



# Metropolitan Council Transportation Division 2016 Operating Budget

Transportation Committee  
July 27, 2015



# Budget/Levy Adoption Schedule

August 26	Adopt Preliminary Operating Budgets and Tax Levies
September	Present Preliminary Capital Program
October 28	Adopt Public Comment Versions of Operating Budget, Levies and Capital Program
December 9	Public Comments Adopt Final Operating Budget, Levies and Capital Program

# Financial Objectives

## Application to Transit Budget

- ❑ Grow ridership
- ❑ 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

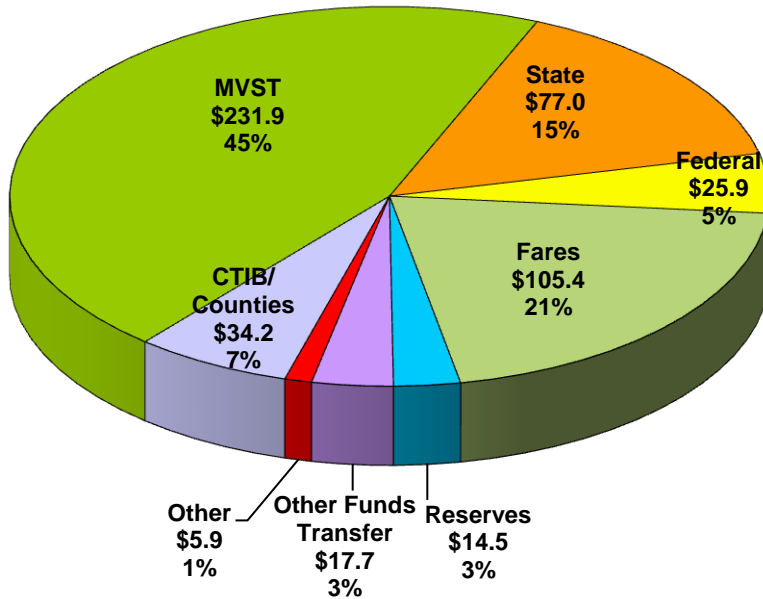
Collaboration

Accountability

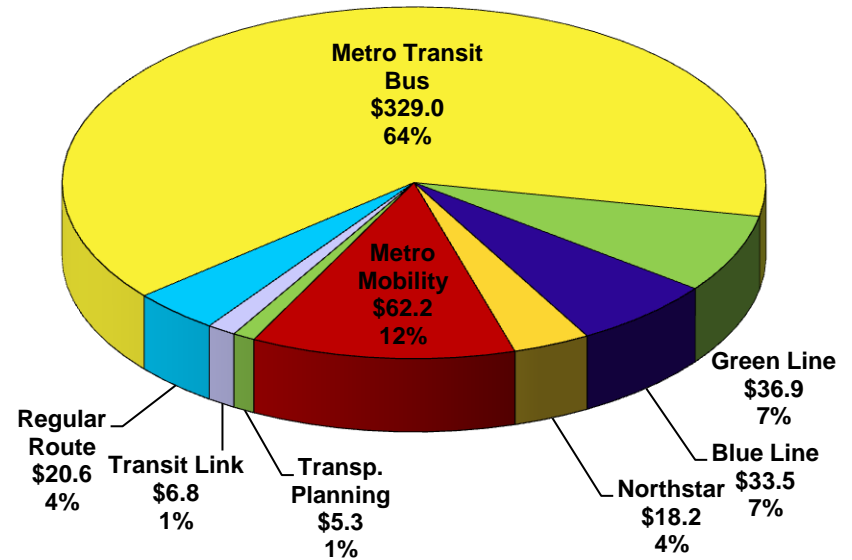
Sustainability

# Proposed 2016 Transportation Budget

Revenue  
\$512.5M



Expenses  
\$512.5M



# Fund Balances

(\$ in millions)

	<b>2014 Actual</b>	<b>2015 Forecast</b>	<b>2016 Budget</b>	<b>Council Target</b>	
				<b>\$</b>	<b>%</b>
Metro Transit Bus	\$43.1	\$44.5	\$30.2	\$26.1	8.3%
Metro Transit LRT	\$7.1	\$9.1	\$9.1	\$5.8	8.3%
Metro Transit Northstar	\$6.0	\$3.6	\$3.6	\$1.5	8.3%
Metro Mobility	\$14.8	\$6.7	\$7.0	\$6.2	10.0%
Transportation Planning & Contracted Services	\$9.3	\$7.1	\$6.5	\$4.9	15.0%
<b>TOTAL</b>	<b>\$80.2</b>	<b>\$71.3</b>	<b>\$56.7</b>	<b>\$42.8</b>	



# Metro Transit



# Metro Transit Budget Assumptions

- Maintains 2015 service levels with the following adjustments:
  - A Line annualized 2016
  - Contingency for overloads & bus bridge support
  - Adjust operators, mechanics, fuel, parts to meet service plan
- Ridership at 87.5M
- Diesel fuel at \$2.69/gallon
- CTIB operating funding for METRO Blue Line, Northstar and METRO Green Line
- Southwest light rail completes preliminary engineering and full-funding grant application

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability

# Metro Transit Budget Assumptions, cont.

- No regional fare increase
- Police operations staffing to support Snelling A Line
- Type 1 Light Rail Vehicle overhaul program #2

