

HENNEPIN COUNTY
MINNESOTA

2018 Budget





2018 BUDGET

Hennepin County, Minnesota

As approved on December 12, 2017 by the

Hennepin County Board of Commissioners

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Hennepin County Administrator

David J. Hough

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HENNEPIN COUNTY

MINNESOTA

Honorable Board of County Commissioners:

I am pleased to present the approved 2018 Hennepin County Budget. Our budget remains grounded in our mission to enhance the health, safety and quality of life of our residents and communities in respectful, efficient and fiscally responsible ways. In addition, the budget continues to set a vision and strategy to position Hennepin County for the future.

The County Board set a maximum levy of 4.95 percent in late September as required by the state's "Truth-in-Taxation laws." The final tax levy increase of 3.84 percent is \$ 8.4 million under the maximum levy established by the County Board in September.

The 2018 Hennepin County budget totals \$2.4 billion dollars and includes a net property-tax levy of \$788.6 million. The overall budget is increasing 13.7%, compared to the adjusted 2017 budget. The net property tax levy is a 3.84 percent increase.

The budget demonstrates our core values of continuous improvement, customer service, diversity and inclusion, employee engagement and workforce development. More importantly, this budget represents our ongoing commitment to serving residents in a fiscally responsible manner.

Supporting Self-Sufficiency – the County's Disparity Reduction Strategy

County government implements statutory mandates, coordinated benefits and assists those in crisis - and we generally provide those services in a reactive manner. But in many cases, we can engage earlier and proactively. In doing so, we will support greater self-sufficiency, create opportunity and a more sustainable cost effective model for our future. The paramount strategic action we can take is to commit to reducing disparities in our community - for our residents and with our partners. Disparities in the domains of income, education, employment, housing, health, transportation and justice are not independent phenomena. Residents and our clients, who are affected by one of these domains, are likely to be experiencing disparities in multiple areas. The impact of these differences become even more significant when viewed through the lens of race and ethnicity.

Because of the interrelationship of the disparity domains, reduction or elimination of one will likely affect positive change in others. For example, a household with one or more members who successfully complete education or workforce training may experience a reduction in unemployment. That may result in an increase in income which, in turn, may provide health benefits and support housing and transportation improvements.

David J. Hough, County Administrator
Hennepin County Administration

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Disparities have an impact on all of our residents, whether they are receiving services or contributing through taxes to fund those services. The need for services has not lessened and federal and state resources in support of those services have not increased. We cannot and should not believe that the responsibility to reduce disparities is solely that of Hennepin County. Hennepin is but one of many organizations in a larger community that collectively share the responsibility for disparity reduction. No single organization or sector (public, private, business, non-profit, foundation or neighborhood) can get the job done alone. We all have a role to play and contribution to make toward change.

Transforming Service Delivery

While the seven disparity domains are not new challenges, the opportunity presents itself to move to a sustainable model by making substantive changes in our approach to service delivery and workforce development. To meet this challenge, we must continue to transform how we do this work, through innovation and analytics, to best support all of our residents and remain fiscally responsible.

Focusing on education and employment leads to income opportunity which serves as a catalyst. With the attainment of a good paying job a person becomes self-sufficient and no longer dependent upon government services. Income becomes the great equalizer. Housing, healthcare and transportation disparities are reduced.

For nearly five years, with your support and leadership, Hennepin County has been positioning for the future by making changes in our organization and culture and by modifying how we approach our service delivery using new technologies and innovative solutions. These adjustments are needed to not only respond to the changing needs of our residents, but to support a sustainable business strategy. A business strategy that aligns, collaborates and is focused on serving residents and improving lives.

By realignment of resources, collaborating across the county and focusing on the seven disparity domains, our client outcomes will improve, opportunities will be created and fewer individuals will be reliant on government safety net services. This will reduce disparities. If we reduce disparities, we will save money and we'll see dividends not just to the county's bottom line but for the ability of our residents to thrive for decades to come.

Strategic Focus on Seven Disparity Domains - Delivering Results and Outcomes

With your leadership and support, and a strategic focus on reducing disparities we have proactively created strategies and initiatives across an aligned county organization that are producing encouraging results and outcomes.

- In Education – We take a multi-generational approach to supporting education success for our residents. In 2016, we invested over \$4 million for Early Childhood Scholarships, early screening and child care provider training so that more than 1,000 at risk children ages 0 - 5 could attend high quality child care to prepare them for kindergarten. We are developing our education advocacy system so that county staff can support children and youth on their

caseloads in attending school and meeting academic benchmarks. We are developing pathways to post-secondary education and career training for youth receiving county services. And we support community-based GED programming for adults through community providers or partners.

- In Employment – The county has trained nearly 300 people through career pathways and provided almost 1,000 internships and jobs. We have also established 18 multi-employer, sector-based pathways that lead to good quality jobs with the largest public and private sector employers in our region. We joined the state, Saint Paul, Minneapolis and Ramsey County to forge a new partnership for building a stronger and more diverse public workforce and we continue alignment of county services across all five lines of business for better addressing employment disparities where they exist either by place, race or by life circumstance.
- In Income – Hennepin County didn't wait for anyone to pass a \$15 an hour minimum wage, we just did it, and I'm proud to say that all of our employees, including student workers, earn at least \$15 an hour. And once those workers are here, they not only have the opportunity for natural career advancement, but we have a benefit set that includes a tuition reimbursement program that supports employees who may pursue higher education to achieve their career goals. Hennepin County leads by example. By providing at least a \$15 an hour minimum wage and competitive benefit set, we are an employer of choice and are able to compete with other sectors for talent.
- In Housing – Work to develop coordinated housing strategies and set priorities has begun with the new Office of Housing Stability. Strategic work in progress this year includes: The development of a housing matching system for over 14,000 units of special needs housing with priority for disabled and vulnerable populations; identifying the highest priority populations and the scope of the gaps in our housing continuum for those populations; including workforce and income building strategies as a means toward housing stability; partnering with government entities, nonprofit agencies, courts, and legal assistance to develop eviction prevention strategies; researching and developing strategies to expand the existing private housing market that could be available to our priority populations; and with your leadership, we became the lead investor with \$3 million in the Naturally Occurring Affordable Housing (NOAH) Impact Fund to preserve 1,000 units of affordable housing – money that was leveraged to raise \$25 million in capital from foundations, community banks, state and local government.
- In Transportation – Hundreds of thousands of people move through Hennepin County each day – traveling to the places they live, work, learn and more. Our region's vitality relies on a transportation network that

delivers our residents and visitors to the destinations, goods and services they need safely and efficiently. As one of the Midwest's most competitive hubs, and as Minnesota's economic engine, Hennepin County has a responsibility to invest in a sustainable transportation system; one that benefits the lives of our 1.2 million residents today by connecting mobility with opportunity. Hennepin County has stepped up when others wouldn't to ensure that our residents have access to transit choice. Once again, Hennepin leads the way.

- In Health – Hennepin Health leverages health and human services to identify and address social determinants of health across our community in order to improve health and wellness outcomes for residents of Hennepin County. The health plan takes an integrative, whole person approach to health care by considering a member's medical, behavioral health and social service needs. Due to a significant market transition, Hennepin Health nearly tripled its membership earlier this year. An enrollment strategy was developed and executed to ensure a smooth transition for all new members.
- In Justice – The Adult Detention Initiative (ADI), represents a collaborative of Hennepin County criminal justice partners focused on low risk individuals who do not need to be detained in the Adult Detention Center, our jail. The ADI is working from a strategic action plan to identify the low-risk individuals addressing key issues: appropriate alternatives for the mentally ill; developing new strategies for probation non-compliance; reducing bench warrants for those not appearing in court; expediting processing and ensuring decisions to detain or release are based on individual risk.

Capital Investments

This year, you approved the dissolution of the County Transit Improvement Board and set a new sales and use transportation tax. Projects funded through the tax are those that further Hennepin County's transportation vision and goals. These revenues will be used to fund a portion of the capital costs of the Green Line Extension (Southwest), Blue Line Extension (Bottineau), Riverview Corridor and Orange Line transit projects; a portion of the operating costs of the Green Line (including any extensions), the Blue Line (including any extensions), Riverview Corridor, Orange Line, and Northstar transit projects. Capital costs associated with other transportation or transit projects or improvements, as identified in Hennepin County's Capital Improvement Program (CIP); and operating costs, to the extent designated in the future by the county board. The estimated annual revenue is \$125 million initially, which is estimated to be sufficient to cover the capital and operating costs of the Sales and Use Transportation Tax Implementation Plan projects through 2036.

Some of the key drivers of the 2018 capital budget include:

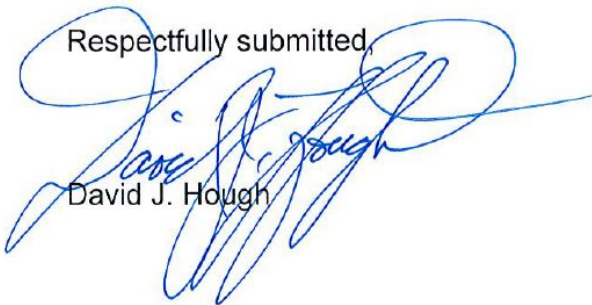
- \$150 million toward the advancement and construction of critical transit ways including the Southwest Light Rail, Bottineau Light Rail and Bus Rapid Transit Orange Line.
- \$71 million toward the county's office space needs, including the planned purchase of the adjacent Thrivent office building for \$55 million and a planned purchase of 332 parking spaces for approximately \$11.5 million.
- \$18 million toward the Medical Center's Surgery Center and Inpatient Bed Consolidation projects, which will remodel space vacated by the opening of the new Clinic and Specialty Center in spring, 2018.
- \$18.4 million toward the \$67.6 million NorthPoint Health and Wellness expansion project.
- \$19.5 million toward the \$69 million reconstruction of Flying Cloud Drive (CSAH 61) from the county line to Charlson Road.
- \$13.1 million toward the \$63.8 million reconstruction of 66th Street (CSAH 53) from Xerxes Avenue South to Cedar Avenue.

Conclusion

The budget does not ask for new money specifically for the reduction of disparities. Instead, disparity reduction is a countywide strategy involving One Hennepin, where we will continue to work across our five lines of business to develop innovative solutions to reduce disparities. This may involve some funding shifts, but ultimately we believe that being innovative in resource allocation, we will be able to see real results.

Hennepin County's overarching goals – *that people are Healthy, Protected and Safe, Self -Reliant, Assured Due Process and Mobile* – are focused on our residents. To meet these goals in a fiscally responsible and sustainable manner, we must reevaluate and be innovative in our approach to disparity reduction. I firmly believe that the 2018 budget appropriately funds the county in ways that will make us most successful in the reduction of those disparities so that all of our residents thrive.

Respectfully submitted,



David J. Hough

The 2018 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 2018 operating and capital budget submissions. The schedule on page 8 identifies key stages in the formulation of the operating and capital budgets.

Rising uncertainty over state and federal fiscal policy was an important consideration in the development of the 2018 budget. Given that uncertainty, managing staffing levels was one of the goals of the 2018 budget process. In recent years, additional staff have been added to address critical issues, caseload volume and staffing shortages. Since employee salaries and benefits are a major cost driver, managing growth in staffing costs was important and necessary.

In April, the County Administrator issued operating budget guidelines to departments directing them to submit a budget request that required no more than 102 percent of the department's 2017 adjusted property tax requirement and to prepare a prioritized reduction schedule that reduced the department's property tax requirement by 3 percent from the requested level.

Departments were asked to consider the following as they developed their 2018 budget request:

- The ability to raise property tax and other revenues is limited
- Increased demand in services to meet the diverse needs of residents
- Transformational change – substantial changes in how we do business
- Collaboration, partnerships, and shared service opportunities
- Level of federal and state government funding is uncertain
- The organization's core values – continuous improvement, customer service, diversity and inclusion, employee engagement and workforce development.

Based on the countywide settlement, employees are to receive a general salary adjustment of 2.5 percent in 2018. Departments were expected to absorb the cost of the salary adjustment, merit increases, the county share of health insurance premium increases and other operating budget increases.

Departments submitted budget requests to the Office of Budget and Finance on June 30, 2017. During July and August, department staff met with County Administration and the Office of Budget and Finance to clarify and resolve areas of concern. In preparation for the County Administrator's 2018 budget recommendation, budget briefings were held on August 15 and 24.

These briefings provided the county board with overall financial information and a format to discuss the challenges and opportunities considered in the developing the proposed 2018 budget.

On September 12, 2017, the county administrator presented a proposed budget within the context of the current state of the economy, the county board's mission and vision statements and the organization's core values.

"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 of every year. On September 26, the county administrator recommended to the Hennepin County Board of Commissioners a maximum levy of \$796.9 million, a 4.95 percent increase over the adjusted 2017 budget. The county board approved the maximum levy recommended by the County Administrator.

During late September through 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 p.m. on November 28, 2017. On December 12, the county board adopted the 2018 budget by resolution, authorizing appropriations and establishing staffing complements for county departments.

The final approved property tax levy for 2018 is \$788.6 million, 3.84 percent or \$29.2 million more than the 2017 levy. The final approved property tax levy was more than one percent less than the maximum levy that was approved in September.

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 2018 budget is \$109,036,156, with a property tax levy of \$36,000,000.

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 2018 budget is \$11,238,640, with a property tax levy of \$8,455,995.

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, except for large capital investments, Minnesota Statutes section 383B.908 subd. 5 requires the county board to approve the annual budget of HCMC. The approved 2018 HCMC operating budget is \$987,945,000.

2017 Fiscal Year	2018 Operating Budget	2018 - 2022 Capital Improvement Program	Related Activities
January			2017 Fiscal Year begins
February		2018 - 2022 Capital Budget instructions distributed	
March		Departmental preliminary capital project requests submitted to Facility Services or Public Works Administration	Recap of FY 2016 Financials Completed & Distributed
April	2018 Operating Budget Instructions & Targets Distributed		
May	Departments develop 2018 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	2018 Department Budget Requests due		
July	County Administration & Budget Office review and discuss budget requests with departments	Capital Budgeting Task Force (CBTF) meets with departments to review 2018 - 2022 capital improvement program requests	2nd Quarter 2017 Financials/Year-end Projections Completed & Distributed
August			
September	County Board Briefing on 2018 budget & tax levy; County Administrator presents Proposed 2018 Budget; and County Board adopts maximum proposed property tax levy for 2018	County Administrator finalizes the proposed 2017 Capital Budget; CBTF finalizes its recommended 2018 - 2022 CIP	
October	Beginning in September, the County Board holds a series of public hearings to review and discuss proposed 2018 operating and capital budgets, and proposed fee schedule revisions		3rd Quarter 2017 Financials/Year-end Projections Completed & Distributed
November	Truth-in-Taxation notices mailed to all property owners		
	The County Board holds public hearings to consider amendments to the proposed 2018 operating and capital budgets; and holds a public meeting for budget and levy discussion.		
December	County Board approves a final 2018 property tax levy and adopts a 2018 Operating and Capital Budget; and Budget Office finalizes property tax levy certifications and reporting to State agencies.		2017 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 2018 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: ***2018 Capital Budget and 2018-2022 Capital Improvement Program***. An itemized list of the authorized 2018 capital projects and their authorized appropriations is contained in Section VIII of this document.
- The Office of Budget and Finance prepares interim financial reports at the fund and departmental level to increase participation and accountability throughout the organization. These reports provide the county board and County Administrator critical financial information needed for sound fiscal management decision-making as the fiscal year progresses.
- The county's APEX system incorporates financial, human resources and procurement data into a single integrated system. 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.
- To simplify access to financial and budgetary information, interactive revenue and expense data is available at the county's home page www.hennepin.us/your-government. The website includes four years of information and presents the county's revenues and expenditures. 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 2018 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.

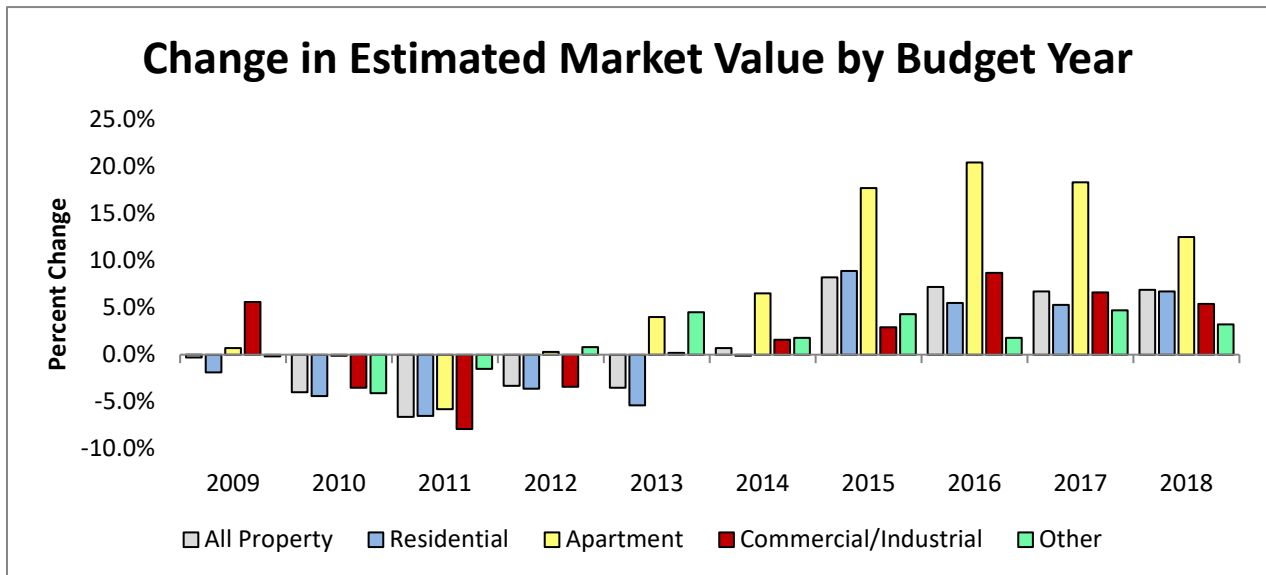
Estimated Market Value (EMV)

Estimated market value represents the selling price of a property, given a willing buyer and seller. In the assessment year 2017, for taxes payable in 2018, the county's total EMV was \$164.8 billion, an increase of \$10.7 billion, or 6.9 percent from taxes payable in 2017. In Minneapolis, property values increased by \$3.8 billion, or 8.8 percent. Suburban property values rose by \$6.8 billion, or 6.2 percent.

Residential values in suburban Hennepin rose 6.3 percent. The City of Minneapolis saw an increase in value for residential properties of about 7.8 percent. Residential properties comprise 68.3 percent of all property value in the county.

Suburban properties account for 70.9 percent of Hennepin County's estimated market value with the remaining 29.1 percent in the City of Minneapolis. Residential property accounts for the majority of the property value in both Minneapolis (59.8 percent) and suburban Hennepin County (71.8 percent).

Apartments comprise 10.3 percent of Hennepin County's total EMV and are less prevalent in the suburbs where they are 7.6 percent of the total EMV compared to Minneapolis where they are 16.9 percent of total EMV. There is also a larger percentage of commercial and industrial property value in Minneapolis (22.1 percent of EMV) than in suburban areas (18.9 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 68.3 percent of the EMV, but after the conversion to (unadjusted) tax capacity, residential properties comprise 55.7 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 32.1 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 2018, approximately \$29.6 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 2018, approximately \$45.5 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	68.3%	55.7%	61.0%
Commerical/Industrial	19.9%	32.1%	25.6%
Apartment	10.3%	10.1%	11.1%
Other/Personal	1.5%	2.1%	2.3%
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 2018, the total adjusted tax capacity of taxable property in Hennepin County is estimated to be \$1.8 billion, a 6.9 percent increase from taxes payable in 2017.

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 \$413,800 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 2018, local governments were required to adopt a maximum property tax levy by September 30, 2018, 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 2018 budget and levy were discussed. The final 2018 tax levy had to be adopted and certified to the county Auditor by December 30, 2017. Hennepin County met all of the statutory requirements for establishing the 2018 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 2018 is 98.5 percent and therefore, an additional 1.5 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.

2018 BUDGET

COMPUTATION OF LEVIES BY FUND

FUND	TOTAL BUDGET	INCOME FROM OTHER SOURCES	PROPERTY TAX REQUIREMENT	COLLECTION RATE	GROSS PROPERTY TAX LEVY
County Revenue	\$659,578,010	\$281,973,444	\$377,604,566	98.5%	\$383,354,890
Human Services	599,370,969	334,888,915	264,482,054	98.5%	268,509,699
Hennepin Health	253,549,339	253,549,339	0	0.0%	0
Transportation Sales Tax	125,000,000	125,000,000	0	0.0%	0
Solid Waste Enterprise	68,570,132	68,570,132	0	0.0%	0
Library	86,231,436	13,760,450	72,470,986	98.5%	73,574,605
Glen Lake Golf Course	1,078,182	1,078,182	0	0.0%	0
Radio Communications	<u>3,649,497</u>	<u>3,649,497</u>	0	0.0%	0
Total Operating	<u>\$1,797,027,565</u>	<u>\$1,082,469,959</u>	<u>\$714,557,606</u>		<u>\$725,439,194</u>
Debt Retirement - Countywide	145,789,548	55,902,951	89,886,597	100.0%	89,886,597
Debt Retirement - Suburban	513,403	0	513,403	100.0%	513,403
Ballpark Sales Tax Revenue	2,500,000	2,500,000	0	0.0%	0
Capital Improvements	<u>433,368,226</u>	<u>428,518,008</u>	<u>4,850,218</u>	98.5%	4,924,079
Total Non-Operating	<u>\$582,171,177</u>	<u>\$486,920,959</u>	<u>\$95,250,218</u>		<u>\$95,324,079</u>
GRAND TOTAL	<u>\$2,379,198,742</u>	<u>\$1,569,390,918</u>	<u>\$809,807,824</u>		<u>\$820,763,273</u>
Less County Program Aid			<u>(\$32,203,561)</u>		<u>(\$32,203,561)</u>
County Property Tax Levy			<u>\$777,604,263</u>		<u>\$788,559,712</u>

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2018 BUDGET

TAX CAPACITY TAX CAPACITY RATES*

ESTIMATED MARKET VALUE	2016 Actual	2017 Budget	2018 Budget
Minneapolis	\$40,309,622,200	\$44,067,523,400	\$47,947,932,200
Suburban	104,113,740,700	110,053,361,401	116,882,680,100
TOTAL ESTIMATED MARKET VALUE	<u>\$144,423,362,900</u>	<u>\$154,120,884,801</u>	<u>\$164,830,612,300</u>
NET TAX CAPACITY			
Minneapolis	\$454,426,306	\$492,011,585	\$532,814,769
Suburban	1,147,739,444	1,225,139,965	1,302,547,137
TOTAL NET TAX CAPACITY	<u>\$1,602,165,750</u>	<u>\$1,717,151,550</u>	<u>\$1,835,361,906</u>
TAX CAPACITY RATE (OPERATING)	Taxes Payable 2016	Taxes Payable 2017	Taxes Payable 2018
County Revenue	20.710%	20.166%	19.890%
Human Services	14.772%	14.602%	13.970%
Library	<u>4.084%</u>	<u>3.957%</u>	<u>3.824%</u>
OPERATING RATE SUBTOTAL	39.566%	38.725%	37.685%
Countywide Debt Retirement	5.399%	5.022%	4.886%
Capital Improvements	<u>0.365%</u>	<u>0.348%</u>	<u>0.268%</u>
TOTAL TAX CAPACITY RATE: Minneapolis	45.330%	44.095%	42.839%
Suburban Debt Retirement	0.026%	0.039%	0.039%
TOTAL TAX CAPACITY RATE: Suburban Hennepin	45.356%	44.134%	42.878%
<p>*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.</p>			

2018 BUDGET

2018 Expenditures and Revenues By Fund (Page 1 of 2)

I. Governmental Funds

	County Revenue	Human Services	Library	Transportation Sales Tax	Ballpark Sales Tax Revenue	Capital Improvement	Debt Retirement	Governmental Subtotals
BUDGET EXPENDITURES								
Public Works	\$74,578,866			\$125,000,000				\$199,578,866
Public Safety	323,758,798							323,758,798
Health	72,360,769							72,360,769
Libraries			86,231,436					86,231,436
Human Services		599,370,969						599,370,969
Operations	188,879,577				2,500,000		146,302,951	337,682,528
Capital Improvements						433,368,226		433,368,226
TOTAL EXPENDITURES	\$659,578,010	\$599,370,969	\$86,231,436	\$125,000,000	\$2,500,000	\$433,368,226	\$146,302,951	\$2,052,351,592
BUDGET REVENUES								
Property Taxes								
Current Collections	\$377,604,566	\$264,482,054	\$72,470,986			\$4,850,218	\$90,400,000	\$809,807,824
Less County Program Aid	(17,462,542)	(11,515,383)	(3,225,636)					(32,203,561)
Net Property Tax Total	360,142,024	252,966,671	69,245,350	0	0	4,850,218	90,400,000	777,604,263
Other Taxes								
Wheelage Tax	10,000,000							10,000,000
Sales and Use Tax				125,000,000	38,061,504			163,061,504
Other Non-Property Taxes	13,453,500							13,453,500
Net Non-Property Tax Total	23,453,500			125,000,000	38,061,504			186,515,004
Total Taxes	383,595,524	252,966,671	69,245,350	125,000,000	38,061,504	4,850,218	90,400,000	964,119,267
Intergovernmental-Federal	18,056,404	181,429,765				1,400,000	2,073,306	202,959,475
Intergovernmental-State								
County Program Aid	17,462,542	11,515,383	3,225,636					32,203,561
Highway Maintenance	22,300,525					49,599,295		71,899,820
Community Corrections	19,521,381							19,521,381
Community Health		2,038,686						2,038,686
Human Services		88,135,391						88,135,391
Public Defender	8,338,698							8,338,698
Other	13,221,144		1,225,000					14,446,144
Total State	80,844,290	101,689,460	4,450,636			49,599,295		236,583,681
Intergovernmental-Local	3,811,565	1,739,820				15,025,713	1,016,620	21,593,718
Total Intergovernmental	102,712,259	284,859,045	4,450,636	0	0	66,025,008	3,089,926	461,136,874
Fees for Services	65,368,475	48,098,686	944,000					114,411,161
Fines and Forfeitures	211,000		1,200,400					1,411,400
Other Revenue								
Investment Earnings	14,250,000		80,000					14,330,000
Licenses and Permits	6,836,200	1,735,000						8,571,200
Bond Proceeds						360,343,000		360,343,000
Indirect Cost Allocation	19,712,479							19,712,479
Miscellaneous	37,792,073	2,161,567	4,151,050		(40,804,125)	2,150,000	49,417,774	54,868,339
Total Other Revenue	78,590,752	3,896,567	4,231,050	0	(40,804,125)	362,493,000	49,417,774	457,825,018
Total Current Revenue	630,478,010	589,820,969	80,071,436	125,000,000	(2,742,621)	433,368,226	142,907,700	1,998,903,720
Fund Balance / Assets Decrease (Increase)	29,100,000	9,550,000	6,160,000		5,242,621		3,395,251	53,447,872
Total Revenue	\$659,578,010	\$599,370,969	\$86,231,436	\$125,000,000	\$2,500,000	\$433,368,226	\$146,302,951	\$2,052,351,592

2018 BUDGET

2018 Expenditures and Revenues By Fund (Page 2 of 2)

II. Enterprise Funds

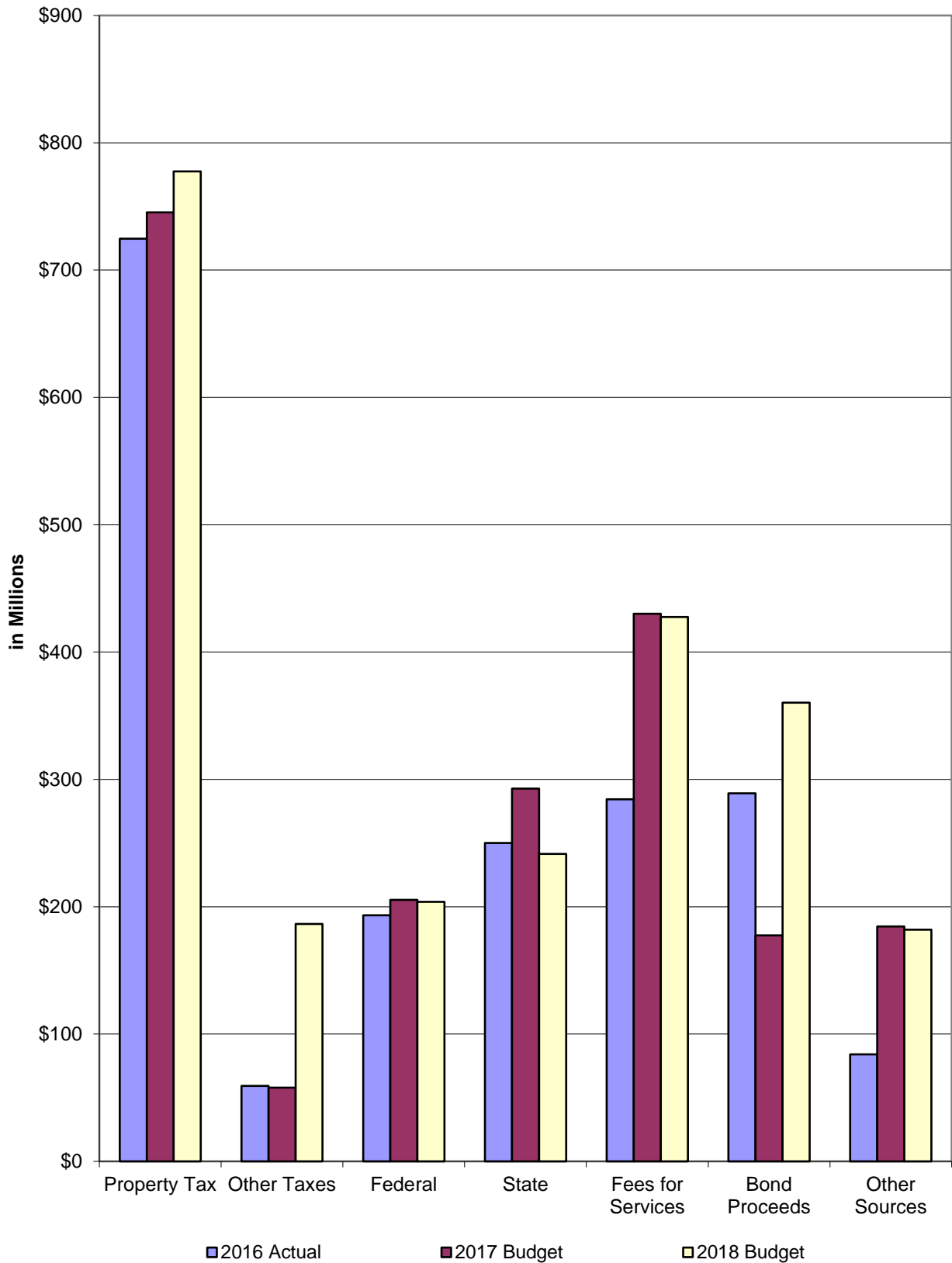
	Hennepin Health	Solid Waste Enterprise	Radio Communications	Glen Lake Golf Course	Governmental & Enterprise Totals
BUDGET EXPENDITURES					
Public Works		\$68,570,132		\$1,078,182	\$269,227,180
Public Safety			3,649,497		327,408,295
Health	253,549,339				325,910,108
Libraries					86,231,436
Human Services					599,370,969
Operations					337,682,528
Capital Improvements					433,368,226
TOTAL EXPENDITURES	\$253,549,339	\$68,570,132	\$3,649,497	\$1,078,182	\$2,379,198,742
BUDGET REVENUES					
Property Taxes					
Current Collections					\$809,807,824
Less County Program Aid					(32,203,561)
Net Property Tax Total	0	0	0	0	777,604,263
Other Taxes					
Wheelage Tax					10,000,000
Sales and Use Tax					163,061,504
Other Non-Property Taxes					13,453,500
Net Non-Property Tax Total					186,515,004
Total Taxes	0	0	0	0	964,119,267
Intergovernmental-Federal		800,000			203,759,475
Intergovernmental-State					
County Program Aid					32,203,561
Highway Maintenance					71,899,820
Community Corrections					19,521,381
Community Health					2,038,686
Human Services					88,135,391
Public Defender					8,338,698
Other		4,878,143			19,324,287
Total State		4,878,143			241,461,824
Intergovernmental-Local					21,593,718
Total Intergovernmental	0	5,678,143	0	0	466,815,017
Fees for Services	256,502,454	53,427,298	3,258,638		427,599,551
Fines and Forfeitures		50,000			1,461,400
Other Revenue					
Investment Earnings	846,168	310,000			15,486,168
Licenses and Permits		1,070,000			9,641,200
Bond Proceeds					360,343,000
Indirect Cost Allocation					19,712,479
Miscellaneous		820,879		1,078,182	56,767,400
Total Other Revenue	846,168	2,200,879	0	1,078,182	461,950,247
Total Current Revenue	257,348,622	61,356,320	3,258,638	1,078,182	2,321,945,482
Fund Balance / Assets Decrease (Increase)	(3,799,283)	7,213,812	390,859	0	57,253,260
Total Revenue	\$253,549,339	\$68,570,132	\$3,649,497	\$1,078,182	\$2,379,198,742

2018 BUDGET

SOURCES OF REVENUE

	2016 ACTUAL	2017 BUDGET	2018 BUDGET
Current Property Tax Other	\$724,618,946	\$745,341,913	\$777,604,263
Taxes	59,309,364	57,953,653	186,515,004
Federal	193,274,520	205,464,849	203,759,475
State	250,086,477	292,689,047	241,461,824
Local	33,639,416	37,492,372	21,593,718
Investment Earnings	6,625,409	13,246,260	15,486,168
Fees for Services	284,464,328	430,118,236	427,599,551
Fines and Forfeitures	1,668,609	1,641,400	1,461,400
Licenses and Permits	8,994,680	9,510,204	9,641,200
Bond Proceeds	289,071,211	177,409,503	360,343,000
Other Financing	(25,749,189)	1,811,863	2,406,434
Other Revenue	58,783,394	71,017,572	74,073,445
Subtotal - Current Revenue	<u>1,884,787,166</u>	<u>2,043,696,872</u>	<u>2,321,945,482</u>
Use of Fund Balance	<u>0</u>	<u>49,833,471</u>	<u>57,253,260</u>
TOTAL REVENUES	<u>\$1,884,787,166</u>	<u>\$2,093,530,343</u>	<u>\$2,379,198,742</u>

