

People

Transportation

Housing

Bikes

Financial Condition

Planning

Bus

Parks

Future

Cars

Sustainability

Efficient

3rd QUARTER 2022 FINANCIAL REPORT

Prosperity

Train

Growth

Light Rail

November 30, 2022

Livability

Light Rail

Trails

Diversity

Treatment

Equity

Airplane

Communities

Wastewater & Water

Lakes

Treatment

Regional

Economic

Roads



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OPERATING FUNDS-STATEMENT OF REVENUES & EXPENSES

OPERATING FUNDS
STATEMENT OF REVENUES AND EXPENSES
2022 -3rd Quarter Results
(in thousands)
Unaudited

	General Fund					Environmental Services					Housing and Redevelopment Authority				
	2022 YTD Results	% Budget	Projected Year-End	2022 Budget	Variance*	2022 YTD Results	% Budget	Projected Year-End	2022 Budget	Variance*	YTD Results	% Budget	Projected Year-End	2022 Budget	Variance*
Revenues	9,297	57%	16,640	16,316	324	203,308	76%	272,151	267,971	4,180	66,661	75%	89,464	88,309	1,155
Expenses	57,153	56%	96,522	101,778	5,256	102,907	71%	153,559	144,360	(9,199)	65,292	74%	88,217	88,217	0
Transfers	49,271	60%	76,500	81,724	(5,224)	(89,824)	71%	(124,722)	(126,037)	1,315	(1,074)	77%	(1,301)	(1,387)	86
Change in Reserve Balance	1,415		(3,382)	(3,738)	356	10,577		(6,130)	(2,426)	(3,704)	295		(54)	(1,295)	1,241
Beginning Reserve Balance			27,383					34,809					14,123		
Assigned/Committed			(7,096)												
Ending Reserve Balance			16,905					28,679					14,069		
Target Balance			10,178					14,436					7,437		

	Metro Transit - Bus					Metro Transit - Light Rail					Metro Transit - Commuter Rail				
	2022 YTD Results	% Budget	Projected Year-End	2022 Budget	Variance*	2022 YTD Results	% Budget	Projected Year-End	2022 Budget	Variance*	YTD Results	% Budget	Projected Year-End	2022 Budget	Variance*
Revenues	322,326	74%	421,678	433,888	(12,210)	53,889	57%	86,740	93,788	(7,048)	10,057	59%	14,648	16,975	(2,327)
Expenses	209,387	59%	286,285	357,786	71,501	48,069	69%	67,128	69,671	2,543	8,145	59%	11,364	13,753	2,389
Transfers	(20,038)	26%	(80,205)	(77,333)	(2,872)	(12,845)	53%	(18,991)	(24,026)	5,035	(564)	24%	(902)	(2,361)	1,459
Change in Reserve Balance	92,901		55,188	(1,231)	56,419	(7,025)		621	91	530	1,348		2,382	861	1,521
Beginning Reserve Balance			75,375					11,488					8,350		
Ending Reserve Balance			130,563					12,109					10,732		
Target Balance			32,118					7,777					1,337		

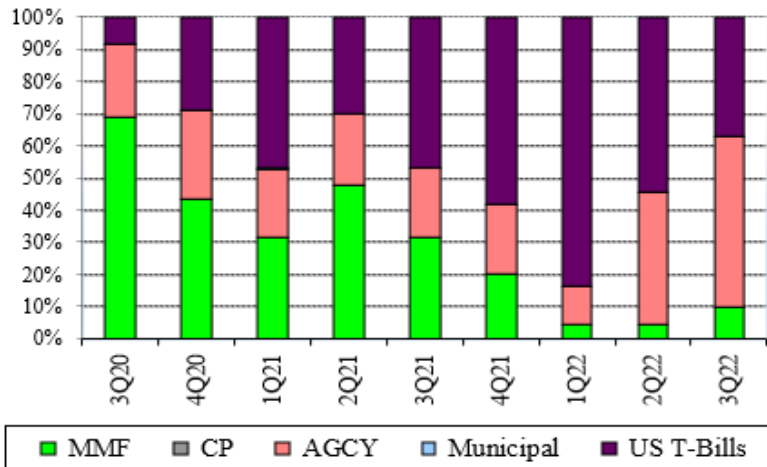
	MTS - Transportation Planning					MTS - Metro Mobility					MTS - Contracted Service				
	2022 YTD Results	% Budget	Projected Year-End	2022 Budget	Variance*	2022 YTD Results	% Budget	Projected Year-End	2022 Budget	Variance*	YTD Results	% Budget	Projected Year-End	2022 Budget	Variance*
Revenues	7,139	70%	10,172	10,172	0	78,371	82%	94,088	95,683	(1,595)	25,016	89%	28,969	27,971	998
Expenses	3,751	43%	7,805	8,779	974	61,949	65%	86,833	94,638	7,805	20,183	73%	27,997	27,797	(200)
Transfers	(1,171)	55%	(2,038)	(2,122)	84	(1,654)	55%	(2,878)	(2,998)	120	(486)	55%	(845)	(881)	36
Change in Reserve Balance	2,217		329	(729)	1,058	14,768		4,377	(1,953)	6,330	4,347		127	(707)	834
Beginning Reserve Balance			7,947					25,457					17,886		
Ending Reserve Balance			8,276					29,834					18,013		
Target Balance			3,434					9,764					2,868		

*Variance = Favorable / (Unfavorable)

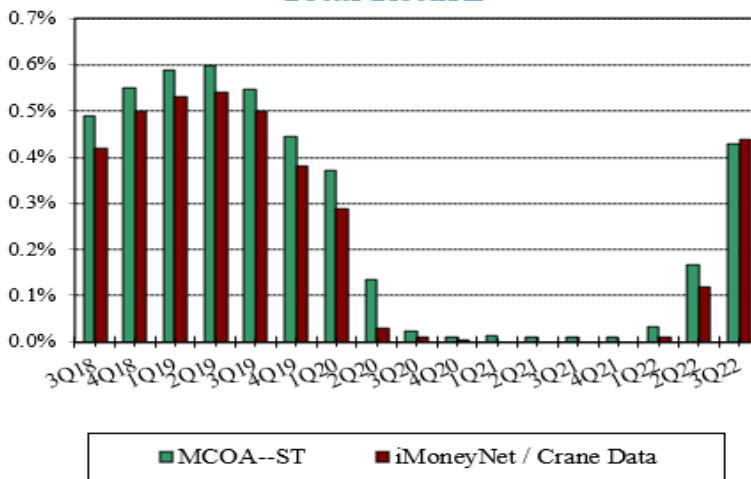
Financial Management Report

INVESTMENT HOLDINGS AND PERFORMANCE - SHORT-TERM

Sector Allocation



Total Return

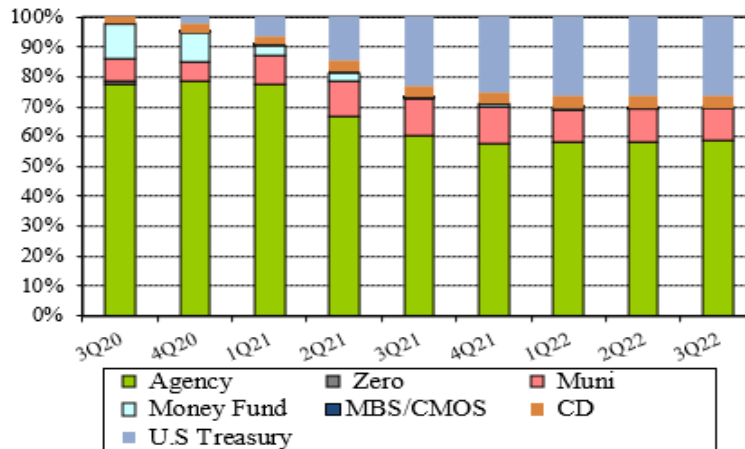


The short-term portfolio is used to invest available short-term funds and manage cash flow. Investments are generally 6-months or shorter, with a maximum maturity range of 1 year. The portfolio slightly underperformed its benchmark during the third quarter with a total return of 0.43%, compared to .44% for its benchmark. The average yield in this portfolio increased dramatically to 2.49%, up from 1.20% at the end of the 2nd quarter. Portfolio earnings continue to increase, rising from \$1.5 million in the 2nd quarter to \$4.1 million in the 3rd quarter. The \$974 million portfolio was invested in U.S. Treasury Bills (\$359 million, 37%), U.S. Government Agency Discount Notes (\$516 million, 53%), and government money market funds (\$99 million, 10%). Allocation to Discount Notes was increased again due to their comparatively higher yields. Securities in the portfolio mature from 0 to 6 months, and the portfolio had a duration of .16 years, longer than the benchmark duration of .04 years to take advantage of higher yields. Fed rate hikes resulting in increasing yields should continue to increase earnings in this portfolio into 2023.

