Preliminary 2027

Operating Budget & Levies

August 12, 2026

metrocouncil.org

METROPOLITAN COUNCIL

Council Budget Development

Unified Budget

Operating Budget	Capital Program
Operations	Authorized Projects
Pass-through	Planned (6-year)
Debt Service	Annual Spending
OPEB	

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

Budget Authority

Minnesota Statute 473.125 Regional Administrator

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

Proposed 2027 Property Tax Levies

Council Levy Authority

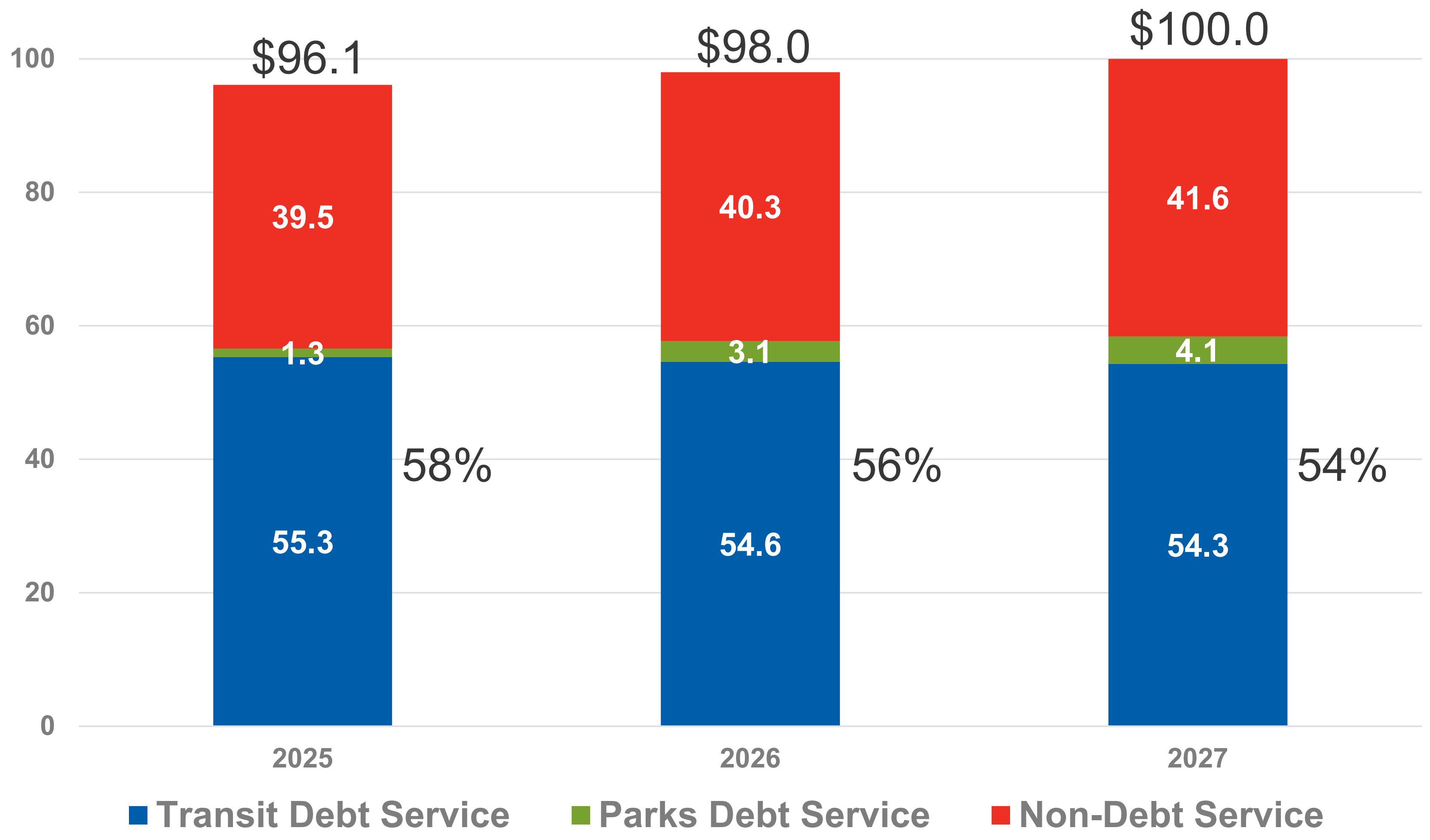
- Non-Debt Service Levy
  - Limited by implicit price deflator
  - General Purposes
  - Livable Communities – Development and Redevelopment grants to communities
  - Loans for acquisition of highway right-of-way
- Debt Service Levy
  - Levy is not capped, but bonding authority is limited
  - Parks and Transit debt service
- Seven County Metro Region and Transit Capital Levy Communities

Our Levy 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 Loan Program (sufficient reserves)

Debt Service Levies

- Transit
  - Legislature grants bond authority
  - Success with inflation factor grows ~3%
  - Outstanding debt YE 2025 - $223.6M
- Parks
  - $40M maximum in revolving outstanding
  - Outstanding debt YE 2025 - $12.1M



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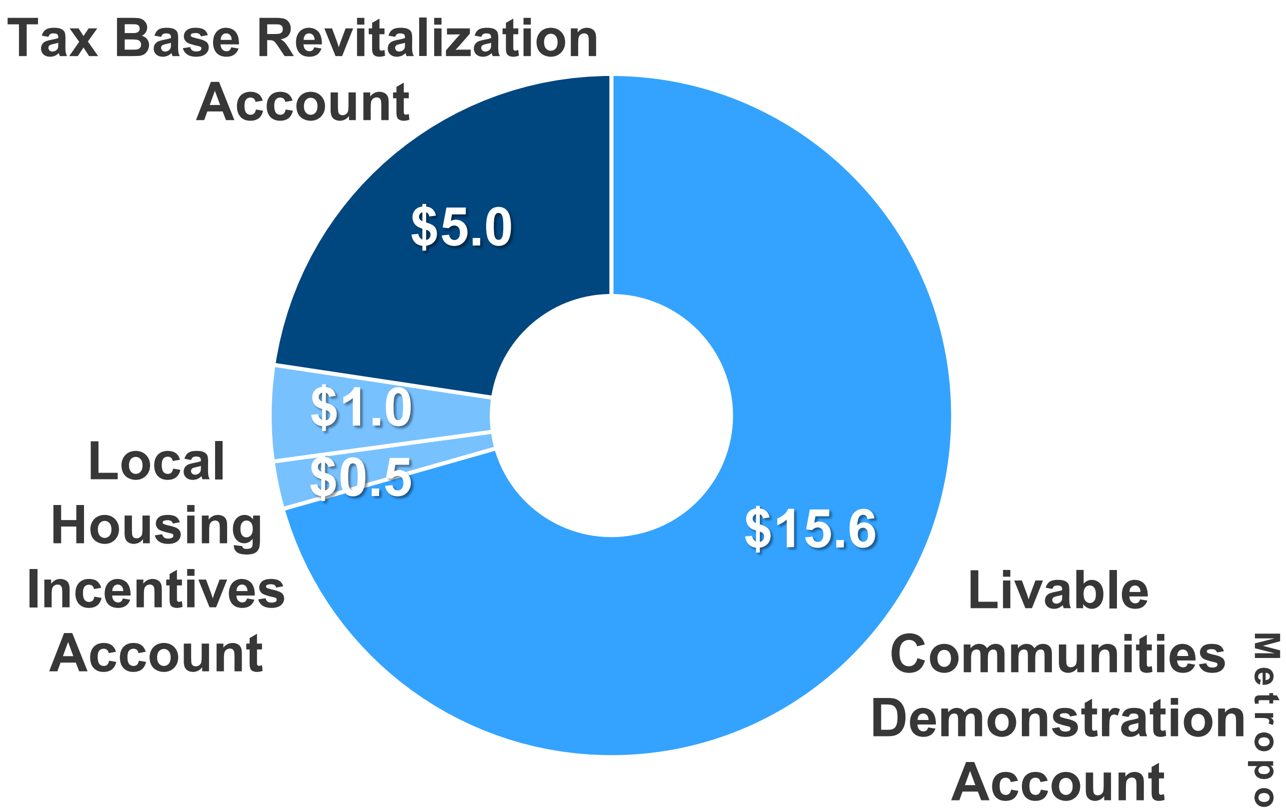
Livable Communities Levies (Grant Programs)

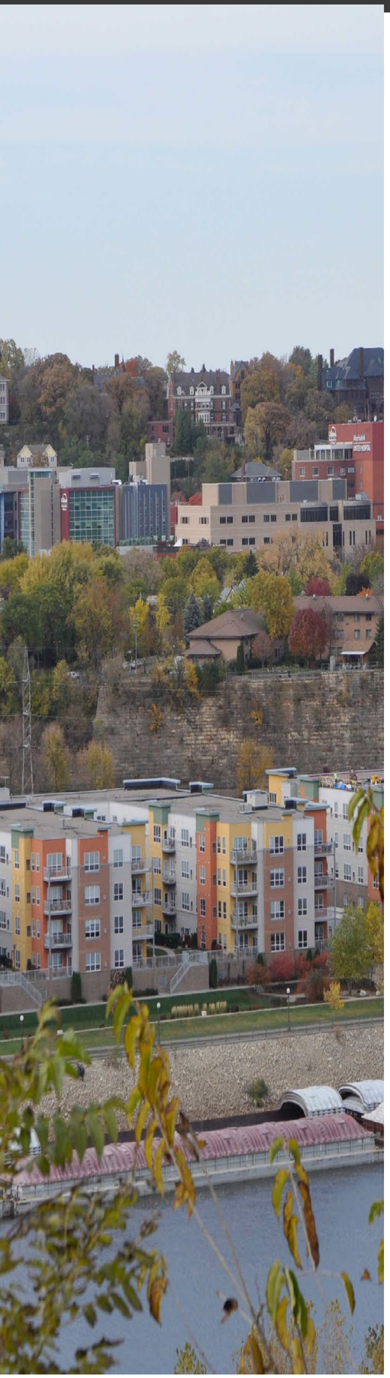
- **Livable Communities Demonstration Account Levy**
  - $15.6M proposed levy for 2027
  - Strategy: Maximize to levy limit
  - Limitation: Capped by implicit price deflator

- **Tax Base Revitalization Account Levy**
  - $5.0M annually from regional fiscal disparities pool
  - Clean up polluted land in the metropolitan area
  - Applies to commercial and industrial properties (not residential)

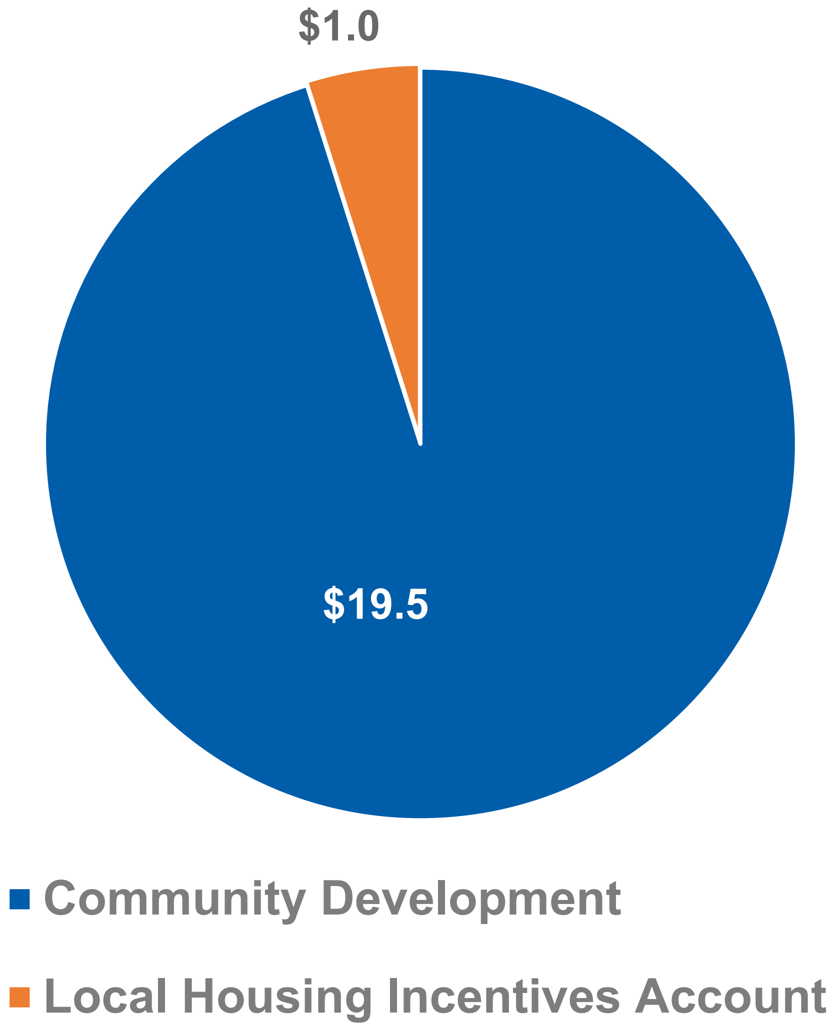
- **Local Housing Incentives Account**
  - Statutory transfer from LCDA ($0.5M) and General Purposes Levy ($1.0M)



General Purpose Levy: $20.5M

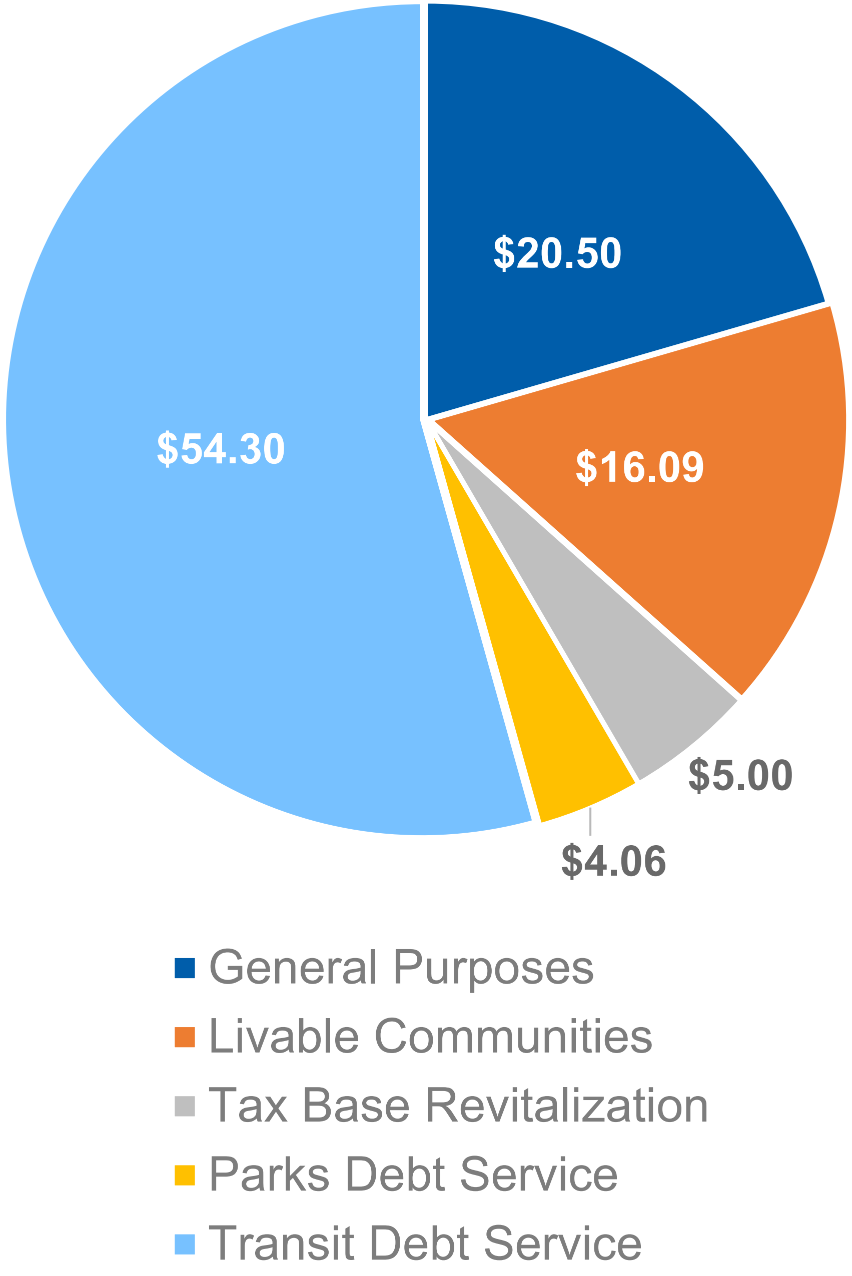


- Most Flexible Use Levy Funding
  - Carry out Council responsibilities as provided by law
- Primary Uses
  - Community Development Administration ($19.5M)
  - Statutory Transfer to Local Housing Incentive Account ($1.0M)



