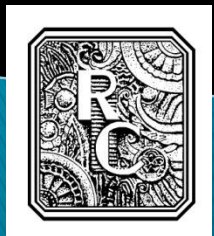


Rice County 2012 Preliminary Budget

September 6, 2011



Summary

- ▶ Recommended levy increase of 1.72%
- ▶ State program aid at 2010 levels
- ▶ Elimination of Homestead Credit Program will impact tax rates for property owners
- ▶ Revenue reductions for
 - Social Services (\$360,000)
 - Community Corrections (\$17,000)
 - Others
- ▶ Small decrease in staff
- ▶ Budget is lean and focused on core services



Major Changes

- ▶ Organizational restructuring
 - Assessor
 - Public Health
 - Social Services
- ▶ 2012 is an election year, so that budget is increased accordingly
- ▶ Combined Central Service and IT budget for technology
- ▶ New human resource/payroll information system is included
- ▶ Revenue reductions in Environmental Services and Recorders due to reduced activity
- ▶ Budget includes reestablishment of capital projects fund for infrastructure improvements



Personnel

- ▶ All bargaining unit contracts will be negotiated for 2012.
- ▶ Health insurance premium costs will increase by about 5% in 2012. County insurance contributions will be negotiated.
- ▶ Step increases for eligible employees are included in budget.
- ▶ Total personnel cost is \$22,038,155.



Staff Reductions

- ▶ Permanent
 - Assessor: 1 FTE
 - Appraiser
- ▶ Personnel Committee will continue to review each vacancy as they occur
 - 2011 wage savings through August exceeds \$460,000. This is a gross number, not net.
 - Currently have about 15 open positions



2008–2011 Staff Reductions

- ▶ Highway
 - Engineering Technician Lead
- ▶ Public Health
 - Nurse (part-time)
 - Support staff reductions due to shift of services to Social Services
- ▶ Environmental Services
 - Building Inspector
 - Planner
 - 2 Light Equipment Operators
- ▶ Community Corrections
 - Program Supervisor
 - Clerical Supervisor
- ▶ Numerous others have been kept open for a time



Personnel Cost Changes

	2007 Actual	2008 Actual	2009 Actual	2010 Actual	20 11 Budget	2012 Budget*
Wages	1,054,855	1,172,104	1,209,112	(583,167)	(210,888)	302,502
Benefits	529,603	202,047	436,803	135,982	58,296	195,171
Total	1,584,458	1,374,151	1,645,915	(447,185)	(152,592)	497,673
Total Percent	9.25%	7.35%	8.20%	(2.06)%	(.70)%	2.31%

*proposed budget



Court Costs

- ▶ Court costs are rising due to cost shifts and state cuts
- ▶ State public defender costs continue to be shifted to counties
- ▶ Courts requested an increase of 28% over 2011 budget
- ▶ 2012 preliminary budget is increased by 2%



Contingency Fund

- ▶ Contingency budget is \$250,000:
 - Tax abatements
 - Board priorities
 - Other unexpected expenses



HRA Levy

- ▶ There is a \$280,920 HRA levy included in the preliminary budget:
 - This is unchanged from 2011
 - \$74,000 of the levy is used to fund housing staff, planning staff and accounting staff related to program administration
 - The remaining \$206,920 is earmarked for economic development purposes such as revolving loans



Libraries

▶ Summary of Library Funding

City	2010 Actual	2011 Budget	2012 Request
Faribault	\$206,065	\$199,618	\$201,911
Northfield	\$182,737	\$178,038	\$180,225
Lonsdale	\$10,000	\$13,170	\$16,504
Nerstrand	\$500	\$490	\$500
Total	\$399,302	\$391,316	\$399,140



Other Agencies

- ▶ Most of the “outside” agencies requested allocations 2% greater than their 2011 allocation
- ▶ Budget includes 2% increases for all entities



2012 Use of Fund Balance

- ▶ Budget includes use of \$300,000 in fund balance in the Social Services Fund.
- ▶ This is adjusted annually based on the previous year's performance.
- ▶ No use of General Fund balance is budgeted. Fund balance earns interest, and our bond rating is higher if balance is healthy.
- ▶ County Fund Balance is near State Auditor's recommended range.
- ▶ Sufficient reserves exist to buffer future cuts



Levy and Tax Rate Summary

- ▶ The total proposed increase in the net levy, including the HRA, is \$323,778 which is a increase of 1.72%.
- ▶ The tax rate is increasing by 12.18%. This change is primarily the result of the elimination of the Market Value Credit Program and creation of the Market Value Exclusion.
- ▶ The county taxes generated by new construction will be approximately \$93,828.
 - With declining property values, this impact is much less significant than in high growth years.



2012 Levy by Fund

Fund	2012			
	2011 Levy	Proposed	\$ Change	% Change
General	10,854,823	11,612,552	757,729	6.98%
Tax Abatements	115,000	115,000	0	0%
Human Services	3,882,721	4,208,993	326,272	8.40%
Road and Bridge	2,668,063	2,818,846	150,783	5.65%
Capital Projects		147,000	147,000	
Housing/Relevel	280,920	280,920	0	0
Debt Service	2,816,396	2,669,071	-147,325	-5.23%
Total Gross Levy	20,617,923	21,852,382	1,234,459	5.98%
Less State Aid	1,800,000	2,710,681	910,681	50.59%
Net Levy	18,817,923	19,141,701	323,778	1.72%



Tax Rate

- ▶ Simplified, the tax rate is equal to the county levy divided by tax capacity.
- ▶ As new construction occurs and market values increase, the tax capacity rises. However, the 2012 tax rate increase is due to declining market values and the Market Value Credit change.

Year	Tax Rate	Year	Tax Rate
2003	38.732	2008	27.708
2004	36.057	2009	28.375
2005	33.129	2010	29.663
2006	30.117	2011	31.705
2007	28.779	2012	35.567



Tax Rate and Levy History

	2006	2007	2008	2009	2010	2011	2012 *
Net Levy Increase	5.65%	7.11%	7.90%	7.90%	6.09%	-.11%	1.72%
Tax Rate Change	-9.09%	-4.46%	-3.70%	2.41%	4.54%	6.88%	12.18%



Comparison of County Tax on \$150,000 Home after Market Value Credit and Market Value Exclusion

Year	Tax	Year	Tax
2003	\$499	2008	\$347
2004	\$460	2009	\$355
2005	\$419	2010	\$376
2006	\$378	2011	\$407
2007	\$361	2012	\$449

Since property values are dropping by about 6.5%, a home valued at \$150,000 in 2011 will be valued at \$140,100 in 2012. The county tax on this home for 2012 would be \$411 which is \$4 more than 2011.



2011 County Per Capita Tax

County	Per Capita Tax	Rank	Rice Levy if same per capita
Rice	\$292.34	87	\$18,536,694
Dakota	\$322.96	85	\$20,478,247
Scott	\$430.80	74	\$27,316,166
LeSueur	\$468.99	71	\$29,737,717
Dodge	\$512.26	54	\$32,481,382
Steele	\$513.51	53	\$32,560,642
Waseca	\$554.43	46	\$35,155,297
Goodhue	\$570.54	40	\$36,176,800



Timeline Summary

- ▶ September 13: Adopt Preliminary Levy
- ▶ October 11: County Board sets Outside Agency Allocations
- ▶ October/November: Department Budget Presentations
- ▶ December 1: Public Hearing on Proposed Budget at 7:00 pm in County Board Room
- ▶ December: Determine Elected Officials Salaries
- ▶ December: Set 2012 Budget & Levy



Rice County 2012 Budget

Thank you!

