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**AT A GLANCE**

- 3,186,349 residents in the seven-county area in 2021 (Met Council April 2021 estimate based on 2020 Census)
- 35.9 million transit rides provided by the Council in 2021
- 1.8 million rides on Metro Mobility in 2021
- 250 million gallons of wastewater treated daily
- 110 communities provided with wastewater treatment service in 2021
- Nine treatment plants and 600 miles of regional sewers
- 64.9 million regional park visits in 2021
- 119 regional parks/trails, park reserves, and special recreation features; totaling 55,000 acres, plus 400 miles of interconnected trails
- 7,200 low-income households provided affordable housing by the Council's Metro HRA in 2021
- From 2020 to 2040 the Council forecasts the region will grow by:
  - 485,000 more people
  - 210,000 more households
  - 213,000 more jobs

**PURPOSE**

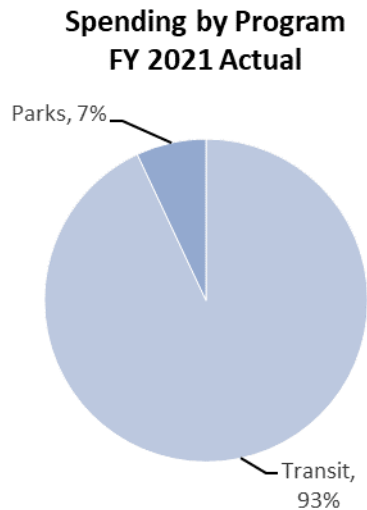
The Metropolitan Council is the regional policy-making body, planning agency, and provider of essential services for the Twin Cities metropolitan region. The Council's mission is to foster efficient and economic growth for a prosperous region in partnership with more than 180 communities and seven counties. We provide cost-effective transit and wastewater services, assist households with low and moderate incomes to find affordable housing, and support communities as they plan for anticipated growth.

As our region grows and its demographics change, the Council is working in partnership with communities to ensure we are prepared to support the continued growth of our region. As the economic engine of the state, the metro region's health and vitality has a statewide impact. Through our planning activities and the provision of regional services, we contribute to the following statewide outcomes:

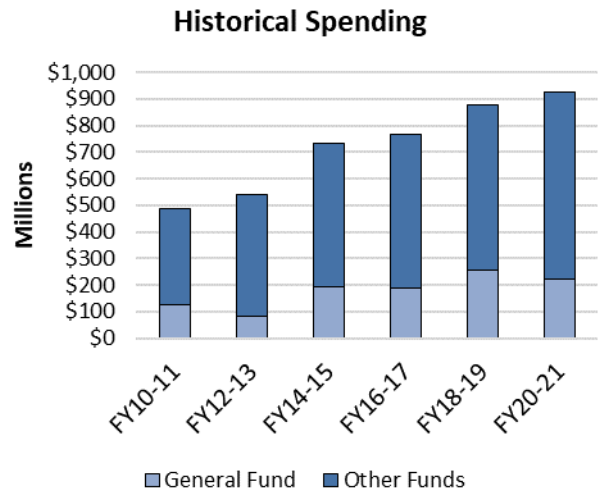
- A thriving economy that encourages business growth and employment opportunities
- A clean, healthy environment with sustainable uses of natural resources
- Sustainable options to safely move people, goods, services, and information
- A livable and attractive place for people of all races, ethnicities, incomes, and abilities to call home and prosper.

The charts on the next page show appropriations to the Metropolitan Council recorded in the state's financial system. The Council's unified operating budget for calendar year 2022 is \$1.235 billion. State appropriations for transit and parks operations and water supply planning provided approximately 40% of agency funding in CY22. The majority of our operating funding comes from charges for services (wastewater fees and passenger fares), federal funds, property taxes and local funds.

## BUDGET



Source: Budget Planning & Analysis System (BPAS)



Source: Consolidated Fund Statement

## STRATEGIES

Our governing body – the 17-member Metropolitan Council – plays a key convening role, bringing together communities to develop policies and a shared vision for the region. To achieve our mission, we carry out planning initiatives and provide essential services to the region.

