

2026 General Purposes Levy Strategy and Preliminary Regional Administration Budget Allocations

Management Committee



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Ned Smith, CFO



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Council Budget Development



Unified Budget

Operating Budget

- Operations
- Pass-through
- Debt Service
- OPEB

May-July

Aug 27 (before Sept 1)

Oct 8

Oct 22

Dec 3 (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)

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

\$15.534M proposed levy for 2026

Strategy: Maximize to levy limit

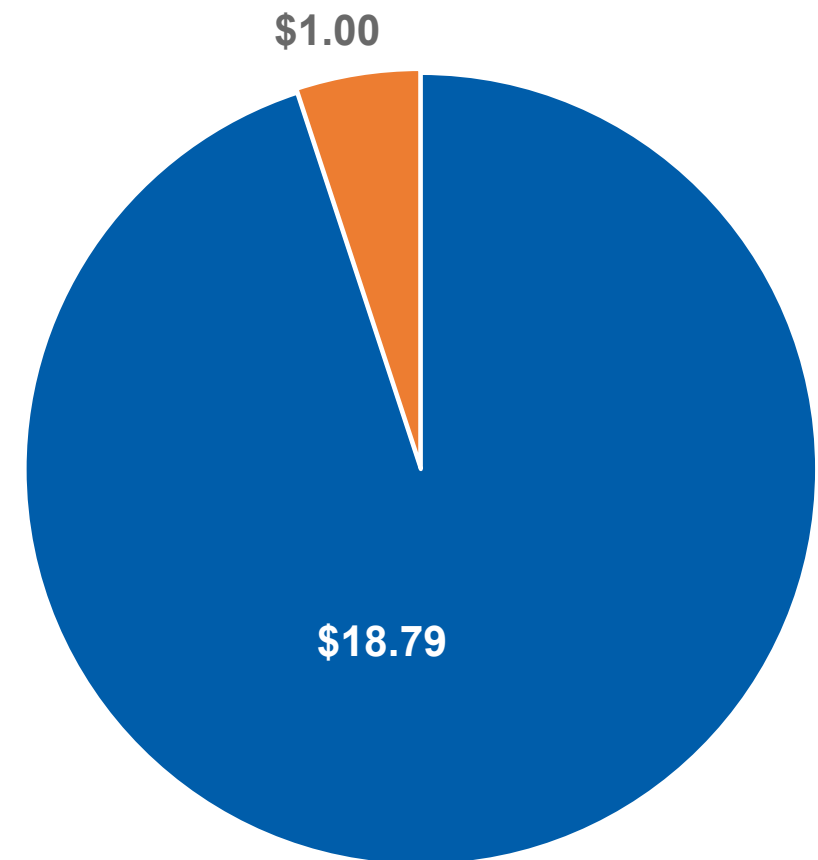
Limitation: Capped by implicit price deflator

