

Metropolitan Council

Proposed Calendar Year 2019 Unified Budget & Levies

November 28, 2018 - LCMG



Statutory Responsibilities

- **Planning**
 - Long-range Comprehensive Planning
 - Regional Transportation Planning
 - Regional Parks
- **Operations**
 - Regional Wastewater System
 - Regional Transit System
 - Metropolitan Housing and Redevelopment Authority
- **Grant Making**
 - Livable Communities Act
 - Regional Parks and Trails

Council Budget Development

Calendar Year

Operating Budget

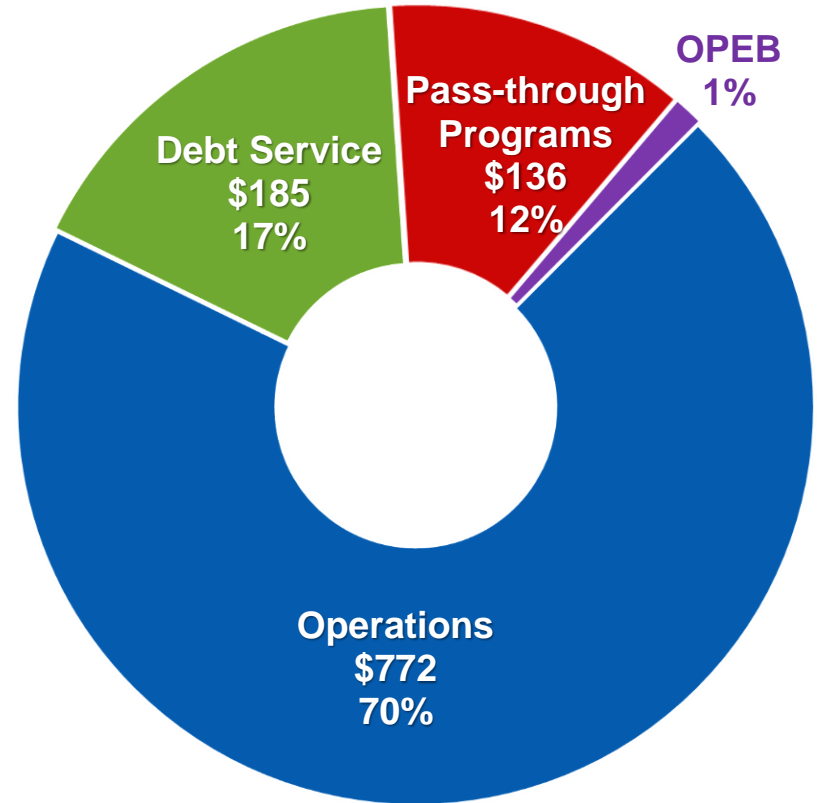
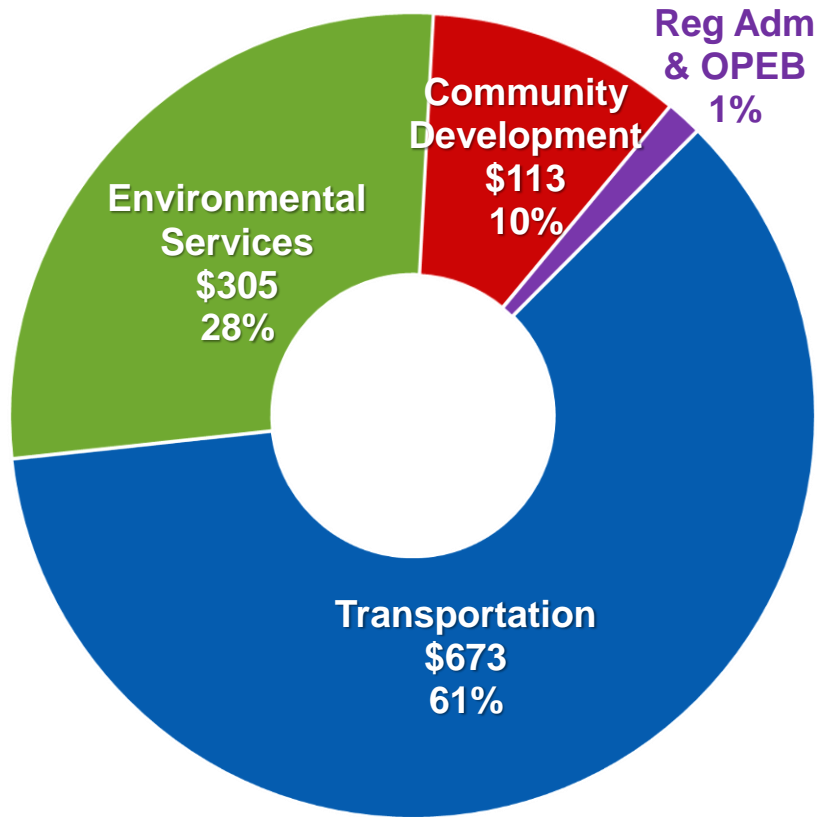
Operations
Pass-through
Debt Service
OPEB

Capital Program

Authorized Projects
Planned (6-year)
Annual Spending

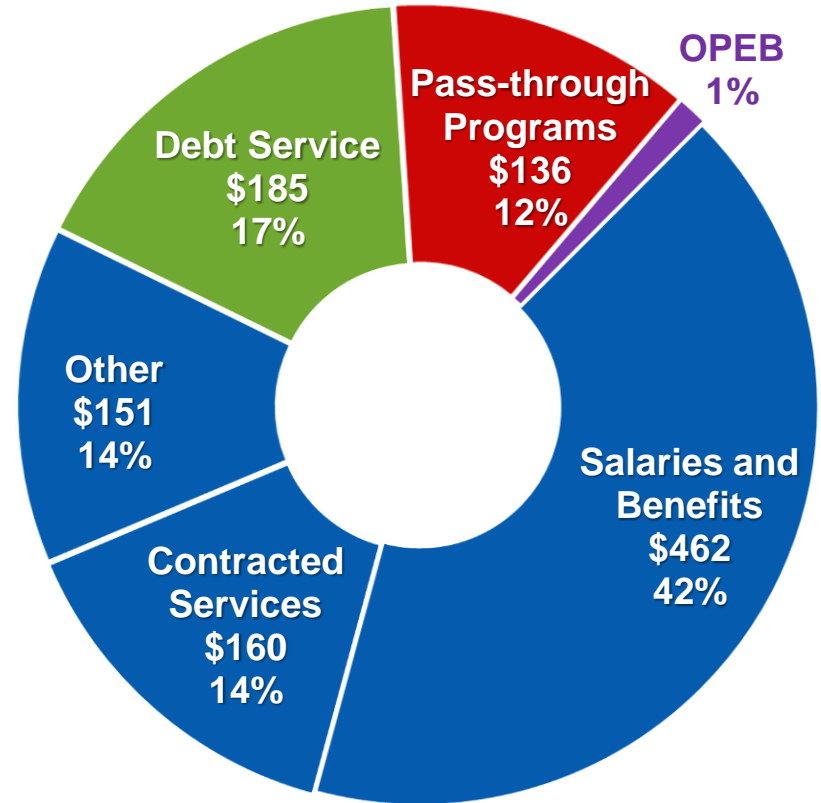
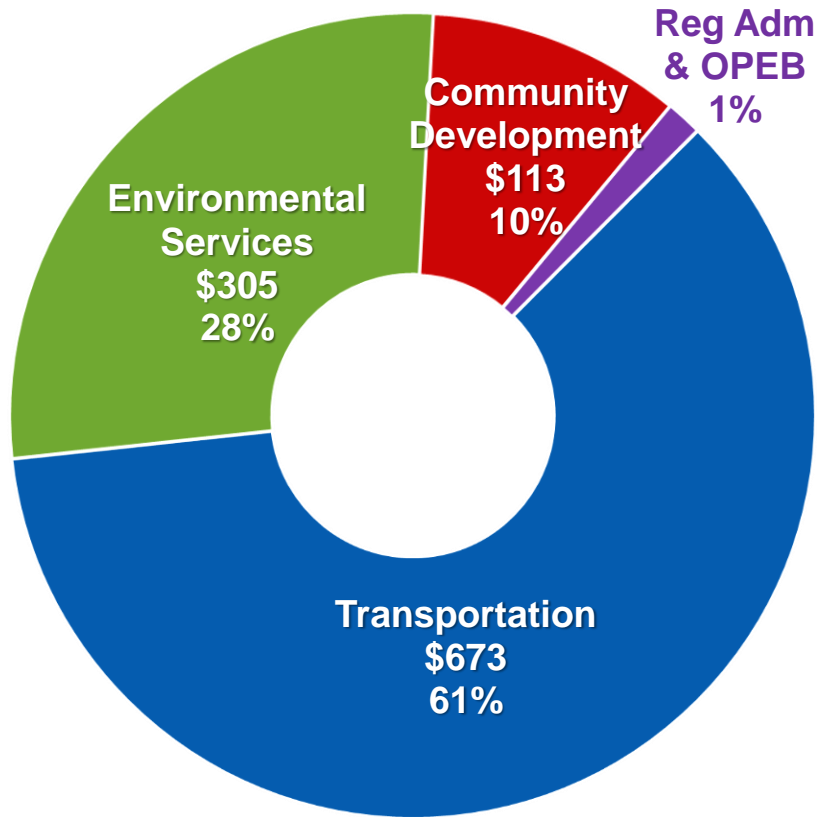
Proposed 2019 Operating Budget

