



Metro Mobility customers and operator

2025

# PRELIMINARY BUDGET-IN-BRIEF

**We are the regional government for the Twin Cities metropolitan area.**

Our goal is for the region to prosper and thrive, now and in the future. We work with the region's seven counties and 181 local communities to:

- Plan for future growth of the seven-county metropolitan area and support communities as they plan.
- Provide essential and cost-effective transit service and state-of-the-art wastewater collection, treatment, and water reuse.
- Plan, acquire, and develop the world-class regional parks and trails system.
- Help households with low and moderate incomes find affordable housing.







## MET COUNCIL MEMBERS

# REPRESENT THE REGION

Our governing board has 17 members from all walks of life. Sixteen of them represent geographic districts across the region with roughly equal populations. Leading the board is the Met Council chair, the 17th member. The members are appointed by the governor in consultation with community leaders.

Minnesota state law requires the legislature to redraw the boundaries of Met Council districts after each decennial federal census so that each district has substantially equal population. The Minnesota Legislature completed the statutory requirement to redraw the districts in 2023. All 16 Council members are serving terms that expire Jan. 4, 2027.



## MET COUNCIL MEMBERS

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Chair	Charlie Zelle
District 1	Judy Johnson
District 2	Reva Chamblis
District 3	Dr. Tyronne Carter
District 4	Deb Barber
District 5	John Pacheco Jr.
District 6	Robert Lilligren
District 7	Yassin Osman
District 8	Anjuli Cameron
District 9	Diego Morales
District 10	Peter Lindstrom
District 11	Dr. Gail Cederberg
District 12	Susan Vento
District 13	Chai Lee
District 14	W. Toni Carter
District 15	Tenzin Dolkar
District 16	Wendy Wulff



[metro council.org](https://metro council.org)


# WE SUPPORT OUR REGION'S PROSPERITY

**We are striving toward a prosperous, equitable, and resilient region, with abundant opportunities for all to live, work, play, and thrive.**

- We operate Metro Transit, Metro Mobility, and other transit services that provided nearly 49 million rides in 2023, more than 91% of the total regional ridership.
- Our strategic investments in a growing network of bus and rail transitways that increase transportation choices for Twin Cities residents. They encourage transit-oriented development that creates residential and business opportunities.
- We collect and treat the wastewater for more than 90% of the region's population at rates about 35% lower than peer regions, earning state and national awards for environmental achievements while working with communities for long-term water sustainability.
- We plan and fund the land acquisition and development of a world-class regional parks and trails system, which had more than 69 million visits in 2023.
- Our Housing and Redevelopment Authority (Metro HRA) operates rent assistance programs that provide affordable housing opportunities for more than 7,200 households with low and moderate incomes, primarily through the Federal Housing Choice Voucher program.



NEARLY  
**4,500 employees**  
WORK FOR THE MET COUNCIL




**56** REGIONAL PARKS  
**415+** MILES OF REGIONAL TRAILS  
**55,000+** ACRES OF LAND



**49+ million** RIDES PROVIDED  
BY THE MET COUNCIL AND SUBURBAN  
TRANSIT PARTNERS IN 2022



**\$76 million** IN HOUSING  
ASSISTANCE FOR  
**7,200+** HOUSEHOLDS



TREATS  
**250 million**  
GALLONS OF WASTEWATER DAILY



## IMAGINE 2050

The Metropolitan Council recently released a draft of the region's long-range plan for the Twin Cities region called Imagine 2050. Imagine 2050 establishes a vision for the future of the region to guide making this place we call home the best it can be. We count on partnerships and investments in each county, city, and township in the region. Collaboration and cooperation have shaped and given life to this shared vision.

Under state law, the Met Council prepares a long-range plan for the Twin Cities region every 10 years. The Imagine 2050 plan will set the policy foundation for plans we develop for regional transportation systems, water resources, regional parks, and housing. The draft plan identifies the key regional values of equity, leadership, accountability, and stewardship. It also aspires to support a region in 2050 that reflects five goals through policies

and actions that inform practices, programs, and partnerships:

- Our region is equitable and inclusive.
- Our communities are healthy and safe.
- Our region is dynamic and resilient.
- We lead on addressing climate change.
- We protect and restore natural systems.

