Public Comment Budget Update and 2021-2026 Capital Program
Changes to Public Comment Budget from Preliminary Budget (Operating)

- MVST to include MMB August End of Session Estimate for State Fiscal Year 22
  • Incremental increase $32.3 million to Council

- Reduce service for NorthStar to account for pandemic-induced declines in ridership
  • Reduction of $9.7 million in NorthStar revenue, $8.2 million in NorthStar expenses

- Reduction of $5.8 million in expenses and increase of $460K in revenues in light rail

- Community Development for Parks Visitor study $400K expense

- HRA for Federal CARES Act funding $300K revenue
Council Budget Development

Unified Budget

Operating Budget
- Operations
- Pass-through
- Debt Service
- OPEB

Capital Program
- Authorized Projects
- Planned (6-year)
- Annual Spending

May-July
- Staff - Budget Development Activities

Aug 26
- Council - Adopt Preliminary Budget/Levies
  (before Sept 1)

Oct 14
- Council - Capital Program Presentation

Oct 28
- Council - Adopt Public Comment Budget

Dec 9
- Council - Adopt Final Budget/Levies
  (before Dec 20)
2021 Capital Program - $8.5 B

**Uses by Department**
- Wastewater: $1,481, 17%
- Transitways: $4,707, 55%
- Transit: $1,966, 23%

**Uses by Category**
- Expand: $5,436, 64%
- Improve: $339, 4%
- Preserve: $2,754, 32%

**Sources**
- Federal: $3,404, 40%
- Regional: $2,127, 25%
- State: $462, 5%
- Local: $2,390, 28%
- Other: $146, 2%
2021 Capital Program-$8.5B by Funding Status

- Planned: 4,635 (54%)
- Authorized & Unspent: 1,276 (15%)
- Authorized & Spent: 2,618 (31%)
2021 Capital Program Future Spending - $5.9B

Authorized - $1.3 B
- Wastewater: $724 (57%)
- Transitways: $221 (17%)
- Parks: $62 (5%)
- Transit: $268 (21%)

Planned - $4.6 B
- Wastewater: $448 (10%)
- Transitways: $2,913 (63%)
- Parks: $225 (5%)
- Transit: $1,050 (22%)
Environmental Services
Capital Program - $1.48 B

**Uses by Department**
- Interceptor Projects: $719 (49%)
- Treatment Plants: $761 (51%)

**Uses by Category**
- Preserve: $1,030 (70%)
- Improve: $207 (14%)
- Expand: $243 (16%)

**Sources**
- Regional: $1,346 (91%)
- PayGo: $121 (8%)
- State*: $13 (1%)

*Note: Regional includes $1,346 from State and $1,288 from PayGo.*
Future Spending - $1.172B

- **Authorized - $724 M**
  - Treatment Plants: $432 M (60%)
  - Interceptor Projects: $292 M (40%)

- **Planned - $448 M**
  - Treatment Plants: $205 M (46%)
  - Interceptor Projects: $243 M (54%)
Capital Program ACP Objectives

**Preserve Assets**
Rehabilitate and replace assets to preserve value and performance

**Meet Capacity Needs**
Expand system capacity through plant expansions and interceptor extensions or improvements

**Improve Quality**
of service by responding to more stringent regulations, reusing wastewater, increasing system reliability, and conserving and generating energy

**Objective**
- Preserve 65%
- Expand 21%
- Improve 14%

**Type**
- Interceptors 46%
- Plant 54%
Project Timing and Costs Cash Flow: 2016 to 2026

Total Capital Program (2021-2026) = $1,480 Million
Proposed 2021 Capital Program

$1,032 Million
Authorized Capital Program (ACP)

+ $448 Million
Capital Improvement Program (CIP)

$1,480 Million
2021 - 2026 Capital Program

2021 Capital Budget:
First year of 6-year ACP
$185 Million
Capital Program: Sources of Funds

Public Facilities Authority (PFA) Loans

$50 million annual loan and 1.5% interest rate discount

2021: Dependent on Legislature Passing Bonding Bill

Council General Obligation Bonds

The Council sells general obligation bonds. The Council has a AAA bond rating and receives low interest rates

2021: $50 - $100M (est.)

Pay-As-You-Go (PAYGO)

Funds dedicated to paying for some capital expenses with current revenue

2021: $11 Million
New Lift Station L32A

Objectives/Goals

- Replace deteriorated facility
- Increase capacity for planned growth
- Improve efficiencies and system reliability

Schedule

<table>
<thead>
<tr>
<th>Year</th>
<th>Phase</th>
<th>Start</th>
<th>End</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>Planning/Design</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dec 2022</td>
<td>Construction</td>
<td>Jan 2023</td>
<td>June 2026</td>
</tr>
</tbody>
</table>

$30 Million
Metro Solids Renewal & Improvements

Project Objectives/Goals

Preserve Wastewater Treatment Plant Infrastructure

The existing system does not have capacity to treat the wastewater solids while completing renewal work.

Serve Regional Population Growth

500,000 new residents are expected in the Metro Plant Service area by 2050.

