

WADENA COUNTY BOARD OF COMMISSIONERS SPECIAL MEETING
JULY 17, 2008/8:00 A.M.

The Wadena County Board of Commissioners Special Budget Meeting was held on Thursday, July 17, 2008, at the Tri-County Hospital in the Brown Conference Room, 415 Jefferson Ave N., Wadena, Minnesota. The meeting was called to order at 8:00 a.m. by Chairman Orville Meyer and the pledge of allegiance to the flag was said.

Also present: Commissioners William Stearns, Dave Schermerhorn, Lane Waldahl and Mary Harrison. Also present, Mike Gibson, Consultant and Char West, Auditor/Treasurer.

Chairman Meyer closed the Special Board of Commissioners Meeting at 8:02 a.m. for the purpose of strategizing for 2009 Labor Negotiations.

Chairman Meyer opened the Special Board of Commissioners Meeting at 8:53 a.m.

The Board recessed at 8:55 a.m.

The Board reconvened at 9:12 a.m.

Chairman Meyer reviewed with the Board a Resolution that would amend the current Joint Powers Agreement with South County Health Alliance (SCHA). He added that the Amendment would protect the County in 2009 from further cash calls in the event that the Minnesota State Commerce Department would take over SCHA. Chairman Meyer pointed out that the Resolution had to be approved this week.

Motion by Schermerhorn, seconded by Harrison, to approve the Resolution to amend the South Country Health Alliance Joint Powers Agreement, as presented;

COUNTY RESOLUTION OF WADENACOUNTY
APPROVING SECOND AMENDED
JOINT POWERS AGREEMENT OF
SOUTH COUNTRY HEALTH ALLIANCE

BE IT FURTHER RESOLVED: that the Amended Joint Powers Agreement of South Country Health Alliance is amended as follows:

Section 10.5 of the Amended Joint Powers Agreement is stricken, and the following is substituted in its place:

"10.5. Additional Contributions

Should the Board determine that losses or reductions in Capital Surplus make it necessary to obtain additional contributions to capital, the Board shall so inform the Member

Counties, and the county boards of the Member Counties shall separately vote on whether to authorize a capital call. Upon a vote of a majority of each county board of two-thirds of the Member Counties, the Member Counties agree to make such additional contributions to capital as the Board requires, which contributions shall be pro-rated among the counties in the proportions of their current members as of the most recent year-end. If provided and approved by the Board, such contributions may be made in the form of Letter of Credit or such other instrument as the Board may determine and as is allowed by applicable law, on such terms as the Board may determine. Each such instrument shall constitute the unconditional obligation of the county giving it, shall bear interest at the Wall Street Journal Prime Rate if timely paid and a default interest rate of Wall Street Journal Prime Rate plus 3% for any late payments, shall waive technical defenses, and shall obligate a defaulting county to pay SCHA's costs of collection (including fees) on default."

The Amended Joint Powers Agreement, as amended by this Resolution, shall constitute the Second Amended Joint Powers Agreement of South Country Health Alliance, immediately upon ratification by the boards of two-thirds of the Member Counties.

We hereby commit this County to the Terms and Conditions of this Amended Agreement and to participation in this Joint Powers County-Based Purchasing entity known as South Country Health Alliance.

Wadena
County

Chair, County Board

Date: July 17, 2008

Attest: _____
Auditor/Treasurer

Date: July 17, 2008

Chairman Meyer advised the passage of this Resolution did not relieve Wadena County from the second half of the cash call that was due in November, 2008.

Motion carried unanimously.

The Board recessed at 9:20 a.m.

The Board reconvened at 9:30 a.m.

The following individuals joined the Special Board of Commissioners Meeting; Kyra Ladd, County Attorney, Mike Carr, Sheriff, Tom Speed, Jail Administrator, Jean Birch, Sheriffs Dept. Administrative Assistant, Scott McKellep, EMS Director, Karen Nelson, Public Health Director, Dave Anderson, Veterans Service Officer, Lee Brekke, Assessor, Sole Henriksen, Recorder, Paul Sailer, Social Services Director, Deana Skov, Zoning/

Parks/Solid Waste Director, Kevin Stensrude, MIS Director, Sean Uselman, Building Services Director, Joel Uling, Highway Engineer, Jim Carlson, Extension Director, and Kathy Langer, Community Corrections Director. Also present were Sara Hacking, Pioneer Journal Reporter and Rin Porter, Verndale Sun/Staples World Reporter.

