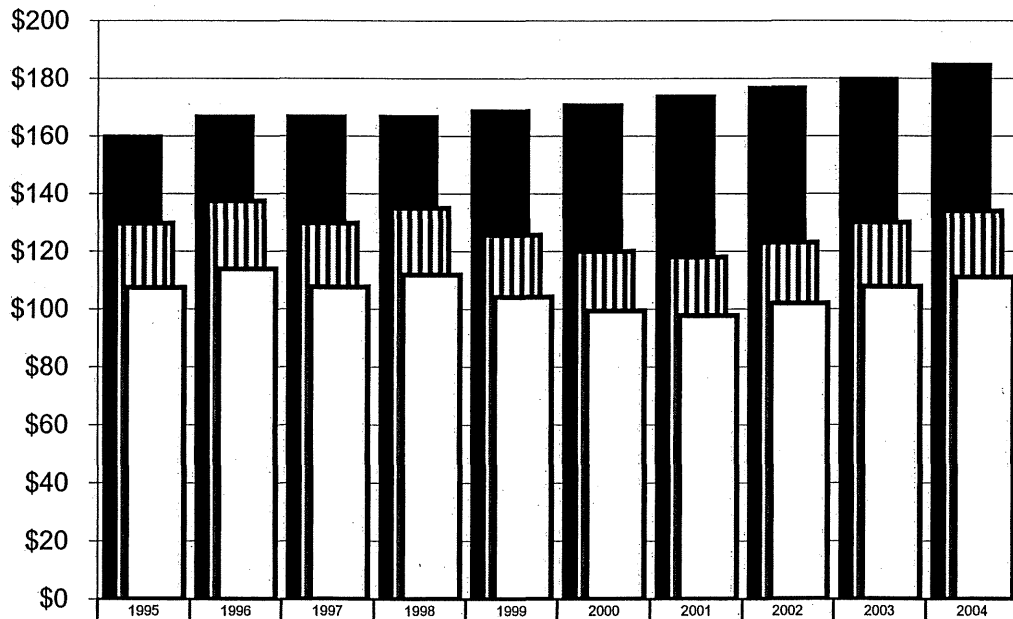
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
*SPECIAL PROGRAMS	372	400	566	762	662	641	822	799	750	750
SECTION 8	4623	4318	4722	4675	4825	5027	5190	5531	5836	5871

Wastewater Services
Service Availability Standard Charge per Unit



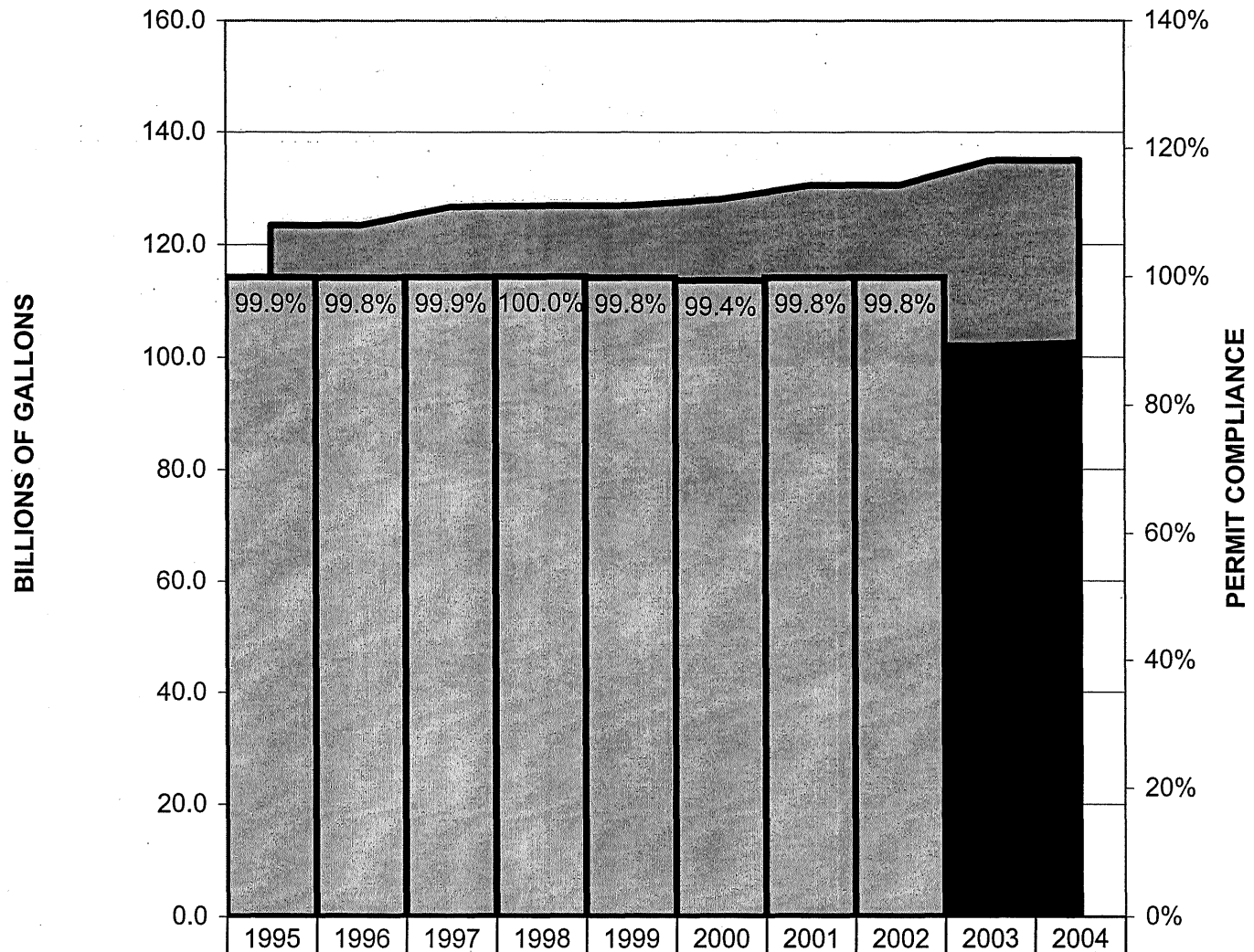
Residential Equivalent Connection Fee	\$850	\$900	\$950	\$1,000	\$1,050	\$1,100	\$1,150	\$1,200	\$1,275	\$1,350
---------------------------------------	-------	-------	-------	---------	---------	---------	---------	---------	---------	---------

Wastewater Services
Rate per 100,000 Gallons and Average Wholesale Cost per Household



Average Household Retail Cost	\$160.00	\$167.00	\$167.00	\$167.00	\$169.00	\$171.00	\$174.00	\$177.00	\$180.00	\$185.00
Rate per 100,000 Gallons(Final)	\$129.64	\$137.47	\$129.82	\$135.00	\$125.70	\$120.00	\$118.00	\$123.00	\$130.00	\$134.00
Average Wholesale Cost per Household (Est.)	\$107.47	\$113.94	\$107.62	\$111.91	\$104.20	\$99.48	\$97.82	\$101.96	\$107.76	\$111.08

QUALITY COLLECTION AND TREATMENT OF WASTEWATER



■ W.WATER TRTMNT PLNT CAP	123.37	123.37	126.63	126.84	126.84	128.00	130.50	130.50	134.90	134.90
■ ANNUAL FLOW VOLUME	103.85	101.60	106.97	104.20	103.50	100.10	105.50	102.00	102.00	102.50
■ PERMIT COMPLIANCE	99.9%	99.8%	99.9%	100.0	99.8%	99.4%	99.8%	99.8%		

Metropolitan Council 2004 Unified Budget, Appendix G

Report on Consultant & Contractual Services Activities

Legislative Requirement for Report on Consultant Activity

Legislation enacted in 2001 requires that the Metropolitan Council provide information about professional and technical contractual and other similar services in the annual budget document. Under the statute (MN 473.13, Subd. 1c.), the Council must provide specific information by contract or project for the preceding fiscal year and on proposed projects for the next year. The information required includes:

- Methods the Council used to obtain consultant services;
- Criteria used by the Council to award the contract;
- Number of consultants who sought the contract;
- Total cost of the contract;
- Duration of the contract; and
- Source of the funds used to pay for the contract.

Identification of Professional Services

The Council considered the definition of professional or technical services from MN Statutes 16C.08, subdivision 1 in determining the types of contracted services to include in the report. This definition includes "services that are intellectual in character, including consultation, analysis, evaluation, prediction, planning, programming or making recommendations that result in the production of a report or the completion of a task." Professional or technical contracts typically do not include the provision of supplies or materials except as incidental to the provision of professional or technical services.

Procurement Procedures

Procurement of Professional Services

The Council's procurement procedures for professional services are based on the value of the services, and can generally be divided into three groups. Data provided in this report are divided into the following three groups of professional services.

- **Services valued at up to \$2,500** – these services are considered micro-purchases and are generally arranged by project managers. These purchases do not require a competitive process. They are initiated as a purchase requisition, and are executed as a purchase order.
- **Services valued between \$2,500 - \$50,000** – these services are initiated as a purchase requisition and require an informal competitive process. They can be executed as either a purchase order or a contract. At least three proposals are solicited and evaluated based upon factors such as cost, experience, qualifications, work plan and schedule, and availability. The vendor judged to be most advantageous to the Council is selected. In some cases, a vendor is selected using a Joint Purchasing Agreement (see discussion below). In other cases, a vendor is selected through a sole source authorization (see discussion below).
- **Services valued at \$50,000 or greater** – These services are initiated as a contract request and require a more formal competitive process. They generally follow one of

Metropolitan Council 2004 Unified Budget, Appendix G

Report on Consultant & Contractual Services Activities

four processes, Informal Request for Proposal (RFP), Formal RFP, Joint Purchasing Agreement (JPA), or Sole Source Authorization.

- a) **Informal RFP:** Is typically used for procurement of professional services between \$50,000 and \$100,000. A written RFP is sent to prospective proposers identified by Council staff. The RFP document defines the scope of work and project schedule, lists the information requested from proposers, and lists the criteria that will be used by Council staff in the evaluation of the proposals. An informal evaluation panel of Council staff evaluates the proposals received and selects the vendor judged to be the most advantageous to the Council.
- b) **Formal RFP:** Is typically used for all procurement of professional services over \$100,000. The RFP is advertised in the State Register, and sometimes in other publications that may attract proposals, depending on the scope of work. The RFP is a formal document that addresses the scope of work, the project schedule, various aspects of the procurement process, and instructions to proposers in the preparation of proposals. Proposals are evaluated by a formal evaluation panel based on the evaluation criteria published in the RFP. The evaluation panel recommends the proposal most advantageous to the Council. Awards up to \$250,000 are recommended to the Council's Regional Administrator; awards greater than \$250,000 require Council action.
- c) **Joint Purchasing Agreements (JPA's):** The Council has the authority to enter into Joint Purchasing Agreements (JPA's) with other governmental units as provided for in Minnesota Statutes. Joint Purchasing Agreements enable the Council to participate in cooperative buying organizations where prices for certain goods and services are established based on the estimated total demand by the cooperative members. The Council has Joint Purchasing Agreements with the State of Minnesota, Hennepin County, Ramsey County, and the University of Minnesota. Some professional services are procured through JPA's.
- d) **Sole Source:** in some cases Council staff seeks authorization to award professional service contracts on a sole source basis. For contracts valued up to \$250,000, sole source authorization must be approved by the Regional Administrator. For contracts valued at greater than \$250,000, sole source authorization must be approved by Council action.

The specific methods used to solicit services and criteria used to award contracts valued at \$50,000 or greater are shown in the attached report.

Procurements of architectural and engineering projects funded by the Federal Transit Administration must adhere to the Federal Brooks Act. The Brooks Act requires that vendor selection be done without the criteria of price.

Contents of Report

The report consists of a number of schedules presented by year for 2002, 2003 and 2004. The schedules for 2002 list actual contracts, while the schedules for 2003 and 2004 list budget authority for planned contractual services.

Metropolitan Council 2004 Unified Budget, Appendix G

Report on Consultant & Contractual Services Activities

There are three tables for 2002 as denoted below. The table for Contracts \$50,000 or greater provides the most amount of detail. The table for Contracts less than \$50,000 lists each contract for purchases between \$2,500 and \$50,000. Purchases under \$2,500, which are considered micro purchases, are not individually listed but are summarized in total.

Overall, purchases less than \$2,500 represented .4 percent of all professional and technical services contracted for in 2002. Additional information on these purchases is available upon request.

Report Contents

2002

- Summary of 2002 Consultant Activity
- Report for Contracts \$50,000 and greater.
- Report for Contracts less than \$50,000.

2003

- Report for Consultant and Contractual Services for 2003 Unified Operating Budget

2004

- Report for Consultant and Contractual Services for the 2004 Unified Operating Budget as adopted December 17, 2003 for each of the Council's major divisions.