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

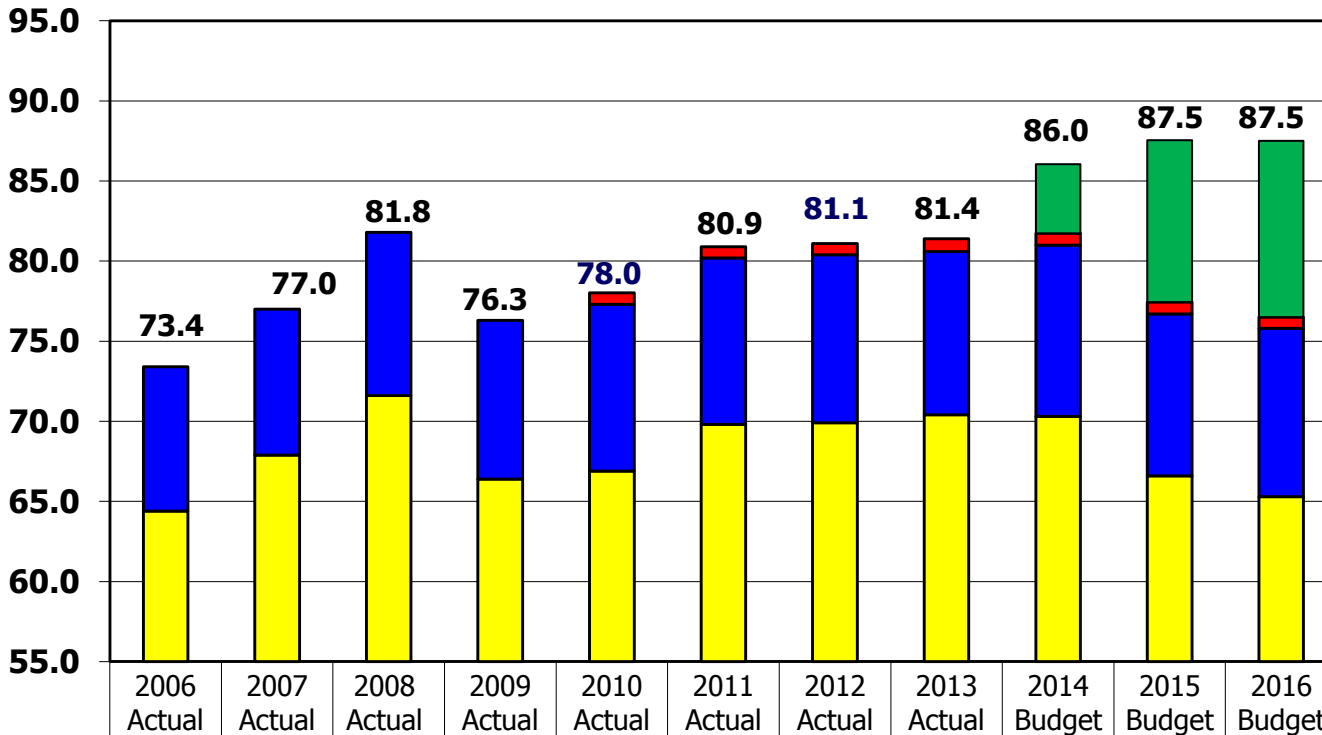
Collaboration

Accountability



# Metro Transit Ridership

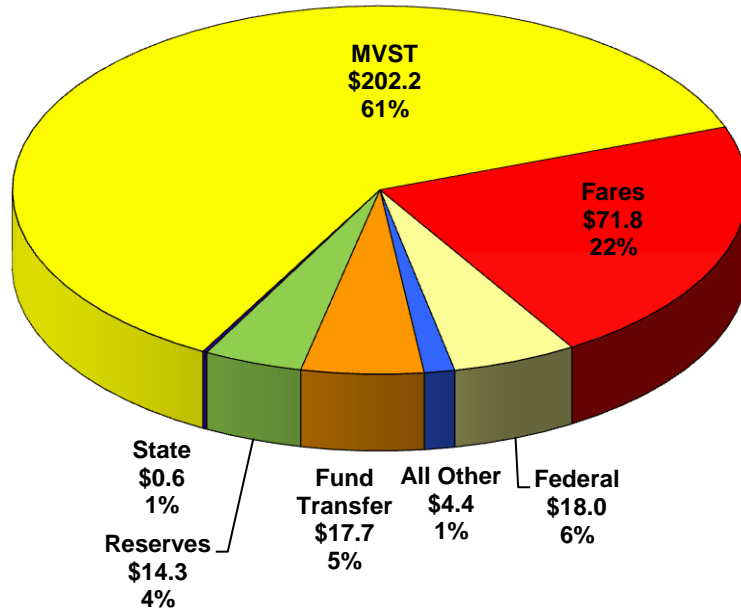
(in millions)



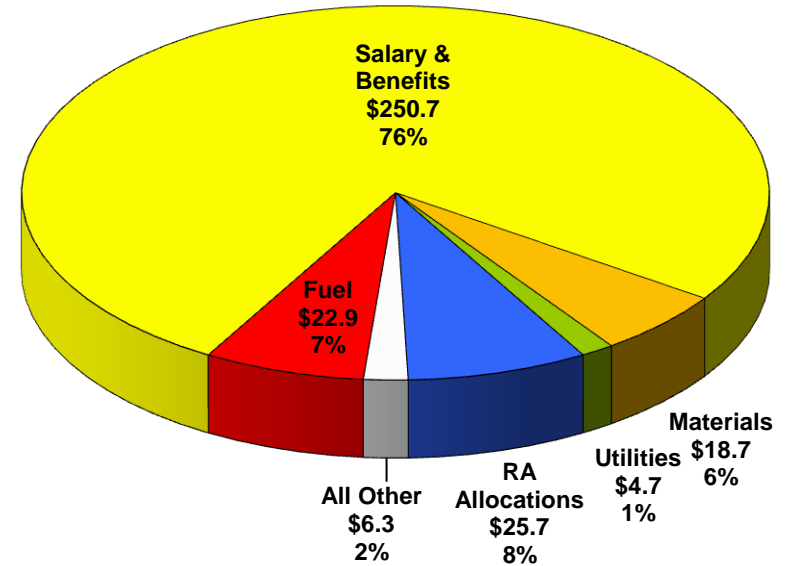
<span style="color: green;">■</span> Green Line									4.3	10.1	11.0
<span style="color: red;">■</span> Northstar					0.71	0.7	0.7	0.79	0.74	0.74	0.71
<span style="color: blue;">■</span> Blue Line	9.0	9.1	10.2	9.9	10.4	10.4	10.5	10.2	10.7	10.1	10.5
<span style="color: yellow;">■</span> Bus	64.4	67.9	71.6	66.4	66.9	69.8	69.9	70.4	70.3	66.6	65.3

