



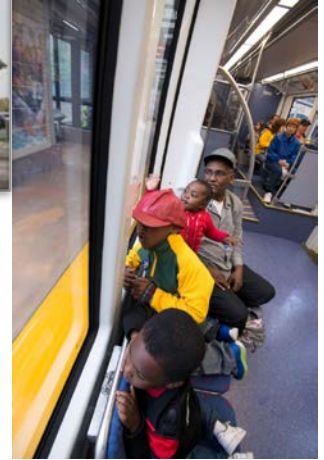
Metropolitan Council Transportation Division 2020 Operating Budget

Transportation Committee
August 12, 2019

Ed Petrie
Director Finance, Metro Transit

Heather Agesen-Huebner
Director Finance, Metropolitan Transportation Services

Metropolitan Council Transportation Division 2020 Operating Budget



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 with a multi-year focus
 - Minimize impact on Council levies
 - Maintain reserves at policy levels

Budget Framework

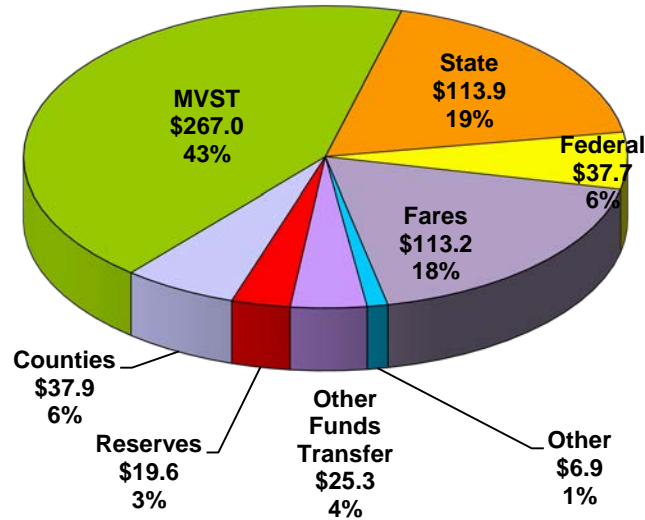
- Rollup budget major revenue & expense categories
- Not set at a line item basis
- Tight parameters on budget development
 - Anticipated revenue growth (MVST, state appropriations, fares)
 - Service on the street including labor and service contracts
- Metro Mobility expansion to Lakeville
- 2019 Customer Improvements (Annualized in 2020)
 - Improving customer communications
 - Safety
 - Improving condition of trains, stations and other facilities
 - Improving winter performance

Mitigating Revenue and Expense Volatility

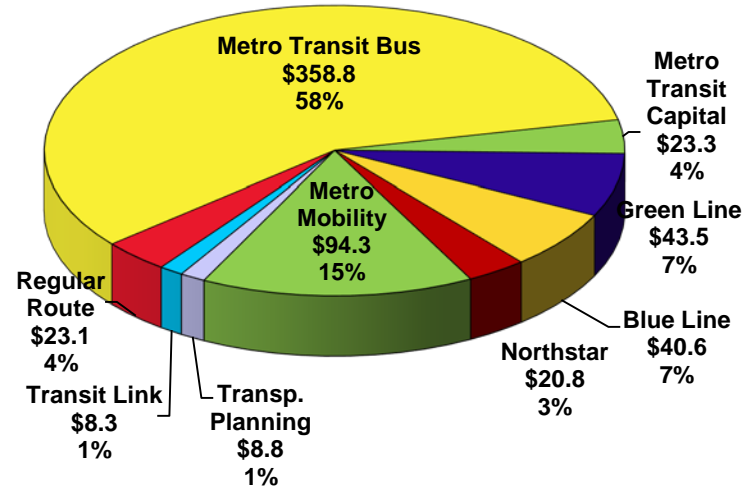
- Motor Vehicle Sales Tax
 - Budget 95% Motor Vehicle Sales Tax
 - Actual MVST receipts above 95% from prior year
- Fuel Price Hedging
- Operating Fund Reserve Targets
 - Address volatility in other revenues and expenses
 - Reserves partial solution for future biennium structural deficit

