

AGENDA
PINE COUNTY SPECIAL BOARD MEETING
Budget Committee/Committee of the Whole
Wednesday October 30, 2013 8:00 a.m.
Pine County Courthouse, Pine City, Minnesota

District 1 Commissioner Hallan (Chair)
District 2 Commissioner Pangerl
District 3 Commissioner Chaffee
District 4 Commissioner Rossow (Vice-Chair)
District 5 Commissioner Ludwig

A) Call to order

B) Pledge of Allegiance

C) Corrections to October 25 Budget Memorandum

1. Pg. 4 (sheriff) change “net increase” to “net impact”
2. Pg. 4 (SCORE recycling) change “contract with PHASE (\$70,000)” to “(\$108,000)”
3. Pg. 6. Health and Human Services Levy chart, last column (2012 & 2013) change “\$2,552,000” to “\$2,525,000”

None of these changes impact the budget calculations or totals.

D) Discussion of 2014 budget

E) Set future Budget Committee meeting

F) Adjourn



PINE COUNTY

County Administrator
David J. Minke

Administrator's Office

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Commissioners

Steve Hallan – Dist. 1
Mitch Pangerl – Dist. 2
Steve Chaffee – Dist. 3
Curt Rossow – Dist. 4
Matt Ludwig – Dist. 5

TO: Pine County Board of Commissioners
FROM: David J. Minke *DJM*
DATE: October 25, 2013 (updated 10/29/13)
RE: 2014 Budget

The budget is an estimate of revenue and expenditures for the year, and once adopted, is a legal document setting the allowable expenditures. In September the board met with department heads and received budget requests for the 2014 budget. Those budget requests, along with personnel costs assuming the same staffing level (unless noted) and a 1.5 percent COLA were added into the preliminary budget that is presented here.

Goals of the Budget Committee Meeting:

1. Set General Fund Budget for each department, or identify additional information needed.
2. Set the funding level for organizations that request county funding.
3. Confirm the property tax levy.
4. Confirm the Rail Authority Levy.
5. Confirm the budget amount for the General Fund reserve. For 2013 it is \$548,000.
6. Consider the Health and Human Services Fund levy.
7. Consider the Road and Bridge Fund levy.
8. Other as determined by the Commissioners.

In September, the county commissioners also approved a 3 percent levy increase making the total preliminary levy \$14,497,250. Below is the preliminary levy distribution leaving the HHS, Road and Bridge, and Rail Authority Levies the same as 2013, including the actual amounts for the Bond Levies, and putting the remainder of the levy in the General Fund.

<u>2014</u>	<u>GROSS LEVY</u>	<u>PROGRAM AID</u>	<u>NET LEVY</u>
REVENUE	\$9,873,374	\$1,669,513	\$8,203,861
HUMAN SERVICES	2,525,000		2,525,000
ROAD & BRIDGE	1,475,000		1,475,000
RAIL AUTHORITY	15,312		15,312
JAIL BOND	1,288,400		1,288,400
COURTHOUSE BOND	989,677		989,677
TOTAL	\$16,166,763		\$14,497,250

Based on the department requests, the current General Fund totals are:

Revenue	\$14,696,049
Expenditure	<u>(\$14,183,398)</u>
Net	<u>\$ 512,651</u>

Revenue

Overall, revenue in the General Fund is up from 2013 by \$830,000. Significant changes in projected revenue include:

Property tax levy increased	\$422,250
County Program Aid (CPA) increased	\$372,472
Payment in Lieu of Taxes increased	\$150,000
Forfeited property decreased	(\$100,000)
Prisoner boarding fees decreased	(\$220,000)
Net (all General Fund Revenue)	\$830,000

For 2013 and for 2014 the county has continued to reduce many department-specific revenues to become more in line with the actual revenues. As you work through the departments, you will see a number of small revenue reductions.

Expenditures

Overall expenditures in the General Fund are up 6%, about \$866,000, in the preliminary budget. Attached is a department-level summary showing the 2013 and 2014 budgets by category and the one-year change.

Commissioners: Overall, a decrease of \$575.

Court Administrator: Overall expenditures remain the same. However, the net increases because the "bail pending" line item is budgeted at 0. This line is used to track bail payments which are generally refunded to the payee so are not revenue to the county.

Law Library: No change in this budget. Expenditures are paid by fee revenue. One option that has been discussed is assessing an IT support fee for the technology support provided by IT. The recommended amount is \$1,500 annually. If the Law Library Board agrees, the fee will be added as an expense in this department and shown as revenue in the IT department.

