STEELE COUNTY BOARD OF COMMISSIONERS
WORK SESSION AGENDA

Administration Center - 630 Florence Avenue – Owatonna, MN 55060

Steele County's Mission:
Driven to deliver quality services in a respectful and fiscally responsible way.

THURSDAY, SEPTEMBER 7, 2023 AT 4:00 PM
County Boardroom, Steele County Administration Center

Agenda

1. Call to Order
2. Budget Presentations
    a. Owatonna Library - Mark Blando, Library Director
    b. IT/GIS – Dave, Nick
    c. Human Resources – Julie
3. 2024 Budget Review
    a. General Overview
    b. Capital Improvement Plan
    c. Appropriations
4. Other Business

Disclaimer: This agenda has been prepared to provide information regarding an upcoming meeting of the Steele County Board of Commissioners. This document does not claim to be complete and is subject to change.

Steele County

Summary of 2024 Preliminary Budget & Levy Changes

Description	Net Change in Tax Levy	% Change in Tax Levy
Board Approved 3.6% Tax Levy Increase	$ 28,021,403	
Joint Ventures		
MNPrarie County Alliance - 2024 levy increase (currently at 4.2%)	234,637	0.8%
Joint Dispatch - 2024 levy increase (currently at 5.3%)	56,031	0.2%
Position Requests		
CCA - position request (0.75 FTE)	105,189	0.4%
IT - security analyst (1 FTE - an increase of 0.5 FTE from prior year)	76,206	0.3%
GIS - position request (0.75 FTE in 2024, 1.0 FTE going forward)	55,839	0.2%
HR - position request (0.5 FTE in 2024, 1.0 FTE going forward)	45,668	0.2%
Extension - additional contracted services for Extension to cover office staff	35,078	0.1%
Capital Projects		
Capital Projects fund levy increase (generator, panic alarms, four seasons, attorney's office)	551,328	2.0%
Other Significant Changes		
Personnel service changes (COLA, step increases, insurance increases, retirement contributions/payouts, payroll taxes, and position overlap to provide knowledge transfer)	1,421,773	5.1%
Public Health - eliminated the turnover allowance	175,034	0.6%
District Court - rising attorney fees (court appointed attorney's)	175,000	0.6%
Information Technology - BCA unfunded mandate for security software	51,000	0.2%
Central Services - technology upgrades, upgraded phone system, software contract increases	51,250	0.2%
Detention Center - decreased Department of Corrections (DOC) boarding revenues	50,000	0.2%
GIS - Light Detection and Ranging (LiDAR) software request	25,000	0.1%
Sheriff - removal of transfers in for gun permit reserves and School Resource Officer grant	122,500	0.4%
Positive Budget Changes		
Increase in certified 2024 County Program Aid (CPA)	(635,119)	(2.3)%
Increase in CCA funding from the State	(438,583)	(1.6)%
All other changes - net	(17,061)	(0.1)%
Net Levy Changes	2,140,770	7.6%
Current Budgeted Tax Levy	**$ 30,162,173**	7.6%

Steele County
2024 Preliminary Levy and Budget
Explanations of Significant Levy Changes from Prior Year

Sheriff's Office:

- The Sheriff's Office has a significant number of employees in its workforce; 60% of the $313,606 levy increase is due to personnel increases (COLA, step increases, health insurance, etc.).
- Another $40,000 is from expiration of a grant.
- A transfer of $82,500 from the Sheriff's gun permit fund was utilized in the 2023 budget to offset a portion of the wages relating to gun permitting.

Public Health Nursing:

- The department experienced a high amount of turnover prior to 2023, a 5% turnover rate was used to reduce the personnel expenditures over the last couple of years. However, due to changes in the department's organizational structure over the last 18 months, the department has been able to retain its workforce. As a result, the turnover rating was eliminated from the 2024 preliminary budget, which amounted to $175,000 or 56% of the levy increase for 2024.
- The remaining increase is due to typical personnel increases and increases in revenues.