Proposed 2020 Transportation Budget

Revenue
\$621.5M



Expenses
\$621.5M



Metro Transit

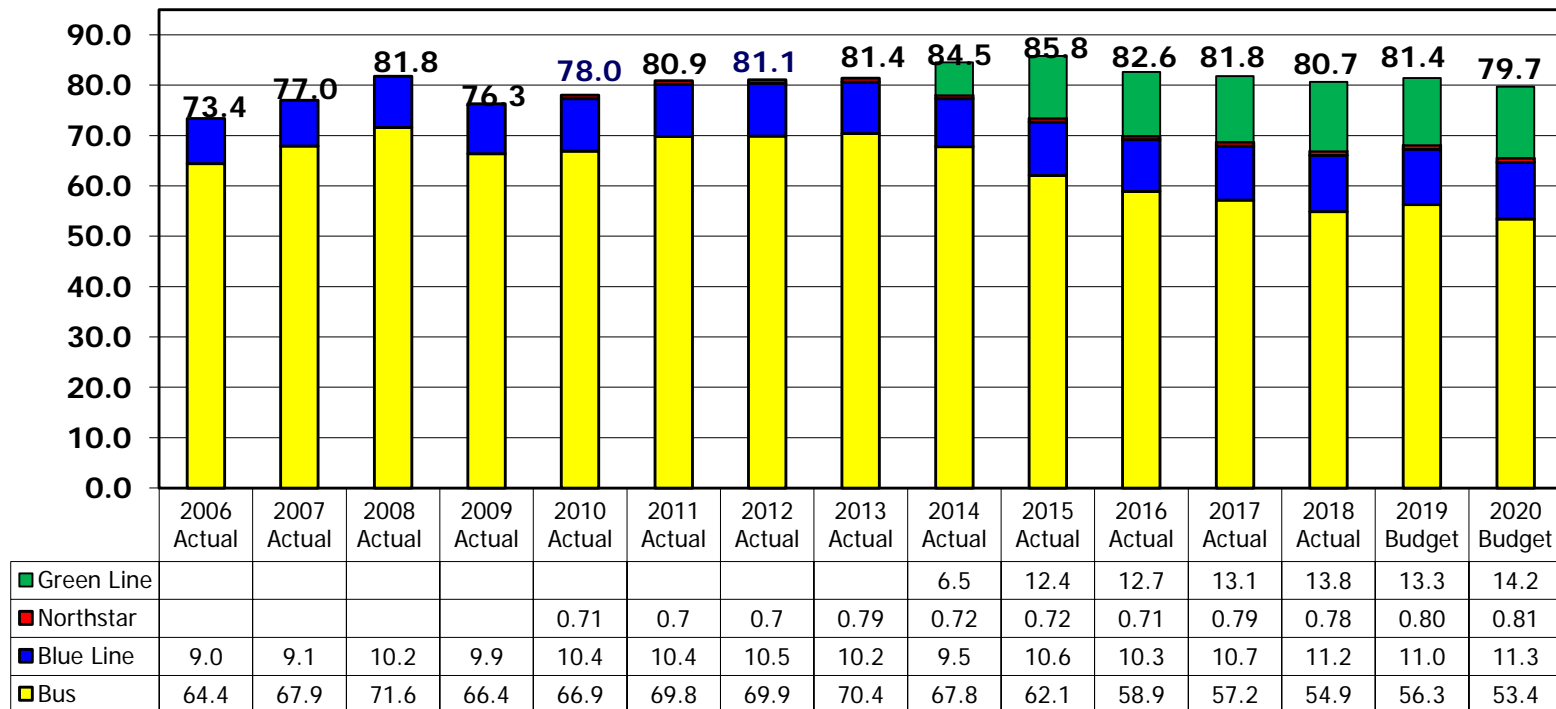


Metro Transit Budget Assumptions

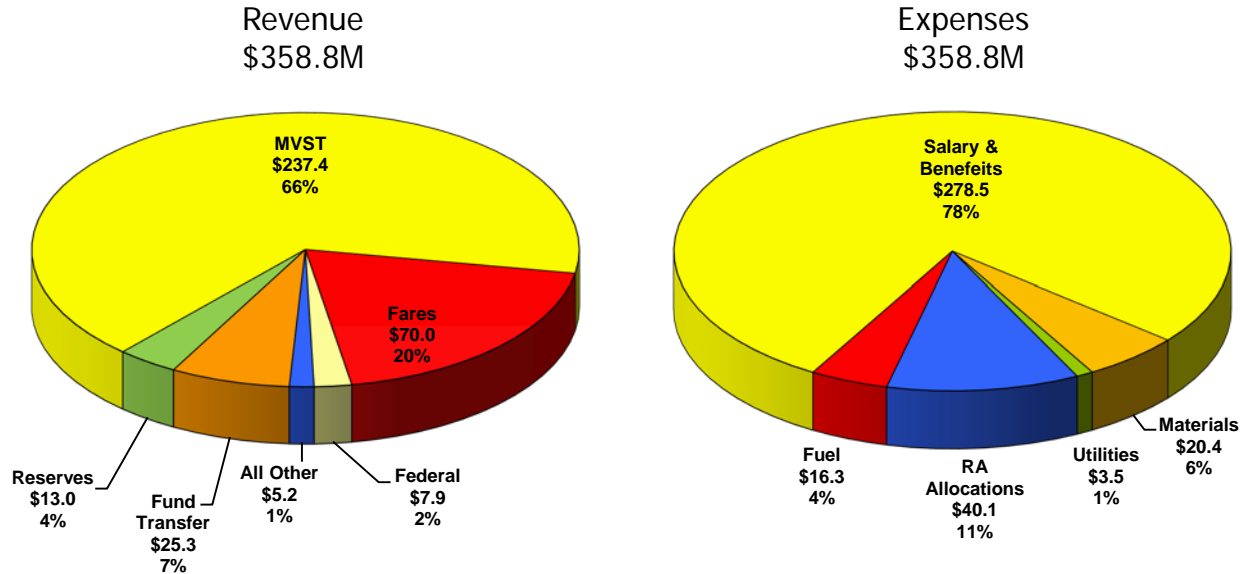
- Maintains 2019 service levels with the following adjustments:
 - Contingency for overloads & bus bridge support
 - Adjust operators, mechanics, fuel, parts to meet service plan
- 2019 Customer Improvements (Annualized in 2020)
 - Improving customer communications
 - Safety
 - Improving condition of trains, stations and other facilities
 - Improving winter performance
- Ridership at 79.7 million
- Diesel fuel at \$2.30/gallon
- County funding for METRO Blue Line, METRO Green Line and Northstar
- Southwest Light Rail full-funding grant application Fall 2019 with FFGA early 2020
- Light Rail vehicle and Commuter Rail vehicle overhaul programs