Additional Information Available on Request

Additional information and detail is available upon request. Requests should be made to Mike Madden, Budget and Evaluation Manager (651-602-1374). Questions about Council procurement policies and procedures should be made to Jim Sipe, Central Purchasing Manager (651-602-1149).

**Metropolitan Council Report on Consultant Activity
Summary of 2002 Consultant Activity by Division**

Appendix G.1.a

Contract Amount by Division

	MCES	Metro Transit	Metropolitan Transportation Services	Metro HRA	General Fund	Total
Contracts \$50,000 or Greater	\$14,018,860	\$20,103,870	\$8,810,276	\$143,650	\$3,444,063	\$46,520,719
Contracts \$2,500 - \$50,000	380,206	533,704	148,023	30,990	1,344,583	2,437,505
Contracts Less Than \$2,500	54,383	52,891	29,477	5,447	51,640	193,838
Total	\$14,453,449	\$20,690,465	\$8,987,776	\$180,087	\$4,840,286	\$49,152,062

Contract Activity by Size of Contract

	MCES	Metro Transit	Metropolitan Transportation Services	Metro HRA	General Fund	Total
Contracts \$50,000 or Greater	97.0%	97.2%	98.0%	79.8%	71.2%	94.6%
Contracts \$2,500 - \$50,000	2.6%	2.6%	1.6%	17.2%	27.8%	5.0%
Contracts Less Than \$2,500	0.4%	0.3%	0.3%	3.0%	1.1%	0.4%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Report on Consultant Activity in 2002
Contracts of \$50,000 and Greater

Appendix G.1.b

Fund	Contract Number	Description of Services	Vendor	Start Date	End Date	Contract Amount	Interested Vendors	Proposers	Solicitation Method	Evaluation Criteria Used
GENERAL FUND										
	00P0146	Audio/Visual Support Services for Council Meeting Rooms	Graybow Communications	8/27/02	6/30/04	\$50,000	10	3	Informal RFP	Specialized experience, work plan, cost
	02P030	System Support Coordinator	Compuware Corporation	4/11/02	12/31/02	\$50,000	9	2	Informal RFP	Qualifications and experience of proposed individual, qualifications of proposing firm, price.
	02P111	Alliance for Metropolitan Stability Lawsuit	Lockridge Grindal Nauen P.L.L.P.	8/30/02	12/31/03	\$50,000	5	3	Informal RFP	Price, experience, availability, and absence of conflict.
	02P009	Legal Services - Employment Litigation Matters	Maslon Edelman Borman & Brand, LLP	12/1/01	12/31/02	\$50,000			Sole source	Unique knowledge and skills, no current or potential conflict of interest.
	02P144	Shelling Garage/Land Use Planning/Joint Development	McGrann Shea Franzen Carnival Straughn & Lamb, Chartered	9/9/02	12/31/02	\$50,000	3	3	Formal RFP	Knowledge of key personnel, general experience of firm
	S02001525	PeopleSoft Training	PeopleSoft	2/14/02		\$57,000			Sole source	Software maintenance and support only available from software vendor
	01P134	Provide Temporary Application Support Services	SRP Information Technologies, Inc.	9/1/01	1/2/02	\$60,000			Sole source	Qualified and experienced individual needed to provide application support.
	S02004472	Annual Sybase Support Agreement for the period of 7/29/2002 to 7/28/2003. Provides 7x24 phone support, maintenance, updates and upgrades.	SYBASE INC	7/29/02	7/28/2003	\$65,452			Sole source	Software maintenance and support only available from software vendor
	02P095	PeopleSoft Implementation of HR and Payroll	Bartels Management Consulting	7/25/02	1/31/03	\$70,000	4	4	Informal RFP	Experience, cost
	02P010	Real Estate Services for Transitways	Stacy Becker Consulting Services	2/1/02	12/31/02	\$73,700			Sole source	Familiarity with redevelopment strategy
	02P037	Benefit Consultant Services	Watson Wyatt & Company	5/10/02	12/1/02	\$81,500	9	9	Informal RFP	Price, experience, qualifications
	02P110	Newspaper Advertising/Inserts	Total Market Coverage	11/12/02	10/31/04	\$95,000	8	4	Informal RFP	Experience with similar projects, qualifications, price.
	02P031	Creative Communications Services for Blueprint 2030	Larsen Design Office, Inc.	7/11/02	10/31/02	\$98,000	55	14	Formal RFP	Quality, qualifications, experience, price
	02P056	Temporary CIO Services	RHI Consulting, a Division of Robert Half International Inc.	4/22/02	7/31/02	\$100,000	3	3	Informal RFP	Experience
	S02009562	Software Maintenance and Support Fees pursuant to the terms of the License Agreement. 6/27/2002 through 6/26/2003	PeopleSoft	6/27/02	6/26/2003	\$106,500			Sole source	Software maintenance and support only available from software vendor
	S02002616	Annual Software Support Maintenance Agreement for the period 3/6/02 to 3/5/03	SYNERGEN ASSOC. INC	3/6/02	3/5/2003	\$116,865			Sole source	Software maintenance and support only available from software vendor
	02P018	Off-Site Data Storage	Iron Mountain	12/2/02	12/1/07	\$150,000	3	2	Formal RFP	Price, quality of proposal, qualifications, past record of performance.
	S02002629	Audit services	STATE OF MN/AUDITOR	3/5/02		\$197,753			Sole source	
	02P081	Employee Assistance Program	Dor and Associates	1/1/03	12/31/05	\$200,000	10	4	Formal RFP	Quality, qualifications, experience, price
	02P112	Enterprise Technical Architecture with Application Development Architecture extensions	TAM Group, Inc.	10/1/02	6/30/03	\$215,000	3	3	Informal RFP	Ability to deliver service, processes used to include stakeholders, experience of key personnel, price
	01P114	Street Centerline Data Maintenance	The Lawrence Group	2/21/02	12/31/06	\$239,000			Sole source	Vendor data is the only complete data available and best suited to accuracy requirements.
	02P098A	Tort and Property Damage Claim Legal Services	Rider Bennet Egan & Arundel	11/1/02	10/31/05	\$250,000	13	9	Formal RFP	Integrity, expertise, past performance, ability to perform, financial and technical resources available, inclusion of HUBs, ability to represent a public entity, cost.
	02P098B	Tort and Property Damage Claim Legal Services	Blackwell Igbunugo Engen & Saffold P.A.	11/1/02	10/31/05	\$250,000	13	9	Formal RFP	Integrity, expertise, past performance, ability to perform, financial and technical resources available, inclusion of HUBs, ability to represent a public entity, cost.
	02P098C	Tort and Property Damage Claim Legal Services	Smith Parker P.L.L.P.	11/1/02	10/31/05	\$250,000	13	9	Formal RFP	Integrity, expertise, past performance, ability to perform, financial and technical resources available, inclusion of HUBs, ability to represent a public entity, cost.
	03P059	Financial Software Maintenance and Support Agreement	PeopleSoft USA, Inc.	6/27/03	6/26/07	\$518,293			Sole source	Software maintenance and support only available from software vendor
General Fund, Subtotal						\$3,444,063				

**Report on Consultant Activity in 2002
Contracts of \$50,000 and Greater**

Appendix G.1.b

Fund	Contract Number	Description of Services	Vendor	Start Date	End Date	Contract Amount	Interested Vendors	Proposers	Solicitation Method	Evaluation Criteria Used
HOUSING AND REDEVELOPMENT AUTHORITY (Metro HRA)										
HOUSING AND REDEVELOPMENT AUTHORITY										
	02P043	Translation Services	Friendly Languages	7/1/02	6/30/04	\$50,000	7	4	Informal RFP	Experience, qualifications, key personnel, price
FAMILY AFFORDABLE HOUSING PROGRAM - DEVELOPMENT FUND										
	S02008674	Property, Liability and Personal Property Insurance Coverage for Metropolitan Council FAHP Dwellings	ACORDIA	9/3/02		\$93,650			Sole source	
Housing & Redevelopment Authority, Subtotal						\$143,650				
ENVIRONMENTAL SERVICES - GENERAL OPERATIONS										
	S02008362	Design, development, and delivery of an interface from the 'Synergen Series' Timekeeping Module to the 'PeopleSoft' Time and Labor Module. To include a functional interface specification development, design and development of interface, testing and installation of interface.	SYNERGEN ASSOC INC	8/23/02		\$68,898			Sole source	Software maintenance and support only available from software vendor
	01P141	WWTP Security Evaluation	Camp Dresser & McKee Inc. (CDM)	1/9/02	4/30/02	\$70,646			Sole source	Extensive knowledge of day-day operations
	S02012329	Wonderware Site Support Agreement per the attached list for the year 2003	GS SYSTEMS	1/1/03	12/31/2003	\$71,073			Sole source	Software maintenance and support only available from software vendor
	02P116	Program Management Assistance	Robert E. Molzahn	10/14/02	12/31/03	\$75,000			Sole source	Experience from previous work done for the Council
	01P066	Process for Environmentally Based Regional Planning and Design	University of Minnesota	7/2/01	4/1/02	\$99,950			Sole source	Experienced vendor w/ ability to meet deadline requirements.
	00P0130-X	MCES Master Contract for geotechnical services	Wenck Associates, Inc.	1/18/02	3/31/04	\$100,000	113	59	Formal RFP	Experience, qualifications, location, key personnel
	02P133	MCES Safety Consultant	Integrated Loss Control, Inc.	12/5/02	12/31/04	\$100,000			Sole source	Experience from previous work done for the Council
	S02006401	Coverage for commercial general liability insurance for the one year period 3/1/02 through 2/28/03. 610Q General Liability	STATE OF MN RISK MGMT	3/1/02	2/28/2003	\$200,000			Sole source	The State Risk Management fund is the risk pool for government entities, and offered the most flexibility in underwriting portions of general liability exposure. Pricing was better with the state than with other carriers.
	01P058B	Temporary Employment Services - ES and Mears Park	Spherion	4/27/02	4/30/05	\$1,080,000	28	8	Formal RFP	Proposer Qualifications, Experience and Price
ENVIRONMENTAL SERVICES - CAPITAL REVOLVING FUNDS										
	02P051	South Washington County Lift Station, Forcemain & Gravity Interceptor	CLJ Right Of Way & Realty Services	5/3/02	10/31/02	\$50,000	4	3	Informal RFP	Price, quality, qualifications, past record of performance
	02P052	Elm Creek Interceptor - Medina Leg	Evergreen Land Services Company	5/7/02	10/31/02	\$50,000	4	3	Informal RFP	Price, quality, qualifications, past record of performance
	02P040	Empire WWTP Outfall Mixing Zone Analysis	University of Minnesota	5/13/02	7/30/02	\$50,000			Sole source	Only locally-based vendor capable of providing hydrological services.
	02P034	Elm Creek Interceptor - Medina Leg - R.E. Appraisal	Orion Appraisals, Inc.	4/18/02	3/1/03	\$60,000	7	4	Informal RFP	Cost, schedule, availability
	02P077	Empire WWTP Miscellaneous Improvements Project	Montgomery Watson Harza	7/5/02	7/31/03	\$97,726			Formal RFP	Selected by formal RFP in an earlier project phase.
	02P061	Blue Lake Tunnel Improvements	Short Elliott Hendrickson, Inc. (SEH)	5/3/02	6/30/03	\$197,684			Sole source	Familiarity with existing facilities, need to complete design work immediately
	02P086	Septage Management	Camp Dresser & McKee Inc. (CDM)	12/21/02	6/15/04	\$319,708	17	2	Formal RFP	Qualification, experience, past performance, work plan schedule, local presence & availability, cost
	02P084	Elko-New Market Interceptor	Bonestroo Rosene Anderlik & Associates, Inc.	9/23/02	12/31/03	\$350,000	23	3	Formal RFP	Quality, qualifications, experience, price.
	01P128	Portland and Washington Regulator Improvements	Brown and Caldwell	5/13/02	11/30/04	\$370,690	27	2	Formal RFP	Qualifications, experience, past performance, work plan, schedule, local presence and availability, price.

