

CLAY COUNTY BOARD OF COMMISSIONERS

Thursday, December 11, 2008

4:00 p.m.

County Board Room – 3rd Floor – Courthouse

M I N U T E S

The Clay County Board of Commissioners met in regular session on Tuesday, December 16, 2008 with all commissioners present: Brunsvold, Campbell, Evert, McCarthy and Waller.

APPROVAL OF AGENDA

On motion by McCarthy, seconded by Waller, and unanimously carried, the agenda was approved as presented.

CITIZENS TO BE HEARD

There were no citizens present who wished to address the Board.

APPROVAL OF MINUTES

On motion by McCarthy, seconded by Campbell, and unanimously carried, the minutes of the November 18 and 25 County Board meetings were approved as presented.

PUBLIC INFORMATION AND CITIZEN INPUT:
2009 CLAY COUNTY BUDGET AND TAX LEVY

County Administrator Vijay Sethi informed the group that the 2009 spread Levy is \$22,414,024, a 5.53% increase over 2008. Mr. Sethi distributed a handout which includes the breakdown of the tax levy, budgeted expenditures, proposed expenditures by department, the County's budget history for 2005-2009, the levy history for years 1991-2009, and real estate tax projection examples for various values of property in the cities of Moorhead, Barnesville, and Dilworth and Oakport Township (See attachment "A").

In response to a question from the audience, Mr. Sethi explained that the Ag Inspector expenditures budget appears to be reduced because federal grant revenues are not reflected and the spraying activity on federal/state lands has been reduced. The level of weed inspections will not be decreased.

County Assessor Loren Johnson informed the group that the new growth (construction) factor is 2.8%, which is part of the reason for the overall decrease in taxes. He added that Clay County is not experiencing valuation reductions, and is actually seeing an increase in the agricultural land market. He noted that if/when market values drop, the assessments for the next year will reflect that.

Mr. Johnson explained that valuations of adjacent parcels with the same ownership can vary greatly due to the linking order on the homestead record.

The 2009 budget and levy will be presented for adoption at the December 16, 2008 County Board meeting.

COUNTY ADMINISTRATOR UPDATE

County Administrator Vijay Sethi informed the Board that he had visited with Senator Klobuchar when she was in Moorhead concerning funding for the CSAH 52 improvement project and the economic stimulus program. He advised that MnDOT has asked District IV counties to identify potential projects for federal funding through the Area Transportation Partnership (ATP). The Clay County Highway Department has submitted a proposal for a \$1.3 million project that involves mill and overlay on an eleven mile portion of CSAH 18. The requirement for these particular funds is that the project is not on the 5-year construction plan, all the design work is completed, and right of way is acquired. Mr. Sethi advised that the consultant continues to work to include the CSAH 52 project in the appropriation request and/or authorization as part of the highway bill, or even in a short term authorization.

Mr. Sethi informed the Board that the Moorhead City Council has appointed Mayor Voxland and Council Member Mark Hintermeyer to the Southside Flood Task Force. The Buffalo Red River Watershed District has formally accepted the role of Responsible Government Unit (RGU) for this project.

Mr. Sethi advised that Clay County has received two awards of Excellence from Minnesota Counties Insurance Trust for: Property & Casualty Plan Years 2003-2007 Outstanding Loss Ratio Under 50%; and Outstanding Experience in Workers' Compensation – Experience Modification Under 1.00.

DISCUSSION RE: COMPARABLE WORTH PLAN IMPLEMENTATION

County Administrator Vijay Sethi reminded the Board that at the November 25 meeting they had discussed the Comparable Worth process and the need to address salary compression issues, market conditions, and to update the salary grid. The cost to implement the proposed Plan in 2009 is approximately \$334,000, of which \$97,000 is included in the 2009 tax levy. The remainder of the funds required would have to come from the Fund Balance. When this topic was last discussed, the Board decided to wait to hear more information regarding the State's revenue forecast before acting on implementation of the Comparable Worth Plan.

