

# Public Comment Operating Budget Update and 2025 - 2030 Capital Program Budget

Metropolitan Council

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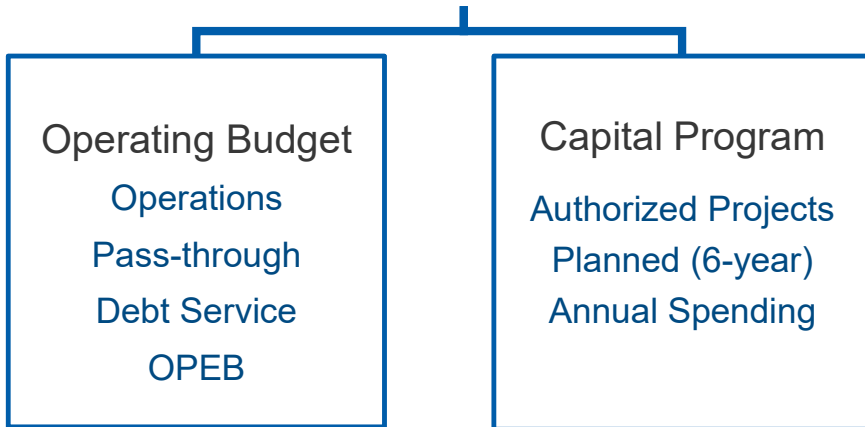
October 9, 2024

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



# Council Budget Development

## Unified Budget



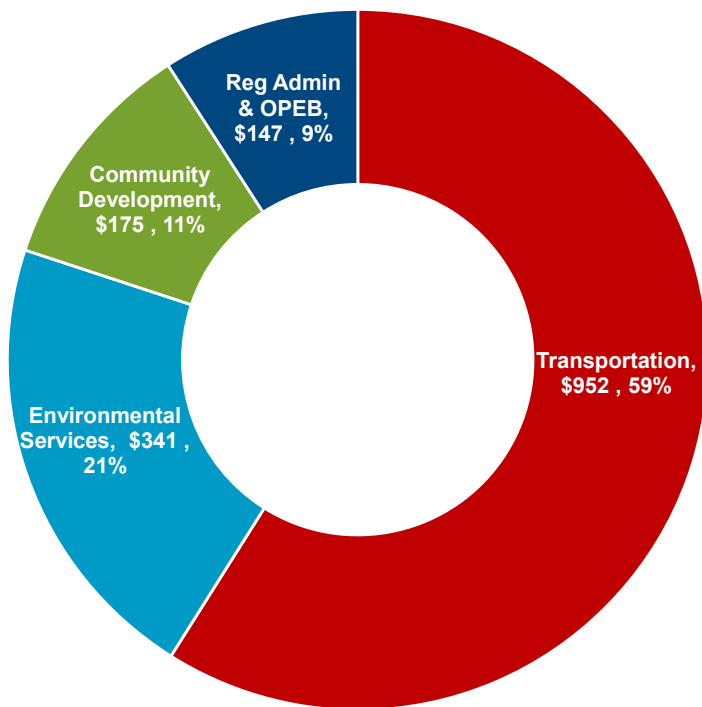
- May-July Staff - Budget Development Activities
- Aug 14 Council – Operating Budget Presentation
- Aug 28**  
(before Sept 1) **Council - Adopt Preliminary Budget/Levies**
- Oct 9 Council - Capital Program Presentation
- Oct 23 Council - Adopt Public Comment Draft Budget
- Dec 11**  
(before Dec 20) **Council - Adopt Final Budget/Levies**

# Changes to 2025 Operating Budget from Preliminary Budget

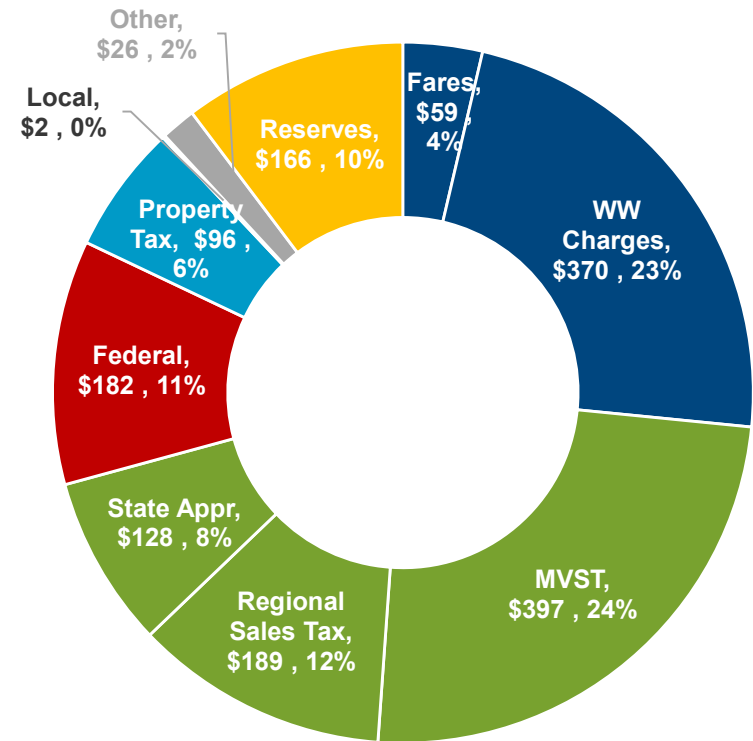
- Dedicate \$1.3m in General Fund levy for continued Business Process Systems Integration (BPSI) work
- Add 22 RA FTEs approved in 2024 Third Quarter Amendment
- Add 1 FTE in General Counsel's Office
- Add \$500k in RA for internal control consulting
- Add \$2.5m in federal pandemic funds for Metro Mobility
- Add 2.25 FTEs in CD for housing and research support
- Add \$750k use of reserves for Local Planning Assistance pass-through grants in CD

