



Hennepin County
Minnesota



2015 BUDGET



2015 BUDGET

Hennepin County, Minnesota

As approved on December 16, 2014 by the

Hennepin County Board of Commissioners

Mike Opat, Chair, 1st District

Linda Higgins, 2nd District

Marion Greene, 3rd District

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Jeff Johnson, 7th District

Hennepin County Administrator

David J. Hough

**2015 BUDGET
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County Administration

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January 2, 2015

Hennepin County Board of Commissioners
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Honorable Board Members,

I am pleased to present to you the approved 2015 Hennepin County budget and discuss results realized in 2014.

The 2015 Hennepin County Budget totals \$1.817 billion and includes a net property tax levy of \$695.6 million. This is an overall budget increase of 1.07 percent compared to the adjusted 2014 budget and a 2.10 percent increase in the net property tax levy.

Hennepin County Serves Residents

At Hennepin County, we take pride in serving our community. With a strong workforce, we provide value to residents, develop innovative solutions, and achieve significant results with a focus on positioning our organization for the future.

We are committed to ensuring residents are healthy, protected and safe, self-reliant, assured due process and mobile. And we work to do so in an innovative and fiscally responsible manner.

Committed to Healthy Residents

More than 58,000 people in Hennepin County enrolled in health insurance through MNsure, the state's health insurance and exchange marketplace – many of them with direct support from county staff. And that significant work helped Minnesota reduce the number of uninsured by 40.6 percent, to a new record low.

Between 2012 and 2013, the rate of emergency department use among Hennepin Health members declined by 9.1 percent and the rate of inpatient hospital admissions declined by 3.2 percent. During the same time period, the rate of office visits increased by 2.5 percent. Getting individuals the right care at the right time improves outcomes and lowers costs.

Innovation through Technology

We have one of the best, most used, and most loved library systems in the country. More than 840,000 people have a Hennepin County Library card, and for many of them, their

local branch is a vital community connection. We have also designed services to accommodate those who prefer to access the library online with a robust new website. For those who can't come to us, we provide outreach at 96 sites including senior residences and correctional facilities.

We live in an electronic world and our residents expect to conduct their county business online. We recently rebuilt our website, Hennepin.us to focus on our residents' need to easily navigate, find information and conduct business with the county. We are increasing our online presence to include more interactive maps, integrated election results, service center reservations using mobile devices, access to housing services, scheduling for Sentence to Service clients, and more payment options.

Our residents' familiarity with mapping tools, such as Google maps, presents an excellent opportunity for us to provide information and services through mapping tools – also known as Geographic Information Systems or GIS. The county's investment in the use of GIS is proving to be a critical component for all Hennepin County business lines. Geographic Information Systems (GIS) data is now open and accessible to the public without licensure or fee and can be obtained on the county's website, creating opportunities for improved public service and civic engagement.

Supporting Life-Long Success

This year, with the board's support and leadership, we are embarking on a comprehensive review of services for children and youth across county departments to help us to determine the scope, level of coordination and outcomes. Data from this review will enable us to prioritize solutions that maximize program efficiencies and integration, ensuring that young people get the best possible services to help them become healthy, self-reliant adults.

To support kids at an early age, you invested \$1.2 million to support placing children, ages 0-5, in quality child care and education programs. Helping to provide a stable environment for kids and their families, and access to early childhood education opportunities is critical to school success. The county's Accelerating Graduation by Reducing Achievement Disparities (A-GRAD) initiative, supporting county involved youth to achieve high school graduation, celebrated its first class of graduates this summer. Investments such as these are life changing for the individuals and promote self-reliance and a pathway toward the future. In 2015, A-GRAD is transitioning from the creation of broad-based strategies to departmental pilots lead by HSPHD and DOCCR which will focus on children ages 0-17 who are in foster care or older youth probation programs. A-GRAD staff will be working with staff from HSPHD and DOCCR to ensure educational success and enhance educational outcomes for county-involved youth.

Our commitment toward education and self-reliance doesn't stop there. We've launched Hennepin County Career Connections, an innovative workforce development initiative, partnering Hennepin County with training and educational institutions and private and non-profit employers to bring individuals into programs, obtain degrees and certifications, and present the community with skilled workers. This investment serves individuals and our organization well, as our workforce requires new talent and skills for the next generation.

Recruitment, retention, and advancement are key to our future success as an organization.

Bringing People and Services Together

Another way we provide value to residents and achieve results is by improving transportation and connecting people to places. We are bringing our services to our residents through our community based human services centers. These one-stop locations have the ability to provide a range of services needed by families including economic and food supports, housing and job assistance to name a few.

Last year was an important year for transportation investments in Hennepin County with the opening of the METRO Green Line, the light rail connection between Target Field Station in Minneapolis and the Union Depot in St. Paul. Target Field Station, a central hub in our regional transportation network, connects people and places with 500 train and 1,900 bus arrivals each day, and is planting the seed for development in the area. The Target Field Station site and adjoining properties have truly transformed from its days as a sea of surface parking lots to a ballpark, bustling transit station, and nearby business development and housing.

In addition to transit, the county has been working to improve roads for motorists, cyclists and pedestrians. After the harsh winter and spring, our roads were in need of extra maintenance. The wheelage tax has made it possible for additional roadway safety and preservation projects to be done this construction season.

Improving Service, Reducing Cost

In moving the organization to a health self-insurance model and promoting fitness and wellness to our employees, the county saved millions of dollars on employee health insurance premiums which will save taxpayers \$3.4 million in 2015.

A big part of health in the county is ensuring sufficient housing exists in our communities. We are currently taking a comprehensive look at all the housing related programs in the county. We are proud that this year the county was recognized as one of the best in the country in closing the housing-affordability gap, but we still experience a significant lack of affordable housing. When people have housing, they are more likely to obtain and maintain employment, and rely less on other county programs.

Providing support to our community in emergency situations, we operate the largest consolidated public safety answering point in the Upper Midwest. We provide communications dispatching for 21 fire departments and 24 police agencies in 37 communities. Our public safety partners have utilized evidence-based practices to impact system reform and create better outcomes for safer communities.

Approved 2015 Budget

Respecting the past and building on our accomplishments, this budget reflects a commitment to making strategic investments in the future.

The 2015 Hennepin County budget totals \$1.8 billion dollars, and includes a net property-tax levy of \$695.6 million which is \$14.3 million dollars over last year. The 2.10 percent

property tax levy increase supports the strong fiscal stewardship that Hennepin is known for as reflected in our AAA bond rating for over 30 years.

The operating portion of this budget totals \$1.560 billion dollars, a decrease of \$39.5 million from the adjusted 2014 budget. The capital portion of this budget totals \$256.9 million dollars, an increase of \$58.7 million from the adjusted 2014 budget.

The 2015 budget includes funding for a total of 7,664.4 FTEs, representing a 1.7% increase over 2014. These new positions are targeted to address emerging needs and critical staffing shortages. The total number of FTEs represents fewer employees than we had in 2008. Since 2008 we have experienced case load increases of up to 50% in certain areas. Our continuous improvement and redesign work results in efficiencies but, we need staff to perform the work. In Human Services, we added direct-line staff including child-protection social workers, child support officers and case management assistants. New initiatives at NorthPoint Health and Wellness result in increased direct patient care. We will increase staffing in Community Corrections and Rehabilitation with the addition of adult probation officers and the expansion of electronic home monitoring.

Stability in state sources of revenue means that there are few expected increases in those revenues next year, leaving us more reliant on our property tax levy. We estimate that the average homeowner in the county will see a modest increase in their property taxes in 2015. For Hennepin County alone, in 2015 the owner of a suburban median valued home is expected to see an increase in estimated market value of 8.7% and an increase in property taxes of 3.3% or \$34 compared to 2014. Likewise, for the Minneapolis median home, the estimated market value is expected to increase by 6.5% in 2015 compared to 2014 with an anticipated increase in property tax of 1.8% or \$14.

Building on past successes and recognizing continued challenges, the 2015 budget proposal also calls for:

- Additional capital resources for infrastructure, including increased maintenance of county buildings and roads;
- Funding for materials collection and investing in Library/patron technology;
- New resources for workforce development to improve access to the job market for our residents and also ensure that our own recruitment and retention practices are aligned with the county's long-term goals and needs;
- Support of early childhood and pre-K learning to help our youngest children;
- Continued support for technology; and
- Funding for an employee cost-of-living increase of 2.5% and merit pay for eligible employees.

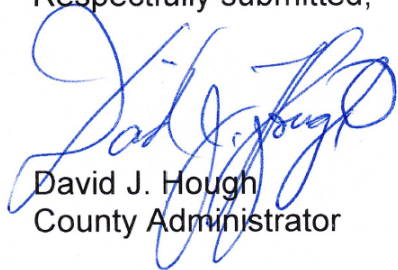
The 2015 Capital Budget totals \$256.9 million, including funding for:

- \$136.3 million for Public Works roads, bridges and facilities investments including \$35.3 million in continued funding for the reconstruction of the Franklin Avenue Bridge and \$18.5 million for the reconstruction of Flying Cloud Drive (CSAH 61);
- \$10.8 million for Public Safety and Judiciary related facilities including \$4.6 million to continue relocating district court functions into a more secure environment as well as \$350,000 to research a joint Hennepin-Ramsey County juvenile corrections facility;
- \$31.3 million for Health programs including continued funding toward the \$191.7 million HCMC Ambulatory Outpatient Specialty Center and \$750,000 to study options for a new regional Medical Examiner's facility;
- \$55.0 million for Human Services initiatives including \$48.3 million to purchase and redevelop a south Minneapolis site for the HSPHD South Minneapolis Regional Service Center and other private development; and
- \$23.5 million for Library Operations and programs including the final \$9.2 million needed for the new Brooklyn Park Library.

Conclusion

I want to conclude by thanking all Hennepin County employees and volunteers who serve our residents with dedication, creativity and manage our resources in a cost-effective manner. I want to express my appreciation to you, the members of the county board, for your crucial leadership on these initiatives and for your trust and continued support of the organization, our employees, volunteers and residents.

Respectfully submitted,



David J. Hough
County Administrator

The 2015 Hennepin County Budget Process

Preparation of the annual budget begins eleven months prior to the start of the fiscal/calendar year with the distribution in February of the five-year Capital Improvement Program (CIP) instructions to departments. In April, the Office of Budget and Finance (OBF) distributes the operating budget instructions. These instructions provide parameters and guidelines from county Administration to departments in the preparation of their 2015 operating and capital budget submissions. The schedule on page 8 identifies key stages in the formulation of the operating and capital budgets.

The fiscal outlook for the 2015 budget process was positive. The county's tax base continued to improve with substantial growth in property values and strong tax capacity. In addition, the State Minnesota was projecting a surplus for the biennium concluding on June 30, 2015.

Preparation of the 2015 budget was guided by the following organizational values:

- Continuous Improvement
- Customer Service
- Diversity and Inclusion
- Employee Engagement
- Workforce Development

In April, the County Administrator issued operating budget guidelines, directing departments to submit a budget request that required no more than 102 percent of the department's 2014 adjusted property tax. Within the 102 percent property tax target, departments had to fund a personal services cost-of-living adjustment of 2.5 percent, merit increases along with other operating budget increases.

Departments submitted budget requests to OBF on June 27, 2014. During July and August, department staff met with County Administration and OBF to clarify and resolve areas of concern. On September 9, 2014, the County Administrator presented a proposed budget within the context of the current state of the economy, and the county board's mission and vision statements.

"Truth-in-Taxation" statutes established in 1989 by the State of Minnesota require that a proposed budget and maximum tax levy be approved by September 30th every year. On September 11th, the County Administrator recommended to the Hennepin County Board of Commissioners a maximum levy of \$699.9 million, a 2.75 percent increase over the adjusted 2014 budget and the county board approved the maximum levy recommended by the County Administrator.

During October and November, the county board held a series of public hearings in which Hennepin County citizens, contracted service providers, taxpayers and clients were given the opportunity to testify on the proposed budget.

The "Truth-in-Taxation" statutes require that the county send out proposed property tax notices to all taxpayers in November based on the maximum proposed levy set by the county board in

September. In addition, the statutes require the county to hold a public meeting where the proposed budget and levy are discussed. This meeting must occur after November 24 at 6:00 PM or later. The time and place of this hearing must be announced during the meeting where the preliminary levy is adopted and subsequently published in the minutes of that meeting, and included with the parcel-specific notices sent to taxpayers.

The county board held its public meeting at 6:00 PM on December 2, 2014. On December 16, the county board adopted the 2015 budget by resolution, authorizing appropriations and establishing staffing complements for county departments.

The final approved property tax levy for 2015 is \$695.6 million or \$14.3 million more than the 2014 levy.

Other Governmental Unit Budgets

In conjunction with the Hennepin County budget process, other governmental units associated with the county also create budgets during the same time period.

The Hennepin County Regional Railroad Authority (HCRRA) was established to plan, design and implement rail transit in Hennepin County. The final approved HCRRA 2015 budget is \$43,106,729, with a property tax levy of \$27,000,000.

The Hennepin County Housing and Redevelopment Authority (HCHRA) was established to serve the housing, economic development and redevelopment needs of the citizens of Hennepin County and its municipalities. The final approved HCHRA 2015 budget is \$75,733,175, with a property tax levy of \$7,066,307.

Hennepin Healthcare System, Inc. is a public subsidiary corporation of the county which does business under the name Hennepin County Medical Center (HCMC). Although the HCMC budget is not included in the county budget, Minnesota Statutes section 383B.908 subd. 5 requires the county board to approve the annual budget of HCMC. The approved 2014 HCMC operating budget is \$833,679,000. Although there is no property tax levy directly associated with the HCMC budget, the county makes various payments to HCMC which are funded with property taxes. The largest of those payments are discussed in the Health section of this book.

2015 BUDGET PROCESS CALENDAR

Current Fiscal Year	2015 Operating Budget	2015 - 2019 Capital Improvement Program	Related Activities
January			2014 Fiscal Year begins
February		2015 - 2019 Capital Budget instructions distributed	
March		Departmental preliminary Capital project requests submitted to Facility Services	Recap of FY 2013 Financials Completed & Distributed
April	2015 Operating Budget Instructions & Targets Distributed		
May	Departments develop 2015 Budget Requests consistent with Property Tax Targets and other Budget Guidelines	Capital project descriptions & cost estimates returned to departments; departments finalize capital project requests; and departments meet with County Administration regarding CIP as required	
June			
July	2015 Department Budget Requests due	Capital Budgeting Task Force (CBTF) meets with departments to review 2015 - 2019 capital improvement program requests	
August	County Administration & Budget Office review and discuss budget requests with departments		2nd Quarter 2014 Financials/Year-end Projections Completed & Distributed
September	County Board Briefing on 2015 budget & tax levy; County Administrator presents Proposed 2015 Budget; and County Board adopts maximum proposed property tax levy for 2015.	County Administrator finalizes the proposed 2015 Capital Budget; CBTF finalizes its recommended 2015 - 2019 CIP	
October	Beginning in October, the County Board holds a series of public hearings to review and discuss proposed 2015 operating and capital budgets, and proposed fee schedule revisions		3rd Quarter 2014 Financials/Year-end Projections Completed & Distributed
November	Truth-in-Taxation notices mailed to all property owners		
December	The County Board holds public hearings to consider amendments to the proposed 2015 operating and capital budgets; and holds a public meeting for budget and levy discussion.		
December	County Board approves a final 2015 property tax levy and adopts a 2015 Operating and Capital Budget; and Budget Office finalizes property tax levy certifications and reporting to State agencies.		2014 Fiscal Year ends

Budget/Financial Planning Processes

The annual budget process incorporates several short and long-term planning processes.

- The foundation of the annual budget is the five overarching goals first established by the county board in 1999, found on page I-2 of this document.
- The five-year Capital Improvement Program (CIP), which includes the 2015 Capital Budget as the first year of the program, is another example of an annual planning process that the county conducts. The CIP is reviewed and amended each year with the assistance of the Capital Budgeting Task Force (CBTF), an eleven member advisory committee of citizens appointed by the Hennepin County Board of Commissioners. Specific details of the county's capital projects and the CBTF's Report are contained within a separate document: **2015 Capital Budget and 2015-2019 Capital Improvement Program**. An itemized list of the authorized 2015 capital projects and their authorized appropriations are contained in Section VIII of this document.
- The county's APEX system, which incorporates financial, human resources and procurement data into a single integrated system, was launched on January 1, 2011. The system allows county employees to track processes, query data and run reports on an on-going basis. The budget module of the APEX system incorporates both the annual operating budget and the five year Capital Improvement Program and is used throughout the planning process to create budget versions culminating in county board consideration and adoption of the final budget.
- The Office of Budget and Finance prepares interim financial reports at the fund and departmental level to increase participation and accountability throughout county government. These reports provide the county board and County Administrator critical financial information needed for sound fiscal management decision-making as the fiscal year progresses.
- To simplify access to financial and budgetary information, interactive revenue and expense data is available at the county's home page www.hennepin.us/budget and finance. The website includes four years of information and presents the county's revenues and expenditure. Users can view the data by county program or department with various levels of detail available.

In addition to these formalized planning processes, the county has incorporated a number of other short-term or ad-hoc planning groups to study and make recommendations on a variety of discussion issues.

The 2015 Hennepin County Property Tax Process

Tax Base

Minnesota's property tax system is generally considered to be one of the most complex in the country. The tax base starts with Estimated Market Value (EMV), which is set by county or local assessors. The amount of value that is actually used in computing taxes is Taxable Market Value (TMV). Differences between the two are the result of specific market value exclusions adopted by the state legislature, such as the exclusion for qualifying disabled veterans.

Property taxes in Minnesota are ultimately based on a local jurisdiction's total tax capacity or tax base. The tax capacity of an individual property is determined by multiplying the property's taxable market value by the relevant class rate or rates. The use of a particular property determines which class rate is applied. For example, a property with a primary use as residential has a lower class rate than a property that has a use that is primarily commercial or industrial. These rates are set in statute and are uniform throughout the state.

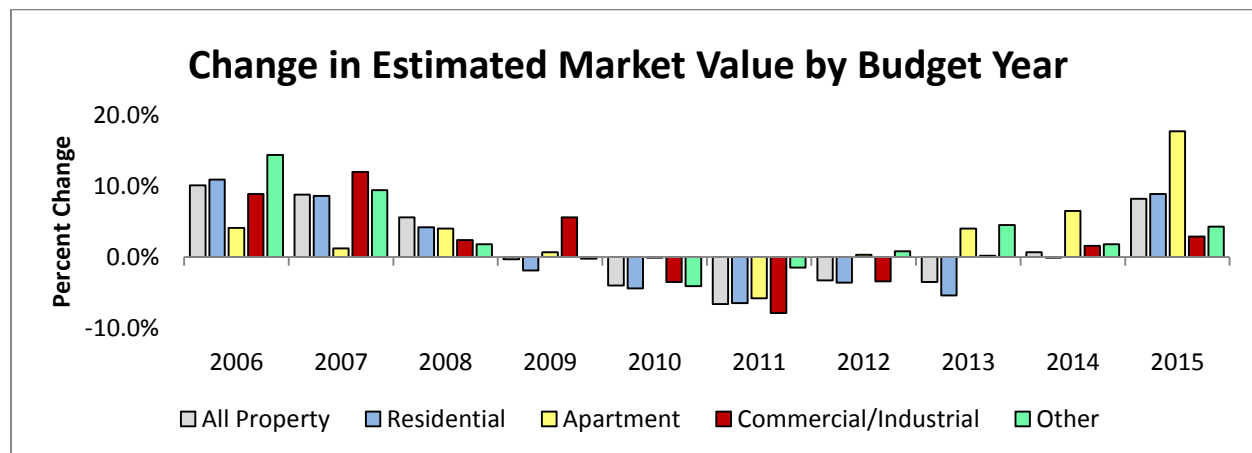
Estimated Market Value (EMV)

Estimated market value represents the selling price of a property, given a willing buyer and seller. In the assessment year 2014, for taxes payable in 2015, the county's total EMV was \$134.7 billion, an increase of \$10.2 billion, or 8.2 percent from taxes payable in 2014. In Minneapolis, property values increased by \$3.3 billion, or 10.0 percent. Suburban property values rose by \$6.9 billion, or 7.5 percent.

Residential values in suburban Hennepin rose 8.9 percent after decreasing for the past three years. The City of Minneapolis saw an increase in value for residential properties of about 8.7 percent, compared to an increase of just 0.6 percent from taxes payable 2014. Residential properties comprise 70.5 percent of all property value in the county.

Suburban properties account for 72.9 percent of Hennepin County's estimated market value with the remaining 27.1 percent in the City of Minneapolis. Residential property accounts for the majority of the property value in both Minneapolis (64.4 percent) and suburban Hennepin County (72.8 percent).

Apartments comprise 7.9 percent of Hennepin County's total EMV and are less prevalent in the suburbs where they are 6.0 percent of the total EMV compared to Minneapolis where they are 12.9 percent of total EMV. There is also a larger percentage of commercial and industrial property value in Minneapolis (21.5 percent of EMV) than in suburban areas (19.3 percent of EMV).



Tax Capacity

Tax capacity is the county's tax base, after the state-determined tax classification rates are applied to taxable market value. Tax capacity acts as one of the major determinants of tax incidence, a measure of which properties bear the burden of the property tax levy. For example, residential properties valued under \$500,000 convert to tax capacity at a rate of 1.0 percent of Estimated Market Value (EMV), while commercial properties convert at a rate of 2.0 percent of EMV in excess of \$150,000. This shifts the distribution of the tax burden between property types. On a countywide basis, residential property makes up 70.5 percent of the EMV, but after the conversion to (unadjusted) tax capacity, residential properties comprise 57.3 percent of total tax capacity. Similarly, commercial/industrial property represents 19.9 percent of the countywide EMV, but the tax capacity of those commercial/industrial properties accounts for 32.6 percent of the county's total tax base.

There are two state programs which further shift the tax burden between property types and are set by jurisdictions other than Hennepin County. They are the Metropolitan Fiscal Disparities Program and Tax Increment Financing.

- The Metropolitan Fiscal Disparities Program was created by the state legislature and shares the growth in the commercial/industrial tax base between municipalities in the 7-county metropolitan area. In 2015, approximately \$23.1 million in taxes paid by Hennepin County taxpayers will be used to support services in other counties.
- Tax Increment Financing (TIF) districts, which are established by city governments, exclude portions of the tax base to finance redevelopment efforts. In 2015, approximately \$36.8 million in taxes will be used to pay for improvements in TIF districts located throughout the county and unavailable to support county and school programs. These programs increase the tax burden on all other properties. After adjusting for the fiscal disparities contribution and TIF, the tax burden shifts back onto residential, apartment and other properties.

Property % of Total	Estimated Market Value	Tax Capacity	Net Tax Capacity
Residential	70.5%	57.3%	62.3%
Commercial/ Industrial	19.9%	32.6%	26.7%
Apartment	7.9%	7.9%	8.5%
Other/Personal	1.7%	2.2%	2.5%
Total	100%	100%	100%

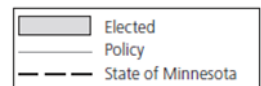
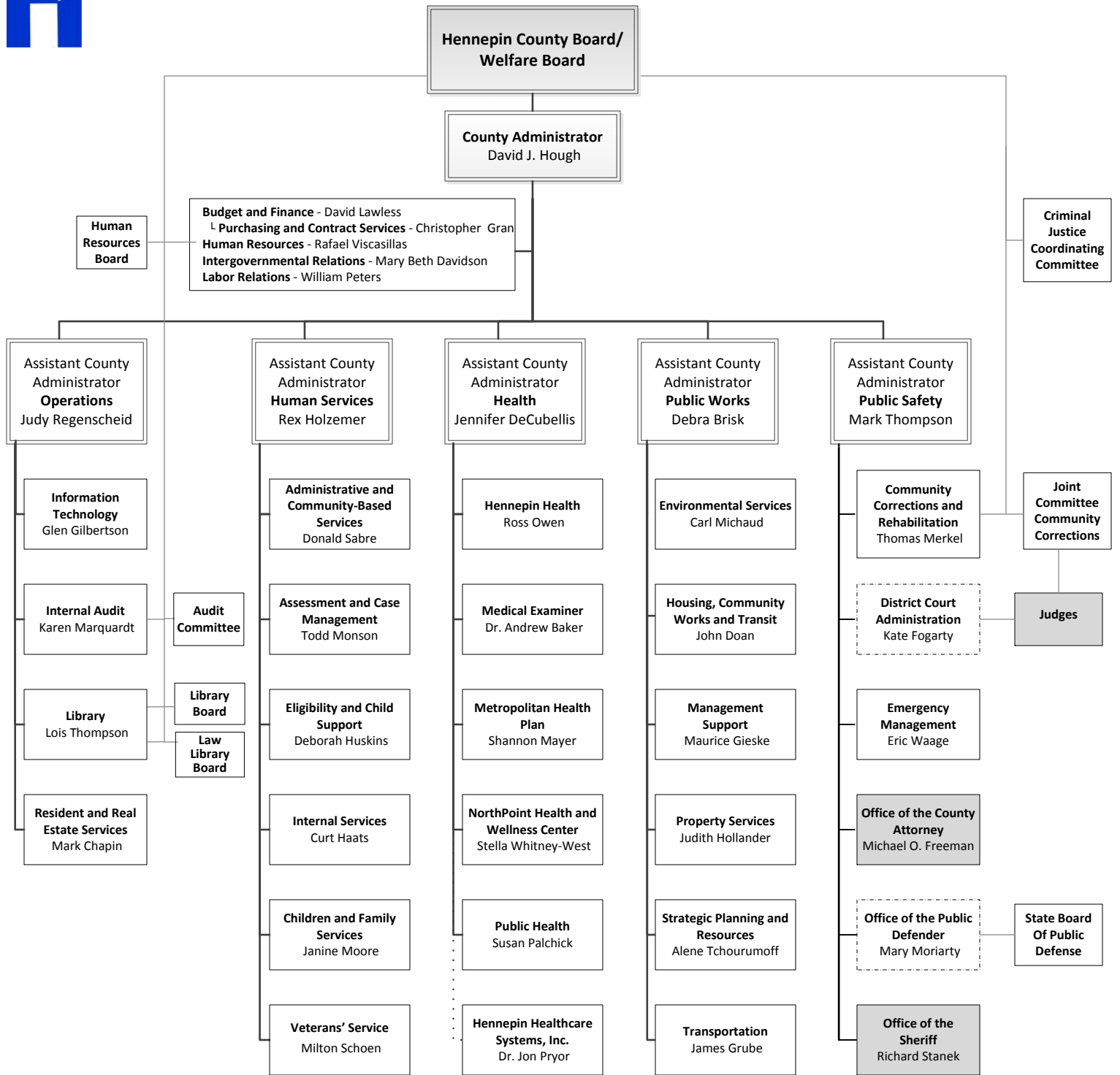
Tax capacity is adjusted for fiscal disparities and TIF to get the net tax capacity. The property tax levy is divided by the net tax capacity of all real and personal property in the county to determine the tax capacity rate. That rate then will be applied against the adjusted tax capacity of real and personal property in Hennepin County. For taxes payable in 2015, the total adjusted tax capacity of taxable property in Hennepin County is estimated to be \$1.49 billion, an 8.9 percent increase from taxes payable in 2014.

Residential property tax bills are impacted by 2011 legislation that created the Homestead Market Value Exclusion Program. The exclusion provides that for a home valued at \$76,000, 40 percent of the home's market value is excluded from its value for property tax calculations. The amount of value excluded decreases as the value of a home increases, with homes valued over \$413,700 receiving no exclusion.

Tax Levy Process

The process for establishing and certifying the property tax levy is prescribed by Minnesota Statutes, Section 275.065. For taxes payable in 2015, local governments were required to adopt a maximum property tax levy by September 30, 2014, and to send out proposed property tax notices between the 10th and 24th of November. Local governments were also required to hold a meeting after 6:00 p.m. where the public was allowed to speak and the 2015 budget and levy were discussed. The final 2015 tax levy had to be adopted and certified to the county Auditor by December 28, 2014. Hennepin County met all of the statutory requirements for establishing the 2015 Property Tax Levy.

After the county has determined its property tax requirements for the budget year, the budget requirement is increased by a factor to compensate for delinquent and uncollectible taxes and refunds of prior year taxes. The collection factor for 2015 is 97.5 percent and therefore, an additional 2.5 percent is applied to the property tax requirement of county funds (except in the case of debt service funds where the collection factor is regulated by law) to produce the amount of property tax to be levied.



Hennepin County

Hennepin County

2015 BUDGET
Adopted

Mission:

The mission of Hennepin county is to enhance the health, safety and quality of life of our residents and communities in a respectful, efficient and fiscally responsible way.

Description and Goals:

Vision:

We envision a future where residents are healthy and successful and where our communities are safe and vibrant. We strive to meet and exceed expectations by engaging people and communities in developing innovative solutions to challenges. We will be a diverse, learning organization. We will partner with others to enhance the quality of life in Hennepin County and the region.

Overarching Goals:

Healthy - People are healthy, have access to quality health care and live in a clean environment.

Protected and Safe - People are safe from harm through prevention, early intervention and treatment services, and through enhanced public safety.

Self-Reliant - People achieve success with the support of essential services, have access to affordable housing and opportunities for life-long learning.

Assured Due Process - People are assured equal protection of the laws through an adversarial and respectful system designed to assure fairness and reliability in the ascertainment of liability, guilt and innocence.

Mobile - People and goods move easily and safely throughout the county and the region, via an integrated system of transportation.

Revenue and Expenditure Information:	2013 Actual	2014 Budget	2015 Budget
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Budgeted Property Tax Requirement*	\$679,635,002	663,849,167	\$679,468,066
Taxes - Other	40,170,362	49,199,963	51,859,244
Federal	166,895,371	177,545,486	171,350,321
State	179,988,099	215,071,788	256,769,037
Local	62,964,163	63,076,588	50,171,227
Fees and Services	312,675,621	374,592,377	316,939,189
Bond Proceeds	138,622,852	102,378,000	124,604,000
Other Revenue	126,221,757	152,179,113	165,995,791
Total Revenues	\$1,707,173,228	\$1,797,892,482	\$1,817,156,875

Public Works	\$164,784,493	\$186,160,923	\$193,019,344
Public Safety	253,351,941	263,489,559	271,633,521
Health	260,313,427	319,168,271	258,411,994
Libraries	69,105,332	74,448,925	77,782,676
Human Services	452,758,532	475,128,311	499,503,863
Operations	253,351,444	281,287,900	259,857,207
Capital Improvements	158,701,498	198,208,593	256,948,270
Total Expenditures	\$1,612,366,667	\$1,797,892,482	\$1,817,156,875

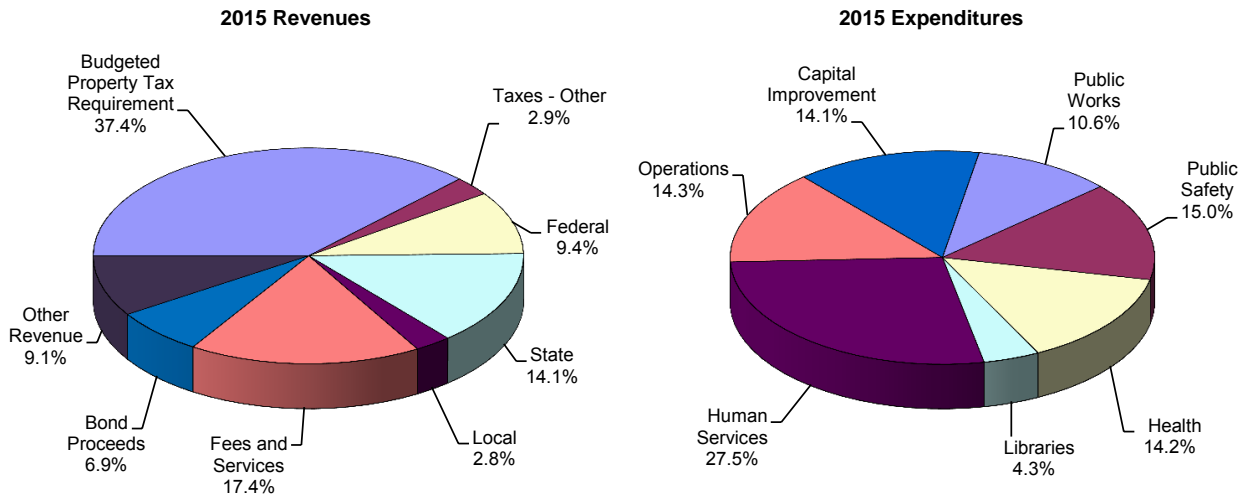
*Reflects the adjusted property tax requirement budget, not actual property tax collections.

Hennepin County

Hennepin County

2015 BUDGET
Adopted

Revenue and Expenditure Comparison:



The Revenue and Expenditure Section reflects an overview of the 2015 budget by revenue category and major program area. The majority of Hennepin County's 2015 budgeted expenditures stem from the Human Services, Health, and the Operations (including debt) programs. In 2015, these programs account for 56.0 percent of the appropriated expenditures and 55.7 percent of the FTEs.

For further detail on significant changes in revenues and expenditures by category or major program see Sections II-VIII.

Revenue Highlights:

The 2015 revenue budget for Hennepin County is \$1.82 billion, which is an increase of 1.07 percent or \$19.3 million from the 2014 adjusted budget. The 2015 operating budget for capital totals \$256.9 million, which is 29.6 percent or \$58.7 million more than the adjusted 2014 capital budget. When capital is excluded, the operating portion reflects a decrease of \$39.4 or 2.5 percent over the 2014 adjusted budget. Both the operating and capital expenditures will be offset by \$1.14 billion in non-property tax revenues and \$679.5 million in property taxes. The county will operate with 7,664.4 authorized full-time equivalents (FTEs) which is an increase of 128.1 FTEs over the 2014 adjusted budget.

Property Tax Revenues

Property tax revenue contributes \$679.5 million or 37.4 percent of the 2015 budgeted revenue of \$1.82 billion and when compared to the 2014 adjusted budget, reflects an increase of \$15.6 million or 2.4 percent. Information on the property tax computation can be found on page I-6.

Other Taxes

In 2015, Other Taxes are budgeted at \$51.9 million with the major components being \$35.2 million in Ballpark Sales Tax Revenues that will be utilized to pay debt service on the Ballpark bonds and other uses as allowed by legislation; \$9.3 million from a Wheelage Tax, that will be utilized to pay for previously issued highway debt service along with preservation, efficiency, safety and modernization of bridges, roads, and equipment; and \$5.5 million from Tax Increment Financing (TIF).

Federal Revenues

The 2015 budgeted federal revenue is \$171.4 million, or 9.4 percent of all county revenues and represents a decrease of 3.5 percent or \$6.2 million from the 2014 adjusted budget. Of the \$171.4 million in anticipated federal revenue, \$147.9 million or 86.3 percent stems from the Human Services program and \$23.2 million or 13.5 percent from programs in the General Fund. The Human Services program revenue consists of reimbursements for the administrative costs of health, child support, medical assistance, food stamps, human service grants, economic assistance, training and employment, and community health. Revenue in the General Fund supports Federal housing grant programs, and the Workforce Improvement Program (WIP) in the Public Works program; reimbursement for administrative costs related to child support collection, child protection, welfare fraud, State Criminal Alien Assistance Program (SCAAP), DNA Backlog, Driving While Intoxicated (DWI) countermeasure programs, Veterans Court, along with the breakfast and lunch programs at the Juvenile Detention Center (JDC) and County Home School (CHS) within the Public Safety programs; along with criminal justice and Homeland Security grants within the General Government program.

Hennepin County

Hennepin County

2015 BUDGET

Adopted

Revenue Highlights Continued:

State Revenues

The revenues from the State of Minnesota are budgeted at \$256.8 million, or 14.1 percent of all county revenues, which excludes health maintenance organization fees from state sources. In general, state monies are used to fund activities and services for the following: human service programs like community health, financial assistance, along with training and employment programs (\$65.8 million); highway construction and maintenance projects (\$93.9 million); intergovernmental transfers between the county, Hennepin County Medical Center, and Department of Human Service (\$19.4 million); correctional subsidy to assist with correctional services and programs (\$18.7 million); partial expense reimbursement in the Public Defender's Office (\$8.5 million), and a pension subsidy for peace officers (\$2.8 million). Typically, state funding is based on criteria such as caseloads, statewide funding formulas, approved plans, and particular service requirements.

State revenues increased \$41.7 million when compared to the 2014 adjusted budget of \$215.1 million. The majority of the increase is attributed to additional highway and bridge aids of \$33.7 million included in the capital budget. Additionally, state revenue for human service programs increased \$5.7 million primarily due to increased revenue for long term services and supports activities.

The State of Minnesota provides property tax relief to Minnesota counties and taxpayers through local aid programs. County Program Aid (CPA) is a general purpose aid, which consists of County Need Aid and County Tax Base Equalization Aid. The aid is distributed as general property tax relief that is allocated based upon percent of the total budgeted property tax to the following funds: County Revenue, Human Services, Library and Capital Improvement. CPA for 2015 is budgeted at \$32.0 million, which is an increase of \$0.2 million over the 2014 adjusted budget.