Proposed 2027 Property Tax Levies: $99.935M

	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%	



Impact on the Taxpayer

$400,000
Market Value

Transit Tax Communities

Inside	Outside
$64.97	$25.56

Impact on the Taxpayer

Proposed 2027 Operating Budget

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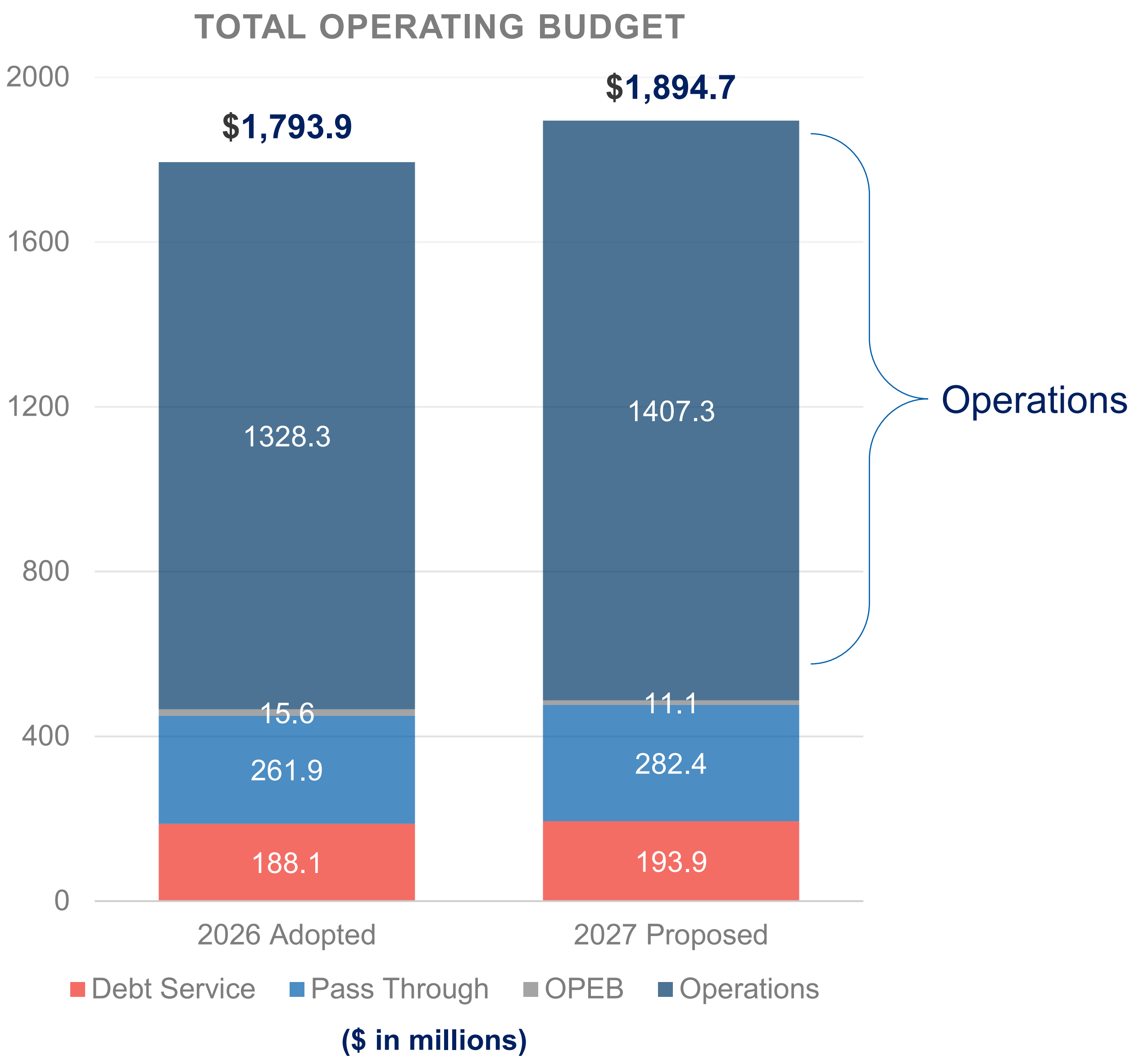
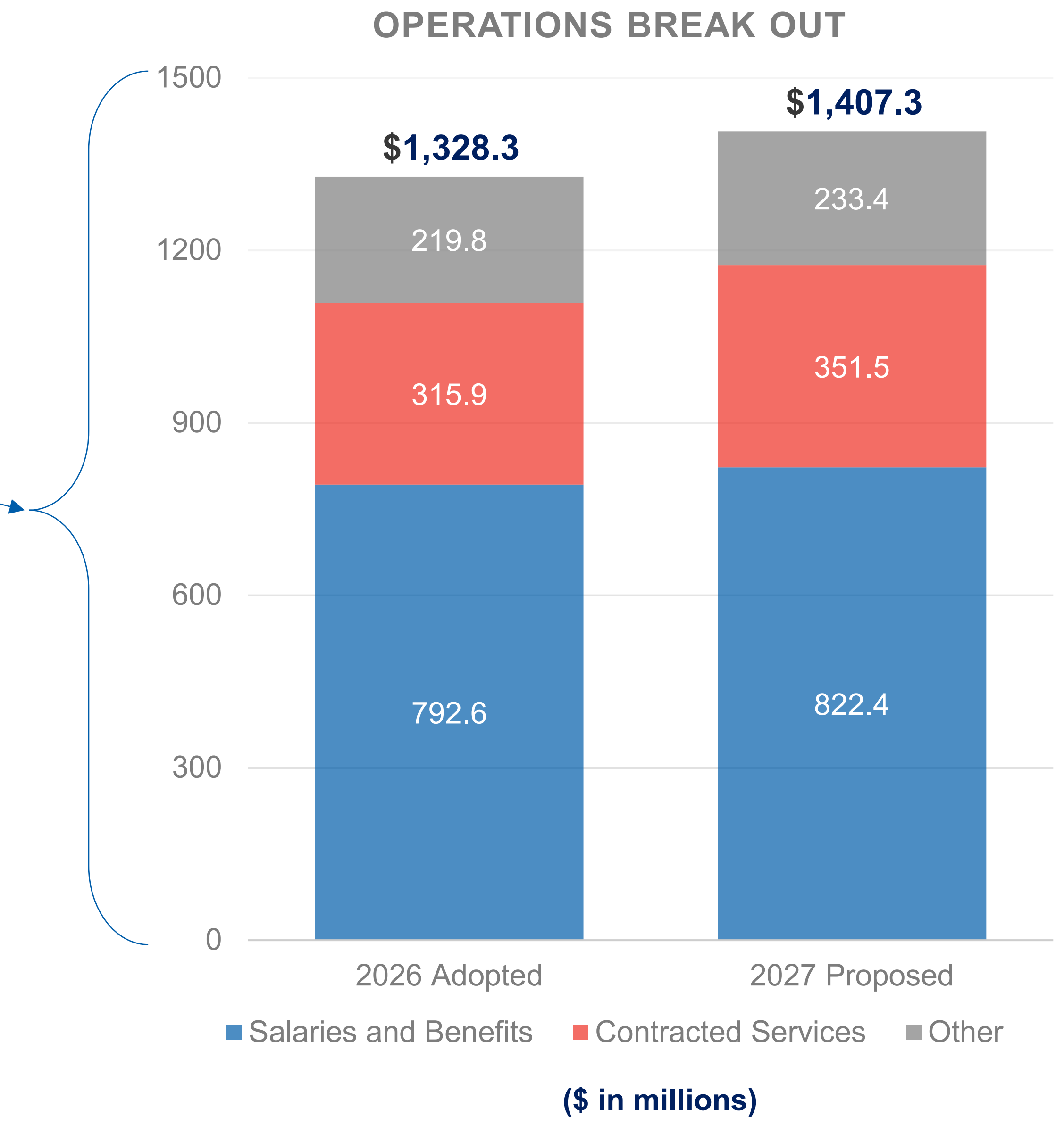
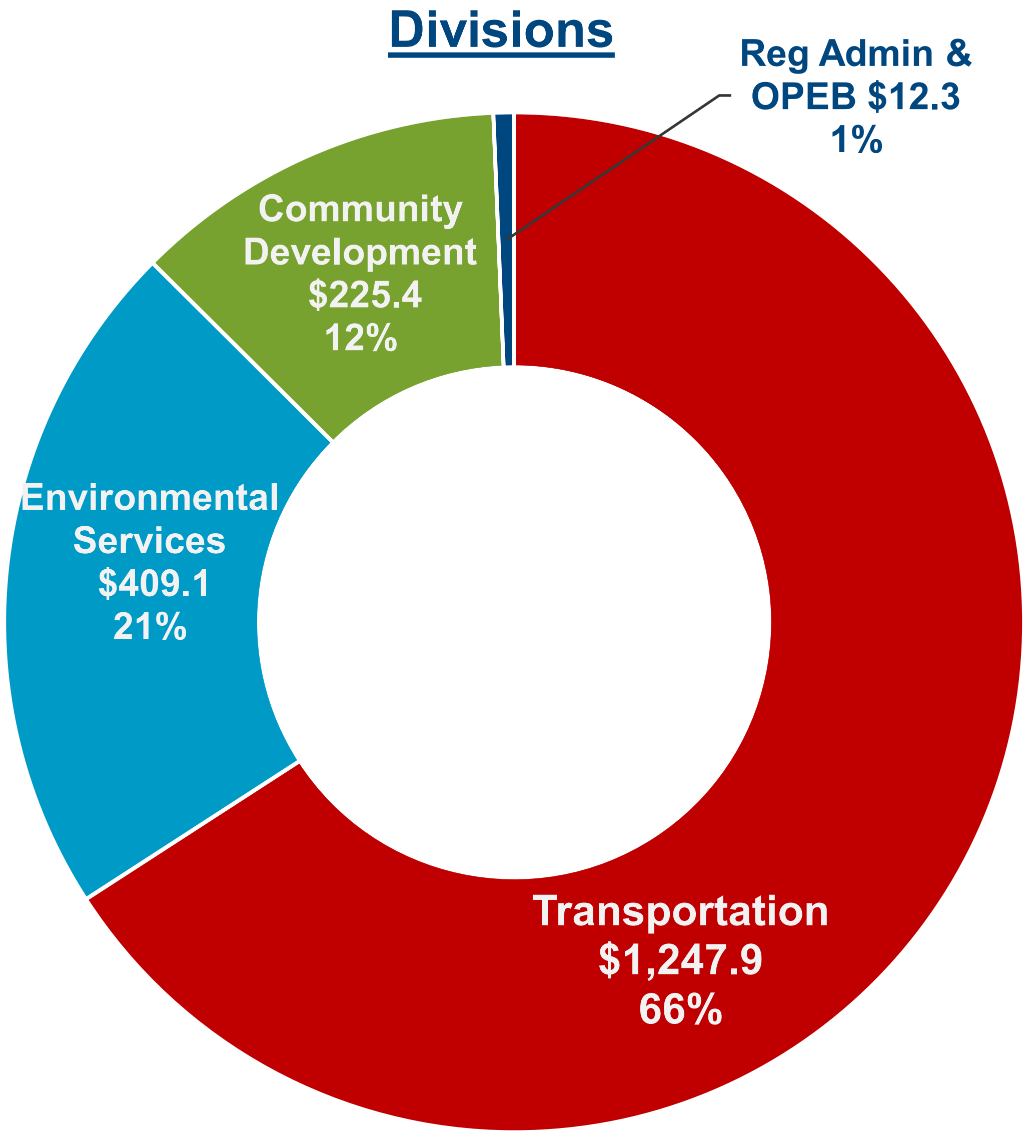
Proposed Operating Budget: $1.89 Billion

