

People

Transportation

Housing

Bikes

Planning

Financial Condition

Future

Bus

Parks

Cars

Sustainability

Efficient

3rd QUARTER 2024 FINANCIAL REPORT

Prosperity

Train

Growth

Light Rail

December 11, 2024

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
2024 - 3rd Quarter Results
(in thousands)
Unaudited

	General Fund					Environmental Services					Housing and Redevelopment Authority				
	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance*	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance*	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance*
Revenues	11,020	56%	20,483	19,759	724	226,367	75%	306,020	302,570	3,450	78,636	74%	106,320	105,563	757
Expenses	76,627	64%	119,620	119,842	222	113,267	66%	169,519	170,884	1,365	77,245	74%	104,019	104,697	678
Transfers	62,378	65%	96,213	96,213	0	(98,130)	74%	(132,814)	(132,914)	100	(2,943)	83%	(3,565)	(3,565)	0
Change in Reserve Balance	(3,229)		(2,924)	(3,870)	946	14,970		3,687	(1,228)	4,915	(1,552)		(1,264)	(2,699)	1,435
Beginning Reserve Balance			35,116					45,629					18,378		
Assigned/Committed			(7,851)												
Ending Reserve Balance			24,341					49,316					17,114		
Target Balance			11,984					17,088					8,990		

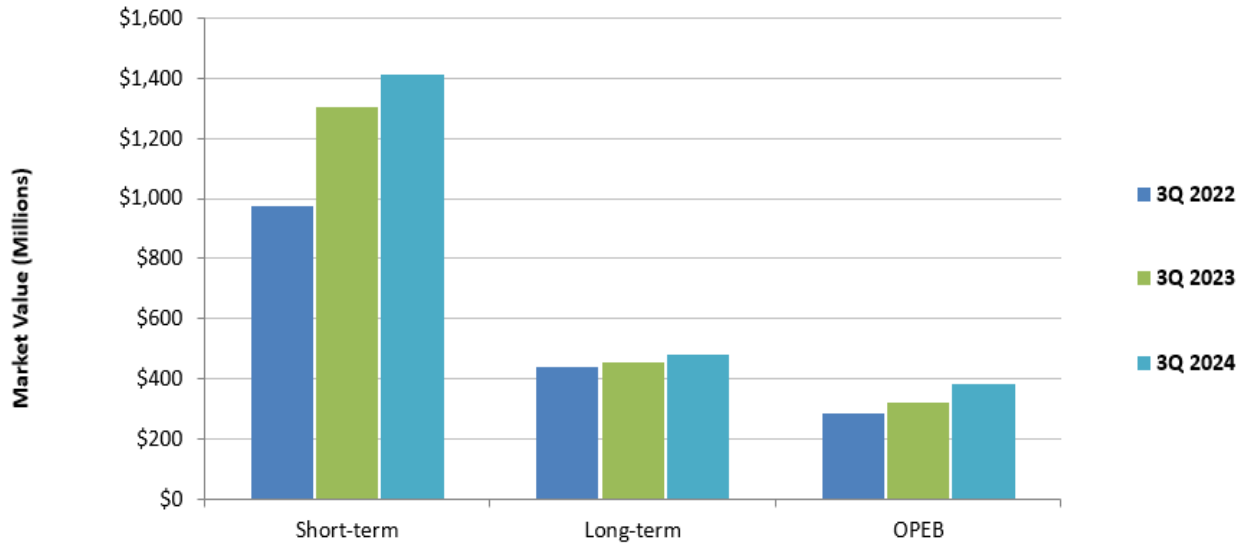
	Metro Transit - Bus					Metro Transit - Light Rail					Metro Transit - Commuter Rail				
	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance*	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance*	YTD Results	% Budget	Projected Year-End	2024 Budget	Variance*
Revenues	285,408	76%	375,916	374,064	1,852	69,122	67%	102,183	103,212	(1,029)	7,257	46%	15,948	15,655	293
Expenses	252,076	58%	350,028	434,549	84,521	57,116	63%	80,820	90,043	9,223	9,704	60%	13,904	16,106	2,202
Transfers	(33,265)	81%	(44,997)	(41,159)	(3,838)	(16,728)	67%	(24,078)	(25,069)	991	(863)	33%	(1,151)	(2,651)	1,500
Change in Reserve Balance	67		(19,109)	(101,644)	82,535	(4,722)		(2,715)	(11,900)	9,185	(3,310)		893	(3,102)	3,995
Beginning Reserve Balance			261,405					22,227					11,077		
Ending Reserve Balance			242,296					19,512					11,970		
Target Balance			39,484					9,554					1,557		

	MTS - Transportation Planning					MTS - Metro Mobility					MTS - Contracted Service				
	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance*	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance*	YTD Results	% Budget	Projected Year-End	2024 Budget	Variance*
Revenues	7,826	68%	11,501	11,501	0	79,826	79%	99,806	100,678	(872)	26,159	80%	34,053	32,781	1,272
Expenses	4,502	49%	8,308	9,223	915	79,520	67%	115,251	118,114	2,863	26,728	70%	37,397	38,039	642
Transfers	(1,678)	65%	(2,594)	(2,594)	0	(2,004)	66%	(3,042)	(3,042)	0	(2,063)	85%	(2,435)	(2,435)	0
Change in Reserve Balance	1,646		599	(316)	915	(1,698)		(18,487)	(20,478)	1,991	(2,632)		(5,779)	(7,693)	1,914
Beginning Reserve Balance			10,934					30,560					15,125		
Ending Reserve Balance			11,533					12,073					9,346		
Target Balance			3,544					6,058					4,047		

*Variance = Favorable / (Unfavorable)

Financial Management Report

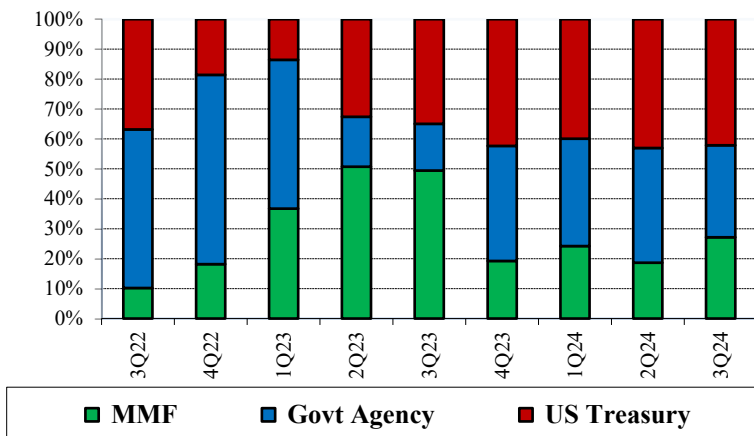
INVESTMENT PORTFOLIO BALANCES



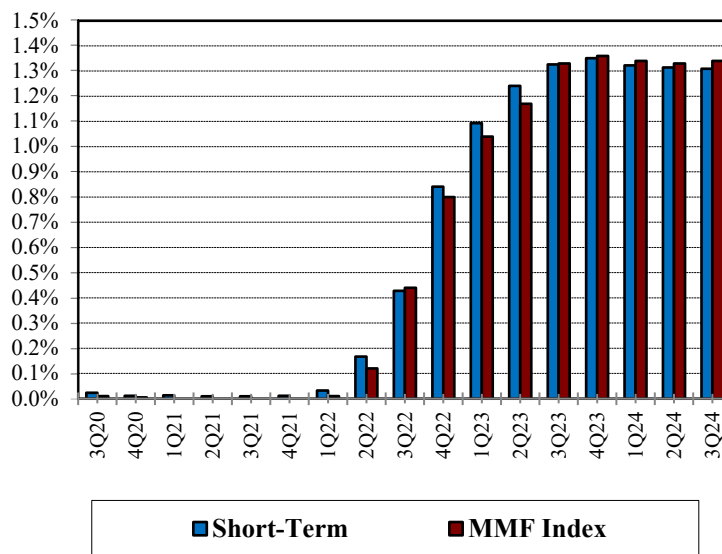
Balances - Market Value (millions)

	3Q 2022	3Q 2023	3Q 2024
Short-term	973.8	1,303.4	1,409.8
Long-term	440.4	452.6	482.1
OPEB	282.5	318.8	380.9
Total	<u>\$ 1,696.70</u>	<u>\$ 2,074.80</u>	<u>\$ 2,272.80</u>

Sector Allocation



Total Return

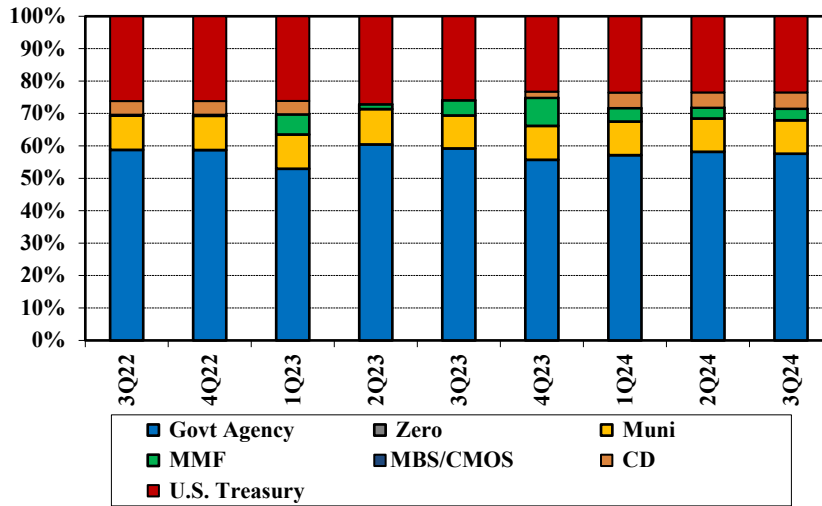


Short-term Portfolio Performance 3Q24. The Short-term portfolio invests available short-term cash around the Council’s cash-flow. Maturities align with large cash outflows such as capital expenditures, payroll, and debt service. The portfolio’s total return for third quarter was 1.31%, compared to 1.34% for the portfolio’s benchmark. The average annual yield of portfolio holdings decreased slightly to 5.04%, compared to 5.31% in the second quarter, as market yields decreased anticipating Federal Reserve rate cuts. Earnings increased to \$18.7 million, compared to \$16.7 million in the second quarter. The \$1.41 billion portfolio was invested in U.S. Treasury Bills (\$593 million, 40%), U.S. Government Agency Discount Notes (\$434 million, 36%), and government money market funds (\$382 million, 24%). Portfolio investments range from 0 to 6 months in length.

