

2020 Pine County Budget

Truth in Taxation Hearing, December 5, 2019

1. Call to Order (Chair)
2. Welcome/Opening Remarks (Chair)
3. Presentation of Budget (Administrator)
4. Public Comments (Chair)
5. Board Discussion (Chair)
6. Adjourn (Chair)



2020 Budget Accomplishments

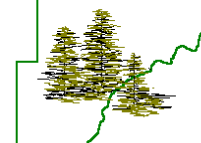
- Structural balance for all funds (current year revenue and planned use of reserves is equal to or greater than planned spending)
- Revenue estimates are realistic/conservative
- Maintain service levels and maximize revenue capture
- Continue dedicated funds—vehicle replacement (Hwy.), buildings, technology, new fund-election equipment
- Addition of ½ time Agriculture Educator Through U of M Extension Service



Budget and Fund Structure

- Budget is made up of funds, each of which must balance with available resources
- 10 budgeted funds:
 - General (Revenue) (#01)
 - Health & Human Services (#12)
 - Highway (Road & Bridge) (#13)
 - Land Management (#22)
 - Building Fund (#38)
 - 2015A G.O. jail bonds (#39)
 - 2012 G.O. courthouse bonds (#40)
 - 2017A G.O. CIP Bonds (#41)
 - Equipment (technology) (#43)
 - **Election Equipment (#44)**





2020 Revenue and Expenditures by Fund

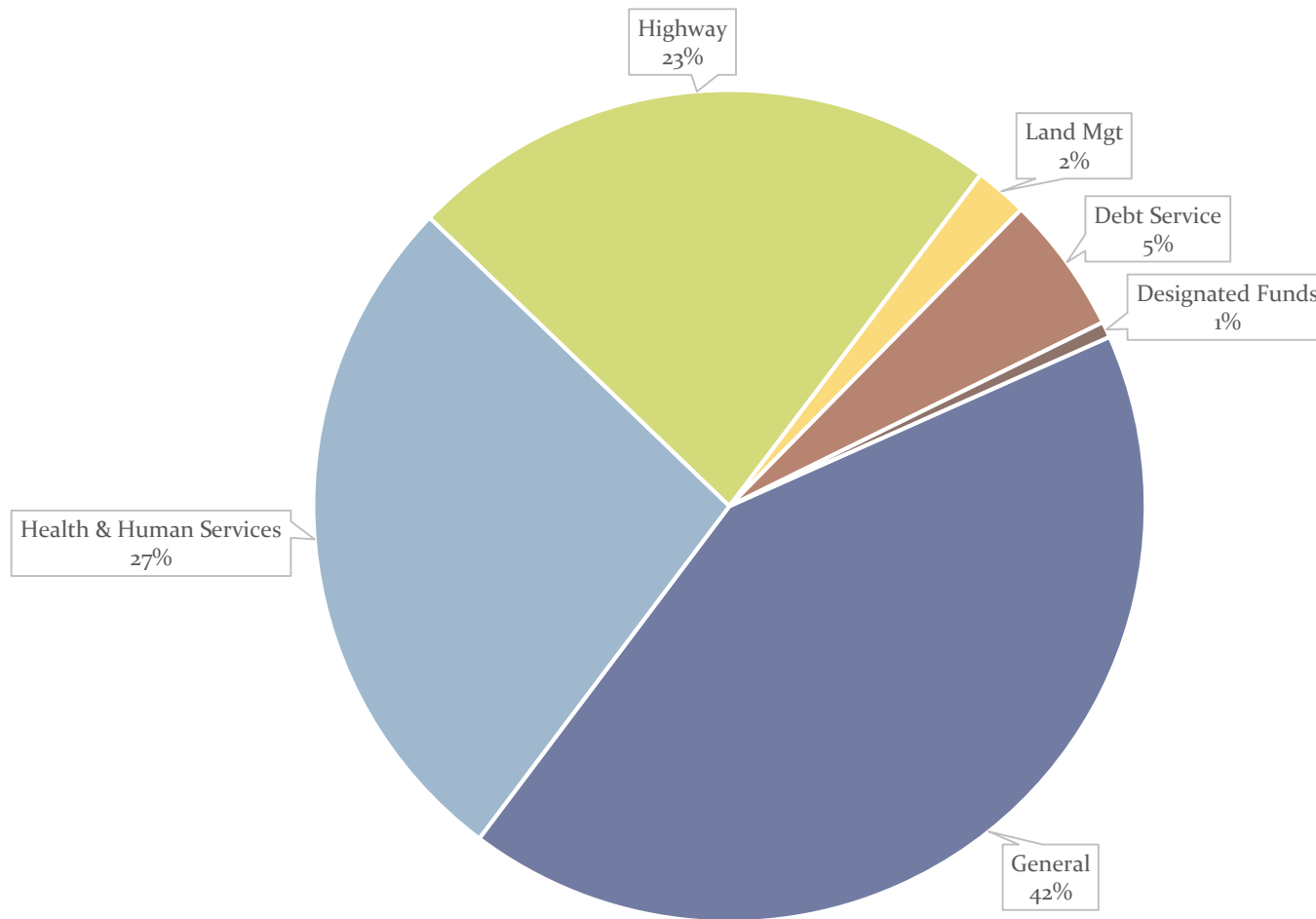
| | Revenue | Expenditure | Net |
|---------------------------|--------------|--------------|----------|
| General | \$18,678,269 | \$18,612,422 | \$65,847 |
| Health & Human Services | \$11,950,510 | \$11,950,510 | \$0 |
| Highway | \$10,256,843 | \$10,265,843 | \$0 |
| Land | \$908,374 | \$908,374 | \$0 |
| Building Fund | \$75,000 | \$75,000 | \$0 |
| 2015A GO Jail Bonds | \$1,181,256 | \$1,102,510 | \$78,755 |
| 2012 GO Courthouse Bonds | \$1,021,590 | \$949,779 | \$71,811 |
| 2017 A G.O. CIP Bonds | \$341,409 | \$323,252 | \$18,157 |
| Technology Equipment Fund | \$100,000 | \$100,000 | \$0 |
| Election Equipment | \$98,034 | \$98,034 | \$0 |

