2027 General Purposes Levy Strategy and Preliminary Regional Administration Budget Allocations

METROPOLITAN COUNCIL

Management Committee

July 22, 2026 **Ned Smith, CFO**

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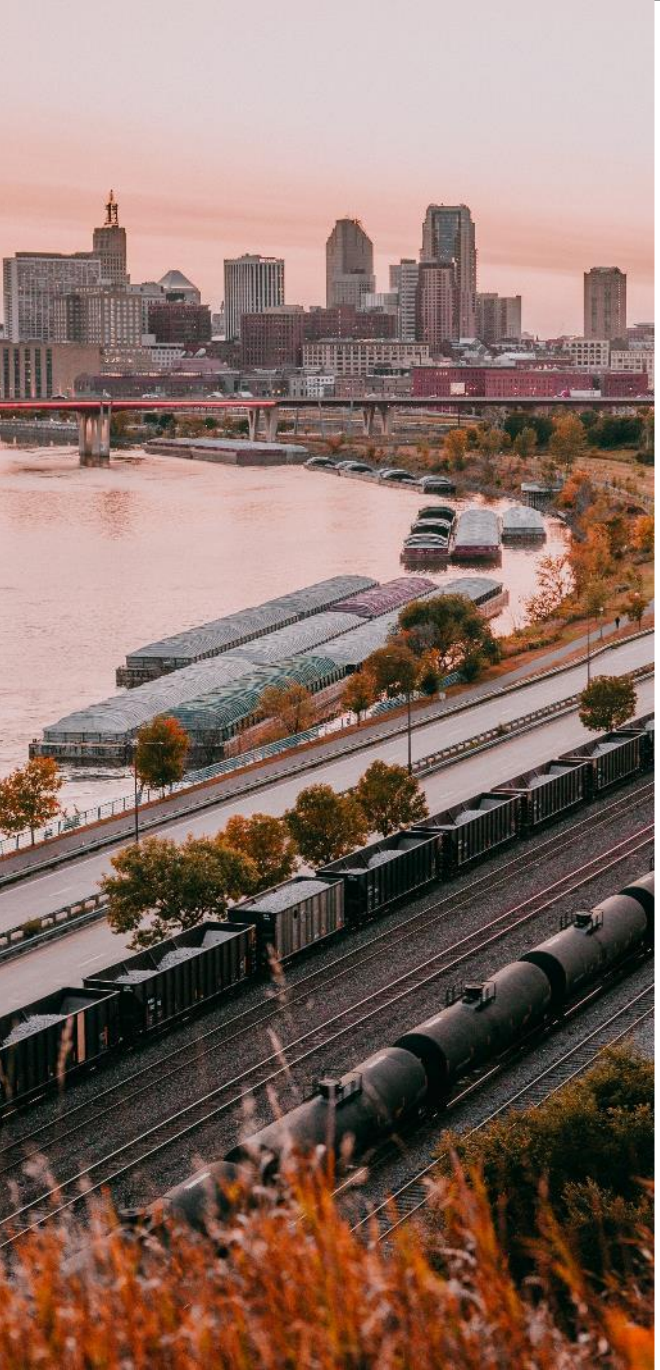
Council Budget Development