Commissioner Meyer addressed the seriousness of the current financial situation. He added that Cass County had already laid off six people. Chairman Meyer turned the meeting over to Mr. Gibson.

Mr. Gibson explained why the meeting was being held differently this year with all Department Heads in attendance at one time; it was due to the seriousness of the situation with cuts from the State and National levels. He added that it will give Department Heads an opportunity to ask questions of one another as they present their budgets.

Ms. West pointed out that Department Heads had received a copy of all Department budgets, as did the Board, explained what the printouts included and that they were a work in progress. She added that some Department budgets included a wage COLA and/or a step increase, which she had eliminated, following direction by the Board, as reflected in the computer print out that the Board had received.

Mike Carr, Sheriff, reviewed the 2009 Preliminary Sheriff's Department Budget with the Board. Also present were Tom Speed, Jail Administrator, and Jean Birch, Administrative Assistant. Sheriff Carr pointed out the following figures which changed for the 2009 Budget:

- Out of County Boarding was currently at \$125,000; last year it was \$61,000 at this time; 2009 budget will be \$225,000.
- Aviaide's Food Service required a \$1500 increase and a 4.5% inflation increase.
- Cost of fuel increase \$30,000.

Commissioner Stearns commented that he wished the Out of County Boarding would have been increased the previous year as now the Sheriff's Department was taking 1/3 of the 3.9% Levy increase on one item.

Ms. Ladd commented that the types of crimes being committed in Wadena County were serious i.e. criminal sexual conduct cases. She added that cases were pending but she was working very closely with the Defense Attorneys to move these cases along.

Chairman Meyer questioned why the fees for Huber would be that much lower for 2009; from \$40,000 to \$28,851.

Ms. Birch and Ms. West commented to this matter noting that it was the way the figures were broken down or put into different categories.

Mr. Stensrude commented that Out of County Boarding of Prisoners may be a direct cost

savings, but have we looked at the potential indirect costs when a Deputy transports prisoners out of County which means one less patrol officer on the street. He questioned whether the County could be sued for not responding quickly enough.

Commissioner Schermerhorn stated that we would not want to tell the taxpayers there will be a \$20,000,000 jail debt.

Sheriff Carr responded that we try to use all the staff we have and do call part-time in when necessary.

Commissioner Harrison explained previous consideration by the Commissioners when deciding not to construct a new jail.

Commissioner Stearns questioned Sheriff Carr as to the possibility of using ankle bracelets and whether expenses would be reduced by doing so.

Ms. Ladd commented that in some instances there was a certain amount of jail time, not alternative jail time that had to be done in the custody of the Sheriff, so there were limitations on when electronic monitoring could be used.

Mr. Speed added that electronic monitoring was currently being used but could only be used on certain people.

Commissioner Stearns commented that he had a problem with the Sentenced to Serve (STS) not being used more.

Sheriff Carr responded that he agreed, however, prisoners could not be put on STS until they were sentenced. He added that he would prefer to have them out working.

Sheriff Carr further pointed out that the shift differential budget increased \$1,000 from the Call Time budget; Permanent Part-time budget increased \$10,000; Over-time budget increased \$6,000. He added that PERA also increased to 6.75% from 6.5% this year.

Commissioner Meyer questioned why the over-time salaries increased. He stated that the Board agreed to an extra deputy in the car and yet the overtime was increased.

Sheriff Carr responded that a lot of this expense was due to grants for those working overtime shifts. He added that there was more over-time being put in but we are being reimbursed for that.

Sheriff Carr and Ms. Birch pointed out the grant reimbursements in fees #5501.

Commissioner Stearns stated he thought that by hiring a part-time officer, the overtime would reduce but instead you have an extra Deputy.

Sheriff Carr responded their department was working on bare minimum.

Commissioner Stearns stated that the Legislature included special levies for the Sheriffs Department, such as Jail wages. He pointed out that wages were not included in the Jail section of the budget and we may not qualify. He cited a need to break out Jail wages and include them in the Jail expenses as the way it was set up was misleading. He further commented that the increase being asked for was \$202,508 which was 2/3 of the total new money available to the County at a 3.9% Levy increase.

Commissioner Stearns also noted the amount of \$37,848 for 2009 being spent for the enhanced 800mghz radio. He questioned whether this was to be paid for over several years.