Local Revenue

The 2015 local revenue budget has decrease by \$12.9 million from the 2014 adjusted budget of \$63.1 million. The decrease is due to a \$13.9 million reduction in the capital budget mainly attributed to municipal participation and cost sharing for the design and construction of highway and bridge projects. The funding formulas vary based on the class of road or bridge being reconstructed, which results in annual fluctuations in funding sources based on the slate of projects to be completed. The decrease in Capital is partially offset by smaller increases totaling about \$1 million spread over other funds.

Fees and Services Revenues

User fees are established charges borne by those individuals that utilize specific government services and activities. This source of revenue provides an equitable, proportional method to fund governmental services without charging the general population. Minnesota Statutes 383B.118 authorizes counties to establish a fee or charge for a service, after holding a public hearing, based upon the costs of providing such services. The new and revised fee schedules were authorized by the County Board and incorporated into the 2015 budget resolution approved on December 16, 2014.

In 2015, the total revenues generated from fees charged for services are estimated at \$316.9 million, represent 17.4 percent of the total county revenue budget, and reflects a decrease of 15.4 percent or \$57.7 million from the 2014 adjusted budget. The main component for the Fees and Services reduction is associated with Metropolitan Health Plan discontinuing Medicare products beginning January 2015.

Hennepin County provides a wide range of services for which fees are charged. The most significant portion of this revenue (\$170.8 million, or 53.9 percent of all fees and services) is generated by reimbursement/payment from third party payers and state and federal reimbursement for patient fees and services provided by NorthPoint Health and Wellness Center, Hennepin Health, and Metropolitan Health Plan.

The Human Services program is projecting an estimated \$45.2 million in fees for services provided in 2015. The majority of this revenue is accounted for in case management and other services for specialized populations (developmentally disabled, vulnerable adults, child at-risk, etc.) and is reimbursed by federal/state Medical Assistance funding at pre-established rates for units of service.

Another major source of fee revenue is the Solid Waste program which collects fees for services associated with management of solid waste. In 2015, \$51.5 million is budgeted as revenue from tipping fees, ordinances, and solid waste fees.

The Public Safety program, including the Sheriff's Radio Communication Fund, has budgeted \$18.9 million in 2015 fee revenue. Each department or office provides services in which fees are charged and/or fines assessed. The majority of the revenue stems from charges to other jurisdictions or clients for processing, boarding or monitoring pre- and post-adjudications of clients, civil fees, court fees, program participation fees and leasing radio space and equipment.

Hennepin County

Hennepin County

2015 BUDGET
Adopted

Revenue Highlights Continued:

The 2015 Operations (formerly General Government) program has increased \$0.1 million to \$16.2 million in fee and service revenue. The majority of this revenue is generated by the county's Resident and Real Estate Services at \$15.3 million and includes charges for service center fees and public records for the recording of abstract and torrens properties.

Bond Proceeds

Proceeds generated through the sale of general obligation (GO) bonds finance authorized capital improvement projects within the county's adopted capital budget. The county also periodically issues GO bonds to refund outstanding bonds to realize debt service savings when interest rates are favorable. Bond proceeds budgeted for 2015 are \$124.6 million, up \$22.2 million from the \$102.4 million in the 2014 adjusted budget. Details concerning the county's debt retirement and debt management can be found in the Debt Retirement section of the Operations program.

Other Revenues

A wide variety of revenues contribute to the total of \$166.0 million make up 9.1 percent of total revenue in 2015. Other revenue includes book fines, building rental, investment income, parking revenue, fines, health and driver licenses, vital records (e.g. birth and death certificates), and utilization of fund balance.

During 2014, interest rates paid on allowable investments continued to be historically low, but rose slightly over the prior year. The Federal Reserve Bank ended its asset-buying program in 2014, but maintains the same low-interest rate policy in place since December 2008, with its benchmark short-term borrowing rate between 0.0 and 0.25 percent. Recent Fed pronouncements acknowledge improvements in the labor market, and signal the possibility of an increase in the benchmark rate in 2015. Such an increase should benefit the earnings potential of short-term investments. For the 2015 budget, investment income is projected at \$7.75 million which is an 29 percent increase from the 2014 adjusted budget of \$6 million.

Budgeting of prior year revenue reflects the county's fiscal management practice of maximizing all sources of revenues while simultaneously monitoring revenues and expenditures within the current year to ensure that, while fund balance is utilized to develop the budget, it is seldom used. In the 2015 budget, the use of fund balance has been set \$42.4 million.

The remaining revenue is comprised of indirect cost allocation revenue which is based upon the county's indirect cost allocation plan, interfund transfers, commodity/surplus sales, and changes in net assets in the enterprise funds.

Budgeted Positions:	2013 Budget	2014 Budget	2015 Budget
Public Works	635.4	663.6	667.6
Public Safety	2,135.9	2,142.9	2,123.0
Health	325.6	331.3	343.9
Libraries	610.7	606.7	606.7
Human Services	2,856.8	2,859.0	2,961.9
General Government	907.4	932.8	961.3
Capital Improvements	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	7,471.8	7,536.3	7,664.4

2015 BUDGET

COMPUTATION OF LEVIES BY FUND

	TOTAL BUDGET	INCOME FROM OTHER SOURCES	PROPERTY TAX REQUIREMENT	COLLECTION RATE	GROSS PROPERTY TAX LEVY
County Revenue	\$618,004,063	\$289,324,085	\$328,679,978	97.50%	\$337,107,670
Human Services	499,503,863	\$269,969,072	229,534,791	97.50%	235,420,298
Metropolitan Health Plan	52,909,918	\$52,909,918	0	0.0%	0
Hennepin Health	106,616,979	\$106,616,979	0	0.0%	0
Solid Waste Enterprise Fund	62,824,786	\$62,824,786	0	0.0%	0
Library	77,782,676	\$14,650,181	63,132,495	97.50%	64,751,277
Glen Lake Golf Course	1,050,894	\$1,050,894	0	0.0%	0
Radio Communications	<u>3,087,073</u>	<u>\$3,087,073</u>	0	0.0%	0
Total Operating	<u>\$1,421,780,252</u>	<u>\$800,432,988</u>	<u>\$621,347,264</u>		<u>\$637,279,245</u>
Debt Retirement - Countywide	134,024,925	52,995,353	81,029,572	100.0%	81,029,572
Debt Retirement - Suburban	1,870,428	0	1,870,428	100.0%	1,870,428
Ballpark Sales Tax Revenue	2,533,000	2,533,000	0	0.0%	0
Capital Improvements	<u>256,948,270</u>	<u>249,687,270</u>	<u>7,261,000</u>	97.50%	7,447,179
Total Non-Operating	<u>\$395,376,623</u>	<u>\$305,215,623</u>	<u>\$90,161,000</u>		<u>\$90,347,179</u>
GRAND TOTAL	<u>\$1,817,156,875</u>	<u>\$1,105,648,611</u>	<u>\$711,508,264</u>		<u>\$727,626,424</u>
Less County Program Aid			<u>(\$32,040,198)</u>		<u>(\$32,040,198)</u>
County Property Tax Levy			<u>\$679,468,066</u>		<u>\$695,586,226</u>

2015 BUDGET

TAX CAPACITY TAX CAPACITY RATES

	2013 Actual	2014 Budget	2015 Budget
ESTIMATED MARKET VALUE			
Minneapolis	\$32,568,246,600	\$33,232,807,800	\$36,544,531,600
Suburban	<u>91,038,641,500</u>	<u>91,272,035,110</u>	<u>98,147,180,800</u>
TOTAL ESTIMATED MARKET VALUE	<u>\$123,606,888,100</u>	<u>\$124,504,842,910</u>	<u>\$134,691,712,400</u>
NET TAX CAPACITY			
Minneapolis	\$372,793,650	\$374,146,470	\$410,299,927
Suburban	<u>995,764,628</u>	<u>993,676,091</u>	<u>1,079,055,064</u>
TOTAL NET TAX CAPACITY	<u>\$1,368,558,278</u>	<u>\$1,367,822,561</u>	<u>\$1,489,354,991</u>
TAX CAPACITY RATE (OPERATING)	Taxes Payable 2013	Taxes Payable 2014	Taxes Payable 2015
County Revenue	23.862%	23.207%	21.529%
Human Services	15.210%	16.129%	15.047%
Library	<u>4.095%</u>	<u>4.270%</u>	<u>4.140%</u>
OPERATING RATE SUBTOTAL	43.167%	43.606%	40.716%
Countywide Debt Retirement	5.563%	5.560%	5.406%
Capital Improvements	<u>0.359%</u>	<u>0.361%</u>	<u>0.163%</u>
TOTAL TAX CAPACITY RATE: Minneapolis	49.089%	49.527%	46.286%
Suburban Debt Retirement	0.422%	0.417%	0.152%
TOTAL TAX CAPACITY RATE: Suburban Hennepin	49.511%	49.944%	46.438%

Tax capacity and tax capacity rates shown are prior to final determination of tax capacity and disparity reduction aid.
The rates also reflect initial contributions and distributions of the fiscal disparities program.

2015 BUDGET

2015 Expenditures and Revenues By Fund (Page 1 of 2)

I. Governmental Funds

	County Revenue	Human Services	Library	Capital Improvement	Debt Retirement	Ballpark Sales Tax Revenue	Governmental Subtotals
BUDGET EXPENDITURES							
Public Works	\$129,143,664						\$129,143,664
Public Safety	268,546,448						268,546,448
Health	98,885,097						98,885,097
Libraries			77,782,676				77,782,676
Human Services		499,503,863					499,503,863
Operations	121,428,854				135,895,353	2,533,000	259,857,207
Capital Improvements				256,948,270			256,948,270
TOTAL EXPENDITURES	\$618,004,063	\$499,503,863	\$77,782,676	\$256,948,270	\$135,895,353	\$2,533,000	\$1,590,667,225
BUDGET REVENUES							
Property Taxes							
Current Collections	\$328,679,978	\$229,534,791	\$63,132,495	\$7,261,000	\$82,900,000		\$711,508,264
Less Program Aid	(14,440,198)	(9,900,000)	(2,700,000)	(5,000,000)			(32,040,198)
Net Property Tax Total	314,239,780	219,634,791	60,432,495	2,261,000	82,900,000		679,468,066
Nonproperty Taxes							
Wheelage Tax	9,276,000						9,276,000
Other Non-Property Taxes	7,308,244					35,175,000	42,483,244
Net Non-Property Tax Total	16,584,244	0	0	0	0	35,175,000	51,759,244
Total Taxes	330,824,024	219,634,791	60,432,495	2,261,000	82,900,000	35,175,000	731,227,310
Intergovernmental-Federal	20,192,787	147,876,228		258,000	2,073,306		170,400,321
Intergovernmental-State							
County Program Aid	14,440,198	9,900,000	2,700,000	5,000,000			32,040,198
Market Value Homestead Credit							
Highway Maintenance	19,739,202			74,113,760			93,852,962
Community Corrections	18,667,285						18,667,285
Community Health		2,032,921					2,032,921
Human Services		65,782,083					65,782,083
Public Defender	8,505,584						8,505,584
Health Intergovernmental Transfers	19,375,000						19,375,000
Other	10,612,777		1,160,000				11,772,777
Total State	91,340,046	77,715,004	3,860,000	79,113,760	0	0	252,028,810
Intergovernmental-Local							
Health Intergovernmental Transfers	20,650,000						20,650,000
Other Local	4,499,522	1,939,083	2,363,131	7,797,510	12,404,239		29,003,485
Total Intergovernmental	136,682,355	227,530,315	6,223,131	87,169,270	14,477,545	0	472,082,616
Fees & Services	56,793,323	45,179,757	1,108,000				103,081,080
Fines & Forfeitures	223,000		1,310,750				1,533,750
Other Revenue							
Interest on Investments	7,750,000		75,000				7,825,000
Licensing & Permits	6,271,894	1,529,000					7,800,894
Bond Proceeds				124,604,000			124,604,000
Indirect Cost Allocation	14,715,477						14,715,477
Miscellaneous	38,934,199	2,430,000	3,633,300	42,914,000	38,517,808	(38,712,160)	87,717,147
Total Other Revenue	67,671,570	3,959,000	3,708,300	167,518,000	38,517,808	(38,712,160)	242,662,518
Total Current Revenue	592,194,272	496,303,863	72,782,676	256,948,270	135,895,353	(3,537,160)	1,550,587,274
Fund Balance / Assets Decrease (Increase)	25,809,791	3,200,000	5,000,000			6,070,160	40,079,951
Total Revenue	\$618,004,063	\$499,503,863	\$77,782,676	\$256,948,270	\$135,895,353	\$2,533,000	\$1,590,667,225

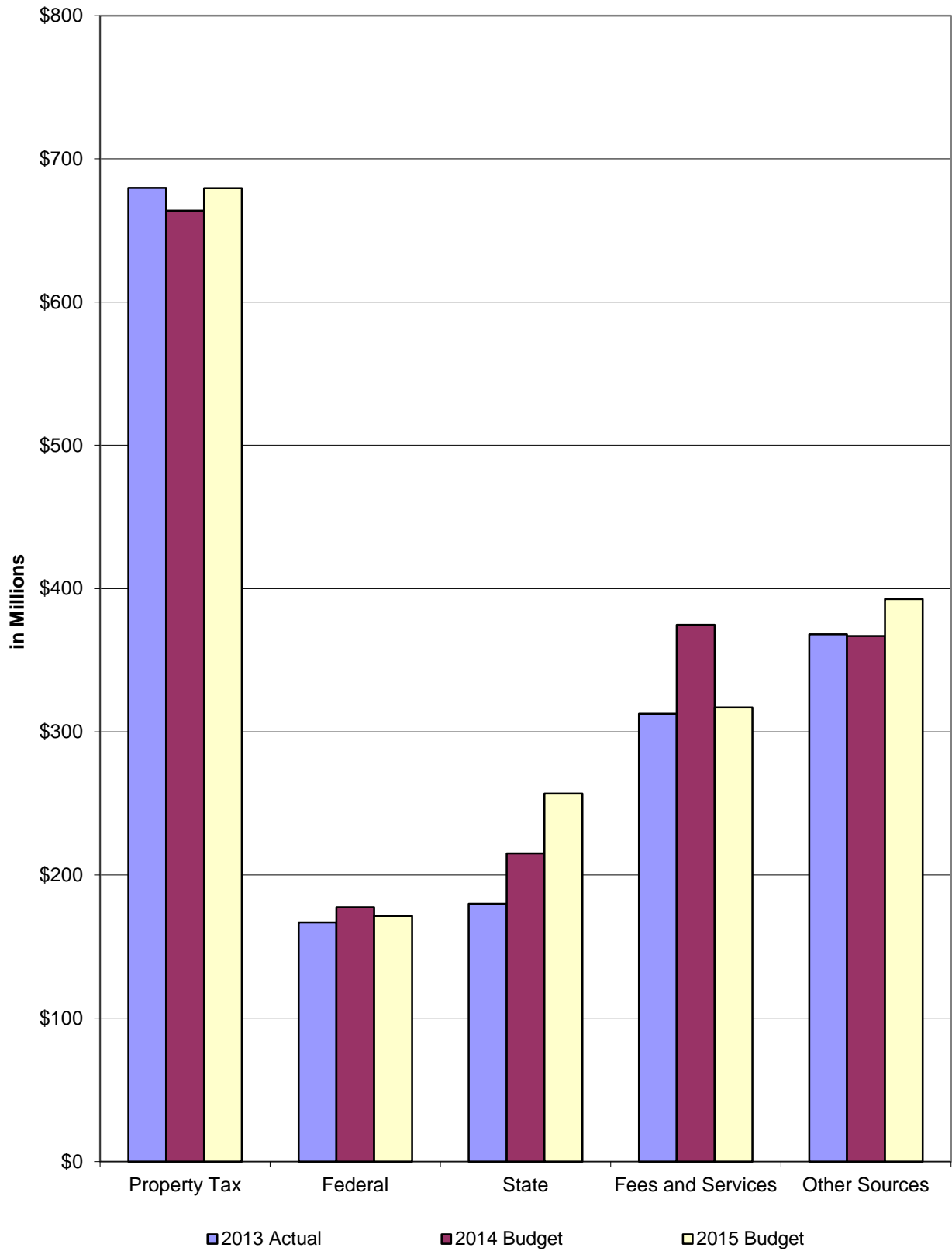
2015 BUDGET

2015 Expenditures and Revenues By Fund (Page 2 of 2)

II. Enterprise Funds

	Metropolitan Health Plan	Hennepin Health	Solid Waste Enterprise	Glen Lake Golf Course	Sheriff's Radio Communications	Governmental & Enterprise Totals
BUDGET EXPENDITURES						
Public Works			\$62,824,786	\$1,050,894		\$193,019,344
Public Safety					3,087,073	271,633,521
Health	52,909,918	106,616,979				258,411,994
Libraries						77,782,676
Human Services						499,503,863
Operations						259,857,207
Capital Improvements						256,948,270
TOTAL EXPENDITURES	\$52,909,918	\$106,616,979	\$62,824,786	\$1,050,894	\$3,087,073	\$1,817,156,875
BUDGET REVENUES						
Property Taxes						
Current Collections						\$711,508,264
Less Program Aid						(32,040,198)
Net Property Tax Total						679,468,066
Nonproperty Taxes						
Wheelage Tax						9,276,000
Other Non-Property Taxes			100,000			42,583,244
Net Non-Property Tax Total	0	0	100,000	0	0	51,859,244
Total Taxes	0	0	100,000	0	0	731,327,310
Intergovernmental-Federal			950,000			171,350,321
Intergovernmental-State						
County Program Aid						32,040,198
Market Value Homestead Credit						0
Highway Maintenance						93,852,962
Community Corrections						18,667,285
Community Health						2,032,921
Human Services						65,782,083
Public Defender						8,505,584
Health Intergovernmental Transfers						19,375,000
Other			4,740,227			16,513,004
Total State	0	0	4,740,227	0	0	256,769,037
Intergovernmental-Local						
Health Intergovernmental Transfers						20,650,000
Other Local	517,742					29,521,227
Total Intergovernmental	517,742	0	5,690,227	0	0	478,290,585
Fees & Services	52,679,503	106,933,068	51,494,750		2,750,788	316,939,189
Fines & Forfeitures			50,000			1,583,750
Other Revenue						
Interest on Investments	325,100	182,164	460,000			8,792,264
Licensing & Permits			1,030,000			8,830,894
Bond Proceeds						124,604,000
Indirect Cost Allocation						14,715,477
Miscellaneous			953,332	1,050,894		89,721,373
Total Other Revenue	325,100	182,164	2,443,332	1,050,894	0	246,664,008
Total Current Revenue	53,522,345	107,115,232	59,778,309	1,050,894	2,750,788	1,774,804,842
Fund Balance / Assets Decrease (Increase)	(612,427)	(498,253)	3,046,477	0	336,285	42,352,033
Total Revenue	\$52,909,918	\$106,616,979	\$62,824,786	\$1,050,894	\$3,087,073	\$1,817,156,875

SOURCES OF REVENUE 2013 - 2015

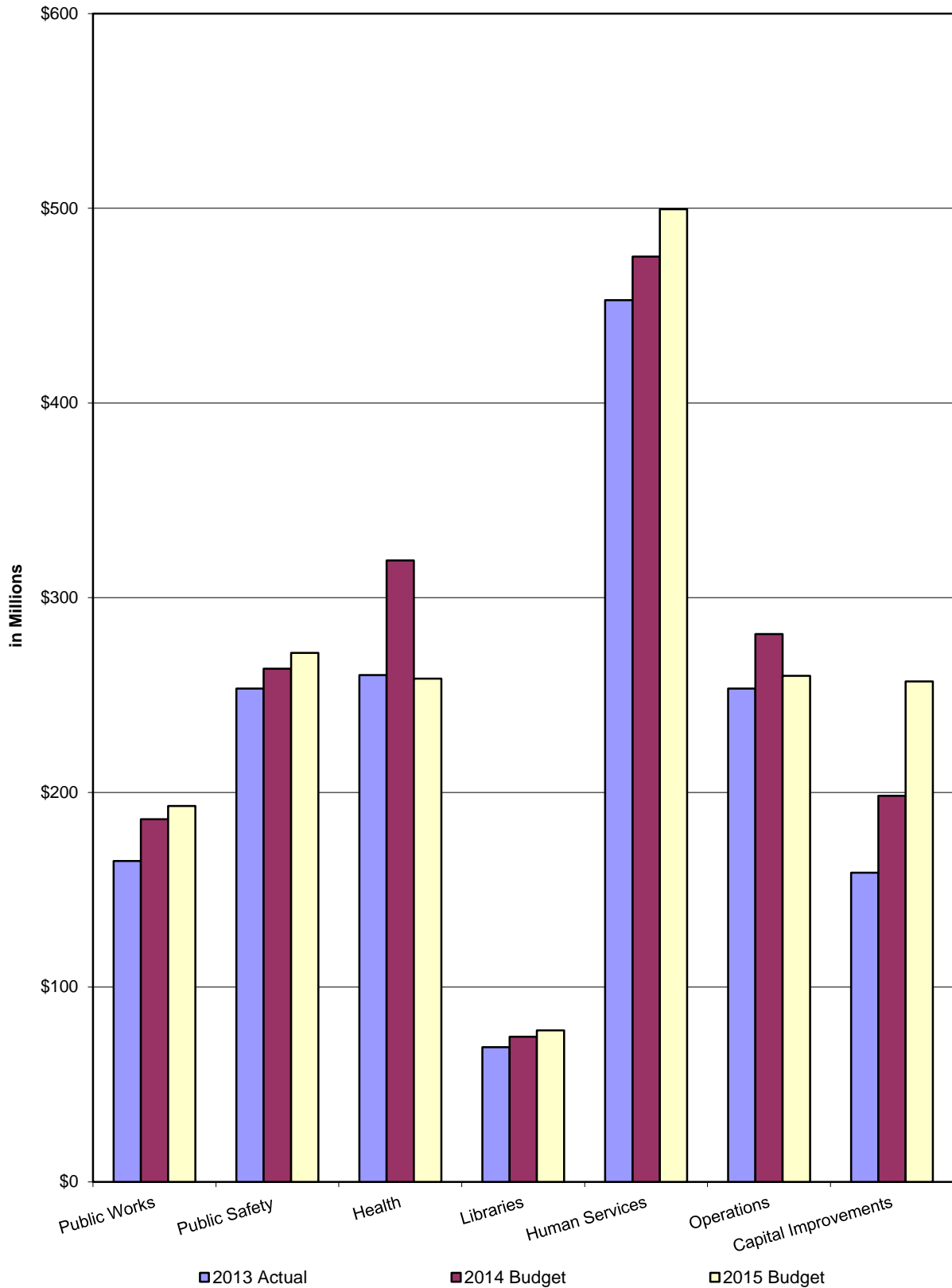


2015 BUDGET

SOURCES OF REVENUE

	2013 ACTUAL	2014 BUDGET	2015 BUDGET
Current Property Tax	\$679,635,002	\$663,849,167	\$679,468,066
Taxes - Other	40,170,362	49,199,963	51,859,244
Federal	166,895,371	177,545,486	171,350,321
State	179,988,099	215,071,788	256,769,037
Local	62,964,163	63,076,588	50,171,227
Interest on Investments	(2,365,528)	7,007,199	8,792,264
Fees and Services	312,675,621	374,592,377	316,939,189
Fines and Forfeitures	1,907,859	1,803,300	1,583,750
Licensing and Permits	7,989,814	8,971,765	8,830,894
Bond Proceeds	138,622,852	102,378,000	124,604,000
Other	118,689,612	103,386,121	104,436,850
Subtotal - Current Revenue	<u>1,707,173,228</u>	<u>1,766,881,754</u>	<u>1,774,804,842</u>
Use of Fund Balance	<u>0</u>	<u>31,010,728</u>	<u>42,352,033</u>
TOTAL REVENUES	<u>\$1,707,173,228</u>	<u>\$1,797,892,482</u>	<u>\$1,817,156,875</u>

EXPENDITURES BY MAJOR PROGRAM 2013 - 2015



2015 BUDGET

EXPENDITURES AND FTE SUMMARY

MAJOR PROGRAM	2013 ACTUAL		2014 BUDGET		2015 BUDGET	
	ACTUAL	FTE	BUDGET	FTE	BUDGET	FTE
Public Works	\$164,784,493	635.4	\$186,160,923	663.6	\$193,019,344	667.6
Public Safety	253,351,941	2,135.9	263,489,559	2,142.9	271,633,521	2,123.0
Health	260,313,427	325.6	319,168,271	331.3	258,411,994	343.9
Libraries	69,105,332	610.7	74,448,925	606.7	77,782,676	606.7
Human Services	452,758,532	2,856.8	475,128,311	2,859.0	499,503,863	2,961.9
Operations	253,351,444	907.4	281,287,900	932.8	259,857,207	961.3
Capital Improvements	<u>158,701,498</u>	<u>0.0</u>	<u>198,208,593</u>	<u>0.0</u>	<u>256,948,270</u>	<u>0.0</u>
Total	<u>\$1,612,366,667</u>	<u>7,471.8</u>	<u>\$1,797,892,482</u>	<u>7,536.3</u>	<u>\$1,817,156,875</u>	<u>7,664.4</u>

PERSONNEL COMPARISON BY DEPARTMENT
 FULL-TIME EQUIVALENTS (FTEs)

PROGRAM / DEPARTMENT	2013 ADJ BUDGET	2014 BUDGET	2015 BUDGET	Chg 2014-2015
PUBLIC WORKS				
Public Works Administration.....	12.5	15.0	18.0	3.0
Community Works.....	51.5	46.5	47.0	0.5
Environment and Energy *.....	63.9	66.1	69.1	3.0
Facility Services.....	218.5	236.5	234.5	(2.0)
Management Support *.....	57.0	57.0	56.0	(1.0)
Planning, Policy and Land Management.....	20.0	26.0	26.0	0.0
Transportation.....	212.0	216.5	217.0	0.5
Glen Lake Golf Course.....	0.0	0.0	0.0	0.0
TOTAL	<u>635.4</u>	<u>663.6</u>	<u>667.6</u>	<u>4.0</u>
PUBLIC SAFETY				
County Attorney's Office.....	346.0	347.0	348.0	1.0
County Court Functions	0.0	0.0	0.0	0.0
Public Defender.....	82.9	77.9	72.5	(5.4)
County Sheriff.....	808.0	808.0	778.0	(30.0)
Dept of Community Corrections & Rehabilitation.	899.0	910.0	924.5	14.5
Sheriff's Radio Communications.....	0.0	0.0	0.0	0.0
TOTAL	<u>2,135.9</u>	<u>2,142.9</u>	<u>2,123.0</u>	<u>(19.9)</u>
HEALTH				
NorthPoint Health and Wellness.....	181.1	195.3	216.9	21.6
Metropolitan Health Plan.....	105.5	95.0	86.0	(9.0)
Hennepin Health.....	5.0	7.0	5.0	(2.0)
Medical Examiner.....	34.0	34.0	33.0	(1.0)
Health Administration.....	0.0	0.0	3.0	3.0
Uncompensated Care.....	0.0	0.0	0.0	0.0
HCMC Intergovernmental Transfers.....	0.0	0.0	0.0	0.0
TOTAL	<u>325.6</u>	<u>331.3</u>	<u>343.9</u>	<u>12.6</u>
LIBRARIES				
Libraries.....	604.0	600.0	600.0	0.0
Law Library.....	6.7	6.7	6.7	0.0
TOTAL	<u>610.7</u>	<u>606.7</u>	<u>606.7</u>	<u>0.0</u>
HUMAN SERVICES				
TOTAL	<u>2,856.8</u>	<u>2,859.0</u>	<u>2,961.9</u>	<u>102.9</u>
OPERATIONS				
Commissioners.....	25.0	25.0	25.0	0.0
County Administration.....	17.4	17.4	14.4	(3.0)
Budget and Finance.....	90.8	91.8	93.3	1.5
Information Technology *.....	315.5	322.9	326.9	4.0
Resident and Real Estate Services.....	321.6	332.6	335.6	3.0
Human Resources.....	64.1	66.1	65.1	(1.0)
Public Affairs.....	17.5	17.5	14.5	(3.0)
Internal Audit.....	18.0	22.0	25.0	3.0
General County Purposes.....	26.0	26.0	50.0	24.0
Self Insurance *.....	5.5	5.5	5.5	0.0
Debt Retirement.....	0.0	0.0	0.0	0.0
Ballpark Sales Tax Revenue Programs.....	0.0	0.0	0.0	0.0
Employee Health Plan Self Insurance*.....	6.0	6.0	6.0	0.0
TOTAL	<u>907.4</u>	<u>932.8</u>	<u>961.3</u>	<u>28.5</u>
GRAND TOTAL	<u>7,471.8</u>	<u>7,536.3</u>	<u>7,664.4</u>	<u>128.1</u>

*Includes Internal Service Fund FTEs.

2015 BUDGET

COUNTY REVENUE FUND SUMMARY (Page 1 of 2)

Basis of Accounting: Modified Accrual	2013 ACTUAL*	2014 BUDGET**	2015 BUDGET**
<u>TOTAL EXPENDITURES</u>	<u>\$560,721,866</u>	<u>\$597,637,763</u>	<u>\$618,004,063</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	339,696,350	320,664,205	328,679,978
Less Program Aid	(10,301,033)	(14,440,949)	(14,440,198)
Total Property Taxes	<u>329,395,317</u>	<u>306,223,256</u>	<u>314,239,780</u>
<u>Market Value Homestead Credit</u>	<u>(32,959)</u>	<u>0</u>	<u>0</u>
<u>Nonproperty Taxes</u>			
Mortgage Registry/Deed Tax	2,071,314	1,500,000	1,500,000
Tax Increment Financing	3,587,894	5,348,671	5,540,991
Wheelage Tax	0	8,700,000	9,276,000
Other	746,986	51,292	267,253
Total Nonproperty Taxes	<u>6,406,195</u>	<u>15,599,963</u>	<u>16,584,244</u>
Total Taxes	<u>335,768,552</u>	<u>321,823,219</u>	<u>330,824,024</u>
<u>Intergovernmental Revenue</u>			
Federal	21,336,867	24,002,015	20,192,787
State - County Program Aid	10,301,033	14,440,949	14,440,198
State - Market Value Homestead Credit	32,959	0	0
State - Highway Maintenance	19,347,016	18,860,544	19,739,202
State - Community Corrections	18,297,181	18,637,600	18,667,285
State - Public Defender	8,419,800	8,366,931	8,505,584
State - Intergovernmental Gov't Transfers	15,730,883	18,575,000	19,375,000
State - Other	<u>10,957,115</u>	<u>9,978,357</u>	<u>10,612,777</u>
Total State	<u>83,085,987</u>	<u>88,859,381</u>	<u>91,340,046</u>
Local - Intergovernmental Gov't Transfers	21,939,479	20,650,000	20,650,000
Other	<u>8,817,927</u>	<u>3,505,305</u>	<u>4,499,522</u>
Total Local	<u>30,757,406</u>	<u>24,155,305</u>	<u>25,149,522</u>
Total Intergovernmental Revenue	<u>135,180,260</u>	<u>137,016,701</u>	<u>136,682,355</u>
<u>Investment Income</u>	<u>(1,891,540)</u>	<u>6,000,000</u>	<u>7,750,000</u>

2015 BUDGET

COUNTY REVENUE FUND SUMMARY (Page 2 of 2)

	2013 ACTUAL*	2014 BUDGET**	2015 BUDGET**
<u>Fees and Services</u>			
Service Center Fees and Passports	1,796,093	1,051,100	884,240
North Point Patient Reimbursements	18,224,128	20,375,173	23,312,917
Assessor - Services Provided To Municipalities	1,869,552	2,387,800	3,100,425
Boarding of Prisoners	5,012,991	5,200,540	5,329,028
Correction Facility Fees	1,404,207	1,104,500	1,379,200
Law Library	910,326	-	-
Public Records Fees	8,010,311	8,170,000	8,170,000
Client Fees	2,239,861	2,294,500	2,435,000
Sheriff Fees	3,262,502	3,504,585	3,388,677
Other Fees and Service Charges	<u>8,324,111</u>	<u>9,424,145</u>	<u>8,793,836</u>
Total Fees and Services	<u>51,054,081</u>	<u>53,512,343</u>	<u>56,793,323</u>
Total Fines and Forfeitures	<u>485,507</u>	<u>250,000</u>	<u>223,000</u>
<u>Licenses and Permits</u>			
Drivers Licenses	1,201,363	1,963,000	1,949,000
Vital Certificates	1,072,142	1,096,000	1,059,000
Motor Vehicle Licenses	1,916,565	2,112,000	2,041,000
Other Licenses and Permits	<u>1,354,629</u>	<u>1,360,765</u>	<u>1,222,894</u>
Total Licenses and Permits	<u>5,544,699</u>	<u>6,531,765</u>	<u>6,271,894</u>
<u>Other Revenue</u>			
Commodity, Concession and Miscellaneous	920,598	1,293,384	926,946
Indirect Cost Allocation	16,077,248	15,758,243	14,715,477
Interfund	(163,956)	(740,318)	(1,487,657)
Building Rental	19,308,603	20,109,514	20,747,128
Miscellaneous	<u>15,443,029</u>	<u>16,299,186</u>	<u>18,747,782</u>
Total Other Revenue	<u>51,585,522</u>	<u>52,720,009</u>	<u>53,649,676</u>
<u>Total Current Revenue</u>	<u>577,727,082</u>	<u>577,854,037</u>	<u>592,194,272</u>
<u>Budgeted Use of Fund Balance</u>	<u>0</u>	<u>19,783,726</u>	<u>25,809,791</u>
<u>TOTAL BUDGETED REVENUES</u>	<u>\$577,727,082</u>	<u>\$597,637,763</u>	<u>\$618,004,063</u>
* Includes the Law Library			
**Excludes the Law Library			

2015 BUDGET

COUNTY REVENUE FUND EXPENDITURES AND FTE SUMMARY

MAJOR PROGRAM/DEPARTMENT	2013*		2014**		2015**	
	ACTUAL	FTE	BUDGET	FTE	BUDGET	FTE
PUBLIC WORKS						
Public Works	\$108,399,166	542.5	\$125,305,682	569.5	\$129,143,664	570.5
PUBLIC SAFETY						
County Attorney's Office	43,614,295	346.0	45,107,676	347.0	46,841,906	348.0
Court Functions	1,779,872	0.0	2,192,000	0.0	2,192,000	0.0
Public Defender	15,313,801	82.9	15,929,587	77.9	16,016,754	72.5
Sheriff's Office	89,472,959	808.0	91,899,764	808.0	94,887,942	778.0
Community Corrections & Rehabilitation	<u>100,813,735</u>	<u>899.0</u>	<u>105,693,305</u>	<u>910.0</u>	<u>108,607,846</u>	<u>924.5</u>
Subtotal	250,994,662	2,135.9	260,822,332	2,142.9	268,546,448	2,123.0
HEALTH						
NorthPoint Health and Wellness	28,176,427	181.1	29,710,636	195.3	33,232,298	216.9
Health Administration	-	0.0	-	0.0	447,883	3.0
Medical Examiner	5,050,516	34.0	5,473,431	34.0	5,721,216	33.0
Uncompensated Care	24,000,000	0.0	22,000,000	0.0	18,500,000	0.0
HCMC Intergovernmental Transfers	<u>43,741,864</u>	<u>0.0</u>	<u>39,984,500</u>	<u>0.0</u>	<u>40,983,700</u>	<u>0.0</u>
Subtotal	100,968,807	215.1	97,168,567	229.3	98,885,097	252.9
LIBRARY						
Law Library	1,519,892	6.7	0	0	0	0
OPERATIONS						
Commissioners	2,488,992	25.0	2,829,409	25.0	2,900,755	25.0
County Administration	2,846,082	17.4	3,366,257	17.4	2,750,734	14.4
Budget and Finance	12,081,746	90.8	14,265,325	91.8	14,866,827	93.3
Information Technology	9,344,206	38.8	8,416,714	41.9	8,903,924	40.2
Resident and Real Estate Services	36,802,601	321.6	39,771,017	332.6	41,445,464	335.6
Human Resources	6,937,455	64.1	7,340,763	66.1	7,605,343	65.1
Hennepin County Communications	2,292,508	17.5	2,238,130	17.5	2,045,845	14.5
Internal Audit	2,442,305	18.0	3,307,066	22.0	3,749,309	25.0
General County Purposes	<u>23,603,443</u>	<u>26.0</u>	<u>32,806,501</u>	<u>26.0</u>	<u>37,160,653</u>	<u>50.0</u>
Subtotal	98,839,338	619.2	114,341,182	640.3	121,428,854	663.1
TOTAL	<u>\$560,721,866</u>	<u>3,519.4</u>	<u>\$597,637,763</u>	<u>3,582.0</u>	<u>\$618,004,063</u>	<u>3,609.5</u>
* Includes the Law Library						
** Excludes the Law Library						

