



# Metropolitan Council Transportation Division 2011 Operating Budget



Metropolitan Council  
July 28, 2010



# 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
- Minimize impact on Council levies
- Build reserves to regional targets

# Budget Challenges / Opportunities

## ■ Challenges:

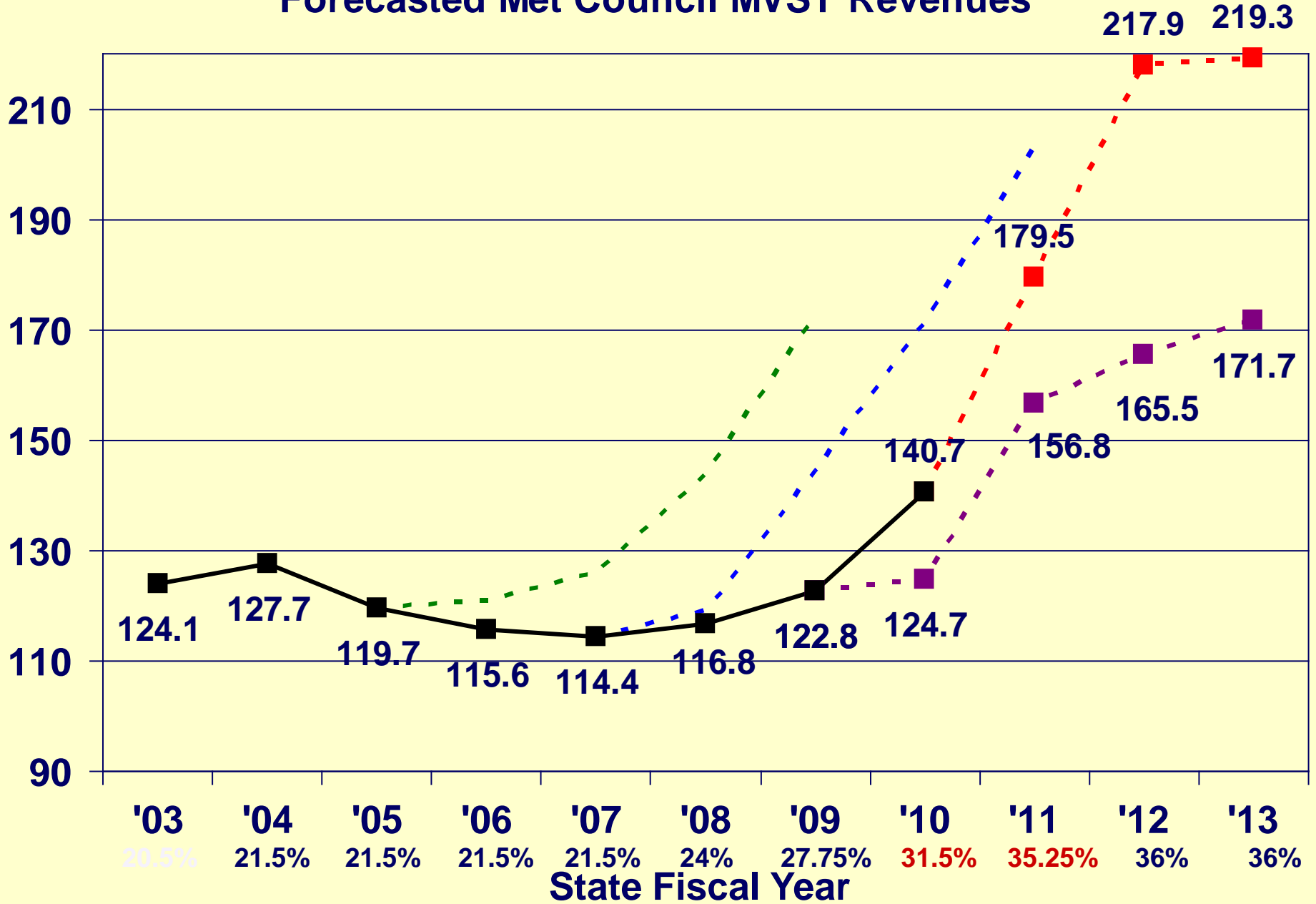
- Unstable revenue sources (MVST, State GF)
- Legislative reduction to State GF appropriations
- Economy's impact on ridership
- Committed service increases (UPA, Metro Mobility)
- Volatility in fuel pricing
- Healthcare costs