2019 & 2020 Expenditures by Fund



| | 2019 | 2020 | Change | % Change |
|-------------------------|------------|------------|------------|----------|
| General | 17,919,602 | 18,612,422 | 692,820 | 3.9 |
| Health & Human Services | 11,669,927 | 11,950,510 | 280,583 | 2.4 |
| Highway | 12,924,558 | 10,265,843 | -2,658,715 | -20.6 |
| Land Mgt. | 894,456 | 908,374 | 13,918 | 1.6 |
| Building | 75,000 | 75,000 | 0 | 0 |
| 2015A GO Jail Bonds | 1,102,200 | 1,102,510 | 310 | 0 |
| 2012 GO Crthouse Bonds | 947,100 | 949,779 | 2,697 | .3 |
| 2017A GO CIP Bonds | 292,338 | 323,252 | 30,914 | 10.6 |
| Technology Equipment | 100,000 | 100,000 | 0 | 0 |
| Election Equipment | | \$98,034 | \$98,034 | |
| Grand Total | 45,925,181 | 44,385,724 | -1,539,457 | -3.4 |

Total Expenditures as Percent

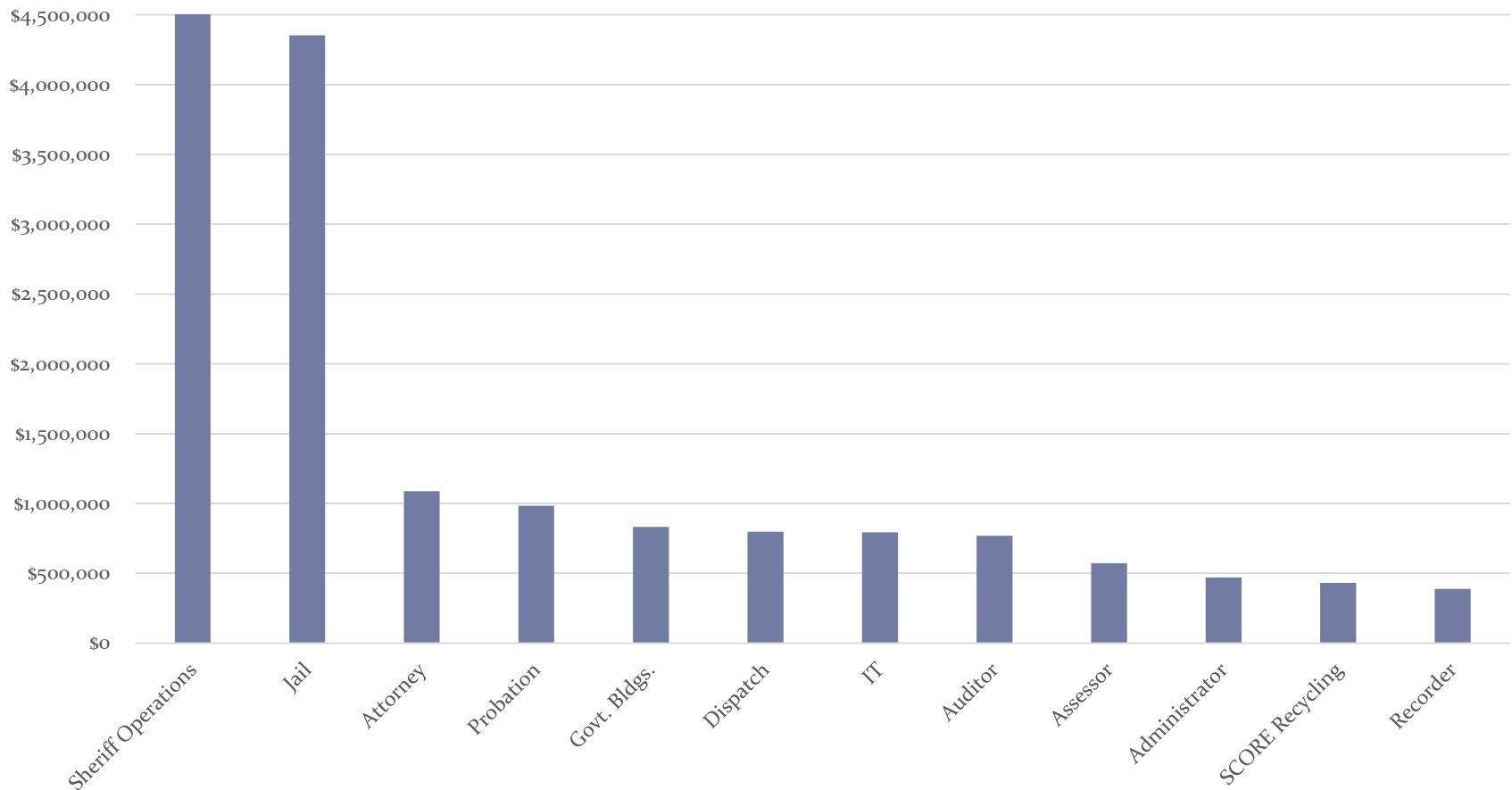


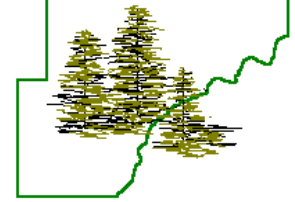


General Fund

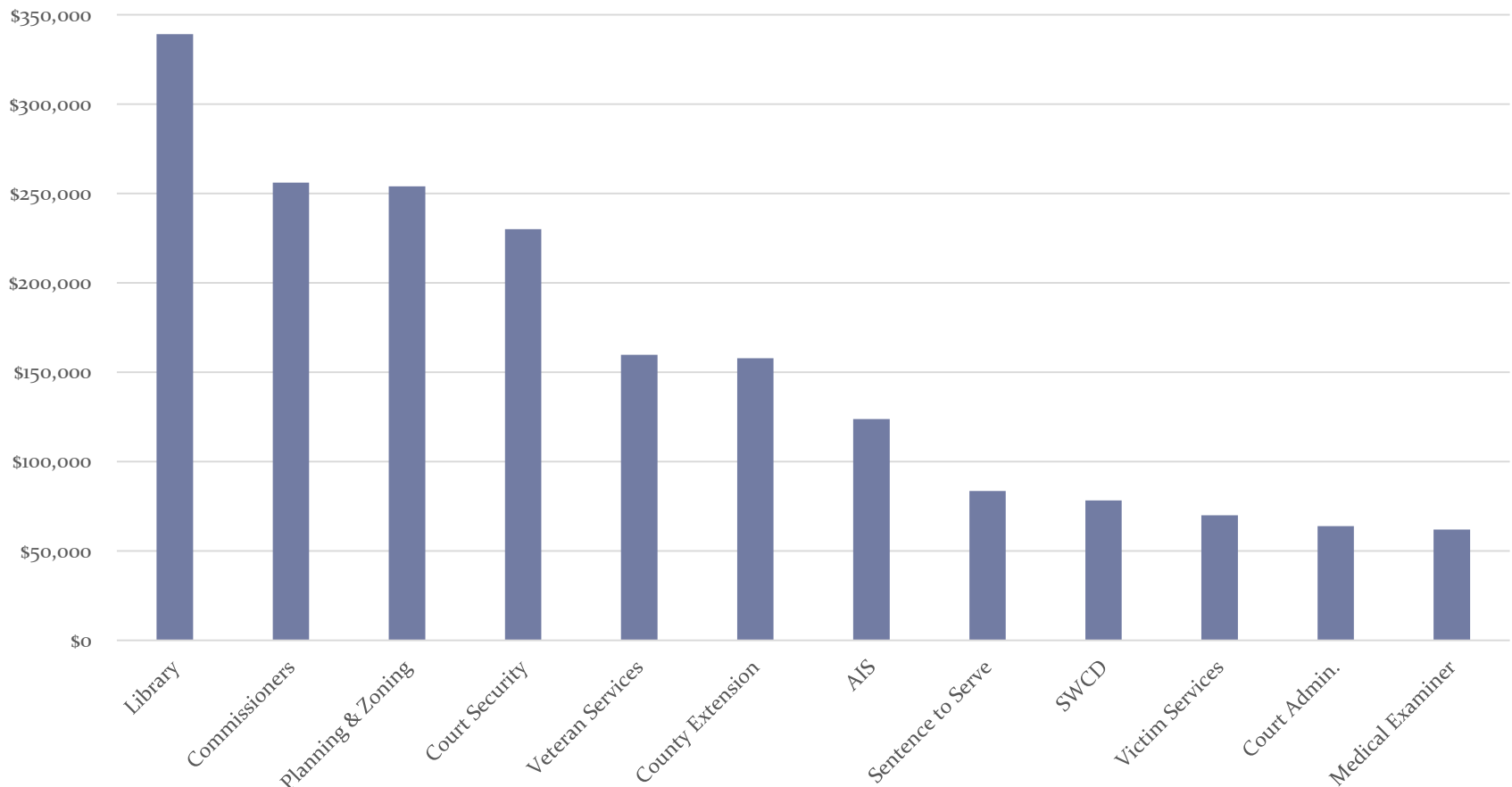
| | | |
|----------------------------------|---------------------|-----|
| ● Total Expenditures 2019 | \$17,919,602 | |
| ● Total Expenditures 2020 | \$18,612,422 | |
| ● Increase | \$692,820 (3.9%) | |
| ● Total Revenue | \$18,678,269 | |
| ● Contingency | \$65,847 | |
| ● Levy Portion | \$ 10,653,141 | 57% |
| ● 2019 Levy Portion | | 57% |

