

# Public Comment Operating Budget Update and 2024 - 2029 Capital Program Budget

Metropolitan Council

October 11 2023

[metro council.org](http://metro council.org)

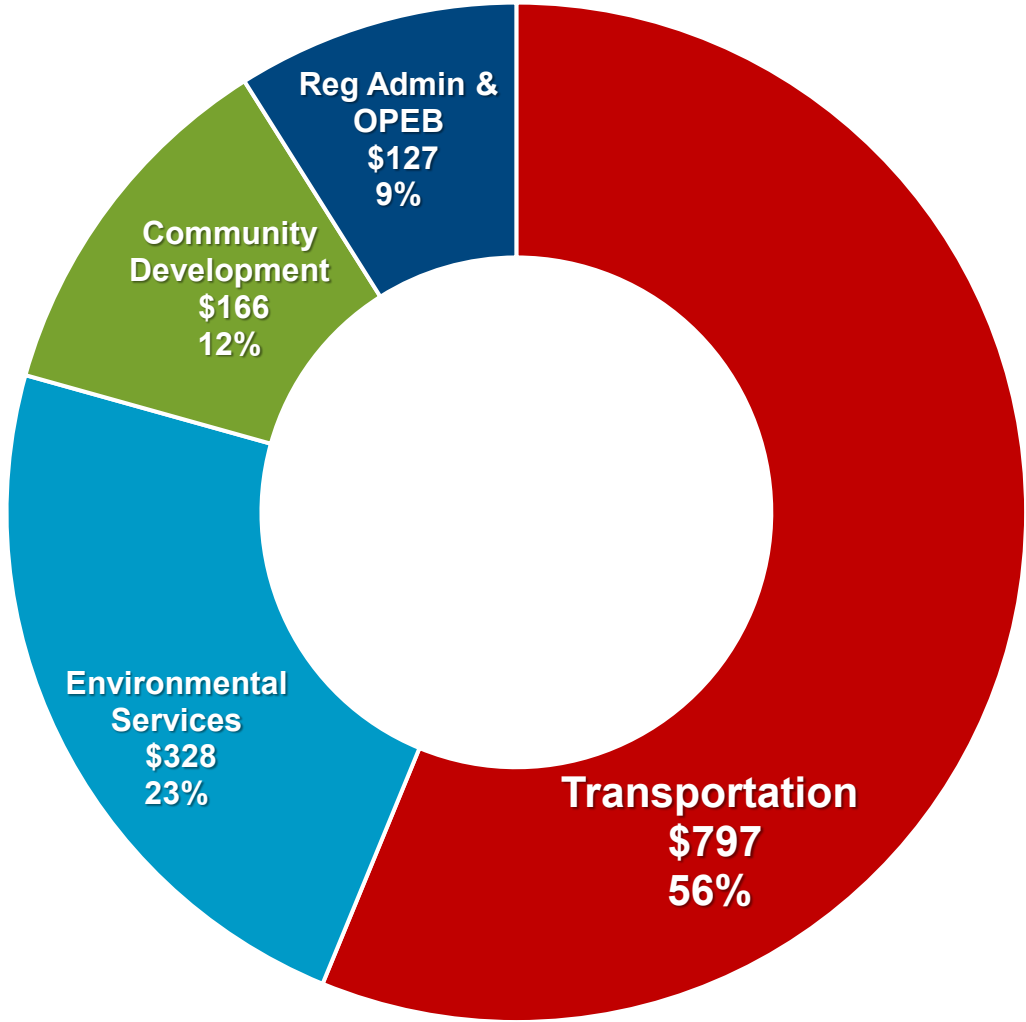


# Council Budget Development

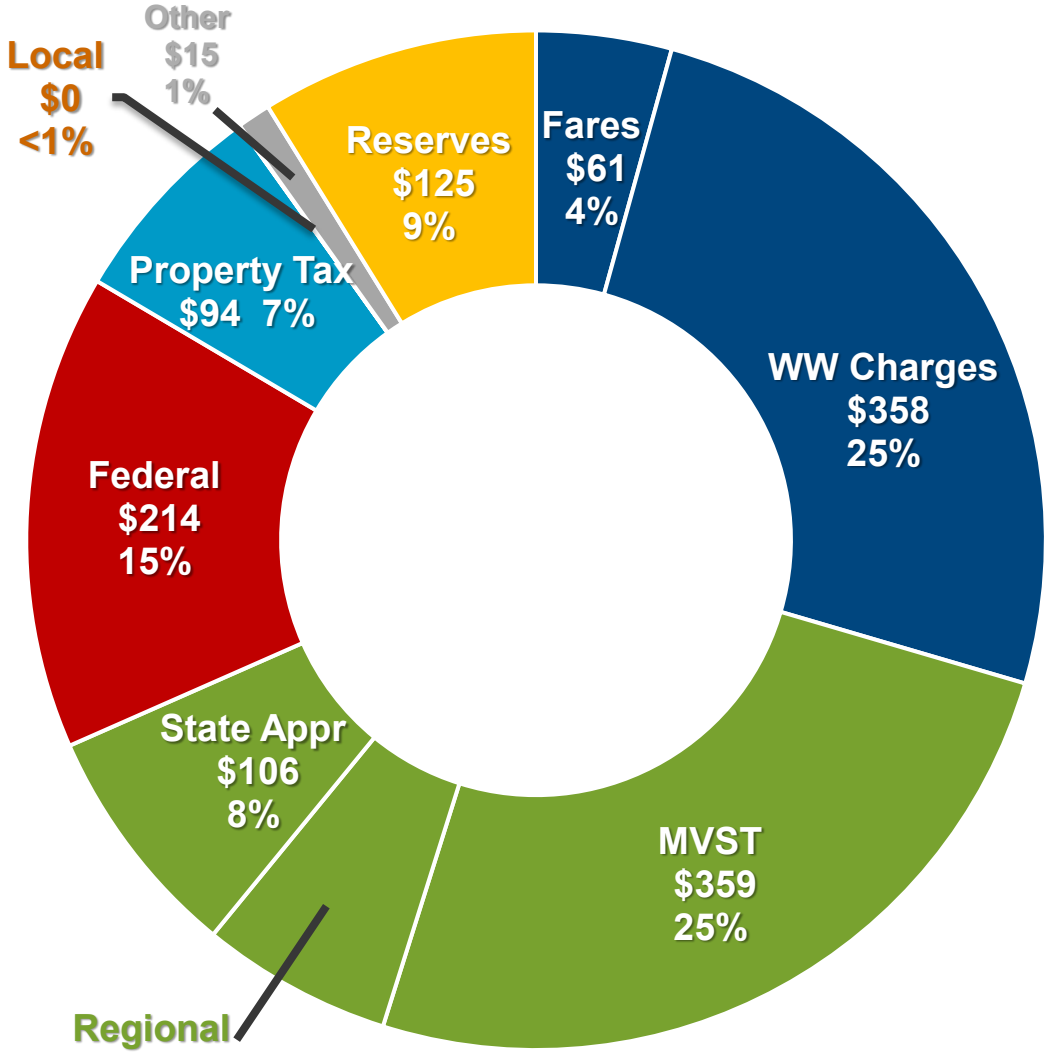
## Unified Budget



# Operating Budget - \$1.42 Billion



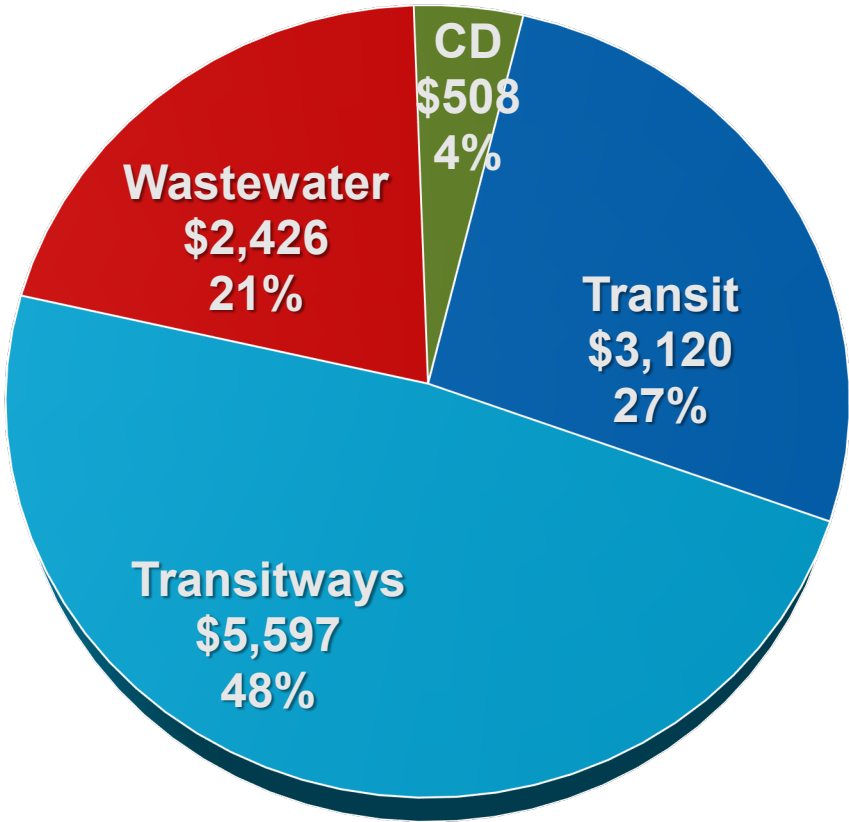
Divisions



