

People

Transportation

Housing

Bikes

Financial Condition

Planning

Bus

Parks

Future

Cars

Sustainability

Efficient

MANAGEMENT COMMITTEE

Prosperity

Train

Growth

Light Rail

3<sup>RD</sup> QUARTER FINANCIAL REPORT

November 18, 2015

Livability

Light Rail

Trails

Diversity

Treatment

Equity

Airplane

Communities

Wastewater & Water

Lakes

Treatment

Regional

Economic

Roads



METROPOLITAN  
C O U N C I L

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**OPERATING FUNDS-STATEMENT OF REVENUES & EXPENSES**

**OPERATING FUNDS  
STATEMENT OF REVENUES AND EXPENSES  
2015 - 3rd Quarter Results  
(in thousands)  
Unaudited**

	General Fund					Environmental Services					Housing and Redevelopment Authority				
	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance*	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance*	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance*
Revenues	7,583	63%	12,272	12,097	175	152,186	72%	209,068	211,603	(2,535)	46,640	76%	61,689	61,689	0
Expenses	36,838	64%	55,376	57,909	2,533	81,959	65%	122,325	125,720	3,395	45,079	74%	60,322	61,089	767
Transfers	30,488	70%	42,679	43,407	(728)	(67,196)	77%	(86,698)	(86,844)	146	(735)	144%	(680)	(510)	(170)
Change in Reserve Balance	1,233		(425)	(2,405)	1,980	3,031		45	(961)	1,006	826		687	90	597
Beginning Reserve Balance			15,410					17,477					8,103		
Assigned/Committed			(4,261)										8,790		
Ending Reserve Balance			10,724					17,522					8,790		
Target Balance			5,791					12,572					5,070		

	Metro Transit - Bus					Metro Transit - Light Rail					Metro Transit - Commuter Rail				
	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance*	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance*	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance*
Revenues	209,921	74%	280,545	283,107	(2,562)	54,321	79%	72,540	69,066	3,474	11,014	76%	14,617	14,587	30
Expenses	200,824	69%	278,684	292,505	13,821	35,493	65%	53,886	54,748	862	10,882	67%	15,620	16,249	629
Transfers	3,705	131%	4,308	2,831	1,477	(10,625)	84%	(14,222)	(12,709)	(1,513)	(1,219)	89%	(1,580)	(1,366)	(214)
Change in Reserve Balance	12,802		6,169	(6,567)	12,736	8,203		4,432	1,609	2,823	(1,087)		(2,583)	(3,028)	445
Beginning Reserve Balance			46,362					7,303					6,195		
Assigned/Committed													3,612		
Ending Reserve Balance			52,531					11,735					3,612		
Target Balance			25,434					5,599					1,462		

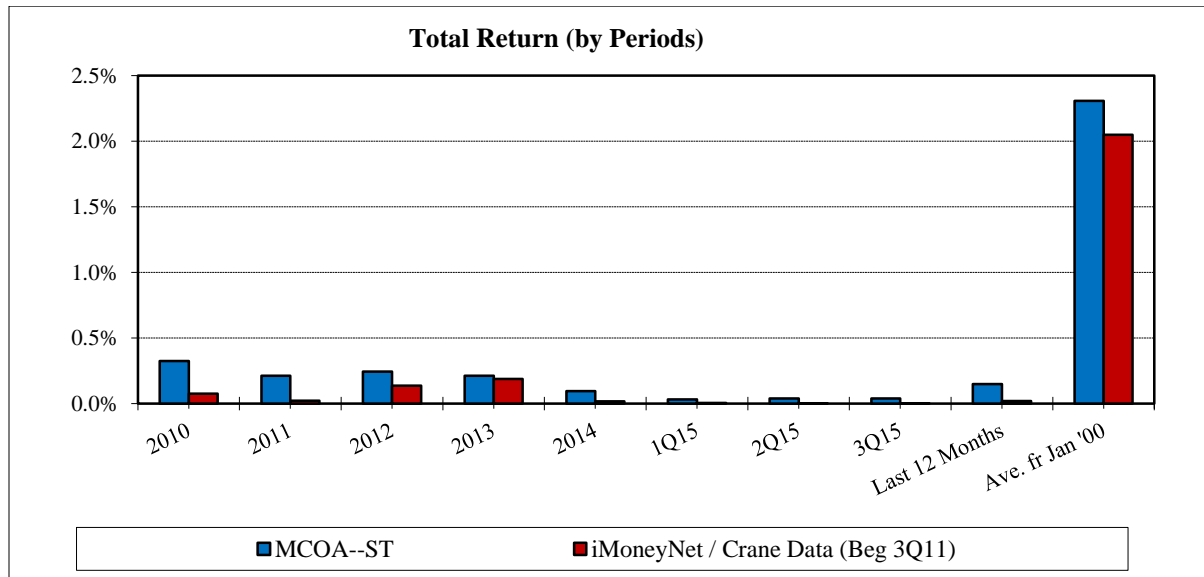
  

	MTS - Transportation Planning					MTS - Metro Mobility					MTS - Contracted Service				
	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance*	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance*	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance*
Revenues	3,158	58%	5,115	5,430	(315)	41,018	76%	54,208	54,096	112	19,491	74%	26,273	26,273	0
Expenses	3,494	56%	5,024	6,211	1,187	43,432	71%	58,238	61,126	2,888	18,120	69%	25,422	26,116	694
Transfers	(945)	80%	(1,260)	(1,184)	(76)	(940)	85%	(1,253)	(1,108)	(145)	(740)	74%	(1,009)	(1,000)	(9)
Change in Reserve Balance	(1,281)		(1,169)	(1,965)	796	(3,354)		(5,283)	(8,138)	2,855	631		(158)	(843)	685
Beginning Reserve Balance			2,826					14,802					6,474		
Ending Reserve Balance			1,657					9,519					6,316		
Target Balance			2,330					6,223					2,712		

\*Variance = Favorable / (Unfavorable)

# Financial Management Report

## METROPOLITAN COUNCIL INVESTMENT PERFORMANCE—SHORT-TERM PORTFOLIO



### 3Q15 Short-Term Portfolio Investment Results

#### Assets under Management (AUM): \$236.7 Million

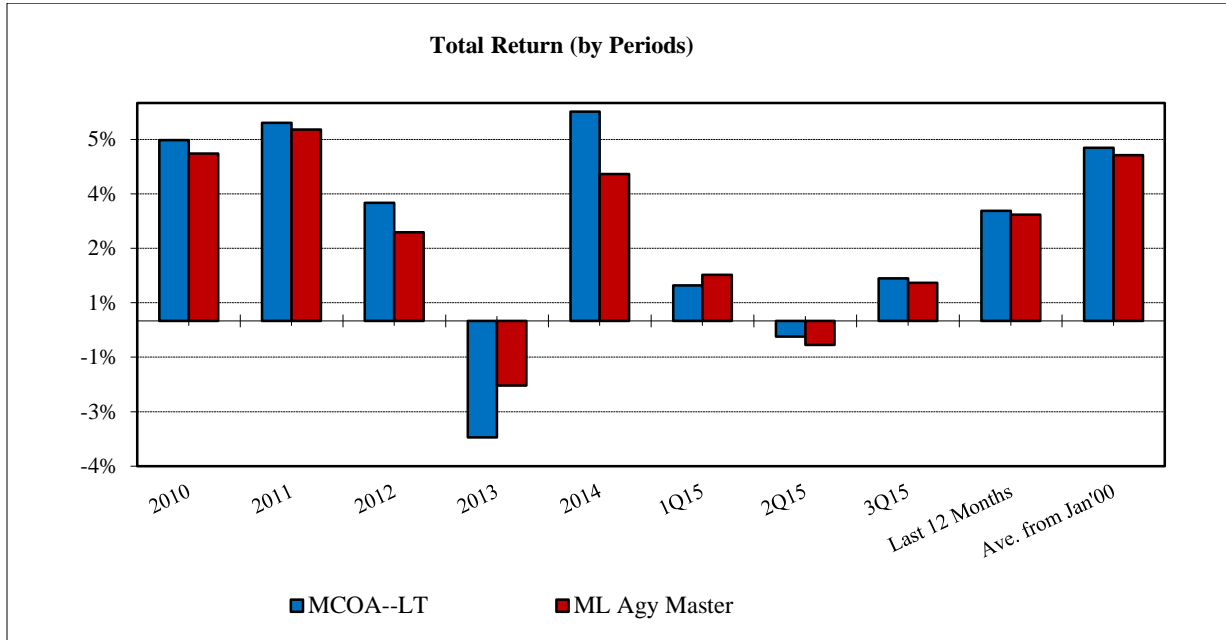
The portfolio outperformed its benchmark during the third quarter. Total return of 0.04% was above the index (0.01%) by 3 basis points. This portfolio has averaged 26 bps per year more than its benchmark over the past 16 years. For the quarter, the Council's liquid cash was invested in government money market funds, Federal Discount Notes and Commercial Paper.

On July 6<sup>th</sup> we received \$40 million for our property tax distribution and on August 6<sup>th</sup> we received \$167 million in bond proceeds. These collections provided funding to be matched up with Debt Service payments, bi-weekly payrolls and daily cash outflows.

On September 28<sup>th</sup> we received \$87.6 million from the FTA for the Central Corridor LRT project. This funding is being used to pay the final debt payment on the 2012G and 2014A GANs issues which are being redeemed early and paid off on November 23, 2015.

