

HENNEPIN COUNTY

MINNESOTA

FINAL COMMITTEE AGENDA

ADMINISTRATION, OPERATIONS AND BUDGET COMMITTEE

TUESDAY, MARCH 24, 2026
1:30 PM

Chair: Debbie Goettel, District 5
Vice Chair: Heather Edelson, District 6
Members: Jeff Lunde, District 1
Irene Fernando, District 2
Marion Greene, District 3
Angela Conley, District 4
Kevin Anderson, District 7

1. 2026 Budget Update

1.A. March Presentation

Attachments: [March 2026 budget update presentation](#)

2. Minutes from Previous Meeting

2.A. March 10, 2026 Meeting Minutes

Attachments: [AdminOpsBudget-COMMITTEEMINUTES-10-Mar-2026](#)

3. New Business

Routine Items

3.A. [26-0104](#)

Principal Agmt PR00008306 with Wayzata Public Schools for fiber optic collaboration, 04/07/26-12/31/27

3.B. [26-0105](#)

Re-allocate \$69,725 in State Fiscal Year 2026 Youth at Work funding from Lutheran Social Service to Brooklyn Park Economic Development Authority (Brooklynk)

3.C. [26-0106](#)

Neg Agmt PR00008310 with PFM Financial Advisors LLC to provide municipal advisory services, 05/01/26-04/30/31

Items for Discussion and Action

3.D. [26-0107](#)

Agmt A2613332 with The Minneapolis Foundation to receive matching funds for the Anti-displacement Community Prosperity Program, 12/01/25-03/31/31

Addendum

3.E. [26-0130](#)

Support an increase in the county sales tax to support Hennepin Healthcare System, North Memorial and Target Field - offered by Commissioners Conley and Lunde

3.F. [26-0131](#)

Authorize supplemental appropriations to amend the 2025 Sheriff's Office budget

HENNEPIN COUNTY

300 South Sixth Street
Minneapolis, MN
55487-0240

MINNESOTA

Board Action Request

TMP-26-0279

Item Description:
March Presentation



Hennepin County

2026 budget update

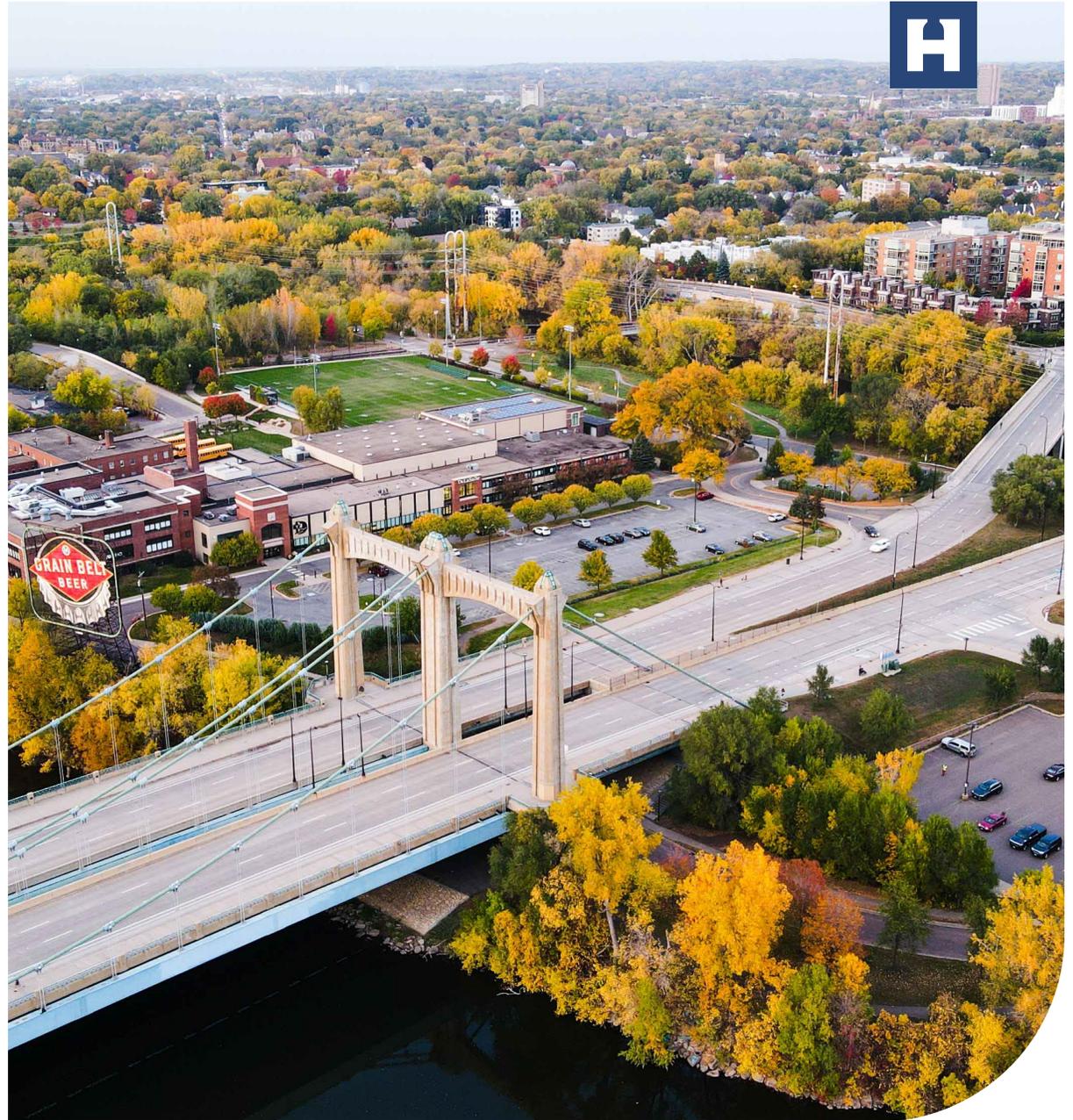
Administration, Operation, and Budget Committee

March 24, 2026



Background

Provide transparency and information to commissioners and residents regarding the tracking and monitoring of the county's financial health.





