



Metropolitan Council Transportation Division 2014 Operating Budget

Transportation Committee
July 22, 2013



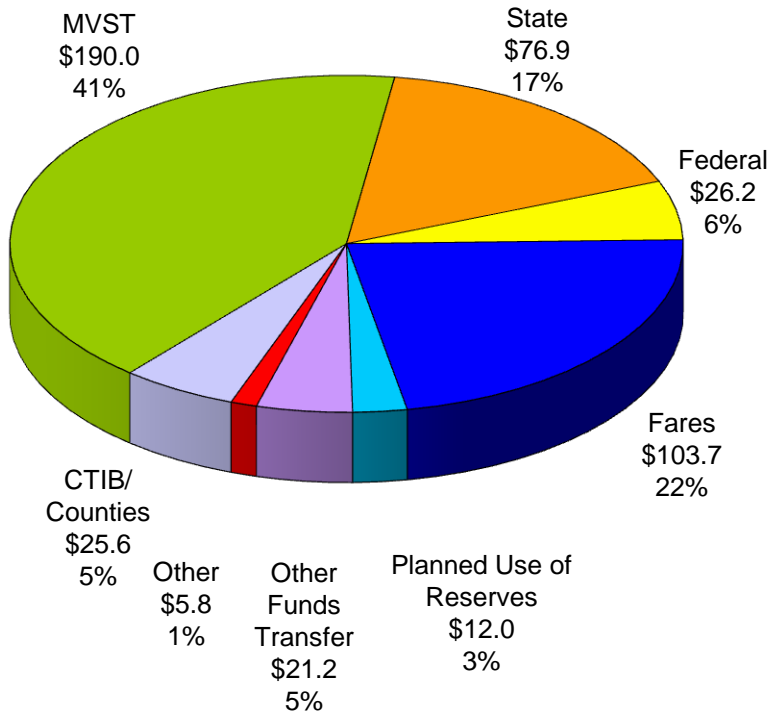
Financial Objectives

Application to Transit Budget

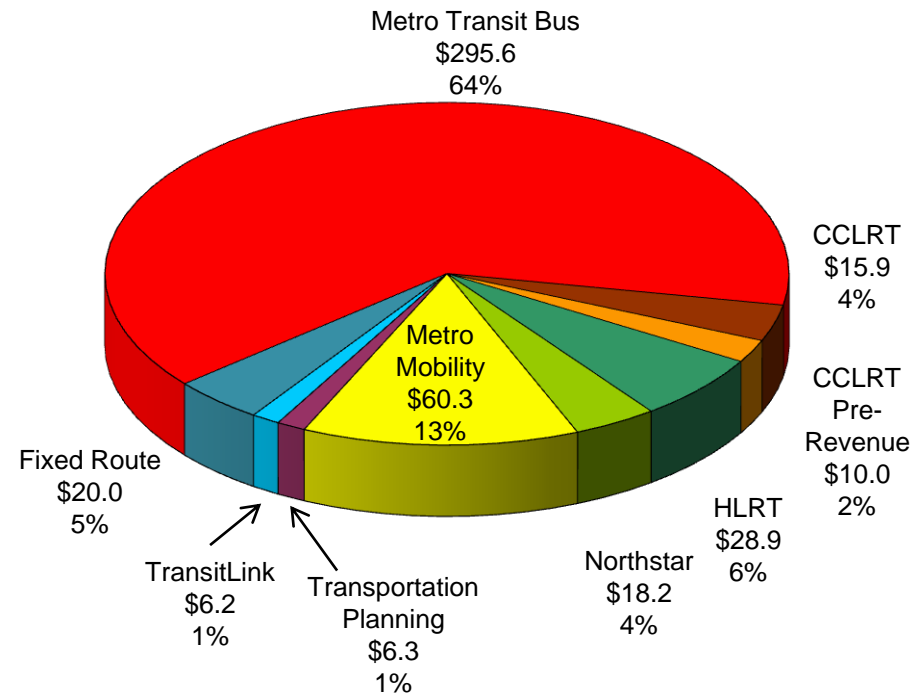
- Support the Council's framework and Regional Transportation Policy Plan (TPP)
- TPP: Double 2003 transit ridership by 2030
- Construct a balanced transit budget over 4 years
- Prioritize structural solutions – mitigate structural gaps over time
- Minimize impact on Council levies
- Maintain reserves at policy levels

Proposed 2014 Transportation Budget

Revenue
\$461.4M



Expenses
\$461.4M



Fund Balances (\$ in millions)