Commissioner Waller commented that the State's budget forecast is an estimated shortfall of \$5.2 billion. He felt the economy has changed dramatically since the Comparable Worth process started. He felt the County will be looking at 40% greater cuts in the next few years than it did in 2003. Commissioner Waller felt the timing is poor to be adding \$334,000 to the annual budget for personnel costs.

Commissioner Brunsvold commented that the issue of the new Jail construction will compound the County's budget issues in years to come.

Commissioner Campbell felt the disparities in the compensation issues throughout the County, which the Board has already acknowledged, need to be addressed. He felt the County needs to move forward to correct the compensation issues, and unfortunately there will be other hard decisions to make in the next few years, likely resulting in reductions in staffing and services.

Commissioner McCarthy agreed that the compensation plan needs to be corrected to be fair for all employees, despite the fact that the 2010 budget will be extremely difficult.

Commissioner Campbell informed the Board that during the recent AMC conference he was surprised to hear from commissioners from other counties that they are already making cuts, reducing services, etc.

Commissioner Brunsvold commented that some of the counties who partner in the Juvenile Detention Center are experiencing salary freezes and no cost of living adjustments.

Commissioner Waller felt that if the payroll is increased by \$334,000, the County will have to cut services by that same amount.

Commissioner Evert commented that the County has already invested funds in the completion of the study, and waiting another year to implement it will make matters worse.

Mr. Sethi stated that he has been working with the assumption that the implementation of the study will come with the 4% cost of living adjustment. Commissioner Campbell felt the two go hand-in-hand.

Mr. Sethi stated that there will likely be cuts in County Government Aid. The second payment is due from the State and if it is not funded to the expected level, there may have to be cuts to County programs/services as soon as the first half of 2009. He added that he will meet with department heads in early January to begin an analysis of mandated services and items for which the County is responsible to provide.

Chief Assistant Michelle Winkis commented that the Personnel Issues Committee has been working on the Comparable Worth plan for some time and concurs with the consultant's findings. She felt that the longer the County waits to implement the Plan, the worse it will be. She reminded the Board that it has been 13 years since the County's compensation program has been evaluated in its entirety.

On motion by McCarthy, seconded by Brunsvold, the Board authorized implementation of the new Comparable Worth Plan effective January 1, 2009, to include the new 12 year salary grid, placement of employees on the grid as outlined in the consultant's report, and the appeal procedure as discussed November 25, 2008. The motion carried with Commissioner Waller regrettably opposed.

Ms. Winkis commented that the current classification policy is relevant to the grid that has been in place for years. That policy will now be overridden by a yet-to-be-developed policy.

Commissioner Waller commented that if the paperwork pertaining to the various placements of employees on the salary grid cannot be completed by the first pay period in January, it is understood that implementation would be retroactive.

Commissioner Campbell stated that if there is a potential expansion of the proposal which would involve a higher impact on finances, he would oppose that.

It was noted that the unions may or may not choose to be a part of the new system.

AUTHORIZATION TO PAY BILLS AND VOUCHERS

On motion by McCarthy, seconded by Waller, and unanimously carried, the Board authorized payment of the bills and vouchers.

COMMITTEE REPORTS

Commissioner Brunsvold advised that the Greater F-M Economic Development Corporation has appointed Commissioner Waller to the Executive Committee. The EDC is seeking primary sector jobs for the community as a whole.

Commissioner Brunsvold informed the Board that the Juvenile Center Advisory Committee has agreed on a reimbursement plan for the 2008 budget shortfall (\$180,000), and a \$195 per diem has been approved for 2009.

Commissioner Waller attended a meeting of the Highway Tracking Committee.

Commissioner McCarthy attended the Moorhead Planning Commission meeting and Joint Powers Committee meeting. Commissioner McCarthy advised that he would continue on as a member of the Moorhead Planning Commission as the Mayor's appointee at-large.

