

People

Transportation

Housing

Bikes

Planning

Financial Condition

Future

Bus

Parks

Cars

Sustainability

Efficient

4th QUARTER 2025 FINANCIAL REPORT

Prosperity

Train

Growth

Light Rail

Livability

Light Rail

Diversity

Trails

Treatment

Equity

Airplane

Communities

Wastewater & Water

Lakes

Treatment

Regional

Economic

Roads



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OPERATING FUNDS-STATEMENT OF REVENUES & EXPENSES

OPERATING FUNDS STATEMENT OF REVENUES AND EXPENSES 2025 - 4th Quarter Results (in thousands) Unaudited

	General Fund				Environmental Services				Housing and Redevelopment Authority			
	Year-End	% Budget	2025 Budget	Variance*	Year-End	% Budget	2025 Budget	Variance*	Year-End	% Budget	2025 Budget	Variance*
Revenues	22,769	104%	21,971	798	327,070	102%	321,606	5,464	118,078	106%	111,464	6,614
Expenses	132,362	88%	151,245	18,883	174,033	95%	183,350	9,317	114,970	99%	116,392	1,422
Transfers	113,957	90%	126,664	(12,707)	(143,987)	98%	(146,938)	2,951	(1,744)	81%	(2,151)	407
Change in Reserve Balance	4,364		(2,610)	6,974	9,050		(8,682)	17,732	1,364		(7,079)	8,443
Beginning Reserve Balance	38,057				57,072				17,505			
Assigned/Committed	(8,408)				-				-			
Carry Forward - Amendment	(1,560)				-				-			
Ending Reserve Balance	<u>32,453</u>				<u>66,122</u>				<u>18,869</u>			
Target Balance	15,125				18,335				9,839			

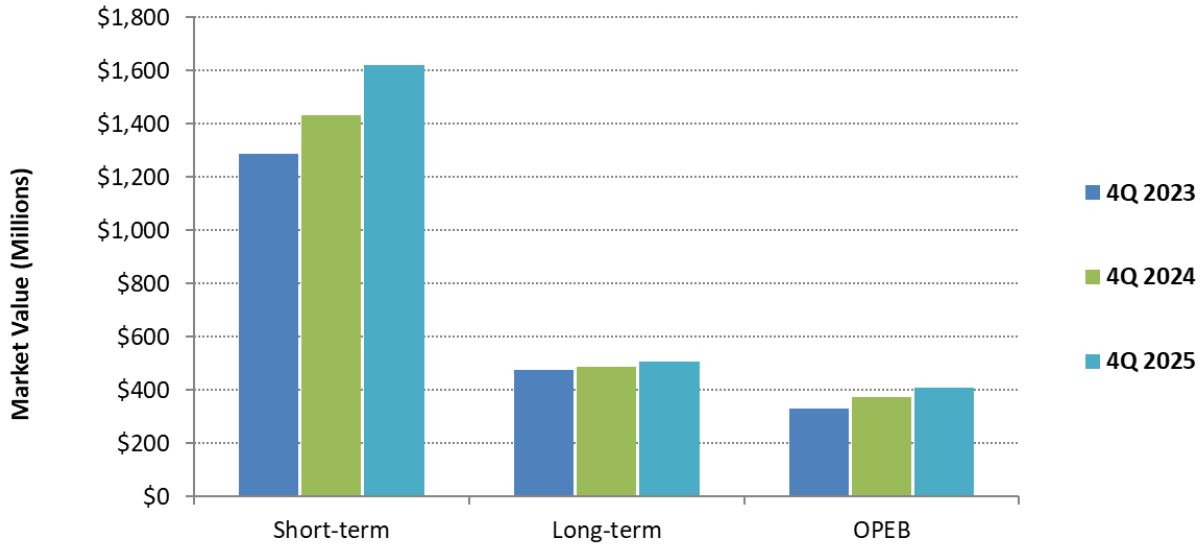
	Metro Transit - Bus				Metro Transit - Light Rail				Metro Transit - Commuter Rail			
	Year-End	% Budget	2025 Budget	Variance*	Year-End	% Budget	2025 Budget	Variance*	Year-End	% Budget	2025 Budget	Variance*
Revenues	368,587	101%	366,197	2,390	134,037	85%	158,510	(24,473)	12,098	84%	14,389	(2,291)
Expenses	432,864	88%	490,390	57,526	73,040	56%	131,009	57,969	17,373	104%	16,717	(656)
Transfers	(31,505)	82%	(38,394)	6,889	(29,220)	92%	(31,695)	2,475	(1,424)	70%	(2,040)	616
Change in Reserve Balance	(95,782)		(162,587)	66,805	31,777		(4,194)	35,971	(6,699)		(4,368)	(2,331)
Beginning Reserve Balance	229,632				24,811				11,443			
Ending Reserve Balance	<u>133,850</u>				<u>56,588</u>				<u>4,745</u>			
Target Balance	37,509				13,504				1,557			

	MTS - Transportation Planning				MTS - Special Transportation Services				MTS - Contracted Service			
	Year-End	% Budget	2025 Budget	Variance*	Year-End	% Budget	2025 Budget	Variance*	Year-End	% Budget	2025 Budget	Variance*
Revenues	8,218	102%	8,067	151	117,944	101%	116,983	961	45,289	101%	45,034	255
Expenses	8,170	77%	10,629	2,459	119,855	93%	129,147	9,292	48,699	100%	48,555	(144)
Transfers	(2,490)	93%	(2,676)	186	(3,664)	95%	(3,875)	211	(2,413)	97%	(2,488)	75
Change in Reserve Balance	(2,442)		(5,238)	2,796	(5,575)		(16,039)	10,464	(5,823)		(6,009)	186
Beginning Reserve Balance	11,977				13,501				8,088			
Ending Reserve Balance	<u>9,536</u>				<u>7,926</u>				<u>2,266</u>			
Target Balance	3,992				6,651				5,104			

*Variance = Favorable / (Unfavorable)

Financial Management Report

INVESTMENT PORTFOLIO BALANCES

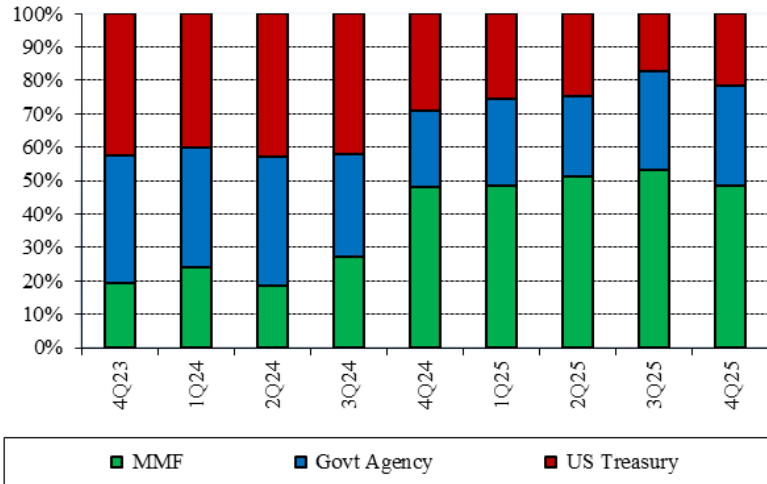


Balances - Market Value (millions)

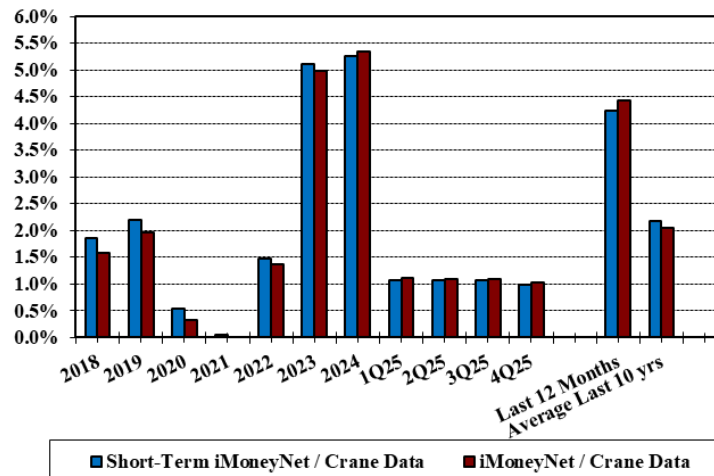
	4Q 2023	4Q 2024	4Q 2025
Short-term	1,287.2	1,433.8	1,620.6
Long-term	474.7	486.4	506.3
OPEB	330.9	373.4	410.6
Total	<u>\$ 2,092.80</u>	<u>\$ 2,293.60</u>	<u>\$ 2,537.50</u>

INVESTMENT HOLDINGS AND PERFORMANCE - SHORT-TERM PORTFOLIO

Sector Allocation



Total Return

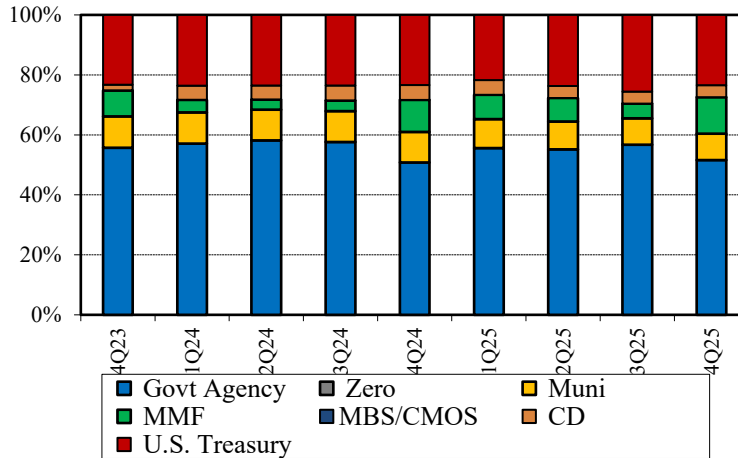


Short-term Portfolio Performance 4Q25. The Short-term portfolio invests available short-term cash around the Council’s cash-flow. The portfolio purchases securities permissible under MN. Statutes Chapter 118A and the Council’s Investment Policy. Total return for 4Q25 was .97%, compared to 1.07% for 3Q25, and slightly less than the 1.03% return of the portfolio’s benchmark. The average book yield of portfolio holdings decreased to 3.48% from 3.87% in 3Q25. Portfolio earnings for 4Q25 were \$16.0 million, down from \$18.1 million in 3Q25. The \$1.62 billion portfolio was invested in U.S. Treasury Bills (\$347 million, 21%), U.S. Government Agency Discount Notes (\$486 million, 30%), and government money market funds (\$787 million, 49%). Portfolio investments range in maturity length from 0 to 5 months.