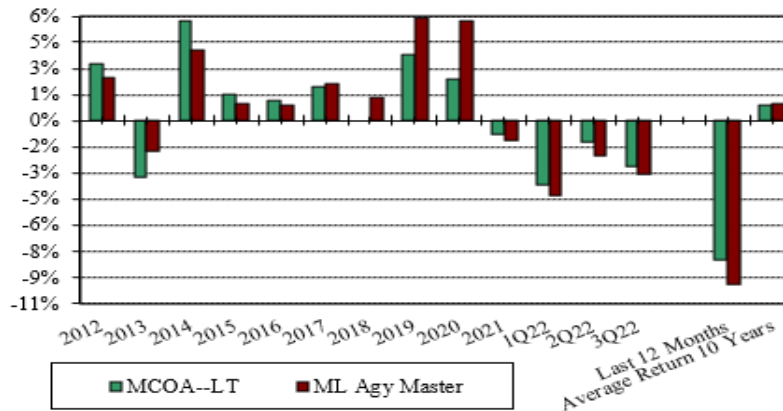
Financial Management Report

INVESTMENT HOLDINGS AND PERFORMANCE - LONG-TERM

Sector Allocation



Total Return

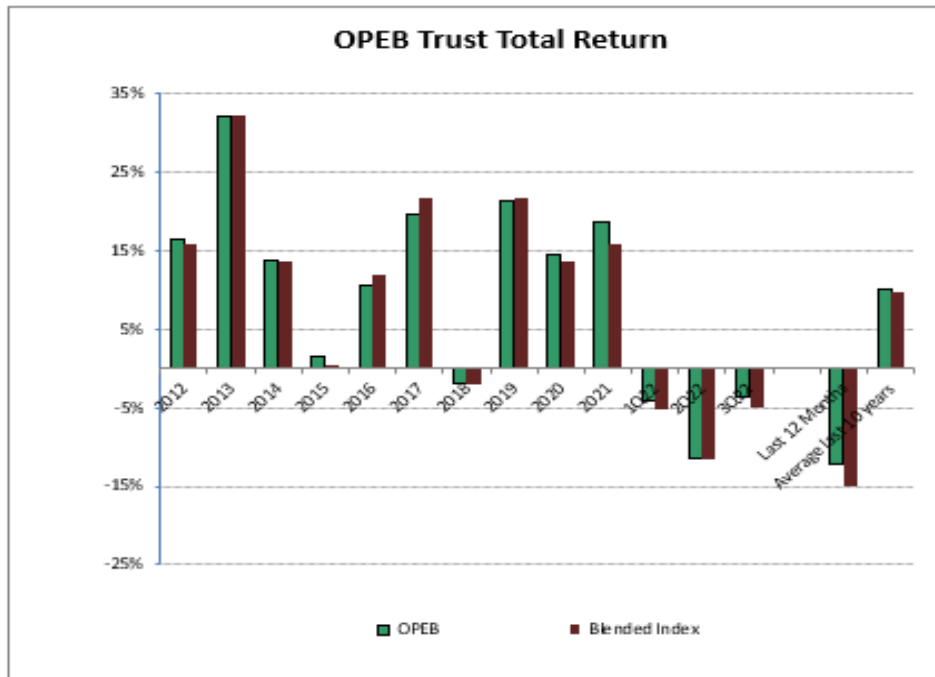


The Long-term portfolio invests longer-term reserves. The portfolio outperformed its benchmark during the third quarter by .45 %, with a total return of -2.62%, compared to -3.07% for its benchmark. Intermediate term interest rates increased during the quarter driving down market prices of fixed income securities in the portfolio, resulting in the negative total return. As a buy and hold investor, the Council holds securities to maturity, when it will receive full value thereby not realizing loses. The \$440 million portfolio was invested in U.S. Government Agency securities (\$259 million, 59%), U.S. Treasury Notes (\$115 million, 26%), municipal bonds (\$47 million, 11%), Certificate of Deposits (\$18 million, 4%), and <1% in government money funds and mortgage-backed securities. Much the same allocation as the previous quarter. There was little activity in the portfolio during the quarter due to a lack of called or maturing bonds. This will be the case again in the fourth quarter. The duration of the portfolio remains short of the benchmark, 2.11 years vs 3.61 years. Outperformance was due to the portfolio having a shorter duration than the benchmark thereby being less price sensitive to yield curve shifts higher.

We plan to continue keeping duration short due to the flat yield curve. There will be opportunities to improve yield in the portfolio by reinvesting maturities into the higher yield environment, but any purchases will be very short. The yield curve is currently pricing in a 2023 recession and is therefore very flat, intermediate term yields peak near the 1-year area. We also continue to look for banks interested in our Certificate of Deposit program. Currently we have \$18.5 million invested in the program, with a goal of \$20-25 million.

Financial Management Report

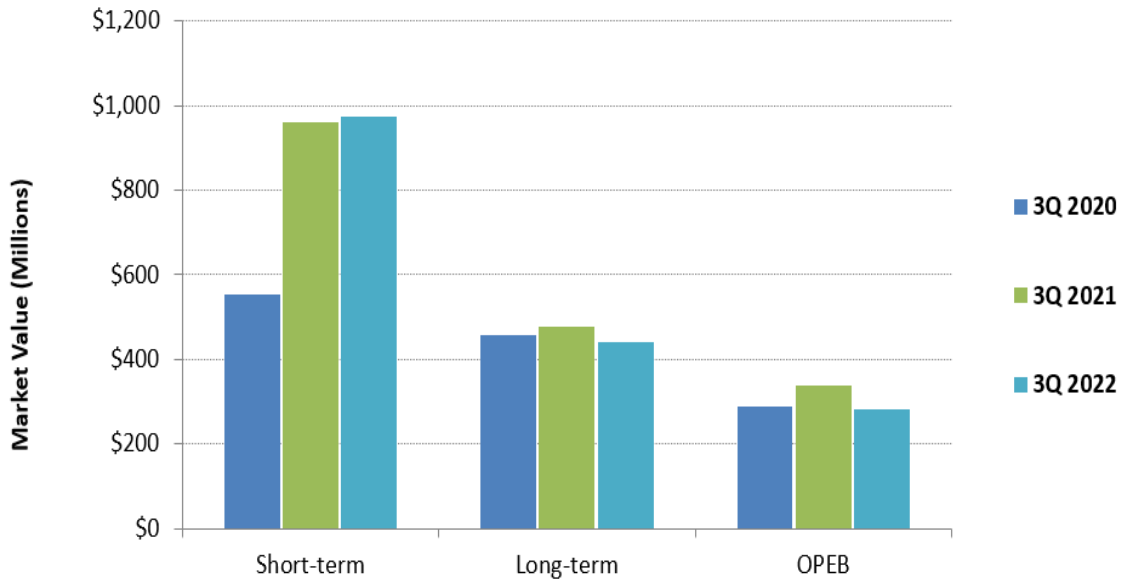
INVESTMENT HOLDINGS AND PERFORMANCE – OPEB TRUST



The 3rd quarter was another difficult period for OPEB Trust returns. Although it outperformed its benchmark, the OPEB Trust had a negative return of -3.61%, compared to its blended benchmark return of -4.835%. The Trust experienced negative returns on its exposure to the SBI S&P 500 pool (-4.86%) and on its fixed income securities holdings (-2.45%, paper loss), its cash position returned +.56%. The market value of the Trust declined from \$306.8 million to \$282.5 million over the quarter, but \$13.6 million of that decrease was a withdrawal to pay annual OPEB expenses. The Trust value has increased to \$298 million as of 10/31. Trust assets continue to be managed by the Minnesota State Board of Investment and are allocated at the Council's direction. At quarter end, \$172.2 million (61%) was allocated to the S&P 500 index pool and \$110.3 million (39%) to US Treasury and Government Agency fixed-rate securities and cash. During the quarter, equity exposure was reduced by \$20 million to align the Trust with its target allocation of 60% equity and 40% fixed income/cash. Fixed-income holdings will be held to maturity, therefore market value losses here are on paper only and will not be realized. The Trust contains assets set aside to fund future OPEB liabilities, which stretch 30+ years into the future. Because of its long-term investment horizon, the Trust uses the S&P 500 index pool to realize the historically higher average returns of the equity markets over the long term. As we have seen recently, exposure to the equity markets may cause price volatility. Trust returns have averaged 10% over the past 10 years even with the recent downturns in both fixed income and equities. The 60/40 allocation model has resulted in a strong funding position with years of high returns. Future OPEB liabilities remained fully funded at the end of the quarter and liability funding is monitored monthly.

