



2011 BUDGET

Hennepin County, Minnesota

As approved on December 14, 2010 by the

Hennepin County Board of Commissioners

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January 3, 2011

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Honorable Board Members,

I am pleased to present to you the approved 2011 Hennepin County budget and to discuss some of the 2010 results and on-going efforts.

The 2011 Hennepin County Budget totals \$1,561,430,109 and includes a net property tax levy of \$669,404,998. This is an overall budget decrease of 5.32 percent and a 1.00 percent decrease in the net property tax levy over 2010 levels.

THE 2011 BUDGET ENVIRONMENT

As expected, 2010 was a very challenging year. And 2011 is expected to be even more challenging. Declining resources and increasing demands are no longer the theme of a particular year, but have become an expected part of our environment. We do not expect that to change any time soon.

During 2010, the Board and senior staff began preparing for the 2011 budget with a series of retreat discussions that looked broadly and deeply at the county's work. These discussions, in part, informed the development of the 2011 budget. I expect that this discussion will continue during the year, especially as a result of the changing political environment resulting from the 2010 elections.

Indeed, this budget might be described as an interim budget. We will be watching carefully what happens during the 2011 state legislative session, anticipating that state action may require us to revisit the

adopted budget in June and make adjustments accordingly.

That said, this budget includes a one percent decrease in the property tax for 2011, following upon 2010 which saw no increase in property tax support for operations. This is a particular achievement for Hennepin County, given that it was made while expecting that the state's updated fiscal forecast will mean more reductions in local government aid. In contrast, many other local governments enacted levy increases while adopting budgets that expect state aid to continue.

THE 2011 HENNEPIN COUNTY BUDGET

The approved 2011 Hennepin County budget totals \$1,561,430,109. This is an overall budget **decrease** of 5.32 percent or \$87.7 million from the \$1.65 billion adjusted 2010 budget. The operating portion of the budget has decreased by \$26.7 million or 1.84 percent and the capital budget has been reduced by \$61.0 million or 31.2 percent from the adjusted 2010 levels.

The \$134.8 million capital budget includes \$44.9 million less in bonding than the \$195.7 million adjusted 2010 capital budget. Much of the difference between the two budgets and bonding levels is due to the Lowry Avenue Bridge being fully funded in 2010 and reductions in proposed funding for Library and General Government projects.

With respect to operations, budgets for all business lines are reduced, ranging from 9.8 percent for the General Government departments to the smallest reductions – less than 2 percent – in Public Safety and Libraries. This results in cost savings but also means that residents and clients are seeing reductions in some services. It should also be noted that 2011 is the second year in a two-year labor agreement with no employee cost-of-living adjustment, and there are no merit increases for 2011.

The property tax level for general operating purposes is reduced by approximately one percent from the 2010 level. The net property tax levy is \$669.4 million, which is \$6.8 million lower than the 2010 level. Maintaining county services while reducing property taxes is possible in part by using funds from the balance the Board set aside last year in anticipation of possible shortfalls in state aid. The approved 2011 budget is predicated on expectations that the economic picture will not significantly improve in the near future, nor will the state's budget prospects. The Board's foresight last year allows the county some flexibility in addressing service needs in 2011 while reducing the property tax level.

While this budget includes a one percent decrease in the property tax level for general operating purposes, other economic pressures mean many homeowners may still see an increase in the amount they pay. The majority of residential homes in the county saw a drop in property value this year. However, commercial-industrial property saw a more significant value decrease, resulting in a shift in tax burden from commercial-industrial to residential properties. The combination of these factors means that, even with a property tax decrease for the county, some homeowners whose values dropped from the 2010 to the 2011 assessment will still see an increase in the county portion of their property tax bill.

Hennepin County Medical Center, due to state changes in its health care programs, was faced with increased financial and liquidity risks last year. Thanks in part to County Board action last year which anticipated those risks, HCMC remains able to accomplish its mission. The 2011 budget includes \$30.0 million for uncompensated care payments to HCMC, which is slightly less than the \$32.8 million budgeted for 2010. Although there is still much uncertainty about the impact on HCMC of potential state budget reductions and of the federal health care reform act, the Medical Center, with the assistance of the county where necessary, is nevertheless committed to maintaining and expanding needed health services.

Bonded indebtedness continues to be one of the most significant cost drivers for the county. The property tax levy for debt service increased \$8.6 million -- from \$62.5 million in 2010 to \$71.1 million in 2011. It is also anticipated that the property tax for debt service will increase substantially for 2012 and future years. Last year the County Board adopted debt guidelines to help restrict debt service increases. Nevertheless, even if debt service growth is within the debt guidelines, it is projected that the debt service property tax levy will likely exceed \$100 million by 2015, as debt is retired for past and future capital projects.

REDESIGN AND CHANGE

As the County Board and county staff have faced fiscal challenges over the last couple of years, we have begun substantial changes in several important areas.

One of the most significant changes has been the redesign of the correctional out-of-home placement approach for juveniles. Hennepin County's Department of Community Corrections and Rehabilitation, in partnership with the Fourth District Court and the county's Human Services and Public Health Department, has been

transitioning over the last five years from a traditional model -- where juveniles were incarcerated in county facilities or other institutions -- to one where lower-risk offenders receive intensive services in their own community. This model has been shown in other parts of the nation both to reduce costs and improve outcomes. Among the results we are seeing are:

- A 54-percent reduction in the average daily population at the Juvenile Detention Center, and a subsequent reduction of 35 staff positions there in the last two years.
- A significant restructuring at the Hennepin County Home School, decreasing lengths of stay and increasing family involvement and community-based intervention. These have proved to be more effective and efficient ways of reducing future criminal behavior. This process has reduced County Home School staff by 22 positions since 2008.

Another substantial redesign is under way in the Human Services and Public Health Department, which is transforming its delivery system to be more comprehensive and holistic in addressing the root problems that cause people to seek our services. The department is currently testing a new broad-spectrum intake process that will better identify needs and result in more appropriate, early and preventive interventions for clients. As part of this effort, we are also opening new human services offices in areas outside of downtown Minneapolis, recognizing that social services are needed throughout the county. The 2011 capital budget includes \$8.3 million to begin the planning and development of a number of such facilities.

NorthPoint Health and Wellness Center is seeing improved outcomes from the

development of integrated care models: the percentage of low birth-weight infants dropped from 14 percent in 2003 to 3.2 percent by the end of 2009. In the same time period, the number of patients seen in the first trimester of pregnancy increased from 48 percent to 69 percent. Overall, Health Center patient visits increased 44 percent between 2006 and 2009. Federal stimulus funding is being used for facility renovations to serve more clients and meet increases in services for uninsured patients.

The County Attorney Office is collaborating across county departments to address truancy and taxes. The *be@school* initiative is working with school districts, community organizations and families to remove obstacles to regular school attendance. In addition, in collaboration with Taxpayer Services and the Tax Court, the County Attorney's Office has developed an online system for tracking 1,500 to 2,000 property tax petitions filed annually. Several other counties are interested in acquiring the system which should lower future maintenance and support costs.

In 2011 the county will create a new Internal Service Fund for self-insurance for employee health premiums. The fund will be financed with premiums paid by the county and employees and budgeted at approximately \$99 million in 2011. Premiums for 2011 will be held constant with no increase over 2010. Included in this budget is approximately \$5 million for a reserve that we will be adding to annually to fund health claims that are higher than expected in future years. This plan is expected to save the county approximately \$5 million per year over fully-funded health coverage.

We also continue to provide and strongly promote our employee wellness program, HealthWorks, supporting staff in taking responsibility for their personal health. It is estimated that 70 percent of health-care

costs in the U.S. are due to preventable conditions. Better employee health both improves the individuals' quality of life and offers the potential for significant savings in health care costs over time.

Information Technology is making several changes to simplify and improve delivery of technology services. A new organizational model strikes a balance between centralized and decentralized services to make infrastructure services as cost-effective as possible. Server virtualization allows multiple servers to be configured on one physical machine, saving the cost of purchasing and providing power to a large number of several separate machines.

While we are beginning to see the results of efforts such as those described, we are also looking countywide at several additional broader issues, where there are opportunities to better leverage resources and prepare for changing needs. These initiatives include:

- Expanding opportunities for the public to do its business with the county online,
- Preparing to meet the needs of an aging population and workforce as well as a population with other changing demographics, and
- Integrating the many facets of the Hennepin County health care system -- from HCMC and NorthPoint to mental health clinics -- to improve patient outcomes in a more cost effective manner.

LOSSES AND RISKS

The county continues to seek the most effective and efficient possible ways to provide services. However, we are seeing more areas in which the public is feeling the effects of fewer resources and increased demands.

- The need for human services assistance continues. From June 2009 to June 2010, food support requests increased 17 percent and Medical Assistance increased 5.8 percent.
- Human Services and Public Health has been able to manage much of the increased demand without additional staff, using technology and process improvements. However, the quality of service delivery is beginning to erode. We have seen some evidence of increased processing errors related to Food Support and Cash Assistance cases. The rework needed to correct these errors can result in inefficiencies and service delays. We also have seen an increase in the time it takes for staff to process cases: a median of three additional days for Minnesota Family Investment Program, and two more days for Emergency Assistance. While our work quality is still well within state requirements, errors and delays are not acceptable to applicants who are requesting assistance.
- The offices of the criminal justice system are reducing staff and holding positions vacant — which in turn leads to other cost increases throughout the system. The quality of service suffers when staff has less time to consult with clients. The system is less able to meet the requirement for speedy trials. Detention costs increase when defendants wait longer for disposition. And these are in addition to the personal costs to clients who must spend more time in jail or return again and again to court for their cases to be resolved.

- The Transportation Department continues to maintain the county's road system, but it has needed to draw on different funding streams to do so. Last year the Transportation Department used state turnback monies to fund overlays and also received a one-time \$3 million contingency transfer to deal with extra repairs needed after the difficult freeze-thaw cycles last winter
- Transportation's goal is to repave 100 lane miles of the county roads each year. It is no longer possible to achieve this using only property tax funding. In 2011, \$1.5 million in state aid will be reallocated from the capital program to the operating budget to supplement the overlay program and preserve existing infrastructure.
- The Hennepin County Service Centers have reduced staff by 25 percent in the past two years. As a result, wait times have increased from 12 minutes to more than 40 minutes in some cases. About 13,000 customers have waited 60 minutes or more this year, compared to just 138 in 2008. The seven Service Centers processed approximately 940,000 transactions in 2010.
- Property Services has seen a reduction in funding for building maintenance. This means no window washing, greatly reduced carpet cleaning and deferring repairs affecting the appearance of buildings. County maintenance staff is now stretching to cover work previously handled by contracted mechanical maintenance personnel. Three security officer positions have

been eliminated, as well as one Design and Construction position.

- Finally, it is very important to note that, throughout the organization, we are continuing to draw down staffing, hold positions vacant for longer periods, and carefully scrutinize and restrict new hires. Noted above are a few examples of how less staff and heavier workloads can lead to negative effects such as reduced service quality, increased wait times, errors and inefficiencies. But the lack of resources also affects our flexibility. We have less capacity to respond to immediate needs and to take on new projects and initiatives.

ACCOMPLISHMENTS AND SUPPORT

As we continue to make difficult decisions for the future, it is also important to acknowledge our accomplishments:

- We opened major libraries in Plymouth and Maple Grove. These facilities are designed to accommodate the current and future needs of their growing cities while using environmentally efficient design to hold down costs for heating, cooling and lighting.
- Major renovations are under way for the Northeast and Nokomis libraries in Minneapolis.
- The \$104 million Lowry Avenue Bridge replacement is under construction and scheduled for completion in 2012.
- The county is participating in the solution to the so-called "Devil's Triangle" problem along trunk highway 169 in Brooklyn Park and Osseo. Hennepin contributed \$7.5 million to the Minnesota Department of Transportation for improvements

to County Road 81, also known as Bottineau Boulevard, and County Road 109, which is also 85th Avenue. This work is planned to eliminate the severe bottlenecks where the three roads come together. It is scheduled to be completed in July 2011.

- Board leadership led to the building of the Target Field baseball park, which was funded in part by a 0.15-percent sales tax authorized by the County Board in 2006. Target Field opened to universal accolades in the spring of 2010. And because the board stipulated specific uses for any excess tax collection, 13 additional Hennepin County libraries were able to offer Sunday hours this year. Ballpark sales tax funds also allowed the re-opening of Minneapolis Central Library on Mondays. Additionally, two rounds of Youth Sports Grants have been awarded, funding community projects -- from a playground and warming house in Shorewood, to soccer fields in Minneapolis.
- Hennepin County has been the leader in the development of light rail transit in this region and continues this effort with the development of the Southwest and Bottineau lines. We were also involved in the Northstar Commuter Rail project and are a significant part of the Central Corridor line which is proceeding on schedule leading to its 2014 completion.
- As part of these transit initiatives, the county is planning the development and implementation of the \$81 million Minneapolis Transportation Interchange project to create a second transit station and make other transit related improvements in

the neighborhood of Target Field. Currently the Northstar Commuter Rail and the Hiawatha light rail lines come together at the ballpark site, but a major interchange is necessary to accommodate the future Central, Southwest and Bottineau corridors, which also will come together at the site in 2014 and beyond.

- We continue our commitment to the *Cool Counties* initiative, working to reduce greenhouse gas emissions 80 percent by 2050. Energy use in county facilities decreased 6.6 percent from 2008 to 2009. Recommissioning -- the fine-tuning of building systems for peak efficiency -- is under way at 12 facilities this year. And the recommissioning of HCMC and the Government Center is expected to reduce carbon dioxide emissions by 3,600 metric tons a year and lower future operating costs.

These accomplishments, and the results we are beginning to see from the other major steps we have taken, demonstrate that Hennepin County can and does serve its community well, even during tough times. These accomplishments are good to note -- because the tough financial times are by no means over.

CONCLUSION

Hennepin remains a strong, prudently run organization with a national reputation for innovation and effectiveness. The county has maintained a triple-A credit rating from all three rating agencies for more than 30 years, reflecting its financial and operational stability. And yet, while we manage our financial resources strategically, it is equally important to note that our human resources are what make Hennepin County work.

I would like to take this opportunity to thank our employees for their continued

dedication. In general, they are experiencing increased workloads with no change in compensation. Yet, for the second year in a row, they voluntarily used Special Leave Without Pay to donate 92,062 hours saving more than \$2.5 million dollars in 2010. Times are difficult, but they would be far more difficult without the intelligent and creative people who are committed to achieving the county's mission.

Among the staff, in particular, I want to thank the department directors and the managers who support them for their willingness to make difficult choices and provide difficult recommendations.

And I want to thank you, the members of the County Board, for your thoughtful guidance in setting priorities. The county's mission is broad, and there is no model for balancing these kinds of competing interests. Is a smooth road more valuable than computer access at a public library? If a service is critical to just a handful of residents, does it outweigh a service that is simply a convenience, but for tens of thousands?

We anticipate many more discussions as the County Board continues the difficult task of determining the best use of limited resources. The Board's prudent and timely decision making during this crucial time has

shielded the county from being forced to make draconian changes, and is allowing us to make adjustments based on reliable evidence and careful planning.

As you know, I have conducted a number of brown-bag lunch meetings with employees around the county, discussing our current situation and issues of the future. I am often asked if there's any good news about the county. I remind employees that Hennepin County has served the public for more than 150 years, and it is not going away. Hennepin continues to have an outstanding national reputation for financial management and for innovation. Our accomplishments, albeit somewhat constrained in these times of fiscal stress, are appreciated by our residents.

And I believe that the organizational soul-searching that we are undergoing – questioning old assumptions, testing new ideas and putting them more quickly into practice – will see us emerge as an even more focused, results-oriented and fiscally successful public service organization.

Respectfully submitted,



Richard P. Johnson
County Administrator

The 2011 Hennepin County Budget Process

Preparation of the annual budget begins more than nine months prior to the start of the fiscal/calendar year with the distribution in February of the five-year capital improvement program (CIP) instructions to departments. In late April, the Office of Budget and Finance (OBF) distributes the operating budget instructions. These instructions provide guidelines and parameters from County Administration/Executive Team to departments in the preparation of their 2011 operating budget requests. The schedule on page 10 identifies key stages in the formulation of the operating and capital budgets.

Declining resources and increasing demands have become an expected part of the county environment. Federal stimulus funds that provided temporary assistance to a few county departments are scheduled to sunset at the end of 2010 and the structural deficit affecting the state budget is projected to last through 2011 and beyond.

The state deficit for the current biennium which concludes on June 30, 2011 is projected at \$1 billion. As part of the solution for closing the biennial budget gap state aids to counties were reduced even further. The fiscal impact on Hennepin County operations is a reduction of \$6.7 million in County Program Aid (CPA) for 2011. This reduction was in addition to the series of CPA reductions that the county has experienced in the last couple of years.

To prepare for these challenges, in March, County Administration implemented a 2010 budget reduction plan that required departments to reduce their 2010 approved property tax requirement by 2.5 percent and in April, the County Board began holding a

series of board retreats focused on in-depth business line review with a goal of ensuring that expenditure programs are driven by policy priorities and budget realities.

For a second year in a row Special Leave Without Pay (SLWOP) was promoted and a more restrictive hiring policy was continued.

The 2011 budget is predicated on the expectations that the economic picture will not be significantly brighter in the near future. While the national economy may be starting to improve, state and local governments will trail this improvement in terms of improved tax revenue and stabilized tax base. The 2011 budget has factored in a measured response that accommodates the reduced fiscal circumstance.

In late April, the County Administrator issued budget guidelines for 2011 directing departments to submit budgets with property tax targets of 95 percent of their 2010 property tax requirement.

Departments submitted budget requests to OBF on July 2, 2010. During July and early August, department staff met with County Administration and OBF to clarify and resolve areas of concern. "Truth-in-Taxation" statutes established in 1989 by the State of Minnesota require that a proposed budget and maximum tax levy be approved by September 15 every year. On September 7, the County Administrator recommended to the Hennepin County Board of Commissioners a maximum levy of \$682.9 million, a one percent increase over the adjusted 2010 budget. The County Board approved a maximum levy of \$676.2 million, reflecting no property tax levy increase over the 2010 levy.

On September 28, 2010, the County Administrator presented a proposed budget within the context of the current state of the economy, the County Board's mission and vision statements and the maximum levy approved by the County Board. During October and November, the County Board held a series of public hearings in which Hennepin County citizens, contracted service providers, taxpayers and clients were given the opportunity to testify on the proposed budget.

The "Truth-in-Taxation" statutes require that the county send out proposed property tax notices to all taxpayers in November based on the maximum proposed levy set by the County Board in September. In addition, the statutes require that the county hold a public hearing where the proposed budget and levy are discussed. This hearing must occur after November 24 at 6:00 PM or later. The time and place of this hearing must be announced during the meeting where the preliminary levy is adopted and subsequently published in the minutes of that meeting, and included with the parcel-specific notices sent to taxpayers. The County Board held its public hearing at 6:00 PM on November 30, 2010. On December 14, the Board adopted the 2011 budget by resolution, authorizing appropriations and establishing staffing complements for county departments.

Hennepin Healthcare System/HCMC

The county continues to support Hennepin Healthcare System, Inc. (HHS), a public subsidiary corporation of the county. HHS operates Hennepin County Medical Center (HCMC). Although the HCMC budget is not included in the Hennepin County budget,

the county pays HCMC a formula-determined amount for uncompensated health care services provided by HCMC to county residents who have low incomes and no health insurance or insurance with high co-pays and deductibles. The 2011 county budget includes \$30.0 million for uncompensated care payments to HCMC which is slightly less than the \$32.8 million budgeted for 2010. The 2011 budget does not include a separate "HCMC Contingency." In the 2010 county budget there was \$18.8 million budgeted for such a contingency. Although there is still much uncertainty about the impact on HCMC of potential state budget reductions and of the federal health care reform act, it was felt that no additional funding of the separate HCMC contingency was required for 2011.

Ballpark for Minnesota Twins

The 2006 Minnesota Legislature authorized Hennepin County to impose a 0.15 percent sales tax and issue bonds to finance the public's contribution to a new ballpark for the Minnesota Twins, as well as infrastructure related thereto. During 2007 and 2008, the county issued \$350 million in sales tax revenue bonds as the county's contribution to ballpark construction. All bond proceeds from the sale of the ballpark bonds were turned over to the Minnesota Ballpark Authority, the public owner and operator of the new ballpark. The 2011 county budget includes revenues from the 0.15 percent sales tax to first, pay the debt service on the ballpark bonds and then to fund increased library hours and youth sports activities, pursuant to the legislation authorizing the ballpark.

HENNEPIN COUNTY
2011 BUDGET PROCESS CALENDAR

2011 BUDGET

Current Fiscal Year	2011 Operating Budget	2011 - 2015 Capital Improvement Program	Related Activities
January			2010 Fiscal Year begins
February		2011 - 2015 Capital Budget Instructions Distributed	
March		Departmental Preliminary Capital Project Requests submitted to Property Services	Recap of FY 2009 Financials Completed & Distributed
April			
May	2011 Operating Budget Instructions & Targets Distributed	Capital project descriptions & cost estimates returned to departments; Departments finalized capital project requests; and Departments meet with County Administration regarding CIP	
June	Departments develop 2011 Budget Requests consistent with Property Tax Targets and other Budget Guidelines		
July	2011 Department Budget Requests due County Administration & Budget Office review and discuss budget requests with departments	Capital Budgeting Task Force (CBTF) meets with departments to review 2011 - 2015 capital improvement program requests	2nd Quarter 2010 Financials/Year-end Projections Completed & Distributed
August	County Board Briefing on 2011 budget & tax levy; County Board adopts maximum proposed property tax levy for 2011; and County Administrator presents Proposed 2011 Budget		
September		CBTF finalizes its recommended 2011 - 2015 CIP; County Administrator finalizes the proposed 2011 - 2015 CIP	
October	Beginning in October, the County Board holds a series of public hearings to review and discuss proposed 2011 operating and capital budgets, and proposed fee schedule revisions		3rd Quarter 2010 Financials/Year-end Projections Completed & Distributed
November	Truth-in-Taxation notices mailed to all property owners The County Board holds public hearings to consider amendments to the proposed 2011 operating and capital budgets; and holds a public meeting for budget and levy discussion.		
December	County Board approves a final 2011 property tax levy and adopts a 2011 Operating and Capital Budget; and Budget Office finalizes property tax levy certifications and reporting to State agencies.		2010 Fiscal Year ends

Budget/Financial Planning Processes

The annual budget process incorporates several short and long-term planning processes.

- The foundation of the annual budget is the five overarching goals first established by the County Board in 1999, found on page I-1 of this document.
- The five-year Capital Improvement Program (CIP), which includes the 2011 Capital Budget as the first year of the program, is another example of an annual planning process that the county conducts. The CIP is reviewed and amended each year with the assistance of the Capital Budgeting Task Force (CBTF), an eleven member advisory committee of citizens appointed by the Hennepin County Board of Commissioners. Specific details of the county's capital projects and the CBTF's Report are contained within a separate document, **2011 Capital Budget and 2011-2015 Capital Improvement Program**. An itemized list of the authorized 2011 capital projects and their authorized appropriations are contained in Section VIII of this document.
- The county is replacing its legacy financial, human resources and procurement systems. The project, known as APEX, will transform human resources, payroll, finance and procurement business processes and systems. On January 1, 2011 the finance and procurement modules were launched following significant preparatory work throughout 2010. During 2011, the budgeting module will be initiated for use in the 2012 budgeting process.

- The Office of Budget and Finance prepares interim financial reports at the fund and departmental level to increase participation and accountability throughout county government. These reports provide the County Board and County Administrator critical financial information needed for sound fiscal management decision-making as the fiscal year progresses.

In addition to these formalized planning processes, the county has incorporated a number of other short-term or ad-hoc planning groups to study and make recommendations on a variety of discussion issues.

The 2011 Hennepin County Property Tax Process

Tax Base

Minnesota's property tax system is generally considered to be one of the most complex in the country. The tax base starts with estimated market value (EMV), which is set by county or local assessors. The amount of value that is actually used in computing taxes is taxable market value (TMV). For most types of property, TMV and EMV are the same. Differences between the two are the result of specific market value exclusions adopted by the state legislature, such as the exclusion for qualifying disabled veterans.

Property taxes in Minnesota are ultimately based on a local jurisdiction's total tax capacity, or tax base. The tax capacity of an individual property is determined by multiplying the property's taxable market value by the relevant class rate or rates. Class rates are determined by the use of a particular property. For example, residential properties have a lower class rate than business properties. These rates are set in statute and are uniform throughout the state.

Estimated Market Value (EMV)

Estimated market value represents the selling price of a property, given a willing buyer and seller. In the assessment year 2010, for taxes payable in 2011, the county's total EMV was \$132.4 billion, a decline of \$9.4 billion, or 6.6 percent, from taxes payable in 2010. In Minneapolis, property values decreased by \$2.1 billion, or 5.7 percent. Suburban property values fell by \$7.3 billion, or 7.0 percent.

For the second year in a row, both the City of Minneapolis and suburban Hennepin saw a decline in value for all types of property. In Minneapolis, residential and

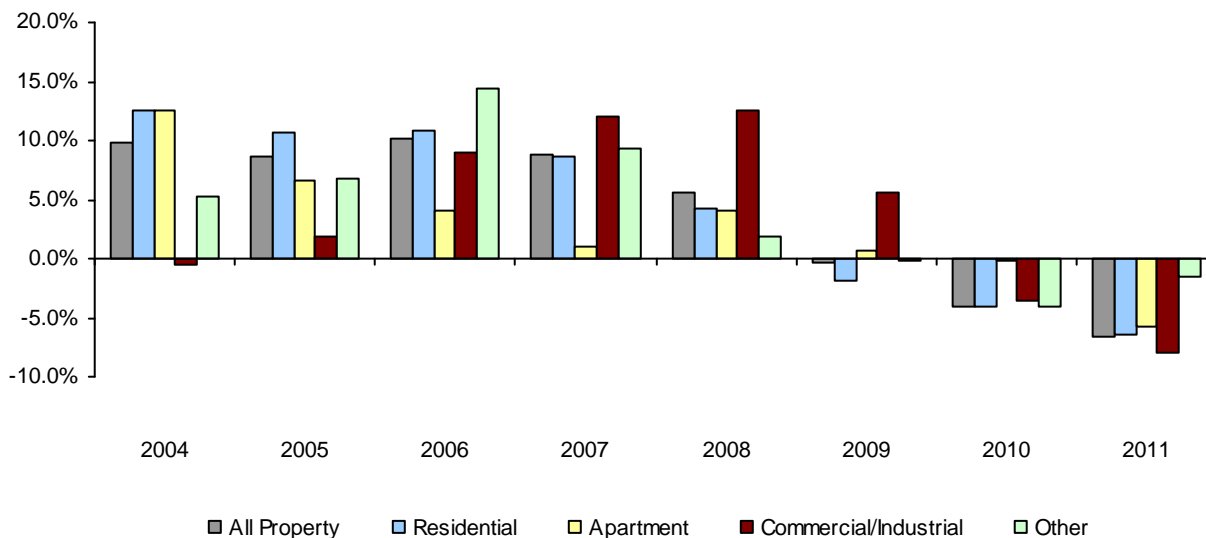
commercial/industrial property values fell by 4.4 percent and 9.2 percent, respectively. In the suburbs, residential property values went down by 7.1 percent and commercial/industrial property values decreased by 7.3 percent.

Suburban properties account for 73.6 percent of Hennepin County's estimated market value with the remaining 26.4 percent in the City of Minneapolis. Residential property accounts for the majority of the property value in both Minneapolis (67.3 percent) and suburban Hennepin County (74.2 percent).

Comprising 9.5 percent of total EMV, apartment properties are more prevalent in Minneapolis compared to the suburbs where they are 4.9 percent of total EMV. There is also a larger percentage of commercial and industrial property value in Minneapolis (22.1 percent of EMV) than in the suburban areas (19.2 percent of EMV).

2011 Estimated Market Value Hennepin County (in millions)					
Suburban					
<u>Property Type</u>	<u>Pay 2010</u> <u>Suburbs</u>	<u>%</u> <u>Total</u>	<u>Pay 2011</u> <u>Suburbs</u>	<u>%</u> <u>Total</u>	<u>Percent Change</u> <u>2010-2011</u>
Apartment	\$5,050.8	4.8%	\$4,801.1	4.9%	(4.9%)
Residential	77,837.4	74.3%	72,285.1	74.2%	(7.1%)
Farm	772.2	0.7%	685.2	0.7%	(11.3%)
Comm./Ind.	20,229.8	19.3%	18,746.5	19.2%	(7.3%)
Other	36.2	0.1%	35.7	0.1%	(1.3%)
Personal Prop.	<u>869.7</u>	<u>0.8%</u>	<u>919.8</u>	<u>0.9%</u>	<u>5.8%</u>
Total	104,796.1	100.0%	97,473.4	100.0%	(7.0%)
Minneapolis					
<u>Property Type</u>	<u>Pay 2010</u> <u>Minneapolis</u>	<u>%</u> <u>Total</u>	<u>Pay 2011</u> <u>Minneapolis</u>	<u>%</u> <u>Total</u>	<u>Percent Change</u> <u>2010-2011</u>
Apartment	\$3,556.8	9.6%	\$3,308.1	9.5%	(7.0%)
Residential	24,611.9	66.4%	23,534.4	67.3%	(4.4%)
Farm	1.5	0.0%	1.5	0.0%	(1.2%)
Comm./Ind.	8,493.5	22.9%	7,708.6	22.1%	(9.2%)
Other	24.9	0.1%	23.6	0.1%	(5.0%)
Personal Prop.	<u>368.9</u>	<u>1.0%</u>	<u>375.8</u>	<u>1.0%</u>	<u>1.9%</u>
Total	37,057.5	100.0%	34,952.0	100.0%	(5.7%)
Countywide					
<u>Property Type</u>	<u>Pay 2010</u> <u>County</u>	<u>%</u> <u>Total</u>	<u>Pay 2011</u> <u>County</u>	<u>%</u> <u>Total</u>	<u>Percent Change</u> <u>2010-2011</u>
Apartment	\$8,607.6	6.1%	\$8,109.2	6.1%	(5.8%)
Residential	102,449.3	72.2%	95,819.6	72.4%	(6.5%)
Farm	773.8	0.5%	686.7	0.5%	(11.3%)
Comm./Ind.	28,723.2	20.2%	26,455.1	20.0%	(7.9%)
Other	61.1	0.0%	59.3	0.0%	(2.8%)
Personal Prop.	<u>1,238.6</u>	<u>1.0%</u>	<u>1,295.5</u>	<u>1.0%</u>	<u>4.6%</u>
Total	141,853.6	100.0%	132,425.4	100.0%	(6.6%)

Change in Estimated Market Value



Tax Capacity

Tax capacity is the county's tax base, after the state-determined tax classification rates are applied to taxable market value. Tax capacity acts as one of the major determinants of tax incidence, a measure of which properties bear the burden of the property tax levy. For example, residential properties valued under \$500,000 convert to tax capacity at a rate of 1.0 percent of estimated market value (EMV), while commercial properties convert at a rate of 2.0 percent of EMV in excess of \$150,000. This shifts the distribution of the tax burden between property types. On a countywide basis, residential property makes up 72.4 percent of the EMV, but after the conversion to (unadjusted) tax capacity, residential reflects 60.2 percent of total tax capacity. Similarly, commercial/industrial property has 20.0 percent of the countywide EMV, but the tax capacity will increase it to 31.8 percent.

There are two other state programs which further shift the tax burden between property types and are set by jurisdictions

other than Hennepin County. They are the Metropolitan Fiscal Disparities Program and Tax Increment Financing.

- The Metropolitan Fiscal Disparities Program was created by the state legislature and shares the growth in the commercial/industrial tax base in the 7-county metropolitan area. In 2011, approximately \$33.7 million in taxes paid by Hennepin County taxpayers will be used to support services in other counties.

- Tax Increment Financing (TIF) districts, which are determined by city governments, exclude portions of the tax base to finance redevelopment efforts. In 2010, approximately \$100.8 million in taxes were used to pay for improvements in TIF districts and unavailable to support county and school programs. These programs increase the tax burden on all other properties. After adjusting for the fiscal disparities contribution and TIF, the tax burden shifts back onto residential, apartment, and other properties.

Property % of Total	Estimated Market Value	Tax Capacity	Net Tax Capacity
Residential	72.4%	60.2%	66.8%
Commercial/ Industrial	20.0%	31.8%	24.4%
Apartment	6.1%	6.0%	6.6%
Other/Personal	1.5%	2.0%	2.2%
Total	100%	100%	100%

Tax capacity is adjusted for fiscal disparities and TIF to get the net tax capacity. The property tax levy is divided by the net tax capacity of all real and personal property in the county to determine the tax capacity rate. That rate then will be applied against the adjusted tax capacity of real and personal property in Hennepin County. For taxes payable 2011, the total adjusted tax capacity of taxable property in Hennepin County is estimated to be \$1.5 billion, a 7.9 percent decrease from taxes payable in 2010.

In addition, residential property tax bills are impacted by the Market Value Credit (MVC) Program. This program was created by the state legislature in 2001 with the intention of providing owners of lower-valued homes a break from shifts in the property tax laws intended to benefit owners of commercial and apartment properties. The credit amounts paid to homeowners are based on the value of a home and are calculated after property tax levies are certified. The amount of the relief decreases as the value of a home increases, with homes valued over \$413,700 receiving no credit. The market value credit amounts are allocated to each taxing jurisdiction according to the share of the total tax rate that each taxing jurisdiction represents. The credit amount for an individual homeowner will be subtracted from the total tax bill they receive, with the state later reimbursing the taxing district for the lost property tax receipts. For 2010, \$16.7 million was credited to homeowners for their Hennepin

County taxes under the MVC program. The state reimbursed the county for \$3.7 million of these credits.

Tax Levy Process

The process for establishing and certifying the property tax levy is prescribed by Minnesota State Statutes 275.065. For taxes payable in 2011, local governments were required to adopt a maximum property tax levy by September 15, 2010 and to send out proposed property taxes notices in November. Local governments were also required to hold a meeting after 6 pm where the public was allowed to speak and the 2011 budget and levy were discussed. The final 2011 tax levy had to be adopted and certified to the County Auditor by December 28, 2010. Hennepin County met all of the state requirements for establishing the 2011 property tax levy.

After the county has determined the property tax requirements for the budget year, the budget requirement will be increased by a factor to compensate for delinquent and uncollectible taxes and refunds of prior-year taxes. The collection factor of 96.5 percent has been established for 2011 and, therefore, an additional 3.5 percent has been applied to the property tax requirement of county funds (except in the case of debt service funds where the collection factor is regulated by law to be 100 percent) to produce the amount of property tax to be levied.



Hennepin County, Minnesota
09-07-2010

**Hennepin County Board/
Welfare Board**

County Administrator
Richard P. Johnson

Deputy County Administrator
David Hough

Assistant County Administrator
Human Services and Public Health
Daniel Engstrom

Assistant County Administrator
Public Works
Marthand Nookala

Medical Center Systems
Arthur Gonzalez

Metropolitan Health Plan
Cynthia MacDonald

NorthPoint Health and Wellness Center
Stella Whitney-West

Budget and Finance
David Lawless

Human Resources
Rafael Viscasillas

Intergovernmental Relations
Mary Beth Davidson

Internal Audit
Karen Marquardt

Labor Relations
William Peters

Public Affairs
Carolyn Marinar

Research, Planning and Development
Kristine Martin

Library
Lois Thompson

Criminal Justice Coordinating Committee

Human Resources Board

Audit Committee

Library Board

County Assessor
James Atchison

Information Technology
Donald Holmberg

Medical Examiner
Andrew Baker

Property Services
Judith Hollander

Taxpayer Services
Jill Alverson

Examiner of Titles Division
Kimball Foster

Purchasing and Contract Services Div.
Alanna Tyler

Human Services and Public Health Areas
Curt Haats
Rex Holzemer
Deborah Huskins
Todd Monson
Milton Schoen

Environmental Services
Carl Michaud

Housing, Community Works and Transit
Philip Eckhert

Public Works Management Support
Maurice Gieske

Transportation
James Grube

Joint Committee Community Corrections

Community Corrections and Rehabilitation
Tom Merkel

District Court Administration
Mark Thompson

Office of the County Attorney
Michael O. Freeman

Office of the Public Defender
William Ward

Office of the Sheriff
Richard Stanek

Law Library
Edward Carroll (acting)

Judges

State Board of Public Defense

Trustees of the Law Library



Hennepin County

2011 BUDGET

Adopted

Mission:

The mission of Hennepin county is to enhance the health, safety and quality of life of our residents and communities in a respectful, efficient and fiscally responsible way.

Description and Goals:

Vision:

We envision a future where residents are healthy and successful and where our communities are safe and vibrant. We strive to meet and exceed expectations by engaging people and communities in developing innovative solutions to challenges. We will be a diverse, learning organization. We will partner with others to enhance the quality of life in Hennepin County and the region.

Overarching Goals:

Healthy - People are healthy, have access to quality health care and live in a clean environment.

Protected and Safe - People are safe from harm through prevention, early intervention and treatment services, and through enhanced public safety.

Self-Reliant - People achieve success with the support of essential services, have access to affordable housing and opportunities for life-long learning.

Assured Due Process - People are assured equal protection of the laws through an adversarial and respectful system designed to assure fairness and reliability in the ascertainment of liability, guilt and innocence.

Mobile - People and goods move easily and safely throughout the county and the region, via an integrated system of transportation.

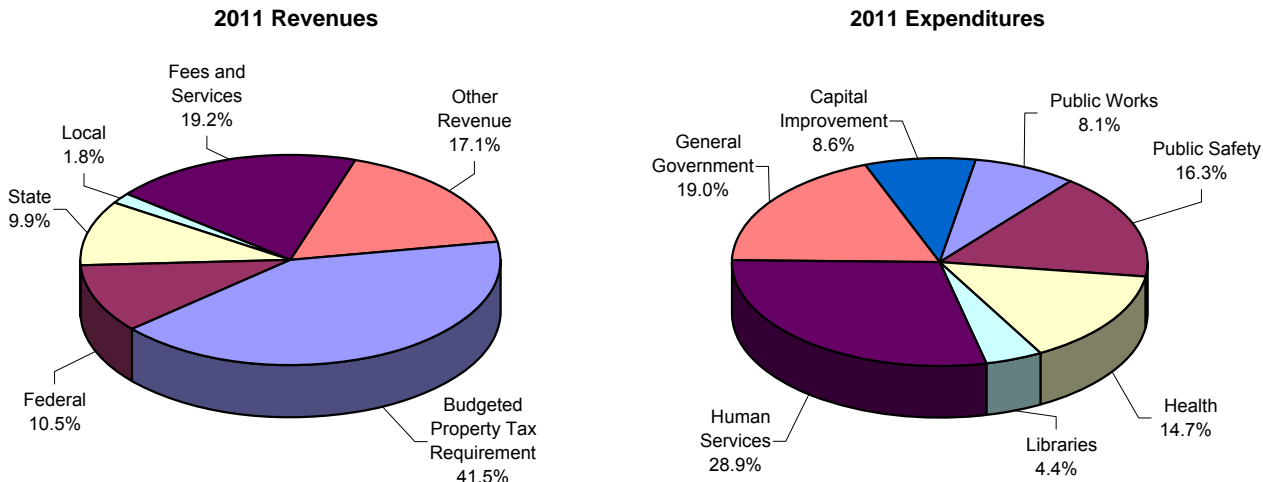
Revenue and Expenditure Information:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$637,382,039	\$657,208,172	\$648,115,974
Federal	171,784,977	172,001,507	163,335,001
State	183,538,531	174,744,303	154,339,641
Local	29,184,682	42,475,359	28,559,524
Fees and Services	316,550,631	305,337,528	299,938,538
Other Revenue	380,688,716	297,387,442	267,141,431
Total Revenues	\$1,719,129,576	\$1,649,154,311	\$1,561,430,109
Public Works	\$113,223,206	\$130,314,558	\$125,942,805
Public Safety	250,489,325	258,049,035	254,015,278
Health	199,610,091	217,948,156	230,300,692
Libraries	62,379,119	70,455,118	69,190,562
Human Services	455,791,662	465,755,382	450,853,160
General Government	360,879,666	310,916,062	296,371,943
Capital Improvements	155,790,148	195,716,000	134,755,669
Total Expenditures	\$1,598,163,217	\$1,649,154,311	\$1,561,430,109

*Reflects adjusted property tax, not actual property tax collections.

Hennepin County

2011 BUDGET
Adopted

Revenue and Expenditure Comparison:



Revenue Highlights:

The 2011 revenue budget for Hennepin County is \$1.56 billion, a decrease of 5.3 percent (\$87.7 million) over the 2010 adjusted budget. The approved capital budget totals \$134.8 million, which is 31.2 percent (\$61.0 million) less than the adjusted 2010 capital budget. When capital is excluded, the operating portion reflects a reduction of \$26.7 million or 1.8 percent under the 2010 adjusted budget. The operating and capital expenditures will be offset by \$913.3 million in non-property tax revenues and \$648.1 million in property taxes. The county will operate with 7,459.8 authorized full-time equivalents (FTEs) which is a decrease of 47.8 FTEs over the 2010 adjusted budget.

The Revenue and Expenditure Section reflects an overview of the 2011 budget by revenue category and major program area. The majority of Hennepin County's 2011 budgeted expenditures stem from the Human Services, General Government (including debt) and Public Safety programs. In 2011, these programs account for 64.1 percent of the appropriated expenditures and 81.5 percent of the FTEs.

For further detail on significant changes in revenues and expenditures by category or major program visit Sections II-VIII.

Property Tax Revenues

Property tax revenue makes up \$648.1 million (41.5 percent) of the 2011 budgeted revenue, reflecting a decrease of 1.4 percent from the 2010 adjusted budget of \$657.2 million. Even with the state's negative fiscal outlook and the likelihood of further cuts in local government aids, the county has been able to reduce property taxes while many other local governments enacted levy increases. More information on property tax computation can be found on page 12.

Federal Revenues

The 2011 expected federal revenue is \$163.3 million, or 10.5 percent of all county revenues and represents a decrease of 5.0 percent (\$8.7 million) from the 2010 adjusted budget. The majority of the decrease falls in the general fund from the sunset of American Reinvestment Recovery Act projects in workforce and the Hennepin Justice Integration Grant, along with lower Housing and Urban Development lead mitigation revenue.

Of the \$163.3 million in anticipated federal revenue, \$127.0 million (77.7 percent) stems from the Human Services Fund and \$29.7 million (18.2 percent) from the General Fund. The revenue from Human Services consists of reimbursements from the administrative costs of health, human services, child support, economic assistance, and training and employment. The revenue in the General Fund supports programs like Housing Urban Development (HUD), Workforce Improvement Program (WIP), and Emergency Preparedness for \$20.8 million. Public Safety anticipates \$5.1 million in federal funds that are targeted for specific purposes like reimbursement for administrative costs related to child support collection, child protection, welfare fraud, Homeland Security, State Criminal Alien Assistance Program (SCAAP), Driving While Intoxicated (DWI) countermeasure programs, and the breakfast and lunch programs at the Juvenile Detention Center (JDC) and County Home School (CHS).

Revenue Highlights Continued:

The 2011 capital improvements program includes \$6.7 million in federal revenue of which \$6.2 million is dedicated to highway aid for road improvements.

State Revenues

The revenues from the State of Minnesota are budgeted at \$154.3 million, or 9.9 percent of all county revenues, which excludes health maintenance organization fees from state sources. In general, state monies are used to fund activities and services for the following: human service programs, financial assistance along with training and employment programs (\$58.6 million); highway construction and maintenance projects (\$39.4 million); correctional subsidy to assist in the correctional services and programs (\$19.0 million); partial expense reimbursement in the Public Defender's Office (\$8.6 million), and a pension subsidy for peace officers (\$2.1 million). Typically, state funding is based on criteria such as caseloads, statewide funding formulas, approved plans, and particular service requirements.

The State of Minnesota provides property tax relief to Minnesota counties and taxpayers through local aid programs and property tax credits. County Program Aid (CPA) is a general purpose aid, which consists of County Need Aid and County Tax Base Equalization Aid. The aid is distributed as general property tax relief that is allocated proportionately to the funds based upon its percent of the total budgeted property tax. Given the current economic environment at the state level, the CPA for 2011 was budgeted at a reduced level of \$10.0 million. Hennepin County will observe the legislative session to monitor for any further reductions.

Fees and Services Revenues

User fees are established charges borne by those individuals that utilize specific government services and activities. This source of revenue provides an equitable, proportional method to fund governmental services without charging the general population. Minnesota Statutes 383B.118 authorizes counties to establish a fee or charge for a service, after holding a public hearing, based upon the costs of providing such services. The new and revised fee schedules were authorized by the County Board and incorporated into the 2011 budget resolution approved on December 14, 2010.

Total revenues generated from fees charged for services are estimated at \$299.9 million for 2011 which represents 19.2 percent of the total county revenue budget. Fee and service revenue is down \$5.4 million or 1.8 percent from the 2010 adjusted budget. The majority of the decrease can be attributed to reduced rates and declining caseloads for Child Welfare-Targeted Case Management; the sunseting of the American Recovery and Reinvestment Act; Federal Medicaid Assistance Percentage funding; and the realignment to actual receipts for Medicaid.

Hennepin County provides a wide range of services for which fees are charged. The most significant portion of this revenue (\$167.3 million, or 55.8 percent of all fees and services) is generated by reimbursement/payment from third party payers and state and federal reimbursement for patient fees and services provided by NorthPoint Health and Wellness Center and Metropolitan Health Plan.

The Human Services program anticipates an estimated \$46.7 million in fees for services provided in 2011. The majority of this revenue is accounted for in case management and other services for specialized populations (developmentally disabled, vulnerable adults, child at-risk, etc.) and is reimbursed by federal/state Medical Assistance funding at pre-established rates for units of service.