Information Technology (IT):

- Other than the typical increases in personnel expenditures, there is an additional .5 FTE included in the 2024 preliminary budget for a security analyst. This position was included in the 2023 budget but was expected to fill during the later part of the year.
- The BCA is requiring a cyber security software that will cost the County over $51,000, net of reimbursement

District Court:

- This department is experiencing significant increase in attorney fees. Most of this department's levy increase is due to this reason.

Detention Center:

- Over 50% of the levy increase was due to increases in personnel
- The loss of boarding revenues from the DOC was another contributing factor for this department's levy increase.

Assessor:

- Besides the annual personnel increases, an annual maintenance cost for one of its appraisal programs (Vanguard) was added to their budget. Typically, this cost was paid out of the compliance fund but due to limited funds as a result of market changes, this cost is now a part of the department's levy.

Geographic Information Systems (GIS):

- Included in this department's budget is a request for a .75 FTE resulting in a budget increase of $55,000 along with annual personnel increases
- Also included in the budget is a request to use Lidar – Light Detection and Ranging – software for another $25,000

Administration:

- Other than the annual personnel increases, included in this budget is a little provision to account for overlapping of new hire due to retirement.
- Also, $50,000 was removed from revenues since the duties relating to the landfill have been shifted to the highway department.

Human Resources:

- Included in this department's budget is a request for .5 FTE as well as the typical annual wage increases.

Finance:

- This department's budget increased because the audit costs were shifted from the Auditor's Office due to the restructuring of the Treasurer and Auditor's Offices earlier this year.

Community Corrections:

- Their program funding from the State is increasing by $438,000. We predict they will have a surplus in their operating budget but will be utilizing their surplus to fund the additional cost estimated for the new building to house them.

County Wide:

- County Program Aid for next year is increasing by $635,000

#	Department	2024 Levy Request	2023 Approved Levy	$$$ Change	%%% Change
		Steele County			
		2024 Tax Levy Changes by Department			
38	General Fund Capital Outlay	726,428	175,100	551,328	314.9%
201	Sheriff	3,794,980	3,481,377	313,603	9.0%
481	Public Health	1,379,976	1,070,060	309,916	29.0%
255	MNPrairie County Alliance	5,846,257	5,611,620	234,637	4.2%
061	Information Technology (IT)	550,232	378,926	171,306	45.2%
011	District Court	535,750	364,750	171,000	46.9%
251	Detention Center	4,402,380	4,287,210	115,170	2.7%
103	Assessor	849,697	761,888	87,809	11.5%
104	Geographic Information Systems (GIS)	215,058	128,374	86,684	67.5%
031	Administration	329,940	249,671	80,269	32.1%
032	Human Resources	379,701	302,442	77,259	25.5%
10	Highway	2,587,200	2,512,001	75,199	3.0%
044	Finance	620,026	544,878	75,148	13.8%
111	Buildings and Grounds	1,683,786	1,615,428	68,358	4.2%
062	Central Services	440,841	389,591	51,250	13.2%
254	Joint Dispatch (E-911 Center)	1,005,288	954,770	50,518	5.3%
101	Recorder	251,089	205,450	45,639	22.2%
091-092	County Attorney	1,197,196	1,163,640	33,556	2.9%
253	Law Enforcement Center	353,074	322,282	30,792	9.6%
521	Parks & Recreation	348,269	318,567	29,702	9.3%
105	Planning & Zoning	337,911	313,804	24,107	7.7%
602	Extension	409,723	390,722	19,001	4.9%
005	Board of Commissioners	245,972	231,496	14,476	6.3%
121	Veteran's Service	255,229	244,651	10,578	4.3%
041	Property Tax & Elections	636,331	630,601	5,730	0.9%
550	Four Seasons	37,362	31,719	5,643	17.8%
102	Surveyor	35,000	30,000	5,000	16.7%
208	Coroner	114,000	110,000	4,000	3.6%
501	Historical Society	10,000	8,000	2,000	25.0%
252	Community Corrections	1,187,211	1,187,211	-	0.0%
502	Community Center	11,200	11,200	-	0.0%
601	County Ag Society	72,500	72,500	-	0.0%
606	Soil Conservation	135,000	135,000	-	0.0%
281	Emergency Management	165,768	166,620	(852)	(0.5%)
35	Debt Service Levy	1,669,261	1,711,589	(42,328)	(2.5%)
003	County Wide (Including Public Library)	(2,657,463)	(2,091,735)	(565,728)	(27.0%)
	Grand Total	$ 30,162,173	$ 28,021,403	$ 2,140,770	7.6%

