

Public Comment Operating Budget Update and 2027 - 2032 Capital Program Budget

Metropolitan Council

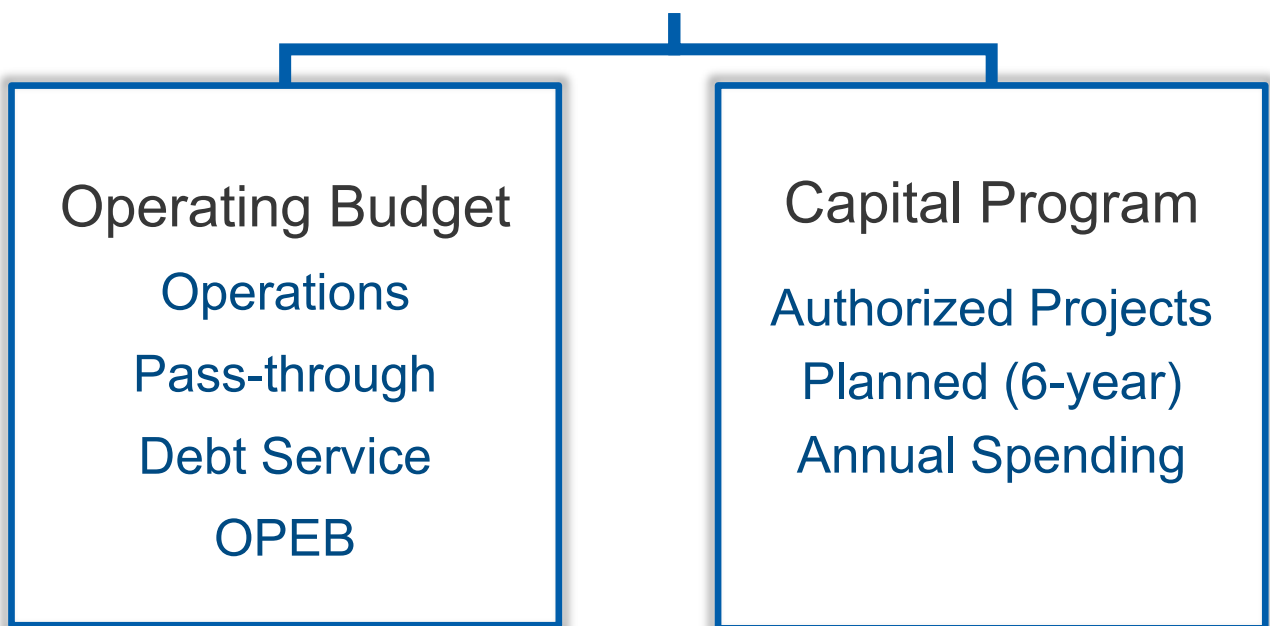
October 14, 2026

metro council.org



Council Budget Development

Unified Budget



May-July	Staff - Budget Development Activities
Aug 12	Council – Operating Budget Presentation
Aug 26 (before Sept 1)	Council - Adopt Preliminary Budget/Levies
Oct 14	Council - Capital Program Presentation
Oct 28	Council - Adopt Public Comment Draft Budget
Dec 2 (before Dec 20)	Council - Adopt Final Budget/Levies

Changes to 2027 Public Comment Operating Budget from Preliminary Budget

- Nothing has changed from Preliminary to Public Comment for the Operating Budget.

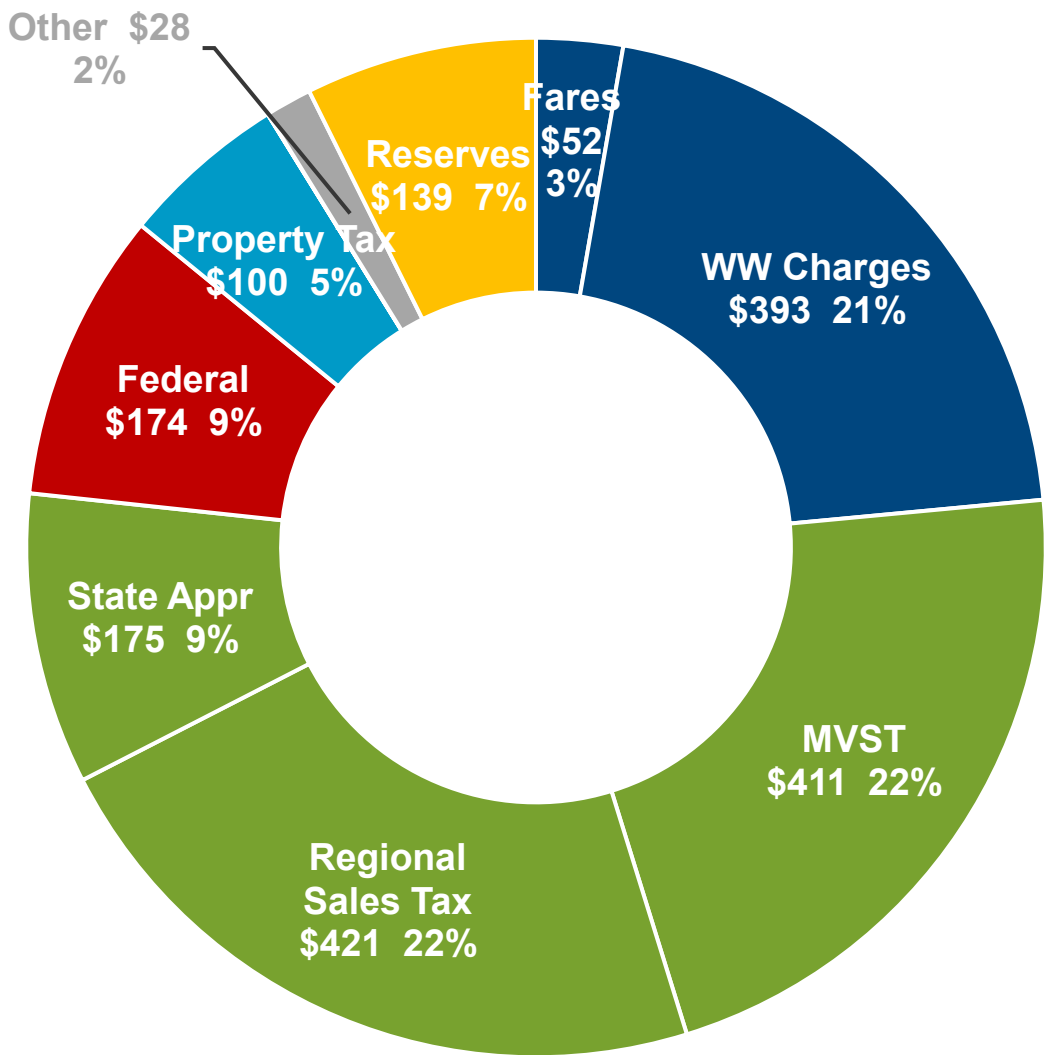
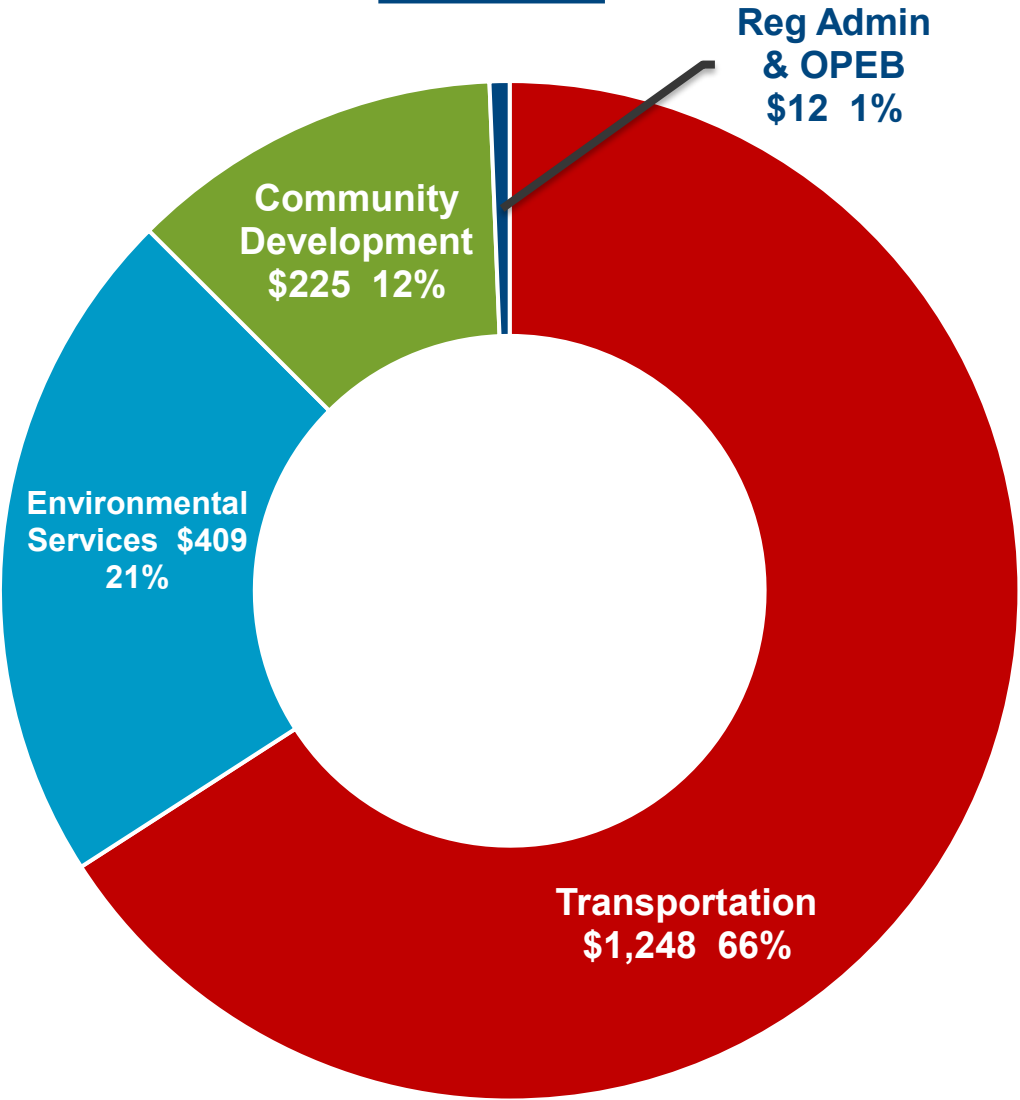
2027 Operating Budget: \$1.89 Billion