Agenda

Current year-to-date budget

Federal impacts

Budget management strategies

Current FTEs under budget

Line of Business	Budgeted FTE	Hired FTE as of 3/5/2026	Variance	Actual FTE as of 2/27/2026
Public Works	512.3	442.4	69.9	437.1
Law, Safety, Justice	2,501.2	2,469.7	31.5	2,524.1
<i>Sheriff's Office</i>	883.0	898.2	(15.2)	994.6
<i>Attorney's Office</i>	521.6	507.6	14.0	492.7
Health	484.5	428.5	56.0	424.5
Human Services	3,718.4	3,847.4	(129.0)*	3,693.5
Operations	1,328.1	1,241.9	86.2	1,177.8
Resident Services	1,093.9	952.2	141.6	919.2
Disparity Elimination	124.5	111.5	13.0	103.9
Countywide	9,762.9	9,493.6	269.3	9,280.0
2025	9,995.6	9,595.8 as of 3/3/2025	399.8	9,575.6 as of 2/28/2025

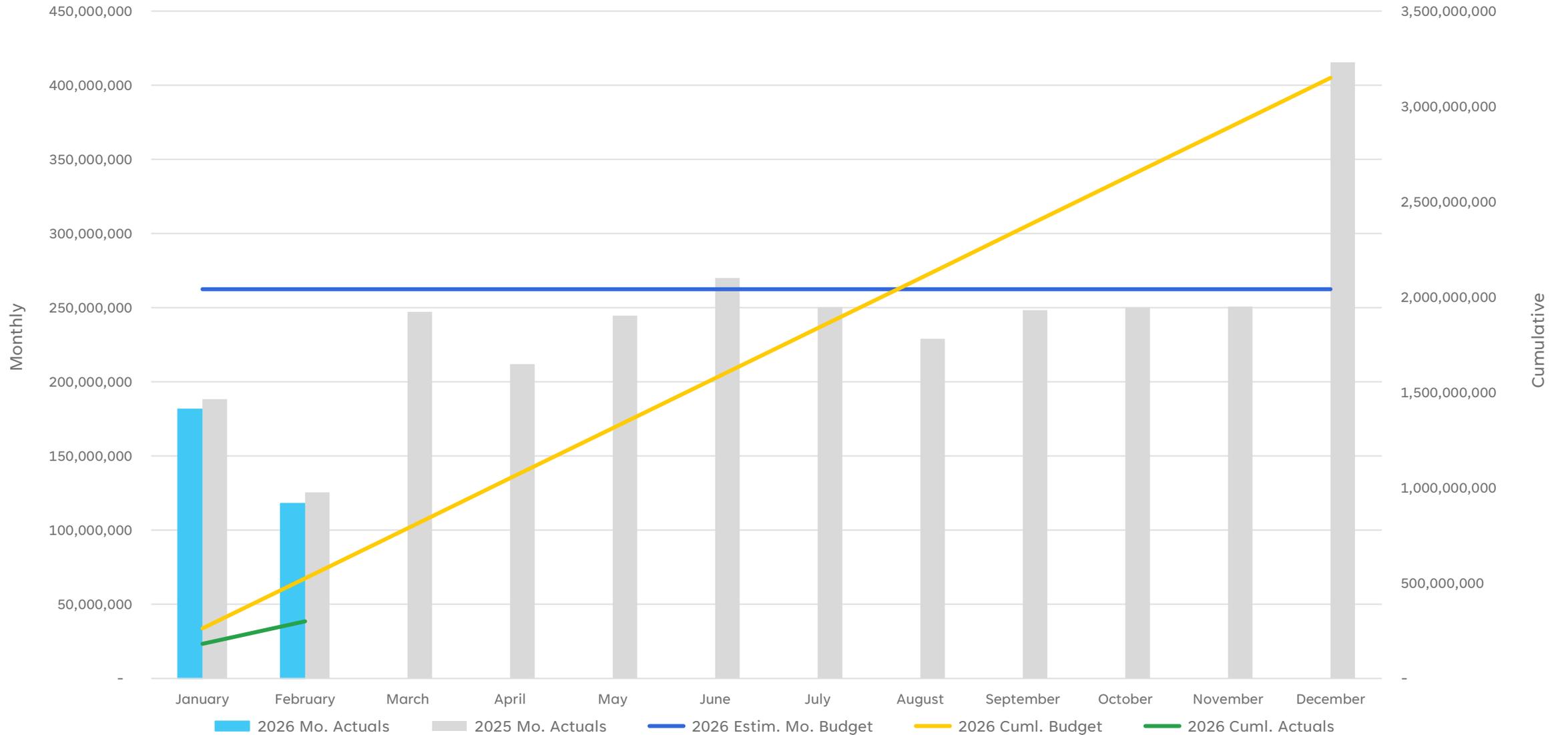
Budgeted FTE: 2026 Adopted Budget

Hired FTE: the number of hours an employee was hired and anticipated to work

Actual FTE: the number of actual hours worked by existing staff, including leave time and overtime