2015 BUDGET

HUMAN SERVICES FUND SUMMARY

Basis of Accounting: Modified Accrual	2013 ACTUAL	2014 BUDGET	2015 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$452,758,532</u>	<u>\$475,128,311</u>	<u>\$499,503,863</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	214,979,266	225,343,641	229,534,791
Less Program Aid	<u>(6,537,442)</u>	<u>(9,750,812)</u>	<u>(9,900,000)</u>
Total Property Taxes	<u>208,441,824</u>	<u>215,592,829</u>	<u>219,634,791</u>
<u>Less Market Value Homestead Credit</u>	<u>(21,043)</u>	<u>0</u>	<u>0</u>
<u>Nonproperty Taxes</u>			
Other Taxes	<u>148,630</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
Federal - Administrative Grants	26,181,368	18,559,361	21,770,957
Federal - Title XX - Human Services Grants	7,347,005	7,700,000	7,300,000
Federal - Title IVE - Foster Care	5,392,668	4,402,000	4,485,000
Federal - Grants for Training and Employment Programs	13,934,798	12,750,000	14,997,268
Federal - General	15,785,323	16,673,546	15,252,440
Federal - Title IVD - Child Support	17,077,470	18,071,141	19,062,276
Federal - Refugee Assistance	45,746	231,000	89,000
Federal - Medical Assistance (MA) Administration	16,585,421	28,084,896	32,972,000
Federal - Food Stamp (SNAP) Administration	12,195,559	12,255,020	13,450,000
Federal - TANF Administration	5,754,733	5,000,000	6,858,000
Federal - Community Health	8,885,373	9,785,000	9,534,287
Federal Incentive - Child Support and MA	<u>2,028,472</u>	<u>2,105,000</u>	<u>2,105,000</u>
Total Federal	<u>131,213,936</u>	<u>135,616,964</u>	<u>147,876,228</u>

2015 BUDGET

HUMAN SERVICES FUND SUMMARY

(Page 2 of 3)

	2013 ACTUAL	2014 BUDGET	2015 BUDGET
State - Grants for Human Services	25,308,024	26,433,000	26,599,142
State - Program Aid	6,537,442	9,750,812	9,900,000
State - Market Value Homestead Credit	21,043	0	0
State - Vulnerable Children and Adults Act	12,421,797	12,700,000	12,600,000
State - Grants for Training and Employment Programs	2,783,635	4,377,000	3,637,157
State - Administrative	2,054,181	1,523,000	2,320,000
State - General Assistance	3,397,438	2,556,000	3,398,784
State - Community Health	2,038,686	2,039,000	2,032,921
State - Medical Assistance/Medicare	4,614,902	12,444,222	17,227,000
Total State	<u>59,177,148</u>	<u>71,823,034</u>	<u>77,715,004</u>
Local Grants	<u>2,272,663</u>	<u>1,566,000</u>	<u>1,939,083</u>
<u>Interest Income</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fees and Services</u>			
Patient Fees	6,987,652	4,436,000	7,449,000
Medicaid/GAMC/Targeted Case Management	28,253,740	24,121,162	23,426,000
Medicare	272,142	481,000	291,000
Other Services	<u>13,558,889</u>	<u>13,619,322</u>	<u>14,013,757</u>
Total Fees and Services	<u>49,072,423</u>	<u>42,657,484</u>	<u>45,179,757</u>

2015 BUDGET

HUMAN SERVICES FUND SUMMARY

(Page 3 of 3)

	2013 ACTUAL	2014 BUDGET	2015 BUDGET
<u>Health Licenses</u>	<u>1,496,407</u>	<u>1,500,000</u>	<u>1,529,000</u>
<u>Other Revenue</u>			
Miscellaneous - Other	1,530,784	1,985,000	1,569,000
Interfund Transfers	<u>3,396,829</u>	<u>1,887,000</u>	<u>861,000</u>
Total Other Revenue	<u>4,927,613</u>	<u>3,872,000</u>	<u>2,430,000</u>
Total Current Revenue	<u>456,729,601</u>	<u>472,628,311</u>	<u>496,303,863</u>
<u>Budgeted Use of Fund Balance</u>	<u>0</u>	<u>2,500,000</u>	<u>3,200,000</u>
<u>TOTAL REVENUES</u>	<u>\$456,729,601</u>	<u>\$475,128,311</u>	<u>\$499,503,863</u>

2015 BUDGET

METROPOLITAN HEALTH PLAN FUND SUMMARY

Basis of Accounting: Accrual	2013 ACTUAL	2014 BUDGET	2015 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$86,582,828</u>	<u>\$92,236,532</u>	<u>\$52,909,918</u>
<u>SOURCE OF REVENUE</u>			
<u>Intergovernmental & Grants</u>	<u>1,740,065</u>		<u>517,742</u>
<u>Fees and Services</u>			
State Premium Revenue	66,460,209	65,875,720	42,273,573
Federal Premium Revenue	15,236,308	14,618,769	0
Administrative Services Revenue	7,305,438	12,819,106	10,493,366
Miscellaneous Revenue	(109,250)	0	(87,436)
Total Fees and Services	<u>88,892,705</u>	<u>93,313,595</u>	<u>52,679,503</u>
<u>Other Revenue</u>			
Investment Income	<u>(222,339)</u>	<u>347,199</u>	<u>325,100</u>
<u>Capital Contributions</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>0</u>	<u>(1,424,262)</u>	<u>(612,427)</u>
<u>TOTAL REVENUES</u>	<u>\$90,410,431</u>	<u>\$92,236,532</u>	<u>\$52,909,918</u>

2015 BUDGET

HENNEPIN HEALTH FUND SUMMARY

Basis of Accounting: Accrual	2013 ACTUAL	2014 BUDGET	2015 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$72,761,792</u>	<u>\$129,763,172</u>	<u>\$106,616,979</u>
<u>SOURCE OF REVENUE</u>			
<u>Fees and Services</u>			
Medical Assistance	73,054,381	130,679,429	107,155,224
Other fees and services	<u>(138,092)</u>	<u>(248,837)</u>	<u>(222,156)</u>
Total Fees and Services	<u>72,916,289</u>	<u>130,430,592</u>	<u>106,933,068</u>
<u>Other Revenue</u>			
Investment Income	(58,237)	90,000	182,164
Grant and Other Revenue	<u>49,000</u>	<u>7,417</u>	<u>0</u>
Total Other Revenue	<u>(9,237)</u>	<u>97,417</u>	<u>182,164</u>
<u>Capital Contributions</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>0</u>	<u>(764,837)</u>	<u>(498,253)</u>
<u>TOTAL REVENUES</u>	<u>\$72,907,052</u>	<u>\$129,763,172</u>	<u>\$106,616,979</u>

2015 BUDGET

SOLID WASTE ENTERPRISE FUND SUMMARY

Basis of Accounting: Accrual	2013 ACTUAL	2014 BUDGET	2015 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$55,600,457</u>	<u>\$59,824,776</u>	<u>\$62,824,786</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Misc. Collections	14,081	0	0
Less Program Aid	0	0	0
Less Market Value Homestead Credit	0	0	0
Total Property Taxes	<u>14,081</u>	<u>0</u>	<u>0</u>
<u>Nonproperty Taxes</u>	<u>109,377</u>	<u>100,000</u>	<u>100,000</u>
<u>Intergovernmental Revenue</u>			
Federal Grants	0	245,000	950,000
State Grants	3,629,332	3,546,657	4,740,227
Local Government Grants	0	0	0
Total Intergovernmental Revenue	<u>3,629,332</u>	<u>3,791,657</u>	<u>5,690,227</u>
<u>Investment Income*</u>	<u>(239,816)</u>	<u>485,000</u>	<u>460,000</u>
<u>Fees & Services</u>			
Solid Waste Tipping Fees	23,136,047	23,675,000	24,340,000
Solid Waste Mgmt Fees - Hauler Collected	13,594,443	13,635,000	13,771,350
Other Fees & Services	<u>11,543,817</u>	<u>13,392,136</u>	<u>13,383,400</u>
Total Fees & Services	<u>48,274,307</u>	<u>50,702,136</u>	<u>51,494,750</u>
<u>Licenses & Permits</u>			
Solid/Hazardous Waste Licenses	<u>948,708</u>	<u>940,000</u>	<u>1,030,000</u>
<u>Fines & Penalties</u>			
Solid Waste and Other Fines	<u>34,299</u>	<u>100,000</u>	<u>50,000</u>
<u>Other Revenue/Transfers</u>	<u>118,045</u>	<u>724,082</u>	<u>953,332</u>
<u>(Increase)/Decrease in Net Assets</u>		<u>2,981,901</u>	<u>3,046,477</u>
<u>TOTAL REVENUES</u>	<u>\$52,888,333</u>	<u>\$59,824,776</u>	<u>\$62,824,786</u>
*For 2013, includes \$659,050 in unrealized losses.			

2015 BUDGET

LIBRARY FUND SUMMARY

Basis of Accounting: Modified Accrual	2013 ACTUAL*	2014 BUDGET**	2015 BUDGET**
<u>TOTAL EXPENDITURES</u>	<u>\$67,585,439</u>	<u>\$74,448,925</u>	<u>\$77,782,676</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	57,904,938	59,720,481	63,132,495
Less Program Aid	(1,764,793)	(2,601,446)	(2,700,000)
Total Property Taxes	<u>56,140,145</u>	<u>57,119,035</u>	<u>60,432,495</u>
<u>Less Market Value Homestead Credit</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
State - County Program Aid	1,764,793	2,601,446	2,700,000
Market Value Homestead Credit	5,655	0	0
Federal Grants	0	0	0
State Grants	1,427,921	1,136,600	1,160,000
Local Grants	<u>4,105,736</u>	<u>3,238,244</u>	<u>2,363,131</u>
Total Intergovernmental Revenue	<u>7,304,105</u>	<u>6,976,290</u>	<u>6,223,131</u>
<u>Investment Income</u>	<u>(34,146)</u>	<u>85,000</u>	<u>75,000</u>
<u>Fees and Services</u>			
Other Services	<u>24,555</u>	<u>1,250,000</u>	<u>1,108,000</u>
<u>Fines and Forfeitures</u>			
Book Fines	<u>1,388,053</u>	<u>1,453,300</u>	<u>1,310,750</u>
<u>Other Revenue</u>			
Book Sales	119,346	30,000	20,300
Concessions	323,150	325,000	323,000
Donations	1,117,951	900,000	870,000
Miscellaneous	181,456	150,300	120,000
Ballpark Sales Tax Transfer	<u>1,960,000</u>	<u>2,160,000</u>	<u>2,300,000</u>
Total Other Revenue	<u>3,701,903</u>	<u>3,565,300</u>	<u>3,633,300</u>
<u>Total Current Revenue</u>	<u>68,524,615</u>	<u>70,448,925</u>	<u>72,782,676</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>4,000,000</u>	<u>5,000,000</u>
<u>TOTAL REVENUES</u>	<u>\$68,524,615</u>	<u>\$74,448,925</u>	<u>\$77,782,676</u>
* Excludes the Law Library			
** Includes the Law Library			

2015 BUDGET

GLEN LAKE GOLF COURSE FUND SUMMARY

Basis of Accounting: Accrual	2013 ACTUAL	2014 BUDGET	2015 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$784,870</u>	<u>\$1,030,465</u>	<u>\$1,050,894</u>
<u>SOURCE OF REVENUE</u>			
<u>Other Revenue</u>	<u>811,015</u>	<u>1,030,465</u>	<u>1,050,894</u>
Total Current Revenue	<u>811,015</u>	<u>1,030,465</u>	<u>1,050,894</u>
<u>(Increase)/Decrease in Net Assets</u>		<u>0</u>	<u>0</u>
<u>TOTAL REVENUES</u>	<u>\$811,015</u>	<u>\$1,030,465</u>	<u>\$1,050,894</u>

2015 BUDGET

SHERIFF'S RADIO COMMUNICATIONS FUND SUMMARY

Basis of Accounting: Accrual	2013 ACTUAL	2014 BUDGET	2015 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$2,357,279</u>	<u>\$2,667,227</u>	<u>\$3,087,073</u>
<u>SOURCE OF REVENUE</u>			
<u>Fees & Services</u>	<u>2,441,261</u>	<u>2,726,227</u>	<u>2,750,788</u>
<u>Other Revenue</u>	<u>11,598</u>	<u>0</u>	<u>0</u>
<u>Total Current Revenue</u>	<u>2,452,859</u>	<u>2,726,227</u>	<u>2,750,788</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>0</u>	<u>(59,000)</u>	<u>336,285</u>
<u>TOTAL REVENUES</u>	<u>\$2,452,859</u>	<u>\$2,667,227</u>	<u>\$3,087,073</u>

2015 BUDGET

CAPITAL IMPROVEMENTS FUND SUMMARY

Basis of Accounting: Modified Accrual	2013 ACTUAL	2014 BUDGET	2015 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$158,701,498</u>	<u>\$198,208,593</u>	<u>\$256,948,270</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	12,024,482	9,744,218	7,261,000
Less County Program Aid	(7,154,791)	(5,000,000)	(5,000,000)
Less Market Value Homestead Credit	(463)	0	0
Total Property Taxes	<u>4,869,228</u>	<u>4,744,218</u>	<u>2,261,000</u>
<u>Nonproperty Taxes</u>	<u>3,500</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
Federal - Highway Aids	10,870,158	15,608,201	258,000
Federal - Other	1,377,181	0	0
State - County Program Aid	7,154,791	5,000,000	5,000,000
State - Market Value Homestead Credit	463	0	0
State - General	5,871,881	835,000	0
State - Highway and Bridge Aids	17,826,210	41,269,670	74,113,760
Other - Local	<u>11,867,710</u>	<u>21,731,500</u>	<u>7,797,510</u>
Total Intergovernmental Revenue	<u>54,968,394</u>	<u>84,444,371</u>	<u>87,169,270</u>
<u>Investment Income</u>	<u>74,952</u>	<u>0</u>	<u>0</u>
<u>Fees and Services</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Other Revenue</u>			
Bond Proceeds	108,157,880	102,378,000	124,604,000
Other	<u>27,978,500</u>	<u>6,642,004</u>	<u>42,914,000</u>
Total Other Revenue	<u>136,136,380</u>	<u>109,020,004</u>	<u>167,518,000</u>
<u>Total Current Revenue</u>	<u>196,052,454</u>	<u>198,208,593</u>	<u>256,948,270</u>
<u>TOTAL REVENUES</u>	<u>\$196,052,454</u>	<u>\$198,208,593</u>	<u>\$256,948,270</u>

2015 BUDGET

DEBT RETIREMENT FUND SUMMARY

Basis of Accounting: Modified Accrual	2013 ACTUAL	2014 BUDGET	2015 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$119,423,776</u>	<u>\$129,453,518</u>	<u>\$135,895,353</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	80,872,329	80,169,828	82,900,000
Less Program Aid	(35,742)	0	0
Total Property Taxes	<u>80,836,587</u>	<u>80,169,828</u>	<u>82,900,000</u>
Less Market Value Homestead Credit	(8,177)	0	0
<u>Nonproperty Taxes</u>	<u>56,230</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
Federal - Interest Subsidy Payments	2,097,229	2,073,306	2,073,306
State - Program Aid	35,742	0	0
State - Market Value Homestead Credit	8,177	0	0
Other local intergovernmental	<u>12,220,583</u>	<u>12,385,539</u>	<u>12,404,239</u>
Total Intergovernmental Revenue	<u>14,361,731</u>	<u>14,458,845</u>	<u>14,477,545</u>
<u>Other Revenue</u>			
Interest on Investments	3,791	0	0
Bond Proceeds	30,464,972	0	0
Other Revenues	<u>29,506,415</u>	<u>34,824,845</u>	<u>38,517,808</u>
Total Other Revenue	<u>59,975,178</u>	<u>34,824,845</u>	<u>38,517,808</u>
<u>Total Current Revenue</u>	<u>155,221,549</u>	<u>129,453,518</u>	<u>135,895,353</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>TOTAL REVENUES</u>	<u>\$155,221,549</u>	<u>\$129,453,518</u>	<u>\$135,895,353</u>

Notes: This fund summary shows budgets for General Obligation Debt in Fund 70 (including bonds issued on behalf of CTIB), and for Ballpark Debt in Fund 79, as well as Lease Revenue Certificates of Participation payments. The latter two obligations are paid with non-property tax revenues.

Other Revenues includes \$2 million of wheelage tax receipts.

2015 BUDGET

BALLPARK SALES TAX REVENUE FUND SUMMARY

Basis of Accounting: Modified Accrual	2013 ACTUAL	2014 BUDGET	2015 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$35,088,330</u>	<u>\$37,493,200</u>	<u>\$2,533,000</u>
<u>SOURCE OF REVENUE</u>			
<u>Sales Tax Revenue</u>	<u>33,446,430</u>	<u>33,500,000</u>	<u>35,175,000</u>
<u>Transfers to Other Funds</u>	<u>0</u>	<u>0</u>	<u>(38,712,160)</u>
<u>Investment Income</u>	<u>1,807</u>	<u>0</u>	<u>0</u>
<u>Total Current Revenue</u>	<u>33,448,237</u>	<u>33,500,000</u>	<u>(3,537,160)</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>3,993,200</u>	<u>6,070,160</u>
<u>TOTAL REVENUES</u>	<u>\$33,448,237</u>	<u>\$37,493,200</u>	<u>\$2,533,000</u>

Note: Beginning in 2015, a change in accounting methodology results in transfers to other funds being shown as a contra-revenue rather than an expense.

2015 BUDGET

INTERNAL SERVICE FUND SUMMARIES

Basis of Accounting: Accrual	2013 ACTUAL	2014 BUDGET	2015 BUDGET
FUND: Central Services			
Program Expenditures	<u>\$6,180,480</u>	<u>\$6,652,872</u>	<u>\$6,904,020</u>
Charges for Services	6,314,628	6,652,872	6,904,020
Net Assets (Increase)/Decrease	(134,148)	0	0
FUND: Central Mobile Equipment (CMED)			
Program Expenditures	<u>\$13,387,428</u>	<u>\$14,408,180</u>	<u>\$15,289,424</u>
Charges for Services	15,900,530	14,408,180	15,289,424
Net Assets (Increase)/Decrease	(2,513,102)	0	0
FUND: Energy Center			
Program Expenditures	<u>\$7,914,348</u>	<u>\$10,117,316</u>	<u>\$10,732,114</u>
Charges for Services	8,435,935	10,117,316	10,732,114
Net Assets (Increase)/Decrease	(521,587)	0	0
FUND: Information Technology			
Program Expenditures	<u>\$58,429,857</u>	<u>\$72,254,711</u>	<u>\$74,308,231</u>
Charges for Services	57,435,939	72,254,711	74,308,231
Net Assets (Increase)/Decrease	993,918	0	0
FUND: Self Insurance Fund			
Program Expenditures	<u>\$6,774,644</u>	<u>\$6,074,482</u>	<u>\$6,353,919</u>
Charges for Services	5,466,092	6,074,482	6,353,919
Net Assets (Increase)/Decrease	1,308,552	0	0
FUND: Other Employee Benefits			
Program Expenditures	<u>\$16,239,071</u>	<u>\$26,000,000</u>	<u>\$26,000,000</u>
Charges for Services	15,420,604	26,000,000	26,000,000
Net Assets (Increase)/Decrease	818,467	0	0
FUND: Employee Health Plan Self Insurance			
Program Expenditures	<u>\$82,943,588</u>	<u>\$99,052,663</u>	<u>\$101,360,777</u>
Charges for Services	95,235,910	99,052,663	101,363,679
Net Assets (Increase)/Decrease	(12,292,322)	0	0

2015 BUDGET

Adopted

Major Program: Public Works

- Administration
- Community Works
- Environment and Energy
- Facility Services
- Management Support
- Planning, Policy and Land Management
- Transportation
- Glen Lake Golf Course



The Interchange/Target Field Station

Program Description:

Public Works encompasses the delivery of various projects and programs supporting community works, environment and energy, facility services and transportation within the county. The team also supports the Hennepin County Regional Railroad Authority and the Hennepin County Housing and Redevelopment Authority.

Public Works has support services, including; financial management, budgeting, information/computer technology, GIS/mapping and land management. Also, provides equipment services to all lines of business in the county.

Program Budget Highlights:

In 2015, the Public Works business line will begin a transition from multiple departments to one department. This change is in preparation of Public Works becoming five major programs in 2016.

As part of the transition, there are a number of name changes in 2015: Planning, Policy and Land Management (previously Strategic Planning and Resources); Community Works (previously Housing, Community Works and Transit); Environment and Energy (previously Environmental Services) and Facility Services (previously Property Services).

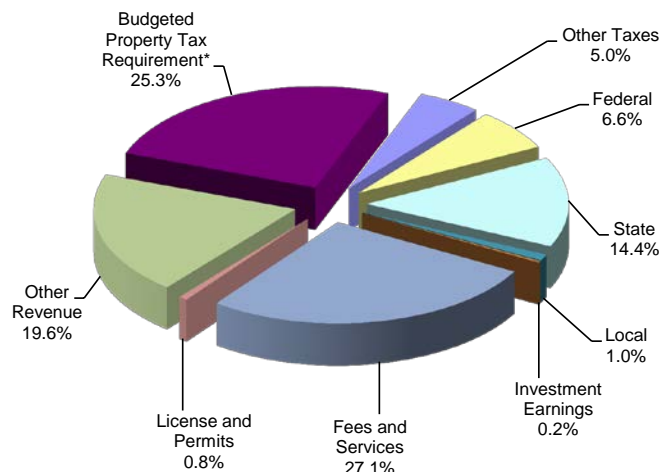
Revenue and Expenditure Information:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$42,160,789	\$46,794,519	\$48,836,890
Other Taxes	230,910	8,851,292	9,643,253
Federal	12,024,668	14,256,493	12,780,948
State	25,768,816	25,122,169	27,715,864
Local	587,830	1,559,109	1,987,088
Investment Earnings	(235,707)	485,000	460,000
Fees and Services	48,555,556	51,984,816	52,387,976
Fines and Forfeitures	34,299	100,000	50,000
License and Permits	1,253,586	1,248,765	1,338,765
Bond Proceeds			
Other Revenue	32,142,693	35,758,760	37,818,560
Total Revenues	\$162,523,440	\$186,160,923	\$193,019,344
Personal Services	\$51,624,635	\$59,295,980	\$60,894,783
Commodities	7,774,955	9,027,645	10,342,651
Services	90,520,708	102,826,920	105,015,676
Public Aid	2,705,724	2,358,892	2,517,000
Capital Outlay	334,882	266,710	362,718
Other Charges	11,823,590	12,384,776	13,886,515
Total Expenditures	\$164,784,493	\$186,160,923	\$193,019,344

**Reflects the adjusted property tax requirement budget, not actual property tax collections.*

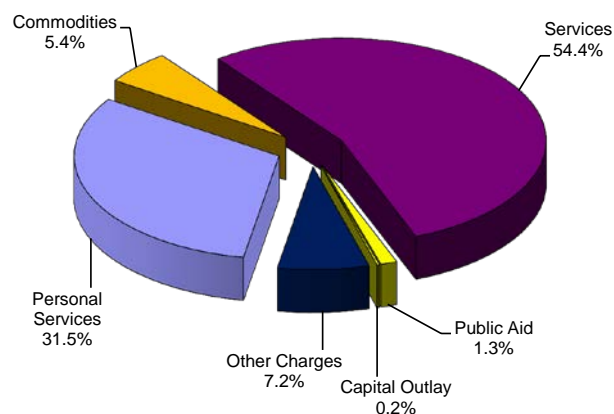
Budgeted Positions (Full-time Equivalents)	635.4	663.6	667.6
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Revenue and Expenditure Comparison:

2015 Revenue



2015 Expenditures



Revenue Highlights:

The Public Works budgeted 2015 revenues are \$93.0 million, a 3.7 percent increase over the 2014 adjusted budget. Details about the major sources of revenue include:

Current Property Taxes

For 2015, property taxes comprise 25.3 percent of the Public Works program's total estimated revenue. The majority of the \$2.0 million increase is to cover growing utility, janitorial, maintenance and security costs in Facility Services.

Other Taxes

The increase reflects the use of fund balance (Wheelage Tax) received in December, 2013, to be used in 2015.

Federal Revenue

Federal revenue of \$12.8 million consist mainly of federal grants for Community Works programs. The federal portion of the 2015 budget is 6.6 percent of the total Public Works program revenue, down from 10.3 percent in 2014.

State Revenue

The \$2.6 million increase in State of Minnesota revenue is due to an additional \$1.2 million in environment-related grants, \$900,000 road/highway-related funding, and an additional \$500,000 for workforce improvement.

Fees and Services

Fees and services represent a significant category of revenue, totaling \$52.4 million for 2015. These items account for approximately 27.1 percent of the 2014 Public Works program's total funding, compared to 27.9 percent in 2014. This revenue category consists primarily of energy sales, and solid waste and hazardous waste management fees.

Other Revenue

The other revenue category historically consists of revenue generated by Facility Services, the Environmental Response Fund, Glen Lake Golf Course, and revenue that various Public Works areas receive from the Hennepin County Regional Railroad Authority (HCRRA) and Hennepin County Housing and Redevelopment Authority (HCHRA) for project staffing support. The \$2.1 million change in 2015 is primarily due additional revenue for Facility Services to cover higher costs for managing county properties and from additional support provided to the HCRRA/HCHRA.

Department Expenditure Summary:

	2013 Actual	2014 Budget	2015 Budget
Administration	\$2,076,059	\$2,471,946	\$2,927,046
Community Works	20,525,759	22,758,678	21,334,506
Environment and Energy	55,600,457	59,824,776	62,824,786
Facility Services	45,002,938	50,510,353	53,145,779
Management Support	2,254,802	2,929,145	3,264,419
Planning, Policy and Land Management	1,908,544	3,121,074	3,157,122
Transportation	36,631,064	43,514,486	45,314,792
Glen Lake Golf Course	784,870	1,030,465	1,050,894
Total Expenditures	\$164,784,493	\$186,160,923	\$193,019,344

2015 BUDGET

Adopted

Program Highlights by Department:

Administration

The 2015 budget totals \$2.9 million, an increase of 18.4 percent over 2014. The transfer of Management Information Technology staff from Facility Services contributes to most of the increase and adds 3.0 full-time equivalents (FTEs) to the budget.

Community Works

The principle driver for the decrease in the \$21.3 million 2015 budget is due to federal program funding reductions for the Neighborhood Stabilization Program, lead hazard control, and subrecipient workforce and housing grants.

Environment and Energy

The 2015 budget totals \$62.8 million, an increase of 5.0 percent. 3.0 FTEs were added to expand recycling, environmental education and contaminated land efforts, additional solid waste costs and expanded environmental grant expenditures.

Facility Services

The 2015 budget of \$53.1 million is expanding primarily due to increases in utilities (11.6 percent), janitorial and maintenance (5.8 percent) and security costs (17.0 percent).

Management Support

The 2015 budget totals \$3.3 million, an increase of 11.4 percent, primarily due to various staffing changes. The department provides accounting and financial support to Public Works departments.

Planning, Policy and Land Management

The 2015 budget is little changed at \$3.2 million as it provides planning, policy, project and program management for Public Works, and land/lease management for the county.

Transportation

The \$45.3 million 2015 budget includes a 4.1 percent increase over the 2014 adjusted budget. Cost drivers include additional various staffing costs, and road and traffic expenditures.

Glen Lake Golf Course

Glen Lake continues to be operated by Three Rivers Park District. The 2015 budget remains little changed at \$1.0 million.

Budgeted Positions:	2013 Actual	2014 Budget	2015 Budget
Administration	12.5	15.0	18.0
Community Works	51.5	46.5	47.0
Environment and Energy	63.9	66.1	69.1
Facility Services	218.5	236.5	234.5
Management Support	57.0	57.0	56.0
Planning, Policy and Land Management	20.0	26.0	26.0
Transportation	212.0	216.5	217.0
Glen Lake Golf Course			
Total Full Time Equivalent (FTE)	635.4	663.6	667.6

***FTE totals include employees from Internal Services Funds*

Environment and Energy
Public Works

2015 BUDGET
Adopted

Mission:

Protecting the environment and conserving resources for future generations.

Description:

Environment and Energy implements programs and projects that prevent pollution of air, land and water; minimize the impact of activities that contribute to pollution; and clean up land and water resources requiring remediation. This area also manages the Energy Center, which provides heating and cooling to county and private customers.

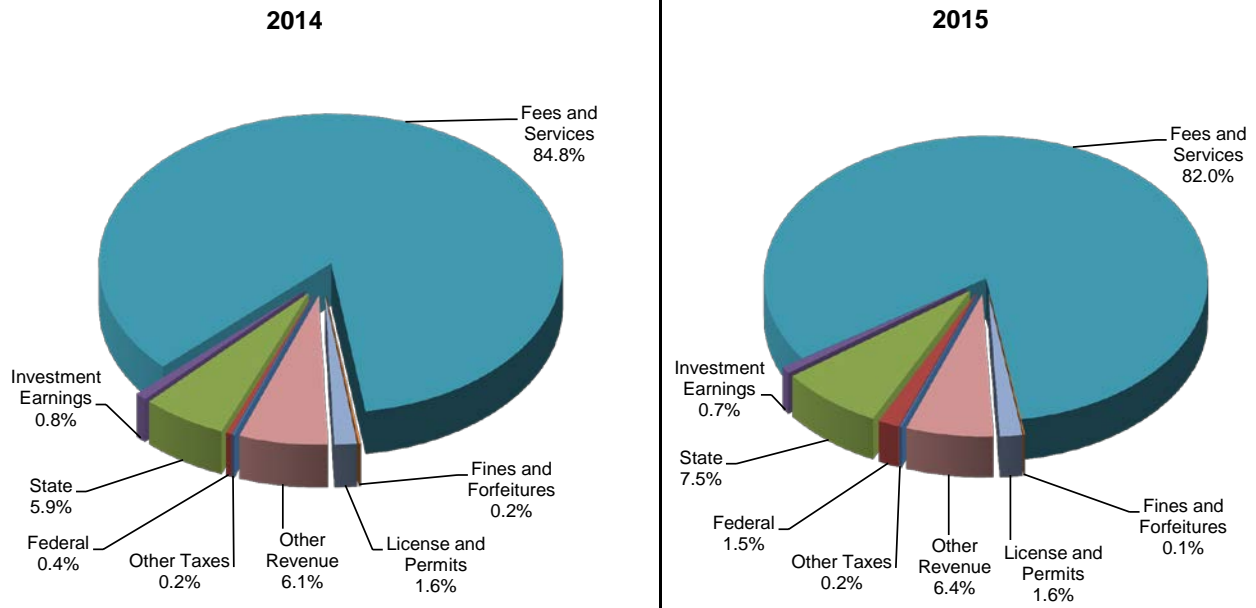
Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes	123,458	100,000	100,000
Federal		245,000	950,000
State	3,629,332	3,546,657	4,740,227
Local			
Investment Earnings	(239,816)	485,000	460,000
Fees for Services	48,274,307	50,702,136	51,494,750
Fines and Forfeitures	34,299	100,000	50,000
Licenses and Permits	948,708	940,000	1,030,000
Bond Proceeds			
Other Revenue	118,045	3,705,983	3,999,809
Total Revenues	\$52,888,333	\$59,824,776	\$62,824,786
Personal Services	\$6,072,655	\$6,586,972	\$6,746,036
Commodities	227,339	294,350	359,710
Services	39,340,119	42,805,946	44,102,446
Capital Outlay			
Other Charges	9,960,345	10,137,508	11,616,594
Total Expenditures	\$55,600,457	\$59,824,776	\$62,824,786

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)** **63.9** **66.1** **69.1**

***Includes HCEC internal services fund FTEs*

Revenue Comparison:



Significant Budget Changes:

Environment and Energy will increase by three new positions to address increased workloads related to contaminated lands, education and outreach and recycling.

The department will draw from the Solid Waste Enterprise Fund to cover the difference between expenditures and revenues.

Division Budgets:

	2013 Actual	2014 Budget	2015 Budget
Environmental Services Administration and Planning	\$10,100,951	\$11,710,904	\$12,526,299
Environmental Protection	2,962,351	3,810,703	5,046,241
Environmental Response Fund	2,866,221	2,500,000	2,100,000
Solid Waste	39,670,934	41,803,169	43,152,246
Total Expenditures	\$55,600,457	\$59,824,776	\$62,824,786

Budget Commentary:

The department does not rely on property tax revenues to fund its operations. Rather, it relies on fees for services, grants and fund balances to pay for operations, services and programs.

Key Results:

	2013	2014 Est.	2015 Est.
Energy production (Megawatt hours of electricity)	124,099	186,293	206,647
Awards to Environmental Response grantees	\$2,916,335	\$1,816,536	\$2,000,000
Recycling rate	41%	41%	45%

Additional Resources:

www.hennepin.us
www.rethinkrecycling.com
www.mepc-mn.org

Mission:

To operate in a manner that provides the greatest amount of community benefit.

Description:

The Glen Lake Golf Course is a Hennepin County owned recreational facility operated by the Three Rivers Park District. The facility provides a nine-hole executive course and driving range. There are golf lessons available and fee discounts are offered to seniors 62 years of age and older and juniors 17 years of age and younger. The facility is self-supporting through fees charged for services provided.

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	811,014	1,030,465	1,050,894
Total Revenues	\$811,014	\$1,030,465	\$1,050,894
Personal Services	\$0	\$0	\$0
Commodities			
Services			
Capital Outlay			
Other Charges	784,870	1,030,465	1,050,894
Total Expenditures	\$784,870	\$1,030,465	\$1,050,894
<i>*Reflects the adjusted property tax requirement budget, not actual property tax collection.</i>			
Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0

Additional Resources:

<http://www.threeriversparks.org/parks/glen-lake-golf.aspx>

Community Works
Public Works

2015 BUDGET
Adopted

Mission:

Community Works ... building long-term value through housing, transit, jobs and placemaking.

Description:

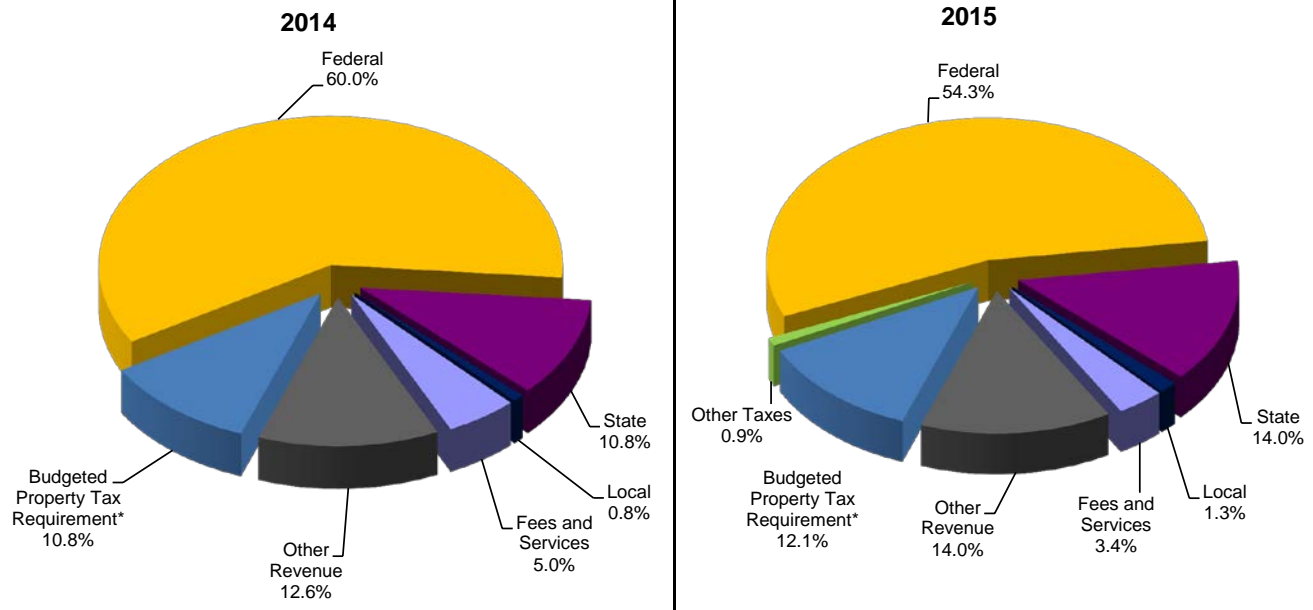
Community Works focuses on the investment of county, federal, state, regional and local resources in partnership with many public, private and community partners to achieve housing, transit/transportation and community improvement goals. It also is responsible for workforce improvement programs and the Sentencing to Service Homes program.

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$2,156,615	\$2,465,936	\$2,578,150
Other Taxes	48,601		194,674
Federal	11,849,346	13,643,986	11,578,094
State	2,747,926	2,454,923	2,995,000
Local	398,848	184,000	280,000
Investment Earnings	4,109		
Fees for Services	163,865	1,142,595	728,525
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	2,537,573	2,867,238	2,980,063
Total Revenues	\$19,906,883	\$22,758,678	\$21,334,506
Personal Services	\$5,361,208	\$5,937,959	\$5,931,066
Commodities	174,351	514,619	631,820
Services	12,120,625	13,781,443	12,090,680
Public Aid	2,705,724	2,358,892	2,517,000
Capital Outlay		2,000	2,000
Other Charges	163,851	163,765	161,940
Total Expenditures	\$20,525,759	\$22,758,678	\$21,334,506

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	51.5	46.5	47.0
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Revenue Comparison:



Significant Budget Changes:

The winding down of the Neighborhood Stabilization Program (one-time foreclosure recovery funding) and more limited availability of lead hazard control funds, are offset by small increases in Housing and Urban Development entitlement funding (Community Development Block Grant/HOME Investment Partnerships Program).

