

# Metropolitan Council Transportation Division 2015 Operating Budget

Transportation Committee

July 14, 2014



# Transit Budget Objectives

- Support *Thrive MSP 2040*
  - Five Outcomes:
    - ❑ Stewardship
    - ❑ Prosperity
    - ❑ Equity
    - ❑ Livability
    - ❑ Sustainability
  - Three Principles:
    - ❑ Integration
    - ❑ Collaboration
    - ❑ Accountability
- Support the Council's framework and Regional Transportation Policy Plan (TPP)

# Financial Objectives

## Application to Transit Budget

- ❑ 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

Stewardship

Prosperity

Equity

Livability

Integration

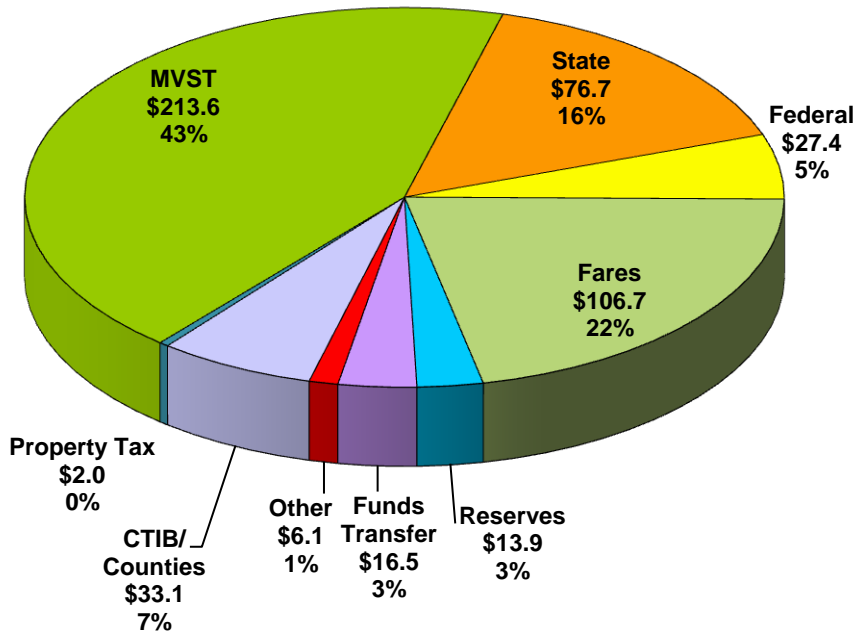
Collaboration

Accountability

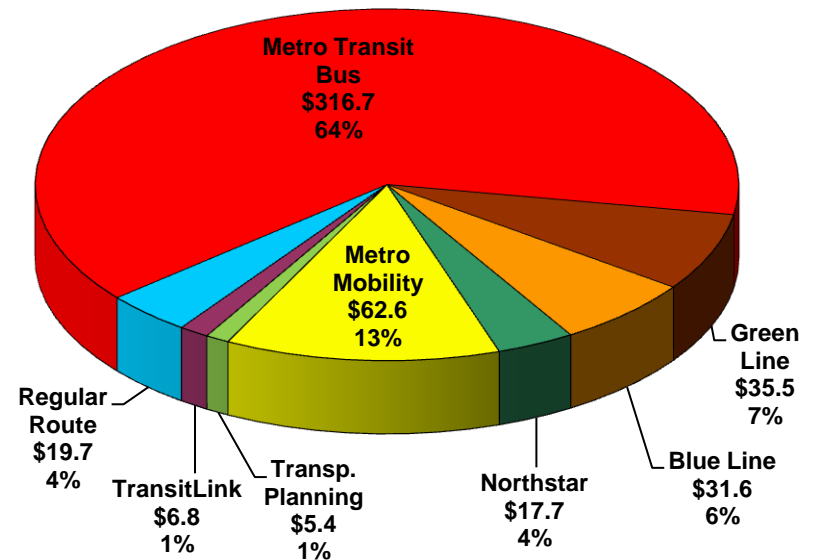
Sustainability

# Proposed 2015 Transportation Budget

Revenue  
\$496.0M



Expenses  
\$496.0M



# Fund Balances

(\$ in millions)

	<b>2013 Actual</b>	<b>2014 Forecast</b>	<b>2015 Budget</b>	<b>Council Target</b>	
				\$	%
Metro Transit Bus	\$46.1	\$39.3	\$34.6	\$25.1	8.3%
Metro Transit LRT	\$3.5	\$5.6	\$5.4	\$5.6	8.3%
Metro Transit Northstar	\$4.9	\$5.1	\$2.6	\$1.5	8.3%
Metro Mobility	\$15.4	\$10.2	\$6.6	\$6.3	10.0%
Transportation Planning & Contracted Services	\$8.6	\$7.5	\$5.0	\$4.3	15.0%
<b>TOTAL</b>	<b>\$78.5</b>	<b>\$67.7</b>	<b>\$54.2</b>	<b>\$42.8</b>	



# Metro Transit



# Metro Transit Budget Assumptions

- Maintains 2014 service levels with the following adjustments:
  - A Line Fall Quarter 2015
  - Contingency for overloads & bus bridge support
  - Park & Rides at Manning & 610 Noble
  - Adjust operators, mechanics, fuel, parts to meet service plan
- Ridership at 89.4M (includes 9.1M for Green Line)
- Diesel fuel at \$3.35/gallon
- CTIB operating funding for Blue Line, Northstar and Green Line
- Green Line
  - Full year Revenue Operations
  - Annualization of support staff to support operations
- Southwest light rail preliminary engineering

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability

## Metro Transit Budget Assumptions, cont.

- Review of Regional Fare Policy
- No regional fare increase
- Strategic Initiatives Department
- Leadership Academy Initiative
- BNSF \$1.0M adjustment for contracted services
- Police operations support
  - Support revenue operations
  - Adjust part time hours for deployment strategies
  - Staffing to support Blue Line, Green Line, Snelling A Line, Red Line