The final product will reflect imaginative solutions for today's challenges but will be far from imaginary. We will be setting policy and investment direction for the region's future. This will guide our work and our partners' work for years to come.

The plan was released for public comment in August 2024 and is anticipated to be adopted in early 2025. Learn more about Imagine 2050 at <https://metro council.org/Planning/Imagine-2050.aspx>.



# WE ARE STEWARDS OF STATE AND FEDERAL RESOURCES



sales tax creates a predictable and sustainable revenue source for transit operations, maintenance, and security. In 2024, sales tax funds have been used to support regional bus and rail operations, transit safety, capital maintenance projects, and technology improvements for the transportation programs. Other regional transit providers have also received funds to maintain, expand, and improve their systems.

The Met Council receives 83% of the revenue; the remaining 17% is distributed to the seven metro-area counties. Of the 83%, 5% is set aside for active transportation and 95% to transit operations, maintenance, and capital projects. State law requires use of the sales tax for transitway operating and capital maintenance investments. Other uses outlined in legislation include improvements to regular route bus service levels, transit safety, accessibility, and new and replacement shelters.

## Metro-area transportation sales tax

A three-fourths cent metro-area sales tax for transportation took effect on Oct. 1, 2023. This new source of revenue will generate billions of dollars in the coming years to support investment in a transportation system that is befitting of a thriving, growing, dynamic region such as ours.

The most recent Department of Revenue forecast estimates that this source will bring in approximately \$450 million in revenue to the Met Council in 2025. The

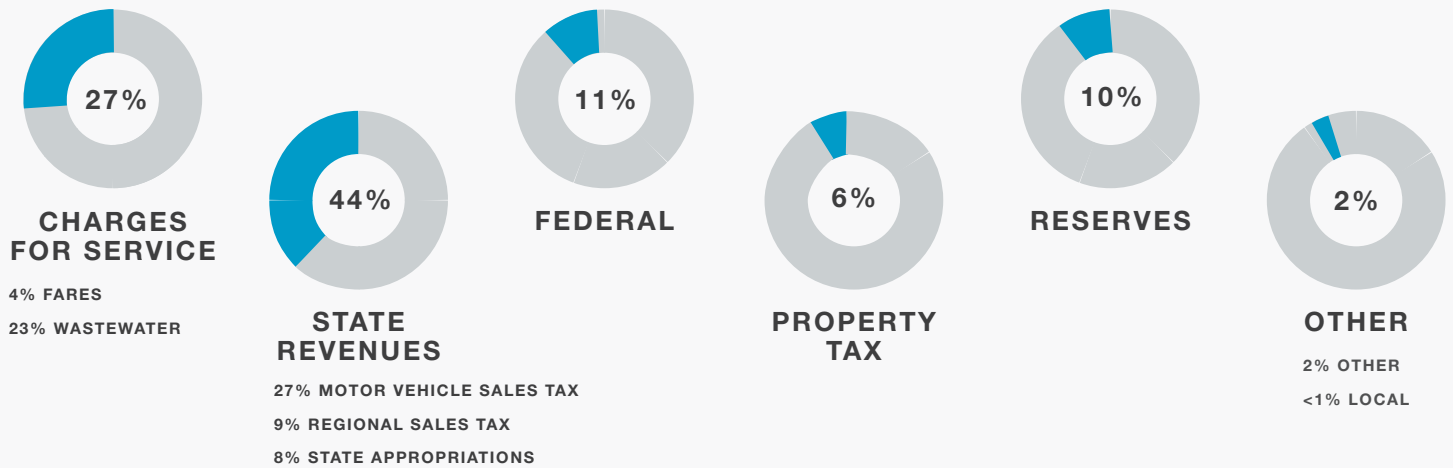
## Federal COVID-related funds

The Met Council received a total of \$726 million in Coronavirus Aid, Relief, and Economic Security Act, Coronavirus Response and Relief Supplemental Appropriations Act of 2021, and American Rescue Plan funds since 2020. We expect to spend the last of these funds in 2025, as approximately \$20 million in federal relief funds are programmed in the 2025 budget.