# 2025 Operating Budget - \$1.61 Billion

Divisions

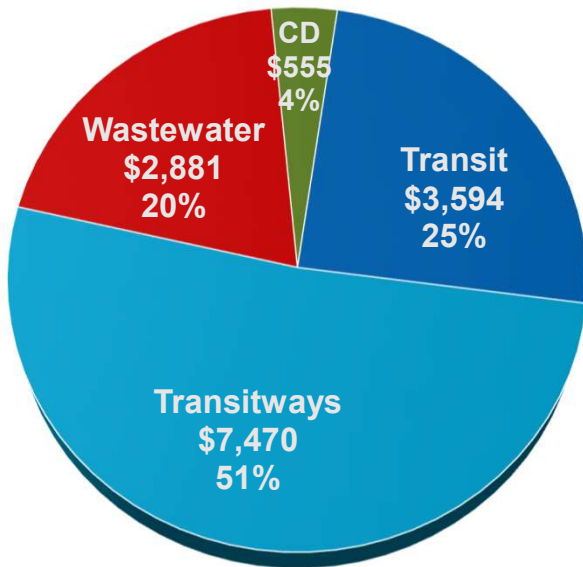


Sources

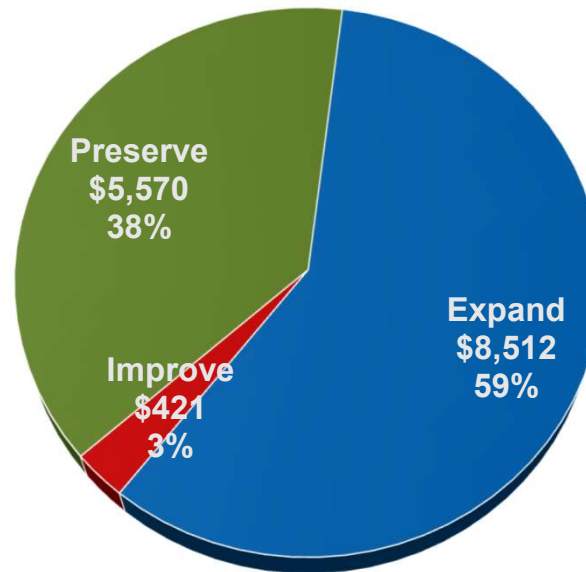


# 2025 Capital Program - \$14.50B

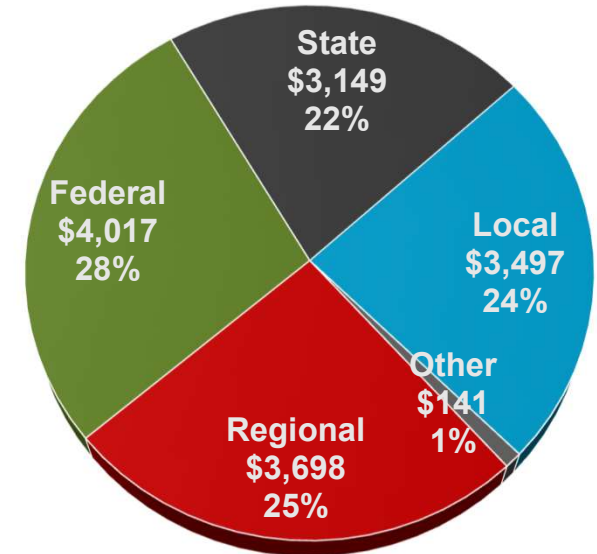
Uses by Department



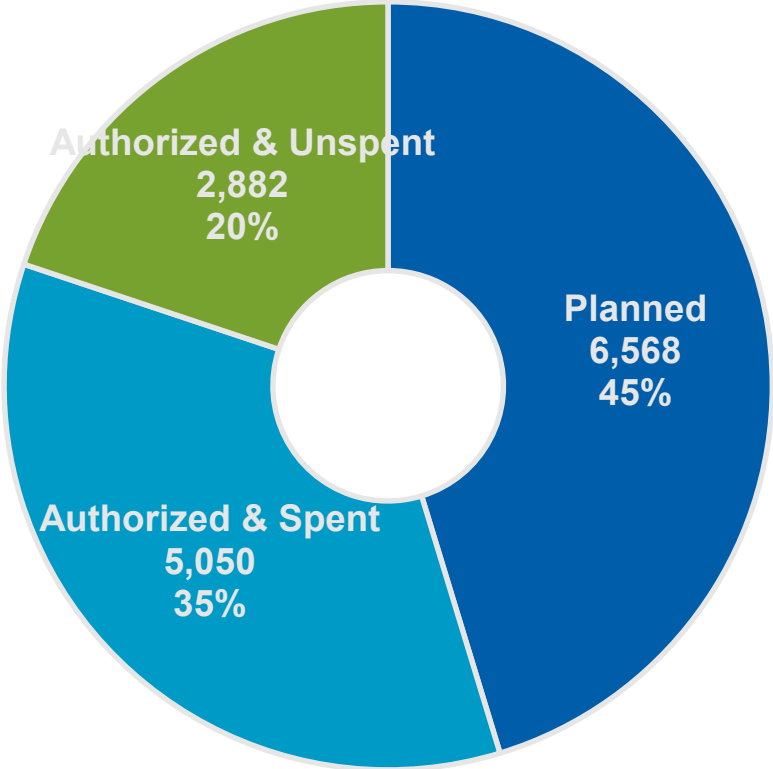
Uses by Category



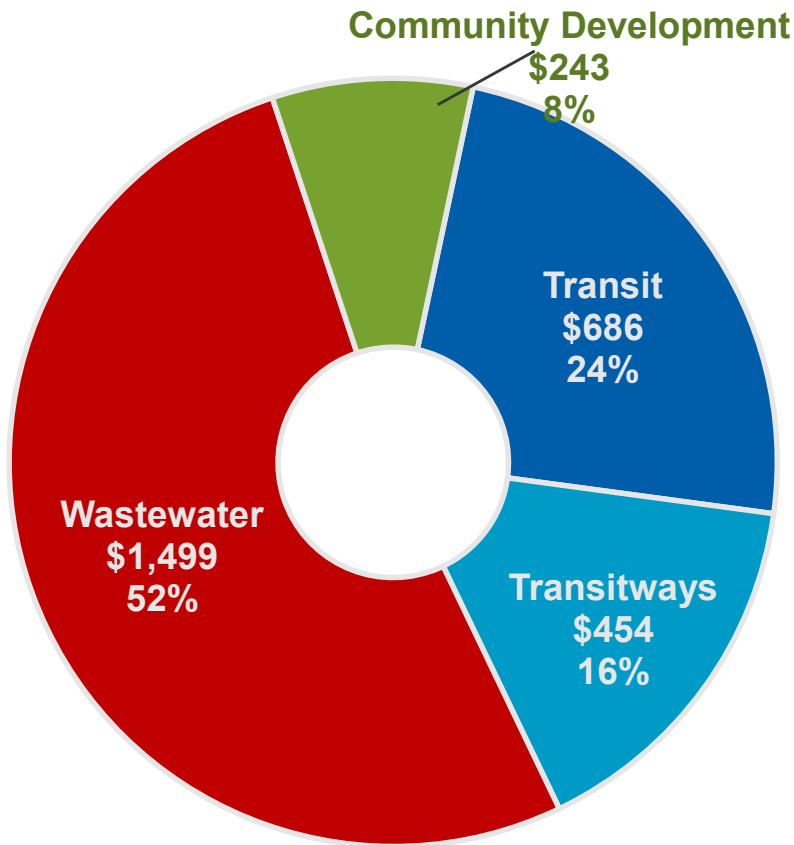
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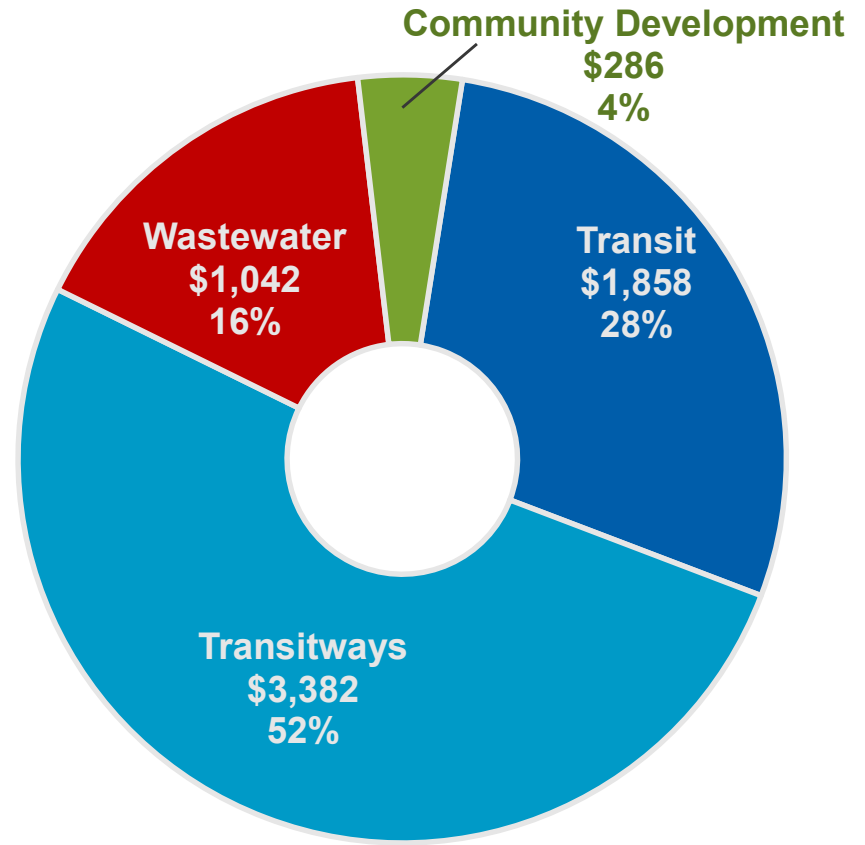
# 2025 Capital Program by Funding Status - \$14.50B