### Planning Initiatives

- Our Thrive MSP 2040 initiative engaged residents to create a framework for a shared vision for a prosperous, equitable, and livable region.
- Our regional planning initiatives encompass transportation, parks, water resources, community planning, and housing.

### Transportation

- Our Metro Transit bus and rail systems provide more than 35 million rides every year, getting people to work, school and services, and managing road congestion so businesses can move their goods efficiently.
- Our Metro Mobility and Transit Link services transport people who are unable to use regular-route transit service.
- Our Transportation planners play a key role in collaborating with thriving communities to create our vision for roads, airports, and transit, to ensure effective and cost-efficient investments.

### Parks

- We partner with 10 park implementing agencies to plan, acquire land, and develop facilities for regional parks and trails, preserving natural resources and providing recreational opportunities throughout the region.

### Clean water and wastewater treatment

- We foster a safe and healthy environment through our award-winning and cost-effective wastewater treatment services, water supply planning and water quality monitoring initiatives.

## **Planning and development**

- Our Livable Communities grants help fund affordable housing; clean polluted land for redevelopment; and create new models for livable, walkable, connected neighborhoods and transit-oriented developments, stimulating and leveraging private investment and increasing communities' tax base.
- We coordinate local communities' local comprehensive plans, providing technical assistance and resources to ensure coordinated, orderly and efficient development in the region.

## **Housing**

- Our Housing Policy Plan identifies regional housing needs and priorities, connects housing to other Council system plans, and provides guidance for local housing planning.
- Our Metro Housing and Redevelopment Authority provides housing stability through rent assistance for more than 7,200 low-income residents in nearly 100 communities

The Metropolitan Council supports the following priorities by:

## **Children and families**

- Assists families with Housing Choice Vouchers to find housing in areas of opportunity, while providing them with supportive services to help achieve self-sufficiency and success in their new neighborhoods.
- Through Metro Transit's bus pass program, provides students with a convenient and affordable way to get to jobs, internships, classes, and education events before or after school hours.

## **Equity and inclusion**

- Designates a portion of its regional parks bonds that support regional park implementing agencies to carry out capital projects that strengthen equitable use of regional parks and trails by all our region's residents – across age, race, ethnicity, income, national origin, and ability.
- Provides about 1.8 million rides annually to people with disabilities through the Metropolitan Council's Metro Mobility service.
- Through its urban scholars program, provides summer internships that enable students from diverse backgrounds to gain critical real-world experience through mentorship, guided projects, and leadership-development workshops.

## **Thriving communities**

- Provides cities with grants, totaling \$400 million over the life of the program, that support innovative development and redevelopment that links housing, jobs, and services and demonstrate efficient and cost-effective use of land and infrastructure.
- Provides more than 35 million rides annually through its Metro Transit operations on a combined network of regular-route buses, light rail and commuter rail, thereby supporting the travel needs of the region's residents and local economies.
- Awards funding and develops an overall plan for the metropolitan area's 55,000-acre system of 63 regional parks, park reserves, and special recreation features as well as 400 miles of interconnected trails – all of which attract nearly 65 million visits annually.

## **Fiscal accountability and measurable results**

- Receives the highest possible ratings from Moody's and Standard and Poor's credit ratings agencies.
- Has received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada for 38 consecutive years.

## **Minnesota's environment**

- Treats and cleans an average of 250 million gallons of wastewater from 2.7 million residents daily at rates 35% lower than peer regions across the country, while earning state and national awards for environmental achievements.
- Is developing a climate action plan for our operations to reduce the Council's contributions to the region's greenhouse gas emissions, adapt our facilities and infrastructure to existing and foreseeable climate impacts, and ensure the sustainability of the region's investments over the long term.
- Continues to advance solar energy through the Council's subscriptions to community solar gardens on and off Council land, with solar capacity under contract equivalent to the energy needed by 3,000 homes for a year.

The Metropolitan Council supports achievement of the following goals by:

## **Housing stability for all Minnesotans**

- Provides affordable housing opportunities to about 7,200 households in the Twin Cities region through its Metropolitan Housing and Redevelopment Authority.