SOURCES OF REVENUE 2016 - 2018

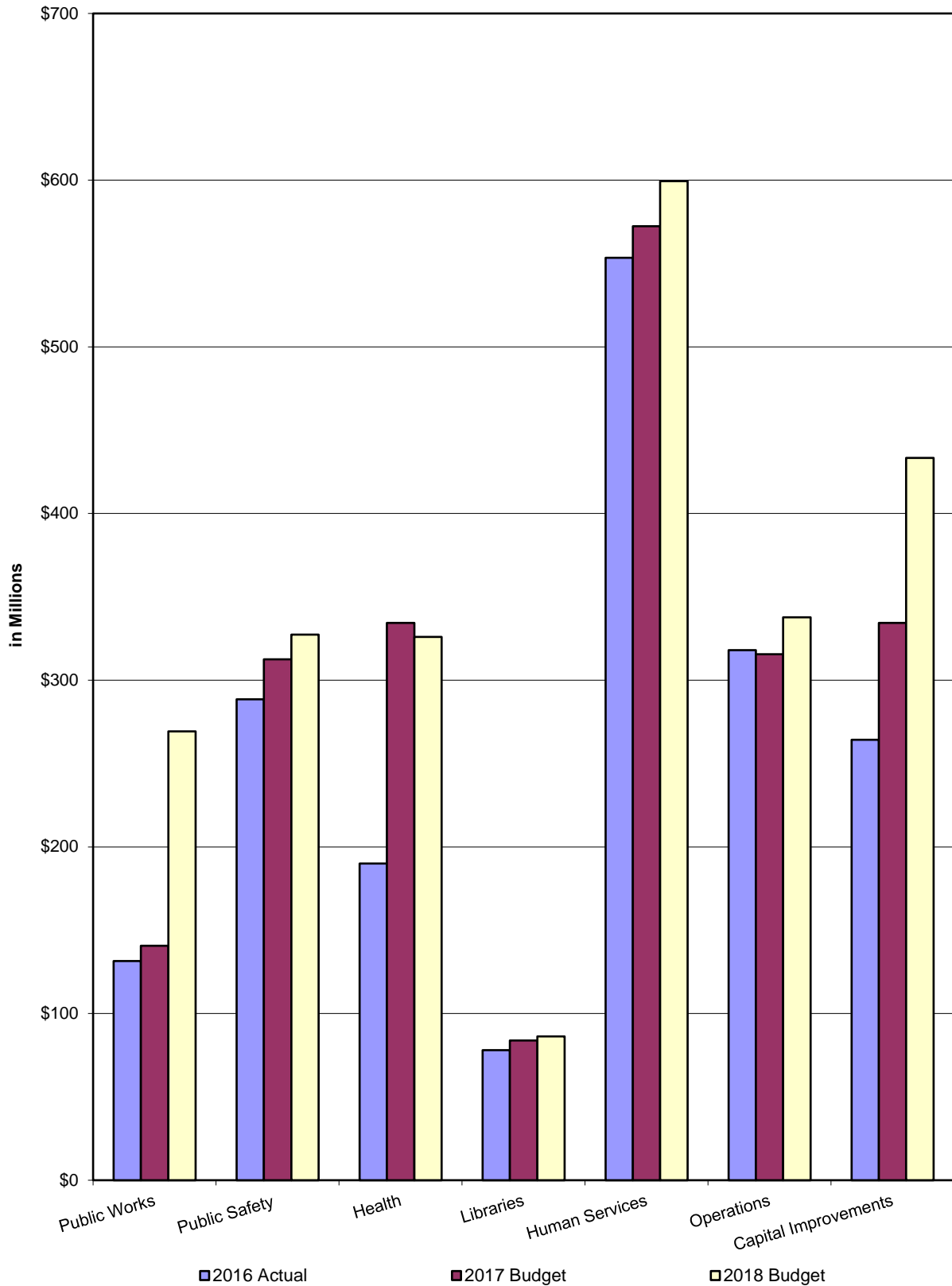


2018 BUDGET

EXPENDITURES AND FTE SUMMARY

MAJOR PROGRAM	2016 ACTUAL		2017 BUDGET		2018 BUDGET	
	ACTUAL	FTE	BUDGET	FTE	BUDGET	FTE
Public Works	\$131,425,148	410.6	\$140,664,832	424.1	\$269,227,180	432.4
Public Safety	288,485,710	2,197.9	312,466,811	2,268.6	327,408,295	2,287.6
Health	190,073,784	379.3	334,401,667	410.7	325,910,108	413.1
Libraries	78,033,098	616.7	83,868,725	622.2	86,231,436	625.2
Human Services	553,443,953	3,260.7	572,301,926	3,416.5	599,370,969	3,467.2
Operations	317,975,955	892.0	315,536,650	942.3	337,682,528	957.3
Capital Improvements	264,228,597	0.0	334,289,732	0.0	433,368,226	0.0
Internal Service Funds	<u>0</u>	<u>339.5</u>	<u>0</u>	<u>413.3</u>	<u>0</u>	<u>419.6</u>
Total	<u>\$1,823,666,245</u>	<u>8,096.7</u>	<u>\$2,093,530,343</u>	<u>8,497.7</u>	<u>\$2,379,198,742</u>	<u>8,602.4</u>

EXPENDITURES BY MAJOR PROGRAM 2016 - 2018



PERSONNEL COMPARISON BY DEPARTMENT
 FULL-TIME EQUIVALENTS (FTEs)

PROGRAM / DEPARTMENT	2016 BUDGET	2017 BUDGET	2018 BUDGET	Chg 2017-2018
PUBLIC WORKS				
Public Works Services.....	341.5	351.5	354.0	2.5
Environment and Energy.....	69.1	72.6	78.4	5.8
Glen Lake Golf Course.....	0.0	0.0	0.0	0.0
Transportation Sales Tax & Development.....	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>410.6</u>	<u>424.1</u>	<u>432.4</u>	<u>8.3</u>
PUBLIC SAFETY				
Public Safety Administration & Integration.....	35.0	54.5	56.5	2.0
County Attorney's Office.....	362.5	395.0	395.0	0.0
Court Functions	0.0	0.0	0.0	0.0
Public Defender's Office.....	64.9	56.0	54.0	(2.0)
Sheriff's Office.....	799.0	787.0	797.0	10.0
Dept of Community Corrections & Rehabilitation.	936.5	976.1	985.1	9.0
Radio Communications.....	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>2,197.9</u>	<u>2,268.6</u>	<u>2,287.6</u>	<u>19.0</u>
HEALTH				
Hennepin Health.....	112.0	114.5	114.5	0.0
NorthPoint Health and Wellness.....	229.4	247.2	245.6	(1.6)
Medical Examiner's Office.....	34.9	37.0	38.0	1.0
Hennepin Uncompensated Care.....	0.0	0.0	0.0	0.0
Health Administration and Support.....	3.0	12.0	15.0	3.0
Sexual Assault Resources Services.....	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>379.3</u>	<u>410.7</u>	<u>413.1</u>	<u>2.4</u>
LIBRARIES				
Libraries.....	610.0	615.7	619.2	3.5
Law Library.....	<u>6.7</u>	<u>6.5</u>	<u>6.0</u>	<u>(0.5)</u>
TOTAL	<u>616.7</u>	<u>622.2</u>	<u>625.2</u>	<u>3.0</u>
HUMAN SERVICES				
TOTAL	<u>3,260.7</u>	<u>3,416.5</u>	<u>3,467.2</u>	<u>50.7</u>
OPERATIONS				
Commissioners.....	25.0	25.0	25.0	0.0
County Administration.....	16.0	16.0	16.0	0.0
Office of Budget and Finance.....	99.1	99.1	100.1	1.0
Facility Services.....	235.5	266.0	272.0	6.0
Central Information Technology.....	9.4	24.2	22.1	(2.1)
Real Property Group.....	336.4	337.4	339.5	2.1
Human Resources.....	76.1	88.1	90.1	2.0
Audit, Compliance, and Investigation Services....	27.0	30.0	33.0	3.0
General County Purposes.....	67.5	56.5	59.5	3.0
Debt Retirement.....	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>892.0</u>	<u>942.3</u>	<u>957.3</u>	<u>15.0</u>
INTERNAL SERVICE FUNDS				
Central Mobile Equipment Division.....	28.0	28.0	28.0	0.0
Energy Center.....	1.0	1.5	1.2	(0.3)
Employee Health Plan Self Insurance.....	6.0	6.0	6.0	0.0
Information Technology Central Services.....	23.0	85.6	83.6	(2.0)
Information Technology Internal Services.....	276.0	286.7	294.8	8.1
Self Insurance.....	5.5	5.5	6.0	0.5
Other Employee Benefits.....	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
TOTAL	<u>339.5</u>	<u>413.3</u>	<u>419.6</u>	<u>6.3</u>
GRAND TOTAL	<u>8,096.7</u>	<u>8,497.7</u>	<u>8,602.4</u>	<u>104.7</u>

2018 BUDGET

COUNTY REVENUE FUND SUMMARY

(Page 1 of 2)

Basis of Accounting: Modified Accrual	2016 ACTUAL	2017 BUDGET	2018 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$580,443,845</u>	<u>\$631,861,125</u>	<u>\$659,578,010</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	\$347,986,459	\$357,446,341	\$377,604,566
Less County Program Aid	(16,873,967)	(16,564,091)	(17,462,542)
Total Property Taxes	<u>331,112,491</u>	<u>340,882,250</u>	<u>360,142,024</u>
<u>Market Value Homestead Credit</u>	(40,148)	0	0
<u>Nonproperty Taxes</u>			
Mortgage Registry/Deed Tax	2,257,835	1,900,000	2,000,000
Tax Increment Financing	9,427,518	9,500,000	11,200,000
Wheelage Tax	9,918,363	9,700,000	10,000,000
Other	<u>929,274</u>	<u>256,053</u>	<u>253,500</u>
Total Nonproperty Taxes	<u>22,532,991</u>	<u>21,356,053</u>	<u>23,453,500</u>
Total Taxes	<u>353,605,334</u>	<u>362,238,303</u>	<u>383,595,524</u>
<u>Intergovernmental Revenue</u>			
Federal	20,173,690	20,488,775	18,056,404
State - County Program Aid	16,873,967	16,564,091	17,462,542
State - Market Value Homestead Credit	40,148	0	0
State - Highway Maintenance	21,514,684	21,043,388	22,300,525
State - Community Corrections	19,125,058	19,495,556	19,521,381
State - Public Defender	7,795,264	7,608,702	8,338,698
State - Intergovernmental Gov't Transfers	0	0	0
State - Other	<u>10,962,557</u>	<u>13,693,729</u>	<u>13,221,144</u>
Total State	<u>76,311,679</u>	<u>78,405,466</u>	<u>80,844,290</u>
Local - Intergovernmental Gov't Transfers	39,632,438	0	0
Other	(35,879,892)	<u>3,939,588</u>	<u>3,811,565</u>
Total Local	<u>3,752,546</u>	<u>3,939,588</u>	<u>3,811,565</u>
Total Intergovernmental Revenue	<u>100,237,916</u>	<u>102,833,829</u>	<u>102,712,259</u>
<u>Investment Income</u>	<u>5,570,663</u>	<u>11,800,000</u>	<u>14,250,000</u>

2018 BUDGET

COUNTY REVENUE FUND SUMMARY

(Page 2 of 2)

	2016 ACTUAL	2017 BUDGET	2018 BUDGET
<u>Fees for Services</u>			
Service Center Fees	1,007,569	751,425	891,175
North Point Patient Reimbursements	23,938,392	30,147,380	30,377,283
Assessor - Services Provided To Municipalities	3,292,109	3,375,625	3,654,400
Boarding of Prisoners	4,945,029	5,150,250	5,371,000
Correction Facility Fees	1,256,993	1,269,415	1,427,900
Public Records Fees	7,330,533	8,370,000	8,525,000
Client Fees	2,062,466	2,514,750	2,507,250
Sheriff Fees	3,845,680	3,796,530	3,897,746
Other Fees and Service Charges	<u>7,889,135</u>	<u>8,128,202</u>	<u>8,716,721</u>
Total Fees for Services	<u>55,567,907</u>	<u>63,503,577</u>	<u>65,368,475</u>
Total Fines and Forfeitures	<u>376,412</u>	<u>211,000</u>	<u>211,000</u>
<u>Licenses and Permits</u>			
Drivers Licenses	1,935,785	1,981,000	2,022,000
Vital Certificates	1,010,937	1,112,000	1,113,000
Motor Vehicle Licenses	1,915,751	2,029,000	2,038,000
Other Licenses and Permits	<u>1,472,504</u>	<u>1,613,200</u>	<u>1,663,200</u>
Total Licenses and Permits	<u>6,334,977</u>	<u>6,735,200</u>	<u>6,836,200</u>
<u>Other Revenue</u>			
Commodity, Concession and Miscellaneous	491,306	793,849	847,060
Indirect Cost Allocation	17,355,084	17,525,002	19,712,479
Interfund	(831,559)	(1,404,219)	695,468
Building Rental	14,146,002	15,096,387	15,307,351
Miscellaneous	<u>21,128,664</u>	<u>21,516,167</u>	<u>20,942,194</u>
Total Other Revenue	<u>52,289,497</u>	<u>53,527,186</u>	<u>57,504,552</u>
<u>Total Current Revenue</u>	<u>573,982,706</u>	<u>600,849,095</u>	<u>630,478,010</u>
<u>Budgeted Use of Fund Balance</u>	<u>0</u>	<u>31,012,030</u>	<u>29,100,000</u>
<u>TOTAL BUDGETED REVENUES</u>	<u>\$573,982,706</u>	<u>\$631,861,125</u>	<u>\$659,578,010</u>

2018 BUDGET

COUNTY REVENUE FUND EXPENDITURES AND FTE SUMMARY

MAJOR PROGRAM/DEPARTMENT	2016		2017		2018	
	ACTUAL	FTE	BUDGET	FTE	BUDGET	FTE
PUBLIC WORKS						
Public Works Services	\$71,479,236	341.5	\$73,379,223	351.5	\$74,578,866	354.0
PUBLIC SAFETY						
Public Safety Administration & Integration	6,651,842	35.0	13,777,010	54.5	14,408,244	56.5
County Attorney's Office	49,679,782	362.5	54,299,077	395.0	57,166,723	395.0
Court Functions	1,799,818	0.0	2,055,000	0.0	2,185,000	0.0
Public Defender	15,637,860	64.9	14,754,766	56.0	16,754,497	54.0
Sheriff's Office	100,681,126	799.0	104,289,960	787.0	108,894,097	797.0
Community Corrections & Rehabilitation	<u>111,304,793</u>	<u>936.5</u>	<u>119,742,104</u>	<u>976.1</u>	<u>124,350,237</u>	<u>985.1</u>
Subtotal	285,755,221	2,197.9	308,917,917	2,268.6	323,758,798	2,287.6
HEALTH						
Health Administration	443,501	3.0	893,328	12.0	\$1,041,228	15.0
NorthPoint Health and Wellness	36,521,635	229.4	40,758,894	247.2	41,239,282	245.6
Medical Examiner's Office	5,887,109	34.9	6,307,589	37.0	6,610,259	38.0
Hennepin Uncompensated Care	18,500,004	0.0	22,500,000	0.0	22,500,000	0.0
Sexual Assault Resources Services	851,860	0.0	950,000	0.0	970,000	0.0
Subtotal	62,204,109	267.3	71,409,811	296.2	72,360,769	298.6
OPERATIONS						
Commissioners	2,621,511	25.0	3,042,989	25.0	3,134,279	25.0
County Administration	2,859,338	16.0	3,352,295	16.0	3,387,941	16.0
Facility Services	55,009,584	235.5	58,722,284	266.0	60,229,629	272.0
Office of Budget and Finance	15,288,589	99.1	15,807,122	99.1	17,017,113	100.1
Central Information Technology	1,444,130	9.4	6,310,275	24.2	6,237,357	22.1
Real Property Group	41,426,730	336.4	42,466,472	337.4	45,434,754	339.5
Human Resources	15,652,876	76.1	18,606,726	88.1	17,917,456	90.1
Audit, Compliance, and Investigation Svcs.	3,736,481	27.0	4,497,790	30.0	4,781,826	33.0
General County Purposes	<u>22,966,040</u>	<u>67.5</u>	<u>25,348,221</u>	<u>56.5</u>	<u>30,739,222</u>	<u>59.5</u>
Subtotal	161,005,279	892.0	178,154,174	942.3	188,879,577	957.3
TOTAL	<u>\$580,443,845</u>	<u>3,698.7</u>	<u>\$631,861,125</u>	<u>3,858.6</u>	<u>\$659,578,010</u>	<u>3,897.5</u>

2018 BUDGET

Special Revenue Funds

HUMAN SERVICES FUND SUMMARY

Basis of Accounting: Modified Accrual	2016 ACTUAL	2017 BUDGET	2018 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$553,443,953</u>	<u>\$572,301,926</u>	<u>\$599,370,969</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	247,593,846	256,171,578	264,482,054
Less County Program Aid Total	<u>(11,900,479)</u>	<u>(11,171,686)</u>	<u>(11,515,383)</u>
Property Taxes	<u>235,693,367</u>	<u>244,999,892</u>	<u>252,966,671</u>
<u>Less Market Value Homestead Credit</u>	<u>(28,637)</u>	<u>0</u>	<u>0</u>
<u>Nonproperty Taxes</u>			
Other Taxes	<u>184,820</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
Federal - Administrative Grants	17,729,606	19,639,640	21,678,141
Federal - Title XX - Human Services Grants	6,977,493	7,300,000	7,002,000
Federal - Title IVE - Foster Care	7,560,796	6,773,000	7,575,000
Federal - Grants for Training and Employment Programs	15,273,655	15,660,472	18,651,923
Federal - General	15,648,482	15,552,222	15,668,525
Federal - Title IVD - Child Support	19,385,481	19,755,200	21,079,759
Federal - Refugee Assistance	0	40,000	0
Federal - Medical Assistance (MA) Administration	42,010,384	45,052,850	53,601,323
Federal - Food Stamp (SNAP) Administration	14,565,793	14,747,000	15,479,387
Federal - TANF Administration	5,954,953	5,985,000	6,429,498
Federal - Community Health	11,506,928	12,177,135	12,172,539
Federal Incentive - Child Support and MA	<u>2,499,488</u>	<u>1,883,000</u>	<u>2,091,670</u>
Total Federal	<u>159,113,059</u>	<u>164,565,519</u>	<u>181,429,765</u>

2018 BUDGET

Special Revenue Funds

HUMAN SERVICES FUND SUMMARY

(Page 2 of 2)

	2016 ACTUAL	2017 BUDGET	2018 BUDGET
State - Grants for Human Services	33,804,453	35,228,334	32,902,789
State - County Program Aid	11,900,479	11,171,686	11,515,383
State - Market Value Homestead Credit	28,637	0	0
State - Vulnerable Children and Adults Act	12,729,594	13,300,000	13,028,000
State - Grants for Training and Employment Programs	2,926,639	3,466,595	3,586,000
State - Administrative	10,438,572	3,622,000	4,024,000
State - General Assistance	4,247,455	4,800,000	4,400,000
State - Community Health	2,038,188	2,036,000	2,038,686
State - Medical Assistance/Medicare	<u>24,112,315</u>	<u>27,352,000</u>	<u>30,194,602</u>
Total State	<u>102,226,331</u>	<u>100,976,615</u>	<u>101,689,460</u>
Local Grants	<u>1,651,323</u>	<u>1,839,820</u>	<u>1,739,820</u>
<u>Interest Income</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fees for Services</u>			
Patient Fees	8,377,645	7,764,000	10,352,337
Medicaid/GAMC/Targeted Case Management	24,667,716	24,359,000	25,515,000
Medicare	331,675	330,000	340,000
Other Services	<u>10,447,954</u>	<u>12,689,080</u>	<u>11,891,349</u>
Total Fees and Services	<u>43,824,990</u>	<u>45,142,080</u>	<u>48,098,686</u>
<u>Health Licenses</u>	<u>1,643,488</u>	<u>1,725,000</u>	<u>1,735,000</u>
<u>Other Revenue</u>			
Miscellaneous - Other	1,413,621	1,392,000	1,515,000
Interfund Transfers	<u>(836,338)</u>	<u>861,000</u>	<u>646,567</u>
Total Other Revenue	<u>577,283</u>	<u>2,253,000</u>	<u>2,161,567</u>
Total Current Revenue	<u>544,886,025</u>	<u>561,501,926</u>	<u>589,820,969</u>
<u>Budgeted Use of Fund Balance</u>	<u>0</u>	<u>10,800,000</u>	<u>9,550,000</u>
<u>TOTAL REVENUES</u>	<u>\$544,886,025</u>	<u>\$572,301,926</u>	<u>\$599,370,969</u>

2018 BUDGET

Special Revenue Funds

LIBRARY FUND SUMMARY

Basis of Accounting: Modified Accrual	2016 ACTUAL	2017 BUDGET	2018 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$74,876,993</u>	<u>\$83,868,725</u>	<u>\$86,231,436</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	68,269,705	69,787,125	72,470,986
Less County Program Aid	<u>(3,285,103)</u>	<u>(3,102,572)</u>	<u>(3,225,636)</u>
Total Property Taxes	<u>64,984,602</u>	<u>66,684,553</u>	<u>69,245,350</u>
<u>Other Taxes</u>	<u>51,096</u>	<u>0</u>	<u>0</u>
<u>Less Market Value Homestead Credit</u>	<u>(7,917)</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
State - County Program Aid	3,285,103	3,102,572	3,225,636
Market Value Homestead Credit	7,917	0	0
State Grants	1,542,531	1,525,000	1,225,000
Local Grants	<u>1,560,000</u>	<u>780,000</u>	<u>0</u>
Total Intergovernmental Revenue	<u>6,395,551</u>	<u>5,407,572</u>	<u>4,450,636</u>
<u>Investment Income</u>	<u>27,641</u>	<u>80,000</u>	<u>80,000</u>
<u>Fees for Services</u>			
Other Services	<u>940,001</u>	<u>934,000</u>	<u>944,000</u>
<u>Fines and Forfeitures</u>			
Book Fines	<u>1,250,892</u>	<u>1,380,400</u>	<u>1,200,400</u>
<u>Other Revenue</u>			
Book Sales	20,513	2,200	2,050
Concessions	391,317	372,500	377,000
Donations	944,162	1,100,000	1,230,000
Miscellaneous	185,618	137,500	172,000
Ballpark Sales Tax Transfer	<u>2,300,000</u>	<u>2,370,000</u>	<u>2,370,000</u>
Total Other Revenue	<u>3,841,610</u>	<u>3,982,200</u>	<u>4,151,050</u>
<u>Total Current Revenue</u>	<u>77,483,476</u>	<u>78,468,725</u>	<u>80,071,436</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>5,400,000</u>	<u>6,160,000</u>
<u>TOTAL REVENUES</u>	<u>\$77,483,476</u>	<u>\$83,868,725</u>	<u>\$86,231,436</u>

2018 BUDGET

Special Revenue Funds

TRANSPORTATION SALES TAX FUND SUMMARY
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Basis of Accounting: Modified Accrual	2016 ACTUAL	2017 BUDGET	2018 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$0</u>	<u>\$0</u>	<u>\$125,000,000</u>
<u>SOURCE OF REVENUE</u>			
<u>Sales Tax Revenue</u>	<u>0</u>	<u>0</u>	<u>125,000,000</u>
<u>Total Current Revenue</u>	<u>0</u>	<u>0</u>	<u>125,000,000</u>
<u>TOTAL REVENUES</u>	<u>\$0</u>	<u>\$0</u>	<u>\$125,000,000</u>

2018 BUDGET

Special Revenue Funds

BALLPARK SALES TAX REVENUE FUND SUMMARY

Basis of Accounting: Modified Accrual	2016 ACTUAL	2017 BUDGET	2018 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$2,305,651</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>
<u>SOURCE OF REVENUE</u>			
<u>Sales Tax Revenue</u>	<u>36,468,192</u>	<u>36,597,600</u>	<u>38,061,504</u>
<u>Transfers to Other Funds</u>	<u>(27,393,854)</u>	<u>(34,010,100)</u>	<u>(40,804,125)</u>
<u>Investment Income</u>	<u>23,443</u>	<u>0</u>	<u>0</u>
<u>Total Current Revenue</u>	<u>9,097,781</u>	<u>2,587,500</u>	<u>(2,742,621)</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>(87,500)</u>	<u>5,242,621</u>
<u>TOTAL REVENUES</u>	<u>\$9,097,781</u>	<u>\$2,500,000</u>	<u>\$2,500,000</u>

2018 BUDGET

CAPITAL IMPROVEMENTS FUND SUMMARY
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Basis of Accounting: Modified Accrual	2016 ACTUAL	2017 BUDGET	2018 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$264,228,597</u>	<u>\$334,289,732</u>	<u>\$433,368,226</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	5,830,325	5,875,218	4,850,218
Less County Program Aid	(4,075)	0	0
Total Property Taxes	<u>5,826,250</u>	<u>5,875,218</u>	<u>4,850,218</u>
<u>Less Market Value Homestead Credit</u>	<u>(708)</u>	<u>0</u>	<u>0</u>
<u>Nonproperty Taxes</u>	<u>4,564</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
Federal - Highway Aids	10,010,336	17,187,249	1,400,000
Federal - Other	1,651,182	0	0
State - County Program Aid	4,075	0	0
State - Market Value Homestead Credit	708	0	0
State - Highway and Bridge Aids	60,193,320	103,658,951	49,599,295
State - Other	1,135,706	0	0
Local	15,905,584	21,626,101	15,025,713
Total Intergovernmental Revenue	<u>88,900,911</u>	<u>142,472,301</u>	<u>66,025,008</u>
<u>Investment Income</u>	<u>486,070</u>	<u>0</u>	<u>0</u>
<u>Fees for Services</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Other Revenue</u>			
Bond Proceeds	250,631,449	177,409,503	360,343,000
Other	<u>1,370,502</u>	<u>8,532,710</u>	<u>1,650,000</u>
Total Other Revenue	<u>252,001,951</u>	<u>185,942,213</u>	<u>361,993,000</u>
<u>Total Current Revenue</u>	<u>347,219,038</u>	<u>334,289,732</u>	<u>432,868,226</u>
Transfers (To) From Other Funds	(25,952,983)		500,000
<u>TOTAL REVENUES</u>	<u>\$321,266,055</u>	<u>\$334,289,732</u>	<u>\$433,368,226</u>

2018 BUDGET

DEBT RETIREMENT FUND SUMMARY

Basis of Accounting: Modified Accrual	2016 ACTUAL	2017 BUDGET	2018 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$127,761,395</u>	<u>\$134,882,476</u>	<u>\$146,302,951</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	87,126,260	86,900,000	90,400,000
Less Program Aid	(36,098)	0	0
<u>Total Property Taxes</u>	<u>87,090,162</u>	<u>86,900,000</u>	<u>90,400,000</u>
Less Market Value Homestead Credit	(10,517)	0	0
<u>Nonproperty Taxes</u>	<u>67,701</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
Federal - Interest Subsidy Payments	2,122,291	2,073,306	2,073,306
State - Program Aid	36,098	0	0
State - Market Value Homestead Credit	10,517	0	0
Other local intergovernmental	<u>10,169,410</u>	<u>9,306,863</u>	<u>1,016,620</u>
<u>Total Intergovernmental Revenue</u>	<u>12,338,316</u>	<u>11,380,169</u>	<u>3,089,926</u>
<u>Other Revenue</u>			
Interest on Investments	19,650	0	0
Bond Proceeds	38,439,762	0	0
Other Revenues	<u>25,722,971</u>	<u>36,602,307</u>	<u>49,417,774</u>
<u>Total Other Revenue</u>	<u>64,182,383</u>	<u>36,602,307</u>	<u>49,417,774</u>
<u>Total Current Revenue</u>	<u>163,668,045</u>	<u>134,882,476</u>	<u>142,907,700</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>0</u>	<u>3,395,251</u>
<u>TOTAL REVENUES</u>	<u>\$163,668,045</u>	<u>\$134,882,476</u>	<u>\$146,302,951</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. The Ballpark debt is paid with non-property tax revenues.

Other Revenues includes \$\$36.2 million for Ballpark debt and \$10.4 million from HCMC for debt service on bonds issued for the AOSC.

FUTURE LEVY REQUIREMENTS - GENERAL OBLIGATION DEBT

2018 Budget

Based on Actual General Obligation Debt

<u>Series</u>	2009B-D	2010A-D	2011A 2012A-B	2013A-C	2014A-B	2016A-B-C	2017B-C	TOTAL DEBT SERVICE LEVY	Countywide Portion	Suburban Only Portion
<u>Year</u>										
2018	18,806,505	10,012,270	10,805,137	8,535,347	17,643,413	16,042,163	8,555,167	90,400,000	89,886,597	513,403
2019	18,428,768	10,029,929	10,544,842	6,486,480	17,576,738	15,831,900	8,527,575	87,426,231	86,682,792	743,440
2020	18,146,307	10,062,762	10,293,734	6,276,480	16,555,350	14,372,400	8,526,788	84,233,821	83,498,800	735,021
2021	17,691,020	8,862,710	10,030,394	6,150,480	16,531,725	14,224,613	8,528,100	82,019,041	81,666,225	352,816
2022	11,139,214	8,835,673	9,776,609	1,824,480	16,423,050	14,070,788	8,525,738	70,595,550	70,248,543	347,007
2023	8,770,865	8,671,768	9,526,394	7,599,480	16,274,475	13,900,163	8,524,688	73,267,832	72,922,185	345,647
2024	6,604,584	8,622,208	7,447,722	7,599,480	16,318,050	13,749,750	8,524,425	68,866,219	68,522,967	343,252
2025	6,520,847	8,550,178	7,303,347	7,600,740	15,977,483	13,591,725	8,524,425	68,068,744	67,727,278	341,466
2026	6,439,472	8,482,978	4,279,741	7,597,590	16,029,038	13,441,575	8,524,163	64,794,555	64,450,921	343,634
2027	6,357,285	8,412,848	4,278,061	7,600,320	12,235,335	13,277,250	8,523,113	60,684,212	60,684,212	0
2028	6,273,138	8,333,725	4,278,855	7,597,800	7,751,888	13,130,250	8,526,000	55,891,656	55,891,656	0
2029	6,175,386	7,421,094	4,281,480	7,600,320	7,751,363	6,247,500	8,526,788	48,003,930	48,003,930	0
2030	0	7,817,259	4,281,480	0	7,755,825	6,090,000	8,524,950	34,469,514	34,469,514	0
2031-2041	0	38,157,079	4,280,640	0	69,793,500	68,031,075	59,682,000	239,944,294	239,944,294	0
Totals	131,353,391	152,272,479	101,408,436	82,468,997	254,617,230	236,001,150	170,543,917	1,128,665,600	1,124,599,913	4,065,686

2018 BUDGET

Enterprise Funds

HENNEPIN HEALTH FUND SUMMARY

Basis of Accounting: Accrual	2016 ACTUAL	2017 BUDGET	2018 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$127,869,674</u>	<u>\$262,991,856</u>	<u>\$253,549,339</u>
<u>SOURCE OF REVENUE</u>			
<u>Intergovernmental & Grants</u>	<u>600,553</u>		
<u>Fees for Services</u>			
State Premium Revenue	127,023,395	263,850,560	256,502,454
Total Fees and Services	<u>127,023,395</u>	<u>263,850,560</u>	<u>256,502,454</u>
Investment Income	<u>338,331</u>	<u>1,055,402</u>	<u>846,168</u>
<u>Other Revenue</u>			
Miscellaneous Revenue	30,621		
Total Other Revenue	<u>30,621</u>		
<u>Capital Contributions</u>	<u>768,430</u>		
<u>(Increase)/Decrease in Net Assets</u>		<u>(1,914,106)</u>	<u>(3,799,283)</u>
<u>TOTAL REVENUES</u>	<u>\$128,761,330</u>	<u>\$262,991,856</u>	<u>\$253,549,339</u>

2018 BUDGET

Enterprise Funds

SOLID WASTE ENTERPRISE FUND SUMMARY

Basis of Accounting: Accrual	2016 ACTUAL	2017 BUDGET	2018 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$59,055,114</u>	<u>\$66,225,253</u>	<u>\$68,570,132</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Misc. Collections	0	0	0
Less County Program Aid	<u>0</u>	<u>0</u>	<u>0</u>
Total Property Taxes	<u>0</u>	<u>0</u>	<u>0</u>
<u>Market Value Homestead Credit</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Nonproperty Taxes</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
Federal Revenue	152,662	1,150,000	800,000
State Revenue	<u>5,332,491</u>	<u>5,020,443</u>	<u>4,878,143</u>
Total Intergovernmental Revenue	<u>5,485,153</u>	<u>6,170,443</u>	<u>5,678,143</u>
<u>Investment Earnings</u>	<u>159,611</u>	<u>310,858</u>	<u>310,000</u>
<u>Fees for Services</u>			
Solid Waste Tipping Fees	24,303,304	24,025,000	25,140,200
Solid Waste Mgmt Fees - Hauler Collected	15,056,953	14,442,737	15,207,523
Other Fees & Services	<u>14,766,148</u>	<u>14,992,983</u>	<u>13,079,575</u>
Total Fees for Services	<u>54,126,405</u>	<u>53,460,720</u>	<u>53,427,298</u>
<u>Licenses and Permits</u>			
Solid/Hazardous Waste Licenses	<u>1,016,215</u>	<u>1,050,004</u>	<u>1,070,000</u>
<u>Fines and Forfeitures</u>			
Solid Waste and Other Fines	<u>41,305</u>	<u>50,000</u>	<u>50,000</u>
<u>Other Revenue/Transfers</u>	<u>804,282</u>	<u>881,776</u>	<u>820,879</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>0</u>	<u>4,301,452</u>	<u>7,213,812</u>
<u>TOTAL REVENUES</u>	<u>\$61,632,971</u>	<u>\$66,225,253</u>	<u>\$68,570,132</u>

2018 BUDGET

Enterprise Funds

RADIO COMMUNICATIONS FUND SUMMARY

Basis of Accounting: Accrual	2016 ACTUAL	2017 BUDGET	2018 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$2,730,490</u>	<u>\$3,548,894</u>	<u>\$3,649,497</u>
<u>SOURCE OF REVENUE</u>			
<u>Federal</u>	<u>51,300</u>	<u>0</u>	<u>0</u>
<u>State</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fees for Services</u>	<u>2,981,630</u>	<u>3,227,299</u>	<u>3,258,638</u>
<u>Other Financing</u>	<u>(9,663)</u>	<u>0</u>	<u>0</u>
<u>Total Current Revenue</u>	<u>3,023,267</u>	<u>3,227,299</u>	<u>3,258,638</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>0</u>	<u>321,595</u>	<u>390,859</u>
<u>TOTAL REVENUES</u>	<u>\$3,023,267</u>	<u>\$3,548,894</u>	<u>\$3,649,497</u>

