

Public Comment Operating Budget Update and 2026 - 2031 Capital Program Budget

Metropolitan Council

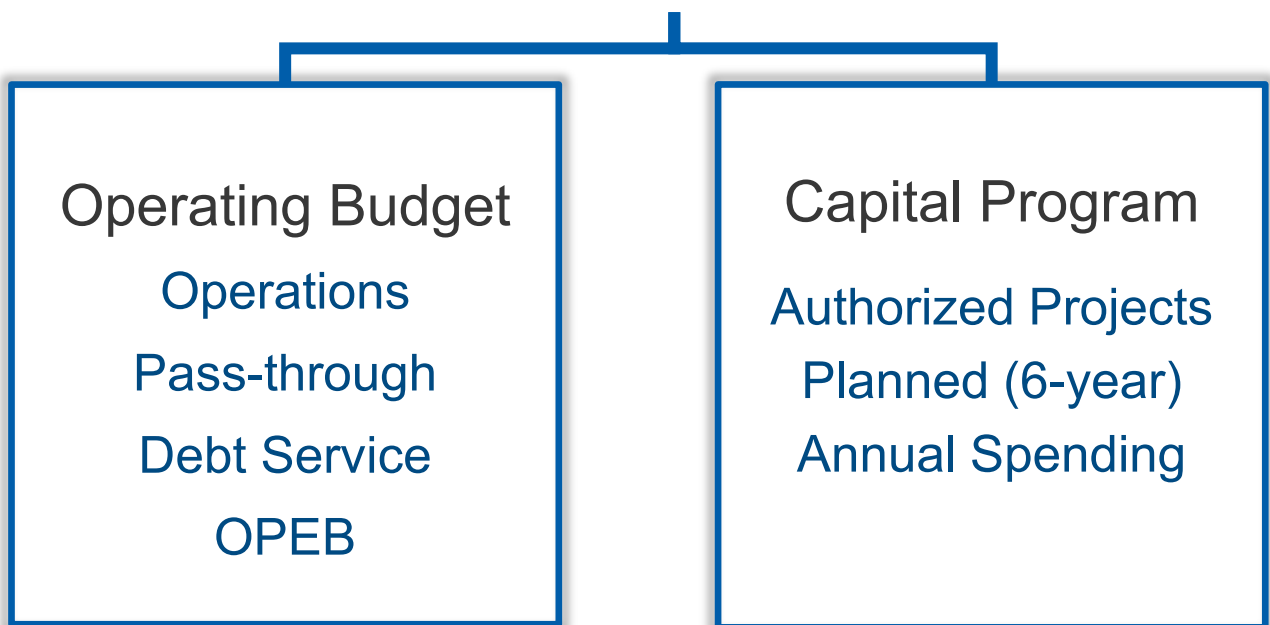
October 8, 2025

metro council.org



Council Budget Development

Unified Budget



May-July	Staff - Budget Development Activities
Aug 13	Council – Operating Budget Presentation
Aug 27 (before Sept 1)	Council - Adopt Preliminary Budget/Levies
Oct 8	Council - Capital Program Presentation
Oct 22	Council - Adopt Public Comment Draft Budget
Dec 3 (before Dec 20)	Council - Adopt Final Budget/Levies

Changes to 2026 Public Comment Operating Budget from Preliminary Budget

- RA added \$0.52 million due to its direct share of the addition of Securian Lease for additional administrative space in 2026, and allocated those charge to the divisions
- MT reduced their expenses by \$7.675 million from the planned suspension of NorthStar Commuter Rail in January 2026 and moving services to Bus Operations

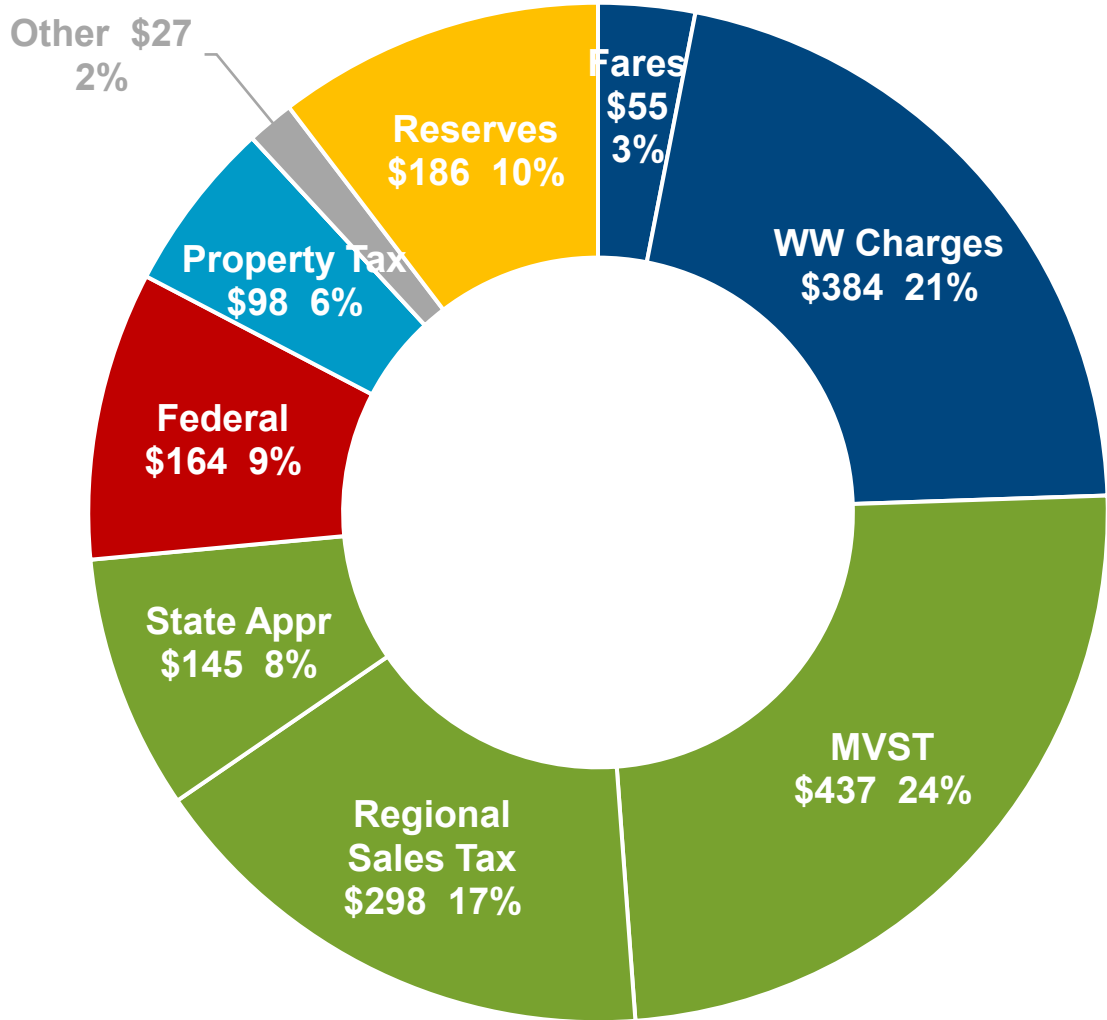
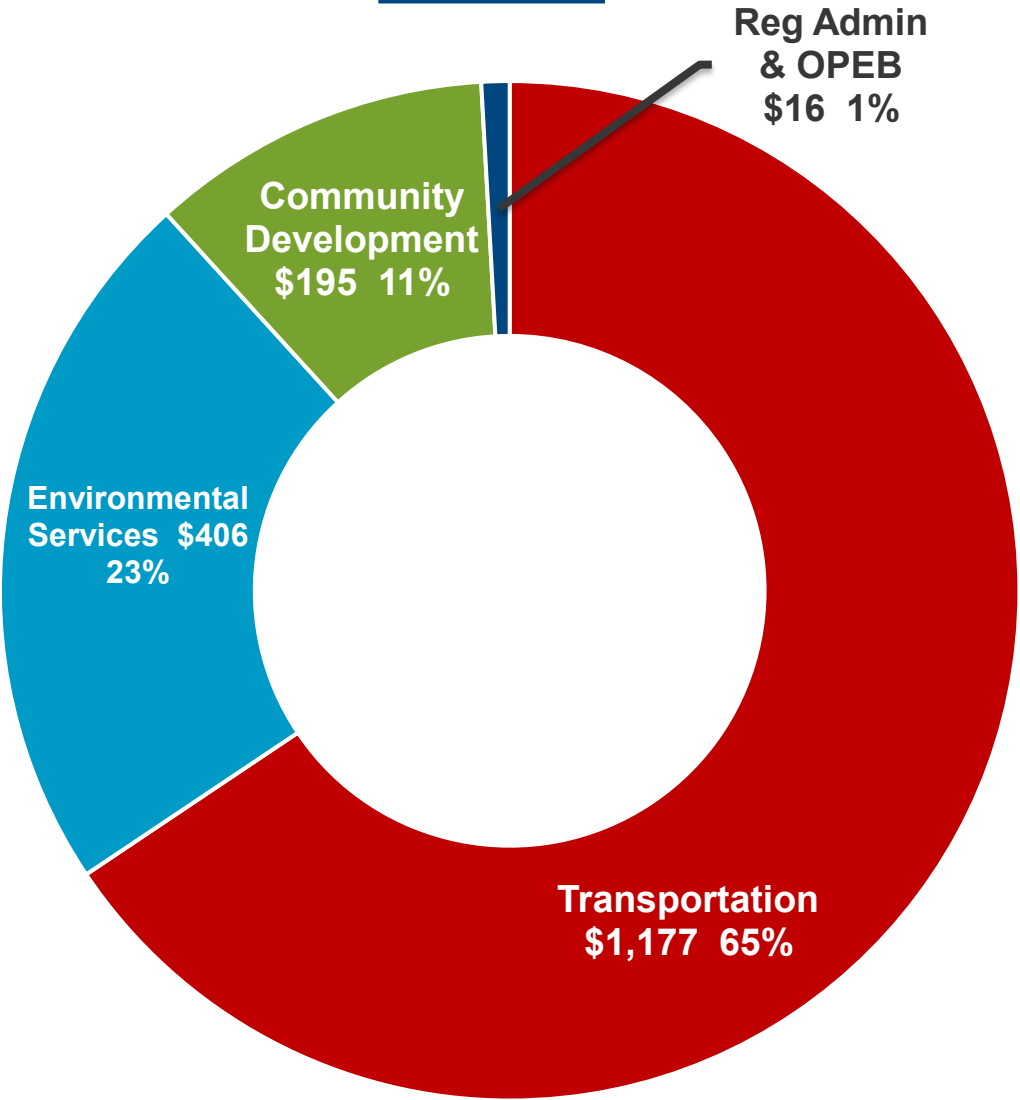
2026 Operating Budget - \$1.79 Billion

