



Metropolitan Council Transportation Division 2017 Operating Budget

Ed Petrie

Director Finance, Metro Transit

Heather Agesen-Huebner

Manager Administration, Metropolitan Transportation Services

Transportation Committee

July 25, 2016



Budget/Levy Adoption Schedule

August 24	Adopt Preliminary Operating Budgets and Tax Levies
September	Present Preliminary Capital Program (TC)
October 26	Adopt Public Comment Versions of Operating Budget, Levies and Capital Program
December 14	Public Comments Adopt Final Operating Budget, Levies and Capital Program

Budget Objectives:

- Support implementation of
 - Thrive MSP 2040
 - Regional Transportation Policy Plan
- Thrive Lens
 - Grow ridership & meet needs across region
 - 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

Budget Considerations & Pressures

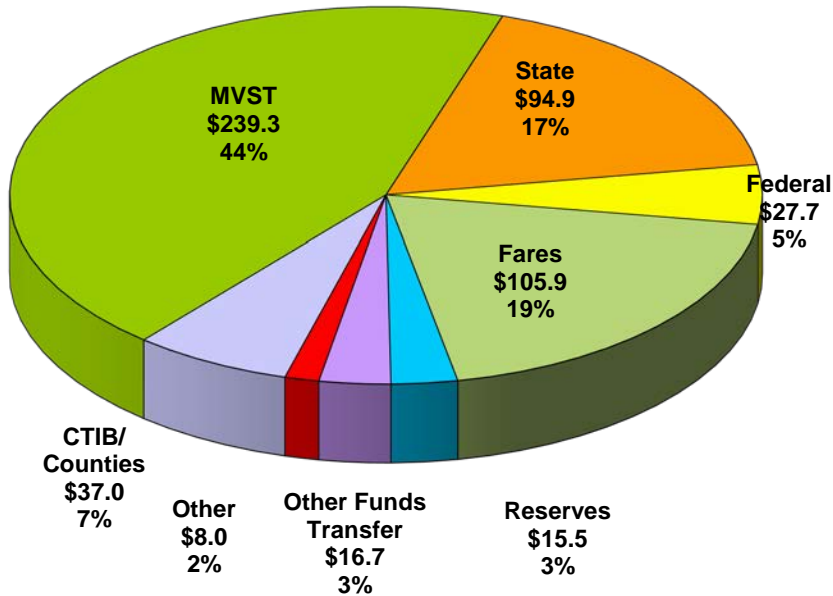
- Metro Mobility Ridership Growth
- Inflationary Growth
- Maintenance / Overhaul
- Initiatives
 - Transit Asset Management
 - Travel Behavior Inventory
- Regional Fare Policy Review and Regional Fare Increase

Mitigating Revenue and Expense Volatility

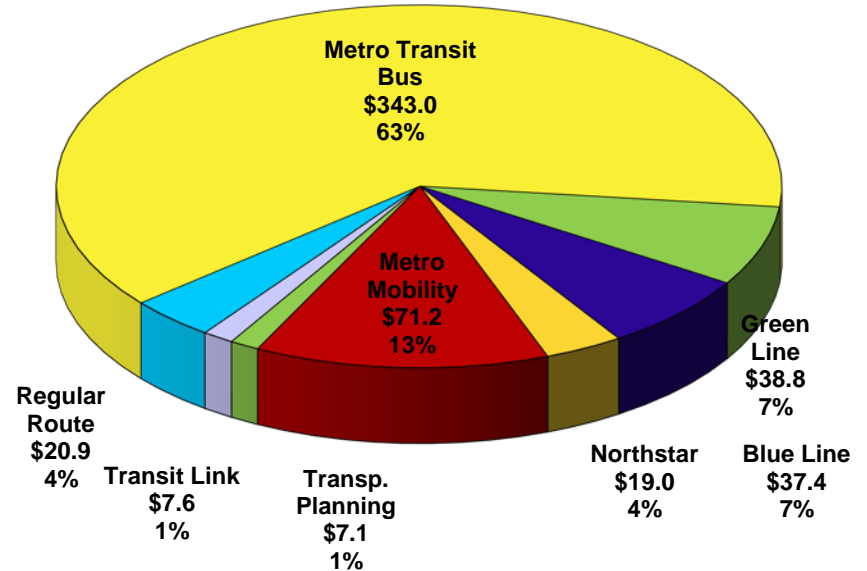
- Motor Vehicle Sales Tax
 - Budget 95% Motor Vehicle Sales Tax
 - Actual MVST receipts above 95% from prior year
- Fuel Price Hedging
- Operating Fund Reserve Targets
 - Address volatility in other revenues and expenses
 - Regional revenue allocation procedure

Proposed 2017 Transportation Budget

Revenue
\$545M



Expenses
\$545M



Thrive in Motion

- A-Line Opened June 11, 2016



Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability



Thrive in Motion

• A-Line Operations



- Opened June 11, 2016
- 10-mile line with
- 20 enhanced stations
- Specialized vehicles
- Pre-boarding fare payment
- Transit signal priority
- Faster trip
- First month over 102K rides, 35.8% increase over 2015 Route 84



Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability



Thrive in Motion

- Bus Shelters



Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability



Thrive in Motion

- Transit Oriented Development



Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

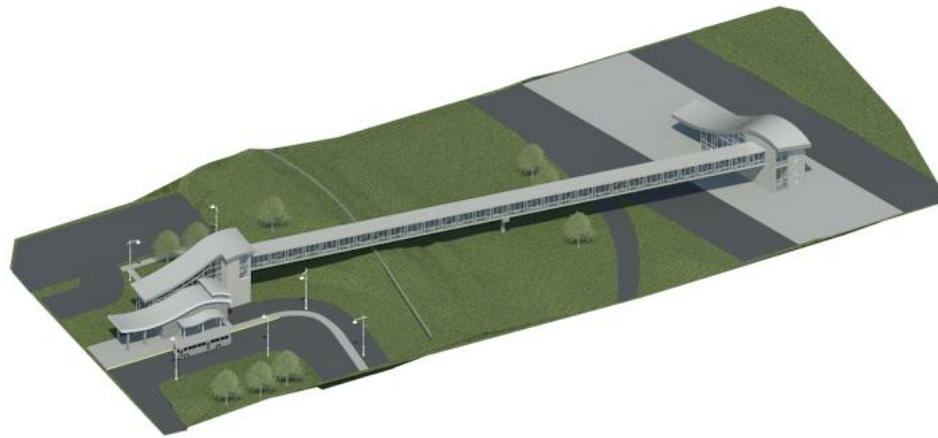
Collaboration

Accountability



Thrive in Motion

- Cedar In-Line Station Construction



Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability



Thrive in Motion

- Asset Management & Fleet Policy Study

MAP-21
Moving Ahead for Progress in the 21st Century



FHWA MAP-21 Site



FTA MAP-21 Site



Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability



Fund Balances

(\$ in millions)

	2014 Actual	2015 Actual	2016 Forecast	2017 Budget	Council Target	
					\$	%
Metro Transit Bus	\$46.4	\$48.3	\$27.5	\$25.9	\$25.3	8.3%
Metro Transit LRT	\$7.3	\$13.5	\$13.5	\$6.1	\$5.7	8.3%
Metro Transit Northstar	\$6.2	\$4.4	\$4.4	\$1.5	\$1.5	8.3%
Metro Mobility	\$14.8	\$11.4	\$9.2	\$6.3	\$7.1	10.0%
Transportation Planning & Contracted Services	\$9.3	\$7.4	\$3.7	\$3.9	\$5.3	15.0%
TOTAL	\$84.0	\$85.0	\$58.3	\$43.7	\$44.9	



Metro Transit



Metro Transit Budget Assumptions

- Maintains 2016 service levels with the following adjustments:
 - Contingency for overloads & bus bridge support
 - Adjust operators, mechanics, fuel, parts to meet service plan
- Ridership at 87,250,000
- Diesel fuel at \$1.95/gallon
- CTIB operating funding for METRO Blue Line, Northstar and METRO Green Line, I 35W South BRT Express
- 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 included but committee discussions to continue
- Regional fare policy review to continue
- Police operations staffing to support Snelling A Line
- Revenues allocated based on the Regional Revenue Allocation Model
- Type 1 Light Rail vehicle and Commuter Rail vehicle overhaul programs
- Downtown Minneapolis enhancement construction on Warehouse/Park Interlocking
- Development Transit Asset Management plan
- METRO Blue Line station rehabilitation

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability

Metro Transit Budget Assumptions, cont.