# Metro Transit Bus 2016 Revenue & Expenses

Revenue  
\$329.0M



Expenses  
\$329.0M



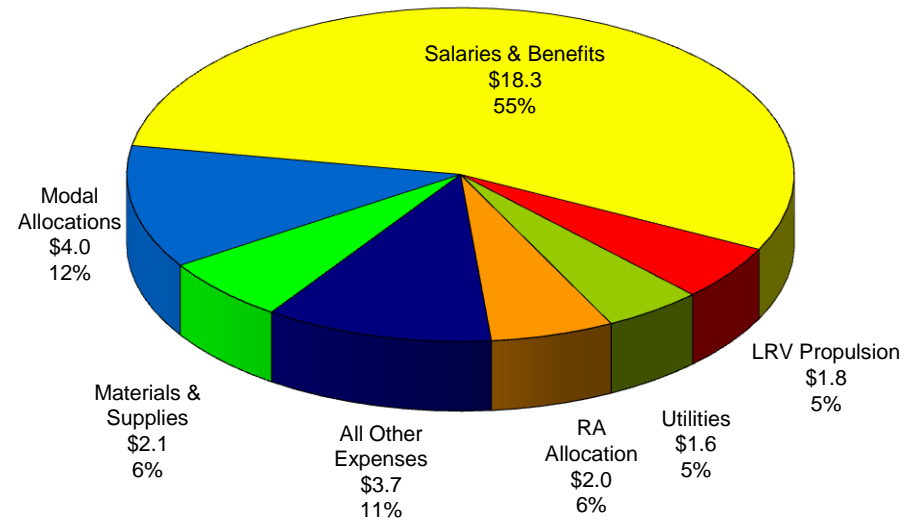
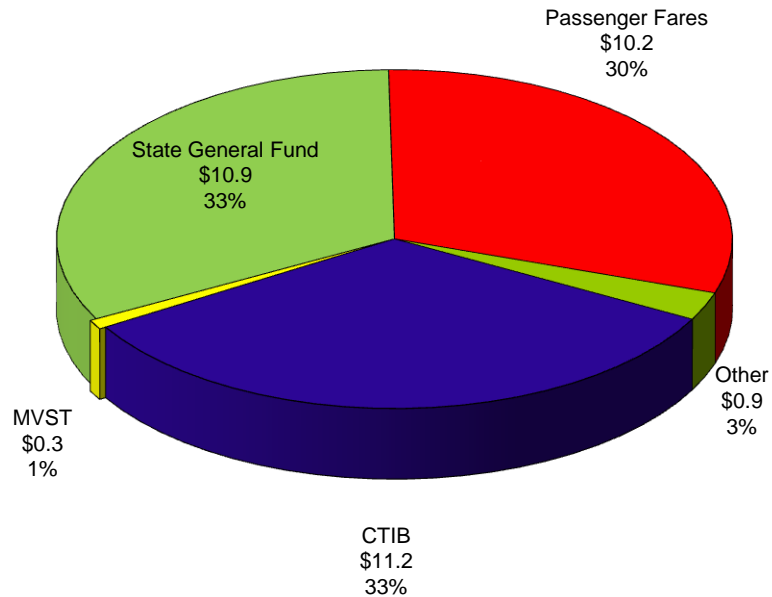
# Metro Transit - Bus

	2015 Adopted Budget	2016 Proposed Budget	\$ Change	% Change
<b>Revenue:</b>				
MVST	\$190.5	\$202.2	\$11.7	-
State General Fund	6.7	0.6	(6.1)	-
Subtotal	\$197.2	\$202.8	\$5.6	2.8%
Passenger Fares	\$73.3	\$71.8	(1.5)	(2.0)
Federal	19.0	18.0	(1.0)	(5.3)
Other Funds Transfer	16.8	17.7	0.9	5.3
Property Tax	2.0	0	(2.0)	(100.0)
Other	4.3	4.4	0.1	2.3
<b>Total Revenue</b>	<b>\$312.6</b>	<b>\$314.7</b>	<b>\$2.1</b>	<b>0.7%</b>
<b>Expenses:</b>				
Salaries & Benefits	\$242.5	\$250.7	\$8.2	3.4%
Fuel	27.3	22.9	(4.4)	(16.1)
Materials & Supplies	18.1	18.7	0.6	3.3
Council Allocations	23.1	25.7	2.6	11.3
Other	8.7	11.0	2.3	26.4
<b>Total Expenses</b>	<b>\$319.7</b>	<b>\$329.0</b>	<b>\$9.3</b>	<b>2.9%</b>
<b>Net Income (Loss)</b>	<b>(\$7.1)</b>	<b>(\$14.3)</b>	<b>(\$7.2)</b>	