## **Creating an inclusive workplace**

- Has completed a self-evaluation of Council facilities to identify barriers to its programs and services for people with disabilities.

## **Hiring and workforce development**

- Conducts the Metro Transit Mechanic-Technician Program, in coordination with Twin Cities Rise! which provides a customized degree program at Hennepin Technical College for participants, who continue to work full-time as mechanic-technician interns at Metro Transit.
- Provides summer internships under the Council's urban scholars program, which enable students from diverse backgrounds to gain critical real-world experience through mentorship, guided projects, and leadership-development workshops
- Partners with the Painter's Union, the American Federation of State, County, and Municipal Employees, and St. Paul Technical College to hire and train Environment Services industrial painters and interceptor workers from BIPOC and underrepresented communities.

## **Advancing equitable public contracting**

- Conducts a sheltered-market program under the Council's underutilized-business program and establishes internal purchasing goals for the Council organization.
- Engages an expanding pool of eligible firms through certification under the Council's underutilized business program and increases access to capacity-building resources for firms owned by women, people who are African American, Hispanic, Native American, Asian-Pacific, subcontinent Asian Americans, veterans, and people with disabilities.
- Increases the participation of women and minority owned businesses in the award of federally assisted contracts through the disadvantaged business enterprise program.

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Minnesota Statutes, Chapter 473 (<https://www.revisor.mn.gov/statutes/?id=473>) provides the legal authority for Metropolitan Council.

# Metropolitan Council - Transportation

# Agency Expenditure Overview

(Dollars in Thousands)

|                                    | Actual<br>FY20 | Actual<br>FY21 | Actual<br>FY22 | Estimate<br>FY23 | Forecast Base<br>FY24 FY25 |                | Enacted Budget<br>FY24 FY25 |                |
|------------------------------------|----------------|----------------|----------------|------------------|----------------------------|----------------|-----------------------------|----------------|
| <b><u>Expenditures by Fund</u></b> |                |                |                |                  |                            |                |                             |                |
| 1000 - General                     | 113,190        | 102,820        | 147,070        | 90,630           | 88,630                     | 88,630         | 141,630                     | 88,630         |
| 1050 - Transit Assistance          | 291,630        | 353,449        | 355,077        | 358,772          | 355,824                    | 360,320        | 356,754                     | 360,614        |
| 3010 - Coronavirus Relief          | 361            |                |                |                  |                            |                |                             |                |
| <b>Total</b>                       | <b>405,181</b> | <b>456,269</b> | <b>502,147</b> | <b>449,402</b>   | <b>444,454</b>             | <b>448,950</b> | <b>498,384</b>              | <b>449,244</b> |
| Biennial Change                    |                |                |                | 90,099           |                            | (58,145)       |                             | (3,921)        |
| Biennial % Change                  |                |                |                | 10               |                            | (6)            |                             | (0)            |
| Enacted Budget Change from Base    |                |                |                |                  |                            |                |                             | 54,224         |
| Enacted Budget % Change from Base  |                |                |                |                  |                            |                |                             | 6              |

## Metropolitan Council - Transportation

## Agency Financing by Fund

(Dollars in Thousands)

|                                   | Actual<br>FY20 | Actual<br>FY21 | Actual<br>FY22 | Estimate<br>FY23 | Forecast Base<br>FY24FY25 |          | Enacted Budget<br>FY24FY25 |         |
|-----------------------------------|----------------|----------------|----------------|------------------|---------------------------|----------|----------------------------|---------|
| 1000 - General                    |                |                |                |                  |                           |          |                            |         |
| Direct Appropriation              | 113,190        | 102,820        | 147,070        | 90,630           | 88,630                    | 88,630   | 141,630                    | 88,630  |
| Expenditures                      | 113,190        | 102,820        | 147,070        | 90,630           | 88,630                    | 88,630   | 141,630                    | 88,630  |
| Biennial Change in Expenditures   |                |                |                | 21,690           |                           | (60,440) |                            | (7,440) |
| Biennial % Change in Expenditures |                |                |                | 10               |                           | (25)     |                            | (3)     |
| Enacted Budget Change from Base   |                |                |                |                  |                           |          |                            | 53,000  |
| Enacted Budget % Change from Base |                |                |                |                  |                           |          |                            | 30      |