**The 2026 budget for Human Services includes a reduction of 237 FTEs, to be achieved through attrition and prioritized hiring of critical resident facing positions.*

Spending under budget for January and February 2026



Ongoing federal budget impacts



Current federal impacts

Known funding reductions

Program area	Amount annually
SNAP (Food security)	\$8 million
Total	\$8 million

Funding under protective orders – at risk

\$62 million

Grants terminated

Program area	Total grant award	Amount cancelled
Department of Homeland Security (DHS)- Federal Emergency Management Agency (FEMA): Shelter & Services Program (SSP), 3 grants	\$8,500,000	\$2,700,000
DHS – FEMA: Targeted Violence and Terrorism Prevention Program	\$106,284	\$67,200
HHS/Centers for Disease Control and Prevention: Federal Infrastructure Grant	\$1,786,794	\$0 (fully expended prior to cancellation)
Total	\$8.6 million	\$2.76 million

Anticipated cuts

County program area	Date	Amount annually
SNAP (Food security) Error Rate	2027	\$20 million
HUD (Housing security)	2027	\$12 million
Medicaid	2027	TBD
Total		\$32+ million

Hennepin Healthcare System Cumulative financial impact (2027-2038)

Total estimated impact: \$1.7B reduction

- \$1.1B from declining directed payments
- \$0.6B from Medicaid disenrollment

Budget management strategies

- Hiring management
- Reviewing contracts
- Capital project reviews



Next update:
June

Next steps:

- Executive team and directors continue to evaluate 2026 budget drivers
- Monitor additional State and Federal budget impacts
- Report back in June with current YTD budget and actuals



HENNEPIN COUNTY

300 South Sixth Street
Minneapolis, MN
55487-0240

MINNESOTA

Board Action Request

TMP-26-0276

Item Description:

March 10, 2026 Meeting Minutes

HENNEPIN COUNTY

MINNESOTA

COMMITTEE MINUTES

ADMINISTRATION, OPERATIONS AND BUDGET COMMITTEE

TUESDAY, MARCH 10, 2026
1:30 PM

Chair: Debbie Goettel, District 5
Vice Chair: Heather Edelson, District 6
Members: Jeff Lunde, District 1
Irene Fernando, District 2
Marion Greene, District 3
Angela Conley, District 4
Kevin Anderson, District 7

Commissioner Debbie Goettel, Chair called the meeting of the Administration, Operations and Budget Committee for Tuesday, March 10, 2026 to order at 2:03 p.m.

Present: Commissioner Debbie Goettel, Commissioner Kevin Anderson, Commissioner Jeff Lunde, Commissioner Irene Fernando, Commissioner Marion Greene, Commissioner Angela Conley and Commissioner Heather Edelson

1. Minutes from Previous Meeting

1.A. February 5, 2026 Meeting Minutes

APPROVE

Commissioner Kevin Anderson moved, seconded by Commissioner Jeff Lunde, to approve the Minutes.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

2. New Business

Routine Items

2.A. [26-0070](#)

Recognize that the public art portion of the capital budget for the Southdale Library Replacement project (1005259) will be \$406,500; and amend the 2026 Capital Budget to reduce the Southdale Library Replacement capital project (1005259) by \$406,500 in general obligation bonds

CONSENT

Commissioner Debbie Goettel moved, seconded by Commissioner Heather Edelson, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

2.B. [26-0071](#)

Neg Agmts A2613366 with Three Rivers Park District for operation of Glen Lake Golf and Practice Center, 01/01/26-12/31/30 and A2613371 with Parker's Lake Golf Center, 01/01/26-12/31/30, no county cost

CONSENT

Commissioner Kevin Anderson moved, seconded by Commissioner Jeff Lunde, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

2.C. [26-0072](#)

Amd 1 to Agmt PR00007543 with David W. Lopez to provide communications consulting for Hennepin County opioid response, ext end date to 12/31/26, incr NTE by \$170,000 for a new total NTE of \$226,512

CONSENT

Commissioner Debbie Goettel moved, seconded by Commissioner Jeff Lunde, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

2.D. [26-0073](#)

Request subsequent designation of the Hennepin-Carver Workforce Development Area and submission of letter of intent to the MN Dept of Employment and Economic Development; designate Commissioner Irene Fernando as the representative of Hennepin County in its capacity as Chief Elected Official of the local area.

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Debbie Goettel, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

2.E. [26-0074](#)

Amd 1 to Agmts HS00001644 with HIRED and HS00001647 with Avivo to allow for the acceptance of 2026 Workforce Innovation and Opportunity Act Young Adult grant funds, ext end dates to 03/31/28 and incr the combined NTE by \$30,000 for a new total combined NTE of \$850,000

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Kevin

Anderson, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

2.F. [26-0075](#)

Amd current Benefits Cliff (Succeeding in Employment) and Youth Employment Services contracts for continued funding through 02/28/26, NTE of \$213,721 (\$166,286 for Succeeding in Employment and \$47,435 for Youth Employment Services)

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Angela Conley, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

Items for Discussion and Action

2.G. [26-0076](#)

Revision to the Hennepin County Human Resources Rules

CONSENT

Commissioner Debbie Goettel moved, seconded by Commissioner Jeff Lunde, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

2.H. [26-0077](#)

Amd 2 to Agmt A188951 with the University of Minnesota to provide general, professional, research and technical services countywide, ext end date to 06/30/31, incr NTE by \$5,000,000 for a new total NTE of \$9,500,000

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Debbie Goettel, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

Addendum

2.I. [26-0094](#)

Establish a public hearing on the HUD 2026 Annual Action Plan on Tuesday, April 21, 2026, at 1:30 p.m.

