



Board of County Commissioners Agenda Request

6B
Agenda Item #

Requested Meeting Date:

Title of Item: 2015 Budget Discussion

<input checked="" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft)	<input type="checkbox"/> Direction Requested <input checked="" type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing* <small>*provide copy of hearing notice that was published</small>
Submitted by: Nathan Burkett		Department: Administration
Presenter (Name and Title): Nathan Burkett		Estimated Time Needed:
Summary of Issue: At Tuesday's meeting I will ask if the Board has any further questions, comments, or direction to give on the proposed 2015 budget, and review the attached draft of the December 9th Budget Hearing presentation.		
Alternatives, Options, Effects on Others/Comments:		
Recommended Action/Motion:		
Financial Impact: Is there a cost associated with this request? <input type="checkbox"/> Yes <input type="checkbox"/> No What is the total cost, with tax and shipping? \$ Is this budgeted? <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Please Explain:</i>		

Aitkin County Budget Hearing



For Fiscal Year 2015

Compiled by Aitkin County Administration

Presented December 9, 2014

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NOTICE OF BUDGET HEARING

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AITKIN COUNTY BUDGET HEARING AGENDA

Budget and Levy Hearing Meeting Agenda

December 9, 2014

The purpose of this meeting is to discuss the 2015 proposed county budget and the 2015 proposed property tax levy. Changes in valuation and classification are not part of this discussion.

1. Introductions
2. Discussion on budget development process
3. J. Mark Wedel, County Board Chair, budget comments
4. Breakdown of specific programs and changes from 2015 to 2014
5. Levy, revenue, reserves and fund balances
6. Major funds summary
7. Department expenditures and revenues
8. Public Hearing
 - a. Taxpayers will have 5 minutes to comment on the County's proposed budget and levy
9. Adjourn

BUDGET DEVELOPMENT PROCESS

Date	Activity
July 8, 2014	Obtain budget guidance from the County Board
July 9, 2014	<p>The following are delivered to Department Heads:</p> <ul style="list-style-type: none"> Budget guidance Personnel and insurance projections Budget preparation and submission documents (line items) <p>Department Heads will determine if they desire to present a unified budget to the County Board through collaborative preparation</p>
July 25, 2014	<p>Appropriation letter responses due</p> <p>Department proposals due to Administration (extensions of up to 2 weeks available upon request)</p>
July 26 – August 25, 2014	Budget conferences
August 26, 2014	Draft budget delivered to County Board
September 9, 2014	County Board adopts preliminary budget and levy
September 10, 2014	Special County Board meeting – Budget presentations
September 10 – October 27, 2014	Additional budget conferences as necessary
November 11, 2014	<p>Final Draft budget delivered to County Board</p> <p>Board approves date for 2015 budget hearing and notice published</p>
November	Board directed budget review and conference
December 9, 2014	Evening Board Meeting and Budget Hearing
December 23, 2014	Final Budget approval

SUMMARY OF PROPOSED CHANGES

Personnel

- Add one public health nurse in health and human services to support maternal child health.
 - Operational impact: HHS has been working to reduce spending on out of home placements, this position is intended to continue to control these costs which are largely the responsibility of the County. This position will help HHS to take a more proactive approach to potential child welfare concerns.
 - Financial impact: This position is a revenue generating position, the estimated costs and associated revenues have been budgeted and it will not increase the levy/local expense to the County.
- Remove one Assistant County Attorney I position and Add one Assistant County Attorney II
 - Operational impact: This change recognizes the importance, workload and supervisory responsibilities of the incumbent.
 - Financial impact: None in 2015. The Assistant County Attorney has a higher ceiling on the pay grid, but costs exceeding the Assistant County Attorney I position are next expected for at least 3 - 4 years depending upon future wage increases.
- Add funds for one additional contracted inspector in Environmental Services.
 - Operational impact: Due to the increased number of permits and applications being authorized in the County, and the reduction in staff several years ago, it is necessary to support the current operation to ensure more timely inspections.
 - Financial impact: Estimated at \$22,000.