2018 BUDGET

Enterprise Funds

GLEN LAKE GOLF COURSE FUND SUMMARY

Basis of Accounting: Accrual	2016 ACTUAL	2017 BUDGET	2018 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$890,798</u>	<u>\$1,060,356</u>	<u>\$1,078,182</u>
<u>SOURCE OF REVENUE</u>			
<u>Other Revenue</u>	<u>985,509</u>	<u>1,060,356</u>	<u>1,078,182</u>
Total Current Revenue	<u>985,509</u>	<u>1,060,356</u>	<u>1,078,182</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>TOTAL REVENUES</u>	<u>\$985,509</u>	<u>\$1,060,356</u>	<u>\$1,078,182</u>

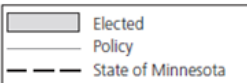
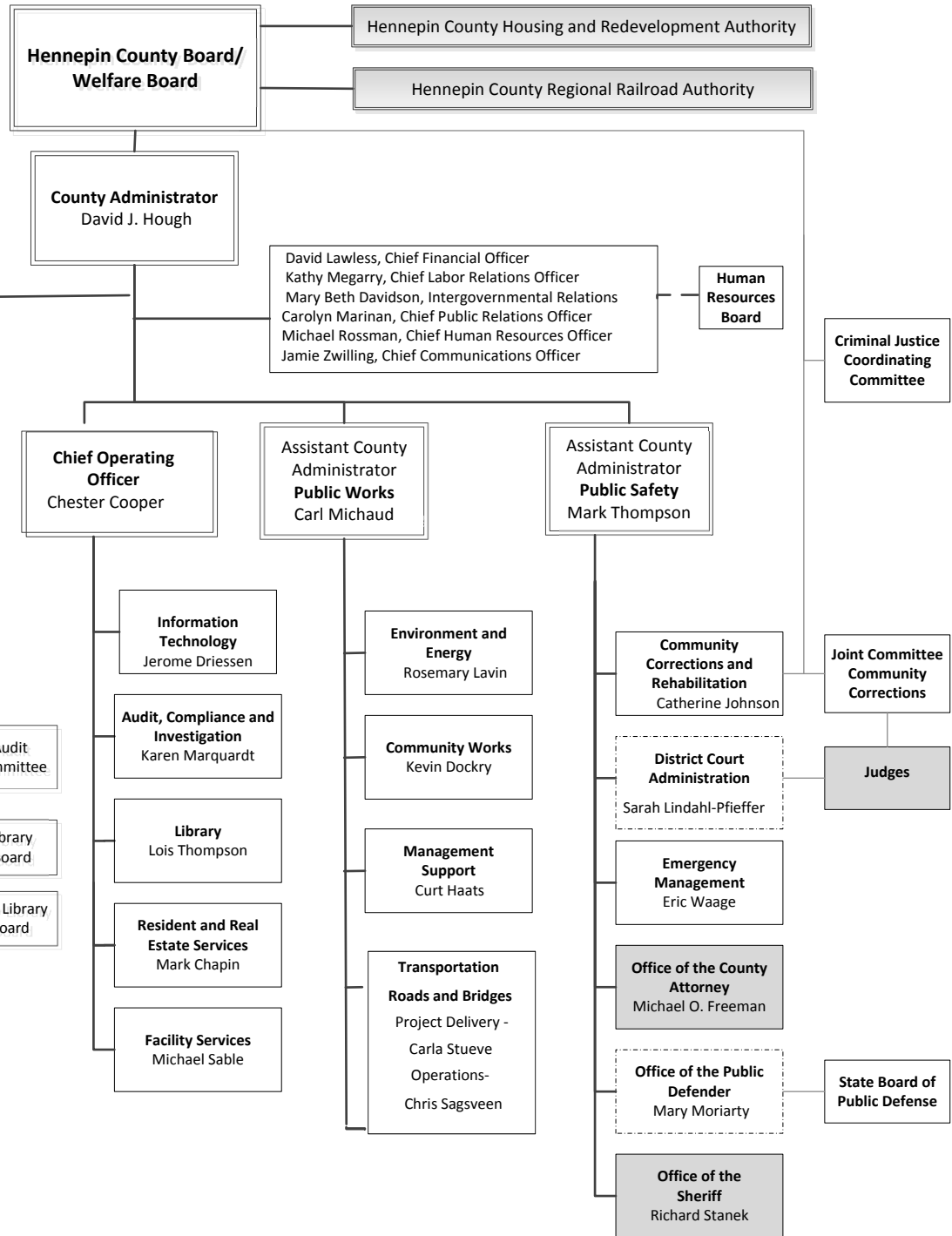
2018 BUDGET

INTERNAL SERVICE FUND SUMMARIES

Basis of Accounting: Accrual	2016 ACTUAL	2017 BUDGET	2018 BUDGET
FUND: Central Mobile Equipment (CMED)			
Program Expenditures	<u>\$13,784,098</u>	<u>\$16,432,407</u>	<u>\$17,084,315</u>
Charges for Services	18,278,131	16,432,407	17,084,315
Net Assets (Increase)/Decrease	(4,494,033)	0	0
FUND: Energy Center			
Program Expenditures	<u>\$8,158,757</u>	<u>\$9,504,286</u>	<u>\$10,186,151</u>
Charges for Services	8,337,835	9,504,286	10,186,151
Net Assets (Increase)/Decrease	(179,078)	0	0
FUND: Employee Health Plan Self Insurance			
Program Expenditures	<u>\$115,708,329</u>	<u>\$121,416,817</u>	<u>\$143,841,713</u>
Charges for Services	107,941,627	121,416,817	143,841,713
Net Assets (Increase)/Decrease	7,766,702	0	0
FUND: Information Technology Central Services			
Program Expenditures	<u>\$6,443,890</u>	<u>\$12,085,800</u>	<u>\$11,916,362</u>
Charges for Services	7,028,810	12,085,800	11,916,362
Net Assets (Increase)/Decrease	(584,920)	0	0
FUND: Information Technology Internal Services			
Program Expenditures	<u>\$72,996,455</u>	<u>\$81,074,825</u>	<u>\$84,105,845</u>
Charges for Services	69,014,456	81,074,825	84,105,845
Net Assets (Increase)/Decrease	3,981,999	0	0
FUND: Self Insurance Fund			
Program Expenditures	<u>\$8,628,013</u>	<u>\$8,050,559</u>	<u>\$12,308,772</u>
Charges for Services	7,075,797	8,050,559	12,308,772
Net Assets (Increase)/Decrease	1,552,216	0	0
FUND: Other Employee Benefits			
Program Expenditures	<u>\$21,408,349</u>	<u>\$28,500,000</u>	<u>\$34,700,000</u>
Charges for Services	21,408,349	28,500,000	34,700,000
Net Assets (Increase)/Decrease	0	0	0



Hennepin County, Minnesota



Hennepin County

Hennepin County

2018 BUDGET

Adopted Budget

Mission Statement:

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:

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:

Our residents are:

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.

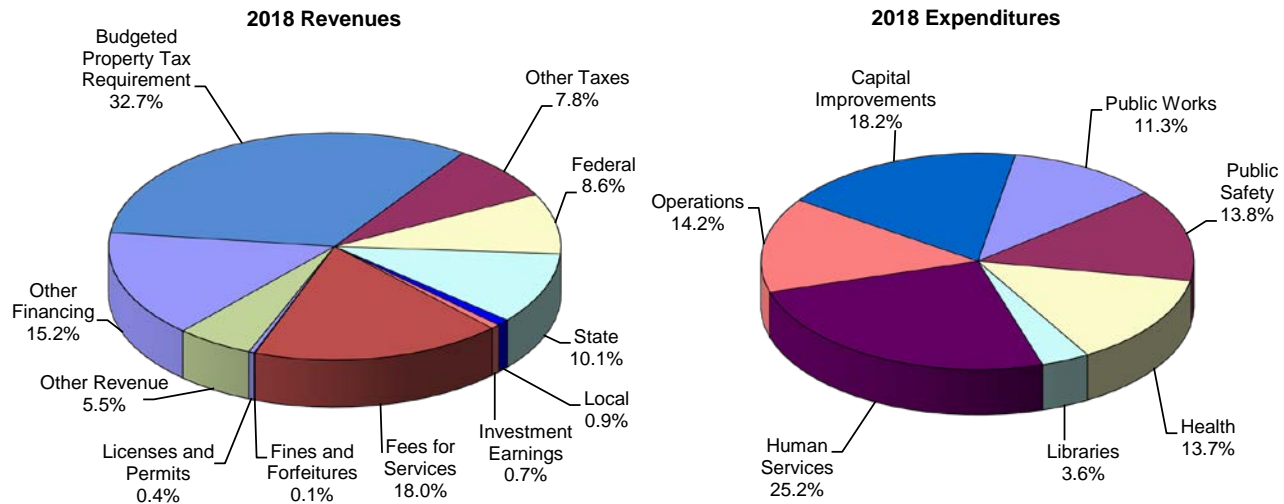
Mobile - People and goods move easily and safely throughout the county and the region, via an integrated system of transportation.

Revenue and Expenditure Information:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$713,330,640	\$745,341,913	\$777,604,263
Other Taxes	59,309,364	57,953,653	186,515,004
Federal	193,274,520	205,464,849	203,759,475
State	250,086,477	292,689,047	241,461,824
Local	33,639,416	37,492,372	21,593,718
Investment Earnings	6,625,409	13,246,260	15,486,168
Fees for Services	284,464,328	430,118,236	427,599,551
Fines and Forfeitures	1,668,609	1,641,400	1,461,400
Licenses and Permits	8,994,680	9,510,204	9,641,200
Other Revenue	58,783,395	120,851,043	131,326,705
Other Financing	263,322,022	179,221,366	362,749,434
Total Revenues	\$1,873,498,861	\$2,093,530,343	\$2,379,198,742
Public Works	\$131,425,148	\$140,664,832	\$269,227,180
Public Safety	288,485,710	312,466,811	327,408,295
Health	190,073,784	334,401,667	325,910,108
Libraries	78,033,098	83,868,725	86,231,436
Human Services	553,443,953	572,301,926	599,370,969
Operations	317,975,955	315,536,650	337,682,528
Capital Improvements	264,228,597	334,289,732	433,368,226
Total Expenditures	\$1,823,666,245	\$2,093,530,343	\$2,379,198,742

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

Hennepin County

Revenue and Expenditure Comparison:



The Revenue and Expenditure Section reflects an overview of the 2018 budget by revenue category and major program area. The majority of Hennepin County's 2018 budgeted expenditures stem from the Human Services, Capital Improvements, and Operations (including debt) programs. In 2018, these programs account for 57.6 percent of the appropriated expenditures and 51.4 percent of the FTEs.

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

Revenue Highlights:

The 2018 revenue budget for Hennepin County is \$2.4 billion, which is an increase of 13.7 percent or \$285.7 million from the 2017 adjusted budget. The 2018 capital budget component totals \$433.4 million, which is 29.6 percent or \$99.1 million more than the 2017 adjusted capital budget. When capital is excluded, the operating portion of the 2018 budget reflects an increase of \$186.6 million or 10.6 percent over the 2017 adjusted budget. Both the operating and capital expenditures will be offset by \$1.6 billion in non-property tax revenues and \$777.6 million in property taxes. The county will operate with 8,602.4 authorized full-time equivalents (FTEs) which is an increase of 104.7 FTEs over the 2017 adjusted budget.

Property Tax Revenues

Property tax revenue contributes \$777.6 million or 32.7 percent of the 2018 budgeted revenue of \$2.4 billion and when compared to the 2017 adjusted budget, reflects an increase of \$32.3 million or 4.3 percent. Information on the property tax computation can be found on page I-6.

Other Taxes

In 2018, Other Taxes are budgeted at \$186.5 million, or 7.8 percent of total 2018 budget revenue, with the major components being \$125.0 million in Transportation Sales Tax revenue for transit and/or transportation investments; \$38.1 million in Ballpark Sales Tax revenue that will be utilized to pay debt service on the ballpark bonds and other uses as allowed by legislation; \$10.0 million from a Wheelage Tax that will be utilized for the preservation, efficiency, safety and modernization of bridges, roads, and equipment; and \$11.2 million from Tax Increment Financing (TIF).

Federal Revenues

The 2018 budgeted federal revenue is \$203.8 million, or 8.6 percent, of all county revenues and represents a decrease of 0.8 percent or \$1.7 million from the 2017 adjusted budget. Of the \$203.8 million in total anticipated federal revenue, \$181.4 million or 89.0 percent stems from the Human Services program. 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. Federal revenues in the County Revenue Fund is \$18.1 million or 8.9 percent of total anticipated federal revenue. In the Public Works program revenue supports federal housing grant. In the Public Safety program revenues consist of reimbursement for administrative costs related to child support collection, child protection, welfare fraud, State Criminal Alien Assistance Program (SCAAP), Driving While Intoxicated (DWI) countermeasure & supervision programs, along with the breakfast and lunch programs at the Juvenile Detention Center (JDC) and County Home School (CHS), Community Oriented Policing Services (COPS) grant and criminal justice and Homeland Security grants. In the Operations program revenues consist of reimbursements for the Henn Carver Workforce Program.

Hennepin County

Revenue Highlights Continued:

State Revenues

The revenues from the State of Minnesota are budgeted at \$241.5 million, or 10.1 percent of all county revenues, excluding 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 (\$90.2 million); highway construction and maintenance projects (\$71.9 million); correctional subsidy to assist with correctional services and programs (\$18.9 million); and a partial expense reimbursement in the Public Defender's Office (\$8.3 million). Typically, state funding is based on criteria such as caseloads, statewide funding formulas, approved plans, and particular service requirements.

State revenues decreased \$51.4 million when compared to the 2017 adjusted budget of \$292.7 million. The majority of the decrease is attributed to a decrease in programmed highway and bridge aids of \$54.1 million in the capital budget.

The State of Minnesota provides property tax relief to Minnesota counties and taxpayers through local aid programs. For example, 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, and Library. CPA for 2018 is budgeted at \$32.2 million, which is an increase of \$1.4 million over the 2017 adjusted budget.

Local Revenues

The 2018 local revenue budget of \$21.6 million has decreased by \$15.9 million from the 2017 adjusted budget of \$37.5 million. The majority of the decrease is due to the full defeasance of the County's Series 2010E Bonds which were supported by the Counties Transit Improvement Board (CTIB) sales tax revenues in July 2017. In addition, there is a \$6.6 million decrease in local participation dollars in capital construction projects.

Fees for 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 Statute 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 or revised fee schedules were authorized by the County Board and incorporated into the 2018 budget resolution approved on December 12, 2017.

In 2018, the total revenues generated from fees charged for services are estimated at \$427.6 million, represents 18.0 percent of the total county revenue budget, and reflects a decrease of 0.6 percent or \$2.5 million from the 2017 adjusted budget.

Hennepin County provides a wide range of services for which fees are charged. The most significant portion of this revenue 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 and Hennepin Health. For 2018, revenues are estimated to be \$287.6 million or 67.3 percent of total Fees for Services revenues. This is a reduction of \$6.8 million, or 1.2 percent, from the 2017 adjusted budget of \$294.4 million or 68.4 percent of total Fees for Services revenues. The decrease is due to an increase in Prepaid Medical Assistance Program (PMAP) and MNCare Family and Children members with significantly smaller per member per month capitation amounts, a lower risk profile, and a lower utilization of healthcare services as compared to Adult Without Children.

The Human Services program is projecting an estimated \$48.1 million in fees for services to be provided in 2018. 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 2018, \$53.4 million is budgeted as revenue from tipping fees, ordinances, and solid waste fees.

The Public Safety program, which includes the Radio Communication Fund, has budgeted \$20.2 million in 2018 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; professional service fee, civil fees, court fees, program participation fees, leased antenna space along with leased Mobile Data Computers (MDC) and radios.

The 2018 Operations program has increased \$797,100 to \$17.4 million in fee for service revenue. The majority of this revenue is generated by the county's Real Property Group at \$16.4 million and includes charges for service center fees and public records, which includes the recording of abstract and torrens properties.

Hennepin County

Revenue Highlights Continued:

Other Revenue

A wide variety of sources contribute to the \$131.3 million, or 5.5 percent, of revenues categorized as "Other Revenue" in 2018. Other revenue includes book fines, building rental, investment income, parking revenue, vital records (e.g. birth and death certificates), and utilization of fund balance.

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 2018 budget, the use of fund balance has been set at \$57.3 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.

Other Financing

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 new GO bonds to refund outstanding bonds to realize debt service savings when interest rates are favorable. Bond proceeds budgeted for 2018 are \$360.3 million, an increase of \$182.9 million from the \$177.4 million in the 2017 adjusted budget. Details concerning the county's debt retirement and debt management can be found in the Debt Retirement section of the Operations program.

Budgeted Positions:	2016 Actual	2017 Budget	2018 Budget
Public Works	410.6	424.1	432.4
Public Safety	2,197.9	2,268.6	2,287.6
Health	379.3	410.7	413.1
Libraries	616.7	622.2	625.2
Human Services	3,260.7	3,416.5	3,467.2
Operations	892.0	942.3	957.3
Capital Improvements	0.0	0.0	0.0
Internal Service Funds	339.5	413.3	419.6
Total Full-time Equivalents (FTEs)	8,096.7	8,497.7	8,602.4

Major Program: Public Works

Public Works Services
Environment and Energy
Glen Lake Golf Course
Transportation Sales Tax & Development



Program Description:

Public Works delivers various projects and programs that support community economic development, environment and energy, and transportation in Hennepin County. The team also supports the Hennepin County Regional Rail Authority and the Hennepin County Housing and Redevelopment Authority.

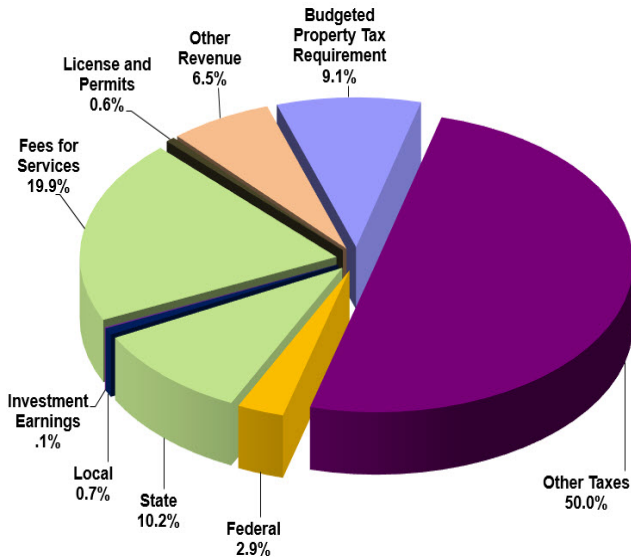
Public Works has Business Line Support services including financial management, budgeting, and information/computer technology. Public Works also provides fleet services to all lines of business in the county.

Revenue and Expenditure Information	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$24,670,510	\$24,832,486	\$24,477,249
Other Taxes	10,013,623	9,802,343	135,096,000
Federal	10,097,136	9,235,805	7,947,283
State	26,927,379	26,596,679	27,407,739
Local	1,092,974	1,889,755	1,889,755
Investment Earnings	159,611	310,858	310,000
Fees for Services	54,819,478	53,602,699	53,578,914
Fines and Forfeitures	41,305	50,000	50,000
Licenses and Permits	1,357,455	1,513,204	1,533,200
Other Revenue	9,636,617	14,831,003	17,437,040
Other Financing	-2,000,000	-2,000,000	-500,000
Total Revenues	\$136,816,088	\$140,664,832	\$269,227,180
Personal Services	\$43,075,201	\$45,245,829	\$47,544,991
Commodities	7,040,911	8,440,296	8,185,262
Services	66,682,554	67,293,815	68,444,105
Public Aid Assistance	22,826	25,000	25,000
Capital Outlay	310,729	325,200	154,000
Other Charges	8,376,987	16,834,692	143,573,822
Grants	5,915,940	2,500,000	1,300,000
Total Expenditures	\$131,425,148	\$140,664,832	\$269,227,180
Budgeted Positions (Full-time Equivalents)	410.6	424.1	432.4

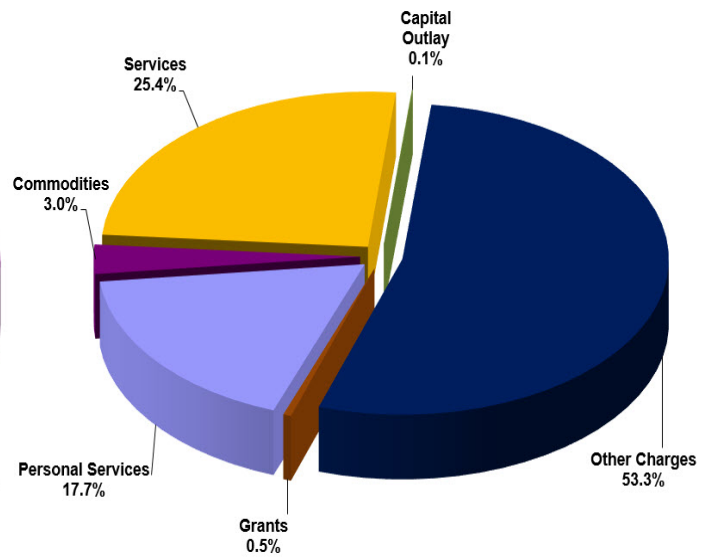
* Reflects the adjusted property tax requirement budget, not actual property tax collections.

Revenue and Expenditure Comparison:

2018 Revenue



2018 Expenditures



Department Expenditure Summary:

	2016 Actual	2017 Budget	2018 Budget
Public Works Services	71,479,236	73,379,223	74,578,866
Environment and Energy	59,055,114	66,225,253	68,570,132
Glen Lake Golf Course	890,798	1,060,356	1,078,182
Transportation Sales Tax & Development	0	0	125,000,000
Total Expenditures	\$131,425,148	\$140,664,832	\$269,227,180

Budgeted Positions:

	2016 Actual	2017 Budget	2018 Budget
Public Works Services	341.5	351.5	354.0
Environment and Energy	69.1	72.6	78.4
Glen Lake Golf Course	0.0	0.0	0.0
Transportation Sales Tax & Development	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	410.6	424.1	432.4

Revenue Summary:

The Public Works budgeted 2018 revenues are \$269.2 million, a \$128.6 million increase over the 2017 adjusted budget. Details about the major sources of revenue include:

Budgeted Property Tax Requirement

The 2018 adopted budget includes property taxes of \$24.5 million, a decrease of \$355,000 or 1.4 percent when compared to the 2017 adjusted budget amount.

Other Taxes Revenue

The 2018 adopted budget includes Other Taxes of \$135.1 million, which is a \$125.3 million increase over the 2017 adjusted budget. Of the increase, \$125.0 million, or 99.8 percent, is attributable to a new local sales and use tax as well as a \$20 per vehicle excise tax to be used for transit and/or transportation investments serving the county.

Federal Revenue

Federal revenue in the 2018 adopted budget is \$7.9 million, which is a decrease of \$1.3 million, or 14.0 percent, from the 2017 adjusted budget. Of the decrease, \$935,000 is in Community Works, due to an anticipated decrease in federal housing grant revenue.

State Revenue

The 2018 adopted budget for State revenue is \$27.4 million. This is an increase of \$811,000, or 3.0 percent, over the 2017 adjusted budget. Of the increase, \$797,000 is the result of an increase in the Highway User Tax Distribution Fund in Transportation Operations.

Other Revenue

Other Revenue in the 2018 adopted budget is \$17.4 million. This is an increase of \$2.6 million, or 17.6 percent, over the 2017 adjusted budget. Other Revenue in Environment and Energy increased by \$2.9 million due to an increase in the use of fund balance, which corresponds to an increase in the expenditure budget.

Other Financing

The 2018 adopted budget for Other Financing is (\$500,000), which is a \$1.5 million, or 75.0 percent, increase from the 2017 adjusted budget. The change is due to not transferring \$2.0 million of Wheelage Tax revenue to the Debt Service Fund in 2018.

Expenditure Summary:

Public Works Services

Public Works Administration

The 2018 adopted budget totals \$5.1 million, an increase of \$1.1 million, or 27.8 percent, over the 2017 adjusted budget. The increase is attributed to the transfer of Planning staff and resources into Public Works Administration.

Public Works Financial Services

The 2018 adopted budget totals \$4.2 million, an increase of \$581,000, or 15.9 percent, over the 2017 adjusted budget. The increase is due to an increase in the FTE complement, as well as higher health insurance costs.

Community Works

The 2018 adopted budget totals \$14.2 million, a decrease of \$1.3 million, or 8.5 percent, when compared to the 2017 adjusted budget. The decrease is associated with a projected decrease in federal housing grant revenue.

Transportation Operations

The 2018 adopted budget is \$37.3 million, which is relatively unchanged from the 2017 adjusted budget of \$37.5 million.

Transportation Project Delivery

The 2018 adopted budget is \$13.6 million, an increase of \$1.0 million, or 7.9 percent, over the 2017 adjusted budget. The increase is associated with a new bridge group in Transportation Project Delivery. The transfer of Planning to Public Works Administration partially offset the increase.

Environment and Energy

The 2018 adopted budget is \$68.6 million, which is an increase of \$2.3 million, or 3.5 percent, over the 2017 adjusted budget. The increase is associated with a new operator of the Hennepin Energy Recovery Center and increased expenditures for the assessment and cleanup of contaminated sites near the Southwest Light Rail Transit (SWLRT) project.

Glen Lake Golf Course

The 2018 adopted budget remains little changed at \$1.1 million.

Transportation Sales Tax and Development

Transportation Sales Tax and Development is new starting in 2018. Revenue from the new sales and use tax, as well as an excise tax, will be used for transit and/or transportation investments. Transportation Sales Tax and Development will account for the new revenue.

Mission:

Our mission is to create healthy and livable communities through economic development, environmental stewardship and advancement of a multimodal transportation network.

Department Description:

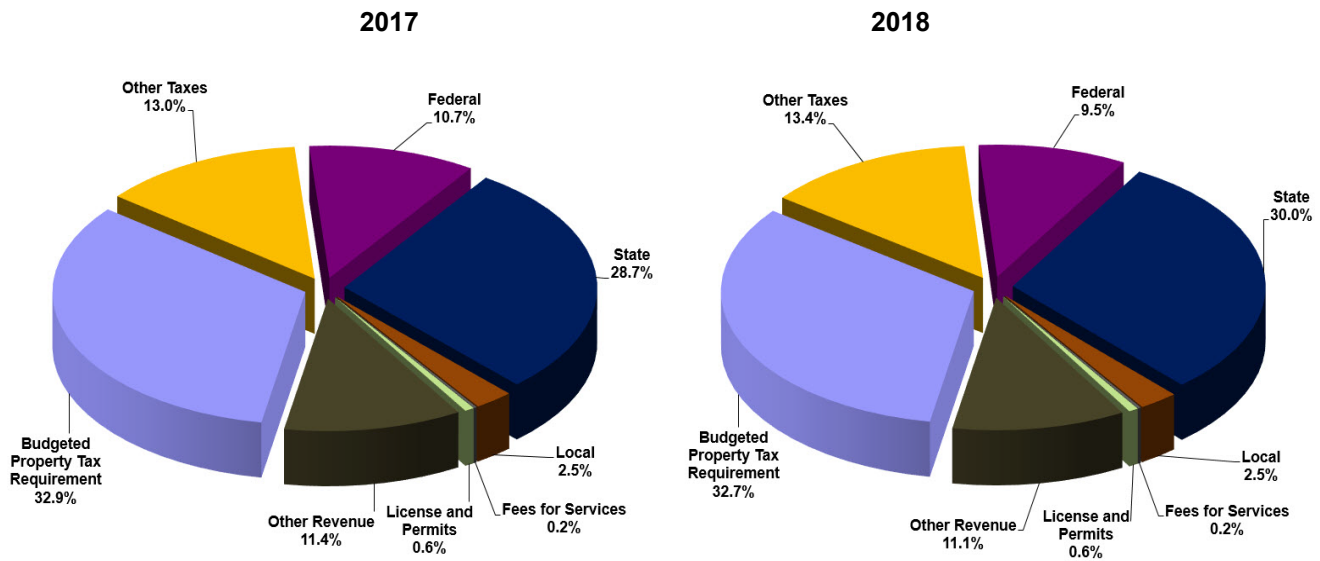
Public Works is responsible for a wide range of programs and projects that support the Hennepin County mission of healthy and safe communities. This includes services supporting choices for transportation, economic development, housing and more.

The team also supports the Hennepin County Regional Railroad Authority (HCRRA) and the Hennepin County Housing and Redevelopment Authority (HCHRA). Public Works has support services which includes: financial management, budgeting, information/computer technology, and warehouse.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$24,670,510	\$24,832,486	\$24,477,249
Other Taxes	10,013,623	9,802,343	10,096,000
Federal	9,944,474	8,085,805	7,147,283
State	21,594,888	21,576,236	22,529,596
Local	1,092,974	1,889,755	1,889,755
Investment Earnings	0	0	0
Fees for Services	693,073	141,979	151,616
Fines and Forfeitures	0	0	0
Licenses and Permits	341,240	463,200	463,200
Other Revenue	7,846,826	8,587,419	8,324,167
Other Financing	-2,000,000	-2,000,000	-500,000
Total Revenues	\$74,197,608	\$73,379,223	\$74,578,866
Personal Services	\$34,523,826	\$37,208,809	\$39,112,707
Commodities	6,575,806	7,920,511	7,600,270
Services	29,665,150	27,476,178	27,223,870
Public Aid Assistance	22,826	25,000	25,000
Capital Outlay	310,729	325,200	154,000
Other Charges	380,899	423,525	463,019
Grants	0	0	0
Total Expenditures	\$71,479,236	\$73,379,223	\$74,578,866
Budgeted Positions (Full-time Equivalents)	341.5	351.5	354.0

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

Revenue Comparison:



Significant Budget Changes:

The 2018 adopted budget is \$74.6 million, which reflects a 1.6 percent or \$1.2 million increase over the 2017 adjusted budget. When compared to the 2017 adjusted budget, expected property tax revenues decreased by \$355,000 to \$24.5 million and non-property tax revenues increased by \$1.6 million to \$50.1 million.

Budget changes for 2018 include:

- Business Line Support separated into Public Works Administration and Public Works Financial Services.
- Planning, a division within Transportation Project Delivery, was moved to Public Works Administration.
- A new bridge division was created in Transportation Project Delivery to oversee the county's 147 bridges. The bridge division will be involved in an active preventative maintenance program, as well as pursue capital funding for bridge rehabilitation and replacement.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
Administration	7,457,402	6,316,220	5,105,183
Public Works Financial Services	2,640,446	3,659,184	4,240,526
Community Works	16,997,718	15,159,628	14,248,176
Transportation Project Delivery	9,734,860	10,724,263	13,635,593
Transportation Operations	34,648,810	37,519,928	37,349,388
Total Expenditures	\$71,479,236	\$73,379,223	\$74,578,866

Budget Commentary:

Public Works Administration

Supports the entire Public Works Line of Business by integrating the following areas: Administrator's Office, Information Technology, Communications, and Connections and Planning.

For 2018, Planning will assist in meeting expectations for capital projects, transportation planning and recommendations for the capital budget.

Public Works Financial Services

Provides financial management, accounting services and warehouse services to the Public Works Line of Business.

For 2018, Public Works Financial Services will continue improvements to the Capital Improvement Plan, which includes improving financial reporting and refining the project prioritization process. In addition, Public Works Financial Services will work with other areas in Public Works to enhance how those areas report rates to their customers.

Community Works

Organized into the following functional areas: Engineering and Transit Planning; Community and Economic Development; Housing Development and Finance; and Land Management.

For 2018, Community Works will be partnering with other agencies to maximize the economic development potential of infrastructure investments, improve quality of life and stimulate economic development.

Transportation Operations

Maintains the county's road infrastructure.

In 2018, Transportation Operations will make improvements to the annual mill and overlay program as well as building an Advanced Transportation Management System (ATMS) that uses technology to improve the safety, efficiency and capacity of the county's current lane miles.

Transportation Project Delivery

Designs and administers the capital transportation program for the county.

For 2018, Transportation Project Delivery will reallocate and centralize resources into a dedicated bridge unit. Also, implement new technologies, such as a bridge asset management application and rugged tablet computers, to improve processes and provide additional quality assurance and control.

Key Results:

Results	2016 Actual	2017 Estimate	2018 Goal
Percent of bridges with sufficient rating < 50	6.8%	5.4%	4.8%
Present serviceability rating (portion rated good or better)	66.2%	67.0%	67.0%
Engineering costs as a percent of actual capital project costs	17.8%	18.0%	18.0%
Accounts Receivable billings processed	6,343	6,015	6,100

Additional Resources:

Hennepin County:	www.hennepin.us
Southwest LRT Community Works:	www.swlrtccommunityworks.org
Minnehaha - Hiawatha Community Works:	www.minnehaha-hiawatha.com
Penn Avenue Community Works:	www.hennepin.us/penn
Lowry Avenue Community Works:	www.hennepin.us/lowry

Mission:

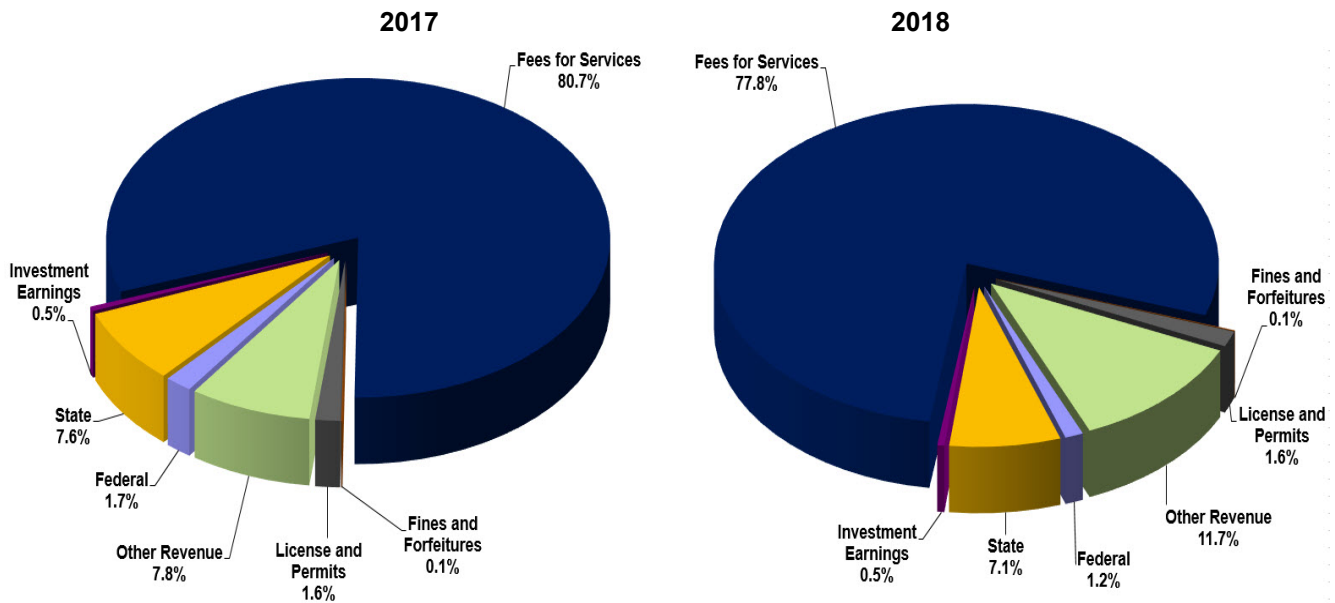
Protect and preserve the environment to enhance the quality of life for current and future generations.