Commissioner Campbell attended the Jail Planning Committee and felt the Jail plan which has been presented exceeds the dollar value Clay County can afford. Alternatives are being explored by the architects.

Commissioner Campbell attended the AMC Conference, which included an MRCC meeting, Public Safety Policy Committee meeting, and workshops.

Commissioner Evert attended the AMC Conference, Policy Committee meetings, and a meeting to begin the merger process for the Historical Society and Heritage Hjemkomst Interpretive Center.

ADJOURN

The meeting adjourned at 5:25 p.m.

Jon D. Evert, Chair
Clay County Board of Commissioners

Vijay K. Sethi, County Administrator

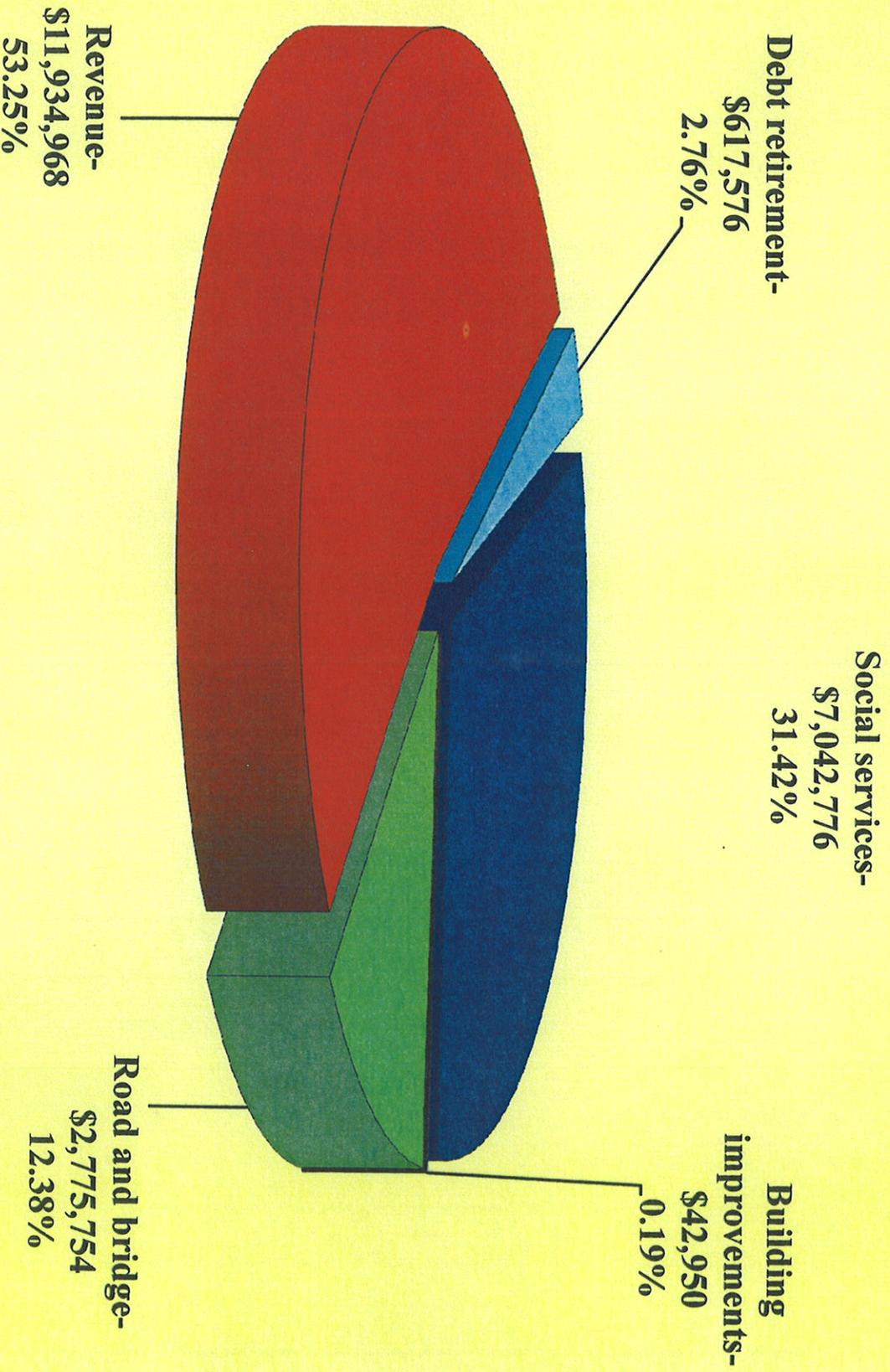
**Clay County Budget & Tax Levy Highlights
For 2009 Operating Budget**