# 2025 Capital Program Future Spending - \$9.45B



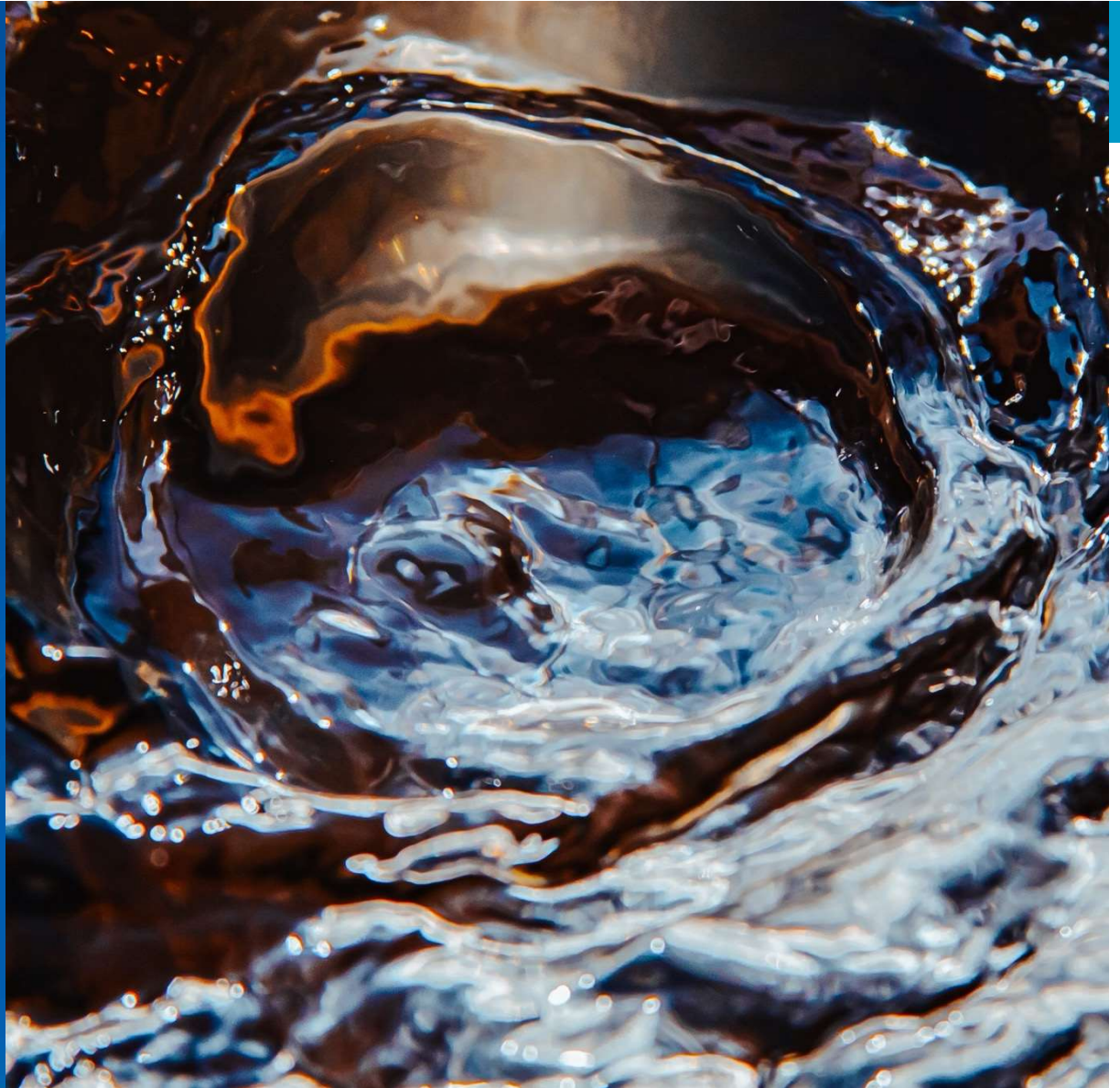
Authorized - \$2.88B



Planned - \$6.57B



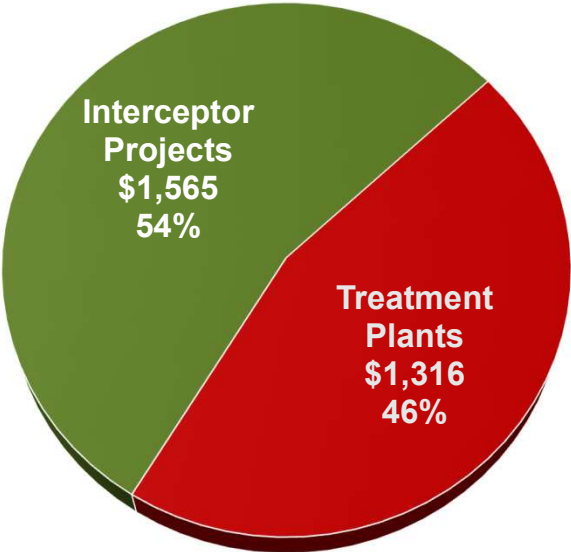
# Environmental Services



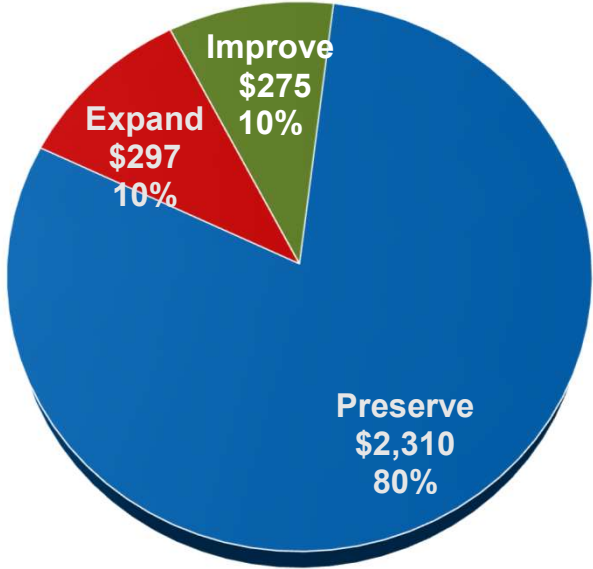


# ES Capital Program - \$2.88B

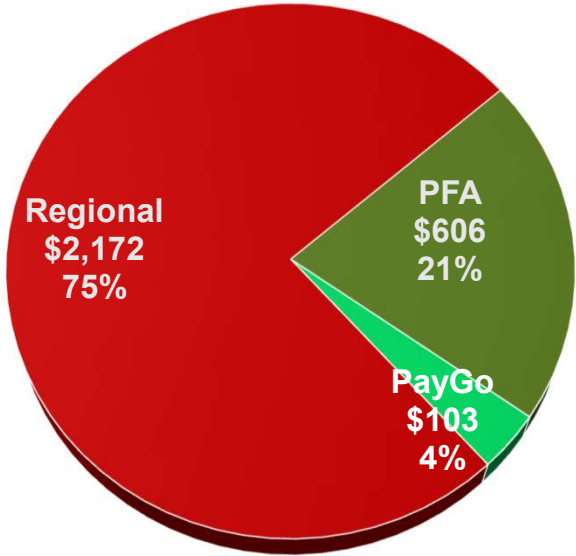
Uses by Department



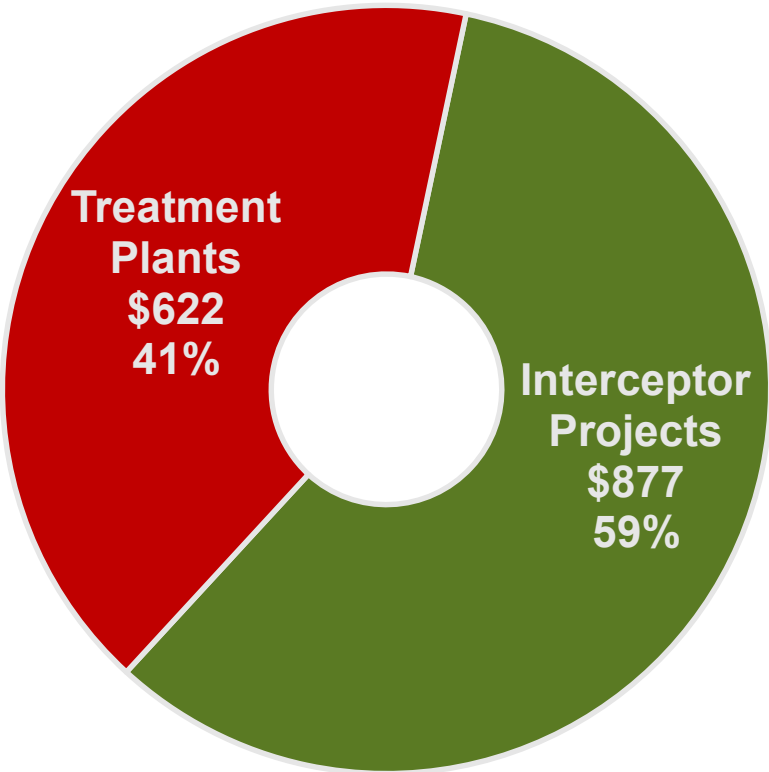
Uses by Category



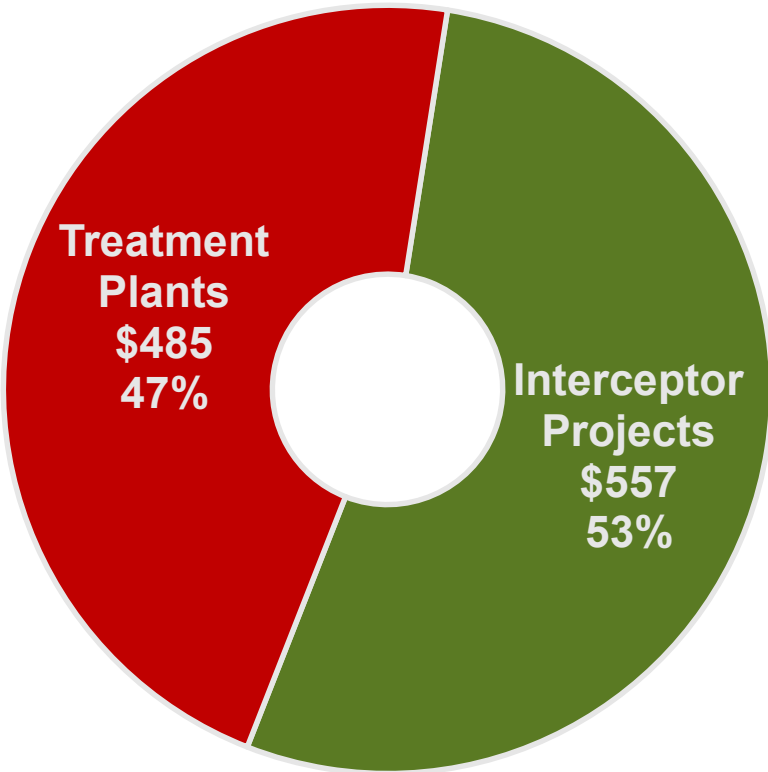
Sources



# ES Future Spending - \$2.54B



Authorized - \$1.50B



Planned - \$1.04B

# Capital Program ACP Objectives



## Preserve Assets

Rehabilitate and replace assets to preserve value and performance



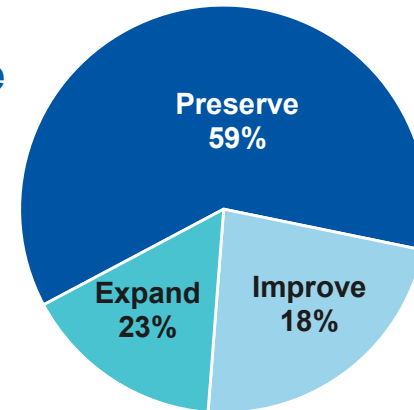
## Meet Capacity Needs

Expand system capacity through plant expansions and interceptor extensions or improvements

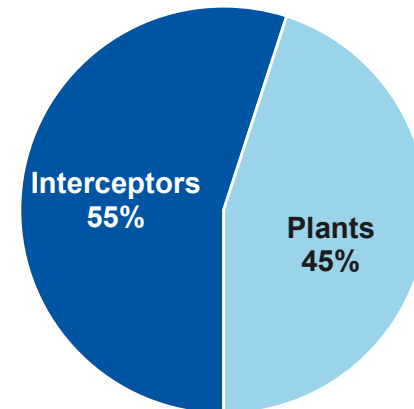


**Improve Quality** of service by responding to more stringent regulations, reusing wastewater, increasing system reliability, and conserving and generating energy

