

Metropolitan Council

Proposed Calendar Year 2019 Unified Budget & Levies

December 10, 2019- LCMG

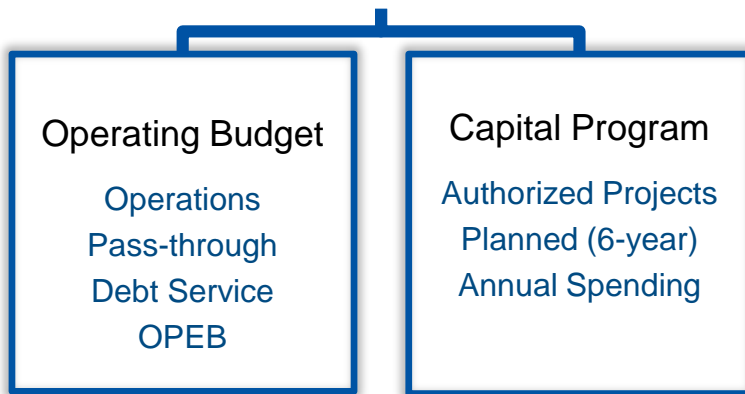


Statutory Responsibilities

- **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

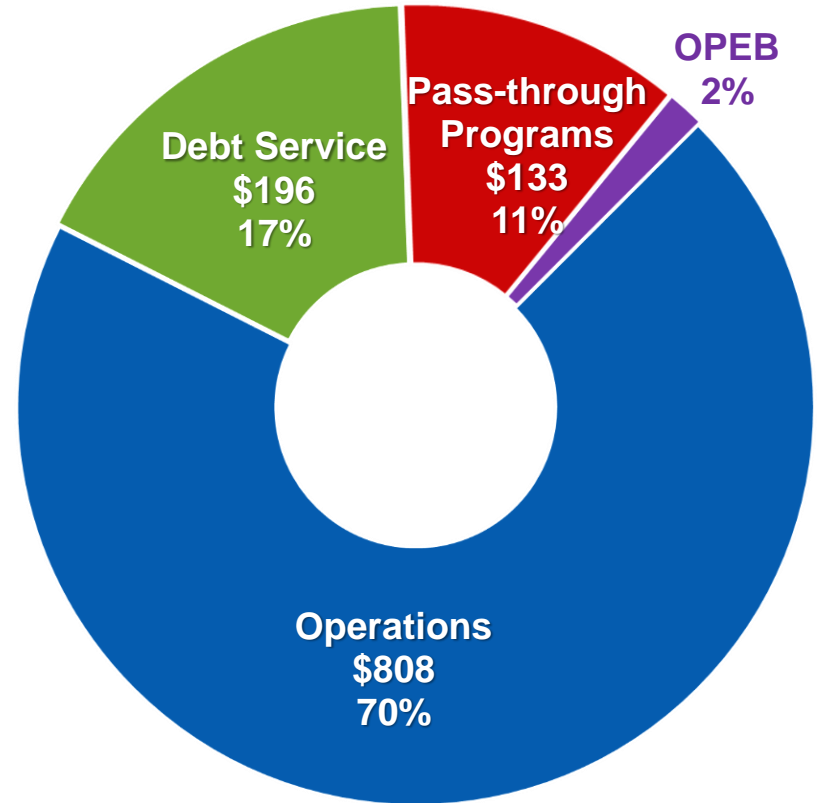
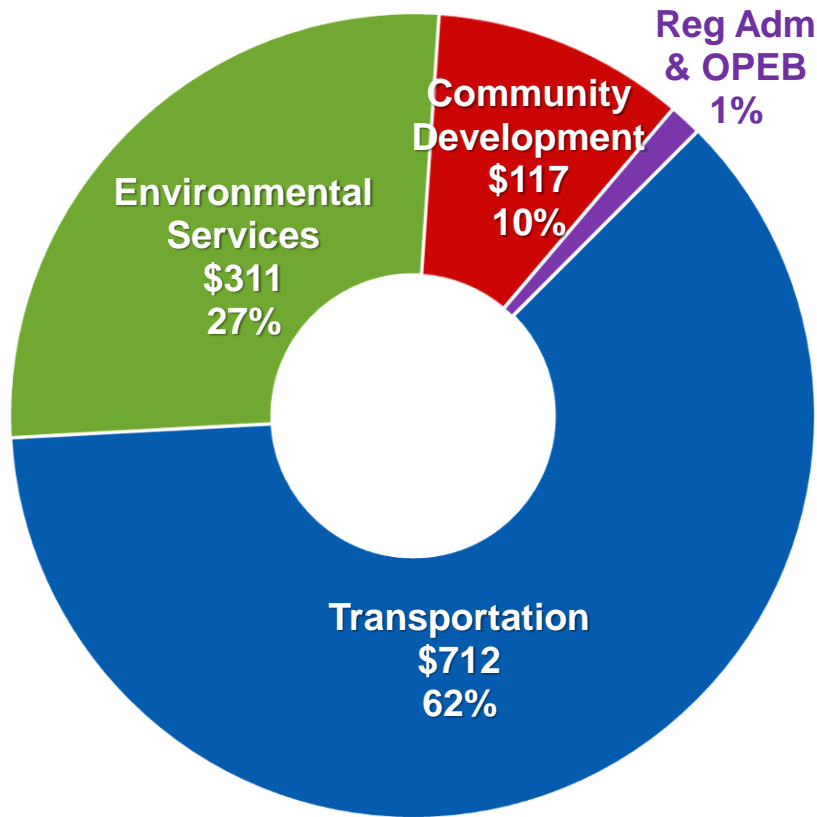
Unified Budget



