



Regulatory Services Budget Overview

Presentation of the 2027 Mayor's Recommended
Budget for the Regulatory Services Department
to the City of Minneapolis Budget Committee,
September 28, 2026

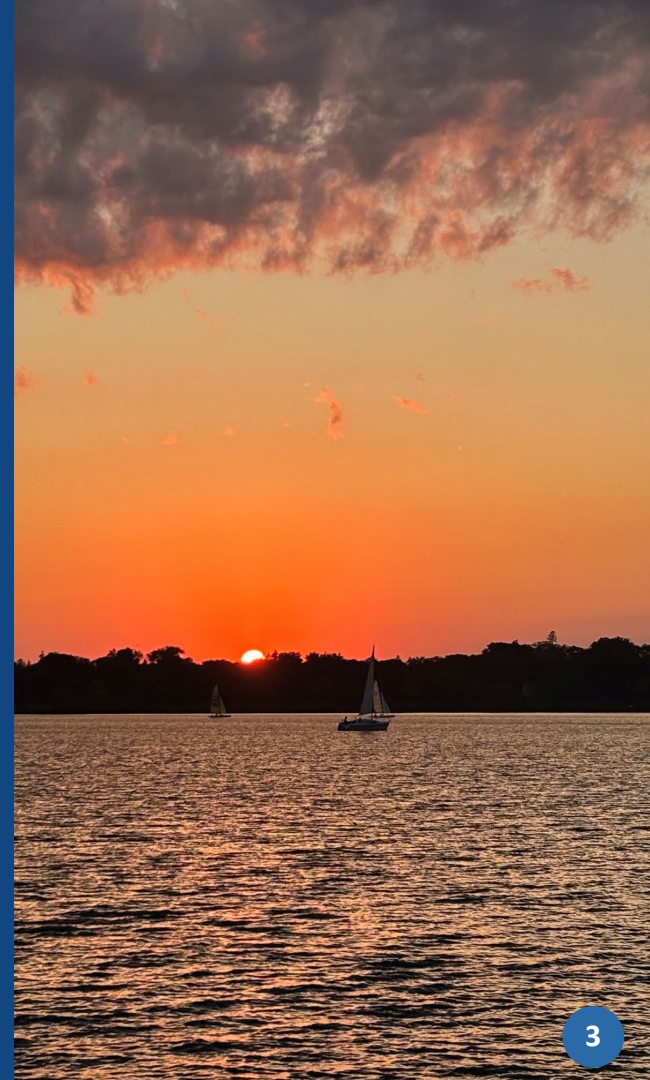




Agenda

1. Department and budget overview
2. Program and division updates
3. Special topics
 - Inspections

Department and budget overview





Office of Public Service: Regulatory Services

Deputy COO: Brette Hjelle

Director: Enrique Velázquez

Divisions: 5

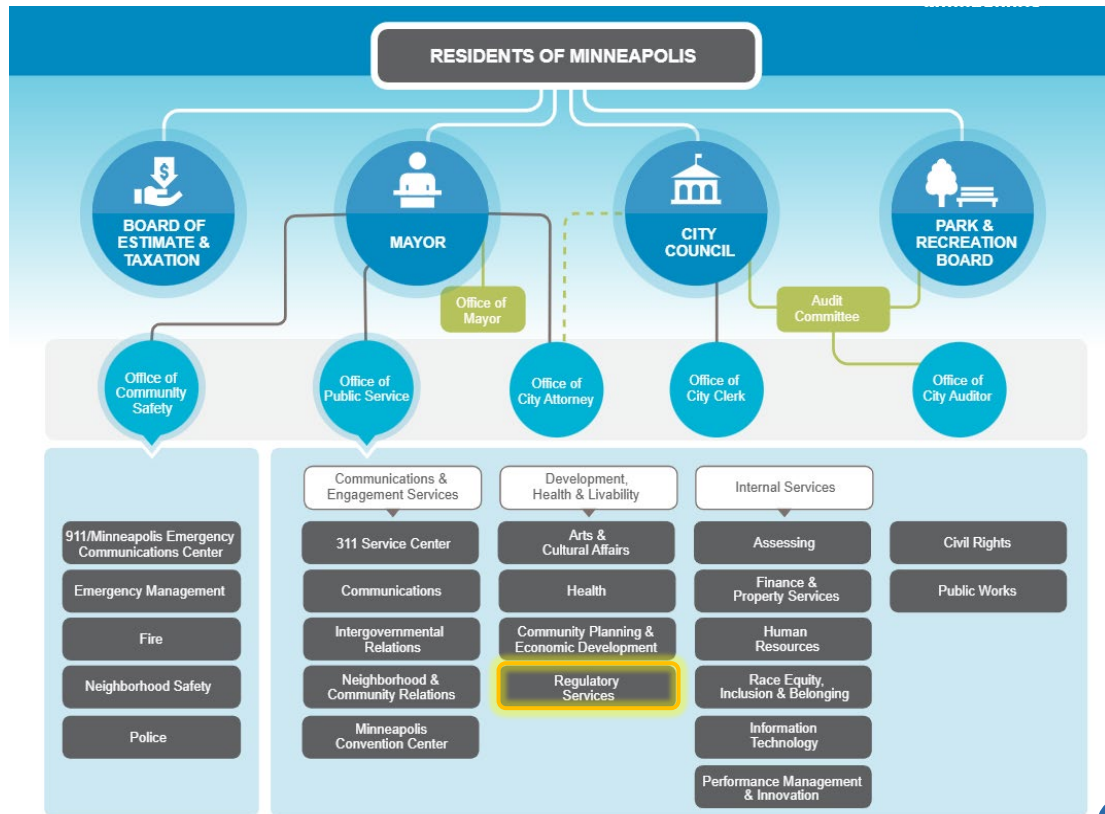
Current 2026 FTE Count: 195.9

Portfolio: Development, Health & Livability

2026 Adopted Budget: \$31.7M

2027 Proposed Budget: \$35.1M

Mission Statement: *We protect the health, safety and welfare of Minneapolis residents, visitors and pets through enforcement, education and community engagement.*





Regulatory Services: Organization



Activities and service delivery overview

Department objectives

- Strategic and innovative work
- Effective and high-performing teams
- Operationalizing race, equity, inclusion and belonging
- Fostering a work culture that truly reflects our values