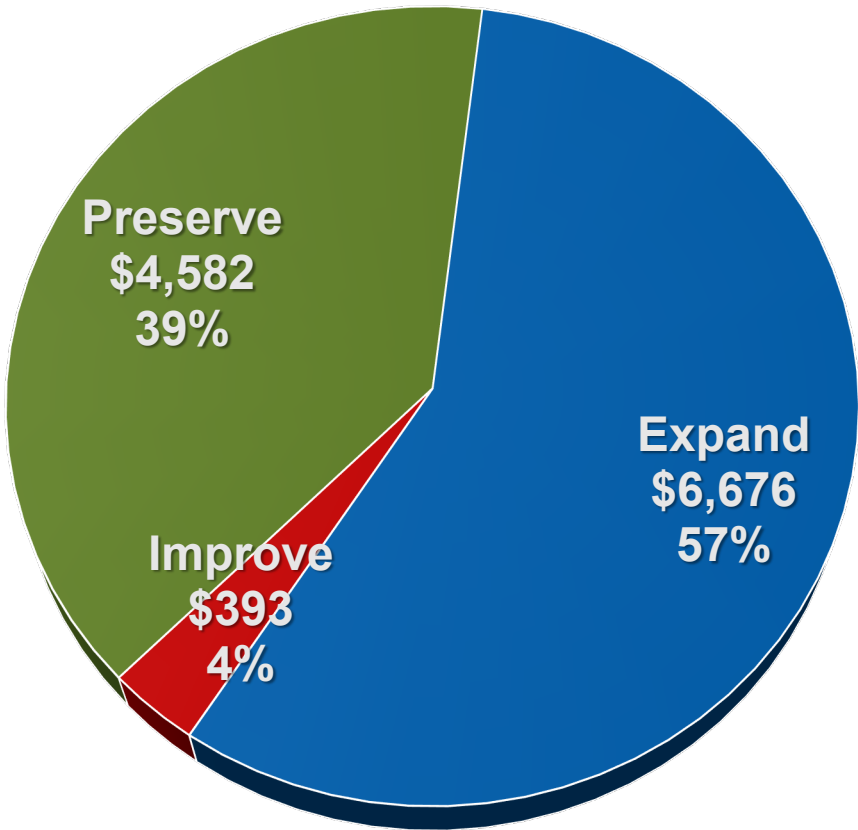
Sources

# 2024 Capital Program - \$11.7B

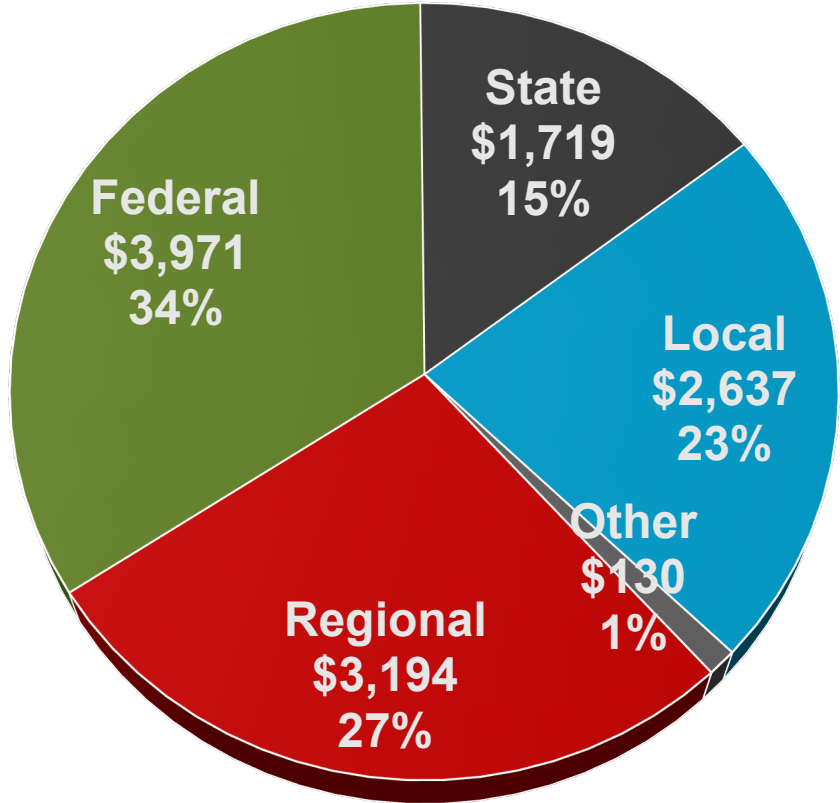
Uses by Department



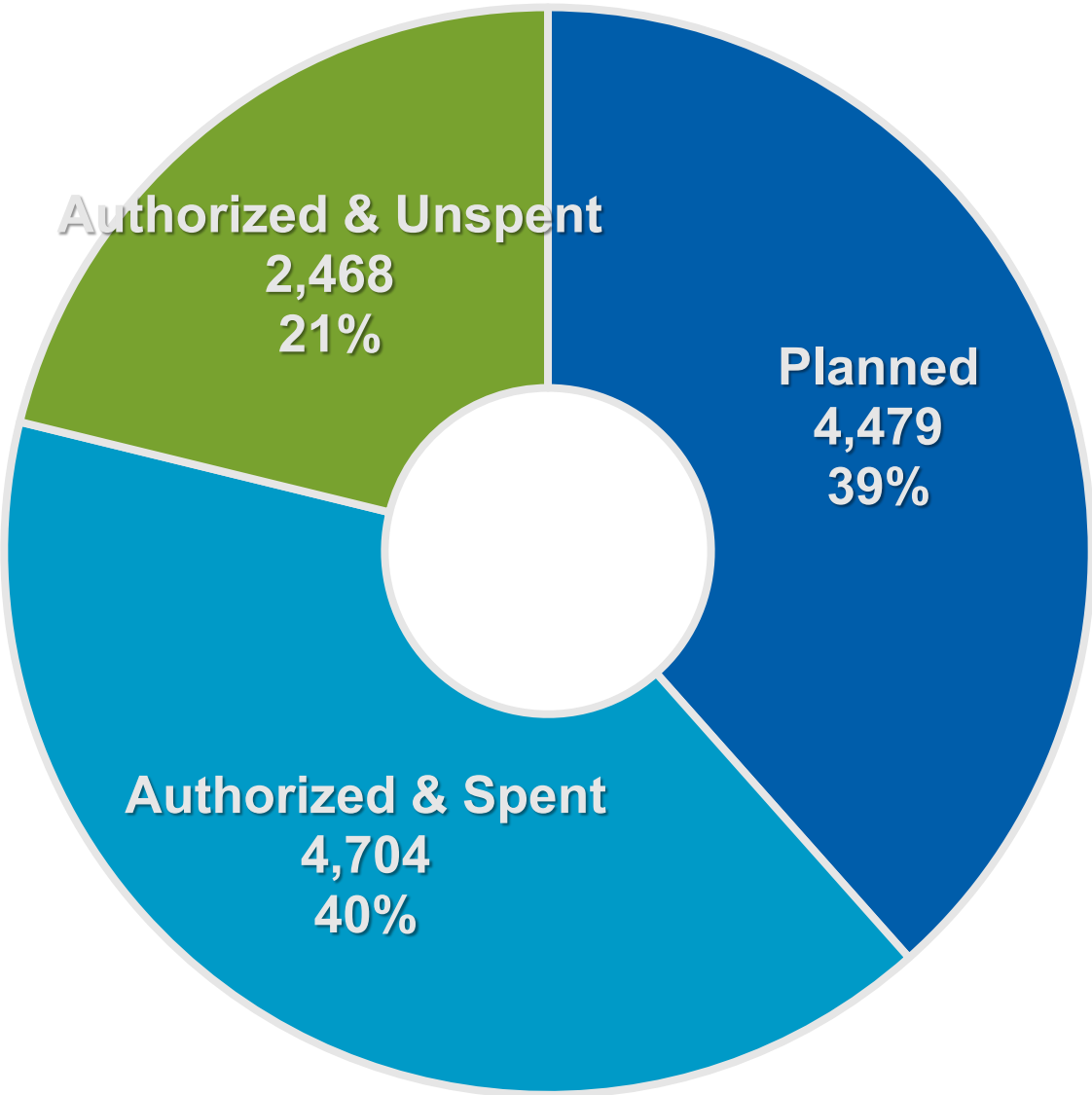
Uses by Category



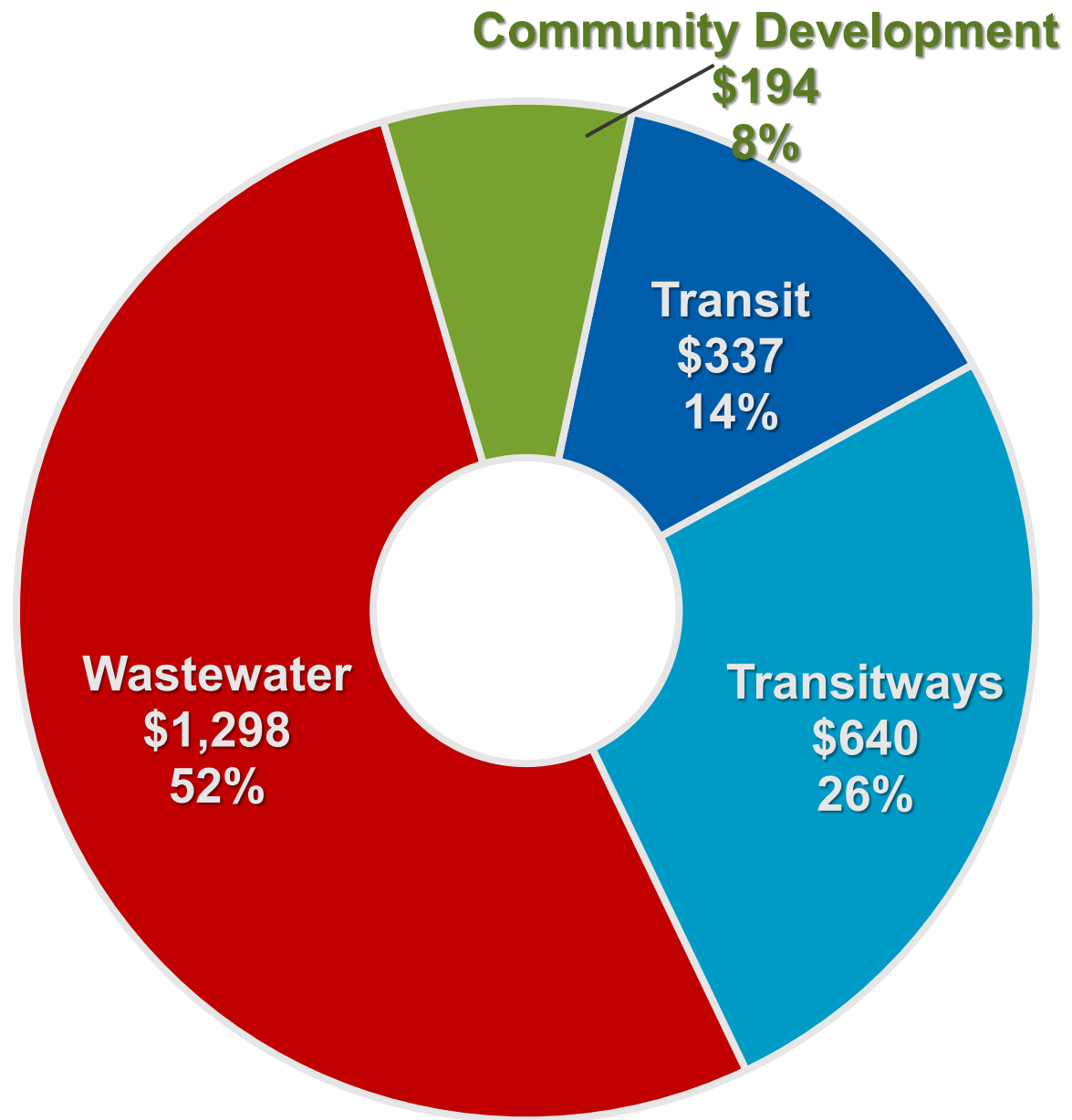
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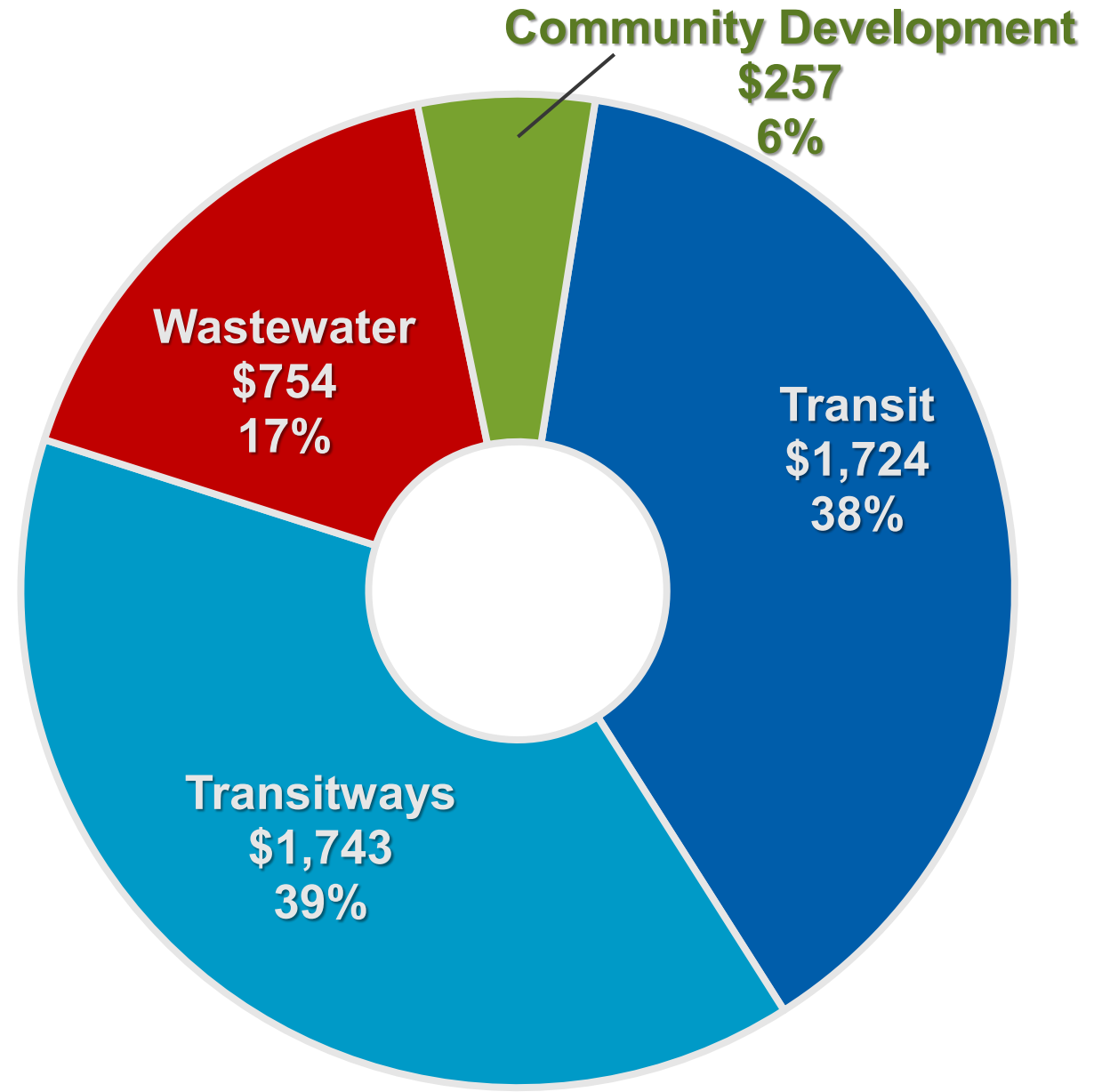
# 2024 Capital Program by Funding Status - \$11.7B



