



COUNTY ADMINISTRATOR

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MEMORANDUM

DATE: December 1, 2022
TO: County Board of Commissioners
FROM: Andrew Letson, County Administrator
SUBJ: 2023 Budget Message

Overview

On behalf of the County's staff and elected and appointed department heads, I am pleased to present the recommended 2023 Annual Budget. The proposed budget maintains and expands upon the quality of services the citizens of Meeker County have come to expect and reflects the general priorities and policy direction provided by the County Board and Budget Committee.

The total adopted budget for FY 2023 includes expenses of \$48,972,665, which represents an increase of 32% from the FY 2022 budget and revenues of \$44,339,608, which represents a 17% increase over the previous year. The increase in the budget's revenues and expenditures is driven by one-time capital expenses, primarily construction of the County's facility remodel project.

Included in the budget is a proposed property tax levy of \$16,220,310 which represents an increase of 3% compared to the previous year. The budget is balanced through a use of excess fund balance reserves and one-time revenue through the American Rescue Plan Act of 2021, which will be utilized for specific one-time capital improvements, equipment replacements, and limited personnel costs, and the issuance of debt.

Significant planned expenditures include (table on next page):

DEPARTMENT	EXPENDITURE	ESTIMATED COST
Maintenance	Courthouse/LEC Roof Replacement	\$950,000
	HVAC Improvements	\$182,000
Parks	Park Improvements	\$24,000
Public Works	Pavement Maintenance	\$700,000
	Vehicle Replacements	\$370,932
	Roadway Projects	\$5,462,850
Sheriff's Office	Squad Car Replacements & Outfitting	\$452,550
	Radio & Paging Modernization	\$410,000
	ARMER Radio Replacement	\$51,000
Social Services	Case Management Software	\$340,000
Solid Waste (Transfer Station)	Operating Contract	\$1,576,050

In order to fund the County's ongoing facility remodel project, it is anticipated that the County will take on new debt in 2023. The new debt will likely be in the form of a general obligation bond in the amount of \$3,950,000. The County currently has one general obligation bond, which is scheduled to be retired in 2026.

The budget continues the County's conservative approach to financial management and its emphasis on limiting property tax increases for taxpayers. This conservative approach has placed the County in a sound financial position, with significant reserves in the General Revenue Fund above the 30-50% of expenses as recommended by the Office of the State Auditor (OSA), providing the County with \$3-5 million of excess fund balance. The County is beginning to proactively spend down these excess reserves, primarily on one-time capital improvements and equipment replacements. In 2023, General Revenue Fund excess fund balance is planned to be spent on the following projects:

DEPARTMENT	EXPENDITURE	ESTIMATED COST
Maintenance	Facility Remodel	\$3,810,000
	HVAC Improvements	\$16,217
Sheriff's Office	Sheriff's Office Staffing	\$134,500
	Squad Replacements	\$188,600
	911 Software Upgrade	\$76,000
Land Use	AIS Prevention	\$76,878
Total		\$4,302,195

At the end of 2023, it is anticipated that the County's General Revenue Fund will have a total fund balance of \$6,563,395, which is 47% of the audited 2021 revenues and \$1,678,749 over the minimum threshold established by the OSA.

Personnel Adjustments

Personnel costs for FY 2023 are budgeted to be \$19,432,824 or 57% of the operating budget (total expenses, less capital). Included in the budget is an estimated cost of living adjustment for all employees; however, the County continues to bargain with its eight bargaining units, for which the cost of living adjustment will be contractually obligated.

The proposed budget includes funds for seven new full-time positions. Positions include a Patrol Deputy (Sheriff’s Office, General Fund), a School Resource Deputy (Sheriff’s Office, General Fund), a Corrections Officer (Sheriff’s Office, General Fund), a Heavy Equipment Operator (Public Works, Road & Bridge Fund), a Social Services Supervisor (Social Services, Human Services Fund), a Paralegal (Attorney’s Officer, ARP), and a Nurse Case Manager (Public Health, Public Health Fund). The proposed budget also includes reclassification of four positions to ensure that the classification properly reflects the duties performed by the position. Each of these requests were reviewed by the Personnel and/or Classification/Compensation Committee, Budget Committee, and the County Board as a whole.

The County’s employees participate in one of two group health insurance pools. Those employees covered by a collective bargaining agreement in the Sheriff’s Office are part of the Public Employee Insurance Program (PEIP) and all other employees are included in a joint self-insurance pool known as Prime Health. Each pool offers a unique set of plans. In 2023, the Prime Health plans saw an average decrease of 5% and PEIP plans saw an average increase of 18.7%. The employee and the County share in the cost of the monthly premiums, with the breakdown of those costs varying based on the plan chosen by the employee.

American Rescue Plan

The American Rescue Plan Act of 2021 (ARP) provided direct appropriations to state and local governments through the Coronavirus State and Local Government Fiscal Recovery Fund. A total of \$350 billion will be distributed to state, local, territorial, and Tribal governments to respond to the COVID-19 pandemic and its negative economic impacts. Funds must be obligated by December 31, 2024 and expended by December 31, 2026. Meeker County has been allocated \$4,510,601. All of the funds were received in two tranches, the first in 2021 and the second in 2022. Following the issuance of the Treasury Department’s final rule, it was determined that the County could use all of its ARP funds for governmental services under the “lost revenue” provision of the law.

In 2023, the County plans to use its ARP funds for the purposes outlined below, upon which all of the County’s funds will be either spent or appropriated.

PROJECT/EXPENSE	AMOUNT
Portion of Courthouse/LEC Roof Replacement	\$150,000
Radio Repeater System Replacement	\$160,000
EMS Paging System	\$250,000
Facility Remodel	\$2,432,358
County Attorney’s Office Staffing	\$92,000
Premium Payments/Hiring Incentives	\$97,000

Conclusion

The proposed FY 2023 Annual Budget was developed over the past eight months through staff meetings, Budget Committee meetings, County Board meetings, and a public hearing. This document is the result of the hard work performed by County staff, particularly department heads. Their hard work deserves acknowledgement and my sincere thanks. Moving forward,

implementation of this budget will require continued cooperation between the County Board, providing policy direction, and the departments, implementing that policy direction. I look forward to continuing to build on our strong partnerships in 2023.