



**Truth-in-Taxation Hearing  
2005 Budget Overview  
December 2, 2004**

## **Guiding Principles**

- **Limit increase in the tax levy to inflation plus population/parcel growth**
- **Focus on providing core services and programs well**
- **Address level of service (*critical vs. convenient*)**
- **Identify programs/services which could be reduced or phased out over time**
- **Focus on outcomes, tangible results – National Civic Innovation Center grant**

## **Guiding Principles** *(continued)*

- **Foster excellence in customer service and constituent response**
- **Maintain financial integrity**
- **Identify areas where technology could improve service, reduce the need for additional staff or streamline operations**
- **Maintain a stable tax levy for securing large expenditures**

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## **Fiscal Accomplishments**

- **Lowest Tax Rate in State**
- **Low Levy per Capita (77 of 87)**
- **Fund Balance rated Low by State Auditor but Rising**
- **Developed Plan for Long-term Debt**
- **Multi-year Winner of Government Finance Officers Association Awards**
- **AA2 / AA Bond Rating**

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## **Fiscal Accomplishments**

- **Utilize Joint Powers Agreements when possible**
  - Joint Purchasing
  - East Metro Safety Training Facility
  - Automated Tax Collection Processing
  - Election Administration
  - Insurance Coverage
  - Resource Recovery Facility

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## **Budget Variables: Legislative**

- **Court Takeover**
  - Mandatory 8% increase in base budget
  - Court Takeover in July 2005 will reduce county budget and state aid
- **Continued mandates and cost shifts**
  - Short-term offenders
  - Other

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## Budget Variables: County

- **Population Growth**

- From 2000 to 2010, County is expected to grow by 44,790 residents for an annual growth rate of over 2%
- Increase in parcels in 2005 is projected at nearly 2%

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## General Highlights

- **Gross Tax Levy** *(Includes County Program Aid)*  
\$ 74.0 million                      Increase 5.50%
- **Net Tax Levy**  
\$ 66.5 million                      Increase 5.48%
- **Non-Levy Revenues** *(Includes Transfers)*  
\$ 67.4 million                      Decrease 4.10%
- **Expenditures** *(Includes Transfers)*  
\$ 142.4 million                      Increase 1.54%

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## County Program Aid

- **County Need Aid** \$2,625,570
- **Tax Base Equalization** +3,950,243
- **Total County Program Aid** \$6,575,813
  
- **2004 County Aid** \$4,397,599

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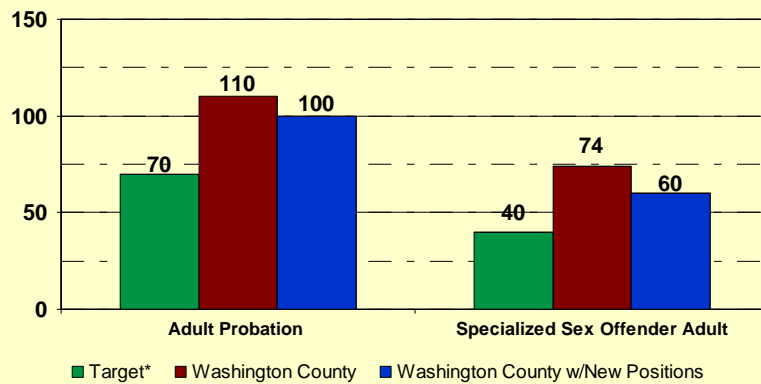
## Major Budget Changes

- \$ 645,000 Impact of state takeover of Court
- \$ 203,800 Increased countywide Information Technology (I.T.) infrastructure
- \$ 600,000 Phase-in new telephone system
- \$ 680,900 Phase-in replacement of Mobile Data Terminals for public safety
- \$2,205,000 Increased land acquisition costs for roads and facilities
- \$ 930,300 Increase in planned use of fund balance
- \$ 315,000 Increased Debt Service