General Fund Department Expenditures

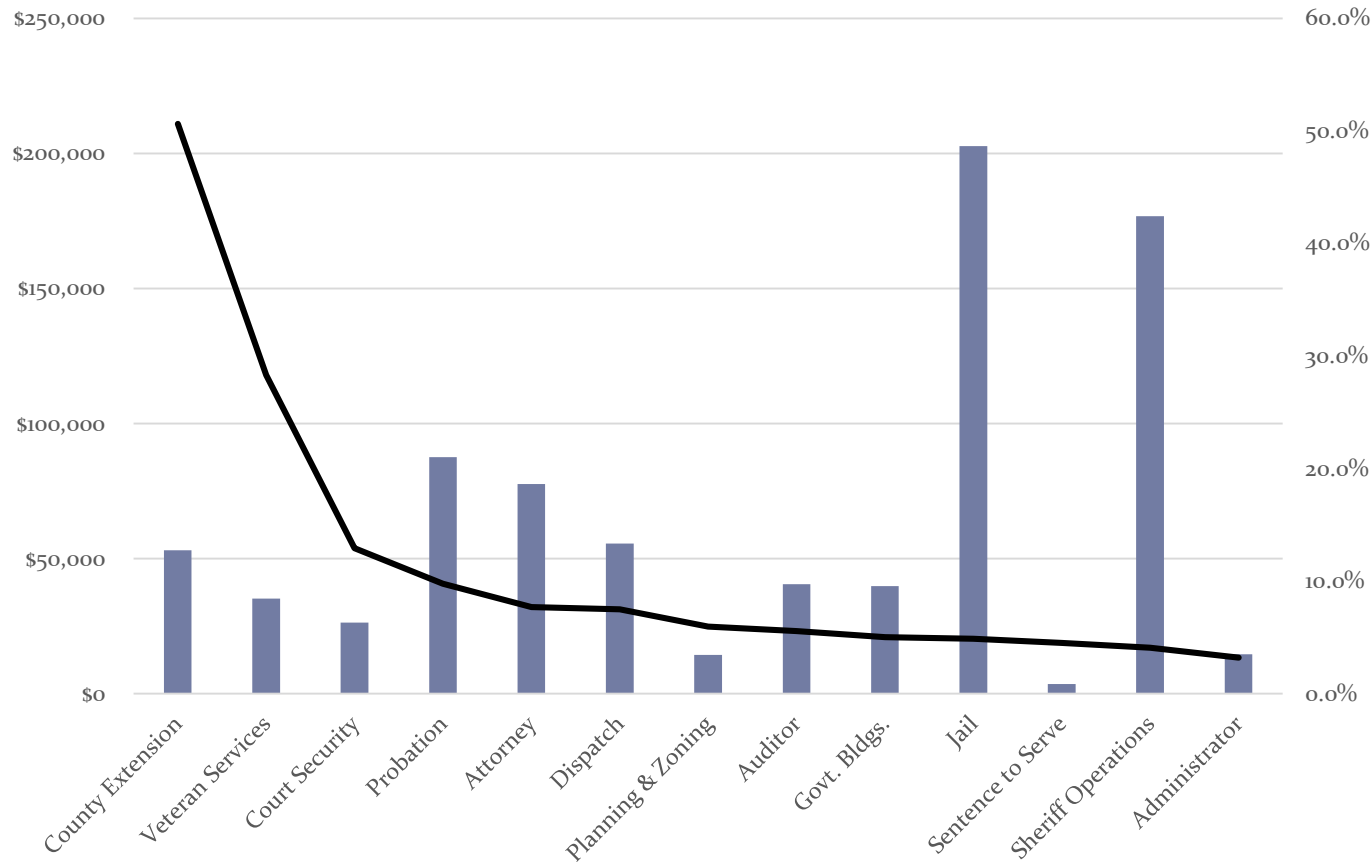




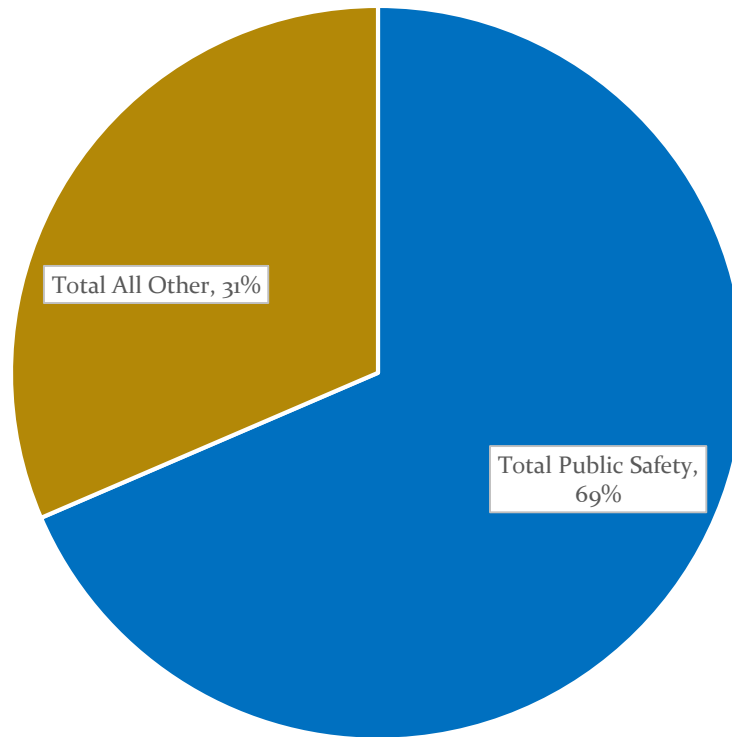