# 2024 Capital Program Future Spending - \$6.95B

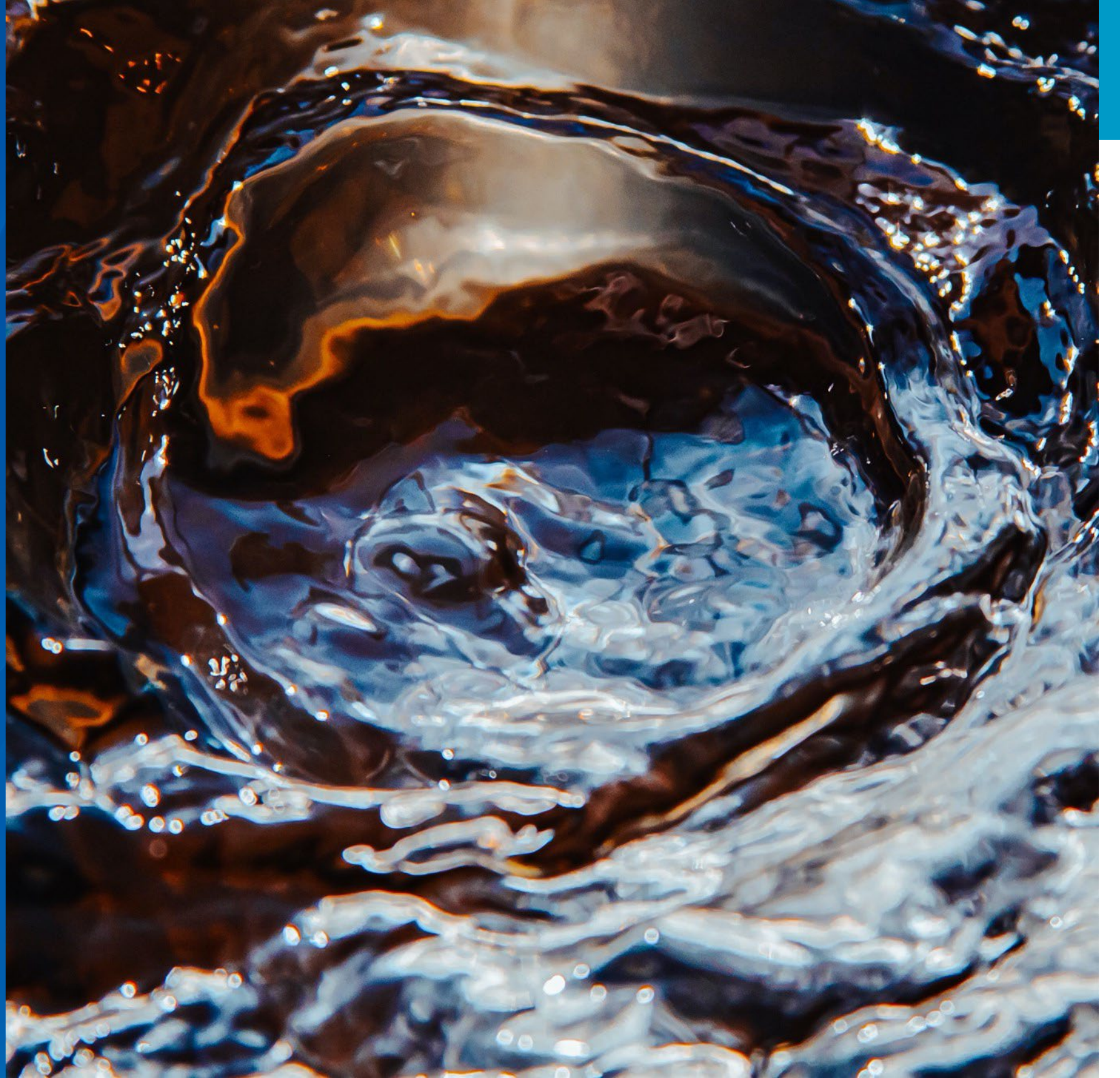


Authorized - \$2.47B



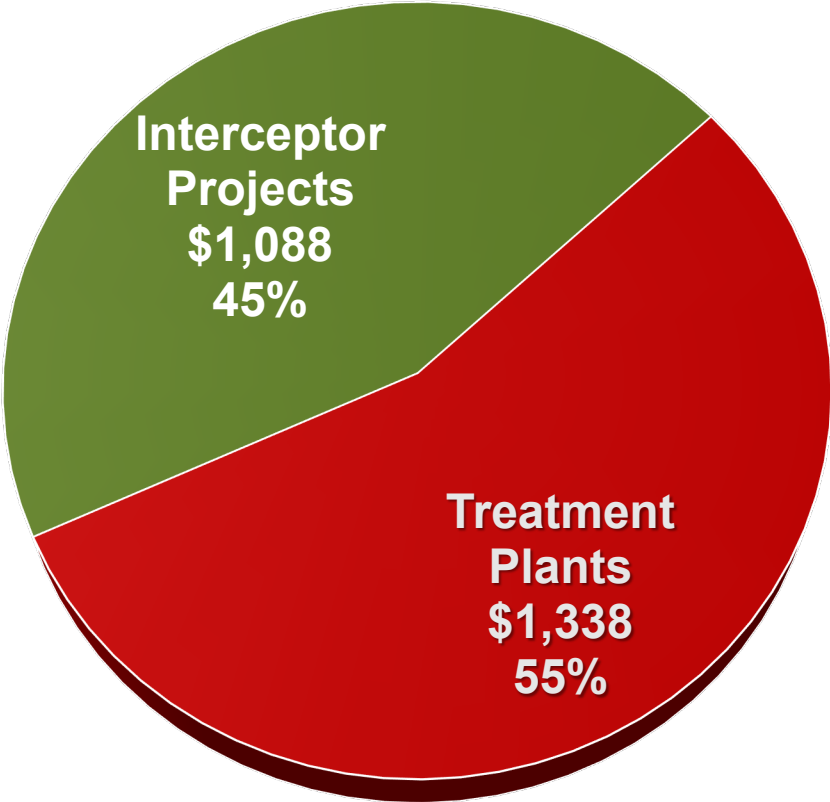
Planned - \$4.48B

# Environmental Services

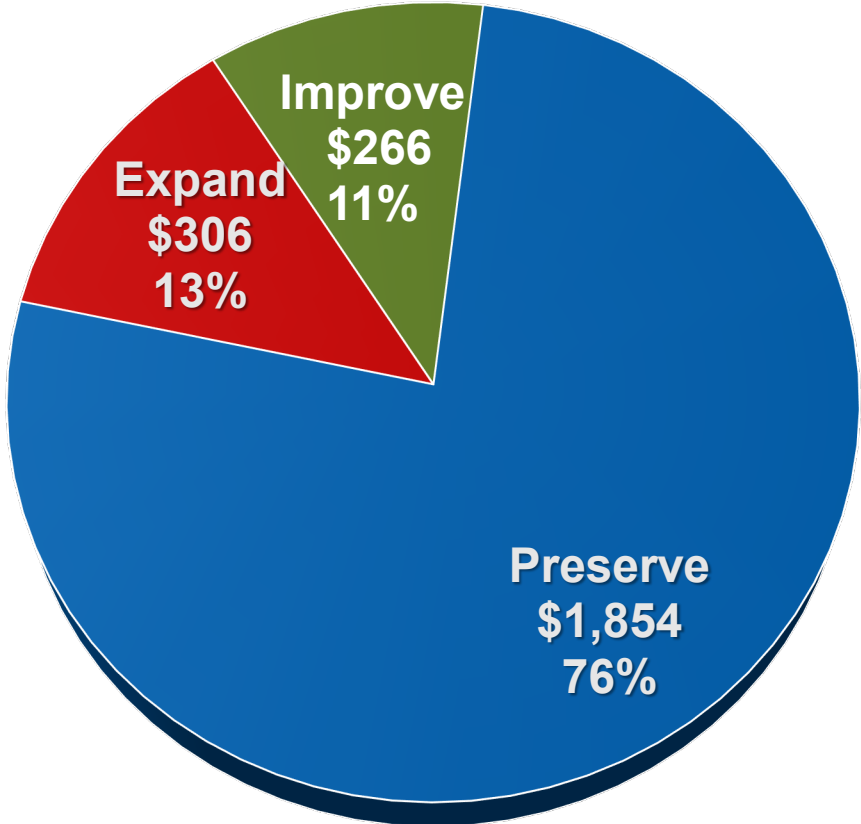


# ES Capital Program - \$2.43B

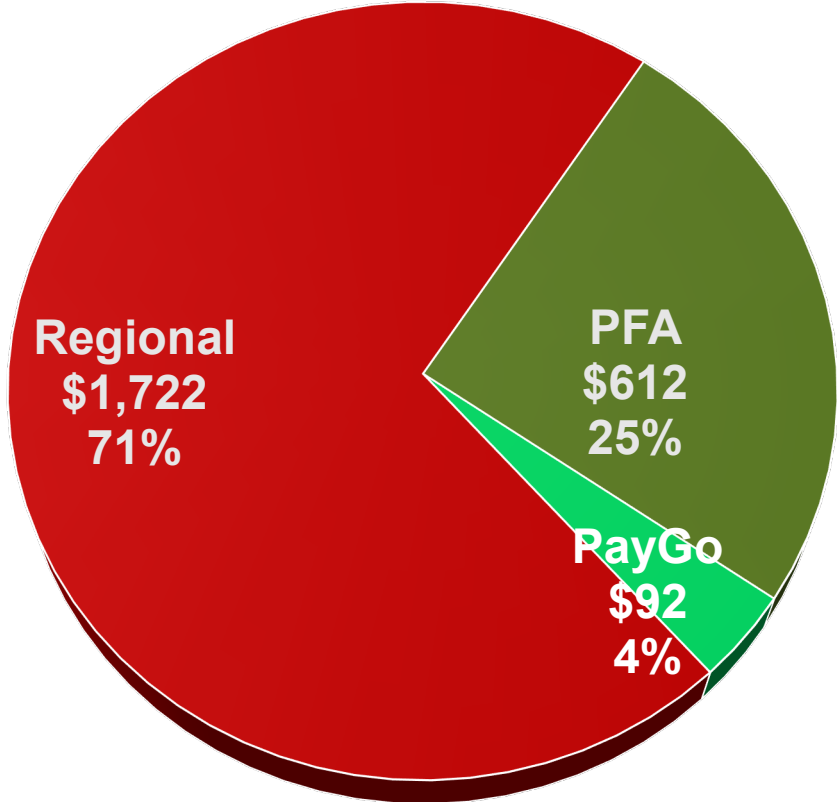
Uses by Department



Uses by Category

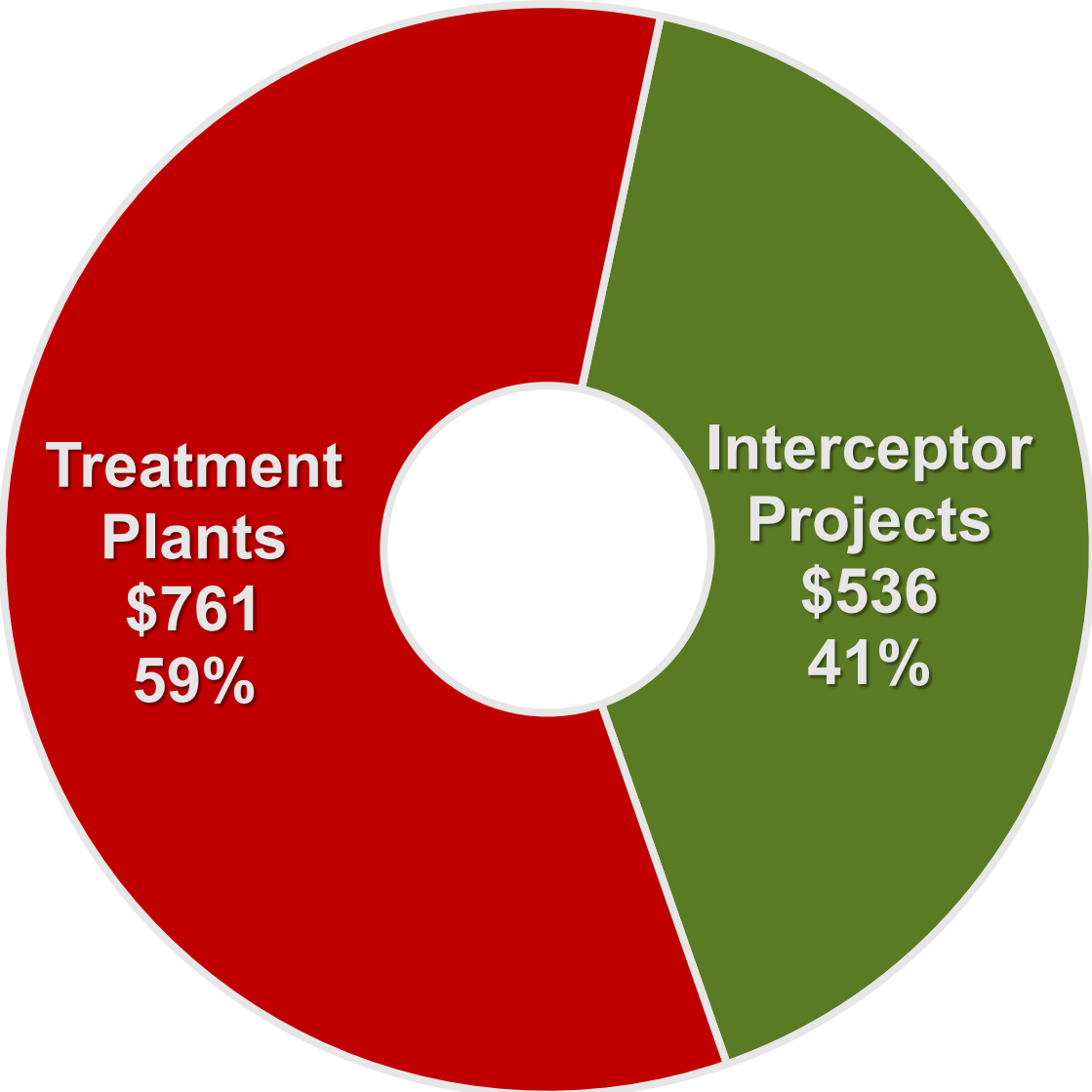


Sources

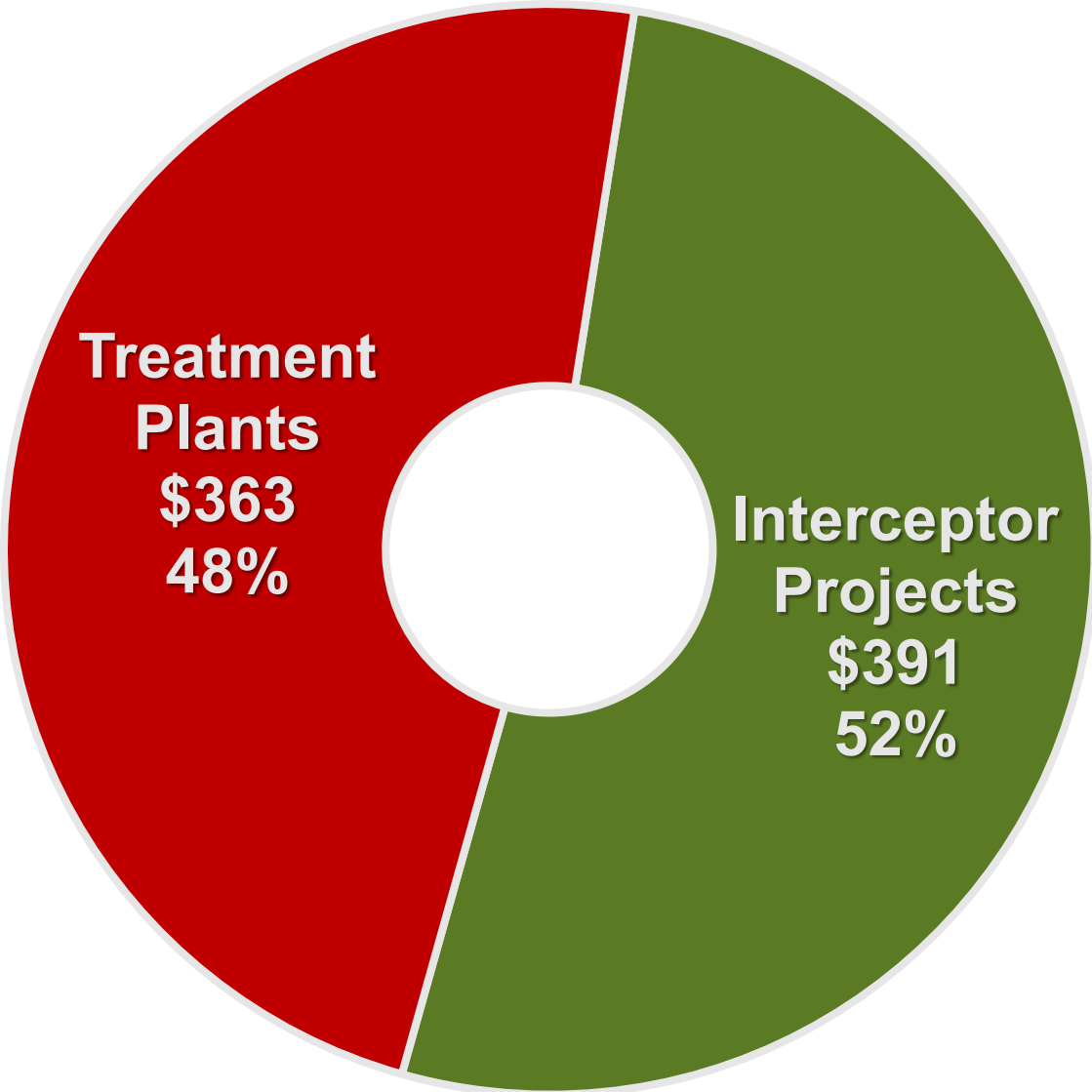




# ES Future Spending - \$2.05B



Authorized - \$1.3B



Planned - \$754M

