



2012 BUDGET

Hennepin County, Minnesota

As approved on December 13, 2011 by the

Hennepin County Board of Commissioners

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January 3, 2012

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Honorable Board Members,

I am pleased to present to you the approved 2012 Hennepin County budget and to discuss some of the 2011 results and on-going efforts.

The 2012 Hennepin County Budget totals \$1.65 billion and a net property tax levy of \$668.4 million. This is an overall budget increase of 2.49 percent compared to the adjusted 2011 budget and a .15 percent decrease in the net property tax levy.

THE 2012 BUDGET ENVIRONMENT

The 2012 budget was developed during a time of nearly unprecedented uncertainty about state funding for local government. We did not know what the biennium budget of the state would look like, and how it would affect Hennepin County. After the three-week state shutdown, the state budget ultimately adopted by the governor and Legislature did not affect the county as negatively as had been anticipated. Nevertheless, the county will be receiving significantly lower revenues from the state for 2012 than we received previously.

In addition, the final resolution of the state's budget impasse did not resolve the basic structural issues relating to the state's finances. As a result, it may well be that future state actions may require us to revisit the adopted 2012 budget during the year and make adjustments accordingly.

Despite the uncertainties created by the state budget circumstances, Hennepin

County continues to do its part to reduce the cost of government while providing essential services. For the third year in a row, this budget calls for no increase in property taxes for operations. We continue to manage our service delivery and budget as we have for the last several years -- striving to maintain appropriate services while ensuring that our financial condition remains sound.

Everyone, it seems these days, is talking about taxes in terms of whether they are going up or down, and whether theirs are too high or too low. However for all the talk about taxes, there is little said about what each resident receives for what they pay. There is a misconception that all services will continue as usual without any additional revenue.

In a way, it is not surprising people take for granted what their tax dollars provide. They are accustomed to receiving consistently good service from Hennepin County. They expect it. Our Transportation helpline hears from drivers when they find a pothole that needs fixing. But people do not call to report that traffic lights are working fine. A father does not send a letter of appreciation to Public Health every time his family eats in a restaurant where the food was prepared safely and no one got sick.

Because Hennepin County uses fees, state and federal funding together with property taxes in an effective manner to provide

reliable services, our residents no more have to think about those things than they have to wonder what will happen when they flip a light switch.

VALUE IN INNOVATION

I would like to take a few minutes to focus on what is so easy to overlook: the value of programs and services provided to protect and improve our quality of life at the lowest cost.

What does that mean for our residents? They get a wide range of services that are there when they need them. That is everything from 911 calls answered, to the water quality of public beaches tested, to reports of neglected seniors investigated, to roads cleared on a snowy day.

Hennepin County has a tradition of providing value to its residents, demonstrated by its longstanding Triple-A credit rating, and by the many awards for innovation it received this year from the National Association of Counties. I would like to focus some attention on the innovations and changes being made in Hennepin County that help us maintain our high credit rating as we deliver quality services to our residents.

Faced with the fiscal challenges over the last couple of years, county departments are making changes in service delivery and redesigning systems for greater efficiency and cost-effectiveness.

- Departments are continuing to increase the use of technology thereby allowing several departments to reduce staff positions or reassign staff to other projects. For example, Property Services implemented physical improvements and used technology to increase security while at the same time decreasing staffing. The Library reports that the correct digital

tools are giving patrons a single service point of entry and allowing staff expertise to be more targeted. Public Works is using a Management Information System that allows the department to reduce its staff complement. The County Assessor's Office reports that the web-based Property Information Search is allowing residents greater ease at accessing tax and assessment information and decreasing calls to the office.

- Currently, residents seeking human services must go to sites in downtown Minneapolis to meet the majority of their needs. Hennepin is partnering with community agencies, including schools and non-profits, to open community-based offices across the county, making access to services easier. Two key features of this new outlook are (1) providing integrated, holistic services in the places that people live and work, and (2) involving those receiving services in the decision-making process. The first of a series of projects to decentralize services is located in Brooklyn Center. Construction has begun on the Northwest Family Services Center, a collaboration of Hennepin County, Osseo Area Schools and the Community Emergency Assistance Program. The center will offer comprehensive family services, from education to economic assistance, and is expected to be used by thousands of residents each month when it opens next year.
- Plans are being made to replace the current outdated property tax and assessment system. The 2012 projected costs for the Taxpayer Services and County Assessor departments are \$2.8 million with

10-year costs in the range of \$10 to \$13 million for the new system. The new integrated data network will enable the departments to increase operational efficiencies and develop a unified approach to customer service.

- The Library is planning to hold down costs and maintain hours of service in 2012 through a more strategic approach to the use of its collection, for example by managing the number of materials that can be requested and checked out by any individual at one time. Also, the checkout of downloadable materials will be available only to Hennepin County residents. Thus the Library will be able to circulate its collection more quickly, and use resources to sustain hours of service and valued programs and educational services which patrons tell us would be more painful to lose.

VALUE IN WISE STEWARDSHIP

County residents also are getting new and improved infrastructure while the county is taking steps to prudently reduce costs.

- **Updating Libraries.** During 2011, we reopened two renovated Minneapolis libraries, Northeast and Nokomis, with expanded space, additional computers, improved community rooms and greener sustainable design. Pre-design is under way for new construction at the Brooklyn Park, Excelsior, New North/Webber Park, and Walker libraries. In addition, work has begun on renovation of the Roosevelt Library in Minneapolis.
- **Lowry Avenue Bridge.** Phase II of the Lowry Avenue Bridge project began in April. We are reconstructing the roadway and

bridge over the western shore and railroad tracks between Second Street and the Mississippi River. Replacement of the century-old bridge that was closed in 2008 is scheduled for completion in mid-2012. There will be expanded sidewalks, a high-efficiency LED lighting system, and an automatic anti-icing system. When completed, this new Lowry Bridge across the Mississippi River should serve the public for the next hundred years.

- **Victory Memorial Drive.** In June, the renovation of Victory Memorial Drive in Minneapolis was celebrated by thousands of residents. The boulevard and plaza was created in the 1920s to honor the 568 men and women of Hennepin who died in World War I. Designated as a state historic district in 2003, the drive has new lighting, benches at the flagpole plaza, more accessible biking paths, and expanded sidewalks and green spaces.
- **Youth Sports Program.** In December, the Hennepin Youth Sports Program awarded \$2.0 million to 11 capital projects and 16 equipment projects for 2012 including energy improvements at the New Hope Ice Arena, a synthetic turf at the Washburn High School's stadium in Minneapolis and a wheelchair softball field in Brooklyn Park at Northwoods Park. The Youth Sports Program makes up to \$2 million available each year from the sales tax collected for the Twins ballpark after debt service is paid. Since the program started in 2009, grants have been awarded to 54 capital projects and 16 equipment projects. The \$8.9 million in program grants that have been made since its inception have been

augmented by over \$11.5 million in matching and leveraged funding from partners.

- **Energy Efficiency.** Property Services continues to initiate lighting and recommissioning projects to increase energy efficiency in county buildings. Ten current lighting projects are estimated to save \$95,000 annually, and 13 building recommissioning efforts are expected to realize \$200,000 in energy savings each year. Among the benefits of this effort are a 45 percent reduction in energy costs at the Brooklyn Park Transfer Station, and a 23 percent drop in costs at the Minneapolis Central Library.
- **Human Services.** The Human Services and Public Health Department has seen a steady increase in the demand for services while at the same time, the department has not increased its staff complement. Requests for programs such as Food Support are 58 percent higher now than three years ago. More people are applying for health care programs. In July 2011, Hennepin had more than 191,000 enrolled in health programs compared to 161,000 in July of 2008--a 19 percent increase. Human Services is focusing on increasing productivity and gaining systems efficiencies to handle the larger workload.
- **Closing a Service Center.** Some decisions to save costs are more difficult than others. The Taxpayer Services Department has experienced an overall decline in transactions and revenue for our seven service centers located across the county. This model has become increasingly difficult to

sustain, requiring more and more tax subsidies. While we act as an agency of the federal and state governments to conduct these transactions, the service centers are not a mandated service. As part of the 2012 budget process, a decision was made to close the Eden Prairie Service Center in the first quarter of 2012.

THE 2012 HENNEPIN COUNTY BUDGET

The adopted 2012 Hennepin County budget totals \$1,649,528,239. This is an overall budget increase of 2.49 percent or \$40.0 million over the \$1.61 billion adjusted 2011 budget. The adopted property tax levy for 2012 is \$668,377,989 which is approximately \$1.0 million less than the 2011 level. The operating portion of the budget is up approximately \$101.4 million compared to 2011, while the capital portion of the budget has been reduced by \$61.4 million or 34.0 percent from the adjusted 2011 level.

The development of the county's 2012 budget was undertaken at a time when the State of Minnesota was at an impasse concerning its budget for the 2011-2013 biennium. The budget that was ultimately passed following the state shutdown was somewhat better than expected, at least as it impacted county programs. It is estimated that the county lost \$33 million in state revenues in 2011 and will lose another \$20 million in 2012. Most of the funding losses relate to two sources: discretionary revenues for County Program Aid, which was reduced by \$11 million in 2011 and 2012, and the Market Value Credit Aid, which saw a reduction of \$13 million in 2011 with complete elimination of the state funding for the program for 2012.

Although the property tax levy for the 2012 budget decreases slightly, some homeowners may see an increase in their property taxes due to changes in the state

budget and the loss of the Market Value Credit Aid for 2012. This program provides property tax relief to lower valued homes. In previous years, the program was funded by the state. Starting in 2012, the program will be funded by shifting the burden to higher valued homes and commercial-industrial and apartment properties. However, the impact will be quite diverse throughout the county, depending upon the mix of property types in the tax base. Homeowners with homes of \$183,000 or less will likely benefit from the Market Value Credit change, whereas homeowners with homes valued at more than \$183,000 will likely see increased property taxes of varying amounts.

This is the third year in a row where there will be no increase in property taxes for county operations. Even though costs continue to go up for materials to pave roads, for energy to heat county buildings, and for health care for employees, county operations are providing services with the same – or less – funding than they used to.

We are keenly aware that our residents are under stress from the economy. As I mentioned earlier, our numbers for basic needs programs, such as Food Support, are rising. In July 2011, we had more than 129,000 residents receiving this benefit, while in July 2008 we had 81,000 enrollees. We are reducing staffing even though caseloads and other responsibilities increase. This has been the trend over the last five years, and it illustrates the financial challenges facing the county as we try to meet service needs. In 2008, the county had 7,826.5 budgeted FTEs, while for 2012, 7,329.6 FTEs were approved.

With respect to operations, budgets for most business lines are reduced, ranging from a 6.73 percent reduction for the Public Works departments to the smallest reduction of .56 percent in Public Safety. The Health business line has a net increase of \$98.1

million or 42.6 percent as a result of reductions in the Metropolitan Health Plan and Uncompensated Care coupled with the establishment of a new Hennepin Health Program with a budget of \$120.5 million. Libraries show an increase of 1.0 percent and General Government, including debt service increases of \$12.8 million, shows a net increase of \$18.1 million or 6.1 percent.

The approved capital budget totals \$118.8 million, which is 34.0 percent less than the adjusted 2011 capital budget. Of the \$118.8 million, \$42.6 million will come from bonded indebtedness, which is \$16.2 million less than the level of bonding for 2011. This reduced level of bonding is, in part, recognition of the rising level of debt service that is facing the county. Property taxes to pay the principal and interest on county debt are increasing from \$71.1 million in 2011 to \$77.7 million in 2012.

The approved lower level of capital spending for 2012 is also reflected throughout the overall five-year capital plan, in order to reduce the property tax for debt service to more prudent levels. In addition, the capital program includes a higher level of pay-as-you-go financing by increasing the level of property tax funding for capital and offsetting some capital expenditures with lease revenues from the newly acquired 701 Building, among other things.

LOOKING FOR VALUE IN THE FUTURE

Hennepin County remains a strong, prudently run organization with a national reputation for innovation and effectiveness. And yet, while we manage our financial resources strategically, it is very important to note that Hennepin works because of our joint efforts in solving real problems with foresight and dedication.

Members of the County Board have worked diligently in examining options and setting priorities in the face of reduced state funding and a deteriorating economy. By

dealing early on with the cutbacks and financial constraints, the Board's decisions have allowed the county to transition in an orderly way and shield the public from more painful service cuts. In addition, by focusing on the future implications of current programs, we have been able to positively impact the quality of life for our residents over the long term.

Some examples of longer term ways to avoid costs and problems are the following:

- **A-GRAD.** The county's A-GRAD Initiative -- a partnership with 22 school districts to overcome barriers that threaten the education success of students -- is working to keep children and youth in school. It is estimated that the average high-school dropout will cost taxpayers more than \$292,000 over his or her working life in support and services. Two of A-GRAD's current projects are significant. The Data Sharing Project is gathering concrete information on student attendance, achievement, discipline and who is on track to graduate in seven school districts. This data will drive decision making and develop effective interventions to prevent school failure. And the County-Schools Shared Social Worker Project is a three-year collaboration aimed at improving coordination of services between county and school social workers. The project team includes two county social workers and two school social workers, who are designing systems-level solutions aimed at improving student, client and family access to education and social service supports and programs. The project will ultimately lead to better student attendance, better student achievement, and better graduation rates.
- **Reducing Teen Pregnancy.** The county also is managing a significant project aimed at decreasing the incidence of teen pregnancies. Only 13 percent of families in the county begin with a teen giving birth, but families that start with a teen birth make up 55 percent of long-term Minnesota Family Investment Program users. The county's teen pregnancy initiative includes a project called "It's Your Future." The program connects students to services in their communities and encourages them to plan for their future. The program has been shown to reduce sexually transmitted infections in teens. We are studying the effectiveness of this whole initiative. Preliminary data from the University of Minnesota and the county's Research, Planning and Development department shows students participating in the program have greater knowledge, different attitudes and behaviors than their peers -- all of which are important steps in reducing teen pregnancy.
- **Increased Recycling.** The county is working to reduce the amount of garbage in our residents' trash cans. The County Board's recent action sets county garbage-reduction goals at higher levels than those recently established by the Minnesota Pollution Control Agency. Presently, the county recycles 38 percent of waste. Among the county's new goals are to reduce waste levels by 45 percent through recycling by 2015, and 47 percent by 2020. The plan also calls for more plastic and metal to be recycled from incoming waste at the county's Brooklyn Park Transfer Station. And the county will work with business owners and managers of multi-family housing to expand their recycling efforts.

- Reducing Homelessness.** In these economic times, we are working against the tide on some important issues. Hennepin is currently seeing a higher number of people seeking emergency shelter. During the first six months of this year, we have experienced an 18 percent increase in people seeking shelter over the same period in 2010. However, the 10-year Heading Home Hennepin initiative has made tremendous strides in helping people with long-term homelessness. The Currie Avenue Partnership, funded with \$350,000 donated by individuals, businesses and faith communities, provides case managers who support low-income individuals with disabilities in finding and keeping safe, stable housing. A recent Hennepin study shows that the county saves about \$13,000 per year per person who is housed compared to those using shelter services and other more costly public services.

These examples, and the results we are beginning to see from the other major steps we have taken, demonstrate that Hennepin County can and does serve its community well, even during tough times. These accomplishments are good to note – because the tough financial times are by no means over.

VALUING THE WORKFORCE

None of the value Hennepin County provides to the public could exist without its employees. They are the face of county services to our residents. Without them, bridges do not get built; children in low-income families may not receive the immunizations they need to start school; elections cannot happen; bottles, cans and newspapers are not recycled; and lawbreakers are not held accountable.

Things that affect the quality of life in Hennepin County are sometimes outside of our control, but not beyond our power to serve, as we were reminded last spring when we joined the city of Minneapolis and others in responding to tornado damage in north Minneapolis, Golden Valley and St. Louis Park.

Emergency Management staff helped assess damages to communities in the path of the storm. The Sheriff's Office assisted with safety and security. When Hennepin County probation offices were affected by storm damage and power outages, departments worked together to maintain services. Project Connect, which each spring and fall provides one-day, one-stop services for persons who are homeless, extended its services in May for a second day exclusively to serve the needs of tornado victims.

Human Services and Public Health offered access to emergency human services at North Minneapolis's Fairview Park. NorthPoint Health and Wellness Center's contributions ranged from serving food in the center's parking lot to offering counseling to traumatized victims. Public Works and Transportation assisted with cleanup and restoration, including dealing with a mudslide on Bottineau Boulevard. Libraries extended their hours to offer access to computers and fax machines. And county employees were among the thousands of individuals who volunteered to help with cleanup.

This is just one example of how Hennepin County staff consistently demonstrates an ability to respond to challenge. I want to thank our employees for their steadfast dedication to public service.

SERVICE VALUE TO RESIDENTS

I indicated at the beginning that generally we do not hear from people when things are going right. That is as it should be. Yet

quite often residents are impressed by a county service, finding something they didn't expect or maybe even weren't aware of ... but that they value.

We recently heard from someone who needed quick action on public records and licenses, who was touched by the extra efforts a staff member took to help her. We have heard from a recreational diver, who complimented the Sheriff's Office Water Patrol for the dangerous job it does for rescue and recovery. We also heard from a person on probation who was thankful to have worked in the Sentence to Serve Program that helps people develop skills in the building trades. And many residents who are older or disabled tell us the At Home service of the Hennepin Library makes a huge difference in the quality of their lives.

Another way residents tell us we're on the right track is by choosing to support our work with their time. Hennepin County last year benefited from more than 200,000 hours of service from more than 4,600 volunteers. Whether they're calling families to remind them of court appointments or helping teens with homework at their local library, volunteers increase our ability to serve the public in meaningful ways without significant additional costs. And a new online application is streamlining the volunteer process.

Residents can follow and participate in Hennepin County government in a variety of ways. County Board and committee meetings are held generally Tuesdays in the Board Room. The meetings are streamed and broadcast live on the Metro Cable Network and replayed every Friday evening. Residents may follow the county on Facebook, Twitter and other social media using the links on the county homepage. Or they may volunteer to serve on a county advisory board and provide leadership and recommendations on a wide range of

issues, such as dealing with library oversight and conserving natural resources.

I also want to mention something new that is just starting. The Hennepin County Citizens Academy is offering interested residents an up-close look at the workings of county government.

CONCLUSION

The current challenging funding environment is giving Hennepin leaders and staff an opportunity to emphasize priorities, clearly define goals, and measure progress. I believe that we are becoming the better for it – with more foresight, greater agility, and even tighter focus on providing public service of true value.

I want to thank you, the members of the County Board, for your thoughtful guidance in setting priorities. The county's mission is broad with many competing interests. Your dedication and participation over the last several years is making a real difference in producing value for our residents in these times of uncertainty and financial constraint. I also want to thank county staff and department directors who have spent countless hours preparing this budget in these uncertain times.

These are difficult times, but due to the dedication of all of us, Hennepin County continues to provide valuable public services that are delivered in a cost effective manner and are valued by our residents. I believe that these stressful times will result in an even more focused, results-oriented and fiscally successful public service organization.

Respectfully submitted,



Richard P. Johnson
County Administrator

The 2012 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 late April, the Office of Budget and Finance (OBF) distributes the operating budget instructions. These instructions provide guidelines and parameters from County Administration and the Executive Team to departments in the preparation of their 2012 operating and capital budget requests. The schedule on page 10 identifies key stages in the formulation of the operating and capital budgets.

At the time the County's 2012 Budget was prepared, the State of Minnesota had not yet adopted its biennium budget beginning on July 1, 2011 and the financial impact of any state changes on the county's budget were unknown. The Governor and the Legislature were at an impasse as to how to close the State's \$5.0 billion budget gap. After a nearly three week state shutdown the Governor called the Legislature into special session; the budget agreement that ultimately passed was somewhat better than expected.

One of the elements of the special session agreement was the elimination of the Market Value Homestead Credit program (MVHC) and the creation of the Market Value Exclusion (MVE) program for taxes payable in 2012 and beyond. The market value-based homestead credit reimbursement remained at the 2010 level of reimbursement for 2011 and was entirely eliminated in 2012 and turned into a value exclusion. For Hennepin, that meant the Market Value Homestead Credit Aid was reduced by \$13.0 million in 2011 with

complete elimination of the state funding for the program in 2012.

In preparation for reduced state support of county functions, in January, County Administration asked that major county departments identify three or four fundamental service changes that would save at least \$1.0 million per year per change. Smaller departments were also directed to identify changes and reductions they could make. The County Board discussed these service options at a series of board retreats focused on ensuring that expenditure programs are driven by policy priorities and budget realities.

For a third year in a row Special Leave Without Pay (SLWOP) was promoted and a more restrictive hiring policy was continued.

In late April, the County Administrator issued budget guidelines and property tax targets for each business line/department that assumed no property tax increase for 2012.

The following organizational values guided the preparation of the 2012 budget:

- Provision of appropriate sustainable services to customers with the resource level available.
- Continuous development and engagement of our workforce to reflect innovation, creativity, and diversity in planning for the future.
- Development of collaborative relationships through partnerships with other governmental units, school districts, communities, non-profits, foundations and others.
- Strengthen internal collaboration to increase efficient and effective service as an enterprise.

- Strengthen the role of the community, the use of volunteers and the commitment of each of us individually in supporting our community.
- Use of technology to increase Hennepin County resident's satisfaction, ease of use and knowledge of our services.

Departments submitted budget requests to OBF on July 2, 2011. During July and August, department staff met with County Administration and OBF to clarify and resolve areas of concern. "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 15 every year. On September 13, the County Administrator recommended to the Hennepin County Board of Commissioners a maximum levy of \$676.1 million, a one percent increase over the adjusted 2011 budget and the County Board approved a maximum levy at the \$676.1 million level.

On September 27, 2011, 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 maximum levy approved by the County Board. During October and November, the County Board held a series of public hearings in which Hennepin County citizens, contracted service providers, taxpayers and clients were given the opportunity to testify on the proposed budget.

The "Truth-in-Taxation" statutes require that the county send out proposed property tax notices to all taxpayers in November based on the maximum proposed levy set by the County Board in September. In addition, the statutes require that the county hold a public hearing where the proposed budget and levy are discussed.

This hearing 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 hearing at 6:00 PM on November 29, 2011. On December 13, the County Board adopted the 2012 budget by resolution, authorizing appropriations and establishing staffing complements for county departments. The final approved property tax levy for 2012 is \$668.4 million, a .15 percent reduction from 2011.

Hennepin Health

The 2012 budget includes a new Hennepin Health program. Hennepin Health is a new integrated health delivery network demonstration program to provide services to Hennepin County residents under a contract with the Minnesota Department of Human Services (DHS), NorthPoint Health and Wellness Center, Metropolitan Health Plan, Hennepin County Medical Center and the county Human Services and Public Health Department, and other local healthcare providers by integrating medical, behavioral health, and human services in a patient-centered model of care. The program is limited to Hennepin County residents who are eligible for medical assistance. The program seeks to improve health outcomes and lower the total cost of providing care and services to this population. Hennepin Health began providing services on January 1, 2012 and is being accounted for as an enterprise fund of the county.

2012 BUDGET PROCESS CALENDAR

Current Fiscal Year	2012 Operating Budget	2012 - 2016 Capital Improvement Program	Related Activities
January			2011 Fiscal Year begins
February		2012 - 2016 Capital Budget Instructions Distributed	
March		Departmental Preliminary Capital Project Requests submitted to Property Services	Recap of FY 2010 Financials Completed & Distributed
April	2012 Operating Budget Instructions & Targets Distributed		
May	Departments develop 2012 Budget Requests consistent with Property Tax Targets and other Budget Guidelines	Capital project descriptions & cost estimates returned to departments; Departments finalized capital project requests; and Departments meet with County Administration regarding CIP as required	
June			
July	2012 Department Budget Requests due County Administration & Budget Office review and discuss budget requests with departments	Capital Budgeting Task Force (CBTF) meets with departments to review 2012 - 2016 capital improvement program requests	2nd Quarter 2011 Financials/Year-end Projections Completed & Distributed
August			
September	County Board Briefing on 2012 budget & tax levy; County Board adopts maximum proposed property tax levy for 2012; and County Administrator presents Proposed 2012 Budget	CBTF finalizes its recommended 2012 - 2016 CIP; County Administrator finalizes the proposed 2012 Capital Budget	
October	Beginning in October, the County Board holds a series of public hearings to review and discuss proposed 2012 operating and capital budgets, and proposed fee schedule revisions		3rd Quarter 2011 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 2012 operating and capital budgets; and holds a public meeting for budget and levy discussion.		
December	County Board approves a final 2012 property tax levy and adopts a 2012 Operating and Capital Budget; and Budget Office finalizes property tax levy certifications and reporting to State agencies.		2011 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-1 of this document.
- The five-year Capital Improvement Program (CIP), which includes the 2012 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, **2012 Capital Budget and 2012-2016 Capital Improvement Program**. An itemized list of the authorized 2012 capital projects and their authorized appropriations are contained in Section VIII of this document.
- The county's APEX system, which incorporates financial, human resources and procurement data into a single integrated system, was launched on

January 1, 2011. The system allows county employees to track processes, query data and run reports on an on-going basis. During 2011, a budget module was incorporated in the APEX system for the development of the 2012 county budget. This module incorporates both the annual operating budget and the five year Capital Improvement Program and is used throughout the planning process to create draft budgets culminating in County Board consideration and adoption of the final budget.

- The Office of Budget and Finance prepares interim financial reports at the fund and departmental level to increase participation and accountability throughout county government. These reports provide the County Board and County Administrator critical financial information needed for sound fiscal management decision-making as the fiscal year progresses.

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 2012 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). Until new legislation effective 2012, for most types of property, TMV and EMV were essentially the same. Differences between the two were the result of specific market value exclusions adopted by the state legislature, such as the exclusion for qualifying disabled veterans. The 2011 Legislature repealed the Homestead Residential Market Value Credit and enacted the Homestead Market Value Exclusion beginning for taxes payable in 2012. Rather than receiving a credit on the property tax statement, the new legislation reduces the taxable market value on which a residential property will be taxed. This new law reduced Hennepin County's tax base by approximately \$5 billion. The result to the taxpayer's property tax bill varied widely by property type and neighborhood. Generally, this new legislation decreased the tax burden on lower valued homes and increased the tax burden on higher priced homes, commercial/industrial properties and apartment properties.

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 2011, for taxes payable in 2012, the county's total EMV was \$128.1 billion, a decline of \$4.3 billion, or 3.3 percent, from taxes payable in 2011. In Minneapolis, property values decreased by \$1.4 billion, or 3.9 percent. Suburban property values fell by \$3.0 billion, or 3.0 percent.

For the third year in a row, both the City of Minneapolis and suburban Hennepin saw a decline in value for residential and commercial/industrial properties which represent 92.0 percent of all property in the county. In Minneapolis, residential and commercial/industrial property values fell by 3.8 percent and 5.5 percent, respectively. In the suburbs, residential property values declined by 3.6 percent and commercial/industrial property values decreased by 2.5 percent.

Suburban properties account for 73.8 percent of Hennepin County's estimated market value with the remaining 26.2 percent in the City of Minneapolis. Residential property accounts for the majority of the property value in both Minneapolis (67.4 percent) and suburban Hennepin County (73.8 percent).

