BOARD MINUTES

BOARD OF WRIGHT COUNTY COMMISSIONERS

WEDNESDAY, DECEMBER 14, 2022

DATE APPROVED: DECEMBER 27, 2022

Christine Husom	District 1
Darek Vetsch	District 2
Mark Daleiden	District 3
Mary Wetter	District 4
Michael Kaczmarek	District 5

The Wright County Board met in special session at 6:00 P.M. with Husom, Vetsch, Daleiden, Wetter, and Kaczmarek present.

ANNUAL BUDGET/CERTIFIED LEVY PUBLIC HEARING

County Administrator Lee Kelly welcomed all in attendance to the public hearing for the 2023 budget and certified levy. The annual meeting is in keeping with Minnesota state law. Kelly said anyone who wished to discuss their property valuation knew they could sign up for and meet with the County Assessor at another time.

Kelly broke down the budget process explaining that starting in May a draft is composed of all Capital Improvement Projects (CIP) for the upcoming year. Budget workbooks start in June and each department's budget is presented to the County Commissioners in August. On Sept. 20 a preliminary budget and draft levy is considered, followed by a public budget meeting and then the levy is submitted to the Minnesota Department of Revenue on Dec. 30.

Kelly started by giving an overview of the services offered by Wright County. Roads and bridges as well as public land, public safety and 911 dispatch for not only the Sheriff's Office but the cities in Wright County. There are nine Great River Library branches located in Wright County and vital records which maintain birth, marriage, land, vehicles, and driver records. Public Health provides service for the maintenance and prevention of the health of Wright County citizens. Kelly noted that Public Health played a significant role in the past couple of years with the pandemic. The last services spoken pf were financial, Social Services, and environmental services.

Kelly spoke about how tax dollars are allocated to each of these services each year. He said $3.82 per capita/month goes to highway maintenance and bridges, while $1.58 per capita/month goes to upkeep the 4,717 acres of public land with 82 miles of trails in the county's parks system. Public Health receives $3.07 per capita/month and the Sheriff's Office/911 Dispatch Center costs $17.37 per capita/month. The Great River Library branches cost $1.34 per capita/month to operate.

Kelly said the county is currently working on the opioid settlement that the county was involved in with major pharmaceutical companies, determining where the funds that will be coming into the county will be best used. The county is working on the redevelopment of the old Government Center property in Buffalo and the sale of the old Human Services Center. The Finance Department just implemented the Tyler Tax software system, which pairs with the mass appraisal system for land records in the Assessor's Office. Kelly said the county received $26 million from the American Rescue Plan (ARP) Act and has been awarding grants to aid in community improvement programs such as providing broadband internet service to rural areas of the county and sewer and water projects.

Kelly said in the past year the county successfully completed the new Government Center, moving all operations to one campus. In September, the county opened a dental clinic to serve its underserved citizens. Phase 1 of the implementation of the county's Enterprise Resource Planning (ERP) system, Oracle Fusion, went live in November.

Kelly said the majority of services the county provides are mandated services, legally required for Wright County to provide and required the federal and state governments. Approximately $125.2 million was budgeted for mandated services in 2022, 76 percent of the county's budget. 13 percent of the county budget was made up of core functions, primary services or activities performed by a department. In 2022, there approximately $21.4 million were budgeted for core functions.

Kelly said the 2023 budget preliminarily is set at $180,575,941. The preliminary levy is set at $90,652,259 an increase of 3.89 percent over the 2022 budget. As has been noted by residents on their property tax statements, residential property taxes have gone up over 2022. This has resulted in tax capacity growth which is estimated at 20.35 percent.

Kelly said of the budget revenues, 51 percent comes from property taxes, 21 percent comes from state categorical aid. The rest comes from charges for services, state general purpose aid, and federal grants. Kelly explained that for every $100 spent, $1 is for Highway Operations and $24 for Human Services. He said that the increase in property market value has been occurring across the state. Kelly noted that the county worked hard to keep the levy low in light of the property tax increases.