	2012 Actual	2013 Forecast	2014 Budget	Council Target	
				\$	%
Metro Transit Bus	\$52.9	\$39.3	\$29.1	\$23.8	8.3%
Metro Transit HLRT	\$2.7	\$3.1	\$2.9	\$2.4	8.3%
Metro Transit Northstar	\$3.2	\$2.5	\$1.9	\$1.5	8.3%
Metro Transit CCLRT	-	-	\$1.6	\$1.3	8.3%
Metro Mobility	\$2.2	\$9.5	\$7.5	\$6.0	10.0%
Transportation Planning & Contracted Services	\$2.7	\$4.3	\$5.8	\$4.6	15.0%
TOTAL	\$63.7	\$58.7	\$48.8	\$39.6	



Metro Transit

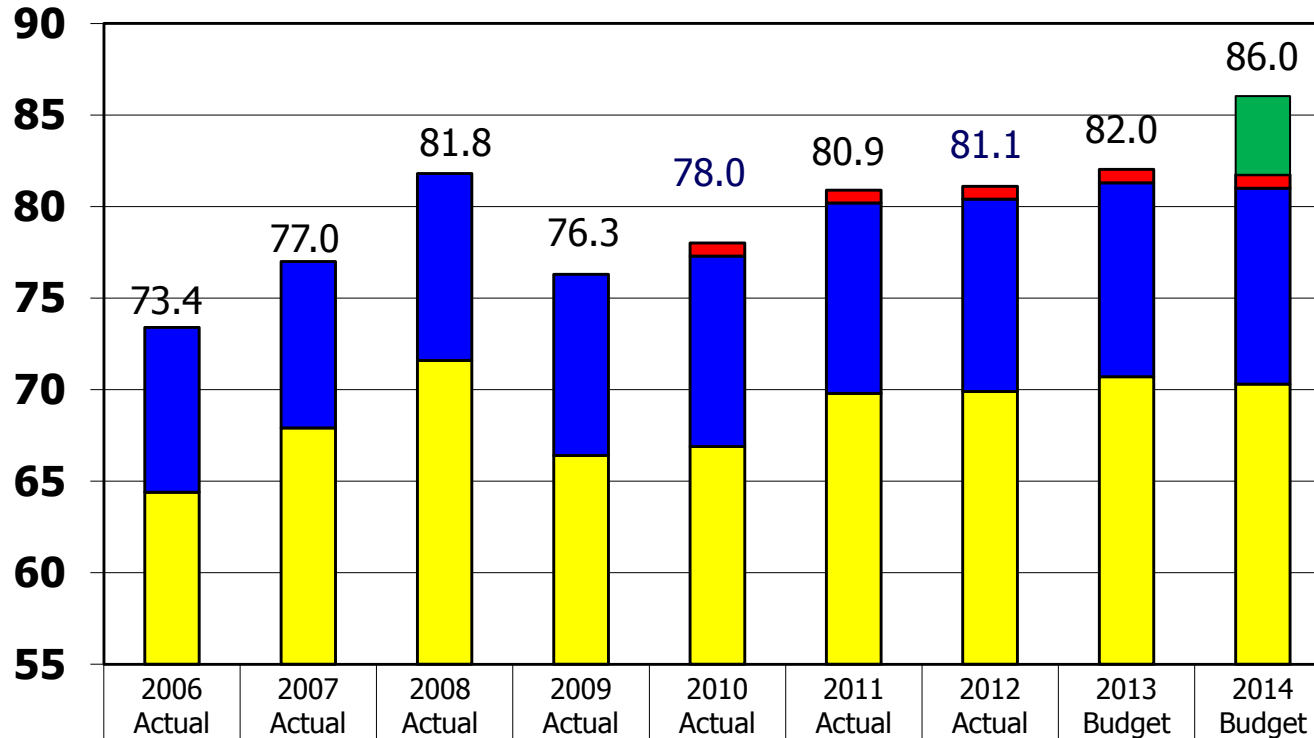


Metro Transit Budget Assumptions

- Maintains 2013 service levels
 - Green Line construction detours
 - Service revision along University
- Ridership at 86.0M (includes 4.3M for Green Line)
- Diesel fuel at \$3.40/gallon
- CTIB operating funding for Blue Line, Northstar and Green Line
- Green Line
 - Full system construction completion
 - Move into revenue operations
- Southwest light rail preliminary engineering
- No regional fare increase
- Review of Regional Fare Policy

