



# Metropolitan Council Transportation Division 2019 Operating Budget

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## Transportation Committee

### July 23, 2018



## Budget Considerations & Pressures

- One-time State funding eliminated deficit in the current biennium, but the legislature did not address structural deficit in the future biennia.
- Preliminary Budget has been reviewed with all forecasts and financial plans

# Structural & Financial Position

## State Fiscal Year

	2018	2019	18-19	2020	2021	20-21	2022	2023	22-23	Total
2018 Adopted Budget	(42)	(60)	(102)	(73)	(89)	(162)	(103)	(114)	(217)	(481)
Feb 18 MVST Forecast	(4)	8	4	11	15	26	16	17	33	63
OPEB Base Budget Adj	4	8	12	8	8	16	9	9	18	46
Correct STP Preserve Bdgt	5	6	11	7	7	14	7	7	14	39
Metro Mobility Service Adj		(2)	(2)	(4)	(6)	(10)	(6)	(7)	(13)	(25)
Other	2	2	4	3	3	6	4	4	8	18
2019 Preliminary Budget	(35)	(38)	(73)	(48)	(62)	(110)	(73)	(84)	(157)	(340)
One-Time State Approp	30	40	70			-			-	70
CY17 MVST Under-Perform	(7)	(7)	(14)			-			-	(14)
Available CY17 YE Reserves	12	3	15	47	9	56			-	71
Other		2	2	1		1			-	3
Current Financial Position	-	-	-	-	(53)	(53)	(73)	(84)	(157)	(210)

# Budget Considerations & Pressures

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

## Budget Objectives:

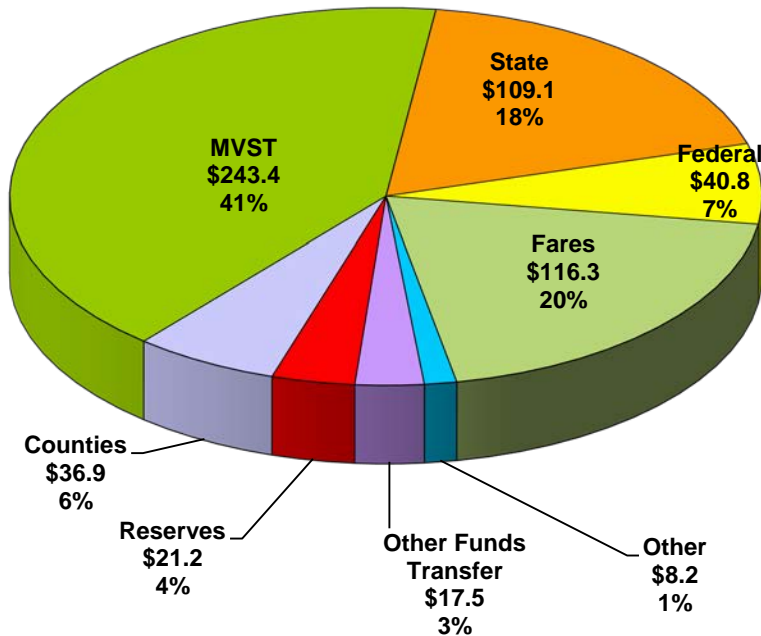
- Support implementation of
  - Thrive MSP 2040
  - Regional Transportation Policy Plan
- Thrive Lens
  - Preserve service while growing ridership & meeting needs across region
  - Prioritize structural solutions – mitigate structural gaps over time
  - Minimize impact on Council levies
  - Maintain reserves at policy levels

# Mitigating Revenue and Expense Volatility

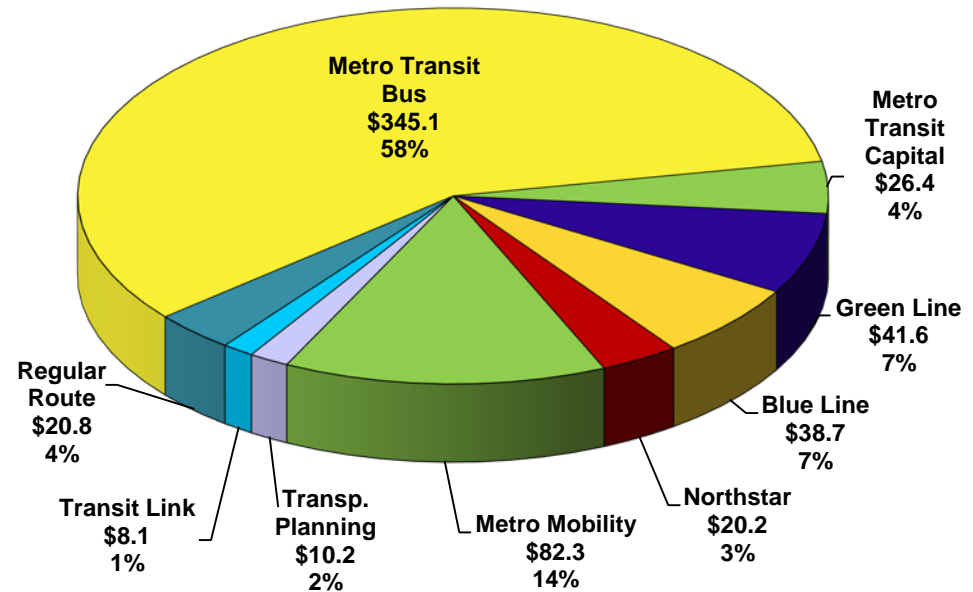
- Motor Vehicle Sales Tax
  - Budget 95% Motor Vehicle Sales Tax
  - Actual MVST receipts above 95% from prior year
- Fuel Price Hedging
- Operating Fund Reserve Targets
  - Address volatility in other revenues and expenses
  - Reserves partial solution for future biennium structural deficit