**Report on Consultant Activity in 2002
Contracts of \$50,000 and Greater**

Appendix G.1.b

Fund	Contract Number	Description of Services	Vendor	Start Date	End Date	Contract Amount	Interested Vendors	Proposers	Solicitation Method	Evaluation Criteria Used
	02P047	L-65 Improvements	Brown and Caldwell	9/16/02	12/31/04	\$881,301	19	4	Formal RFP	Qualification, experience, past performance, work plan schedule, local presence & availability, cost
	01P120	Rosemount Interceptor Planning, Design, and Construction Support	Short Elliott Hendrickson, Inc. (SEH)	5/7/02	8/31/05	\$2,026,184	29	3	Formal RFP	Price, work plan and schedule, qualifications, experience and past performance, local presence and availability.
	01P096	Empire WWTP Effluent Outfall	Howard R. Green Company	6/10/02	2/28/06	\$2,500,000	36	6	Formal RFP	Price, work plan and schedule, qualifications, experience and past performance, local presence and availability.
	01P088	Design and Construction Support Services for Empire Expansion	HDR Engineering, Inc.	1/24/02	12/31/06	\$5,200,000	41	6	Formal RFP	Price, work plan and schedule, qualifications, experience, local presence and availability.
Environmental Services, Subtotal						\$14,018,860				
METROPOLITAN TRANSPORTATION SERVICES										
TRANSIT ADMINISTRATION FUND										
	01P074	Sport Aviation Special Study	Wilbur Smith Associates	8/29/02	12/31/03	\$140,000	19	1	Formal RFP	Work plan, qualifications, experience.
METRO MOBILITY										
	S02007580	MAINTENANCE FEES FROM JULY 2002 THROUGH JUNE 2003	TRAPEZE SOFTWARE GROUP INC	7/1/02	6/30/2003	\$84,507			Sole source	Software maintenance and support only available from software vendor
REGULAR ROUTE FUND										
	02P005A	Regular Route Transit Service - Roseville	First Student, Inc.	6/8/02	5/31/06	\$3,652,981	17	6	Formal RFP	Qualifications, experience, references, staffing and administration, key personnel, safety and training, start-up plan, service management and delivery, facilities and equipment and vehicles and fleet management, price.
	02P005B	Regular Route Transit Service - BE-Line	MV Transportation, Inc.	6/8/02	5/31/07	\$4,932,788	17	4	Formal RFP	Qualifications, experience, references, staffing and administration, key personnel, safety and training, start-up plan, service management and delivery, facilities and equipment and vehicles and fleet management, price.
Metropolitan Transportation Services, Subtotal						\$8,810,276				
METRO TRANSIT OPERATING FUND										
	02P067	Temp Accountant for MT Finance	Accountemps	5/1/02	11/1/02	\$50,000	3	3	Informal RFP	Qualifications, experience, price
	01P137	Transitway Technical Assistance/Design Services	Daniel R. Spencer	1/1/02	12/31/02	\$60,000			Sole source	Qualifications, understanding of tasks and price.
	02P060	Temp Services for Payroll	Pro Staff	5/8/02	5/8/03	\$69,000	3	3	Informal RFP	Qualifications, experience, price
	02P088	Consultant Services to Hiawatha LRT Project	JKL Solutions, Inc.	7/18/02	12/31/03	\$100,000	3	1	Informal RFP	Responsiveness to requirements, qualifications, experience, price
	02P093	Provide Safety System Support for Hiawatha LRT Project	Linda J. Meadows & Associates	8/6/02	12/31/05	\$166,000			Sole source	Unique qualifications and experience
	01P064	FTA-Mandated Drug & Alcohol Testing	Park Nicollet Health Services Occupational Medicine	1/15/02	1/28/05	\$450,000	6	4	Formal RFP	Past record of performance, qualifications, price, and quality of proposal.
	01P105	Pre-Employment Background Investigations for Metro Transit	Verifications, Inc.	4/1/02	3/31/05	\$450,000	15	6	Formal RFP	Price, experience, qualifications, and quality of proposal.
	02P035	General Manager, Metro Transit	Professional Transit Management, Inc.	1/21/02	1/31/05	\$677,307			Informal RFP	A nationwide search was conducted to fill the position.
	01P058A	Temporary Employment Services - Metro Transit	Manpower International	5/13/02	4/30/05	\$720,000	28	9	Formal RFP	Proposer Qualifications, Experience and Price
	01P050	Exterior Advertising Revenue-Producing Contract	Viacom Outdoor Group	1/1/02	12/31/06	Revenue Contract	14	2	Formal RFP	Revenue guarantee and percentage split, ability to perform, experience, references.
METRO TRANSIT CAPITAL FUNDS										
	01P034A	Design interactive artwork for all stations along Hiawatha LRT Line	Janet Zweig	1/4/02	12/31/02	\$50,000	7,000	260	Formal RFP	Quality of past work, durability and suitability, experience working with the public

**Report on Consultant Activity in 2002
Contracts of \$50,000 and Greater**

Appendix G.1.b

Fund	Contract Number	Description of Services	Vendor	Start Date	End Date	Contract Amount	Interested Vendors	Proposers	Solicitation Method	Evaluation Criteria Used
	02P032	ADA Improvements	Ulteig Engineers, Inc.	8/8/02	3/31/04	\$68,553	10	5	Formal RFP	Quality of proposal, qualifications, past record of performance.
	01P034C	Design artwork for system-wide lighting elements for LRT stations and design recreation / restoration plan for the "Franklin" marquee.	Anti, Inc. (Sheila Klein)	1/4/02	12/31/02	\$85,000	7,000	260	Formal RFP	Quality of past work, durability and suitability, experience working with the public
	02P036	Electro-Mechanic Training	Dunwoody College of Technology	10/1/02	12/31/03	\$94,000	4	3	Formal RFP	Qualifications, past record of performance, quality of proposal, and price.
	02P013	Planning and Engineering Services for Transitways	Zan Associates	2/21/02	12/31/02	\$100,000			Sole source	Experience with similar projects, established presence in government and industry, intimate knowledge of local conditions
	00P0105A	Snelling Joint Development Management Services	Keyser Marston Associates	11/26/01	9/30/03	\$295,780	65	4	Formal RFP	Price, qualifications, work plan, experience.
	02P114	Northwest Corridor A/E Services for Station Planning, Design and Construction	Hay Dobbs	12/30/02	3/31/06	\$1,498,000	72	5	Formal RFP	Experience and qualifications, work plan and schedule, work load, and references.
	01P073	Regional Fare Collection System	Cubic Transportation Systems, Inc.	1/14/02	12/31/05	\$15,170,230	46	2	Formal RFP	System capabilities and features, past performance, contract management approach and quality assurance, system support
Metro Transit, Subtotal						\$20,103,870				
TOTAL						\$46,520,719				

**Report on Consultant Activity in 2002
Contracts Less Than \$50,000**

Appendix G.1.c

Fund	Type of Expense	Issue Date	Vendor	PO Number	Item Description	Total Amount
GENERAL FUND						
	Contracted Services/Other	1/14/02	MIDWAY TRAINING SERVICES	S02000581	Assistance in the copy room - on an as needed basis - to include help with duplicating services and preparation of mailings.	\$2,500
	Software Maintenance	8/7/02	CITILABS INC	S02007867	Maintenance for TP+, Viper, and GIS Tools	\$2,544
	Software Maintenance	12/3/02	SYBASE IAD DIV	S02011818	PBE50USP-R Sybase Powerbuilder Enterprise Windows Annual USP Renewal	\$2,580
	Contracted Services/Other	1/10/02	MN CLIPPING SERVICE	S02000475	News clip services - on an as needed basis - for Communications dept.	\$3,000
	Contracted Services/Other	10/23/02	LANDKAMER, JEANNE	S02010560	Writing services for the 2002 Annual Report	\$3,000
	Software Maintenance	5/20/02	ZASIO ENTERPRISES INC	S02005211	Annual Maintenance and Support for Versatile	\$3,195
	Consultant	11/25/02	CAT COMPUTERS INC	S02011651	Windows 2000 Terminal Server additional consulting	\$3,250
	Contracted Services/Other	5/13/02	WIGLEY, GRIFF	S02004965	Moderating the on-line forum	\$3,270
	Software Maintenance	2/20/02	CORVU NORTH AMERICA INC	S02002029	Annual Maintenance Renewal 3/1/2002 to 2/28/2003	\$3,402
	Consultant	9/12/02	JOHNSON, GARY	S02009066	Services for data recovery on hard drive - Metro Plant	\$3,500
	Contracted Services/Other	9/12/02	ADAMS COURT REPORTING INC	S02009024	Court reporting services for the 3 Blueprint public hearings.	\$3,700
	Consultant	3/13/02	CATAPULT SYSTEMS CORP	S02002918	Training on Inquisite 3.0 Software Package for up to 12 Council Employees. Training to be held at Mears Park Centre, March 5, 2002. Cost of training \$3,000 plus travel expenses. Travel expenses unclear as of now, but will not exceed \$750.00	\$3,750
	Software Maintenance	11/8/02	INFORMATIVE GRAPHICS CORP	S02011134	Maintenance renewal for Net-It Central Part #PP640	\$3,999
	Contracted Services/Other	1/7/02	JACOBS, CINDY	S02000179	General graphic design services for the Council	\$4,000
	Contracted Services/Other	1/7/02	WHISTLING MOUSE	S02000180	General graphic design services for the Council.	\$4,000
	Contracted Services/Other	1/8/02	KUEHL & COMPANY	S02000190	Graphic design services as requested by the Communications Dept.	\$4,000
	Consultant	12/2/02	RONNING, MERRILL	S02011759	Think on Your Feet Workshop - November 14-15, 2002, (10 Participants at \$420.00 each)	\$4,270
	Software Maintenance	1/8/02	HUMMINGBIRD COMMUNICATIONS	S02000314	Maintenance for 80 Exceed Licenses Volume License 482029 / V002240-000 Maintenance Renewal Date 2-1-2002	\$4,306
	Software Maintenance	12/27/02	BUREAU OF NATIONAL AFFAIRS, THE	S02012788	ELCD 11-Environment Library on CD Subscription Term (1-19-03 to 1-19-04)	\$4,503
	Contracted Services/Other	1/7/02	RENNER COMMUNICATIONS	S02000170	Writing services for Smart Growth topics	\$5,000
	Contracted Services/Other	1/7/02	GOODSPEED, NANCY	S02000172	Writing services - Strategic communication planning, work plan updates	\$5,000
	Contracted Services/Other	1/7/02	DESIGN CONSORTIUM, THE	S02000176	Graphic design services for transportation items	\$5,000
	Contracted Services/Other	3/1/02	MUSUMECI, JOANN	S02002477	Consulting Services: Organization of the graphics-image collection at the Metropolitan Council. Rate: \$45 per hour. Total Compensation Not To Exceed \$5000. Performance Period: March 1, 2002 - December 31, 2002.	\$5,000
	Contracted Services/Other	4/30/02	ELEFF, ROBERT	S02004547	Design and develop questions for local government survey.	\$5,000
	Consultant	5/31/02	JESSON, LUCINDA E	S02005662	Investigative services: internal/external complaint investigations, including interview witnesses or subjects, prepare summary and report of findings, analyze data, using Council policies as guides help formulate plan for appropriate action.	\$5,000
	Consultant	9/19/02	PICONE, LINDA	S02009338	Consultant Services to edit various drafts of Blueprint 2030. Consultant will work closely with PAD and Communications staff under the direction of Caren Dewar.	\$5,000
	Consultant	12/9/02	VERITAS ENTERPRISE CONSULTING SVC	S02011940	Consulting Services for Veritas Software per attached Scope of work	\$5,000
	Computer Services/Leased	10/18/02	DATALINK	S02010432	implementation support for vertias upgrade to version 4.5	\$5,300
	Consultant	2/4/02	RONNING, MERRILL	S02001359	Think on your Feet Workshop (16 hr. workshop design and delivery) 14 participants at 415.00 per participant.	\$5,810
	Consultant	6/10/02	RONNING, MERRILL	S02005925	Think On Your Feet Leadership Challenge Training (14 participants at \$420.00 each)	\$5,880
	Consultant	5/8/02	RONNING, MERRILL	S02004813	Think on Your Feet Training, 14 Participants at \$420.00 each	\$5,940
	Contracted Services/Other	1/7/02	HOLD THAT THOUGHT	S02000178	General graphic design work for the Council.	\$6,000
	Contracted Services/Other	5/17/02	FW DODGE	S02005167	Addendum to agreement. contract for access table services. (contract 2012282)	\$6,461
	Contracted Services/Other	1/7/02	MARGGRAPHICS	S02000174	Graphic design services for the Communications dept.	\$7,000
	Contracted Services/Other	1/7/02	HUNTER, JOSEPH	S02000181	Web coding and/or design for the Council's web site.	\$7,000
	Contracted Services/Other	1/7/02	GAMM, DIANE	S02000182	Web coding and/or programming for the Council's web site.	\$7,000
	Contracted Services/Other	1/7/02	ROBSON, WENDY RUSS	S02000173	Writing services for regional transit items.	\$8,000
	Contracted Services/Other	1/7/02	JUCKEL, MARK	S02000175	General graphic design work for the Council	\$8,000
	Software Maintenance	6/10/02	PRECISE SOFTWARE SOLUTIONS	S02005730	Indepth for Oracle Support 8-1-02 to 7-31-03	\$8,712
	Consultant	5/13/02	THERMO LABSYSTEM INC	S02004930	Two weeks of consulting, technical and analyst services to assist with planning for upgrade of the EPE Laboratory LIMS (Laboratory Information Management System.)	\$9,298
	Consultant	8/29/02	NOVELL MINNEAPOLIS	S02008524	Groupwise Testing and Review per attached quote dated 8/26/02.	\$10,000