Metro Transit Ridership

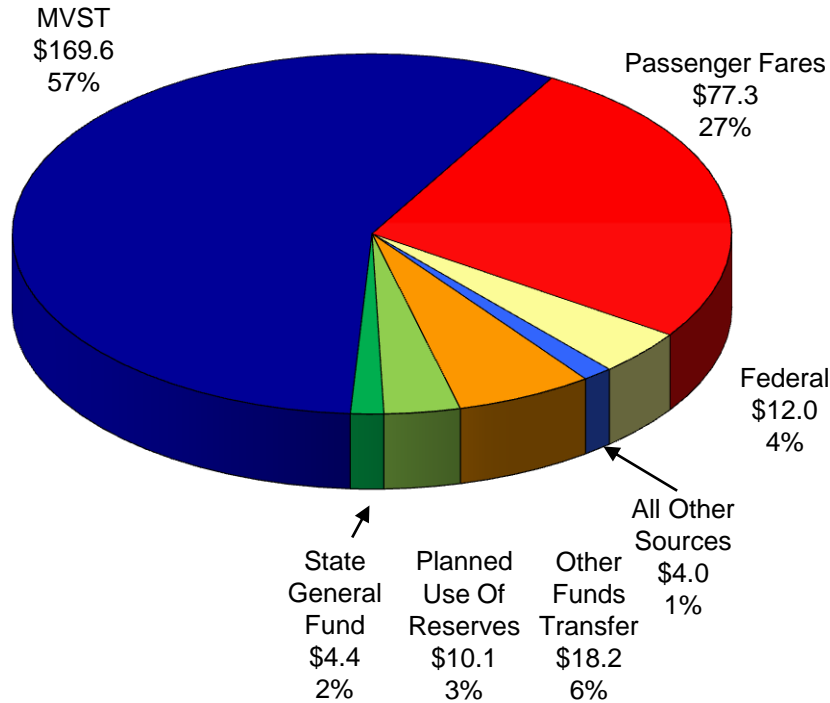
(in millions)



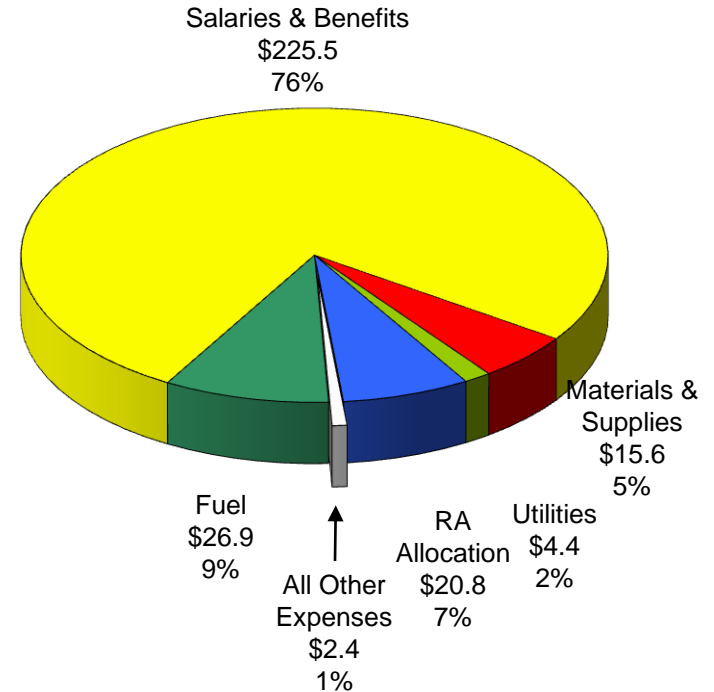
■ CCLRT									4.3
■ Northstar					0.71	0.7	0.7	0.72	0.74
■ HLRT	9.0	9.1	10.2	9.9	10.4	10.4	10.5	10.6	10.7
■ Bus	64.4	67.9	71.6	66.4	66.9	69.8	69.9	70.7	70.3