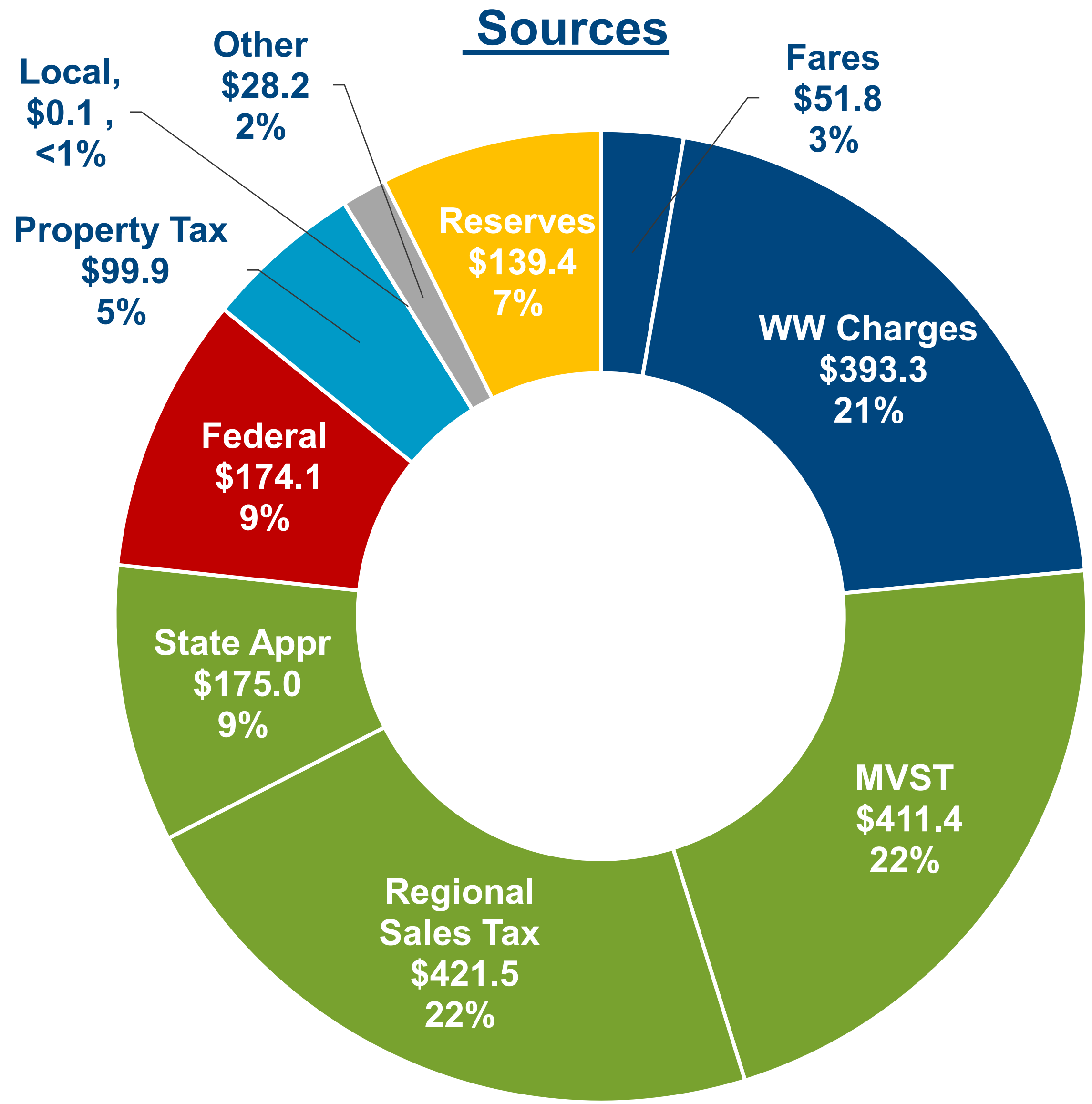




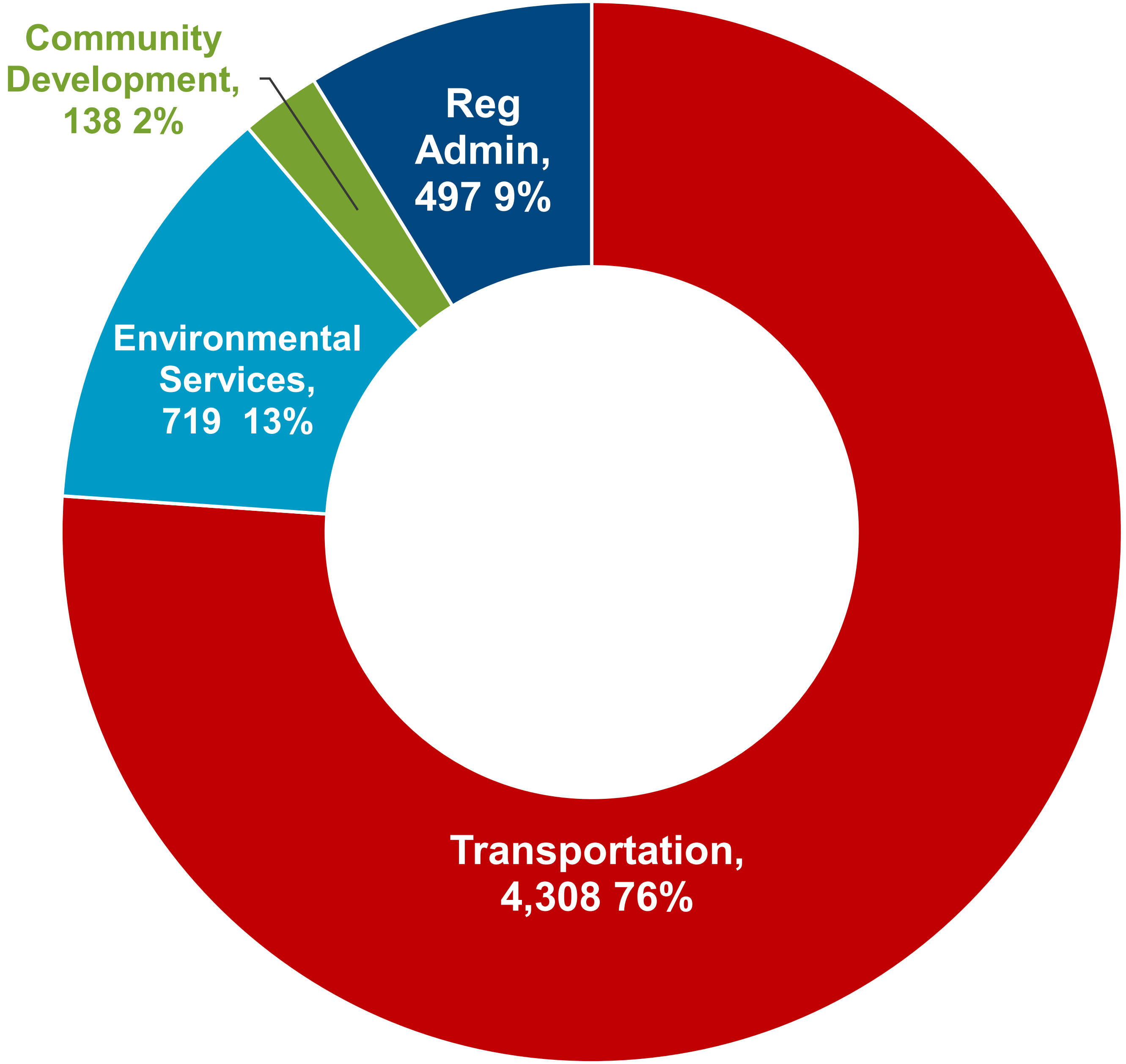
Metropolitan Council

Proposed Budget: $1.89 Billion





Proposed FTEs (5,662) by Division



General Fund Operations

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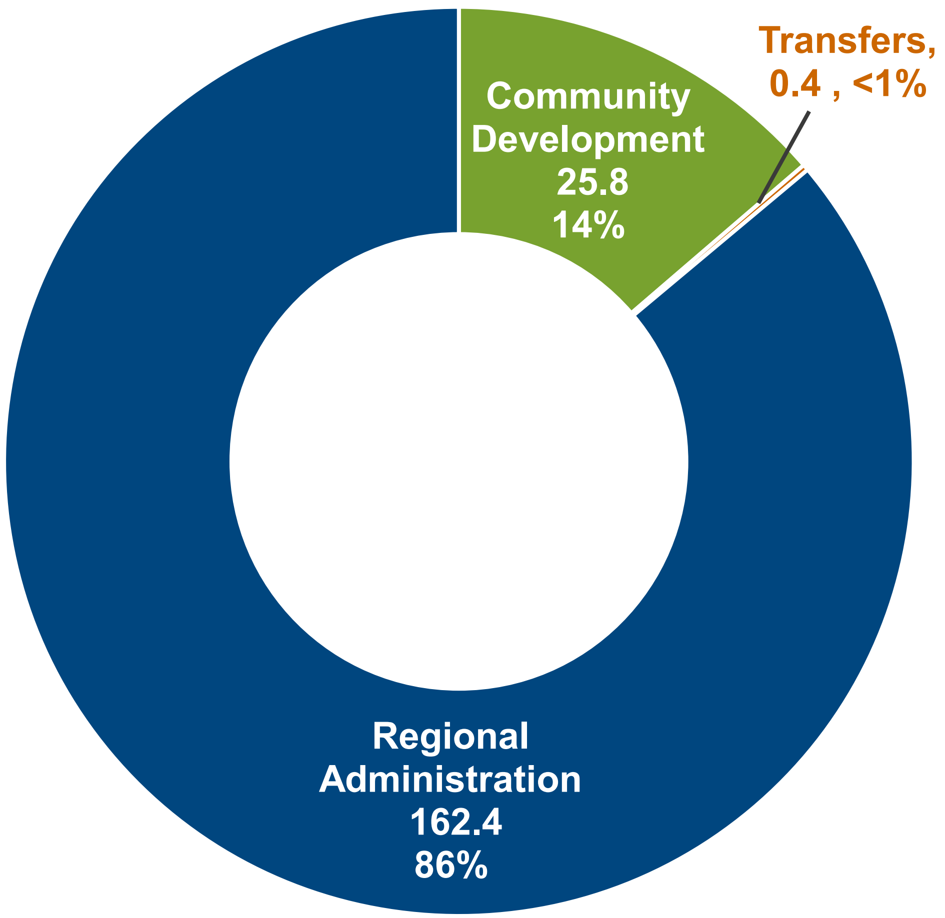
General Fund Operations: $188.7M

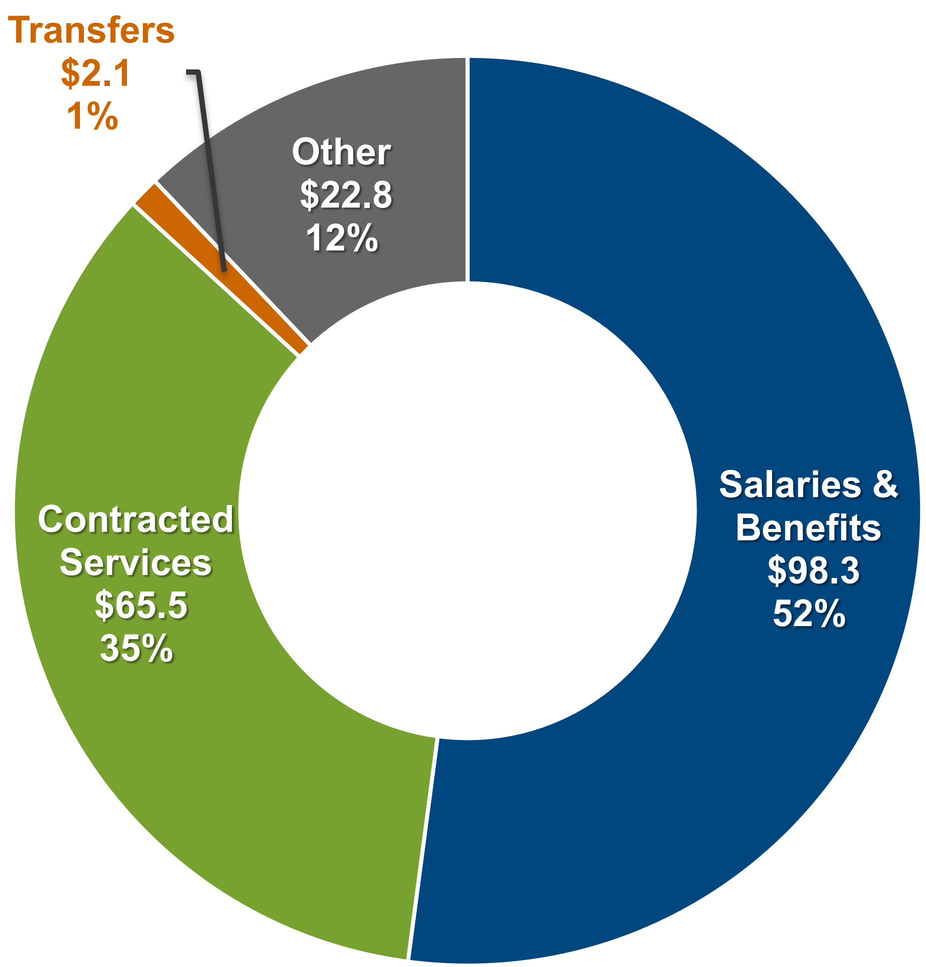
Uses by Department



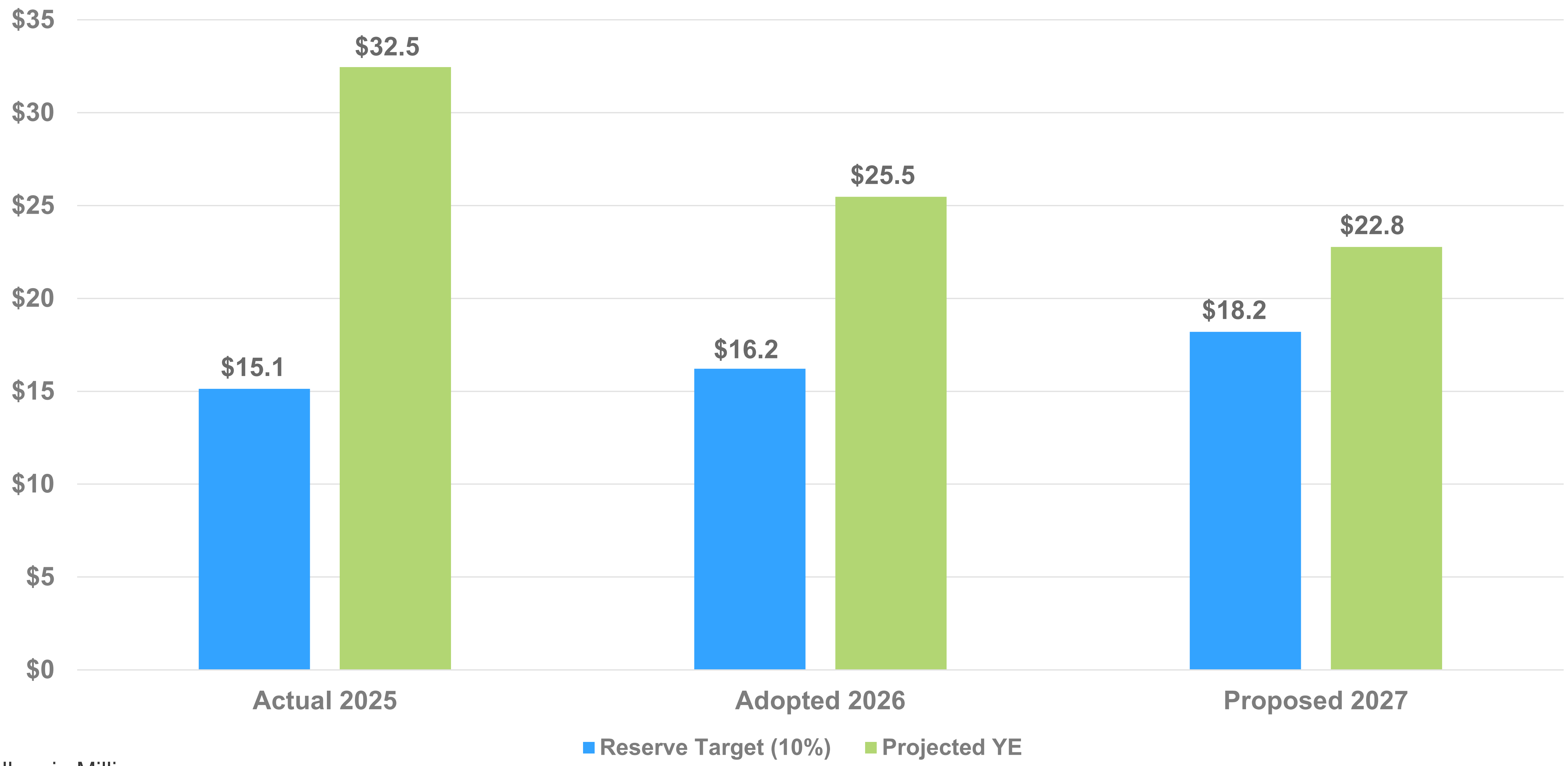
Sources

General Purpose Levy	$20.5
RA Allocations	$161.2
Other	$7.0
Total	**$188.7**

Uses by Category



General Fund
Unassigned Operating Reserve



Dollars in Millions

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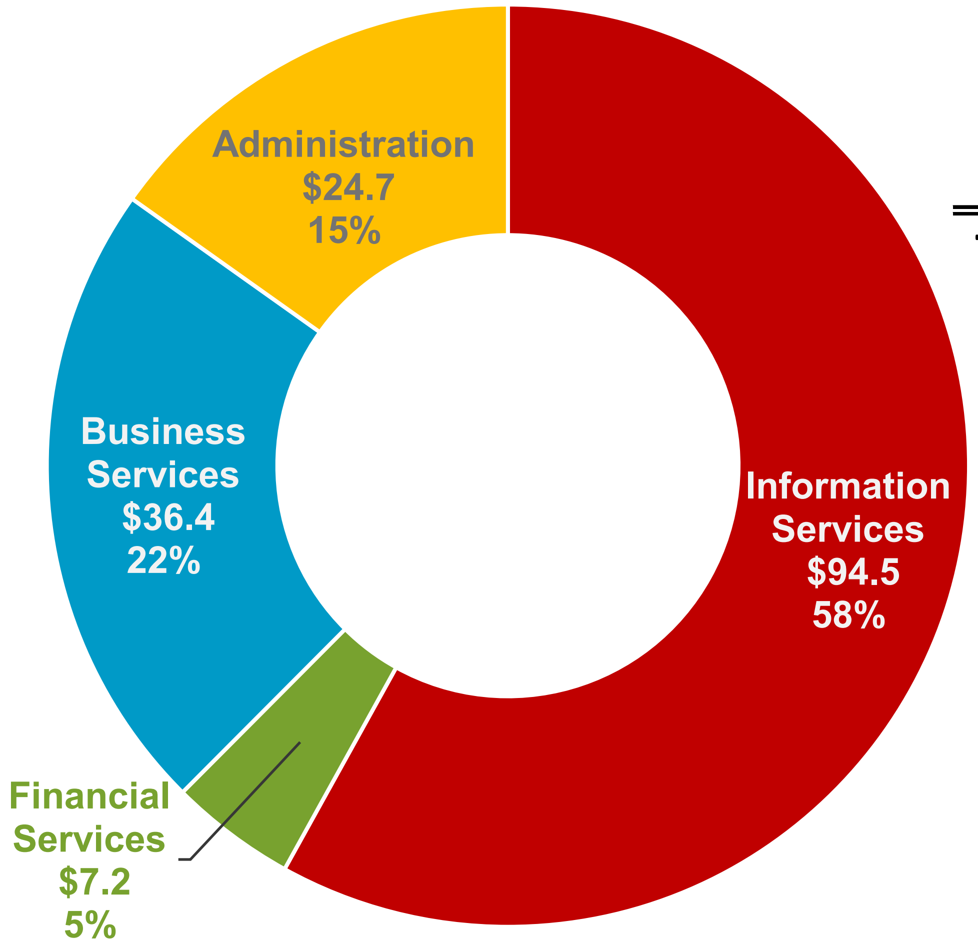
Regional Administration: $162.8M