Local Housing Incentive Account

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

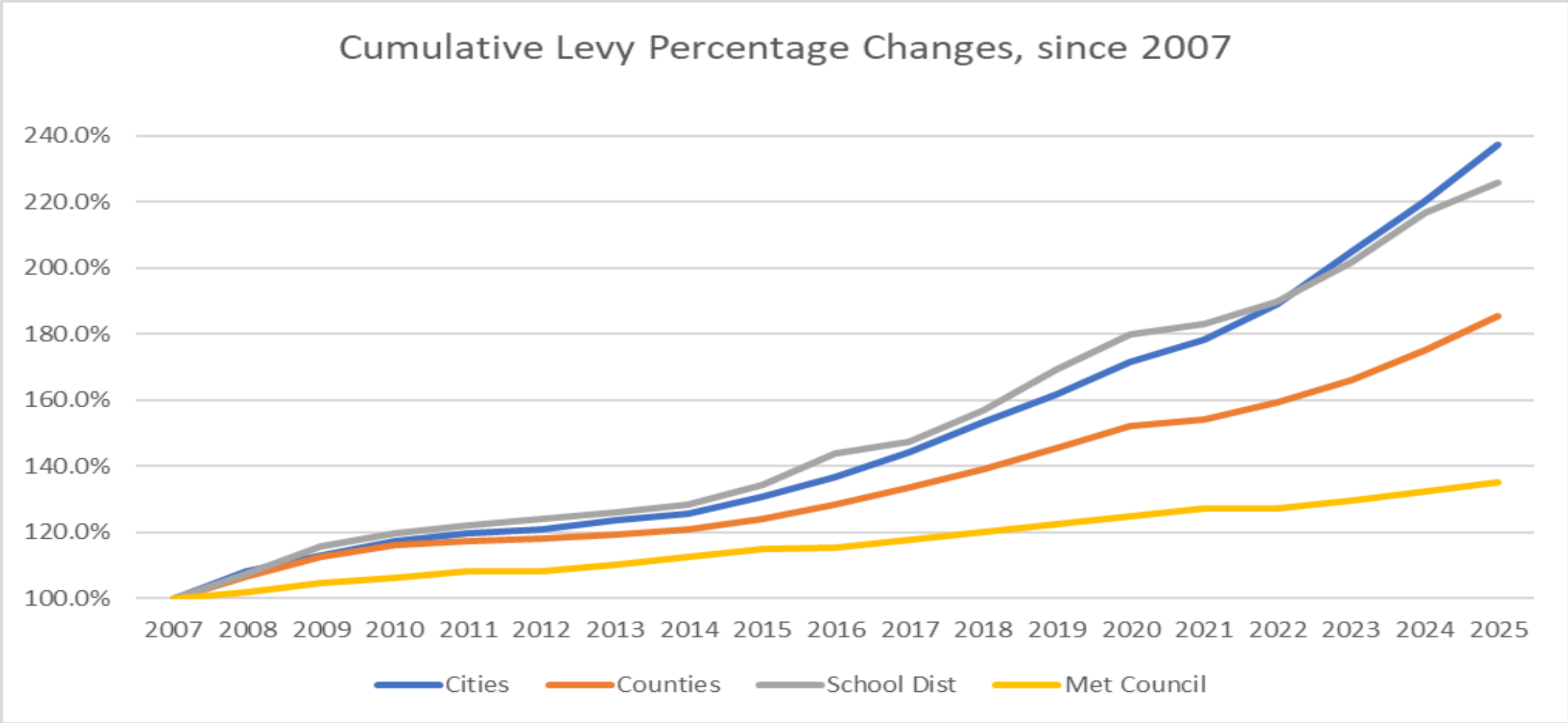
General Purpose Levy \$19.79M

- Most Flexible Use Levy Funding
 - Carry out Council responsibilities as provided in law
- Primary Uses
 - Community Development Administration (\$18.79M)
 - Statutory Transfer to Local Housing Incentive Account (\$1.00M)