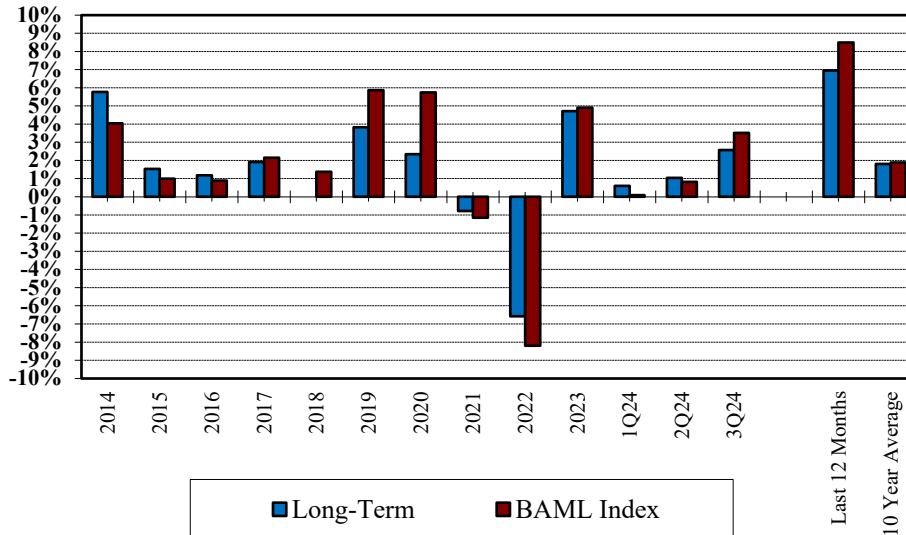
Strategy. No changes are anticipated near-term for this portfolio. The portfolio is diversified among high quality short-term securities permissible under MN. Statutes Chapter 118A. Duration will be maintained slightly longer than the benchmark as cash flow remains strong and to lock-in yields for a longer period. Additional cuts to short-term interest rates from the Federal Reserve are expected in 2024.

INVESTMENT HOLDINGS AND PERFORMANCE - LONG-TERM PORTFOLIO

Sector Allocation



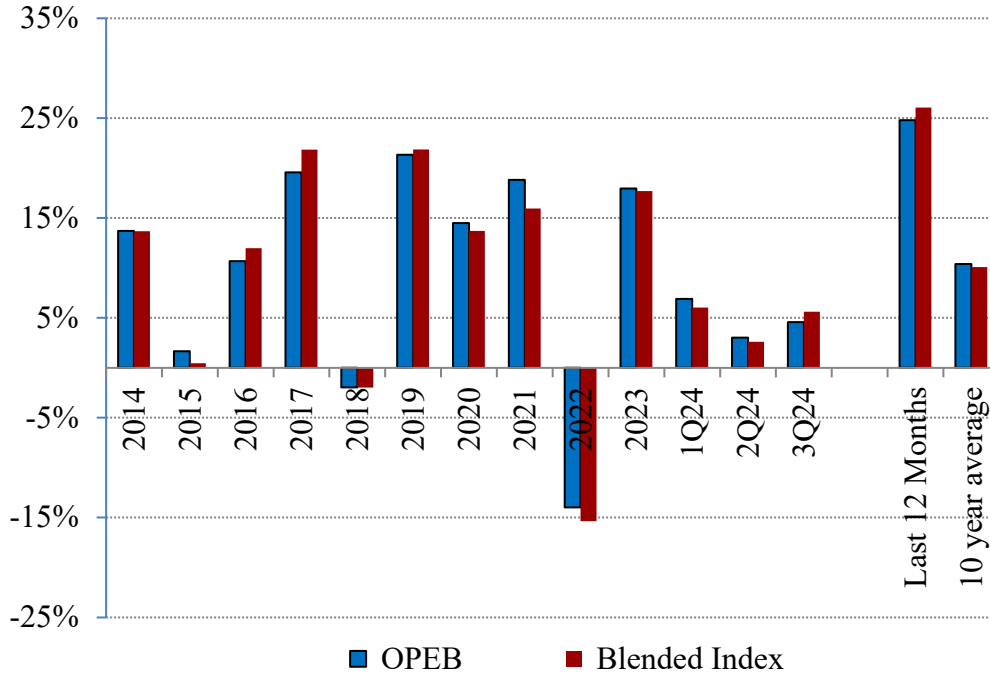
Total Return



Long-term Portfolio Performance 3Q24. This portfolio invests the Council’s longer-term reserves. Average yield and interest income continued to increase as maturing investments are re-invested at higher yields. Average yield increased from 1.39% to 2.22% over the past 12 months. Third quarter interest income was \$2.7 million, compared to \$2.5 million in the second quarter. The portfolio underperformed its benchmark, with a quarterly total return of 2.57% vs 3.51% for the benchmark. The \$482 million portfolio was invested similar to previous quarters, holding U.S. Government Agency bonds (\$278 million, 57%), U.S. Treasury Notes (\$113 million, 24%), taxable municipal bonds (\$50 million, 10%), government money funds (\$17 million, 4%), Certificates of Deposit (\$24 million, 5%) and a small amount of mortgage-backed securities. Duration decreased slightly but remains short of the benchmark, 1.38 years vs 3.38 years.

Strategy. There was a small amount of portfolio activity in the third quarter. \$15 million of 5-year discounted callable US Government Agency bonds were purchased to increase duration. The CD program became fully invested with a CD purchase with First Independence Bank. The CD program invests with local community banks who have a strong history of supporting affordable housing, serving the underbanked, funding small businesses, and community development.

OPEB Trust Total Return



OPEB Trust Performance 3Q24. The OPEB Trust contains assets set aside to fund future OPEB liabilities, which stretch 30+ years into the future. The trust had a strong total return of 4.57% for the quarter, which underperformed its benchmark return of 5.61%. Underperformance occurred in the fixed income portion of the portfolio. The Trust’s fixed income holdings consist of US Treasury and Agency bonds which are much shorter than the benchmark, therefore realizing smaller market value gains versus the longer index as market interest rates decreased. The equity portion of the trust had another strong quarter, gaining 5.88%, matching the return of the S&P Index. The market value of the Trust increased from \$364.3 million to \$380.9 million. Trust investments were allocated approximately 62% to the S&P 500 pool, 33% to US Treasury and Government Agency securities, and 5% to the cash pool.

Strategy. Trust assets are held at a third-party custodian, managed by the Minnesota State Board of Investment, and allocated at the Council’s direction. The trust uses the S&P 500 index pool to realize the historically higher average returns of the equity markets over the long term. OPEB liability funding levels and trust investment allocations are monitored monthly, and periodic adjustments are made to maintain the portfolio near the allocation target of 60/40 equity-to-fixed income/cash. Trust returns have averaged 11.60% over the past 5 years and 10.38% over the past 10 years. These returns have resulted in projected future OPEB liabilities being currently fully funded. The Council also withdraws funds from the trust annually to fund OPEB benefits.

Financial Management Report

GENERAL FUND

Unaudited - dollars in thousands

2024 3rd Quarter Financial Report General Fund Unaudited - dollars in thousands

	General Fund				
	2024 YTD		Projected		Variance
	Results	% Budget	Year-End	2024 Budget	
Revenues	11,020	56%	20,483	19,759	724
Expenses	76,627	64%	119,620	119,842	222
Transfers	62,378	65%	96,213	96,213	0
Change in Reserve Balance	(3,229)		(2,924)	(3,870)	946
Beginning Fund Balance			35,116		
Assigned/Committed			(7,851)		
Ending Unassigned Reserve Balance			<u>24,341</u>		
Target Balance			11,984		

General Fund

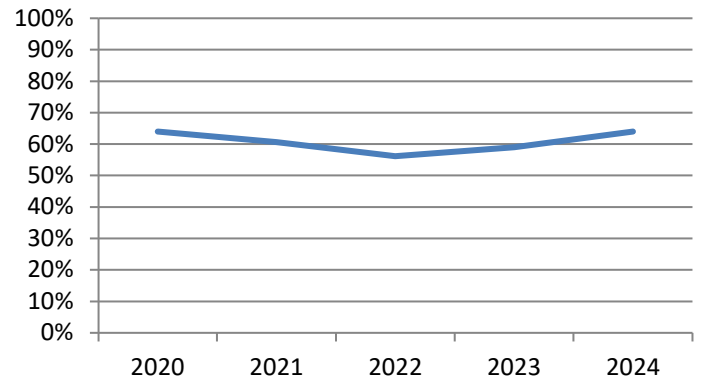
Revenues for the General fund are primarily from property tax and are reflected, largely, in the second half of the year.