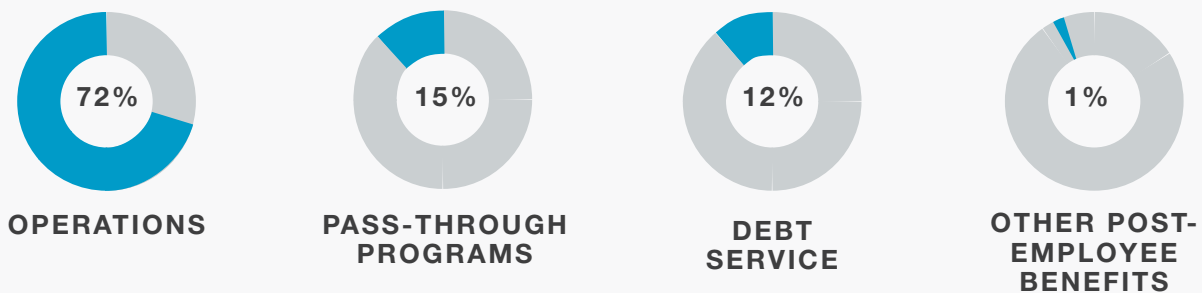
# 2025 PRELIMINARY OPERATING BUDGET

Sources of funds: **\$1.6 billion**

## COST BREAKDOWN



Uses by function: **\$1.6 billion**



Our bonds receive the **highest possible ratings** from Moody's and Standard and Poor's credit ratings agencies. Our top ratings reflect the sound financial management of the Met Council and allow us to borrow money at the **lowest market interest rates.**

# WE HELP ADVANCE EQUITY IN THE REGION

As identified in Thrive MSP 2040 and reaffirmed in Imagine 2050, our budget includes a broad range of organizational activities – including specific examinations of how we plan, distribute funds, and address regional disparities.

- Our Community Development division supports funding for planning, pre-development, and affordable housing investments in local communities.
- Our transportation divisions are deploying new transit services to increase connection in traditionally underserved and disconnected communities and to increase public transit choices for people living with disabilities.
- As part of its Safety and Security Action Plan, Metro Transit is intentionally engaging a broad range of customers and community stakeholder to improve the customer experience and emphasize that our transit system provides a safe and welcoming environment for everyone.
- Our Environmental Services division is working to improve access to language assistance for and deepen engagement with customers and individuals affected by construction projects throughout the region.

Goals around equity and specific outcomes are included in several efforts that extend across the entire Met Council organization. Our Climate Action Work Plan includes actions to address environmental justice needs and identified equity outcomes. Our workforce goals include ways to recruit more diverse candidates for hard-to-fill jobs, as well as efforts to attract, hire, train, retain, and promote employees who identify as Indigenous or people of color. We're working to support a workplace culture of collaboration, adaptability, and putting people first.







# WE ARE COMMITTED TO REDUCING CLIMATE IMPACTS

The Met Council began to implement our Climate Action Work Plan, which will unify efforts across our organization over the next five years to reduce our climate impacts and prepare for a changing climate. The plan identifies actions to be taken over a three-to-five-year timeframe and makes five overarching commitments:

- 1. Commitment one:** Incorporate environmental justice principles as we plan, implement, and evaluate our climate action work.
- 2. Commitment two:** Accelerate emissions reductions from our operations to achieve carbon neutrality.
- 3. Commitment three:** Accelerate regional emissions reductions through existing and new partnerships.

- 4. Commitment four:** Reduce risks and impacts of climate change hazards to our facilities and services.
- 5. Commitment five:** We will support and collaborate with partners to advance regional climate adaption efforts.

The plan is part of efforts implementing the Minnesota Climate Action Framework, a key priority of the Walz-Flanagan administration.



# WE'RE PRIORITIZING TRANSIT SAFETY AND SECURITY

The Met Council has established a wide range of initiatives so we can deliver a consistently safe, welcoming transit experience.

## Safety and Security Action Plan

Developed with input from riders and employees, the Metro Transit Safety and Security Action Plan describes more than 40 actions we're taking to improve public safety on transit. A quarterly documented status report details progress using measurable outcomes for each action item.

Actions in the Safety and Security Action Plan are focused on one of three areas of work

- Improving conditions
- Training and supporting employees
- Engaging customers and partners

**Supplemental security.** Contracted, supplemental security officers are stationed at busy boarding stations with historical high calls for service.