Transit System Reinvestments

- Low-income fare program initiative
- Senior/Youth all day fares \$0.75
- Increased advertising programs for ridership growth
- 35W construction service mitigation
- Fare incentive programs for ridership growth

Stewardship

Prosperity

Equity

Livability

Sustainability

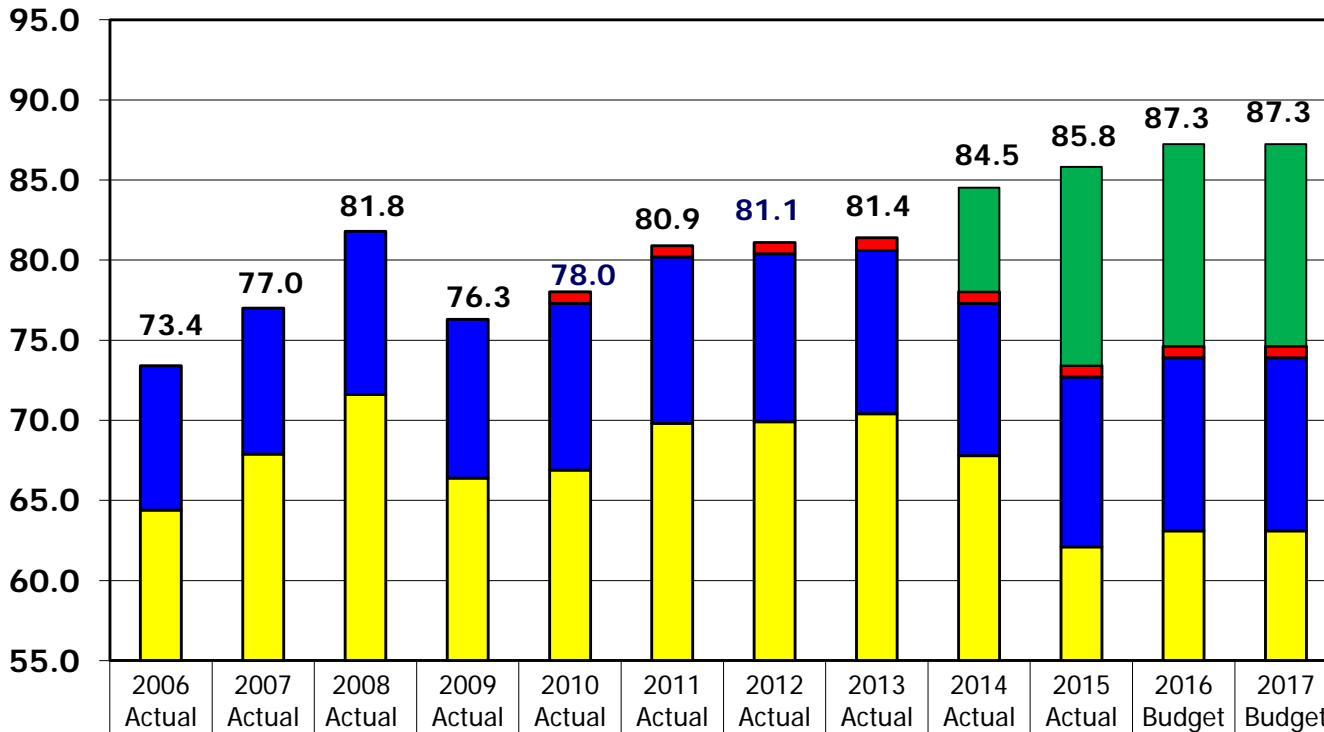
Integration

Collaboration

Accountability

Metro Transit Ridership

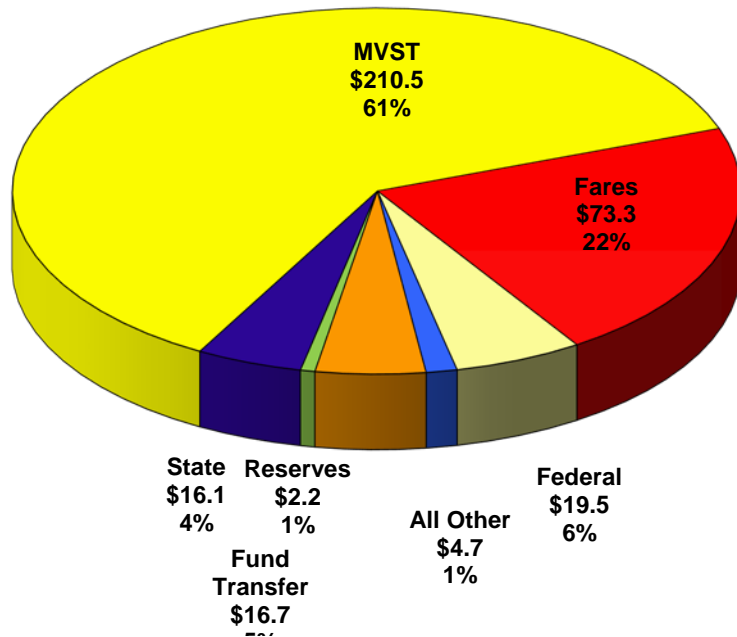
(in millions)



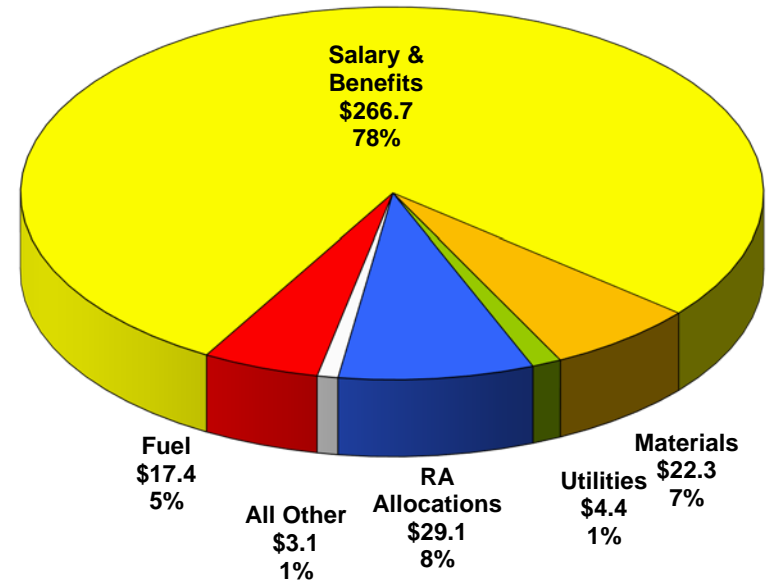
Green Line									6.5	12.4	12.6	12.6
Northstar					0.71	0.7	0.7	0.79	0.72	0.72	0.73	0.73
Blue Line	9.0	9.1	10.2	9.9	10.4	10.4	10.5	10.2	9.5	10.6	10.8	10.8
Bus	64.4	67.9	71.6	66.4	66.9	69.8	69.9	70.4	67.8	62.1	63.1	63.1