Metro Transit Ridership

(in millions)

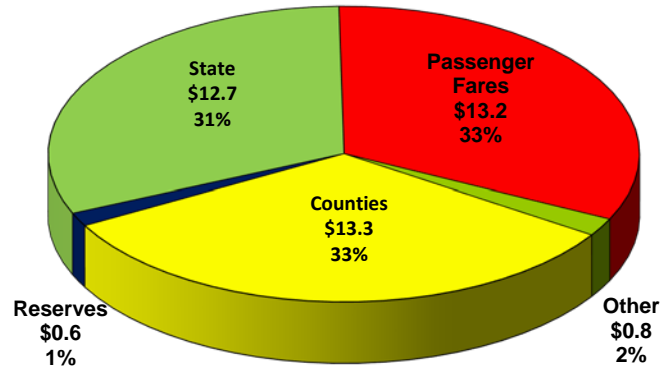


Metro Transit Bus 2020 Operating Revenue & Expenses

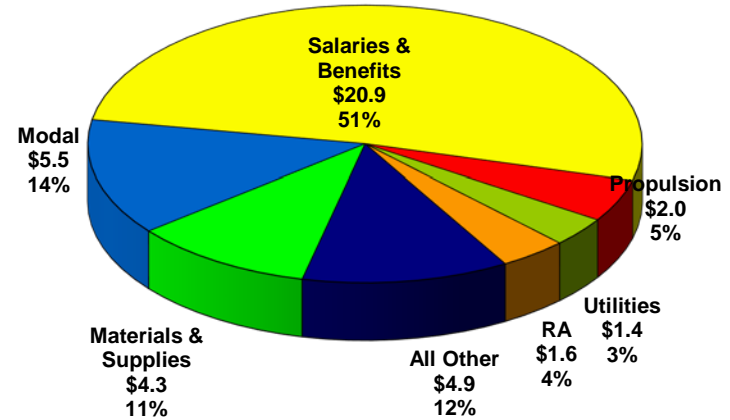


METRO Blue Line 2020 Operating Revenue & Expenses

Revenue
\$40.6M

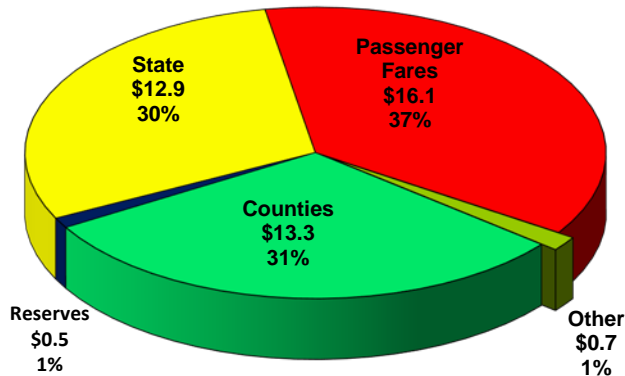


Expenses
\$40.6M

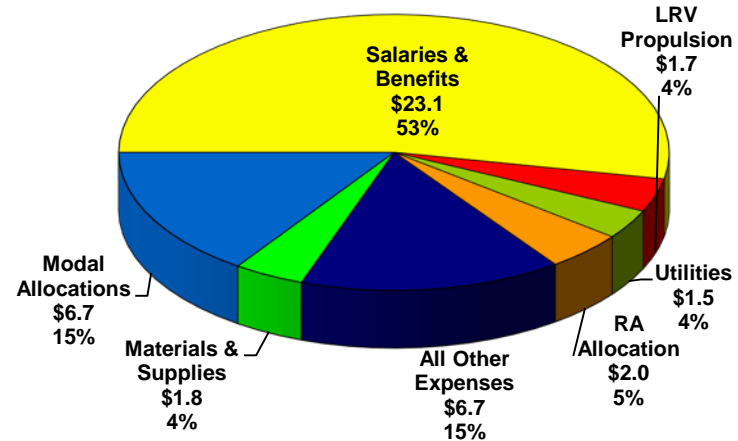


METRO Green Line 2020 Operating Revenue & Expenses

Revenue
\$43.5M

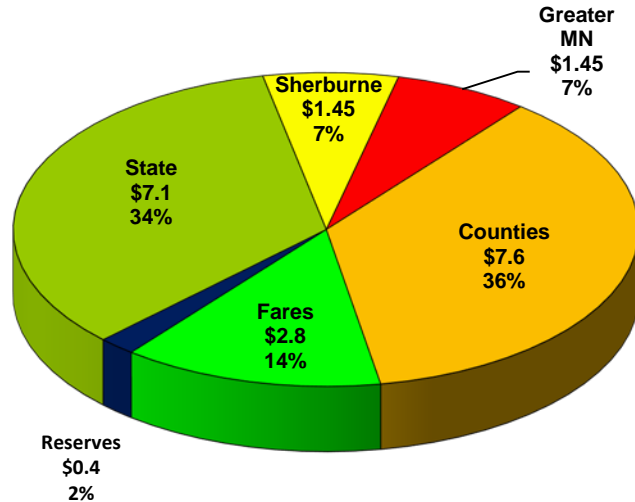


Expenses
\$43.5M

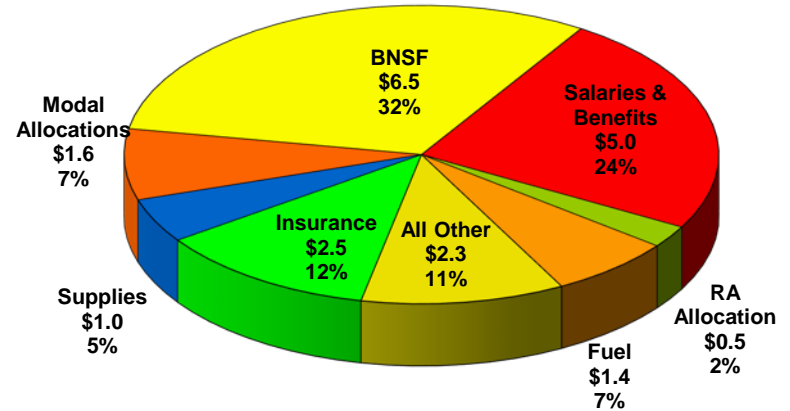


Metro Transit Northstar 2020 Operating Revenue & Expenses

Revenue
\$20.8M



Expenses
\$20.8M



Metro Transit - Bus & Rail Consolidated

	2019 Amended Operating Budget	2020 Proposed Operating Budget	\$ Change	% Change
Revenue:				
MVST	\$215.5	\$237.4	\$21.9	
State General Fund	44.6	32.7	(11.9)	
Counties/Greater MN	36.0	37.9	1.9	
Subtotal	\$296.1	308.0	\$11.9	4.0%
Passenger Fares	\$104.1	\$101.9	(2.2)	
Federal	7.9	7.9	0	
Other Funds Transfer	21.2	25.3	4.1	
Other	8.2	6.1	(2.1)	
Total Revenue	437.5	\$449.2	\$11.7	2.7%
Expenses:				
Salaries & Benefits	\$315.3	\$327.5	\$12.2	3.8%
Contract BNSF	6.4	6.5	0.1	1.5
Fuel/Propulsion	19.3	21.4	2.1	10.8
Materials & Supplies	29.0	27.5	(1.5)	(5.1)
RA Allocations	40.1	44.2	4.1	10.2
Other	35.5	36.6	1.1	3.1
Total Expenses	\$445.6	\$463.7	\$18.1	4.1%
Net Income (Loss)	(\$8.1)	(\$14.5)	(\$6.4)	