Use by Division

Sources of Funds

Divisions

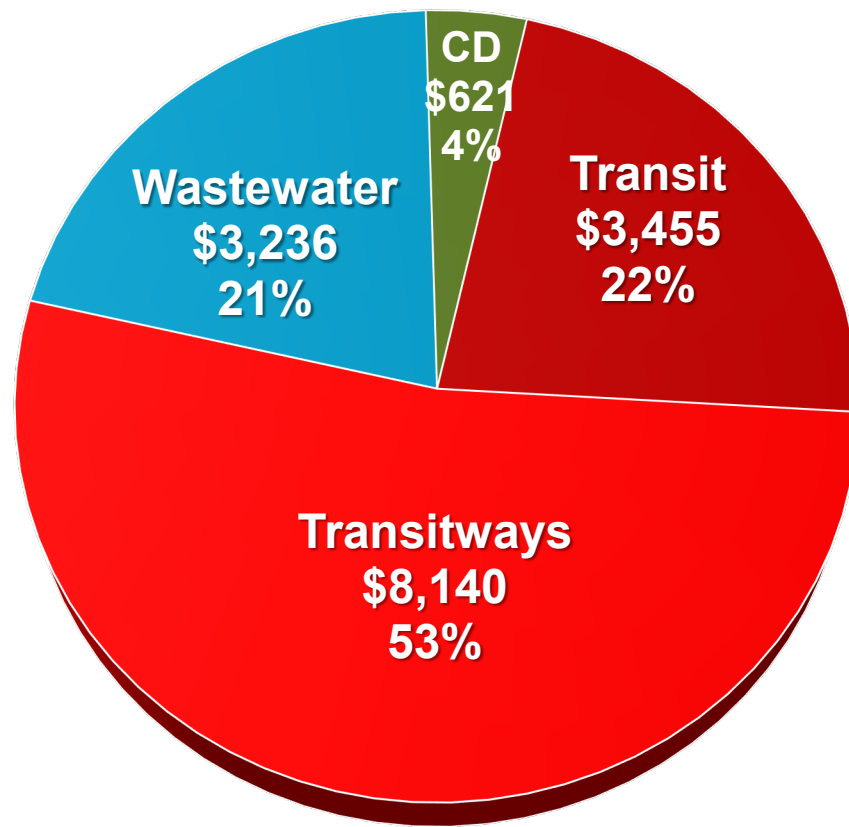
Sources



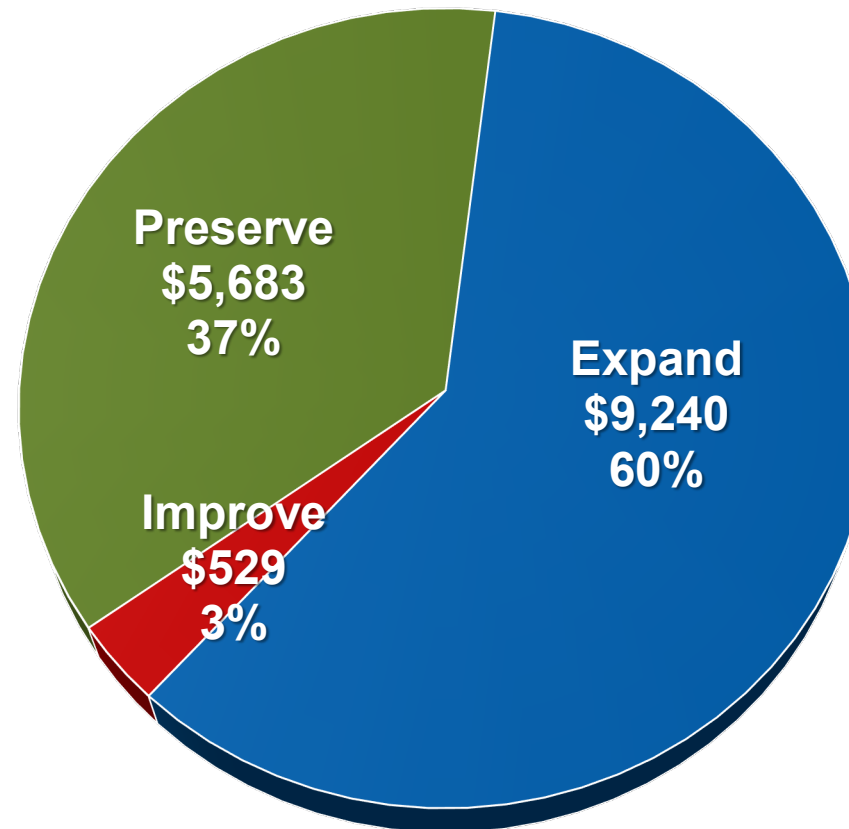
\$ in millions

2027 Capital Program: \$15.45B

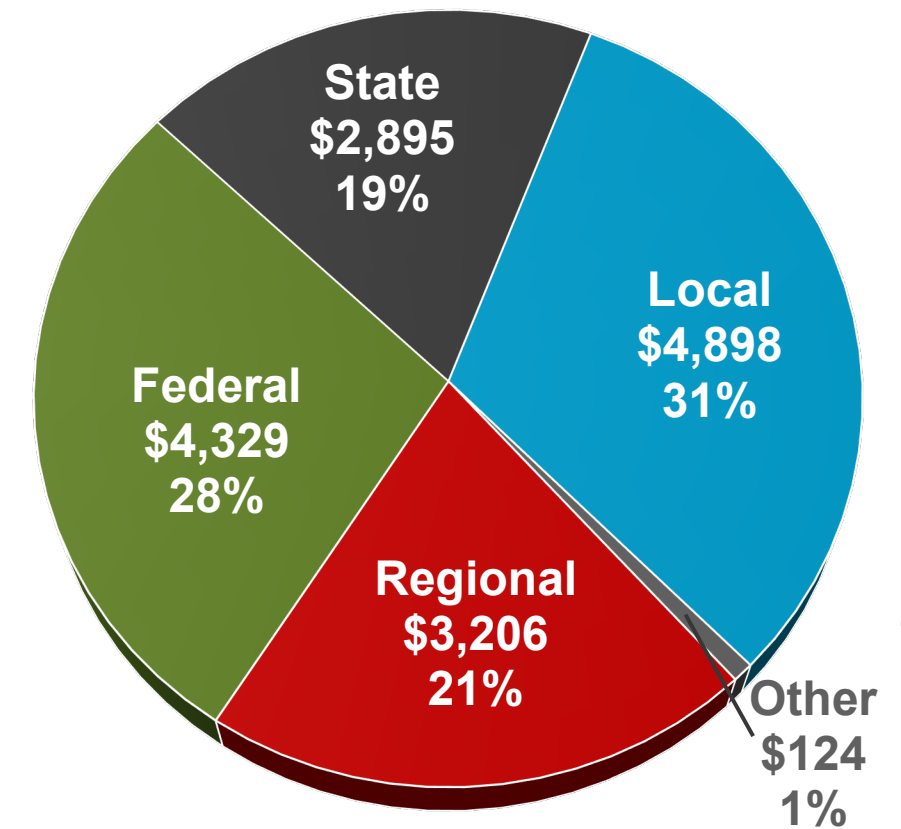
Uses by Department



Uses by Category



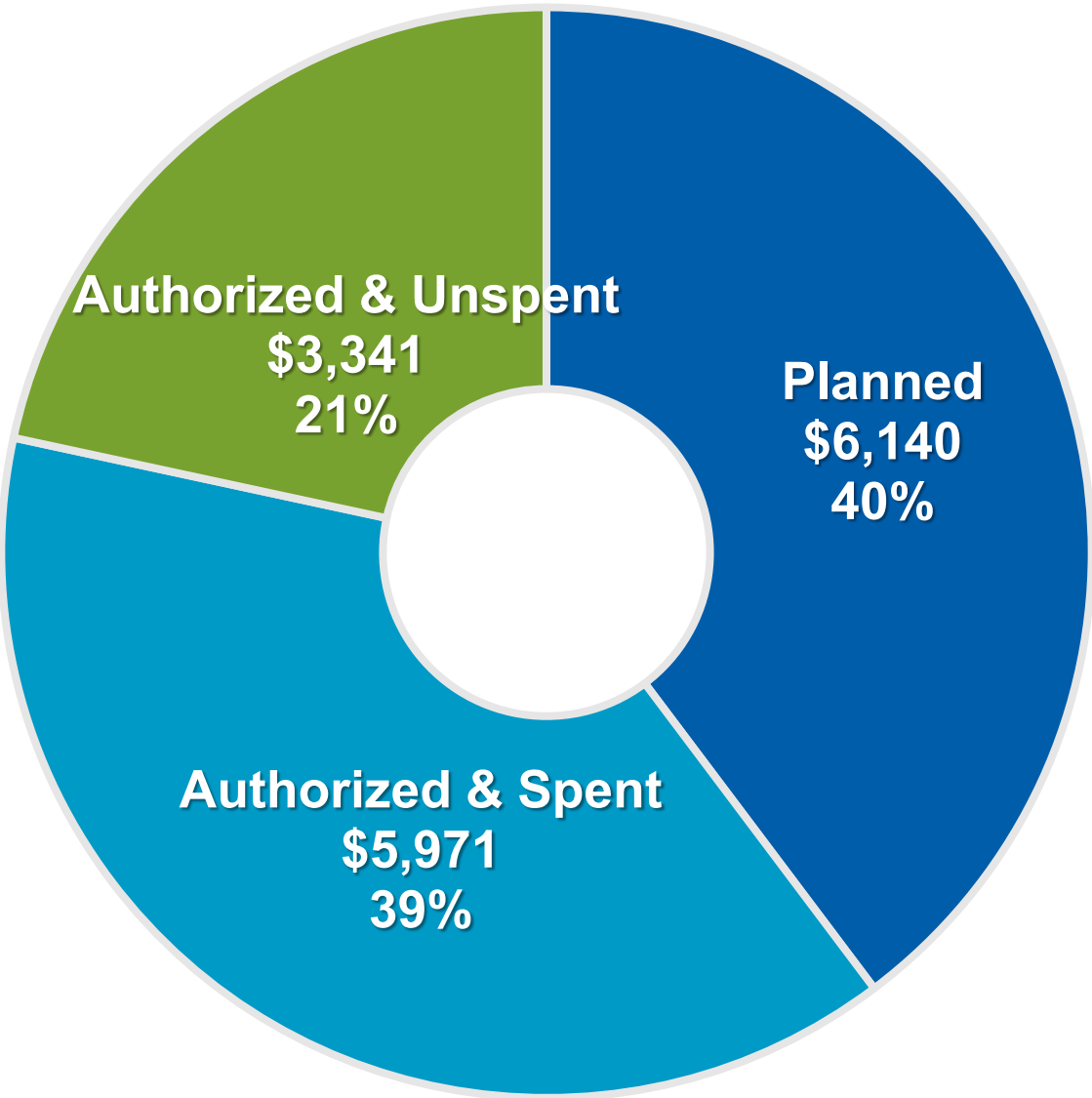
Sources



Metropolitan Council

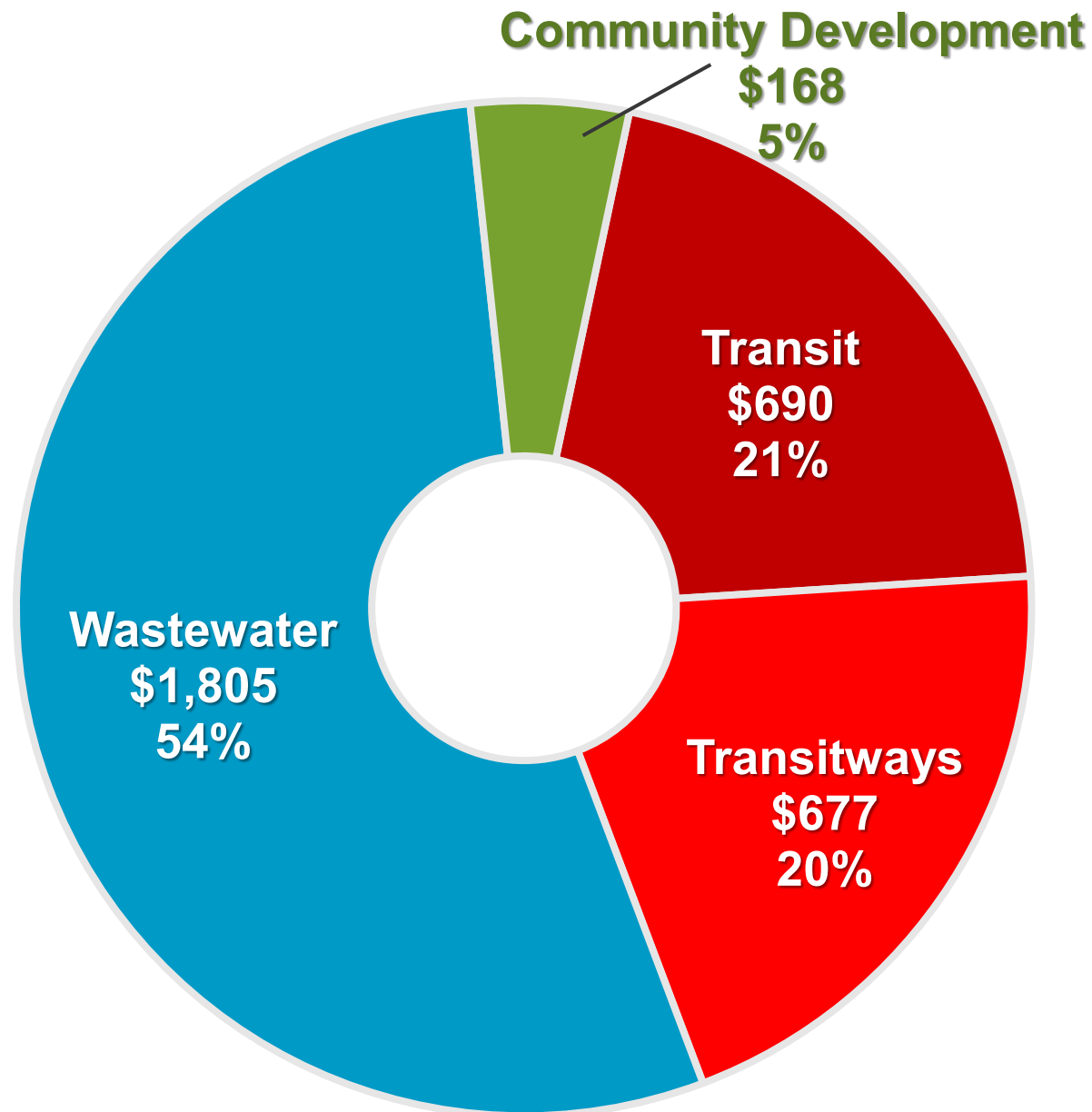
\$ in millions

2027 Capital Program by Funding Status: \$15.45B

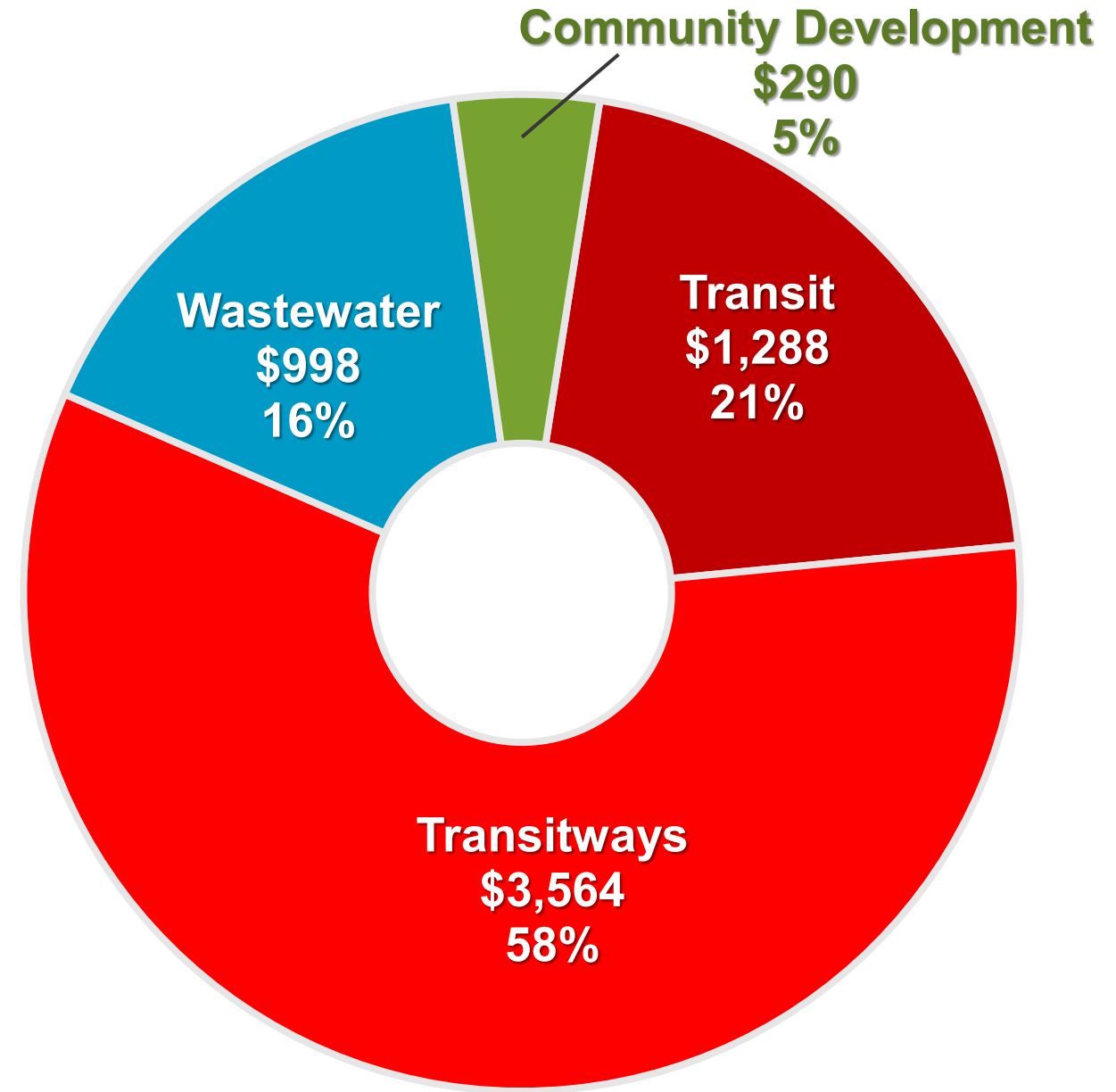


\$ in millions

2027 Capital Program Future Spending: \$9.48B