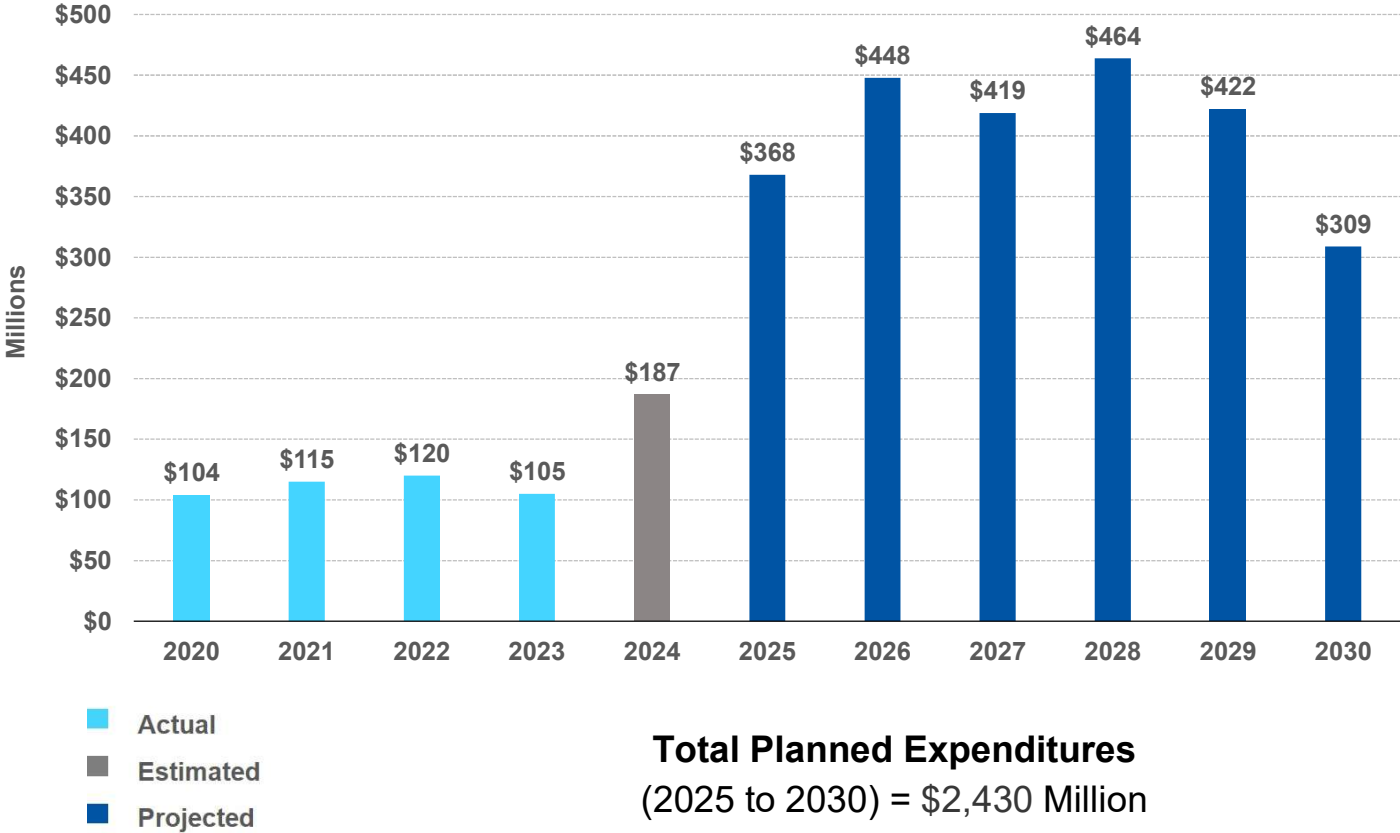
## Objective



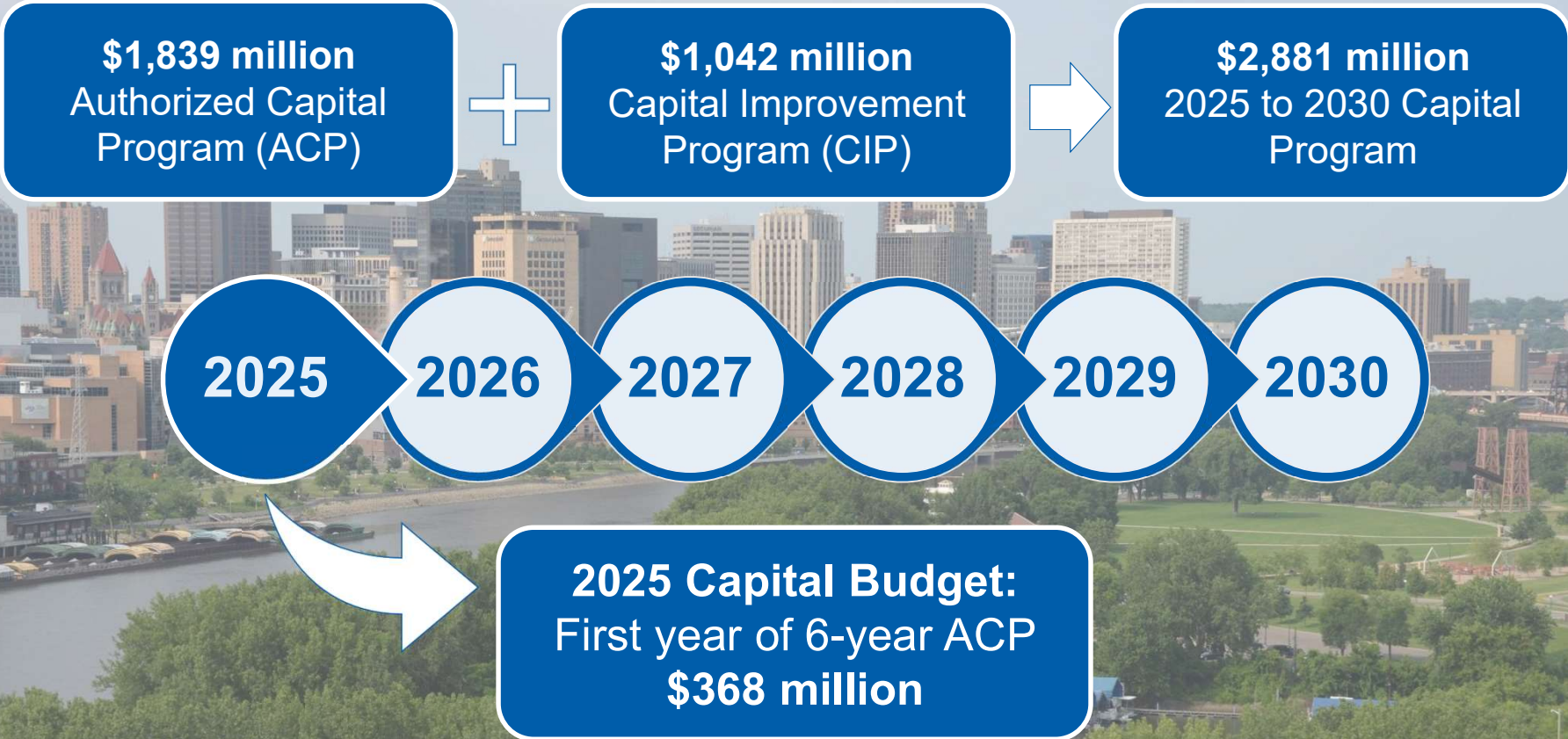
## Type



# Past Expenditures and Projected Program: 2020 to 2030



# Proposed 2025 Capital Program



# Capital Program Financing

## Public Facilities Authority (PFA) Loans

**2024:** \$42 million annual loan  
1.86% interest rate discount  
20-year fixed rate

**2025:** \$40 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.

20-year fixed rate

**2024:** \$59.6 million @ 3.52%

**2025:** TBD

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

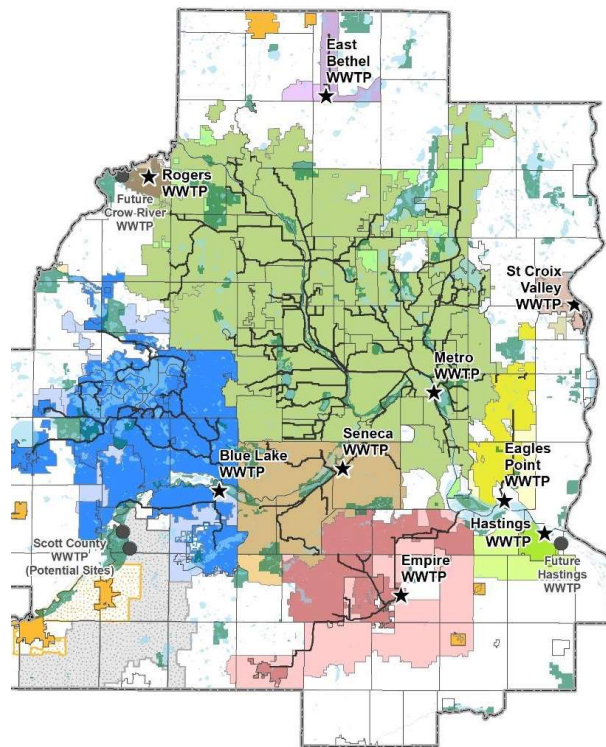
Funds dedicated to paying for some capital expenses with current revenue.

