
Operating and Capital Budget for 2010-2011



SAINT LOUIS COUNTY Board of Commissioners

District 1	Dennis Fink
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District 3	Chris Dahlberg
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County Administrator, Kevin Z. Gray

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For the Biennium Beginning

January 1, 2008

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Executive Director

Date **June 05, 2008**

About this document

The St. Louis County 2010-2011 Biennial Budget document is designed to explain the St. Louis County operating and capital budget. It provides contextual information to help the reader understand the changes in Federal and State mandates and funding, as well as increased service delivery and personnel expenses, which impact the budget.

The 2010-11 Biennial Budget document is produced by the County Administrator's Office. If you have questions, please contact us at:

St. Louis County Administration
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Room 202
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Duluth, MN 55802
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Or contact us by e-mail at: mirschl@co.st-louis.mn.us

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Administrator's Message

December 15, 2009

Board of County Commissioners, St. Louis County, Minnesota

Honorable St. Louis County Commissioners:

I am pleased to present to you the 2010-11 Operating and Capital Budget for St. Louis County for your consideration as contained in this document. State statutes require that counties act to adopt their budget on an annual basis. The maximum levy adopted on September 15 was below the State's General Levy Limit. The final budget and levy must be set by December 15, making today's meeting important for adopting a final 2010 budget.

This document is the first year of our two-year budget and thus includes detailed narratives for each department, as well as information on performance measures, structure and organization of departments, budgetary summaries and initiatives.

As you are well aware, the economic downturn and challenges it brought local government drove the majority of the decisions we had to make this year. Many of the revisions made for this proposed budget result from state and federal reductions which could not have been easily anticipated a year ago. Despite these revenue reductions and other cost increases, every effort was made to minimize the property tax impact while maintaining the quality of services you and the citizens of St. Louis County have come to expect. We are pleased to be able to provide you a budget that meets these objectives with a property tax levy that is well below the state average and below our authorized maximum property tax levy under current State limits.

The 2010-2011 Operating and Capital Budget reflect a great deal of effort by staff in all county departments. I hope you will join me in extending our appreciation for these ongoing efforts.

Kevin Z. Gray, County Administrator
St. Louis County

General Budget Policies from the Comprehensive Annual Financial Report

General Budget Policies

The following summary of St. Louis County's General Budget Policies is taken from the St. Louis County Comprehensive Annual Financial Report, available at www.stlouiscounty.org.

The County is required by Minn. Stat. Ch. 383C to adopt an annual budget for the General, Special Revenue, and Debt Service Funds. These budgets are prepared on the modified accrual basis of accounting.

The County is also required to adopt a budget for the Capital Projects Fund. An appropriation for expenditures from the capital project fund continues in force until the purpose for which it was made has been accomplished or abandoned. The purpose of a capital expenditure appropriation is abandoned if three years pass without a disbursement from or encumbrance of the appropriation or at the discretion of the County Administrator.

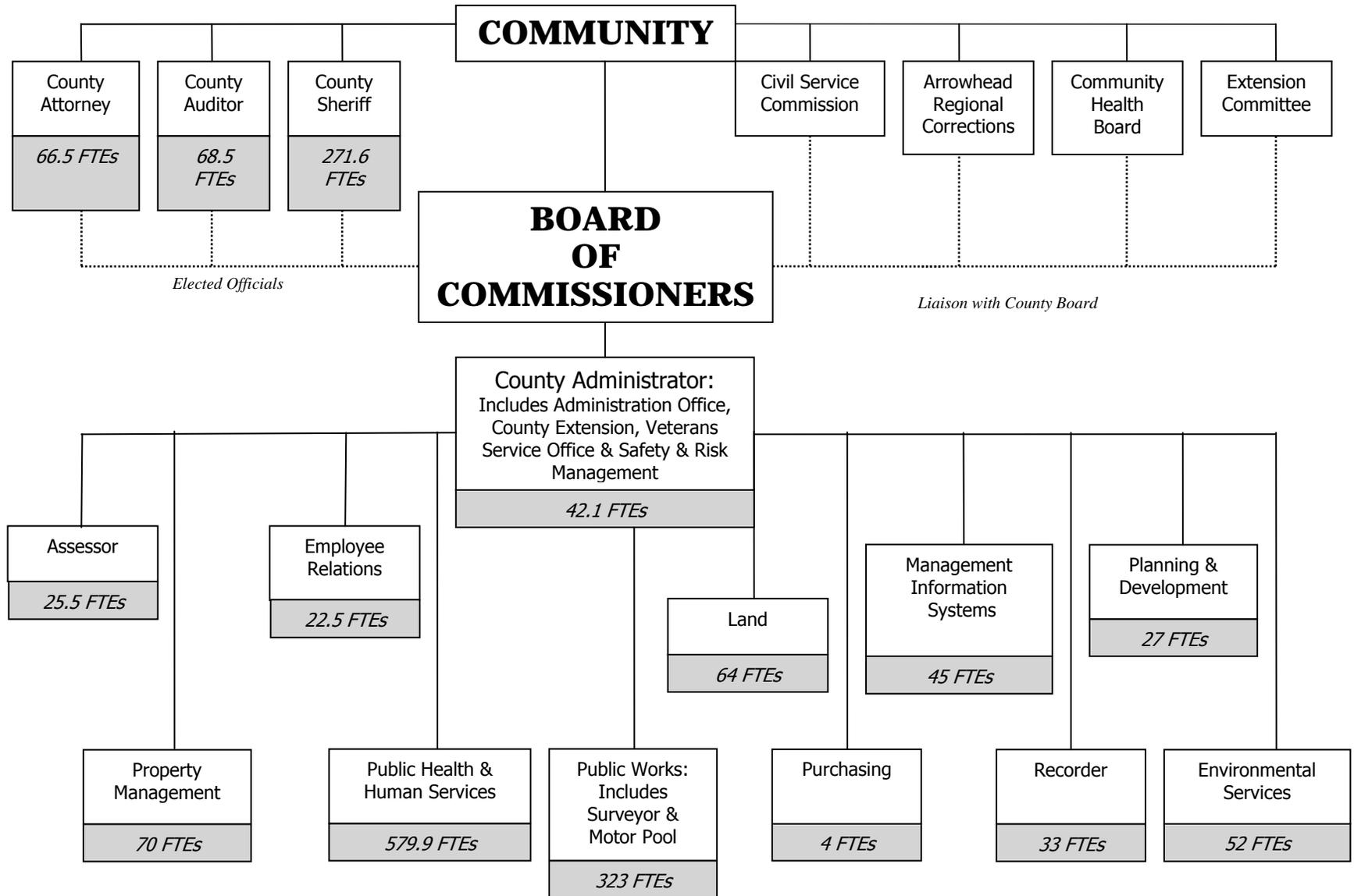
The County Board has established the legal level of control for County departments to be at the agency level. County departments are comprised of one or more sub-departments (agencies). Each department (Sheriff) can spend its agency level budgets (Jail, Sheriff Patrol, Boat and Water Safety and others) on any line item within that agency so long as the total agency budget is not overspent. However, no public aid assistance and/or personnel services budget authority may be used for any other purpose without Board approval.