Division Budgets:	2013 Actual	2014 Budget	2015 Budget
Administration	\$890,170	\$1,004,653	\$1,021,592
Development	7,254,740	6,979,056	7,151,061
Housing	9,396,882	11,181,963	9,700,569
Engineering and Transit Planning	1,211,428	1,410,443	1,484,571
Sentencing to Service Homes	1,772,539	2,182,563	1,976,713
Total Expenditures	\$20,525,759	\$22,758,678	\$21,334,506

Community Works
Public Works

2015 BUDGET
Adopted

Budget Commentary:

Programs and projects that will be advanced in 2015:

Transit Development: Southwest Corridor – Preliminary Engineering (PE), Bottineau Corridor – Project Development, Target Field Station – Operational, Central Corridor - Operational, Northern Lights Express, Red Rock Corridor, Counties Transit Improvement Board Staff Participation

Housing Development and Finance: Affordable Rental Housing, Housing Rehabilitation, Affordable Homeownership, Special Needs Housing, Homeless Housing and Services, Foreclosure Prevention and Recovery, Public Services and Neighborhood Revitalization, and Healthy Homes

Community Works: Penn Avenue, Bottineau Light Rail Transit (LRT), Southwest LRT, Minnehaha- Hiawatha, Lowry Avenue NE and Fort Snelling Upper Post

Economic Development: Transit Oriented Development (TOD), Business Assistance (Economic Gardening, Minnesota Community Capital Fund, Common Bond Fund, "Open to Business" with the Metropolitan Consortium of Community Developers) and Workforce Investment

Sentencing to Services Homes: Life Skills and Carpentry training for Hennepin County probationers, a partnership with Summit Academy

Key Results:	2013	2014 Est.	2015 Est.
Number of Affordable Housing Units Funded	1,518	1,011	1,014
Number of housing units funded - within a 1/2 mile radius of public transit	842	619	606
Return on investment for every dollar spent on Adult/Dislocated Worker Programs	\$12.75	\$13.10	\$13.75
Graduation rate for teens participating in the Workforce Youth programs	71%	75%	75%
Southwest and Bottineau Light Rail Transit	PE/DEIS	PE/DEIS	PE/PD
Number of public/private dollars leveraged through	\$150.40	\$720.80	\$202.50

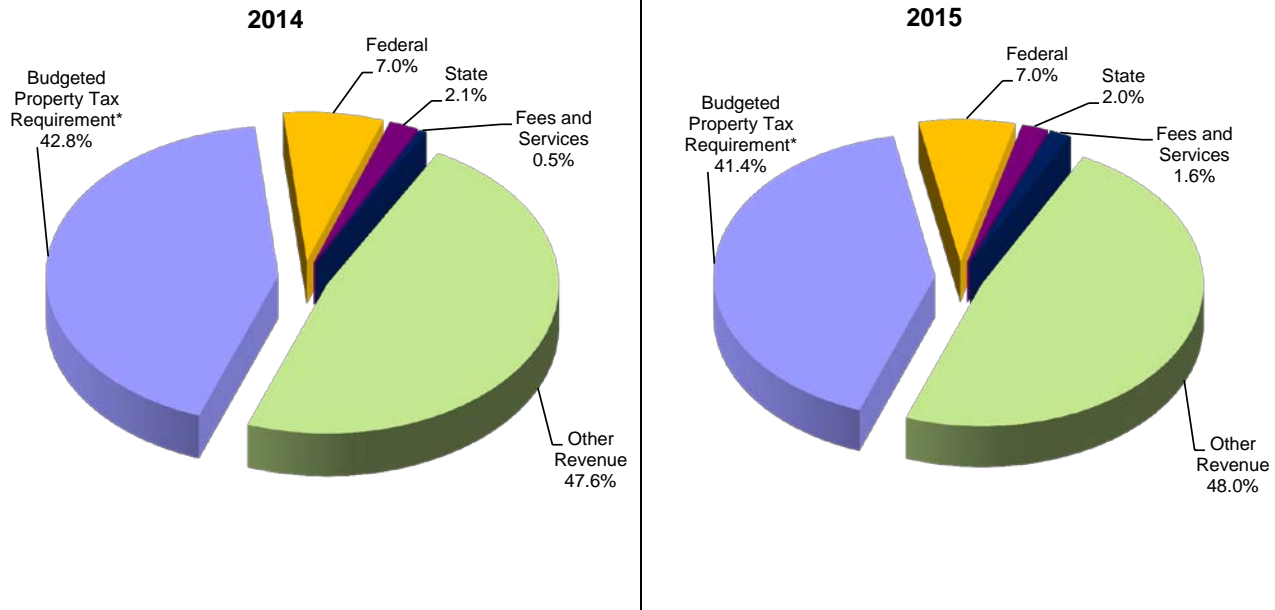
Affordable Housing Incentive Fund/TOD/HOME/Community Development Block Grant/Environ. Response Fund (millions)

*PE - Preliminary Engineering, DEIS - Draft Environmental Impact Statement, PD - Project Development

Additional Resources:

- Southwest LRT Community Works - <http://www.swlrtccommunityworks.org/>
- Bottineau LRT Community Works - <http://www.hennepin.us/bottineau>
- Target Field Station - <http://www.hennepin.us/residents/transportation/target-field-station>
- Minnehaha – Hiawatha Community Works - <http://minnehaha-hiawatha.com/>
- Penn Avenue Community Works - <http://www.hennepin.us/penn>
- Lowry Avenue Community Works - <http://www.hennepin.us/lowry>
- Economic Gardening - <http://www.hennepin.mn.us/economicgardening>
- Open to Business - <http://www.hennepin.mn.us/opentobusiness>

Revenue Comparison:



Significant Budget Changes:

Revenue increase includes additional federal revenue expected from grant funds.

Expenditure increase is attributed increase in personal services costs due to reclassifications and merit increases.

Division Budgets:

	2013 Actual	2014 Budget	2015 Budget
Financial Management and Accounting & Warehouse	\$2,092,677	\$2,696,404	\$3,038,676
Administration	162,125	232,741	225,743
Total Expenditures	\$2,254,802	\$2,929,145	\$3,264,419

Budget Commentary:

The Financial Management and Accounting (FMA) division main priority is to provide financial information and services to management and staff for decision making and reporting, that is accurate, reliable and timely. The division will ensure that financial systems maintained will employ adequate internal controls and be operated efficiently.

Key Results:

	2013	2014 Est.	2015 Est.
Revenue Collected - Days outstanding	24	33	33
Accounts Receivable billings processed	6,010	6,000	6,000

Additional Resources:

www.hennepin.us

Facility Services
Public Works

2015 BUDGET
Adopted

Mission:

The Facility Services Department provides a full range of planning, design, construction, security, energy management, workplace safety and building management services for county programs and services.

Description:

Facility Services coordinates the capital budget process; operates and maintains buildings and utilizes effective energy conservation tools and technologies; provides space planning and project management services; protects employees, clients and property; and provides workplace safety services.

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$20,132,481	\$23,368,946	\$24,679,032
Other Taxes			
Federal	7,046		
State	2,114		
Local			
Investment Earnings			
Fees for Services	9,401	6,705	5,321
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	26,245,656	27,134,702	28,461,426
Total Revenues	\$46,396,698	\$50,510,353	\$53,145,779
Personal Services	\$16,860,988	\$20,128,945	\$20,058,289
Commodities	1,328,324	1,469,808	1,567,316
Services	25,982,088	28,164,719	30,719,550
Capital Outlay	111,010		
Other Charges	720,528	746,881	800,624
Total Expenditures	\$45,002,938	\$50,510,353	\$53,145,779

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	218.5	236.5	234.5
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Facility Services**2015 BUDGET****Public Works****Adopted****Significant Budget Changes:**

In 2014, Facility Services managed 5,659,449 square feet of county-owned property (79 buildings) and 250,653 square feet of county-leased facilities (42 buildings). That number has increased to 5,736,958 square feet of county-owned property (81 buildings) and 298,482 square feet of county-leased facilities (40 buildings) in 2015 due in large part to new regional hubs in North Minneapolis and Hopkins, expanded lease space at Sabathani Community Center and increased library space.

In 2015, the new Excelsior and Walker Libraries, as well as the new 911 Emergency Communications Facility (a 24/7 operation) will be in full operation for the entire year. Similarly, the full year's expenses of operating Target Field Station are reflected in the 2015 budget. After a full year of management of the Adult Correction Facility and the County Home School, experience has shown that there is a need for increased funds to properly maintain each facility and address identified life/safety issues. In addition, it has been determined that the Century Plaza building will remain operational through 2017 and therefore, cost increases are likely.

Division Budgets:	2013 Actual	2014 Budget	2015 Budget
Administration & Business Services	\$3,584,526	\$4,060,565	\$3,856,225
Design & Construction	1,619,153	1,542,615	1,611,375
Energy & Engineering	518,472	856,867	897,369
Planning & Project Development	771,003	930,823	932,290
Workplace Safety	830,648	1,012,778	1,081,180
Security	8,577,950	8,203,693	9,068,693
Building Management	29,101,186	33,903,012	35,698,647
Total Expenditures	\$45,002,938	\$50,510,353	\$53,145,779

Budget Commentary:

In addition to facility expansion, the cost drivers behind the 2015 budget reflect significant increases in utility and contract costs. Other costs have been absorbed.

Utilities represent about 30 percent of the facilities budget. The overall utilities budget has been increased to correlate to more "normal" winter weather conditions. A 2-year electricity rate increase is estimated at 4.5 percent. Fuel costs are estimated to increase by 4 percent. Natural gas rates are estimated to increase for 10 percent for libraries and 3 percent for other facilities (differences due to sales tax exemption).

Janitorial contracts represent about 15 percent of the budget. Costs have increased by about 20 percent due to an expansion of library hours (+249 hours), prevailing wage increases (+3 percent) and increased rates due to rebidding (about 2-5 percent). Other maintenance contracts (including elevator, generator, pest control and landscape maintenance) are also expected to increase in costs.

A 3.5 percent prevailing wage increase and the additional security coverage assigned to Human Services Public Health Department hubs (HSPHD) are cost drivers as well. There have also been increases in the protective security contract, security officer training classes and uniforms.

A physical security specialist has been added who will be dedicated to coordinate new security system installations, support and maintain systems through coordination of security vendor and document process and procedures related to installations and systems. A position has been added to address the increase in the number of interiors projects. During the past couple of years, the number of interiors projects has increased significantly. Lastly, a part-time position has been made full time in Workplace Safety reflective of the fact that Hennepin County Public Works represents some of the most hazardous occupations in the county with safety staff providing a wide range of services.

Facility Services**Public Works****2015 BUDGET****Adopted**

Key Results:	2013	2014 Est.	2015 Est.
Building Operation cost per square foot	\$5.25	\$5.14	\$5.63
Energy cost per square foot	\$1.79	\$1.68	\$1.88
Janitorial cost per square foot	\$1.41	\$1.44	\$1.50
OSHA incidence rate (per 100 employees)	2	< 3	<3
Construction Small Business (SBE) utilization	45%	45%	TBD
Weapons screened	9,150	9,100	9,100

Additional Resources:

www.hennepin.us

Planning, Policy and Land Management
Public Works

2015 Budget
Adopted

Mission:

Planning, Policy and Land Management provides expertise and serve as a resource to coordinate and facilitate cross-functional collaboration and communication for the realization of Public Works initiatives and to support county efforts.

Description:

Planning, Policy and Land Management provides planning, policy, project and program management across Public Works as well as technical support to advance knowledge and application of mapping tools and land and lease management for the county.

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$1,373,087	\$1,626,334	\$1,515,684
Other Taxes			
Federal		163,322	23,000
State		199,408	393,433
Local		197,450	252,333
Investment Earnings			
Fees for Services	15,714	5,000	
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	733,562	929,560	972,672
Total Revenues	\$2,122,363	\$3,121,074	\$3,157,122
Personal Services	\$1,690,685	\$2,561,122	\$2,642,557
Commodities	15,345	8,400	11,600
Services	189,075	485,630	457,089
Capital Outlay	156		
Other Charges	13,283	65,922	45,876
Total Expenditures	\$1,908,544	\$3,121,074	\$3,157,122

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	20.0	26.0	26.0
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**Transportation
Public Works**

**2015 BUDGET
Adopted**

Mission:

To support, sustain and enhance the economic vitality and quality of life within Hennepin County by developing and maintaining a safe, efficient, balanced and environmentally sound county transportation system.

Description:

Transportation administers all functions associated with the county highway system and an overarching goal of “Hennepin County has the best possible multimodal transportation network to move people and goods to sustain our communities and environment.”

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$15,974,329	\$16,249,546	\$16,518,811
Other Taxes	58,851	8,751,292	9,348,579
Federal	4,717		
State	19,348,431	18,860,544	19,524,202
Local	188,982	1,177,659	1,454,755
Investment Earnings			
Fees for Services	51,729	113,380	106,380
Fines and Forfeitures			
Licenses and Permits	304,878	308,765	308,765
Bond Proceeds			
Other Revenue	75,555	(1,946,700)	(1,946,700)
Total Revenues	\$36,007,472	\$43,514,486	\$45,314,792
Personal Services	\$18,234,802	\$20,212,519	\$20,881,142
Commodities	5,932,085	6,251,880	7,290,330
Services	12,086,081	16,626,429	16,624,963
Capital Outlay	223,716	264,710	360,718
Other Charges	154,380	158,948	157,638
Total Expenditures	\$36,631,064	\$43,514,486	\$45,314,792

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	212.0	216.5	217.0
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**Transportation
Public Works**

**2015 BUDGET
Adopted**

Significant Budget Changes:

The Transportation department's 2015 Operating Budget is \$45.3 million or \$1.8 million (4.1 percent) more than the department's 2014 operating budget. The increase is due to an estimated \$576,000 in wheelage tax revenue, \$764,000 in State Aid and \$277,000 in local revenue. In addition, the increase reflects a policy that State Aid construction funds will be diverted to the Operating Budget to finance a significant portion of the cost of bituminous pavement overlays (\$3.6 million of the anticipated \$6.1 million cost). The department's 2015 budget is also supported by \$16.5 million of property tax. Other Revenue reflects the \$2.0 million of Wheelage Tax that will be used to reduce the debt service on previously issued highway-related debt.

The 2015 cost drivers include various staffing-related costs, and road and traffic expenditures.

Division Budgets:	2013 Actual	2014 Budget	2015 Budget
Administration	\$557,897	\$569,204	\$665,176
Design	3,343,671	3,601,888	3,883,411
Planning	1,364,999	1,438,517	1,558,781
Construction	4,228,867	4,681,142	4,788,808
Operations	27,135,630	26,523,735	27,142,616
Wheelage Tax Operations		6,700,000	7,276,000
Total Expenditures	\$36,631,064	\$43,514,486	\$45,314,792

Budget Commentary:

The department's primary responsibilities are to maintain and improve the county highway system. The following is a Transportation System overview:

System objectives: preservation, safety, reconstruction/expansion and implementation of mobility options.

System components: roads - 2,182 lane miles, bikeways - 559 miles, sidewalks - 385 miles, bridges - 147 and traffic signals - 784.

The department's anticipated 2014 accomplishments include: complete 175 lane miles of bituminous overlays (100 by county staff and 75 by contractors), complete 6.4 miles of trails and bikeways, close 3 bicycle gaps as identified in the Hennepin Bicycle Gap Study, restripe a number of county highways to include shoulder and/or bicycle lanes and complete approximately \$40.0 million in construction projects.

Key Results:	2013	2014 Est.	2015 Est.
Percent of bridges with sufficiency rating < 50	9.5%	9.5%	9.5%
System annual crash rate (for the years 2010, 2011, 2012)	3.45	3.08	3.00
Present serviceability rating (portion rated good or better)	61.9%	58.9%	59.6%
Engineering costs as a percent of actual capital project costs.	21.7%	18.0%	18.0%
Capital Improvement Program/Construction Expenditures (million)	\$14.7	\$33.2	\$51.5
Percent of employees attaining the 24 hour training goal	80%	90%	100%

Additional Resources:

www.hennepin.us

Major Program: Public Safety

- County Attorney's Office
- Court Functions
- Public Defender's Office
- Sheriff's Office
- Department of Community Corrections and Rehabilitation
- Sheriff's Radio Communications



County Attorney Michael O. Freeman



Sheriff Richard W. Stanek

Program Description:

The Public Safety program includes the county's activities in law enforcement, criminal prosecution, legal counsel for the indigent and correctional programs. The county departments contributing to this major program are the County Attorney's Office, Court Functions, Public Defender's Office, Sheriff's Office, Department of Community Corrections and Rehabilitation, and Sheriff's Radio Communications.

Program Budget Highlights:

The 2015 Public Safety program accounts for 43.4 percent of the expenditures in the County Revenue Fund (also referred to as the General Fund) and 100 percent of the Sheriff's Radio Communications Fund. The program will operate with 2,123 authorized full-time equivalents (FTEs) which is a decrease of 19.9 FTEs over the 2014 adjusted budget.

The 2015 operating expenditures for the Public Safety program have increased by 3.1 percent or \$8.1 million over the 2014 adjusted budget for a total appropriation of \$271.6 million. The expenditures will be offset by \$57.7 million in expected non-property tax revenues and \$213.9 million in property tax.

Overall, the main contributors to the increase in 2015 can be found in the following categories: Personal Services for \$5,378,585 and Services for \$2,892,716.

The increase in Personal Services expenditures stems from a cost of living adjustment (COLA), merit increases, Public Employee Retirement Association (PERA) rate increases and the increase of contracted nurses for the Adult Detention Center.

The expansion of the Service category expense pertains to a county-wide increase in the information technology (IT) infrastructure, hospitalization of indigent inmates and state juvenile placements at Red Wing. Additional increase is seen in the Public Defender's Office for contracted attorneys to maintain the current level of service as the attrition of Hennepin County FTEs continues.

Although the 2015 Public Safety FTEs reflects a decrease, some of the larger changes occurred in the Department of Community Corrections and Rehabilitation with an increase of 14.5 FTEs while the Public Defender's Office reduced their number of Hennepin County FTEs by 5.4 and the Sheriff's Office for 30 FTEs.

Revenue Highlights:**Property Tax Revenues**

In 2015, property tax comprises 78.8 percent of the Public Safety program's total expected revenues of \$271.6 million. The majority of the property tax will fund the Sheriff's Office at \$82.4 million, Department of Community Corrections and Rehabilitation at \$80.0 million, County Attorney's Office at \$41.9 million, Public Defender at \$7.5 million and Court Functions at \$2.2 million.

Non-Property Tax Revenues

The departments in the Public Safety program will rely on \$57.7 million in expected non-property tax revenues for 2015. The main sources are the State of Minnesota with \$31.1 million, Fees and Services revenue at \$18.9 million, Federal revenue at \$4.2 million and \$2.5 million in Other Revenue.

Federal Revenue

The federal monies fund activities in child support, child protection, welfare fraud, Homeland Security, DNA testing, crime lab, State Criminal Alien Assistance Program, Minneapolis Anti-Violence Initiative, DWI countermeasures and reimbursement for breakfast and lunch programs at the Juvenile Detention Center and County Home School.

When compared to the 2014 adjusted budget, federal revenue reflects a slight increase of \$179,100, however, support for specific programs have changed. The Sheriff's Office obtained the DNA Backlog grant with a slight increase for the DNR Supplemental grant while the County Attorney's Office will receive an increase in Child Support reimbursements. These slight increases of federal revenue have been offset by a decrease in the Department of Community Corrections and Rehabilitation for the sunset of the Veterans Court grant.

State Revenue

Revenue from the State of Minnesota is the largest source of non-property tax income for the Public Safety program and is reflective of 11.4 percent of total revenue. The majority of state revenue will be realized in the following departments:

Department of Community Corrections and Rehabilitation accounting for \$18.7 million for activities related to Community Corrections Act (CCA), Probation Officers Caseload Reduction, Intensive Supervised Release (ISR) and Department of Corrections Sex Offender Supervision; the Public Defender's Office with \$8.5 million as a subsidy for the costs associated to the remaining Hennepin County employees; and the Sheriff's Office at \$3.6 million for Police State Aid (PERA-Police and Fire), 911 Enhancement fee and Violent Offender Task Force (VOTF) activities.

When compared to the 2014 adjusted budget, revenue from the State of Minnesota has increased by \$198,600 to \$31.1 million mainly due to the increase for reimbursement from the Minnesota State Public Defender's Office for \$138,700.

Fees and Services Revenue

As the second largest source of non-property tax revenue or 7.0 percent of total revenue is obtained as a result of charges to other jurisdictions or clients for processing, boarding, monitoring pre- and post- adjudication of clients, civil fees, court fees and lease revenue for radios and mobile data computers.

The anticipated 2015 Fee and Service revenue will increase by \$587,400 to \$18.9 million over the 2014 adjusted budget. The Department of Community Corrections and Rehabilitation drove the increase due to the food service program at the correctional facilities and the Correctional Service fee.

License and Permits

Prior year policy discussions on both the state and federal level have increased attention on gun ownership issues. These discussions have been a contributing factor to the year over year growth in the number of applications for a permit to carry. In 2015, the Sheriff's Office has realigned gun permit revenue with projected activity for a decrease of \$135,400.

Other Revenue

In 2015, Other Revenue has been budgeted at \$2.5 million and accounts for 1.0 percent of total revenues. The majority of this revenue falls in the Sheriff's Office for reimbursement for personal services for the Sheriff's Radio Communications (Fund 38), detective work for other Hennepin County departments, court security and jail commissary sales. Other contributors are revenues derived from Department of Community Corrections and Rehabilitation for the Productive Day program and commissary sales at the Adult Correctional Facility; along with an increase in utilization of the Sheriff's Radio fund balance to maintain positions from the 911 Emergency Communications Facility transition team.

2015 BUDGET

Adopted

Department Expenditure Summary:	2013 Actual	2014 Budget	2015 Budget
County Attorney's Office	\$43,614,295	\$45,107,676	\$46,841,906
Court Functions	1,779,872	2,192,000	2,192,000
Public Defender's Office	15,313,801	15,929,587	16,016,754
Sheriff's Office	89,472,959	91,899,764	94,887,942
Dept. of Community Corrections and Rehabilitation	100,813,735	105,693,305	108,607,846
Sheriff's Radio Communications	2,357,279	2,667,227	3,087,073
Total Expenditures	\$253,351,941	\$263,489,559	\$271,633,521

Program Highlights by Department:**County Attorney's Office**

The Hennepin County Attorney's Office (HCAO) continues to manage ongoing budget challenges by pursuing innovative cost saving measures, growing community partnerships and seeking outside funding for critical work in the office. While the HCAO works hard to hold the line on property tax, the approved 2015 operating budget and property tax reflects an increase of 3.9 percent. The increase stems from cost of living adjustment (COLA), merit increases with the associated taxes and benefits; the increase of the base salary for Associate Attorney job class; increased utilization of temporary wages (law clerks) due to increased work load; Information Technology rate increases; realignment of revenue to actuals for activities associated with Enterprise Funds and grants.

Court Functions

When the State of Minnesota took over District Court on July 1, 2003, Hennepin County was to provide administrative oversight and funding for certain functions that were to remain with the county. Some of these duties are representation in Mental Health Court and temporary hospital confinement, Family Court, Probate Court, along with Housing and Criminal Court representation.

The 2015 budgeted expenditure authority is funded 100 percent by property taxes and will remain flat with the 2014 adjusted budget of \$2.2 million.

Public Defender's Office

In 2015, the Public Defender's Office has an appropriation of \$16 million, offset by expected non-property tax revenues of \$8.5 million and property tax of \$7.5 million. The Public Defender's Office was also approved to operate with 72.5 FTEs. When compared to the 2014 adjusted budget of \$15.9 million. The authorized operating budget reflects a slight increase with a correlated increase in revenues from the State of Minnesota. The number of authorized FTEs for 2015 are also down by 5.4 FTEs from the 2014 adjusted budget for an authorized count of 72.5 FTEs. The majority of the increase stems from a COLA, merit increases and benefits; a county-wide increase in IT infrastructure rates; and attorney contracts to maintain current service levels as the number of Hennepin County FTEs decline.

Some of the accomplishments/efficiencies are technological advancement with case discovery information and going live with District Court calendaring; working with other Minnesota Judicial Districts in Multi-Defendant prosecution; community outreach with Ethnic Community Leaders; and the utilization of volunteers from private firms.

Sheriff's Office

In 2015, the Sheriff's Office will have an appropriation of \$94.9 million which will be offset by expected non-property tax revenues of \$12.5 million and property tax of \$82.4 million. When compared to the 2014 adjusted budget of \$91.9 million, the operating budget has increased by \$3.0 million; property tax revenues have increased by \$3.3 million; and non-property tax revenues have decreased by \$400,000. In 2015, the Sheriff's Office was approved to operate with 778.0 FTEs. The 2015 operating budget reflects funding for 742.0 Full-Time Equivalent (FTEs), which is a decrease of 17.4 FTEs from the 2014 adjusted budget of 759.4 FTEs.

Of the \$3.0 million operation increase, \$1.8 million occurs in Personal Services due to an increase associated to a COLA, a merit and Public Employee Retirement Association (PERA) rate increases. Additional increases are seen county-wide information technology rates and a change in the mix of services utilized; Hennepin County Medical Center (HCMC) drugs, inpatient hospitalization costs and the nursing contract in the Adult Detention Center.

Program Highlights by Department Continued:**Department of Community Corrections and Rehabilitation**

The Department of Community Corrections and Rehabilitation (DOCCR) established a strategy map in 2008 to guide change initiatives department-wide. The strategy map has led the department down a multi-year transformation to become a results-oriented and data-driven organization creating an organization that is sustainable and aligned with correctional evidence-based practices (EBP). DOCCR has put into practice meaningful improvements, such as implementing quality assurance programming through a correctional program checklist to evaluate vendors; developing cognitive skills curriculum emphasizing quality service delivery; and establishing a Train Coach Practice unit to further the delivery of safety and EBP trainings. The department has been measuring the impact of these changes with regularity and using that information to continuously improve service delivery.

The department recognizes that all DOCCR staff, criminal justice partners and human services agencies must be engaged to accomplish its mission. To that end, DOCCR has invested in engaging these partners through the Employee Engagement Committee, the Transition from Jail to Community Initiative, the Comprehensive Review of Children and Youth Services, and the Hennepin Justice Integration Program.

Over the last five plus years, DOCCR has implemented several significant programming changes which include the Juvenile Detention Alternative Initiative to develop youth into healthy and productive adults; Managed Health care which has yielded efficiencies in medical personnel services, pharmacy, off-site clinic visits, and in-patient billings; and Evidence-Based Practices for staff engagement, centralized infrastructure for planning and training, along with aligning of client services.

Budgeted Positions:	2013 Actual	2014 Budget	2015 Budget
County Attorney's Office	346.0	347.0	348.0
Court Functions	0.0	0.0	0.0
Public Defender	82.9	77.9	72.5
Sheriff's Office	808.0	808.0	778.0
Dept. of Community Corrections and Rehabilitation	899.0	910.0	924.5
Sheriff's Radio Communications	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	2,135.9	2,142.9	2,123.0

Mission:

We serve justice and public safety through our commitment to ethical prosecution, crime prevention and innovative and reasoned client representation.

Department Description:

The Hennepin County Attorney's Office (HCAO) is organized by Criminal and Civil Divisions.

The Criminal Divisions represent the State of Minnesota, prosecuting adults charged with felonies, and all crimes committed by juveniles. The Criminal Divisions include Adult Prosecution, Juvenile Prosecution, the Gang Unit, Community Prosecution, Special Litigation and the Victim Witness Program, which includes the Domestic Abuse Service Center.

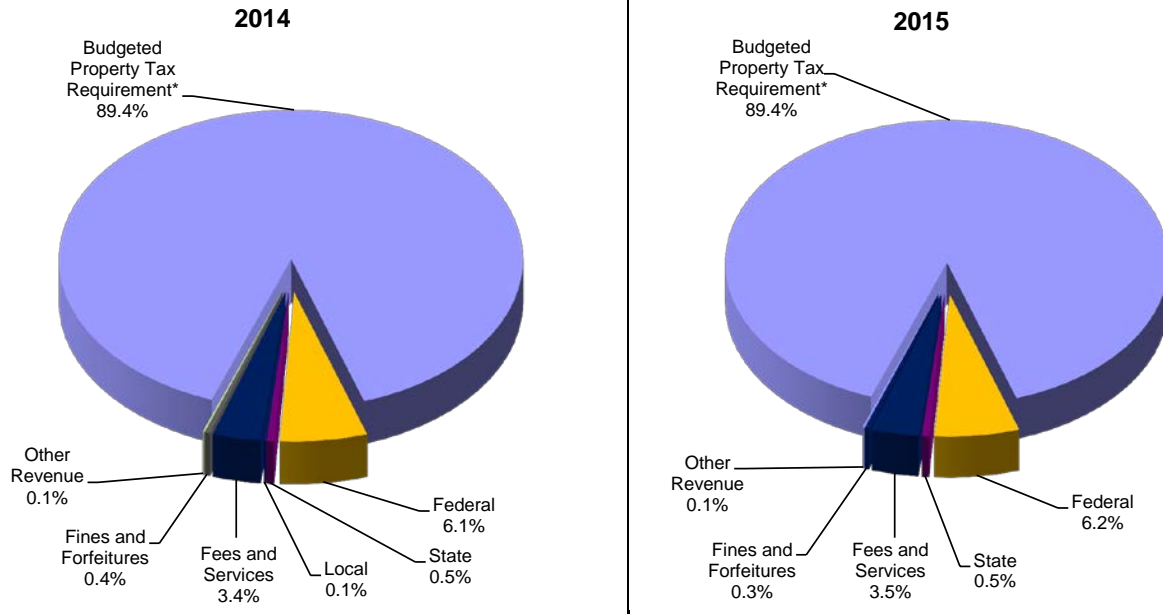
The Civil Division provides legal representation to all county departments, including Hennepin Healthcare Systems. The other Civil Divisions include Child Protection, Child Support Enforcement and Mental Health. The Administration Division provides executive direction and coordination for policy and office-wide functions.

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$38,874,976	\$40,304,765	\$41,859,276
Other Taxes			
Federal	2,804,986	2,750,864	2,896,693
State	247,456	235,747	249,371
Local	50,000	67,600	
Investment Earnings			
Fees for Services	1,625,870	1,519,700	1,616,566
Fines and Forfeitures	222,264	175,000	150,000
Licenses and Permits			
Bond Proceeds			
Other Revenue	48,209	54,000	70,000
Total Revenues	\$43,873,761	\$45,107,676	\$46,841,906
Personal Services	\$36,623,342	\$38,019,027	\$39,659,992
Commodities	181,440	246,250	292,703
Services	6,619,669	6,699,270	6,759,788
Public Aid			
Capital Outlay	10,877		
Other Charges	178,967	143,129	129,423
Total Expenditures	\$43,614,295	\$45,107,676	\$46,841,906

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	346.0	347.0	348.0
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Revenue Comparison:



Significant Budget Changes:

In 2015, Hennepin County Attorney's Office (HCAO) will have an appropriation of \$46.8 million which will be funded by expected property tax revenue of \$41.9 million and non-property tax revenue of \$4.9 million. When compared to the 2014 adjusted budget, the operating budget has increased by 3.8 percent or \$1.7 million. Property tax revenues have increased by 3.9 percent or \$1.6 million, with non-property tax revenues showing a slight increase of \$180,000.

The Hennepin County Attorney's Office (HCAO) continues to manage ongoing budget challenges by pursuing innovative cost saving measures, growing community partnerships and seeking outside funding for critical work in the office. While the HCAO works hard to hold the line on property tax, the approved 2015 operating budget and property tax reflects an increase of 3.9 percent. The increase stems from cost of living adjustment (COLA), merit increases with the associated taxes and benefits; the increase of the base salary for Associate Attorney job class; increased utilization of temporary wages (law clerks) due to increased work load; Information Technology rate increases; realignment of revenue to actuals for activities associated with Enterprise Funds and grants.

Division Budgets:	2013 Actual	2014 Budget	2015 Budget
Criminal	\$23,279,955	\$24,303,473	\$25,204,893
Civil and Administration	20,334,340	20,804,203	21,637,013
Total Expenditures	\$43,614,295	\$45,107,676	\$46,841,906

Budget Commentary:

While criminal caseloads remained relatively flat from 2013 to 2014, the County Attorney's Office prosecuted a number of high-profile homicide, white collar and nuisance property cases. In addition, HCAO continued its groundbreaking work in reducing racial disparity in juvenile diversion by utilizing volunteers to make contact with families of color where letters or calls fail.

In 2014, the HCAO continued to focus on reducing gun violence by working with the United States Attorney's Office to prosecute offenders in the jurisdiction most likely to achieve the best outcomes. The HCAO worked with law enforcement to aggressively identify and prosecute those who illegally possess firearms. On the prevention side, the HCAO developed an anti-gun violence campaign focused on reducing gun crimes by juveniles and continues to run the highly successful be@school program that works to ensure kids stay in school and out of the criminal justice system.

The HCAO Child Protection and Child Support divisions worked to strengthen families and ensure children are cared for and protected through the collection of child support and, if necessary, court intervention when it is in the best interest of the child.

Key Results:

Obtained a 21-month prison sentence in the most elaborate welfare fraud case ever prosecuted in Hennepin County where defendants fraudulently obtained nearly \$168,000 in food, cash and medical care while living part of that time on their \$1.2 million yacht.

Reached over 3,100 young people at junior and senior high schools across the County with Stars and Stripes, a performance developed in partnership with Mixed Blood Theater as a method to reduce gun violence in youths.

Successfully negotiated a public-private development deal at Target Field Station to create a vibrant public space, generate revenue to maintain the site, create jobs and enlarge the tax base.

Worked with police departments, housing inspectors and community groups to close down nuisance properties using a collaborative crime prevention and GIS technology approach.

Successfully intervened with a Child In Need of Protection and Services petition to ultimately reunite the 9-year-old boy who stowed away on a Delta Airlines flight to Las Vegas with his parents.

Additional Resources:

Hennepin County Attorney's Office
C-2000 Government Center
300 South Sixth Street
Minneapolis, MN 55487
Phone: 612-348-5550
Email: citizeninfo@hennepin.us
Website: www.hennepinattorney.org

Court Functions
Public Safety

2015 BUDGET
Adopted

Mission:

Provide administrative oversight and funding for certain District Court functions that remain with the county following the state takeover of the District Court on July 1, 2003.

Department Description:

The state takeover of the Fourth Judicial District occurred on July 1, 2003. In accordance with MN Statute 273.1398 Subd. 4b(b), certain functions that were overseen by the District Court remain with the county following the takeover. Court Functions include the following contract services: Mental Health Court representation and temporary hospital confinement, Family Court representation, Probate Court representation, along with Housing and Criminal Court representation.

Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$2,192,000	\$2,192,000	\$2,192,000
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue			
Total Revenues	\$2,192,000	\$2,192,000	\$2,192,000
Personal Services			
Commodities			
Services	\$1,779,872	\$2,192,000	\$2,192,000
Public Aid			
Capital Outlay			
Other Charges			
Total Expenditures	\$1,779,872	\$2,192,000	\$2,192,000

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	0	0	0
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Budget Commentary:

The 2015 Court Functions operating budget will remain flat when compared to the 2014 adjusted budget. The majority of the 2015 expense is allocated for legal representation for the indigent in Hennepin County Mental Health Court.

The 2015 budget is comprised of:

- \$1,155,000 for Mental Health Court legal representation
- \$145,000 for temporary hospital confinement of Mental Health Court clients
- \$337,000 for Family Court, appointed legal representation of indigent in parenting matters
- \$425,000 for Probate Court, appointed legal representation of minor children, incapacitated or incompetent indigent adults
- \$60,000 for Housing Court, appointed legal representation for legal advice to low-income tenants and landlords
- \$70,000 for legal assistance for indigent clients in criminal cases

Mission:

To provide the highest quality representation to indigent clients in the protection of their legal rights, thereby safeguarding those rights for each member of the community.

Department Description:

According to Gideon v. Wainwright (decided 50 years ago), the United States Supreme Court held an indigent defendant as entitled to assistance of counsel in a criminal trial. In subsequent cases, the Supreme Court has further established right to counsel in any case where the accused may be imprisoned if found guilty. Juveniles also are entitled to the same legal rights as adults. Over the course of the last three years, the Supreme Court has also ruled that immigration consequences are no longer considered 'collateral' (Padilla v. Kentucky) and that the accused is entitled to effective assistance of counsel during plea negotiations. The Public Defender's Office is entrusted with these responsibilities for the majority of criminal cases prosecuted in Hennepin County. The Office of the Public Defender also represents children in juvenile delinquency petitions as well as children and parents in child protection and termination of parental right matters.