- Community Development, HRA Administration
- Local Housing Incentives Account

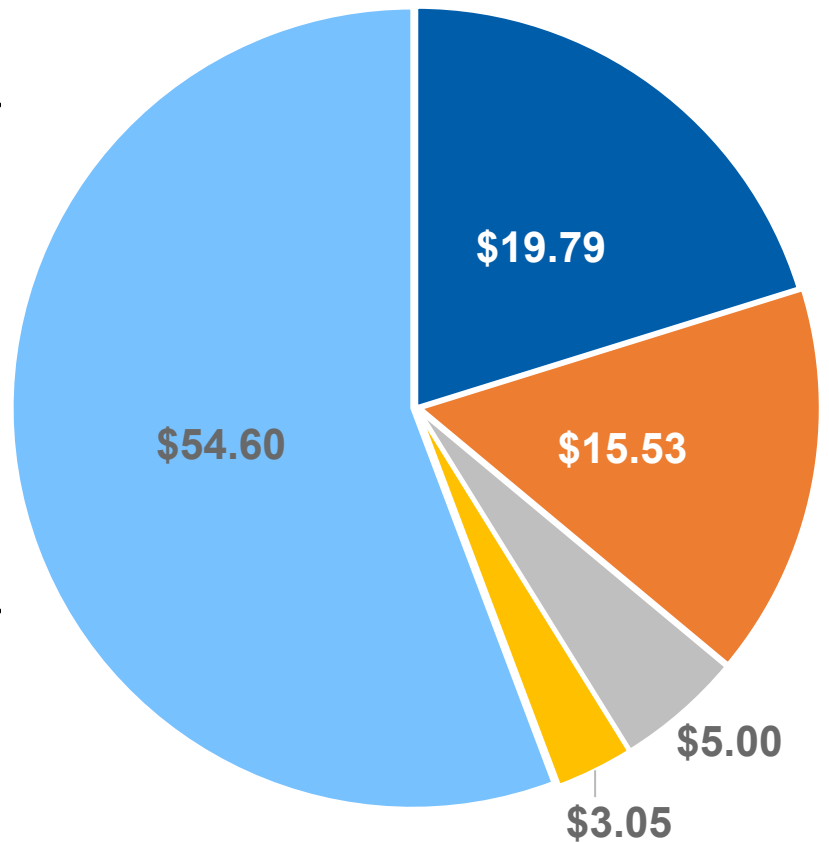
State-Wide Average Tax Rates



Source: MN Department of Revenue: Net Tax Capacities

Proposed Levies – 2% Increase

	Certified 2025	Proposed 2026	Pct Chg	Limit
Non-Debt Service Levies				
General Purposes	\$ 19.318	\$ 19.791	2.4%	\$ 19.791
Highway Right of Way	\$ -	\$ -	0.0%	\$ 5.320
Livable Communities:				
- Demonstration Acct	\$ 15.163	\$ 15.534	2.4%	\$ 15.534
- Tax Base Revitalization	\$ 5.000	\$ 5.000	0.0%	\$ 5.000
Total Non-Debt Levies	\$ 39.481	\$ 40.325	2.1%	\$ 45.645
Levy as Pct of Limit		88.3%		
Debt Service Levies				
Parks	\$ 1.274	\$ 3.051	139.5%	
Transit	\$ 55.300	\$ 54.600	-1.3%	
Total Debt Levies	\$ 56.573	\$ 57.651	1.9%	
Total All Levies	\$ 96.054	\$ 97.976	2.0%	



