

2025 General Purposes Levy Strategy and Preliminary Regional Administration Budget Allocations

Management Committee



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Contents

Contents	1
Council Budget Development & Timeline	2
Budget Authority	3
Levy Strategy	4
2025 Preliminary Levy	5-8
Regional Administration Budget	9-14
Questions	15

Council Budget Development



Unified Budget

Operating Budget

- Operations
- Pass-through
- Debt Service
- OPEB

May-July

Aug 28 (before Sept 1)

Oct 9

Oct 23

Dec 11 (before Dec 20)

Staff-

Council -

Council -

Council -

Council -

Capital Program

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

Budget Development Activities

Adopt Preliminary Budget/Levies

Capital Program Presentation

Adopt Public Comment Draft Budget

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:

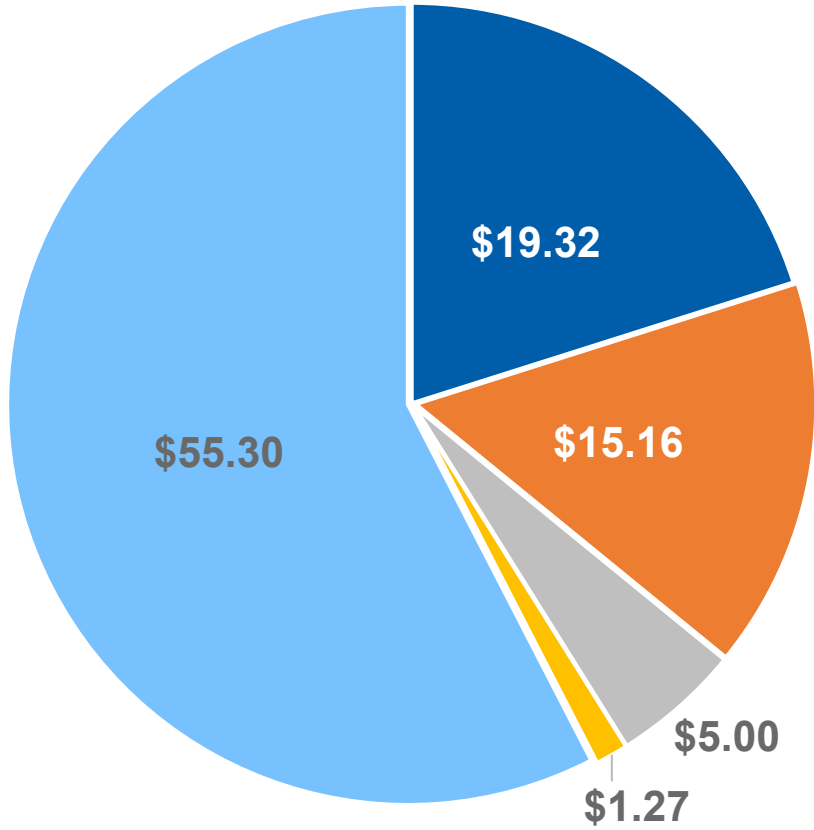
- Transit and Parks Debt Service Needs
- Statutory Fiscal Disparities Levy \$5M to Tax Base Revitalization Account

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)