Commissioner Waldahl responded that the only expense for the 800mghz radio was \$900 as the rest of the expense was covered by grants.

Sheriff Carr pointed out the \$30,000 increase in gas and added that he still needed to be visible.

Mr. Gibson questioned whether the Board wanted the Sheriff to redo the budget. He added that it sounded like there was a pretty good base system, but accounts needed to be moved around to clarify it.

Mr. McKellep reviewed the Emergency Management budget. He pointed out that he added a gas budget in the amount of \$800.

Chairman Meyer questioned whether Mr. McKellep felt confident grants would remain.

Mr. McKellep responded that he did not as the grants were shifting to a population base now.

Commissioner Waldahl questioned whether two new vehicles were needed or was that where some cutting could be done if necessary.

Sheriff Carr commented that two vehicles were needed as we would pay for it in the long run. He added that somewhere along the line we will have to catch up.

Ms. Ladd reviewed the 2009 Preliminary County Attorney Budget. She stated that the only increases to be noted were for staff wages with Cindy Rach at a 3% increase, as she was at the top of her grade, and Angela Sonsalla, Assistant County Attorney, will have an anniversary date in 2009 which will involve a step increase. Ms. Ladd pointed out that there were no other budget increases but in fact there was a \$13,000 decrease in her total proposed budget for 2009.

Chairman Meyer questioned if the outside hiring of Pederson & Pederson Law Firm was still being done.

Ms. Ladd responded that the contract would end July 31, 2008 which reflected a two and a half week overlap between the contract and Ms. Sonsalla's starting date.

Commissioner Stearns commented on whether the new Public Defender expenses should be included in #092-Attorney for Misdemeanants; he recommended a new department be added as #093 for this expense. He questioned Ms. Ladd as to what she felt this expense would be in 2009.

Ms. Ladd responded that she could not say. She suggested an estimate of Legal Services in the amount of \$60,000 and expenses in the amount of \$15,000. Ms. Ladd further commented that it did not have to be a Public Defender that provided the services, as it could be an Attorney that was assigned to Child Protection cases.

Chairman Meyer noted an amount needs to be put in the budget. It was decided to include as estimated CHIPS budget of \$75,000; Legal Services \$60,000 and \$15,000 Expenses.

Commissioner Stearns stated he would like to have it set up in two departments i.e. #092 or #093, which would be separate from the current County Attorney's budget.

Ms. West stated that she will look into this possibility further before setting up new accounts.

Mr. Sailer reviewed the 2009 Preliminary Social Services Budget. He distributed a handout and pointed out that his budget parameters were affected by the difference in the flow of state and federal funds.

Mr. Sailer reviewed the handout which indicated \$1.1 million transfers made from the Social Services Department to the County since 1992. He added that at the end of 2007 the Social Services balance was 25% of the dollar amount recommended by the State Auditor and that the Department was not in a situation for future transfers but needed to be rebuilding its cash balance.

Mr. Sailer pointed out that \$70,000 in Federal Child Welfare-Targeted Case Management funds would be lost in 2009 for Child Protection cases. He stated that the loss of these funds would fall under the allowable Levy Exceptions over and above the 3.9% levy cap, which his budget reflected. Mr. Sailer stated that \$91,760 will also be lost for Child Support Services, which is also an allowable Levy Exception. Mr. Sailer added that if these funds were lost there would not be a Child Support Program which was mandatory for funding for the Assistant County Attorney.

Mr. Sailer pointed out that the estimated Out of the Home Placement and Detention expense for Community Corrections increased from \$335,000 in 2008 to \$376,000 in 2009. He added that this program was not included in the list of Levy Exceptions and that he recommended funding this out of the anticipated increase in County Program Aid.

Ms. Langer stated that her department and Social Services worked closely to reduce Out of Home Placement and Detention costs.

Commissioner Waldahl pointed out the possibility of eliminating the purpose of one of the Social Services vehicles.

Mr. Sailer reviewed the Social Services Quarterly Vehicle and Capital Outlay report. He added that Social Services had Document Imaging funds in reserve.

Mr. Sailer reminded the Board that he, Ms. Ladd and Ms. West came before the Board the previous year to set up a special reserve of up to \$50,000 for the costs incurred for Sexual Psychopath evaluations. He added that the reserve was fully funded for two years.