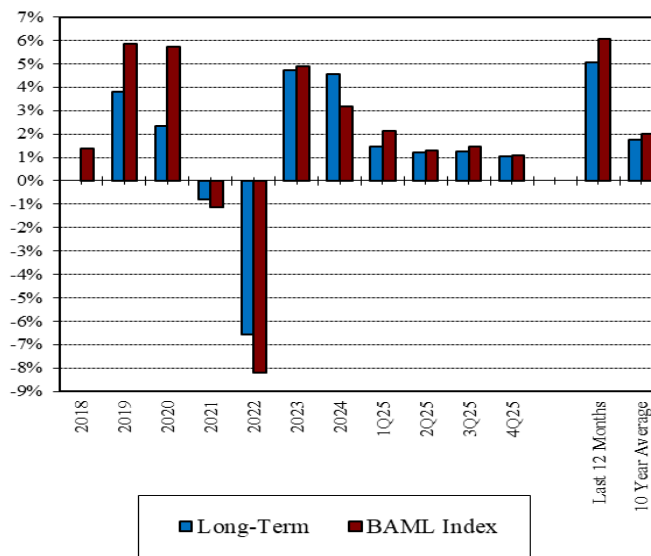
Strategy. The portfolio remained very liquid in 4Q25, with large balances in money market funds which continued to be the highest yielding short-term instruments. There has been no yield incentive to reduce liquidity and invest in other securities. Short-term yields declined in the quarter as the Fed cut interest rates by .25% in both October and December. The Fed target interest rate finished at 3.50-3.75%. No more Fed rate cuts were expected until mid to later 2026. We will be taking a modestly longer duration stance as we expect Fed policy to have an impact on front-end yields and possibly a steepening yield curve.

INVESTMENT HOLDINGS AND PERFORMANCE - LONG-TERM PORTFOLIO

Sector Allocation



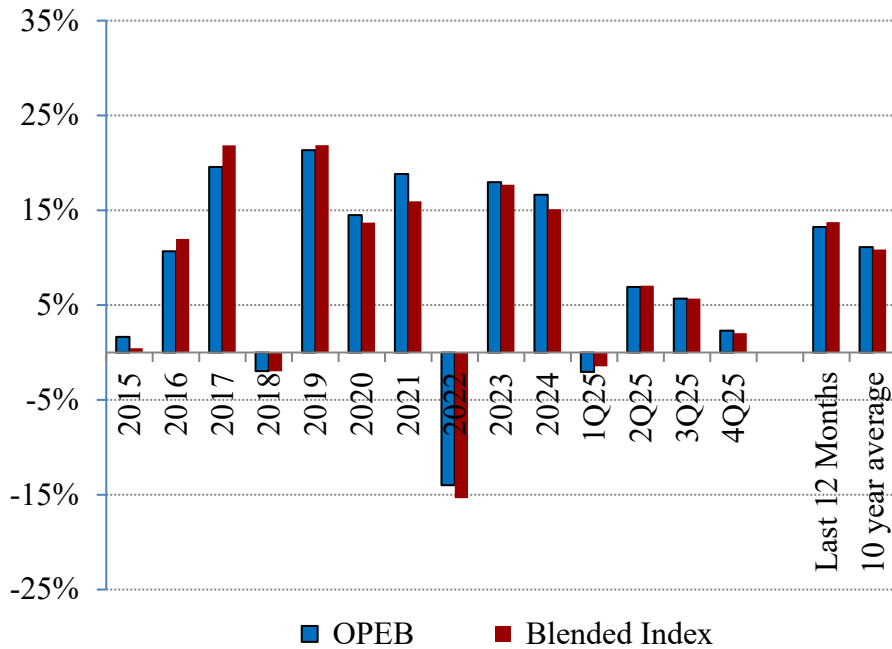
Total Return



Long-term Portfolio Performance 4Q25. This portfolio invests the Council’s longer-term reserves. Average yield and interest income continue to slowly increase as lower yielding investments mature, and funds are re-invested at higher yields. Average book yield increased to 3.05% from 2.93% in 3Q25. Interest income increased to \$3.8 million, compared to \$3.5 million in 3Q25. Portfolio quarterly total return was 1.05%, vs 1.09% for its benchmark. The \$506 million portfolio was invested similar to the previous quarter holding U.S. Government Agency securities (\$261 million, 52%), U.S. Treasury Notes (\$119 million, 23%), taxable municipal bonds (\$44 million, 9%), government money funds (\$62 million, 12%), Certificates of Deposit (\$20 million, 4%) and a very small amount of mortgage-backed securities. Duration increased slightly but remained short of the benchmark, 1.47 years vs 3.37 years.

Strategy. Reinvesting maturities to increase yield continued in 4Q25. \$32 million of US Treasury and US Government Agency bonds were purchased with maturities ranging from 6-7 years to increase duration and portfolio yield. We have a curve steepening bias and will remain in the immediate part of the curve.

OPEB Trust Total Return



OPEB Trust Performance 4Q25. The OPEB Trust contains assets set aside to fund future OPEB liabilities. Trust assets are held at a third-party custodian, managed by the Minnesota State Board of Investment, and allocated at the Council’s direction. The Trust had a total return of 2.31% for the 4Q25, outperforming its benchmarks return of 2.03%. The Trust’s fixed income allocation returned 1.25%, the equity allocation 2.65%, and the money fund allocation 1.05%. The market value of the Trust decreased \$(4.2 million) in 4Q25 to \$410.6 million, down from \$414.8 million ending 3Q25. The decrease resulted from a \$13 million annual withdrawal to fund OPEB benefits. Trust investments were allocated 62% to the S&P 500 pool, 32% to US Treasury and Government Agency securities, and 6% to the cash pool.

Strategy. OPEB liability funding levels and Trust investment allocations are monitored, and periodic adjustments are made to maintain the portfolio allocation near 60/40 equity-to-fixed income/cash. The Trust uses an S&P 500 index pool to realize the historically higher average returns of the equity markets over the long term. The Trust has average returns of 9.83% over the past 5 years and 11.12% over the past 10 years. Projected future OPEB liabilities are currently fully funded. The Council withdraws funds from the trust annually to fund OPEB benefits.

Financial Management Report

GENERAL FUND

Unaudited - dollars in thousands

2025 4th Quarter Financial Report General Fund Unaudited - dollars in thousands

General Fund				
	Year-End	% Budget	2025 Budget	Variance
Revenues	22,769	104%	21,971	798
Expenses	132,362	88%	151,245	18,883
Transfers	113,957	90%	126,664	(12,707)
Change in Reserve Balance	4,364		(2,610)	6,974
Beginning Fund Balance	38,057			
Assigned/Committed	(8,408)			
Carry Forward - Amendment	(1,560)			
Ending Unassigned Reserve Balance	32,453			
Target Balance	15,125			

General Fund

General Fund revenue exceeded the budget expectations. This is mainly due to investment earnings and property tax.

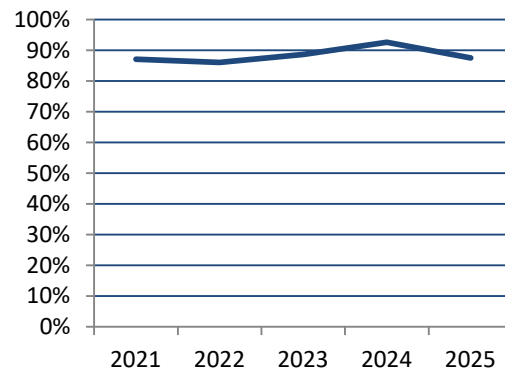
Overall expenses in the general fund were 88% below budget. The Regional Administration portion ended the year at 90% spent. This was primarily due to additional FTE and cost savings from other RA departments. The Community Development portion of the general fund had lower consulting and contractual services, Pro housing Grant and vacant positions.

The 2025 General Fund budget approved by the council reflects a \$2.6M use of General Fund reserves. The actual activity resulted in an increase of \$4.4M of reserve fund balance. The total operation savings is \$7.0M.

The budget carried forward from calendar year 2025 to 2026 is \$1.6M.

The year-end fund balance is \$32.4M with a target balance of \$15.1M.

General Fund % of Budget Spent - 4th Qtr.