**2024:** \$11 million

**2025 (proposed):** \$11 million



# 2025 Plant Capital Programs



1. 8059 Metro Rehabilitation & Facilities Improvements

CLOSE 2027

2. 8062 Metro Solids Improvements

3. 8074 Empire Solids Improvements

CLOSE 2026

4. 8078 Regional Plant Improvements

5. 8089 Metro Asset Renewal

6. 8091 Wastewater Reclamation Facilities

7. 8097 Blue Lake Improvements

8. 8098 Hastings Water Resource Recovery Facility

9. 8099 Crow River Water Resource Recovery Facility

10. 8100 Industrial Pretreatment Incentive Program

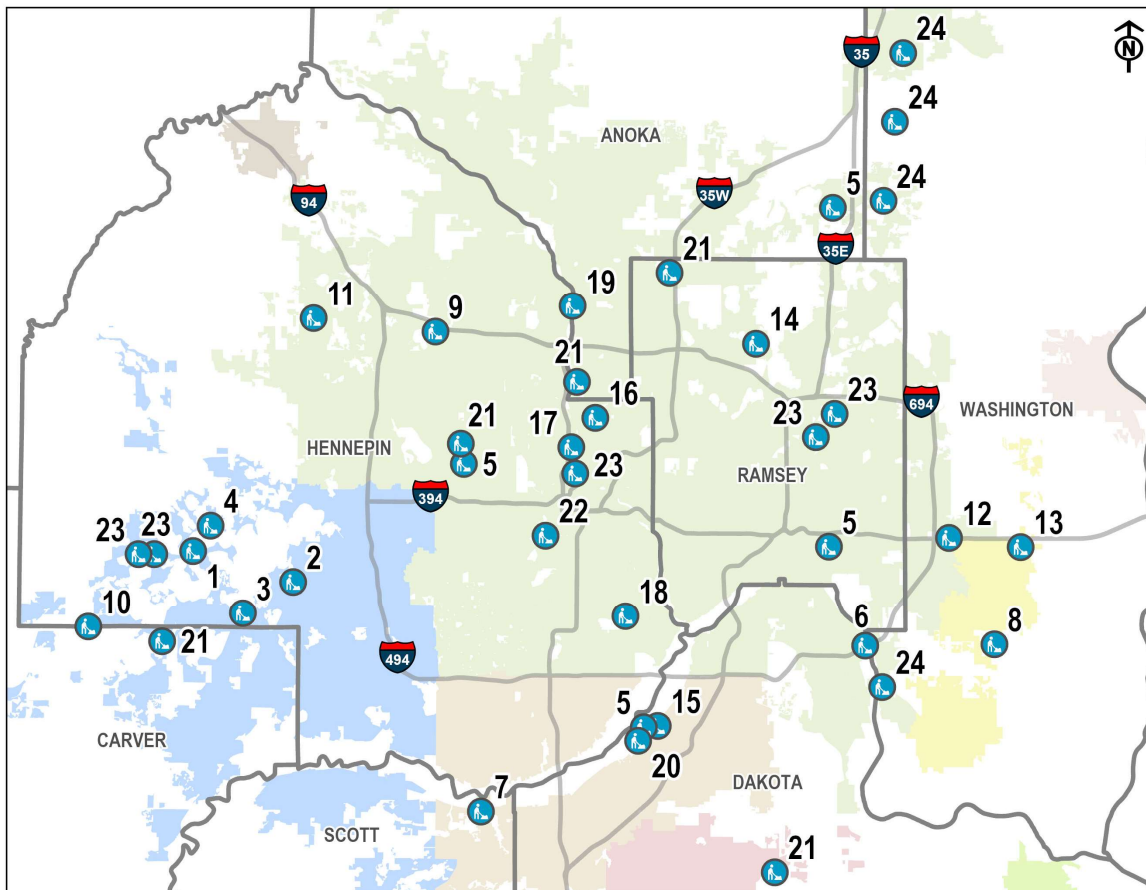
11. 8101 BPSI Allocation

NEW

12. 8103 Metro Water Resource Recovery Facility  
Rehabilitation & Improvements

13. 8104 Empire Water Resource Recovery Facility  
Rehabilitation & Improvements

# 2024 Interceptor Projects



- 1 - 802831 Orono Lift Stations L46 and L49 Improvements
- 2 - 802834 L48 Rehab and 6-DH-645 FM replacement
- 3 - 802856 Excelsior Area Lift Station L-20
- 4 - 802863 8567 Channel Crossings Replacement
- 5 - 805506 FM-Siphons-Rx-Outfall Inspection - Phase 1
- 6 - 805509 L65 HVAC Improvements
- 7 - 805564 L66 Rehabilitation
- 8 - 805569 L73 Odor Control Improvements
- 9 - 805636 Meter Station M228A and Interceptor 7015-C
- 10 - 808200 L24 Renovation
- 11 - 808622 Maple Grove Interceptor 900416 Replacement
- 12 - 808687 Lake Elmo West Connection
- 13 - 808688 L77 Lift Station Improvements
- 14 - 808863 Snail Lake Rehabilitation Project
- 15 - 809095 RMF Improvements
- 16 - 809211 1-MN-303 Pipe-in-Pipe
- 17 - 809213 1-MN-310 Rehab - Phase 2
- 18 - 809214 1-MN-346 Improvements - Phase 1
- 19 - 809400 New Lift Station L32A
- 20 - 809513 7031-9003 Siphon Outlet Structure Imp.
- 21 - 819014 Misc. Odor Control Improvements
- 22 - 819020 HSI - East Isles FM, Contract H
- 23 - 819022 6-MO-650 Interceptor Rehabilitation
- 24 - 805566 Lift Station Electrical Rehabilitation