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

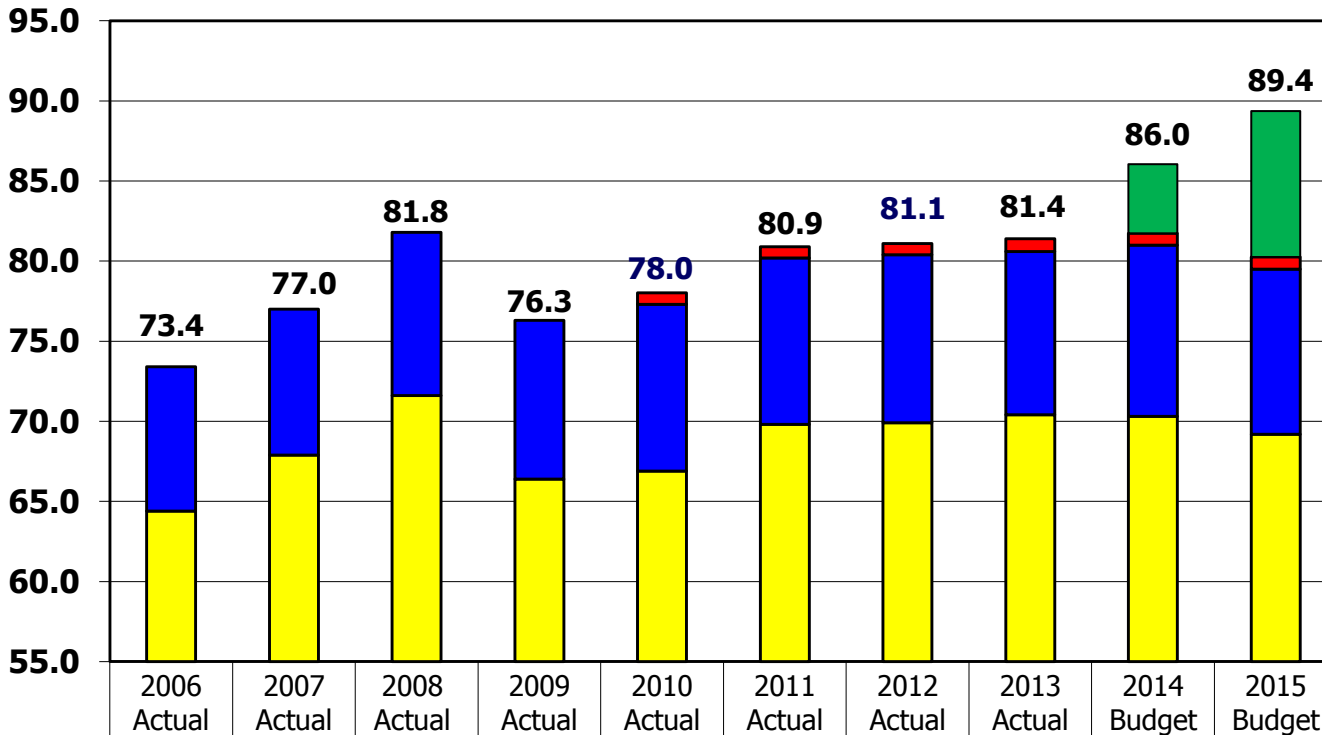
Collaboration

Accountability



# Metro Transit Ridership

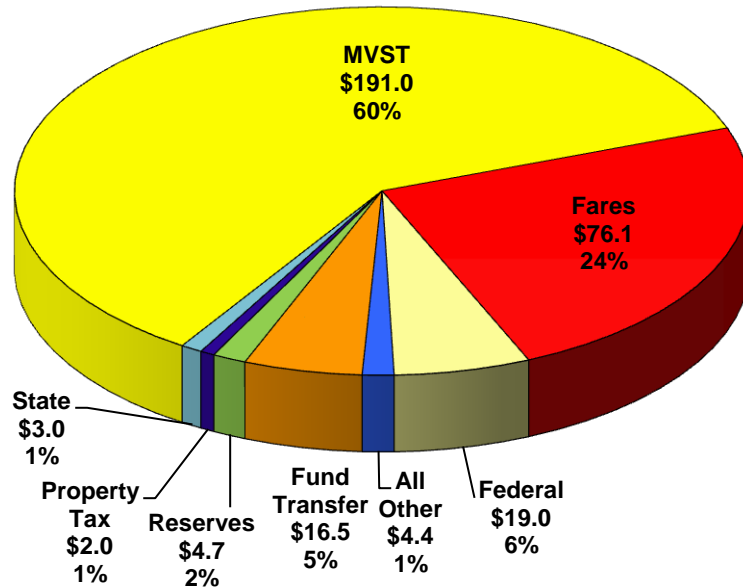
(in millions)



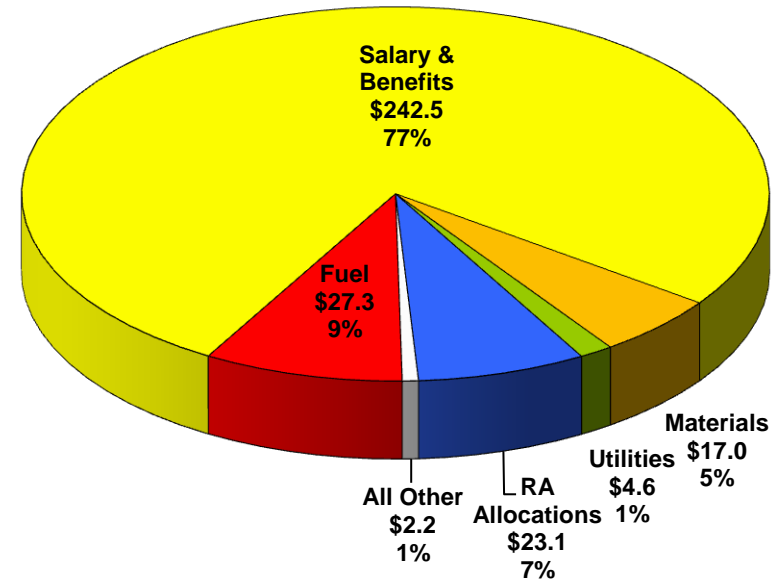
Green Line									4.3	9.1
Northstar					0.71	0.7	0.7	0.79	0.74	0.76
Blue Line	9.0	9.1	10.2	9.9	10.4	10.4	10.5	10.2	10.7	10.3
Bus	64.4	67.9	71.6	66.4	66.9	69.8	69.9	70.4	70.3	69.2

