

People

Transportation

Housing

Bikes

Planning

Financial Condition

Future

Bus

Parks

Cars

Sustainability

Efficient

2nd QUARTER 2024 FINANCIAL REPORT

Prosperity

Train

Growth

Light Rail

August 14, 2024

Livability

Light Rail

Diversity

Trails

Treatment

Equity

Airplane

Communities

Wastewater & Water

Lakes

Treatment

Regional

Economic

Roads



Table of Contents 2nd Quarter 2024 Financial Report

- Financial Management Report..... 1**
 - OPERATING FUNDS—STATEMENT OF REVENUES & EXPENSES 1
 - INVESTMENT PORTFOLIO BALANCES2
 - METROPOLITAN COUNCIL INVESTMENT PERFORMANCE—SHORT-TERM PORTFOLIO 3
 - METROPOLITAN COUNCIL INVESTMENT PERFORMANCE—LONG-TERM PORTFOLIO 4
 - OPEB PORTFOLIO INVESTMENT RESULTS 5
 - GENERAL FUND 6
 - ENVIRONMENTAL SERVICES 7
 - HOUSING AND REDEVELOPMENT FUND 8
 - METRO TRANSIT—BUS 9
 - METRO TRANSIT—LIGHT RAIL 10
 - METRO TRANSIT—COMMUTER RAIL 11
 - METROPOLITAN TRANSPORTATION SERVICES 12
 - MTS—METRO MOBILITY 13
 - MTS—CONTRACTED SERVICES..... 14
 - MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET 15
 - MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET 16
 - REGIONAL SALES & USE TAX REVENUES FORECASTS & BUDGET 17
 - REGIONAL SALES & USE TAX REVENUES FORECASTS & BUDGET 18
 - 2023-2028 CAPITAL IMPROVEMENT PROGRAM 19
 - CAPITAL SPENDING 20
 - CAPITAL FUND CASH BALANCES 21
- Appendix-Statement of Revenues & Expenses 22**
 - General Fund 22
 - Environmental Services Operations 23
 - Housing and Redevelopment Authority 24
 - Metro Transit Bus Operations 25
 - Metro Transit Light Rail Operations 26
 - Metro Transit Commuter Rail Operations 27
 - MTS - Transportation Planning 28
 - MTS - Metro Mobility 29
 - MTS - Contracted Service 30

OPERATING FUNDS - STATEMENT OF REVENUES & EXPENSES

OPERATING FUNDS
STATEMENT OF REVENUES AND EXPENSES
2024 - 2nd 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	1,460	7%	20,586	19,759	827	149,140	49%	305,020	302,570	2,450	51,260	49%	106,313	105,563	750
Expenses	47,871	40%	119,234	119,234	0	69,344	41%	175,048	171,048	(4,000)	50,764	48%	104,109	104,689	580
Transfers	19,414	20%	95,629	95,629	0	(65,126)	49%	(131,780)	(131,880)	100	(584)	16%	(3,561)	(3,561)	0
Change in Reserve Balance	(26,997)		(3,019)	(3,846)	827	14,670		(1,808)	(358)	(1,450)	(88)		(1,357)	(2,687)	1,330
Beginning Reserve Balance			35,116					45,629					18,378		
Assigned/Committed			(7,851)												
Ending Reserve Balance			24,246					43,821					17,021		
Target Balance			11,923					17,105					8,985		

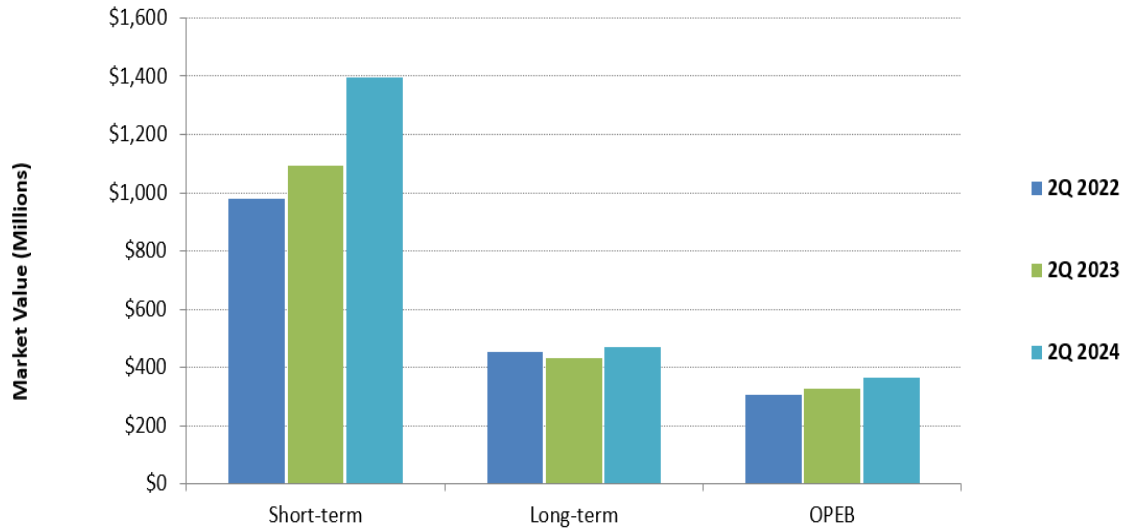
	Metro Transit - Bus					Metro Transit - Light Rail					Metro Transit - Commuter Rail				
	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance*	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance*	YTD Results	% Budget	Projected Year-End	2024 Budget	Variance*
Revenues	174,454	47%	381,285	374,064	7,221	36,814	36%	102,022	103,186	(1,164)	4,967	32%	15,784	15,655	129
Expenses	169,575	39%	374,948	434,246	59,298	38,698	43%	85,313	90,020	4,707	6,212	39%	14,094	16,106	2,012
Transfers	(17,027)	42%	(42,780)	(40,440)	(2,340)	(11,119)	44%	(23,986)	(25,069)	1,083	(600)	23%	(1,277)	(2,651)	1,374
Change in Reserve Balance	(12,148)		(36,443)	(100,622)	64,179	(13,003)		(7,277)	(11,903)	4,626	(1,845)		413	(3,102)	3,515
Beginning Reserve Balance			261,405					22,227					11,077		
Ending Reserve Balance			224,962					14,950					11,490		
Target Balance			39,399					9,552					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	4,393	38%	11,751	11,501	250	63,869	63%	100,111	100,678	(567)	17,930	55%	33,698	32,781	917
Expenses	2,739	30%	8,436	9,186	750	52,566	46%	117,962	114,587	(3,375)	20,655	58%	37,841	35,530	(2,311)
Transfers	(1,068)	41%	(2,590)	(2,590)	0	(1,275)	42%	(3,039)	(3,039)	0	(1,814)	75%	(2,434)	(2,434)	0
Change in Reserve Balance	586		725	(275)	1,000	10,028		(20,890)	(16,948)	(3,942)	(4,539)		(6,577)	(5,183)	(1,394)
Beginning Reserve Balance			10,934					30,560					15,125		
Ending Reserve Balance			11,659					9,670					8,548		
Target Balance			3,533					5,881					3,796		

*Variance = Favorable / (Unfavorable)

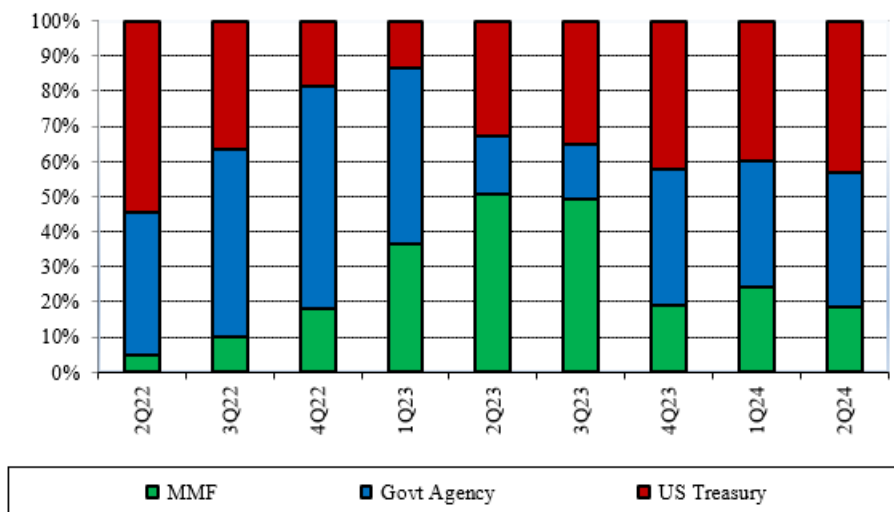
Financial Management Report

INVESTMENT PORTFOLIO BALANCES

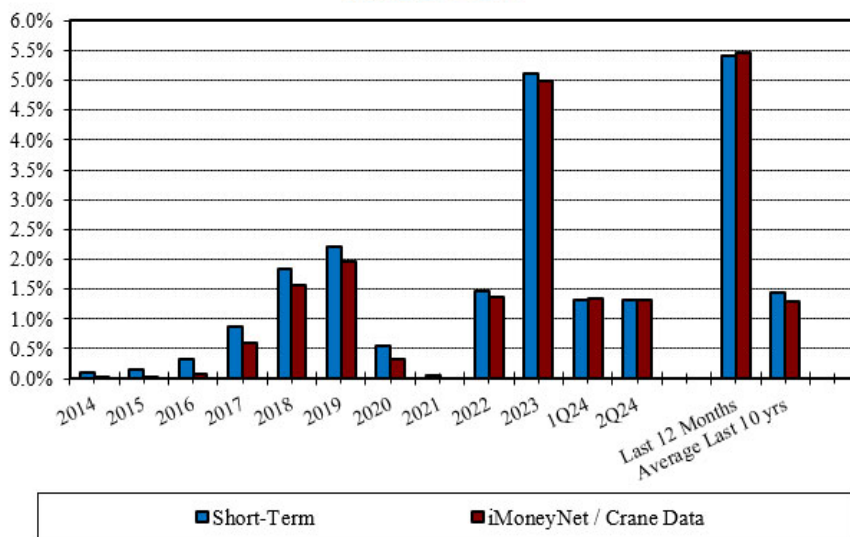


Balances - Market Value (millions)			
	2Q 2022	2Q 2023	2Q 2024
Short-term	977.6	1,094.4	1,397.6
Long-term	451.9	432.1	470.7
OPEB	306.9	325.0	364.3
Total	\$ 1,736.40	\$ 1,851.50	\$ 2,232.60