# METRO Blue Line 2016 Revenue & Expenses

Revenue  
\$33.5M

Expenses  
\$33.5M

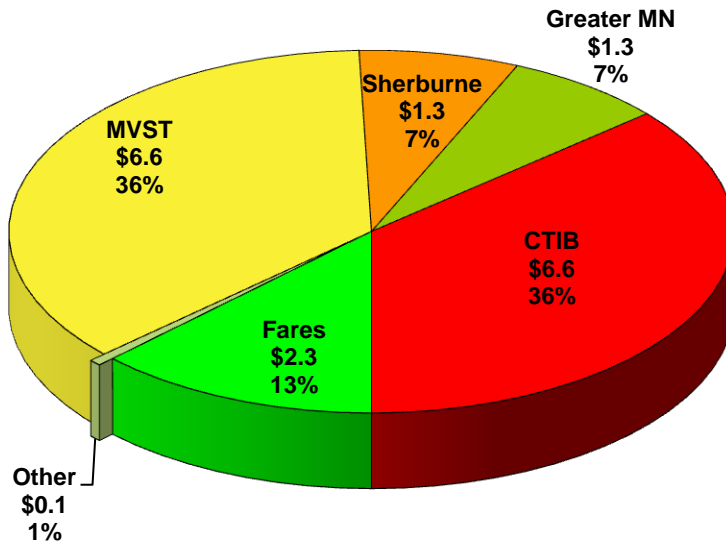


# METRO Blue Line

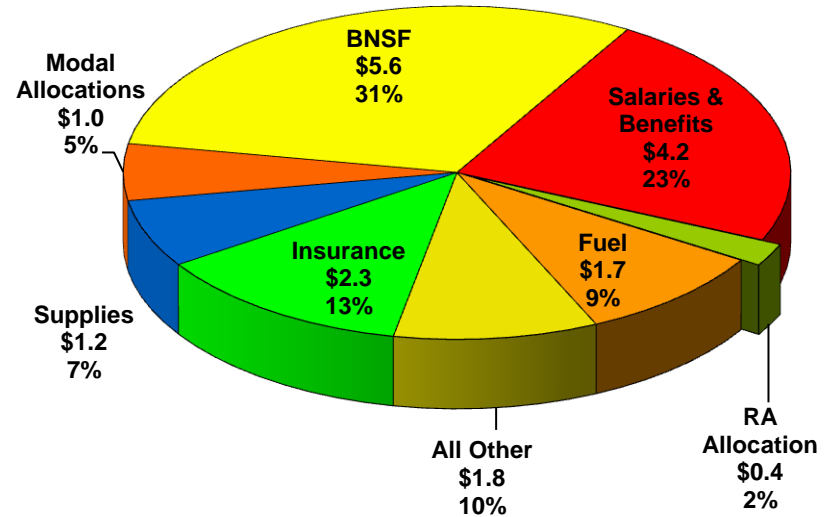
	2015 Adopted Budget	2016 Proposed Budget	\$ Change	% Change
<b>Revenue:</b>				
MVST	0	\$0.3	\$0.3	
State General Fund	11.7	10.9	(0.8)	-
CTIB	10.8	11.2	0.4	-
Subtotal	\$22.5	\$22.4	(\$0.1)	13.7%
Passenger Fares	\$9.6	\$10.2	\$0.6	6.3%
Other	0.8	0.9	0.1	12.5%
<b>Total Revenue</b>	<b>\$32.9</b>	<b>\$33.5</b>	<b>\$0.6</b>	<b>1.8%</b>
<b>Expenses:</b>				
Salaries & Benefits	\$17.1	\$18.3	\$1.2	7.0%
Propulsion	1.8	1.8	0	0
Materials & Supplies	2.1	2.1	0	0
Council Allocations	1.7	2.0	0.3	17.6
Other	9.4	9.3	(0.1)	(1.1)
<b>Total Expenses</b>	<b>\$32.1</b>	<b>\$33.5</b>	<b>\$1.4</b>	<b>4.4%</b>
<b>Net Income (Loss)</b>	<b>\$0.8</b>	<b>0</b>	<b>(\$0.8)</b>	

# Metro Transit Northstar 2016 Revenue & Expenses

Revenue  
\$18.2M



Expenses  
\$18.2M

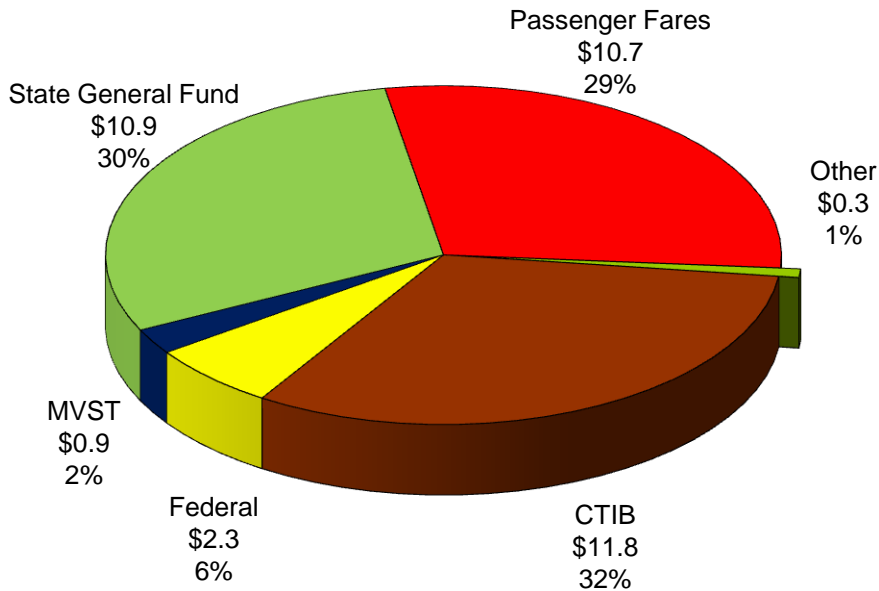


# Metro Transit - Northstar

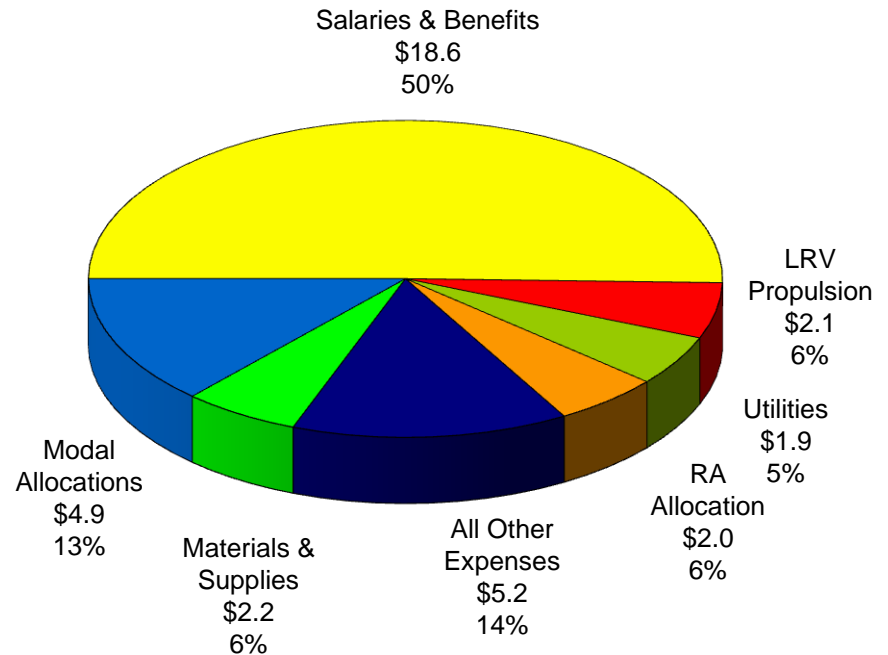
	2015 Adopted Budget	2016 Proposed Budget	\$ Change	% Change
<b>Revenue:</b>				
MVST	\$3.3	\$6.6	\$3.3	-
Greater MN	1.2	1.3	0.1	-
CTIB	6.3	6.6	0.3	-
Subtotal	\$10.8	\$14.5	\$3.7	(34.2%)
Passenger Fares	\$2.4	\$2.3	(\$0.1)	
Sherburne County	1.2	1.3	0.1	
Other	0.2	0.1	(0.1)	
<b>Total Revenue</b>	<b>\$14.6</b>	<b>\$18.2</b>	<b>\$3.6</b>	<b>(24.6%)</b>
<b>Expenses:</b>				
Salaries & Benefits	\$4.1	\$4.2	\$0.1	2.4%
Contract BNSF	5.5	5.6	0.1	1.8
Fuel	1.6	1.7	0.1	6.3
Materials & Supplies	1.2	1.2	0	0
Insurance	2.2	2.3	0.1	4.5
Other	3.0	3.2	0.2	6.7
<b>Total Expenses</b>	<b>\$17.6</b>	<b>\$18.2</b>	<b>\$0.6</b>	<b>3.4%</b>
<b>Net Income (Loss)</b>	<b>(\$3.0)</b>	<b>0</b>	<b>\$3.0</b>	

