



2027

PRELIMINARY BUDGET-IN-BRIEF

Our goal is for the region to prosper and thrive, now and in the future. We work with the region's seven counties and 181 local communities to:

- Look ahead and plan for the future growth of our seven-county area
- Provide essential and cost-effective transit service and state-of-the-art wastewater collection and treatment
- Help households with low and moderate incomes find affordable housing
- Support communities as they plan for anticipated growth and change





MET COUNCIL MEMBERS

REPRESENT THE REGION

Our governing board has 17 members from all walks of life. Sixteen of them represent geographic districts across the region with roughly equal populations. Leading the board is the Met Council chair, the 17th member. The members are appointed by the Governor in consultation with community leaders.

The terms for all 16 current Metropolitan Council members will expire on Jan. 4, 2027. An appointment process will begin following the November 2026 gubernatorial election when the state elects a new governor.

MET COUNCIL MEMBERS

Chair	Robin Hutcheson
District 1	Judy Johnson
District 2	Reva Chamblis
District 3	Dr. Tyronne Carter
District 4	Deb Barber
District 5	John Pacheco Jr.
District 6	Robert Lilligren
District 7	Yassin Osman
District 8	Anjuli Cameron
District 9	Diego Morales
District 10	Peter Lindstrom
District 11	Dr. Gail Cederberg
District 12	Mark Jenkins
District 13	Chai Lee
District 14	W. Toni Carter
District 15	Victor Obisakin
District 16	Wendy Wulff



metro council.org



WE SERVE THE PEOPLE OF THE REGION

Our planning and services provide a foundation for regional economic vitality.

- We operate fixed route bus, light rail, Metro Mobility, Metro Move, Metro Micro, Transit Link and Metro Vanpool, which provided more than 55 million rides in 2025.
- Our strategic investments in a growing network of bus and rail transitways increase transportation choices for Twin Cities residents. They encourage transit-oriented development that creates residential and business opportunities.
- We collect and treat the wastewater for more than 90% of the region's population.
- We plan and fund the land acquisition and development of a world-class regional parks and trails system, which had nearly 66 million visits in 2025.
- Our Housing and Redevelopment Authority (Metro HRA) operates rent assistance programs that provide affordable opportunities for more than 7,200 households with low and moderate incomes, primarily through the Federal Housing Choice Voucher program.



NEARLY
4,700 employees
WORK FOR THE MET COUNCIL



58 REGIONAL PARKS
475+ MILES OF REGIONAL TRAILS
65,000+ ACRES OF LAND



55 million RIDES PROVIDED
BY THE MET COUNCIL AND SUBURBAN
TRANSIT PARTNERS IN 2025



\$76 million IN HOUSING
ASSISTANCE FOR
7,200+ HOUSEHOLDS



TREATS
250 million
GALLONS OF WASTEWATER DAILY



WE INVEST IN REGIONAL MOBILITY

The Met Council experienced unprecedented regional transit expansion in 2025, with the launch of three bus rapid transit services in the region – the METRO Gold Line, the METRO B Line, and the METRO E Line. In 2026, we supported additional expansion efforts and workforce recruitment, in anticipation of launching additional lines in 2027, including the METRO Green Line Extension, Gold Line Extension and Phase One of the ABRT G Line.

2026 was the first full year that Metro Move and Metro Mobility were funded as a state forecasted program rather than one-time appropriations from the state.

These expanded services are among the items possible through the metropolitan area transportation sales tax that began in 2023. For many years, the Met Council managed only one major capital project at a time, but that has changed over the past 15 years. Today, we manage multiple projects simultaneously.

Our Transportation division will also administer a new grant program for active transportation to fund bicycle and pedestrian infrastructure throughout the region. We received applications for this program in June 2026 and will review them ahead of 2027. This funding is also supported by the regional transportation sales tax and will be determined through partnership with the Transportation Advisory Board.



WE ARE STEWARDS OF LOCAL, STATE, AND FEDERAL RESOURCES



A $\frac{3}{4}$ -cent metro-area sales tax for transportation was implemented in October 2023, following legislative action. The State estimates regional transportation sales tax revenues at approximately \$473 million in 2027. The sales tax supports transit operations, maintenance, and safety and security initiatives.