# Financial Management Report

## METROPOLITAN COUNCIL INVESTMENT PERFORMANCE—LONG-TERM PORTFOLIO



### 3Q15 Long-Term Portfolio Investment Results

#### Assets under Management (AUM) \$403.4 Million

The portfolio outperformed its benchmark during the third quarter. Total return of 1.17% was above the index (1.05%) by 12 basis points. The portfolio was comprised of 29% municipal bonds (yielding 3.70%), 41% of U.S. agency securities (yielding 1.99%), 29% was invested in government money market funds (yielding 0.01%) and less than 1% was invested in securitized mortgage backed securities (yielding 2.44%).

Once again municipal bonds held steady and generated positive returns relative to other fixed income products. The positive performance was driven by investor demand and constrained supply. Demand for municipal bonds has remained strong supported by crossover buyers and hedge fund investors who continue to reach out for yield and take advantage of the attractive relative value offered by the muni asset class.

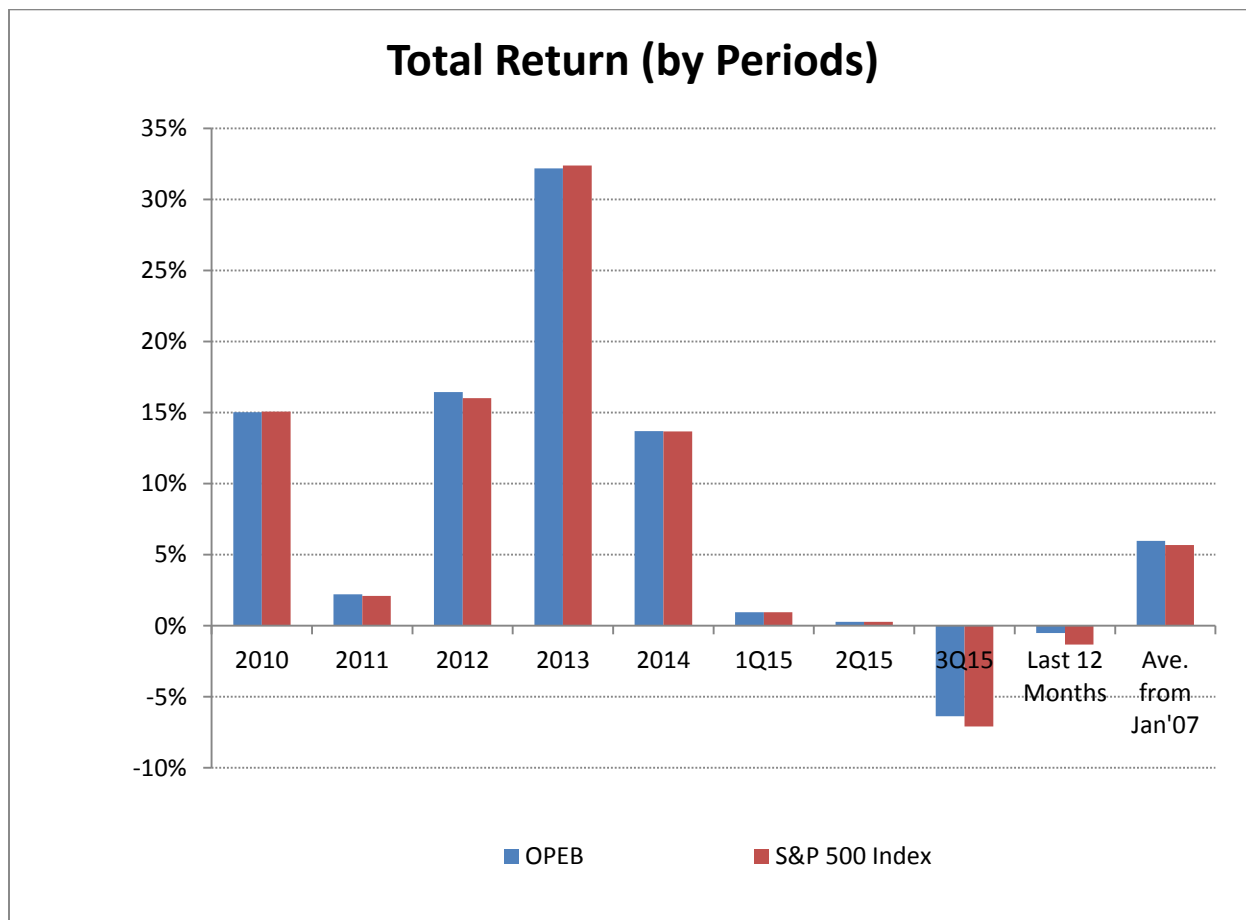
# Financial Management Report

## 3Q15 OPEB PORTFOLIO INVESTMENT RESULTS

Assets under Management (AUM) \$193.4 Million

Currently, the Council's OPEB portfolio is fully invested in equities. At end of the third quarter, the OPEB portfolio posted losses of 6.37% and the S&P 500 index was a negative 7.10%. For the quarter, the portfolio had an unrealized loss of \$14.3 million but dividends from the portfolio paid \$1.1m providing a net loss for the quarter of \$13.2 million.

The OPEB portfolio is a long-term investment vehicle, similar to a pension fund, which will provide both positive and negative market movements over time. We feel over the long term, staying the course is a good strategy. As of October 23<sup>rd</sup>, the OPEB portfolio was at \$209.3 million thus recovering all of the unrealized losses in the third quarter and up 2.54% for the year.

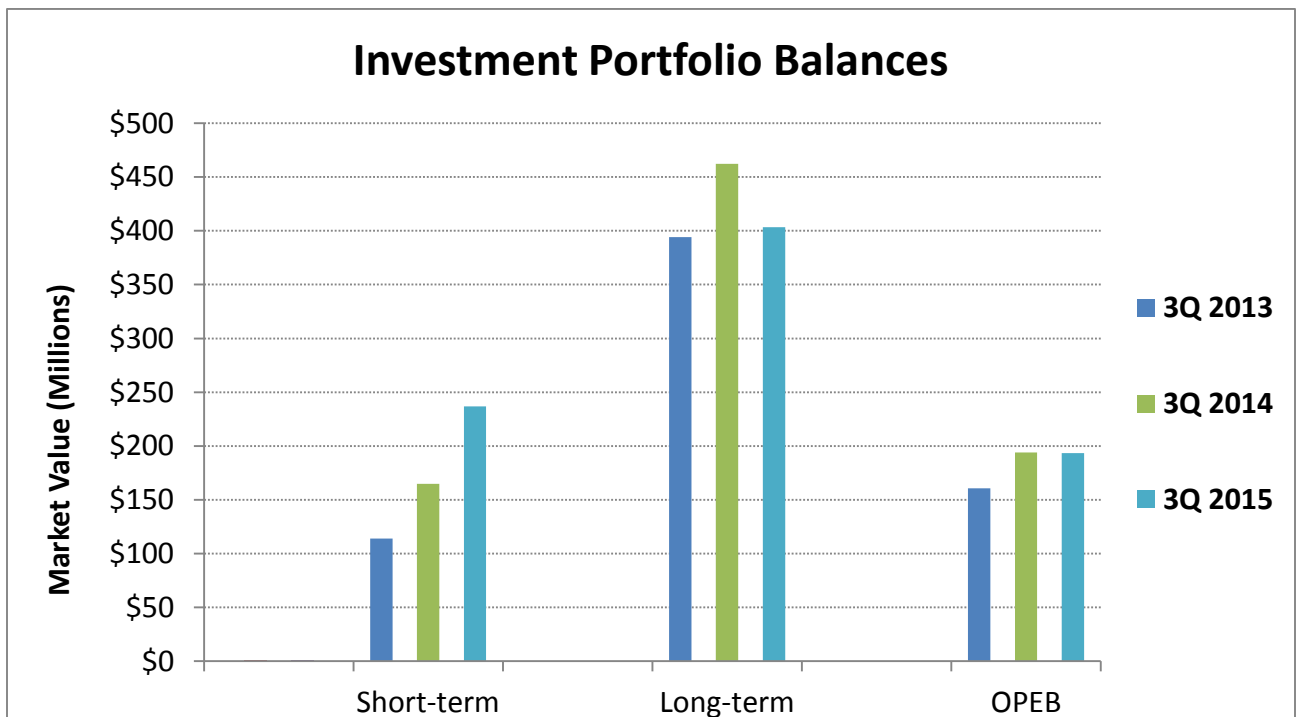


# Financial Management Report

## INVESTMENT PORTFOLIO BALANCES

### Investment Portfolio Balances Market Value (Millions)

	3Q 2013	3Q 2014	3Q 2015
Short-term	\$ 114.0	\$ 164.8	\$ 236.7
Long-term	394.0	462.3	403.4
OPEB	160.7	194.1	193.4
<b>Total</b>	<b>668.7</b>	<b>821.2</b>	<b>833.5</b>



## GENERAL FUND

Unaudited - dollars in thousands

### 2015 3rd Quarter Financial Report General Fund Unaudited - dollars in thousands

	2015 YTD		General Fund		
	Results	% Budget	Projected Year End	2015 Budget	Variance
Revenues	7,583	63%	12,272	12,097	175
Expenses	36,838	64%	55,376	57,909	2,533
Transfers	30,488	70%	42,679	43,407	(728)
Change in Reserve Balance	1,233		(425)	(2,405)	1,980
Beginning Fund Balance			15,410		
Assigned/Committed			(4,261)		
Ending Unassigned Reserve Balance			10,724		
Target Balance (10%)			5,791		

#### General Fund

Year to date 3rd quarter, the General Fund as spent 64 percent of annual budgeted operating expenses.