Sector Allocation



Total Return

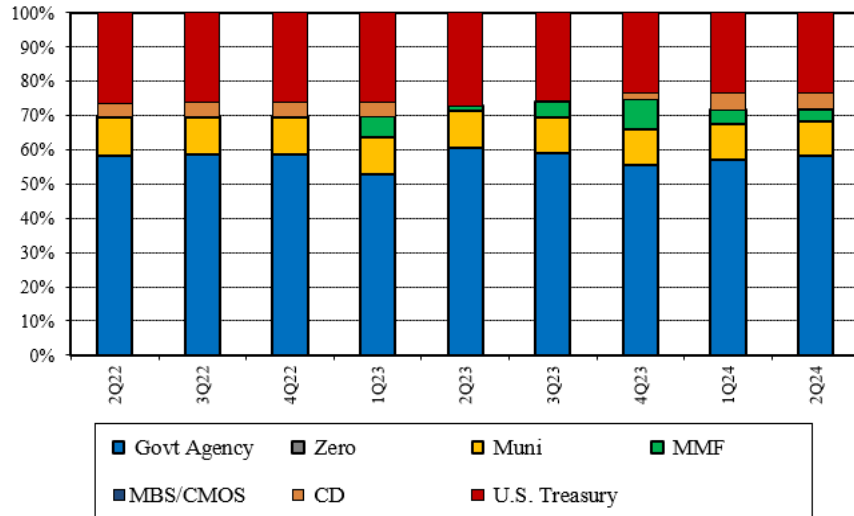


Short-term Portfolio Performance 2Q24. The Short-term portfolio invests available short-term cash around the Council’s cash-flow. The portfolio slightly underperformed for the quarter with a total return of 1.31%, compared to 1.33% for the portfolio’s benchmark. The average yield of portfolio holdings stayed relatively flat at 5.31%, compared to 5.32% in the first quarter. Portfolio earnings also remained relatively flat at \$16.7 million for the quarter, compared to \$16.8 million in the first quarter. The \$1.4 billion portfolio was invested in U.S. Treasury Bills (\$601 million, 40%), U.S. Government Agency Discount Notes (\$536 million, 36%), and government money market funds (\$260 million, 24%). Portfolio investments range from 0 to 5 months in length.

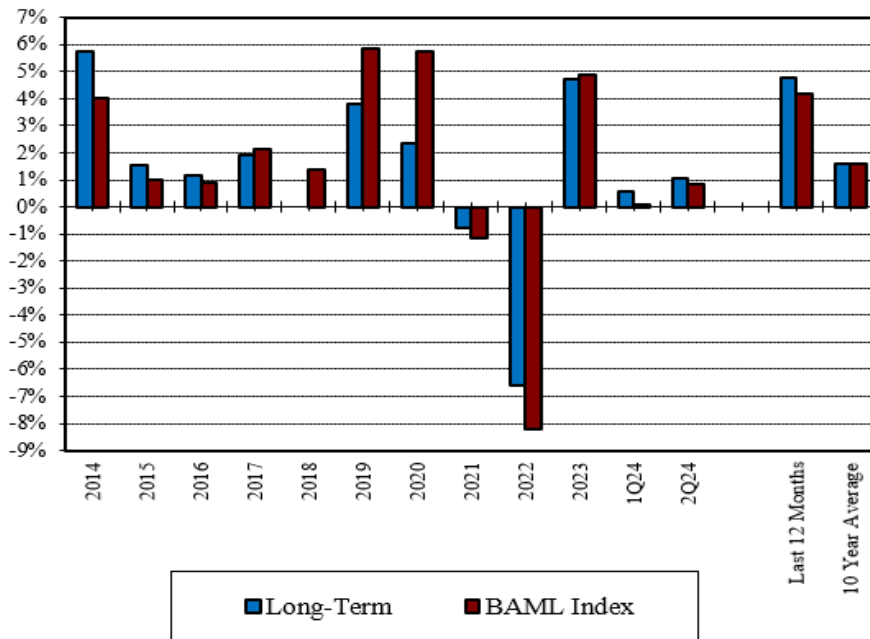
Strategy. Investment maturities align with large cash outflows such as capital expenditures, payroll, and debt service. The portfolio is diversified among high quality short-term securities permissible under MN. Statutes Chapter 118A. Allocation to U.S. Treasury Bills and U.S. Government Discount Notes increased during the quarter as duration was increased to lock-in higher yields for a longer period as the Federal Reserve is expected to decrease short-term interest rates in late 2024.

INVESTMENT HOLDINGS AND PERFORMANCE - LONG-TERM PORTFOLIO

Sector Allocation



Total Return



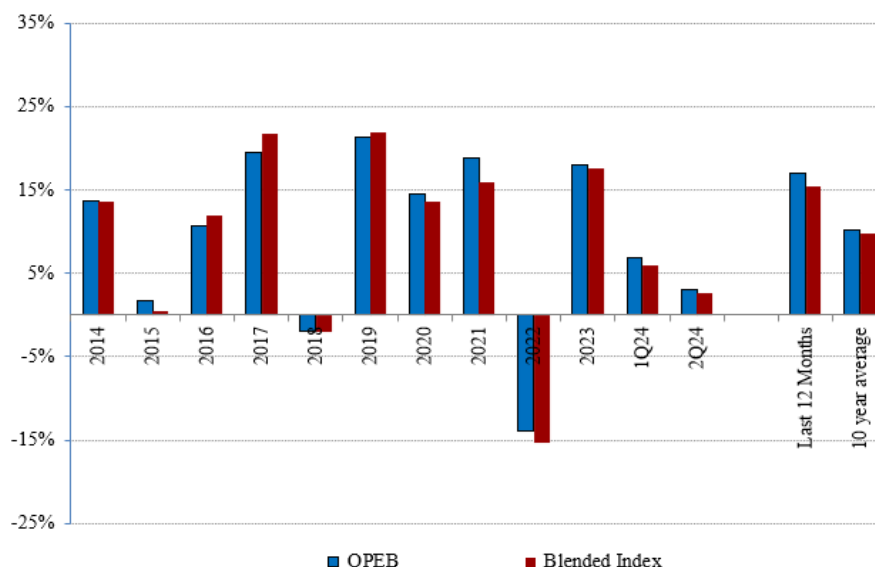
Long-term Portfolio Performance 2Q24. The Long-term portfolio invests the Council’s longer-term reserves. The portfolio outperformed on a total return basis, with a total return of 1.04% vs .82% for the benchmark. Portfolio performance benefitted from shorter duration versus the benchmark, therefore realizing less price depreciation when yields increased during the quarter. The average yield of portfolio holdings increased as new investments were made at higher yields. Average yield increased to 2.17%, up from 1.90% in the first quarter. Investment income increased as well, with 2Q having the highest quarterly income since 2019. Interest income was \$2.5 million vs. \$2.2 million for the first quarter. The \$471 million portfolio was invested in U.S. Government Agency securities (\$273 million, 57%), U.S. Treasury Notes (\$111 million, 24%), taxable municipal bonds (\$48 million, 10%), government money funds (\$16 million,

4%), Certificates of Deposit (\$22 million, 5%) and a small amount of mortgage-backed securities. The duration of the portfolio remains short of the benchmark, 1.46 years vs 3.21 years.

Strategy. Maturing investments will be reinvested into higher yields and duration will be extended. With the Federal Reserve expected to decrease short-term interest rates in late 2024 the yield curve is expected to flatten. This will decrease the benefit of staying at a short-duration. Extending duration will lock in higher yields for a longer period. The CD Program will be maintained at its goal of \$20-25 million.

INVESTMENT HOLDINGS AND PERFORMANCE – OPEB TRUST

OPEB Trust Total Return



OPEB Trust Performance 2Q24. The OPEB Trust is managed by the Minnesota State Board of Investment and contains assets set aside to fund future OPEB liabilities, which stretch 30+ years into the future. Trust investments had a total return of 3.02% for the quarter, which outperformed its benchmark return of 2.596%. Quarterly outperformance occurred because the Trust had a higher allocation to the equity markets (67%) than the index (60%). The S&P 500 Pool portion of the Trust had a strong 4.28% return for the quarter. The market value of the Trust increased from \$355 million to \$364 million during the quarter. Trust investments were allocated 67% to the S&P 500 pool, 33% to US Treasury and Government Agency securities, and <1% to the cash pool.