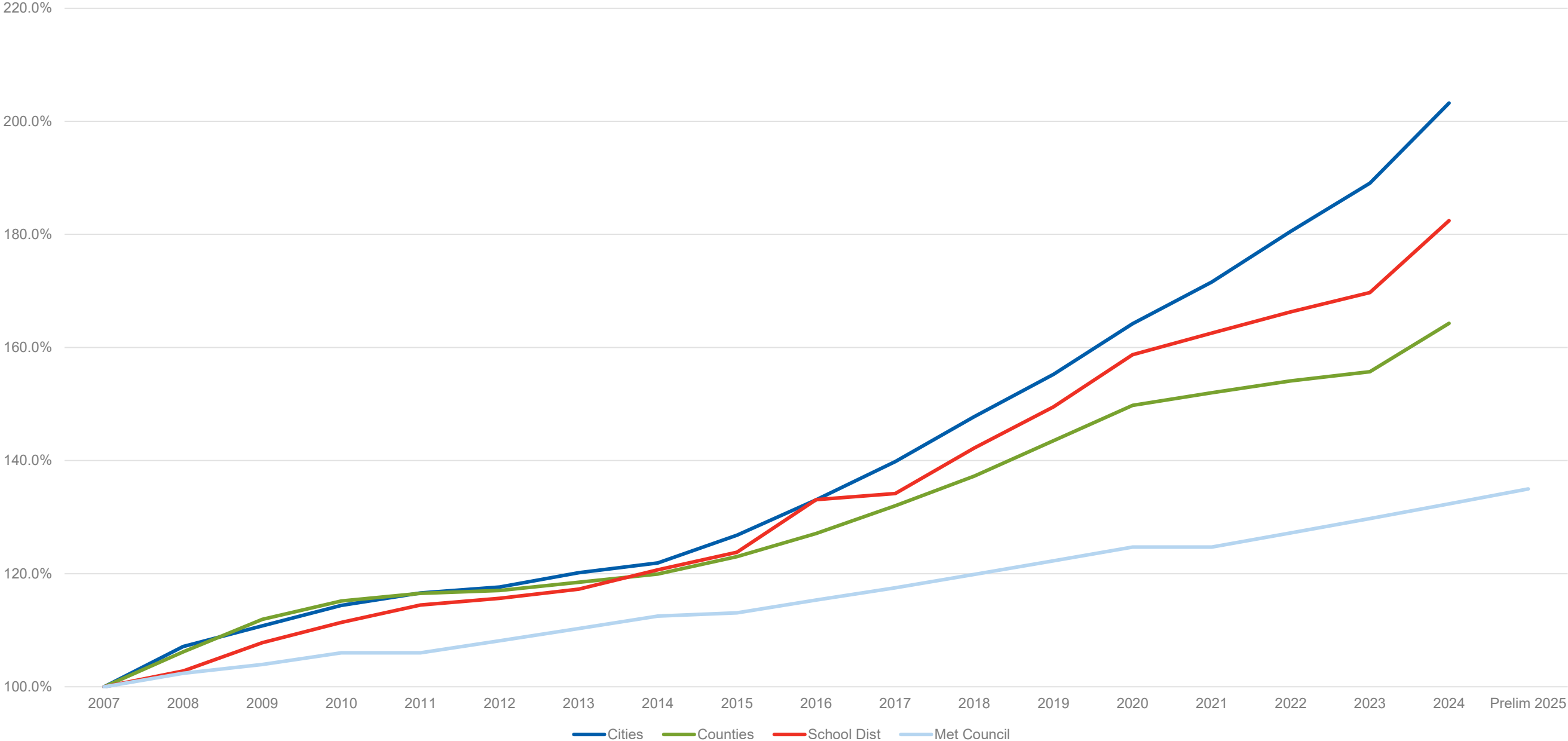
Proposed Levies – 2% Increase

	Certified 2024	Proposed 2025	Pct Chg	Limit
Non-Debt Service Levies				
General Purposes	\$ 18.98	\$ 19.32	1.8%	\$ 19.32
Highway Right of Way	\$ -	\$ -	0.0%	\$ 5.19
Livable Communities:				
- Demonstration Acct	\$ 14.90	\$ 15.16	1.7%	\$ 15.16
- Tax Base Revitalization	\$ 5.00	\$ 5.00	0.0%	\$ 5.00
Total Non-Debt Levies	\$ 38.88	\$ 39.48	1.5%	\$ 44.67
Levy as Pct of Limit		88.4%		
Debt Service Levies				
Parks	\$ 4.82	\$ 1.27	-73.6%	
Transit	\$ 50.48	\$ 55.30	9.6%	
Total Debt Levies	\$ 55.30	\$ 56.57	2.3%	
Total All Levies	\$ 94.18	\$ 96.05	2.0%	



- General Purposes
- Livable Communities
- Tax Base Revitalization
- Parks Debt Service
- Transit Debt Service

