

Listening Session and Public Meeting on the St. Louis County 2013 Proposed Budget & Levy

November 20 and December 6, 2012

Kevin Z. Gray, County Administrator



2013 Proposed Budget

Understanding of Public Expectations

- Fiscal stewardship and long-term stability that positions the county to face future fiscal challenges
- Continued focus on delivery of core services that support a high quality of living
- Sensitivity to economic pressures facing citizens, businesses and our region
- Customer service
- Innovation, collaboration and smart investments that are in the long-term interest of the county



St. Louis County's 2013 Proposed Budget

- Spending: the following compares the County's 2012 budget with the County's proposed 2013 budget:

2012 Budget	2013 Proposed Budget	Change 2012-2013
\$308,416,004	\$ 314,165,314	\$5,749,310

- Taxes: the following compares the portion of the property tax levied in St. Louis County to pay for county services in 2012 with a proposed property tax levy increase of 1.5% for 2013:

2012 Budget	2013 Proposed Budget	Change 2012-2013
\$110,018,889	\$111,669,173	\$1,650,283



Now more than ever:

You need to know we're spending your money carefully.
Here is how taxes coming to St. Louis County are used.



Public Safety 33 ¢

Health & Human Services 29 ¢

Public Works 19 ¢

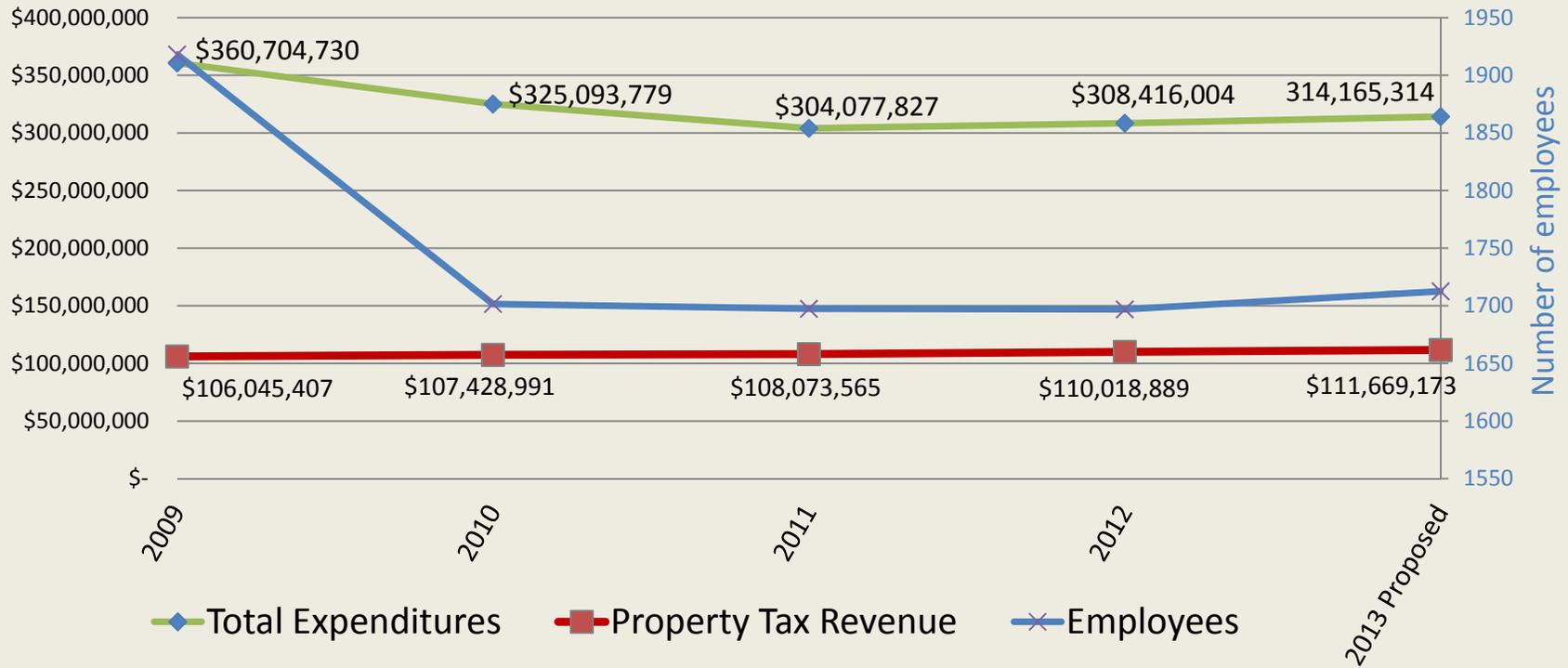
Other County
Services 14 ¢

Debt
Service
5 ¢



What does this mean?

Overall Budget in Perspective



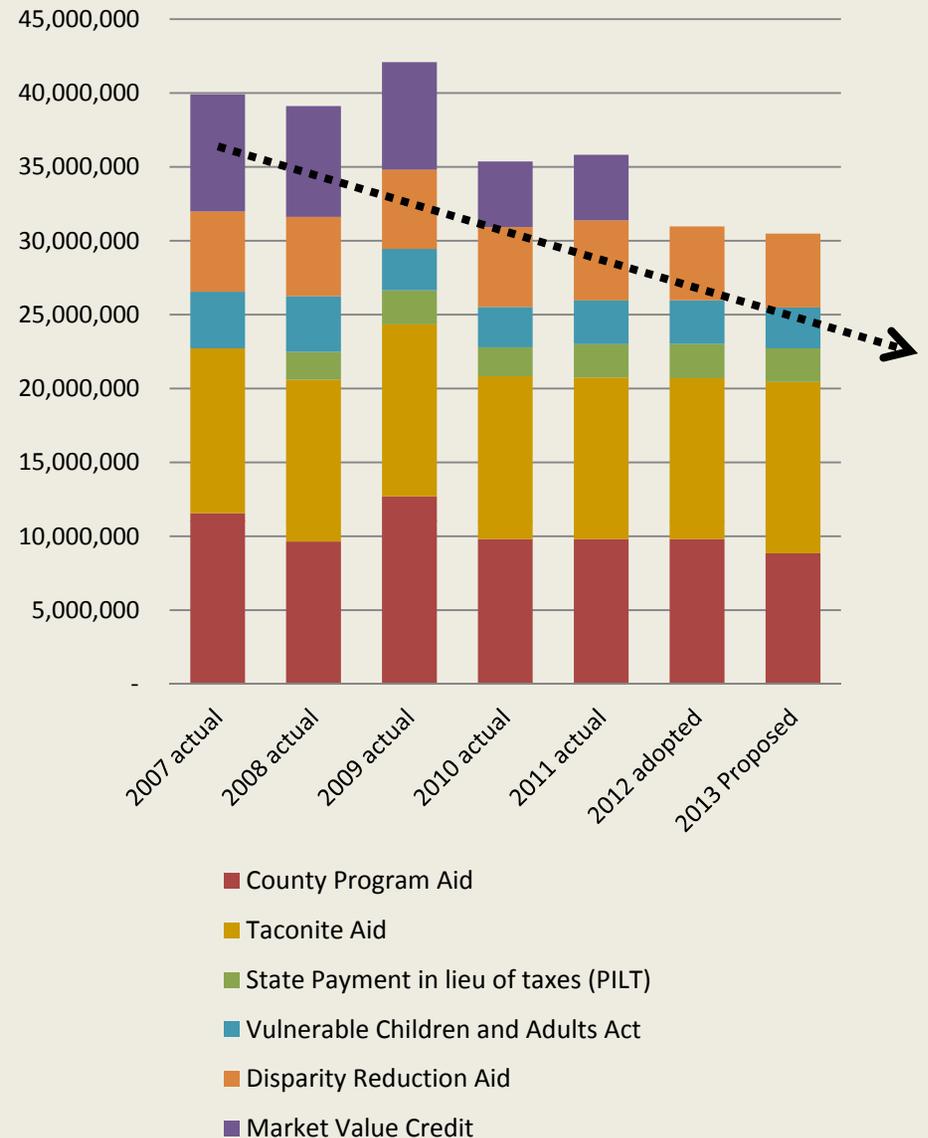
- Position the county for present and future challenges
- Stability and moderation: proposed levy below the cost of inflation for the 4th year in a row