The County Board also authorizes Department Heads to add and delete positions within their personnel complement so long as the total full-time equivalent personnel complement does not exceed the total number of authorized positions approved by the County Board.

All transfers of appropriations between departments require the approval of the County Board. Each appropriation, except an appropriation within the Capital Project Fund, lapses at the close of the fiscal year to the extent that it has not been expended or encumbered. Amounts in funds unexpended at the end of the fiscal year may be carried over from one fiscal year to the next in accordance with generally accepted accounting principles.

Budgets can be amended during the year by the County Board. Supplemental appropriations or budget reductions are reviewed by the County Administrator's office and submitted to the County Board for their review and approval. If approved, they are implemented by the Auditor's Office as budget revisions. Supplemental appropriations could be required because of several factors, including the awarding of state and federal grants during the year and providing funding for unanticipated program requirements.

St. Louis County Organizational Summary



Revised 12/09

County Departmental Information

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County Departmental Information

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Updated 12/2009

Guide to Use of the 2010-11 Budget

The 2010-2011 St. Louis County Operating and Capital Budget is divided into sections.

The first section, titled "Introduction," contains general information about the budget, the budget process and major changes to the budget in comparison with previous years' budgets. It also contains the all funds summary pages, which give a broad overview of the county budget. In subsequent sections these expenditures, revenues and personnel data are allocated into the appropriate funds and discussed in greater details.

The second section, "General Fund," contains information on all departments whose programs are considered general governmental operations and funded through this source. There are several levels of detail provided for each department to give further information based upon service classifications. Department and agency financial information is provided, information that includes revenues, expenditures and personnel data. Additional information is included as background including balance schedules, a narrative stating that department's mission and objectives and key performance indicators (KPI). Department business plans are referenced but are not included in this document. They are available on the website: www.stlouiscounty.org.

Each subsequent section (Special Revenue Fund, Debt Services Fund, Capital Projects Fund, Enterprise Fund and Internal Service Fund) contains information specific to that fund. Departmental and agency financial information is included here. As this is the first year of the County's two-year budget cycle, this book includes additional information on the departments including mission, objectives and key performance indicators.

The following page provides a sample of the department financial pages as well as budget definitions.

Guide to Use of the 2010-11 Budget continued

Budget Page Format Example

Actuals from past years have been included as well as the adopted budget for 2009 (as final actual numbers are not yet available at date of print) and 2010. Forecasts for the following two years are also included.

Note:
Revenues will appear before Expenditures if the agency receives revenues other than through the County levy.

Expenditures will be broken up by major account series and then by year.

2010 BUDGET

FUND: General Fund						
AGENCY:(101000) Commissioners						
SUMMARY	2007 Actual	2008 Actual	2009 Adopted	2010 Adopted	2011 Projected	2012 Projected
Revenue						
Charges for services	(10,255)	(9,770)	(10,000)	(10,000)	(10,000)	(10,000)
Total Revenue	<u>(10,255)</u>	<u>(9,770)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>
Expenditures						
Personnel services	812,435	971,908	864,388	870,571	887,907	892,088
Contractual services	197,765	201,741	223,653	227,053	224,523	60,873
Materials	355	196	12,535	13,700	11,550	-
Total Expenditures	<u>1,010,545</u>	<u>1,173,846</u>	<u>1,100,576</u>	<u>1,111,324</u>	<u>1,123,980</u>	<u>952,962</u>
	2007 Actual	2008 Actual	2009 Adopted	2010 Adopted	2011 Projected	2012 Projected
Officials & Admin	7.00	7.00	7.00	7.00	7.00	7.00
Professionals	0.00	0.00	0.00	0.00	0.00	0.00
Technicians & Para-Professionals	0.00	0.00	0.00	0.00	0.00	0.00
Protective Service Workers	0.00	0.00	0.00	0.00	0.00	0.00
Skilled Craft/Service Workers	0.00	0.00	0.00	0.00	0.00	0.00
Office & Clerical	5.90	5.30	5.00	5.10	5.10	5.10
TOTAL	<u>12.90</u>	<u>12.30</u>	<u>12.00</u>	<u>12.10</u>	<u>12.10</u>	<u>12.10</u>

Details on the agency's personnel compliment in terms of full-time equivalent (FTE) employees by personnel category.

*Propose

ations and making a number of key assumptions. They form the starting point for the next year's budget.*

Summary of the 2010-11 Budget

The 2010-2011 budget process has been one of ongoing adjustments and realignments to reflect a low increase in levy support, significant revenue reductions and changes and the impact of inflationary constraints on all levels. Significant reductions in State aid and consequent budget reductions in the preceding fiscal years as well as current intergovernmental aid levels which have not kept up with inflation were further worsened by the 2009-2011 State legislation imposing levy limits. Departments were directed to prepare base budgets that covered mandatory services and matched or were below their 2009 use of levy. Requests for additional levy support were not entertained as the levy limit formula set its base (for the increase in general levy plus state aids) at the lesser of the implicit price deflator for local government (0.8337%) or 3.9%. Due to the intricacies of the formula, St. Louis County's general levy limit started at 0.87% and was then adjusted to 1.09%. The levy limit legislation identified a number of special levy categories where the levy limit formula does not apply. In addition to limiting the property tax levy increase, other significant revenue sources were reduced and cuts were required to cover mandated services and inflationary increases in health insurance, materials and fuel. Most departments presented budgets presuming constant or reduced service levels with an understanding of resource constraints.

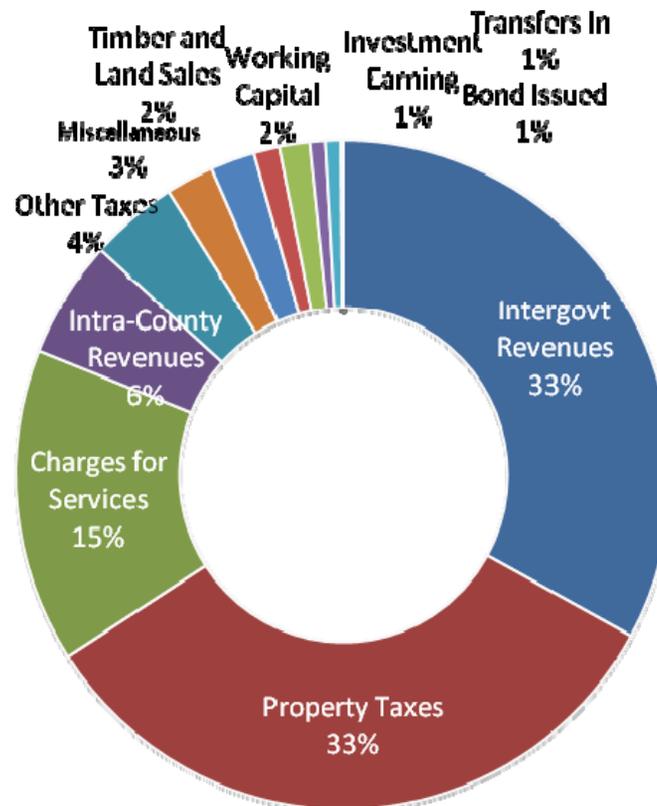
Personnel-related items that increase the 2010-2011 budget are contract negotiated step increases and health insurance. The budget reflects the anticipated settlement of no cost-of-living increase for employees for 2010 although no unions have settled at date of publication. Health insurance is budgeted at a 5.5% increase in premiums in 2010 and an estimate for 2011 and 2012, based on Blue Cross Blue Shield of Minnesota preliminary recommendations.