Department Description:

We engage communities to develop and enact sustainable solutions that enhance the quality of life and the environment in Hennepin County. We focus on reducing and responsibly managing waste, protecting and preserving ecosystems, delivering clean energy and promoting environmental stewardship.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement	\$0	\$0	\$0
Other Taxes	0	0	0
Federal	152,662	1,150,000	800,000
State	5,332,491	5,020,443	4,878,143
Local	0	0	0
Investment Earnings	159,611	310,858	310,000
Fees for Services	54,126,405	53,460,720	53,427,298
Fines and Forfeitures	41,305	50,000	50,000
Licenses and Permits	1,016,215	1,050,004	1,070,000
Other Revenue	804,282	5,183,228	8,034,691
Other Financing	0	0	0
Total Revenues	\$61,632,971	\$66,225,253	\$68,570,132
Personal Services	\$8,017,939	\$7,537,679	\$7,922,977
Commodities	362,263	408,660	472,172
Services	36,889,511	39,680,822	41,079,640
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	7,869,461	16,098,092	17,795,343
Grants	5,915,940	2,500,000	1,300,000
Total Expenditures	\$59,055,114	\$66,225,253	\$68,570,132
Budgeted Positions (Full-time Equivalents)	69.1	72.6	78.4

Revenue Comparison:



Significant Budget Changes:

In 2018, Environment and Energy will have an adopted operating budget of \$68.6 million, which will be funded entirely by non-property tax revenue. The adopted budget also includes 78.4 full-time equivalent (FTE) positions, which is an increase of 5.8 FTEs from the 2017 adjusted budget.

When compared to the 2017 adjusted budget, there is an increase in personal services due to general salary adjustments. In addition, there is an increase in services due to a change in how operator service fees are determined at the Hennepin Energy Recovery Center and how revenue from electrical sales are shared with the operator. Lastly, there is an increase in Environmental Response Fund (ERF) expenditures for the assessment and cleanup of contaminated sites near the Southwest Light Rail Transit (SWLRT) project.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
Administration and Planning	11,260,725	13,286,016	6,053,166
Environmental Protection	3,845,137	6,412,523	6,148,439
Environmental Response	1,524,921	2,500,000	3,050,000
Solid Waste	42,424,331	44,026,714	53,318,527
Total Expenditures	\$59,055,114	\$66,225,253	\$68,570,132

Budget Commentary:

In 2018, Environment and Energy has the following new opportunities:

- Implementing new initiatives related to recycling, organics and food waste reduction.
- Great River Energy will become the operator of the Hennepin Energy Recovery Center (HERC) on March 3, 2018.
- Increase county involvement on city-lead landscape development on corridor projects.

Key Results:

Results	2016 Actuals	2017 Estimate	2018 Goal
Energy Production (Megawatt hours of electricity)	197,000	215,000	210,000
Awards to environmental response grantees	\$2,306,000	\$1,441,000	\$2,500,000
Recycling Rate	51%	53%	55%

Additional Resources:

www.hennepin.us
www.rethinkrecycling.com

Mission:

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

Department 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:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement	\$0	\$0	\$0
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	985,509	1,060,356	1,078,182
Other Financing	0	0	0
Total Revenues	\$985,509	\$1,060,356	\$1,078,182
Personal Services	\$533,436	\$499,341	\$509,307
Commodities	102,842	111,125	112,820
Services	127,893	136,815	140,595
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	126,627	313,075	315,460
Grants	0	0	0
Total Expenditures	\$890,798	\$1,060,356	\$1,078,182
Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0

Department Description:

Hennepin County's transportation system contributes to a high quality of life and strong economy by providing an integrated network of roads, bridges, bikeways, sidewalks, and transitways. In addition, the county supports a comprehensive regional system of transitways that includes existing Blue Line Light Rail Transit (LRT), Green Line LRT, and Northstar Commuter Rail; planned Green Line Extension LRT, Blue Line Extension LRT, and Orange Line BRT; and proposed Riverview Corridor. The department is supported by a local sales and use tax as well as a \$20 per vehicle excise tax for transit and/or transportation investments serving the county.

Budget Summary:

	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement	\$0	\$0	\$0
Other Taxes	0	0	125,000,000
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	0	0
Other Financing	0	0	0
Total Revenues	\$0	\$0	\$125,000,000
Personal Services	\$0	\$0	\$0
Commodities	0	0	0
Services	0	0	0
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	0	0	125,000,000
Grants	0	0	0
Total Expenditures	\$0	\$0	\$125,000,000
Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0

Major Program: Public Safety

Public Safety Administration & Integration
 County Attorney's Office
 Court Functions
 Public Defender's Office
 Sheriff's Office
 Department of Community Corrections and Rehabilitation
 Radio Communications



County Attorney Michael O. Freeman



Sheriff Richard W. Stanek

Program Description:

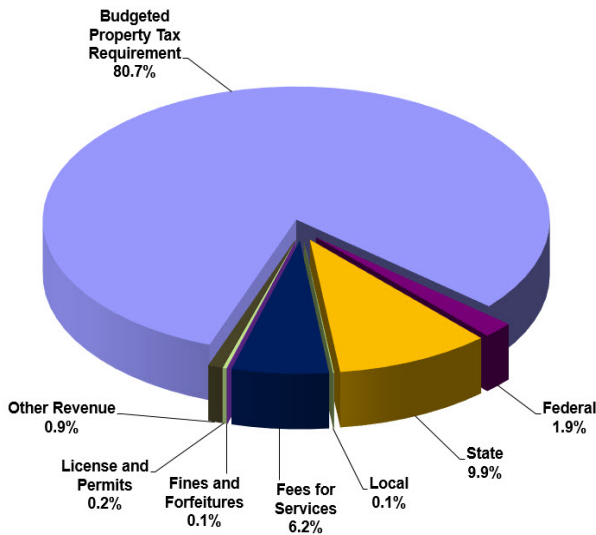
The Public Safety program includes the county's activities in law enforcement, criminal prosecution, legal consultant for the indigent, and correctional programs. The county departments contributing to this major program are the Public Safety Administration & Integration, County Attorney's Office, Court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

Revenue and Expenditure Information	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$231,327,056	\$250,727,877	\$264,274,754
Other Taxes	0	0	0
Federal	5,510,869	6,468,878	6,346,655
State	31,295,895	31,678,749	32,342,019
Local	121,300	210,000	215,000
Investment Earnings	0	0	0
Fees for Services	18,552,483	19,589,067	20,248,629
Fines and Forfeitures	376,412	211,000	211,000
Licenses and Permits	850,810	750,000	800,000
Other Revenue	1,780,087	2,831,240	2,970,238
Other Financing	-9,663	0	0
Total Revenues	\$289,805,249	\$312,466,811	\$327,408,295
Personal Services	\$225,559,849	\$238,764,947	\$253,104,418
Commodities	8,239,066	9,792,173	9,685,374
Services	51,468,620	59,838,480	60,549,572
Public Aid Assistance	0	0	0
Capital Outlay	430,978	586,000	522,700
Other Charges	2,787,197	3,485,211	3,536,599
Grants	0	0	9,632
Total Expenditures	\$288,485,710	\$312,466,811	\$327,408,295
Budgeted Positions (Full-time Equivalents)	2,197.9	2,268.6	2,287.6

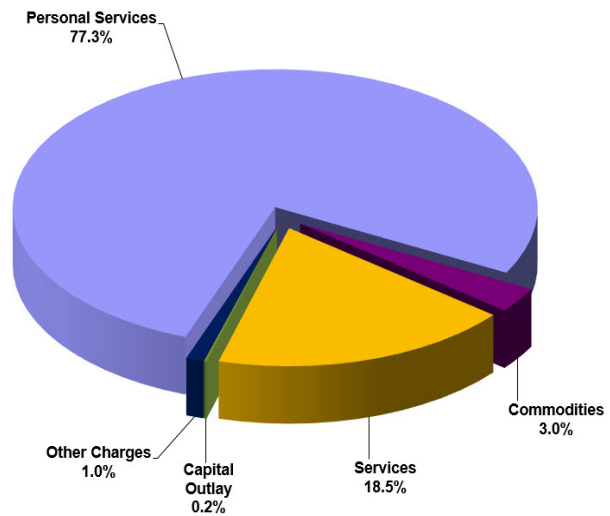
* Reflects the adjusted property tax requirement budget, not actual property tax collections.

Revenue and Expenditure Comparison:

2018 Revenue



2018 Expenditures



Department Expenditure Summary:	2016 Actual	2017 Budget	2018 Budget
Public Safety Administration & Integration	6,651,842	13,777,010	14,408,244
County Attorney's Office	49,679,782	54,299,077	57,166,723
Court Functions	1,799,818	2,055,000	2,185,000
Public Defender's Office	15,637,859	14,754,766	16,754,497
Sheriff's Office	100,681,126	104,289,960	108,894,097
Department of Community Corrections and Rehabilitation	111,304,793	119,742,104	124,350,237
Radio Communications	2,730,490	3,548,894	3,649,497
Total Expenditures	\$288,485,710	\$312,466,811	\$327,408,295

Budgeted Positions:	2016 Actual	2017 Budget	2018 Budget
Public Safety Administration & Integration	35.0	54.5	56.5
County Attorney's Office	362.5	395.0	395.0
Court Functions	0.0	0.0	0.0
Public Defender's Office	64.9	56.0	54.0
Sheriff's Office	799.0	787.0	797.0
Department of Community Corrections and Rehabilitation	936.5	976.1	985.1
Radio Communications	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	2,197.9	2,268.6	2,287.6

* To enhance the alignment of public safety and its initiatives, in 2017 the Hennepin County Sheriff's Office Information Technology was realigned to the Public Safety Administration & Integration department.

Revenue Summary:

The 2018 Public Safety Line of Business accounts for 49.1 percent of the expenditures in the County Revenue Fund (also referred to as the General Fund), and 100 percent of the Radio Communications Fund. The program will operate with 2,287.6 authorized full-time equivalents (FTEs) which is an increase of 19.0 FTEs over the 2017 adjusted budget.

The 2018 operating expenditures for the Public Safety Line of Business have increased by 4.8 percent or \$14.9 million over the 2017 adjusted budget for a total appropriation of \$327.4 million. The expenditures will be offset by \$63.1 million in expected non-property tax revenues and \$264.3 million in property tax.

Overall, the main contributors to the increase in 2018 can be found in the following categories: Personal Services and Services.

In 2018, Personal Services account for 77.3 percent of all expenditures in the Public Safety Line of Business and reflects an increase due to the General Salary Adjustment (GSA), merits, Health Insurance and overtime; along with an overall increase in FTEs.

The Service category accounts for 18.5 percent of all expenditures and the majority of the increase pertains to a higher utilization of information technology for the Large File Solution Project and an enhanced Hennepin County Public Defender case management system. Other increases are seen in contracted services for the indigent and building rental. These increases were offset by the sun-setting of grant awards; the transfer of the Juvenile Outpatient Sex Offender Treatment program to Correctional Out of Home Placement located in Human Services and Public Health department; and the realignment of Sentence to Service benefits to the Personal Service category.

In 2018, the Public Safety Line of Business reflects an increase of 19.0 FTEs with the majority of the change occurring in the Sheriff's Office with 10.0 FTEs, the Department of Community Corrections and Rehabilitation with 9.0 FTEs, and Public Safety Administration & Integration increased by 2.0 FTEs. These increases are offset by attrition of 2.0 Hennepin County FTEs in the Public Defender's Office.

Property Tax Revenues:

In 2018, property tax comprises 80.7 percent of the Public Safety Line of Business total expected revenues of \$327.4 million. The majority of the property tax will fund the Sheriff's Office at \$94.9 million, Department of Community Corrections and Rehabilitation at \$94.6 million, the County Attorney's Office at \$52.3 million, and the Public Defender's Office at \$8.4 million.

Non-Property Tax Revenues:

The departments within the Public Safety Line of Business will rely on \$63.1 million in expected non-property tax revenues for 2018. The main sources are from the State of Minnesota with \$32.3 million, Fees for Services revenue at \$20.2 million, Federal revenue at \$6.3 million, and \$3.0 million in Other Revenue.

Federal Revenue:

The federal monies fund activities in child support, child protection, victim emergency funds, welfare fraud, Homeland Security, forensic science testing and training, State Criminal Alien Assistance Program, Justice Assistance grants, State Criminal Alien Assistance Program (SCAAP), Community Oriented Policing Services (COPS) grant; Homeland Security grants; Driving While Intoxicated (DWI) countermeasures & supervision programs; and reimbursement for breakfast and lunch programs at the Juvenile Detention Center and County Home School.

When compared to the 2017 adjusted budget, federal revenue reflects a slight decrease of \$112,223 due to the realignment of the Justice Assistance Grant to the timing of the 2017 award and the sun-setting of grants.

State Revenue:

Revenue from the State of Minnesota is the largest source of non-property tax income for the Public Safety Line of Business and is reflective of 9.9 percent of total revenues. The majority of state revenue will be realized in the following departments:

Department of Community Corrections and Rehabilitation in the amount of \$18.9 million for activities related to the 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 \$8.3 million as a subsidy for the costs associated to the remaining Hennepin County employees; and the Sheriff's Office at \$4.0 million for Police State Aid (PERA-Police and Fire), 911 Enhancement fee, Peace Officer Standards and Training (POST) revenues, Violent Offender Task Force (VOTF) activities, along with grants for Countering Violent Extremism and High Intensity Drug Trafficking Area.

When compared to the 2017 adjusted budget, revenue from the State of Minnesota has increased by \$663.3 thousand to \$32.3 million mainly due to the increase in the Public Defender's Office for Hennepin County related activities like personnel, building rental, and an enhanced case management system; along with an increase in the Community Corrections Act funding.

Fees for Services Revenue:

As the second largest source of non-property tax revenue, or 6.2 percent of total revenue, this revenue source is obtained as a result of charges to other jurisdictions or clients for processing/booking into the jail, boarding, monitoring pre- and post-adjudication of clients, civil fees, court fees, and lease revenue for radios and mobile data computers.

The anticipated 2018 Fee for Service revenue will increase by \$659.6 thousand to \$20.2 million when compared with the 2017 adjusted budget. The majority of the increase will occur in the Department of Community Correction and Rehabilitation due to increased opportunities in the Public Sector Work Program work and resident fees; increase in service demands from municipalities on Tax Forfeited Land for Sentence to Service; along with increases in Boarding of Prisoner fee and the number of Ramsey clients housed at the County Home School. The Sheriff's Office will also incur and an increase due to a change in the Jail Per Diem and overtime related to the Super Bowl.

License and Permits:

In 2013, 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 growth in the number of applications for a permit to carry. Since then, the number of new permits and renewals have been slowly increasing and in 2018 gun permit revenue has been realigned to the projected activity of \$800,000.

Other Revenue:

In 2018, Other Revenue has been budgeted at \$3.0 million and accounts for less than one percent of total revenues. The majority of this revenue falls in the Hennepin County Sheriff's Office for reimbursement of personnel costs from the Radio Communications fund, detective work for other Hennepin County departments, court security, and jail commissary sales; the Public Safety Administration and Integration for the increased use of Restricted Fund Balance for multi-year technology grants; and the increased use of Unrestricted Fund Balance in the Radio Communications Fund for Infrastructure.

These increases were offset within the Department of Community Corrections and Rehabilitation due to an accounting shift in the Sentence to Service HOMES revenue to Fees for Services category and loss of revenue in building rental from the Nexus Program at the County Home School.

Expenditure Summary:

Public Safety Administration and Integration:

Consists of four divisions: Public Safety Administration, Emergency Management, Public Safety Information Technology, and Criminal Justice Coordinating Committee. In 2017, the Sheriff's Office Information Technology division was realigned to the Public Safety Administration and Integration to enhance the alignment of Public Safety and its initiatives.

In 2018, Public Safety Administration and Integration will increase \$631.2 thousand and 2.0 full-time equivalents (FTEs). The majority of the increase stems from personnel costs, the Large File Solution/ Electronic Storage project, and the transition of Restitution activities back to the Fourth Judicial District Court on January 1, 2018. These increases were offset by the timing of receiving the 2017 Justice Assistance Grant award and the sun-setting of previous grant awards; along with the transfer of several software items that are specific to the Sheriff's Office from the 2017 centralization of Public Safety Information Technology.

Of the two additional FTEs that were added in 2018, one will provide financial oversight of the Public Safety Administration and Integration department and one will assist in the achievement of the initiatives outlined in the Public Safety Information Technology Strategic Plan.

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 2018 operating budget reflects an increase of 5.3 percent with a property tax allocation increase of 5.7 percent. The increase stems from General Salary Adjustment (GSA), merit, health insurance; and additional information technology costs related to servers and data storage. These increased costs are offset by an operational shift in the contracted adult diversion provider.

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 budgeted expenditure authority is funded 100 percent by property taxes and will increase by \$130,000 due to the increase demand of services provided to clients in Probate Court.

Public Defender's Office:

In 2018, the Public Defender's Office has an appropriation of \$16.8 million, offset by expected non-property tax revenues of \$8.4 million, property tax of \$8.4 million and 54.0 FTEs. When compared to the 2017 adjusted budget, the 2018 operating budget reflects an increase of 13.6 percent or \$2.0 million in expense authority. The increase in the Public Defender's Office appropriation is associated to Hennepin County related activities like personnel costs; building rental for the Adult Defender Team, and a enhanced case management system.

Sheriff's Office:

In 2018, the Sheriff's Office will have an appropriation of \$108.9 million which will be funded by expected non-property tax revenues of \$14.0 million and property tax of \$94.9 million. When compared to the 2017 adjusted budget of \$104.3 million, the operating budget has increased by \$4.6 million; property tax revenues have increased by \$4.0 million; and non-property tax revenues have increased by \$569.3 thousand.

In 2018, the Sheriff's Office was approved to operate with 797.0 FTEs which is an increase of 10.0 FTEs from the 2017 adjusted budget. The majority of the additional FTEs pertains to an operational need for tele-communicators, grant related activities, and the Adult Detention Initiative.

Of the \$4.6 million operational increase, \$4.2 million occurs in the Personal Services category for a Gross Salary Adjustment, merit, health insurance, and Super Bowl overtime; the Hennepin County Medical Center Nursing contract; and the 10.0 new FTEs. Another driver for the increase stems from the transfer of software back to the Sheriff's Office from the 2017 centralization of Public Safety Information Technology within the Public Safety Administration and Integration department.

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). The department's goal is to help its clients move from being offenders involved with the criminal justice system to being good neighbors in their communities.

In 2018, the DOCCR has an appropriation of \$124.4 million, offset by expected non-property tax revenues of \$29.8 million, property tax of \$94.6 million and 985.1 FTEs. When compared to the 2017 adjusted budget, the 2018 operating budget reflects an increase of 3.9 percent or \$4.6 million in expense authority. The driver for this increase is attributed to the Personal Services category for the net increase of 9.0 FTEs; General Salary Adjustment, merit, health insurance, and overtime for the existing staff. These increases were offset by the sun-setting of the career connections grant from the Minnesota Department of Employment and Economic Development and the transfer of the Juvenile Outpatient Sex Offender Treatment program to Correctional Out of Home Placement within the Human Services and Public Health Department.

The 2018 budget maintains the investments made in past years for client assessment, motivational interviewing and cognitive behavioral interventions, and furthers this journey by focusing resources on the highest risk clients. A tenet of Evidence Based Practices is to focus correctional resources on the highest risk clients. The best results for correctional clients come when staff are skilled in effective practices and caseloads are of a reasonable size. Currently, high risk caseloads in adult are above the desired caseload size of 50:1 and in 2018, the budget has allocated additional probation officers to adult to reduce the high-risk caseload size and support ongoing implementation of evidence-based probation practices.

In 2016 and 2017, DOCCR engaged a national consultant (Matrix Consulting Group) to provide an objective assessment of staffing allocations and operational management at its three correctional facilities: Adult Corrections Facility (ACF), County Home School (CHS) and the Juvenile Detention Center (JDC); and its Electronic Home Monitoring (EHM) unit. The final report illuminated scheduling issues at the correctional facilities as well as the need for increased staffing, which aligned with the with the Minnesota Department of Corrections and Prison Rape Elimination Act audits/reports.

Radio Communications:

In 2018, the Radio Communication Fund will have an expenditure and revenue authority of \$3.6 million which is an increased of \$100.6 thousand when compared to the 2017 adjusted budget. The main contributor to the increase stems from personnel costs along with information technology maintenance and repair. The increase was offset by a lower depreciation expense due to assets being held past the estimated replacement date.

Mission:

To lead and coordinate public safety endeavors while working with partners to identify and promote best management practices.

Department Description:

Public Safety Administration & Integration consists of four divisions: Public Safety Administration, Emergency Management, Public Safety Information Technology, and Criminal Justice Coordinating Committee.

Public Safety Administration is responsible for advising the Hennepin County Board and Hennepin County Administrator on policies and issues related to and involving the Hennepin County justice partners as well as overseeing the strategic and fiscal management of the departments. The office provides leadership and fosters collaboration on strategic initiatives that promote efficiencies and organizational effectiveness and inter-agency partnerships to improve outcomes.

Emergency Management protects communities by coordinating and integrating all activities to build, sustain, and improve capabilities to prevent, mitigate, prepare for, respond to and recover from threatened or actual natural disasters, acts of terrorism, or other man-made disasters.

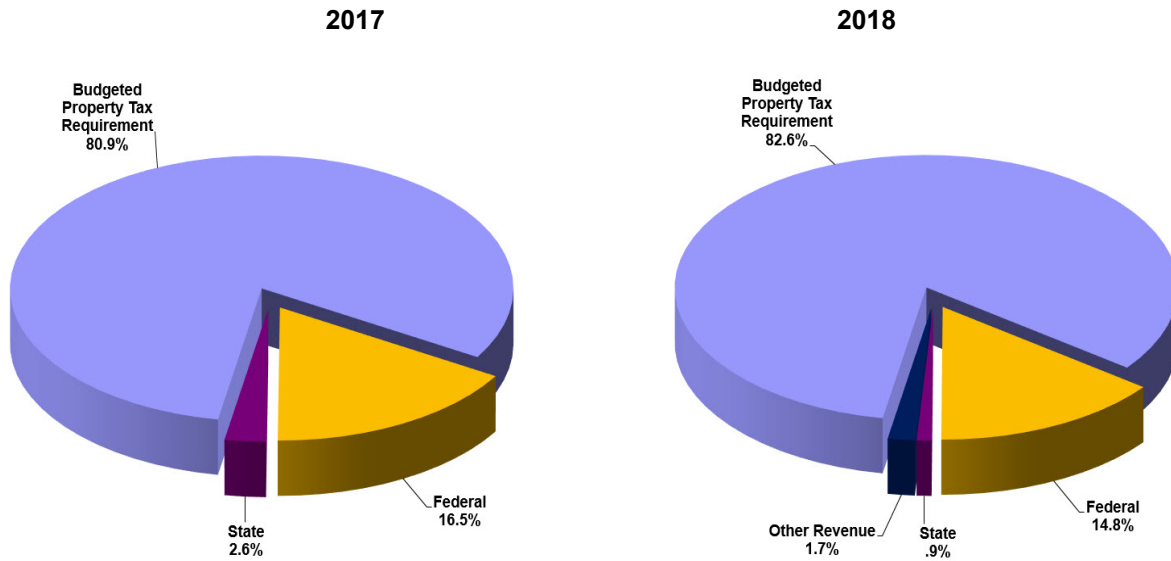
Public Safety Information Technology coordinates and aligns the technology strategies of Hennepin County Information Technology for the Public Safety Line of Business.

Criminal Justice Coordinating Committee (CJCC) was established in 1986 and meets on a regular forum where city and county policy-makers meet to discuss issues and initiatives that require cooperation across jurisdictional lines and among many parts of the criminal justice system.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$5,783,332	\$11,139,083	\$11,894,058
Other Taxes	0	0	0
Federal	1,827,170	2,273,927	2,126,686
State	198,984	364,000	137,500
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	0	250,000
Other Financing	0	0	0
Total Revenues	\$7,809,486	\$13,777,010	\$14,408,244
Personal Services	\$3,801,474	\$6,796,688	\$7,706,043
Commodities	212,998	679,207	964,165
Services	2,527,274	6,082,456	5,481,529
Public Aid Assistance	0	0	0
Capital Outlay	23,878	55,000	61,000
Other Charges	86,218	163,659	185,875
Grants	0	0	9,632
Total Expenditures	\$6,651,842	\$13,777,010	\$14,408,244
Budgeted Positions (Full-time Equivalents)	35.0	54.5	56.5

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

Revenue Comparison:



Significant Budget Changes:

In 2018, Public Safety Administration & Integration will have an appropriation of \$14.4 million which will be funded by expected property tax revenue of \$11.9 million and non-property tax revenue of \$2.5 million. When compared to the 2017 adjusted budget, the operating budget has increased by 4.6 percent or \$631.2 thousand. Property tax revenues have increased by 6.8 percent or \$754.9 thousand, with non-property tax revenues showing a slight decrease of \$123.7 thousand. The department will operate with 56.5 full-time equivalents (FTEs); which is an increase of 2.0 FTEs over the 2017 adjusted budget.

In 2018, the majority of the increase can be associated with the Personal Services expense category which includes overall general salary adjustments, merit, and benefits; new FTEs; and market adjustment for the Information Technology Business Analyst job class. Of the two FTEs that were added in 2018, one will provide financial oversight of the Public Safety Administration & Integration department and one will assist in the achievement of the initiatives outlined in the Public Safety Information Technology Strategic Plan.

Additional drivers include the Large File Solution/Electronic Storage project which will help manage the costs of storing very large files, including video and audio from Body Worn Cameras and large case files; and the transition of Restitution activities back to the Fourth Judicial District Court on January 1, 2018.

Offsets to these increases include the timing of grant awards and the transfer of software back to the Sheriff's Office.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
Public Safety Administration	808,315	806,622	979,397
Emergency Mgmt	1,982,601	2,770,379	2,738,895
Criminal Justice Coordinating Committee	431,836	729,206	521,458
Public Safety Information Technology	3,429,090	9,470,803	10,168,494
Total Expenditures	\$6,651,842	\$13,777,010	\$14,408,244

Budget Commentary:

Sexually Exploited Youth:

Public Safety Administration maintains functional oversight of this program.

In 2011, Minnesota passed the Safe Harbor Law and the state developed a No Wrong Door model for a victim-centered, multidisciplinary response for juvenile victims of sex trafficking. In 2013, Hennepin County established a cross-departmental work group which is governed by a set of core principles and provides the guidelines to implement action steps to combat juvenile sex trafficking and provide comprehensive, victim-centered services. Today, Minnesota youth who are under the age of 18, who are being prostituted are treated as victims and survivors and not criminals.

Historically, sex trafficking increases with the occurrence of major events. With Minneapolis hosting Super Bowl LII, a committee representing more than 40 organizations and being co-chaired by Hennepin and Ramsey Counties along with the Women's Foundation of Minnesota are leading the effort to prevent and disrupt sex trafficking in offering the following education and services:

- Increased law enforcement presence and staffing
- Additional outreach services and shelter beds
- Training on spotting and identifying a potential victim
- Coordinating statewide child protective response
- General public education.

Criminal Justice Coordinating Committee (CJCC):

CJCC currently has oversight of the Adult Detention Initiative and the Behavioral Health Initiative.

Adult Detention Initiative (ADI):

Is a collaborative of Hennepin County criminal justice partners, focused on ensuring an appropriate jail population by providing alternatives for low-risk individuals who do not need to be detained in the Hennepin County Adult Detention Center. This cross-agency, cross-departmental collaborative is developing appropriate alternatives for the mentally ill, new strategies for probation non-compliance, court date reminders, and ensuring decisions to detain or release arrested individuals are based on risk.

Behavioral Health Initiative (BHI):

A collaboration between the Public Safety, Human Services, and Health lines of business, continues its work of expanding effective community-based alternatives to jail for the mentally ill, expanding diagnostic and treatment services in the jail, and better equipping police officers for effectively responding to behavioral health crises in the community.

Additional Resources:

Public Safety Line of Business Information:

Website: www.hennepin.us/residents#public#safety

Emergency Management:

Phone: (612) 596-0250

Email: emergency.mgmt@hennepin.us

Website: www.hennepin.us/residents/emergencies/emergency-management

Criminal Justice Coordinating Committee:

Website: www.hennepin.us/your-government/leadership/criminal-justice-coordinating-committee

Sexually Exploited Youth:

Website: www.hennepin.us/your-government/projects-initiatives/no-wrong-door

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.

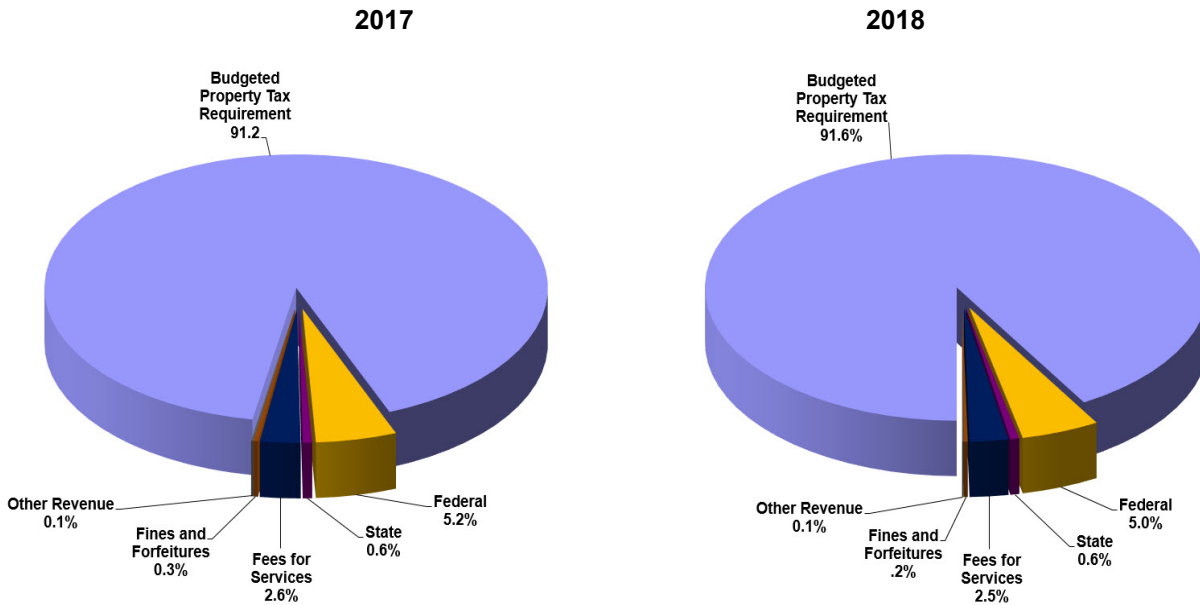
The Criminal Divisions represent the State of Minnesota, prosecuting adults charged with felonies, and all crimes committed by juveniles. The Criminal Divisions include Adult Prosecution, Juvenile Prosecution, the Gang Unit, Community Prosecution, Special Litigation and the Victim Witness Program, which 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 Information Technology (IT) Division provides IT services to all Divisions. The Administration Division provides executive direction and coordination for policy and office-wide functions.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$45,252,889	\$49,509,653	\$52,345,842
Other Taxes	0	0	0
Federal	2,611,741	2,824,595	2,875,000
State	330,122	325,357	328,806
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	1,744,696	1,410,008	1,416,000
Fines and Forfeitures	300,936	150,000	150,000
Licenses and Permits	0	0	0
Other Revenue	39,321	79,464	51,075
Other Financing	0	0	0
Total Revenues	\$50,279,705	\$54,299,077	\$57,166,723
Personal Services	\$41,837,737	\$45,861,190	\$48,877,107
Commodities	225,544	259,500	204,836
Services	7,307,687	7,932,298	7,878,610
Public Aid Assistance	0	0	0
Capital Outlay	0	38,000	0
Other Charges	308,814	208,089	206,170
Grants	0	0	0
Total Expenditures	\$49,679,782	\$54,299,077	\$57,166,723
Budgeted Positions (Full-time Equivalents)	362.5	395.0	395.0

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

Revenue Comparison:



Significant Budget Changes:

In 2018, the Hennepin County Attorney's Office (HCAO) will have an expense appropriation of \$57.2 million which will be funded by expected property tax revenue of \$52.4 million and non-property tax revenue of \$4.8 million. When compared to the 2017 adjusted budget, the operating budget has increased by 5.3 percent or \$2.9 million. Property tax revenues have increased by 5.7 percent or \$2.8 million.

The majority of the increase in the 2018 budget occurs in the Personal Services category and includes the General Salary Adjustment (GSA), merit and health insurance increases. The increase also includes \$503,400 for a full year of authority as it relates to the 2017 board approved No Wrong Door initiative and the transfer of the Legal Writers as well as an increase of \$200,000 for the services of two Bureau of Criminal Apprehension lab analysts for drug testing.

Other increases are seen in County-wide Information Technology (CIT) charges for Infrastructure and Employee Equipment Provision in the amount of \$85,000. The driver for the increase stems from an overall change in the mix of services utilized. Another \$130,000 is associated with department specific IT charges related to additional servers, data storage, and the increase in the number of staff utilizing Citrix.

These increases were offset by reduction by \$500,000 due to an operation shift in the contracted adult diversion provider, which was selected through the Request for Proposal process.