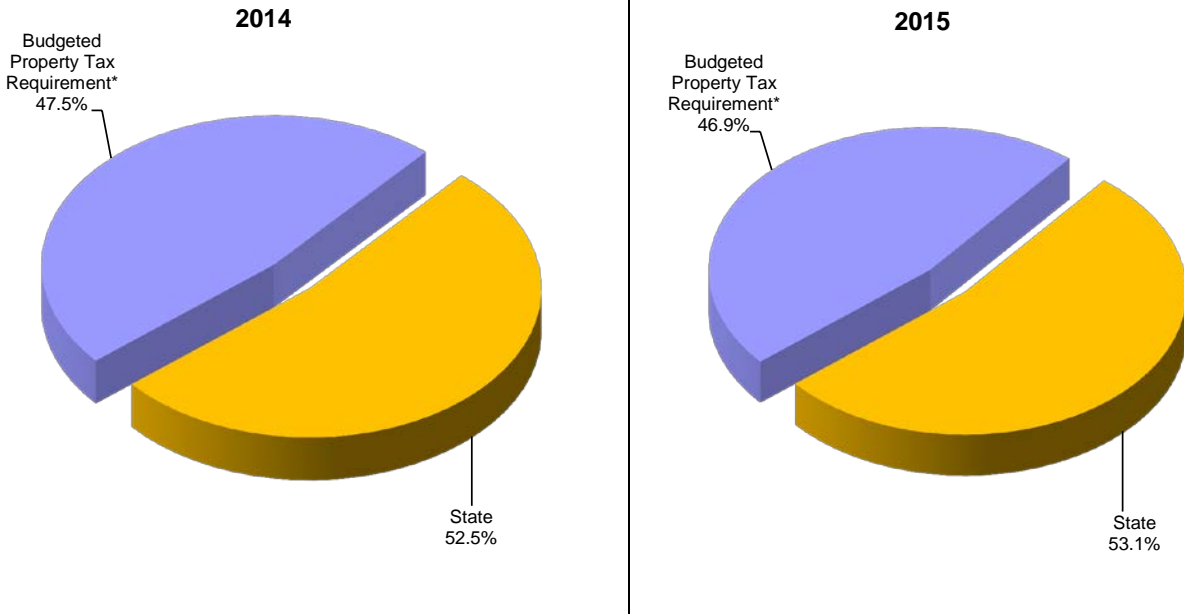
Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$7,285,581	\$7,562,656	\$7,511,170
Other Taxes			
Federal			
State	8,419,800	8,366,931	8,505,584
Local			
Investment Earnings			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue			
Total Revenues	\$15,705,381	\$15,929,587	\$16,016,754
Personal Services	\$10,854,236	\$11,093,618	\$10,537,307
Commodities	206,571	404,550	478,550
Services	4,188,541	4,389,419	4,946,897
Public Aid			
Capital Outlay	186	5,000	10,000
Other Charges	64,267	37,000	44,000
Total Expenditures	\$15,313,801	\$15,929,587	\$16,016,754

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	82.9	77.9	72.5
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Revenue Comparison:



Significant Budget Changes:

In 2015, the Public Defender's Office has an appropriation of \$16.0 million, offset by expected non-property tax revenues of \$8.5 million and property tax of \$7.5 million. When compared to the 2014 adjusted budget of \$15.9 million, the authorized operating budget will increase by \$87,000 shared by both non-property tax and property tax. The Public Defender's Office will operate with 72.5 full-time equivalents (FTEs) which is a decrease of 5.4 FTEs over the 2014 adjusted budget.

When compared to the 2014 adjusted budget, the operating budget continues to remain relatively flat. While we had a decrease in Personal Services, we had a similar increase in the area of Services. The increase in Services stems from attorney contracts to assist in maintaining current service levels as the number of Hennepin County FTEs decline. In 2014, the State of Minnesota hired 15 new public defender lawyers, which will require extensive training and experience before they are able to take on a full caseload. Over time, this will slowly decrease the number of attorney contracts, but until then, the Public Defender's Office will continue to utilize contracted attorneys to accommodate the demand for services.

Division Budgets:

	2013 Actual	2014 Budget	2015 Budget
Adult Criminal Court	\$10,566,523	\$10,991,415	\$11,051,560
Adult CHIPS and Appeals	2,526,777	2,628,382	2,642,764
Juvenile Delinquency & CHIPS Children	2,220,501	2,309,790	2,322,429
Total Expenditures	\$15,313,801	\$15,929,587	\$16,016,754

Budget Commentary:

The Public Defender's Office remains steadfast in developing processes allowing for zealous representation of each client. The focus for 2015 will be to increase efficiencies in technology, work closely with court personnel, build on relationships with community agencies and utilize volunteers.

Technology: The Public Defender continues to collaborate with District Court and public safety partners in an effort to move to a paperless environment. In the fall of 2014, discovery moved from paper to electronic sharing of documents on most felony cases. This efficiency has created additional time for lawyers to work with clients prior to court appearances. The Public Defender will continue to work toward retrieving vital documents in a timely manner.

Court Changes: In 2015, Hennepin County District Court will implement a major structural change in Property Drug and Property Felony Court that will dramatically impact lawyers working with these felony cases. The Public Defender will continue to work with court leadership to provide input and negotiate changes allowing for the best outcomes for clients and staff.

Community Outreach: The Public Defender's Office continues to work with Ethnic Community Leaders. Recently, paralegals, investigators, social workers and lawyers volunteered their time to talk to Latino Community Leaders about why our work is so important and how best we can work together to effectively get information about the court system to people of all ethnic backgrounds in Hennepin County.

Volunteers: Last year, volunteers from various law schools interned in the Public Defender's Office to better understand public defense. The Public Defender will continue to offer these opportunities. Currently, a volunteer is assisting on immigration matters in order to better manage the increasing immigration caseload.

Specialty Court: Recently, a supervisor was added to work with staff in problem solving courts. This supervisor will also serve as an advisor to our lawyers for clients who have mental health issues. The Public Defender actively participates on various work groups and committees to improve the way in which clients with mental health issues receive services. The Public Defender continues to be an active partner in the county's Behavioral Health Initiative.

Key Results:	2013	2014 Est.	2015 Est.
Murder	46	40	40
Felony	5,145	5,369	5,200
Gross Misdemeanor	5,254	4,738	5,000
Misdemeanor	18,828	22,151	26,000
Juvenile Delinquency	3,177	2,905	3,000
Juvenile Welfare	1,851	1,490	1,800
Probation Violations	9,500	7,955	8,000
Extraditions	159	192	160
Other	428	214	300
Total	44,388	45,054	49,500

Additional Resources:

Public Defender's Office
 Minnesota 4th Judicial District
 701 Fourth Avenue S, Suite 1400
 Minneapolis, MN 55415
 Phone: (612) 348-7530
 Email: pd.info@hennepin.us
 Website: www.pubdef.state.mn.us

Mission:

"Dedicated to increasing public safety through leadership, integrity and strong partnerships."

Department Description:

Minnesota State Statutes provide that the Sheriff is the Chief Law Enforcement Officer of the County, empowered to use all resources necessary "to keep and preserve the peace of the county." Minnesota State Statutes specifically confer upon the Sheriff the mandate to perform critical public safety functions:

- Safe and secure operation of the county jail
- Operation of the public safety communications system
- Enforcement on the county's waters (i.e., search, rescue and buoing)
- Execution of all civil processes brought to the Sheriff (e.g., foreclosure, redemption, levy, garnishment, eviction and other executions of judgment)
- Security for the Fourth Judicial District Court
- Transport for individuals under the court's jurisdiction
- Pursuit and apprehension of all felons

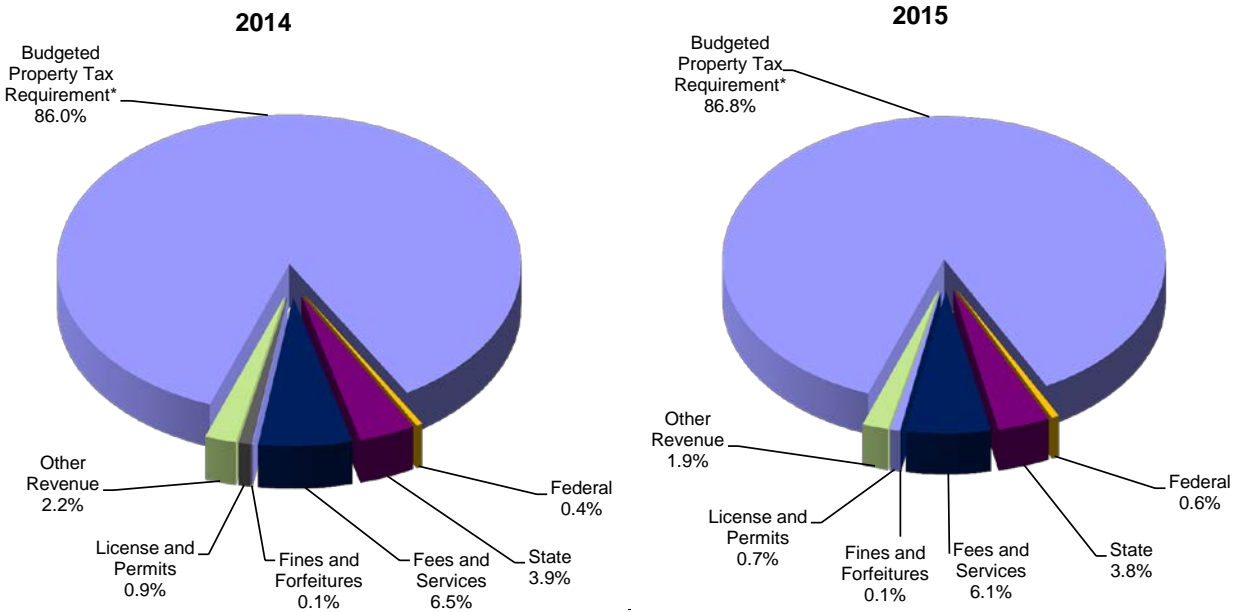
Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$75,361,531	\$79,018,651	\$82,364,869
Other Taxes			
Federal	498,615	400,035	523,951
State	3,709,735	3,612,175	3,628,823
Local			
Investment Earnings			
Fees for Services	5,645,237	5,978,125	5,834,705
Fines and Forfeitures	262,503	75,000	73,000
Licenses and Permits	813,200	800,000	664,600
Bond Proceeds			
Other Revenue	1,624,558	2,015,778	1,797,994
Total Revenues	\$87,915,380	\$91,899,764	\$94,887,942
Personal Services	\$72,067,873	\$74,145,142	\$75,911,620
Commodities	4,242,939	4,565,530	4,612,299
Services	11,351,816	11,896,734	13,028,063
Public Aid			
Capital Outlay	865,969	223,500	228,500
Other Charges	944,363	1,068,858	1,107,460
Total Expenditures	\$89,472,959	\$91,899,764	\$94,887,942

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	808.0	808.0	778.0
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Revenue Comparison:



Significant Budget Changes:

In 2015, the Sheriff's Office will have an appropriation of \$94.9 million which will be funded by expected property tax revenue of \$82.4 million and non-property tax revenue of \$12.5 million. When compared to the 2014 adjusted budget, the operating budget has increased by 3.2 percent or \$3.0 million; property tax revenues has increased by 4.2 percent or \$3.3 million; and non-property tax revenues has decreased by 2.8 percent or \$400,000.

The majority of the items that impact the Sheriff's Office 2015 operating budget include: cost of living adjustments (COLAs), merit and Public Employee Retirement Association (PERA) rate increases; county-wide information technology rates and a change in the mix of services utilized; Hennepin County Medical Center (HCMC) drugs, inpatient hospitalization costs, along with the nursing contract in the Adult Detention Center; and the realignment of revenues and expenditures to actual activity.

The 2015 operating budget reflects funding for 742.0 Full-time equivalents (FTEs), which is a decrease of 17.4 FTEs from the 2014 adjusted budget of 759.4 FTEs.

Division Budgets:	2013 Actual	2014 Budget	2015 Budget
Administrative	\$9,265,853	\$11,114,846	\$12,533,006
Adult Detention	33,064,096	32,878,287	33,750,416
Communications	7,993,483	9,096,646	6,091,354
Court Services	7,134,939	7,052,717	6,910,454
Enforcement Services	12,943,639	12,447,964	12,884,635
Forensic Sciences	3,901,775	3,919,658	4,349,855
Information Technology	6,529,562	7,421,302	10,631,633
Investigative	7,399,252	7,689,103	7,676,589
Grants/Other	1,240,359	279,241	60,000
Total Expenditures	\$89,472,959	\$91,899,764	\$94,887,942

Budget Commentary:

The Hennepin County Sheriff's Office (HCSO) continues to address the heroin and medicine abuse crisis in the county. In partnership with numerous local law enforcement agencies, HCSO has investigated and arrested individuals and groups involved in narcotics distribution. There has been a 200 percent increase in heroin confiscations in 2014 compared to 2013.

The Sheriff's Office has also led prevention and education efforts. In 2014, HCSO hosted four Heroin Town Hall meetings. In addition, HCSO advocated at the Minnesota State Capitol in support of a new state law that allows law enforcement officers to administer the heroin antidote, Narcan. It is an effort to provide the life-saving antidote to heroin victims more quickly. After passage of the new law, HCSO became the first agency in Minnesota to equip law enforcement officers with Narcan.

HCSO continued to facilitate Active Shooter training with law enforcement partners, community members and military bases in the county. Among the training exercises, HCSO and the 133rd Airlift Wing at Fort Snelling simulated an Active Shooter incident on the base. Over 100 deputies, police officers and military personnel participated in the training. Additionally, throughout the year, we trained businesses and community groups about how citizens should prevent, prepare and respond to Active Shooter incidents by presenting the "Run, Hide, Fight" video.

The Adult Detention Center (Jail) and the Hennepin County Sheriff's Office Crime Lab earned re-accreditation. To receive re-accreditation, HCSO must comply with approximately 400 different rules and procedures on a daily basis at the jail and Crime Lab. Only 5 percent of jails in the United States are accredited by the American Correctional Association and this distinction indicates that HCSO maintains the highest standard of inmate custody and care. During the international re-accreditation process at the Crime Lab, the assessment team found zero non-conformances. This is essentially a "perfect score."

Working with Hennepin County, HCSO launched the Integrated Access Team (IAT) into the jail. The team will reduce recidivism by providing resources to inmates affected by homelessness, chemical dependency, unemployment and mental health issues. The IAT includes deputies, jail medical personnel, mental health workers, social workers, a chemical health counselor, a housing specialist and a case management assistant. In addition, HCSO added five Mental Health nurses at the jail to assist with identifying those in need of treatment and administering/monitoring care.

HCSO's Community Engagement Team (CET) expanded community outreach efforts in multicultural communities throughout the county. To build trust and strong relationships, the CET uses proactive "community policing" techniques. The CET responds to citizen inquiries/requests for assistance, conducts culture specific diversity training for law enforcement and partners with community organizations to address public safety concerns. CET events included; citizen academies for the Latino, Somali and Vietnamese communities, 21 community roundtables, 10 crime prevention events including youth gang discussions and 25 cultural events.

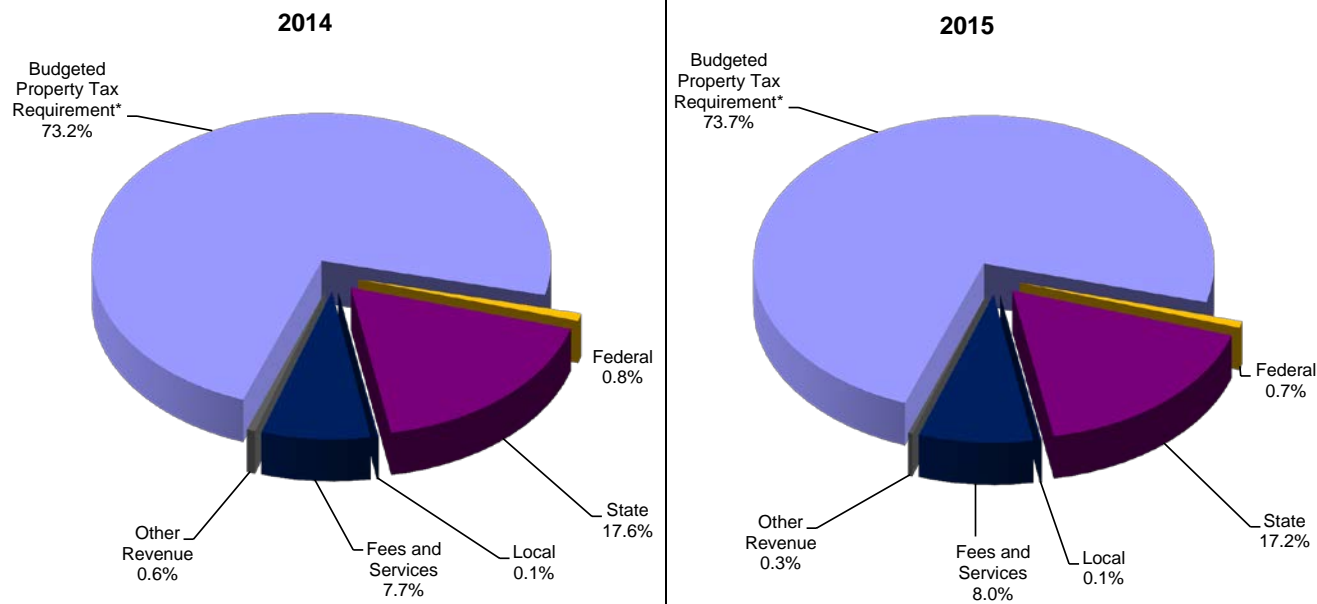
Construction on the 911 Emergency Communications Facility (911-ECF) was completed in 2014. This multi-year project greatly enhances the ability of HCSO to continually improve the service of dispatched 911 calls and will facilitate implementation of new emergency communications technologies (Next Generation 911). The Sheriff's Office 911-ECF is the largest consolidated dispatch facility in the region with dispatch services to 21 fire departments and 24 police departments in 37 communities.

Key Results:	2013	2014	2015 Est.
Number of police/fire/medical calls dispatched	647,679	624,339	653,000
Number of jail bookings	35,910	34,116	35,000
Number of court security escorts	33,552	35,042	35,000
Number of crime scene responses	2,964	2,556	2,700
Number of mortgage foreclosure sales	2,596	1,752	1,800

Additional Resources:

Hennepin County Sheriff's Office
 350 S 5th Street, Room 6
 Minneapolis, MN 55415
 Phone: (612) 348-3744
 Email: sheriff@hennepin.us
 Website: www.hennepinsheriff.org

Revenue Comparison:



Significant Budget Changes:

In 2015, DOCCR will have an appropriation of \$108.6 million which will be funded by expected property tax revenue of \$80.0 million and non-property tax revenue of \$28.6 million. When compared to the 2014 adjusted budget, the 2015 operating budget has increased by 2.8 percent or \$2.9 million; as property tax revenues have increased by 3.4 percent or \$2.7 million; with non-property tax revenues showing a slight increase of \$253,000. The department's 2015 authorized staffing is 924.5 full-time equivalents (FTEs), which is an increase of 14.5 FTEs over the 2014 staffing.

The 2015 budget includes new as well as revised programming initiatives:

The centralization of electronic home monitoring (EHM) activities within the department's Community Offender Management (COM) division was completed in late 2014 with the go-live of the Monitoring and Communication Center (MACC). The MACC provides 24 hours a day, seven days a week EHM monitoring activities. Later in 2015, the MACC plans to assume monitoring responsibilities for our department's Intensive Supervised Release and EHM agents in the field; these safety services are currently managed by the Sheriff's Radio. With the centralization and expansion of EHM activities, COM's authorized staffing has increased by 11.0 FTEs, of which, 5.0 were reallocated from the Adult Corrections Facility.

Hennepin and Ramsey Counties both currently operate residential treatment centers (RTC) that provide services to youth based on evidence-based practices (EBP). These RTCs are the Hennepin County Home School and Ramsey County's Boys Totem Town. In each case, the buildings used to house youth and programming are aging and will require significant on-going preservation and maintenance efforts, or complete renovations. The 2015 capital budget provides funding (\$350,000) to conduct a feasibility study and other preliminary work in conjunction with Ramsey County, to establish a new shared RTC at a site to be determined.

DOCCR continues its emphasis on staff safety while they effectively interact with clients through field safety and restrictive procedure training. Training is an essential part of the department's efforts to address growing worker's comp claims and manage risk and liability. In addition, the Prison Rape Elimination Act (PREA) brings new training requirements to protect both staff and residents at our department's three correctional facilities. PREA Boundaries and eLearning teach staff how to be respectful to clients and how to respond to incidents of sexual abuse, misconduct and harassment. The Juvenile Detention Center was found to be in full compliance with PREA. The Adult Corrections Facility recently completed the PREA on-site audit and is projected to fully PREA compliant by the end of first quarter of 2015 and the County Home School has been scheduled in 2015.

Significant Budget Changes Continued:

DOCCR is partnering with the National Institute of Corrections to provide training designed to improve employment outcomes for correctional clients. Unemployment is a significant criminogenic risk factor for many of our clients, and research indicates that offenders who have satisfying, stable employment are less likely to re-offend. For employment in DOCCR, we have strategic plan committees focusing on continuous improvement of recruitment and hiring, diversity and inclusion, communication, leadership and employee engagement.

In addition to increased staffing at COM, several other divisions within DOCCR have 2015 staffing increases. First, Adult Field Services is adding a net increase of 5.0 FTEs. Three of these positions are replacing non-permanent staffing with permanent staffing in the U/A Lab, Sex Offender and Domestic supervision units; two additional probation officers are being added to the Felony Investigation and Mental Health Court units. Other staffing changes for 2015 include: a new position with the establishment of the Workforce Development unit, an additional investigator for the Professional Standards and Conduct unit, a trainer for the Train Coach Practice unit, a trainer and policy coordinator at the County Homes School and Juvenile Probation converting non-permanent staffing for volunteer and transportation services to permanent staffing (1.5 FTEs).

The Hennepin County Co-Parent Court is a collaborative initiative with District Court, Human Services, DOCCR and a community agency (NorthPoint, Inc.), which is creating a model for paternity establishment that supports co-parenting to improve the social, emotional and financial outcomes for children, families and communities. The goals are to: target unwed parents needing paternity established and who can benefit from social services; improve parenting skills, relationships and participation; increase child support payments from non-custodial parents; and promote agreed upon child support orders and custody. This initiative has been funded primarily by a grant and Human Services; in 2015, this activity will be managed and funded by DOCCR.

Division Budgets:	2013 Actual	2014 Budget	2015 Budget
Administration	\$973,318	\$999,811	\$1,034,547
Organizational Change Management (OCM)	7,193,314	8,674,606	9,243,367
Adult Corrections Facility (ACF)	20,264,597	19,936,408	19,078,369
Community Offender Management (COM)	5,565,379	6,149,019	7,561,387
Family Court Services (FCS)	2,157,412	2,388,794	2,539,265
Adult Field Services (AFS)	30,234,649	32,902,545	33,748,946
County Home School (CHS)	11,200,090	10,953,876	11,202,134
Juvenile Detention Center (JDC)	8,487,182	9,323,140	9,431,642
Juvenile Probation (JP)	12,513,377	12,757,445	12,868,190
State Juvenile Placements (Red Wing)	2,224,417	1,607,661	1,900,000
Total Expenditures	\$100,813,735	\$105,693,305	\$108,607,846

Budget Commentary:

The Department of Community Corrections and Rehabilitation (DOCCR) established a strategy map in 2008 to guide change initiatives department-wide. The strategy map has led the department down a multi-year transformation to become a results-oriented and data-driven organization creating an organization that is sustainable and aligned with correctional evidence-based practices (EBP). DOCCR has put into practice meaningful improvements, such as implementing quality assurance programming through a correctional program checklist to evaluate vendors; developing cognitive skills curriculum emphasizing quality service delivery; and establishing a Train Coach Practice unit to further the delivery of safety and EBP trainings. The department has been measuring the impact of these changes with regularity and using that information to continuously improve service delivery.

The department recognizes that all DOCCR staff, criminal justice partners and human services agencies must be engaged to accomplish its mission. To that end, DOCCR has invested in engaging these partners through the Employee Engagement Committee, the Transition from Jail to Community Initiative, the Comprehensive Review of Children and Youth Services, and the Hennepin Justice Integration Program.

Over the last five plus years, DOCCR has implemented several significant programming changes which include:

Juvenile Detention Alternative Initiatives (JDAI): JDAI supports the vision that all youth involved in the juvenile justice system have opportunities to develop into healthy, productive adults. JDAI has been instrumental in the redesign of correctional out-of-home placements and the development of community-based services as more effective and cost-efficient alternatives to correctional placements. JDAI has led to programming changes at the department's two juvenile facilities (the County Home School and Juvenile Detention Center) and has generated operational savings by reducing the overall staffing at these two facilities by 74 full-time equivalents (FTEs). The JDAI initiative has resulted in fewer correctional placements at the two DOCCR juvenile facilities. DOCCR is currently exploring the potential for a shared juvenile residential facility with Ramsey County.

Budget Commentary Continued:

Managed Healthcare: The department's correctional facilities are entering the fifth year of a contract using a managed care model for its medical services. Data reflects a stable financial picture and efficient operations at all three facilities which includes positive performance in the areas of medical personnel services, pharmacy, off-site clinic appointments, and in-patient billings. The department was accredited by the National Commission on Correctional Health Care in 2013, recognizing the quality care for residents at the three correctional facilities. In 2014, DOCCR's three correctional facilities and its medical care provider partnered with Hennepin County Medical Center to implement EPIC, an electronic medical records system used by other Hennepin Healthcare providers. EPIC will streamline operations and improve the continuity of care for residents.

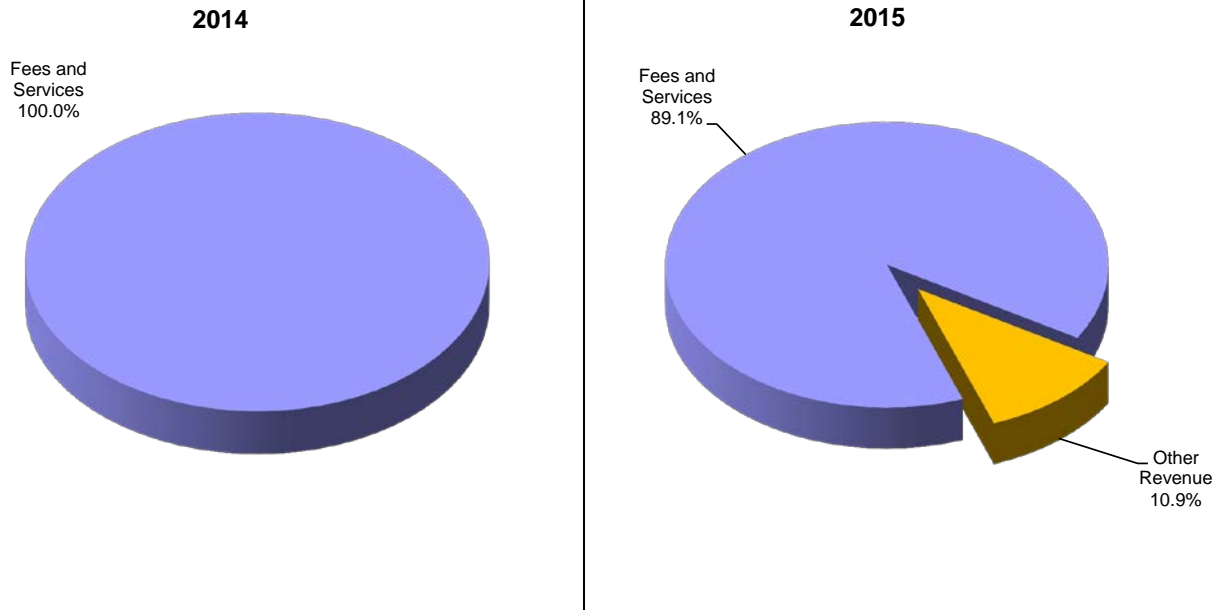
Evidence-based Practices (EBP): DOCCR entered the third phase of EBP implementation, which focuses on the institutionalization and maintenance of the actuarial assessment, motivational interviewing and cognitive behavioral group interventions. The continued success of EBP emphasizes: (1) staff engagement and active participation to ensure continuous practice improvement; (2) a centralized support infrastructure including Policy Planning and Evaluation and Train Coach Practice; and (3) policies to ensure that services are aligned with evidence-based principles and practices. Becoming an EBP organization is a journey, not a destination. As part of that journey, DOCCR's future planning efforts will explore case planning processes and models that integrate our phase III practices into daily work.

Key Results:	2013	2014 Est.	2015 Est.
1st Year Recidivism Rate - all clients referred in last month of year (delayed by 24 months)	28.8% Actual 2011 Cohort	22.9% Est. 2012 Cohort	20.0% Goal 2013 Cohort
Juveniles in Correctional Out-of-Home Placements (at year-end)	192	204	200
Total Sentencing-to-Service and Community Work Service hours completed	239,584	242,000	241,000
DOCCR Year End Percentage of Institutional Capacity	75.5%	88.7%	80.0%
JDC Year End Average Length of Stay	5.9 days	6.2 days	6.0 days

Additional Resources:

Department of Community Corrections and Rehabilitation
 C-2353 Government Center
 300 S 6th Street
 Minneapolis, MN 55487-0040
 Phone: (612) 348-6180
 Email: community.corrections@hennepin.us
 Website: www.hennepin.us/residents#public-safety

Revenue Comparison:



Significant Budget Changes:

As part of the 2014 approved budget, the Sheriff's Office developed a team to assist in the transition of the 911 service from Golden Valley to the new Hennepin County 911 Emergency Communication Facility located in Plymouth. In 2015, the majority of the increase stems from maintaining the funding for the Sheriff's Office Communication Technician's for on-going operational service.

Fund balance, not property tax, will be utilized to support the increase in expenditure.

Division Budgets:	2013 Actual	2014 Budget	2015 Budget
Radio Leases	\$1,146,858	\$2,175,395	\$2,265,680
Mobile Data Computer Leases	943,632	491,832	485,108
Infrastructure	266,789		336,285
Total Expenditures	\$2,357,279	\$2,667,227	\$3,087,073

Additional Resources:

Hennepin County Sheriff's Office
350 S 5th Street, Room 6
Minneapolis, MN 55415
Phone: (612) 348-3744
Email: sheriff@hennepin.us
Website: www.hennepinsheriff.org

2015 BUDGET

Adopted

Major Program: Health

- NorthPoint Health and Wellness Center
- Metropolitan Health Plan
- Hennepin Health
- Health Administration
- Medical Examiner
- Uncompensated Care
- Hennepin County Medical Center Intergovernmental Transfers



Hennepin County Medical Center



NorthPoint Health and Wellness Center

Program Description:

The Health program encompasses the county's health care activities. The county is the principal public agency responsible for providing services to the indigent. This major program consists of the following departments: Health Administration, NorthPoint Health and Wellness Center, Metropolitan Health Plan (MHP), Hennepin Health and the Medical Examiner. In addition, health related costs are included in the Uncompensated Care and Hennepin County Medical Center (HCMC) Intergovernmental Transfers cost centers.

Program Budget Highlights:

The Health program's budget for 2015 is \$258.4 million which is 19.0 percent less than the 2014 adjusted budget. The program will operate with 343.9 authorized FTE positions in 2015 which is 12.6 positions more than authorized for 2014. All of the departments, except for MHP and Hennepin Health, are included in the County Revenue Fund. Both MHP and Hennepin Health operate as

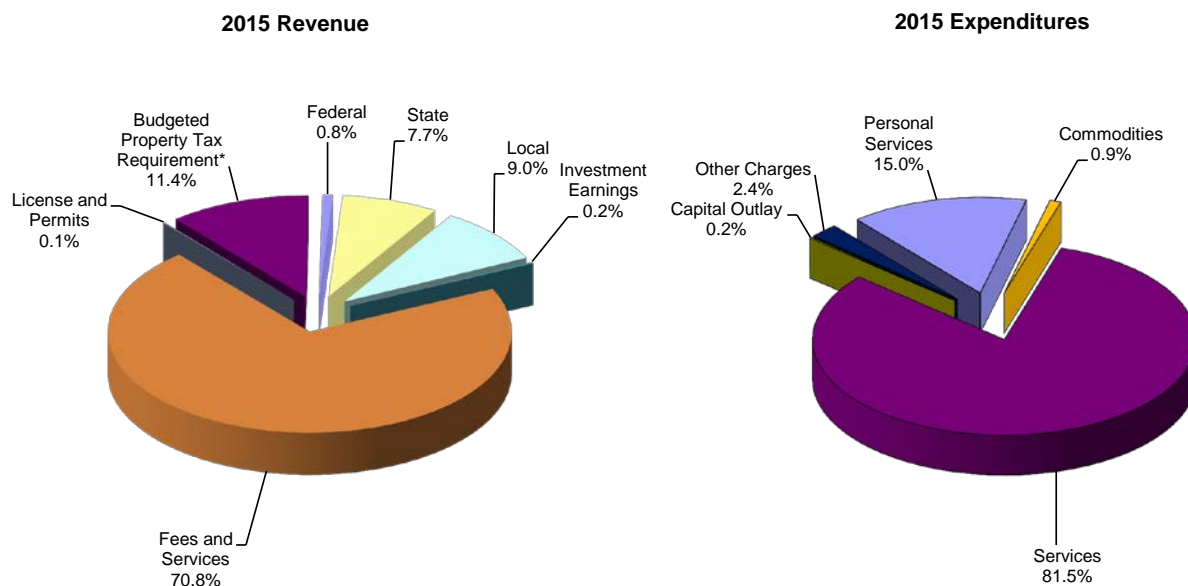
Revenue and Expenditure Information:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$34,477,422	\$32,475,923	\$29,464,683
Other Taxes			
Federal	1,636,823	1,808,074	2,160,294
State	17,089,616	19,097,000	19,987,000
Local	31,808,375	22,387,196	23,338,776
Investment Earnings	(280,571)	437,199	507,264
Fees and Services	180,254,733	244,241,335	183,112,463
Fines and Forfeitures			
License and Permits	236,985	252,000	249,529
Bond Proceeds			
Other Revenue	329,788	(1,530,456)	(408,015)
Total Revenues	\$265,553,171	\$319,168,271	\$258,411,994
Personal Services	\$32,366,730	\$35,385,329	\$38,676,232
Commodities	2,361,421	2,332,738	2,451,552
Services	222,703,087	276,318,704	210,672,556
Public Aid	1,086		
Capital Outlay	450,547	120,000	391,000
Other Charges	2,430,556	5,011,500	6,220,654
Total Expenditures	\$260,313,427	\$319,168,271	\$258,411,994

*Reflects the adjusted property tax requirement budget, not actual property tax collections.

Budgeted Positions (Full-time Equivalents)	IV-1	325.6	331.3	343.9
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Revenue and Expenditure Comparison:



Revenue Highlights:

Budgeted 2015 revenues total \$258.4 million, a 19.0 percent decrease from the 2014 adjusted budget. The previous page contains a summary comparing major revenue categories for the years 2013 - 2015.

Property Tax Revenues

In 2015, property taxes comprise 11.4 percent of the Health program's total estimated revenue compared to 10.2 percent in 2014. Total property taxes are decreasing by \$3.0 million or 9.3 percent. The decrease is primarily due to a reduction in the Uncompensated Care budget for 2015 by \$3.5 million, as the expenditures in that cost center are funded entirely with property taxes. As in past years, the budgets for Metropolitan Health Plan (MHP) and Hennepin Health do not include any property tax revenue.

Non-Property Tax Revenues

The Health program relies to a large extent on non-property tax revenue to finance its budget. Some of the major sources of non-property tax revenue and their relative impact on the county's 2015 budget are:

Federal

Federal sources consist of \$2.2 million in federal grants for health care programs at NorthPoint Health and Wellness Center. Although the federal grants are only 0.8 percent of the total 2015 Health program revenues, a large portion of the fees and services revenue, discussed below, is from federal sources.

State / Other Intergovernmental (Local)

Revenue from the State of Minnesota is estimated at \$20.0 million and makes up 7.7 percent of total Health program revenue for 2015. Revenues in this category are approximately \$0.9 million higher than in 2014, and are primarily for intergovernmental transfer payments from the Minnesota Department of Human Services (DHS). Other local intergovernmental revenue of \$23.3 million is 9.0 percent of total Health program revenue and is primarily reimbursements from HCMC for intergovernmental transfers made by the county to DHS.

Fees and Services

Revenues from fees charged for services are \$183.1 million for 2015 and comprise 70.8 percent of the Health program's total revenues. Nearly all of the fees and services revenue comes through payments for healthcare services provided by NorthPoint, MHP and Hennepin Health. Total 2015 fees and services revenue is budgeted to be 25 percent less than budgeted for 2014 because MHP has discontinued Medical Assistance or Minnesota Care and Medicare products. The revenue amounts are departmental estimates based on historical data, current reimbursement rates and expected changes in patient volume.

Other Revenues

Other revenues of a negative \$0.4 million for 2015 are the result of budgeted net loss of \$0.6 million for MHP and \$0.5 million for Hennepin Health, which are offset by \$0.7 million of miscellaneous income.