# Proposed 2019 Transportation Budget

Revenue  
\$593.4M

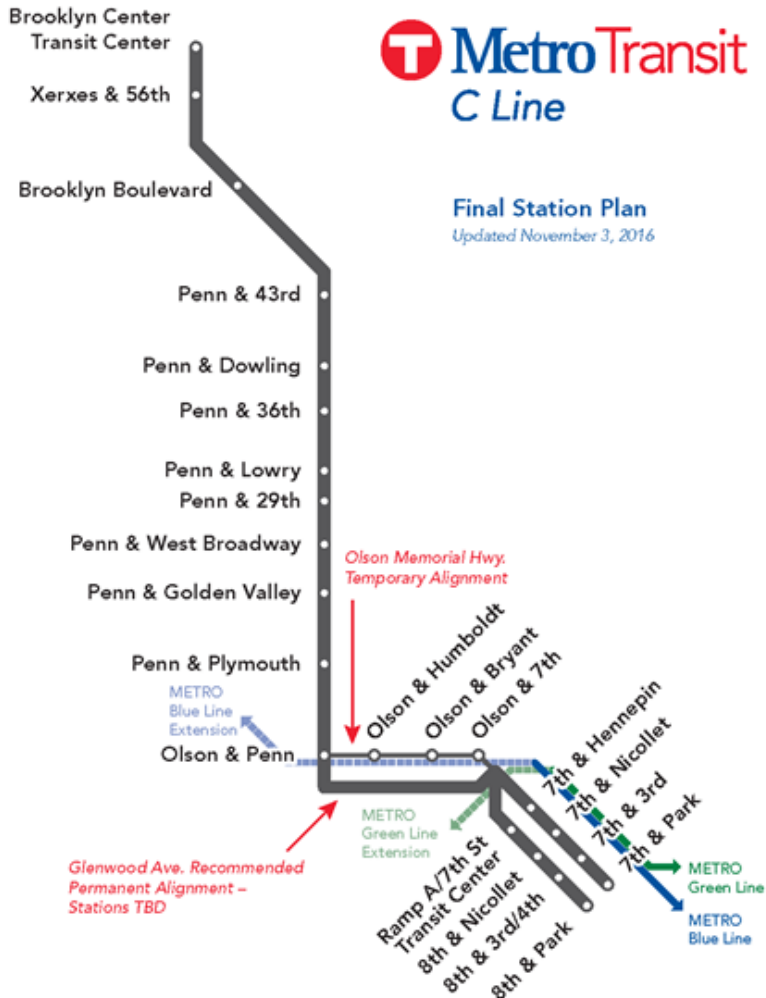


Expenses  
\$593.4M



# Thrive in Motion

## • C Line Rapid Bus



Final Station Plan  
Updated November 3, 2016

- 8.5 miles from downtown Minneapolis to Brooklyn Center
- 23 stations
- Faster trip
  - Pre-boarding fare payment
  - All-door boarding on 60-foot buses
  - In-lane stop (curb extensions)
  - Transit signal priority
- Construction 2018
- Opening 2019
- 7,600 daily rides today, 9,300 by 2030
- Coordination with 8th Street Reconstruction, Penn Avenue improvements
- \$20 million non-fleet project cost

Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability





# Thrive in Motion

- Asset Management



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

  
FHWA MAP-21 Site

  
FTA MAP-21 Site

Stewardship

Prosperity

Equity

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Sustainability

Integration

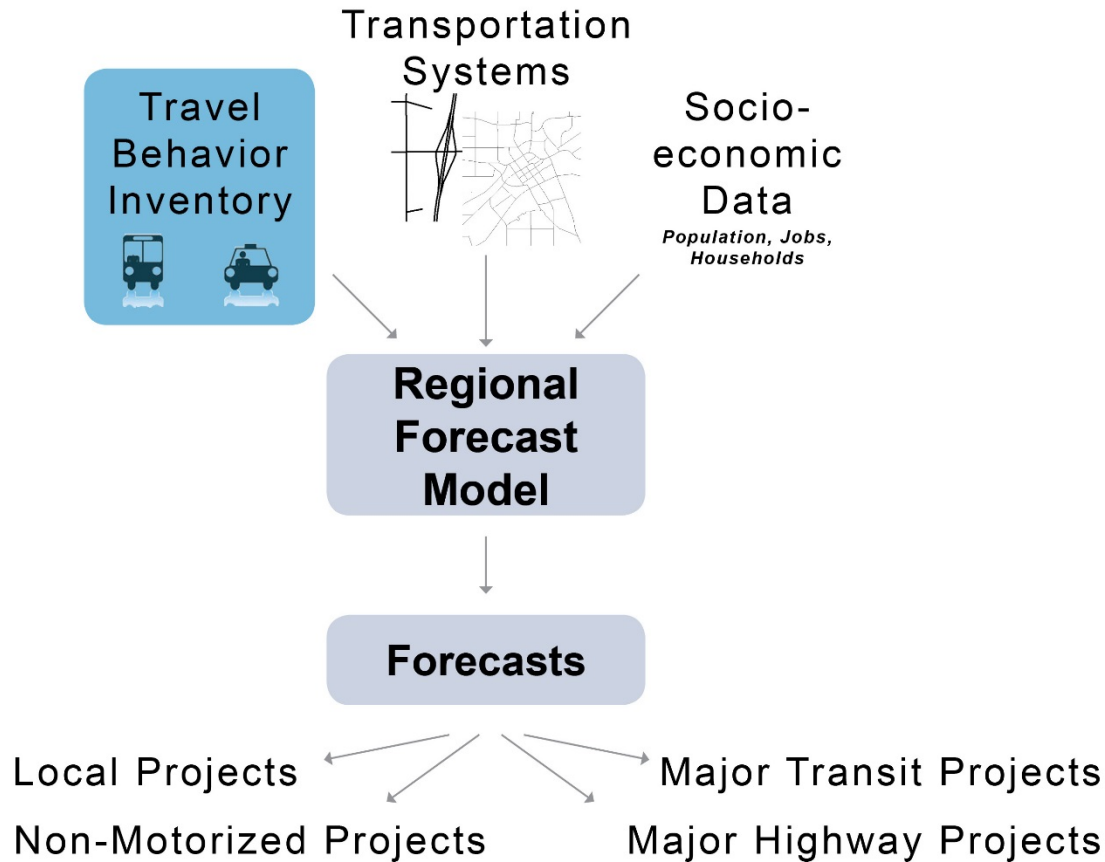
Collaboration

Accountability



# Thrive in Motion

- Travel Behavior Inventory



Stewardship

Prosperity

Equity

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Accountability



# Thrive in Motion

- Metro Mobility Task Force



Stewardship

Prosperity

Equity

Livability

Sustainability

Integration

Collaboration

Accountability



# Fund Balances

(\$ in millions)