The property tax levy for 2010 is \$107,428,991, or 1.30% higher than 2009, includes a 1.09% increase in general levy which is below the state limit and complies with the statutory levy limit formula. The 2009 tax levy (\$106,045,407) was an increase of \$4,477,315, or 4.2% over the 2008 tax levy. As was noted in the past, continued careful evaluation of future revenue potential and core functions will be undertaken by the County Board and Administration. St. Louis County will need to continue to make difficult decisions in the future to maintain its fiscal health in light of limited state support and increasing program costs.

Summary of the 2010-11 Budget continued

The major sources of income for St. Louis County are Intergovernmental Revenues (\$107,803,376 or 33%), property taxes (\$107,428,991 or 33%) and Charges for Services (\$49,546,267 or 15%). County Program Aid, which was just beginning to be restored from cuts experienced by counties in 2003-04, was again reduced through unallotment action. Beginning with a December, 2008 unallotment of \$2.1 million, County Program Aid unallotment continued in an unanticipated format in July and December of 2009. The 2010 adopted budget included an estimate for additional County Program Aid unallotment, based on the best information available at this time. Because of these reductions, programs have had to be reduced and/or other revenues have needed to compensate. Clearly revenue diversification will need to continue to be a priority for St. Louis County to avoid increased reliance on and subsequent increases in the property tax.

Financing the 2010 budget: 2010 Revenues



St. Louis County is able to project revenues for the upcoming budget years by analyzing legislative changes and the impacts which the changes will have on the county's revenue base, particularly the county's three biggest sources of revenues: property taxes, intergovernmental aid and charges for services. Other factors do impact revenues and their comparability and the current financial situation further complicates these estimates.

2009 Timeline for developing the 2010 Budget

<p>January – March: Initial budget instructions released following initial meetings with the Board Chair, Chair of Finance and County Administration.</p>		
<p>April-May: Departments develop & submit baseline budgets for mandated services; review personnel compliment and recommend vacant positions to be reduced.</p>		
<p>June-August: Administration works through multiple iterations of Department budgets and develops a budget recommendation with guidance from County Commissioners.</p>		
<p>September: County Commissioners certify the maximum levy that they will set in December at the September 15 Board Meeting as required by state statute.</p>		
<p>October-November: Public Budget meetings held in North and South St. Louis County. Additional board workshops for budget revisions.</p>		<p>See also: Citizen’s Guide to the 2010 Budget (www.stlouiscounty.org/budget)</p>
<p>December: County Commissioners approve the 2010 Operating and Capital Budget by resolution at the December 15 Board Meeting.</p>		<p>See also: Online Performance Data Gallery (www.stloiuscounty.org/performance)</p>

2009 Timeline for developing the 2010 Budget Continued

Truth-in- Taxation Requirements

The budget process provides the County Board and the management staff an opportunity to re-examine the services it provides within the county. The process begins with a series of meetings between County Administration and department heads where the context of the discussion is their business plan (a plan merging strategy and fiscal analysis).

Since St. Louis County uses a two-year budgeting method, departments begin with their previously entered forecasts and revise their line item budgets as needed. In light of ongoing fiscal challenges, the emphasis has been to provide core services in as economical and efficient a manner as possible. A major emphasis on the part of the County Board is balancing service level needs in the community with the financial resources available to provide those services.

Truth-in-Taxation provisions of the Minnesota law that required a special, separate Truth-in-Taxation hearing were repealed in 2009. In lieu of the eliminated formal Truth-in-Taxation hearing, counties are now required to hold a regularly scheduled meeting at which the budget and levy will be discussed and the final levy determined. The hearings must be between November 25 and December 26 and be held after 6:00 PM, and the public must be allowed to speak. The St. Louis County Board of Commissioners held special public budget hearings in Virginia (December 3) and Duluth (December 10).

The final budget was approved December 15, 2009 and adopted a property tax levy of \$107,428,991, representing a 1.30% increase over 2009. The "Proposed Property Tax Statements" that homeowners and businesses receive in November of each year contain estimates of the following year's property taxes owed, based on property values and the preliminary levy set in September. The final amount homeowners pay is often less than this amount, but it cannot be more.

A large portion of the financing for the St. Louis County 2010 budget is made up of state and federal funds and revenues from fees, fines and licenses. The total revenue budget is \$321,826,583 with \$107,803,376 from intergovernmental revenue, \$49,546,267 from charges for services and \$107,428,991 from local property taxes, a 1.30% increase over 2009. The remaining portion is from various other taxes, fines, forfeitures, licenses and permits and other revenue sources.

2009

St. Louis County Budget Calendar

For 2010-11 Budget Cycle

JANUARY

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

FEBRUARY

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15	16	17	18	19	20	21
22	23	24	25	26	27	28

MARCH

S	M	T	W	T	F	S
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15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

SCHEDULE NOTES

January 1: 2009 budget calendar effective.	March 31: Board Workshop
January 7: Budget update to Dept Heads	April 20-21: Board Workshops
January 20: Board Workshop	April 27-May 22: Budget Preparation Meetings (will be scheduled individually by Admin)
January 27: Governor's Budget Proposal released	May 1: Budget instructions released
Feb 9-10: Duluth & St. Louis County Days at the Capitol	May 12-14: budget training; register through Employee Training department
February 23: Board & Department Heads Planning Workshop	May 15: Workers Comp, MIS and rent budget complete, reviewed & charges initially loaded
March 4: Department Heads meeting to discuss resolution to 2008 unallotment	May 18-19: Board Workshops
March 4-11: NACo conference (no board meeting March 10)	June 15-16: Board Workshops
March 20: Mandatory year end KPI reporting.	June 26: Initial submissions due (will include cell phone inventory and proposed fee schedule), MH file closed.

APRIL

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MAY

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31						

JUNE

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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

Note: Complete Budget Instructions including forms will be available in May.