# Capital Program ACP (Authorized Capital Program) Objectives



## Preserve Assets

Rehabilitate and replace assets to preserve value and performance



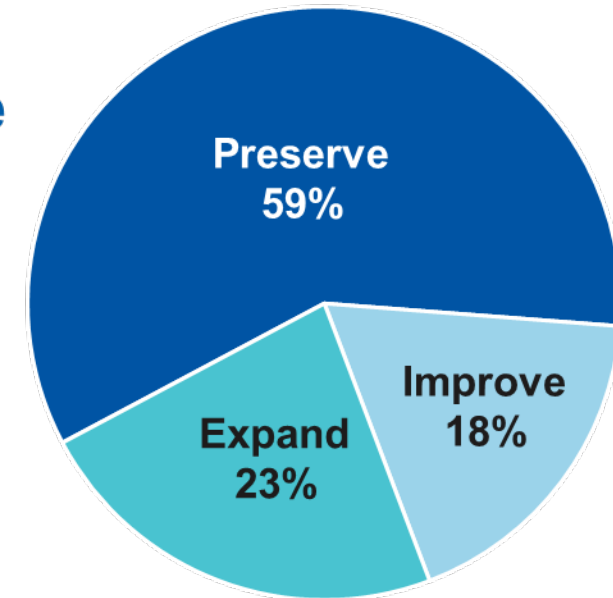
## Meet Capacity Needs

Expand system capacity through plant expansions and interceptor extensions or improvements

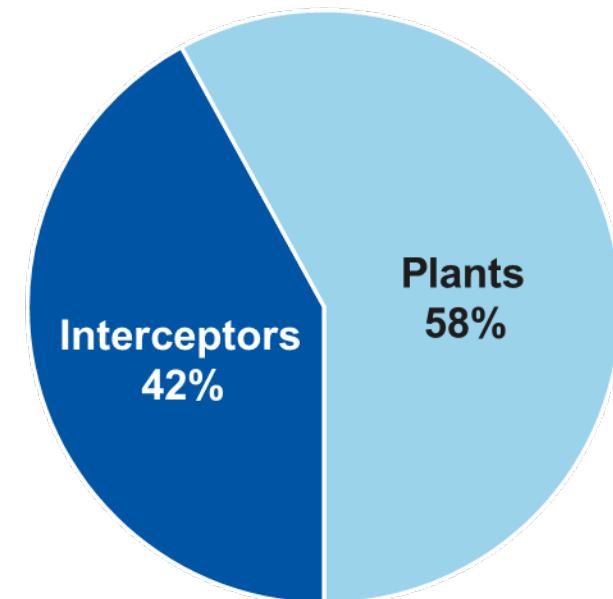


**Improve Quality** of service by responding to more stringent regulations, reusing wastewater, increasing system reliability, and conserving and generating energy