Uses by Division and Function: \$1.1 Billion

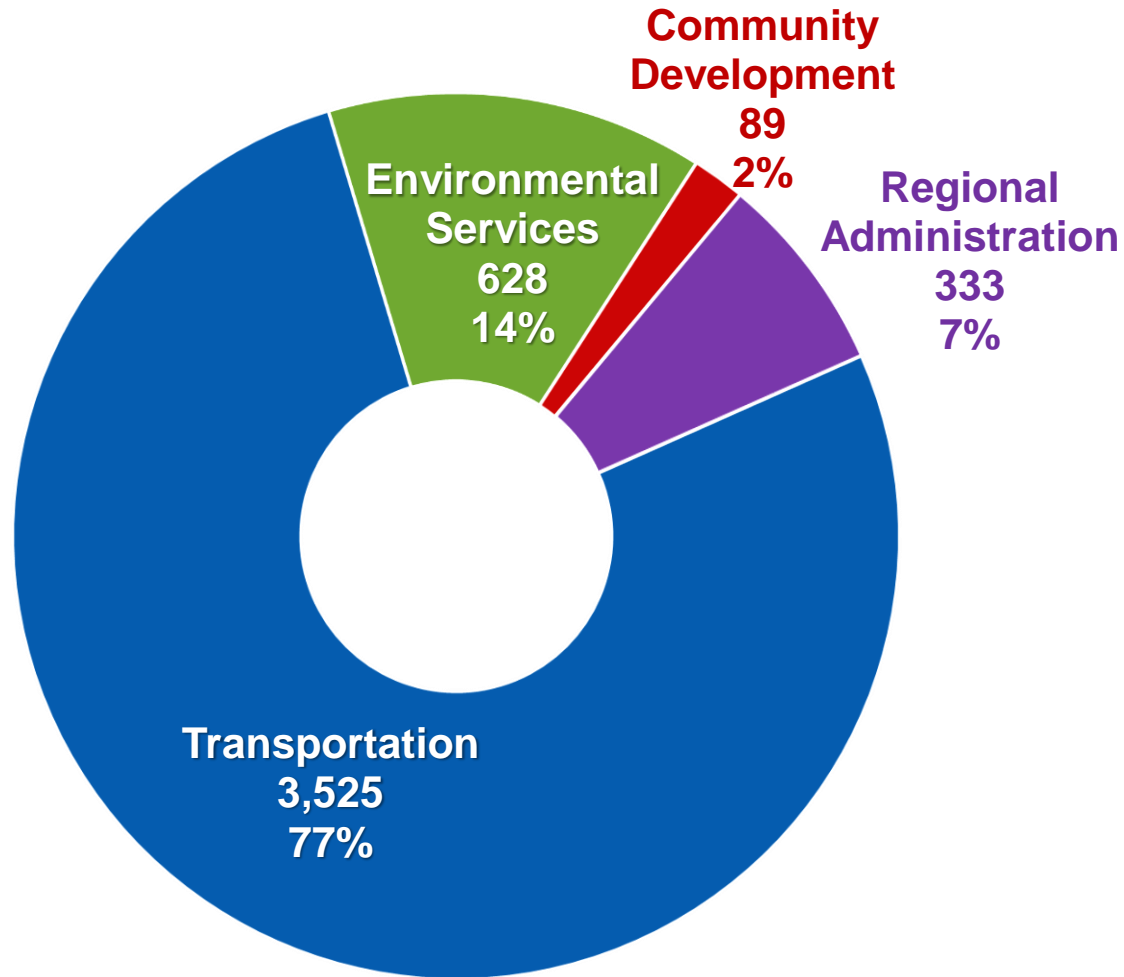


Proposed 2019 Operating Budget

Uses by Division and Function: \$1.1 Billion

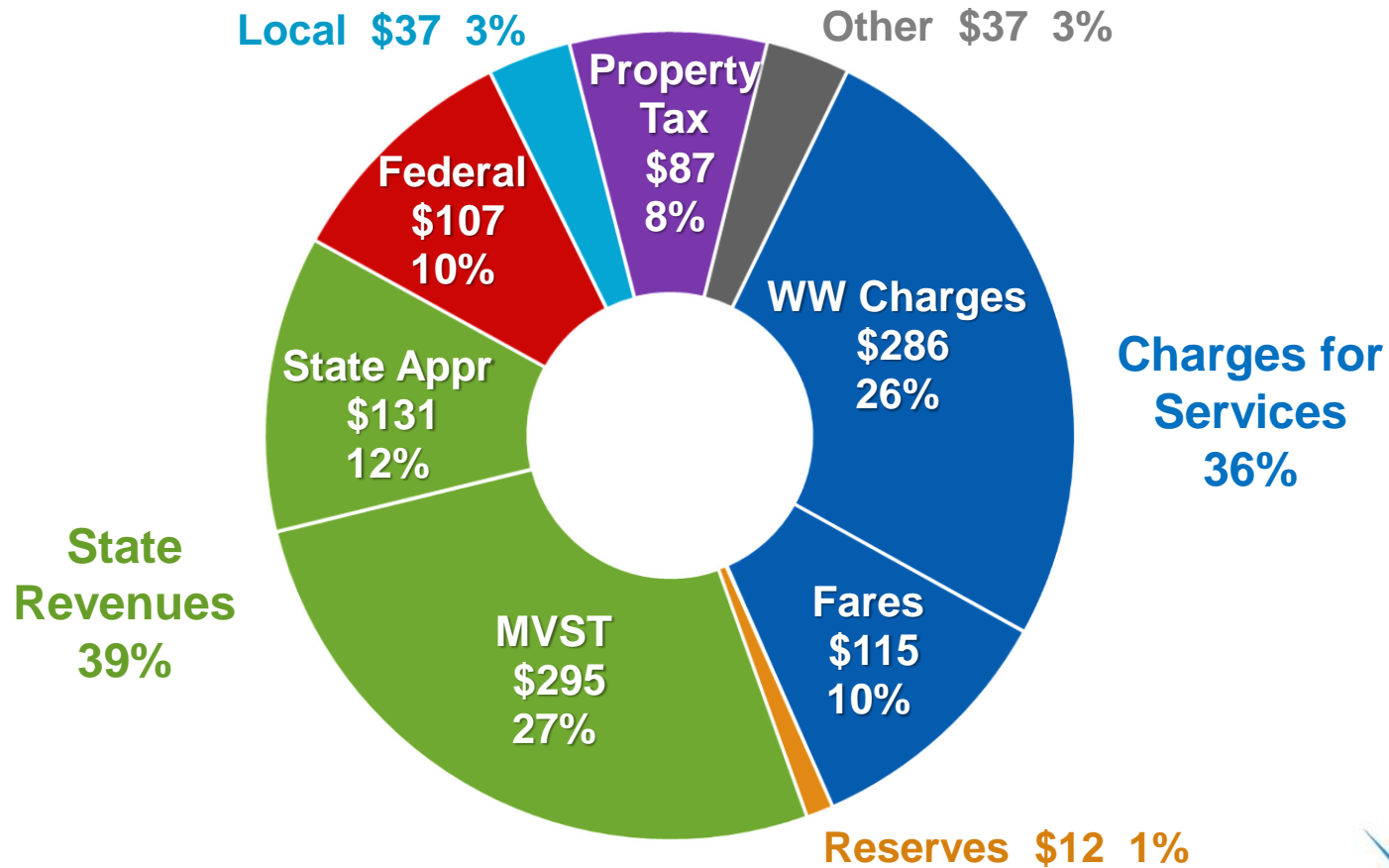


Proposed FTEs 4,575



Proposed Operating Budget

Funding Sources - \$1.1 Billion



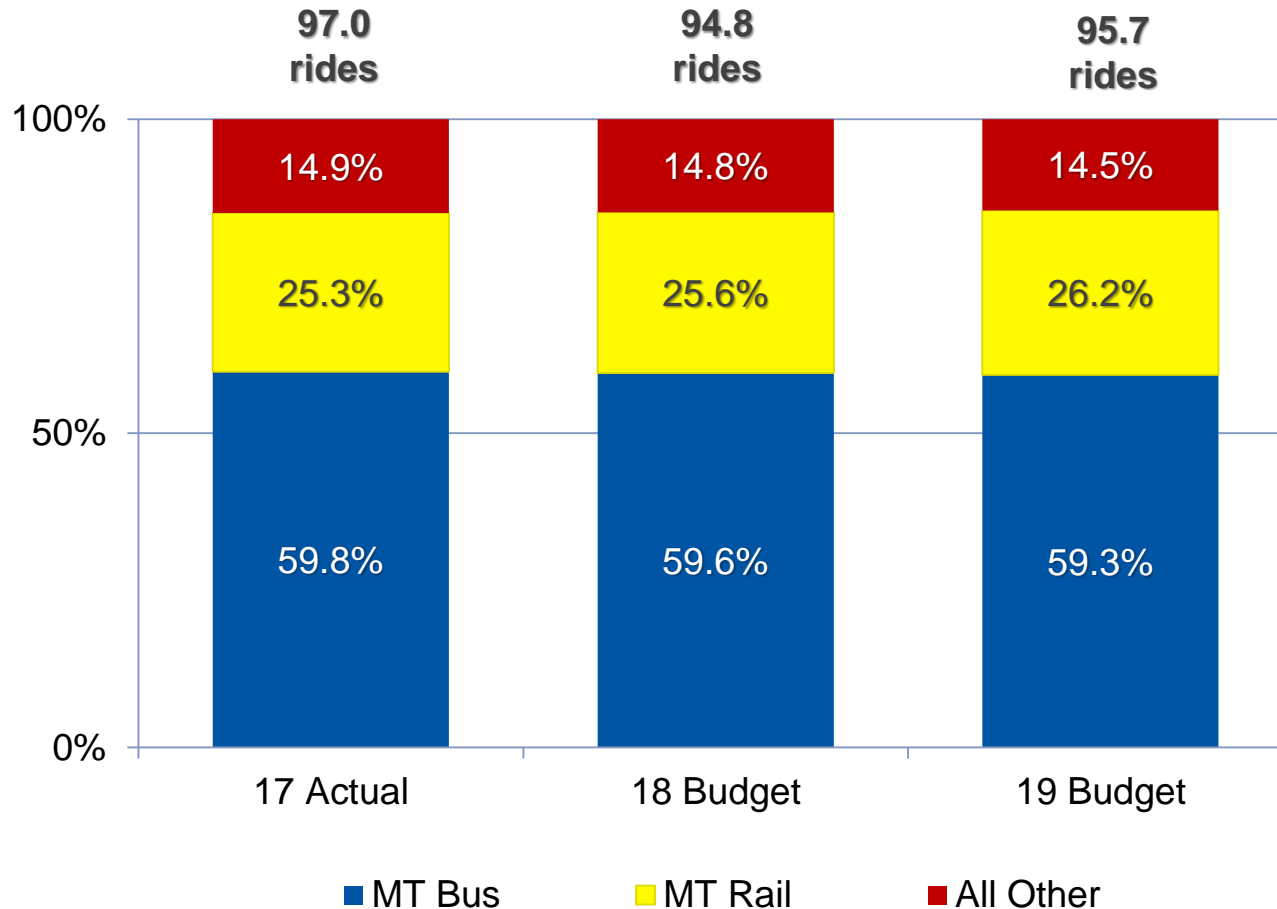
Wastewater Charges - \$286M

- **Municipal Wastewater Charge (+3.5%)**
 - \$5.00 increase per residential equivalent connection
 - Average metro household will pay \$26/month
(55% Met Council / 45% Local Municipality)
- **Sewer Access Charge (No Change)**
 - \$2,485 per SAC (rate flat since 2014)
- **Industrial Strength Charge (+3.4%) and Permit Fees (+3.5%)**

Passenger Fare Revenues - \$115M

- Fare Increase October 2017
 - \$0.25 across all transit modes
- Ratio of Fare Revenue to Cost Varies
 - Light Rail Transit – 35-40%
 - Regular Route Bus – 28-33%
 - Metro Mobility – 10-12%