Metro Transit Bus 2014 Revenue & Expenses

Revenue
\$295.6M



Expenses
\$295.6M

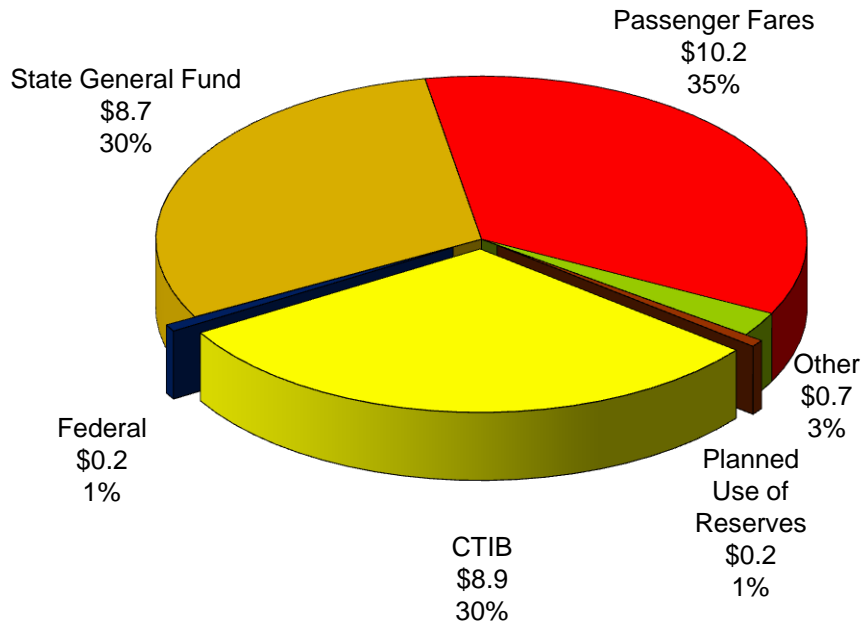


Metro Transit - Bus

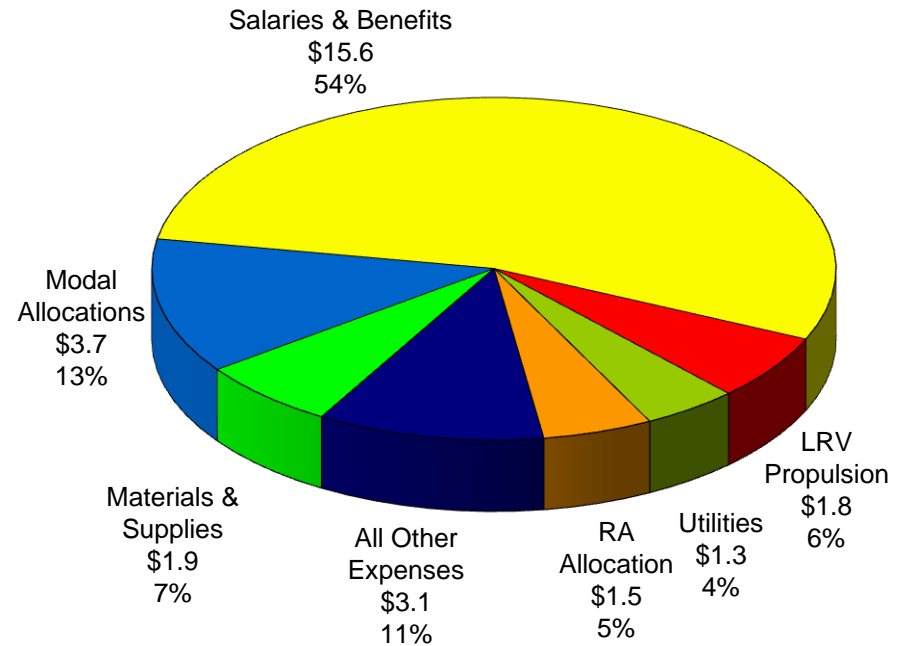
	2013 Adopted Budget	2014 Proposed Budget	\$ Change	% Change
Revenue:				
MVST	\$149.0	\$169.6	\$20.6	-
State General Fund	0	4.4	4.4	-
Subtotal	\$149.0	\$174.0	\$25.0	16.7%
Passenger Fares	\$78.5	\$77.3	(1.2)	(1.5)
Federal	15.8	12.0	(3.8)	(24.1)
Other Funds Transfer	20.0	18.2	(1.8)	(9.0)
Other	3.9	4.0	0.1	2.5
Total Revenue	\$267.2	\$285.5	\$18.3	6.8%
Expenses:				
Salaries & Benefits	\$219.0	\$225.5	\$6.5	3.0%
Fuel	26.8	26.9	0.1	0.4
Materials & Supplies	15.3	15.6	0.3	2.0
Council Allocations	18.1	20.8	2.7	14.9
Other	7.9	6.8	(1.1)	(13.9)
Total Expenses	\$287.1	\$295.6	\$8.5	3.0%
Net Income (Loss)	(\$19.9)	(\$10.1)	\$9.8	