Uses by Division

Sources of Funds

Divisions

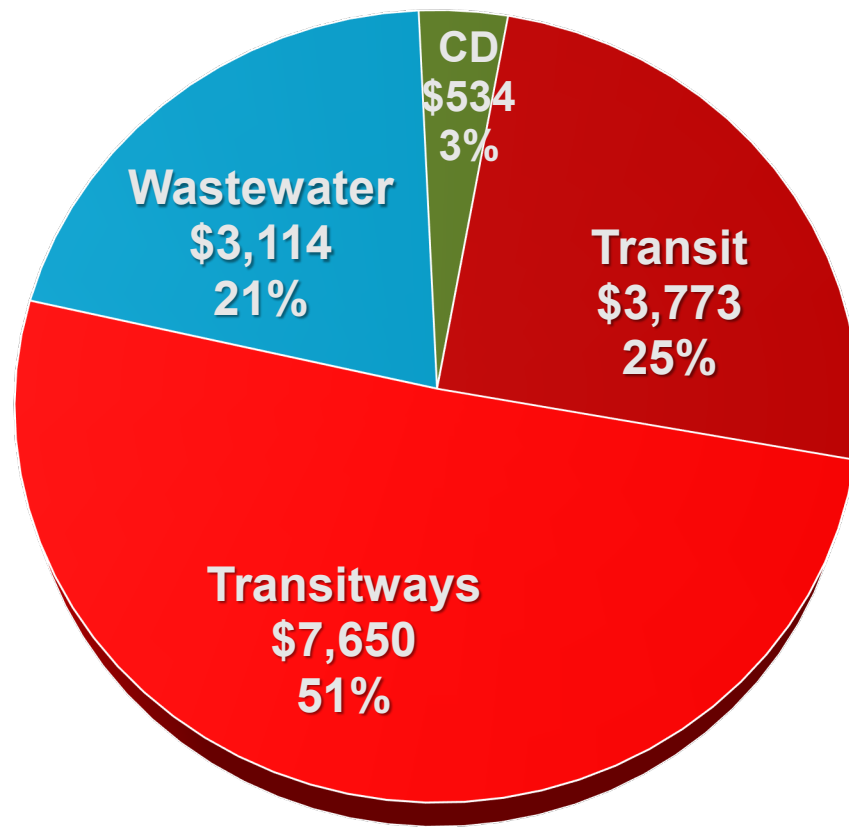
Sources



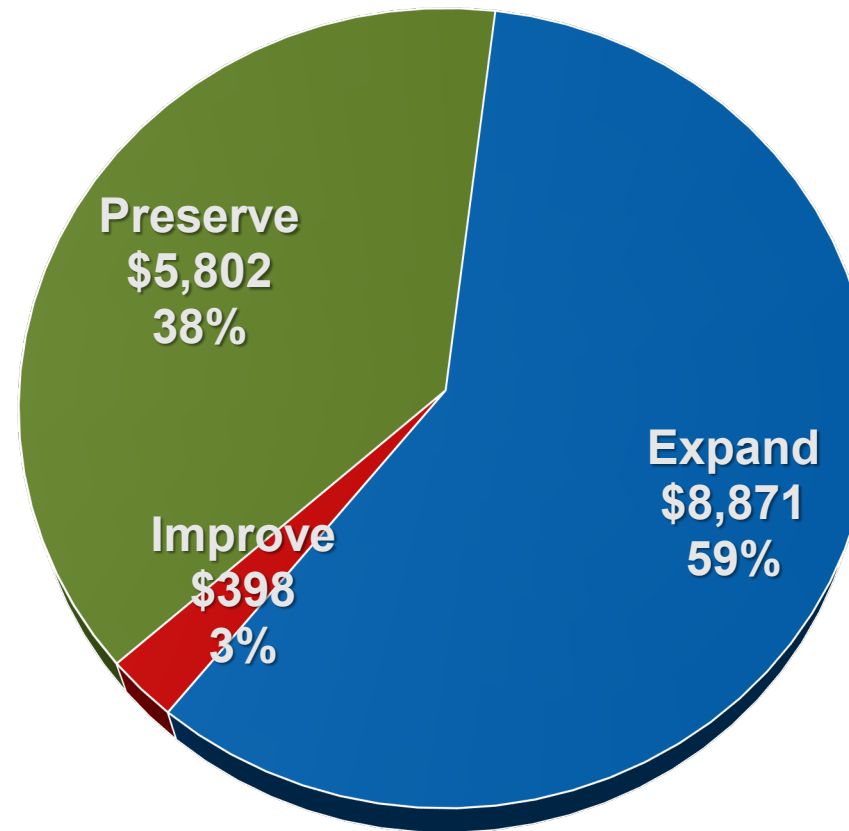
in millions

2026 Capital Program - \$15.07B

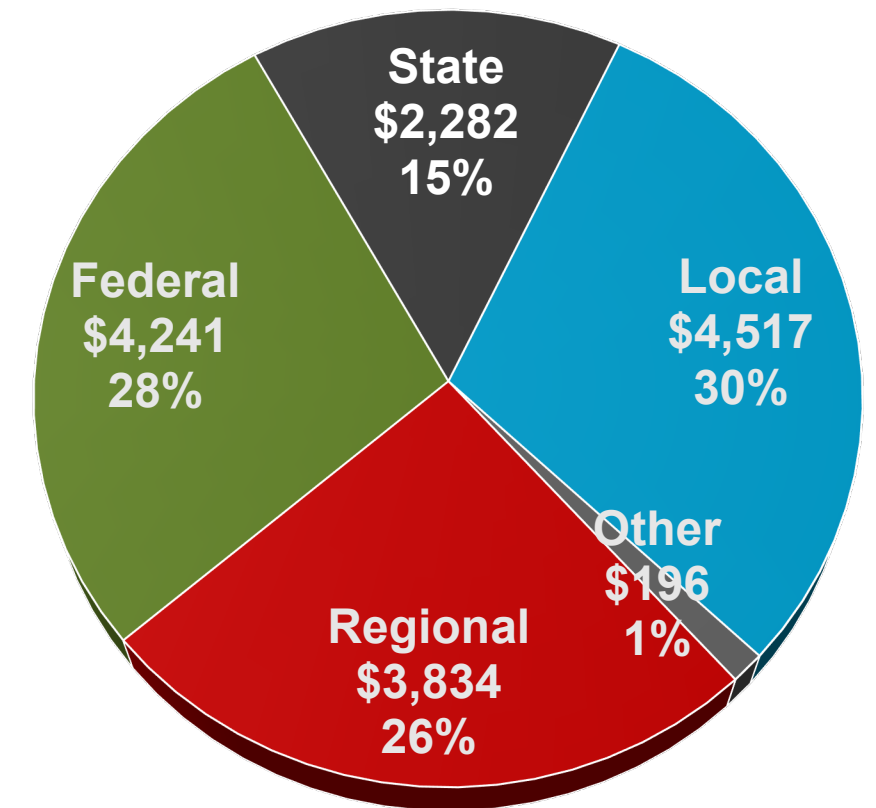
Uses by Department



Uses by Category

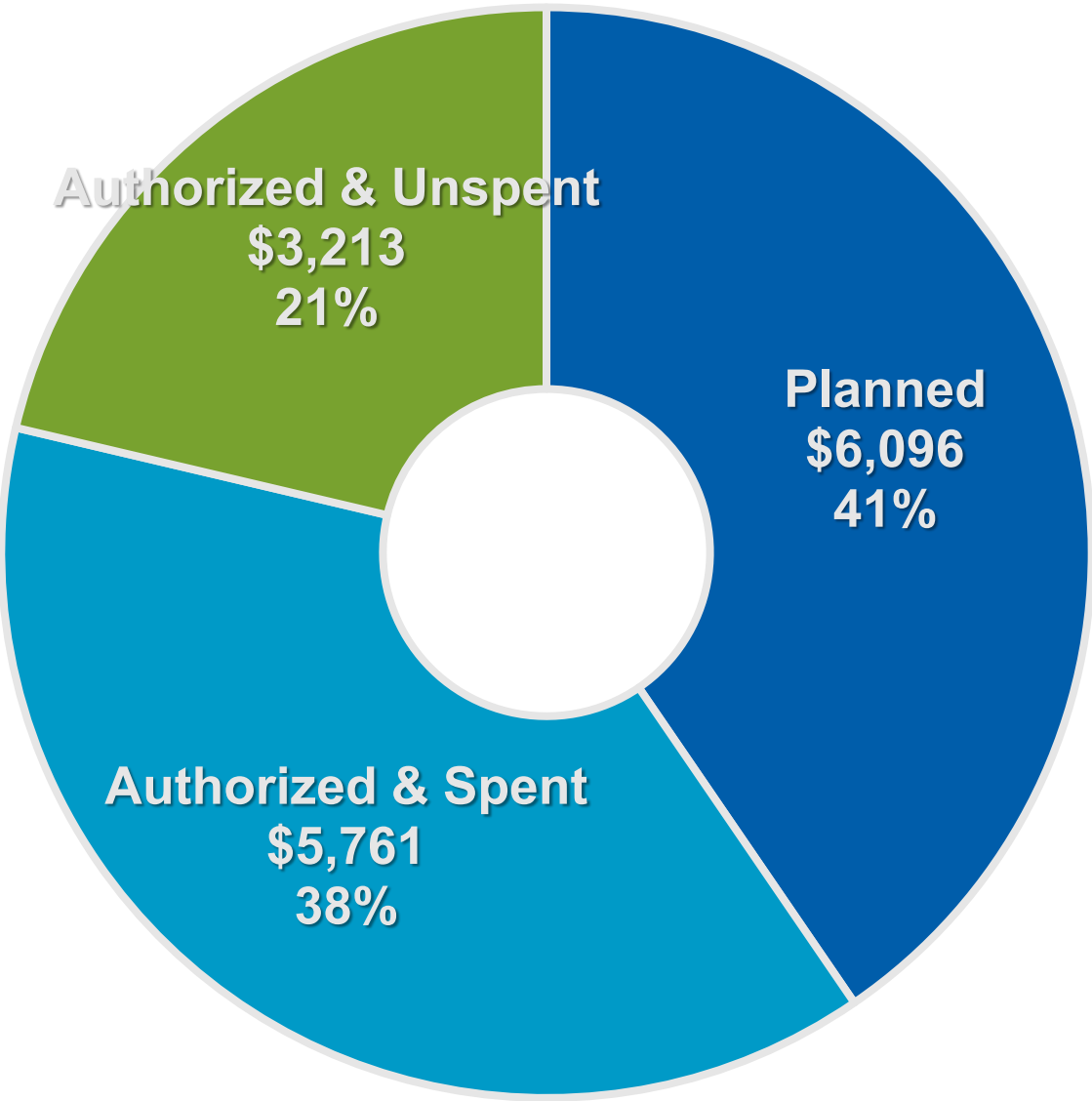


Sources



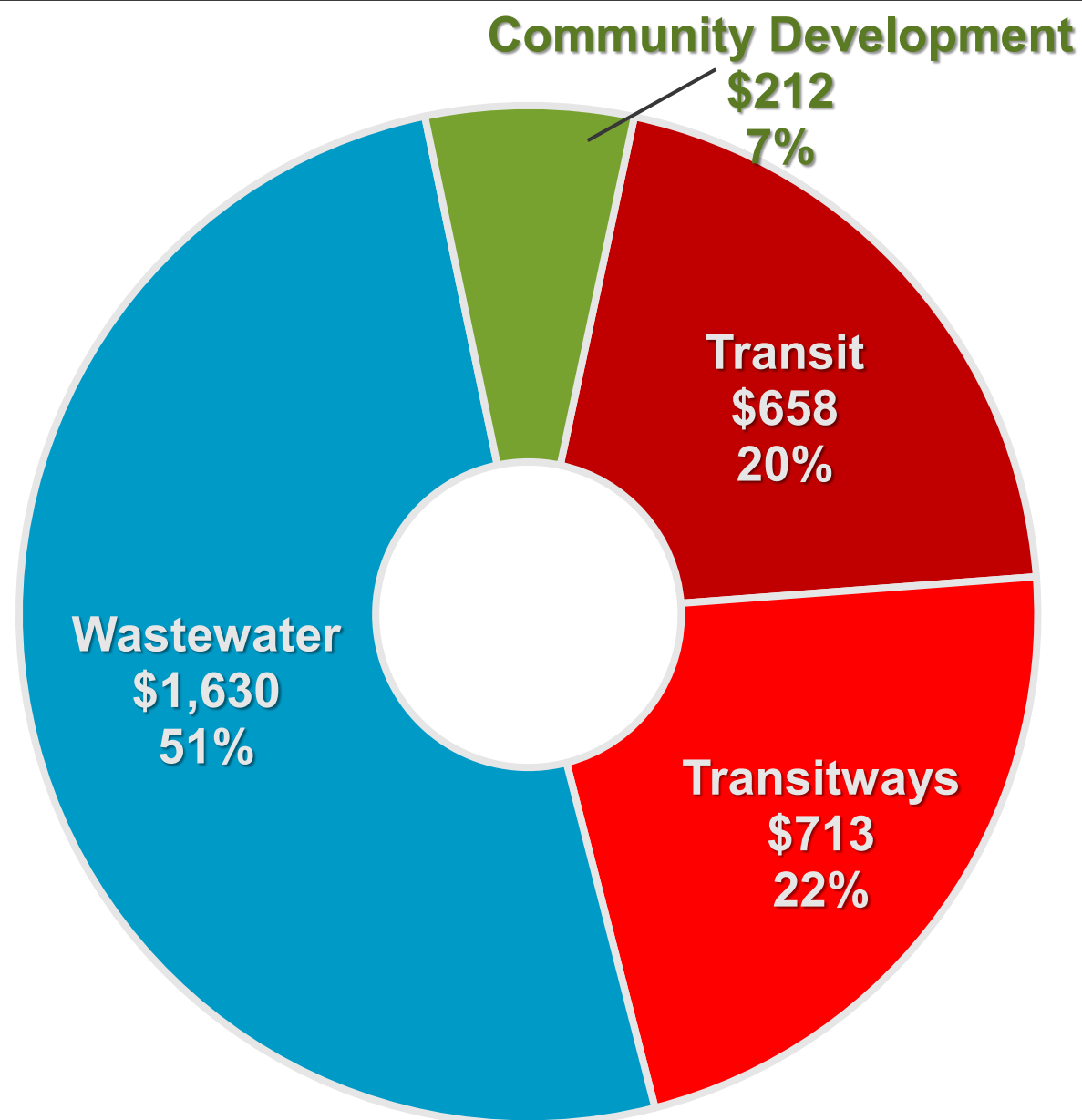
in millions

2026 Capital Program by Funding Status - \$15.07B



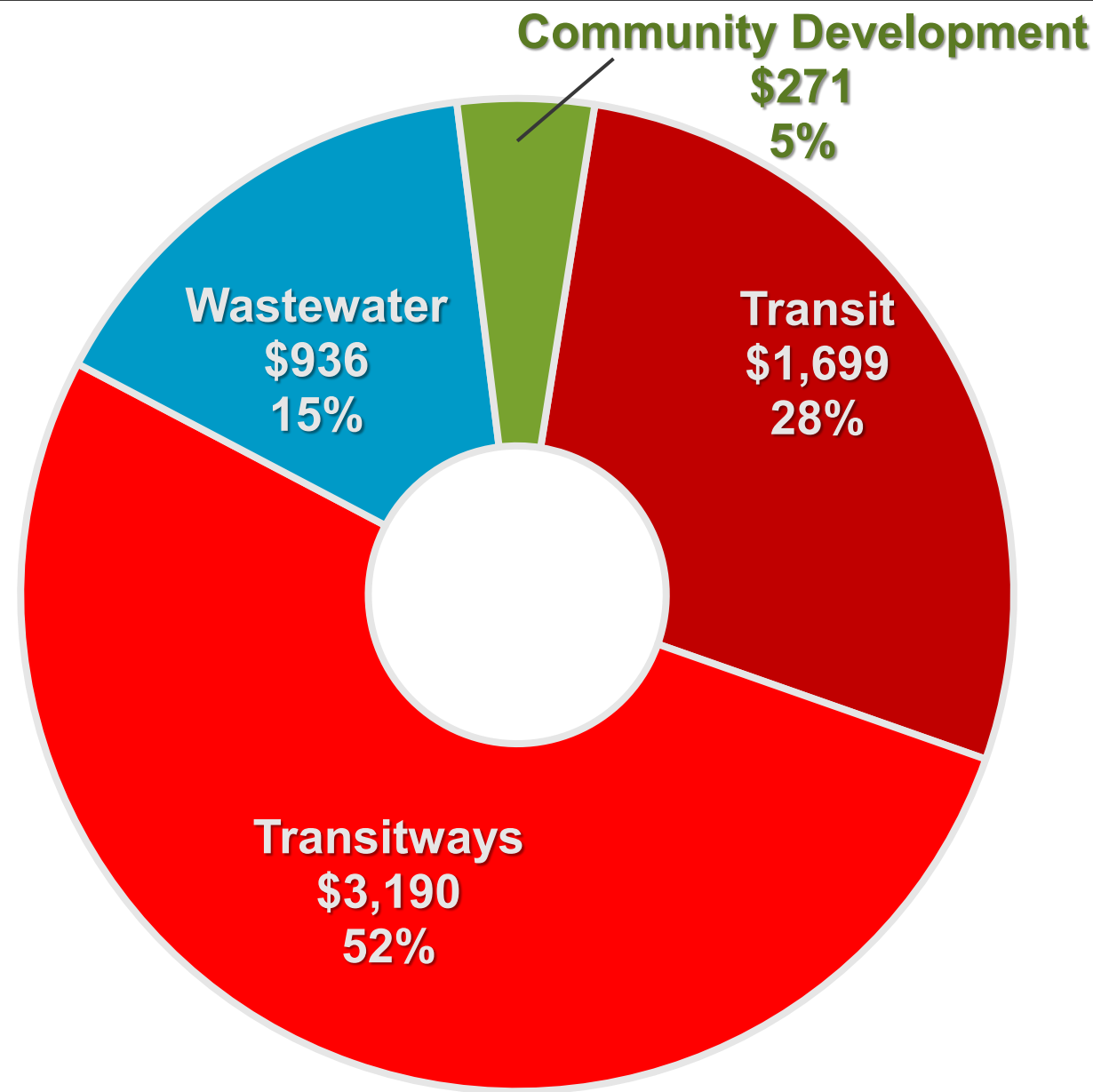
in millions