2009

St. Louis County Budget Calendar

For 2010-11 Budget Cycle

JULY

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
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AUGUST

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23	24	25	26	27	28	29
30	31					

SEPTEMBER

S	M	T	W	T	F	S
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6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

SCHEDULE NOTES

July 3: CIP forms due to Administration	September 14-15: Board Workshops
July 24-29: NACo conference	October 20: Board Workshop
July 20: Board Workshop	Nov 16-17: Board Workshops
August 21: Final budget revisions due, all departments.	Dec 1- 11: Truth in Taxation hearings, as determined necessary
August 28: Initial business plan revisions due, including goals and KPIs.	Dec 7-9: AMC Conference (no Board meeting December 8)
Sept 8: Budget released and approval of 2009 preliminary levy	Dec 15: Approve final levy and final 2010-2011 budget
Sept 9-Dec 16: Board review of proposed budget	

Note: Truth in Taxation notices will be mailed mid-November

Note: Updates to business plans and KPIs can be submitted as necessary on an ongoing basis.

Key to Calendar Symbols

7 Regular Board Meeting

7 Board Workshops

7 Key Deadlines

7 Other important dates

OCTOBER

S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

DECEMBER

S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

Commissioners' Priority Areas

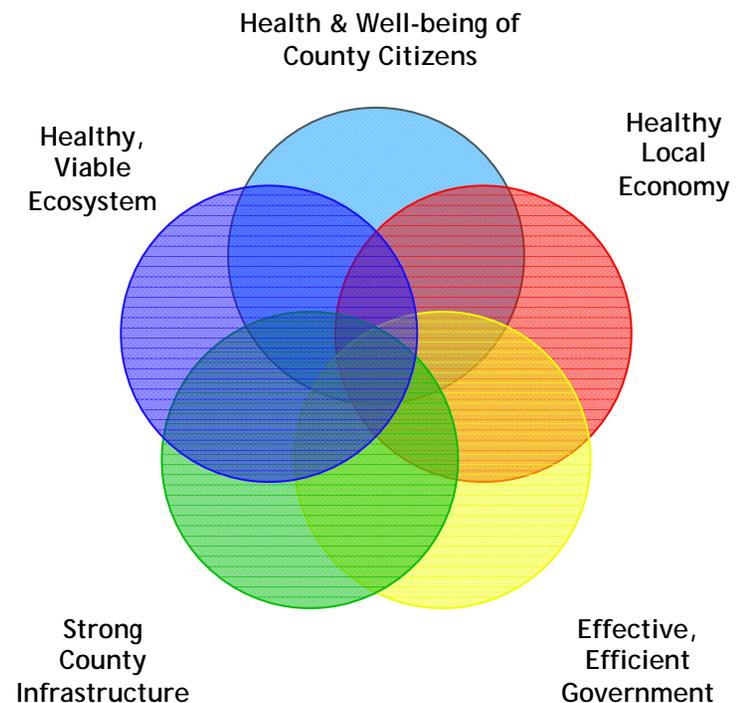
As part of a larger strategic business planning process, the St. Louis County Board of Commissioners worked together with County Administration, in 2007, to develop five Priority Areas, shown in the diagram below. The purpose of describing these five key focus or priority for the County was to provide a clear vision and direction for further business planning initiatives that would be carried out on the departmental level.

After the development of the Priority Areas, the county departments went on to each develop their own Key Performance Indicators, or KPIs. A KPI is a significant measure that can be used on its own, or in combination with other KPIs to monitor how well an organization or an organizational unit is achieving its quantifiable objectives. When measured regularly, this data indicates performance in specific areas and helps measure progress toward goals and objectives. All KPIs were developed considering and consistent with the strategic direction set forth by the Board through their Priority Areas. In fact, most of the KPIs help to achieve goals in more than one area.

The County's objectives in these five areas overlap and function simultaneously to provide the best possible services to St. Louis County citizens.

The priority areas flow out of the County's mission statement:

The mission of St. Louis County is to provide to its people those services mandated and/or expected by its citizens so as to provide a good quality of life.



Commissioners’ Priority Areas continued

Specifically, the Priority Areas include:

Strong County Infrastructure: County residents deserve a safe county, specifically:

- smart investments in roads, buildings, water and technologies that meet current needs and anticipate the future;
- customer-centered facilities; and
- continued innovation.

Health & Well-Being of County Citizens: County Commissioners are concerned with the health and well-being of county citizens and are committed to:

- protecting vulnerable populations;
- encouraging and fostering prevention strategies; and
- collaborating and partnering to achieve better results inside and outside of the County.

Healthy Local Economy: County Commissioners are committed to an active role in planning for change and growth and fostering environmentally sound economic growth and development.

Specifically:

- building capacity for planning and preservation in communities throughout the county; and
- facilitating technology and training for economic and community development initiatives.

Healthy, Viable Ecosystem: County residents deserve environmentally sound economic growth and development. Commissioners are committed to:

- enhancing the economy; and
- protecting our natural resource wealth.

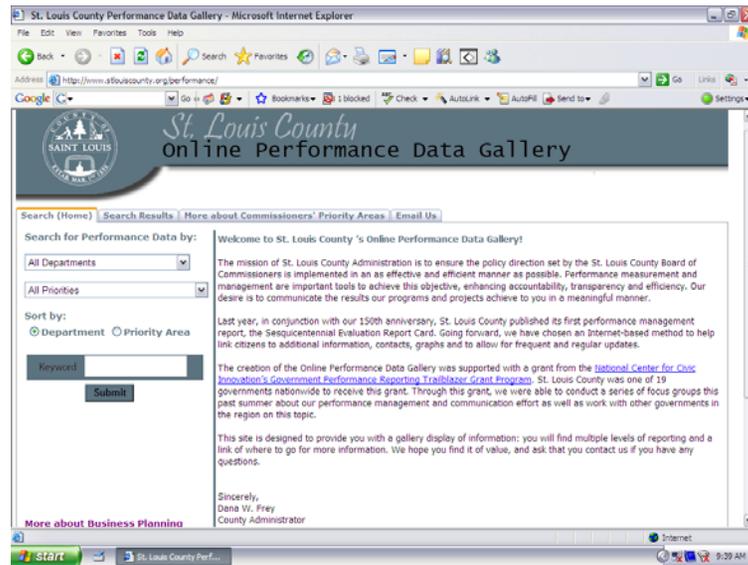
Effective, Efficient Government: Commissioners are committed to an organizational culture that focuses on:

- providing quality public services in a cost-effective manner;
- treating taxpayers and citizens as customers; and
- communicating value to citizens.

Commissioners' Priority Areas continued

Online Performance Data Gallery

St. Louis County is continuing to use the best business tools in managing our programs and services, and as part of that, an Online Performance Data Gallery, which highlights ongoing performance data and information for programs in every department, is now available at www.stlouiscounty.org/performance. St. Louis County's Online Performance Data Gallery was funded in part through a Government Trailblazer Grant Award from the National Center for Civic Innovation, which recognized St. Louis County's efforts to communicate with the public and incorporate the citizen perspective in our communication and program planning activities.



On this website, visitors can **search by Commissioners' Priority Area** to see current key performance indicators related to each of the five priority areas Commissioners set during the business planning process this past year.

Visitors to the site can also **search by department** to see the current key performance indicators being measures and to see current performance (which will be updated throughout the year). If more information is available a graph icon will show in the far right column.

