

# Business Item

Metropolitan Council



Committee Meeting Date: December 13, 2023

For the Metropolitan Council: December 13, 2023

## Business Item: 2023-277

Adoption of Resolutions for the Metropolitan Council's 2024 Unified Budget and the 2023, Payable 2024 Tax Levies

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Minnesota Statutes sections 275.065, subdivision 1; 473.249; 473.13, subdivision 1(a); 473.39, subdivision 4; 473.253, subdivision 1; 473.4461; 473F.08 subdivision 3b(c); and 475.61 subdivision 1.
<b>Staff Prepared/Presented:</b>	Marie Henderson, Deputy (Acting) Chief Financial Officer (651) 602-1387
<b>Division/Department:</b>	All

### Proposed Action

Adoption of the following Resolutions for the Metropolitan Council's 2024 Unified Budget and the 2023, Payable 2024, Tax Levies:

- 2023-23:** Adopting the Metropolitan Council's 2024 Unified Budget
- 2023-24:** Adopting the Metropolitan Council's 2023 Property Tax Levy for General Purposes for Certification to the County Auditors
- 2023-25:** Adopting the Metropolitan Council's 2023 Property Tax Levy for General Purposes for Certification to the Minnesota Commissioner of Revenue
- 2023-26:** Adopting the 2023 Property Tax Levy for the Livable Communities Demonstration Account in the Metropolitan Livable Communities Fund
- 2023-27:** Adopting the 2023 Property Tax Levy for the Tax Base Revitalization Account of the Livable Communities Act
- 2023-28:** Certifying the Property Tax Levy for 2023 for Debt Service on Future Transit Bonds
- 2023-29:** Certifying the Property Tax Levy for 2023 for Debt Service on Future Parks Bonds

### Background

Minnesota Statutes section 473.13, subdivision 1, requires the Metropolitan Council to adopt the final budget covering anticipated receipts and disbursements for 2024, as well as the capital expenditures for the budget year, based on a five-year capital program and decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget on or before December 20.

The Metropolitan Council:

- Adopted a preliminary budget and certified preliminary property tax levies to County Auditors and the Minnesota Commissioner of Revenue on August 23, 2023;
- Adopted the 2024 Unified Budget for public comment on October 25, 2023;
- Accepted public comment on the 2024 Unified Budget via phone, mail, or email until 5:00 PM on December 13, 2023; and
- Received public comment on the 2024 Unified Budget at its regularly scheduled meeting on December 13, 2023.

## Rationale

Resolutions 2023-24 through 2023-29 certify final property tax levies for 2023, payable in 2024. The final property tax levies are consistent with the preliminary levies adopted by the Council in August.

Resolution 2023-23 adopts the Metropolitan Council’s 2024 Unified Budget. The resolution adopts a final 2024 Unified Budget consistent with the budget adopted for public comment on October 25, 2023, with the following exceptions:

### Operating Budget:

- Motor Vehicle Sales Tax (MVST) revenues have been increased \$18.8 million, or 5.3%, based on the State’s November 2023 Forecast, with revenue additions in Bus Operations and revenue and expense increases in pass-through grants to the Suburban Transit Providers.
- State Sales and Use Tax revenues to the Council have been decreased \$8.5 million, or 2.0%, based on the State’s November 2023 Forecast. This reduction is accounted for in a slightly smaller amount in unallocated sales tax reserves.

**Capital Budget:** No changes.

## Thrive Lens Analysis

This budget supports the Thrive outcome of stewardship by assessing the future needs, responsible planning, and management of resources for the Metropolitan Council.