	2015 Actual	2016 Actual	2017 Actual	2018 Budget	2019 Budget	Council Target	
						\$	%
Metro Transit Bus	\$48.3	\$41.3	\$69.1	\$56.2	\$48.3	\$28.8	8.3%
Metro Transit LRT	\$13.5	\$18.8	\$9.8	\$9.8	\$9.8	\$6.7	8.3%
Metro Transit Northstar	\$4.4	\$5.9	\$3.7	\$3.7	\$3.7	\$1.7	8.3%
Metro Mobility	\$11.4	\$11.6	\$28.0	\$21.3	\$8.2	\$8.2	10.0%
Transportation Planning & Contracted Services	\$7.4	\$8.0	\$9.7	\$9.6	\$9.6	\$5.9	15.0%
<b>TOTAL</b>	<b>\$85.1</b>	<b>\$85.6</b>	<b>\$120.2</b>	<b>\$100.6</b>	<b>\$79.4</b>	<b>\$51.3</b>	



# Metro Transit



# Metro Transit Budget Assumptions

- Maintains 2018 service levels with the following adjustments:
  - Contingency for overloads & bus bridge support
  - Adjust operators, mechanics, fuel, parts to meet service plan
- Ridership at 81.8 million
- Diesel fuel at \$1.84/gallon
- County funding for METRO Blue Line, METRO Green Line and Northstar
- Southwest light rail full-funding grant application Fall 2018 with FFGA early 2019
- C Line BRT operations in 2019
- I 35W construction
- Rte 54 MOA extension to Maplewood CMAQ service

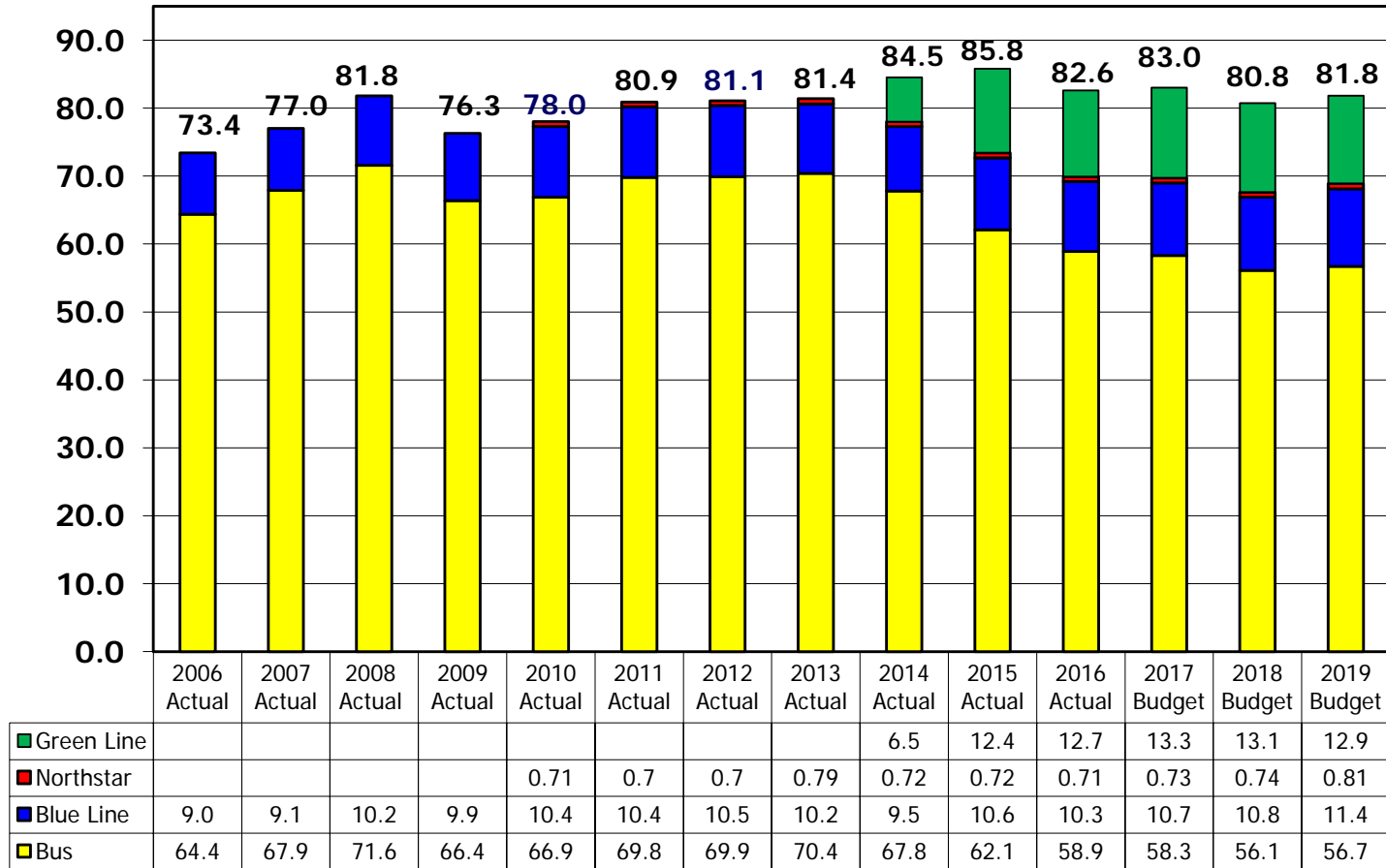
## Metro Transit Budget Assumptions, cont.

- Regional fare policy review to continue
- Light Rail vehicle and Commuter Rail vehicle overhaul programs
- Development Transit Asset Management plan



# Metro Transit Ridership

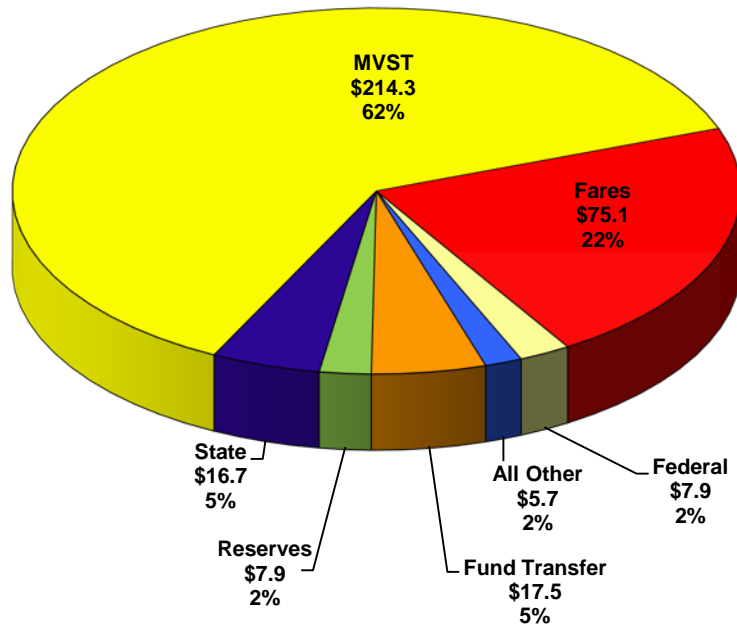
(in millions)