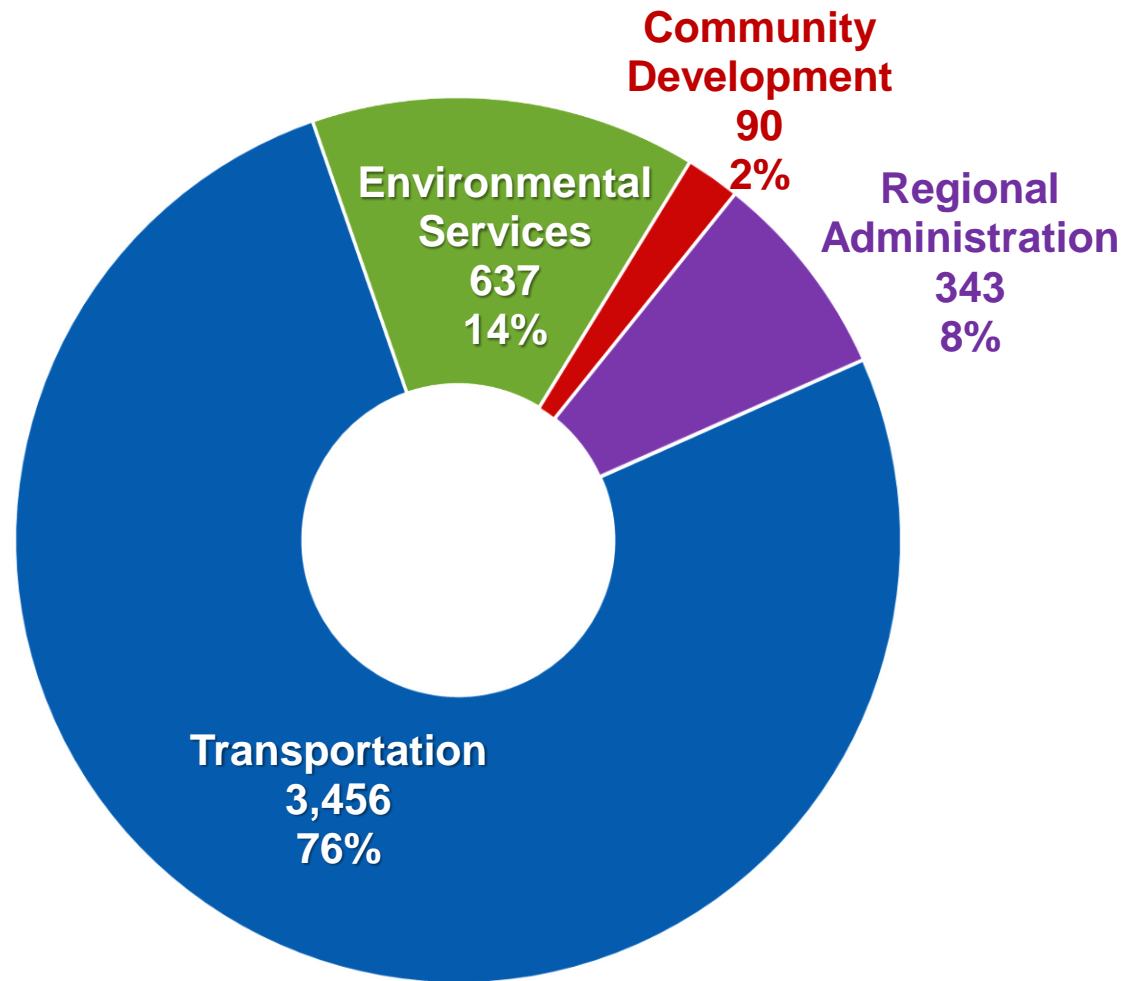
May-July	Staff - Budget Development Activities
Aug 28 (before Sept1)	Council - Adopt Preliminary Budget/Levies
Oct 9	Council - Capital Program Presentation
Oct 23	Council - Adopt Public Comment Draft Budget
Dec 11 (before Dec 20)	Council - Adopt Final Budget/Levies