# METRO Green Line 2016 Revenue & Expenses

**Revenue**  
\$36.9M



**Expenses**  
\$36.9M





# METRO Green Line

	2015 Adopted Budget	2016 Proposed Budget	\$ Change	% Change
<b>Revenue:</b>				
MVST	0	\$0.9	\$0.9	-
State General Fund	11.7	10.9	(0.8)	-
CTIB	11.7	11.8	0.1	-
Subtotal	\$23.4	\$23.6	\$0.2	0.8%
Passenger Fares	\$8.9	\$10.7	\$1.8	20.2%
Federal	3.1	2.3	(0.8)	(25.8)
Other	0.8	0.3	(0.5)	(62.5)
<b>Total Revenue</b>	<b>\$36.2</b>	<b>\$36.9</b>	<b>\$0.7</b>	<b>1.9%</b>
<b>Expenses:</b>				
Salaries & Benefits	\$17.9	\$18.6	\$0.7	3.9%
Propulsion	1.8	2.1	0.3	16.7
Materials & Supplies	2.1	2.2	0.1	4.7
Council Allocations	2.4	2.0	(0.4)	(16.7)
Other	11.1	12.0	0.9	8.1
<b>Total Expenses</b>	<b>\$35.3</b>	<b>\$36.9</b>	<b>\$1.6</b>	<b>4.5%</b>
<b>Net Income (Loss)</b>	<b>\$0.9</b>	<b>0</b>	<b>(\$0.9)</b>	

# Metro Transit - Bus & Rail Consolidated

	2015 Adopted Budget	2016 Proposed Budget	\$ Change	% Change
<b>Revenue:</b>				
MVST	\$193.8	\$210.0	\$16.2	
State General Fund	30.1	22.4	(7.7)	
CTIB/Counties/Greater MN	31.2	32.2	1.0	
Subtotal	\$255.1	\$264.6	\$9.5	3.7%
Passenger Fares	\$94.2	\$95.0	\$0.8	2.5%
Federal	22.1	20.3	(1.8)	(8.1)
Other Funds Transfer	16.8	17.7	0.9	5.4
Other	8.1	5.7	(2.4)	(29.6)
<b>Total Revenue</b>	<b>\$396.3</b>	<b>\$403.3</b>	<b>\$7.0</b>	<b>1.8%</b>
<b>Expenses:</b>				
Salaries & Benefits	\$281.6	\$291.8	\$10.2	3.6%
Contract BNSF	5.5	5.6	0.1	1.8
Fuel/Propulsion	32.5	28.5	(4.0)	(12.3)
Materials & Supplies	23.5	24.2	0.7	2.9
Council Allocations	27.6	30.1	2.5	9.0
Other	34.0	37.4	3.4	0.1
<b>Total Expenses</b>	<b>\$404.7</b>	<b>\$417.6</b>	<b>\$12.9</b>	<b>3.2%</b>
<b>Net Income (Loss)</b>	<b>(\$8.4)</b>	<b>(\$14.3)</b>	<b>(\$5.9)</b>	

# Metro Transit

## FTEs by Budget Year

	Bus	Blue/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	275.0	49.0	2799.0	5.1%	59.0	38.0
2014 Budget	2553.7	374.2	49.2	2977.1	6.3%	59.0	45.0
2015 Budget	2648.1	402.4	49.2	3099.7	4.1%	0	45.0
2016 Budget	2707.6	407.4	49.2	3164.2	2.1%	0	45.0



# Metropolitan Transportation Services



# MTS Budget Assumptions

- Maintain 2015 service levels with the following adjustments
  - Metro Mobility ADA will meet anticipated demand
  - Transit Link service increased modestly to balance regional denial rates
- METRO Red Line
  - CTIB operating funding support
  - Federal operating grant expires
- Reduced fuel costs
- Reduced Transportation Planning budget

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability

# MTS Budget Assumptions

- No regional fare increase
- Increased allocated Council internal costs
- Met Mo / Business Vanpool Pilot projects
- Red Line Facilities Ownership / Asset Mgmt Planning