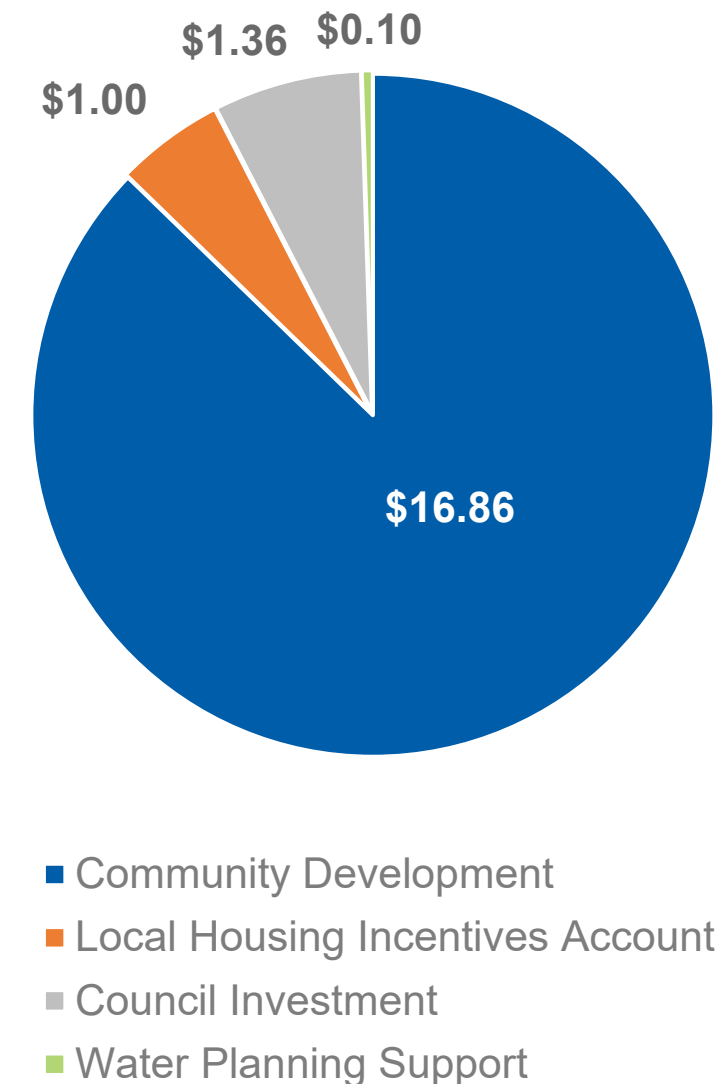
State-Wide Average Tax Rates



Source: MN Department of Revenue: Net Tax Capacities

General Purpose Levy \$19.32M

- Most Flexible Use Levy Funding
 - Carry out Council responsibilities as provided in law
- Primary Uses
 - Community Development Administration (\$16.86M)
 - Statutory Transfer to Local Housing Incentive Account (\$1.00M)
 - Water Planning Support (\$0.10M)
- Council Investment (\$1.36M)



Livable Communities Levies



Grants Programs

Tax Base Revitalization Account Levy

\$5.00M annually from regional fiscal disparities pool

Clean up polluted land in the metropolitan area

Livable Communities Demonstration Account Levy

\$15.16M proposed levy for 2025

Strategy: Maximize to levy limit

Limitation: Capped by implicit price deflator

Local Housing Incentive Account

Statutory transfers: General Purposes Levy (\$1.00M)

