



# Metropolitan Council Transportation Division Proposed 2010 Operating Budget

Metropolitan Council  
July 22, 2009

# Financial Objectives

## Application to Transit Budget

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- Support the Council's framework and Regional Transportation Policy Plan
- Construct a balanced transit budget over 4 years
- Prioritize structural solutions – mitigate structural gaps over time
  - Administrative reductions and service efficiencies
  - Possible fare increases (July 2011 and after)
- Build Metro Transit reserves to Council targets
- Minimize impact on Council levies
- Northstar operations begin

# Budget Challenges / Opportunities

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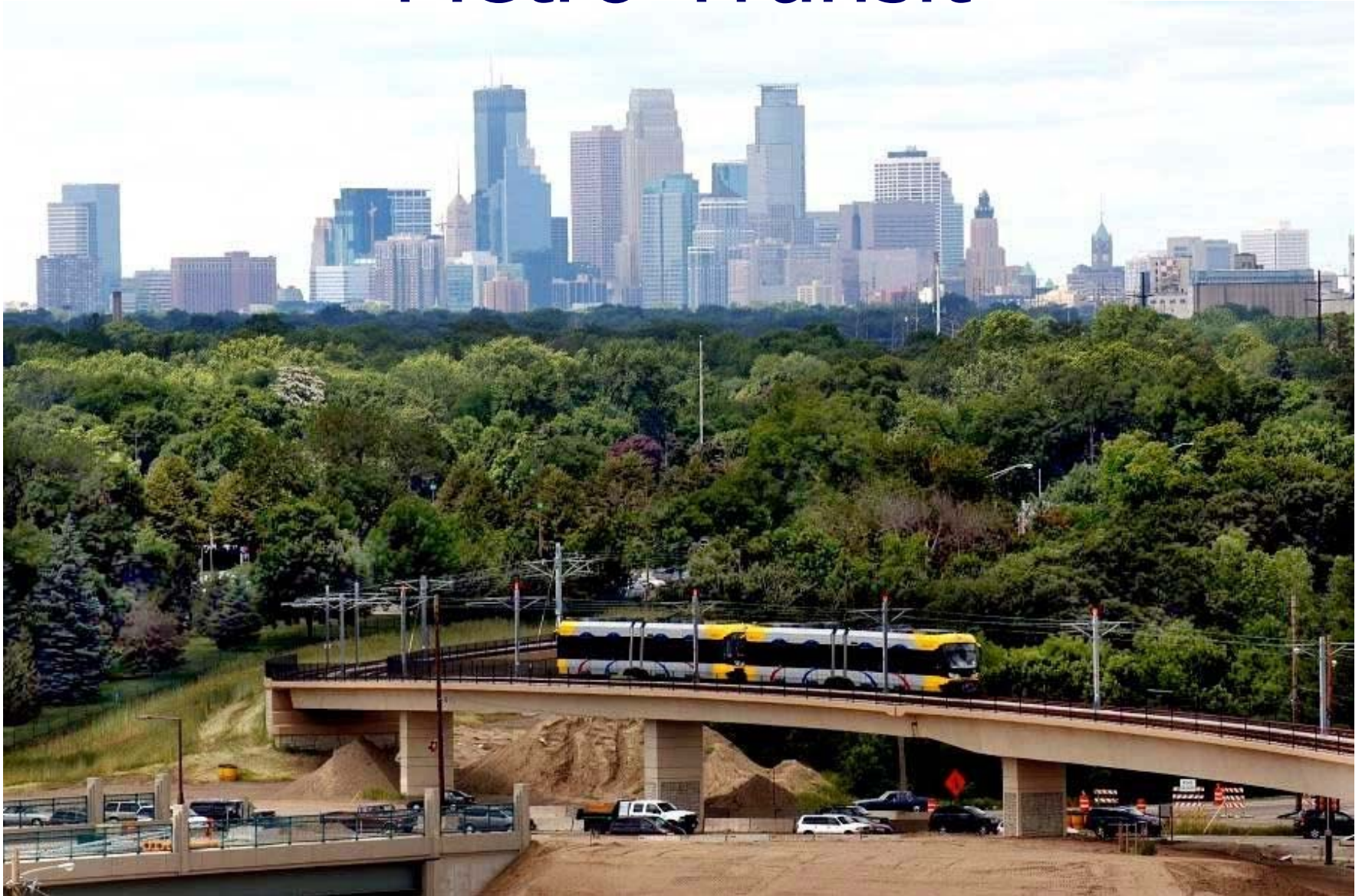
## ■ Challenges:

- Unstable revenue sources (MVST, State GF)
- Economy's impact on ridership
- Committed service increases (CMAQ, UPA, Metro Mobility)
- Volatility in fuel pricing
- Healthcare costs

## ■ Opportunities:

- Acceleration of MVST share
- Federal stimulus funds
- Flexibility to position levy revenue

# Metro Transit



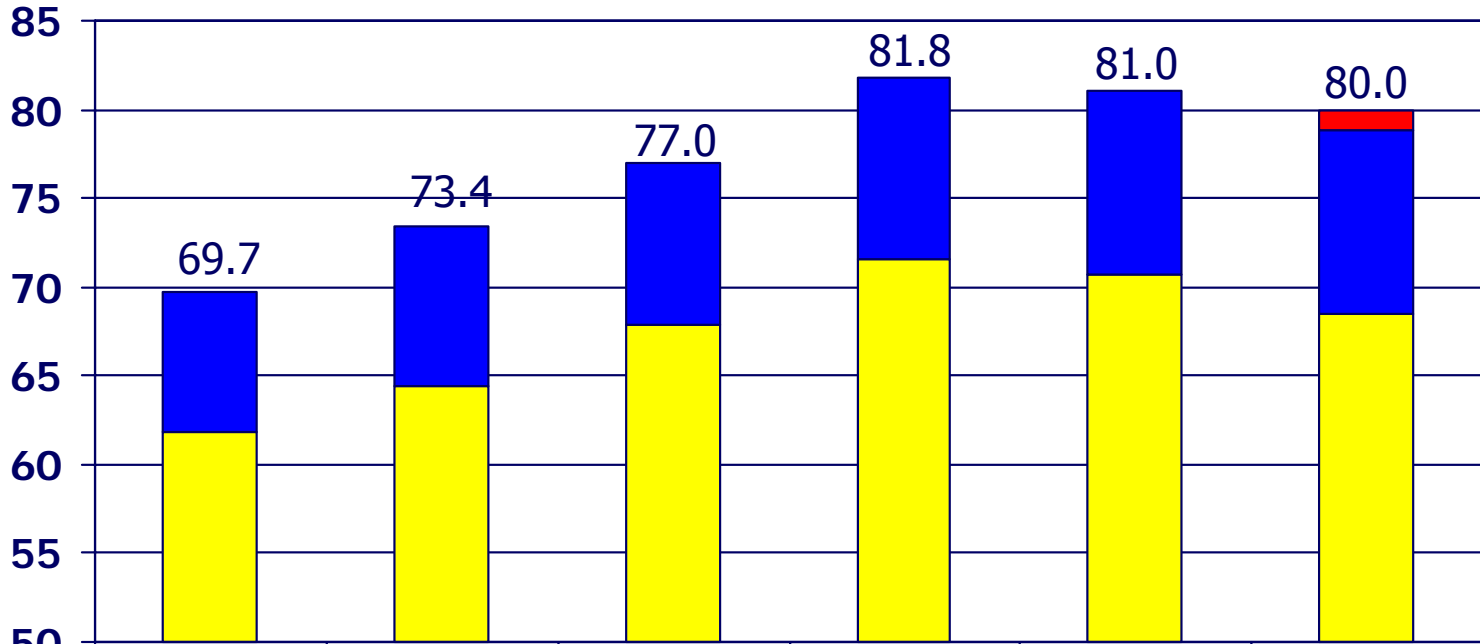
# Metro Transit Budget Assumptions

- Maintains 2009 service levels
- Forecasted ridership at 80.0 million
- Includes diesel fuel at \$3.00/gallon
- Assumes CTIB funding for Hiawatha Light Rail and Northstar
- Light rail vehicle overhaul program
- Northstar revenue operations begin late 2009