The Met Council receives 83% of the revenue; the remaining 17% is distributed to the seven metro-area counties. Of the 83%, 5% is set aside for active transportation and 95% for transportation programs, transit operations, maintenance, and capital projects. The required uses outlined in legislation include improvements to regular route bus service levels, transit safety, accessibility, and new and replacement shelters. Funds must also be used for bus rapid transit and other investments including zero emissions vehicles, microtransit, active transportation, and wage adjustments for Metro Transit hourly operations employees.

Our budget supports expanding regional services

The 2027 proposed budget reflects significant investment in staffing levels to support new initiatives in the next two to five years. In particular, this budget supports new financial and technical support for local governments related to the new Imagine 2050 guide, as well as the unprecedented investment in our transit and transportation systems through the metropolitan area sales tax.

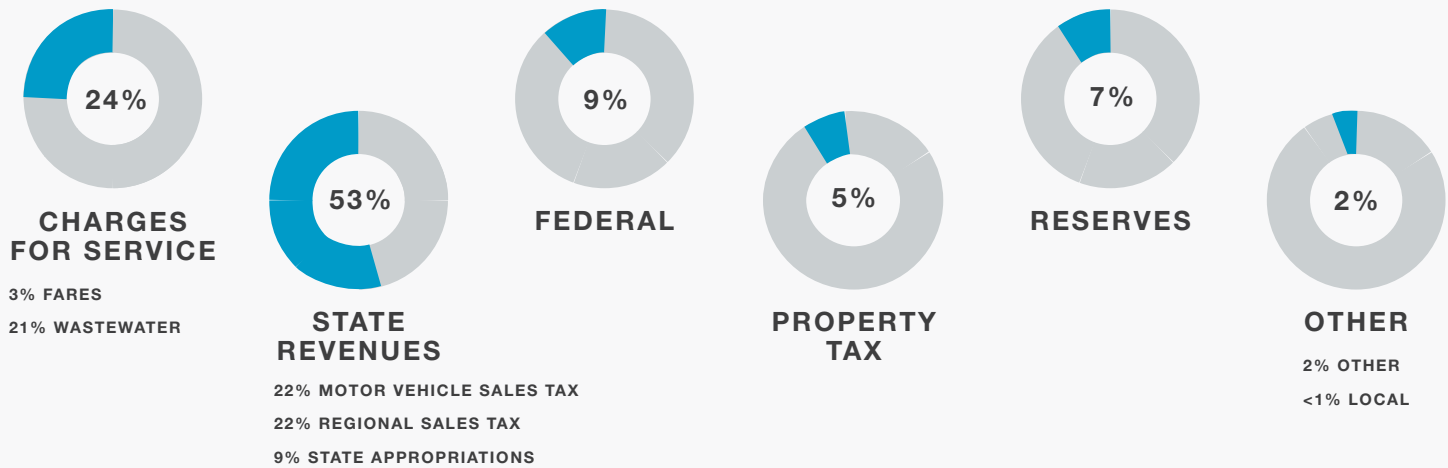
Our Environmental Services division provides wholesale wastewater treatment services to 111 communities in the region. The budget also includes an average increase of 3.5% in the wastewater rates to those communities.

The Met Council's central services departments – such as Human Resources, Procurement, Information Services, and other administrative support – are staffing up to support expanded transit, wastewater, and community operations. We're also enhancing audit and risk management structures and technology systems and infrastructure to apply more modern methods for managing assets, property, financial, and technology systems.