## ■ Opportunities:

- Acceleration of MVST share
- Slow ridership recovery



# Forecasted Met Council MVST Revenues





# Metro Transit



# Metro Transit Budget Assumptions

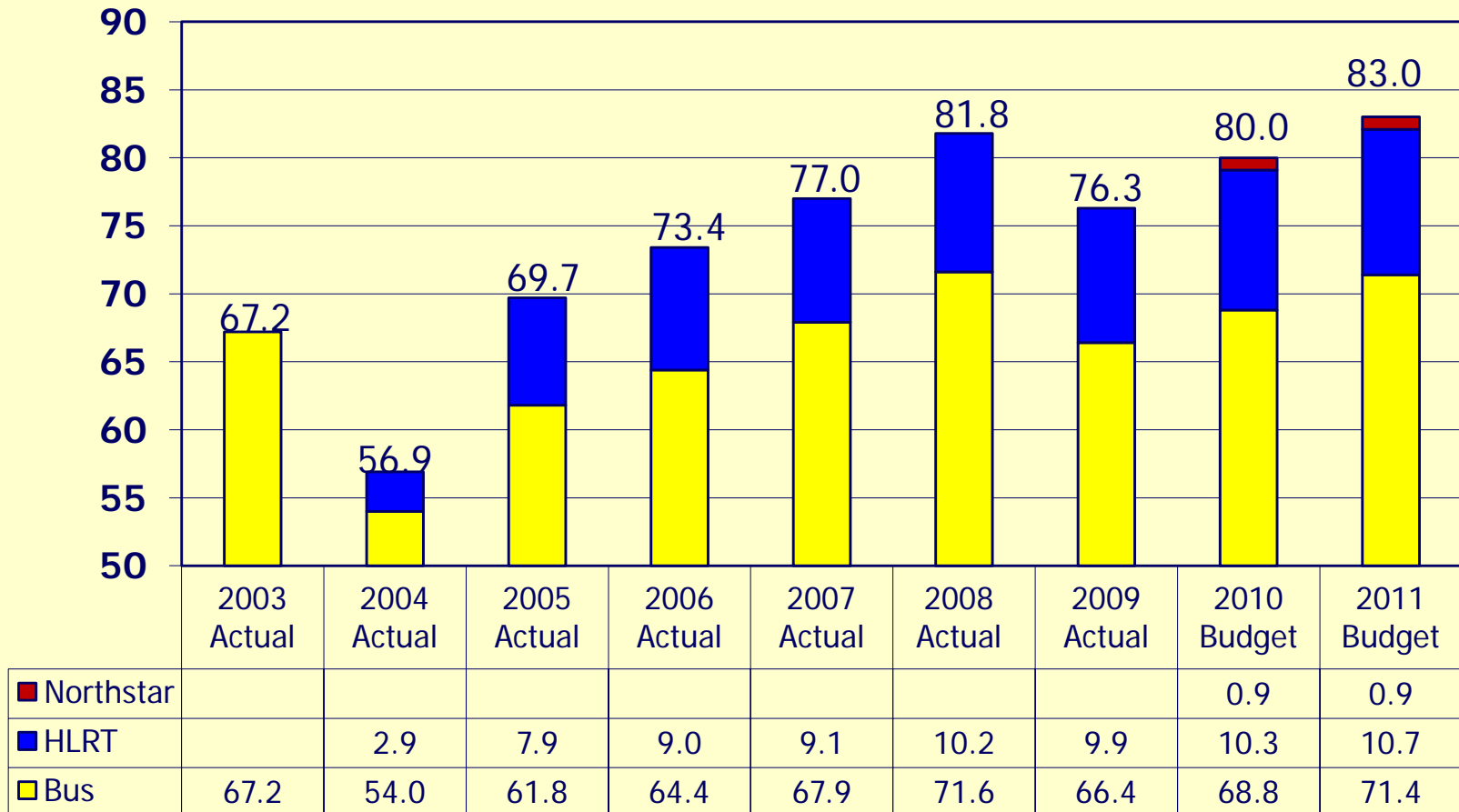
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- Maintains 2010 service levels, plus Central Corridor construction impacts
- Ridership at 83.0 million
- Diesel fuel at \$2.68/gallon
- CTIB funding for Hiawatha Light Rail and Northstar operations
- Light rail vehicle overhaul program
- Central Corridor FFGA, system construction
- Southwest approval to enter Preliminary Engineering
- Budgeted adjustments to reserve balances
- No regional fare increase