2026 Capital Program Future Spending - \$9.31B



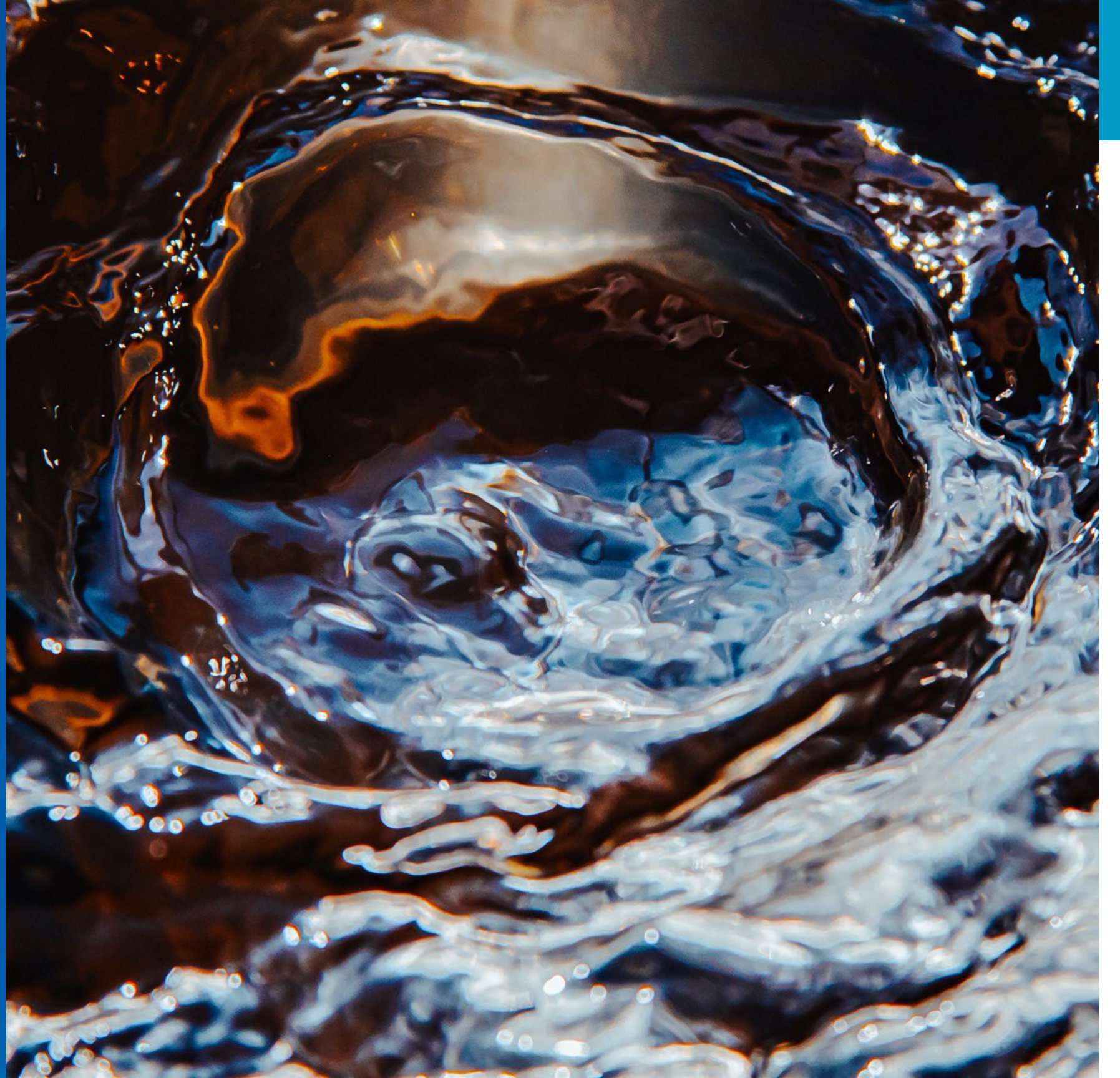
Authorized - \$3.21B

in millions



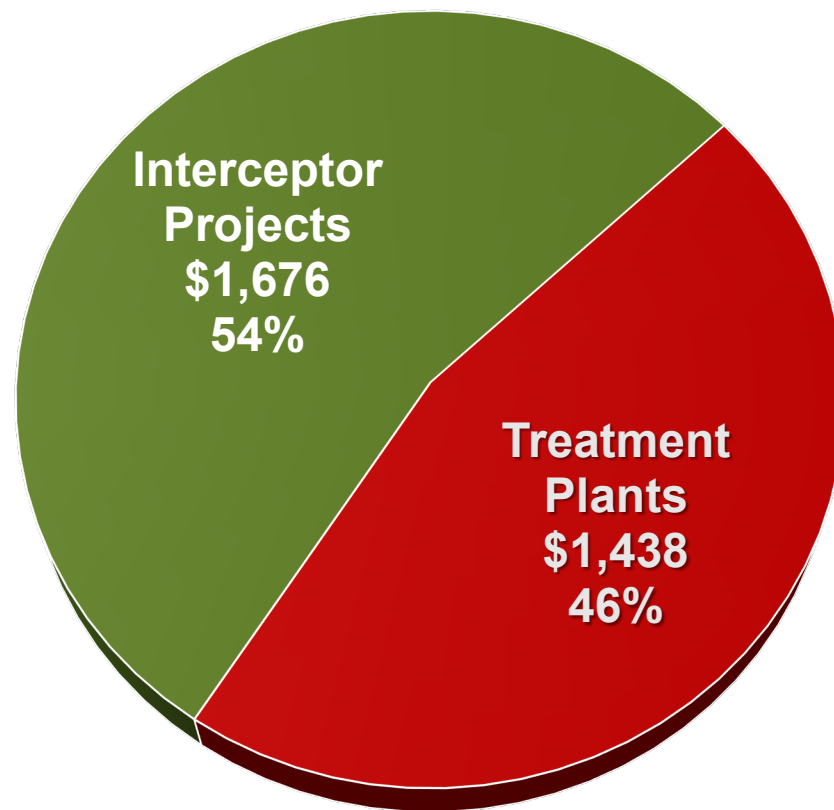
Planned - \$6.10B

Environmental Services

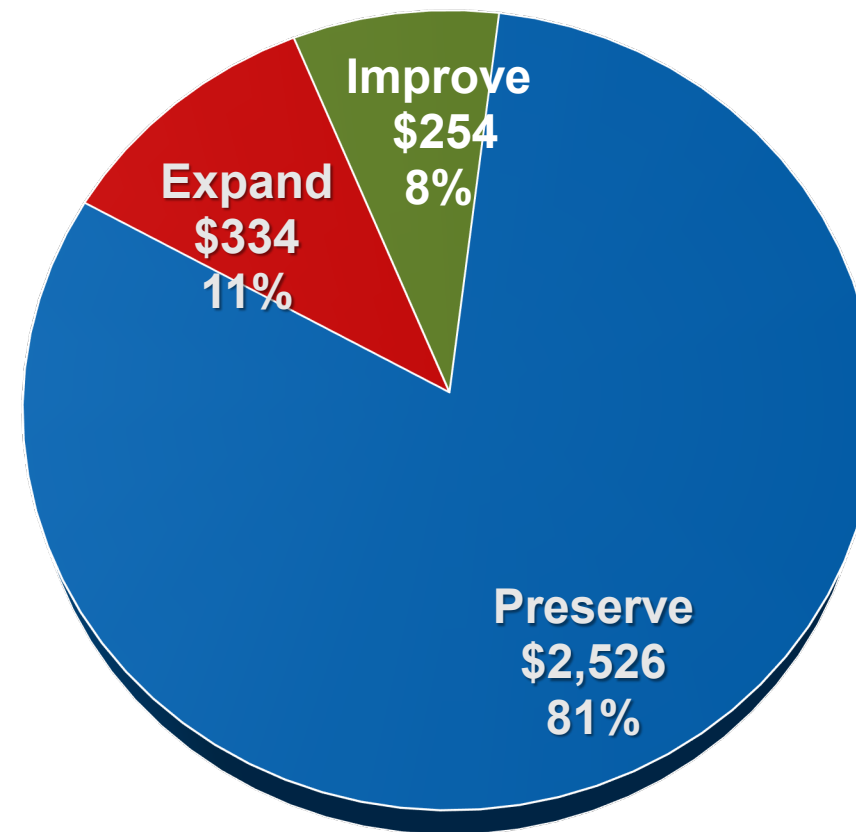


ES Capital Program - \$3.11B

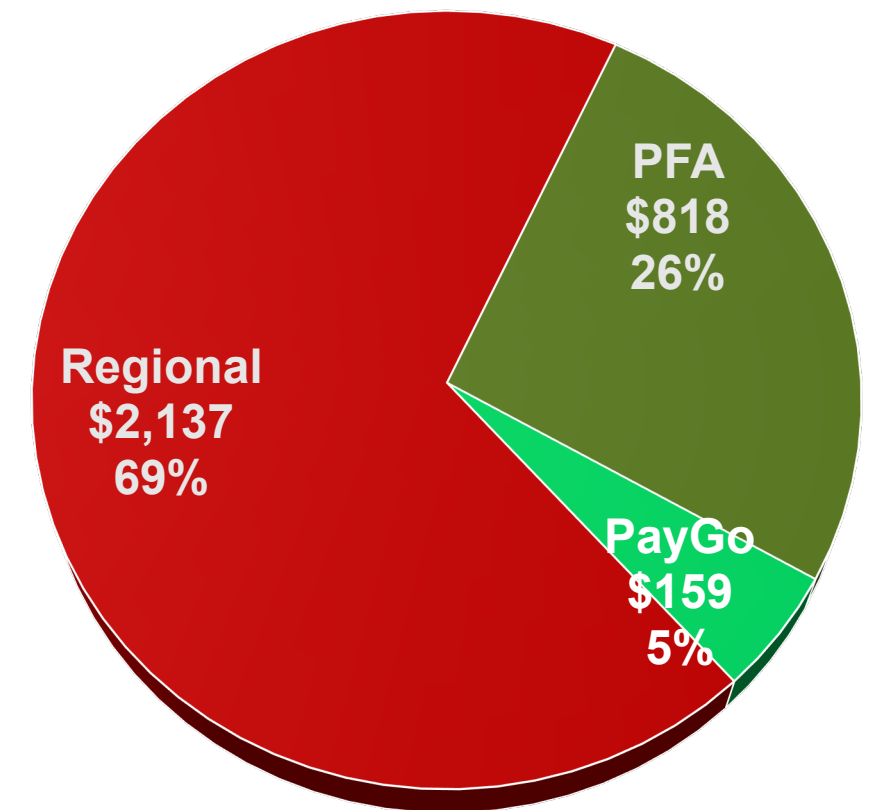
Uses by Department



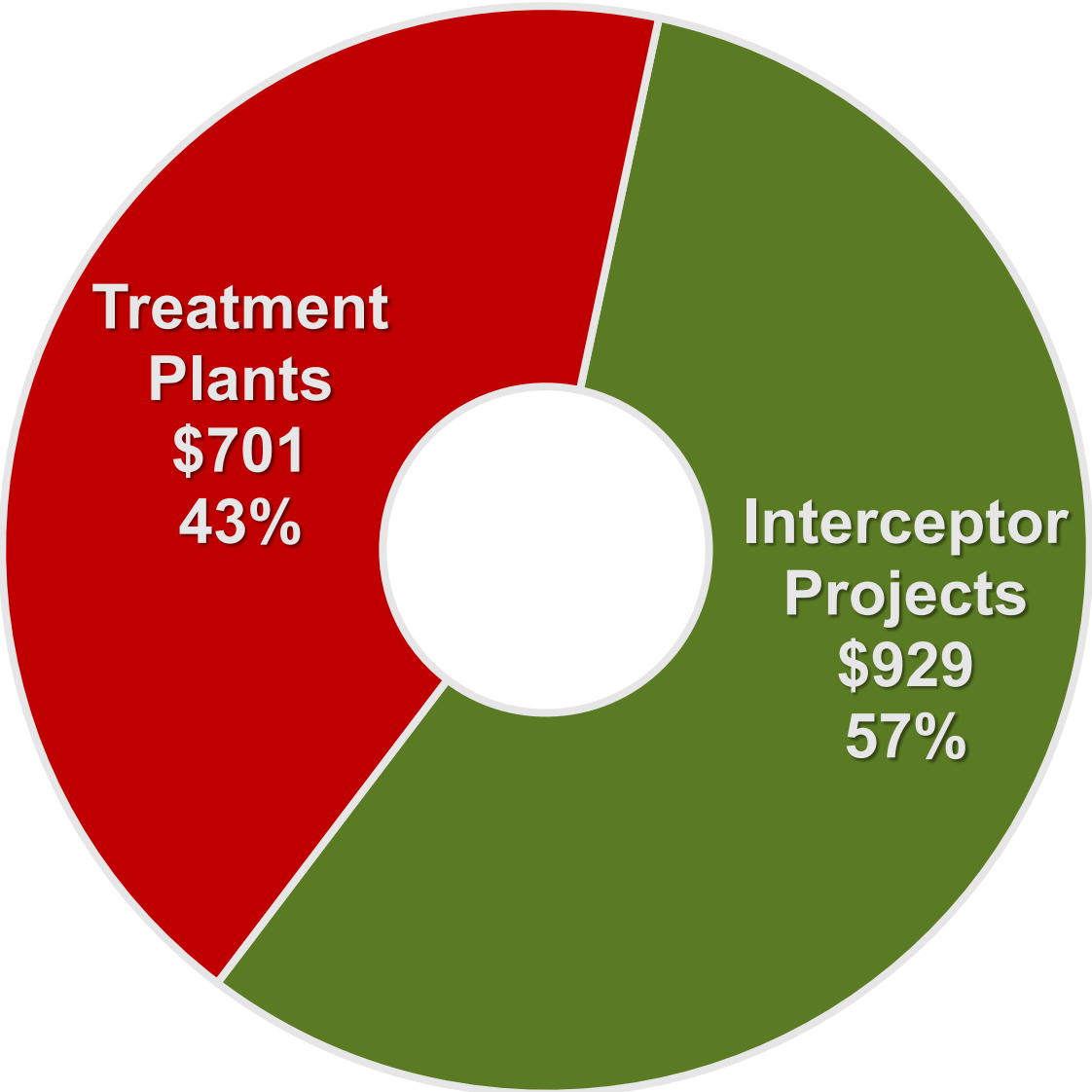
Uses by Category



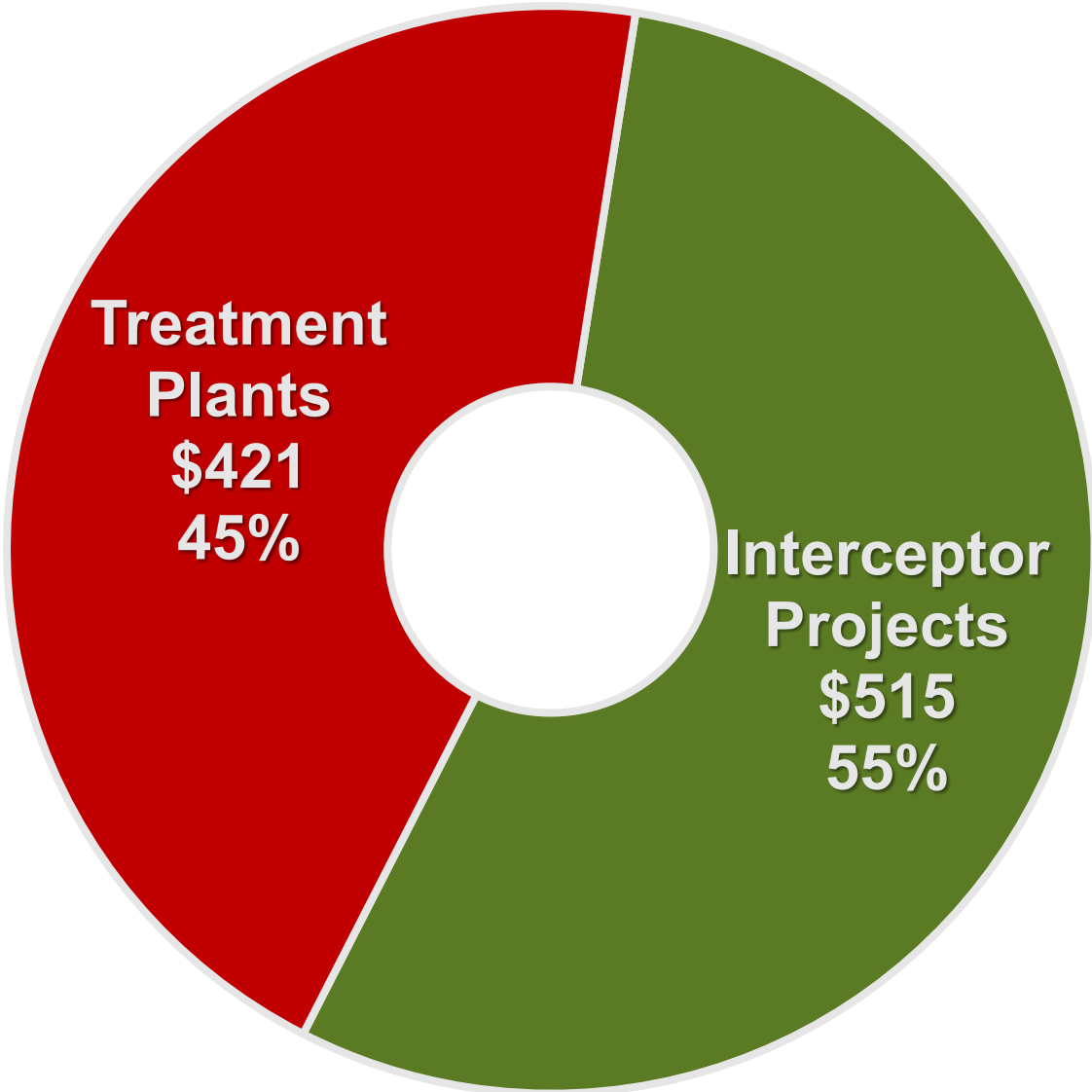
Sources



ES Future Spending - \$2.57B



Authorized - \$1.63B