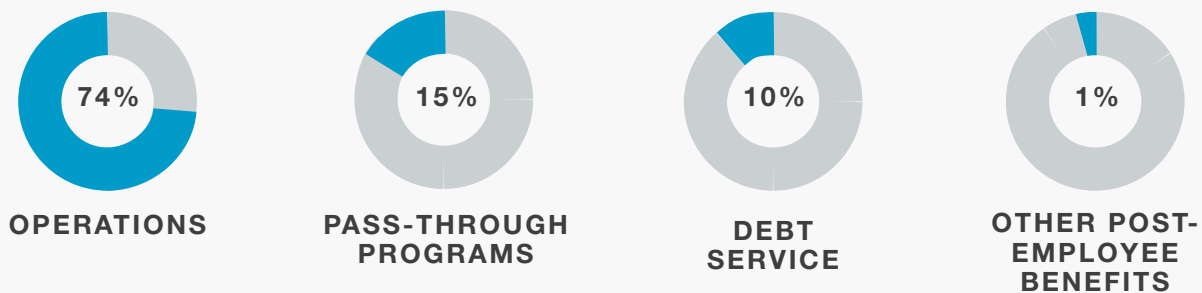
2027 PRELIMINARY OPERATING BUDGET

Sources of funds: **\$1.9 billion**

COST BREAKDOWN



Uses by function: **\$1.9 billion**



Our bonds receive the **highest possible ratings** from Moody's and Standard and Poor's credit ratings agencies. Our top ratings reflect the sound financial management of the Met Council and allow us to borrow money at the **lowest market interest rates.**

WE COLLABORATE WITH PARTNERS TO IMAGINE AND CREATE OUR REGION'S FUTURE

The Minnesota Legislature created the Met Council to guide positive regional growth and solve problems that no one community can take on alone. Our work supports the seven-county metro region's economic vitality, ensures the region's efficient growth, and contributes to the well-being of everyone who calls this place home.

One of our biggest responsibilities is to create a regional development guide every ten years that envisions the future we collectively want in 30 years. It includes policies for how we will plan for and interact with land, transportation, water, housing, and parks and trails. The guide is based on shared regional values and goals. It is used by local governments to plan for their growth, and it informs their local policies and actions about shared infrastructure like sewers, roads, and parks.

The Met Council approved the 2050 Regional Development Guide in February 2025. In 2027, our planning, research, and finance teams will expand support for local governments as they prepare local comprehensive plans.

IMAGINE 2050 VALUES

This development guide is informed by values and outcomes communicated to us through the comprehensive plans of the 181 cities and seven counties in the region. There are four core values in Imagine 2050:

- **Equity:** we value the people and communities of our region.
- **Leadership:** we value those in our region who inspire and motivate others for positive change.
- **Accountability:** we value being effective in our work and achieving measurable outcomes.
- **Stewardship:** we value our region's resources.

IMAGINE 2050 GOALS

The regional vision articulated in Imagine 2050 includes five aspirational goals to guide and inform regional policy decisions.

- **Our region is equitable and inclusive.** Racial inequities and injustices experienced by historically marginalized communities have been eliminated; and all people feel welcome, included, and empowered.
- **Our communities are healthy and safe.** All our region's residents live healthy and rewarding lives with a sense of dignity and wellbeing.
- **Our region is dynamic and resilient.** Our region meets the opportunities and challenges faced by our communities and economy, including issues of choice, access, and affordability.
- **We lead on addressing climate change.** We have mitigated greenhouse gas emissions and have adapted to ensure our communities and systems are resilient to climate impacts.
- **We protect and restore natural systems.** We protect, integrate, and restore natural systems to protect habitat and ensure a high quality of life for the people of our region.



WE PLAN FOR THE LONG TERM

The Met Council's proposed 2027 budget reflects the priorities and guidelines of our Imagine 2050 long-range regional development guide .

Met Council adoption of the regional development guide is just the beginning of the regional-local partnership in the decennial planning cycle. Over the next two years, our Community Development division and planning teams throughout the Met Council will make an unprecedented investment in supporting local governments in fulfilling their responsibility to create comprehensive plans.

Just like the Imagine 2050 guide provides the regional vision through 2050, local comprehensive plans provide the vision for the 181 communities throughout the region. The comprehensive planning process is an important and significant effort each community undertakes, and our aim, as reflected in the 2027 budget, is to provide both direct financial and indirect technical assistance to our local government partners in this process.

Our teams are providing direct planning assistance for smaller communities in our region. We will also provide additional funding for policy and program development in communities across the region.

These, and other process improvements, are the direct result of feedback from our local government partners. We will continue supporting initiatives that provide more direct, responsive programs to help our local partners establish what their communities will need in the future.

Imagine 2050 reflects imaginative solutions for today's challenges but the guide is far from imaginary. It sets policy and investment direction for the region's future. This will guide our work and our partners' work for years to come.