Unified Budget

Operating Budget

- Operations
- Pass-through
- Debt Service
- OPEB

Capital Program

- Authorized Projects
- Planned (6-year)
- Annual Spending

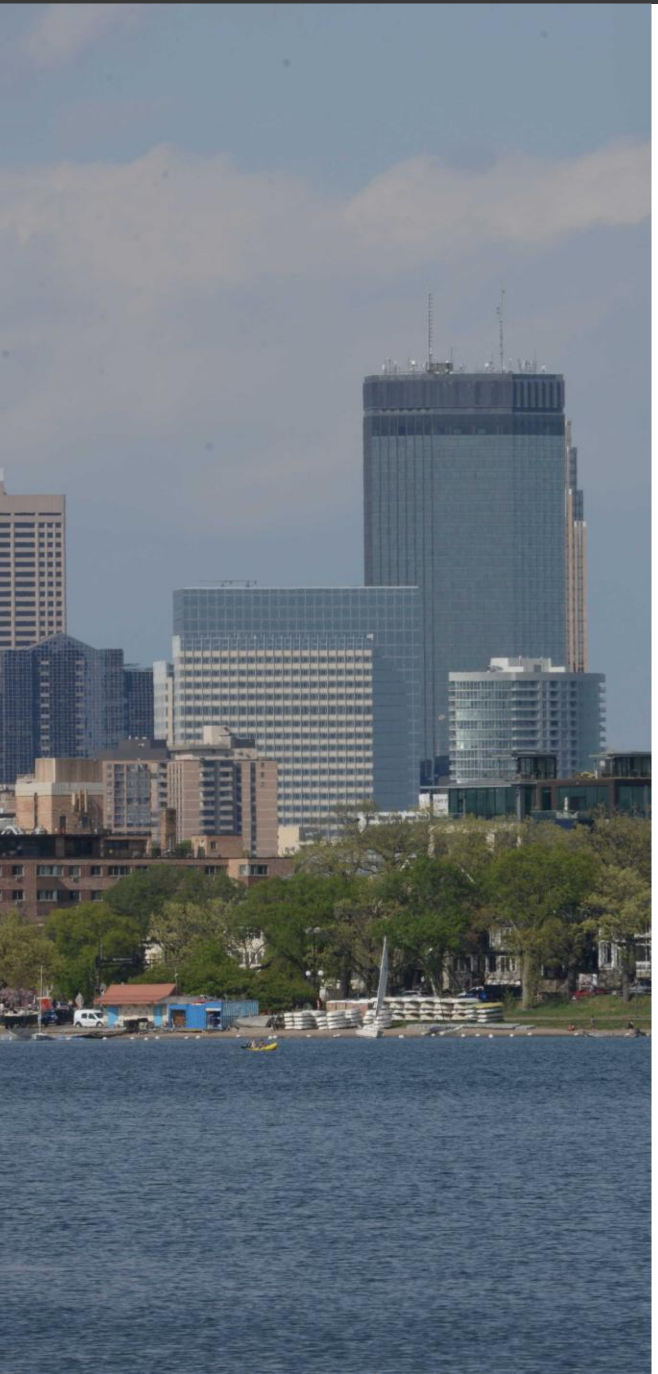
May-July	Staff-	Budget Development Activities
Aug 26 (before Sept 1)	Council -	Adopt Preliminary Budget/Levies
Oct 7	Council -	Capital Program Presentation
Oct 21	Council -	Adopt Public Comment Draft Budget
Dec 2 (before Dec 20)	Council -	Adopt Final Budget/Levies

Budget Authority

Minnesota Statute 473.125

"The regional administrator shall recommend to the council for adoption measures deemed necessary for efficient administration of the council, keep the council fully appraised of the financial condition of the council, and prepare and submit an annual budget to the council for approval."

Confirm Our Levy Strategy



Strategy

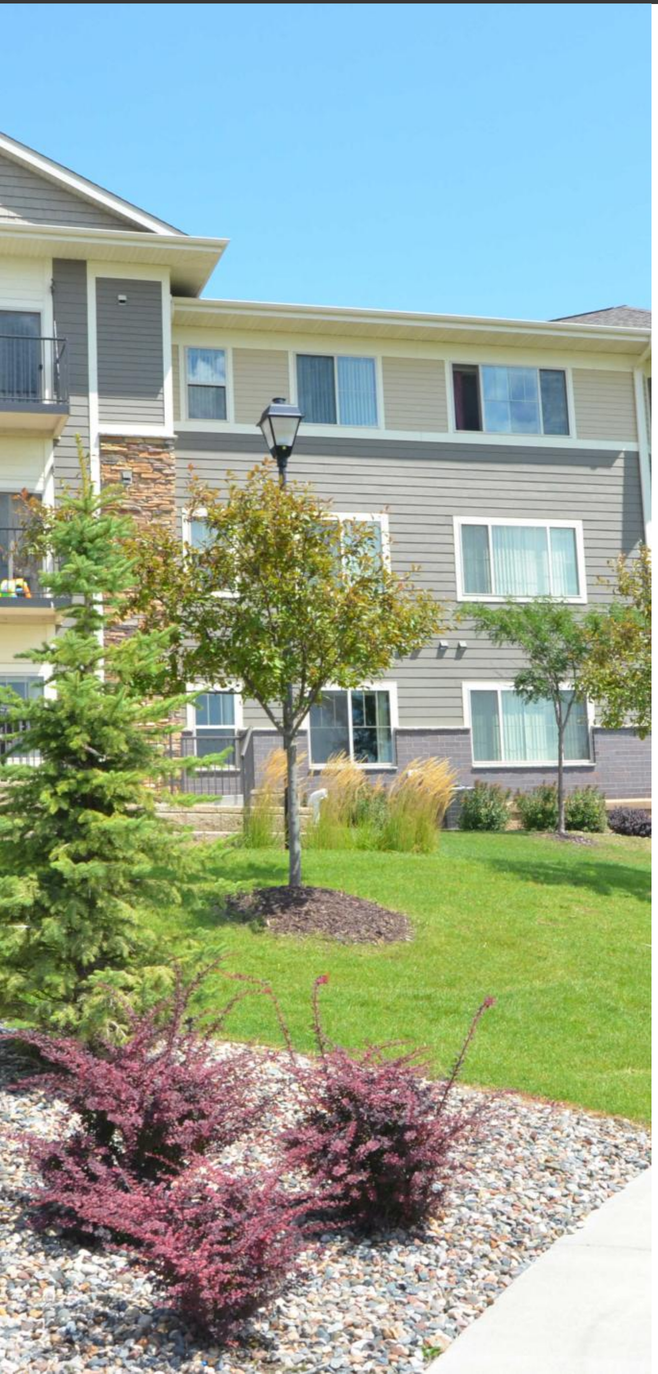
Levy Givens:

- Transit and Parks Debt Service Needs
- Statutory Fiscal Disparities Levy $5M to Tax Base Revitalization Account

Strategy Decisions:

- Maximize General Purpose Levy
- Maximize the Livable Communities Demonstration Account Levy
- History – 2% increase
- History – no levy for Highway Right of Way Program (sufficient reserves)

Livable Communities Levies



Grants Programs

Tax Base Revitalization Account Levy

$5.0M annually from regional fiscal disparities pool

Clean up polluted land in the metropolitan area

Livable Communities Demonstration Account Levy

$16.1M proposed levy for 2027

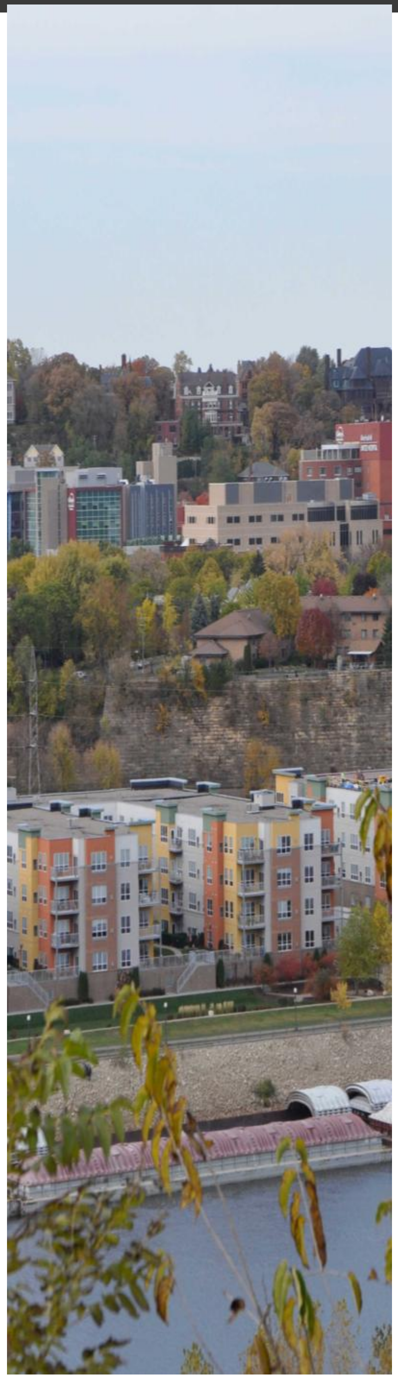
Strategy: Maximize to levy limit

Limitation: Capped by implicit price deflator

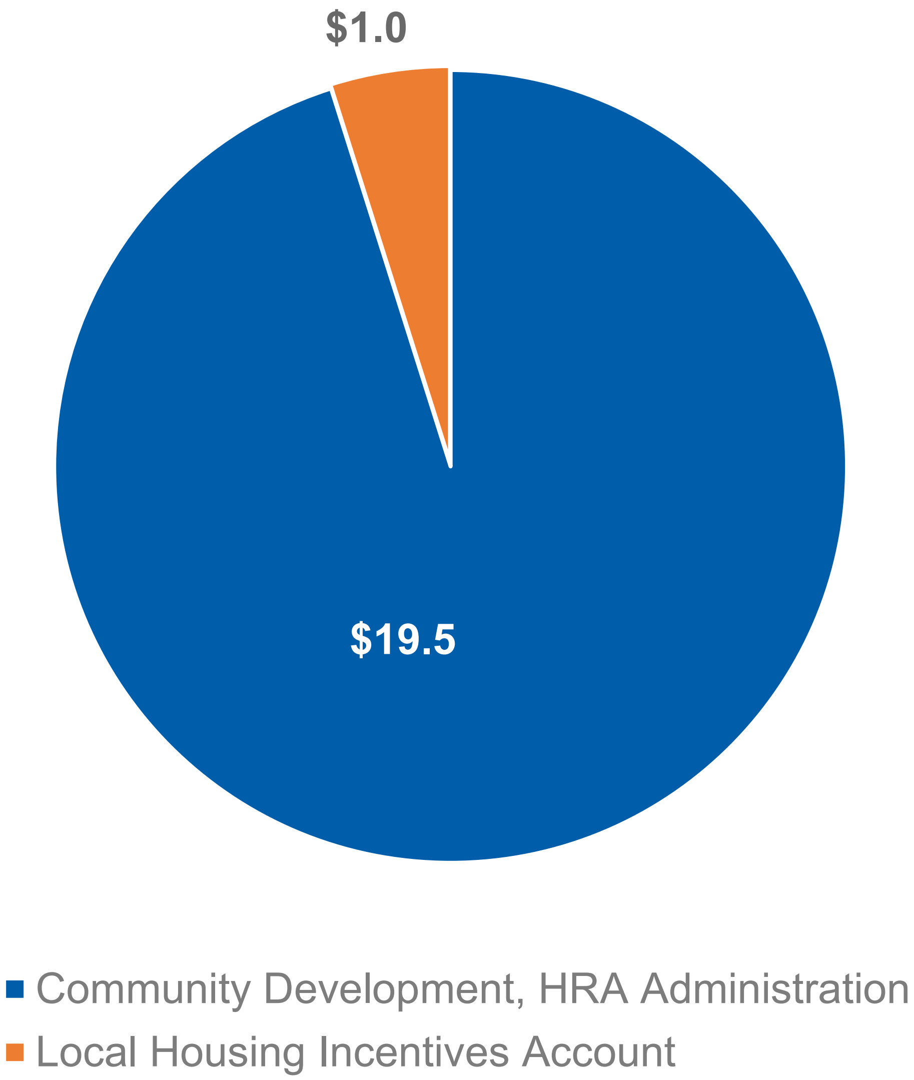
Local Housing Incentive Account

Statutory transfers: General Purposes Levy ($1.0M)

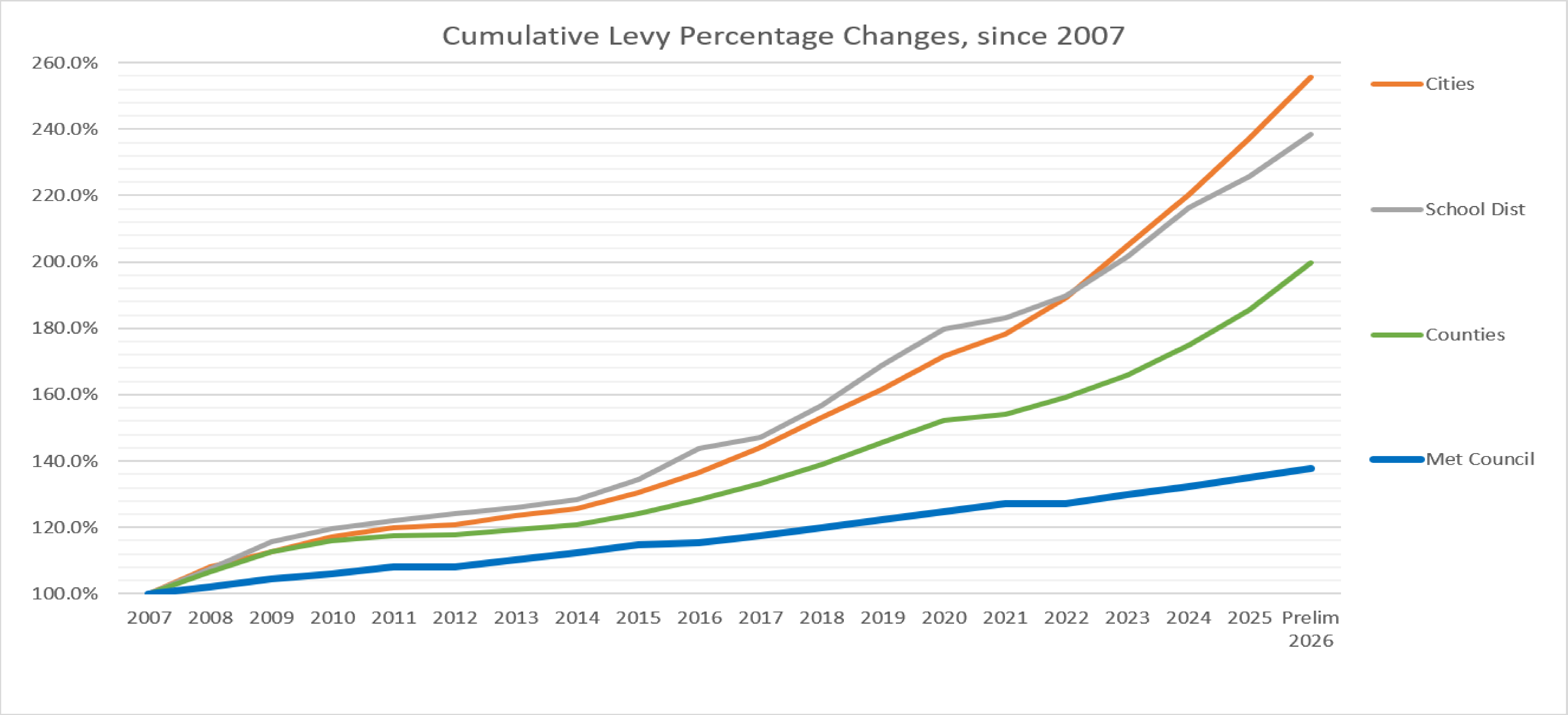
General Purpose Levy $20.5M



- Most Flexible Use Levy Funding
  - Carry out Council responsibilities as provided in law
- Primary Uses
  - Community Development Administration ($19.5M)
  - Statutory Transfer to Local Housing Incentive Account ($1.0M)