# Metro Transit Bus 2015 Revenue & Expenses

Revenue  
\$316.7M



Expenses  
\$316.7M

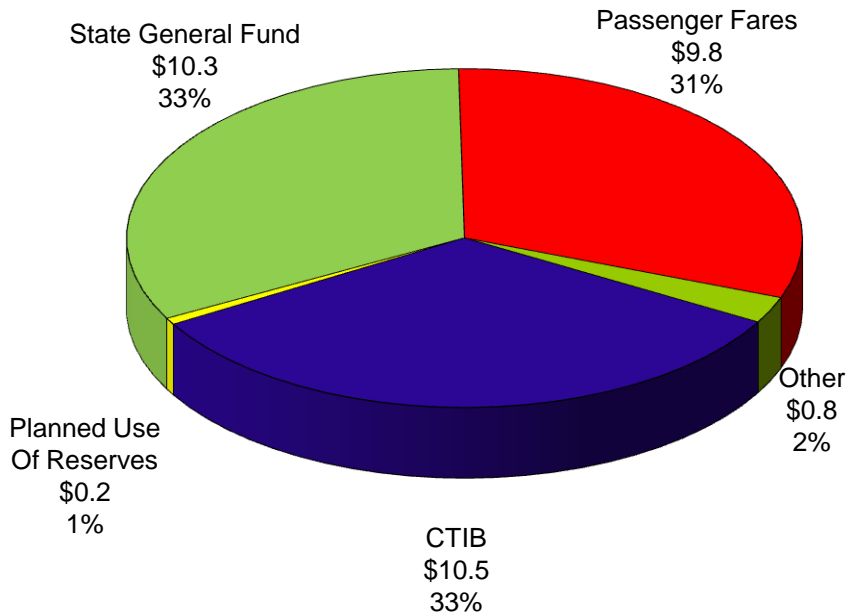


# Metro Transit - Bus

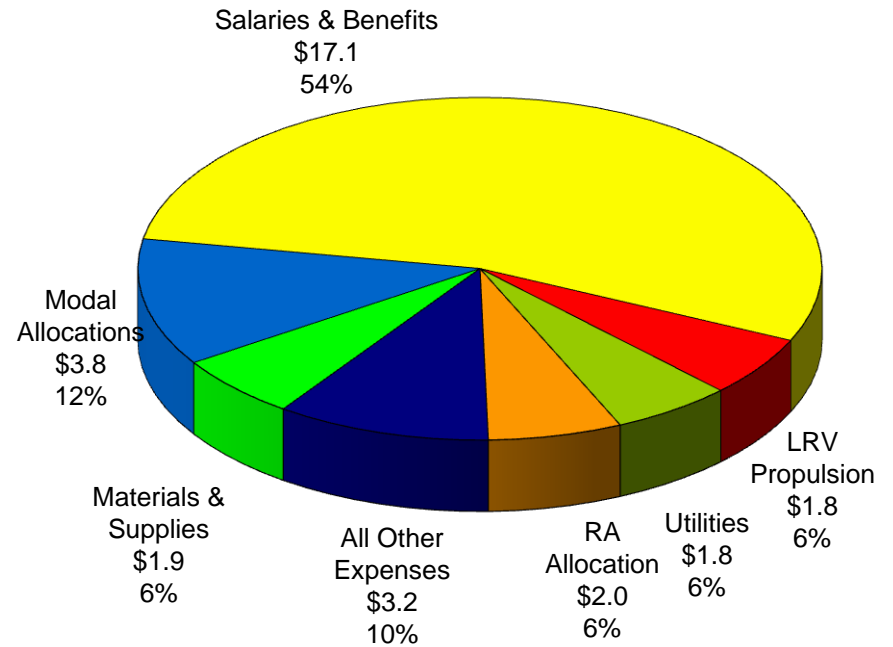
	2014 Adopted Budget	2015 Proposed Budget	\$ Change	% Change
<b>Revenue:</b>				
MVST	\$168.6	\$191.0	\$22.4	-
State General Fund	8.3	3.0	(5.3)	-
Subtotal	\$176.9	\$194.0	\$17.1	9.6%
Passenger Fares	\$77.3	\$76.1	(1.2)	(1.5)
Federal	12.0	19.0	7.0	58.3
Other Funds Transfer	15.5	16.5	1.0	6.5
Property Tax	3.6	2.0	(1.6)	(44.4)
Other	4.0	4.4	0.4	2.5
<b>Total Revenue</b>	<b>\$289.3</b>	<b>\$312.0</b>	<b>\$22.7</b>	<b>7.8%</b>
<b>Expenses:</b>				
Salaries & Benefits	\$226.1	\$242.5	\$16.4	7.2%
Fuel	26.9	27.3	0.4	1.5
Materials & Supplies	15.6	17.0	1.4	8.9
Council Allocations	20.4	23.1	2.7	13.2
Other	9.7	6.8	(2.9)	(29.8)
<b>Total Expenses</b>	<b>\$298.7</b>	<b>\$316.7</b>	<b>\$18.0</b>	<b>6.0%</b>
<b>Net Income (Loss)</b>	<b>(\$9.4)</b>	<b>(\$4.7)</b>	<b>\$4.7</b>	