Report on Consultant Activity in 2002
Contracts Less Than \$50,000

Appendix G.1.c

Fund	Type of Expense	Issue Date	Vendor	PO Number	Item Description	Total Amount
	Legal	4/1/02	Bassford, Lockhart, Truesdell & Briggs, P.A.	02P083	Mears Park Ventilation	\$10,000
	Consultant	10/1/02	ROWEKAMP ASSOC	S02009724	ArcGIS I Training (12 GIS employees)	\$10,300
	Contracted Services/Other	7/22/02	BLUESTEM SYSTEMS	S02007224	Environment Investigation	\$10,800
	Computer Services/Leased	2/20/02	ARCHIVES	S02002030	Annual Off-Site Tape Storage for all systems housed at the Heywood Computer Room. Service 1/1/02 thru 12/31/02. Regular service is billed Qrtly. Special runs are billed monthly.	\$11,500
	Consultant	9/23/02	SPHERION	S02009425	Christopher Roth - Temporary Employee Services as Required for Finance (Matt Soler) @ \$21.20/Hour; Employment Term - September 23, 2002 through December 31, 2002	\$12,155
	Consultant	7/17/02	POLL,DONN	S02007120	Editorial and design services for 12 issues of Council Directions (2 years)	\$12,480
	Software Maintenance	2/19/02	DATALINK	S02001948	Annual Software Maintenance and Support for Veritas Backup Software. 1/4/2002 thru 1/3/2003.	\$12,650
	Contracted Services/Other	5/2/02	BERNARD HALDANE ASSOC	S02004593	CAREER CONSULTING AND OUTPLACEMENT SERVICES	\$13,700
	Contracted Services/Other	1/7/02	DESICON	S02000183	Web coding, design and/or programming for the Council's web site.	\$14,000
	Consultant	2/22/02	CAPITOL ADVANTAGE INC	S02002093	Consulting Services: Strategic Counsel on Federal and State funding issues. Communications support on programmatic appropriations priorities.	\$15,000
	Consultant	7/15/02	CAPITOL ADVANTAGE INC	S02007042	Continuation of Consulting Services provided under PO 02002093: Strategic Counsel on Federal and State funding issues. Communications support on programmatic appropriations priorities.	\$15,000
	Software Maintenance	11/21/02	DATALINK	S02011560	Annual Maintenance and Support for Veritas Netbackup - Support provided by DataLink. Period of 12/19/2002 - 12/18/2003 Products Included: Netbackup Data Center Master Server (1) Netbackup DataCenter Shared Storage (4) Netbackup DataCenter Library based tape drive support (4) Netbackup DataCenter Media Server Licenses (7) Netbackup DataCenter - Unix Client (1) Service Included: 7x24 hour Phone Support, New Release and Version, Problem tracking and resolution.	\$15,134
	Software Maintenance	1/7/02	SAS INSTITUTE INC	S02000257	Annual Maintenance/License for SAS 1-1-02 thru 12-31-02; Agreement Number 40314-001	\$16,960
	Software Maintenance	1/14/02	EXECUTIVE INFORMATION SYSTEMS LLC	S02000614	Annual Maintenance/License for SAS. 1-1-02 thru 12-31-02. Agreement # 40314-001	\$16,960
	Accounting/Auditing External	5/6/02	MAXIMUS	S02004767	Preparation of Metropolitan Council 2001 Central Services Cost Allocation Plan Not to exceed 17600.00	\$17,600
	Software Maintenance	2/22/02	IBM CORP	S02002108	Annual AIX Support Line Agreement for RS6000 Operating Systems. Agreement dates: 3/30/02 thru 3/29/03	\$17,880
	Software Maintenance	11/18/02	SAS INSTITUTE INC	S02011410	Licensing and Support for AIXR Base SAS Release 8.01 Jan 01,2003 - Dec 31, 2003	\$17,980
	Security	11/26/02	EXECUTIVE INFORMATION SYSTEMS LLC	S02011636	Licensing and Support for AIXR Base SAS Release 8.01 Jan 01,2003 - Dec 31, 2003	\$17,980
	Contracted Services/Other	11/19/02	UBIQUIO	S02011441	Mobile Support Services, per attached, duly executed, Statement of Work.	\$20,000
	Contracted Services/Other	1/7/02	FITZ, JANE E	S02000169	Writing/editing services for the Communications Dept. - on an as needed basis	\$21,500
	Contracted Services/Other	1/7/02	ARCHWING INNOVATIONS LLC	S02000184	Web design and programming for the Council's web site.	\$22,000
	Contracted Services/Other	10/17/02	BLUESTEM SYSTEMS	S02010352	Contract for Professional Services to implement content filtering.	\$22,000
	Consultant	2/14/02	Perkins and Will	01P117	Metropolitan Council Space Needs	\$22,500
	Software Maintenance	6/3/02	PEOPLESOFT	S02005720	Software Maintenance and Support Fees for the period from 6/24/02 to 6/23/03	\$23,356
	Software Maintenance	6/3/02	PEOPLESOFT	S02005720	Software Maintenance and Support Fees for the period from 6/24/02 to 6/23/03	\$23,356
	Software Maintenance	6/3/02	PEOPLESOFT	S02005720	Software Maintenance and Support Fees for the period from 6/24/02 to 6/23/03	\$23,356
	Temporary Help	3/29/02	INSURANCE OVERLOAD SYSTEMS	S02003488	Doug Wilton - Temporary Liability Claim Representative Claim Services as Required by Risk Management (Phil Walljasper) @ \$34.00 per Hour Extend Employment Term Through July 12, 2002	\$24,480
	Contracted Services/Other	6/27/02	INTELLOPS	S02006584	Monthly service provided by Foresight/Intellops including monitoring, trending and alerting of selected infrastructure devices such as (but not limited to) routers, hubs, and servers. This service also includes custom reports delivered via the Internet on a customized web site maintained by Foresight/Intellops.	\$24,860
	Legal	6/1/02	Mary G. Dobbins & Associates	02P073	Housing and Diversity/Equal Opportunity	\$25,000
	Contracted Services/Other	1/7/02	LANDKAMER, JEANNE	S02000171	Writing services for Communications Dept.	\$25,000

Report on Consultant Activity in 2002
Contracts Less Than \$50,000

Appendix G.1.c

Fund	Type of Expense	Issue Date	Vendor	PO Number	Item Description	Total Amount
	Contracted Services/Other	1/11/02	SANCHEZ,SANDRA	S02000495	Marketing assistance and special events/meeting planning, logistical support, and outreach summary for the Smart Growth TC projects	\$25,000
	Consultant	11/22/02	MERCER HUMAN RESOURCES CONSULTING	S02011596	Actuarial analysis of Councils liability, by division, for the Councils post-retirement benefits, and 50 year cash flow including funding analysis	\$25,000
	Legal	1/1/02	Dorsey & Whitney LLP (Mpls)	02P072	Environmental and Regulatory Matters	\$25,000
	Software Maintenance	10/18/02	CYBORG SYSTEMS INC	S02010425	Cyborg Solution Series Maintenance Silver Plan 11/01/02 to 03/31/03	\$25,137
	Contracted Services/Other	1/7/02	CHAN, MARGARET	S02000177	General graphic design work for the Council	\$26,680
	Contracted Services/Other	3/15/02	Minnesota Center for Survey Research	01P136	Twin Cities Annual Survey	\$28,140
	Consultant	12/19/02	Professional Alternatives LLC	02P157X	Benefits Specialist Services	\$30,000
	Contracted Services/Other	6/1/02	Minnesota Center for Survey Research	02P063	Regional Growth and Housing Survey	\$30,000
	Contracted Services/Other	2/7/02	ARCHWING INNOVATIONS LLC	S02001503	Create and program a form page for Metro Commuter Services web page.	\$30,702
	Contracted Services/Other	12/13/02	INTELLOPS	S02012241	Proactive network monitoring and trending.	\$32,640
	Software Maintenance	10/18/02	THERMO LABSYSTEM INC	S02010374	L-SM-01 SampleManager Concurrent Single User License, License for 1 to 16 concurrent users.	\$32,940
	Legal	6/25/02	Dorsey & Whitney LLP (Mpls)	02P096	Environmental and Regulatory Matters	\$35,000
	Software Maintenance	11/6/02	ENVIRONMENTAL SYSTEMS RESEARCH INSTITUTE	S02011039	Annual Maintenance from 10/01/02 through 9/30/2003 per quote #25063107	\$36,989
	Consultant	11/18/02	Soft Link Solutions, Inc.	02P141	HRIS Implementation	\$40,800
	Software Maintenance	1/11/02	TRAPEZE SOFTWARE GROUP INC	S02000501	Maintenance Fees February 2002 through January 2003 FX-DOSBase License (up to 749 trips) 20 Workstations Sybase Translator (20% of Total) 8599.50 Tax to be paid on 20% of total	\$42,997
	Consultant	11/25/02	Soft Link Solutions, Inc.	02P145	Technical support to go live with HRIS system	\$43,200
	Consultant	7/23/02	Zan Associates	02P091	Transit-Oriented Development	\$44,000
	Consultant	3/12/02	Dahlgren Shardlow and Uban, Inc.	02P019	Natural Resource Inventory Illustrations	\$47,700
General Fund, Subtotal Contractual Purchases Less Than \$2,500 (Detail Not Shown)						\$51,640
Subtotal Between \$2,500 and \$50,000						\$1,344,583
Subtotal Contractual Purchases Less Than \$50,000						\$1,396,223
HOUSING AND REDEVELOPMENT AUTHORITY (Metro HRA)						
HRA MISCELLANEOUS FUND						
	Contracted Services/Other	2/20/02	ASIAN TRANSLATIONS INC	S02001984	TRANSLATING SERVICES (7/19/2001-2/1/2002)	\$5,510
	Contracted Services/Other	11/12/02	STONE,DIANNE	S02011170	Provide Monitoring Services, on an as-needed basis, for the State of Minnesota 4D Tax Classification Program. Services include: conducting monitoring visits, providing property owners with program information and documents, preparing notifications of findings and required corrective actions, reviewing documents received in response to notifications of findings, and determining compliance.	\$17,480
FAMILY AFFORDABLE HOUSING PROGRAM - DEVELOPMENT FUND						
	Contracted Services/Other	2/21/02	SCHAFER,DAVE	S02002048	Provide Monitoring Services for Davis-Bacon Compliance by Improvement Contractors on the Family Affordable Housing Program. Monitoring to be Completed in Accordance with HUD Rules and Regulations. Services to be Billed at \$70.00/Hour	\$8,000
HOUSING AND REDEVELOPMENT AUTHORITY (Metro HRA), Subtotal Contractual Purchases Less Than \$2,500 (Detail Not Shown)						\$5,447
Subtotal Contractual Purchases Between \$2,500 and \$50,000						\$30,990
Subtotal Contractual Purchases Less Than \$50,000						\$36,437
ENVIRONMENTAL SERVICES - GENERAL OPERATIONS						
	Contracted Services/Other	11/1/02	COASTAL TRAINING TECHNOLOGIES	S02010901	Services to provide programming a monthly report from the Clarity database to be used by the Training Department.	\$2,500
	Laboratory	4/23/02	PACE ANALYTICAL	S02004342	Epa 365.2 Phos analysis on Npdes required samples	\$2,889
	Contracted Services/Other	3/5/02	DIALOG CORP, THE	S02002511	DIALOG ADVANTAGE: REACTIVATE SERVICE AGREEMENT. PLAN PERIOD: MARCH 1, 2002 - FEBRUARY 28, 2003.	\$3,000
	Contracted Services/Other	6/28/02	PACE ANALYTICAL	S02006605	Laboratory Metals Analysis per EPA Method 29	\$3,200
	Laboratory	3/26/02	PACE ANALYTICAL	S02003285	Total Phosphorus Analysis (EPA 365.2) on NPDES samples	\$3,456