# Metro Transit Ridership

(in millions)



	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Budget	2010 Budget
□ Northstar						1.2
■ HLRT	7.9	9.0	9.1	10.2	10.3	10.3
■ Bus	61.8	64.4	67.9	71.6	70.7	68.5

- 2008 Actual is highest ridership in 27 years

# Metro Transit - Bus & Rail Consolidated

	2009 Adopted Budget	2010 Proposed Budget	\$ Change	% Change
<b>Revenue:</b>				
MVST	\$73.5	\$100.4	\$26.9	
State General Fund	55.3	43.4	(11.9)	
CTIB/Counties	42.8	14.1	(28.7)	
Subtotal	\$171.6	\$157.9	(\$13.7)	(8.0%)
Passenger Fares	\$92.9	\$93.8	\$0.9	0.9%
Federal	21.8	38.4	16.6	76.1
MVST Reserve Transfer	5.1	0	(5.1)	(100.0)
Other Funds Transfer	0	6.6	6.6	100.0
Other	5.0	4.9	(0.1)	(2.0)
<b>Total Revenue</b>	<b>\$296.4</b>	<b>\$301.6</b>	<b>\$5.2</b>	<b>1.8%</b>
<b>Expenses:</b>				
Salaries & Benefits	\$210.2	\$213.8	\$3.6	1.7%
Contract BNSF	1.5	5.5	4.0	266.7
Fuel/Propulsion	30.3	26.8	(3.5)	(11.6)
Materials & Supplies	14.2	14.8	0.6	4.2
Council Allocations	15.4	14.7	(0.7)	(4.5)
Other	24.8	26.0	1.2	4.8
<b>Total Expenses</b>	<b>\$296.4</b>	<b>\$301.6</b>	<b>\$5.2</b>	<b>1.8%</b>
<b>Net Income (Loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Recap:</b>				
Bus	\$261.8	\$259.1	(\$2.7)	(1.0%)
HLRT	25.4	25.7	0.3	1.2
Northstar	9.2	16.8	7.6	82.6
<b>Total</b>	<b>\$296.4</b>	<b>\$301.6</b>	<b>\$5.2</b>	<b>1.8%</b>

# Metro Transit

## FTEs by Budget Year

	Bus	HLRT	Total	% Change	Central	Northstar
2003	2727.2	-	2727.2			
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	2404.1	158.3	2562.4	(0.6%)	0	0
2007 Amended	2421.3	159.4	2580.7	0.7%	27.0	3.0
2008 Budget	2430.1	168.2	2598.3	0.7%	40.0	5.8
2008 Amended	2479.1	168.2	2647.3	1.9%	40.0	5.8
2009 Budget	2457.0	180.7	2637.7	(0.4%)	44.5	56.0
2010 Budget	2424.6	181.0	2605.6	(1.2%)	48.0	52.5



# MTS Budget Assumptions

- Modest increase in current fixed route and dial-a-ride service levels
- Restructure dial-a-ride into regional program
- Meet anticipated demand for the Metro Mobility ADA program
- STPs draw from operating reserves to address deficits
- Keep administrative costs at or below inflationary rate of 1.7%



# MTS Revenue and Expenditures

(\$ in millions)