## Funding

The attached tax levy resolutions are summarized as follows:

<u>Levies Requiring Council Action</u>	<u>Final Levies</u>	<u>Resolution No.(s)</u>
General Purposes	\$18,979,223	2023-24 2023-25
Livable Communities Demonstration Account	14,896,962	2023-26
Livable Communities Tax Base Revitalization Account	5,000,000	2023-27
Transit Debt Service Anticipation	13,063,305	2023-28
Parks Debt Service Anticipation	<u>1,800,000</u>	2023-29
<b>Total Levies Requiring Council Action</b>	<b><u>53,739,490</u></b>	



**Levies Not Requiring Council Action  
(previously certified)**

Transit Debt Service	37,412,898
Parks Debt Service	<u>3,018,152</u>
	<b><u>40,431,050</u></b>
	<b><u>94,170,540</u></b>

**Small Business Inclusion**

None.

**Known Support / Opposition**

As part of the public comment process a small number of comments have been received with very limited specific feedback.

**Attachments**

- Resolution 2023-23 Adopting the Metropolitan Council’s 2024 Unified Budget
- Resolution 2023-24 Adopting the Metropolitan Council’s 2023 Property Tax Levy for General Purposes for Certification to the County Auditors
- Resolution 2023-25 Adopting the Metropolitan Council’s 2023 Property Tax Levy for General Purposes for Certification to the Minnesota Commissioner of Revenue
- Resolution 2023-26 Adopting the 2023 Property Tax Levy for the Livable Communities Demonstration Account in the Metropolitan Livable Communities Fund
- Resolution 2023-27 Adopting the 2023 Property Tax Levy for the Tax Base Revitalization Account of the Livable Communities Act
- Resolution 2023-28 Certifying the Property Tax Levy for 2023 for Debt Service on Future Transit Bonds
- Resolution 2023-29 Certifying the Property Tax Levy for 2023 for Debt Service on Future Parks Bonds





## METROPOLITAN COUNCIL RESOLUTION NO. 2023-23

### RESOLUTION ADOPTING THE METROPOLITAN COUNCIL'S 2024 UNIFIED BUDGET

- WHEREAS,** Minnesota Statutes, section 473.121 defines the “metropolitan area” as including only the Counties of Anoka, Carver, Dakota excluding the Cities of Northfield and Cannon Falls, Hennepin excluding the Cities of Hanover and Rockford, Ramsey, Scott excluding the City of New Prague and Washington; and
- WHEREAS,** Minnesota Statutes, section 473.13, subdivision 1(a), requires that on or before December 20, the Council shall adopt a final budget and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget; and
- WHEREAS,** The Council adopted the 2024 Unified Budget for public comment on October 25, 2023; and
- WHEREAS,** Public comment on the 2024 Unified Budget was accepted via phone, mail or email on or before 5:00 PM December 13, 2023; and
- WHEREAS,** Minnesota Statutes, section 473.13, subdivision 1(a), requires that the budget shall state in detail the expenditures of each program, and the capital expenditures of the Council for the budget year, based on a five-year capital program adopted by the Council; and
- WHEREAS,** Minnesota Statutes, section 473.39, subdivision 4, requires the transit capital improvement plan include supplemental information for each project; and
- WHEREAS,** Public comment on the 2024 Unified Budget was allowed at 6:00 PM during the Metropolitan Council's regularly scheduled meeting on December 13, 2023.

### **NOW, THEREFORE, BE IT RESOLVED:**

1. THAT the Metropolitan Council 2024 Unified Budget includes a Unified Operating Budget of \$1,421,055,000 consisting of \$1,005,089,000 for Council operations, \$208,646,000 for pass-through grants, \$192,552,000 for debt service, and \$14,768,000 for Other Post-Employment Benefits (OPEB).
2. THAT the Metropolitan Council 2024 Unified Budget includes the Capital Program, to include supplemental information required by Minnesota Statutes, 473.39, subdivision 4, as follows:
  - I. A 2024-2029 Capital Program of \$11,600,923,000 consisting of \$8,666,338,000 for Transit, \$2,426,236,000 for Environmental Services, and \$508,349,000 for Community Development.
  - II. A multi-year Authorized Capital Program of \$7,172,104,000 consisting of \$5,249,083,000 for Transit, \$1,672,146,000 for Environmental Services, and \$250,875,000 for Community Development.
  - III. A 2024 Capital Budget of \$1,007,285,000 consisting of \$670,478,000 for Transit, \$250,915,000 for Environmental Services, and \$85,892,000 for Community Development.