An additional **search by keyword** is also available to site visitors.

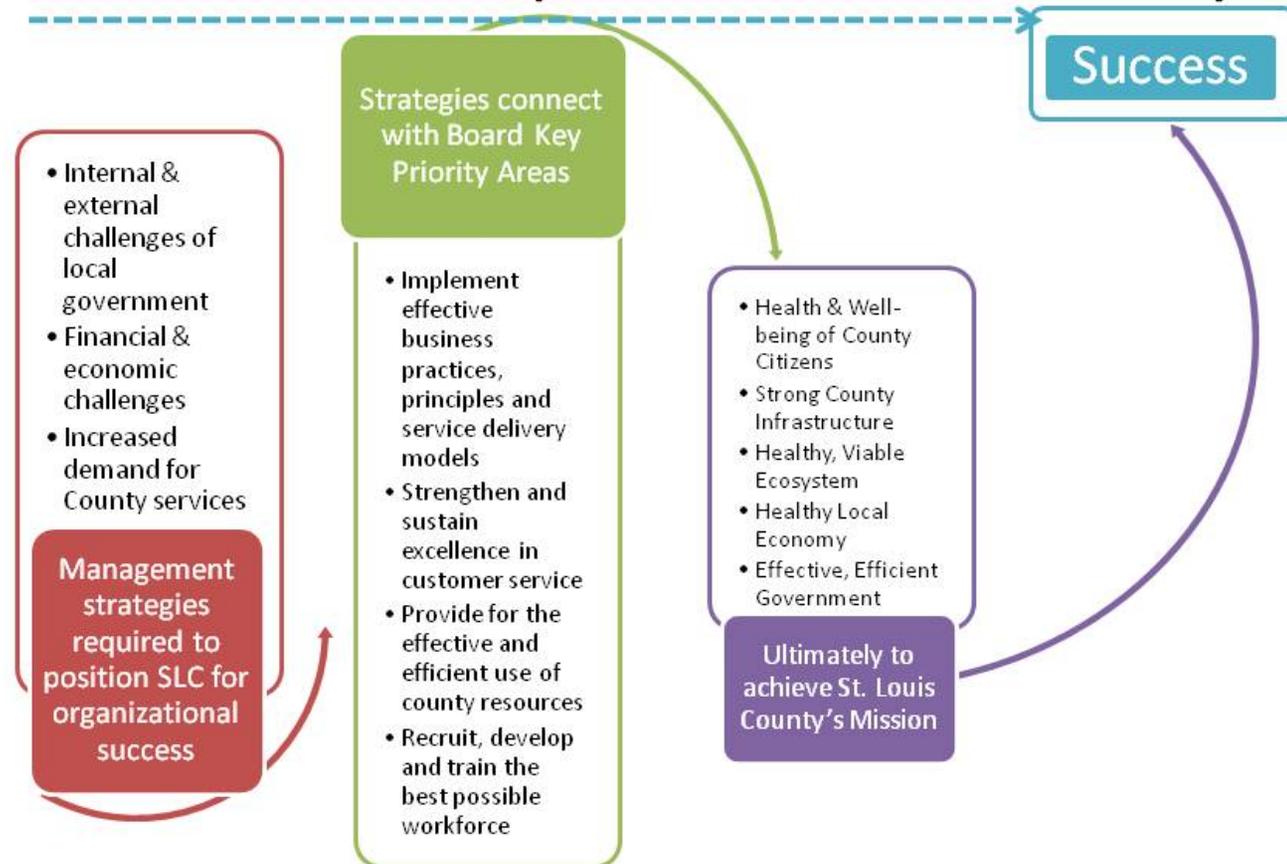
Visit: www.stlouiscounty.org/performance to view the Online Performance Data Gallery.

Commissioners' Priority Areas continued

Management Strategy Development

In order to continue budget planning in anticipation of continued reductions in revenue sources including state and federal revenues, Health and Human Service funding, interest income and permit revenue, St. Louis County Administration has initiated the development of Management Strategies that are being developed by department heads and reported on to the County Board. These strategies connect with earlier business planning efforts and help the County achieve its mission through services in each of the Board's Priority Areas.

Future Roadmap for St. Louis County

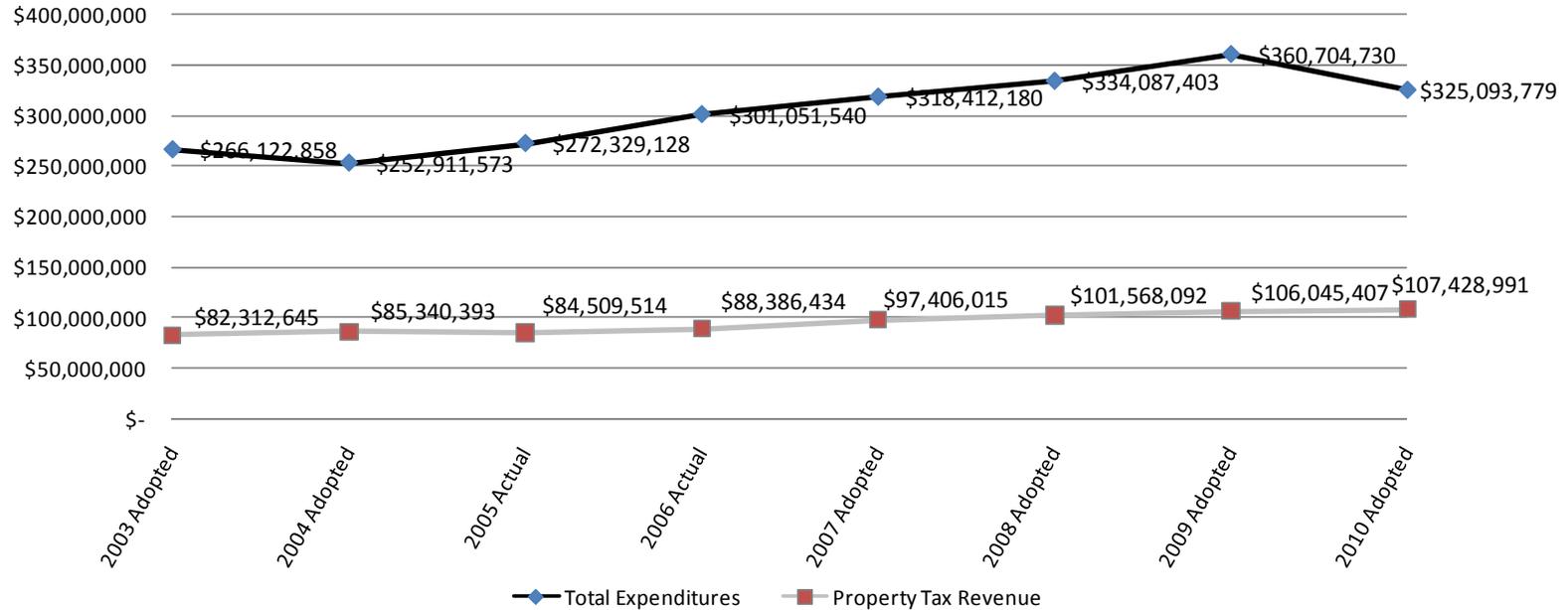


Levy History

One of the main functions of the St. Louis County Board is to set a budget that delivers services to County residents at the lowest possible cost. The adopted 2010 County budget, made up of state and federal revenues, fees, licenses and property tax dollars, is \$321,826,583. Of this amount, 33.4% is derived from local property tax dollars.