Another major source of fee revenue is the Environmental Management program which collects fees for services associated with management of solid waste. In 2011, \$49.0 million has been budgeted as revenue from tipping fees, ordinances, and solid waste fees.

The Public Safety program, including the Radio Communication Fund, is projecting \$18.9 million in fee revenue. Each department or office provides services in which fees are charged and/or fines assessed. The majority of the revenue stems from charges to other jurisdictions or clients for processing, boarding or monitoring pre- and post-adjudications of clients, civil fees, court fees, program participation fees and leasing radio space and equipment.

Hennepin County

2011 BUDGET

Adopted

Revenue Highlights Continued:

Other Revenues

A wide variety of other revenues totaling \$267.1 million make up 17.1 percent of total revenue in 2011. Other revenue includes miscellaneous taxes, intergovernmental (i.e. participation of municipalities in county road and bridge projects; Hennepin County Medical Center payments), interest income, bond proceeds, building rental, fines, driver's licenses, vital records (i.e. birth and death certificates).

One of the largest sources of other revenue for 2011 are the proceeds generated through the sale of general obligation (GO) bonds to finance authorized road and bridge projects and facility projects within the 2011 capital budget. The \$134.8 million capital budget includes \$44.9 million less in bonding than the \$195.7 million 2010 adjusted capital budget. Much of the difference is due to the Lowry Avenue Bridge being fully funded in 2010 and reductions in proposed funding for Library and General Government projects.

Expected revenue from the Ballpark Sales Tax has been budgeted at \$28.1 million for 2011. These dollars will be utilized to pay debt service for the Ballpark bonds and other uses as allowed by legislation.

Hennepin County's investment income has been affected by the economic recession. The projected forecast for the economy reflects the reality that interest rates have decreased, lowering investment earnings for 2011. In this budget, investment income is projected at \$12 million which is a 23.6 percent decrease from the 2010 adjusted budget of \$15.7 million.

Budgeting of prior year revenue reflects the county's fiscal management practice of maximizing all sources of revenues while simultaneously monitoring revenues and expenditures within the current year to ensure that, while fund balance is utilized to develop the budget, it is seldom used. In the 2011 budget, the use of fund balance has been set \$34.9 million.

The remaining revenue is comprised of indirect cost allocation revenue which is based upon the county's indirect cost allocation plan, interfund transfers, commodity/surplus sales, and changes in net assets in the enterprise funds.

Budgeted Positions:	2009 Budget	2010 Budget	2011 Budget
Public Works	413.0	423.5	419.5
Public Safety	2,280.7	2,243.7	2,215.5
Health	350.5	341.5	339.5
Libraries	689.9	657.0	622.0
Human Services	2,760.4	2,763.8	2,751.2
General Government	1,124.2	1,078.1	1,112.1
Capital Improvements	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	7,618.7	7,507.6	7,459.8

2011 BUDGET

COMPUTATION OF LEVIES BY FUND

	TOTAL BUDGET	INCOME FROM OTHER SOURCES	PROPERTY TAX REQUIREMENT	COLLECTION RATE	GROSS PROPERTY TAX LEVY
County Revenue	\$562,696,925	\$240,822,574	\$321,874,351	96.5%	\$333,548,550
Human Services	450,853,160	242,373,000	208,480,160	96.5%	216,041,617
Metropolitan Health Plan	149,355,377	149,355,377	0	0.0%	0
Solid Waste Enterprise Fund	53,866,696	53,866,696	0	0.0%	0
Library	69,190,562	14,187,267	55,003,295	96.5%	56,998,233
Glen Lake Golf Course	1,140,552	1,140,552	0	0.0%	0
Radio Communications	<u>2,151,746</u>	<u>2,151,746</u>	0	0.0%	0
Total Operating	<u>\$1,289,255,018</u>	<u>\$703,897,212</u>	<u>\$585,357,806</u>		<u>\$606,588,400</u>
Debt Retirement - Countywide	99,556,374	35,401,482	64,154,892	100.0%	64,154,892
Debt Retirement - Suburban	6,992,276	0	6,992,276	100.0%	6,992,276
Ballpark Sales Tax Revenue	30,870,772	30,870,772	0	0.0%	0
Capital Improvements	<u>134,755,669</u>	<u>133,144,669</u>	<u>1,611,000</u>	96.5%	<u>1,669,430</u>
Total Non-Operating	<u>\$272,175,091</u>	<u>\$199,416,923</u>	<u>\$72,758,168</u>		<u>\$72,816,598</u>
GRAND TOTAL	<u>\$1,561,430,109</u>	<u>\$903,314,135</u>	<u>\$658,115,974</u>		<u>\$679,404,998</u>
Less County Program Aid			<u>(\$10,000,000)</u>		<u>(\$10,000,000)</u>
County Property Tax Levy			<u>\$648,115,974</u>		<u>\$669,404,998</u>

2011 BUDGET

TAX CAPACITY TAX CAPACITY RATES

	2009 Actual		2010 Budget		2011 Budget	
ESTIMATED MARKET VALUE						
Minneapolis	\$38,111,782,650		\$37,057,503,700		\$34,951,973,300	
Suburban	<u>109,594,398,067</u>		<u>104,796,090,400</u>		<u>97,473,386,800</u>	
TOTAL ESTIMATED MARKET VALUE	<u>\$147,706,180,717</u>		<u>\$141,853,594,100</u>		<u>\$132,425,360,100</u>	
NET TAX CAPACITY						
Minneapolis	\$413,935,332		\$439,141,541		\$394,847,964	
Suburban	<u>1,198,620,162</u>		<u>1,161,337,991</u>		<u>1,079,130,864</u>	
TOTAL NET TAX CAPACITY	<u>\$1,612,555,494</u>		<u>\$1,600,479,532</u>		<u>\$1,473,978,828</u>	
TAX CAPACITY RATE (OPERATING)	Taxes Payable 2009		Taxes Payable 2010		Taxes Payable 2011	
County Revenue	18.302%		21.234%		22.374%	
Human Services	14.857%		13.807%		14.491%	
Solid Waste Enterprise	0.043%		0.000%		0.000%	
Library	<u>3.577%</u>		<u>3.407%</u>		<u>3.823%</u>	
TOTAL OPERATING RATE	36.779%		38.448%		40.688%	
TAX CAPACITY RATE (NON-OPER.)	<i>Minneapolis</i>	<i>Suburbs</i>	<i>Minneapolis</i>	<i>Suburbs</i>	<i>Minneapolis</i>	<i>Suburbs</i>
Countywide Debt Retirement	2.875%	2.875%	3.500%	3.500%	4.382%	4.382%
Suburban Debt Retirement	0.000%	0.647%	0.000%	0.584%	0.000%	0.652%
Capital Improvements	<u>0.112%</u>	<u>0.112%</u>	<u>0.108%</u>	<u>0.108%</u>	<u>0.114%</u>	<u>0.114%</u>
TOTAL NON-OPERATING RATE	2.987%	3.634%	3.608%	4.192%	4.496%	5.148%
TOTAL TAX CAPACITY RATE	39.766%	40.413%	42.056%	42.640%	45.184%	45.836%
<p>Tax capacity and tax capacity rates shown are prior to final determination of tax capacity and disparity reduction aid and assume partial payment of state County Program Aid (CPA). The rates also reflect initial contributions and distributions of the fiscal disparities program.</p>						

2011 BUDGET

Summary of Expenditures and Revenues By Fund and Program (Page 1 of 2)

I. Governmental Funds

Revenue Sources	County Revenue	Human Services	Library	Capital Improvement	Debt Retirement	Ballpark Sales Tax Revenues	Governmental Funds Subtotal
APPROVED BUDGETED EXPENDITURES							
Public Works	70,935,557						70,935,557
Public Safety	251,863,532						251,863,532
Health	80,945,315						80,945,315
Libraries			69,190,562				69,190,562
Human Services		450,853,160					450,853,160
General Government	158,952,521				106,548,650	30,870,772	296,371,943
Capital Improvements				134,755,669			134,755,669
Total Expenditures	\$562,696,925	\$450,853,160	\$69,190,562	\$134,755,669	\$106,548,650	\$30,870,772	\$1,354,915,738
APPROVED BUDGETED REVENUES							
Current Property Tax	316,325,966	204,957,839	54,074,001	1,611,000	71,147,168		648,115,974
Nonproperty Tax	6,525,369						6,525,369
Federal	29,723,001	126,950,000		6,662,000			163,335,001
State	59,022,682	58,573,321	1,863,138	31,574,000			151,033,141
Other Governmental	1,129,261	1,645,000	5,850,312	14,087,000	5,847,951		28,559,524
Interest on Investment	10,000,000		142,305				10,142,305
Fees and Services	49,912,166	46,694,000	30,000				96,636,166
Fines and Forfeitures	78,800		1,752,097				1,830,897
Licensing and Permits	5,180,199	1,263,000					6,443,199
Bond Proceeds				57,442,000			57,442,000
Other	67,375,230	3,270,000	3,478,709	23,379,669	24,371,383	28,071,414	149,946,405
(Increase)/Decrease in Net Assets							
Budgeted Use of Fund Balance	17,424,251	7,500,000	2,000,000		5,182,148	2,799,358	34,905,757
Total Revenue	\$562,696,925	\$450,853,160	\$69,190,562	\$134,755,669	\$106,548,650	\$30,870,772	\$1,354,915,738

2011 BUDGET

Summary of Expenditures and Revenues By Fund and Program (Page 2 of 2)

II. Enterprise Funds

Revenue Sources	Metropolitan Health Plan	Solid Waste Enterprise	Glen Lake Golf Course	Radio Communication	Governmental and Enterprise Funds Totals
APPROVED BUDGET EXPENDITURES					
Public Works		53,866,696	1,140,552		125,942,805
Public Safety				2,151,746	254,015,278
Health	149,355,377				230,300,692
Libraries					69,190,562
Human Services					450,853,160
General Government					296,371,943
Capital Improvements					134,755,669
Total Expenditures	<u>\$149,355,377</u>	<u>\$53,866,696</u>	<u>\$1,140,552</u>	<u>\$2,151,746</u>	<u>\$1,561,430,109</u>
APPROVED BUDGETED REVENUES					
Current Property Tax					648,115,974
Nonproperty Tax		200,000			6,725,369
Federal					163,335,001
State		3,306,500			154,339,641
Other Governmental					28,559,524
Interest on Investments	463,714	1,370,000			11,976,019
Fees and Services	151,020,590	48,989,484	1,140,552	2,151,746	299,938,538
Fines and Forfeitures		20,000			1,850,897
Licensing and Permits		813,000			7,256,199
Bond Proceeds					57,442,000
Other		123,086			150,069,491
(Increase)/Decrease to Working Capital	(2,128,927)	(955,374)			(3,084,301)
Budgeted Use of Fund Balance					34,905,757
Total Revenue	<u>\$149,355,377</u>	<u>\$53,866,696</u>	<u>\$1,140,552</u>	<u>\$2,151,746</u>	<u>\$1,561,430,109</u>

2011 BUDGET

Estimated Revenues By Fund (Page 1 of 2)

I. Governmental Funds

Revenue Sources	County Revenue	Human Services	Library	Capital Improvement	Debt Retirement	Ballpark Sales Tax Revenue	Governmental Subtotals
Property Taxes							
Current Collections	\$321,874,351	\$208,480,160	\$55,003,295	\$1,611,000	\$71,147,168		\$658,115,974
Less Program Aid	(5,548,385)	(3,522,321)	(929,294)				(10,000,000)
Total Property Taxes	316,325,966	204,957,839	54,074,001	1,611,000	71,147,168		648,115,974
Nonproperty taxes	6,525,369						6,525,369
Total - All Taxes	322,851,335	204,957,839	54,074,001	1,611,000	71,147,168		654,641,343
Intergovernmental-Federal							
Highway Aids				6,262,000			6,262,000
Human Services		126,950,000					126,950,000
Other	29,723,001			400,000			30,123,001
Total Federal	29,723,001	126,950,000		6,662,000			163,335,001
Intergovernmental-State							
County Program Aid	5,548,385	3,522,321	929,294				10,000,000
Highway Participation	14,813,582			24,554,000			39,367,582
Community Corrections	19,019,999						19,019,999
Community Health		2,212,000					2,212,000
Human Services		52,839,000					52,839,000
Public Defender	8,625,000						8,625,000
Other	11,015,716		933,844	7,020,000			18,969,560
Total State	59,022,682	58,573,321	1,863,138	31,574,000			151,033,141
Intergovernmental-Local	1,129,261	1,645,000	5,850,312	14,087,000	5,847,951		28,559,524
Intergovernmental Total	89,874,944	187,168,321	7,713,450	52,323,000	5,847,951		342,927,666
Fees and Services	49,912,166	46,694,000	30,000				96,636,166
Fines and Forfeitures	78,800		1,752,097				1,830,897
Other Revenue							
Interest on Investments	10,000,000		142,305				10,142,305
Licensing and Permits	5,180,199	1,263,000					6,443,199
Bond Proceeds				57,442,000			57,442,000
Commodity/Other Sales							0
Indirect Cost Allocation	9,857,524						9,857,524
Sales Tax Revenue						28,071,414	28,071,414
Miscellaneous	57,517,706	3,270,000	3,478,709	23,379,669	24,371,383		112,017,467
Total Other Revenue	82,555,429	4,533,000	3,621,014	80,821,669	24,371,383	28,071,414	223,973,909
Total Current Revenue	545,272,674	443,353,160	67,190,562	134,755,669	101,366,502	28,071,414	1,320,009,981
Decrease/(Increase) Net Assets							0
Budgeted Use of Fund Balance	17,424,251	7,500,000	2,000,000		5,182,148	2,799,358	34,905,757
TOTAL REVENUE	<u>\$562,696,925</u>	<u>\$450,853,160</u>	<u>\$69,190,562</u>	<u>\$134,755,669</u>	<u>\$106,548,650</u>	<u>\$30,870,772</u>	<u>\$1,354,915,738</u>

2011 BUDGET

Estimated Revenues

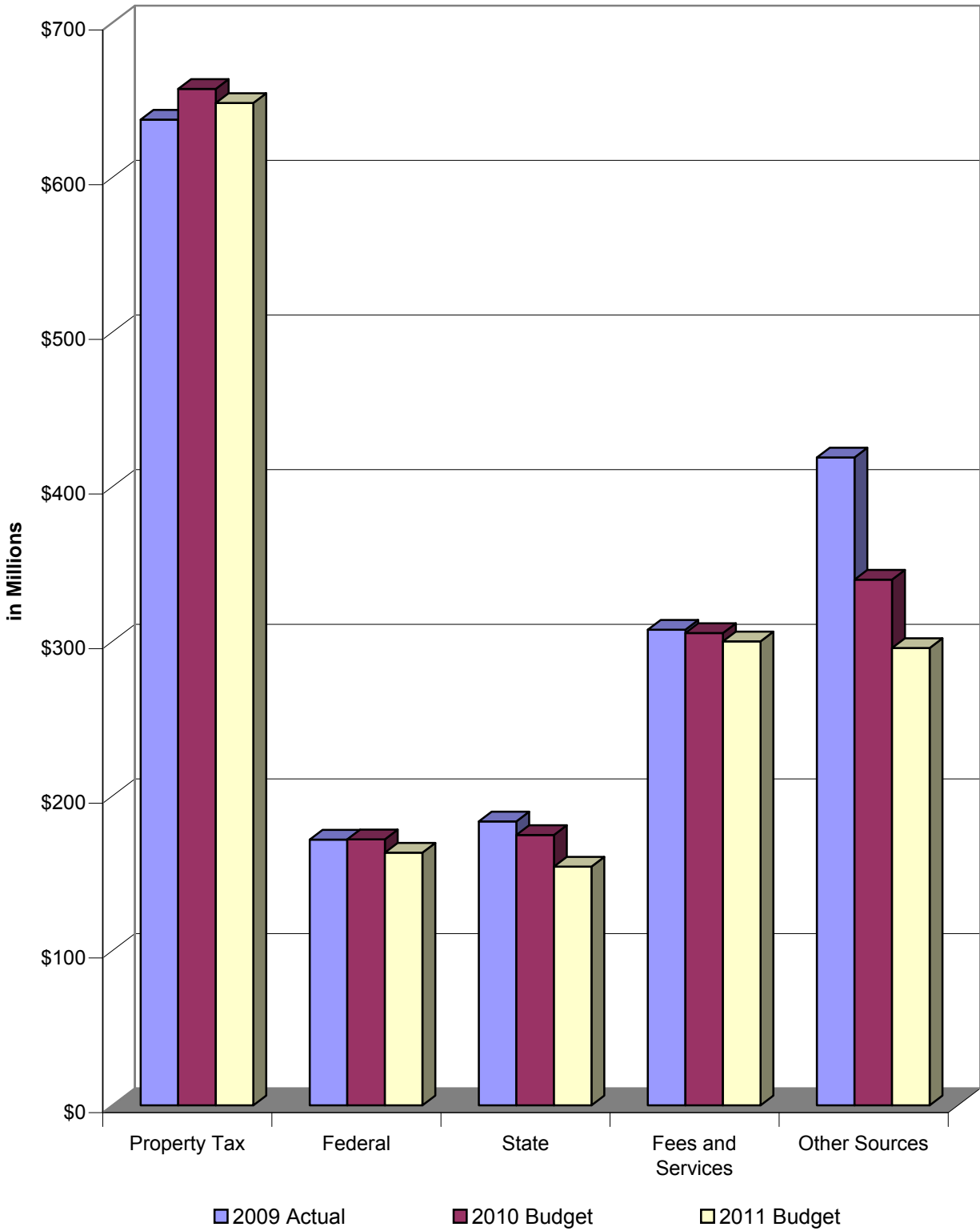
By Fund

(Page 2 of 2)

II. Enterprise Funds

Revenue Sources	Metropolitan Health Plan	Solid Waste Enterprise	Glen Lake Golf Course	Radio Communications	Governmental and Enterprise Totals
Property Taxes					
Current Collections					\$658,115,974
Less Program Aid					(10,000,000)
Total Property Taxes					648,115,974
Nonproperty taxes		200,000			6,725,369
Total - All Taxes		200,000			654,841,343
Intergovernmental-Federal					
Highway Aids					6,262,000
Human Services					126,950,000
Other					30,123,001
Total Federal					163,335,001
Intergovernmental-State					
County Program Aid					10,000,000
Highway Participation					39,367,582
Community Corrections					19,019,999
Community Health					2,212,000
Human Services					52,839,000
Public Defender					8,625,000
Other		3,306,500			22,276,060
Total State		3,306,500			154,339,641
Intergovernmental-Local					28,559,524
Intergovernmental Total		3,306,500			346,234,166
Fees and Services	151,020,590	48,989,484	1,140,552	2,151,746	299,938,538
Fines and Forfeitures		20,000			1,850,897
Other Revenue					
Interest on Investments	463,714	1,370,000			11,976,019
Licensing and Permits		813,000			7,256,199
Bond Proceeds					57,442,000
Commodity/Other Sales					0
Indirect Cost Allocation					9,857,524
Sales Tax Revenue					28,071,414
Miscellaneous		123,086			112,140,553
Total Other Revenue	463,714	2,306,086			226,743,709
Total Current Revenue	151,484,304	54,822,070	1,140,552	2,151,746	1,529,608,653
Decrease (Increase) Net Assets	(2,128,927)	(955,374)			(3,084,301)
Budgeted Use of Fund Balance					34,905,757
TOTAL REVENUE	<u>\$149,355,377</u>	<u>\$53,866,696</u>	<u>\$1,140,552</u>	<u>\$2,151,746</u>	<u>\$1,561,430,109</u>

SOURCES OF REVENUE 2009 - 2011

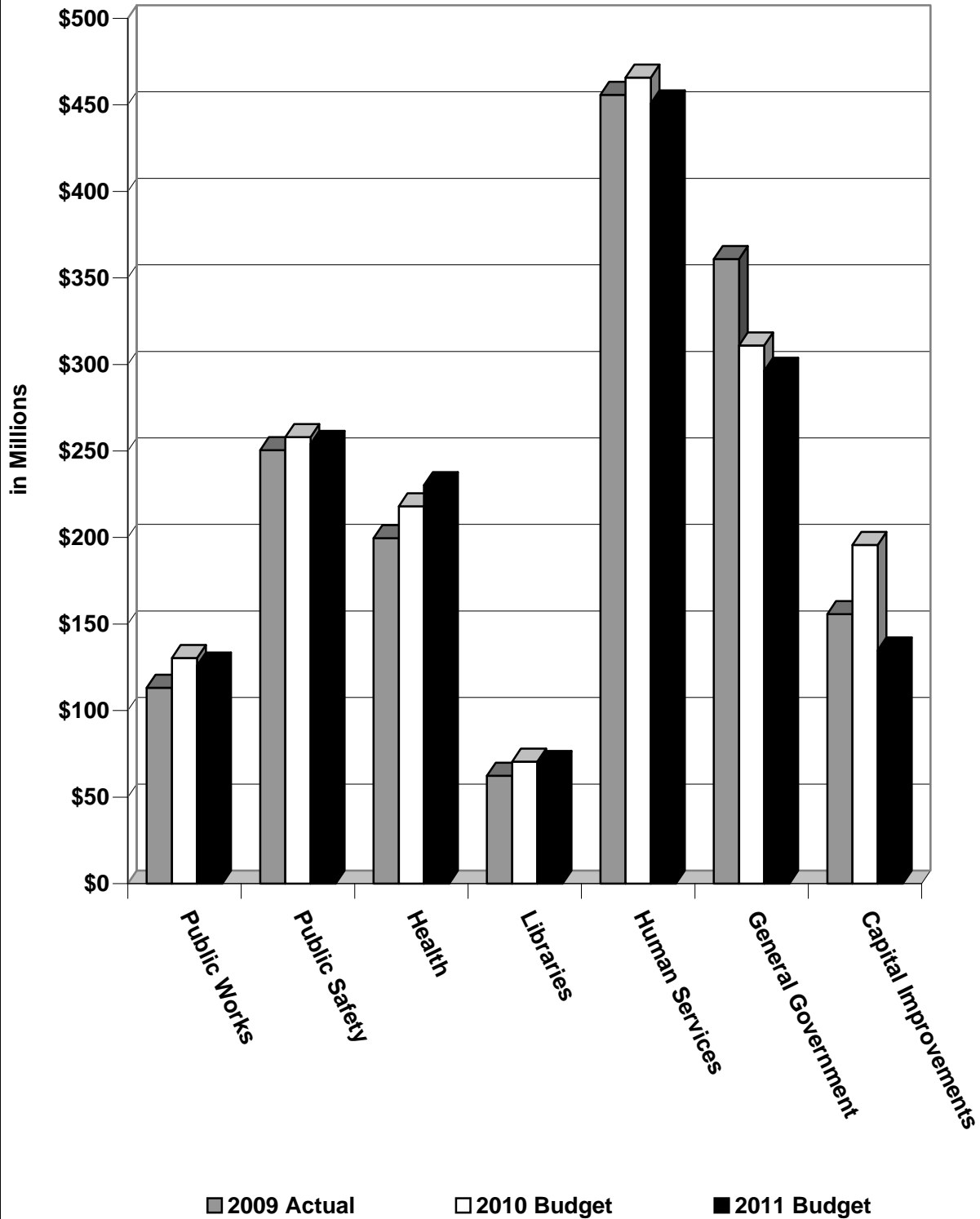


2011 BUDGET

SOURCES OF REVENUE

	2009 Actual	2010 Budget	2011 Budget
Current Property Tax	\$637,382,039	\$657,208,172	\$648,115,974
Taxes - Other	2,298,651	1,822,189	6,725,369
Federal	171,784,977	172,001,507	163,335,001
State	183,538,531	174,744,303	154,339,641
Local	29,184,682	42,475,359	28,559,524
Fees and Services	307,524,174	305,337,528	299,938,538
Fines and Forfeitures	2,385,147	1,872,628	1,850,897
Interest on Investments	13,798,602	15,685,605	11,976,019
Licensing and Permits	6,641,310	7,180,482	7,256,199
Bond Proceeds	259,532,262	112,783,000	57,442,000
Other	105,059,201	139,675,706	150,069,491
Subtotal - Current Revenue	<u>1,719,129,576</u>	<u>1,630,786,479</u>	<u>1,529,608,653</u>
Increase in Net Assets	<u>0</u>	<u>(7,728,089)</u>	<u>(3,084,301)</u>
Use of Fund Balance	<u>0</u>	<u>26,095,921</u>	<u>34,905,757</u>
TOTAL REVENUES	<u>\$1,719,129,576</u>	<u>\$1,649,154,311</u>	<u>\$1,561,430,109</u>

EXPENDITURES BY MAJOR PROGRAM 2009-2011



2011 BUDGET

EXPENDITURES AND FTE SUMMARY

MAJOR PROGRAM	2009 ACTUAL		2010 BUDGET		2011 BUDGET	
	ACTUAL	FTE	BUDGET	FTE	BUDGET	FTE
Public Works	\$113,223,206	413.0	\$130,314,558	423.5	\$125,942,805	419.5
Public Safety	250,489,325	2,280.7	258,049,035	2,243.7	254,015,278	2,215.5
Health	199,610,091	350.5	217,948,156	341.5	230,300,692	339.5
Libraries	62,379,119	689.9	70,455,118	657.0	69,190,562	622.0
Human Services	455,791,662	2,760.4	465,755,382	2,763.8	450,853,160	2,751.2
General Government	360,879,666	1,124.2	310,916,062	1,078.1	296,371,943	1,112.1
Capital Improvements	<u>155,790,148</u>	<u>0.0</u>	<u>195,716,000</u>	<u>0.0</u>	<u>134,755,669</u>	<u>0.0</u>
Total	<u>\$1,598,163,217</u>	<u>7,618.7</u>	<u>\$1,649,154,311</u>	<u>7,507.6</u>	<u>\$1,561,430,109</u>	<u>7,459.8</u>

PERSONNEL COMPARISON BY DEPARTMENT
 FULL-TIME EQUIVALENTS (FTEs)

PROGRAM / DEPARTMENT	2009 YEAR END	2010 BUDGET	2011 BUDGET	Chg 2010-2011
PUBLIC WORKS				
Public Works Administration.....	15.0	24.5	20.5	(4.0)
Housing, Community Works & Transit.....	53.0	62.0	62.0	0.0
Public Works Management Support *.....	68.0	60.0	60.0	0.0
Transportation.....	213.0	213.0	213.0	0.0
Environmental Services *.....	64.0	64.0	64.0	0.0
Glen Lake Golf Course.....	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>413.0</u>	<u>423.5</u>	<u>419.5</u>	<u>(4.0)</u>
PUBLIC SAFETY				
County Attorney.....	336.5	343.0	344.0	1.0
County Court Functions	0.0	0.0	0.0	0.0
Law Library.....	7.8	7.8	7.8	0.0
Public Defender.....	102.2	97.8	94.8	(3.0)
County Sheriff.....	828.0	835.0	835.0	0.0
Community Corrections & Rehabilitation....	1,006.2	960.1	933.9	(26.2)
Radio Communications.....	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>2,280.7</u>	<u>2,243.7</u>	<u>2,215.5</u>	<u>(28.2)</u>
HEALTH				
NorthPoint Health and Wellness.....	163.3	161.3	161.3	0.0
Metropolitan Health Plan.....	160.5	153.5	151.5	(2.0)
Medical Examiner.....	<u>26.7</u>	<u>26.7</u>	<u>26.7</u>	<u>0.0</u>
TOTAL	<u>350.5</u>	<u>341.5</u>	<u>339.5</u>	<u>(2.0)</u>
LIBRARIES				
TOTAL	<u>689.9</u>	<u>657.0</u>	<u>622.0</u>	<u>(35.0)</u>
HUMAN SERVICES				
TOTAL	<u>2,760.4</u>	<u>2,763.8</u>	<u>2,751.2</u>	<u>(12.6)</u>
GENERAL GOVERNMENT				
Commissioners.....	25.0	25.0	25.0	0.0
County Administration.....	16.3	15.2	17.4	2.2
County Assessor.....	41.0	39.5	39.5	0.0
Budget and Finance.....	94.5	91.5	92.3	0.8
Research, Planning and Development.....	20.0	19.0	19.0	0.0
Information Technology *.....	241.0	233.0	276.0	43.0
Property Services.....	245.5	227.5	223.5	(4.0)
Taxpayer Services.....	317.8	309.3	300.3	(9.0)
Human Resources.....	74.1	70.1	64.1	(6.0)
Public Affairs.....	18.0	17.5	17.5	0.0
Internal Audit.....	12.0	13.0	13.0	0.0
Examiner of Titles.....	8.0	8.0	8.0	0.0
Computer Forensics Unit.....	3.5	4.0	5.0	1.0
General County Purposes.....	2.0	0.0	0.0	0.0
Debt Retirement.....	0.0	0.0	0.0	0.0
Ballpark Sales Tax Revenue Programs.....	0.0	0.0	0.0	0.0
Employee Health Plan Self Insurance*.....	0.0	0.0	6.0	6.0
Self Insurance *.....	<u>5.5</u>	<u>5.5</u>	<u>5.5</u>	<u>0.0</u>
TOTAL	<u>1,124.2</u>	<u>1,078.1</u>	<u>1,112.1</u>	<u>34.0</u>
GRAND TOTAL	<u>7,618.7</u>	<u>7,507.6</u>	<u>7,459.8</u>	<u>(47.8)</u>

*Includes Internal Service Fund FTEs.

2011 BUDGET

COUNTY REVENUE FUND SUMMARY

Basis of Accounting: Modified Accrual	2009 ACTUAL	2010 BUDGET	2011 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$500,117,686</u>	<u>\$582,043,127</u>	<u>\$562,696,925</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	316,511,207	334,334,877	321,874,351
Less Program Aid	(17,146,136)	(10,125,149)	(5,548,385)
Less Market Value Homestead Credit	<u>(7,053,823)</u>	<u>0</u>	<u>0</u>
Total Property Taxes	<u>292,311,248</u>	<u>324,209,728</u>	<u>316,325,966</u>
<u>Nonproperty Taxes</u>			
Mortgage Registry/Deed Tax	954,742	1,035,734	685,000
Other	<u>1,009,810</u>	<u>576,455</u>	<u>5,840,369</u>
Total Nonproperty Taxes	<u>1,964,552</u>	<u>1,612,189</u>	<u>6,525,369</u>
Total Taxes	<u>294,275,800</u>	<u>325,821,917</u>	<u>322,851,335</u>
<u>Intergovernmental Revenue</u>			
Federal	19,595,704	36,712,161	29,723,001
State - County Program Aid	17,146,136	10,125,149	5,548,385
State - Market Value Homestead Credit	7,053,823	0	0
State - Highway Maintenance	12,454,391	15,101,778	14,813,582
State - Community Corrections	19,393,853	19,380,763	19,019,999
State - Public Defender	8,600,000	8,625,000	8,625,000
State - Other	<u>12,400,790</u>	<u>18,060,707</u>	<u>11,015,716</u>
Total State	<u>77,048,993</u>	<u>71,293,397</u>	<u>59,022,682</u>
Other	<u>2,717,092</u>	<u>1,765,287</u>	<u>1,129,261</u>
Total Intergovernmental Revenue	<u>99,361,789</u>	<u>109,770,845</u>	<u>89,874,944</u>
<u>Investment Income</u>	<u>11,376,229</u>	<u>13,750,000</u>	<u>10,000,000</u>

2011 BUDGET

COUNTY REVENUE FUND SUMMARY (Page 2 of 2)

	2009 ACTUAL	2010 BUDGET	2011 BUDGET
<u>Fees and Services</u>			
Service Center Fees and Passports	2,772,120	3,208,007	3,259,680
NorthPoint Patient Reimbursements	13,850,049	16,398,619	16,209,989
Assessor - Services Provided To Municipalities	1,608,219	1,680,900	1,673,250
Boarding of Prisoners	5,618,310	5,015,143	5,063,700
Correction Facility Fees	1,064,981	1,264,670	1,504,555
Law Library	1,164,235	1,040,000	1,030,000
Public Records Fees	6,886,638	6,809,601	7,375,000
Client Fees	1,996,231	2,735,500	2,645,500
Sheriff Fees	3,667,174	3,785,271	3,777,273
Other Fees and Service Charges	<u>6,929,045</u>	<u>7,906,804</u>	<u>7,373,219</u>
Total Fees and Services	<u>45,557,001</u>	<u>49,844,515</u>	<u>49,912,166</u>
Total Fines and Forfeitures	<u>494,856</u>	<u>78,800</u>	<u>78,800</u>
<u>Licenses and Permits</u>			
Driver's Licenses	1,250,845	1,355,323	1,321,889
Vital Certificates	1,117,053	1,321,405	1,300,525
Motor Vehicle Licenses	1,736,402	1,798,439	1,805,670
Other Licenses and Permits	<u>546,647</u>	<u>724,315</u>	<u>752,115</u>
Total Licenses and Permits	<u>4,650,948</u>	<u>5,199,482</u>	<u>5,180,199</u>
<u>Other Revenue</u>			
Commodity, Concession/Miscellaneous Sales	1,928,001	2,109,974	1,234,028
Indirect Cost Allocation	12,598,731	12,062,676	9,857,524
Interfund	8,607,968	(1,589,143)	(1,368,214)
Building Rental	18,779,684	20,383,291	19,702,424
Miscellaneous	<u>12,749,386</u>	<u>30,705,694</u>	<u>37,949,468</u>
Total Other Revenue	<u>54,663,771</u>	<u>63,672,492</u>	<u>67,375,230</u>
<u>Total Current Revenue</u>	<u>510,380,394</u>	<u>568,138,051</u>	<u>545,272,674</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>13,905,076</u>	<u>17,424,251</u>
<u>TOTAL REVENUES</u>	<u>\$510,380,394</u>	<u>\$582,043,127</u>	<u>\$562,696,925</u>

2011 BUDGET

COUNTY REVENUE FUND EXPENDITURES AND FTE SUMMARY

MAJOR PROGRAM/DEPARTMENT	2009		2010		2011	
	ACTUAL	FTE	BUDGET	FTE	BUDGET	FTE
PUBLIC WORKS						
Public Works	<u>\$51,286,705</u>	<u>320.0</u>	<u>\$78,530,230</u>	<u>330.5</u>	<u>\$70,935,557</u>	<u>326.5</u>
PUBLIC SAFETY						
County Attorney's Office	39,161,184	336.5	42,578,501	343.0	42,223,351	344.0
County Court Functions	1,754,273	0.0	2,415,000	0.0	2,294,000	0.0
Law Library	1,631,029	7.8	1,663,937	7.8	1,689,595	7.8
Public Defender	16,132,864	102.2	15,985,245	97.8	15,868,047	94.8
Sheriff's Office	84,811,144	828.0	87,395,931	835.0	85,460,047	835.0
Community Corrections & Rehabilitation	<u>104,568,252</u>	<u>1,006.2</u>	<u>105,659,163</u>	<u>960.1</u>	<u>104,328,492</u>	<u>933.9</u>
Subtotal	<u>248,058,746</u>	<u>2,280.7</u>	<u>255,697,777</u>	<u>2,243.7</u>	<u>251,863,532</u>	<u>2,215.5</u>
HEALTH						
NorthPoint Health and Wellness	25,419,816	163.3	26,216,809	161.3	25,728,300	161.3
Medical Examiner	3,357,971	26.7	3,696,177	26.7	3,792,015	26.7
Uncompensated Care	27,805,702	0.0	32,805,702	0.0	30,000,000	0.0
HCMC Intergovernmental Transfers	<u>5,224,730</u>	<u>0.0</u>	<u>5,275,000</u>	<u>0.0</u>	<u>21,425,000</u>	<u>0.0</u>
Subtotal	<u>61,808,219</u>	<u>190.0</u>	<u>67,993,688</u>	<u>188.0</u>	<u>80,945,315</u>	<u>188.0</u>
GENERAL GOVERNMENT						
Commissioners	2,558,649	25.0	2,753,737	25.0	2,711,829	25.0
County Administration	7,321,837	16.3	3,000,982	15.2	2,843,822	17.4
County Assessor	3,685,264	41.0	3,915,217	39.5	3,964,507	39.5
Budget and Finance	19,287,734	94.5	19,051,451	91.5	16,112,551	92.3
Research, Planning and Development	3,697,223	20.0	3,200,009	19.0	3,017,669	19.0
Information Technology	12,684,478	112.0	6,828,494	38.8	8,984,752	47.8
Property Services	40,511,285	245.5	44,534,949	227.5	43,456,553	223.5
Taxpayer Services	27,306,049	317.8	33,082,606	309.3	27,081,971	300.3
Human Resources	7,195,714	74.1	7,863,274	70.1	6,885,782	64.1
Public Affairs	2,405,530	18.0	2,205,189	17.5	2,266,635	17.5
Internal Audit	1,543,360	12.0	2,003,326	13.0	2,075,856	13.0
Examiner of Titles	865,568	8.0	937,398	8.0	898,877	8.0
Computer Forensics Unit	451,044	3.5	723,635	4.0	690,685	5.0
General County Purposes	<u>9,450,281</u>	<u>2.0</u>	<u>49,721,165</u>	<u>0.0</u>	<u>37,961,032</u>	<u>0.0</u>
Subtotal	<u>138,964,016</u>	<u>989.7</u>	<u>179,821,432</u>	<u>878.4</u>	<u>158,952,521</u>	<u>872.4</u>
TOTAL	<u>\$500,117,686</u>	<u>3,780.4</u>	<u>\$582,043,127</u>	<u>3,640.6</u>	<u>\$562,696,925</u>	<u>3,602.4</u>

2011 BUDGET

HUMAN SERVICES FUND SUMMARY

Basis of Accounting: Modified Accrual	2009 ACTUAL	2010 BUDGET	2011 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$455,791,662</u>	<u>\$465,755,382</u>	<u>\$450,853,160</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	243,179,529	221,482,402	208,480,160
Less Program Aid	(4,145,582)	(6,583,657)	(3,522,321)
Less Market Value Homestead Credit	<u>(5,725,877)</u>	<u>0</u>	<u>0</u>
Total Property Taxes	<u>233,308,070</u>	<u>214,898,745</u>	<u>204,957,839</u>
<u>Nonproperty Taxes</u>			
Other Taxes	<u>138,807</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
Federal - Administrative Grants	21,396,233	13,428,800	19,569,000
Federal - Title XX - Human Services Grants	7,669,186	7,641,000	7,641,000
Federal - Day Care	3,837,870	0	0
Federal - Title IVE - Foster Care	6,066,241	8,955,000	7,000,000
Federal - Grants for Training and Employment Programs	17,062,646	15,938,000	13,523,000
Federal - General	26,115,056	20,165,850	21,708,000
Federal - Title IVD - Child Support	15,269,017	17,488,000	17,772,000
Federal - Refugee Assistance	65,095	182,300	180,000
Federal - Medical Assistance Administration	10,528,179	11,640,300	10,700,000
Federal - Food Stamp Administration	12,906,301	12,766,800	13,600,000
Federal - TANF Administration	5,607,411	5,119,800	5,040,000
Federal - Community Health	8,708,269	7,217,496	8,092,000
Federal Incentive - Child Support	<u>2,209,103</u>	<u>2,125,000</u>	<u>2,125,000</u>
Total Federal	<u>137,440,607</u>	<u>122,668,346</u>	<u>126,950,000</u>

2011 BUDGET

HUMAN SERVICES FUND SUMMARY (Page 2 of 3)

	2009 ACTUAL	2010 BUDGET	2011 BUDGET
State - Grants for Human Services	23,988,483	29,784,932	30,020,000
State - Program Aid	4,145,582	6,583,657	3,522,321
State - Market Value Homestead Credit	5,725,877	0	0
State - Children and Community Svcs Grant	11,769,418	10,604,000	10,604,000
State - Grants for Training and Employment Programs	9,596,230	6,104,000	5,370,000
State - Day Care	9,573,739	0	0
State - Administrative	1,443,020	2,291,400	1,817,000
State - General Assistance	3,866	3,000	3,000
State - Community Health	2,039,695	2,217,000	2,212,000
State - Medical Assistance/Medicare	2,996,966	2,776,000	5,024,000
State - Minnesota Supplemental Aid	121	1,000	1,000
State - Emergency Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Total State	<u>71,282,996</u>	<u>60,364,989</u>	<u>58,573,321</u>
Local Grants	<u>1,402,876</u>	<u>1,836,000</u>	<u>1,645,000</u>
<u>Interest Income</u>	<u>11,043</u>	<u>0</u>	<u>0</u>
<u>Fees and Services</u>			
Patient Fees	3,439,448	4,677,000	4,398,000
Medicaid/GAMC/Targeted Case Management	39,128,033	37,151,000	29,006,000
Medicare	413,091	591,000	201,000
Other Services	<u>12,402,256</u>	<u>12,588,000</u>	<u>13,089,000</u>
Total Fees and Services	<u>55,382,828</u>	<u>55,007,000</u>	<u>46,694,000</u>

2011 BUDGET

HUMAN SERVICES FUND SUMMARY (Page 3 of 3)

	2009 ACTUAL	2010 BUDGET	2011 BUDGET
<u>Health Licenses</u>	<u>1,130,332</u>	<u>1,200,000</u>	<u>1,263,000</u>
<u>Other Revenue</u>			
Miscellaneous - Other	2,130,205	1,820,909	3,270,000
Interfund Revenues	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Revenue	<u>2,130,205</u>	<u>1,820,909</u>	<u>3,270,000</u>
Total Current Revenue	<u>502,227,764</u>	<u>457,795,989</u>	<u>443,353,160</u>
Other Financing (Interfund Transfers)	<u>565,000</u>	<u>0</u>	<u>0</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>7,959,393</u>	<u>7,500,000</u>
<u>TOTAL REVENUES</u>	<u>\$502,792,764</u>	<u>\$465,755,382</u>	<u>\$450,853,160</u>

2011 BUDGET

METROPOLITAN HEALTH PLAN FUND SUMMARY

Basis of Accounting: Accrual	2009 ACTUAL	2010 BUDGET	2011 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$137,801,872</u>	<u>\$149,954,468</u>	<u>\$149,355,377</u>
<u>SOURCE OF REVENUE</u>			
<u>Fees and Services</u>			
Medical Assistance	79,856,284	107,425,626	115,203,977
General Assistance (GAMC)	20,273,744	3,900,752	0
Minnesota Care	10,161,940	22,712,889	14,036,609
Medicare Revenue	29,624,523	17,285,833	21,678,504
Administrative Services Revenue	0	0	6,500
Miscellaneous Revenue	<u>0</u>	<u>94,300</u>	<u>95,000</u>
Total Fees and Services	<u>139,916,491</u>	<u>151,419,400</u>	<u>151,020,590</u>
<u>Other Revenue</u>			
Investment Income	<u>353,584</u>	<u>612,505</u>	<u>463,714</u>
<u>Capital Contributions</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>0</u>	<u>(2,077,437)</u>	<u>(2,128,927)</u>
<u>TOTAL REVENUES</u>	<u>\$140,270,075</u>	<u>\$149,954,468</u>	<u>\$149,355,377</u>

2011 BUDGET

SOLID WASTE ENTERPRISE FUND SUMMARY

Basis of Accounting: Accrual	2009 ACTUAL	2010 BUDGET	2011 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$61,017,157</u>	<u>\$50,638,893</u>	<u>\$53,866,696</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	717,874	0	0
Less Program Aid	(25,060)	0	0
Less Market Value Homestead Credit	(16,559)	0	0
Total Property Taxes	<u>676,255</u>	<u>0</u>	<u>0</u>
<u>Nonproperty Taxes</u>	<u>163,878</u>	<u>210,000</u>	<u>200,000</u>
<u>Intergovernmental Revenue</u>			
Federal Grants	2,736	1,800,000	0
State and Local Grants	3,242,820	3,732,500	3,306,500
State Program Aid	25,060	0	0
State - Market Value Homestead Credit	<u>16,559</u>	<u>0</u>	<u>0</u>
Total Intergovernmental Revenue	<u>3,287,175</u>	<u>5,532,500</u>	<u>3,306,500</u>
<u>Investment Income*</u>	<u>1,189,493</u>	<u>1,323,100</u>	<u>1,370,000</u>
<u>Fees and Services</u>			
Solid Waste Tipping Fees	20,632,428	19,050,000	20,550,000
Solid Waste Mgmt Fees - Hauler Collected	12,969,513	13,200,000	12,600,000
Solid Waste Mgmt Fees - County Collected	16,522,441	0	0
Other Fees and Services	<u>12,886,218</u>	<u>13,271,645</u>	<u>15,839,484</u>
Total Fees and Services	<u>63,010,600</u>	<u>45,521,645</u>	<u>48,989,484</u>
<u>Licenses and Permits</u>			
Solid/Hazardous Waste Licenses	<u>860,030</u>	<u>781,000</u>	<u>813,000</u>
<u>Fines and Penalties</u>			
Solid Waste and Other Fines	<u>89,976</u>	<u>8,000</u>	<u>20,000</u>
<u>Other Revenue/Transfers</u>	<u>4,272,060</u>	<u>2,913,300</u>	<u>123,086</u>
<u>(Increase)/Decrease in Net Assets**</u>	<u>0</u>	<u>(5,650,652)</u>	<u>(955,374)</u>
<u>TOTAL REVENUES</u>	<u>\$73,549,467</u>	<u>\$50,638,893</u>	<u>\$53,866,696</u>

*For 2009, includes -\$290,852 in unrealized gains.

**Change in net assets is prior to adjustment for debt retirement payment for the Hennepin Energy Resource Corporation (HERC).