# METRO Blue Line 2015 Revenue & Expenses

Revenue  
\$31.6M



Expenses  
\$31.6M

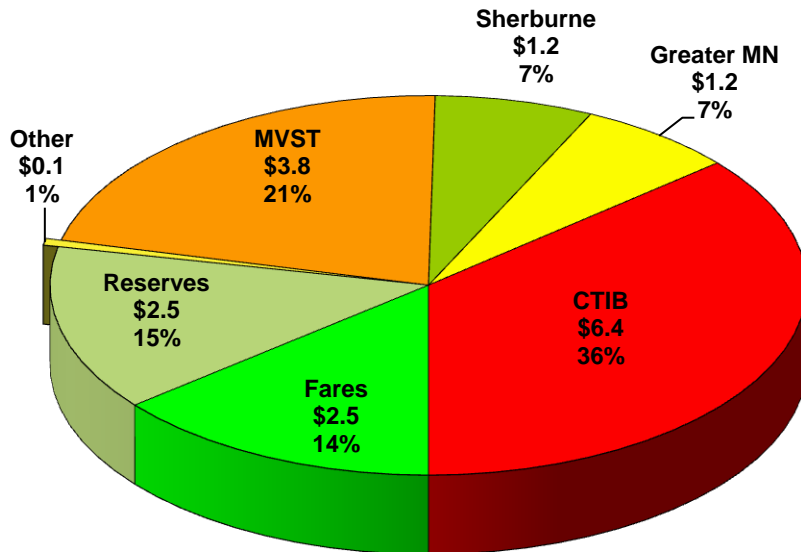


# METRO Blue Line

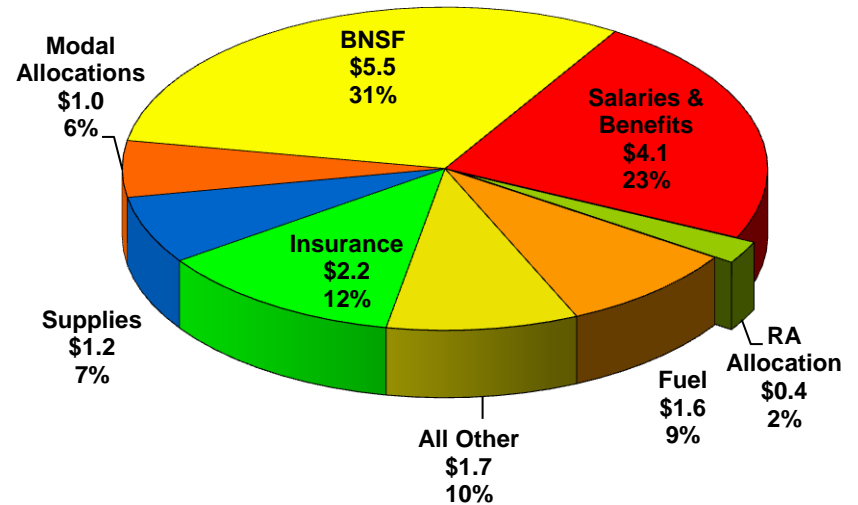
	2014 Adopted Budget	2015 Proposed Budget	\$ Change	% Change
<b>Revenue:</b>				
State General Fund	\$9.1	\$10.3	\$1.2	-
CTIB	9.2	10.5	1.3	-
Subtotal	\$18.3	\$20.8	\$2.5	13.7%
Passenger Fares	\$10.2	\$9.8	(\$0.4)	(3.9%)
Other	1.0	0.8	(0.2)	(20.0%)
<b>Total Revenue</b>	<b>\$29.5</b>	<b>\$31.4</b>	<b>\$1.9</b>	<b>6.4%</b>
<b>Expenses:</b>				
Salaries & Benefits	\$16.2	\$17.1	0.9	5.5%
Propulsion	1.8	1.8	0	0
Materials & Supplies	1.9	1.9	0	0
Council Allocations	1.5	2.0	0.5	33.3
Other	8.2	8.8	0.6	7.3
<b>Total Expenses</b>	<b>\$29.6</b>	<b>\$31.6</b>	<b>\$2.0</b>	<b>\$6.7%</b>
<b>Net Income (Loss)</b>	<b>(\$0.1)</b>	<b>(\$0.2)</b>	<b>(\$0.1)</b>	