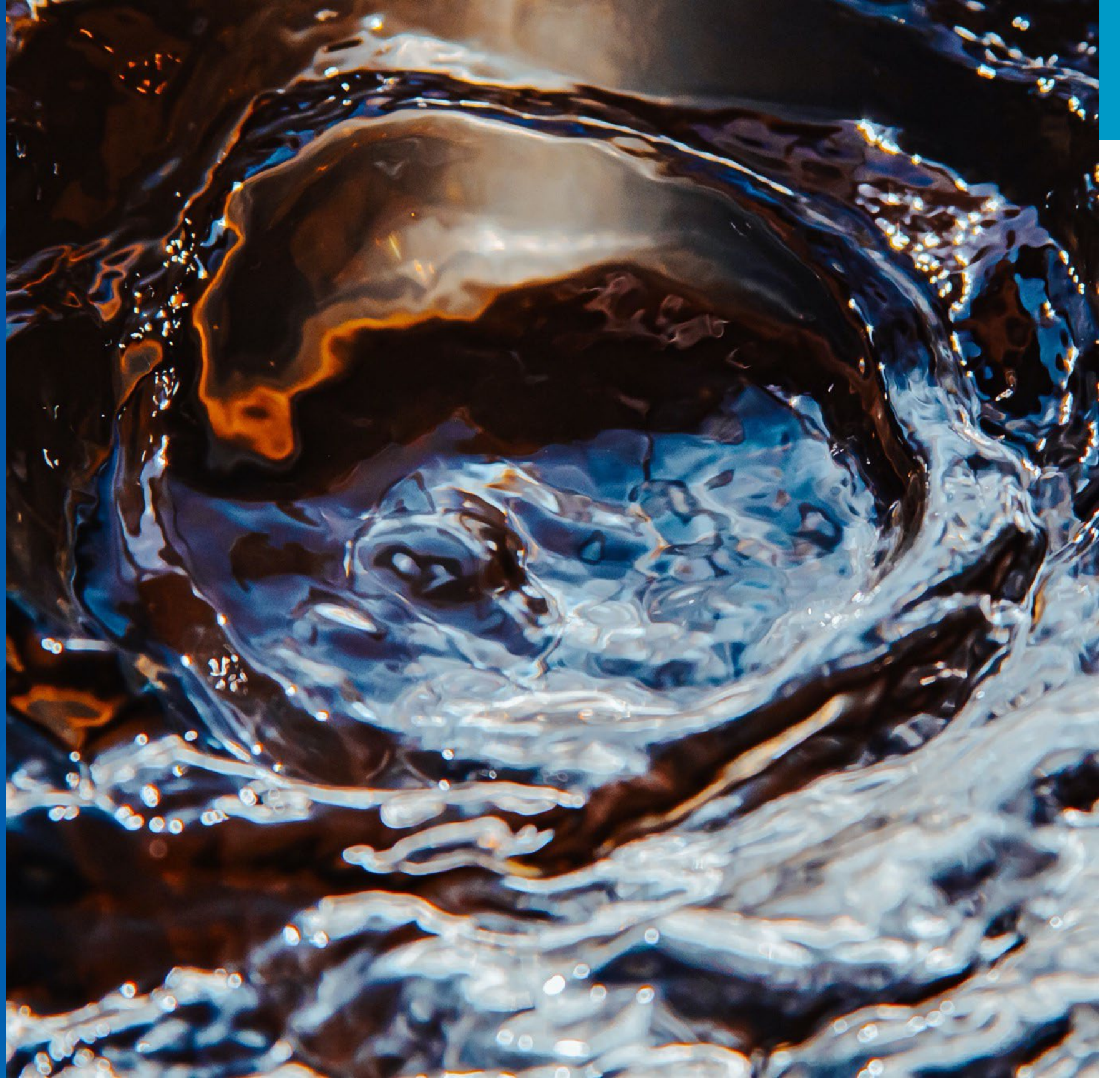
Authorized: \$3.34B



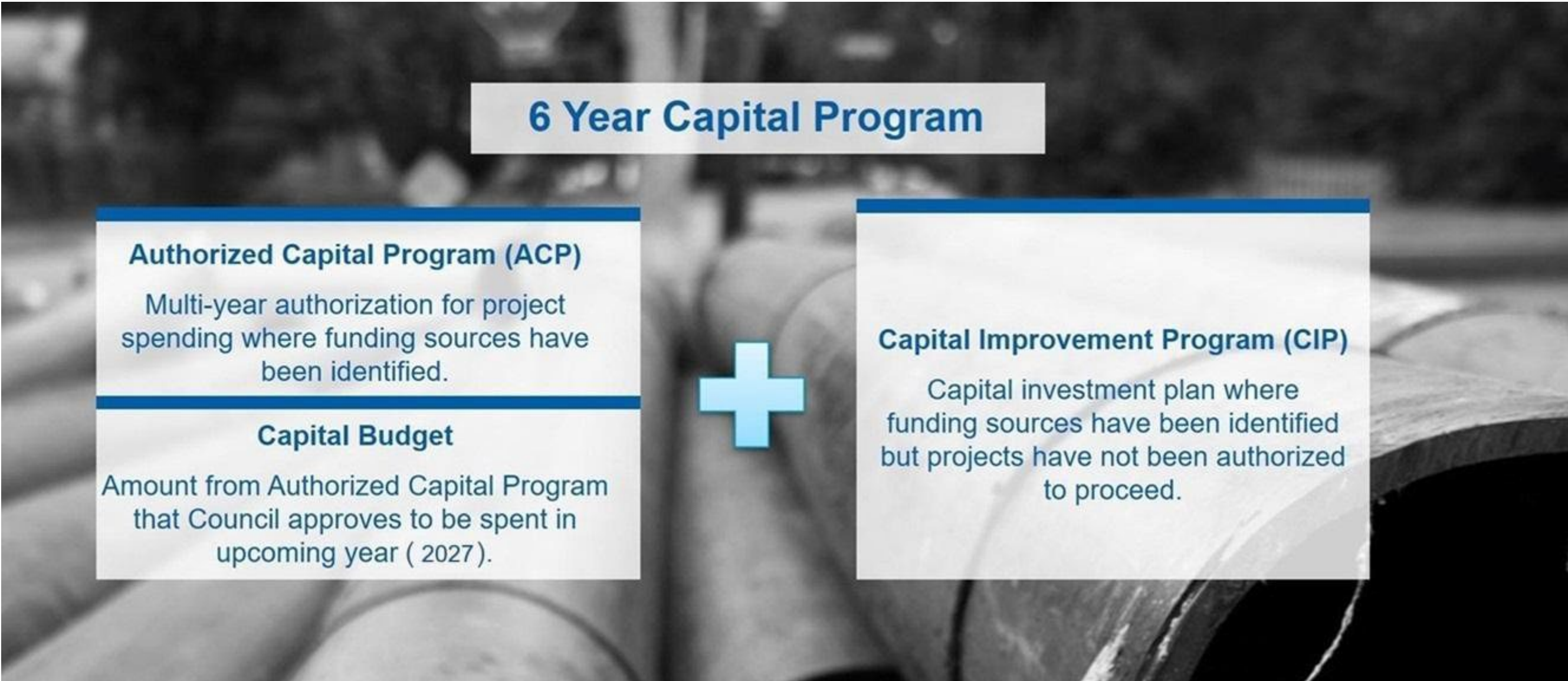
Planned: \$6.14B

\$ in millions

Environmental Services

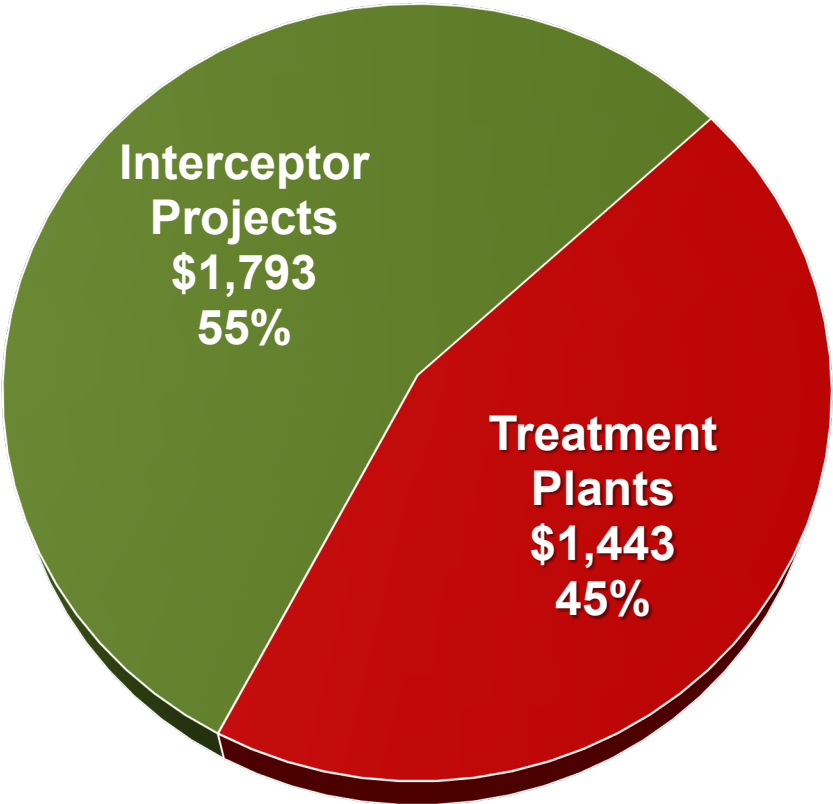


Capital Program Definitions

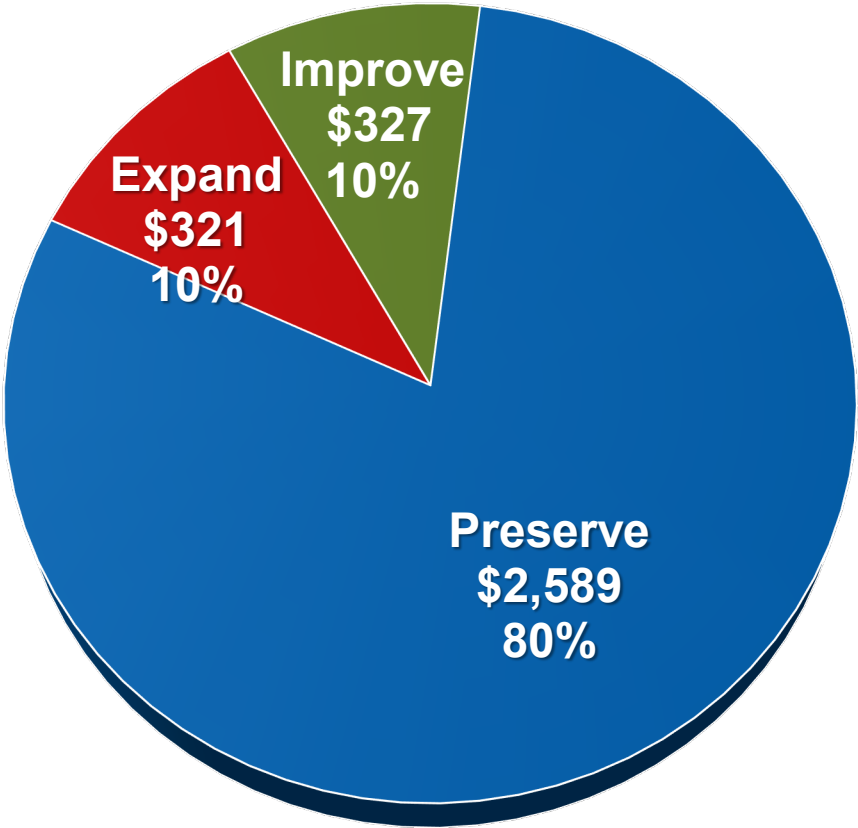


ES Capital Program: \$3.24B

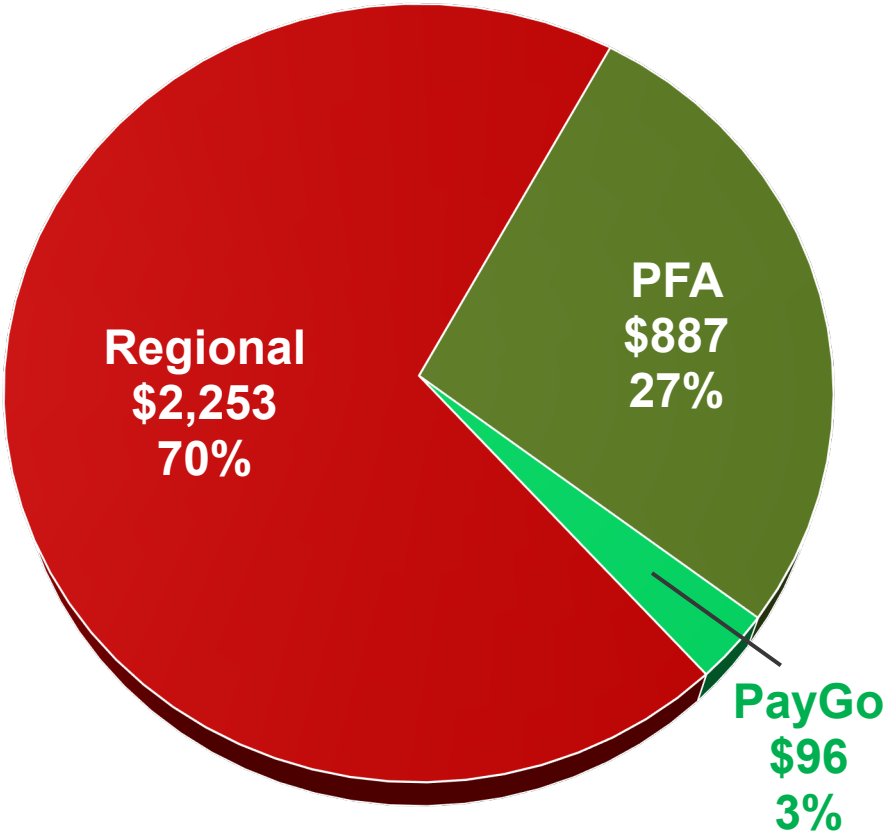
Uses by Department



Uses by Category

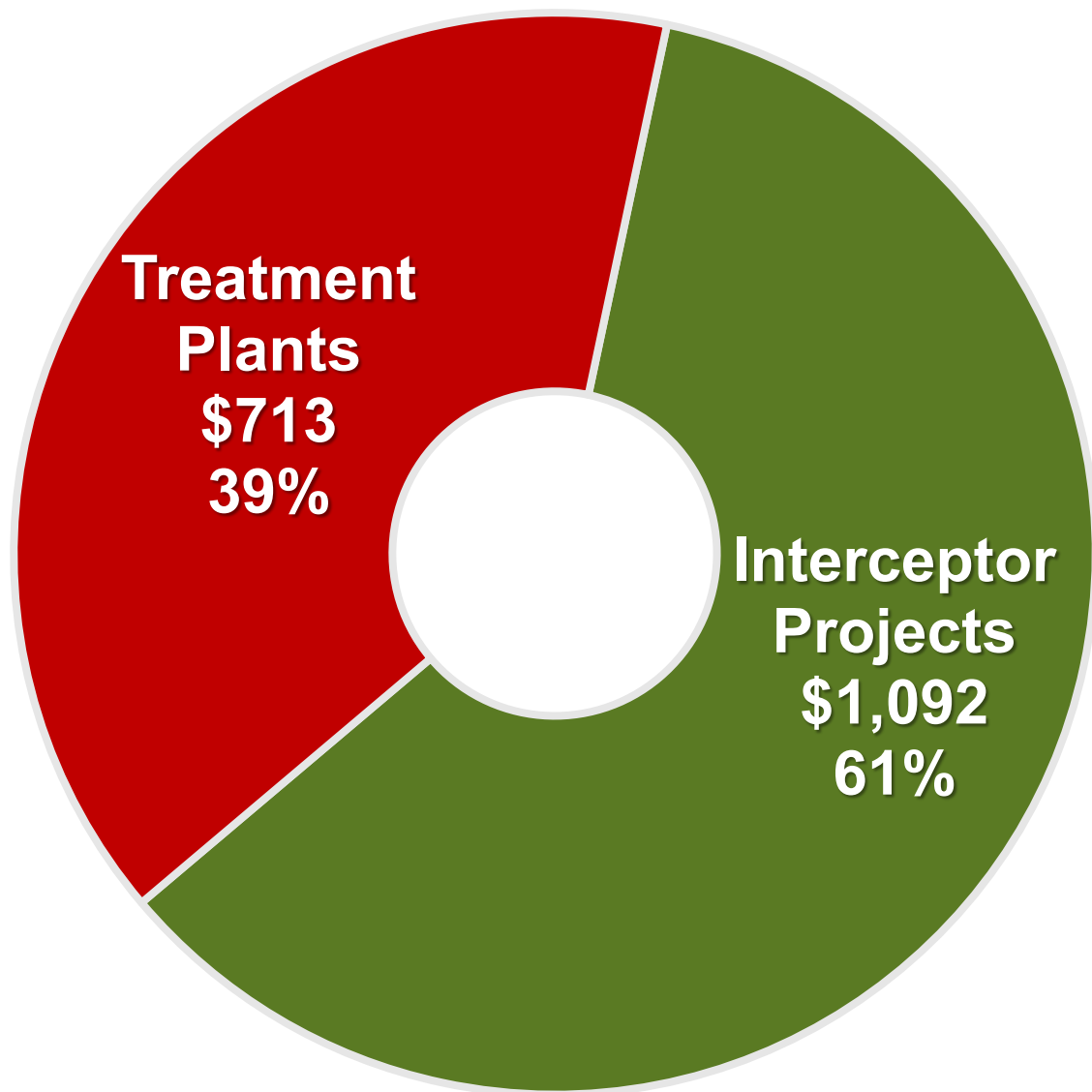


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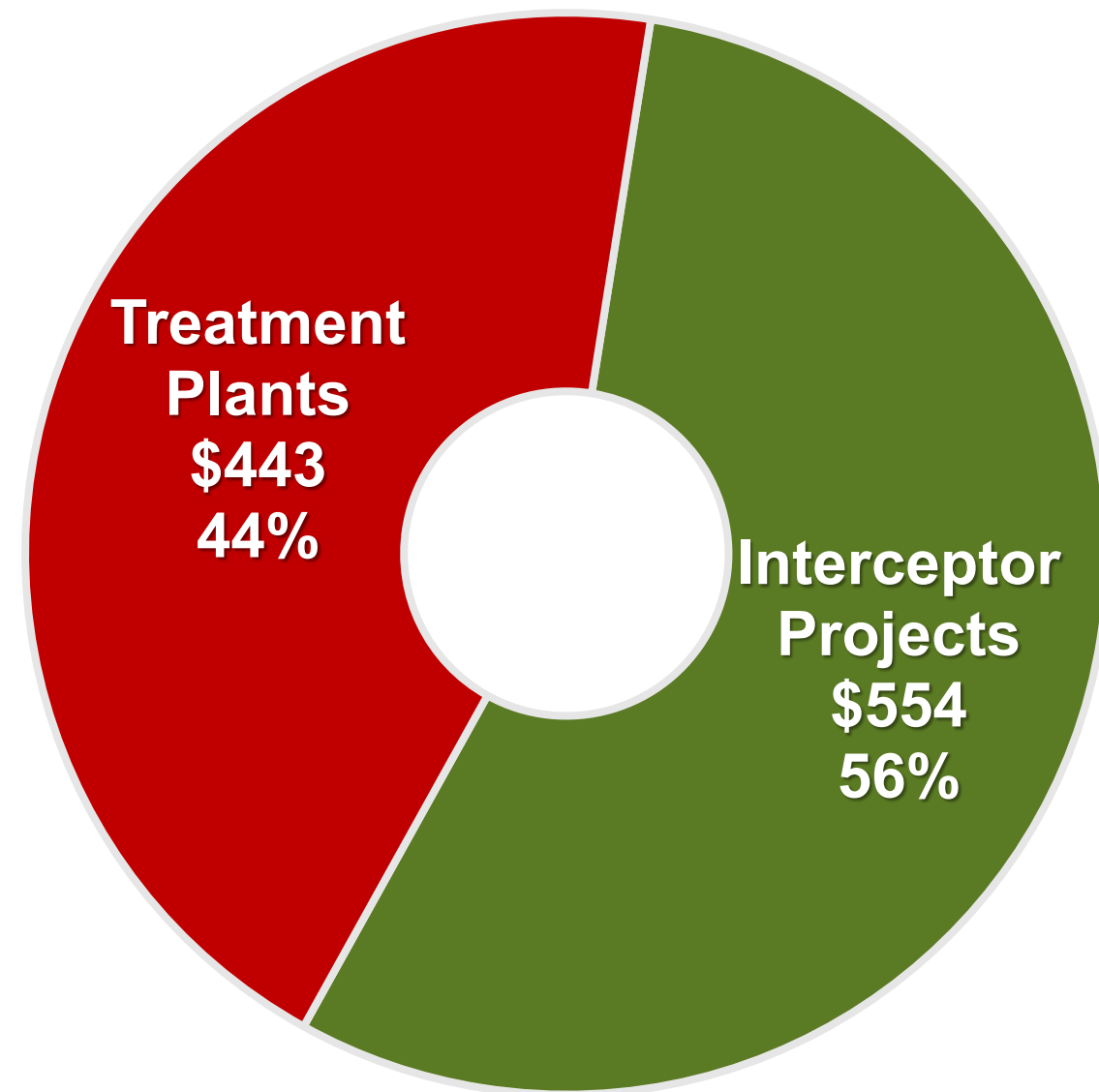


Metropolitan Council