Auditor: Overall a 3% increase. The net actually decreases because of an additional \$20,000 of revenue from the Land Fund based on the restructure and the Auditor supervising the Forester/Land Commissioner.

IT: This department is hit with two specific expenditure increases and revenue decreases which combine to create a net increase of nearly \$100,000. Revenues are decreased over \$40,000 to account for the actual receipts. During the implementation of Pictometry, one-half of an IT specialist wages and benefits were paid by the Recorder department. For 2014, this

approximately \$23,000 expense is represented in the IT department. The equipment budget is also increased \$30,000 to purchase additional computers, keycard system, and secure email for some employees.

Central Services: This department pays for the postage machine at the courthouse (\$30,000) and general office supplies (\$40,000). The \$20,000 decrease is due to the HHS postage machine being paid for directly by the HHS department.

Truth in Taxation: No change from 2013. The \$7,000 revenue is reimbursement from the local governments for the county's work in preparing the TNT notices.

Elections: This budget has a significant increase due to the 2-year election cycle. The \$72,250 budgeted for 2014 is below the \$76,000 actually spent in 2012.

Administrator: Overall the department has a 3% increase. Personnel costs are decreasing now that the department is stabilized at 4 staff (Administrator, HR/Payroll Specialist, Payroll Clerk, and Administrative Assistant). The increase is due to \$20,000 in the budget for remodeling to combine office space with extension.

Attorney: Overall this department has a 3% increase with all of it being in personnel costs.

Contracted Attorney: This department is used to account for the work of consulting attorneys which is primarily Margaret Skelton for labor-related services. This budget has been set at \$20,000 in recent years, but actual expenditures are typically closer to \$50,000.

County Recorder: This department has an overall decrease in the budget. Personnel is decreased because this department contributed approximately \$23,000 to fund one-half of the IT specialist position during the implementation of Pictometry. This expense is now back in the IT department.

County Assessor: This department has undergone a significant restructure which has resulted in adding an appraiser to free up more time of the director to supervise Land Services—zoning, solid waste, recording, and assessing. The new position is about \$45,000 of the \$53,000 total increase.

Planning & Zoning. This department accounts for 100% of Ed Melzark's time, 50% of Robbie Fischer's time (the rest in Solid Waste) and 25% of Lisa McCorison's time (the rest of Lisa's time is divided 25% Veterans and 50% Land Fund).

Government Buildings. The revenue in this department is for rents charged. The significant increase in this department is \$125,000 in the budget for the demolition of the old jail. The large increase in personnel costs is due to Pete being made full-time in 2013.

Veterans. Overall the department expenses are up 22% (\$15,739). This increase is the result of the position being made full time and the addition of health insurance.

Sheriff. Overall the department has a 1% increase in expenses and a 7% increase in revenue making the net impact on the General Fund a 1% decrease.

Dispatch. Virtually all expenses in this department are personnel. Total expenditures are down slightly while the staffing level remains the same.

Gun Permits. This department captures the revenue for permits issued by the sheriff's department. In 2013 some personnel costs were charged to this department based on the significant amount of revenue.

Jail. The jail has been a financially challenging operation since prisoner-boarder revenue has decreased from a high of over \$800,000 in 2011 to the 2014 estimate of \$280,000. The preliminary budget has an overall increase of 10%. Due to significant turnover in the part time staff, the board has recently authorized two additional full time staff to reduce the number of hours needed by part time staff. Based on updated personnel costs and some reductions in other parts of the preliminary budget, the department can reduce the total budget by \$128,000. Even with this decrease from the preliminary budget, the total expenditures are up \$203,000 (6%) and revenue down \$177,200 making a net impact on the General Fund of negative \$381,087.

Probation. The preliminary budget for this department includes a request for an additional probation agent (currently six agents plus the director). The total cost of the new position is \$57,879 of which about \$16,800 will be reimbursed by the state.

Sentence to Serve. This department accounts for the expenses of the crew leader. Total expenditures are down based on a change of health insurance election.

Civil Defense. This department is used to purchase emergency management equipment and access the state HSEM grant (\$20,000) which requires a local match.

Solid Waste. This department accounts for 50% of the wages of the environmental technician along with \$15,000 for cleanup day expenses.