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

2026 Preliminary Regional Administration Budget Allocation



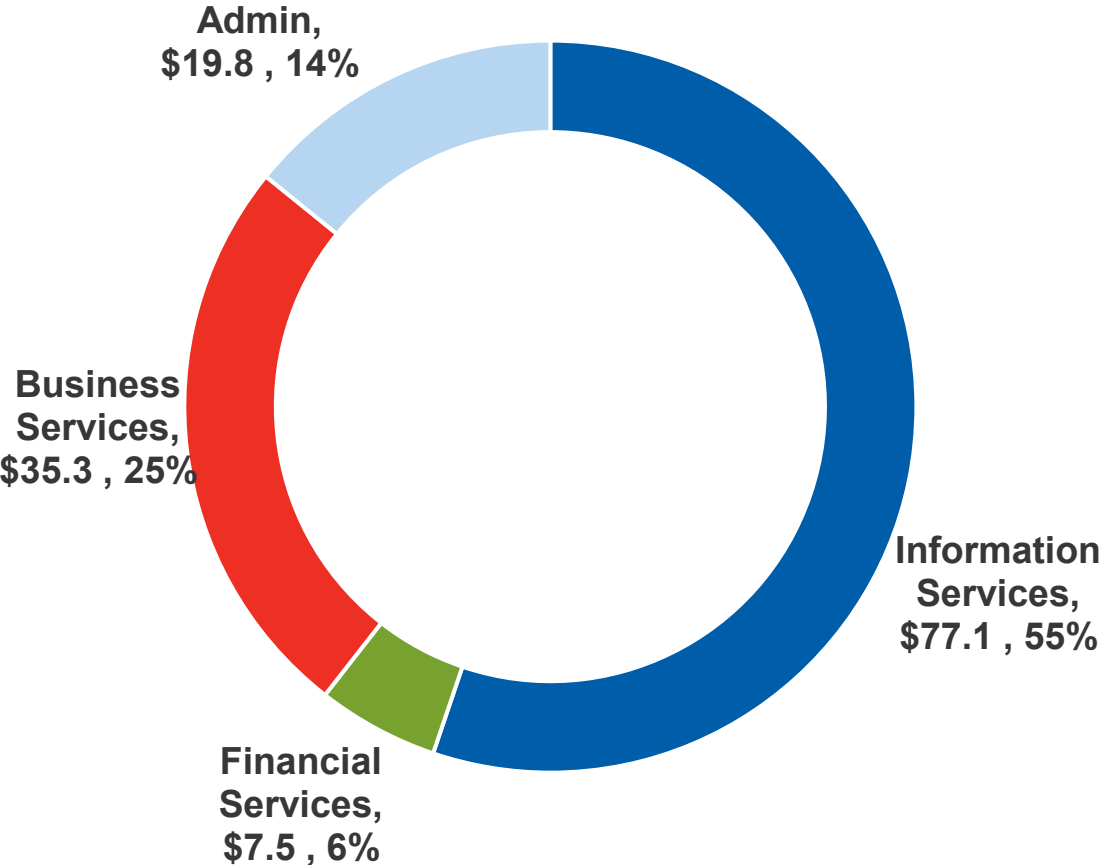
RA Budget Drivers and Challenges 2026



- Cyber security protection
- Increasing costs of Microsoft contracts
- Supporting transit growth in technology, recruiting and retention, real estate, and procurement
- Increasing human resources support in compensation analysis and benefits
- Redesigning and revamping office space
- Transition from consulting to permanent employment
- Increased support for internal audit and control functions
- Increased support for community engagement and external relations (federal)
- Support for continued development of Council culture efforts

Regional Administration - \$139.7M

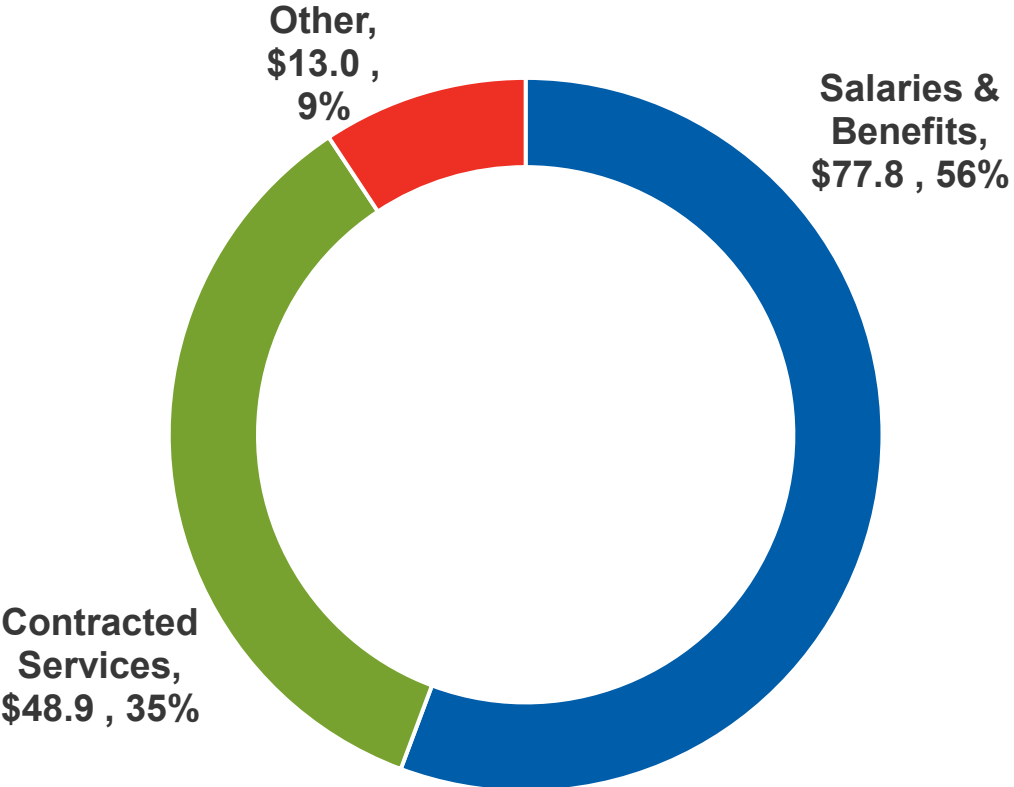
Uses by Department



Sources* (\$ in millions)