WE ARE COMMITTED TO REDUCING CLIMATE IMPACTS

The Met Council began to implement our Climate Action Work Plan, which will unify efforts across our organization over the next five years to reduce our climate impacts and prepare for a changing climate. The plan identifies actions to be taken over a three-to-five-year timeframe and makes five overarching commitments:

- 1. Commitment one:** Incorporate environmental justice principles as we plan, implement, and evaluate our climate action work
- 2. Commitment two:** Accelerate emissions reductions from our operations to achieve carbon neutrality
- 3. Commitment three:** Accelerate regional emissions reductions through existing and new partnerships
- 4. Commitment four:** Reduce risks and impacts of climate change hazards to our facilities and services
- 5. Commitment five:** Support and collaborate with partners to advance regional climate adaption efforts

The Minnesota Legislature approved funding for our community tree planting grants program that began in 2025 and will continue in 2027. In 2025, the program initially funded projects planting 5,100 trees in the region and removing 2,200 hazardous ash and other trees.

Our regional tree canopy supports thriving communities by providing shade to cool us and habitat for wildlife, improved air quality and mental health, while helping to create healthy and resilient places.

We're also creating a suite of tools to help local governments understand the trends and realities we're experiencing in our region. In addition to compiling regional data and assessing impacts of development trends, we're developing greenhouse gas and climate tools to assess potential long-term climate impacts in our region and the influence planning decisions can have on those realities.

WE'RE PRIORITIZING TRANSIT SAFETY AND SECURITY

The Met Council has established a wide range of initiatives to mitigate recent challenges facing transit operations so we can deliver a safe, welcoming transit experience.

Safety and Security Action Plan

Developed with input from riders and employees, the Metro Transit Safety & Security Action Plan describes more than 40 actions we're taking to improve public safety on transit. A quarterly documented status report details progress using measurable outcomes for each action item.

Each of the actions is focused on three areas of work (also part of the Metro Transit Forward strategic framework).

- **Employees:** We value employees and continuously improve how we attract, retain, develop, and support our workforce.
- **Experience:** We provide a consistently safe, clean, and welcoming experience on our system.
- **Service:** We offer service that is convenient, reliable, and environmentally sustainable.

Supplemental security. In 2026, we increased our supplemental security presence throughout the system, including several locations with coverage between 20 and 24 hours a day. In 2027, we will further increase our supplemental security to continue to improve customer comfort and safety.

Transit Safety Intervention Project. The program, supported by transportation sales tax revenue, aims to enforce the Code of Conduct and provide additional customer social services support through partnerships and outreach with state and local partners and community-based service organizations.



Transit Rider Investment Program. This program provides a strong presence to our system and allows non-police personnel to issue administrative citations for fare non-compliance. This program has grown from no full-time employees in 2023 to 162 employees in 2027.





WE HELP SUSTAIN OUR REGION'S NATURAL RESOURCES

Wastewater treatment rates have remained reasonable, averaging \$34 a month per household, which is estimated to be 35% less than other large U.S. wastewater utilities according to the National Association of Clean Water Agencies. It's less than the cost of your monthly internet or cable service each month.

In 2027, we will undertake \$472 million in capital investment to preserve existing assets, improve efficiency, and provide needed capacity for growth. Key projects in 2026/27 include:

- lift station improvements in St. Paul Park, Hugo, Forest Lake, Orono, Woodbury, and South St. Paul;
- meter improvements in Bloomington, Brooklyn Park, Brooklyn Center, Chanhassen, Lakeville, and Farmington;
- interceptor improvements in Orono, Maple Grove, Oakdale, Minneapolis, Eagan, Shakopee, Champlin, Coon Rapids, Roseville, Forest Lake, Shoreview, Fridley, and Burnsville;
- solids processing capacity and improvements, effluent pumping station rehabilitation, primary treatment infrastructure renewal, service water system rehabilitation at Metropolitan Water Resource Recovery Facility (WRRF);

- plant-wide renewal and improvements at St. Croix Valley WRRF;
- piping and site rehabilitation at Seneca WRRF;
- addition of a fourth digester at Blue Lake WRRF; secondary treatment rehabilitation and process improvements at Hastings WRRF;
- renewal of process control systems at Blue Lake WRRF, Seneca WRRF and Metro WRRF.