In 2018, the HCAO has reprogrammed \$150,000 to assist with the transfer of restitution to the Fourth Judicial District. Beginning January 1, 2018, any cases sentenced after this date, the HCAO will no longer collect and disburse restitution payments.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
Criminal	26,485,105	28,327,754	28,498,433
Civil and Administration	23,194,677	25,971,323	28,668,290
Total Expenditures	\$49,679,782	\$54,299,077	\$57,166,723

Budget Commentary:

Over the past year, our office has experienced an increased workload across the divisions. The largest increase occurred in the Child Protection Division and the Adult Prosecution Division. Added to the increase in work for the Adult Prosecution Division is the growing use of police video cameras, which adds a new type of evidence to a criminal case.

We continued to look for and apply for grants that help fund important programs. This includes grants for African-American domestic abuse victims, direct client funds for victims of domestic abuse, prosecution of auto theft cases, support for investigator services through a Justice Assistance grant, and grants that support the Child Support and Child Protection Divisions.

The office also benefited from the Board of Commissioners' decision to provide funding for one attorney to be dedicated to sex-trafficking cases. The most noteworthy case that was charged was one where an individual was prostituting 35 women out of a Lake Minnetonka home.

In 2018, the HCAO expects to complete the scanning of the 8,000 boxes of criminal files that have been stored off site at a secure facility. The scanning project, brought on by a Bureau of Criminal Apprehension audit and is anticipated to cost approximately \$400,000.

The HCAO is constantly implementing efforts to streamline work and maximize resources to better harness technology and staff to accomplish the goals of the office.

Key Results:

- The juvenile curfew diversion program resulted in 400 fewer court cases.
- Completed the transition of restitution collection and reimbursement procedures for cases sentenced as of 1/1/18 to the Fourth Judicial District Court.
- Continued to work closely with law enforcement agencies on body worn camera evidence procedures.
- Started new procedure to electronically access 911 phone call tapes for use as evidence.
- Continued to collaborate with the Minnesota Bureau of Criminal Apprehension to significantly reduce the backlog of drug testing cases.
- Completed the Request for Proposals process for Adult Diversion, Juvenile Diversion and Restorative Justice, and the Be@School Truancy Program.
- Selected a new adult diversion provider that incorporates new practices such as chemical health assessments for all drug offenses, Sentence to Serve referrals for all clients, and significant increases in referrals to Restorative Justice Community Action and Summit Academy.
- Began a major scanning project to convert "do not destroy" files to electronic images to eliminate the need for off-site storage at Iron Mountain.

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

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:

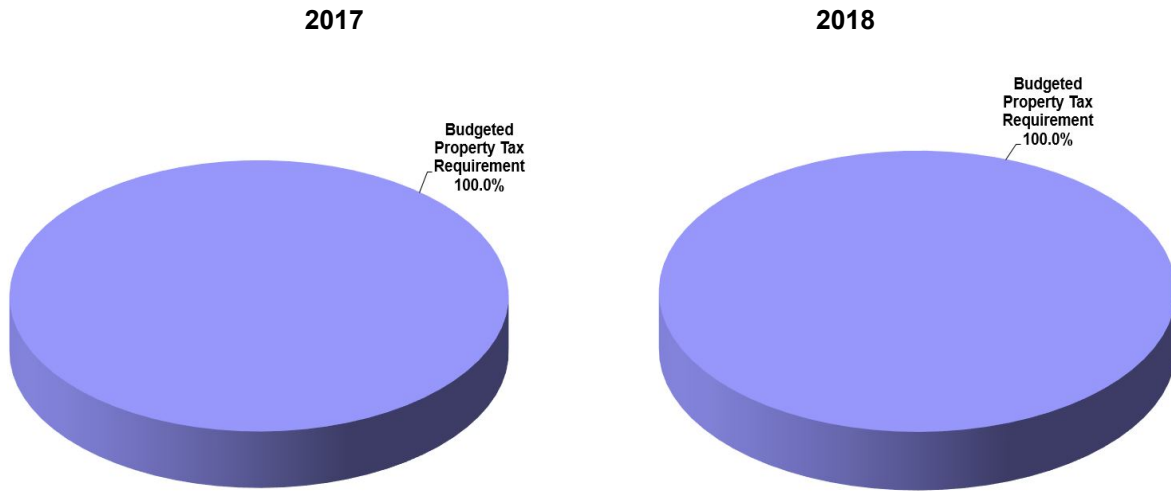
The state takeover of the Fourth Judicial District occurred on July 1, 2003. In accordance with MN Statute 273.1398 Subd. 4b(b), certain functions that were overseen by the District Court remain with the county following the takeover. Court Functions include the following contract services: Mental Health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

Budget Summary:

	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$2,010,000	\$2,055,000	\$2,185,000
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	0	0
Other Financing	0	0	0
Total Revenues	\$2,010,000	\$2,055,000	\$2,185,000
Personal Services	\$0	\$0	\$0
Commodities	0	0	0
Services	1,799,818	2,055,000	2,185,000
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	0	0	0
Grants	0	0	0
Total Expenditures	\$1,799,818	\$2,055,000	\$2,185,000
Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0

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

Revenue Comparison:



Significant Budget Changes:

The 2018 Court Functions authorized operating budget will increase by \$130,000 or 6.3 percent when compared to the 2017 adjusted budget. The majority of the increase is attributed to the growth in the number of indigent clients that are in need of representation in Probate Court. In 2018, the budget was aligned to address these service demands.

Division Budgets:

	2016 Actual	2017 Budget	2018 Budget
Court Function Contracts	1,799,818	2,055,000	2,185,000
Total Expenditures	\$1,799,818	\$2,055,000	\$2,185,000

Budget Commentary:

The 2018 budget is comprised as follows:

- \$1,300,000 for Mental Health Court legal representation.
- \$100,000 for the Temporary hospital confinement of Mental Health Court clients.
- \$550,000 for Probate Court, appointed legal representation of minor children, incapacitated or incompetent indigent adults.
- \$165,000 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.

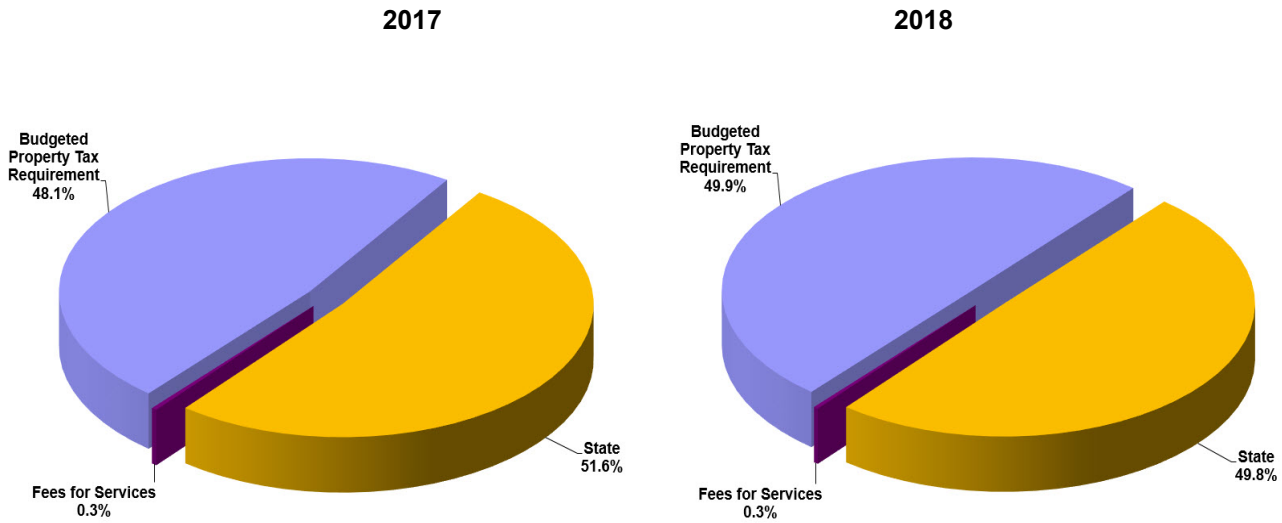
Department Description:

In the 1963 landmark decision, Gideon v. Wainwright, the United States Supreme Court held that an adult indigent defendant is entitled to assistance of counsel in a criminal trial. Soon thereafter, in 1967, the Supreme Court established the same right to counsel for juveniles. In 2010, in Padilla v. Kentucky, the Supreme Court declared that immigration consequences are not collateral issues and that the accused is entitled to effective assistance of counsel on this issue during plea negotiations. Additionally, Minnesota courts have confirmed that children and parents involved in child protection matters as well as adults alleged to be in contempt for non-payment of child support are entitled to legal counsel and that funding responsibility rests with the individual counties. The Hennepin County Public Defender's Office is entrusted with these responsibilities for the majority of criminal, delinquency, child protection and contempt cases in Hennepin County.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$7,319,928	\$7,094,064	\$8,363,799
Other Taxes	0	0	0
Federal	0	0	0
State	7,807,800	7,608,702	8,338,698
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	30,060	52,000	52,000
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	0	0
Other Financing	0	0	0
Total Revenues	\$15,157,788	\$14,754,766	\$16,754,497
Personal Services	\$8,814,351	\$8,193,309	\$9,174,405
Commodities	705,799	184,000	143,500
Services	5,886,558	6,290,257	7,350,892
Public Aid Assistance	0	0	0
Capital Outlay	156,666	0	0
Other Charges	74,485	87,200	85,700
Grants	0	0	0
Total Expenditures	\$15,637,859	\$14,754,766	\$16,754,497
Budgeted Positions (Full-time Equivalents)	64.9	56.0	54.0

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

Revenue Comparison:



Significant Budget Changes:

In 2018, the Hennepin County Public Defender's Office has an appropriation of \$16.8 million, offset by expected non-property tax revenues of \$8.4 million and property tax revenues of \$8.4 million and 54.0 full-time equivalents (FTEs). When compared to the 2017 adjusted budget of \$14.8 million, the authorized operating budget will increase by \$2.0 million and decrease by 2.0 FTEs.

The 2018 operational budget increase is associated to the personnel costs, an enhanced Hennepin County case management system, county-wide information technology, witness fees, and an increase in building rental for the Adult Defender Team.

The increase is offset by a loss of a Juvenile Delinquency contracted vendor; the realignment of office supplies, software, and non-capital furniture to projected utilization; and the attrition of 2.0 Hennepin County FTEs.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
Public Defender's	15,637,859	14,754,766	16,754,497
Total Expenditures	\$15,637,859	\$14,754,766	\$16,754,497

Budget Commentary:

The Public Defender's Office is committed to providing zealous representation to indigent clients. Doing so demands that we creatively maximize our resources by partnering with other agencies when feasible and actively engaging with our justice partners on key issues.

In 2018, we will endeavor to improve outcomes and gain efficiencies by partnering with outside agencies such as the Human Services and Public Health department (HSPH) in order to ensure that our clients receive services promptly. For example, we will continue utilizing social workers on misdemeanor first appearance calendars to triage clients away from jail with proper community resources to achieve better case outcomes. Our hope to expand our partnership with HSPH for services at the pretrial level in order to encourage success for clients on conditional release and probation.

In 2018, Hennepin County has planned to enhance the Public Defender's Office antiquated case management system. This enhancement will be cost-effective in the long-term as new technology is available to speed the transfer of information, avoid duplicate storage and maximum our capacity to integration with the court and prosecutor agencies. More specifically, we are seeking to expand the electronic exchange of discovery on our Child Protection and Suburban misdemeanor cases. With the county's support and guidance, we will continue to collaborate with Public Safety Information Technology on the Large File Solution/ Electronic Storage project as it relates to discovery.

Child Protection representation remains a high priority for our agency particularly with increased case filings. As the Hennepin County funds parent representation, we will work with the county leaders to examine continue resources and best practices in 2018.

Finally, in 2018, we will seek to broaden the work of both the Adult Detention Initiative and the Behavioral Health Initiative by proposing alternatives to jail in certain circumstances. We are committed to dedicating our time and energy to decrease identified disparities within our justice system.

Key Results:

Adult Detention Initiative and Behavioral Health Initiative (ADI & BHI):

We have continued our work on the ADI and the BHI which yielded significant outcomes for our clients. Both the ADI and BHI teams are highly collaborative with representatives from the court, probation, prosecuting agencies, county administration and human services and public health. Some of the accomplishments include a decrease in bench warrants by increasing court hearing notifications via text and email; clearing old misdemeanor bench warrants through a Warrant Forgiveness event in the community; and triaging clients with low level charges away from the jail to receive mental health services.

E-discovery:

In 2017, we launched E-discovery with the Hennepin County Attorney's Office. With the invaluable support of the Hennepin Justice Integration Project (HJIP) team and countless hours invested by the county attorney and public defender staff, it was a huge success for it was only one year ago, discovery was exchanged manually. Before E-discovery, a lawyer would not receive reports on any given case for a week or more because of the manual processing time between our respective agencies. Now, with the click of a key on a computer, discovery is transferred in real time. This empowers our lawyers to be better prepared and more responsive to our clients who are understandably motivated to quickly understand the evidence that is brought against them.

Community Outreach:

Building partnerships with community members is a key priority for us. In 2017, the American Civil Liberties Union (ACLU) and National Association for the Advancement of Colored People (NAACP) worked closely with us to reach out to clients and encourage their participation which helped make the Warrant forgiveness event a true success. Our lawyers and leaders have volunteered their time to speak to local schools, community organizations and citizens to educate them on our role and the services that we provide.

Additional Resources:

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

Mission:

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

Department Description:

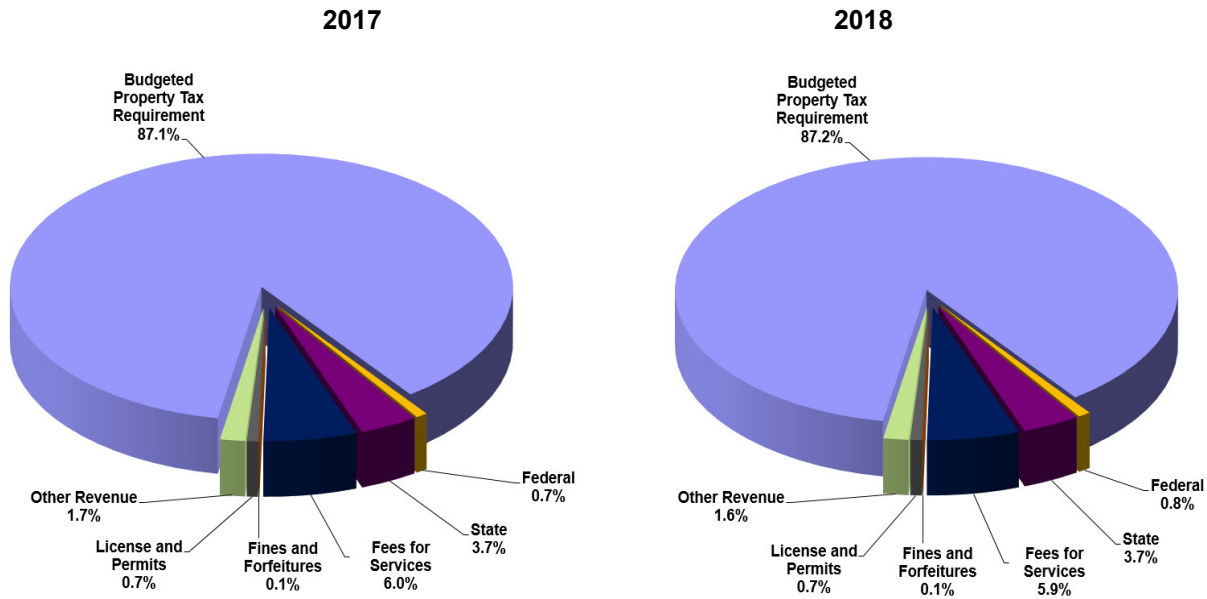
Minnesota State Statutes provides that the Sheriff is the Chief Law Enforcement Officer of the County, empowered to use all resources necessary "to keep and preserve the peace of the county." Minnesota State Statutes specifically confer upon the Sheriff the mandate to perform critical public safety functions:

- 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 buoying)
- 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:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$87,932,987	\$90,880,978	\$94,915,830
Other Taxes	0	0	0
Federal	345,595	771,757	875,758
State	3,833,931	3,885,134	4,015,634
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	6,059,439	6,256,530	6,457,746
Fines and Forfeitures	75,476	61,000	61,000
Licenses and Permits	850,810	750,000	800,000
Other Revenue	1,564,445	1,684,561	1,768,129
Other Financing	0	0	0
Total Revenues	\$100,662,683	\$104,289,960	\$108,894,097
Personal Services	\$82,412,274	\$84,045,326	\$88,261,089
Commodities	4,054,496	5,133,406	4,933,578
Services	12,975,317	13,592,191	14,108,190
Public Aid Assistance	0	0	0
Capital Outlay	208,484	348,000	361,700
Other Charges	1,030,555	1,171,037	1,229,540
Grants	0	0	0
Total Expenditures	\$100,681,126	\$104,289,960	\$108,894,097
Budgeted Positions (Full-time Equivalents)	799.0	787.0	797.0

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

Revenue Comparison:



Significant Budget Changes:

The 2018 budget increase is the result of increases in personnel costs. Personal Services increased due to the general salary adjustments and other benefit increases; Super Bowl law enforcement activities; Hennepin County Medical Center nursing contract changes; and 10.0 new Full-Time Equivalents (FTEs). The FTE increase is associated with operational needs, the mental health initiative in Adult Detention, and grant funded Forensic Sciences positions.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
Administrative	13,780,752	14,667,010	15,135,270
Enforcement Services	14,146,034	14,981,493	15,759,202
911 Dispatch	6,072,652	6,481,085	7,136,825
Technology Services	10,409,299	9,329,923	9,642,235
Investigative Services	7,635,594	7,662,924	8,097,043
Forensic Sciences	4,229,587	4,705,654	4,942,108
Adult Detention	36,632,852	38,129,372	39,459,082
Court Services	7,576,552	8,332,499	8,722,332
Sheriff Other Revenue	197,804	0	0
Total Expenditures	\$100,681,126	\$104,289,960	\$108,894,097

Budget Commentary:

Hennepin County remains one of the nation's safest large metro areas with historically low violent crime rates. Even so, fighting violent crime is always a high priority for the Hennepin County Sheriff's Office (HCSO), and HCSO has re-directed and re-dedicated agency resources to target violent offenders. HCSO utilizes partnerships with county-wide local law enforcement agencies to help ensure positive public safety outcomes.

One example of public safety partnership is the Hennepin County Violent Offender Task Force (VOTF), led by HCSO. VOTF is a multi-agency task force that investigates active offenders who are suspects in felony-level crimes. Since VOTF's inception in 2007, the task force has recovered more than 1,225 illegal firearms from the streets.

The Sheriff's Office Crime Lab is another example of HCSO's public safety partnership. The Crime Lab earned its most recent four year international accreditation in 2015, is one of only seven accredited crime labs in Minnesota, and operates the only full-time team of accredited crime scene investigators in Minnesota. Advancements in DNA analysis technology and our focus on property crime investigations are driving factors behind an increased demand for Crime Lab services.

On the national level, HCSO is on the leading edge of community oriented policing. Two ways that HCSO promotes public trust and partnership is through its diverse and multilingual Community Engagement Team (CET), and through its Volunteer Services Division. CET leads HCSO's community outreach efforts and focuses on connecting with residents at community events, businesses, places of worship, and schools. As volunteers, community members in Hennepin County contributed over 28,000 hours of time to HCSO in 2017, serving as volunteer Special Deputies, jail volunteers, Explorer youth program, and Community Advisory Board.

Key Results:

	2016	2017	2018 Est.
Number of police/fire/medical dispatched calls	635,941	633,738	700,000
Number of jail bookings	31,554	32,154	32,000
Number of court security escorts	34,773	36,053	36,000
Number of crime scene responses	2,759	2,760	2,500
Number of mortgage foreclosure sales	1,054	809	1,000

Additional Resources:

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

Mission:

*The Department of Community Corrections & Rehabilitation (DOCCR) mission statement is:
Community Safety, Community Restoration and Reducing Risk of Re-Offense.*

Contributing to the mission statement are DOCCR's two overarching goals:

*Measure and report progress to hold ourselves accountable to taxpayers, clients, criminal justice stakeholders and each other.
Help people move from offender, to client, to good neighbor.*

Department Description:

DOCCR is the largest community corrections system in Minnesota, with an annual supervision of approximately 23,000 adults and juvenile offenders in institutions; on probation or parole; and in the Sentencing to Service programs. There are approximately 1,000 juveniles and 22,000 adults under supervision in adult and juvenile field services, at any given time. The department operates three correctional facilities:

- Adult Corrections Facility provides custody and programming for approximately 2,700 adult offenders housed in the facility per year;
- Juvenile Detention Center provides custody and care for approximately 1,700 juveniles per year pending court disposition;
- County Home School provides custody and treatment for approximately 140 juvenile offenders in a year; and

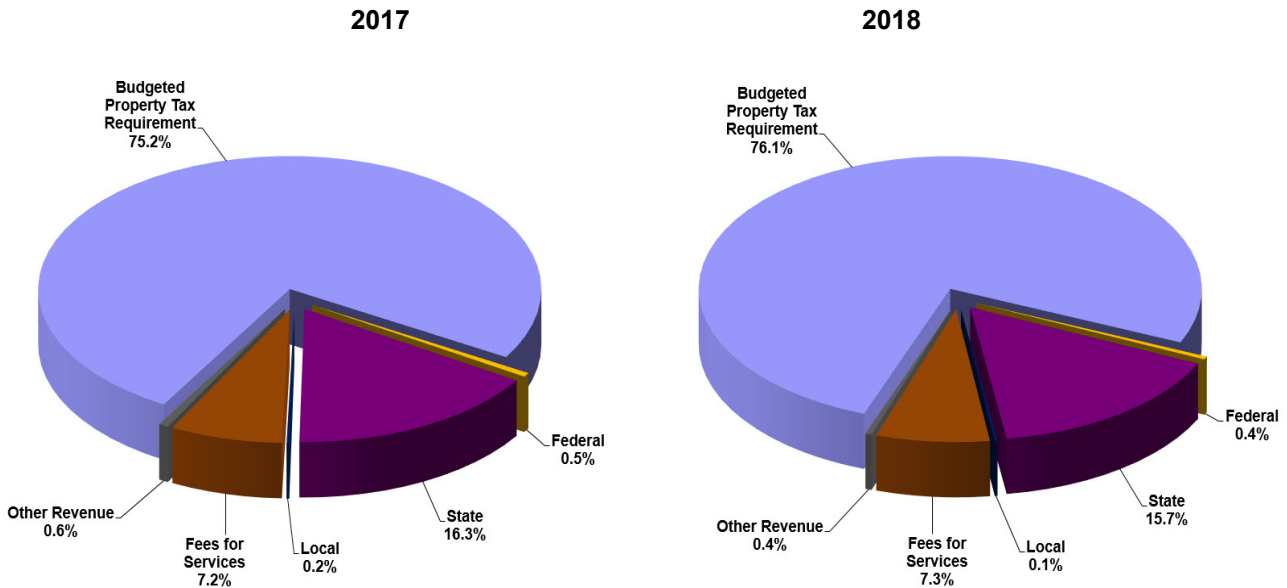
Family Court Services performs custody evaluation and mediations services; 1,400 families received services last year.

Community Offender Management supervises approximately 220 adults and juveniles on electronic home monitoring in the community along with low-risk offenders through its Sentencing to Service (STS). The STS and the Community Work Services programs supervise approximately 730 clients per year.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$83,027,920	\$90,049,099	\$94,570,225
Other Taxes	0	0	0
Federal	675,063	598,599	469,211
State	19,125,058	19,495,556	19,521,381
Local	121,300	210,000	215,000
Investment Earnings	0	0	0
Fees for Services	7,736,658	8,643,230	9,064,245
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	176,322	745,620	510,175
Other Financing	0	0	0
Total Revenues	\$110,862,321	\$119,742,104	\$124,350,237
Personal Services	\$87,328,153	\$92,296,873	\$97,445,645
Commodities	2,895,481	3,381,060	3,274,295
Services	20,734,550	23,533,085	23,097,351
Public Aid Assistance	0	0	0
Capital Outlay	41,950	145,000	100,000
Other Charges	304,659	386,086	432,946
Grants	0	0	0
Total Expenditures	\$111,304,793	\$119,742,104	\$124,350,237
Budgeted Positions (Full-time Equivalents)	936.5	976.1	985.1

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

Revenue Comparison:



Significant Budget Changes:

The 2018 DOCCR budget will have an appropriation of \$124.4 million which will be funded by expected property tax revenues of \$94.6 million, and non-property tax revenues of \$29.8 million. When compared to the 2017 adjusted budget, the operating budget has increased by 3.9 percent or \$4.6 million; property tax revenues have increased by 5.0 percent or \$4.5 million; and non-property tax revenues have increased by 0.3 percent or \$87,000. In 2018, the property tax and the Community Corrections Act (CCA) funding account for 91.2 percent of all revenues.

In 2018, the majority of the budget increase occur in the Personal Services category for the addition of 9.0 full-time equivalents (FTEs), General Salary Adjustment (GSA), step/merit and health insurance for the existing staff. Presented below is an overview of the staffing changes for both field services and the correctional facilities. In total, there were 20.0 position changes for 2018, with 9.0 new positions and the balance (11.0) accomplished through internal reallocations. The 2018 staffing reallocation were primarily from juvenile corrections to adult corrections.

DOCCR's 2018 budget programs \$129,000 less in federal revenue, accounting for the loss of the State Criminal Alien Assistance Program (SCAAP) which was not renewed for 2017-2018 as well as decreased funding for Driving While Intoxicated (DWI) Court activities.

In 2017, DOCCR programmed \$315,800 in one-time state career connections framework grant funding from the Minnesota Department of Employment and Economic Development to fund two initiatives. One initiative funded a contract with Summit Academy Opportunities Industrialization Center (OIC) for a contextualized General Education Development (GED) and construction training services that are targeted for probation clients. The second initiative funded the Sentencing to Service Program to develop employer-recognized certificates in landscape, forestry and culinary services as well as providing clients with a living wage during the program. The 2018 budget includes \$65,800 to complete the employer recognized certificate initiative.

Offsetting a portion of the federal and state funding losses referenced above, the 2017 Minnesota Legislative Session increased state Community Corrections Act (CCA) funding, which resulted in DOCCR receiving an increased allocation of \$371,000 over the 2017 allocation for a total CCA appropriation of \$18.9 million in 2018.

In 2016-2017, DOCCR engaged a national consultant (Matrix Consulting Group) to provide an objective assessment of staffing allocations and operational management at its three correctional facilities: Adult Corrections Facility (ACF), County Home School (CHS) and the Juvenile Detention Center (JDC); and its Electronic Home Monitoring/EHM unit. The final Matrix Consulting Group report illuminated scheduling issues at the correctional facilities as well as the need for increased staffing, which aligned with minimum staffing levels previously identified by Minnesota Department of Corrections and Prison Rape Elimination Act audits/reviews. Since the initiation of the Matrix study, the number of correctional officers (both Correctional Officers and Sr. Correctional Officers) at the Adult Corrections Facility has increased by 15.0 full-time equivalents (FTEs; from 94.0 to 109.0). Whereas the correctional officer staffing at the Adult Corrections Facility increased, the total Juvenile Correctional Officers at the County Home School and the Juvenile Detention Center was reduced 10.0 FTEs; from 124.5 FTEs in 2017 to 114.5 in 2018.

In addition to the minimum staffing and modifications to the fixed posts plans, Matrix noted that DOCCR's institutional staffing schedules were convoluted and recommended alternative schedules. It was determined that the 12-hour Pitman schedule offered the greatest benefits, was the most cost-effective, and required the fewest staff. While overall more cost efficient, all three institutions have programmed increased overtime expenditures in 2018 as a result of implementing the 12-hour schedules.

2018 is the second year of a three-year plan to increase probation officer staffing in Adult Field Services. This three-year plan is in response to both national and local felony probation trends. Supervised person offenses are up 10.0 percent since 2013, including a 5.0 percent increase in 2016. The 2018 budget authorizes an additional high-risk probation unit for Adult Field Services, comprised of 10.0 Probation Officers, 1.0 Corrections Unit Supervisor and 1.0 Office Specialist III, with 2.0 additional Probation Officers being added for other high-risk probation activities (one for the Sex Offender Unit and one for the Supervised Release Unit). The new high-risk probation unit will primarily supervise person offense clients.

Adult Field Services has revised its Record Center Unit for 2018 by transferring the document imaging functions, centralizing this activity with the County's Information Technology Department. Centralizing this function is a more effective and cost-efficient alternative, and allowed the department to reallocate 4.0 positions to higher department priorities.

Within the Community Offender Management Division, 16.0 of the 24.0 Community Corrections Specialists providing Electronic Home Monitoring (EHM) activities have been reallocated as Case Management Assistants in 2018, in order to better ensure consistency in job tasks for EHM intake, monitoring and field work.

Since 2012, the Office Safety Audit Project has revealed that DOCCR field service divisions have outgrown the current office space and that facilities require extensive safety upgrades to improve safety and service delivery. In 2017, the department completed a long-range field services master plan to examine probation facility capacity along with safety and proximity to client services offered by the county or in the community. The field services facility master plan will be implemented over several years, requiring capital improvement program funding.

In 2017, DOCCR's juvenile services in conjunction with Human Services and Public Health (HSPH) department solicited proposals for adolescent and family sexual health outpatient treatment programming in a community setting. The selected vendor (Steps for Change) was awarded a contract in mid-2017, with the contract activities jointly funded both by Juvenile Probation and Human Services Correctional Out-of-Home Placements (COHP). In 2018, these activities are fully funded by COHP.

In 2018, DOCCR's juvenile services is collaborating with HSPH in prioritizing efforts on three adolescent-based proposals.

- Continued efforts in the development of community-based group homes providing 24-hour care in a safe, structured and supportive housing environment, and will allow youth to have increased access to community supports and services to better facilitate transition back to home or independent living.
- Provide prevention and early intervention trauma-based resources, addressing youth trauma and reducing disparities by decreasing the number of youth that escalate to more serious crimes involving detention and probation.
- Additional support resources for youth in the community by providing them with positive mentors to help guide their decision-making.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
Corrections Administration	948,080	995,529	1,036,921
Organizational Change Mgmt	8,703,873	9,579,845	10,187,427
Information Technology Systems	1,319,695	1,898,055	1,850,747
Adult Corrections Facility	20,022,764	20,719,599	22,450,471
Community Offender Management	7,796,061	10,704,333	10,691,409
Family Court Services	2,835,341	2,784,927	2,910,013
Adult Field Services	35,168,844	36,494,935	38,007,356
County Home School	10,234,621	11,563,376	11,611,901
Juvenile Detention Center	9,959,553	10,315,026	10,856,364
Juvenile Probation	12,287,411	12,714,022	12,735,628
State Juvenile Placements	2,028,550	1,972,457	2,012,000
Total Expenditures	\$111,304,793	\$119,742,104	\$124,350,237

Budget Commentary:

DOCCR's top priorities for the next three years include driving justice system reform; being a national leader in correctional evidence based practices (EBP); and becoming an inclusive, multi-cultural organization that is proactive in recruiting, developing and retaining staff.

DOCCR is working in an environment where the external pressure for justice reform is high, and our response ever the more critical. The changes demanded challenge beliefs for how work in the criminal justice system should be performed. The changes align well with what research suggests will most significantly impact recidivism, including:

- Actively examining decision points for racial disparity and taking action when discovered;
- Creating pathways for community feedback, with the relationships helping to inform how we do our work;
- Joining agencies across the nation by training Probation Officers (PO) to serve as a treatment intervention for clients, in addition to making referrals to external service providers;
- Collaborating with external agencies to increases in violent crimes; and
- Coordinating services across county departments to offer holistic client supports, particularly in the area of re-entry.

Over the past decade and largely as a result of system reform efforts, DOCCR has:

- Reduced the juvenile probation population by 74.0 percent by diverting low-risk youth;
- Decreased the average daily population in the Juvenile Detention Center by 51.0 percent, and redirecting \$3.7 million to community-based services;
- Reduced youth in correctional out-of-home placements by 64.0 percent, reaching an all-time low in June 2017 of 117 placements;
- Started to achieve statistically significant reductions in juvenile recidivism rates, down 5.0 percent since 2010 and now at 28.0 percent; and
- Re-directed juvenile probation staffing to adult probation staffing.

The 2018 DOCCR strategic plan includes the following initiatives:

- Increase the capacity of academics to provide students with the most prevalent skills taught in the correctional field. DOCCR will evaluate the pilot certificate program with Metro State University, make adjustments and expand to build a competent and diverse future workforce.
- Continue the partnership with the Group Violence Initiative and City of Minneapolis to address those most likely to be harmed by and perpetrate gun violence.
- Launch a Peer Support Program, designed to help probation staff support each other when facing the trauma inherent in the work of corrections.
- Pilot a construction program with a team of eight probationers as part of the new Community Productive Day initiative, and expand construction crew opportunities to female participants. In partnership with county departments, and community agencies such as HIREd, Hennepin Technical College and Summit Opportunities Industrialization Center (OIC), DOCCR will further the initiative to support DOCCR clients by providing a variety of paid work and career pathway development.
- Collaborate with the University of Minnesota Urban Outreach and Engagement Center to develop a community advisory board with our most impacted communities. The community advisory board will allow us to engage communities to inform the decisions that impact them and foster trust and collaboration.
- Continue partnership with the Annie E. Casey Foundation and Georgetown University to re-imagine the use of out-of-home placement for juvenile clients and ensure the most effective treatment based on client need.
- Full-scale launch of case planning practices in field divisions using the Minnesota corrections curriculum.

DOCCR's strategic plan is a dynamic, living document that will drive deep reform and the success of the department.