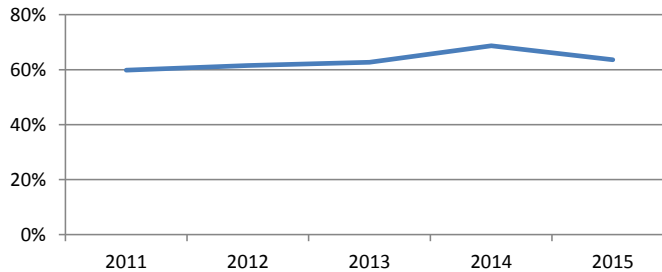
The operating expenses are forecast to be at or near budget through the year end. Salaries and benefits this year are at budget due to fewer vacancies. Spending for contractual services (primarily software maintenance contracts) typically occur in the latter half of the year.

Overall expense spending is favorable by \$2.5 million due to Land Bank grants, Comp planning grants and Jackson Street buildout. These items are (re)budgeted for the 2016 budget in the public comment draft budget adopted by the Council, or will be a carryover item in the 4th quarter.

The amended 2015 General fund budget approved by the Council anticipates a \$2.4 million use of operating reserves. The projected year-end variance is \$1.98M.

The projected year-end unassigned reserve balance is \$10.7M or 18.5%, which is \$4.9M over the Council's target balance.

#### General Fund % of Budget Spent - 3rd Quarter





## Environmental Services

Unaudited - dollars in thousands

### 2015 3rd Quarter Financial Report Environmental Services Unaudited - dollars in thousands

	Environmental Services				
	2015 YTD		Projected		Variance
	Results	% Budget	Year End	2015 Budget	
Revenues	152,186	72%	209,068	211,603	(2,535)
Expenses	81,959	65%	122,325	125,720	3,395
Transfers	(67,196)	77%	(86,698)	(86,844)	146
Change in Reserve Balance	3,031		45	(961)	1,006
Beginning Reserve Balance			17,477		
Ending Unassigned Reserve Balance			<u>17,522</u>		
Target Balance			12,572		

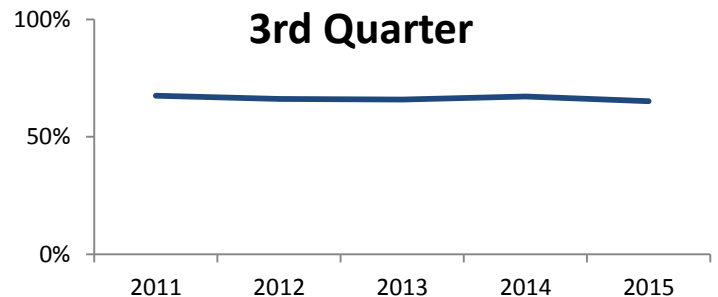
#### Environmental Services

Environmental Services operating expenses/transfers are currently estimated to be under budget by \$3.4M. Salary and benefits are projected to be under budget by approximately \$1.7M, primarily due to the number of staffing vacancies. In addition, there is projected underspending in contracted services, capital outlay, and other direct expenses of \$5.2M. This is offset by chemicals, and materials exceeding budget by approximately \$3.5M. Contracted services will underspend as the majority of repair costs associated with an insurance claim (\$2M) arising from a fire at the Metro Plant will occur in 2016.

Operating revenues are anticipated to be under budget by approximately \$2.4M due primarily to proceeds from the referenced insurance claim occurring in 2016. Grant funds will come in under budget by \$.9M, while investment and interest earnings, along with other miscellaneous revenues, are expected to exceed budget by \$.5M. SAC receipts continue to recover and are expected to exceed the 2014 receipts and are anticipated to meet the 2015 budget expectation of 17,000 units. Note that additional SAC receipts accrue in the reserve but are not considered additional annual revenues.

Environmental Services operations has an amended 2015 budgeted use of reserves of \$.9M for wastewater rate mitigation. If the above forecasted variances occur, reserves will increase by approximately \$0.05M. This estimated \$.95 million positive operating variance would bring the operating reserve to \$17.5M, well above the target of \$12.4M.

### Environmental Services % of Budget Spent - 3rd Quarter



# Financial Management Report

## HOUSING AND REDEVELOPMENT FUND

Unaudited - dollars in thousands

### 2015 3rd Quarter Financial Report Housing and Redevelopment Fund Unaudited - dollars in thousands

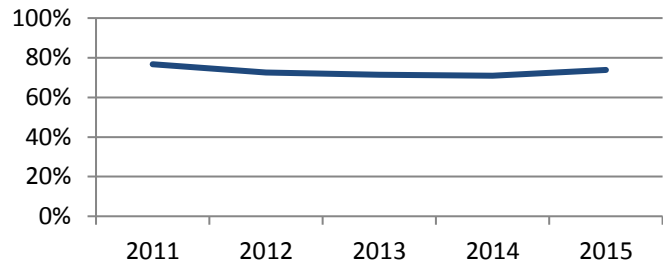
	Housing and Redevelopment Authority				
	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance
Revenues	46,640	76%	61,689	61,689	0
Expenses	45,079	74%	60,322	61,089	767
Transfers	(735)	144%	(680)	(510)	(170)
Change in Reserve Balance	826		687	90	597
Beginning Reserve Balance			8,103		
Ending Reserve Balance			<u>8,790</u>		
Target Balance			5,070		

#### Housing and Redevelopment Authority

The Housing and Redevelopment Authority (HRA) finished third quarter showing a positive fund balance. This is the result of under-spending in salaries and contracted services for the first three quarters of the year. The HRA projects a positive fund balance at year end of nearly \$690,000 vs. budgeted (\$79,998), exceeding the budget and the Council's 8.3% target fund balance.

The federal subsidy revenue is awarded through congressional appropriations. The HRA projects expenditure of 99% of federal subsidy funds at year end.

#### HRA % of Budget Spent - 3rd Quarter



# Financial Management Report

## METRO TRANSIT-BUS

Unaudited - dollars in thousands

### 2015 3rd Quarter Financial Report Metro Transit - Bus Unaudited - dollars in thousands

	Metro Transit - Bus				
	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance
Revenues	209,921	74%	280,545	283,107	(2,562)
Expenses	200,824	69%	278,684	292,505	13,821
Transfers	3,705	131%	4,308	2,831	1,477
Change in Reserve Balance	12,802		6,169	(6,567)	12,736
Beginning Reserve Balance			46,362		
Ending Reserve Balance			<u>52,531</u>		
Target Balance			25,434		

#### Metro Transit Bus

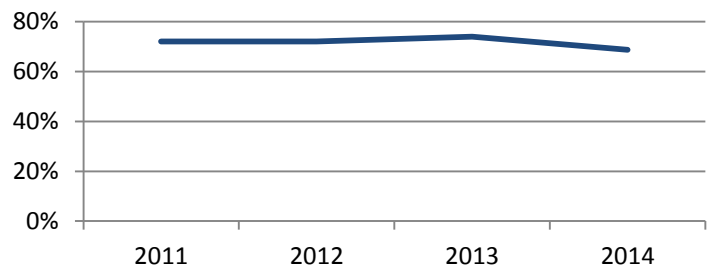
Metro Transit Bus adopted budget uses \$6.6M of reserves.

The projected year end variance is \$12.7M. The year-end fund balance is projected at \$52.5M or 16.7%, which is \$27.1M over the Council's target balance.

The passenger revenues are expected to be down \$2.2M due to decreased ridership. Through September ridership is down 3.1M riders.

The operating expenses are forecast to be under budget by \$13.8M mainly due to, salaries and benefits which are expected to be \$5.9M under budget due to open positions and savings in insurance. Fuel expenses are forecast to be \$5.3M under budget due to decreases in both pump price and futures. Also, utilities are expected to be \$600K due to energy savings from capital improvements in our transit facilities.

### Metro Transit - Bus % of Budget Spent - 3rd Quarter



# Financial Management Report

## METRO TRANSIT-LIGHT RAIL

Unaudited - dollars in thousands

### 2015 3rd Quarter Financial Report Metro Transit - Light Rail Unaudited - dollars in thousands

	Metro Transit - Light Rail				
	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance
Revenues	54,321	79%	72,540	69,066	3,474
Expenses	35,493	65%	53,886	54,748	862
Transfers	(10,625)	84%	(14,222)	(12,709)	(1,513)
Change in Reserve Balance	8,203		4,432	1,609	2,823
Beginning Reserve Balance			7,303		
Ending Reserve Balance			<u>11,735</u>		
Target Balance			5,599		

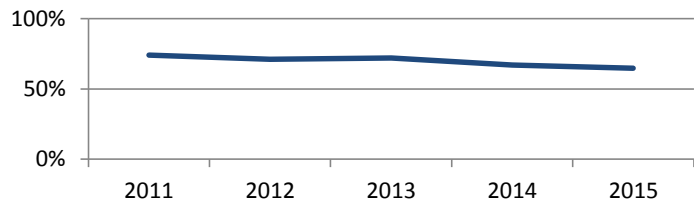
#### Metro Transit Light Rail

Metro Transit Light Rail adopted budget has a contribution of \$1.6M. The projected year end variance is \$2.8M. The year-end fund balance is projected at \$11.7M or 16.6%, which is \$5.9M over the Council's target balance.

