

PROCEEDINGS OF THE
SPECIAL BUDGET MEETING OF THE MARTIN COUNTY BOARD OF
COMMISSIONERS
THURSDAY, FEBRUARY 12, 2009
@ 9:00 A.M.

The meeting was called to order by Chairman Donnelly at 9:04am. Those present were Commissioners Potter, Boler, and Schmidtke. Others present were Jennifer Jepsen, Kevin Peyman, Enid Bloedel, Holli Arp, James Forshee, Mike Sheplee, Julie Grunewald, Scott Higgins, Brad Gerhardt, Becky Bentele, Kay Wrucke, Terry Viesselman, Warren Knudson, Steve McDonald, Rod Halverson, KFMC/KSUM radio. Absent: Lori Pomerence, Kathy Smith, and Pam Flitter, Doug Landsteiner. Handouts were provided of the estimated reductions to the County Program Aid (CPA).

Higgins reviewed the state budget deficit estimated to be 4.8 billion dollars (not including inflation) for the next biennium (2010-2011) as well as the following biennium (2012-2013) based on the State's November 2008 budget forecast. The effect of the Governor's proposed budget is to reduce the amount of CPA the counties receive. At this point, the budget reductions are only estimates. Higgins stated that it is expected that we will not know the final amounts until the end of the legislative session mid May. Higgins further stated that due to the projected cuts, we cannot continue to do business the way we have done in the past.

Forshee presented the projected reductions (based on the estimates from the Department of Revenue). Forshee stated that the estimated reductions for CY2009 are \$465,307(25% reduction), of which \$182,485 is the unallotments from the Governor for CY2008. It is expected that in 2010 the estimated reductions in CPA will be \$465,840 a 41% decrease in CPA (based on the current CPA of \$1,138,315). These are estimates if the County was not to be a part of the Governor's proposed participation in the one of the 15 Regional Human Services Delivery Consolidation programs. If the county participates the proposed reductions would be less. Forshee continued that to place some perspective on the proposed reductions the increase in county wages and benefits from 2008 to 2009 was \$357,000. It is expected that their will be a new budget forecast first part of March.

Donnelly inquired of the Governor's proposal pertaining to the fifteen (15) Regional Human Services Delivery Consolidation collaborations. Knudson, Director of F/M Human Services stated the present information formulates these regions based on population of 100,000. It is a way to provide incentives in the way Human services are delivered. However, not for sure how it is going to be implemented.

Donnelly opened meeting for discussion on effects of the State's projected budget deficit and ways to cut cost in anticipation of the estimated reductions the county will potentially be faced with in the next two biennium's.

Wrucke stated that the legislature is watching the mandates coming down and need to continue to work through AMC to voice our concerns of such mandates.

Belgard stated that the Courts are dealing with reductions and are closed a half a day to the public.

Gerhardt stated the some of the grants received by the Sheriff's Office have increased but do not know what the future will hold for these grants. Public Safety is an area the governor is proposing no reductions. Currently the jail population is below 20 inmates-ways to reduce jail expenses is place on electronic home monitoring (EHM), instead of work release place on EHM. Gerhardt presented a list of areas the Sheriff's office is looking at to cut costs including cutting down on conferences, reduce over time, etc and to finish current projects and not start new projects.

Higgins stated that Bloedel has also submitted cost savings ideas and suggestions. Higgins stated the need to look at implementing cost saving measures now if at all possible rather than wait until end of the legislative session.

Peyman stated that the state aid the Highway Dept receives is constitutionally set and amounts are affected by motor vehicle sales, gas tax, etc. These types of things could reduce the amount of aid received.

McDonald stated that the computers are now on a 5-6 year rotation cycle and therefore already stretching the dollars. Due to projected reductions we may not be able to do anything in 2010 and our Dept. will continue to keep expenses at a minimum.

Peyman suggested that if there is a desire to cut the amount of roads to maintain, there is a procedure to move the lower level gravel roads to the townships to maintain. However, I am not recommending the Board take this action.

Potter alluded to the state proposing to freeze salaries. Higgins stated that reducing salaries should be the last resort.

Wrucke stated that the work the Recorder's office does is customer service based and staffing is needed. We need to be creative before staff reductions (i.e. one day off)

Boler reminded everyone that the state budget shortfall does not include inflationary numbers.

Gerhardt stated does the count need to adopt a philosophy dealing with other local units of government-cities and school districts. I have been asked a number of times, by the small cities asking what it would cost for the Sheriff's office to take over law enforcement in their towns. I am willing to help out the communities, but not interested in taking over the law enforcement. We have also heard the State is looking to regionalize PSAP's, yet they do not know the areas like our local dispatch does.

Schmidtke stated not sure how the county would be able to assist school districts.

Boler stated that it is time we have conversations and joining together with Jackson and Watonwan counties particularly with our Human Services and get them back into the picture.

Our current Human Services collaboration is going well and has a good reputation. It can happen.

Gerhardt stated that we are collaborating with the Computer consortium.

Donnelly then proposed 15 regional human services collaboration sounds great, but getting it implemented is another thing.

Peyman stated that it is possible the County Highway budget could reduce by \$100,000 in fuel budget, which was projected at \$4.00 per gallon fuel costs.

Donnelly stated his concerns that the issue is not so much the current budget year (2009), but the next budget year (2010). Donnelly further stated that everyone needs to work as a team and need all the ideas and suggestions we can get.

Forshee stated that based on the projected loss in state revenue, we estimate we need between 3% and 5% reductions across the board. Higgins added that if each Department would look at their individual departmental budgets and come up with a list of line items they could cut, it would be helpful information so that once the legislature has completed their work and cuts are needed, we have something to work with. If we could get these list first part of next month that would be appreciated.

Schmidtke stated that the allocations the county provides to the non-profits and other organizations should also take reductions. I can't ask for cuts from the county depts. and not get some cuts from the allocation requests we have in the budgets.

Peyman suggested that the county could start charging for utility permits, which the county does not do now-the estimated revenue would be \$10,000 annually.

It was suggested that when employees go to training, they could carpool with other counties.

By consensus of the Board, it was determined to have a joint meeting after the legislative session is completed.

With no further business to wit, Chairman Donnelly declared the meeting adjourned and thanked everyone for their ideas and suggestions. The meeting adjourned at 10:36am.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Steve Donnelly, Chair

ATTEST: _____
Scott Higgins, Martin County Coordinator