Financial Management Report

INVESTMENT PORTFOLIO BALANCES



Balances - Market Value (millions)

	3Q 2020	3Q 2021	3Q 2022
Short-term	553.0	961.0	973.8
Long-term	455.5	477.9	440.4
OPEB	289.2	336.9	282.5
Total	<u>\$ 1,297.70</u>	<u>\$ 1,775.80</u>	<u>\$ 1,696.70</u>

Financial Management Report

GENERAL FUND

Unaudited - dollars in thousands

2022 3rd Quarter Financial Report General Fund Unaudited - dollars in thousands

	General Fund				
	2022 YTD		Projected		Variance
	Results	% Budget	Year-End	2022 Budget	
Revenues	9,297	57%	16,640	16,316	324
Expenses	57,153	56%	96,522	101,778	5,256
Transfers	49,271	60%	76,500	81,724	(5,224)
Change in Reserve Balance	1,415		(3,382)	(3,738)	356
Beginning Fund Balance			27,383		
Assigned/Committed			(7,096)		
Ending Unassigned Reserve Balance			16,905		
Target Balance			10,178		

General Fund

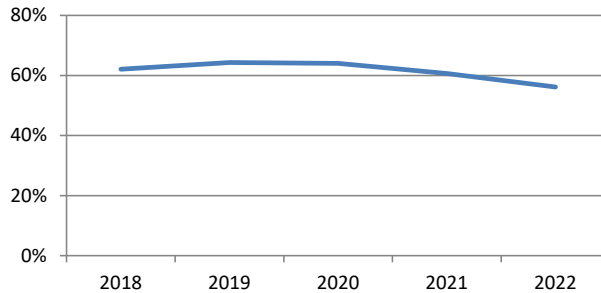
Revenues for the General fund are primarily property tax and are reflected, largely, in the second half of the year.

At third quarter the General fund has spend 56% of annual budgeted operating expense. The trend is slightly lower then prior years. This is mainly due to open positions in IS and lower spending in contracted services and on the Thrive initiatives.

Currently, the 2022 General Fund budget approved by the Council reflects a \$3.7 million use of General Fund reserves.

The projected year-end available reserve balance is \$16.9 million.

**General Fund
% of Budget Spent -
3rd-Qtr**



Environmental Services

Unaudited - dollars in thousands

2022 3rd Quarter Financial Report Environmental Services Unaudited - dollars in thousands

	Environmental Services				
	2022 YTD	Projected			
	Results	% Budget	Year-End	2022 Budget	Variance
Revenues	203,308	76%	272,151	267,971	4,180
Expenses	102,907	71%	153,559	144,360	(9,199)
Transfers	(89,824)	71%	(124,722)	(126,037)	1,315
Change in Reserve Balance	10,577		(6,130)	(2,426)	(3,704)
Beginning Reserve Balance			34,809		
Ending Unassigned Reserve Balance			28,679		
Target Balance			14,436		

Environmental Services

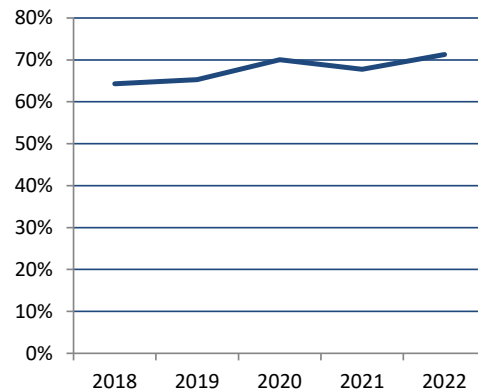
Total revenues are expected to be over budget by \$4.2M. Industrial Charges are expected to be \$3.2M over budget for a large customer who corrected monitoring issues that resulted in significantly higher strength charges. In addition, State Appropriations are expected to run \$.6M over for the Water Efficiency Grant Program. In addition, ES is projecting to run \$.4M over in other revenue, which is driven by FEMA relief for COVID related expenses.

Total expenses are expected to be \$9.2M over budget. Chemicals and Utilities are expected to be over budget by a combined \$6.3M which is driven by inflation (natural gas has doubled in price, and polymers and bleach have substantially increased in price). In addition, Materials and Supplies are expected to be \$4.6M over budget (outstanding maintenance projects, and a 24% price increase), and Grants are expected to be \$.6M over budget (Water Efficiency Grant Program). We also anticipate a combined 2.3M of savings from labor (vacancies), travel, and unused central project funds to help offset inflationary price increases. Other variances are mostly offsetting.

A budget amendment is anticipated in Q4 for the additional expenses and revenue.

The projected reserve balance is \$28.7M, which is above the Council's minimum reserve target balance of \$14.4M.

Environmental Services % of Budget Spent - 3rd Qtr.



Financial Management Report

HOUSING AND REDEVELOPMENT FUND

Unaudited - dollars in thousands

2022 3rd Quarter Financial Report Housing and Redevelopment Fund Unaudited - dollars in thousands

	Housing and Redevelopment Authority				
	2022 YTD Results	% Budget	Projected Year-End	2022 Budget	Variance
Revenues	66,661	75%	89,464	88,309	1,155
Expenses	65,292	74%	88,217	88,217	0
Transfers	(1,074)	77%	(1,301)	(1,387)	86
Change in Reserve Balance	295		(54)	(1,295)	1,241
Beginning Reserve Balance			14,123		
Ending Reserve Balance			<u>14,069</u>		
Target Balance			7,437		

Housing and Redevelopment Authority

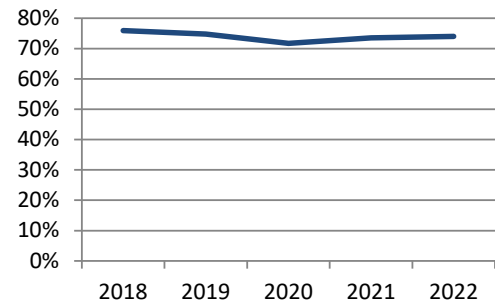
Revenues are projected to be \$1.2M favorable to budget. The main reason for the favorable variance is higher administrative fee revenue than budgeted for federal housing voucher programs.

The HRA has also applied for an additional \$2.4M in Housing Choice Voucher (HCV) passthrough funds in 2022 to help with rapidly rising rent costs. Decisions on that funding will be made closer to the end of the year.

Expenses are projected to be on budget for the year. Higher housing program expenses are being offset by savings in contracted services and general administrative expenses.

The projected reserve balance is \$14.1M, which is above the Council's minimum reserve target balance of \$7.4M.

HRA % of Budget Spent - 3rd Qtr.



Financial Management Report

METRO TRANSIT-BUS

Unaudited - dollars in thousands

2022 3rd Quarter Financial Report

Metro Transit - Bus

Unaudited - dollars in thousands

	Metro Transit - Bus				
	2022 YTD Results	% Budget	Projected Year-End	2022 Budget	Variance
Revenues	322,326	74%	421,678	433,888	(12,210)
Expenses	209,387	59%	286,285	357,786	71,501
Transfers	(20,038)	26%	(80,205)	(77,333)	(2,872)
Change in Reserve Balance	92,901		55,188	(1,231)	56,419
Beginning Reserve Balance			75,375		
Ending Reserve Balance			<u>130,563</u>		
Target Balance			32,118		

Metro Transit Bus

Passenger fares are expected to be \$7.7M below the revised budget due to lower than expected ridership.

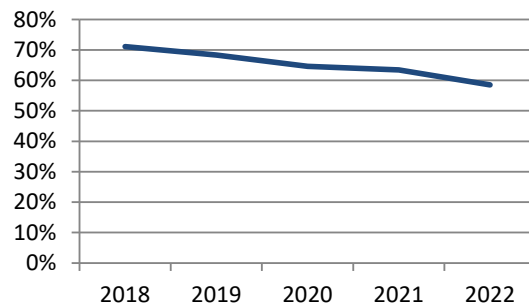
Operating expenses in the an amended budget are \$357M and are expected to be below budget by \$71.6M.

These savings are due to reduced service and holding positions open: Labor and benefits under budget by \$61.4M; Professional and technical services will be \$4.9M below budget; Fuel savings were \$8.5M due to lower service levels; Reduced service also have a savings of \$1.3M in materials and supplies.

Modal allocations will be below the budgeted level due to the savings in labor and benefits per the allocation model. Forecast is an increase in the fund balance of \$55.2, bringing ending reserves to \$130.6M.

The 2022 Amended budget has a use of reserves of \$1.2M

Metro Transit - Bus % of Budget Spent - 3rd Qtr.