CONSENT

Commissioner Debbie Goettel moved, seconded by Commissioner Jeff

Lunde, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

2.J. [26-0095](#)

Support Small Business relief in Hennepin County by waiving penalties for late license renewals

CONSENT

Commissioner Marion Greene moved, seconded by Commissioner Irene Fernando, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

2.K. [26-0096](#)

Authorize one-time abatement of property tax penalty in 2026 upon application of taxpayer based upon hardship

CONSENT

Commissioner Debbie Goettel moved, seconded by Commissioner Irene Fernando, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

2.L. [26-0097](#)

Budget Compliance for Hennepin County Sheriff's Office - offered by Commissioner Conley

CONSENT

Commissioner Angela Conley moved, seconded by Commissioner Irene Fernando, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Anderson, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley and Commissioner Edelson

There being no further business, the Administration, Operations and Budget Committee for Tuesday, March 10, 2026 was declared adjourned at 2:56 p.m.

Maria Rose
Clerk to the County Board

Board Action Request

26-0104

Item Description:

Principal Agmt PR00008306 with Wayzata Public Schools for fiber optic collaboration, 04/07/26-12/31/27

Resolution:

BE IT RESOLVED, that Principal Agreement PR00008306 with Wayzata Public Schools for fiber optic collaboration during the period April 07, 2026 through December 31, 2027 be approved; that the Chair of the Board be authorized to sign the agreement on behalf of the county; that the County Administrator be authorized to sign statements of work under the agreement on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

Under Resolutions 20-0482, 21-0138, 22-0187, and 24-0212, the County Board approved fiber optic Principal Agreements with public entity partners including Metropolitan Council, City of Minneapolis, City of Minnetonka, City of Bloomington, Carver County, Local Government Information Systems (LOGIS), Minnesota IT Services (MNIT), City of Eden Prairie, City of Rogers, and Eden Prairie School District. These Principal Agreements streamline and expedite the contracting process for fiber optic collaborative projects by establishing standard terms and conditions in advance. This framework reduces the need for repeated negotiations and enables partnering agencies to more efficiently scope and complete joint fiber projects.

This request seeks approval to establish a fiber optic Principal Agreement with Wayzata Public Schools. The county and Wayzata Public Schools currently maintain a fiber-sharing agreement executed in 2014 that remains in effect through 2033. Establishing this new Principal Agreement will align terms and structure with other public agency fiber agreements and further strengthen the county's ability to collaborate on future fiber infrastructure initiatives.

Wayzata Public Schools has proposed a joint project to extend fiber connectivity to a new school facility anticipated to be completed in 2026. Having a Principal Agreement in place will allow this project, as well as future collaborative efforts, to proceed efficiently and without delay.

Consistent with previously approved fiber optic Principal Agreements, this agreement does not commit county funds. Rather, individual Statements of Work (SOWs) will be developed under the framework of the Principal Agreement to define the scope, schedule, and pricing of specific fiber optic projects. Information Technology, Public Works, and Facility Services will have the ability to develop SOWs under the agreement, with oversight provided by the IT Community Connectivity team.

Project pricing will be established in each SOW. Depending on the project, it may have no cost, generate revenue to the county, or incur expenditures by the county. This request also seeks Board

26-0104

authorization for the County Administrator to negotiate and execute individual SOWs under the Principal Agreement. Any SOW exceeding \$500,000 will be brought to the County Board for approval.

Recommendation from County Administrator: Recommend Approval

MINNESOTA

Board Action Request

26-0105

Item Description:

Re-allocate \$69,725 in State Fiscal Year 2026 Youth at Work funding from Lutheran Social Service to Brooklyn Park Economic Development Authority (Brooklynk)

Resolution:

BE IT RESOLVED, that \$69,725 in SFY26 Youth at Work funds allocated to Lutheran Social Service (LSS) be re-allocated to Brooklyn Park Economic Development Authority (Brooklynk) for the provision of services for the Youth at Work Program to eligible participants; that following review and approval by the County Attorney's Office, the Chair of the Board be authorized to sign the Agreement on behalf of the county; and that the Controller be authorized to disburse funds as directed.

Background:

Under Resolution 25-0119, Hennepin County is authorized to receive funds from the Minnesota Department of Employment and Economic Development (DEED) during the period of January 1, 2025 through December 31, 2029 for the provision of services under WIOA Adult, Youth, Dislocated Worker, State Dislocated Worker, Minnesota Youth Program, and other appropriated funds received from the state government, including Youth at Work Competitive Grant funds (Master Grant Contract Agreement #HENNEPIN2025M).

