

# Business Item

Metropolitan Council



**Committee Meeting Date:** August 28, 2024

**For the Metropolitan Council:** August 28, 2024

## Business Item: 2024-189

Preliminary 2025 Budget & Property Tax Levies

<b>District(s), Member(s):</b>	All
<b>Policy/Legal Reference:</b>	Minnesota Statutes sections 275.065, subdivision 1; 473.249; and 473.13, subdivision 1
<b>Staff Prepared/Presented:</b>	Ned Smith, Chief Financial Officer (651) 602-1162
<b>Division/Department:</b>	All

### Proposed Action

Adoption of the following Resolutions for the Metropolitan Council's Preliminary 2025 Unified Operating Budget and the Proposed 2024, Payable 2025, Tax Levies:

- 2024-10:** Adopting the Metropolitan Council's Preliminary 2025 Unified Operating Budget
- 2024-11:** Adopting the Metropolitan Council's Proposed 2024 Property Tax Levy for General Purposes for Certification to the Minnesota Commissioner of Revenue
- 2024-12:** Adopting the Metropolitan Council's Proposed 2024 Property Tax Levy for General Purposes for Certification to the County Auditors
- 2024-13:** Adopting a Proposed 2024 Property Tax Levy for the Livable Communities Demonstration Account in the Metropolitan Livable Communities Fund
- 2024-14:** Adopting a Proposed 2024 Property Tax Levy for the Tax Base Revitalization Account of the Livable Communities Act
- 2024-15:** Certifying a Property Tax Levy for 2024 for Debt Service on Future Transit Bonds

### Background

Minnesota Statutes require the Metropolitan Council to adopt the 2025 preliminary operating budget and proposed levies for 2024, payable in 2025, for certification to the County Auditors and Minnesota Commissioner of Revenue.

Minnesota Statutes regarding Truth In Taxation require the Metropolitan Council to:

- Announce the date and place of its subsequent regularly scheduled meeting(s) at which the budget and levy will be discussed and the public will be allowed to speak;
- Hold the meeting(s) in which the budget and levy will be discussed, and final budget and levy determined, after November 22; and
- Hold the meeting(s) after 6:00 pm.

Therefore, the date, time, and place of the meeting will be the Council Meeting scheduled for:

December 11, 2024, 6:00pm  
Council Chambers  
390 Robert Street North  
St. Paul, Minnesota 55101-1805

## **Rationale**

### Unified Operating Budget

- Adoption of the Preliminary Unified Operating Budget establishes the framework for development of a public comment document.
- Minnesota Statutes section 275.065, subdivision 1, requires adoption of a proposed budget and certification of proposed property tax levies for certification to both the Commissioner of Revenue and to the County Auditors on or before September 15.
- There will be continuing discussion on the budget through the fall so that the Council may make further changes to the budget up to final adoption, expected to occur on December 11, 2024.

### Preliminary 2024, Payable 2025, Property Tax Levies

- Prior to final certification of levies in December the Council may elect to reduce levies from this preliminary level but may not increase them.

## **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>Preliminary Levies</u>	<u>Resolution No.(s)</u>
General Purposes	\$19,318,095	2024-11 2024-12
Livable Communities Demonstration Account	15,162,945	2024-13
Livable Communities Tax Base Revitalization Account	5,000,000	2024-14
Transit Debt Service Anticipation	24,262,894	2024-15
<b>Total Levies Requiring Council Action</b>	<b><u>\$63,743,934</u></b>	
 <u>Levies Not Requiring Council Action (previously certified)</u>		
Transit Debt Service	\$31,036,747	
Parks Debt Service	<u>1,273,500</u>	
	<b><u>\$32,310,247</u></b>	
<b>TOTAL LEVIES</b>	<b><u>\$96,054,181</u></b>	

## Small Business Inclusion

There are no direct impacts to small business with this action.





## **METROPOLITAN COUNCIL RESOLUTION NO. 2024-10**

### **RESOLUTION ADOPTING THE METROPOLITAN COUNCIL'S PRELIMINARY 2025 UNIFIED OPERATING BUDGET**

- WHEREAS,** Minnesota Statutes, section 275.065, subdivision 1, requires that on or before September 15, the Council adopt the proposed budget and certify to the county auditors a proposed property tax levy for taxes payable in the following year; and
- 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.

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

1. THAT the Metropolitan Council Preliminary Budget for fiscal year 2025 is \$1,606,829,000 consisting of \$1,165,787,000 for operations, \$236,751,000 for pass-through grants, \$188,811,000 for debt service and \$15,480,000 for Other Post-Employment Benefits (OPEB).
2. THAT the Metropolitan Council will continue to review the proposed budget until the final budget is adopted in December 2024.