ES Future Spending: \$2.80B



Authorized: \$1.80B



Planned - \$1.00B

\$ in millions

ES Capital Program ACP Objectives



Preserve Assets

Rehabilitate and replace assets to preserve value and performance



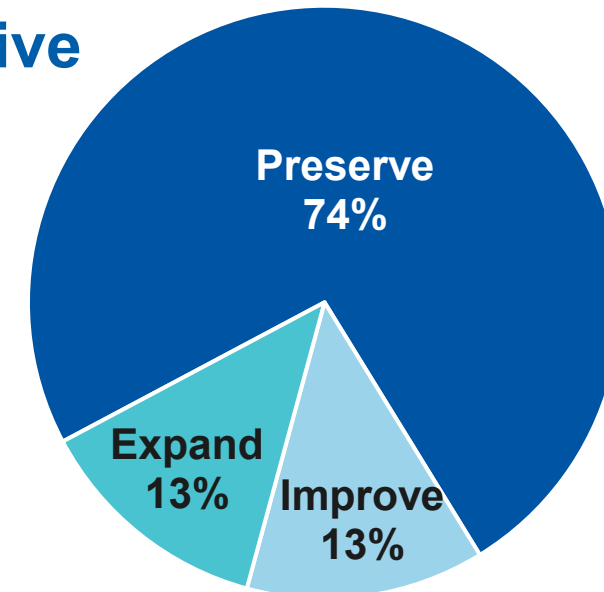
Meet Capacity Needs

Expand system capacity through plant expansions and interceptor extensions or improvements

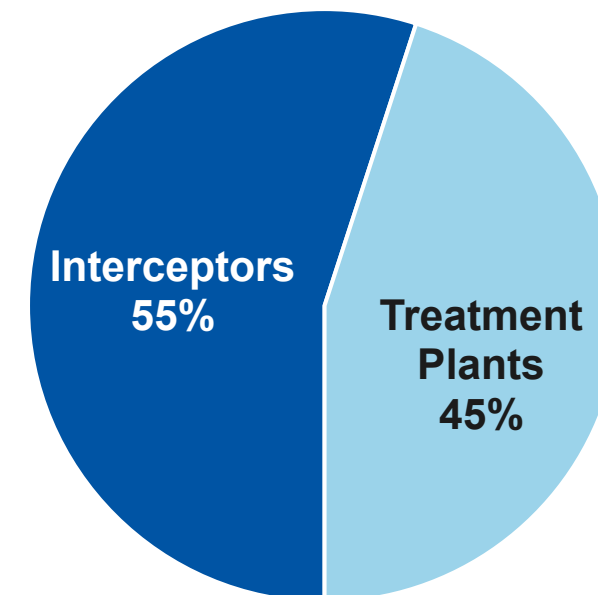


Improve Quality of service by responding to more stringent regulations, reusing wastewater, increasing system reliability, and conserving and generating energy