General Fund Department Expenditures



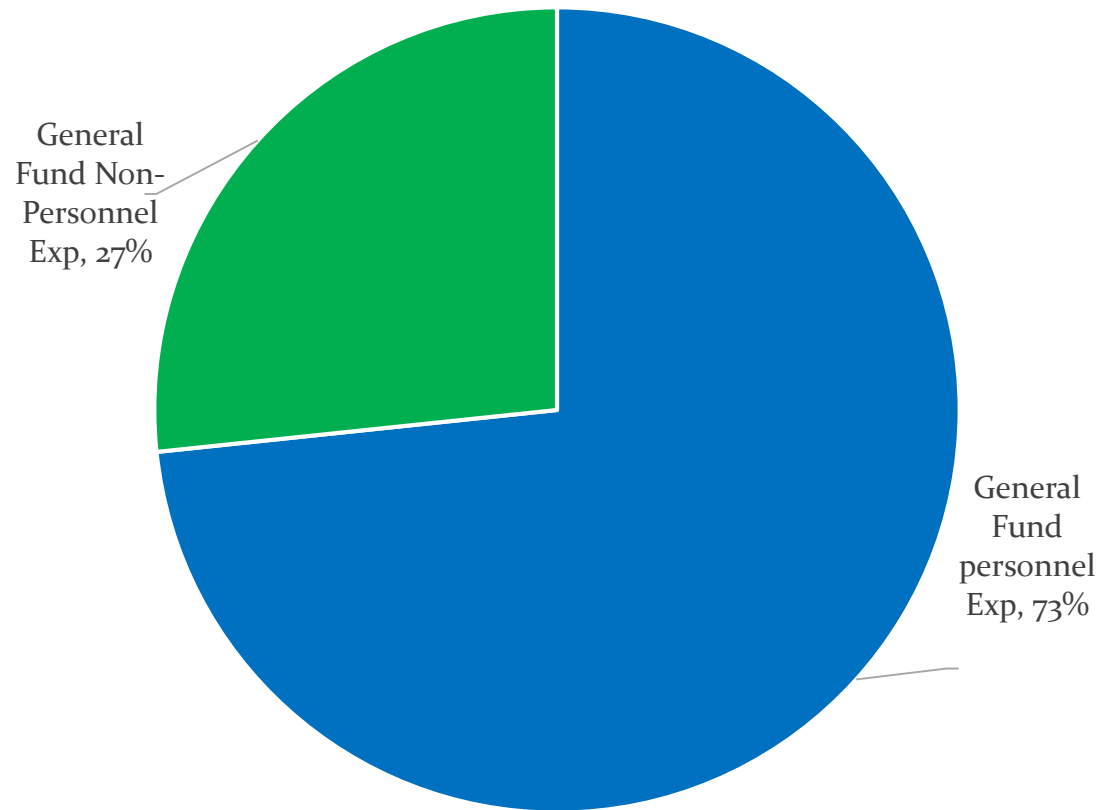
General Fund Depts. with Largest Increases 2019-20