Key Results:

	2016	2017 Est.	2018 Est.
1st Year Recidivism Rate - All clients referred in the last month of the year	23.0 % (2014 Cohort)	21.7 % (2015 Cohort)	22.0 % (2016 Cohort)
Juveniles in Correctional Out-of-Home Placements (COHP)	160	150	145
Total Sentencing to Service (STS) and Community Work Service hours completed	206,029	210,000	220,000
DOCCR Institutions Percent Capacity (at year end)	78.0 %	80.0 %	80.0 %
Juvenile Detention Center Average Length of Stay (at year end)	10.2 days	9.4 days	8.5 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

Mission:

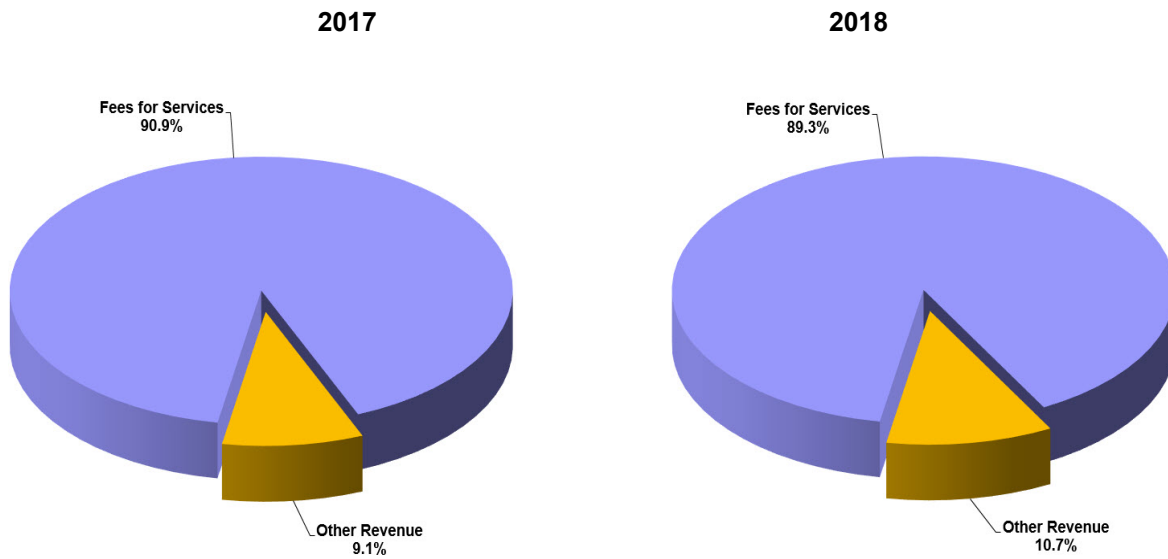
Purchase and maintenance of radio and mobile data computer equipment associated with the 800 MHz Radio System, including related infrastructure expenditures.

Department Description:

The 800 MHz Radio Lease Program operates as an enterprise fund, with the revenues received by the program covering the maintenance and depreciation costs of the 800 MHz digital radios/mobile data computers and use of the Minnesota Regional Public Service Communications System. Users include county departments along with police, fire and emergency medical service agencies within Hennepin County.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes	0	0	0
Federal	51,300	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	2,981,630	3,227,299	3,258,638
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	321,595	390,859
Other Financing	-9,663	0	0
Total Revenues	\$3,023,267	\$3,548,894	\$3,649,497
Personal Services	\$1,365,860	\$1,571,561	\$1,640,129
Commodities	144,748	155,000	165,000
Services	237,416	353,193	448,000
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	982,466	1,469,140	1,396,368
Grants	0	0	0
Total Expenditures	\$2,730,490	\$3,548,894	\$3,649,497
Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0

Revenue Comparison:



Significant Budget Changes:

The majority of the increase in the 2018 Radio Communications Fund operational budget stems personnel costs along with information technology maintenance and repair. These increases were off-set with a decrease in depreciation expense due to assets being held past the estimated replacement date.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
Radio Lease Program	2,227,447	2,684,618	2,673,612
Radio Infrastructure	44,947	371,767	443,599
Mobile Data Computers	458,096	492,509	532,286
Total Expenditures	\$2,730,490	\$3,548,894	\$3,649,497

Additional Resources:

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

Major Program: Health

- Hennepin Health
- NorthPoint Health and Wellness
- Medical Examiner's Office
- Hennepin Uncompensated Care
- Health Administration and Support
- Sexual Assault Resources Service (SARS)



Program Description:

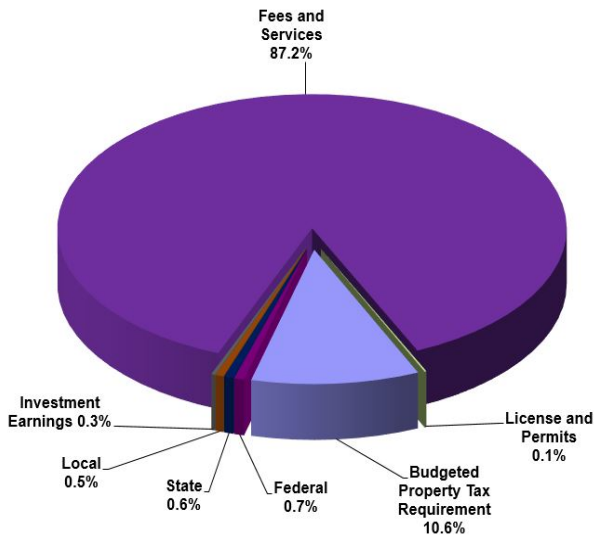
The Health program encompasses the county's health care activities. The county is the principal public agency responsible for providing services to the indigent. This major program consists of the following departments: Health Administration and Support, Hennepin Health, NorthPoint Health and Wellness Center, and the Medical Examiner. In addition, health related costs are included in the Uncompensated Care and Sexual Assault Resource Services (SARS) cost centers.

Revenue and Expenditure Information	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$29,680,566	\$34,516,083	\$35,119,735
Other Taxes	0	0	0
Federal	3,182,207	2,496,666	2,101,466
State	840,360	1,804,374	2,027,500
Local	2,873,826	1,580,833	1,677,810
Investment Earnings	338,331	1,055,402	846,169
Fees for Services	151,300,116	294,219,916	287,301,711
Fines and Forfeitures	0	0	0
Licenses and Permits	276,115	400,000	400,000
Other Revenue	256,816	-1,671,607	-3,564,283
Other Financing	768,431	0	0
Total Revenues	\$189,516,768	\$334,401,667	\$325,910,108
Personal Services	\$41,436,961	\$48,938,967	\$51,360,482
Commodities	2,533,206	2,869,822	2,874,015
Services	145,208,181	274,232,707	264,527,143
Public Aid Assistance	912	0	3,552
Capital Outlay	419,435	135,450	80,400
Other Charges	475,089	8,224,721	7,064,516
Grants	0	0	0
Total Expenditures	\$190,073,784	\$334,401,667	\$325,910,108
Budgeted Positions (Full-time Equivalents)	379.3	410.7	413.1

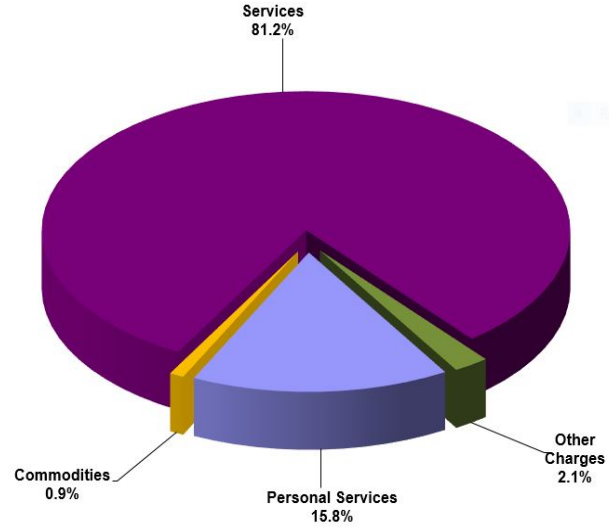
* Reflects the adjusted property tax requirement budget, not actual property tax collections.

Revenue and Expenditure Comparison:

2018 Revenue



2018 Expenditures



Department Expenditure Summary:

	2016 Actual	2017 Budget	2018 Budget
Hennepin Health	127,869,674	262,991,856	253,549,339
NorthPoint Health and Wellness	36,521,635	40,758,894	41,239,282
Medical Examiner's Office	5,887,109	6,307,589	6,610,259
Hennepin Uncompensated Care	18,500,004	22,500,000	22,500,000
Health Administration and Support	443,501	893,328	1,041,228
Sexual Assault Resources Service (SARS)	851,860	950,000	970,000
Total Expenditures	\$190,073,784	\$334,401,667	\$325,910,108

Budgeted Positions:

	2016 Actual	2017 Budget	2018 Budget
Hennepin Health	112.0	114.5	114.5
NorthPoint Health and Wellness	229.4	247.2	245.6
Medical Examiner's Office	34.9	37.0	38.0
Hennepin Uncompensated Care	0.0	0.0	0.0
Health Administration and Support	3.0	12.0	15.0
Sexual Assault Resources Service (SARS)	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	379.3	410.7	413.1

Revenue Summary:

Budgeted 2018 revenues total \$325.9 million, a 2.5 percent decrease from the 2017 adjusted budget.

Property Tax Revenues: In 2018, property taxes comprise 10.8 percent of the Health program's total estimated revenue compared to 10.3 percent in 2017. Total property taxes are increasing by \$603,652. As in past years, Hennepin Health does not include any property tax revenue. The Medical Examiner's office will increase its property taxes by \$311,693 to support increases in service cost and an additional medical examiner salary.

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 2018 budget are:

Federal: Federal sources consist of \$2.1 million in federal grants for health care programs at NorthPoint Health and Wellness Center. These grants are a decrease of \$395,200 from the 2017 adjusted budget due to receiving additional funding from Health Resources and Services Administration(HRSA) in 2017.

State / Other Intergovernmental (Local): Revenue from the State of Minnesota is estimated at \$2.0 million and makes up 0.6 percent of total Health program revenue for 2018. Revenues in this category are \$223,126 higher than in 2017.

Fees for Services: Revenues from fees charged for services are \$287.3 million for 2018 and comprise 87.2 percent of the Health program's total revenues. Nearly all of the fees and services revenue comes through as payments for healthcare services provided by NorthPoint Health and Wellness Center and Hennepin Health. Total 2018 fees and services revenue is budgeted to be \$6.9 million less than budgeted for 2017. This is primarily due to Hennepin Health having a change in membership mix that includes more Families With Children with a lower reimbursement rate, lower risk profile and lower utilization of healthcare services as compared to Adults Without Children.

Expenditure Summary:

NorthPoint Health and Wellness Center: NorthPoint's 2018 budget is \$41.2 million which is a 1.2 percent increase from 2017 adjusted budget.

Hennepin Health: Hennepin Health's 2018 budget is \$253.5 million which is a 3.6 percent decrease from 2017 adjusted budget. The decrease is mainly due to a change in membership mix that will have an increase in Families With Children which have a lower risk profile and lower utilization of healthcare services than Adults Without Children.

Health Administration and Support: Health Administration and Support's 2018 budet is \$1,041,228 which is 16.6 percent higher than 2017 adjusted budget. This is primarily due to an increase in staff by 3.0 FTEs for two Information Technology and one Human Resources personnel.

Medical Examiner: The Medical Examiner's 2018 budget is \$6.6 million which is 4.0 percent higher than 2017. The increase includes higher IT and transport expenses, an additional 1.0 FTE for a medical examiner position that is required to maintain National Association of Medical Examiners (NAME) accreditation status.

Uncompensated Care: Uncompensated Care will remain flat at \$22.5 million in 2018.

Sexual Assault Resources Service (SARS): SARS will have a slight increase to \$970,000 for 2018.

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 (HH) is a not-for-profit, state certified health maintenance organization. HH serves Medical Assistance and Special Needs Basic Care (SNBC) participants residing in Hennepin County. Funding for both services is provided through contracts with the Minnesota Department of Human Services (DHS).

HH serves Medical Assistance members through its Hennepin Health Prepaid Medical Assistance Program (PMAP) and MinnesotaCare (MNCare) product lines. This is an integrated health delivery network. NorthPoint Health and Wellness Center, HH, Hennepin County Medical Center, the county Human Services and Public Health Department, and other local healthcare providers integrate medical, behavioral health, and human services in a patient-centered model of care. Using a total cost-of-care model, HH seeks to improve health outcomes and lower the cost of medical care.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	600,553	0	0
Investment Earnings	338,331	1,055,402	846,169
Fees for Services	127,023,395	263,850,561	256,502,453
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	30,621	-1,914,107	-3,799,283
Other Financing	768,430	0	0
Total Revenues	\$128,761,330	\$262,991,856	\$253,549,339
Personal Services	\$9,026,766	\$11,684,557	\$13,877,474
Commodities	21,708	20,513	21,788
Services	118,963,584	243,802,100	233,404,279
Public Aid Assistance	913	0	3,552
Capital Outlay	0	0	0
Other Charges	-143,297	7,484,686	6,242,246
Grants	0	0	0
Total Expenditures	\$127,869,674	\$262,991,856	\$253,549,339
Budgeted Positions (Full-time Equivalents)	112.0	114.5	114.5

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

Significant Budget Changes:

In 2018, HH will have an expense appropriation of \$253.5 million which will be funded by non-property tax State (DHS) revenues of \$256.5 million. When compared to the 2017 adjusted budget, the operating budget has decreased by 3.6 percent or \$9.4 million. This is due to an expected shift to an increase in Prepaid Medical Assistance Program (PMAP) and MNCare Family and Children members with a significantly smaller Per Member Per Month (PMPM), a lower risk profile and a lower utilization of healthcare services as compared to Adults Without Children. The result of enrollment trends and the decrease in rates reflects a 2.8 percent decrease in overall revenues compared to 2017 adjusted budget.

Personal Services are proposed to increase by \$2.2 million or 18.8 percent. This increase is due to adding 25 FTE's and 10 Limited Duration employees which resulted from having added approximately 21,000 new members in the 2017 budget year.

Services are expected to decrease by \$10.4 million or 4.3 percent. Of this total decrease, healthcare costs are \$8.3 million or 3.7 percent due to a change in the mix of enrollees and lower than expected prescription drug costs. Current contracts for claims and benefits processing are volume based and the decreased revenue will cause a proportional decrease in overall services.

Other expenditures are expected to decrease by \$1.2 million or 16.6 percent. The decrease is due to less than expected revenue which will cause a proportional decrease in taxes and surcharges.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
HH Administrative	20,412,575	21,469,750	30,956,755
Hennepin Health Total Co	107,457,099	241,522,106	222,592,584
Total Expenditures	\$127,869,674	\$262,991,856	\$253,549,339

Budget Commentary:

It is expected that membership will slightly increase at the beginning of 2018 during open enrollment and remain flat the remainder of the year. FTE's will remain at 114.5 for 2018 and HH will monitor membership appropriately while expecting to keep the administrative ratio at about 12.0 percent or less.

Claims expense is expected to decrease, which will yield a correlating decrease in revenue. The \$9.4 million budget decrease is primarily driven by the change in membership mix due to enrollment, along with lower than expected prescription drug expenses. Actuarial estimates of revenue and medical expenses were determined using existing Medicaid Managed Care membership and anticipated PMPM capitation. Of the \$218.3 million budgeted for claims expense, \$2.8 million is set aside for Accountable Care Organization (ACO) partner distributions.

Administrative expense accounts for \$35.2 million of the \$253.5 million in 2018 expenditures. This represents 12.1 percent of premium revenue compared to 15.3 percent in 2016.

Key Results:

	2016	2017 Est.	2018 Goal
Enrollment (Average)	12,144	29,088	30,446
Administrative Cost Ratio	15.0%	12.1%	12.1%
Medical Loss Ratio	87.0%	85.9%	85.1%
Net Change in Capital and Surplus	\$123,226	\$1,900,000	\$3,799,283
RBC Ratio	716.4%	390.0%	400.0%

Additional Resources:

HH 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 HH has to offer in the way of a health plan. The following website has this information: <http://www.hennepinhealth.org>

Mission:

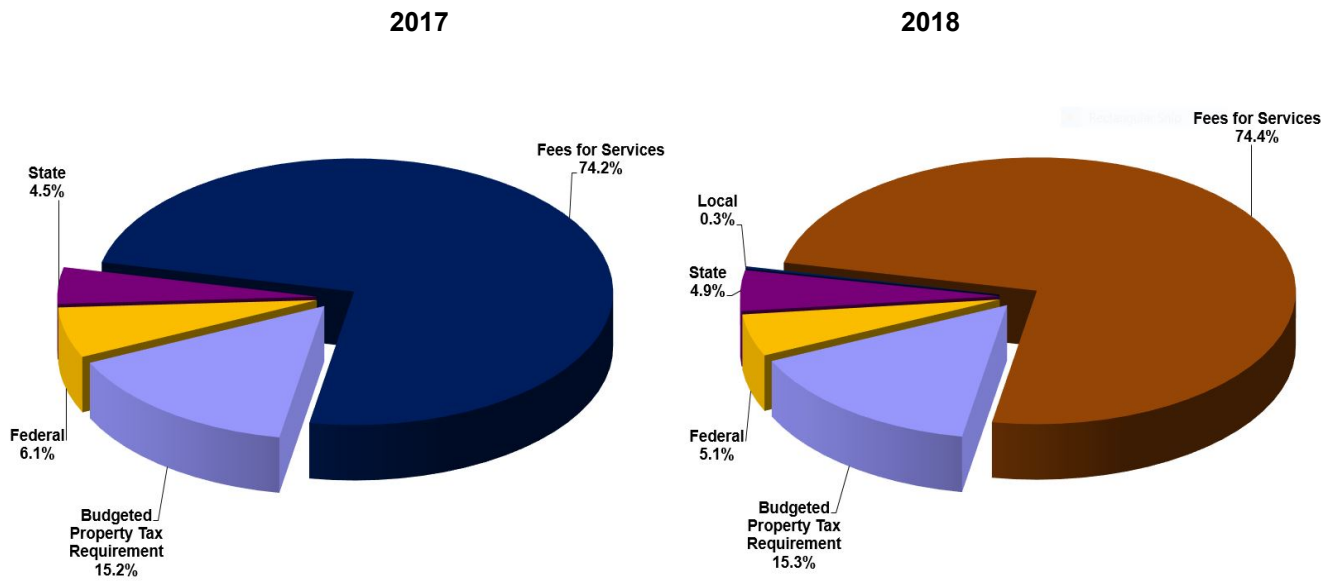
NorthPoint Health & Wellness Center sets a standard of excellence in providing culturally responsive, integrated, holistic primary health and social services that strengthens our community and the lives of the people we serve. We are leaders and partners in a shared vision of a healthy, environmentally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

Department Description:

NorthPoint Health & 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 & 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:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement	\$6,034,628	\$6,202,974	\$6,327,033
Other Taxes	0	0	0
Federal	3,182,207	2,496,666	2,101,466
State	840,360	1,804,374	2,027,500
Local	738,875	0	106,000
Investment Earnings	0	0	0
Fees for Services	24,154,746	30,247,380	30,677,283
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	37,152	7,500	0
Other Financing	0	0	0
Total Revenues	\$34,987,968	\$40,758,894	\$41,239,282
Personal Services	\$27,318,197	\$31,525,674	\$31,555,312
Commodities	2,419,629	2,745,808	2,748,180
Services	5,774,549	5,705,327	6,199,519
Public Aid Assistance	0	0	0
Capital Outlay	419,435	135,450	80,400
Other Charges	589,825	646,635	655,871
Grants	0	0	0
Total Expenditures	\$36,521,635	\$40,758,894	\$41,239,282
Budgeted Positions (Full-time Equivalents)	229.4	247.2	245.6

Revenue Comparison:



Significant Budget Changes:

- Increased Revenues of \$356,329 primarily due to a new dental grant.
- Increased Property Tax of \$124,059 with is a 2.0 percent increase.
- A decrease of 1.6 FTE's mostly in administrative areas.
- Increased Expenses of \$480,388 primarily due to increased IT services.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
North Point Administration	8,272,119	9,183,074	9,229,823
Medical Operations	11,555,627	12,060,922	12,621,101
Dental Operations	5,049,903	5,717,975	5,754,327
Behavioral Health	4,707,019	6,311,140	5,581,088
Pharmacy	2,375,237	2,565,491	2,566,323
Workforce Center	554	797,162	1,145,380
Heritage Park	504,798	455,074	446,060
Other Professional	452,732	564,556	591,450
Enabling Services	3,603,646	3,103,500	3,303,730
Total Expenditures	\$36,521,635	\$40,758,894	\$41,239,282

Budget Commentary:

NorthPoint's 2018 budget is very similar to the 2017 adjusted budget. In 2018 NorthPoint will begin the expansion project. All satellite locations will be operating as planned including the Workforce Center which opened in 2017, Heritage Park, and several school locations.

Key Results:

	2016 Actual	2017 Estimated	2018 Budget
Medical Visits	52,395	53,874	57,317
Behavioral Health Visits	21,216	25,178	33,635
Dental Visits	21,734	24,326	34,146

Additional Resources:

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

Mission:

To investigate deaths via the highest standards, to support families and the community, and to advance the knowledge of death investigative professionals to improve health, safety, and quality of life.

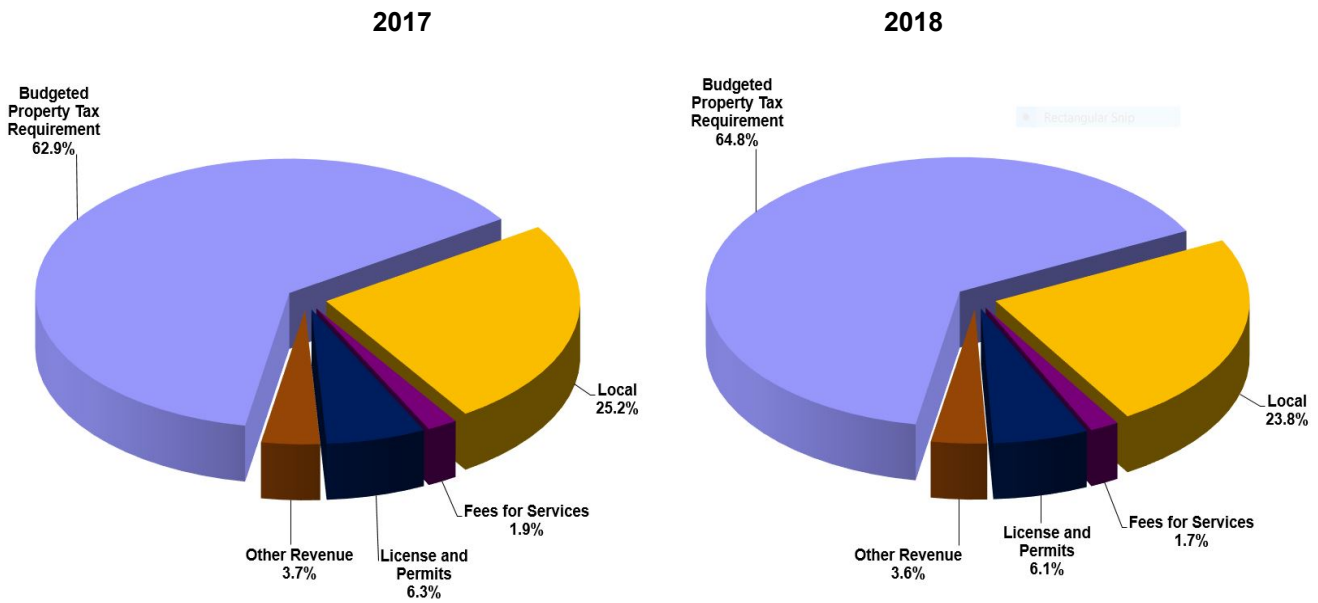
Department Description:

The Medical Examiner's Office 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.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$3,720,150	\$3,969,781	\$4,281,474
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	1,534,398	1,580,833	1,571,810
Investment Earnings	0	0	0
Fees for Services	121,975	121,975	121,975
Fines and Forfeitures	0	0	0
Licenses and Permits	276,115	400,000	400,000
Other Revenue	189,044	235,000	235,000
Other Financing	0	0	0
Total Revenues	\$5,841,682	\$6,307,589	\$6,610,259
Personal Services	\$4,684,832	\$4,858,810	\$4,907,668
Commodities	91,830	102,500	103,547
Services	1,083,784	1,256,079	1,435,844
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	26,662	90,200	163,200
Grants	0	0	0
Total Expenditures	\$5,887,109	\$6,307,589	\$6,610,259
Budgeted Positions (Full-time Equivalents)	34.9	37.0	38.0

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

Revenue Comparison:



Significant Budget Changes:

Significant budgetary changes for 2018 are:

- An additional medical examiner position in the department to meet national standard accreditation requirements for autopsy volumes.
- An additional full time investigator position replacing a supervisor position to manage workloads while minimizing overall staffing expense.
- 20 percent budgeted increase in information technology to support the equipment needed for the workforce.
- 48 percent increase in transport services to minimize injury due to exceeding lifting requirements for employees.

Division Budgets:

	2016 Actual	2017 Budget	2018 Budget
Medical Examiner	5,887,109	6,307,589	6,610,259
Total Expenditures	\$5,887,109	\$6,307,589	\$6,610,259

Budget Commentary:

Some of the most critical issues impacting the success of the department from a budgetary standpoint are:

Personal Services and Staffing: The Medical Examiner's Department supports workforce development by successfully creating a formalized training and preceptorship program using employee engagement resources. To manage staffing expense and support a permanent workforce model, a full-time, benefit earning investigator position will create an environment to minimize employee turnover and a supervisor position will not be replaced.

Workload and Volumes: From 2015-2016, case volume increase by 4 percent, autopsy volumes by 10 percent, and cremation approvals by 7 percent. Due to an increase in case complexity caused by the opioid crisis and ongoing overdose deaths in our jurisdiction, our budgeted laboratory services expense increased 31 percent from 2016-2018.

Accreditation and Certification: To maintain the highest level of customer service, an additional medical examiner position is needed to meet our National Association of Medical Examiner (NAME) accreditation standards. This position will allow the department to maintain the highest quality and customer service standards while meeting customers needs as autopsy volumes continue to increase. As a guide to best practice staffing models, Scientific Work Group on Medico-legal Death Investigations (SWGMDI) recommendations based on nationwide best practice guidelines for medical examiner services will monitor workload and be used as a guide for creation of future departmental budgets.

Partnerships and Relationships: A 30-year Cooperative Services Agreement with Dakota and Scott Counties for medical examiner services was put in effect January 1, 2017. The agreement laid the foundation for equitable and appropriate contribution for services using a volume-based financial formula that assures contribution is allocated appropriately based on volume. This significant and long-term agreement with Dakota and Scott Counties creates a strong and ongoing partnership and puts us in a secure position to manage growth of services, population growth distribution, and support the potential to add future partner counties while maintaining the integrity of the agreement. It evenly distributes taxpayer contribution in a fair and logical manner and will be adjusted periodically to support sustainability and fiscal responsibility.

Operational Impact of a New Regional Medical Examiner's Facility: In 2017, the New Regional Medical Examiner's Facility Project received \$2.68 million in state bonding towards design and construction of a new facility. A strategic plan for 2017-2021 redefined the mission and vision for the department and set the standards for excellence to support families and the community and prioritize education and training to have the professionals needed to improve the health, safety, and quality of life in our communities. A formalized training program will create a platform of educated professional to provide education to outside medico-legal death investigators and will be supported by a larger facility with space for education conferences. A new facility space will support education and training, reflect significant improvements in energy efficiency, create a work environment that supports health and wellness, and have enough capacity to support services well into the future.

Key Results:

	2016	2017 Est.	2018 Goal
Number of cases reported	7,366	7,370	7,390
Number of autopsies performed	1,288	1,310	1,330

Additional Resources:

Useful and educational information about the Medical Examiner's Office and the services provided is available by visiting our department's website and www.hennepin.us/me. The information includes the Minnesota statutes that govern our work and data practices, the Medical Examiner's Office most recent Annual Report containing statistics and outcomes for counties within our jurisdiction, and additional link to information for customers and families.

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:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$18,500,000	\$22,500,000	\$22,500,000
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	0	0
Other Financing	0	0	0
Total Revenues	\$18,500,000	\$22,500,000	\$22,500,000
Personal Services	\$0	\$0	\$0
Commodities	0	0	0
Services	18,500,004	22,500,000	22,500,000
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	0	0	0
Grants	0	0	0
Total Expenditures	\$18,500,004	\$22,500,000	\$22,500,000
Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0

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

Mission:

Health Administration and Support is responsible for the Health line of business.

Department Description:

The Health Administration and Support department is responsible for the Health line of business which includes NorthPoint Health & Wellness Center, Medical Examiner, Hennepin Health, and two payments to Hennepin County Medical Center (HCMC): Uncompensated Care and Sexual Assault Resources Service (SARS). This department includes a Deputy County Administrator, Strategic Health Director, Administrative Assistant, Business Information Officer (BIO), Information Technology personnel and a Human Resources Administrative Assistant.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$495,788	\$893,328	\$1,041,228
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	0	0
Other Financing	0	0	0
Total Revenues	\$495,788	\$893,328	\$1,041,228
Personal Services	\$407,167	\$869,927	\$1,020,028
Commodities	39	1,001	500
Services	34,399	19,200	17,500
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	1,896	3,200	3,200
Grants	0	0	0
Total Expenditures	\$443,501	\$893,328	\$1,041,228
Budgeted Positions (Full-time Equivalents)	3.0	12.0	15.0

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

Mission:

The Sexual Assault Resources Service (SARS) provides assistance to victims of assault through area hospital emergency departments 24 hours a day.

Department Description:

This department is responsible for county payments to Hennepin County Medical Center (HCMC) for examinations made by the Sexual Assault Resources Service (SARS) program at HCMC. A county, in which the assault occurred, is required by Minnesota Statutes section 609.35 to pay for forensic examinations of assault victims.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$930,000	\$950,000	\$970,000
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	0	0
Other Financing	0	0	0
Total Revenues	\$930,000	\$950,000	\$970,000
Personal Services	\$0	\$0	\$0
Commodities	0	0	0
Services	851,860	950,000	970,000
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	0	0	0
Grants	0	0	0
Total Expenditures	\$851,860	\$950,000	\$970,000
Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0

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

Major Program: Human Services

Human Services Public Health



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:

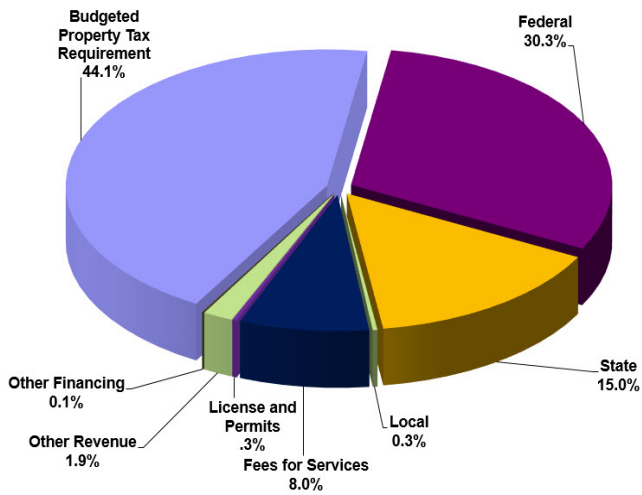
1. Protect children and vulnerable adults
2. Support communities and families in raising children who develop to their fullest potential
3. Assure that all people's basic needs are met
4. Build self-reliant communities and individuals

Revenue and Expenditure Information	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$244,177,559	\$256,171,578	\$264,482,054
Other Taxes	184,820	0	0
Federal	159,113,059	164,565,519	181,429,765
State	90,297,215	89,804,929	90,174,077
Local	1,651,323	1,839,820	1,739,820
Investment Earnings	0	0	0
Fees for Services	43,824,990	45,142,080	48,098,686
Fines and Forfeitures	0	0	0
Licenses and Permits	1,643,488	1,725,000	1,735,000
Other Revenue	1,413,621	12,192,000	11,065,000
Other Financing	-836,338	861,000	646,567
Total Revenues	\$541,469,737	\$572,301,926	\$599,370,969
Personal Services	\$283,255,108	\$303,221,860	\$320,443,655
Commodities	2,020,426	2,206,266	2,358,720
Services	47,080,681	53,761,832	54,665,887
Public Aid Assistance	199,457,023	198,088,802	204,592,297
Capital Outlay	41,693	70,000	15,000
Other Charges	14,951,033	14,953,165	17,295,409
Grants	6,637,990	0	0
Total Expenditures	\$553,443,953	\$572,301,926	\$599,370,969
Budgeted Positions (Full-time Equivalents)	3,260.7	3,416.5	3,467.2

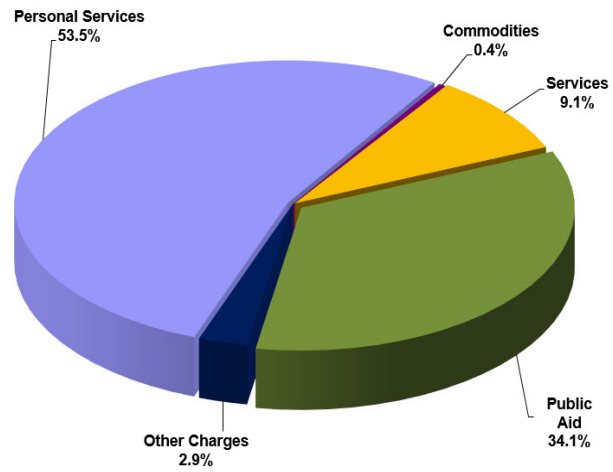
*Reflects the adjusted property tax requirement budget, not actual property tax collections.

Revenue and Expenditure Comparison:

2018 Revenue



2018 Expenditures



Department Expenditure Summary:

	2016 Actual	2017 Budget	2018 Budget
Human Services Public Health	553,443,953	572,301,926	599,370,969
Total Expenditures	\$553,443,953	\$572,301,926	\$599,370,969

Budgeted Positions:

	2016 Actual	2017 Budget	2018 Budget
Human Services Public Health	3,260.7	3,416.5	3,467.2
Total Full Time Equivalent (FTE)	3,260.7	3,416.5	3,467.2

Revenue Summary:

Budgeted 2018 revenues for the Human Services program total \$599.4 million, an increase of \$27.1 million or 4.7 percent from the 2017 adjusted budget of \$572.3 million. The following summary compares revenue by major category in 2017 and 2018.

Property Tax Revenues County property tax support totals \$264.5 million for 2018, an increase of \$8.3 million from the 2017 adjusted budget of \$256.2 million. Property tax support accounts 44.1 percent of the Human Services program. This compares to 44.8 percent in 2017.

Federal Revenues Federal revenue sources, estimated at \$181.4 million are up 10.2 percent when compared to the 2017 adjusted budget of \$164.6 million.

Federal revenues consist of reimbursements for the administrative costs of Human Services programs including financial, medical, training and employment programs. The reimbursements are based upon the county's costs as well as federal rates. In 2018, the Human Services program will receive approximately \$75.5 million in federal reimbursement for the administrative costs of the Temporary Assistance for Needy Families (TANF) program, Supplemental Nutrition Assistance Program (SNAP) and medical assistance programs. The TANF program is administered within Minnesota as the Minnesota Family Investment Program, or MFIP.