# Metro Transit Northstar 2015 Revenue & Expenses

Revenue  
\$17.7M



Expenses  
\$17.7M

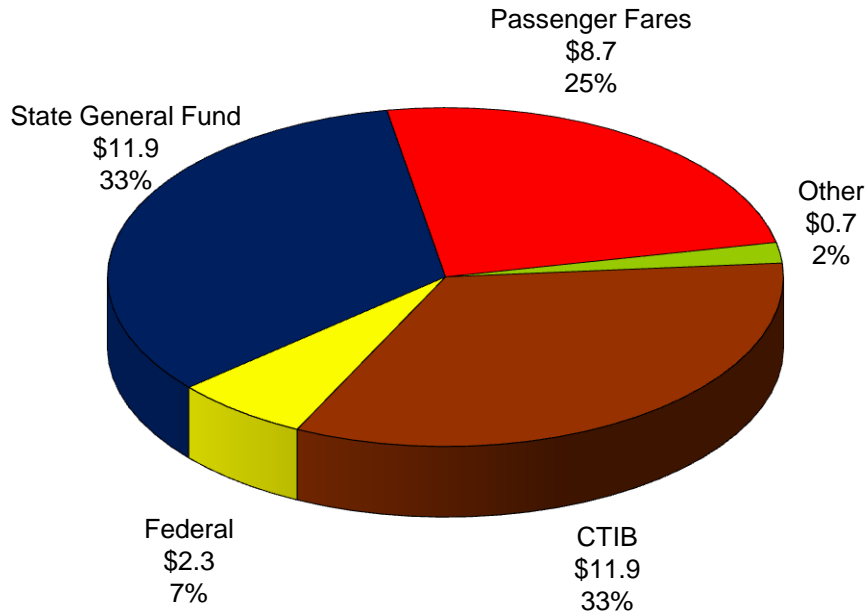


# Metro Transit - Northstar

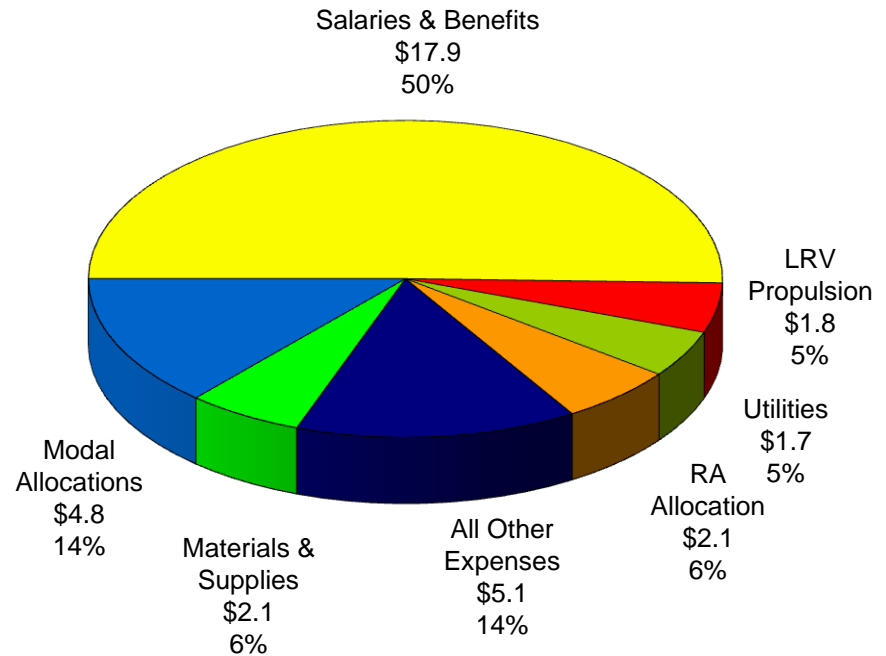
	2014 Adopted Budget	2015 Proposed Budget	\$ Change	% Change
<b>Revenue:</b>				
MVST	\$5.9	\$3.8	(\$2.1)	-
Greater MN	1.2	1.2	0	-
CTIB	6.6	6.4	(\$0.2)	-
Subtotal	\$13.7	\$11.4	(\$2.3)	(16.8%)
Passenger Fares	\$2.5	\$2.5	0	
Sherburne County	1.2	1.2	0	
Other	0.1	0.1	0	
<b>Total Revenue</b>	<b>\$17.5</b>	<b>\$15.2</b>	<b>(\$2.3)</b>	<b>(13.1%)</b>
<b>Expenses:</b>				
Salaries & Benefits	\$3.3	\$4.1	\$0.8	\$24.2%
Contract BNSF	6.5	5.5	(1.0)	(15.4)
Fuel	1.4	1.6	0.2	14.3
Materials & Supplies	0.9	1.2	0.3	33.3
Insurance	2.2	2.2	0	0
Other	3.9	3.1	(0.8)	(20.5)
<b>Total Expenses</b>	<b>\$18.2</b>	<b>\$17.7</b>	<b>(\$0.5)</b>	<b>(2.7%)</b>
<b>Net Income (Loss)</b>	<b>(\$0.7)</b>	<b>(\$2.5)</b>	<b>(\$1.8)</b>	

# METRO Green Line 2015 Revenue & Expenses

Revenue  
\$35.5M



Expenses  
\$35.5M





# METRO Green Line

	2015 Proposed Budget
<b>Revenue:</b>	
State General Fund	\$11.9
CTIB	11.9
Subtotal	<u>\$23.8</u>
Passenger Fares	\$8.7
Federal	2.3
Other	0.7
<b>Total Revenue</b>	<b><u>\$35.5</u></b>
<b>Expenses:</b>	
Salaries & Benefits	\$17.9
Propulsion	1.8
Materials & Supplies	2.1
Council Allocations	2.1
Other	11.6
<b>Total Expenses</b>	<b><u>\$35.5</u></b>
<b>Net Income (Loss)</b>	<b><u>\$0</u></b>

# Metro Transit - Bus & Rail Consolidated

	2014 Adopted Budget	2015 Proposed Budget	\$ Change	% Change
<b>Revenue:</b>				
MVST	\$174.5	\$194.8	\$20.3	
State General Fund	26.5	25.2	(1.3)	
CTIB/Counties/Greater MN	24.5	31.2	6.7	
Subtotal	\$225.5	\$251.2	\$25.7	11.4%
Passenger Fares	\$94.1	\$97.1	\$3.0	3.2%
Federal	13.2	21.3	8.1	61.4
Other Funds Transfer	15.5	16.5	1.0	6.6
Other	8.8	8.0	(0.8)	(9.1)
<b>Total Revenue</b>	<b>\$357.1</b>	<b>\$394.1</b>	<b>\$37.0</b>	<b>10.4%</b>
<b>Expenses:</b>				
Salaries & Benefits	\$253.8	\$281.6	\$27.8	11.0%
Contract BNSF	6.5	5.5	(1.0)	(15.4)
Fuel/Propulsion	31.4	32.5	1.1	3.5
Materials & Supplies	19.7	22.2	2.5	12.7
Council Allocations	23.0	27.5	4.5	19.5
Other	30.0	32.2	2.2	7.3
<b>Total Expenses</b>	<b>\$364.4</b>	<b>\$401.5</b>	<b>\$37.1</b>	<b>10.1%</b>
<b>Net Income (Loss)</b>	<b>(\$7.3)</b>	<b>(\$7.4)</b>	<b>(\$0.1)</b>	

# Metro Transit

## FTEs by Budget Year

	Bus	Blue Line	Green Line	Northstar	Total	% Change	CCPO	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	84.0	49.0	2799.0	5.1%	59.0	38.0
2014 Budget	2553.7	198.2	176.0	49.2	2977.1	6.3%	59.0	45.0
2015 Budget	2662.3	203.9	198.5	49.2	3113.9	4.5%	0	45.0

# Metropolitan Transportation Services



# MTS Budget Assumptions

- No fare increase
- Transportation Planning budgeted at 2014 levels
- Metro Mobility ADA will meet anticipated demand
- Restructured regular route service due to METRO Green Line
- Transit Link service increased to balance regional denial rates
- STPs continue to draw from operating reserves