Programmatic

- There are no major programmatic changes from 2014 - 2015

Services and Charges

- Decreased reliance on outside counsel for human resources matters.
 - Operational impact: None.
 - Financial impact: Greater than \$20,000 savings.
- Increased capital expense in Road and Bridge due to County Road 3 Project.
 - Operational impact: Greater workload for engineering staff.
 - Financial impact: Approximately \$3.9 million out of fund balance which is dedicated to the project.
- Proposed structural modifications to the Health and Human Services basement
 - Operational impact: Provides much needed meeting space for departments in the Courthouse block. The room will be accessible without having to go through secure areas of the HHS building.
 - Financial impact: Approximately \$25,000 increased expense.

Purchases

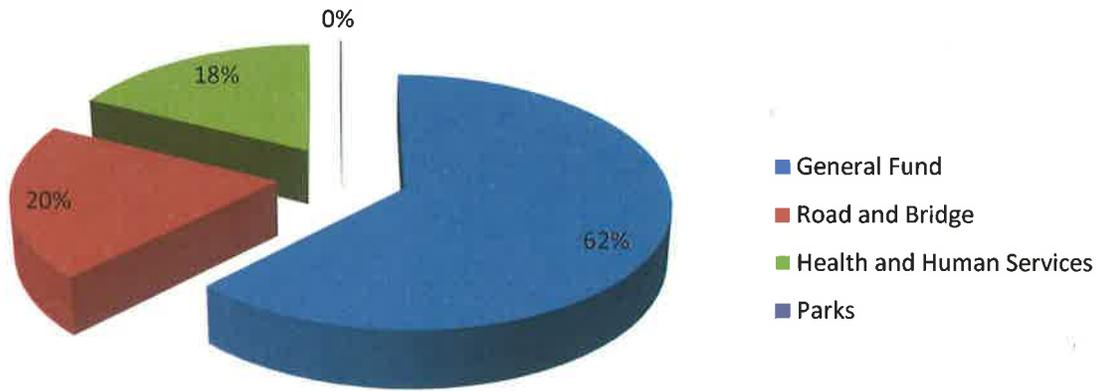
- Increase purchase of motor pool vehicles from 1 – 2
 - Operational impact: None.
 - Financial impact: \$20,000 increased capital expense. Estimated long term decrease in expense due to better fuel economy and decreased maintenance expenses.
- Technology purchases to improve storage capacity
 - Operational impact: Long term benefits to allow greater use of technologies such as digital documents and maintaining backup on our servers.
 - Financial impact: Increase of \$20,000 over 2014.

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PROPOSED 2015 LEVY

Aitkin County – 2015 Budget and Levy			
	Adopted 2013	Adopted 2014	Proposed 2015
Funds			
General Fund	\$11,549,657	\$11,331,372	\$11,923,682
Parks ('11, '12, & '13 w/General)	\$0	\$567,519	\$521,226
Road and Bridge	\$7,251,050	\$10,477,148	\$13,735,822
Health and Human Services	\$6,133,684	\$6,121,986	\$6,171,551
Debt Service (Jail Bonds)	\$409,875	\$406,250	\$343,375
GF Transfer to R&B			
Total Expenditures	\$25,344,266	\$28,904,275	\$32,695,656
Revenues	\$12,986,450	\$13,706,288	\$15,109,439
County Program Aid	-\$524,082	-\$658,867	-\$663,741
Levy	\$11,725,696	\$11,725,696	\$11,999,900
Total of Other Funding Options	-\$607,608	\$0	\$0
Reserves Used in Dept Budgets	\$499,570	-\$2,813,424	-\$4,922,576
Total Revenues	\$25,344,266	\$28,904,275	\$32,695,656
Calculations			
Levy Increase – Dollars	\$341,525	\$0	\$274,204
Levy Increase – Percentage	3.0%	0.0%	2.3%
Tax Capacity-(2015 estimate)	\$28,211,079	\$27,077,480	\$26,924,873
Estimated Tax Rate (before Disparity Aid Adjustment)	41.564%	43.304%	44.568%