**Report on Consultant Activity in 2002
Contracts Less Than \$50,000**

Appendix G.1.c

Fund	Type of Expense	Issue Date	Vendor	PO Number	Item Description	Total Amount
	Contracted Services/Other	9/18/02	MEDICS TRAINING INC	S02009323	40 HOUR FIRST RESPONDER CERTIFICATION COURSE HELD 7/22-26/02 FOR UP TO 20 STUDENTS.	\$3,800
	Contracted Services/Other	9/17/02	MEDICS TRAINING INC	S02009249	40 HOUR FIRST RESPONDER CERTIFICATION COURSE HELD ON 8/19-23/02 FOR UP TO 20 STUDENTS.	\$3,840
	Laboratory	3/15/02	BRAUN INTERTEC	S02002980	EPA Method 365.4 Total Phos Analysis	\$3,935
	Contracted Services/Other	2/15/02	HALLBERG INFORMATION SERVICES	S02001825	INMAGIC consulting for libraries' database for the year 2002.	\$4,000
	Contracted Services/Other	7/25/02	PACE ANALYTICAL	S02007399	Metro Incinerator #7 PM10 stack retest as required by permit	\$4,100
	Contracted Services/Other	3/1/02	PERCEPTUAL ENGINEERING	S02002409	The consultant will provide software development / debugging and mentoring services to support its library of AutoCAD C/ADS - based custom MCES Menu System code	\$4,320
	Temporary Help	9/10/02	SPHERION	S02008965	Tracy Hawkenon - Temporary Employee Services as Required for Blue Lake Plant (Carl Swaggert) @ \$17.83/Hour Employment Term - 8/21/02 Through 9/18/02	\$4,827
	Consultant	9/26/02	EMA SERVICES INC	S02009628	Design work services for three (3) training/conference rooms in the Metro Plant Administration Building.	\$4,860
	Contracted Services/Other	4/2/02	COMPAQ COMPUTER CORP	S02003456	SERVICE AGREEMENT #93065139D: 01/06/02-05/03/03 HARDWARE/SOFTWARE 12 MOS @ 431.40 = \$5,176.80 -3% PREPAY DISCOUNT (\$155.30)	\$5,022
	Laboratory	3/13/02	PACE ANALYTICAL	S02002940	Total Phosphorus Analysis (EPA 365.2) on NPDES samples	\$5,103
	Consultant	2/4/02	INTEGRATED LOSS CONTROL INC	S02001379	General Safety Inspections of various facilities as identified in Sole Source procurement document.	\$6,000
	Contracted Services/Other	2/28/02	MILLS,PAMELA A	S02002400	Consulting Services: - Document Cataloging at R&D and other MCES Libraries. - Assistance with implementing a new Regional Maintenance Library for design manuals, operating manuals, and handbooks. Rate: \$17.50 per hour. Total Compensation Not to Exceed \$8000. Performance Period: March 1, 2002 - December 31, 2002.	\$8,000
	Temporary Help	11/14/02	KFORCE PROFESSIONAL STAFFING	S02011277	Jensen Hegg - Temporary Employee Services as Required by Metro Lab (Jim Wyzkowski) @ \$19.24/Hour. Employment Term 11/13/02 Through 2/04/03 Term extended through 2/14/03	\$8,860
	Engineering	11/22/02	LENHARDT & COLTON LLC	S02011571	Engineering services to assess to the processes utilized in the SSBU for planning, tracking and developing software projects. Please coordinate all work with Mike Mereness, 651-602-8296.	\$9,000
	Engineering	6/14/02	BROWN AND CALDWELL	S02006126	HYDRAULIC REVIEW, TECHNICAL MEMORANDUM AND INFORMATION FOR O/M MANUAL PER ATTACHED PROPOSAL, DATED JUNE 5, 2002, INCLUDING ADDITIONS MADE PER TELECONFERENCE BETWEEN CHUCK LEWIS AND REX HUTTES ON 6/7/02. NOT TO EXCEED.	\$9,170
	Security	6/26/02	EAGAN, CITY OF	S02006531	Armed Contracted Security @ Seneca Plant. 6/10/02-Thru-6/18/02. Invoice #1530	\$10,044
	Temporary Help	10/14/02	KFORCE PROFESSIONAL STAFFING	S02010165	Christina Schroepfer - Temporary Employee Services as Required for Metro Lab (Jim Wyzkowski) @ \$19.24/Hour Employment Term 10/07/02 Through 11/22/02	\$12,365
	Consultant	1/30/02	Integrated Loss Control, Inc.	01P094	MCES Safety Consultant	\$15,314
	Engineering	7/10/02	POLARIS GROUP	S02006882	FIELD FLOW MEASUREMENT SERVICES PER ATTACHED PROPOSAL DATED 7/2/02. NOT TO EXCEED	\$19,600
	Contracted Services/Other	5/6/02	U.S. Energy Services, Inc.	02P025	Natural Gas Supply - Phase 2	\$25,000
	Contracted Services/Other	7/11/02	Camp Dresser & McKee Inc. (CDM)	02P069	MCES Optimization of Maintenance Practices	\$45,480
	Construction Contract	3/29/02	CNA Consulting, Inc.	02P001	Trout Brook Storm Sewer Inspection	\$48,676
ENVIRONMENTAL SERVICES - CAPITAL REVOLVING FUNDS						
	Contracted Services/Other	9/13/02	WESTERBERG,LARRY	S02009072	CERTIFIED FOREST SERVES ON SO. WASH CO GRAVITY INTERCEPTOR @ HOURLY RATE OF \$50 (NOT TO EXCEED \$2,500)	\$2,500
	Contracted Services/Other	8/15/02	PITZTRICK & ASSOC INC	S02006271	Facilitation of Partnering Workshop for the Solids Processing Improvements Project	\$2,700
	Contracted Services/Other	7/12/02	WILLIAMS ENERGY SVC	S02006951	Engineering and Legal Review of a relocation agreement	\$3,500
	Contracted Services/Other	3/25/02	SUMMIT ENVIROSOLUTIONS INC	S02003236	ARCHEOLOGICAL SURVEY FOR EMPIRE WWTP OUTFALL PROJECT	\$10,645
	Contracted Services/Other	7/1/02	NBT INC	S02006636	Develop a dissolved oxygen system software driver per attached scope of services.	\$16,000
	Contracted Services/Other	5/31/02	MALACOLOGICAL CONSULTANTS	S02005644	Mussel Survey in the Mississippi River at the proposed location for the Empire WWTP outfall. Not to Exceed 18,500	\$18,500
	Contracted Services/Other	8/1/02	LAKE STATE REALTY SVC INC	S02007676	Appraisal Services for Hastings Wastewater Treatment Plant.	\$25,000

Report on Consultant Activity in 2002
Contracts Less Than \$50,000

Appendix G.1.c

Fund	Type of Expense	Issue Date	Vendor	PO Number	Item Description	Total Amount
ENVIRONMENTAL SERVICES - SAC FUND						
	Consultant	7/1/02	SPRINGSTED INC	S02006360	Perform an assessment of the Council's SAC Waiver Demonstration Program in accordance with the attached scope of work from a proposal dated June 13, 2002. Prepare a draft report no later than July 15, 2002.	\$25,000
ENVIRONMENTAL SERVICES, Subtotal Contractual Purchases Less Than \$2,500 (Detail Not Shown)						\$54,383
Subtotal Contractual Purchases Between \$2,500 and \$50,000						\$380,206
Subtotal Contractual Purchases Less Than \$50,000						\$434,589
METROPOLITAN TRANSPORTATION SERVICES						
TRANSIT ADMINISTRATION FUND						
	Computer Services/Leased	8/5/02	MULTISYSTEMS	S02007743	RidePro3 test installation and RidePro3 upgrade design 2 days on site at \$850 per day	\$3,066
	Consultant	2/4/02	MULTISYSTEMS	S02001193	Annual Renewal of Software Maintenance and Telephone Support Agreement Period Covered: March 1, 2002 - February 28, 2003	\$3,250
	Consultant	9/3/02	SRF CONSULTING GROUP	S02008720	UPDATE OF CENTRAL CORRIDOR TRANSIT RIDERSHIP FORECASTS TO BE CONSISTENT WITH MOST RECENT METRO COUNCIL CITY LEVEL POPULATION, H/H AND EMPLOYMENT FORECASTS	\$5,000
	Software Maintenance	9/30/02	TRAPEZE SOFTWARE GROUP INC	S02009723	Installation/Data Conversion/Training Provided by Dan Bauer 4 1/2 days @ 850.00 per day	\$7,825
	Software Maintenance	9/25/02	TRAPEZE SOFTWARE GROUP INC	S02009569	RidePro, Base License: Web Hosting Services/Encryption Services September 2002 through December 2002	\$8,100
	Consultant	1/30/02	SRF CONSULTING GROUP	S02001179	TOD CD-ROM Research Provide research services as described in the SRF proposal submitted to the Metropolitan Council on 1/14/02.	\$11,820
	Consultant	9/5/02	SRF CONSULTING GROUP	S02008749	UPDATE TRANSIT NETWORK FOR REGIONAL TRAVEL DEMAND MODEL IN TRANPLAN AND TP AND FORMAT TO REFLECT CURRENT TRANSIT NETWORK	\$20,000
	Consultant	1/9/02	SRF CONSULTING GROUP	S02000151	DEVELOP TRANSPORTATION AUDIT COMMENTS	\$25,000
	Software Maintenance	9/27/02	TRAPEZE SOFTWARE GROUP INC	S02009648	RidePro Modifications RidePro3 Upgrade Software Modifications including modifications to various commtuer, employer, carpool, biking, vanpool, and other forms, tables, fields as agreed to during July 2002 visit.	\$49,200
METRO MOBILITY						
	Consultant	4/9/02	COMMUNICATION CENTER	S02003843	Services to translate items into Braille for the Transportation Accessibility Advisory Committee for the year 2002	\$2,500
	Software Maintenance	5/20/02	TRAPEZE SOFTWARE GROUP INC	S02005218	Enhancement of Hours Productivity by Funding Source Report. 3 days @ \$1000.00 per day. Work order # 1220	\$3,000
	Contracted Services/Other	10/2/02	FITZ, JANE E	S02009779	Payment for services for July and August. of 2002.	\$3,652
	Software Maintenance	8/14/02	TRAPEZE SOFTWARE GROUP INC	S02008046	3 DAYS NETWORK AND CONSULTING @ \$1,200 PER DAY.	\$5,610
Metropolitan Transportation Services, Subtotal Contractual Purchases Less Than \$2,500 (Detail Not Shown)						\$29,477
Subtotal Contractual Purchases Between \$2,500 and \$50,000						\$148,023
Subtotal Contractual Purchases Less Than \$50,000						\$177,500
METRO TRANSIT						
METRO TRANSIT OPERATING FUND						
	Consultant	10/24/02	BERNARD JACOB ARCHITECTS LTD	T0000066914	design for the repairs to the employee facilities at OHB	\$2,500
	Consultant	12/30/02	WENCK ASSOC INC	T0000068816	annual air emission report	\$3,360
	Consultant	7/9/02	WENCK ASSOC INC	T0000063846	seal test wells at MJR	\$3,772
	Consultant	1/19/02	CONSOLIDATED MEDICAL SERVICES	T0000059852	DRUG & ALCOHOL TESTING	\$3,925
	Consultant	7/16/02	CERES ENVIRONMENTAL SVSC	T0000064076	June Operation and maintenance of the recovery system at Snelling PER INV. #3037	\$4,100
	Consultant	8/22/02	GADA & ASSOC INC	T0000065225	Preliminary review of large exhaust fans in maintenance FTH	\$4,220
	Consultant	1/4/02	Penny Rakoff and Bill McCullam	01P034F	Design artwork for masonry icons for Warehouse District Station	\$5,000