**The expanded use of real-time cameras.** Cameras from light rail vehicles and buses and stations, are monitored in real time throughout the service day.

**Facility enhancements.** From elevator and escalator repairs to deep cleanings and public artwork, many



locations are being renovated to become more durable and welcoming.

**Transit Rider Investment Program.** Transit Rider Investment Program (TRIP) Agents ride transit to support customers in a variety of ways, including providing information about routes and schedules, educating customers about Code of Conduct, and administering first-aid. TRIP agents also inspect fares and issue administrative citations for fare non-payment.

**Code of Conduct.** Following a public engagement process, the Met Council adopted rules for riding describing behaviors for riders while on the system. Rules have been prominently posted across the transit network.

**Ongoing recruitment to expand presence on transit.** Metro Transit continues to seek ways of recruiting and retaining frontline transit workers, including police officers, Community Service Officers (CSOs) and TRIP Agents. The 2025 budget includes resources to support this goal.







## **WE HELP SUSTAIN OUR REGION'S NATURAL RESOURCES**

All nine water resource recovery facilities received national recognition for excellence in compliance with federal clean water permit limits in 2023. Six of our facilities achieved national recognition for sustaining 100% permit compliance for seven to 33 years.

Wastewater treatment rates have remained reasonable, averaging \$31 a month per household. We also collect and provide samples to the University of Minnesota's Medical School so they can measure and report SARS-CoV-2 (the disease known as COVID-19) levels in the region.

In 2025, we will undertake \$367 million in capital investment to preserve existing assets, improve efficiency, and provide needed capacity for growth. Key projects in 2025 include interceptor, lift station, and meter improvements in Saint Paul, Minneapolis, Long Lake, Victoria, Chanhassen, Maple Plain, Woodbury, Maplewood, Maple Grove, Coon Rapids, Empire, Cottage Grove, Hastings, Mounds View, New Hope, Rosemount, Eureka Township, Columbia Heights, Anoka, and Apple Valley; addition of a fourth incinerator, renewal of primary and secondary treatment facilities, and rehabilitation of the effluent pumping station at

the Metropolitan Water Resource Recovery Facility in Saint Paul; rehabilitation of heating, ventilation, and air conditioning and fire alarm systems, gravity thickener metals and electrical equipment at the St. Croix Valley facility in Oak Park Heights; rehabilitation of electrical equipment, instrumentation and controls, and the outfall at the Hastings facility; and addition of a fifth digester at the Blue Lake facility in Shakopee. In addition to projects at our facilities, we've worked with communities and awarded grants for projects providing benefits for stormwater management, water supply, and green infrastructure.

Our regional water resource and water supply planning work supports a sustainable and equitable future for a growing region. Through a new and significantly increased level of community engagement and collaboration, we partner to optimize and protect water resources and infrastructure for future generations.

We're planting landscapes at our facilities that need less water, reduce runoff, and provide habitat for birds, bees, and butterflies. Five properties are on their way to being converted to drought-tolerant turf, bee lawn, and Minnesota native plants.

## WE INVEST IN GREEN SPACES

The Parks Acquisition Grant Program helps regional partners acquire new park and trail land in the Twin Cities region. The Regional Parks and Trails System protects valuable natural resources and wildlife habitats, helps address climate change, and provides health and happiness for the residents of our region.

As identified in the Thrive MSP 2040 plan, the Met Council recognizes the importance of taking care of our regional parks and trails for many generations to come. In 2023, the Minnesota Legislature made an investment of nearly \$29 million for operations and maintenance

of our regional parks across state fiscal years 2024 and 2025. This included a one-time \$6 million boost in 2024 and an ongoing increase of \$1.5 million annually thereafter. Regional parks and trails will also receive more than \$29 million in funds from the Clean Water, Land, and Legacy Amendment in state fiscal year 2025. In 2024, an additional \$4.6 million in appropriations supported community tree planting. These combined investments represent the largest state investment in the region's parks and trails in recent history.

## WE PROMOTE HOUSING OPPORTUNITIES

The Met Council promotes housing opportunities across the region through direct tenant supports, our Livable Communities Act grant programs, and through our policy and technical assistance work.