2015 BUDGET

Adopted

Department Expenditure Summary:	2013 Actual	2014 Budget	2015 Budget
NorthPoint Health and Wellness Center	\$28,176,427	\$29,710,636	\$33,232,298
Metropolitan Health Plan	86,582,828	92,236,532	52,909,918
Hennepin Health	72,761,792	129,763,172	106,616,979
Health Administration			447,883
Medical Examiner	5,050,516	5,473,431	5,721,216
Uncompensated Care	24,000,000	22,000,000	18,500,000
Hennepin County Medical Center Intergovernmental Transfers & SARS	43,741,864	39,984,500	40,983,700
Total Expenditures	\$260,313,427	\$319,168,271	\$258,411,994

Program Highlights by Department:

NorthPoint Health and Wellness Center

NorthPoint Health and Wellness Center is a freestanding comprehensive ambulatory health care clinic. Its services include family practice, internal medicine, pediatrics, obstetrics and gynecology, orthopedics, radiology, laboratory, optometry and pharmacy. In addition, NorthPoint offers a full range of dental care, nutrition services, and social services including individual and family care.

Metropolitan Health Plan (MHP)

MHP, Hennepin County's health maintenance organization (HMO), offers Medicaid Expansion and Special Needs Basic Care plans to its members. MHP also provides administrative and claims management services for Hennepin Health which is discussed below.

Hennepin Health

Hennepin Health is the integrated health delivery network demonstration project which provides services to Medicaid participants under a contract with the Minnesota Department of Human Services.

Health Administration

Health Administration is responsible for all departments in the Health line of business. This department is transferred out of MHP effective January 1, 2015.

Medical Examiner

The office of the Medical Examiner is responsible for investigation of all known or suspected homicides, suicides, accidental deaths, drug related deaths, medically unattended deaths, and deaths which might constitute a threat to the public health and safety. Since January 1, 2013, the office has been providing Medical Examiner services to Dakota County and Scott County in addition to Hennepin County. The other counties fully reimburse Hennepin County for the cost of those services.

Uncompensated Care

The Uncompensated Care cost center is used to track county payments to HCMC for the cost of health care provided by HCMC to Hennepin County residents who do not have health insurance.

Hennepin County Medical Center Intergovernmental Transfers

The Hennepin County Medical Center (HCMC) Intergovernmental Transfers cost center is used to budget and account for intergovernmental transfers between the county, HCMC and the Minnesota Department of Human Services (DHS). A smaller portion of this budget is for county payments to HCMC for forensic examinations conducted by the Sexual Assault Resource Services (SARS) staff at HCMC.

Budgeted Positions:	2013 Actual	2014 Budget	2015 Budget
NorthPoint Health and Wellness Center	181.1	195.3	216.9
Metropolitan Health Plan	105.5	95.0	86.0
Hennepin Health	5.0	7.0	5.0
Health Administration			3.0
Medical Examiner	34.0	34.0	33.0
Uncompensated Care			
Hennepin County Medical Center Intergovernmental Transfers			
Total Full Time Equivalent (FTE)	325.6	331.3	343.9

NorthPoint Health and Wellness Center
Health

2015 BUDGET
Adopted

Mission:

NorthPoint Health and Wellness Center sets a standard of excellence in providing culturally responsive, integrated, holistic primary health and social services that strengthens our community and the lives of the people we serve. We are leaders and partners in a shared vision of a healthy, environmentally safe and economically stable self-reliant community. NorthPoint's mission is "Actively Partnering to Create a Healthier Community."

Department Description:

NorthPoint Health and Wellness Center is a comprehensive health and human services agency located in the heart of North Minneapolis. Established in 1968, NorthPoint was formerly known as "Pilot City Health Center" and was operated by Hennepin County's division of Primary Care. As of January 1, 2006, NorthPoint was approved for funding as a public entity community health center. Through a unique co-applicant agreement, the Hennepin County Board of Commissioners began sharing governance of NorthPoint Health and Wellness Center with NorthPoint, Inc., (formerly Pilot City Neighborhood Services) while maintaining fiscal responsibility for the health care operations. NorthPoint, Inc., is an independent nonprofit social/human services agency co-located with the NorthPoint Health and Wellness Center. The close working relationship between the two entities was designed to improve patient/client care through the integration of health and human services on the NorthPoint campus.

Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$6,379,957	\$6,339,853	\$5,948,422
Other Taxes			
Federal	1,636,823	1,808,074	2,160,294
State	1,313,733	522,000	612,000
Local	1,469,959	254,810	659,000
Investment Earnings	5		
Fees for Services	18,363,142	20,375,173	23,377,917
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	39,956	410,726	474,665
Total Revenues	\$29,203,575	\$29,710,636	\$33,232,298
Personal Services	\$19,226,222	\$21,549,086	\$25,038,282
Commodities	2,088,910	1,917,587	2,088,481
Services	5,859,385	5,468,773	4,978,162
Public Aid			
Capital Outlay	424,606	120,000	391,000
Other Charges	577,305	655,190	736,373
Total Expenditures	\$28,176,427	\$29,710,636	\$33,232,298

*Reflects the adjusted property tax requirement budget, not actual property tax collection.

Budgeted Positions (Full-time Equivalents)	181.1	195.3	216.9
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Significant Budget Changes:

The 2015 proposed budget reflects changes in three primary areas of focus: additional locations, changing payer mix and increasing federal support for the expansion of services. The additional locations include three new school-based clinics for behavioral health and smaller community-based satellite locations with medical and behavioral health providers. The 2015 budget will increase Medicaid visits to 58 percent of the total visits, offset with a decrease in the uninsured visits. The Federal program, Health Resources and Services Administration (HRSA), will be funding the expansion of services for some community clinics. NorthPoint will be expanding hours and services at the primary location and adding hours at PYC Arts and Technical High School. The additional clinic hours will include more provider access for clinic and optometry services.

Budget Commentary:

NorthPoint experienced significant growth in 2014 in the dental program and experienced increased reimbursements by enrolling patients into third-party programs and out of self-pay. Hennepin Health patient care continues to be an important aspect of operations. Personal services were slightly under budget with a continuing effort to move professional patient care staff from contracted to staff. Capital expenses included upgrades to the radiology, lab and optometry departments along with smaller projects. Commodities, services and other expenses were over budget for 2014 due to increased visits.

Key Results:	2013	2014 Est.	2015 Est.
Medical visits	46,175	46,983	52,079
Behavioral health visits	17,517	17,673	23,942
Dental visits	18,377	20,612	20,941
Prescriptions filled	131,400	128,000	129,000
Radiology procedures	6,160	6,490	6,600

Additional Resources:

Additional information about NorthPoint Health and Wellness Center and its services is available at the following website:
www.northpointhealth.org

Hennepin County

Metropolitan Health Plan
Health

2015 BUDGET
Adopted

Mission:

Integrating health care and service to enhance the health and well being of our members and the community.

Vision:

Be a leader in partnering with our members and communities to improve health.

Department Description:

Metropolitan Health Plan (MHP) is a not-for-profit, state certified health maintenance organization (HMO). MHP serves Medicaid Expansion and Special Needs Basic Care (SNBC) participants residing in Hennepin County. Funding for these services is provided through a contract with the Minnesota Department of Human Services (DHS).

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes			
Federal			
State			
Local	1,740,065		517,742
Investment Earnings	(222,339)	347,199	325,100
Fees for Services	88,854,130	93,313,595	52,679,503
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	38,575	(1,424,262)	(612,427)
Total Revenues	\$90,410,431	\$92,236,532	\$52,909,918
Personal Services	\$8,630,769	\$8,689,808	\$8,529,982
Commodities	137,577	344,240	248,427
Services	77,020,271	80,404,222	41,843,212
Public Aid			
Capital Outlay			
Other Charges	794,211	2,798,262	2,288,297
Total Expenditures	\$86,582,828	\$92,236,532	\$52,909,918

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	105.5	95.0	86.0
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Hennepin County

Metropolitan Health Plan
Health

2015 BUDGET
Adopted

Significant Budget Changes:

Beginning January 1, 2012, and as a result of DHS's competitive bidding process for HMO's in the State of Minnesota, MHP will no longer offer Medical Assistance or Minnesota Care. MHP will discontinue to offer Medicare products after December 31, 2014. MHP will continue with our Special Needs Basic Plan product with a stable membership of about 2,400 members. The reduction in the Medicare program results in a reduction of 9 FTE's in 2015.

As of January 1, 2012, MHP and its Hennepin County partners, have agreed to enter into a Demonstration project with DHS called Hennepin Health. MHP's partners will be Hennepin County Medical Center (HCMC) including the recent merger of Hennepin Faculty Associates (HFA); Human Services Public Health (Hennepin county) including all associated clinics; and NorthPoint Health and Wellness Center. Membership for Hennepin Health consists of Medicaid Expansion members. In 2014, Hennepin Health is experiencing significant growth which is expected to reach the contracted membership cap of 10,000. This level of membership is expected to continue in 2015.

In 2015, MHP will transition to a new claims processing system, TMG. The 2014 budget assumed that this transition would take place early in 2014 and cause a workforce reduction of 10 percent and reduce the direct Information Technology transfer by about 33 percent. The transition will take place the 1st quarter of 2015 and the reductions will occur after that transition.

Budget Commentary:

Beginning January 1, 2012, MHP is responsible for the Hennepin Health budget (Fund 33) and will be submitting a separate budget for board approval. In MHP's normal course of business as it relates to statutory requirements, Hennepin Health or the Medicaid Expansion population, is financially reported as another line of business for the HMO. MHP receives an administrative fee from Hennepin Health that in the total HMO (both funds) nets to a break even. In 2015, this arrangement will continue. For August 2014, MHP revised the revenue and expenditures based on adding 300 additional members in the SNBC product. On August 21, 2014, we revised expenditures by adding \$633,754 to administrative expenses due to pushing the "go-live" date for TMG back to 1st quarter of 2015.

Key Results:	2013	2014 Est.	2015 Est.
Enrollment	4,060	3,918	2,669
Administrative Cost Ratio	14.8%	14.0%	20.5%
Medical Loss Ratio	82.2%	86.0%	76.2%
Net Change in Capital and Surplus	\$3,827,604	\$879,296	\$612,427
Risk Based Capital Ratio	504%	510%	510%

Additional Resources:

MHP provides additional information related to the health plan under its internet site. The website includes information to assist our members and providers with resources that easily connect them to all that MHP has to offer in the way of a health plan. The website is: <http://www.hennepin.us/mhp>

Mission:

To develop a new healthcare model which coordinates across systems in a patient- and family-centered manner, where systems work collaboratively to drive positive health outcomes and reduce costs.

Vision:

Healthcare services meet individual needs, improve population health and reduce disparities in our community.

Department Description:

Hennepin Health is an integrated health delivery network demonstration project which began January 1, 2012, and is funded by a contract with the Minnesota Department of Human Services (DHS). NorthPoint Health and Wellness Center, Metropolitan Health Plan (MHP), Hennepin County Medical Center, the county Human Services and Public Health Department, and other local healthcare providers are integrating medical, behavioral health and human services in a patient-centered model of care. The program is limited to Hennepin County residents who are eligible for medical assistance. The project seeks to improve health outcomes and lower the total cost of providing care and services to this population using financial incentives and investments paid to members.

Although Hennepin Health is a separate enterprise fund of the county, Metropolitan Health Plan, the county's health maintenance organization (HMO), reports Hennepin Health as a line of business in its statutory financial statements.

Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes			
Federal			
State	45,000		
Local			
Investment Earnings	(58,237)	90,000	182,164
Fees for Services	72,916,289	130,430,592	106,933,068
Bond Proceeds			
Other Revenue	4,000	(757,420)	(498,253)
Total Revenues	\$72,907,052	\$129,763,172	\$106,616,979
Personal Services	\$500,556	\$851,862	\$337,406
Commodities	28,673	154	11,630
Services	71,207,371	127,452,608	103,188,160
Public Aid	1,086		
Capital Outlay			
Other Charges	1,024,106	1,458,548	3,079,783
Total Expenditures	\$72,761,792	\$129,763,172	\$106,616,979

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	5.0	7.0	5.0
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Significant Budget Changes:

Membership for Hennepin Health consists of Medicaid Expansion members and significant membership growth was expected in 2014 and then remain flat in 2015. This growth was due to further expansion of the Affordable Care Act as eligibility for Medical Assistance widened. The actuarial estimates range between 5,000 to 12,000 additional members with the budget set at the lower number. The State of Minnesota decided not to remove the 10,000 member cap from the 2014 contract which will limit growth. In 2014, there has been significant growth and a more stable membership. It is expected by the end of 2014, the total membership will approach the 10,000 contract cap which will then remain stable at that number throughout 2015.

Budget Commentary:

Beginning January 1, 2012, MHP is responsible for the Hennepin Health budget (Fund 33) and will be submitting a separate budget for board approval. In MHP's normal course of business as it relates to statutory requirements, Hennepin Health or the Medicaid Expansion population, is financially reported as another line of business for the HMO. MHP does receive an administrative fee from Hennepin Health that in the total HMO (both funds) nets to a break even. In 2013, an incentive payment from Hennepin Health was further refined to encourage members to engage the medical care system in ways that reduces costs and enhances their health outcomes. For 2015, these incentives will be further refined. In 2015, Hennepin Health will be supported by 5.0 employees. In 2015, a transfer of 2.0 FTEs out of Hennepin Health will now be supported by Property Tax in Health Administration.

Key Results:	2013	2014 Est.	2015 Est.
Enrollment	6,284	9,847	9,900
Administrative Cost Ratio	11.7%	11.9%	11.9%
Medical Loss Ratio	87.8%	87.2%	87.1%
Net Change in Capital and Surplus	145,260	147,204	498,253

Additional Resources:

MHP provides additional information related to health plans under its internet site. The website includes information to assist our members and providers with resources that easily connect them to all that MHP has to offer in the way of a health plan. The website is: <http://www.hennepin.us/mhp>

Mission:

Health Administration is responsible for Health line of business which includes NorthPoint Health and Wellness Center, Medical Examiner, Metropolitan Health Plan, Uncompensated Care, Hennepin County Medical Center Intergovernmental Transfers and SARs.

Department Description:

Health Administration is responsible for Health line of business which includes NorthPoint Health and Wellness Center, Medical Examiner, Metropolitan Health Plan (MHP), Uncompensated Care, Hennepin County Medical Center Intergovernmental Transfers and Sexual Assault Resource Service (SARS).

Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$447,883
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue			
Total Revenues	\$0	\$0	\$447,883
Personal Services			\$423,870
Commodities			2,013
Services			17,000
Public Aid			
Capital Outlay			
Other Charges			5,000
Total Expenditures	\$0	\$0	\$447,883

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	3.0
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Medical Examiner
Health

2015 BUDGET
Adopted

Mission:

To examine and certify cause and manner of death in all cases within the jurisdiction of the Hennepin County Medical Examiner; to review and approve all cremations; to improve the health, safety and quality of life in Hennepin County and all partnering counties served under our regional model of service and beyond; to provide accurate, fair and unbiased testimony to the legal system to insure justice.

Description:

The Medical Examiner is responsible for investigation of all known or suspected homicides, suicides, accidental deaths, drug related deaths, medically unattended deaths and deaths which might constitute a threat to public health and safety that occur under the Hennepin County Medical Examiner's jurisdiction. This jurisdiction includes the counties of Hennepin, Dakota and Scott. The office is also required to investigate the deaths of all persons dying in counties under the jurisdiction of the Medical Examiner who are to be cremated. The goal of the Medical Examiner is to assist families, law enforcement agencies and the legal system by determining a scientifically unbiased and logical cause and manner of death. Furthermore, the Medical Examiner's Office provides autopsy and consultation services to several Minnesota and Wisconsin counties on a referral basis.

Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$3,337,965	\$3,376,570	\$3,609,678
Other Taxes			
Federal			
State			
Local	1,453,320	1,482,386	1,512,034
Investment Earnings			
Fees for Services	121,171	121,975	121,975
Fines and Forfeitures			
Licenses and Permits	236,985	252,000	249,529
Bond Proceeds			
Other Revenue	247,257	240,500	228,000
Total Revenues	\$5,396,698	\$5,473,431	\$5,721,216
Personal Services	\$4,009,183	\$4,294,572	\$4,346,693
Commodities	106,262	70,756	101,001
Services	874,195	1,008,603	1,162,322
Public Aid			
Capital Outlay	25,942		
Other Charges	34,934	99,500	111,200
Total Expenditures	\$5,050,516	\$5,473,431	\$5,721,216

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	34.0	34.0	33.0
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Significant Budget Changes:

The 2015 operating budget is experiencing an overall 4.5 percent increase in expenditures due primarily to two factors: 1.) An increase in personal services expenditures resulting from the board-approved 2015 general salary increase with approval of merit steps and increased salaries to expand embedded line-of-business IT applications support, and 2.) An increase in services due to a strategic operating decision to incorporate a contracted decedent transport service into the Medical Examiner's scene response model that increased expenditures by approximately \$175,000 annually. To mitigate the increase in expenditures, spending reductions were implemented where practicable without impacting critical services to families and agencies within the Medical Examiner's jurisdiction. Furthermore, the Medical Examiner's Office continues to promote partnering with other counties in the region to provide referral autopsy services that improve the quality of death investigations in the region while increasing revenue on a fee for service basis.

Budget Commentary:

2014 ended with 6,763 reported cases (239 more than the previous year) resulting in 1,931 cases where Hennepin County accepted jurisdiction. Of these cases, as well as the addition of referral autopsy cases, the office performed 1,068 full autopsies and 12 external exams in 2014, up from 1,065 in 2013. Reported cases, accepted cases, autopsies and cremation approvals all increased in 2014 compared to the year before, yet laboratory and radiology costs were slightly lower and experienced a savings. Increases in expenses were due primarily to salary/wage increases, increased costs for IT services, increased medical/surgical supply costs and additional spending to begin the integration of a contract decedent transport service into our scene response model – focusing on our attention to increased employee safety and customer service to partnering agencies and families. Overall, the office came in \$230,000 under budget for 2014.

Approximately 7,200 cremation approval requests were submitted to the office in 2013, compared to only 5,400 in 2012. The number of cremation approval requests is expected to continue to climb each subsequent year as cremations become a more popular form of final disposition. 2014 figures were not available at the time of this publication.

The office continues to successfully meet and/or exceed all requirements pertaining to our core mission of death investigation for all counties in our jurisdiction, as well as continued collaborative inter-jurisdictional work in disaster planning; provides all administrative support to the Minnesota Coroners' and Medical Examiners' Association, including facilitation of a highly regarded and growing, annual 2-day educational conference attended by coroners, medical examiners, physicians, attorneys, nurses, death investigators and law enforcement personnel from across the midwest; focus efforts and design process improvements to ensure future reaccreditation by national organizations such as the National Association of Medical Examiners (NAME), and the Accreditation Council for Graduate Medical Education (ACGME); and continue the education of medical students, residents and forensic pathology fellows through our long-standing relationships with both Hennepin County Medical Center (HCMC) and the University of Minnesota Medical School, as well as various other schools interested in providing their students with a medical forensics rotation in the Medical Examiners office. A most notable achievement that began in 2013 and has remained successful ever since is the merger with the Minnesota Regional Medical Examiner's Office. This merger of talent and operations increased the geographic size of jurisdiction by nearly 200 percent and the death investigation caseload by approximately 40 percent. This inter-jurisdictional partnership with Dakota and Scott counties has resulted in an extensive evaluation of processes and procedures, and has afforded the office the opportunity to grow in both expertise and efficiency to better serve the needs of families and partnering agencies across the region.

Throughout 2013 and 2014, a scene response model was studied to ensure expediency, safety and quality all remained a primary focus. As a result of this study, the office will be incorporating a contracted decedent transport service into its model of service in 2015 to positively impact safety and a variety of customer service outcomes. A state of the art electronic case management system is continually being enhanced to provide better functionality to all staff, with safe and secure access to all medical examiner data in real-time 24/7/365 - with further functionality for partnering agencies right around the corner. The promotion of tissue and organ donation remains an integral mission for supporting families across the region. Tissue and organ donation referrals by the Medical Examiner continue to increase each and every year.

Key Results:	2013	2014 Est.	2015 Est.
Number of cases reported	6,524	6,763	6,900
Number of autopsies performed	1,065	1,080	1,100
Organ, tissue and eye donations	332	380	400
Toxicology expense per accepted case	140	140	140
Number of student weeks of forensic training provided	150	160	160

Additional Resources:

Useful and educational information about the Medical Examiner's Office and the services it provides is available by visiting the department's website at: www.hennepin.us/me. This information includes the Minnesota statutes that govern work and data practices, the Medical Examiner's Office Annual Report; containing statistics and outcomes for counties within the jurisdiction, a downloadable department fact sheet, a downloadable brochure offering information for families along with links to various affiliated partners, organizations and forms.

Uncompensated Care
Health

2015 BUDGET
Adopted

Mission:

This cost center is used to track county payments to Hennepin County Medical Center (HCMC) for uncompensated care provided by HCMC to Hennepin County Residents who have no health insurance or are underinsured.

Department Description:

The payments to HCMC for uncompensated care are based on an agreement between the county and Hennepin Healthcare System, Inc. (HHS), a public subsidiary corporation of the county which operates HCMC.

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$24,000,000	\$22,000,000	\$18,500,000
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue			
Total Revenues	\$24,000,000	\$22,000,000	\$18,500,000
Personal Services			
Commodities			
Services	\$24,000,000	\$22,000,000	\$18,500,000
Public Aid			
Capital Outlay			
Other Charges			
Total Expenditures	\$24,000,000	\$22,000,000	\$18,500,000

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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HCMC Intergovernmental Transfers and SARS
Health

2015 BUDGET
Adopted

Mission:

This cost center is used to account for intergovernmental transfers between the county, Hennepin County Medical Center (HCMC) and the Minnesota Department of Human Services (DHS).

Department Description:

This cost center is used primarily to account for voluntary intergovernmental transfers made between the county, HCMC and DHS pursuant to Minnesota Statutes sections 256B.196 and 256B.197. In addition, county payments to HCMC for examinations made by the Sexual Assault Resource Service (SARS) program at HCMC are accounted for and budgeted in this center. The county in which the sexual assault occurred is required by Minnesota Statutes section 609.35 to pay for forensic examinations of sexual assault victims.

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$759,500	\$759,500	\$958,700
Other Taxes			
Federal			
State	15,730,883	18,575,000	19,375,000
Local	27,145,031	20,650,000	20,650,000
Investment Earnings			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue			
Total Revenues	\$43,635,414	\$39,984,500	\$40,983,700
Personal Services			
Commodities			
Services	\$43,741,864	\$39,984,500	\$40,983,700
Public Aid			
Capital Outlay			
Other Charges			
Total Expenditures	\$43,741,864	\$39,984,500	\$40,983,700

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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Major Program: Libraries

The Libraries program is comprised of two areas that provide library services to Hennepin County citizens: 1) the county's award-winning public library system, which is comprised of 41 library locations, a substantial online presence and additional outreach services, and 2) the Law Library, which prior to 2014, was included as part of the Public Safety and Judiciary program and continues to provide legal information services pursuant to Minnesota Statutes Chapter 134A to judges, government officials, practicing attorneys and citizens from a location within the Hennepin County Government Center.



Program Highlights:

Library:

Hennepin County Library continues to serve patrons by providing access to library buildings and resources including materials, technology and staff. The Library has 850,000 active library card holders.

Starting in January, 2014, the Library increased open hours by 249 per week, resulting in approximately 10,000 additional open hours for patrons in 2014. Visits to the Library's 41 locations increased to an estimated 5.7 million in 2014.

The Library also opened new and expanded Excelsior and Walker locations, and renovated Long Lake, Maple Plain, Osseo, St. Louis Park and Washburn libraries in 2014, in partnership with Hennepin County Property Services. The Excelsior, Walker and St. Louis Park library building projects created new meeting and study rooms for patrons to use. About 30,000 meeting room reservations were made at Hennepin County libraries in 2014.

Hennepin County Library continued to invest in its collection, offering greater access to both popular materials and special and historical collections in various formats. The Library responded to patrons and increased the number of items patrons can check out and put on hold. Downloadable content, including books, movies and music, continued to increase as a percentage of overall Library circulation, which held steady in 2014 at 15.8 million items checked out and renewed.

In October, 2014, the Library launched a redesigned website and catalog at www.hclib.org in response to patron requests. Website improvements include better mobile access, stronger search, new recommended reads and integrated eBooks. The site has received many positive reviews. The Library expects annual website visits to grow beyond the 19.5 million visits the website saw in 2014.

The Library invested in other new technology for patrons in 2014, including PC software upgrades, 3D printers, iPad kiosks and radio frequency identification (RFID) self-checkout machines, and with the county's Information Technology department, installed additional wireless access points in libraries to provide improved mobile device connectivity. The Library's 1,900 public computers supported 2.2 million sessions in 2014.

Across the system, Library staff hosted free programs and classes that engaged 201,000 patrons. Staff answered approximately 1.4 million reference questions in 2014.

In November and December, 2014, library staff in every Hennepin County Library location and section developed an action plan for patron service in 2015. These plans are rooted in three service priorities: reach out and partner, spark learning, and discover and use technology. The plans will help to ensure the Library continues to serve patrons well and remains a leading U.S. public library system.

Law Library:

Staff at Hennepin County Law Library also engaged in strategic planning in 2014. Future Law Library plans include staff exchanges, programs for the public and other collaborative projects between the Libraries. These projects will set the stage for vital and integrated Law Library service to the community into the future.

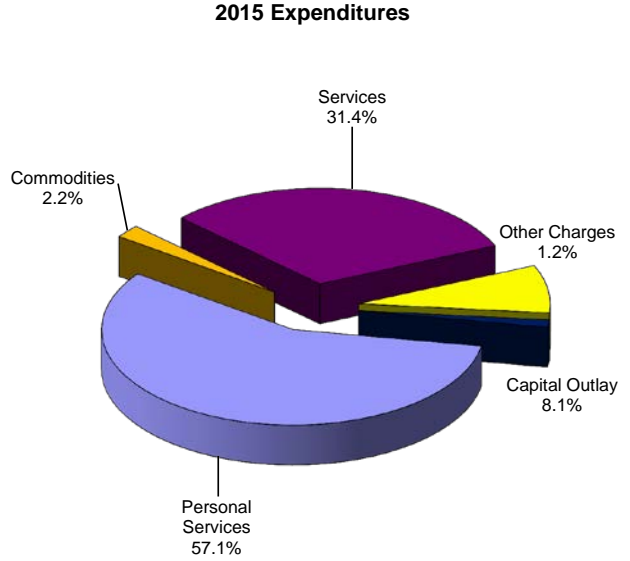
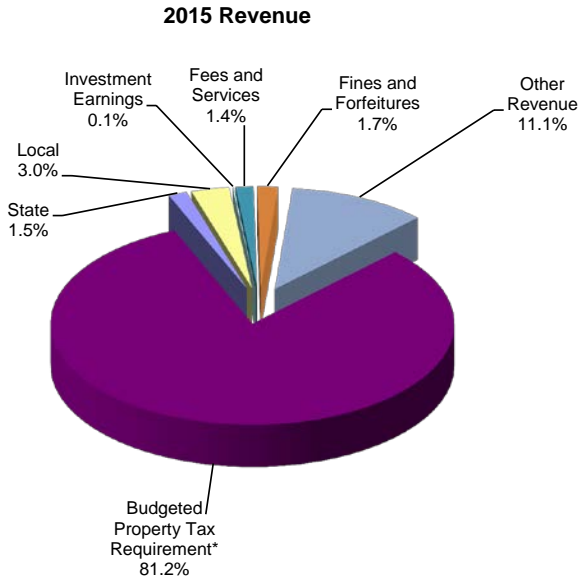
2015 BUDGET

Adopted

Revenue and Expenditure Information:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$56,312,200	\$59,720,481	\$63,132,495
Other Taxes	40,021		
Federal			
State	1,433,576	1,136,600	1,160,000
Local	4,105,736	3,238,244	2,363,131
Investment Earnings	(34,146)	85,000	75,000
Fees and Services	1,172,069	1,250,000	1,108,000
Fines and Forfeitures	1,388,793	1,453,300	1,310,750
License and Permits			
Bond Proceeds			
Other Revenue	3,665,395	7,565,300	8,633,300
Total Revenues	\$68,083,645	\$74,448,925	\$77,782,676
Personal Services	\$40,331,484	\$42,874,476	\$44,424,714
Commodities	973,389	1,048,775	1,709,125
Services	20,503,290	23,644,269	24,406,151
Public Aid			
Capital Outlay	6,780,802	6,081,340	6,275,337
Other Charges	516,367	800,065	967,349
Total Expenditures	\$69,105,332	\$74,448,925	\$77,782,676

*Reflects the adjusted property tax requirement budget, not actual property tax collections.

Revenue and Expenditure Comparison:



Revenue Highlights:

Budgeted 2015 revenues for the Libraries program total 77.8 million; a \$3.3 million increase (4.5 percent) over the 2014 adjusted budget of \$74.4 million. The 2015 operating budget is funded with \$63.1 million (81.2 percent) property taxes, \$3.5 million (4.5 percent) with funding from the State of Minnesota and the City of Minneapolis, \$5.0 million (6.4 percent) through the use of Library fund balance and \$6.1 million (7.9 percent) with other revenues.

Property Tax Revenues

The budgeted property tax amount of \$63.1 million for 2015 is 5.7 percent more than the adjusted 2014 budget amount of \$59.7 million. The Property Tax revenues are increasing mainly due to cost of living and merit increases for personnel.

State Revenues

Budgeted 2015 revenues from the State of Minnesota are estimated at \$1.1 million, consistent with the 2014 budget. The funding amount is based on the Metropolitan Library Service Agency (MELSA) formula.

Local Revenues

All Local Revenues are received from the City of Minneapolis. As part of the library merger agreement, the City of Minneapolis agreed to provide transition funding to provide support for operating expenses and to open the previously shuttered Roosevelt, Webber Park and Southeast libraries. The transition funding support will phase out, ending in 2017, whereas 2015, is the last year that the county will receive "shuttered" funding. For 2015, the city will contribute approximately \$2.4 million per the agreement, with a planned \$800,000 reduction for 2016, a \$780,000 reduction for 2017 and finally no contribution in 2018. The county has assumed operational responsibility and debt financing for the Central Library parking ramp, however, the city will retire the outstanding debt for the library component.

Fees and Services

Fees and Services revenue is almost exclusively related to the Law Library. This revenue stream is 71.7 percent of all 2015 Law Library revenues and is comprised of two major sources: court fees charged to convicted defendants per State Statute and attorney access subscriptions to the Law Library. Total Fees and Services revenue for 2015 is \$1.1 million; a \$100,000 reduction from the 2014 budget.

Fines and Forfeitures

Revenue from fines is estimated at \$1.3 million in 2015; down slightly from the 2014 budget of \$1.5 million but consistent with 2013 actual receipts. Across the Library Program, fine and forfeiture revenues are flat or slightly declining due to the gradual migration to electronic collections and data access.

Other Revenue

Other Revenue includes the following major components:

Budgeted 2015 transfers from Ballpark Sales Tax collections are estimated at \$2.3 million, up \$140,000 from the 2014 budget. This revenue supplements library hours across the library system.

Budgeted Contributions and Donations are estimated at \$870,000; consistent with 2014. The majority of contributions and donations are received from the Friends of Hennepin County Library.

Budgeted use of Library fund balance is \$5.0 million in 2015; a \$1.0 million increase over the 2014 budget. In 2013, use of fund balance was budgeted at \$3.9 million; however, actual use was \$0.

2015 BUDGET

Adopted

Division Expenditure Summary:	2013 Actual	2014 Budget	2015 Budget
Administration	\$2,315,739	\$2,365,467	\$2,832,563
Operations	3,932,106	3,729,204	4,194,693
System Services	1,506,511	1,623,561	1,905,607
Resource Services	20,317,562	23,523,787	24,800,173
Library Services	39,513,522	41,559,415	42,536,808
Law Library	1,519,893	1,647,491	1,512,832
Total Expenditures	\$69,105,332	\$74,448,925	\$77,782,676

Budgeted Positions:	2013 Actual	2014 Budget	2015 Budget
Administration	12.1	11.1	14.1
Operations	25.0	24.0	23.0
System Services	18.1	16.4	19.4
Resource Services	80.4	74.6	73.6
Library Services	468.4	473.9	469.9
Law Library	6.7	6.7	6.7
Total Full Time Equivalent (FTE)	610.7	606.7	606.7

Key Results:	2013	2014 Est.	2015 Est.
<u>Library:</u>			
Circulated items	15,800,000	15,800,000	16,000,000
Visits to Library	5,600,000	5,700,000	5,800,000
Visits to Library Website	19,500,000	19,500,000	20,000,000
Downloaded books, movies and music	1,100,000	1,400,000	1,700,000
Percent of circulation using express checkout	85%	85%	85%
Volunteer hours supplementing service	85,000	100,000	100,000
<u>Law Library:</u>			
People entering the Law Library	31,000	28,300	28,300
Email reference questions answered	2,400	2,600	2,600
Reference and informational questions answered	10,000	10,300	10,300

Additional Resources:

Hennepin County Library's website (www.hclib.org) provides addresses and phone numbers for the Library's 41 locations, as well as information about the Hennepin County Library Board and the Friends of the Hennepin County Library (www.supporthclib.org). Through the Library's website, citizens can browse and download books, movies and music; place requests; pay fines; do research using online resources; reserve meeting rooms; view and register for library events; and more.

The Law Library's website is www.hclaw.co.hennepin.mn.us. Its physical location is C-2451 Hennepin County Government Center (612-348-3022).

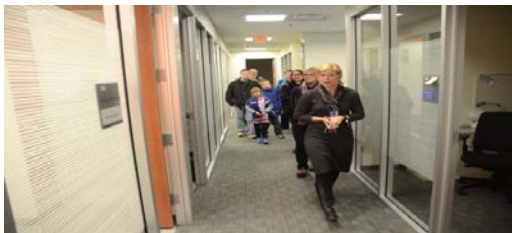
Major Program: Human Services

Mission:

Human Services and Public Health Department's mission is to "strengthen individuals, families and communities by increasing safety and stability, promoting self-reliance and livable income, and improving the health of our communities."



Building Better Lives, Stronger Communities



Community-Based Human Service Hubs Addressing Community Issues

Program Description:

The Human Services and Public Health Department (HSPHD) consists of a number of focused but flexible service areas, common internal support systems and cross-department integrated initiatives all working together to build better lives and stronger communities for the individuals, families and communities of Hennepin County.

To meet the mission, the department's focus is on four goals:

1. Protect children and vulnerable adults,
2. Support communities and families in raising children who develop to their fullest potential,
3. Assure that all people's basic needs are met, and
4. Build self-reliant communities and individuals.

Program Highlights:

The Human Services and Public Health 2015 budget is \$499.5 million, an increase of 5.1 percent or \$24.4 million when compared to the adjusted 2014 budget of \$475.1 million.

The program will operate with 2,961.9 authorized Full Time Equivalent (FTEs) which is 102.9 FTEs more than authorized in 2014. Additional staff are being added to address critical issues or shortages in staff.

In addition to financial, medical, training and employment programs, the department collects child support, provides services to people who are disabled, provides aid to the elderly, inspects restaurants, works with communities to reduce chronic disease, investigates disease outbreaks and protects our most vulnerable populations of children and adults.

The Human Services and Public Health Department (HSPHD) serves over 25 percent of county residents. HSPHD, as a county department is unique in that it spans two of the county's lines of business. The county's public health function as part of the health line of business is integrated with the Human Services budget.

HSPHD continues to locate offices where clients live and work in the community. Three community-based human services centers or hubs opened in 2014: South Suburban in January, North Minneapolis in June and West Suburban in October. A milestone was reached in June when the department began seeing more clients at these community-based offices than the long-time downtown site at Century Plaza.

In addition HSPHD opened or reopened five regional satellites - Brookdale in September, Hopkins in July, Health Service Building in August, Eden Prairie in November and Eastside Neighborhood Services in December.

At each of the community-based sites, HSPHD is implementing a new model of integrated services. When clients come to HSPHD they no longer focus only on the single problem that brought them to our door. By moving into community-based offices, the department is learning more about local resources and is a better partner with community based organizations. Primary partners in the new sites include Volunteers Enlisted to Assist People (VEAP), Community Emergency Assistance Programs (CEAP), Interfaith Outreach Community Partners (IOCP), ResourceWest and the Osseo Public Schools. A number of other community-based organizations have staff who come to the sites and work alongside county staff as well.

Program Highlights, continued:

HSPHD is working with the Sheriff's Office and the Department of Community Corrections and Rehabilitation on a project aimed at reducing recidivism and improving the health outcomes of inmates who have mental illness or chemical addictions. Staff work with inmates at the time of their discharge to apply for medical benefits, assess their mental and chemical health needs, connect them to services and help them plan for housing, chemical health treatment or mental health case management.

HSPHD launched the Hennepin Housing Key, a web application that helps housing workers and providers find appropriate housing and services for people with specialized needs.