**Report on Consultant Activity in 2002
Contracts Less Than \$50,000**

Appendix G.1.c

Fund	Type of Expense	Issue Date	Vendor	PO Number	Item Description	Total Amount
	Consultant	9/30/02	CHESS INC	T0000066233	Hands on training in the use of fire extinguishers, up to 40 classes to begin.	\$6,000
	Consultant	4/26/02	NCS PEARSON	T0000061498	Purchase & grade 300 customer service assess inventories. Not-to-exceed \$7,500.	\$7,210
	Consultant	3/31/02	CONSOLIDATED MEDICAL SERVICES	T0000061860	DRUG & ALCOHOL TESTING	\$8,300
	Consultant	1/30/02	CONSOLIDATED MEDICAL SERVICES	T0000061182	DRUG & ALCOHOL TESTING	\$8,400
	Consultant	7/18/02	CERES ENVIRONMENTAL SVSC	T0000064132	2 months of operation and maint for Snelling to cover bid time	\$9,075
	Consultant	4/30/02	CONSOLIDATED MEDICAL SERVICES	T0000062109	DRUG & ALCOHOL TESTING	\$9,835
	Consultant	5/31/02	CONSOLIDATED MEDICAL SERVICES	T0000063542	DRUG & ALCOHOL TESTING	\$11,250
	Consultant	3/2/02	Michael Flechtner	01P034I	Design artwork for integrated artwork for Franklin Avenue Station.	\$12,000
	Consultant	4/24/02	LeFevre Studios Inc. (Gregg LeFevre)	01P034L	Design artwork for metal tree grates, metal paver inserts, and inlay imagery for Minnehaha Park Station.	\$12,000
	Consultant	9/20/02	Janet Lofquist	01P034O	Design artwork for landmark artwork for Veterans Administration Station.	\$12,000
	Consultant	9/20/02	Aldo Moroni	01P034H	Design artwork for community tiles for Cedar Riverside Station.	\$15,000
	Consultant	1/8/02	Phillip Larson	01P034M	Design artwork for platform surface patterns, metal paver inserts, inlay imagery, and landmark artwork for Fort Snelling and Bloomington Stations	\$15,000
	Consultant	1/4/02	Keith Christensen	01P034G	Design artwork for platform surfaces / glass windscreens / landmark for Government Station.	\$20,000
	Consultant	7/15/02	JoAnn Verburg	01P034J	Design artwork for translucent photo images for Lake Street, 46th Street, Minnehaha Park, 80th Street, and Bloomington Stations.	\$20,000
	Consultant	1/14/02	Deborah Mersky	01P034N	Design artwork for metal railing augmentation and metal windscreen overlay for Cedar-Riverside, 38th Street, Minnehaha Park and 80th Street Stations	\$20,000
	Consultant	11/4/02	PRO STAFF PERSONNEL SERVICES	T0000067107	Temporary Accounting Services for HRIS System Implementation	\$24,977
	Consultant	2/22/02	PACIOLI	T0000059310	Temporary services per e-mail of January 24, 2002.	\$24,986
	Consultant	7/25/02	Creative Images Inc	02P089	Employee safety video project	\$26,478
	Consultant	1/4/02	Richard Charles Elliott	01P034B	Design artwork for platform surface patterns for Downtown East, Cedar Riverside, Franklin, Lake, 38th Street, 46th Street and Veterans Administration Stations	\$28,500
	Consultant	3/8/02	Ellen Lanyon	01P034P	Design tile mural artwork for the LRT maintenance and administrative offices	\$30,000
	Consultant	8/23/02	Jim Hirschfield and Sonya Ishii	01P034D	Design artwork for sequential gateway for Cedar Riverside Station.	\$40,000
	Consultant	9/1/02	Ceres Environmental Services, Inc.	02P099	Operate, maintain, and test remediation system at Metro Transit Snelling Site	\$47,856
	Consultant	4/9/02	International Transit Services, Inc.	02P042	ADA Compliance Audits	\$48,960
METRO TRANSIT - CAPITAL FUND						
	Contracted Services/Other	2/1/02	Construction Support Services, Inc.	02P015	Construction Support Services	\$49,000
METRO TRANSIT, Subtotal Contractual Purchases Less Than \$2,500 (Detail Not Shown)						\$52,891
Subtotal Contractual Purchases Between \$2,500 and \$50,000						\$533,704
Subtotal Contractual Purchases Less Than \$50,000						\$586,595
TOTAL ALL FUNDS, Subtotal Contractual Purchases Less Than \$2,500 (Detail Not Shown)						\$193,838
Subtotal Contractual Purchases Between \$2,500 and \$50,000						\$2,437,505
Subtotal Contractual Purchases Less Than \$50,000						\$2,631,343

Report on Consultant and Contractual Services Activities, 2003 Budget Environmental Services

Appendix G.2

Unit	Expense Type	Description	Total Budget
General Managers Office			
	Consultant	Safety, actuarial, contingency	\$ 140,000
	Engineering		50,000
	Contracted Services/Other	Drug testing, Off-site records storage, contingency	99,500
	Insurance		775,000
	Contract Services Total		\$ 1,064,500
Treatment Services			
	Computer Services/Leased		\$ 8,000
	Engineering		20,000
	Contracted Services/Other	Staff training, emissions testing, process computer support	908,450
	Security		1,382,100
	Contracted Services/ Safety		7,200
	Contract Services Total		\$ 2,325,750
Interceptor Services			
	Computer Services/Leased		\$ 15,000
	Engineering		140,000
	Contracted Services/Other		91,000
	Temporary Help		5,000
	Contracted Services/ Safety		3,000
	Contract Services Total		\$ 254,000
Technical Services			
	Consultant	CAD system programming	\$ 3,000
	Engineering		60,000
	Contracted Services/Other	Drafting equipment services	7,600
	Contract Services Total		\$ 70,600
Environmental Quality Assurance			
	Consultant	Library support	\$ 9,000
	Laboratory		81,500
	Contracted Services/Other	Laboratory services, Odor sampling, Contingency	182,026
	Temporary Help		59,200
	Software Maintenance		1,300
	Contract Services Total		\$ 333,026
Environmental Services Total			\$ 4,047,876

Note: all contractual services for the Environmental Services Division are funded by Environmental Services funds unless otherwise noted.

**Report on Consultant and Contractual Services Activities, 2003 Budget
Metro Transit**

Appendix G.2

Unit	Expense Type	Description	Total Budget
METRO TRANSIT BUS OPERATIONS			
Part A: Consulting Fees - Operations			
Customer Services and Marketing			
Consultant		Pocket schedule production, video production, website, mailing services, etc.	\$ 178,500
Transit Marketing		Advertising Fees	300,000
Consultant		Telephone Info Center systems; web dev	31,500
Transit marketing		Media Advertising	157,925
Temporary help		Temporary help	2,000
Contractual services other		Warehousing & Distribution Services for Pocket Schedules, Maps, etc.	35,000
Total Customer Services and Marketing			\$ 704,925
Human Resources			
Consultant		Recruiting & Retention Services-Occupational Health, Drug Testing, Employment Testing, Background Checks	\$ 370,478
Temporary help		Temporary help	3,500
Total Human Resources			\$ 373,978
Engr. And Facilities			
Consultant		Petro fund form fees; testing fees for Air, Wells and Ground Water, UST testing; Misc. tech services	\$ 215,060
Consultant		Interior design consultant and Voice mail maintenance	70,209
Consultant		Tech. services-engineers; Testing Services including sump material	500,000
Temporary help		Temporary help	10,000
Contractual services other		Sewer Cleaning, misc	158,700
Total Engr. And Facilities			\$ 953,969
Service Development			
Consultant		Sector studies	\$ 15,000
Temporary help		Data entry; temporary staff	18,000
Consultant		Training service fees	50,000
Total Service Development			\$ 83,000
Bus Transportation			
Consultant		Training and other Professional and Technical services	\$ 70,000
Contractual services other		Misc	27,000
Consultant		Editing	5,000
Temporary help		Temporary help	5,000
Total Bus Transportation			\$ 107,000
Executive			
Consultant		Professional and Technical services	\$ 239,850
Temporary help		Temporary Help	12,000
Consultant		Misc	52,500
Total Executive			\$ 304,350
Finance			
Consultant		Audit Fees - Office of the State Auditor	\$ 30,000
Consultant		Purchasing Dept.: testing fees	25,000
Contractual services other		Bank Service Charge	64,800
Contractual services other		Photo application	165,236
Contractual services other		Misc	2,500
Contractual services other		Other services	4,400
Contractual services other		Microfilm processing fees	2,075

**Report on Consultant and Contractual Services Activities, 2003 Budget
Metro Transit**

Appendix G.2

Unit	Expense Type	Description	Total Budget
	Consultant	Diesel Fuel price risk management advisor	24,000
	Temporary help	Temporary Help	50,703
	Total Finance		\$ 368,714
Bus Maintenance			
	Consultant	Boiler Licenses + transmission oil tests	\$ 5,125
	Consultant	Qualification development work service fees	25,300
	Contractual services other	Bus Watch Camera System	174,000
	Contractual services other	Paper and Oil Filter Recycling	6,700
	Contractual services other	Misc	93,634
	Consultant	Chemical testing, EPA, OSHA testing	1,000
	Total Bus Maintenance		\$ 305,759
Safety			
	Consultant	Hazardous information services; System safety support - bus and rail; Ergonomics training	\$ 16,200
	Total Safety		\$ 16,200
	SubTotal Part A: Consulting Fees - Operations		\$ 3,217,895
Part B: Metro Transit Contract Services - Operating Expenses Engr. And Facilities			
	Consultant	Electrical Contractor Fees and Pest Control.	\$ 21,500
	Consultant	Elevator service, Repair, Pest control, Viking Sprinklers, Cummins, Electrical contractor	361,086
	Security	Alarm Monitoring System	8,100
	Contractual services other	Snow Removal & Maintenance of Lots	308,020
	Total Engr. And Facilities		\$ 698,706
Finance			
	Security	Armored Car Service Fees	\$ 97,609
	Contractual services other	Service Fees for Transit Stores	18,525
	Total Finance		\$ 116,134
Police Security - Public Safety			
	Security	Building Security Alarms/Equipment Systems and Monitoring.	\$ 134,559
	Contractual services other	Other Services	50,750
	Consultant	Psychological exams, and contract w/police	8,100
	Consultant	Firearms Training	36,500
	Total Police Security - Public Safety		\$ 229,909
	SubTotal Part B: Contract Maintenance Fees - Operating		\$ 1,044,749
	Total Metro Transit Operating Services Expenses		\$ 4,262,644
METRO TRANSIT LIGHT RAIL TRANSIT OPERATIONS			
	Insurance		\$ 266,220
	Total Light Rail		\$ 266,220
	TOTAL METRO TRANSIT		\$ 4,528,864

Report on Consultant and Contractual Services Activities, 2003 Budget **Appendix G.2**
Metropolitan Transportation Services

Unit	Expense Type	Description	Total Budget
Transit Administration Fund			
	Consultant	Consultant:	\$ 500,000
	Consultant	Speakers	1,000
	Contractual services other	Contracted services--other	55,000
	Temporary help	Temporary help	20,000
	Total Transit Administration Fund		\$ 576,000
Regular Route			
	Accounting & auditing	Accounting/auditing external	\$ 30,000
	Consultant	Graphics/design for marketing	15,000
	Total Regular Route		\$ 45,000
Metro Mobility			
	Computer services	Computer services	\$ 6,300
	Consultant	Consultant:	125,000
	Contractual services other	Contracted services--other	90,126
	Temporary help	Temporary help	20,000
	Software maintenance	Software maintenance	93,357
	Total Metro Mobility		\$ 334,783
Metro Commuter Services			
	Consultant		\$ 10,000
	Contractual services other	Contracted services--other	90,000
	Software maintenance	Software maintenance	65,000
	Total Metro Commuter Services		\$ 165,000
Metropolitan Transportation Services Total			\$ 1,120,783

Report on Consultant and Contractual Services Activities, 2003 Budget Appendix G.2
Community Development

Unit	Expense Type	Description	Total Budget
Division Management			
	Contractual services other	Contractual services other	\$ 150,000
Geographic Information Systems			
	Consultant	GIS Consultant	\$ 75,000
	Contractual services other	Metro GIS data maintenance	35,000
	Contractual services other	Data maintenance: street centerline	50,000
	Contractual services other	Metro GIS data file enhancements	40,000
	Total Geographic Information Systems		\$ 200,000
Research			
	Contractual services other	Data purchase: NSP, Dodge, Apt. Search, empty.	\$ 31,000
Parks			
	Contractual services other	Park monitoring and eval. program	\$ 20,000
Regional Growth Strategies			
	Consultant	Consultant services	\$ 50,000
Planning and Technical Assistance			
	Consultant	Local technical assistance support	\$ 107,793
Housing and Livable Communities			
	Consultant	Mayors Housing Task Force	\$ 15,000
	Consultant	Livable Communities Advis. Commt.	5,000
	Total Housing and Livable Communities		\$ 20,000
Metropolitan Housing and Redevelopment Authority			
HRA - Rental Assistance Programs			
	Accounting & auditing	Annual audit	\$ 14,000
	Consultant	Consultant services	20,000
	Contractual services other	Contracted services other	15,000
	Contractual services other	Interpreter services	25,000
	Temporary help	Temporary help	60,000
	Total HRA		\$ 134,000
Family Affordable Housing Program			
	Accounting & auditing	Annual audit	\$ 7,000
	Consultant	Consultant services	1,000
	External legal services	External legal services	2,140
	Contractual services other	Contractual services other	282,550
	Management services	Management company fees	83,903
	Insurance		91,800
	Total FAHP		\$ 468,393
Community Development Total			\$ 1,181,186

**Report on Consultant and Contractual Services Activities, 2003 Budget
Regional Administration**

Appendix G.2

Unit	Expense Type	Description	Total Budget
Legal Office			
	External legal services	External legal services	\$ 1,375,256
	Contractual services other	Real Estate Services	56,000
	Contractual services other	Court Reporter Services	10,000
	Temporary help	Temporary help	4,000
	Total Legal Office		\$ 1,445,256
Office of Diversity			
	Consultant	WBE certifications, PFA issues	\$ 12,000
	Contractual services other	Contract investigations	30,000
	Total Diversity		\$ 42,000
Human Resources - Labor Relations			
	Consultant	Labor negotiations	\$ 5,000
	External legal services	Arbitration, hearing officer	7,500
	External legal services	Other contractual services	5,000
	Total Human Resources - Labor Relations		\$ 17,500
Human Resources - Learning and Organizational Development			
	Consultant	Computer training for employees	\$ 48,000
	Consultant	PeopleSoft upgrade computer training	17,500
	Consultant	GIS Archview/info training	17,500
	Consultant	Web-based CBT	10,000
	Consultant	Management/empl. Develop. training	26,000
	Consultant	Organization development consult.	10,000
	Consultant	Fit for Life/LOD Wellness seminars	1,500
	Contractual services other	Profilor processing	18,000
	Contractual services other	Employee Assistance Program	70,000
	Contractual services other	Health services	10,500
	Contractual services other	Fit for Life services	5,000
	Total Human Resources - Learning & Org. Development		\$ 234,000
Human Resources - Staffing and Compensation			
	Consultant	Consultant	\$ 7,000
	Contractual services other	Contractual services	10,000
	Total Human Resources - Staffing and Compensation		\$ 17,000
Human Resources - Benefits Admin.			
	Consultant	Benefits consultant	\$ 70,000
	Contractual services other	Flex spending admin.	11,000
	Total Human Resources - Benefits Admin.		\$ 81,000
Government Affairs			
	Consultant	Intergovernmental relations services	\$ 142,500
Communications			
	Computer services	Computer services--Library	\$ 10,000
	Consultant	Meetings, forums, special events	30,000
	Contractual services other	Freelance writing, editing	60,000
	Contractual services other	Video Editing & Production	40,000
	Contractual services other	Audio Video service--on site	35,000
	Contractual services other	Web design and development	50,000
	Contractual services other	Web hosting/maintenance	90,000
	Contractual services other	Graphics--design, production	50,000
	Contractual services other	Communications research	20,000