	2009 Adopted	2010 Proposed	\$ Change	% Change
MVST	\$37.5	\$34.0	(\$3.5)	(9.3%)
General Fund	\$29.1	\$28.3	(\$0.8)	(2.7%)
CTIB	\$0.0	\$0.0	\$0.0	
<b>Subtotal State</b>	<b>\$66.6</b>	<b>\$62.3</b>	<b>(\$4.3)</b>	<b>(6.5%)</b>
Federal	\$10.4	\$13.2	\$2.8	26.9%
Local/Other	\$1.4	\$1.1	(\$0.3)	(21.4%)
MVST Reserve Transfer	\$2.2	\$0.0	(\$2.2)	(100.0%)
Fares	\$5.9	\$7.0	\$1.1	18.6%
<b>Total Revenue</b>	<b>\$86.5</b>	<b>\$83.6</b>	<b>(\$2.9)</b>	<b>(3.4%)</b>
Metro Mobility	\$38.3	\$39.5	\$1.2	3.1%
Planning	\$3.2	\$4.0	\$0.8	25.0%
Fixed Route	\$16.7	\$15.8	(\$0.9)	(5.4%)
Dial-a-Ride	\$3.2	\$5.6	\$2.4	75.0%
Suburban Providers	\$25.1	\$18.7	(\$6.4)	(25.5%)
<b>Total Expenditures</b>	<b>\$86.5</b>	<b>\$83.6</b>	<b>(\$2.9)</b>	<b>(3.4%)</b>
<b>FTE</b>	<b>41</b>	<b>39</b>		

# Suburban Transit Providers

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- Policies discussion
  - Fleet, procurement, facilities, revenue allocation, service planning, preventative maintenance, reserves, etc...
- Goal of regional equity
- STP combined year-end reserves
  - 2008 - \$32.5M - 97% annual operating budgets
  - 2009 - \$26.5M - 76% annual operating budgets
  - 2010 - \$21.8M - 61% annual operating budgets

# Transportation Division CY 2010 Budget Summary

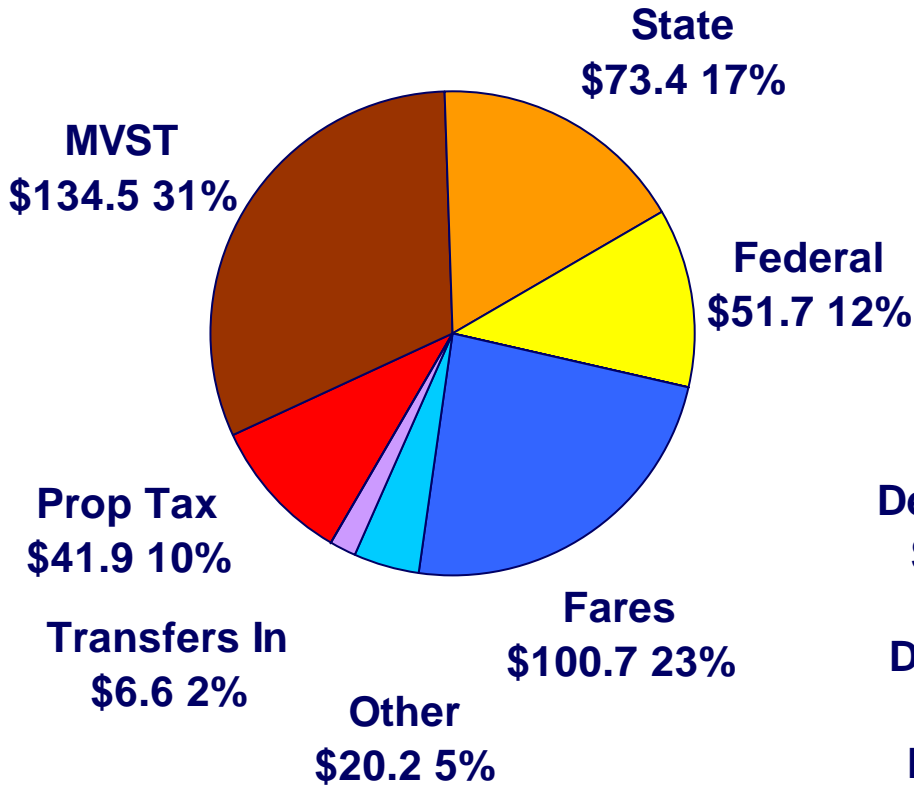
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- Metro Transit and MTS budgets balanced
- Livable Communities and Highway Right-of-Way levies usage is minimized
- Reductions in state general fund offset by increased MVST allocation