LEVY DISTRIBUTION BY FUND



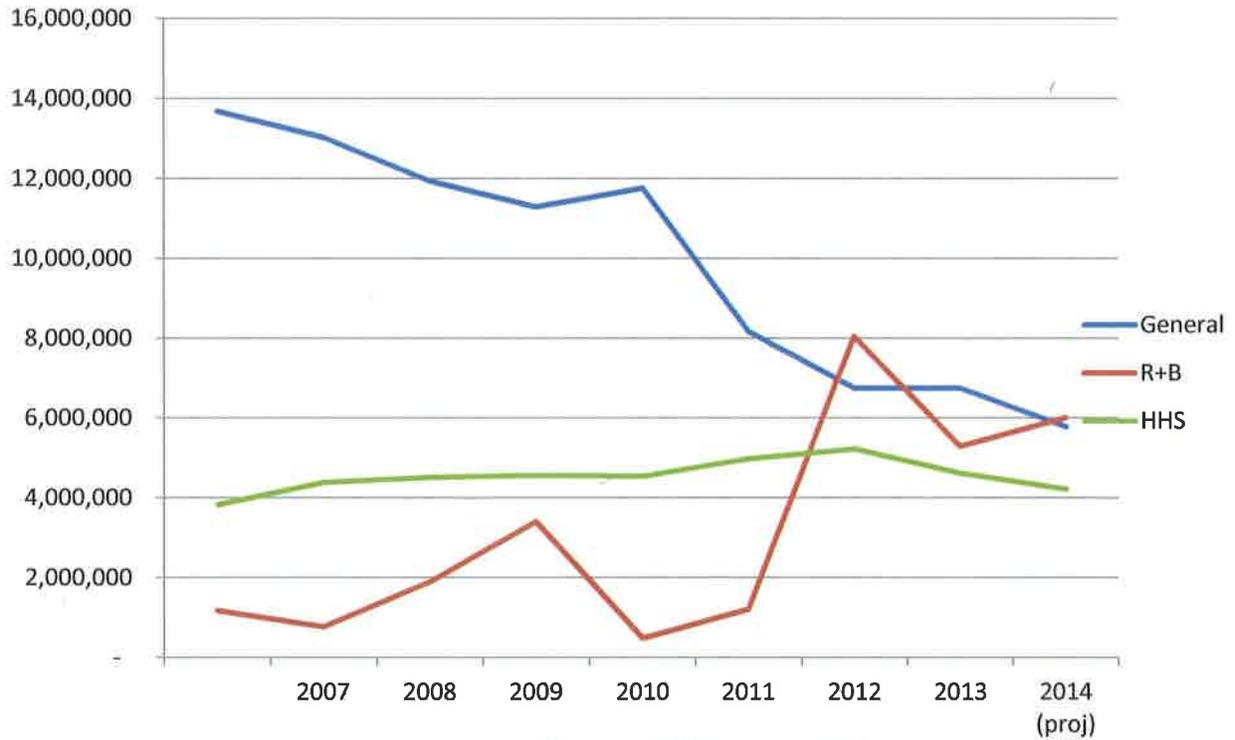
- Levy distribution is similar to 2014 all levies are within .5% of 2014 levels by proportional distribution.

RESERVE FUNDING

Fund	Surplus/ (Deficit)	Dedicated Sources			Reserves Allocate from Reserves	Add to Reserves
		E-911 Dedicated funds	232 Turnback Funds	Other Dedicated Source		
General	255,000	(255,000)				
Road & Bridge	3,993,200		(3,993,200)			
Unorg Twp	0					
HHS	400,000				(400,000)	
Debt Svc	343,375				(343,375)	
Trust	69,448			(69,448)		
Forest Dev	152,958			(152,958)		
Aitkin Co Collab	17,050			(17,050)		
Env Trust Fund	0					
LLCC	23,927				(23,927)	
Parks	(68,999)					68,999
Totals	5,185,959	(255,000)	(3,993,200)	(239,456)	(767,302)	68,999