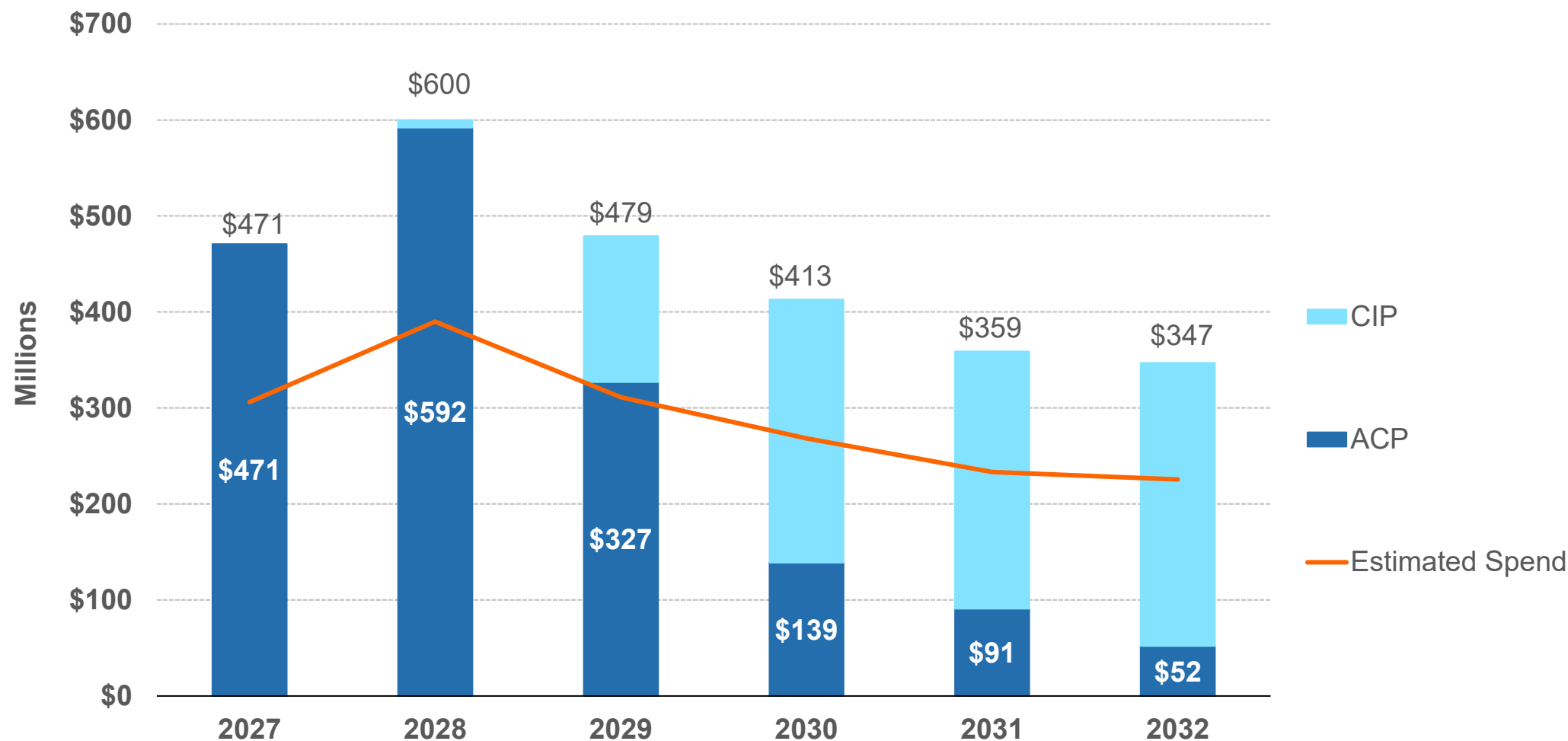
Objective



Type



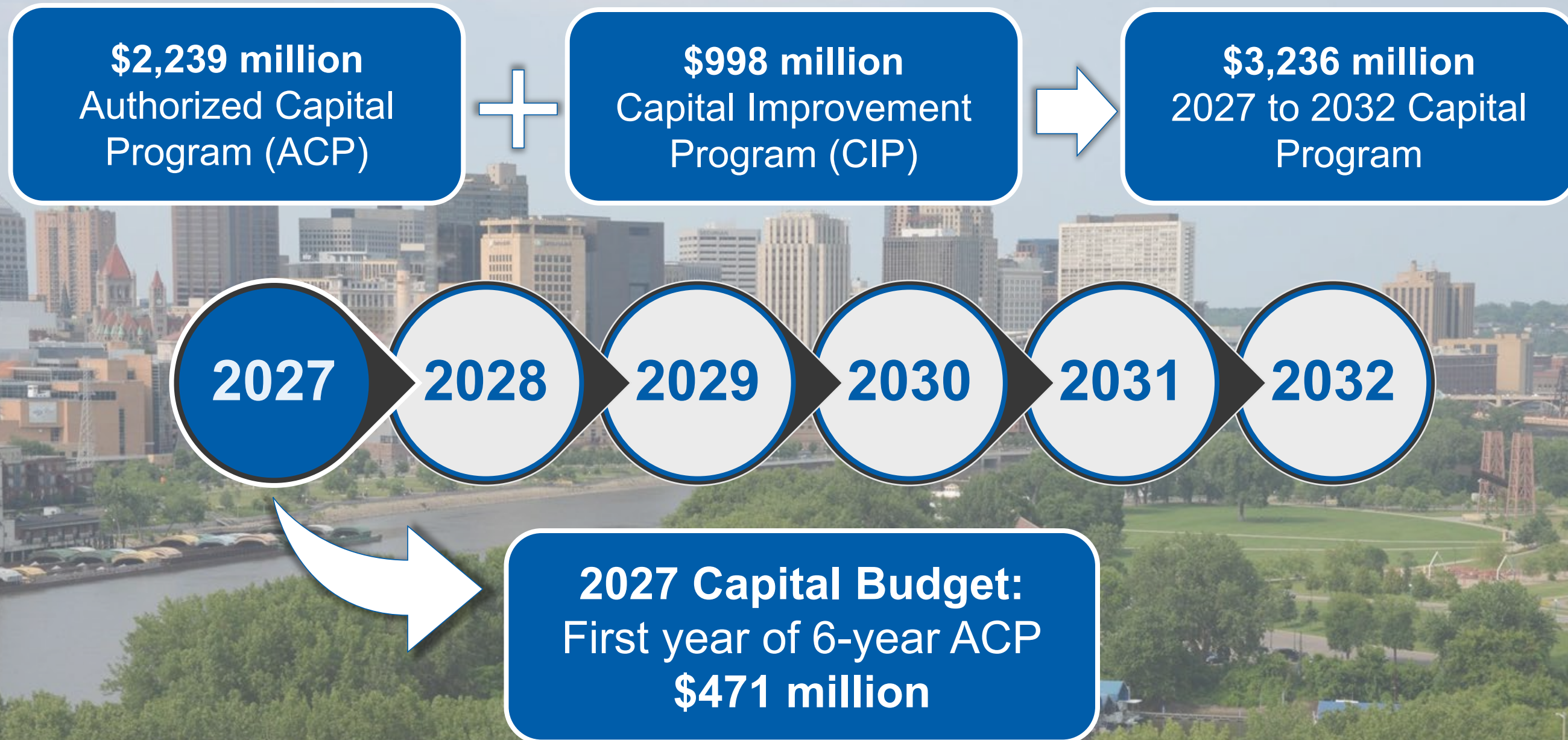
Capital Program: 2027 to 2032



Total Capital Program
(2027 to 2032) = \$3,236 Million

*Pre-2027 ACP included in this figure (\$434M)

ES Proposed 2027 Capital Program



ES Capital Program Financing

Public Facilities Authority (PFA) Loans

Lowest interest loans. Loans greater than \$50 million carry higher interest rates, making GO Bonds more attractive.

2026: \$44 million @ 1.89%
2027: \$50 million (estimated)

Council General Obligation Bonds

The Council sells general obligation bonds. The Council has a AAA bond rating and receives low interest rates.

2026: \$274 million @ 3.50%
2027: \$243 Million (estimated)

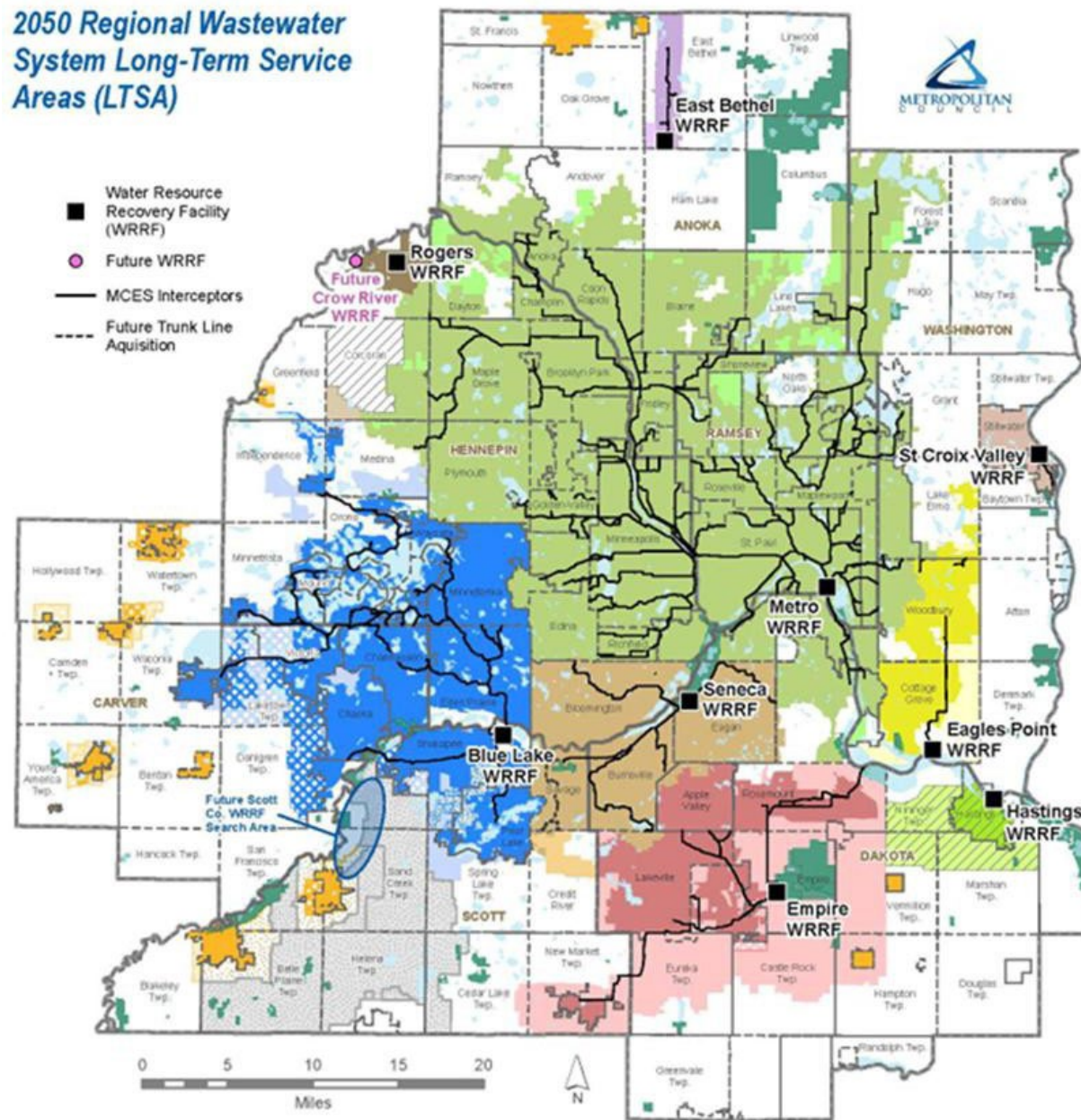
Pay-As-You-Go (PAYGO)

Funds dedicated to paying for some capital expenses with current revenue.

2026: \$13 million
2027: \$13 million

2027 Water Resource Recovery Facility (WRRF) Capital Programs

2050 Regional Wastewater System Long-Term Service Areas (LTSA)

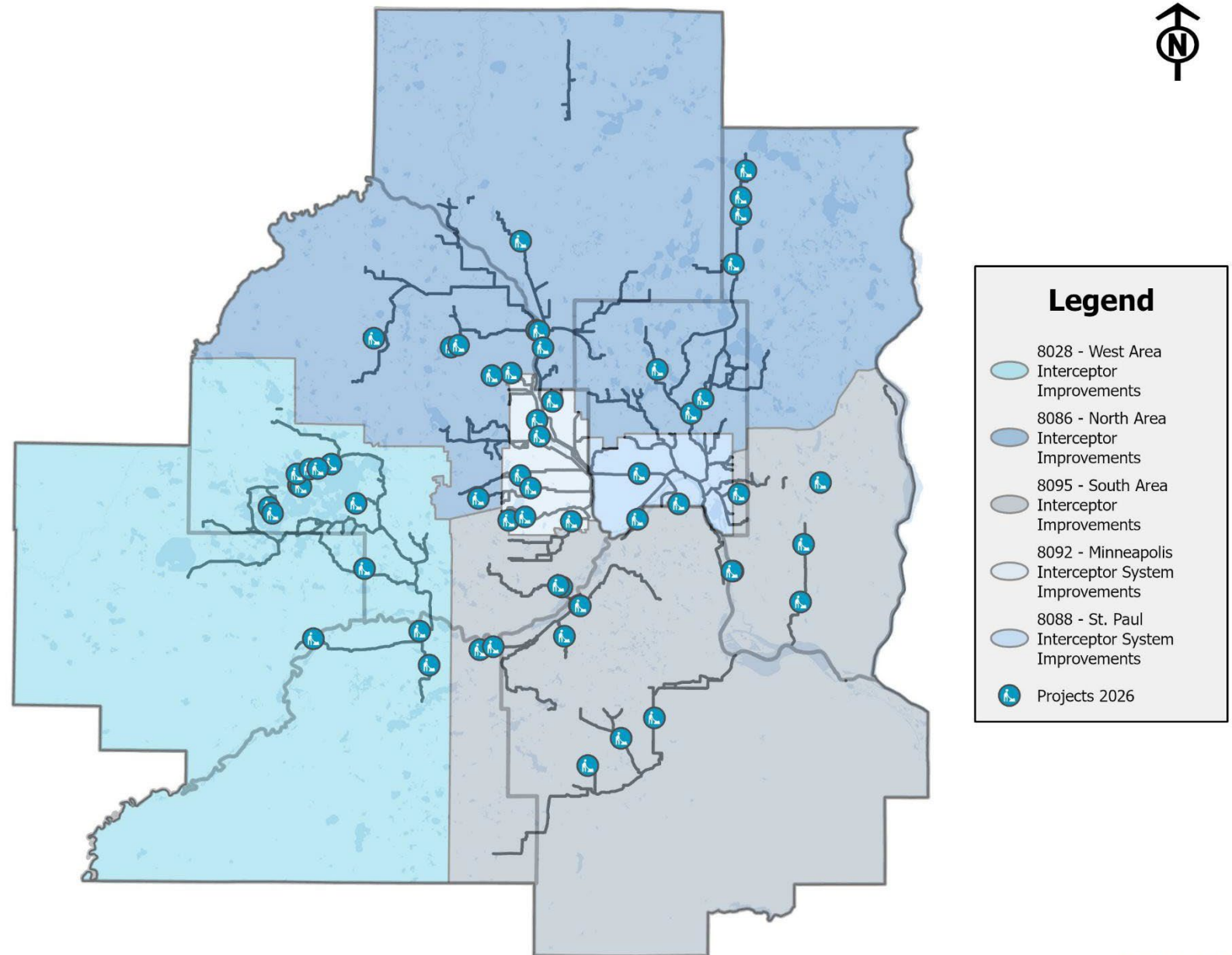


1. 8059 Metro Rehabilitation & Facilities Improvements (\$60M)
2. 8062 Metro Solids Improvements (\$336M)
3. 8074 Empire Solids Improvements (\$32M)
4. 8078 Regional Plant Improvements (\$85M)
5. 8089 Metro Asset Renewal (\$244M)
6. 8091 Wastewater Reclamation Facilities
7. 8097 Blue Lake Improvements (\$160)
8. 8099 Crow River Water Resource Recovery Facility (\$43M)
9. 8101 Business Process Systems Integration (\$15M)
10. 8103 Metro Restoration & Improvements (\$21M)
11. 8104 Empire Restoration & Improvements (\$1.5M)
12. 8105 Seneca Rehabilitation & Improvements (\$1M)

CLOSE

NEW

2027 Design/Construction Projects



Projects that are in final design, bidding, or starting construction

Program 8028 (West Area):

- 5 Projects

Program 8086 (North Area):

- 9 Projects

Program 8095 (South Area):

- 8 Projects

Program 8092 (Minneapolis):

- 6 Projects

Program 8088 (St. Paul):

- 2 Projects

Program 8055 (Lift Station Rehabilitation):

- 5 Projects

Program 8056 (Meter Improvements):

- 5 Projects

Program 8090 (Program Support):

- 1 Project

Program 8094 (New Lift Station 32A)

Program 8041 (Hopkins System Improvements)

Total: 43 Projects

Transportation



Transportation Division

Transportation Division operates, administers, and coordinates public services for the Twin Cities metropolitan area

- **Metro Transit**
 - Regular route, express bus
 - METRO lines (light rail, bus rapid transit)
 - Metro Micro
 - Capital Project Development
- **Contracted Transit**
 - Contracted Bus
 - Special Transportation Services (Metro Mobility and Metro Move)
 - Transit Link
 - Vanpool
 - Metro Micro
 - Transportation Planning



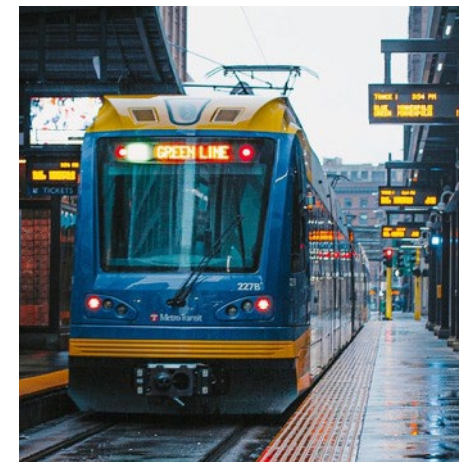
Transportation 2027-2032 Capital Program Priorities

Metro Transit

- Investing in our bus fleet
- Maintaining our light rail system in a state of good repair
- Repairing and expanding our support facilities
- Rejuvenating our public facilities and technology

Contracted Transit

- Replace buses based upon existing fleet replacement plan
- Meet Metro Mobility fleet demand to comply with federal and state mandates
- Programming subrecipient federal formula earnings (Maple Grove, Plymouth and U of M only)
- Technology
- Engine and transmission replacement