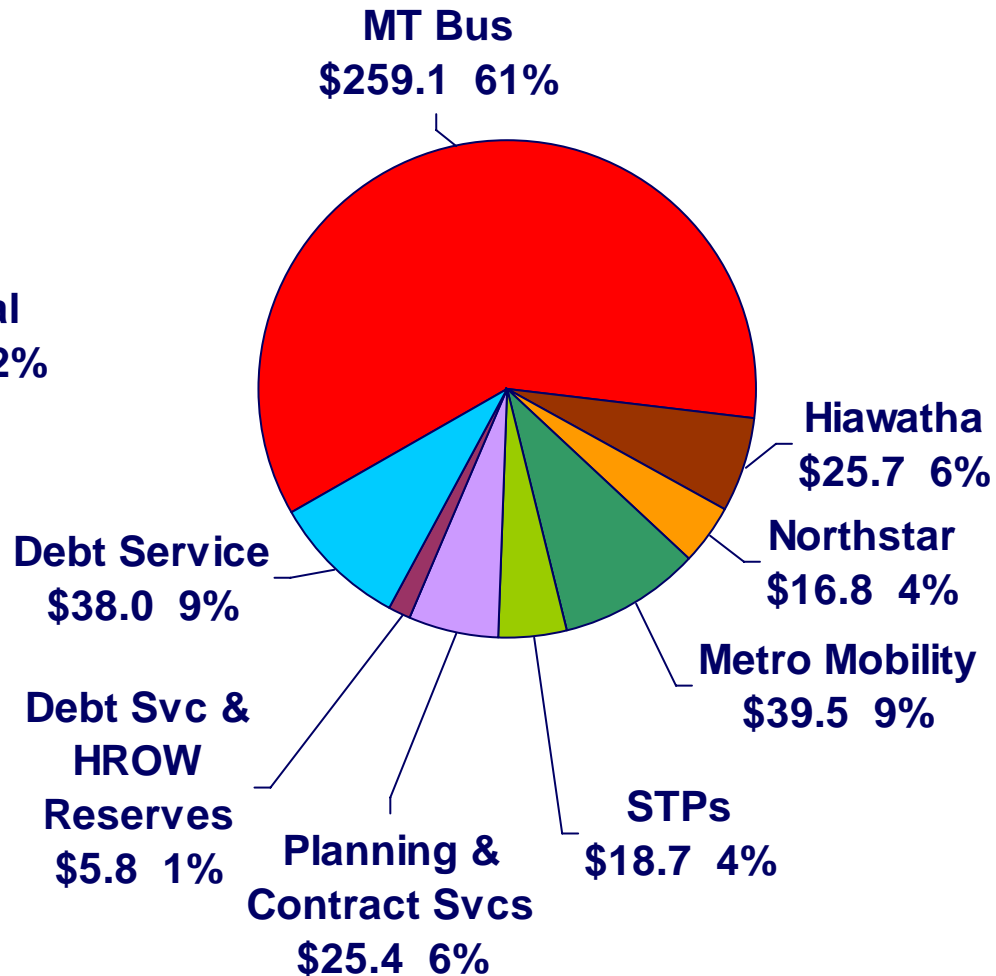
# Proposed 2010 Budget

## **Transportation \$429.0M**

### Revenue & Sources

