



GOODHUE COUNTY BUDGET COMMITTEE
MINUTES
Administration Conference Room
August 31, 2004
10:00 a.m.

Present: Robert Noah, Roseanne Grosso, Brad Johnson, Stephen Betcher, Jeanne Danker, Dean Albers, Melissa Cushing, David Hamilton and Andrea Benck.

C/Noah called the meeting to order.

1. Pay Study of Elected Officials. Mr. Hamilton explained that the report provided by the Human Resource Director outlines the history dealing with the elected officials. Ultimately, it is the county board which sets the salaries.

Ms. Cushing provided the following report but noted that the board actually approved a 1% increase for elected officials, not 2.5%.

On April 22, 2003 the County Administrator brought forward a proposed resolution to exclude the elected positions from the compensation study. At the May 6, 2003 County Board Meeting, the County Board approved exclusion of elected officials from the compensation study. The first meeting in January, 2004, the Board voted to approve a 2.5% increase for the elected officials.

The County Recorder currently earns \$29.05/hour or \$60,424 and is requesting to move to \$35.60/hour or \$74,048 or Grade 87, step 9. This is approximately a 22.5% increase on salary.

The Sheriff currently earns \$35.31/hour or \$73,444.80 and is requesting to move to \$41.26/hour or \$85,820 or Grade 90, step 6. This is approximately a 16.5% (\$5.95/hour) increase.

In the compensation study, the Hay Group assumed a 3% increase to the step tables. These tables were approved by the Board when the compensation study was approved for implementation.

The Sheriff's current 2004 rate of pay (\$35.31) would place him between a step 3 (\$35.25) and step 4 (\$36.85). The County proposed 2005 salary (\$36.37), an increase of 3%, would place the Sheriff between step 4 (\$36.31) and step 5 (37.96). The Sheriff proposes he be placed at a step 6 (\$41.26).

Sheriff:

2004 current rate of pay	\$35.31
2005 County proposed	\$36.37 (3%)
2005 Sheriff proposed	\$41.26 (Step 6)

Historically, the County Attorney has been a range 37. The County Attorney currently earns \$37.08/hour or \$77,126 and is requesting to move to \$41.26/hour or \$85,820 or Grade 90, step 6. This is approximately an 11% (\$4.18/hour) increase.

The County Attorney's current 2004 rate of pay would place him between a step 4 (\$36.85) and step 5 (\$38.46). The County proposed 2005 salary, an increase of 3%, would place the County Attorney between step 5 (\$37.96) and step 6 (\$41.26). The County proposed he be placed at a step 6 (\$41.26).

County Attorney:

2004 current rate of pay	\$37.08
2005 County proposed	\$38.19 (3%)
2005 Attorney proposed	\$41.26 (Step 6)

C/Grosso questioned why elected officials were not involved in the compensation study. Mr. Betcher stated that the statute did not provide for including elected officials. In addition, Mr. Bennett with the Hay Group felt there could be analytical problems.

Mr. Betcher pointed out that according to the compensation study the Chief Deputy Sheriff was ranked on range 89. He felt it only made sense that the elected officials would be a range higher. The group felt that this was necessary to maintain some sort of responsibility. If you look at the comparables that they provided, the requests that they are making they felt it was consistent the compensation study performed by the Hay Group. Mr. Betcher pointed out that the County Administrator is one range higher and the member's of the management team were one grade lower.

C/Grosso asked how many people Mr. Betcher supervises. Mr. Betcher stated he has 14 employees in his office.

Mr. Albers added that he simply took the counties that were involved in the Hay Study. He left out the cities because that was not comparing apples to apples. He also felt that there needed to be a separation between the sheriff and the chief deputy. Mr. Albers pointed out that the county board can set the salary for elected officials yearly, but they have chosen to simply place them in a range. Past practice has been that if the position becomes open, then the board would address the salary.

C/Grosso asked how many people Mr. Albers supervised. Mr. Albers stated 108.

Mr. Betcher pointed out that he has been appointed to his position for seven years.

Ms. Danker's stated that she has been at the low end of the elected officials. She noted that on Ms. Cushing's report the comparisons are appointed and not elected and that makes a difference because appoint positions receive sick and vacation time. Ms. Danker's also pointed out that there are 10 people involved in the Hay Study that make more money then she does and are not department heads. She is elected and does not feel that there should be 10 deputies being paid more then her.

C/Grosso asked how many Ms. Danker's supervises. Ms. Dankers stated four.

Mr. Johnson apologized for the lateness of his report. He felt that it was hard to compare his position because there were not many counties with the combined position. Mr. Johnson felt it was far for him to be placed at the same range as Mr. Betcher.

C/Noah asked if the salary increases were in the current budget. Ms. Benck stated that the budget in front of the commissioners included the requested salary increases with the exception of Mr. Johnson's request because it was late.

Mr. Hamilton stated that the Sheriff and the County Attorney have provided information that warranted an increase. The Recorder and the Auditor/Treasurer/Assessor have issues that need to be considered including the fact that they will be appointed positions in two years. He recommended the information for all of the elected officials be forwarded to the Hay Study for a recommendation, and a report be brought back to the budget committee in October.

Ms. Dankers asked how much that would cost the county. She also asked about getting a raise now rather than in two years.