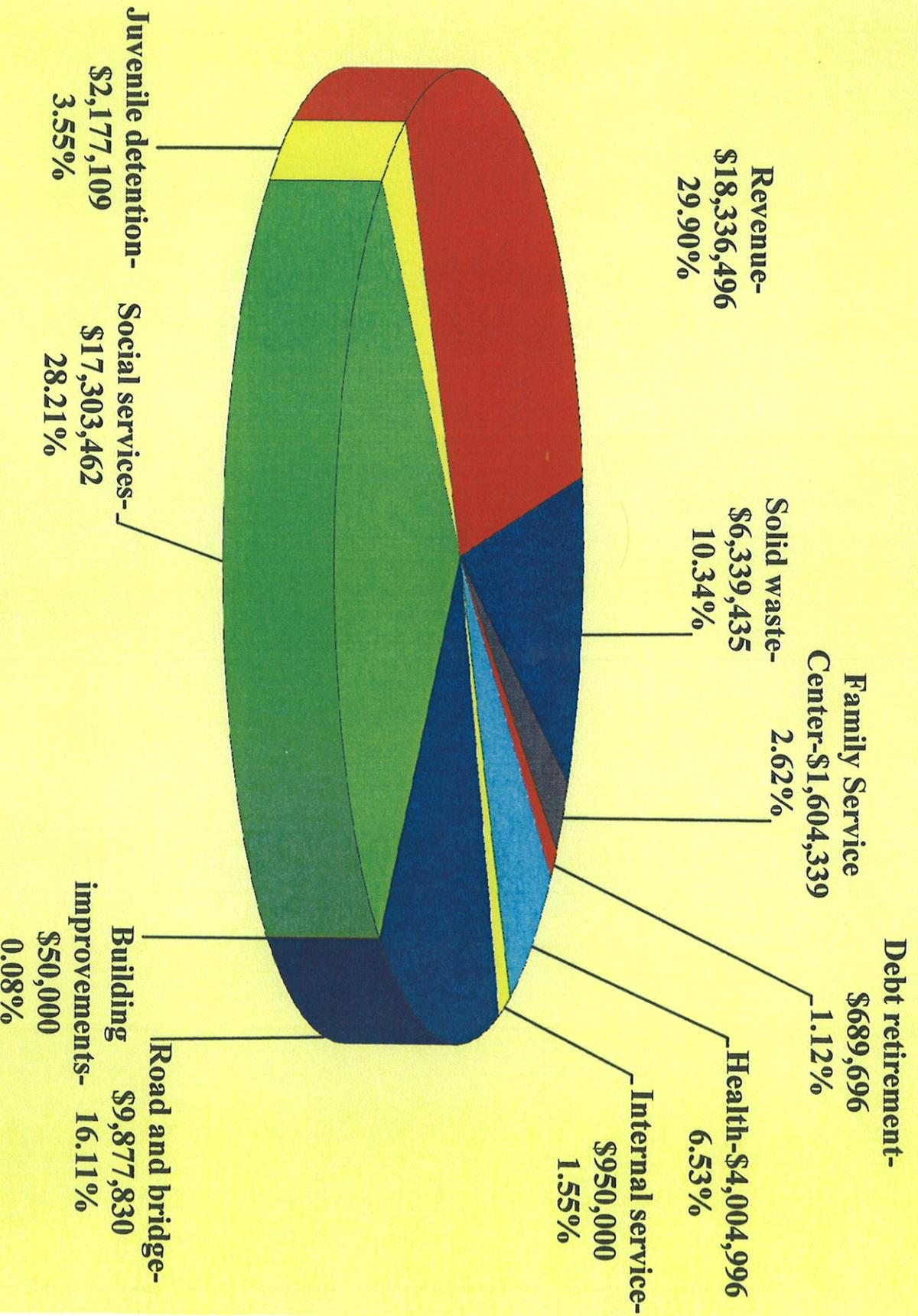
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**County Board of Commissioners Meeting
Thursday, December 11, 2008**