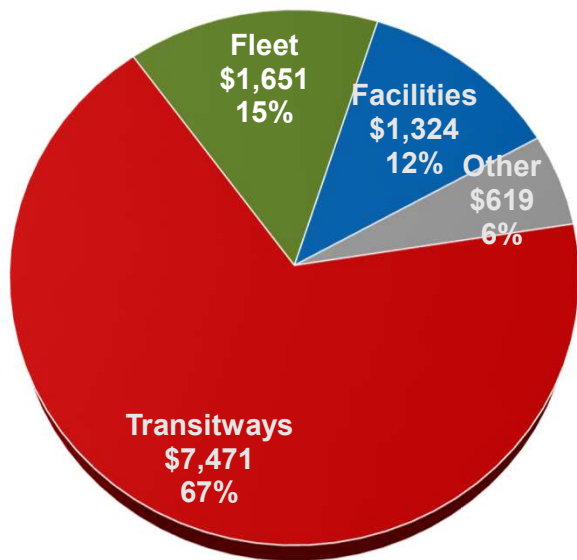
# Transportation



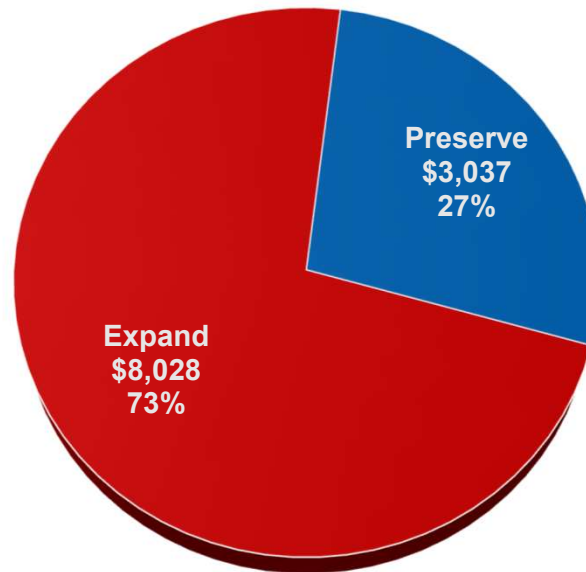


# Transit Capital Program - \$11.06B

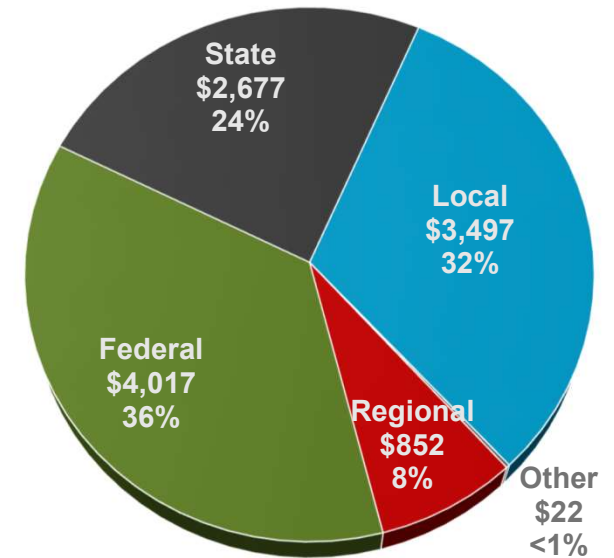
Uses by Department



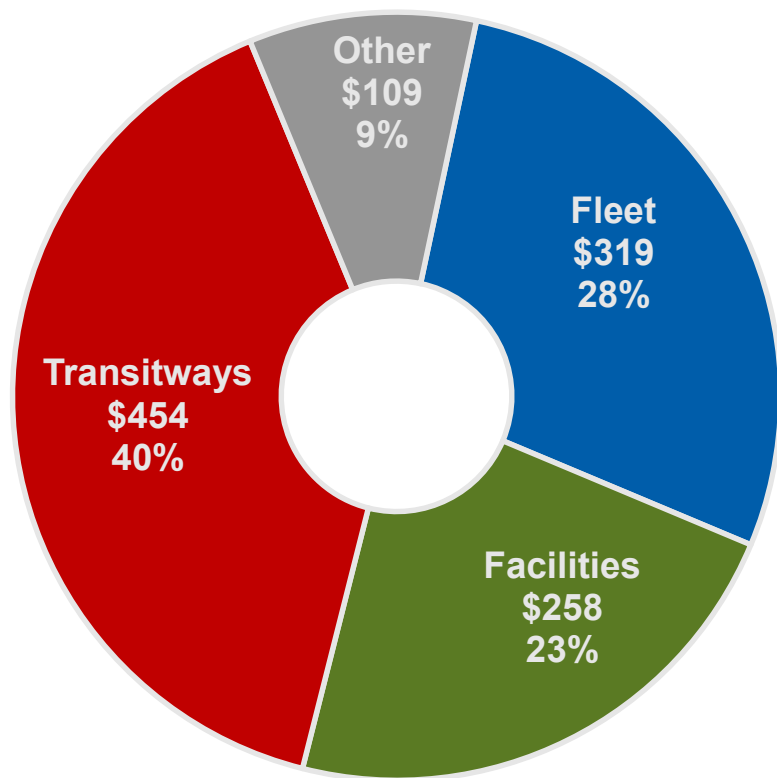
Uses by Category



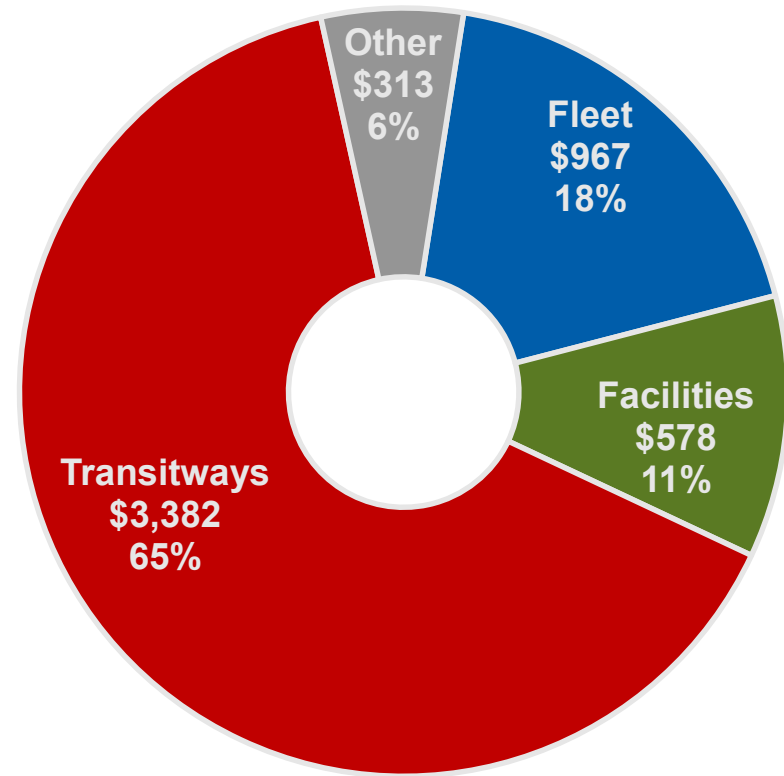
Sources



# Transit Future Spending - \$6.38B



Authorized - \$1.14B



Planned - \$5.24B

# Transportation Division

**Transportation Division operates, administers, and coordinates public services for the Twin Cities metropolitan area**

- **Metro Transit**

- Bus
- METRO Blue and Green Lines
- Northstar Commuter Rail
- METRO Orange and Red Lines
- ABRT Lines
- Capital Project Development

- **Metropolitan Transit Services**

- Contracted Bus
- Special Transportation Services
- Planning
- Transit Link
- Vanpool





# 2025-2030 Capital Program Priorities

## Maintain Current System

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

## Build Transitways/Expand Bus System

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



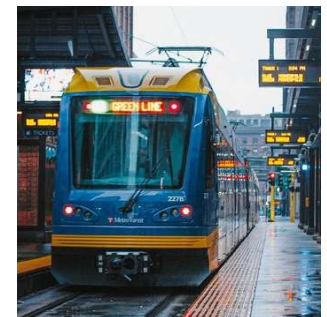
# 2025-2030 Capital Program

## Planning

- Capital projects require longer range view – Long Term Focus
- Bus Procurements 12-24 months
- Major construction projects multi-year (garages, Transitways)
- Funding must be secured and Council-authorized
- Funding multiple revenue sources
- Regional asset preservation plans

## System Size

- Over 1,000 regular route and contract buses
- Metro Mobility fleet of 639 small buses
- Over 1,100 customer shelters
- Over 16 support facilities (garages, overhaul base, Police, administration)
- 41 rail platforms
- 65 parking structures/surface lots



# 2025-2030 Capital Program: System Parameters and Size



## System 2025-2030 CIP Parameters and Size:

- Fiscally Balanced Capital Budget
- Includes Regional Sales Tax
- **\$6.38B**: \$5.24B CIP and \$1.14B ACP (Authorize Capital Program) including LRT Transitways development (Green and Blue Line Ext.)