Comprising 6.3 percent of total EMV, apartment properties are more prevalent in Minneapolis compared to the suburbs where they are 9.7 percent of total EMV. There is also a larger percentage of commercial and industrial property value in Minneapolis (21.7 percent of EMV) than in the suburban areas (19.3 percent of EMV)

**Final Pay 2012 Estimated Market Value
Hennepin County
Includes Personal Property
(in millions)**

Suburban

<u>Property Type</u>	<u>Pay 2011 Suburbs</u>	<u>% Total</u>	<u>Pay 2012 Suburbs</u>	<u>% Total</u>	<u>Percent Change 2011-2012</u>
Apartment	\$4,801.1	4.9%	\$4,866.4	5.1%	1.4%
Residential	72,285.2	74.2%	69,713.7	73.8%	(3.6%)
Farm	685.2	0.7%	665.8	0.7%	(2.8%)
Comm./Ind.	18,746.5	19.2%	18,278.3	19.3%	(2.5%)
Other	35.7	0.1%	35.6	0.1%	(0.3%)
Personal Prop.	<u>916.0</u>	<u>0.9%</u>	<u>949.4</u>	<u>1.0%</u>	<u>3.6%</u>
Total	\$97,469.7	100.0%	\$94,509.2	100.0%	(3.0%)

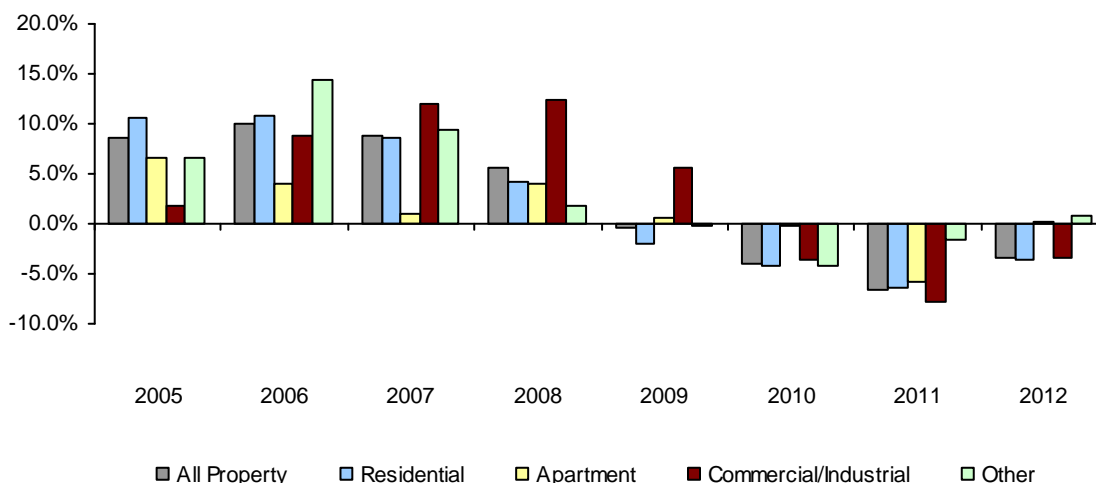
Minneapolis

<u>Property Type</u>	<u>Pay 2011 Minneapolis</u>	<u>% Total</u>	<u>Pay 2012 Minneapolis</u>	<u>% Total</u>	<u>Percent Change 2011-2012</u>
Apartment	\$3,308.1	9.5%	\$3,266.1	9.7%	(1.3%)
Residential	23,534.4	67.3%	22,638.8	67.4%	(3.8%)
Farm	1.5	0.0%	1.5	0.0%	(1.3%)
Comm./Ind.	7,708.6	22.0%	7,288.1	21.7%	(5.5%)
Other	23.6	0.1%	20.7	0.1%	(12.5%)
Personal Prop.	<u>379.5</u>	<u>1.1%</u>	<u>384.1</u>	<u>1.1%</u>	<u>1.2%</u>
Total	\$34,955.7	100.00%	\$33,599.3	100.0%	(3.9%)

Countywide

<u>Property Type</u>	<u>Pay 2011 County</u>	<u>% Total</u>	<u>Pay 2012 County</u>	<u>% Total</u>	<u>Percent Change 2011-2012</u>
Apartment	\$8,109.2	6.1%	\$8,132.6	6.3%	0.3%
Residential	95,819.6	72.4%	92,352.6	72.2%	(3.6%)
Farm	686.7	0.5%	667.3	0.5%	(2.8%)
Comm./Ind.	26,455.1	20.0%	25,566.3	20.0%	(3.4%)
Other	59.3	0.0%	56.3	0.0%	(5.1%)
Personal Prop.	<u>1,295.5</u>	<u>1.0%</u>	<u>1,333.4</u>	<u>1.0%</u>	<u>2.9%</u>
Total	\$132,425.4	100.00%	\$128,108.5	100.0%	(3.3%)

Change in Estimated Market Value



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 72.2 percent of the EMV, but after the conversion to (unadjusted) tax capacity, residential properties comprise 58.6 percent of total tax capacity. Similarly, commercial/industrial property represents 20.0 percent of the countywide EMV, but the tax capacity of those commercial/industrial properties accounts for 32.9 percent of the county's total tax base. The recently enacted legislation establishing the Homestead Market Value Exclusion has magnified the shift to commercial/industrial, as well as other property types previously discussed.

There are two other 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 2012, approximately \$25.8 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 2012, approximately \$40.6 million in taxes were 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	72.1%	58.6%	64.2%
Commercial/ Industrial	20.0%	32.9%	26.5%
Apartment	6.3%	6.4%	7.0%
Other/Personal	1.6%	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 2012, the total adjusted tax capacity of taxable property in Hennepin County is estimated to be \$1.4 billion, a 5.2 percent decrease from taxes payable in 2011.

Residential property tax bills are impacted by 2011 legislation that repealed the Homestead Market Value Credit (MVHC) and replaced it with the Homestead Market Value Exclusion Program. The MVHC program was created by the state legislature in 2001 with the intent to shield owners of lower-valued homes from property tax shifts that benefited owners of commercial/industrial and apartment properties. The credit amounts paid to homeowners were based on the value of the residential property and were calculated after property tax levies were certified. The amount of the credit decreased as the value of a home increased, with homes valued over \$413,700 receiving no credit. The credit amount for an individual homeowner was subtracted from the total tax liability for their homesteaded property, with the state later reimbursing the taxing district for the uncollected property tax receipts. For 2012 and thereafter, the MVHC is replaced with the Homestead Market Value Exclusion.

The exclusion provides that a portion of each home's market value is excluded from its value for property tax calculations. The amount of value excluded is directly proportional to the MVHC the home received under the old law.

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 2012, local governments were required to adopt a maximum property tax levy by September 15, 2011 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 pm where the public was allowed to speak and the 2012 budget and levy were discussed. The final 2012 tax levy had to be adopted and certified to the County Auditor by December 28, 2011. Hennepin County met all of the statutory requirements for establishing the 2012 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 2012 is 96.5% and therefore, an additional 3.5% is applied to the property tax requirement of county funds (except in the case of debt service funds where the collection factor is regulated by law) to produce the amount of property tax to be levied.



Hennepin County, Minnesota
01-30-2012

**Hennepin County Board/
 Welfare Board**

County Administrator
 Richard P. Johnson

Deputy County Administrator
 David J. Hough

Assistant County Administrator
Human Services and Public Health
 Daniel E. Engstrom

Assistant County Administrator
Public Works
 Debra R. Brisk

Medical Center Systems
 Dr. Arthur Gonzalez

Metropolitan Health Plan
 Karen Sturm

NorthPoint Health and Wellness Center
 Stella Whitney-West

Budget and Finance
 David Lawless

Emergency Management
 Eric Waage

Human Resources
 Rafael Viscasillas

Intergovernmental Relations
 Mary Beth Davidson

Internal Audit
 Karen Marquardt

Labor Relations
 William Peters

Library
 Lois Thompson

Public Affairs
 Carolyn Marinar

Research, Planning and Development
 Sherrie Simpson

Criminal Justice Coordinating Committee

Human Resources Board

Audit Committee

Library Board

County Assessor
 James Atchison

Examiner of Titles
 Kimball Foster

Information Technology
 Judy Regenscheid

Medical Examiner
 Dr. Andrew Baker

Property Services
 Judith Hollander

Purchasing and Contract Services Div.
 Christopher Gran

Taxpayer Services
 Mark Chapin

Human Services and Public Health Areas
 Jennifer DeCubellis
 Curt Haats
 Rex Holzemer
 Deborah Huskins
 Todd Monson
 Donald Sabre
 Milton Schoen

Environmental Services
 Carl Michaud

Housing, Community Works and Transit
 Philip Eckhart

Public Works Management Support
 Maurice Gieske

Transportation
 James Grube

Joint Committee Community Corrections

Community Corrections and Rehabilitation
 Thomas Merkel

District Court Administration
 Mark Thompson

Office of the County Attorney
 Michael O. Freeman

Office of the Public Defender
 William Ward

Office of the Sheriff
 Richard Stanek

Law Library
 Edward Carroll

Judges

State Board of Public Defense

Trustees of the Law Library



Hennepin County

2012 BUDGET

Adopted

Mission:

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

Description and Goals:

Vision:

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

Overarching Goals:

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

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

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

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

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

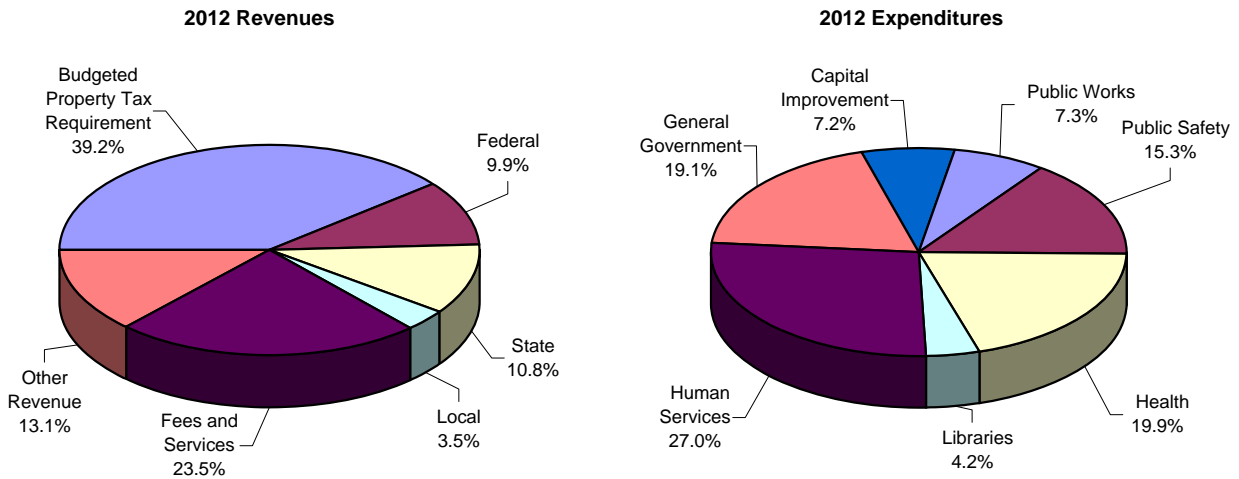
Revenue and Expenditure Information:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$657,208,172	\$648,115,974	\$647,061,110
Federal	163,236,834	167,079,857	162,923,919
State	198,183,832	171,624,585	177,740,098
Local	37,476,666	50,390,393	58,364,275
Fees and Services	287,206,452	298,797,986	387,599,616
Other Revenue	365,822,726	273,498,479	215,839,221
Total Revenues	\$1,709,134,683	\$1,609,507,274	\$1,649,528,239
Public Works	\$120,961,484	\$128,288,857	\$119,650,635
Public Safety	251,569,907	254,094,967	252,672,656
Health	247,112,530	230,350,692	328,455,633
Libraries	70,618,795	69,190,562	69,900,068
Human Services	454,975,440	450,853,160	445,428,302
General Government	409,806,879	296,512,427	314,592,695
Capital Improvements	131,177,963	180,216,609	118,828,250
Total Expenditures	\$1,686,222,998	\$1,609,507,274	\$1,649,528,239

*Reflects adjusted property tax, not actual property tax collections.

Hennepin County

**2012 BUDGET
Adopted**

Revenue and Expenditure Comparison:



Revenue Highlights:

The 2012 revenue budget for Hennepin County is \$1.65 billion, an increase of 2.5 percent or \$40.0 million over the 2011 adjusted budget. The approved capital budget totals \$118.8 million, which is 34.1 percent or \$61.4 million less than the adjusted 2011 capital budget. When capital is excluded, the operating portion reflects an increase of \$101.4 million or 7.1 percent over the 2011 adjusted budget. The operating and capital expenditures will be offset by \$1.0 billion in non-property tax revenues and \$647.1 million in property taxes. The county will operate with 7,329.6 authorized full-time equivalents (FTEs) which is a decrease of 133.2 FTEs over the 2011 adjusted budget.

The Revenue and Expenditure Section reflects an overview of the 2012 budget by revenue category and major program area. The majority of Hennepin County's 2012 budgeted expenditures stem from the Human Services, General Government (including debt) and Health programs. In 2012, these programs account for 66.0 percent of the appropriated expenditures and 56.7 percent of the FTEs.

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

Property Tax Revenues

Property tax revenue makes up \$647.1 million or 39.2 percent of the 2012 budgeted revenue. Property Taxes for 2012 decreased by approximately \$1.0 million or 0.16 percent. New 2011 legislation eliminated the Market Value Homestead Credit paid to municipalities by the State beginning in 2012. More information on property tax computation can be found on page 13.

Federal Revenues

The 2012 expected federal revenue is \$162.9 million, or 9.9 percent of all county revenues and represents a decrease of 2.5 percent (\$4.2 million) from the 2011 adjusted budget. The majority of the decrease falls in the Public Works line of business under Housing, Community Works & Transit (HCWT). The two areas that have been effected by federal cutbacks are the Workforce Investment Programming and housing for a total of \$4.4 million.

Of the \$162.9 million in anticipated federal revenue, \$128.5 million or 78.9 percent stems from the Human Services Fund and \$23.3 million or 14.3 percent from the General Fund. The revenue from Human Services consists of reimbursements from the administrative costs of health, child support, medical assistance, food stamps, human services, economic assistance, and training and employment. The revenue in the General Fund supports programs like Housing Urban Development (HUD), and Workforce Improvement Program (WIP) in the Public Works business line; and reimbursement for administrative costs related to child support collection, child protection, welfare fraud, State Criminal Alien Assistance Program (SCAAP), Driving While Intoxicated (DWI) countermeasure programs, DNA Backlog, and the breakfast and lunch programs at the Juvenile Detention Center (JDC) and County Home School (CHS) within the Public Safety programs.

The 2012 capital improvements program includes \$7.8 million in federal highway aid for road improvements.

Revenue Highlights Continued:

State Revenues

The revenues from the State of Minnesota are budgeted at \$177.7 million, or 10.8 percent of all county revenues, which excludes health maintenance organization fees from state sources. In general, state monies are used to fund activities and services for the following: human service programs, financial assistance along with training and employment programs (\$57.0 million); highway construction and maintenance projects (\$36.8 million); correctional subsidy to assist in the correctional services and programs (\$18.4 million); partial expense reimbursement in the Public Defender's Office (\$8.4 million), and a pension subsidy for peace officers (\$2.2 million). Typically, state funding is based on criteria such as caseloads, statewide funding formulas, approved plans, and particular service requirements.

The State of Minnesota provides property tax relief to Minnesota counties and taxpayers through local aid programs. County Program Aid (CPA) is a general purpose aid, which consists of County Need Aid and County Tax Base Equalization Aid. The aid is distributed as general property tax relief that is allocated based upon percent of the total budgeted property tax to the following funds: County Revenue, Human Services, and Library. CPA for 2012 is budgeted at \$18.3 million. During the 2011 legislative session, the 2012 Market Value Homestead Credit (MVHC) has been eliminated.

Local Revenue

The 2012 local revenue budget has increased by \$8.0 million over the 2011 adjusted budget of \$50.4 million. The increase is attributable to the principal and interest reimbursement due in 2012 on county bonds issued on behalf of the Counties Transit Improvement Board.

Fees and Services Revenues

User fees are established charges borne by those individuals that utilize specific government services and activities. This source of revenue provides an equitable, proportional method to fund governmental services without charging the general population. Minnesota Statutes 383B.118 authorizes counties to establish a fee or charge for a service, after holding a public hearing, based upon the costs of providing such services. The new and revised fee schedules were authorized by the County Board and incorporated into the 2012 budget resolution approved on December 13, 2011.

Total revenues generated from fees charged for services are estimated at \$387.6 million for 2012 which represents 23.5 percent of the total county revenue budget. Hennepin County provides a wide range of services for which fees are charged. The most significant portion of this revenue (\$256.1 million, or 66.1 percent of all fees and services) is generated by reimbursement/payment from third party payers and state and federal reimbursement for patient fees and services provided by Hennepin Health, NorthPoint Health and Wellness Center, and Metropolitan Health Plan.

In 2012, the Health major program includes a new enterprise fund, Hennepin Health, which is an integrated health delivery network demonstration project providing services to Hennepin County residents under a contract with the Minnesota Department of Human Services (DHS). NorthPoint Health and Wellness Center, Metropolitan Health Plan (MHP), Hennepin County Medical Center, the county Human Services and Public Health Department, and other local healthcare providers are integrating medical, behavioral health, and human services in a patient-centered model of care. Because of the addition of Hennepin Health, fees and services revenue budgeted in the Health major program is significantly higher than in 2011. The total 2012 fees and services revenue in the Health programs are budgeted to be 52.9 percent or \$88.6 million more than the 2011 adjusted budget. The new Hennepin Health revenues are offset to some extent by a reduction in the MHP fees and services revenue due to a state-wide restructuring of medical assistance managed care programs by DHS.

The Human Services program anticipates an estimated \$47.5 million in fees for services provided in 2012. 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.

Hennepin County

2012 BUDGET

Adopted

Revenue Highlights Continued:

Another major source of fee revenue is the Environmental Management program which collects fees for services associated with management of solid waste. In 2012, \$49.4 million has been budgeted as revenue from tipping fees, ordinances, and solid waste fees.

The Public Safety program, including the Sheriff's Radio Communication Fund, has budgeted \$19.6 million in 2012 fee revenue. Each department or office provides services in which fees are charged and/or fines assessed. The majority of the revenue stems from charges to other jurisdictions or clients for processing, boarding or monitoring pre- and post-adjudications of clients, civil fees, court fees, program participation fees and leasing radio space and equipment.

The General Government program has budgeted fee revenue of \$14.1 million for 2012. The majority of this revenue is generated by the county's Taxpayer Services Department at \$11.7 million and includes charges for passports, service center fees, and public records for the recording of abstract and torrens properties.

Other Revenues

A wide variety of other revenues totaling \$215.8 million make up 13.1 percent of total revenue in 2012. Other revenue includes miscellaneous taxes, intergovernmental (i.e. participation of municipalities in county road and bridge projects), interest income, bond proceeds, building rental, fines, driver's licenses, vital records (e.g. birth and death certificates).

One of the largest sources of other revenue for 2012 are the proceeds generated through the sale of general obligation (GO) bonds to finance authorized road and bridge projects and facility projects within the 2012 capital budget. When compared to 2011 adjusted budget, the bonded indebtedness has decreased by \$16.2 million to \$42.6 million in 2012. Much of the difference stems from reduced bonding requirements for Transportation and General Government projects. Details concerning the county's debt retirement and debt management can be found in the Debt Retirement section of the General Government program.

Expected revenue from the Ballpark Sales Tax has been budgeted at \$28.9 million for 2012. These dollars will be utilized to pay debt service for the Ballpark bonds and other uses as allowed by legislation.

Hennepin County's investment income has been affected by the economic recession. The projected forecast for the economy reflects the reality that interest rates have decreased, lowering investment earnings for 2012. In this budget, investment income is projected at \$8.9 million which is a 25.7 percent decrease from the 2011 adjusted budget of \$12.0 million.

Budgeting of prior year revenue reflects the county's fiscal management practice of maximizing all sources of revenues while simultaneously monitoring revenues and expenditures within the current year to ensure that, while fund balance is utilized to develop the budget, it is seldom used. In the 2012 budget, the use of fund balance has been set \$22.8 million.

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

Budgeted Positions:	2010 Budget	2011 Budget	2012 Budget
Public Works	423.5	419.5	411.5
Public Safety	2,243.7	2,215.5	2,147.8
Health	341.5	339.5	316.9
Libraries	657.0	622.0	611.0
Human Services	2,763.8	2,751.2	2,723.0
General Government	1,078.1	1,115.1	1,119.4
Capital Improvements	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	7,507.6	7,462.8	7,329.6

2012 BUDGET

COMPUTATION OF LEVIES BY FUND

	TOTAL BUDGET	INCOME FROM OTHER SOURCES	PROPERTY TAX REQUIREMENT	COLLECTION RATE	GROSS PROPERTY TAX LEVY
County Revenue	\$568,855,534	\$245,614,632	\$323,240,902	96.5%	\$334,964,666
Human Services	445,428,302	243,419,550	202,008,752	96.5%	209,335,494
Metropolitan Health Plan	116,999,789	116,999,789	0	0.0%	0
Hennepin Health	120,480,000	0	0	0.0%	0
Solid Waste Enterprise Fund	54,481,954	54,481,954	0	0.0%	0
Library	69,900,068	13,563,923	56,336,145	96.5%	58,379,425
Glen Lake Golf Course	1,126,785	1,126,785	0	0.0%	0
Sheriff's Radio Communications	<u>2,523,117</u>	<u>2,523,117</u>	0	0.0%	0
Total Operating	<u>\$1,379,795,549</u>	<u>\$677,729,750</u>	<u>\$581,585,799</u>		<u>\$602,679,585</u>
Debt Retirement - Countywide	113,483,907	41,649,833	71,834,074	100.0%	71,834,074
Debt Retirement - Suburban	5,823,347	0	5,823,347	100.0%	5,823,347
Ballpark Sales Tax Revenue	31,597,186	31,597,186	0	0.0%	0
Capital Improvements	<u>118,828,250</u>	<u>112,677,250</u>	<u>6,151,000</u>	96.5%	<u>6,374,093</u>
Total Non-Operating	<u>\$269,732,690</u>	<u>\$185,924,269</u>	<u>\$83,808,421</u>		<u>\$84,031,514</u>
GRAND TOTAL	<u>\$1,649,528,239</u>	<u>\$863,654,019</u>	<u>\$665,394,220</u>		<u>\$686,711,099</u>
Less County Program Aid			<u>(\$18,333,110)</u>		<u>(\$18,333,110)</u>
County Property Tax Levy			<u>\$647,061,110</u>		<u>\$668,377,989</u>

2012 BUDGET

TAX CAPACITY TAX CAPACITY RATES

	2010 Actual		2011 Budget		2012 Budget	
ESTIMATED MARKET VALUE						
Minneapolis	\$37,057,503,700		\$34,955,675,900		\$33,599,252,600	
Suburban	104,796,090,400		97,469,684,200		94,509,213,500	
TOTAL ESTIMATED MARKET VALUE	<u>\$141,853,594,100</u>		<u>\$132,425,360,100</u>		<u>\$128,108,466,100</u>	
NET TAX CAPACITY						
Minneapolis	\$439,141,541		\$394,847,964		\$371,544,574	
Suburban	<u>1,161,337,991</u>		<u>1,079,130,864</u>		<u>1,025,659,980</u>	
TOTAL NET TAX CAPACITY	<u>\$1,600,479,532</u>		<u>\$1,473,978,828</u>		<u>\$1,397,204,554</u>	
TAX CAPACITY RATE (OPERATING)	Taxes Payable 2010		Taxes Payable 2011		Taxes Payable 2012	
County Revenue	21.234%		22.425%		23.365%	
Human Services	13.807%		14.523%		14.602%	
Solid Waste Enterprise	0.000%		0.000%		0.000%	
Library	<u>3.407%</u>		<u>3.832%</u>		<u>4.072%</u>	
TOTAL OPERATING RATE	38.448%		40.780%		42.039%	
TAX CAPACITY RATE (NON-OPER.)	<i>Minneapolis</i>	<i>Suburbs</i>	<i>Minneapolis</i>	<i>Suburbs</i>	<i>Minneapolis</i>	<i>Suburbs</i>
Countywide Debt Retirement	3.500%	3.500%	4.392%	4.392%	5.185%	5.185%
Suburban Debt Retirement	0.000%	0.584%	0.000%	0.655%	0.000%	0.560%
Capital Improvements	<u>0.108%</u>	<u>0.108%</u>	<u>0.114%</u>	<u>0.114%</u>	<u>0.460%</u>	<u>0.460%</u>
TOTAL NON-OPERATING RATE	3.608%	4.192%	4.506%	5.161%	5.645%	6.205%
TOTAL TAX CAPACITY RATE	42.056%	42.640%	45.286%	45.941%	47.684%	48.244%
<p>Tax capacity and tax capacity rates shown are prior to final determination of tax capacity and disparity reduction aid and assume partial payment of state County Program Aid (CPA). The rates also reflect initial contributions and distributions of the fiscal disparities program.</p>						

2012 BUDGET

2012 Expenditures and Revenues By Fund (Page 1 of 2)

I. Governmental Funds

	County Revenue	Human Services	Library	Capital Improvement	Debt Retirement	Ballpark Sales Tax Revenue	Governmental Subtotals
BUDGET EXPENDITURES							
Public Works	64,041,896						64,041,896
Public Safety	250,149,539						250,149,539
Health	90,975,844						90,975,844
Libraries			69,900,068				69,900,068
Human Services		445,428,302					445,428,302
General Government	163,688,255				119,307,254	31,597,186	314,592,695
Capital Improvements				118,828,250			118,828,250
TOTAL EXPENDITURES	\$568,855,534	\$445,428,302	\$69,900,068	\$118,828,250	\$119,307,254	\$31,597,186	\$1,353,916,594
BUDGET REVENUES							
Property Taxes							
Current Collections	\$323,240,902	\$202,008,752	\$56,336,145	\$6,151,000	\$77,657,421		\$665,394,220
Less Program Aid	(10,193,953)	(6,363,599)	(1,775,558)				(18,333,110)
Net Property Tax Total	313,046,949	195,645,153	54,560,587	6,151,000	77,657,421		647,061,110
Nonproperty Taxes	3,967,212					28,913,556	32,880,768
Total Taxes	317,014,161	195,645,153	54,560,587	6,151,000	77,657,421	28,913,556	679,941,878
Intergovernmental-Federal	23,283,182	128,522,379		7,840,000	2,278,358		161,923,919
Intergovernmental-State							
County Program Aid	10,193,953	6,363,599	1,775,558				18,333,110
Market Value Homestead Credit							
Highway Maintenance	17,340,732			19,470,000			36,810,732
Community Corrections	18,436,400						18,436,400
Community Health		2,038,000					2,038,000
Human Services		54,919,064					54,919,064
Public Defender	8,395,728						8,395,728
Health Intergovernmental Transfers	19,225,000						19,225,000
Other	10,562,464		1,006,600	4,700,000			16,269,064
Total State	84,154,277	63,320,663	2,782,158	24,170,000			174,427,098
Intergovernmental-Local							
Health Intergovernmental Transfers	20,000,000						20,000,000
Other Local	654,650	1,193,000	4,979,312	19,626,500	11,910,813		38,364,275
Total Intergovernmental	128,092,109	193,036,042	7,761,470	51,636,500	14,189,171	0	394,715,292
Fees & Services	50,447,876	47,528,107	30,000				98,005,983
Fines & Forfeitures	78,300		1,650,000				1,728,300
Other Revenue							
Interest on Investments	7,250,000		80,474				7,330,474
Licensing & Permits	5,154,915	1,278,000					6,432,915
Bond Proceeds				42,602,750			42,602,750
Indirect Cost Allocation	9,977,289						9,977,289
Miscellaneous	36,722,157	1,941,000	3,427,537	18,438,000	27,460,662		87,989,356
Total Other Revenue	59,104,361	3,219,000	3,508,011	61,040,750	27,460,662	0	154,332,784
Total Current Revenue	554,736,807	439,428,302	67,510,068	118,828,250	119,307,254	28,913,556	1,328,724,237
Fund Balance / Assets Decrease (Increase)	14,118,727	6,000,000	2,390,000			2,683,630	25,192,357
Total Revenue	\$568,855,534	\$445,428,302	\$69,900,068	\$118,828,250	\$119,307,254	\$31,597,186	\$1,353,916,594

