

SAINT
LOUIS ♦
COUNTY
MINNESOTA

2017 PRELIMINARY MAXIMUM LEVY

St. Louis County Board Meeting 09-13-2016

Budget & Strategic Alignment

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Mission:

The mission of St. Louis County is to promote health and safety, ensure sound infrastructure, embrace our natural resources, and support an environment where communities prosper.

We serve the public in a manner that earns trust by incorporating these values:

- People-focused
- Innovation
- Fairness
- Integrity
- Stewardship

Cost Drivers

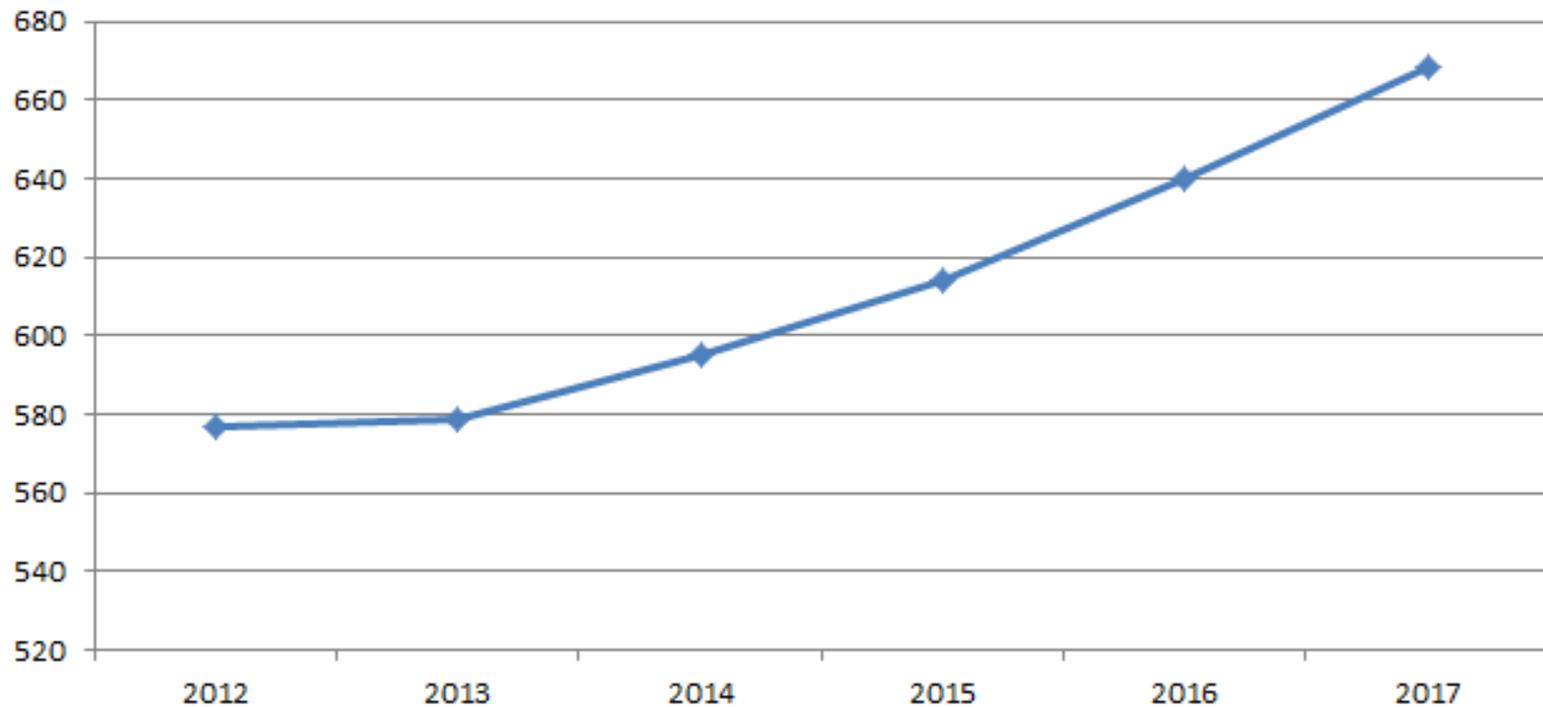
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- ❑ **Investment in Families/Children:** Increased investments, costs and caseloads in Public Health and Human Services
 - ❑ More children and families in poverty and crisis
 - ❑ Dramatic increase in out of home placements
 - ❑ Growing mental health and substance abuse challenges
- ❑ **Less State Support:** Lack of agreement between the governor and legislature
 - ❑ Unsigned tax bill contained over \$3 million in funding support
 - ❑ Increasing unfunded or underfunded state mandates and burdensome reporting requirements
 - ❑ Missed opportunity for critical infrastructure investments
- ❑ **Escalating Health Care Costs**