Environmental Services

Unaudited - dollars in thousands

2025 4th Quarter Financial Report Environmental Services Unaudited - dollars in thousands

Environmental Services				
	Year-End	% Budget	2025 Budget	Variance
Revenues	327,070	102%	321,606	5,464
Expenses	174,033	95%	183,350	9,317
Transfers	(143,987)	98%	(146,938)	2,951
Change in Reserve Balance	9,050		(8,682)	17,732
Beginning Reserve Balance	57,072			
Ending Unassigned Reserve Balance	<u>66,122</u>			
Target Balance	18,335			

Environmental Services

Total revenues are \$5.5M over budget. Industrial Charges are \$2.6M over budget due to conservative budgeting. Investment Earnings are also \$1.4M over budget due to higher than planned interest rates. State Appropriations are over budget by \$1.7M due to funding decisions made after the budget was completed.

Total expenses are \$9.3M under budget. Utilities are \$4.2M under budget due to assumptions of higher rates than were experienced. Chemicals are also under budget by \$1.6M driven by lower polymer prices and improved chemical usage. Salaries are also \$1.1M under budget due to vacancies, and Grant Expenses are \$1.1M under budget due to delays in the Newport grant payments. Other variances in consulting/contracting services, travel, and net contingencies totaled \$1.3M in favorable expense.

Transfers are \$3.0M under budget, primarily due to favorable Interdivisional Charges.

Based on the above variances, operating reserves increased by \$9.0M compared to the budgeted decrease of \$8.7M. This will increase the operating fund balance to \$66.1M. This exceeds the year-end target balance of \$18.4M by a healthy margin.

Environmental Services % of Budget Spent - 4th Qtr.



Financial Management Report

HOUSING AND REDEVELOPMENT FUND

Unaudited - dollars in thousands

2025 4th Quarter Financial Report Housing and Redevelopment Fund Unaudited - dollars in thousands

Housing and Redevelopment Authority				
	Year-End	% Budget	2025 Budget	Variance
Revenues	118,078	106%	111,464	6,614
Expenses	114,970	99%	116,392	1,422
Transfers	(1,744)	81%	(2,151)	407
Change in Reserve Balance	1,364		(7,079)	8,443
Beginning Reserve Balance	17,505			
Ending Reserve Balance	<u>18,869</u>			
Target Balance			9,839	

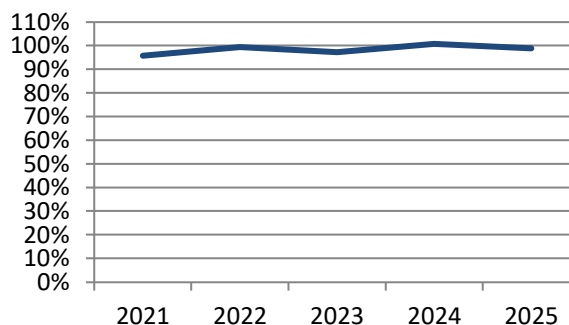
Housing and Redevelopment Authority

HRA revenues came in \$6.6M favorable to budget. The main reason for the favorable variance is higher federal pass-through and administrative fee revenue than budgeted for the federal housing voucher programs. The HRA budget was amended mid year to account for higher HCV monthly rent and utility costs than planned.

Expenses came in \$1.4M favorable to budget. This favorable variance is primarily the result of Housing Choice Voucher (HCV) subsidy payments being higher than budgeted due to increased HCV monthly rent and utility costs than planned (\$0.5M). Lower spending on contracted services and other general administrative expenses (\$0.3M) contribute to the favorable variance.

The year-end reserve balance is \$18.9M for 2025, which is above the Council's minimum reserve target balance of \$9.8M.

HRA % of Budget Spent - 4th Qtr.



Financial Management Report

METRO TRANSIT-BUS

Unaudited - dollars in thousands

2025 4th Quarter Financial Report

Metro Transit - Bus

Unaudited - dollars in thousands

	Metro Transit - Bus			
	Year-End	% Budget	2025 Budget	Variance
Revenues	368,587	101%	366,197	2,390
Expenses	432,864	88%	490,390	57,526
Transfers	(31,505)	82%	(38,394)	6,889
Change in Reserve Balance	(95,782)		(162,587)	66,805
Beginning Reserve Balance	229,632			
Ending Reserve Balance	<u>133,850</u>			
Target Balance			37,509	

Metro Transit Bus

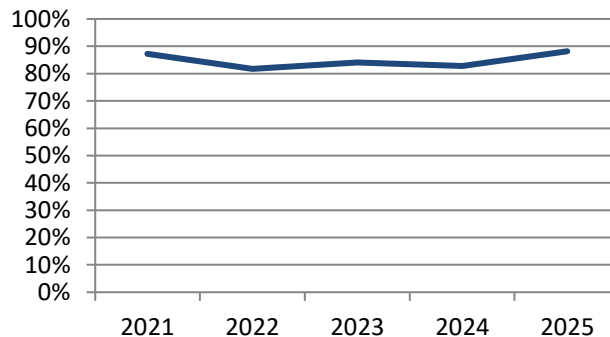
Bus revenues ended the year favorable by \$2.4M as a result of lower passenger fare revenues and no additional federal grants. Ridership is 18% above budget.

Total expenses were \$57.6 favorable to budget. These savings were due to vacant positions with labor under budget \$39.0M. Fuel, was underbudget by \$4.4M due to the further transition to electric buses. Materials and supplies were also under budget by \$4.7M. Utilities were \$3.4M favorable due to lower usage relative to the budget. Other expenses budgeted for enhancing the bus system came in over budget by \$6.6M.

Transfers were under budget by \$6.9M due to a combination of lower Council allocated expenses and costs transferred from the Bus mode.

The ending reserve balance is \$133.9M for 2025, which is above the Council's reserve target balance of \$37.6M.

Metro Transit - Bus % of Budget Spent - 4th Qtr.



Financial Management Report

METRO TRANSIT-LIGHT RAIL

Unaudited - dollars in thousands

2025 4th Quarter Financial Report Metro Transit - Light Rail Unaudited - dollars in thousands

Metro Transit - Light Rail				
	Year-End	% Budget	2025 Budget	Variance
Revenues	134,037	85%	158,510	(24,473)
Expenses	73,040	56%	131,009	57,969
Transfers	(29,220)	92%	(31,695)	2,475
Change in Reserve Balance	31,777		(4,194)	35,971
Beginning Reserve Balance	24,811			
Ending Reserve Balance	<u>56,588</u>			
Target Balance			13,504	

Metro Transit Light Rail

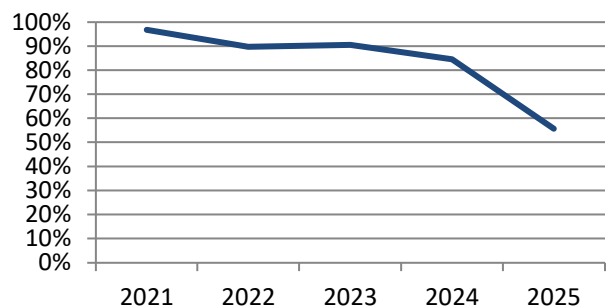
Light Rail revenues ended the year unfavorable by \$24.4M as a result of lower passenger fare revenues and no additional state appropriation. Ridership is 20% below budget.

Total expenses were \$58.0 favorable to budget. These savings were due to vacant positions with labor under budget \$24.3M. Materials and supplies were \$11.0M under budget. Utilities were \$2.2M favorable due to lower usage relative to the budget. Other expenses budgeted for enhancing the rail system came in under budget by \$18.5M.

Transfers were under budget by \$2.5M due to a combination of lower Council allocated expenses and costs transferred from the Bus mode.

The ending reserve balance is \$56.6M for 2025, which is above the Council's reserve target balance of \$13.5M.

Metro Transit - Light Rail % of Budget Spent - 4th Qtr.



Financial Management Report

METRO TRANSIT-COMMUTER RAIL

Unaudited - dollars in thousands

2025 4th Quarter Financial Report Metro Transit - Commuter Rail Unaudited - dollars in thousands

	Metro Transit - Commuter Rail			
	Year-End	% Budget	2025 Budget	Variance
Revenues	12,098	84%	14,389	(2,291)
Expenses	17,373	104%	16,717	(656)
Transfers	(1,424)	70%	(2,040)	616
Change in Reserve Balance	(6,699)		(4,368)	(2,331)
Beginning Reserve Balance	11,443			
Ending Reserve Balance	<u>4,745</u>			
Target Balance			1,557	

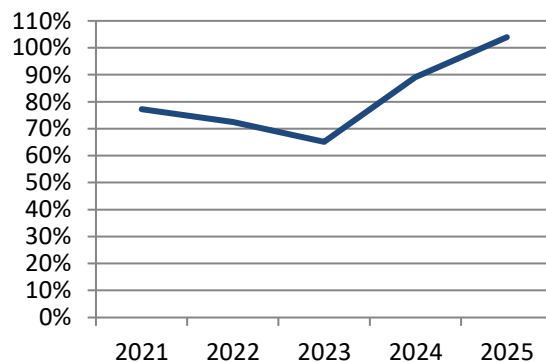
Metro Transit - Commuter Rail

Commuter Rail revenues ended the year unfavorable by \$2.3M as a result of lower than expected state appropriations and the non-fruit of a Sherburne County contract as local share.

Total expenses were \$0.7M unfavorable to budget due to the upcoming suspension of service in 2026 including the full recognition of prepaid expenses such as insurance. Transfers came in at \$0.6M under budget. Council allocation was 91% of the budget level.

The year-end reserve balance is \$4.7M for 2025, which is above the Council's reserve target balance of \$1.6M.