The Levy & Total Budget 2003-2010 graph below shows the amount levied (the lower gray line) in the last four years. The total budget is also shown above. The increase in property tax can be explained through both cost increases and revenue reductions.

Levy & Total Budget 2003-2010



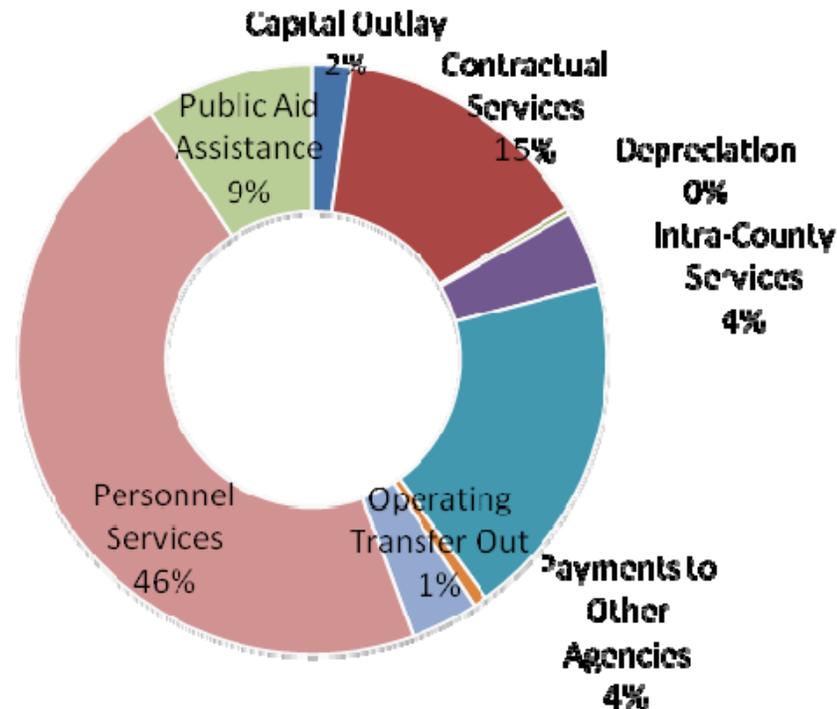
Levy History continued

Increasing Costs

Increasing county costs, largely due to inflationary increases in specific spending areas and the increased cost in energy and supplies, combined with revenue losses, resulted in a 2010 budget that required over \$6.6 million in operating expense reductions. Of that, personnel costs are down 7%, due to the continued decrease in the number of Full Time Equivalent (FTEs) employees. The number of FTEs has steadily decreased over the last six years and has been reduced by 25% since 2002, largely due to the budget strategy of lowering personnel costs by reducing vacant positions in each department. For the 2010 budget, the documented reduction is largely due to the County Board decision to lease the operations of the Chris Jensen Health & Rehabilitation Center. Although no longer County employees, the majority of those working at Chris Jensen were offered and retained their positions with the new provider.

The overall expenditure budget from 2009 to 2010 declined by 7.1%

2010 Expenditures



Levy History continued

Declining Revenues

Revenues are declining for all services supported in part with levy dollars. Costs have increased steadily, and new programs and services mandated by the federal and state government have been largely unfunded or under-funded. Both state and federal aid to St. Louis County has not kept pace with inflation and in many cases has decreased. The County can anticipate continuing state and federal cuts, and is doing its best to plan accordingly.

The state budget deficit has resulted in unallotment of County Program Aid in 2008, 2009 and anticipated for 2010. County Program Aid directly offsets the property tax levy. Unanticipated unallotment, especially that unanticipated and enacted during the county's current budget year, requires immediate and significant reductions in all departments and programs.

Property Tax Levy Limits

Given these trends, and the fact that they are expected to continue into the future, nearly every dollar in new spending must come from the property tax levy via government reorganization and cutting services to reduce expenditures. In addition, all Minnesota Counties continue to be subject to a property tax levy limit, whose formula is based primarily on the implicit price deflator for local government. Given the current economy, this levy limit started below 1% for the 2010 adopted budget, with a few additive factors for household growth and new construction. Thus, St. Louis County is not alone in this difficult budget time, as these changes are affecting every Minnesota County. Current estimates for the average 2010 property tax increase in greater Minnesota show it is significantly below the levels observed in previous years.

St. Louis County continues to set a property tax levy in the lower 50% of Minnesota Counties and below the state average, largely due to the excellent management of scarce resources and the careful work of county staff in monitoring spending and revenues. However, it is becoming increasingly difficult to provide the quality and quantity of services that St. Louis County residents currently receive in an environment where state and federal funds are decreasing. The resulting permanent cost mismatch requires the immediate implementation of new strategies.

Levy History continued

Summary

In summary, the next few years present an opportunity for the restructuring of county government and services. Given the current situation of changing customer needs and demands and new technology and opportunities, St. Louis County will work to eliminate duplication and increase efficiency, encourage and increase cooperation, correct functional and structural problems and inefficiencies, and decentralize government and add flexibility. These changes will be evident to St. Louis County citizens, as citizens' needs and concerns will be the primary focus of any changes and reorganization.

Revenue Summary

All Funds

	2007 Actual	2008 Actual	2009 Adopted	2010 Adopted	2011 Projected	2012 Projected
Property Taxes	78,124,553	81,780,920	106,045,407	107,428,991	112,196,283	116,111,138
Charges for Services	59,908,874	63,506,462	73,922,692	49,546,267	52,776,482	52,722,926
Intergovernmental Revenues	100,599,005	100,283,349	103,384,991	107,803,376	91,062,824	80,001,861
Transfers In	7,973,442	4,994,861	4,462,666	2,471,503	1,490,485	1,490,485
Licenses and permits	164,871	165,270	155,400	159,650	159,826	160,150
Other Taxes	21,475,105	22,079,658	14,623,490	14,075,095	14,235,724	14,030,900
Gifts and Contributions	21,964	11,940	97,961	11,000	11,000	6,000
Miscellaneous	5,534,167	7,028,439	11,164,874	7,693,216	4,455,393	4,651,820
Investment Earnings	9,886,404	4,997,995	5,452,685	4,077,685	4,234,037	4,027,037
Timber and land sales	7,230,255	7,670,460	7,705,000	7,160,000	7,410,000	7,915,000
Fines and forfeitures	189,883	200,291	261,000	241,000	191,000	16,000
Intra-County Revenues	20,489,583	20,321,047	20,756,508	18,650,050	19,006,259	15,904,515
Bond Issued	5,000,000	14,960,000	1,100,000	2,508,750	-	-
Other financing sources	33,416	93,104	-	-	-	-
	316,631,523	328,093,795	349,132,674	321,826,583	307,229,312	297,037,832