Mr. Betcher agreed with Mr. Hamilton and felt that to forward this issue to the Hay Group for an opinion would be consistent with the compensation study. Mr. Betcher's only request was that the requested salaries be included in the preparation of the budget so that they would not have to find money down the road. It would be easier to take away rather than put back. Mr. Betcher also felt that with respect to the Recorder's position, it really did not matter if that position would be appointed in two years. At that point, it really became a new job.

The budget committee agreed to defer the issue and send the job descriptions of elected officials to the Hay Group with a recommendation coming back to the budget committee meeting in October.

2. Reallocation of Prosecution Fees. Mr. Betcher was requesting authority and approval to have the County Attorney's Office budget credited with the \$11,500 projected to be received from providing prosecution services to the Prairie Island Indian Community Police Force. Pursuant to his discussions with the Goodhue County Administrator, and with his support, Mr. Betcher was proposing to expand Mr. William Christianson's ¾ time Assistant County Attorney position to full-time for the remainder of the year, covered by these funds.

Mr. Christianson would be assigned primarily to facilitate the successful development and completion of the 1916 Central High School Development Project. He would communicate with all parties and staff as necessary to keep all governmental entities informed of progress and to get answers as needed when issues arise. Mr. Christianson has extensive experience in community issue resolution and business development. He is a great technical resource in real estate law.

The Budget committee recommended that \$11,500 be allocated to the County Attorney's salary line items.

3. County Attorney's 2nd Quarter Budget Report. Mr. Betcher reported that the Goodhue County Attorney's budget for the first half of 2004 is in compliance with having expended 47% of budget. One line item for ledgers and law books is over budget at this time as the funding for a mandatory computer program upgrade was taken from that line item to keep the attorney's office management software functioning. This essential budget amount had previously been cut from the proposed office budget. Mr. Betcher was asking the County Board to allow the County Attorney's Office to add additional revenue from the new Prairie Island prosecution contract back into the office budget to offset this line item and replace the previously cut essential office support funding. Essential items cut from the budget totaled in excess of \$20,000. The budget committee indicated that they would favorably consider adding any new revenue raised by service contracts. During the year, the attorney's office expects to receive approximately \$11,500 from providing prosecution services to Prairie Island. Mr. Betcher was requesting that \$11,500 be returned to the county attorney's budget.

Mr. Betcher stated that he was withdrawing this request since the issue has already been dealt with in the previous item.

4. Sheriff's Budget Adjustments/Carryovers. Mr. Albers reported that in early 2004 the Sheriff's Office was notified that training money was available through Homeland Security to prepare for domestic terrorism. The terms of the grant required that the training be completed by May of 2004. The Sheriff's Office's Emergency Response Team was sent to Camp Ripley for training specific to hostage rescue and high-risk building entry. Due to the late notice that the grant money was available, this training was not included in the 2004 budget. The Sheriff's Office was requesting that a change of \$28,587 be made to the Sheriff's 201 budget line items to accommodate for this additional revenue and expenses. These changes will not affect the net operating costs of the 2004 budget.

Mr. Albers was also requested a carryover request for \$25,000. The Sheriff's Office negotiated a one time cost sharing fee with the Prairie Island Tribal Council for dispatch service provided to the newly formed Prairie Island Police Department. Mr. Albers was requesting that this revenue be carried over into the 2005 dispatch budget to pay for special projects and updates to equipment as needed in 2005.

The budget committee recommended that the adjustments/carryovers be approved for the sheriff's department.

5. 2005 Preliminary Levy. Mr. Hamilton made note to Mr. Johnson's report and pointed out his graph. Mr. Johnson explained that the critical equation at this point is : $Levy/tax\ base = tax\ rate$. When the tax base increased by 9%, the tax rate will drop by 9% if the levy remains flat. If the levy increases 4.5%, the tax rate will drop 4.5%. He pointed out that new construction alone will generate almost \$700,000.

C/Noah asked when we would get the 1st portion of the allotment if we did receive it. Mr. Johnson stated it could come in July.

Mr. Hamilton reported that the 2005 budget presents a fiscal road map for the year ahead. The first draft, recommends a preliminary levy recommendation of \$24,110,635 representing 5% increase. Further drafts will present revisions to this plan determined by the County Board during the budget presentations. The budget criteria included no levy limits, possible state aid, completion of the court takeover, year two of the compensation study, elected officials salaries and health care increases of 14%. At this time they believe the budgeted figure for health care costs are low. In addition, the LELS #78 union arbitration has driven up costs and jail revenues are down.

C/Noah questioned phase II of the former Sheriff's Building included as a budget assumption. Mr. Hamilton stated that this would be the renovation of the second floor and basement. Mr. Hamilton reminded the committee that this was for 2005 and that this was an item included in the capital plan that was funded by the possible state aid. If the aid was not received, this would be an area to look at cutting.

Mr. Hamilton touched on key areas such as: Compensation, Land Use, Transportation, Finance, and noted that a driving force behind this years levy request will be the increase in health care costs.

C/Noah felt that a 5% preliminary levy made sense and felt that we needed to allot room for the unknown. He asked when we would know more about insurance. Ms. Cushing stated we would get more definite figures in November. She stated that the county claims have increased over 66% from last year. Mr. Hamilton stated that we should have concrete information for the revised budget in November.

Mr. Johnson noted that Ramsey County is budgeting for a 30% decrease in utility tax for 2006.

The budget committee recommended the preliminary levy request of 5%.