Our regional water resource and water supply planning work supports a sustainable and equitable future for a growing region. Through a new and significantly increased level of community engagement and collaboration, we are working to optimize our use and protection of water resources long term while fortifying infrastructure against climate challenges and ensuring equitable access to clean water for generations to come.

We are also working with local partners around the region to support an integrated planning approach to better understand the water supply and resource-related needs our region will have in the future. A good example is the work to facilitate planning in the communities surrounding White Bear Lake.

WE INVEST IN GREEN SPACES

The Parks Acquisition Grant Program helps acquire new park and trail land in the Twin Cities region. The Regional Parks System protects valuable natural resources and wildlife habitats, helps address climate change, and provides health and happiness for the residents of our region.

As identified in the Imagine 2050 plan, we recognize the importance of taking care of our regional parks for many generations to come. In 2025, the Minnesota Legislature invested nearly \$23.5 million for operations and maintenance of our regional parks across state fiscal years 2026 and 2027. Regional parks and trails will also receive more than \$51 million in funds from the Clean Water, Land, and Legacy Amendment in state fiscal years 2026 and 2027, and \$900,000 from the general fund in fiscal year 2026 for the Met

Council to award community tree planting grants to eligible recipients. The bonding bill contained an additional \$1 million in general obligation bonds for this purpose.

In 2026, the Minnesota Legislature committed \$2.4 million from the environment and natural resources trust fund for Metropolitan Regional Parks System land acquisition. The legislature also passed a capital investment package which includes \$10 million in state funding, matched with \$6.67 million in Met Council regional funds. Finally, an additional \$5 million in general obligation bonds for the community tree planting grants was included in a capital investment bill.

WE PROMOTE HOUSING OPPORTUNITIES

The Bring It Home Rental Assistance Program is a new program funded by state appropriations and a new metro sales tax for housing to create rental assistance for low-income families across Minnesota. The program, modeled after the Housing Choice Voucher Program, will bring approximately 900 new vouchers to the Met Council for people in the Twin Cities region.

The Metro Transit Homeless Action Team partners with the Metro HRA to connect people experiencing homelessness and using transit as shelter to housing vouchers and services to achieve housing stability.

The Met Council makes approximately \$28 million in annual grants through the Livable Communities program to help communities create more housing choice, support living wage job creation, and connect jobs, housing, and regional amenities to create a more equitable region.

Through housing policy planning, the Met Council assists communities throughout the region in planning for and creating options that give people of all income and life stages viable choices for safe, stable, and affordable homes.



2027 PRELIMINARY BUDGET AND LEVIES

For 2027, the Met Council is proposing to spend \$1.89 billion for operations, pass-through programs, and debt service (loan repayments and interest).

Where our funding comes from

Charges for services. Almost one-quarter (24%) of our funding comes from our customers. Our primary paying customers are transit riders and local municipalities for wastewater services.

Transit fare revenues. Revenues for 2027 are projected to total \$51.8 million. This reflects an increase from 2025 when actual fare revenue was \$49.3 million, but still significantly lower than the pre-pandemic budget of \$115.4 million.

The Met Council continues to monitor and evaluate ridership on a daily and weekly basis to evaluate services and the need for service adjustments, according to customer feedback and our Network Now plan.

Metro Mobility service is designed to meet state and federal standards, and ridership has grown disproportionately to other transit services in the region. In 2027, annual state appropriations for Metro Mobility are based on the actual costs of the program as reported by the Met Council.

Operating reserves. Federal funds are expected to be used, along with one-time use of approximately \$112.1 million in operating reserves, to balance the budget of Met Council transportation operations in calendar year 2027.

Bus service revenues. The 2027 preliminary budget assumes bus service levels will be 13% higher than 2024, with Light Rail and Metro Mobility at 100%. The actual service levels on bus and light rail are dependent on operator hiring availability.



Wastewater charges. Wastewater charges to local municipalities, which fund operations and debt service, are projected to total \$325.6 million in 2027. Other customer-generated sources include industrial waste charges (\$23.6 million) and sewer availability charges for new or expanded capacity (\$44.1 million).