Schedule

This project will ensure reliability of existing solids processing facilities until the fourth incinerator is operational in 2024.
Objectives/Goals

- Provide adequate wastewater treatment plant capacity
- Develop capital replacement schedule based on financial analysis

Schedule
Transit
Capital Program - $6.7 B

**Uses by Department**
- Transitways: $4,707 (70%)
- Fleet: $1,204 (18%)
- Facilities: $445 (7%)
- Other: $317 (5%)

**Uses by Category**
- Preserve: $1,614 (24%)
- Expand: $5,059 (76%)

**Sources**
- Federal: $3,404 (51%)
- State: $149 (2%)
- Regional: $720 (11%)
- Local: $2,390 (36%)
- Other: $10 (0%)
Future Spending - $4.5B

Authorized - $489 M
- Fleet: $108, 22%
- Facilities: $122, 25%
- Transitways: $221, 45%
- Other: $38, 8%

Planned - $4.0 B
- Fleet: $792, 20%
- Facilities: $92, 2%
- Transitways: $2,913, 74%
- Other: $166, 4%
Notable Modifications To The Program

Major Commitments

• Priority to State of Good Repair
• New Minneapolis Garage
• Bus Electrification Program
• Maintain & Repair Existing Facilities
• Fare Collection Equipment
• Meet Metro Mobility Ridership Growth
• Capital Program Equity Priorities

Adjustments Made

• MT Buses extended to 14 years
• Project timelines and costs reviewed
• COVID Impacts with Bus Purchase Assumptions

Transit Asset Management Plan
Metropolitan Council
Fleet - $900 M

Authorized Future Spending- $108 M
• Maintain the Current System
• Replacements per Fleet Plan
• Non-Revenue Vehicles

Planned - $792 M
• Replacements
• Meet Metro Mobility Demand
• ABRT Bus Procurement (CMAQ)
  – B, D, E and Orange
• MVTA Orange Line Connector (CMAQ)
• Overhaul of Rail Vehicles
Fleet – Service Vehicles

**Purchases**
- Standard: 427
- Artic: 116
- Coach: 34
- Total: 577

**Small Bus**: 765
**Big Bus**: 369
**Artic**: 0
**Sedan**: 35
- Total: 1169

**Overhauls**
- Blue Line: 44
- Green Line: 47
- NorthStar: 18
MTS Fleet Growth Driven by Metro Mobility
Facilities - $214 M  (Customer & Support)

Authorized Future Spending- $122 M

- Energy Enhancements
- Improvements, Repairs and Refurbishments
- Heywood Campus Administrative Expansion
- New Minneapolis Garage

Planned - $92 M

- Bus Electrification Infrastructure
- Burnsville Bus Garage Modernization
- Hoist Replacements
- Improvements, Repairs and Refurbishments
- Capital Program Equity Priorities
Other - $203 M

Authorized Future Spending- $38 M

- IS Capital Upgrades
- Support Equipment

Planned - $165 M

- Replacement of GFI Fareboxes
- Upgrade Cubic Fare Collection System
- Replace CCTV System on LRT Fleet
- Communications, Message and Real Time Signage Replacements
Transitways - $3.1 B

Authorized Future Spending – $221 M

Planned - $2.91 B

• Metro Green and Blue Line Extensions
• Partial Funding for BRT/ABRT – Rush, Gold and ABRTs
• LRT Interlocking Projects
• LRT/Northstar ADA and Safety Improvements
• LRT Rail Replacement

Also Partial Funding for BRT/ABRT's
Community Development
Community Development Capital Program - $375 M

Uses by Department
- Implementing Agencies: $300M (80%)
  - Land Acquisition: $40M (11%)
  - Other: $35M (9%)

Uses by Category
- Expand: $133M (35%)
- Improve: $137M (37%)
- Preserve: $105M (28%)

Sources
- State: $314M (84%)
- Regional: $61M (16%)
Future Spending - $286 M

Authorized - $61 M

Planned - $225 M
Parks & Open Space

• **Regional Parks System Serves**
  - 7-County Twin Cities Metro Area
  - Over 3 million people

• **Commitment to Equity**
  • *Thrive MSP 2040*
  • *2040 Regional Parks Policy Plan*
  • Master Planning
  • Project Development
  • Regional Parks System Equity Grant Program
Notable Modifications To The Program

Major Commitments

• Council match to anticipated State of Minnesota parks & open space investments
• Regional Parks System Equity Grant Program

Adjustments Made

• Asset management of Council owned housing in capital program
• Programmed Council match to state parks & open space funding in 2026
• Programmed Regional Parks Equity Grant Program in 2026
Regional Parks Capital Funding

- **Funding Source**
- **Distribution Methodology**

- **Parks & Trails Legacy**
  - State matched by Council bonds
  - Formula

- **Parks Acquisition**
  - State matched by Council bonds
  - 1st come, 1st served

- **Bonding**
  - State matched by Council bonds
  - Formula

- **Equity**
  - Council bonds
  - Competitive

- Grant programs are funded by multiple state sources and Council bonds
- Council passes through 100% of state funding
- Current portfolio is 211 active projects valued at ~ $150M
- $224M in grants are programmed in the current Council Authorized Capital Improvement Program (2021-2026)
Council Owned Housing

- Hollman Consent Decree Signed
- Regional negotiations begin

- First unit purchased
- Property Management company hired
- First resident move in

- Units converted from Public Housing to Section 8 Project Based Vouchers
- Units begin to cashflow

- $500,000 Council Strategic Initiative, ‘Housing that is Affordable’

1995

- Council establishes FAHP program
- Staff develop policies for operating Public Housing

2000

- All 150 units purchased
- Staff continue bringing units on-line
- Units operate at a deficit

2001

- Conducted a Physical Needs Assessment
- Units in good condition but aging
- Future discussion on unit capital needs

2004

- Capital Improvement Plan
- Program exploration

2010

2019

2020

21-26

• $500,000 Council Strategic Initiative, ‘Housing that is Affordable’