# Metro Transit Ridership

(in millions)



- 2008 Actual is highest ridership in 27 years
- 23.5% growth since 2003

# Metro Transit - Bus & Rail Consolidated

	2010 Adopted Budget	2011 Proposed Budget	\$ Change	% Change
<b>Revenue:</b>				
MVST	\$100.4	\$150.0	\$49.6	
State General Fund	43.4	25.2	(18.2)	
CTIB/Counties/Greater MN	14.1	15.2	1.1	
Passenger Fares	93.8	95.6	1.8	1.9%
Federal	38.4	21.2	(17.2)	(44.8)
Other Funds Transfer	6.6	0	(6.6)	(100.0)
Other	4.9	5.0	0.1	2.0
<b>Total Revenue</b>	<b>\$301.6</b>	<b>\$312.2</b>	<b>\$10.6</b>	<b>3.5%</b>
<b>Expenses:</b>				
Bus	\$259.1	\$269.1	\$10.0	3.9%
Hiawatha LRT	25.7	26.7	1.0	3.9
Northstar Commuter	16.8	17.0	0.2	1.2
<b>Total Expenses</b>	<b>\$301.6</b>	<b>\$312.8</b>	<b>\$11.2</b>	<b>3.7%</b>
<b>Net Income (Loss)</b>	<b>0</b>	<b>(\$0.6)</b>	<b>(\$0.6)</b>	
<b>MVST Fund Balance Contribution</b>	<b>\$0</b>	<b>\$2.8</b>		
<b>Change in Fund Balance</b>	<b>\$0</b>	<b>\$2.2</b>		





# Metropolitan Transportation Services



# MTS Budget Assumptions

- Slight increase in current fixed route service levels offset by efficiencies
- Maintain regional dial-a-ride service at 2010 budgeted level
- Meet anticipated demand for the Metro Mobility ADA program
- STPs continue to draw from operating reserves where appropriate to address deficits
- No regional fare increase



# MTS Revenue and Expenditures

(\$ in millions)

	2010 Adopted	2011 Proposed	\$ Change	% Change
MVST	\$15.3	\$11.4	(\$3.9)	(25.5%)
General Fund	\$28.3	\$31.8	\$3.5	12.4%
Federal	\$13.2	\$12.0	(\$1.2)	(9.1%)
CTIB	\$0.0	\$0.5	\$0.5	100.0%
Local/Other	\$1.1	\$0.6	(\$0.5)	(45.5%)
Fares	\$7.0	\$7.6	\$0.6	8.6%
<b>Total Revenue</b>	<b>\$64.9</b>	<b>\$63.9</b>	<b>(\$1.0)</b>	<b>(1.5%)</b>
Metro Mobility	\$39.5	\$41.1	\$1.6	4.1%
Planning	\$4.0	\$4.5	\$0.5	12.5%
Fixed Route	\$15.8	\$15.5	(\$0.3)	(1.9%)
Dial-a-Ride	\$5.6	\$5.6	\$0.0	0.0%
<b>Total Expenditures</b>	<b>\$64.9</b>	<b>\$66.7</b>	<b>\$1.8</b>	<b>2.8%</b>
<b>Net Income/(Loss)</b>	<b>\$0.0</b>	<b>(\$2.8)</b>	<b>(\$2.8)</b>	
<b>FTE</b>	<b>39</b>	<b>39</b>		

Note: 2010 budget adjusted for Suburban Provider Pass Through Program

# MTS Pass-through Program

## Suburban Transit Providers - \$25.6M

- MVTA and SouthWest Transit will receive \$4.8M and \$0.2M in Regionally Allocated MVST respectively in 2011.
- Other Regional Suburban Transit Providers will continue to use reserve balances over regional targets.

<b>Suburban Transit Provider – MVST Usage</b>				
<u>MVST</u>	<u>2010</u>	<u>2011</u>	<u>\$ Difference</u>	<u>% Difference</u>
Base	\$15.7 M	\$20.6 M	\$4.9 M	31.2%
Regionally Allocated	\$3.0 M	\$5.0 M	\$2.0 M	66.7%
<b>Totals</b>	<b>\$18.7 M</b>	<b>\$25.6 M</b>	<b>\$6.9 M</b>	<b>36.9%</b>