The preliminary budget includes an average increase in the metropolitan wastewater charge of 3.5%. The sewer availability charge of \$2,485 per unit will not increase for 2027 and has been flat since 2014.

Federal revenues. We receive federal revenues to support our transit and housing assistance programs, totaling approximately 9% of operating revenues. The preliminary 2027 budget for the Metropolitan Housing and Redevelopment Authority includes \$122.5 million in federal revenues. More than 90% is passed through as rental assistance payments directly to landlords for tenant voucher holders.

Property taxes. Counties, cities, and school districts receive most of the revenue raised by property taxes in the region. The Met Council typically receives about 1.1% of the average property taxes in the Twin Cities.

The Met Council's 2027 budget proposes property tax levies payable in 2027 of \$99.94 million. Property taxes

are primarily used to pay debt service on bonds issued to support two purposes: the capital improvement programs for transit and parks and the pass-through grants to local communities with the Livable Communities Fund.

State revenues. The Met Council receives revenue from the State of Minnesota, derived primarily from motor vehicle sales taxes (\$421.5 million) and from state general fund appropriations for rail operations (\$10.9 million) and Metro Mobility (\$131.2 million). The Met Council also estimates the use of \$21.5 million of regional sales tax in transit operations.

The state typically updates its revenue forecast in February and November each year. This budget relies on the state's February 2026 forecast. Metro-area transit receives 34.3% of motor vehicle sales tax revenues. The Met Council budget includes pass-through funds of \$51.1 million in motor vehicle sales tax revenues to suburban transit providers.

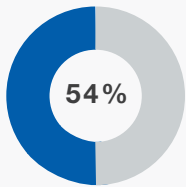
The Minnesota Legislature has continued to divide our base general fund appropriation for transit into separate line items for Special Transportation Services (services for people who are elderly, living with disabilities, and similar) and the Met Council's transit system.



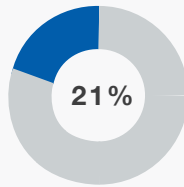
2027 PROPOSED NUMBERS

Property tax levies: **\$99.9 million**

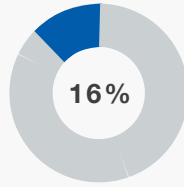
COST BREAKDOWN



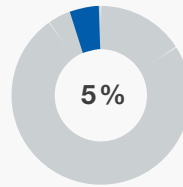
TRANSIT
DEBT
SERVICE



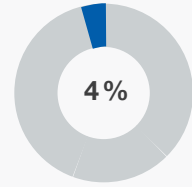
GENERAL
PURPOSES



LIVABLE
COMMUNITIES

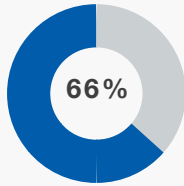


TAX BASE
REVITALIZATION

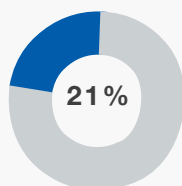


PARKS DEBT
SERVICE

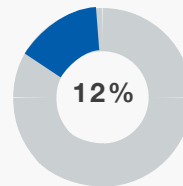
Operating budget uses by division: **\$1.9 billion**



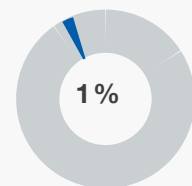
TRANSPORTATION



ENVIRONMENTAL
SERVICES



COMMUNITY
DEVELOPMENT



REGIONAL
ADMINISTRATION
& OTHER POST-
EMPLOYEE BENEFITS

Debt service and bonds

About 58% of total preliminary property tax levies is dedicated to paying debt service on bonds issued to support preserving and investing in capital assets for transit and parks.

Our total general obligation debt outstanding is \$1.6 billion as of Dec. 31, 2025. Approximately 73% of this debt relates to wastewater assets and is paid for by fees collected for wastewater services.

Our bonds receive the highest possible ratings from Moody's and Standard and Poor's credit ratings agencies. Our top ratings reflect the sound financial management of the Met Council and allow us to borrow money at the lowest market interest rates.