2011 BUDGET

LIBRARY FUND SUMMARY

Basis of Accounting: Modified Accrual	2009 ACTUAL	2010 BUDGET	2011 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$62,379,119</u>	<u>\$70,455,118</u>	<u>\$69,190,562</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	59,711,341	55,518,003	55,003,295
Less Program Aid	(2,119,633)	(1,624,304)	(929,294)
Less Market Value Homestead Credit	<u>(1,371,134)</u>	<u>0</u>	<u>0</u>
Total Property Taxes	<u>56,220,574</u>	<u>53,893,699</u>	<u>54,074,001</u>
<u>Intergovernmental Revenue</u>			
State - County Program Aid	2,119,633	1,624,304	929,294
Market Value Homestead Credit	1,371,134	0	0
Federal Grants	0	150,000	0
State Grants	1,160,224	1,351,113	933,844
Local Grants	<u>6,631,301</u>	<u>6,721,312</u>	<u>5,850,312</u>
Total Intergovernmental Revenue	<u>11,282,292</u>	<u>9,846,729</u>	<u>7,713,450</u>
<u>Investment Income</u>	<u>672,730</u>	<u>0</u>	<u>142,305</u>
<u>Fees and Services</u>			
Other Services	<u>22,458</u>	<u>48,275</u>	<u>30,000</u>
<u>Fines and Forfeitures</u>			
Book Fines	<u>1,800,315</u>	<u>1,785,828</u>	<u>1,752,097</u>
<u>Other Revenue</u>			
Book Sales	149,520	134,847	151,200
Concessions	282,465	268,555	318,000
Donations	1,094,182	1,693,733	1,137,000
Central Library Parking Ramp	716,380	0	0
Miscellaneous	213,791	91,416	117,672
Interfund Revenues incl. Ballpark Sales Tax	<u>(675,576)</u>	<u>1,468,247</u>	<u>1,754,837</u>
Total Other Revenue	<u>1,780,762</u>	<u>3,656,798</u>	<u>3,478,709</u>
<u>Total Current Revenue</u>	<u>71,779,131</u>	<u>69,231,329</u>	<u>67,190,562</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>1,223,789</u>	<u>2,000,000</u>
<u>TOTAL REVENUES</u>	<u>\$71,779,131</u>	<u>\$70,455,118</u>	<u>\$69,190,562</u>

2011 BUDGET

GLEN LAKE GOLF COURSE FUND SUMMARY

Basis of Accounting: Accrual	2009 ACTUAL	2010 BUDGET	2011 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$919,344</u>	<u>\$1,145,435</u>	<u>\$1,140,552</u>
<u>SOURCE OF REVENUE</u>			
<u>Fees and Services</u>	<u>976,989</u>	<u>1,145,435</u>	<u>1,140,552</u>
Total Current Revenue	<u>976,989</u>	<u>1,145,435</u>	<u>1,140,552</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>TOTAL REVENUES</u>	<u>\$976,989</u>	<u>\$1,145,435</u>	<u>\$1,140,552</u>

2011 BUDGET

RADIO COMMUNICATIONS FUND SUMMARY

Basis of Accounting: Accrual	2009 ACTUAL	2010 BUDGET	2011 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$2,430,579</u>	<u>\$2,351,258</u>	<u>\$2,151,746</u>
<u>SOURCE OF REVENUE</u>			
<u>Fees and Services</u>	<u>2,657,807</u>	<u>2,351,258</u>	<u>2,151,746</u>
<u>Total Current Revenue</u>	<u>2,657,807</u>	<u>2,351,258</u>	<u>2,151,746</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Other Revenues/Transfers</u>	<u>59,855</u>	<u>0</u>	<u>0</u>
<u>TOTAL REVENUES</u>	<u>\$2,717,662</u>	<u>\$2,351,258</u>	<u>\$2,151,746</u>

2011 BUDGET

CAPITAL IMPROVEMENTS FUND SUMMARY

Basis of Accounting: Modified Accrual	2009 ACTUAL	2010 BUDGET	2011 BUDGET
<u>Total Expenditures</u>			
Library	\$21,805,384	\$15,386,000	\$8,380,000
Capital Improvement Funds	133,984,764	180,330,000	126,375,669
<u>TOTAL EXPENDITURES</u>	<u>\$155,790,148</u>	<u>\$195,716,000</u>	<u>\$134,755,669</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	1,942,325	1,656,000	1,611,000
Less Program Aid	(66,250)	0	0
Less Market Value Homestead Credit	(43,459)	0	0
Total Property Taxes	<u>1,832,616</u>	<u>1,656,000</u>	<u>1,611,000</u>
<u>Nonproperty Taxes</u>	<u>1,048</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
Federal - Highway Aids	14,364,225	9,971,000	6,262,000
Federal - Other	381,705	700,000	400,000
State - Program Aid	66,250	0	0
State - Market Value Homestead Credit	43,459	0	0
State - General	2,814,579	5,000,000	7,020,000
State - Highway and Bridge Aids	21,005,100	31,378,000	24,554,000
Other - Transp. Revolving Loan Fund	0	0	0
Other - Local	<u>15,527,365</u>	<u>29,092,000</u>	<u>14,087,000</u>
Total Intergovernmental Revenue	<u>54,202,683</u>	<u>76,141,000</u>	<u>52,323,000</u>
<u>Investment Income</u>	<u>139,138</u>	<u>0</u>	<u>0</u>
<u>Fees and Services</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Other Revenue</u>			
Bond Proceeds	140,000,000	102,383,000	57,442,000
Other	(6,719,434)	15,536,000	23,379,669
Total Other Revenue	<u>133,280,566</u>	<u>117,919,000</u>	<u>80,821,669</u>
<u>Total Current Revenue</u>	<u>189,456,051</u>	<u>195,716,000</u>	<u>134,755,669</u>
<u>TOTAL REVENUES</u>	<u>\$189,456,051</u>	<u>\$195,716,000</u>	<u>\$134,755,669</u>

2011 BUDGET

DEBT RETIREMENT FUND SUMMARY

Basis of Accounting: Modified Accrual	2009 ACTUAL	2010 BUDGET	2011 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$197,682,461</u>	<u>\$100,015,553</u>	<u>\$106,548,650</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	56,375,000	62,550,000	71,147,168
Less Program Aid	(2,053,523)	0	0
Less Market Value Homestead Credit	(1,288,201)	0	0
Total Property Taxes	<u>53,033,276</u>	<u>62,550,000</u>	<u>71,147,168</u>
<u>Nonproperty Taxes</u>	<u>30,366</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
State - Program Aid	2,053,523	0	0
State - Market Value Homestead Credit	1,288,201	0	0
Other intergovernmental	<u>2,906,048</u>	<u>3,060,760</u>	<u>5,847,951</u>
Total Intergovernmental Revenue	<u>6,247,772</u>	<u>3,060,760</u>	<u>5,847,951</u>
<u>Other Revenue</u>			
Interest on Investments	12,641	0	0
Bond Proceeds	119,532,262	10,400,000	0
Other Revenues	<u>21,177,839</u>	<u>24,004,793</u>	<u>24,371,383</u>
Total Other Revenue	<u>140,722,742</u>	<u>34,404,793</u>	<u>24,371,383</u>
<u>Total Current Revenue</u>	<u>200,034,156</u>	<u>100,015,553</u>	<u>101,366,502</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>0</u>	<u>5,182,148</u>
<u>TOTAL REVENUES</u>	<u>\$200,034,156</u>	<u>\$100,015,553</u>	<u>\$106,548,650</u>

Notes: This fund summary shows budgets for General Obligation Debt in Fund 70, and for Ballpark Debt in Fund 79, as well as Lease Revenue Certificates of Participation payments. The latter two are made with non-property tax revenues. The 2009 Actual figures include debt refunding revenue and expenditures of \$119.5 million (for Series 2001A & B, 2002A & B, and 2003C refunded with proceeds from Series 2009B.)

2011 BUDGET

BALLPARK SALES TAX REVENUE FUND SUMMARY

Basis of Accounting: Modified Accrual	2009 ACTUAL	2010 BUDGET	2011 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$24,233,190</u>	<u>\$31,079,077</u>	<u>\$30,870,772</u>
<u>SOURCE OF REVENUE</u>			
<u>Sales Tax Revenue</u>	<u>27,129,143</u>	<u>28,071,414</u>	<u>28,071,414</u>
<u>Interest on Investments</u>	<u>43,744</u>	<u>0</u>	<u>0</u>
<u>Total Current Revenue</u>	<u>27,172,887</u>	<u>28,071,414</u>	<u>28,071,414</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>3,007,663</u>	<u>2,799,358</u>
<u>TOTAL REVENUES</u>	<u>\$27,172,887</u>	<u>\$31,079,077</u>	<u>\$30,870,772</u>

2011 BUDGET

Summary of Operating Fund Balances (Page 1 of 2)

	County Revenue	Human Services	Library	Capital Improvements	Debt Retirement	Ballpark Sales Tax	Governmental Funds Subtotal
2009 Actual							
Beginning Fund Balance/Fund Equity/1	\$147,309,953	\$103,581,874	\$30,688,850	\$7,833,026	\$4,993,913	15,967,861	\$310,375,477
Revenues	501,772,425	502,227,764	72,454,707	189,456,055	200,034,156	27,172,886	1,493,117,993
Expenditures	500,117,686	455,791,662	62,379,119	155,790,148	197,682,461	24,233,189	1,395,994,265
Revenues Over (Under) Expenditures	1,654,739	46,436,102	10,075,588	33,665,907	2,351,695	2,939,697	97,123,728
Other Uses/Transfers	8,607,969	565,000	(675,576)	0	0	0	8,497,393
Ending Balance	\$157,572,661	\$150,582,976	\$40,088,862	\$41,498,933	\$7,345,608	\$18,907,558	\$415,996,598
Reserved Balance/Invested in Capital Assets	24,897,832	867,011	7,125,230	121,183,932	1,729,575	18,907,558	174,711,138
Unreserved Balance/Unrestricted Net Assets/2	132,674,829	149,715,965	32,963,632	(79,684,999)	5,616,033	0	241,285,460
2010 Budget							
Beginning Balance	\$157,572,661	\$150,582,976	\$40,088,862	\$41,498,933	\$7,345,608	\$18,907,558	\$415,996,598
Revenues	559,268,505	457,795,989	69,231,329	195,716,000	100,015,553	28,071,414	1,410,098,790
Expenditures	582,043,127	465,755,382	70,455,118	195,716,000	100,015,553	31,079,077	1,445,064,257
Revenues Over (Under) Expenditures	(22,774,622)	(7,959,393)	(1,223,789)	0	0	(3,007,663)	(34,965,467)
Ending Balance - Reserved and Unreserved	\$134,798,039	\$142,623,583	\$38,865,073	\$41,498,933	\$7,345,608	\$15,899,895	\$381,031,131
2011 Budget							
Beginning Balance	\$134,798,039	\$142,623,583	\$38,865,073	\$41,498,933	\$7,345,608	\$15,899,895	\$381,031,131
Revenues	545,272,674	443,353,160	67,190,562	134,755,669	101,366,502	28,071,414	1,320,009,981
Expenditures	562,696,925	450,853,160	69,190,562	134,755,669	106,548,650	30,870,772	1,354,915,738
Revenues Over (Under) Expenditures	(17,424,251)	(7,500,000)	(2,000,000)	0	(5,182,148)	(2,799,358)	(34,905,757)
Ending Balance - Reserved and Unreserved	\$117,373,788	\$135,123,583	\$36,865,073	\$41,498,933	\$2,163,460	\$13,100,537	\$346,125,374

2011 BUDGET

Summary of Operating Fund Balances (Page 2 of 2)

	Metropolitan Health Plan	Solid Waste	Glen Lake Golf Course	Radio Communications	Governmental and Enterprise Funds Total
2009 Actual					
Beginning Fund Balance/Fund Equity/1	\$7,119,124	\$122,991,549	\$652,566	\$8,244,692	\$449,383,408
Revenues	140,270,075	73,549,467	976,989	2,657,807	1,710,572,331
Expenditures	137,801,872	61,017,157	919,344	2,430,579	1,598,163,217
Revenues Over (Under) Expenditures	2,468,203	12,532,310	57,645	227,228	112,409,114
Other Uses/Transfers	0	0	0	59,855	8,557,248
Ending Balance	\$9,587,327	\$135,523,859	\$710,211	\$8,531,775	\$570,349,770
Restricted Balance/Invested in Capital Assets	1,808,888	98,525,964	557,311	1,856,590	277,459,891
Unreserved Balance/Unrestricted Net Assets	7,778,439	36,997,895	152,900	6,675,185	292,889,879
2010 Budget					
Beginning Balance	\$9,587,327	\$135,523,859	\$710,211	\$8,531,775	\$570,349,770
Revenues	152,031,905	56,289,545	1,145,435	2,351,258	1,621,916,933
Expenditures	149,954,468	50,638,893	1,145,435	2,351,258	1,649,154,311
Revenues Over (Under) Expenditures	2,077,437	5,650,652	0	0	(27,237,378)
Ending Balance - Reserved and Unreserved	\$11,664,764	\$141,174,511	\$710,211	\$8,531,775	\$543,112,392
2011 Budget					
Beginning Balance	\$11,664,764	\$141,174,511	\$710,211	\$8,531,775	\$543,112,392
Revenues	151,484,304	54,822,070	1,140,552	2,151,746	1,529,608,653
Expenditures	149,355,377	53,866,696	1,140,552	2,151,746	1,561,430,109
Revenues Over (Under) Expenditures	2,128,927	955,374	0	0	(31,821,456)
Ending Balance - Reserved and Unreserved	\$13,793,691	\$142,129,885	\$710,211	\$8,531,775	\$511,290,936

1. For governmental funds, beginning balance includes reserved and unreserved balances. For enterprise funds, beginning balance includes restricted and unrestricted retained earnings.
2. The negative unreserved balance in the Capital Improvement fund reflects long-term encumbrances for capital projects where financing is timed to match actual project costs.

2011 BUDGET

INTERNAL SERVICE FUND SUMMARIES

Basis of Accounting: Accrual	2009 ACTUAL	2010 BUDGET	2011 BUDGET
FUND: Central Services			
Program Expenditures	<u>\$5,621,137</u>	<u>\$5,870,423</u>	<u>\$5,406,687</u>
Charges for Services	5,520,261	5,870,423	5,406,687
<u>Net Assets (Increase)/Decrease</u>	<u>100,876</u>	<u>0</u>	<u>0</u>
Total Available Revenues	<u>\$5,621,137</u>	<u>\$5,870,423</u>	<u>\$5,406,687</u>
Total Net Assets-Beginning, as Restated	2,702,455	2,601,579	2,601,579
Change in Net Assets	<u>(100,876)</u>	<u>0</u>	<u>0</u>
Total Net Assets-Ending	2,601,579	2,601,579	2,601,579
FUND: Central Mobile Equipment (CMED)			
Program Expenditures	<u>\$10,377,671</u>	<u>\$12,417,365</u>	<u>\$12,547,258</u>
Charges for Services (includes transfers in)	12,830,693	12,417,365	12,547,258
<u>Net Assets (Increase)/Decrease</u>	<u>(2,453,022)</u>	<u>0</u>	<u>0</u>
Total Available Revenues	<u>\$10,377,671</u>	<u>\$12,417,365</u>	<u>\$12,547,258</u>
Total Net Assets-Beginning	21,629,273	24,082,295	24,082,295
Change in Assets	<u>2,453,022</u>	<u>0</u>	<u>0</u>
Total Net Assets-Ending	24,082,295	24,082,295	24,082,295
FUND: Energy Center			
Program Expenditures	<u>\$8,926,576</u>	<u>\$10,532,249</u>	<u>\$10,007,979</u>
Charges for Services	9,641,827	10,532,249	10,007,979
<u>Net Assets (Increase)/Decrease</u>	<u>(715,251)</u>	<u>0</u>	<u>0</u>
Total Available Revenues	<u>\$8,926,576</u>	<u>\$10,532,249</u>	<u>\$10,007,979</u>
Total Net Assets-Beginning, as Restated	3,857,111	4,572,362	4,572,362
Change in Assets	<u>715,251</u>	<u>0</u>	<u>0</u>
Total Net Assets-Ending	4,572,362	4,572,362	4,572,362
FUND: Information Technology			
Program Expenditures	<u>\$38,032,172</u>	<u>\$48,711,779</u>	<u>\$47,045,459</u>
Charges for Services	39,833,071	48,711,779	47,045,459
<u>Net Assets (Increase)/Decrease</u>	<u>(1,800,899)</u>	<u>0</u>	<u>0</u>
Total Available Revenues	<u>\$38,032,172</u>	<u>\$48,711,779</u>	<u>\$47,045,459</u>
Total Net Assets-Beginning, as Restated	41,277,414	43,078,313	43,078,313
Change in Net Assets	<u>1,800,899</u>	<u>0</u>	<u>0</u>
Total Net Assets-Ending	43,078,313	43,078,313	43,078,313

2011 BUDGET

INTERNAL SERVICE FUND SUMMARIES

Page 2 of 2

Basis of Accounting: Accrual	2009 ACTUAL	2010 BUDGET	2011 BUDGET
FUND: Self Insurance Fund			
Program Expenditures	<u>\$5,344,259</u>	<u>\$5,308,677</u>	<u>\$5,485,760</u>
Charges for Services	4,751,080	5,308,677	5,485,760
Net Assets (Increase)/Decrease	<u>593,179</u>	<u>0</u>	<u>0</u>
Total Available Revenues	<u>\$5,344,259</u>	<u>\$5,308,677</u>	<u>\$5,485,760</u>
Net Assets - Beginning	8,780,600	8,187,421	8,187,421
Change in Net Assets	<u>(593,179)</u>	<u>0</u>	<u>0</u>
Total Net Assets - Ending	8,187,421	8,187,421	8,187,421
FUND: Other Employee Benefits			
Program Expenditures	<u>\$15,371,097</u>	<u>\$17,500,000</u>	<u>\$19,000,000</u>
Charges for Services	9,972,859	17,500,000	19,000,000
Net Assets (Increase)/Decrease	<u>5,398,238</u>	<u>0</u>	<u>0</u>
Total Available Revenues	<u>\$15,371,097</u>	<u>\$17,500,000</u>	<u>\$19,000,000</u>
Net Assets - Beginning, as Restated	(24,457,727)	(29,855,965)	(29,855,965)
Change in Net Assets	<u>(5,398,238)</u>	<u>0</u>	<u>0</u>
Total Net Assets - Ending	(29,855,965)	(29,855,965)	(29,855,965)
FUND: Employee Health Plan Self Insurance			
Program Expenditures	<u>\$0</u>	<u>\$0</u>	<u>\$99,466,162</u>
Charges for Services	0	0	99,466,162
Net Assets (Increase)/Decrease	<u>0</u>	<u>0</u>	<u>0</u>
Total Available Revenues	<u>\$0</u>	<u>\$0</u>	<u>\$99,466,162</u>
Net Assets - Beginning	0	0	0
Change in Net Assets	<u>0</u>	<u>0</u>	<u>0</u>
Total Net Assets - Ending	0	0	0

Major Program: Public Works

Public Works Administration
Housing, Community Works & Transit
Public Works Management Support
Transportation
Environmental Services
Glen Lake Golf Course



Clearing Snow



Hennepin Energy Recovery Center

Program Description:

Public Works strives to ensure the environment is enhanced and preserved for the future; neighborhoods are strong and vibrant with quality affordable housing; economic opportunities and transit to support a self-sufficient population; the best transportation network to move people and goods; energy is used responsibly and the sources are dependable; residents and communities are involved in planning and assessment of services and in identification of issues and outcomes; and an emergency preparedness capability is coordinated among the county and local governments.

Program Highlights:

The Public Works program budget for 2011 is \$125.9 million, a decrease of 3.4 percent when compared with the 2010 adjusted budget of \$130.3 million. Property tax support for this program is decreasing by \$2.3 million or 8.6 percent. The decrease in property tax is caused primarily by a 2010 one-time \$3 million contingency fund transfer to Transportation to provide for additional overlay lane-miles.

The Public Works program will operate with 419.5 full-time equivalent (FTE) employees in 2011, 4.0 FTEs less than the 2010 adjusted budget. The changes in FTEs include:

- Transfer of 3.0 FTEs from Public Works Administration to the Central IT Department
- Transfer of 1.0 FTE from Environmental Services to the Central IT Department
- Reallocation of 1.0 FTE from Public Works Administration to the Hennepin County Energy Center

Public Works 2010 highlights include:

- Completed the planning and training necessary to receive the National Weather Service's StormReady certification
- Served more than 115,000 customers at the Bloomington and Brooklyn Park recycling and household hazardous waste drop-off facilities
- Stabilized various buildings at Fort Snelling Upper Bluff with the Sentence to Service (STS) Homes program
- Completed 170 lane-miles of bituminous overlay and about 3.5 miles of concrete replacement
- Added 10 miles of on-road bikeways and closed three gaps in the bikeway system
- Monitored vehicle use data in order to make decisions about removing underused vehicles from the fleet

Hennepin County

2011 BUDGET

Adopted

Revenue Highlights:

Budgeted 2011 revenue totals \$125.9 million, a 3.4 percent decrease from the 2010 adjusted budget of \$130.3 million. The Public Works program relies primarily on revenue from fees and services, property tax and state aids to finance its budget. The following table is a summary comparing major budgeted revenues in 2010 and 2011.

Property Tax Revenues

For 2011, property tax comprises 19.6 percent of the Public Works program's total estimated revenues. Property tax revenue for 2011 has decreased by \$2.3 million, or 8.6 percent less when compared to 2010.

Federal Revenue

Federal revenue sources of \$21.0 million consist mainly of federal grants for Housing, Community Works & Transit (HCWT) programs. The federal portion of the 2011 budget is 16.7 percent of the total Public Works program revenue, down from 19.8 percent in 2010.

State/Local Revenue

Revenue from the State of Minnesota is estimated at \$22.1 million, and consists mostly of \$14.7 million in County State Aid Highway funding, \$3.8 million for workforce improvement programs and \$3.3 million in state recycling and conservation grants. State revenue is used primarily to offset the Transportation Department's county road maintenance costs. State and local revenue makes up 18.4 percent of the total Public Works program revenue for 2011, compared to 20.1 percent in 2010.

Fees and Services Revenue

Fees and services represent the most significant category of revenue, estimated at \$49.6 million for 2011. These items account for approximately 39.3 percent of the 2011 Public Works program's total funding, compared to 36.9 percent in 2010. This category of revenue consists primarily of solid waste and hazardous waste management fees for services and utility/transportation permit fees.

Other Revenue

The other revenue category historically consisted of revenue generated by the Environmental Response Fund, Glen Lake Golf Course, and revenue HCWT receives from the Hennepin County Regional Railroad Authority and Hennepin County Housing and Redevelopment Authority for project staffing support. Increases in 2011 are primarily due to the reduction in retained earnings for Environmental Services.

Department Summary:	2009 Actual	2010 Budget	2011 Budget
Public Works Administration	\$2,523,639	\$4,129,990	\$4,596,665
Housing, Community Works & Transit	14,561,284	34,462,575	28,754,861
Public Works Management Support	3,229,526	2,760,009	2,740,680
Transportation	32,065,786	37,177,656	34,843,351
Environmental Services	73,549,465	50,638,893	53,866,696
Glen Lake Golf Course	976,989	1,145,435	1,140,552
Total Revenues	\$126,906,689	\$130,314,558	\$125,942,805
Public Works Administration	\$2,896,497	\$4,129,990	\$4,596,665
Housing, Community Works & Transit	14,397,452	34,462,575	28,754,861
Public Works Management Support	2,203,751	2,760,009	2,740,680
Transportation	31,789,005	37,177,656	34,843,351
Environmental Services	61,017,157	50,638,893	53,866,696
Glen Lake Golf Course	919,344	1,145,435	1,140,552
Total Expenditures	\$113,223,206	\$130,314,558	\$125,942,805

Hennepin County

2011 BUDGET

Adopted

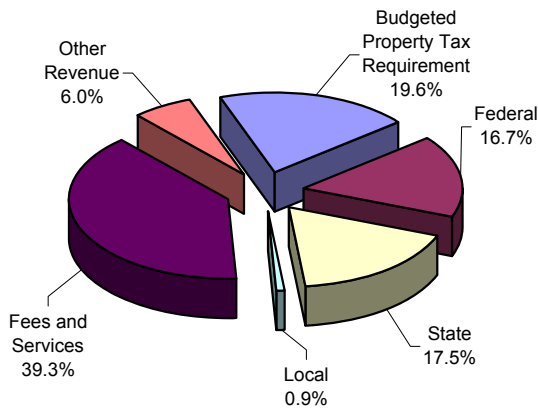
Revenue and Expenditure Information:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$24,105,427	\$27,022,364	\$24,695,721
Federal	9,904,457	25,777,651	20,996,754
State	15,877,066	25,152,375	22,072,375
Local	1,936,710	980,825	1,084,611
Fees and Services	64,069,948	48,146,793	49,552,041
Other Revenue	11,013,081	3,234,550	7,541,303
Total Revenues	\$126,906,689	\$130,314,558	\$125,942,805

**Reflects adjusted property tax, not actual property tax collections.*

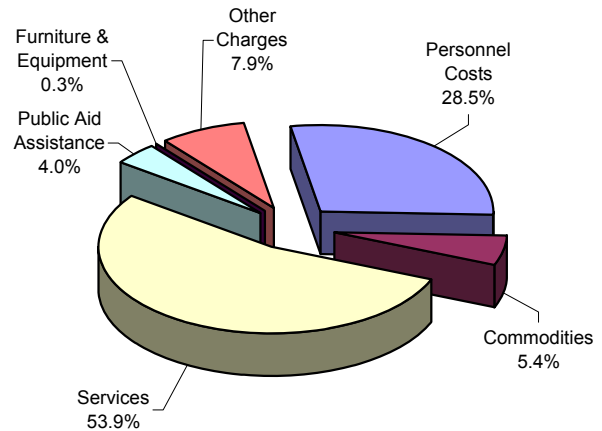
Personnel Costs	\$33,018,584	\$35,541,080	\$35,842,338
Commodities	5,289,866	6,221,478	6,869,449
Services	64,010,201	72,632,659	67,858,025
Public Aid Assistance	0	6,204,129	5,069,427
Furniture & Equipment	486,641	257,782	329,411
Other Charges	10,417,914	9,457,430	9,974,155
Total Expenditures	\$113,223,206	\$130,314,558	\$125,942,805

Revenue and Expenditure Comparison:

2011 Revenues



2011 Expenditures



Budgeted Positions:	2009 Budget	2010 Budget	2011 Budget
Public Works Administration	15.0	24.5	20.5
Housing, Community Works & Transit	53.0	62.0	62.0
Public Works Management Support*	68.0	60.0	60.0
Transportation	213.0	213.0	213.0
Environmental Services*	64.0	64.0	64.0
Glen Lake Golf Course	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	413.0	423.5	419.5

**FTE totals include employees from Internal Service Funds.*

Hennepin County

Public Works Administration
Public Works

2011 BUDGET
Adopted

Mission:

To provide leadership and guidance for the Public Works business line to ensure Hennepin County is a place where the natural and human environments support and sustain one another in the present and are preserved for the future, where safe, affordable housing and accessible transportation choices ensure that everyone may live, work and enjoy life.

Department Description:

Public Works Administration (PWA) provides leadership and guidance for the Public Works business line and is responsible for payroll, emergency management and information technology for those departments. PWA includes the following divisions:

- Administration
- Emergency Preparedness
- Management Information Systems (MIS)

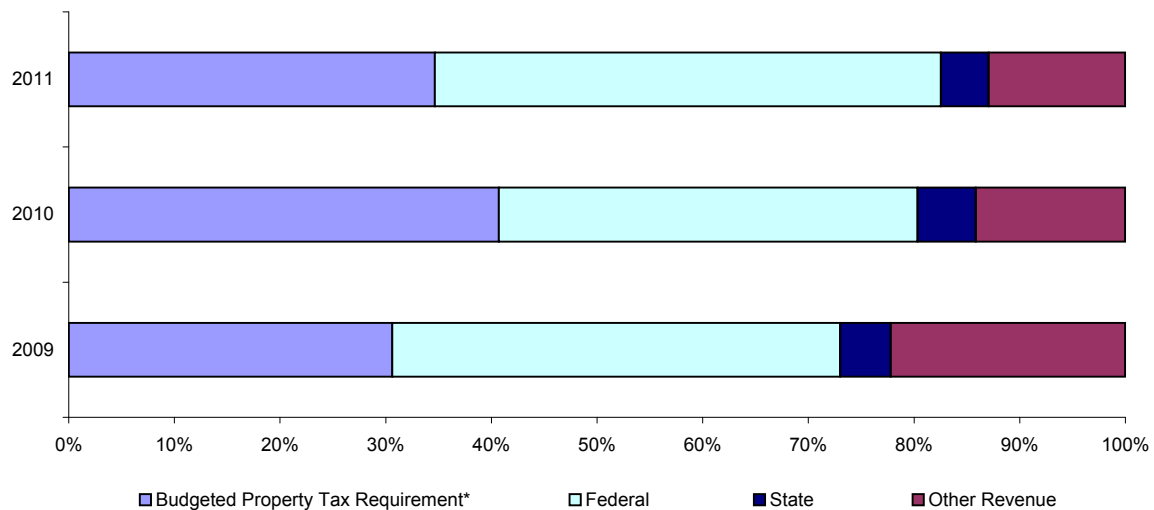
Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$772,520	\$1,680,758	\$1,592,677
Federal	1,070,289	1,637,751	2,202,258
State	120,711	226,998	206,700
Local			
Fees and Services			
Other Revenue	560,119	584,483	595,030
Total Revenues	\$2,523,639	\$4,129,990	\$4,596,665
Personnel Costs	\$2,075,540	\$2,254,304	\$1,962,087
Supplies and Materials	37,834	17,637	24,702
Purchased or Contract Services	673,687	1,788,812	2,564,035
Equipment and Asset Purchases	79,285		1,100
Other Expenditures	30,151	69,237	44,741
Total Expenditures	\$2,896,497	\$4,129,990	\$4,596,665

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	15.0	24.5	20.5
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Revenue Comparison:



Hennepin County

Public Works Administration
Public Works

2011 BUDGET
Adopted

Significant Budget Changes:

The department budget is increasing for 2011 primarily due to an increase in Emergency Preparedness equipment purchases for grant sub-recipients.

Four positions have been transferred out of the department. Four from the MIS Division are moving to the Central Information Technology Department and one from the Emergency Preparedness Division to the Hennepin County Energy Center.

Division Budgets:	2009 Actual	2010 Budget	2011 Budget
Administration	\$535,630	\$933,190	\$937,959
Emergency Preparedness	1,435,190	2,124,935	2,630,866
Management Information Systems	925,677	1,071,865	1,027,840
Total Expenditures	\$2,896,497	\$4,129,990	\$4,596,665

Budget Commentary

In 2011, the Emergency Preparedness Division will explore working with the Twin Cities Security Partnership, with the mission to keep the Twin Cities safe. The Business Continuity and Flu Pandemic Plan, needed so the county can continue to function in an emergency, will continue to evolve as it transitions to a new software program.

Key Results:	2009	2010 Est.	2011 Goal
Operating budget comprised of external funding	80%	78%	81%
Diversity within permanent staff	29%	31%	35%
Sub-recipient requests for reimbursement processed within 30 days	99%	100%	100%
Grants spent down to 2% of original award at closeout	100%	100%	100%
Public Works Business Line budget expended for technology	1.3%	1.3%	1%
New technology projects completed	8	7	6

Additional Resources:

Hennepin County: www.hennepin.us/emergencymanagement

State of Minnesota, Division of Homeland Security and Emergency Management: www.hsem.state.mn.us

Metropolitan Emergency Managers' Association: www.mema-mn.com

Hennepin County

Housing, Community Works & Transit Public Works

2011 BUDGET
Adopted

Mission:

The mission of Housing, Community Works and Transit is to build and strengthen communities by developing quality, affordable housing and creating healthy built environments that provide transportation choices and community connections, attract investment and create jobs.

Department Description:

Communities are at the heart of Hennepin County’s Housing, Community Works and Transit Department (HCWT). Our work focuses on investing local, regional, county, state and federal resources in partnership with public and private partners to achieve housing, transportation and transit community improvement goals. We are organized into five divisions:

- Engineering and Transit Planning
- Community and Workforce Development
- Housing Development and Finance
- Real Estate
- Sentencing to Service Homes

HCWT also provides staff to support the projects of the Housing and Redevelopment Authority (HRA) and the Regional Railroad Authority (RRA).

Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$2,778,072	\$3,009,901	\$2,864,806
Federal	8,962,446	22,205,399	18,602,496
State	91,278	6,196,099	3,818,443
Local	677,818	269,000	500,000
Fees and Services	109,342	395,148	553,557
Other Revenue	1,942,328	2,387,028	2,415,559
Total Revenues	\$14,561,284	\$34,462,575	\$28,754,861
Personnel Costs	\$5,408,260	\$6,555,625	\$6,691,340
Supplies and Materials	303,234	223,329	703,863
Purchased or Contract Services	8,563,436	21,307,072	16,103,361
Public Aid Assistance		6,204,129	5,069,427
Equipment and Asset Purchases	799	2,365	365
Other Expenditures	121,723	170,055	186,505
Total Expenditures	\$14,397,452	\$34,462,575	\$28,754,861

**Reflects adjusted property tax, not actual property tax collections.*

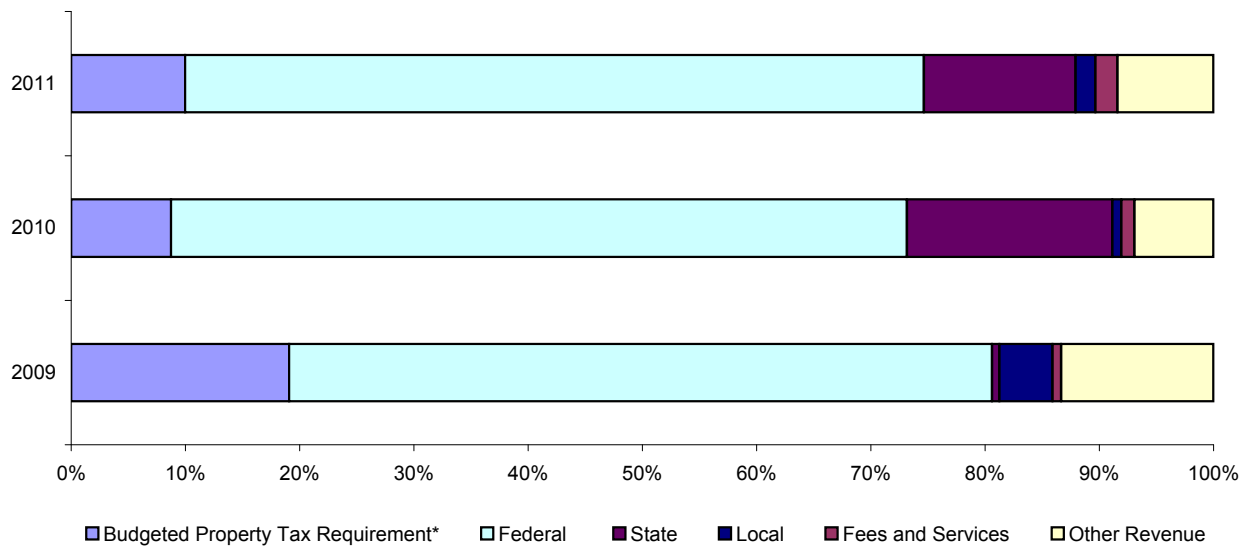
Budgeted Positions (Full-time Equivalents)	53.0	62.0	62.0
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Hennepin County

**Housing, Community Works & Transit
Public Works**

**2011 BUDGET
Adopted**

Revenue Comparison:



Significant Budget Changes:

The 2011 HCWT Budget reflects the following major budget changes:

1. In 2010, the Workforce Investment Programs were transferred to the HCWT Development Division. In 2011, over \$8.7 million in federal and state workforce funds are budgeted. The 2011 budget is a \$4.2 million dollar decrease from 2010 due to the significant amount of non-renewable American Recovery and Reinvestment Acts funds received by the Adult and Youth programs in 2010.
2. The 2011 Lead Grant Program budget includes two major Lead Housing and Urban Development (HUD) programs for a total of \$2.9 million, a \$1.5 million dollar decrease from 2010. The decrease is due to the 2010 budget including funds from prior year grant awards that needed to be spent down in 2010.
3. 58 percent of the Sentencing to Services (STS) Homes program was funded from property tax support in 2010 which will drop to 46 percent in 2011. The new revenues will mainly be generated by the work being accomplished at Fort Snelling with state bond funds.

Division Budgets:

Division Budgets:	2009 Actual	2010 Budget	2011 Budget
Housing, Community Works & Transit	\$9,777,891	\$24,972,189	\$19,537,524
Federal Housing Programs	4,619,561	9,490,386	9,217,337
Total Expenditures	\$14,397,452	\$34,462,575	\$28,754,861

Hennepin County

Housing, Community Works & Transit Public Works

2011 BUDGET
Adopted

Budget Commentary

2010 programs and projects that will be advanced in 2011:

1. Transit Development: Southwest Corridor – transfer to Metropolitan Council and begin Preliminary Engineering (PE), Bottineau Corridor – begin preparation of Draft Environment Impact Statement (DEIS), The Interchange – planning and design, Central Corridor - construction, Northern Lights Express, Red Rock Corridor, Counties Transit Improvement Board staff participation
2. Housing, Development and Finance: affordable rental housing, housing rehabilitation, affordable homeownership, special needs housing, homeless housing and services, foreclosure prevention and recovery, public services and neighborhood revitalization
3. Community Works: Southwest Corridor, Minnehaha-Hiawatha, Lowry Avenue, Bottineau Corridor, Victory Memorial Drive, Fort Snelling Upper Post
4. Economic Development: Transit Oriented Development (TOD), Business Finance (Common Bond Fund), Workforce Investment, Active Living, Healthy Design, Complete Streets
5. Sentencing to Services Homes: Life skills and carpentry training for STS Homes crews

Key Results:	2009	2010 Est.	2011 Goal
Affordable Housing Units Impacted (Rental, Develop, Rehab, Lead Testing and Abatement)	1,470	1,598	1,514
Jobs Created/Retained with County Financing Tools	105	145	200
Southwest / Bottineau - Corridor Advancement	DEIS / AA**	DEIS / AA**	PE / DEIS**
STS Homes Revenue Generating Partnerships	8	11	12
Work Force program participants who will return to long-term employment	85%	85%	85%
Amount leveraged with Federal Housing Programs, Affordable Housing Initiative Fund and Transit Orientated Development (in millions)	\$162.0	\$156.3	\$125.1

** DEIS - Draft Environmental Impact Statement AA - Alternatives Analysis PE - Preliminary Engineering

Additional Resources:

www.hennepin.us/hcwt
www.hennepin.us/interchange
 Southwest Transitway - www.southwesttransitway.org
 Bottineau Transitway - www.bottineautransitway.org
 Minnehaha – Hiawatha Community Works - www.minnehaha-hiawatha.com
 Counties Transit Improvement Board - www.mnriderides.org

Hennepin County

Public Works Management Support Public Works

2011 BUDGET
Adopted

Mission:

In partnership with the departments served, support the county and Public Works mission and vision by providing support services that are timely, effective, and efficient.

Department Description:

Provide accounting and financial services including accounts payable, accounts receivable, general ledger, financial reporting, cash receipts, employee safety programs and central warehousing services for Public Works departments. The department also provides centralized fleet management services for all county departments.

Budget Summary:

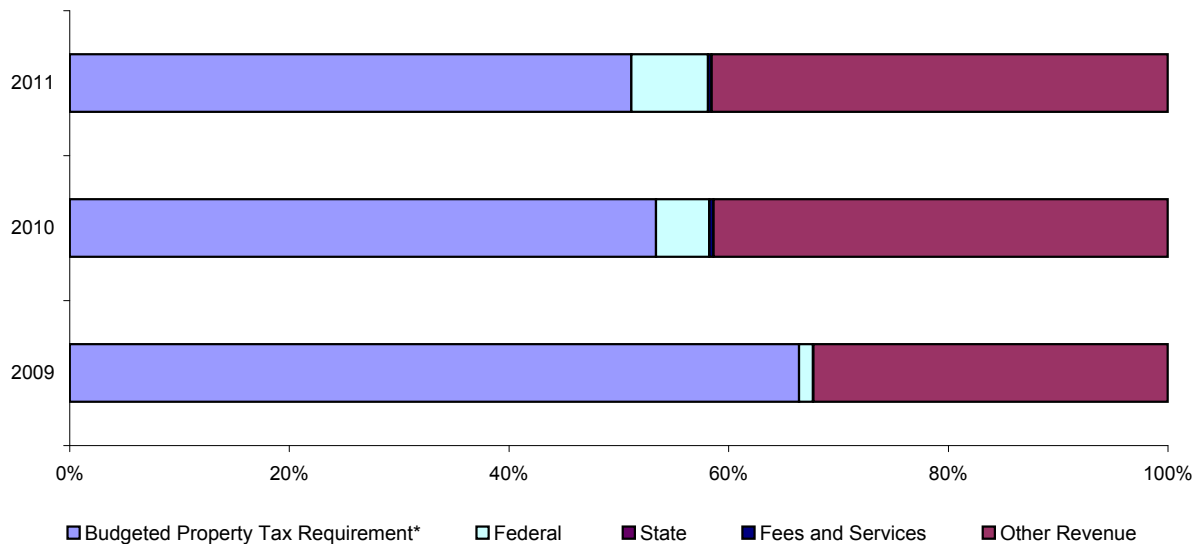
	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$2,144,080	\$1,473,172	\$1,401,164
Federal	41,706	134,501	192,000
State	1,097		
Local			
Fees and Services		10,000	9,000
Other Revenue	1,042,643	1,142,336	1,138,516
Total Revenues	\$3,229,526	\$2,760,009	\$2,740,680
Personnel Costs	\$2,049,304	\$2,458,431	\$2,531,817
Supplies and Materials	7,909	17,219	11,400
Purchased or Contract Services	113,282	249,977	170,810
Equipment and Asset Purchases	28,265	4,302	4,250
Other Expenditures	4,991	30,080	22,403
Total Expenditures	\$2,203,751	\$2,760,009	\$2,740,680

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)**	68.0	60.0	60.0
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** Includes CMED internal service fund FTEs

Revenue Comparison:



Hennepin County

Public Works Management Support

Public Works

2011 BUDGET

Adopted

Significant Budget Changes:

The Management Support Department budget decreased slightly by 0.7 percent while the property tax requirement decreased by 5.0 percent.

The Central Mobile Equipment Division (CMED) budget increased by 1.1 percent, driven primarily by an increase in depreciation reflecting higher capital costs on replacement units and the addition of new units, and higher costs for miscellaneous expenses. These increases were offset by a reduction in the fuel budget of \$200,000. For existing customer fleet units, rates were held at 2010 levels.

Division Budgets:	2009 Actual	2010 Budget	2011 Budget
Financial Management and Accounting (FMA)	\$1,837,229	\$2,377,724	\$2,363,753
Safety	366,522	382,285	376,927
Total Expenditures	\$2,203,751	\$2,760,009	\$2,740,680

Budget Commentary

Successful implementation of the APEX systems has been, and continues to be, a major priority for the FMA Division and the department. The Public Works business line will pilot Project Costing, Grant Management, and Billing/Accounts Receivable modules. In addition, Public Works and the other areas of the county will go live on General Ledger, Accounts Payable and Purchasing on January 1, 2011. FMA has collaborated with other county departments to leverage the capabilities of APEX and address the unique needs of the individual departments within Hennepin County.

For CMED, because of new fleet management and utilization reporting systems (fuel used, mileage and miles per gallon) county departments are now able to make informed decisions about the replacement of equipment. As budgets tighten, departments are holding equipment at the end of the life cycle where feasible, or are retiring them early because utilization statistics are now available to support these decisions.

The maintenance shop is generating data that is being used to manage mechanic resources for routine maintenance items and improving scheduling. In addition, benchmark data is being gathered for comparison with similar public fleet operations in the areas of efficiency, unit costs, work load assessment, and customer service impact. This information can also be used to measure performance against outside private sector competitors.

The Safety group continues to provide all Public Works departments with safety training and consulting to ensure a safe work environment for employees, contractors, and the public. In addition, the Safety group focuses on the development of recommendations for Public Works departments to assist in reducing work place injuries, reduce workers compensation costs for Public Works and promote a safety culture.

The Safety group provides consultation to the business line in the following areas:

- Environmental
- Department of Transportation
- Minnesota Traffic Control
- General Industry Occupational Safety and Health Administration (OSHA) and Construction Industry OSHA

Hennepin County

Public Works Management Support

Public Works

2011 BUDGET

Adopted

Key Results:	2009	2010 Est.	2011 Goal
Revenue collected - days outstanding	29	33	33
OSHA reportable injuries minimized	24	23	23
Department budget as percent of Public Works' budget	2.5%	1.8%	1.9%
Accounts receivable billings processed	4,376	4,400	4,400
Training hours per employee	26.5	24	24
Vehicles are economical: maintenance and fuel cost/mile	0	0	0
Intermediate automobile	0.19	0.22	0.23
Pickup truck - 1/2 ton	0.29	0.32	0.33
Police sedan	0.26	0.29	0.3
Percent of new units delivered to users as specified	100%	99%	99%
Replacement schedule is accurate - percent of initial cost	0.28	0.25	0.25

Additional Resources:

www.hennepin.us, select "Departments" and select "[Public Works Management Support.](#)"

Hennepin County

**Transportation
Public Works**

**2011 BUDGET
Adopted**

Mission:

To support, sustain and enhance the economic vitality and quality of life within Hennepin County by developing and maintaining a safe, efficient, balanced and environmentally sound county transportation system.

Department Description:

The primary department responsibilities are planning, design, construction and maintenance of the county highway system. Minnesota statutes require that "county highways shall be established, located, relocated, improved, maintained, revoked, or vacated" and "it shall be the primary duty of the county to maintain and to remove snow from all county-state aid highways". As a result, the department develops a transportation program to meet this directive at a level of service commensurate to safety, capacity and highway transportation needs (level of service) as interpreted by the County Board of Commissioners.