In partnership with the 4th Judicial District Court, HSPHD launched the Hennepin County Veterans' Court in 2010. The court recognizes that veterans who have served in the armed forces may have treatable behavioral and chemical health issues, such as post-traumatic stress disorder, anger management or substance abuse. Through a coordinated response with Hennepin Veterans' Service, community-based services, and the criminal justice system veterans are diverted to a voluntary program.

As a result of \$1.4 million in funding provided by the county board in 2014, HSPHD has improved screening and identification of children ages 0 - 5 at high risk of developmental delays and provided scholarships to targeted children to attend high-quality child care settings. To date over 90 children are benefitting from these scholarships. In addition, advance training and support is being provided to several hundred child care providers who work with children who have developmental delays.

The Stable Families Initiative reduces shelter use among families with histories of repeat-shelter stays. The initiative integrates employment services, social services case management, housing search and subsidies, and coordination of eligibility service. This initiative received several awards in 2014 including the Local Government Innovation award as well as the Ideas for Action award, which is a competitive national contest. In addition, due to the work of this pilot, Hennepin County received a special invitation to participate in the Partnership for Opening Doors, a federally-sponsored summit hosted by the Departments of Labor, Housing and Urban Development, and the U.S. Interagency Council on Homelessness.

The Office to End Homelessness continues a major project around implementing a federally-mandated coordinated assessment system for the providers of services to people experiencing homelessness. Intense efforts by the coordinated assessment team helped create a system and tool that will be launched in 2015. This system will match the person to the right intervention as quickly as possible. It standardized the access and assessment process for all people and coordinates referrals across all providers.

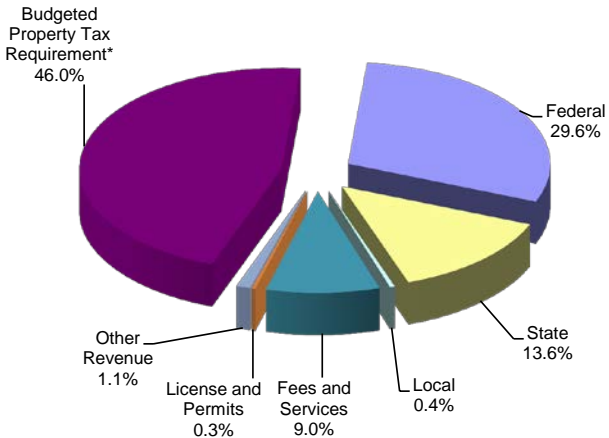
2015 BUDGET
Adopted

Revenue and Expenditure Information:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$209,550,345	\$225,343,641	\$229,534,791
Other Taxes	148,630		
Federal	131,213,936	135,616,964	147,876,228
State	52,618,662	62,072,222	67,815,004
Local	2,272,663	1,566,000	1,939,083
Investment Earnings			
Fees and Services	49,072,423	42,657,484	45,179,757
Fines and Forfeitures			
License and Permits	1,496,407	1,500,000	1,529,000
Bond Proceeds			
Other Revenue	4,927,613	6,372,000	5,630,000
Total Revenues	\$451,300,679	\$475,128,311	\$499,503,863
Personal Services	\$228,417,959	\$236,040,940	\$254,279,209
Commodities	1,766,180	2,198,500	2,262,000
Services	36,801,180	42,597,293	47,404,354
Public Aid	171,096,760	180,146,580	182,429,000
Capital Outlay	7,850	10,000	50,000
Other Charges	14,668,603	14,134,998	13,079,300
Total Expenditures	\$452,758,532	\$475,128,311	\$499,503,863

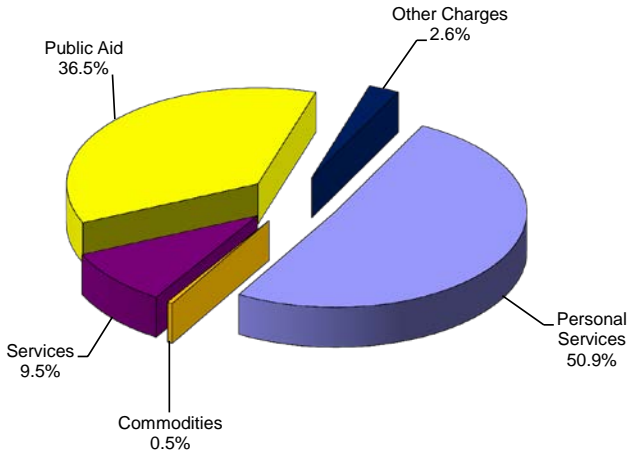
*Reflects the adjusted property tax requirement budget, not actual property tax collections.

Revenue and Expenditure Comparison:
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2015 Revenue



2015 Expenditures



Revenue Highlights:

Budgeted 2015 revenues for the Human Services program total \$499,503,863, an increase of \$24.4 million or 5.1 percent from the 2014 adjusted budget of \$475,128,311. The following summary compares revenue by major category in 2014 and 2015.

Property Tax Revenues

County property tax support totals \$229.5 million for 2015, an increase of \$4.2 million from the 2014 adjusted budget of \$225.3 million. Property tax support accounts for 46 percent of the Human Services program's estimated revenues down from 47.4 percent in 2014.

Federal Revenues

Federal revenue sources, estimated at \$147.9 million are up 9.0 percent when compared to the 2014 adjusted budget of \$135.6 million.

Federal revenues consist primarily of reimbursements for the administrative costs of human services programs including financial, medical, and training and employment programs. The reimbursements are based upon the county's costs as well as federal rates. In 2015, the Human Services program will receive approximately \$53.3 million in federal reimbursement for the administrative costs of the Temporary Assistance for Needy Families (TANF), supplemental nutrition aid and medical assistance programs. The TANF program is administered within Minnesota as the Minnesota Family Investment Program or MFIP.

The federal portion of the 2015 revenue budget accounts for approximately 29.6 percent of the Human Services program revenue compared to 28.5 percent in 2014.

State Revenues

State monies are used to fund human services programs, training and employment programs, and financial and medical assistance programs. In 2015, revenues from the state make up 13.6 percent of total Human Services program revenue. Revenues from the State of Minnesota to Hennepin County are estimated at \$67.8 million, an increase of \$5.7 million when compared to the 2014 adjusted budget of \$62.1 million.

Local Grants

Local grant revenue comes from private parties, nonprofit institutions, local governments and private foundations. In 2015, local grants are budgeted at \$1.9 million.

Fees and Services

A major portion of fee revenue is payments from third party payors and state and federal reimbursements for patient fees and services. Revenues from fees charged for services are estimated at \$45.2 million for 2015, an increase of \$2.5 million from the budget of \$42.7 million in 2014.

Other Revenues

Other revenues account for 1.1 percent of total revenue. Licenses, permits and interdepartmental payments account for the majority of revenues in this category.

Fund Balance

To reduce the tax levy for 2015, the budget includes a planned use of fund balance.

**2015 BUDGET
Adopted**

Department Expenditure Summary:	2013 Actual	2014 Budget	2015 Budget
HSPHD Hennepin Health	\$697,633	\$426,422	\$476,590
Accelerating Graduation by Reducing Disparities			729,666
Public Health	43,151,434	46,580,239	47,493,261
Children and Family Services	81,083,570	89,485,123	93,369,904
Eligibility and Child Support	125,416,094	135,423,413	142,306,405
Assessment and Case Management	124,491,937	120,477,672	137,621,070
Administrative and Community Based Services	30,409,620	31,896,815	31,732,719
Veterans' Services	891,448	992,790	1,065,022
Internal Services	46,616,796	49,845,837	44,509,226
Total Expenditures	\$452,758,532	\$475,128,311	\$499,303,863

Budgeted Positions:	2013 Budget	2014 Budget	2015 Budget
Full Time Equivalent (FTEs)	2,856.8	2,859.0	2,961.9

Key Results:	2013	2014 Est.	2015 Est.
Percent of children in open IV-D cases, born out of wedlock, with paternity established	100.5%	98.8%	100.0%
Number of cases of children in open IV-D cases, born out of wedlock, with paternity established	43,150	43,442	42,574
Percent of health care program applications processed in less than 60 days	76.0%	65.0%	65.0%
Percent of cash applications processed in less than 45 days	79.0%	86.0%	86.0%
Annualized work participation rate for MFIP clients	37.4%	38.0%	50.0%

Additional Resources:

Additional information about the Human Services and Public Health Department and its services is available at the Hennepin County website: www.hennepin.us.

Major Program: Operations

Commissioners
 County Administration
 Budget and Finance
 Information Technology
 Resident and Real Estate Services
 County Assessor
 Examiner of Titles
 Human Resources
 Communications
 Internal Audit
 General County Purposes
 Debt Retirement
 Ballpark Sales Tax Revenue Programs
 Employee Health Plan Self Insurance
 Self Insurance Fund



Center of Innovation and Excellence



Information Technology

Program Description:

The Operations program encompasses the policy making, administrative support and staff services necessary for the efficient and effective management of county programs. The Hennepin County Board of Commissioners, as the elected governing body of the county, establishes policies and programs, approves the annual budget and appoints key officials. The county Administrator is responsible for advising the county board and implementing approved policies and programs. The Operations department includes activities in the County Revenue Fund, the Debt Retirement Fund and Internal Services Funds.

Program Budget Highlights:

The Operations program's 2015 budget (excluding Debt Retirement and Ballpark Sales Tax Revenue Programs) is \$121.4 million, an increase of \$7.2 million or 6.3 percent from the 2014 adjusted budget of \$114.3 million. In 2015, the Operations program will be operated with 961.3 full-time equivalent (FTE) positions, a net increase of 28.5 FTEs from the 2014 adjusted budget.

Highlights from the 2015 Operations budget are outlined below. Note that narrative regarding Debt Retirement and Ballpark Sales Tax Revenue activity are provided in separate sections of this document.

Resident and Real Estate Services (RRES)

RRES, formerly Taxpayer Services, continues to perform the county Auditor, Treasurer and Recorder functions for the county.

Information Technology (IT)

The county's IT department includes activities in the County Revenue Fund and two internal services funds. The County Revenue Fund consists of three divisions; Operations, approximately \$2.7 million, Hennepin Justice Integration, approximately \$4.2 million and Graphic Information Services (GIS) of approximately \$2.0 million and a total of 40.2 FTEs. The internal service funds include the IT Operations Fund with a budget of \$74.3 million and 263.7 FTEs, and the Central Services Internal Services Fund with a budget of \$6.9 million and 23 FTEs. In total, the 2015 authorized staffing complement for IT is 326.9 FTEs, an increase of 4.0 FTEs from the 2014 adjusted budget. This is related to initiatives prioritized for 2015.

General County Purposes (GCP)

Unallocated appropriations (contingency) is increased by \$1.7 million from the adjusted 2014. The Center of Innovation and Excellence (CIE, formerly Research, Planning and Development) was added to the GCP budget in 2015 and continues to support county departments in the areas of strategic planning, continuous improvement, performance measurement and evaluation.

Other divisions new to GCP for 2015 include Workforce Development, Office of Diversity and Inclusion, Public Safety Administration, the Business Information Office (BIO) and Web Team, and Countywide Tuition.

2015 BUDGET

Adopted

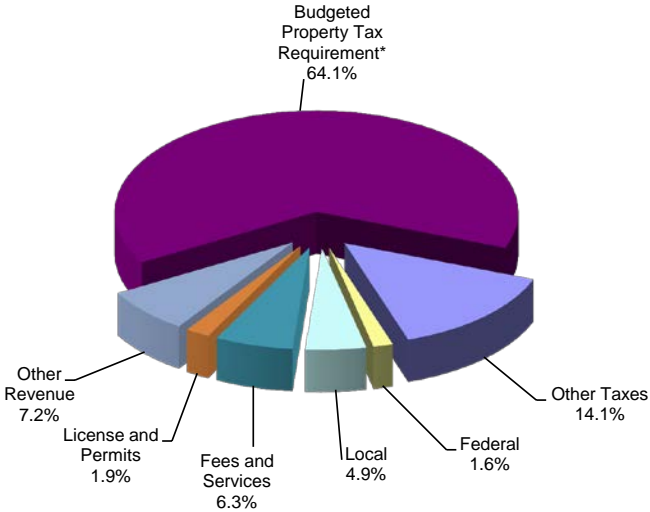
Revenue and Expenditure Information:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$162,312,673	\$156,533,537	\$166,553,488
Other Taxes	35,594,745	35,000,000	36,675,000
Federal	5,789,908	6,154,703	4,072,027
State	155,009	188,196	103,515
Local	12,220,583	12,395,539	12,614,239
Investment Earnings	5,598		
Fees and Services	15,935,049	16,134,349	16,239,165
Fines and Forfeitures			
License and Permits	4,189,636	5,171,000	5,049,000
Bond Proceeds	30,464,972		
Other Revenue	36,218,539	49,710,576	18,550,773
Total Revenues	\$302,886,712	\$281,287,900	\$259,857,207
Personal Services	\$56,743,901	\$60,369,748	\$66,335,253
Commodities	2,282,840	1,645,967	1,036,318
Services	31,523,469	38,489,793	39,234,800
Public Aid		500	
Capital Outlay	5,641,493	17,901	151,750
Other Charges	157,159,741	180,763,991	153,099,086
Total Expenditures	\$253,351,444	\$281,287,900	\$259,857,207

*Reflects the adjusted property tax requirement budget, not actual property tax collections.

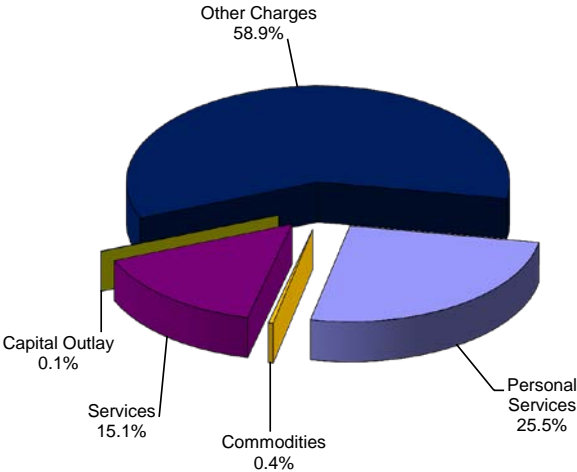
Budgeted Positions (Full-time Equivalents) **907.4** **932.8** **961.3**

Revenue and Expenditure Comparison:

2015 Revenue



2015 Expenditures



Revenue Highlights:

Operations' budgeted 2015 revenues are \$259.9 million, a \$21.4 million or 7.6 percent decrease from the 2014 adjusted budget of \$281.3 million. Below are descriptions of the different revenues in the Operations program.

County Property Taxes

Operations is largely comprised of policy, administrative and support services departments funded primarily through property tax assessments. There is limited availability for outside resources to fund the activities and functions of these departments other than property tax, debt or use of fund balance. Property Taxes finance 64.2 percent of the 2015 Operations program.

Federal

2015 Federal revenue of \$4.1 million has decreased approximately \$2 million from the 2014 budget. The change is mostly due to the \$1.8 million reduction in federal grants for Emergency Management.

Local

Nearly all local revenue is budgeted in the Debt Retirement program. This primarily represents \$8.3 million that will be received from the Counties Transit Improvement Board (CTIB) for bonds issued by the county on behalf of CTIB to fund transit capital grants, as well as \$4.1 million from other entities for the purpose of paying debt service on county bonds for various purposes.

Fees, Services, Licenses and Permits

There is \$16.2 million of revenue budgeted in 2015 from fees charged for services. Fees and services account for 6.3 percent of Operations' total revenues. Resident and Real Estate Services (RRES) budget the majority of fees and services revenue for 2015.

RRES estimates \$5.3 million will be generated in 2015 from service center activities. These fees account for 32.6 percent of all Operations fee and service revenues. Other specific 2015 RRES revenues include:

- \$9.0 million in fees for recording Torrens and Abstract certificates, and other public documents. This includes \$5.3 million reserved by state statute to provide modern information services for the records systems, support enhancements to the recording process, fund compliance efforts and for undertaking data integration and aggregation projects.
- \$1.3 million in revenues for the Record EASE web product, which charges subscriber for online searches and images of real estate records.
- \$4.0 million from the county's six service centers for motor vehicle registrations and driver licenses.
- An additional \$1.1 million from the service centers from the sale of vital records.

The county Assessor generates most of its revenues by charging jurisdictions for assessment services to recover costs. The 2015 county Assessor division budget includes approximately \$3.1 million in revenues for assessments provided to 24 jurisdictions within the county.

Other Revenue

Other Revenues, totaling \$18.6 million, make up 7.2 percent of Operations' 2015 revenue. This is a budget decrease of approximately \$31.4 million from the 2014 adjusted budget of \$50.0 million.

The 2015 Debt Retirement budget includes \$36.5 million in other revenues which includes \$34.2 million for ballpark debt service (including optional prepayment of principal) and other authorized ballpark activities, \$2.1 million for the energy center improvements and \$169,500 in revenues from Glen Lake Golf Course for debt service on bonds that finance improvements to the facility.

For Ballpark Sales Tax Revenue Programs, other taxes includes \$35.2 million in budgeted sales tax collections for 2015, a \$1.7 million increase over the 2014 budget. The sales tax is collected to provide for transfers of principal and interest payments on the sales tax revenue bonds issued to fund the county's contribution to the Minnesota Twins baseball stadium and to fund other authorized uses.

Additional Other Revenues in Operations are generated by Public Affairs for broadcasting public meetings and providing services to other departments, Budget and Finance for investment services fees, Intergovernmental Relations for contract lobbying activities and for the Municipal Building Commission from sales of steam/energy, rent charges and services that are provided to non-city and non-county customers.

2015 BUDGET

Adopted

Department Expenditure Summary:	2013 Actual	2014 Budget	2015 Budget
Commissioners	\$2,488,992	\$2,829,409	\$2,900,755
County Administration	2,846,082	3,366,257	2,750,734
Budget and Finance	12,081,746	14,265,325	14,866,827
Information Technology (excludes Internal Service Funds)	9,344,206	8,416,714	8,903,924
Resident and Real Estate Services	36,802,601	39,771,017	41,445,464
Human Resources	6,937,455	7,340,763	7,605,343
Public Affairs	2,292,508	2,238,130	2,045,845
Internal Audit	2,442,305	3,307,066	3,749,309
General County Purposes	23,603,443	32,806,501	37,160,653
Debt Retirement	119,423,776	129,453,518	135,895,353
Ballpark Sales Tax Revenue Programs	35,088,330	37,493,200	2,533,000
Total Expenditures	\$253,351,444	\$281,287,900	\$259,857,207

Budgeted Positions:	2013 Actual	2014 Budget	2015 Budget
Commissioners	25.0	25.0	25.0
County Administration	17.4	17.4	14.4
Budget and Finance	90.8	91.8	93.3
Information Technology	315.5	322.9	326.9
Resident & Real Estate Services	321.6	332.6	335.6
Human Resources	64.1	66.1	65.1
Public Affairs	17.5	17.5	14.5
Internal Audit	18.0	22.0	25.0
General County Purposes	26.0	26.0	50.0
Self Insurance <small>(Internal Service Fund)</small>	5.5	5.5	5.5
Debt Retirement			
Ballpark Sales Tax Revenue Programs			
Employee Health Plan Self Insurance <small>(Internal Service Fund)</small>	6.0	6.0	6.0
Total Full Time Equivalent (FTE)	907.4	932.8	961.3

Mission:

*The mission of Hennepin County is to enhance the health, safety and quality of life of our residents and communities in a respectful, efficient and fiscally responsible way.
(Resolution 01-5-294A adopted May 7, 2002.)*

Department Description:

The county operates under the board of commissioners-administrator form of government. Policy making and legislative authority are vested in the seven-member board of commissioners. Their legislative powers are conferred on them by general state statutes which apply to county governments and special statutes applying to Hennepin County (M.S. 383B). The board is elected to four-year overlapping terms on a non-partisan basis.

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$2,725,829	\$2,829,409	\$2,900,755
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue			
Total Revenues	\$2,725,829	\$2,829,409	\$2,900,755
Personal Services	\$2,308,145	\$2,508,818	\$2,558,682
Commodities	34,236	34,502	43,620
Services	80,245	105,343	113,942
Public Aid		500	
Capital Outlay		2,550	2,550
Other Charges	66,366	177,696	181,961
Total Expenditures	\$2,488,992	\$2,829,409	\$2,900,755

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	25.0	25.0	25.0
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Mission:

The mission of Hennepin County Administration is to implement county board policies and state statutes, to promote county interests with other governmental agencies and to provide direction to departments to achieve the county's overarching goals.

Department Description:

The Hennepin County Board of Commissioners determines county policy. Administrative responsibility is delegated to the county administrator. The other operations departments result from statutory requirements or provide necessary management service functions. The departments further the county's vision statement as well as the accompanying overarching goals by directing, administering, planning, facilitating, assisting and coordinating the services and activities provided by all county departments. Operations departments include activities in the County Revenue Fund, Debt Retirement Fund and Internal Services Funds.

Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$2,848,927	\$3,068,757	\$2,453,234
Fees for Services	70,000	295,000	295,000
Other Revenue	422,674	2,500	2,500
Total Revenues	\$3,341,601	\$3,366,257	\$2,750,734
Personal Services	\$1,922,478	\$2,142,006	\$1,765,968
Commodities	15,509	22,301	23,550
Services	882,515	1,138,814	920,316
Public Aid			
Capital Outlay		3,951	4,000
Other Charges	25,580	59,185	36,900
Total Expenditures	\$2,846,082	\$3,366,257	\$2,750,734

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	17.4	17.4	14.4
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Significant Budget Changes:

County administration is being reduced by 3.0 Full-Time Equivalents (FTEs). These FTEs are being transferred to other departments to continue their work with Diversity & Inclusion, the Center of Innovation Excellence and Public Safety Administration.

Additional Resources:

www.hennepin.us, search on "County Administration"

Hennepin County

Office of Budget and Finance
Operations

2015 BUDGET
Adopted

Mission:

We work to ensure sound credit conditions, working capital and overall financial health within Hennepin County by supporting strategic objectives through leveraging technology, effective management of financial and human resource systems and services, as well as Hennepin County's commitment to equal opportunity, affirmative action, diversity and inclusion.

Department Description:

The Office of Budget and Finance (OBF) is organized into three divisions. The Finance, Budget Analysis and Accounting division performs budget preparation and analysis, revenue and expenditure forecasting, legislative analysis, treasury services, and accounting services. Additionally, OBF performs risk management in cooperation with the County Attorney's Office to monitor and control the financial and operational risk for Hennepin County. Purchasing and Contracting Services is responsible for most county purchasing tasks abiding by Minnesota State Statutes and Hennepin County's policies and procedures. The APEX Service Center provides production and user support for Hennepin County's PeopleSoft Enterprise Resource Planning (ERP) system.

Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$13,296,748	\$13,583,725	\$14,225,827
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services	670,000	630,000	630,000
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	37,000	51,600	11,000
Total Revenues	\$14,003,748	\$14,265,325	\$14,866,827
Personal Services	\$8,848,249	\$9,368,583	\$10,277,162
Commodities	40,405	17,350	34,950
Services	3,216,388	4,459,462	4,183,755
Capital Outlay	9,826	1,000	2,000
Other Charges	(33,122)	418,930	368,960
Total Expenditures	\$12,081,746	\$14,265,325	\$14,866,827

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	90.8	91.8	93.3
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Significant Budget Changes:

The APEX Service Center took over management of the County's new point of sale (cashiering) system, iNovah. New amounts budgeted for 2015 include one Senior IT Specialist, software maintenance, and consulting totaling \$522,000.

Division Budgets:

	2013 Actual	2014 Budget	2015 Budget
Finance, Budget Analysis & Accounting	\$3,014,975	\$2,858,960	\$2,944,678
APEX Service Center	9,285,763	9,543,253	9,929,974
Purchasing & Contract Services	1,703,010	1,863,112	1,992,175
Total Expenditures	\$14,003,748	\$14,265,325	\$14,866,827

Additional Resources:

www.hennepin.us/budgetfinance
Budget documents - www.hennepin.us/hcbudget
Financial reports - www.hennepin.us/cafr

**Information Technology
Operations**

**2015 BUDGET
Adopted**

Mission:

The Hennepin County Information Technology Community will deliver innovative, effective and timely business-driven information technology solutions in a secure, reliable, accessible and fiscally responsible manner.

Department Description:

The Information Technology Department (IT) provides the computing and communications (voice and e-mail) infrastructure used for delivery of business applications throughout Hennepin County. It is also responsible for implementing and overseeing policy, procedures and tools for ensuring information security. The department is organized into three major units: Office of the Chief Information Officer, Service Management and Compliance Division, and the Technology Management Services Division, all managed out of Fund 62, an internal service fund. Also under the umbrella of the Information Technology Department are the following areas managed in County Revenue Fund 10: General Government Development and Support, Hennepin Justice Integration, Mainframe Decommissioning, and Geographic Information Systems; and Central Services, Internal Service Fund 60. The Budget Summary section below represents information only for Technology Fund 10. The Budgeted Positions include all IT Funds.

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$8,246,652	\$8,416,714	\$8,903,924
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	1,000,000		
Total Revenues	\$9,246,652	\$8,416,714	\$8,903,924
Personal Services	\$4,377,021	\$5,055,719	\$5,009,821
Commodities	524,519	129,340	11,674
Services	4,423,795	3,154,455	5,354,027
Public Aid			
Capital Outlay			
Other Charges	18,871	77,200	(1,471,598)
Total Expenditures	\$9,344,206	\$8,416,714	\$8,903,924

*Reflects the adjusted property tax requirement budget, not actual property tax collection.

Budgeted Positions (Full-time Equivalents)	315.5	322.9	326.9
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IT Internal Services Fund
Operations

2015 BUDGET
Adopted

Mission:

IT Operations division is dedicated to the delivery and integration of information technology products and services that meet the business needs of county departments and their service partners by providing the infrastructure, emerging technologies and associated services.

Department Description:

IT Operations' infrastructure and technology services are critical elements in providing effective and efficient services throughout the county. To keep pace with changing county needs, central IT provides business value throughout the county by:

- (1) Helping customers utilize the web to meet their business objectives
- (2) Creating an environment that is secure and recoverable from cyber-attack and other disasters
- (3) Supporting the workforce with anytime, anywhere access
- (4) Providing customers with collaboration tools

Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services	56,996,630	65,522,978	67,223,650
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	2,365,869	6,731,733	7,084,581
Total Revenues	\$59,362,499	\$72,254,711	\$74,308,231
Personal Services	\$22,998,929	\$30,740,876	\$34,375,939
Commodities	15,466,798	5,606,588	5,071,585
Services	15,031,063	23,967,471	25,423,774
Public Aid			
Capital Outlay			
Other Charges	4,908,237	11,939,776	9,436,932
Total Expenditures	\$58,405,027	\$72,254,711	\$74,308,230

*Reflects the adjusted property tax requirement budget, not actual property tax collection.

Budgeted Positions (Full-time Equivalents)	254.7	258.0	263.7
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**Resident and Real Estate Services
Operations**

**2015 BUDGET
Adopted**

Mission:

The budget for Resident and Real Estate Services includes three separate, but closely aligned Departments with the following missions:

Resident and Real Estate Services: *provides a range of real estate, licensing and election related services united under the mission, "Valued services; satisfied customers."*

Assessor's Office: *To serve the taxpayers of Hennepin County by uniformly valuing and classifying real property in an accurate and equitable manner.*

Examiner of Titles: *To expertly, timely, and efficiently administer Minnesota's Land Title Registration Act ("Torrens") in Hennepin County.*

Department Description:

The Resident and Real Estate Services Department performs the County Auditor, Treasurer and Recorder functions for Hennepin County. The department consists of seven divisions: County Surveyor, Office of Public Records, Service Centers, Elections, Property Tax, Administration and Business Technology Solutions.

The County Assessor's Office is responsible, both directly and indirectly, for estimating the market value and determining the correct classification for every real estate parcel in suburban Hennepin County.

The Examiner of Titles assists the district court by examining titles, issuing reports and conducting hearings in court cases involving the registration of land titles and in court cases involving problems or disputes with land which has been previously registered and is the legal advisor to the Registrar of Titles.

Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$8,186,733	\$9,731,668	\$9,739,182
Other Taxes	2,092,085	1,500,000	1,500,000
Federal			
State			
Local			
Investment Earnings			
Fees for Services	15,097,674	15,114,349	15,314,165
Fines and Forfeitures			
Licenses and Permits	4,189,636	5,171,000	5,049,000
Bond Proceeds			
Other Revenue	1,083,464	8,254,000	9,843,117
Total Revenues	\$30,649,592	\$39,771,017	\$41,445,464
Personal Services	\$23,702,039	\$26,976,703	\$28,925,657
Commodities	417,503	254,650	176,583
Services	6,942,215	12,331,888	12,047,214
Public Aid			
Capital Outlay	5,592,466	10,000	23,000
Other Charges	148,378	197,776	273,010
Total Expenditures	\$36,802,601	\$39,771,017	\$41,445,464

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	321.6	332.6	335.6
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**Human Resources
Operations**

**2015 BUDGET
Adopted**

Mission:

To provide Human Resource services for county departments to enhance performance, engage employees and excel in delivering results.

Department Description:

Human Resources (HR) has a broad organizational impact and direct effect on employee productivity and retention. HR programs and services are fundamental in realizing the county's core values: customer service, continuous improvement, employee engagement, diversity and inclusion and workforce development.

By 2018, 32% of managers/supervisors and 23% of all employees are retirement eligible. HR continues to partner with departments on Workforce Planning, Knowledge Transfer, Leadership Development and Emerging Leaders.

As a strategic partner, HR assists departments in achieving their mission, vision and overarching goals through our targeted key results:

- Self-service systems are developed and resources are maximized
- Employees are engaged and motivated to perform their best to serve our customers
- Employees are healthy and work environments are inclusive
- The workforce reflects and serves a diverse range of customers
- Leaders are ethical, customer-focused and strategic

Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$6,971,027	\$7,288,563	\$7,566,343
Other Taxes			
Federal			
State			
Local		10,000	10,000
Investment Earnings			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	33,874	42,200	29,000
Total Revenues	\$7,004,901	\$7,340,763	\$7,605,343
Personal Services	\$5,821,398	\$6,046,907	\$6,197,607
Commodities	82,249	78,349	77,006
Services	868,681	1,032,869	1,102,171
Public Aid			
Capital Outlay		400	300
Other Charges	165,127	182,238	228,259
Total Expenditures	\$6,937,455	\$7,340,763	\$7,605,343

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	64.1	66.1	65.1
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**Communications
Operations**

**2015 BUDGET
Adopted**

Mission:

Hennepin County Communications staff members assist the county government in communicating with the public it serves. Hennepin County Communications acts as a resource to county leadership, to the county organization and to the media.

Department Description:

Hennepin County Communications honors the public's right to know by providing honest, complete and open communication with the public and with representatives of the media; responds promptly and cooperatively to requests for information and works to increase public awareness and county workforce awareness about Hennepin's services, programs and activities. Hennepin County Communications provides print and web-based news and publications, media relations services, meeting broadcasts and video services, public relations services, event and special project management, internal communication, design services for visual communication and photographs.

Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$1,918,385	\$2,016,560	\$1,754,450
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services	97,375	95,000	
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	180,125	126,570	291,395
Total Revenues	\$2,195,885	\$2,238,130	\$2,045,845
Personal Services	\$1,678,686	\$1,724,280	\$1,518,370
Commodities	38,818	39,000	65,650
Services	492,125	390,500	365,325
Public Aid			
Capital Outlay	4,910		
Other Charges	77,969	84,350	96,500
Total Expenditures	\$2,292,508	\$2,238,130	\$2,045,845

*Reflects the adjusted property tax requirement budget, not actual property tax collection.

Budgeted Positions (Full-time Equivalents)	17.5	17.5	14.5
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**Internal Audit
Operations**

**2015 BUDGET
Adopted**

Mission:

The mission of Internal Audit is to provide independent audit and investigative functions using established standards and best practices to identify and facilitate the mitigation of risk as a service to Hennepin County management, the audit committee and the county board.

Department Description:

Internal Audit is an independent and objective assurance, consulting and investigative activity comprising of five divisions:

- The Audit division conducts and supports a number of projects including compliance activities, information technology audits, and risk-based assurance and consulting engagements.
- The Digital Forensics division conducts county employee investigations, providing digital evidence to support or dismiss the allegation of a violation.
- The Vendor Compliance division assists management via audits of vendor contracts.
- The Data Governance division manages the availability, usability, integrity and security of the data in Hennepin County.
- The Respectful Workplace Investigations division conducts investigations of formal complaints resulting from alleged violations of Hennepin County's Non-Discrimination and Respectful Workplace policy.

Budget Summary:

	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$2,876,152	\$3,307,066	\$3,749,309
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue			
Total Revenues	\$2,876,152	\$3,307,066	\$3,749,309
Personal Services	\$1,750,048	\$2,483,160	\$2,808,569
Commodities	8,938	35,000	32,450
Services	634,421	720,390	836,865
Public Aid			
Capital Outlay			
Other Charges	48,898	68,516	71,425
Total Expenditures	\$2,442,305	\$3,307,066	\$3,749,309

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	18.0	22.0	25.0
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**Internal Audit
Operations**

**2015 BUDGET
Adopted**

Significant Budget Changes:

The 2015 budget reflects the addition of three positions to staff the new Data Governance and Respectful Workplace Investigations divisions.

The remainder of the budget increase is primarily due to information technology costs necessary to maintain audit management and digital forensics software.

Division Budgets:	2013 Actual	2014 Budget	2015 Budget
Audit	\$2,059,930	\$2,092,947	\$2,122,864
Digital Forensics	816,222	729,955	790,974
Vendor Compliance		484,164	506,797
Data Governance			204,724
Respectful Workplace Investigations			123,950
Total Expenditures	\$2,876,152	\$3,307,066	\$3,749,309

Budget Commentary:

Historically, Internal Audit's budget has primarily consisted of costs in three areas; staffing, external audit fees and information technology (IT). This remains the case with the addition of the Digital Forensics and Vendor Compliance divisions in 2014 and the Data Governance and Respectful Workplace Investigations divisions in 2015.

Internal Audit continues to support the external auditor's procedures related to Single Audit of Federal Awards, IT controls and the Metropolitan Health Plan financial audit. Using Internal Audit staff to complete detailed testing helps keep external audit fees down and provides audit staff with valuable experience.

Key Results:	2013	2014 Est.	2015 Est.
Federal Award (Single Audit) Programs Audited	5	7	6
Assurance & Compliance Engagements	12	12	13
Information Technology Assurance & Consulting Engagements	11	13	13
Digital Forensic Investigations	54	72	65
Non-Discrimination/Respectful Workplace Investigations	18	20	20

Additional Resources:

www.hennepin.us

General County Purposes
Operations

2015 BUDGET
Adopted

Mission:

To encourage and assist public programs and activities dedicated to cultural enrichment and to educational and technical assistance; to provide dues and contributions to organizations benefiting the county; and to reserve available funding for contingent activities further defined during the budget year. The General County Purposes activities, programs and services support and further the vision and overarching goals of the county.

Department Description:

General County Purposes includes:

- Cultural and technical assistance activities and programs (Hennepin History Museum, County Fair, Extension Services, National Association of Counties, Association of Minnesota Counties, etc.) that the county supports through funding as required or permitted by state law
- Non-federal Medical Assistance Reimbursements
- Minneapolis Employee Retirement Fund (MERF) Payments for former city entities (Minneapolis Workhouse, Center Hospital)
- Justice Integration Grants
- Municipal Building Commission
- Emergency Management, Center of Innovation and Excellence, Workforce Development, Office of Diversity and Inclusion, Business Information Office/Web Team
- Ballpark Office expenses and the Hennepin Youth Sports Program reimbursed through sales tax
- Commercial Paper Program
- Hennepin University Partnership (HUP)
- Countywide Tuition
- Contingency

Budget Summary:	2013 Actual	2014 Budget**	2015 Budget
Budgeted Property Tax Requirement*	\$35,072,392	\$26,121,247	\$32,360,464
Federal	3,692,679	4,081,397	1,998,721
State	111,090	188,196	103,515
Local			200,000
Other Revenue	2,314,894	2,415,661	2,497,953
Total Revenues	\$41,191,055	\$32,806,501	\$37,160,653
Personal Services	\$6,335,837	\$4,063,572	\$7,273,417
Supplies and Materials	1,120,663	1,035,475	570,835
Purchased or Contract Services	13,055,043	14,256,072	13,411,185
Equipment and Asset Purchases	34,291		119,900
Other Expenditures	3,057,609	13,451,382	15,785,316
Total Expenditures	\$23,603,443	\$32,806,501	\$37,160,653

*Reflects the adjusted property tax requirement budget, not actual property tax collection.