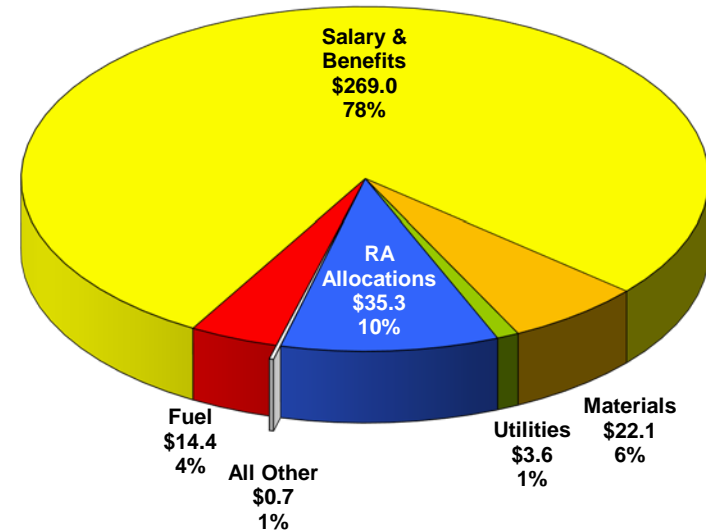


# Metro Transit Bus 2019 Operating Revenue & Expenses

Revenue  
\$345.1M

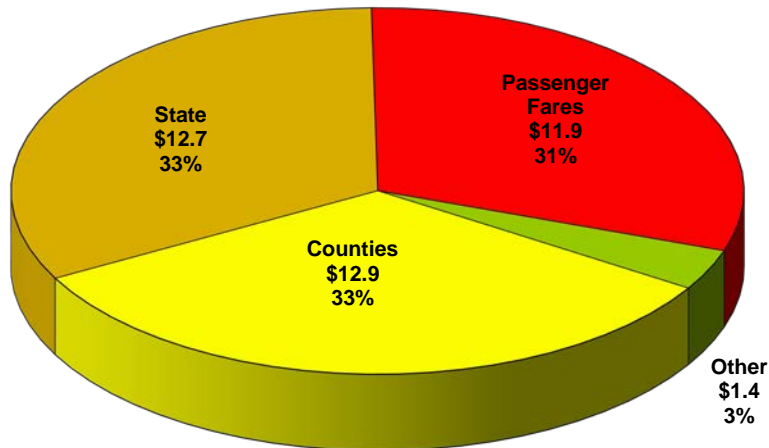


Expenses  
\$345.1M

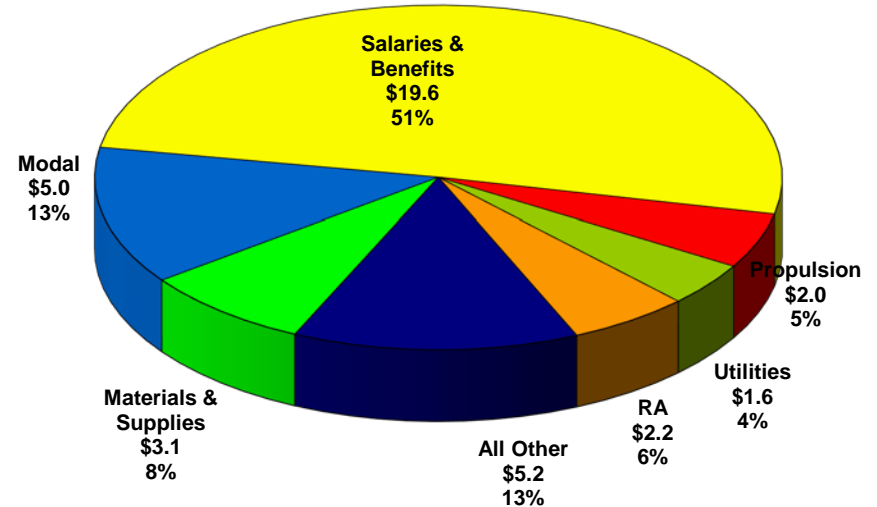


# METRO Blue Line 2019 Operating Revenue & Expenses

Revenue  
\$38.9M



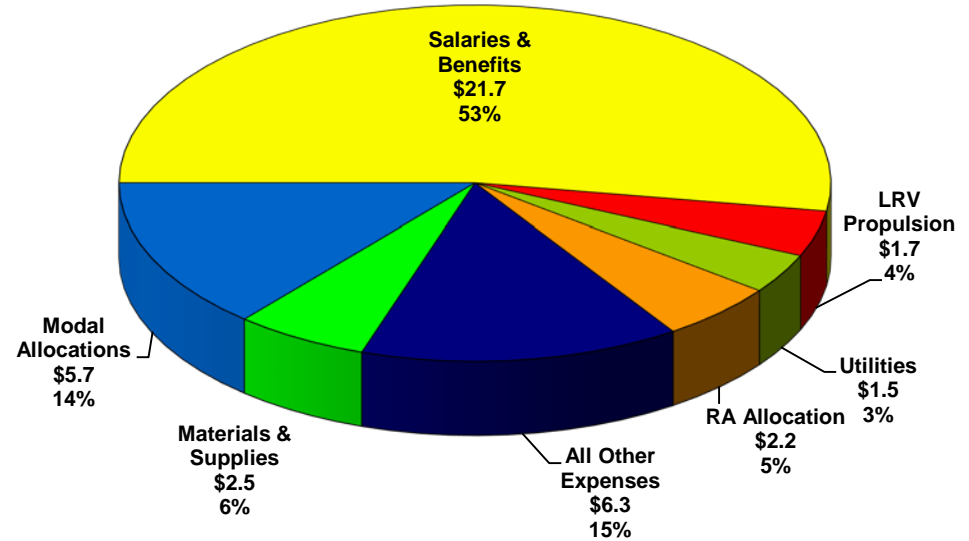
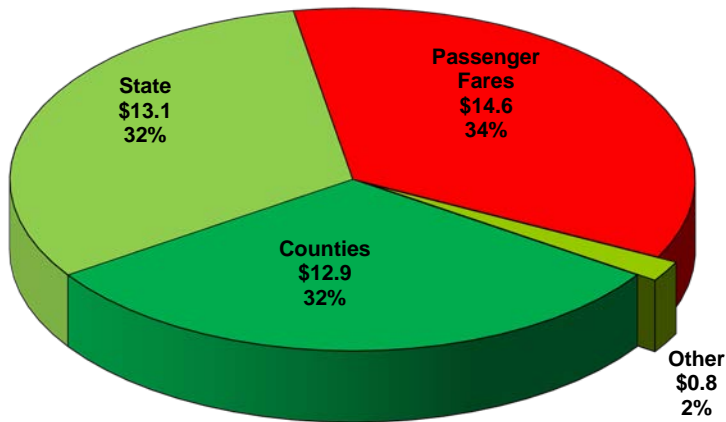
Expenses  
\$38.7M