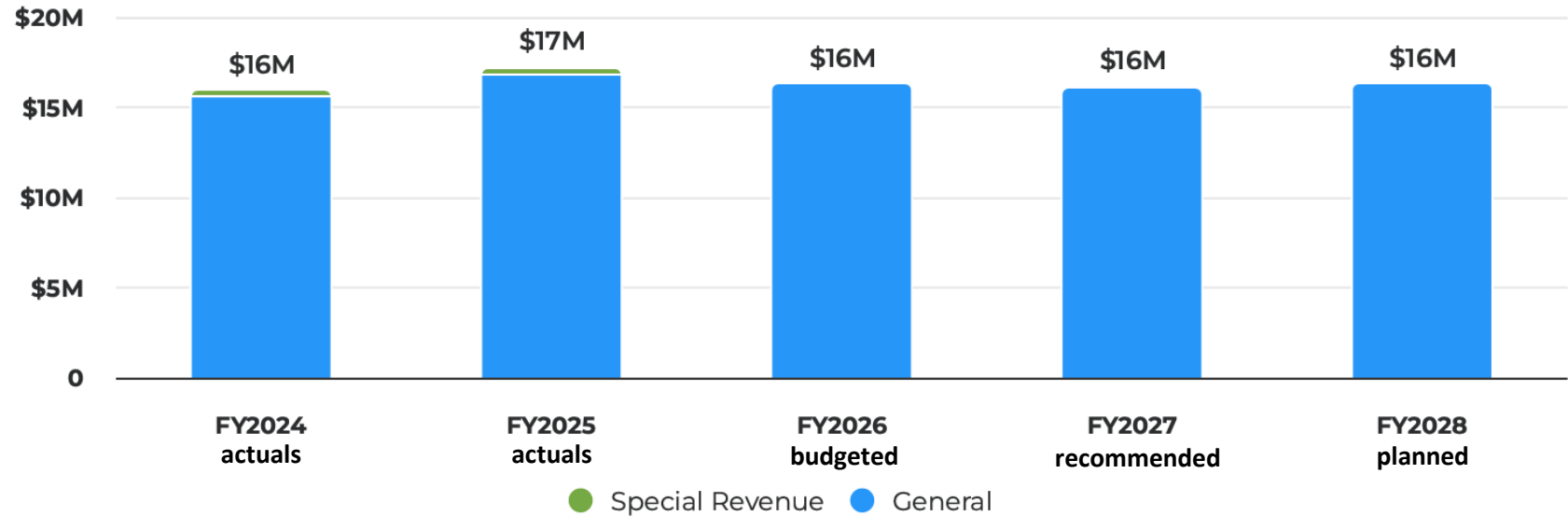
Key services and activities

- Manage traffic flow and parking complaints
- Support residents experiencing unsheltered homelessness
- Address complex housing, HazMat, and fire code issues
- Respond to animal-related calls and incidents; find homes for animals in our shelter
- Issue licensing and permits
- Conduct data analysis and community engagement
- Implement legislative policy





2027-28 Mayor's Recommended Budget revenue forecast, all funds



2026 to 2027 Forecasted Change