Strategy. Trust assets are managed by the Minnesota State Board of Investment but 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. Trust returns have averaged 10.4% over the past 5 years and 10.2% over the past 10 years. These solid returns have resulted in projected future OPEB liabilities being currently fully funded. OPEB liability funding levels and trust investment allocations are monitored monthly. Periodic adjustments are made to remain near the allocation target of 60/40 equity-to-fixed income/cash. The Council also withdraws funds annually from the trust to fund OPEB benefits.

Financial Management Report

GENERAL FUND

Unaudited - dollars in thousands

2024 2nd Quarter Financial Report General Fund Unaudited - dollars in thousands

	General Fund				
	2024 YTD		Projected		Variance
	Results	% Budget	Year-End	2024 Budget	
Revenues	1,460	7%	20,586	19,759	827
Expenses	47,871	40%	119,234	119,234	0
Transfers	19,414	20%	95,629	95,629	0
Change in Reserve Balance	(26,997)		(3,019)	(3,846)	827
Beginning Fund Balance			35,116		
Assigned/Committed			(7,851)		
Ending Unassigned Reserve Balance			<u>24,246</u>		
Target Balance			11,923		

General Fund

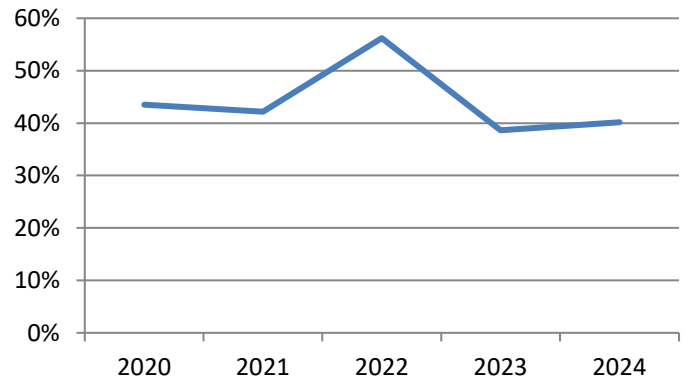
Revenues for the General fund are primarily from property tax and are reflected, largely, in the second half of the year.

At mid-year, the General Fund has spent 40% of annual budgeted operating expense. This is mainly due to open positions within IS and on the Thrive initiatives.

Currently, the 2024 General Fund budget approved by the Council reflects a \$3.8 million use of General Fund reserves.

The projected year-end available reserve balance is \$24.2M.

General Fund % of Budget Spent - 2nd Quarter



Environmental Services

Unaudited - dollars in thousands

2024 2nd Quarter Financial Report Environmental Services Unaudited - dollars in thousands

	Environmental Services				
	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance
Revenues	149,140	49%	305,020	302,570	2,450
Expenses	69,344	41%	175,048	171,048	(4,000)
Transfers	(65,126)	49%	(131,780)	(131,880)	100
Change in Reserve Balance	14,670		(1,808)	(358)	(1,450)
Beginning Reserve Balance			45,629		
Ending Unassigned Reserve Balance			<u>43,821</u>		
Target Balance			17,105		

Environmental Services

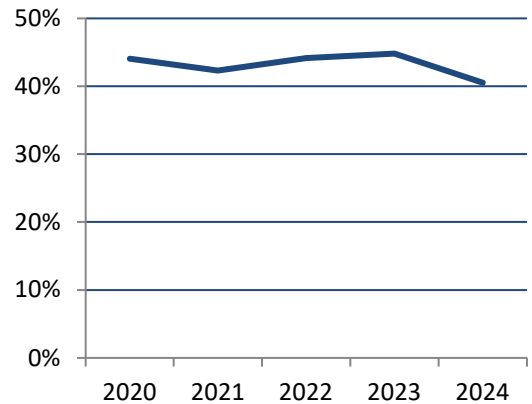
Total revenues are expected to be \$2.5M over budget. Investment earnings are expected to be \$1.7M over budget due to higher than planned interest rates. State appropriations are also expected to be \$0.8M over budget for pass-through grants that were funded after the budget was adopted.

Total expenses are expected to be \$4.0M over budget driven by inflationary impacts on materials and supplies. The projection will result in a future budget amendment request. Salaries are also expected to be over budget by \$1.0M due to the impact of inflation and the new union contracts. Grants are expected to be over by \$0.8M (pass-through grants) and contract services is expected to be \$0.5M over. These overruns will be partially offset by \$2.3M in utility savings. Natural gas is expected to run \$1.5M under due to rate decreases, and electric is expected to run \$0.8M under due to improvements in blower efficiency at the Metro Plant.

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 decrease by \$1.8M (compared to the budgeted \$0.4M decrease), which will decrease the operating fund balance to \$43.8M. This exceeds the year-end target balance of \$17.1M by a healthy margin.

Environmental Services % of Budget Spent - 2nd Quarter



Financial Management Report

HOUSING AND REDEVELOPMENT FUND

Unaudited - dollars in thousands

2024 2nd 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	51,260	49%	106,313	105,563	750
Expenses	50,764	48%	104,109	104,689	580
Transfers	(584)	16%	(3,561)	(3,561)	0
Change in Reserve Balance	(88)		(1,357)	(2,687)	1,330
Beginning Reserve Balance			18,378		
Ending Reserve Balance			<u>17,021</u>		
Target Balance			8,985		

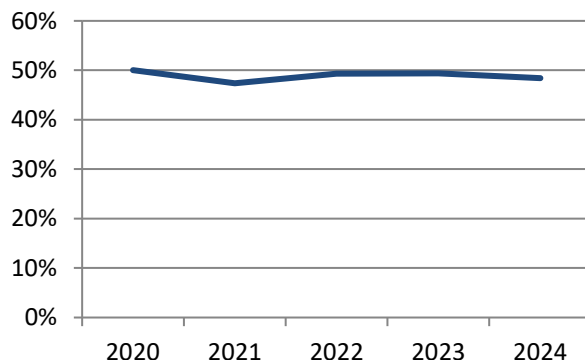
Housing and Redevelopment Authority

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 on budget.

Expenses are projected to be favorable to budget by \$0.6M due to lower spending than budgeted on general administrative expenses.

The projected reserve balance for the HRA is \$17.0M, which is above the Council's minimum reserve target balance of \$9.0M.

HRA % of Budget Spent - 2nd Quarter



Financial Management Report

METRO TRANSIT - BUS

Unaudited - dollars in thousands

2024 2rd Quarter Financial Report

Metro Transit - Bus

Unaudited - dollars in thousands

	Metro Transit - Bus				
	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance
Revenues	174,454	47%	381,285	374,064	7,221
Expenses	169,575	39%	374,948	434,246	59,298
Transfers	(17,027)	42%	(42,780)	(40,440)	(2,340)
Change in Reserve Balance	(12,148)		(36,443)	(100,622)	64,179
Beginning Reserve Balance			261,405		
Ending Reserve Balance			<u>224,962</u>		
Target Balance			39,399		

Metro Transit - Bus

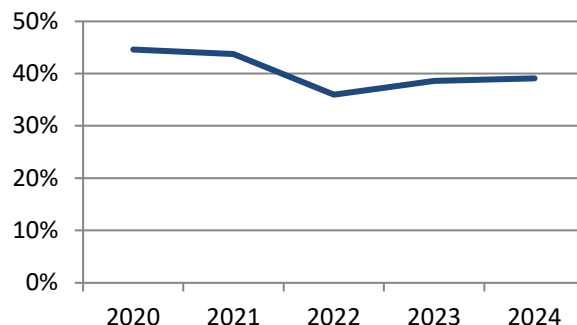
Passenger fares are expected to be \$3.9M below the revised budget due to lower than expected ridership. Auxiliary Revenues (advertising) are down due to service reductions so fewer opportunities for advertising. Interest earning will be \$11.0M over budget due to higher fund balances from federal revenues.

Operating expenses in the amended budget are \$434.2M and are expected to be below budget by \$59.3M. These savings are due to: Vacant positions with labor and benefits under budget \$46.6M. Professional and technical services should be \$1.8M below budget. Fuel savings should be \$1.9M under budget due to service levels. Decreases in parts and materials will cause a budget savings of \$2.6M. Other expenses budgeted for enhancing the bus system that are continuously under review are under budget by \$5.2M.

Modal allocations will be below the budgeted level due to the savings in labor and benefits.

The 2024 amended budget includes a planned use of reserves in the amount of \$100.6M. The forecast indicates a positive budget variance of balance of \$64.2M and a forecasted reserve balance of \$225.0M.

Metro Transit - Bus % of Budget Spent - 2nd Quarter



Financial Management Report

METRO TRANSIT - LIGHT RAIL

Unaudited - dollars in thousands

2024 2rd Quarter Financial Report Metro Transit - Light Rail Unaudited - dollars in thousands

	Metro Transit - Light Rail				
	2024 YTD Results	% Budget	Projected Year-End	2024 Budget	Variance
Revenues	36,814	36%	102,022	103,186	(1,164)
Expenses	38,698	43%	85,313	90,020	4,707
Transfers	(11,119)	44%	(23,986)	(25,069)	1,083
Change in Reserve Balance	(13,003)		(7,277)	(11,903)	4,626
Beginning Reserve Balance			22,227		
Ending Reserve Balance			<u>14,950</u>		
Target Balance			9,552		

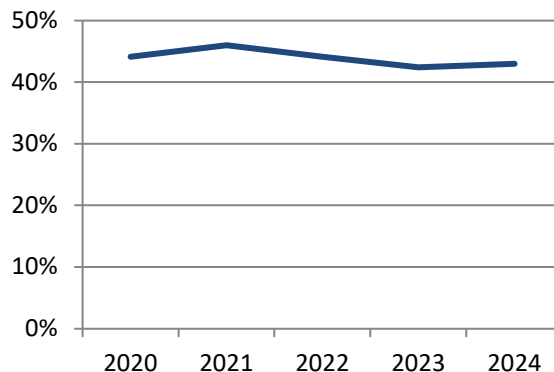
Metro Transit - Light Rail

Passenger fares are expected to be \$1.6M under budget. Federal Pandemic Relief funds of \$13.7M will be drawn in 2024 consistent with the budget.