The Youth at Work Competitive Grant, as authorized in Minnesota Statute 116L.562, provides workforce development and training opportunities to economically disadvantaged or at-risk youth ages 14-24. The Youth at Work Competitive Grant is administered by the Minnesota Department of Employment and Economic Development (DEED). Hennepin County was awarded \$300,000 in Youth at Work Competitive grant funds to support these activities during State Fiscal Year (SFY) 2026 and 2027.

Amendment 1 to Principal Agreement #HS00001645 with Brooklyn Park Economic Development Authority and Amendment 1 to Contract #HS00001999 with Lutheran Social Services allowed these organizations to accept Youth at Work Competitive Grant funds in order to carry out the required services under Minnesota Statute 116L.562. Per these amended contracts, LSS was allocated \$69,725.00 and Brooklynk was allocated \$48,400 in SFY26 Youth at Work funds to provide youth employment services for at-risk youth in Suburban Hennepin County.

The SFY26-27 Youth at Work grant builds upon existing property-tax funded youth employment services under the Department of Workforce Development. By braiding funding, LSS was able to deliver services via their existing youth employment services infrastructure, to efficiently deliver work experience, internships, and case management services for at-risk youth in Suburban Hennepin County. As of March 1, 2026, youth employment services funding leveraged in the Youth at Work program has been realigned to prioritize residents' most essential needs.

26-0105

To remain in compliance with DEED policies and to ensure SFY26 Youth at Work program funds are expended and planned services delivered in a timely manner, the \$69,725 in SFY26 Youth at Work funds originally allocated to LSS should be re-allocated to Brooklynk. As a current contracted Minnesota Youth Program provider with Hennepin County, Brooklynk has the necessary infrastructure, staffing levels, and programmatic experience to provide five Suburban Hennepin County youth with work experience, internship, and case management services during the 2026 summer season. This reallocation will allow Hennepin County to achieve its programmatic outcomes without disruption in service delivery.

Recommendation from County Administrator: Recommend Approval

Board Action Request

26-0106

Item Description:

Neg Agmt PR00008310 with PFM Financial Advisors LLC to provide municipal advisory services, 05/01/26-04/30/31, NTE \$1,300,000

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate Agreement PR00008310 with PFM Financial Advisors LLC for the provision of municipal advisory services to Hennepin County during the period May 1, 2026, through April 30, 2031 with a total not to exceed amount \$1,300,000, be approved; that following review and approval by the County Attorney's Office, the Chair of the Board be authorized to sign the Agreement on behalf of the County; and that the Controller be authorized to disburse funds as directed.

Background:

The County currently has a contract with PFM Financial Advisors LLC to provide municipal advisory services, which expires on August 31, 2026. The Hennepin County Debt Management Policy states that it is the practice of the County to retain an independent, registered municipal advisor to provide services related to the structuring, rating and issuance of all debt issues of the County.

Accordingly, the Office of Budget and Finance (OBF), in collaboration with the County Attorney's Office and Purchasing, recently conducted a Request for Proposal (RFP) process for provision of municipal advisory services. The RFP was sent directly to six firms actively engaged in providing municipal advisory services to clients in Minnesota, as well as made publicly available through the County's procurement portal. Two firms responded to the RFP - Baker Tilly Municipal Advisors, and PFM Financial Advisors LLC.

The firms were evaluated by representatives of OBF and the County Attorney's Office with assistance from Purchasing (the Evaluation Panel). The minimum qualifications to be considered required the firms to have served as the primary municipal advisor to local, regional or state governmental issuers within the past five years. In addition, proposals were evaluated based upon the plan for providing services; experience and qualifications, including past performance; demonstrated commitment to diversity, equity and inclusion strategies and outcomes; overall quality of the proposal; fees; and potential for conflicts.

It was the consensus of the Evaluation Panel that the firms met the minimum criteria for consideration. In the area of overall experience in providing municipal advisory services, PFM Financial Advisors LLC (PFM) was judged to have the broadest array of relevant experience, particularly with large complex issuers such as the County. PFM also offers a complete complement of services in other areas which may be beneficial to the County to access in the future, including asset management, review of banking arrangements/contracts, and general consulting. In addition,

the core of PFM's project team is all located in downtown Minneapolis.

The RFP required fixed transaction fees for actual bond issues, as well as discounted hourly rates for non-bond issuance work. In this area, PFM's transaction fees generally were the lowest of the two firms. The discounted hourly rates for both firms were not materially different.

There were no potential conflicts of interest with the County identified by PFM in its proposal. The firm agreed that it would take appropriate action to notify the County if a conflict were to arise.

The Evaluation Panel concluded that PFM's proposal best met all of criteria set forth in the RFP because: (1) their response demonstrated how their prior experience with the County and institutional knowledge has served and will continue to serve the County well; (2) they offer superior experience with large, complex issuers; (3) they provide a consistent, exceptionally well qualified, and diverse project team; (4) they suggested useful improvements to the County's current debt management practices; and (5) they demonstrated a firmwide commitment to diversity, equity and inclusion strategies that are consistent with the County's efforts. Furthermore, the Evaluation Panel recognized the value of continuity of service, as PFM staff have performed extremely well in terms of responsiveness, timeliness and quality of advice during the past five years.

It is the recommendation of the Evaluation Panel that PFM Financial Advisors LLC be awarded the contract to provide municipal advisory services to the County. The proposed agreement has a five-year term, is subject to cancellation with and without cause and incorporates the fixed transaction fees and discounted hourly rates as proposed.