The passenger fares are forecast to be \$3.3M over budget. Year-to-date ridership is 2.07M over for September year-to-date.

The operating expenses are forecast to be \$862K under budget mainly due to, salaries and benefits which are expected to be \$1.7M under budget due to open positions and insurance savings. Materials and supplies are expected to be \$366K under budget due to savings on warranty repairs. Utilities are expected to be under budget by \$576K and Consulting /Contractual services under budget by \$417K. Refunds to funding partners are forecast to be \$2.8M and are included in other operating expenses.

### Metro Transit - Light Rail % of Budget Spent - 3rd Quarter



# Financial Management Report

## METRO TRANSIT-COMMUTER RAIL

Unaudited - dollars in thousands

	Metro Transit - Commuter Rail				
	2015 YTD		Projected		
	Results	% Budget	Year End	2015 Budget	Variance
Revenues	11,014	76%	14,617	14,587	30
Expenses	10,882	67%	15,620	16,249	629
Transfers	(1,219)	89%	(1,580)	(1,366)	(214)
Change in Reserve Balance	(1,087)		(2,583)	(3,028)	445
Beginning Reserve Balance			6,195		
Ending Reserve Balance			<u>3,612</u>		
Target Balance			1,462		

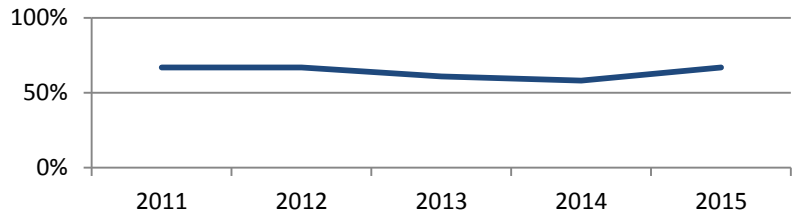
### Metro Transit - Commuter Rail

Metro Transit Commuter Rail adopted budget uses \$3.0M of reserves. The projected positive year end variance is \$445K. The year-end fund balance is projected at \$3.6M or 19.4% which is \$2.2M over the Council target balance.

The passenger revenues are expected to be close to the budgeted level. Ridership through September is down 1,497 rides or 0.27% from prior year levels.

The operating expenses are forecast to be under budget by \$628K mainly due to, salaries and benefits which are expected to be \$711K below budget due to open positions and insurance savings. Fuel is expected to be under budget by \$464K due to the drop in diesel prices. Offset by other/misc expenses to be projected over budget by \$575K, due to a refund to funding partners of \$637K.

### MT - Commuter Rail - % of Budget Spent - 3rd Quarter



# Financial Management Report

## METROPOLITAN TRANSPORTATION SERVICES

Unaudited - dollars in thousands

### 2015 3rd Quarter Financial Report Metropolitan Transportation Services - Transportation Planning Unaudited - dollars in thousands

	MTS - Transportation Planning				
	2015 YTD Results	% Budget	Projected Year End	2015 Budget	Variance
Revenues	3,158	58%	5,115	5,430	(315)
Expenses	3,494	56%	5,024	6,211	1,187
Transfers	(945)	80%	(1,260)	(1,184)	(76)
Change in Reserve Balance	(1,281)		(1,169)	(1,965)	796
Beginning Reserve Balance			2,826		
Ending Reserve Balance			<u>1,657</u>		
Target Balance			2,330		

#### MTS - Transportation Planning

Transportation Planning anticipates being under budget by \$796K at year end.

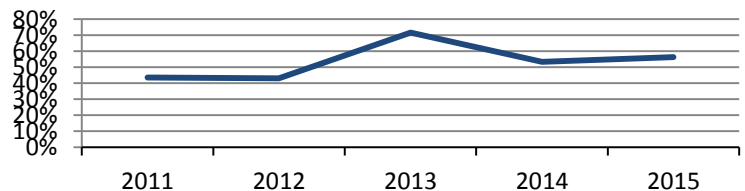
Consulting expenses are expected to be under budget for the year by \$1.5M, with that amount under contract to be paid out in the following year. The \$1.1M transit on-board survey was recently amended into the planning budget, however actual expenses will be reflected against the 2016 budget. Changes in consulting expenses have a corresponding 80% impact on federal revenue.

Pass through grant expenses are projected to be \$402k over budget as subrecipients work to complete their projects. Those expenses are directly offset by an increase in federal revenue.

Salaries and benefits are expected to come in slightly under budget (\$58k) due to an open position, while allocated expenses are projected to come in slightly over budget (\$76k).

Fund balance at year end is anticipated to exceed the target policy level set for the combined Transportation Planning Fund and Contracted Services Fund. Excess balance will be reallocated in 2016 through the application of the regional revenue model.

### MTS - Transportation Planning - % of Budget Spent - 3rd Quarter



# Financial Management Report

## MTS-METRO MOBILITY

Unaudited - dollars in thousands

### 2015 3rd Quarter Financial Report Metropolitan Transportation Services - Metro Mobility Unaudited - dollars in thousands

	MTS - Metro Mobility				
	2014 YTD		Projected		
	Results	% Budget	Year End	2015 Budget	Variance
Revenues	41,018	76%	54,208	54,096	112
Expenses	43,432	71%	58,238	61,126	2,888
Transfers	(940)	85%	(1,253)	(1,108)	(145)
Change in Reserve Balance	(3,354)		(5,283)	(8,138)	2,855
Beginning Reserve Balance			14,802		
Ending Reserve Balance			<u>9,519</u>		
Target Balance			6,223		

#### MTS - Metro Mobility

Metro Mobility anticipates being under budget by \$2.8M at year end.

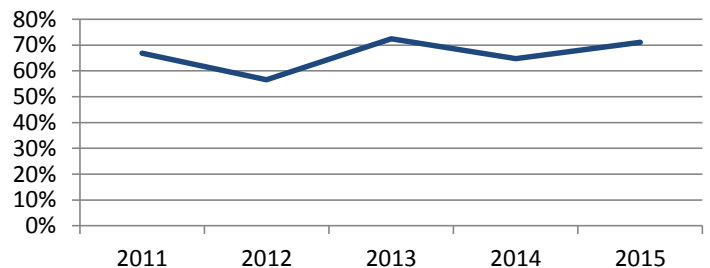
Fare revenue and ridership are on budget and are expected to continue to meet budget plans.

Metro Mobility is seeing a significant savings in fuel costs due to lower than anticipated prices. Fuel is expected to be under budget for the year by approximately \$3M. The average price per gallon for the first nine months of 2014 was \$2.98 compared to an average price of \$1.97 for the first nine months of 2015.

Utilities are running over budget by an estimated \$181K due to the addition of Automatic Vehicle Locator technology to fleet buses. Allocated expenses are also running slightly over budget, with year end total anticipated to exceed budget by approximately \$76K. Both of these overruns are offset by fuel cost savings.

Reduced spending levels will result in projected reserves exceeding target policy levels. Excess balance will be reallocated in 2016 through the application of the regional revenue allocation model.

#### MTS - Metro Mobility % of Budget Spent - 3rd Quarter



## MTS-CONTRACTED SERVICES

Unaudited - dollars in thousands

### 2015 3rd Quarter Financial Report Metropolitan Transportation Services - Contracted Service Unaudited - dollars in thousands

	MTS - Contracted Service				
	2014 YTD Results	% Budget	Projected Year End	2015 Budget	Variance
Revenues	19,491	74%	26,273	26,273	0
Expenses	18,120	69%	25,422	26,116	694
Transfers	(740)	74%	(1,009)	(1,000)	(9)
Change in Reserve Balance	631		(158)	(843)	685
Beginning Reserve Balance			6,474		
Ending Reserve Balance			6,316		
Target Balance			2,712		

#### MTS - Contracted Service

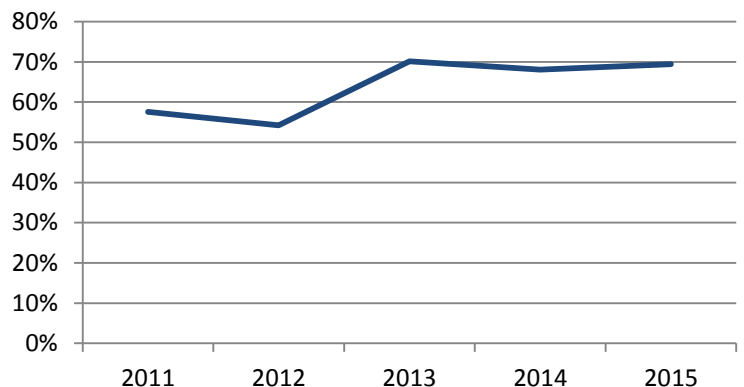
Contracted Services anticipates being under budget by \$685K at year end.

Revenues are on budget and expense savings are being realized due to lower than budgeted fuel costs. Fuel is expected to be under budget for the year by \$757K due to lower than anticipated fuel prices.

Utilities expenses are expected to be \$63K over budget for the year, due to increased use of communication technology. Allocated expenses are running slightly over budget as well, and are estimated to exceed budget by \$9K at year end. Both of these cost overruns are offset by fuel cost savings.