Operating expenses are expected to be \$4.7M below the budgeted level due to: Labor and benefits will be under budget by \$6.9M due to open positions. Materials and supplies were \$776K over budget. Utilities will be \$1.9M over budget due to changes in utility rates. Transit allocations will be \$1.1M under budget due to labor reductions in these departments resulting in decreases in the allocations.

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 \$4.6M and a forecasted reserve balance of \$15.0M.

Metro Transit - Light Rail % of Budget Spent - 2nd Quarter



Financial Management Report

METRO TRANSIT - COMMUTER RAIL

Unaudited - dollars in thousands

2024 2rd 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	4,967	32%	15,784	15,655	129
Expenses	6,212	39%	14,094	16,106	2,012
Transfers	(600)	23%	(1,277)	(2,651)	1,374
Change in Reserve Balance	(1,845)		413	(3,102)	3,515
Beginning Reserve Balance			11,077		
Ending Reserve Balance			<u>11,490</u>		
Target Balance			1,557		

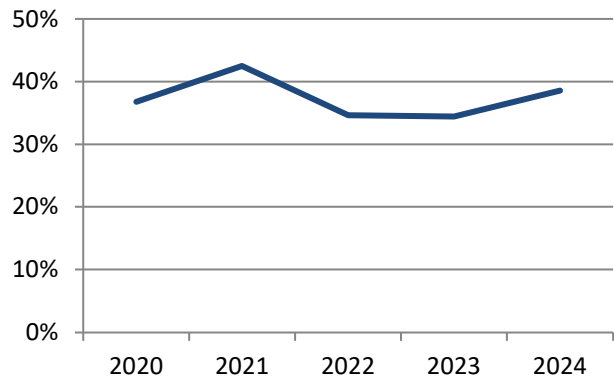
Metro Transit - Commuter Rail

Passenger fares will be \$98K under budget due to lower than anticipated ridership.

Operating Expenses are forecasted at \$2.0M below budgeted level due to: Labor and benefits are expected to be \$1.2M under budget due reduced service. Consulting expenses (which include BNSF services) are projected to be \$347K under the budget. Transit allocations will be \$1.4M under budget due to labor reductions in the allocation departments resulting in decreases in the allocations.

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 \$3.5M and a forecasted reserve balance of \$11.5M.

MT - Commuter Rail % of Budget Spent - 2nd Quarter



Financial Management Report

MTS - Transportation Planning

Unaudited - dollars in thousands

2024 2rd 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	4,393	38%	11,751	11,501	250
Expenses	2,739	30%	8,436	9,186	750
Transfers	(1,068)	41%	(2,590)	(2,590)	0
Change in Reserve Balance	586		725	(275)	1,000
Beginning Reserve Balance			10,934		
Ending Reserve Balance			<u>11,659</u>		
Target Balance			3,533		

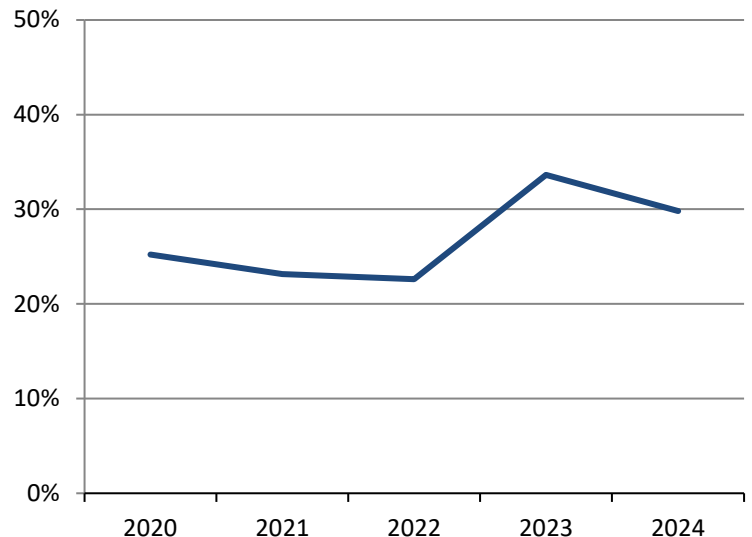
MTS - Transportation Planning

Transportation Planning revenues are projected to be slightly favorable to budget by \$0.3M as a result of interest earnings.

Expenses are projected to be favorable to budget by \$0.8M primarily due to lower consulting activity and administrative expenses.

The projected ending reserve balance is \$11.7M for 2023, which is above the Council's reserve target balance of \$3.5M.

MTS - Planning % of Budget Spent - 2nd Quarter



Financial Management Report

MTS - METRO MOBILITY

Unaudited - dollars in thousands

2024 2rd 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	63,869	63%	100,111	100,678	(567)
Expenses	52,566	46%	117,962	114,587	(3,375)
Transfers	(1,275)	42%	(3,039)	(3,039)	0
Change in Reserve Balance	10,028		(20,890)	(16,948)	(3,942)
Beginning Reserve Balance			30,560		
Ending Reserve Balance			<u>9,670</u>		
Target Balance			5,881		

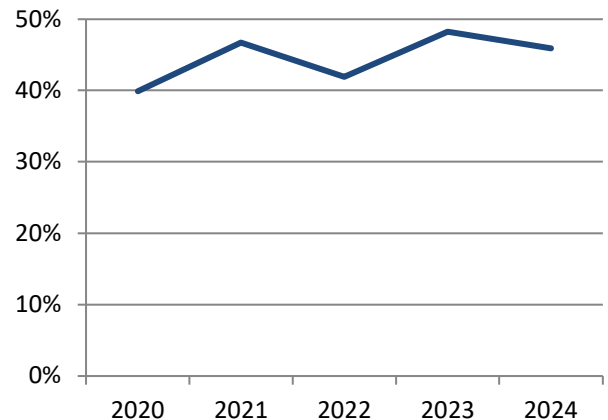
MTS - Metro Mobility

Metro Mobility's revenue is projected to be unfavorable by \$0.6M as a result of lower passenger fare revenue than budgeted. Ridership is below budget and pre-COVID levels year-to-date.

Total expenses for Metro Mobility are projected to be unfavorable to budget, which will result in a budget amendment request. Higher contracted service expenses as a result of higher hourly rates (+\$4.4M) are being offset by lower salary (-\$0.3M) and general administrative expenses (-\$0.7M) than budgeted.

The projected ending reserve balance is \$9.7M for 2024, which is above the Council's reserve target balance of \$5.8M.

MTS - Metro Mobility % of Budget Spent - 2nd Quarter



MTS-CONTRACTED SERVICES

Unaudited - dollars in thousands

2024 2rd 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	17,930	55%	33,698	32,781	917
Expenses	20,655	58%	37,841	35,530	(2,311)
Transfers	(1,814)	75%	(2,434)	(2,434)	0
Change in Reserve Balance	(4,539)		(6,577)	(5,183)	(1,394)
Beginning Reserve Balance			15,125		
Ending Reserve Balance			<u>8,548</u>		
Target Balance			3,796		

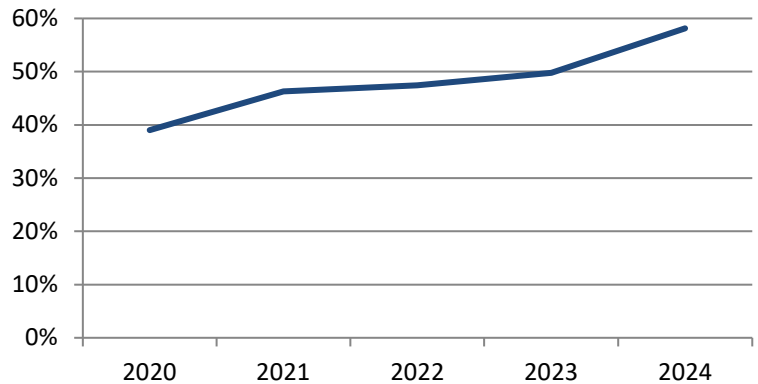
MTS - Contracted Service

Contracted Services revenue are projected to be favorable to budget by \$0.9M as a result of higher interest earnings and federal grant revenue.

2024 Expenses are forecasted to be unfavorable to budget by \$2.3M, which will result in a budget amendment request. Increased Transit Provider expenses in Fixed Route (+\$2.0M) and Transit Link (+\$0.3M) are due to an increase in service activity.