Over the course of the five-year agreement, it is likely that the Hennepin County Housing and Redevelopment Authority (HCHRA), the Hennepin County Regional Railroad Authority (HCRRA), Hennepin Healthcare System, Inc. (HHS) and possibly other County affiliates will require the services of a municipal advisor. For purposes of continuity and efficiency, it is recommended that PFM serve as municipal advisor to those entities as well, and this provision has been included in the proposed agreements.

Current Request: Authorization to negotiate Agreement PR00008310 with PFM Financial Advisors LLC for the provision of municipal advisory services to Hennepin County for the period May 1, 2026, through April 30, 2031 with a total not to exceed amount of \$1,300,000.

Impact/Outcomes: Approval of this request will allow for continuous, uninterrupted municipal advisory services with PFM Financial Advisors LLC to Hennepin County for the period May 1, 2026, through April 30, 2031.

Recommendation from County Administrator: Recommend Approval

Board Action Request

26-0107

Item Description:

Agmt A2613332 with The Minneapolis Foundation to receive matching funds for the Anti-displacement Community Prosperity Program, 12/01/25-03/31/31

Resolution:

BE IT RESOLVED, that Agreement A2613332 with The Minneapolis Foundation to receive matching funds for the Anti-displacement Community Prosperity Program (ACPP), from December 1, 2025 through March 31, 2031, with a total amount received based upon ACPP expenditures approved by the ACPP Board and execution of Work Orders by Hennepin County and The Minneapolis Foundation, be approved; that and following review and approval by the County Attorney's Office, the Chair of the Board be authorized to sign Agreement A2613332 below on behalf of the County; and that the Controller be authorized to receive funds as directed; and

BE IT FURTHER RESOLVED, that the County Administrator is delegated the authority to approve Work Orders under A2613332 receiving disbursements from The Minneapolis Foundation.

Background:

The Blue Line Extension ("BLE") Light Rail Transit Project ("Project") is proposed to run 13.4 miles northwest from downtown Minneapolis, connecting Brooklyn Park, Crystal, Robbinsdale, and north Minneapolis.

Resolutions 20-0388R1 and 21- 0080

Through Resolutions 20-0388R1 and 21- 0080, this Board authorized contracts for community engagement work associated with the Project. In this engagement work, community members expressed concern that the increased demand for real estate likely to result from the Project would result in displacement of current residents, businesses, and cultural amenities. Many communities in the BLE corridor have suffered historical disinvestment and continue to experience racial and economic disparities stemming from systemic racism, segregation, redlining, and other unjust housing and land-use policies and practices. Major public infrastructure investments have too often been delivered at the expense of communities of color. Communities in the BLE corridor have experienced this history firsthand with the construction of Interstate 94 and Olson Memorial Highway, which displaced thriving Black and Jewish businesses, neighborhoods, and cultural districts. With the opportunities light rail can bring to communities, it can also bring concerns and risk of displacement.

Resolution 21-0355

To address residents' concerns, Hennepin County contracted with the University of Minnesota Center for Urban and Regional Affairs ("CURA") to work with the community to develop anti-displacement policy and strategy recommendations through a community based Anti-Displacement Work Group (Resolution 21-0355, Contract PR00003564). CURA prepared the Blue Line Extension Anti-

Displacement Recommendations in April 2023 that outlined potential policies to achieve the recommended outcomes. The BLE Project is an opportunity to build inclusive community prosperity. County and community partners are committed to working together to prevent displacement and maximize the benefits of light rail for existing residents and businesses within the BLE corridor.

Anti-displacement Community Prosperity Program legislation

In the spring of 2024, the Minnesota State Legislature established the Anti-displacement Community Prosperity Program “to preserve and enhance affordable housing, small business support, job training and placement, and economic vitality and to benefit the people and sense of community along the Blue Line light rail transit extension corridor.” (Minnesota Session Laws 2024, Regular Session, Chapter 127, Sections 118 and 119).

The legislation also established the Anti-displacement Community Prosperity Program Board (“ACPP Board”) to govern the Program, using an application process, evaluating proposals, and approving Program expenditures. The ACPP Board includes residents and business owners in the area, people with lived experience of displacement, and people from the philanthropic community and local government agencies.

The legislation directs Hennepin County to “provide meeting space, administrative support, and staff support for the board.”

Resolutions 24-0383

In Resolution 24-0383, the Board voted to support anti-displacement activities in the Project corridor, stating: “Hennepin County is committed to maximizing the community benefits of the Project and preventing displacement, to ensure that current residents along the alignment of the Project realize these benefits.”

Resolution 24-0497

On December 12, 2024, the Hennepin County Board approved Resolution 24-0497 to receive the \$10 million in grant funds from the Metropolitan Council (Grant Agreement A2412619).

The Minnesota legislature appropriated \$10 million from the Metropolitan Council’s general fund to Hennepin County to administer the Blue Line light rail transit extension Anti-displacement Community Prosperity Program. (Minnesota Session Laws 2024 Regular Session, Chapter 127, Article 1, Section 3). The one-time budget appropriation is available until June 30, 2027. (Minnesota Session Laws 2024 Regular Session, Chapter 127, Article 1, Section 3). The ACCP Board and related funding will expire on June 30, 2030. (Minnesota Session Laws 2024, Regular Session, Chapter 127, Sections 119, Subd 6).