Financial Management Report

METRO TRANSIT-LIGHT RAIL

Unaudited - dollars in thousands

2022 3rd Quarter Financial Report Metro Transit - Light Rail Unaudited - dollars in thousands

	Metro Transit - Light Rail				
	2022 YTD Results	% Budget	Projected Year-End	2022 Budget	Variance
Revenues	53,889	57%	86,740	93,788	(7,048)
Expenses	48,069	69%	67,127	69,671	2,544
Transfers	(12,845)	53%	(18,991)	(24,026)	5,035
Change in Reserve Balance	(7,025)		622	91	531
Beginning Reserve Balance			11,488		
Ending Reserve Balance			<u>12,110</u>		
Target Balance			7,777		

Metro Transit Light Rail

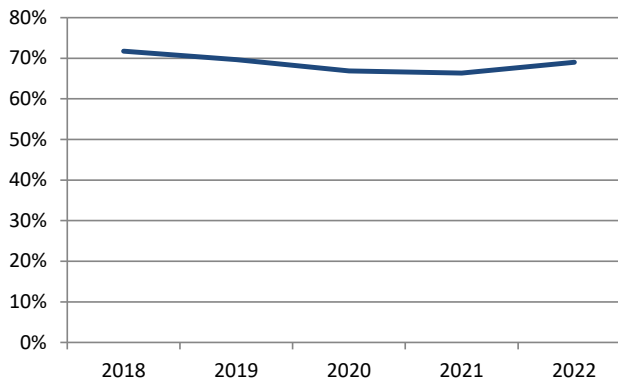
Passenger fares are expected \$6.9M below budget due to ridership losses and lower average fare per passenger. Federal Relief Funds of \$24.3M will be drawn in CY 2022.

Operating expenses are expected to be \$2.5M below the budgeted level: Labor and benefits will be under budget by \$2.2M due to not filling open positions in operators and mechanics; Materials and supplies were \$1.8M over budget due to repair part price increases; Utilities will be \$1.0M overbudget due to increased rates.

Transit allocations will be \$5.0M under budget due to labor reductions in these departments per the allocation model. Forecast is an addition to the fund balance of \$600K after refunds to the funding partners with a forecasted ending fund balance of \$12.1M.

The 2022 amended budget for LRT is to add \$90K to reserves.

Metro Transit - Light Rail % of Budget Spent - 3rd Qtr.



Financial Management Report

METRO TRANSIT-COMMUTER RAIL

Unaudited - dollars in thousands

2022 3rd Quarter Financial Report Metro Transit - Commuter Rail Unaudited - dollars in thousands

	Metro Transit - Commuter Rail				
	2022 YTD Results	% Budget	Projected Year-End	2022 Budget	Variance
Revenues	10,057	59%	14,648	16,975	(2,327)
Expenses	8,145	59%	11,364	13,753	2,389
Transfers	(564)	24%	(902)	(2,361)	1,459
Change in Reserve Balance	1,348		2,382	861	1,521
Beginning Reserve Balance			8,350		
Ending Reserve Balance			<u>10,732</u>		
Target Balance			1,337		

Metro Transit - Commuter Rail

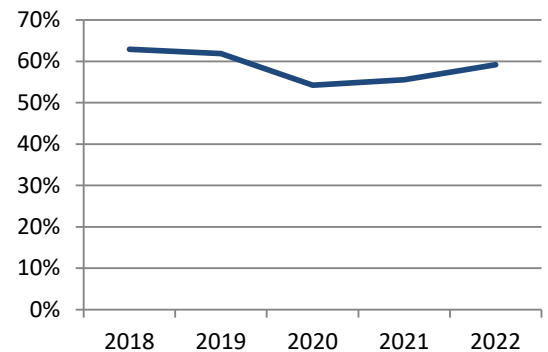
Passenger fares will be \$172K under budget due to under budget ridership.

Labor and benefits are expected to be \$2.6M under budget due reduced service. Consulting expenses (which include BNSF services) will be \$319K over the budget.

The Forecast is Commuter rail will add \$2.3M to its fund balance, after refunds to funding partners in CY 2022 with an ending fund balance of \$10.7M.

Commuter Rail has an amended budgeted addition to the fund balance of \$860K for CY 2022.

MT - Commuter Rail % of Budget Spent - 3rd Qtr.



Financial Management Report

MTS-Transportation Planning

Unaudited - dollars in thousands

2022 3rd Quarter Financial Report
Metropolitan Transportation Services - Transportation Planning
 Unaudited - dollars in thousands

	MTS - Transportation Planning				
	2022 YTD		Projected		
	Results	% Budget	Year-End	2022 Budget	Variance
Revenues	7,139	70%	10,172	10,172	0
Expenses	3,751	43%	7,805	8,779	974
Transfers	(1,171)	55%	(2,038)	(2,122)	84
Change in Reserve Balance	2,217		329	(729)	1,058
Beginning Reserve Balance			7,947		
Ending Reserve Balance			<u>8,276</u>		
Target Balance			3,434		

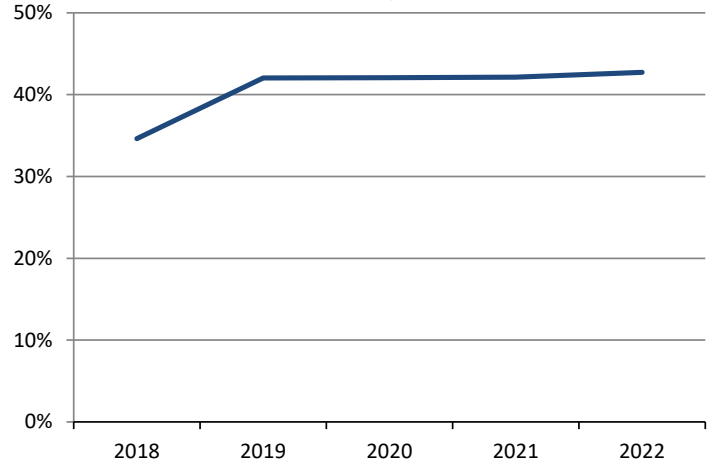
MTS - Transportation Planning

Transportation Planning revenues are projected to end the year on budget.

Expenses are projected to be favorable to budget by \$1.0M primarily due to lower consulting activity and administrative expenses.

The projected ending reserve balance is \$8.3M for 2022, which is above the Council's minimum reserve target balance of \$3.4M.

**MTS - Transportation Planning -
 % of Budget Spent -
 3rd Qtr.**



Financial Management Report

MTS-METRO MOBILITY

Unaudited - dollars in thousands

2022 3rd Quarter Financial Report Metropolitan Transportation Services - Metro Mobility Unaudited - dollars in thousands

	MTS - Metro Mobility				
	2022 YTD		Projected		Variance
	Results	% Budget	Year-End	2022 Budget	
Revenues	78,371	82%	94,088	95,683	(1,595)
Expenses	61,949	65%	86,833	94,638	7,805
Transfers	(1,654)	55%	(2,878)	(2,998)	120
Change in Reserve Balance	14,768		4,377	(1,953)	6,330
Beginning Reserve Balance			25,457		
Ending Reserve Balance			<u>29,834</u>		
Target Balance			9,764		

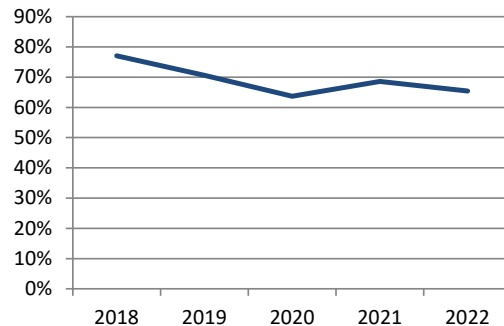
MTS - Metro Mobility

Metro Mobility's revenue is projected to be unfavorable by \$1.6M as a result of lower passenger fare revenue than budgeted. Ridership is still below budgeted and pre-COVID levels year-to-date.

Total expenses for Metro Mobility are projected to come in favorable to budget by about \$7.8M due to lower contracted service (-\$5.8M) and fuel costs (-\$2.0M) less than budgeted for the year. The favorable variance in contracted services is mostly the result of fewer vehicle revenue hours due to lower ridership than anticipated. Savings from fewer vehicle hours on the road and regular gas prices being under budget early in the year have resulted in an estimated favorable variance in fuel costs.

The projected ending reserve balance is \$29.8M for 2022, which is above the Council's minimum reserve target balance of \$9.8M.

MTS - Metro Mobility % of Budget Spent 3rd Qtr.



Financial Management Report

MTS-CONTRACTED SERVICES

Unaudited - dollars in thousands

2022 3rd Quarter Financial Report Metropolitan Transportation Services - Contracted Service Unaudited - dollars in thousands

	MTS - Contracted Service				
	2022 YTD Results	% Budget	Projected Year-End	2022 Budget	Variance
Revenues	25,016	89%	28,969	27,971	998
Expenses	20,183	73%	27,997	27,797	(200)
Transfers	(486)	55%	(845)	(881)	36
Change in Reserve Balance	4,347		127	(707)	834
Beginning Reserve Balance			17,886		
Ending Reserve Balance			<u>18,013</u>		
Target Balance			2,868		

MTS - Contracted Service

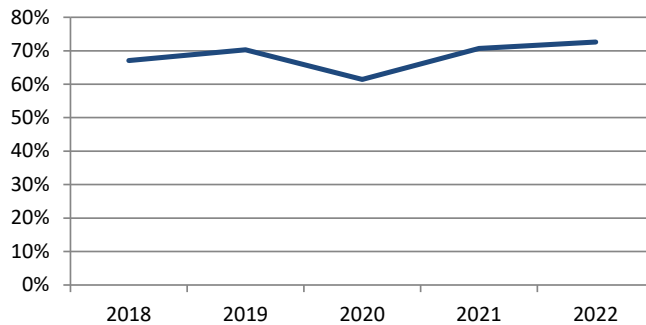
Contracted Services revenues are projected to be favorable to budget by \$1M as a result of additional federal grant revenue and higher interest earnings.