MT - Commuter Rail % of Budget Spent - 4th Qtr.



Financial Management Report

MTS-Transportation Planning

Unaudited - dollars in thousands

2025 4th Quarter Financial Report Metropolitan Transportation Services - Transportation Planning Unaudited - dollars in thousands

MTS - Transportation Planning				
	Year-End	% Budget	2025 Budget	Variance
Revenues	8,218	102%	8,067	151
Expenses	8,170	77%	10,629	2,459
Transfers	(2,490)	93%	(2,676)	186
Change in Reserve Balance	(2,442)		(5,238)	2,796
Beginning Reserve Balance	11,977			
Ending Reserve Balance	9,536			
Target Balance	3,992			

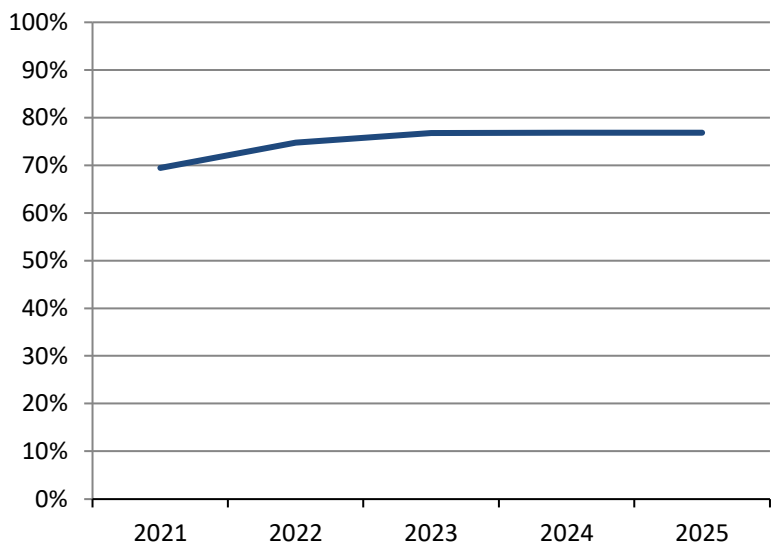
MTS - Transportation Planning

Transportation Planning revenue came in \$0.2M favorable to budget for the year. Federal grant drawdowns were slightly below budget but was offset by favorable investment earnings.

Expenses were favorable to budget by \$2.5M primarily due to lower consulting activity (\$1.5M) and salary savings (\$1.0M) from vacant positions.

The year-end reserve balance is \$9.5M for 2025, which is above the Council's minimum reserve target balance of \$4.0M.

MTS - Planning % of Budget Spent - 4th Qtr.



Financial Management Report

MTS-SPECIAL TRANSPORTATION SERVICES

Unaudited - dollars in thousands

2025 4th Quarter Financial Report Metropolitan Transportation Services - Special Transportation Services Unaudited - dollars in thousands

MTS - Special Transportation Services				
	Year-End	% Budget	2025 Budget	Variance
Revenues	117,944	101%	116,983	961
Expenses	119,855	93%	129,147	9,292
Transfers	(3,664)	95%	(3,875)	211
Change in Reserve Balance	(5,575)		(16,039)	10,464
Beginning Reserve Balance	13,501			
Ending Reserve Balance	7,926			
Target Balance	6,651			

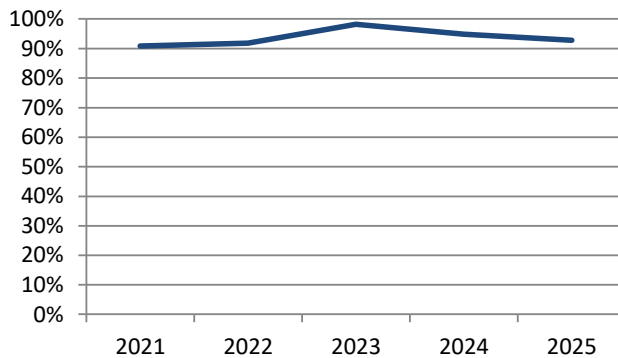
MTS - Special Transportation Services

Special Transportation Service's revenue was favorable to budget by \$1.0M as a result of higher than budgeted state appropriation.

Total expenses for Special Transportation Services came in favorable to budget by \$9.3M. Lower contracted services expenses as a result of lower than anticipated service activity in Metro Move (\$1.1M), lower fuel costs (\$7.5M), and lower administrative costs (\$0.7M). Fuel costs are down as a result of lower than anticipated gas prices and fuel usage.

The year-end reserve balance is \$7.9M for 2025, which is above the Council's minimum reserve target balance of \$6.7M.

MTS - Special Transportation Services % of Budget Spent - 4th Qtr.



Financial Management Report

MTS-CONTRACTED SERVICES

Unaudited - dollars in thousands

2025 4th Quarter Financial Report Metropolitan Transportation Services - Contracted Service Unaudited - dollars in thousands

	MTS - Contracted Service			
	Year-End	% Budget	2025 Budget	Variance
Revenues	45,289	101%	45,034	255
Expenses	48,699	100%	48,555	(144)
Transfers	(2,413)	97%	(2,488)	75
Change in Reserve Balance	(5,823)		(6,009)	186
Beginning Reserve Balance	8,088			
Ending Reserve Balance	2,266			
Target Balance	5,104			

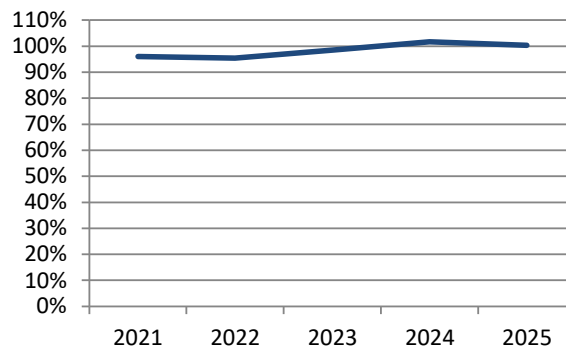
MTS - Contracted Service

Revenues for Contracted Services came in \$0.3M favorable to budget for the year as a result of higher interest earnings.

Total expenses for Contracted Services came in unfavorable to budget by \$0.1M. This was a result of increased hourly rates due to renewing three service contracts in the fall for Transit Link (-\$0.8M), and being offset by less contracted services and consulting activity in Fixed Route (+\$0.5M) and Vanpool (+\$0.2M).

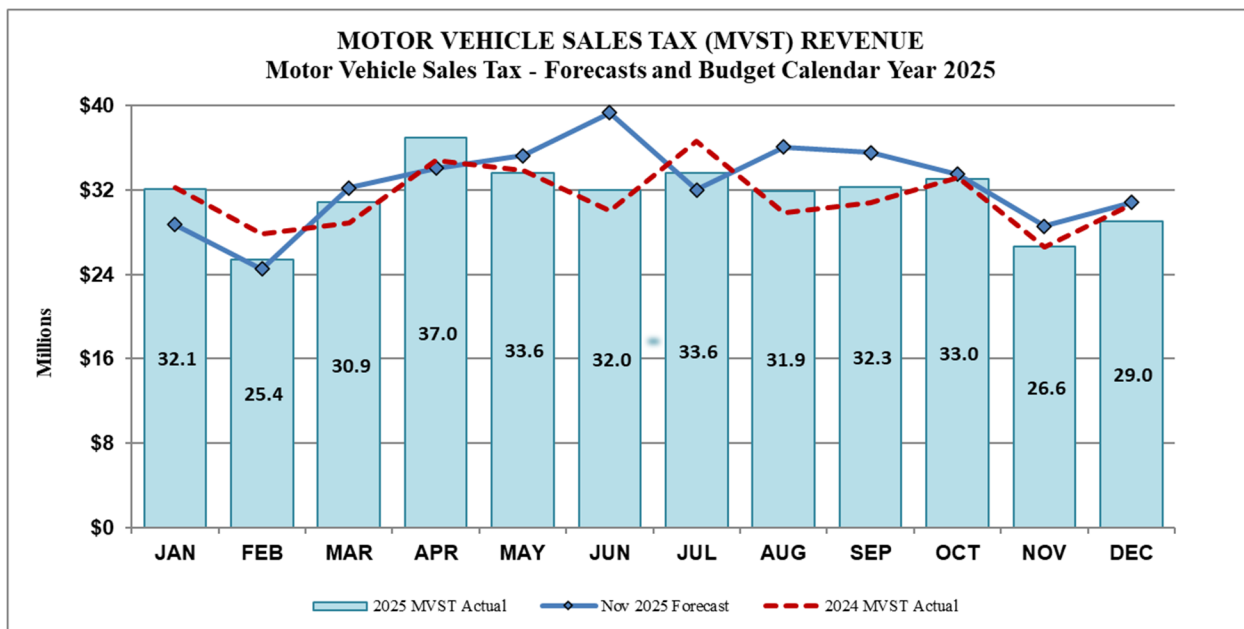
The year-end reserve balance is \$2.3M for 2025, which is below the Council's reserve target balance of \$5.1M.

MTS - Contracted Service % of Budget Spent - 4th Qtr.