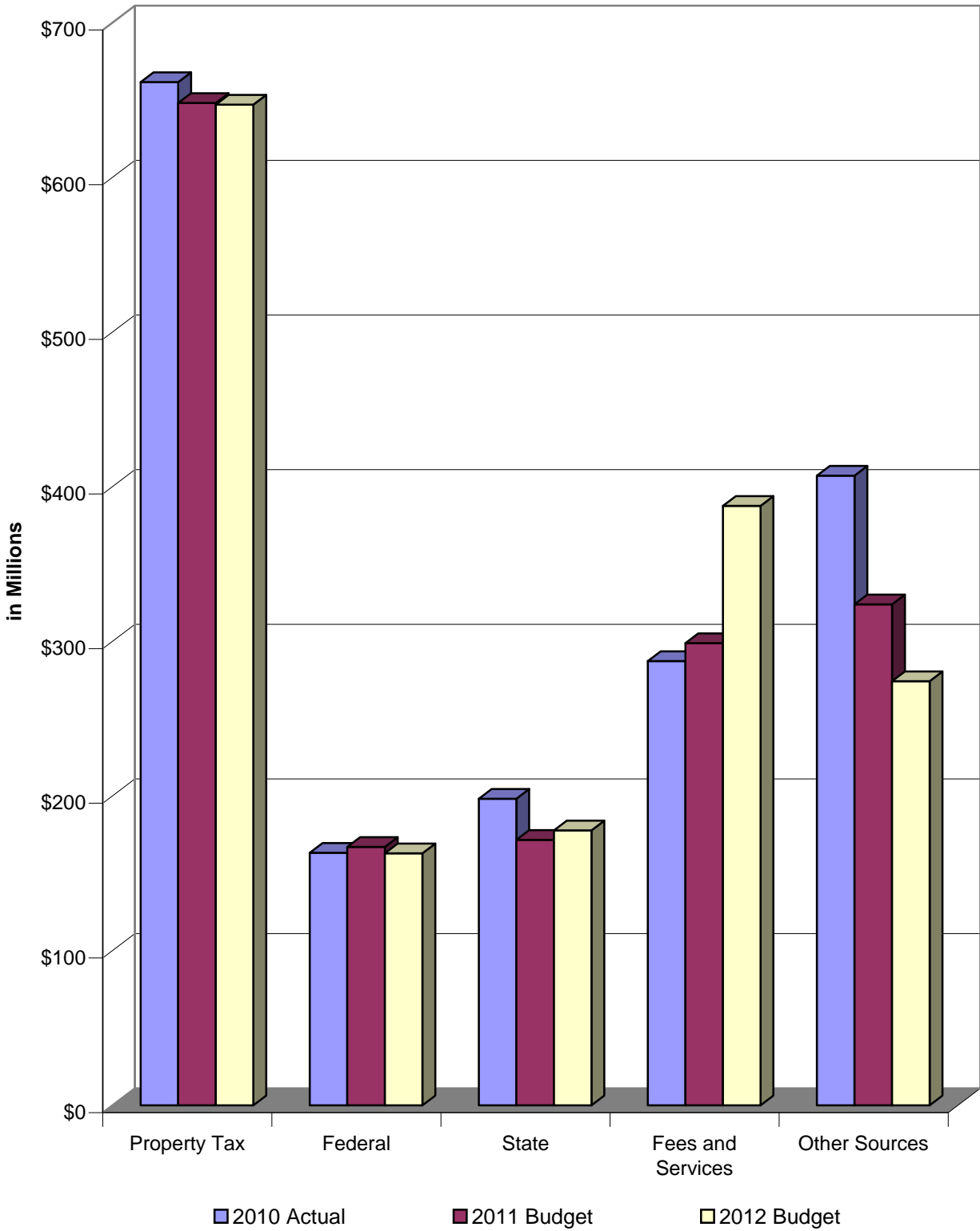
2012 BUDGET

2012 Expenditures and Revenues By Fund (Page 2 of 2)

II. Enterprise Funds

	Metropolitan Health Plan	Hennepin Health	Solid Waste Enterprise	Glen Lake Golf Course	Sheriff's Radio Communications	Governmental & Enterprise Totals
BUDGET EXPENDITURES						
Public Works			54,481,954	1,126,785		\$119,650,635
Public Safety					2,523,117	252,672,656
Health	116,999,789	120,480,000				328,455,633
Libraries						69,900,068
Human Services						445,428,302
General Government						314,592,695
Capital Improvements						118,828,250
TOTAL EXPENDITURES	\$116,999,789	\$120,480,000	\$54,481,954	\$1,126,785	\$2,523,117	\$1,649,528,239
BUDGET REVENUES						
Property Taxes						
Current Collections						\$665,394,220
Less Program Aid						(18,333,110)
Net Property Tax Total						647,061,110
Nonproperty Taxes			200,000			33,080,768
Total Taxes	0	0	200,000	0	0	680,141,878
Intergovernmental-Federal			1,000,000			162,923,919
Intergovernmental-State						
County Program Aid						18,333,110
Market Value Homestead Credit						0
Highway Maintenance						36,810,732
Community Corrections						18,436,400
Community Health						2,038,000
Human Services						54,919,064
Public Defender						8,395,728
Health Intergovernmental Transfers						19,225,000
Other			3,313,000			19,582,064
Total State			3,313,000			177,740,098
Intergovernmental-Local						
Health Intergovernmental Transfers						20,000,000
Other Local						38,364,275
Total Intergovernmental	0	0	4,313,000	0	0	399,028,292
Fees & Services	117,154,851	120,480,000	49,435,665		2,523,117	387,599,616
Fines & Forfeitures			25,000			1,753,300
Other Revenue						
Interest on Investments	100,500	187,200	1,280,000			8,898,174
Licensing & Permits			853,000			7,285,915
Bond Proceeds						42,602,750
Indirect Cost Allocation						9,977,289
Miscellaneous			303,832	1,126,785		89,419,973
Total Other Revenue	100,500	187,200	2,436,832	1,126,785	0	158,184,101
Total Current Revenue	117,255,351	120,667,200	56,410,497	1,126,785	2,523,117	1,626,707,187
Fund Balance / Assets Decrease (Increase)	(255,562)	(187,200)	(1,928,543)			22,821,052
Total Revenue	\$116,999,789	\$120,480,000	\$54,481,954	\$1,126,785	\$2,523,117	\$1,649,528,239

SOURCES OF REVENUE 2010 - 2012

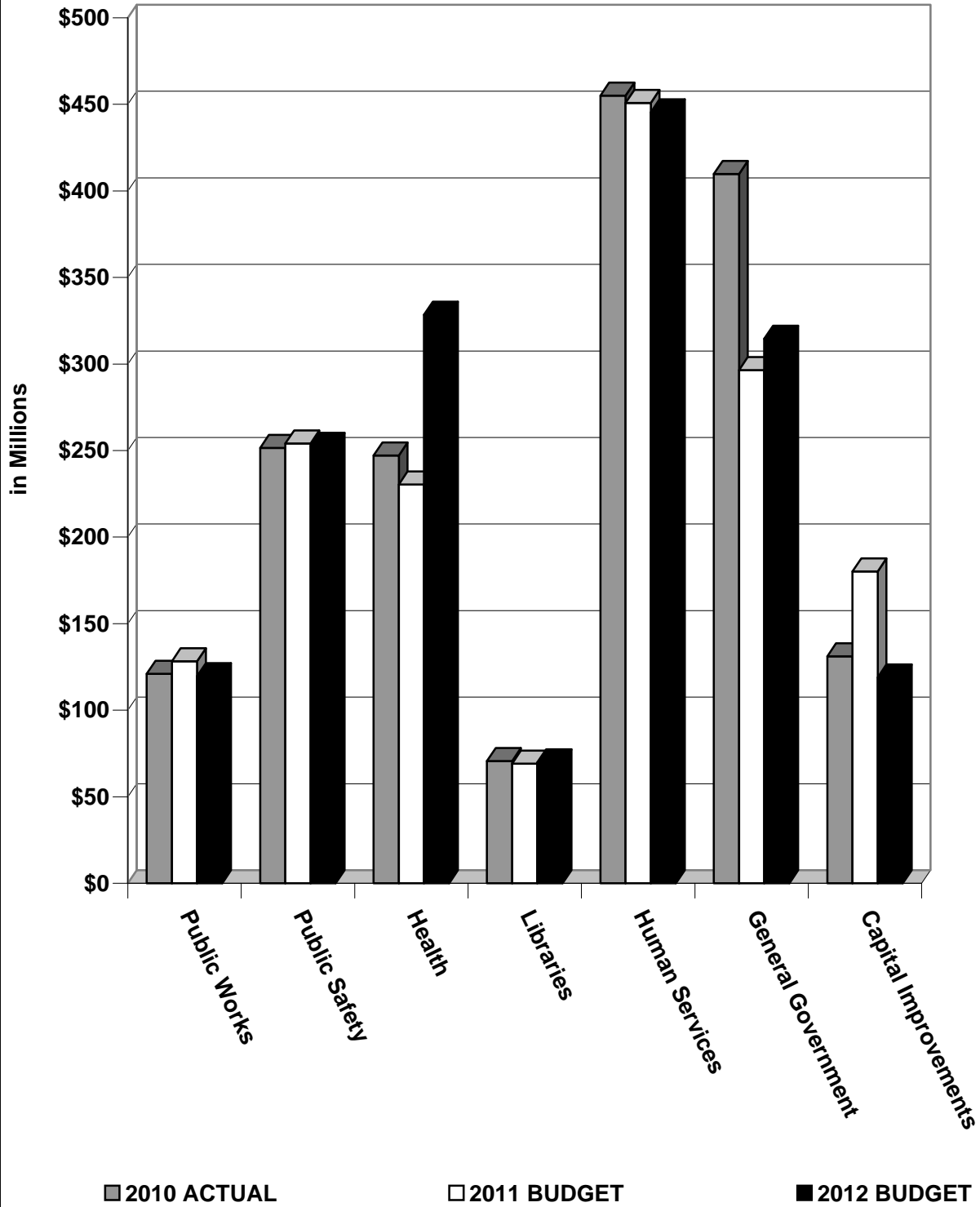


2012 BUDGET

SOURCES OF REVENUE

	2010 Actual	2011 Budget	2012 Budget
Current Property Tax	\$661,596,144	\$648,115,974	\$647,061,110
Taxes - Other	32,950,026	17,826,680	33,080,768
Federal	163,236,834	167,079,857	162,923,919
State	198,183,832	171,624,585	177,740,098
Local	37,476,666	50,390,393	58,364,275
Fees and Services	287,206,452	298,797,986	387,599,616
Fines and Forfeitures	2,000,866	1,850,897	1,753,300
Interest on Investments	7,872,781	11,976,019	8,898,174
Licensing and Permits	6,745,487	7,256,199	7,285,915
Bond Proceeds	246,883,020	58,768,000	42,602,750
Other Revenue	73,177,514	142,822,869	99,397,262
Subtotal - Current Revenue	<u>1,717,329,622</u>	<u>1,576,509,459</u>	<u>1,626,707,187</u>
Use of Fund Balance	<u>0</u>	<u>32,997,815</u>	<u>22,821,052</u>
TOTAL REVENUES	<u>\$1,717,329,622</u>	<u>\$1,609,507,274</u>	<u>\$1,649,528,239</u>

EXPENDITURES BY MAJOR PROGRAM 2010-2012



2012 BUDGET

EXPENDITURES AND FTE SUMMARY

MAJOR PROGRAM	2010 ACTUAL		2011 BUDGET		2012 BUDGET	
	ACTUAL	FTE	BUDGET	FTE	BUDGET	FTE
Public Works	\$120,961,484	423.5	\$128,288,857	419.5	\$119,650,635	411.5
Public Safety	251,569,907	2,243.7	254,094,967	2,215.5	252,672,656	2,147.8
Health	247,112,530	341.5	230,350,692	339.5	328,455,633	316.9
Libraries	70,618,795	657.0	69,190,562	622.0	69,900,068	611.0
Human Services	454,975,440	2,763.8	450,853,160	2,751.2	445,428,302	2,723.0
General Government	409,806,879	1,078.1	296,512,427	1,115.1	314,592,695	1,119.4
Capital Improvements	<u>131,177,963</u>	<u>0.0</u>	<u>180,216,609</u>	<u>0.0</u>	<u>118,828,250</u>	<u>0.0</u>
Total	<u>\$1,686,222,998</u>	<u>7,507.6</u>	<u>\$1,609,507,274</u>	<u>7,462.8</u>	<u>\$1,649,528,239</u>	<u>7,329.6</u>

PERSONNEL COMPARISON BY DEPARTMENT
 FULL-TIME EQUIVALENTS (FTEs)

PROGRAM / DEPARTMENT	2010 YEAR END	2011 BUDGET	2012 BUDGET	Chg 2011-2012
PUBLIC WORKS				
Public Works Administration.....	24.5	20.5	11.5	(9.0)
Housing, Community Works & Transit.....	62.0	62.0	63.0	1.0
Public Works Management Support *.....	60.0	60.0	60.0	0.0
Transportation.....	213.0	213.0	213.0	0.0
Environmental Services *.....	64.0	64.0	64.0	0.0
Glen Lake Golf Course.....	0.0	0.0	0.0	0.0
TOTAL	<u>423.5</u>	<u>419.5</u>	<u>411.5</u>	<u>(8.0)</u>
PUBLIC SAFETY				
County Attorney's Office.....	343.0	344.0	344.0	0.0
County Court Functions	0.0	0.0	0.0	0.0
Law Library.....	7.8	7.8	6.7	(1.1)
Public Defender.....	97.8	94.8	89.1	(5.7)
County Sheriff.....	835.0	835.0	808.0	(27.0)
Dept of Community Corrections & Rehabilitation.	960.1	933.9	900.0	(33.9)
Sheriff's Radio Communications.....	0.0	0.0	0.0	0.0
TOTAL	<u>2,243.7</u>	<u>2,215.5</u>	<u>2,147.8</u>	<u>(67.7)</u>
HEALTH				
NorthPoint Health and Wellness.....	161.3	161.3	179.7	18.4
Metropolitan Health Plan.....	153.5	151.5	105.5	(46.0)
Medical Examiner.....	26.7	26.7	26.7	0.0
Hennepin Health.....	0.0	0.0	5.0	5.0
TOTAL	<u>341.5</u>	<u>339.5</u>	<u>316.9</u>	<u>(22.6)</u>
LIBRARIES				
TOTAL	<u>657.0</u>	<u>622.0</u>	<u>611.0</u>	<u>(11.0)</u>
HUMAN SERVICES				
TOTAL	<u>2,763.8</u>	<u>2,751.2</u>	<u>2,723.0</u>	<u>(28.2)</u>
GENERAL GOVERNMENT				
Commissioners.....	25.0	25.0	25.0	0.0
County Administration.....	15.2	17.4	17.4	0.0
County Assessor.....	39.5	39.5	39.0	(0.5)
Budget and Finance.....	91.5	92.3	92.3	0.0
Research, Planning and Development.....	19.0	19.0	19.0	0.0
Information Technology *.....	233.0	276.0	303.0	27.0
Property Services.....	227.5	226.5	219.5	(7.0)
Taxpayer Services.....	309.3	300.3	278.1	(22.2)
Human Resources.....	70.1	64.1	64.1	0.0
Public Affairs.....	17.5	17.5	17.5	0.0
Internal Audit.....	13.0	13.0	13.0	0.0
Examiner of Titles.....	8.0	8.0	8.0	0.0
Computer Forensics Unit.....	4.0	5.0	5.0	0.0
General County Purposes.....	0.0	0.0	7.0	7.0
Debt Retirement.....	0.0	0.0	0.0	0.0
Ballpark Sales Tax Revenue Programs.....	0.0	0.0	0.0	0.0
Employee Health Plan Self Insurance*.....	0.0	6.0	6.0	0.0
Self Insurance *.....	5.5	5.5	5.5	0.0
TOTAL	<u>1,078.1</u>	<u>1,115.1</u>	<u>1,119.4</u>	<u>4.3</u>
GRAND TOTAL	<u>7,507.6</u>	<u>7,462.8</u>	<u>7,329.6</u>	<u>(133.2)</u>

*Includes Internal Service Fund FTEs.

2012 BUDGET

COUNTY REVENUE FUND SUMMARY (Page 1 of 2)

Basis of Accounting: Modified Accrual	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$612,582,530</u>	<u>\$563,854,450</u>	<u>\$568,855,534</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	343,886,983	321,874,351	323,240,902
Less Program Aid	(10,281,230)	(5,548,385)	(10,193,953)
Total Property Taxes	<u>333,605,752</u>	<u>316,325,966</u>	<u>313,046,949</u>
<u>Market Value Homestead Credit</u>	<u>(1,898,532)</u>	<u>(8,641,576)</u>	<u>0</u>
<u>Nonproperty Taxes</u>			
Mortgage Registry/Deed Tax	1,358,160	1,075,000	1,278,000
Tax Increment Financing	2,498,772	5,400,000	2,652,271
Other	<u>516,685</u>	<u>50,369</u>	<u>36,941</u>
Total Nonproperty Taxes	<u>4,373,616</u>	<u>6,525,369</u>	<u>3,967,212</u>
Total Taxes	<u>336,080,836</u>	<u>314,209,759</u>	<u>317,014,161</u>
<u>Intergovernmental Revenue</u>			
Federal	27,268,442	30,298,026	23,283,182
State - County Program Aid	10,281,230	5,548,385	10,193,953
State - Market Value Homestead Credit	1,898,532	8,641,576	0
State - Highway Maintenance	12,936,167	14,813,582	17,340,732
State - Community Corrections	19,675,052	19,052,499	18,436,400
State - Public Defender	8,612,770	8,625,000	8,395,728
State - Intergovernmental Gov't Transfers	33,500,261	0	19,225,000
State - Other	<u>12,687,759</u>	<u>11,015,716</u>	<u>10,562,464</u>
Total State	<u>99,591,771</u>	<u>67,696,758</u>	<u>84,154,277</u>
Local - Intergovernmental Gov't Transfers	11,833,612	20,650,000	20,000,000
Other	<u>2,010,022</u>	<u>1,129,261</u>	654,650
Total Local	<u>13,843,634</u>	<u>21,779,261</u>	<u>20,654,650</u>
Total Intergovernmental Revenue	<u>140,703,847</u>	<u>119,774,045</u>	<u>128,092,109</u>
<u>Investment Income</u>	<u>6,997,422</u>	<u>10,000,000</u>	<u>7,250,000</u>

2012 BUDGET

COUNTY REVENUE FUND SUMMARY (Page 2 of 2)

	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>Fees and Services</u>			
Service Center Fees and Passports	2,577,323	3,259,680	2,057,300
North Point Patient Reimbursements	15,937,189	16,209,989	18,323,500
Assessor - Services Provided To Municipalities	1,623,671	1,673,250	1,685,625
Boarding of Prisoners	4,881,334	5,063,700	5,265,638
Correction Facility Fees	1,219,672	1,504,555	1,667,065
Law Library	958,687	1,030,000	1,010,000
Public Records Fees	7,326,184	7,375,000	6,808,500
Client Fees	1,822,457	2,654,000	2,645,500
Sheriff Fees	3,670,222	3,777,273	3,482,304
Other Fees and Service Charges	<u>8,329,792</u>	<u>7,364,719</u>	<u>7,502,444</u>
Total Fees and Services	<u>48,346,530</u>	<u>49,912,166</u>	<u>50,447,876</u>
Total Fines and Forfeitures	<u>315,786</u>	<u>78,800</u>	<u>78,300</u>
<u>Licenses and Permits</u>			
Drivers Licenses	1,238,841	1,321,889	943,000
Vital Certificates	1,184,771	1,300,525	1,111,000
Motor Vehicle Licenses	1,734,297	1,805,670	2,138,000
Other Licenses and Permits	<u>535,365</u>	<u>752,115</u>	<u>962,915</u>
Total Licenses and Permits	<u>4,693,274</u>	<u>5,180,199</u>	<u>5,154,915</u>
<u>Other Revenue</u>			
Commodity, Concession and Miscellaneous	1,149,118	1,234,028	1,063,366
Indirect Cost Allocation	12,070,544	9,857,524	9,977,289
Interfund	9,313,771	(1,368,214)	(180,576)
Building Rental	18,663,554	19,702,424	18,003,613
Miscellaneous	<u>15,200,903</u>	<u>17,849,468</u>	<u>17,835,754</u>
Total Other Revenue	<u>56,397,890</u>	<u>47,275,230</u>	<u>46,699,446</u>
<u>Total Current Revenue</u>	<u>593,535,584</u>	<u>546,430,199</u>	<u>554,736,807</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>17,424,251</u>	<u>14,118,727</u>
<u>TOTAL BUDGETED REVENUES</u>	<u>\$593,535,584</u>	<u>\$563,854,450</u>	<u>\$568,855,534</u>

2012 BUDGET

COUNTY REVENUE FUND EXPENDITURES AND FTE SUMMARY

MAJOR PROGRAM/DEPARTMENT	2010		2011		2012	
	ACTUAL	FTE	BUDGET	FTE	BUDGET	FTE
PUBLIC WORKS						
Public Works	<u>\$70,171,537</u>	<u>330.5</u>	<u>\$71,822,909</u>	<u>326.5</u>	<u>\$64,041,896</u>	<u>318.5</u>
PUBLIC SAFETY						
County Attorney's Office	40,865,261	343.0	42,250,540	344.0	42,074,440	344.0
County Court Functions	1,815,804	0.0	2,294,000	0.0	2,237,000	0.0
Law Library	1,578,773	7.8	1,689,595	7.8	1,644,295	6.7
Public Defender	16,156,544	97.8	15,868,047	94.8	15,368,225	89.1
Sheriff's Office	85,712,565	835.0	85,480,047	835.0	85,786,906	808.0
Community Corrections & Rehabilitation	<u>103,375,345</u>	<u>960.1</u>	<u>104,360,992</u>	<u>933.9</u>	<u>103,038,673</u>	<u>900.0</u>
Subtotal	249,504,292	2,243.7	251,943,221	2,215.5	250,149,539	2,147.8
HEALTH						
NorthPoint Health and Wellness	25,318,104	161.3	25,728,300	161.3	27,209,957	179.7
Medical Examiner	3,438,093	26.7	3,842,015	26.7	3,765,887	26.7
Uncompensated Care	32,805,702	0.0	30,000,000	0.0	20,000,000	0.0
HCMC Intergovernmental Transfers	<u>46,015,823</u>	<u>0.0</u>	<u>21,425,000</u>	<u>0.0</u>	<u>40,000,000</u>	<u>0.0</u>
Subtotal	107,577,722	188.0	80,995,315	188.0	90,975,844	206.4
GENERAL GOVERNMENT						
Commissioners	2,505,035	25.0	2,711,829	25.0	2,725,829	25.0
County Administration	2,688,872	15.2	2,843,822	17.4	2,881,491	17.4
County Assessor	3,740,146	39.5	3,964,507	39.5	3,996,682	39.0
Budget and Finance	20,794,954	91.5	16,112,551	92.3	13,250,630	92.3
Research, Planning and Development	2,887,863	19.0	3,017,669	19.0	2,684,121	19.0
Information Technology	13,316,042	38.8	8,984,752	47.8	8,407,340	42.3
Property Services	41,462,659	227.5	44,006,553	226.5	45,853,273	219.5
Taxpayer Services	27,384,091	309.3	27,081,971	300.3	29,448,171	278.1
Human Resources	6,731,413	70.1	6,885,782	64.1	7,104,783	64.1
Public Affairs	2,340,035	17.5	2,266,635	17.5	2,230,911	17.5
Internal Audit	1,732,354	13.0	2,075,856	13.0	2,026,229	13.0
Examiner of Titles	830,867	8.0	898,877	8.0	913,877	8.0
Computer Forensics Unit	584,634	4.0	690,685	5.0	779,798	5.0
General County Purposes	<u>58,330,013</u>	<u>0.0</u>	<u>37,551,516</u>	<u>0.0</u>	<u>41,385,120</u>	<u>7.0</u>
Subtotal	<u>185,328,978</u>	<u>878.4</u>	<u>159,093,005</u>	<u>875.4</u>	<u>163,688,255</u>	<u>847.2</u>
TOTAL	<u>\$612,582,530</u>	<u>3,640.6</u>	<u>\$563,854,450</u>	<u>3,605.4</u>	<u>\$568,855,534</u>	<u>3,519.9</u>

2012 BUDGET

HUMAN SERVICES FUND SUMMARY

Basis of Accounting: Modified Accrual	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$454,975,440</u>	<u>\$450,853,160</u>	<u>\$445,428,302</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	222,297,816	208,480,160	202,008,752
Less Program Aid	<u>(6,685,146)</u>	<u>(3,522,321)</u>	<u>(6,363,599)</u>
Total Property Taxes	<u>215,612,670</u>	<u>204,957,839</u>	<u>195,645,153</u>
<u>Less Market Value Homestead Credit</u>	<u>(1,242,354)</u>	<u>(5,202,720)</u>	<u>0</u>
<u>Nonproperty Taxes</u>			
Other Taxes	<u>126,343</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
Federal - Administrative Grants	23,787,771	19,569,000	22,949,000
Federal - Title XX - Human Services Grants	7,688,809	7,641,000	7,641,000
Federal - Title IVE - Foster Care	5,615,864	7,000,000	5,380,000
Federal - Grants for Training and Employment Programs	11,346,664	15,144,000	12,202,738
Federal - General	16,966,720	20,087,000	21,346,986
Federal - Title IVD - Child Support	19,674,378	17,772,000	17,753,775
Federal - Refugee Assistance	57,859	180,000	52,000
Federal - Medical Assistance Administration	12,565,279	10,700,000	13,113,449
Federal - Food Stamp Administration	16,112,954	13,600,000	14,440,000
Federal - TANF Administration	4,612,133	5,040,000	3,400,331
Federal - Community Health	9,716,281	8,092,000	8,118,100
Federal Incentive - Child Support	<u>1,104,972</u>	<u>2,125,000</u>	<u>2,125,000</u>
Total Federal	<u>129,249,685</u>	<u>126,950,000</u>	<u>128,522,379</u>

2012 BUDGET

HUMAN SERVICES FUND SUMMARY

(Page 2 of 3)

	2010 ACTUAL	2011 BUDGET	2012 BUDGET
State - Grants for Human Services	24,942,554	30,020,000	27,611,000
State - Program Aid	6,685,146	3,522,321	6,363,599
State - Market Value Homestead Credit	1,242,354	5,202,720	0
State - Children and Community Svcs Grant	11,416,242	10,604,000	12,665,064
State - Grants for Training and Employment Programs	5,610,005	5,370,000	7,301,000
State - Administrative	2,192,011	1,817,000	2,318,000
State - General Assistance	0	3,000	2,700,000
State - Community Health	2,039,683	2,212,000	2,038,000
State - Medical Assistance/Medicare	4,039,114	5,024,000	2,324,000
State - Minnesota Supplemental Aid	101	1,000	0
State - Emergency Assistance	<u>0</u>	<u>0</u>	<u>0</u>
Total State	<u>58,167,209</u>	<u>63,776,041</u>	<u>63,320,663</u>
Local Grants	<u>1,292,939</u>	<u>1,645,000</u>	<u>1,193,000</u>
<u>Interest Income</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Fees and Services</u>			
Patient Fees	4,825,064	4,398,000	4,684,000
Medicaid/GAMC/Targeted Case Management	29,597,374	29,006,000	29,446,000
Medicare	493,096	201,000	197,000
Other Services	<u>11,969,816</u>	<u>13,089,000</u>	<u>13,201,107</u>
Total Fees and Services	<u>46,885,350</u>	<u>46,694,000</u>	<u>47,528,107</u>

2012 BUDGET

HUMAN SERVICES FUND SUMMARY (Page 3 of 3)

	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>Health Licenses</u>	<u>1,206,860</u>	<u>1,263,000</u>	<u>1,278,000</u>
<u>Other Revenue</u>			
Miscellaneous - Other	1,473,661	3,270,000	1,941,000
Interfund Transfers	<u>(3,000,000)</u>	<u>0</u>	<u>0</u>
Total Other Revenue	<u>(1,526,339)</u>	<u>3,270,000</u>	<u>1,941,000</u>
Total Current Revenue	<u>449,772,362</u>	<u>443,353,160</u>	<u>439,428,302</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>7,500,000</u>	<u>6,000,000</u>
<u>TOTAL REVENUES</u>	<u>\$449,772,362</u>	<u>\$450,853,160</u>	<u>\$445,428,302</u>