Total expenses for Contracted Services are projected to end the year \$0.2M unfavorable to budget. Increased expenses in Fixed Route (+\$1.8M) are mostly being offset by lower Transit Link costs (-\$1.6M). Fixed Route is unfavorable to budget as result of higher diesel fuel prices and recent contract rate increases implemented to help retain drivers. The favorable variance in Transit Link expenses is a result of lower than planned activity in consulting and contracted services.

A budget amendment is anticipated in Q4 for the additional Fixed Route expenses in Contracted Services.

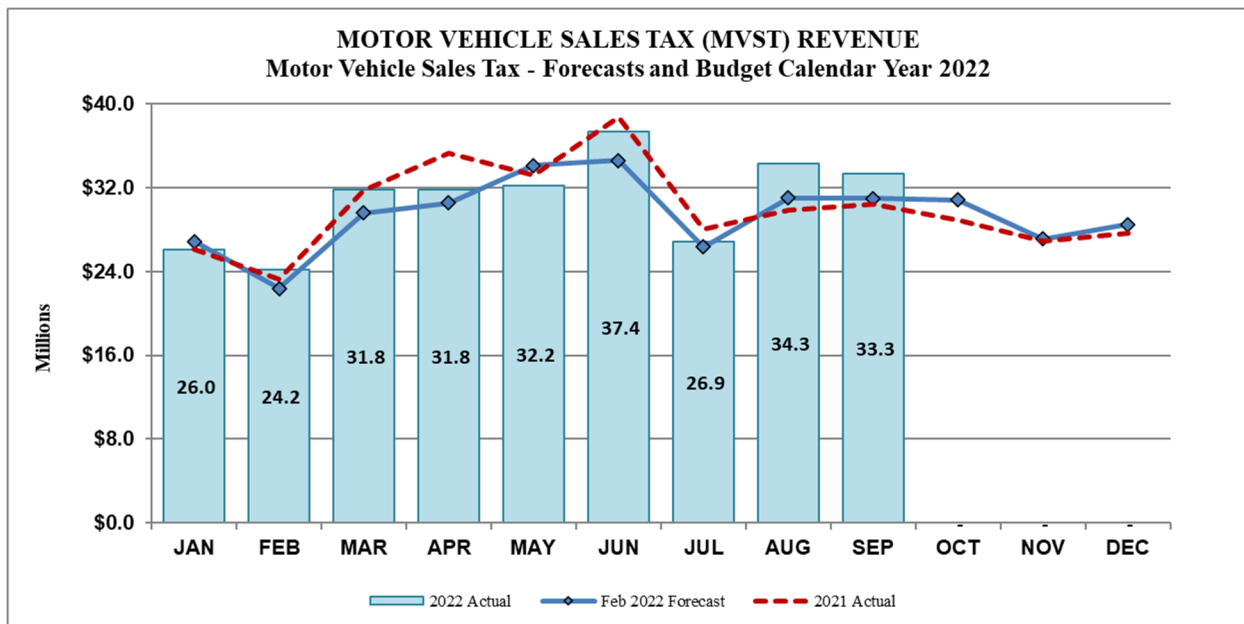
The projected ending reserve balance is \$18.0M for 2022, which is above the Council's minimum reserve target balance of \$2.9M.

MTS -Contracted Service % of Budget Spent - 3rd Qtr.

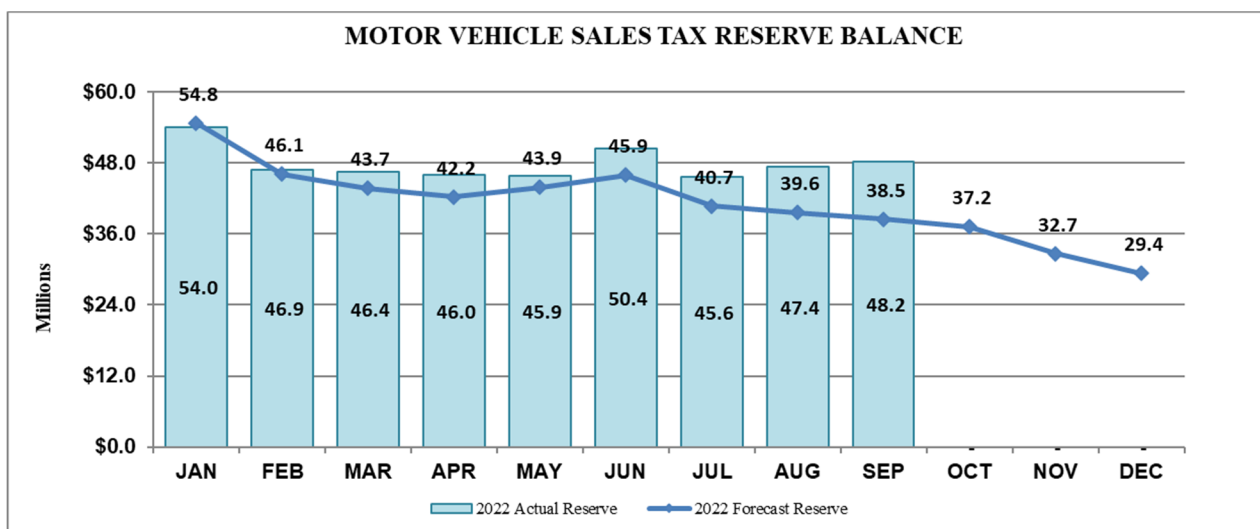


Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES



Motor vehicle sales tax receipts for 2022 through September totaled around \$277.7 million, 104.3% of February 2022 forecast thru September. MVST reserves were \$48.2 million at the end of September.



Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

Dollars in millions

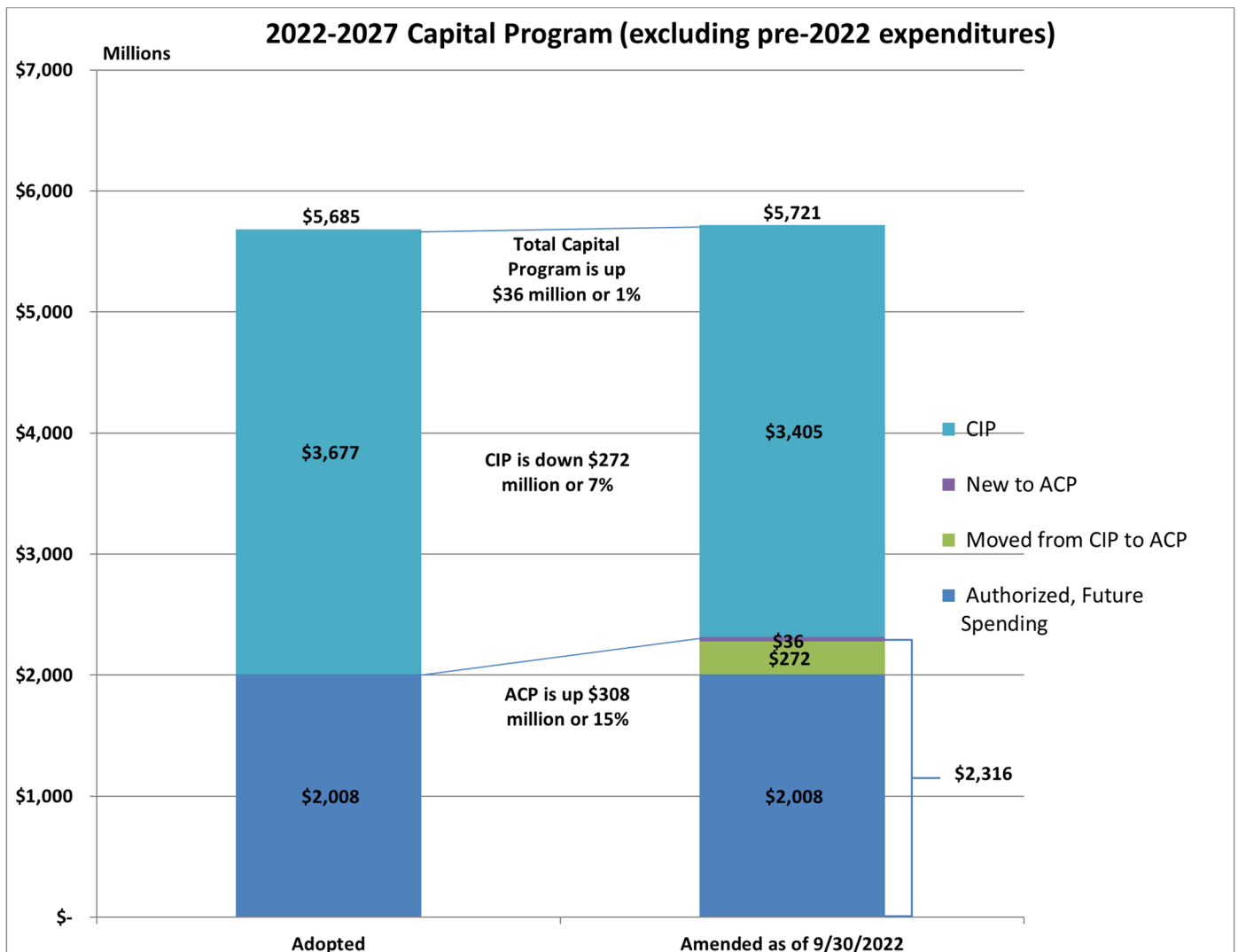
MOTOR VEHICLE SALES TAX – FORECASTS AND BUDGET CALENDAR YEAR 2022

Motor Vehicle Sales Tax – Forecasts and Budget Calendar Year 2022			
(Millions)			
	Total	Jan-Jun	Jul-Dec
NOV 2021 Forecast (2022 Adopted Budget)	376.1	188.1	188.1
2022 Council Budget:			
Current MVST Revenues	359.5	179.8	179.8
Use of MVST Reserve	16.6	8.3	8.3
November 2021 Forecast	376.0	189.8	186.2
YTD Actuals	277.7	183.3	94.4
February 2022 Forecast	352.8	178.1	174.7
YTD Actuals	277.7	183.3	94.4
% of November 2021 Forecast	73.9%	96.6%	50.7%
% of February 2022 Forecast	78.7%	102.9%	54.0%

2022-2027 CAPITAL PROGRAM

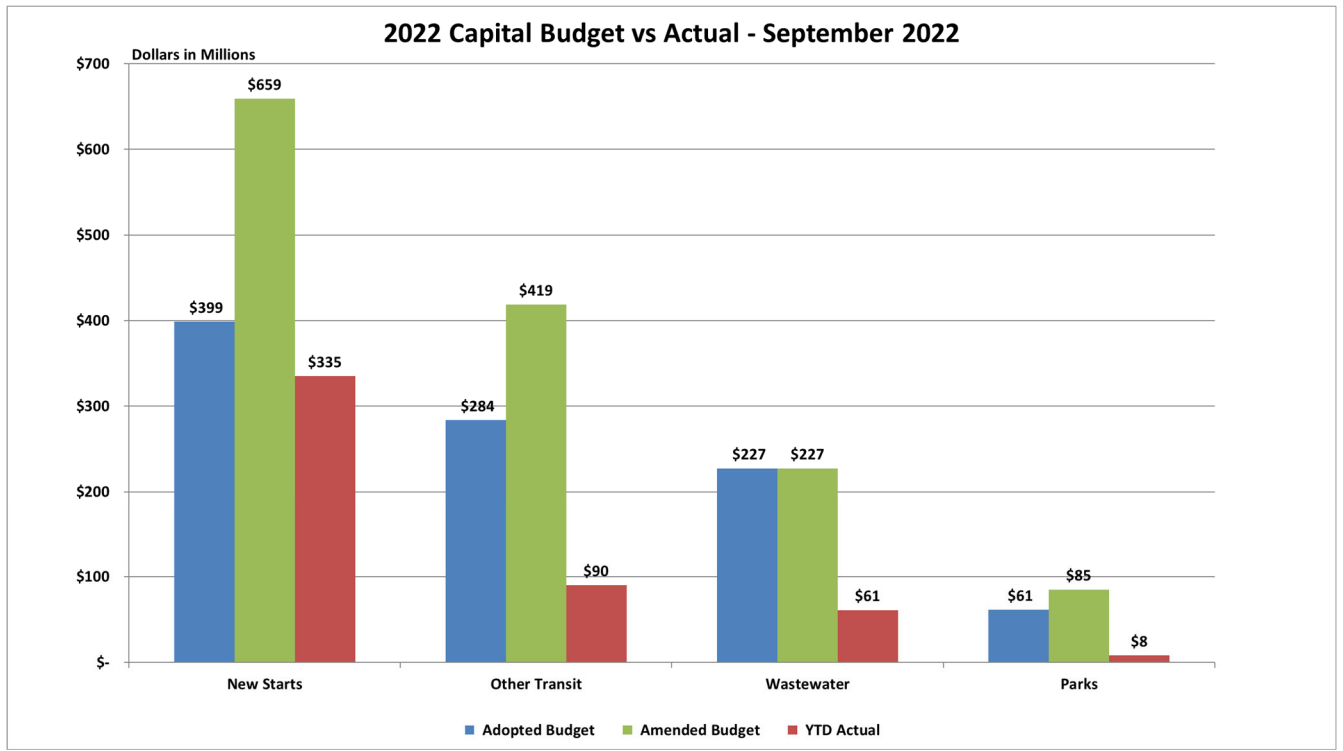
Capital Program (Excluding Pre-2022 Expenditures)

The Capital Program (excluding pre-2022 expenditures) increased by \$36 million, or an 1% increase, for amendments through September 2022. The authorized portion of the capital program (ACP) is up \$308 million, or a 15% increase, through September 2022. The ACP typically increases during the year as federal, state, and regional funding becomes available to transit and parks. Additionally, projects are moved from the planned portion of the capital program, called the capital improvement plan (CIP), to the authorized capital program (ACP) throughout the year.



CAPITAL SPENDING

Capital Budget



The adopted 2022 Capital Budget was \$971 million. Amendments through September 2022 increased the amended 2022 Capital Budget to \$1,390 million. Actual 2022 capital expenditures total 51% of the adopted budget and 36% percent of the amended budget. Actual expenditures as a percent of their amended budget were 39% for transit projects, 27% for wastewater projects and 9% for parks projects.

CAPITAL FUND CASH BALANCES

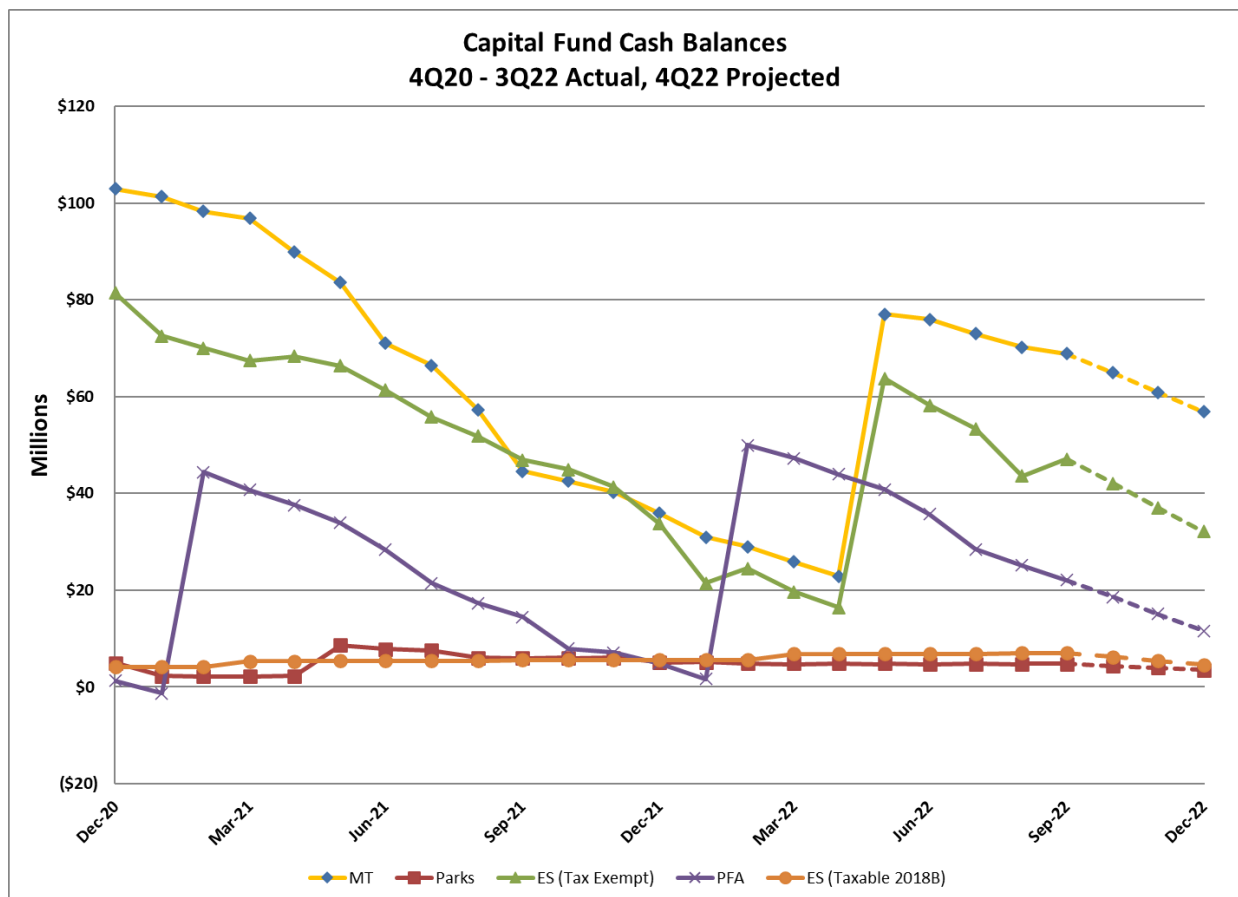
The Council did not issue any debt during 3Q22 and will not issue any in 4Q22.