Adopted this 13th day of December 2023

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Charles A. Zelle, Chair

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Bridget Toskey, Recording Secretary



## **METROPOLITAN COUNCIL RESOLUTION NO. 2023-24**

### **RESOLUTION ADOPTING THE METROPOLITAN COUNCIL'S 2023 PROPERTY TAX LEVY FOR GENERAL PURPOSES FOR CERTIFICATION TO THE COUNTY AUDITORS**

- WHEREAS,** Minnesota Statutes, section 473.121, subdivision 2, defines the “metropolitan area” as including only the Counties of Anoka, Carver, Dakota excluding the Cities of Northfield and Cannon Falls, Hennepin excluding the Cities of Hanover and Rockford, Ramsey, Scott excluding the City of New Prague and Washington; and
- WHEREAS,** Minnesota Statutes, section 473.13, subdivision 1(a), requires that on or before December 20, the Council shall adopt a final budget and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget; and
- WHEREAS,** Minnesota Statutes, section 473.13, subdivision 1(a), requires that no later than five working days after December 20, the Council shall certify to the county auditors the property tax levy for taxes payable in the following year; and
- WHEREAS,** Minnesota Statutes, section 473.13, subdivision 1(a), requires that the share of the tax to be levied within each county by the Council must be an amount bearing the same proportion to the total final levy agreed on by the Council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area; and
- WHEREAS,** Minnesota Statutes, section 473.249, subdivision 1(a), authorizes the Council to levy a tax on all taxable property in the metropolitan area to provide funds for the general purpose of carrying out the Council’s responsibilities as provided by law.

### **NOW, THEREFORE, BE IT RESOLVED:**

1. THAT the amount to be raised from ad valorem taxes levied in 2023, for collection during 2024, for general purposes is \$18,979,223.

Adopted this 13<sup>th</sup> day of December 2023.

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Charles A. Zelle, Chair

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Bridget Toskey, Recording Secretary



## **METROPOLITAN COUNCIL RESOLUTION NO. 2023-25**

RESOLUTION ADOPTING THE METROPOLITAN COUNCIL'S 2023 PROPERTY TAX LEVY FOR GENERAL PURPOSES FOR CERTIFICATION TO THE MINNESOTA COMMISSIONER OF REVENUE

- WHEREAS,** Minnesota Statutes, section 473.121, subdivision 2, defines the “metropolitan area” as including only the Counties of Anoka, Carver, Dakota excluding the Cities of Northfield and Cannon Falls, Hennepin excluding the Cities of Hanover and Rockford, Ramsey, Scott excluding the City of New Prague and Washington; and
- WHEREAS,** Minnesota Statutes, section 473.13, subdivision 1(a), requires that on or before December 20, the Council shall adopt a final budget and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget; and
- WHEREAS,** Minnesota Statutes, section 473.249, subdivision 1, authorizes the Council to levy a tax on all taxable property in the metropolitan area to provide funds for the general purpose of carrying out the Council’s responsibilities as provided by law; and
- WHEREAS,** Minnesota Statutes, section 473.249, subdivision 2, requires the Council to certify to the Commissioner of Revenue by September 1 of each year its proposed property tax levy;
- WHEREAS,** On August 23, 2023, the Council adopted Resolution No. 2023-12 with a proposed property tax levy in 2023, payable in 2024, and certified that proposed property tax levy to the Commissioner of Revenue prior to September 1, 2023; and
- WHEREAS** The Council is subsequently adopting a levy consistent with the same levy proposed in Resolution No 2023-12.