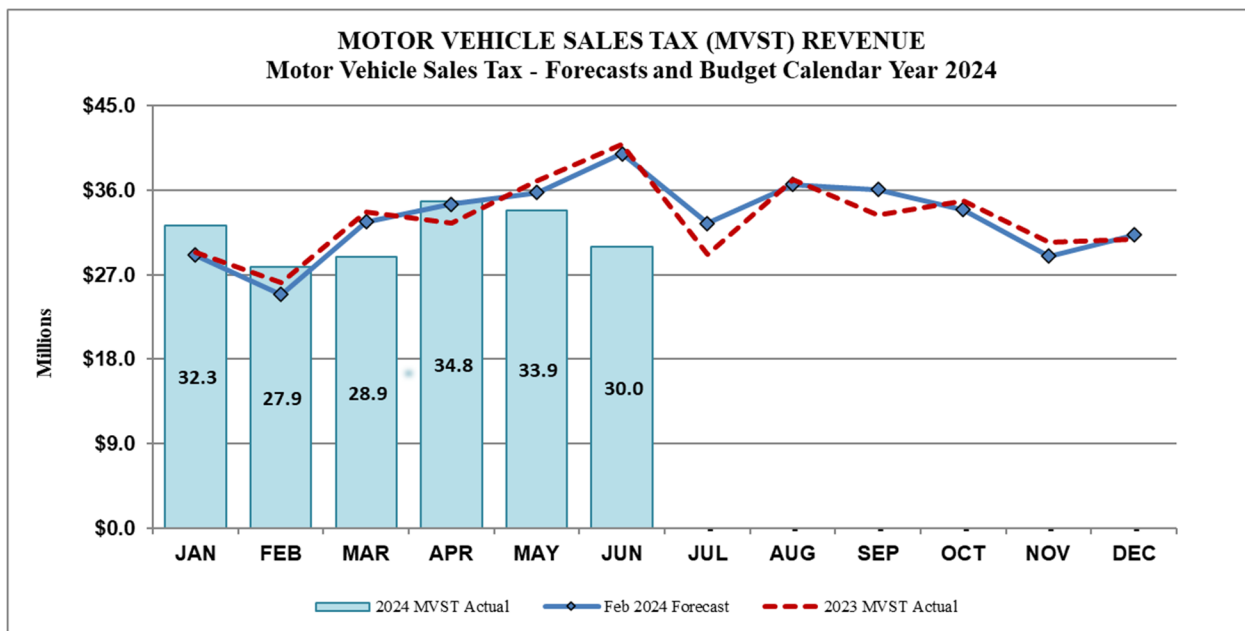
The projected ending reserve balance is \$8.5M for 2024, which is above the Council's reserve target balance of \$3.8M.

MTS - Contracted Service % of Budget Spent - 2nd Quarter

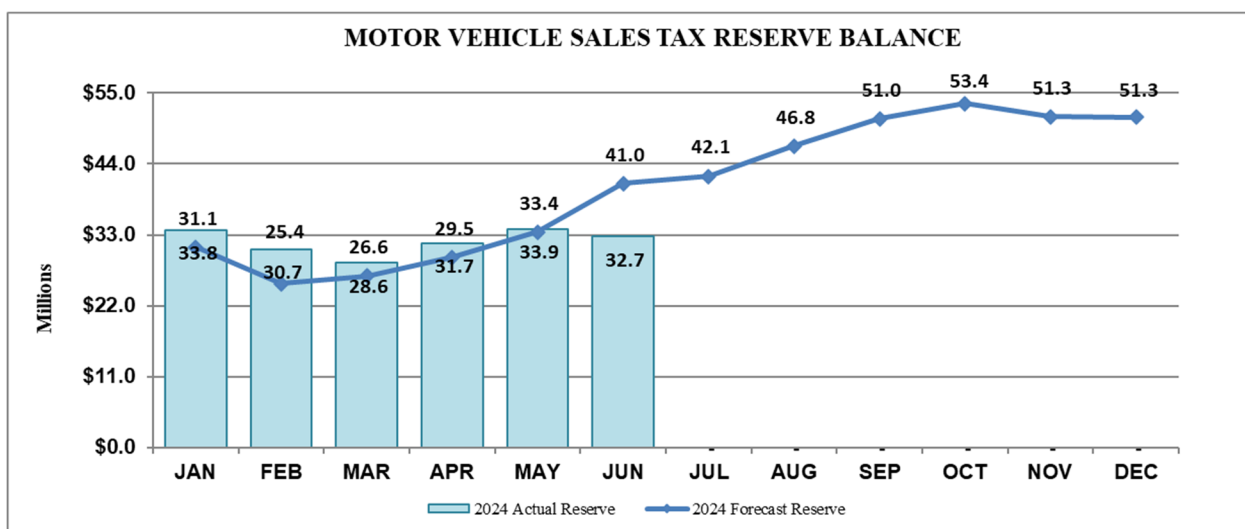


Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES



Motor vehicle sales tax receipts for 2024 thru June totaled around \$187.7 million, 95.4% of February 2024 forecast thru June. MVST reserves were \$32.7 million at the end of June.



Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

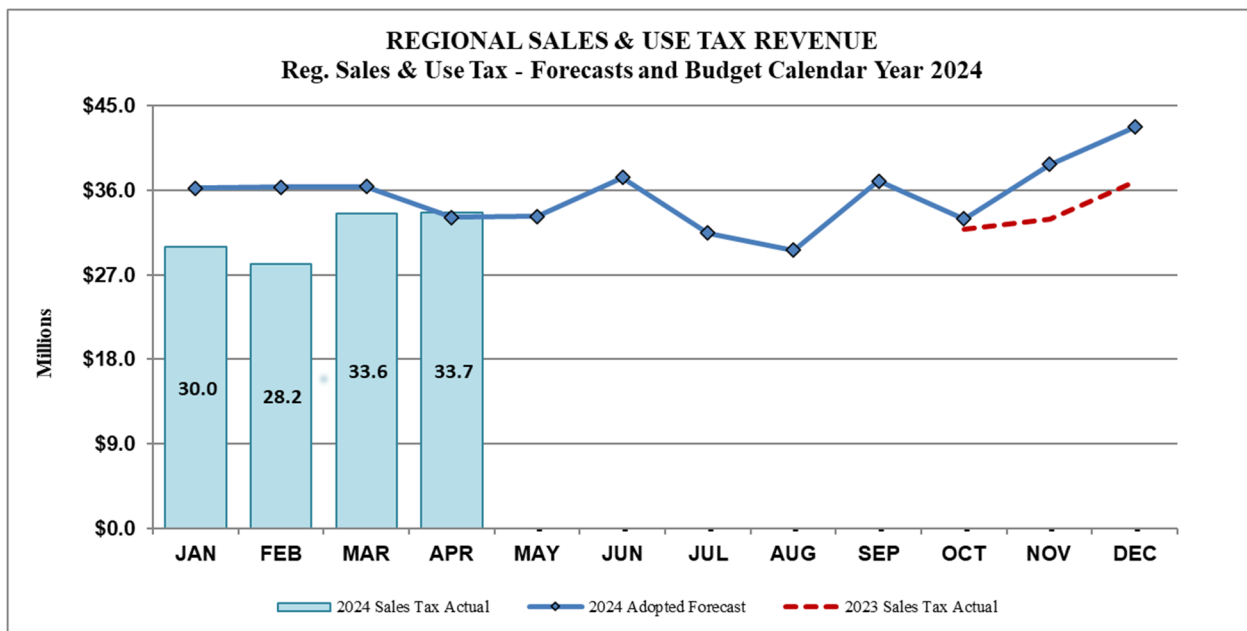
Dollars in millions

MOTOR VEHICLE SALES TAX – FORECASTS AND BUDGET CALENDAR YEAR 2024

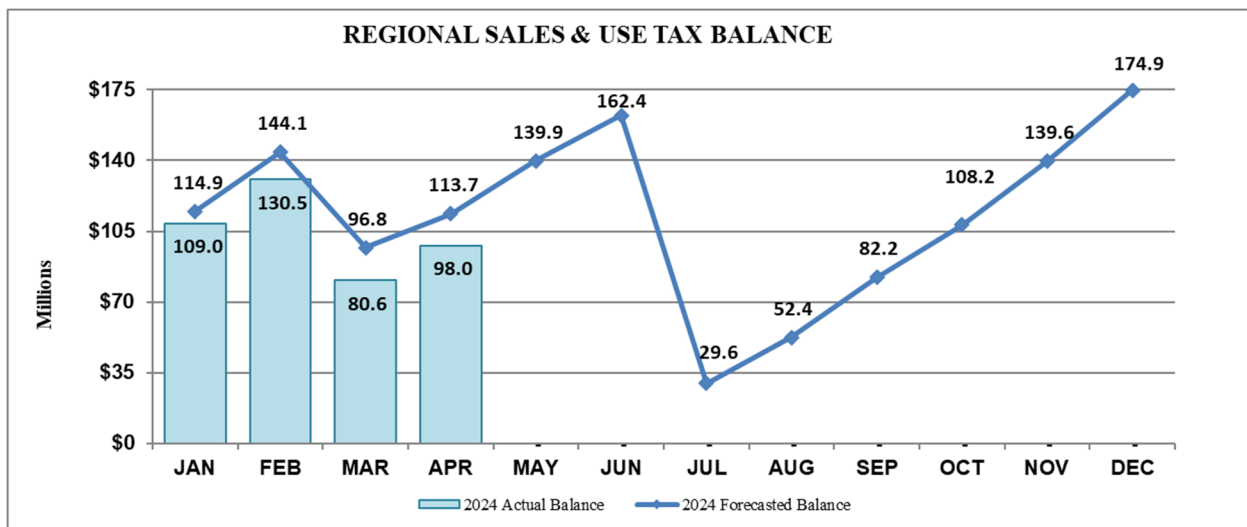
Motor Vehicle Sales Tax – Forecasts and Budget Calendar Year 2024			
(Millions)			
	Total	Jan-Jun	Jul-Dec
Nov 2023 Forecast (2024 Adopted Budget)	376.9	188.5	188.5
2024 Council Budget:			
Current MVST Revenues	360.4	180.2	180.2
Use of MVST Reserve	16.5	8.3	8.3
November 2023 Forecast	376.9	190.3	186.6
YTD Actuals	187.8	187.8	0.0
February 2024 Forecast	396.2	196.9	199.3
YTD Actuals	187.8	187.8	0.0
% of November 2023 Forecast	49.8%	98.7%	0.0%
% of February 2024 Forecast	47.4%	95.4%	0.0%

Financial Management Report

REGIONAL SALES & USE TAX REVENUES



Regional sales & use tax receipts for 2024 through April totaled around \$125.5 million, 88.3% of Adopted November 2023 forecast through April. Regional sales & use tax balance was \$98.0 million at the end of April.