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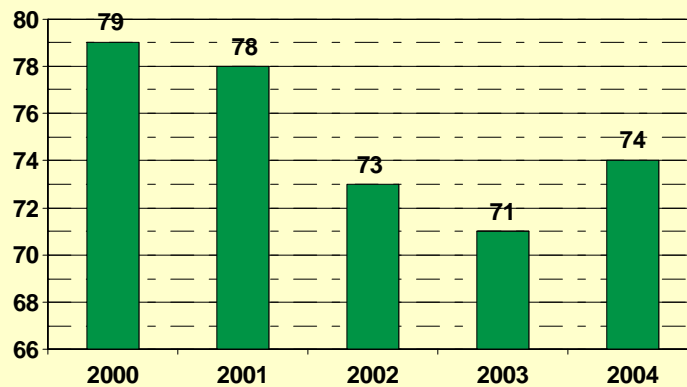
## Community Corrections Caseloads



\*MN Dept of Corrections 8-Point Plan  
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## Average Pavement Condition Index (PCI)\*

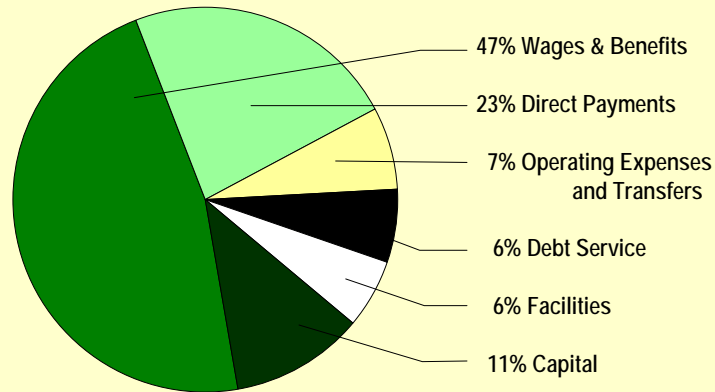


\*PCI target rating is 72.

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## 2005 Expenditures by Category



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## Position Changes

- **14.54 Net Positions Added**
  - Three starting 7/1/2005

### Cost of Positions

Levy Funding:	\$222,900
Other Funding:	<u>\$683,300</u>
Total Cost:	\$906,200

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## Budget Comparison 2003-2005

Adopted 2003	Adopted 2004	Recommended 2005
\$150,029,800	\$140,216,900	\$142,376,700
Percent Change	-6.54%	1.54%

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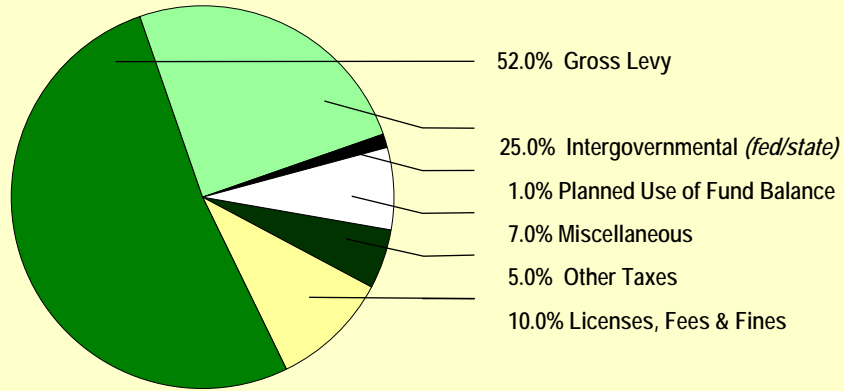
## Budgeted Operating Costs per Capita\*



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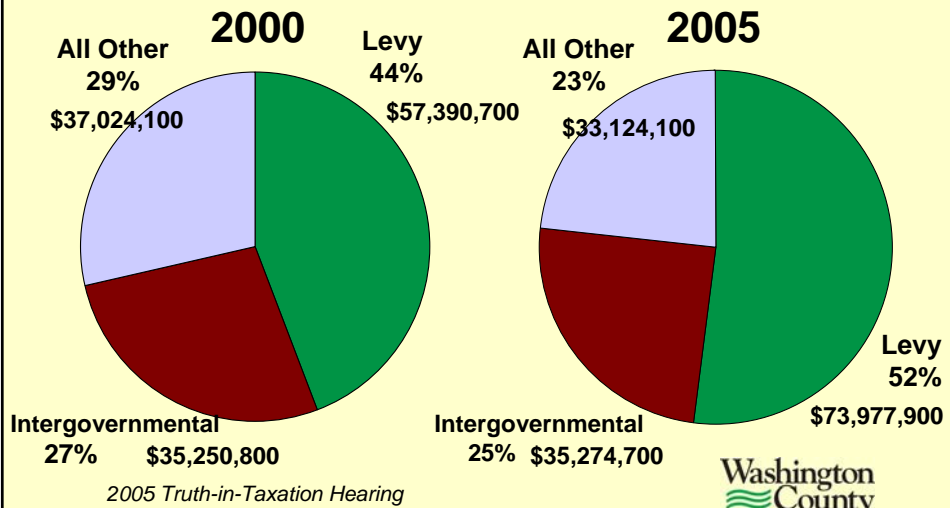
## 2005 Revenues by Source