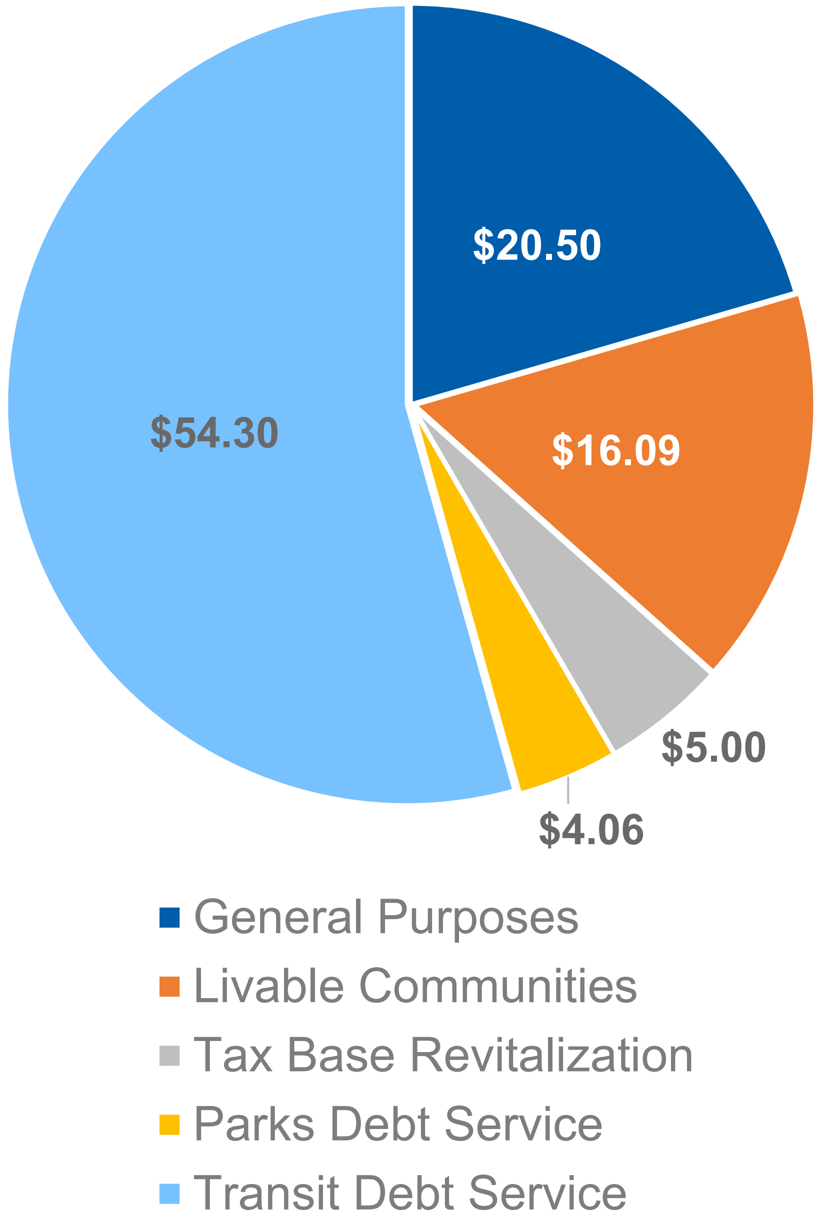
State-Wide Average Tax Rates



Source: MN Department of Revenue: Net Tax Capacities

Proposed Levies: 2% Increase

	Certified 2026	Proposed 2027	Pct Chg	Limit
Non-Debt Service Levies				
General Purposes	$ 19.791	$ 20.495	3.6%	$ 20.495
Highway Right of Way	$ -	$ -	0.0%	$ 5.509
Livable Communities:				
- Demonstration Acct	$ 15.534	$ 16.087	3.6%	$ 16.087
- Tax Base Revitalization	$ 5.000	$ 5.000	0.0%	$ 5.000
Total Non-Debt Levies	$ 40.325	$ 41.582	3.1%	$ 47.091
Levy as Pct of Limit		88.3%		
Debt Service Levies				
Parks	$ 3.051	$ 4.058	33.0%	
Transit	$ 54.600	$ 54.295	-0.6%	
Total Debt Levies	$ 57.651	$ 58.353	1.2%	
Total All Levies	$ 97.976	$ 99.935	2.0%	