The federal portion of the 2018 revenue budget accounts for approximately 30.3 percent of the Human Services program revenues, compared to 28.8 percent in 2017.

State Revenues State monies are used to fund human services programs, training and employment programs, financial and medical assistance programs. In 2018, revenues from the state make up 15 percent of the total Human Services program revenue. Revenues from the State of Minnesota to Hennepin County are estimated at \$90.2 million, flat when compared to the 2017 adjusted budget of \$89.8 million.

Local Grants Local grant revenue from private parties, nonprofit institutions, local governments, and private foundations. In 2018, local grants are budgeted at \$1.7 million.

Fees and Services A major portion of fee revenue is payments from third party payers and state and federal reimbursements for patient fees and services. Revenues from fees charged for services are estimated at \$48.1 million for 2018, an increase of \$3 million when compared to the 2017 adjusted budget.

Other Revenue/Fund Balance Other revenues include licenses, permits and interdepartmental payments. When the \$9.6 million budgeted use of fund balance is added in, this account category accounts for 2.2 percent of total revenue. To reduce the tax levy for 2018, the budget includes a planned use of fund balance.

Expenditure Summary:

The Human Services and Public Health Department (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 within the Human Services budget.

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.

Children and Family Services (CFS's) implementation of its Child Well-Being framework and practices is underway. Over the long term, this approach will reach and reshape all facets of the county's services. In 2017, a permanent Child Well-Being Advisory Committee formed to monitor CFS's progress on staffing and space; quality work around children's physical health, emotional and social health, relational health and development; and community engagement. Early successes take the form of multiple baby steps toward reducing racial disparities and strengthening partnerships with communities and the courts. With its diverse partners, CFS's is defining and mapping processes toward new best practices in such areas as shelter, father engagement, permanency, practice standards, early identification/intervention/prevention, and transportation.

The MnCHOICES program was established by state legislation in 2012 and is a state-owned, web-based application that integrates assessment and support planning for people who need long term services and supports. MnCHOICES brought significant changes in policy, procedure and workflow. Now, eligibility for services for people with disabilities and seniors must be determined in the MnCHOICES system by specially certified county staff. Additionally, with the aging population, the number of residents needing assessments continues to grow. The 2018 budget includes an addition of 50.0 Full Time Equivalents (FTEs) to meet current Minnesota Department of Human Services (DHS) expectations with MnCHOICES.

The 24/7 Mental Health Mobile Crisis unit projected volume of over 30,000 mobile crisis calls in 2017 and steady increases of 12-17 percent annually has reduced Hennepin County's ability to sustain a safe, timely mobile mental health response and meet state standards for a mobile response to 30 percent of calls and within 30 minutes of a call. A necessary redistribution of staff to calls reduced capacity to provide 24/7 mobile visits that prevent mortality, hospitalization and incarceration and improve stability in our communities. A minimum of 1/3 of the calls address suicidality, which often requires a mobile response. The 2018 budget includes an additional 9.0 Full Time Equivalents (FTEs) and 9.0 limited duration employees to address state standards.

Major Program: Libraries

Library
Law Library



Program Description:

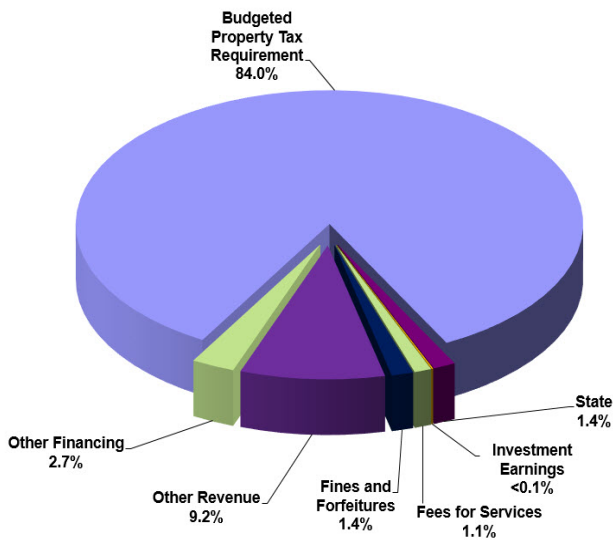
The Libraries program is comprised of two areas that provide library services to Hennepin County citizens: 1) the county's award-winning public library system, which is comprised of 41 library locations, a substantial online presence and additional outreach services, and 2) the Law Library, which provides 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.

Revenue and Expenditure Information	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$67,322,167	\$69,787,125	\$72,470,986
Other Taxes	51,096	0	0
Federal	0	0	0
State	1,542,531	1,525,000	1,225,000
Local	1,560,000	780,000	0
Investment Earnings	27,641	80,000	80,000
Fees for Services	940,001	934,000	944,000
Fines and Forfeitures	1,250,892	1,380,400	1,200,400
Licenses and Permits	0	0	0
Other Revenue	1,541,610	7,012,200	7,941,050
Other Financing	2,300,000	2,370,000	2,370,000
Total Revenues	\$76,535,938	\$83,868,725	\$86,231,436
Personal Services	\$43,896,625	\$47,561,962	\$50,301,696
Commodities	1,422,254	1,733,944	1,524,989
Services	25,689,850	27,042,348	26,967,091
Public Aid Assistance	0	0	0
Capital Outlay	6,457,300	6,623,850	6,608,650
Other Charges	567,069	906,621	829,010
Grants	0	0	0
Total Expenditures	\$78,033,099	\$83,868,725	\$86,231,436
Budgeted Positions (Full-time Equivalents)	616.7	622.2	625.2

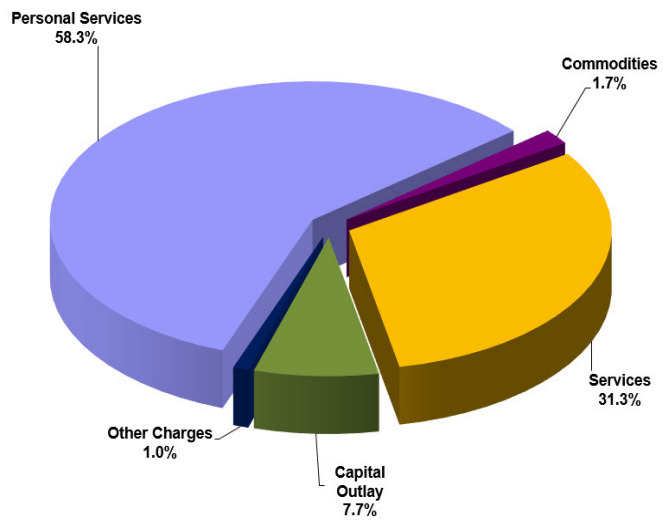
* Reflects the adjusted property tax requirement budget, not actual property tax collections.

Revenue and Expenditure Comparison:

2018 Revenue



2018 Expenditures



Department Expenditure Summary:

	2016 Actual	2017 Budget	2018 Budget
Library	76,576,742	82,386,369	84,791,280
Law Library	1,456,356	1,482,356	1,440,156
Total Expenditures	\$78,033,099	\$83,868,725	\$86,231,436

Budgeted Positions:

	2016 Actual	2017 Budget	2018 Budget
Library	610.0	615.7	619.2
Law Library	6.7	6.5	6.0
Total Full Time Equivalent (FTE)	616.7	622.2	625.2

Revenue Summary:

Budgeted 2018 revenues for the Libraries program total \$86.2 million; a \$2.3 million increase (2.8 percent) over the 2017 adjusted budget of \$83.9 million. The 2018 operating budget is funded with \$72.5 million (84 percent) property taxes, \$1.2 million (1.4 percent) in funding from the State of Minnesota, \$6.2 million (7.1 percent) through the use of Library fund balance and \$6.3 million (7.4 percent) of all other remaining revenues.

Property Tax Revenues

The budgeted property tax amount of \$72.5 million for 2018 is 3.8 percent more than the adjusted 2017 budget amount of \$69.8 million. The Property Tax revenues are increasing due to replacement of Minneapolis merger funding, loss of e-rate revenue, general salary adjustments for personnel and expansion of community outreach programs.

State Revenues

Budgeted 2018 revenues from the State of Minnesota are estimated at \$1.2 million, a decrease of \$0.3 million from the 2017 adjusted budget due to a decrease of state e-rate funding.

Local Revenue

All Local Revenues are received from the City of Minneapolis as part of the library's merger agreement with the City of Minneapolis. This agreement terminated at the end of 2017 so no funding will be received in 2018.

Fees and Services

Fees and Services revenue is almost exclusively related to the Law Library. This revenue stream is 63.8 percent of all 2018 Law Library revenues of \$1.4 million 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 2018 is \$0.9 million, which is the same as the 2017 budget.

Fines and Forfeitures Revenue from fines is estimated at \$1.2 million in 2018. This is a decrease of \$0.2 million from 2017. The expected decrease in fine revenue is due to e-book check-outs.

Other Revenue

Other Revenue includes the following major components:

Budgeted 2017 transfers from Ballpark Sales Tax collections are estimated at \$2.4 million, the same amount as 2017. This revenue supplements library hours across the library system.

Budgeted Contributions and Donations are estimated at \$1.2 million, and increase of \$130,000 over 2017. The majority of contributions and donations are received from the Friends of Hennepin County Library.

Budgeted use of Library fund balance is \$6.2 million in 2018; a \$0.8 million increase over the 2017 budget.

Expenditure Summary:

At Hennepin County Library, we nourish minds, transform lives and build community together. In alignment with Hennepin County's core values, our work creates welcoming spaces in our libraries, extends into the community, and provides services that respond to patron needs.

Diversity and Inclusion

Looking inward at our organizational culture and outward to the impact of our services, we're bringing a critical eye to diversity and inclusion in all areas of work at the library. A cohort of library staff participated in GARE (Government Alliance on Race and Equity), and will bring their learning forward to other staff this year. Another team is finalizing a diversity and inclusion action plan, following work with outside consultants to gather staff input and develop recommendations. We have more people of color on staff, with future growth in this area supported by a new pathways program for Library Specialists and Associate Librarians.

Customer Service

We continue to deliver service grounded in our commitments to patrons. In January 2018, we launched an automatic renewal service, making it easier for patrons to manage their library accounts while reducing barriers to access. In just the first four days of the service, nearly 20,000 residents benefitted as over 46,000 items were automatically renewed.

Our 41 library buildings offer clean, safe and welcoming spaces. In 2017, the new Webber Park Library opened in north Minneapolis, with more open hours and increased access to library services. Ridgedale Library will reopen in 2018 with new and refreshed spaces following extensive renovation and preservation work, and upcoming renovations will enhance Hosmer, Oxboro and Eden Prairie libraries.

Workforce Development

We're building the next generation of the workforce, employing young people ages 16-18 as they're developing skills, discovering talents and exploring careers. The Teen Tech Squad, supported by the Friends of Hennepin County Library, offers STEAM (science, technology, engineering, arts and math) learning opportunities. Teen Library Specialists support essential customer service and materials handling work in our libraries, introducing young people to public service and library careers.

Continuous Improvement

Operating under a new cooperative agreement, Hennepin County Library and Hennepin County Law Library are integrating services in support of greater access to justice for all. Law library staff continue to provide legal reference assistance, with 51% of questions coming from non-attorney patrons, and respond to requests from Hennepin County Public Safety Facility inmates. Over 250 people attended six different Continuing Legal Education (CLE) classes.

Our 11-member Library Board services Hennepin County Library in an advisory capacity. To better facilitate that role, meetings are now

longer but less frequent, allowing time for purposeful dialogue with library staff.

Employee Engagement

Library staff are responding to community needs in innovative new ways, and we're developing new channels to support and advance that work. Collaborative, multi-unit staff teams came together in the last year around social justice and black history, strengthening library services in those areas.

Seed grants, funded by the Friends of Hennepin County Library, extend financial support to new projects tied to the library's strategic priorities, with a goal of supporting innovation and advancing equity. In 2017, 21 projects were funded to engage with our communities in new ways.

Major Program: Operations

Commissioners
 County Administration
 Office of Budget and Finance
 Facility Services
 Central Information Technology
 Real Property Group
 Human Resources
 Audit, Compliance and Investigation Services
 General County Purposes
 Ballpark Sales Tax Revenues
 Debt Retirement



Program Description:

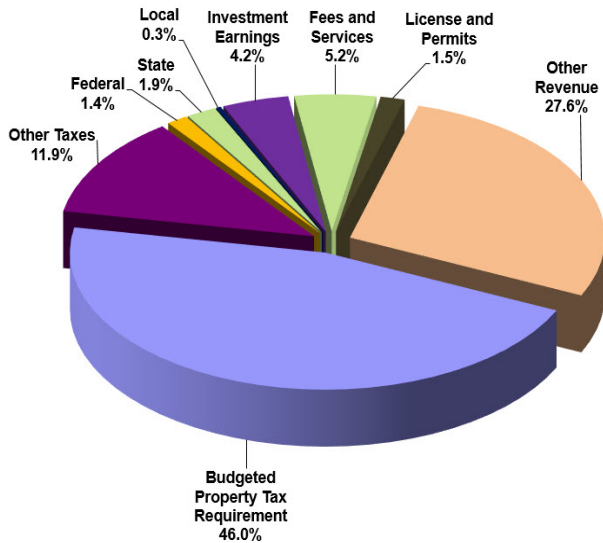
The Operations program encompasses the policy making, administrative support and staff services necessary for the efficient and effective management of county programs. The Board of Commissioners, as the elected governing body of the county, establishes policies and programs, approves the annual budget, and appoints key officials. The County Administrator is responsible for advising the County Board and implementing approved policies and programs.

Revenue and Expenditure Information	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$149,898,141	\$143,769,895	\$155,332,828
Other Taxes	39,627,742	38,651,310	40,219,004
Federal	3,709,731	5,510,732	4,534,306
State	5,666,421	6,782,016	6,482,633
Local	10,434,410	9,565,863	1,045,620
Investment Earnings	5,613,757	11,800,000	14,250,000
Fees for Services	15,027,261	16,630,475	17,427,610
Fines and Forfeitures	0	0	0
Licenses and Permits	4,866,813	5,122,000	5,173,000
Other Revenue	43,267,947	77,123,496	93,827,660
Other Financing	37,937,319	580,863	-610,133
Total Revenues	\$316,049,542	\$315,536,650	\$337,682,528
Personal Services	\$90,379,256	\$93,630,585	\$101,266,418
Commodities	2,603,716	2,459,999	2,651,910
Services	58,000,974	62,584,971	62,843,710
Public Aid Assistance	2,654,122	4,298,340	3,476,815
Capital Outlay	1,838,045	972,200	143,200
Other Charges	158,632,021	147,365,555	162,926,475
Grants	3,867,821	4,225,000	4,374,000
Total Expenditures	\$317,975,955	\$315,536,650	\$337,682,528
Budgeted Positions (Full-time Equivalents)	892.0	942.3	957.3

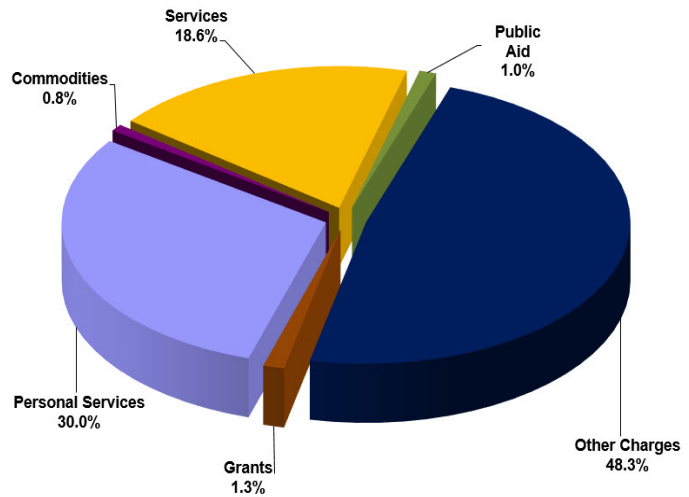
* Reflects the adjusted property tax requirement budget, not actual property tax collections.

Revenue and Expenditure Comparison:

2018 Revenue



2018 Expenditures



Department Expenditure Summary:

	2016 Actual	2017 Budget	2018 Budget
Commissioners	2,621,511	3,042,989	3,134,279
County Administration	2,859,338	3,352,295	3,387,941
Office of Budget and Finance	15,288,589	15,807,122	17,017,113
Facility Services	55,009,584	58,722,284	60,229,629
Central Information Technology	1,444,130	6,310,275	6,237,357
Real Property Group	41,426,730	42,466,472	45,434,754
Human Resources	15,652,877	18,606,726	17,917,456
Audit Compliance and Investigative Services	3,736,481	4,497,790	4,781,826
General County Purposes	22,966,040	25,348,221	30,739,222
Ballpark Sales Tax Revenues	2,305,651	2,500,000	2,500,000
Debt Retirement	154,665,024	134,882,476	146,302,951
Total Expenditures	\$317,975,955	\$315,536,650	\$337,682,528

Budgeted Positions:

	2016 Actual	2017 Budget	2018 Budget
Commissioners	25.0	25.0	25.0
County Administration	16.0	16.0	16.0
Office of Budget and Finance	99.1	99.1	100.1
Facility Services	235.5	266.0	272.0
Central Information Technology	9.4	24.2	22.1
Real Property Group	336.4	337.4	339.5
Human Resources	76.1	88.1	90.1
Audit Compliance and Investigative Services	27.0	30.0	33.0
General County Purposes	67.5	56.5	59.5
Ballpark Sales Tax Revenues	0.0	0.0	0.0
Debt Retirement	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	892.0	942.3	957.3

Revenue Summary:

Operations budgeted 2018 revenues, including Ballpark Sales Tax and debt service, are \$337.7 million, a \$22.1 million or 7.0 percent increase from the 2017 adjusted budget of \$315.5 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 46.0 percent of the 2018 Operations program.

Other Taxes: Ballpark Sales Tax Revenue Programs are estimated to generate \$38.0 million in budgeted sales tax collections for 2018, a \$1.5 million increase over the 2017 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 Target Field and to fund other authorized uses.

Local: Nearly all local revenue is budgeted in the Debt retirement department. \$1.0 million will be received from the Minnehaha Creek Watershed District for payment of bonds issued by the county on their behalf.

Fees, Services, Licenses and Permits: Real Property Group (RPG) budgets the majority of fees for services revenue. The County Assessor's Office generates revenues through assessment fees for services to 32 jurisdictions including Fort Snelling and the Minneapolis Saint Paul Airport.

Other Revenue: \$93.8 million makes up 27.6 percent of Operations' 2018 revenue. The 2018 Debt Retirement budget includes \$36.2 million for ballpark debt service and other authorized ballpark activities, \$2.6 million for energy center improvements, \$175,200 in revenues from Glen Lake Golf Course for debt service on bonds that finance improvements to the facility. Facility Services includes \$15.2 million from building rental, \$6.2 million from interdepartmental revenue, and \$1.4 million in daily parking revenues.

Expenditure Summary:

The Operations' program's 2018 budget (excluding Debt Retirement and Ballpark Sales Tax Revenue Programs) is \$188.9 million, an increase of \$10.7 million or 6.0 percent from the 2017 adjusted budget of \$178.2 million. In 2018, the Operations program will be operated with 957.3 full-time equivalent (FTE) positions, a net increase of 15.0 FTEs from the 2017 adjusted budget.

Highlights from the 2018 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.

Facility Services Additions to staffing to add capacity for building management and increased countywide projects, a career pipeline for building management, and increased information technology costs are the primary drivers of the \$1.5 million increase over the 2017 adjusted budget.

Office of Budget and Finance (OBF) Primary drivers of the \$1.2 million increase to the OBF budget compared to 2017 include \$0.5 million in licenses, software, and contract negotiation costs as related to the county Human Capital Management (HCM) system, \$0.2 million in associated information technology costs, and the addition of a light rail grants manager.

Real Property Group (RPG) 2018 is an election year, Resident and Real Estate Services division of RPG budgeted \$1.0 million for election workers and associated election costs. Other budget drivers include \$1.7 million for general salary adjustments and related increases of health insurance costs.

General County Purposes (GCP) The budget drivers for the \$5.4 million increase to the 2018 GCP include increasing the Contingency budget \$3.5 million to \$10.5 million compared to the 2017 adjusted budget amount of \$7.0 million. The 2018 budget for the Communications division increased \$0.7 due primarily to transfers of equipment and 1.0 FTE from the Center of Innovation and Excellence. Other increases include \$0.5 million to the Commercial Paper program due to increase interest rates and light rail related activity, \$0.4 million to the Countywide Tuition program due to higher employee usage, and \$0.3 million to the Municipal Building Commission due to increased health insurance costs.

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 01-05-0294A adopted May 7, 2002).

Department Description:

Hennepin County operates under the board of commissioner-administrator form of government. Policy making and legislative authority are vested in the seven-member board of commissioners by state statutes that apply to all county governments and other statutes that apply to Hennepin County only (Minnesota Statutes Chapter 383B). Board members are elected to four-year overlapping terms on a non-partisan basis.

Budget Summary:

	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$2,978,585	\$3,042,989	\$3,134,279
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	0	0
Other Financing	0	0	0
Total Revenues	\$2,978,585	\$3,042,989	\$3,134,279
Personal Services	\$2,434,599	\$2,680,708	\$2,701,011
Commodities	26,606	48,050	54,850
Services	100,163	132,243	175,368
Public Aid Assistance	0	0	0
Capital Outlay	0	2,400	2,400
Other Charges	60,143	179,588	200,650
Grants	0	0	0
Total Expenditures	\$2,621,511	\$3,042,989	\$3,134,279
Budgeted Positions (Full-time Equivalents)	25.0	25.0	25.0

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

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 creates county policy and administrative responsibility for carrying out county policy is delegated to the County Administrator. Other Operations departments fulfill statutory requirements or provide necessary management service functions. The county's vision statement, core values, and overarching goals guide departments as they direct, administer, plan, facilitate, assist and coordinate the services provided by all county departments. Operations departments use the County Revenue Fund, Debt Retirement Fund and Internal Services Funds.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$2,990,364	\$3,032,295	\$3,067,941
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	0	320,000	320,000
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	321,865	0	0
Other Financing	0	0	0
Total Revenues	\$3,312,229	\$3,352,295	\$3,387,941
Personal Services	\$2,061,442	\$2,137,315	\$2,227,496
Commodities	17,872	18,650	18,100
Services	750,954	1,147,330	1,091,045
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	29,070	49,000	51,300
Grants	0	0	0
Total Expenditures	\$2,859,338	\$3,352,295	\$3,387,941
Budgeted Positions (Full-time Equivalents)	16.0	16.0	16.0

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

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 the following three divisions:

The Finance, Budget Analysis and Accounting division performs budget preparation and analysis, revenue and expenditure forecasting, legislative analysis, treasury services, accounting and payroll 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:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$14,907,764	\$14,962,122	\$15,912,113
Local	140,000	0	0
Fees for Services	546,721	635,000	635,000
Other Revenue	284,542	210,000	470,000
Total Revenues	\$15,879,027	\$15,807,122	\$17,017,113
Personal Services	\$10,534,786	\$11,660,381	\$12,393,539
Commodities	337,359	24,850	331,775
Services	4,198,263	3,739,941	3,953,139
Public Aid Assistance	0	0	0
Capital Outlay	0	1,500	1,500
Other Charges	218,181	380,450	337,160
Grants	0	0	0
Total Expenditures	\$15,288,589	\$15,807,122	\$17,017,113
Budgeted Positions (Full-time Equivalents)	99.1	99.1	100.1

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

Budget Commentary:

One Full-Time Equivalent position for a Grants Manager for activity related to light rail transit was added and will be funded by the Transportation Sales Tax in 2018.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
Finance Budget Analysis and Accounting	2,748,993	3,364,476	4,103,413
APEX	10,383,885	9,965,653	10,284,866
Purchasing and Contract Services	2,155,711	2,476,993	2,628,834
Total Expenditures	\$15,288,589	\$15,807,122	\$17,017,113

Mission:

The mission of the department is to create an environment where gifted and talented people can do their best work.

Department Description:

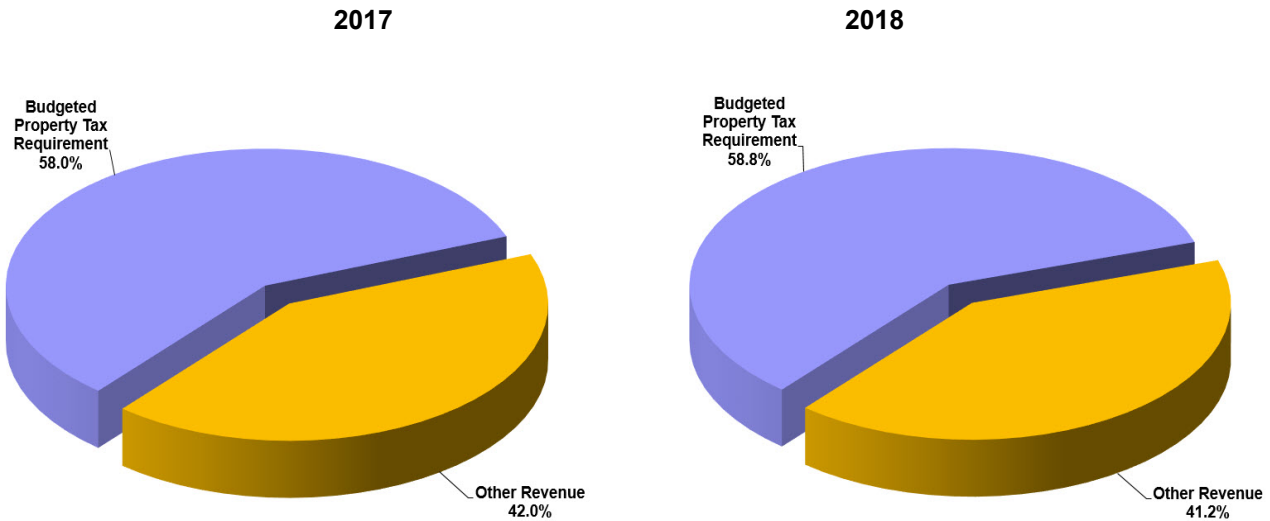
The Hennepin County Facility Services Department provides a full range of facility services for county programs and services. The department:

- Identifies capital needs, responds to and supports capital projects identified by line departments
- Develops and manages projects to construct new buildings, refurbish existing buildings, and maintain infrastructure
- Operates and maintains buildings
- Protects employees, clients and property
- Addresses workplace safety and environmental needs.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$33,088,583	\$34,069,011	\$35,425,632
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	9,274	4,000	5,530
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	23,044,611	26,353,492	26,187,999
Other Financing	-1,682,656	-1,704,219	-1,389,532
Total Revenues	\$54,459,812	\$58,722,284	\$60,229,629
Personal Services	\$20,726,186	\$23,695,771	\$25,037,577
Commodities	1,397,413	1,628,661	1,626,744
Services	31,080,064	32,568,115	32,845,210
Public Aid Assistance	0	0	0
Capital Outlay	51,970	0	26,000
Other Charges	1,753,951	829,737	694,098
Grants	0	0	0
Total Expenditures	\$55,009,584	\$58,722,284	\$60,229,629
Budgeted Positions (Full-time Equivalents)	235.5	266.0	272.0

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

Revenue Comparison:



Significant Budget Changes:

Revenue: The most significant revenue increase is the amount of property tax utilized to support the Facility Services Department programs.

Expenses: The increase in expenses is primarily related to increases in Personal Services: merit increases, general salary adjustments and increases in Full Time Equivalents (FTE). The FTE count increased from 266 to 272 with one FTE increase in Workplace Safety and the others in Building Management; those increases allow for improved services and also provide provide career paths for individuals in that field of work.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
Facility Services Administration	5,303,256	4,288,942	4,879,492
Design and Construction	1,843,686	2,082,723	2,499,790
Energy and Engineering	1,030,631	1,071,111	1,094,189
Planning and Project Develop	1,049,424	1,280,545	1,299,791
Workplace Safety	1,140,211	1,125,488	1,379,545
Security Management	9,651,378	11,583,053	11,740,895
Facilities Management	34,990,998	37,290,421	37,335,927
Total Expenditures	\$55,009,584	\$58,722,284	\$60,229,629

Budget Commentary:

Facility Services' changes to the budget are often a function of service demand growth in other areas. As departmental programs change throughout the county, our service delivery model must adapt to the new demands.

One key way Facility Services has adapted its service delivery model is through the movement to the Portfolio Management Model. The asset- and strength-based approach enhances our coordination efforts across our department and the lines of business in Hennepin County. Too often, projects would be planned and developed with a single end-user department and/or program. By adopting a model where teams from across all divisions coordinate and plan jointly, we are able to identify opportunities for cost savings.

This shift in delivery came without increases to staffing. We used existing staff resources to build five (5) dedicated teams to serve a smaller number of facilities. So, rather than rely on everyone being responsible for 130 facilities, we've narrowed the size and scope of the portfolios, which results in deeper understanding of the challenges in each building, a deeper understanding of the program needs and a coordinated approach to deliver a better product.

The Portfolio Model is a leading practice in the facilities industry and furthers our efforts to be good stewards of the county's assets and create the environment where gifted and talented people can do their best.

Because of the shift from the Public Works Line of Business to Operations, Facility Services took part in a strategic planning exercise with facilitated support from the Center of Innovation and Excellence. The development of the multi-year strategy map included identifying the following Strategic Objectives:

- Adopt philosophy of stewardship
- Develop strategic partnerships
- Build a consistent Hennepin County narrative / brand
- Market and promote value of Facility Services
- Develop and position the workforce for success

In addition to the development of the strategic objectives noted above, staff identified the following department metrics/targets:

- Building operations cost per square foot within 96-102% of industry average
- Utility cost per square foot within 96-102% of industry average
- Janitorial cost per square foot within 96-102% of industry average
- OSHA incidence rate (per 100 employees) from 1.6 2.6
- 3% Energy reduction annually (20% reduction by 2020)
- Fewer than five unplanned outages annually
- Fewer than 5% of trespass notices contested annually

Continuing Challenges

Lastly, there are on-going challenges that continue to require Executive-level discussion and prioritization:

- Finding the appropriate balance the between building/acquiring new facilities versus protecting existing assets. Major new projects will include Suburban District Court Bloomington, Medical Examiner Lab, Northpoint Health and Wellness expansion, Southdale Library, Service Center and District Court facilities and Westonka Library.
- Continuing to work with county departments on identifying space needs with an overall, comprehensive view of demand across the county, including a review of how workplaces should function in the future given changing workplace practices and technology.
- Strengthening workplace safety program and training opportunities for staff. As more and more people transition out of the workplace, there is a need to recruit new champions for safety to support this important work.
- Coordinating process improvements with other departments in an effort to improve county functions and relationships across lines of business.
- Recruiting, training and retaining a workforce that reflects the diverse residents, clients and customers we serve.

Key Results:

<u>Data</u>	<u>2016 Actual</u>	<u>2017 Estimated</u>	<u>2018 Estimated</u>
Janitorial Costs	\$1.03 sq. ft. (BOMA \$1.58 sq. ft)	\$1.30 sq. ft.	\$1.36 sq. ft.
Utilities	\$1.59 sq. ft (BOMA \$\$2.06 sq. ft)	\$1.74 sq. ft.	\$1.91 sq. ft.
OSHA Incidence	2.1 per 100 employees	Less than 1.5 per 100 employees	Less than 1.5 per 100 employees
Energy	432,658 MMBtu's	398,000 MMBtu's	387,000 MMBtu's
Security	248 citations / 3 contests (or 1.2%)	376 citations - 1 contested then rescinded	300 citations

Mission:

Hennepin County Information Technology delivers innovative, effective, and timely business-driven information technology solutions in a security reliable, accessible, and fiscally responsible manner.

Department Description:

The Information Technology Department (IT) serves and partners with other Hennepin County departments by developing the infrastructure used to deliver business applications and communications throughout the organization. Additionally, the IT Department develops policies, procedures and tools that ensure information security. Over 400 IT staff work in the following six divisions: Office of the Chief Information Officer, Business Solutions, Enterprise Architecture, Enterprise Development, Finance and Support Services, and Operations. Special Activities and Project costs are included in Fund 10, shown in the Budget Summary section below. Central Mail, Print Services, Central Imaging and other IT services are included in Funds 60 and 62. Details for Funds 60 and 62 may be found in the Internal Services tab of this budget book.

Budget Summary:

	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$3,096,547	\$6,310,275	\$6,237,357
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	0	0
Other Financing	0	0	0
Total Revenues	\$3,096,547	\$6,310,275	\$6,237,357
Personal Services	\$830,472	\$3,012,303	\$3,046,977
Commodities	47,239	902	1,498
Services	2,070,112	3,249,699	3,137,707
Public Aid Assistance	0	0	0
Capital Outlay	75,718	0	0
Other Charges	-1,579,411	47,371	51,175
Grants	0	0	0
Total Expenditures	\$1,444,130	\$6,310,275	\$6,237,357
Budgeted Positions (Full-time Equivalents)	9.4	24.2	22.1

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

Mission:

The budget for the Real Property Group 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, Strategy and Support, and Business Technology Solutions.

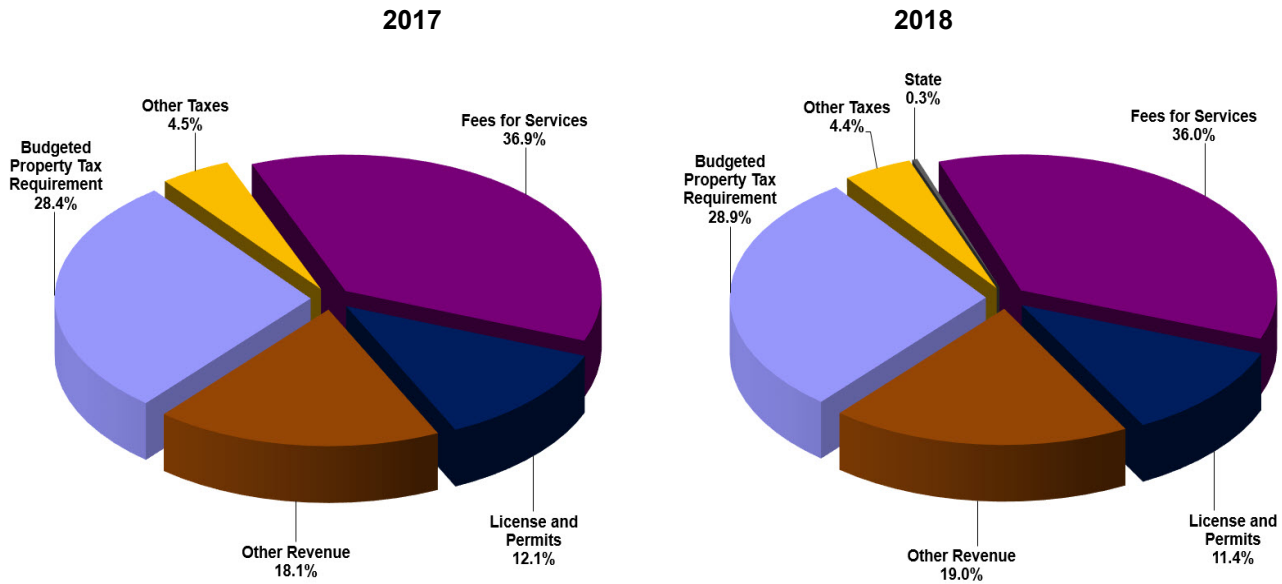
The County Assessor's Office is responsible, both directly and indirectly, for estimating the market value and determining the correct classification for every real estate parcel in suburban Hennepin County.