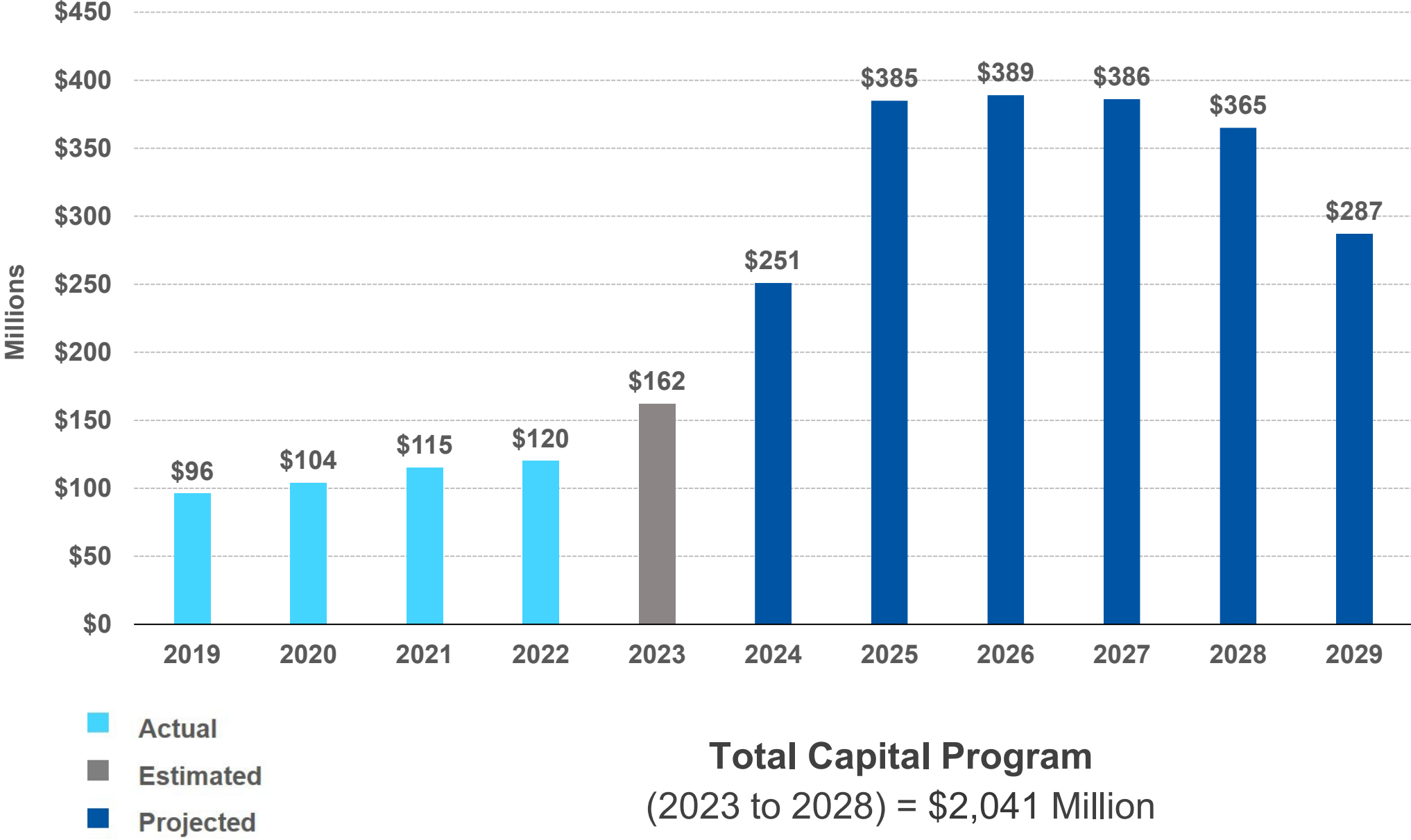
## Objective



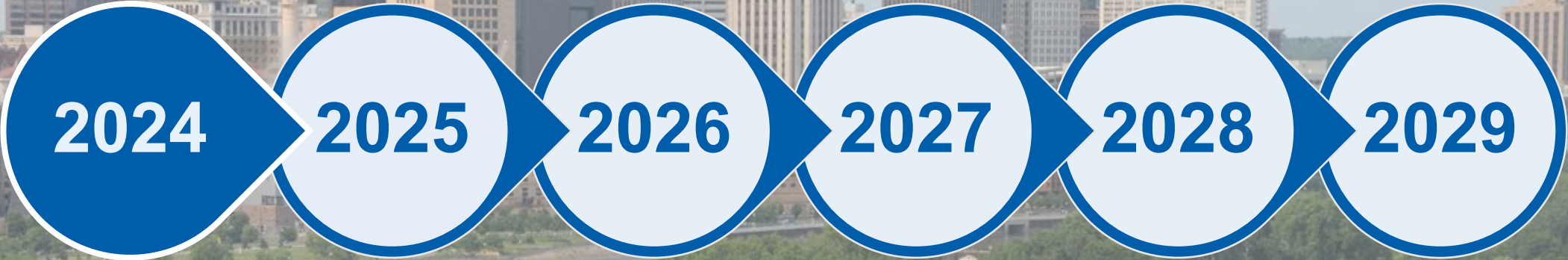
## Type



# Past Expenditures and Projected Program: 2019 to 2029



# Proposed 2024 Capital Program



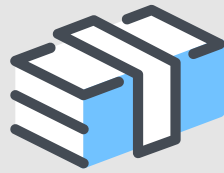
# Capital Program: Sources of Funds



## Public Facilities Authority (PFA) Loans

**2023:** \$45 million annual loan and 1.59% interest rate discount

**2024:** \$50 million loan (anticipated)



## Council General Obligation Bonds

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

**2023:** \$40 million @ 3.36%  
**2024:** TBD



## Pay-As-You-Go (PAYGO)

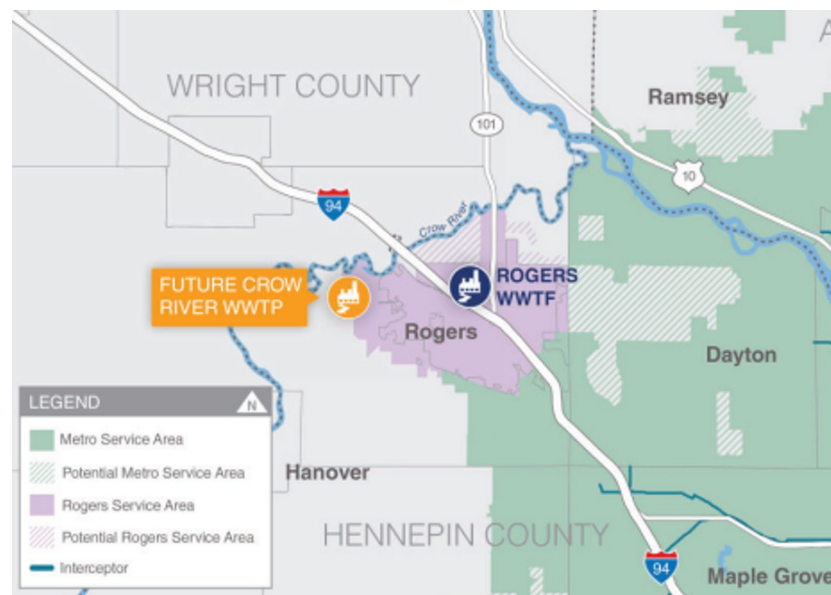
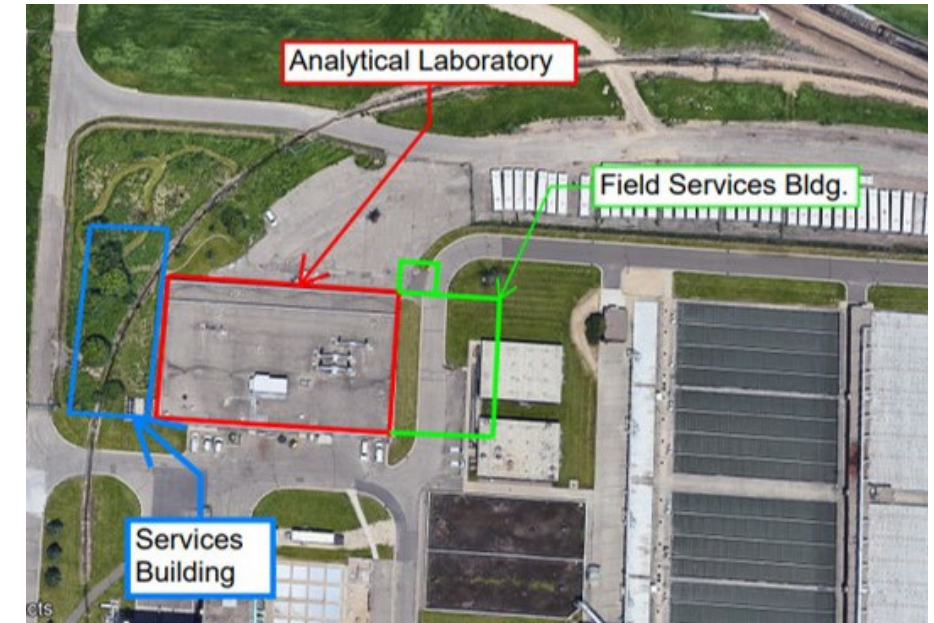
Funds dedicated to paying for some capital expenses with current revenue

**2024:** \$11 Million

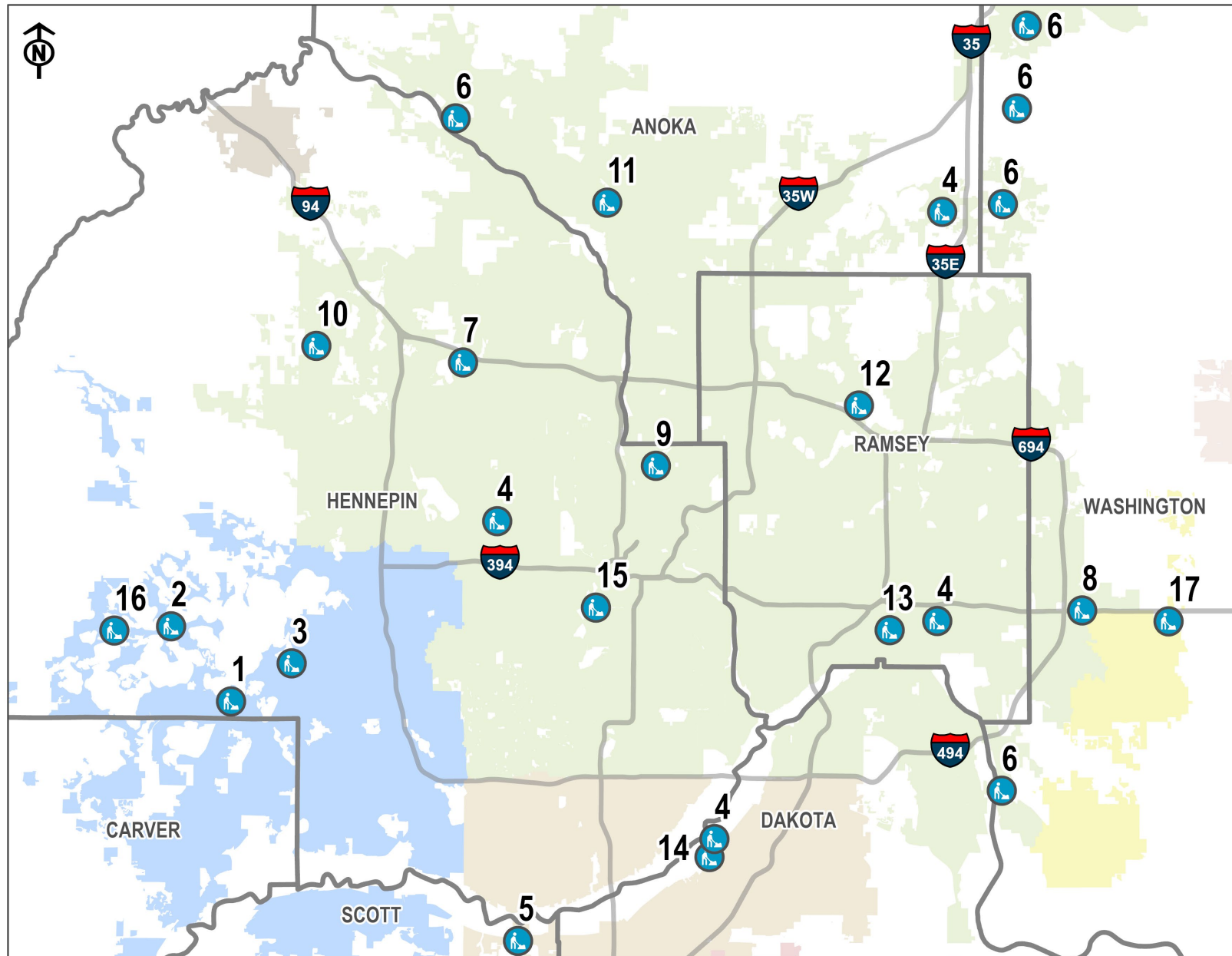
# Treatment Plant Program

## Upcoming Project Highlights

- Metro Plant Services Building and Site Improvements
- Metro Plant Asset Renewal
- Metro Plant Fourth Incinerator
- Programmable Logic Controller (PLC) Renewal; 8 plants
- Blue Lake Wastewater Treatment Plant Improvements Phase 1
- Hastings Wastewater Treatment Plant
- Crow River Wastewater Treatment Plant



# Interceptor Program Highlights



1. 802856 Excelsior Area Lift Stations
2. 802831 Orono Lift Stations L46 and L49 Improvements
3. 802834 L48 Rehab and 6-DH-645 FM replacement
4. 805504 Inspection Program – 7114 FM, 7561 FM, Outfall 7003, and 1-MS-100 Siphon at Warner Rd
5. 805564 L66 Rehabilitation
6. 805566 Electrical Rehab – L01, L02, L03, L31, L42
7. 805636 Meter Station M228A and Interceptor 7015-C
8. 806325 Southwest Lake Elmo Service Extension
9. 807641 1-MN-303 Improvements
10. 808622 Interceptor 900416 Replacement
11. 808685 Coon Rapids 4-NS-525 Phase 1
12. 808861 Grass Lake Interceptor Rehabilitation
13. 808883 Riverview Siphon Cleaning
14. 819017 7031-9003 Siphon Outlet Structure
15. 819020 HSI - East Isles FM, Contract H
16. 819022 6-MO-650 Rehab
17. 806302 Lift Station L77 Improvements