# METRO Green Line 2019 Operating Revenue & Expenses

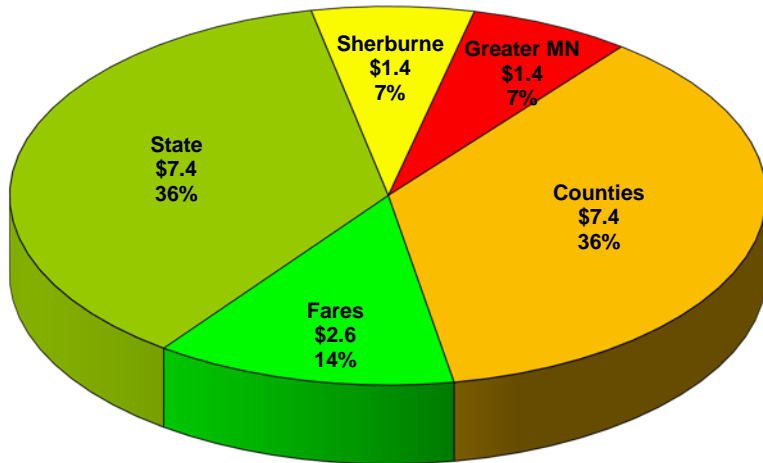
Revenue  
\$41.4M

Expenses  
\$41.6M

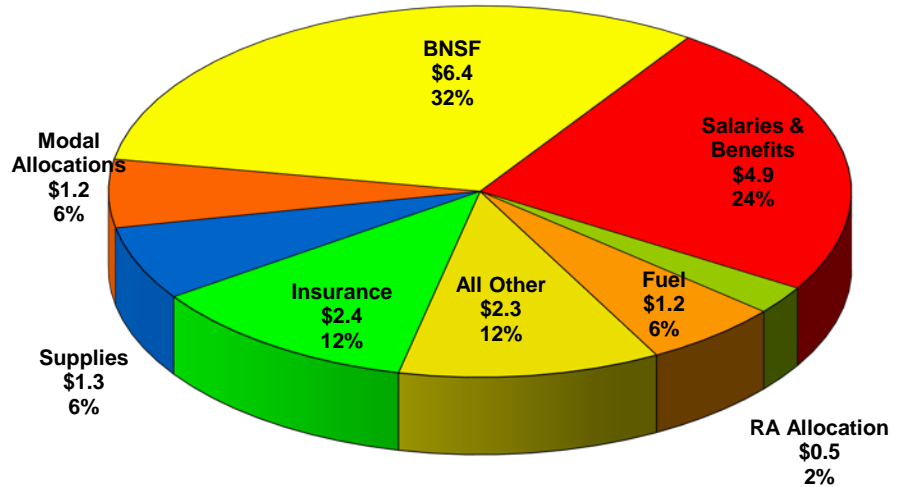


# Metro Transit Northstar 2019 Operating Revenue & Expenses

Revenue  
\$20.2M



Expenses  
\$20.2M



# Metro Transit - Bus & Rail Consolidated

	2018 Amended Operating Budget	2019 Proposed Operating Budget	\$ Change	% Change
<b>Revenue:</b>				
MVST	\$207.5	\$214.3	\$6.8	
State General Fund	65.6	49.8	(15.8)	
Counties/Greater MN	34.9	36.0	1.1	
Subtotal	\$308.0	\$300.1	(\$7.9)	(2.6%)
Passenger Fares	\$102.0	\$104.1	2.1	
Federal	3.7	7.9	4.2	
Other Funds Transfer	0	17.5	17.5	
Other	5.9	8.1	2.2	
<b>Total Revenue</b>	<b>\$419.6</b>	<b>\$437.7</b>	<b>\$18.1</b>	<b>4.3%</b>
<b>Expenses:</b>				
Salaries & Benefits	\$304.9	\$315.3	\$10.4	3.4%
Contract BNSF	6.0	6.4	0.4	6.6
Fuel/Propulsion	19.6	19.3	(0.3)	(1.5)
Materials & Supplies	28.9	29.0	0.1	0.3
Council Allocations	36.9	40.1	3.2	8.7
Other	28.2	35.5	7.3	25.8
<b>Total Expenses</b>	<b>\$424.5</b>	<b>\$445.6</b>	<b>\$21.1</b>	<b>4.9%</b>
<b>Net Income (Loss)</b>	<b>(\$4.9)</b>	<b>(\$7.9)</b>	<b>(\$3.0)</b>	

# Metro Transit - Bus & Rail Operating Consolidated

	2019 Proposed Operating Budget	2019 Proposed Capital Budget	Total 2019 Proposed Budget
<b>Revenue:</b>			
MVST	\$214.3	0	\$214.3
State General Fund	49.8	0	49.8
Counties/Greater MN	36.0	0.9	36.9
Subtotal	\$300.1	\$0.9	\$301.0
Passenger Fares	\$104.1	\$0	\$104.1
Federal	7.9	25.5	33.4
Other Funds Transfer	17.5	0	17.5
Other	8.1	0	8.1
<b>Total Revenue</b>	<b>\$437.7</b>	<b>\$26.4</b>	<b>\$464.1</b>
<b>Expenses:</b>			
Salaries & Benefits	\$315.3	\$21.9	\$337.2
Contract BNSF	6.4	0	6.4
Fuel/Propulsion	19.3	0	19.3
Materials & Supplies	29.0	0	29.0
Council Allocations	40.1	0	40.1
Other	35.5	4.5	40.0
<b>Total Expenses</b>	<b>\$445.6</b>	<b>\$26.4</b>	<b>\$472.0</b>
<b>Net Income (Loss)</b>	<b>(\$7.9)</b>	<b>0</b>	<b>(\$7.9)</b>