2025 Preliminary Regional Administration Budget and Allocation



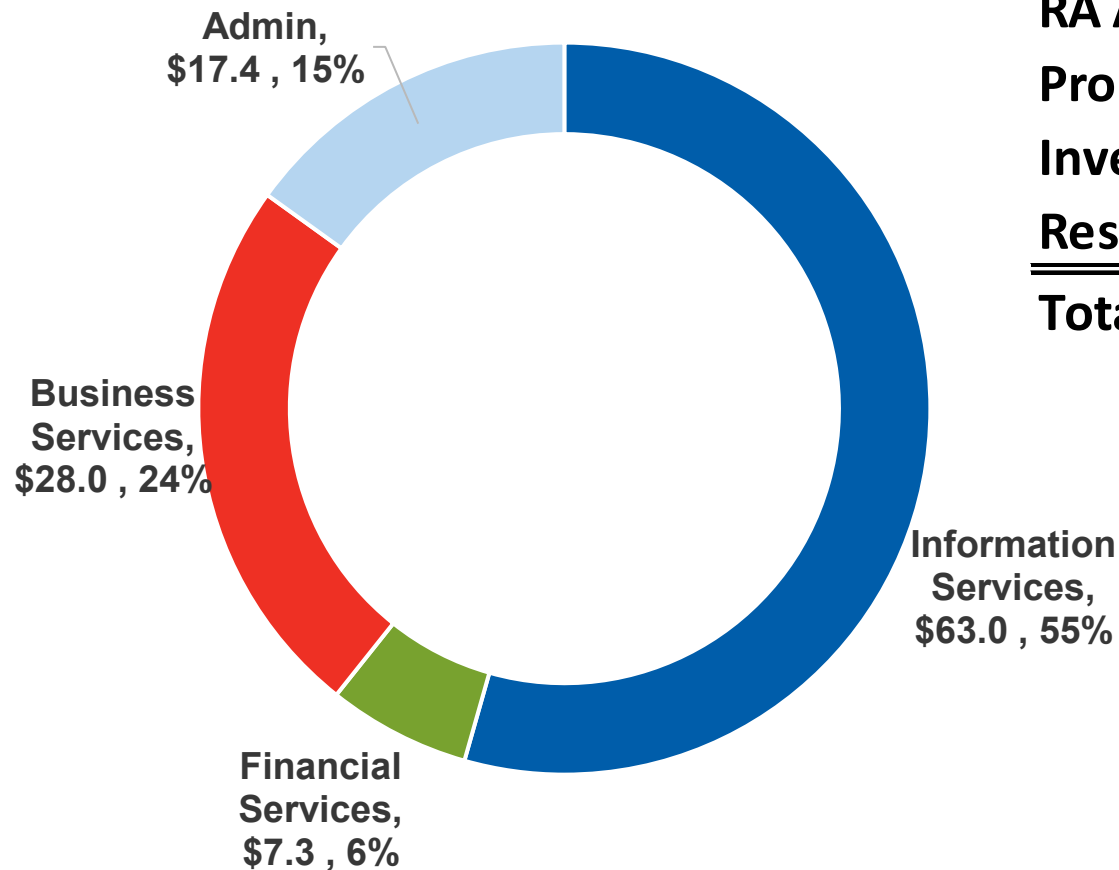
RA Budget Drivers and Challenges 2025



- Cyber security vulnerability
- Supporting transit growth in technology, recruiting and retention, real estate, and procurement
- Increasing human resources support
- Redesigning and revamping office space
- Moving from consulting to permanent employment