Stewardship

Prosperity

Equity

Livability

Sustainability

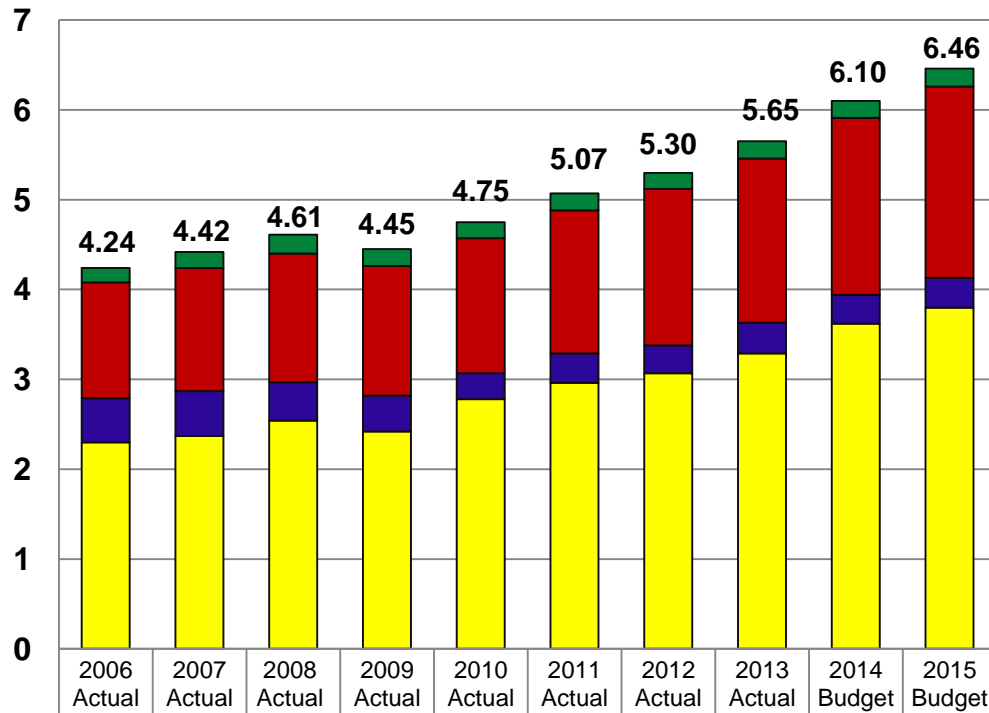
Integration

Collaboration

Accountability

# Contracted Services Ridership

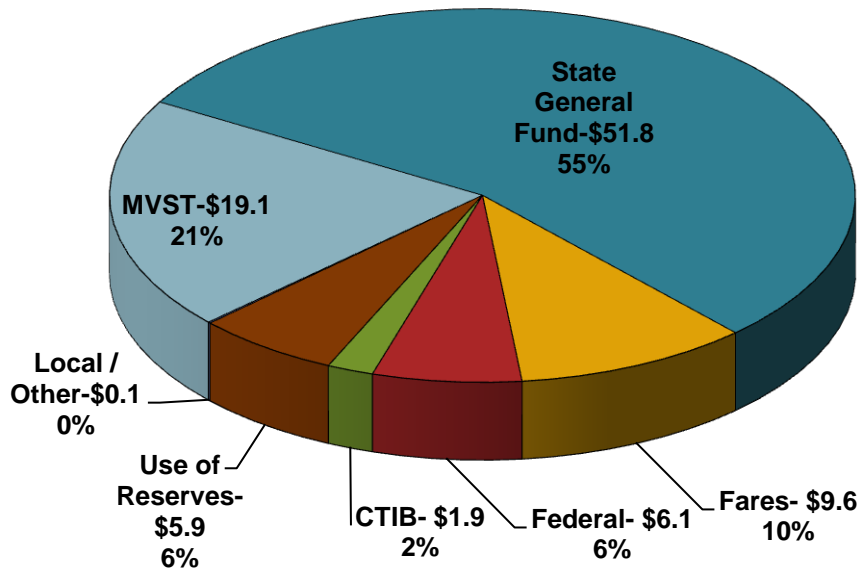
(in millions)



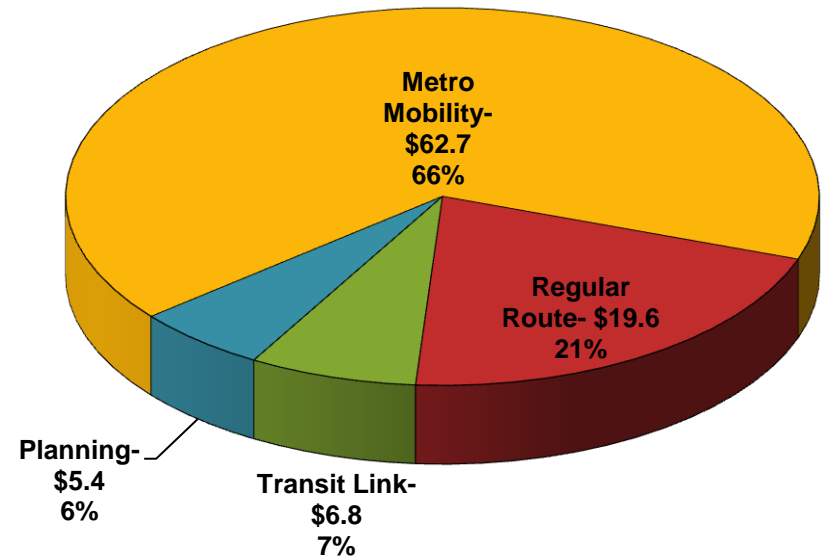
■ Vanpool	0.16	0.18	0.21	0.19	0.18	0.19	0.18	0.19	0.19	0.2
■ Metro Mobility	1.29	1.37	1.43	1.44	1.5	1.59	1.74	1.83	1.97	2.13
■ Transit Link	0.49	0.5	0.43	0.4	0.29	0.33	0.31	0.34	0.32	0.33
■ Contracted Regular Route	2.3	2.37	2.54	2.42	2.78	2.96	3.07	3.29	3.62	3.8

# Metropolitan Transportation Services 2015 Revenue & Expenses

Revenue  
\$94.5M



Expenses  
\$94.5M



\$ amounts in millions

# MTS Revenue and Expenditures (\$ in millions)

	2014 Adopted	2015 Proposed	\$ Change	% Change
MVST	\$19.5	\$19.1	(\$0.4)	(2.1%)
General Fund	\$47.4	\$51.8	\$4.4	9.3%
<b>Subtotal State</b>	<b>\$66.9</b>	<b>\$70.9</b>	<b>\$4.0</b>	<b>6.0%</b>
Federal	\$7.1	\$6.1	(\$1.0)	(14.1%)
CTIB	\$2.1	\$1.9	(\$0.2)	(9.5%)
Local/Other	\$0.8	\$0.1	(\$0.7)	(87.5%)
Fares	\$9.6	\$9.6	\$0.0	0.0%
<b>Total Revenue</b>	<b>\$86.4</b>	<b>\$88.6</b>	<b>\$2.1</b>	<b>2.4%</b>
Metro Mobility	\$60.3	\$62.7	\$2.4	4.0%
Planning	\$6.3	\$5.4	(\$0.9)	(14.3%)
Regular Route	\$20.0	\$19.6	(\$0.4)	(2.0%)
Transit Link	\$6.2	\$6.8	\$0.6	9.7%
<b>Total Expenditures</b>	<b>\$92.8</b>	<b>\$94.5</b>	<b>\$1.7</b>	<b>1.8%</b>
<b>Net Income/(Loss)</b>	<b>(\$6.3)</b>	<b>(\$5.9)</b>		