# Transportation Division CY 2011 Budget Summary

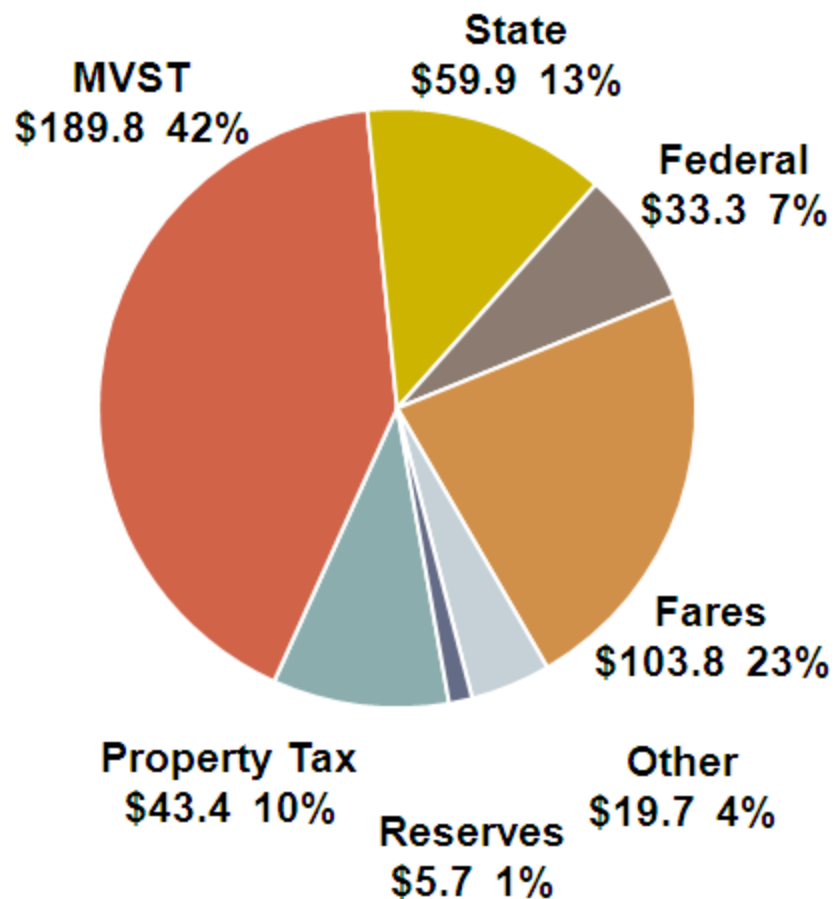
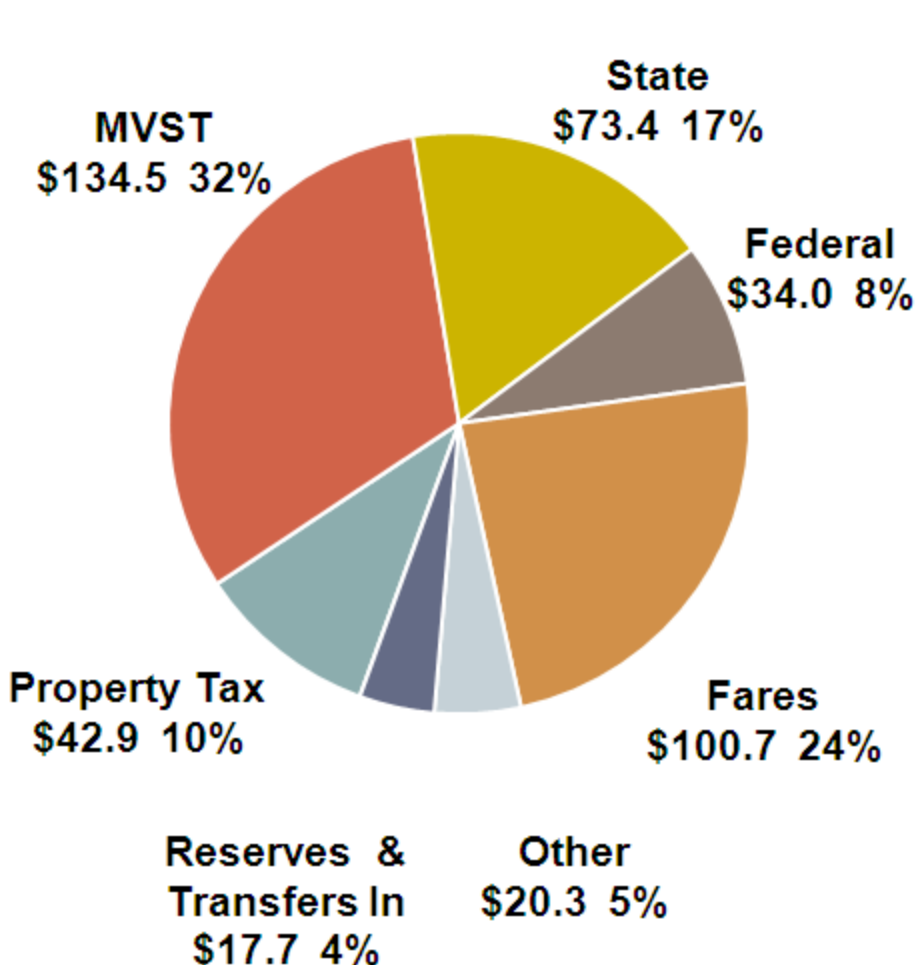
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- Reductions in state general fund offset by projected increased MVST allocations
- Livable Communities and Highway Right-of-Way levies not used
- Build reserves to regional targets
- No regional fare increase