Proposed 2020 Operating Budget

Uses by Division and Function: \$1.2 Billion

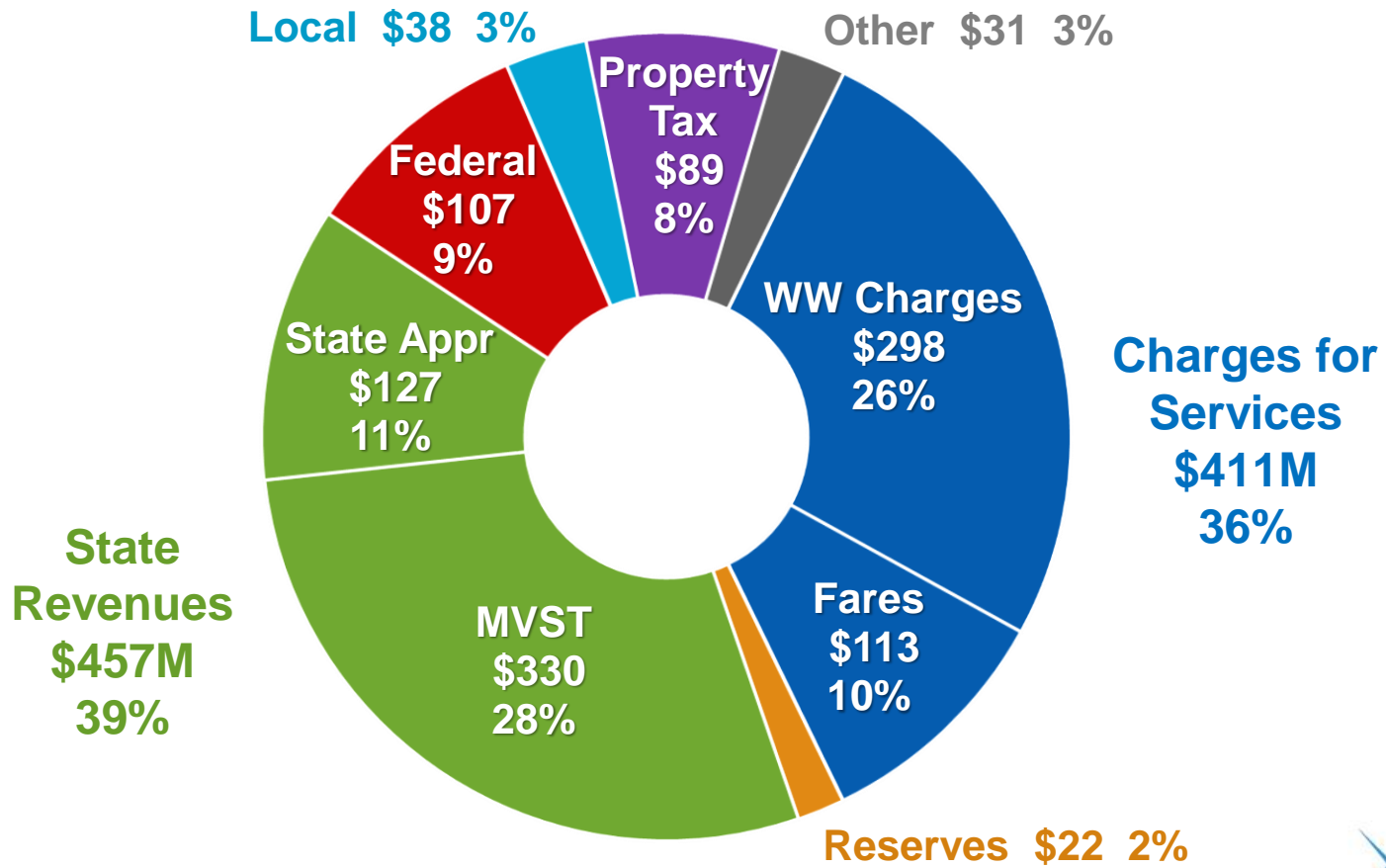


Proposed FTEs 4,526



Proposed Operating Budget

Funding Sources - \$1.2 Billion



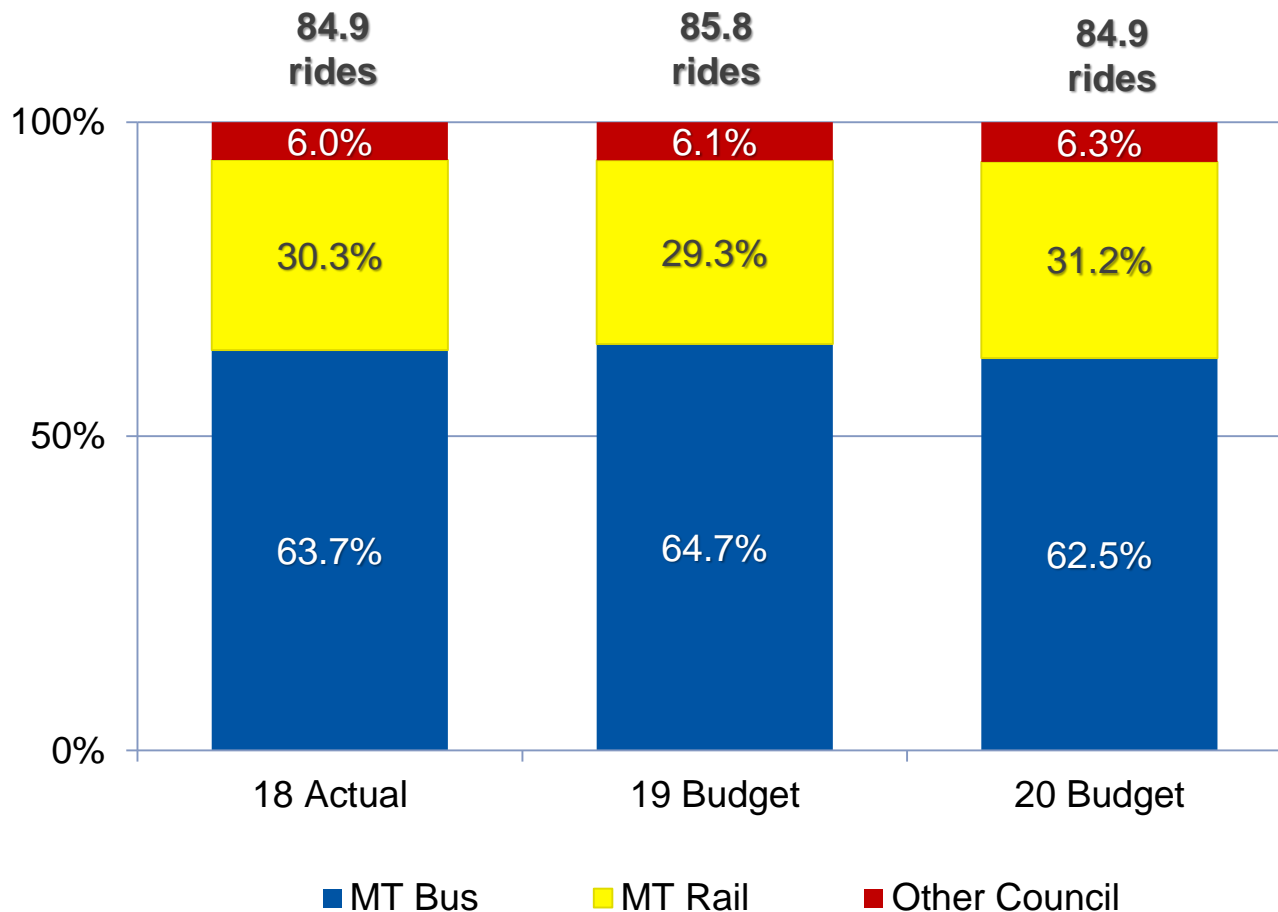
Wastewater Charges - \$298M

- **Municipal Wastewater Charge (+3.6%)**
 - \$5.00 increase per residential equivalent connection
 - 2020 = \$235.6M (\$8.6M higher than 2019)
- **Sewer Access Charge (No Change)**
 - \$2,485 per SAC (rate flat since 2014)
- **Industrial Strength Charge (+4.5%) and Permit Fees (+3.6%)**

Passenger Fare Revenues - \$113M

- Reduction in regular route bus ridership
 - Low gas prices, trend for peers as well
- Continued growth in Metro Mobility ridership
 - 6% growth trend over past 5 years
- Last Fare Increase October 2017
 - \$0.25 across all transit modes

Transit Ridership Trend



■ Other programs include: Metro Mobility, Contracted Regular Route Bus, Transit Link, and Metro Vanpool. Excludes Suburban Transit Provider and University of Minnesota Rides



November 2019 Forecast Change Motor Vehicle Sales Tax

State Fiscal Years

Forecast Change	2020	2021	2022	2023
November 2019	303.4	316.5	332.6	346.5
February 2019	309.3	329.1	344.5	357.8
Forecast Loss - (\$41.7M)	(5.9)	(12.6)	(11.9)	(11.3)
CY 2020 Budget Impact	CY 2020 Budget			
Met Council Bus Operations & Planning, Reserve (5%)		(8.1)		
Suburban Transit Providers		(1.1)		
Total CY 2020 Budget Impact		(9.2)		