The Metro HRA, launched the U.S. Department of Housing and Urban Development's Community Choice Demonstration Program. The program:

- Works with voucher holders with children to encourage movement to low-poverty neighborhoods
- Provides support in addressing barriers to increasing housing choices by offering mobility-related services
- Includes a rigorous, independent evaluation to determine which supports are most effective in helping families achieve success

The Metro HRA established a partnership with the Metro Transit Homeless Action Team in 2018 to address homelessness in the region. The partnership has connected more than 400 households to housing since the partnership began. The partnership continues with an effort to connect people experiencing homelessness and utilizing transit as shelter to housing vouchers and services to achieve housing stability.

The Met Council provides more than \$28 million in annual grants through the Livable Communities program to help local government communities create more housing choice, support living wage job creation, and connect jobs, housing, and regional amenities to create a more equitable region.

Through housing policy planning, the Met Council assists communities throughout the region in planning for and creating options that give people of all income and life stages viable choices for safe, stable, and affordable homes. The Met Council received a competitive Pathways to Removing Obstacles Housing award from the U.S. Department of Housing and Urban Development in 2024, to deepen assistance to communities in the region to break down barriers to affordable housing development. We anticipate this grant will fund work through 2029.



# 2025 PRELIMINARY BUDGET AND LEVIES

For 2025, the Met Council is proposing to spend \$1.61 billion for operations, pass-through programs, and debt service (loan repayments and interest).

## Where our funding comes from

**Charges for services.** A little over a quarter (27%) of our funding comes from retail and wholesale services. Our primary paying customers are transit riders and local municipalities for wastewater services.

**Transit fare revenues.** Revenues for 2025 are projected to total \$58.9 million. This reflects an increase from 2023 when actual fare revenue was \$54.1 million, but still significantly lower than the pre-pandemic budget of \$115.4 million.

Ridership on most of our services is forecasted to remain lower due to persistent pandemic impacts. Metro Mobility ridership is projected to be at 95% of pre-pandemic levels in 2025. Light rail ridership is forecasted at 62% of pre-pandemic levels, the bus system is forecasted at 62%, and Northstar commuter rail is forecasted at 15% pre-pandemic levels.

The Met Council continues to monitor and evaluate ridership impacts from the pandemic on a daily and weekly basis to evaluate services and the need for service adjustments.

Metro Mobility service is designed to meet state and federal standards, and ridership has grown disproportionately to other transit services in the region. Prior to the pandemic, ridership grew 67%, and the service now has 38,000 certified riders.

**Federal relief funds.** Met Council received three rounds of federal relief funding for transportation in 2020 and 2021, totaling \$725.8 million. These funds have been essential to maintaining service and balance the Met Council's transportation budget and providing support to the suburban transit providers. We expect the last of these funds to be spent in 2025.

Federal Pandemic Fund Spending since 2020							
	2020	2021	2022	2023	Amended Budget 2024	Preliminary 2025	TOTAL
Coronavirus Aid, Relief, and Economic Security Act (2020)	\$197.1 million	\$22.5 million	\$6.8 million				\$226.5 million
Coronavirus Response and Relief, Supplemental Appropriations Act (2021)		\$9.9 million	\$100 million		\$56.3 million	\$19.7 million	\$185.9 million
American Rescue Plan Act (2021)		\$16.8 million	\$118.7 million	\$166.4 million	\$11.5 million		\$313.4 million
<b>TOTAL</b>	\$197.1 million	\$49.2 million	\$225.6 million	\$166.4 million	\$67.8 million	\$19.7 million	\$725.8 million

**Operating reserves.** We expect to use federal funds, along with one-time use of approximately \$161.6 million in operating reserves, to balance the budget of Met Council transportation operations in calendar year 2025.

**Bus service revenues.** In addition to our use of one-time federal and reserve funds, the 2025 preliminary budget assumes bus service levels will be at approximately 91% of pre-pandemic levels, with service for light rail, and Metro Mobility at 95%, and Northstar at 55% of pre-pandemic levels (four trips daily with special event service and no weekend service). The actual service levels on bus and light rail are dependent on operator hiring availability.

The 2025 budget provides for increasing presence of non-sworn personnel who would conduct fare inspection, help customers, and monitor situations to help deter incidents and code-of-conduct violations.