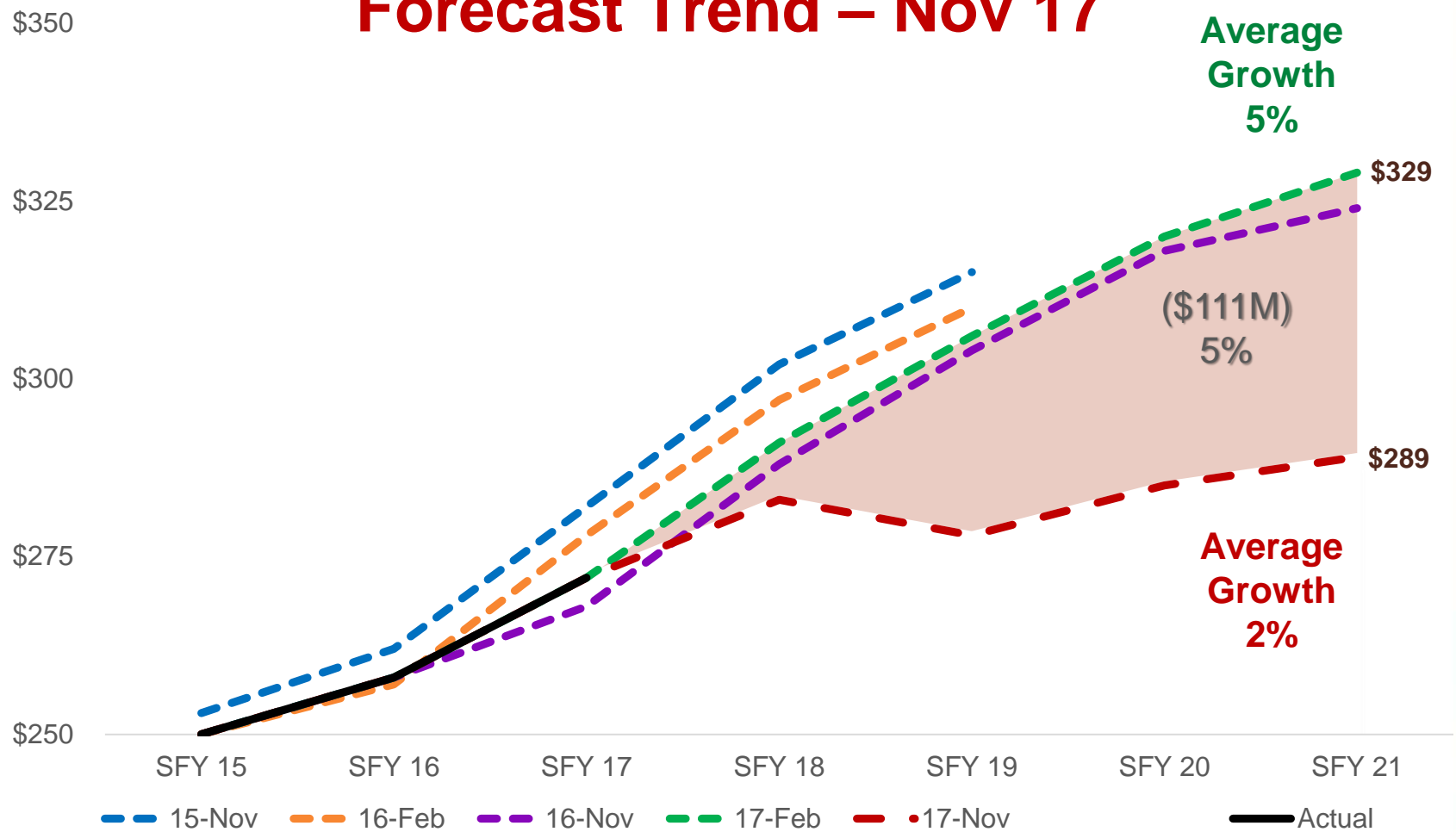
Transit Ridership Trend



- Other programs include: Suburban Transit Providers, Metro Mobility, Contracted Regular Route Bus, Transit Link, and Metro Vanpool