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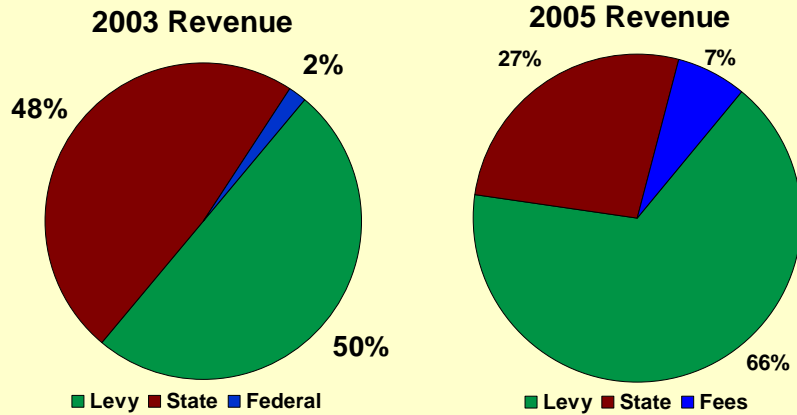
## Revenues by Source



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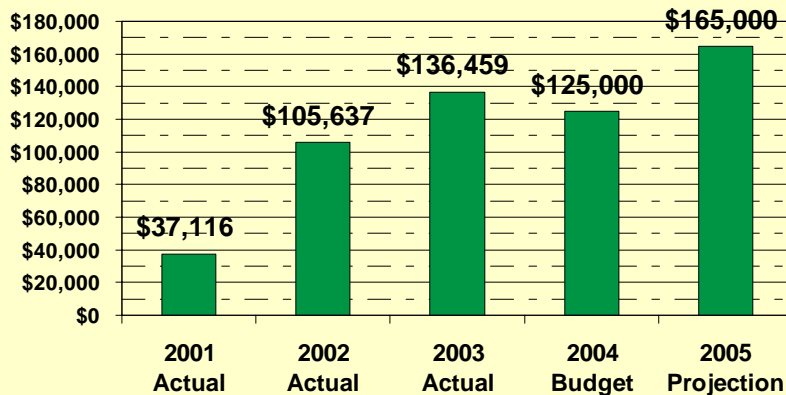
## Community Corrections Revenue 2003 vs 2005



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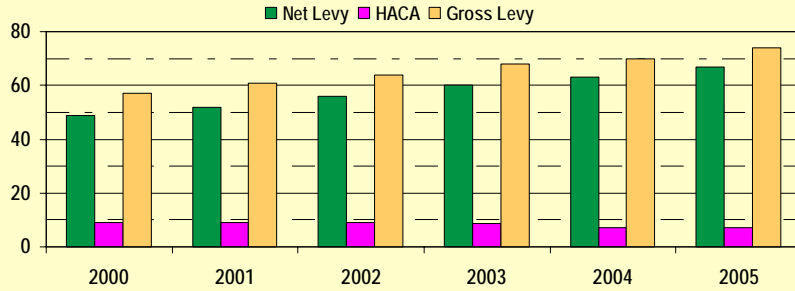
## Increase in Reimbursement for Detoxification Services