**Wastewater charges.** Wastewater charges to local municipalities, which fund operations and debt service, are projected to total \$297.4 million in 2025. Other customer-generated sources include industrial waste charges (\$19.6 million) and sewer availability charges for new or expanded capacity (\$52.8 million).

The preliminary budget includes an increase in the metropolitan wastewater charge of 5.6%. The sewer availability charge of \$2,485 per unit will not increase for 2025 and has been flat since 2014.

**Federal revenues.** We receive federal revenues to support our transit and housing assistance programs, totaling approximately 11% of operating revenues. The preliminary 2025 budget for the Metropolitan Housing and Redevelopment Authority includes \$108 million in federal revenues. More than 91% is passed through as rental assistance payments directly to landlords for tenant voucher holders.

**Property taxes.** Counties, cities, and school districts receive most of the revenue raised by property taxes in the region. The Met Council typically receives about 1.2% of the average property taxes in the Twin Cities.

The Met Council's 2025 budget proposes property tax levies payable in 2025 of \$96.05 million. Property taxes are primarily used to pay debt service on bonds issued to support two purposes: the capital improvement programs for transit and parks and the pass-through grants to local communities with the Livable Communities fund.

This fund supports community investments that revitalize economies, create affordable housing, and connect land uses and transportation. The fund also supports a category of transit-oriented development grants for high-density, mixed-use projects located along transit corridors.

**State revenues.** The Met Council receives revenue from the State of Minnesota, derived primarily from motor vehicle sales taxes (\$396.7 million) and from state general fund appropriations mainly for rail operations (\$32.7 million) and Metro Mobility (\$74.2 million). The Met Council also estimates the use of \$189.2 million of the regional sales tax in transit operations.

The state updates its revenue forecast in February and November each year. This budget relies on the state's February 2024 forecast. Metro-area transit receives 34.3% of motor vehicle sales tax revenues. The Met Council budget includes pass-through funds of \$49.1 million in motor vehicle sales tax revenues to suburban transit providers.

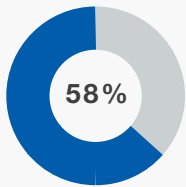
The Legislature has continued to divide our base general fund appropriation for transit into separate line items for Metro Mobility and the Met Council's transit system. In July 2025, the state will assume financial responsibility for Metro Mobility, covering the gap between program revenues and operating and capital expenses of the program. The state general fund also funds a share of light rail and commuter rail, and help fund housing assistance and environmental services grants.



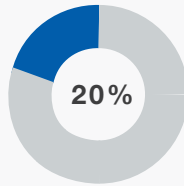
# 2025 PROPOSED NUMBERS

Property tax levies: **\$96.1 million**

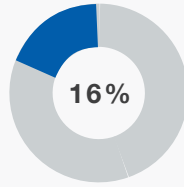
## COST BREAKDOWN



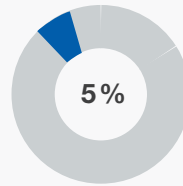
TRANSIT DEBT SERVICE



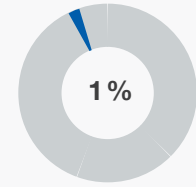
GENERAL PURPOSES



LIVABLE COMMUNITIES

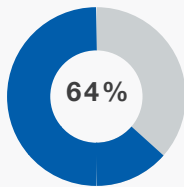


TAX BASE REVITALIZATION

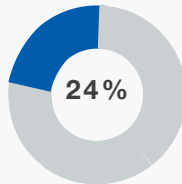


PARKS DEBT SERVICE

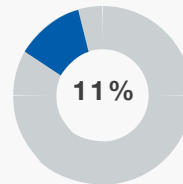
Operating budget uses by division: **\$1.6 billion**



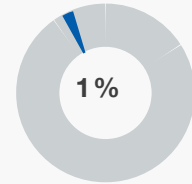
TRANSPORTATION



ENVIRONMENTAL SERVICES



COMMUNITY DEVELOPMENT



REGIONAL ADMINISTRATION & OTHER POST-EMPLOYEE BENEFITS

## Debt service and bonds

About 59% of total preliminary property tax levies is dedicated to paying debt service on bonds issued to support preserving and investing in capital assets for transit and parks.