2012 BUDGET

METROPOLITAN HEALTH PLAN FUND SUMMARY

Basis of Accounting: Accrual	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$139,534,807</u>	<u>\$149,355,377</u>	<u>\$116,999,789</u>
<u>SOURCE OF REVENUE</u>			
<u>Fees and Services</u>			
Medical Assistance	90,052,880	115,203,977	90,569,616
General Assistance (GAMC)	5,521,360	0	0
Minnesota Care	12,497,886	14,036,609	0
Medicare Revenue	33,503,233	21,678,504	14,537,235
Administrative Services Revenue	0	6,500	12,048,000
Miscellaneous Revenue	<u>0</u>	<u>95,000</u>	<u>0</u>
Total Fees and Services	<u>141,575,359</u>	<u>151,020,590</u>	<u>117,154,851</u>
<u>Other Revenue</u>			
Investment Income	207,192	<u>463,714</u>	<u>100,500</u>
<u>Capital Contributions</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>0</u>	<u>(2,128,927)</u>	<u>(255,562)</u>
<u>TOTAL REVENUES</u>	<u>\$141,782,551</u>	<u>\$149,355,377</u>	<u>\$116,999,789</u>

2012 BUDGET

HENNEPIN HEALTH FUND SUMMARY

Basis of Accounting: Accrual	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$0</u>	<u>\$0</u>	<u>\$120,480,000</u>
<u>SOURCE OF REVENUE</u>			
<u>Fees and Services</u>			
Medical Assistance	0	0	120,480,000
Miscellaneous Revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Fees and Services	<u>0</u>	<u>0</u>	<u>120,480,000</u>
<u>Other Revenue</u>			
Investment Income	0	<u>0</u>	<u>187,200</u>
<u>Capital Contributions</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>0</u>	<u>0</u>	<u>(187,200)</u>
<u>TOTAL REVENUES</u>	<u>\$0</u>	<u>\$0</u>	<u>\$120,480,000</u>

2012 BUDGET

SOLID WASTE ENTERPRISE FUND SUMMARY

Basis of Accounting: Accrual	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$49,869,035</u>	<u>\$55,325,396</u>	<u>\$54,481,954</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	4,505	0	0
Less Program Aid	0	0	0
Total Property Taxes	<u>4,505</u>	<u>0</u>	<u>0</u>
Less Market Value Homestead Credit	<u>(117)</u>	<u>0</u>	<u>0</u>
<u>Nonproperty Taxes</u>	<u>161,085</u>	<u>200,000</u>	<u>200,000</u>
<u>Intergovernmental Revenue</u>			
Federal Grants	104,598	0	1,000,000
State and Local Grants	3,817,274	3,588,841	3,313,000
State Program Aid	0	0	0
State - Market Value Homestead Credit	117	<u>0</u>	<u>0</u>
Local Government Grants	<u>144,626</u>		
Total Intergovernmental Revenue	<u>4,066,615</u>	<u>3,588,841</u>	<u>4,313,000</u>
<u>Investment Income*</u>	<u>391,079</u>	<u>1,370,000</u>	<u>1,280,000</u>
<u>Fees and Services</u>			
Solid Waste Tipping Fees	19,516,446	20,550,000	21,575,000
Solid Waste Mgmt Fees - Hauler Collected	12,500,321	12,600,000	12,600,000
Solid Waste Mgmt Fees - County Collected	0	0	0
Other Fees and Services	<u>15,985,699</u>	<u>15,839,484</u>	<u>15,260,665</u>
Total Fees and Services	<u>48,002,466</u>	<u>48,989,484</u>	<u>49,435,665</u>
<u>Licenses and Permits</u>			
Solid/Hazardous Waste Licenses	<u>845,354</u>	<u>813,000</u>	<u>853,000</u>
<u>Fines and Penalties</u>			
Solid Waste and Other Fines	<u>33,193</u>	<u>20,000</u>	<u>25,000</u>
<u>Other Revenue/Transfers</u>	<u>719,174</u>	<u>123,086</u>	<u>303,832</u>
<u>(Increase)/Decrease in Net Assets**</u>	<u>0</u>	<u>220,985</u>	<u>(1,928,543)</u>
<u>TOTAL REVENUES</u>	<u>\$54,223,354</u>	<u>\$55,325,396</u>	<u>\$54,481,954</u>

*For 2010, includes (\$549,482) in unrealized losses.

**Change in net assets is prior to adjustment for debt retirement payment for the Hennepin Energy Resource Corporation (HERC).

2012 BUDGET

LIBRARY FUND SUMMARY

Basis of Accounting: Modified Accrual	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$70,618,795</u>	<u>\$69,190,562</u>	<u>\$69,900,068</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	54,749,346	55,003,295	56,336,145
Less Program Aid	(1,649,344)	(929,294)	(1,775,558)
Total Property Taxes	<u>53,100,002</u>	<u>54,074,001</u>	<u>54,560,587</u>
<u>Less Market Value Homestead Credit</u>	<u>(306,323)</u>	<u>(1,373,145)</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
State - County Program Aid	1,649,344	929,294	1,775,558
Market Value Homestead Credit	306,323	1,373,145	0
Federal Grants	0	0	0
State Grants	924,567	933,844	1,006,600
Local Grants	<u>6,744,711</u>	<u>5,850,312</u>	<u>4,979,312</u>
Total Intergovernmental Revenue	<u>9,624,945</u>	<u>9,086,595</u>	<u>7,761,470</u>
<u>Investment Income</u>	<u>79,009</u>	<u>142,305</u>	<u>80,474</u>
<u>Fees and Services</u>			
Other Services	<u>28,951</u>	<u>30,000</u>	<u>30,000</u>
<u>Fines and Forfeitures</u>			
Book Fines	<u>1,651,887</u>	<u>1,752,097</u>	<u>1,650,000</u>
<u>Other Revenue</u>			
Book Sales	166,024	151,200	165,000
Concessions	317,629	318,000	310,000
Donations	1,013,084	1,137,000	920,937
Miscellaneous	207,685	117,672	171,600
Ballpark Sales Tax Transfer	<u>1,468,247</u>	<u>1,754,837</u>	<u>1,860,000</u>
Total Other Revenue	<u>3,172,669</u>	<u>3,478,709</u>	<u>3,427,537</u>
<u>Total Current Revenue</u>	<u>67,351,140</u>	<u>67,190,562</u>	<u>67,510,068</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>2,000,000</u>	<u>2,390,000</u>
<u>TOTAL REVENUES</u>	<u>\$67,351,140</u>	<u>\$69,190,562</u>	<u>\$69,900,068</u>

2012 BUDGET

GLEN LAKE GOLF COURSE FUND SUMMARY

Basis of Accounting: Accrual	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$920,912</u>	<u>\$1,140,552</u>	<u>\$1,126,785</u>
<u>SOURCE OF REVENUE</u>			
<u>Other Revenue</u>	<u>940,444</u>	<u>1,140,552</u>	<u>1,126,785</u>
Total Current Revenue	<u>940,444</u>	<u>1,140,552</u>	<u>1,126,785</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>(19,532)</u>	<u>0</u>	<u>0</u>
<u>TOTAL BUDGETED REVENUES</u>	<u>\$920,912</u>	<u>\$1,140,552</u>	<u>\$1,126,785</u>

2012 BUDGET

SHERIFF'S RADIO COMMUNICATIONS FUND SUMMARY
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Basis of Accounting: Accrual	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$2,065,615</u>	<u>\$2,151,746</u>	<u>\$2,523,117</u>
<u>SOURCE OF REVENUE</u>			
<u>Fees and Services</u>	<u>2,367,796</u>	<u>2,151,746</u>	<u>2,523,117</u>
<u>Total Current Revenue</u>	<u>2,367,796</u>	<u>2,151,746</u>	<u>2,523,117</u>
<u>Capital Contributions</u>	<u>95,120</u>	<u>0</u>	<u>0</u>
<u>(Increase)/Decrease in Net Assets</u>	<u>(397,301)</u>	<u>0</u>	<u>0</u>
<u>TOTAL REVENUES</u>	<u>\$2,065,615</u>	<u>\$2,151,746</u>	<u>\$2,523,117</u>

2012 BUDGET

CAPITAL IMPROVEMENTS FUND SUMMARY

Basis of Accounting: Modified Accrual	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>Total Expenditures</u>			
Library	\$12,692,861	\$8,380,000	\$4,968,000
Capital Improvement Funds	118,485,102	171,836,609	113,860,250
<u>TOTAL EXPENDITURES</u>	<u>\$131,177,963</u>	<u>\$180,216,609</u>	<u>\$118,828,250</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	1,717,358	1,611,000	6,151,000
Less Program Aid	(804)	0	0
Total Property Taxes	<u>1,716,554</u>	<u>1,611,000</u>	<u>6,151,000</u>
<u>Less Market Value Homestead Credit</u>	<u>(9,712)</u>	<u>(38,807)</u>	<u>0</u>
<u>Nonproperty Taxes</u>	<u>710</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
Federal - Highway Aids	5,050,809	6,862,000	7,840,000
Federal - Other	665,602	400,000	0
State - Program Aid	804	0	0
State - Market Value Homestead Credit	9,712	38,807	0
State - General	811,859	7,020,000	4,700,000
State - Highway and Bridge Aids	32,529,196	24,554,000	19,470,000
Other - Transp. Revolving Loan Fund	0	0	0
Other - Local	<u>12,462,414</u>	<u>17,837,700</u>	<u>19,626,500</u>
Total Intergovernmental Revenue	<u>51,530,396</u>	<u>56,712,507</u>	<u>51,636,500</u>
<u>Investment Income</u>	<u>192,835</u>	<u>0</u>	<u>0</u>
<u>Fees and Services</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Other Revenue</u>			
Bond Proceeds	122,685,000	58,768,000	42,602,750
Other	<u>(5,797,205)</u>	<u>63,163,909</u>	<u>18,438,000</u>
Total Other Revenue	<u>116,887,795</u>	<u>121,931,909</u>	<u>61,040,750</u>
<u>Total Current Revenue</u>	<u>170,318,578</u>	<u>180,216,609</u>	<u>118,828,250</u>
<u>TOTAL REVENUES</u>	<u>\$170,318,578</u>	<u>\$180,216,609</u>	<u>\$118,828,250</u>

2012 BUDGET

DEBT RETIREMENT FUND SUMMARY

Basis of Accounting: Modified Accrual	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$198,956,854</u>	<u>\$106,548,650</u>	<u>\$119,307,254</u>
<u>SOURCE OF REVENUE</u>			
<u>Property Taxes</u>			
Current Collections	61,389,355	71,147,168	77,657,421
Less Program Aid	(25,727)	0	0
Total Property Taxes	<u>61,363,628</u>	<u>71,147,168</u>	<u>77,657,421</u>
<u>Less Market Value Homestead Credit</u>	<u>(349,929)</u>	<u>(1,713,855)</u>	<u>0</u>
<u>Nonproperty Taxes</u>	<u>43,827</u>	<u>0</u>	<u>0</u>
<u>Intergovernmental Revenue</u>			
Federal - Interest Subsidy Payments	897,699	2,569,831	2,278,358
State - Program Aid	25,727	0	0
State - Market Value Homestead Credit	349,929	1,713,855	0
Other Intergovernmental	<u>2,988,342</u>	<u>3,278,120</u>	<u>11,910,813</u>
Total Intergovernmental Revenue	<u>4,261,697</u>	<u>7,561,806</u>	<u>14,189,171</u>
<u>Other Revenue</u>			
Interest on Investments	1,235	0	0
Bond Proceeds	124,198,020	0	0
Other Revenues	<u>19,175,761</u>	<u>24,371,383</u>	<u>27,460,662</u>
Total Other Revenue	<u>143,375,016</u>	<u>24,371,383</u>	<u>27,460,662</u>
<u>Total Current Revenue</u>	<u>208,694,239</u>	<u>101,366,502</u>	<u>119,307,254</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>5,182,148</u>	<u>0</u>
<u>TOTAL REVENUES</u>	<u>\$208,694,239</u>	<u>\$106,548,650</u>	<u>\$119,307,254</u>

Notes: This fund summary shows budgets for General Obligation Debt in Fund 70 (including bonds issued on behalf of CTIB), and for Ballpark Debt in Fund 79, as well as Lease Revenue Certificates of Participation payments. The latter two obligations are paid with non-property tax revenues. The 2010 Actual figures include new money debt and refunding revenue and expenditures of \$136.1 million related to proceeds from Series 2010A, 2010B, 2010C and 2010D.

2012 BUDGET

BALLPARK SALES TAX REVENUE FUND SUMMARY

Basis of Accounting: Modified Accrual	2010 ACTUAL	2011 BUDGET	2012 BUDGET
<u>TOTAL EXPENDITURES</u>	<u>\$25,521,047</u>	<u>\$30,870,772</u>	<u>\$31,597,186</u>
<u>SOURCE OF REVENUE</u>			
<u>Sales Tax Revenue</u>	<u>28,244,445</u>	<u>28,071,414</u>	<u>28,913,556</u>
<u>Interest on Investments</u>	<u>4,009</u>	<u>0</u>	<u>0</u>
<u>Total Current Revenue</u>	<u>28,248,454</u>	<u>28,071,414</u>	<u>28,913,556</u>
<u>Actual/Budgeted Use of Fund Balance</u>	<u>0</u>	<u>2,799,358</u>	<u>2,683,630</u>
<u>TOTAL REVENUES</u>	<u>\$28,248,454</u>	<u>\$30,870,772</u>	<u>\$31,597,186</u>

2012 BUDGET

INTERNAL SERVICE FUND SUMMARIES

Basis of Accounting: Accrual	2010 ACTUAL	2011 BUDGET	2012 BUDGET
FUND: Central Services			
Program Expenditures	<u>\$5,262,126</u>	<u>\$5,406,687</u>	<u>\$7,641,672</u>
Charges for Services	5,208,287	5,406,687	7,641,672
Net Assets (Increase)/Decrease	53,839	0	0
FUND: Central Mobile Equipment (CMED)			
Program Expenditures	<u>\$11,600,092</u>	<u>\$12,547,258</u>	<u>\$13,497,656</u>
Charges for Services	12,108,729	12,547,258	13,497,656
Net Assets (Increase)/Decrease	(508,637)	0	0
FUND: Energy Center			
Program Expenditures	<u>\$8,758,457</u>	<u>\$10,007,979</u>	<u>\$9,751,272</u>
Charges for Services	9,201,432	10,007,979	9,751,272
Net Assets (Increase)/Decrease	(442,975)	0	0
FUND: Information Technology			
Program Expenditures	<u>\$33,451,407</u>	<u>\$47,045,459</u>	<u>\$53,868,300</u>
Charges for Services	34,077,261	47,045,459	53,868,300
Net Assets (Increase)/Decrease	(625,854)	0	0
FUND: Self Insurance Fund			
Program Expenditures	<u>\$5,031,366</u>	<u>\$5,485,760</u>	<u>\$5,486,519</u>
Charges for Services	4,299,671	5,485,760	5,486,519
Net Assets (Increase)/Decrease	731,695	0	0
FUND: Other Employee Benefits			
Program Expenditures	<u>\$42,433,438</u>	<u>\$19,000,000</u>	<u>\$22,000,000</u>
Charges for Services	86,197,131	19,000,000	22,000,000
Net Assets (Increase)/Decrease	(43,763,693)	0	0
FUND: Employee Health Plan Self Insurance			
Program Expenditures	<u>\$0</u>	<u>\$99,466,162</u>	<u>\$106,737,961</u>
Charges for Services	0	99,466,162	106,737,961
Net Assets (Increase)/Decrease	0	0	0

Major Program: Public Works

Public Works Administration
Housing, Community Works & Transit
Public Works Management Support
Transportation
Environmental Services
Glen Lake Golf Course



Affordable Housing



Lowry Avenue Bridge Construction

Program Description:

Public Works strives to ensure the environment is enhanced and preserved for the future; neighborhoods are strong and vibrant with quality affordable housing; economic opportunities and transit to support a self-sufficient population; the best transportation network to move people and goods; energy is used responsibly and the sources are dependable; residents and communities are involved in planning and assessment of services and in identification of issues and outcomes.

Program Highlights:

The Public Works program budget for 2012 is \$119.7 million, a decrease of 6.7 percent when compared with the 2011 adjusted budget of \$128.3 million. Property tax support for this program is decreasing by \$2.2 million or 8.8 percent. The reduction is caused by the Transportation Department replacing \$1.8 million of property tax with state aid.

The Public Works program will operate with 411.5 full-time equivalent (FTE) employees in 2012, 8.0 FTEs less than the 2011 adjusted budget. The changes in FTEs include:

- The elimination of 1.0 FTE and then the transfer of the of the Emergency Management Division (7.0 FTEs) from Public Works Administration to General County Purposes
- The elimination of an additional 1.0 FTE in Public Works Administration
- The addition of 1.0 grant-related FTE in Housing, Community Works and Transit.

Public Works 2011 highlights include:

- Increased the number of alternative fuel vehicles in the fleet from 90 in 2005 to 215
- Awarded \$3.9 million in Environmental Response Fund grants for cleanup of contaminated lands
- Assisted with approximately 1,500 Affordable Housing Units
- Completed 155 lane-miles of bituminous overlay and 160 lane-miles of bituminous crack sealing
- As part of the Active Living initiative, added 10 miles of bicycle trail segments and closed four gaps in the bikeway system.

Hennepin County

2012 BUDGET

Adopted

Revenue Highlights:

Budgeted 2012 revenue totals \$119.7 million, a 6.7 percent decrease from the 2011 adjusted budget of \$128.3 million. The Public Works program relies primarily on revenue from fees and services, property tax and state aids to finance its budget. The following is a summary comparing major budgeted revenues in 2011 and 2012.

Property Tax Revenues

For 2012, property tax comprises 19.1 percent of the Public Works program's total estimated revenues. Property tax revenue for 2012 has decreased by \$2.2 million, or 8.8 percent less when compared to 2011.

Federal Revenue

Federal revenue sources of \$15.3 million consist mainly of federal grants for Housing, Community Works & Transit (HCWT) programs. The federal portion of the 2012 budget is 12.8 percent of the total Public Works program revenue, down from 16.8 percent in 2011.

State/Local Revenue

Revenue from the State of Minnesota is estimated at \$24.2 million, and consists mostly of \$17.4 million in County State Aid Highway funding, \$3.1 million for workforce improvement programs and \$3.3 million in state recycling and conservation grants. State revenue is used primarily to offset the Transportation Department's county road maintenance costs. State and local revenue makes up 20.7 percent of the total Public Works program revenue for 2012, compared to 17.4 percent in 2011.

Fees and Services Revenue

Fees and services represent the most significant category of revenue, estimated at \$50.3 million for 2012. These items account for approximately 42.0 percent of the 2012 Public Works program's total funding, compared to 38.8 percent in 2011. This revenue category consists primarily of solid waste and hazardous waste management fees for services, and utility/transportation permit fees.

Other Revenue

The other revenue category historically consisted of revenue generated by the Environmental Response Fund, Glen Lake Golf Course, and revenue HCWT receives from the Hennepin County Regional Railroad Authority and Hennepin County Housing and Redevelopment Authority for project staffing support. The change in 2012 is primarily due to the increase in retained earnings for Environmental Services.

Department Summary:	2010 Actual	2012 Budget	2012 Budget
Public Works Administration	\$4,232,631	\$5,124,501	\$1,850,866
Housing, Community Works & Transit	27,077,894	28,998,063	23,771,865
Public Works Management Support	2,805,189	2,856,994	2,736,230
Transportation	36,536,736	34,843,351	35,682,935
Environmental Services	54,223,354	55,325,396	54,481,954
Glen Lake Golf Course	940,444	1,140,552	1,126,785
Total Revenues	\$125,816,248	\$128,288,857	\$119,650,635
Public Works Administration	\$3,943,069	\$5,124,501	\$1,850,866
Housing, Community Works & Transit	28,083,416	28,998,063	23,771,865
Public Works Management Support	2,308,868	2,856,994	2,736,230
Transportation	35,836,184	34,843,351	35,682,935
Environmental Services	49,869,035	55,325,396	54,481,954
Glen Lake Golf Course	920,912	1,140,552	1,126,785
Total Expenditures	\$120,961,485	\$128,288,857	\$119,650,635

Hennepin County

2012 BUDGET

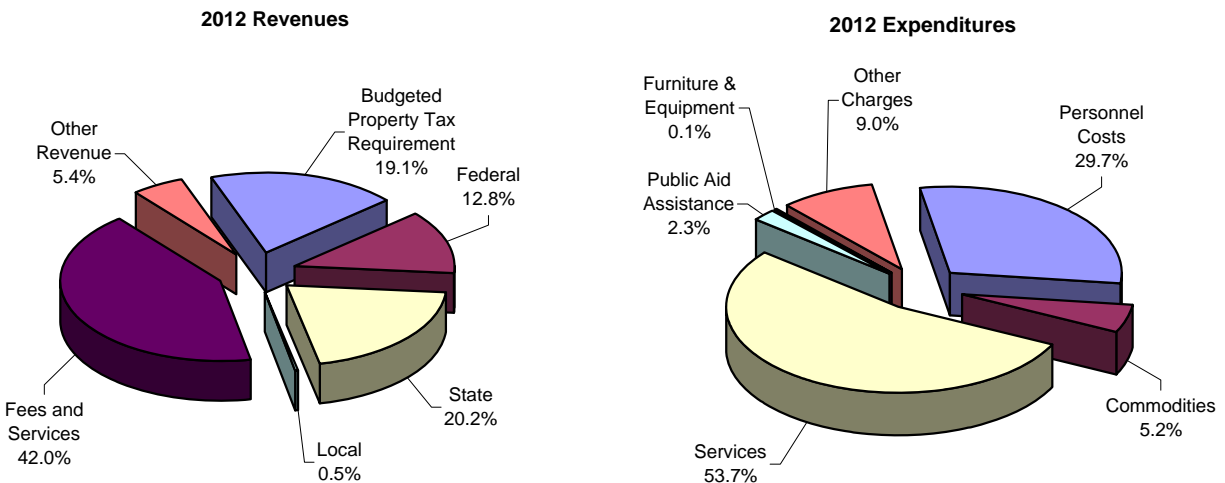
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Revenue and Expenditure Information:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$26,524,364	\$25,055,237	\$22,853,479
Federal	18,464,286	21,524,590	15,308,948
State	22,403,606	22,322,566	24,184,255
Local	1,428,938	1,116,761	587,150
Fees and Services	48,788,338	49,724,041	50,243,665
Other Revenue	8,206,716	8,545,662	6,473,138
Total Revenues	\$125,816,248	\$128,288,857	\$119,650,635

**Reflects adjusted property tax, not actual property tax collections.*

Personnel Costs	\$34,307,832	\$35,842,338	\$35,556,785
Commodities	6,919,447	6,869,449	6,251,885
Services	64,185,476	69,941,736	64,187,967
Public Aid Assistance	2,709,102	5,069,427	2,772,000
Furniture & Equipment	535,567	329,411	148,142
Other Charges	12,304,060	10,236,496	10,733,856
Total Expenditures	\$120,961,485	\$128,288,857	\$119,650,635

Revenue and Expenditure Comparison:



Budgeted Positions:	2010 Budget	2011 Budget	2012 Budget
Public Works Administration	24.5	20.5	11.5
Housing, Community Works & Transit	62.0	62.0	63.0
Public Works Management Support**	60.0	60.0	60.0
Transportation	213.0	213.0	213.0
Environmental Services**	64.0	64.0	64.0
Glen Lake Golf Course	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	423.5	419.5	411.5

***FTE totals include employees from Internal Service Funds.*

Hennepin County

Public Works Administration
Public Works

2012 BUDGET
Adopted

Mission:

To provide leadership and guidance for the Public Works business line to ensure Hennepin County is a place where the natural and human environments support and sustain one another in the present and are preserved for the future, where safe, affordable housing and accessible transportation choices ensure that everyone may live, work and enjoy life.

Department Description:

Public Works Administration (PWA) provides leadership and guidance for the Public Works business line as well as is responsible for payroll, and information technology. PWA includes Administration and Management Information Systems (MIS) divisions.

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$1,680,758	\$1,592,677	\$1,289,773
Other Taxes			
Federal	1,771,161	2,730,094	
State	196,228	206,700	
Local			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	584,484	595,030	561,093
Total Revenues	\$4,232,631	\$5,124,501	\$1,850,866
Personnel Costs	\$2,041,326	\$1,962,087	\$1,176,832
Supplies and Materials	667,610	24,702	123,177
Purchased or Contract Services	977,346	3,091,871	492,820
Public Aid			
Equipment and Asset Purchases	200,575	1,100	
Other Expenditures	56,212	44,741	58,037
Total Expenditures	\$3,943,069	\$5,124,501	\$1,850,866

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	24.5	20.5	11.5
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Hennepin County

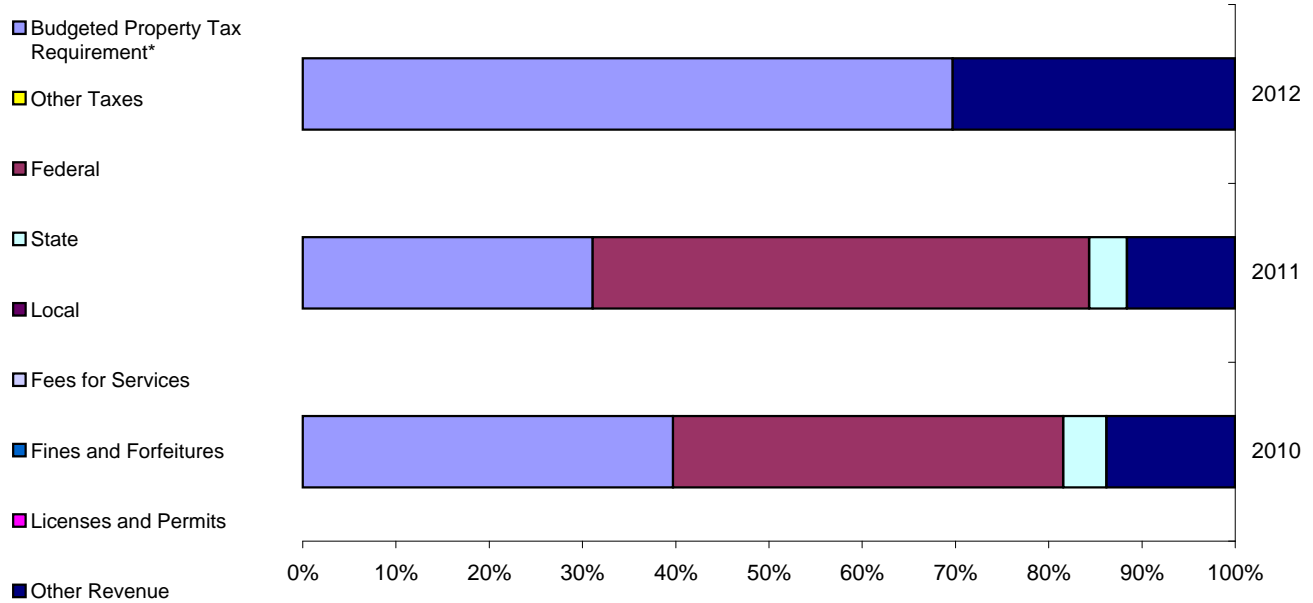
Public Works Administration

2012 BUDGET

Public Works

Adopted

Revenue Comparison:



Significant Budget Changes:

Emergency Management division was transferred to General County Purposes. Management Information Systems reduced its staff complement by 1.0 Limited Duration Geographic Information Systems position.