**1050 - Transit Assistance**

|                                   |                |                |                |                |                |                |                |                |
|-----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Balance Forward In                | 23             | 32             | 101            |                |                |                |                |                |
| Receipts                          | 291,607        | 353,426        | 354,976        | 358,772        | 355,824        | 360,320        | 355,824        | 360,320        |
| Transfers In                      |                |                |                |                |                |                | 930            | 294            |
| Balance Forward Out               |                | 9              |                |                |                |                |                |                |
| <b>Expenditures</b>               | <b>291,630</b> | <b>353,449</b> | <b>355,077</b> | <b>358,772</b> | <b>355,824</b> | <b>360,320</b> | <b>356,754</b> | <b>360,614</b> |
| Biennial Change in Expenditures   |                |                |                | 68,770         |                | 2,295          |                | 3,519          |
| Biennial % Change in Expenditures |                |                |                | 11             |                | 0              |                | 0              |
| Enacted Budget Change from Base   |                |                |                |                |                |                |                | 1,224          |
| Enacted Budget % Change from Base |                |                |                |                |                |                |                | 0              |

**3010 - Coronavirus Relief**

|                                   |            |  |  |       |  |   |  |   |
|-----------------------------------|------------|--|--|-------|--|---|--|---|
| Direct Appropriation              | 361        |  |  |       |  |   |  |   |
| <b>Expenditures</b>               | <b>361</b> |  |  |       |  |   |  |   |
| Biennial Change in Expenditures   |            |  |  | (361) |  | 0 |  | 0 |
| Biennial % Change in Expenditures |            |  |  |       |  |   |  |   |
| Enacted Budget Change from Base   |            |  |  |       |  |   |  | 0 |
| Enacted Budget % Change from Base |            |  |  |       |  |   |  |   |

(Dollars in Thousands)

|  | FY23           | FY24           | FY25           | Biennium<br>2024-25 |
|--|----------------|----------------|----------------|---------------------|
| <b>Direct</b>                          |                |                |                |                     |
| <b>Fund: 1000 - General</b>            |                |                |                |                     |
| FY2023 Appropriations                  | 88,630         | 88,630         | 88,630         | 177,260             |
| Forecast Base                          | 88,630         | 88,630         | 88,630         | 177,260             |
| Change Items                           |                |                |                |                     |
| Transit Service Intervention Project   | 2,000          |                |                |                     |
| Blue Line Light Rail Transit Extension |                | 50,000         |                | 50,000              |
| US Highway 169 Bus Rapid Transit       |                | 3,000          |                | 3,000               |
| <b>Total Enacted Budget</b>            | <b>90,630</b>  | <b>141,630</b> | <b>88,630</b>  | <b>230,260</b>      |
| <b>Dedicated</b>                       |                |                |                |                     |
| <b>Fund: 1050 - Transit Assistance</b> |                |                |                |                     |
| Planned Spending                       | 358,772        | 355,824        | 360,320        | 716,144             |
| Forecast Base                          | 358,772        | 355,824        | 360,320        | 716,144             |
| Change Items                           |                |                |                |                     |
| Motor Vehicle Sales Tax Increase       |                | 930            | 924            | 1,854               |
| Disabled Veterans Exemptions           |                |                | (630)          | (630)               |
| <b>Total Enacted Budget</b>            | <b>358,772</b> | <b>356,754</b> | <b>360,614</b> | <b>717,368</b>      |
| <b>Revenue Change Summary</b>          |                |                |                |                     |
| <b>Dedicated</b>                       |                |                |                |                     |
| <b>Fund: 1050 - Transit Assistance</b> |                |                |                |                     |
| Forecast Revenues                      | 358,772        | 355,824        | 360,320        | 716,144             |
| <b>Total Enacted Budget</b>            | <b>358,772</b> | <b>355,824</b> | <b>360,320</b> | <b>716,144</b>      |