➤ Investment in Families/Children

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Public Health & Human Services Staff

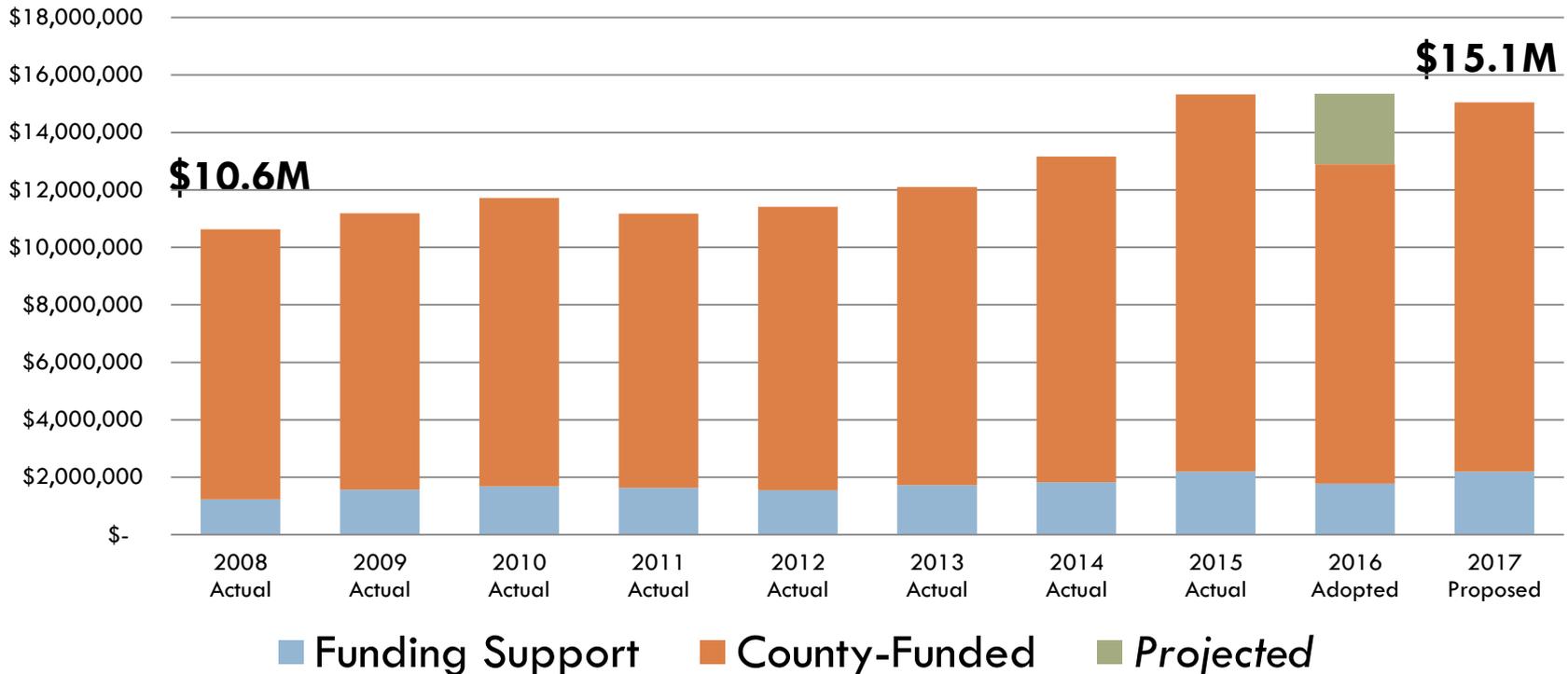


# of Staff	577	579	595	614	640	668
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Less State Support