-\$163k

+ Increase Drivers

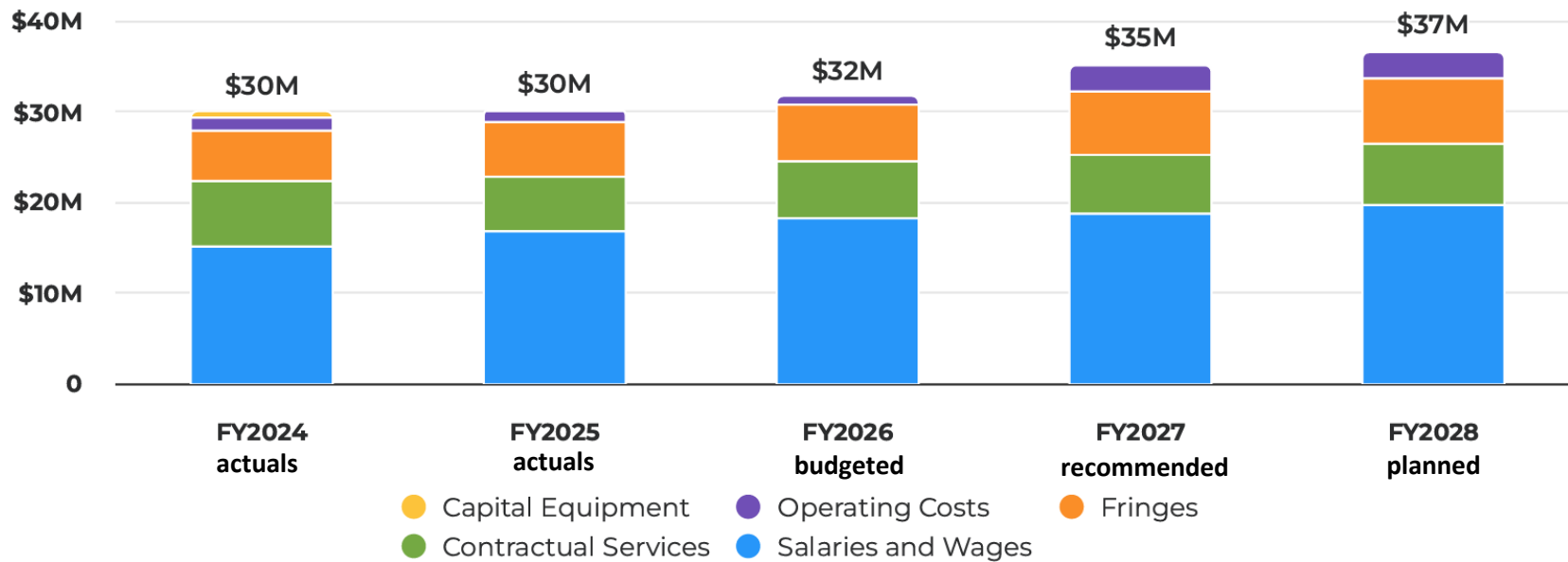
- +\$127k Code Compliance & Traffic Control fines and forfeits

- Decrease Drivers

- -\$268k Inspection Services licenses and permits
- -\$22K Animal Care & Control fees



2027-28 Mayor's Recommended Budget expenses, all funds



2026 to 2027
Proposed Change
+\$3.4M

+ Increase Drivers

- +\$1.8M Liability allocation
- +\$1.3M Salaries and fringes (including +\$278K Overtime and on-call)
- +\$130K Hawthorne parking
- +\$203K Internal Service Charges