Transportation 2027-2032 Capital Program: Revenue Assumptions



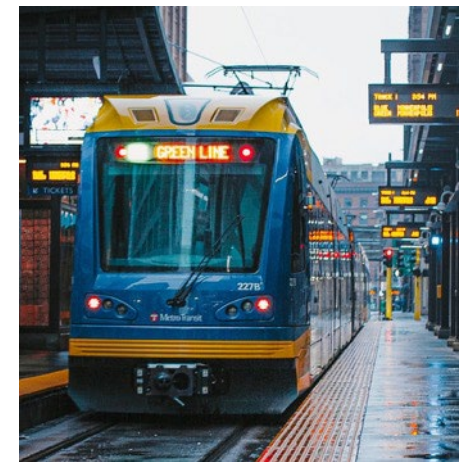
Revenue Sources

- Regional Transit Capital increasing 3.3% per year
- Regional Sales Tax investments per criteria
- State funding
 - Appropriations
 - Motor Vehicles Sales Tax
- Federal Funds:
 - Formula funds increasing 2.5% through 2027-2032
 - Federal Regional Solicitation
- New Starts & Small Starts at Project Office levels

Transportation 2027-2032 Capital Program: Uses Defined

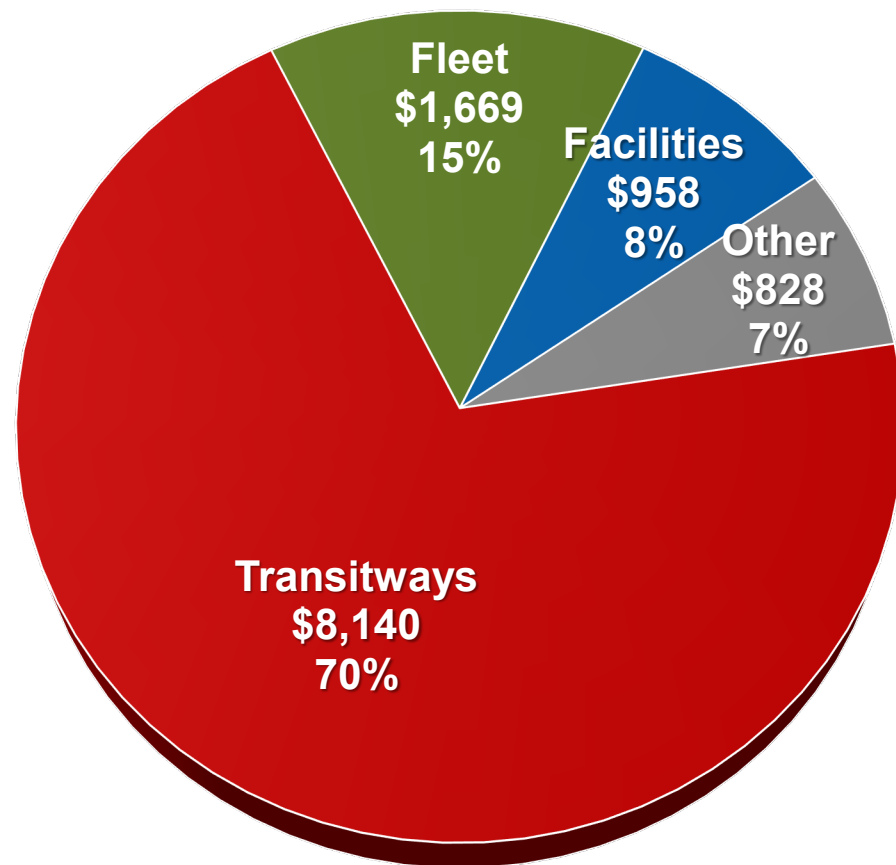
The CIP summarizes transit capital projects into six categories:

- **Fleet** - Purchase vehicles needed to provide transit service and mid-life overhauls
- **Support Facilities** - Facilities necessary to maintain and house fleet and other facilities to support operations, including maintenance on these facilities
- **Customer facilities** – Facilities necessary for transit users including shelters, stations, and parking
- **Technology** - Communication and computer equipment necessary for operation of transit system
- **Other Capital Equipment** - Equipment and other items necessary for the operation of the transit system
- **Transitways** - Light rail and bus rapid transit projects making significant capital investment within specific transit corridors

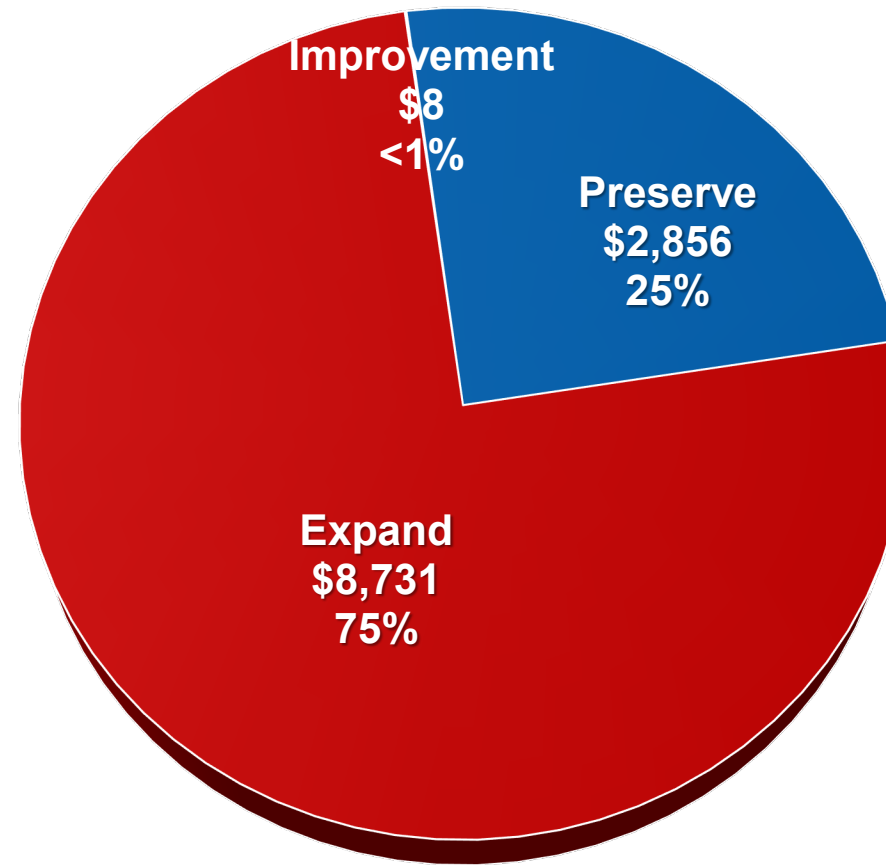


Transit Capital Program: \$11.60B

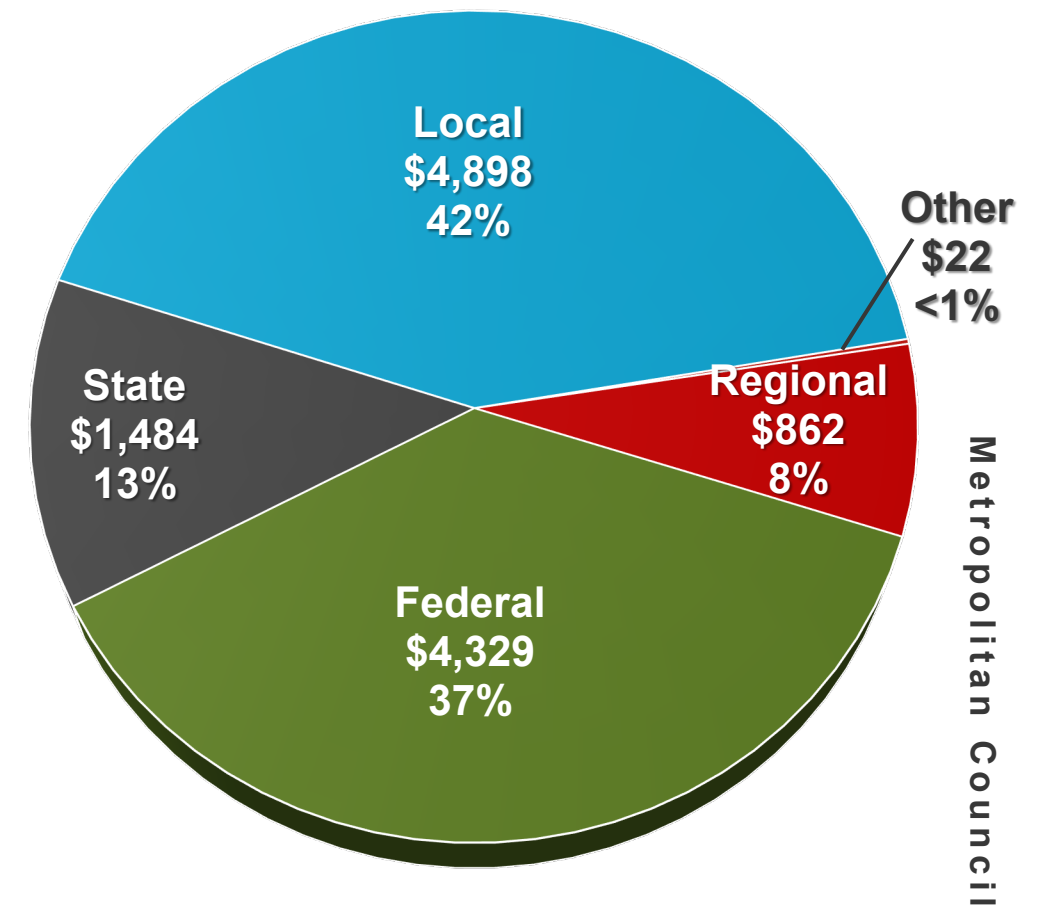
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Uses by Category