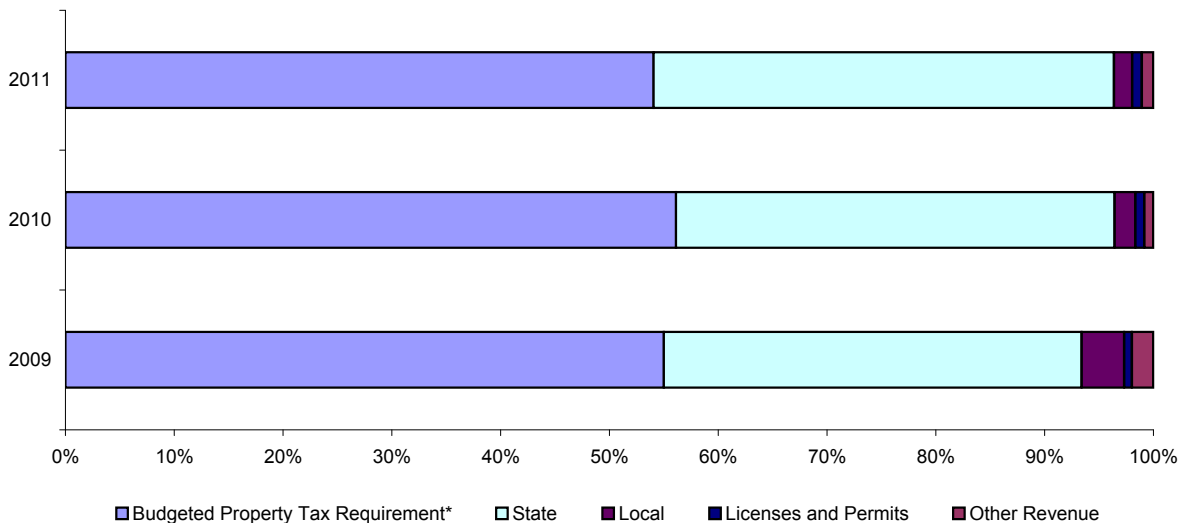
Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$17,734,500	\$20,858,533	\$18,837,074
Federal	(172,720)		
State	12,379,543	14,996,778	14,740,732
Local	1,258,892	711,825	584,611
Licenses and Permits	230,330	308,765	308,765
Other Revenue	635,241	301,755	372,169
Total Revenues	\$32,065,786	\$37,177,656	\$34,843,351
Personnel Costs	\$18,002,529	\$18,316,171	\$18,628,003
Supplies and Materials	4,739,400	5,746,631	5,931,074
Purchased or Contract Services	8,514,458	12,708,989	9,813,604
Equipment and Asset Purchases	378,292	251,115	323,696
Other Expenditures	154,326	154,750	146,974
Total Expenditures	\$31,789,005	\$37,177,656	\$34,843,351

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	213.0	213.0	213.0
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Revenue Comparison:



Hennepin County

Transportation

Public Works

2011 BUDGET

Adopted

Significant Budget Changes:

The department decreased its 2011 overall budget by \$2.3 million or 6.3 percent. Effects of the reduction will be felt across the department. Specifically, the department will:

- Reduce the bituminous overlay program from 170 lane-miles to 100 lane-miles
- Reduce seasonal employee count

Division Budgets:	2009 Actual	2010 Budget	2011 Budget
Administration	\$426,570	\$480,556	\$462,535
Design	2,978,140	3,262,714	3,313,222
Transportation Planning	1,335,477	1,412,143	1,432,249
Construction	4,280,081	4,209,588	4,196,888
Road & Bridges	17,673,147	22,760,523	20,477,325
Traffic	5,095,621	5,052,132	4,961,132
Total Expenditures	\$31,789,036	\$37,177,656	\$34,843,351

Budget Commentary

The county highway system consists of approximately 2,000 lane-miles of paved rural and urban highways and 143 bridges, the replacement value of which exceeds \$3.4 billion.

The 2010 Operating Budget included \$2.4 million in one-time state funding made available with the turnback of old highway 212 in the City of Eden Prairie. The funding provided 40 additional lane-miles in the bituminous overlay program, concrete pavement repair, bituminous pavement crack sealing, video detection for traffic signals and guard rail repair. In addition, the department received a \$3 million Board authorized transfer from the Contingency fund for nearly 60 lane-miles of bituminous overlay to be done by contractors.

Key Results:	2009	2010 Est.	2011 Goal
Percent of bridges with sufficiency rating < 50	8%	8%	8%
System annual crash rate (per million vehicle-miles) for years 2007, 2008, 2009	3.3	3.2	3.2
Present serviceability rating (portion rated good or better)	47%	50%	51%
Engineering costs as a percent of actual capital project costs	21%	18%	18%
Capital Improvement Program construction expenditures (in millions)	\$42.5	\$55.6	\$58.4
Percent of employees attaining the 24 hour training goal	92%	100%	100%

Additional Resources:

www.hennepin.us, select "Departments" and select "[Transportation](#)."

Hennepin County

Environmental Services

Public Works

2011 BUDGET

Adopted

Mission:

To preserve and enhance Hennepin County's environment for future preservations through responsible management of waste, protection of natural resources and promotion of environmental stewardship.

Department Description:

The department carries out its responsibilities through three divisions: Administration, Environmental Protection, and Solid Waste and Energy. These divisions operate programs to provide environmental education and outreach to the community, manage solid and hazardous waste, protect and manage natural resources, clean up contaminated lands and operate the Hennepin County Energy Center (HCEC) and Hennepin Energy Recovery Center (HERC).

Budget Summary:

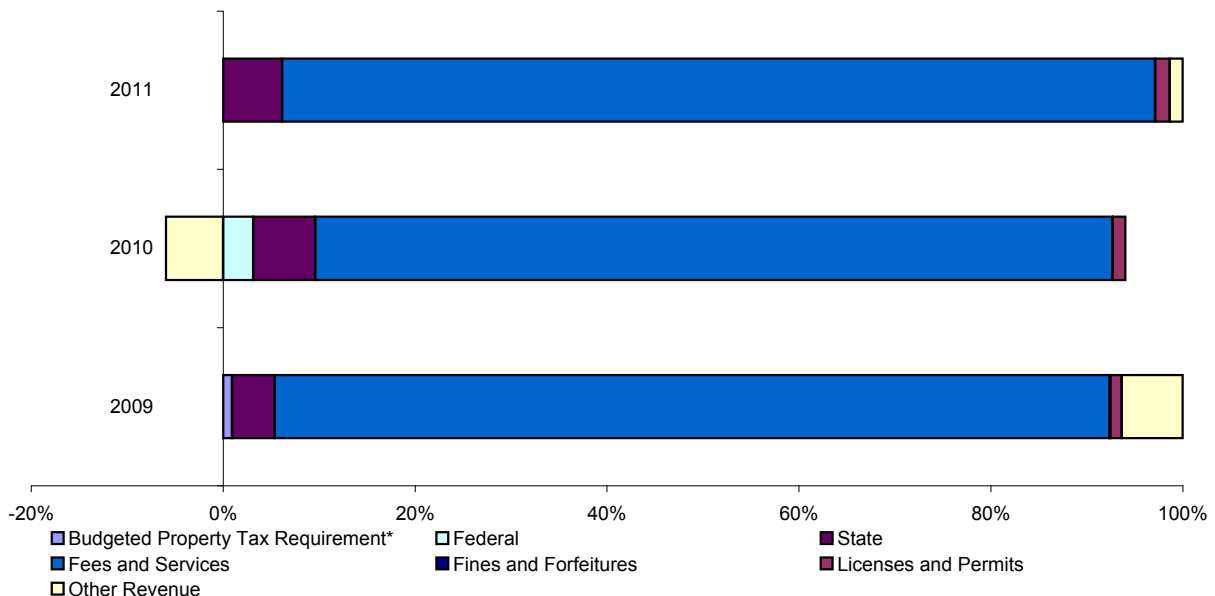
	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$676,255	\$0	\$0
Federal	2,736	1,800,000	
State	3,284,437	3,732,500	3,306,500
Local			
Fees and Services	63,960,606	47,741,645	48,989,484
Fines and Forfeitures	89,976	8,000	20,000
Licenses and Permits	860,030	781,000	813,000
Other Revenue	4,675,425	(3,424,252)	737,712
Total Revenues	\$73,549,465	\$50,638,893	\$53,866,696
Personnel Costs	\$5,482,951	\$5,956,549	\$6,029,091
Supplies and Materials	201,489	216,662	198,410
Purchased or Contract Services	46,145,338	36,577,809	39,206,215
Equipment and Asset Purchases			
Other Expenditures	9,187,379	7,887,873	8,432,980
Total Expenditures	\$61,017,157	\$50,638,893	\$53,866,696

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents) **	64.0	64.0	64.0
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** Includes HCEC internal service fund FTEs

Revenue Comparison:



Hennepin County

Environmental Services

Public Works

2011 BUDGET

Adopted

Significant Budget Changes:

The department anticipates excess revenues that will add approximately \$1 million to the balance of the Solid Waste Enterprise Fund.

The Environmental Services Department does not rely on any property tax revenues for its operations. A change in state law last year allowed the county to use revenues from the sale of energy and materials for environmental programs that are not solid waste management related. Consequently, funding for the department's Conservation Unit was switched from property tax to the solid waste enterprise fund. This change in law provides the department additional flexibility in managing its environmental programs and puts the department in a rather unique position to use non-property tax based financial resources to preserve and protect the natural resources of the county.

The HCEC budget is lower primarily due to decreased natural gas prices and the 7th Street switchgear installation.

Division Budgets:	2009 Actual	2010 Budget	2011 Budget
Administration	\$9,245,064	\$9,007,444	\$10,003,580
Environmental Protection	5,322,968	7,968,654	5,794,902
Solid Waste and Energy	46,449,125	33,662,795	38,068,214
Total Expenditures	\$61,017,157	\$50,638,893	\$53,866,696

Budget Commentary

The department is addressing its priorities in a number of ways which include: the increased use of volunteers, innovative use of community organizations to communicate environmental messages supporting environmental stewardship, expanded use of E-government opportunities to the public and businesses, and evaluating service changes to address changing demographics of the customers we serve.

Key Results:	2009	2010 Est.	2011 Goal
Number of participants using HHW/problem material programs	120,304	125,000	130,000
Percent of large quantity generator inspections completed	100%	96%	96%
Total tons of municipal solid waste collected for recycling and composting	573,000	595,000	687,500
Total tons of MSW delivered for processing	523,837	450,000	450,000
Steam service unplanned interruption	< 1%	< 1%	< 1%
Chilled water service unplanned interruption	< 1%	< 1%	< 1%
HCEC environmental permits - (violations)	0	0	0
Injuries minimized - (incidents)	0	0	0
Percent of production sold to customers - chilled water	90%	90%	90%
Percent of production sold to customers - steam	89%	89%	89%

Additional Resources:

www.hennepin.us, select "Departments" and select "[Environmental Services.](#)"
www.hennepin.us/hwgenerators
www.hennepin.us/reducewaste

Hennepin County

Glen Lake Golf Course
Public Works

2011 BUDGET
Adopted

Mission:

To operate in a manner that provides the greatest amount of community benefit.

Department Description:

The Glen Lake Golf Course is a Hennepin County owned recreational facility operated by the Three Rivers Park District. The facility provides a nine-hole executive course and driving range. There are golf lessons available and fee discounts are offered to seniors and juniors 17 years of age and younger. The facility is self-supporting through fees charged for services provided.

Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Federal			
State			
Local			
Fees and Services			
Other Revenue	976,989	1,145,435	1,140,552
Total Revenues	\$976,989	\$1,145,435	\$1,140,552
Personnel Costs	\$0	\$0	\$0
Supplies and Materials			
Purchased or Contract Services			
Equipment and Asset Purchases			
Other Expenditures	919,344	1,145,435	1,140,552
Total Expenditures	\$919,344	\$1,145,435	\$1,140,552

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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Additional Resources:

www.threeriversparks.org/parks/glen-lake-golf.aspx

Hennepin County

2011 BUDGET

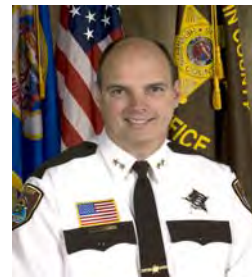
Adopted

Major Program: Public Safety

County Attorney's Office
County Court Functions
Law Library
Public Defender
Sheriff's Office
Dept. of Community Corrections and Rehabilitation
Radio Communications Fund



County Attorney Michael O. Freeman



Sheriff Richard W. Stanek

Program Description:

The Public Safety program includes the county's activities in law enforcement, criminal prosecution, legal counsel for the indigent, corrections programs, and provides legal reference information to attorneys and citizens of the county. The county departments contributing to this major program are the County Attorney's Office, County Court Functions, Law Library, Public Defender, Sheriff's Office, Department of Community Corrections and Rehabilitation, and Radio Communications Fund.

Program Highlights:

The 2011 Public Safety program accounts for 44.8 percent of the expenditures in the County Revenue Fund (also referred to as the General Fund), and 100 percent of the Radio Communications Fund (800 MegaHertz Radio Lease Program).

The 2011 operating budget for the Public Safety program has decreased 1.6 percent (\$4.0 million) over the 2010 adjusted budget of \$258.0 million. The expenditures will be offset by \$57.3 million in expected non-property tax revenues and \$196.7 million in property tax. Overall contributors to the reductions in 2011 are in Personnel Costs (\$4.2 million) and Commodities (\$1.3 million) with an offset in Service (\$2.0 million). The majority of the increase in Service expenditures (\$1.5 million) represents a shift due to an operational change in Department of Community Corrections and Rehabilitation and can be netted against the reductions in Personnel Costs and Commodities. The program will operate with 2,215.5 authorized full-time equivalents (FTEs) which is a decrease of 28.2 FTEs over the 2010 adjusted budget.

County Attorney's Office

For 2011, the County Attorney's Office has taken several steps to streamline workflow through technology, programmatic changes, and overall fiscal conservativeness. With the deployment of new technologies in case management for the anti-truancy be@school program and for property tax matters, an increase in productivity and staff efficiencies will be achieved without affecting the quality of service. Additional savings will be realized from an internal programmatic audit of the county's diversion efforts and overall cost containment. The reduction in Personnel Costs in the 2011 budget, will materialize by holding vacant positions and/or the extension of time in filling those positions.

Program Highlights Continued:

County Court Functions

When the State of Minnesota took over District Court on July 1, 2003, Hennepin County was to provide administrative oversight and funding for certain functions that were to remain with the county. Some of these duties are: representation in Mental Health Court and temporary hospital confinement, Family Court, Probate Court, along with Housing and Criminal Court representation.

The 2011 budgeted expenditure authority is funded 100 percent by property taxes. When compared to the 2010 adjusted budget of \$2.4 million, the 2011 operating budget reflects a decrease of 5.0 percent (\$121,000) to \$2.3 million. The decrease stems from the diminishing number of bed days of sex offender clients still in the pre-commitment status in the civil commitment process. A collaboration between the County Attorney's Office, Department of Community Corrections and Rehabilitation, and Human Services and Public Health, has reduced the number of bed days from approximately 2,400 in 2004 to approximately 171 in 2010.

Law Library

The Law Library's main objectives are to provide legal information service pursuant to Minnesota Statutes Chapter 134A to the judges, government officials, practicing attorneys and citizens of Hennepin County.

The Law Library will have a 2011 operating expenditure budget authority of \$1.7 million, offset by expected non-property tax revenues of \$1.3 million and property tax of \$400,000. When compared to the 2010 adjusted budget, the authorized operating budget will increase by 1.5 percent (\$25,700) and offset by an increase of 3.8 percent (\$47,500) in non-property tax revenue and a decrease of 5.2 percent (\$21,800) in property tax utilization.

Public Defender

In 2011, the Public Defender's Office continues with the implementation of technological enhancements for the American Defender software and integration advancements to the Minnesota Criminal Information System (MNCIS). These enhancements have increased expenditures but were offset by reductions in salary and benefits for 3.0 county FTEs.

Sheriff's Office

In 2011, the Sheriff's Office will have an appropriation of \$85.5 million which will be offset by expected non-property tax revenues of \$12.2 million and property tax of \$73.2 million. When compared to the 2010 adjusted budget, the authorized operating budget will decrease by 2.2 percent (\$1.9 million), revenues will decrease by 3.5 percent (\$438,500) and property tax will decrease by 2.0 percent (\$1.5 million).

In order to operate within the approved 2011 budget, the Sheriff's Office will increase vacancies and reduce overtime. The remaining reductions, 40.9 percent or \$791,000, are represented in the following areas: food and drugs; maintenance; communications; the delay in vehicle replacement; curtailing other equipment and asset purchases; and reduced conference and travel costs.

Department of Community Corrections and Rehabilitation (DOCCR)

In 2011, DOCCR continues to implement operational innovations that align strategic direction with fiscal responsibility. Some of these innovations include, a new medical model for the three correctional facilities, the continued implementation of the Juvenile Detention Alternative Initiatives, and the restoration of the Industry program in the Adult Correctional Facility. All three have or will produce outcomes that align with the mission of Community Safety, Community Restoration, and Reduced Risk of Re-Offense.

Hennepin County

2011 BUDGET

Adopted

Revenue Highlights:

The 2011 operating budget for the Public Safety program is \$254.0 million; \$196.7 million will be funded with property tax revenue which is a decrease of \$3.2 million from the 2010 adjusted budget of \$199.9 million. The non-property tax revenue for 2011 is \$57.3 million which also reflects a decrease of \$845,000 from the 2010 adjusted budget of \$58.2 million.

Property Tax Revenues

In 2011, property tax comprises 77.4 percent (\$196.7 million) of the Public Safety program's total expected revenues of \$254.0 million. The majority of the property tax will fund the Department of Community Corrections and Rehabilitation at 38.6 percent (\$75.9 million), Sheriff's Office at 37.2 percent (\$73.2 million), County Attorney's Office at 19.1 percent (\$37.6 million), and Public Defender at 3.7 percent (\$7.2 million).

Non-Property Tax Revenues

The departments in the Public Safety program will rely on \$57.3 million in expected non-property tax revenues for 2011. The main sources are the State of Minnesota with \$30.9 million, Fees and Services revenue at \$19.3 million, and Federal revenue at \$5.1 million.

Federal Revenue

When compared to the 2010 adjusted budget, the federal revenues have remained relatively flat at \$5.1 million. The monies fund activities in child support, child protection, welfare fraud, Homeland Security, DNA testing, crime lab, State Criminal Alien Assistance Program, Minneapolis Anti-Violence Initiative, DWI countermeasures, and reimbursement for breakfast and lunch programs at the Juvenile Detention Center and County Home School.

State Revenue

Revenue from the State of Minnesota is the largest source of non-property tax income for the Public Safety program. The majority of state revenue is realized in the following departments: Department of Community Corrections and Rehabilitation accounting for \$19.0 million, Public Defender with \$8.6 million, and the Sheriff's Office at \$3.1 million for services provided.

When compared to the 2010 adjusted budget, revenue from the State of Minnesota has dropped \$410,000 to \$30.9 million for 2011. The reduction stems from a 2010 legislative change that altered the funding for the Community Correction Act (CCA) resulting in a decrease of 3.25 percent (\$369,000) for Hennepin County.

Fees and Services Revenue

When compared to the 2010 adjusted budget, the revenues have increased by \$855,000 to \$18.9 million for 2011. The increase represents a shift in how revenues are accounted for and are offset by a decrease in local revenue.

As the second largest source of non-property tax income, the majority of the revenues result from charges to other jurisdictions or clients for processing, boarding, or monitoring pre- and post- adjudication of clients; civil fees; court fees; and lease revenue for radios and the Mobile Data Computers.

Other Revenue

In 2011, Other Revenue has been budgeted at \$2.4 million and accounts for less than 1.0 percent of total anticipated revenues.

Hennepin County

2011 BUDGET

Adopted

Department Summary:	2009 Actual	2010 Budget	2011 Budget
County Attorney's Office	\$40,662,849	\$42,578,501	\$42,223,351
County Court Functions	2,521,104	2,415,000	2,294,000
Law Library	1,878,113	1,663,937	1,689,595
Public Defender	16,433,868	15,985,245	15,868,047
Sheriff's Office	88,101,114	87,395,931	85,460,047
Department of Community Corrections and Rehabilitation	107,252,538	105,659,163	104,328,492
Radio Communications Fund (800 MHz Radio Lease Program)	2,717,662	2,351,258	2,151,746
Total Revenues	\$259,567,248	\$258,049,035	\$254,015,278

County Attorney's Office	\$39,161,184	\$42,578,501	\$42,223,351
County Court Functions	1,754,273	2,415,000	2,294,000
Law Library	1,631,029	1,663,937	1,689,595
Public Defender	16,132,864	15,985,245	15,868,047
Sheriff's Office	84,811,144	87,395,931	85,460,047
Department of Community Corrections and Rehabilitation	104,568,252	105,659,163	104,328,492
Radio Communications Fund (800 MHz Radio Lease Program)	2,430,579	2,351,258	2,151,746
Total Expenditures	\$250,489,325	\$258,049,035	\$254,015,278

Revenue and Expenditure Information:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$201,181,902	\$199,874,109	\$196,685,287
Federal	4,467,816	5,210,602	5,093,323
State	31,817,354	31,345,933	30,936,032
Local	855,231	784,462	12,500
Fees and Services	17,334,943	18,054,398	18,909,932
Other Revenue	3,910,001	2,779,531	2,378,204
Total Revenues	\$259,567,248	\$258,049,035	\$254,015,278

Personnel Costs	\$203,551,143	\$203,475,569	\$199,317,929
Commodities	9,512,688	10,021,971	8,691,900
Services	33,913,431	40,493,899	42,418,638
Furniture & Equipment	1,343,460	1,382,911	1,251,723
Other Charges	2,168,603	2,674,685	2,335,088
Total Expenditures	\$250,489,325	\$258,049,035	\$254,015,278

*Reflects adjusted property tax, not actual property tax collections.

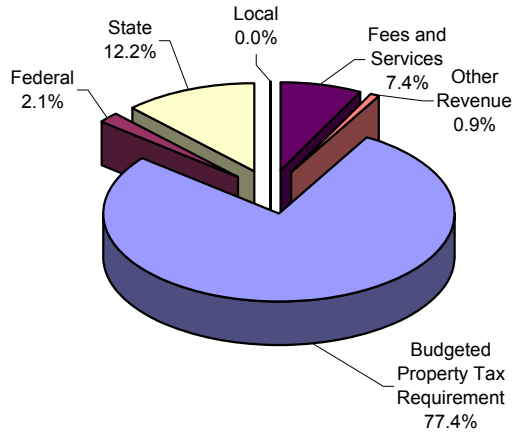
Hennepin County

2011 BUDGET

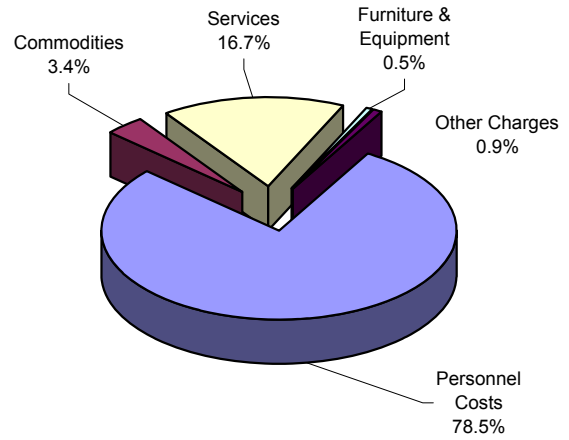
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Revenue and Expenditure Comparison:

2011 Revenues



2011 Expenditures



Budgeted Positions:

	2009 Budget	2010 Budget	2011 Budget
County Attorney's Office	336.5	343.0	344.0
County Court Functions	0.0	0.0	0.0
Law Library	7.8	7.8	7.8
Public Defender	102.2	97.8	94.8
Sheriff's Office	828.0	835.0	835.0
Department of Community Corrections and Rehabilitation	1,006.2	960.1	933.9
Radio Communications Fund (800 MHz Radio Lease Program)	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	2,280.7	2,243.7	2,215.5

Hennepin County

Hennepin County Attorney's Office
Public Safety

2011 BUDGET
Adopted

Mission:

We serve justice and public safety through our commitment to ethical prosecution, crime prevention and innovative and reasoned client representation.

Department Description:

The Hennepin County Attorney's Office (HCAO) is organized by Criminal and Civil Divisions. The Criminal Divisions represent the State of Minnesota, prosecuting adults charged with felonies, and all crimes committed by juveniles. The Criminal Divisions include Adult Prosecution, Juvenile Prosecution, the Gang Unit, Community Prosecution, Special Litigation and the Victim Witness Program, which includes the Domestic Abuse Service Center. The Civil Division provides legal representation to all county departments, including Hennepin Healthcare Systems. The other Civil Divisions include Child Protection, Child Support Enforcement and Mental Health. The Administration Division provides executive direction and coordination for policy and office-wide functions.

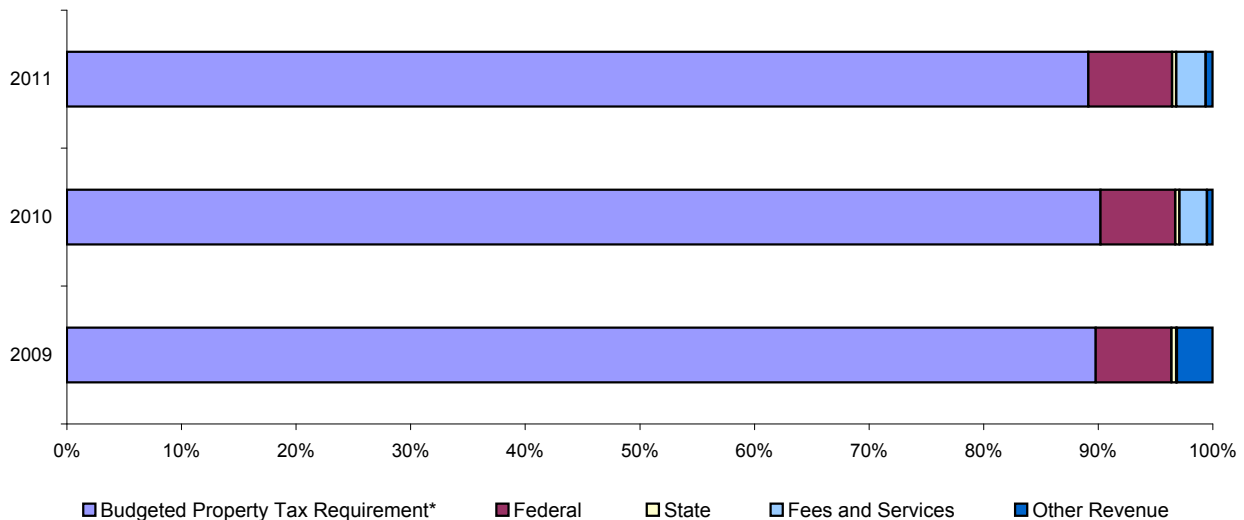
Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$36,508,629	\$38,407,671	\$37,641,029
Federal	2,692,685	2,779,664	3,081,394
State	169,659	154,646	150,928
Local			
Fees and Services	23,685	1,028,000	1,085,000
Other Revenue	1,268,190	208,520	265,000
Total Revenues	\$40,662,849	\$42,578,501	\$42,223,351
Personnel Costs	\$35,090,661	\$36,063,133	\$35,830,088
Supplies and Materials	206,267	287,756	285,200
Purchased or Contract Services	3,725,886	6,069,142	5,982,436
Equipment and Asset Purchases	12,959		
Other Expenditures	125,411	158,470	125,627
Total Expenditures	\$39,161,184	\$42,578,501	\$42,223,351

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	336.5	343.0	344.0
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Revenue Comparison:



Hennepin County

Hennepin County Attorney's Office
Public Safety

2011 BUDGET
Adopted

Significant Budget Changes:

In 2010, the HCAO assumed responsibility for all of the county's truancy prevention efforts and resources that were previously assigned to other departments. By consolidating programming, reducing staff and focusing on proven early intervention practices, we have improved the county's response to truancy and lowered its cost.

The HCAO conducted an internal programmatic audit of the county's diversion efforts and through negotiation converted a flat rate contract to a performance based agreement with incentives for educational success and restitution collection. The expectation is that these performance incentives will result in lower costs and higher quality services.

The HCAO has deployed technological advancements to gain efficiencies. For example, a redesign of the case management system for the anti-truancy be@school program will allow staff reductions without affecting program quality. In addition, working with Taxpayer Services and the Tax Court, a case management system for property tax matters which increases staff productivity both in the HCAO and the County Assessor's Office was developed.

Division Budgets:	2009 Actual	2010 Budget	2011 Budget
Criminal Divisions	\$22,247,012	\$23,270,874	\$23,066,841
Civil and Administration Divisions	16,914,172	19,307,627	19,156,510
Total Expenditures	\$39,161,184	\$42,578,501	\$42,223,351

Budget Commentary

Despite increased costs and community needs, the HCAO's 2011 budget requires less property tax revenue than in 2010. The HCAO has managed ongoing budget challenges by pursuing a number of innovative cost saving measures and by growing community partnerships. Positions are being held vacant, despite dramatically increased caseloads over the previous decade. Domestic abuse prosecutions alone have increased by more than 75 percent in the last decade. Further, prosecutors' caseloads now include mortgage fraud, felony DWIs, fleeing the police, failure to register as a sex offender, and domestic abuse strangulation cases, all felony crimes that did not exist ten years ago.

Much of the work of the HCAO creates cost savings to the county. For example, delays in the commitment process for sexually dangerous persons can result in significant costs to the county. Also, liability risks increase dramatically if county departments do not seek and follow the advice of Civil Division attorneys. In the criminal prosecution arena, delays in bringing cases to trial increase the costs of jail stays and cause courts and law enforcement to incur additional costs.

The HCAO sought and received grant funding for critical work of the office. For example, in 2010, the HCAO received federal funding to hire four positions to enhance mortgage fraud prosecution efforts and two positions to review homicide and sexual assault convictions as part of our focus on cases prosecuted using DNA evidence. Additionally, the HCAO received a grant to fund a partial customer service position that had been eliminated at the Domestic Abuse Service Center and funding to assist the Minneapolis Police Department in major crime and asset forfeiture investigations.

Key Results:

- Implemented the be@school program countywide in January 2010. Through its targeted early intervention approach and use of technology, there has been a significant decreased in truancy.
- Charged nearly 60 individuals and companies in the real estate industry with various crimes associated with fraudulent loans and foreclosure fraud schemes. These prosecutions involve over 350 properties and over \$100 million in fraudulent loans.
- Continued to achieve an 87 percent conviction rate on gang-related homicides.
- The DNA cold case team has reviewed more than 9,300 criminal sexual conduct cases out of Minneapolis and submitted 584 for DNA testing. To date, there have been 81 "cold case hits", 16 cases charged and 7 convictions.
- Defended tax litigation that has increased exponentially over the past four years; presently 12.8 percent or \$17,954,625,000 of Hennepin County's real estate market value is being challenged.

Additional Resources:

For more information on the County Attorney's Office please visit us at www.hennepinattorney.org.

Hennepin County

County Court Functions
Public Safety

2011 BUDGET
Adopted

Mission:

Provide administrative oversight and funding for certain District Court functions that remain with the county following the state takeover of the District Court on July 1, 2003.

Department Description:

The state takeover of the Fourth Judicial District occurred on July 1, 2003. In accordance with Minnesota Statutes 273.1398 subd. 4b(b), certain functions that were overseen by the District Court remain with the county following takeover. The County Court Functions include the following contract services: Mental Health Court representation and temporary hospital confinement, Family Court representation, Probate Court representation, and Housing and Criminal Court representation.

Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$2,521,104	\$2,415,000	\$2,294,000
Federal			
State			
Local			
Fees and Services			
Other Revenue			
Total Revenues	\$2,521,104	\$2,415,000	\$2,294,000
Personnel Costs	\$0	\$0	\$0
Supplies and Materials			
Purchased or Contract Services	1,754,273	2,415,000	2,294,000
Equipment and Asset Purchases			
Other Expenditures			
Total Expenditures	\$1,754,273	\$2,415,000	\$2,294,000

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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Budget Commentary

Due to legislative changes in 2004, the county saw a dramatic increase in the number of civil committed sex offenders who were either released or nearing release from state prison facilities. These changes created a back log of pre-commitment clients and increased the number of bed days to approximately 2,400. With Hennepin County responsible for 100 percent of the pre-commitment and 10 percent of the post-commitment, a collaboration between the County Attorney's Office, Department of Community Corrections and Rehabilitation, and Human Services and Public Health, the number of bed days decreased to approximately 171 for 2010.

The 2011 budget is comprised of:

- \$1,200,000 for Mental Health Court legal representation
- \$198,000 for the Temporary hospital confinement of Mental Health Court clients
- \$337,000 for Family Court appointed legal representation
- \$425,000 for Probate Court appointed legal representation
- \$60,000 for Housing Court appointed legal representation
- \$74,000 for legal assistance for indigent clients

Hennepin County

**Law Library
Public Safety**

**2011 BUDGET
Adopted**

Mission:

To provide legal information service pursuant to Minnesota Statutes Chapter 134A to the judges, government officials, practicing attorneys, and citizens of Hennepin County.

Department Description:

The Law Library provides the legal information that citizens and practicing attorneys need in order to have meaningful access to the courts. The Law Library contains a print collection of legal materials, and it provides in-house access to online subscription databases that allow searching of case law and statutes. Reference assistance is provided by professional law librarians.

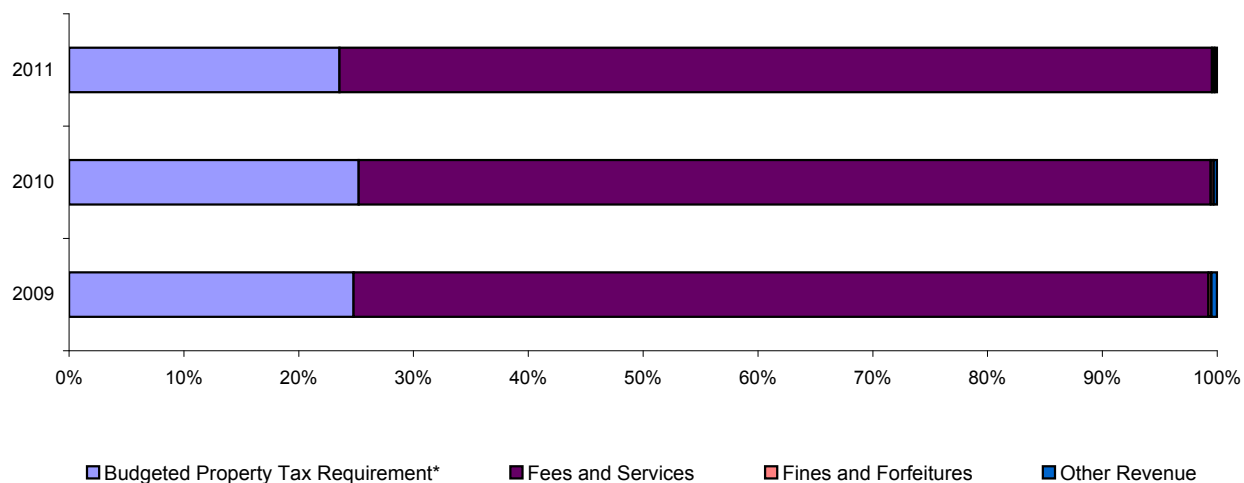
Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$465,600	\$419,837	\$397,995
Federal			
State			
Local			
Fees and Services	1,398,406	1,235,000	1,284,000
Fines and Forfeitures	4,479	3,800	3,800
Other Revenue	9,628	5,300	3,800
Total Revenues	\$1,878,113	\$1,663,937	\$1,689,595
Personnel Costs	\$571,737	\$620,539	\$611,790
Supplies and Materials	9,737	9,100	10,600
Purchased or Contract Services	266,759	251,200	253,100
Equipment and Asset Purchases	771,467	762,098	793,105
Other Expenditures	11,329	21,000	21,000
Total Expenditures	\$1,631,029	\$1,663,937	\$1,689,595

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	7.8	7.8	7.8
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Revenue Comparison:



Hennepin County

Law Library
Public Safety

2011 BUDGET
Adopted

Significant Budget Changes:

In 2011, the Law Library will increase the annual subscriber fee from \$60 dollars to \$70. This revenue represents money received from law firms for a membership to our library and will offset the replacement of two photocopying machines; the purchase of copy card reader/ coin boxes for the public copy machines and printers; and the publications from Thompson West.

In 2009, a change in Minnesota Statute 134A.09 states that a convicted defendant shall only be imposed the county law library fee once, not for each count. The Law Library is now starting to see the fallout of this change, resulting in lower court revenue.

Budget Commentary

Savings were incurred from a salary differential and a vacant position but were minimized by an increase in health insurance and PERA contribution rates.

Key Results:	2009	2010 Est.	2011 Est.
Number of reference and informational questions answered	10,050	10,300	10,300
Number of items circulated	25,100	25,000	25,000
Email reference questions answered	836	850	870
Number of scanned and emailed documents	1,560	2,148	2,200
Number of people entering the law library	37,781	36,600	36,000

Additional Resources:

For more information on the Law Library, visit us at www.hclaw.co.hennepin.mn.us.

Hennepin County

Public Defender
Public Safety

2011 BUDGET
Adopted

Mission:

To provide the highest quality representation to indigent clients in the protection and exercise of their legal rights, thereby safeguarding those rights for each member of the community.

Department Description:

According to Gideon v. Wainwright, an indigent defendant is entitled to assistance of counsel in a criminal trial. The Supreme Court has further established right to counsel in any case where the accused may be imprisoned if found guilty. Juveniles also are entitled to the same legal rights as adults. The Public Defender's Office is entrusted with these responsibilities for the majority of criminal cases in court, and also has assumed responsibilities for bringing child protection and a limited number of adult appeals before the Minnesota Appeals Court and Supreme Court.

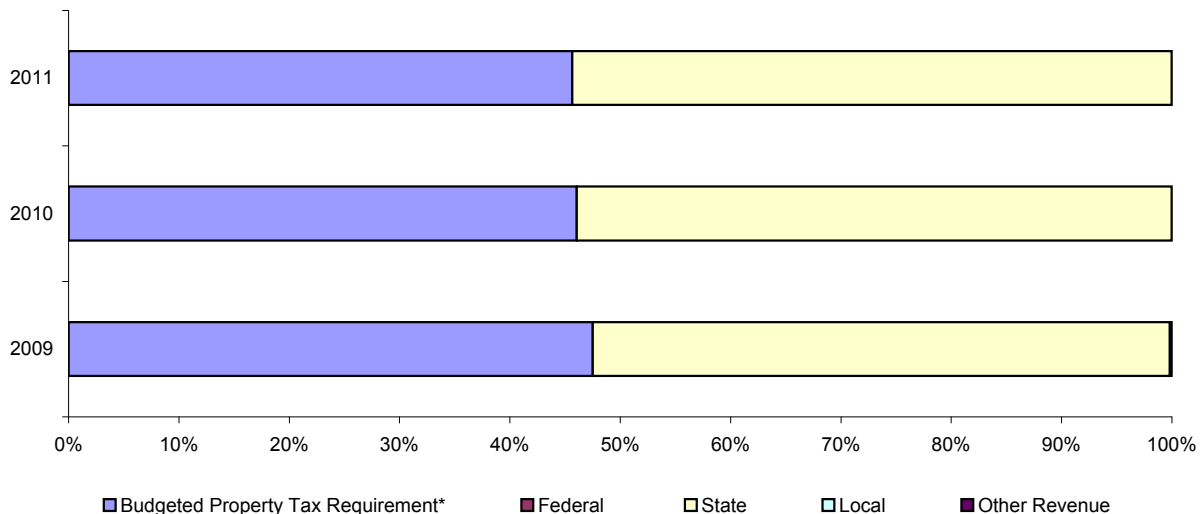
Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$7,805,863	\$7,360,245	\$7,243,047
Federal			
State	8,600,000	8,625,000	8,625,000
Local			
Fees and Services			
Other Revenue	28,005		
Total Revenues	\$16,433,868	\$15,985,245	\$15,868,047
Personnel Costs	\$13,441,833	\$13,302,683	\$13,025,241
Supplies and Materials	67,041	366,150	379,054
Purchased or Contract Services	2,590,727	2,254,262	2,404,602
Equipment and Asset Purchases	(460)	40,000	35,000
Other Expenditures	33,723	22,150	24,150
Total Expenditures	\$16,132,864	\$15,985,245	\$15,868,047

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	102.2	97.8	94.8
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Revenue Comparison:



Hennepin County

Public Defender
Public Safety

2011 BUDGET
Adopted

Significant Budget Changes:

Overall, the 2011 operating budget for the Public Defender's Office remained relatively flat from the 2010 adjusted budget. Increases incurred in health insurance, employer's share of PERA, supplemental retiree liability, computer equipment, psychological evaluations, and technological enhancements/advancements were offset by the reduction in salary and benefits for 3.0 FTEs, 701 building rent, and capital expenses.

Budget Commentary

Since 2008, the number of board authorized FTEs in the Public Defender's Office has been reduced by 11.4 FTEs to the current level of 94.8. This reflects a reduction of 11 percent.

The reduction of staff in the Public Defender's Office not only hampers the office's ability to meet the goals listed below, but also places a strain on the criminal justice system and increases costs to our partners in public safety (e.g. Courts, County Attorney's Office, Sheriff's Office, and Corrections).

1. Each client will be fully informed of their legal rights and options and will receive fair and respectful treatment by the justice system.
2. Clients will have all legal services delivered in an integrated fashion.
3. Each client will be able to make meaningful decisions and choices, and the office will be equipped to help effect those decisions and choices.
4. Neither the process nor outcome will depend on the client's income, race or country of origin.

Key Results:

	2009	2010 Est.	2011 Est.
Cases Opened:			
Murder	40	50	50
Felony	5,280	5,200	5,000
Gross Misdemeanor	3,855	4,111	4,111
Misdemeanor	20,073	22,100	22,100
Juvenile Delinquency	3,354	3,400	3,200
Juvenile Welfare	2,391	1,600	1,500
Probation Violation	19,622	15,800	15,800
Extradition	154	161	140
Other	236	260	260
Total	55,005	52,682	52,161

Additional Resources:

There are numerous articles addressing the overall concerns that public defense agencies are faced with concerning constitutional mandates vis-à-vis staffing shortages, caseload issues and ethical considerations.

Listed are several reference areas:

- American Bar Association, Eight Guidelines of Public Defense Related to Excessive Workloads, August 2009;
- Quality Indicators for Public Defense from National Legal Aid & Defender Association, 2002
- Justice Denied - Report of the National Right to Counsel Committee from The Constitution Project, April 2009
- Public Defenders: A Weakened but Indispensable Link, Scott Russell, Bench and Bar, MN, Feb 2009
- Evaluation Report: Public Defender System from the Office of the Minnesota Legislative Auditor, (visit www.auditor.leg.state.mn.us/ped/pedrep/pubdef.pdf)

Hennepin County

Hennepin County Sheriff's Office
Public Safety

2011 BUDGET
Adopted

Mission:

"Dedicated to increasing public safety through leadership, integrity and strong partnerships."

Department Description:

Minnesota State Statutes provide that the Sheriff is the Chief Law Enforcement Officer of the county, empowered to use all resources necessary "to keep and preserve the peace of the county." Minnesota State Statutes specifically confer upon the Sheriff the mandate to perform critical public safety functions:

- Safe and secure operation of the county jail,
- Operation of the public safety communications system,
- Enforcement on the county's waters (i.e., search, rescue and buoying),
- Execution of all civil processes brought to the Sheriff (e.g., foreclosure, redemption, levy, garnishment, eviction and other executions of judgment),
- Security for the Fourth Judicial District Court,
- Transport for individuals under the court's jurisdiction, and
- Pursuit and apprehension of all felons.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$75,641,125	\$74,731,110	\$73,233,750
Federal	1,041,052	1,515,273	1,160,165
State	3,151,590	3,185,523	3,140,105
Local			
Jail Fees	2,392,258	2,369,393	2,495,050
Civil Fees	2,030,971	2,045,000	2,112,000
Police Protection and Investigations	1,302,131	1,346,828	1,134,145
Leased Antenna Space	334,072	393,443	531,128
Fines and Forfeitures	490,377	75,000	75,000
Licenses and Permits	315,573	414,800	267,500
Other Revenue	1,401,965	1,319,561	1,311,204
Total Revenues	\$88,101,114	\$87,395,931	\$85,460,047
Personnel Costs	\$71,066,037	\$71,275,655	\$70,130,670
Supplies and Materials	4,003,377	4,378,661	4,115,044
Purchased or Contract Services	8,482,581	10,139,027	9,942,096
Equipment and Asset Purchases	374,237	452,093	331,825
Other Expenditures	884,912	1,150,495	940,412
Total Expenditures	\$84,811,144	\$87,395,931	\$85,460,047

**Reflects adjusted property tax, not actual property tax collections.*

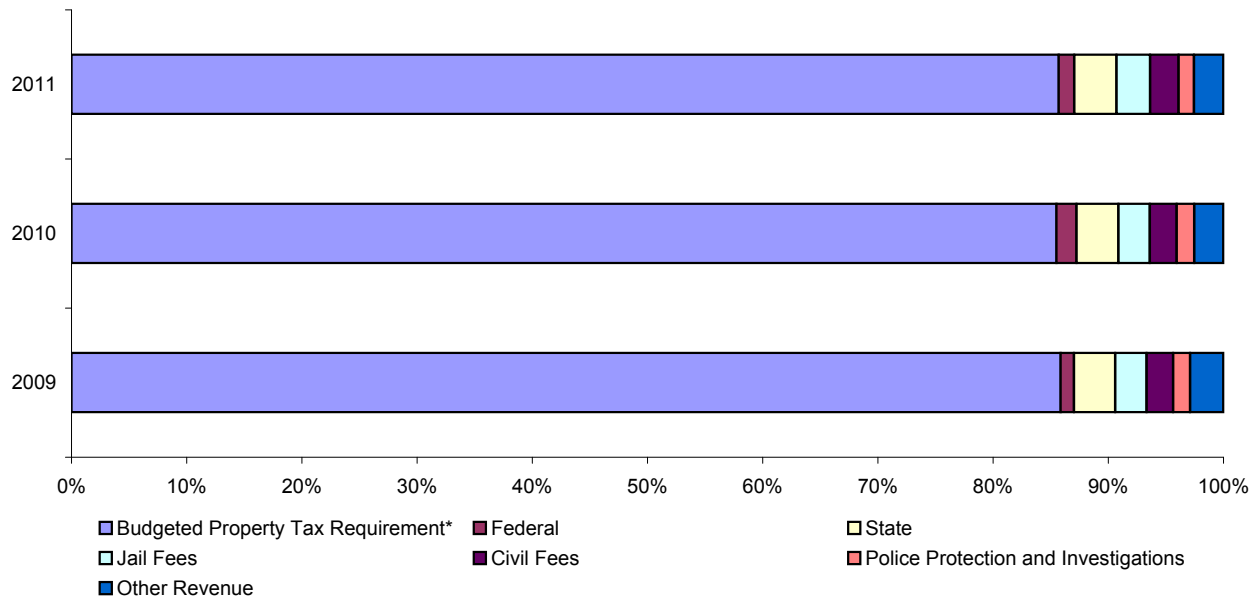
Budgeted Positions (Full-time Equivalents)	828.0	835.0	835.0
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Hennepin County

Hennepin County Sheriff's Office
Public Safety

2011 BUDGET
Adopted

Revenue Comparison:



Significant Budget Changes:

Revenues:

Property tax revenue makes up \$73.2 million (85.7 percent) of the total budgeted revenue in 2011. When compared to the 2010 adjusted budget of \$74.7 million, a reduction of \$1.5 million (2.0 percent) has occurred for 2011.