- Decrease Drivers

- -\$1.2M (9 FTE) reduction



2027-28 Mayor's Recommended Budget expenses, all funds details

Expense Category	FY2024 actuals	FY2025 actuals	FY2026 budgeted	FY2027 recommended	FY26 to FY27 Change
Salaries and Wages	\$15,111,977	\$16,842,965	\$18,096,926	\$18,739,052	\$642,126 / 4%
Fringes	\$5,640,309	\$5,923,904	\$6,362,717	\$6,979,726	\$617,009 / 10%
Contractual Services	\$7,056,846	\$5,960,995	\$6,328,879	\$6,543,303	\$214,424 / 3%
Operating Costs	\$1,538,561	\$1,173,502	\$854,334	\$2,804,396	\$1,950,062 / 228%
Capital Equipment	\$618,304	\$307,539	\$40,000	\$40,000	\$0 / 0%
TOTAL	\$29,965,997	\$30,208,905	\$31,682,856	\$35,106,477	\$3,423,621 / 11%



2027-28 Mayor's Recommended Budget overview (continued)

Recommended expenditures, all funds

Category	FY 2024 Actual	FY 2025 Actual	FY 2026 Adopted Budget	FY 2027 Recommended Budget	FY 2028 Planned Budget
Governmental					
General	\$28,798,027	\$29,985,329	\$30,997,200	\$34,648,342	\$36,103,378
Special Revenue	\$1,167,971	\$223,576	\$685,656	\$458,135	\$458,135
Total Governmental	\$29,965,997	\$30,208,905	\$31,682,856	\$35,106,477	\$36,561,513
Total Expenditures	\$29,965,997	\$30,208,905	\$31,682,856	\$35,106,477	\$36,561,513

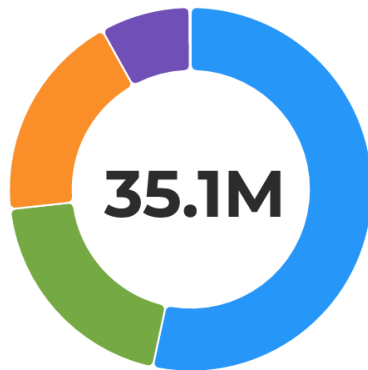
Recommended positions, all funds

Category	FY 2025 Budgeted	FY 2026 Budgeted	FY 2027 Budgeted	FY 2028 Budgeted
Regulatory Services	198.9	195.9	186.9	186.9
General	197.9	194.9	186.9	186.9
Special Revenue	1.0	1.0	0.0	0.0
Total Authorized FTEs	198.9	195.9	186.9	186.9



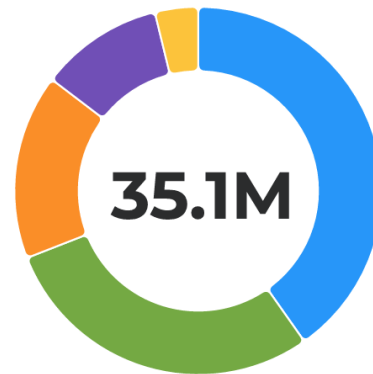
2027 Mayor's Recommended Budget breakdown, all funds

2027 budget by expense category



● Salaries and Wages	\$18,739,052	53.38%
● Fringes	\$6,979,726	19.88%
● Contractual Services	\$6,543,303	18.64%
● Operating Costs	\$2,804,396	7.99%
● Capital Equipment	\$40,000	0.11%

2027 budget by division



● Inspection Services	\$14,124,540	40.23%
● Code Compliance & Traffic Control	\$10,123,559	28.84%
● Minneapolis Animal Care & Control	\$5,715,384	16.28%
● Operations & Engagement	\$3,807,633	10.85%
● Homeless and Encampment	\$1,335,362	3.80%



2026 to 2027 Mayor's Recommended investments overview

Investment Title	Fund	2027 Investment		Impacted division(s)	Investment rationale/service impact
		FTE	Amount		
Overtime and on-call	General Fund	0	\$278,000	Multiple	Right-sizing overtime and on-call costs to align with historic actual costs.
Hawthorne parking and custodial expenses	General Fund	0	\$130,000	Inspection Services	The Inspections division moved to Hawthorne in 2026 and we now have new expenses for parking and custodial services.
Traffic Safety Cameras Pilot	Special Revenue Fund	0	\$458,135	Code Compliance & Traffic Control	Funding to continue enforcement of the Traffic Safety Camera Pilot for speeding.
+ Total Recommended Investments		0	\$866,135		