At the end of the third quarter, the General Fund has spent 64% of annual budgeted operating expenses. This is higher than prior years spending. This is due to increased spending within the IS department.

The 2024 General Fund budget approved by the Council reflects a \$3.9M use of General Fund reserves.

The projected year-end available reserve balance is \$24.3M, which is above the Council's minimum reserve target balance of \$12.0M.

General Fund % of Budget Spent - 3rd Quarter



Environmental Services

Unaudited - dollars in thousands

2024 3rd Quarter Financial Report Environmental Services Unaudited - dollars in thousands

	Environmental Services				
	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance
Revenues	226,367	75%	306,020	302,570	3,450
Expenses	113,267	66%	169,519	170,884	1,365
Transfers	(98,130)	74%	(132,814)	(132,914)	100
Change in Reserve Balance	14,970		3,687	(1,228)	4,915
Beginning Reserve Balance			45,629		
Ending Unassigned Reserve Balance			<u>49,316</u>		
Target Balance			17,088		

Environmental Services

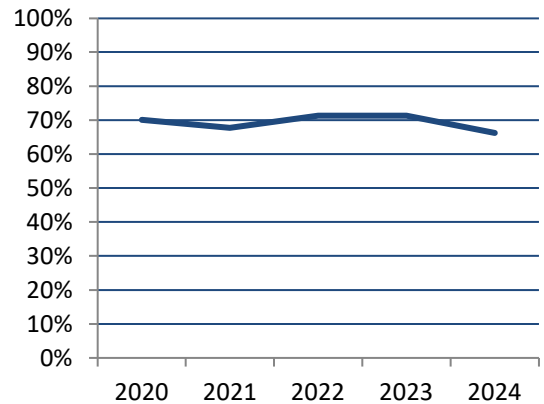
Total revenues are expected to be \$3.5M over budget. Investment earnings are expected to be \$2.7M over budget due to higher than planned interest rates. State appropriations are also expected to be \$0.8M over budget for pass-through grants that were funded after the budget was adopted.

Total expenses are expected to be \$1.4M under budget. Utilities are expected to be \$3.3M under budget due to natural gas prices (decreasing) and electrical improvements at metro plant. Chemicals are expected to be \$1.3M under budget due to improved efficiency of polymer use. In addition, materials and supplies are expected to be \$2.7M over budget due to inflation, and grants are expected to run \$0.5M over budget due to pass-through grants that were funded after the budget was adopted. Other variances are mostly offsetting (net to zero).

Transfers are expected to be \$0.1M over budget due to the timing of our levy funded equity painters (planned for 2022 and 2023).

Based on the above forecasted variances, operating reserves are projected to increase by \$3.7M (compared to the budgeted \$1.3M decrease), which will increase the operating fund balance to \$49.3M. This exceeds the year-end target balance of \$17.1M by a healthy margin.

Environmental Services % of Budget Spent - 3rd Quarter



Financial Management Report

HOUSING AND REDEVELOPMENT FUND

Unaudited - dollars in thousands

2024 3rd Quarter Financial Report Housing and Redevelopment Fund Unaudited - dollars in thousands

	Housing and Redevelopment Authority				
	2024 YTD		Projected		Variance
	Results	% Budget	Year-End	2024 Budget	
Revenues	78,636	74%	106,320	105,563	757
Expenses	77,245	74%	104,019	104,697	678
Transfers	(2,943)	83%	(3,565)	(3,565)	0
Change in Reserve Balance	(1,552)		(1,264)	(2,699)	1,435
Beginning Reserve Balance			18,378		
Ending Reserve Balance			<u>17,114</u>		
Target Balance			8,990		

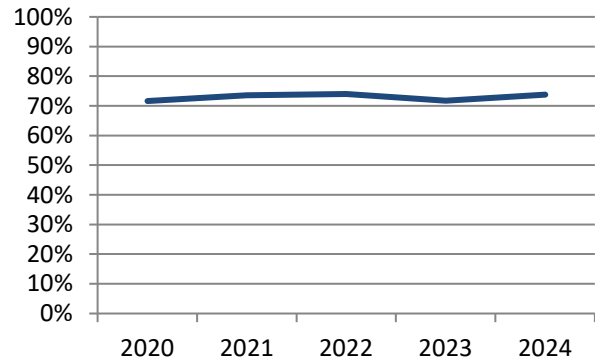
Housing and Redevelopment Authority

HRA revenues are projected to be \$0.8M favorable to budget. The main reason for the favorable variance is higher interest earnings than anticipated. Federal pass-through revenue is currently lower than budgeted year to date but is forecasted to end the year close to budget.

Expenses are projected to be favorable to budget by \$0.7M due to lower spending than budgeted on general administrative expenses. Housing Choice Voucher (HCV) subsidy payments are projected to end the year close to budget.

The projected ending reserve balance for the HRA is \$17.1M, which is above the Council's minimum reserve target balance of \$9.0M.

HRA % of Budget Spent - 3rd Quarter



Financial Management Report

METRO TRANSIT - BUS

Unaudited - dollars in thousands

2024 3rd Quarter Financial Report

Metro Transit - Bus

Unaudited - dollars in thousands

	Metro Transit - Bus				
	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance
Revenues	285,408	76%	375,916	374,064	1,852
Expenses	252,076	58%	350,028	434,549	84,521
Transfers	(33,265)	81%	(44,997)	(41,159)	(3,838)
Change in Reserve Balance	67		(19,109)	(101,644)	82,535
Beginning Reserve Balance			261,405		
Ending Reserve Balance			<u>242,296</u>		
Target Balance			39,484		

Metro Transit - Bus

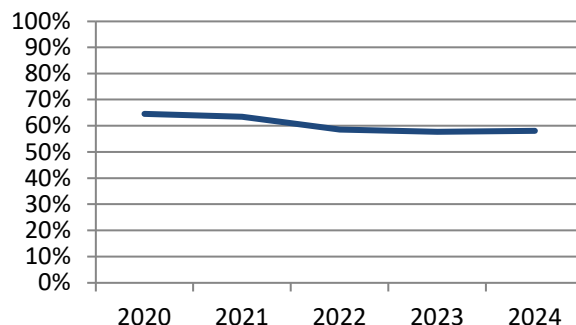
Total revenues are expected to be \$1.9M higher than the amended budget. Investment earning will be \$14.2M over budget due to higher fund balances from Federal revenues. Passenger fares are expected to be \$7.2M below the revised budget due to lower than expected ridership. Federal revenues are down \$5.3M due to decrease in federal pandemic grant.

Total expenses are expected to be below budget by \$84.5M. These savings are due to vacant positions with labor and benefits under budget \$56.5M. Professional and technical services should be \$4.8M below budget. Fuel savings should be \$3.6M under budget due to service levels and price per gallon of diesel fuels. The decreases in parts and materials will cause a budget savings of \$2.8M. Other expenses budgeted for enhancing the bus system that are continuously under review are under budget by \$14.9M.

Transfers are expected to be below budget due to the saving in labor and benefit of modal allocations. Council allocation at the budget level.

The 2024 amended budget includes a planned use of reserves in the amount of \$101.6M. The forecast indicates a positive budget variance of balance of \$82.5M and a forecasted reserve balance of \$242.3M.

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



Financial Management Report

METRO TRANSIT - LIGHT RAIL

Unaudited - dollars in thousands

2024 3rd Quarter Financial Report Metro Transit - Light Rail Unaudited - dollars in thousands

	Metro Transit - Light Rail				
	2024 YTD		Projected		Variance
	Results	% Budget	Year-End	2024 Budget	
Revenues	69,122	67%	102,183	103,212	(1,029)
Expenses	57,116	63%	80,820	90,043	9,223
Transfers	(16,728)	67%	(24,078)	(25,069)	991
Change in Reserve Balance	(4,722)		(2,715)	(11,900)	9,185
Beginning Reserve Balance			22,227		
Ending Reserve Balance			<u>19,512</u>		
Target Balance			9,554		

Metro Transit - Light Rail

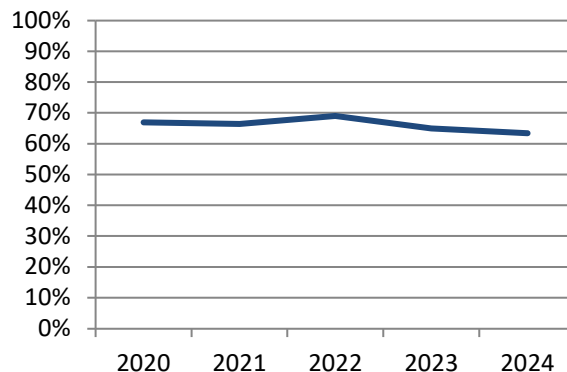
Total revenues are expected to be \$1.0M under the amended budget mainly due to the decrease in passenger fares by \$1.7M and increase in investment earning by \$0.6M. Federal pandemic relief funds of \$13.7M were drawn in September 2024 consistent with the budget.

Total expenses are expected to be \$9.2M below the amended budget. These savings are due to vacant positions with labor and benefits under budget \$7.7M. Materials and supplies were \$3.6M under budget. Utilities will be \$2.1M over budget due to changes in utility rates.

Tranfers are expected to be \$1.0M under budget due to labor reductions resulting in decreases in allocations. Council allocation at the budget level.

The 2024 amended budget includes a planned use of reserves in the amount of \$11.9M. The forecast indicates a positive budget variance of balance of \$9.2M and a forecasted reserve balance of \$19.5M.