Reduced spending levels result in projected reserves exceeding the target policy level set for the combined Transportation Planning Fund and Contracted Services Fund. Excess balance will be reallocated in 2016 through the application of the regional revenue model.

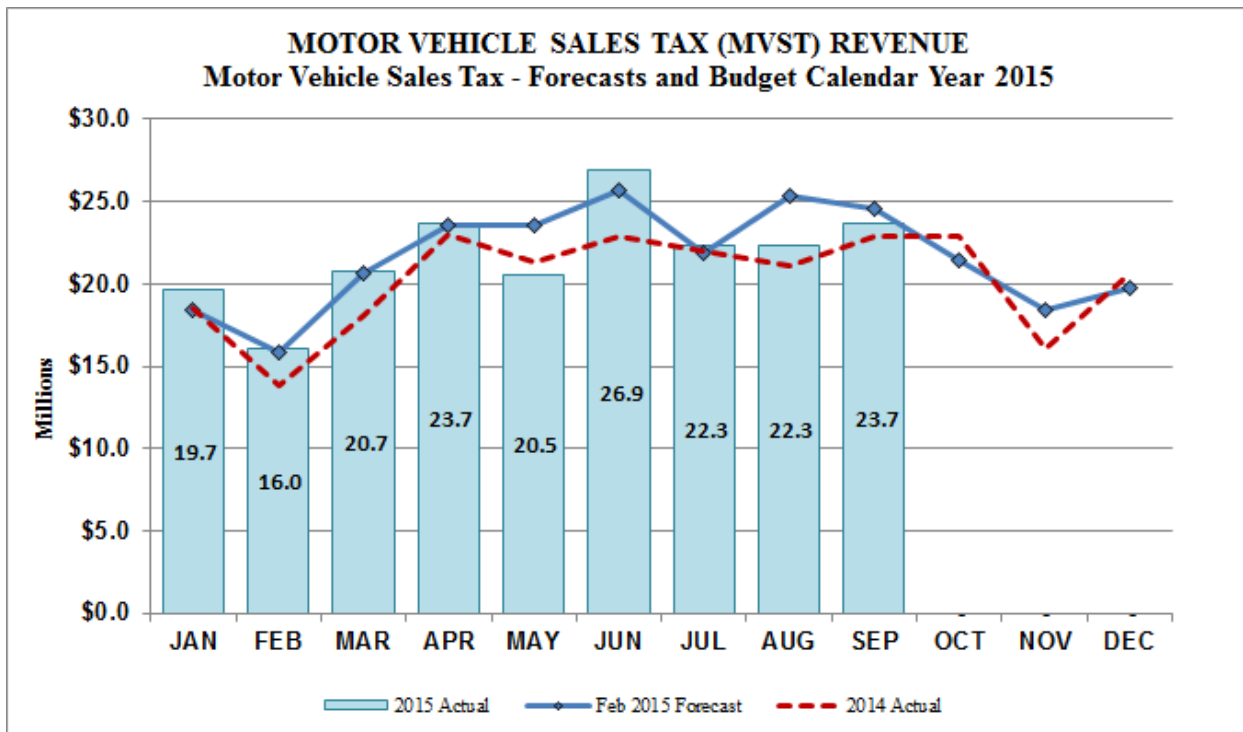
#### MTS - Contracted Service % Of Budget Spent - 3rd Quarter



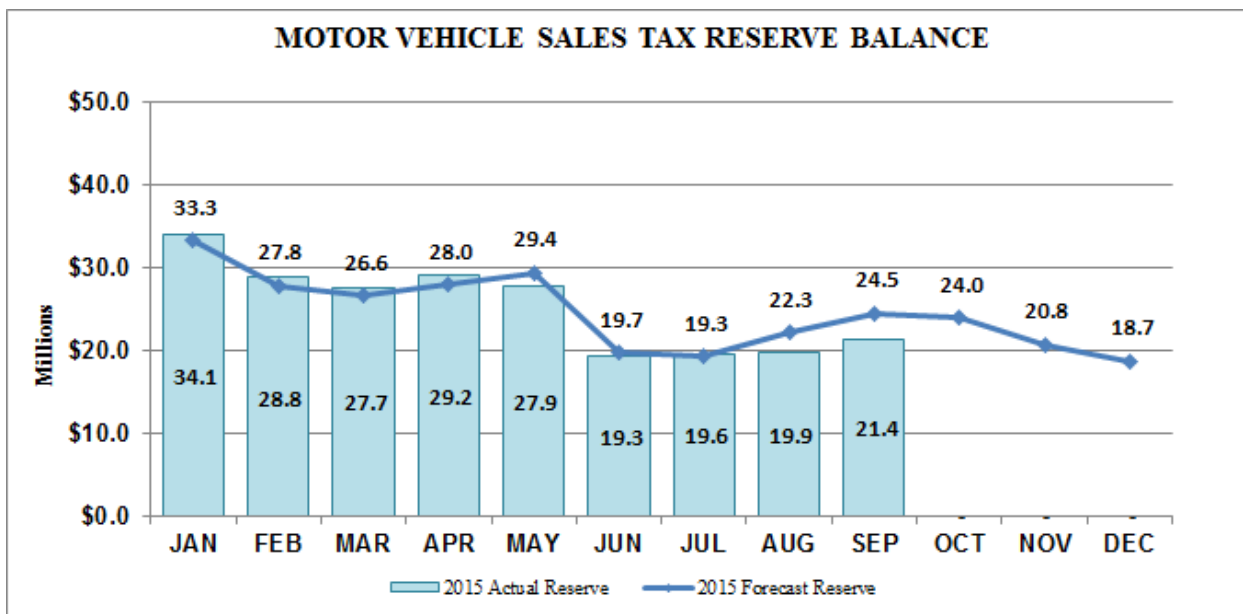


# Financial Management Report

## MOTOR VEHICLE SALES TAX (MVST) REVENUES



Motor vehicle sales tax receipts through the first nine months of 2015 totaled just under \$196 million, 98% of forecast. MVST reserves on September 30 are \$21.4 million and reflect the transfer of \$13 million to the Southwest Corridor project office. The \$13 million will be paid back to the MVST reserve in CY 2016.



# Financial Management Report

## MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

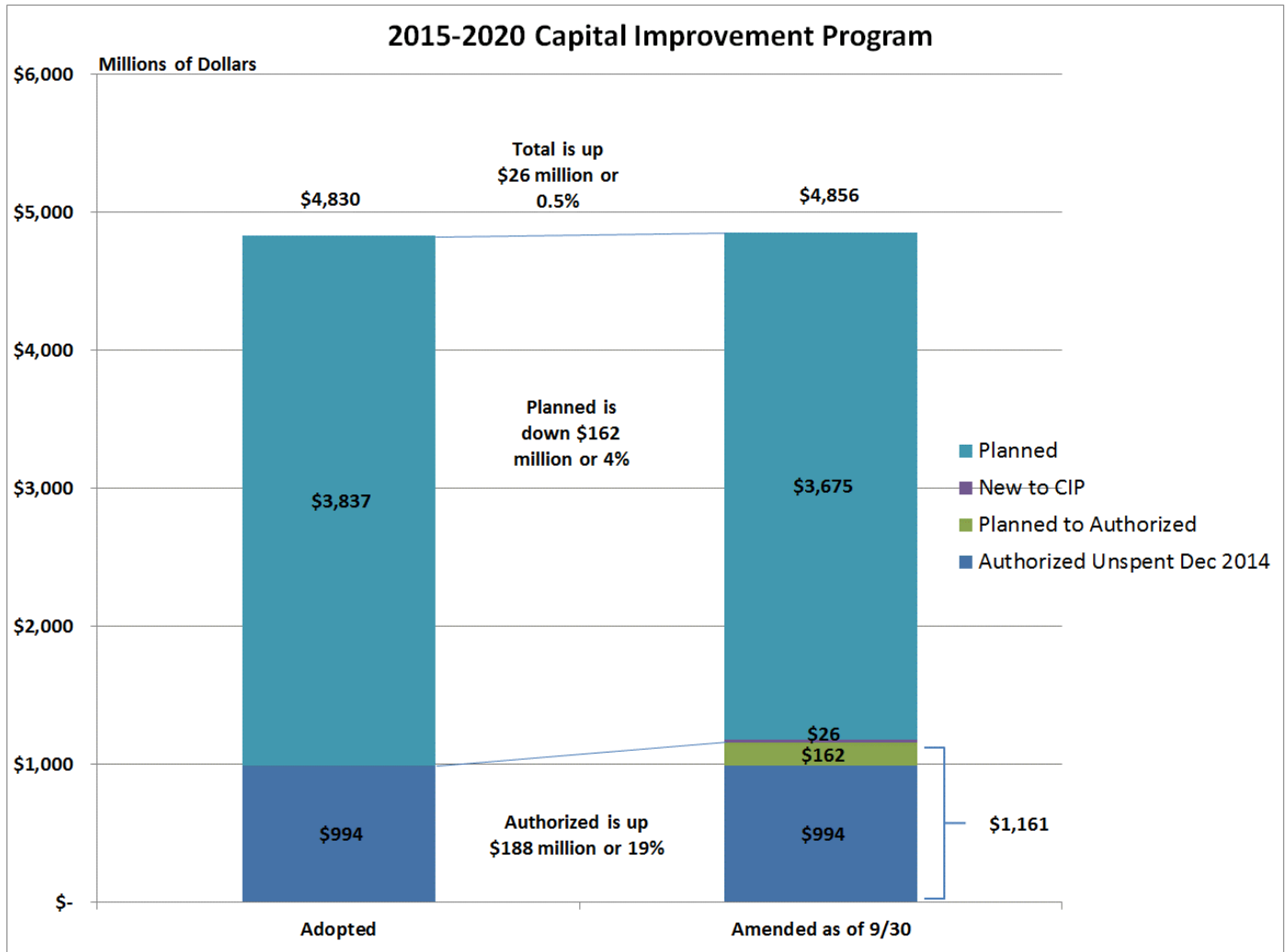
Dollars in millions

### MOTOR VEHICLE SALES TAX – FORECASTS AND BUDGET CALENDAR YEAR 2015

	<b>Total</b>	<b>Jan-Jun</b>	<b>Jul-Dec</b>
<b>November 2013 Forecast</b>	258.4	125.5	132.9
<b>2014 Council Budget:</b>			
Current MVST Revenues	245.5	122.7	122.8
Use of MVST Reserve	16.8	8.4	8.4
<b>February 2015 Forecast</b>	259.0	127.7	131.3
<b>YTD Actuals</b>	195.8	127.5	68.3
<b>% of February Forecast</b>	76%	100%	52%