2026 to 2027 Mayor's Recommended divestments overview

Divestment Title	Fund	2027 Divestment		Impacted division(s)	Anticipated service impacts
		Est. FTE	Amount		
Budgeted Position Adjustment (GF)	General Fund	-8	\$1,047,083	To be determined	Review of positions and impacts ongoing.
Budgeted Position Adjustment (SR)	Special Revenue Fund	-1	\$130,116	Inspections	Repurposing one vacant, housing liaison position to continue the work of an Inspector II position that focuses on vacant building enforcement. The Inspector II position was previously CDBG funded.
Total Recommended Divestments		-9	\$1,177,199		

Program and division updates





Department-wide contractual services

Contract Requirement	Fund	2027 Budget (Max total contract)	Overview
Postage and Printing	General Fund	\$130,750	Postage for sending bills and citation letters Printing costs
Internal Service Charges	General Fund	\$4,669,033	Application support, phone, fleet, rent and other internal service charges
Professional Services	General Fund and Special Revenue Fund	\$1,714,820	Details provided on next slide
Rental and Lease Services	General Fund	\$10,000	Copier/printer rental
Technology Services	General Fund	\$11,700	IT services, phone services
Training	General Fund	\$7,000	Training for inspectors to keep up their credentials
Total Contracts		\$6,543,303	

Professional Services contract subset details



Contract Requirement	Vendor	Fund	2027 Budget (Max total contract)	Contract Type	Overview
Renter Relocation Assistance		General Fund	\$90,000	N/A	This funding is to provide relocation assistance to the renters who are experiencing temporary displacement due to their unit being unfit for occupancy.
Winter Warming Center	Hennepin County	General Fund	\$250,000	Services	This funding is to support a JPA with Hennepin County to provide winter warming center.
Yard Maintenance Services	Right Away Construction Corp & Metro Lawns LLC	General Fund	\$300,000	Services	When property owners do not correct a code violation, we authorize a vendor to abate the nuisance and then charge the owner for the costs.
Board up Services	Right Away Construction Corp	General Fund	\$335,000	Services	There are three separate contracts related to vacant buildings: 1) non-emergency boarding 2) mesh securing board up services and 3) emergency boarding and securing.
Rubbish Abatement	TBD	General Fund	\$200,000	Services	Public Works used to provide this service. We will contract with two vendors in 2027 for these services.
Veterinary Supplies	MWI Veterinary Supply	General Fund	\$100,000	Supplies	Surgical and animal care and treatment supplies.
Traffic Safety Camera Pilot	N/A	Special Revenue Fund	\$458,135	N/A	Personnel costs to support the Traffic Safety Pilot launched in 2025.
Total Contracts			\$1,733,135		



Regulatory Services divestment service impacts

Service/Activity Impacted	Type	Fund	2027 Reduction		Impact Risk	Overview
			Budget	Est. FTE		
Budgeted position adjustment	Position	General Fund	\$1,047,083	-8	High	Review of positions and impact ongoing.
Budgeted position adjustment	Position	Special Revenue	\$130,116	-1	High	1 FTE divestment in Inspections Services. Repurposing a vacant Housing Liaison position to preserve an Inspector II position that focuses on vacant buildings. We anticipate continued service levels for vacant building issues, but lessened capacity for supporting renters and low-income homeowners.
Total Divestments			\$1,177,199	-9		



Code Compliance & Traffic Control Division

2027 proposed budget: \$10.1M, 100% General Fund

2026 FTEs: 60

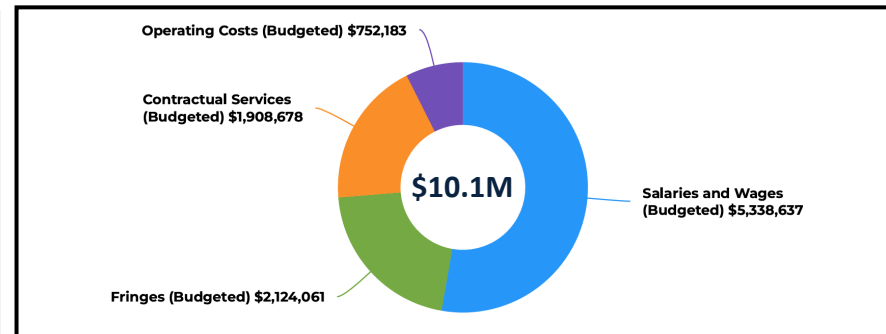
2027 planned FTEs: To be determined

Current vacancies: 3 (as of Sept. 22)

Mission: Support community safety and expeditious traffic flow through city-wide parking enforcement, intersection control and education.

