

Business Item

Management Committee



Committee meeting date: ~~October 22, 2025~~ November 5, 2025

For the Metropolitan Council: November 5, 2025

Business Item: 2025-262 (Amended)

2025 Policy Update: FM 15-1

District(s), member(s):	All
Policy/legal reference:	FM 14-2 Expenditures for the Procurement of Goods, Services, and Real Estate; FM 15-1 Income Grants Policy
Staff prepared/presented:	Ned Smith, Chief Financial Officer, Finance, 651-602-1162
Division/department:	Regional Administration/Finance

Proposed action

That the Metropolitan Council adopt the attached version of the following policy:

- FM 15-1 Income/Grants Policy

~~This policy change brings the Regional Administrator's (RA's) authority to enter into income contracts/grant agreements from \$500,000 to \$2 million, in keeping with the proposed changes to the RA's signature authority in FM 14-2.~~

Background

Typically, the RA's signature authority to enter into income/grant agreements (also known as revenue contracts—meaning contracts that provide money/revenue to the Metropolitan Council) is identical to the RA's signature authority for purchasing goods and services. Internal policy to increase the RA's signature authority has historically been updated approximately every 12-15 years. These periodic increases allow the signature authority to keep up with inflation, market increases, and the need for greater procurement efficiency. The RA's signature authority is currently set at \$500,000 total contract value as established in 2013 via Business Item 2013-268; any new award (including amendments) above that dollar value must be approved by the appropriate Committee and by the Metropolitan Council, which adds an average of 89 days to the Procurement Action Lead Time (PALT). Proposed changes to FM 14-2 will increase the RA's signature authority for procuring goods and services to \$2 million. This proposed change to FM 15-1 will align the two policies so that the signature authorities for purchasing goods and services and for entering into revenue-generating agreements remain identical.

Rationale

The increase to the RA's signature authority across both FM 14-2 and FM 15-1 will shorten lead times and will allow Committees and Council to focus their energies, efforts, and discussion on the highest value contract actions. Operational divisions will be able to serve the public more nimbly as a result of a more agile procurement process. With the RA's signature authority having last been increased 12 years ago, this is a sensible opportunity to revisit the RA's current signature authority. All procurements remain subject to applicable federal and state laws, Council policies, and periodic review.

Thrive lens analysis

On Feb. 12, 2025, the Council adopted Imagine 2050, which builds on policy direction in Thrive MSP 2040. Under the Thrive lens, this action advances the outcomes of Stewardship, Equity, and Prosperity. By expediting the procurement process, the needs of operational divisions and the public will be met more quickly; small and disadvantaged businesses will be more likely and more able to participate in the competitive process; prices will be more stable and predictable; and Metropolitan Council staff will have more resources to devote to higher-value tasks. Shortening procurement lead times is good for Met Council operational divisions, Regional Administration staff, the public, and the vendor community.

Funding

No funding is tied to the proposed action.

Small business inclusion

The proposed changes will have positive impacts on the small businesses that work on Council projects by shortening procurement lead times for income/grant agreements.



POLICY

Income/Grants Policy

FM 15-1

Category: Financial Management

Business Unit Responsible: RA: Finance

Policy Owner: Deputy Chief Financial Officer

Policy Contacts: Director of CD and MTS Admin
Director of ES Finance and Revenue
Director of Metro Transit Finance

Synopsis: Provides direction on the receipt of funds beyond the normal revenue-setting policies of the Council

POLICY

The Metropolitan Council may enter into agreements with other governments and organizations which provide income/grants to the Council which are consistent with the Council's mission and priorities. Grant applications must be approved by the Council through the normal budget process or on a case-by-case basis. The Regional Administrator or designee may execute income contracts not exceeding \$2,000,000 without Council approval if the contract is consistent with the Council's adopted budget and policies.

PURPOSE OF POLICY

This policy provides direction on the receipt of funds beyond the normal revenue-setting policies of the Council.

BACKGROUND & REASONS FOR POLICY

This policy provides the Council the ability to raise funds from sources of revenue other than those granted by statute, including [Minnesota Statutes section 473.249](#), Tax Levy, as amended, and [Minnesota Statutes section 473.517](#), Waste Facilities Allocation of Current Costs, as amended.

IMPLEMENTATION & ACCOUNTABILITY

The Regional Administrator will establish the appropriate accountability and monitoring structure for all income/grant contracts and delegations.

RESOURCES

Related Policies

- [*FM 15-2 Grant/Loan Approval Policy*](#)
- [*TECH 1-3 Electronic Signature Policy*](#)

Statutory Resources

- [*Minnesota Statutes 473.249*](#)
- [*Minnesota Statutes 473.517*](#)

HISTORY

Version 2 – Template Update

10/12/2020 - Updated content into new template.

Version 1 – Approval Date

09/11/1998

Last Reviewed Date

09/11/1998

Next Content Review Date

07/15/2021

Former Reference

3-2-2

Version

2

POLICY

Income/Grants Policy

FM 15-1

Category: Financial Management

Business Unit Responsible: RA: Finance

Policy Owner: Deputy Chief Financial Officer

Policy Contacts: ~~Heather Aagesen-Huebner~~ ~~Giesel~~, Director CD and MTS **Admin**
~~Administration Ned Smith~~, Director of ES Finance and Revenue
~~Ed Petrie~~, Director of Metro Transit Finance

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