Expenditure Summary

All Funds

	2007 Actual	2008 Actual	2009 Adopted	2010 Adopted	2011 Projected	2012 Projected
Personnel Services	153,644,620	156,664,381	162,637,221	151,126,865	153,467,136	154,544,206
Public Aid Assistance	26,775,192	28,023,121	27,596,991	30,231,078	30,047,876	29,756,265
Loss/Gain Asset Disposal	14,485	47,695	2,678	2,758	2,866	2,866
Materials	38,150,656	32,488,467	65,093,314	62,382,593	43,110,153	32,694,583
Capital Outlay	16,203,429	6,183,330	4,943,075	6,755,371	4,712,535	4,083,598
Transfers Out	7,973,442	4,994,861	4,462,666	2,471,503	1,490,485	1,484,659
Intra-County Services	13,137,728	13,747,894	14,466,655	13,377,642	13,845,419	13,843,804
Payment to other Agencies	15,324,157	15,612,295	15,911,417	12,107,601	12,506,953	12,065,371
Depreciation	1,375,476	1,167,102	1,117,654	1,007,596	1,152,107	719,775
Contractual Services	46,510,565	49,543,086	64,473,060	47,271,483	47,973,696	45,298,883
	319,109,751	308,472,232	360,704,730	326,734,491	308,309,227	294,494,009

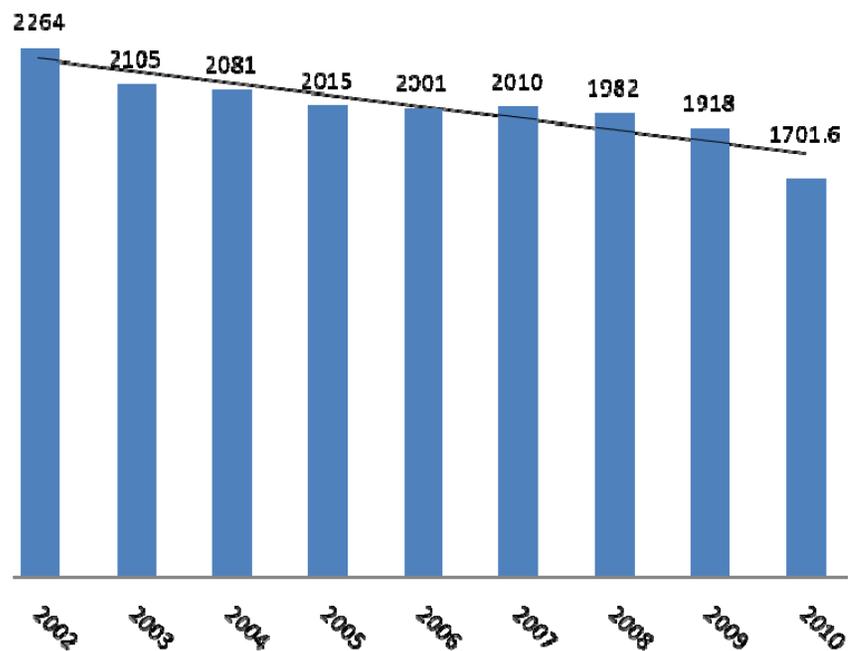
Personnel History

As evident in the graph below, the number of Full Time Employees (FTEs) has been steadily decreasing for the last six years, from 2263.7 in 2002 to 1701.60 in 2010. This count does not include Arrowhead Regional Corrections.

The decrease in FTEs for 2010 is largely due to County Board decision to lease the Chris Jensen Health and Rehabilitation Center, where all county employees there were transitioned to the new, private provider. In addition, the County continued the budget strategy of cutting personnel costs through reducing vacant positions in each department. Significant vacancies were eliminated in Public Works, Public Health and Human Services and nearly every department eliminated at least one position through attrition or reorganization.

Due to Federal and State spending cuts and the increased costs of employee benefits and health insurance, St. Louis County has worked to reduce the number of employees necessary to offer quality services to the community. This has been accomplished through each department's development of a business plan, including conducting internal operational assessments looking at efficiencies and effectiveness.

Personnel History



SCHEDULE OF AUTHORIZED PERSONNEL BY FUND

2010

BUDGET

		<u>2007 Actual</u>	<u>2008 Actual</u>	<u>2009 Adopted</u>	<u>2010 Adopted</u>	<u>2011 Projected</u>	<u>2012 Projected</u>
GENERAL FUND							
Policy & Management							
101000	Board of County Commissioners	12.90	12.30	12.00	12.10	12.10	12.10
104000	Administration	10.50	9.50	12.10	9.00	9.00	9.00
105000	Intergovernmental Affairs	1.00	1.00	1.00	1.00	1.00	1.00
106000	Administration Support Divisio	0.00	0.00	0.00	0.00	0.00	0.00
	Total Policy & Management	24.40	22.80	25.10	22.10	22.10	22.10
Administration							
124000	Veterans Service Officer	9.00	9.00	9.00	10.00	10.00	10.00
138000	Mine Inspector	4.10	4.00	4.00	4.00	4.00	4.00
139000	Safety & Risk Management	6.00	5.50	8.00	8.00	8.00	8.00
184000	MN. Extension Services/S.L.C	4.00	4.00	4.00	4.00	4.00	4.00
186000	Youth Task Force-North	0.00	1.00	1.00	1.00	1.00	1.00
	Total Administration	23.10	23.50	26.00	27.00	27.00	27.00
Assessor							
118000	Assessor	25.50	25.50	25.50	25.50	25.50	25.50
	Total Assessor	25.50	25.50	25.50	25.50	25.50	25.50
Attorney							
113000	Attorney	67.80	70.00	66.50	66.50	66.50	66.50
	Total Attorney	67.80	70.00	66.50	66.50	66.50	66.50
Auditor							
115000	Auditor	69.50	69.50	68.50	68.50	68.50	68.50
127000	Elections	0.00	0.00	0.00	0.00	0.00	0.00
	Total Auditor	69.50	69.50	68.50	68.50	68.50	68.50