Metro Transit Blue Line 2014 Revenue & Expenses

Revenue
\$28.9M



Expenses
\$28.9M

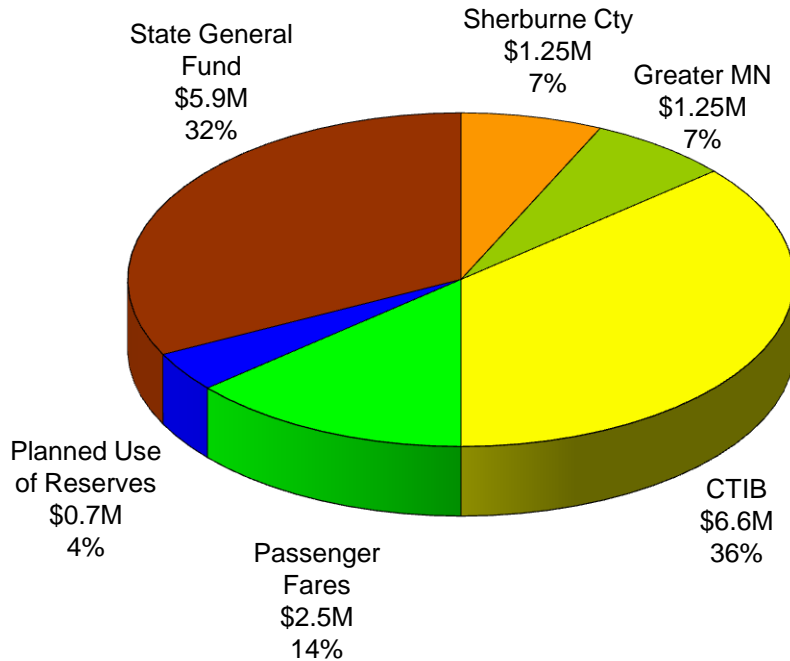


Metro Transit – Blue Line

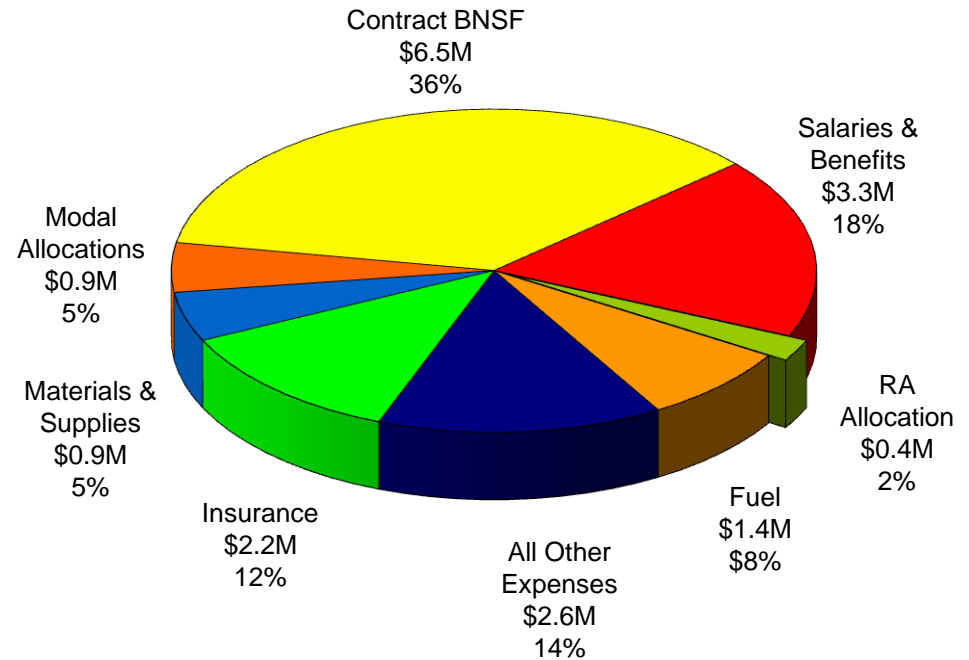
	2013 Adopted Budget	2014 Proposed Budget	\$ Change	% Change
Revenue:				
MVST	\$2.0	\$0.0	(\$2.0)	-
State General Fund	5.2	8.7	3.5	-
CTIB	11.5	8.9	(2.6)	-
Subtotal	\$18.7	\$17.6	(\$1.1)	(5.9%)
Passenger Fares	\$10.4	\$10.2	(\$0.2)	(1.9%)
Other	0.9	0.9	0	0
Total Revenue	\$30.0	\$28.7	(\$1.3)	(4.3%)
Expenses:				
Salaries & Benefits	\$15.8	\$15.6	(\$0.2)	(1.3%)
Propulsion	1.7	1.8	0.1	5.8
Materials & Supplies	1.7	1.9	0.2	11.7
Council Allocations	1.5	1.5	0	0
Other	9.1	8.1	(1.0)	(10.9)
Total Expenses	\$29.8	\$28.9	(\$0.9)	(3.0 %)
Net Income (Loss)	\$0.2	(\$0.2)	(\$0.4)	