Clay County Tax Levy



Clay County Budgeted Expenditures



Proposed 2009 Expenditures

2008 Budget	Proposed 2009 Budget	%CHANGE
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Proposed Expenditures by
Department (pg 1)

General Revenue

Board Of County Commissioners	254,245	268,166	5.48%
Court Reporters And Law Clerk			
Court Administrator	30,000	30,000	
County Public Defender	55,000	110,000	100.00%
Law Library	101,395	101,395	
County Administrator	244,590	259,867	6.25%
Auditor	618,991	627,674	1.40%
Motor Vehicle	356,401	383,177	7.51%
Internal Accounting	56,000	65,000	16.07%
Treasurer	153,850	167,009	8.55%
Assessor	346,446	373,122	7.70%
Personnel	168,053	169,733	1.00%
Data Processing (Information Sys. Mgt.)	867,996	922,677	6.30%
GIS	257,078	291,436	13.36%
Elections	118,894	15,855	-86.66%
County Attorney	1,276,209	1,338,129	4.85%
Victim Witness Advocate	74,298	79,531	7.04%
Recorder	471,992	455,119	-3.57%
Surveyor	46,350	50,000	7.87%
Grounds And Buildings	739,558	822,572	11.22%
Veteran's Affairs	123,380	143,867	16.60%
Planning And Zoning	210,270	191,974	-8.70%
Environmental Services	156,855	168,302	7.30%
Law Enforcement (Sheriff)	3,528,929	3,721,608	5.46%
911	68,232	69,733	2.20%
Narcotics Task Force	39,984	39,257	-1.82%
Medical Examiner	85,750	95,727	11.64%
Youth Intervention Program			
Boat And Water		1,896	100.00%
Drug Seizures			
Corrections	2,673,340	2,619,889	-2.00%
Dispatchers	210,733	220,223	4.50%
Juvenile Detention	492,375	541,220	9.92%
Home Monitoring	103,000	100,000	-2.91%
Probation	594,956	733,893	23.35%
Civil Defense	78,932	94,891	20.22%
Library	220,552	224,648	1.86%
Historical Society Appropriations	149,410	178,172	19.25%
Humane Society Appropriations	1,500	1,500	
Extension	258,731	271,623	4.98%
Agricultural Inspection	113,966	66,298	-41.83%
International Coalition	1,281	1,281	
Soil Conservation Appropriations	159,992	164,317	2.70%
Public Health	336,582	447,847	33.06%
Metro Council	7,104	7,488	5.41%
Mn Red River Valley Dev Assoc	800	800	
Appropriations - EAC		5,000	100.00%
Rural Transit	311,563	326,792	4.89%
West Central Council On Aging	5,275	5,733	8.68%
West Central Mn Initiative	17,000	18,000	5.88%
Mn Housing Partnership	600	600	
Cultural Diversity Resources	4,562	4,699	3.00%
Housing Programs	87,500	87,500	
Unallocated General	1,050,484	1,122,612	6.87%
Unanticipated Expenditures	50,000	50,000	
County Fair Appropriations	25,300	22,871	-9.60%
Unemployment Compensation	5,000	5,000	
Appropriations - Northern Lights Work Group		5,000	100.00%
Appropriations - Chamber of Commerce	1,309	1,309	
Rural Mn Counties Caucus	2,100	2,100	
Riverkeepers	670	670	0.07%
Western Area City/County Cooperative	5,000	5,000	
Valley Water Rescue	3,658	3,658	
Rural Life Outreach	5,000	5,000	
First Link			
Senior Coordination Program (LPCAP)	28,037	28,037	0.00%
Total Revenue Fund	17,457,057	18,336,496	5.04%