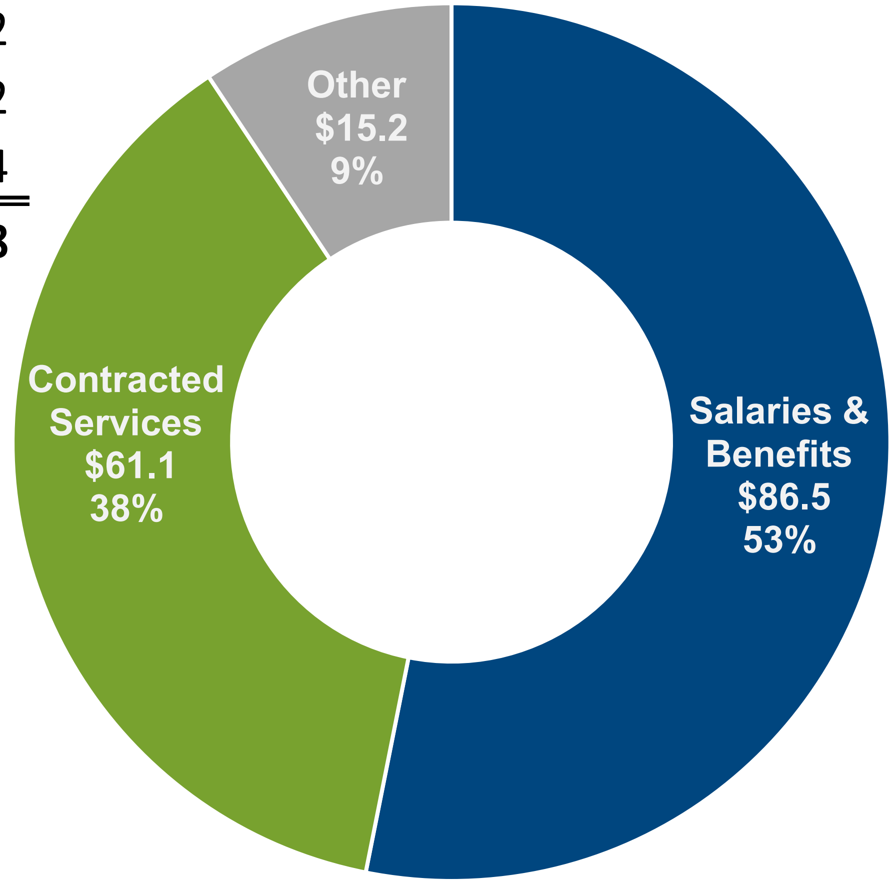
Uses by Department



Sources

RA Allocations	161.2
Investment Income	1.2
Reserves/Council Investment	0.4
Total	**162.8**

Uses by Category

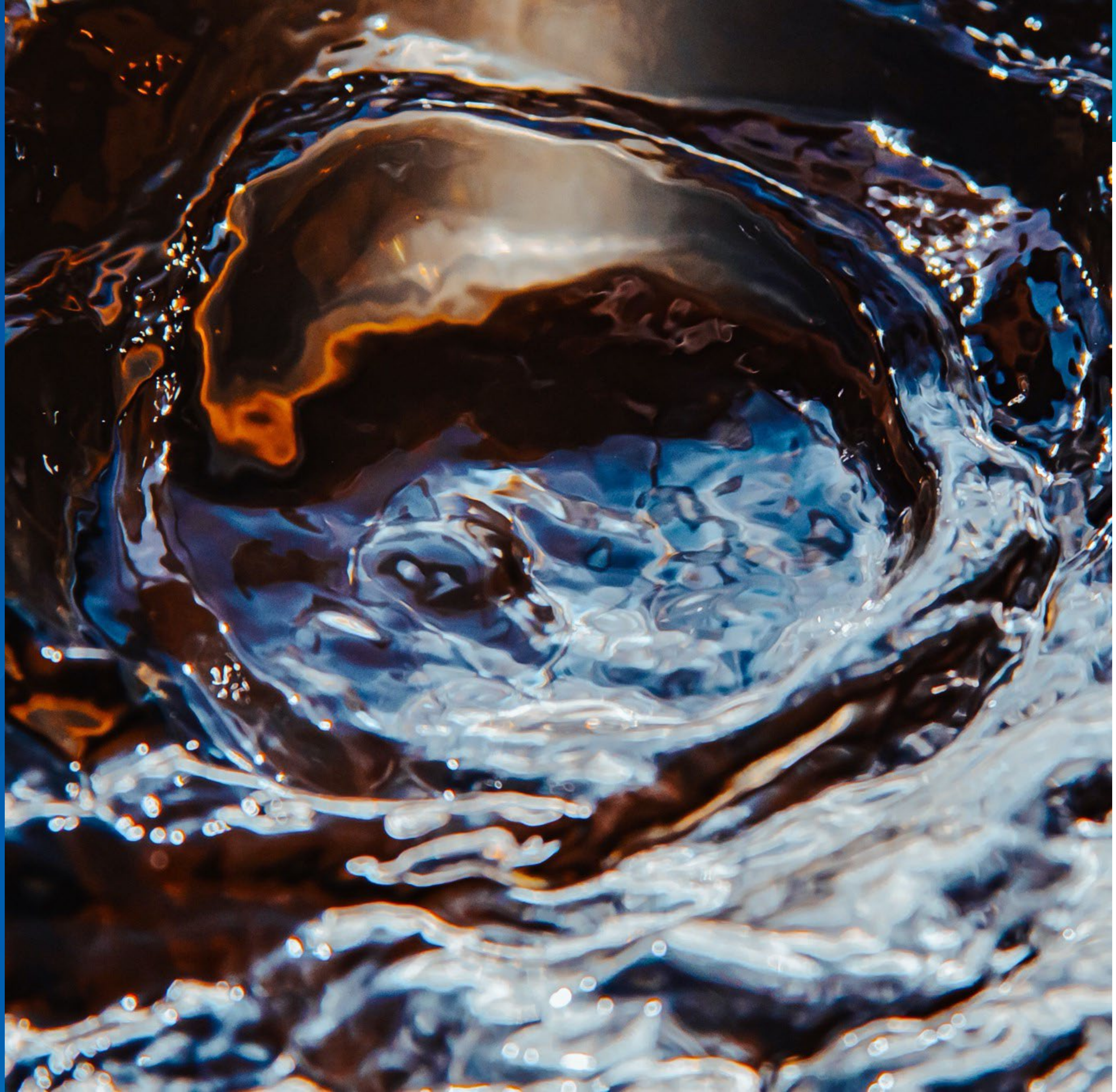


- Uses includes expenses & transfers out
- Sources includes revenues & transfers in

Regional Admin Sources/Interdivisional Allocation
($ in millions)

	2026 Adopted Budget	2027 Preliminary Budget	Share	Change	
CD & HRA	$5.5	$7.5	4.6%	$2.0	36.4%
Environmental Services	$32.5	$36.8	22.6%	$4.3	13.2%
MTS	$9.2	$11.9	7.3%	$2.7	29.3%
Metro Transit	$91.9	$105.0	64.5%	$13.1	14.3%
Other	$1.1	$1.6	1.0%	$0.5	45.5%
Total	$140.2	$162.8	100%	$22.6	16.1%

Environmental Services



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Clean Water for Future Generations

Partner

Convene, engage, collaborate, and build solutions with our customers, stakeholders, and partners.

- **Water Efficiency Grant Program**: Support local water suppliers with a funding program to reduce water use and preserve water sources.
- **White Bear Lake Area Comprehensive Plan:** Convene an advisory workgroup and implement a comprehensive plan of long-term solutions for sustainable water in the north and east Metro Area.
- **Tribal Nations:** Strengthen relationships and lead work from an Indigenous perspective.
- **Community liaison pilot program:** Underrepresented communities increase knowledge and capacity to engage and inform our decisions.

Clean Water for Future Generations

Plan

Assess conditions and identify long-term approaches and infrastructure investments.

- **Preserve:** Nine water resource recovery facilities, 60 lift stations, 600+ miles of interceptor pipe, 232 meters
- **Expand:** Future Crow River facility to meet northwest area needs.
- **Improve:** Meet more-stringent regulations to reduce sulfides passing through facilities.
- **Climate resiliency:** System planning for floods and droughts.
- **Sustainable landscapes:** 6 sites to need less water, reduce runoff, and support biodiversity.

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Clean Water for Future Generations

Provide

Deliver critical services, tools, and resources.

- **Clean 250 million gallons of wastewater every day:** From more than 2 million residents in 111 communities.
- **Climate resiliency:** Private property inflow and infiltration grants to prevent clear water entering wastewater system.
- **Minnesota State Fair exhibit:** Engage community members to build support for clean water and interest in water careers.
- **PFAS reduction:** Provide industrial users technical assistance to reduce PFAS entering wastewater.
- **Sustainable water workforce:** Diversity and inclusion approaches for an innovative, resilient workforce.

Operating Budget Highlights

- Municipal Wastewater Charge: +3.5%
  - 2027 = $325.6M ($11.0M higher than 2026)
  - $4.37 annual increase per REC (residential equivalent connection)
- Sewer Availability Charge: No Change
  - $2,485 per SAC (flat since 2014)
  - Total FY27 transfer for debt service = $44.1M
- Industrial Waste Strength Charge: +5.9%
- Industrial Waste Permit Fees: +20.3%

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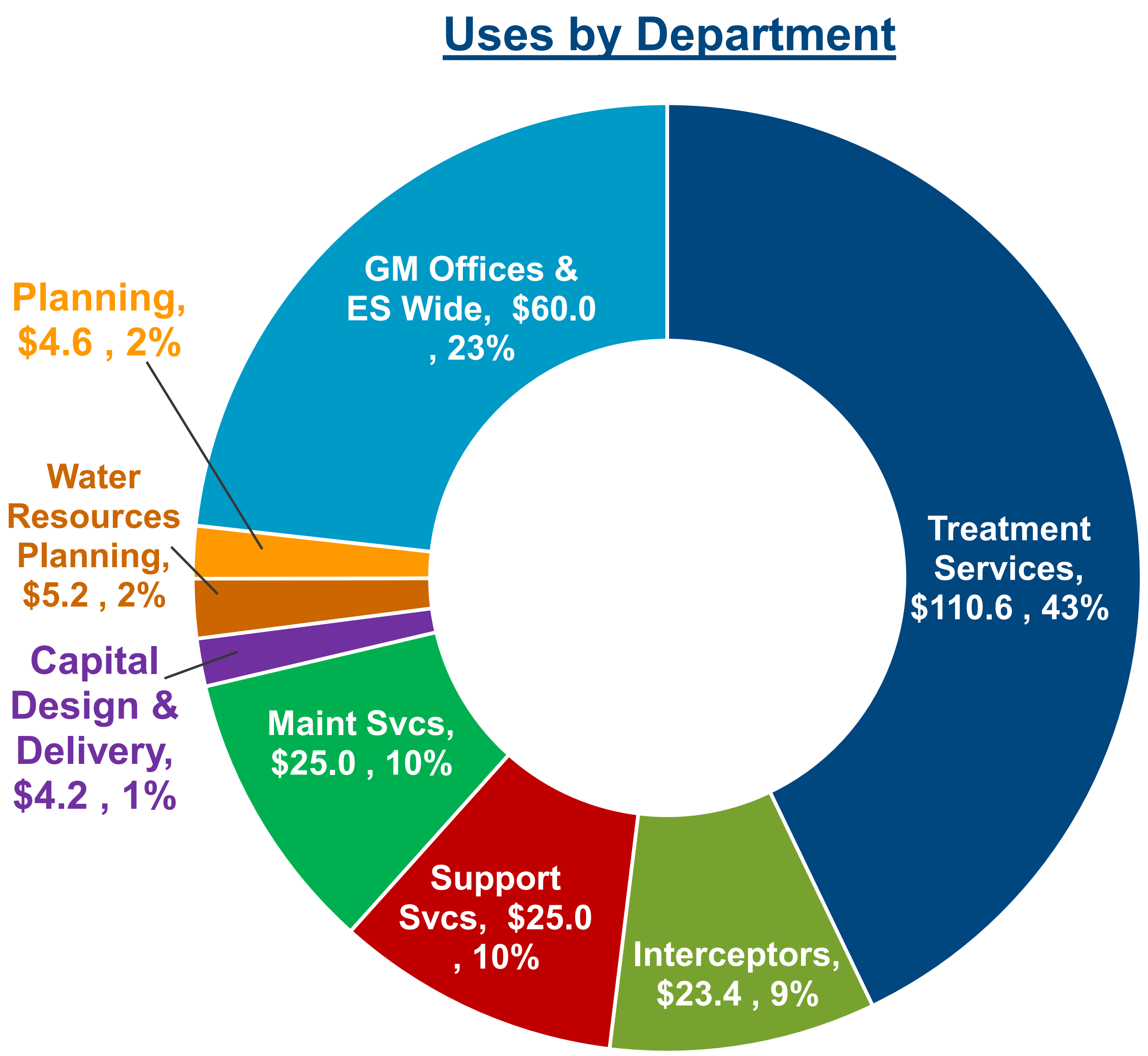
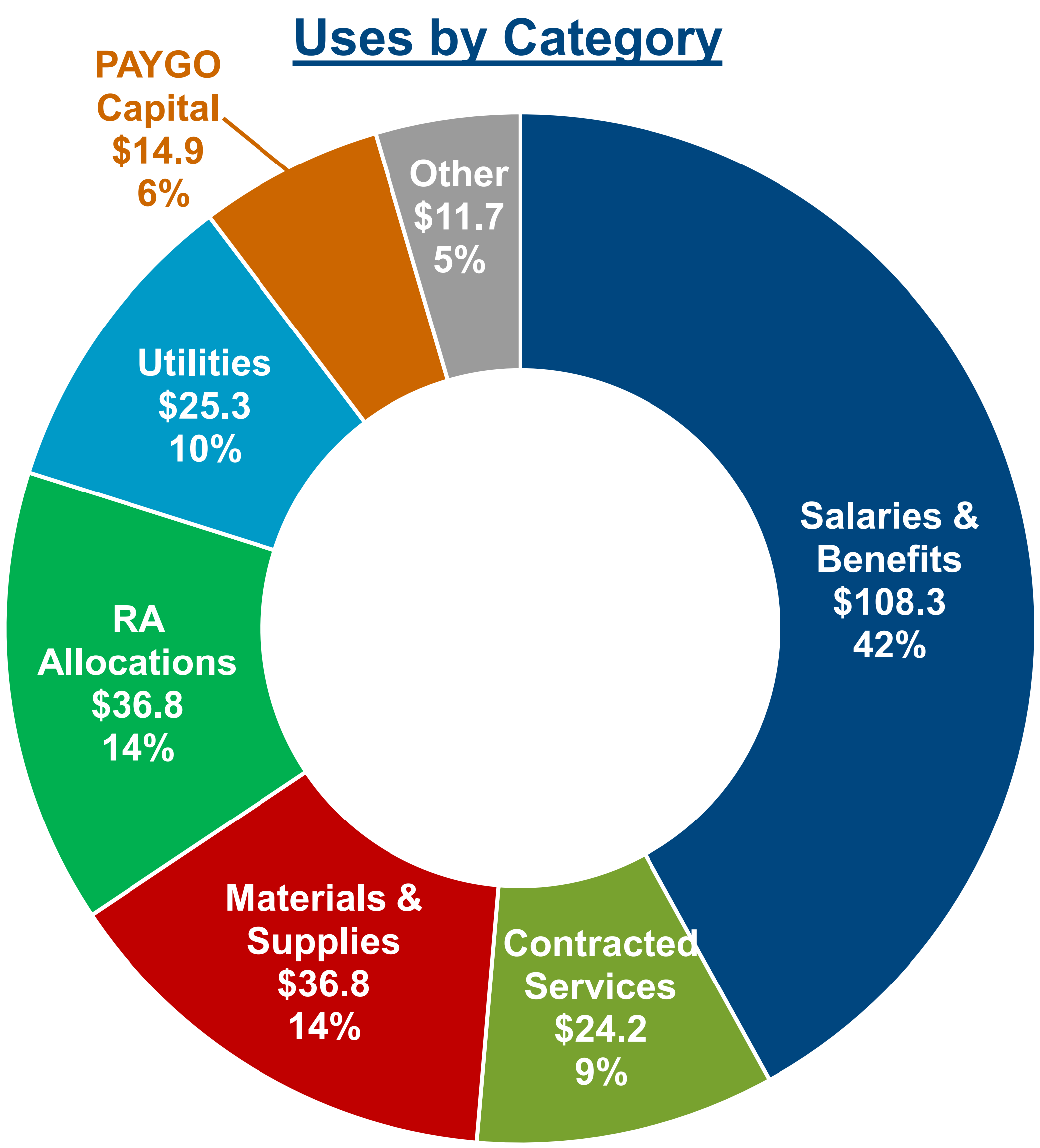
Environmental Services Operations: $258.0M