Legislation requires that Program money must only be expended for “qualifying purposes”, as defined in the legislation. Further, legislation requires that all contracts must receive an equal amount of matching funding from nonstate sources, including federal, local, Metropolitan Council, or philanthropic funding. (Session Laws 2024, Regular Session, Chapter 127, Sections 119 Subd. 4).

Resolution 25-0437

In November 2025, the Board approved negotiation and execution of agreements with varying contract terms for organizations approved for expenditures by the Anti-displacement Community Prosperity Board, meeting the legislative requirements of expenditures for a “qualifying purpose”; that

the cumulative not to exceed amount for all agreements is \$2,000,000 and the required equal amount of matching funds from nonstate sources will be secured and verified prior to contract execution. Contract PR00008095 was executed in December 2025. The remainder of the contracts are in negotiation.

The Minneapolis Foundation and ACPP Matching Funds

The ACPP Board must not approve an expenditure for any purpose unless the purpose has received an equal amount of funding from nonstate sources, including federal, local, Metropolitan Council, or philanthropic funding, as stated in Minnesota Session Laws 2024 Regular Session, Chapter 127, Section 119, Subd. 4.

The Minneapolis Foundation established the Anti-Displacement and Community Prosperity Fund by Declaration executed December 10, 2025, to receive contributions for the charitable purpose of preventing displacement and fostering community prosperity along the Blue Line Extension corridor and expending those funds to satisfy matching requirements of the ACPP legislation.

The Minneapolis Foundation will administer the ACPP Fund and disburse matching funds to Hennepin County to fund the same legislative purpose(s) as approved by the ACPP Board. Hennepin County will receive the matching funds and include alongside ACCP funds in contracts with organizations approved by the ACPP Board for funding. Contracts will be paid on a reimbursement basis for eligible expenses, as defined in each contract.

Recommendation from County Administrator: Recommend Approval

MINNESOTA

Board Action Request

26-0130

Item Description:

Support for an increase in the county sales tax to support Hennepin Healthcare System, North Memorial and Target Field - offered by Commissioners Conley and Lunde

WHEREAS:

WHEREAS, Hennepin Healthcare System, Inc. (HHS) is a government-owned safety net hospital and Level 1 trauma center providing critical care to Minnesota and the surrounding region; and

WHEREAS, over 75 percent of patients at HHS receive care paid for through public programs such as Medicaid and Medicare; and

WHEREAS, HHS is the largest Medicaid provider system in Minnesota ; and

WHEREAS, nearly 1/3 of patients coming to HHS are from outside Hennepin County; and

WHEREAS, 40 percent of patients needing trauma or burn specialty care from 2020 to 2024 were from outside Hennepin County; and

WHEREAS, HHS provided patients with \$104 million in uncompensated care in 2024, with \$24 million of uncompensated care in 2024 attributed to patients from outside Hennepin County; and

WHEREAS, HHS is a teaching hospital responsible for training 31% of Graduate Medical Education trainees and 60% of Undergraduate Medical Education Trainees in Minnesota; with 71% of all learners staying in Minnesota; and

WHEREAS, HHS is home to the only Addiction Medicine Fellowship Program in Minnesota; and

WHEREAS, over 400 patients per day are seen in the addiction medicine clinic; and

WHEREAS, HHS is home to the Minnesota Regional Poison Center; and

WHEREAS, HHS providers provide advice and guidance to healthcare providers across the state, supporting and enhancing their effectiveness in providing quality care throughout a five-state region; and

WHEREAS, HHS is facing \$1.7 billion in projected revenue loss over the next ten years due to the impact of federal Medicaid program changes enacted in H.R.1, including the elimination of Directed Payments which will cost HHS \$1.1 billion over ten years and dis-enrollment in Medicaid resulting in an additional estimated loss of \$600 million over ten years; and

WHEREAS, all healthcare systems are facing challenges and HHS's role, as the state's safety net hospital and as a trauma center serving pediatrics and adults, makes it uniquely vulnerable to these changes in healthcare policy; and

WHEREAS, HHS is interconnected to the statewide healthcare ecosystem and works interdependently with other healthcare facilities throughout the state, including North Memorial, the other Level 1 adult trauma center in Hennepin County; and

WHEREAS, on August 14, 2025, the Hennepin County Board of Commissioners took over interim management of Hennepin Healthcare Systems due to its worsening financial status and risk of potential closure by the end of 2025, to ensure operational continuity and to develop and implement a strategy that brings financial stability to the health care system, ensuring that residents across Hennepin County and the State of Minnesota can continue to access high-quality health care services; and

WHEREAS, on December 11, 2025, the Hennepin County Board of Commissioners adopted Resolution 25-0513, instructing the county administrator to conduct a comprehensive review of HHS governance, including identifying successful and less-successful elements of past governance, areas of needed transformation, opportunities to enhance transparency and alignment with the County, and ways to improve engagement with the community, workforce, patients/clients, leadership, and elected officials; and

WHEREAS, the County currently has a 0.15 percent ballpark sales tax that generated revenue for the construction of Target Field as a public asset for the benefit of Minnesota and the surrounding areas, and continues to provide annual funding for extended library hours and youth activities grants in Hennepin County as well as the annual operating expenses of the Minnesota Ballpark Authority.

Resolution:

BE IT RESOLVED, that the Hennepin County Board of Commissioners supports increasing the county's 0.15 percent ballpark sales tax to 1.00 percent in order to support Hennepin Healthcare System, Inc. (HHS) as the critical safety net hospital serving Minnesota and the surrounding states; support North Memorial as a Level 1 trauma care provider in Hennepin County; continue funding for youth activities grants, extended library hours, and Minnesota Ballpark Authority operations; and maintain support for operability of Target Field as a public asset that is a first-class Major League Baseball stadium that meets industry standards.