Motor Vehicle Sales Tax

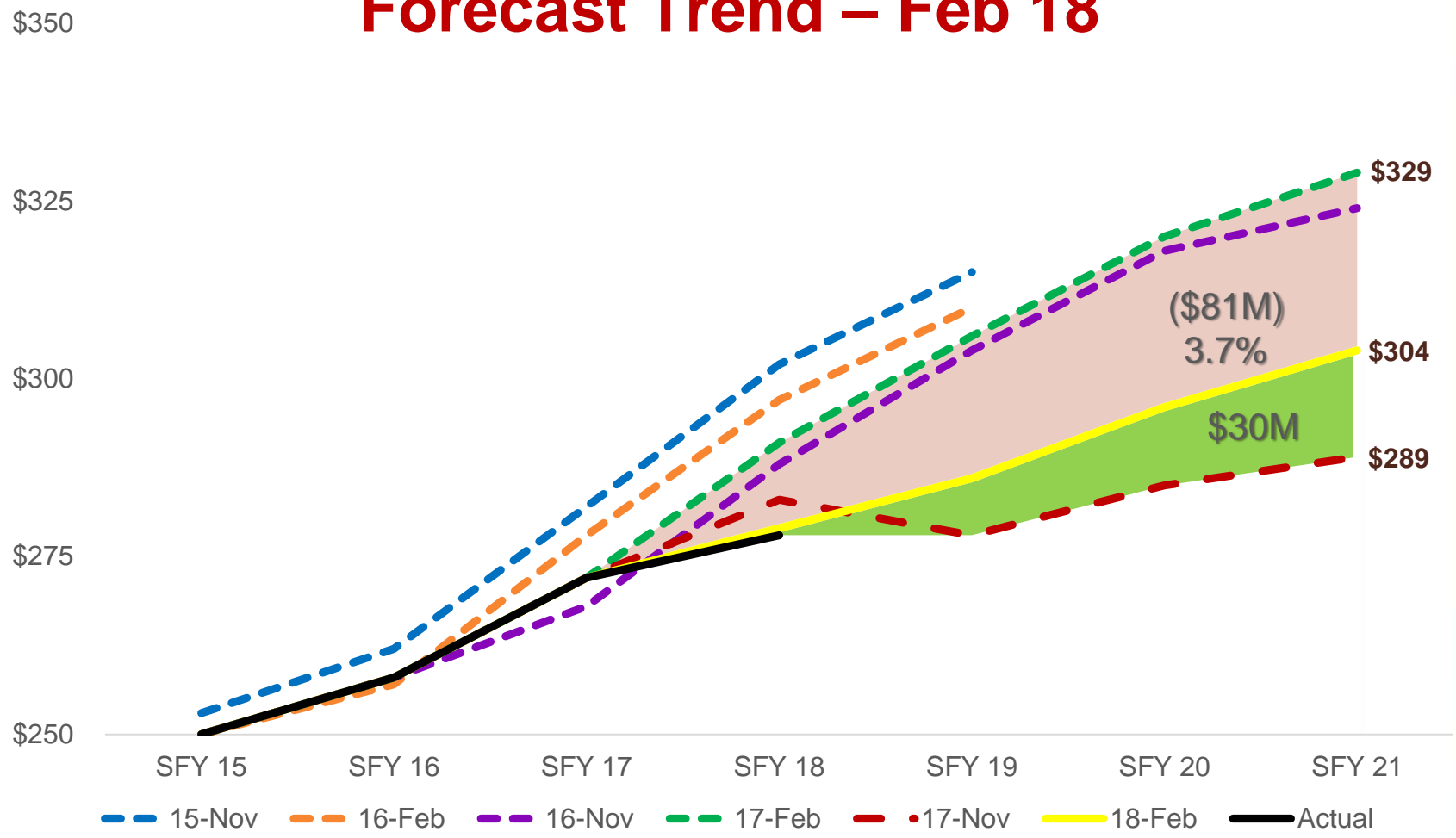
Forecast Trend – Nov 17



Dollars in millions

Motor Vehicle Sales Tax

Forecast Trend – Feb 18



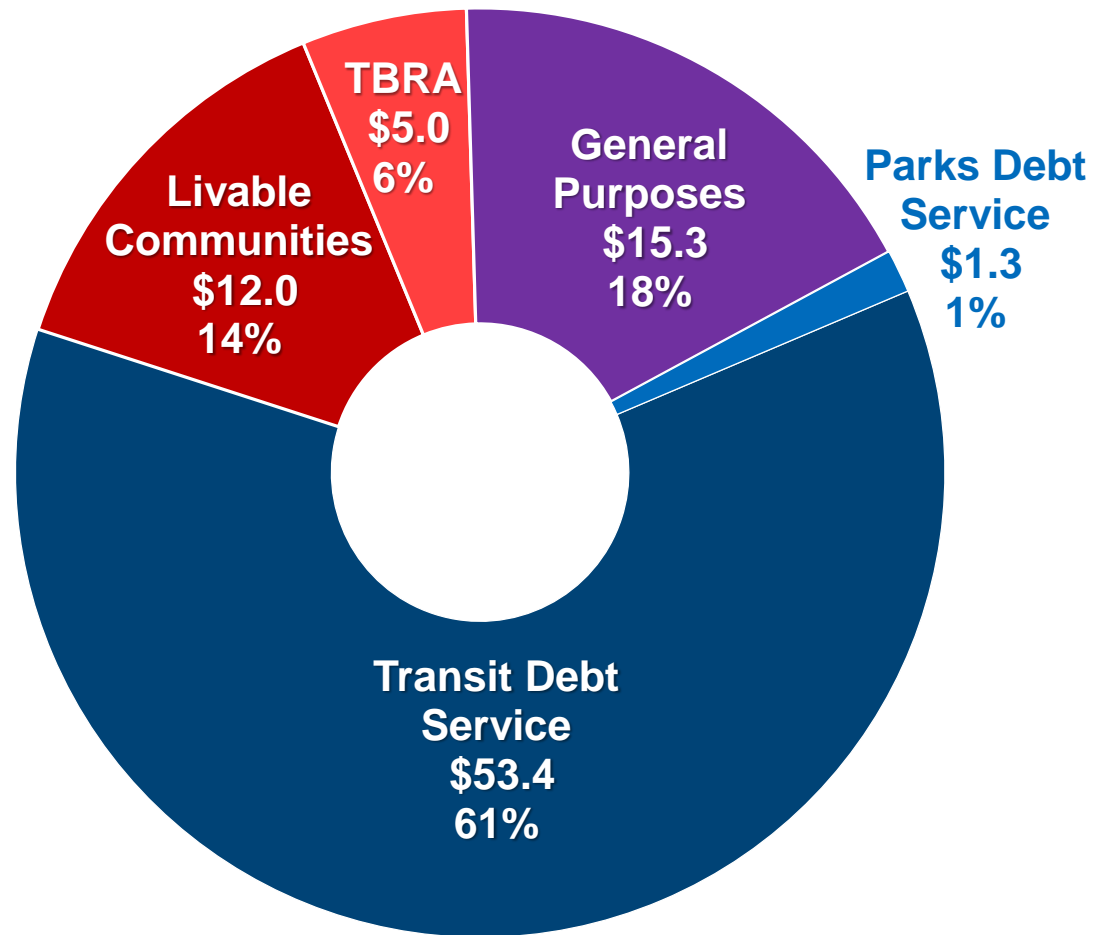
Dollars in millions

Transportation Structural Funding Position

2019 Proposed Budget	SFY 2018	SFY 2019	SFY 2020	SFY 2021	SFY 2022	SFY 2023
Structural Position	(37)	(47)	(51)	(67)	(77)	(87)
Non-Base State Appr	30	40	-	-	-	-
Available Reserves	7	7	51	6	-	-
Financial Position	-	-	-	(61)	(77)	(87)

Reserve Balances	Total	Bus & Rail	Metro Mobility	Other MTS
Balances on 12/31/17	121	83	28	10
Minimum Reserve Target	(51)	(37)	(8)	(6)
		8.3%	10%	15-30%
Reserves Above Target	70	46	20	4

Payable 2019 Property Tax Levy - \$87M



Metro Area Property Tax Dollar

Counties 29%

Cities & Towns 30%

Schools 35%



Other Special Districts 4.4%

Metropolitan Council 1.6%

Source: MN Department of Revenue, Certified Property Tax Levies

Impact on Metro Area Homeowner



\$250,000
Market Value