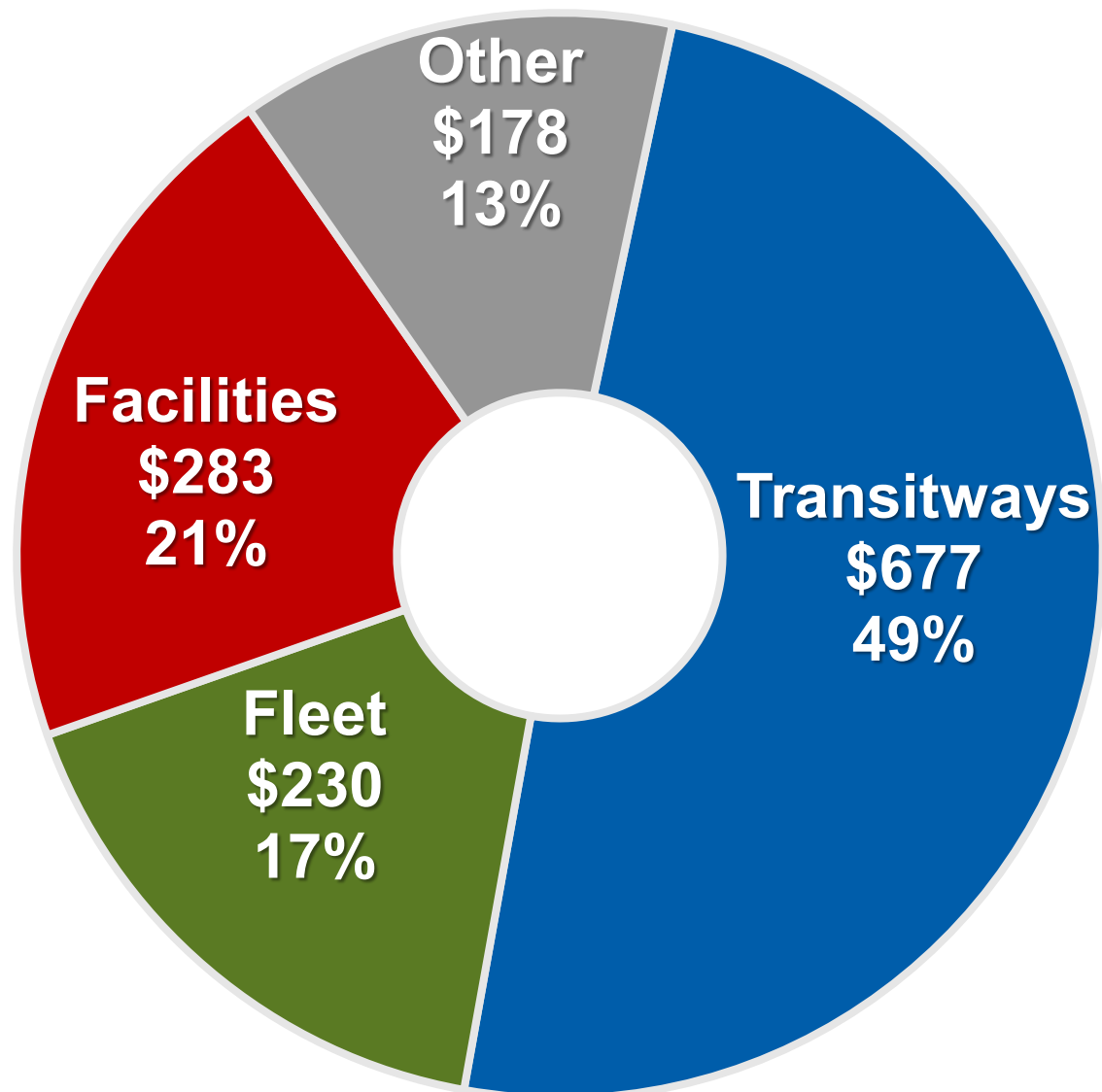


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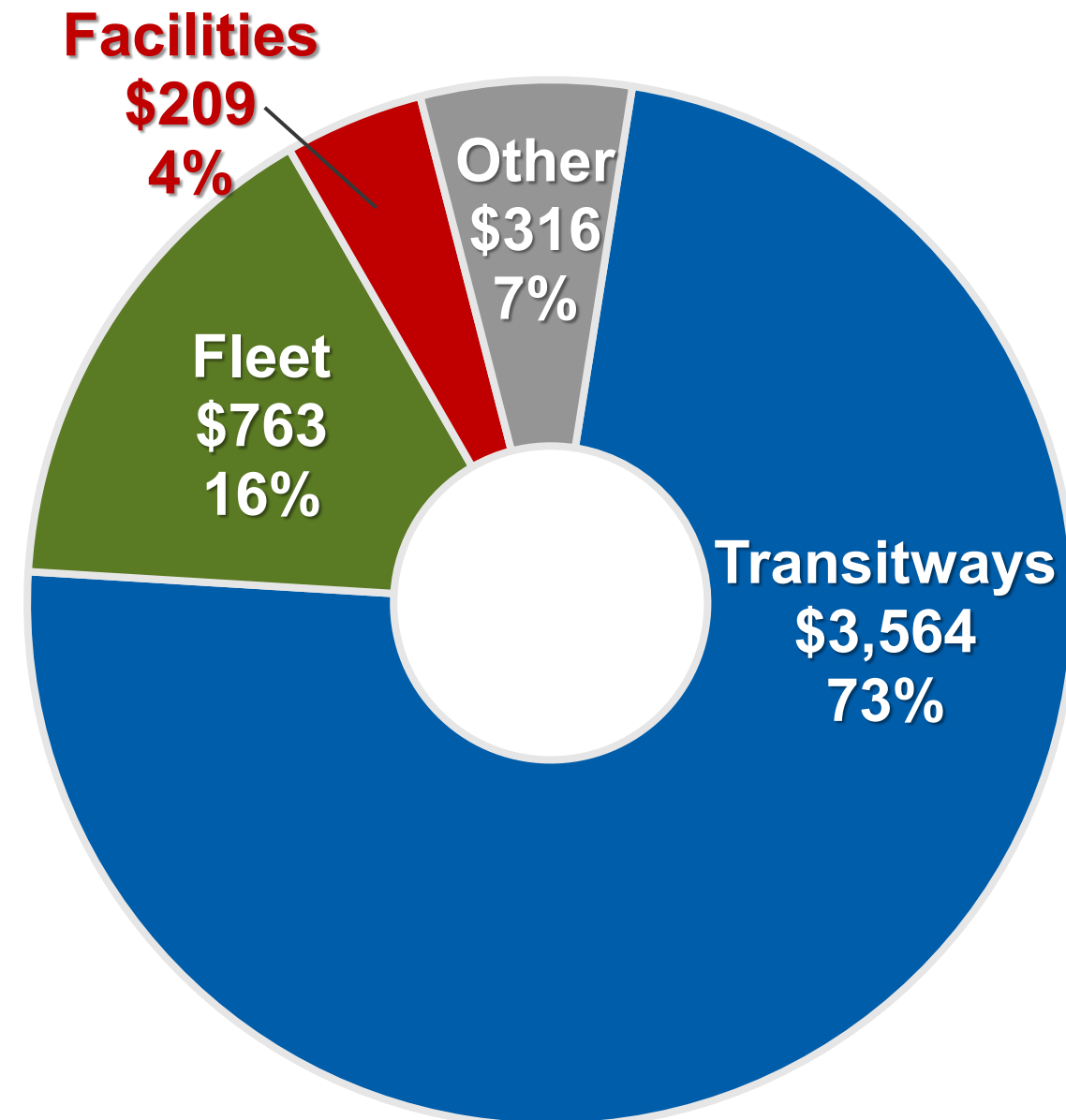


Metropolitan Council

Transit Future Spending: \$6.22B



Authorized: \$1.37B



Planned: \$4.85B

\$ in millions

Our Mission: We connect people, strengthen communities, and improve lives by delivering high-quality public transportation.

STRATEGIC PRIORITIES

Employees

We value employees and continuously improve how we attract, retain, develop, and support our workforce.

Experience

We provide a consistently safe, clean, and welcoming experience on our system.

Service

We offer service that is convenient, reliable, and environmentally sustainable.

ADVANCING METRO TRANSIT FORWARD IN 2026 WILL MEAN:



Building
ridership



Increasing employee,
rider, and community
satisfaction



Preparing for a flawless
Green Line Extension
launch in 2027

Metro Transit Budget Highlights | 2027-2032 Preliminary Capital Budget



- North Loop Garage-area expansion, roof and HVAC replacements, fire protection
- Operator protective barriers, break facilities, support vehicles

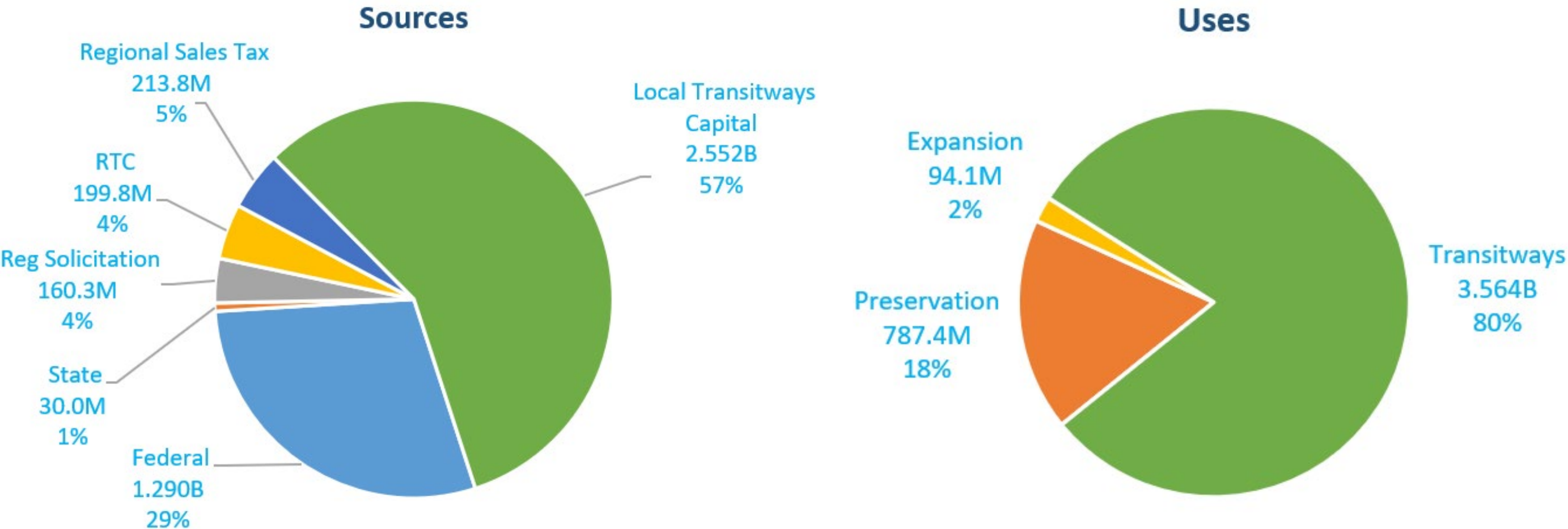


- Fare collection system upgrades, customer information systems, variable message signs, lighting, cameras
- Customer station renovations (Franklin Station, Uptown Transit Station), bus shelters



- Transitway investments (F Line, H Line, J Line, Gold Line extension, Blue Line extension, Bronze Line)
- Bus purchases, bus and rail state of good repair investments

Metro Transit 2027-2032 Preliminary Capital Budget – Planned



Metro Transit Capital Budget: \$4.445B

Budget Drivers | Committed Transitway Expansion

- **Transitways: \$223M**
 - METRO F Line (federal Small Starts grant anticipated in 2027)
 - METRO H Line & planning for J, K lines
 - Gold Line Extension
 - Bronze Line
- **Category also includes \$3.3B external capital funding**
 - Bronze Line
 - Blue Line Extension



Budget Drivers | Revenue Fleet

- **Bus & rail revenue fleet: \$431M**
- **2027 bus maintenance, replacement and expansion: \$72M**
 - Continuing to invest in service through Network Now implementation
 - Continuing to reduce fleet average age to better align with recommended useful life
 - Mid-life overhaul for older BRT buses
 - Continued expansion of operator barriers
- **Electric bus purchases to resume in 2029**
 - Aligns with Zero Emissions Bus Transition Plan



Budget Drivers | System State of Good Repair

- **Light Rail State of Good Repair: \$131M**
 - Concluding Renew the Blue work
- **Support Facilities State of Good Repair: \$95M**
 - Major garage roof and HVAC projects
- **Public Facilities State of Good Repair: \$54M**
 - Franklin Station renovation
 - Uptown Transit Station renovation
 - Bus stops and shelters

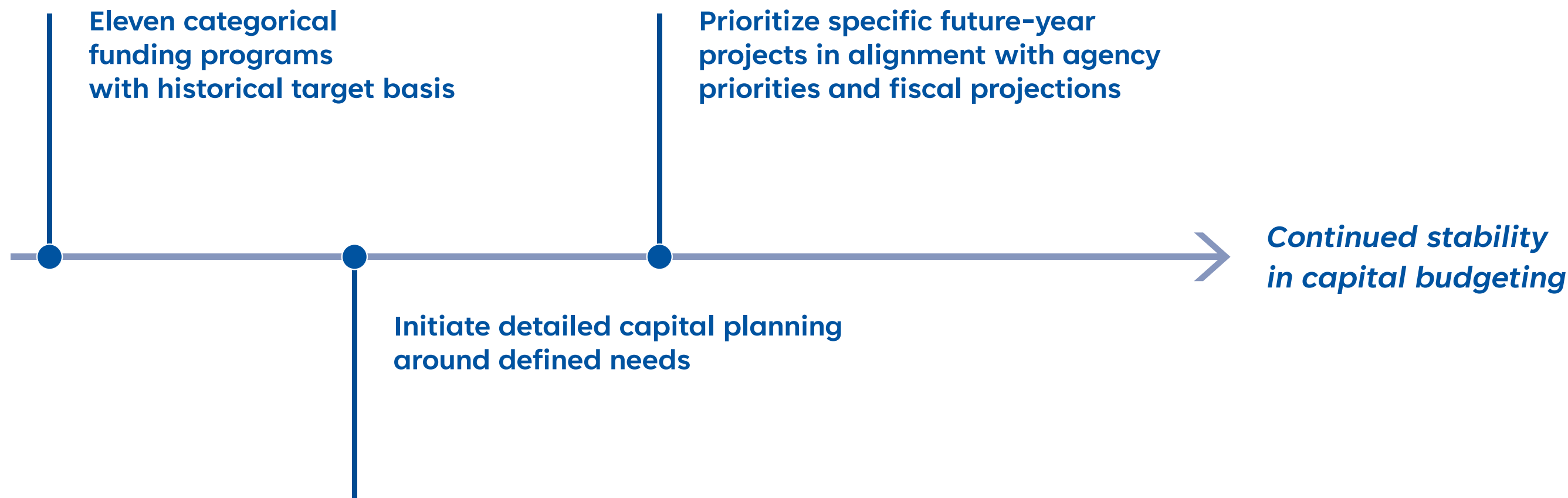


Budget Drivers | Support Facility Expansion

- **Support Facility Expansion: \$56M**
 - Accommodate growth in maintenance, staff, operations and equipment needs potentially at North Loop Garage
 - Radio shop, Farebox repair and Instruction have all outgrown the space at the Operations Support Center