Commissioner Waldahl questioned what the total amount of the increase in dollars was over last year's budget.

Mr. Sailer responded that it reflected a 20.5% increase at that this but it would be reviewed and reduced prior to his final Preliminary budget. He added that he did not feel it could be reduced down to 3.5% as was done the previous year. Mr. Sailer stated that the increase was \$344,084 which included two levy exceptions; \$91,760 for Child Support and \$70,000 for Child Welfare-Targeted Case Management. Mr. Sailer recommended against using the levy exception to replace the Child Welfare-Targeted Case Management shortfall as he expects lobbying efforts in '09 to restore it and to use new County Program Aid to meet the needs of Community Corrections. If approved, this would lower the Social Service Preliminary Budget request by \$111,000.

Commissioner Stearns commented on the Maintenance of Effort which had been lobbied for and passed in order to save county money. He added that Governor Palenty did not have the money to cover this. Commissioner Stearns added that lobbying will continue to keep Maintenance of Effort in.

Mr. Sailer commented that if the County did abide by the current Maintenance of Effort law there would not be a need for a levy increase.

Commissioner Harrison pointed out that a lot of things were Maintenance of Effort but some were not as clearly defined. She added that if a grant was not matched at the same degree as previously the grant funds could be lost. Commissioner Harrison stated that we cannot contribute even \$100 less than the year before or we could loose thousands of dollars.

Discuss was held regarding the possible violation of the law come January 2, 2009 if the Commissioners decided to take advance of the current Maintenance of Effort law.

Chairman Meyer questioned Mr. Sailer that if requested to reduce personnel by one or two employees, where would he do it and what would the effect be?

Mr. Sailer responded that we would have to look at optional services area as well as reimbursements received for certain positions. He added that one option may be to not rehire when there was a vacancy.

Discussion was held regarding the General Fund transfer of \$450,000 in 2007 to Social Services for payment of South County Health Alliance with \$75,000 per year being levied for and paid back by Social Services to the General Fund.

Commissioner Stearns pointed out that so far the Board direction had been that no County Program Aid was to be allocated and he would still hold that position even though the Social Services Director had requested it.

Commissioner Stearns questioned what if four or five people were laid off from Social Services, would people have to wait in line.

Mr. Sailer responded that it depended on what they would be waiting in line for; he gave examples i.e. if waiting in line for a neighbor for someone to come out and check on a child protection matter, you won't want them to wait in line long and he cited other similar examples regarding mental illness or alcoholism where you would not want them to wait in line very long. He commented the Department had been able to be creative in finding new ways to tap federal and state funds in prior State deficit years. He was hopeful this would happen again.

Karen Nelson, Public Health Director, reviewed the 2009 Preliminary Public Health Budget with the Board, informed them that her budget reflected a 2% increase in total cost for the year and it was based on a 1% Cost Of Living Allowance. She reviewed her budgeted expenditures and revenues.

Expenditures

- budget prepared with 2008 health insurance rates.
- budget prepared with new PERA rate increase at 6.75%
- Prof/Tech Serv. Increased \$16,674 for Chemical Health with net decrease so other items reduced.
- \$.42 postal rate ½ yr. and \$.44 for 2nd ½ of year.
- Advertising, Legal, Subsc decreased \$9,066 Chem Hlth, FPSP > \$600, cut subsc.
- Fees, Dues MCCC User Fee>from \$950 to \$1,200
- Travel, Rm. & Bd >\$1,405 Chemical Health.
- \$.585 mileage rate, dec. miles but>Chem Hlth \$5,250; Chem Hlth total \$16,674
- MN Care Tax, decrease due to SCHA decreases
- Ed Program Materials>\$16,058 Chem. Hlth

- Equipment-no new equip planned; only contract incr. for copier & postage meter
- Co. Wide Cost Allocation to PH-decrease from \$175,357 to \$114,258
 - increased fed. Vaccine value
 - Chem Hlth match needed in kind from sch/com

Revenues;