# Revenues and Sources by Type Transportation

2010 Adopted - \$423.5M

2011 Proposed - \$455.6M

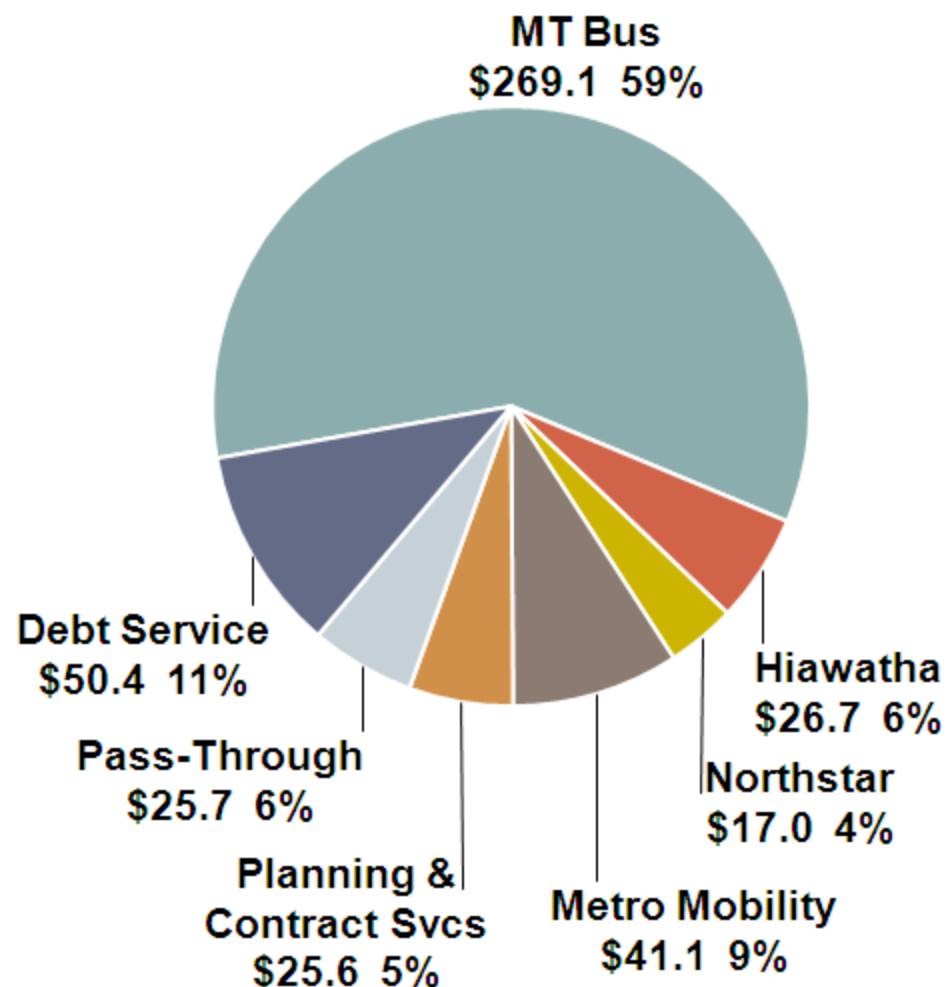
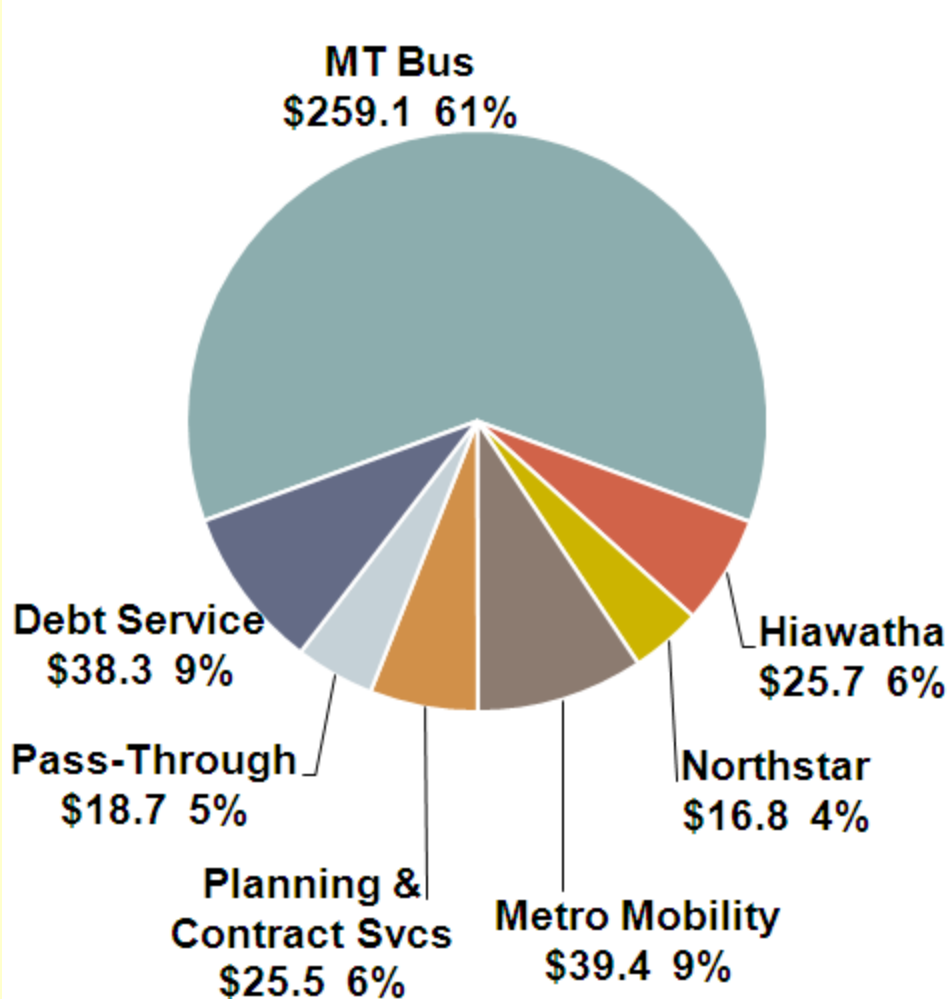