- Focus is safety, asset prevention and long-term capital maintenance
- System includes Metro Transit, Metropolitan Transportation Services and Suburban Transit Providers
- Reviewing Travel Behavior changes and workforce demand impacts with bus purchase assumptions, deliveries and operators

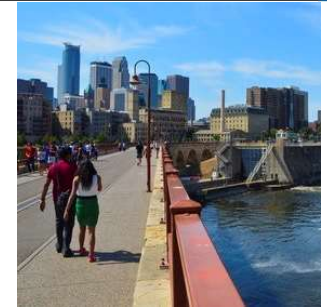
# Fleet - \$1.286B

## Authorized Future Spending- \$319M

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

## Planned - \$967M

- Replacements per Fleet Plan – 12 Year Life
- Spare Factor FTA Analysis
- Meet Metro Mobility Demand
- Southwest Transit Prime Vehicles (CMAQ)
- ABRT Bus Procurement (CMAQ)
- Zero Emission Bus Transition Plan
- Overhaul of BRT and Rail Vehicles
- Non-Revenue Vehicles for Maintenance Staff





# Fleet – Service Vehicles

## Purchases



## Overhauls



Standard	185
Artic	156
Coach	20
Electric	<u>47</u>
	408

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

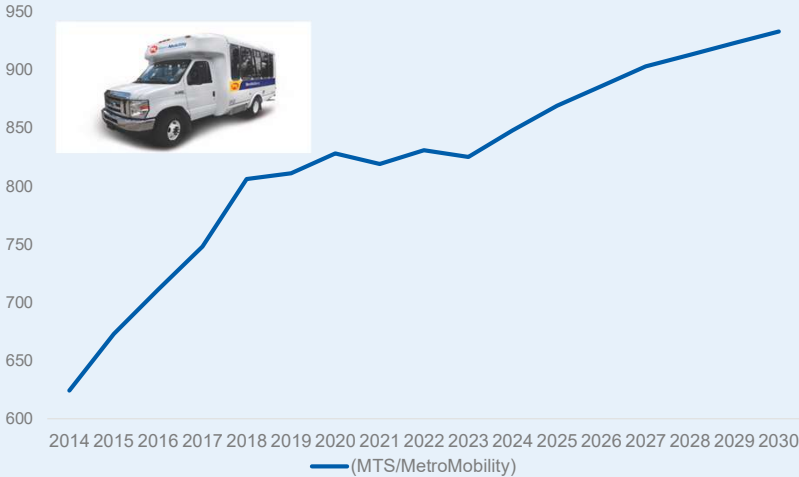
Blue Line	44
Green Line	47
NorthStar	<u>18</u>
	109

# 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 2025-2030 CIP

## MTS Fleet Growth Driven by Metro Mobility





# Facilities - \$836M (Customer & Support)



## Authorized Future Spending- \$258M

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

## Planned - \$578M

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

# Other - \$422M



## Authorized Future Spending- \$109M

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

## Planned - \$313M

- 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
- Bus Mobile Validators
- Camera replacements

# Transitways - \$3.84B

## Authorized Future Spending – \$454M



Also Partial Funding for BRT/ABRT's

## Planned - \$3.38B

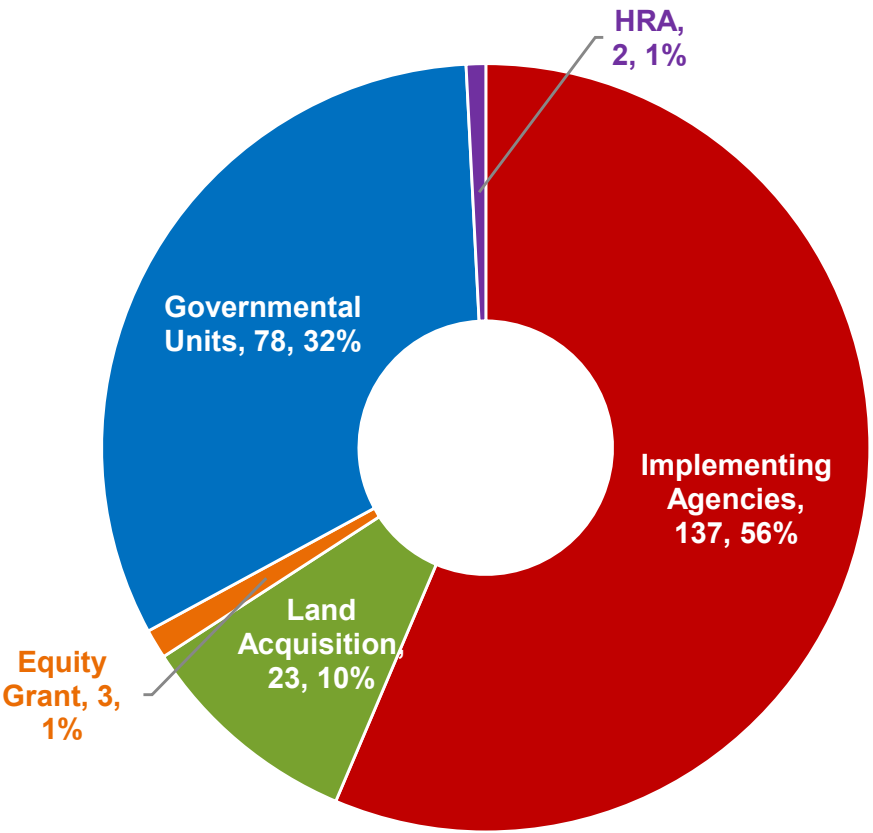
- Metro Green and Blue Line Extensions
- Complete and Partial Funding for BRT/ABRT
  - Gold, Purple and ABRTs (F, G, H, J, K, L)
- LRT Interlocking Projects
- LRT/Northstar ADA and Safety Improvements
- LRT Rail Replacement
- Maintaining Assets in a State of Good Repair