Metro Transit - Bus & Rail Operating Consolidated

	2020 Proposed Operating Budget	2020 Proposed Capital Operating Budget	Total 2020 Proposed Budget
Revenue:			
MVST	\$237.4	0	\$237.4
State General Fund	32.7	0	32.7
Counties/Greater MN	37.9	1.0	38.9
Subtotal	\$308.0	\$1.0	\$309.0
Passenger Fares	\$101.9	\$0	\$101.9
Federal	7.9	22.3	30.2
Other Funds Transfer	25.3	0	25.3
Other	6.1	0	6.1
Total Revenue	\$449.2	\$23.3	\$472.5
Expenses:			
Salaries & Benefits	\$327.5	\$19.5	\$347.0
Contract BNSF	6.5	0	6.5
Fuel/Propulsion	21.4	0	21.4
Materials & Supplies	27.5	0	27.5
RA Allocations	44.2	0	44.2
Other	36.6	3.8	40.4
Total Expenses	\$463.7	\$23.3	\$487.0
Net Income (Loss)	(\$14.5)	0	(\$14.5)



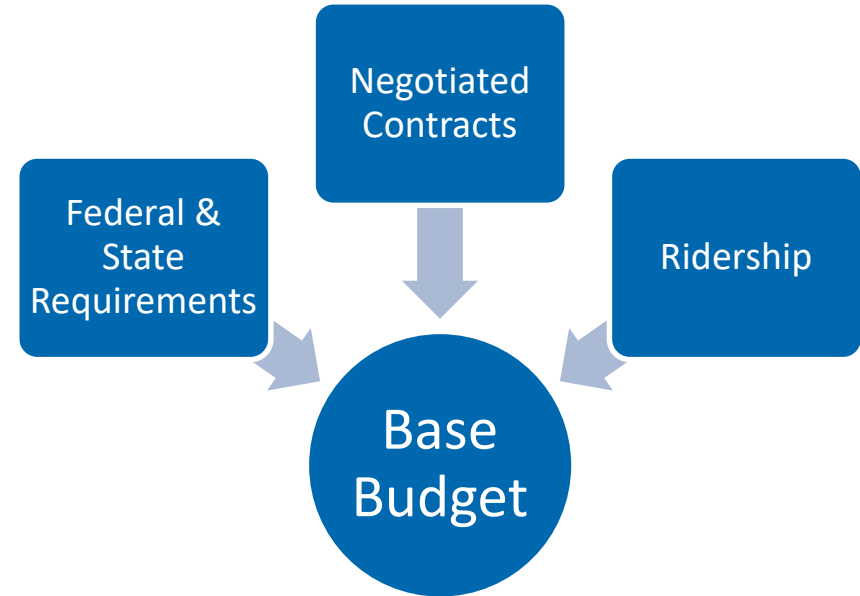
Metropolitan Transportation Services