		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
		<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Adopted</u>	<u>Projected</u>	<u>Projected</u>
GENERAL FUND							
Employee Relations							
123000	Employee Relations	19.00	19.00	22.00	20.00	20.00	20.00
126000	Employee Development & Wellnes	1.00	1.50	2.50	2.50	2.50	2.50
	Total Employee Relations	20.00	20.50	24.50	22.50	22.50	22.50
Planning & Development							
108000	CDBG General Management	6.00	5.00	6.00	6.00	6.00	6.00
109000	NCLUCB Planning	19.00	22.00	21.00	21.00	21.00	21.00
	Total Planning & Development	25.00	27.00	27.00	27.00	27.00	27.00
Property Management							
128000	Property Management	71.00	71.00	75.00	70.00	70.00	70.00
	Total Property Management	71.00	71.00	75.00	70.00	70.00	70.00
Public Works							
122000	Surveyor	16.00	16.00	14.00	14.00	14.00	14.00
	Total Public Works	16.00	16.00	14.00	14.00	14.00	14.00
Purchasing							
119000	Purchasing	6.00	6.00	5.00	4.00	4.00	4.00
	Total Purchasing	6.00	6.00	5.00	4.00	4.00	4.00
Recorder							
120000	Microfilming	4.00	4.00	4.00	4.00	4.00	4.00
121000	Recorder	30.00	29.00	28.00	28.00	28.00	28.00
	Total Recorder	34.00	33.00	32.00	32.00	32.00	32.00
Reserve Retired Employees							
125000	Ret Employee Health Ins Payoff	0.00	0.00	0.00	0.00	0.00	0.00
	Total Reserve Retired Employees	0.00	0.00	0.00	0.00	0.00	0.00
Examiner of Titles							
111000	Court Administrator	0.00	0.00	0.00	0.00	0.00	0.00
112000	Examiner of Titles	1.00	2.00	1.00	1.00	1.00	1.00
	Total Examiner of Titles	1.00	2.00	1.00	1.00	1.00	1.00

		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
		<u>Actual</u>	<u>Actual</u>	<u>Adopted</u>	<u>Adopted</u>	<u>Projected</u>	<u>Projected</u>
GENERAL FUND							
Communications							
135000	Emergency Communications	47.80	47.80	46.80	46.80	46.80	46.80
136000	Radio Maintenance	5.00	5.00	5.00	5.00	5.00	5.00
	Total Communications	52.80	52.80	51.80	51.80	51.80	51.80
Sheriff							
129000	Sheriff	128.90	130.90	129.24	128.24	128.24	128.24
130000	Boat & Water	0.00	0.00	0.00	0.00	0.00	0.00
131000	Medical Examiner	0.00	0.00	0.00	0.00	0.00	0.00
132000	Emergency Management	2.50	2.50	2.50	2.50	2.50	2.50
133000	Rescue Squad	0.00	0.00	0.00	0.00	0.00	0.00
134000	Aurora Municipal	11.00	11.00	11.66	11.66	11.66	11.66
137000	County Jail	77.40	77.40	77.40	77.40	77.40	77.40
	Total Sheriff	219.80	221.80	220.80	219.80	219.80	219.80
TOTAL GENERAL FUND		<u>655.90</u>	<u>661.40</u>	<u>662.70</u>	<u>651.70</u>	<u>651.70</u>	<u>651.70</u>
SPECIAL REVENUE FUNDS							
Road & Bridge Fund							
200000	Administration & Engineering	83.00	83.00	67.00	67.00	67.00	67.00
201000	Road & Bridge Maint	185.00	183.00	179.00	179.00	179.00	179.00
202000	Equipment and Shops	55.00	55.00	55.00	55.00	55.00	55.00
	Total Road & Bridge Fund	323.00	321.00	301.00	301.00	301.00	301.00
Public Health & Human Services							
234000	Public Health Admin	15.00	15.00	11.00	11.00	11.00	11.00
230000	Social Services Admn	98.00	98.00	94.00	94.00	94.00	94.00
233000	Public Health Nursing General	51.75	52.75	44.10	44.10	44.10	44.10
236000	Environmental Health General	18.00	18.00	1.00	1.00	1.00	1.00
231000	Financial Assistance Program	174.50	174.50	173.50	173.50	173.50	173.50
232000	Social Service Program	237.30	248.30	258.30	256.30	256.30	256.30
	Total Public Health & Human Services	594.55	606.55	581.90	579.90	579.90	579.90

		<u>2007 Actual</u>	<u>2008 Actual</u>	<u>2009 Adopted</u>	<u>2010 Adopted</u>	<u>2011 Projected</u>	<u>2012 Projected</u>
SPECIAL REVENUE FUNDS							
Land Department							
241000	LCO-Land Commissioners	60.00	64.00	64.00	64.00	64.00	64.00
	Total Land Department	60.00	64.00	64.00	64.00	64.00	64.00
TOTAL SPECIAL REVENUE FUNDS		<u>977.55</u>	<u>991.55</u>	<u>946.90</u>	<u>944.90</u>	<u>944.90</u>	<u>944.90</u>
ENTERPRISE FUNDS							
Environmental Services							
600000	Environmental Services	40.00	42.00	42.00	43.00	43.00	43.00
616000	ISTS	0.00	0.00	11.00	9.00	9.00	9.00
	Total Environmental Services	40.00	42.00	53.00	52.00	52.00	52.00
Chris Jensen Health & Rehabilitation Center							
625000	Chris Jensen	234.65	190.40	185.50	0.00	0.00	0.00
650000	Laundry	11.00	11.00	0.00	0.00	0.00	0.00
660000	Community Food	19.78	14.97	0.00	0.00	0.00	0.00
670000	Assisted Living	16.00	16.00	16.00	0.00	0.00	0.00
	Total Chris Jensen Health & Rehabilitation	281.43	232.37	201.50	0.00	0.00	0.00
Others							
610000		0.00	0.00	0.00	0.00	0.00	0.00
615000		0.00	0.00	0.00	0.00	0.00	0.00
620000		0.00	0.00	0.00	0.00	0.00	0.00
	Total Others	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL ENTERPRISE FUNDS		<u>321.43</u>	<u>274.37</u>	<u>254.50</u>	<u>52.00</u>	<u>52.00</u>	<u>52.00</u>
INTERNAL SERVICE FUNDS							
Management Information Systems							
750000	Management Information Systems	39.00	39.00	38.00	37.00	37.00	37.00
700000	Printing	3.00	3.00	3.00	3.00	3.00	3.00
760000	Telecommunications	5.00	5.00	5.00	5.00	5.00	5.00
	Total Management Information Systems	47.00	47.00	46.00	45.00	45.00	45.00
Motor Pool							
715000	Duluth Garage	8.00	8.00	8.00	8.00	8.00	8.00
	Total Motor Pool	8.00	8.00	8.00	8.00	8.00	8.00

	<u>2007 Actual</u>	<u>2008 Actual</u>	<u>2009 Adopted</u>	<u>2010 Adopted</u>	<u>2011 Projected</u>	<u>2012 Projected</u>
INTERNAL SERVICE FUNDS						
Others						
	0.00	0.00	0.00	0.00	0.00	0.00
Total Others	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INTERNAL SERVICE FUNDS	<u>55.00</u>	<u>55.00</u>	<u>54.00</u>	<u>53.00</u>	<u>53.00</u>	<u>53.00</u>
ST. LOUIS COUNTY TOTAL	<u>2,009.88</u>	<u>1,982.32</u>	<u>1,918.10</u>	<u>1,701.60</u>	<u>1,701.60</u>	<u>1,701.60</u>

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