The 2011 non-property tax revenue, reflects a decrease of \$438,500 (3.5 percent) to \$12.2 million when compared to the 2010 adjusted budget. The reduction can be attributed to the following: \$355,000 in several expired federal grants in 2010; \$213,000 in police protection and investigation from a reduction of one detective in the County Attorney's Office; and \$147,000 in license and permits due to an anticipated reduction in gun permits. These reductions will be offset by an increase of \$137,000 in leased antenna space from new commercial wireless tenants, and existing tenants adding antennas.

Expenditures:

The 2011 budgeted appropriations for the Sheriff's Office total \$85.5 million, a \$1.9 million (2.2 percent) decrease from the 2010 adjusted budget of \$87.4 million. Personnel costs account for 59.1 percent or \$1.1 million of the total 2011 reduction. In order to operate within the approved 2011 budget, the Sheriff's Office will increase vacancies and reduce overtime. The remaining reductions, 40.9 percent or \$791,000, are represented in the following areas: food and drugs; maintenance; communications; the delay in vehicle replacement; curtailing other equipment and asset purchases; and reduced conference and travel costs.

Division Budgets:

Division Budgets:	2009 Actual	2010 Budget	2011 Budget
Communications	\$11,000,287	\$13,287,391	\$14,229,229
Enforcement Services	11,613,924	11,760,142	10,978,139
Forensic Sciences	3,633,493	3,591,107	3,704,208
Violent Crime Initiative	1,694,901	1,881,640	2,095,814
Investigative	5,257,639	5,085,724	4,646,663
Administrative	6,889,021	6,839,732	6,409,175
Adult Detention	34,075,665	33,950,101	32,930,945
Court Services	9,469,555	9,377,189	9,266,479
Grants and Other Revenues	1,176,659	1,622,905	1,199,395
Total Expenditures	\$84,811,144	\$87,395,931	\$85,460,047

Hennepin County

Hennepin County Sheriff's Office
Public Safety

2011 BUDGET
Adopted

Budget Commentary

In 2011, over \$1.3 million will be absorbed for increases in personnel costs that are beyond the Sheriff's Office control (primarily health care, merit, and pension increases). Operating with a reduced 2011 budget will require significant sacrifices and consequences. Personnel costs will be reduced, which will effect jail operations, court security, warrants, and the transport function. The specific reductions required to operate within the 2011 appropriation of \$85.5 million are yet to be determined.

Key Results:	2009	2010 Est.	2011 Est.
Number of police/fire/medical calls dispatched	639,064	643,218	645,000
Number of jail bookings	36,500	35,413	36,000
Number of court security escorts	35,094	35,095	35,000
Number of crime lab cases received	3,437	3,331	3,400
Number of mortgage foreclosure sales	5,657	5,985	5,600

Additional Resources:

Hennepin County Sheriff's Office
350 South 5th Street, Room 6
Minneapolis, MN 55415
Phone: (612) 348-3744
Email: sheriff@co.hennepin.mn.us
Website: www.hennepinsheriff.org

Hennepin County

Department of Community Corrections and Rehabilitation

Public Safety

2011 BUDGET

Adopted

Mission:

The department's mission statement is: Community Safety, Community Restoration, and Reduced Risk of Re-Offense.

Contributing to the mission statement are Department of Community Corrections and Rehabilitation's three overarching goals:

*Enhance public safety through practices that are based on research, data and evaluation;
Policies and practices support fair and respectful treatment of stakeholders, clients and staff; and
In cooperation with the courts, community and criminal justice partners, reduce the risk of re-offense.*

Department Description:

The Department of Community Corrections and Rehabilitation (DOCCR) is the largest corrections system in Minnesota, annually supervising 35,000 adult and juvenile offenders in institutions, on probation or parole, and in the Sentencing to Service programs. Within adult and juvenile field services, there are approximately 2,500 juveniles and 33,000 adults under supervision at any given time.

DOCCR operates three correctional facilities:

- Adult Corrections Facility (ACF) provides custody and programming for approximately 7,000 adult offenders.
- Juvenile Detention Center (JDC) provides custody and care for approximately 3,500 juveniles awaiting court disposition.
- County Home School (CHS) provides custody and treatment for approximately 200 juvenile offenders in a year.

Family Court Services performs evaluation and mediation services for 5,000 parents and children.

Community Offender Management (COM) supervises low-risk offenders, who work off fines or sentences through the Sentencing to Service (STS) program.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$78,239,581	\$76,540,246	\$75,875,466
Federal	734,079	915,665	851,764
State	19,896,105	19,380,764	19,019,999
Local	855,231	784,462	12,500
Boarding of Prisoners/Residents	3,140,889	2,536,250	2,568,650
Fees/Charges for Services	4,054,724	4,749,226	5,548,213
Other Revenue	331,929	752,550	451,900
Total Revenues	\$107,252,538	\$105,659,163	\$104,328,492
Personnel Costs	\$83,380,875	\$82,213,559	\$79,720,140
Supplies and Materials	4,876,363	4,654,666	3,789,692
Purchased or Contract Services	15,815,193	18,251,748	20,314,520
Equipment and Asset Purchases	185,257	128,720	91,793
Other Expenditures	310,564	410,470	412,347
Total Expenditures	\$104,568,252	\$105,659,163	\$104,328,492

**Reflects adjusted property tax, not actual property tax collections.*

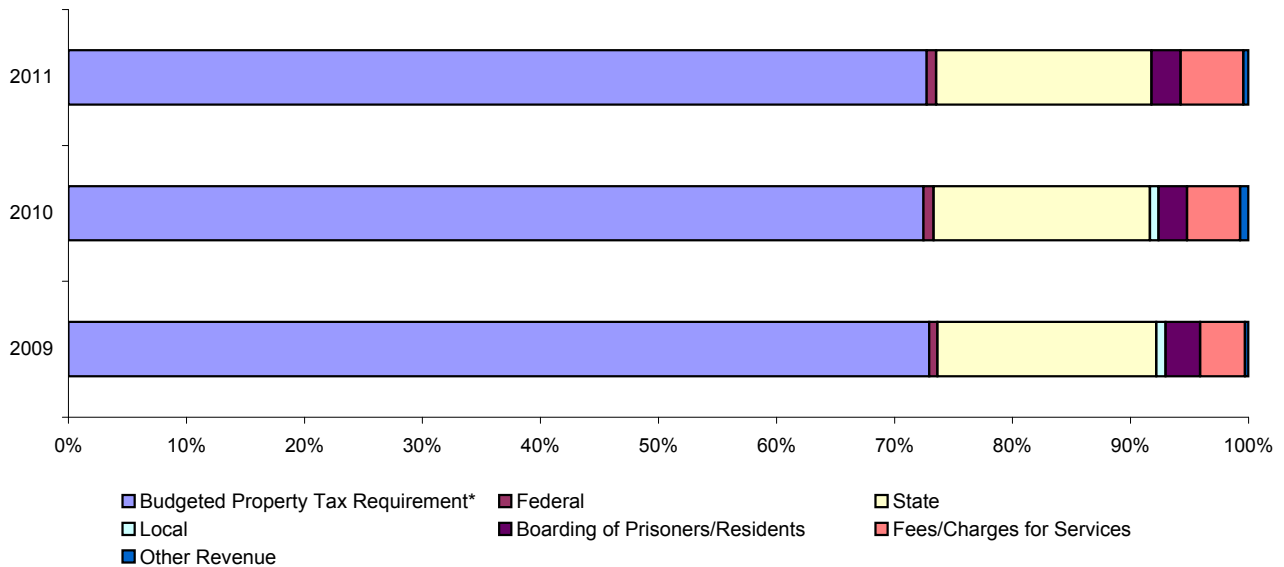
Budgeted Positions (Full-time Equivalents)	1,006.2	960.1	933.9
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Hennepin County

Department of Community Corrections and Rehabilitation
Public Safety

2011 BUDGET
Adopted

Revenue Comparison:



Significant Budget Changes:

The 2011 budget allocates resources to support efforts that address DOCCR's key results and priorities. The department maintains funding for strategic planning efforts including plan implementation, evidence-based practices implementation and increased data analysis to drive decision-making. Over the past two years, DOCCR's operational innovations have realized almost \$6 million in savings while maintaining or improving service quality.

2011 Operating costs and staffing reductions continue at the Juvenile Detention Center and the County Home School, the DOCCR's two juvenile facilities, due to an on-going emphasis on Correctional Out-of-Home Placement and the Juvenile Detention Alternative Initiatives.

The average population at the Juvenile Detention Center decreased from approximately 78 juveniles in 2008 to approximately 39 for the first six months of 2010. With the decreased population, staffing decreased from 140.3 budgeted FTEs in 2009 to 105.1 for 2011, or a 25 percent reduction in its authorized staffing over this period of time. The 2011 budget eliminates 6.0 Juvenile Correctional Officers and 1.0 Correctional Supervisor, as one detention unit is closed and capacity is reduced by 12 beds.

Programming at the County Home School has been revised over the past several years to emphasize shorter-term placements. Like the Juvenile Detention Center, staffing at the County Home School has been reduced from 127.5 FTEs in 2008 to 103.5 for 2011. The County Home School's 2011 budget reflects the transfer of transition programming to the Juvenile Probation Division. It should be noted that the 2010 Human Services and Public Health Department budget included \$13.4 million in budget authority for Correctional Out-of-Home Placement, that was managed by Juvenile Probation. For 2011, this budget will be reduced by \$670,000 with the savings being reinvested in community-based services to further the successes of Juvenile Detention Alternative Initiatives and reducing correctional placements.

The 2011 budget for the Adult Corrections Facility restored the budget and staffing (2.5 FTEs) for the Industry program. This program, which provides work opportunities for residents had been eliminated in the 2010 budget. Another significant change at the Adult Correctional Facility was the closing of the Work Release building and moving the population into the Main Building. As a result of this change, the Men's Section has consistently been at or has exceeded capacity. Similarly, the Women's Section has exceeded capacity since April. The increased population counts directly affect staffing costs as well as resident costs (medical, meals, clothing, etc.).

Hennepin County

Department of Community Corrections and Rehabilitation
Public Safety

2011 BUDGET
Adopted

Significant Budget Changes Continued:
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During the development of the 2011 budget, DOCCR was exploring alternative medical services delivery models for its three correctional facilities. The alternative models would further best practices, enhance uniformity in staffing and processes throughout the department, as well as achieve additional operational efficiencies and savings. The new medical model was implemented in all three facilities on January 1, 2011.

Historically, the state has directly reimbursed medical facilities for the costs of providing services to Adult Correctional Facility residents eligible for General Assistance Medical Care (GAMC). A 2010 legislative change eliminated GAMC eligibility for residents of a county correctional or detention facility. Consequently, the financial burden for this population has been shifted from the state to the county. With claims data extrapolated from 2009, it is anticipated that the Adult Correctional Facility will be financially responsible for approximately \$720,000 in increased medical costs in calendar year 2011 as a result of the legislative change.

Some of the other departmental budget/programming changes that have occurred in 2010 and/or programmed for 2011 include:

- Partnering with the Sheriff's Office to redesign the Adult Field Services' fugitive apprehension program;
- Utilizing the Correctional Program Checklist to evaluate and improve services provided through contracts;
- Redesigning Sentencing to Service program to serve referrals more efficiently from the Violation Bureau and eliminate the referral backlog;
- Transferring the Joint Community Policing project to Human Services and Public Health Department, which serves recently arrived African communities in the Brooklyn Park and Brooklyn Center;
- Redesigning probation services for low and moderate risk offenders served by the probation reporting center; and
- Reducing 9.5 supervisory positions by eliminating or reclassifying the positions.

Division Budgets:	2009 Actual	2010 Budget	2011 Budget
Administration	\$1,226,170	\$1,228,914	\$1,025,847
General Support Services	1,296,779	1,702,277	1,773,670
Organizational Change Management	4,936,071	5,388,276	5,410,242
County Home School	12,083,549	11,956,611	11,717,121
Juvenile Detention Center	10,439,440	10,103,422	9,451,882
Juvenile Probation	14,480,280	14,106,342	13,185,477
State Juvenile Placements	2,193,353	2,390,000	2,271,300
Family Court Services	2,793,778	2,852,129	2,757,776
Community Offender Management	3,828,775	4,945,462	4,780,100
Adult Corrections Facility	20,524,744	19,066,058	20,511,303
Adult Field Services	30,765,313	31,919,672	31,443,774
Total Expenditures	\$104,568,252	\$105,659,163	\$104,328,492

Hennepin County

Department of Community Corrections and Rehabilitation

Public Safety

2011 BUDGET

Adopted

Budget Commentary:

DOCCR is continuing its effort to align fiscal decisions with key results and shared outcomes of increased public safety and reduced recidivism. This includes: (1) Focusing on the mission of the county and the department to ensure that diminishing resources are targeted for effective public safety and due process. (2) Continuing the commitment to effective and sustainable services by using research and evaluation to monitor outcomes and reduce risk of re-offense. (3) Engaging staff and non-county partners from other justice and social agencies to ensure that changes made within DOCCR are in concert with changes in other agencies. (4) Leveraging innovations, resources and service delivery models developed by state and other county partners to reduce operating costs and increase efficiencies.

The department is working collaboratively with its criminal justice partners and other county departments to ensure changes are in concert with other agencies. Key collaborations in 2010 and 2011 include:

- Human Services and Public Health Department (HSPHD) to fully implement redesign of out-of-home placement to better address youth served by both systems including sex offenders, girls and juveniles with mental health and developmental disabilities. The County Home School is prepared to accept girls referred by HSPHD into the new Focus program which offers short and long-term placement programming for high risk girls.
- Hennepin County Medical Center and Hennepin County Library system to develop work opportunities for Adult Correctional Facility residents.
- County Attorney's Office to implement the be@school truancy response program.
- HSPHD Joint Community Policing project to serve the recently arrived, culturally diverse communities in Brooklyn Park and Brooklyn Center.
- Courts and HSPHD to provide specialized services to offenders who are mentally ill through the PRISM/Mental Health Court and veterans through Veteran's Court. In addition to the specialized services to these clients, the PRISM/Mental Health Court will achieve significant cost savings to the county as the clients will have lower utilization of emergency rooms and contract psychiatric services, and fewer bookings at the Public Safety Facility. Similarly, Veteran's Court will further leverage federal and state funding and programming for the treatment of eligible veterans, rather than relying on county funding and programming.
- Hennepin Justice Integration Program, an ongoing collaborative effort to automate and share information across the justice

In addition to its criminal justice and other departmental partners, DOCCR has strategically engaged volunteers. In 2009, the department reported that volunteers provided almost 40,000 hours of service to DOCCR.

DOCCR is improving its contract processes to focus on competitive and transparent contracting processes that are paid on a unit basis or have a pay-for-performance component. Electronic monitoring services will go out for competitive bid in late 2010 with full implementation of the selected vendor in early 2011. Future business process improvement opportunities will include a critical examination of services provided to adult offenders. With a particular emphasis on reducing recidivism, we will initiate work with our criminal justice partners to identify opportunities more efficiently and effectively manage adult offenders.

In 2011, DOCCR will explore an expanded partnership with the Minnesota Counties Computer Cooperative (MCCC) to combine the best features of the in-house developed probation information system with the system used by all other Minnesota probation agencies. Sharing system development and support cost information with the rest of the state will result in long-term cost savings. Service delivery in the juvenile arena will continue to emphasize partnerships with community agencies that can offer proven services that meet the cultural and language needs of the clients. Examples of recently developed partnerships include Shiloh Temple, Kente Circle, Volunteers of America, Family and Children's Services, Humble Beginnings and Little Earth/United Tribes.

During 2010, DOCCR implemented field safety training for all corrections employees who conduct business in the field. The training curriculum content responds to concerns raised by staff as well as a consultant report that identified deficiencies in certain areas of field safety.

DOCCR staff continue to maximize all available resources. Continued innovation and taking advantage of collaborative opportunities will yield some cost savings, but shrinking budget authority will reduce service levels in 2011.

Hennepin County

Department of Community Corrections and Rehabilitation Public Safety

2011 BUDGET
Adopted

Key Results:	2009	2010 Est.	2011 Est.
Staff attending safety training	122	1,370	920
Recidivism: Adult Cohort (measured 24 mos. after sentencing date) as of 8/31/2010	20.4% (2007 Cohort)	21.4% (2008 Cohort)	21.0% (2009 Cohort)
Recidivism: Juvenile Cohort (measured 24 mos. after sentencing date) as of 8/31/2010	N/A	24.4% (2008 Cohort)	N/A
Juveniles in Correctional Out-of-Home Placements (COHP) - monthly count (December)	242	217	200
Institutions - Average Daily Population (December)	547	488	N/A
Institutions - Capacity (December)	833	632	N/A
Institutions - Capacity Percentage (December)	65.7%	77.2%	N/A
Restitution Disbursements	\$1,974,642	\$1,984,794	\$1,995,000

Additional Resources:

Additional information regarding DOCCR can be found at:

www.hennepin.us/doccr
www.hennepin.us/jpvolunteer

Hennepin County

Radio Communications Fund
Public Safety

2011 BUDGET
Adopted

Mission:

Purchase and maintenance of radio equipment associated with the 800 MHz Radio Program.

Department Description:

The 800 MHz Radio Lease Program operates as an enterprise fund, with the revenues received by the program covering the maintenance and depreciation costs of the 800 MHz digital radios and use of the Minnesota Regional Public Service Communications System. Radio users include county departments and dependent police, fire, and emergency medical service agencies in Hennepin County.

Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Federal			
State			
Local			
Fees and Services	2,657,807	2,351,258	2,151,746
Other Revenue	59,855		
Total Revenues	\$2,717,662	\$2,351,258	\$2,151,746
Personnel Costs	\$0	\$0	\$0
Supplies and Materials	349,903	325,638	112,310
Purchased or Contract Services	1,278,012	1,113,520	1,227,884
Equipment and Asset Purchases			
Other Expenditures	802,664	912,100	811,552
Total Expenditures	\$2,430,579	\$2,351,258	\$2,151,746

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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Division Budgets:

	2009 Actual	2010 Budget	2011 Budget
Radio Lease Program	\$1,633,840	\$1,594,868	\$1,590,327
Infrastructure	213,789	0	108,761
Mobile Data Computer Program	582,950	756,390	452,658
Total Expenditures	\$2,430,579	\$2,351,258	\$2,151,746

Additional Resources:

Hennepin County Sheriff's Office
 350 South 5th Street, Room 6
 Minneapolis, MN 55415
 Phone: (612) 348-3744
 Email: sheriff@co.hennepin.mn.us
 Website: www.hennepinsheriff.org

Hennepin County

2011 BUDGET

Adopted

Major Program: Health

NorthPoint Health and Wellness Center

Metropolitan Health Plan

Medical Examiner

Uncompensated Care

HCMC Intergovernmental Transfers



NorthPoint Health and Wellness Center



Hennepin County Medical Center

Program Description:

The Health program encompasses the county's health care activities. This major program consists of the following departments: NorthPoint Health and Wellness Center, Metropolitan Health Plan (MHP), and the Medical Examiner. In addition, health related costs are included in the Uncompensated Care and Hennepin County Medical Center (HCMC) Intergovernmental Transfers cost centers discussed below. In 2010, costs were also budgeted in the HCMC Contingency cost center which in this book are reported in the Contingency budget of the General Government major program.

Program Highlights:

The Health program's budget for 2011 is \$230,300,692 which is 5.7 percent higher than the comparable 2010 budget. The program will operate with 339.5 authorized FTE positions in 2011 which is 2.0 positions less than authorized in 2010. All of the departments, except for MHP, are included in the County Revenue Fund. MHP operates as a separate enterprise fund of the county.

NorthPoint Health and Wellness Center

NorthPoint Health and Wellness Center is a freestanding comprehensive ambulatory health care clinic. Its services include family practice, internal medicine, pediatrics, obstetrics and gynecology, orthopedics, radiology, laboratory, optometry, and pharmacy. In addition, NorthPoint offers a full range of dental care, nutrition services, and social services including individual and family care. In 2011, over 81,000 medical, behavioral health, and dental visits are expected. NorthPoint's budgeted expenditures for 2011 are \$25.7 million, 1.9 percent less than the adjusted 2010 budget. Most of the decrease is related to cuts in personnel costs and purchased services costs to meet budget targets. Although total authorized FTEs at NorthPoint are unchanged at 161.3, personnel costs are expected to decrease as vacant positions are kept open for longer periods of time.

Program Highlights Continued:

Metropolitan Health Plan

MHP, Hennepin County's health maintenance organization (HMO), continues to maintain its historical patient base of Medical Assistance members. In recent years, MHP has entered into the Minnesota Care, Minnesota Senior Health Options, and Medicare markets. The MHP budget is \$149.4 million which is 0.4 percent less than its 2010 budget. MHP has reduced its authorized FTEs from 153.5 in 2010 to 151.5 for 2011 as a result of the transfer of two information technology positions to the county's Information Technology department.

Medical Examiner

The Medical Examiner is responsible for investigation of all known or suspected homicides, suicides, accidental deaths, drug related deaths, medically unattended deaths, and deaths which might constitute a threat to the public health and safety. Expenditures are increasing by 2.6 percent to \$3.8 million for 2011, and property tax support is decreasing 2.3 percent from the 2010 level. The reason for the decrease in property tax support, despite the increase in expenditures, is that the department will begin charging a new cremation approval fee in 2011. The fee is expected to generate \$175,000 in revenue in 2011. Total FTEs are unchanged from 2010.

Uncompensated Care

The Uncompensated Care cost center is used to track county payments to reimburse HCMC for the cost of health care provided by HCMC to Hennepin County residents who do not have health insurance. A total of \$30 million in expenditures is budgeted for 2010, which is 8.6 percent less than the 2010 budget.

HCMC Intergovernmental Transfers

The HCMC Intergovernmental Transfers cost center is new for 2011 and was created to budget and account for intergovernmental transfers between the county, HCMC, and the Minnesota Department of Human Services. A smaller portion of this budget is for county payments to HCMC for forensic examinations conducted by the Sexual Assault Resource Services (SARS) staff at HCMC. The county is mandated by Minnesota law to pay the reasonable costs of forensic examinations for victims of sexual assaults which occur in the county. Although this cost center is new for 2011, revenues and costs are shown, for comparison purposes, for this center for prior years in the following pages. In past years those costs had been included in the Uncompensated Care center. A total of \$21.4 million is budgeted for 2011 which is significantly higher than in 2010. However, total property tax support is \$775,000 which is unchanged from 2010.

Revenue Highlights:

Budgeted 2011 revenues total \$230,300,692, a 5.7 percent increase from the comparable 2010 adjusted budget. The next page contains a summary comparing major revenue categories in 2009 - 2011.

Property Tax Revenues

In 2011, property taxes comprise 17.8 percent of the Health program's total estimated revenues compared to 20.2 percent in 2010. Total property taxes are decreasing by \$3.0 million, or 6.9 percent. The decrease is primarily due to a reduction in the Uncompensated Care budget for 2011 by \$2.8 million, as the expenditures in that cost center are funded entirely with property taxes. Compared to 2010, property tax support is 2.1 percent less for NorthPoint Health and Wellness Center due to budget cuts made in response to state funding reductions. Property tax support for the Medical Examiner is 2.3 percent less because of additional fee revenue which will be collected in 2010. As in past years, the budget for Metropolitan Health Plan (MHP) does not include any property tax revenue.

Non-Property Tax Revenues

The Health program relies to a large extent on non-property tax revenues to finance its budget. For 2011, revenues from fees and services represent 72.7 percent of total revenues. Some of the major sources of non-property tax revenues and their relative impact on the county's 2011 budget are:

Federal

Federal sources consist of \$915,000 in federal grants for health care programs at NorthPoint Health and Wellness Center. Although the federal grants are only 0.4 percent of the total 2011 Health program revenues, a large portion of the fees and services revenue, discussed below, is from federal sources.

State/Local

Revenues from the State of Minnesota and local sources are estimated at \$1,022,000 and make up 0.4 percent of total Health program revenue for 2011. Revenues in this category are 81 percent less than in 2010 due to the fact that no state revenue is budgeted for HCMC Intergovernmental Transfers for 2011 as most of the revenue in that cost center will be from HCMC reimbursements. In addition, a major portion of the fees and services revenue, discussed below, is from state sources.

Fees and Services

Revenues from fees charged for services are over \$167 million for 2011 and will comprise 72.7 percent of the Health program's total revenues. Nearly all of the fees and services revenue comes through payments for healthcare services provided by NorthPoint and MHP. Total 2011 fees and services revenue is budgeted to be 0.4 percent less than budgeted in 2010 because of small reductions in service revenue at NorthPoint and MHP. The revenue amounts are departmental estimates based on historical data, current reimbursement rates, and expected changes in patient volume.

Other Revenues

Other revenues of \$19.9 million budgeted for 2011 are primarily reimbursements from HCMC for voluntary intergovernmental transfers made by the county. Other revenues are 8.6 percent of the Health program's total revenues, which is significantly higher than in 2010 as no reimbursements from HCMC were budgeted for 2010.

Hennepin County

2011 BUDGET Adopted

Department Summary:	2009 Actual	2010 Budget	2011 Budget
NorthPoint Health and Wellness Center	\$24,735,458	\$26,216,809	\$25,728,300
Metropolitan Health Plan	140,270,075	149,954,468	149,355,377
Medical Examiner	3,695,044	3,696,177	3,792,015
Uncompensated Care	32,805,702	32,805,702	30,000,000
HCMC Intergovernmental Transfers	5,299,680	5,275,000	21,425,000
Total Revenues	\$206,805,959	\$217,948,156	\$230,300,692

NorthPoint Health and Wellness Center	\$25,419,816	\$26,216,809	\$25,728,300
Metropolitan Health Plan	137,801,872	149,954,468	149,355,377
Medical Examiner	3,357,971	3,696,177	3,792,015
Uncompensated Care	27,805,702	32,805,702	30,000,000
HCMC Intergovernmental Transfers	5,224,730	5,275,000	21,425,000
Total Expenditures	\$199,610,091	\$217,948,156	\$230,300,692

Revenue and Expenditure Information:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$45,095,247	\$44,035,242	\$41,006,310
Federal	1,117,493	1,072,475	915,278
State	5,318,568	5,518,907	1,021,907
Local			
Fees and Services	154,112,849	168,047,019	167,454,579
Other Revenue	1,161,802	(725,487)	19,902,618
Total Revenues	\$206,805,959	\$217,948,156	\$230,300,692

**Reflects adjusted property tax, not actual property tax collections.*

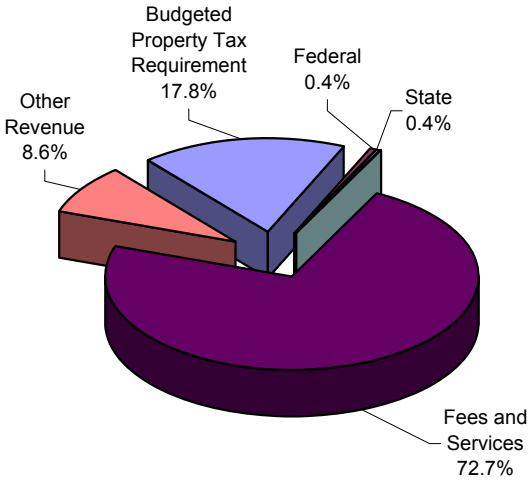
Personal Services	\$32,861,071	\$33,544,468	\$33,658,937
Commodities	2,227,590	2,824,970	2,935,727
Services	157,916,614	178,073,876	188,619,757
Furniture & Equipment	245,047	135,000	130,000
Other Charges	6,359,769	3,369,842	4,956,271
Total Expenditures	\$199,610,091	\$217,948,156	\$230,300,692

Hennepin County

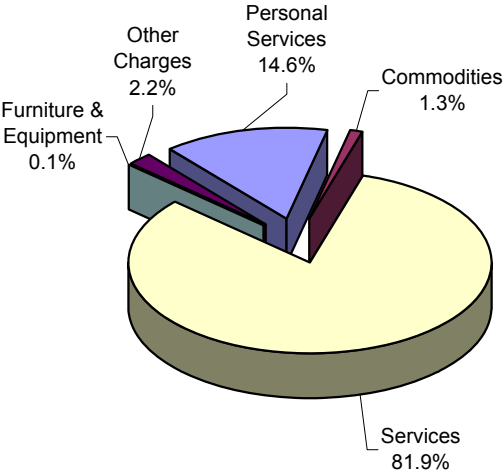
2011 BUDGET
Adopted

Revenue and Expenditure Comparison:

2011 Revenues



2011 Expenditures



Budgeted Positions:

	2009 Budget	2010 Budget	2011 Budget
NorthPoint Health and Wellness Center	163.3	161.3	161.3
Metropolitan Health Plan	160.5	153.5	151.5
Medical Examiner	26.7	26.7	26.7
Uncompensated Care	0.0	0.0	0.0
HCMC Intergovernmental Transfers	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	350.5	341.5	339.5

Hennepin County

NorthPoint Health and Wellness Center

2011 BUDGET

Health

Adopted

Mission:

NorthPoint Health and Wellness Center is a customer-centered, primary care, community health clinic dedicated to eliminating health disparities and improving health outcomes by effectively delivering medical, dental, behavioral health, and social services in a culturally-competent manner. NorthPoint's mission is "Actively Partnering to Create a Health Community."

Department Description:

NorthPoint Health and Wellness Center is a comprehensive health and human services agency located in the heart of North Minneapolis. Established in 1968, NorthPoint was formerly known as "Pilot City Health Center" and was operated by Hennepin County's Division of Primary Care. As of January 1, 2006, NorthPoint was approved for funding as a public entity community health center. Through a unique co-applicant agreement, the Hennepin County Board of Commissioners began sharing governance of NorthPoint Health and Wellness Center with NorthPoint, Inc. (formerly Pilot City Neighborhood Services) while maintaining fiscal responsibility for the health care operations. NorthPoint, Inc. is an independent nonprofit social/human services agency co-located with the NorthPoint Health and Wellness Center. The close working relationship between the two entities was designed to improve patient/client care through the integration of health and human services on the NorthPoint campus.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$8,029,064	\$6,943,163	\$6,799,095
Federal	1,117,493	1,072,475	915,278
State	768,888	1,018,907	1,021,907
Local			
Patient Service Revenue	14,077,358	16,503,619	16,309,989
Budgeted Use of Fund Balance	723,781	678,645	682,031
Other Revenue	18,874		
Total Revenues	\$24,735,458	\$26,216,809	\$25,728,300
Personnel Costs	\$16,695,447	\$17,477,834	\$17,099,894
Supplies and Materials	2,123,806	2,082,913	2,105,408
Purchased or Contract Services	6,038,898	6,027,967	5,923,598
Equipment and Asset Purchases	245,047	135,000	130,000
Other Expenditures	316,618	493,095	469,400
Total Expenditures	\$25,419,816	\$26,216,809	\$25,728,300

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	163.3	161.3	161.3
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Significant Budget Changes:

The budget for 2011 reflects approximately the same level of patient revenue budgeted for 2010. Despite projected increases in uncompensated care and the termination of the state General Assistance Medical Care (GAMC) program, NorthPoint is able to maintain the same gross level of patient revenue due to increased productivity. The budgeted revenue also reflects anticipated federal reimbursement of \$600,000 due to "meaningful use" of an electronic health record and an additional \$100,000 increase in revenues due to expected qualification of NorthPoint as a "Health Care Home". The 2011 budget also reflects an overall decrease in expenses of 1.3 percent from the 2010 budget. These reductions were achieved by reducing consulting expenses and reductions or delays in hiring of personnel.

Hennepin County

NorthPoint Health and Wellness Center

2011 BUDGET

Health

Adopted

Division Budgets:	2009 Actual	2010 Budget	2011 Budget
Administrative Services	\$3,346,872	\$3,540,420	\$3,006,425
Fiscal Services	1,800,330	1,838,286	1,909,507
Community Health Initiatives	866,749	1,097,582	977,579
Medical & Facility Operations	12,230,643	12,200,728	12,279,339
Dental Operations	3,751,471	4,210,030	4,250,935
Neighborhood Services	722,857	679,239	679,239
Mental Health	2,305,648	2,480,524	2,455,276
African American Men Project	395,246	170,000	170,000
Total Expenditures	\$25,419,816	\$26,216,809	\$25,728,300

Budget Commentary

NorthPoint continues to refine its systems to increase effectiveness and efficiencies in clinical services. As a result, total clinic visits in 2009 were 16.7 percent above budget and 2010 year-to-date visits are 8.7 percent above budget. Appointment fail rates for 2010 year-to-date are 11.5 percent lower than in 2009. The call center had a total of 294,602 incoming calls in 2009 with a 90 percent answer rate and an 82 percent answer rate on foreign language lines. NorthPoint's continued focus on service integration, strategic partnerships, innovation, program evaluation, and continuous improvement enables NorthPoint to respond to opportunities in an environment of shrinking resources and health care reform.

With the implementation of the Epic electronic health record, NorthPoint is now able to review data from the entire clinic population. From 2006 through 2009, NorthPoint patient visits increased 44 percent, and Behavioral Health and Enabling services increased by over 200 percent. NorthPoint saw the greatest growth in the number of male patients (56.4 percent) and significant increases in African American and Latino patients. Over 30 percent of NorthPoint patients were served in a language other than English. The percentage of NorthPoint patients over the age of 20 without insurance increased from 33.5 percent in 2008 to 44.8 percent in 2009.

NorthPoint has also continued to demonstrate improved patient outcomes through the continuous development of integrated care models. Staff participated in coordinated care teams to meet the complex chronic care needs of high risk patients. Many of these teams included community health workers in partnership with NorthPoint, Inc. to provide patient disease management and follow-up care. Gains were seen in prenatal services where the percentage of patients seen in their first trimester of pregnancy rose from 48 percent in 2003 to 69 percent by the end of 2009. The percentage of low birth weight infants dropped from 14 percent in 2003 to 3.2 percent by the end of 2009.

Key Results:	2009	2010 Est.	2011 Est.
Medical visits	47,313	46,439	47,315
Behavioral health visits	14,290	15,564	15,575
Dentist visits	16,270	18,383	18,400
Prescriptions filled	123,499	130,000	130,000
Radiology procedures	5,817	5,800	5,800

Additional Resources:

Additional information about NorthPoint Health and Wellness Center and its services is available at the following website:
www.northpointhealth.org.

Hennepin County

Metropolitan Health Plan
Health

2011 BUDGET
Adopted

Mission:

Integrating health care and service to meet the needs of our members.

Vision:

Be a leader in partnering with our members and communities to improve health.

Department Description:

Metropolitan Health Plan (MHP) is a not-for-profit, state certified health maintenance organization. MHP serves Medical Assistance (Medicaid), Minnesota Care, Minnesota Senior Care Plus, and Medicare/Medicaid (Minnesota Senior Health Options, Special Needs Basic Plan) participants residing in Hennepin, Anoka, Carver, Mower, and Scott counties. Funding for these services is provided through a contract with the Minnesota Department of Human Services (DHS).

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Federal			
State			
Local			
Fees and Services	139,916,491	151,419,400	151,020,590
Interest Income	353,584	612,505	463,714
Other Revenue		(2,077,437)	(2,128,927)
Total Revenues	\$140,270,075	\$149,954,468	\$149,355,377
Personnel Costs	\$13,442,574	\$13,086,230	\$13,481,335
Supplies and Materials	74,852	708,807	794,069
Purchased or Contract Services	118,255,360	133,300,912	130,612,792
Equipment and Asset Purchases			
Other Expenditures	6,029,086	2,858,519	4,467,181
Total Expenditures	\$137,801,872	\$149,954,468	\$149,355,377

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	160.5	153.5	151.5
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Hennepin County

Metropolitan Health Plan
Health

2011 BUDGET
Adopted

Significant Budget Changes:

For the 2011 budget, two products have been eliminated and one product has been added. Effective March 31, 2010, the 2010 state budget has eliminated funding for the General Assistance Medical Care (GAMC) program. In addition, MHP has eliminated its remaining commercial Medicare Advantage plan (North Star Advantage) for 2011. MHP is including Minnesota Senior Care Plus (MSC+), funded by Medical Assistance, in its budget beginning in 2011. MSC+ is not a new product offering but instead reflects the separation of the reporting of MSC+ from Medical Assistance where it has been included historically.

Budget Commentary

In addition to the changes noted above, MHP also is now including in its 2011 budget an expense line for Minnesota Premium Tax which is one percent of all premiums for state programs. This tax was not included in previous budgets as it was not clear that MHP, as a government entity, was liable for the tax. MHP continues to work to reduce its administrative cost ratio, which is the ratio of total administrative costs to total program revenues.

Key Results:	2009	2010 Est.	2011 Goal
Enrollment	18,662	18,144	18,752
Administrative Cost Ratio	17.8%	15.4%	14.9%
Medical Loss Ratio	81.0%	82.8%	82.7%
Increase in Net Assets	\$2,468,203	\$2,077,437	\$2,128,927
Risk Based Capital Ratio	136%	151%	165%

Additional Resources:

MHP provides additional information related to the health plan at its internet site. The website includes information to assist our members and providers with resources that easily connect them to all that MHP has to offer as a health plan. Go to the following site for all of the information: www.hennepin.us/mhp.

Hennepin County

Medical Examiner
Health

2011 BUDGET
Adopted

Mission:

To determine and certify the cause and manner of death in all cases within the jurisdiction of the Hennepin County Medical Examiner; to review and approve cremations; to improve the health, safety, and quality of life in Hennepin County; to provide accurate, fair, and unbiased testimony to the legal system to ensure justice.

Department Description:

The Medical Examiner is responsible for investigation of all known or suspected homicides, suicides, accidental deaths, drug related deaths, medically unattended deaths, and deaths which might constitute a threat to public health and safety that occur under Hennepin County's jurisdiction. The office is also required to investigate the deaths of all persons dying in Hennepin County who are to be cremated. The goal of the Medical Examiner is to assist families, law enforcement agencies, and the legal system by determining a scientifically unbiased and logical cause and manner of death.

Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$3,510,481	\$3,511,377	\$3,432,215
Federal			
State			
Local			
Fees and Services	119,000	124,000	124,000
Licenses and Permits			175,000
Other Revenue	65,563	60,800	60,800
Total Revenues	\$3,695,044	\$3,696,177	\$3,792,015
Personnel Costs	\$2,723,050	\$2,980,404	\$3,077,708
Supplies and Materials	28,932	33,250	36,250
Purchased or Contract Services	591,924	664,295	658,367
Equipment and Asset Purchases			
Other Expenditures	14,065	18,228	19,690
Total Expenditures	\$3,357,971	\$3,696,177	\$3,792,015

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	26.7	26.7	26.7
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Significant Budget Changes:

To increase revenue and reduce the department's dependence on property tax funding, a new fee for cremation approvals will be implemented for 2011. The fee will be \$35 per cremation approval and is expected to generate \$175,000 in revenue, based on 5,000 approvals per year. Personnel costs have increased due to salary step increases realized in 2010 and increased benefit costs in 2011, as total FTEs remain unchanged. Supplies and materials are higher due to increased use of supplies related to a larger workload and a reduction in the number of reports issued to outside agencies, which generate revenue offsetting the cost of supplies.

Hennepin County

Medical Examiner

Health

2011 BUDGET

Adopted

Budget Commentary

2009 ended with an all-time record high 3,843 reported cases (compared to 3,830 the previous year) with the upward trend continuing through the third quarter of 2010. The office performed 653 autopsies in 2009 compared to 824 in 2008. Although 2009 saw a decrease in the number of autopsies, the number of cases resulting in autopsy through the third quarter of 2010 indicates a significant increase for the current year. Cremation approvals have also hit an all-time record high number of 5,379 at the close of 2009, with the upward trend continuing through the third quarter of 2010.

The office continues to successfully meet and exceed all requirements pertaining to our core mission of death investigation, as well as continue collaborative interjurisdictional work in disaster planning; provide primary administrative support to the Minnesota Coroners' and Medical Examiners' Association, including the facilitation of an annual 2-day educational conference attended by coroners, medical examiners, physicians, attorneys, nurses, and law enforcement personnel statewide; focus efforts and design process improvements to ensure future reaccreditation by national organizations such as the National Association of Medical Examiners (NAME) and the Accreditation Council for Graduate Medical Education (ACGME); and continue the education of medical students, residents, and forensic pathology fellows through our long-standing relationship with Hennepin County Medical Center (HCMC) and the University of Minnesota.

In addition, a new state-of-the-art Medical Examiner case management computer system is slated for implementation during the first quarter of 2011. Work process efficiencies, customer service enhancements, and cost savings are expected as a result of this system, once all phases are operational.

Key Results:	2009	2010 Est.	2011 Est.
Number of cases reported	3,843	3,950	4,000
Number of autopsies performed	653	750	750
Organ, tissue, and eye donations	221	210	230
Toxicology expense per accepted case	\$115	\$110	\$110
Number of cremation approvals	4,835	5,000	5,000
Number of student weeks of forensic training provided	110	110	115

Additional Resources:

Useful and education information about the Medical Examiner's Office and the services it provides is available by visiting our department's internet web page at www.hennepin.us/me. The information includes the Minnesota Statute that governs our work, a downloadable department fact sheet, a downloadable brochure offering information for families, and links to various affiliated organizations and forms.

Hennepin County

Uncompensated Care
Health

2011 BUDGET
Adopted

Mission:

This cost center is used to track county payments to Hennepin County Medical Center (HCMC) for uncompensated care provided at HCMC.

Department Description:

The payments to Hennepin County Medical Center (HCMC) for uncompensated care are based on an agreement between the county and Hennepin Healthcare System, Inc., a public subsidiary corporation of the county, which assumed responsibility for operating HCMC on January 1, 2007.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$32,805,702	\$32,805,702	\$30,000,000
Federal			
State			
Local			
Reimbursements from HCMC			
Other Revenue			
Total Revenues	\$32,805,702	\$32,805,702	\$30,000,000
Personnel Costs	\$0	\$0	\$0
Supplies and Materials			
Purchased or Contract Services	27,805,702	32,805,702	30,000,000
Equipment and Asset Purchases			
Other Expenditures			
Total Expenditures	\$27,805,702	\$32,805,702	\$30,000,000

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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Significant Budget Changes:

In previous years, this cost center was used to account for general fund Medicaid payments to HCMC required by Minnesota Statute section 256B.195 and county payments to HCMC for examinations made by the Sexual Assault Resource Service (SARS) program at HCMC. However, those payments are now budgeted and accounted for in the HCMC Intergovernmental Transfers cost center.

Hennepin County

HCMC Intergovernmental Transfers

2011 BUDGET

Health

Adopted

Mission:

This accounting cost center was created for the 2011 budget to account for intergovernmental transfers between the county and Hennepin County Medical Center (HCMC) and the Minnesota Department of Human Services (DHS).

Department Description:

This cost center will be used primarily to account for voluntary intergovernmental transfers made by the county to DHS pursuant to Minnesota Statute section 256B.196. The 2009 actual amount and 2010 budget amount for intergovernmental transfers under Minnesota Statute section 256B.195 will also be shown in this cost center. Those amounts were previously shown in the Uncompensated Care cost center. In addition, county payments to HCMC for examinations made by the Sexual Assault Resource Service (SARS) program at HCMC will also now be accounted for and budgeted in this center. Those amounts were also previously shown in the Uncompensated Care cost center. The county in which the assault occurred is required by Minnesota Statutes section 609.35 to pay for forensic examinations of sexual assault victims.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$750,000	\$775,000	\$775,000
Federal			
State	4,549,680	4,500,000	
Local			
Fees and Services			
Other Revenue			20,650,000
Total Revenues	\$5,299,680	\$5,275,000	\$21,425,000
Personnel Costs	\$0	\$0	\$0
Supplies and Materials			
Purchased or Contract Services	5,224,730	5,275,000	21,425,000
Equipment and Asset Purchases			
Other Expenditures			
Total Expenditures	\$5,224,730	\$5,275,000	\$21,425,000

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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Significant Budget Changes:

The 2011 budget is significantly higher than in past years because of new intergovernmental transfers implemented by DHS in the second half of 2010.

Major Program: Libraries

Mission:

Hennepin County Library's mission is to nourish minds, transform lives and build community together.