Transit Tax Communities

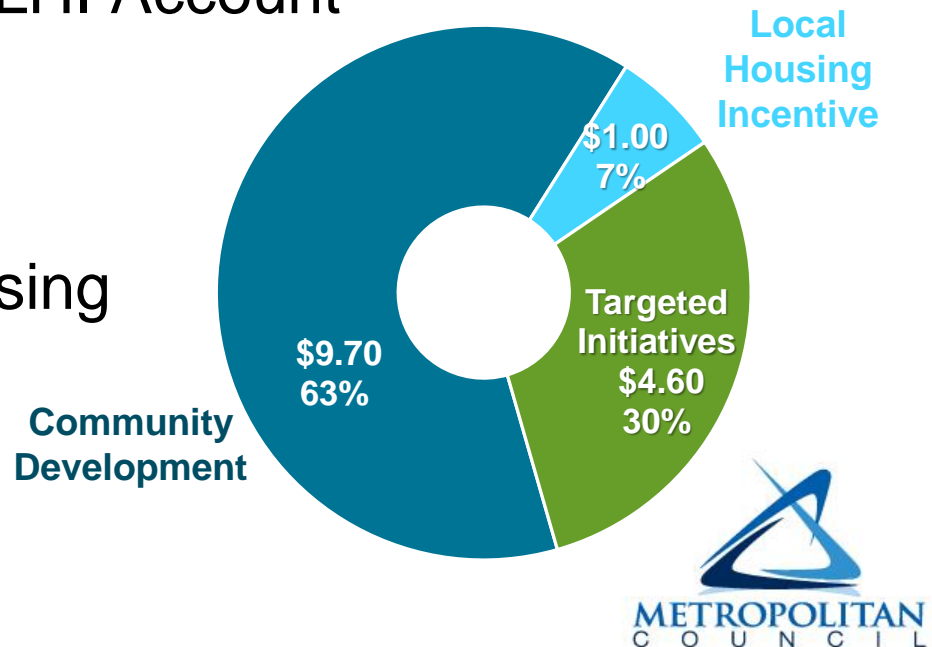
<u>Inside</u>	<u>Outside</u>
\$55.54	\$17.90

Livable Communities Levies (Grant Programs)

- **Tax Base Revitalization Account**
 - \$5M annually from regional fiscal disparities pool
 - Clean up polluted land in the metropolitan area
- **Livable Communities Demonstration Account**
 - Development and redevelopment that links housing, jobs and services and cost-effective use of land and infrastructure
- **Local Housing Incentives Account**
 - Statutory transfers from LCDA (\$1.0M) and General Purpose Levy (\$1.0M)
 - Produces and preserves affordable housing choices for low to moderate incomes

General Purposes Levy

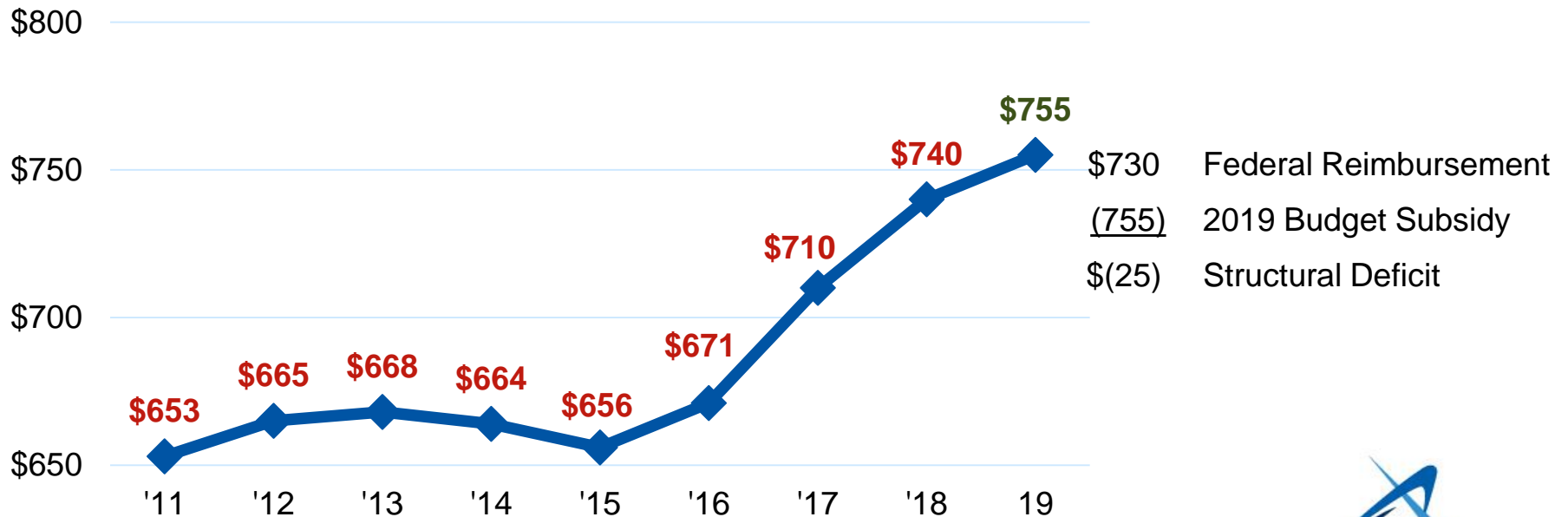
- **General Purposes**
 - Carry out Council responsibilities as provided in law
- **Primary Uses (General Fund)**
 - Community Development Administration
 - Statutory transfer to LHI Account
- **Targeted Initiatives**
 - ADA Compliance
 - HRA – preserve housing vouchers