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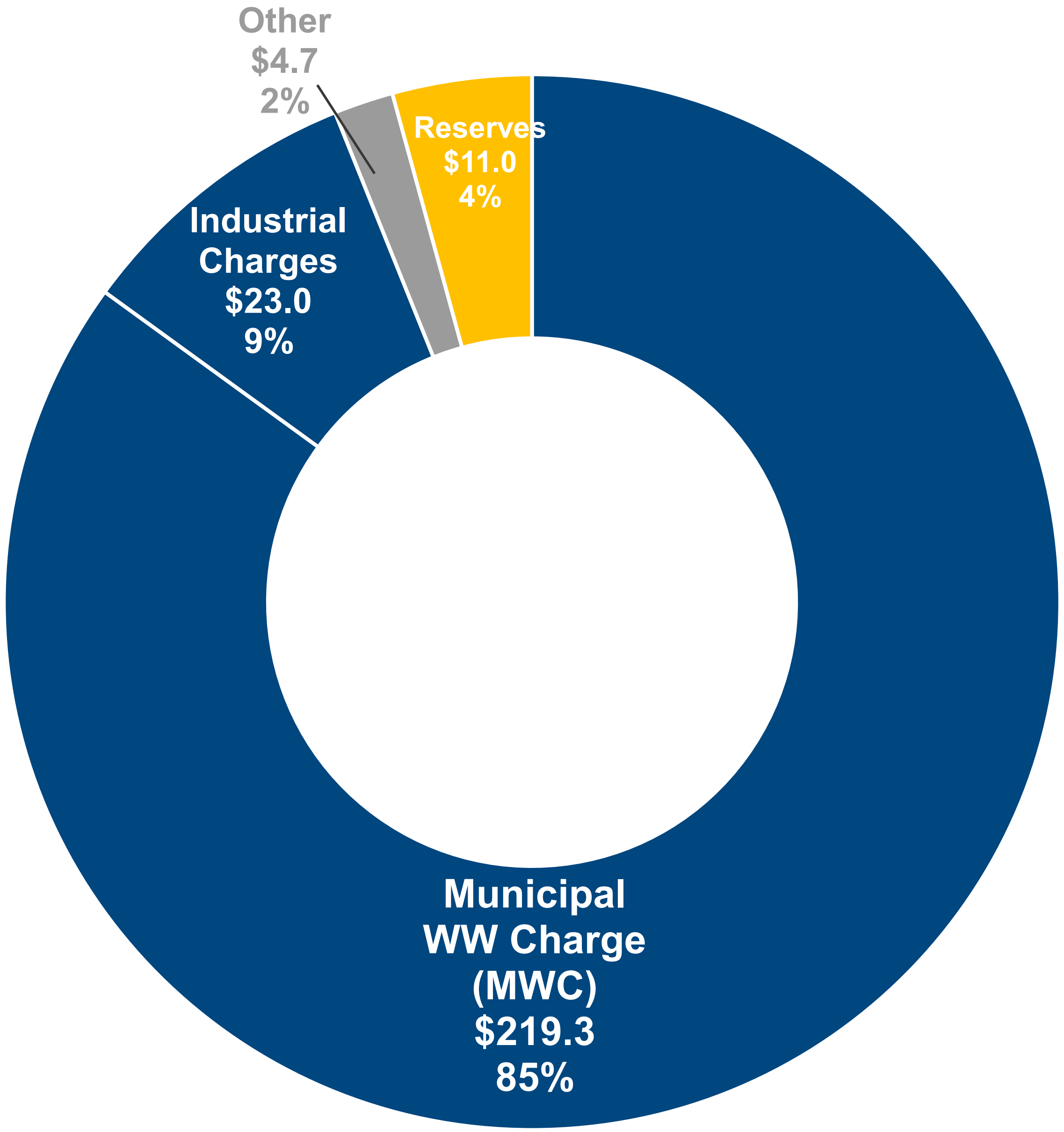
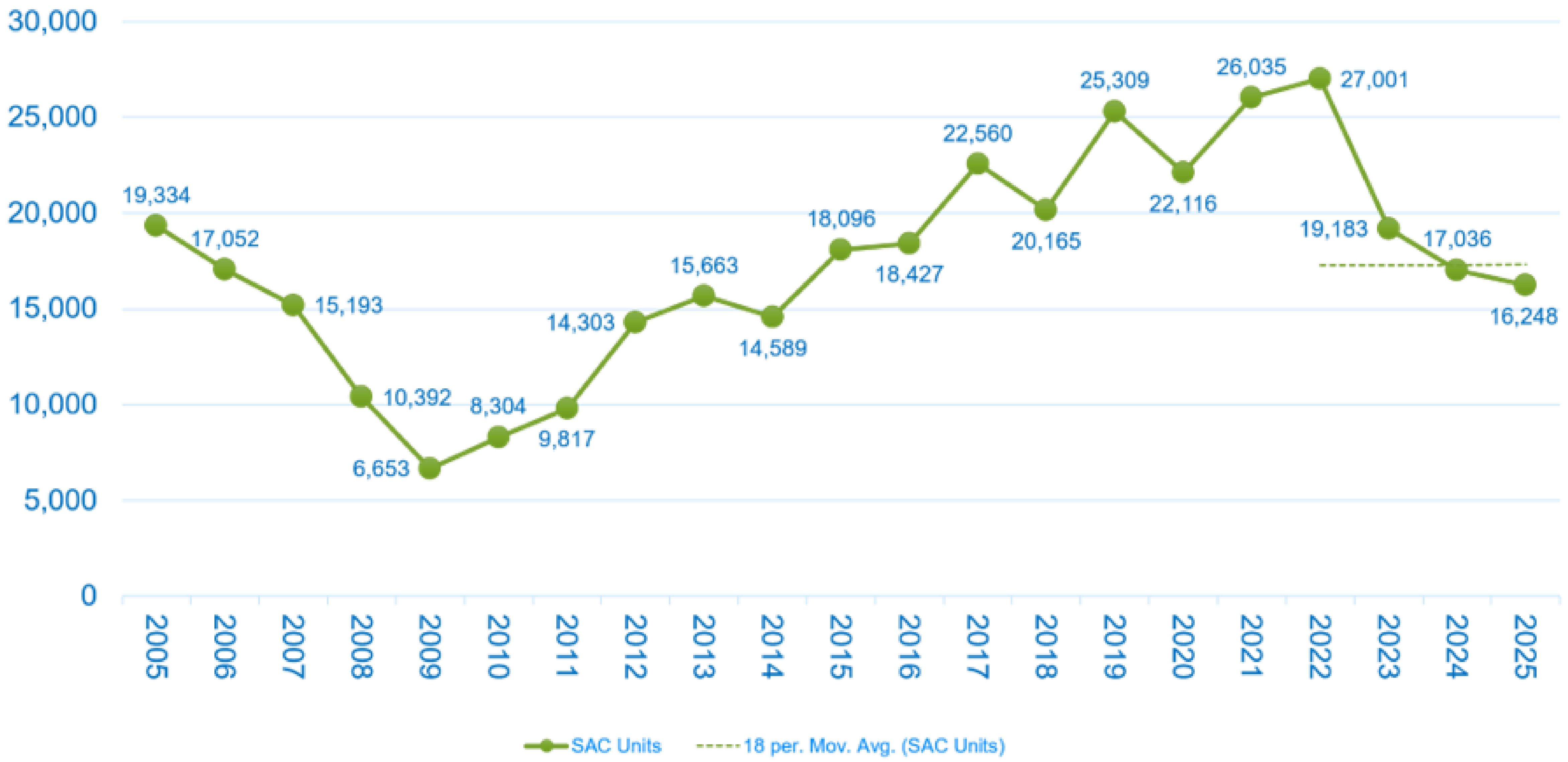
Environmental Services Sources: $258.0M

Wastewater Fees
$242.3
94% of ES revenue



Sewer Access Charges (SAC): Units



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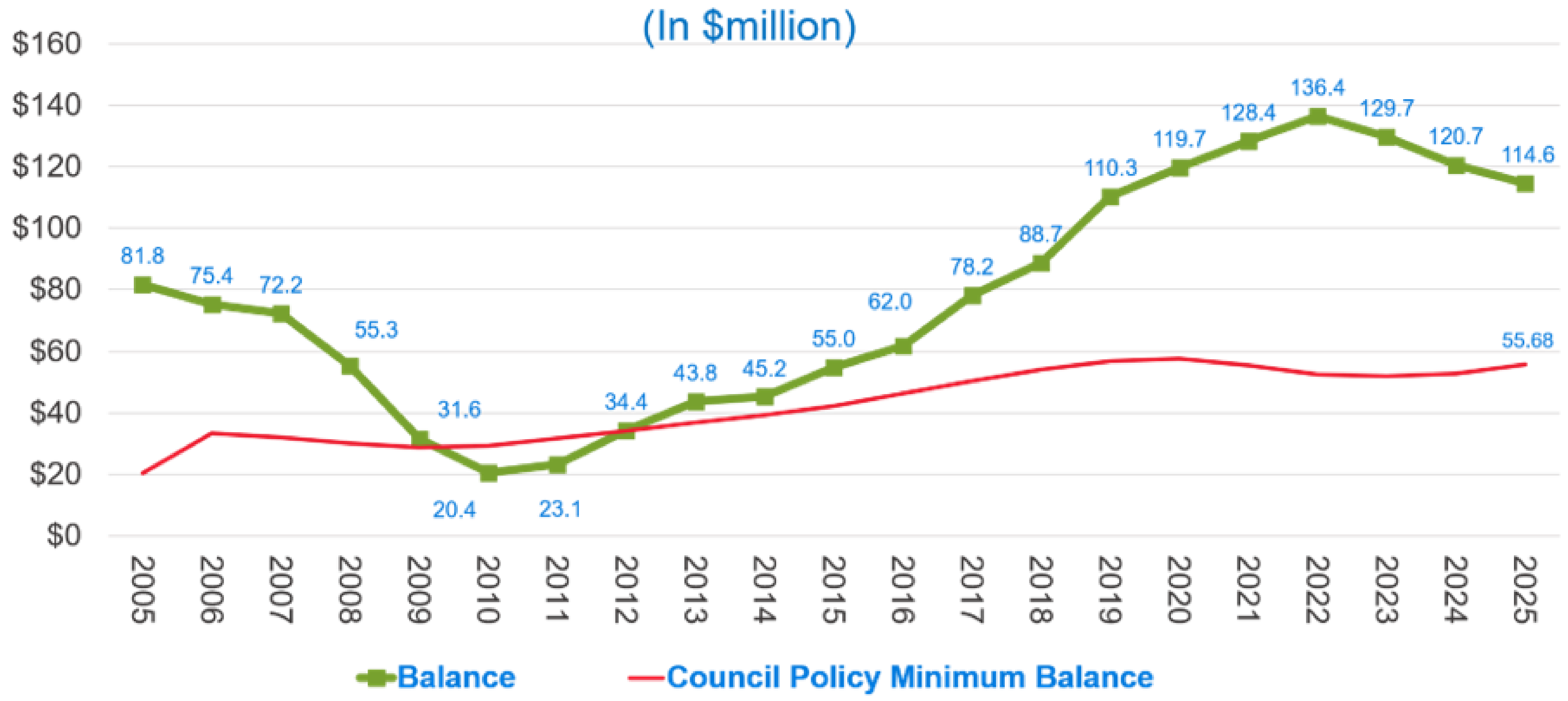
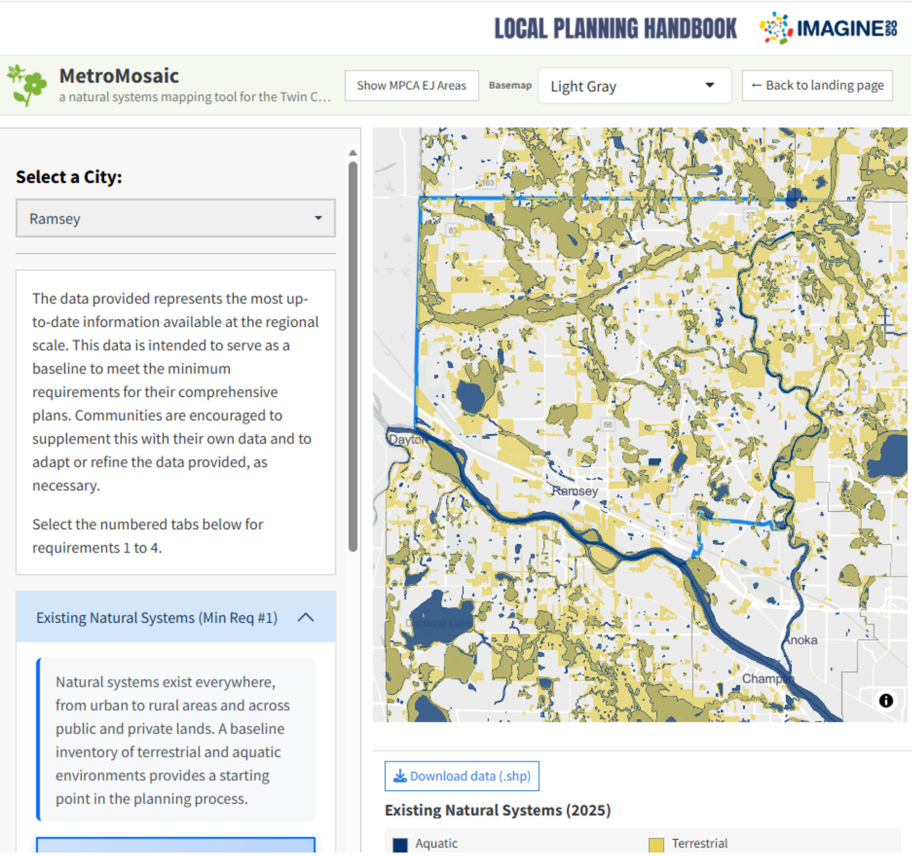
SAC Reserve Helps Manage Future Rates