Proposed 2009 Expenditures

2008 Budget	Proposed 2009 Budget	%CHANGE
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**Proposed Expenditures by
Department (pg 2)**

Road and Bridge			
Highway Maintenance	3,011,800	2,970,545	-1.37%
Highway Construction	4,961,368	5,046,824	1.72%
Highway Administration	529,871	545,156	2.88%
Highway Equipment Maintenance And Shop	1,328,585	1,315,304	-1.00%
Unallocated			
Total Road And Bridge	9,831,624	9,877,830	0.47%
Social Services			
Income Maintenance	4,691,697	4,918,174	4.83%
Social Services	11,883,600	12,385,288	4.22%
Total Social Services	16,575,297	17,303,462	4.39%
County Building			
	50,000	50,000	
Juvenile Detention			
24-Bed Secure Facility	1,317,977	1,410,252	7.00%
12-Bed Non-Secure Facility	698,817	766,857	9.74%
Total Juvenile Detention	2,016,795	2,177,109	7.95%
Debt Retirement - Law Enforcement Center			
	178,321	176,720	-0.90%
Public Health			
	3,735,932	4,004,996	7.20%
Solid Waste Management			
Solid Waste Committee	117,409	124,716	6.22%
Composting	36,475	38,026	4.25%
Recycling	384,758	402,763	4.68%
Public Education	10,300	10,300	
Household Hazardous Waste	119,166	121,376	1.85%
Existing Landfill	1,655,689	5,476,942	230.80%
New Landfill	165,311	165,311	
Environmental Grant Program			
Total Solid Waste Management	2,489,107	6,339,435	154.69%
Family Service Center			
Central Services	232,325	236,344	1.73%
Central Administration	33,685	35,244	4.63%
Internal Accounting	1,500	1,500	
Maintenance	794,262	861,997	8.53%
Unallocated	501,425	469,253	-6.42%
Total Family Service Center	1,563,196	1,604,339	2.63%
Debt Retirement - Joint Highway Facility			
	180,595	181,820	0.68%
Debt Retirement - Courthouse			
	332,739	331,156	-0.48%
Internal Service Fund			
	939,567	950,000	1.11%