Financial Management Report

REGIONAL SALES & USE TAX REVENUES FORECASTS & BUDGET

Dollars in millions

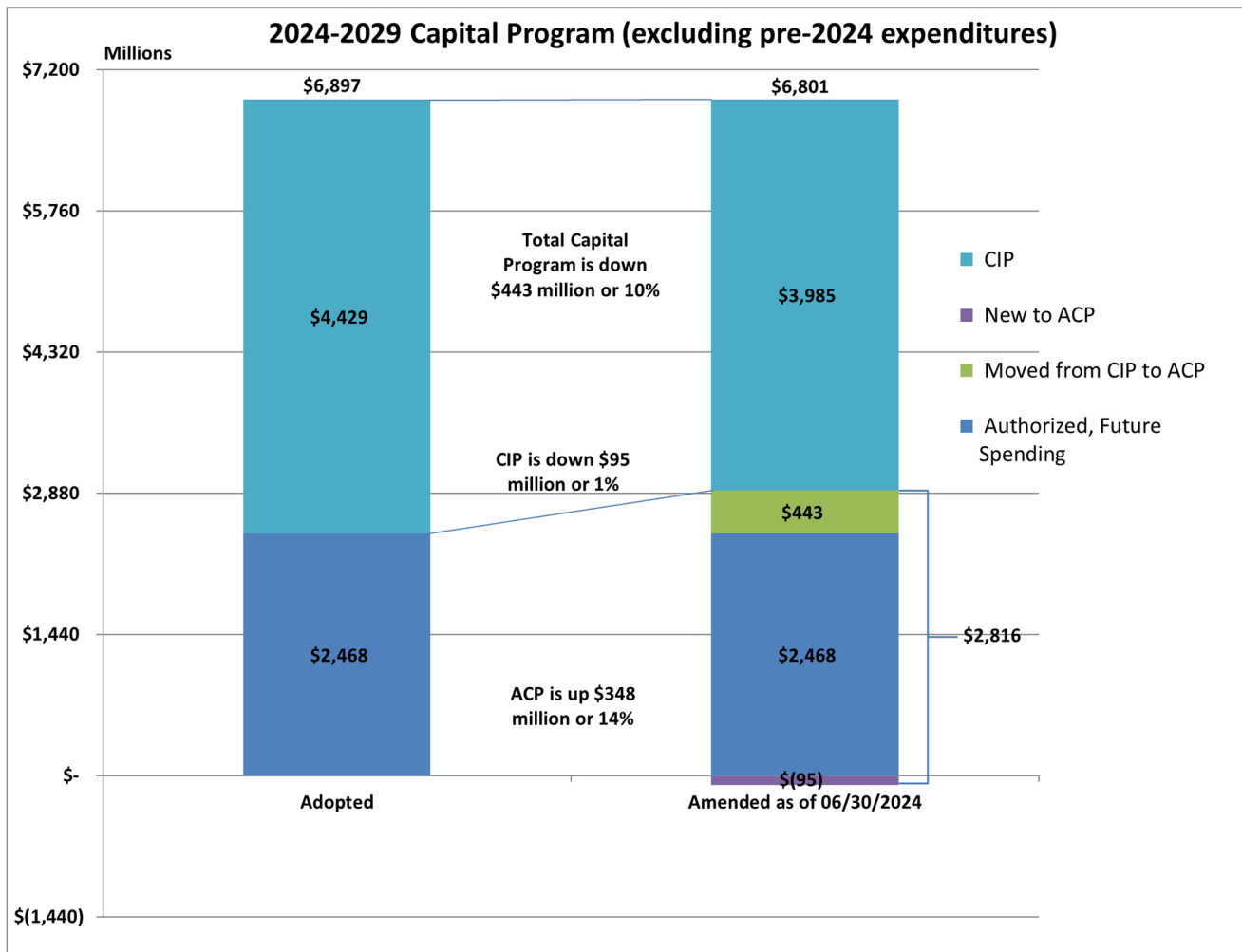
REGIONAL SALES & USE TAX – FORECASTS AND BUDGET CALENDAR YEAR 2024

Regional Sales & Use Tax – Forecasts and Budget Calendar Year 2024			
(Millions)			
	Total	Jan-Apr	May-Dec
Nov 2023 Forecast (2024 Adopted Budget)	425.4	142.1	283.3
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	142.1	283.3
YTD Actuals	125.5	125.5	0.0
February 2024 Forecast	415.7	138.9	276.8
YTD Actuals	125.5	125.5	0.0
% of November 2023 Forecast	29.5%	88.3%	0.0%
% of February 2024 Forecast	30.2%	90.4%	0.0%

2024-2029 CAPITAL PROGRAM

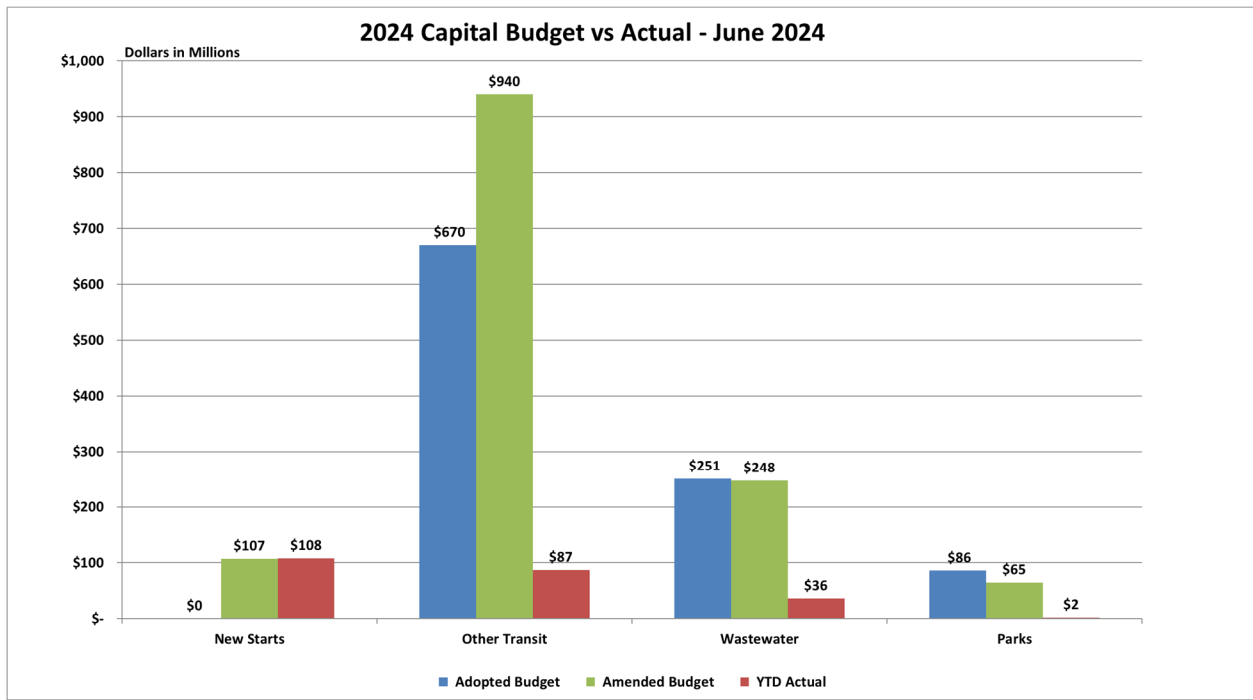
Capital Program (Excluding Pre-2024 Expenditures)

The Capital Program (excluding pre-2024 expenditures) decreased by \$443 million, or 10% decrease, for amendments through June 2024. The authorized portion of the capital program (ACP) is up \$348 million, or a 14% increase, through June 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 June 2024 increased the amended 2024 Capital Budget to \$1.359 billion. Actual 2024 capital expenditures total 23% of the adopted budget and 17% percent of the amended budget. Actual expenditures as a percent of their amended budget were 19% for transit projects, 15% for wastewater projects and 3% for parks projects.