Division Budgets:

	2010 Actual	2011 Budget	2012 Budget
Public Works Administration	\$841,822	\$937,959	\$943,334
Management Information Systems	957,099	1,027,840	907,532
Emergency Management	2,144,148	3,158,702	
Total Expenditures	\$3,943,069	\$5,124,501	\$1,850,866

Key Results:

	2010	2011 Est.	2012 Goal
Percent of diversity within permanent staff	27%	29%	35%
Subrecipients requests for reimbursement processed within 30 days	99%	75%	100%
Percent of Public Works business line budget expended for technology	1.8%	2.4%	2.4%
Number of new technology projects completed	8	6	6

Additional Resources:

www.hennepin.us

Hennepin County

Housing, Community Works & Transit Public Works

2012 BUDGET
Adopted

Mission:

The mission of Housing, Community Works and Transit is to build and strengthen communities by developing quality, affordable housing and creating healthy built environments that provide transportation choices and community connections, attract investment and create jobs.

Department Description:

Communities are at the heart of Hennepin County's Housing, Community Works and Transit Department (HCWT). Our work focuses on investing local, regional, county, state and federal resources in partnership with public and private partners to achieve housing, economic and workforce development and transit improvement goals. HCWT is organized into five divisions:

- Engineering and Transit Planning
- Community and Workforce Development
- Housing Development and Finance
- Real Estate
- Sentencing to Service Homes

HCWT also provides staff for the Housing and Redevelopment Authority and the Regional Railroad Authority.

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
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Budgeted Property Tax Requirement*	\$3,009,901	\$3,108,008	\$2,999,535
Other Taxes			
Federal	16,469,195	18,602,496	14,104,497
State	3,142,179	3,818,443	3,425,523
Local	860,330	500,000	194,000
Fees for Services	668,683	553,557	644,000
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	2,927,606	2,415,559	2,404,310
Total Revenues	\$27,077,894	\$28,998,063	\$23,771,865
Personnel Costs	\$6,307,811	\$6,691,340	\$6,507,577
Supplies and Materials	401,534	703,863	295,670
Purchased or Contract Services	18,473,213	16,346,563	14,040,308
Public Aid	2,709,102	5,069,427	2,772,000
Equipment and Asset Purchases	16,527	365	365
Other Expenditures	175,229	186,505	155,945
Total Expenditures	\$28,083,416	\$28,998,063	\$23,771,865

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	62.0	62.0	63.0
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Hennepin County

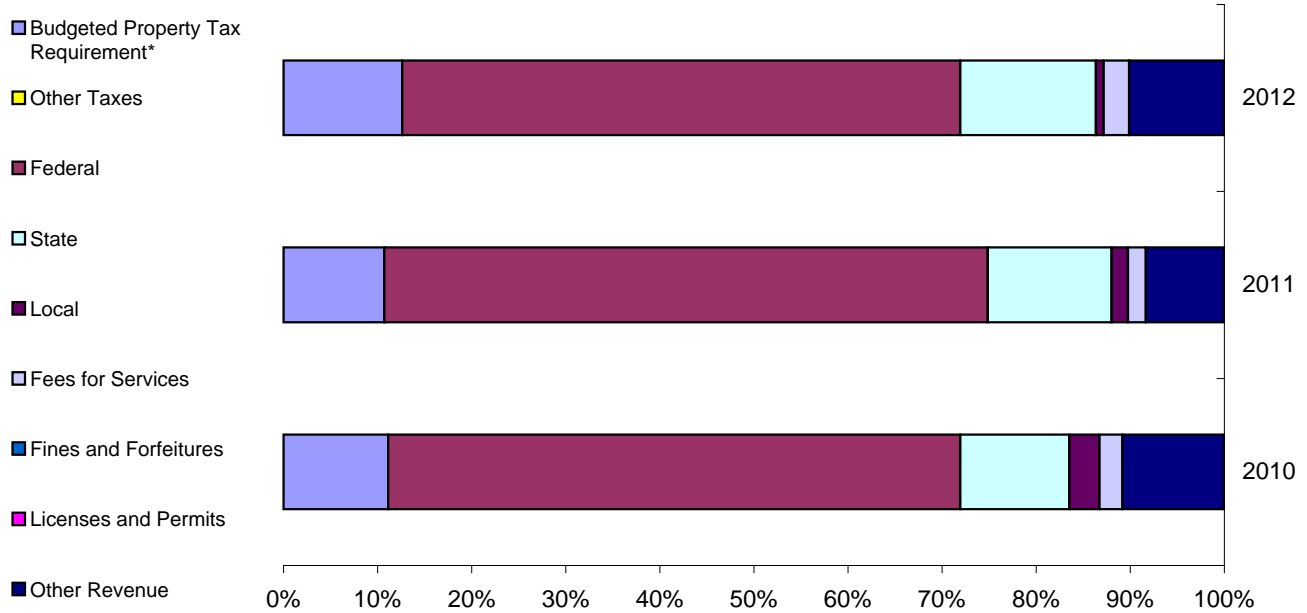
Housing, Community Works & Transit

2012 BUDGET

Public Works

Adopted

Revenue Comparison:



Significant Budget Changes:

The Housing, Community Works and Transit budget decreased by 18.0 percent (\$5.2 million). The property tax decreased by 3.5 percent (\$108,000). The reduction was achieved by:

- Redesigning the Sentence to Service (STS) Homes program to concentrate activities more heavily in Hennepin County, increasing Hennepin resident representation in the program population and to forge a new partnership with Summit Academy; and
- It is projected that the federal and state resources available to fund the Workforce Investment Programs will be down by 29 percent and the federal housing grant programs will be down by 17 percent.

Division Budgets:

	2010 Actual	2011 Budget	2012 Budget
Housing, Community Works and Transit	\$17,791,235	\$19,780,726	\$14,108,166
Housing Grant Programs	10,292,181	9,217,337	9,663,699
Total Expenditures	\$28,083,416	\$28,998,063	\$23,771,865

Hennepin County

Housing, Community Works & Transit

2012 BUDGET

Public Works

Adopted

Budget Commentary

2011 programs and projects that will be advanced in 2012:

1. Transit Development: Southwest Corridor – Preliminary Engineering (PE), Bottineau Corridor – preparation of Draft Environment Impact Statement (DEIS), The Interchange – planning and design, Central Corridor – construction, Northern Lights Express, Red Rock Corridor, Counties Transit Improvement Board Staff participation
2. Housing Development and Finance: affordable rental housing, housing rehabilitation, affordable homeownership, special needs housing, homeless housing and services, foreclosure prevention and recovery, public services and neighborhood revitalization, healthy homes
3. Community Works: Southwest LRT, Minnehaha - Hiawatha, Bottineau Corridor, Corridors of Opportunity, Ft. Snelling Upper Post
4. Economic Development: Transit Oriented Development (TOD), Business Finance (Economic Gardening, Minnesota Community Capital Fund, Common Bond Fund, "Open to Business" with the Metropolitan Consortium of Community Developers), Workforce Investment, Active Living, Healthy Design, Complete Streets
5. Sentencing to Service Homes: life skills and carpentry training for Hennepin County probationers

Key Results:	2010	2011 Est.	2012 Goal
Affordable Housing Units Impacted (Rental, Develop, Rehab, Lead Testing and Abatement)	1,288	1,492	1,332
Jobs Created/Retained with County Financing Tools	303	145	200
Southwest / Bottineau - Corridor Advancement	DEIS / AA*	DEIS / AA*	PE / DEIS
Work Force program participants who will return to long-term employment	85%	80%	85%
Amount leveraged with Federal Housing Programs, Affordable Housing Initiative Fund and Transit Oriented Development (in millions)	\$142.0	\$255.6	\$183.2

*AA - Alternative Analysis

Additional Resources:

www.hennepin.us/hcwt
 Southwest Transitway - www.southwesttransitway.org
 Bottineau Transitway - www.bottineautransitway.org
 The Interchange - www.theinterchange.net
 Minnehaha – Hiawatha Community Works - www.minnehaha-hiawatha.com
 Corridors of Opportunity Initiative - www.metrocouncil.org/planning/coo/index.htm
 Counties Transit Improvement Board - www.mnrides.org
 Summit Academy - www.saoic.org

Hennepin County

Public Works Management Support
Public Works

2012 BUDGET
Adopted

Mission:

In partnership with the departments served, support the County and Public Works mission and vision by providing support services that are timely, effective, and efficient.

Department Description:

Provide accounting and financial services including accounts payable, accounts receivable, general ledger, financial reporting, and cash receipts; employee safety programs and central warehousing services for Public Works departments. The department also provides centralized fleet management services for all county departments.

Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$1,473,172	\$1,517,478	\$1,392,124
Other Taxes			
Federal	123,692	192,000	204,451
State	21,623		
Local			
Fees for Services	11,741	9,000	12,000
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	1,174,961	1,138,516	1,127,655
Total Revenues	\$2,805,189	\$2,856,994	\$2,736,230
Personnel Costs	\$2,165,482	\$2,531,817	\$2,490,427
Supplies and Materials	41,439	11,400	11,150
Purchased or Contract Services	126,231	287,124	210,153
Public Aid			
Equipment and Asset Purchases	(30,076)	4,250	4,100
Other Expenditures	5,792	22,403	20,400
Total Expenditures	\$2,308,868	\$2,856,994	\$2,736,230

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)**	60.0	60.0	60.0
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**Includes CMED internal service fund FTEs

Hennepin County

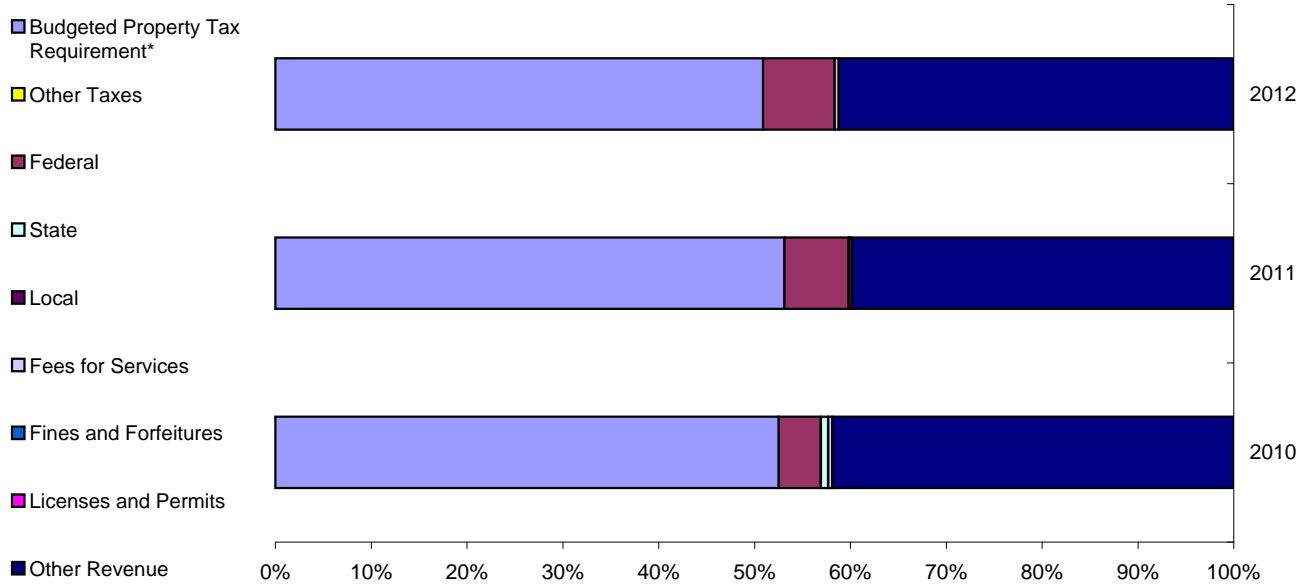
Public Works Management Support

2012 BUDGET

Public Works

Adopted

Revenue Comparison:



Significant Budget Changes:

The Management Support Department budget decreased by 4.2 percent. The vacancy factor was increased to reflect the current vacancies that will be held for the 2012 budget year. Property tax was reduced by 8.3 percent. The majority of this budget (90 percent) consists of personal services.

Central Mobile Equipment Division (CMED) budget increased by 7.6 percent, driven primarily by an increase in fuel of \$600,000, increased outside maintenance costs of \$100,000, higher depreciation expense of \$100,000 reflecting higher capital costs on replacement units, and smaller increases for staff benefits, IT charges and other miscellaneous expenses.

The Management Support budget total does not include CMED internal service fund budget although the FTEs are included.

Division Budgets:

	2010 Actual	2011 Budget	2012 Budget
Financial Management & Accounting	\$1,922,121	\$2,480,067	\$2,360,887
Support Services	386,747	376,927	375,343
Total Expenditures	\$2,308,868	\$2,856,994	\$2,736,230

Hennepin County

Public Works Management Support

2012 BUDGET

Public Works

Adopted

Budget Commentary

Successful implementation of the APEX system has been, and continues to be, a major priority for the Financial Management and Accounting Division (FMA) and the department. On January 3, 2011, all areas of the county went live on General Ledger, Accounts Payable and Purchasing. In addition, Public Works piloted the go-live of the Project Costing, Grant Management and Billing/Accounts Receivable modules. Since go-live, FMA has been actively involved in developing and requesting enhancements to APEX, despite significant turn over in the department during the last two years. FMA has represented the Public Works business line, and collaborated with other county departments to leverage the capabilities of APEX to create a system that considers current best practices in governmental accounting, as well as, the unique needs and characteristics of the individual departments within Hennepin County. Since Public Works piloted the Project Costing, Grants and Billing/Accounts Receivable modules, we have offered our "lessons learned" to other departments to assist in their implementation of those modules.

The Safety group continues to provide all Public Works departments with safety training and consulting to ensure a safe work environment for employees, contractors, and the public. In addition, the Safety group focuses on the development of recommendations for Public Works departments to assist in reducing work place injuries, reduce workers compensation costs for Public Works and promote a safety culture.

The Safety group provides consultation to the business line in the following areas:

- Environmental
- Department of Transportation
- Minnesota Traffic Control
- General Industry Occupational Safety and Health Administration (OSHA) and Construction Industry OSHA

Key Results:	2010	2011 Est.	2012 Goal
Revenue collected - days outstanding	35	33	33
OSHA reportable injuries minimized	21	21	21
Department budget as percent of Public Works budget	1.9%	2.2%	2.3%
Accounts receivable billings processed	4,272	4,400	4,400
Vehicles are economical: maintenance and fuel cost/mile for intermediate automobiles	\$0.22	\$0.24	\$0.26

Additional Resources:

www.hennepin.us, select "Departments" and select "Public Works Management Support."

Hennepin County

**Transportation
Public Works**

**2012 BUDGET
Adopted**

Mission:

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

Department Description:

The primary department responsibilities are planning, design, construction and maintenance of the county highway system. Minnesota statutes require that "county highways shall be established, located, relocated, improved, maintained, revoked, or vacated" and "it shall be the primary duty of the county to maintain and to remove snow from all county-state aid highways." As a result, the department develops a transportation program to meet these statute directives at a level of service commensurate to safety, capacity and highway transportation needs as interpreted by the County Board of Commissioners.

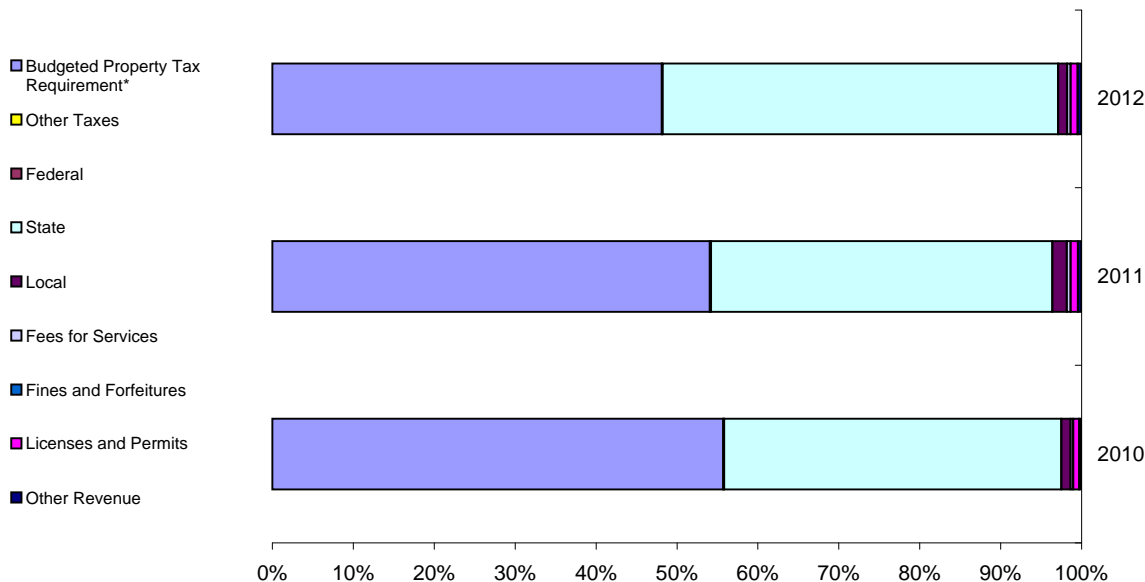
Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$20,360,533	\$18,837,074	\$17,172,047
Other Taxes	50,495	46,869	36,941
Federal	(4,360)		
State	15,226,185	14,708,582	17,445,732
Local	423,982	616,761	393,150
Fees for Services	105,448	172,000	152,000
Fines and Forfeitures			
Licenses and Permits	272,986	308,765	308,765
Other Revenue	101,467	153,300	174,300
Total Revenues	\$36,536,736	\$34,843,351	\$35,682,935
Personnel Costs	\$17,965,947	\$18,628,003	\$19,191,397
Supplies and Materials	5,599,335	5,931,074	5,627,528
Purchased or Contract Services	11,776,985	9,813,604	10,555,582
Public Aid			
Equipment and Asset Purchases	348,541	323,696	143,677
Other Expenditures	145,376	146,974	164,751
Total Expenditures	\$35,836,184	\$34,843,351	\$35,682,935

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	213.0	213.0	213.0
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Revenue Comparison:



Hennepin County

Transportation

2012 BUDGET

Public Works

Adopted

Significant Budget Changes:

The Transportation Department's 2012 Operating Budget is \$35.7 million or (2.4 percent) more than the department's 2011 Operating Budget. The increase reflects a policy that more State Aid construction funds be diverted to the Operating Budget for preservation purposes and that the Capital Budget generic line items be expanded. To accommodate this change, it was necessary to reduce the 2012 Operating Budget property tax revenue component by \$1.7 million and transfer the \$1,000,000 of authorized property tax to the 2012 Capital Budget generic line items for various project expenses.

Division Budgets:	2010 Actual	2011 Budget	2012 Budget
Administration	\$447,997	\$462,535	\$462,535
Design	3,001,115	3,313,222	3,177,066
Transportation Planning	1,371,274	1,432,249	1,443,105
Construction	4,429,035	4,196,888	4,457,002
Road & Bridges	21,293,036	20,477,325	20,328,053
Traffic	5,293,727	4,961,132	5,815,174
Total Expenditures	\$35,836,184	\$34,843,351	\$35,682,935

Budget Commentary

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

- System objectives: preservation, safety, reconstruction/expansion and implementation of mobility options.
- System components: 2,173 road lane miles, 506 bikeway miles, 384 sidewalk miles, 145 bridges, and 780 traffic signals.

The department's anticipated 2011 accomplishments include: completing 153 lane-miles of bituminous overlays (100 by county staff and 53 by contractors), completing 8 miles of trails and bikeways, closing 3 bicycle gaps (5.4 miles) as identified in the Hennepin Bicycle Gap Study, restriping a number of county highways to include shoulder and/or bicycle lanes and completing \$58 million in construction projects.

Key Results:	2010	2011 Est.	2012 Goal
Percent of bridges with sufficiency rating < 50	7.2%	6.6%	5.1%
System annual crash rate (for years 2008, 2009, 2010)	3.1%	2.9%	2.8%
Present serviceability rating (portion rated good or better)	54.3%	58.6%	60.5%
Engineering costs as a percent of actual capital project costs.	19.1%	18.0%	18.0%
Capital Improvement Program Construction Expenditures (millions)	\$51.2	\$60.0	\$45.5
Percent of employees attaining the 24 hour training goal	83.0%	100.0%	100.0%

Additional Resources:

www.hennepin.us/transportation

Hennepin County

Environmental Services
Public Works

2012 BUDGET
Adopted

Mission:

To preserve and enhance the county's environment for future generations through responsible management of waste, protection of natural resources and promotion of environmental stewardship.

Department Description:

The department carries out its responsibilities through three divisions: Administration, Environmental Protection, and Solid Waste and Energy. These divisions operate programs to provide environmental education and outreach to the community, manage solid and hazardous waste, protect and manage natural resources, clean up contaminated lands and operate the County's Energy Center (HCEC) and Hennepin Energy Recovery Center (HERC).

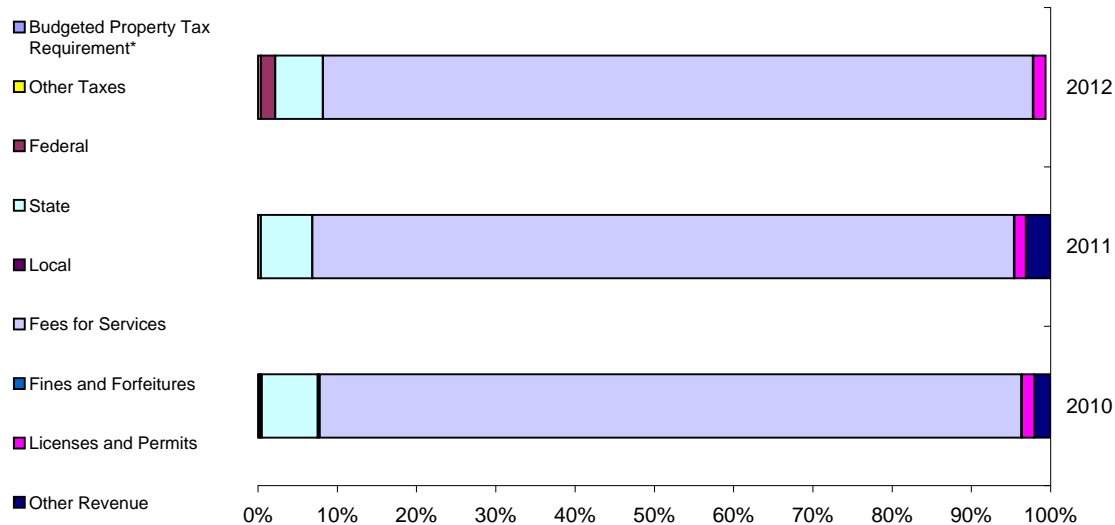
Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes	161,085	200,000	200,000
Federal	104,598	0	1,000,000
State	3,817,391	3,588,841	3,313,000
Local	144,626		
Fees for Services	48,002,466	48,989,484	49,435,665
Fines and Forfeitures	33,193	20,000	25,000
Licenses and Permits	845,354	813,000	853,000
Other Revenue	1,114,641	1,714,071	(344,711)
Total Revenues	\$54,223,354	\$55,325,396	\$54,481,954
Personnel Costs	\$5,827,266	\$6,029,091	\$6,190,552
Supplies and Materials	209,529	198,410	194,360
Purchased or Contract Services	32,831,701	40,402,574	38,889,104
Public Aid			
Equipment and Asset Purchases			
Other Expenditures	11,000,539	8,695,321	9,207,938
Total Expenditures	\$49,869,035	\$55,325,396	\$54,481,954

*Reflects adjusted property tax, not actual property tax collections.

Budgeted Positions (Full-time Equivalents)** **64.0** **64.0** **64.0**

** Includes HCEC internal service fund FTEs

Revenue Comparison:



Hennepin County

Environmental Services

Public Works

2012 BUDGET

Adopted

Significant Budget Changes:

The Environmental Services Department does not rely on any property tax revenues for its operations. Fees for services and the sale of energy and materials generate almost \$49.5 million of the department's revenue with an additional \$4.3 million coming from federal and state grants. The 2012 department budget totals approximately \$54.5 million in expenditures with excess revenues that will add approximately \$1.9 million to the balance of the Solid Waste Enterprise Fund.

Changes in 2012 include an approximate \$800,000 decrease in expenditures due to reductions in various HERC-related operations costs and disposal fees which are offset by additional federal stimulus funding for environmental cleanup.

Division Budgets:	2010 Actual	2011 Budget	2012 Budget
Administration	\$8,985,672	\$10,304,939	\$9,654,576
Environmental Protection	7,459,072	6,077,243	6,902,380
Solid Waste and Energy	33,424,291	38,943,214	37,924,998
Total Expenditures	\$49,869,035	\$55,325,396	\$54,481,954

Budget Commentary

For 2012, the department will continue to build upon previous efforts which include:

1. Expand the use of volunteers through programs such as Wetland Health Evaluation (WHEP) and the new Master Recycler/Composter Program
2. Seek to educate and engage community organizations using Community POWER Networks and youth projects along with emerging tools such as social media
3. Expand E-Government opportunities to the public and businesses such as: licensing waste haulers and hazardous waste generators, and Environmental Response Fund grant submissions
4. Evaluate service changes to address the evolving demographics of our customers.

The Minnesota Pollution Control Agency recently adopted new goals for how Hennepin County must manage municipal solid waste generated within the county. The department will expand its current program activities to meet the goals.

Key Results:	2010	2011 Est.	2012 Goal
Number of participants using HHW/problem material programs	124,463	131,000	138,000
Percent of large quantity generator inspections completed	95%	95%	95%
Energy Produced - MegaWatt Hours	206,004	247,000	290,000
Total tons of MSW delivered for processing	466,571	450,000	450,000

Additional Resources:

www.hennepin.us/portal/site/Hennepin
www.hennepin.us/hwgenerators
www.hennepin.us/reducewaste
www.rethinkrecycling.com/
www.mepc-mn.org/

Hennepin County

Glen Lake Golf Course
Public Works

2012 BUDGET
Adopted

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 and juniors 17 years of age and younger. The facility is self-supporting through fees charged for services provided.

Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes			
Federal			
State			
Local			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	940,444	1,140,552	1,126,785
Total Revenues	\$940,444	\$1,140,552	\$1,126,785
Personnel Costs	\$0	\$0	\$0
Supplies and Materials			
Purchased or Contract Services			
Public Aid			
Equipment and Asset Purchases			
Other Expenditures	920,912	1,140,552	1,126,785
Total Expenditures	\$920,912	\$1,140,552	\$1,126,785

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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Additional Resources:

www.threeriversparks.org/parks/glen-lake-golf.aspx

Hennepin County

2012 BUDGET

Adopted

Major Program: Public Safety

County Attorney's Office
County Court Functions
Law Library
Public Defender
Sheriff's Office
Dept. of Community Corrections and Rehabilitation
Sheriff's Radio Communications



County Attorney Michael O. Freeman



Sheriff Richard W. Stanek

Program Description:

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

Program Highlights:

The 2012 Public Safety program accounts for 43.9 percent of the expenditures in the County Revenue Fund (also referred to as the General Fund), and 100 percent of the Sheriff's Radio Communications Fund. The program will operate with 2,147.8 authorized full-time equivalents (FTEs) which is a decrease of 67.7 FTEs over the 2011 adjusted budget.

The 2012 operating budget for the Public Safety program has decreased 0.6 percent (\$1.4 million) over the 2011 adjusted budget of \$254.1 million. The expenditures will be offset by \$56.6 million in expected non-property tax revenues and \$196.1 million in property tax. Overall contributors to the reductions in 2012 are in Personnel Costs (\$676,000), Commodities (\$351,200), and Services (\$482,200) with an offset in Capital (\$264,600). The decrease in Personnel Costs expenditures represents the downward shift in the number of full-time-equivalents (FTEs) from attrition. The savings in Services stem from departments moving to a performance-based model with contract providers and a shift in contracts to another fund.