Challenges

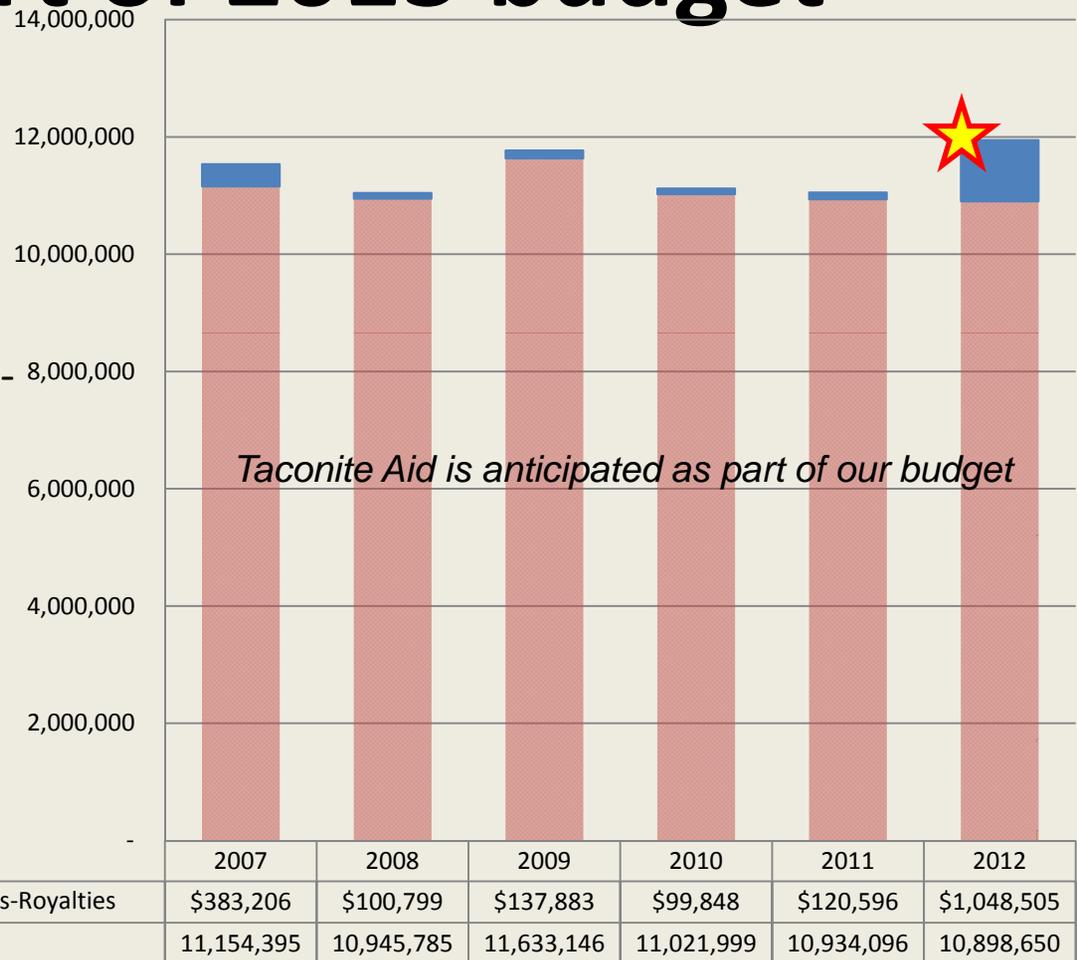
- State and Federal budget deficits and financial instability
 - Unallotment of state aids (over \$15 million in last 5 years)
 - Increased exposure to absorbing (former) state costs
 - State program reductions that impact providers and clients
 - \$1.6 million reduced revenue to General Fund for 2013
- Inflationary cost pressures inherent to our operations and our organization's size and structure
 - Government Inflation measured at 2.61% (Implicit Price Deflator)