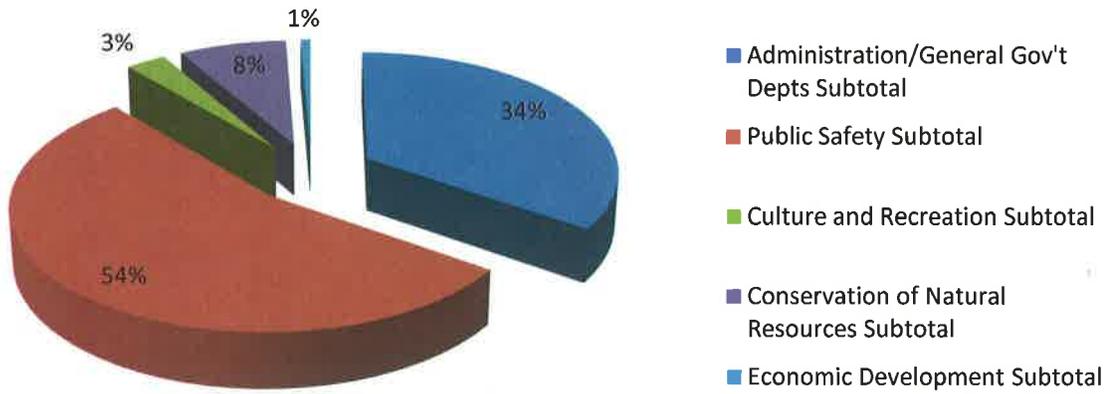
- Decreasing reliance on reserve funding should be a goal of the County Board. Administration recommends a 3 year plan to ensure operations are funded with ongoing revenues.
- Reserve funding for dispatch center comes from E-911 funds, which can only be used for emergency communications purposes.
- Reserve funding for County Road 3 (232 Turnback) is dedicated to that project. These funds were received from the State of Minnesota in a transfer agreement.
- Reserve funding used for Health and Human Services is decreased from \$600,000 to \$400,000. It is likely that due to ongoing efforts to control costs and obtain outside revenues that this amount will not be needed. Primary concerns are out of home placements, in the event of a high cost event.
- Reserve funding from the Debt Service account is available. The 2015 payment is the final payment on the bonds.
- Reserve funding from the Trust and Forest development accounts is to maintain the accounts at reasonable levels. Reserve funds have historically been used to maintain an even long term financial plan.
- Reserves for LLCC are due to unknown factors related to the number of events and participants in those events at the Center. The long term goal is to ensure that the LLCC is financially self sufficient.

FUND BALANCES



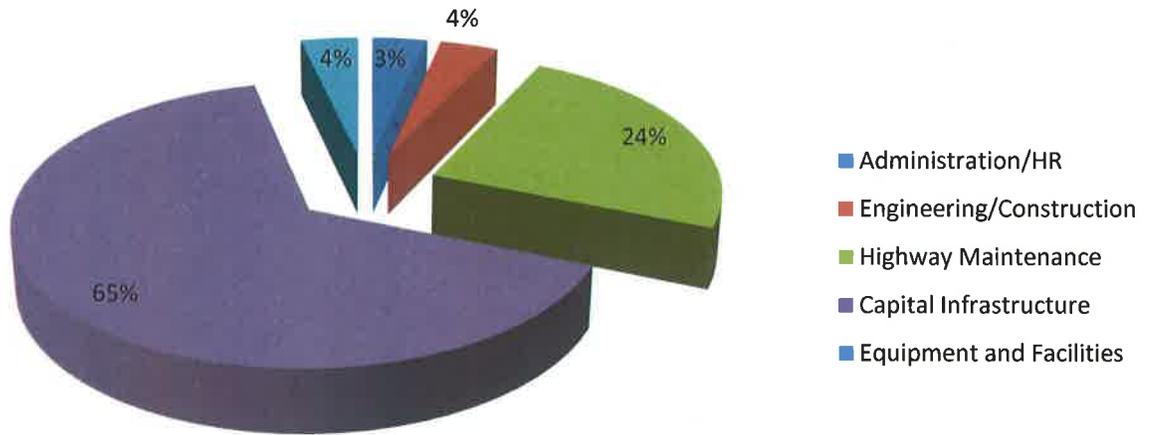
- Fund balances have been on the decrease since 2006. Due primarily to capital spending on roads and the ARMER system.
- The spike in the Road and Bridge fund in 2012 is due to receipt of 232 turnback funds from the State of Minnesota.