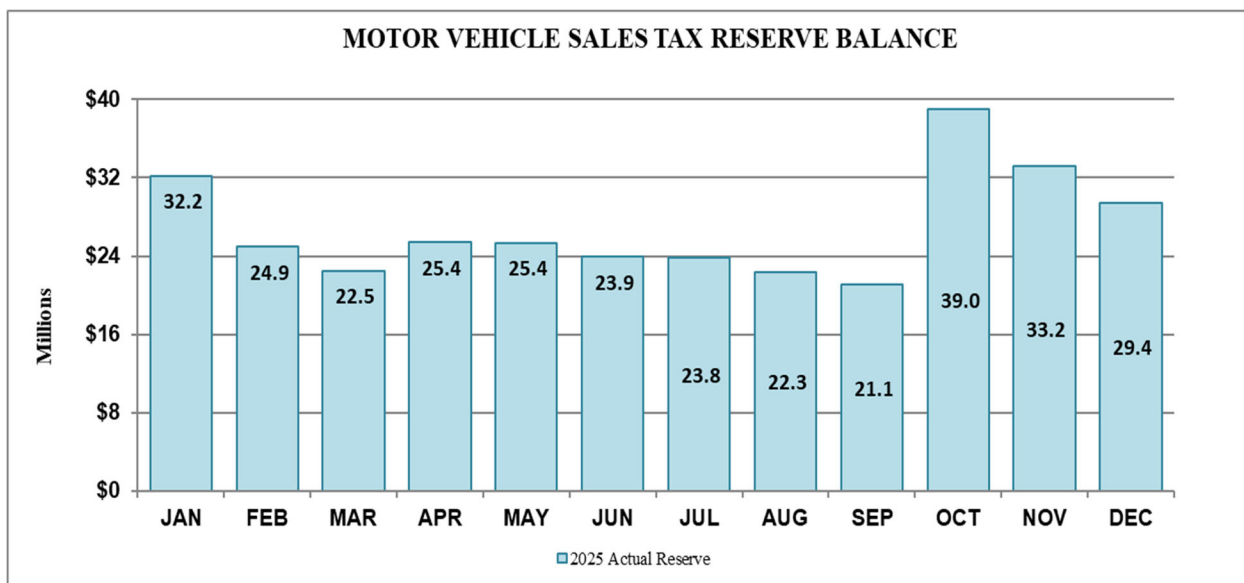


Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES



Motor vehicle sales tax receipts for 2025 thru December totaled around \$377.4 million, 96.6% of November 2025 forecast thru December. MVST reserves were \$29.4 million at the end of December.



Financial Management Report

MOTOR VEHICLE SALES TAX (MVST) REVENUES FORECASTS & BUDGET

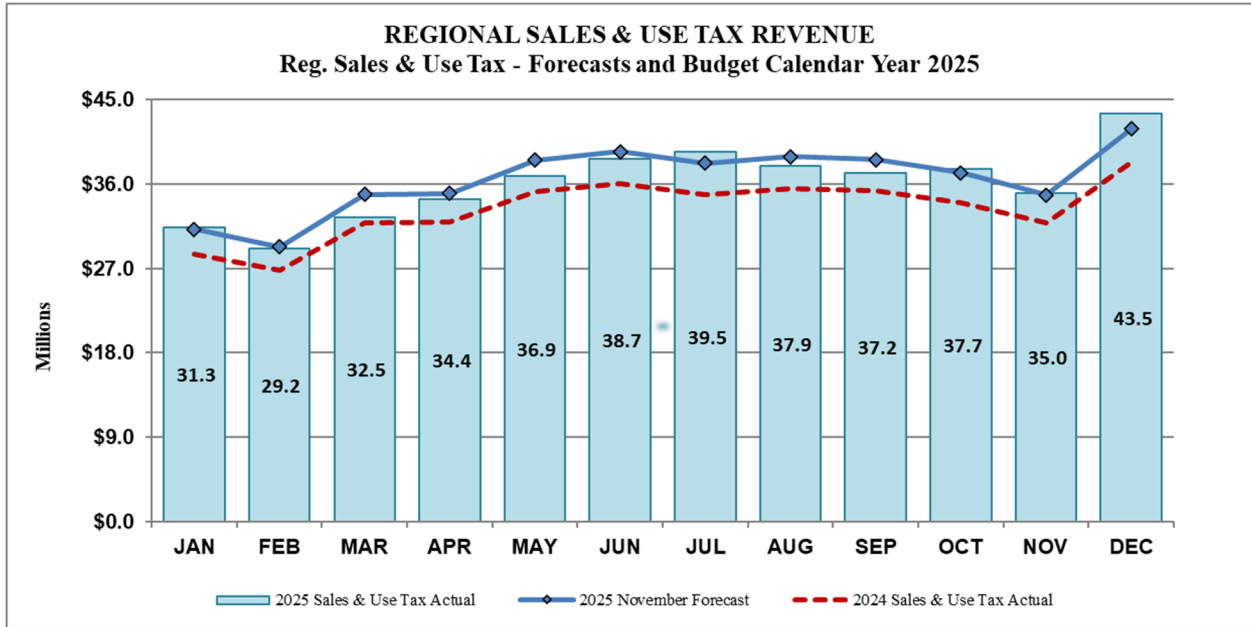
Dollars in millions

MOTOR VEHICLE SALES TAX – FORECASTS AND BUDGET CALENDAR YEAR 2025

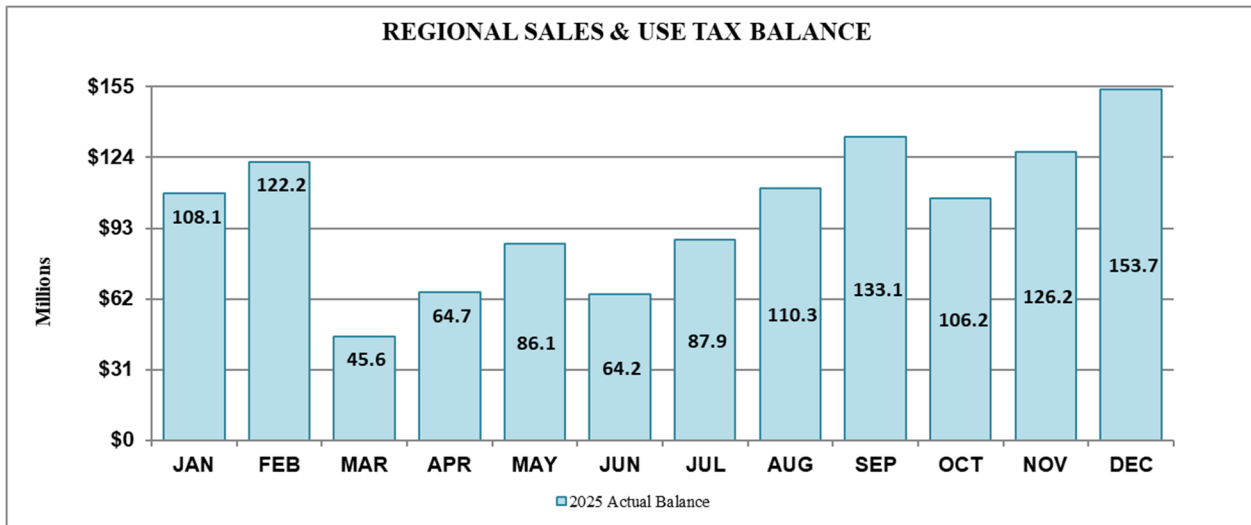
Motor Vehicle Sales Tax – Forecasts and Budget Calendar Year 2025			
(Millions)			
	Total	Jan-Jun	Jul-Dec
Nov 2024 Forecast (2025 Amended Budget)	406.0	203.0	203.0
2025 Council Budget:			
Current MVST Revenues	384.4	192.2	192.2
Use of MVST Reserve	21.6	10.8	10.8
February 2025 Forecast	410.7	204.1	206.6
YTD Actuals	377.4	190.9	186.5
November 2025 Forecast	390.8	194.2	196.6
YTD Actuals	377.4	190.9	186.5
% of February 2025 Forecast	91.9%	93.5%	90.3%
% of November 2025 Forecast	96.6%	98.3%	94.9%

Financial Management Report

REGIONAL SALES & USE TAX REVENUES



Regional sales & use tax receipts for 2025 through December totaled around \$433.6 million, 99.0% of the November 2025 forecast through December. Regional sales & use tax balance was \$153.7 million at the end of December.