State aids 2007-2013



2012 Mineral Royalty increase utilized as part of 2013 budget

- St. Louis County benefits from mining activity in several ways
- While total activity (and resulting taconite aid payment) remains relatively constant, 2012 saw a significant increase in mineral rent-royalties for production that occurred on tax-forfeited property
- We are continuing to work with the DNR to better forecast mining activity/plans
- Consistent with other Land & Mineral revenues, we are using this revenue the subsequent year

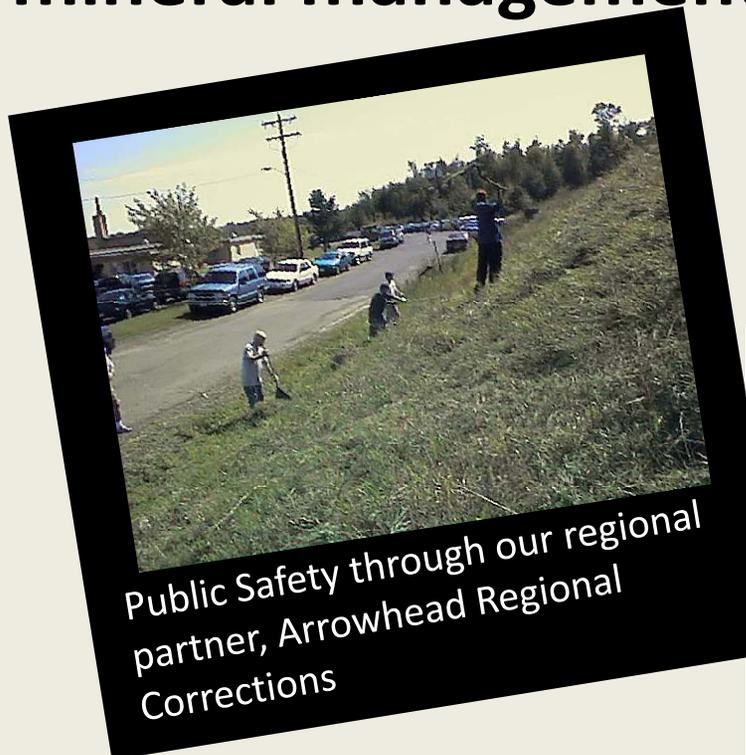


2013 Levy Overview

- Absorbs reduced state aids, other revenue decreases and inflation
- Continues legacy of sound financial management
- One and a half percent (1.5%) increase in property taxes represents:
 - Expanded investment in public safety
 - Enhanced investment in mineral management program
 - Diligent collaboration
 - Persistent business improvement



Continued Investment: **Expanded public safety investment and enhanced mineral management program**



Public Safety through our regional partner, Arrowhead Regional Corrections



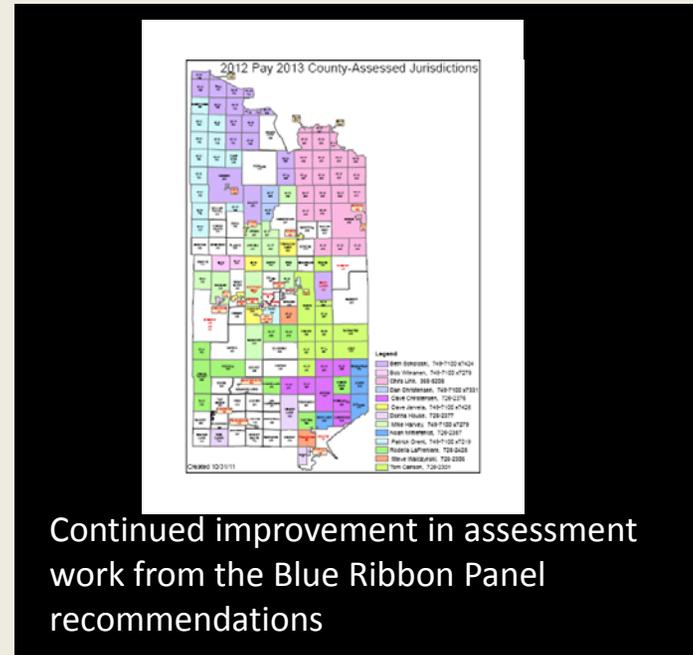
Start up costs for expanding mineral program on tax-forfeit property