### **NOW, THEREFORE, BE IT RESOLVED:**

THAT the amount to be raised from ad valorem taxes levied in 2023, for collection during 2024, for general purposes is \$18,979,223.

Adopted this 13<sup>th</sup> day of December 2023.

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Charles A. Zelle, Chair

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Bridget Toskey, Recording Secretary



## **METROPOLITAN COUNCIL RESOLUTION NO. 2023-26**

### **RESOLUTION ADOPTING THE 2023 PROPERTY TAX LEVY FOR THE LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT IN THE METROPOLITAN LIVABLE COMMUNITIES FUND**

- WHEREAS,** Minnesota Statutes, section 473.121, subdivision 2, defines the “metropolitan area” as including only the Counties of Anoka, Carver, Dakota excluding the Cities of Northfield and Cannon Falls, Hennepin excluding the Cities of Hanover and Rockford, Ramsey, Scott excluding the City of New Prague, and Washington; and
- WHEREAS,** Minnesota Statutes, section 473.13, subdivision 1(a), requires that on or before December 20, the Council shall adopt a final budget and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget; and
- WHEREAS,** Minnesota Statutes, section 473.13, subdivision 1(a), requires that no later than five working days after December 20, the Council shall certify to the county auditors the property tax levy for taxes payable in the following year; and
- WHEREAS,** Minnesota Statutes, section 473.13, subdivision 1(a), requires that the share of the tax to be levied within each county by the Council must be an amount bearing the same proportion to the total final levy agreed on by the Council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area; and
- WHEREAS,** Minnesota Statutes, section 473.253, subdivision 1, authorizes a property tax levy for the Livable Communities Demonstration Account in the Metropolitan Livable Communities Fund.

### **NOW, THEREFORE, BE IT RESOLVED:**

1. THAT the amount to be raised from ad valorem taxes levied in 2023, for collection during 2024, for the Livable Communities Demonstration Account in the Metropolitan Livable Communities Fund is \$14,896,962.

Adopted this 13th day of December 2023.

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Charles A. Zelle, Chair

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Bridget Toskey, Recording Secretary



## **METROPOLITAN COUNCIL RESOLUTION NO. 2023-27**

### **RESOLUTION ADOPTING THE 2023 PROPERTY TAX LEVY FOR THE TAX BASE REVITALIZATION ACCOUNT OF THE LIVABLE COMMUNITIES ACT**

- WHEREAS,** Minnesota Statutes, section 473.121, subdivision 2, defines the “metropolitan area” as including only the Counties of Anoka, Carver, Dakota excluding the Cities of Northfield and Cannon Falls, Hennepin excluding the Cities of Hanover and Rockford, Ramsey, Scott excluding the City of New Prague and Washington; and
- WHEREAS,** Minnesota Statutes, section 473.13, subdivision 1(a), requires that on or before December 20, the Council shall adopt a final budget and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget; and
- WHEREAS,** Minnesota Statutes, section 473.13, subdivision 1(a), requires that no later than five working days after December 20, the Council shall certify to the county auditors the property tax levy for taxes payable in the following year; and
- WHEREAS,** Minnesota Statutes, section 473.13, subdivision 1(a), requires that the share of the tax to be levied within each county by the Council must be an amount bearing the same proportion to the total final levy agreed on by the Council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area; and
- WHEREAS,** The Hennepin County Auditor has certified an amount of \$7,876,457.50 under Minnesota Statutes, section 473F.08, subdivision 3b(b); and
- WHEREAS,** Minnesota Statutes, section 473F.08, subdivision 3b(c), provides that the Metropolitan Council may annually certify to the Ramsey County auditor the amount certified by the Hennepin County auditor under Minnesota Statutes, section 473F.08, subdivision 3b(b), but not to exceed \$ 5,000,000, to be used to provide funds for the cleanup of polluted lands in the metropolitan area.