Commissioner Christine Husom thanked the staff for keeping the budget level in cutting 7 percent and keeping the levy under the growth. She thanked Commissioners Michael Kaczmarek and Darek Vetsch for their work done in reducing costs across the county. Vetsch thanked the staff for trying to go lean with the shift in tax capacity from commercial to residential.

Commissioner Mark Daleiden said that the taxes on commercial properties stayed flat. He said the biggest problem leading to the increase in property taxes occurred when the homestead credit was removed. Husom spoke of the legislators the board spoke with at the Committee of the Whole meeting being very receptive to the board’s concerns. Commissioner Mary Wetter said people leaving the Twin Cities with the rise in crime and moving to Wright County did not help the high valuations of properties with the bidding wars that occurred. She said the historically high home sales over assessed values contributed to the high valuations of all properties.

Husom opened the meeting up for public comments at 6:17 p.m.

Layne Roschen, St. Michael

Roschen thanked Kelly for mentioning innovations in the introduction to the meeting. He said he goes to the Capitol every year to talk with the Republican legislators in part because of what happened in 2013 legislatively. He said he is concerned with the future in Minnesota. Mandates are a large concern as are core functions. Vetsch said core functions are what ensure mandates are able to be performed. He asked how much flexibility the county has with the mandates as given by the county or state. Vetsch gave the example of someone at their end of life going through the process of applying for a waiver to ensure their care is provided for. He said the MN-CHOICES assessment would determine if the individual or family applying had the resources to pay for care or if they were financially unable to provide. The assessment performed by a county social worker was an eight-to-14-hour assessment that is paid by county taxpayers. The cost of care for the individual or family if determined to be needed is paid for with state or federal funds. The state and federal mandates do not pay for the work they are requiring, they do dictate what the assessment looks like and what must be performed in order for their money to kick in. Vetsch said that this type of mandate is considered an unfunded mandate.

Husom said the mandate was discussed with the legislators, specifically the amount of time involved in the required assessment initially and then the requirement for reassessment one year later. She gave the example of a paralyzed citizen being required to be reassessed annually when their situation has not changed.

Roschen said what he hears is that with respect to the mandates there is a checklist of tasks that must be done in order to meet the state requirements which the state does not pay for. He said this is all 76 percent of the mandates. Vetsch said nearly all 76 percent of the mandates are similar where the county must meet the mandated demands of service and pay for the staff to fulfill those mandates. He said that Wright County not only does this but does it with fewer employees per capita than many other counties. He said there are only two counties ahead of Wright County in this regard and they have significantly fewer residents. The negative side to this is that with only 5.8 employees per 1,000 citizens some processes take too much time. Vetsch said his concern is putting the county in danger of litigation. Husom said part of the consequences of having so few employees per capita combined with the state's mandate demands is that it takes up to 60 days at times to provide assessment where the state required minimum is 20 days.

Roschen said the county should protect its taxpayers from the economic downturn and especially the collapse in the construction business. Vetsch said the county was working diligently with its financial planning to fund itself in such a way it will be able to buy out bonds sometime around 2026 or 2027. If a downturn does occur prior to that time, the fund balance that is growing could be used to buy down levies for a period of time to offset any downturn in the economy. In the short and midterm, Wright County citizens are very safe and in the long term the citizens are in a good position. He said if the county does not have to call the bonds early then the county will be able to lower its expenses. He mentioned the fully funded Capital Improvement Project (CIP) funds. Husom said in 2008 when citizens were upside down on their mortgages there was not much that could be done.

Roschen requested a deeper look into what the budget looks like. He said while the budget was available, he wants more of the finer numbers. Vetsch said the ERP had just gone live so there will be more availability to see what is being spent.

Roschen spoke further about issues that were not related to the budget.

Michael Potter, Albertville
Potter applauded the board for their work to keep the levy value as low as possible. He said the people of Wright County should be pleased.

The meeting adjourned at 6:49 p.m.
County Board Minutes submitted by Philip Hodges, Administrative Specialist.