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



Financial Management Report

METRO TRANSIT - COMMUTER RAIL

Unaudited - dollars in thousands

2024 3rd Quarter Financial Report Metro Transit - Commuter Rail Unaudited - dollars in thousands

	Metro Transit - Commuter Rail				
	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance
Revenues	7,257	46%	15,948	15,655	293
Expenses	9,704	60%	13,904	16,106	2,202
Transfers	(863)	33%	(1,151)	(2,651)	1,500
Change in Reserve Balance	(3,310)		893	(3,102)	3,995
Beginning Reserve Balance			11,077		
Ending Reserve Balance			<u>11,970</u>		
Target Balance			1,557		

Metro Transit - Commuter Rail

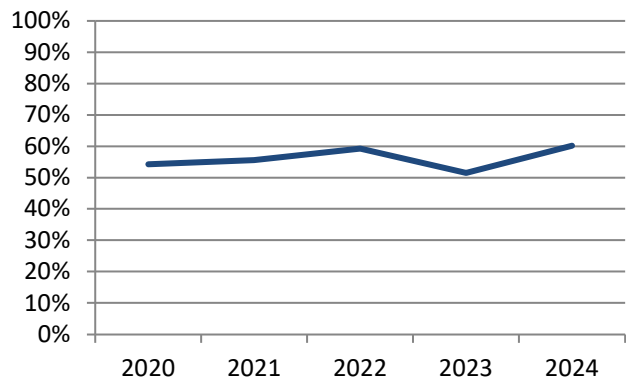
Total revenues are expected to be \$0.3M over the amended budget due to decrease in passenger fares by \$0.1M under budget and increase in investment earning by 0.4M.

Total expenses are forecasted at \$2.2M below the amended budget. These savings are due to vacant positions with labor and benefits under budget \$1.8M and \$0.5M fuel cost.

Transfer will be \$1.5M under budget due to labor reductions in the allocation departments resulting in decreases in the allocations. Council allocation at the budget level.

The 2024 amended budget includes a planned use of reserves in the amount of \$3.1M. The forecast indicates a positive budget variance of balance of \$4.0M and a forecasted reserve balance of \$12.0M.

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



MTS - Transportation Planning

Unaudited - dollars in thousands

2024 3rd Quarter Financial Report Metropolitan Transportation Services - Transportation Planning Unaudited - dollars in thousands

	MTS - Transportation Planning				
	2024 YTD		Projected		Variance
	Results	% Budget	Year-End	2024 Budget	
Revenues	7,826	68%	11,501	11,501	0
Expenses	4,502	49%	8,308	9,223	915
Transfers	(1,678)	65%	(2,594)	(2,594)	0
Change in Reserve Balance	1,646		599	(316)	915
Beginning Reserve Balance			10,934		
Ending Reserve Balance			<u>11,533</u>		
Target Balance			3,544		

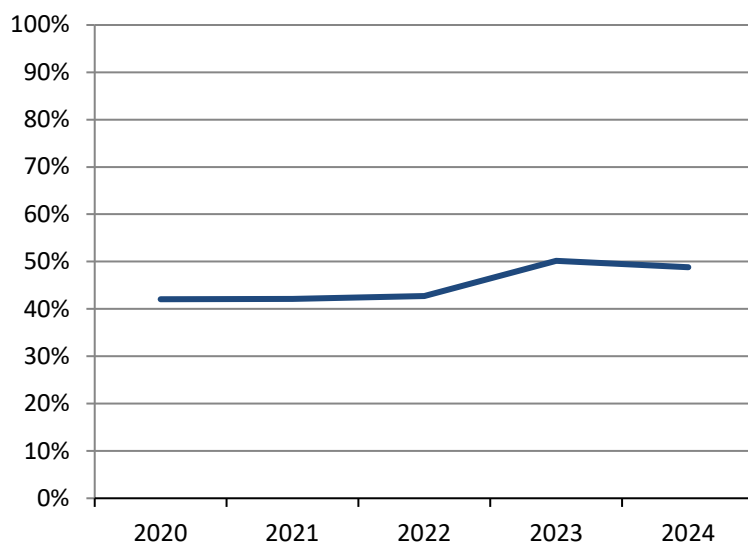
MTS - Transportation Planning

Transportation Planning revenues are projected to end the year on budget. Federal revenues are forecasted to end the year lower than budgeted but is offset by the favorable variance in interest earnings.

Expenses are projected to be favorable to budget by \$0.9M due to lower consulting activity and general administrative expenses.

The projected ending reserve balance is \$11.5M for 2024, which is above the Council's reserve target balance of \$3.5M.

MTS - Planning % of Budget Spent - 3rd Quarter



MTS - METRO MOBILITY

Unaudited - dollars in thousands

2024 3rd Quarter Financial Report Metropolitan Transportation Services - Metro Mobility Unaudited - dollars in thousands

	MTS - Metro Mobility				
	2024 YTD		Projected		Variance
	Results	% Budget	Year-End	2024 Budget	
Revenues	79,826	79%	99,806	100,678	(872)
Expenses	79,520	67%	115,251	118,114	2,863
Transfers	(2,004)	66%	(3,042)	(3,042)	0
Change in Reserve Balance	(1,698)		(18,487)	(20,478)	1,991
Beginning Reserve Balance			30,560		
Ending Reserve Balance			<u>12,073</u>		
Target Balance			6,058		

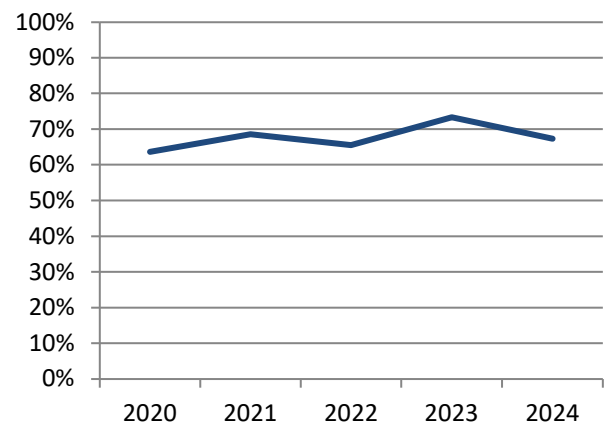
MTS - Metro Mobility

Metro Mobility's revenue is projected to be unfavorable by \$0.9M as a result of lower passenger fare revenue than budgeted. Ridership is below expectations.

Total expenses for Metro Mobility are projected to be favorable to budget by \$2.9M. Higher general operating expenses (+\$0.4M) and fuel costs (+\$0.2M) are being offset by lower salary (-\$0.4M) and contracted services expenses (-\$3.0M) than budgeted. Lower than anticipated costs in Metro Move is contributing to the favorable variance in contracted service's expenses.

The projected ending reserve balance is \$12.1M for 2024, which is above the Council's reserve target balance of \$6.1M.

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



MTS-CONTRACTED SERVICES

Unaudited - dollars in thousands

2024 3rd Quarter Financial Report Metropolitan Transportation Services - Contracted Service Unaudited - dollars in thousands

	MTS - Contracted Service				
	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance
Revenues	26,159	80%	34,053	32,781	1,272
Expenses	26,728	70%	37,397	38,039	642
Transfers	(2,063)	85%	(2,435)	(2,435)	0
Change in Reserve Balance	(2,632)		(5,779)	(7,693)	1,914
Beginning Reserve Balance			15,125		
Ending Reserve Balance			9,346		
Target Balance			4,047		

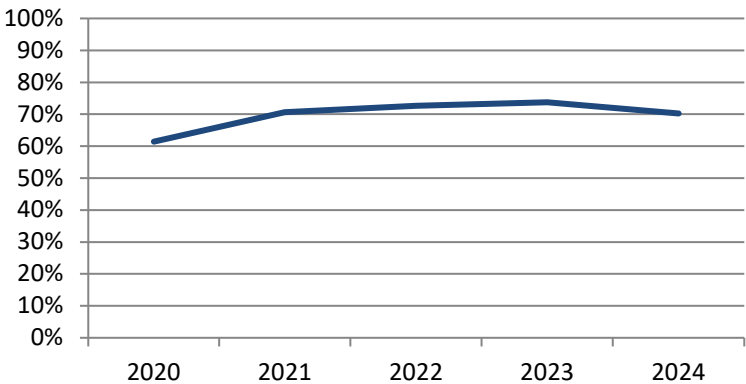
MTS - Contracted Service

Contracted Services revenue are projected to be favorable to budget by \$1.3M as a result of higher interest earnings and federal grant revenue.

2024 Expenses are forecasted to end the year \$0.6M favorable to budget. Increased expenses in Fixed Route (+\$0.2M) are mostly being offset by lower Transit Link costs (-\$0.8M). Fixed Route is unfavorable to budget as a result of higher than anticipated service activity. The favorable variance in Transit Link expenses is a result of lower than planned service activity.