DRAFT

Steele County, Minnesota

Capital Improvement Plan

2023 thru **2027**

PROJECTS & FUNDING SOURCES BY DEPARTMENT

Department	Project #	2023	2024	2025	2026	2027	Total
Admin Building							
Parking Lot Replacement	SCAC-25-01			427,000			427,000
Install Generator	SCAC-26-01				1,200,000		1,200,000
Replace Ballasted Rubber Roof	SCAC-26-02				400,000		400,000
	Admin Building Total			**427,000**	**1,600,000**		**2,027,000**
Levy				427,000	400,000		827,000
Reserves					1,200,000		1,200,000
	Admin Building Total			**427,000**	**1,600,000**		**2,027,000**
Alexander Building							
Commercial Garage Door	AX-24-01		50,000				50,000
Fencing & Gate	AX-24-02		48,000				48,000
Access Controls	AX-24-03		10,000				10,000
Drywall and Electircal	AX-24-04		37,000				37,000
	Alexander Building Total		**145,000**				**145,000**
Reserves			145,000				145,000
	Alexander Building Total		**145,000**				**145,000**
Annex Building							
Annex Complete Remodel	AX-23-01	360,000		10,000,000			10,360,000
	Annex Building Total	**360,000**		**10,000,000**			**10,360,000**
Reserves		360,000		10,000,000			10,360,000
	Annex Building Total	**360,000**		**10,000,000**			**10,360,000**
Attorney							
Exterior Doors & Secuirty Card Access	COB-24-01		30,000				30,000
Attorney Office Carpeting	COB-24-02		50,000				50,000
	Attorney Total		**80,000**				**80,000**
County Program Aid (CPA)			14,172				14,172
Levy			65,828				65,828

Department	Project #	2023	2024	2025	2026	2027	Total
	Attorney Total		**80,000**				**80,000**
Auditor/Elections							
Election Equipment	AE-25-01			250,000			250,000
	Auditor/Elections Total			**250,000**			**250,000**
Levy				250,000			250,000
	Auditor/Elections Total			**250,000**			**250,000**
Buildings & Maintenance							
Mower and Broom	BM-24-01		60,000				60,000
Snowplow	BM-24-02		10,000				10,000
	Buildings & Maintenance Total		**70,000**				**70,000**
County Program Aid (CPA)			70,000				70,000
	Buildings & Maintenance Total		**70,000**				**70,000**
Community Center							
Retaining Wall Replacement	CC-23-01	10,000					10,000
Remove Retaining Wall and Hill	CC-24-01		65,000				65,000
Lighting Upgrade - Community Center	CC-25-02			35,000			35,000
	Community Center Total	**10,000**	**65,000**	**35,000**			**110,000**
Levy		10,000	55,000	35,000			100,000
Reserves			10,000				10,000
	Community Center Total	**10,000**	**65,000**	**35,000**			**110,000**
Community Corrections							
Building Addition for CCA	CCA-22-03	2,438,000					2,438,000
Building Addtion for CCA - Additional Funds	CCA-23-01		450,000				450,000
	Community Corrections Total	**2,438,000**	**450,000**				**2,888,000**
ARPA Funds		2,438,000					2,438,000
Reserves			450,000				450,000
	Community Corrections Total	**2,438,000**	**450,000**				**2,888,000**
Courthouse							
Parking Lot/Sidewalk/Step Repair	CH-23-01	80,000					80,000
Secured Front Entrance	CH-23-02	350,000	350,000				700,000
Courthouse Security Equipment	CH-23-03	100,000	100,000				200,000
Generator Replacement	CH-24-01		250,000				250,000
Replace Remaining Single Pane Windows	CH-27-01					150,000	150,000