Metro Transit Bus 2017 Revenue & Expenses

Revenue
\$343.0M

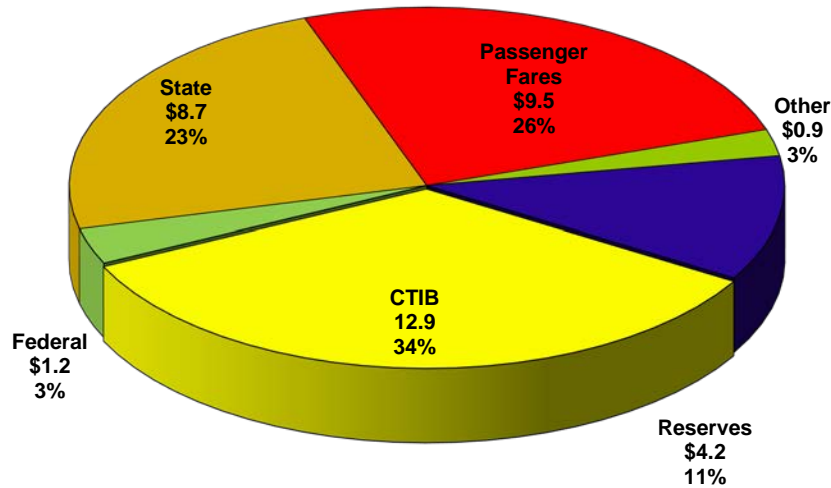


Expenses
\$343.0M

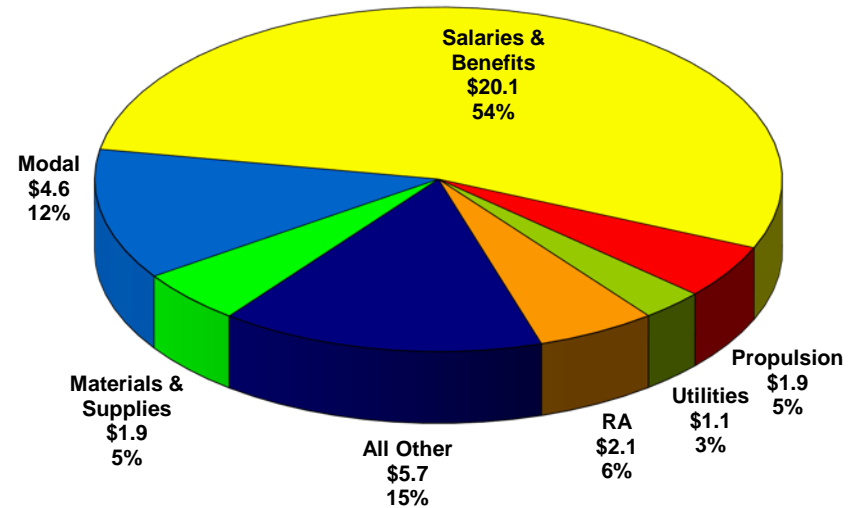


METRO Blue Line 2017 Revenue & Expenses

Revenue
\$37.4M

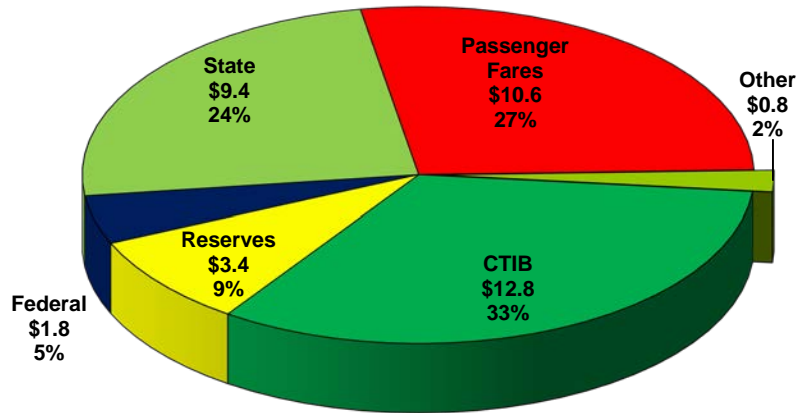


Expenses
\$37.4M

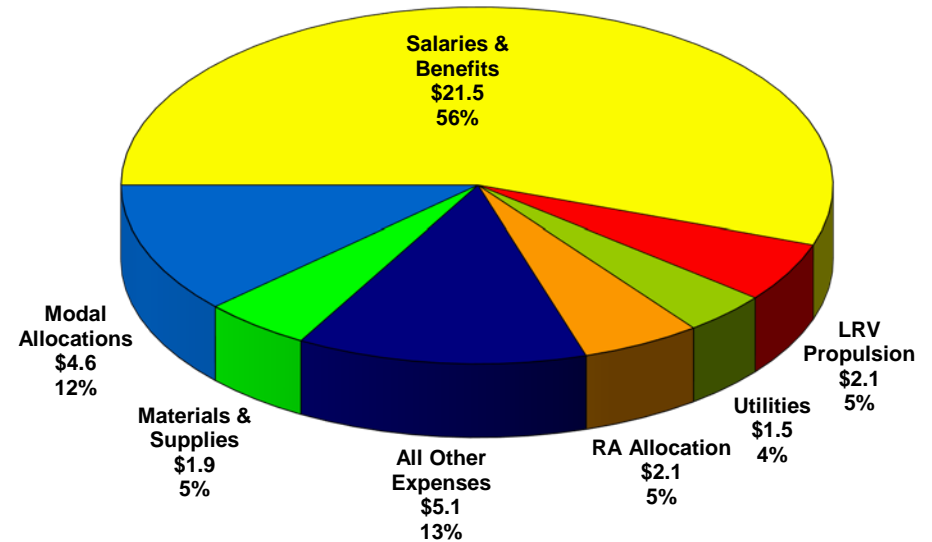


METRO Green Line 2017 Revenue & Expenses

Revenue
\$38.8M

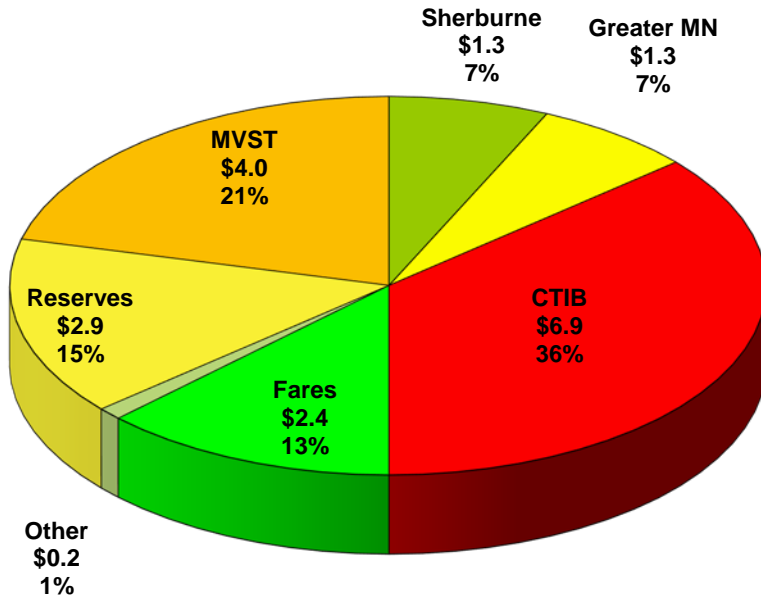


Expenses
\$38.8M

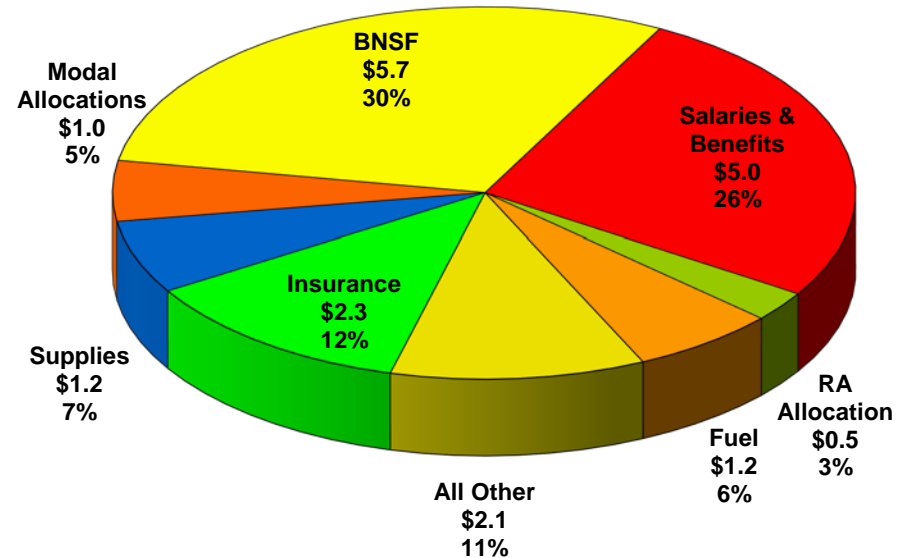


Metro Transit Northstar 2017 Revenue & Expenses

Revenue
\$19.0M



Expenses
\$19.0M



Metro Transit - Bus & Rail Consolidated

	2016 Adopted Budget	2017 Proposed Budget	\$ Change	% Change
Revenue:				
MVST	\$205.2	\$214.5	\$9.3	
State General Fund	37.7	34.2	(3.5)	
CTIB/Counties/Greater MN	32.7	35.2	2.5	
Subtotal	\$275.6	\$283.9	\$8.3	3.0%
Passenger Fares	\$94.9	\$95.8	\$0.9	0.9%
Federal	20.6	21.3	0.7	3.3
Other Funds Transfer	1.5	16.7	15.2	1013.3
Other	5.9	7.8	1.9	32.2
Total Revenue	\$398.5	\$425.5	\$27.0	6.7%
Expenses:				
Salaries & Benefits	\$292.3	\$313.3	\$21.0	7.2%