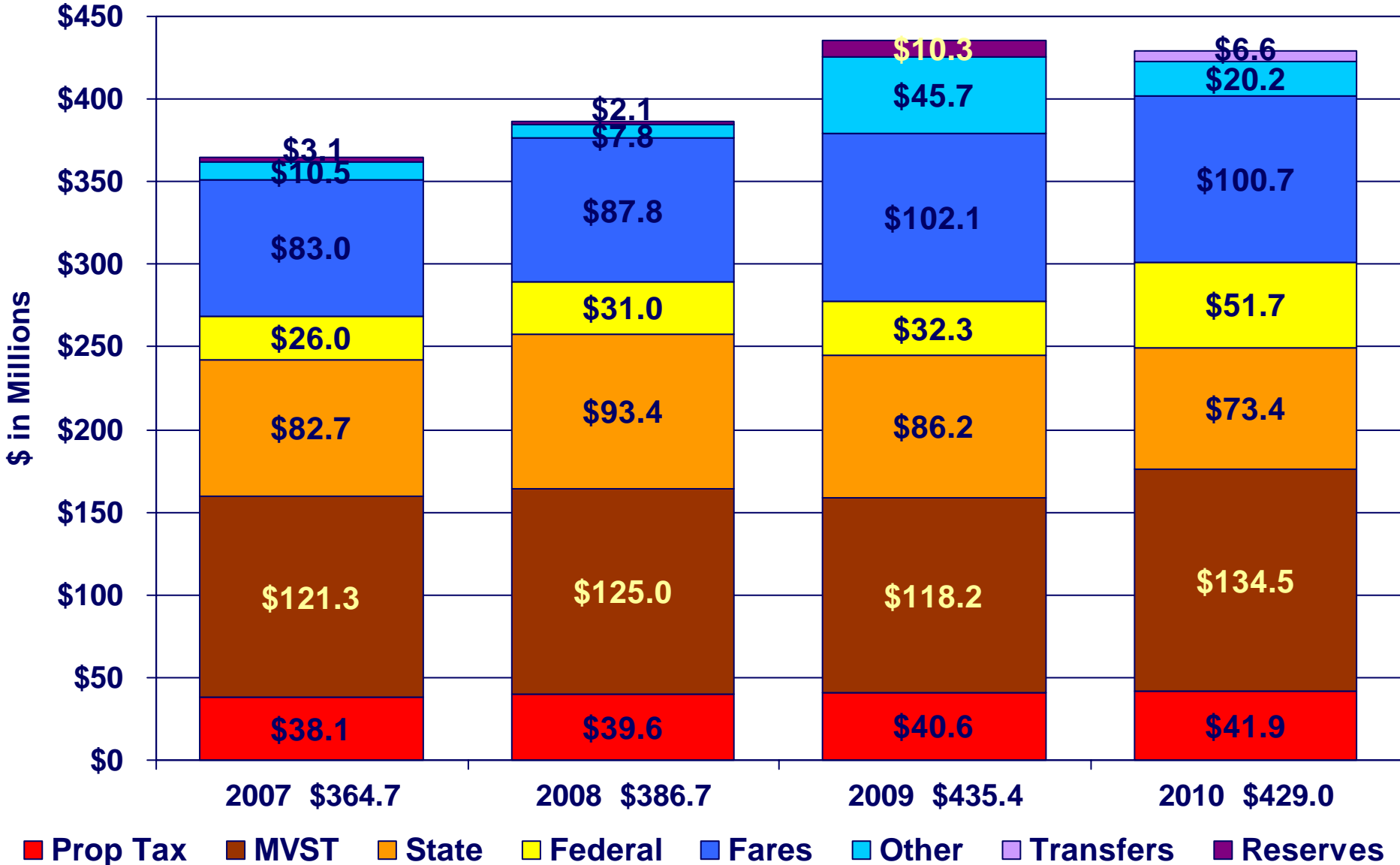


### Expenditures & Uses



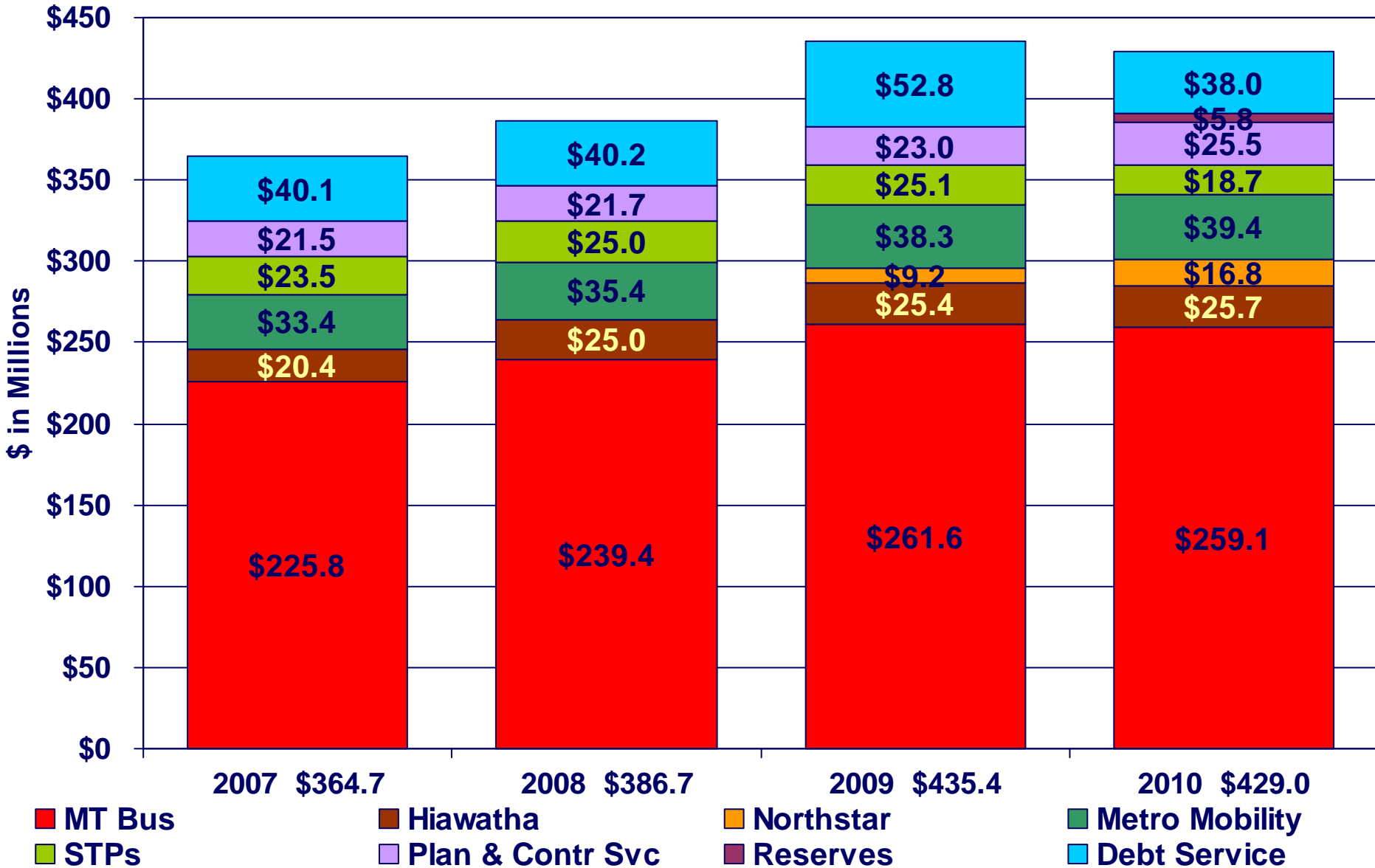