Department	Project #	2023	2024	2025	2026	2027	Total
	Courthouse Total	**530,000**	**700,000**			**150,000**	**1,380,000**
Levy		30,000	250,000			150,000	430,000
Reserves		500,000	450,000				950,000
	Courthouse Total	**530,000**	**700,000**			**150,000**	**1,380,000**
Detention Center							
Roof Replacement - Modified Built-Up	DC-25-01			1,500,000			1,500,000
Replace Parking Lot	DC-26-01				350,000		350,000
Replace Windows	DC-26-02				150,000		150,000
Office Carpet	DC-26-04				10,000		10,000
Exterior Wall Wash and Seal	DC-26-05				75,000		75,000
Kitchen Equipment	DC-26-06				25,000		25,000
Water Heater Replacement	DC-26-07				50,000		50,000
	Detention Center Total			**1,500,000**	**660,000**		**2,160,000**
Levy				1,500,000	660,000		2,160,000
	Detention Center Total			**1,500,000**	**660,000**		**2,160,000**
Emergency Management							
Emergency Notification System	CW-24-01		50,000				50,000
	Emergency Management Total		**50,000**				**50,000**
Levy			50,000				50,000
	Emergency Management Total		**50,000**				**50,000**
Fairgrounds							
Bury Wires Underground	FG-23-01	1,500,000					1,500,000
Fairgrounds Hard Surfacing	FG-25-01			900,000			900,000
	Fairgrounds Total	**1,500,000**		**900,000**			**2,400,000**
Grants		750,000					750,000
Reserves		750,000		900,000			1,650,000
	Fairgrounds Total	**1,500,000**		**900,000**			**2,400,000**
Four Seasons							
Repaint/Reseal/Calking East Rink	FS-23-01	90,000					90,000
West Locker Rooms Flooring	FS-23-03	20,000					20,000
Electric Zamboni	FS-24-01		160,000				160,000
Upstairs Furnace	FS-24-02		6,500		7,000		13,500
Old Lobby / Front Room Upgrades	FS-24-03		90,000				90,000
Parking Lot Repairs	FS-24-04		40,000		40,000		80,000

Department	Project #	2023	2024	2025	2026	2027	Total
Batteries for Electric Zamboni	FS-24-05		15,000				15,000
Tables / Chairs / Storage Carts	FS-24-06		13,000		19,500		32,500
Water Storage Tank	FS-25-01			15,000			15,000
Replace Roof - Both Arenas	FS-25-02			2,000,000			2,000,000
Locker Rooms 5-8 Doors	FS-25-03			7,500			7,500
Four Hanging Furnaces	FS-25-04			20,000			20,000
Paint Exterior West Arena	FS-25-05			60,000			60,000
Locker Rooms 1-4 Doors	FS-26-01				7,500		7,500
Install Key Card System	FS-26-02				25,000		25,000
Basement Dehumidification System	FS-26-03				15,000		15,000
New Floor / Boards in West Rink	FS-26-04				900,000		900,000
Main Entrance Remodel	FS-27-01					70,000	70,000
Two Basement Furnaces	FS-27-02					15,000	15,000
Exterior Doors	FS-27-03					25,000	25,000
Upgrade Roof Top RTU's	FS-27-04					100,000	100,000
Upstairs Mezzanine Remodel	FS-27-05					50,000	50,000
Paint Interior East Arena	FS-27-06					60,000	60,000
	Four Seasons Total	**110,000**	**324,500**	**2,102,500**	**1,014,000**	**320,000**	**3,871,000**

		2023	2024	2025	2026	2027	Total
Grants			80,000				80,000
Levy		110,000	244,500	502,500	1,014,000	320,000	2,191,000
Reserves				1,600,000			1,600,000
	Four Seasons Total	**110,000**	**324,500**	**2,102,500**	**1,014,000**	**320,000**	**3,871,000**

Information Technology

Department	Project #	2023	2024	2025	2026	2027	Total
Switch Replacements & Upgrades	IT-23-01	19,100	19,100				38,200
Copier Replacements	IT-23-02	6,000	12,000	12,000	6,000	6,000	42,000
Virtual Hosts	IT-27-01					40,000	40,000
	Information Technology Total	**25,100**	**31,100**	**12,000**	**6,000**	**46,000**	**120,200**