Background:

Hennepin County is authorized by Minnesota Statutes, Sections 473.75 through 473.763, to impose a sales and use tax to pay for certain costs associated with the acquisition, construction, financing and long-term use of a ballpark primarily as a venue for major league baseball and to make expenditures and grants for youth activities and amateur sports and extension of library hours in the County.

On August 29, 2006, pursuant to Minnesota Statutes Section 473.757, subdivision 10, and Hennepin County Ordinance No. 26, the County imposed the 0.15 percent sales tax. This ordinance imposes upon all sales made on or after January 1, 2007, the sales tax in the amount of 0.15% of the gross receipts from the sales at retail and the storage, use, distribution or consumption of goods or services that are taxable pursuant to Minnesota Statutes, Chapter 297A, that occur within the County.

To fund a portion of the costs of building the ballpark, the County issued three series of sales tax revenue bonds in the total amount of \$341.8 million. Through thoughtful debt management, including refundings and early redemptions of principal of the bonds from surplus sales tax receipts, the County currently has one remaining bond issue outstanding related to the Ballpark Project. The County has the option beginning December 15, 2026 to pay off the remaining \$25.6 million of principal currently outstanding.

Current statute provides equal contributions of the ballpark sales tax for youth activities grants and extended library hours with an annual inflator of 1.5 percent. Since 2007, \$84.6 million has been contributed for these purposes. Current statute also provides funding for Target Field to maintain its status and operate as a first-

class Major League Baseball stadium to meet industry standards.

The current proposal would increase the amount of this tax from 0.15% to 1.00%, raising approximately \$342 million annually. This amount would keep funding available for all of the important purposes authorized under current law and would also provide substantial support to critical health care systems in Hennepin County.

First, and most importantly, the tax would provide critical support to Hennepin Healthcare System, Inc. HHS has been facing significant financial headwinds coming out of the pandemic with higher costs for labor, medical supplies and equipment used to provide care. The dissolution of UCare, HHS's largest payor, at the end of 2025 placed an added financial stress on cash balances and has compounded headwinds. During 2026, HHS has relied upon the County to act as the financial backstop and has been experiencing negative cash balances since January 2026. Hennepin Healthcare System is taking steps to contain costs and identify savings but significant changes to healthcare policy at the federal level will place additional strains on HHS beginning in 2027.

Second, the tax would provide support to North Memorial Health. North Memorial operates two hospitals in Hennepin County, including one of five adult Level 1 trauma centers in Minnesota. Similar to HHS, North Memorial serves all of Minnesota and a five-state region with both its facilities and with its statewide EMS operations including air ambulance services. North Memorial faces funding pressures like those faced by HHS, and the tax will ensure its ability to provide critical services into the future as well.

Recommendation from County Administrator: No Recommendation

HENNEPIN COUNTY

300 South Sixth Street
Minneapolis, MN
55487-0240

MINNESOTA

Board Action Request

26-0131

Item Description:

Authorize supplemental appropriations to amend the 2025 Sheriff's Office budget

Resolution:

BE IT RESOLVED, that the 2025 budget for the Sheriff's Office department be amended by the supplemental appropriations identified in Schedule 1 and totaling \$15,404,881, as on file with the Clerk of the Board.

Background:

The Office of Budget and Finance has reviewed the status of 2025 Sheriff's Office expenditures relative to approved appropriations. Schedule 1 shows the details for the Sheriff's Office where it has exceeded its authorized expenditure levels as set by the Hennepin County Board of Commissioners and requires budget adjustments utilizing fund balance.

Recommendation from County Administrator: No Recommendation

Schedule 1
2025 Sheriff's Office Budget - Supplemental Appropriations

<u>SUPPLEMENTAL APPROPRIATIONS</u>							
		<u>Fund</u>	<u>Dept ID</u>	<u>Account</u>	<u>Proj #</u>	<u>Description</u>	<u>Amount</u>
1.	Sheriff's Office	REVENUE	10	271220	49980	Use of Restricted Fund Balance - Public Safety Aid	\$ 3,416,738
		EXPENSE	10	271220	50020	Personnel Services	\$ 3,416,738
Explanation: Salary and wages costs through use of Public Safety Aid							
2.	Sheriff's Office	REVENUE	10	279802	49980	Use of Restricted Fund Balance - Forfeiture Funds	\$ 275,643
		EXPENSE	10	279802	51770	Commodities	\$ 46,345
			10	279802	52560	Services	\$ 74,850
			10	279802	56250	Capital Outlay	\$ 141,500
			10	279802	58150	Other Charges	\$ 12,948
Explanation: Misc Equipment purchased using forfeiture funds							
3.	Sheriff's Office	REVENUE	10	279801	49980	Use of Restricted Fund Balance - Forfeiture Funds	\$ 12,500
			10	279801	52900	Services	\$ 12,500
Explanation: Misc Equipment purchased using forfeiture funds							
4.	Sheriff's Office	REVENUE	10	274110	49970	Use of Unrestricted Fund Balance	\$ 11,700,000
		EXPENSE	10	274110	50060	Personnel Services	\$ 11,700,000
Explanation: Personnel services costs related to overtime							