



GOODHUE COUNTY BUDGET COMMITTEE
MINUTES
Administration Conference Room
October 23, 2007
3:30 p.m.

Present: Commissioner Richard Samuelson, Commissioner Dan Rehtzigel, County Administrator Scott Arneson, Finance Director Carolyn Holmsten, Chief Deputy Auditor-Treasurer Amy Hove, and Administrative Assistant Andrea Benck.

C/Samuelson called the meeting to order.

3rd Quarter Report-2007. Ms. Holmsten reviewed the third quarter budget report with the committee. Revenues were reported at 88% of budget and expenses at 72% of budget with net activity being \$8,094,196. There will be a transition for the settlement money at the end of the year, which will throw the numbers off for 2007 but help get everybody on the same page for 2008. Areas to note included the Sheriff, ADC and Public Health which were all under budget in revenues, all of which are explainable. All in all, things looked good for three quarters of the year and everything is expected to stay on track.

Mr. Samuelson questioned the net activity. Ms. Holmsten explained that the net activity was the difference between the revenues and the expenses.

C/Rehtzigel questioned the debt service revenue. Ms. Holmsten explained that the county levies for 105 % for debt service due to delinquent taxes. Mr. Arneson stated that it can not go over 105%. Ms. Hove added that debt service has collected both settlements. Due to the accounting shift at the end of the year, there will be three settlements so it will be over 105% for that reason. The shift will help alleviate questions in the long run, but might be a bit confusing for 2007.

C/Rehtzigel asked where the amount of interest earned goes. Ms. Holmsten stated that it all goes in the general fund. The projected figure for interest income earned was increased for 2008.

Investments. Ms. Holmsten reviewed the investment report included in the packet.

C/Rehtzigel asked about the money in surplus. That money is being invested in commercial paper for the most part. The South Country Health Alliance money was made as an investment all by itself. The other investments are all together, county wide. Behind the scenes the investments are earmarked for what they are needed for. The commercial paper is a new thing in the last year. The blue area on the graph represented the checking account and was really what was available.

C/Rehtzigel asked how staff decides how much risk is taken on investments. The risk factor and the time frame on when the money is needed is all considered. C/Rehtzigel asked about the SCHA money and if it would be beneficial to spend the interest and lock up the principal. For

the most part, that would depend on when the county would need the money, but Ms. Holmsten stated that she would explore that idea.

Page four of the investment report shows what has happened in the last nine months. Mr. Arneson suggested running the figures from September 2006. C/Samuels asked if Ms. Holmsten could make this information available to all of the commissioners. He asked what the county should have in the checking account. Mr. Arneson stated that the county should have five months of operating costs.

C/Rechtzigel questioned at what point the county would put a cap on the surplus a fund could build. Mr. Arneson felt a lot of it was case by case. If the commissioners feel that any surplus is too high, then one option would be to throttle back on what they levy for that fund for that year. In some cases, however, the money can not be spent because it is collected for certain things.

Ms. Hove reminded the committee that the board approved Springsted's recommendations on fund balance so there were some guidelines in place. However, the county has always been low in almost every fund so there has not been much analysis done.

Audit Update. The State Auditor's were here the past month. Everything went well with the Audit. Ms. Hove basically took care of all of the needs and concerns and everything went good. They had no issues with Goodhue County.

Next meeting: November at 3:30 p.m.