Financial Management Report

REGIONAL SALES & USE TAX REVENUES FORECASTS & BUDGET

Dollars in millions

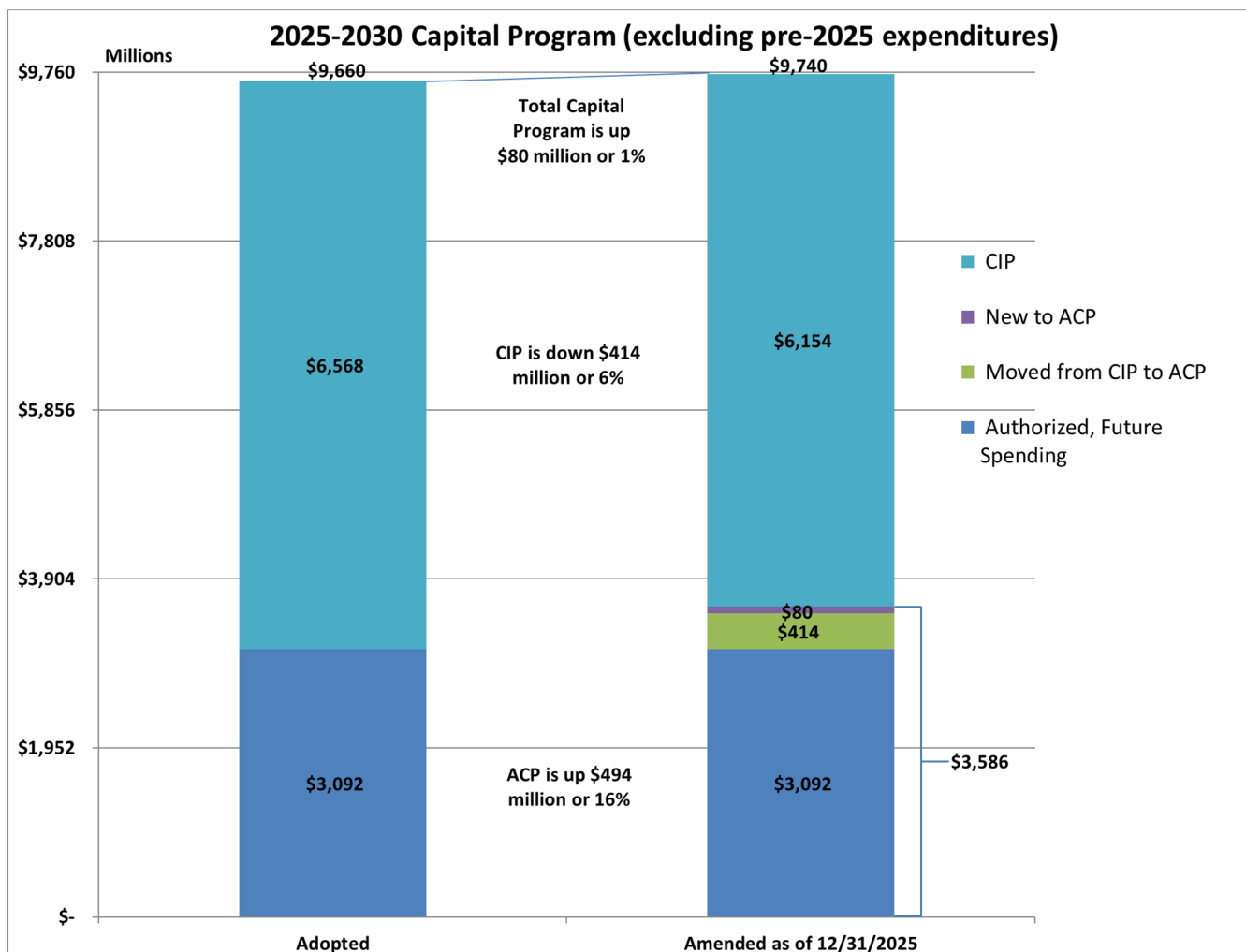
REGIONAL SALES & USE TAX – FORECASTS AND BUDGET CALENDAR YEAR 2025

Regional Sales & Use Tax – Forecasts and Budget Calendar Year 2025			
(Millions)			
	Total	Jan-Jun	Jul-Dec
Nov 2024 Forecast (2025 Adopted Budget)	425.3	208.4	229.7
2025 Council Budget:			
Current Sale Tax Revenues	200.1	95.2	104.9
Use of Sales Tax Balance	225.2	107.1	118.1
November 2025 Forecast	438.1	208.4	229.7
YTD Actuals	433.6	203.0	230.7
February 2025 Forecast	436.1	207.5	228.6
YTD Actuals	433.6	203.0	230.7
% of November 2025 Forecast	99.0%	97.4%	100.4%
% of February 2025 Forecast	99.4%	97.8%	100.9%

2025-2030 CAPITAL PROGRAM

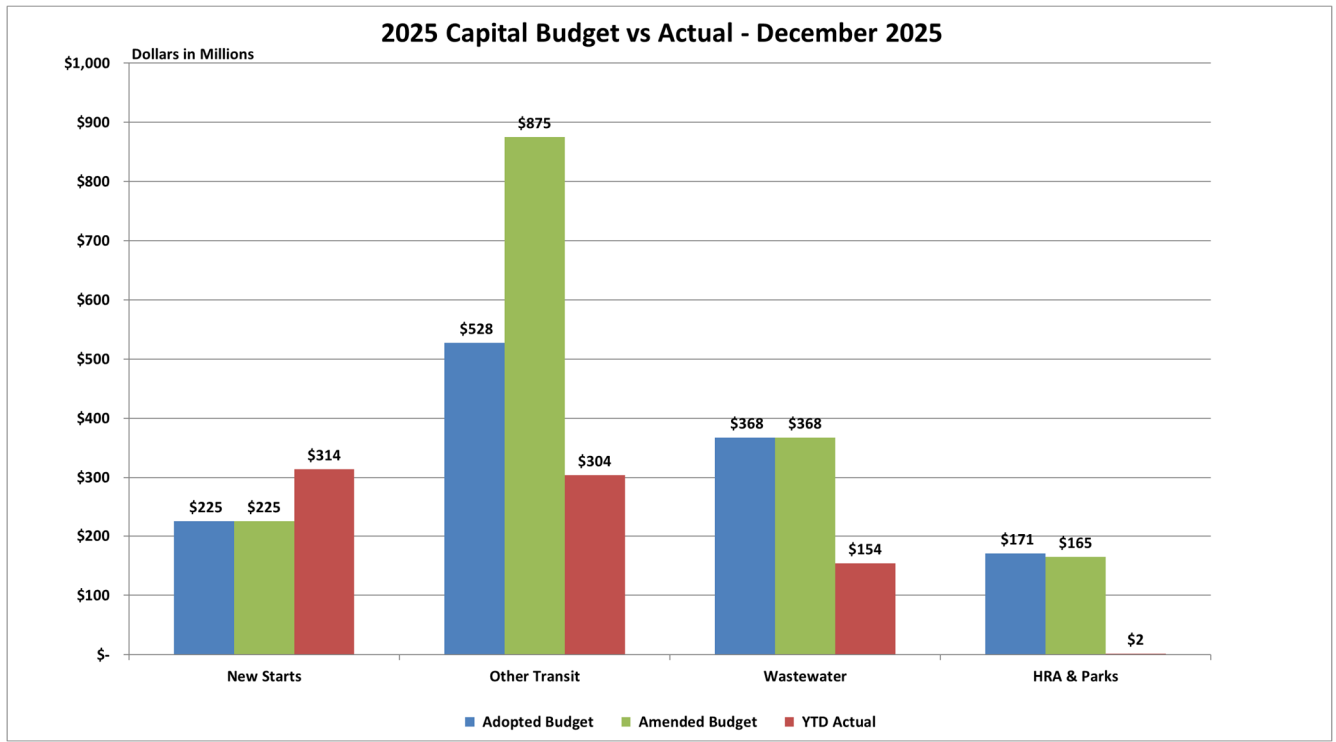
Capital Program (Excluding Pre-2025 Expenditures)

The Capital Program (excluding pre-2025 expenditures) increased by \$80 million, or 1% increase, for amendments through December 2025. The authorized portion of the capital program (ACP) is up \$494 million, or a 16% increase, through December 2025. The ACP typically increases during the year as federal, state, and regional funding becomes available to transit and parks. Additionally, projects are moved from the planned portion of the capital program, called the capital improvement plan (CIP), to the authorized capital program (ACP) throughout the year.



CAPITAL SPENDING

Capital Budget



The adopted 2025 Capital Budget was \$1.290 billion. Amendments through December 2025 increased the amended 2025 Capital Budget to \$1.632 billion. Actual 2025 capital expenditures total 60% of the adopted budget and 47% percent of the amended budget. Actual expenditures as a percent of their amended budget were 56% for transit projects, 42% for wastewater projects and 1% for parks & HRA & Parks projects.