Contract BNSF	5.6	5.7	0.1	1.8
Fuel/Propulsion	28.5	22.6	(5.9)	(20.7)
Materials & Supplies	24.2	27.3	3.1	12.8
Council Allocations	30.1	33.8	3.7	12.2
Other	38.8	35.5	(3.3)	(8.5)
Total Expenses	\$419.5	\$438.2	\$18.7	4.4%
Net Income (Loss)	(\$21.0)	(\$12.7)	\$8.3	

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	2732.0	442.0	49.0	3223.0	3.9%	0	45.0
2017 Budget	2761.0	452.0	55.0	3268.0	1.4%	0	52.0



Metropolitan Transportation Services



MTS Budget Assumptions

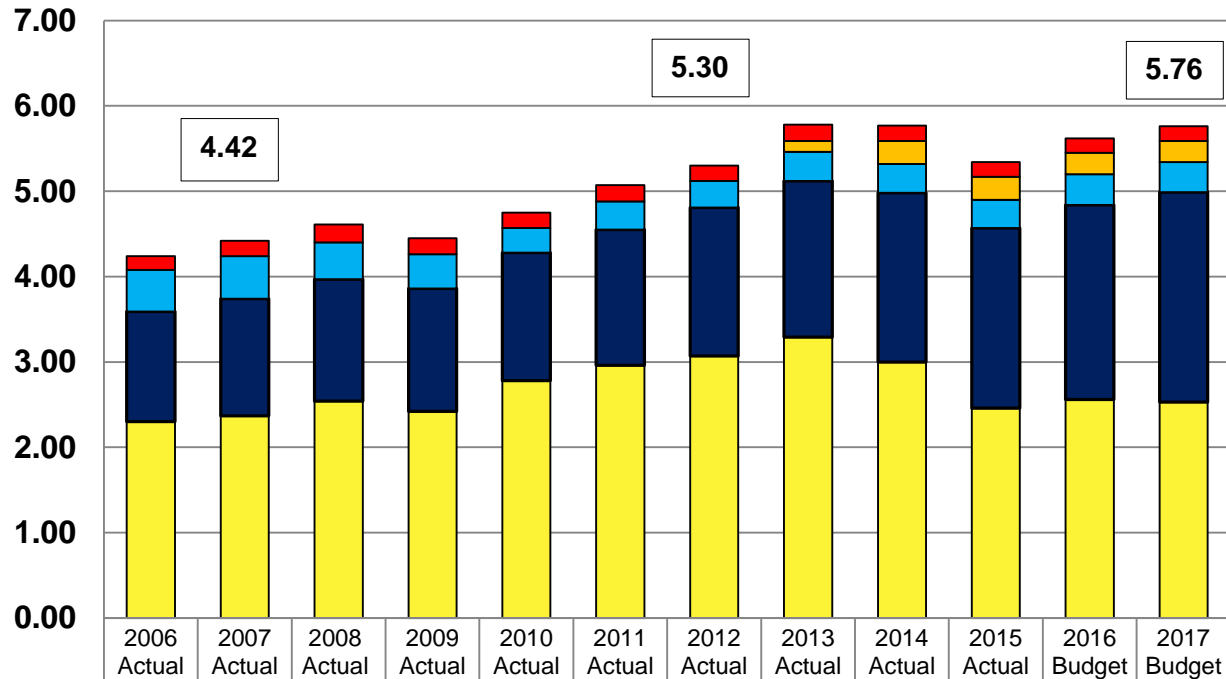
- Maintain 2016 service levels with the following adjustments
 - Metro Mobility ADA will meet anticipated demand
- Gasoline at \$2.50/gallon and diesel at \$2.75/gallon
- Reallocate funding to continue 2016 pilot projects
- Fund Travel Behavior Inventory Study and development of Transit Asset Management Plan

MTS Budget Assumptions

- Pass-Through Statutory and Regionally-Allocated MVST to Suburban Transit Providers
- Revenues allocated based on the Regional Revenue Allocation Model
- CTIB operating support of METRO Red Line

Contracted Services Ridership

(in millions)