General Fund Spending



Personnel Expenditures as Percent of General Fund



Jail Operations

Admissions 1,993 (12/2/19)

Juvenile 30 (12/2/19)

| Average daily population | 2019 | 2018 | 2017 | 2016 |
|--------------------------|-------|-------|-------|------|
| | 72.71 | 80.0 | 93.5 | 96.8 |
| Ave. stay (days) | 12.26 | 13 | 13 | |
| Cost/inmate/day | \$118 | \$117 | \$100 | |

| | | |
|----------------|----------|-----|
| Jail | 37FT | 9PT |
| STS | 1FT | |
| Court Security | 1FT | 6PT |
| Vacancies | 2 FT COs | |

Assessor / Recorder

| | | |
|-------------------------------------|-------------|-------------|
| ● Assessor | <u>2017</u> | <u>2018</u> |
| ● Properties physically reappraised | 4,887 | 4,910 |
| ● Sales Reviewed | 1,207 | 884 |
| ● Homestead applications | 1,645 | 1,469 |
| ● Recorder | | |
| ● Documents recorded | 6,784 | 7,102 |
| ● Death certificates issued | 1,104 | 1,157 |
| ● Birth certificates issued | 899 | 947 |
| ● Marriage licenses issued | 123 | 128 |

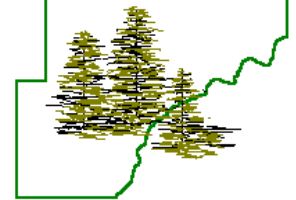
Auditor/Treasurer & Zoning

| | <u>2017</u> | <u>2018</u> |
|---|-------------|-------------|
| • Zoning | | |
| • Wetland act inquiries | | 286 |
| • Wetland applications | | 66 |
| • Complaints / ordinance violations | 135 | 175 |
| • Septic system permits issued | 143 | 165 |
| • Septic compliance inspections | 56 | 23 |
| • Shoreland building permits | 57 | 77 |
| • Minor subdivision reviews | 46 | 20 |
| • Variances / CUP approved | 8 | 13 |
| • Auditor | | |
| • Invoices paid | | 4,570 |
| • Receipts processed | | 3,225 |
| • Absentee/mail ballots counted | | 2,697 |
| • Tax forfeited parcels sold | | 60 |
| • Collected over \$38 Million in 2018 property taxes and distributed to 68 taxing authorities | | |

Health and Human Services

| | |
|----------------------------------|---------------------------------|
| • Total Expenditures 2019 | \$ 11,669,927 |
| • Total Expenditures 2020 | \$11,950,510 |
| • Increase | \$280,583 |
| • OHP Increase | \$261,492 |
| • Total Revenue | \$11,950,510 |
| • Levy Portion | \$3,983,214 (34 ⁰ %) |
| • 2019 Levy Portion | (33 ⁰ %) |





HHS Expenditures by Function

| | 2019 | 2020 | Change | Levy |
|---------------------------------------|-------------|-------------|------------|-------------|
| Income Maintenance | \$3,285,549 | \$3,233,709 | \$-51,840 | \$1,175,682 |
| Social Services (Adult & Children) | \$6,261,881 | 7,159,585 | \$897,704 | \$2,553,135 |
| Public Health | \$1,990,973 | \$1,422,464 | \$-568,509 | \$254,397 |



Child Protection Reports

| | |
|------|-----------------------|
| 2014 | 845 |
| 2015 | 1,024 |
| 2016 | 1,638 |
| 2017 | 1,472 |
| 2018 | 1,337 |
| 2019 | 1,070 (as of 12/1/19) |

Children's Mental Health

Cases opened

- 2016 85
- 2017 83
- 2018 71
- 2019 37 (as of 12/1/19)

Highway

| | |
|----------------------------------|---------------------|
| • Total Expenditures 2018 | \$ 12,924,558 |
| • Total Expenditures 2019 | \$10,265,843 |
| • Change | -\$2,658,715 |
| • Total Revenue | \$10,265,715 |
| • Sales/Use Tax | \$1,230,000 |
| • Levy Portion | \$ 1,929,821 (19%) |
| • 2019 Levy Portion | (14%) |