Planned - \$0.94B

Capital Program ACP Objectives



Preserve Assets

Rehabilitate and replace assets to preserve value and performance



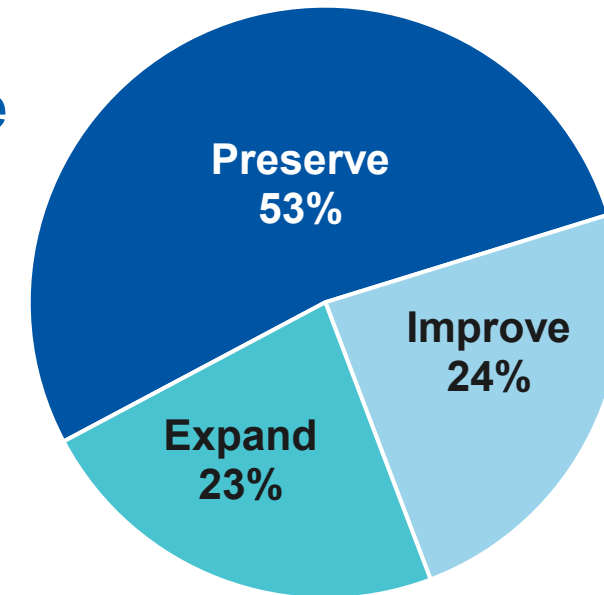
Meet Capacity Needs

Expand system capacity through plant expansions and interceptor extensions or improvements

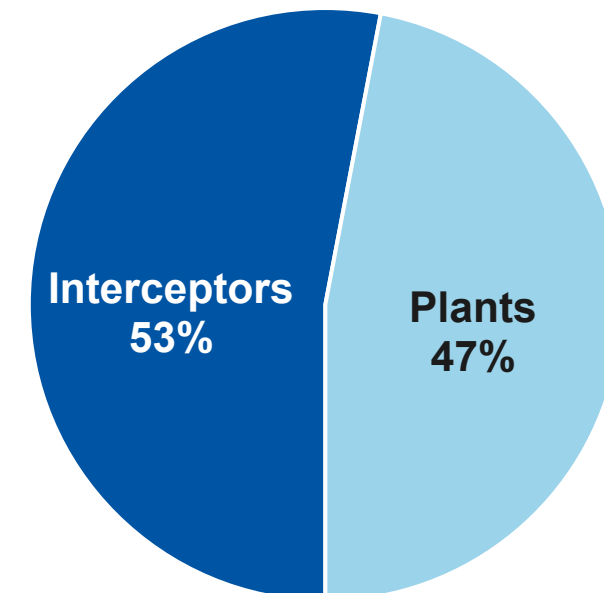


Improve Quality of service by responding to more stringent regulations, reusing wastewater, increasing system reliability, and conserving and generating energy