		2023	2024	2025	2026	2027	Total
Levy		25,100	31,100	12,000	6,000	46,000	120,200
	Information Technology Total	**25,100**	**31,100**	**12,000**	**6,000**	**46,000**	**120,200**

Parks and Recreation

Department	Project #	2023	2024	2025	2026	2027	Total
Beaver Lake Park Upgrades	PR-25-01			500,000			500,000
Showmobile Upgrades	PR-25-02			25,000			25,000
	Parks and Recreation Total			**525,000**			**525,000**

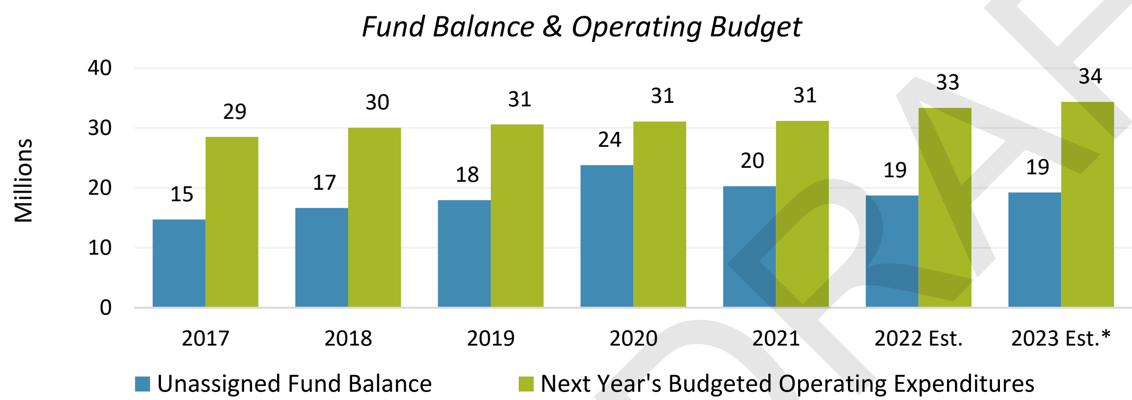
		2023	2024	2025	2026	2027	Total
Grants				500,000			500,000
Levy				25,000			25,000
	Parks and Recreation Total			**525,000**			**525,000**

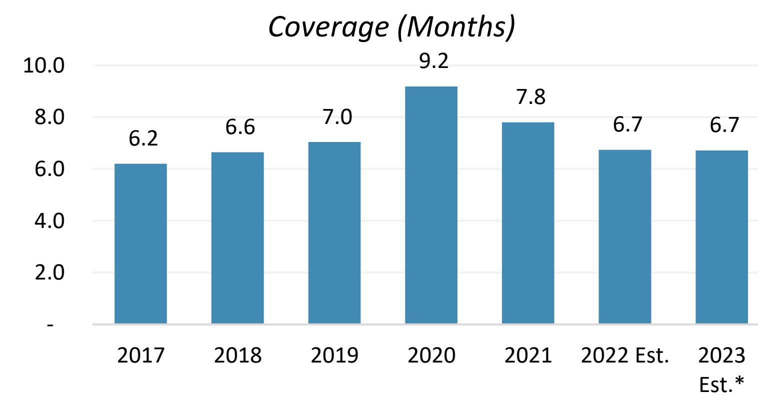
Sheriff

Department	Project #	2023	2024	2025	2026	2027	Total
Handguns	SO-24-01		30,000				30,000
Move Sheriff to Detention Center	SO-24-02		5,940,311				5,940,311
	Sheriff Total		**5,970,311**				**5,970,311**
ARPA Funds			4,468,639				4,468,639
Levy			30,000				30,000
Reserves			1,471,672				1,471,672
	Sheriff Total		**5,970,311**				**5,970,311**
	Grand Total	**4,973,100**	**7,885,911**	**15,751,500**	**3,280,000**	**516,000**	**32,406,511**