**Report on Consultant and Contractual Services Activities, 2003 Budget
Regional Administration**

Appendix G.2

Unit	Expense Type	Description	Total Budget
	Contractual services other	News clips/broadcast dubs	7,000
	Contractual services other	Media Outreach	50,000
	Contractual services other	Regional transit marketing	25,000
	Contractual services other	Marketing assistance	10,000
	Temporary help	Temporary help	2,000
	Total Communications		\$ 479,000
Fiscal Services			
	Accounting & auditing	Annual audit by State Auditors	\$ 131,210
	Computer services	Comptr services-investment support	38,271
	Consultant	PeopleSoft implementation support	25,000
	Contractual services other	Fixed asset inventory support	20,350
	Contractual services other	Banking fees	171,358
	Total Fiscal Services		\$ 386,189
Information Services			
	Computer services	Computer services --CompuServe	\$ 4,700
	Consultant	IS consultant	232,000
	Contractual services other	Contractual services/other	163,800
	Software maintenance	Software maintenance	1,622,000
	Total Information Services		\$ 2,022,500
Central Services			
	Consultant	Office space consultant	\$ 80,000
	Equipment repair	Equipment repair	2,000
	Contractual services other	Office greenery maintenance	5,000
	Contractual services other	Courier services	38,000
	Contractual services other	Office reconfiguration	25,000
	Contractual services other	Convenience copiers maint.	40,000
	Contractual services other	Document storage	43,000
	Contractual services other	Pager services	15,000
	Contractual services other	Electrical work	5,000
	Contractual services other	Other services	16,000
	Temporary help	Temporary help	5,000
	Total Central Services		\$ 274,000
Risk Management			
	Consultant	Contract reviews, risk consultant	\$ 40,000
	Temporary help	Temporary help	7,000
	Insurance		33,000
	Total Risk Management		\$ 80,000
Budget and Evaluation			
	Accounting & auditing	Accounting: Federal A-87 cost alloc. plan	\$ 17,000
Contracts and Procurement			
	Contractual services other	Contracted services	\$ 2,000
	Temporary help	Temporary help	5,000
	Total Contacts and Procurement		\$ 7,000
REGIONAL ADMINISTRATION TOTAL			\$ 5,244,945

Note: all contractual services for Regional Administration are funded by the General Fund unless specifically noted.

**Report on Consultant and Contractual Services Activities, 2004 Budget
Environmental Services**

Appendix G.3

Unit	Expense Type	Description	2004 Budget
General Managers Office			
	Consultant	Safety, actuarial, contingency	\$ 65,000
	Engineering		50,000
	Contracted Services/Other	Drug testing, Off-site records storage, contingency	120,000
	Safety services		40,000
	Insurance		775,000
	Total General Managers Office		\$ 1,050,000
Treatment Services			
	Computer Services/Leased		\$ 7,000
	Engineering		20,000
	Contracted Services/Other	Staff training, emissions testing, process computer support	588,300
	Security		970,864
	Contracted Services/ Safety		6,150
	Total Treatment Services		\$ 1,592,314
Interceptor Services			
	Computer Services/Leased		\$ 10,000
	Engineering		156,000
	Contracted Services/Other		43,500
	Temporary Help		2,000
	Contracted Services/ Safety		1,000
	Total Interceptor Services		\$ 212,500
Technical Services			
	Consultant	CAD system programming	\$ 2,500
	Engineering		25,000
	Contracted Services/Other	Drafting equipment services	21,000
	Total Technical Services		\$ 48,500
Environmental Quality Assurance			
	Laboratory		\$ 89,365
	Contracted Services/Other	Laboratory services, Odor sampling, Contingency	242,620
	Temporary Help		48,632
	Software Maintenance		1,000
	Equipment Repair		12,000
	Contracted Services/ Safety		8,750
	Total Environmental Quality Assurance		\$ 402,367
Environmental Services Total			\$ 3,305,681

Note: Unless otherwise noted, all contractual services for the Environmental Services Division are funded by Environmental Services funds.

**Report on Consultant and Contractual Services Activities, 2004 Budget
Metro Transit**

Appendix G.3

Unit	Expense Type	Description	2004 Budget
METRO TRANSIT - BUS OPERATIONS			
Part A: Consulting Fees - Operations			
Customer Services and Marketing			
Consultant		Pocket schedule production, video production, website, mailing services, etc.	\$ 78,000
Transit marketing		Advertising Fees	300,000
Consultant		Telephone Info Center systems; web dev	19,212
Transit marketing		Media Advertising	-
Temporary help		Temporary help	-
Contractual services other		Warehousing & Distribution Services for Pocket Schedules, Maps, etc.	35,000
Total Customer Services and Marketing			\$ 432,212
Engr. And Facilities			
Consultant		Petro fund form fees; testing fees for Air, Wells and Ground Water, UST testing; Misc. tech services	\$ 215,060
Consultant		Interior design consultant and Voice mail maintenance	70,209
Consultant		Tech. services-engineers; Testing Services including sump material	500,000
Temporary help		Temporary help	-
Contractual services other		Sewer Cleaning, misc	146,700
Total Engr. And Facilities			\$ 931,969
Service Development			
Consultant		Sector studies	\$ -
Temporary help		Data entry; temporary staff	4,000
Consultant		Training service fees	41,500
Total Service Development			\$ 45,500
Bus Transportation			
Consultant		Training and other Professional and Technical services	\$ 70,000
Contractual services other		Misc	27,000
Consultant		Editing	5,000
Temporary help		Temporary help	5,000
Total Bus Transportation			\$ 107,000
Executive			
Consultant		Professional and Technical services	\$ 239,850
Temporary help		Temporary Help	7,000
Consultant		Misc	50,000
Total Executive			\$ 296,850
Finance			
Consultant		Audit Fees - Office of the State Auditor	\$ 30,000
Consultant		Purchasing Dept.: testing fees	9,000
Contractual services other		Bank Service Charge	20,000
Contractual services other		Photo application	33,236
Contractual services other		Misc	2,500
Contractual services other		Other services	11,200
Contractual services other		Microfilm processing fees	2,450
Consultant		Diesel Fuel price risk management advisor	24,000
Temporary help		Temporary Help	50,703
Total Finance			\$ 183,089
Bus Maintenance			
Consultant		Boiler Licenses + transmission oil tests	\$ 125
Consultant		Qualification development work service fees	13,875
Contractual services other		Bus Watch Camera System	143,446
Contractual services other		Paper and Oil Filter Recycling	28,071
Contractual services other		Misc	60,321
Consultant		Chemical testing, EPA, OSHA testing	3,000
Total Bus Maintenance			\$ 248,838

**Report on Consultant and Contractual Services Activities, 2004 Budget
Metro Transit**

Appendix G.3

Unit	Expense Type	Description	2004 Budget
Safety			
Consultant		Hazardous information services; System safety support - bus and rail; Ergonomics training	\$ 12,700
Total Safety			\$ 12,700
Subtotal Part A: Consulting Fees - Operating			\$ 2,258,158
Part B: Metro Transit Contract Services - Operating Expenses			
Engr. And Facilities			
Consultant		Elevator service, Repair, Pest control, Viking Sprinklers, Cummins, Electrical contractor	371,686
Security		Alarm Monitoring System	6,000
Contractual services other		Snow Removal & Maintenance of Lots	308,020
Total Engr. And Facilities			\$ 685,706
Finance			
Security		Armored Car Service Fees	\$ 97,609
Contractual services other		Service Fees for Transit Stores	18,650
Total Finance			\$ 116,259
Police Security - Public Safety			
Security		Building Security Alarms/Equipment Systems and Monitoring.	\$ 120,591
Contractual services other		Other Services	50,750
Consultant		Psychological exams, and contract w/police	1,100
Consultant		Firearms Training	36,500
Total Police Security - Public Safety			\$ 208,941
Subtotal Part B: Contract Maintenance Fees - Operating			\$ 1,010,906
Total Metro Transit Operating Services Expenses			\$ 3,269,064
METRO TRANSIT - LIGHT RAIL TRANSIT OPERATIONS			
Insurance			\$ 728,840
Contracted Services		Rail Systems Maintenance	196,654
		Rail Vehicle Maintenance	20,000
		Rail Facilities & Support Maintenance	80,564
		Contracted Training Services - All Departments	75,000
		All other Contracted Services	53,779
		Finance - Armored Car Services/ Fare Collection	132,500
Total Metro Transit - Light Rail Transit Operations			\$ 1,287,337
TOTAL METRO TRANSIT			\$ 4,556,401

Report on Consultant and Contractual Services Activities, 2004 Budget Appendix G.3
Metropolitan Transportation Services

Unit	Expense Type	Description	2004 Budget
Transportation Planning			
	Consultant	Transportation Planning Consultants	\$ 230,000
	Contractual services/other	Miscellaneous	50,000
Total Transit Administration Fund			\$ 280,000
Metro Commuter Services/TDM			
	Consultant	Graphic Design Services	\$ 10,000
	Contractual services/other	TDM Activities	66,331
	Software maintenance	Ridepro maintenance	40,000
Total Metro Commuter Services			\$ 116,331
Travel Management Organizations			
	Contracted services/other	Travel Management Organizations	\$ 752,807
Metro Mobility			
	Consultants	Functional Assessments	93,000
	Contractual services other	Miscellaneous	90,126
	Computer Services/Leased	Leased high speed data phone lines	6,300
	Software maintenance	Trapeze (Ride Scheduling) Software	93,357
Total Metro Mobility			\$ 282,783
Contracted Regular Route			
	Accounting & auditing	NTD Audit	\$ 30,000
	Consulting	NTD Reporting Consulting	
Total Regular Route			\$ 30,000
Metropolitan Transportation Services Total			\$ 1,461,921

Report on Consultant and Contractual Services Activities, 2004 Budget **Appendix G.3**
Community Development

Unit	Expense Type	Description	2004 Budget
Division Management			
	Contractual services other	Contractual services other	\$ 109,435
	Total Division Management		\$ 109,435
Geographic Information Systems			
	Consultant	GIS Consultant	\$ 36,000
	Contractual services other	Metro GIS parcel data maintenance	50,000
	Contractual services other	Data maintenance: street centerline	47,800
	Total Geographic Information Systems		\$ 133,800
Research			
	Contractual services other	Miscellaneous contractual services	\$ 20,000
	Total Research		\$ 20,000
Parks			
	Contractual services other	Park monitoring and eval. program	\$ -
	Total Parks		\$ -
Regional Growth Strategies			
	Consultant	Consultant services	\$ -
	Total Regional Growth Strategies		\$ -
Planning and Technical Assistance			
	Consultant	Local technical assistance support	\$ 28,000
	Total Planning and Technical Assistance		\$ 28,000
Housing and Livable Communities			
	Consultant	Consultant services	\$ 2,000
	Total Housing and Livable Communities		\$ 2,000
Metropolitan Housing and Redevelopment Authority			
HRA - Rental Assistance Programs			
	Accounting & auditing	Annual audit	\$ 14,000
	Consultant	Consultant services	20,000
	Contractual services other	External Printing	11,000
	Contractual services other	Interpreter services	40,000
	Temporary help	Temporary help	60,000
	Total HRA		\$ 145,000
Family Affordable Housing Program			
	Accounting & auditing	Annual audit	\$ 7,000
	Consultant	External legal services	5,000
	Contractual services other	Contractual services other	398,850
	Management services	Management company fees	117,000
	Insurance		110,625
	Total		\$ 638,475
Community Development Total			\$ 1,076,710