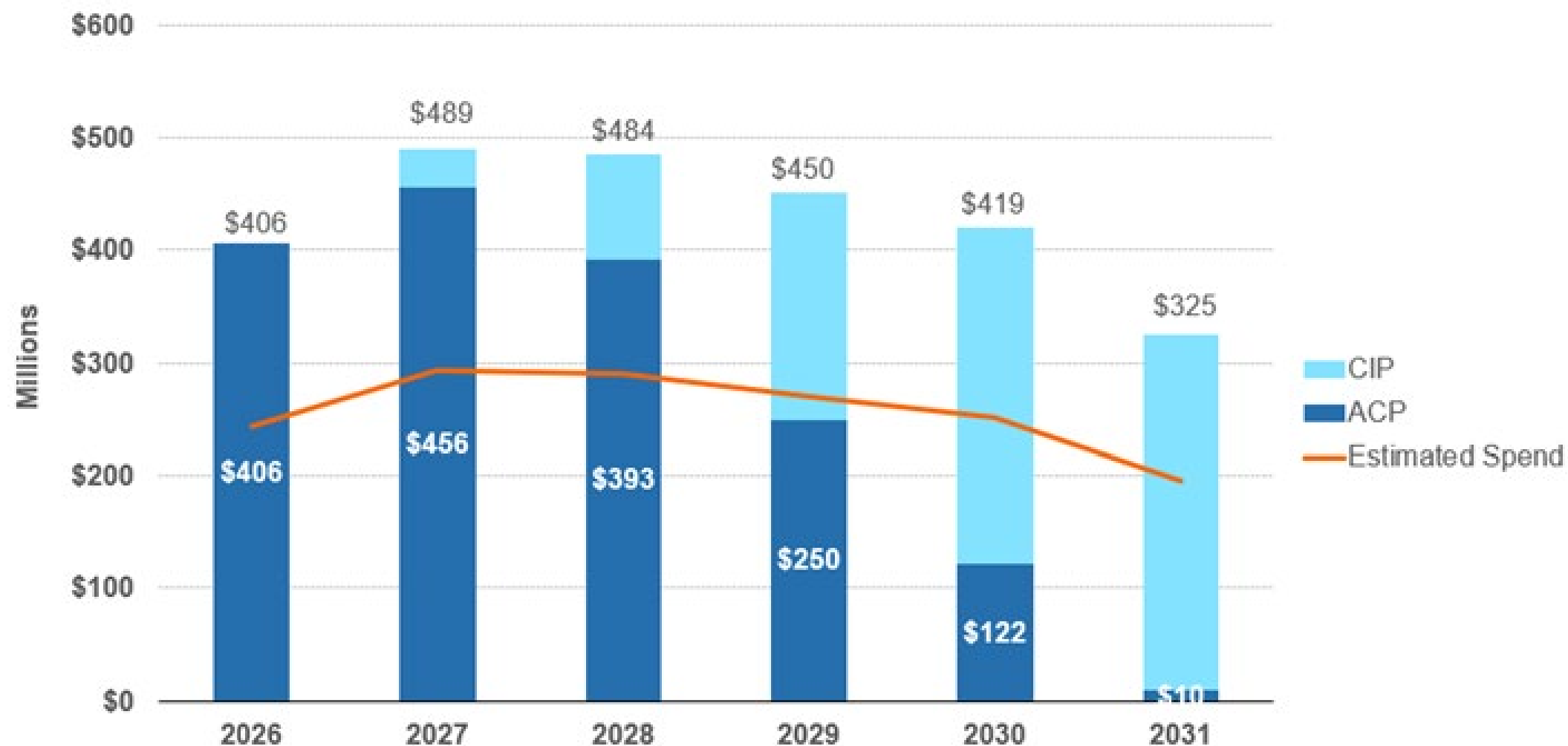
Objective



Type



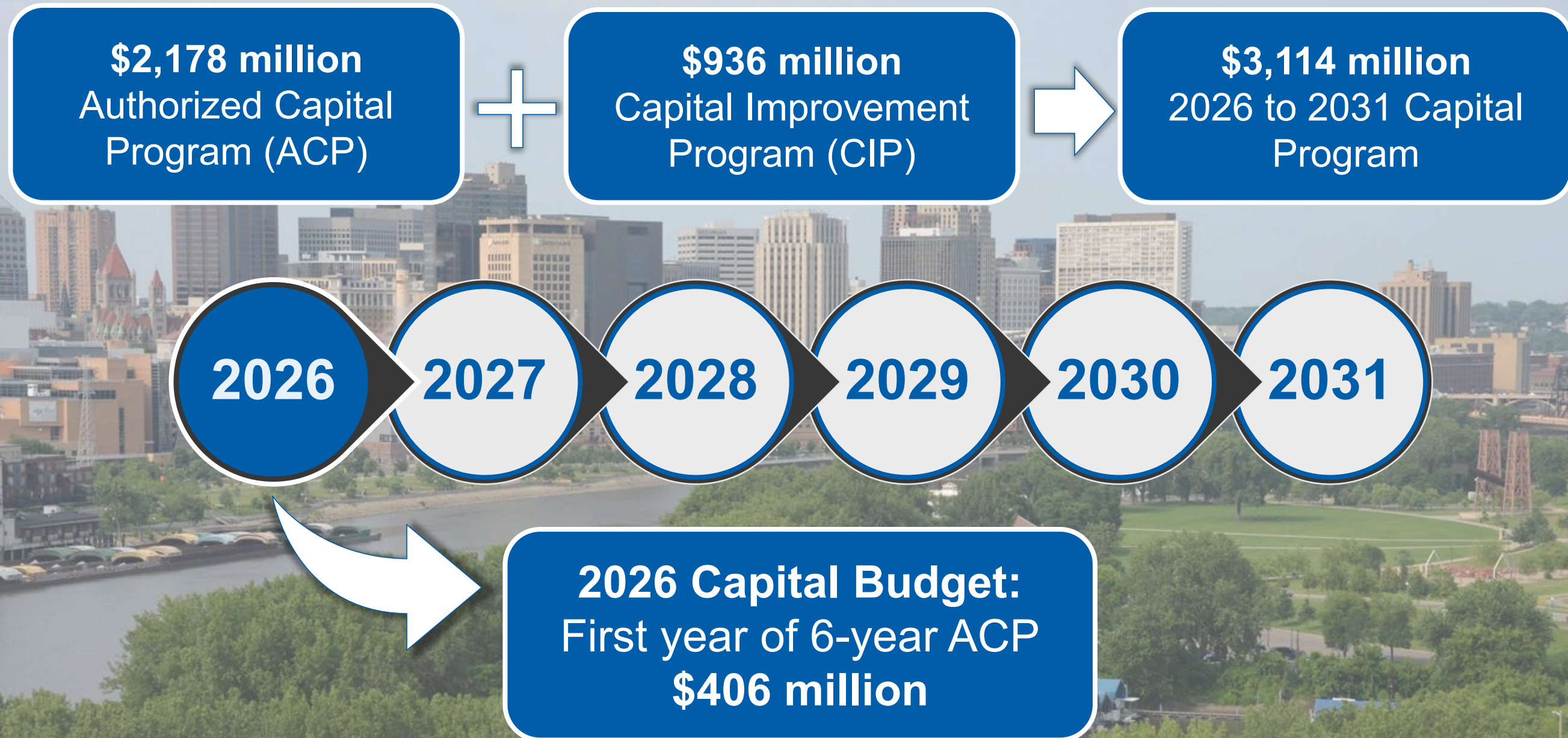
Capital Program: 2026 to 2031



Total Capital Program
(2026 to 2031) = \$3.11Billion*

*Pre-2026 ACP included in this figure (\$541M)

Proposed 2026 Capital Program



Capital Program Financing

Public Facilities Authority (PFA) Loans

Lowest interest loans. Loans greater than \$50 million carry higher interest rate making GO Bond loans more attractive.

2025: \$32 million @ 2.68%
2026: \$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.

2025: \$74 million @ 4.28%
2026: TBD

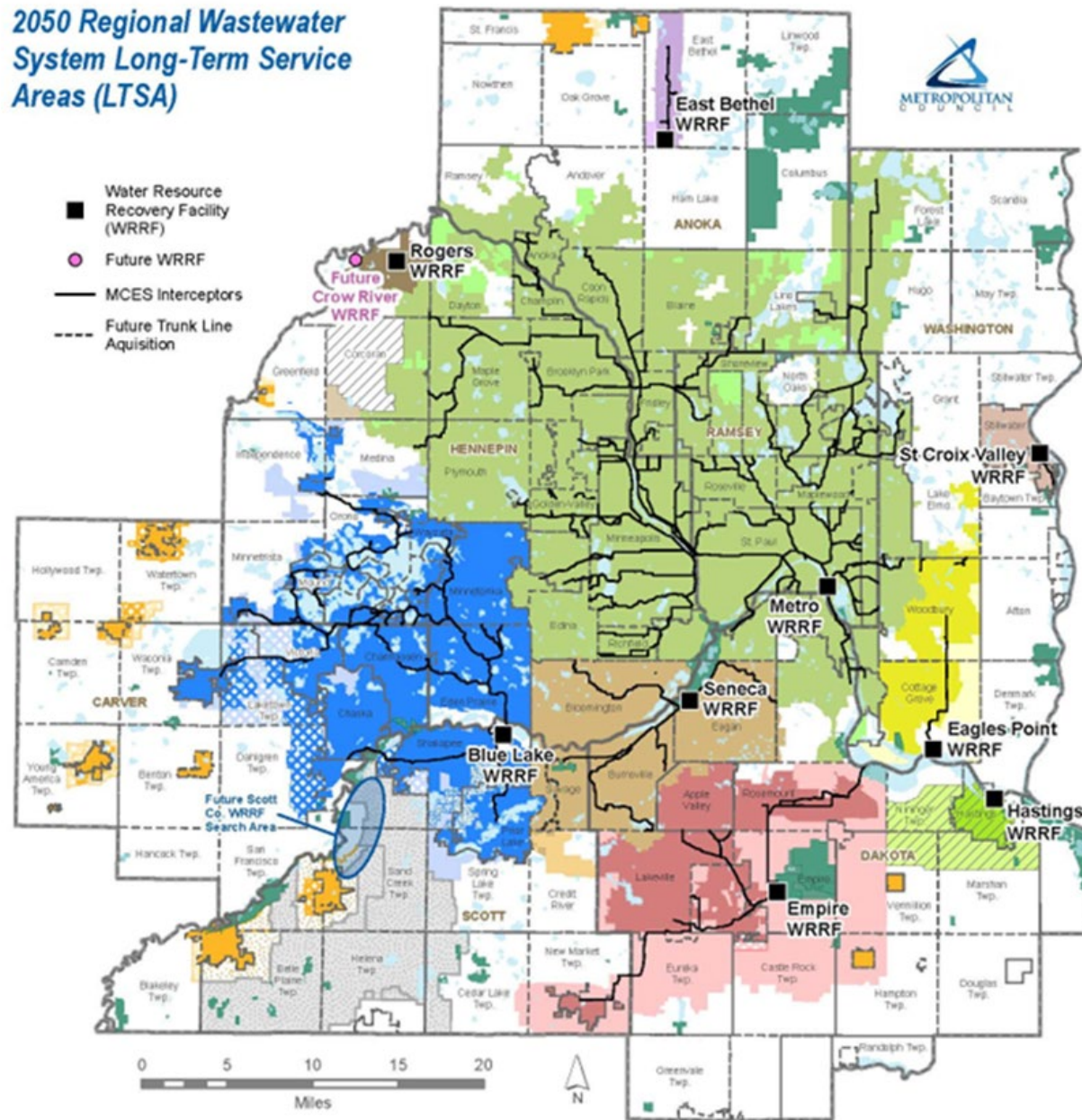
Pay-As-You-Go (PAYGO)

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

2025: \$11 million
2026: \$13 million

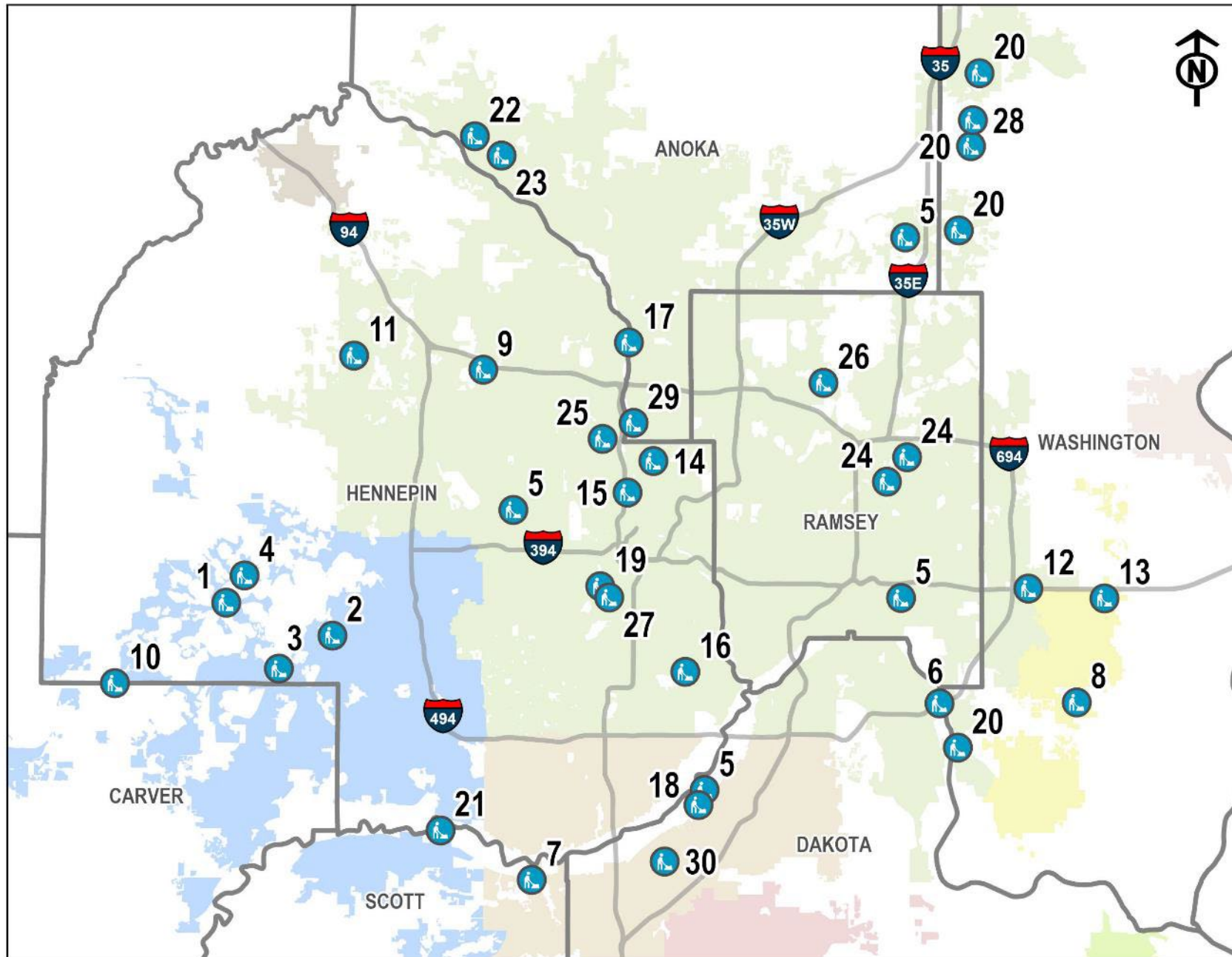
2026 WRRF Capital Programs

2050 Regional Wastewater System Long-Term Service Areas (LTSA)



1. 8059 Metro Rehabilitation & Facilities Improvements **CLOSE 2026**
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. 8099 Crow River Water Resource Recovery Facility
9. 8101 BPSI Allocation
10. 8103 Metro Water Resource Recovery Facility Rehabilitation & Improvements
11. 8104 Empire Water Resource Recovery Facility Rehabilitation & Improvements **NEW**