Preserve Housing Vouchers

- Federal funding
 - Based on previous year expenditures and percentage of voucher utilization

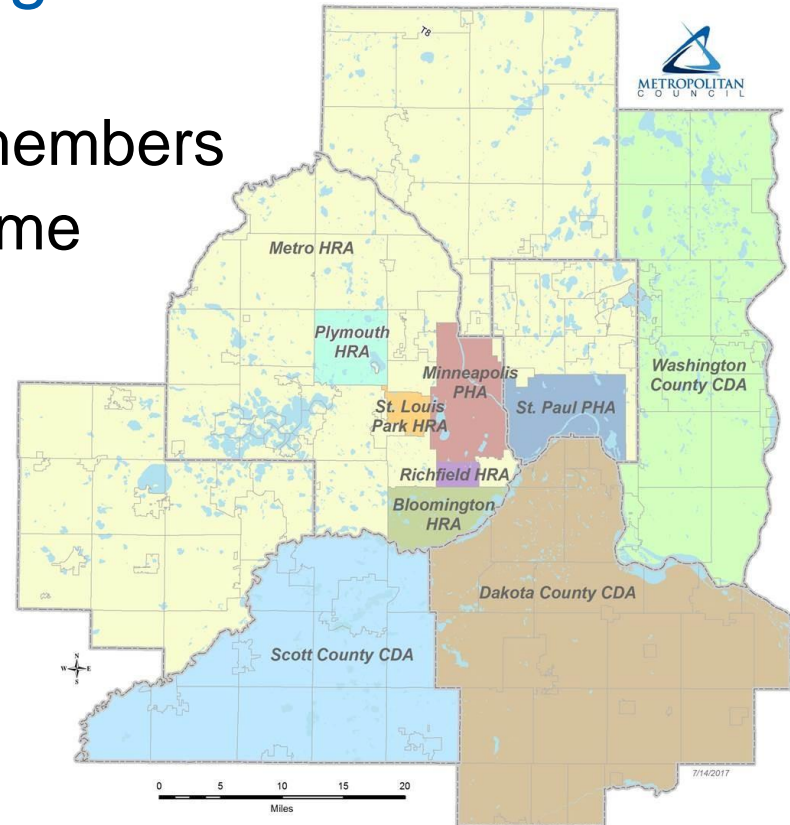
Average Housing Assistance Payment



Dollars in millions

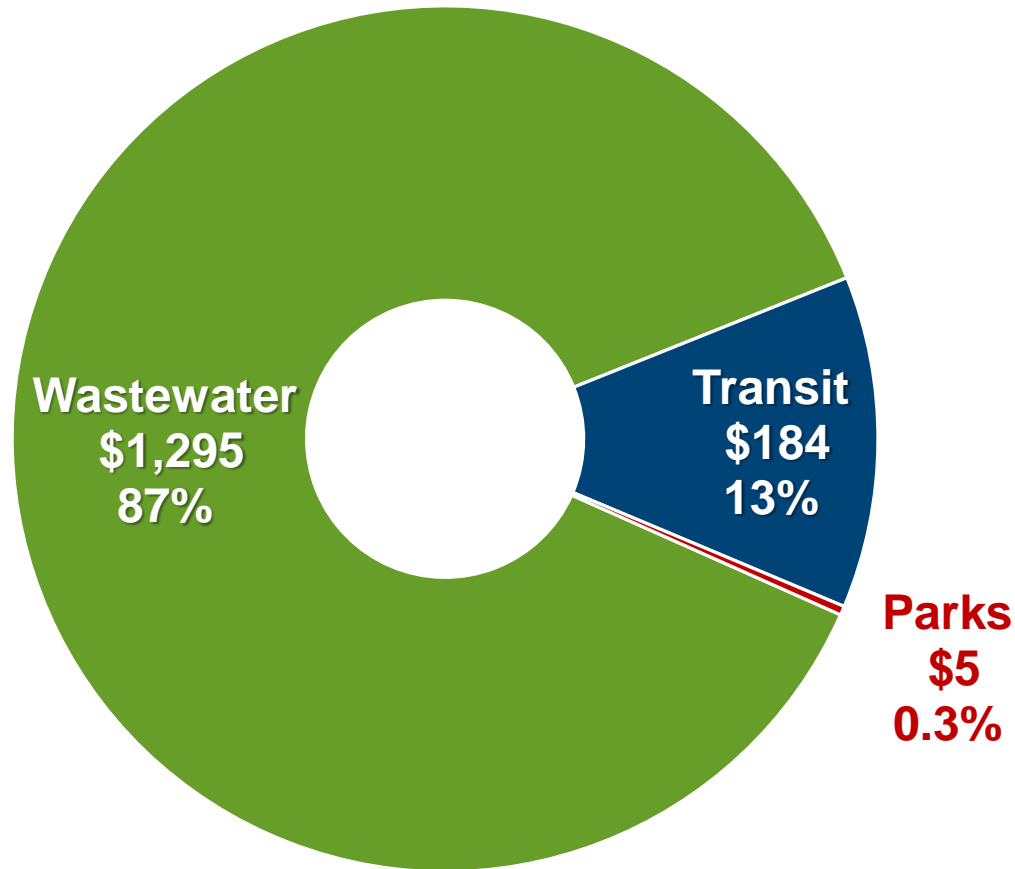
Metro HRA Service Area

- Who is the Metro HRA Serving
 - 6,500 families
 - Average household size = 2.9 members
 - Average household annual income
 - \$16,000
 - 45% have wage income
 - 47% elderly or disabled
 - 53% families with children
 - Average Rent Payment = \$390
 - Average HRA Payment = \$740