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# Levy Comparison 2000-2005



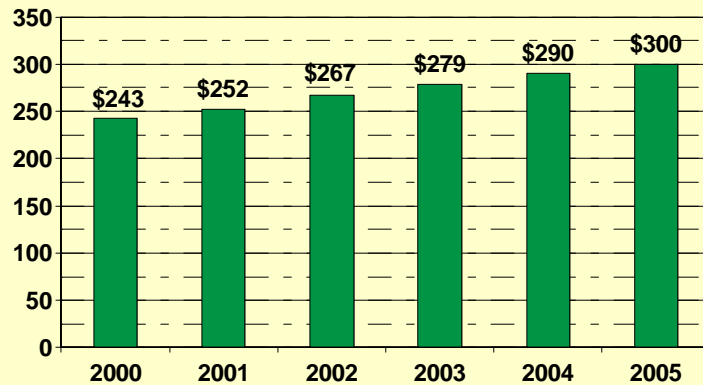
Revenue Sources	2000 Budget	2001 Budget	2002 Budget	2003 Budget	2004 Budget	2005 Budget	Avg. of Annual Change
Net Levy	48,800,000	51,698,700	55,785,300	59,505,600	63,042,600	66,497,300	6.4%
HACA*/Cty Prg Aid	8,590,700	8,864,200	8,545,800	8,792,100	7,057,300	7,457,100	-2.3%
Total Gross Levy	57,390,700	60,562,900	64,331,100	68,297,700	70,099,900	73,954,400	5.2%

\*Homestead & Agricultural Credit Aid

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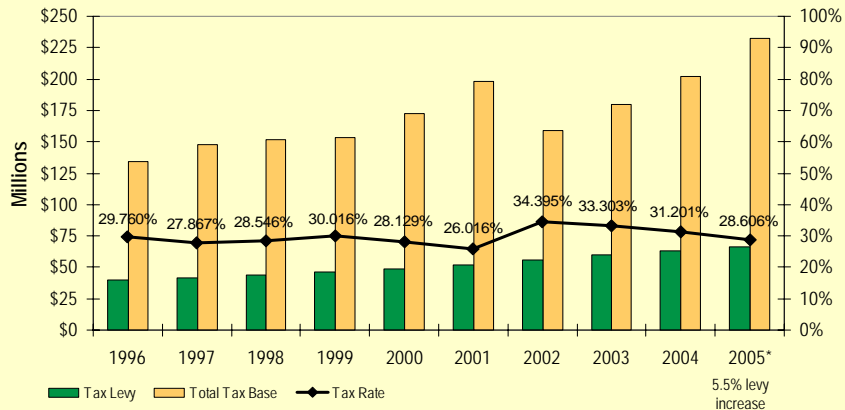
# Levy Per Capita 2000-2005



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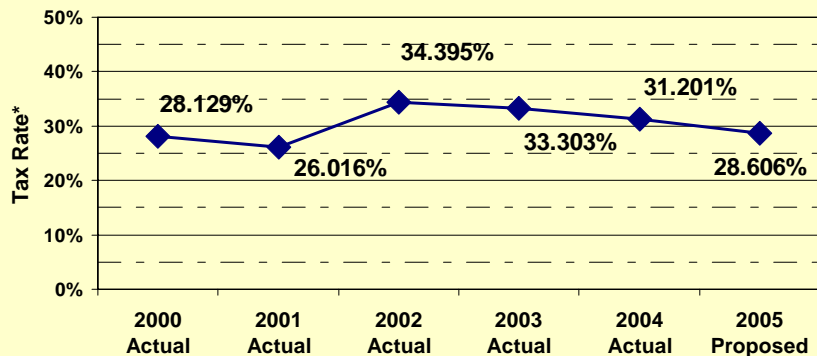
## Tax Rate, Tax Levy, and Total Tax Base 1996 - 2004, Estimated 2005 Comparisons



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## County Tax Rate Comparison 2000-2005

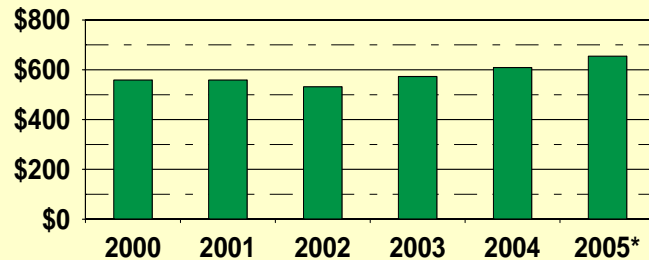


\*Tax Rate includes Library

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## County Portion of Tax Six-year Comparison