2026 Design/Construction 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 - 809211 1-MN-303 Pipe-in-Pipe
- 15 - 809213 1-MN-310 Rehab - Phase 2
- 16 - 809214 1-MN-346 Improvements - Phase 1
- 17 - 809400 New Lift Station L32A
- 18 - 809513 7031-9003 Siphon Outlet Structure Imp.
- 19 - 819020 HSI - East Isles FM, Contract H
- 20 - 805566 Lift Station Electrical Rehabilitation
- 21 - 802809 - Shakopee Interceptors 9206-1 & 7120 Rehabilitation
- 22 - 805581 - Anoka-Champlin FM Improvements
- 23 - 808609 - 4-NS-525 Rehabilitation Phase 2
- 24 - 808614 - 8151 and 7122 Siphon Rehabilitation
- 25 - 808616 - 1-CL-455 Interceptor Rehabilitation
- 26 - 808861 - Grass Lake Interceptor Rehabilitation
- 27 - 809204 - 1-MN-341 Improvements - Phase 3
- 28 - 808603 - 7029 Improvements
- 29 - 808612 - 4-NS-521 Rehabilitation
- 30 - 809521 - Burnsville 3-BV-35 Rehabilitation Site 2

Transportation



Transportation Division

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

- **Metro Transit**
 - Regular route, express bus
 - METRO lines (light rail, bus rapid transit)
 - Northstar Commuter Rail
 - Capital Project Development
- **Metropolitan Transit Services**
 - Contracted Bus
 - Special Transportation Services
 - Planning
 - Transit Link
 - Vanpool



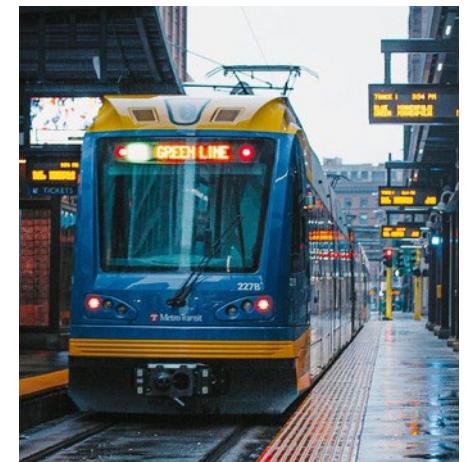
2026-2031 Capital Program Priorities

Metro Transit

- Investing in our bus fleet
- Maintaining our light rail system in a state of good repair
- Repairing and expanding our support facilities
- Rejuvenating our public facilities and technology

Metropolitan Transportation Services (MTS)

- Replace buses based upon existing fleet replacement plan
- Meet Metro Mobility fleet demand to comply with federal and state mandates
- Programming subrecipient federal formula earnings (Maple Grove, Plymouth and U of M only)
- Technology
- Engine and transmission replacement



2026-2031 Capital Program: Revenue Assumptions



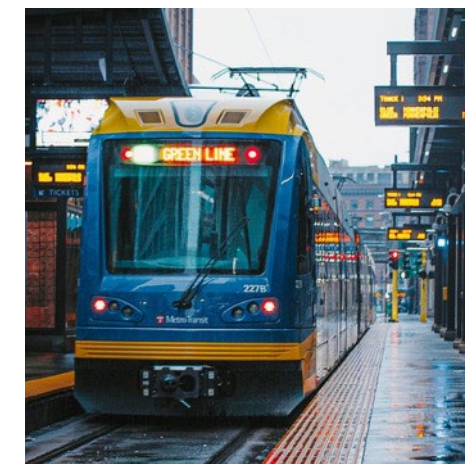
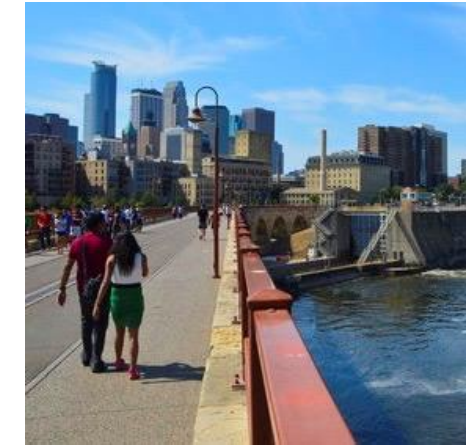
Revenue Sources

- Regional Transit Capital increasing 3.3% per year
- Regional Sales Tax investments per criteria
- State funding
 - Appropriations
 - Motor Vehicles Sales Tax
- Federal Funds:
 - Formula funds increasing 2.5% through 2026-2031
 - Federal Regional Solicitation
- New Starts & Small Starts at Project Office levels

2026-2031 Capital Program: Uses Defined

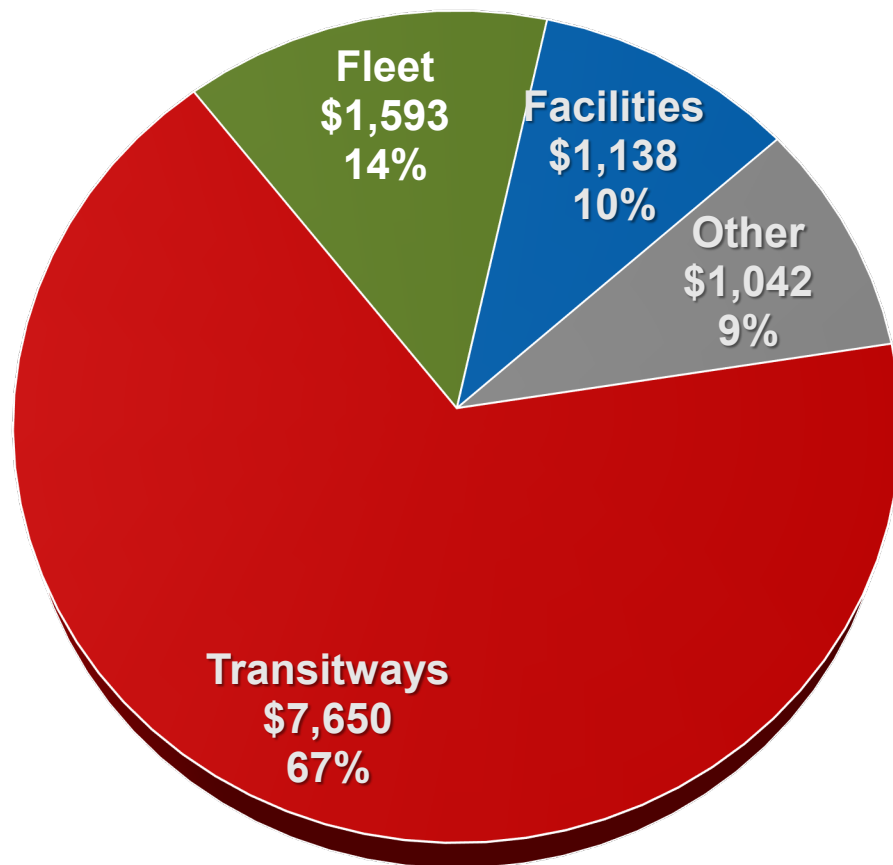
The CIP summarizes transit capital projects into six categories:

- **Fleet** - Purchase vehicles needed to provide transit service and mid-life overhauls
- **Support Facilities** - Facilities necessary to maintain and house fleet and other facilities to support operations, including maintenance on these facilities
- **Customer facilities** – Facilities necessary for transit users including shelters, stations, and parking
- **Technology** - Communication and computer equipment necessary for operation of transit system
- **Other Capital Equipment** - Equipment and other items necessary for the operation of the transit system
- **Transitways** - Light rail and bus rapid transit projects making significant capital investment within specific transit corridors