Dollars in Millions



Bus Operations and Planning Structural & Financial Position

State Fiscal Years

2020 Proposed Budget (Nov 19 Forecast)	2020	2021	2022	2023
Base Revenues for Operations *	369.7	376.8	386.0	399.7
Operating Expenses	391.8	405.8	471.3	427.9
Structural Position	(22.2)	(29.0)	(31.4)	(28.3)
Available Reserves (Target 8.3% - 12.5%)	22.2	27.4	1.0	1.0
Financial Position	-	(1.6)	(30.4)	(28.1)

* Bus operations are primarily funded by MVST and Fare Revenues

Metro Mobility Structural & Financial Position

State Fiscal Years

2020 Proposed Budget (Nov 19 Forecast)	2020	2021	2022	2023
Base Revenues for Operations *	66.1	66.3	65.7	65.9
Operating Expenses	88.8	96.4	101.0	108.5
Structural Position	(22.7)	(30.1)	(35.3)	(42.6)
Non-Base State Appropriation	23.1	13.0	-	-
Available Reserves (Target 10%)	-	14.1	(0.7)	(0.8)
Financial Position	0.4	(3.0)	(36.0)	(43.4)

* Metro Mobility is primarily funded by State General Fund and Fare Revenues



Rail Transit

Structural & Financial Position

State Fiscal Years

2020 Proposed Budget (Nov 19 Forecast)	2020	2021	2022	2023
Base Revenues for Operations *	101.3	104.2	105.7	107.2
Operating Expenses	102.7	106.6	110.0	113.4
Structural Position	(1.4)	(2.4)	(4.3)	(6.2)
Available Reserves	1.4	2.4	4.3	1.3
Financial Position	-	-	-	(4.9)

* Rail Operations are primarily funded by State General Fund, Local Funds, and Fare Revenues



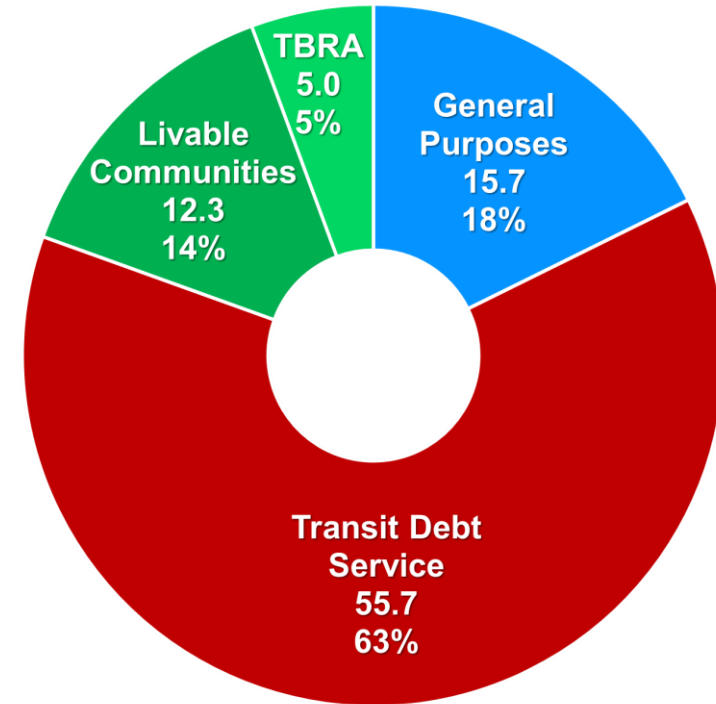
Transportation Structural & Financial Position

State Fiscal Years

2020 Proposed Budget (Nov 19 Forecast)	2020	2021	2022	2023
Base Revenues for Operations	574.1	585.2	597.2	614.2
Operating Expenses	620.4	646.7	668.1	691.2
Structural Position	(46.3)	(61.5)	(70.9)	(77.0)
Non-Base State Appropriation	23.2	13.0	-	-
Available Reserves	23.1	43.9	4.5	0.7
Financial Position	-	(4.6)	(66.4)	(76.4)

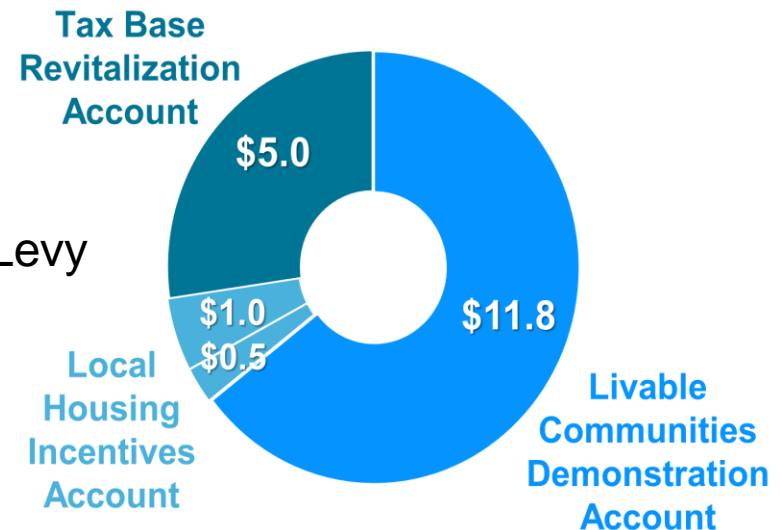
Proposed 2020 Property Tax Levies - \$88.7M

	Certified 2019	Proposed 2020	Pct Chg	Levy Limit
Non-Debt Service Levies				
General Purposes	\$ 15.329	\$ 15.672	2.2%	\$ 15.672
Highway Right of Way	-	-	0.0%	4.213
Livable Communities:				
- Demonstration Acct	12.032	12.301	2.2%	12.301
- Tax Base Revitalization	5.000	5.000	0.0%	5.000
Total Non-Debt Levies	\$ 32.361	\$ 32.973	1.9%	\$ 37.186
Levy as Pct of Limit		88.7%		
Debt Service Levies				
Parks	\$ 1.323	\$ -	-100.0%	
Transit	53.315	55.766	4.6%	
Total Debt Levies	\$ 54.638	\$ 55.766	2.1%	
Total All Levies	\$ 86.999	\$ 88.739	2.0%	