Transit capital fund spending slowed slightly during the 3rd quarter. The average monthly spend was \$2.3 million per month in 3Q22 compared to \$2.8 million per month in 2Q22. Unspent Transit bond proceeds was \$68.9 million at the end of 3Q22.

Environmental Services (ES) bond fund capital spending also slowed during the 3rd quarter. The average monthly spend was \$3.7M per month in 3Q22 compared to \$4.7 million per month in 2Q22. Unspent ES bond proceeds was \$47.1 million at the end of 3Q22. A PFA loan of \$50 million for ES closed in January 2022. The average draw against this loan has been \$3.6 million per month YTD. \$21 million of this loan was available for future draws at the end of 3Q.

Parks bond proceeds continue to be spent very slowly. \$52,000 was spent during 3Q22, which is down from \$109,000 in 2Q22. Unspent Parks bond proceeds was \$4.7 million at the end of 3Q22.

The Council will realize significant future interest cost savings because due to bond refunding's that took place in 2020 and 2021, and the debt portfolio is continually monitored for additional refunding opportunities. No refunding bond issuance is expected for the remainder of 2022.



STATEMENT OF REVENUES AND EXPENSES

General Fund

September 30, 2022

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2022 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Property Taxes	8,347,356	15,501,785	15,501,785	-
Investment Earnings	594,114	662,311	609,002	53,309
Chargebacks - MAC	156,967	210,552	-	210,552
Other Revenue	198,967	265,289	205,000	60,289
Total Revenues	9,297,404	16,639,938	16,315,787	324,151
<u>EXPENSES</u>				
Salary and Benefits	36,552,860	53,999,340	55,441,048	1,441,708
Consulting & Contractual Services	14,331,110	31,500,000	33,988,502	2,488,502
Rent & Utilities	4,209,690	6,404,873	6,404,873	-
Printing	706	30,000	56,000	26,000
Travel & Professional Development	221,989	590,000	904,200	314,200
Insurance	275,897	190,000	123,000	(67,000)
Other Operating Expense	1,561,021	3,808,158	4,860,462	1,052,304
Total Expenses	57,153,273	96,522,371	101,778,085	5,255,714
<u>TRANSFERS</u>				
Transfer In	51,873,159	81,828,752	87,051,864	(5,223,112)
Transfer Out	(2,601,747)	(5,328,362)	(5,328,362)	-
Total Transfers	49,271,412	76,500,390	81,723,502	(5,223,112)
Change in Reserve Balance	1,415,543	(3,382,043)	(3,738,796)	356,753
Beginning Fund Balance		27,383,497		
Assigned/Committed		(7,095,776)		
Ending Unassigned Reserve Balance		16,905,678		
2022 Target Balance (10%)		10,177,809		

STATEMENT OF REVENUES AND EXPENSES
Environmental Services
September 30, 2022

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2022 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Municipal Wastewater Charges	187,466,250	249,955,000	249,955,000	-
Industrial Charges	13,766,431	18,502,500	15,301,000	3,201,500
State Appropriations Revenue	599,343	1,544,000	919,000	625,000
Federal Appropriations Revenue	0	350,000	450,000	(100,000)
Investment Earnings	438,784	600,000	500,000	100,000
Other Revenue	1,037,285	1,199,104	845,919	353,185
Total Revenues	203,308,093	272,150,604	267,970,919	4,179,685
<u>EXPENSES</u>				
Salary and Benefits	53,559,716	75,920,094	77,035,031	1,114,937
Consulting & Contractual Services	12,441,010	21,584,429	20,502,678	(1,081,751)
Rent & Utilities	16,832,011	24,049,951	20,134,571	(3,915,380)
Travel	200,023	568,982	687,776	118,794
Materials & Supplies	10,461,166	15,014,480	10,406,012	(4,608,468)
Chemicals	7,996,391	13,007,850	10,619,747	(2,388,103)
Capital Outlay	479,934	1,521,550	1,480,934	(40,616)
I&I, Storm water, CWF, WOMP Grant Expens	201,618	693,600	68,600	(625,000)
Other Operating Expense	735,132	1,198,015	3,424,746	2,226,731
Total Expenses	102,907,001	153,558,951	144,360,095	(9,198,856)
<u>TRANSFERS</u>				
SAC Transfer	44,715,000	59,620,000	59,620,000	-
Transfers In	278,498	250,000	250,000	-
Transfer - OPEB	4,000,000	4,000,000	4,000,000	-
Debt Service	(117,750,000)	(157,000,000)	(157,000,000)	-
Transfer Out - RA Expense Allocation	(12,817,878)	(20,591,638)	(21,907,062)	1,315,424
Transfers Out	(8,250,000)	(11,000,000)	(11,000,000)	-
Total Transfers	(89,824,380)	(124,721,638)	(126,037,062)	1,315,424
Change in Reserve Balance	10,576,712	(6,129,985)	(2,426,238)	(3,703,747)
Beginning Reserve Balance		34,808,692		
Ending Unassigned Reserve Balance		<u>28,678,707</u>		*
2022 Target Balance (10%)		14,436,010		

* \$2.6M of reserve balance is for water supply planning

STATEMENT OF REVENUES AND EXPENSES
Housing and Redevelopment Authority (HRA)
September 30, 2022

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2022 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	YTD ACTUAL PASS THROUGH
<u>REVENUES</u>					
Federal Revenue	63,891,876	84,780,909	84,000,760	780,149	58,371,521
State Revenue	218,479	294,460	320,000	(25,540)	203,884
Investment Earnings	96,620	53,000	-	53,000	-
Other Revenue	2,453,945	4,335,973	3,988,486	347,487	-
Total Revenues	66,660,920	89,464,342	88,309,246	1,155,096	58,575,405
<u>EXPENSES</u>					
Salary and Benefits	3,981,481	5,625,897	5,947,742	321,845	-
Consulting & Contractual Services	626,881	998,632	1,154,254	155,622	-
Rent & Utilities	104,570	150,627	153,627	3,000	-
Housing Expenses	60,300,860	81,095,462	80,438,463	(656,999)	58,967,009
Travel	18,514	24,685	67,000	42,315	-
Insurance	60,153	62,000	100,000	38,000	-
Other Operating Expense	199,574	259,283	355,500	96,217	-
Total Expenses	65,292,033	88,216,586	88,216,586	-	58,967,009
<u>TRANSFERS</u>					
Transfer Out - RA Expense Allocation	(1,073,946)	(1,450,839)	(1,537,063)	86,224	-
Transfer In - Allocation	-	150,000	150,000	-	-
Total Transfers	(1,073,946)	(1,300,839)	(1,387,063)	86,224	-
Change in Reserve Balance	294,941	(53,083)	(1,294,403)	1,241,320	(391,604)
Beginning Reserve Balance:					
Operating		13,967,322			
Federal Passthrough (HAP Assistance)		155,782			
Total Beginning Balance		14,123,104			
Change in Reserve Balance:					
Total Change in Reserve Balance		(53,083)			
Ending Reserve Balance		14,070,021			
2022 Target Balance (8.3%)		7,437,103			

STATEMENT OF REVENUES AND EXPENSES

Metro Transit - Bus Operations

September 30, 2022

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2022 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	23,714,550	31,410,486	39,188,129	(7,777,643)
Auxiliary Transit Revenue	1,868,432	2,491,243	2,364,852	126,391
State Revenue - MVST	242,360,244	323,146,992	323,146,992	-
Federal Grants	53,018,908	61,018,908	65,803,100	(4,784,192)
Investment Earnings	624,782	833,043	50,004	783,039
Other Revenue	738,839	2,777,591	3,334,968	(557,377)
Total Revenues	322,325,755	421,678,263	433,888,045	(12,209,782)
<u>EXPENSES</u>				
Salary and Benefits	171,422,081	238,555,791	299,952,203	61,396,412
Consulting & Contractual Services	6,817,904	10,324,793	15,233,622	4,908,829
Fuel	2,009,381	3,471,007	12,068,329	8,597,322
Materials & Supplies	15,193,721	20,671,358	21,955,204	1,283,846
Utilities	3,049,126	4,065,501	3,220,748	(844,753)
Other Operating Expense	10,894,535	9,196,358	5,356,280	(3,840,078)
Total Expenses	209,386,748	286,284,808	357,786,386	71,501,578
<u>TRANSFERS</u>				
Transfer In - Transit Allocations	9,990,024	13,952,528	19,761,218	(5,808,690)
Transfer Out - RA Expense Allocation	(30,028,428)	(46,007,454)	(48,944,096)	2,936,642
Transfer Out - Capital Program	-	(48,150,000)	(48,150,000)	-
Total Transfers	(20,038,404)	(80,204,926)	(77,332,878)	(2,872,048)
Change in Reserve Balance	92,900,603	55,188,529	(1,231,219)	56,419,748
Beginning Reserve Balance		75,374,552		
Ending Reserve Balance		130,563,081		
2022 Target Balance (8.3 - 12.5%)		32,118,449		