# Metro Transit

## FTEs by Budget Year

	Bus	Blue/Green Line	Northstar	Total	% Change	CCPO	SWPO	BPO
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	2782.3	424.6	50.2	3257.1	1.1%	0	51.8	31.0
2018 Budget	2788.0	418.95	50.2	3257.1	0%	0	98.5	41.0
2019 Budget	2883.4	420.5	49.0	3352.9	2.9%	0	94.5	51.5



# Metropolitan Transportation Services





# MTS Budget Assumptions

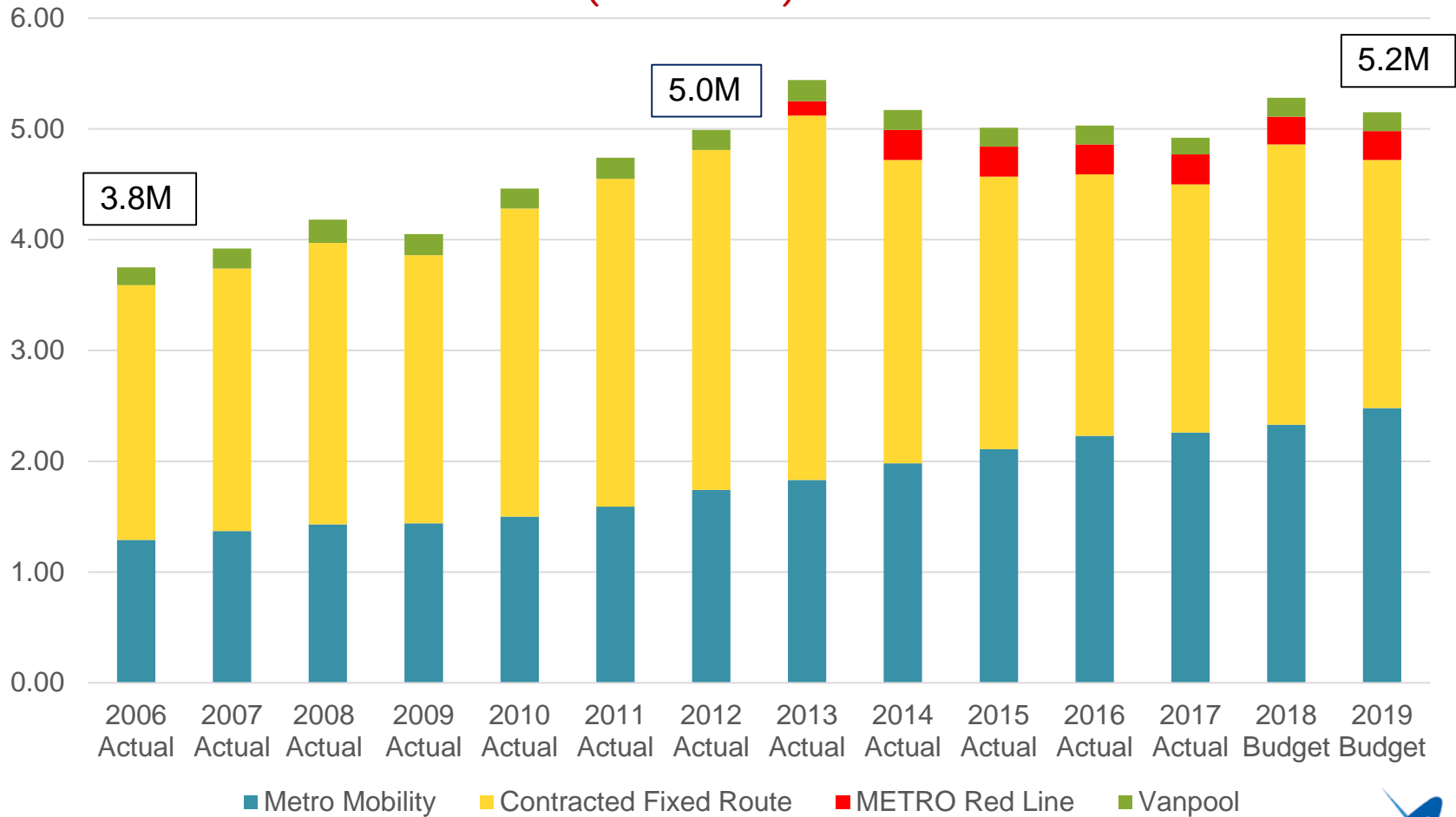
- Maintain 2018 service levels with the following adjustments
  - Metro Mobility ADA will meet anticipated demand
- Council funds 100% of METRO Red Line & Cedar Express Services
- Gasoline at \$3/gallon and diesel at \$3.50/gallon

# MTS Budget Assumptions

- Travel Behavior Inventory Study
- Transit Asset Management
- Revenues allocated based on the State Transit Funding Allocation Policy enacted December 2017
- Regional fare policy review to continue

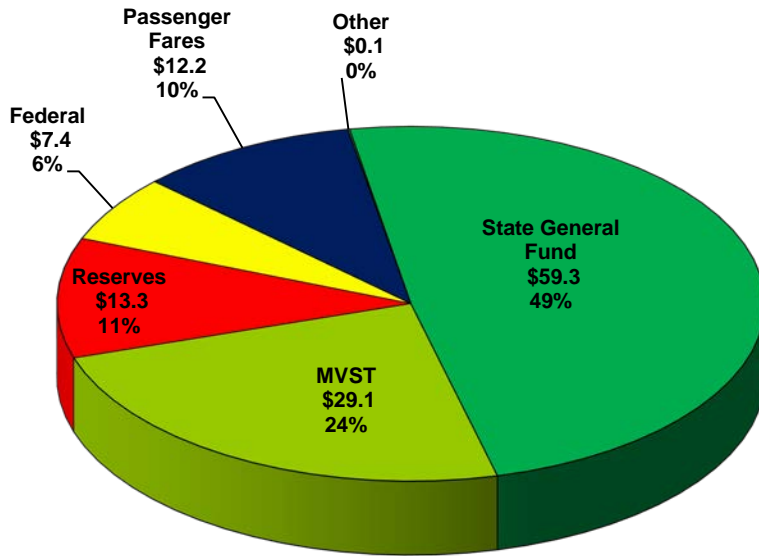
# Contracted Services Ridership

(in millions)