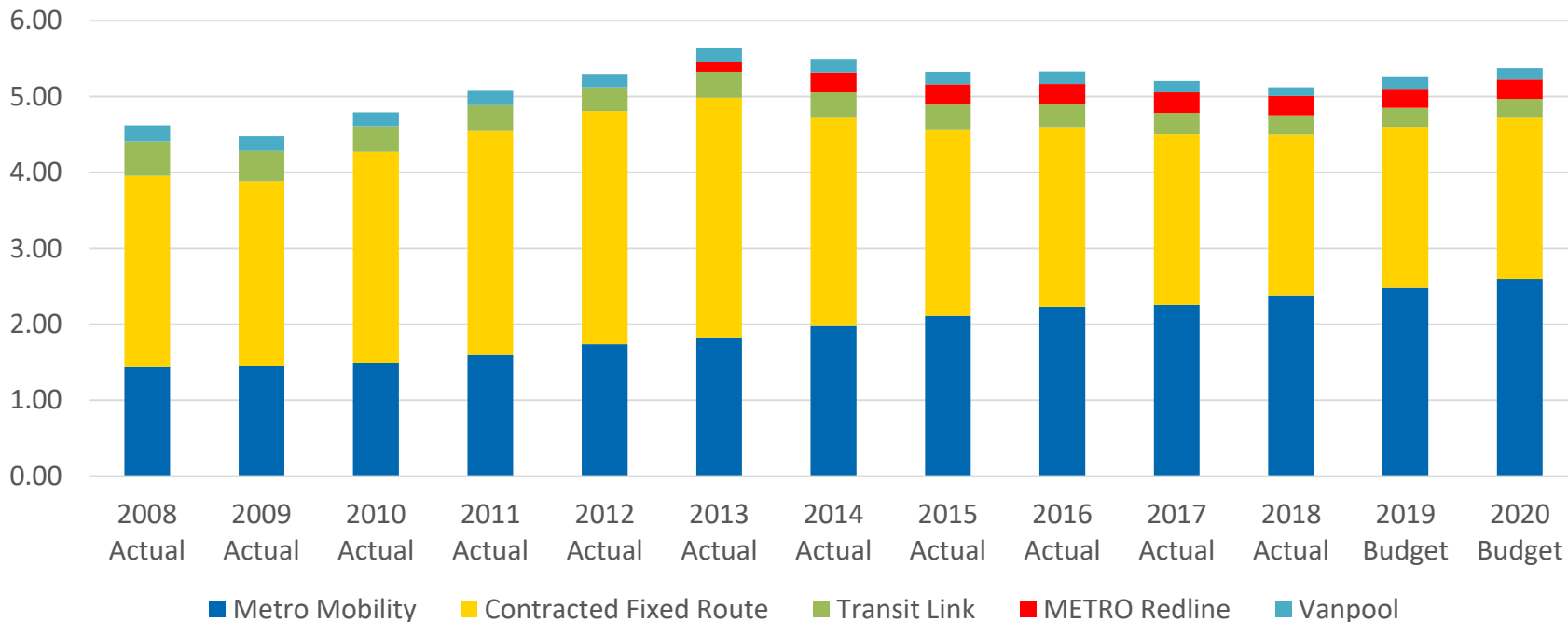
2020 Overview

Executive Summary

- \$134.5M Division Budget
- Metro Mobility ADA will meet anticipated demand
- Metro Mobility Lakeville expansion
- Implement Metro Mobility Task Force recommendations

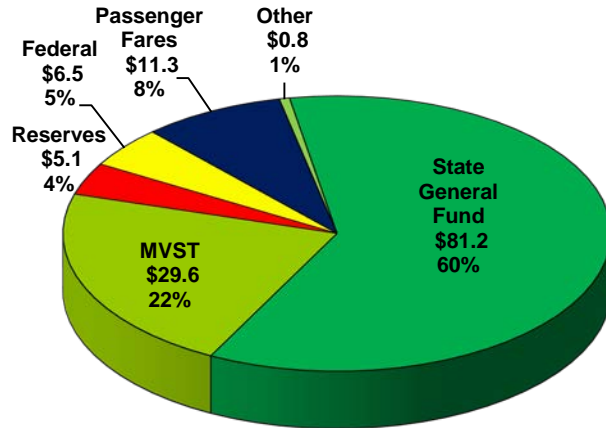


Contracted Services Ridership

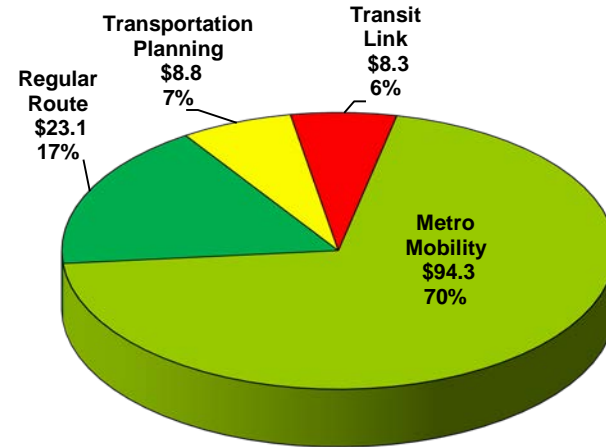


Metropolitan Transportation Services 2020 Operating Revenue & Expenses

Revenues
\$134.5M



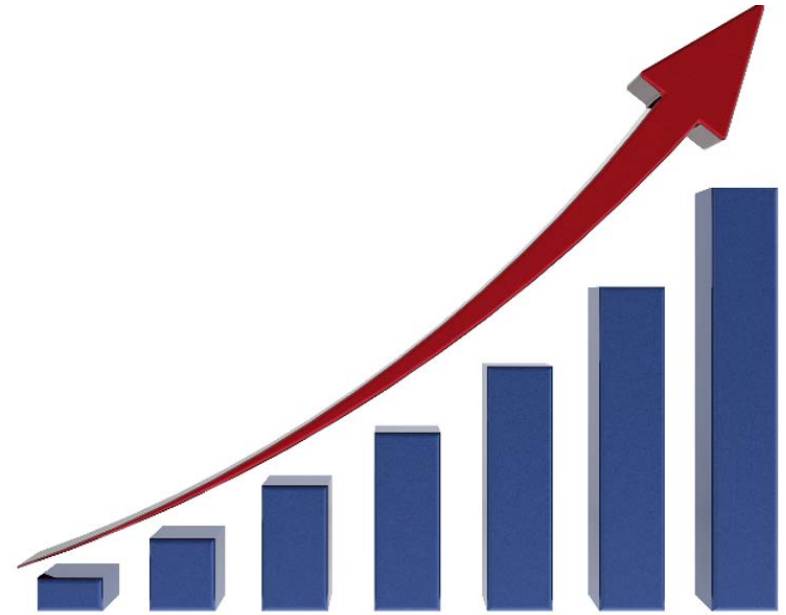
Expenses
\$134.5M



\$ in millions

Metro Mobility by the numbers*

- 2.38 million annual rides
- 30% ridership growth from 2013 to 2018
- 62,000 certified riders in system
- 616 vehicles
- 93 communities
- \$28.68 average subsidy per ride
- 10.48 mile average trip length