GENERAL FUND



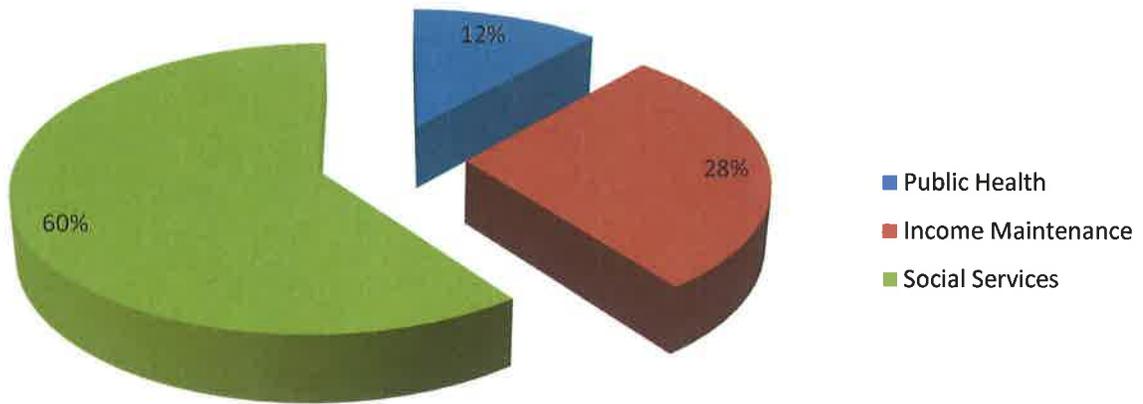
- General fund spending in each of these functional areas is similar to the 2014 budget. All functional areas are within .5% as a proportion of total general fund spending.

ROAD AND BRIDGE FUND



- There is a large increase in the proportion of spending on capital infrastructure due to 232 turnback.
- All other areas are similar to 2014.

HEALTH AND HUMAN SERVICES FUND



- There is a very slight (less than 1%) decrease in Income Maintenance spending by proportion between 2014 and 2015
- There is a very slight increase (less than 1%) increase in Social Services spending by proportion between 2014 and 2015