** Center of Innovation and Excellence 2013 & 2014 Budget figures are included for comparison purposes

Budgeted Positions (Full-time Equivalents)	26.0	26.0	50.0
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General County Purposes

2015 BUDGET

Operations

Adopted

Division Budgets:	2013 Actual	2014 Budget	2015 Budget
Hennepin County Fair	\$54,887	\$54,887	\$55,985
Hennepin History Museum	169,041	169,041	172,422
Minnesota Extension Services	539,535	535,303	546,009
Dues and Contributions	416,492	423,463	450,000
Municipal Building Commission	3,325,440	3,602,291	3,741,616
Non Federal Medical Assistance	6,792,000	6,792,000	6,792,000
Emergency Management	3,480,846	2,836,041	2,013,496
Justice Integration Grants	841,636	1,975,942	615,295
Hennepin Youth Sports	2,247,099	2,165,000	2,175,000
MERF Payment	855,900	860,000	860,000
Contingency		10,435,691	12,135,000
Hennepin University Partnership		205,000	225,000
Commercial Paper Program	114,286	200,000	200,000
Countywide Tuition			200,000
Center of Innovation and Excellence	2,173,981	2,551,842	3,192,058
Workforce Development			559,686
Office of Diversity and Inclusion			433,772
BIO / Web			2,148,157
Public Safety Administration			645,157
Total Expenditures	\$21,011,143	\$32,806,501	\$37,160,653

Budget Commentary

The Budgeted Property Tax Requirement for 2015 includes \$12,135,000 for Contingency. Expenditures do not typically appear in contingency; rather a county board resolution will authorize and direct a budget transfer from contingency to the appropriate fund/department receiving and expending the funds.

The Center of Innovation and Excellence (formerly Research, Planning & Development) is included in General County Purposes for the first time in 2015.

Workforce Development, Public Safety Administration, Business Information Office/Web Team, and Office of Diversity and Inclusion are new departments in General County Purposes.

A countywide tuition fund will be included for the first time in the General County Purposes budget at \$200,000.

Dues and Contributions Detail:	2013	2014	2015 Budget
National Association of Counties (NACO)	\$23,014	\$23,049	\$23,049
Association of Minnesota Counties (AMC)	\$74,425	\$75,914	\$75,894
St. Anthony Falls Heritage Board	\$31,000	\$31,000	**
North Metro Crossing (Hwy 610)	\$11,000	\$11,000	\$11,000
169 Coalition		\$5,000	\$5,000
North Metro Mayors Association	\$10,000	\$10,000	\$10,000
Youth Coordinating Board	\$64,803	\$65,000	**
Minnesota River Board	\$1,250	\$2,500	**
Brooklyn Bridge Alliance	\$50,000	\$50,000	\$50,000
Southwest Crossing	\$1,000		
Greater MSP	\$150,000	\$150,000	\$150,000

\$450,000 is a placeholder to account for increases.

Additional Resources:

- Hennepin County Fair - www.hennepincountyfair.com
- Hennepin History Museum - www.hennepinhistory.org
- Minnesota Extension Services - www.extension.umn.edu/county/hennepin
- Municipal Building Commission - www.municipalbuildingcommission.org
- Hennepin Youth Sports - www.hennepin.us/youthsports and www.mnsports.org/grant_program.htm

**Debt Retirement
Operations**

**2015 BUDGET
Adopted**

Mission:

To provide for principal and interest payments on general obligation bonds issued for building projects and equipment acquisition; to provide for principal and interest payments on sales tax revenue bonds; and to provide for lease payments on certificates of participation.

Department Description:

Moneys budgeted in this program pay the annual principal and interest on the county's general obligation bonds, sales tax revenue bonds and any lease/purchase agreements that may exist. Payment schedules are established by board resolution at the time of the bond sale or upon approval of the lease/purchase agreement. This program is accounted for in the Debt Retirement (70) and the Ballpark Debt Retirement (79) Funds.

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$80,169,828	\$80,169,828	\$82,900,000
Other Taxes	56,230		
Federal	2,097,229	2,073,306	2,073,306
State	43,919		
Local	12,220,583	12,385,539	12,404,239
Investment Earnings	3,791		
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds	30,464,972		
Other Revenue	29,506,415	34,824,845	38,517,808
Total Revenues	\$154,562,967	\$129,453,518	\$135,895,353
Personal Services			
Commodities			
Services	424,723	400,000	400,000
Public Aid			
Capital Outlay			
Other Charges	118,999,053	129,053,518	135,495,353
Total Expenditures	\$119,423,776	\$129,453,518	\$135,895,353

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)

DEBT RETIREMENT BUDGET HIGHLIGHTS

The debt management strategy of Hennepin County for 2015 through 2019 takes into account the need to borrow funds for completion of the Capital Improvement Plan as adopted by the County Board.

At the end of 2014, Hennepin County had \$858.75 million in general obligation (GO) outstanding debt. Of this amount, there was \$766.2 million of general obligation property tax levy-supported debt outstanding. Additionally, there was \$92.55 million of general obligation revenue-supported bonds outstanding. This GO revenue supported debt category includes \$91.745 million of debt issued for the Counties Transit Investment Board (CTIB) in exchange for a note receivable from CTIB. The debt service on these bonds is being paid with a statutory 0.25 percent transit sales tax collected in the five metro counties that are members of CTIB. Also in this category of GO revenue bonds is \$705,000 for the Augsburg Ice Arena. Finally, there are \$2.985 million of Lease Revenue Certificates of Participation (COP) outstanding that are the result of refinancing the previously issued COPs which provided financing for the acquisition of the former Metropolitan Medical Center, now part of the Hennepin County Medical Center.

The county is authorized by the state to issue debt for general capital improvement projects as well as libraries, solid waste facilities and capital equipment.

The total amount of debt that the county could potentially issue under its general capital improvement bonding authority (Minnesota Statutes 373.40, as described below) is approximately \$1.595 billion. This amount of bonding authority varies with changes in the estimated market value of property within the county. The county has \$720.7 million in bonds currently outstanding under its general bonding authority. The current capital plan includes \$124.6 million of new debt issuance for 2015.

In general, the county makes use of bonded indebtedness in accordance with these principles:

- 1) Debt is normally issued only for major projects with a county expense in excess of \$150,000;
- 2) Debt is not to be used for operating projects or those projects whose life expectancy does not exceed the maturity of the bonds;
- 3) The county balances debt issuance and current property taxes for capital projects to maintain consistent levels of tax burden; and
- 4) The county maintains its strong financial framework and Aaa/AAA/AAA bond rating.

The summary of outstanding debt and the future requirements tables at the conclusion of this section summarizes the county's outstanding debt at the end of 2013 and 2014, and future debt service property tax levy requirements.

Summary of County's Major Debt Issuance Authorities

Overall Debt Limitation Calculation

The overall limitation on county general obligation debt is 3.0 percent of the taxable market value within the county. This calculates to a limit of \$3.9 billion as contrasted with total outstanding debt of \$859.0 million. This limitation is very large in contrast to outstanding debt and anticipated debt.

The overall debt limitation is calculated as follows: taxable property market value times .03 = debt limitation.
 $\$129,650,720,219 \times .03 = \$3,889,521,607.$

Capital Improvement Bonds and Notes - M.S. Chapter 373

M.S. 373.40 in this chapter authorizes the county to issue bonds without referendum (unless petitioned by 5.0 percent of voters). This authority limits debt issuance to bonds for which the principal and interest of the bonds will not exceed 0.12 percent of the estimated market value of the county. Depending on interest rates and maturity structures, this would limit the county to issuing approximately \$1.595 billion of bonds. Currently, there are approximately \$720.7 million of bonds outstanding under this authority.

M.S. 373.40 Debt Limitation Calculation

Taxable market value times .0012 = maximum annual principal and interest. This results in: \$129,650,720,219 x .0012 = \$155,580,864. The maximum principal and interest divided by \$97,500 (estimated debt service costs for \$1 million of debt assuming 5.5 percent for 15 years) produces an estimate of the amount of debt that can be issued under this authority. This amount is: \$155,580,864 divided by \$97,500 per million = \$1,595,701,200 of estimated debt authorization per M.S. 373.40.

Capital Notes under M.S. 373.01 subdivision 3 authorizes the county to issue capital notes for equipment pursuant to M.S. 373.01, Subdivision 3. Capital notes issued pursuant to M.S. 373.01 are in addition to those issued pursuant to M.S. 383B.117, as discussed below. There are currently \$15.4 million of notes outstanding under this authority.

Library Bonds - M.S. Section 383B.245

This statute authorizes the county to issue bonds for libraries without referendum. Prior to 2008, the county operated a library system outside of the City of Minneapolis. Effective January 1, 2008, the Minneapolis Public Library merged with the county library system and the applicable valuation pertaining to the debt limit is now countywide. This authority limits debt issuance to bonds for which the principal and interest of the bonds will not exceed .01612 percent of the estimated market value of property within the county. Assuming a 5.5 percent interest rate and 15-year maturity structure, it is estimated that the county could issue \$192.9 million of debt under this authority. Currently, there are \$45.5 million of bonds outstanding under this authority.

M.S. 383B.245 Debt Limitation Calculation

Taxable market value times .0001612 = maximum annual principal and interest. This results in: \$129,650,720,219 x .0001612 = \$20,899,696. The maximum principal and interest divided by \$97,500 per million (estimated debt service costs for \$1 million of debt assuming 5.5 percent for 15 years) produces an estimate of the amount of debt that can be issued under this authority. This amount is: \$20,899,696 divided by \$97,500 per million = \$214,355,856 of estimated Library debt authorization per M.S. 383B.245.

Solid Waste Bonds - M.S. 473.811

The county may, by resolution, issue general obligation bonds or revenue bonds to provide funds for various solid waste facilities or improvements. The county currently has no solid waste bonds outstanding. There is no limit as to the amount of these bonds. The only limits are the purpose for which the bond proceeds are spent and the overall debt limit. While the 2015-2019 capital plan anticipates completion of a number of capital projects in the environmental services area, it does not include any additional solid waste debt at this time.

Ballpark Sales Tax Revenue Bonds - M.S. 473.757 and 475

The county received one-time authority in 2006 to issue a maximum of \$350 million of sales tax revenue bonds to fund a contribution towards the construction and acquisition of a publicly-owned baseball stadium. Of the total \$341.8 million issued in 2007 and 2008, there is currently \$259.56 million outstanding.

Transit Sales Tax Bonds – M.S. 287A.992, subdivision 7

The county is authorized to issue revenue bonds payable from the proceeds of a 0.25% sales and use tax and a \$20 motor vehicle excise tax to provide funds for transitway related purposes pursuant to a joint powers agreement of Hennepin, Anoka, Dakota, Ramsey, and Washington Counties (known as the "Counties Transit improvement Board" or "CTIB.") The county may also pledge its full faith, credit, and taxing power as additional security for bonds issued pursuant to this authority. The county currently has \$91.745 million of debt outstanding that was issued on behalf of CTIB in 2010.

Capital Notes - M.S. 383B.117, subdivision 2

The county may issue general obligation capital notes to finance equipment acquisition. The principal amounts of the notes issued for any year cannot exceed 1.0 percent of that year's annual budget and these notes must mature within ten years. Pursuant to statute, the annual budget for Hennepin Healthcare System is added to the annual budget of the county in calculating this limitation. The county does not have current plans to issue any debt pursuant to this authority.

Watershed Management Capital Improvements Bonds under M.S 103B.251 subdivision 7

Through December 31, 2014, the county has issued a total of \$14.1 million in bonds for the benefit of the Minnehaha Creek Watershed District, a separate taxing jurisdiction. The District must levy a tax sufficient to pay the debt service, but if it fails to do so, the county is obligated to pay the debt service. These bonds have maturities as long as 20 years.

The county has a variety of other bonding authorities but the above represents the most commonly used authorities. A full listing of all debt authorities is available in county bond official statements that are available by request from the Office of Budget and Finance.

The tables on the following page shows the outstanding debt of the county, the 2015 debt service levy and the future levy requirements needed to support the both the countywide and library outstanding debt.

OUTSTANDING DEBT

	OUTSTANDING as of 12/31/2013	OUTSTANDING as of 12/31/2014	2015 DEBT SERVICE LEVY
Property Tax-Supported General Obligation Bonds	\$735,600,000	\$766,200,000	\$82,900,000
General Obligation Revenue Bonds			
Augsburg Ice Arena Bonds ⁽¹⁾	860,000	705,000	
Counties Transit Sales Tax Bonds ⁽²⁾	95,580,000	91,475,000	
Ballpark Sales Tax Revenue Bonds⁽³⁾	275,250,000	259,560,000	
TOTAL	<u>\$1,107,290,000</u>	<u>\$1,117,940,000</u>	<u>\$82,900,000</u>

(1) Nontax revenues of lease payments pay the debt service on these bonds.

(2) 0.25% 5-county transit sales tax revenues pay the debt service on these bonds.

(3) 0.15% Hennepin County sales tax revenues pay the debt service on these bonds.

**FUTURE DEBT SERVICE PROPERTY TAX
REQUIREMENTS ON OUTSTANDING DEBT**

YEAR	COUNTYWIDE LEVY	SUBURBAN ONLY LEVY	TOTAL LEVY
2015	\$81,178,778	\$1,721,222	\$82,900,000
2016	77,332,005	398,061	77,730,065
2017	77,215,944	468,565	77,684,509
2018	76,111,688	513,403	76,625,091
2019	75,134,006	743,440	75,877,445
2020	72,327,856	735,021	73,062,877
2021	70,779,228	352,816	71,132,044
2022	63,844,797	347,007	64,191,804
2023	60,899,744	345,647	61,245,391
2024	56,656,031	343,252	56,999,283
2025	56,019,732	341,466	56,361,198
2026	52,896,518	343,634	53,240,152
2027	49,292,906	0	49,292,906
2028	44,651,695	0	44,651,695
2029	34,520,513	0	34,520,513
2030	28,747,434	0	28,747,434
2031-39	<u>138,900,379</u>	<u>0</u>	<u>138,900,379</u>
Total	\$1,116,509,252	\$6,653,534	\$1,123,162,786

Ballpark Sales Tax Revenue Programs
Operations

2015 BUDGET
Adopted

Mission:

To receive sales tax revenues authorized by Minnesota State Statute to provide for transfers of principal and interest payments on the sales tax revenue bonds issued to fund the county's contribution to the downtown baseball stadium, and to fund other authorized uses.

Department Description:

The funds budgeted in this activity pay the annual principal and interest on the county's sales tax revenue bonds for the downtown Twins stadium. After payment of debt service, other authorized uses are contributions to a ballpark capital improvements account, Minnesota Ballpark Authority administrative costs, and youth sports and library programs. The sales tax revenue is collected on all taxable goods and services in the county at the rate of 0.15 percent, and distributed by the Minnesota Department of Revenue to the bond trustee to make all scheduled debt service payments.

First lien bonds were issued in 2007 in the amount of \$150 million. Second and third lien bonds were issued in the second quarter of 2008 in the total amount of \$200 million.

Beginning in 2015, a change in accounting methodology results in transfers to other funds being shown as a contra-revenue rather than an expenditure.

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes	33,446,430	33,500,000	35,175,000
Federal			
State			
Investment Earnings	1,807		
Transfer for Debt Service			(19,212,160)
Transfer for Optional debt prepayment			(15,000,000)
Transfer for Library additional hours			(2,300,000)
Transfer for Youth Sports Program			(2,200,000)
Use of Fund Balance	1,640,093	3,993,200	6,070,160
Other Revenue Subtotal:	1,640,093	3,993,200	(32,642,000)
Total Revenues	\$35,088,330	\$37,493,200	\$2,533,000
Personal Services			
Commodities			
Services	\$503,318	\$500,000	\$500,000
Public Aid			
Capital Outlay			
Other Charges	34,585,012	36,993,200	2,033,000
Total Expenditures	\$35,088,330	\$37,493,200	\$2,533,000

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents) **0.0** **0.0** **0.0**

Employee Health Plan Self Insurance Fund
Operations

2015 BUDGET
Adopted

Mission:

The Employee Health Plan Self Insurance Fund accounts for the county's employee health plan. The fund's budget includes the cost of operating the county HealthWorks unit. HealthWorks connects employees, their dependents, retirees with wellness programs and services to help them maintain or improve their health.

Department Description:

This department is an internal service fund. In addition to accounting for premium revenue and claims expense, the fund accounts for the expenses of the county HealthWorks unit.

Budget Summary:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services	6,514,766	7,200,000	7,200,000
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	88,721,144	91,852,663	94,160,777
Total Revenues	\$95,235,910	\$99,052,663	\$101,360,777
Personal Services	\$79,782,943	\$497,801	\$431,847
Commodities	9,212	2,500	2,500
Services	3,142,046	3,532,778	5,117,430
Public Aid			
Capital Outlay			
Other Charges	9,387	95,019,584	95,809,000
Total Expenditures	\$82,943,588	\$99,052,663	\$101,360,777

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	6.0	6.0	6.0
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Self Insurance Fund
Operations

2015 BUDGET
Adopted

Mission:

To report and account for the assets and liabilities related to the county's self insurance programs for workers' compensation, tort liabilities and property insurance risks.

Department Description:

The self insurance internal service fund is used to account for assets and estimated liabilities related to the county's self insurance programs for workers' compensation, tort liabilities and property insurance risks. The workers' compensation program is funded by annual charges to county departments. The costs of the Workers' Compensation Claims Administration staff in the Hennepin County Attorney's Office are accounted for in this fund. The fund also accounts for estimated tort liabilities and holds cash reserves related to the large deductible property insurance program for the county's buildings and equipment.

Budget Summary:

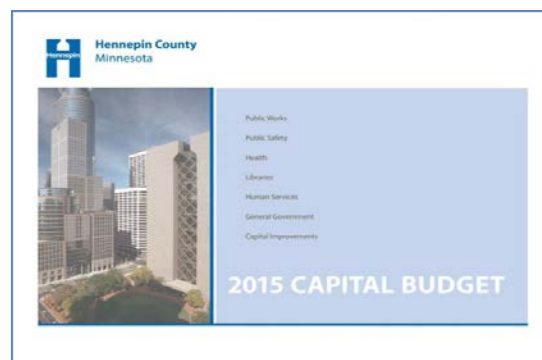
	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Bond Proceeds			
Other Revenue	5,466,092	6,074,482	6,353,919
Total Revenues	\$5,466,092	\$6,074,482	\$6,353,919
Personal Services	\$5,790,188	\$5,455,294	\$5,730,075
Commodities	3,631	5,100	5,200
Services	418,303	341,388	338,024
Public Aid			
Capital Outlay			
Other Charges	562,522	272,700	280,620
Total Expenditures	\$6,774,644	\$6,074,482	\$6,353,919

**Reflects the adjusted property tax requirement budget, not actual property tax collection.*

Budgeted Positions (Full-time Equivalents)	5.5	5.5	5.5
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Major Program: Capital Improvements**Mission:**

To provide resources that will fund county building, facility modification and highway construction projects during the budget year. Capital projects contained within the budget may extend beyond the budget year and require additional funding in succeeding years, due to their magnitude and construction scheduling.

**Program Description:**

Proposed capital projects are reviewed by county staff and citizen representatives of the Capital Budgeting Task Force. Program needs, operating cost implications, revenues and expenditures are reviewed in order to develop a five-year plan that will provide for the sound financial planning of future physical needs of the county. The plan is reassessed annually as new conditions and circumstances dictate.

FOR SPECIFIC DETAILS REGARDING THE CAPITAL BUDGET AND EACH PROJECT, REFER TO A COPY OF THE SEPARATE DOCUMENT TITLED 2015 CAPITAL BUDGET AND 2015 - 2019 CAPITAL IMPROVEMENT PROGRAM.

Program Budget Highlights:

The Capital Improvements budget for 2015 (less debt retirement, which is discussed in the Debt Retirement section of Operations) is \$256.9 million. This represents an increase of \$58.7 million or 29.6 percent over the adjusted 2014 budget of \$198.2 million.

Role of the Capital Budgeting Task Force

Since 1973, the county has considered the recommendations of an appointed eleven member citizen board, referred to as the Capital Budgeting Task Force (CBTF), prior to the adoption of its annual capital budget and five-year capital improvement program. Specifically, the CBTF is responsible for reviewing, prioritizing and making recommendations to the County Board regarding the capital projects requested by county departments. The CBTF's annual report to the County Board is contained in the separate document titled *2015 Capital Budget and 2015-2019 Capital Improvement Program*. See the Introduction section for the capital budget schedule and process.

Expenditures by Program and Department**Public Works Program:**

Public Works projects comprise \$136.3 million, or 53.0%, of the 2015 Capital Budget. Of the Publics Works program total, \$105.6 million is programmed for Transportation Roads and Bridges projects. Included in the \$105.6 million for roads and bridges, is \$5.1 for 16 line item projects which give staff flexibility to quickly and efficiently respond to issues and opportunities that may arise throughout the year. For Community Works, \$900,000 is included toward projects that are developed in partnership with other government entities to focus public and private investment to stimulate economic development, maintain and improve natural systems, strengthen community connections and enhance the tax base. With respect to Environment and Energy investments, the 2015 Capital budget includes \$11.4 million in appropriations for the Hennepin Energy Recovery Center and the two hazardous waste and recycling centers. For Facility Services projects, which typically have a countywide impact or the investment is beneficial to multiple county service areas, \$18.3 million is programmed for 2015. The county actively invests in the preservation of the county's existing assets, believing such investments should take precedence over considerations regarding new facilities and initiatives- the 2015 Facility Services projects are consistent with that philosophy. New 2015 project initiatives include an initial \$1.0 million to start the \$6.7 million preservation of the Ridgedale Regional Center and \$2.0 million toward an \$8.0 million initiative to upgrade and replace countywide security equipment.

Public Safety and Judiciary Program:

Public Safety and Judiciary projects comprise \$10.8 million, or 4.2%, of the 2015 Capital Budget. \$7.5 million is for District Court related projects including \$4.6 million is to move various court functions that are outside of a weapons screened environment to a more secure location within the Government Center. In addition, \$1.9 million is to complete the \$3.3 million Government Center C-11 modifications project, \$500,000 to improve operational efficiencies at the Family Justice Center, and \$450,000 toward courtroom communications systems improvements. With respect to the Community Corrections & Rehabilitation Department, \$1.8 million was approved, with the majority of the funding in support of facility preservation, security and efficiency improvements. \$350,000 is also included to study the feasibility of a Hennepin-Ramsey County joint juvenile corrections facility, which may result in improved services to the juvenile population and a decrease in operating costs. With respect to the Sheriff's facility needs, a \$1.0 million 2015 appropriation will continue the Sheriff's Holding Area Security Modifications project as well as \$500,000 in continued funding toward the Sheriff's Enforcement Services Division Headquarters facility modifications project.

Program Highlights Continued:Health Program:

Health projects comprise \$31.3 million, or 12.2%, of the 2015 Capital Budget. \$750,000 is included to research options for a possible new regional Medical Examiner's facility and \$1.1 million is included for a refurbishment of the 1800 Chicago detoxification center. With respect to the Medical Center, \$29.5 million is budgeted in 2015. Of this amount, \$9.5 million will support facility preservation and loading dock modifications. The most significant Health project is the new \$191.7 million HCMC Ambulatory Outpatient Specialty Center, of which an additional \$20.0 million in budget authority is granted in 2015. Construction is planned to begin in 2015, with completion scheduled for 2017.

Human Services Program:

Human Services projects comprise \$55.0 million, or 21.4%, of the 2015 Capital Budget. The largest project investment is budgeted for a South Minneapolis regional service center. An additional \$48.3 million has been budgeted for this project, bringing the total project cost to \$54.5 million. The county has an option to acquire a large site from the Minneapolis Public School District located at the southwest intersection Hiawatha Avenue and Lake Street in south Minneapolis. The site could accommodate both a Human Services South Minneapolis regional service center as well as significant other development. Other projects in the Human Services program include \$4.0 million for the development of a new sobering center model which has the potential to save money for various county programs- resulting in a return on investment as short as three years. Also in 2015, are the final \$1.4 million to complete the HSPHD satellite service delivery locations and \$1.3 million to continue the HSPHD Office space reconfiguration project which efficiently reuses office space vacated by staff teams relocating to decentralized hub and satellite facilities.

Operations and Libraries Program:

Operations and Libraries projects comprise \$23.5 million, or 9.1%, of the 2015 Capital Budget. With regards to Libraries, \$14.7 million has been budgeted toward six library projects including: the final \$9.2 million for the \$23.5 million new Brooklyn Park library, \$1.9 million toward a potential \$12 million Southeast library replacement, \$2 million toward various library facility modifications, \$1.3 million toward library equipment and technology improvement projects, and the first \$300,000 toward a \$6.1 million refurbishment of the Ridgedale library.

For the Information Technology Department, two projects for a total of \$6 million will receive funding in 2015. The largest is an additional \$4.5 million toward IT data center upgrades for a total project cost of \$5.7 million. The second project is an additional \$1.5 million toward the Information Technology community connectivity Initiative which leverages opportunities with other government entities to share the costs and operational benefits of installing fiber communications cables throughout the county.

For the Resident & Real Estate Services Department, (formerly the Taxpayer Services Department, \$1.5 million in additional funding has been budgeted for the \$2.9 million Government Center A-5 and A-6 space remodeling project. With regards to the Minneapolis City Hall / Courthouse, which is jointly owned and managed with the City of Minneapolis through the Municipal Building Commission, a total of \$ 1.3 million in continued funding for four projects related to the general preservation and investment in the historic structure was approved.

Revenue and Expenditure Information:	2013 Actual	2014 Budget	2015 Budget
Budgeted Property Tax Requirement*	\$5,006,671	\$9,744,218	\$7,261,000
Other Taxes	3,500		
Federal	12,247,339	15,608,201	258,000
State	31,512,156	42,104,670	74,113,760
Local	11,867,710	21,731,500	7,797,510
Investment Earnings	74,952		
Fees and Services			
Fines and Forfeitures			
License and Permits			
Bond Proceeds	108,157,880	102,378,000	124,604,000
Other Revenue	27,978,500	6,642,004	42,914,000
Total Revenues	\$196,848,708	\$198,208,593	\$256,948,270
Personal Services			
Commodities			
Services			
Capital Outlay	\$158,701,498	\$198,208,593	\$256,948,270
Other Charges			
Total Expenditures	\$158,701,498	\$198,208,593	\$256,948,270

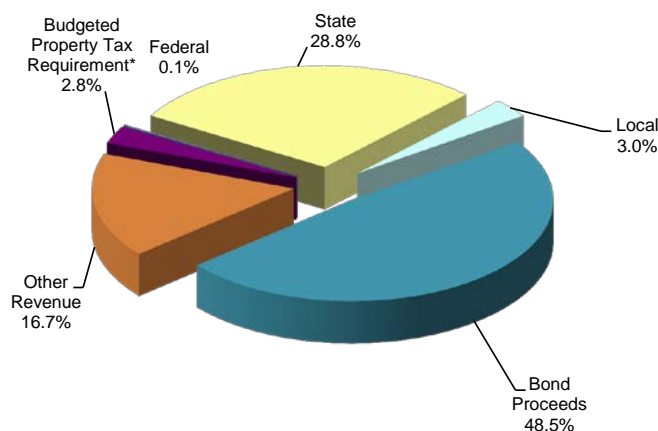
*Reflects the adjusted property tax requirement budget, not actual property tax collections.

Budgeted Positions (Full-time Equivalents)

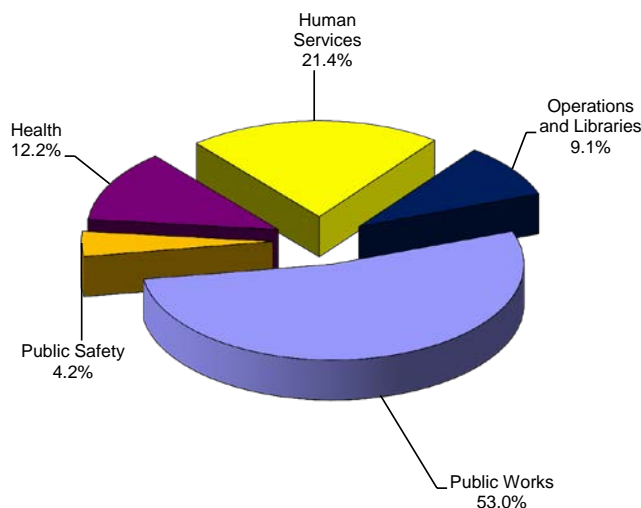
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Revenue and Expenditure Comparison:

2015 Revenue



2015 Expenditures



Revenue Highlights:

Of the revenues to support the \$256.9 million capital budget, \$124.6 million comes from bonded indebtedness. The 2015 level of bonding is \$22.2 million higher than the \$102.4 million included in the adjusted 2014 budget. Most of this difference in the level of bonding is the result of increases in two capital projects: \$15.0 million in bonding requirements for the reconstruction of the Franklin Avenue Bridge over the Mississippi River and \$23.4 million in bonding requirements for the Human Services and Public Health Department's South Minneapolis regional service center development plan. The \$38.4 million increase for these two projects is offset somewhat by \$16.2 million in reduced bonding requirements for other county program investments. Details concerning the county's debt retirement and debt management can be found in the debt retirement section of the General Government program.

Intergovernmental (state, federal and local) revenues of \$82.2 million are included in the 2015 capital budget, which is up slightly from the 2014 level of \$79.4 million. Although the total intergovernmental revenues are fairly consistent, the variance between state and local revenues show significant changes from 2014, which is almost exclusively related to road construction projects where the funding formulas vary based on the class of road being reconstructed.

The 2015 capital budget includes \$7.3 million in property tax funding which is \$2.4 million less than the \$9.7 million budgeted in 2014. Both the 2014 and 2015 figures are prior to \$5.0 million adjustments due to the receipt of County Program Aid.

In addition, the 2015 capital budget includes \$24.9 million in use of General and Human Services fund balances, \$11.4 million in enterprise revenues and \$6.6 million in other revenues.

Specific capital project budgets and detail about revenue sources relating to capital improvements can be found in the separate document titled *2015 Capital Budget and 2015-2019 Capital Improvement Program*, which is available on the County's internet site or from the Office of Budget and Finance.

Program Expenditure Summary:	2013 Budget	2014 Budget	2015 Budget
Public Works	\$66,920,423	\$119,689,593	\$136,279,270
Public Safety	21,411,000	16,424,000	10,838,000
Health	52,710,000	35,539,000	31,314,000
Human Services	10,293,000	10,058,000	55,035,000
Operations and Libraries	32,920,548	16,498,000	23,482,000
Total Expenditures	\$184,254,971	\$198,208,593	\$256,948,270

Hennepin County

2015 BUDGET

Adopted

Summary of Capital Projects by Major Program and Revenue Source

	Total 2015	Property Tax	County Bonds	Federal & State	Enterprise & Other
Public Works Program					
Total Transportation Roads & Bridges	105,639,270	2,570,000	20,000,000	75,271,760	7,797,510
Community Works				0	0
1001560 Penn Avenue Community Works	1,000,000	600,000	400,000	0	0
0031720 Community Works Corridor Planning	250,000	250,000	0	0	0
1001648 Lowry Avenue NE Community Works	350,000	350,000	0	0	0
0031721 Fort Snelling Upper Post	200,000	200,000	0	0	0
1002318 Bottineau LRT Community Works	2,000,000	0	2,000,000	0	0
0031591 Community Works Northwest Corridor	(2,900,000)	0	(2,000,000)	(900,000)	0
Environment & Energy					
0031704 HERC Facility Preservation & Improvement	10,814,000	0	0	0	10,814,000
0031814 HERC District Energy	150,000	0	0	0	150,000
1000319 Transfer Station Facility Pres 2012-2015	450,000	0	0	0	450,000
Facility Services					
0031822 Environmental Health & Safety 2011-2015	200,000	50,000	150,000	0	0
1000874 Government Center Rehabilitation	1,000,000	0	1,000,000	0	0
0031823 Facility Preservation 2011-2015	2,500,000	0	2,500,000	0	0
0031730 Multi-building Critical Power	2,818,000	0	2,818,000	0	0
1002308 Ridgedale Regional Center Preservation	600,000	0	600,000	0	0
0031824 Building Auto. Sys Upgrades 2011-2015	3,864,000	0	3,864,000	0	0
1001928 HCGC Admin Space Efficiency & Security Improvement	1,500,000	0	1,500,000	0	0
1002242 Countywide Security Equipment Replacement	2,000,000	400,000	1,600,000	0	0
0031827 Public and Programmatic Furniture Replacement	594,000	297,000	297,000	0	0
0031672 Accessibility Modifications	700,000	100,000	600,000	0	0
1000328 701 Building Facility Preservation	500,000	0	0	0	500,000
1000329 701 Building Office Space Modifications	2,050,000	0	1,850,000	0	200,000
Public Works Program Total	136,279,270	4,817,000	37,179,000	74,371,760	19,911,510
Public Safety and Judiciary Program					
District Court					
0031746 Government Center C-11 Modifications	1,886,000	0	1,886,000	0	0
1001655 Traffic Violations Bureau Improvements	985,000	0	985,000	0	0
1000932 Jury Assembly Relocation	1,000,000	500,000	0	0	500,000
0031841 Hearings & Fines Office Relocation	1,111,000	0	1,111,000	0	0
0031838 Self Help Center Relocation	1,544,000	0	1,544,000	0	0
1000931 Courtroom Communications Syst Refurb 2013-2015	448,000	448,000	0	0	0
1001562 FJC Courtroom Remodel	477,000	0	477,000	0	0
Community Corrections					
0031789 Community Corrections Security Modifications	500,000	0	500,000	0	0
1000321 Community Corrections Flooring Replacement	372,000	0	372,000	0	0
0031774 Probation Furniture & Space Efficiency Impr.	525,000	0	525,000	0	0
1002292 DOCCR Office Safety Audit Modifications	100,000	100,000	0	0	0
1002307 Hennepin-Ramsey Joint Juvenile Corrections Facility	350,000	350,000	0	0	0
Sheriff					
0031762 Sheriffs Holding Area Security Modifications	1,040,000	0	1,040,000	0	0
1001654 Sheriff's Enforcement Services Div HQ Facility Mods	500,000	0	500,000	0	0
Public Safety and Judiciary Program Total	10,838,000	1,398,000	8,940,000	0	500,000

Hennepin County

2015 BUDGET

Adopted

Summary of Capital Projects by Major Program and Revenue Source

	Total 2015	Property Tax	County Bonds	Federal & State	Enterprise & Other
Health Program					
Medical Examiner					
1002306 New Regional Medical Examiner's Facility	750,000	750,000	0	0	0
Medical Center					
1000323 HCMC Asset Preservation 2012-2015	6,500,000	0	6,500,000	0	0
1002512 HCMC Ambulatory Outpatient Specialty Center	100,000,000	0	92,000,000	0	8,000,000
0031753 HCMC Simulation Center (AOSC placeholder)	(80,000,000)	0	(72,000,000)	0	(8,000,000)
1002513 HCMC Loading Dock Relocation	3,000,000	0	3,000,000	0	0
Health Administration					
1002160 1800 Chicago Detox Ctr Refurbishment	1,064,000	0	1,064,000	0	0
Health Prgram Total	31,314,000	750,000	30,564,000	0	0
Human Services Program					
1002165 HSPHD Sobering Ctr Development	4,000,000	0	0	0	4,000,000
0031821 HSPHD Satellite Facilities	1,446,000	0	1,446,000	0	0
1001083 HSPHD Office Space Reconfiguration	1,317,000	0	1,317,000	0	0
1001597 HSPHD South Minneapolis Regional Service Cntr	48,272,000	0	23,372,000	0	24,900,000
Human Services Program Total	55,035,000	0	26,135,000	0	28,900,000
Operations and Libraries Program					
Library					
0030306 New Brooklyn Park Library	9,186,000	0	9,186,000	0	0
0030332 Southeast Library Remodeling/Replacement	1,891,000	0	491,000	0	1,400,000
1000324 Library Facility Modifications 2012-2015	2,000,000	0	2,000,000	0	0
0030343 Library Equipment Replacement	500,000	250,000	250,000	0	0
0030312 Library Technology Improvements	835,000	0	835,000	0	0
1001786 Ridgedale Library Refurbishment	297,000	0	297,000	0	0
Information Technology					
1000325 IT Community Connections Initiative	1,480,000	(20,000)	1,500,000	0	0
1000979 IT Data Center Upgrades	4,500,000	0	4,500,000	0	0
Resident & Real Estate Services					
0031794 HCGC A-5 / A-6 Space Remodeling	1,485,000	0	1,485,000	0	0
Municipal Building Commission					
0031317 MBC Life/Safety Improvements	100,000	0	100,000	0	0
0031483 MBC Mechanical Systems Upgrades	400,000	0	400,000	0	0
0031715 MBC Interior Court & Elevator Modifications	200,000	0	200,000	0	0
0031847 MBC Critical Power	66,000	66,000	0	0	0
0031828 MBC ADC Plumbing	542,000	0	542,000	0	0
Operations and Libraries Program Total	23,482,000	296,000	21,786,000	0	1,400,000
Total 2015 Appropriation	256,948,270	7,261,000	124,604,000	74,371,760	50,711,510



Hennepin County Government Center

The 24-floor, twin-tower Government Center has been headquarters for Hennepin County government since 1974. The building is located in downtown Minneapolis and houses a service center, the Fourth Judicial District Courts, the county board and other government staff.

The building was designed as a “people’s center,” with an emphasis on openness, responsiveness and accessibility of services. Two identical towers are connected via walls of glass to create an atrium gathering space at the skyway level.



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