Stewardship

Prosperity

Equity

Livability

Sustainability

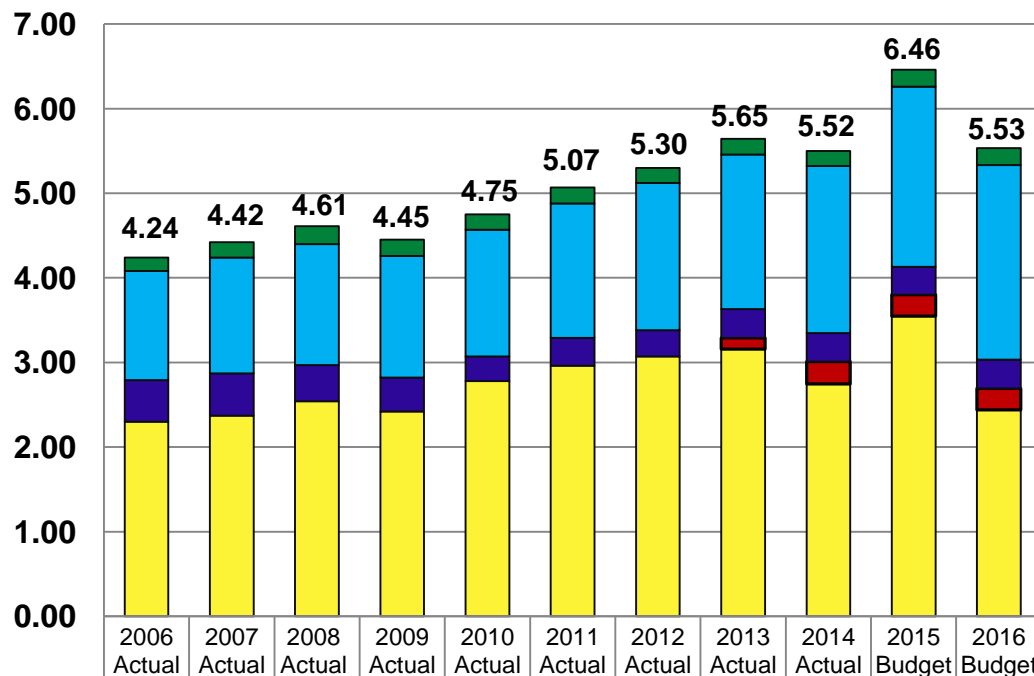
Integration

Collaboration

Accountability

# Contracted Services Ridership

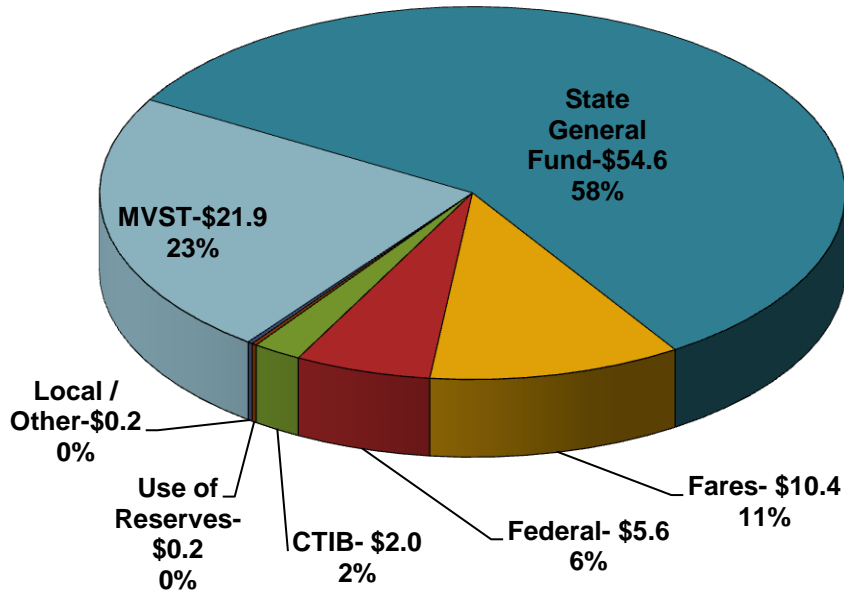
(in millions)



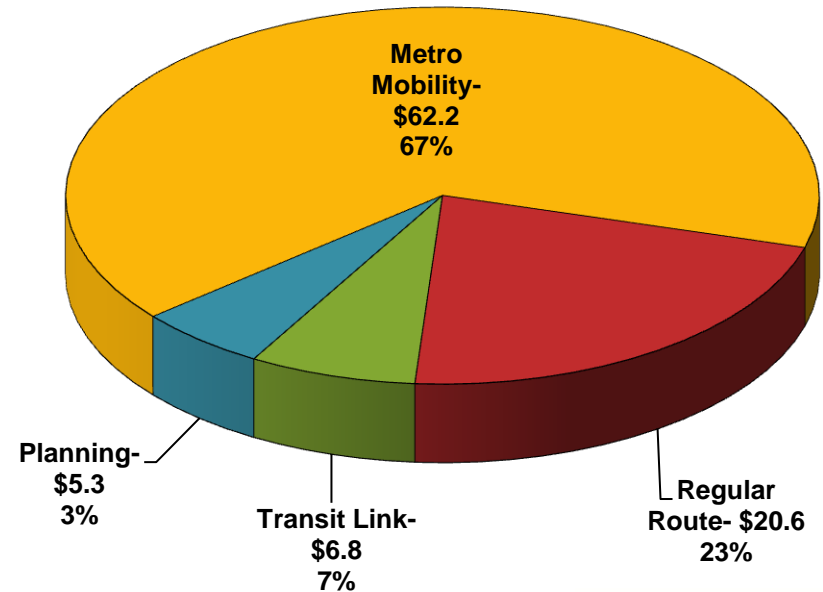
■ Vanpool	0.16	0.18	0.21	0.19	0.18	0.19	0.18	0.19	0.18	0.20	0.20
■ Metro Mobility	1.29	1.37	1.43	1.44	1.50	1.59	1.74	1.83	1.98	2.13	2.30
■ Transit Link	0.49	0.50	0.43	0.40	0.29	0.33	0.31	0.34	0.34	0.33	0.34
■ METRO Red Line BRT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.27	0.25	0.25
■ Contracted Regular Route	2.30	2.37	2.54	2.42	2.78	2.96	3.07	3.16	2.75	3.55	2.44

# Metropolitan Transportation Services 2016 Revenue & Expenses

Revenue  
\$94.9M



Expenses  
\$94.9M



\$ amounts in millions



# MTS Revenue and Expenditures (\$ in millions)

	2015 Adopted	2016 Proposed	\$ Change	% Change
MVST	\$19.8	\$21.9	\$2.1	10.6%
General Fund	\$52.2	\$54.6	\$2.4	4.6%
<b>Subtotal State</b>	<b>\$72.0</b>	<b>\$76.5</b>	<b>\$4.5</b>	<b>6.3%</b>
Federal	\$6.2	\$5.6	(\$0.6)	(9.7%)
CTIB	\$1.9	\$2.0	\$0.1	5.3%
Local/Other	\$0.1	\$0.2	\$0.1	100.0%
Fares	\$9.5	\$10.4	\$0.9	9.5%
<b>Total Revenue</b>	<b>\$89.7</b>	<b>\$94.7</b>	<b>\$5.0</b>	<b>5.6%</b>
Metro Mobility	\$62.2	\$62.2	\$0.0	0.0%
Planning	\$6.0	\$5.3	(\$0.7)	(11.7%)
Regular Route	\$19.9	\$20.6	\$0.7	3.5%
Transit Link	\$6.7	\$6.8	\$0.1	1.5%
<b>Total Expenditures</b>	<b>\$94.8</b>	<b>\$94.9</b>	<b>\$0.1</b>	<b>0.1%</b>
<b>Net Income/(Loss)</b>	<b>(\$5.1)</b>	<b>(\$0.2)</b>		