Property tax impact

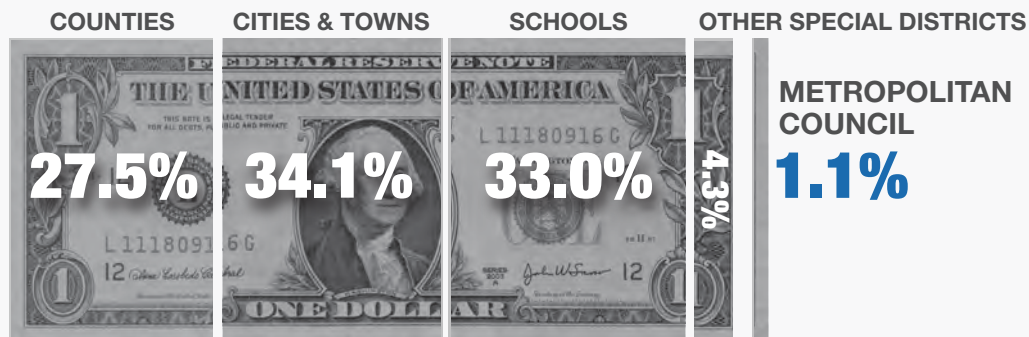
The 2027 budget proposes tax levies of \$99.9 million, payable in 2027. Property taxes are primarily used to pay debt service on bonds issued to support the transit and regional parks capital improvement programs and to provide pass-through grants to local communities under the Livable Communities Act.

The proposed payable 2027 levy of \$99.9 million represents a 2% increase over the amount payable in 2026. Under the proposed levy, a metro area home with an estimated value of \$400,000 could pay a Met Council-related property tax of approximately \$65 inside the transit-taxing communities and \$26 outside the transit-taxing communities.

The Met Council's statutory limit for general purposes and other non-debt service levies is \$47.1 million for taxes payable in 2027, compared to the proposed levy of \$41.6 million which is about 12% below the levy cap. Levies for debt service are not directly limited, but the levies for parks and transit are essentially restricted

by our bonding authority (the dollar amount of bonds we can issue) as defined in statute. The proposed debt service for transit and park debt service is \$58.4 million in 2027, which is 1.2% more than 2026 debt service levy.

Where your property tax dollar goes



Source: MN Department of Revenue, Certified Payable 2026 Property Tax Levies

Met Council fund accounting

Revenue collected by the Met Council is directed into separate funds. These funds allow us to manage spending by directing the revenue dedicated to specific activities or objectives to a group of related accounts. By maintaining separate funds, we comply with laws that require funds be spent for a specific purpose. For example, the Met Council may not raise transit fares to pay for wastewater services.

The general fund is used to account for administration functions of our Regional Administration and Community Development divisions. The Met Council has the most discretion in the use of general fund dollars. The general fund accounts for about 5% of the Met Council budget and is primarily funded by the general-purpose property tax levy and inter-divisional allocations.

Post-employment benefits

Funds are invested in a trust account to cover our liability for other post-retirement employee benefits (closed plan). We anticipate investments totaling \$409.9 million on December 31 will be sufficient to cover projected future costs for retirees.



BUDGET PROCESS

Developing and reviewing the budget

The process for developing the 2027 preliminary budget continues to be significantly impacted by the longer-term effects of the pandemic and the local economy, particularly the labor and supply markets. We anticipate the budget will change between the preliminary budget adopted in August and the final budget adopted in December.



Budget timeline

January-June. The Chief Financial Officer meets with division managers to build a proposed budget.

July-August. The Met Council's standing committees review and refine our divisions' proposed budgets. The Met Council adopts a preliminary operating budget and property tax levy by September 1.

August-October. The Met Council's standing committees review the proposed capital program. The capital improvement plan covers six years and includes projects such as replacement of transit fleet, park land acquisition and development, and wastewater system infrastructure.

The Met Council approves a Unified Operating and Capital Budget for public comment in October.

Receiving public comment

November-December. Public comment is received on our proposed budget and levies until final adoption at the Met Council meeting on December 2, 2026.

"Truth in Taxation" notices are mailed by metro area counties to property owners showing the proposed amount of property tax that they will be required to pay during the coming year from all taxing jurisdictions.

Adopting the budget

At its meeting on December 2, 2026, the Met Council will adopt a final budget that reflects any changes made to the public-comment draft budget. The property tax levy adopted with the preliminary operating budget in August may be lowered, but not increased, when the final budget is adopted.



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