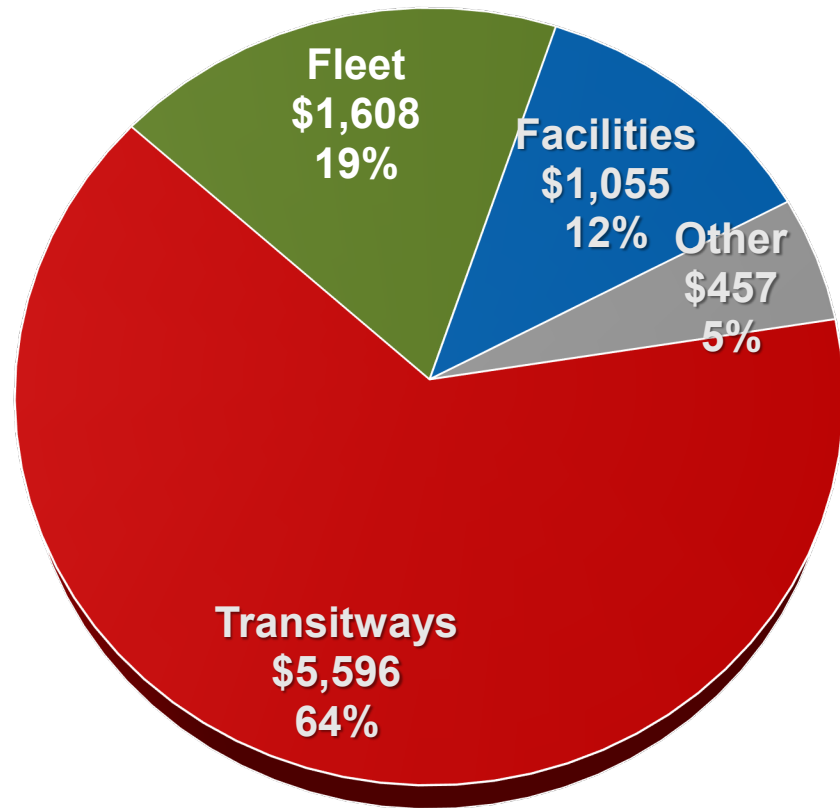
# Transit



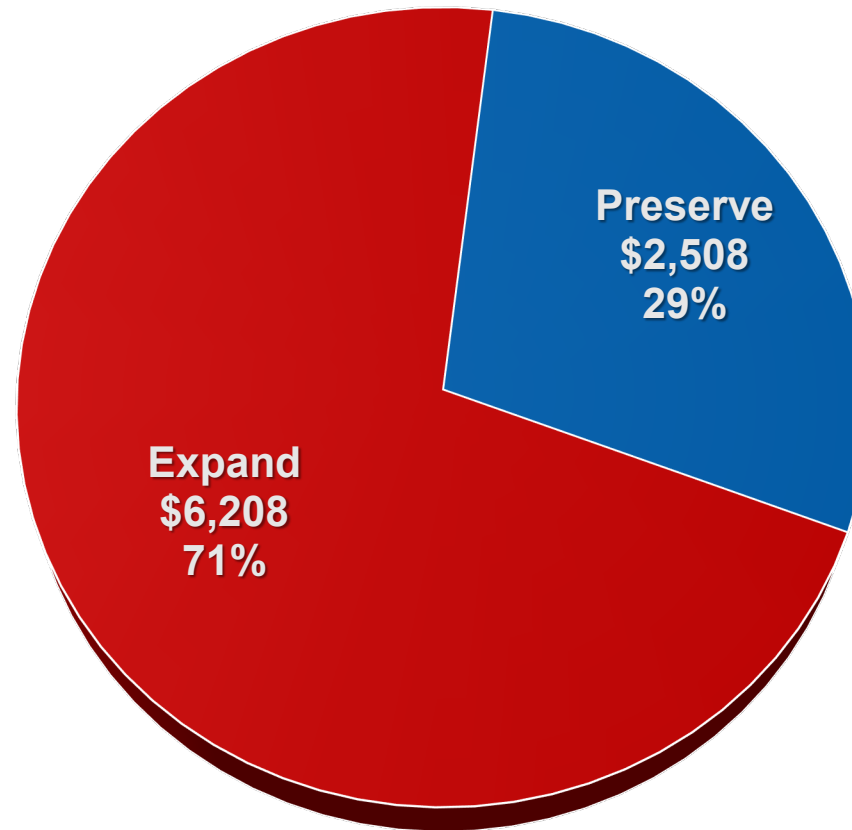


# Transit Capital Program - \$8.7B

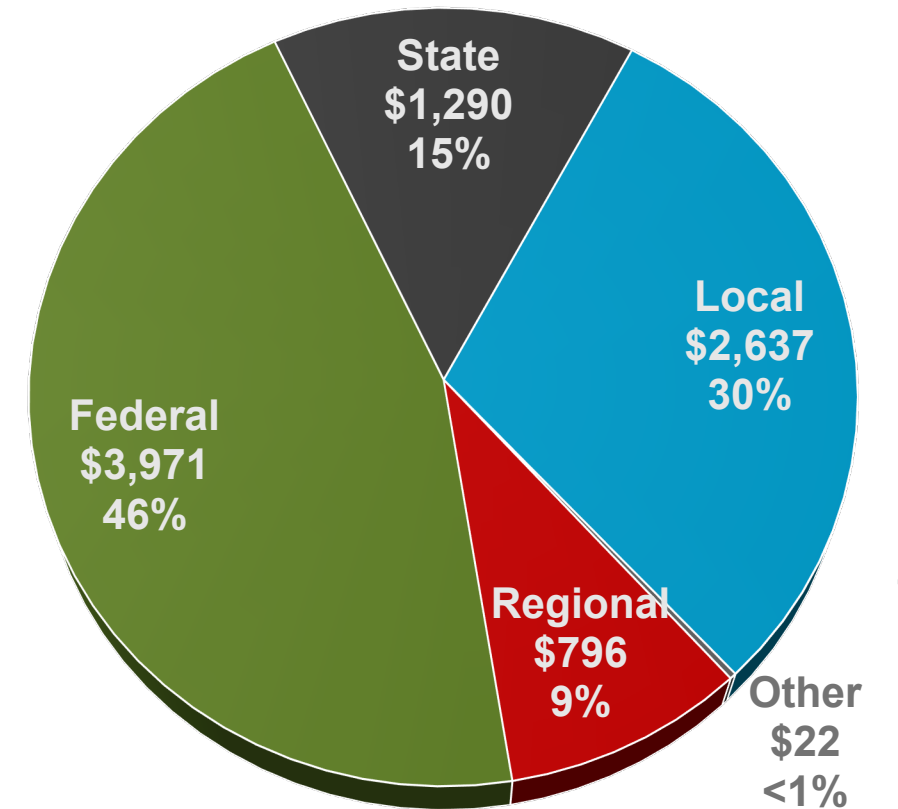
Uses by Department



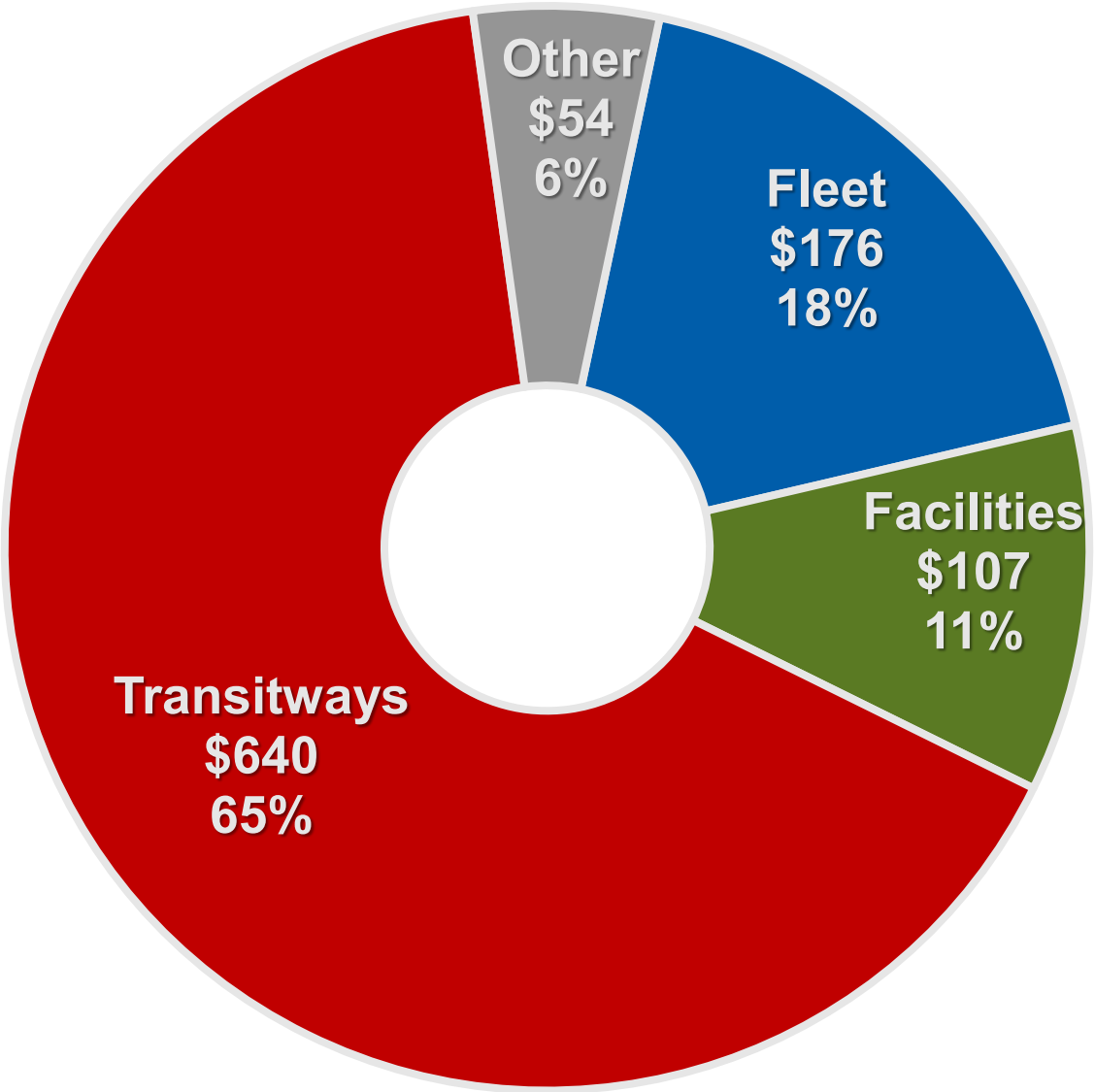
Uses by Category



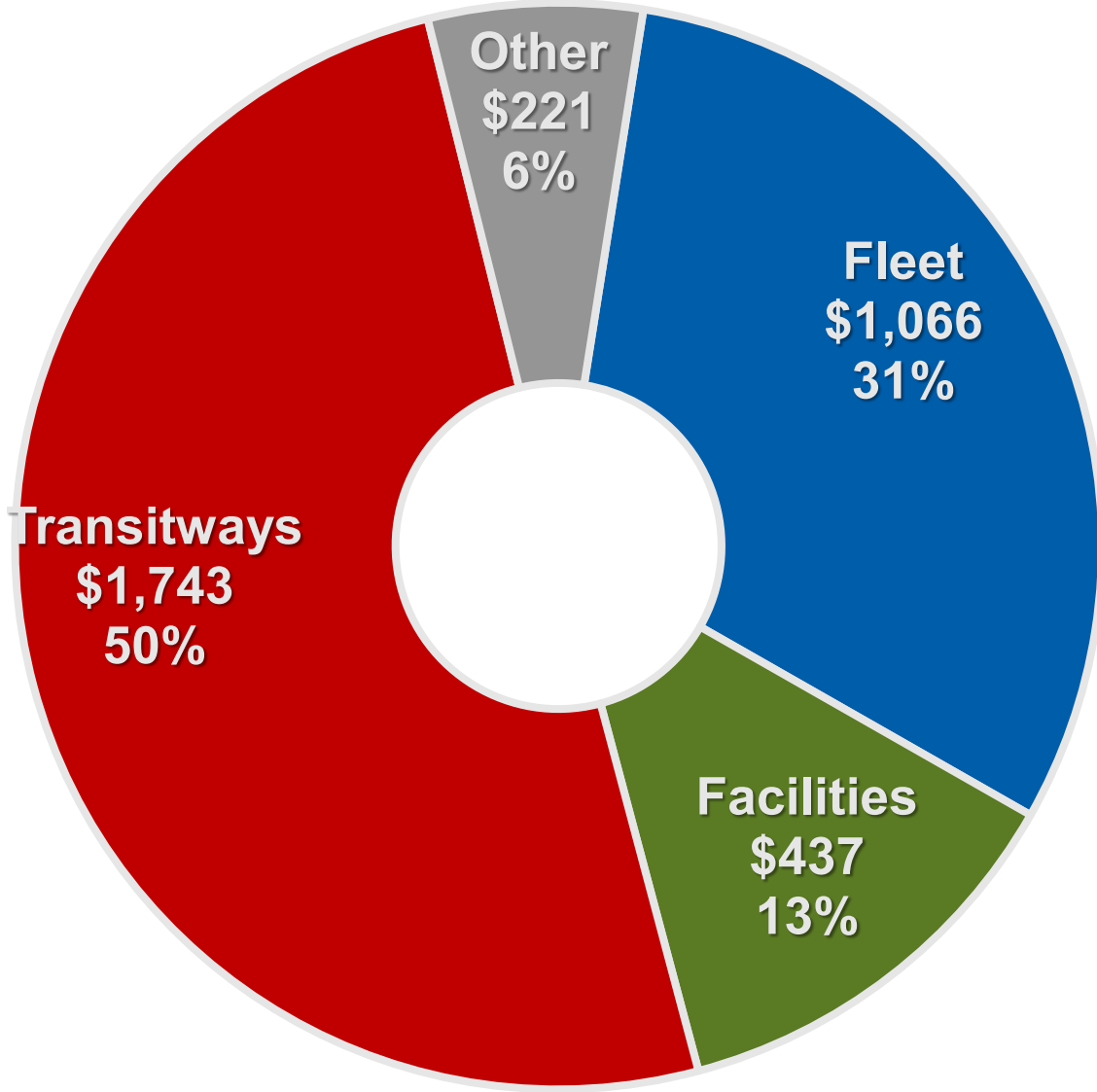
Sources



# Transit Future Spending - \$4.4B



Authorized - \$977M



Planned - \$3.47B

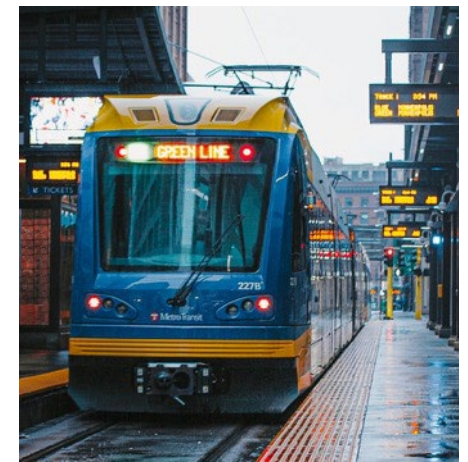
# 2024-2029 Capital Program Priorities

## Maintain Current System

- Priority to State-of-Good-Repair / Transit Asset Management Plan
- Replace vehicles per fleet management plans 12 years
- Maintain & repair existing facilities
- Transit improvements
- Meet Metro Mobility ridership demand
- Includes Regional Sales Tax

## Build Transitways/Expand Bus System

- METRO Green Line extension completion
- METRO Blue Line extension
- Bus Rapid and ABRT Transit program
- Expansion vehicles
- Bus electrification program
- Support & customer facilities and sustainability
- Technology



# Metro Area Transportation Sales Tax - Overview



## New, sustainable revenue for regional transportation

$\frac{3}{4}$  cent sales tax for metropolitan transit, effective Oct. 1, 2023.