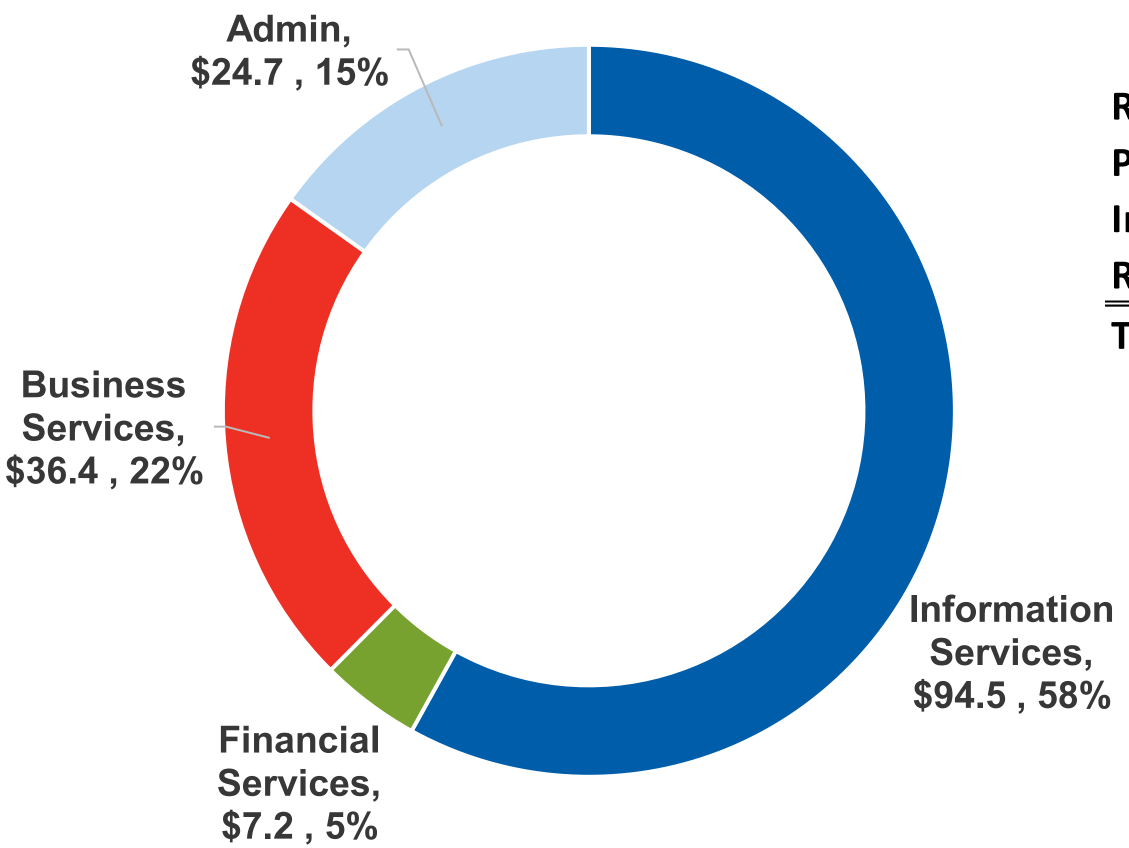
2027 Preliminary Regional Administration Budget Allocation

RA Budget Drivers 2027

- Software, cloud, and license maintenance
- Cyber security risk mitigation
- Build out Risk and Compliance department
- MetCulture engagement
- Increasing human resources support (contracts and consulting support)