Metro Transit Northstar 2014 Revenue & Expenses

Revenue
\$18.2M



Expenses
\$18.2M



Metro Transit - Northstar

	2013 Adopted Budget	2014 Proposed Budget	\$ Change	% Change
Revenue:				
MVST	\$3.9	\$0.0	(\$3.9)	-
State General Fund	-	5.9	5.9	
Greater MN	1.2	1.2	0	-
CTIB	7.9	6.6	(\$1.3)	-
Subtotal	\$13.0	\$13.7	\$0.7	5.4%
Passenger Fares	\$2.6	\$2.5	(\$0.1)	
Sherburne County	1.2	1.2	0	
Other	0.2	0.1	(0.1)	
Total Revenue	\$17.0	\$17.5	\$0.5	2.9%
Expenses:				
Salaries & Benefits	\$3.4	\$3.3	(\$0.1)	(2.9%)
Contract BNSF	6.3	6.5	0.2	3.1
Fuel	1.4	1.4	0	0
Materials & Supplies	0.9	0.9	0	0
Insurance	2.1	2.2	0.1	4.8
Other	3.9	3.9	0	0
Total Expenses	\$18.0	\$18.2	\$0.2	1.1%
Net Income (Loss)	(\$1.0)	(\$0.7)	\$0.3	

Metro Transit – Green Line

	2014 Proposed Pre-Revenue Budget	2014 Proposed Operating Budget	2014 Total Proposed Budget
Revenue:			
State General Fund	\$0	\$7.4	\$7.4
CTIB/Counties/Greater MN	0	5.8	5.8
Subtotal	\$0	\$13.2	\$13.2
Passenger Fares	\$0	\$4.1	\$4.1
Federal - FFGA	7.0	0	7.0
Other Funds Transfer	3.0	0	3.0
Other	0	0.2	0.2
Total Revenue	\$10.0	\$17.5	\$27.5
Expenses:			
Salaries & Benefits	\$9.5	\$7.9	\$17.4
Fuel/Propulsion	0	1.3	1.3
Materials & Supplies	0	1.0	1.0
Other	0.5	5.7	6.2
Total Expenses	\$10.0	\$15.9	\$25.9
Net Income (Loss)	\$0	\$1.6	\$1.6

Metro Transit - Bus & Rail Consolidated

	2013 Adopted Budget	2014 Proposed Budget	\$ Change	% Change
Revenue:				
MVST	\$154.9	\$169.6	\$14.7	
State General Fund	5.2	26.4	21.2	
CTIB/Counties/Greater MN	21.8	23.7	1.9	
Subtotal	\$181.9	\$219.7	\$37.8	23.9%
Passenger Fares	\$91.5	\$94.1	\$2.6	2.8%
Federal	23.1	19.0	(4.1)	17.7
Other Funds Transfer	20.0	21.2	1.2	(21.0)
Other	5.0	5.2	0.2	4.0
Total Revenue	\$321.5	\$359.2	\$37.7	11.8%
Expenses:				
Salaries & Benefits	\$245.5	\$261.8	\$16.3	6.6%
Contract BNSF	6.3	6.5	0.2	3.1
Fuel/Propulsion	29.9	31.4	1.5	5.0
Materials & Supplies	17.9	19.4	1.5	8.4
Council Allocations	20.0	22.7	2.7	13.5
Other	22.6	26.8	4.2	18.5
Total Expenses	\$342.2	\$368.6	\$26.4	7.7%
Net Income (Loss)	(\$20.7)	(\$9.4)	\$11.3	