# Revenue and Sources by Type

## Transportation

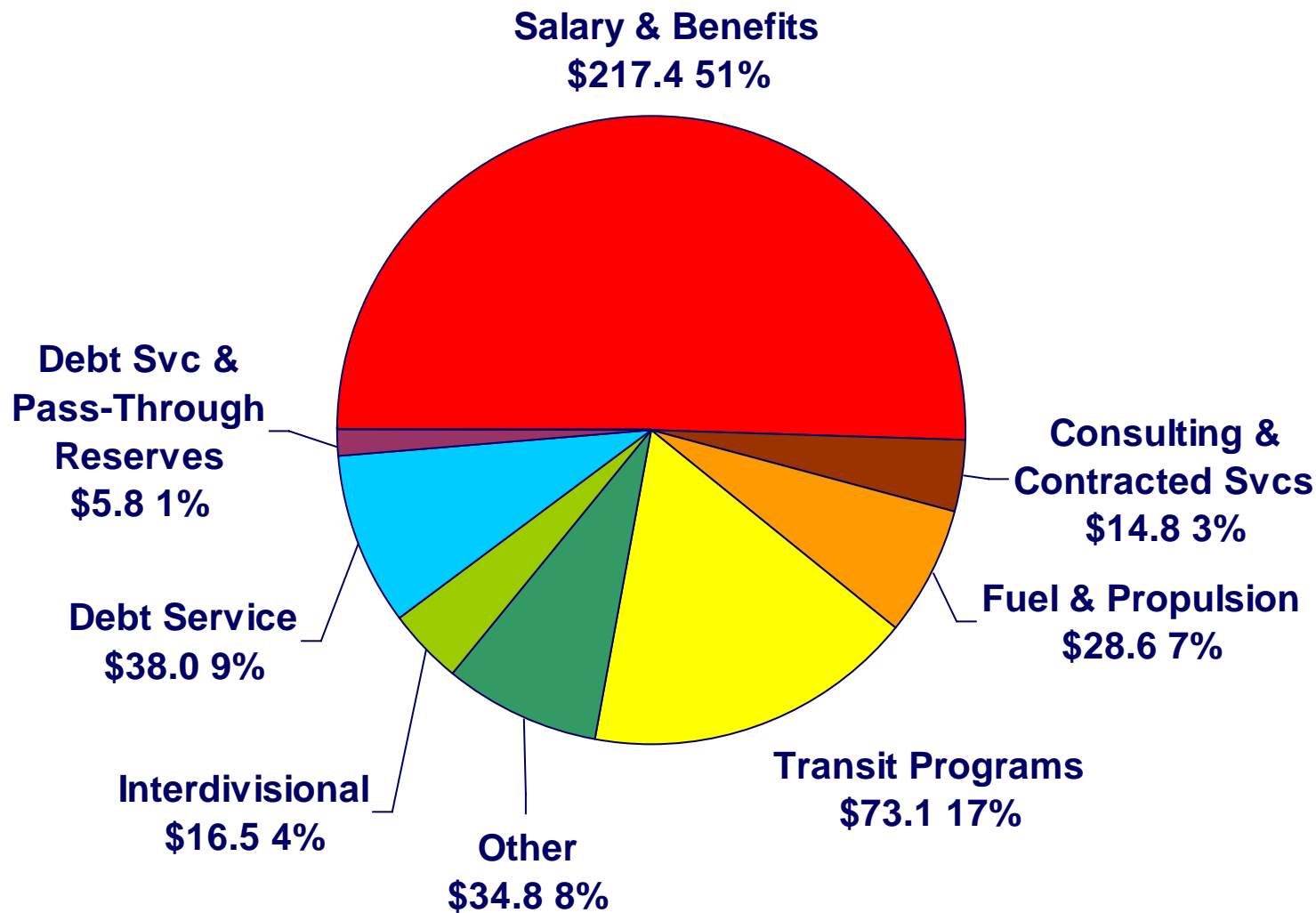


# Expenditures and Uses by Function

## Transportation



## Transportation \$429.0M





# Full Time Equivalents by Function

## Transportation