17% to counties for services including transit ~ \$88 million in CY24

83% to Metropolitan Council

5% to active transportation (to be determined by TAB)

95% to transit operations, maintenance, capital projects

Expected revenue to the Council:

About \$400 million forecast in CY2024 for Council transit activities

3% growth rate will be assumed in budget forecast

Growth rate reviewed annually

# Transportation Sales Tax Allows for More Capital Investment



## Proposed 2024-2029 CIP is 15% (over \$400M) larger than 2023-2028 CIP

- **Make zero emissions bus investments of \$98M (125% Increase)** to advance the Zero Emissions Bus Transition Plan (Buses and infrastructure)
- **Allow for bus replacement** at the best end of life by moving to 12-year life from 14 years - \$100M investment (33% increase)
- **Build needed support facilities** to expanding METRO Network \$100M (100% increase) (Material Management and Non-Revenue)
- **Accelerate the investment** in Arterial Bus Rapid Transit Projects with additional \$90M (101% increase)
- **Maintain State of Good Repair** for LRT Projects & Customer Facility Renovations - \$50M investment (47% increase)
- **Improvements for ADA and Better Bus Stop Program** - \$7M investment (60% increase)
- **Exploring potential infrastructure investments at existing light rail platforms to provide a safe and secure customer experience.** This study includes examining lighting, technology, fare gate systems, and other elements - \$4M investment (100% increase)

# Transportation Finance Annual Review



## Annual Review Process

- Develop a Long Term 30 Year Forecast
  - Short Term and Long-Term Planning
  - Financially Responsible Cash Flow Management
  - Planned Savings as System gets older with Maintenance & State of Good Repair (SOGR)
  - Update reserve and financial management policies
- Annual Process
  - Review Sales Tax Collections / New Forecast
  - Continue to revisit investment plans
  - Review all Operating & Capital Revenue Assumptions / New Forecast
  - Review all Operating Expenditures & Capital Expenditures and CIP / New Forecast
  - Develop Financially Responsible Cash Flow Management for 30 Year Balanced Plan

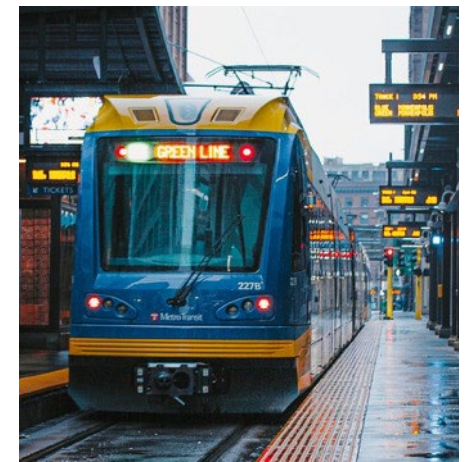
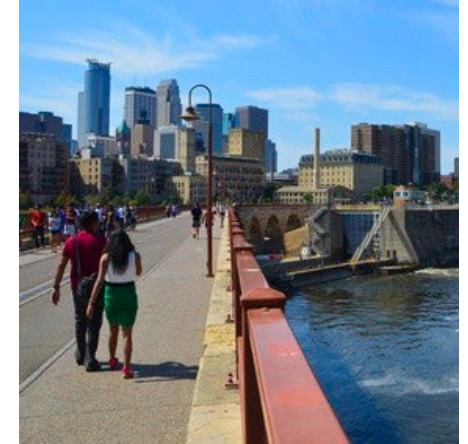
# Fleet - \$1.242B

## Authorized Future Spending- \$176M

- Maintain the Current System
- Replacements per Fleet Plan
- Non-Revenue Vehicles

## Planned - \$1.066B

- Replacements per Fleet Plan – 12 Year Life
- Spare Factor FTA Analysis
- Meet Metro Mobility Demand
- Southwest Transit Big Buses (5339 Low/No)
- ABRT Bus Procurement (CMAQ)
- Zero Emission Fleet Per Fleet Plan
- Overhaul of BRT and Rail Vehicles
- Non-Revenue Vehicles for Maintenance Staff



# Fleet – Service Vehicles

## Purchases



Standard	332
Artic	49
Coach	26
Electric	<u>85</u>
	492

Small Bus	958
30’/40’/45’	192
Artic	11
Van/SUV	<u>61</u>
	1,222

Blue Line	44
Green Line	47
NorthStar	<u>18</u>
	109

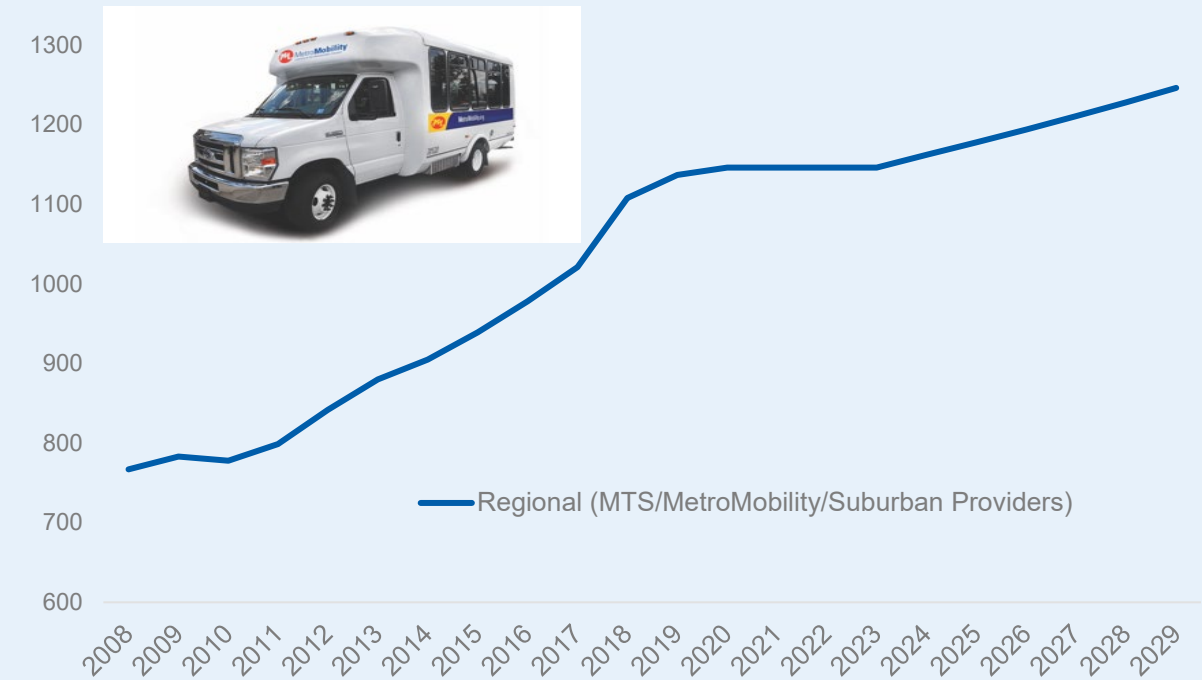


# Metro Mobility

## State Appropriations

- Forecasted funding starts State Fiscal Year 2026
  - ‘...maintain the general existing condition of the special transportation service bus fleet, including bus maintenance and replacement...’
- Planning underway now
- New forecasted funding is included in the Council 2024-2029 CIP

## MTS Fleet Growth Driven by Metro Mobility



# Facilities - \$544M (Customer & Support)

## Authorized Future Spending- \$107M

- Energy Enhancements
- Improvements, Repairs and Refurbishments
- Heywood Campus Administrative Renovation

## Planned - \$437M

- Bus Electrification Infrastructure
- Burnsville Bus Garage Modernization
- Hoist Replacements & Fuel Storage Systems
- Facility Improvements, Repairs and Refurbishments
- Investing in our Workplace: Support Space Renovations
- Capital Program Equity Priorities
- Enhancing Safety and Security with lighting, cameras, emergency call systems
- Customer Facility Refurbishment
- Material Management Storage Facility and Non-Revenue Facility



# Other - \$275M



## Authorized Future Spending- \$54M

- IS Capital Upgrades
- Support Equipment
- Upgrade Cubic Fare Collection System

## Planned - \$221M

- Replacement of GFI Fareboxes
- Replace CCTV System on LRT Fleet
- Communications, Message and Real Time Signage Replacements, Transit Signal Priority Systems
- IS BPSI Project capital upgrades and enhancements
- Electric Bus Infrastructure
- Southwest Transit East Creek Signal Prioritization

# Transitways - \$2.383B

## Authorized Future Spending – \$640M



Also Partial Funding for BRT/ABRT's

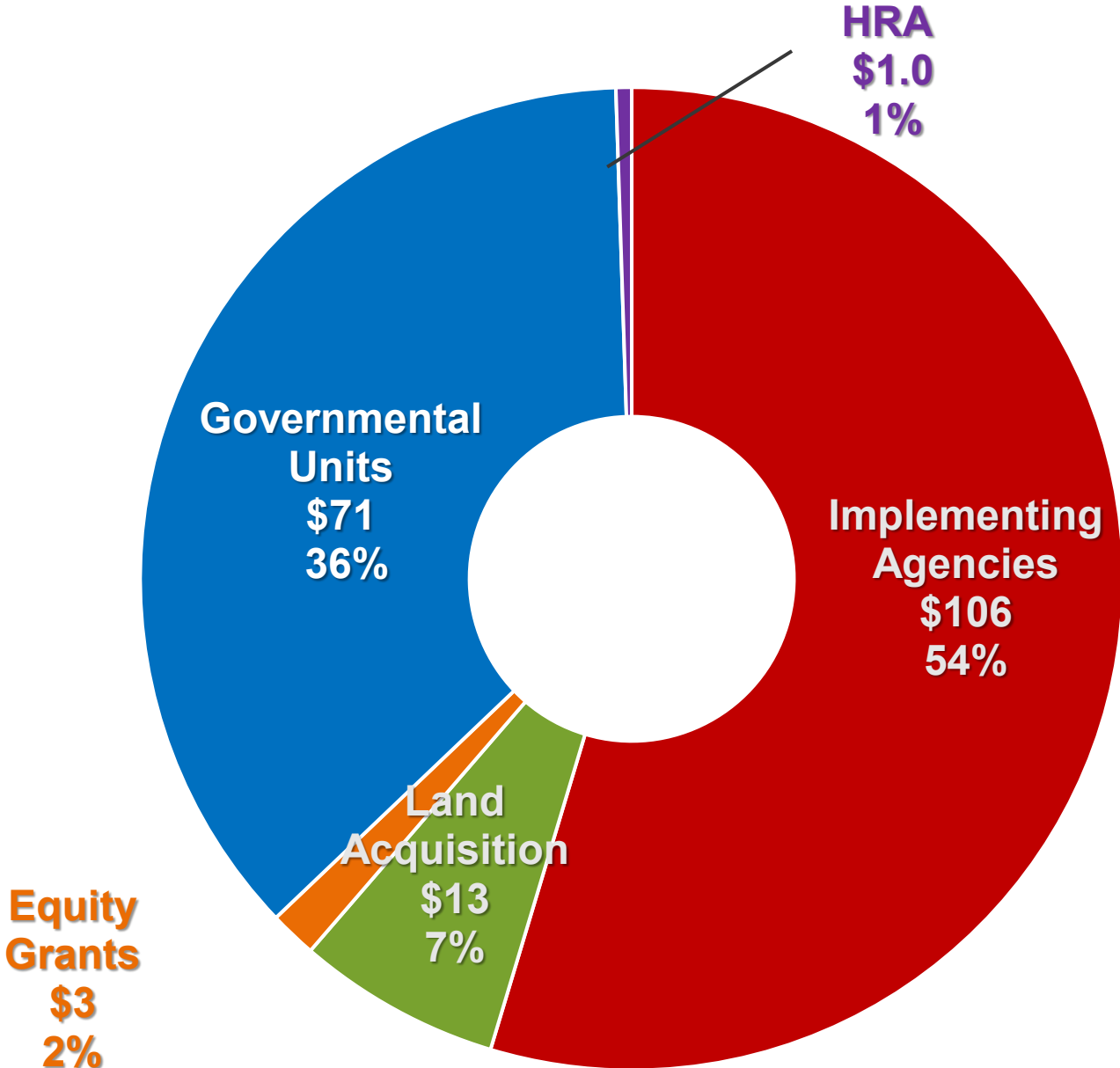
## Planned - \$1.743B

- Metro Green and Blue Line Extensions
- Complete and Partial Funding for BRT/ABRT
  - Gold and ABRTs (F, G, H, J, K, L)
- LRT Interlocking Projects
- LRT/Northstar ADA and Safety Improvements
- LRT Rail Replacement
- Maintaining Assets in a State of Good Repair