CLAY COUNTY BUDGET HISTORY

	Percent of		Percent of		Percent of		Percent of	
	2009	Total Budget	2008	Total Budget	2007	Total Budget	2006	Total Budget
Revenues								
Taxes	24,115,400	42.88%	23,162,648	41.94%	22,236,719	43.27%	20,440,998	39.41%
Licenses and permits	53,480	0.10%	93,182	0.17%	133,316	0.26%	98,864	0.19%
Intergovernmental	20,146,765	35.83%	19,976,039	36.17%	18,035,468	35.09%	21,093,047	40.66%
Charges for services	8,397,252	14.93%	7,934,654	14.37%	7,416,472	14.43%	7,233,813	13.95%
Fines and forfeits	6,000	0.01%	6,000	0.01%	6,000	0.01%	5,000	0.01%
Interest on investments	729,500	1.30%	749,296	1.36%	593,500	1.15%	370,500	0.71%
Miscellaneous	1,938,881	3.45%	2,565,569	4.65%	1,999,426	3.89%	1,906,943	3.68%
Transfers in	846,786	1.51%	736,781	1.33%	973,212	1.89%	723,366	1.39%
Total Budgeted Revenues	56,234,064		55,224,169		51,394,113		51,872,531	45,796,530
Expenditures								
General government	8,520,640	14.11%	6,841,020	12.24%	6,238,893	12.12%	5,857,675	11.10%
Public safety	10,313,139	17.08%	10,060,044	17.99%	9,464,104	18.38%	9,000,871	17.06%
Highways and streets	9,877,830	16.36%	10,306,624	18.43%	8,680,877	16.86%	10,564,895	20.03%
Health	4,173,298	6.91%	3,912,624	7.00%	3,519,324	6.83%	3,309,729	6.27%
Social services	17,303,462	28.66%	16,575,297	29.64%	15,674,674	30.44%	15,621,606	29.61%
Solid waste	6,339,435	10.50%	2,489,107	4.45%	2,017,593	3.92%	2,889,487	5.48%
Culture and recreation	442,656	0.73%	409,661	0.73%	393,166	0.76%	363,248	0.69%
Conservation of natural resources	532,148	0.88%	570,728	1.02%	573,972	1.11%	494,550	0.94%
Economic development	463,292	0.77%	436,221	0.78%	406,379	0.79%	383,788	0.73%
Unallocated	880,981	1.46%	770,610	1.38%	755,153	1.47%	811,463	1.54%
Debt service-principal	380,224	0.63%	789,008	1.41%	773,535	1.50%	703,062	1.33%
Debt service-interest	309,472	0.51%	2,015,385	3.60%	2,022,543	3.93%	1,932,466	3.66%
Transfer out	846,786	1.40%	736,781	1.32%	973,212	1.89%	817,782	1.55%
Total Budgeted Expenditures	60,383,363		55,913,109		51,493,425		52,750,622	46,079,166
Total Budgeted Revenues								
Over (Under) Budgeted Expenditures	(4,149,299)		(688,940)		(99,312)		(878,091)	(282,636)

CLAY COUNTY LEVY HISTORY

	PAYABLE YEAR	LEVY	INCREASE	PERCENT
	2009	22,414,024	1,174,556	5.53%
	2008	21,239,468	1,071,249	5.31%
	2007	20,168,219	1,720,719	9.33%
	2006	18,447,500	1,217,248	7.06%
	2005	17,230,252	(892,826)	-4.93%
	2004	18,123,078	1,222,794	7.24%
	2003	16,900,284	982,420	6.17%
	2002	15,917,864	1,001,694	6.72%
	2001	14,916,170	1,153,084	8.38%
	2000	13,763,086	590,967	4.49%
	1999	13,172,119	457,894	3.60%
	1998	12,714,225	650,752	5.39%
	1997	12,063,473	1,012,501	9.16%
	1996	11,050,972	671,927	6.47%
	1995	10,379,045	1,056,989	11.34%
	1994	9,322,056	431,642	4.86%
	1993	8,890,414	583,453	7.02%
	1992	8,306,961	823,357	11.00%
	1991	7,483,604	1,049,079	16.30%
FUND	2009	2008		
	PROPOSED LEVY	CERTIFIED LEVY	INCREASE	PERCENT
REVENUE	11,710,320	10,969,621	740,699	6.75%
ROAD AND BRIDGE	2,775,754	2,778,725	(2,971)	-0.11%
BUILDING IMPROVEMENT	42,950	43,246	(296)	-0.68%
LIBRARY	224,648	220,552	4,096	1.86%
DEBT RETIREMENT - LE	158,508	161,038	(2,530)	-1.57%
DEBT RETIREMENT - RB	162,188	162,195	(7)	0.00%
DEBT RETIREMENT - Courthouse	296,880	300,368	(3,488)	-1.16%
SOCIAL SERVICES	7,042,776	6,603,723	439,053	6.65%
TOTAL	22,414,024	21,239,468	1,174,556	5.53%