County Attorney's Office

For 2012, the County Attorney's Office (CAO) continues to manage ongoing budget challenges by pursuing innovative cost saving measures, growing community partnerships and seeking outside funding sources for critical work in the office. While the 2012 budget is essentially flat from the 2011 adjusted budget, the CAO did receive approximately one percent in additional revenue to undertake the new responsibility of providing the county's services for adult restitution.

Program Highlights Continued:

County 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 2012 budgeted expenditure authority is funded 100 percent by property taxes. When compared to the 2011 adjusted budget of \$2.3 million, the 2012 operating budget reflects a decrease of 2.5 percent (\$57,000) to \$2.2 million. The decrease stems from the diminishing number of bed days of sex offender clients still in the pre-commitment status in the civil commitment process. A collaboration between the County Attorney's Office, Department of Community Corrections and Rehabilitation, and Human Services and Public Health Department, has reduced the number of bed days from approximately 2,400 in 2004 to approximately 83 in 2011.

Law Library

The Law Library's main objectives are to provide legal information service pursuant to Minnesota Statutes Chapter 134A to the judges, government officials, practicing attorneys and citizens of Hennepin County.

The Law Library will have a 2012 operating expenditure budget authority of \$1.6 million, offset by expected non-property tax revenues of \$1.26 million and property tax of \$382,200. When compared to the 2011 adjusted budget, the authorized operating budget will decrease by 2.7 percent (\$45,300) and offset by an decrease of 2.0 percent (\$29,500) in non-property tax revenue and a decrease of 4.0 percent (\$15,800) in property tax utilization.

Public Defender

In 2012, the Public Defender's Office has an appropriation of \$15.4 million, offset by expected non-property tax revenues of \$8.4 million and property tax of \$7.0 million. When compared to the 2011 adjusted budget, the authorized operating budget will decrease by 3.2 percent (\$500,000) and offset by an decrease of 2.7 percent (\$229,000) in non-property tax revenue and a decrease of 3.7 percent (\$271,000) in property tax utilization.

The majority of the decrease stems from the reduction of 5.7 FTEs Hennepin county employees for a savings of \$888,000 which will be offset by an increase in attorney contracts to fill the gap of reduced FTEs and consulting for a full-time developer for the American Defender software.

Some of the accomplishments/efficiencies are technological advancement for the American Defender software and enhancements to the Minnesota Criminal Information System (MNCIS); align workload and staff to the courts calendar; and utilize volunteers from private firms, fellowships provided by law schools, and law clerks.

Sheriff's Office

In 2012, the Sheriff's Office will have an appropriation of \$85.8 million which will be offset by expected non-property tax revenues of \$11.8 million and property tax of \$74.0 million. When compared to the 2011 adjusted budget, the operating budget has increased by 0.4 percent or \$306,800; property tax revenues have an increased by 1.0 percent or \$732,300; and non-property tax revenues have decreased by 3.5 percent or \$425,500. The Sheriff's Office will operate with 808.0 FTEs or 27.0 FTEs less than in the 2011 adjusted budget.

The majority of the increase in the 2012 operating budget stems from an increase in county IT rates and CMED expenditures. These increases were offset by the a reduction in personnel expenses along with the sunseting the ARRA Crime Lab and Competitive Coverdell grants.

Department of Community Corrections and Rehabilitation

The Department of Community Corrections and Rehabilitation (DOCCR) is continuing its multi-year transformation to become a results-oriented and data driven organization. Consistent with previous budgets, the 2012 budget allocates resources to maintain funding and support for core efforts that address key results and priorities. In order to meet the 2012 operating budget and property tax targets, DOCCR has pushed forward program innovations to achieve cost savings, as well as implementing targeted reductions to programs serving low-risk offenders.

In 2012, DOCCR will have an appropriation of \$103.0 million, offset by expected non-property tax revenues of \$28.5 million and property tax of \$74.5 million. When compared to the 2011 adjusted budget, the operating budget has decreased by 1.3 percent or \$1.3 million; property tax revenues have decreased by 1.8 percent or \$1.3 million; and non-property tax revenues have remained flat. DOCCR will operate with 900.0 FTEs or 33.9 FTEs less than in the 2011 adjusted budget.

Revenue Highlights:

The 2012 operating budget for the Public Safety program is \$252.7 million; \$196.1 million will be funded with property tax revenue which is a decrease of \$600,000 from the 2011 adjusted budget of \$196.7 million. The non-property tax revenue for 2012 is \$56.6 million which also reflects a decrease of \$800,000 from the 2011 adjusted budget of \$57.4 million.

Property Tax Revenues

In 2012, property tax comprises 77.6 percent (\$196.1 million) of the Public Safety program's total expected revenues of \$252.7 million. The majority of the property tax will fund the Department of Community Corrections and Rehabilitation at 38.0 percent (\$74.5 million), Sheriff's Office at 37.7 percent (\$74 million), County Attorney's Office at 19.4 percent (\$38 million), Public Defender at 3.6 percent (\$7 million), and County Court Functions at 1.1 percent (\$2.2 million).

Non-Property Tax Revenues

The departments in the Public Safety program will rely on \$56.6 million in expected non-property tax revenues for 2012. The main sources are the State of Minnesota with \$30.3 million, Fees and Services revenue at \$19.6 million, and Federal revenue at \$4.2 million.

Federal Revenue

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

When 2012 budgeted federal revenues of \$4.2 million are compared to the 2011 adjusted budget, the Public Safety program realized a decrease of \$1 million. The majority of this decrease is in the County Attorney's Office and the Sheriff's Office due to the sunsetting of several grant programs.

State Revenue

Revenue from the State of Minnesota is the largest source of non-property tax income for the Public Safety program. The majority of state revenue is realized in the following departments: Department of Community Corrections and Rehabilitation accounting for \$18.4 million, Public Defender with \$8.4 million, and the Sheriff's Office at \$3.3 million for services provided.

When compared to the 2011 adjusted budget, revenue from the State of Minnesota has dropped \$666,000 to \$30.3 million for 2012. The reduction stems from a 2011 legislative change that altered the Hennepin County funding for the Community Correction Act (CCA) resulting in a decrease of \$413,000 (3.8 percent) and Caseload/Workload subsidy of \$97,000 (2.5 percent); along with a \$230,000 reduction in the state appropriation in the Public Defender's Office for the reduction of 5.3 FTEs.

Fees and Services Revenue

When compared to the 2011 adjusted budget, the revenues have increased by \$652,400 to \$19.6 million for 2012. The Adult Corrections Facility incurred an increase of \$637,300 from the boarding of prisoners, educational contracts, industry work, and the Private Sector Work Programs (PSWP).

As the second largest source of non-property tax income, the majority of the revenues result from charges to other jurisdictions or clients for processing, boarding, monitoring pre- and post- adjudication of clients, civil fees, court fees, and lease revenue for radios and Mobile Data Computers.

Other Revenue

In 2011, Other Revenue has been budgeted at \$2.5 million and accounts for 1.0 percent of total anticipated revenues.

Hennepin County

2012 BUDGET

Adopted

Department Summary:	2010 Actual	2011 Budget	2012 Budget
County Attorney's Office	\$42,953,889	\$42,250,540	\$42,074,440
County Court Functions	2,415,000	2,294,000	2,237,000
Law Library	1,620,099	1,689,595	1,644,295
Public Defender	15,973,015	15,868,047	15,368,225
Sheriff's Office	87,461,129	85,480,047	85,786,906
Department of Community Corrections and Rehabilitation	104,184,334	104,360,992	103,038,673
Sheriff's Radio Communications Fund	2,462,916	2,151,746	2,523,117
Total Revenues	\$257,070,382	\$254,094,967	\$252,672,656

County Attorney's Office	\$40,865,261	\$42,250,540	\$42,074,440
County Court Functions	1,815,804	2,294,000	2,237,000
Law Library	1,578,773	1,689,595	1,644,295
Public Defender	16,156,544	15,868,047	15,368,225
Sheriff's Office	85,712,565	85,480,047	85,786,906
Department of Community Corrections and Rehabilitation	103,375,345	104,360,992	103,038,673
Sheriff's Radio Communications Fund	2,065,615	2,151,746	2,523,117
Total Expenditures	\$251,569,907	\$254,094,967	\$252,672,656

Revenue and Expenditure Information:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$199,874,109	\$196,685,287	\$196,121,539
Federal	5,136,129	5,140,512	4,203,806
State	31,568,995	30,968,532	30,302,851
Local	12,500	12,500	13,900
Fees and Services	17,610,036	18,909,932	19,562,312
Other Revenue	2,868,613	2,378,204	2,468,248
Total Revenues	\$257,070,382	\$254,094,967	\$252,672,656

Personnel Costs	\$204,822,875	\$199,377,618	\$198,701,668
Commodities	9,736,255	8,711,900	8,360,665
Services	33,703,900	42,481,712	41,999,526
Furniture & Equipment	1,300,506	1,251,723	1,516,314
Other Charges	2,006,371	2,272,014	2,094,483
Total Expenditures	\$251,569,907	\$254,094,967	\$252,672,656

*Reflects adjusted property tax, not actual property tax collections.

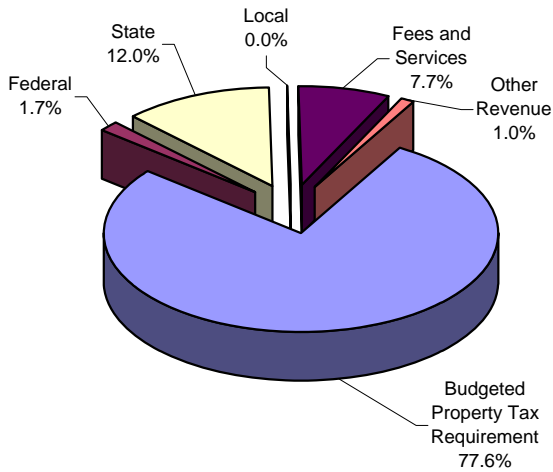
Hennepin County

2012 BUDGET

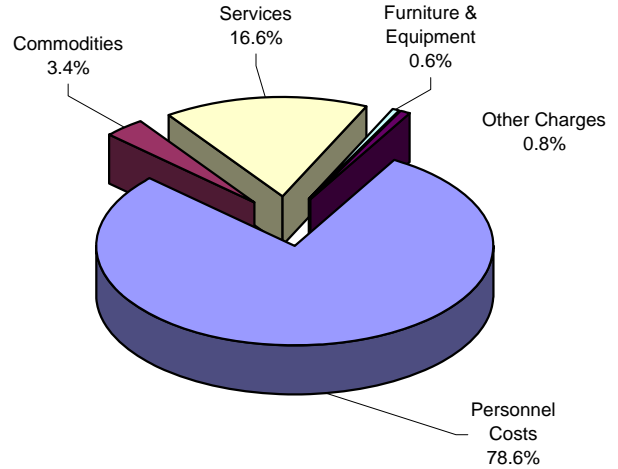
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Revenue and Expenditure Comparison:

2012 Revenues



2012 Expenditures



Budgeted Positions:

2010 Budget

2011 Budget

2012 Budget

County Attorney's Office	343.0	344.0	344.0
County Court Functions	0.0	0.0	0.0
Law Library	7.8	7.8	6.7
Public Defender	97.8	94.8	89.1
Sheriff's Office	835.0	835.0	808.0
Department of Community Corrections and Rehabilitation	960.1	933.9	900.0
Sheriff's Radio Communications	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	2,243.7	2,215.5	2,147.8

Hennepin County

County Attorney's Office
Public Safety

2012 BUDGET
Adopted

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 (HHS). The other Civil Divisions include Child Protection, Child Support Enforcement and Mental Health. The Administration Division provides executive direction and coordination for policy and office-wide functions.

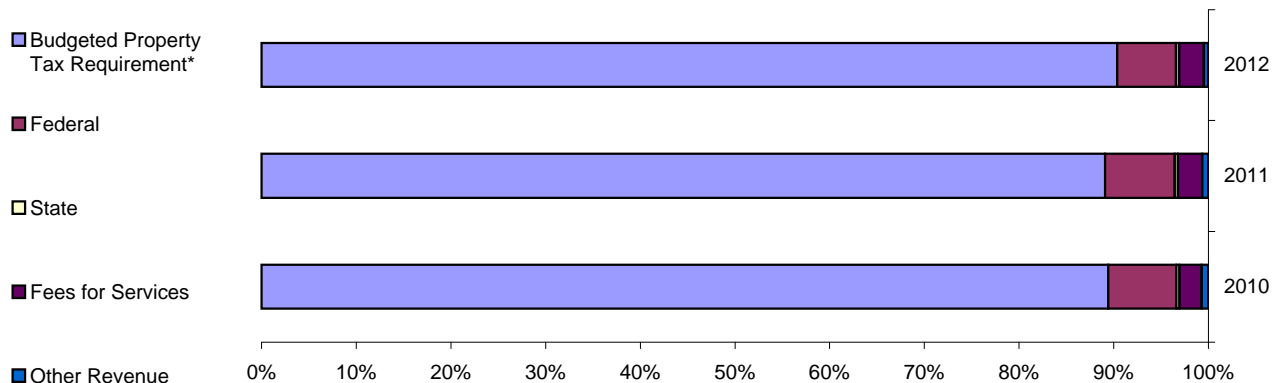
Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$38,407,671	\$37,641,029	\$38,017,439
Federal	3,099,012	3,108,583	2,627,026
State	146,702	150,928	141,275
Local			
Fees for Services	991,986	1,085,000	1,084,700
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	308,518	265,000	204,000
Total Revenues	\$42,953,889	\$42,250,540	\$42,074,440
Personnel Costs	\$35,697,827	\$35,857,277	\$36,141,263
Supplies and Materials	277,661	285,200	242,600
Purchased or Contract Services	4,718,927	5,982,436	5,569,950
Equipment and Asset Purchases	(25,509)		
Other Expenditures	196,355	125,627	120,627
Total Expenditures	\$40,865,261	\$42,250,540	\$42,074,440

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalent)	343.0	344.0	344.0
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Revenue Comparison:



Hennepin County

County Attorney's Office

2012 BUDGET

Public Safety

Adopted

Significant Budget Changes:

The 2012 operating budget for the HCAO remained relatively flat from the 2011 adjusted budget. Several grants will be successfully completed including the DNA Innocence Project and Mortgage Fraud Prosecution. The office continues to realize savings in contracts by using performance based agreements in the areas of diversion, restorative justice and truancy. Beginning in 2012, the HCAO will be responsible for the collection of restitution.

Division Budgets:	2010 Actual	2011 Budget	2012 Budget
Criminal Division	\$23,071,873	\$23,208,030	\$23,019,452
Civil and Administration Divisions	17,793,387	19,042,510	19,054,988
Total Expenditures	\$40,865,260	\$42,250,540	\$42,074,440

Budget Commentary

The HCAO continues to manage ongoing budget challenges by pursuing innovative cost saving measures, growing community partnerships and seeking outside funding sources for critical work in the office. While the 2012 budget is essentially flat from the 2011 adjusted budget, the HCAO did receive approximately one percent in additional revenue to undertake the new responsibility of providing the county's services for adult restitution.

The HCAO has maintained staffing levels and has not added any attorneys in the past ten years despite increases in prosecutors' caseloads. Despite this, the HCAO continues to take on additional duties, and more complex and demanding work. In 2012, the HCAO will assume additional responsibilities for providing legal representation to HCAO's healthcare clients as the result of the HHS/Hennepin Faculty Associates merger. The HCAO has established a dedicated healthcare team to provide the best legal services available while saving the county money on outside counsel costs. We have collaborated with the Wilder Foundation to study racial disparities in the juvenile justice system. We continue to work with the Criminal Justice Coordinating Committee to develop system-wide reforms and efficiencies. We have begun to focus on Crossover youth – children who are active in both the delinquency and child protection systems – to reduce involvement in the juvenile justice system.

Key Results:

- Improved school attendance for more than 79 percent of kids referred to the be@school program which uses early intervention to keep kids in the classroom
- Decreased reliance on the more costly, indeterminate civil commitment process by relying on increased prison terms, including life sentences for serious, repeat sex offenders.
- Partnered with the Minneapolis Police Department and U.S. Attorney's Office to help identify and obtain the longest possible prison sentences for felons who continue to carry guns.
- Charged over 70 individuals and companies in the real estate industry with various crimes associated with fraudulent loans and foreclosure fraud schemes. These prosecutions involve over 500 properties and over \$125 million in fraudulent loans.

Additional Resources:

For more information on the County Attorney's Office please visit us at www.hennepinattorney.org.

Hennepin County

County Court Functions
Public Safety

2012 BUDGET
Adopted

Mission:

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

Department Description:

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

Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$2,415,000	\$2,294,000	\$2,237,000
Other Taxes			
Federal			
State			
Local			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue			
Total Revenues	\$2,415,000	\$2,294,000	\$2,237,000
Personnel Costs	\$0	\$0	\$0
Supplies and Materials			
Purchased or Contract Services	1,815,804	2,294,000	2,237,000
Public Aid			
Equipment and Asset Purchases			
Other Expenditures			
Total Expenditures	\$1,815,804	\$2,294,000	\$2,237,000

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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Budget Commentary

Due to legislative changes in 2004, the county saw a dramatic increase in the number of civil committed sex offenders who were either released or nearing release from state prison facilities. These changes created a back log of pre-commitment clients and increased the number of bed days to approximately 2,400. With Hennepin County responsible for 100 percent of the pre-commitment and 10 percent of the post-commitment, a collaboration between the County Attorney's Office, Department of Community Corrections and Rehabilitation, and Human Services and Public Health, the number of bed days decreased to approximately 83 for 2011.

The 2012 budget is comprised of:

- \$1,200,000 for Mental Health Court legal representation
- \$145,000 for the Temporary hospital confinement of Mental Health Court clients
- \$337,000 for Family Court appointed legal representation
- \$425,000 for Probate Court appointed legal representation
- \$60,000 for Housing Court appointed legal representation
- \$70,000 for legal assistance for indigent clients

Hennepin County

**Law Library
Public Safety**

**2012 BUDGET
Adopted**

Mission:

To provide legal information service pursuant to Minnesota Statutes Chapter 134A to the judges, government officials, practicing attorneys, and citizens of Hennepin County.

Department Description:

The Law Library provides the legal information that citizens and practicing attorneys need in order to have meaningful access to the courts. The Law Library contains a print collection of legal materials, and it provides in-house access to online subscription databases that allow searching of case law and statutes. Reference assistance is provided by professional law librarians.

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$419,837	\$397,995	\$382,195
Other Taxes			
Federal			
State			
Local			
Fees for Services	1,192,909	1,284,000	1,255,000
Fines and Forfeitures	3,486	3,800	3,300
Licenses and Permits			
Other Revenue	3,867	3,800	3,800
Total Revenues	\$1,620,099	\$1,689,595	\$1,644,295
Personnel Costs	\$583,890	\$611,790	\$620,368
Supplies and Materials	14,750	10,600	12,100
Purchased or Contract Services	250,550	253,100	248,456
Public Aid			
Equipment and Asset Purchases	717,585	793,105	742,371
Other Expenditures	11,998	21,000	21,000
Total Expenditures	\$1,578,773	\$1,689,595	\$1,644,295

**Reflects adjusted property tax, not actual property tax collections.*

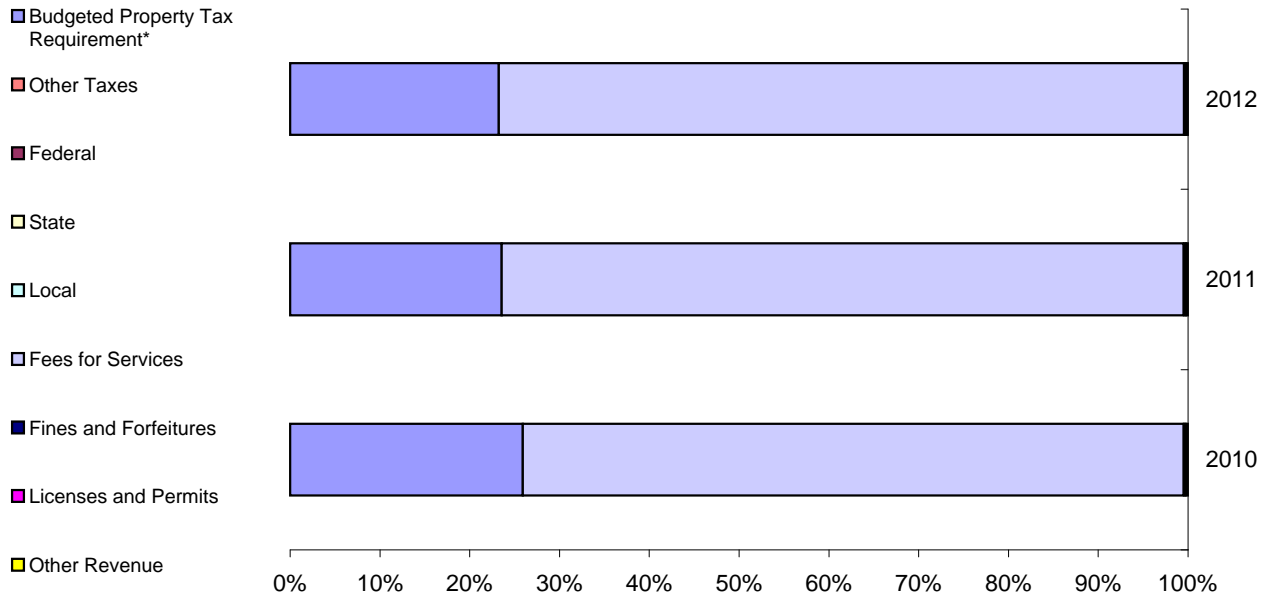
Budgeted Positions (Full-time Equivalents)	7.8	7.8	6.7
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Hennepin County

**Law Library
Public Safety**

**2012 BUDGET
Adopted**

Revenue Comparison:



Significant Budget Changes:

The Law Library will operate with 6.7 authorized full-time equivalents (FTEs) which is a decrease of 1.1 FTEs over the 2011 adjusted budget of 7.8 FTEs. The reduction occurred from a 0.9 Public Services Librarian position and a 0.2 Clerk position.

Budget Commentary

The 2012 operating budget for the Law Library has decreased 2.7 percent (\$45,300) over the 2011 adjusted budget of \$1.7 million. The expenditures will be offset by \$1.3 million in expected non-property tax revenues and \$382,200 in property tax. Overall contributors to the reductions in 2012 are Equipment and Asset Purchases (\$50,700) with an offset in Personnel Costs (\$8,600). The majority of the decrease in Equipment and Asset Purchases pertains to the cancellation of standing orders due to low utilization, the termination of a microfilm subscription which is available online, and the realignment of equipment to historical expenses.

Revenue is projected to decline in 2012 due to the implications of the 2009 change in Minnesota Statute 134A.09 and 134A.10 which states that a convicted defendant shall only be imposed the county law library fee once, not for each count. This alteration in the law combined with a lower crime rate has revealed a projected decrease in court fees by \$20,000. The Annual Subscriber Fee is expected to decrease by \$9,000 due to the loss of membership renewals.

Key Results:	2010	2011 Est.	2012 Goal
Number of people entering the Law Library	35,500	34,500	34,500
Number of email reference questions answered	1,700	2,100	2,300
Number of in-person and telephone reference and informational questions answered	10,000	9,500	9,500
Number of Westlaw hours accessed	2,800	3,200	3,500

Additional Resources:

For more information on the Law Library, visit us at <http://hclaw.co.hennepin.mn.us>

Hennepin County

Public Defender
Public Safety

2012 BUDGET
Adopted

Mission:

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

Department Description:

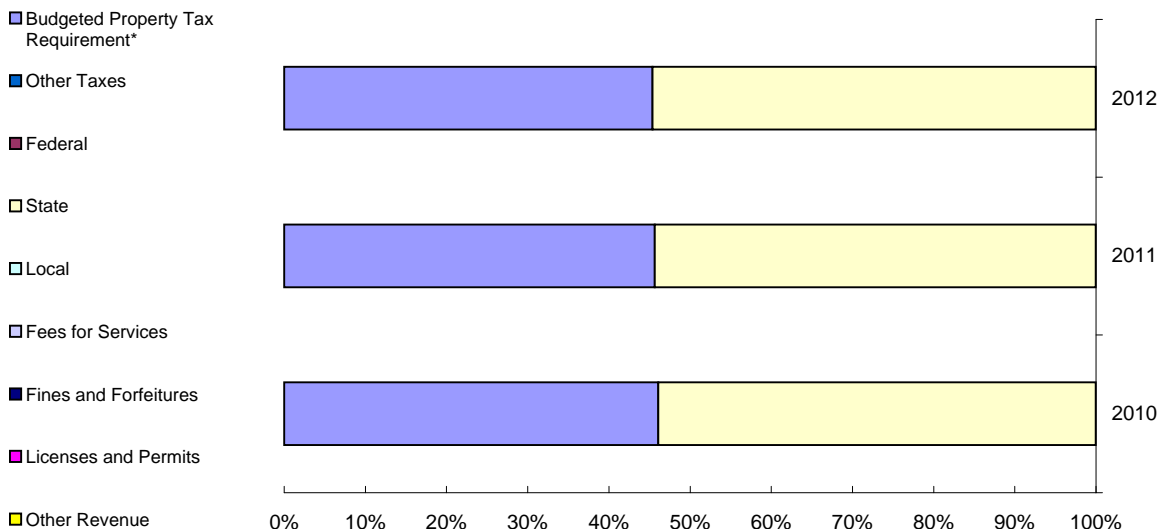
According to Gideon v. Wainwright, an indigent defendant is entitled to assistance of counsel in a criminal trial. The Supreme Court has further established right to counsel in any case where the accused may be imprisoned if found guilty. Juveniles also are entitled to the same legal rights as adults. The Public Defender's Office is entrusted with these responsibilities for the majority of criminal cases in court, and also has assumed responsibilities for bringing child protection and a limited number of adult appeals.

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$7,360,245	\$7,243,047	\$6,972,497
Other Taxes			
Federal			
State	8,612,770	8,625,000	8,395,728
Local			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue			
Total Revenues	\$15,973,015	\$15,868,047	\$15,368,225
Personnel Costs	\$13,308,235	\$13,025,241	\$12,137,018
Supplies and Materials	320,194	379,054	365,625
Purchased or Contract Services	2,486,200	2,404,602	2,790,382
Public Aid			
Equipment and Asset Purchases	8,576	35,000	35,000
Other Expenditures	33,339	24,150	40,200
Total Expenditures	\$16,156,544	\$15,868,047	\$15,368,225

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	97.8	94.8	89.1
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Revenue Comparison:



Hennepin County

Public Defender
Public Safety

2012 BUDGET
Adopted

Significant Budget Changes:

The 2012 Public Defender operating budget has decreased by \$500,000 when compared to the 2011 adjusted budget of \$15.9 million.

The majority of the decrease stems from the reduction of 5.7 county FTEs and the anticipation of additional attrition of county FTEs. This reduction has been offset by the increase in Purchased or Contract Services for a full-time American Defender consultant, attorney contracts to assist in the workload due to the FTE loss, and county information technology charges.

Division Budgets:	2010 Actual	2011 Budget	2012 Budget
Adult Criminal Court (felony, property/drug, misd/gross misd)	\$11,309,581	\$11,107,633	\$10,757,758
Adult CHIPS and Appeals	2,585,047	2,538,888	2,458,916
Juvenile Delinquency and CHIPS Child	2,261,916	2,221,526	2,151,551
Total Expenditures	\$16,156,544	\$15,868,047	\$15,368,225

Budget Commentary

Since 2008, the number of board authorized FTEs in the Public Defender's Office has been reduced by 17.1 FTEs to the 2012 approved budget of 89.1. This reflects a reduction of 16.1 percent.

The reduction of staff in the Public Defender's Office not only hampers the office's ability to meet the goals listed below, but also places a strain on the criminal justice system and increases costs to our partners in public safety (e.g. Courts, County Attorney's Office, Sheriff's Office, and Corrections).

1. Each client will be fully informed of their legal rights and options and will receive fair and respectful treatment by the justice system.
2. Clients will have all legal services delivered in an integrated fashion.
3. Each client will be able to make meaningful decisions and choices, and the office will be equipped to help effect those decisions and choices.
4. Neither the process nor outcome will depend on the client's income, race or country of origin.