# MTS Pass-through Program

(\$ in millions)

## Suburban Transit Providers

- SWT estimated to receive \$534,000 in Regionally Allocated MVST
- MVTA estimated to receive \$0 in Regionally Allocated MVST
- Suburban Transit Providers continue to use reserve balances over regional targets

<b>MVST</b>	<b>2014 Adopted</b>	<b>2015 Proposed</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Base</b>	<b>\$ 22.4M</b>	<b>\$ 24.5M</b>	<b>\$2.1M</b>	<b>9.4%</b>
<b>Regionally Allocated</b>	<b>\$ 6.3M</b>	<b>\$ 0.5M</b>	<b>(\$5.8M)</b>	<b>(92.1%)</b>
<b>Totals</b>	<b>\$ 28.7M</b>	<b>\$ 25.0M</b>	<b>(\$3.7)</b>	<b>(12.9%)</b>

# Metro Mobility

Total Budget: \$62.7M

- Federal requirements for 0% denial rate
- 8% assumed ridership growth
- Cost inflation
- Service structure efficiencies
- 3.8% expense growth

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

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Accountability

# Contracted Services: Regular Route

Total Budget: \$19.6M

- Restructured service to align with Green Line
- 16,000 more service hours
- New bus types drive budget decrease
- 2% expense decrease

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability

# Contracted Services: Transit Link

Total Budget: \$6.8M

- Service levels increased to balance regional denial rates
- Cost inflation
- 8% expense growth

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability

# Transportation Planning

Total Budget: \$5.4M

- Budgeting at 2014 levels
- \$0.5M decrease in federal grant pass-through to regional subrecipients
- Budget may change prior to public comment

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

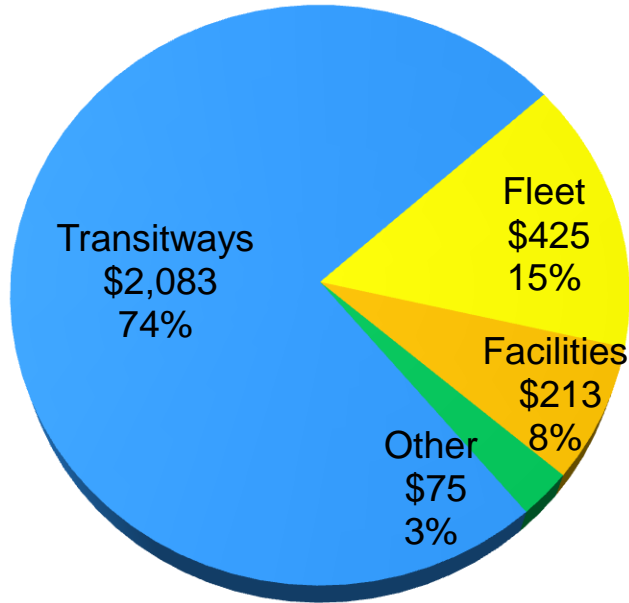
29

Accountability

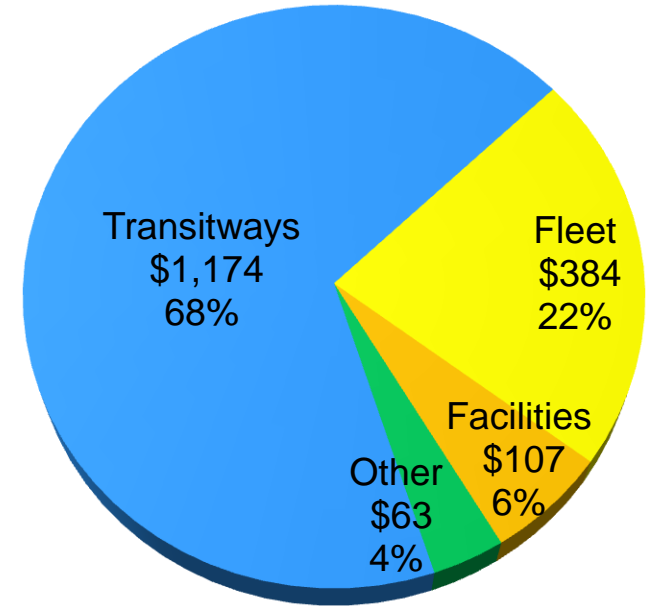
# Historic FTEs

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
Adopted FTEs	39	39	39	40	44	43

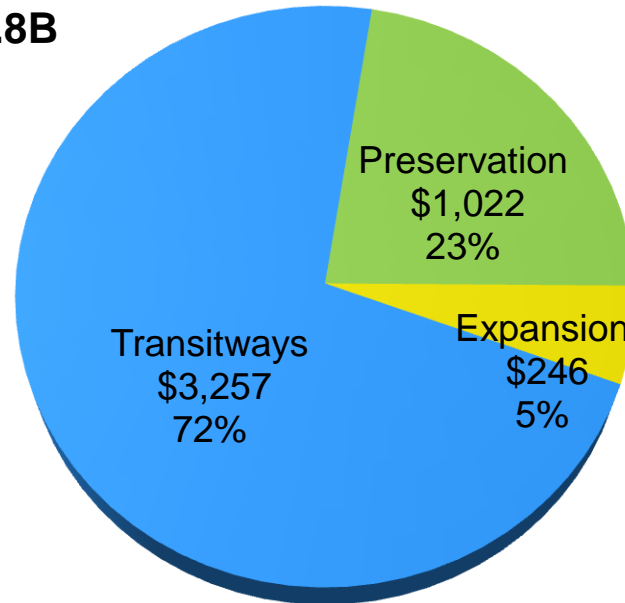
# Transportation 2014 Capital Improvement Program - \$4.5B