Livable Communities Levies (Grant Programs)

- Tax Base Revitalization Account Levy
 - \$5M annually from regional fiscal disparities pool
 - Clean up polluted land in the metropolitan area
- Livable Communities Demonstration Account Levy
 - \$12.3M proposed levy for 2020
 - Capped by implicit price deflator
- Local Housing Incentives Account
 - Statutory transfers from LCDA (\$0.5M) and General Purposes Levy (\$1.0M)



Dollars in Millions

Impact on the Taxpayer

Counties 29%

Cities & Towns 31%

Schools 34%



Other Special Districts 4.6%

Metropolitan Council 1.4%

Impact on the Taxpayer



\$250,000
Market Value

Transit Tax Communities

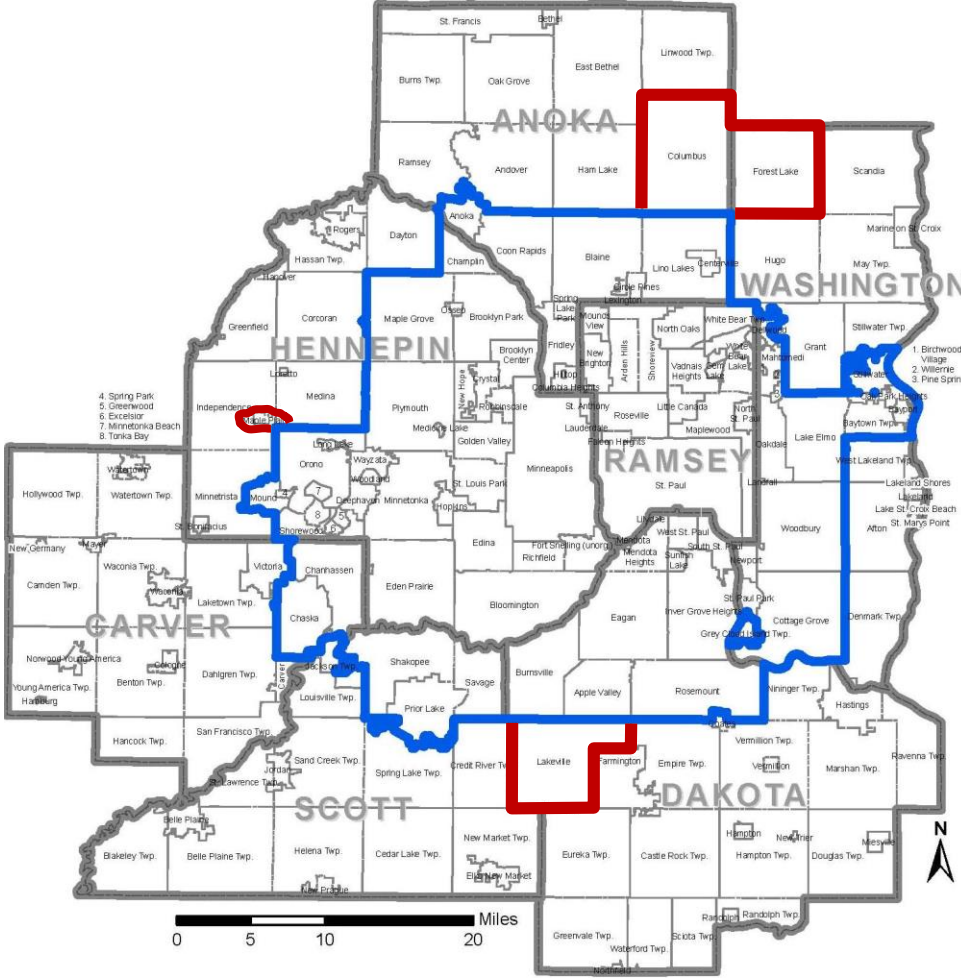
Inside

\$52.97

Outside