Key Results:	2010	2011 Est.	2012 Est.
Cases Opened:			
Murder	38	44	44
Felony	5,126	5,254	5,254
Gross Misdemeanor	3,735	4,198	4,198
Misdemeanor	18,800	20,049	20,049
Juvenile Delinquency	3,488	3,891	3,891
Juvenile Welfare	1,948	2,009	2,009
Probation Violation	18,399	17,679	17,679
Extradition	134	188	188
Other	262	541	541
Total	51,930	53,853	53,853

Hennepin County

Public Defender
Public Safety

2012 BUDGET
Adopted

Additional Resources:

Across the United States, numerous articles have been written to address the overall concerns that public defense agencies are faced with: constitutional mandates regarding staffing shortages, excessive workloads, ethical considerations, and additional burden of the U.S. Supreme Court in Padilla.

Listed are several reference areas:

- American Bar Association, Eight Guidelines of Public Defense Related to Excessive Workloads, August 2009
- Quality Indicators for Public Defense from National Legal Aid & Defender Association, 2002
- Justice Denied - Report of the National Right to Counsel Committee from The Constitution Project, April 2009
- Public Defenders: A Weakened but Indispensable Link, Scott Russell, Bench and Bar, MN, Feb 2009
- Evaluation Report: Public Defender System from the Office of the Minnesota Legislative Auditor, (www.auditor.leg.state.mn.us/ped/pedrep/pubdef.pdf)
- MN Post Article Surveying the attorneys in the public defender's office, (www.minnpost.com/severnguntzel/2010/12/13/24163/minnesotas_public_defenders_paint_bleak_picture_of_justice_for_the_poor)

Hennepin County

Sheriff's Office
Public Safety

2012 BUDGET
Adopted

Mission:

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

Department Description:

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

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

Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$74,731,110	\$73,233,750	\$73,966,088
Other Taxes			
Federal	1,324,670	1,180,165	769,680
State	3,164,309	3,140,105	3,329,448
Local			
Jail Fees	2,414,520	2,495,050	2,423,138
Civil Fees	1,952,831	2,112,000	1,800,000
Police Protection and Investigations	1,188,017	1,134,145	1,151,176
Leased Antenna Space	529,373	531,128	531,128
Fines and Forfeitures	312,299	75,000	75,000
Licenses and Permits	260,440	267,500	300,000
Other Revenue	1,583,560	1,311,204	1,441,248
Total Revenues	\$87,461,129	\$85,480,047	\$85,786,906
Personnel Costs	\$72,312,859	\$70,130,670	\$70,054,733
Supplies and Materials	4,540,090	4,135,044	3,938,854
Purchased or Contract Services	7,472,932	9,942,096	10,537,514
Public Aid			
Equipment and Asset Purchases	523,536	331,825	303,843
Other Expenditures	863,148	940,412	951,962
Total Expenditures	\$85,712,565	\$85,480,047	\$85,786,906

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	835.0	835.0	808.0
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Hennepin County

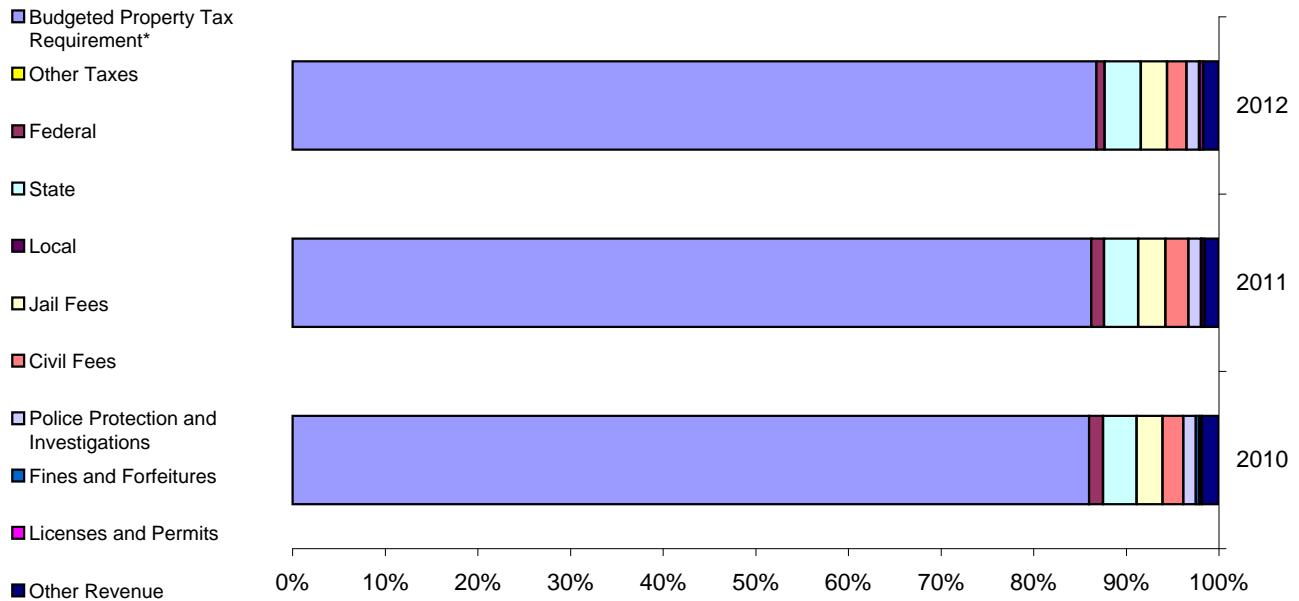
Sheriff's Office

2012 BUDGET

Public Safety

Adopted

Revenue Comparison:



Significant Budget Changes:

In 2012, the Sheriff's Office will have an appropriation of \$85.8 million which will be funded by expected property tax revenue of \$74.0 million and non-property tax revenue of \$11.8 million. When compared to the 2011 adjusted budget, the operating budget has increased by 0.4 percent or \$306,900; as property tax revenues have increased by 1.0 percent or \$732,300; and non-property tax revenues have decreased by 3.5 percent or \$425,500.

The majority of the decline in non-property tax revenues stems from the sunsetting of the federal American Reinvestment Recovery Act (ARRA) Crime Lab and Competitive Coverdell grants; the decline in the number of mortgage foreclosure notices, sales, and redemptions; and jail per diems. The revenue loss will be offset by the increase in police state aid and the Auto Theft Prevention grant from the state; greater utilization of medical services and phone cards in the jail; and interfund revenue to support additional radio activities.

The majority of the increase in the 2012 operating budget stems from an increase in county IT rates and CMED expenditures. These increases were offset by a reduction in personnel expenses along with the sunsetting of the ARRA Crime Lab and Competitive Coverdell grants. Overall, personnel expenditures are down \$75,900 from the 2011 adjusted budget of \$70.1 million. The Sheriff's Office has reduced personnel costs over the last several years primarily via attrition, with FTEs declining by a net of over 60 since 2008. This has been necessary to absorb annual cost increases beyond Hennepin County Sheriff's Office's (HCSO's) control. The 2012 budget provides funding for 739 FTEs, which is 24 fewer FTEs than what were funded in the 2011 adjusted budget.

Division Budgets:

Division Budgets:	2010 Actual	2011 Budget	2012 Budget
Communications	\$11,123,057	\$14,229,229	\$14,096,950
Enforcement Services	11,420,437	10,998,139	11,130,276
Forensic Sciences	3,947,031	3,704,208	3,885,994
Investigative	7,285,528	6,742,477	7,300,055
Administrative	7,030,280	6,409,175	6,666,373
Adult Detention	34,186,901	32,930,946	32,791,024
Court Services	9,339,629	9,266,479	9,021,417
Grants/Other	1,379,702	1,199,394	894,817
Total Expenditures	\$85,712,565	\$85,480,047	\$85,786,906

Hennepin County

Sheriff's Office

2012 BUDGET

Public Safety

Adopted

Budget Commentary

Since 2006, violent crime in the county has dropped approximately 32 percent.

New collaborations were launched with local law enforcement agencies to share criminal information and resources in an effort to prevent and suppress crime. HCSO began an investigative collaboration with Brooklyn Park and Brooklyn Center Police Departments. HCSO created the West Hennepin County Crime Collaboration which includes 11 law enforcement agencies such as Wayzata and West Hennepin Public Safety.

The Sheriff's Office responded to emergent events such as the Minneapolis tornado and requests for augmented patrols from suburban agencies that identified crime "hotspots." HCSO responded to planned events and proactive enforcement such as OccupyMN demonstrations on the Government Plaza and SafeZone patrols in downtown Minneapolis.

Major components of a new records management system (RMS) were implemented. The RMS will assist in crime reduction by enhancing the sharing and analysis of criminal information with public safety partners. To reduce costs, the RMS was part of a group purchase within a large government consortium.

State bonding was secured to build the new Sheriff's Emergency Communications Facility at Parkers Lake in partnership with the Hennepin County Board. After 35 separate city councils adopted resolutions of support for this project, state lawmakers approved \$4.7 million in state bonding to offset the total project cost. The replacement of the existing 64 year old facility is needed to ensure uninterrupted emergency communications across Hennepin County now and into the future.

A new policy manual system called Lexipol was implemented. It is a state-wide policy manual based on federal, state, and case law, regulatory action, and best practices. The Lexipol system communicates clear and concise policy guidance to employees. Its policy updates offer greater risk management for public safety agencies.

Key Results:	2010	2011 Est.	2012 Est.
Number of police/fire/medical calls dispatched	636,997	632,752	639,079
Number of jail bookings	35,413	34,503	36,000
Number of court security escorts	35,095	34,109	34,500
Number of crime lab cases received	3,331	2,995	3,250
Number of mortgage foreclosure sales	5,985	4,957	5,000

Additional Resources:

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

Hennepin County

Department of Community Corrections & Rehabilitation

Public Safety

2012 BUDGET

Adopted

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 three overarching goals:

*Enhance public safety through practices that are based on research, data and evaluation;
Policies and practices support fair and respectful treatment of stakeholders, clients and staff; and
In cooperation with the courts, community and criminal justice partners, reduce the risk of re-offense.*

Department Description:

DOCCR is the largest corrections system in Minnesota, annually supervising approximately 36,700 adult and juvenile offenders in institutions, on probation or parole, and in the Sentencing to Service programs. There are approximately 2,200 juveniles and 29,900 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 6,000 adult offenders;
- Juvenile Detention Center provides custody and care for approximately 2,000 juveniles awaiting court disposition; and
- County Home School provides custody and treatment for approximately 200 juvenile offenders in a year.

Family Court Services performs evaluation and mediation services to parents and children. Approximately 1,600 families are referred annually for services.

Community Offender Management supervises low-risk offenders, most of whom work off fines or sentences through the Sentencing to Service program.

Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$76,540,246	\$75,875,466	\$74,546,320
Other Taxes			
Federal	712,447	851,764	807,100
State	19,645,214	19,052,499	18,436,400
Local	12,500	12,500	13,900
Fees for Services	4,505,790	5,548,213	5,951,553
Boarding Fees	2,466,814	2,568,650	2,842,500
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	301,323	451,900	440,900
Total Revenues	\$104,184,334	\$104,360,992	\$103,038,673
Personnel Costs	\$82,920,064	\$79,752,640	\$79,748,286
Supplies and Materials	4,400,462	3,789,692	3,686,486
Purchased or Contract Services	15,684,737	20,314,520	19,196,132
Public Aid			
Equipment and Asset Purchases	76,318	91,793	35,100
Other Expenditures	293,764	412,347	372,669
Total Expenditures	\$103,375,345	\$104,360,992	\$103,038,673

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	960.1	933.9	900.0
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Hennepin County

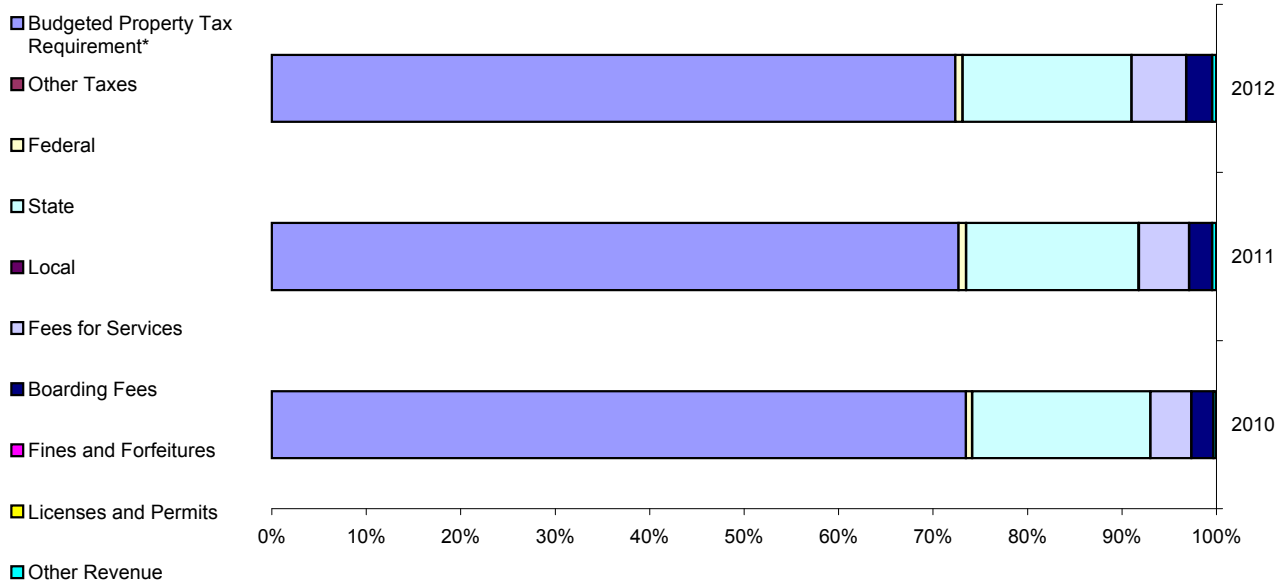
Department of Community Corrections & Rehabilitation

2012 BUDGET

Public Safety

Adopted

Revenue Comparison:



Significant Budget Changes:

In 2008, the Department of Community Corrections and Rehabilitation (DOCCR) outlined and began implementation of a mission that aligned strategic direction with fiscal responsibility. Implementation of the multi-year transformation led the department to a 2012 operating budget of \$103,038,673 and 900 FTEs, a savings of \$6,000,000 and 125.2 FTEs in five years.

In 2012, DOCCR will continue its multi-year transformation to become a results-oriented and data driven organization. Consistent with previous budgets, the 2012 budget allocates resources to maintain funding and support for core efforts that address key results and priorities. In order to meet the 2012 operating budget and property tax targets, DOCCR has pushed forward program innovations to achieve cost savings, as well as implementing targeted reductions to programs serving low-risk offenders.

Some of the multi-year organizational changes are the establishment of Evidence-Based Practices (EBP) Unit, Juvenile Detention Alternatives Initiative (JDAI), delivery of medical services, and Electronic Home Monitoring (EHM).

1. Evidence-Based Practices Unit: this unit contains 4.0 FTEs and are responsible for furthering the department's mission of Community Safety, Community Restoration, and Reducing Risk of Re-Offense; acquiring and reporting on data that will be utilized in assessing services and service alternatives; and fostering innovation and best practices throughout the department. The unit will assist in the transformation of the department into a results-oriented and data driven organization.
2. Juvenile Detention Alternatives Initiative (JDAI): in 2006, a collaborative effort of the courts, probation, police, county attorneys, public defenders, schools, human services, and community members to reform the juvenile justice system was established. The initiative was developed to keep low-risk youth out of detention facilities by utilizing community-based programs to provide support and supervision. Before JDAI was implemented the average daily population at the Juvenile Detention Center was 95 and by November 2011 the count declined to 29, a 69 percent reduction. This initiative has saved over \$1.6 million and reduced the number of FTEs by 71.6.
3. Institutional Medical Services: in 2011, DOCCR altered the delivery of institutional medical services to the residents in Adult Corrections Facility, the Juvenile Detention Center and the County Home School by shifting to a contract service delivery model with Corizon Health. The implementation has aligned the delivery of correctional services with best practices and is more cost-effective than outpatient treatment. As a result, the three correctional facilities eliminated 15.8 FTEs.

Hennepin County

Department of Community Corrections & Rehabilitation

2012 BUDGET

Public Safety

Adopted

Significant Budget Changes Continued:
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4. Electronic Home Monitoring (EHM): operating procedures were standardized and simplified in which cost reduction occurred by the consolidation of multiple vendor contracts into one vendor contract that provides a full array of electronic monitoring services.

The 2012 operating budget for DOCCR is \$103.0 million; \$74.5 million will be funded with property tax revenue which is a decrease of \$1.3 million from the 2011 adjusted budget of \$75.8 million and non-property tax revenues which are relatively flat at \$28.5 million. For the last five years DOCCR has consistently reduced the number of FTEs and in 2012 they have decreased another 33.9 FTEs and will operate with 900.0 FTEs. DOCCR has implemented several organizational changes that have aligned units to further the department's mission of implementing evidence-based practices; eliminated, reduced or reallocated contracts; and therefore reduced the number of FTEs.

In the 2012 budget, the following contract changes have occurred:

1. Re-entry services contract for \$200,000 is being reallocated from DOCCR to HSPHD;
2. Adult Field Service reduced contracts by \$422,500 because the low utilization, the vendor no longer provides service, or programming is not evidence-based and outcome measurements are unavailable;
3. Adult Corrections Facility reduced chaplaincy services by \$57,400 due to the availability of providers in the community; and
4. Juvenile Probation decreased contracts by \$345,000 due to the sunseting of a grant and transferring of dollars to Correctional Out-of-Home Placement.

Juvenile Probation reflects a net reduction of 5.0 probation officers in 2012 due to lower crime rates and smaller caseloads.

Adult Field Services has been reduced by 13.5 FTEs due to the misdemeanor investigation redesign (3.5 FTEs), sunseting of the Minnesota Comprehensive Offender Re-entry Program (3.0 FTEs), and transfer of restitution activities to the County Attorney's Office (7.0 FTEs) as of January 1, 2012.

Finally, consistent with the Budget Decision Unit (BDU) discussion from earlier this year, there are two programming issues that are being studied: (1) DOCCR has undertaken a comprehensive review of its Family Court Services division to examine the populations it serves as well as examine current and alternative service options; and (2) the department, in conjunction with Property Services and County Administration, is examining operational budget saving and capital programming needs associated with co-locating the County Home School with the Juvenile Detention Center. Findings are being summarized for further discussions in early 2012.

Division Budgets:	2010 Actual	2011 Budget	2012 Budget
Administration	\$1,082,998	\$1,025,847	\$978,625
General Support Services	1,615,370	1,773,670	1,822,029
Organizational Change Management	4,906,564	5,410,242	5,076,247
County Home School	11,231,217	11,749,621	11,598,159
Juvenile Detention Center	8,939,377	9,451,882	9,231,435
Juvenile Probation	13,584,127	13,185,477	13,010,734
State Juvenile Placements	1,859,414	2,271,300	2,203,201
Family Court Services	2,738,924	2,757,776	2,618,229
Community Offender Management	4,778,649	4,780,100	5,183,558
Adult Corrections Facility	20,769,459	20,511,303	20,880,074
Adult Field Services	31,869,246	31,443,774	30,436,382
Total Expenditures	\$103,375,345	\$104,360,992	\$103,038,673

Hennepin County

Department of Community Corrections & Rehabilitation

2012 BUDGET

Public Safety

Adopted

Budget Commentary

DOCCR continues to align fiscal decisions with its overarching goals and shared outcomes of increased public safety and decreased recidivism. The principles that guide the department's decision-making include:

1. Focus on the mission of the county and the department, ensuring that diminishing resources are directed on what is known to be effective in providing public safety and assuring due process;
2. Continue the commitment to effective and sustainable services by using research and evaluation to ensure that programming works, and by monitoring outcomes and confirming they reduce risk for re-offense;
3. Engage staff and partners from other justice and social services agencies so changes made in our department are in concert with changes in other agencies; and
4. Leverage innovation, resources and service delivery models developed by the state and other county government partners to reduce operating costs and increase efficiencies.

DOCCR staff continue to maximize the available resources, leverage innovation and take advantage of collaborative opportunities to continue its transformation to a results-oriented and data driven organization:

- In 2011, the department began moving forward with an expanded partnership with the Minnesota Counties Computer Cooperative (MCCC) to combine the best features of the in-house developed probation information system with the system used by all other Minnesota probation agencies (CSTS). Sharing information system development and support costs with the rest of the state will result in long-term cost savings.
- DOCCR is an active participant in the Downtown 100 Initiative, a collaborative initiative to reduce crime and improve public perception of the safety of downtown Minneapolis.
- The Adolescent and Family Sexual Health Services (AFSHS) Unit, based at the County Home School, provides a continuum of care to juvenile sex offenders by offering a range of programming designed to protect the public and treat the juvenile. The AFSHS umbrella includes long and short-term residential options at the County Home School, as well as outpatient treatment, aftercare and transition services in the community. The continuum of outpatient care provides high fidelity treatment as a cost-effective alternative to inpatient services.
- Juvenile services, in conjunction with its community-based service partners, continue to achieve a sustained decrease in juvenile detention and correctional out-of-home placements (COHP).
- With courts and other criminal justice partners, DOCCR's Adult Field Services Division established Minnesota's first Veteran's Court to promote public safety and support veterans and their families through court supervision and coordinated response of service delivery. The U.S. Department of Justice, through the Office of Justice Programming, is supporting and expanding this effort with \$315,000 in grant funding over a three-year period.

Key Results:	2010	2011 Est.	2012 Est.
Staff safety training completions	1,370	1,550	1,250
Diversity - DOCCR Staff	21.0%	23.0%	23.0%
Diversity - DOCCR Volunteers/Interns	30.0%	TBD	30.0%
One-Year Recidivism: Adult Field Services Cohort	21.0%	16.7%	18.0%
Recidivism: Juvenile Cohort	30.2%	32.3%	30.0%
Juveniles in Correctional Out-of-Home Placements - Monthly Count	217	226	220
Institutions - Average Daily Populations	488	514	510
Institutions - Total Capacity	632	642	635
Institutions - Capacity Percentage	77.2%	80.1%	80.0%
Restitution Disbursements	\$2,071,411	\$2,000,000	N/A

Additional Resources:

For additional information on the Department of Community Corrections and Rehabilitation can be obtained at:

www.hennepin.us/doccr
www.hennepin.us/jpvolunteer

Hennepin County

Sheriff's Radio Communications
Public Safety

2012 BUDGET
Adopted

Mission:

Purchase and maintenance of radio equipment associated with the 800 MHz Radio Program.

Department Description:

The Sheriff's Radio Communications operates as an enterprise fund, with the revenues received by the program covering the maintenance and depreciation costs of the 800 MHz digital radios and use of the Minnesota Regional Public Service Communications System. Radio users include county departments and participating police, fire, and emergency medical service agencies in Hennepin County.

Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes			
Federal			
State			
Local			
Investment Earnings			
Fees for Services	2,367,796	2,151,746	2,523,117
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	95,120		
Total Revenues	\$2,462,916	\$2,151,746	\$2,523,117
Personnel Costs	\$0	\$0	\$0
Supplies and Materials	183,098	112,310	115,000
Purchased or Contract Services	1,274,750	1,290,958	1,420,092
Equipment and Asset Purchases			400,000
Other Expenditures	607,767	748,478	588,025
Total Expenditures	\$2,065,615	\$2,151,746	\$2,523,117

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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Division Budgets:

	2010 Actual	2011 Budget	2012 Budget
Radio Lease Program	\$1,590,309	\$1,590,327	\$1,669,982
Infrastructure	161	108,761	400,000
Mobile Data Computer Program	475,145	452,658	453,135
Total Expenditures	\$2,065,615	\$2,151,746	\$2,523,117

Additional Resources:

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

Hennepin County

2012 BUDGET
Adopted

Major Program: Health

NorthPoint Health and Wellness Center
Metropolitan Health Plan
Medical Examiner
Hennepin Health
Uncompensated Care
HCMC Intergovernmental Transfers



NorthPoint Health and Wellness Center



Hennepin County Medical Center

Program Description:

The Health program encompasses the county's health care activities. This major program consists of the following departments: NorthPoint Health and Wellness Center, Metropolitan Health Plan (MHP), the Medical Examiner, and Hennepin Health. In addition, health related costs are included in the Uncompensated Care and Hennepin County Medical Center (HCMC) Intergovernmental Transfers cost centers discussed in the Program Highlights section.

Program Highlights:

The Health program's budget for 2012 is \$328.5 million which is 42.6 percent higher than the comparable 2011 budget. The program will operate with 316.9 authorized FTE positions in 2012 which is 22.6 positions less than authorized in 2011. All of the departments, except for MHP and Hennepin Health, are included in the County Revenue Fund. Both MHP and Hennepin Health operate as a separate enterprise funds of the county.

NorthPoint Health and Wellness Center

NorthPoint Health and Wellness Center is a freestanding comprehensive ambulatory health care clinic. Its services include family practice, internal medicine, pediatrics, obstetrics and gynecology, orthopedics, radiology, laboratory, optometry, and pharmacy. In addition, NorthPoint offers a full range of dental care, nutrition services, and social services including individual and family care. In 2012, over 83,000 medical, behavioral health, and dental visits are expected. NorthPoint's budgeted expenditures for 2012 are \$27.2 million, 5.7 percent more than the adjusted 2011 budget. Most of the change is related to an increase in FTEs, replacing temporary labor expense, to accommodate increased patient volume and to provide additional case management services as part of the new Hennepin Health project discussed on the next page. The increase in personnel expenditures is expected to be funded by an increase in patient service revenue.

Program Highlights Continued:

Metropolitan Health Plan

MHP, Hennepin County's health maintenance organization (HMO), will be serving a smaller number of members in 2012 do to changes made by the Minnesota Department of Human Services. MHP will continue to offer Minnesota Senior Care Plus, Minnesota Senior Health Options, and Special Needs Basic Care plans. However, MHP will no longer offer Medical Assistance or Minnesota Care plans. Consequently, the MHP budget of \$117.0 million is 21.7 percent less than its 2011 budget. MHP has reduced its authorized FTEs from 151.5 in 2011 to 105.5 for 2012. Of the total 46.0 FTE reduction, 22.0 FTEs were eliminated as a result of the reduction in membership, and 24.0 FTEs were transferred to the county's Information Technology (IT) department as part of a consolidation of IT functions within the county.

Medical Examiner

The Medical Examiner is responsible for investigation of all known or suspected homicides, suicides, accidental deaths, drug related deaths, medically unattended deaths, and deaths which might constitute a threat to the public health and safety. Expenditures are decreasing by 2.0 percent to \$3.8 million for 2012 primarily because no major equipment purchases are budgeted for 2012. Reflecting the reduced expenditures, property tax support is decreasing 2.2 percent from the 2011 level. Total FTEs are unchanged from 2011.

Hennepin Health

Hennepin Health is the new integrated health delivery network demonstration project which will provide services to Medicaid participants under a contract with the Minnesota Department of Human Services. NorthPoint, MHP, the county Human Services and Public Health Department, Hennepin County Medical Center (HCMC), and other local healthcare providers will integrate medical, behavioral health, and human services in a patient-centered model of care.

Uncompensated Care

The Uncompensated Care cost center is used to track county payments to HCMC for the cost of health care provided by HCMC to Hennepin County residents who do not have health insurance. A total of \$20 million in expenditures is budgeted for 2012, which is 33.3 percent less than the 2011 budget and approximately 10 percent less than projected 2011 expenditures. The reduction is due to a significant decrease in the volume of uncompensated care provided by HCMC resulting from the expansion of the Medicaid program in Minnesota which took effect in early 2011.