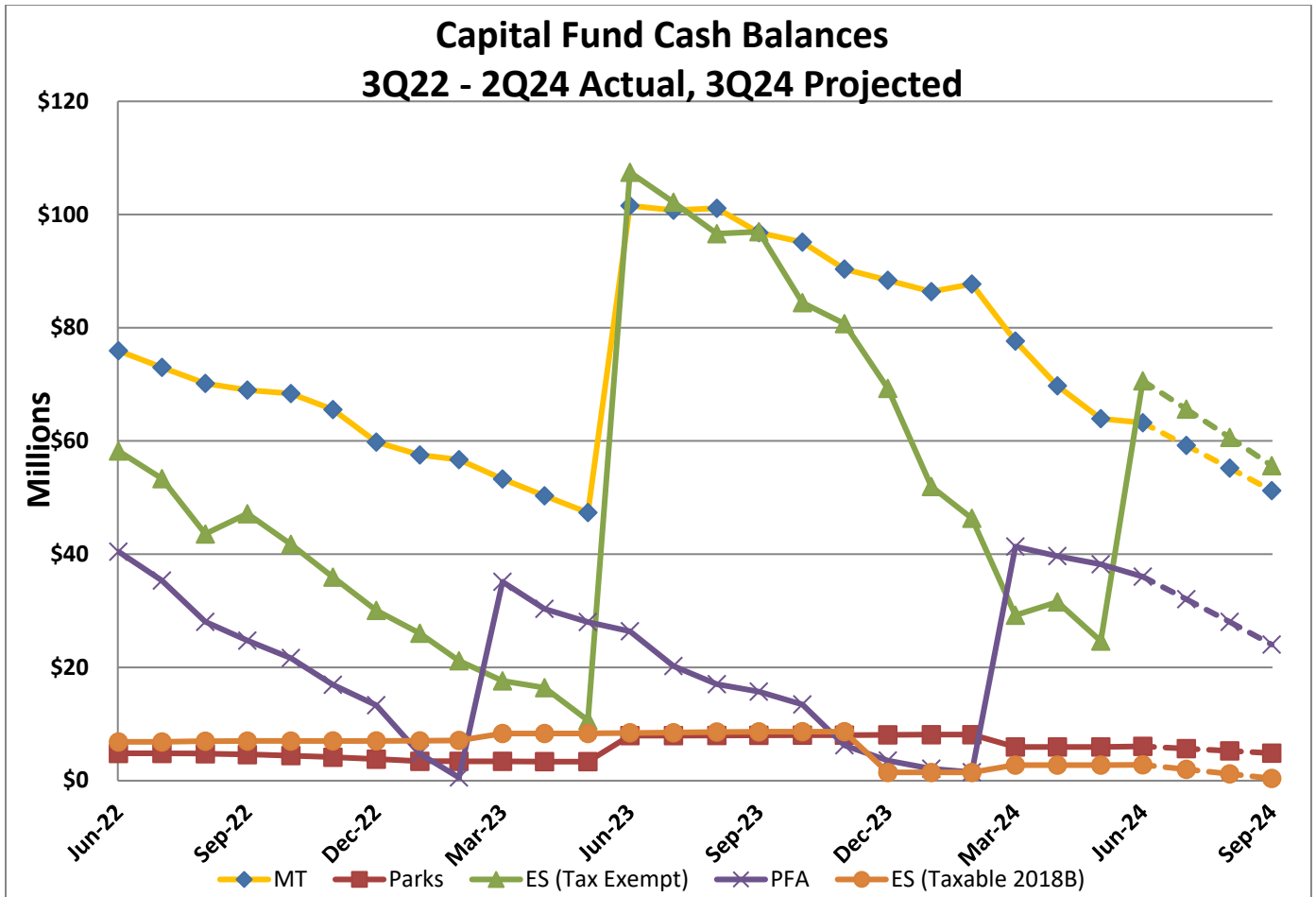
CAPITAL FUND CASH BALANCES

At the end of the second quarter, Transit had approximately \$63.2 million of cash remaining to be spent from its 2022 and 2023 bond issuance. The pace of Transit capital spending increased slightly during the quarter, as the average monthly capital spend went from \$3.5 million per month in the first quarter to \$4.8 million per month in the second quarter.

At the end of the quarter, Environmental Services had approximately \$70.6 million of cash remaining to be spent mostly from new 2024 issuance. The pace of Environmental Services capital spending increased during the first quarter, as the average monthly spend was \$12.7 million per month, compared to \$9.2M per month in the first quarter. In addition to bond debt, Environmental Services had a 2024 PFA loan balance available to draw on of \$34.5 million at quarter end. The average monthly draw on this loan has been just under \$2 million.

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 is low and did not change from the first to second quarter.

The Council's outstanding debt is continually monitored for refunding opportunities, at present there are no scenarios to consider.



STATEMENT OF REVENUES AND EXPENSES
General Fund
June 30, 2024

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Property Taxes	479,358	18,427,232	18,427,232	-
Investment Earnings	852,090	1,704,179	691,835	1,012,344
Chargebacks - MAC	6,000	12,000	-	12,000
Other Revenue	122,800	442,800	640,000	(197,200)
Total Revenues	1,460,248	20,586,211	19,759,067	827,144
<u>EXPENSES</u>				
Salary and Benefits	27,621,816	67,803,915	67,803,915	-
Consulting & Contractual Services	15,323,738	37,828,920	37,828,920	-
Rent & Utilities	2,724,377	5,960,478	5,960,478	-
Printing	16,185	52,600	52,600	-
Travel & Professional Development	447,969	1,254,944	1,254,944	-
Insurance	132,628	123,000	123,000	-
Other Operating Expense	1,604,478	6,210,541	6,210,541	-
Total Expenses	47,871,191	119,234,398	119,234,398	-
<u>TRANSFERS</u>				
Transfer In	24,992,714	102,475,424	102,475,424	-
Transfer Out	(5,579,197)	(6,846,828)	(6,846,828)	-
Total Transfers	19,413,517	95,628,596	95,628,596	-
Change in Reserve Balance	\$ (26,997,427)	\$ (3,019,591)	\$ (3,846,735)	\$ 827,144
Beginning Fund Balance		35,115,853		
Assigned/Committed		(7,851,431)		
Ending Unassigned Reserve Balance		24,244,831		
2024 Target Balance (10%)		11,923,440		

STATEMENT OF REVENUES AND EXPENSES
Environmental Services
June 30, 2024

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Municipal Wastewater Charges	140,793,500	281,587,000	281,587,000	-
Industrial Charges	6,715,681	18,500,000	18,500,000	-
State Appropriations Revenue	22,332	1,875,000	1,125,000	750,000
Investment Earnings	1,446,896	2,500,000	800,000	1,700,000
Other Revenue	161,538	558,352	558,352	-
Total Revenues	149,139,948	305,020,352	302,570,352	2,450,000
<u>EXPENSES</u>				
Salary and Benefits	35,117,766	86,928,442	85,928,442	(1,000,000)
Consulting & Contractual Services	7,760,771	21,886,743	21,386,743	(500,000)
Rent & Utilities	8,488,683	23,196,884	25,446,884	2,250,000
Travel	181,216	763,499	763,499	-
Materials & Supplies	8,356,132	16,698,231	12,698,231	(4,000,000)
Chemicals	7,797,311	17,661,618	17,661,618	-
Capital Outlay	913,476	2,128,270	2,128,270	-
I&I, Storm water, CWF, WOMP Grant Expense	218,311	797,950	47,950	(750,000)
Other Operating Expense	510,786	4,986,003	4,986,003	-
Total Expenses	69,344,453	175,047,640	171,047,640	(4,000,000)
<u>TRANSFERS</u>				
SAC Transfer	28,884,000	57,768,000	57,768,000	-
Transfers In	357,273	450,000	350,000	100,000
Debt Service	(78,250,002)	(156,500,000)	(156,500,000)	-
Transfer Out - RA Expense Allocation	(10,617,409)	(22,498,298)	(22,498,298)	-
Transfers Out	(5,500,002)	(11,000,000)	(11,000,000)	-
Total Transfers	(65,126,140)	(131,780,298)	(131,880,298)	100,000
Change in Reserve Balance	14,669,355	(1,807,586)	(357,586)	(1,450,000)
Beginning Reserve Balance		45,628,765		
Ending Unassigned Reserve Balance		43,821,179		
2024 Target Balance (10%)		17,104,764		

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

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	YTD ACTUAL PASS THROUGH
<u>REVENUES</u>					
Federal Revenue	48,900,877	101,273,330	101,273,330	-	44,234,873
State Revenue	-	318,000	318,000	-	-
Investment Earnings	544,731	750,000		750,000	-
Other Revenue	1,814,528	3,971,991	3,971,991	-	-
Total Revenues	51,260,136	106,313,321	105,563,321	750,000	44,234,873
<u>EXPENSES</u>					
Salary and Benefits	2,973,762	6,792,840	7,292,840	500,000	-
Consulting & Contractual Services	449,237	1,341,344	1,341,344	-	-
Rent & Utilities	71,418	147,311	147,311	-	-
Housing Expenses	47,031,191	95,279,096	95,279,096	-	45,824,843
Travel	15,862	51,590	71,590	20,000	-
Insurance	81,562	100,000	100,000	-	-
Other Operating Expense	141,211	396,761	456,761	60,000	-
Total Expenses	50,764,243	104,108,942	104,688,942	580,000	45,824,843
<u>TRANSFERS</u>					
Transfer Out - RA Expense Allocation	(634,105)	(3,610,672)	(3,610,672)	-	-
Transfer In - Allocation	50,000	50,000	50,000	-	-
Total Transfers	(584,105)	(3,560,672)	(3,560,672)	-	-
Change in Reserve Balance	(88,212)	(1,356,293)	(2,686,293)	1,330,000	(1,589,970)
Beginning Reserve Balance:					
Operating		18,298,396			
Federal Passthrough (HAP Assistance)		80,062			
Total Beginning Balance		18,378,458			
Change in Reserve Balance:					
Operating		233,677			
Federal Passthrough		(1,589,970)			
Total Change in Reserve Balance		(1,356,293)			
Ending Reserve Balance		17,022,165			
2024 Target Balance (8.3%)		8,984,718			