Steele County
Unassigned Fund Balance (Cash Basis) - General Fund

Description		2017		2018		2019		2020		2021		2022 Est.		2023 Est.*
Unassigned Fund Balance	$	14,722,276	$	16,629,853	$	17,933,205	$	23,784,046	$	20,279,107	$	18,720,000	$	19,220,000
Next Year's Budgeted Operating Expenditures	$	28,507,000	$	30,038,583	$	30,583,749	$	31,085,564	$	31,192,454	$	33,353,641	$	34,354,250
Fund Balance as a Percentage of Operating Expenditures		51.6%		55.4%		58.6%		76.5%		65.0%		56.1%		55.9%
Coverage (Months)		6.2		6.6		7.0		9.2		7.8		6.7		6.7





*Estimated 2023 Unassigned Fund Balance		Amount
2022 Estimated Unassigned Fund Balance	$	18,720,000
Projected surplus based on General Fund Jan-July cash basis activity		500,000
2023 Estimated Unassigned Fund Balance	$	19,220,000

Steele County

Unassigned Fund Balance (Cash Basis) - Capital Projects Fund

Description	2018	2019	2020	2021	2022	2023 Est.	2024 Est.
Ending Fund Balance	$ 3,485,436	$ 559,468	$ 742,334	$ 3,794,933	$ 11,540,526	$ 10,410,000	$ 2,714,000
Restricted for Bond Related Projects	(3,364,723)	(95,273)	(396,899)	(109,439)	-	-	-
Restricted for ARPA Projects	-	-	-	(3,559,320)	(7,102,804)	(6,796,000)	-
2023-2024 Projects Funded with Reserves*	-	-	-	-	-	(900,000)	(2,676,672)
Ending Unrestricted Fund Balance	$ 120,713	$ 464,195	$ 345,435	$ 126,175	$ 4,437,722	$ 2,714,000	$ 37,328

*2023-2024 Projects Funded with Reserves	2023	2024
Fairgrounds Electrical Project	$ 900,000	$ -
Alexander Building Renovations and Updates	-	145,000
Community Center - Removal of Retaining Wall		10,000
Courthouse Secured Front Entrance		350,000
CCA Building Addition (Non ARPA)	-	450,000
Vehicle Lease/Purchase		250,000
Sheriff Office Addition (Non ARPA)	-	1,471,672
Total	$ 900,000	$ 2,676,672

Steele County
Appropriation Requests for 2024

Requestor	Purpose	Approved for 2023	Request for 2024	2023 Notes
American Legion - Ellendale	Memorial Day	190	190	Memorial Day
American Legion - Owatonna	Memorial Day	1,720	1,721	Memorial Day
Blooming Prairie Ambulance	Ambulance Sub	5,000	5,000	Memorial Day
Blooming Prairie Servicemen's Club	Memorial Day	125	125	Memorial Day
City of Blooming Prairie	EDA	5,000	5,000	Economic Development
City of Ellendale	EDA	5,000	5,000	Economic Development
City of Medford	EDA	5,000	5,000	Economic Development
Community Pathways - Steele County Food She	Subsidy	12,000	15,000	Increase in food costs
County Ag Society	Subsidy**	42,500	42,500	
Crisis Resource Center	Subsidy	10,000	10,000	
Ellendale Ambulance	Ambulance Sub	5,000	5,000	
Farm America	Subsidy	500	750	Grow agricultural education programs for students
Healthy Seniors	Subsidy	10,000	10,000	
Historical Society	Subsidy**	8,000	10,000	Offset costs
Owatonna Area Business Dev. Center	Subsidy	4,000	10,000	
Owatonna Library	Subsidy**	225,000		To present at 9/7/2023 board work session
Owatonna Partners for Economic Dev.	EDA	5,000	7,000	attracting and educating a quality workforce, marketing/communications
SE Emergency Medical Service	Subsidy	5,000	5,000	
Semcac	Subsidy	10,000	16,500	Senior nutrition, caregiver advocacy program, donation rides
Soil & Water Conservation District	Subsidy**	135,000	135,000	
Southeast Minnesota Small Business Development Center			3,000	Counseling to help businesses in SE MN overcome the challenges of startinga business
Southern MN Initiative Foundation	Subsidy	6,000	6,000	
Steele County Humane Society	Subsidy	5,000	10,000	Increase costs in supplies and vet bills
Steele County Transitional Housing	Subsidy	10,000	15,000	rental subsidies and eviction prevention services
Totals		$ 515,035	$ 322,786	