SCORE recycling. The expenses in this department are primarily a contract with PHASE (\$108,000) for recycling and payment to Veolia Environmental Services for Household Hazardous waste (HHW) collection. The county receives a \$70,000 grant from the state to support these activities.

East Central Regional Library. Pine County is a member of the East Central Regional Library Association (ECRL) and pays an annual amount for library services. The preliminary budget included a contribution to ECRL in the amount of \$313,000. Since the preliminary budget was prepared, the ECRL board has reduced its request \$9,008 to \$303,992. This amount is an increase of \$982 over the 2013 amount. Included in this budget department is \$1,300 for per diems for the two Pine County citizen representatives on the board.

Historical Society. The preliminary budget has \$10,000 for the county historical society, the same amount as appropriated in 2009, 2010, 2011, and 2013. In 2012 the county appropriated

\$20,000. At the October 1, 2013 board meeting the historical society requested \$20,000 for 2014.

Soil and Water Conservation District. The county appropriates money for the SWCD in three budget departments—601 (Soil & Water Conservation District), 607 (SWCD Water Plan) and 612 (Wetland Expense).

Soil and Water Conservation District (601). The SWCD is requesting an increase of \$16,740 for a total appropriation of \$46,200. This department also accounts for the property casualty and workers comp insurance for the SWCD and the per diem and mileage of the county representatives to the Onanegozie RC&D.

County Extension Committee (602). This department accounts for the per diem and mileage for the extension committee members.

County Extension (603). This department accounts for the cost of the contract with Extension Services. The contract for 2013-2015 was approved by the board on September 18, 2012. The contract sets the 2014 rate at \$66,530, an increase of 1.5% over the 2013 amount. Additionally this department includes funds for the master gardener (\$10,044) and 4-H summer intern (\$4,708).

Agricultural Society. This is the money appropriated for the fair and remains unchanged at \$10,000.

Economic Development. This department was created to provide a source of funds for county-wide economic development activities. The funds could be used for a PT position, contract with an economic developer, or other activities as the board desires.

SWCD Water Plan (607). This department accounts for the state grant and local match for the water plan. These funds are given to the SWCD for work on the county water plan.

Wetland Expense (612). This department accounts for the state grant and local match for the administration of the Wetland Conservation Act.

Snake River Watershed Board. This appropriation is paid to the watershed board.

Non-Departmental. This department accounts for expenditures that are not attributable to a specific department in the General Fund. Major revenues in this department include property taxes, county program aid, Payment in Lieu of Taxes (PILT), and reimbursement for indirect costs associated with support to Health and Human Services. Major expense includes insurance and special assessments on the courthouse.

The county board has set the preliminary levy at \$14,497,250. In addition to the General Fund, that amount must be divided among other levies. Although the focus of the October 30th meeting is not the budgets of these other activities, they must be considered in discussion of the levy available for the General Fund.

Initiative Foundation. This department includes the appropriation for the Central Minnesota Initiative Foundation of \$7,000, unchanged from 2013.

Health and Human Services Levy. For 2013 the county levied \$2,525,000 for health and human services. Since 2001 this levy amount has varied as indicated below. If the 2001 levy were to be adjusted only for inflation, the current amount would be approximately \$2,900,000.

2001	2002 & 2003	2004	2005	2006	2007 & 2008	2009 & 2010	2011	2012 & 2013
2,201,888	2,301,564	2,403,242	2,511,411	3,000,920	3,200,000	2,700,000	2,550,000	2,525,000
	4.5%	4.4%	4.5%	19%	6%	-15%	-5.6%	-10%

The board has previously discussed the deficit situation in this fund and has committed to a 2-year (2014 and 2015) timeframe to balance the budget through a combination of increased revenue and decreased expenses.

Road and Bridge Levy. The Road and Bridge Levy has varied since 2001 from a low of \$1,399,572 in 2001 to a high of \$1,837,416 in 2006, to its 2013 amount of \$1,475,000. If this levy were to be adjusted only for inflation since 2001, the current amount would be approximately \$1,800,000.

County Engineer Mark LeBrun requested an increase in the Road and Bridge Levy of \$125,000 for 2014. The county board also approved a Wheelage Tax effective January 1, 2014 which will generate approximately \$273,000.

Rail Authority Levy. The Rail Authority has been used to levy funds for participation in the Northern Lights Express Rail Alliance (NLX). The levy has also been used to acquire and pay the property taxes on the Soo Line Trail. Currently the fund has a deficit of approximately \$8,000. The board should levy \$8,000 to eliminate the deficit in addition to any levy for other purposes.