Out of Home Placement Costs

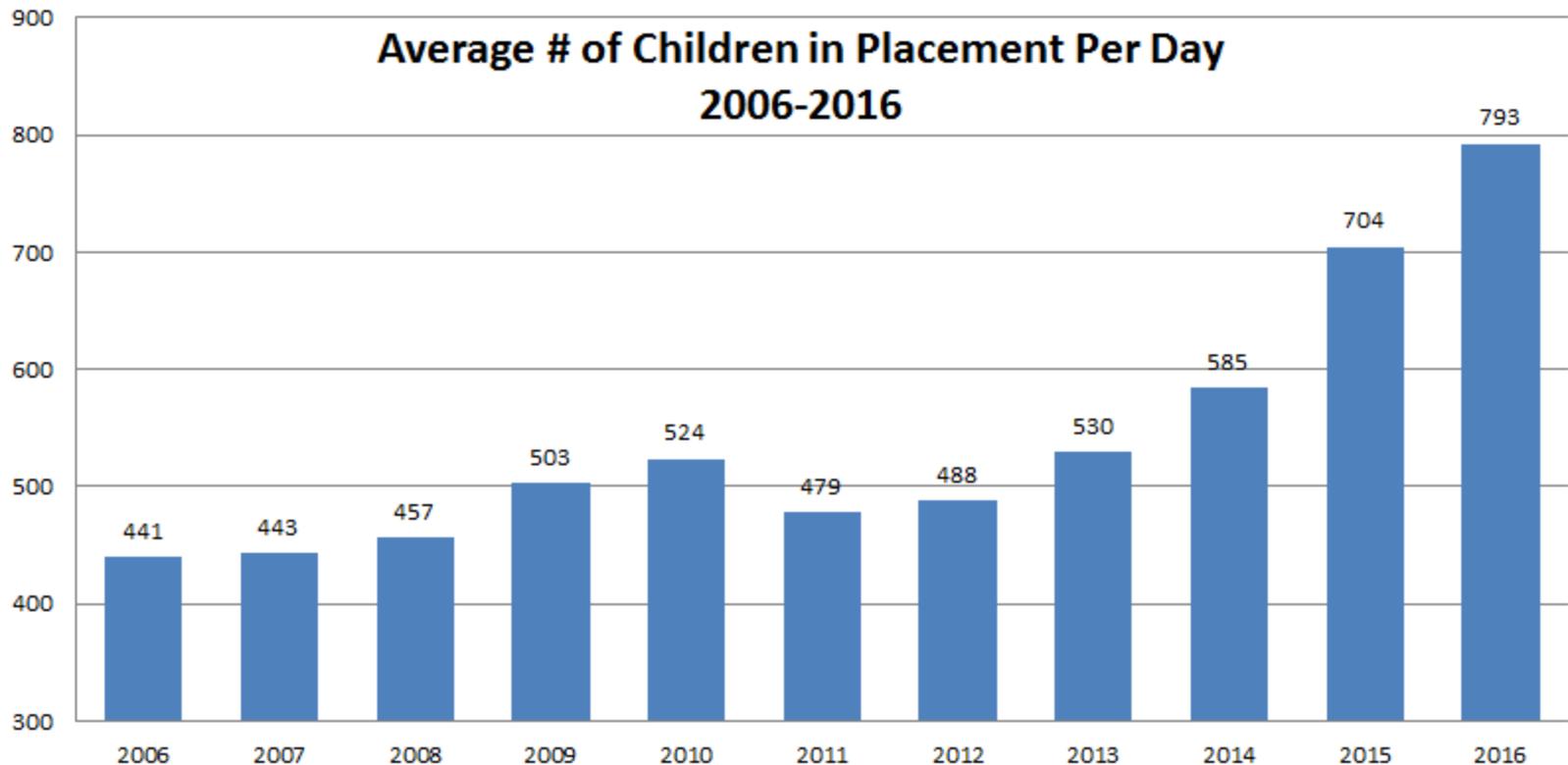


Note: Minnesota ranks 49th (only Ohio is worse) for state funding for out of home placement costs.

Less State Support (*continued*)