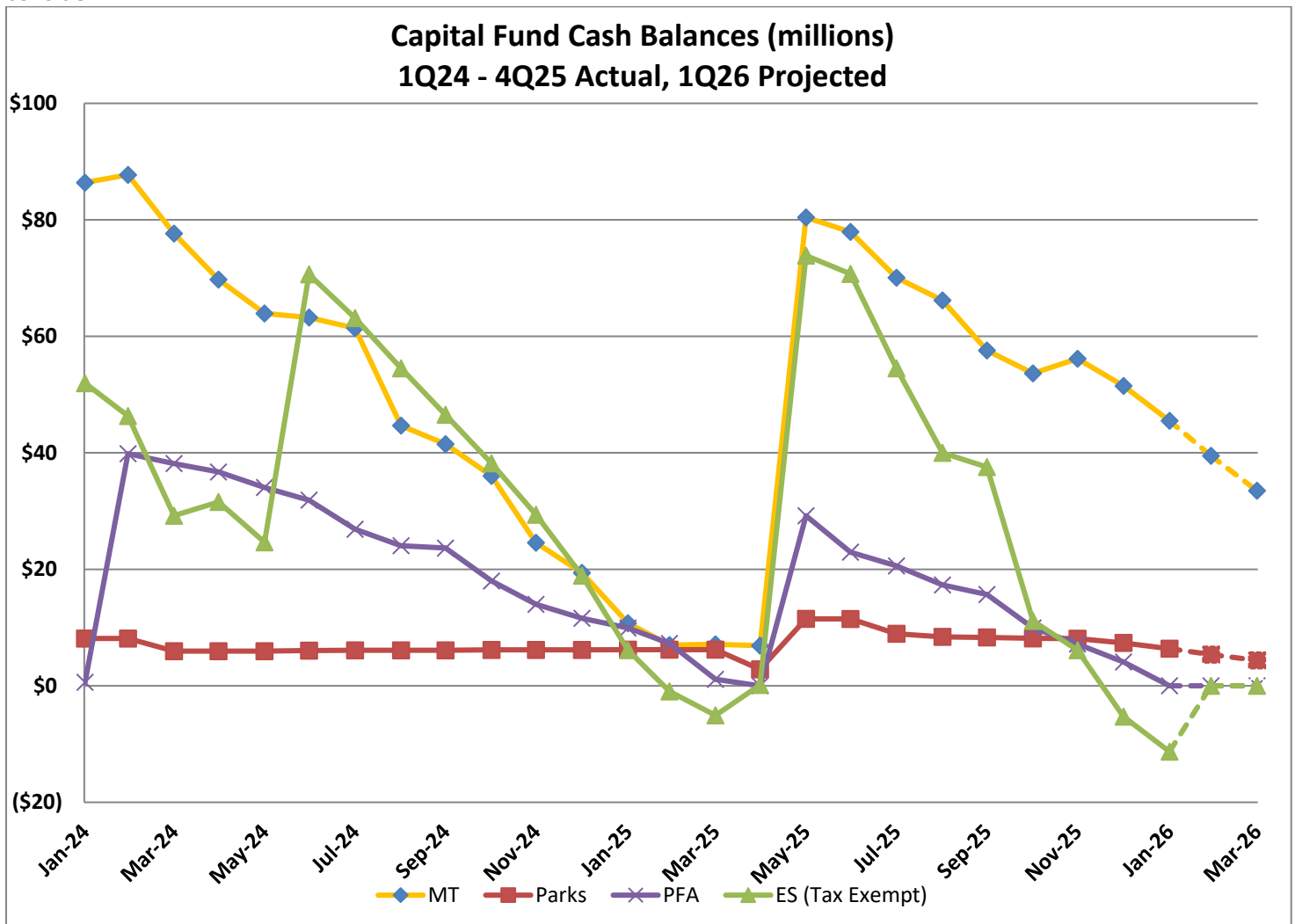
CAPITAL FUND CASH BALANCES

At the end of the 4th quarter, Transit had approximately \$51.4 million of cash remaining to be spent from its 2025 bond issuance. The pace of Transit capital was roughly the same during the quarter, as the average monthly capital spend went from \$6.7 million per month in the third quarter to \$6 million per month in the final quarter.

At the end of the year, Environmental Services cash balance went negative due to increased spending from past 2025 issuance. The pace of Environmental Services capital spending increased during the fourth quarter, as the average monthly spend was \$14.2 million per month from the third quarter at \$11 million per month. In addition to bond debt, Environmental Services had a 2025 PFA loan balance available to draw on of \$4 million at year end. The average monthly draw on this loan has been \$3.2 million YTD.

At the end of the year, Parks had approximately \$7.3 million of cash remaining to be spent from its 2025 bond issuance. Parks capital spending came to a halt from third to fourth quarter.

The Council's outstanding debt is continually monitored for refunding opportunities, at present there are no scenarios to consider.



STATEMENT OF REVENUES AND EXPENSES
General Fund
December 31, 2025

Unaudited

	YTD ACTUALS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Property Taxes	20,163,866	19,318,083	845,783
Federal Revenues	331,980	1,830,000	(1,498,020)
State Revenues	18,666	-	18,666
Investment Earnings	2,070,401	702,462	1,367,939
Chargebacks - MAC	65,696	-	65,696
Other Revenue	118,617	120,000	(1,383)
Total Revenues	22,769,226	21,970,545	798,681
<u>EXPENSES</u>			
Salary and Benefits	74,336,893	80,143,231	5,806,338
Consulting & Contractual Services	44,008,428	55,629,838	11,621,410
Rent & Utilities	6,791,651	7,020,836	229,185
Printing	40,237	52,600	12,363
Travel & Professional Development	952,161	1,375,844	423,683
Insurance	363,244	150,000	(213,244)
Other Operating Expense	5,868,977	6,873,012	1,004,035
Total Expenses	132,361,591	151,245,361	18,883,770
<u>TRANSFERS</u>			
Transfer In	119,853,722	133,604,150	(13,750,428)
Transfer Out	(5,896,580)	(6,940,067)	1,043,487
Total Transfers	113,957,142	126,664,083	(12,706,941)
Change in Reserve Balance	4,364,777	(2,610,733)	6,975,510
Beginning Fund Balance	38,056,597		
Assigned/Committed	(8,407,991)		
Carry Over	(1,560,000)		
Ending Unassigned Reserve Balance	32,453,383		
2025 Target Balance (10%)	15,124,536		

Appendix
Environmental Services Operations

STATEMENT OF REVENUES AND EXPENSES
Environmental Services
December 31, 2025

Unaudited

	YTD ACTUALS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Municipal Wastewater Charges	297,338,827	297,360,000	(21,173)
Industrial Charges	22,257,448	19,630,000	2,627,448
State Appropriations Revenue	2,900,766	1,240,000	1,660,766
Investment Earnings	3,894,382	2,500,000	1,394,382
Other Revenue	678,148	876,277	(198,129)
Total Revenues	327,069,571	321,606,277	5,463,294
<u>EXPENSES</u>			
Salary and Benefits	91,890,892	92,965,978	1,075,086
Consulting & Contractual Services	24,747,387	25,179,005	431,618
Rent & Utilities	20,844,407	25,054,715	4,210,308
Travel	481,875	858,690	376,815
Materials & Supplies	16,947,166	14,349,615	(2,597,551)
Chemicals	15,575,956	17,126,647	1,550,691
Capital Outlay	2,010,224	2,130,500	120,276
I&I, Storm water, CWF, WOMP Grant Expense	480,548	1,551,000	1,070,452
Other Operating Expense	1,054,309	4,133,726	3,079,417
Total Expenses	174,032,763	183,349,876	9,317,113
<u>TRANSFERS</u>			
SAC Transfer	52,751,000	52,751,000	-
Transfers In	100,000	100,000	-
Debt Service	(156,500,000)	(156,500,000)	-
Transfer Out - RA Expense Allocation	(28,711,751)	(31,345,198)	2,633,447
Transfers Out	(11,626,288)	(11,943,640)	317,352
Total Transfers	(143,987,039)	(146,937,838)	2,950,799
Change in Reserve Balance	9,049,768	(8,681,437)	17,731,205
Beginning Reserve Balance	57,072,455		
Ending Unassigned Reserve Balance	66,122,223		
2025 Target Balance (10%)	18,334,988		

STATEMENT OF REVENUES AND EXPENSES
Housing and Redevelopment Authority (HRA)
December 31, 2025

Unaudited

	YTD ACTUALS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)	YTD ACTUAL PASS THROUGH
<u>REVENUES</u>				
Federal Revenue	113,629,191	107,413,423	6,215,768	103,836,489
State Revenue	80,168	127,920	(47,752)	-
Investment Earnings	482,755	-	482,755	-
Other Revenue	3,886,146	3,923,000	(36,854)	-
Total Revenues	118,078,260	111,464,343	6,613,917	103,836,489
<u>EXPENSES</u>				
Salary and Benefits	7,283,124	7,685,111	401,987	-
Consulting & Contractual Services	1,208,149	1,359,000	150,851	-
Rent & Utilities	280,621	284,521	3,900	-
Housing Expenses	105,912,367	106,338,560	426,193	103,536,885
Travel	79,081	80,769	1,688	-
Insurance	67,917	100,000	32,083	-
Other Operating Expense	138,675	544,443	405,768	-
Total Expenses	114,969,934	116,392,404	1,422,470	103,536,885
<u>TRANSFERS</u>				
Transfer In - Allocation	141,447	75,000	-	-
Transfer Out - RA Expense Allocation	(1,510,565)	(1,859,498)	348,933	-
Transfer Out	(375,273)	(366,447)	(8,826)	-
Total Transfers	(1,744,391)	(2,150,945)	340,107	-
Change in Reserve Balance	1,363,935	(7,079,006)	8,376,494	299,604
Beginning Reserve Balance:				
Operating	17,491,274			
Federal Passthrough (HAP Assistance)	13,493			
Total Beginning Balance	17,504,767			
Change in Reserve Balance:				
Operating	1,064,330			
Federal Passthrough	299,604			
Total Change in Reserve Balance	1,363,935			
Ending Reserve Balance	18,868,702			
2025 Target Balance (8.3%)	9,839,098			

Appendix

Metro Transit Bus Operations

STATEMENT OF REVENUES AND EXPENSES

Metro Transit - Bus Operations

December 31, 2025

Unaudited

	YTD ACTUALS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Passenger Revenues	29,044,301	30,601,344	(1,557,043)
Auxiliary Transit Revenue	2,665,845	2,000,000	665,845
State Revenue - MVST	280,402,964	280,402,757	-
Regional Sales Tax	39,717,772	39,717,772	-
Federal Grants	4,358,087	5,400,000	(1,041,913)
Investment Earnings	10,149,790	8,000,000	2,149,790
Other Revenue	2,248,025	75,000	2,173,025
Total Revenues	368,586,784	366,196,873	2,389,704
<u>EXPENSES</u>			
Salary and Benefits	359,072,692	398,092,000	39,019,308
Consulting & Contractual Services	27,950,744	27,242,000	(708,744)
Fuel	15,343,598	19,782,761	4,439,163
Materials & Supplies	25,563,865	30,227,238	4,663,373
Utilities	3,984,216	7,471,000	3,486,784
Other Operating Expense	948,850	7,574,938	6,626,088
Total Expenses	432,863,965	490,389,937	57,525,972
<u>TRANSFERS</u>			
Transfer In - MVST Reserve	16,520,000	16,520,000	-
Transfer In - Transit Allocations	19,517,244	21,957,016	(2,439,772)
Transfer Out - RA Expense Allocation	(67,542,259)	(76,870,952)	9,328,693
Total Transfers	(31,505,015)	(38,393,936)	6,888,921
Change in Reserve Balance	(95,782,196)	(162,587,000)	66,804,597
Beginning Reserve Balance	229,632,473		
Ending Reserve Balance	133,850,277		
2025 Target Balance (8.3 - 12.5%)	37,508,772		