Dept. #	Dept	2013 Budget	2014 budget	Change	% Change
5	Commissioners	210,566	209,991	-575	0%
	Personnel	177,843	180,991	3,148	2%
	Services	32,723	29,000	-3,723	-11%
	Revenue	5,000	0	-5,000	-100%
13	Court Administrator	64,000	64,000	0	0%
	Services	64,000	64,000	0	0%
	Revenue	12,000	2,500	-9,500	-79%
20	Law Library	20,000	20,000	0	0%
	Personnel	5,000		-5,000	-100%
	Services	100	6,100	6,000	6000%
	Supplies	14,900	13,900	-1,000	-7%
	Revenue	20,000	20,000	0	0%
41	Auditor	571,875	586,587	14,712	3%
	Personnel	443,775	456,787	13,012	3%
	services	123,500	124,200	700	1%
	supplies	4,100	4,600	500	12%
	capital	500	1,000	500	100%
	Revenue	80,000	100,000	20,000	25%
61	IT	440,343	503,608	63,265	14%
	Personnel	147,493	168,508	21,015	14%
	services	217,100	229,100	12,000	6%
	supplies	750	750	0	0%
	capital	75,000	105,250	30,250	40%
	Revenue	51,000	15,000	-36,000	-71%
62	Central Services	90,000	70,000	-20,000	-22%
	Supplies	40,000	40,000	0	0%
	Capital	50,000	30,000	-20,000	-40%
	revenue	31,000	31,000	0	0%
63	Truth In Taxation	13,300	13,300	0	0%
	Services	7,300	7,300	0	0%
	Supplies	6,000	6,000	0	0%
	Revenue	7,000	7,000	0	0%
71	Elections	8,600	72,250	63,650	740%
	Services	8,600	62,250	53,650	624%
	Supplies		10,000	10,000	
	Revenue	7,600	7,300	-300	-4%
72	Administrator	357,177	367,113	9,936	3%
	Personnel	322,377	315,013	-7,364	-2%
	services	32,300	49,500	17,200	53%
	supplies	500	500	0	0%
	capital	500	600	100	20%
	Revenue	1,000	0	-1,000	-100%

Dept. #	Dept	2013 Budget	2014 budget	Change	% Change
91	Attorney	747,221	771,926	24,705	3%
	Personnel	689,321	714,526	25,205	4%
	services	31,900	31,400	-500	-2%
	supplies	15,000	16,000	1,000	7%
	Other	11,000	10,000	-1,000	-9%
	Revenue	78,100	78,050	-50	0%
92	Contracted Attorneys	20,000	50,000	30,000	150%
	Services	20,000	50,000	30,000	150%
101	Recorder	445,907	400,624	-45,283	-10%
	Personnel	265,620	260,124	-5,496	-2%
	services	11,500	12,500	1,000	9%
	supplies	5,500	0	-5,500	-100%
	capital	163,287	128,000	-35,287	-22%
	Revenue	289,000	305,000	16,000	6%
105	Assessor	446,264	494,495	48,231	11%
	Personnel	407,264	460,495	53,231	13%
	services	25,100	20,600	-4,500	-18%
	supplies	5,000	5,500	500	10%
	capital	8,000	900	-7,100	-89%
	other	8,000	7,000	-1,000	-13%
	Revenue	172,500	173,500	1,000	1%
107	Zoning	119,927	121,783	1,856	2%
	Personnel	107,827	110,033	2,206	2%
	services	7,100	7,750	650	9%
	supplies	5,000	4,000	-1,000	-20%
	Revenue	70,742	62,840	-7,902	-11%
111	Govt. Bldgs	709,421	882,562	173,141	24%
	Personnel	172,921	201,062	28,141	16%
	services	471,000	596,000	125,000	27%
	supplies	50,500	50,500	0	0%
	capital	15,000	35,000	20,000	133%
	Revenue	175,000	175,000	0	0%
121	Veterans Services	70,847	86,486	15,639	22%
	Personnel	64,597	80,336	15,739	24%
	Services	4,850	4,750	-100	-2%
	Supplies	1,400	1,400	0	0%
201	Sheriff	3,308,798	3,333,037	24,239	1%
	Personnel	2,762,098	2,759,437	-2,661	0%
	services	203,000	230,100	27,100	13%
	supplies	223,700	223,500	-200	0%
	capital	120,000	120,000	0	0%
	other (posse)	0	0	0	0%
	Revenue	844,850	904,698	59,848	7%
204	Dispatch	502,500	490,429	-12,071	-2%
	Personnel	499,500	487,429	-12,071	-2%
	services	3,000	3,000	0	0%