Community Development

Division Highlights



MINNESOTA HOUSING

Bring It Home Rental Assistance

LOCAL PLANNING HANDBOOK

2050 PlanIt

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Lead on climate | Protect natural systems

Supporting the Region

- 2050 technical assistance and resources for local governments:
  - GHG Emissions Reduction Tool
  - Climate Action Toolkit*
  - Climate Vulnerability Assessment Tool
  - Natural systems mapping tool
- Community Tree Planting Grants
- Parks Implementing Agency work group support

Internal Efforts

Leveraging federal funds

- Climate Action Work Plan implementation
- Dataset development:
  - Tree canopy cover
  - Impervious surfaces
- 2026 Regional Parks & Trails Visitor study
- Water monitoring with ES

Dynamic & resilient | Healthy & safe

Supporting the region

- 2050 technical assistance and resources for local governments:
  - Local Housing Data Tool
  - Housing Policy Toolkit
- Bring it Home program
- Impacts of Operation Metro Surge research
- National Standards for the Physical Inspection of Real Estate (NSPIRE) implementation

Internal efforts

- New grant management software implementation
- Housing Forward Cities
- Art + Policy
- Parks Youth/Adult study

Equitable and inclusive

Supporting the region

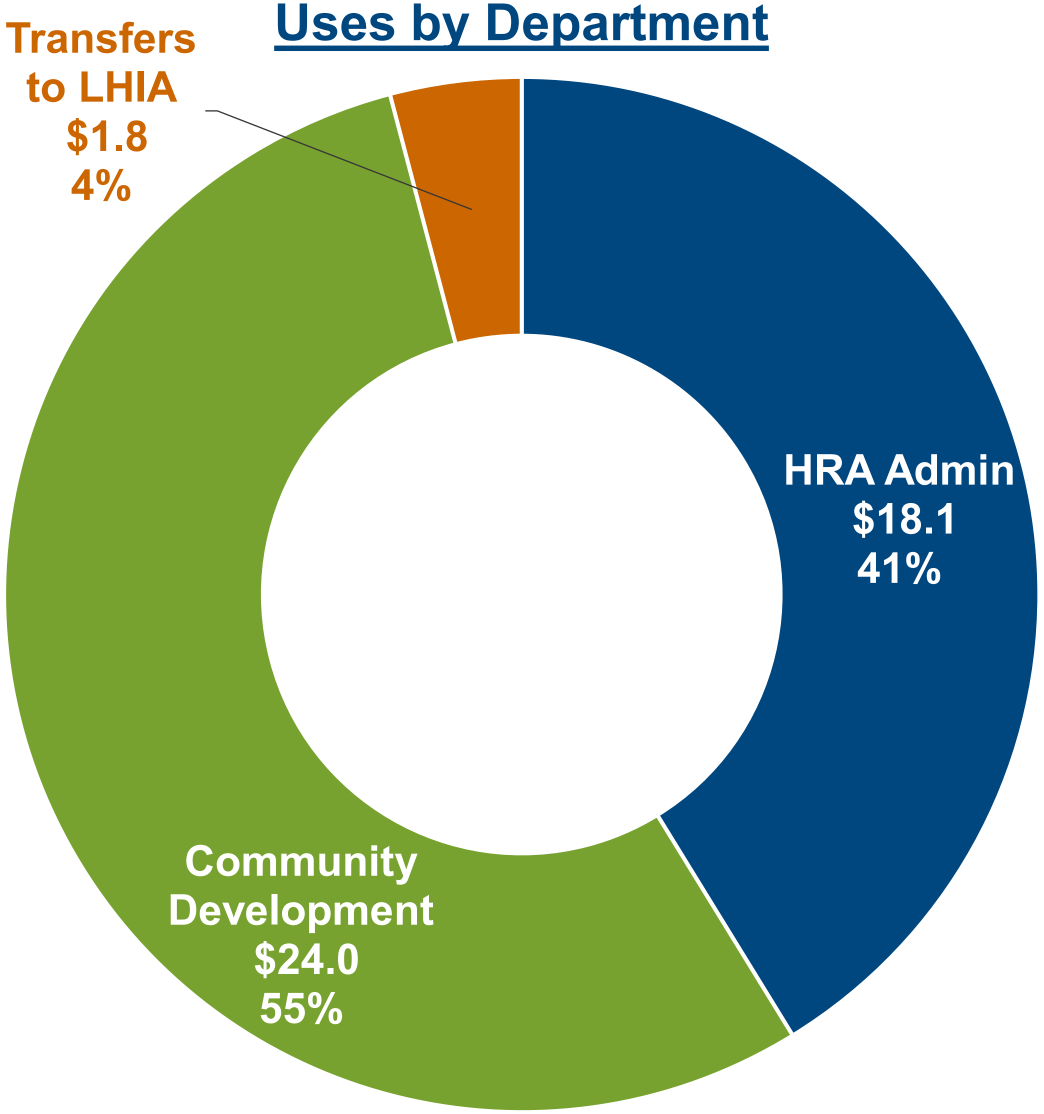
- American Indian Regional Park and Trail Place Names Toolkit
- Planning Assistance Grants for local governments: regional goal incentive
- Housing Opportunities Through Modernization Act (HOTMA) implementation

Internal efforts

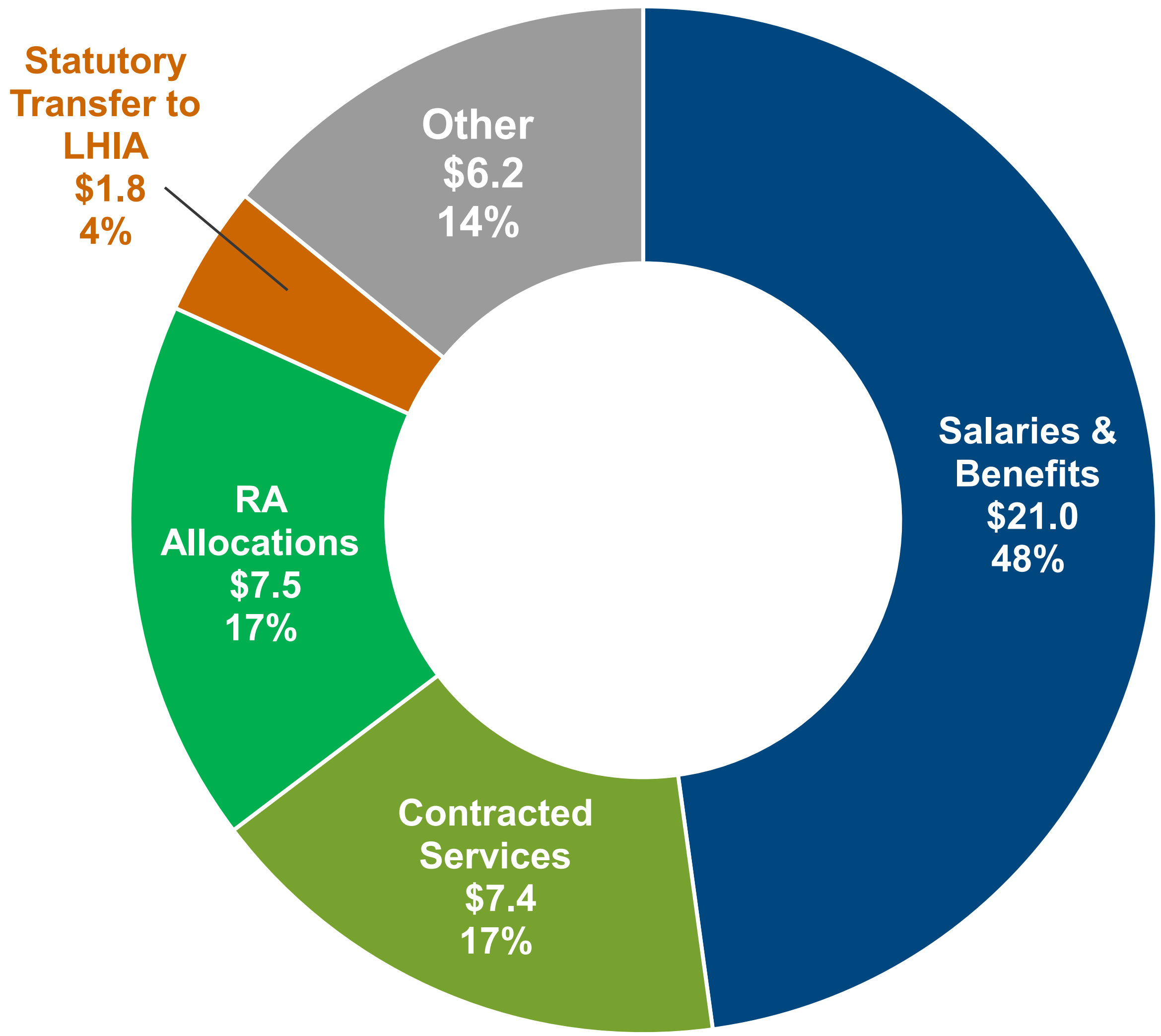
- Environmental Justice (Equity) Framework pilot
- Update the division’s Racial Equity Action Plan