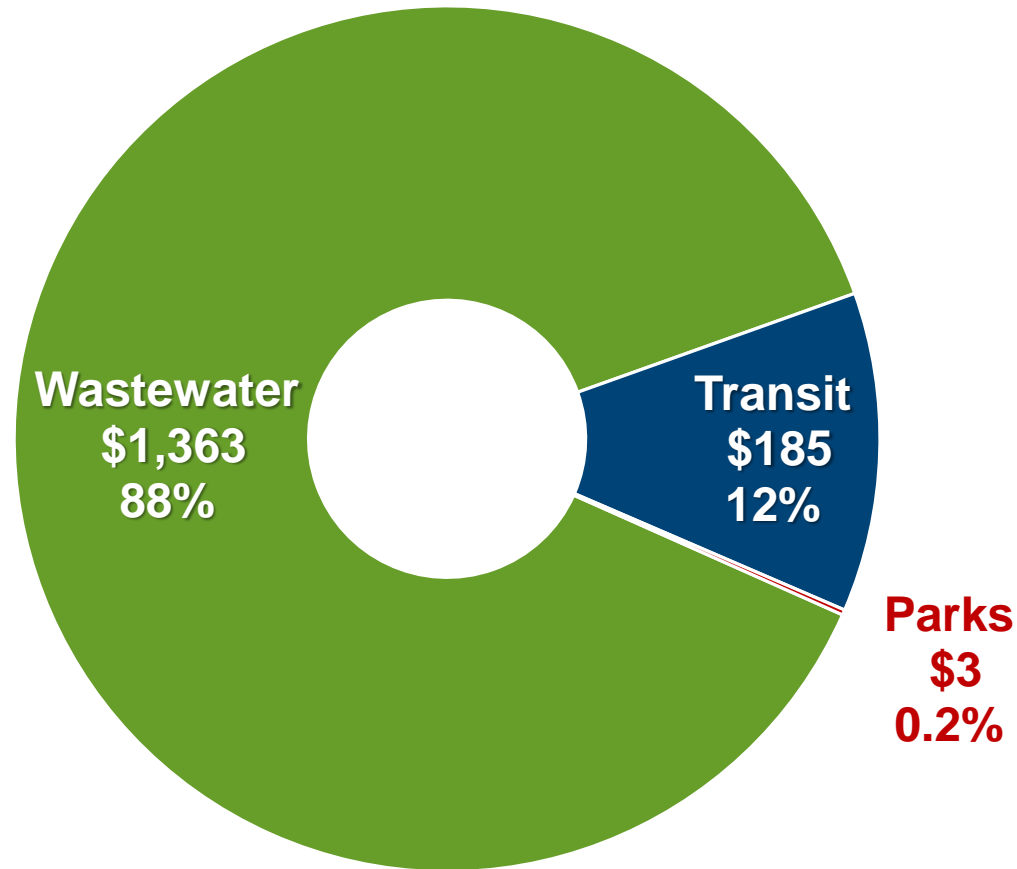
\$16.22

Metro Area Transit Debt Service Levy

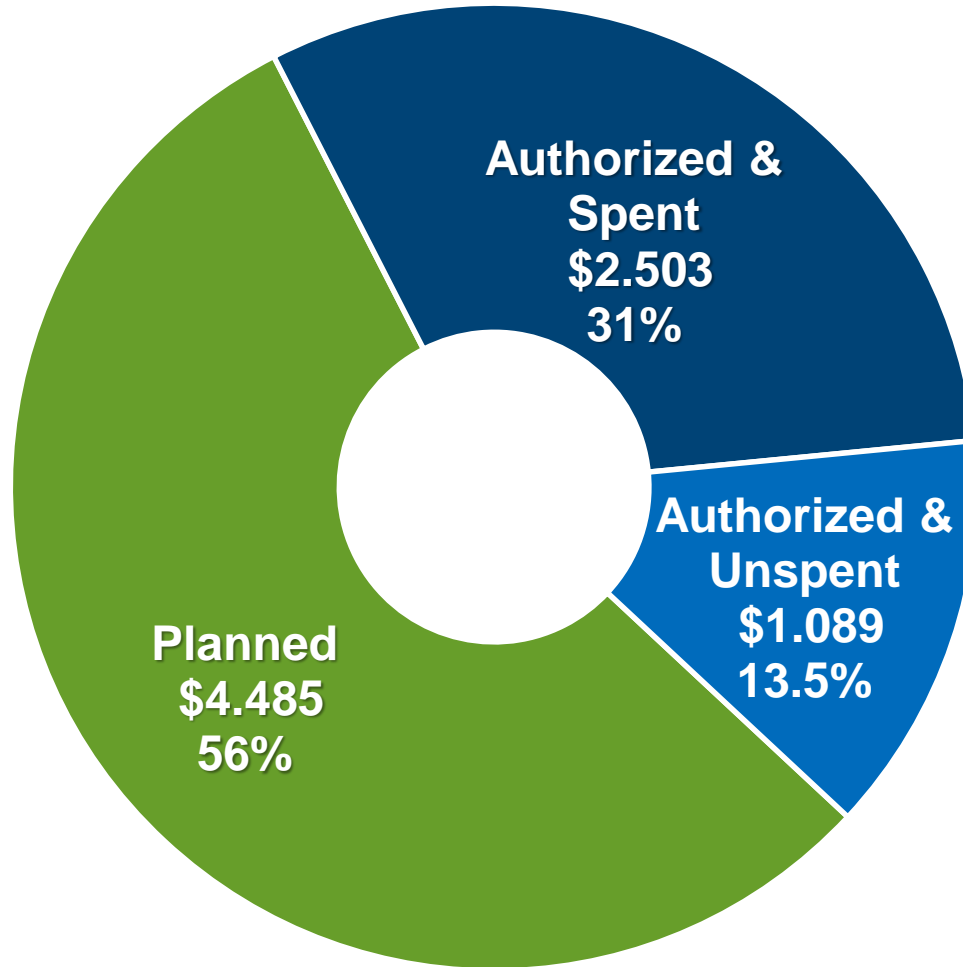


Outstanding General Obligation Debt as of December 31, 2018 - \$1.55 B

AAA/Aaa Bond Rating



Proposed 2020 Capital Program - \$8.1B

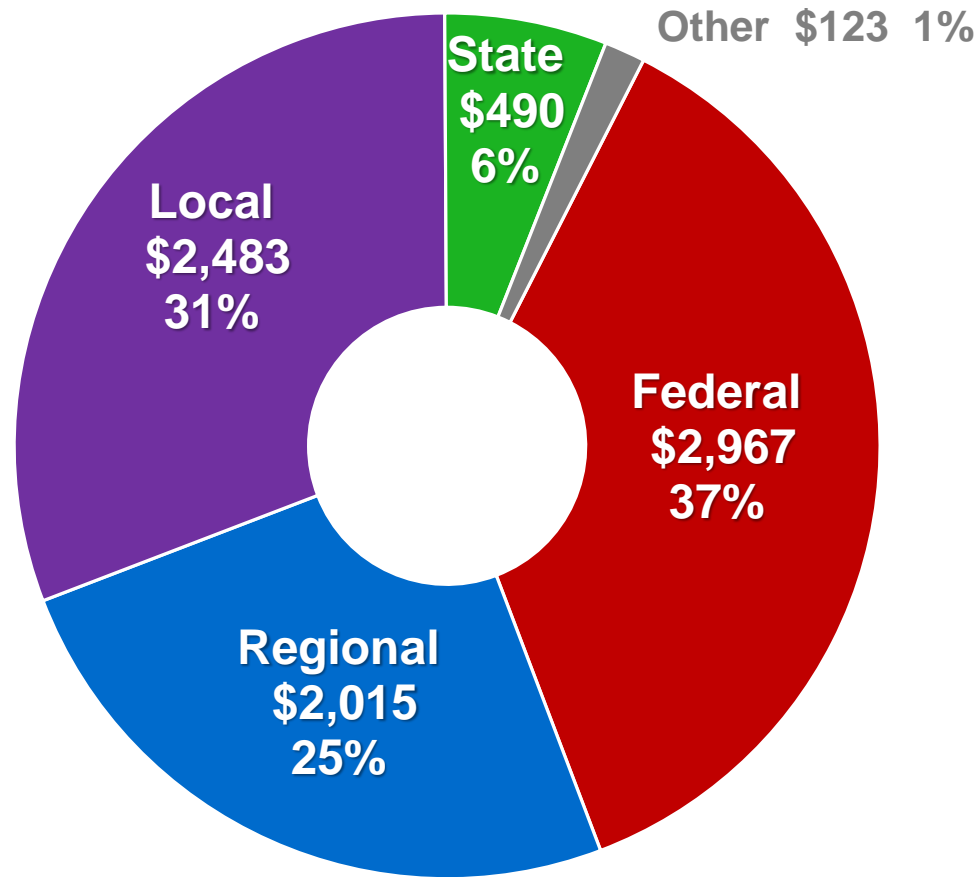


Dollars in billions

Public Comment Draft Budget, Adopted 10/23/2019



Proposed Capital Program by Funding Source - \$8.1B



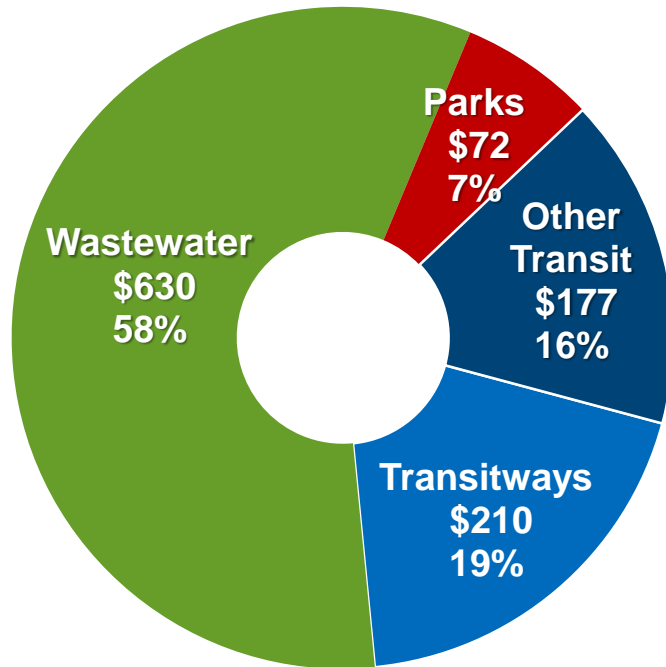
Dollars in millions

Public Comment Draft Budget, Adopted 10/23/2019

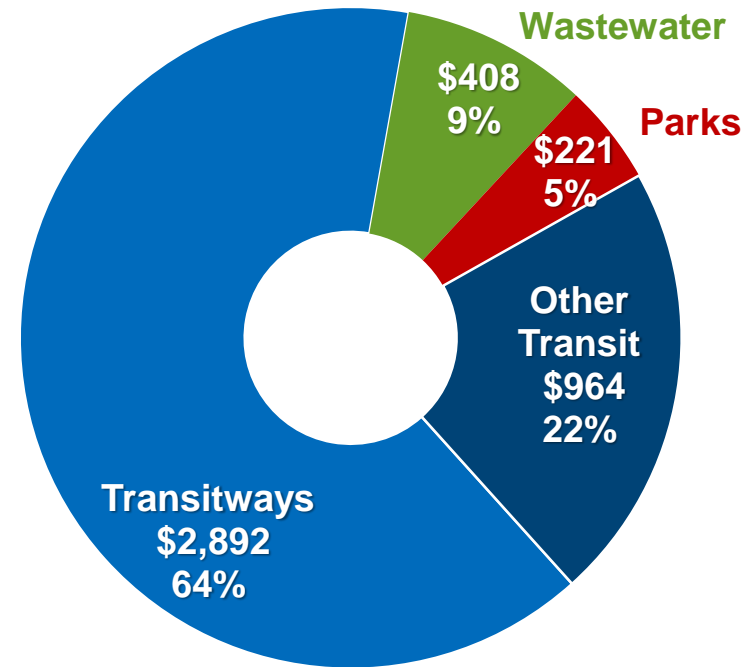


Future Capital Program Spending - \$5.6B

Authorized Capital Program - \$1.1B



6-Yr Capital Improvement Plan - \$4.5B



Wastewater Treatment Plants