Dept. #	Dept	2013 Budget	2014 budget	Change	% Change
210	Gun Permits	0	17,000	17,000	
	Personnel	0	17,000	17,000	
	Services	0		0	
	Supplies	0		0	
	Revenue	17,000	17,000	0	0%
251	Jail	3,199,825	3,531,380	331,555	10%
	Personnel	2,469,300	2,706,080	236,780	10%
	services	381,525	419,400	37,875	10%
	supplies	342,800	384,400	41,600	12%
	capital	6,200	21,500	15,300	247%
	Revenue	641,700	464,500	-177,200	-28%
255	Probation	660,325	743,324	82,999	13%
	Personnel	623,152	700,760	77,608	12%
	services	34,473	39,514	5,041	15%
	supplies	2,700	3,050	350	13%
	Revenue	273,196	273,506	310	0%
256	Sentence to Serve	70,752	63,108	-7,644	-11%
	Personnel	66,052	58,008	-8,044	-12%
	Services	1,700	2,100	400	24%
	Supplies	3,000	3,000	0	0%
281	Civil Defense	45,000	45,000	0	0%
	services	7,400	7,400	0	0%
	capital	37,600	37,600	0	0%
	Revenue	20,000	20,000	0	0%
391	Solid Waste	73,932	47,167	-26,765	-36%
	Personnel	58,582	31,817	-26,765	-46%
	Services	350	350	0	0%
	supplies	0	0	0	
	Other	15,000	15,000	0	0%
392	SCORE Recycling	121,800	121,800	0	0%
	Services	120,600	120,600	0	0%
	Supplies	0	0	0	
	capital	1,200	1,200	0	0%
	Revenue	71,100	70,000	-1,100	-2%
501	E. Cen. Regional Library	304,200	314,200	10,000	3%
	Personnel	1,200	1,200	0	0%
	Appropriation	303,000	313,000	10,000	3%
502	Historical Society	10,000	10,000	0	0%
601	Soil & Water Con. Dist	34,000	50,940	16,940	50%
	Personnel (RC&D)	0	1,300	1,300	
	Services	4,500	3,100	-1,400	-31%
	Appropriation	29,500	46,540	17,040	58%
602	Co Extension Committee	1,800	1,800	0	0%
	Personnel	1,300	1,300	0	0%
	Services	500	500	0	0%

Dept. #	Dept	2013 Budget	2014 budget	Change	% Change
603	County Extension	95,691	97,328	1,637	2%
	Personnel	19,741	20,398	657	3%
	Services	74,050	75,030	980	1%
	Supplies	400	400	0	0%
	Capital	500	500	0	0%
	Other	1,000	1,000	0	0%
604	Agricultural Society	10,000	10,000	0	0%
605	Economic Development	0	50,000	50,000	
607	SWCD Water Plan	27,710	27,710	0	0%
	Appropriation	27,710	27,710	0	0%
	Revenue	13,855	13,855	0	0%
612	Wetland Expense	69,252	69,252	0	0%
	Appropriation	69,252	69,252	0	0%
	Revenue	34,626	34,626	0	0%
613	Snake River Watershed	11,118	11,168	50	0%
	Personnel	750	750	0	0%
	services	400	450	50	13%
	Appropriation	9,968	9,968	0	0%
702	Pine County HRA	3,000	3,000	0	0%
	Personnel	3,000	3,000	0	0%
801	Non-Departmental	264,228	266,030	1,802	1%
	Personnel	58,784	60,000	1,216	2%
	services	105,000	109,575	4,575	4%
	capital	100,444	96,455	-3,989	-4%
	Revenue	10,839,171	11,817,874	978,703	9%
813	Initiative Foundation	7,000	7,000	0	0%
General Fund Totals					
	Expenditures	13,317,879	14,183,398	865,519	6%
	Revenue	13,866,290	14,696,049	829,759	6%

Fund Balance	12/31/2011	12/31/2012	change	% of Operating
General Fund	1,690,083	2,053,199	363,116	0.14
Road & Bridge	6,345,520	5,798,840	(546,680)	
Health & Human Services	2,548,787	2,162,748	(386,039)	
Land Management	698,725	1,230,695	531,970	