Community Development Operations: $43.9M

Uses by Department



Uses by Category



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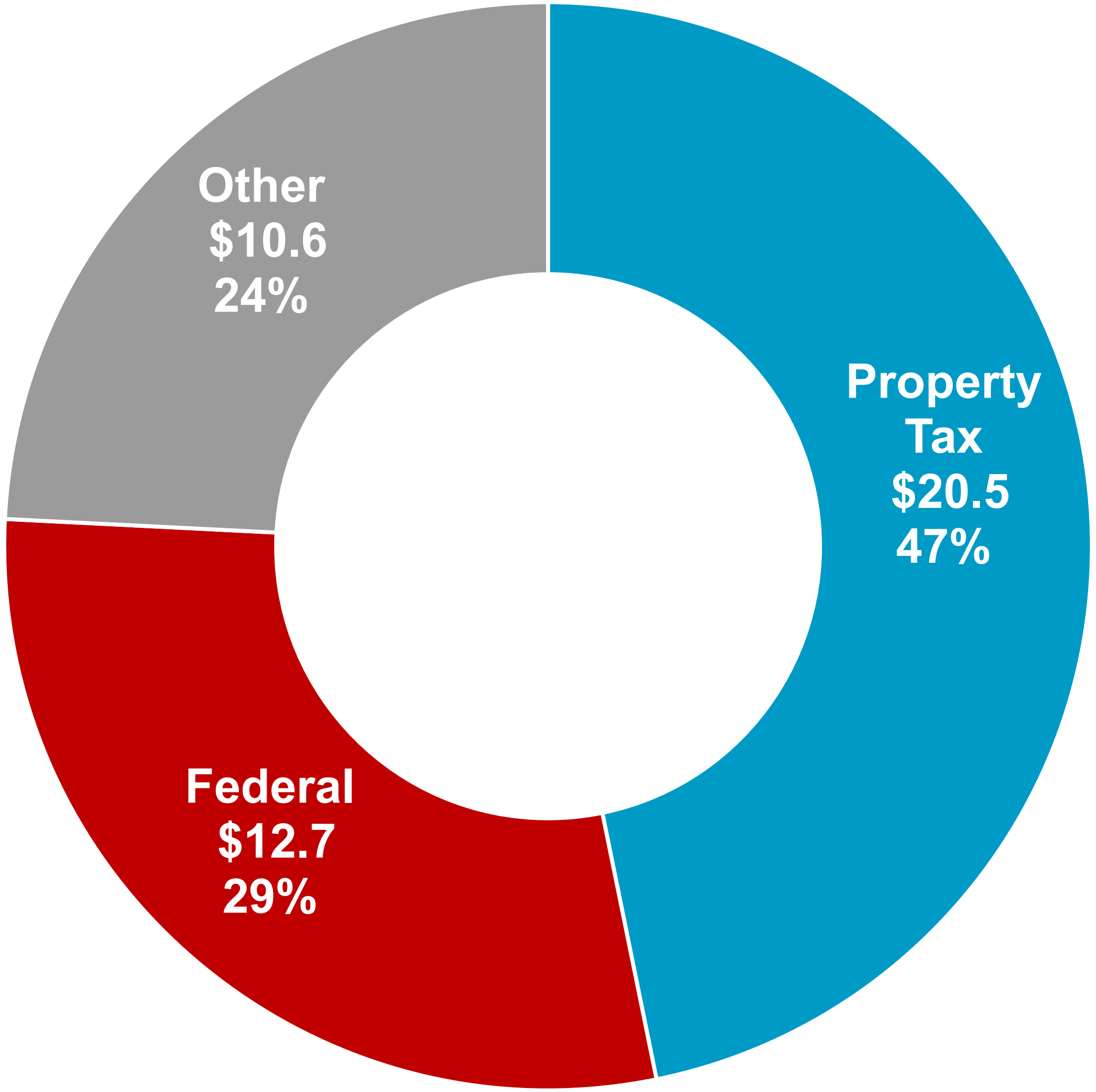
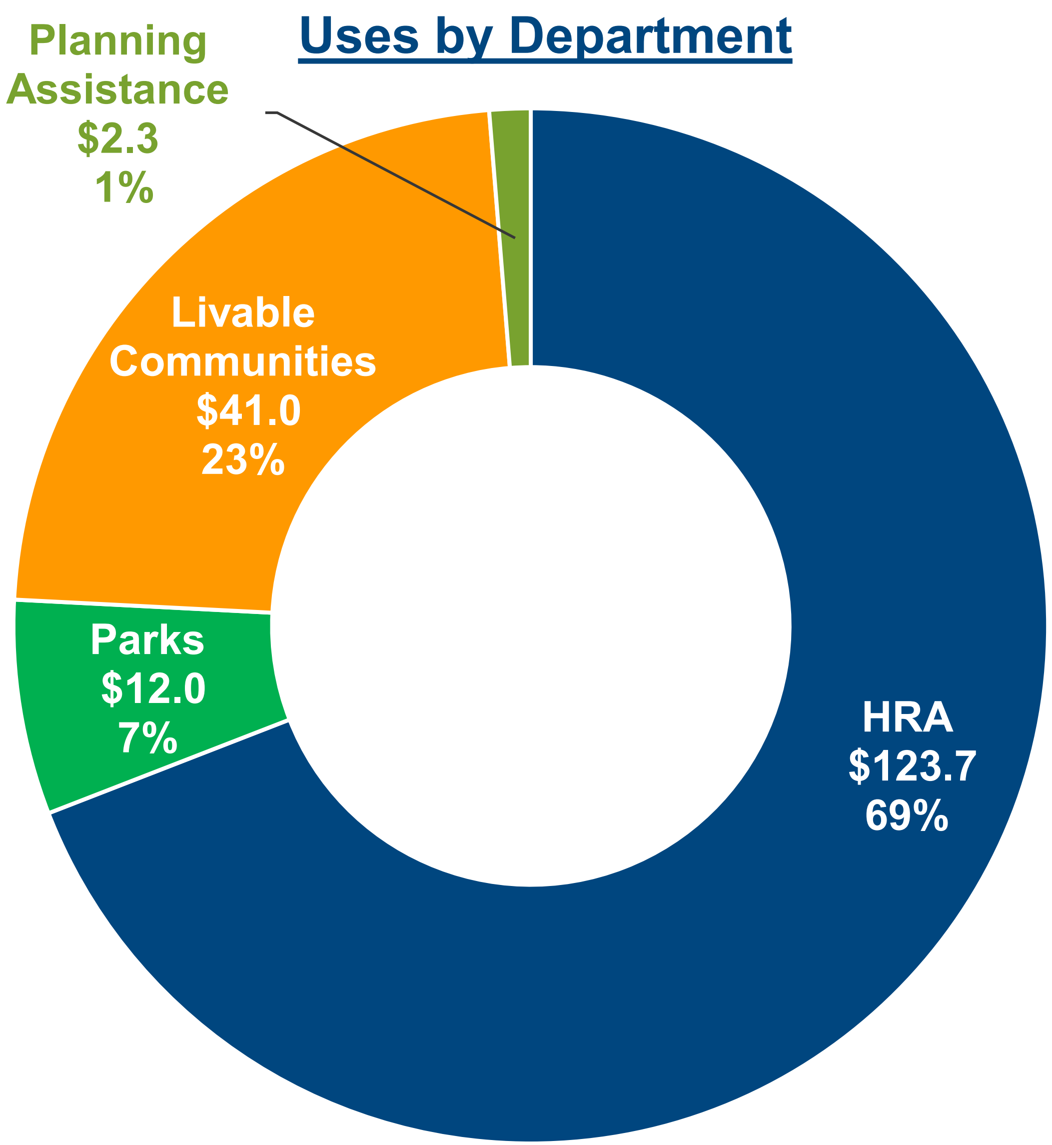
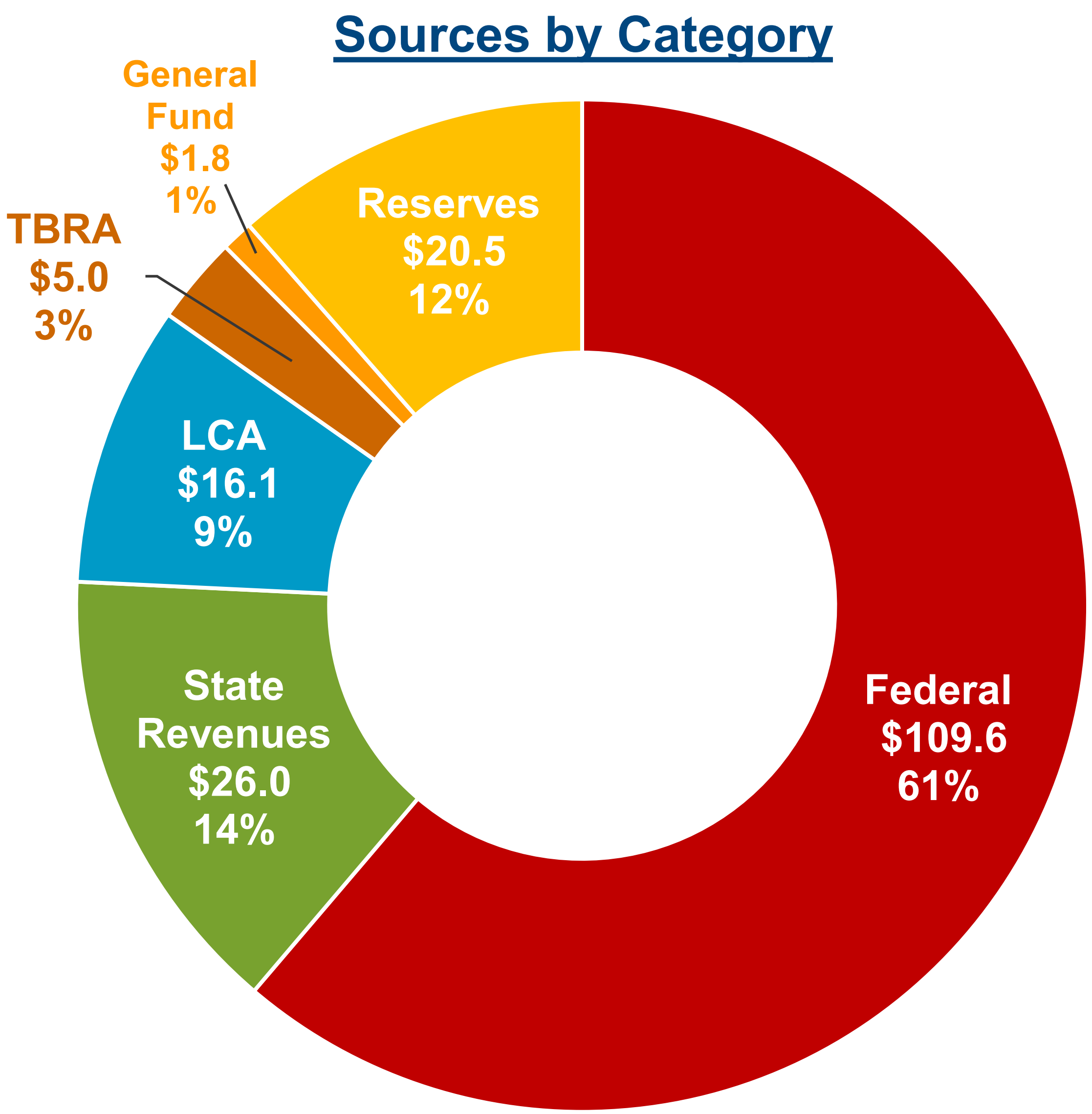
Community Development Sources: $43.9M



Community Development Passthrough: $179M





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Transportation

Transportation Division Highlights

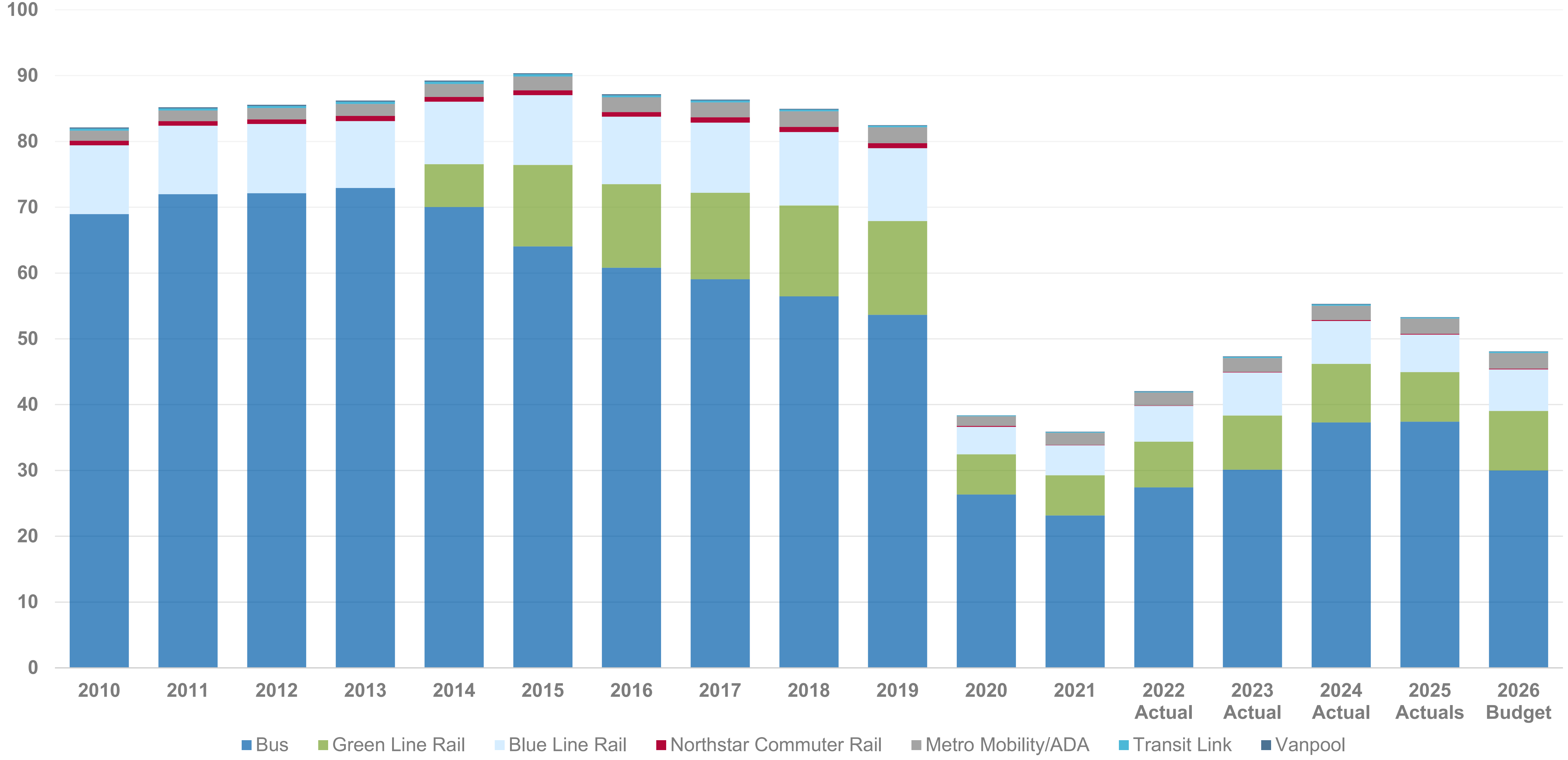
METRO TRANSIT

- Public safety
- Network Now (service expansion)
- Cleaning & maintenance
- Green Line Extension

MTS

- STS state forecast program
- Network Now/micro transit
- Ongoing regional transportation planning program projects

Council Ridership (in millions)



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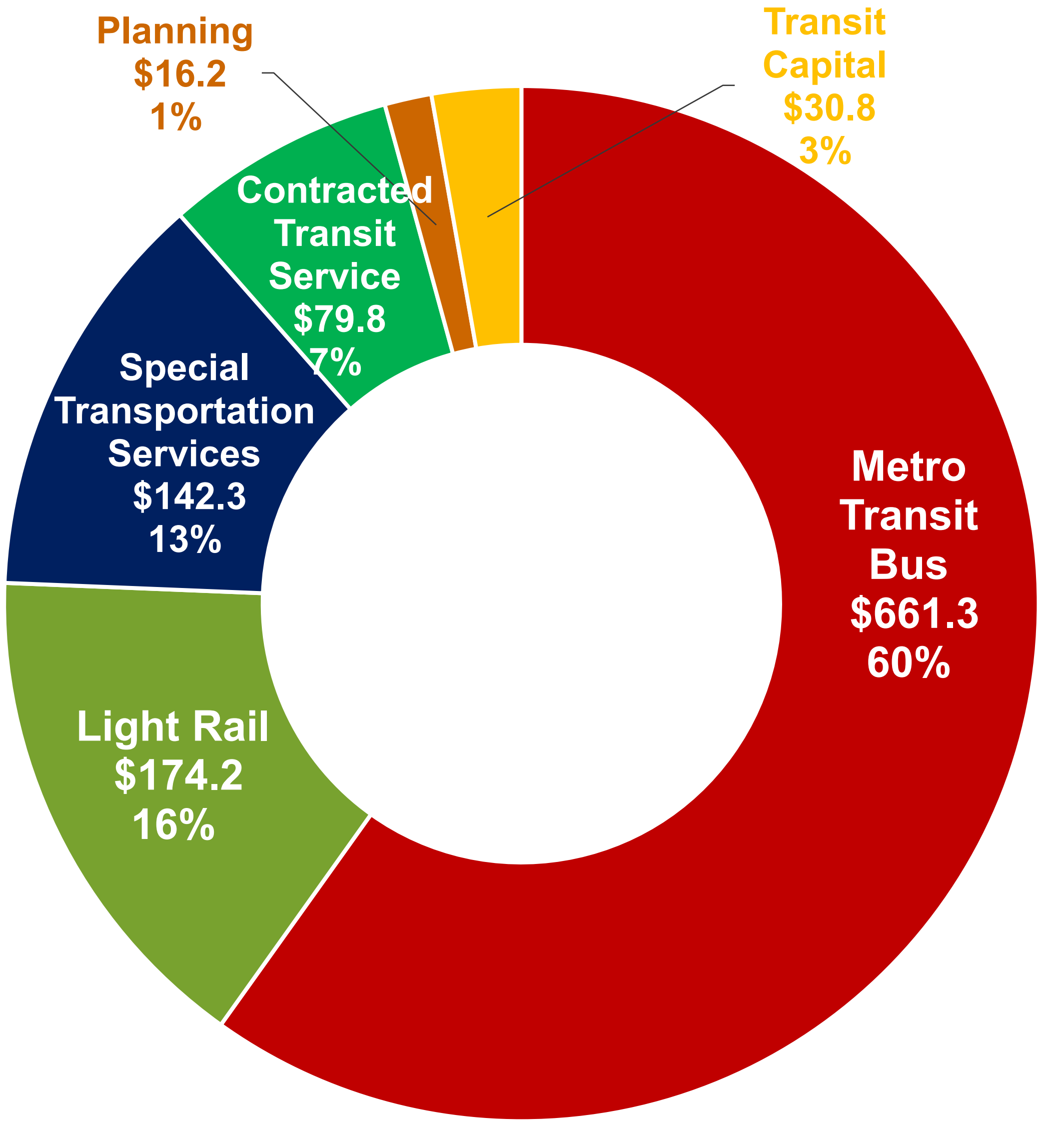
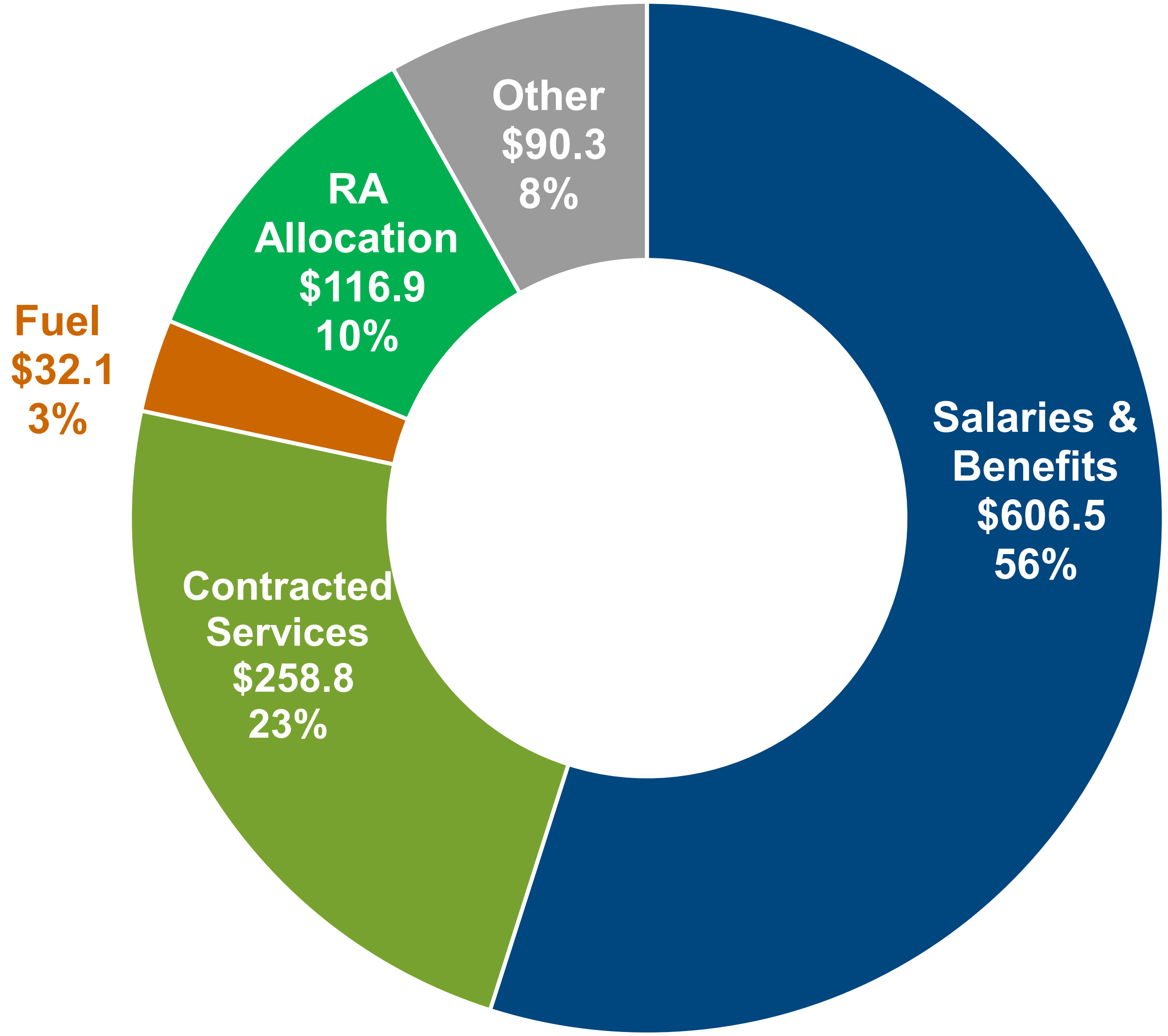
Transportation Operations: $1,104.6M