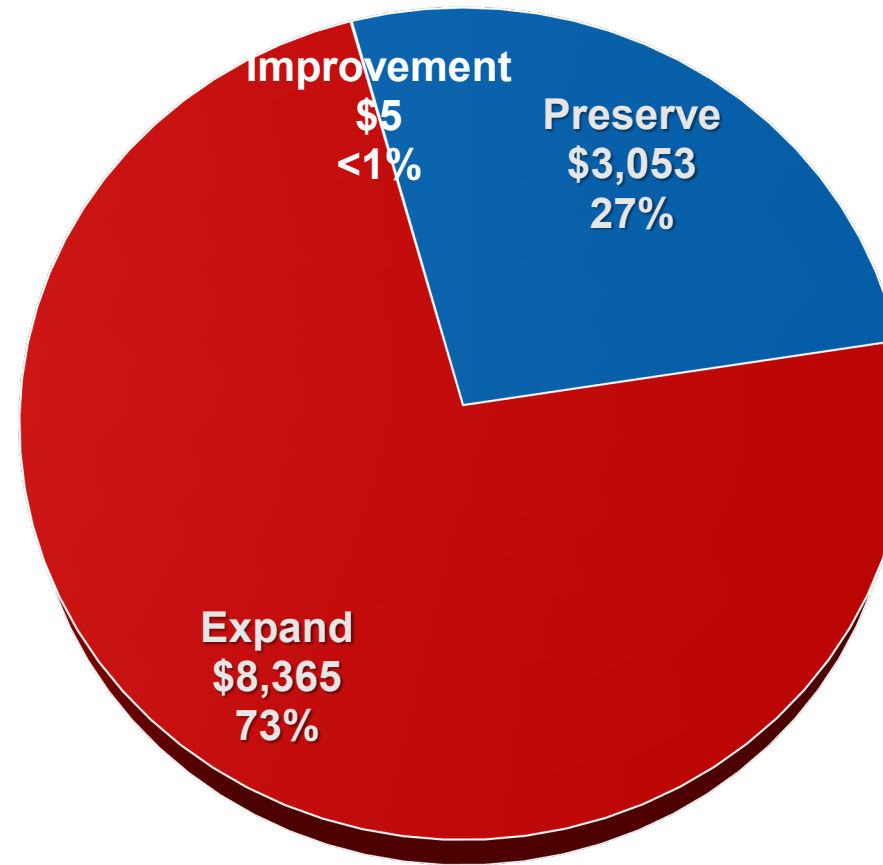


Transit Capital Program - \$11.42B

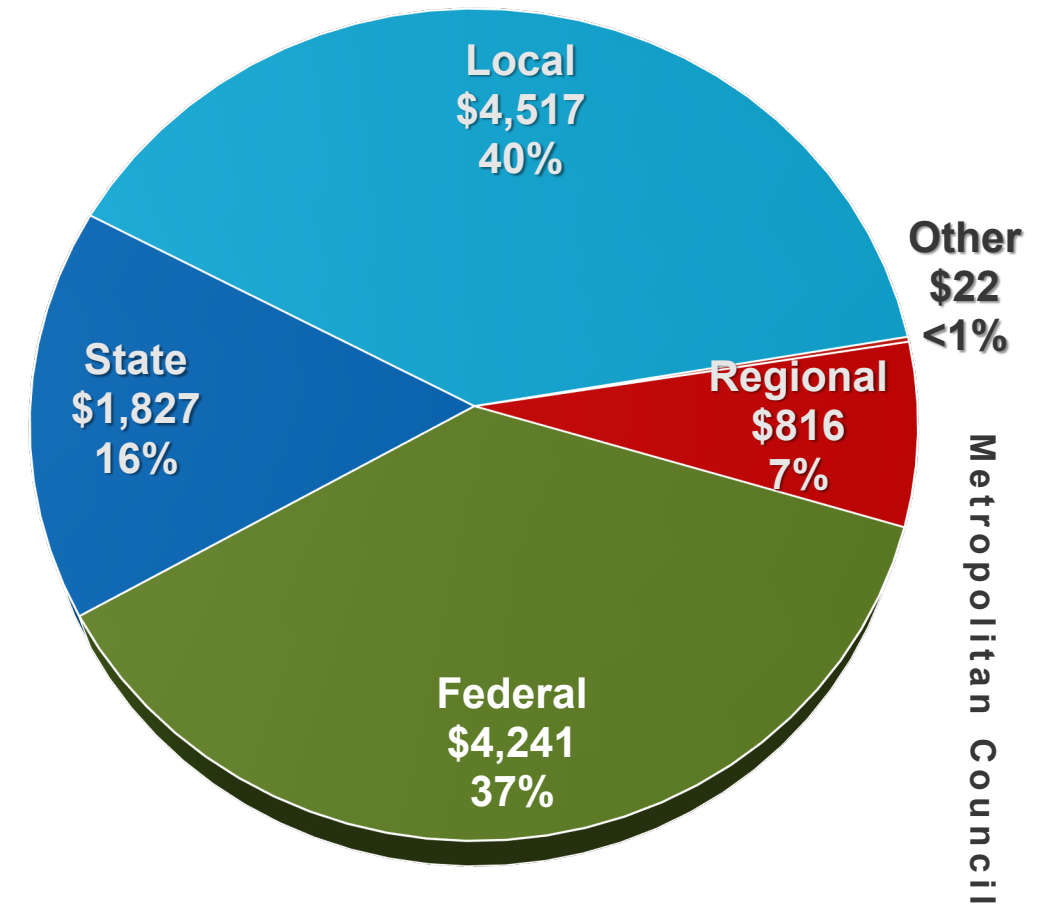
Uses by Category



Uses by Type

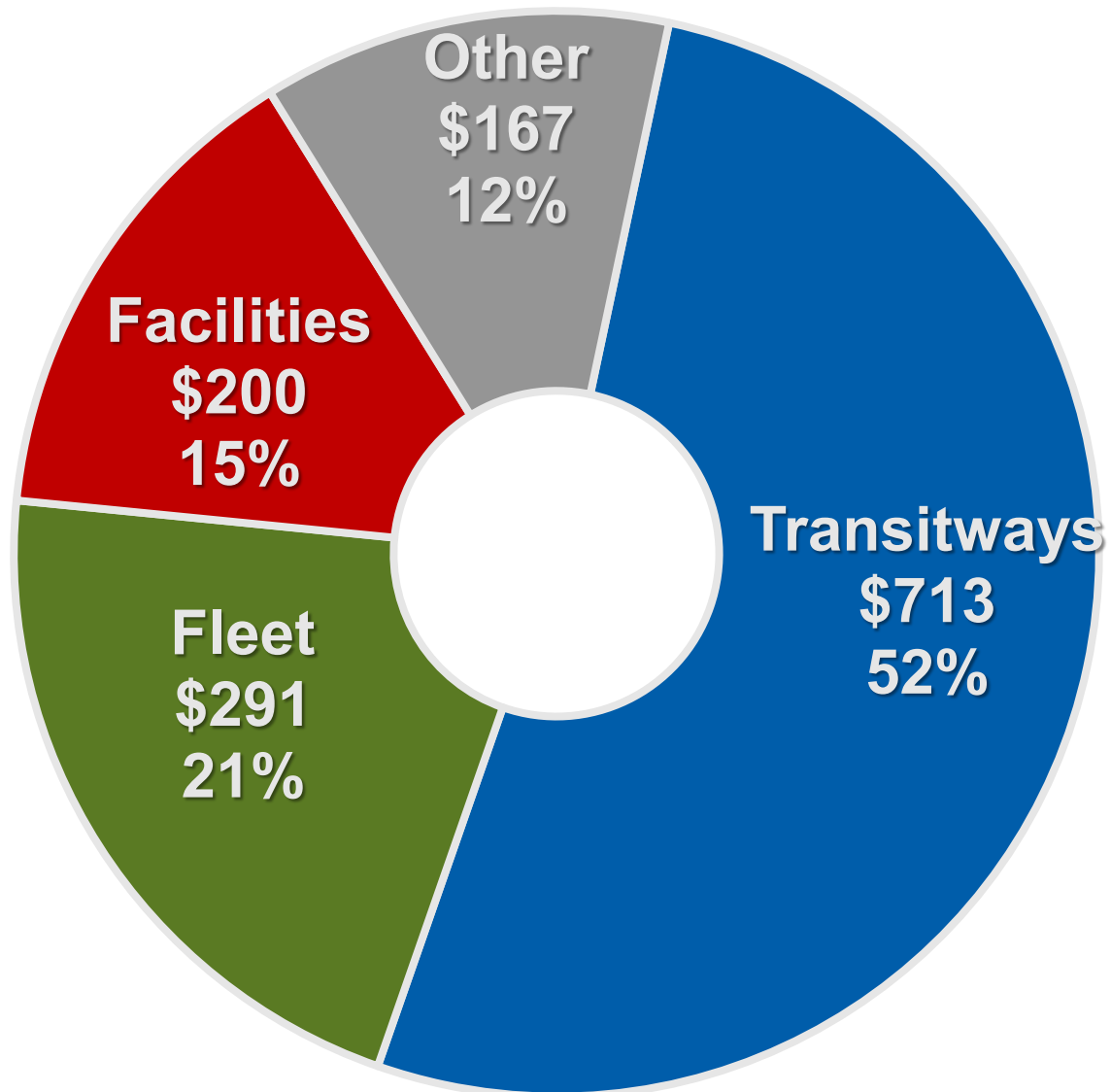


Sources

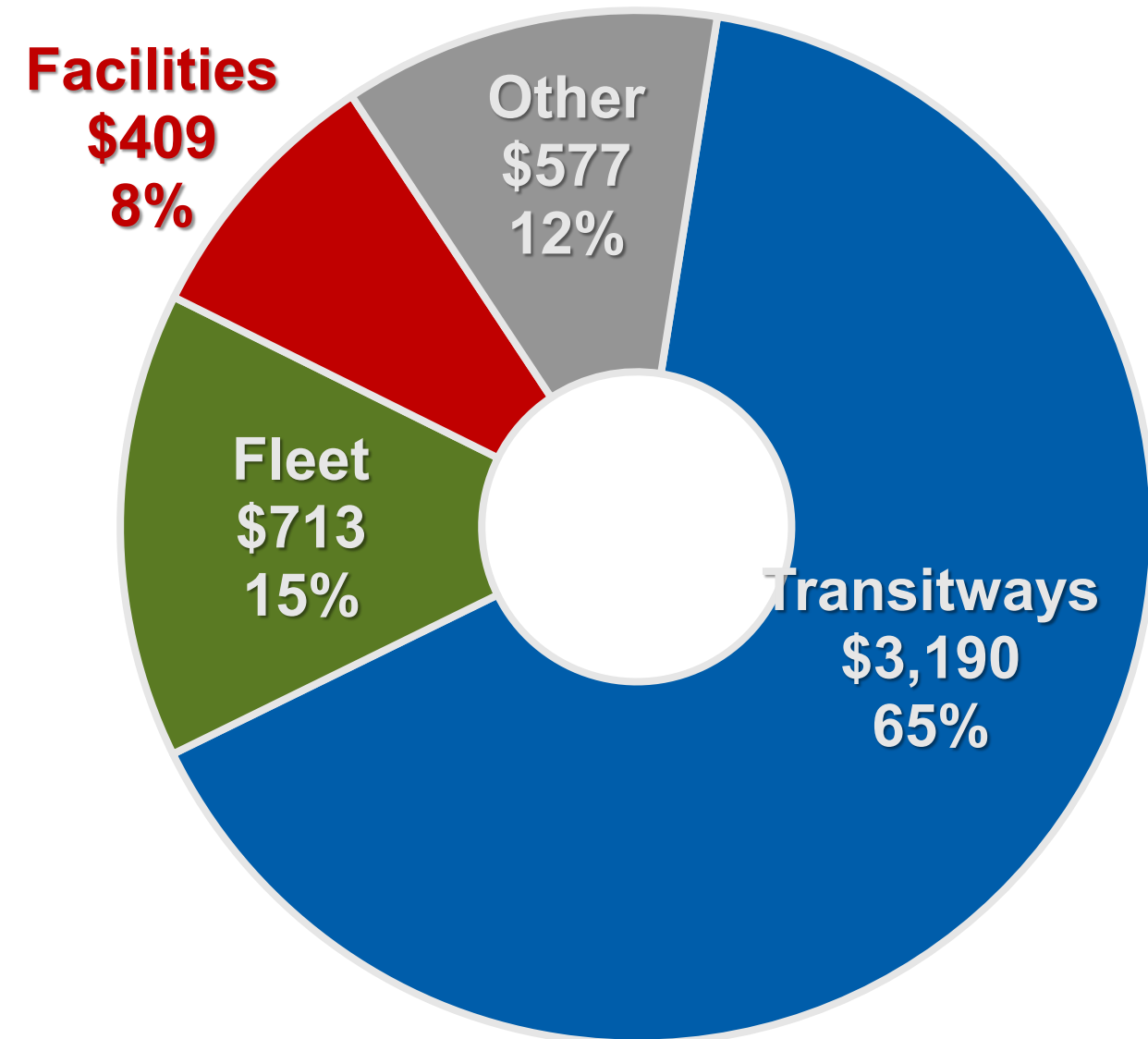


Metropolitan Council

Transit Future Spending - \$6.26B



Authorized - \$1.37B



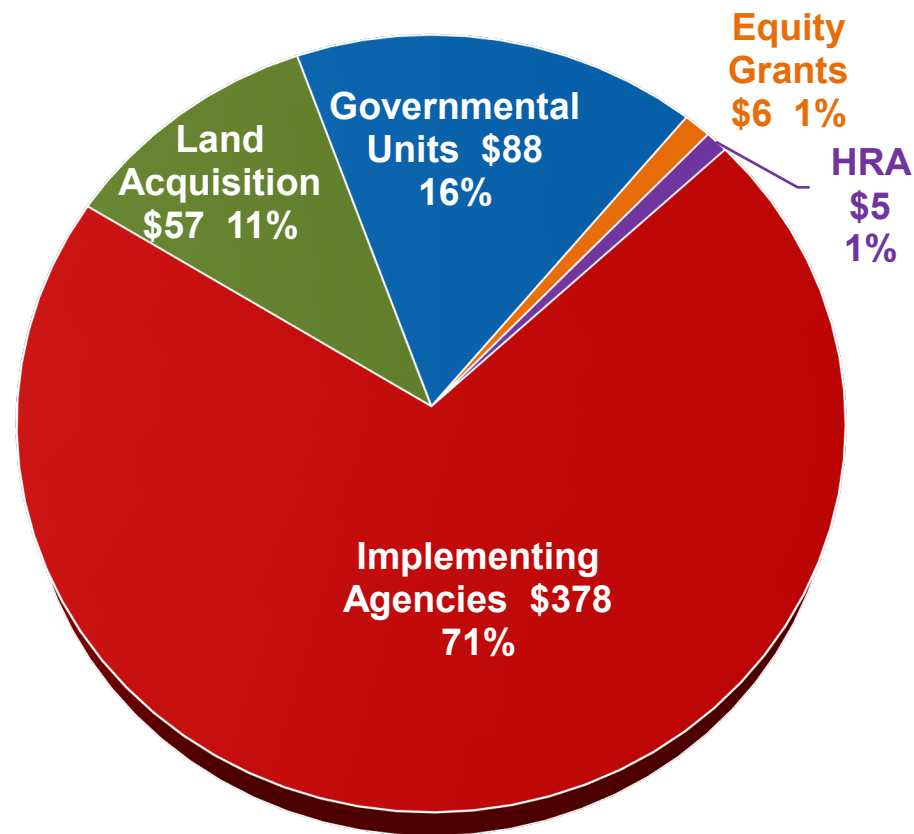
Planned - \$4.89B

Community Development

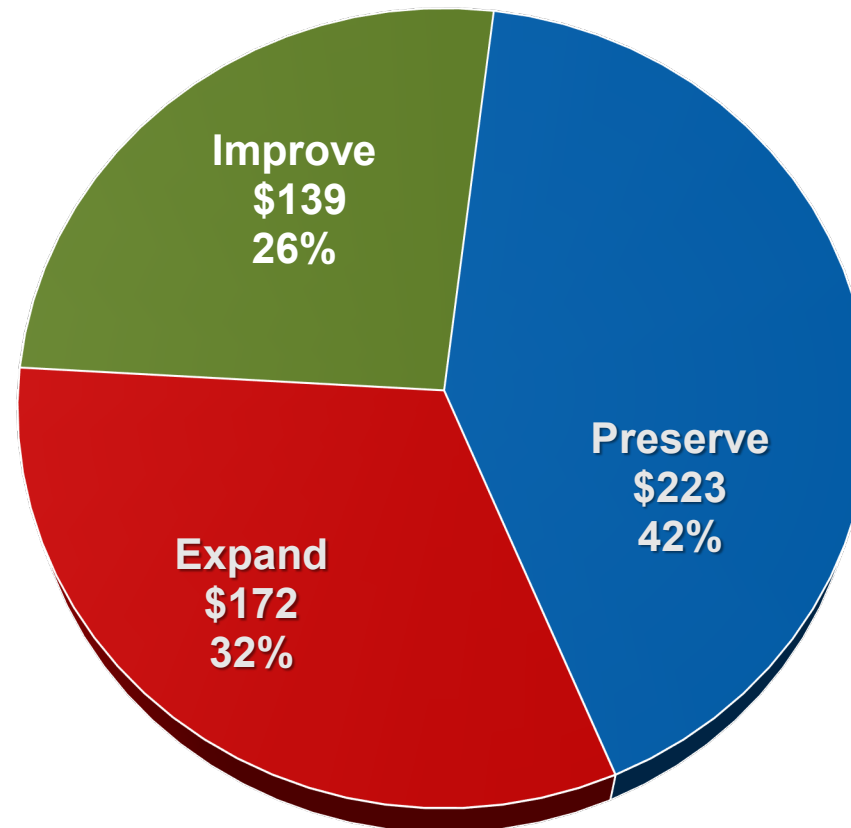


CD Capital Program - \$534M

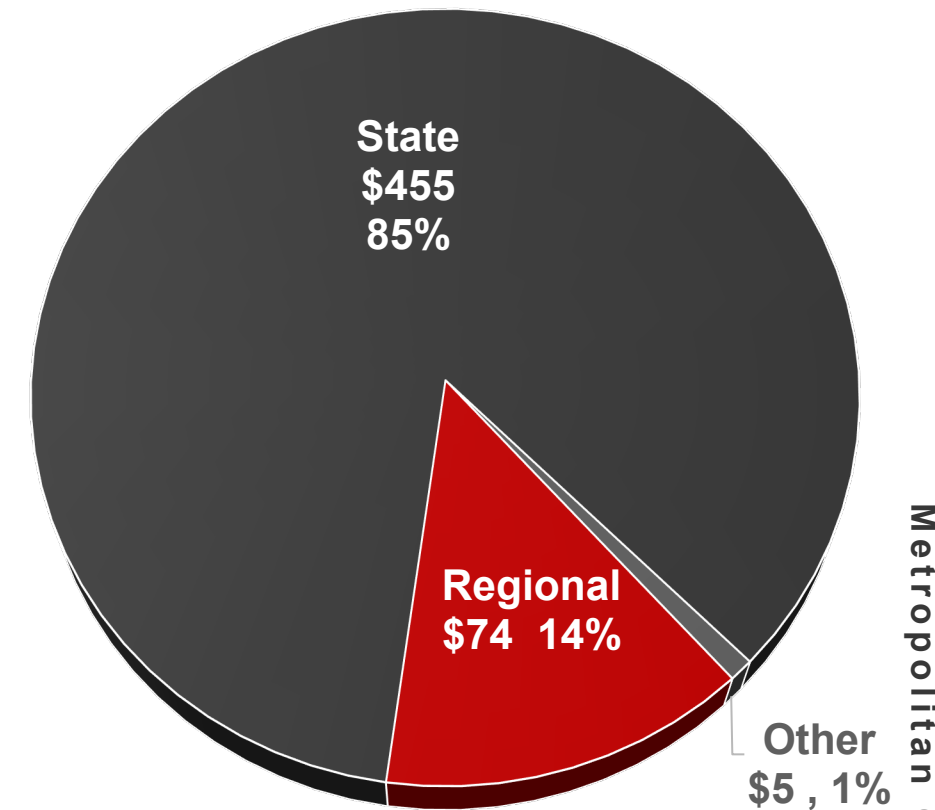
Uses by Department



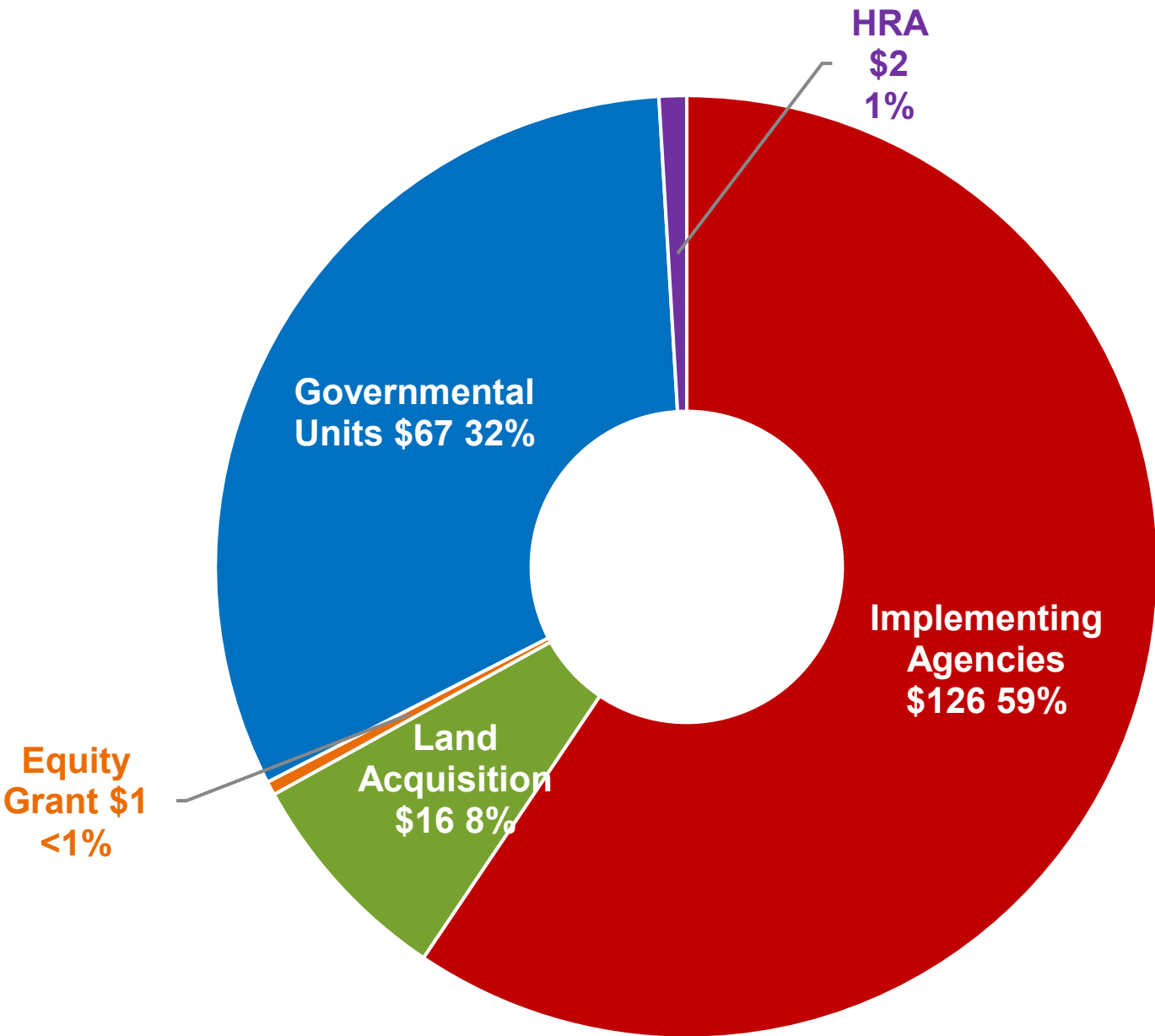
Uses by Category



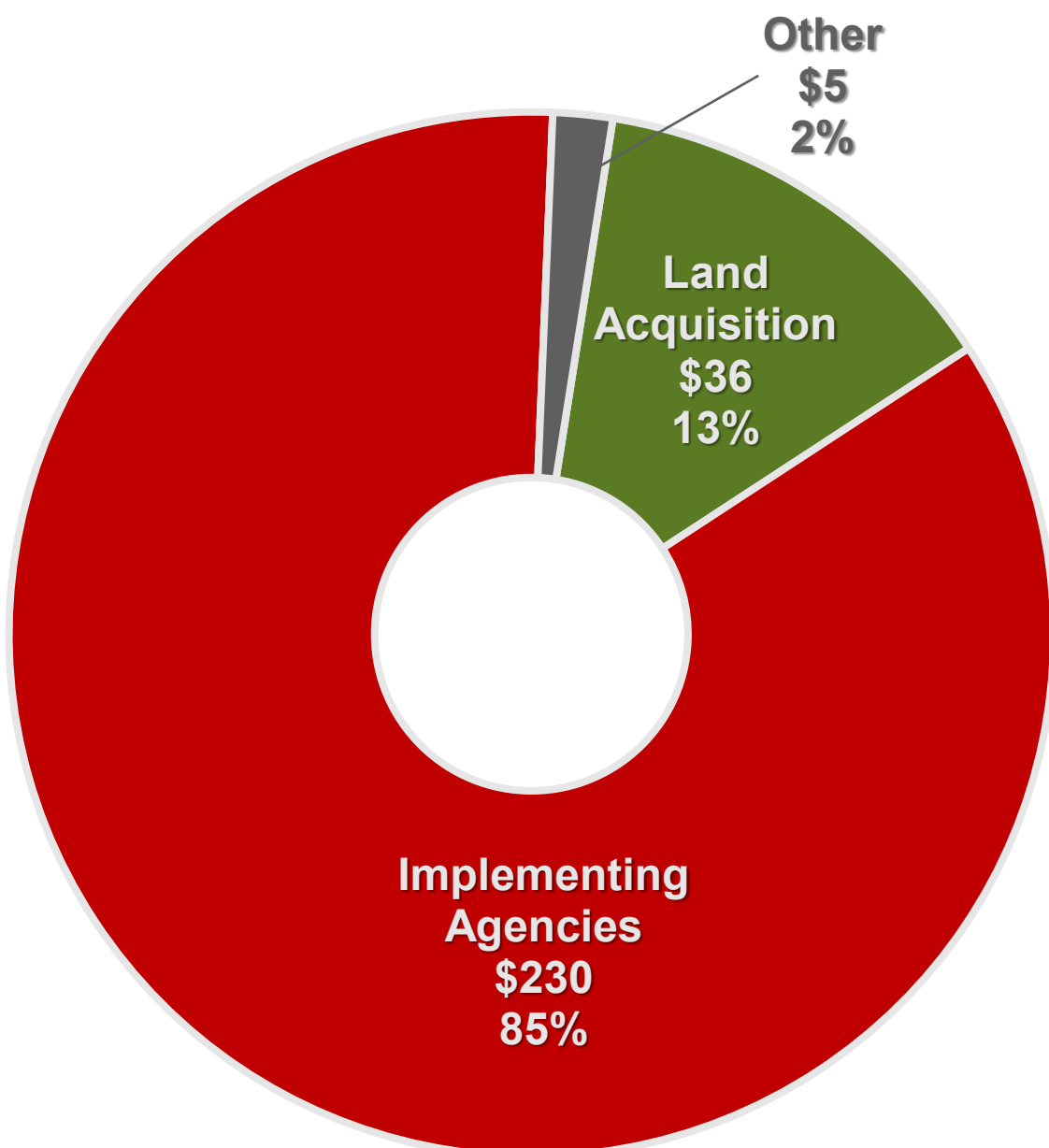
Sources



CD Future Spending - \$483M



Authorized - \$212M



Planned - \$271M

Parks and Open Space



Regional Parks System Serves

- 7-County Twin Cities Metro Area
- Nearly 66 million visitors in 2024

Commitment to Equity

- *Imagine 2050*
- *2050 Regional Parks & Trails 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 2031