Regional Administration: $162.8M

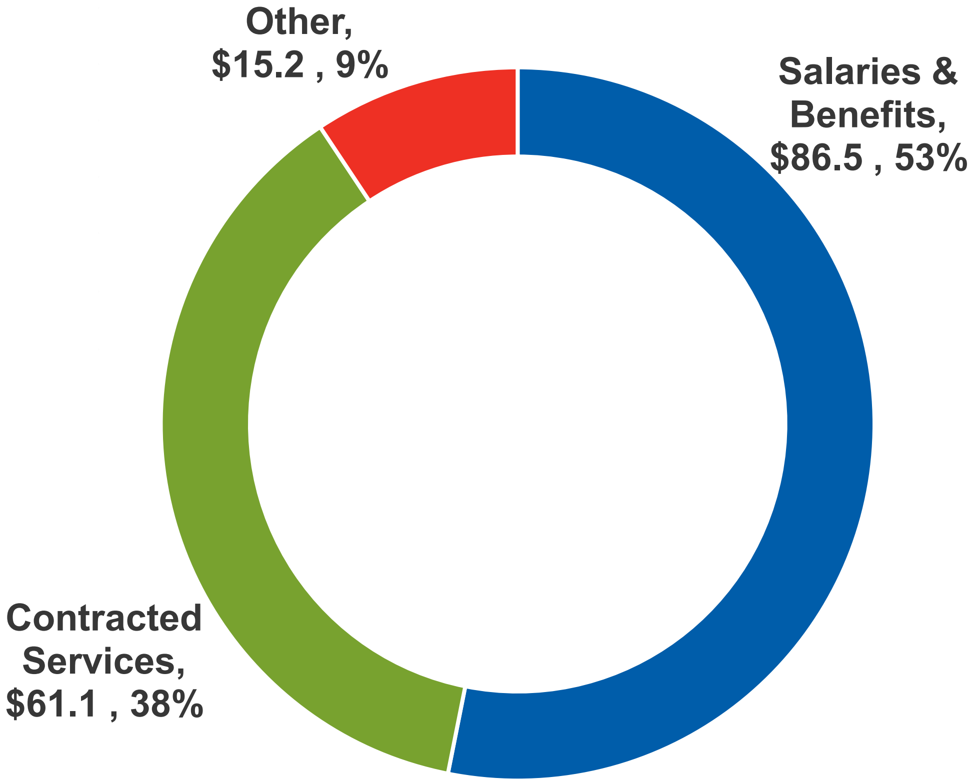
Uses by Department



Sources* ($ in millions)

RA Allocation	$ 161.2
Property Tax	$ -
Investment Income	$ 1.2
Reserves/Council Investment	$ 0.4
Total	$ 162.8

Uses by Category



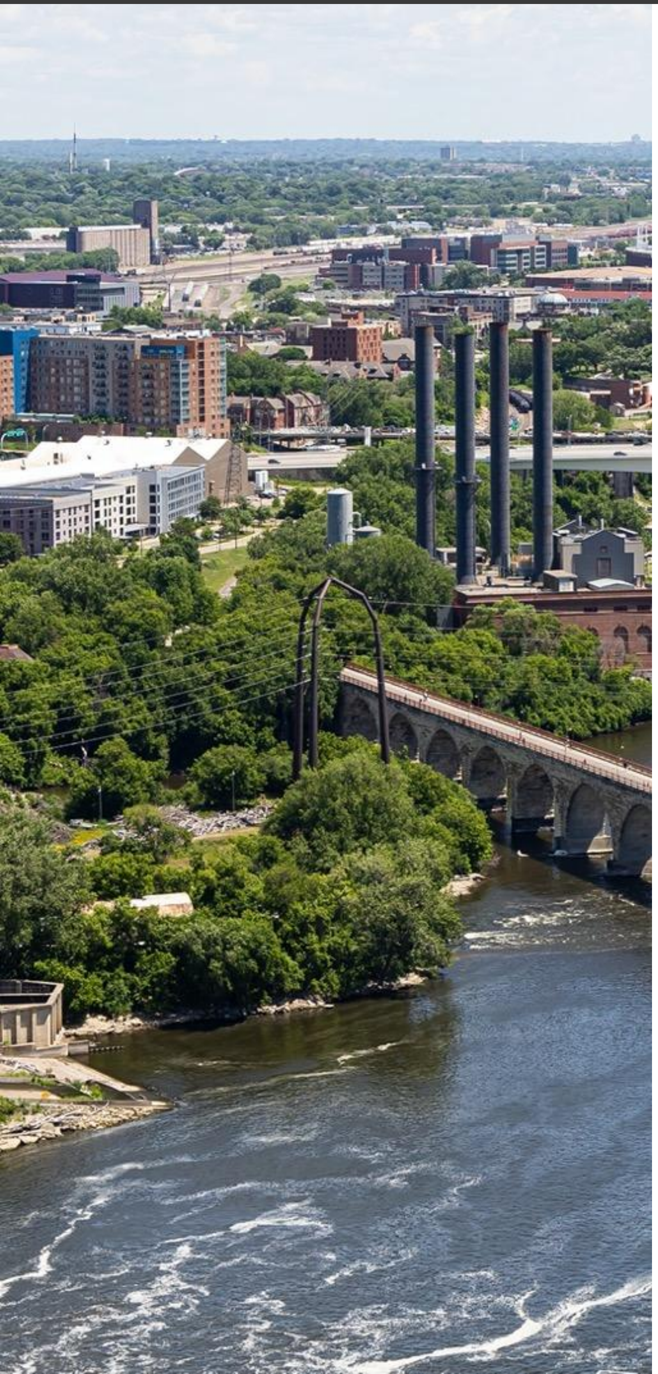
- Uses includes expenses & transfers out
- Sources includes revenues & transfers in

Metropolitan Council

Dollars in Millions

Regional Administration Budget

($ in millions)