Property Tax Levy

| | 2019 | 2020 | Change |
|----------------------|--------------|---------------|-----------|
| General | \$10,309,148 | \$10,653,141 | \$343,993 |
| HHS | \$3,854,162 | \$3,983,214 | \$129,052 |
| Road & Bridge | \$1,929,821 | \$1,929,821 | \$0 |
| Building Fund | \$75,000 | \$75,000 | \$0 |
| Jail Bond | \$1,171,065 | \$1,177,365 | \$6,300 |
| Courthouse Bond | \$1,009,470 | \$1,018,290 | \$8,820 |
| 2017A CIP Bonds | \$341,998 | \$340,318 | -\$1,680 |
| Technology Equipment | \$100,000 | \$100,000 | \$0 |
| Election | | \$98,034 | \$98,034 |
| Total | \$18,790,664 | \$19,354,383 | \$563,719 |
| | | Levy Increase | 3.0% |



Fund Balances 12/31/18

| | | |
|------------------|--------------|-------|
| General | \$5,435,875 | |
| Unassigned | \$ 4,284,310 | (23%) |
| Target (20%-35%) | \$6,514,348 | (35%) |
| Difference | \$2,230,038 | |

| | |
|-------------------------|-------------|
| Health & Human Services | \$1,949,181 |
| Assigned (MIECHV) | \$405,468 |

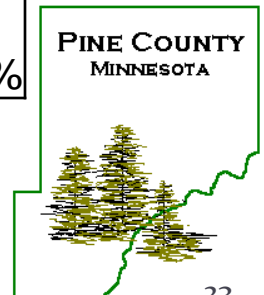
| | |
|---------|-----------|
| Highway | \$145,568 |
|---------|-----------|

| | |
|-----------------|-------------|
| Land Management | \$1,116,517 |
|-----------------|-------------|