Planned 2027 programs and activities:

- Manage traffic flow and enforce non-moving violations
- Enforce speeding violations from the Traffic Safety Camera Pilot
- Assist MPD with Traffic Control services, helping reserve MPD's resources for emergencies
- Respond to 311 and 911 complaints



2026 to 2027 budget change: +\$1.4M / Changes in FTEs to be determined

Change drivers based on budget book:

- +\$634k liability premium self-insurance
- +\$220k rent
- +\$158k worker's comp



Homeless & Encampment Program

2027 proposed budget: \$1.3M, 100% General Fund

2026 FTEs: 5

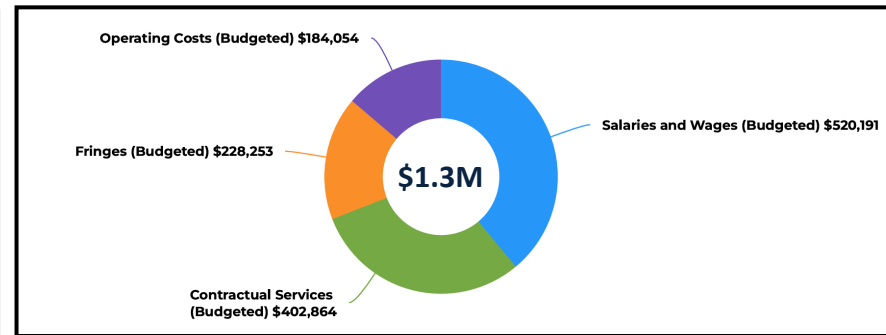
2027 planned FTEs: To be determined

Current vacancies: 1 (as of Sept. 22)

Mission: Make unsheltered homelessness rare, brief and non-reoccurring.

Planned 2027 programs and activities:

- Respond to all 311 calls (encampments, occupied vehicles, and hotspots)
- Requests about unsheltered homelessness
- Increase housing referrals through coordinated entry assessments
- Increase health and recovery by connecting people to mental health and substance use treatment
- Track outreach, engagements, assessments and referrals to better understand impact and identify gaps in homelessness response



2026 to 2027 budget change: +\$290k / Changes in FTEs to be determined

Change drivers based on budget book:

- +\$184k liability premium self-insurance
- +\$45k worker's comp



Inspection Services Division

2027 proposed budget: \$14.1M, 100% General Fund

2026 FTEs: 72

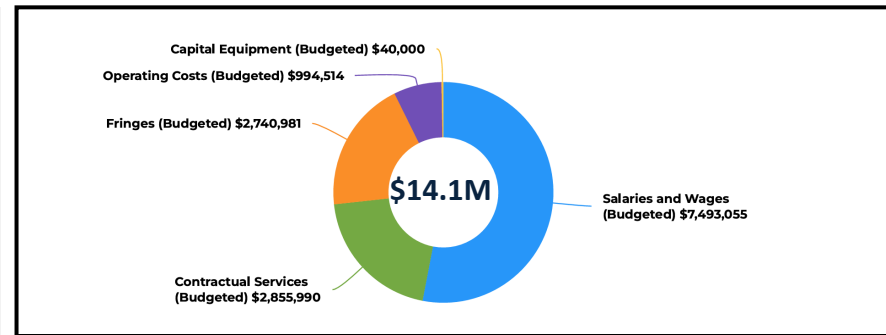
2027 planned FTEs: To be determined

Current vacancies: 8 (as of Sept. 22)

Mission: Shape the health, safety and livability of homes, neighborhoods, businesses and events. We do this through proactive and complaint-based inspections, enforcement and education, permitting, and advising on fire safety.