- Net County dollar increase 3.9%
- Use Public Health Carryover of \$83,811, could be less if health plan rate increases or get 3 grants
- State Local Public Health Grant decreased 1.8%
- FBL license fees based on > fee rate 2%
- Imms, fees are adm + cost of vaccine; vaccine costs increased.
- Medicaid increased due to additional home and clinic visits, CTC's, PCA Assessments & dental fluoride-may increase more if Health Plan rates increase; same rates of 07 & 08
- Medicare, decreased flu shots
- 3 Co. Rotating year-get \$1,000 from Todd & Morrison
- Correctional-rate inc. from \$31.45/hr to \$34.00, Jail Nurse Salary/Fringe
- SCHA funding decreased from \$162,900 to \$42,000 and could finally be less
 - could transfer CRMT nurse to do needed care coor. for SS or for staffing
- New grants
- PHP Pandemic Flu portion discontinued so cut \$4,200

Ms. Nelson added that her budget did not include revenues or expenses for the State Health Improvement Plan, the Drug Free Communities Grant or the Family Home Visiting Grant as the grants/programs had not been finalized.

David Anderson, Veterans Service Officer, reviewed his Preliminary 2009 Budget and reported that he was able to cut a few items from last years budget and increased wages were for the 4 hour extra hours granted on Fridays by the Board. He added that if the State were to cripted software he was hoping a State grant would be received to cover this expense. Mr. Anderson pointed that that he increased the office supplies budget \$10; automotive repair was the same; gas expense increased by \$200; Veterans Ride Program was used 2-3 times a month with some funds coming back in and year-to-date brought back was about \$100. He reported that the total budget increase was \$6,935 which mainly reflected the increase in hours.

Commissioner Stearns questioned Ms. Nelson as to what was budgeted under Public Health Appropriations.

Ms. Nelson replied that it was the County levy appropriation which reflected 10.5% of her budget revenues with the other 90% coming from other sources.

Discussion was held as to the carryover of \$83,811 in Ms. Nelson's Public Health budget.

Ms. Nelson stated that the carryover would be applied to the expenses. She added that they had calculated the carryover at the end of 2008 to be about \$100,000 and if \$83,000 was used there would be about \$17,000 left. Ms. Nelson pointed out that some of this would have to be spent to balance the current budget. She added that the cash flow would be better if the allocation from the County was given as a monthly allocation instead of only given twice a year.

The Board recessed at 12:04 p.m.

The Board reconvened at 12:45 p.m.

Kathy Langer, Community Corrections Director, reviewed the Preliminary 2009 Todd-Wadena Community Corrections Budget. She provided background of the Department stating that Todd/Wadena Community Corrections was a Joint Powers system and part of what was called the Community Corrections Act; in order to be a part of this system a county or joint counties must have a total population of 40,000; Community Corrections supervises about 75% of the probationers and they had offices in Wadena, Long Prairie and Staples. Ms. Langer listed the following services of Community Correction;

- Provide probation and parole
- Juvenile Program – CCY which was primarily grant funded, but a match was required.
- Sex Offender Treatment Program – State Grant
- Domestic Abuse Treatment Program
- Sentenced to Serve funded primarily by a State grant

Ms. Langer stated that Community Corrections was requesting an increase for 2009 in the amount of \$31,301 for a total cost of \$166,880; which represented a 10.1% increase to the total operating budget. She pointed out that they have taken a lot of steps to try to cut costs and rely strictly on State funds from 2000 through 2007 by applying for all grants possible. Ms. Langer added that in 2002 one staff person was laid off, e-mail and scan whenever possible to save paper, and forego the hiring of an Assistant Administrator in the 2008 budget. She stated that Community Corrections has been functioning from 1980 to the present and the State funding level has shown no increase.

Discussion was held regarding the work days/days off policy for Sentence To Serve.

Commissioner Stearns stated that the County could be saving money if the State guidelines of work 1 day/1 day off were followed by the County thus giving less jail time.

Commissioner Waldahl commented that we have to remember the victims want to see the STS people in jail for their crime, not free to be out and about.

Lee Brekke, County Assessor, reviewed his Preliminary 2009 Budget. He pointed out wages reflected a 6% increase for step increases only as the percent of increase depended

on what step the employee was at. Mr. Brekke added that there was an increase in rental and service agreements and a decrease in small equipment purchases for a total budget increase of 5%.