# Expenses and Uses by Function

## Transportation

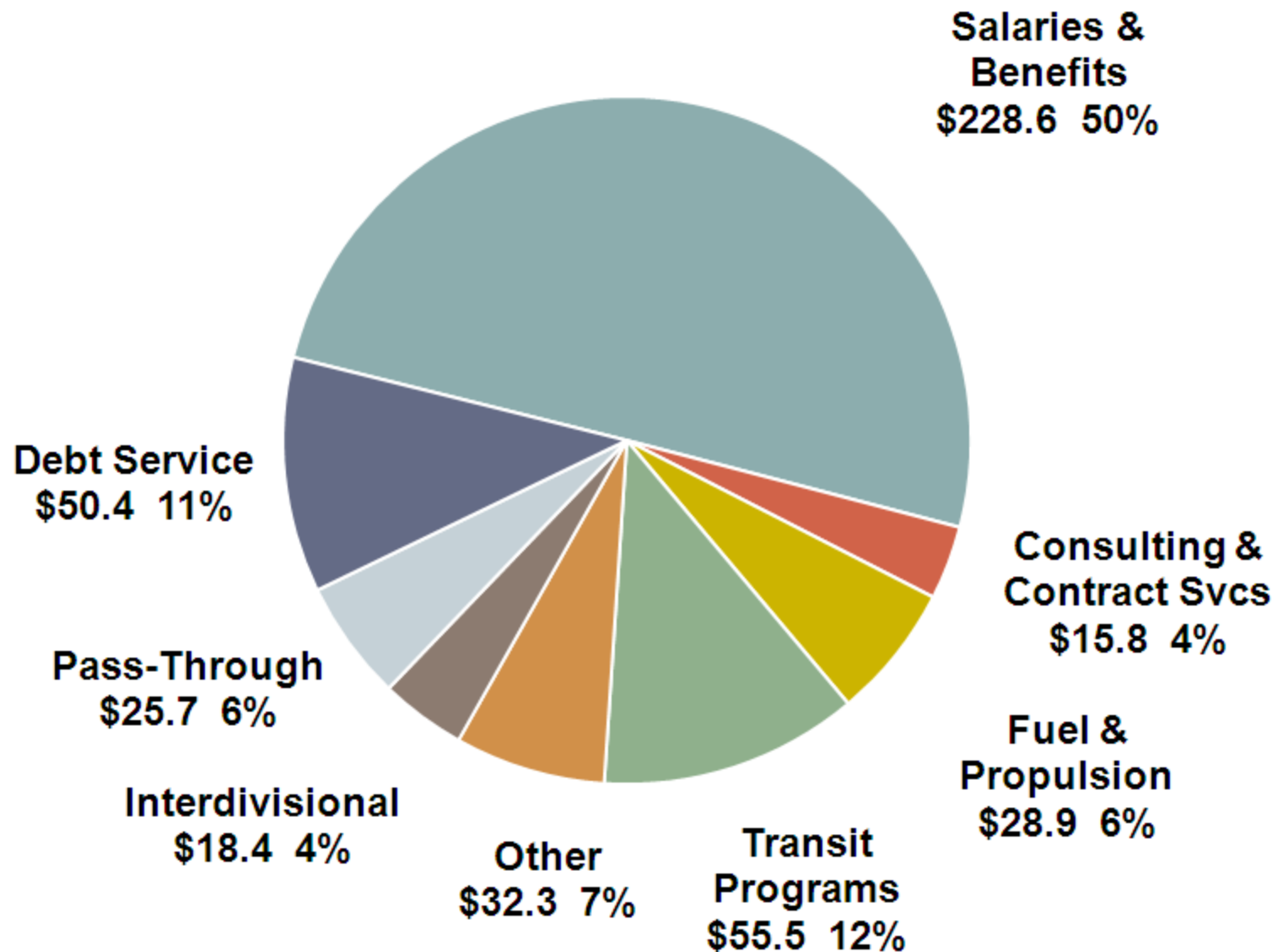
2010 Adopted - \$423.5M

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# Expenses and Uses by Type

**Transportation \$455.6M**





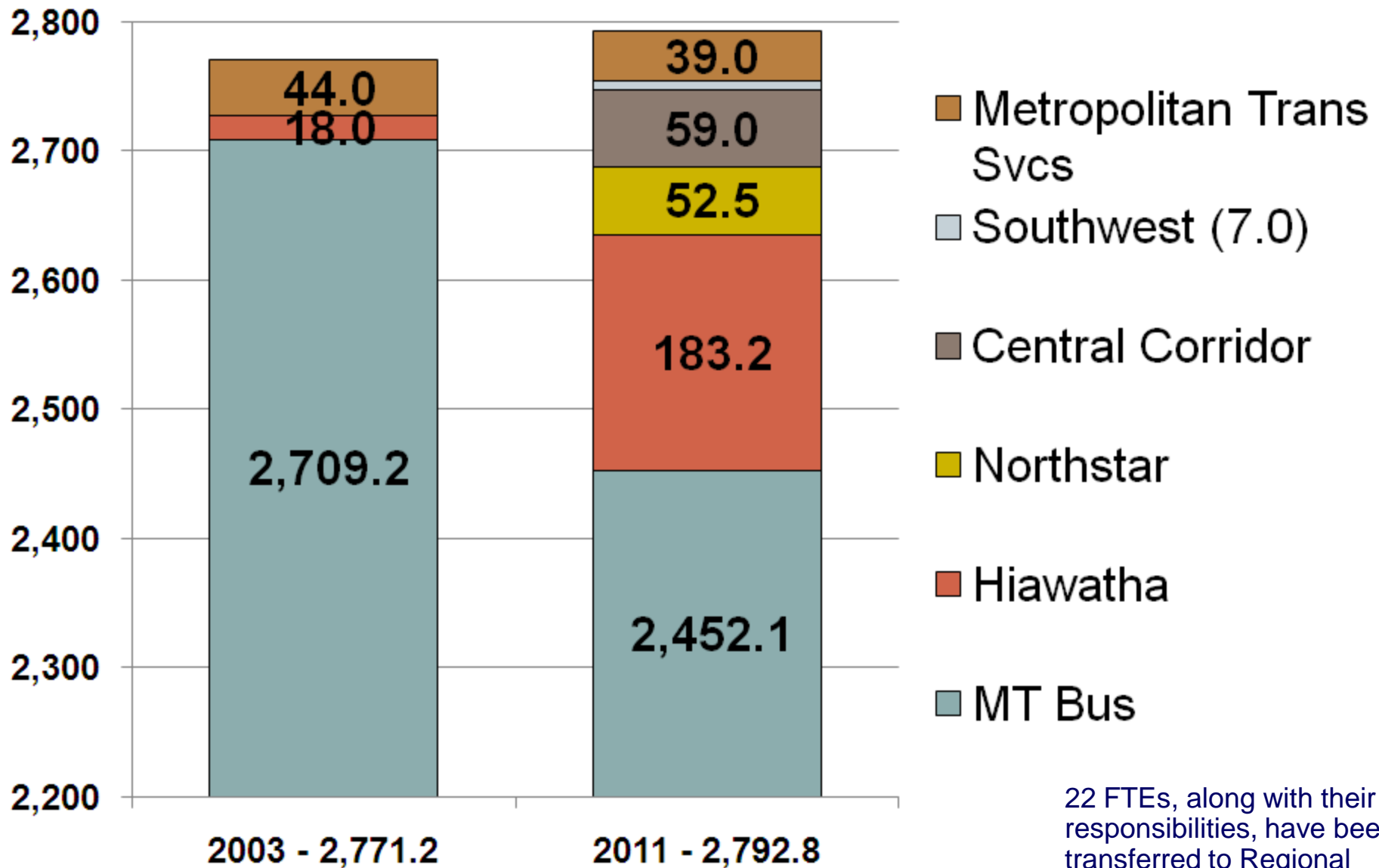
# 2003 to 2011 In Review

- Opened the Hiawatha light rail service in 2004 & Northstar commuter rail service in late 2009
- Central Corridor design and start of construction
- LPA selection in Southwest corridor
- Provided an immediate and sustained response to the I-35W Bridge collapse until opening of the new bridge
- Implemented the \$133M federal UPA grant in the I-35W and Cedar Avenue BRT Corridors
- Marquette & 2<sup>nd</sup> Avenue South hosts over 1,400 express bus trips and saves 40,000 commuters approximately 6,600 hours of time through downtown Minneapolis daily
- Reached a ridership 25 year high of nearly 95 million in 2008
- Increased Regional Park and Ride capacity from 15,500 to 28,700 spaces or an 85% increase
- Added approximately 100 miles of bus only shoulder lanes to the region

# 2003 to 2011 In Review Cont.

- Metro Mobility meets growing demand (11% since 2003)