REVENUES AND EXPENDITURES BY DEPARTMENT

Fund Dept	2014 Budget		2015 Prop		2015 % Change +/-	
	Rev	Exp	Rev	Exp	Rev	Exp
General Fund						
Administration/General Gov't Depts						
1 1 Commissioners	0	238,388	0	246,894		3.45%
1 40 Auditor	(281,630)	584,648	(278,730)	599,811	-1.04%	2.53%
1 41 Internal Audit	0	65,000	0	65,000		0.00%
1 42 Treasurer	(32,500)	230,828	(32,500)	245,066	0.00%	5.81%
1 43 Assessor	(182,981)	806,421	(166,997)	824,375	-9.57%	2.18%
1 44 Central Services	(7,163,317)	252,548	(7,498,301)	250,100	4.47%	-0.98%
1 45 Motor Pool	(30,000)	53,261	(30,000)	53,261	0.00%	0.00%
1 49 Information Technologies	(700)	531,798	(800)	605,130	12.50%	12.12%
1 52 Administration/HR	0	339,194	0	400,973		15.41%
1 60 Elections	(1,300)	128,706	0	20,600		-524.79%
1 100 Recorder	(280,964)	267,114	(239,231)	237,110	-17.44%	-12.65%
1 110 Courthouse Maint	(20,000)	327,865	(20,000)	418,172	0.00%	21.60%
1 111 Buildings	0	72,000	0	72,000		0.00%
1 120 VSO	(22,200)	91,669	(22,200)	94,228	0.00%	2.72%
1 121 HRA	0	1,600	0	1,600		0.00%
Administration/General Gov't Depts Subtotal	(8,015,592)	3,991,040	(8,288,759)	4,134,320	3.30%	3.47%
Public Safety						
1 12 Court Administration	(100)	105,100	(100)	85,100	0.00%	-23.50%
1 90 Attorney	(54,214)	884,427	(56,147)	937,405	3.44%	5.65%
1 123 Coroner	0	58,000	0	58,000		0.00%
1 200 Enforcement	(190,000)	2,054,551	(176,750)	2,094,420	-7.50%	1.90%
1 201 Sheriff Contingency	0	0	0	0		
1 202 Boat and Water	(25,503)	79,833	(19,000)	83,346	-34.23%	4.21%
1 203 Snowmobile	(6,422)	33,321	(6,175)	33,033	-4.00%	-0.87%
1 204 ATV	(10,000)	22,294	(14,212)	20,537	29.64%	-8.56%
1 206 Forfeitures	0	0	0	0		
1 252 Corrections	(2,324,605)	2,328,086	(2,290,405)	2,383,135	-1.49%	2.31%
1 253 Aitkin Co Community Corrections	(33,443)	281,864	(33,443)	298,401	0.00%	5.54%
1 254 Enhanced 911	(89,150)	49,200	(89,150)	331,700	0.00%	85.17%
1 255 Crime Victim	(42,874)	63,661	(43,607)	68,252	1.68%	6.73%
1 257 Sobriety Court	0	27,000	0	7,000		-285.71%
1 280 Emergency Management	(19,000)	47,451	(22,000)	47,223	13.64%	-0.48%
Public Safety Subtotal	(2,795,311)	6,034,788	(2,750,989)	6,447,552	-1.61%	6.40%
Culture and Recreation						
1 500 Library & Historical Society	0	296,587	0	289,552		-2.43%
1 520 Parks	0	0	0	0		
1 601 Extension	(250)	68,886	0	55,281		-24.61%
Culture and Recreation Subtotal	(250)	365,473	0	344,833		-5.99%
Conservation of Natural Resources						
1 122 Planning and Zoning	(269,907)	392,703	(285,006)	422,047	5.30%	6.95%
1 390 Environmental Health	(72,000)	73,426	(72,000)	76,724	0.00%	4.30%
1 391 Solid Waste	(250,537)	251,018	(264,778)	274,963	5.38%	8.71%
1 392 Water Wells	(6,150)	6,150	(6,150)	6,150	0.00%	0.00%
1 600 Ag Soc, Soil & Water, Ag	0	136,169	0	136,169		0.00%
1 603 Wetland Value Repl Fund	0	0	0	0		
Conservation of Natural Resources Subtotal	(598,594)	859,466	(627,934)	916,053	4.67%	6.18%
Economic Development						
1 700 Promotion, Tran, Airport,	0	42,622	0	41,807		-1.95%
1 711 Economic Development	(1,000)	37,983	(1,000)	39,117	0.00%	2.90%
Economic Development Subtotal	(1,000)	80,605	(1,000)	80,924	0.00%	0.39%
General Fund	(11,410,747)	11,331,372	(11,668,682)	11,923,682	2.21%	4.97%
Net (+)/-		(79,375)		255,000		131.13%