Sole Henriksen, County Recorder, presented her Preliminary 2009 Budget. She pointed out that she had broken out some of her revenues for clarity in understanding. Ms. Henriksen also noted that land records had suffered, Sheriff Sales had increased but the amount of documents had gone down, thus she had reduced the revenue budget from \$80,000 to \$75,000, but pointed out an increase from \$35,000 to \$45,000 for Vital Statistics. She reported that the Compliance Fund and the Technical Fund were restricted funds; the Technical Fund was to be used at the Recorder's discretion and the Compliance Fund was used based upon the Board's approval to enhance and help support land records which included the offices of the Recorder, Auditor/Treasurer, Assessor, and GIS as needed. Ms. Henriksen noted an increase in Rental & Services Agreement for next year using money out of both Maintenance and County funds. She reported they were 100% in Compliance, the Compliance Fund balance was \$21,828.26 and \$49,000 had been spent to date.

Kevin Stensrude, MIS Director, presented his Preliminary 2009 MIS Budget which reflected a 6.98% decrease. He added that a cafeteria dollar increase was not included. He recommended to the Board a constant increase in the cost of living for all people. Mr. Stensrude noted the following projects needed to be done as advised by the MIS Advisory Committee:

1. Line Printers – Replacement was very much needed as some of the most critical items depend on them such as payroll checks.
2. Fiber Project – The city reported they would be moving fiber lines along Emerson which was where our two lines to Public Health and Social Services were located so when the city does their work our fiber lines will have to be moved also. If replacement of the fiber cables was necessary, the cost would be approximately \$30,000 or more. Planning ahead and budgeting \$10,000 the next three years will pay for that if replacement was necessary.
3. T1 Line Upgrade based on additional use of the web.
4. Laptops/Desktop – The replacement cycle had been changed from 4 years to 5 years, cost savings.
5. Document Management Project which will affect all Departments because of the overwhelming paper work. Money will have to be set aside for this project for 3 years. Mr. Stensrude hoped to have a five year estimated project cost to present to the Board by the middle of October 2008.
6. MicroTech Project (Microfish project). The main problem with this project was the amount of space needed for storage.

Jim Carlson, Extension Director, came before the Board with the Preliminary 2009 Extension Budget. Mr. Carlson explained that the Budget reflected a 2 ½% increase for the support staff and that the Extension Committee was requesting an increase for the contract of the 4-H Educator from 50% to 75% time to try to increase the involvement of

youth in 4-H and specifically after school programming. He added that statistics show there are a large number of unsupervised kids with lots of hours on their hands which was unproductive. Mr. Carlson pointed out that with the increased time the 4-H Coordinator would have time to work with after school programming. Mr. Carlson stated that statistics show that Minnesota has the highest percentage of kids unsupervised after school of any state in the Country.

Commissioner Stearns questioned what the contract cost would be for the 4-H Educator at one-half time.

Mr. Carlson responded that the one-half time position was \$32,450.

Deana Skov, Zoning/Parks/Solid Waste Director presented the Preliminary 2009 Budgets for each of her departments. She first reviewed the Parks Budget pointing out that it remained about the same other than the increase in wages.

Ms. Skov reviewed the Planning and Zoning Budget. She pointed out that she had reduced the Zoning Permits revenue \$2,000 due to the reduction in building permits. She added that the Budget also reflected the wage and benefit increase.

Ms. Skov reviewed the GIS Budget. She pointed out that the Signs and House Numbers Budget had been added to the GIS Budget.

Ms. Skov reviewed the Solid Waste/SCORE Budget. She stated that because of the savings from the elimination of haulers picking up recyclables at some of the Townships, as they now have the recycling trailers, she would like to increase the payment to haulers in the amount of .25 per household and .25 per mile.

Chairman Meyer commented that the haulers get paid whether they pick up or not.

Ms. Skov agreed stating that she will re-think her recommendation. She added that she had also budgeted \$15,000 for the purchase of extra containers out in the County.

Chairman Meyer questioned whether the Solid Waste budget reflected the actual cost of hauling to Perham and Gwinner.

Ms. Skov commented that it did reflect the actual cost.

Commissioner Stearns and Mr. Gibson questioned whether it would save the County money if the haulers drove the garbage directly to Perham.

Ms. Skov replied that she was not in favor of this proposal as it would be going backwards.

Commissioner Harrison questioned when dirt would need to be hauled in for the landfill.

Ms. Skov responded that it would be needed in about three to four years. She added that she would raise the demo fee \$1 to \$2 for a reserve fund for this purpose.

The Board recessed at 2:48 p.m.

The Board reconvened at 2:58 p.m.