	2000	2001	2002	2003	2004	2005*	Avg. of Annual Change
County Tax	\$558	\$561	\$531	\$575	\$612	\$657	3.5%
Market Value**	\$150,000	\$160,500	\$173,300	\$190,600	\$213,500	\$245,500	10.4%

**\*\*Assumes the market value increases each year by the average countywide percentage.**

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## Estimated Impact of County Levy on Residential Homestead Taxpayers

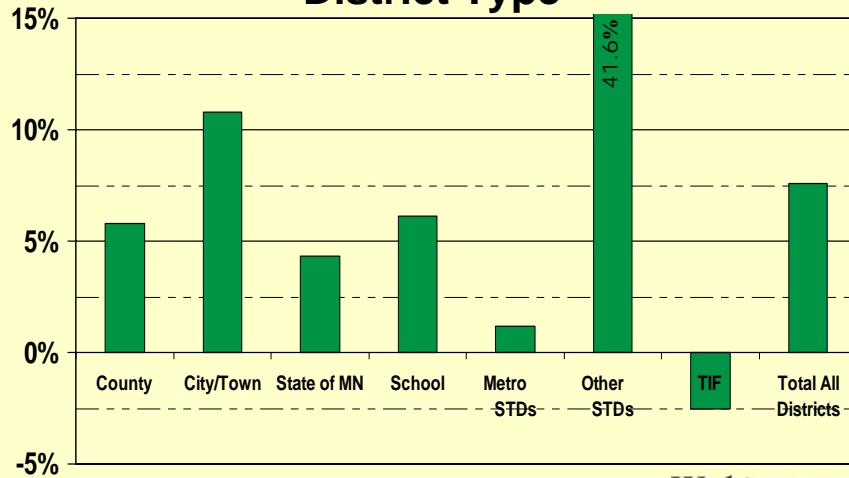
County Tax:						
Net Tax after Market Credit	Market Value		Actual Pay	Estimated Pay	Variance	
	2004	2005	2004	2005	2004 - 2005	
	130,400	150,000	\$330	\$358	\$28	8.5%
	217,400	250,000	\$625	\$671	\$46	7.4%
	434,800	500,000	\$1,357	\$1,430	\$73	5.4%
652,200	750,000	\$2,154	\$2,324	\$170	7.9%	

**Assumes a 15% increase in Market Value from Pay 2004 to Pay 2005.**

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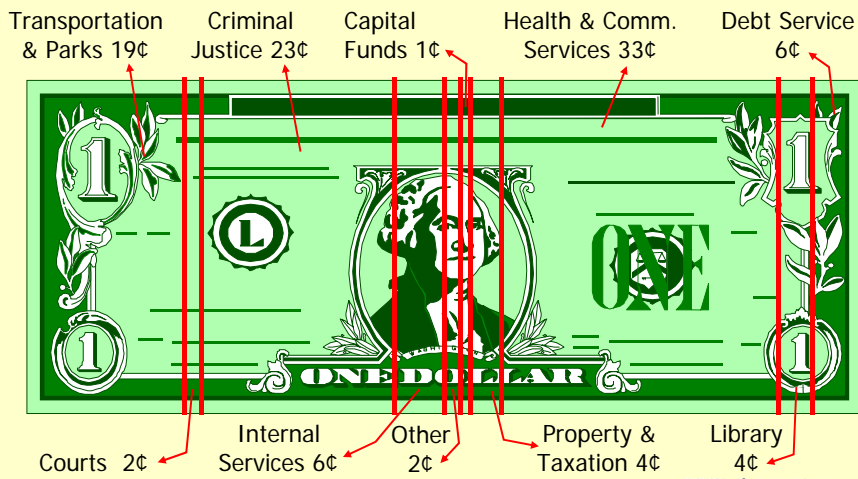
## Percentage Change in Levy from Pay 2004 to Proposed 2005 by Taxing District Type



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## Where Does Each County Dollar Go?



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