**Authorized Projects - \$2.8B**



**Planned Projects - \$1.7B**

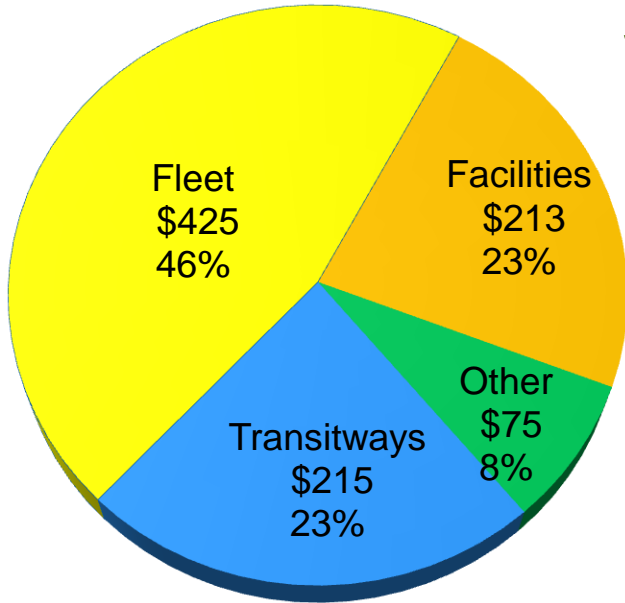


**Projects By Category - \$4.5B**

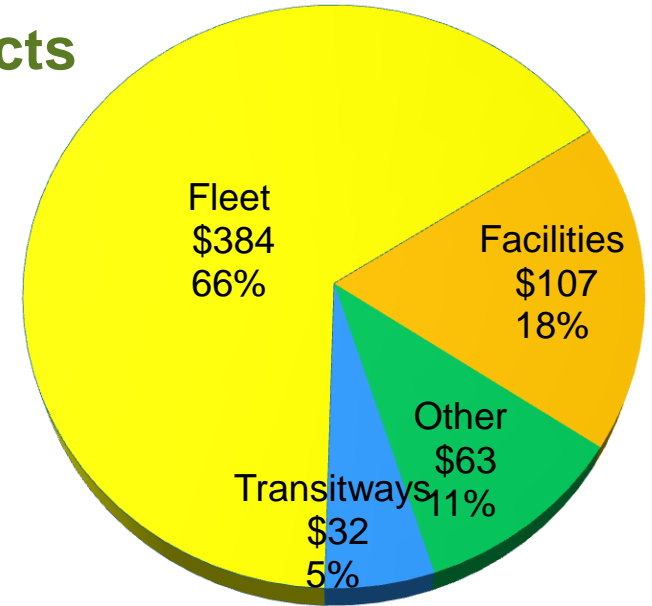


# Transportation 2014 Capital Improvement Program - \$1.5B

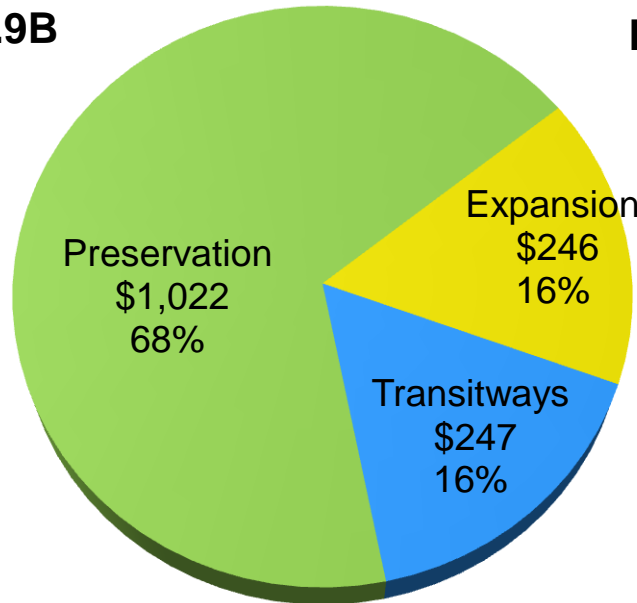
without rail projects



Authorized Projects - \$0.9B



Planned Projects - \$0.6B

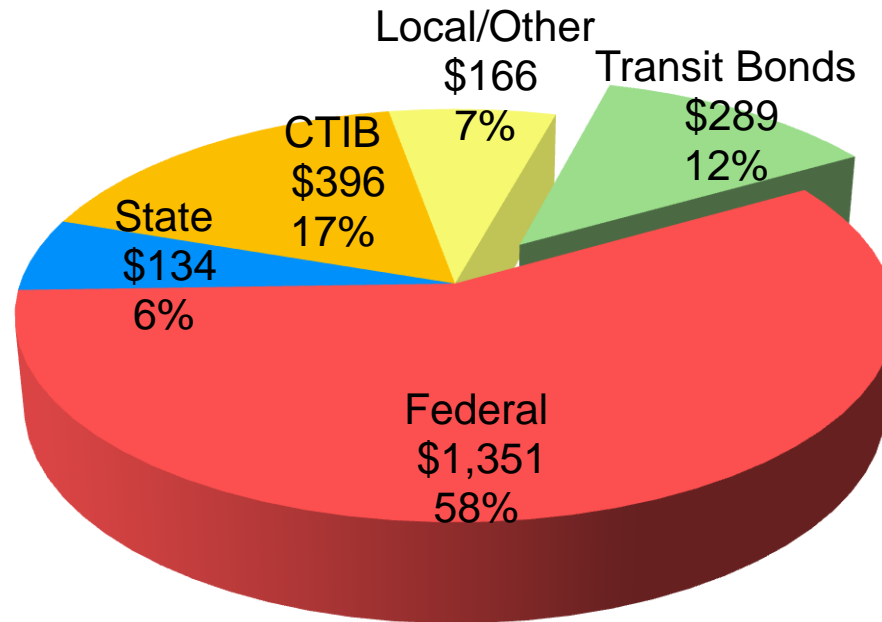


Projects By Category - \$1.5B





# Financing the Transportation CIP: Sources of Funds Authorized and Planned Projects



\$ in Millions

Funding of Post-2013 Spending on Authorized and Planned Projects



# Budget/Levy Adoption Schedule

- |             |   |
|-------------|---|
| August 27   | Adopt Preliminary Operating Budgets and Tax Levies                                      |
| September   | Present Preliminary Capital Program   |
| October 22  | Adopt Public Comment Versions of Operating Budget, Levies and Capital Program           |
| December 10 | 6:00pm Hear Public Comments<br>Adopt Final Operating Budget, Levies and Capital Program |