Joel Ulring, Highway Engineer, presented his Preliminary 2009 Highway Department Budget. He reported that the Transportation Bill had passed and that his budget consisted of Federal, State and local monies with most of it coming from Federal and State reimbursements, which varied each year. Mr. Ulring reviewed the expenses for the Highway Department.

Commissioner Stearns questioned if the Highway State Aid money was actually in the County's possession or did it stay in St. Paul until a project was completed.

Mr. Ulring stated that for Maintenance one-half of the money was received from the State by late January, about half way through the year they received 40% more, then at the end of the year, after the annual report was completed, they received the balance. He added that a large portion of the Construction funds were received at the time a project was let.

Mr. Ulring reported that he had budgeted Equipment Purchases for a reserve with an 18 to 20 year replacement schedule. He pointed out that the schedule reflected an annual \$250,000 budget which was up from \$165,000; only \$100,000 was needed in 2009 but this would reduce spikes in the budget. Mr. Ulring stated that at present he was showing a negative balance of \$104,277. He pointed out that the County was authorized to issue equipment bonds.

Commissioner Stearns commented that some counties used the Capital Improvement Program (CIP) for roads improvements and equipment.

Mr. Ulring commented that the Computer Software budget was increase to reflect the cost of new Cost Accounting software.

Sean Uselman, Building Services Director, reviewed the Preliminary 2009 Building Services Department Budget citing the following changes:

- Decreased part-time wages and increased overtime.
- Electric, water and sewer rates were raised by 10% as the City would be increasing the cost in 2009.
- Money was rolled over from past year for new truck and plow and hope to be able to purchase this next year.
- Should be a new stand alone air conditioner in MIS next year, on the roof so that office will gain additional floor space.
- Generator contains about 2,500 gallons of fuel which should be changed as it

was about 11 years old; it was not recommended that it be pumped out and used. The generator burns 6 gallons an hour and the EMS Director states we should have 10 days on hand.

- Soft water issue for the new humidifiers that were put in; will need two new water softeners.

Char West, Auditor/Treasurer, reviewed the Preliminary 2009 Auditor/Treasurer Budget. She pointed out that her budget for Auditing of the County's financial statements was increased by \$5,000 due to the new GASB/State Accounting Standards (SAS) requirements which was for the State Auditor to attend Board Meetings more often so as to have a more hands on with the Governing Body. Ms. West added that she anticipated being able to reduce this budget in the future due to the fact that the Board had authorized her to hire an additional two days for an Accounting Assistant to accommodate the GASB requirement of the County now being responsible for compiling the financial statements instead of the State Auditors. She pointed out that she had reduce the Small Equipment budget from \$4,000, that was set aside for office partitions, down to \$500 to help off set the increased cost of the new accounting requirements as the dollars would be better used towards the additional two days of the Accounting Assistant.

Mr. Gibson stated that one of the reasons for meeting at Tri-County Hospital was due to the security concerns in the Courthouse; to introduce Department Heads to another option for a meeting outside of the Courthouse during non business hours. Mr. Gibson also advised the Department Heads to be careful not to talk to their staff about wages due to Union rules.

Chairman Meyer reiterated what Mr. Gibson stated regarding the issue of not discussing wages with the staff and cited an incident of the past. He also questioned the Department Heads as to whether it would be helpful to have a unified budget form.

Ms. West reported that she anticipated having this available in 2009 as the new County-wide accounting software was going to be available in 2009 and was suppose to have the capability of e-mailing individual budgets to the Department Heads who in turn would insert their figures for complete compilation.

Ms. Henriksen and others commented that it was an appreciated meeting with all of the Department Heads in attendance and that it was beneficial in understanding the other Departments and the roles they have.

Mr. Stensrude stated that he hoped the Board would come back to Department Heads with challenges.

Mr. Sailer pointed out that 2009 will set the tone for what happens in 2010 and 2011. He added that what ever we do this year will help in the future.

Ms. Langer pointed out the importance of talking to local legislatures.

Commissioner Stearns commented that the 3.9% Levy increase was mandated for 3 years and that Jim Mulder, AMC Director, stated that 65% of the cost of inflation that the Counties face for things we have to pay for over a 3-year period will compound in the 2nd and 3rd years.

Chairman Meyer adjourned the meeting at 4:00 p.m.

Charleen West, Auditor/Treasurer

Orville Meyer, Chairman