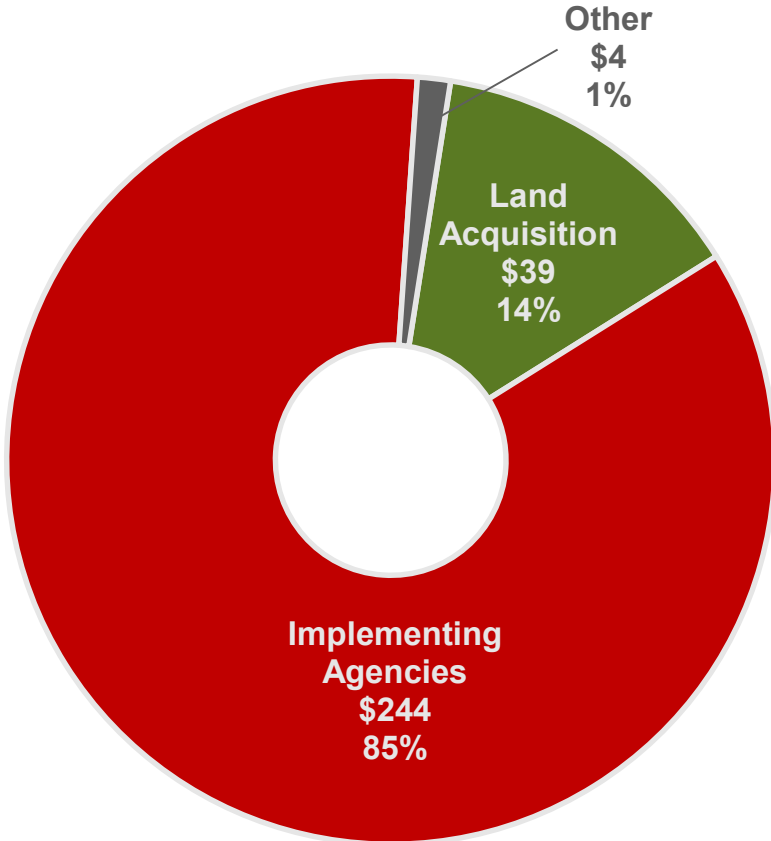
# Community Development



# CD Future Spending - \$529M



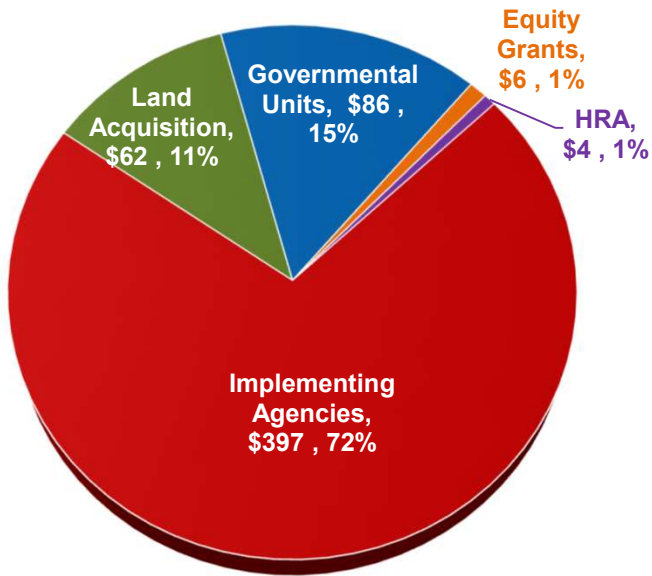
**Authorized - \$243M**



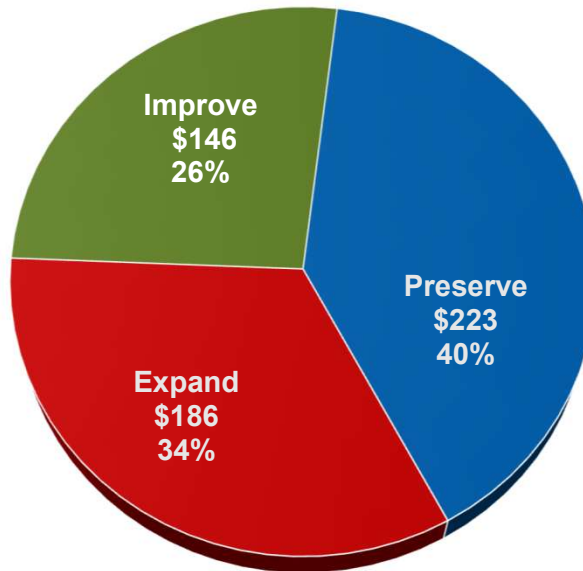
**Planned - \$286M**

# CD Capital Program - \$555M

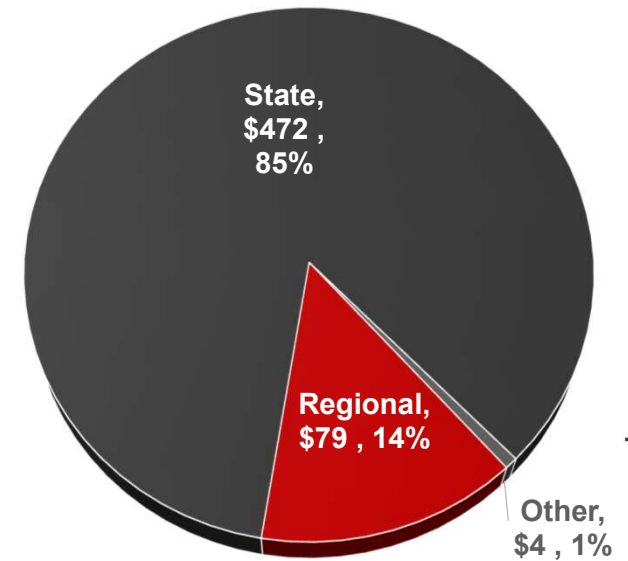
Uses by Department



Uses by Category



Sources





# Parks and Open Space



## Regional Parks System Serves

- 7-County Twin Cities Metro Area
- Over 69 million visitors in 2023

## Commitment to Equity

- *Thrive MSP 2040 and Imagine 2050*
- *2040 Regional Parks Policy Plan*
- Long-range 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 2030
- Programmed Regional Parks Equity Grant Program in 2030

# 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 152 active projects valued at ~ \$120M
- \$285M in grants are programmed in the proposed Capital Improvement Program (2025-2030)

# 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 - \$2.4M

- Funded by rental property Income
- \$2M transfer from operating reserves to ACP for purchase of five replacement properties

## Planned - \$1.8M

- \$300K per year from 2025-2030
- Funded by rental property income

# Contacts

**Ned Smith CFO 651-602-1162**

**Lisa Barajas, Community Development Executive Director 651-602-1895**

**Heather Giesel, Finance Director 651-602-1715**

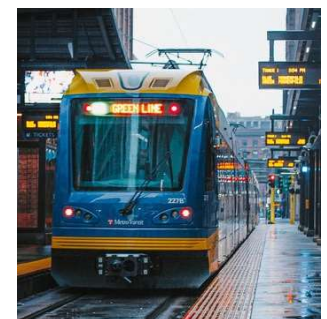
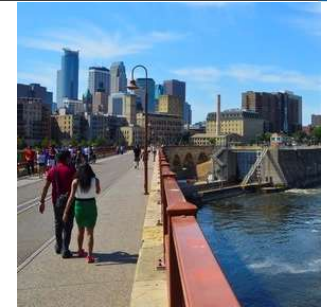
**Leisa Thompson, Environmental Services General Manager 651-602-8101**

**Lesley Kandaras, Metro Transit General Manager 612-349-7513**

**Charles Carlson, MTS Executive Director 651-602-1761**

**Ed Petrie, Finance Director 612-812-2714**

**Matt Gsellmeier, Budget Manager 651-602-1802**







# Thank You!

Find out more at [metro council.org](http://metro council.org).