Maple Grove Library



Kids Book Club

Program Description:

Hennepin County Library provides responsive and innovative library services for its customers. Services are provided in 41 physical libraries, through its public home page and its outreach services. Hennepin County Library facilities are now open for business nearly 2,000 hours each week in addition to 24/7 service to customers through its online presence. The Library's collection contains five million books, CDs, DVDs, digital resources as well as materials in more than forty languages.

Program Highlights:

The Library's 2011 budgeted expenditures are \$69.2 million, a 1.3 million reduction (1.8 percent) from the adjusted 2010 budget. Changes in the Library's estimated revenue include: an increased use in fund balance of \$500,000 to support the collection, a reduction of \$800,000 in transition aid from the City of Minneapolis, and a reduction in Contributions and Donations of \$500,000 to better reflect actual receipts.

In 2010, the Library expanded open hours at Maple Grove, Minneapolis Central and Plymouth libraries using Ballpark Sales Tax revenue. With the opening of Maple Grove and Plymouth libraries, an additional 55,000 square feet has been added to the one million square feet of library space. In 2011, the newly renovated and expanded Nokomis and Northeast libraries will re-open. Concurrent with these expansions, the Library has reduced staff by 35 full-time equivalents.

The 2011 Property Services expense remains flat when compared to 2010, even though Nokomis and Northeast libraries will be opening in early 2011. The collection budget is increasing by \$500,000 to a total 2011 expense of \$8 million, of which \$2 million will be financed by the use of fund balance.

Program Highlights - continued:

Hennepin County Library is finalizing a strategic plan for library services in Hennepin County that fulfills the mission to nourish minds, transform lives and build community together.

The Library's five-year Capital Improvement Plan includes eighteen projects totaling \$111.5 million. The new Nokomis and Northeast libraries will re-open in 2011. Four other major capital projects are currently underway: Brooklyn Park, Excelsior, New North/Webber Park and Walker libraries. Preliminary planning for Roosevelt and Southeast libraries has begun and investments in facility modifications continue throughout the system.

Technology continues to be an integral part of service delivery at the Library. More than 1,700 computers are available for customer use. Online renewals, meeting room bookings, class and program registrations are now considered basic services for library customers. Every day an average of 53,400 virtual visits are made to www.hclib.org, where customers register for programs, read book reviews and make recommendations, access databases, manage their accounts, pay fines and more. Approximately 75 percent of the Library's checkouts are done by customers using self-checkout machines. Seven libraries have automated material handling systems in place to expedite the movement of items requested into the hands of our customers.

The Library's collection contains five million books, CDs, DVDs and digital resources as well as materials in more than forty languages. In July, the Library began offering downloadable e-Books. During the first two months, there have been 3,600 checkouts of the 1,400 available copies. Hennepin County Library's 2011 annual circulation is expected to increase by 3 percent to 18 million. In 2011, the Library will invest \$8 million to maintain and enhance the collection, an increase of \$500,000 over 2010.

The Library continues to engage and build stronger communities. With the economic downturn, more residents are using the Library as a place of refuge, an entertainment resource for their families and as a resource for job and homework assistance. Hennepin County Library facilities are open for business nearly 2,000 hours each week in addition to 24/7 service to customers through the online resources. Open hours were increased at three libraries in 2010 with the use of Ballpark Sales Tax revenue.

The Library is one of the best avenues for reaching Hennepin County residents and is considered a highly sought after partner by others. Successful collaborations with Hennepin County departments and programs include the Adult Correctional Facility, A-GRAD, Taxpayer Services, County Attorney's Office for the be@school program and the Hennepin-University Partnerships for Housing and Aging initiatives. In addition to working with county colleagues, the Library continues its tradition of community service by partnering with schools and other organizations to provide lifelong learning for all ages and backgrounds. Meeting rooms and other gathering spaces are offered for use by the public for meetings and notable events such as the Uptown Art Fair, Victory Labor Day Races, and many other community-based activities.

Since 2008, Library use increased while the reduction in staff resulted in 95 fewer FTEs. Excellent customer service remains a priority and will continue to be accomplished by ensuring customers have access to a diverse and well-trained staff. We are committed to our re-engineering initiatives, implementing workflow efficiencies and increasing the use of volunteers to serve county residents.

Revenue Highlights:

Budgeted 2011 revenues for the Library total \$69.2 million; a 1.8 percent decrease over the 2010 adjusted budget of \$70.5 million. The 2011 operating budget is funded with \$55.0 million (80 percent) property taxes, \$5.9 million (9 percent) with funding from the City of Minneapolis and \$8.3 million (11 percent) with other revenues.

Property Tax Revenues

The budgeted property tax amount of \$55.0 million for 2011 is 0.9 percent less than the adjusted 2010 budget amount of \$55.5 million.

Federal and State Revenues

Budgeted 2011 revenues from the State of Minnesota are estimated at \$900,000, down over \$400,000 from \$1.4 million budgeted in 2010. This revenue, and the corresponding year over year reduction, represents the monies received from Metropolitan Library Service Agency (MELSA) for programs including: E-Rate, Regional Library Telecommunications Aid (RLTA), and state formula allocation.

Minneapolis Revenues

As part of the library merger agreement, the City of Minneapolis agreed to provide transition funding (\$7.0 million in 2009, \$6.2 million in 2010, and \$5.5 million in 2011) to provide support for operating expenses and to open three previously shuttered libraries (\$463,000 in 2009, \$481,000 in 2010, and \$390,312 in 2011): Roosevelt, Webber Park and Southeast, on a limited basis. The transition and "shuttered" funding support will gradually phase out ending in 2017 and 2015, respectively. The city will continue to retire the outstanding debt on the new Central Library in downtown Minneapolis, but the county has assumed responsibility for the operation and retirement of the debt associated with the parking ramp under the Central Library.

As a part of its capital improvement program, the city had approved referendum and capital bond funding for a variety of Library projects. The city will transfer a total of \$18,065,000 in capital improvement funds to the county for those projects based on a multi-year schedule included in the financing agreement. Revenue for these capital improvements is reflected in the capital budget.

Fines and Forfeits

A system-wide fee schedule for both suburban and Minneapolis libraries was implemented in 2009. Revenue from fines is estimated at \$1.8 million in 2011 which is consistent with the 2010 estimate and 2009 actual receipts. Overdue book fines make up most of the revenue in this category.

Contributions and Donations

Budgeted 2011 revenues from contributions and donations are estimated at \$1.1 million, down \$600,000 from \$1.7 million budgeted in 2010. The reduction in 2011 revenue is based on projected 2010 receipts. The majority of contributions and donations are received from the Library Foundation of Hennepin County which united with the Friends of the Minneapolis Public Library after the merger of the two library systems in 2008.

Ballpark Sales Tax

Budgeted 2011 revenues from the Ballpark Sales Tax are estimated at \$1.8 million, up \$300,000 from \$1.5 million budgeted in 2010. This revenue supplements library hours across the library system.

Other Revenues

A variety of other sources totaling \$2.8 million (4 percent) comprise the remainder of 2011 revenues. The largest item within this category is a budgeted \$2.0 million use of fund balance. Additionally, book sales and concessions revenues are included in the Other Revenues category.

Hennepin County

2011 BUDGET Adopted

Department Summary:	2009 Actual	2010 Budget	2011 Budget
Administration	\$1,690,951	\$3,145,686	\$2,409,530
Operations	3,478,601	3,792,951	3,907,726
Library Resources	13,953,176	16,487,911	16,721,756
Library Services	42,375,458	45,800,354	44,923,258
Library Strategies	880,934	1,228,216	1,228,293
Total Expenditures	\$62,379,119	\$70,455,118	\$69,190,562

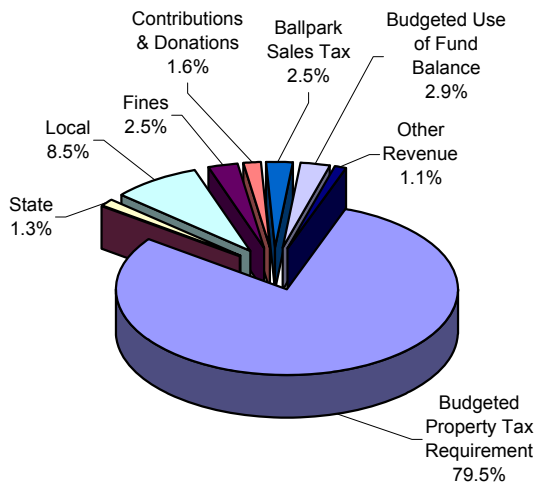
Revenue and Expenditure Information:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$58,765,000	\$55,518,003	\$55,003,295
Federal		150,000	
State	2,531,359	1,351,113	933,844
Local	6,631,301	6,721,312	5,850,312
Fines	1,800,315	1,785,828	1,752,097
Contributions and Donations	1,094,182	1,693,733	1,137,000
Ballpark Sales Tax		1,468,247	1,754,837
Budgeted Use of Fund Balance		1,223,789	2,000,000
Other Revenue	1,381,770	543,093	759,177
Total Revenues	\$72,203,927	\$70,455,118	\$69,190,562

**Reflects adjusted property tax, not actual property tax collections.*

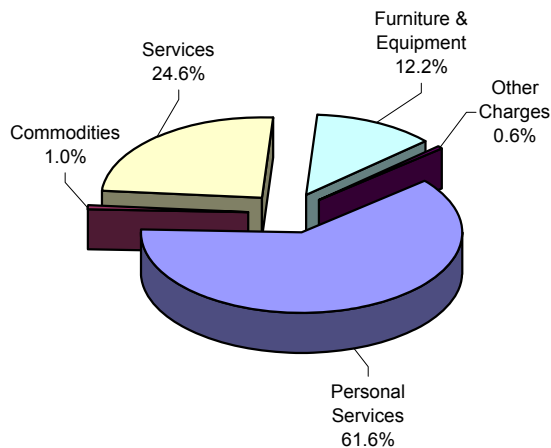
Personal Services	\$41,341,653	\$44,005,486	\$42,590,172
Commodities	713,528	568,609	703,325
Services	12,905,356	17,841,842	17,038,281
Furniture & Equipment	6,684,125	7,571,769	8,440,658
Other Charges	734,457	467,412	418,126
Total Expenditures	\$62,379,119	\$70,455,118	\$69,190,562

Revenue and Expenditure Comparison:

2011 Revenues



2011 Expenditures



Hennepin County

2011 BUDGET Adopted

Budgeted Positions:	2009 Budget	2010 Budget	2011 Budget
Total Full Time Equivalent (FTE)	689.9	657.0	622.0

Key Results:	2009	2010 Est.	2011 Goal
Number of circulated items	17,028,388	17,000,000	18,000,000
Visits to Library	5,650,073	5,753,956	5,850,000
Visits to Library Website	15,549,554	20,000,000	25,000,000
Percent of circulation using express checkout	74%	77%	80%
Volunteer hours supplementing service	86,562	90,000	100,000

Additional Resources:

The Library's website (www.hclib.org) provides additional information about the Library, including the Library Board and Foundation. Through the Library's website, the community can browse the catalog, reserve books, pay fines, and view events and classes catalog. The Library is a resource for early childhood literacy, homework assistance, 55+, jobs, and small businesses. The Library Foundation's website is www.supporthclib.org.

Major Program: Human Services

Mission:

Human Services and Public Health Department's mission is to "strengthen individuals, families and communities by increasing safety and stability, promoting self-reliance and livable income, and improving the health of our communities."



HSPHD Supports Healthy Families



HSPHD is Engaged in a Results Only Work Environment

Program Description:

The Human Services and Public Health Department (HSPHD) consists of a number of focused but flexible service areas, common internal support systems and cross-department integrated initiatives all working together to build better lives and stronger communities for the individuals, families and communities of Hennepin County.

To meet the mission, the department's focus is on four goals:

1. Protect children and vulnerable adults,
2. Support communities and families in raising children who develop to their fullest potential,
3. Assure that all people's basic needs are met, and
4. Build self-reliant communities and individuals.

Program Highlights:

The Human Services program 2011 budget is \$450.9 million, a decrease of 3.2 percent or \$14.9 million when compared to the adjusted 2010 budget of \$465.8 million.

Minnesota Family Investment Program (MFIP) and Medical Assistance caseloads continue to grow, placing greater demands on HSPHD staff. In addition, there is an increased use of mental health crisis services and a higher level of need for homeless shelters, all with no additional state or federal resources. Given the demands the department is facing, the primary focus of the work remains on protecting the most vulnerable residents and assisting residents in accessing services for basic needs. The department has been able to reduce its budget through the following:

1. Reduction in expenditures for out-of-home placements: This reduction is based on actual experience the last few years.
2. Savings from the cost of alcohol and drug treatment: Hennepin County's share of the cost for the Consolidated Treatment Fund continues to decrease through a combination of lower demand for services and collaboration with the State of Minnesota on the allocation of funds.
3. Savings from staffing controls: The department continues to practice a hiring policy that allows only direct services and related positions to be filled. In addition, HSPHD has put in tighter controls on the use of overtime and temporary staff.

Program Highlights - continued:

The program will operate with 2,751.2 FTEs, a decrease of 12.6 FTEs when compared with the 2010 adjusted budget of 2,763.8 FTEs. The 2011 FTEs include an increase of 3.0 FTEs resulting from the transfer of the Hennepin County Call Center from the Taxpayer Services Department to HSPHD and the transfer of 15.0 FTEs from HSPHD to the Information Technology Department as part of the IT service consolidation.

The 2011 Budget brings several years of planning around a new model of client service delivery (CSDM) to full scale. This new model of service delivery unifies key elements of the department's primary direct services. Nationally, this is one of the first attempts of this magnitude to completely integrate county financial, social, and public health services. It requires a horizontal approach to service delivery and a shared leadership style of management.

Complementing the departments integration efforts, is the plan to regionalize services. Under Regionalization, Hennepin County will have a number of major service regions, with the first site anticipated to open in late 2011. As implementation moves forward, the department will continue to develop the necessary tools:

1. Enterprise Communications Framework (ECF) - a key technological element supporting service integration. ECF provides document and process management through a single source for storage and delivery of client information across HSPHD service areas. It allows staff to organize and share client files, and supports the ability to work away from a central office site by keeping users connected to the information they need to do their jobs.
2. Electronic Provider File (EPF) - a database system that provides HSPHD staff with current information pertaining to all HSPHD contracted providers. All contract-related documentation can be stored with EPF to facilitate quick and easy access to contract files.

HSPHD continues to work to identify and address the needs of Hennepin County residents by working with a broad range of county departments, agencies, advocates, and advisory groups:

- Partner with agencies in the community as we move forward with regional site development.
- Work with Department of Community Corrections and Rehabilitation on a wide range of issues, from children being served by both departments to health care benefits for individuals leaving incarceration.
- Work closely with Hennepin Healthcare System, Inc. as the organization develops its new Coordinated Care Delivery System in response to GAMC legislation.
- Participate with the work of Research, Planning and Development to address both teen pregnancy prevention and the county's A-GRAD initiative.
- Work with the city of Minneapolis and the Bloomington/Richfield/Edina public health agencies to attend to the public health needs of our community while trying to reduce administrative overlap and improve efficiencies.
- Plan for and address emergency health and social services needs by partnering with agencies and departments outside of the department such as the county's Emergency Preparedness Office.

Revenue Highlights:

Budgeted 2011 revenues for the Human Services program total \$450,853,160, a decrease of 3.2 percent from the 2010 adjusted budget of \$465,755,382. Following is a summary comparing revenue by major category in 2010 and 2011.

Property Tax Revenues

County property tax support totals \$208.5 million for 2011, a decrease of \$13 million from the 2010 adjusted budget of \$221.5 million. The reduction in property tax support includes savings from fewer children in need of out of home placement, a reduced county share of Chemical Dependency Treatment Fund (CCDTF) payments, reduced countywide indirect charges and a budgeted use of fund balance. Human Services worked with County Administration and the Office of Budget and Finance to target the use of fund balance in support of operations so that property tax support could be lowered. Property tax support accounts for 46.2 percent of the Human Services program's estimated revenues.

Federal Revenues

Federal revenues consist primarily of reimbursements for the administrative costs of human services programs including financial, medical, and training and employment programs. The reimbursements are based upon the county's costs as well as federal rates. The federal portion of the 2011 revenue budget accounts for approximately 28.2 percent of the Human Services program revenue, up from 26.3 percent in 2010.

Federal revenue sources are budgeted at \$127 million, an increase of \$4.3 million when compared to the 2010 adjusted budget. The increase from 2010 includes a budgeted increase in Social Service Time Reporting revenue based on improved random moment time reporting.

The Human Services programs will receive approximately \$29.3 million in federal reimbursement for the administrative costs of the Temporary Assistance for Needy Families (TANF), food stamp and medical assistance programs. The TANF program is administered within Minnesota as the Minnesota Family Investment Program, or MFIP.

State Revenues

State monies are used to fund human services programs, training and employment programs, and financial and medical assistance programs. In 2011, revenues from the state make up 12.2 percent of total Human Services program revenue.

Revenues from the State of Minnesota to Hennepin County are estimated at \$55.1 million, an increase of \$1.3 million when compared to the 2010 adjusted budget of \$53.8 million. Responsibility for non-emergency medical transportation reverted to counties on July 1, 2009. In response, several metro counties entered into a cooperative agreement to provide non-emergency medical transportation through one contract. In 2011, Hennepin County will hold the contract and act as fiscal agent on behalf of seven other metro counties to provide non-emergency medical transportation. Administrative costs of this agreement are eligible for a fifty percent reimbursement from the Federal Financial Participation (FFP) rate of the Medical Assistance Program. The increase in state revenue includes the additional FFP reimbursement resulting from the county serving as fiscal agent for all participating counties.

Local Grants

Local grant revenue comes from private parties, nonprofit institutions, local governments, and private foundations. Local grants of \$1.6 million in 2011 account for less than 1.0 percent of total budget.

Fees and Services

A major portion of fee revenue is payments from third party payors and state and federal reimbursements for patient fees and services. Revenues from fees charged for services are estimated at \$46.7 million for 2011, down from \$55 million in 2010. The \$8.3 million decrease in Fees and Services revenue includes the sunset of \$3.3 million one-time American Recovery and Reinvestment Act (ARRA) Federal Medicaid Assistance Percentage (FMAP) funding that sunset December 31, 2010. Child Welfare-Targeted Case Management revenue is projected to decrease \$4.5 million in 2011 based on reduced rates and declining case loads.

Hennepin County

2011 BUDGET

Adopted

Revenue Highlights - continued:
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Other Revenues

Other revenues account for 1.0 percent of total revenue. Licenses, permits and interdepartmental payments account for the majority of revenues in this category. The increase from 2010 results primarily from Hennepin County billing each participating metro county for their share of the non-emergency medical transportation contract after Federal Financial Participation (FFP) has been deducted.

Fund Balance

To reduce the tax levy for 2011, the budget includes a planned use of fund balance.

Department Summary:	2009 Actual	2010 Budget	2011 Budget
Protection and Assessment	\$171,780,538	\$142,192,770	\$119,762,870
Case Management	205,070,014	197,938,630	203,193,000
Specialty Services	65,703,365	67,087,677	63,939,000
Internal Supports	61,914,581	57,904,082	63,217,290
Veterans' Services	834,795	632,223	741,000
Total Revenues	\$505,303,293	\$465,755,382	\$450,853,160
Protection and Assessment	\$153,001,171	\$142,192,770	\$119,762,870
Case Management	192,583,701	197,938,630	203,193,000
Specialty Services	58,268,796	67,087,677	63,939,000
Internal Supports	51,259,239	57,904,082	63,217,290
Veterans' Services	678,755	632,223	741,000
Total Expenditures	\$455,791,662	\$465,755,382	\$450,853,160

Revenue and Expenditure Information:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$245,690,058	\$221,482,402	\$208,480,160
Federal	137,440,607	122,668,346	126,950,000
State	61,411,537	53,781,332	55,051,000
Local	1,402,876	1,836,000	1,645,000
Fees and Services	55,382,828	55,007,000	46,694,000
Budgeted Use of Fund Balance		7,959,393	7,500,000
Other Revenue	3,975,387	3,020,909	4,533,000
Total Revenues	\$505,303,293	\$465,755,382	\$450,853,160

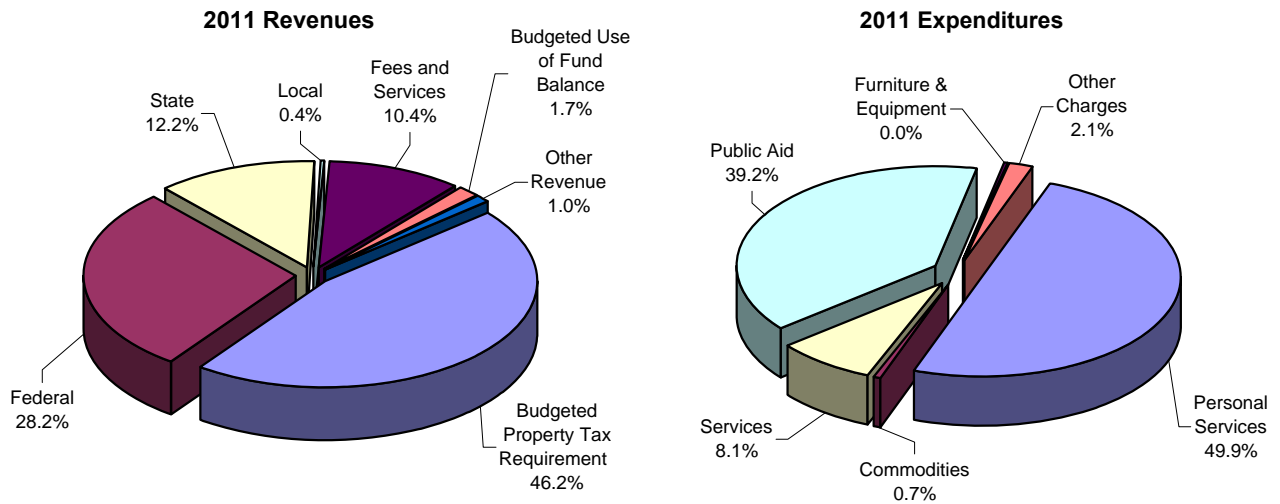
**Reflects adjusted property tax, not actual property tax collections.*

Personal Services	\$218,366,611	\$226,058,033	\$224,904,521
Commodities	2,370,788	3,010,704	3,241,000
Services	35,142,256	44,502,440	36,490,814
Public Aid	188,445,842	180,486,858	176,819,000
Furniture & Equipment	255,639	420,000	132,000
Other Charges	11,210,526	11,277,347	9,265,825
Total Expenditures	\$455,791,662	\$465,755,382	\$450,853,160

Hennepin County

2011 BUDGET
Adopted

Revenue and Expenditure Comparison:



Budgeted Positions:

	2009 Budget	2010 Budget	2011 Budget
Full Time Equivalents	2,760.4	2,763.8	2,751.2

Key Results:

	2009	2010 Est.	2011 Goal
Percent of children in open IV-D cases, born out of wedlock, with paternity established	96.54%	97.87%	99.00%
Number of cases of children in open IV-D cases, born out of wedlock, with paternity established	42,168	42,639	42,964
Percent of health care program applications processed in less than 60 days	77%	77%	77%
Number of health care program applications processed in less than 60 days	124,943	121,044	121,044
Percent of cash applications processed in less than 45 days	87%	86%	86%
Number of cash applications processed in less than 45 days	50,091	51,325	51,325
Number of cash reinstatements	29,174	27,119	27,119
Number of households served by Family Homelessness Prevention and Assistance Program	2,784	2,885	2,825
Annualized work participation rate for MFIP clients	29.2%	34.2%	39.2%

Additional Resources:

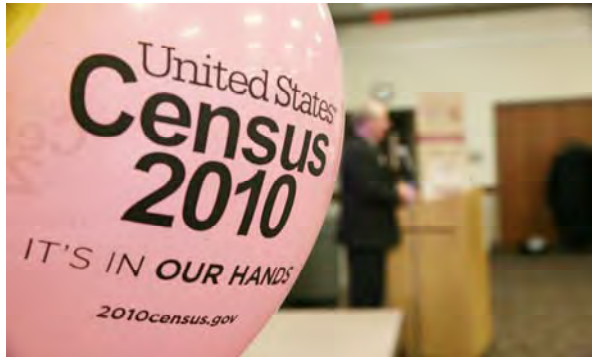
Additional information about the Human Services and Public Health Department and its services is available at the Human Services and Public Health website: www.hennepin.us/hspdh

Major Program: General Government

- Commissioners
- County Administration
- County Assessor
- Budget and Finance
- Research, Planning and Development
- Information Technology
- Property Services
- Taxpayer Services
- Human Resources
- Public Affairs
- Internal Audit
- Examiner of Titles
- Computer Forensics Unit
- General County Purposes
- Debt Retirement
- Ballpark Sales Tax Revenue Programs
- Employee Health Plan Self Insurance
- Self Insurance Fund



Service Center staff processes a passport application



Census 2010 kickoff event

Program Description:

The General Government program encompasses the policy making, administrative support and staff services necessary for the efficient and effective management of county programs. The Board of Commissioners, as the elected governing body of the county, establishes policies and programs, approves the annual budget, and appoints key officials. The County Administrator is responsible for advising the County Board and implementing approved policies and programs. The General Government departments include activities in the County Revenue Fund, the Debt Retirement Fund and Internal Services Funds.

Program Highlights:

The General Government program's 2011 budget (excluding Debt Retirement and Ballpark Sales Tax Revenue Programs) is \$159.0 million, a decrease of \$20.9 million (11.6 percent) from the 2010 adjusted budget of \$179.8 million. The overall reduction is mainly the result of reduced contingency funds, lower expenditures in the Taxpayer Services Department, and a reduction in Hennepin Justice Integration Project grants. In 2011, the General Government program will operate with 1,112.1 full-time equivalent (FTE) positions, an increase of 34.0 FTEs from the 2010 adjusted budget. The increase is mostly due to the centralization of Information Technology under the Federated Model initiative.

Program Highlights - continued:

Highlights from the 2011 General Government budget are outlined below. Note that narrative discussions regarding Debt Retirement and Ballpark Sales Tax Revenue activity are provided in separate sections of this document.

APEX

APEX is a multi-year, countywide business and technology project with a \$10.8 million budget in 2011. The objective of this project is to replace the county's 20-year-old financial system and payroll/personnel system with a single integrated, web-based system that will provide accounting, procurement, human resources and payroll functions. In 2009, the Human Resources module was implemented. At the end of 2010, the Finance module was implemented, excluding the budgeting component which will be implemented in 2011. 2011 is the fourth and final year of the project portion of the initiative and the first year of the APEX Service Center which will provide on-going management and support for the initiative. Both the project and the Service Center are budgeted as divisions within the Office of Budget and Finance Department.

Property Services

The 2011 Property Services budget totals \$43.5 million, with an authorized staffing complement of 223.5 FTEs. The 2011 budget is \$1.0 million or 2.4 percent less than the 2010 budget and includes a reduction of 4.0 FTEs. Several operational efficiencies have been identified and implemented in the Security and Facilities Management divisions. Energy reduction strategies have been a major focus within Property Services as well. Initiatives for 2011 include renovation of the Northeast and Nokomis Libraries and pre-design and schematic design for the Brooklyn Park and Excelsior Libraries.

Information Technology (IT)

The county's IT Department includes activities in the County Revenue Fund and two internal service funds. The County Revenue Fund consists of two divisions, General Government, approximately \$6.0 million, and Hennepin Justice Integration, approximately \$3.0 million. The internal service funds include the IT Operations Internal Services Fund (\$47.0 million and 205.2 FTEs) and the Central Services Internal Services Fund (\$5.4 million and 23.0 FTEs). In total, the 2011 authorized staffing complement for IT is 276.0 FTEs, an increase of 43.0 FTEs from the 2010 adjusted budget. This is due to the centralization of IT staff with implementation of the Federated Model. In total, the operating costs for Information Technology stayed level with the adjusted 2010 budget. The increase in staff was offset by accounting changes, also due to the implementation of the Federated Model.

Projects initiated in 2010 and continuing into 2011 consist of completion of the Federated Model implementation, e-Gov initiatives, data center reconfiguration, desk-top re-engineering (which includes computer hardware standardization), library network integration, implementation of a new countywide print strategy, and a variety of other projects aligning with countywide IT direction.

Taxpayer Services

The Taxpayer Services Department is comprised of the following eight divisions: Survey, Public Records, Service Centers, Elections, Property Tax, Administrative Services, Direct Access to Records and Taxes (DART), and Information Technology Services. The department's 2011 budget totals \$27.1 million with 300.3 FTEs. This is a budget decrease of \$6.0 million, or 18.1 percent, from the 2010 budget.

Approximately \$1.1 million of the decrease from 2010 is the result of eliminating election costs that were required for the 2010 election; 2011 is not a state/federal election year. The Taxpayer Services Department also reduced expenditures by eliminating 3 vacant positions and by putting the major purchase of a new property tax system on hold. For 2011, Taxpayer Services will also be transferring its Geographic Information Systems (GIS) functions to central IT and its 348-3000 call center functions to the Human Services and Public Health Department (HSPHD).

Minnesota Statute 357.182 requires the County Recorder to report compliance with statutory document recording deadlines for the previous year with their requested budget submissions. For 2010, the statute requires 90 percent of documents to be recorded within 15 days. The Public Records Division has met this requirement.

The Service Centers Division provides a variety of motor vehicle, driver's license, passport, birth, death, and marriage certificates, along with other state and local registration services and licensing functions to citizens of Hennepin County. There are seven locations throughout the county: Ridgedale, Southdale, Eden Prairie, Maple Grove, Brookdale, Midtown and downtown Minneapolis. Currently, the centers provide over 40 services and complete nearly one million transactions per year.

Revenue Highlights:

General Government's budgeted 2011 revenues are \$296.4 million, a 4.7 percent decrease of \$14.5 million from the 2010 adjusted budget of \$310.9 million. Below are descriptions of the different revenues in the General Government program.

Current Property Taxes

General Government is largely comprised of policy, administrative and support services departments funded primarily through property tax assessments. There is limited availability for outside resources to fund the activities and functions of these departments other than property tax, debt or use of fund balance. Property taxes finance 56.5 percent of the 2011 General Government program.

Federal

Federal revenue is down from 2010 as the result of a \$4.6 million reduction in federal Justice Integration grants received between 2010 and 2011.

State/Local

A small amount of local revenue (\$218,000) is being budgeted in the debt retirement program for 2011. This is revenue that will be received from the Minnehaha Creek Watershed District to pay debt service on county bonds issued for watershed management purposes.

Fees and Services

There is \$20.4 million of revenue budgeted in 2011 from fees charged for services; accounting for 6.9 percent of General Government's total revenues. Taxpayer Services and the Assessor's Office have budgeted the majority of fees and services revenue for 2011.

Taxpayer Services estimates \$18.0 million will be generated in 2011 from service center activities, public records and its other divisions. These fees account for 88.1 percent of all General Government fee and service revenues. Specific 2011 Taxpayer Services revenues include:

- \$5.2 million in fees for recording Torrens and Abstract certificates that are reserved by state statute for specific document recording process improvements and technologies meant to improve customer service and decrease the time needed to record real estate documents. The Public Records Division anticipates an additional \$3.9 million for recording Torrens and Abstract certificates.
- \$850,000 in new revenues for the RecordEASE web product, which charges subscribers for online searches and images of real estate records.
- \$4.4 million from the county's seven service centers for motor vehicle, driver's, and business licenses.
- An additional \$3.2 million from the service centers; \$2.0 million of this revenue is from the sale of passports, passport photographs, and postage for special handling.
- Approximately \$300,000 in other Taxpayer Services fees including revenue collections for preparing property tax data records/files and fees for requested services and activities performed by the Property Tax Division (e.g. special assessments and delinquent tax publications).
- Approximately \$130,000 through various Surveyor fees, including charges to other governmental jurisdictions to partially reimburse the Surveyor for updating and maintaining digital imagery.

The County Assessor generates most of its revenues by charging jurisdictions for assessment services to recover costs. The 2011 County Assessor's budget includes approximately \$1.7 million in revenues for assessments provided to 24 jurisdictions within the county.

Revenue Highlights - continued:

Other Revenues

Other revenues, totaling \$103.0 million, make up 34.7 percent of General Government's 2011 revenue. This is a budget decrease of approximately \$19.3 million from the 2010 adjusted budget of \$122.2 million, representing a decrease of 15.7 percent.

One reason for the decrease in other revenues is that the APEX project in its fourth year and has moved from the implementation to the operating phase. Expenditures for the project have decreased for 2011, so less fund balance and fewer capital notes are needed for the project.

In Taxpayer Services, other revenues are down \$3.9 million. The majority of the decrease, \$2.5 million, results from using a smaller amount of fund balance from the Recorder's technology fund in 2011 due to the postponement of the replacement of the county's property tax system as part of the DART project. Commodity sales revenues are also down \$844,000 and mortgage registry and deed tax collections are estimated to be down by \$460,000 in 2011 as a result of lower property values.

The majority of Property Services' \$24.5 million budgeted as other revenues is from building charges, which include billings to non-county Revenue Fund departments (e.g. Human Services, enterprise departments) and non-county agencies (e.g. State of Minnesota) for the space their programs occupy in county facilities. Additional revenue comes from employee contract and public parking, vending machine operations, security services, including those provided to the Municipal Building Commission and engineering services to the Hennepin County Energy Center. Property Services' other revenues are down approximately \$1 million from 2010 as a result reduced parking revenues.

Additional other revenues in General Government are generated by Public Affairs for broadcasting public meetings and providing services to other departments, Information Technology for administrative and overhead costs, Budget and Finance for investment services fees, Intergovernmental Relations for contract lobbying activities and for the Municipal Building Commission from sales of steam/energy, rent charges, and services that are provided to non-city and non-county customers.

Hennepin County

2011 BUDGET Adopted

Department Summary*:	2009 Actual	2010 Budget	2011 Budget
Commissioners	\$2,775,000	\$2,753,737	\$2,711,829
County Administration	7,448,005	3,000,982	2,843,822
County Assessor	3,711,510	3,915,217	3,964,507
Budget and Finance	13,417,812	19,051,451	16,112,551
Research, Planning and Development	4,450,000	3,200,009	3,017,669
Information Technology (excludes Internal Service Funds)	15,247,543	6,828,494	8,984,752
Property Services	44,077,615	44,534,949	43,456,553
Taxpayer Services	27,237,377	33,082,606	27,081,971
Human Resources	7,811,604	7,863,274	6,885,782
Public Affairs	2,532,465	2,205,189	2,266,635
Internal Audit	1,773,389	2,003,326	2,075,856
Examiner of Titles	962,469	937,398	898,877
Computer Forensics Unit	653,769	723,635	690,685
General County Purposes	27,765,829	49,721,165	37,961,032
Debt Retirement	200,034,156	100,015,553	106,548,650
Ballpark Sales Tax Revenue Programs	27,172,887	31,079,077	30,870,772
Total Revenues	\$387,071,430	\$310,916,062	\$296,371,943
Commissioners	\$2,558,649	\$2,753,737	\$2,711,829
County Administration	7,321,837	3,000,982	2,843,822
County Assessor	3,685,264	3,915,217	3,964,507
Budget and Finance	19,287,734	19,051,451	16,112,551
Research, Planning and Development	3,697,223	3,200,009	3,017,669
Information Technology (excludes Internal Service Funds)	12,684,478	6,828,494	8,984,752
Property Services	40,511,285	44,534,949	43,456,553
Taxpayer Services	27,306,049	33,082,606	27,081,971
Human Resources	7,195,714	7,863,274	6,885,782
Public Affairs	2,405,530	2,205,189	2,266,635
Internal Audit	1,543,360	2,003,326	2,075,856
Examiner of Titles	865,568	937,398	898,877
Computer Forensics Unit	451,044	723,635	690,685
General County Purposes	9,450,281	49,721,165	37,961,032
Debt Retirement	197,682,461	100,015,553	106,548,650
Ballpark Sales Tax Revenue Programs	24,233,189	31,079,077	30,870,772
Total Expenses	\$360,879,666	\$310,916,062	\$296,371,943

*Totals do not include internal service funds.

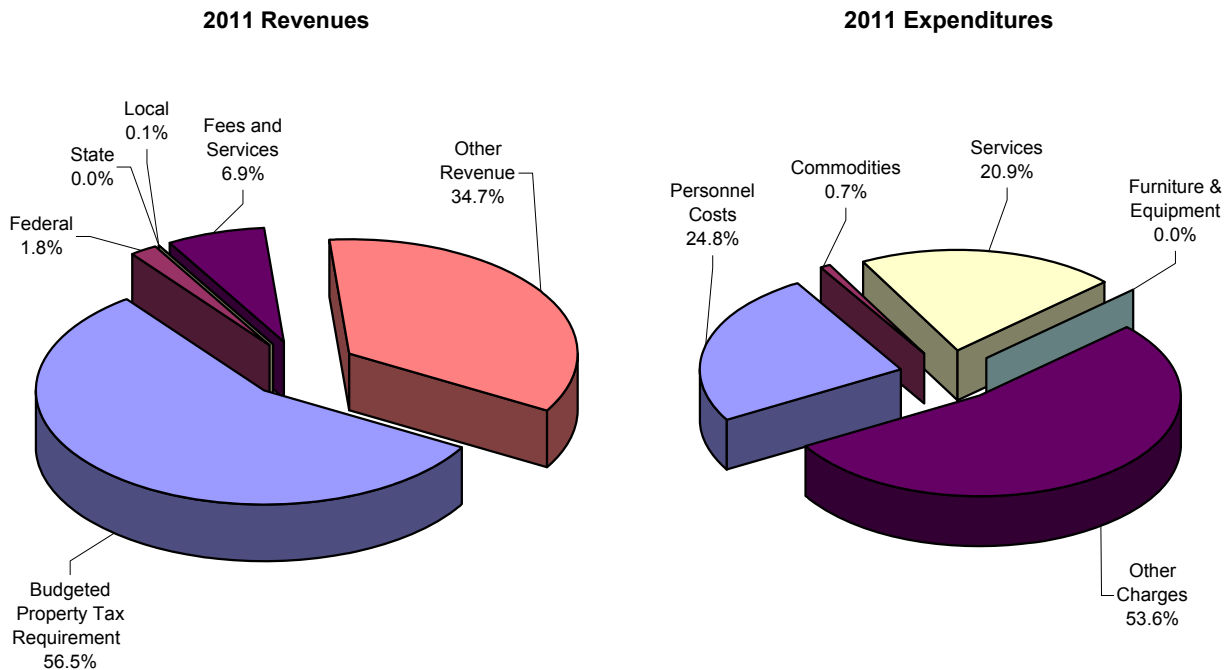
Hennepin County

2011 BUDGET Adopted

Revenue and Expenditure Information:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$152,391,176	\$160,796,255	\$167,497,037
Federal	4,076,505	6,552,334	5,287,477
State	2,375,457		
Local			218,563
Fees and Services	20,281,588	21,377,525	20,414,368
Other Revenue	207,946,704	122,189,948	102,954,498
Total Revenues	\$387,071,430	\$310,916,062	\$296,371,943
Personnel Costs	\$74,714,668	\$74,776,984	\$73,614,574
Commodities	1,606,882	3,928,501	2,067,460
Services	61,588,642	89,222,997	61,813,046
Furniture & Equipment	258,008	284,349	106,526
Other Charges	222,711,466	142,703,231	158,770,337
Total Expenditures	\$360,879,666	\$310,916,062	\$296,371,943

*Reflects adjusted property tax, not actual property tax collections.

Revenue and Expenditure Comparison:



Hennepin County

2011 BUDGET

Adopted

Budgeted Positions*:	2009 Budget	2010 Budget	2011 Budget
Commissioners	25.0	25.0	25.0
County Administration	16.3	15.2	17.4
County Assessor	41.0	39.5	39.5
Budget and Finance	94.5	91.5	92.3
Research, Planning and Development	20.0	19.0	19.0
Information Technology (includes Internal Service Funds)	241.0	233.0	276.0
Property Services	245.5	227.5	223.5
Taxpayer Services	317.8	309.3	300.3
Human Resources	74.1	70.1	64.1
Public Affairs	18.0	17.5	17.5
Internal Audit	12.0	13.0	13.0
Examiner of Titles	8.0	8.0	8.0
Computer Forensics Unit	3.5	4.0	5.0
General County Purposes	2.0	0.0	0.0
Debt Retirement	0.0	0.0	0.0
Ballpark Sales Tax Revenue Programs	0.0	0.0	0.0
Employee Health Plan Self Insurance (Internal Service Fund)	0.0	0.0	6.0
Self Insurance (Internal Service Fund)	5.5	5.5	5.5
	1,124.2	1,078.1	1,112.1

*FTE totals include internal service funds.

Hennepin County

**Commissioners
General Government**

**2011 BUDGET
Adopted**

Mission:

*The mission of Hennepin County is to enhance the health, safety and quality of life of our residents and communities in a respectful, efficient and fiscally responsible way.
(Resolution 01-5-294A adopted May 7, 2002.)*

Department Description:

The county operates under the board of commissioners-administrator form of government. Policy making and legislative authority are vested in the Board of Commissioners which consists of seven members. Their legislative powers are conferred on them by general state statutes which apply to county governments and special statutes applying to Hennepin County (M.S. 383B). The board is elected to four-year overlapping terms on a non-partisan basis.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$2,775,000	\$2,753,737	\$2,711,829
Federal			
State			
Local			
Fees and Services			
Other Revenue			
Total Revenues	\$2,775,000	\$2,753,737	\$2,711,829
Personnel Costs	\$2,343,082	\$2,412,774	\$2,394,922
Supplies and Materials	22,980	35,760	34,760
Purchased or Contract Services	117,485	168,043	146,987
Equipment and Asset Purchases	259	6,085	5,085
Other Expenditures	74,843	131,075	130,075
Total Expenditures	\$2,558,649	\$2,753,737	\$2,711,829

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	25.0	25.0	25.0
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Additional Resources:

Mike Opat, Chair, District 1 - www.hennepin.us/mikeopat
 Mark Stenglein, District 2 - www.hennepin.us/markstenglein
 Gail Dorfman, District 3 - www.hennepin.us/gaildorfman
 Peter McLaughlin, District 4 - www.hennepin.us/petermclaughlin
 Randy Johnson, District 5 - www.hennepin.us/randyjohnson
 Jan Callison, District 6 - www.hennepin.us/jancallison
 Jeff Johnson, District 7 - www.hennepin.us/jeffjohnson

Hennepin County

County Administration
General Government

2011 BUDGET
Adopted

Mission:

The mission of Hennepin County Administration is to implement County Board policies and state statutes, to promote county interests with other governmental agencies, and to provide direction to departments to achieve the county's overarching goals.

Department Description:

The County Board of Commissioners determines county policy. Administrative responsibility is delegated to the County Administrator. The other General Government departments result from statutory requirements or provide necessary management service functions. The departments further the county's vision statement as well as the accompanying overarching goals by directing, administering, planning, facilitating, assisting and coordinating the services and activities provided by all county departments. General Government departments include activities in the County Revenue Fund, the Debt Retirement Fund and Internal Services Funds.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$3,106,273	\$2,697,219	\$2,494,422
Federal	4,076,505		
State			
Local			
Fees and Services			
Other Revenue	265,227	303,763	349,400
Total Revenues	\$7,448,005	\$3,000,982	\$2,843,822
Personnel Costs	\$1,721,661	\$1,754,764	\$2,027,479
Supplies and Materials	12,823	20,671	19,671
Purchased or Contract Services	5,478,088	1,171,914	751,862
Equipment and Asset Purchases		3,000	3,000
Other Expenditures	109,265	50,633	41,810
Total Expenditures	\$7,321,837	\$3,000,982	\$2,843,822

**Reflects adjusted property tax, not actual property tax collections.*

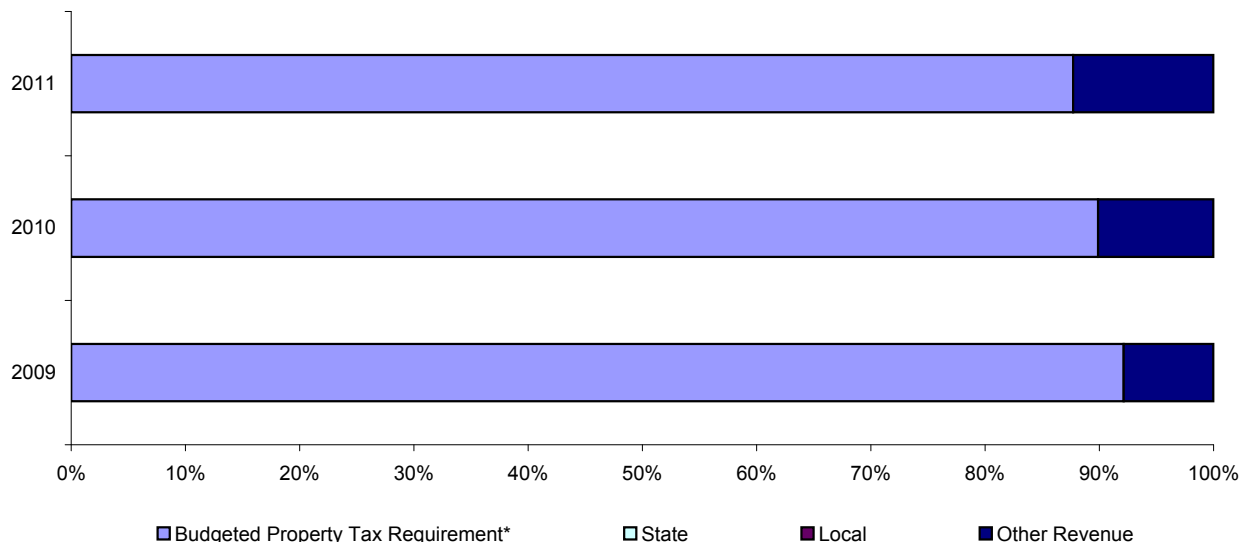
Budgeted Positions (Full-time Equivalent)	16.3	15.2	17.4
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Hennepin County

County Administration
General Government

2011 BUDGET
Adopted

Revenue Comparison:



Significant Budget Changes:

The Hennepin Justice Integration Project (HJIP) has been transferred to Information Technology General Government. Hennepin County's Diversity function has been transferred from Human Resources to County Administration, as increasing the diversity of our staff is a major priority for Hennepin County. In 2009, the Juvenile Justice Grants were part of County Administration. These grants are budgeted under General County Purposes beginning in 2010.