Real Estate Tax Projections
Based on preliminary levies certified September 2008

	City of Moorhead		City of Barnesville		City of Dikoworth		Oakport Township	
	2008	2009	2008	2009	2008	2009	2008	2009
Homestead								
Market Value	85,000.00	85,000.00	85,000.00	85,000.00	85,000.00	85,000.00	85,000.00	85,000.00
Tax Capacity	850.00	850.00	850.00	850.00	850.00	850.00	850.00	850.00
Tax Capacity rate	121.226%	119.521%	115.546%	113.580%	137.123%	135.161%	104.709%	102.735%
TC Tax	1,030.42	1,015.93	982.14	965.43	1,165.55	1,148.87	890.03	873.25
MV Tax	38.37	38.37	206.69	206.69	111.09	111.09	38.37	38.37
Less Homestead MV Credit	(295.90)	(295.90)	(295.90)	(295.90)	(295.90)	(295.90)	(295.90)	(295.90)
Net tax payable	772.89	758.40	892.94	876.22	980.73	964.06	632.50	615.72
Change		-1.88%		-1.87%		-1.70%		-2.65%
		(14.49)		(16.71)		(16.68)		(16.78)
Market Value	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00
Tax Capacity	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Tax Capacity rate	121.226%	119.521%	115.546%	113.580%	137.123%	135.161%	104.709%	102.735%
TC Tax	1,212.26	1,195.21	1,155.46	1,135.80	1,371.23	1,351.61	1,047.09	1,027.35
MV Tax	45.14	45.14	243.17	243.17	130.69	130.69	45.14	45.14
Less Homestead MV Credit	(282.40)	(282.40)	(282.40)	(282.40)	(282.40)	(282.40)	(282.40)	(282.40)
Net tax payable	975.00	957.95	1,116.23	1,096.57	1,219.52	1,199.90	809.83	790.09
Change		-1.75%		-1.76%		-1.61%		-2.44%
		(17.05)		(19.66)		(19.62)		(19.74)
Market Value	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00
Tax Capacity	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00	1,500.00
Tax Capacity rate	121.226%	119.521%	115.546%	113.580%	137.123%	135.161%	104.709%	102.735%
TC Tax	1,818.39	1,792.82	1,733.19	1,703.70	2,056.85	2,027.42	1,570.64	1,541.03
MV Tax	67.71	67.71	364.76	364.76	196.04	196.04	67.71	67.71
Less Homestead MV Credit	(237.40)	(237.40)	(237.40)	(237.40)	(237.40)	(237.40)	(237.40)	(237.40)
Net tax payable	1,648.70	1,623.13	1,860.55	1,831.06	2,015.48	1,986.05	1,400.95	1,371.34
Change		-1.55%		-1.59%		-1.46%		-2.11%
		(25.57)		(29.49)		(29.43)		(29.61)
Market Value	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00
Tax Capacity	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
Tax Capacity rate	121.226%	119.521%	115.546%	113.580%	137.123%	135.161%	104.709%	102.735%
TC Tax	2,424.52	2,390.42	2,310.92	2,271.60	2,742.46	2,703.22	2,094.18	2,054.70
MV Tax	90.28	90.28	486.34	486.34	261.38	261.38	90.28	90.28
Less Homestead MV Credit	(192.40)	(192.40)	(192.40)	(192.40)	(192.40)	(192.40)	(192.40)	(192.40)
Net tax payable	2,322.40	2,288.30	2,604.86	2,565.54	2,811.44	2,772.20	1,992.06	1,952.58
Change		-1.47%		-1.51%		-1.40%		-1.98%
		(34.10)		(39.32)		(39.24)		(39.48)