# Financial Management Report

## 2015-2020 CAPITAL IMPROVEMENT PROGRAM

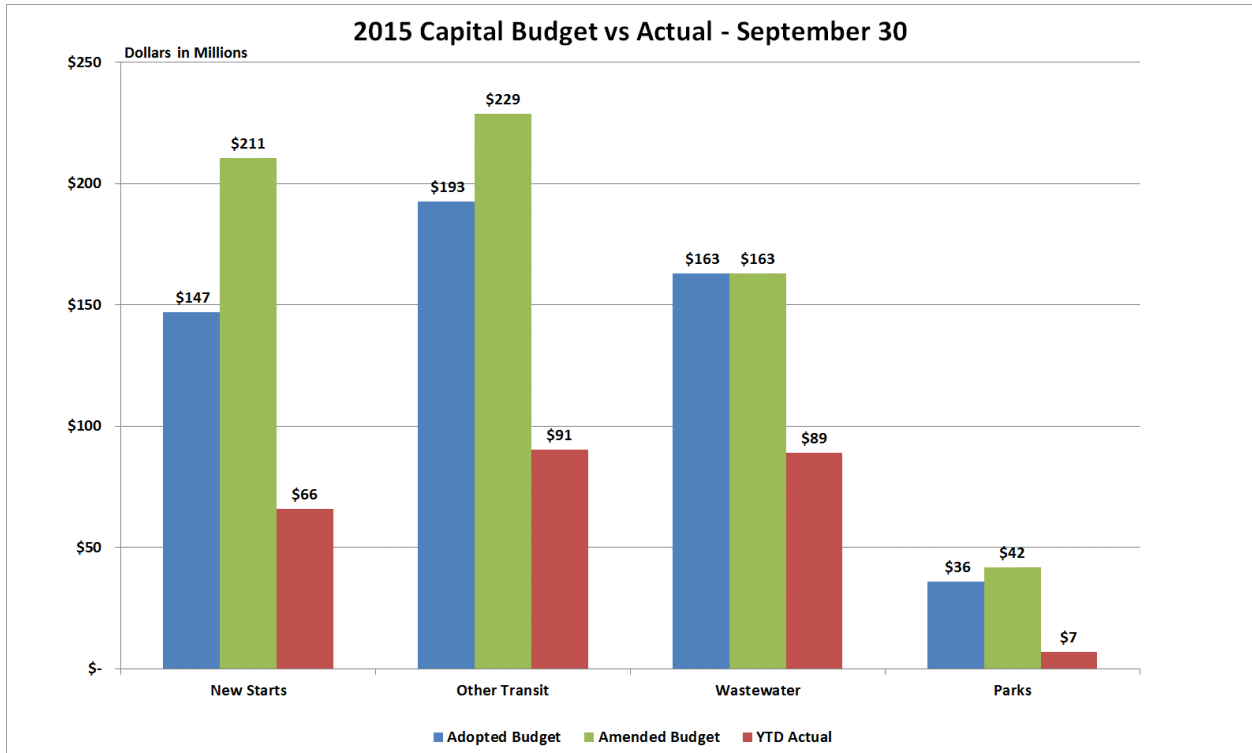


### Capital Program (Excluding Pre-2015 Expenditures)

The capital program (excluding pre-2015 expenditures) increased by \$26 million through amendments through September. The capital program increased from \$4.83 billion to \$4.856 billion, an increase of 0.5%. The authorized portion of the CIP is up \$188 million or 19 percent, including \$162 million in projects moved from the planned portion of the CIP and \$26 million in new projects not previously in the CIP. The authorized portion of the capital improvement program typically increases during the year as federal, state and regional funding becomes available to transit and parks and projects are moved from planned to authorized.

# Financial Management Report

## CAPITAL SPENDING



### Capital Budget

The adopted 2015 Capital Budget was \$539 million. Amendments through September increased the amended 2015 Capital Budget to \$644 million. Actual 2015 capital expenditures through September total 47 percent of the adopted budget and 39 percent of the amended budget. Actual expenditures as a percent of the amended budget were 36 percent for transit projects, 55 percent for wastewater projects and 17 percent for parks projects.

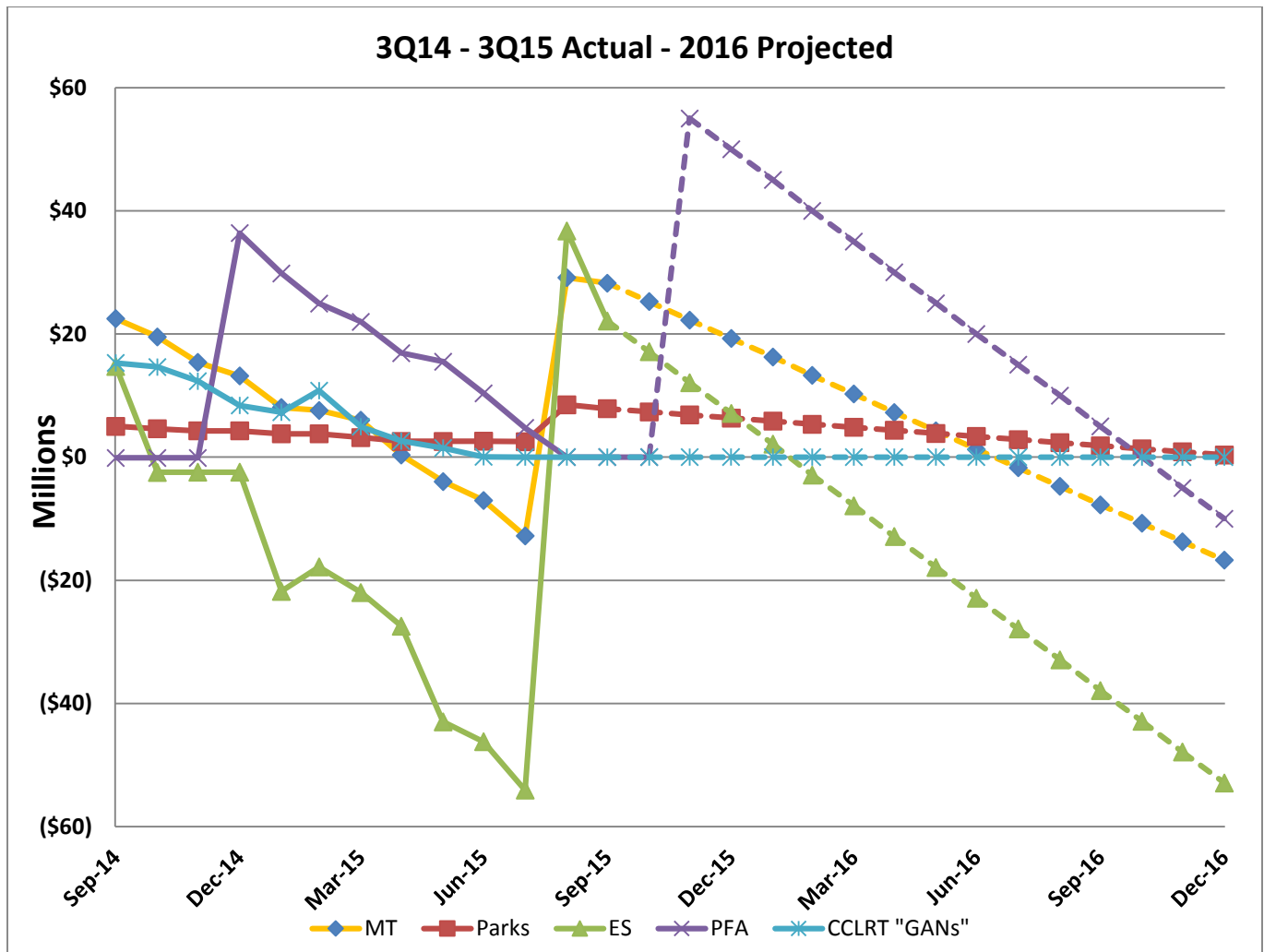
# Financial Management Report

## CAPITAL FUND CASH BALANCES

The GO capital bond fund for Transit experienced a normal spend down during the quarter. The GO capital bond fund for Parks experienced a slower than normal spend down during the same period. Conversely, Wastewater GO capital bond funds have been spent down faster than projected and expenditures eligible for reimbursement from the Minnesota Public Facilities Authority (PFA) loan have been sizable (\$4 – 5 M).