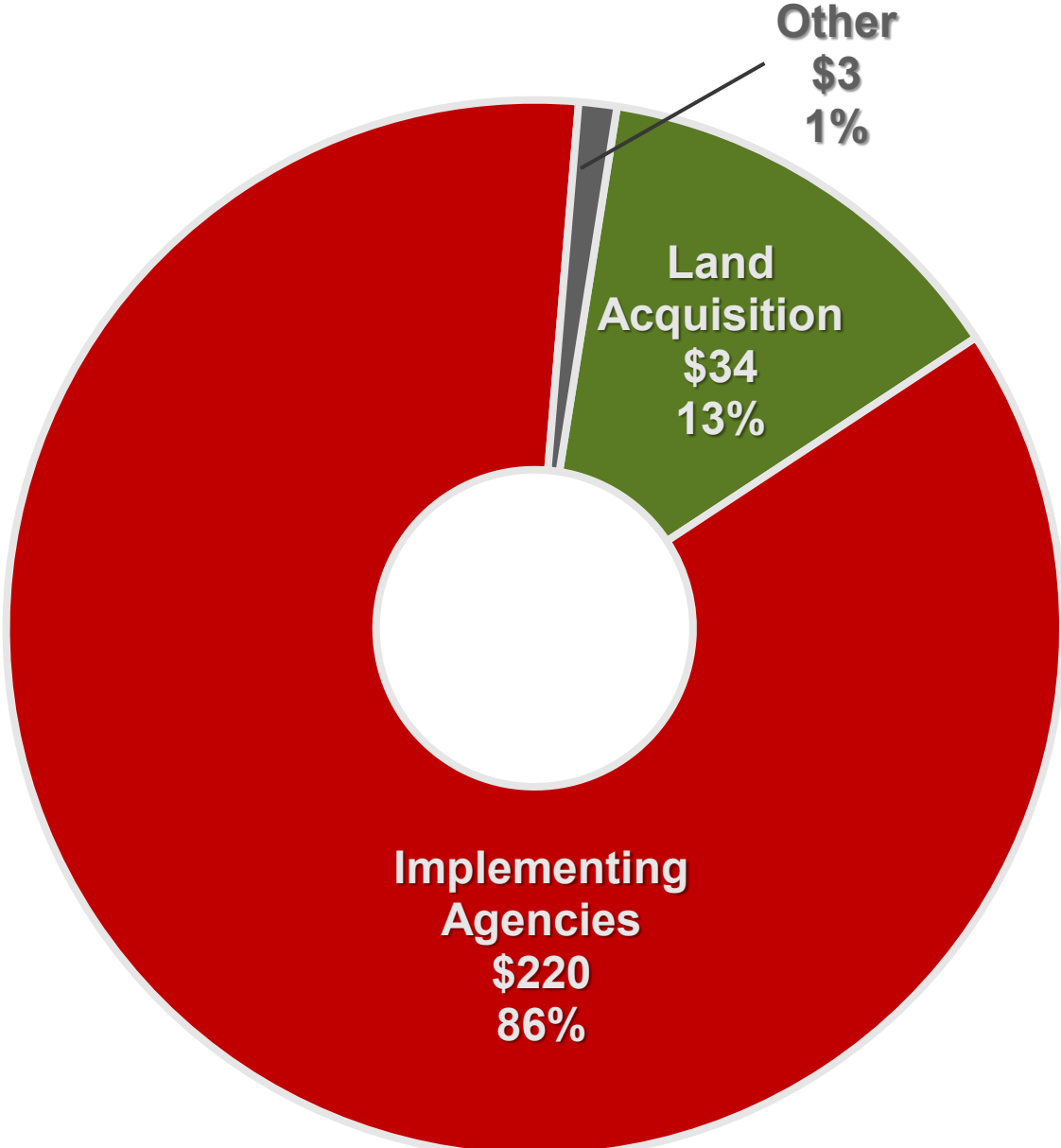
# Community Development



# CD Future Spending - \$451M



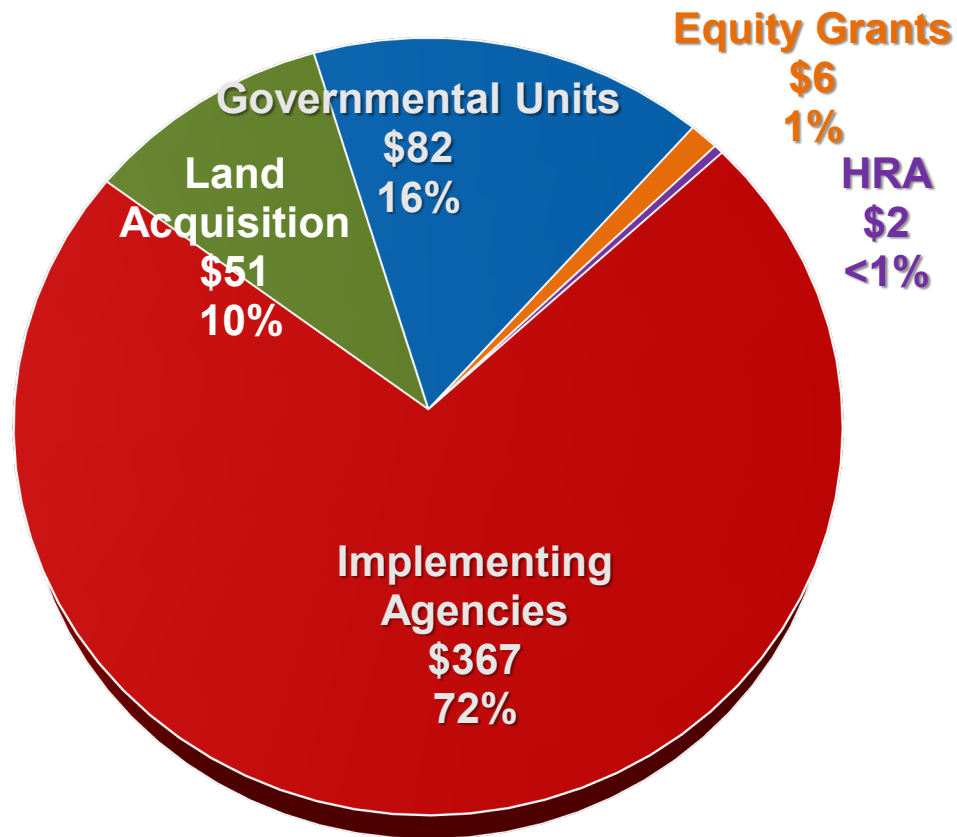
**Authorized - \$194M**



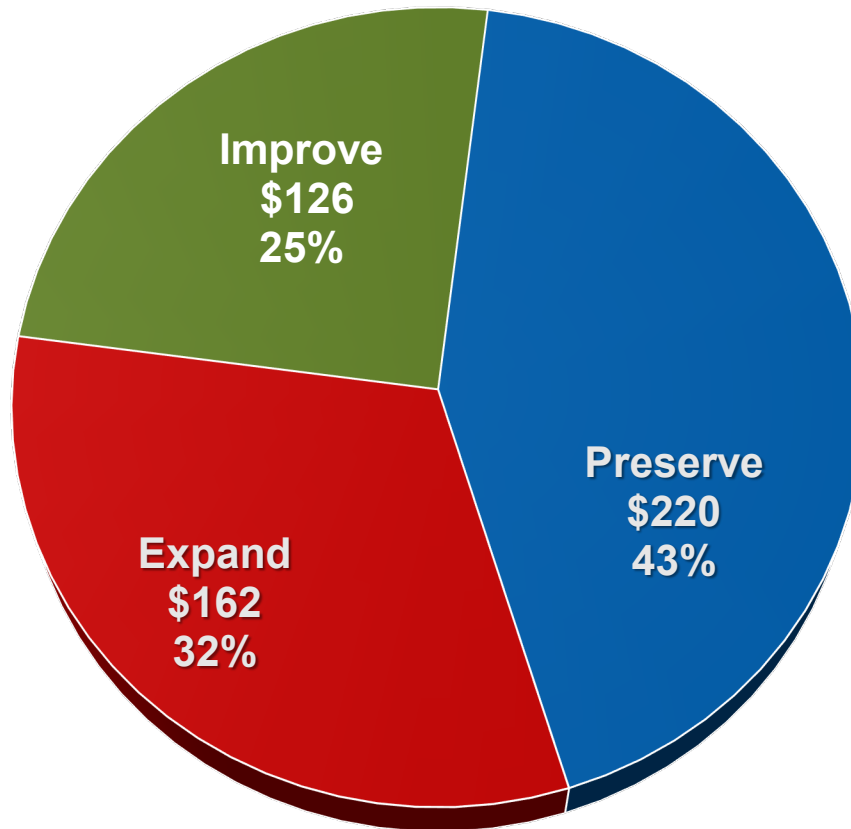
**Planned - \$257M**

# CD Capital Program - \$508M

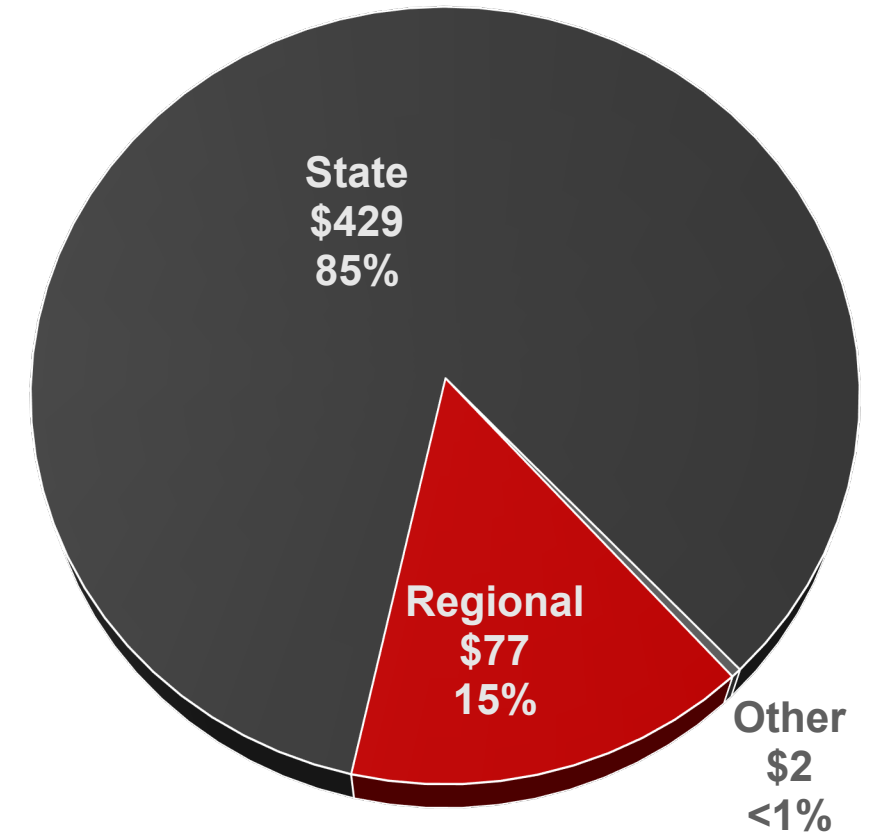
Uses by Department



Uses by Category



Sources



# Parks and Open Space



## Regional Parks System Serves

- 7-County Twin Cities Metro Area
- Over 69 million visitors in 2022

## 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

- Programmed Council match to state parks & open space funding in 2029
- Programmed Regional Parks Equity Grant Program in 2029

# Regional Parks Capital Funding

## Program

- Funding Source
- Distribution Methodology

## Parks & Trails Legacy

- State
- Formula

## Parks Acquisition (Legacy & ENRTF)

- 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 170 active projects valued at ~ \$160M
- \$256M in grants are programmed in the proposed Capital Improvement Program (2024-2029)

# Council Owned Housing Capital Program

## History

- Family Affordable Housing Program established in 1999
- 150 units purchased between 2001 and 2004
- 4 additional units purchased in 2022 through partnership with City of Edina

## Authorized - \$708K

- Funded by rental property income

## Planned - \$1.25M

- \$250K per year from 2024-2029
- Funded by rental property income