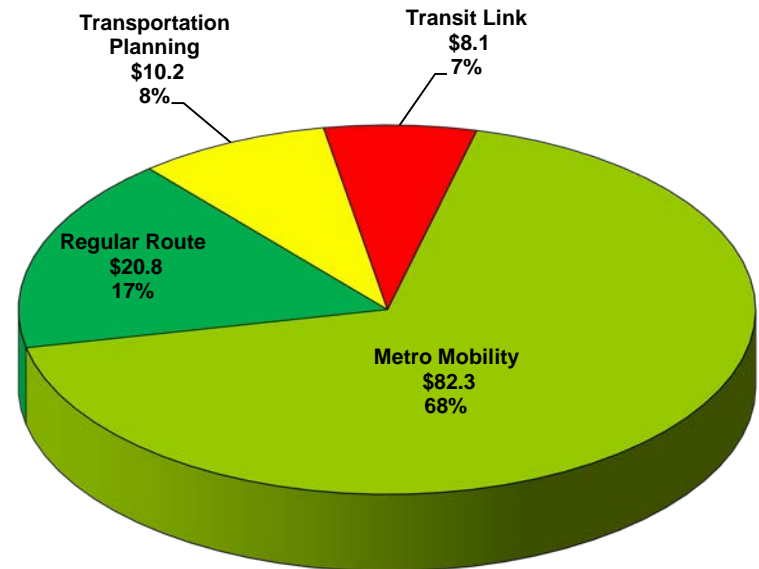


# Metropolitan Transportation Services 2019 Proposed Revenue & Expenses

Revenues  
\$121.4M



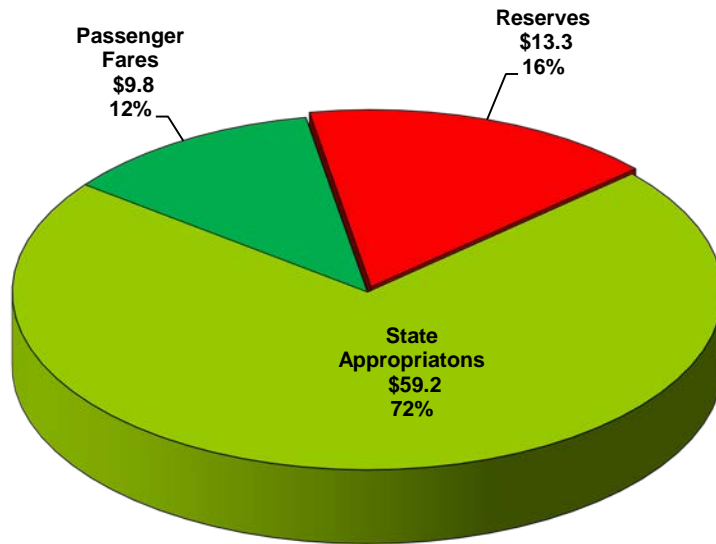
Expenses  
\$121.4M



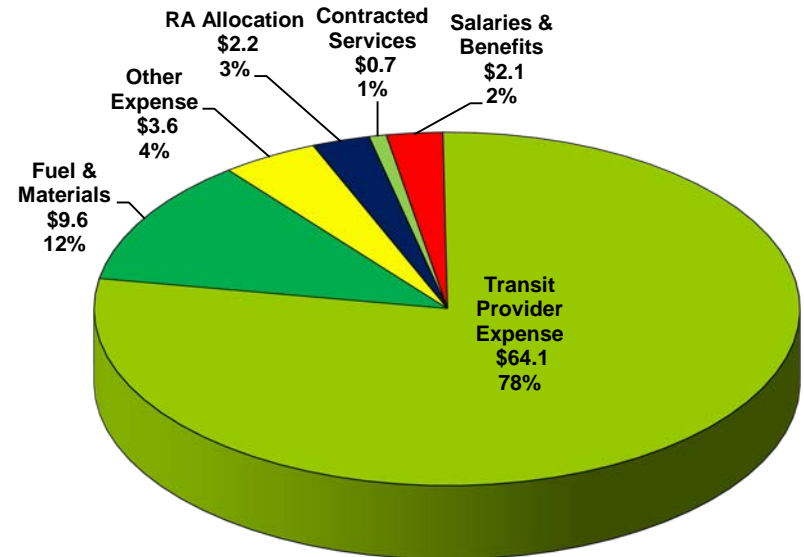
\$ in millions

# Metro Mobility 2019 Proposed Revenue & Expenses

Revenues  
\$82.3M



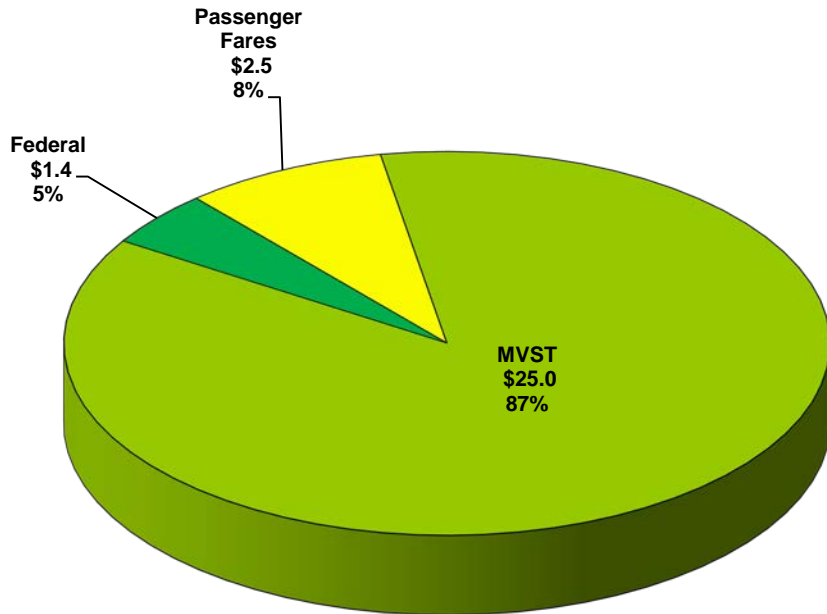
Expenses  
\$82.3M



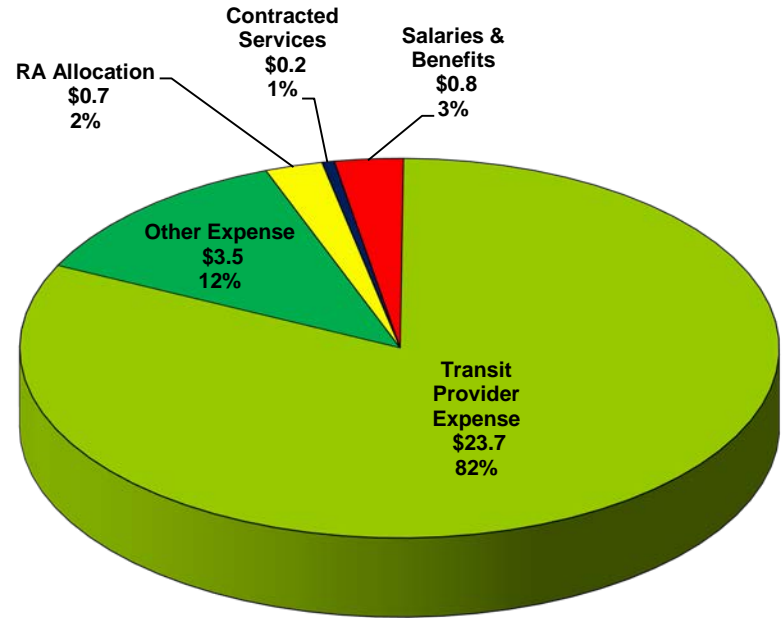
\$ in millions

# Contracted Regular Route, Transit Link, Vanpool 2019 Preliminary Revenue & Expenses

Revenues  
\$28.9M



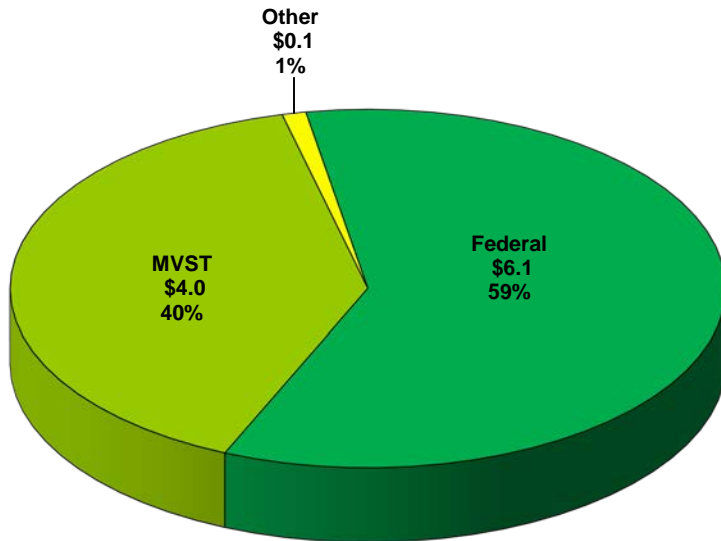
Expenses  
\$28.9M



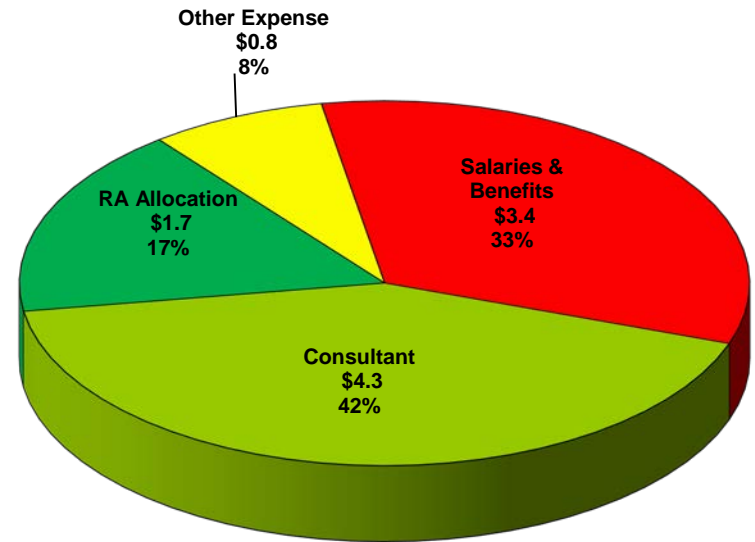
\$ in millions

# Transportation Planning & Administration 2019 Preliminary Revenue & Expenses

Revenues  
\$10.2M



Expenses  
\$10.2M



\$ in millions

## MTS Pass-through Program

- Revenues allocated based on State Transit Funding Policy
- Suburban Providers allocated more than directed in law.

Source	Allocation
Statutory MVST	\$29.81
Allocated MVST	\$5.04
Allocated General Fund	\$.75
Total	\$35.60

\$ in millions



# MTS Revenue and Expenditures (\$ in millions)

	2018 Adopted	2019 Proposed	\$ Change	% Change
MVST	\$26.55	\$29.06	\$2.50	9%