Adopted this 28<sup>th</sup> day of August 2024.

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Charles A Zelle, Chair

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Mindy Shipman, Recording Secretary



## **METROPOLITAN COUNCIL RESOLUTION NO. 2024-11**

RESOLUTION ADOPTING THE METROPOLITAN COUNCIL'S PROPOSED 2024 PROPERTY TAX LEVY FOR GENERAL PURPOSES FOR CERTIFICATION TO THE MINNESOTA COMMISSIONER OF REVENUE

- WHEREAS,** Minnesota Statutes, section 275.065, subdivision 1, requires that on or before September 15, the Council adopt the proposed budget and certify to the county auditors a proposed property tax levy for taxes payable in the following year; and
- 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 473.249, 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 its proposed property tax levy for general Council purposes to the Minnesota Commissioner of Revenue by September 1 of the levy year.

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

1. THAT the amount proposed to be raised from ad valorem taxes levied in 2024, payable in 2025, for general Council purposes is \$19,318,095.

Adopted this 28<sup>th</sup> day of August 2024.

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Charles A Zelle, Chair

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Mindy Shipman, Recording Secretary



## **METROPOLITAN COUNCIL RESOLUTION NO. 2024-12**

### **RESOLUTION ADOPTING THE METROPOLITAN COUNCIL'S PROPOSED 2024 PROPERTY TAX LEVY FOR GENERAL PURPOSES FOR CERTIFICATION TO THE COUNTY AUDITORS**

- WHEREAS,** Minnesota Statutes, section 275.065, subdivision 1, requires that on or before September 15, the Council adopt the proposed budget and certify to the County Auditors a proposed property tax levy for taxes payable in the following year; and
- 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 473.249, 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 473.13 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.

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

1. THAT the amount proposed to be raised from ad valorem taxes levied in 2024, payable in 2025, for general Council purposes is \$19,318,095.

Adopted this 28<sup>th</sup> day of August 2024.

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Charles A Zelle, Chair

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Mindy Shipman, Recording Secretary



## **METROPOLITAN COUNCIL RESOLUTION NO. 2024-13**

RESOLUTION ADOPTING A PROPOSED 2024 PROPERTY TAX LEVY FOR THE LIVABLE COMMUNITIES DEMONSTRATION ACCOUNT IN THE METROPOLITAN LIVABLE COMMUNITIES FUND

- WHEREAS,** Minnesota Statutes, section 275.065, subdivision 1, requires that on or before September 15, the Council adopt the proposed budget and certify to the county auditors a proposed property tax levy for taxes payable in the following year; and
- 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 473.253, 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 of the Livable Communities Demonstration Account in the Metropolitan Livable Communities Fund proposed to be raised from ad valorem taxes levied in 2024, payable in 2025, is \$15,162,945.

Adopted this 28<sup>th</sup> day of August 2024.

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Charles A Zelle, Chair

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Mindy Shipman, Recording Secretary



## **METROPOLITAN COUNCIL RESOLUTION NO. 2024-14**

### **RESOLUTION ADOPTING A PROPOSED 2024 PROPERTY TAX LEVY FOR THE TAX BASE REVITALIZATION ACCOUNT OF THE LIVABLE COMMUNITIES ACT**

- WHEREAS,** Minnesota Statutes, section 275.065, subdivision 1, requires that on or before September 15, the Council adopt the proposed budget and certify to the county auditors a proposed property tax levy for taxes payable in the following year; and
- 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,** 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 cleanup of polluted lands in the Metropolitan Area.

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

1. THAT the amount proposed to be raised from ad valorem taxes levied in 2024, payable in 2025, 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 28<sup>th</sup> day of August 2024.

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Charles A Zelle, Chair

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Mindy Shipman, Recording Secretary





## **METROPOLITAN COUNCIL RESOLUTION NO. 2024-15**

### **RESOLUTION CERTIFYING A PROPERTY TAX LEVY FOR 2024 FOR DEBT SERVICE ON FUTURE TRANSIT BONDS**

- WHEREAS,** The Council anticipates issuing general obligation transit bonds in 2024 and/or 2025 and making principal and interest payments on said bonds during the period from February 2, 2025, to February 1, 2026; 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,** 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 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,** A tax levy in 2024, payable in 2025, is necessary to fund principal and interest payments on said bonds during the period from February 2, 2025, to February 1, 2026.

### **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 2024, payable in 2025, of \$24,262,894 upon the 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 2024 and/or 2025.

Adopted this 28<sup>th</sup> day of August 2024.

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Charles A Zelle, Chair

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Mindy Shipman, Recording Secretary