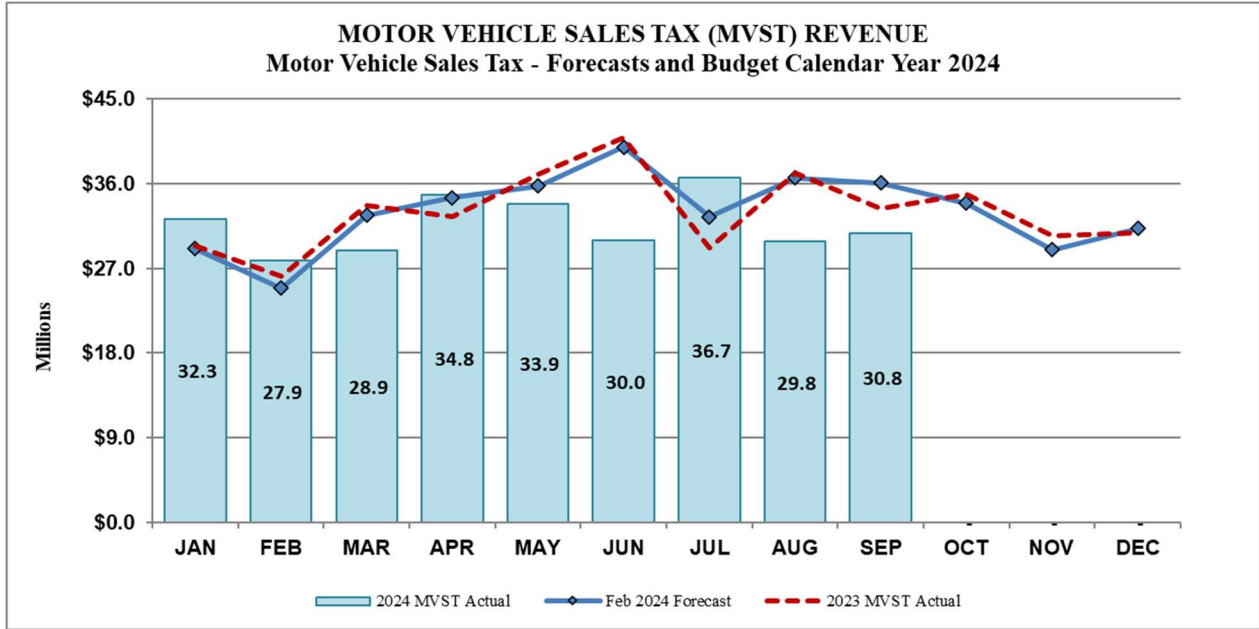
The projected ending reserve balance is \$9.3M for 2024, which is above the Council's reserve target balance of \$4.0M.

MTS - Contracted Service % of Budget Spent - 3rd Quarter

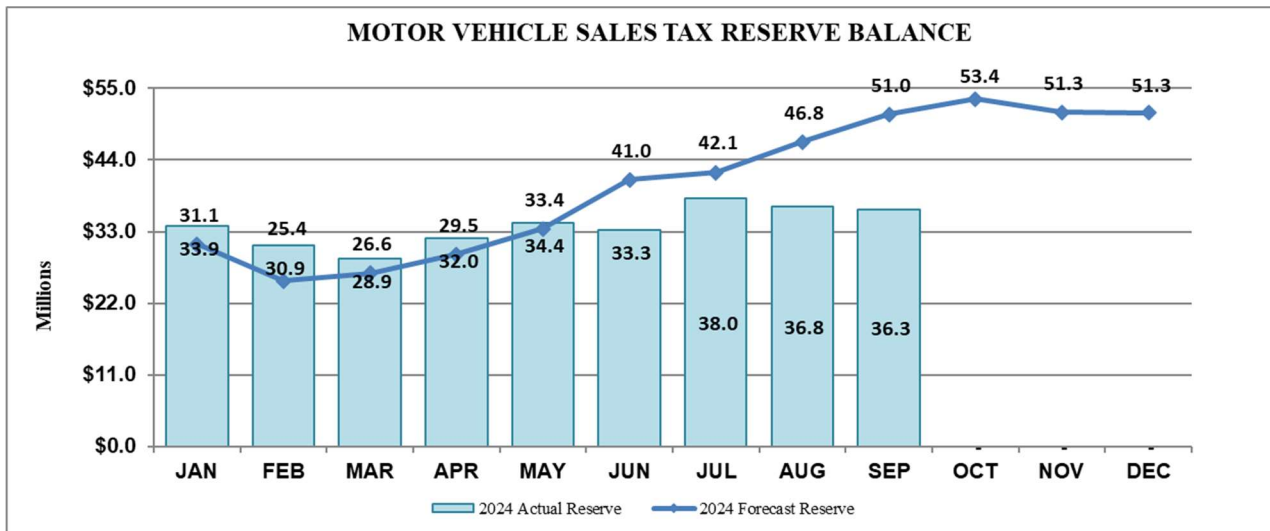


Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES



Motor vehicle sales tax receipts for 2024 through September totaled around \$285.0 million, 94.4% of February 2024 forecast thru September. MVST reserves were \$36.3 million at the end of September.



Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

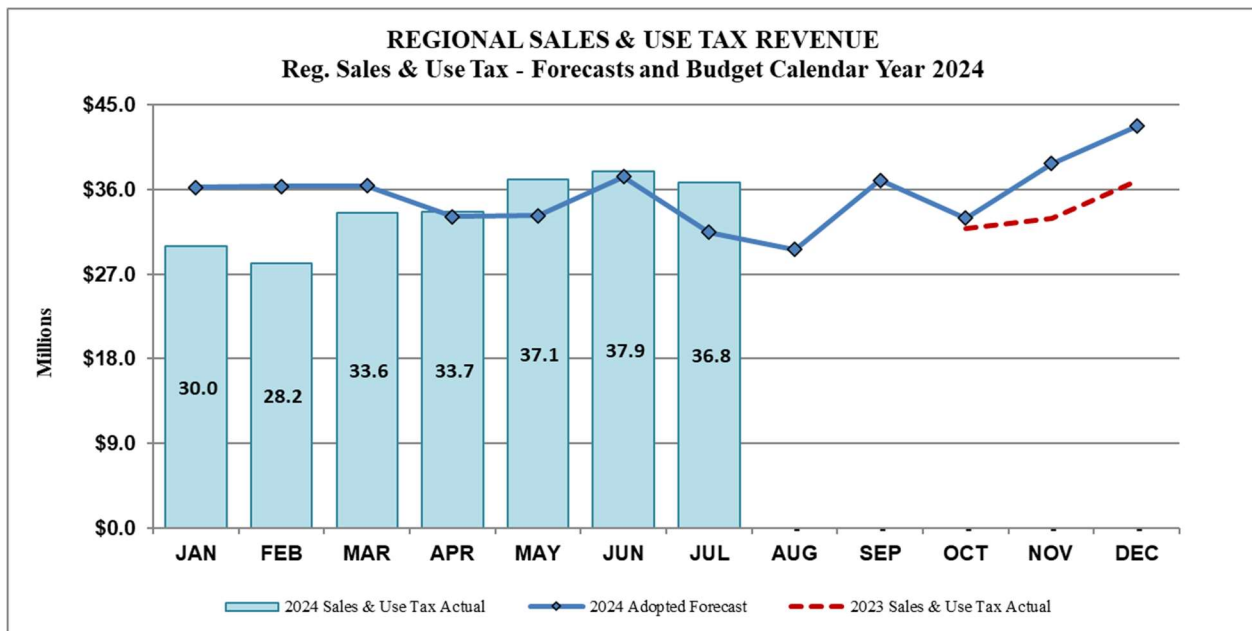
Dollars in millions

MOTOR VEHICLE SALES TAX – FORECASTS AND BUDGET CALENDAR YEAR 2024

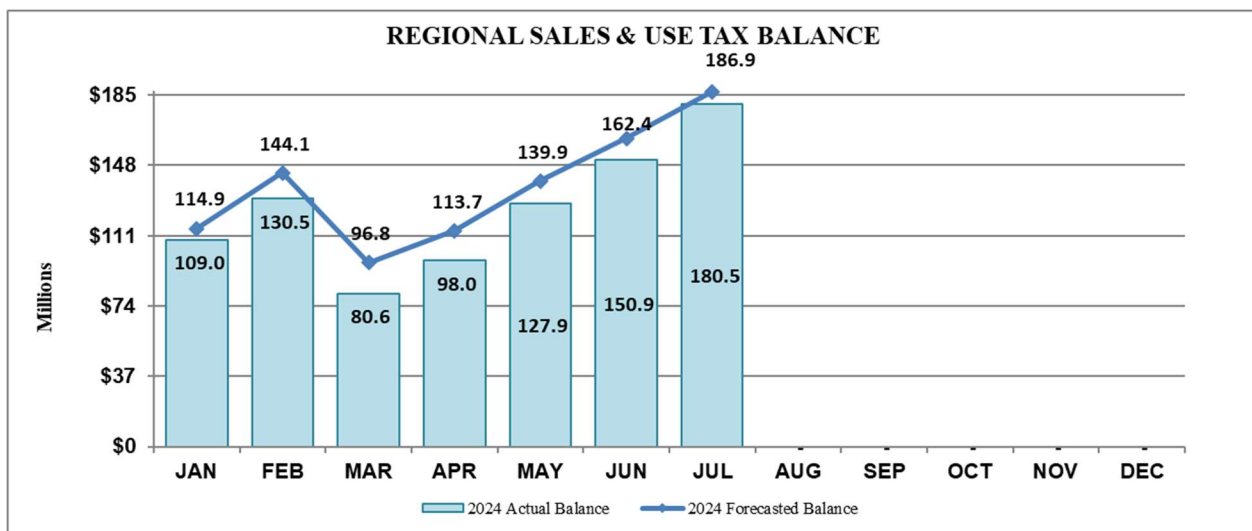
Motor Vehicle Sales Tax – Forecasts and Budget Calendar Year 2024			
(Millions)			
	Total	Jan-Jun	Jul-Dec
Nov 2023 Forecast (2024 Adopted Budget)	376.9	188.5	188.5
2024 Council Budget:			
Current MVST Revenues	360.4	180.2	180.2
Use of MVST Reserve	16.5	8.3	8.3
November 2023 Forecast	376.9	190.3	186.6
YTD Actuals	285.0	187.8	97.3
February 2024 Forecast	396.2	196.9	199.3
YTD Actuals	285.0	187.8	97.3
% of November 2023 Forecast	75.6%	98.7%	52.1%
% of February 2024 Forecast	71.9%	95.4%	48.8%

Financial Management Report

REGIONAL SALES & USE TAX REVENUES



Regional sales & use tax receipts for 2024 through July totaled around \$237.3 million, 76.3% of the Adopted November 2023 forecast through April. Regional sales & use tax balance was \$180.5 million at the end of July.