Outstanding General Obligation Debt as of December 31, 2017 - \$1.5 B

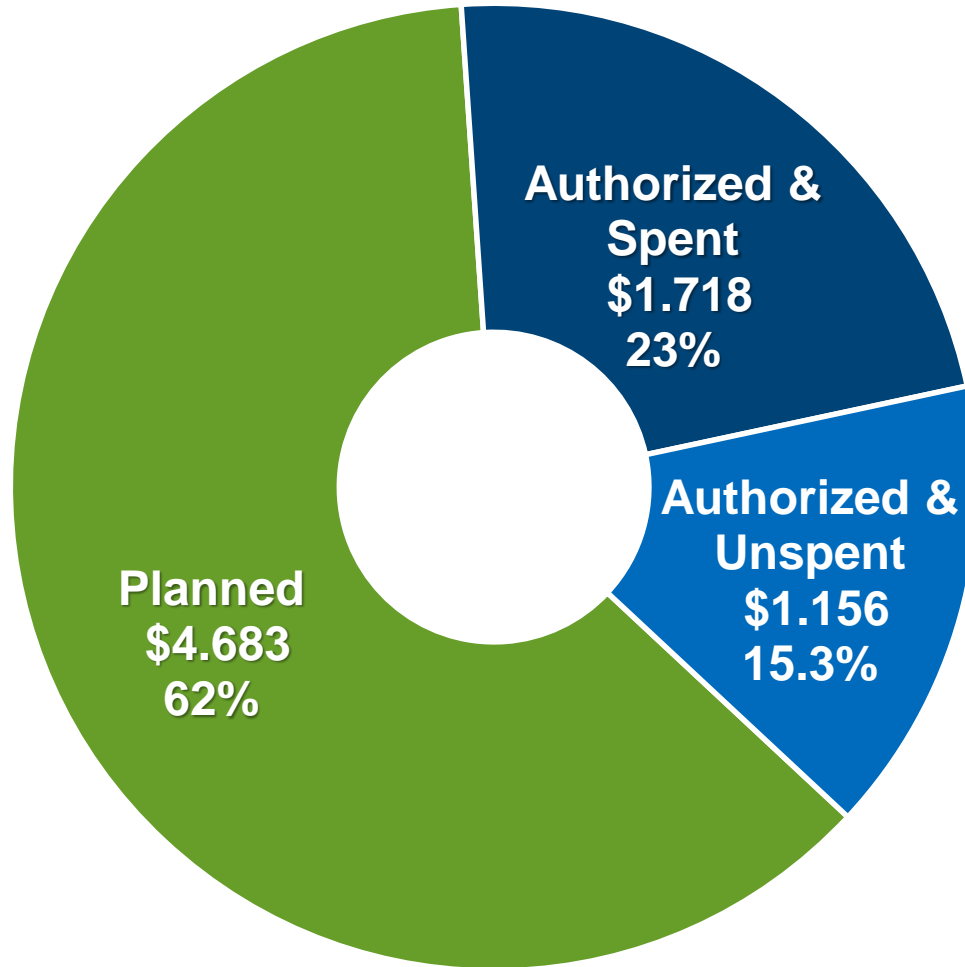
AAA/Aaa Bond Rating



Dollars in millions

Public Comment Draft Budget, Adopted 10/24/2018

Proposed 2019 Capital Program - \$7.6B

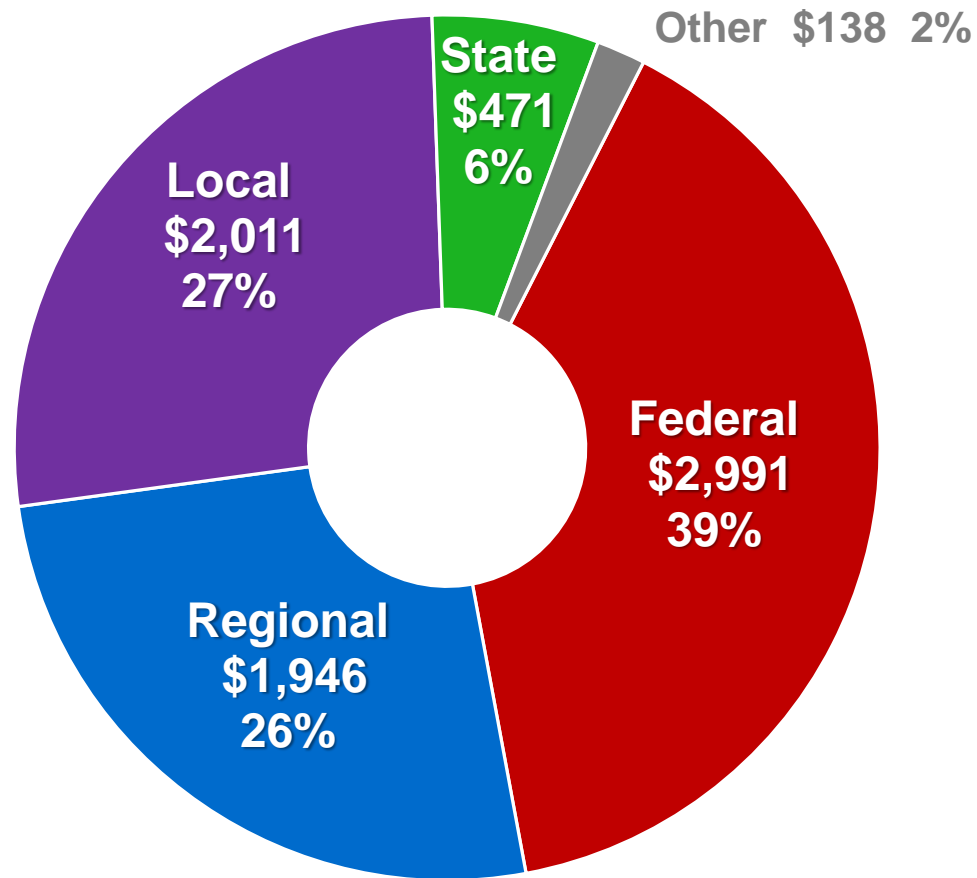


Dollars in billions

Public Comment Draft Budget, Adopted 10/24/2018



Proposed Capital Program by Funding Source - \$7.6B

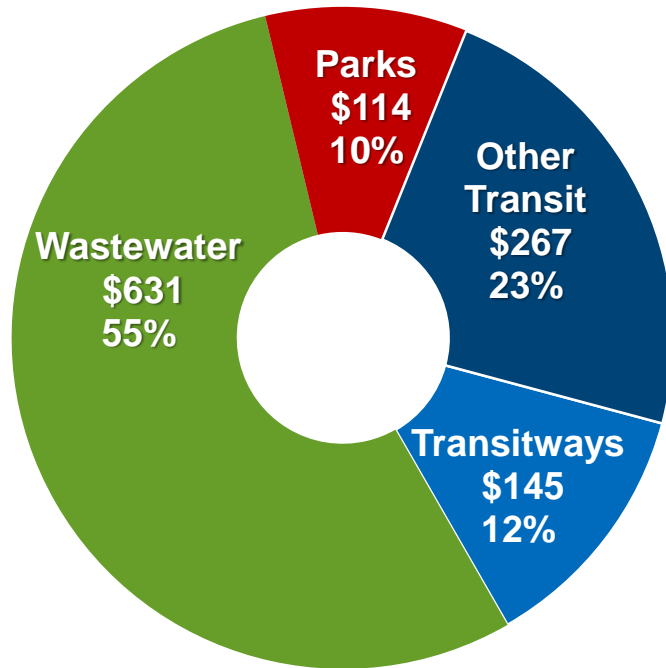


Dollars in millions

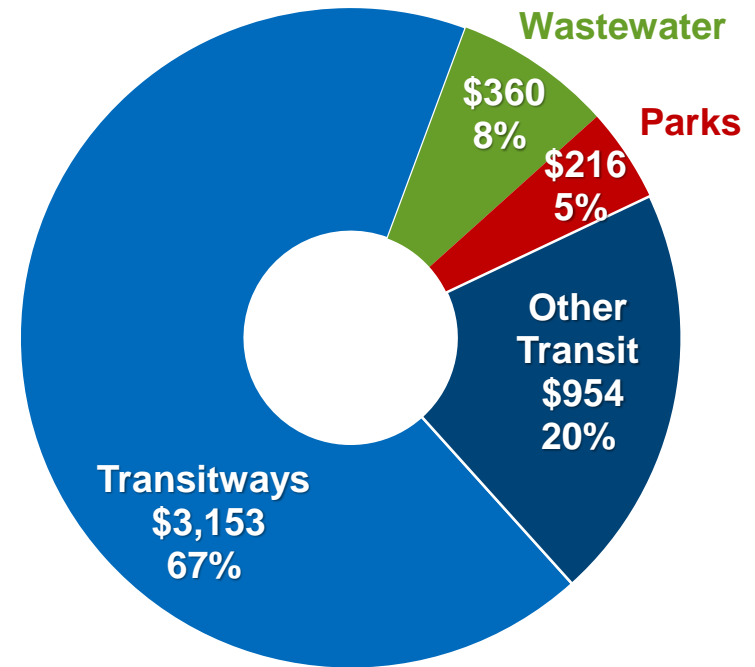
Public Comment Draft Budget, Adopted 10/24/2018