**Report on Consultant and Contractual Services Activities, 2004 Budget
Regional Administration**

Appendix G.3

Unit	Expense Type	Description	2004 Budget
Legal Office			
	External legal services	External legal services	\$ 1,101,000
	Contractual services other	Court Reporter Services	10,000
	Temporary help	Temporary help	4,000
	Total Legal Office		\$ 1,115,000
Office of Diversity			
	Consultant	WBE certifications, PFA issues, assist.	\$ 12,000
	Contractual services other	Contract investigations	30,000
	Total Office of Diversity		\$ 42,000
Human Resources - Labor Relations			
	Consultant	Labor negotiations	\$ 120,000
	External legal services	Arbitration, hearing officer	
	Contractual services other		6,000
	Human Resources - Labor Relations		\$ 126,000
Human Resources - Learning and Organizational Development			
	Consultant	Computer training for employees	\$ 33,000
	Consultant	PeopleSoft upgrade computer training	17,500
	Consultant	GIS Archview/info training	17,500
	Consultant	Web-based CBT	7,000
	Consultant	Management/empl. Develop. training	20,500
	Contractual services other	PDI: Profilor processing	6,000
	Contractual services other	Employee Assistance Program	65,000
	Contractual services other	Health services (screening)	30,500
	Contractual services other	Fit for Life services	10,300
	Human Resources - Learning and Organizational Development		\$ 207,300
Human Resources - Staffing and Compensation			
	Consultant	(Hay Evaluations)	\$ 5,000
	Contractual services other	Contractual services (surveys)	5,000
	Human Resources - Staffing and Compensation		\$ 10,000
Human Resources - Metro Transit (reflected in Metro Transit in 2003 Budget)			
	Consultant	Consultant	\$ 370,478
	Contractual services other	Temporary help	3,500
	Human Resources - Metro Transit		\$ 373,978
Human Resources - Benefits Admin.			
	Consultant	Benefits consultant	\$ 60,000
	Contractual services other	Flex spending admin.	11,000
	Human Resources - Benefits Admin.		\$ 71,000
	Total Human Resources		\$ 788,278
Government Affairs			
	Consultant	Intergovernmental relations services	\$ 100,000
	Total Government Affairs		\$ 100,000
Communications			
	Computer services	Computer services--Library	\$ 10,000
	Contractual services other	Meetings, forums, special events	10,000
	Contractual services other	Freelance writing, editing	50,000
	Contractual services other	Audio Video service--on site	20,000

**Report on Consultant and Contractual Services Activities, 2004 Budget
Regional Administration**

Appendix G.3

Unit	Expense Type	Description	2004 Budget
	Contractual services other	Web design and development	50,000
	Contractual services other	Web hosting/maintenance	90,000
	Contractual services other	Graphics--design, production	50,000
	Contractual services other	Regional transit marketing	15,000
	Contractual services other	Marketing assistance	10,000
	Temporary help	Temporary help	
	Total Communications		\$ 305,000
Fiscal Services			
	Accounting & auditing	Annual audit by State Auditors	\$ 176,000
	Computer services	Comptr services-investment support	30,000
	Consultant	Peoplesoft implementation support	15,000
	Contractual services other	Banking fees	141,303
	Total Fiscal Services		\$ 362,303
Information Services			
	Consultant	IS consultant	\$ 741,000
	Contractual services other	Contractual services/other	168,500
	Software maintenance	Software maintenance	3,045,033
	Total Information Services		\$ 3,954,533
Central Services			
	Consultant	Office space consultant	\$ 5,000
	Equipment repair	Equipment repair	2,500
	Contractual services other	Office greenery maintenance	3,000
	Contractual services other	Courier services	37,000
	Contractual services other	Office reconfiguration	5,000
	Contractual services other	Convenience copiers maint.	37,500
	Contractual services other	Document storage	45,000
	Contractual services other	Pager services	12,650
	Contractual services other	Electrical work	5,000
	Contractual services other	Other services	10,000
	Total Central Services		\$ 162,650
Risk Management			
	Consultant	Contract reviews, risk consultant	\$ 20,250
	Insurance		\$ 68,050
	Total Risk Management		\$ 88,300
Budget and Evaluation			
	Accounting & auditing	Federal OMB A-87 Cost Alloc. plan	\$ 17,000
	Total Budget and Evaluation		\$ 17,000
Contracts	Temporary help	Temporary help	\$ 2,000
	Total Contracts and Procurement		\$ 2,000
REGIONAL ADMINISTRATION TOTAL			\$ 6,937,064

Note: Unless specifically noted, all contractual services for Regional Administration are funded by the General Fund.

GLOSSARY

***Metropolitan Council 2004 Unified Budget
Glossary of Terms***

Ad Valorem Tax	A tax based on the value of an item, such as property.
Appropriation	A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.
Budget	Final budget adopted by the Council in December. The annual calendar-year plan of revenues and expenditures.
Block Grant	A grant from another governmental unit to be used or expended for a specified purpose.
Budget Amendment	A Council action authorizing revision of the adopted budget.
Capital Budget	Plan for capital expenditures (involving the construction or renovation of permanent facilities or acquisition of major equipment with a useful life greater than 3 years) for the coming year.
Capital Improvement Program	A six-year plan for proposed capital improvements, the first year of which is formally adopted as the Capital Budget.
Capital Investments	See Capital Outlay
Capital Outlay	Expenditures for acquiring or adding to Council assets of a long-term character with an expected useful life of three or more years.
Capital Project Grant	A grant made specifically for acquiring or constructing major capital facilities.
Cash Flow Forecasting	Estimates of the timing of revenues and expenditures to determine the amount of cash available to meet payments or to be invested.
Cash Management	The balancing of cash on hand necessary to pay for services and temporarily idle cash invested to earn interest revenue.
Central Services	A section within the Council responsible for providing duplicating and mailing services and office facilities.
Certified Levy	Total tax levy of a jurisdiction, which is certified to the County Auditor for collection from property owners.

Comprehensive Annual Financial Report (CAFR)	Audited financial statements of the Council.
Comprehensive Plan	A city or county land use plan that addresses sewer, housing, transportation, parks, water systems and other issues.
Cost Allocation	Method for allocating costs for administrative and support services among the Council divisions.
Debt Service	The amount of funds required to pay both the long-term principal and interest on bonds, notes, certificates and loans.
Division	Basic organizational unit of the Council responsible for carrying out a specific function, defined by State statute.
Environmental Assessment Worksheet (EAW)	The document (EAW) required under state environmental quality rules that provides a preliminary assessment of the environmental impact of proposed land use decisions.
Estimated Market Value	Represents the selling price of a property if it were on the market. Estimated market value is converted to tax capacity before property taxes are levied.
Fiscal Disparities	The program created by the Metropolitan Fiscal Disparities Act, which shares growth in the commercial-industrial tax base in the seven county metropolitan area. Forty percent of the value of new commercial-industrial development since 1971 is pooled and redistributed among the 300 taxing districts to address uneven business development throughout the region.
FTE/Full-Time Equivalent	Equivalent of one employee working full-time, or 2,080 hours per year. An FTE can be filled by any number of employees whose combined hours total 2,080 per year.
Fund	Under Generally Accepted Accounting Practices, an independent fiscal and accounting entity which is segregated for the purpose of performing specific activities or achieving certain objectives. There are several types of funds commonly used by the Council, including the following:
a. Agency Fund	To account for assets held by the government as an agent for individuals, private organizations, other governmental units and/or other funds.
b. Capital Improvement	To account for financial resources to be used for the acquisition, construction, expansion and renovation of capital facilities, other than those financed by proprietary or trust funds.

c. Debt Service Fund	To account for the accumulation of resources and payment of general obligation debt principal and interest.
d. Enterprise Fund	To account for operations that are financed and operated in a manner similar to private business enterprise, the cost of providing goods or services on a continuing basis are financed or recovered primarily through user charges
e. General Fund	To account for revenues and expenditures necessary to carry out basic governmental activities such as administration, legal and fiscal services.
f. Internal Service Funds	To account for the financing of goods or services provided by one department or agency to another department or agency or to another governmental unit, on a cost-reimbursement basis. An example of internal service funds is the Central Service Fund, which provides duplicating services on a cost-reimbursement basis.
g. Special Revenue Funds	To account for the proceeds of specific revenue sources whose expenditures are legally restricted to particular purposes, such as Highway Right of Way Acquisition Loan Fund (RALF).
Fund Balance	The difference between assets and liabilities.
a. Reserved Funds	Legally segregated for a specific use. They are not available for discretionary appropriation due to the nature of the asset.
b. Unreserved Funds	<u>Designated Funds</u> - To establish tentative plans for or restrictions on the future use of financial resources. <u>Undesignated Fund Balance</u> - the funds remaining after reduction for reserved and designated balances In addition, the debt service, capital project and many of the special revenue funds are restricted as to use, depending on the legal restrictions governing the funds they contain.
General Fund	Fund to account for all financial resources except those required by law or accounting principles to be accounted for in one of the Council's other funds
Geographic Information System (GIS)	The hardware, software, data and administrative procedures that go into analyzing, using and displaying geographically based information.
Grantee	A recipient of grant monies from the Council.
HACA	State Homestead and Agricultural Credit Aid. HACA legislation provides a state payment in lieu of a portion of the property tax levy.
HRA Operating Reserve	The balance accumulated from the excess of revenues over expenditures in the Council's Housing and Redevelopment Authority program

Implicit Price Deflator	An index prepared by the federal government to measure changes in the price of goods and services.
Internal Service Fund	Fund used for the furnishing of goods or services by one department or other departments, on a cost-reimbursement basis.
Land Use Planning	The orderly use of land and placement of facilities based on local and state government public discussion, policy and regulation.
LCMR	Legislative Commission on Minnesota Resources, which is responsible for distributing grant monies to local units of government and other governmental agencies relating to Natural Resources.
Lease	A contract for temporary use of equipment or facilities at a negotiated price.
Long-Term Debt	Financial obligation with maturity of more than one year after the date of issuance.
Mapping Consortium (Metro GIS)	An ad hoc committee consisting of staff members from the Council and other organizations that shares information about computer mapping.
Metropolitan Airports Commission (MAC)	The commission that owns and operates the region's airport system, including the Minneapolis/St. Paul International Airport and seven satellite airports.
Metropolitan Area	The area in which the Metropolitan Council has jurisdiction, consisting of the seven metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.
Metropolitan Land Planning Act	The state law that mandates cities, townships and counties to prepare comprehensive plans, and that such plans be consistent with the Council's regional plans for sewer, transportation, parks and open space, and airports.
Metropolitan Parks and Open Space Commission (MPOSC)	The commission that advises the Council on matters affecting the regional park and open space system.
Metropolitan Region	See Metropolitan Area
Metropolitan Sports Facilities Commission (MSFC)	The commission that owns and operates the Hubert H. Humphrey Metrodome.
Motor Vehicle Excise Tax	The motor vehicle excise tax (or MVET) is a state sales tax applied to the purchase of motor vehicles.

Nonpoint-source Pollution Control	Diffuse pollution that is not traceable to a single source, but rather runs off the land in a widespread manner, includes urban and agricultural runoff.
Operating Budget	Plans of expenditures and the proposed means of financing them for the primary service activities. The Council budget distinguishes operating budget activities from debt service activities and passthrough grant and loan activities.
Operating Revenue	Revenue that is directly related to primary service activities.
Ordinance	A formal legislative enactment by the governing body of a city, township or county.
Outcomes	Data to indicate program performance and effectiveness
Passthrough Grant or Loan	Funds that are received by the Council but then granted, loaned or passed on to another agency, organization or individual for a specified use.
Program	An organized set of related work activities directed toward a common purpose.
Proposed Budget	Budget as submitted by the Regional Administrator to the Council.
Section 8	A federal housing rental assistance program for low and moderate- income people.
Software	Programs that are written to give a computer instructions to perform certain tasks.
Staff Complement	Number of full-time permanent positions (Note: two half-time positions equal one staff complement.)
Statutory Authority	Authority based on state or federal legislation.
Strategic Planning	Management based on a vision of success for the organization, using strategies to achieve desired goals.
Tax Capacity Rate	Tax rate applied to tax capacity to generate property tax revenue. The rate is obtained by dividing the property tax levy by the available tax capacity.
Tax Classification Rate	Rates at which estimated market values are converted into the property tax base. The classification rates are assigned to properties depending on their type (residential, commercial,

	farm, etc.) and, in some cases there are two tiers of classification rates, with the rate increasing as the estimated market value increases.
Truth-in-Taxation	Procedures adopted by the Minnesota Legislature intended to improve accountability in the adoption of the budget and property tax levy of local governments.
Truth-in-Taxation Public Hearing	Statutory requirement for local governments to hold public hearings on their proposed budgets and property tax levies. For Metro governments the hearing must be held on specific dates in December.
Tax Levy	The total amount to be raised by property taxes for the purpose stated on the resolution certified to the county auditor. Tax levy authority is based on state statutes
Undesignated Reserve	The balance accumulated from the excess of revenues over expenditures available for future expenditures in an enterprise fund.
User Charge	Charges for service based on the consumption or availability of that service.
Watershed	The land area from which water accumulations drain into a stream.
Work Priorities	The focus of Council work program efforts in any given year.
Work Program	A plan of work proposed to be done during a particular period.