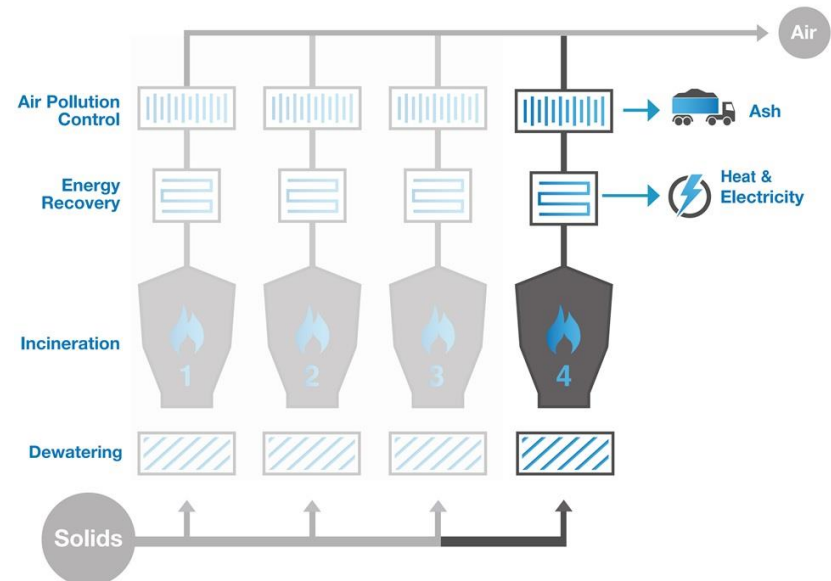
Authorized - \$297M

- MWWTP Rehab and Asset Renewal
- Seneca and Empire WWTP Solids Processing Improvements
- Rogers WWTF Modifications



Planned - \$197M

- Hastings Plant
- Crow River Plant
- Blue Lake Solids Processing
- MWWTP Solids Processing – Fourth Incinerator



Interceptor Projects - \$544M

Authorized - \$333M

- Northwest Area Interceptor Improvements
- New L-32 Lift Station
- Hopkins System, East Isles Forcemain Replacement
- Interceptors 1-SP200 and 1-SP-201 Battle Creek Rehab
- L24 Lift Station and Forcemain 7020 Replacement

Planned - \$211M

- St. Paul Interceptor Improvements
- Blue Lake System Improvements
- Minneapolis Interceptor Improvements Phase 2