We successfully sold debt for Transit, Parks, and ES during 3Q15 (July 8<sup>th</sup>) which closed in August 2015. We also initiated a new \$70 million loan with PFA which we anticipate closing in late November of 2015. The below chart includes these proceeds.

The new money bonds were issued in an amount which, together with remaining balances from prior bonds, are expected to be spent within 12 months. We continue to monitor the debt portfolio for refunding opportunities.



**STATEMENT OF REVENUES AND EXPENSES**  
**General Fund**  
**September 30, 2015**  
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2015 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Property Taxes	7,077,417	11,578,516	11,578,516	-
Investment Earnings	365,045	518,380	518,380	-
Chargeback from MAC	121,089	155,000	-	155,000
Other Revenue	19,115	20,115	-	20,115
Total Revenues	7,582,666	12,272,011	12,096,896	175,115
<b><u>EXPENSES</u></b>				
Salary and Benefits	25,406,441	36,801,593	36,801,593	-
Consulting & Contractual Services	7,906,406	13,892,333	14,034,333	142,000
Rent & Utilities	1,956,694	2,648,780	2,800,641	151,861
Printing	62,423	83,231	238,350	155,119
Travel & Professional Development	330,229	445,557	520,898	75,341
Insurance	11,008	30,000	30,000	-
Other Operating Expense	1,164,658	1,474,990	3,482,990	2,008,000
Total Expenses	36,837,859	55,376,484	57,908,805	2,532,321
<b><u>TRANSFERS</u></b>				
Transfer In - Expense Allocation From MT	19,380,663	27,538,105	28,001,668	(463,563)
Transfer In - Expense Allocation From MCES	8,799,117	12,531,780	12,741,477	(209,697)
Transfers In - MTS	2,625,690	3,238,200	3,292,386	(54,186)
Transfers In - CD	1,327,811	1,629,225	1,656,487	(27,262)
Transfers In - HRA	734,875	1,323,894	1,346,047	(22,153)
Transfers In- OPEB	-	134,000	134,000	-
Transfer Out	(2,379,711)	(3,715,725)	(3,765,140)	49,415
Total Transfers	30,488,445	42,679,479	43,406,925	(727,446)
Change in Reserve Balance	1,233,252	(424,994)	(2,404,984)	1,979,990
Beginning Fund Balance		15,410,460		
Assigned/Committed		(4,261,253)		
Ending Unassigned Reserve Balance		10,724,213		
2015 Target Balance (10%)		5,790,881		

**STATEMENT OF REVENUES AND EXPENSES**  
**Environmental Services**  
**September 30, 2015**

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2015 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Municipal Wastewater Charges	143,032,498	190,710,000	190,710,000	-
Industrial Charges	7,219,465	14,300,000	14,266,000	34,000
State Appropriations Revenue	448,903	1,782,154	2,851,571	(1,069,417)
Investment Earnings	725,028	900,000	500,000	400,000
Other Revenue	760,407	1,376,000	3,275,452	(1,899,452)
<b>Total Revenues</b>	<b>152,186,301</b>	<b>209,068,154</b>	<b>211,603,023</b>	<b>(2,534,869)</b>
<b><u>EXPENSES</u></b>				
Salary and Benefits	43,859,490	63,062,308	64,510,912	1,448,604
Consulting & Contractual Services	10,550,383	17,495,316	19,551,125	2,055,809
Rent & Utilities	11,528,865	16,871,289	17,703,630	832,341
Travel	172,191	274,497	381,430	106,933
Materials & Supplies	7,090,761	11,493,619	9,016,480	(2,477,139)
Chemicals	5,549,369	8,332,226	7,304,743	(1,027,483)
Capital Outlay	2,094,357	3,028,499	4,134,930	1,106,431
I&I Grant Expense	191,672	132,404	1,875,000	1,742,596
Other Operating Expense	921,934	1,634,445	1,241,939	(392,506)
<b>Total Expenses</b>	<b>81,959,022</b>	<b>122,324,603</b>	<b>125,720,189</b>	<b>3,395,586</b>
<b><u>TRANSFERS</u></b>				
SAC Transfer	27,050,999	36,068,000	36,068,000	-
Transfers In	48,896	175,000	342,520	(167,520)
Transfers In - OPEB	0	3,800,000	3,487,000	313,000
Debt Service	(81,746,997)	(109,000,000)	(109,000,000)	-
Interdivisional Charges	(8,799,117)	(12,741,477)	(12,741,477)	-
Transfers Out	(3,749,999)	(5,000,000)	(5,000,000)	-
<b>Total Transfers</b>	<b>(67,196,218)</b>	<b>(86,698,477)</b>	<b>(86,843,957)</b>	<b>145,480</b>
Change in Reserve Balance	3,031,061	45,074	(961,123)	1,006,197
Beginning Reserve Balance		17,477,221		
Ending Unassigned Reserve Balance		<u>17,522,295</u>		
2015 Target Balance (10%)		12,572,019		

**STATEMENT OF REVENUES AND EXPENSES**  
**Housing and Redevelopment Authority (HRA)**  
**September 30, 2015**

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2015 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	YTD ACTUAL PASS THROUGH
<b><u>REVENUES</u></b>					
Federal Revenue	44,089,940	57,629,900	57,629,900	-	40,393,331
State Revenue	929,773	1,999,160	1,999,160	-	845,088
Investment Earnings	10,504	45,000	45,000	-	-
Other Revenue	1,610,106	2,015,000	2,015,000	-	16,352
<b>Total Revenues</b>	<b>46,640,323</b>	<b>61,689,060</b>	<b>61,689,060</b>	<b>-</b>	<b>41,254,771</b>
<b><u>EXPENSES</u></b>					
Salary and Benefits	2,487,554	3,400,000	3,467,833	67,833	-
Consulting & Contractual Services	604,212	825,000	915,000	90,000	-
Rent & Utilities	145,351	201,529	201,529	-	-
Housing Expenses	41,578,835	55,550,000	56,105,000	555,000	40,690,435
Travel	25,623	45,000	60,000	15,000	-
Insurance	76,421	100,000	100,000	-	-
Other Operating Expense	161,010	200,000	239,840	39,840	-
<b>Total Expenses</b>	<b>45,079,006</b>	<b>60,321,529</b>	<b>61,089,202</b>	<b>767,673</b>	<b>40,690,435</b>
<b><u>TRANSFERS</u></b>					
Transfers-out - Allocations	(734,875)	(679,856)	(509,892)	(169,964)	-
<b>Total Transfers</b>	<b>(734,875)</b>	<b>(679,856)</b>	<b>(509,892)</b>	<b>(169,964)</b>	<b>-</b>
Change in Reserve Balance	826,442	687,675	89,966	597,709	564,336
Beginning Reserve Balance:					
Operating		8,103,194			
Federal Passthrough (HAP Assistance)		204			
<b>Total Beginning Balance</b>		<b>8,103,398</b>			
Change in Reserve Balance:					
<b>Total Change in Reserve Balance</b>		<b>687,675</b>			
<b>Ending Reserve Balance</b>		<b>8,791,073</b>			
<b>2015 Target Balance (8.3%)</b>		<b>5,070,404</b>			



**STATEMENT OF REVENUES AND EXPENSES**  
**Metro Transit - Bus Operations**  
**September 30, 2015**

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2015 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Passenger Revenues	53,533,387	71,083,525	73,290,293	(2,206,768)
Auxiliary Transit Revenue	2,420,845	3,228,160	3,018,000	210,160
State Appropriations	5,129,247	8,615,014	8,615,014	-
State Revenue - MVST	138,933,000	182,604,000	182,604,000	-
Federal Grants	7,174,448	10,856,885	12,179,700	(1,322,815)
Investment Earnings	701,447	935,316	500,000	435,316
Property Taxes	1,000,000	2,000,000	2,000,000	-
Other Revenue	1,028,804	1,221,704	900,000	321,704
Total Revenues	209,921,178	280,544,604	283,107,007	(2,562,403)
<b><u>EXPENSES</u></b>				
Salary and Benefits	160,196,684	219,218,045	225,077,319	5,859,274
Consulting & Contractual Services	5,798,463	9,480,894	9,893,819	412,925
Fuel	15,901,392	21,944,291	27,264,302	5,320,011
Materials & Supplies	12,749,718	18,000,290	18,140,264	139,974
Utilities	2,611,623	3,932,349	4,582,792	650,443
Other Operating Expense	3,566,206	6,108,192	7,546,761	1,438,569
Total Expenses	200,824,086	278,684,061	292,505,257	13,821,196
<b><u>TRANSFERS</u></b>				
Transfer In - MVST	12,566,263	16,759,000	16,759,000	-
Transfer In - Transit Allocations	8,484,708	11,011,924	9,535,279	1,476,645
Transfer Out - RA Expense Allocation	(17,346,051)	(23,463,092)	(23,463,092)	-
Total Transfers	3,704,920	4,307,832	2,831,187	1,476,645
Change in Reserve Balance	12,802,012	6,168,375	(6,567,063)	12,735,438
Beginning Reserve Balance		46,362,096		
Ending Reserve Balance		52,530,471	*	
2015 Target Balance (8.3 - 12.5%)		25,433,945		