Uses by Department

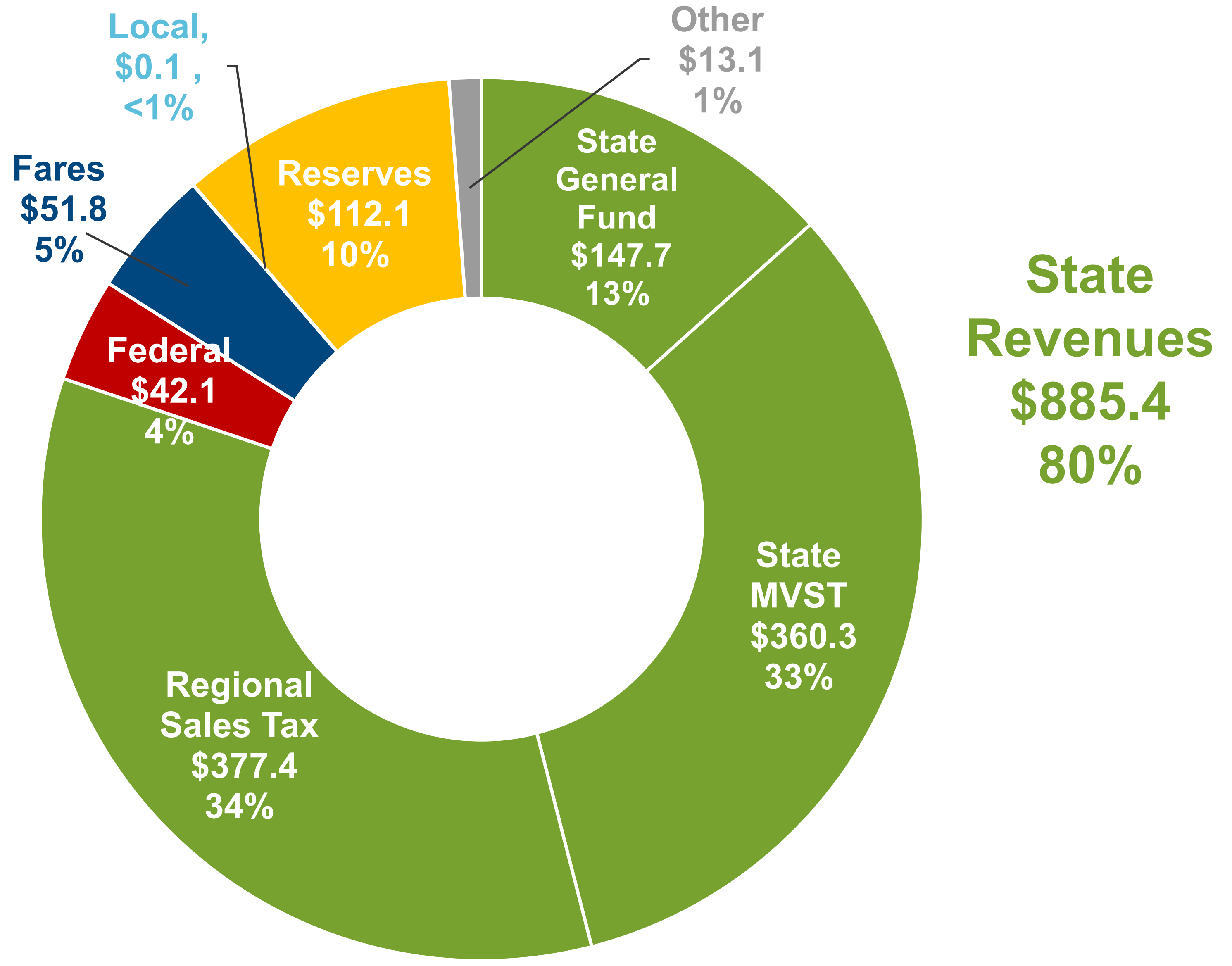


Uses by Category



Transportation Operations Sources: $1,104.6M

Dollars in Millions



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Metro Transit 2027 Proposed Budget by Division

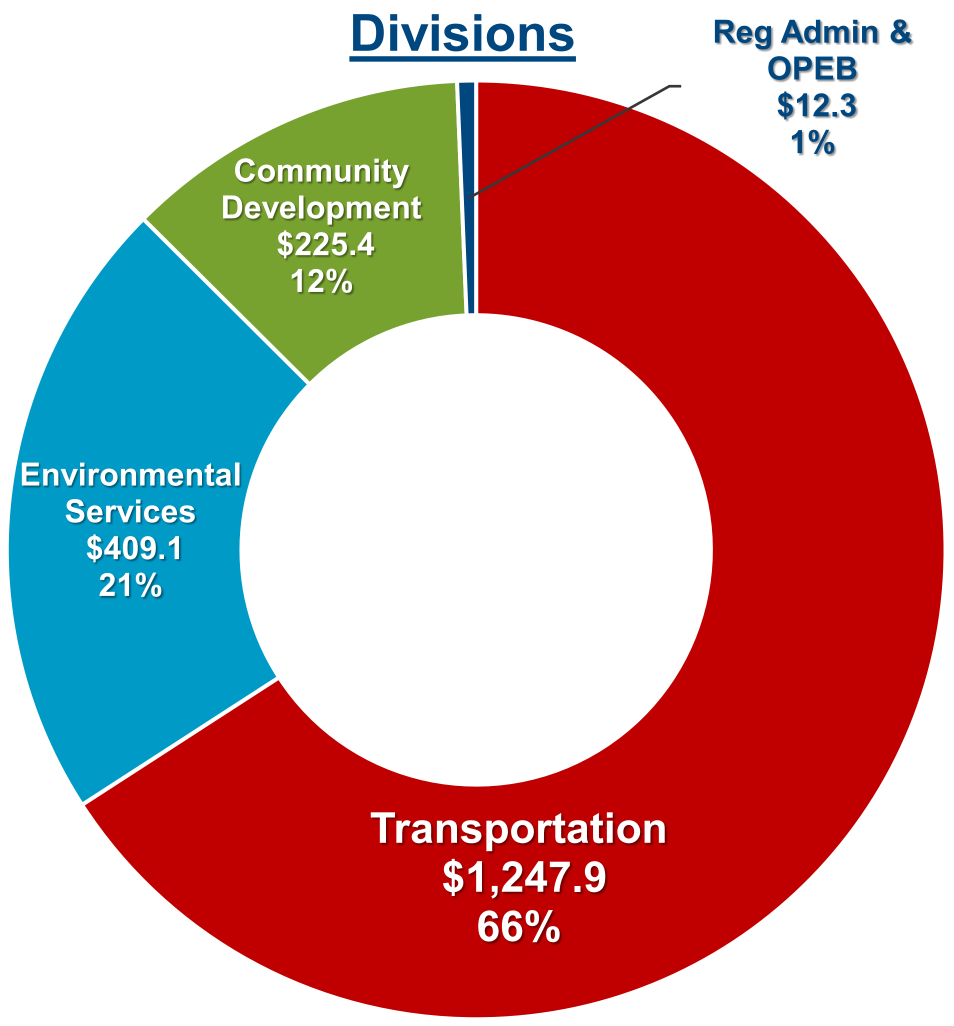
Division	Total Budget	Salaries & Benefits	FTEs
Operations	$673,135,327	$464,613,690	3,466.5
Chief of Staff	$3,635,668	$2,630,262	14.9
Police	$48,577,307	$38,746,092	213.0
Administration & External Affairs	$62,268,096	$40,360,643	267.9
MT Wide	$20,300,009	$3,521,231	16.5
Planning & Capital Programs	$53,715,614	$39,509,243	227.3
Safety	$4,685,650	$3,638,103	21.4
Total	$866,317,671	$593,019,265	4,227.5

Special Transportation Services

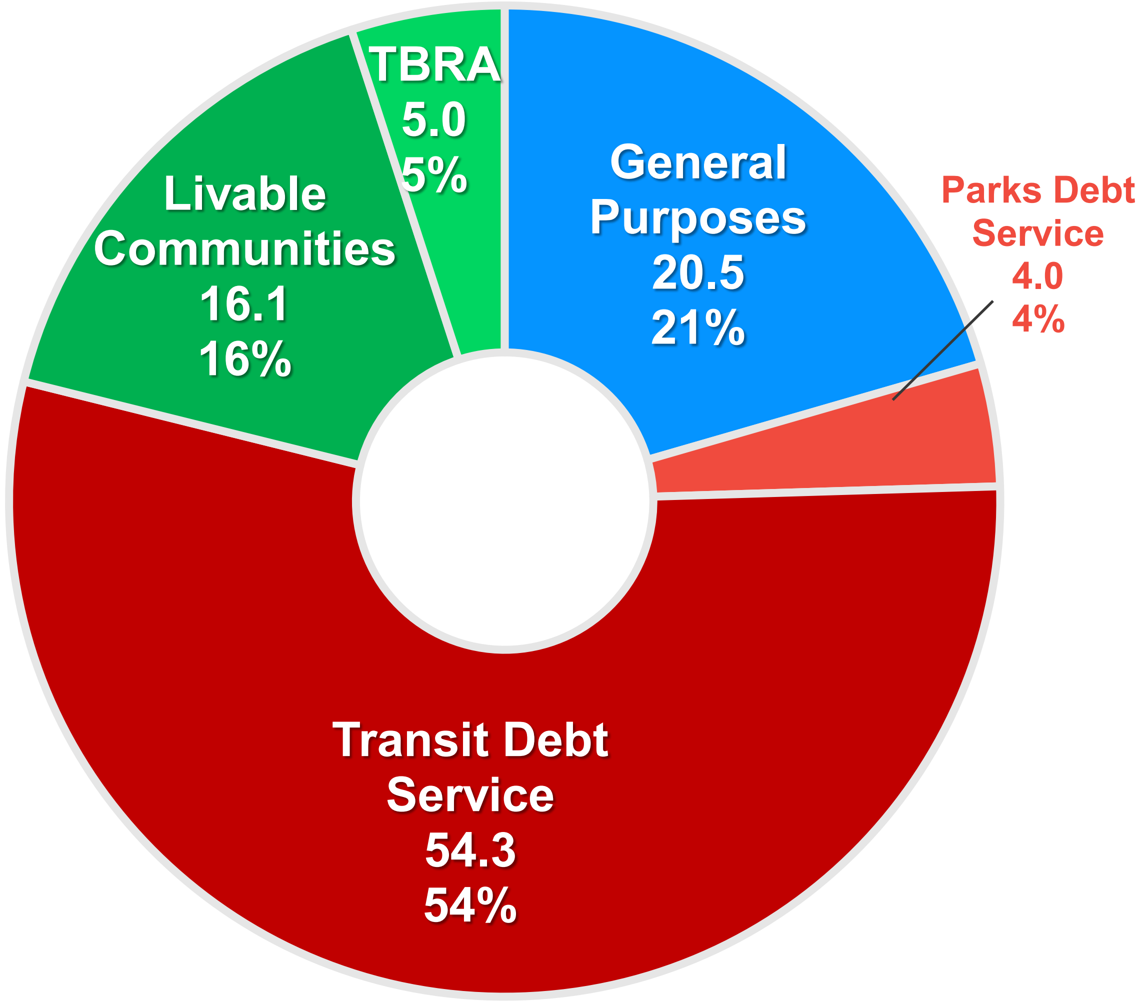
- Metro Mobility and Metro Move
- Programming federal capital funds for fleet replacement
- Ridership projected to be at 91% of pre-covid levels in 2027
- Gasoline at $3.87/gallon
- Transitioned to state forecasted program July 1, 2025; reporting began in Fall 2025
- Twice annual collaboration with MMB to update and revise forecast amounts

2027 Unified Operating Budget and Levies

Budget - $1.89 Billion



Levy - $99.9 Million



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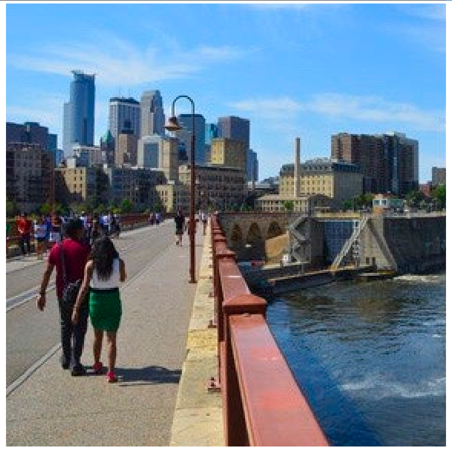
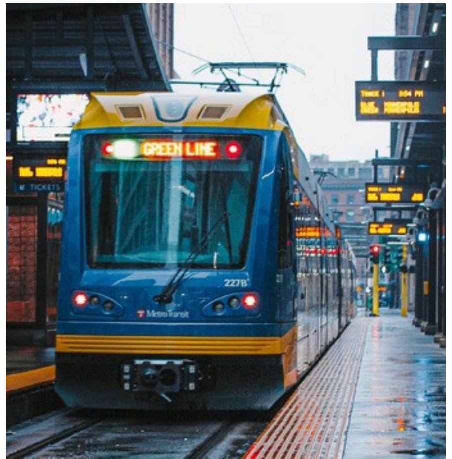
Kristin Prescott, Metro Transit Finance Director 612-373-3812

Charles Carlson, MTS Executive Director 651-602-1761





Thank You!

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