RA Allocation	\$ 138.6
Investment Income	\$ 1.1
Total	\$ 139.7

Uses by Category



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

Regional Administration Budget (\$ in millions)



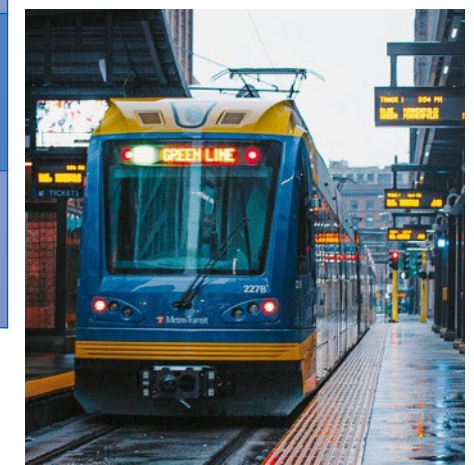
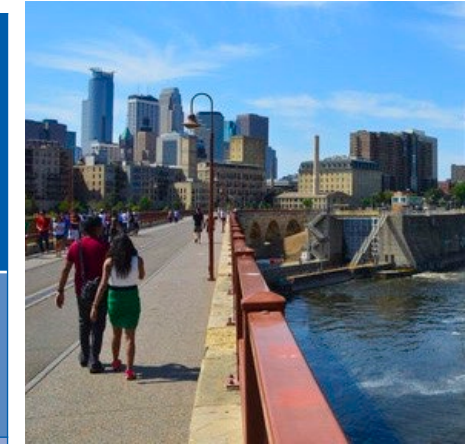
	2025 Adopted Budget	2026 Preliminary Budget	Change	
Salaries & Benefits	\$68.4	\$77.8	\$9.4	13.7%
Contracted Services	\$9.1	\$10.3	\$1.2	13.2%
IT Maintenance	\$28.0	\$38.5	\$10.5	37.5%
Other	\$13.3	\$13.0	(\$0.3)	-2.3%
Total	\$118.8*	\$139.6*	\$20.8	17.5%

Metropolitan Council

*Includes expenses not transfers out

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

	2025 Adopted Budget	2026 Preliminary Budget	Share	Change	
Community Development/HRA	\$ 4.5	\$5.5	3.9%	\$1.0	21.7%
Environmental Services	\$27.4	\$32.4	23.2%	\$5.0	18.1%
Metropolitan Transportation Services	\$7.5	\$9.2	6.6%	\$1.7	22.9%
Metro Transit	\$78.5	\$91.5	65.6%	\$13.0	16.7%
Other	\$0.9	\$1.0	.7%	\$.1	9.1%
Total	\$118.8*	\$139.6*	100%	\$20.8	17.5%



*Includes expenses not transfers out

Regional Administration FTEs by Department (Preliminary 2026 vs Adopted 2025)



Department	FTE Count		Department	FTE Count
Audit	14 (+2)		Budget	5
Central Services	5		Chair's Office	2
Communications	17.75		Office of Equity and Equal Opportunity	28
Human Resources	107 (+17)		Finance	41 (+3.5)
Intergovernmental Relations	3		Information Services	172
Procurement	42 (+2)		General Counsel	13
Risk Management	14		Regional Administration	6
Real Estate	11		Enterprise Content Management	9.5 (+1)
Community Relations	4		Business Continuity	2
			Vacancy Factor	(15)
			Total	481.25 (+25.5)

Questions?

Ned Smith, Chief Financial Officer 651-602-1162