Financial Management Report

REGIONAL SALES & USE TAX REVENUES FORECASTS & BUDGET

Dollars in millions

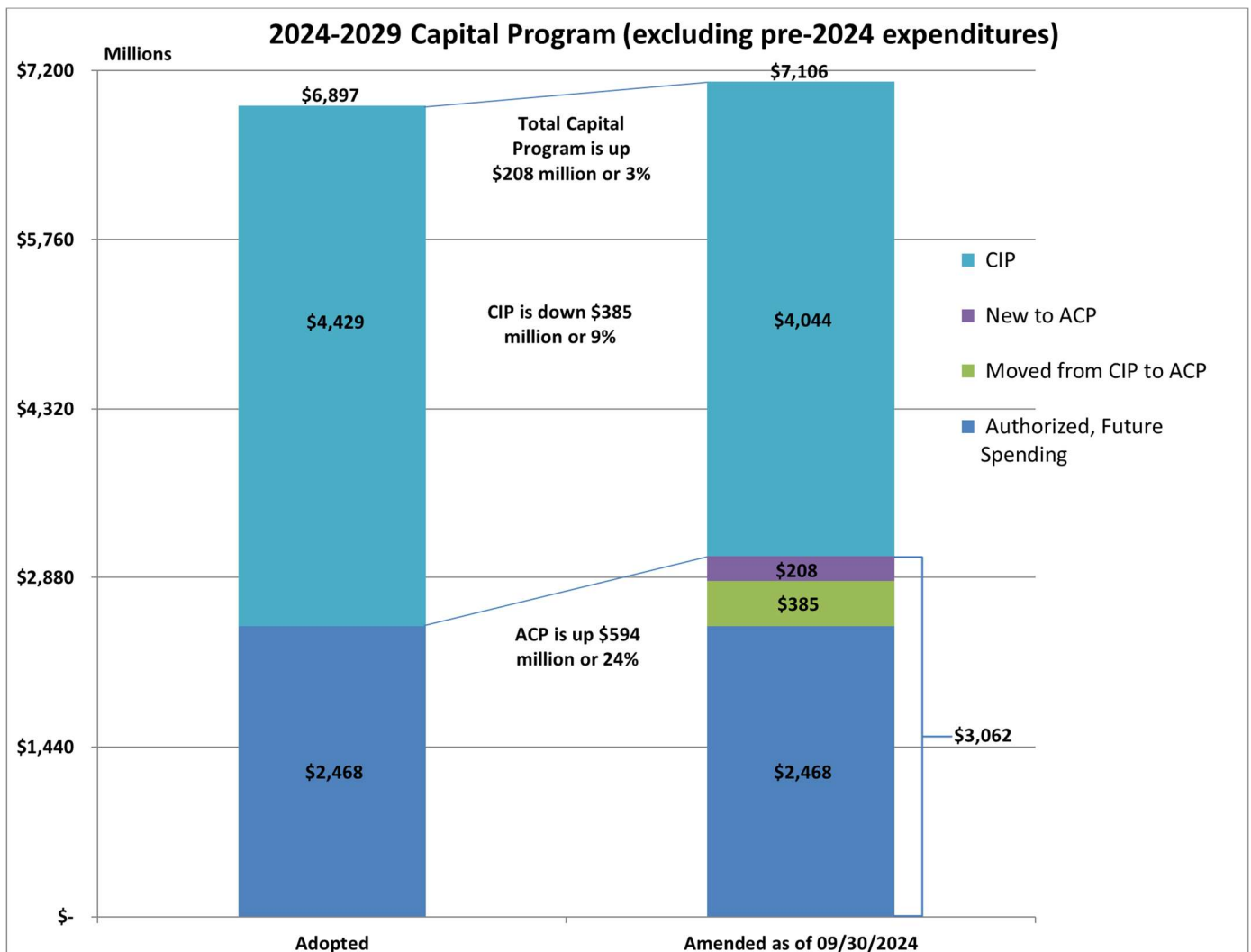
REGIONAL SALES & USE TAX – FORECASTS AND BUDGET CALENDAR YEAR 2024

Regional Sales & Use Tax – Forecasts and Budget Calendar Year 2024			
(Millions)			
	Total	Jan-Jun	Jul-Dec
Nov 2023 Forecast (2024 Adopted Budget)	425.4	212.8	212.6
2024 Council Budget:			
Current Sale Tax Revenues	84.9	28.3	56.6
Use of Sales Tax Balance	340.5	113.5	227.0
November 2023 Forecast	425.4	212.8	212.6
YTD Actuals	237.3	200.5	36.8
February 2024 Forecast	415.7	207.9	207.8
YTD Actuals	237.3	200.5	36.8
% of November 2023 Forecast	55.8%	94.2%	17.3%
% of February 2024 Forecast	57.1%	96.4%	17.7%

2024-2029 CAPITAL PROGRAM

Capital Program (Excluding Pre-2024 Expenditures)

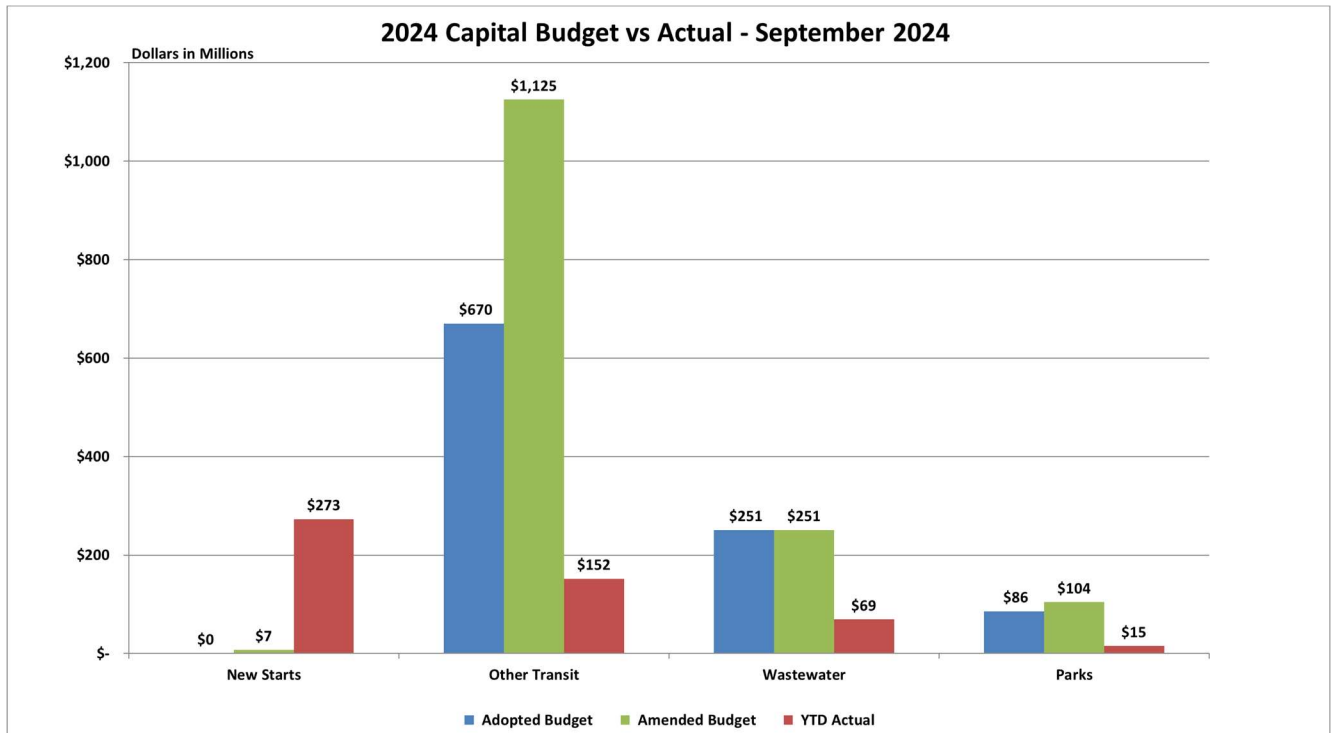
The Capital Program (excluding pre-2024 expenditures) increased by \$208 million, or a 3% increase, for amendments through September 2024. The authorized portion of the capital program (ACP) is up \$594 million, or a 24% increase, through September 2024. The ACP typically increases during the year as 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 2024 Capital Budget was \$1.007 billion. Amendments through September 2024 increased the amended 2024 Capital Budget to \$1.487 billion. Actual 2024 capital expenditures total 51% of the adopted budget and 34% percent of the amended budget. Actual expenditures as a percent of their amended budget were 38% for transit projects, 27% for wastewater projects and 14% for parks projects.