	2026 Adopted Budget	2027 Preliminary Budget	Change	
Salaries & Benefits	$77.8	$86.5	$8.7	11%
Contracted Services	$10.4	$12.2	$1.8	17%
IT Maintenance	$38.5	$48.9	$10.4	27%
Other	$13.5	$14.8	$1.3	10%
Total	$140.2*	$162.4*	$22.2	16%

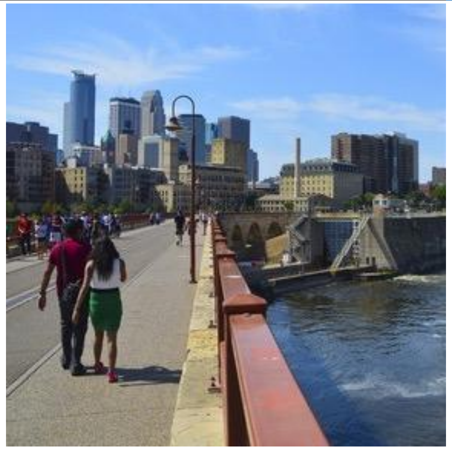
*Includes expenses not transfers out

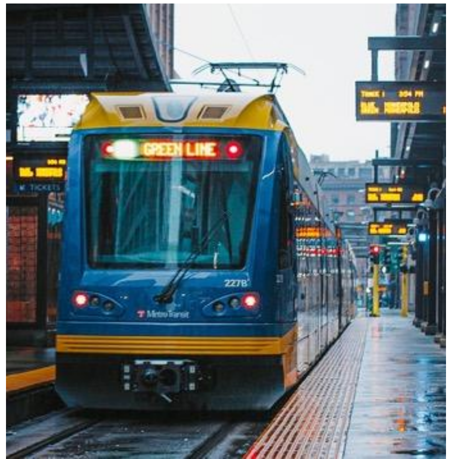
Metropolitan Council

Regional Admin Sources/Interdivisional Allocation
($ in millions)

	2026 Adopted Budget	2027 Preliminary Budget	Share	Change	
Community Development/HRA	$ 5.5	$7.5	4%	$2.0	36%
Environmental Services	$32.4	$36.8	23%	$4.4	14%
Metropolitan Transportation Services	$9.2	$11.9	7%	$2.7	29%
Metro Transit	$91.6	$105.0	65%	$13.4	15%
Other	$1.0	$1.2	1%	$0.2	20%
Total	$139.7*	$162.4*	100%	$22.7	16%

*Includes expenses not transfers in



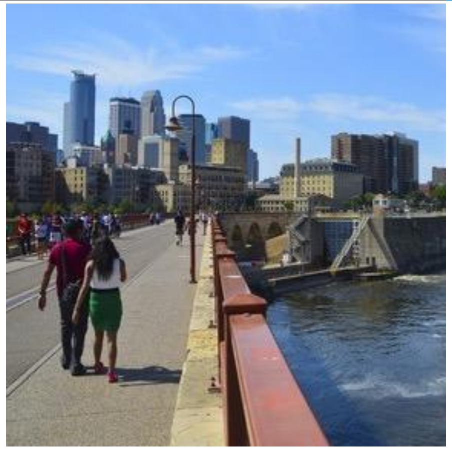


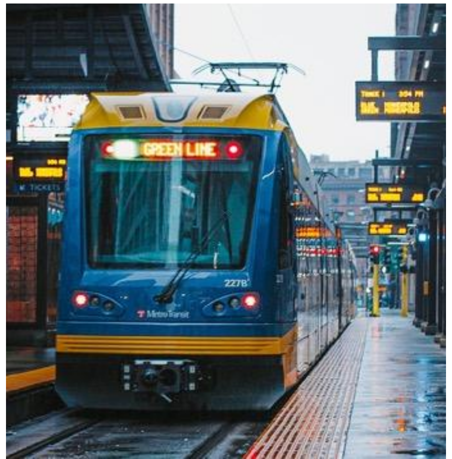
Regional Administration FTEs by Department
(Preliminary 2027 vs Adopted 2026)

Department	FTE Count		Department	FTE Count
Enterprise Risk and Compliance	32 (+16)		Budget	5
Central Services	5		Chair's Office	2
Communications	19.75 (+2)		Office of Civil Rights & Small Business **	20 (-8)
Human Resources	108 (+1)		Finance	42 (+1)
Intergovernmental Relations	3		Information Services	186 (+14)
Procurement	42		General Counsel	16 (+3)
Risk Management	14		Regional Administration	6
Real Estate	12 (+1)		Enterprise Content Management*	0 (-9.5)
Community Relations	4		Vacancy Factor	(20) (-5)
			Total	**496.75 (+15.5)**

*** ECM moved under IS starting 2027**
**** Some functions moved into Enterprise Risk and Compliance starting 2027**

Questions?





Ned Smith, Chief Financial Officer

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