Upcoming steps to prepare for 2028-2033 CIP development

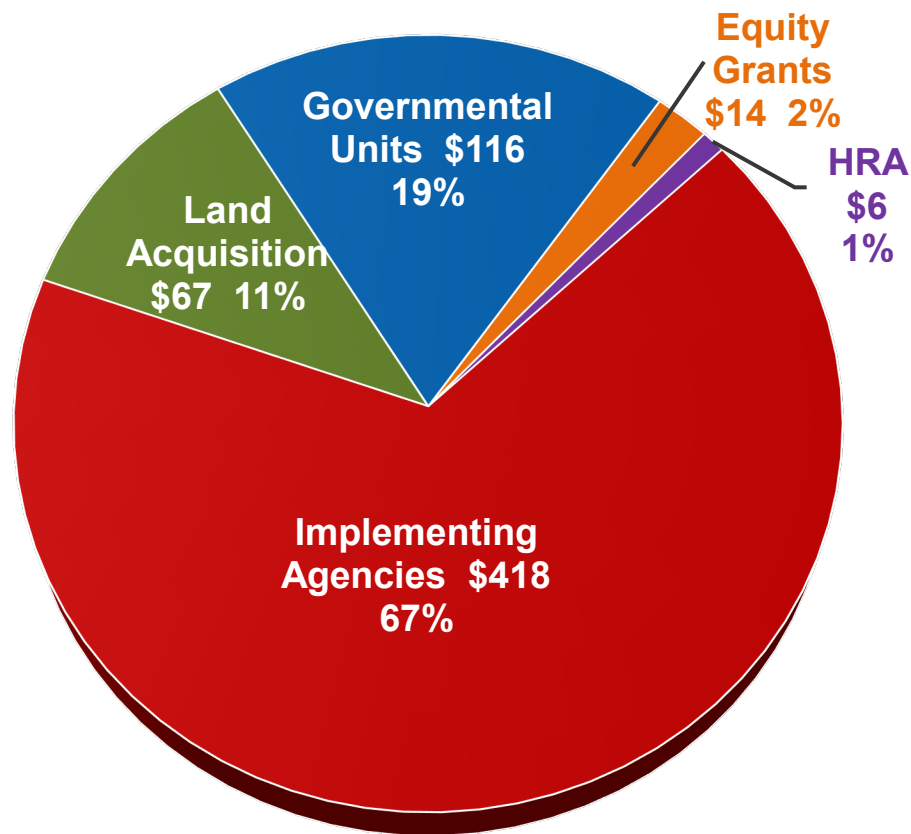


Community Development

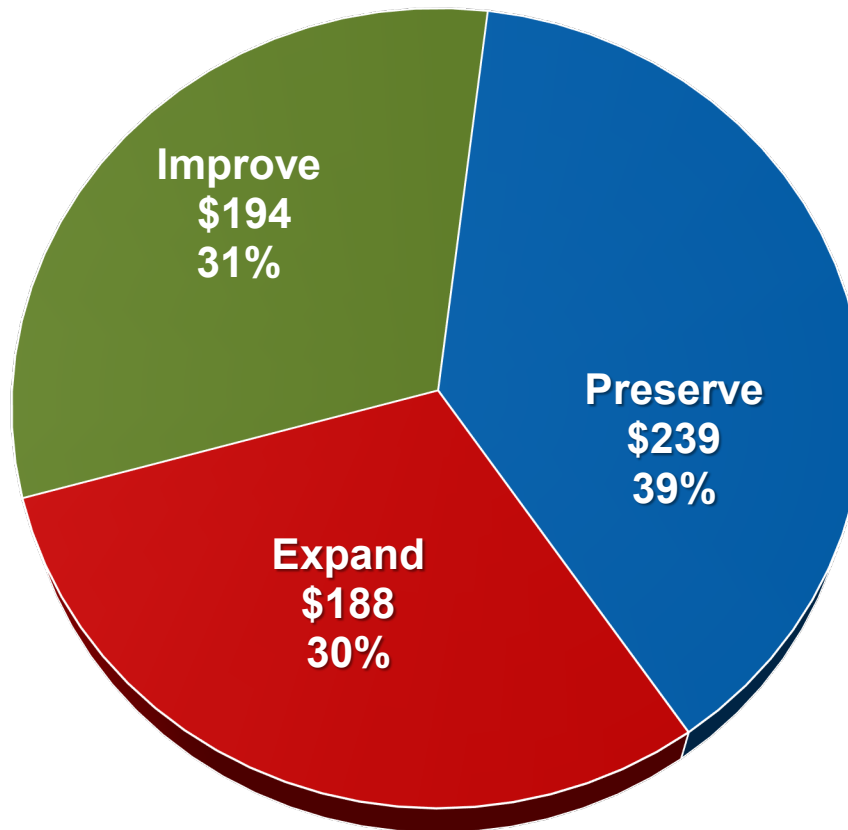


CD Capital Program: \$621M

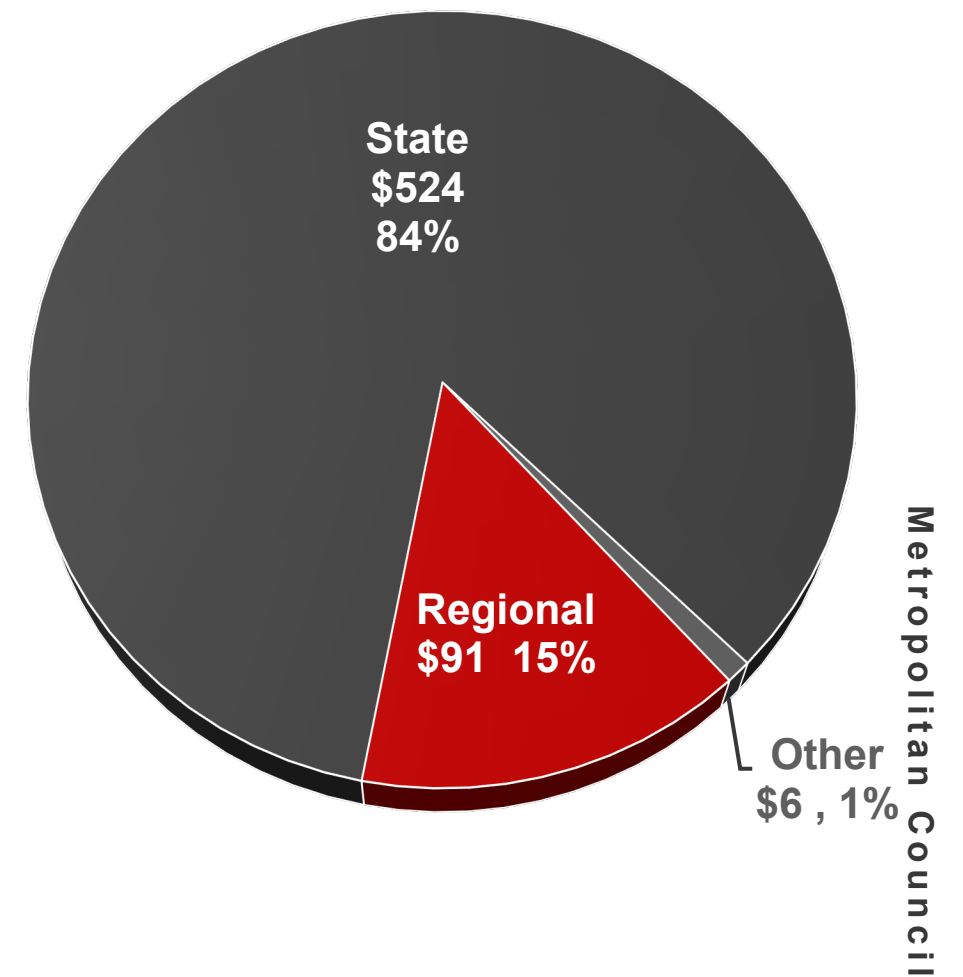
Uses by Department



Uses by Category

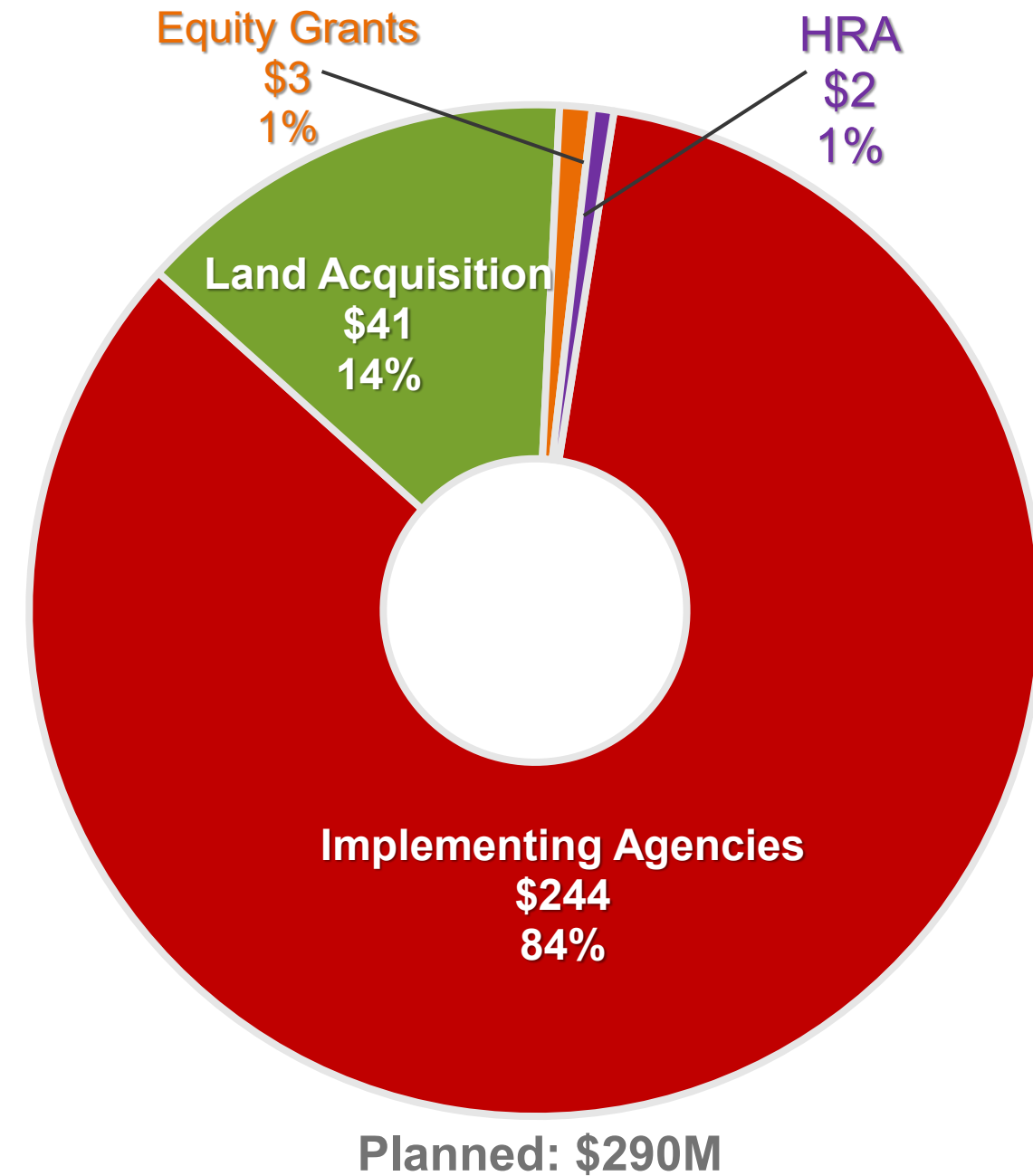
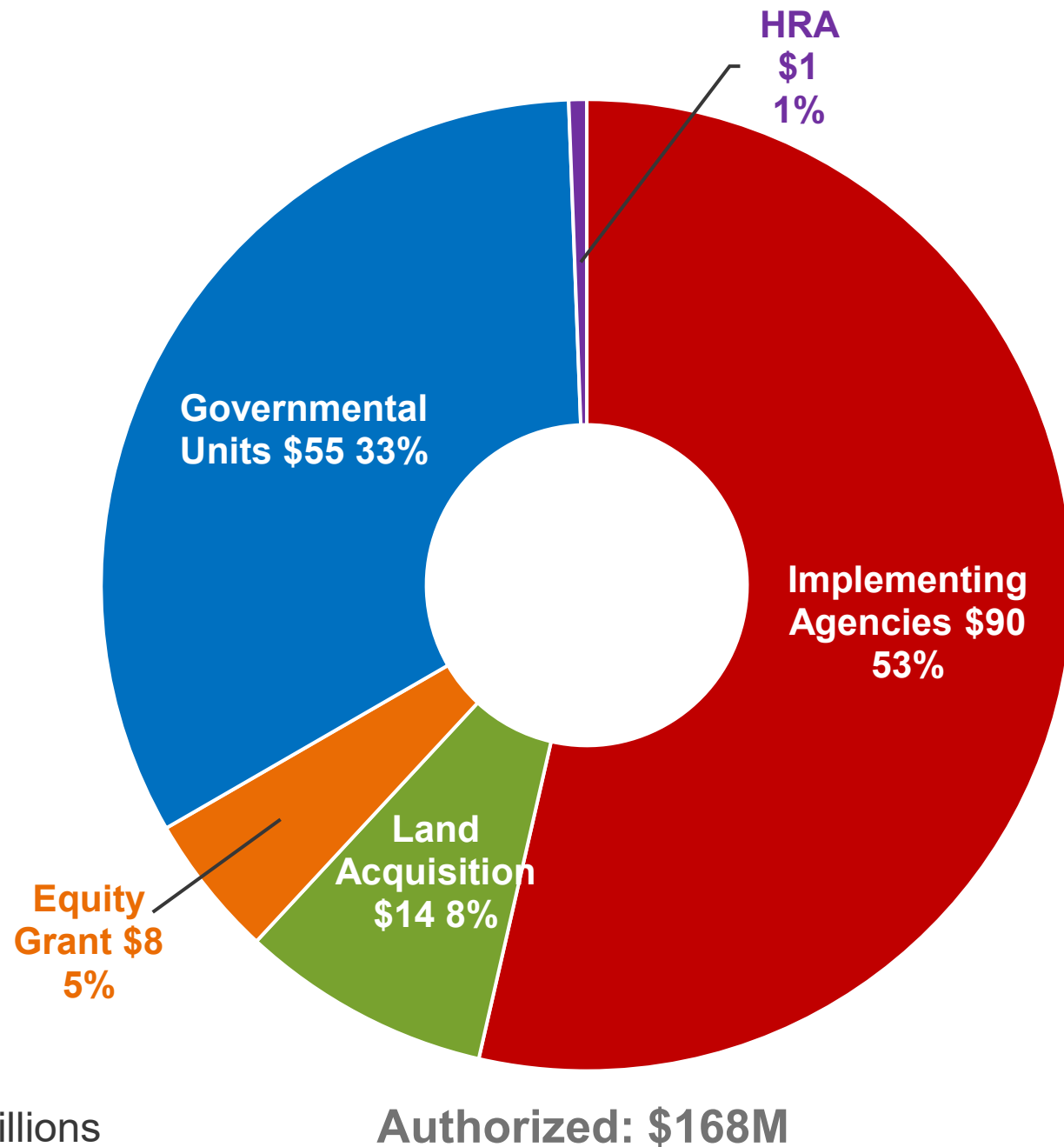


Sources



Metropolitan Council

CD Future Spending: \$458M



Parks and Open Space



Regional Parks System Serves

- 7-County Twin Cities Metro Area
- Nearly 69 million visitors in 2025

Commitment to Equity

- *Imagine 2050*
- *2050 Regional Parks & Trails Policy Plan*
- Long-range planning
- Project Development
- Regional Parks System Equity Grant Program

Notable Modifications To The Program

Major Commitments

- Council match to anticipated State of Minnesota parks & open space investments and bonding
- Regional Parks System Equity Grant Program

Adjustments Made

- Programmed Council match to state parks, open space funding and bonding in 2032



Regional Parks Capital Funding

Program

- Funding Source
- Distribution Methodology

Parks & Trails Legacy

- State
- Formula

Parks Acquisition (Legacy & ENRTF)

- State matched by Council bonds
- 1st come; 1st served

Bonding

- State matched by Council bonds
- Formula

Equity

- Council bonds
- Competitive

- Grant programs are funded by multiple state sources and Council bonds
- Council passes through 100% of state funding
- Current portfolio is 253 active projects valued at ~ \$214M
- \$244M in grants are programmed in the proposed Capital Improvement Program (2027-2032)

Council Owned Housing Capital Program: \$5.62M

History

- Family Affordable Housing Program established in 1999
- 150 units purchased between 2001 and 2004
- 4 additional units purchased in 2022
- Current count is 154
 - 5 sold in 2024
 - 4 purchased in 2025
 - 1 purchased in 2026

Authorized - \$3.52M

- Funded by rental property Income
- \$3.2M transfer from operating reserves/sales proceeds for purchase of replacement properties.
- \$300k FAHP capital expenses

Planned - \$2.10M

- \$350K per year from 2027-2032
- Funded by rental property income

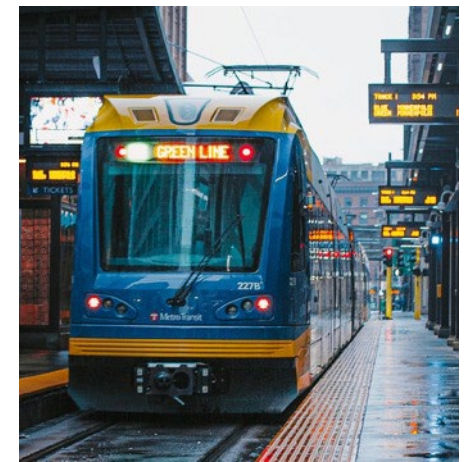
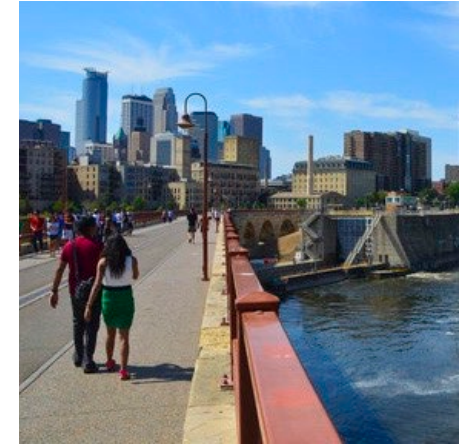
Contacts

Ned Smith, CFO, Met Council 651-602-1162

**Heather Giesel, Finance Director, Community Development
and Metropolitan Transportation Services 651-602-1715**

Christine Dwyer, Finance Director, Environmental Services 651-602-1115

Kristin Prescott, Interim Finance Director, Metro Transit 612-373-3812





Thank You!

Find out more at metro council.org.