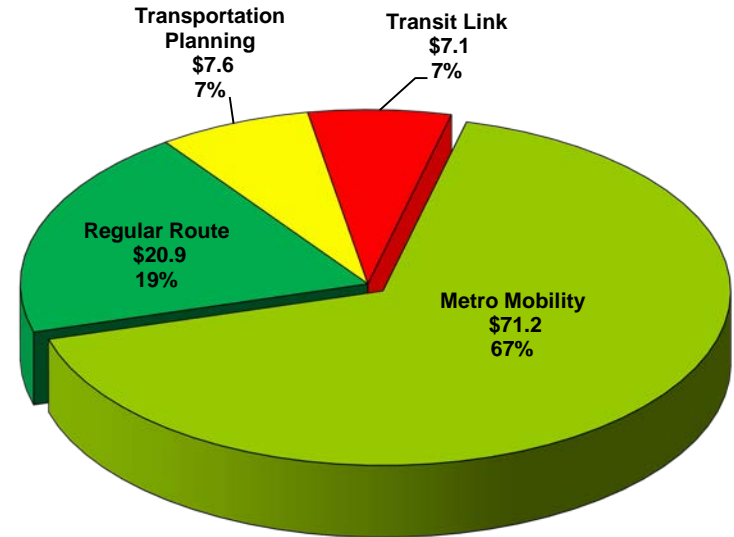
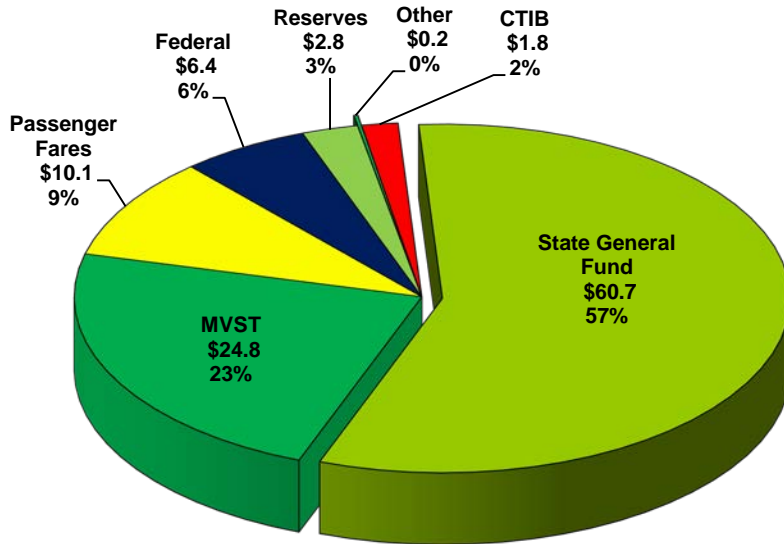
	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2017 Budget
■ Vanpool	0.16	0.18	0.21	0.19	0.18	0.19	0.18	0.19	0.18	0.17	0.17	0.17
■ METRO Red Line	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.13	0.27	0.27	0.25	0.25
■ Transit Link	0.49	0.50	0.43	0.40	0.29	0.33	0.31	0.34	0.34	0.33	0.36	0.35
■ Metro Mobility	1.29	1.37	1.43	1.44	1.50	1.59	1.74	1.83	1.98	2.11	2.28	2.46
■ Contracted Regular Route	2.30	2.37	2.54	2.42	2.78	2.96	3.07	3.29	3.00	2.46	2.56	2.53