STATEMENT OF REVENUES AND EXPENSES

Metro Transit - Bus Operations

June 30, 2024

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	14,289,708	33,856,661	37,800,755	(3,944,094)
Auxiliary Transit Revenue	591,933	1,120,368	2,000,000	(879,632)
State Revenue - MVST	148,004,000	296,008,000	296,008,000	-
Regional Sales Tax	3,333,333	10,000,000	10,000,000	-
Federal Grants	1,286,754	24,465,450	24,465,450	-
Investment Earnings	5,747,614	11,781,144	500,000	11,281,144
Other Revenue	1,200,599	4,053,044	3,289,623	763,421
Total Revenues	174,453,941	381,284,667	374,063,828	7,220,839
<u>EXPENSES</u>				
Salary and Benefits	140,864,700	308,251,670	354,871,043	46,619,373
Consulting & Contractual Services	8,054,030	18,640,592	20,408,796	1,768,204
Fuel	6,414,670	16,582,209	18,527,347	1,945,138
Materials & Supplies	11,373,893	24,402,501	27,017,012	2,614,511
Utilities	1,881,297	4,871,750	5,980,913	1,109,163
Other Operating Expense	986,743	2,199,347	7,441,260	5,241,913
Total Expenses	169,575,333	374,948,069	434,246,371	59,298,302
<u>TRANSFERS</u>				
Transfer In - Transit Allocations	8,243,202	18,826,645	21,166,887	(2,340,242)
Transfer Out - RA Expense Allocation	(25,270,466)	(61,606,932)	(61,606,934)	-
Total Transfers	(17,027,264)	(42,780,287)	(40,440,047)	(2,340,242)
Change in Reserve Balance	(12,148,656)	(36,443,689)	(100,622,590)	64,178,899
Beginning Reserve Balance		261,405,467		
Ending Reserve Balance		224,961,778		
2024 Target Balance (8.3 - 12.5%)		39,398,973		

STATEMENT OF REVENUES AND EXPENSES
Metro Transit - Light Rail Operations
June 30, 2024
Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	6,125,670	12,546,348	14,179,970	(1,633,622)
Auxiliary Transit Revenue	235,035	1,015,628	1,237,276	(221,648)
Regional Sales Tax	15,523,945	44,793,476	44,793,476	-
State Revenue - GF Appropriation	14,612,062	29,224,121	29,224,121	-
Local Revenue	0	13,712,868	13,712,868	-
Investment Earnings	306,252	722,792	25,250	697,542
Other Revenue	10,579	7,010	13,023	(6,013)
Total Revenues	36,813,543	102,022,243	103,185,984	(1,163,741)
<u>EXPENSES</u>				
Salary and Benefits	23,546,042	53,806,299	60,743,953	6,937,654
Consulting & Contractual Services	1,557,339	4,217,785	5,034,316	816,531
Fuel	9,694	33,743	57,677	23,934
Materials & Supplies	6,832,496	9,639,058	8,863,268	(775,790)
Utilities	2,359,930	8,247,025	6,385,783	(1,861,242)
Other Operating Expense	4,392,145	9,368,603	8,934,690	(433,913)
Total Expenses	38,697,646	85,312,513	90,019,687	4,707,174
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(8,049,927)	(18,216,622)	(19,299,248)	1,082,626
Transfer Out - RA Expense Allocation	(3,069,156)	(5,769,489)	(5,769,489)	-
Total Transfers	(11,119,083)	(23,986,111)	(25,068,737)	1,082,626
Change in Reserve Balance	(13,003,186)	(7,276,381)	(11,902,440)	4,626,059
Beginning Reserve Balance		22,227,039		
Ending Reserve Balance		14,950,658		
2024 Target Balance (8.3 - 12.5%)		9,552,339		

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

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	243,327	407,803	506,007	(98,204)
State Appropriations	1,714,940	3,429,879	3,429,879	-
Regional Sales Tax	2,191,632	6,390,523	6,390,523	-
Local Revenue - Counties / MNDOT	817,497	2,452,620	2,452,620	-
Federal Revenues	-	2,875,682	2,875,682	-
Investment Earnings	-	227,787	-	227,787
Total Revenues	4,967,396	15,784,294	15,654,711	129,583
<u>EXPENSES</u>				
Salary and Benefits	2,154,140	5,032,162	6,203,682	1,171,520
Consulting & Contractual Services	1,575,628	3,559,952	3,906,980	347,028
Fuel	340,411	812,874	1,209,020	396,146
Materials & Supplies	471,164	978,254	719,801	(258,453)
Utilities	256,439	542,878	415,628	(127,250)
Other Operating Expense	1,413,961	3,168,208	3,651,174	482,966
Total Expenses	6,211,743	14,094,328	16,106,285	2,011,957
<u>TRANSFERS</u>				
Transfer Out - Transit Allocations	(193,275)	(386,550)	(1,867,639)	1,481,089
Transfer Out - RA Expense Allocation	(406,709)	(890,778)	(782,861)	(107,917)
Total Transfers	(599,984)	(1,277,328)	(2,650,500)	1,373,172
Change in Reserve Balance	(1,844,331)	412,638	(3,102,074)	3,514,712
Beginning Reserve Balance		11,077,108		
Ending Reserve Balance		11,489,746		
2024 Target Balance (8.3 - 12.5%)		1,556,813		

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

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Federal Revenue	1,842,427	6,165,441	6,165,441	-
State Revenue - MVST	2,275,002	4,550,000	4,550,000	-
Regional Sales Tax	72,222	650,000	650,000	-
Investment Earnings	171,618	250,000	-	250,000
Chargebacks from MAC	32,060	136,000	136,000	-
Total Revenues	4,393,330	11,751,441	11,501,441	250,000
<u>EXPENSES</u>				
Salary and Benefits	1,798,074	4,569,414	4,869,414	300,000
Consulting & Contractual Services	794,318	3,510,711	3,960,711	450,000
Rent & Utilities	74,909	150,535	150,535	-
Travel	18,188	65,000	65,000	-
Other Operating Expense	53,091	140,310	140,310	-
Total Expenses	2,738,580	8,435,970	9,185,970	750,000
<u>TRANSFERS</u>				
Total Transfers - RA Expense Allocation	(1,067,647)	(2,589,818)	(2,589,818)	-
Change in Reserve Balance	587,103	725,653	(274,347)	1,000,000
Beginning Reserve Balance		10,934,187		
Ending Reserve Balance		11,659,840		
2024 Target Balance (30%)		3,533,000		

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

Unaudited

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenue	3,174,694	5,040,698	7,019,730	(1,979,032)
Federal Revenue	32,000,000	34,841,204	34,841,204	-
State Appropriations	27,988,000	58,817,204	58,817,204	-
Investment Earnings	706,085	1,412,171	-	1,412,171
Total Revenues	63,868,779	100,111,277	100,678,138	(566,861)
<u>EXPENSES</u>				
Salary and Benefits	1,330,747	3,276,690	3,640,767	364,077
Consulting & Contractual Services	46,750,369	101,258,858	98,654,100	(2,604,758)
Fuel	3,630,462	11,975,191	11,441,244	(533,947)
Rent & Utilities	43,706	111,047	111,047	-
Other Operating Expense	810,226	1,339,794	739,630	(600,164)
Total Expenses	52,565,510	117,961,580	114,586,788	(3,374,792)
<u>TRANSFERS</u>				
Total Transfers - RA Expense Allocation	(1,275,423)	(3,038,573)	(3,038,573)	-
Change in Reserve Balance	10,027,846	(20,888,876)	(16,947,223)	(3,941,653)
Beginning Reserve Balance		<u>30,559,533</u>		
Ending Reserve Balance		9,670,657		
2024 Target Balance (5%)		5,881,000		

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

	YTD ACTUALS	YEAR-END PROJECTIONS	2024 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Passenger Revenues	935,714	1,134,488	1,363,614	(229,126)
Federal Revenue	2,147,722	3,006,382	2,417,552	588,830
State Revenue - MVST	14,500,002	29,000,000	29,000,000	-
Investment Earnings	346,714	556,714	-	556,714
Total Revenues	17,930,152	33,697,584	32,781,166	916,418
<u>EXPENSES</u>				
Salary and Benefits	369,192	901,363	1,064,636	163,273
Consulting & Contractual Services	20,060,666	36,412,965	33,821,761	(2,591,204)
Rent & Utilities	27,395	77,674	109,669	31,995
Travel	1,998	8,248	12,500	4,252
Other Operating Expense	195,423	440,822	521,260	80,438
Total Expenses	20,654,675	37,841,072	35,529,826	(2,311,246)
<u>TRANSFERS</u>				
Transfer Out - RA Expense Allocation	(436,175)	(1,056,077)	(1,056,077)	-
Transfers Out	(1,377,552)	(1,377,552)	(1,377,552)	-
Total Transfers	(1,813,727)	(2,433,629)	(2,433,629)	-
Change in Reserve Balance	(4,538,249)	(6,577,118)	(5,182,289)	(1,394,829)
Beginning Reserve Balance		15,124,658		
Ending Reserve Balance		8,547,541		
2024 Target Balance (10%)		3,796,000		