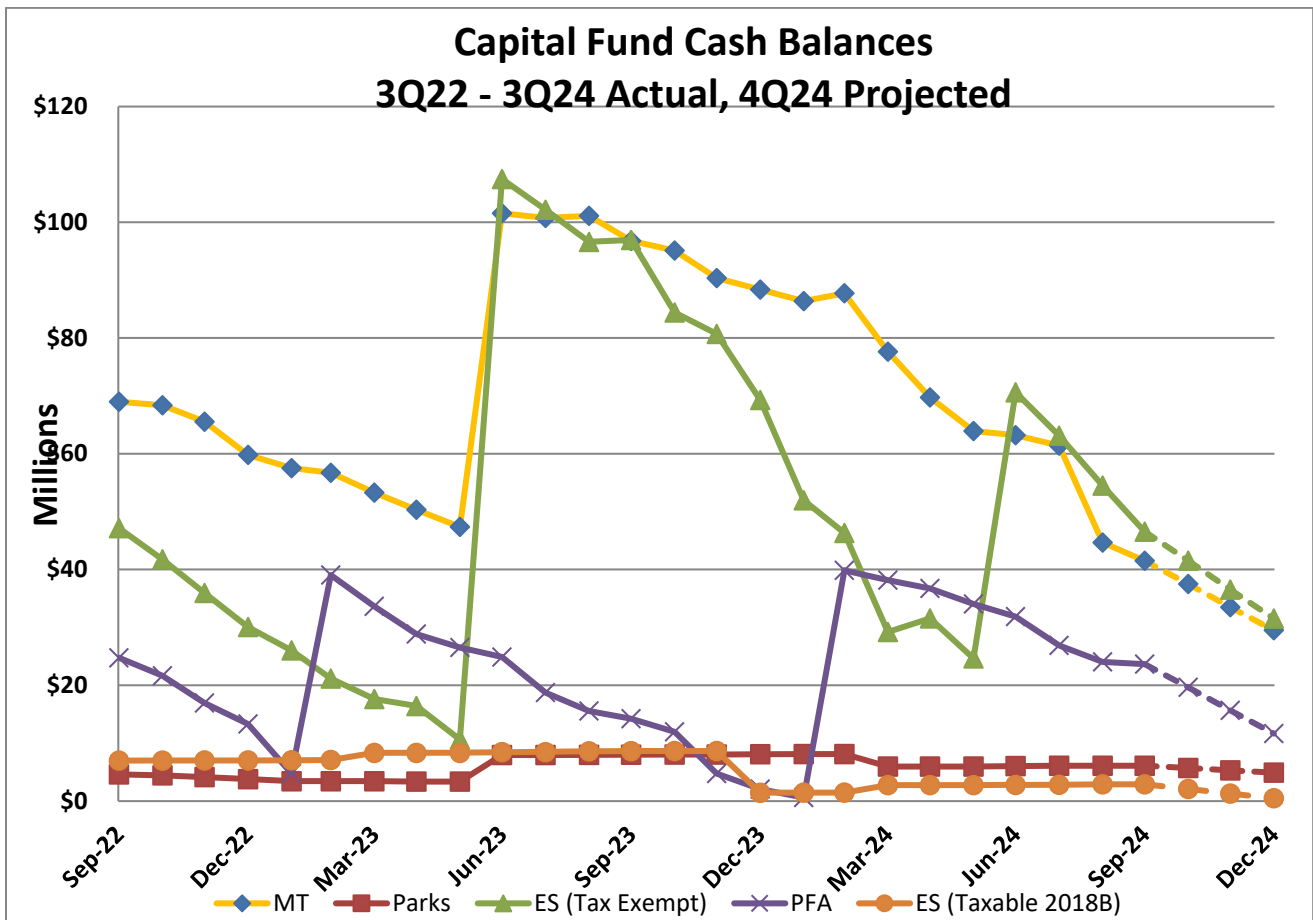
CAPITAL FUND CASH BALANCES

At the end of the 3rd quarter, Transit had approximately \$41.5 million of cash remaining to be spent from 2023 bond issuance. The pace of Transit capital spending increased during the quarter, as the average monthly capital spend went from \$4.8 million per month in the second quarter to \$7.2 million per month in the third quarter. Year-end available cash is projected to be \$29.5 million.

At quarter-end, Environmental Services had approximately \$46.5 million of cash remaining to be spent from 2024 bond issuance. The pace of Environmental Services capital spending decreased during the quarter, as the average monthly spend went from \$12.7 million per month in the second quarter to \$8.03 million per month in the third quarter. Year-end available bonding cash is projected to be \$31.5 million. In addition to bond cash, Environmental Services had balance available to draw of \$23.6 million from its 2024 PFA loan. The average monthly draw on this loan is \$2.2 million YTD and the loan is not expected to be fully drawn until early 2025.

At the end of the quarter, Parks had approximately \$6 million of cash remaining to be spent from its 2021 and 2023 bond issuance. Parks capital spending has been very slow in both the second and third quarters.

The Council’s outstanding debt is continually monitored for refunding opportunities, at present there are no scenarios being considered.



STATEMENT OF REVENUES AND EXPENSES

General Fund

September 30, 2024

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Property Taxes	9,477,422	18,427,232	18,427,232	-
Investment Earnings	1,384,990	1,846,653	691,835	1,154,818
Chargebacks - MAC	33,953	45,271	-	45,271
Other Revenue	123,137	164,183	640,000	(475,817)
Total Revenues	11,019,502	20,483,339	19,759,067	724,272
<u>EXPENSES</u>				
Salary and Benefits	44,016,013	68,391,415	68,391,415	-
Consulting & Contractual Services	24,204,635	37,708,920	37,708,920	-
Rent & Utilities	4,209,314	5,960,478	5,960,478	-
Printing	18,143	31,293	52,600	21,307
Travel & Professional Development	654,642	968,378	1,254,944	286,566
Insurance	178,548	209,298	123,000	(86,298)
Other Operating Expense	3,345,458	6,350,331	6,350,331	-
Total Expenses	76,626,753	119,620,113	119,841,688	221,575
<u>TRANSFERS</u>				
Transfer In	68,654,419	103,065,215	103,065,215	-
Transfer Out	(6,276,519)	(6,852,025)	(6,852,025)	-
Total Transfers	62,377,900	96,213,190	96,213,190	-
Change in Reserve Balance	\$ (3,229,351)	\$ (2,923,584)	\$ (3,869,431)	\$ 945,847
Beginning Fund Balance		35,115,853		
Assigned/Committed		(7,851,431)		
Ending Unassigned Reserve Balance		24,340,838		
2024 Target Balance (10%)		11,984,169		

STATEMENT OF REVENUES AND EXPENSES
Environmental Services
September 30, 2024

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Municipal Wastewater Charges	211,190,250	281,587,000	281,587,000	-
Industrial Charges	11,286,460	18,500,000	18,500,000	-
State Appropriations Revenue	533,893	1,875,000	1,125,000	750,000
Investment Earnings	2,941,610	3,500,000	800,000	2,700,000
Other Revenue	415,068	558,352	558,352	-
Total Revenues	226,367,282	306,020,352	302,570,352	3,450,000
<u>EXPENSES</u>				
Salary and Benefits	57,951,026	85,834,526	86,191,292	356,766
Consulting & Contractual Services	16,208,490	25,414,421	21,123,895	(4,290,526)
Rent & Utilities	13,714,606	22,149,282	25,446,884	3,297,602
Travel	270,610	537,107	763,499	226,392
Materials & Supplies	11,971,989	15,381,508	12,698,231	(2,683,277)
Chemicals	11,178,069	16,314,153	17,661,618	1,347,465
Capital Outlay	1,082,005	2,338,410	2,338,410	-
I&I, Storm water, CWF, WOMP Grant Expense	321,137	547,950	47,950	(500,000)
Other Operating Expense	569,091	1,001,420	4,611,902	3,610,482
Total Expenses	113,267,022	169,518,777	170,883,681	1,364,904
<u>TRANSFERS</u>				
SAC Transfer	43,326,000	57,768,000	57,768,000	-
Transfers In	427,152	450,000	350,000	100,000
Debt Service	(117,375,003)	(156,500,000)	(156,500,000)	-
Transfer Out - RA Expense Allocation	(16,258,214)	(23,531,547)	(23,531,547)	-
Transfers Out	(8,250,003)	(11,000,000)	(11,000,000)	-
Total Transfers	(98,130,068)	(132,813,547)	(132,913,547)	100,000
Change in Reserve Balance	14,970,192	3,688,028	(1,226,876)	4,914,904
Beginning Reserve Balance		45,628,765		
Ending Unassigned Reserve Balance		49,316,793		
2024 Target Balance (10%)		17,088,368		

STATEMENT OF REVENUES AND EXPENSES
Housing and Redevelopment Authority (HRA)
September 30, 2024

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	YTD ACTUAL PASS THROUGH
<u>REVENUES</u>					
Federal Revenue	74,504,930	101,273,330	101,273,330	-	67,529,883
State Revenue	-	-	318,000	(318,000)	-
Investment Earnings	673,361	831,061	-	831,061	-
Other Revenue	3,458,118	4,215,714	3,971,991	243,723	-
Total Revenues	78,636,409	106,320,105	105,563,321	756,784	67,529,883
<u>EXPENSES</u>					
Salary and Benefits	4,581,179	6,792,239	7,292,840	500,601	-
Consulting & Contractual Services	837,561	1,247,194	1,341,344	94,150	-
Rent & Utilities	107,127	147,311	147,311	-	-
Housing Expenses	71,353,116	95,279,096	95,279,096	-	69,511,456
Travel	26,826	55,768	71,590	15,822	-
Insurance	83,569	111,425	100,000	(11,425)	-
Other Operating Expense	255,440	386,029	464,821	78,792	-
Total Expenses	77,244,818	104,019,063	104,697,002	677,939	69,511,456
<u>TRANSFERS</u>					
Transfer In - Allocation	50,000	50,000	50,000	-	-
Transfer Out - RA Expense Allocation	(968,271)	(1,590,648)	(1,590,648)	-	-
Transfer Out - Other	(2,024,722)	(2,024,722)	(2,024,722)	-	-
Total Transfers	(2,942,993)	(3,565,370)	(3,565,370)	-	-
Change in Reserve Balance	(1,551,402)	(1,264,327)	(2,699,051)	1,434,723	(1,981,573)
Beginning Reserve Balance:					
Operating		18,298,396			
Federal Passthrough (HAP Assistance)		80,062			
Total Beginning Balance		18,378,458			
Change in Reserve Balance:					
Operating		717,246			
Federal Passthrough		(1,981,573)			
Total Change in Reserve Balance		(1,264,327)			
Ending Reserve Balance		17,114,131			
2024 Target Balance (8.3%)		8,989,927			