Metropolitan Transportation Services 2017 Revenue & Expenses

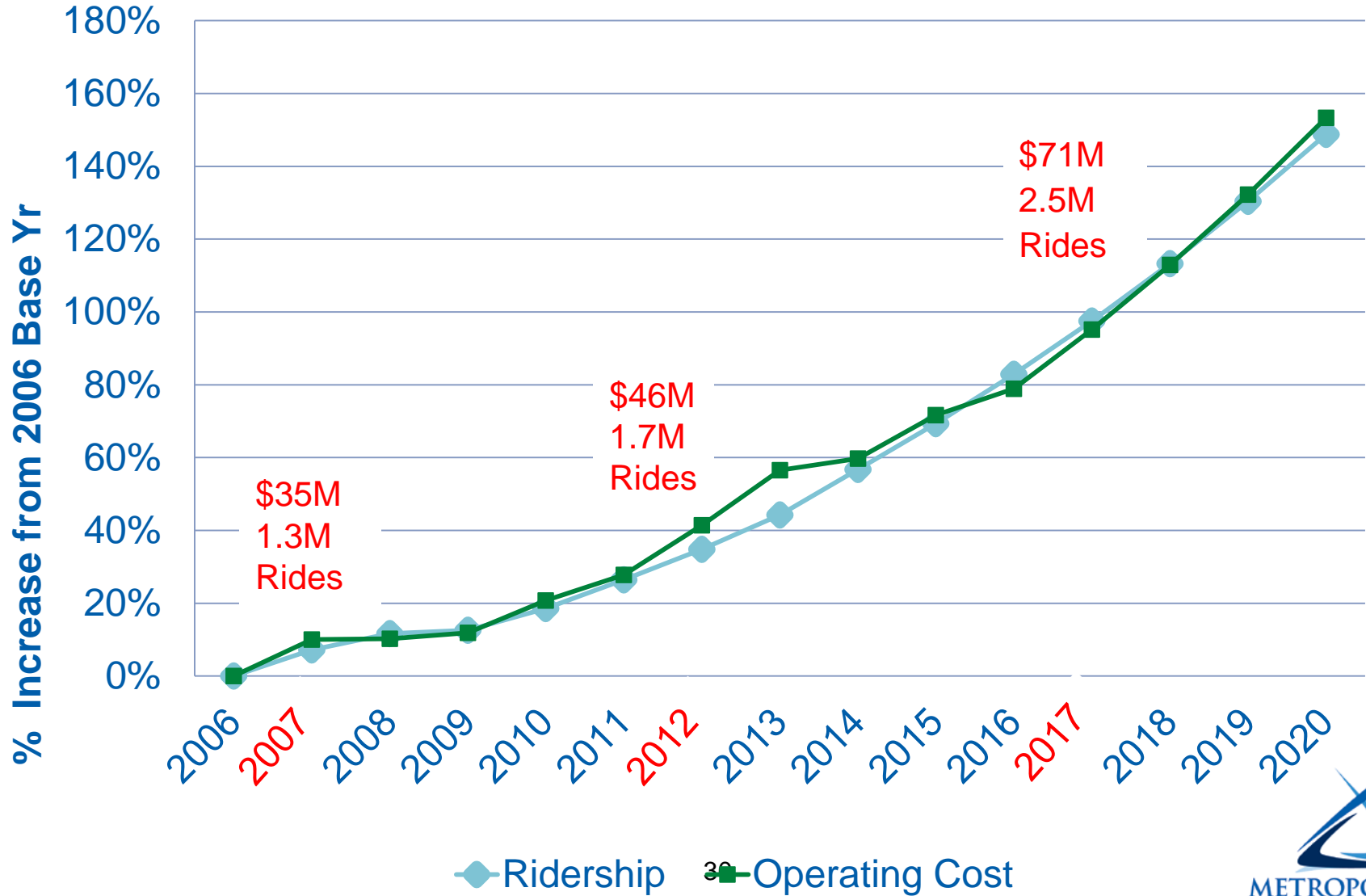
Revenues
\$106.8M

Expenses
\$106.8M



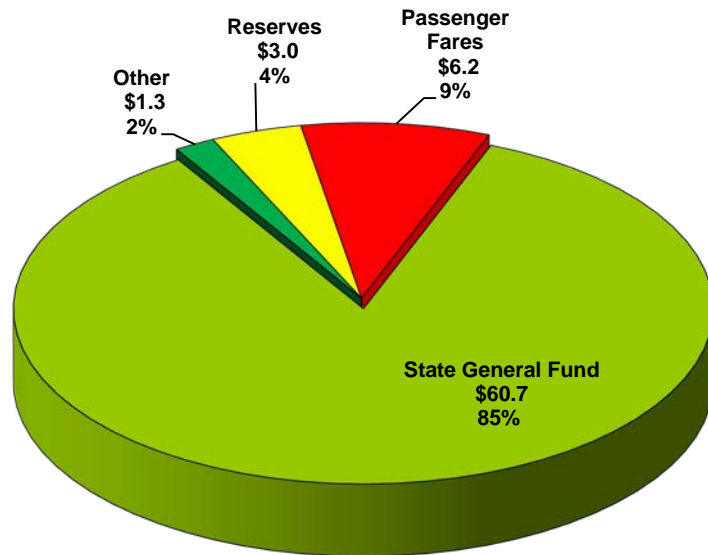
\$ in millions

Metro Mobility Ridership & Operating Costs

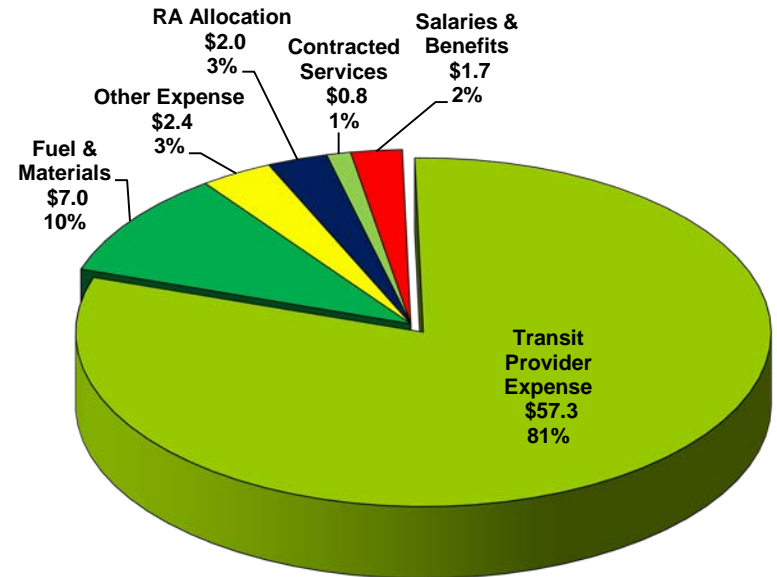


Metro Mobility 2017 Revenue & Expenses

Revenues
\$71.2M



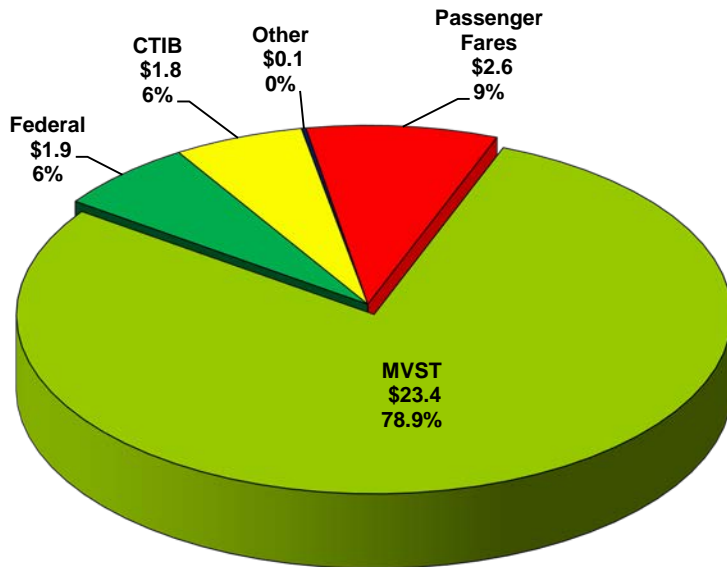
Expenses
\$71.2M



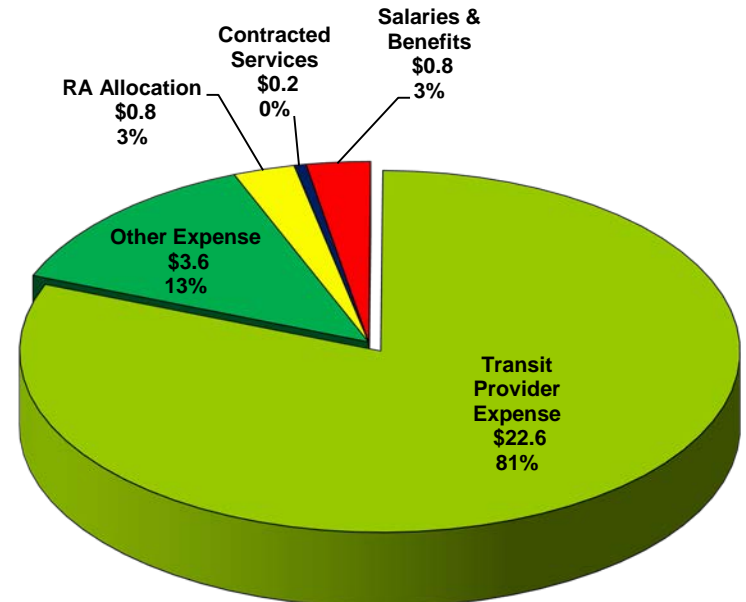
\$ in millions

Contracted Regular Route, Transit Link, Vanpool 2017 Revenue & Expenses

*Revenues
\$29.7M



Expenses
\$28.0M

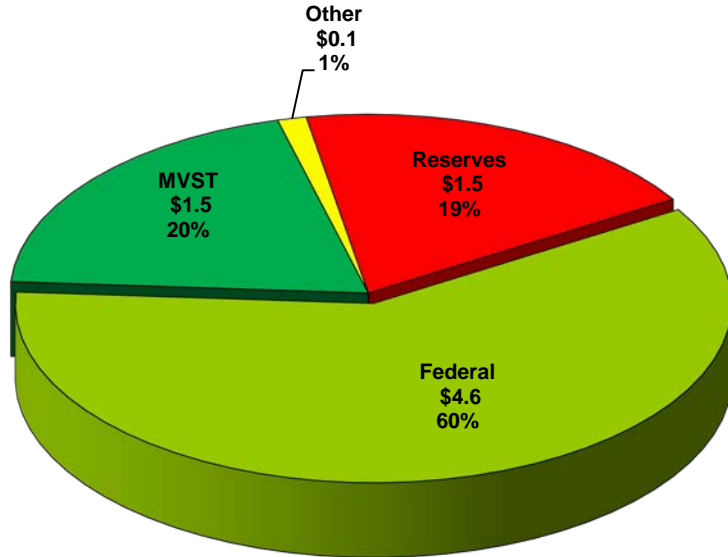


\$ in millions

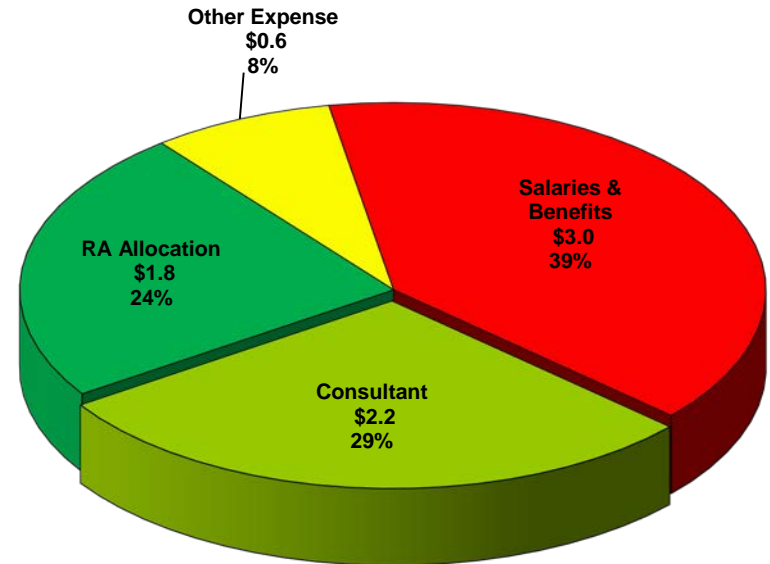
* Building to base reserve target

Transportation Planning & Administration 2017 Revenue & Expenses

Revenues
\$7.6M



Expenses
\$7.6M

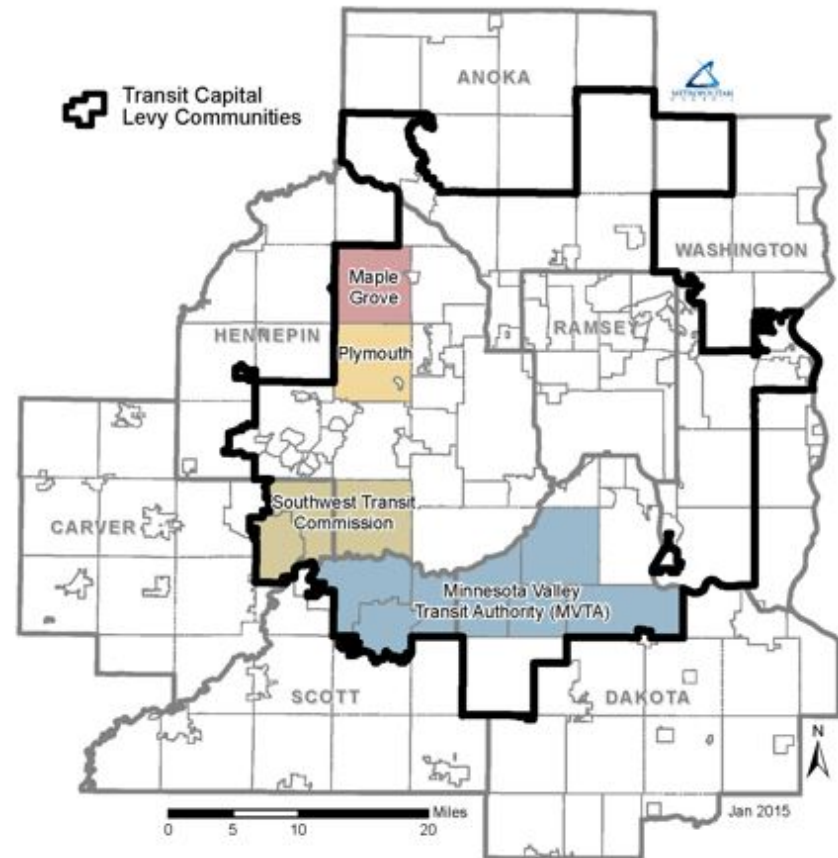


\$ in millions

MTS Pass-through Program

- MVTA and SWT will receive Regionally Allocated MVST