- Modified and enhanced the Metro Mobility certification process
- Restructured Regional Dial-a-Ride service (Transit Link)
- Sector service restructuring/service improvements
- Transitway planning and development advanced in many corridors
- Three Transportation Policy Plan Updates
- Initiated the Go Greener program resulting in Metro Transit fleet of 97 hybrid and 884 biodiesel buses
- 2003 low sulfur diesel, 2011 ultra-low sulfur diesel with 5% biodiesel mix
- Implemented HASTUS (new scheduling system) resulting in annual operational savings of \$3-\$4 M

# Full Time Equivalents Transportation



22 FTEs, along with their responsibilities, have been transferred to Regional Administration since 2003

# Fund Balances

(\$ in millions)

	<b>2009 Actual</b>	<b>2010 Budget</b>	<b>2011 Budget</b>	<b>Council Target</b>	
				<b>\$</b>	<b>%</b>
Metro Transit Bus	\$9.8	\$15.4	\$18.0	\$22.4	8.3%
Metro Transit HLRT	\$3.1	\$3.1	\$2.5	\$2.2	8.3%
Metro Transit Northstar	\$0.9	\$0.9	\$1.1	\$1.4	8.3%
Metro Mobility	\$6.1	\$4.9	\$5.3	\$4.1	10.0%
Transportation Planning	\$2.4	\$2.2	\$1.5	\$0.5	10.0%
Contracted Services	\$4.8	\$4.8	\$2.3	\$2.1	10.0%



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