# MTS Pass-through Program

(\$ in millions)

- Suburban Transit Providers Assumptions
  - MVTA and SWT will receive Regionally Allocated MVST
  - Maple Grove and Plymouth continue to use reserve balances over regional targets
- Estimated Regionally Allocated MVST amounts are being developed and will be in Public Comment Budget

# Metro Mobility

Total Budget: \$62.2M

- Federal requirements for 0% denial rate
- 8% assumed ridership growth
- Restructured to 3 Zones
- Flat budget
  - Reduced fuel costs
  - Favorable contract rates
  - Service structure efficiencies

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

27

Accountability

# Contracted Services: Regular Route

Total Budget: \$20.6M

- Service hours level
- Reduced fuel costs
- 3.5% budget growth

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability

# Contracted Services: Transit Link

Total Budget: \$6.8M

- Modest service level increase to balance regional denial rates
- Budget includes 5311 (non-urbanized federal funding)
- 3.2% budget growth

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability

# Transportation Planning

Total Budget: \$5.3M

- Multi-year consulting contracts impact budget year over year
- 11.7% budget reduction

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

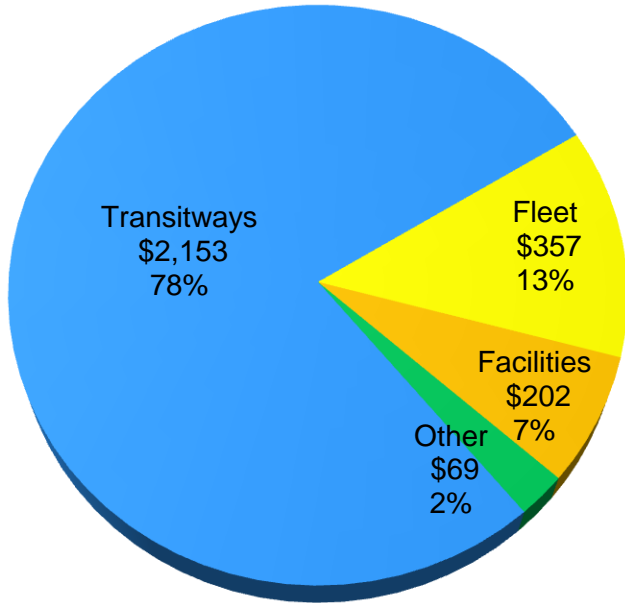
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Accountability

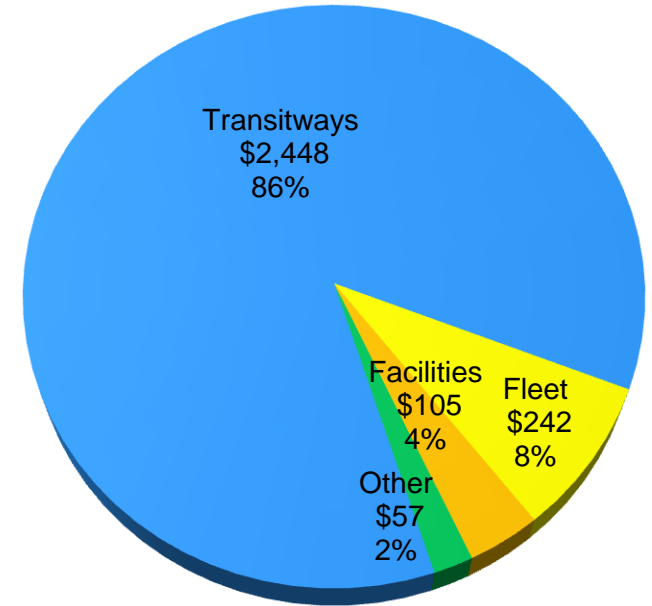
# Historic FTEs

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Adopted FTEs	39	39	39	40	44	43	45

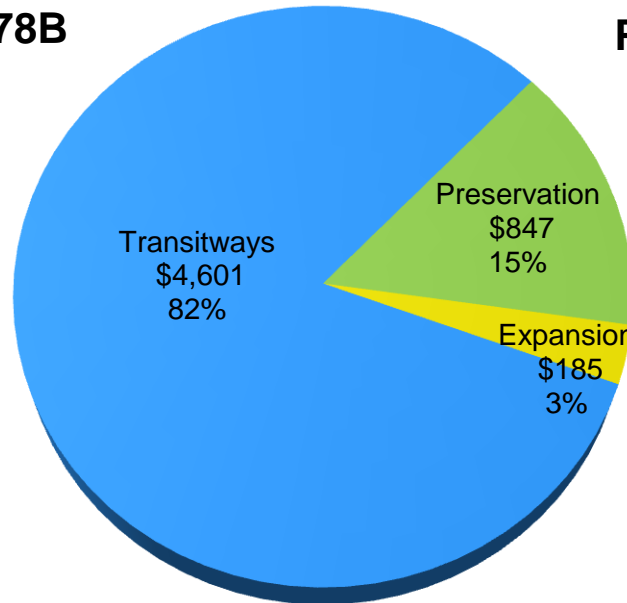
# Transportation 2015 Capital Improvement Program - \$5.63B