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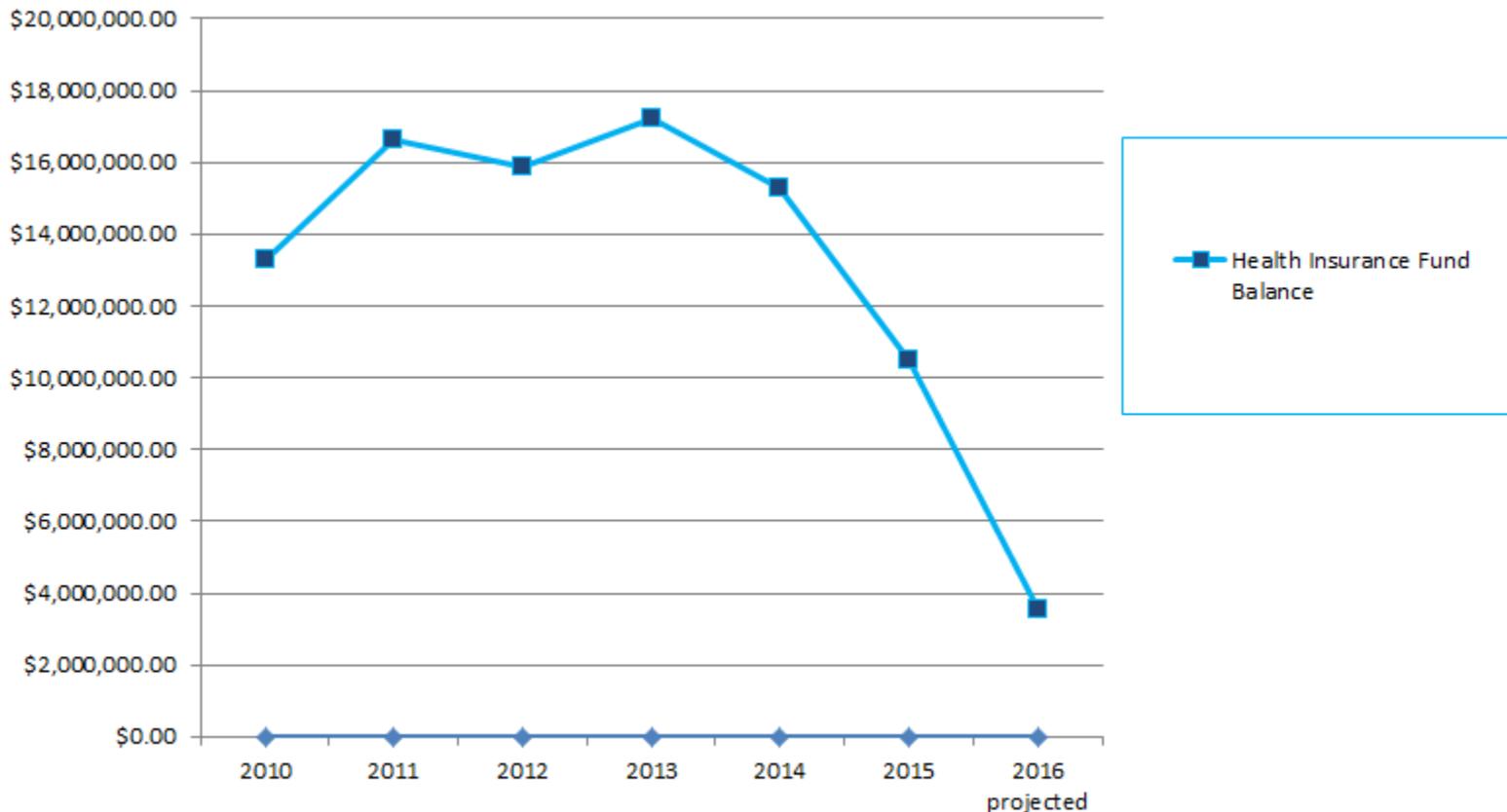
The number of children in placements continues to rise. Placements have increased more than 75% over the last decade.



➤ Escalating Health Care Costs

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Claim costs have increased over 30% in recent years and are dramatically lowering the County's health care fund.