*2018 data

Metro Mobility 2020

- Initiatives

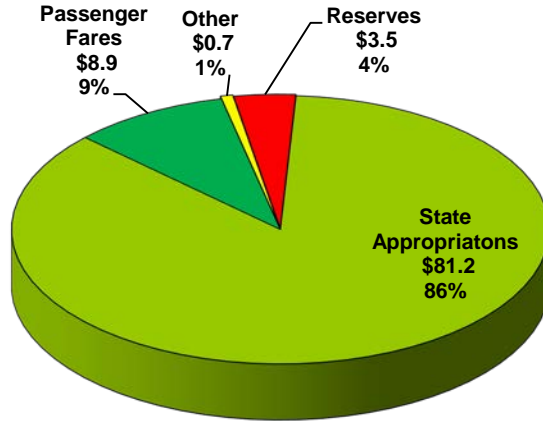
- Lakeville expansion
- On-demand service pilot
- Data sharing with
Department of Human
Services

- Challenges

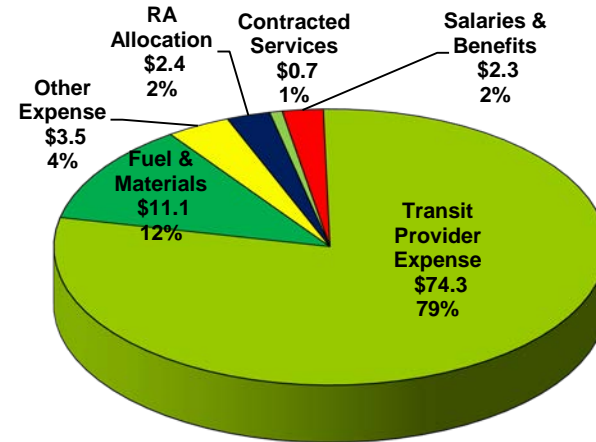
- Rising demand
- Expanded service area
- Wage pressure
- Federal requirements
- Increasing trip length
- Rising costs