**Authorized Projects - \$2.78B**



**Planned Projects - \$2.85B**

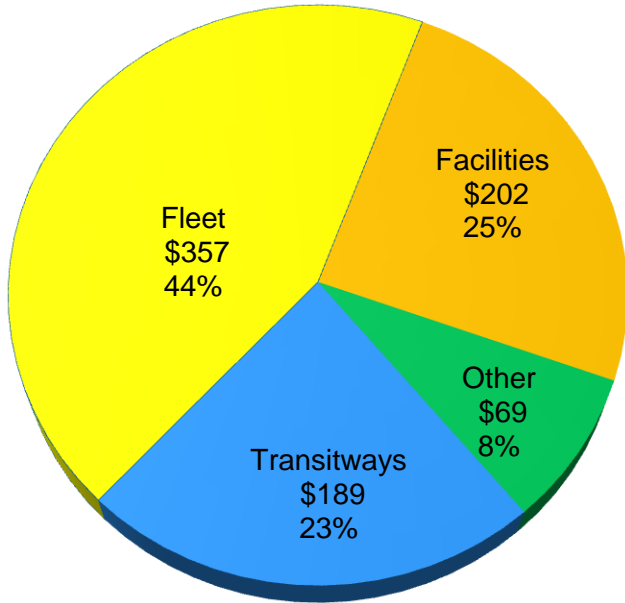


**Projects By Category - \$5.63B**

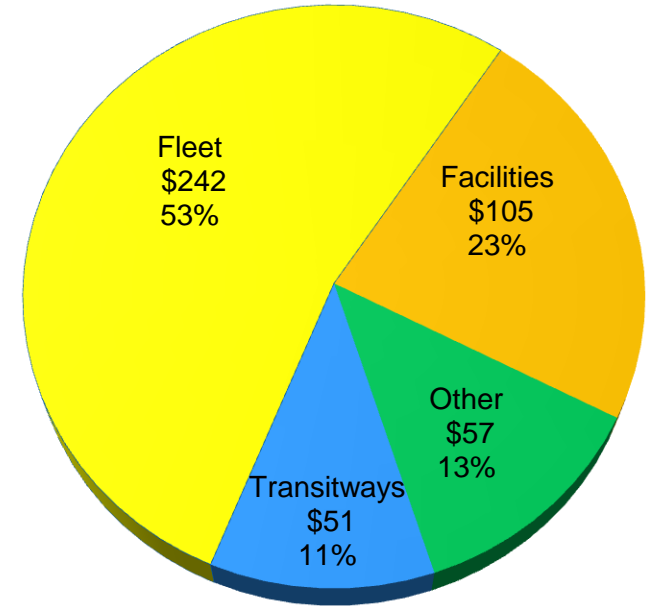


# Transportation 2015 Capital Improvement Program - \$1.27B

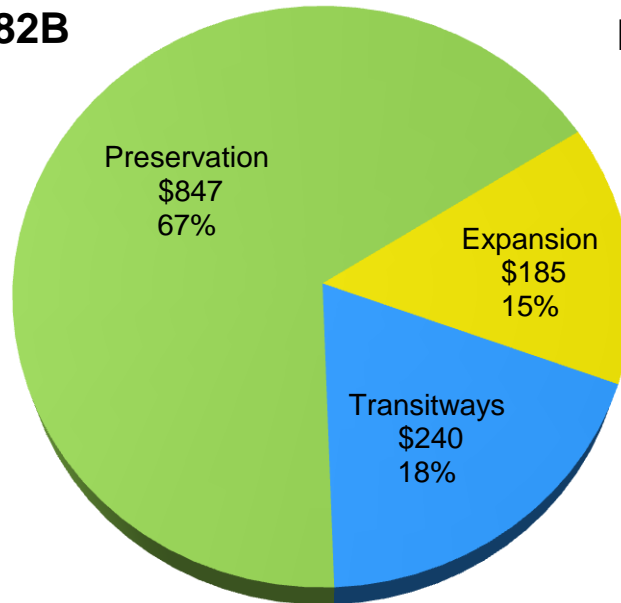
without rail projects



**Authorized Projects - \$0.82B**



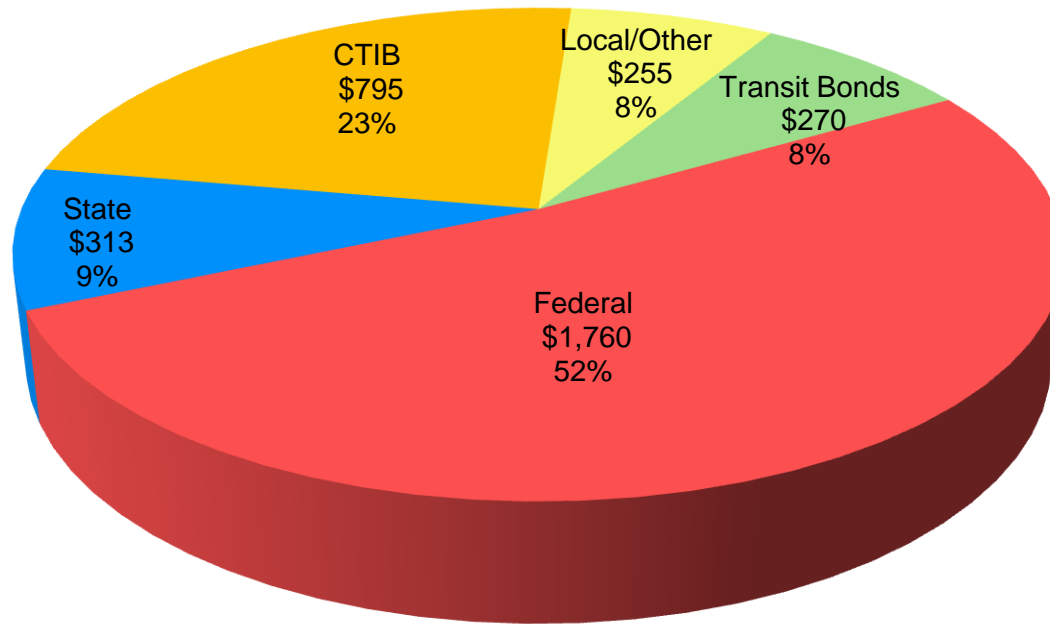
**Planned Projects - \$0.45B**



**Projects By Category - \$1.27B**



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



\$ in Millions

Funding of Post-2014 Spending on Authorized and Planned Projects





# Metropolitan Council Transportation Division 2016 Operating Budget

Transportation Committee  
July 27, 2015