Our total general obligation debt outstanding is \$1.7 billion as of Dec. 31, 2023. Approximately 70% of this debt relates to wastewater assets and is paid for by fees collected for wastewater services.

Our bonds receive the highest possible ratings from Moody's and Standard and Poor's credit ratings agencies (AAA). Our top ratings reflect the sound financial management of the Met Council and allow us to borrow money at the lowest market interest rates.

## Right-of-way acquisition loan fund

The Right-of-Way Acquisition Loan Fund program provides zero-interest loans to local governments to acquire right-of-way along highway corridors in advance of development. The proposed levy for 2025 does not include an amount for this fund. The fund has sufficient balance available to meet program needs for 2025.

## Property tax impact

The 2025 budget proposes tax levies, payable in 2025, of \$96.05 million. Property taxes are primarily used to pay debt service on bonds issued to support the transit and parks capital improvement programs and to provide pass-through grants to local communities under the Livable Communities Act.

The proposed payable 2025 levy of \$96.05 million represents a 2% increase over the amount payable in 2024. Under the proposed levy, a metro area home with an estimated value of \$300,000 could pay a Met Council-related property tax of approximately \$47 inside the transit-taxing communities and \$17 outside the transit-taxing communities.

The Met Council’s statutory limit for general purposes and other non-debt service levies is \$44.7 million for taxes payable in 2025, compared to the proposed levy of \$39.48 million which is about 12% below the levy cap.

Levies for debt service are not directly limited, but the levies for parks and transit are essentially restricted by our bonding authority (the dollar amount of bonds we can issue) as defined in statute. The proposed debt service for transit and parks debt service is \$56.6 million in 2025, which is 2.3% more than 2024 debt service levy.



## Met Council fund accounting

Revenue collected by the Met Council is directed into separate funds. These funds allow us to manage spending by directing the revenue dedicated to specific activities or objectives to a group of related accounts. By maintaining separate funds, we comply with laws that require funds be spent for a specific purpose. For example, the Met Council may not raise transit fares to pay for wastewater services.

The general fund is used to account for administration functions of our Regional Administration and Community Development divisions. The Met Council has the most

discretion in the use of general fund dollars. The general fund accounts for about 6% of the Met Council budget and is primarily funded by the general-purpose property tax levy and inter-divisional allocations.

## Post-employment benefits

Funds are invested in a trust account to cover our liability for other post-retirement employee benefits (closed plan). We anticipate investments totaling \$330.3 million on Dec. 31, 2023 will be sufficient to cover projected future costs for retirees.

# Budget process

## Developing and reviewing the budget

The process for developing the 2025 preliminary budget continues to be impacted by the longer-term effects of the pandemic and the local economy, particularly around transit ridership and commuting patterns, as well as the labor and supply markets. We anticipate the budget will change between the preliminary budget adopted in August and the final budget adopted Dec. 11, 2024.

Met Council standing committees review and refine divisions' operating budgets in the summer. Then the Met Council adopts a preliminary operating budget and property tax levy prior to the statutory deadline of Sept. 1. In the months that follow, the committees move to reviewing the capital budget, which is a six-year program of projects. A Unified Operating and Capital Budget is released for public comment in October, and the Met Council adopts the unified budget prior to the statutory deadline of Dec. 20

### BUDGET TIMELINE

JUNE

#### JAN-JUNE

The Regional Administrator meets with division managers to build a proposed budget.

JULY

#### JULY-AUG

The Met Council's standing committees review and refine our divisions' proposed budgets. The Met Council adopts a preliminary operating budget and property tax levy by Sept. 1.

AUG

#### AUG-OCT

The Met Council's standing committees review the proposed capital program. The capital improvement plan covers six years and includes projects such as replacement of transit fleet, park land acquisition and development, and wastewater system infrastructure. Met Council approves Unified Operating and Capital Budget for public comment in October.

SEPT

OCT

NOV

#### NOV-DEC

#### Receiving public comment

Public comment is received on our proposed budget and levies until final adoption at the Met Council meeting on Dec. 11, 2024.

"Truth in Taxation" notices are mailed by metro area counties to property owners showing the proposed amount of property tax that they will be required to pay during the coming year from all taxing jurisdictions.

DEC





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