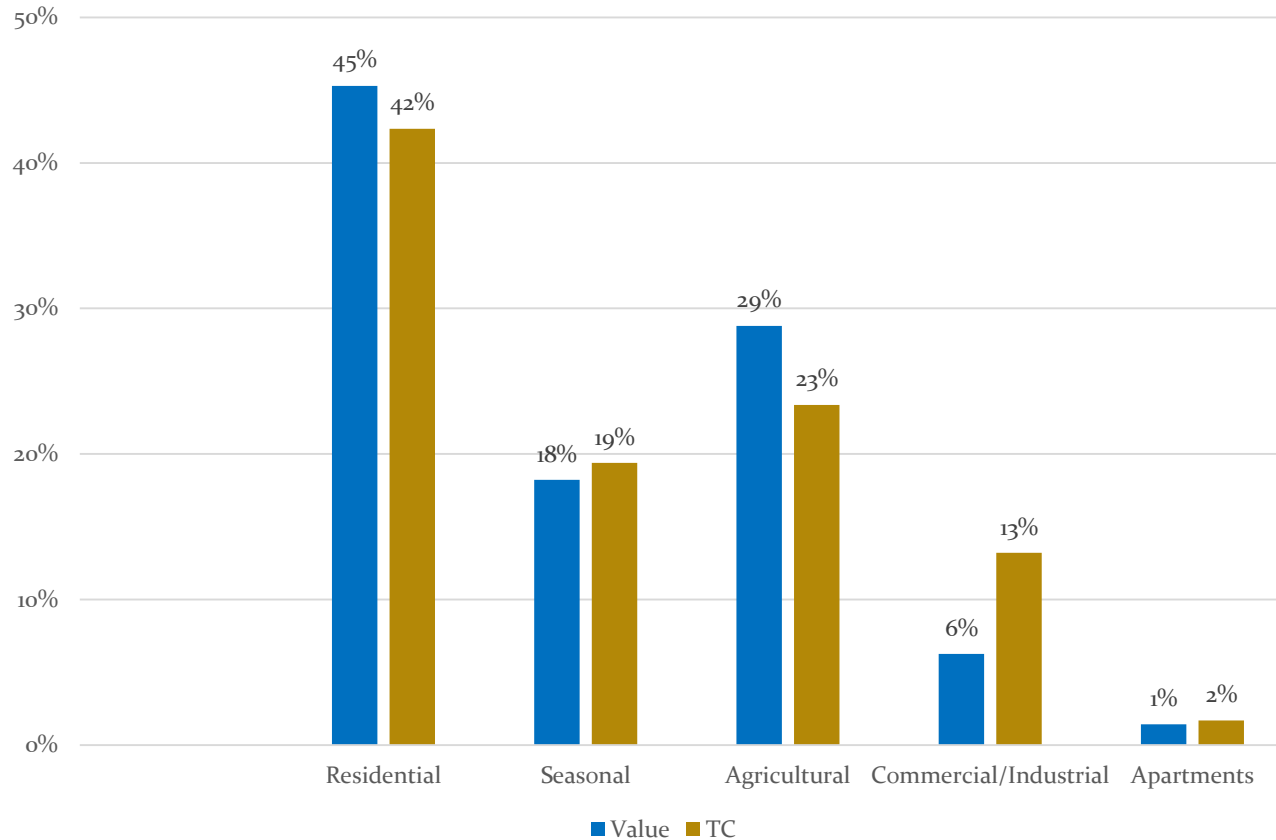


Changes in Value

| | 2019 Value | 2020 Value | change in value | % change in Value |
|----------------------------|---------------|---------------|--------------------|----------------------|
| Residential | 1,290,106,400 | 1,400,550,700 | 110,444,300 | 8.6% |
| Seasonal | 529,787,700 | 563,481,100 | 33,693,400 | 6.4% |
| Agricultural | 868,271,400 | 890,940,800 | 22,669,400 | 2.6% |
| Commercial / Industrial | 185,449,300 | 193,895,800 | 8,446,500 | 4.6% |
| Apartments | 41,166,300 | 43,961,900 | 2,795,600 | 6.8% |
| Total | 2,914,781,100 | 3,092,830,300 | 178,049,200 | 6.1% |



Value vs. Tax Capacity



Property Tax Calculation

$$\begin{aligned} &(\text{Taxable Property Value}) * (\text{Class Rate}) = \text{Tax Capacity} \\ &(\$100,000) * (1\%) = \$1,000 \end{aligned}$$

For Pine County

Total Tax Capacity = \$ 29,728,233

Tax Levy = \$19,354,383

Tax Classification Rate = 65% (estimated)

County Property Taxes on \$100,000 home= \$650





PINE COUNTY
 CO ADMINISTRATOR-320-591-1670
 635 NORTHRIDGE DR NW
 PINE CITY MN 55063

Taxpayer:

12227 1 AV 0.380

C 27
 S 12227



Property Information

Property ID:

Property Address:

Legal Description:

Sect- Twp- Range-

PROPOSED TAXES 2020

THIS IS NOT A BILL. DO NOT PAY.

| Step | VALUES AND CLASSIFICATION | | |
|---|----------------------------------|------------|------------|
| | Taxes Payable Year | 2019 | 2020 |
| 1 | Estimated Market Value | \$ 171,600 | \$ 189,900 |
| | Homestead Exclusion | \$ 21,800 | \$ 20,100 |
| | Other Exclusions/Deferrals | | |
| | Taxable Market Value | \$ 149,800 | \$ 169,800 |
| | Property Classification | RES HMSTD | RES HMSTD |
| 2 | PROPOSED TAX | | |
| | Property Taxes before credits | \$ | 2,230.00 |
| | School building bond credit | | |
| | Agricultural market value credit | | |
| | Other credits | | |
| | Property Taxes after credits | \$ | 2,230.00 |
| 3 | PROPERTY TAX STATEMENT | | |
| | Coming in 2020 | | TBD |
| The time to provide feedback on PROPOSED LEVIES IS NOW It is too late to appeal your value without going to Tax Court. | | | |

Proposed Property Taxes and Meetings by Jurisdiction for Your Property

| Contact Information | | Actual 2019 | | Proposed 2020 | Meeting Information |
|--|----|------------------------|----|---------------|---|
| PINE COUNTY CO ADMINISTRATOR-320-591-1670 635 NORTHRIDGE DR NW PINE CITY MN 55063 | \$ | 1,010.55 | \$ | 1,106.18 | DECEMBER 5, 2019 6:00 PM COUNTY BOARD ROOM 635 NORTHRIDGE DR NW PINE CITY |
| SANDSTONE TOWNSHIP | \$ | 195.83 | \$ | 231.57 | BUDGET SET AT YOUR ANNUAL TOWN MEETING IN MARCH, 2019 |
| STATE GENERAL TAX | \$ | .00 | \$ | .00 | NO MEETING REQUIRED |
| SCHOOL DISTRICT 2580 EAST CENTRAL SCHOOLS SUPT OFFICE - 320-245-2289 61085 STATE HWY 23 FINLAYSON, MN 55735 | | | | | DECEMBER 16, 2019 6:00 PM COMMUNITY ROOM 61085 STATE HWY 23 FINLAYSON |
| | | Voter Approved Levy \$ | | 429.74 | |
| | | Other Local Levies \$ | | 419.87 | |
| | | | | | |
| OTHERS | \$ | 39.91 | \$ | 42.64 | NO MEETING REQUIRED |
| | | | | | |
| | | | | | |
| Total excluding any special assessments | \$ | 2,016.00 | \$ | 2,230.00 | 10.6 % |

Accomplishments of the 2020 Budget

- All funds structurally balanced by using current year revenue and planned spending of reserves.
- Accomplished goal of 3% levy.
- Cost Drivers
 - Personnel—Wages & Benefits
 - Maintain vehicle replacement, Building Fund, computer replacement, elections
 - New ½ time agriculture educator

The county board will consider the final budget and property tax levy at the regular meeting, December 17, 2019, at 10:00 a.m., at the NPGC Sandstone.



Public Comments & Questions