STATEMENT OF REVENUES AND EXPENSES
Metro Transit - Light Rail Operations
September 30, 2022
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2022 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	6,734,192	9,434,054	16,303,276	(6,869,222)
Auxiliary Transit Revenue	867,446	1,406,594	1,142,376	264,218
State Revenue - GF Appropriation	20,461,589	27,060,150	27,060,150	-
Local Revenue *	21,330,041	24,328,365	24,857,000	(528,635)
Investment Earnings	7,239	48,498	83,211	(34,713)
Other Revenue	4,488,000	24,462,217	24,342,000	120,217
Total Revenues	53,888,507	86,739,878	93,788,013	(7,048,135)
<u>EXPENSES</u>				
Salary and Benefits	36,345,545	49,798,071	52,019,832	2,221,761
Consulting & Contractual Services	1,780,836	2,635,189	2,926,382	291,193
Fuel	29,198	38,931	49,004	10,073
Materials & Supplies	3,317,575	7,084,161	5,270,521	(1,813,640)
Utilities	5,100,934	6,931,245	5,949,195	(982,050)
Other Operating Expense *	1,494,557	641,617	3,456,452	2,814,835
Total Expenses	48,068,645	67,129,214	69,671,386	2,542,172
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(9,813,359)	(13,334,479)	(18,008,001)	4,673,522
Transfer Out - RA Expense Allocation	(3,031,304)	(5,656,784)	(6,017,860)	361,076
Total Transfers	(12,844,663)	(18,991,263)	(24,025,861)	5,034,598
Change in Reserve Balance	(7,024,801)	619,401	90,766	528,635
Beginning Reserve Balance		11,488,223		
Ending Reserve Balance		12,107,624		
2022 Target Balance (8.3 - 12.5%)		7,776,872		

STATEMENT OF REVENUES AND EXPENSES
Metro Transit - Commuter Rail Operations
September 30, 2022

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2022 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	184,288	281,744	454,513	(172,769)
State Revenue - MVST	4,028,914	5,593,848	5,593,848	-
Local Revenue - Counties / MNDOT *	5,805,549	4,368,057	6,553,137	(2,185,080)
Federal Revenues	7,266	4,373,478	4,373,478	-
Investment Earnings	31,227	31,227	-	31,227
Total Revenues	10,057,244	14,648,354	16,974,976	(2,326,622)
<u>EXPENSES</u>				
Salary and Benefits	2,309,618	3,404,429	6,045,648	2,641,219
Consulting & Contractual Services	2,590,449	3,102,112	2,782,596	(319,516)
Fuel	427,172	638,444	845,088	206,644
Materials & Supplies	614,636	998,801	690,746	(308,055)
Utilities	423,282	575,876	412,608	(163,268)
Other Operating Expense	1,779,631	2,644,570	2,976,466	331,896
Total Expenses	8,144,788	11,364,232	13,753,152	2,388,920
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(176,665)	(330,407)	(1,753,212)	1,422,805
Transfer Out - RA Expense Allocation	(387,115)	(571,546)	(608,028)	36,482
Total Transfers	(563,780)	(901,953)	(2,361,240)	1,459,287
Change in Reserve Balance	1,348,676	2,382,169	860,584	1,521,585
Beginning Reserve Balance		8,350,370		
Ending Reserve Balance		10,732,539		
2022 Target Balance (8.3 - 12.5%)		1,337,495		

STATEMENT OF REVENUES AND EXPENSES
MTS -Transportation Planning
September 30, 2022

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2022 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Federal Revenue	3,665,821	5,540,269	5,540,269	-
State Revenue - MVST	3,375,000	4,500,000	4,500,000	-
Investment Earnings	43,965	58,620	-	58,620
Chargebacks from MAC	53,847	73,380	132,000	(58,620)
Total Revenues	7,138,633	10,172,269	10,172,269	-
<u>EXPENSES</u>				
Salary and Benefits	2,482,992	3,494,800	3,632,684	137,884
Consulting & Contractual Services	1,060,363	3,887,553	4,731,500	843,947
Rent & Utilities	112,329	162,935	162,935	-
Travel	20,103	65,000	65,000	-
Other Operating Expense	74,941	195,082	186,390	(8,692)
Total Expenses	3,750,728	7,805,370	8,778,509	973,139
<u>TRANSFERS</u>				
Transfer Out - RA Expense Allocation	(1,171,185)	(2,037,544)	(2,122,442)	84,898
Total Transfers	(1,171,185)	(2,037,544)	(2,122,442)	84,898
Change in Reserve Balance	2,216,720	329,355	(728,682)	1,058,037
Beginning Reserve Balance		7,947,160		
Ending Reserve Balance		8,276,515		
2022 Target Balance (Combined 15%, 31.5% TP Fund)		3,434,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Metro Mobility
September 30, 2022
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2022 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenue	4,988,927	6,651,903	8,487,242	(1,835,339)
Federal Revenue	31,000,000	31,000,000	31,000,000	-
State Appropriations	42,202,000	56,196,000	56,196,000	-
Investment Earnings	179,987	239,982	-	239,982
Total Revenues	78,370,914	94,087,885	95,683,242	(1,595,357)
<u>EXPENSES</u>				
Salary and Benefits	1,859,952	2,614,128	2,714,427	100,299
Consulting & Contractual Services	53,479,336	73,472,573	79,079,559	5,606,986
Fuel	6,437,181	10,000,000	11,999,699	1,999,699
Rent & Utilities	65,423	117,807	142,807	25,000
Other Operating Expense	107,198	628,193	701,315	73,122
Total Expenses	61,949,090	86,832,701	94,637,807	7,805,106
<u>TRANSFERS</u>				
Transfer Out - RA Expense Allocation	(1,654,295)	(2,878,178)	(2,998,102)	119,924
Total Transfers	(1,654,295)	(2,878,178)	(2,998,102)	119,924
Change in Reserve Balance	14,767,529	4,377,006	(1,952,667)	6,329,673
Beginning Reserve Balance - Regular Operations		25,457,017		
Ending Reserve Balance		29,834,023		
2022 Target Balance (10%)		9,764,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Contracted Service
September 30, 2022

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2022 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	935,842	1,261,222	1,236,272	24,950
Federal Revenue	15,603,888	15,817,506	14,959,620	857,886
State Revenue - MVST	8,382,526	11,774,909	11,774,909	-
Investment Earnings	93,608	115,706	-	115,706
Total Revenues	25,015,864	28,969,343	27,970,801	998,542
<u>EXPENSES</u>				
Salary and Benefits	690,319	956,112	933,827	(22,285)
Consulting & Contractual Services	19,356,701	26,605,152	26,502,622	(102,530)
Rent & Utilities	41,002	59,269	114,269	55,000
Travel	0	0	12,500	12,500
Other Operating Expense	94,653	376,420	233,695	(142,725)
Total Expenses	20,182,675	27,996,953	27,796,913	(200,040)
<u>TRANSFERS</u>				
Transfer Out - RA Expense Allocation	(485,759)	(845,373)	(880,597)	35,224
Total Transfers	(485,759)	(845,373)	(880,597)	35,224
Change in Reserve Balance	4,347,430	127,017	(706,709)	833,726
Beginning Reserve Balance		<u>17,885,951</u>		
Ending Reserve Balance		18,012,968		
2022 Target Balance (Combined 15%, 10% Cont Svc Funds)		2,868,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Federal Pass Through
September 30, 2022

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2022 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Federal Revenue	12,112,788	17,986,564	19,436,564	(1,450,000)
State Revenue - MVST				-
Total Revenues	12,112,788	17,986,564	19,436,564	(1,450,000)
<u>EXPENSES</u>				
Grants	12,112,788	17,986,564	19,436,564	1,450,000
Total Expenses	12,112,788	17,986,564	19,436,564	1,450,000

MTS - Passthrough

Revenues and expenses are forecasted to come in under budget (\$1.45M) by year end. Suburban Transit Providers federally funded CMAQ services have been delayed resulting from covid-19. The Q1 amendment added \$16,786,562 in American Rescue Plan federal relief funding to be passed through to regional providers via grant agreements.