Division Budgets:

	2009 Actual	2010 Budget	2011 Budget
County Administration	\$1,035,111	\$1,105,678	\$1,438,911
Labor Relations	647,682	665,156	672,998
Intergovernmental Relations	497,367	533,631	554,663
CJCC & HJIP	5,114,955	671,517	123,500
Domestic Fatality	26,722	25,000	23,750
Total Expenditures	<u>\$7,321,837</u>	<u>\$3,000,982</u>	<u>\$2,813,822</u>

Additional Resources:

www.hennepin.us, select "Departments" and select "[Administration](#)."

Hennepin County

**County Assessor
General Government**

**2011 BUDGET
Adopted**

Mission:

The mission of the Hennepin County Assessor's Office is to serve the taxpayers of Hennepin County by valuing and classifying real property in an accurate and equitable manner as prescribed by statutes of the State of Minnesota.

Department Description:

The County Assessor's Office is responsible, both directly and indirectly, for estimating the market value and determining the classification for every real estate parcel in suburban Hennepin County. This office provides education and training countywide, along with reviewing all assessments to ensure equality across all jurisdictions in the county. For the jurisdictions that contract with the county for assessment services, this office serves as their city assessor and is involved in the entire assessment process. For cities with populations under 30,000, the county has significant involvement in the assessment process, which includes mailing value notices and defending tax court petitions. For the largest eight cities in Hennepin, except for Minneapolis, the county mainly has valuation oversight authority. The City of Minneapolis is considered a city of the first class and the duties of the county assessor are performed by Minneapolis.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$2,075,000	\$2,198,317	\$2,258,057
Federal			
State			
Local			
Fees and Services	1,636,480	1,709,900	1,703,450
Other Revenue	30	7,000	3,000
Total Revenues	\$3,711,510	\$3,915,217	\$3,964,507
Personnel Costs	\$3,348,441	\$3,505,949	\$3,523,523
Supplies and Materials	11,782	15,900	16,000
Purchased or Contract Services	309,234	362,918	395,834
Equipment and Asset Purchases	(6,937)	2,000	
Other Expenditures	22,744	28,450	29,150
Total Expenditures	\$3,685,264	\$3,915,217	\$3,964,507

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	41.0	39.5	39.5
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Hennepin County

County Assessor
General Government

2011 BUDGET
Adopted

Budget Commentary

Personnel costs account for 88.9 percent of the Assessor's Office 2011 expenditure budget. In the revenue area, 24 cities contract with Hennepin County for local assessment services. The revenues received by each jurisdiction cover 100 percent of the county's costs for serving as their city assessor.

The Assessor's Office is currently preparing the 2011 assessment for taxes payable in 2012. For pay 2010, 2,380 tax court petitions have been filed across the county on 6,781 parcels. The estimated market value (EMV) of these parcels is \$17,954,615,000, which equates to 12.8 percent of the countywide EMV and 18.7 percent of the countywide tax capacity. These tax court petitions are on properties located across the entire county and include all property types.

Key Results:	2009	2010 Est.	2011 Est.
Number of Real Estate Parcels	422,764	423,000	425,000
Number of Parcels Under Contract	76,557	77,000	78,000
Cost per Parcel Under Contract	21.3	22.0	22.5
Percent of Contract Appraisal Cost Recovered	100%	100%	100%
Tax Court Petitions	1,882	2,380	3,500
Total Number of Abatements Processed	1,649	1,932	1,800

Additional Resources:

www.hennepin.us/propertytaxassessment

Property Tax Administrators' Manual - www.taxes.state.mn.us/property_tax_administrators

Minnesota Statutes 270 through 289 - www.revisor.mn.gov

Hennepin County

Office of Budget and Finance
General Government

2011 BUDGET
Adopted

Mission:

To ensure that the financial health, working capital, and financial and credit conditions of Hennepin County are sound. To support countywide and business line strategic objectives through effective financial and human resource systems, consultation, analysis and reporting. To join with vendors and county departments in purchasing needed goods and services, and ensuring Hennepin County's commitment to Equal Opportunity and Affirmative Action.

Department Description:

The Office of Budget and Finance is organized into several divisions. The Budget and Treasury division performs budget preparation and analysis, revenue and expenditure forecasting, legislative analysis, and treasury services. The Risk Management division works in cooperation with the County Attorney's Office to monitor and control the financial and operational risk for Hennepin County. General Accounting and Payroll Services performs all general countywide accounting activities and payroll functions. Purchasing and Contracting Services is responsible for most county purchasing tasks abiding by Minnesota State Statutes and Hennepin County's policies and procedures. The APEX Service Center provides production and user support for Hennepin County's Enterprise Resource Planning (ERP) system. The APEX Project continues to implement remaining phases of Hennepin County's ERP system.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$3,950,187	\$6,786,482	\$9,001,911
Federal			
State			
Local			
Fees and Services	448,425	462,000	425,000
Other Revenue	9,019,200	11,802,969	6,685,640
Total Revenues	\$13,417,812	\$19,051,451	\$16,112,551
Personnel Costs	\$7,748,127	\$9,230,907	\$9,217,954
Supplies and Materials	52,779	54,930	45,960
Purchased or Contract Services	11,298,825	9,668,914	6,781,437
Equipment and Asset Purchases	106,526	3,000	2,000
Other Expenditures	81,477	93,700	65,200
Total Expenditures	\$19,287,734	\$19,051,451	\$16,112,551

**Reflects adjusted property tax, not actual property tax collections.*

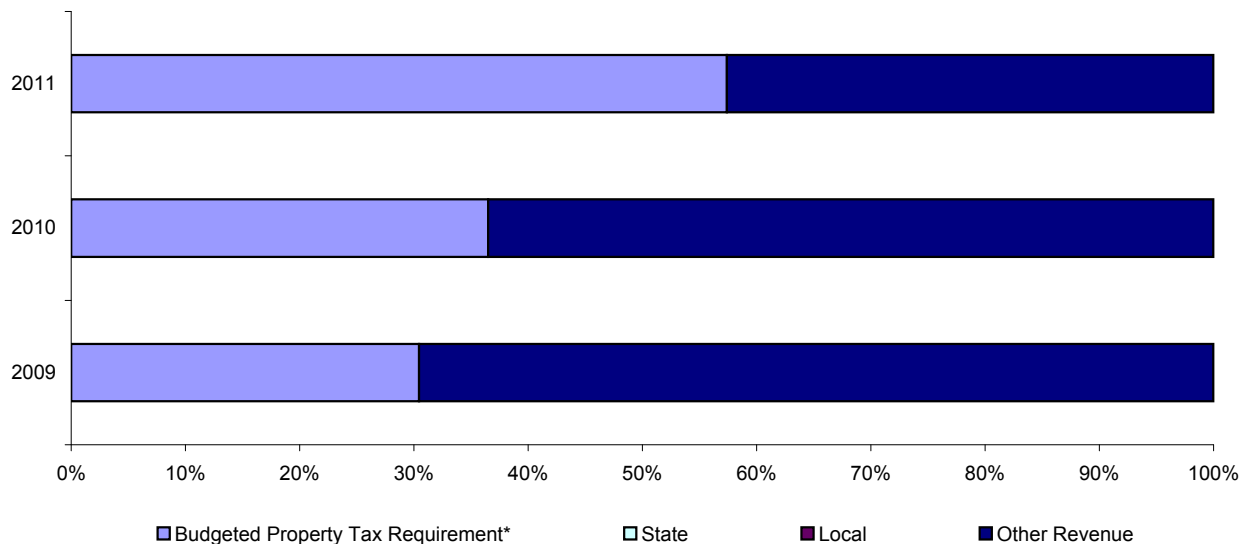
Budgeted Positions (Full-time Equivalent)	94.5	91.5	92.3
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Hennepin County

Office of Budget and Finance
General Government

2011 BUDGET
Adopted

Revenue Comparison:



Division Budgets:

	2009 Actual	2010 Budget	2011 Budget
Budget Analysis and Treasury Services	\$2,062,639	\$1,501,896	\$1,878,254
Risk Management	128,201	139,881	139,294
Accounting and Payroll	1,520,770	1,925,659	1,628,349
Purchasing and Contract Services	1,486,454	1,661,820	1,660,186
APEX Service Center			5,938,204
APEX Project	14,089,670	13,822,195	4,868,264
Total Expenditures	<u>\$19,287,734</u>	<u>\$19,051,451</u>	<u>\$16,112,551</u>

Additional Resources:

www.hennepin.us/budgetfinance
 Budget documents - www.hennepin.us/hcbudget
 Financial reports - www.hennepin.us/cafr

Hennepin County

Research, Planning and Development General Government

2011 BUDGET
Adopted

Mission:

To engage in research, planning and analysis that supports and informs public policy and county practice.

Department Description:

Research, Planning and Development (RPD) provides strategic planning and leadership for countywide initiatives; conducts research and analysis to support countywide priorities; and disseminates relevant information to advance the county's mission. RPD seeks to produce data to foster evidence-based practices, data driven public policy and cost-effective, sustainable solutions.

RPD's functions include the following: continuing to develop an integrated, countywide strategic performance reporting system; providing informed decision making through the development and use of integrated data sources; research, analysis and reporting on emerging issues and trends; leading and reporting on strategic initiatives; and selective evaluation of county priorities.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$4,450,000	\$3,200,009	\$3,017,669
Federal			
State			
Local			
Fees and Services			
Other Revenue			
Total Revenues	\$4,450,000	\$3,200,009	\$3,017,669
Personnel Costs	\$2,356,042	\$2,206,653	\$2,150,081
Supplies and Materials	54,614	29,660	27,100
Purchased or Contract Services	1,265,288	939,196	804,988
Equipment and Asset Purchases	(430)	7,000	8,000
Other Expenditures	21,709	17,500	27,500
Total Expenditures	\$3,697,223	\$3,200,009	\$3,017,669

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	20.0	19.0	19.0
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Hennepin County

Research, Planning and Development
General Government

2011 BUDGET
Adopted

Significant Budget Changes:

In 2010, RPD continued to provide strategic planning and leadership for countywide initiatives; conduct research and analysis to support countywide priorities; and develop a countywide performance and reporting structure. In addition, RPD completed evaluations on key service programs, executed the Census Promotion 2010 strategic plan and re-focused the countywide performance management efforts.

In 2009, the department eliminated four professional staff yet continued to yield all previously expected work products. The impact of these and other reductions has been mitigated by the department by improving internal operational processes, enhancing customer feedback loops, and sharing resources with fellow departments. RPD carefully ensures continuity in the work of the department as it seeks to fulfill its mission.

The 2011 budget proposal is congruent with the strategic objectives formulated by the department's management team. The Balanced Scorecard strategy map, a strategic planning process, and the fiscal values and focus of the administration were used to develop RPD's 2011 budget.

Budget Commentary

Department key results for 2011:

- Hennepin Results will be integrated with the annual county budget processes.
- Year two priorities of Accelerating Graduation by Reducing Achievement Disparities (A-GRAD) will be achieved.
- Hennepin County will benefit from a results reporting framework tied to key community indicators.
- Teen pregnancy prevention initiative will continue to develop and implement new, evidenced-based practices to reduce teen pregnancy rates in Hennepin County.
- Program evaluation results provided by RPD will lead to changes in county practice.
- Environmental scanning products will inform strategic planning for the organization.
- Initiative results (e.g. education, teen pregnancy prevention) will inform policy and budgeting decisions.
- The work of the countywide Aging Framework will inform the appropriate redistribution of resources in order to support an aging population.

In 2011, RPD will continue to do the following:

- Dedicate resources to respond to requests from County Administration and the County Board for research, analysis, and environmental scanning;
- Provide current environmental data which informs decision and policy makers;
- Lead the implementation of the integrated countywide strategic management performance reporting system (Hennepin Results) with emphasis on results;
- Provide leadership for countywide, transformative, and strategic initiatives; and
- Provide evaluation and research support for strategic priorities.

Key Results:	2009	2010 Est.	2011 Est.
Percent of customers reporting RPD products improved decision making.	NA	88%	90%
Percent of customer suggestions reviewed and implemented by RPD management team in future projects.	90%	95%	95%
Percent of county departments whose strategic planning activities were coordinated or facilitated by RPD staff.	NA	50%	50%
Actual project hours are within approximately five percent of estimated project hours.	NA	70%	75%
Percent of projects completed and delivered to customer on time.	NA	80%	85%

Additional Resources:

www.hennepin.us/rpd

Hennepin County

Information Technology
General Government

2011 BUDGET
Adopted

Mission:

The Hennepin County Information Technology Community delivers innovative, effective, and timely business-driven information technology solutions in a secure, reliable, accessible, and fiscally responsible manner.

Department Description:

The Information Technology Department (IT) provides the computing and communications (voice and e-mail) infrastructure used for delivery of business applications throughout Hennepin County. It is also responsible for implementing and overseeing policy, procedures, and tools for ensuring information security. The department is organized into three major units: Office of the Chief Information Officer, Service Management and Compliance Division, and the Technology Management Division, all managed out of Fund 62, an internal service fund. Also under the umbrella of the Information Technology Department are the following areas managed in County Revenue Fund 10: General Government Development and Support, Hennepin Justice Integration Project, Mainframe Decommissioning, and Geographic Information Systems; and Central Services, Internal Service Fund 60. The Budget Summary section below represents Information Technology Fund 10 only; the Budgeted Positions includes all IT Funds.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
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Budgeted Property Tax Requirement*	\$12,704,916	\$5,400,249	\$8,972,352
Federal			
State			
Local			
Fees and Services	1,512,629		
Other Revenue	1,029,998	1,428,245	12,400
Total Revenues	\$15,247,543	\$6,828,494	\$8,984,752
Personnel Costs	\$9,862,037	\$4,636,077	\$5,520,166
Supplies and Materials	18,408	42,403	86,483
Purchased or Contract Services	2,738,270	2,035,658	3,315,238
Equipment and Asset Purchases	7,885	29,000	
Other Expenditures	57,878	85,356	62,865
Total Expenditures	\$12,684,478	\$6,828,494	\$8,984,752

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)**	241.0	233.0	276.0
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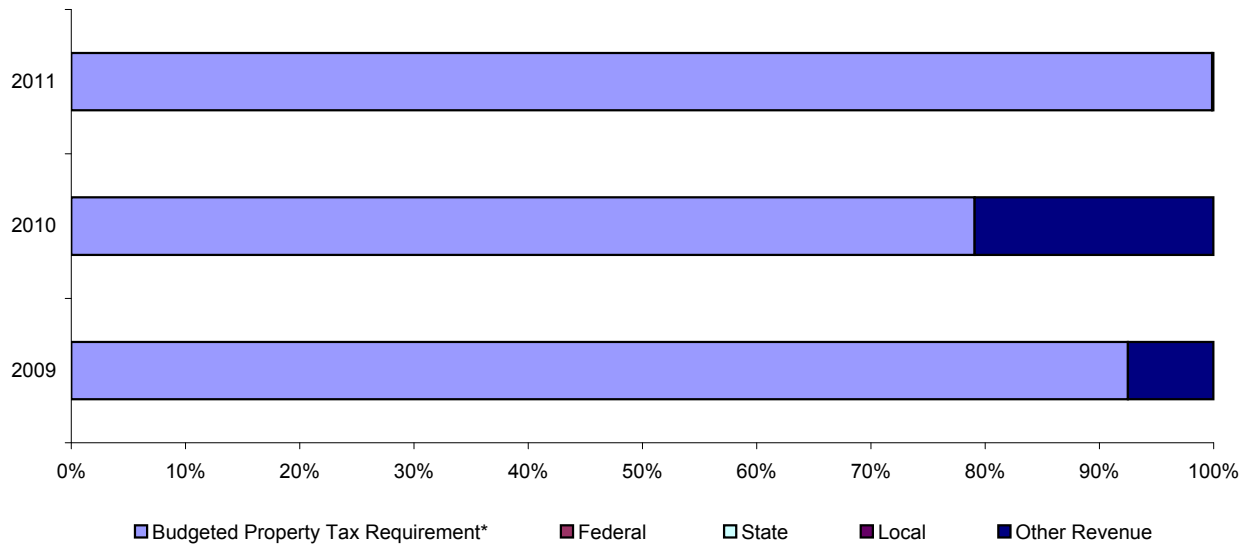
** Includes internal service fund FTEs

Hennepin County

**Information Technology
General Government**

**2011 BUDGET
Adopted**

Revenue Comparison:



Significant Budget Changes:

The Information Technology Department budget changed significantly from the prior year in terms of its structure. The rate re-engineering cost recovery methodology is effective January 1, 2011, therefore, the 2011 budget was prepared under this method. This has the following impacts: (1) All service cost activities are moved into Fund 62 from Fund 10 with the exception of General Government Development and Support, Mainframe Decommissioning costs (to be phased out as decommissioning is completed), and activities managed by other areas, but under the umbrella of the IT budget (Hennepin Justice Integration Project (HJIP) and Geographic Information Systems (GIS)). The GIS costs were previously accounted for within Taxpayer Services and moved into IT beginning 2011. These remaining Fund 10 activities are funded by property taxes, and for purposes of allocation of enterprise IT costs, are treated as technology customers. (2) Revenue will no longer be billed out by units used, unless the service is considered to be specific to only a small subset of county users. The costs of all enterprise services will now be allocated among county customers based on the number of full time equivalent staff budgeted to their area. Also, line of business specific vendor costs (primarily pass through communication costs) will be reported directly into the line of business budget, eliminating both the related revenue and expense in fund 62. (3) Significant service changes have also been incorporated into the 2011 budget, including new funding for the move of the data center and e-Government services, both of which are described more in the Budget Commentary section.

Division Budgets:

	2009 Actual	2010 Budget	2011 Budget
General Government	\$10,133,242	\$4,581,440	\$6,050,108
HJIP	2,551,236	2,247,054	2,934,644
Total Expenditures	\$12,684,478	\$6,828,494	\$8,984,752

Hennepin County

Information Technology
General Government

2011 BUDGET
Adopted

Budget Commentary

The Information Technology Department (IT) is continuing to focus on streamlining the delivery of IT services within a challenging economic environment. For 2011, strategic focus is on the development of E-Government infrastructure and business development, desktop re-engineering, which includes such projects as standardization of hardware and software, including procurement and desktop image, deployment and support, and the data center reconfiguration. IT has focused a significant portion of its resources on these programs in 2011. Other priority projects include:

1. Streamlining asset management,
2. Integration of the Library network with the county network,
3. A countywide print strategy program designed to consolidate printers, fax machines, and scanners into one device to raise productivity and lower costs,
4. Implementation of role-based services for assignment of security, hardware, and software needed for each job function, thereby automating processes, providing an audit trail, and resulting in less downtime for employees, and
5. A service improvement program designed to promote self-service with RequestIT and knowledge databases and provide a single point of contact for helpdesk services.

In addition to these efforts, IT continues to devote resources to ongoing priority efforts, such as the countywide strategic plan and metrics, portfolio management, and workforce planning. IT is also dedicating some staff resources for research and evaluation of such services as e-mail client options, iPhone and smart phone use in the county, mobile connectivity, and open source office.

Key Results:	2009	2010 Est.	2011 Goal
Percent of actual versus budgeted revenue	98%	100%	100%
Countywide IT budget as percent of countywide operational budget	7.5%	7.4%	8.0%

Additional Resources:

www.hennepin.us, select "Departments" and select "[Information Technology](#)."

Hennepin County

Property Services
General Government

2011 BUDGET
Adopted

Mission:

Property Services provides a full range of facility services to support county programs and services. The department identifies and articulates capital needs and provides facility development assistance; plans and designs new buildings, and modifies existing facilities to meet current and future county program needs; operates and maintains buildings; protects the employees and users of county services and facilities and safeguards county property; provides leadership, direction and consultation to address workplace safety and environmental needs in county facilities.

Department Description:

The Property Services Department:

- Plans facilities to meet current and future county program needs.
- Designs new buildings and makes changes to existing buildings to meet current program needs.
- Operates and maintains buildings occupied by county staff and serving county clients.
- Protects employees and users of county services and facilities and safeguards county property.

County staff are located in 142 facilities throughout Hennepin County – ranging from two-person offices to the 5,000 employees at the Government Center – over 8.4 million square feet. Hennepin County owns 85 of these facilities and leases space in 57 buildings. Property Services staff is involved with most of these facilities through their planning, design and construction activities and is responsible for operating 111 of these facilities.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
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Budgeted Property Tax Requirement*	\$21,135,154	\$19,019,940	\$18,935,593
Federal			
State			
Local			
Fees and Services			
Other Revenue	22,942,461	25,515,009	24,520,960
Total Revenues	\$44,077,615	\$44,534,949	\$43,456,553
Personnel Costs	\$16,430,129	\$17,510,049	\$17,011,017
Supplies and Materials	1,045,246	1,384,119	1,292,511
Purchased or Contract Services	22,428,895	24,981,698	24,576,158
Equipment and Asset Purchases	58,935	137,680	5,000
Other Expenditures	548,080	521,403	571,867
Total Expenditures	\$40,511,285	\$44,534,949	\$43,456,553

**Reflects adjusted property tax, not actual property tax collections.*

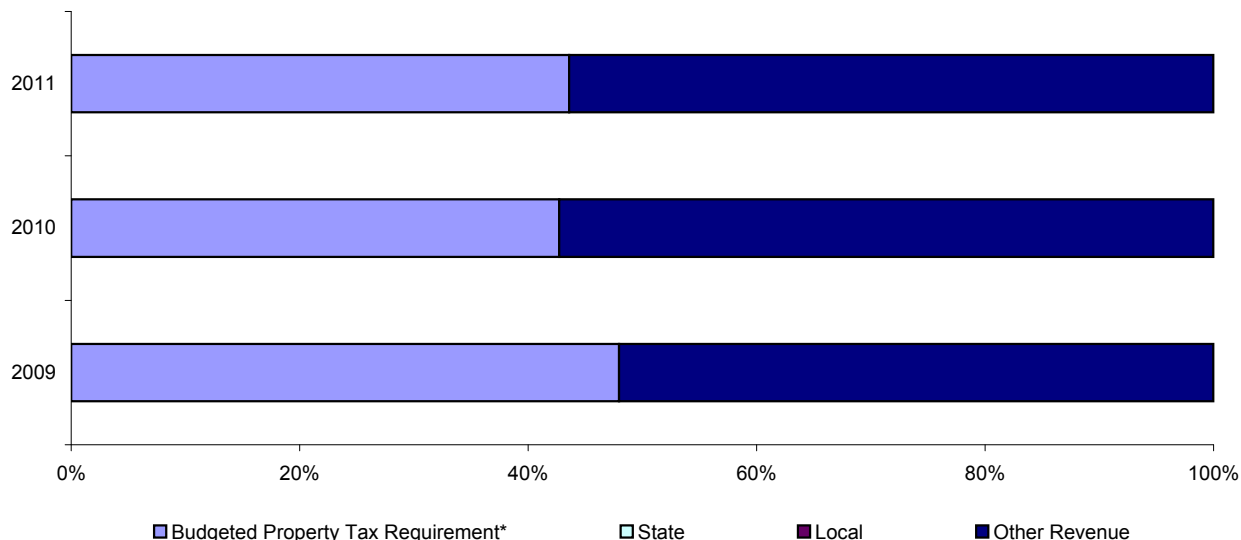
Budgeted Positions (Full-time Equivalents)	245.5	227.5	223.5
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Hennepin County

Property Services
General Government

2011 BUDGET
Adopted

Revenue Comparison:



Significant Budget Changes:

The 2011 budget is approximately \$1.0 million less than the 2010 budget. In order to accomplish this reduction, a number of positions were eliminated: three security officers were eliminated as a result of scheduling changes and centralizing security dispatching; one position was eliminated from the Design and Construction Division. Close attention to discretionary spending, limiting project work and reduction in facilities budgets are all part of the budget reduction strategy. Included in this strategy are elimination of window washing and greatly reduced carpet cleaning. In addition, painting, exterior plantings and landscape repairs will only be accomplished where absolutely necessary. Energy reduction strategies have been a major focus within Property Services as well. Based on information comparing annual energy usage between 2008 and 2009, energy use has decreased 6.6 percent among county facilities with a commensurate cost savings of 10 percent.

Accomplishing these budget reductions reflects the determination and creativity of Property Services staff members to conduct the department's work in new and different ways, meet the changing needs of the department's stakeholders and yet preserve and maintain the county's valuable infrastructure.

Division Budgets:

	2009 Actual	2010 Budget	2011 Budget
Dept Admin. and Business Services and Mgmt. Support	\$2,346,660	\$2,605,163	\$3,292,717
Design and Construction	1,747,948	2,117,994	1,842,412
Planning and Project Development	790,908	852,177	875,161
Workplace Safety and Environmental	760,016	793,909	782,477
Security Management	8,074,455	7,574,130	6,946,106
Facilities Management	26,791,298	30,591,576	29,717,680
Total Expenditures	\$40,511,285	\$44,534,949	\$43,456,553

Hennepin County

Property Services
General Government

2011 BUDGET
Adopted

Budget Commentary

Property Services strives to meet the needs of other county departments and the employees and clients who use our facilities – while at the same time bringing forward the best practices of the facility professions.

Initiatives set forth in 2010 by the Facilities Management Division included continued utilization of contract staff, establishment of a call center to prioritize and respond to work requests and implementation of one of the largest daylight cleaning projects in the country. Energy conservation is one of the department’s highest priorities. An aggressive program has been launched to recommission buildings and make a variety of improvements to save energy. Over the past few years, Property Services has reduced overall energy use by over 6 percent and a cost savings of 10 percent in energy costs over 2009 despite additional program hours and equipment. In Security Management, the addition of technology, continuing utilization of contract staff, physical and scheduling changes in weapons screening, new reporting software, and major changes in staff scheduling have resulted in reduction of staff and more accountable operations. Thirteen security positions have been eliminated over the past three years related to these changes. The Workplace Safety and Environmental Division has distinguished itself in dealing with the challenging hazardous materials situations and employee work issues. Of particular note are the e-learning courses to train employees in safety matters. These classes are more efficient for employees, eliminate the need for travel and ensure that classes are completed. Additional efforts have been placed in technology in 2010 as the department moves to replace its computer aided facilities management software program with a new software program which combines and integrates data associated with all the Property Services managed buildings. Lastly, communications software will be implemented to allow emergency communication with county employees via the county’s phone system.

In 2010, the new Plymouth and Maple Grove Libraries opened. Work continued on: Northeast Library, Nokomis Library, new Excelsior Library, new Brooklyn Park Library, new Walker Library, new 911/Emergency Communications Facility, NorthPoint Improvements, Human Services and Public Health’s regionalized hubs and satellites (7 projects), Adult Correctional Facility Men’s Section kitchen expansion and remodeling, Hennepin - Minneapolis Recycling and Waste Center and Hennepin County Government Center Court Tower (12 modifications).

Key Results:	2009	2010 Est.	2011 Est.
Building Operation Cost per sq. foot	\$6.38	\$6.11	\$5.92
Energy Cost per sq. foot	\$1.99	\$1.92	\$1.84
Janitorial Cost per sq. foot	\$1.97	\$1.90	\$1.83
OSHA Incidence Rate (per 100 employees)	2.1	less than 3	less than 3
Construction Small Business Enterprise (SBE) Utilization	29.6%	25.0%	25.0%
Weapons Screened	5,600	5,900	5,900

Additional Resources:

www.hennepin.us, select "Departments" and select "[Property Services](#)."

Hennepin County

Taxpayer Services
General Government

2011 BUDGET
Adopted

Mission:

Valued services; satisfied customers.

Department Description:

The Taxpayer Services Department (TSD) performs the County Auditor, Treasurer and Recorder functions for Hennepin County. The department consists of eight divisions: County Surveyor, Office of Public Records, Service Centers, Elections, Property Tax, Administration, IT Services, and Direct Access to Records and Taxes (DART).

Specific duties, often mandated by Minnesota Statutes, include the following: determine legal boundaries of land parcels; record and index legal documents and land title certificates; calculate, collect and distribute property taxes; administer elections, absentee voting, and voter registration; administer tax increment financing districts; coordinate the County Board of Equalization; provide motor vehicle registrations, driver's licenses, passport services and vital statistics records; provide IT and administrative support; and administer the DART initiative for enhancing property-related information systems and business operations.

Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$5,997,097	\$5,980,722	\$3,588,897
Federal			
State			
Local			
Other Taxes	1,452,919	1,535,734	1,075,000
Fees and Services	16,684,054	17,715,175	17,963,173
Other Revenue	3,103,307	7,850,975	4,454,901
Total Revenues	\$27,237,377	\$33,082,606	\$27,081,971
Personnel Costs	\$20,603,110	\$22,560,867	\$21,317,027
Supplies and Materials	208,974	357,795	278,574
Purchased or Contract Services	6,116,464	10,053,190	5,274,702
Equipment and Asset Purchases	16,871	13,500	14,200
Other Expenditures	360,630	97,254	197,468
Total Expenditures	\$27,306,049	\$33,082,606	\$27,081,971

**Reflects adjusted property tax, not actual property tax collections.*

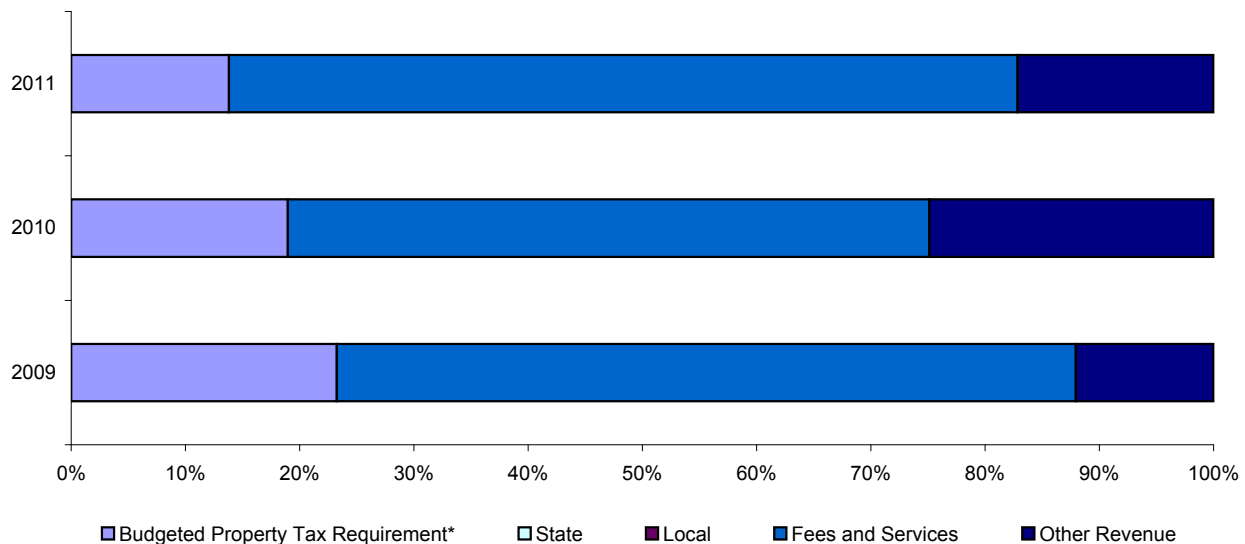
Budgeted Positions (Full-time Equivalents)	317.8	309.3	300.3
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Hennepin County

Taxpayer Services
General Government

2011 BUDGET
Adopted

Revenue Comparison:



Significant Budget Changes:

The \$6.0 million reduction in department expenditures from the 2010 budget is primarily due to four factors: 1) the decision to put the tax system replacement project on hold, postponing the major expenditure for a new tax system; 2) the absence of a state/federal election in 2011 (the 2010 budget included over \$1 million for the 2010 election); 3) organizational changes transferring the countywide call center and GIS Division activities to other departments; and 4) lower staff costs due to the elimination of some vacant positions and an increased vacancy factor.

Budgeted non-property tax revenue reductions of \$3.6 million are due primarily to reducing projected use of the Recorder's Technology Fund due to the postponed replacement of the county's tax system. Lower revenue projections in the Public Records Division account for the remaining reduction in budgeted revenues.

The reduction in FTEs represents two significant organizational changes occurring with this budget: 1) the 348-3000 call center function is being moved from Taxpayer Services to the Human Services and Public Health Department, and 2) the GIS Division is being transferred to Central IT to better reflect the enterprise-wide focus of their work.

Division Budgets:

Division Budgets:	2009 Actual	2010 Budget	2011 Budget
Surveyor	\$1,915,254	\$1,961,049	\$2,066,285
Public Records	5,946,021	5,667,054	4,987,259
Service Centers	8,893,610	9,038,907	8,608,023
Elections	760,180	2,087,549	813,476
Property Tax	3,383,900	4,365,531	3,888,449
GIS	739,272	797,946	
IT Services	1,779,698	1,518,188	1,495,828
Administration	1,352,603	740,636	583,826
DART	2,535,511	7,647,746	4,638,825
IT Rate Re-engineering		(742,000)	
Total Expenditures	\$27,306,049	\$33,082,606	\$27,081,971

Hennepin County

Taxpayer Services
General Government

2011 BUDGET
Adopted

Budget Commentary

In 2010, the Taxpayer Services Department was significantly under budget in both expenditures and revenues. Expenditures are lower than anticipated due to a delay in implementing a new property tax system. This delay also reduces revenue because the budget included using fund balance from the Recorder's Technology Fund for the tax system. Real estate related revenue is also lower than budgeted due to continuing weakness in the real estate market. Some of the revenue shortfall has been offset by RecordEase web revenue, which charges subscribers for online searches and images of real estate records.

Other Expenditures have been at or below budget as Taxpayer Services accomplished many activities during 2010. These accomplishments include the launch of the RecordEASE web product and the imaging of millions of pages of paper and microfilm records, the imaging and indexing of all marriage license documents, the development of several new GIS applications including a new website for the county's recovery and reinvestment effort, the successful adoption of legislative changes related to elections, the implementation of a new credit card payment processor to reduce convenience fee charges, the receipt of a "Best in Category" award from the National Association of Counties for the county's Foreclosure Prevention and Response Program, and the provision of survey services for other county departments.

Key Results:	2009	2010 Est.	2011 Est.
Percent of customers waiting less than 24 minutes for service in the service centers	81.0%	75.0%	80.0%
Land survey turnaround time	1 Day	8 Days	8 Days
Percent of personal services under budget	11.3%	8.4%	10.0%
Percent of tax payments made electronically	58.0%	58.2%	60.0%
Public Records document recording time	15 days	8 days	10 days

Additional Resources:

- www.hennepin.us, select "Departments" and select "[Taxpayer Services.](#)"
- www.hennepin.us/elections
- www.hennepin.us/gis
- www.hennepin.us/recordease
- www.hennepin.us/servicecenters

Hennepin County

Human Resources
General Government

2011 BUDGET
Adopted

Mission:

To provide human resources programs and services that enhance Hennepin County's organizational results.

Department Description:

The Human Resources Department (HR) is comprised of three major program areas: Administration & HR Services, HR Specialty Services, and Staffing & Development. Administration and HR Services provides direction and leadership in the planning, development, coordination and implementation of policies, procedures, goals and objectives to county departments and consultation on various HR-related issues.

HR Speciality Services includes the Benefits, Compensation and HR Information Technology Divisions. The Benefits Division develops, implements and administers cost-effective programs to meet the needs of county employees and their families. Compensation develops, implements and administers the county's pay programs. Information Technology supports strategic objectives by providing the information technology to obtain, manage and use information.

Staffing and Development includes the Learning and Development, Organization Development and Staffing Services divisions. Learning and Development provides leadership development programs and training classes that develop county competencies and improve organizational performance. Organization Development provides consulting to improve organizational effectiveness and enhance organizational results. Staffing Services provides recruitment and selection services.

Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$7,646,468	\$7,510,944	\$6,818,782
Federal			
State			
Local			
Fees and Services			
Other Revenue	165,136	352,330	67,000
Total Revenues	\$7,811,604	\$7,863,274	\$6,885,782
Personnel Costs	\$5,937,037	\$6,210,179	\$5,715,303
Supplies and Materials	101,895	97,060	90,860
Purchased or Contract Services	971,579	1,452,977	982,980
Equipment and Asset Purchases	10,300	4,143	3,900
Other Expenditures	174,903	98,915	92,739
Total Expenditures	\$7,195,714	\$7,863,274	\$6,885,782

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	74.1	70.1	64.1
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Hennepin County

Human Resources
General Government

2011 BUDGET
Adopted

Significant Budget Changes:

Two HR employees whose personnel service expenses were formerly paid for with interdepartmental revenue now directly budget their time to the departments receiving their services (MHP and HSPHD).

Six APEX employees are transferring to HR as the HR APEX System Services Division.

One Diversity Manager has transferred to County Administration along with the program budget.

Effective 1/1/2011, the HealthWorks budget and 5.0 FTEs have been transferred to the Employee Health Plan Self-Insurance Fund.

Effective 1/1/2011, 1.0 FTE has been transferred to the IT Department as part of the Federated Model.

Division Budgets:	2009 Actual	2010 Budget	2011 Budget
Administration and HR Services	\$2,109,547	\$2,223,313	\$1,854,325
HR Specialty Services	2,355,769	2,470,285	2,829,809
Staffing and Development	2,730,398	3,169,676	2,201,648
Total Expenditures	\$7,195,714	\$7,863,274	\$6,885,782

Budget Commentary

HR programs directly impact employee productivity and retention, have broad organizational impact and have the potential to generate long-term financial benefit.

In 2009, HR created an effective communication strategy and overall implementation plan to request voluntary special leave without pay (SLWOP). The strategy answered employees' questions and facilitated more than 4,000 employees taking special leave without pay, which resulted in \$4.5 million in savings to help address the county's difficult financial environment. In addition, HR promoted the utilization of an on-site health clinic resulting in lower-cost health service utilization and employee savings on copayments; and created the new Leave and Accommodation Management (LAM) function to centralize, standardize and streamline the administration of employee medical leaves of absence, Family and Medical Leave (FMLA), and American with Disabilities Act (ADA).

Under health self-insurance, the county will save on administrative costs, achieve greater long-term cost control and plan flexibility and access to enrollee utilization experience which is instrumental in developing wellness programs.

Key Results:	2009	2010 Est.	2011 Goal
Customer satisfaction with HR services	92.9%	94.0%	95.0%
HR budget per county employee	\$976	\$1,041	\$1,039
County management diversity	14.5%	13.7%	13.7%
County employee turnover	6.3%	5.1%	6.1%
County performance reviews completed	74.5%	77.9%	78.0%
HR workforce diversity	21.6%	22.9%	22.9%

Additional Resources:

For more information regarding Hennepin County Human Resources and county job opportunities, visit:

www.hennepin.us/hr
www.hennepin.us/jobs

Hennepin County

Public Affairs
General Government

2011 BUDGET
Adopted

Mission:

The Public Affairs Department's mission is to help the county organization achieve Hennepin's mission, vision and major goals through effective communication.

Department Description:

The Public Affairs Department is an in-house public relations agency located in the Hennepin County Government Center in Downtown Minneapolis. Public Affairs creates various outreach products used internally and externally to inform citizens and employees about county programs and activities, including live cable TV broadcasts of County Board and Committee meetings, original video and multi-media programs, www.hennepin.us and HCNet, news releases, press conferences, photographs, brochures and other printed materials, building events and exhibits, and special events. The department assists the media in reporting on county government and provides the county organization with media relations services.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$2,280,831	\$1,905,689	\$2,024,135
Federal			
State			
Local			
Fees and Services			
Other Revenue	251,634	299,500	242,500
Total Revenues	\$2,532,465	\$2,205,189	\$2,266,635
Personnel Costs	\$1,594,544	\$1,683,568	\$1,706,964
Supplies and Materials	39,662	36,400	48,291
Purchased or Contract Services	681,710	371,631	398,790
Equipment and Asset Purchases	15,658	26,841	25,841
Other Expenditures	73,956	86,749	86,749
Total Expenditures	\$2,405,530	\$2,205,189	\$2,266,635

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	18.0	17.5	17.5
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Hennepin County

Public Affairs
General Government

2011 BUDGET
Adopted

Significant Budget Changes:

Public Affairs' 2011 property tax requirement is 6.2 percent greater than it was in the 2010 adjusted budget. The increase is mainly the result of the reallocation of revenues that Public Affairs previously received from other general fund departments to property tax.

Public Affairs will also be adding an Information Writer to its Web Division who is currently on mobility from Environmental Services. To reduce expenditures, the department plans to eliminate 1.0 FTE and to fill a vacant Public Affairs Officer position with a less expensive Information Writer.

Key Results:

	2009	2010 Est.	2011 Est.
Media Calls	750	890	1,000
Board/Committee/Budget meeting broadcasts	52	51	51
Videos produced	26	23	25
HC Weekly/HC News	52	52	52
Events coordinated/consulted	45	58	50
Design projects (substantive print)	163	178	165
Photography (photo shoots)	350	422	400
Hennepin Gallery/other exhibits	12	17	15
Summer on the Plaza performances	45	44	51

Additional Resources:

- www.hennepin.us, select "Department" and select "[Public Affairs](#)."
- www.hennepin.us/news
- www.hennepin.us/hennepingallery
- www.hennepin.us/summerontheplaza

Hennepin County

**Internal Audit
General Government**

**2011 BUDGET
Adopted**

Mission:

To provide an independent appraisal function within Hennepin County and to develop and execute a comprehensive audit plan to review and evaluate the adequacy and effectiveness of Hennepin County's system of internal controls as a service to the management team, the Audit Committee, and the County Board.

Department Description:

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve county operations. We help the county accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit conducts and supports a number of projects including compliance activities, special reviews, IT audits, and risk-based assurance and consulting engagements. Projects are identified from a variety of sources including customers, the County Board, the Audit Committee, and by monitoring trends within the county and across the professional audit environment.

Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$1,692,324	\$1,933,326	\$2,000,856
Federal			
State			
Local			
Fees and Services			
Other Revenue	81,065	70,000	75,000
Total Revenues	\$1,773,389	\$2,003,326	\$2,075,856
Personnel Costs	\$1,043,279	\$1,247,982	\$1,298,389
Supplies and Materials	6,198	10,507	7,500
Purchased or Contract Services	472,346	722,287	748,417
Equipment and Asset Purchases	(407)		
Other Expenditures	21,944	22,550	21,550
Total Expenditures	\$1,543,360	\$2,003,326	\$2,075,856

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	12.0	13.0	13.0
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Hennepin County

Internal Audit
General Government

2011 BUDGET
Adopted

Significant Budget Changes:

The increase in the 2011 budget results from the return of Internal Audit staff that were temporarily loaned to other county departments, and the plan to implement automated audit software to enhance the efficiency of audit activities.

Budget Commentary

Internal Audit was provided with a new FTE to expand IT audit capabilities and provide more focus, depth and breadth in that area. The position was filled in April 2010 by someone with extensive IT audit experience and the department is currently working to define IT audit priorities and identify potential projects.

In addition to IT audits, Internal Audit continues to allocate resources to three different types of projects based on the department's priorities in order to achieve our key results. They include:

1. Compliance Activities — projects in this area include the coordination of the annual Federal Single Audit, assisting departments to prepare for and properly manage federal grants received through the American Recovery and Reinvestment Act (ARRA), and monitoring External Agency Audits initiated across the county by various federal and state agencies.
2. Loss Investigation Activities — responsibilities include the documentation and investigation of losses reported as appropriate based on the amount of the loss, the likelihood similar losses could occur, and the impact those losses would have on the organization.
3. Risk Based Assurance and Consulting Activities — remaining resources are used to conduct assurance and consulting projects that are identified and prioritized through a structured risk assessment process. Assurance engagements involve the objective assessment of a county entity, operation, function, process, system or other subject matter. Consulting engagements are projects in which we provide advisory and related client service activities in order to add value and improve the organization's governance, risk management, and control processes.

Additional Resources:

www.hennepin.us, select "Departments" and select "[Internal Audit](#)."

Hennepin County

**Examiner of Titles
General Government**

**2011 BUDGET
Adopted**

Mission:

To competently, timely and efficiently perform the judicial administrative and legal advisor duties imposed on the Examiner of Titles by the Minnesota land registration acts in order that the registered land system will be the system of choice for owners of real property in Hennepin County.

Department Description:

The Examiner of Titles ensures that title to all real property in Hennepin County is registered and maintained under the Minnesota Torrens System. A Certificate of Title issued under the Torrens (land registration) Act provides a simple, clear and certain method to show ownership of land and interests affecting the land. This information is useful to land owners and other citizens of Hennepin County and to lenders, cities, the county and the state.

Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$962,064	\$935,398	\$898,877
Federal			
State			
Local			
Fees and Services			
Other Revenue	405	2,000	
Total Revenues	\$962,469	\$937,398	\$898,877
Personnel Costs	\$826,811	\$877,298	\$845,777
Supplies and Materials	6,214	6,000	6,000
Purchased or Contract Services	23,555	42,600	35,600
Equipment and Asset Purchases	(2,580)	1,000	1,000
Other Expenditures	11,568	10,500	10,500
Total Expenditures	\$865,568	\$937,398	\$898,877

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	8.0	8.0	8.0
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Additional Resources:

www.hennepin.us, select "Departments" and select "[Examiner of Titles.](#)"

Hennepin County

Computer Forensics
General Government

2011 BUDGET
Adopted

Mission:

To provide a coordinated approach to conducting employee investigations in order to mitigate risk to the county. Computer Forensics consists of a team of trained digital forensic investigators who conduct investigations of digital evidence as it relates to violations of county policy, legal statute, and misuse of county equipment and systems.