Future Capital Program Spending - \$5.9B

Authorized Capital Program - \$1.2B



6-Yr Capital Improvement Plan - \$4.7B



Wastewater Treatment Plants

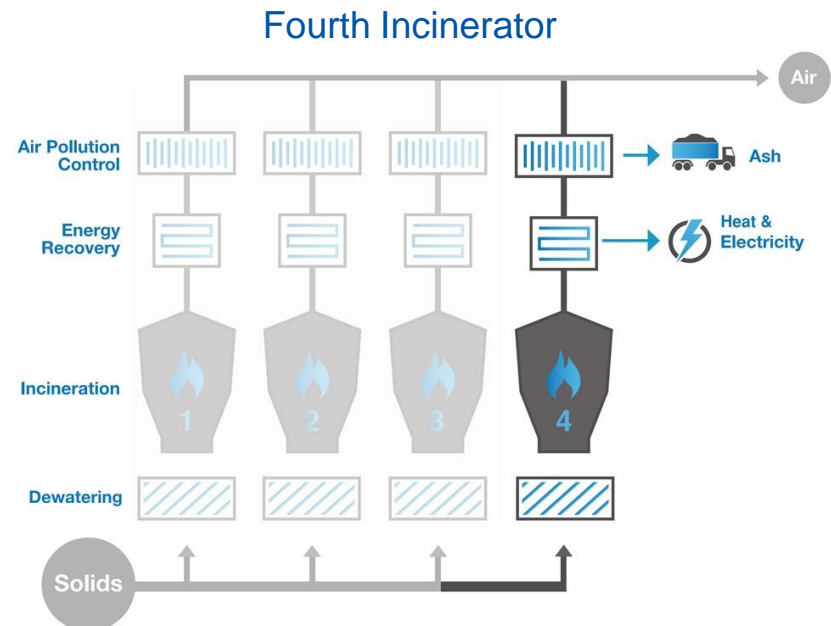
Authorized - \$259M

- MWWTP Rehab and Asset Renewal
- Seneca and Empire WWTP Solids Processing Improvements
- SE Metro Water Reclamation Improvements



Planned - \$201M

- Hastings Plant
- Blue Lake Solids Processing
- MWWTP Solids Processing



Interceptor Projects - \$531M

Authorized - \$372M

- Mounds Area Improvements – L38 Forcemain
- Minneapolis System Rehab – Interceptor 1 – MN-344 and Tunnel R04
- North Area Interceptor Rehab – Phase 5
- St Paul Interceptor System - Eastview and Mounds Park



Planned - \$159M

- Brooklyn Park-Champlin Interceptor Renewal
- Brooklyn Park Lift Station L32
- Minneapolis Interceptor 1- MN-340 Relief

Fleet Management - \$764M

Authorized - \$88M

- Current Fleet Replacements per Fleet Plan
- Non-Revenue Vehicles



Planned - \$676M

- ABRT Bus Procurement
 - B, D, E, and Orange Lines
- Electric Buses
- Overhaul of Rail Vehicles
- SWT Service Expansion



Fleet Management – Service Vehicles

Purchases



Overhauls



	Base	Option
Standard	213	27
Articulated	116	44
Electric	84	42
Coach	24	-
	437	113

	Base
Small Bus	945
Big Bus	107
Articulated	3
Sedan	62
	1,117

Rail Transit	
Blue Line	44
Green Line	47
NorthStar	18

Transit Facilities - \$285M

(Customer and Support)

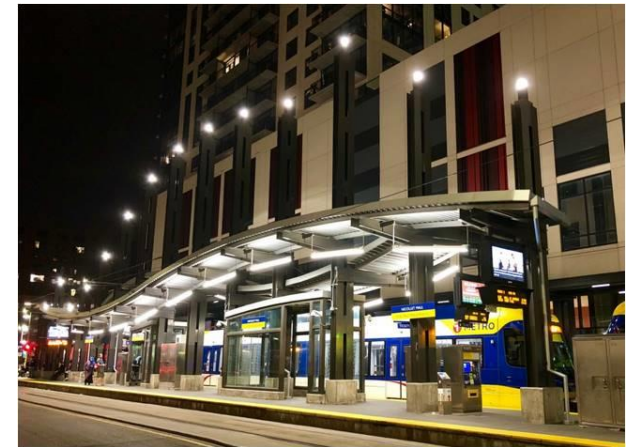
Authorized - \$131M

- Energy Enhancements
- Improvements and Refurbishments
- Heywood Campus Administrative Expansion
- New Minneapolis Garage



Planned - \$127M

- Bus Electrification Infrastructure
- Hoist Replacements
- Improvements and Refurbishments



Transitways- \$3.3B

Authorized - \$145M

- Complete C Line Construction in 2019



Planned - \$3.05B

- Metro Green and Blue Light Rail Transit Extensions
- BRT/ABRT Phased Funding – Rush, Gold, and ABRTs
- LRT/Northstar ADA and Safety Improvements
- LRT Rail Replacement
- Apple Valley Transit Station Parking

Regional Parks Visits

More than
48 Million
Visits
Per Year



Parks Land Acquisition - \$35M

Authorized - \$7M



Planned - \$28M

- Parks and Trails Legacy
- Environment and Natural Resources Trust Fund



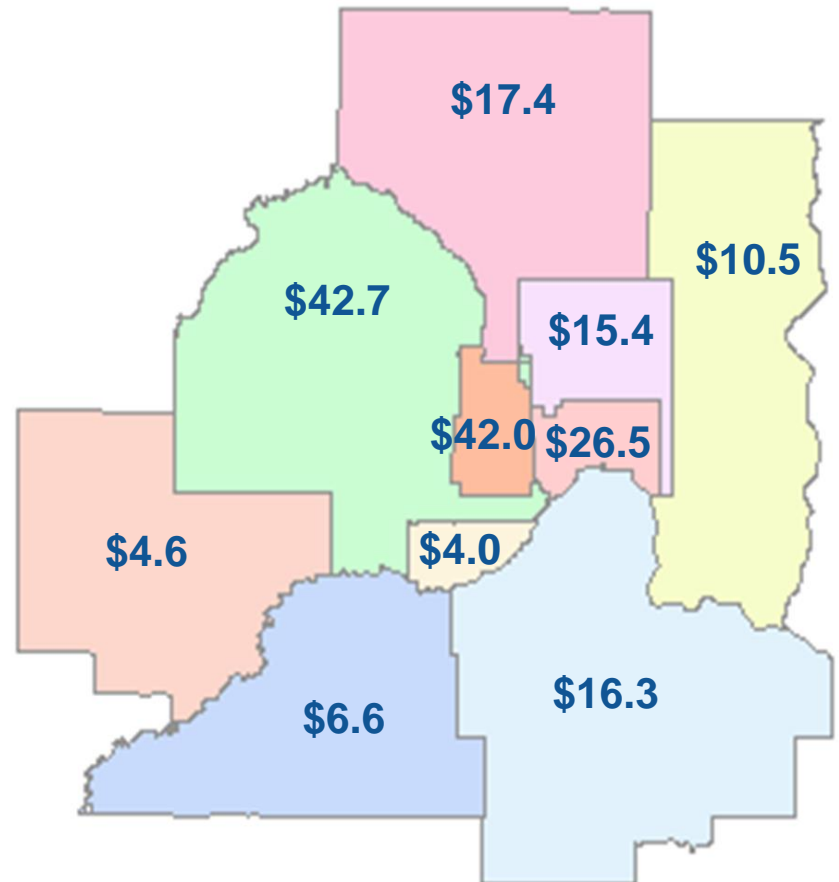
Parks Implementing Agencies - \$263M³³

Authorized - \$77M



Planned - \$186M

- State Bonding
- Parks and Trails Legacy





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