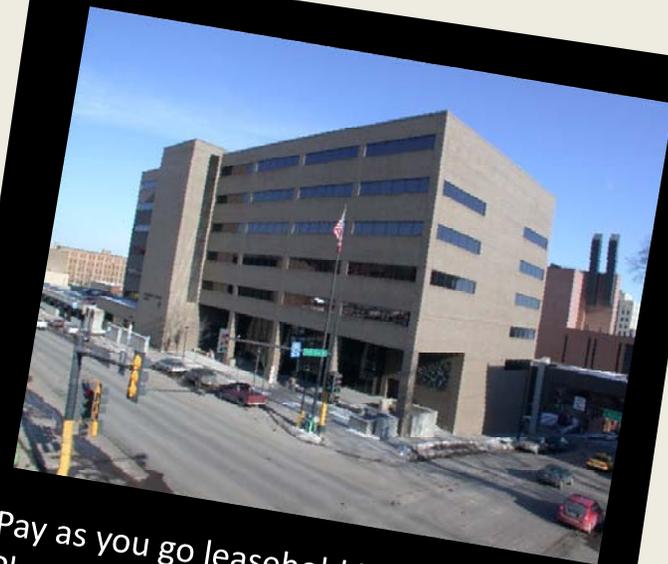
Surveyor's work is the foundation for minerals program and land records



Continued Collaboration: **Diligent partnering effort towards consistency in property tax assessments**



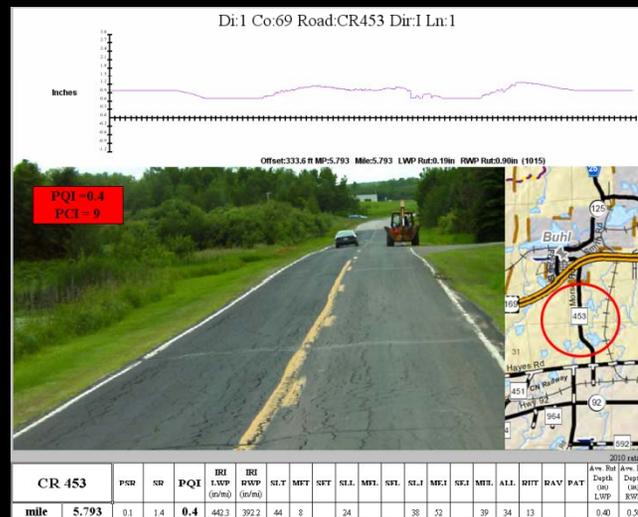
Continued Business Improvement: Persistent efforts



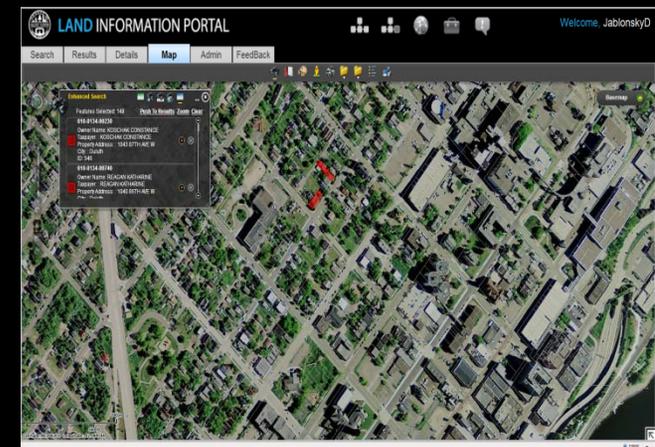
Pay as you go leasehold improvements; Planning ahead for 2013 bond issuance



Virginia Courthouse addition/renovation



Highway and building asset management



Smart technology investments to improve our effectiveness and efficiency



Despite challenging times, St. Louis County is working to balance reduced government aid with maintaining programs that meet the needs of residents, continuing investment in county infrastructure and taking a long-term approach to financial stability.

For more information: www.stlouiscountymn.gov/budget
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