STATEMENT OF REVENUES AND EXPENSES

Metro Transit - Bus Operations

September 30, 2024

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	22,297,114	30,649,459	37,800,750	(7,151,291)
Auxiliary Transit Revenue	1,113,875	1,485,167	2,000,004	(514,837)
State Revenue - MVST	222,005,997	296,007,996	296,007,996	-
Regional Sales Tax	6,666,664	9,999,996	9,999,996	-
Federal Grants	19,590,938	19,207,302	24,465,456	(5,258,154)
Investment Earnings	10,118,385	14,691,180	500,004	14,191,176
Other Revenue	3,614,941	3,874,846	3,289,620	585,226
Total Revenues	285,407,914	375,915,946	374,063,826	1,852,120
<u>EXPENSES</u>				
Salary and Benefits	206,930,958	282,408,904	338,922,139	56,513,235
Consulting & Contractual Services	11,209,924	15,629,051	20,468,773	4,839,722
Fuel	10,475,908	14,958,464	18,527,352	3,568,888
Materials & Supplies	17,930,368	24,209,135	27,017,070	2,807,935
Utilities	2,926,515	4,109,908	5,980,908	1,871,000
Other Operating Expense	2,601,838	8,712,228	23,632,716	14,920,488
Total Expenses	252,075,511	350,027,690	434,548,958	84,521,268
<u>TRANSFERS</u>				
Transfer In - Transit Allocations	12,677,110	17,329,220	21,166,884	(3,837,664)
Transfer Out - RA Expense Allocation	(45,941,703)	(62,326,000)	(62,326,000)	-
Total Transfers	(33,264,593)	(44,996,780)	(41,159,116)	(3,837,664)
Change in Reserve Balance	67,810	(19,108,524)	(101,644,248)	82,535,724
Beginning Reserve Balance		261,405,447		
Ending Reserve Balance		242,296,923		
2024 Target Balance (8.3 - 12.5%)		39,483,770		

STATEMENT OF REVENUES AND EXPENSES

Metro Transit - Light Rail Operations

September 30, 2024

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	9,198,624	12,461,268	14,179,973	(1,718,705)
Auxiliary Transit Revenue	362,463	1,283,286	1,237,272	46,014
Regional Sales Tax	24,904,843	44,793,570	44,793,570	-
State Revenue - GF Appropriation	20,452,796	29,224,116	29,224,116	-
Investment Earnings	477,342	692,118	50,688	641,430
Other Revenue	12,750	16,005	13,020	2,985
Total Revenues	69,121,830	102,183,375	103,211,651	(1,028,276)
<u>EXPENSES</u>				
Salary and Benefits	42,663,407	61,243,769	68,896,846	7,653,077
Consulting & Contractual Services	3,188,875	4,670,834	5,033,223	362,389
Fuel	13,433	25,366	57,672	32,306
Materials & Supplies	6,999,496	5,245,356	8,863,272	3,617,916
Utilities	3,873,846	8,508,545	6,385,800	(2,122,745)
Other Operating Expense	376,493	1,125,986	806,268	(319,718)
Total Expenses	57,115,550	80,819,856	90,043,081	9,223,225
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(12,400,936)	(18,308,162)	(19,299,252)	991,090
Transfer Out - RA Expense Allocation	(4,327,119)	(5,769,492)	(5,769,492)	-
Total Transfers	(16,728,055)	(24,077,654)	(25,068,744)	991,090
Change in Reserve Balance	(4,721,775)	(2,714,135)	(11,900,174)	9,186,039
Beginning Reserve Balance		22,227,039		
Ending Reserve Balance		19,512,904		
2024 Target Balance (8.3 - 12.5%)		9,554,281		

STATEMENT OF REVENUES AND EXPENSES
Metro Transit - Commuter Rail Operations
September 30, 2024

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	303,105	413,597	506,007	(92,410)
State Appropriations	2,572,407	3,429,876	3,429,876	-
Regional Sales Tax	919,737	6,390,996	6,390,996	-
Local Revenue - Counties / MNDOT	919,737	2,452,632	2,452,632	-
Federal Revenues	2,156,760	2,875,680	2,875,680	-
Investment Earnings	385,236	385,236	-	385,236
Total Revenues	7,256,982	15,948,017	15,655,191	292,826
<u>EXPENSES</u>				
Salary and Benefits	3,542,214	4,937,772	6,687,828	1,750,056
Consulting & Contractual Services	2,753,613	4,086,738	3,906,972	(179,766)
Fuel	526,663	702,217	1,209,024	506,807
Materials & Supplies	650,420	924,877	719,808	(205,069)
Utilities	343,940	578,586	415,620	(162,966)
Other Operating Expense	1,887,347	2,673,480	3,166,998	493,518
Total Expenses	9,704,197	13,903,670	16,106,250	2,202,580
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(276,165)	(368,220)	(1,867,644)	1,499,424
Transfer Out - RA Expense Allocation	(587,142)	(782,856)	(782,856)	-
Total Transfers	(863,307)	(1,151,076)	(2,650,500)	1,499,424
Change in Reserve Balance	(3,310,522)	893,271	(3,101,559)	3,994,830
Beginning Reserve Balance		11,077,108		
Ending Reserve Balance		11,970,379		
2024 Target Balance (8.3 - 12.5%)		1,556,810		

STATEMENT OF REVENUES AND EXPENSES
MTS -Transportation Planning
September 30, 2024

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Federal Revenue	3,815,815	5,889,827	6,165,441	(275,614)
State Revenue - MVST	3,340,281	4,550,000	4,550,000	-
Regional Sales Tax	361,110	650,000	650,000	-
Investment Earnings	277,400	369,866	-	369,866
Chargebacks from MAC	31,311	41,748	136,000	(94,252)
Total Revenues	7,825,917	11,501,441	11,501,441	(0)
<u>EXPENSES</u>				
Salary and Benefits	2,868,944	4,525,259	4,869,414	344,155
Consulting & Contractual Services	1,399,984	3,396,711	3,960,711	564,000
Rent & Utilities	112,351	150,535	65,000	(85,535)
Travel	33,019	60,456	150,535	90,079
Other Operating Expense	87,460	174,743	177,105	2,362
Total Expenses	4,501,758	8,307,705	9,222,765	915,060
<u>TRANSFERS</u>				
Total Transfers - RA Expense Allocation	(1,677,619)	(2,594,377)	(2,594,377)	-
Change in Reserve Balance	1,646,540	599,359	(315,701)	915,060
Beginning Reserve Balance		10,934,187		
Ending Reserve Balance		11,533,546		
2024 Target Balance (30%)		3,544,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Metro Mobility
September 30, 2024

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenue	4,494,278	5,983,926	7,019,730	(1,035,804)
Federal Revenue	32,000,000	34,022,966	34,841,204	(818,238)
State Appropriations	41,982,000	57,998,966	58,817,204	(818,238)
Investment Earnings	1,349,800	1,799,734	-	1,799,734
Total Revenues	79,826,078	99,805,592	100,678,138	(872,546)
<u>EXPENSES</u>				
Salary and Benefits	2,063,475	3,200,103	3,640,767	440,664
Consulting & Contractual Services	70,834,757	99,147,793	102,154,100	3,006,307
Fuel	5,574,445	11,680,630	11,441,244	(239,386)
Rent & Utilities	65,575	88,120	111,047	22,927
Travel	11,127	12,891	32,000	19,109
Other Operating Expense	970,978	1,121,641	735,078	(386,563)
Total Expenses	79,520,357	115,251,178	118,114,236	2,863,058
<u>TRANSFERS</u>				
Total Transfers - RA Expense Allocation	(2,004,103)	(3,041,974)	(3,041,974)	-
Change in Reserve Balance	(1,698,382)	(18,487,560)	(20,478,072)	1,990,512
Beginning Reserve Balance		30,559,533		
Ending Reserve Balance		12,071,973		
2024 Target Balance (5%)		6,058,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Contracted Service
September 30, 2024
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	1,130,937	1,538,876	1,363,614	175,262
Federal Revenue	2,637,252	2,660,205	2,417,552	242,653
State Revenue - MVST	21,750,003	29,000,000	29,000,000	-
Investment Earnings	640,512	854,017	-	854,017
Total Revenues	26,158,704	34,053,098	32,781,166	1,271,932
<u>EXPENSES</u>				
Salary and Benefits	604,933	948,313	1,064,636	116,323
Consulting & Contractual Services	25,787,564	35,992,825	36,321,761	328,936
Rent & Utilities	41,063	54,788	109,669	54,881
Travel	1,998	3,996	12,500	8,504
Other Operating Expense	292,708	396,977	530,526	133,549
Total Expenses	26,728,266	37,396,899	38,039,092	642,193
<u>TRANSFERS</u>				
Transfer Out - RA Expense Allocation	(685,372)	(1,057,225)	(1,057,225)	-
Transfers Out	(1,377,552)	(1,377,552)	(1,377,552)	-
Total Transfers	(2,062,924)	(2,434,777)	(2,434,777)	-
Change in Reserve Balance	(2,632,486)	(5,778,578)	(7,692,703)	1,914,125
Beginning Reserve Balance		15,124,658		
Ending Reserve Balance		9,346,080		
2024 Target Balance (10%)		4,047,000		