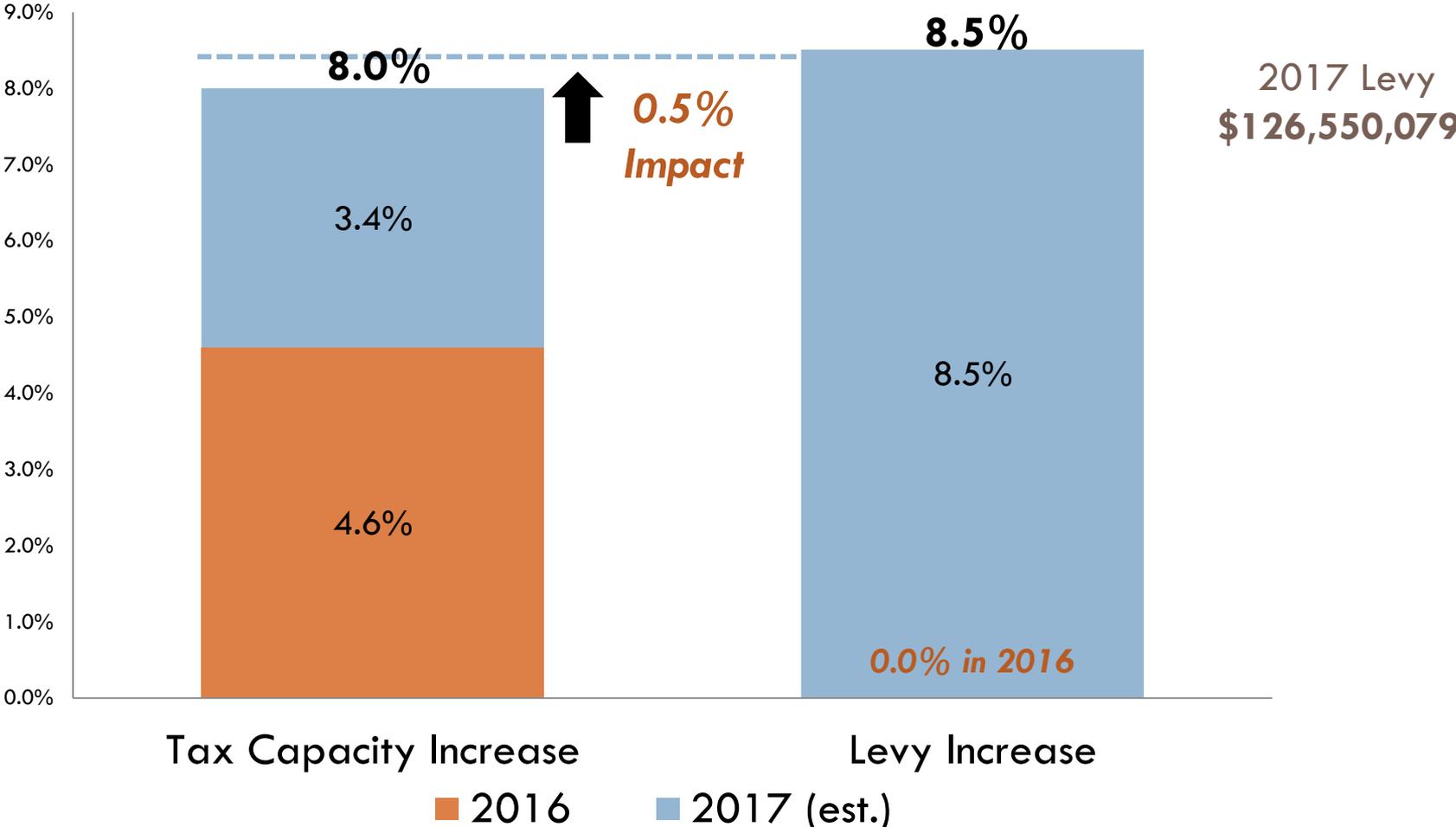
Proposed Preliminary Maximum Levy

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2017 Levy
\$126,550,079

This proposed preliminary maximum levy is 8.5% above 2016, but increased tax capacity over the last two years results in a 0.5% (one half percent) impact on taxpayers.

Tax Capacity vs. Proposed Levy (continued)



Levy Effect on Property Taxpayers

Below shows the effect of the proposed maximum levy increase on a taxpayer with home values between \$50,000 and \$200,000.

Taxable Property Value - Homestead (County Share Only)

HOME VALUE	\$ 50,000.00	\$ 100,000.00	\$ 150,000.00	\$ 200,000.00
LEVY IMPACT				
2016	\$ (16.23)	\$ (32.46)	\$ (48.70)	\$ (64.93)
2017	\$ 16.51	\$ 33.01	\$ 49.52	\$ 66.02
Net Tax Change	\$ 0.28	\$ 0.55	\$ 0.82	\$ 1.09

Budget Highlights

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- Supports human capital investments
 - ▣ Increased personnel for child protective services to reduce caseloads and provide more support to children and families
 - ▣ Proactive efforts to address mental health and substance abuse challenges
 - ▣ Funding to acknowledge increased costs of out of home placements and foster care
- Recognizes the need to invest in employee wages and to strengthen the health insurance fund
- Sustains county's investment in public infrastructure and customer service systems
- Continues to take a long-term view of fiscal stability and protect the county's AA+ bond rating

Budget Timeline

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- Board Workshop – *(may include budget-related topics, including the PHHS Staffing Analysis)*: **Oct. 18**
- Fee Schedule Public Hearing: **Nov. 1**
- Public Meetings:
 - ▣ **Dec. 1** at 7:00 p.m. in Virginia – Courthouse
 - ▣ **Dec. 8** at 7:00 p.m. in Duluth – Courthouse
- Review Budget Resolution at Committee of the Whole: **Dec. 13**
- Adopt 2017 Budget: **Dec. 20**