General Fund	\$57.77	\$59.27	\$1.50	3%
<b>Subtotal State</b>	<b>\$84.3</b>	<b>\$88.3</b>	<b>\$4.0</b>	<b>4.7%</b>
Federal	\$7.52	\$7.40	(\$0.12)	-2%
Local/Other	\$2.06	\$0.11	(\$1.95)	-95%
Fares	\$11.38	\$12.25	\$0.86	8%
<b>Total Revenue</b>	<b>\$105.3</b>	<b>\$108.1</b>	<b>\$2.8</b>	<b>2.7%</b>
Metro Mobility	\$73.09	\$82.32	\$9.23	13%
Regular Route	\$21.25	\$20.78	(\$0.47)	-2%
Transit Link	\$7.82	\$8.07	\$0.25	3%
Planning	\$9.89	\$10.20	\$0.31	3%
<b>Total Expenditures</b>	<b>\$112.0</b>	<b>\$121.4</b>	<b>\$9.3</b>	<b>8.3%</b>
<b>Net Income/(Loss)</b>	<b style="color: red;">(\$6.7)</b>	<b style="color: red;">(\$13.3)</b>	<b style="color: red;">(\$6.5)</b>	

# Historic FTEs

	<b>FTE</b>
2011 Budget	39
2012 Budget	39
2013 Budget	40
2014 Budget	44
2015 Budget	43
2016 Budget	50
2017 Budget	50
2018 Budget	50
2019 Proposed	53

# Budget/Levy Adoption Schedule

August 8	Council Preliminary Budget Review
August 22	Adopt Preliminary Operating Budgets and Tax Levies
Sept/Oct	Council Capital Budget Review
October 24	Adopt Public Comment Versions of Operating Budget, Levies and Capital Program
December 12	Adopt Final Budget & Levies



# Metropolitan Council Transportation Division 2019 Operating Budget

Transportation Committee  
July 23, 2018