Fund Dept	2014 Budget		2015 Prop		2015 % Change +/-	
	Rev	Exp	Rev	Exp	Rev	Exp
Road and Bridge Fund						
3 0	(4,048,748)	0	(4,183,722)	0		
3 301 Administration/HR	0	481,079	0	473,917		-1.51%
3 302 Engineering/Construction	0	491,962	0	500,509		1.71%
3 303 Highway Maintenance	0	3,175,707	0	3,309,296		4.04%
3 307 Capital Infrastructure	(4,071,000)	5,854,000	(5,061,600)	8,954,800	19.57%	34.63%
3 308 Equipment and Facilities	(474,400)	474,400	(497,300)	497,300	4.60%	4.60%
3 310 232 Turnback	0	0	0	0		
Road and Bridge Fund	(8,594,148)	10,477,148	(9,742,622)	13,735,822	11.79%	23.72%
Net (+/-)		1,883,000		3,993,200	#DIV/0!	52.84%
Unorganized Special Revenue						
4 421	(41,000)	41,000	(41,000)	41,000	0.00%	0.00%
4 422	(25,100)	25,100	(29,450)	29,450	14.77%	14.77%
4 423	(2,700)	2,700	(2,700)	2,700	0.00%	0.00%
Unorganized Special Revenue Fund	(68,800)	68,800	(73,150)	73,150	5.95%	5.95%
Net (+/-)		0		0		
Health and Human Services Fund						
5 0	(75,000)	75,000	0	0		
5 400 Public Health	(619,610)	704,900	(679,163)	714,805	8.77%	1.39%
5 420 Income Maintenance	(1,498,504)	1,634,362	(1,595,020)	1,742,982	6.05%	6.23%
5 430 Social Services	(3,328,842)	3,707,724	(3,497,368)	3,713,764	4.82%	0.16%
Health and Human Services Fund	(5,521,956)	6,121,986	(5,771,551)	6,171,551	4.32%	0.80%
Net (+/-)		600,030		400,000		-50.01%
6 0 Debt Service						
	0	406,250	0	343,375		-18.31%
Net (+/-)		406,250		343,375		-18.31%
Trust Fund						
10 921	(205,000)	335,324	(250,000)	314,744	18.00%	-6.54%
10 922	0	0	0	0		
10 923	(1,205,000)	1,206,823	(1,455,000)	1,459,704	17.18%	17.32%
10 926	(30,000)	30,000	(30,000)	30,000	0.00%	0.00%
10 927	0	0	0	0		
10 929	(150,000)	70,000	0	0		
Trust Fund	(1,590,000)	1,642,147	(1,735,000)	1,804,448	8.36%	8.99%
Net (+/-)		52,147		69,448		24.91%
Forest Development						
11 924	(143,000)	221,036	(142,500)	202,320	-0.35%	-9.25%
11 925	(137,000)	213,841	(207,838)	253,631	34.08%	15.69%
11 934	(85,000)	128,592	(94,575)	134,957	10.12%	4.72%
11 935	(37,000)	48,691	(37,000)	46,963	0.00%	-3.68%
11 936	(1,500)	0	(3,000)	0	50.00%	
Forest Development Fund	(403,500)	612,160	(484,913)	637,871	16.79%	4.03%
Net (+/-)		208,660		152,958		-36.42%
Aitkin County Collaborative						
15 0	(70,800)	0	(70,800)	0	0.00%	
15 450	0	32,850	0	32,850		0.00%
15 451	0	25,000	0	25,000		0.00%
15 452	0	25,000	0	25,000		0.00%
15 453	0	5,000	0	5,000		0.00%
Aitkin County Collaborative Fund	(70,800)	87,850	(70,800)	87,850	0.00%	0.00%
Net (+/-)		17,050		17,050		

Fund Dept	2014 Budget		2015 Prop		2015 % Change +/-	
	Rev	Exp	Rev	Exp	Rev	Exp
18 937 Environmental Trust Fund	(10,000)	10,000	(10,000)	10,000	-46.32%	-46.33%
Net (+/-)		0		0		
Long Lake Conservation Center						
19 521	(50,500)	207,160	(57,700)	237,163	12.48%	12.65%
19 522	(618,360)	232,366	(625,610)	221,962	1.16%	-4.69%
19 523	(4,500)	156,177	(4,500)	161,525	0.00%	3.31%
19 524	0	78,972	0	91,087		13.30%
19 525	0	0	0	0		
Long Lake Conservation Center Fund	(673,360)	674,675	(687,810)	711,737	2.10%	5.21%
Net (+/-)		1,315		23,927		94.50%
21 520 Parks	(564,000)	567,519	(590,225)	521,226	4.44%	-8.88%
Net (+/-)		3,519		(68,999)		105.10%
Grand Total All Funds	(28,907,311)	31,999,907	(30,834,753)	36,020,712	6.25%	11.16%
Net (+/-)		3,092,596		5,185,959		40.37%

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