(Dollars in Thousands)

|  | FY23 | FY24 | FY25 | Biennium<br>2024-25 | FY26 | FY27 | Biennium<br>2026-27 |
|--|------|------|------|---------------------|------|------|---------------------|
|--|------|------|------|---------------------|------|------|---------------------|

**Regional Transit Sales Tax**

This provision establishes a three-quarters of one percent regional transportation sales and use tax in the seven-county metropolitan area, beginning October 1, 2023. Of the revenues generated from this tax, 83 percent are to be allocated to the Metropolitan Council and 17 percent to metropolitan counties for purposes specified in statute. In addition, this provision provides the Metropolitan Council the authority to authorize the sale and issuance of revenue bonds, payable by the revenues of the regional transportation sales and use tax, to implement the Council's transit capital improvement program. This provision is intended to be treated as a local sales tax, and therefore intended to be collected and remitted without passing through the state treasury.

**Motor Vehicle Sales Tax Increase**

This provision increases from 6.5 percent to 6.875 percent the excise tax on the purchase price of any motor vehicle purchased or acquired which is required to be registered in Minnesota, effective July 1, 2023.

|  |          |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|
| <b>1050 - Transit Assistance Fund Cost (Savings)</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| Transfers In   | 0        | 930      | 924      | 1,854    | 1,002    | 1,092    | 2,094    |
| Expenditures   | 0        | 930      | 924      | 1,854    | 1,002    | 1,092    | 2,094    |

**Transit Service Intervention Project**

This provision establishes a Transit Service Intervention Project to provide coordinated, high-visibility interventions on light rail transit lines that provide for enhanced social services outreach and engagement, code of conduct regulation, and law enforcement. The Council must submit a status report by the 15th of each month. The project expires June 30, 2024.

|   |              |          |          |          |          |          |          |
|---|--------------|----------|----------|----------|----------|----------|----------|
| <b>1000 - General Fund Cost (Savings)</b> | <b>2,000</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| Expenditures                              | 2,000        | 0        | 0        | 0        | 0        | 0        | 0        |

**Blue Line Light Rail Transit Extension**

This provision provides funding for a grant to Hennepin County for the Blue Line light rail transit extension project, including but not limited to predesign, design, engineering, environmental analysis and mitigation, right-of-way acquisition, construction, and acquisition of rolling stock. Of the amount appropriated, \$40 million is available only upon entering a full funding agreement with the Federal Transit Administration by June 30, 2027.

|   |          |               |          |               |          |          |          |
|---|----------|---------------|----------|---------------|----------|----------|----------|
| <b>1000 - General Fund Cost (Savings)</b> | <b>0</b> | <b>50,000</b> | <b>0</b> | <b>50,000</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| Expenditures                              | 0        | 50,000        | 0        | 50,000        | 0        | 0        | 0        |

**US Highway 169 Bus Rapid Transit**

This provision provides funding for highway bus rapid transit project development in the U.S. Highway 169 and Trunk Highway 55 corridors, including but not limited to feasibility study, predesign, design, engineering, environmental analysis and remediation, and right-of-way acquisition.

|   |          |              |          |              |          |          |          |
|---|----------|--------------|----------|--------------|----------|----------|----------|
| <b>1000 - General Fund Cost (Savings)</b> | <b>0</b> | <b>3,000</b> | <b>0</b> | <b>3,000</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| Expenditures                              | 0        | 3,000        | 0        | 3,000        | 0        | 0        | 0        |

**Disabled Veterans Exemptions**

This provision exempts veterans with a 100 percent total and permanent disability rating from various transportation-related taxes and fees. These exemptions impact the revenue generated from the applicable taxes and fees.

|  |          |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|
| <b>1050 - Transit Assistance Fund Cost (Savings)</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> | <b>0</b> |
| Transfers In   | 0        | 0        | (630)    | (630)    | (720)    | (720)    | (1,440)  |

(Dollars in Thousands)

|              | FY23 | FY24 | FY25  | Biennium<br>2024-25 | FY26  | FY27  | Biennium<br>2026-27 |
|--------------|------|------|-------|---------------------|-------|-------|---------------------|
| Expenditures | 0    | 0    | (630) | (630)               | (720) | (720) | (1,440)             |