Metro Mobility 2020 Operating Revenue & Expenses

Revenues
\$94.3M

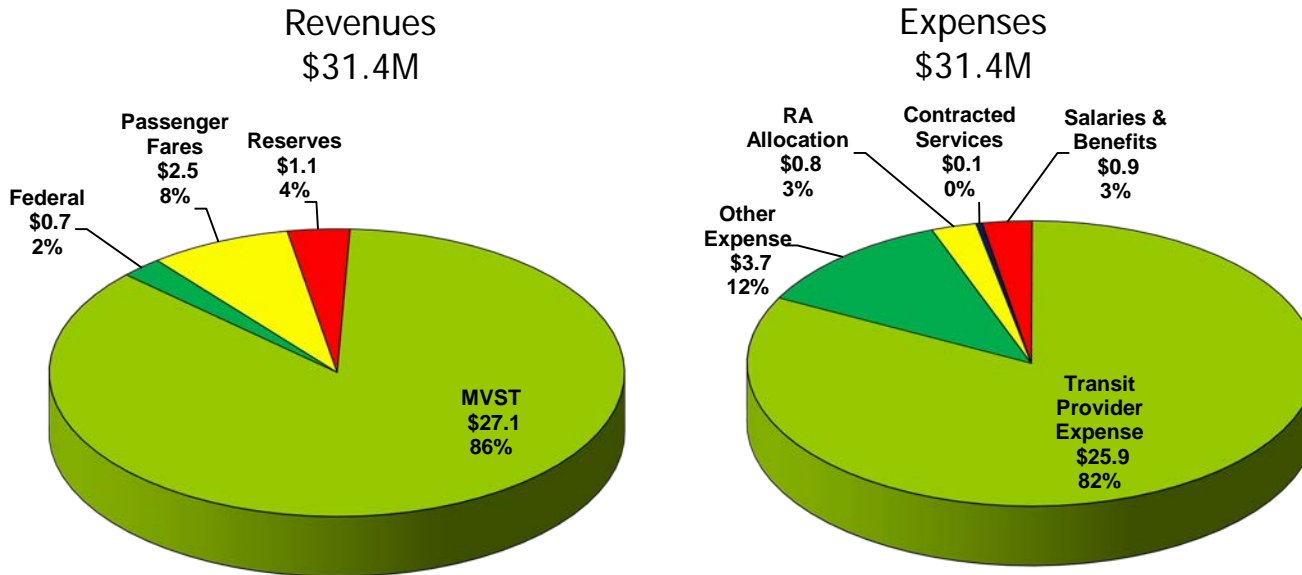


Expenses
\$94.3M



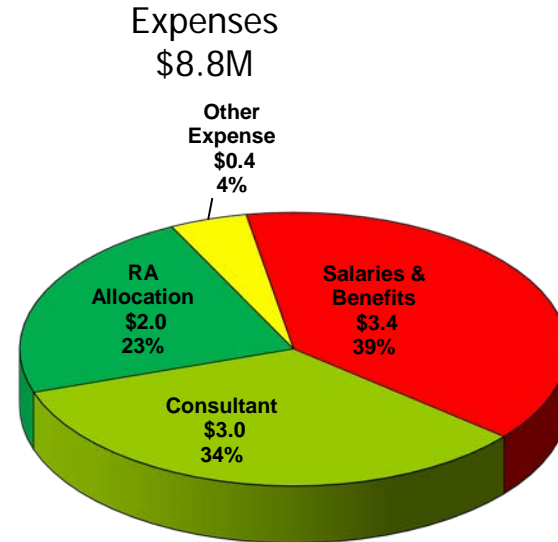
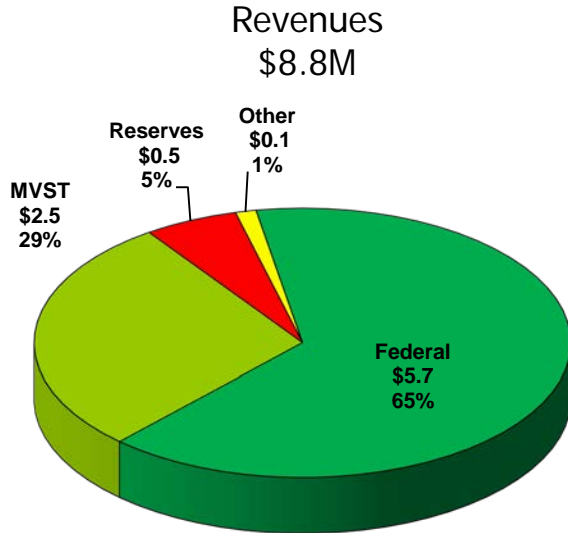
\$ in millions

Contracted Regular Route, Transit Link, Vanpool 2020 Operating Revenue & Expenses



\$ in millions

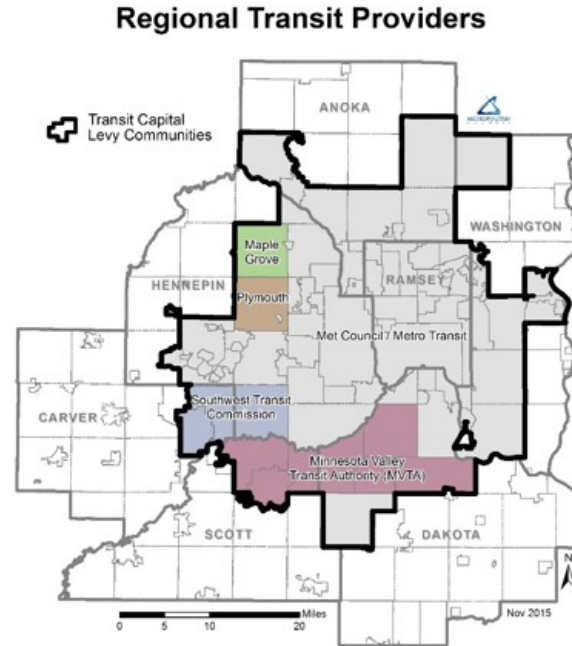
Transportation Planning & Administration 2020 Operating Revenue & Expenses



\$ in millions

MTS Pass-through Program

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



MTS Consolidated (\$ in millions)

	2019 Amended	2020 Proposed	\$ Change	% Change
MVST	\$27.56	\$29.57	\$2.01	7%
General Fund	\$64.72	\$81.21	\$16.49	25%
Subtotal State	\$92.28	\$110.8	\$18.52	20%
Federal	\$8.90	\$6.46	(\$2.44)	-27%
Local/Other	\$0.11	\$0.82	\$0.71	645%
Fares	\$11.25	\$11.36	\$0.11	1%
Total Revenue	\$112.54	\$129.4	\$16.85	15%
Metro Mobility	\$82.32	\$94.30	\$11.98	15%
Regular Route	\$20.78	\$23.08	\$2.30	11%
Transit Link	\$8.07	\$8.32	\$0.25	3%
Planning	\$10.20	\$8.81	(\$1.39)	-14%
Total Expenditures	\$121.4	\$134.5	\$13.1	11.0%
Net Income/(Loss)	(\$8.8)	(\$5.1)	\$3.8	

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