- Maple Grove and Plymouth continue to use reserve balances over regional targets

Suburban Transit Providers



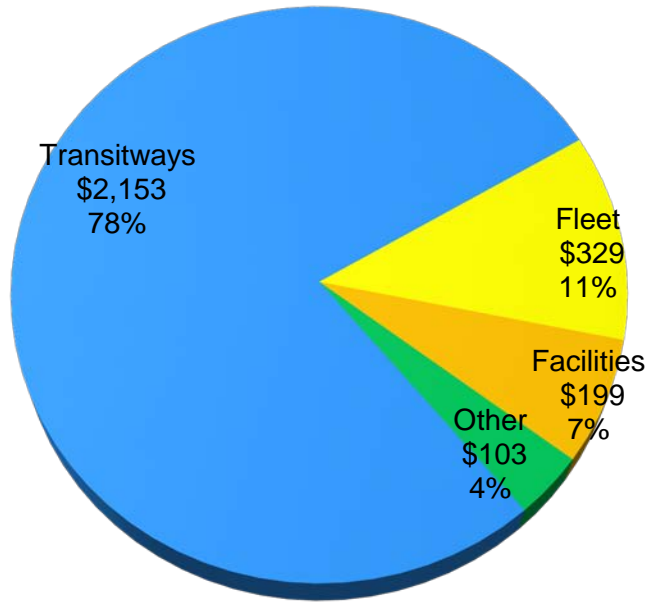
MTS Revenue and Expenditures (\$ in millions)

	2016 Adopted	2017 Proposed	\$ Change	% Change
MVST	\$19.6	\$24.8	\$5.2	26.5%
General Fund	\$52.4	\$60.7	\$8.3	15.8%
Subtotal State	\$72.0	\$85.5	\$13.5	18.8%
Federal	\$7.5	\$6.4	(\$1.1)	-14.7%
CTIB	\$1.9	\$1.8	(\$0.1)	-5.3%
Local/Other	\$0.3	\$0.2	(\$0.1)	-33.3%
Fares	\$10.5	\$10.1	(\$0.4)	-3.8%
Total Revenue	\$92.2	\$104.0	\$11.8	12.8%
Metro Mobility	\$62.6	\$71.2	\$8.6	13.7%
Regular Route	\$20.8	\$20.9	\$0.1	0.5%
Transit Link	\$6.8	\$7.1	\$0.3	4.4%
Planning	\$8.0	\$7.6	(\$0.4)	-5.0%
Total Expenditures	\$98.2	\$106.8	\$8.6	8.76%
Net Income/(Loss)	(\$6.0)	(\$2.8)		

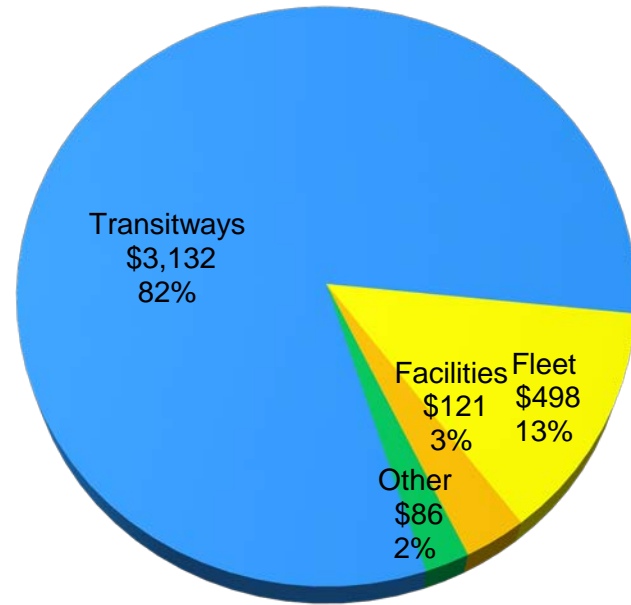
Historic FTEs

	2011	2012	2013	2014	2015	2016	2017
Adopted FTEs	39	39	40	44	43	50	50

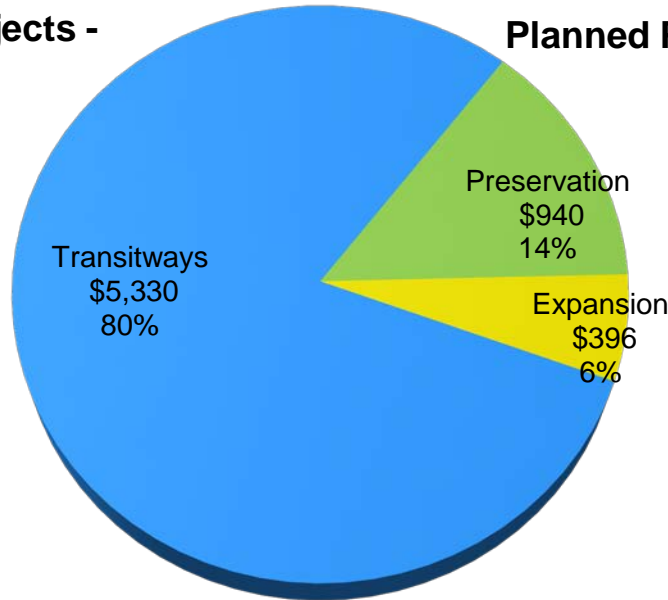
Transportation 2016 Amended Capital Program - \$6.67B