Regional Administration - \$115.7M

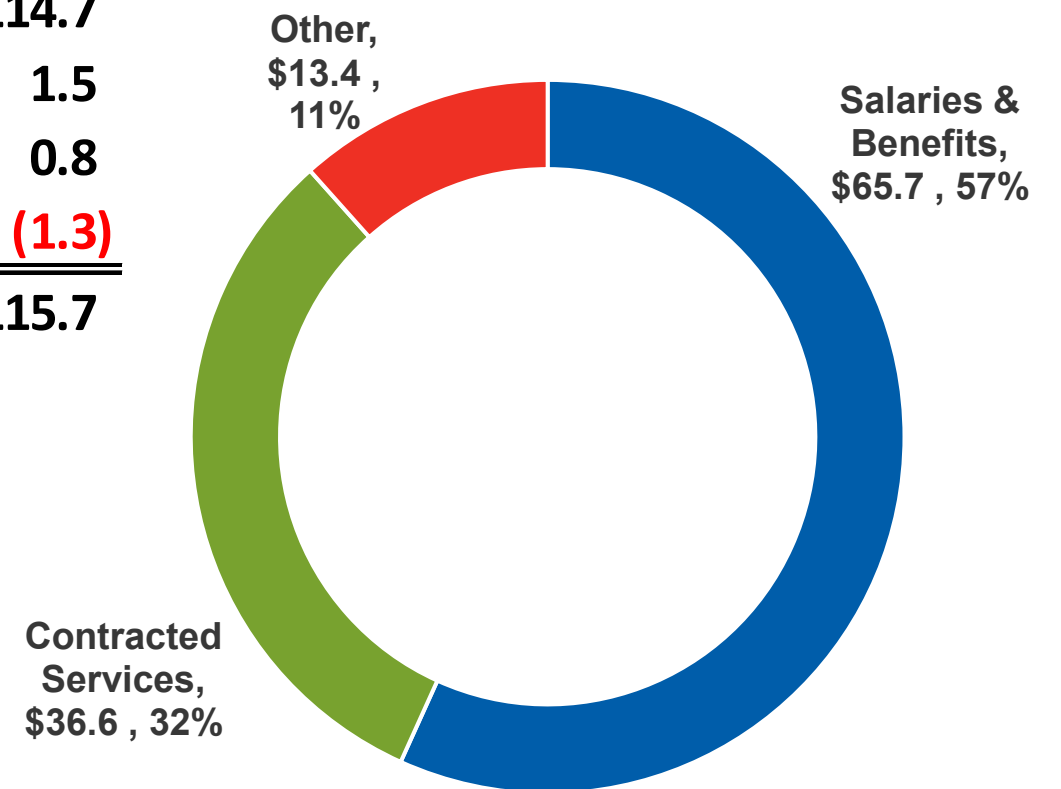
Uses by Department



Sources* (\$ in millions)

RA Allocation	\$ 114.7
Property Tax	\$ 1.5
Investment Income	\$ 0.8
Reserves/Council Investment	\$ (1.3)
Total	\$ 115.7

Uses by Category



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

Regional Administration Budget (\$ in millions)



	2024 Adopted Budget	2025 Preliminary Budget	Change	
Salaries & Benefits	\$55.5	\$65.7	\$10.2	18.4%
Contracted Services	\$6.9	\$8.6	\$1.7	24.6%
IT Maintenance	\$24.5	\$28.0	\$3.5	14.3%
Other	\$11.5	\$13.3	\$1.8	15.7%
Total	\$98.4*	\$115.6*	\$17.2	17.5%

*Includes expenses not transfers out

Regional Administration FTEs by Department (Preliminary 2025 vs Adopted 2024)

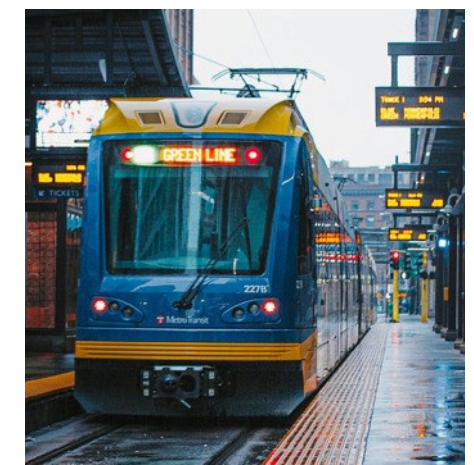
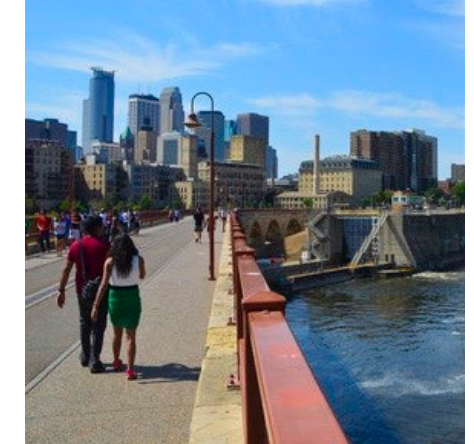


Department	FTE Count		Department	FTE Count
Audit	12		Budget	5 (+1)
Central Services	6		Chair's Office	2
Communications	16.75 (+1.75)		Office of Equity and Equal Opportunity	25 (+3)
Human Resources	85 (+21)		Finance	37.5 (-5)
Intergovernmental Relations	2		Information Services	165 (+31)
Procurement	34 (+1)		General Counsel	12 (+1)
Risk Management	14		Regional Administration	6 (+2)
Real Estate	10 (+1)		Enterprise Content Management	9 (+.5)
Community Relations	5		Business Continuity	2
			Vacancy Factor	(15) (-10)
			Total	432.75 (+48)

Regional Admin Sources/Interdivisional Allocation (\$ in millions)

	2024 Adopted Budget	2025 Preliminary Budget	Share	Change	
Community Development/HRA	\$ 3.8	\$ 4.4	3.8%	\$0.6	15.8%
Environmental Services	\$22.7	\$26.5	22.9%	\$3.8	16.7%
Metropolitan Transportation Services	\$6.0	\$7.4	6.4%	\$1.4	23.3%
Metro Transit	\$65.2	\$76.4	66.1%	\$11.2	17.2%
Other	\$0.7	\$0.9	0.8%	\$.2	28.6%
Total	\$98.4*	\$115.6*	100%	\$17.2	17.5%

*Includes expenses, not transfers out



Questions?

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