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:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$11,890,237	\$12,077,015	\$13,149,754
Other Taxes	2,291,456	1,900,000	2,000,000
Federal	0	0	0
State	0	0	150,000
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	14,471,123	15,671,475	16,352,000
Fines and Forfeitures	0	0	0
Licenses and Permits	4,866,813	5,122,000	5,173,000
Other Revenue	1,057,641	7,695,982	8,610,000
Other Financing	0	0	0
Total Revenues	\$34,577,270	\$42,466,472	\$45,434,754
Personal Services	\$29,585,908	\$29,907,742	\$33,427,120
Commodities	407,685	324,426	286,900
Services	7,745,601	9,594,049	9,968,234
Public Aid Assistance	0	0	0
Capital Outlay	1,858,317	930,000	33,000
Other Charges	1,829,219	1,710,255	1,719,500
Grants	0	0	0
Total Expenditures	\$41,426,730	\$42,466,472	\$45,434,754
Budgeted Positions (Full-time Equivalents)	336.4	337.4	339.5

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

Revenue Comparison:



Significant Budget Changes:

Significant budget changes in 2018 include a statewide election, new state systems and requirements for motor vehicle registrations and driver licensing, and responding to county employment needs. Specific changes include:

- Statewide election costs add \$1.3 million in additional expenses from a non-election year. The costs include ballots, postage and temporary staffing support for processing all county absentee ballots. Resident Real Estate Services (RRES) Elections division will process absentee ballots in the absentee ballot center similar to the successful process used in 2016.
- Student Collegiate Opportunities for Employment (SCOPE) program to recruit and identify future County employees while supporting Service Center customer service levels through implementation of the new state mandated Minnesota License and Registration System (MNLARS) and real ID/Enhanced Driver License implementation.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
Resident and Real Estate Services	34,706,205	34,581,708	37,080,990
Assessor	5,758,833	6,690,916	7,136,527
Examiner of Titles	961,692	1,193,848	1,217,237
Total Expenditures	\$41,426,730	\$42,466,472	\$45,434,754

Budget Commentary:

With the notable exception of the election, the 2018 budget anticipates similar revenues and customer transaction amounts as 2017. RRES projects 700,000 service center transactions related to driver licenses, motor vehicles and vital records. The County Recorder will record over 240,000 documents and the majority of our residents are served by our Property Tax and Election divisions. In addition to outside customers, RRES continues to support initiatives by lending staff resources to other departments for continuous improvement, facilitation, video production/meeting broadcasts, and diversity and inclusion efforts. In addition, the County Surveyor provides services and expertise to other departments without charge.

Significant expenditures are budgeted for Assessment and Tax system deliverables. Ongoing assessment and tax costs for the new technology infrastructure, including servers and database administration, has also increased as we approach go live for the new system. These costs will be offset by retiring the mainframe when the project is complete.

Key Results:

Key Results from 2017

- Elections partnered with Minneapolis to complete e-poll book roll-out to all of Hennepin County.
- Service Centers implemented new State mandated vehicle registration system (MNLARS).
- Managed unprecedented demand for property tax prepayments due to federal legislation with dedicated and innovative employees and the increased use of e-payment system.

Anticipated Accomplishments in 2018

- Statewide Election with full adoption of e-poll books and increased absentee voting.
- Implementation of new state driver licensing system to include offering RealID and Enhanced Driver Licenses.
- Additional deliverables for the Assessment and Tax IT project.

Mission:

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

Department Description:

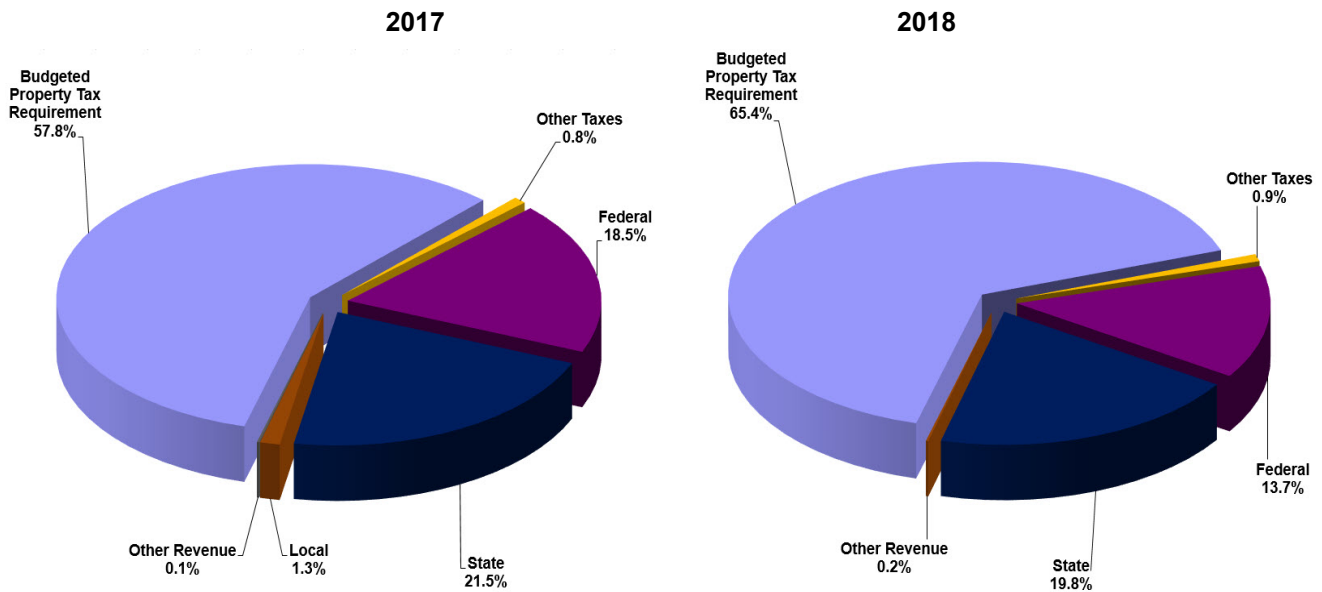
Human Resources' services are a critical component in supporting the county's core values of continuous improvement, customer service, diversity and inclusion, employee engagement and workforce development and, in conjunction with those values, position the organization to meet the service delivery and internal/external workforce challenges of both today and the future.

HR divisions: Organization Development and Strategic Initiatives; Diversity and Inclusion; Learning and Development; Hennepin-Carver Workforce Services; Workforce Development, Recruitment and Staffing; HealthWorks; Benefits, Volunteering and Recognition; HR Business Partner Services; HR Service Center; HR APEX System Services; HR Administration, Classification and Compensation.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$9,499,735	\$10,754,207	\$11,716,956
Other Taxes	154,027	153,710	157,500
Federal	1,587,441	3,437,426	2,461,000
State	2,883,788	3,999,383	3,550,000
Local	100,000	234,000	4,000
Investment Earnings	0	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	40,924	28,000	28,000
Other Financing	0	0	0
Total Revenues	\$14,265,915	\$18,606,726	\$17,917,456
Personal Services	\$8,049,762	\$9,184,233	\$10,069,527
Commodities	220,084	98,560	100,208
Services	4,508,949	4,495,348	3,731,655
Public Aid Assistance	2,654,122	4,298,340	3,476,815
Capital Outlay	0	300	300
Other Charges	219,959	529,945	538,951
Grants	0	0	0
Total Expenditures	\$15,652,876	\$18,606,726	\$17,917,456
Budgeted Positions (Full-time Equivalents)	76.1	88.1	90.1

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

Revenue Comparison:



Significant Budget Changes:

Human Resources added 2.0 Full-Time Equivalents (FTE) for the 2018 budget; a Principal Human Resources Representative to support the Public Safety Line of Business and a grant funded Principal Office Specialist to Hennepin Carver Workforce Services division.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
Human Resources Administration	1,557,420	1,562,588	1,724,160
Diversity and Workforce Development	8,799,328	12,588,183	11,188,297
Benefits and Wellness	1,531,972	1,490,773	1,513,119
Information Technology and APEX	2,520,109	1,602,370	1,599,596
Business Partners and Service Center	1,244,047	1,362,813	1,892,284
Total Expenditures	\$15,652,876	\$18,606,727	\$17,917,456

Budget Commentary:

Human Resources (HR) programs and services are foundational and have a direct effect on employee productivity and engagement.

HR continues to expand the workforce development strategy to meet the workforce needs for both the county and other employers, reduce employment disparities among residents of Hennepin County, move human services and corrections clients from government support to training and employment, and foster economic competitiveness across the region.

HR partners with the Cedar Riverside Opportunity Center's one-stop shop for educational, training, skills development, workforce resources and a pipeline to employment with identified public and private sector employers.

HR also partners with the Workforce Leadership Council using place-based strategies that align education pathways to meet both public and private sector workforce needs. The county and its partners provide opportunities including education, training, work experience and employment.

Key Results:

The organization's aspiration is to employ a workforce that represents the diversity of the community we serve

The racial and ethnic diversity of Hennepin County's workforce has continued to increase since 2010, but does not yet reflect the diversity of the resident population

The percentage of non-white Hennepin County residents is projected to increase to 36% by 2020, growing to 41% by 2030

Additional Resources:

For more information regarding Hennepin County Human Resources, county job opportunities, the Hennepin County Workforce Leadership Council, Career Connections and more, visit:

hennepin.jobs

hennepin.us/employees/employee-career-center

hennepin.us/your-government/projects-initiatives/workforce

mn.gov/deed/job-seekers/workforce-centers

Hennepin.us/jobs/pathway-training-programs

Mission:

The mission of Audit, Compliance and Investigation Services (ACIS) is to provide independent audit and investigation services and data governance oversight using established standards and best practices to increase consistency and identify and facilitate the mitigation of risk as a service to Hennepin County management, the audit committee and the county board.

Department Description:

Audit, Compliance and Investigation Services is an independent and objective assurance, consulting and investigation activity comprising five divisions.

- The ACIS Administration Division consists of the department director and support staff, and also coordinates county-wide Enterprise Risk Management.
- The Internal Audit Division conducts and supports compliance activities, information technology audits, vendor contract 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 Data Governance Division provides oversight of the availability, usability, integrity and security of the data within 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:

	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$4,155,638	\$4,497,790	\$4,666,746
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	143	0	115,080
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	0	0
Other Financing	0	0	0
Total Revenues	\$4,155,781	\$4,497,790	\$4,781,826
Personal Services	\$2,999,300	\$3,483,601	\$3,837,932
Commodities	39,530	40,900	25,600
Services	664,545	897,389	841,219
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	33,106	75,900	77,075
Grants	0	0	0
Total Expenditures	\$3,736,481	\$4,497,790	\$4,781,826
Budgeted Positions (Full-time Equivalents)	27.0	30.0	33.0

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

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
ACIS Administration	419,950	585,495	652,266
Internal Audit	1,960,995	2,352,329	2,374,094
Digital Forensics	725,529	844,619	836,636
Data Governance	498,242	639,598	785,239
Respectful Workplace Investigations	131,764	75,750	133,591
Total Expenditures	\$3,736,481	\$4,497,790	\$4,781,826

Budget Commentary:

Historically, the department budget has primarily consisted of costs in three areas - staffing, external audit fees and information technology (IT). In 2013 the department was expanded to include Digital Forensics, Data Governance and Respectful Workplace Investigation functions.

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:

- Hennepin History Museum, County Fair, Extension Services, National Association of Counties, Association of Minnesota Counties, that the county supports through funding as required or permitted by state law.
- Minneapolis Employee Retirement Fund (MERF) Payments for former city entities (Minneapolis Workhouse, Center Hospital)
- Municipal Building Commission
- Communications
- Center of Innovation and Excellence (CIE)
- Business Information Office (separated from CIE in 2018)
- 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:

	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$26,548,405	\$22,731,826	\$27,967,162
Local	25,000	25,000	25,000
Other Revenue	320,481	291,395	297,060
Other Financing	2,370,000	2,300,000	2,450,000
Total Revenues	\$29,263,886	\$25,348,221	\$30,739,222
Personal Services	\$13,156,800	\$7,868,531	\$8,525,239
Commodities	109,928	275,000	206,235
Services	5,512,222	5,360,858	5,700,134
Capital Outlay Other	-147,960	38,000	80,000
Charges	2,318,662	9,580,832	13,853,614
Grants	2,016,388	2,225,000	2,374,000
Total Expenditures	\$22,966,040	\$25,348,221	\$30,739,222
Budgeted Positions (Full-time Equivalents)	67.5	56.5	59.5

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

Significant Budget Changes:

The 2018 approved General County Purposes budget is \$30.7 million, which is a net increase of \$5.4 million over the 2017 adjusted budget. The increase stems from a larger contingency budget, \$3.5 million more than 2017, \$0.7 million increase to the Communications division budget, \$0.5 million increase to the Commercial Paper program due to rising interest rates, \$0.4 million increase to the Countywide Tuition Program, \$0.3 million increase to the MBC budget, and \$0.2 million increase to the Youth Sports budget.

Business Information Office (BIO) separated from the Center of Innovation and Excellence for 2018.

In 2017, the Hennepin History Museum received an additional \$40,000 to match a private donation to fund a full-time advancement director position. The match was renewed for 2018 and is reviewed on an annual basis for up to five years.

Division Budgets:	2016 Actual	2017 Budget	2018 Budget
County Revenues	0	0	0
Center of Innovation and Excellence (CIE)	5,655,133	6,313,935	4,983,140
Communications	2,192,224	2,300,893	2,986,070
Contingency	0	7,007,352	10,467,500
Municipal Building Commission	3,109,801	3,556,777	3,856,777
Hennepin Youth Sports	2,072,638	2,300,000	2,450,000
Business Information Office	2,126,720	0	1,212,299
Other General Government	7,809,524	3,869,264	4,783,436
Total Expenditures	\$22,966,040	\$25,348,221	\$30,739,222

Contingency:

The 2018 approved Contingency budget is \$10.5 million, which is a net increase of \$3.5 million over the 2017 adjusted budget. As part of the budget process, \$5.3 million of the budget was designated for the following:

- Child Well Being Model \$4.0 million
- Superbowl LII \$0.4 million
- Youth Housing \$0.3 million
- Immigration and Customs Enforcement (ICE) Legal Services Pilot \$0.3 million
- Better Together Hennepin \$0.2 million
- Legal Services for Victims of Domestic Abuse \$0.1 million
- Immigrations Rights Protocol \$25,000

Dues and Contributions Detail:	2016 Actuals	2017 Est	2018 Est
National Association of Counties (NACO)	\$23,049	\$23,049	\$23,049
Assoc. of Minnesota Counties (AMC) St.	77,791	80,113	83,292
Anthony Falls Heritage Board	31,000	31,000	31,000
Youth Coordinating Board	64,803	74,523	***
Brooklyn Bridge Alliance	50,000	50,000	50,000
Foire de Tours 2017	0	12,157	0
Greater MSP	150,000	150,000	150,000
	\$396,643	\$420,842**	\$417,280***

** \$420,842 represents amounts estimated to be collected and billed compared to a budget of \$444,000.

*** A place holder to account for increases to dues or contribution amounts with an approved budget of \$417,280

Additional Resources:

- hennepincountyfair.com
- hennepinhistory.org
- extension.umn.edu
- municipalbuildingcommission.org
- hennepin.us/youthsports
- hup.umn.edu

Mission:

The Ballpark Sales Tax is authorized by Minnesota State Statute to make payments on the sales tax revenue bonds issued to fund Hennepin County's contribution to the downtown baseball stadium, and to fund other authorized uses.

Department Description:

Budgeted funds are primarily used to make annual principal and interest payments on Hennepin County's sales tax revenue bonds for the Twins baseball stadium. Authorized uses for remaining funds include: contributions to a ballpark capital improvements account, the Minnesota Ballpark Authority's administrative costs, and youth sports and library programs.

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 a bond trustee. The bond trustee makes all scheduled debt service payments. First lien bonds were issued in 2007 for a total of \$150 million. Second and third lien bonds were issued in 2008 for a total of \$200 million.

Budget Summary:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes	36,468,192	36,597,600	38,061,504
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	23,443	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	-87,500	5,242,621
Other Financing	-27,393,854	-34,010,100	-40,804,125
Total Revenues	\$9,097,780	\$2,500,000	\$2,500,000
Personal Services	\$0	\$0	\$0
Commodities	0	0	0
Services	454,218	500,000	500,000
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	0	0	0
Grants	1,851,433	2,000,000	2,000,000
Total Expenditures	\$2,305,651	\$2,500,000	\$2,500,000
Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0

Budget Commentary:

The other financing consists of transfers to other funds for the following: debt service (\$19.2 million), optional debt pre-payment (\$17.0 million), additional library hours (\$2.3 million), youth sports program (\$2.3 million) and use of fund balance (\$5.2 million).

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:

Monies 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:	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$86,900,000	\$86,900,000	\$90,400,000
Other Taxes	67,701	0	0
Federal	2,122,291	2,073,306	2,073,306
State	0	0	0
Local	10,169,411	9,306,863	1,016,620
Investment Earnings	19,650	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	0	2,607,125	13,814,501
Other Financing	64,162,733	33,995,182	38,998,524
Total Revenues	\$163,441,786	\$134,882,476	\$146,302,951
Personal Services	\$0	\$0	\$0
Commodities	0	0	0
Services	915,883	900,000	900,000
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	153,749,141	133,982,476	145,402,951
Grants	0	0	0
Total Expenditures	\$154,665,024	\$134,882,476	\$146,302,951
Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0

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

DEBT RETIREMENT BUDGET HIGHLIGHTS

The debt management strategy of Hennepin County for 2018 through 2022 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 2017, Hennepin County had \$925.6 million in general obligation (GO) outstanding debt. Of this amount, there was \$913.9 million of general obligation property tax levy-supported debt outstanding. Additionally, there was \$11.6 million of general obligation revenue-supported bonds outstanding. This amount consists entirely of \$11.6 million of bonds issued on behalf of the Minnehaha Creek Watershed District, which are payable from that district's property tax levy.

The county is authorized by state statute to issue debt for general capital improvement projects as well as for a variety of other purposes, including 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 \$2.0 billion. This amount of bonding authority varies with changes in the taxable market value of property within the county. The county has approximately \$877.8 million in bonds currently outstanding under its general bonding authority. The current capital plan includes \$213 million of new debt issuance payable from property tax revenues in 2018.

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 ratings.

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 2016 and 2017, 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 over \$4.9 billion as contrasted with total outstanding debt of \$925.6 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.
 $\$164,830,612,300 \times .03 = \$4,944,918,369.$

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 \$2.0 billion of bonds. Currently, there are approximately \$877.8 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: \$164,830,612,300 x .0012 = \$197,796,735. 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: \$197,796,735 divided by \$97,500 per million = \$2,028,684,460 of estimated debt authorization per M.S. 373.40.

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 taxable 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 \$272.5 million of debt under this authority. The county has stopped utilizing this authority in recent years. Currently, there are \$29.6 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: \$164,830,612,300 x .0001612 = \$26,570,695. 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: \$26,570,695 divided by \$97,500 per million = \$272,519,946 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 2018-2022 capital plan anticipates completion of a number of capital projects in the environmental services area, it does not include any additional solid waste debt pursuant to this bonding authority 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 \$184.7 million outstanding as of December 31, 2017.

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 percent 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. In June 2017, the five counties that were parties to the joint powers agreement voted to terminate the sales tax and dissolve the agreement. Outstanding debt that was issued on behalf of CTIB by the county in 2010 was fully defeased on July 31, 2017 from CTIB sales tax receipts.

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

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. As of December 31, 2017, \$11.6 million of those bonds were outstanding. 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 2018 debt service levy and the future levy requirements needed to support the both the countywide and library outstanding debt.

OUTSTANDING DEBT

	OUTSTANDING as of 12/31/2016	OUTSTANDING as of 12/31/2017	2018 DEBT SERVICE LEVY
Property Tax-Supported General Obligation Bonds	\$825,835,000	\$913,920,000	\$90,400,000
General Obligation Revenue Bonds			
Augsburg Ice Arena Bonds ⁽¹⁾	370,000	0	
Counties Transit Sales Tax Bonds ⁽²⁾	83,605,000	0	
Minnehaha Creek Watershed District ⁽³⁾	12,275,000	11,630,000	
Ballpark Sales Tax Revenue Bonds⁽⁴⁾	229,700,000	184,670,000	
TOTAL	\$1,151,785,000	\$ 1,110,220,000	\$90,400,000

(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) These bonds are payable from property taxes levied within the Minnehaha Creek Watershed District.

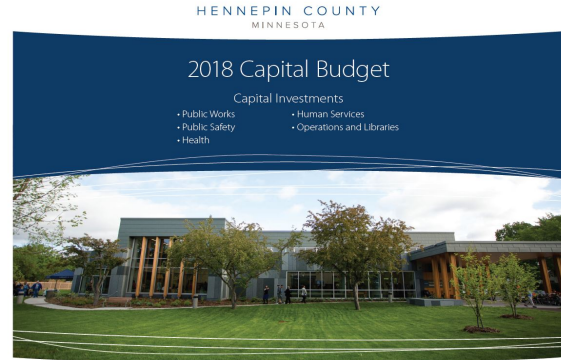
(4) 0.15% Hennepin County sales tax revenues pay the debt service on these bonds.

FUTURE DEBT SERVICE PROPERTY TAX REQUIREMENTS ON OUTSTANDING DEBT

YEAR	COUNTYWIDE LEVY	SUBURBAN ONLY LEVY	TOTAL LEVY
2018	\$89,886,597	\$513,403	\$90,400,000
2019	86,682,792	743,440	87,426,231
2020	83,498,800	735,021	84,233,821
2021	81,666,225	352,816	82,019,041
2022	70,248,543	347,007	70,595,550
2023	72,922,185	345,647	73,267,832
2024	68,522,967	343,252	68,866,219
2025	67,727,278	341,466	68,068,744
2026	64,450,921	343,634	64,794,555
2027	60,684,212	0	60,684,212
2028	55,891,656	0	55,891,656
2029	48,003,930	0	48,003,430
2030	34,469,514	0	34,469,514
2031-41	239,944,294	0	239,944,294
Total	\$1,124,599,913	\$4,065,686	\$1,128,665,600

Major Program: Capital Improvement Program

Countywide Capital Projects



Program Description:

The Capital Budget provides resources that will fund county building, facility modification and transportation construction projects during the budget year. Capital projects contained within the budget often extend beyond a single budget year and require additional funding in succeeding years, due to their magnitude and construction scheduling. 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 Capital Improvement Program (CIP) that will provide for the sound financial planning of future physical needs of the county. The program is reassessed annually as new conditions and circumstances dictate.

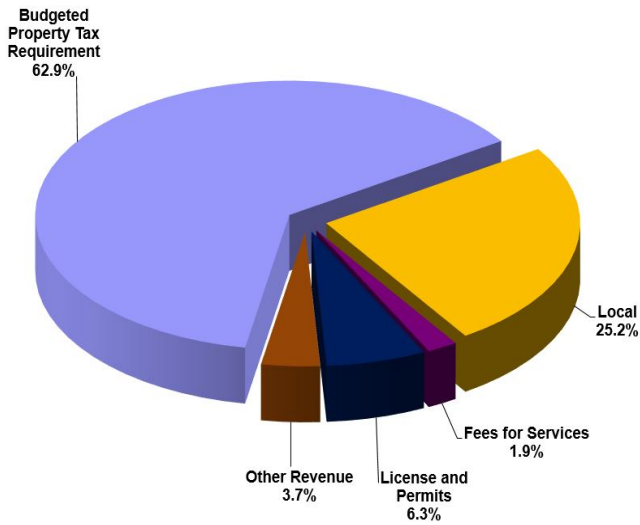
FOR SPECIFIC DETAILS REGARDING THE CAPITAL BUDGET AND EACH PROJECT, REFER TO THE 2018 CAPITAL BUDGET AND 2018 - 2022 CAPITAL IMPROVEMENT PROGRAM which is available on the County's internet site.

Revenue and Expenditure Information	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$5,730,218	\$5,875,218	\$4,850,218
Other Taxes	4,564	0	0
Federal	11,661,518	17,187,249	1,400,000
State	61,329,026	103,658,951	49,599,295
Local	15,905,584	21,626,101	15,025,713
Investment Earnings	486,070	0	0
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	886,695	8,532,710	1,650,000
Other Financing	225,162,274	177,409,503	360,843,000
Total Revenues	\$321,165,949	\$334,289,732	\$433,368,226
Personal Services	(\$453)	\$0	\$0
Commodities	11,862,279	0	0
Services	16,848,878	0	0
Public Aid Assistance	0	0	0
Capital Outlay	154,497,080	334,289,732	433,368,226
Other Charges	81,020,813	0	0
Grants	0	0	0
Total Expenditures	\$264,228,597	\$334,289,732	\$433,368,226
Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0

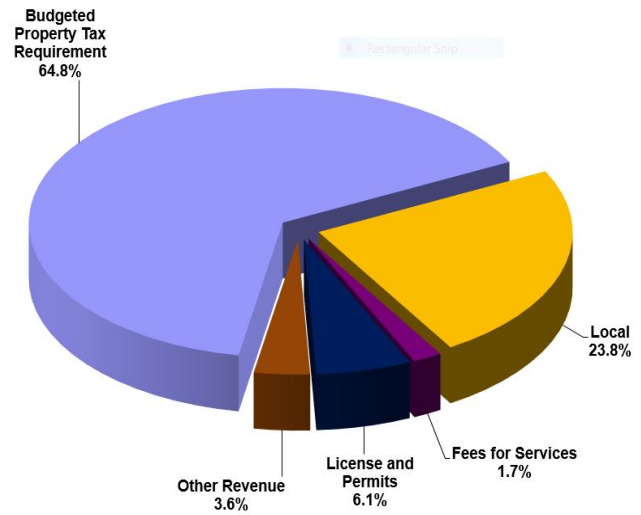
* Reflects the adjusted property tax requirement budget, not actual property tax collected.

Revenue and Expenditure Comparison:

2018 Revenue



2018 Expenditures



Department Expenditure Summary:

	2016 Actual	2017 Budget	2018 Budget
Countywide Capital Projects	264,228,597	334,289,732	433,368,226
Total Expenditures	\$264,228,597	\$334,289,732	\$433,368,226

Budgeted Positions:

	2016 Actual	2017 Budget	2018 Budget
Countywide Capital Projects	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	0.0	0.0	0.0

Revenue Summary:

The Capital Improvements budget for 2018 (excluding debt retirement, which is discussed in the Debt Retirement section of Operations) is \$433.4 million. This represents an increase of \$99.1 million or 29.6 percent over the adjusted 2017 budget of \$334.3 million. The majority of this increase is due to the addition of the Transportation Sales Tax & Development program, which is programmed for \$150.0 million in expenditures toward transit investments. The programmed revenue source is bonding, with principal and interest payments to be made from a 0.5% sales and use tax.

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 2018 Capital Budget and 2018-2022 Capital Improvement Program.

Of the revenues to support the \$433.4 million capital budget, \$360.3 million comes from bonded indebtedness. The 2018 level of bonding is \$182.9 million more than the \$177.4 million included in the adjusted 2017 budget. The majority of the bonding increase is related to the addition of the Transportation Sales Tax & Development program, which is programmed for \$150.0 million in bonding, with principal and interest payments to be made from a 0.5% sales and use tax. Details concerning the county's debt retirement and debt management can be found in the debt retirement section of the Operations program.

Intergovernmental (federal, state and local) revenues of \$66.0 million are included in the 2018 capital budget, which is down from the 2017 level of \$142.5 million. The variance between federal, state and local revenues show significant changes from 2017, which is almost exclusively related to road and bridge construction projects where the funding formulas vary based on the class of road or bridge being reconstructed as well as the construction schedule of given projects. State road and bridge funding is budgeted at \$49.6 million in 2018, as compared to \$103.7 million in 2017.

The 2018 capital budget includes \$4.9 million in property tax funding which is \$1.0 million less than the \$5.9 million budgeted in 2017. In addition, the 2018 capital budget includes \$600,000 in lease revenues from 701 Building tenants which is reinvested in the asset, and \$500,000 in general fund balance from unspent wheelage tax collections which will be spent on transportation safety improvements.

Expenditure Summary:

Expenditure Area	2018 Budget	2019 Plan	2020 Plan	2021 Plan	2022 Plan	2018-2022 CIP
Public Works	250,624,226	91,486,218	73,627,218	49,332,218	29,265,218	494,335,098
Public Safety	10,821,000	5,587,000	7,838,000	5,614,000	10,972,000	40,832,000
Health	45,910,000	89,532,500	25,000,000	10,000,000	10,000,000	180,442,500
Human Services	1,600,000	4,318,000	2,764,000	0	0	8,682,000
Operations & Libraries	124,413,000	77,582,000	58,818,000	46,471,000	19,572,000	326,856,000
Total	433,368,226	268,505,718	168,047,218	111,417,218	69,809,218	1,051,147,598

FOR SPECIFIC DETAILS REGARDING THE CAPITAL BUDGET AND EACH PROJECT, REFER TO THE 2018 CAPITAL BUDGET AND 2018 - 2022 CAPITAL IMPROVEMENT PROGRAM which is available on the County's internet site.

Major Program: Internal Service Funds

Central Mobile Equipment Division
 Energy Center
 Employee Health Plan Self Insurance
 Information Technology Central Services
 Information Technology Internal Services
 Self Insurance
 Other Employee Benefits

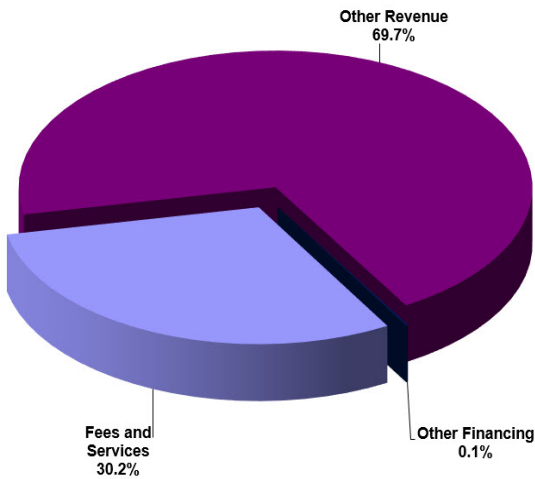
Program Description:

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government or to other governmental units, on a cost-reimbursement basis.

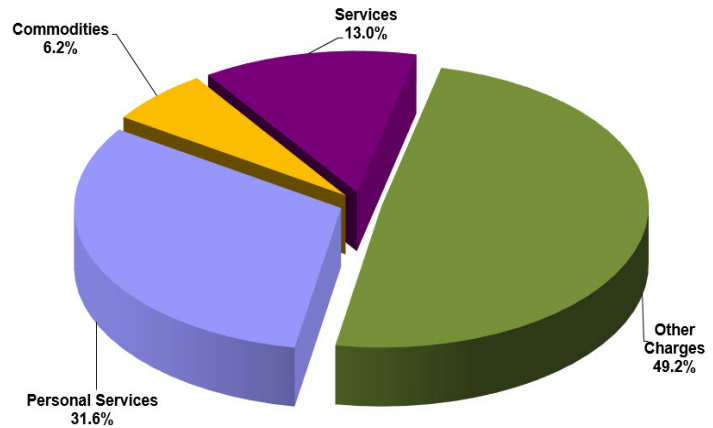
Revenue and Expenditure Information	2016 Actual	2017 Budget	2018 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes	0	0	0
Federal	0	0	0
State	0	0	0
Local	0	0	0
Investment Earnings	0	0	0
Fees for Services	84,258,281	89,854,329	94,893,268
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	152,463,043	186,810,365	218,849,890
Other Financing	2,363,682	400,000	400,000
Total Revenues	\$239,085,006	\$277,064,694	\$314,143,158
Personal Services	\$68,632,048	\$85,180,408	\$98,988,481
Commodities	18,018,919	17,602,154	19,556,812
Services	30,200,818	39,734,445	40,863,049
Public Aid Assistance	0	0	0
Capital Outlay	0	0	0
Other Charges	130,276,107	134,547,688	154,734,816
Grants	0	0	0
Total Expenditures	\$247,127,891	\$277,064,694	\$314,143,158
Budgeted Positions (Full-time Equivalents)	339.5	413.3	419.6

Revenue and Expenditure Comparison:

2018 Revenue



2018 Expenditures



Department Expenditure Summary:

	2016 Actual	2017 Budget	2018 Budget
Central Mobile Equipment Division	13,784,098	16,432,407	17,084,315
Energy Center	8,158,757	9,504,286	10,186,151
Employee Health Plan Self Insurance	115,708,329	121,416,817	143,841,713
Information Technology Central Services	6,443,890	12,085,800	11,916,362
Information Technology Internal Services	72,996,455	81,074,825	84,105,845
Self Insurance	8,628,013	8,050,559	12,308,772
Other Employee Benefits	21,408,349	28,500,000	34,700,000
Total Expenditures	\$247,127,891	\$277,064,694	\$314,143,158

Budgeted Positions:

	2016 Actual	2017 Budget	2018 Budget
Central Mobile Equipment Division	28.0	28.0	28.0
Energy Center	1.0	1.5	1.2
Employee Health Plan Self Insurance	6.0	6.0	6.0
Information Technology Central Services	23.0	85.6	83.6
Information Technology Internal Services	276.0	286.7	294.8
Self Insurance	5.5	5.5	6.0
Other Employee Benefits	0.0	0.0	0.0
Budgeted Positions (Full-time Equivalents)	339.5	413.3	419.6



The new Webber Park Library Opened May, 2017

The 8,000 square foot facility located on Victory Memorial Parkway at Humboldt Ave N in Minneapolis, replaces the former 4,100 square foot library.



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