### **NOW, THEREFORE, BE IT RESOLVED:**

1. THAT the amount to be raised from ad valorem taxes levied in 2023, for collection during 2024, as an addition to the area wide levy under the Metropolitan Revenue Distribution Act and credited to the Tax Base Revitalization Account within the Metropolitan Livable Communities Fund is \$5,000,000.

Adopted this 13<sup>th</sup> day of December 2023.

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Charles A. Zelle, Chair

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Bridget Toskey, Recording Secretary



## **METROPOLITAN COUNCIL RESOLUTION NO. 2023-28**

### **RESOLUTION CERTIFYING THE PROPERTY TAX LEVY FOR 2023 FOR DEBT SERVICE ON FUTURE TRANSIT BONDS**

- WHEREAS,** The Council anticipates issuing general obligation transit bonds in 2023 and/or 2024 and making principal and interest payments on said bonds during the period from February 2, 2024, to February 1, 2025; and
- WHEREAS,** The Council may certify a tax levy in anticipation of the issuance of general obligation transit bonds in a manner and to the extent permitted by Minnesota Statutes, section 475.61, subdivision 1; and
- WHEREAS,** Minnesota Statutes, section 473.4461 provides that notwithstanding any provision of section 473.446 or any other law, the Council may not levy a tax under section 473.446, subdivision 1, in any city or town not included in the metropolitan transit taxing district as it existed on January 1, 2001, unless the Council and the governing body of that city or town have agreed on a transit service expansion plan; and
- WHEREAS,** The Council has reached agreement on a transit service expansion plan with each of the governing bodies of the Cities of Columbus, Forest Lake, Lakeville, Maple Plain, and Ramsey in accordance with the provisions of Minnesota Statutes, section 473.4461; and
- WHEREAS,** It has been determined that a tax levy in 2023, payable in 2024, is necessary to fund principal and interest payments on said bonds during the period from February 2, 2024, to February 1, 2025.

### **NOW, THEREFORE, BE IT RESOLVED:**

1. THAT pursuant to the provisions of Minnesota Statutes, section 475.61, subdivision 1, the Chair of the Council is directed to authorize and direct the County Auditors of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties to levy a tax in 2023, payable in 2024, of \$13,063,305 upon the Metropolitan Transit Taxing District as defined in Minnesota Statutes, section 473.446, subdivision 2, and upon the cities of Columbus, Forest Lake, Lakeville, Maple Plain, and Ramsey for debt service on general obligation transit bonds to be issued by the Council in 2023 and/or 2024.

Adopted this 13th day of December 2023.

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Charles A. Zelle, Chair

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Bridget Toskey, Recording Secretary



## **METROPOLITAN COUNCIL RESOLUTION NO. 2023-29**

### **RESOLUTION CERTIFYING THE PROPERTY TAX LEVY FOR 2023 FOR DEBT SERVICE ON FUTURE PARKS BONDS**

- WHEREAS,** The Council anticipates issuing general obligation parks bonds in 2023 and/or 2024 and making principal and interest payments on said bonds during the period from February 2, 2024, to February 1, 2025; and
- WHEREAS,** The Council may certify a tax levy in anticipation of the issuance of general obligation bonds in a manner and to the extent permitted by Minnesota Statutes, section 475.61, subdivision 1; and
- WHEREAS,** It has been determined that a tax levy in 2023, payable in 2024, is necessary to fund principal and interest payments on said bonds during the period from February 2, 2024, to February 1, 2025.

#### **NOW, THEREFORE, BE IT RESOLVED:**

1. THAT pursuant to the provisions of Minnesota Statutes, section 475.61, subdivision 1, the Chair of the Council is directed to authorize and direct the County Auditors of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington Counties to levy a tax in 2023, payable in 2024, of \$1,800,000 for debt service on general obligation parks bonds to be issued by the Council in 2023 and/or 2024.

Adopted this 13<sup>th</sup> day of December 2023.

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Charles A. Zelle, Chair

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Bridget Toskey, Recording Secretary