\* Includes TOD fund balance of \$3.2M

**STATEMENT OF REVENUES AND EXPENSES**  
**Metro Transit - Light Rail Operations**  
**September 30, 2015**

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2015 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Passenger Revenues	16,232,275	21,771,048	18,448,621	3,322,427
Auxiliary Transit Revenue	1,254,339	1,672,449	1,564,000	108,449
State Revenue - GF Appropriation	17,516,250	23,355,000	23,355,000	-
Federal Revenue	2,344,650	3,126,200	3,126,200	-
Local Revenue	16,887,966	22,517,287	22,517,287	-
Investment Earnings	68,494	74,747	25,000	49,747
Other Revenue	17,175	22,896	30,000	(7,104)
<b>Total Revenues</b>	<b>54,321,149</b>	<b>72,539,627</b>	<b>69,066,108</b>	<b>3,473,519</b>
<b><u>EXPENSES</u></b>				
Salary and Benefits	27,263,938	36,430,015	38,196,980	1,766,965
Consulting & Contractual Services	438,362	1,184,467	1,601,506	417,039
Fuel	11,803	15,738	51,576	35,838
Materials & Supplies	2,379,254	3,822,371	4,188,461	366,090
Utilities	4,290,046	6,520,113	7,096,203	576,090
Other Operating Expense *	1,109,301	5,913,295	3,613,485	(2,299,810)
<b>Total Expenses</b>	<b>35,492,704</b>	<b>53,885,999</b>	<b>54,748,211</b>	<b>862,212</b>
<b><u>TRANSFERS</u></b>				
Transfer Out - Transit Allocations	(7,569,308)	(10,092,413)	(8,579,369)	(1,513,044)
Transfer Out - RA Expense Allocation	(3,055,959)	(4,129,615)	(4,129,615)	-
<b>Total Transfers</b>	<b>(10,625,267)</b>	<b>(14,222,028)</b>	<b>(12,708,984)</b>	<b>(1,513,044)</b>
Change in Reserve Balance	8,203,178	4,431,600	1,608,913	2,822,687
Beginning Reserve Balance		7,303,195		
Ending Reserve Balance		11,734,795		
2015 Target Balance (8.3 - 12.5%)		5,598,947		

\* other operating expense includes refunds to funding partners of \$2.8M in year end projections

**STATEMENT OF REVENUES AND EXPENSES**  
**Metro Transit - Commuter Rail Operations**  
**September 30, 2015**

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2015 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Passenger Revenues	1,925,075	2,499,009	2,449,081	49,928
State Revenue - GF Appropriation	906,314	1,208,419	1,208,419	-
State Revenue - MVST	2,456,250	3,275,000	3,275,000	-
Local Revenue - CTIB	4,722,967	6,297,289	6,297,289	-
Other Local Revenue	906,314	1,208,419	1,208,419	-
Investment Earnings	96,766	129,021	148,981	(19,960)
<b>Total Revenues</b>	<b>11,013,686</b>	<b>14,617,157</b>	<b>14,587,189</b>	<b>29,968</b>
<b><u>EXPENSES</u></b>				
Salary and Benefits	2,654,146	3,541,056	4,252,515	711,459
Consulting & Contractual Services	4,764,983	6,350,721	6,091,337	(259,384)
Fuel	791,592	1,155,455	1,619,997	464,542
Materials & Supplies	446,496	970,333	1,168,076	197,743
Utilities	479,975	639,966	729,813	89,847
Other Operating Expense *	1,744,390	2,962,847	2,386,869	(575,978)
<b>Total Expenses</b>	<b>10,881,582</b>	<b>15,620,378</b>	<b>16,248,607</b>	<b>628,229</b>
<b><u>TRANSFERS</u></b>				
Transfer Out - Transit Allocations	(915,400)	(1,170,528)	(955,910)	(214,618)
Transfer Out - RA Expense Allocation	(303,722)	(409,962)	(409,962)	-
<b>Total Transfers</b>	<b>(1,219,122)</b>	<b>(1,580,490)</b>	<b>(1,365,872)</b>	<b>(214,618)</b>
Change in Reserve Balance	(1,087,018)	(2,583,711)	(3,027,290)	443,579
Beginning Reserve Balance		6,195,462		
Ending Reserve Balance		3,611,751		
2015 Target Balance (8.3 - 12.5%)		1,462,002		

\* other operating expense includes refunds to funding partners of \$637,003 in year end projections

**STATEMENT OF REVENUES AND EXPENSES**  
**MTS -Transportation Planning**  
**September 30, 2015**  
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2015 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Federal Revenue	3,115,289	4,737,000	5,180,000	(443,000)
State Revenue - Trunk Highway	0	300,000	250,000	50,000
Investment Earnings	6,367	11,296	-	11,296
Chargebacks from MAC	30,469	60,938	-	60,938
Other Revenue	5,675	5,675	-	5,675
Total Revenues	3,157,800	5,114,909	5,430,000	(315,091)
<b><u>EXPENSES</u></b>				
Salary and Benefits	1,793,997	2,725,146	2,783,146	58,000
Consulting & Contractual Services	988,092	1,089,000	2,620,000	1,531,000
Rent & Utilities	111,224	149,034	149,034	-
Travel	26,735	41,000	41,000	-
Grants	468,520	882,000	480,000	(402,000)
Other Operating Expense	105,599	137,690	137,690	-
Total Expenses	3,494,167	5,023,870	6,210,870	1,187,000
<b><u>TRANSFERS</u></b>				
Transfers-out - Allocations	(945,248)	(1,260,400)	(1,184,400)	(76,000)
Total Transfers	(945,248)	(1,260,400)	(1,184,400)	(76,000)
Change in Reserve Balance	(1,281,615)	(1,169,361)	(1,965,270)	795,909
Beginning Reserve Balance		2,825,865		
Ending Reserve Balance		1,656,504		
2015 Target Balance (Combined 15%, 31.5% TP Fund)		2,330,000		

**STATEMENT OF REVENUES AND EXPENSES**  
**MTS - Metro Mobility**  
**September 30, 2015**  
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2015 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Passenger Revenue	5,724,206	7,201,269	7,201,269	-
State Appropriations	35,209,495	46,895,000	46,895,000	-
Investment Earnings	83,828	111,770	-	111,770
<b>Total Revenues</b>	<b>41,017,529</b>	<b>54,208,039</b>	<b>54,096,269</b>	<b>111,770</b>
<b><u>EXPENSES</u></b>				
Salary and Benefits	699,839	1,117,400	1,159,400	42,000
Consulting & Contractual Services	39,210,211	51,477,120	51,477,120	-
Fuel	3,167,771	5,200,000	8,227,325	3,027,325
Rent & Utilities	222,450	304,330	122,643	(181,687)
Other Operating Expense	131,994	139,290	139,290	-
<b>Total Expenses</b>	<b>43,432,265</b>	<b>58,238,140</b>	<b>61,125,778</b>	<b>2,887,638</b>
<b><u>TRANSFERS</u></b>				
Transfers-out - Allocations	(939,997)	(1,253,004)	(1,108,004)	(145,000)
<b>Total Transfers</b>	<b>(939,997)</b>	<b>(1,253,004)</b>	<b>(1,108,004)</b>	<b>(145,000)</b>
Change in Reserve Balance	(3,354,733)	(5,283,105)	(8,137,513)	2,854,408
Beginning Reserve Balance		14,801,753		
Ending Reserve Balance		9,518,648		
<b>2015 Target Balance (10%)</b>		<b>6,223,000</b>		

**STATEMENT OF REVENUES AND EXPENSES**  
**MTS - Contracted Service**  
**September 30, 2015**  
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2015 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<b><u>REVENUES</u></b>				
Passenger Revenues	1,545,316	2,423,068	2,423,068	-
Federal Revenue	1,957,611	3,670,241	3,670,241	-
State Revenue - MVST	14,486,001	18,216,194	18,216,194	-
Local Revenue	1,428,823	1,863,000	1,863,000	-
Investment Earnings	73,141	100,000	100,000	-
<b>Total Revenues</b>	<b>19,490,892</b>	<b>26,272,503</b>	<b>26,272,503</b>	-
<b><u>EXPENSES</u></b>				
Salary and Benefits	703,427	910,404	910,404	-
Consulting & Contractual Services	17,109,669	24,112,429	24,112,429	-
Rent & Utilities	55,768	82,618	20,000	(62,618)
Fuel	(252,773)	(311,106)	445,873	756,979
Travel	102	12,500	12,500	-
Grants	435,690	545,000	545,000	-
Other Operating Expense	67,677	70,000	70,000	-
<b>Total Expenses</b>	<b>18,119,560</b>	<b>25,421,845</b>	<b>26,116,206</b>	<b>694,361</b>
<b><u>TRANSFERS</u></b>				
Transfer Out - Allocations	(740,445)	(1,008,824)	(999,500)	(9,324)
<b>Total Transfers</b>	<b>(740,445)</b>	<b>(1,008,824)</b>	<b>(999,500)</b>	<b>(9,324)</b>
Change in Reserve Balance	630,887	(158,166)	(843,203)	685,037
Beginning Reserve Balance		6,473,747		
Ending Reserve Balance		6,315,581		
2015 Target Balance (Combined 15%, 10% Cont Svc Funds)		2,712,000		