Department Description:

Computer Forensics conducts Hennepin County employee investigations, providing digital evidence to support or dismiss the allegation of a violation. It does this by:

- Providing a coordinated approach to enterprise risk management that includes identification, avoidance, mitigation, and event response;
- Providing investigations resulting in forensically sound evidence, in a legal, impartial and confidential manner;
- Providing efficient and cost-effective digital forensic services;
- Maintaining a knowledgeable, experienced and engaged team of investigators;
- Maximizing technology to improve and streamline digital forensic services;
- Providing clear and complete information needed to make decisions related to policy violations; and
- Providing education and communication on appropriate use of county resources.

The department works in collaboration with the other Hennepin County internal services including Human Resources, Labor Relations, Internal Audit, and the County Attorney's Office.

Budget Summary:

	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$653,769	\$723,635	\$690,685
Federal			
State			
Local			
Fees and Services			
Other Revenue			
Total Revenues	\$653,769	\$723,635	\$690,685
Personnel Costs	\$374,464	\$454,005	\$589,389
Supplies and Materials	7,738	45,350	35,600
Purchased or Contract Services	13,947	105,150	
Equipment and Asset Purchases	54,020	51,100	38,500
Other Expenditures	875	68,030	27,196
Total Expenditures	\$451,044	\$723,635	\$690,685

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	3.5	4.0	5.0
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Hennepin County

Computer Forensics
General Government

2011 BUDGET
Adopted

Significant Budget Changes:

For 2011, the Supplies and Materials budget has been reduced by \$10,000 due to 2010 purchases that can be utilized through 2011.

The Equipment and Asset Purchases budget has been reduced by \$10,000 due to the rightsizing of the Forensics team equipment needs.

The 2010 budget included a \$16,100 allocation of indirect costs in the Other Expenditures category. This allocation is not required and has been removed for 2011.

Budget Commentary

2010 was the first year the Computer Forensics budget was 100 percent under General Government. Prior to 2010, portions of the budget were within the Human Services and Public Health Department (HSPHD).

Computer Forensics will continue to be utilized as a countywide resource, providing services to all county departments.

Focus will be given to coordinating with the Governance Risk and Compliance group to identify county risks and develop mitigation plans.

Hennepin County

General County Purposes

General Government

2011 BUDGET

Adopted

Mission:

To encourage and assist public programs and activities dedicated to cultural enrichment and to educational and technical assistance; to provide dues and contributions to organizations benefiting the county; and to reserve available funding for contingent activities further defined during the budget year. The General County Purposes' activities, programs and services support and further the vision and overarching goals of the county.

Department Description:

General County Purposes includes:

- Cultural and technical assistance activities and programs (Hennepin History Museum, County Fair, Extension Services, National Association of Counties, Association of Minnesota Counties, etc.) that the county supports through funding as required or permitted by state law;
- Nonfederal Medical Assistance Reimbursements;
- Justice Integration Grants;
- Municipal Building Commission;
- Ballpark Office expenses and the Hennepin Youth Sports Program reimbursed through sales tax; and
- Undesignated Appropriations (Contingency).

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
------------------------	--------------------	--------------------	--------------------

Budgeted Property Tax Requirement*	\$26,587,093	\$37,200,588	\$32,935,804
Federal		6,552,334	2,717,646
State			
Local			
Transfer from other Funds	889,133		
Other Revenue	289,603	5,968,243	2,307,582
Total Revenues	\$27,765,829	\$49,721,165	\$37,961,032
Personnel Costs	\$525,904	\$485,912	\$755,682
Supplies and Materials	17,569	20,032	20,032
Purchased or Contract Services	8,528,153	16,304,638	12,992,655
Equipment and Asset Purchases	(2,092)		
Other Expenditures	380,747	32,910,583	24,192,663
Total Expenditures	\$9,450,281	\$49,721,165	\$37,961,032

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	2.0	0.0	0.0
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Hennepin County

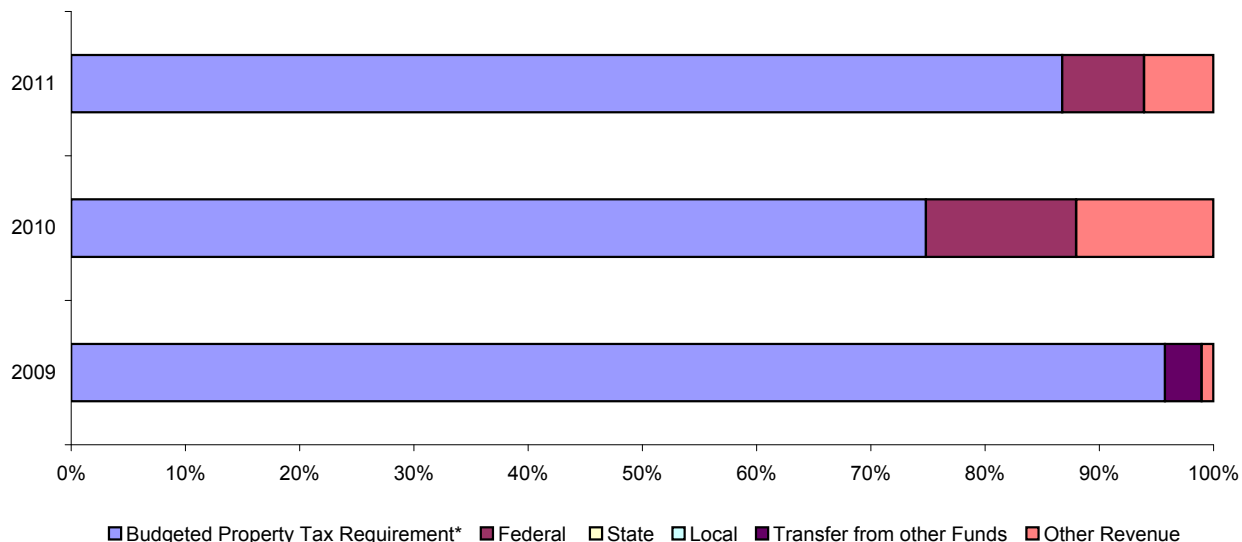
General County Purposes

General Government

2011 BUDGET

Adopted

Revenue Comparison:



Significant Budget Changes:

The APEX project, which is replacing the existing financial, procurement and human resources systems; has been transferred to the Office of Budget and Finance (OBF). All budget history for the APEX project has also been transferred to OBF.

The estimated need for Nonfederal Medical Assistance has increased \$1.6 million from 2010 to 2011.

There was a \$4.6 million reduction in federal Justice Integration grants received between 2010 and 2011.

The Hennepin Youth Sports Program is budgeted at \$2,065,000 for 2011; which is a \$2.9 million decrease from the 2010 adjusted budget. The 2010 budget includes expenses anticipated from both rounds 1 and 2 of Youth Sports grants, whereas the 2011 budget includes expenses anticipated from round 3 of grant letting.

The HCMC Contingency is combined with the General County Purposes' Contingency for the 2011 Budget.

Division Budgets:

	2009 Actual	2010 Budget	2011 Budget
Hennepin County Fair	\$57,174	\$54,887	\$54,887
Hennepin History Museum	176,084	169,041	169,041
Minnesota Extension Services	625,062	564,898	535,303
Dues and Contributions	164,831	179,000	383,000
Municipal Building Commission	3,539,417	3,391,648	3,304,724
Nonfederal Medical Assistance	4,822,325	5,216,256	6,792,000
Development and Abatements	388		
Justice Integration Grants		7,644,480	3,013,042
Hennepin Youth Sports	65,000	4,925,955	2,065,000
Contingency		27,575,000	21,644,035
Total Expenditures	\$9,450,281	\$49,721,165	\$37,961,032

Hennepin County

General County Purposes

General Government

2011 BUDGET

Adopted

Budget Commentary

The Budgeted Property Tax Requirement for 2009 includes \$15,435,920 for Contingency. Expenditures do not typically appear in contingency; rather a County Board resolution will authorize and direct a budget transfer from contingency to the appropriate fund/department receiving and expending the funds.

Dues and Contributions Detail	2009	2010	2011
National Association of Counties (NACO)	\$23,014	\$24,000	\$24,000
Association of Minnesota Counties (AMC)	73,317	76,000	75,000
St. Anthony Falls Heritage Board	31,000	31,000	31,000
North Metro Crossing (Hwy 610)	10,000	10,000	11,500
Southwest Crossing	15,000	10,000	7,500
National Institute of Health Policy		15,000	15,000
North Metro Mayors Association	10,000	10,000	10,000
Youth Coordinating Board			56,000
Minnesota River Board	2,500	3,000	3,000
Itasca Economic Development Corporation			150,000
Total Dues and Contributions	\$164,831	\$179,000	\$383,000

Additional Resources:

Hennepin County Fair - www.hennepincountyfair.com
 Hennepin History Museum - www.hennepinhistory.org
 Minnesota Extension Services - www.extension.umn.edu/county/hennepin
 Municipal Building Commission - www.municipalbuildingcommission.org
 Hennepin Youth Sports - www.hennepin.us/youthsports
 www.mnsports.org/grant_program.htm

Hennepin County

**Debt Retirement
General Government**

**2011 BUDGET
Adopted**

Mission:

To provide for principal and interest payments on general obligation bonds issued for building projects and equipment acquisition; to provide for principal and interest payments on sales tax revenue bonds; and to provide for lease payments on certificates of participation.

Department Description:

Moneys budgeted in this program pay the annual principal and interest on the county's general obligation bonds, sales tax revenue bonds, and any lease/purchase agreements that may exist. Payment schedules are established by Board resolution at the time of the bond sale or upon approval of the lease/purchase agreement. This program is accounted for in the Debt Retirement (70) and the Ballpark Debt Retirement (79) Funds.

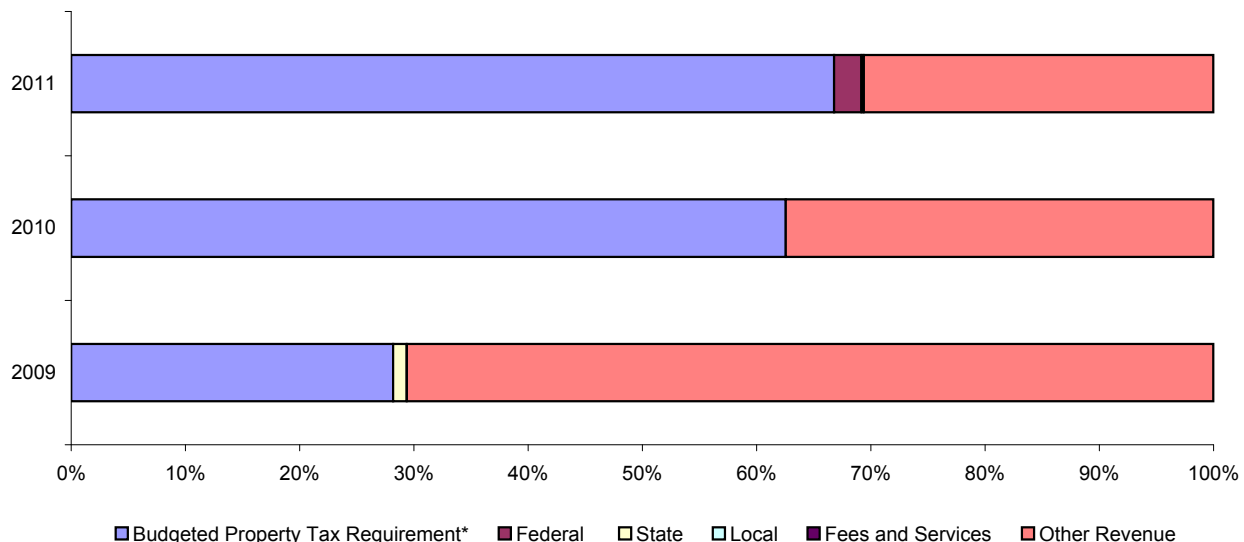
Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$56,375,000	\$62,550,000	\$71,147,168
Federal			2,569,831
State	2,375,457		
Local			218,563
Fees and Services			
Other Revenue	141,283,699	37,465,553	32,613,088
Total Revenues	\$200,034,156	\$100,015,553	\$106,548,650
Personnel Costs	\$0	\$0	\$0
Supplies and Materials			
Purchased or Contract Services	593,922	400,000	400,000
Equipment and Asset Purchases			
Other Expenditures	197,088,539	99,615,553	106,148,650
Total Expenditures	\$197,682,461	\$100,015,553	\$106,548,650
<i>*Reflects adjusted property tax, not actual property tax collections.</i>			
 Budgeted Positions (Full-time Equivalents)	 0.0	 0.0	 0.0

Hennepin County

**Debt Retirement
General Government**

**2011 BUDGET
Adopted**

Revenue Comparison:



Significant Budget Changes:

The categories of revenues in the Debt Retirement budget are expanding for 2011.

Federal interest subsidy payments authorized by federal economic stimulus laws will be paid to the county to support debt service requirements for taxable bonds issued in 2009 and 2010, specifically the Series 2009D and 2010C Build America Bonds and the Series 2010D Recovery Zone Economic Development Bonds.

Local revenue will be paid by the Minnehaha Creek Watershed District to pay debt service on county bonds issued for watershed management purposes.

An increase in use of fund balance has been added for 2011 to fund appropriations to pay down variable rate demand notes (Series 2005A).

The 2009 Actual figures include debt refunding revenue and expenditures of \$119.5 million (for Series 2001A and B, 2002A and B, and 2003C refunded with proceeds from Series 2009B.)

DEBT RETIREMENT BUDGET HIGHLIGHTS

The debt management strategy of Hennepin County for the 2011 – 2015 period takes into account the need to borrow funds for completion of the Capital Improvement Plan as described herein.

At the end of 2010, Hennepin County had \$828.8 million in general obligation (GO) outstanding debt. Of this amount, there was \$716.5 million of general obligation property tax levy-supported debt outstanding. Additionally, there was \$112.3 million of general obligation revenue-supported bonds outstanding. This is a large increase over 2010 because of the fact that the county issued this significant amount of this debt for the Counties Transit Investment Board (CTIB) in exchange for a note receivable. The debt service on these bonds will be paid with a statutory 0.25 percent sales tax revenues collected in the five metro counties that are members of CTIB. In this category of GO revenue bonds, \$8.2 million are solid waste system financing, \$1.3 million financed the Augsburg Ice Arena and \$102.8 million are for CTIB transit projects. Finally, there are \$14 million of Lease Revenue Certificates of Participation (COP) outstanding that are the result of refinancing the previously issued COPs which provided financing for the acquisition of the former Metropolitan Medical Center, now part of the Hennepin County Medical Center.

The county is authorized by the state to issue debt for general capital projects as well as libraries, solid waste facilities and equipment acquisitions.

The total amount of debt that the county could potentially issue under its general bonding authority (Minnesota Statutes 373.40 as described below) is approximately \$1.75 billion. This amount of bonding authority grows with increases in the taxable property values within the county. This general bonding authority does not include the county's solid waste system or the Library system. The county has \$607.9 million in bonds currently outstanding under its general bonding authority. The current capital plan includes \$57.4 million of new debt issuance for 2010, of which \$8.4 million is for library bonds and \$49.1 million is under the general bonding authority.

As discussed in greater detail in Section VIII and in its financial and debt management policies, the county makes use of bonded indebtedness in accordance with these principles:

- 1) debt is normally issued only for major projects with a county expense in excess of \$150,000;
- 2) debt is not to be used for operating projects or those projects whose life expectancy does not exceed the maturity of the bonds;
- 3) the county balances debt issuance and current property taxes for capital projects to maintain consistent levels of tax burden; and
- 4) the county maintains its strong financial framework and Aaa/AAA/AAA bond rating.

The summary of outstanding debt and the future requirements tables at the bottom of this section summarizes the county's outstanding debt at the end of 2009 and 2010, and future debt levy requirements.

Summary of County's Major Debt Issuance Authorities

Overall Debt Limitation Calculation

The overall limitation on county general obligation debt is 3.0 percent of the taxable market value within the county. This calculates to a limit of \$4.26 billion as contrasted with total outstanding debt of \$828.8 million. This limitation is very large in contrast to outstanding debt and anticipated debt.

The overall debt limitation is calculated as follows: taxable property market value times .03 = debt limitation. $\$141,854,000,000 \times .03 = \$4,255,620,000$.

Capital Improvement Bonds and Notes - M.S. Chapter 373

M.S. 373.40 in this chapter authorizes the county to issue bonds without referendum (unless petitioned by 5.0 percent of voters). This authority limits debt issuance to bonds for which the principal and interest of the bonds will not exceed 0.12 percent of the taxable market value of the county. Depending on interest rates and maturity structures, this would limit the county to issuing approximately \$1.75 billion of bonds. Currently, there are approximately \$607.9 million of bonds outstanding under this authority.

M.S. 373.40 Debt Limitation Calculation

Taxable property market value times .0012 = maximum annual principal and interest. For 2010, this results in: $\$141,854,000,000 \times .0012 = \$170,224,000$. The maximum principal and interest divided by \$97,500 (estimated debt service costs for \$1 million of debt assuming 5.5 percent for 15 years) produces an estimate of the amount of debt that can be issued under this authority. For 2011, this amount is: $\$170,224,000 \text{ divided by } \$97,500 \text{ per million} = \$1,745,900,000$ of estimated debt authorization per M.S. 373.40.

Capital Notes under M.S. 373.01 subdivision 3 authorizes the county to issue capital notes for equipment pursuant to M.S. 373.01, Subdivision 3. Capital notes issued pursuant to M.S. 373.01 are in addition to those issued pursuant to M.S. 383B.117, as discussed below. During 2010, the county issued capital notes of \$10.0 million. With the 2010 addition, there are currently \$23 million of notes outstanding under this authority.

Library Bonds - M.S. Section 383B.245

This statute authorizes the county to issue bonds for libraries without referendum. Prior to 2008, the county operated a library system outside of the City of Minneapolis. Effective January 1, 2008, the Minneapolis Public Library merged with the county library system and the applicable valuation pertaining to the debt limit is now countywide. This authority limits debt issuance to bonds for which the principal and interest of the bonds will not exceed .01612 percent of the market value of taxable property of the county. Assuming a 5.5 percent interest rate and 15-year maturity structure, it is estimated that the county could issue \$234.5 million of debt under this authority. Currently, there are \$86.5 million of bonds outstanding under this authority.

M.S. 383B.245 Debt Limitation Calculation

Taxable property market value times .0001612 = maximum annual principal and interest. For 2011, this results in: $\$141,854,000,000 \times .0001612 = \$22,876,000$. The maximum principal and interest divided by \$97,500 per million (estimated debt service costs for \$1 million of debt assuming 5.5 percent for 15 years) produces an estimate of the amount of debt that can be issued under this authority. For 2011, this amount is: $\$22,867,000 \text{ divided by } \$97,500 \text{ per million} = \$234,533,000$ of estimated Library debt authorization per M.S. 383B.245.

Under M.S. 473.811, the county may, by resolution, issue general obligation bonds or revenue bonds to provide funds for various solid waste facilities or improvements. The county currently has

\$8.2 million in bonds outstanding. There is no limit as to the amount of these bonds. The only limits are the purpose for which the bond proceeds are spent and the overall debt limit. The 2011-2015 capital plan includes \$9.1 million in solid waste debt.

Under M.S. 473.757 and 475, the county received one-time authority in 2006 to issue no more than \$350 million of sales tax revenue bonds to fund a contribution towards the construction and acquisition of a publicly-owned baseball stadium. Of the total \$350 million issued in 2007 and 2008, there is currently \$326.4 million outstanding.

Capital Notes under M.S. 383B.117, subdivision 2, the county may issue general obligation capital notes to finance equipment acquisition. The principal amounts of the notes issued for any year cannot exceed 1.0 percent of that year's annual budget and these notes must mature within ten years. Pursuant to statute, the annual budget for Hennepin Healthcare System is added to the annual budget of the county in calculating this limitation. The debt limit under this authority would be approximately \$21.6 million per year of capital notes. However, the county does not have current plans to issue debt under it.

Watershed Management Capital Improvements Bonds under M.S 103B.251 subdivision 7

The county issued \$3.2 million in bonds as part of its Series 2010B bonds for the benefit of the Minnehaha Creek Watershed District, a separate taxing jurisdiction. The District must levy a tax sufficient to pay the debt service, but if it fails to do so, the county is obligated to pay the debt service. These bonds have maturities as long as 20 years.

The county has a variety of other bonding authorities but the above represents the most commonly used authorities. A full listing of all debt authorities is available in county bond official statements that are available by request from the Office of Budget and Finance.

The table on the follow page shows the outstanding debt of the county and the 2011 debt service levy. The table on the following page shows the future levy requirements needed to support the both the countywide and library outstanding debt.

OUTSTANDING DEBT

	OUTSTANDING as of 12/31/2009	OUTSTANDING as of 12/31/2010	2011 DEBT SERVICE LEVY
Property Tax-Supported General Obligation Bonds	\$622,360,000	\$716,540,000	\$71,147,168
General Obligation Revenue Bonds			
Augsburg Ice Arena Bonds	1,415,000	1,285,000	(1)
Solid Waste Bonds	20,110,000	8,200,000	(1)
Counties Transit Sales Tax Bonds	0	102,810,000	(2)
Ballpark Sales Tax Revenue Bonds	330,250,000	326,400,000	(3)
TOTAL	\$974,135,000	\$1,155,235,000	\$71,147,168

(1) Nontax revenues such as solid waste fees and lease payments pay the debt service on these bonds.

(2) 0.25% 5-county sales tax revenues pay the debt service on these bonds

(3) 0.15% Hennepin County sales tax revenues pay the debt service on these bonds

**FUTURE DEBT SERVICE PROPERTY TAX
REQUIREMENTS ON OUTSTANDING DEBT**

YEAR	COUNTYWIDE LEVY	SUBURBAN ONLY LEVY	TOTAL LEVY
2011	64,154,892	6,992,276	71,147,168
2012	70,103,431	5,844,347	75,947,778
2013	71,681,411	5,119,545	76,800,956
2014	69,502,684	4,813,184	74,315,868
2015	69,322,307	2,879,806	72,202,113
2016	69,101,309	1,788,633	70,889,942
2017	69,118,752	816,320	69,935,072
2018	65,910,740	816,102	66,726,842
2019	64,513,957	814,312	65,328,269
2020	59,309,782	801,473	60,111,254
2021	50,794,435	390,926	51,185,361
2022	43,960,763	387,959	44,348,723
2023	41,119,513	389,616	41,509,129
2024	36,553,310	390,393	36,943,703
2025	36,220,906	385,195	36,606,101
2026	32,726,194	384,589	33,110,783
2027	28,694,531	0	28,694,531
2028	23,732,282	0	23,732,282
2029	13,596,480	0	13,596,480
2030	7,817,259	0	7,817,259
2031-5	<u>38,157,079</u>	<u>0</u>	<u>38,157,079</u>
Total	1,026,092,019	33,014,676	1,059,106,694

Hennepin County

Ballpark Sales Tax Revenue Programs

General Government

2011 BUDGET

Adopted

Mission:

To receive sales tax revenues authorized by Minnesota State Statute to provide for transfers of principal and interest payments on the sales tax revenue bonds issued to fund the county's contribution to the downtown baseball stadium, and to fund other authorized uses.

Department Description:

The funds budgeted in this activity pay the annual principal and interest on the county's sales tax revenue bonds for the new downtown Twins stadium. After payment of debt service, other authorized uses are contributions to a ballpark capital improvements account, Minnesota Ballpark Authority administrative costs, and youth sports and library programs. The sales tax revenue is collected on all taxable goods and services in the county at the rate of 0.15 percent, and distributed by the Minnesota Department of Revenue to the bond trustee to make all scheduled debt service payments.

First lien bonds were issued in 2007 in the amount of \$150 million. Second and third lien bonds were issued in the second quarter of 2008 in the total amount of \$200 million.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
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Budgeted Property Tax Requirement*	\$0	\$0	\$0
Federal			
State			
Local			
Fees and Services			
Other Revenue	27,172,887	31,079,077	30,870,772
Total Revenues	\$27,172,887	\$31,079,077	\$30,870,772
Personnel Costs	\$0	\$0	\$0
Supplies and Materials			
Purchased or Contract Services	550,881	3,468,247	3,819,837
Equipment and Asset Purchases			
Other Expenditures	23,682,308	27,610,830	27,050,935
Total Expenditures	\$24,233,189	\$31,079,077	\$30,870,772

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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Hennepin County

Employee Health Plan Self Insurance
General Government

2011 BUDGET
Adopted

Mission:

The Employee Health Plan Self Insurance fund was created to begin accounting for the county's employee health plan when it becomes a self-insured plan on January 1, 2011.

Department Description:

This department is an internal service fund.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Federal			
State			
Local			
Fees and Services			99,466,162
Other Revenue			
Total Revenues	\$0	\$0	\$99,466,162
Personnel Costs	\$0	\$0	\$300,040
Supplies and Materials			2,500
Purchased or Contract Services			99,158,622
Equipment and Asset Purchases			
Other Expenditures			5,000
Total Expenditures	\$0	\$0	\$99,466,162
<i>*Reflects adjusted property tax, not actual property tax collections.</i>			
 Budgeted Positions (Full-time Equivalents)	 0.0	 0.0	 6.0

Significant Budget Changes:

Prior to 2011, the county purchased fully-insured employee health coverage from a health maintenance organization. Effective January 1, 2011 the county will self-insure the employee health plan while using the services of a third party administrator to manage claims.

Hennepin County

Self Insurance Fund
General Government

2011 BUDGET
Adopted

Mission:

To report and account for the assets and estimated liabilities related to the county's self-insurance program for workers' compensation and property insurance risks.

Department Description:

The Self Insurance internal service fund was created in 2002 by Board Resolution 02-4-225 to meet two objectives: 1) to satisfy the Government Accounting Standards Board requirement that long-term liabilities for claims and judgments be reported in a fund other than the General Fund; and 2) to provide reserves for increased risks related to a larger property insurance deductible.

Budget Summary:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Federal			
State			
Local			
Fees and Services	4,751,080	5,308,677	5,485,760
Other Revenue			
Total Revenues	\$4,751,080	\$5,308,677	\$5,485,760
Personnel Costs	\$481,500	\$482,369	\$482,480
Supplies and Materials	2,529	3,000	3,000
Purchased or Contract Services	4,666,296	4,403,708	4,617,008
Equipment and Asset Purchases			
Other Expenditures	193,934	419,600	383,272
Total Expenditures	\$5,344,259	\$5,308,677	\$5,485,760

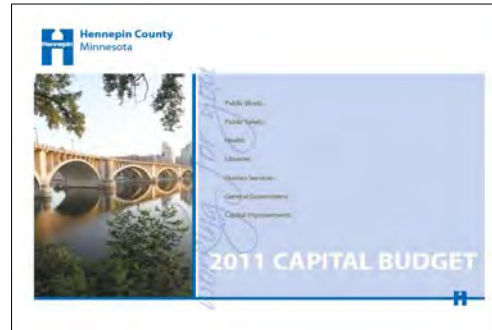
**Reflects adjusted property tax budget, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	5.5	5.5	5.5
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Major Program: Capital Improvements

Mission:

To provide resources that will fund county building, facility modification and highway construction projects during the budget year. Capital projects contained within the budget may extend beyond the budget year and require additional funding in succeeding years, due to their magnitude and construction scheduling.



2011 Capital Budget

Program Description:

Proposed capital projects are reviewed by county staff and citizen representatives of the Capital Budgeting Task Force. Program needs, operating cost implications, revenues and expenditures are reviewed in order to develop a five-year plan that will provide for the sound financial planning of future physical needs of the county. The plan is reassessed annually as new conditions and circumstances dictate.

Program Highlights:

The Capital Improvements budget for 2011 (less debt retirement, which is discussed in the Debt Retirement section of General Government) is \$134,755,669. This represents a decrease of \$61.0 million or 31.1 percent from the adjusted 2010 budget of \$195,716,000.

Role of the Capital Budgeting Task Force

Since 1973, the county has considered the recommendations of an appointed eleven member citizen board, referred to as the Capital Budgeting Task Force (CBTF), prior to the adoption of its annual capital budget and five-year capital improvement program. Specifically, the CBTF is responsible for reviewing, prioritizing and making recommendations to the County Board regarding the capital projects requested by county departments. The CBTF's annual report to the County Board is contained in the separate document titled **2011 Capital Budget and 2011-2015 Capital Improvement Program**. See the Introduction section for the capital budget schedule and process.

Expenditures

The most significant reason for the \$61.0 million decrease in the 2011 capital budget relates to capital projects in the Public Works area. For 2011, \$79.7 million is budgeted in the Public Works area, compared to \$138.9 million in the adjusted 2010 budget. Most of the Public Works difference is in Highways where the 2011 budgeted level of \$56.6 million is down \$56.2 million compared to the \$112.8 million budgeted in 2010, due in large measure to the fact that the funding for the \$104.2 million replacement of the Lowry Avenue Bridge over the Mississippi River was completed in 2010.

The 2011 budget contains \$11.2 million to provide continuation funding for the new Excelsior and Walker libraries and initial funding for replacement of the Southeast Library. Additional funds are also provided to begin remodeling of the Roosevelt Library. In addition, the 2011 budget includes significant funding to make infrastructure improvements at the 41 libraries that are now part of the county Library System as a result of the merger with the Minneapolis Public Library system on January 1, 2008.

In the Health area, \$21.4 million is budgeted for 2011. Included in this amount is continuation funding for the Asset Preservation, Hyperbaric Chamber and Outpatient Clinic Building projects. In the Human Services area, \$8.3 million is provided to begin the decentralization of the Human Services & Public Health Department into six regions with Hub and Satellite facilities aimed at providing better services at less cost for county clients.

Program Highlights Continued:

In the General Government area, the most significant facility infrastructure project is the Facility Preservation and Upgrades Project which has received favorable mention by the credit rating agencies, the Minnesota Legislative Auditor and others because of its systematic evaluation of facility deficiencies and appropriate funding of needed repairs. Similar projects have been created for the Library, Community Corrections & Rehabilitation, Environmental Services and the Medical Center. The 2011 capital budget includes \$29.6 million in facility infrastructure and modifications projects.

The 2011 capital budget also contains \$16.2 million in funding for Housing, Community Works & Transit projects, including an additional \$2.0 million to continue the county's affordable housing program with the funding being provided by the Hennepin County Housing and Redevelopment Authority (HCHRA). An additional \$4.0 million is provided for the Transit Oriented Development project with \$2.0 million being provided by county bonds and \$2.0 million from HCHRA funding. The 2011 budget provides an additional \$5.6 million for the Minneapolis Transportation Interchange project which is estimated to cost \$81.1 million with most of the funding assumed forthcoming from federal, state and other sources.

Operating Costs of Capital Projects

The operating implications of capital projects are quantified to the extent possible and information is provided on the project pages in the **2011 Capital Budget and 2011-2015 Capital Improvement Program** book. Some of the important operating cost implications are summarized below.

Significant operational savings, particularly energy savings are projected to result from Library and general recommissioning and lighting projects that are part of the 2011-2015 capital program. It is estimated that the various recommissioning projects will save over \$1.2 million in annual operating costs and the various lighting projects will save another \$750,000 per year. The Library Security Improvements project is estimated to produce a \$155,000 reduction in annual operating costs and the Life/Safety Improvements by the Municipal Building Commission will result in estimated savings of \$12,000 per year in reduced insurance costs. Building automation and mechanical systems upgrades at the Library and the Municipal Building Commission are estimated to reduce operating costs by \$172,000 per year.

New and improved facilities will increase operating costs in many cases. The Minneapolis Recycling and Waste Center could result in \$1.1 million in increased operating costs for Environmental Services. The New 911 Emergency Communications Facility might result in additional operating costs of \$460,000 per year and the proposed Sheriff's Crime Lab Expansion/Remodeling project is projected to add \$1.1 million in additional operating costs. The Information Technology Network Mobility project is estimated to increase operating costs by \$529,000 per year.

Revenue Highlights:

Of the revenues to support the \$134.8 million capital budget, \$57.4 million comes from bonded indebtedness. The 2011 level of bonding is \$44.9 million less than the \$102.4 million included in the adjusted 2010 budget. Most of this difference in the level of bonding is the result of reduced bonding requirements for Transportation (\$35 million) and General Government (\$6.7 million) projects. The reduction in bonding for Transportation is almost entirely related to the fact that funding for the \$104.2 million replacement of the Lowry Avenue Bridge over the Mississippi River was completed in 2010. Details concerning the county's debt retirement and debt management can be found in the Debt Retirement section of the General Government program.

State and federal revenues of \$38.2 million are included in the 2011 capital budget, including \$24.6 million in state highway and bridge aids and \$6.2 million in state and federal funding for Medical Center projects.

The 2011 capital budget also includes \$1.6 million in property tax funding, \$14.1 million in local financing, \$11.5 million for highways and \$2.6 million from the City of Minneapolis for libraries. In addition, the 2011 capital budget includes \$23.4 million in other funding including \$11.7 million in enterprise revenues, \$6.0 million of which is related to Medical Center capital projects.

Specific capital project budgets and detail about revenue sources relating to capital improvements can be found in the separate document titled **2011 Capital Budget and 2011-2015 Capital Improvement Program**, which is available from the Office of Budget and Finance.

Hennepin County

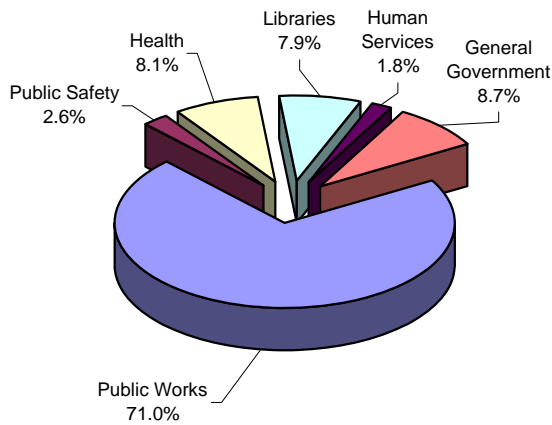
2011 BUDGET

Adopted

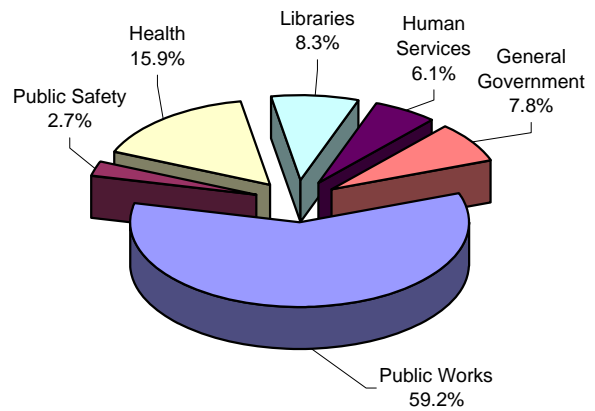
Department Summary:	2009 Budget	2010 Budget	2011 Budget
Public Works	\$111,695,000	\$138,917,000	\$79,708,669
Public Safety	10,600,000	5,072,000	3,689,000
Health	33,694,000	15,900,000	21,400,000
Libraries	29,912,000	15,386,000	11,222,000
Human Services	1,208,000	3,478,000	8,264,000
General Government	13,839,000	16,963,000	10,472,000
Total Expenditures	\$200,948,000	\$195,716,000	\$134,755,669

Department Comparison:

2010 Expenditures



2011 Expenditures



Revenue and Expenditure Information:	2009 Actual	2010 Budget	2011 Budget
Budgeted Property Tax Requirement*	\$1,847,000	\$1,656,000	\$1,611,000
Federal	14,745,930	10,671,000	6,662,000
State	23,929,388	36,378,000	31,574,000
Local	15,527,365	29,092,000	14,087,000
Fees and Services	140,000,000	102,383,000	57,442,000
Other Revenue	(6,719,434)	15,536,000	23,379,669
Total Revenues	\$189,330,249	\$195,716,000	\$134,755,669

**Reflects adjusted property tax, not actual property tax collections.*

Personal Services	\$0	\$0	\$0
Commodities			
Services			
Furniture & Equipment	155,790,148	195,716,000	134,755,669
Other Charges			
Total Expenditures	\$155,790,148	\$195,716,000	\$134,755,669

**CAPITAL IMPROVEMENTS
SUMMARY OF PROJECTS BY PROGRAM AND REVENUE SOURCE**

**2011 BUDGET
CAPITAL IMPROVEMENTS FUND**

**2011 CAPITAL BUDGET
SUMMARY OF PROJECTS BY PROGRAM AND REVENUE SOURCE**

Program/Department/Project	Total 2011	Property Tax	Bonded Indebtedness	Intergovern- mental	Enterprise & Other
<u>PUBLIC WORKS</u>					
Transportation					
Reconstr. CSAH 5 from 16th St to Cedar Ave	\$300,000	-	-	\$300,000	-
Reconstr. Franklin Ave Bridge over Miss. River	1,000,000	-	-	1,000,000	-
Partic. Intersection CSAH 101 at Vicksburg Ln	6,800,000	-	-	6,800,000	-
Reconstruct CSAH 14 fr 109th Av to CSAH 12	1,739,000	-	-	1,739,000	-
Replace CSAH 19 Bridge over W. Arm Channel	2,250,000	-	-	2,250,000	-
Recon. CSAH 22 fr 56th St to Minnehaha Creek	400,000	-	-	305,000	95,000
Replace CSAH 22 Bridge over Minnehaha Creek	250,000	-	-	250,000	-
Construct CSAH 30 Interchange at TH 169	3,000,000	-	-	3,000,000	-
Reconstr. CSAH 48 fr 46th St to Lake Street	100,000	-	-	50,000	50,000
Perform Mtnce Testing of Hennepin Ave Bridge	500,000	-	-	500,000	-
Recon. CSAH 61 fr County Line to Charlson Rd	1,000,000	-	-	-	1,000,000
Reconstruct CSAH 81 from TH 100 to CSAH 10	10,885,000	-	10,135,000	750,000	-
Reconstruct CSAH 81 from CSAH 10 to 63rd Ave	11,000,000	-	833,000	4,667,000	5,500,000
Reconstruct CSAH 101 fr CSAH 62 to CSAH 3	1,800,000	-	-	200,000	1,600,000
Reconstruct CSAH 101 fr CSAH 5 to TH 12	1,500,000	-	-	600,000	900,000
Reconstr. CSAH 103 fr Candlewood to 84th Ave	300,000	-	-	150,000	150,000
Upgrade CSAH 109 fr Main St to Jefferson Hwy	9,000,000	-	2,000,000	7,000,000	-
Resurface CSAH 109 at BNSF RR W of CSAH 81	300,000	-	-	300,000	-
Reconstr. CSAH 112 fr CSAH 6 to Wayzata Blvd	2,000,000	-	-	-	2,000,000
Reconstr. CSAH 152 fr Hennepin Av to 5th Av	300,000	-	-	150,000	150,000
Bikeway Participation/Development	100,000	100,000	-	-	-
Bikeway Program/Discretionary	300,000	100,000	200,000	-	-
Consultant Services - Miscellaneous	500,000	140,000	-	360,000	-
Hardship Right of Way Acquisition	50,000	50,000	-	-	-
Maple Grove CP 9635 R/W Acquisition Reimb	40,000	40,000	-	-	-
Minneapolis Signal Participation	275,000	30,000	-	245,000	-
Miscellaneous Structure Repairs	70,000	70,000	-	-	-
MnDOT Signal Participation	150,000	10,000	-	140,000	-
Railroad Crossing Participation	20,000	20,000	-	-	-
Roadside Enhancement Partnership Program	600,000	-	600,000	-	-
Surface Water Management	100,000	40,000	-	60,000	-
Highways Subtotal	\$56,629,000	\$600,000	\$13,768,000	\$30,816,000	\$11,445,000
Housing, Community Works & Transit Projects					
Community Works Northwest Corridor	2,000,000	-	2,000,000	-	-
Affordable Housing	2,000,000	-	-	-	2,000,000
Fort Snelling Upper Post	1,300,000	100,000	-	1,200,000	-
Transit Oriented Development	4,000,000	-	2,000,000	-	2,000,000
Minneapolis Transportation Interchange	5,600,000	-	2,300,000	-	3,300,000

**2011 CAPITAL BUDGET
SUMMARY OF PROJECTS BY PROGRAM AND REVENUE SOURCE**

Program/Department/Project	Total 2011	Property Tax	Bonded Indebtedness	Intergovern- mental	Enterprise & Other
Southwest LRT Corridor Community Works	1,000,000	-	1,000,000	-	-
Community Works Corridor Planning	250,000	250,000	-	-	-
Environmental Services Projects					
HERC Upgrades	4,011,269	-	-	-	4,011,269
HERC District Energy	1,213,400	-	-	-	1,213,400
Energy Center Improvements	1,250,000	-	1,250,000	-	-
Minneapolis Recycling & Waste Center	455,000	-	-	-	455,000
Public Works Subtotal	<u>\$79,708,669</u>	<u>\$950,000</u>	<u>\$22,318,000</u>	<u>\$32,016,000</u>	<u>\$24,424,669</u>
<u>PUBLIC SAFETY</u>					
District Court Projects					
Government Center C-11 Modifications	56,000	-	56,000	-	-
District Court Courtroom Bench Modifications	350,000	-	350,000	-	-
Community Corrections & Rehabilitation Projects					
Community Corrections Security Modifications	1,000,000	-	1,000,000	-	-
ACF Main Building Administration Renovation	1,546,000	-	1,546,000	-	-
Probation Furniture & Space Efficiency Mods	200,000	-	200,000	-	-
Sheriff Projects					
Facility Modifications for Sheriff Sites	300,000	-	300,000	-	-
Sheriff Holding Area Security Upgrades	237,000	-	237,000	-	-
Public Safety Subtotal	<u>\$3,689,000</u>	<u>\$0</u>	<u>\$3,689,000</u>	<u>\$0</u>	<u>\$0</u>
<u>HEALTH</u>					
Medical Center Projects					
HCMC Asset Preservation	5,000,000	-	-	-	5,000,000
HCMC Hyperbaric Chamber	5,400,000	-	-	5,400,000	-
HCMC Regulatory Compliance	1,000,000	-	-	-	1,000,000
HCMC Outpatient Clinic Building	10,000,000	-	9,180,000	820,000	-
Health Subtotal	<u>\$21,400,000</u>	<u>\$0</u>	<u>\$9,180,000</u>	<u>\$6,220,000</u>	<u>\$6,000,000</u>
<u>LIBRARIES</u>					
Library Projects					
New Excelsior Library	2,090,000	-	2,090,000	-	-
New Walker Library	2,731,000	-	2,231,000	-	500,000
Roosevelt Library	342,000	-	-	-	342,000
Library Facility Modifications 2007-2011	305,000	-	305,000	-	-
Suburban Library Facility Preservation 08-12	500,000	-	300,000	-	200,000
Mpls. Community Libraries Facility Preservation	1,000,000	-	1,000,000	-	-
Minneapolis Library Recommissioning	213,000	-	213,000	-	-
Suburban Library Recommissioning	131,000	-	131,000	-	-

**2011 CAPITAL BUDGET
SUMMARY OF PROJECTS BY PROGRAM AND REVENUE SOURCE**

Program/Department/Project	Total 2011	Property Tax	Bonded Indebtedness	Intergovern- mental	Enterprise & Other
Minneapolis Library Lighting Efficiency Improve	45,000	-	45,000	-	-
Suburban Library Lighting Efficiency Improve	38,000	-	38,000	-	-
Southeast Library	1,800,000	-	-	-	1,800,000
Library Furniture Replacement	739,000	-	739,000	-	-
Library Equipment Replacement	1,288,000	-	1,288,000	-	-
Libraries Subtotal	<u>\$11,222,000</u>	<u>\$0</u>	<u>\$8,380,000</u>	<u>\$0</u>	<u>\$2,842,000</u>
<u>HUMAN SERVICES</u>					
Human Services Projects					
HSPHD Northwest Suburban Hub	4,374,000	-	174,000	-	4,200,000
HSPHD Facility Master Planning	125,000	125,000	-	-	-
HSPHD North Minneapolis Hub	2,775,000	-	2,775,000	-	-
HSPHD South Suburban Hub	129,000	-	129,000	-	-
HSPHD Satellite Facilities	861,000	-	861,000	-	-
Human Services Subtotal	<u>\$8,264,000</u>	<u>\$125,000</u>	<u>\$3,939,000</u>	<u>\$0</u>	<u>\$4,200,000</u>
<u>GENERAL GOVERNMENT</u>					
Information Technology Projects					
IT Network & Technology Mobility Support	500,000	-	500,000	-	-
Property Services Countywide Projects					
Environmental Health & Safety 2011 - 2015	100,000	-	100,000	-	-
Facility Preservation 2011 - 2015	2,250,000	-	2,250,000	-	-
Building Automation Sys Improve 2011-2015	1,588,000	-	1,588,000	-	-
Building Recommissioning	875,000	-	875,000	-	-
Multi-Building CCTV Improvements	380,000	380,000	-	-	-
Southdale Regional Ctr Preservation 2010-2014	2,400,000	-	2,400,000	-	-
General Office Space Modifications	500,000	-	500,000	-	-
Multi-Building Carpet Replacement	500,000	-	500,000	-	-
Public & Programmatic Furniture Replacement	250,000	-	250,000	-	-
Municipal Building Commission Projects					
MBC Life/Safety Improvements	229,000	-	229,000	-	-
MBC Mechanical Systems Upgrades	551,000	-	551,000	-	-
MBC 4th St Tower & Int. Court Elevator Improve	156,000	156,000	-	-	-
MBC ADC Plumbing Upgrades	193,000	-	193,000	-	-
General Government Subtotal	<u>\$10,472,000</u>	<u>\$536,000</u>	<u>\$9,936,000</u>	<u>\$0</u>	<u>\$0</u>
COUNTY TOTALS	<u>\$134,755,669</u>	<u>\$1,611,000</u>	<u>\$57,442,000</u>	<u>\$38,236,000</u>	<u>\$37,466,669</u>

Note: For detailed information concerning the various projects, please see the separate document titled **2011 Capital Budget and 2011-2015 Capital Improvement Program**.