Appendix

Metro Transit Light Rail Operations

STATEMENT OF REVENUES AND EXPENSES

Metro Transit - Light Rail Operations

December 31, 2025

Unaudited

	YTD ACTUALS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Passenger Revenues	10,044,500	14,687,229	(4,642,729)
Auxiliary Transit Revenue	926,590	1,237,276	(310,686)
Regional Sales Tax	106,592,652	102,861,829	3,730,823
State Revenue - GF Appropriation	15,295,471	39,224,121	(23,928,650)
Investment Earnings	989,298	500,000	489,298
Other Revenue	188,034	-	188,034
Total Revenues	134,036,545	158,510,455	(24,473,910)
<u>EXPENSES</u>			
Salary and Benefits	58,038,891	82,410,000	24,371,109
Consulting & Contractual Services	4,255,696	6,069,000	1,813,304
Fuel	36,458	88,826	52,368
Materials & Supplies	(1,657,017)	9,368,000	11,025,017
Utilities	6,422,308	8,646,000	2,223,692
Other Operating Expense	5,943,335	24,427,000	18,483,665
Total Expenses	73,039,671	131,008,826	57,969,155
<u>TRANSFERS</u>			
Transfer Out - Transit Allocations	(19,157,142)	(21,088,368)	1,931,226
Transfer Out - RA Expense Allocation	(10,063,198)	(10,607,078)	543,880
Total Transfers	(29,220,340)	(31,695,446)	2,475,106
Change in Reserve Balance	31,776,534	(4,193,817)	35,970,351
Beginning Reserve Balance	24,811,260		
Ending Reserve Balance	56,587,794		
2025 Target Balance (8.3 - 12.5%)	13,504,455		

Appendix

Metro Transit Commuter Rail Operations

STATEMENT OF REVENUES AND EXPENSES Metro Transit - Commuter Rail Operations December 31, 2025

Unaudited

	YTD ACTUALS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Passenger Revenues	392,588	341,681	50,907
Regional Sales Tax	8,037,194	7,638,079	399,115
State Appropriations	1,808,885	3,429,879	(1,620,994)
Local Revenue - Counties / MNDOT	1,490,854	1,439,765	51,089
Investment Earnings	367,609	100,000	267,609
Other Revenue	1,311	1,439,765	(1,438,454)
Total Revenues	12,098,441	14,389,169	(2,290,728)
<u>EXPENSES</u>			
Salary and Benefits	5,082,031	6,588,763	1,506,732
Consulting & Contractual Services	6,552,120	4,411,169	(2,140,951)
Fuel	801,711	1,168,433	366,722
Materials & Supplies	694,220	791,313	97,093
Utilities	608,763	327,480	(281,283)
Other Operating Expense	3,634,363	3,430,237	(204,126)
Total Expenses	17,373,208	16,717,395	(655,813)
<u>TRANSFERS</u>			
Transfer Out - Transit Allocations	(360,102)	(868,648)	508,546
Transfer Out - RA Expense Allocation	(1,063,538)	(1,170,890)	107,352
Total Transfers	(1,423,640)	(2,039,538)	615,898
Change in Reserve Balance	(6,698,407)	(4,367,764)	(2,330,643)
Beginning Reserve Balance	11,443,130		
Ending Reserve Balance	4,744,723		
2025 Target Balance (8.3 - 12.5%)	1,556,825		

STATEMENT OF REVENUES AND EXPENSES
MTS -Transportation Planning
December 31, 2025

Unaudited

	YTD ACTUALS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Federal Revenue	6,675,864	6,791,753	(115,889)
State Revenue - MVST	550,000	550,000	-
Regional Sales Tax	550,000	550,000	-
Investment Earnings	330,607	-	330,607
Chargebacks from MAC	111,692	175,000	(63,308)
Total Revenues	8,218,163	8,066,753	151,410
<u>EXPENSES</u>			
Salary and Benefits	5,031,453	6,001,119	969,666
Consulting & Contractual Services	2,778,125	4,270,500	1,492,375
Rent & Utilities	157,778	158,422	644
Travel	58,383	65,000	6,617
Grants	38,713	-	(38,713)
Other Operating Expense	105,239	134,000	28,761
Total Expenses	8,169,691	10,629,041	2,459,350
<u>TRANSFERS</u>			
Transfers In	615,000	615,000	-
Transfer Out - RA Expense Allocation	(3,104,621)	(3,291,121)	186,500
Total Transfers	(2,489,621)	(2,676,121)	186,500
Change in Reserve Balance	(2,441,149)	(5,238,409)	2,797,260
Beginning Reserve Balance	11,976,854		
Ending Reserve Balance	9,535,705		
2025 Target Balance (30%)	3,992,000		

STATEMENT OF REVENUES AND EXPENSES
MTS - Special Transportation Services
December 31, 2025

Unaudited

	YTD ACTUALS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Passenger Revenue	4,567,625	7,552,503	(2,984,878)
Federal Revenue	22,500,000	28,841,204	(6,341,204)
State Appropriations	84,241,500	74,247,973	9,993,527
State Revenue-Reimbursement for Services	5,766,811	6,341,204	(574,393)
Investment Earnings	868,048	-	868,048
Total Revenues	117,943,984	116,982,884	961,100
<u>EXPENSES</u>			
Salary and Benefits	3,816,776	4,239,452	422,676
Consulting & Contractual Services	108,975,177	110,095,230	1,120,053
Fuel	6,325,013	13,822,967	7,497,954
Rent & Utilities	135,604	153,466	17,862
Travel	21,063	32,000	10,937
Other Operating Expense	581,323	804,000	222,677
Total Expenses	119,854,956	129,147,115	9,292,159
<u>TRANSFERS</u>			
Transfer Out - RA Expense Allocation	(3,663,968)	(3,874,602)	210,634
Total Transfers	(3,663,968)	(3,874,602)	210,634
Change in Reserve Balance	(5,574,940)	(16,038,833)	10,463,893
Beginning Reserve Balance	13,501,429		
Ending Reserve Balance	7,926,489		
2025 Target Balance (5%)	6,651,000		

Appendix

MTS- Contracted Services

STATEMENT OF REVENUES AND EXPENSES

MTS - Contracted Service

December 31, 2025

Unaudited

	YTD ACTUALS	2025 BUDGET	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>			
Passenger Revenues	1,639,375	1,657,238	(17,863)
Federal Revenue	3,421,757	3,675,120	(253,363)
State Revenue - MVST	33,000,000	33,000,000	-
Regional Sales Tax	6,702,000	6,702,000	-
Investment Earnings	526,066	-	526,066
Total Revenues	45,289,198	45,034,358	254,840
<u>EXPENSES</u>			
Salary and Benefits	1,200,571	1,117,082	(83,489)
Consulting & Contractual Services	47,280,822	46,747,918	(532,904)
Rent & Utilities	30,800	85,800	55,000
Travel	1,753	12,500	10,747
Other Operating Expense	184,645	591,500	406,855
Total Expenses	48,698,591	48,554,800	(143,791)
<u>TRANSFERS</u>			
Transfer Out - RA Expense Allocation	(1,291,174)	(1,366,948)	75,774
Transfers Out - MVST Capital Fund	(1,121,386)	(1,121,386)	-
Total Transfers	(2,412,560)	(2,488,334)	75,774
Change in Reserve Balance	(5,821,953)	(6,008,776)	186,823
Beginning Reserve Balance	8,087,701		
Ending Reserve Balance	2,265,748		
2025 Target Balance (10%)	5,104,000		

STATEMENT OF REVENUES AND EXPENSES
Self-Insurance
December 31, 2025
Unaudited

	MEDICAL	DENTAL	TOTAL
<u>REVENUES</u>			
Medical premiums:			
Active employees	94,231,968	4,404,864	98,636,833
Retirees	6,768,627	1,166,715	7,935,342
Investment Earnings	1,685,808	247,847	1,933,655
Total Revenues	102,686,403	5,819,427	108,505,830
<u>EXPENSES</u>			
Claims and Fees	89,722,612	6,008,493	95,731,105
Services	1,571,917	-	1,571,917
Other Operating Expense	42,111	-	42,111
Total Expenses	91,336,640	6,008,493	97,345,133
Change in Reserve Balance	11,349,764	(189,067)	11,160,697
Beginning Reserve Balance	32,260,308	6,557,731	38,818,039
Ending Reserve Balance	43,610,072	6,368,664	49,978,736

Other Post Employment Benefits (OPEB)
December 31, 2025

Unaudited

	ES RETIREE HEALTH	MT REITREE HEALTH	RA RETIREE HEALTH	TOTAL
<u>REVOCABLE TRUST</u>				
Beginning Balance	117,311,977	246,728,307	9,320,417	373,360,700
Trust Investment Gains / (Losses)	15,604,820	33,745,345	1,228,003	50,578,168
Annual Draw for OPEB Cost	10,403,972	2,548,260	370,984	13,323,216
Ending Balance	122,512,825	277,925,392	10,177,435	410,615,651
<u>OPEB LIABILITY</u>				
Beginning Balance	57,352,000	195,537,000	6,691,000	259,580,000
Change in Liability	(10,600,595)	(72,802,482)	(540,447)	(83,943,524)
Ending Balance	46,751,405	122,734,518	6,150,553	175,636,476