Fleet Management - \$760M

Authorized - \$55M

- Maintain the Current System
- CTIB Vehicle Note Payable
- Replacements per Fleet Plan
- Non-Revenue Vehicles



Planned - \$705M

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



Fleet Management – Service Vehicles

Purchases



	Base
Standard	343
Articulated	101
Electric	8
Coach	24
	477

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

Overhauls



Rail Transit	
Blue Line	44
Green Line	47
NorthStar	18

Transit Facilities - \$226M

(Customer and Support)

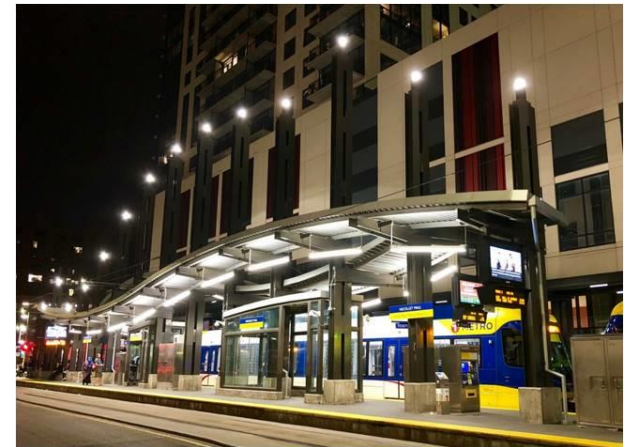
Authorized - \$120M

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



Planned - \$106M

- Bus Electrification Infrastructure
- Hoist Replacements
- Improvements and Refurbishments



Transitways- \$3.1B

Authorized - \$177M

- Complete C Line Construction in 2019



Planned - \$2.89B

- Metro Green and Blue Light Rail Transit Extensions
- Partial Funding for BRT/ABRT
 - – Rush, Gold, and ABRTs
- LRT/Northstar ADA and Safety Improvements
- LRT Rail Replacement
- LRT Interlocking Projects

Regional Parks Visits

More than
60 Million
Visits
Per Year



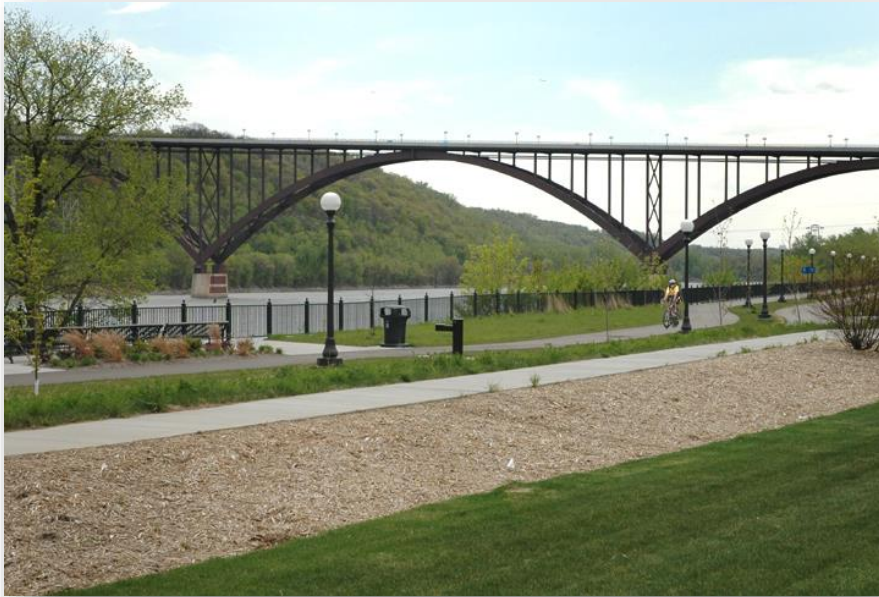
Parks & Open Space

- **Regional Parks System Serves**
 - 7-County Twin Cities Metro Area
 - Over 3 million people
- **Regional Park System**
 - Nearly 60 million visits in 2018
 - 56 regional parks & park reserves totaling more than 54,000 acres
 - 8 special recreation features
 - 49 regional trails, with nearly 400 miles of interconnected trails



Parks Land Acquisition - \$37M

Authorized - \$8M



Planned - \$29M

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

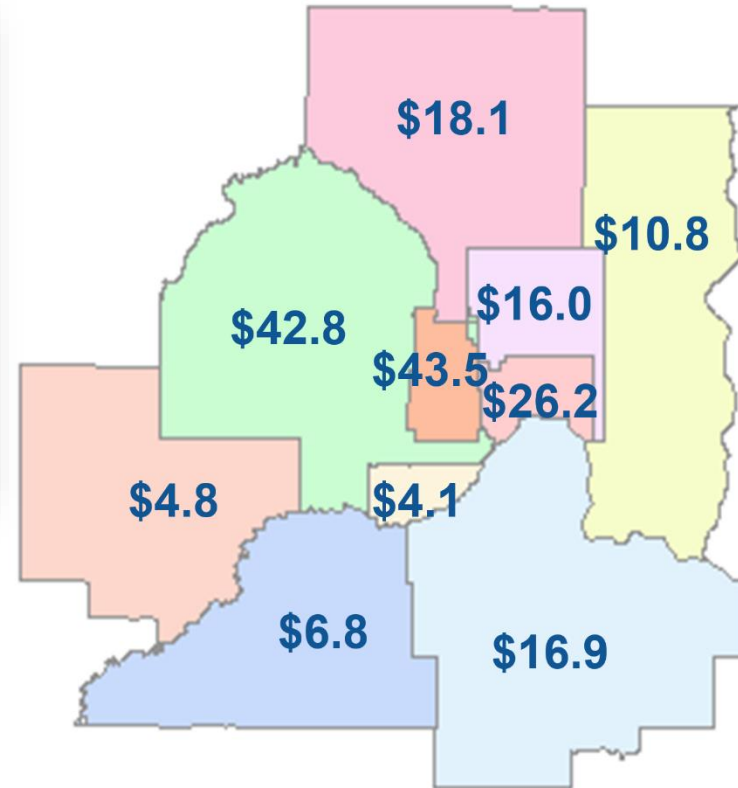


Parks Implementing Agencies - \$239M³³

Authorized - \$49M

Planned - \$190M

- State Bonding
- Parks and Trails Legacy





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December 10, 2019- LCMG