Metro Transit

FTEs by Budget Year

	Bus	Blue Line	Northstar	Total	% Change	CCPO	Green Line	SWPO
2004	2526.4	149.0		2675.4	(1.9%)			
2005	2496.0	149.0		2645.0	(1.1%)			
2006	2423.9	153.0		2576.9	(2.6%)			
2007	2421.3	159.4	3.0	2583.7	0.7%	27.0		
2008	2479.1	168.2	5.8	2653.1	2.7%	40.0		
2009	2457.0	180.7	56.0	2693.7	1.5%	44.5		
2010 Budget	2424.6	181.0	52.5	2658.1	(1.3%)	48.0		
2010 Amended	2424.6	181.0	52.5	2658.1	0	59.0		7.0
2011 Budget	2442.2	183.2	52.5	2677.9	0.7%	59.0		7.0
2012 Budget	2427.3	183.2	52.5	2663.0	(0.6%)	87.3		7.0
2013 Budget	2475.0	191.0	49.0	2715.0	1.9%	59.0	84.0	38.0
2014 Budget	2548.7	192.2	49.2	2790.1	2.7%	59.0	170.0	45.0

Metropolitan Transportation Services

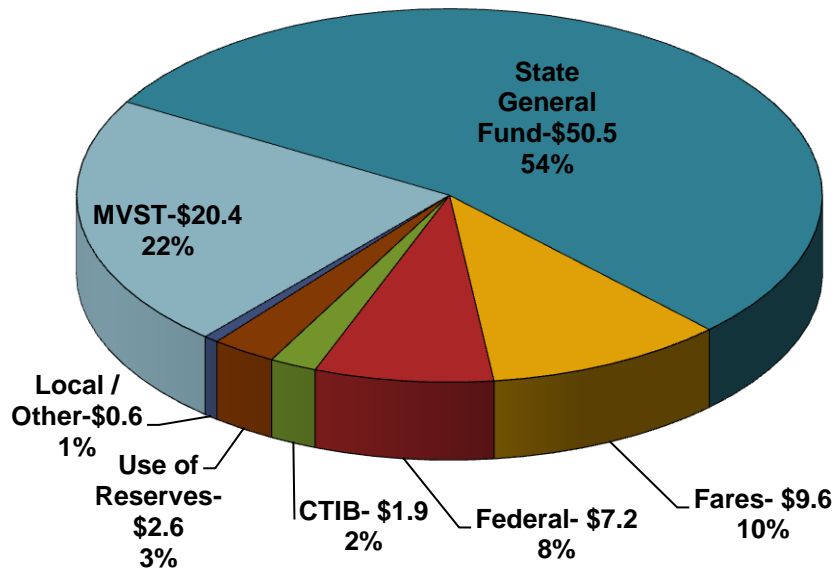


MTS Budget Assumptions

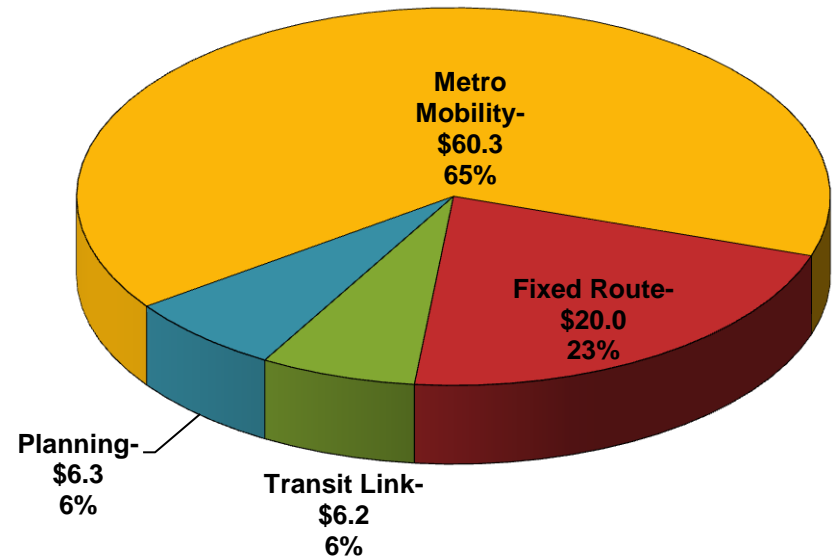
- Increase fixed route service by 9% - route restructuring related to Metro Green Line
- Full year of station-to-station service for Metro Red Line
- Preserve Transit Link service at 2013 budgeted levels
- Meet anticipated demand for the Metro Mobility ADA program
- STPs continue to draw from operating reserves where appropriate to address deficits
- No fare increase

Metropolitan Transportation Services 2014 Revenue & Expenses

Revenue
\$92.8M



Expenses
\$92.8M



\$ amounts in millions

MTS Revenue and Expenditures (\$ in millions)