Authorized Projects - \$2.83B



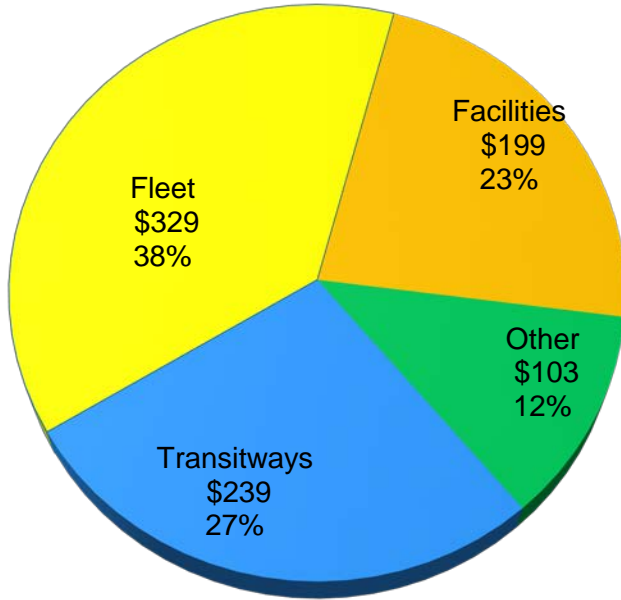
Planned Projects - \$3.84B



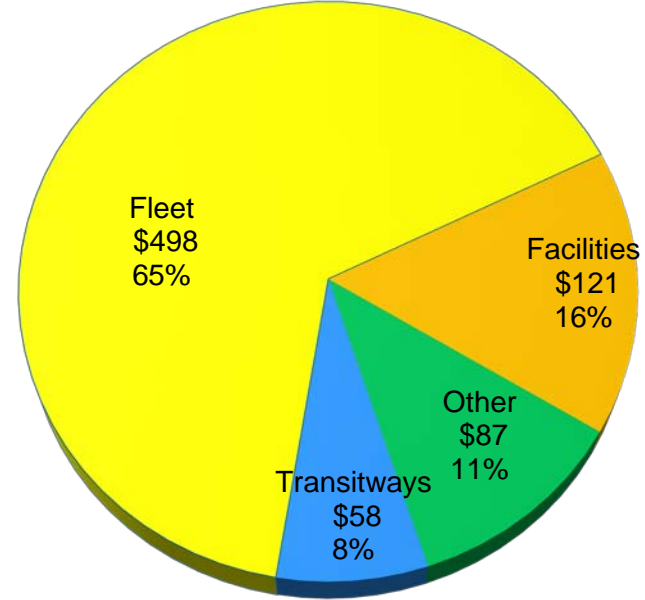
Projects By Category - \$6.67B



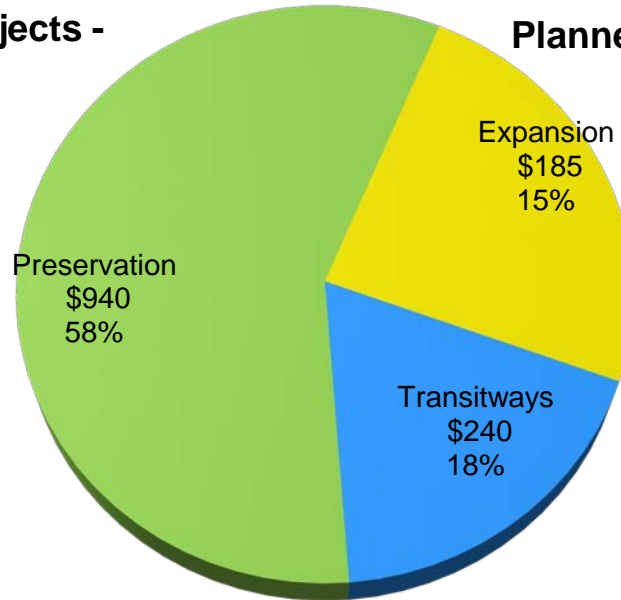
Transportation 2016 Amended Capital Program - \$1.63B without new starts rail projects



**Authorized Projects -
\$0.87B**



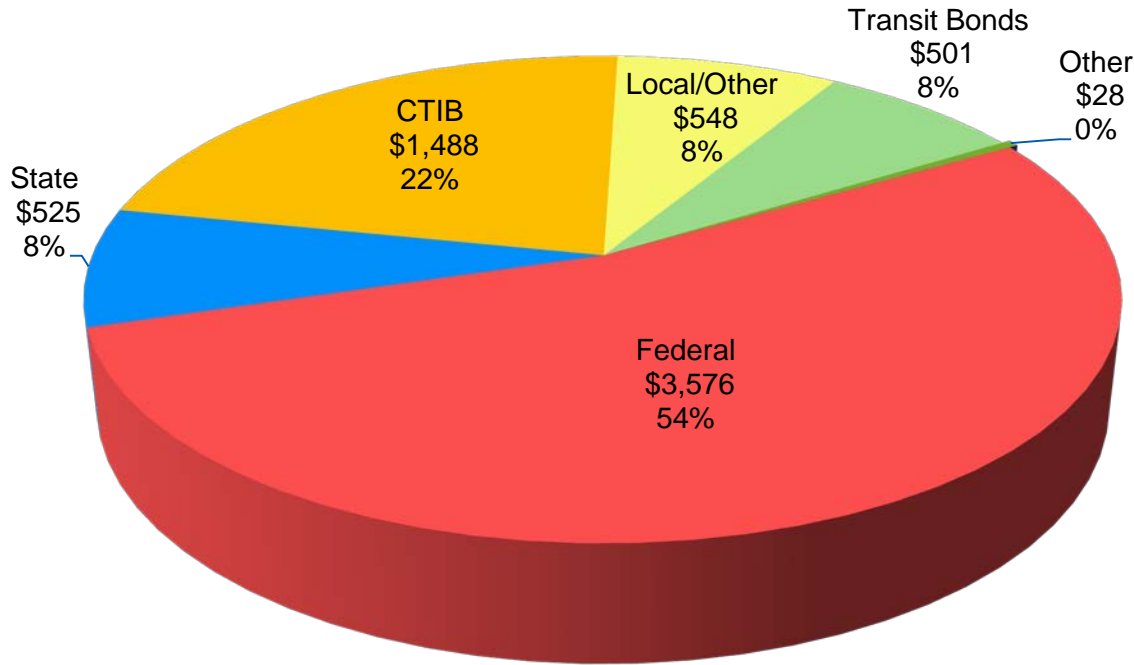
Planned Projects - \$0.76B



**Projects By Category –
\$1.63B**



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



\$ in Millions



Metropolitan Council Transportation Division 2017 Operating Budget

Transportation Committee
July 25, 2016