Planned 2027 programs and activities:

- Housing, commercial building and event-related inspections
- Redesigning rental license tiering
- Ordinance implementation
- Renter support, education and mitigating displacement
- Mitigate risks of hazardous materials and incidents



2026 to 2027 budget change: +\$2.0M / Changes in FTEs to be determined

Change drivers based on budget book:

- +\$990k personnel costs
- +\$451k liability premium self-insurance
- +\$220k other allocation charges



Minneapolis Animal Care & Control Division

2027 proposed budget: \$5.7M, 100% General Fund

2026 FTEs: 33.5

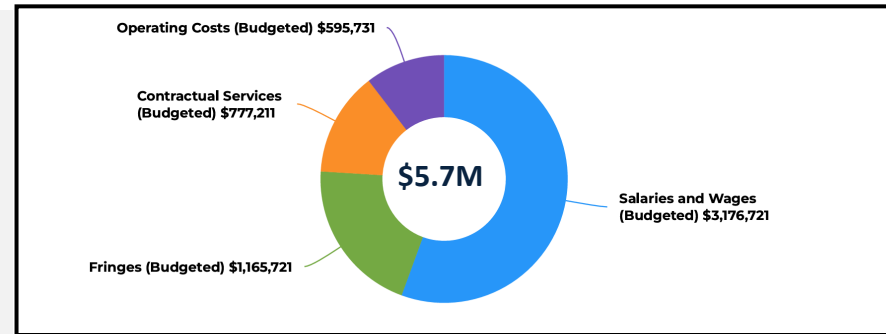
2027 planned FTEs: To be determined

Current vacancies: 1 (as of Sept. 22)

Mission: Partner with the community to ensure the health and safety of people and pets by promoting the responsible and humane care of animals.

Planned 2027 programs and activities:

- Core services for basic animal care, responding to calls, and licensing and permitting
- Maintain priority response for urgent, animal-related calls involving public safety (e.g. animal bite)
- Leverage creative avenues to successfully place animals into adoption
- Striving to maintain a 90+ percent annual live release rate



2026 to 2027 budget change: +\$860K / Changes in FTEs to be determined

Change drivers based on budget book:

- +\$354k liability premium self-insurance
- +\$88k worker's comp
- +\$130k overtime and on call



Operations & Engagement Division

2027 proposed budget: \$3.8M, 100% General Fund

2026 FTEs: 25.4

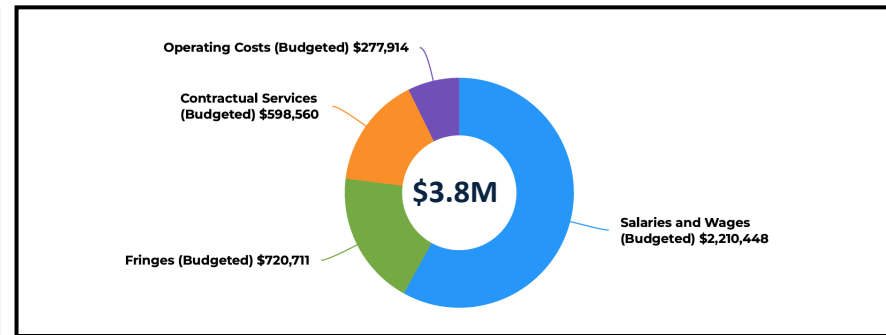
2027 planned FTEs: To be determined

Current vacancies: 0 (as of Sept. 22)

Mission: Deliver innovative solutions by leveraging adaptive tools, accurate data analysis, and strategic coordination, enabling Regulatory Services to provide effective and equitable public service.

Planned 2027 programs and activities:

- Administrative services
- Financial services and analysis
- Policy work
- Community engagement and digital accessibility
- Data-driven solutions and process improvements



2026 to 2027 budget change: -\$1.1M / Changes in FTEs to be determined

Change drivers based on budget book:

- Homeless Response Team pulled out as a separate program.

Special Topic: Inspections





Inspections teams



Fire and Housing Inspectors

Inspects buildings to ensure they meet housing and fire codes, as well as support fire safety at events and businesses.



Housing Liaison Team

Supports renters and homeowners facing complex housing issues, offering resources, renter rights education, and more.



Alternative Enforcement Team

Creatively addresses situations that the standard enforcement process can't solve, and runs administrative hearings for City departments.



Strategic Inspections Group

Primarily addresses buildings that are vacant, condemned, fire-damaged, or open-to-trespass.

Our Approach

- Proactive and responsive
- Guiding enforcement for accountability, compassionate education for support
- Renter First approach
- Data driven
- Continuous improvement efforts at the forefront