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 188 active projects valued at ~ \$172M
- \$230M in grants are programmed in the proposed Capital Improvement Program (2026-2031)

Council Owned Housing Capital Program - \$4.52M

History

- Family Affordable Housing Program established in 1999
- 150 units purchased between 2001 and 2004
- 4 additional units purchased in 2022
- Current count is 151
 - 5 sold in 2024
 - 2 purchased in 2025, with 3 more planned

Authorized - \$2.47M

- Funded by rental property income
- \$2M transfer from operating reserves to ACP for purchase of five replacement properties
- Proceeds from the sales of properties will be deposited back into the ACP

Planned - \$2.05M

- \$350K per year from 2027-2031
- Funded by rental property income

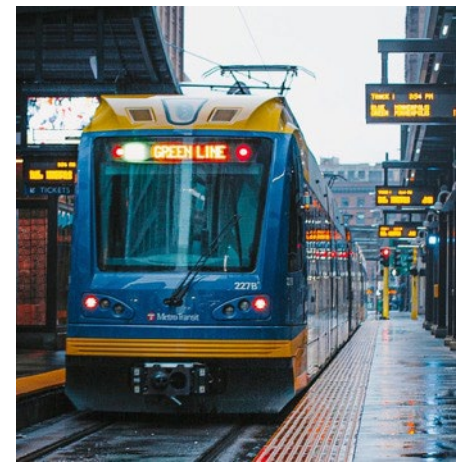
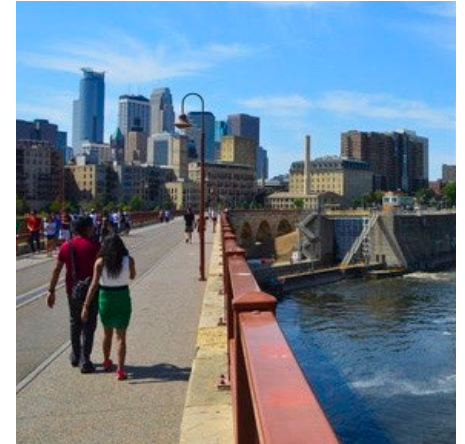
Contacts

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Thank You!

Find out more at metro council.org.