	2013 Adopted	2014 Proposed	\$ Change	% Change
MVST	\$26.5	\$20.4	(\$6.1)	(23.0%)
General Fund	\$46.8	\$50.5	\$3.7	7.9%
Subtotal State	\$73.3	\$70.9	(\$2.4)	(3.3%)
Federal	\$6.0	\$7.2	\$1.2	20.0%
CTIB	\$1.9	\$1.9	\$0.0	0
Local/Other	\$0.8	\$0.6	(\$0.2)	(25.0%)
Fares	\$9.0	\$9.6	\$0.6	6.7%
Total Revenue	\$91.0	\$90.2	(\$0.8)	(0.9%)
Metro Mobility	\$53.4	\$60.3	\$6.9	12.9%
Planning	\$5.9	\$6.3	\$0.4	6.8%
Fixed Route	\$17.9	\$20.0	\$2.1	11.7%
Transit Link	\$5.8	\$6.2	\$0.4	6.9%
Total Expenditures	\$83.0	\$92.8	\$9.8	11.8%
Net Income/(Loss)	\$8.0	(\$2.6)		
FTE	40	44		

MTS Pass-through Program

Suburban Transit Providers - \$28.7M

- MVTA and SWT will receive \$4.8M and \$1.5M , respectively, in Regionally Allocated MVST in 2014.
- Other Regional Suburban Transit Providers will continue to use reserve balances over regional targets.

Suburban Transit Provider – MVST Usage				
	2013	2014	\$ Difference	% Difference
Base	\$ 20.0 M	\$ 22.4 M	\$2.4	12.0%
Regionally Allocated	\$ 5.5 M	\$ 6.3 M	\$0.8	14.5%
Totals	\$ 25.5 M	\$ 28.7 M	\$3.2	12.5%

Metro Mobility (\$ in millions)

	2013 Adopted Budget	2014 Proposed Budget	\$ Change	% Change
Revenue:				
General Fund	46.8	50.5	3.7	7.9%
MVST	5.1	0.0	(5.1)	-100%
Subtotal State	51.9	50.5	(1.4)	(2.7%)
Fares	6.5	7.1	0.6	9.2%
Federal	0.0	0.0	0.0	0.0%
Other	0.6	0.7	0.1	16.7%
Total Revenue	59.0	58.3	(0.7)	(1.2%)
Expenses:				
Provider Contracts	43.8	49.6	5.8	13.2%
Fuel	7.8	8.5	0.7	9.0%
Salaries & Benefits	0.8	1.1	0.3	37.5%
Other Expenses	0.5	0.5	0.0	0.0%
Council Allocations	0.5	0.6	0.1	20.0%
Total Expenses	53.4	60.3	6.9	12.9%
Net Income (Loss)	5.6	(2.0)		

MTS Programs

Metro Mobility - \$60.3M

Budget increase of \$6.9M includes:

- Provider contract costs increased \$4.8 M due to increased revenue hours
- Provider contract costs increased \$1.0 M due to annual rate increases
- Assumed ridership growth of 10%
- Fuel expense is driven by a higher anticipated price (\$3.50/gallon to \$3.75/gallon) and a higher consumption level due to additional revenue hours
- Service levels partially dictated by federal and state law

MTS Programs (cont.)

Transportation Planning - \$6.3M

Budget increase of \$0.4M includes:

- (\$0.39M) reduction in consulting expenses , driven by reduction in TBI expenses and increases in salary and allocation expenses which reduces funds available for consulting
- \$0.42M increase in Job Access and Reverse Commute and New Freedom federal funds pass-through
- \$0.25M increase in salaries (temporary positions)
- \$0.13M increase in cost allocations, driven by salary allocation methodology

MTS Programs (cont.)

Fixed Route - \$20.0M

- Budget increase of \$2.1M is driven by the inclusion of a full year of station-to-station service for Red Line and service restructuring

Transit Link - \$5.8M

Budget increase is driven by contract inflation rate increases.

- Budget includes \$609,000 Section 5311 (non-urbanized area) federal funding:
 - Mn/DOT competitive grant process
 - Grants awarded mid-October
 - Differing grant award may require budget adjustments

Historic FTEs

	2009	2010	2011	2012	2013	*2014
Adopted FTEs	41	39	39	39	40	44

* Includes 2 temporary FTEs

Budget/Levy Adoption Schedule

August 22	Adopt Preliminary Operating Budgets and Tax Levies
September	Present Preliminary Capital Program
October 24	Adopt Public Comment Versions of Operating Budget, Levies and Capital Program
December 12	6:00pm Hear Public Comments Adopt Final Operating Budget, Levies and Capital Program