HCMC Intergovernmental Transfers

The HCMC Intergovernmental Transfers cost center is used to budget and account for intergovernmental transfers between the county, HCMC, and the Minnesota Department of Human Services (DHS). A smaller portion of this budget is for county payments to HCMC for forensic examinations conducted by the Sexual Assault Resource Services (SARS) staff at HCMC. The county is mandated by Minnesota law to pay the reasonable costs of forensic examinations for victims of sexual assaults which occur in the county. A total of \$40.0 million is budgeted for 2012 which is significantly higher than in 2011. However, most of the budget is funded by payments from HCMC and DHS, and the total property tax support of \$775,000 is unchanged from 2011.

Revenue Highlights:

Budgeted 2012 revenues total \$328.5 million, a 42.6 percent increase from the comparable 2011 adjusted budget. The next page contains a summary comparing major revenue categories in 2010 - 2012.

Property Tax Revenues

In 2012, property taxes comprise 9.3 percent of the Health program's total estimated revenues compared to 17.8 percent in 2011. Total property taxes are decreasing by \$10.4 million, or 25.4 percent. The decrease is primarily due to a reduction in the Uncompensated Care budget for 2012 by \$10.0 million, as the expenditures in that cost center are funded entirely with property taxes. Compared to 2011, property tax support is 5.0 percent less for NorthPoint Health and Wellness Center due to budget cuts made in response to state funding reductions. Property tax support for the Medical Examiner is 2.2 percent less also due to county-wide budget cuts made in response to state funding reductions. As in past years, the budget for Metropolitan Health Plan (MHP) does not include any property tax revenue.

Non-Property Tax Revenues

The Health program relies to a large extent on non-property tax revenues to finance its budget. For 2012, revenues from fees and services represent 78.0 percent of total revenues. Some of the major sources of non-property tax revenues and their relative impact on the county's 2012 budget are:

Federal

Federal sources consist of \$1.2 million in federal grants for health care programs at NorthPoint Health and Wellness Center. Although the federal grants are only 0.4 percent of the total 2012 Health program revenues, a large portion of the fees and services revenue, discussed below, is from federal sources.

State/Local

Revenues from the State of Minnesota are estimated at \$19.7 million and make up 6.0 percent of total Health program revenue for 2012. Revenues in this category are significantly higher than in 2011 due to budgeting for an inpatient upper payment level payment from the Minnesota Department of Human Services which the county records as revenue in the HCMC Intergovernmental Transfers cost center and then pays to HCMC. Local revenue is 6.1 percent of total Health program revenue and is primarily HCMC Intergovernmental Transfers revenue for reimbursements from HCMC for intergovernmental transfers made by the county.

Fees and Services

Revenues from fees charged for services are over \$256 million for 2012 and will comprise 78.0 percent of the Health program's total revenues. Nearly all of the fees and services revenue comes through payments for healthcare services provided by Hennepin Health, NorthPoint and MHP. Total 2012 fees and services revenue is budgeted to be 52.9 percent more than budgeted for 2011 because of the Hennepin Health demonstration project which is new for 2012. The revenue amounts are departmental estimates based on historical data, current reimbursement rates, and expected changes in patient volume.

Other Revenues

Other revenues of \$0.8 million budgeted for 2012 are primarily the use of general fund balance by NorthPoint to finance the last stages of implementation of its electronic health records system. Other revenues are only 0.2 percent of total Health program revenues for 2012.

Hennepin County

2012 BUDGET

Adopted

Department Summary:	2010 Actual	2011 Budget	2012 Budget
NorthPoint Health and Wellness Center	\$25,402,481	\$25,728,300	\$27,209,957
Metropolitan Health Plan	141,782,551	149,355,377	116,999,789
Medical Examiner	3,712,210	3,842,015	3,765,887
Hennepin Health	0	0	120,480,000
Uncompensated Care	32,805,702	30,000,000	20,000,000
HCMC Intergovernmental Transfers	46,108,873	21,425,000	40,000,000
Total Revenues	\$249,811,817	\$230,350,692	\$328,455,633

NorthPoint Health and Wellness Center	\$25,318,104	\$25,728,300	\$27,209,957
Metropolitan Health Plan	139,534,807	149,355,377	116,999,789
Medical Examiner	3,438,093	3,842,015	3,765,887
Hennepin Health	0	0	120,480,000
Uncompensated Care	32,805,702	30,000,000	20,000,000
HCMC Intergovernmental Transfers	46,015,823	21,425,000	40,000,000
Total Expenditures	\$247,112,529	\$230,350,692	\$328,455,633

Revenue and Expenditure Information:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$44,035,242	\$41,056,310	\$30,640,227
Federal	1,149,396	915,278	1,236,816
State	34,444,838	1,021,907	19,714,628
Local	11,835,112	20,650,000	20,000,000
Fees and Services	158,031,042	167,454,579	256,082,350
Other Revenue	316,187	(747,382)	781,612
Total Revenues	\$249,811,817	\$230,350,692	\$328,455,633

**Reflects adjusted property tax, not actual property tax collections.*

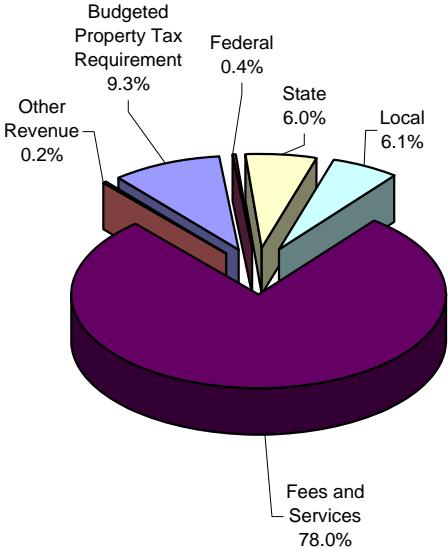
Personal Services	\$32,316,755	\$33,658,937	\$32,141,153
Commodities	2,867,100	2,935,727	3,293,491
Services	202,868,845	188,619,757	284,182,555
Furniture & Equipment	13,888	180,000	130,000
Other Charges	9,045,941	4,956,271	8,708,434
Total Expenditures	\$247,112,529	\$230,350,692	\$328,455,633

Hennepin County

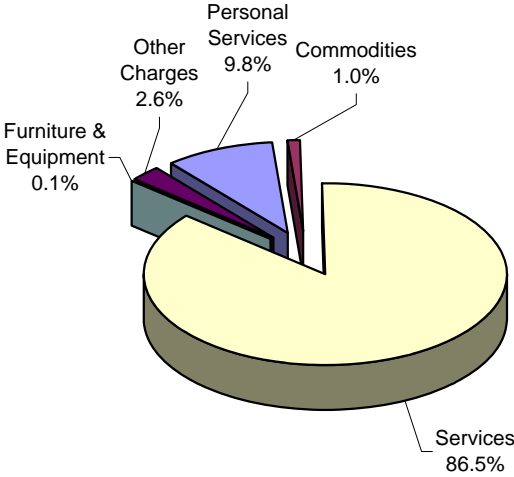
2012 BUDGET
Adopted

Revenue and Expenditure Comparison:

2012 Revenues



2012 Expenditures



Budgeted Positions:	2010 Budget	2011 Budget	2012 Budget
NorthPoint Health and Wellness Center	161.3	161.3	179.7
Metropolitan Health Plan	153.5	151.5	105.5
Medical Examiner	26.7	26.7	26.7
Hennepin Health	0.0	0.0	5.0
Uncompensated Care	0.0	0.0	0.0
HCMC Intergovernmental Transfers	0.0	0.0	0.0
Total Full Time Equivalent (FTE)	341.5	339.5	316.9

Hennepin County

NorthPoint Health and Wellness Center

2012 BUDGET

Health

Adopted

Mission:

NorthPoint Health and Wellness Center is a customer-centered, primary care, community health clinic dedicated to eliminating health disparities and improving health outcomes by effectively delivering medical, dental, behavioral health, and social services in a culturally-competent manner. NorthPoint's mission is "Actively Partnering to Create a Healthier Community."

Department Description:

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

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$6,943,163	\$6,799,095	\$6,459,140
Other Taxes			
Federal	1,149,396	915,278	1,236,816
State	944,577	1,021,907	489,628
Local	1,500		
Fees for Services	16,336,683	16,309,989	18,323,500
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	27,162	682,031	700,873
Total Revenues	\$25,402,481	\$25,728,300	\$27,209,957
Personnel Costs	\$17,252,603	\$17,099,894	\$18,297,739
Supplies and Materials	2,125,224	2,106,408	2,227,508
Purchased or Contract Services	5,450,756	5,922,598	5,996,010
Public Aid			
Equipment and Asset Purchases	14,316	130,000	130,000
Other Expenditures	475,205	469,400	558,700
Total Expenditures	\$25,318,104	\$25,728,300	\$27,209,957

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	161.3	161.3	179.7
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Hennepin County

NorthPoint Health and Wellness Center

2012 BUDGET

Health

Adopted

Significant Budget Changes:

The 2012 revenue budget reflects medical and behavioral health visits at approximately the same level as 2011. Dental visits will increase in 2012 by approximately 18 percent as additional capacity is added. The 2012 revenue increase is primarily due to the additional patients insured by the Minnesota Medical Assistance expansion program. Approximately 5 percent of NorthPoint's patients who were uninsured in 2011 will be covered by Medical Assistance in 2012. Decreases in state grants are anticipated due to ongoing Minnesota state budget reductions.

Costs are increasing primarily due to additional hiring of medical and dental personnel. Supply costs are increasing slightly while purchased services and equipment purchases remain essentially flat. Other expenditures are rising significantly due to increased Minnesota Care taxes on medical and dental revenue.

Division Budgets:	2010 Actual	2011 Budget	2012 Budget
Administrative Services	\$2,829,768	\$3,006,425	\$3,586,215
Fiscal Services	1,890,784	1,909,507	1,967,486
Community Health Initiatives	1,000,668	977,579	1,149,660
Medical and Facility Operations	11,984,936	12,279,339	12,432,931
Dental Operations	4,122,743	4,250,935	4,617,960
Neighborhood Services	679,240	679,239	679,239
Mental Health	2,573,169	2,455,276	2,594,466
African American Men Project	236,796	170,000	182,000
Total Expenditures	\$25,318,104	\$25,728,300	\$27,209,957

Budget Commentary

From 2006 to 2011, NorthPoint increased its total number of patient encounters by approximately 42 percent. From 2006 to 2011, the Behavioral Health area increased patient encounters by 226 percent. The number of patients best served in a language other than English continues to increase slowly and steadily as a portion of the total NorthPoint population. In 2006 and 2007, 28 percent of NorthPoint's patients were served best in a language other than English. By 2010, the percentage has increased to 30 percent. The proportion of NorthPoint clients ages 20 and older who are uninsured grew steadily between 2006 and 2010. In 2011, early adoption of national healthcare reform will result in a reduction in this percentage and that trend will continue in 2012.

NorthPoint has also continued to demonstrate improved patient outcomes through the continuous development of integrated care models. Staff participated in coordinated care teams to meet the complex chronic care needs of high risk patients. Many of these teams included community health workers in partnership with NorthPoint, Inc. to provide patient disease management and follow-up care. Gains were seen in prenatal services where the percentage of patients seen in the trimester of pregnancy rose from 64 percent in 2006 to 74 percent in 2010. During 2010, there were improvements in the percentages of patients with hypertension controlled across all reported race/ethnicities except for patients reporting as Asian. The percentage of African Americans with controlled hypertension (64 percent) remained stable between 2009 and 2010 while the percentage of those reporting as Hispanic/Latino increased from 75 percent in 2009 to 79 percent in 2010.

Key Results:	2010	2011 Est.	2012 Goal
Medical visits	44,682	44,826	47,315
Behavioral health visits	15,097	15,008	15,575
Dental visits	17,293	17,192	20,240
Prescriptions filled	130,788	132,142	135,000
Radiology procedures	5,565	5,336	5,500

Additional Resources:

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

Hennepin County

Metropolitan Health Plan
Health

2012 BUDGET
Adopted

Mission:

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

Vision:

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

Department Description:

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

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes			
Federal			
State			
Local			
Fees for Services	141,575,359	151,020,590	117,154,850
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	207,192	(1,665,213)	(155,061)
Total Revenues	\$141,782,551	\$149,355,377	\$116,999,789
Personnel Costs	\$12,105,642	\$13,481,335	\$10,276,211
Supplies and Materials	712,180	794,069	1,014,733
Purchased or Contract Services	118,161,039	130,612,792	100,642,801
Public Aid			
Equipment and Asset Purchases			
Other Expenditures	8,555,946	4,467,181	5,066,044
Total Expenditures	\$139,534,807	\$149,355,377	\$116,999,789

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	153.5	151.5	105.5
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Significant Budget Changes:

Beginning January 1, 2012, and as result of DHS's 2011 competitive bidding process for HMOs in the State of Minnesota, MHP will no longer offer Medical Assistance or Minnesota Care. MHP will continue to offer Minnesota Senior Care Plus and Minnesota Senior Health Options at approximately the same enrollment levels as year-end 2011. MHP will also continue with its Special Needs Basic Plan product, but with a DHS agreement to expand this population from 560 members at year-end 2011 up to 4,000 members by year-end 2012. In addition, MHP and its Hennepin County partners, have agreed to enter into an integrated health delivery network demonstration project with DHS. MHP's partners will be Hennepin County Medical Center, the county Human Services and Public Health Department, and NorthPoint Health and Wellness Center. Enrollment for the demonstration project will consist of MHP's year-end 2011 Medicaid Expansion enrollment, estimated at just over 3,000, with growth throughout 2012 to an estimated average of 10,000 for the year.

Hennepin County

Metropolitan Health Plan
Health

2012 BUDGET
Adopted

Budget Commentary

Effective April 1, 2011, and not included in MHP's 2011 budget, MHP began serving Medicaid Expansion members as a result of the January 2011 action of the Minnesota Governor. These members essentially replaced the General Assistance Medical Care (GAMC) program members whose enrollment ended when the GAMC program ended on March 31, 2010. MHP is estimating just over 3,000 Medicaid Expansion members as of year-end 2011. The Medicaid Expansion program will add approximately \$25 million in revenues for 2011 and is estimated to generate an additional \$2 million in net surplus. Those members will be served by the Hennepin Health demonstration project in 2012.

Key Results:	2010	2011 Est.	2012 Goal
Enrollment	18,113	19,600	6,061
Administrative Cost Ratio	14.5%	13.3%	9.5%
Medical Loss Ratio	80.3%	82.8%	89.4%
Net Income	\$2,247,744	\$4,403,790	\$255,562
Risk Based Capital Ratio	177%	222%	230%

Additional Resources:

MHP provides additional information related to the health plan under its internet site. The website includes information to assist our members and providers with resources that easily connect them to all that MHP, a department of Hennepin County, has to offer as a health plan. The information is available at the following site: www.hennepin.us/mhp

Hennepin County

Medical Examiner
Health

2012 BUDGET
Adopted

Mission:

To determine and certify cause and manner of death in all cases within the jurisdiction of the Hennepin County Medical Examiner; to review and approve cremations; to improve the health, safety, and quality of life in Hennepin County; to provide accurate, fair, and unbiased testimony to the legal system to ensure justice.

Department Description:

The Medical Examiner is responsible for investigation of all known or suspected homicides, suicides, accidental deaths, drug related deaths, medically unattended deaths, and deaths which might constitute a threat to public health and safety that occur under Hennepin County's jurisdiction. The office is also required to investigate the deaths of all persons dying in Hennepin County 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:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$3,511,377	\$3,482,215	\$3,406,087
Other Taxes			
Federal			
State			
Local			
Fees for Services	119,000	124,000	124,000
Fines and Forfeitures		175,000	175,000
Licenses and Permits		60,800	60,800
Other Revenue	81,833	60,800	60,800
Total Revenues	\$3,712,210	\$3,842,015	\$3,765,887
Personnel Costs	\$2,958,510	\$3,077,708	\$3,067,203
Supplies and Materials	29,696	36,250	51,250
Purchased or Contract Services	435,525	658,367	627,744
Public Aid			
Equipment and Asset Purchases	(428)	50,000	0
Other Expenditures	14,790	19,690	19,690
Total Expenditures	\$3,438,093	\$3,842,015	\$3,765,887

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	26.7	26.7	26.7
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Hennepin County

Medical Examiner

Health

2012 BUDGET

Adopted

Significant Budget Changes:

Two relatively minor additions were calculated into the Medical Examiner's 2012 budget request. An additional \$15,000 was requested for the replacement of several employee workstation and conference room chairs that are presently over 12 years old. An additional \$30,000 was budgeted to accommodate an expedited project time line for the scanning of paper case file records into the new Medical Examiner's electronic case management system.

Budget Commentary

2010 ended with an all-time record high 3,971 reported cases (compared to 3,843 the previous year) with the upward trend continuing through 2011. In 2010, the office experienced nearly a 10 percent increase in autopsies performed, with 713 autopsies in 2010 compared to 653 in 2009. Cremation approval requests submitted to the office also reached an all time high of 5,653 in 2010, compared to 5,379 in 2009. The number of cremation approval requests is expected to continue to climb each subsequent year as cremations become a more popular form of final disposition. To reflect actual cremations that take place in Hennepin County and to better align our office statistics with the new cremation approval fee instituted in 2011, cremation statistics will be extracted from the State of Minnesota birth and death records system. These statistics represent "deaths in Hennepin County with the final disposition of cremation" as opposed to "cremation approval requests submitted to the Hennepin County Medical Examiner." This change in statistics tracking will result in the number of cremation approvals appearing lower than they have in previous years, but will directly reflect the revenue generated from the cremation approval fee that began in January 2011.

The office continues to successfully meet and/or exceed all requirements pertaining to our core mission of death investigation, as well as continued collaborative interjurisdictional work in disaster planning; provides all administrative support to the Minnesota Coroners' and Medical Examiners' Association, including facilitation of a highly regarded annual 2-day educational conference attended by coroners, medical examiners, physicians, attorneys, nurses, and law enforcement personnel throughout the region; focus efforts and design process improvements to ensure future reaccreditation by national organizations such as the National Association of Medical Examiners (NAME) and the Accreditation Council for Graduate Medical Education (ACGME); and continue the education of medical students, residents, and forensic pathology fellows through our long-standing relationship with Hennepin County Medical Center (HCMC) and the University of Minnesota, as well as various other schools from time to time. In addition, a new Medical Examiner electronic case management system, implemented in January 2012, is expected to provide a state-of-the-art paperless process to manage nearly all aspects of Medical Examiner business. Work process efficiencies, customer service enhancements, and cost savings are expected as a result of this system, once all phases of the product are fully operational.

Key Results:	2010	2011 Est.	2012 Goal
Number of cases reported	3,971	4,059	4,100
Number of autopsies performed	713	709	725
Organ, tissue, and eye donations	229	263	275
Toxicology expense per accepted case	108	114	120
Number of student weeks of forensic training provided	104	120	120

Additional Resources:

Useful and educational information about the Medical Examiner's Office and the services it provides is available by visiting our department's internet web page at www.hennepin.us/me. The information includes the Minnesota statutes that govern our work and data practices, a downloadable department fact sheet, a downloadable brochure offering information for families, information about our Forensic Pathology Fellowship Program, and links to various affiliated organizations and forms.

Hennepin County

Hennepin Health
Health

2012 BUDGET
Adopted

Mission:

Hennepin Health is an integrated health delivery network demonstration project to provide services to Hennepin County residents who are Medicaid participants under a contract with the Minnesota Department of Human Services (DHS). Its mission is to build a new healthcare model which coordinates across systems in a patient-centered manner, where systems work collaboratively to drive positive health outcomes and reduce costs.

Department Description:

Hennepin Health is a new integrated health delivery network demonstration project beginning January 1, 2012 and funded by a contract with DHS. NorthPoint Health and Wellness Center, Metropolitan Health Plan, Hennepin County Medical Center, the county Human Services and Public Health Department, and other local healthcare providers will integrate medical, behavioral health, and human services in a patient-centered model of care. The program is limited to Hennepin County residents who are eligible for medical assistance. The project seeks to improve health outcomes and lower the total cost of providing care and services to this population.

Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes			
Federal			
State			
Local			
Fees for Services			120,480,000
Fines and Forfeitures			
Licenses and Permits			
Other Revenue			
Total Revenues	\$0	\$0	\$120,480,000
Personnel Costs	\$0	\$0	\$500,000
Supplies and Materials			
Purchased or Contract Services			116,916,000
Public Aid			
Equipment and Asset Purchases			
Other Expenditures			3,064,000
Total Expenditures	\$0	\$0	\$120,480,000

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	5.0
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Significant Budget Changes:

Hennepin Health began providing services on January 1, 2012 and is being accounted for as an enterprise fund.

Hennepin County

Uncompensated Care
Health

2012 BUDGET
Adopted

Mission:

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

Department Description:

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

Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$32,805,702	\$30,000,000	\$20,000,000
Other Taxes			
Federal			
State			
Local			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue			
Total Revenues	\$32,805,702	\$30,000,000	\$20,000,000
Personnel Costs	\$0	\$0	\$0
Supplies and Materials			
Purchased or Contract Services	32,805,702	30,000,000	20,000,000
Public Aid			
Equipment and Asset Purchases			
Other Expenditures			
Total Expenditures	\$32,805,702	\$30,000,000	\$20,000,000
<i>*Reflects adjusted property tax, not actual property tax collections.</i>			
 Budgeted Positions (Full-time Equivalents)	 0.0	 0.0	 0.0

Hennepin County

HCMC Intergovernmental Transfers
Health

2012 BUDGET
Adopted

Mission:

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

Department Description:

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

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$775,000	\$775,000	\$775,000
Other Taxes			
Federal			
State	33,500,261		19,225,000
Local	11,833,612	20,650,000	20,000,000
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue			
Total Revenues	\$46,108,873	\$21,425,000	\$40,000,000
Personnel Costs	\$0	\$0	\$0
Supplies and Materials			
Purchased or Contract Services	46,015,823	21,425,000	40,000,000
Public Aid			
Equipment and Asset Purchases			
Other Expenditures			
Total Expenditures	\$46,015,823	\$21,425,000	\$40,000,000

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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Significant Budget Changes:

Before 2011, these payments were accounted for in the Uncompensated Care cost center. The 2010 actual amounts shown above were originally reported in the Uncompensated Care cost center but are shown here to facilitate comparison between years. The 2012 budget is significantly higher than 2011 because of new intergovernmental transfers enacted in 2010 and implemented by DHS in late 2010. The complete financial effect of the transfers on the county was not determined by DHS until after the 2011 budget was completed.

Major Program: Libraries

Mission:

Hennepin County Library's mission is to nourish minds, transform lives and build community together.

reading



graduating



engaging



working



learning



Program Description:

Hennepin County Library provides responsive and innovative library services for its patrons. Services are provided in 41 physical libraries, through its public home page and its outreach services. Hennepin County Library facilities are now open for business nearly 2,000 hours each week in addition to 24/7 service to patrons through its online presence. The Library's collection contains five million items including print and downloadable books, movies and music, digital resources and materials in more than forty languages. Over 200,000 adults, teens and children attended events and classes at libraries and over 21.6 million visits were made to the library's website.

Program Highlights:

The Library's 2012 budgeted expenditures are \$69.9 million, a \$0.7 million increase (1.0 percent) over the 2011 adjusted budget. Significant changes in the Library's estimated revenue include: an increase in property tax support of \$1.3 million to partially offset the \$3.2 million of additional charges for Information Technology Services, an increased use of fund balance of \$390,000, and reductions of \$871,000 in transition aid from the City of Minneapolis and \$200,000 in contributions and donations.

In the spring of 2011, the renovated Northeast and Nokomis Libraries re-opened, adding 6,700 square feet to the system's one million square feet of library space. However, in order to accommodate the necessary reduction in operating expenses, the 2012 Property Services expense was reduced by \$576,000 and the Library staff was reduced by 11 full-time equivalents. In addition, the collection budget was reduced by \$2.0 million (25 percent) while hours of operation have been maintained for 2012. A new collection management strategy, including circulation, limits is being implemented in 2012.

Program Highlights - continued:

During 2011, the Hennepin County Library (HCL) focused its efforts on community engagement and development of business plans that support HCL's strategic plan. Our patrons are partnering with the Library to ensure library services are community-based.

Hennepin County Library patrons are using their libraries in record numbers. Projected year-end numbers for 2011 include more than 5.9 million visits to libraries, about 17.8 million items checked out, and more than 21.6 million visits to the Library's website (www.hclib.org).

The grand openings of the renovated and expanded Northeast and Nokomis libraries make library services available in 41 locations throughout Hennepin County. With these openings and the use of ballpark sales tax revenue, Hennepin County libraries are open 1,868 hours every week. Over 2,300 volunteers contribute more than 100,000 hours of service in support of library service delivery and materials handling.

The Library's Capital Improvement Plan includes closing of the Roosevelt Library in early 2012 for approximately one year while it undergoes substantial renovation. The improvements will include an increase in public computers and wireless access, a refreshed collection, a multi-purpose room for programming and community meetings, and an update to the mechanical and electrical infrastructure. Walker Library is scheduled to close in the fall of 2012, with a new facility constructed on the same site and slated to open in 2014. Other projects underway involve the new Brooklyn Park and Excelsior libraries, and remodeling projects at the Washburn and Southdale locations.

Technology continues to be an integral part of service delivery at the Library. The launch of our mobile application for smartphones allowed patrons to search the catalog, renew and reserve items, and use GPS functionality to locate a library. In one month, over 567,000 catalog searches were conducted in the mobile app. Texting service was added as another way for library patrons to connect with Ask Us services, in addition to reference in person, on the telephone, via email and online chat. A video reference pilot project at Nokomis Library allows the Nokomis librarian to conduct storytime or community outreach, while a librarian who is off-site at another location staffs the reference service via video connection. This pilot project provides for a more flexible staffing arrangement between locations. With the opening of the Nokomis library in May 2011, HCL began testing radio frequency identification (RFID) of materials. As RFID is implemented across the system, patrons will receive materials more quickly, space will be used more effectively in work areas, and staff will realize ergonomic benefits.

In 2012, the Library will invest \$6 million to maintain and enhance the collection, a reduction of \$2 million from the prior year. The Library's collection contains over 5 million books, CDs, DVDs and digital resources. In July 2010, the Library began offering downloadable eBooks. We have seen a 250 percent increase in downloads since the end of 2010. We project the Library to exceed 600,000 downloads in 2012. In 2012, the Library will limit circulation of eBooks to Hennepin residents.

The Library continues to engage and build stronger communities. An early literacy initiative is underway at North Regional Library in collaboration with the Minnesota Children's Museum. HCL is partnering with AmeriCorps and Minneapolis Public Schools to increase Homework Hub tutors. Outreach Services brings the library experience and resources to the community whether it is to a patron's home, senior housing, rehabilitation centers or county correctional facilities. In 2011, the Library received an award for its Freedom Ticket program which provides resources for people in a correctional facility to successfully re-enter the community.

The Library has built partnerships with other county departments, including the County Attorney's Office with the be@school program, multiple departments involved with A-GRAD, and the Adult Corrections Facility in materials handling and processing.

Our vision is that every resident has the resources to read, graduate, engage, work and learn.

Revenue Highlights:

Budgeted 2012 revenues for the Library total \$69.9 million; a 1.0 percent increase over the 2011 adjusted budget of \$69.2 million. The 2012 operating budget is funded with \$56.3 million (80.6 percent) property taxes, \$5.0 million (7.1 percent) with funding from the City of Minneapolis and \$8.6 million (12.3 percent) with other revenues.

Property Tax Revenues

The budgeted property tax amount of \$56.3 million for 2012 is 2.4 percent more than the adjusted 2011 budget amount of \$55.0 million. This is due to the transfer from IT to the Library of \$3.2 million to more accurately reflect Library IT costs.

Federal and State Revenues

Budgeted 2012 revenues from the State of Minnesota are estimated at \$1.0 million, an increase of \$100,000, from \$900,000 budgeted in 2011. This revenue represents the monies received from Metropolitan Library Service Agency (MELSA) for programs including: E-Rate, Regional Library Telecommunications Aid (RLTA), and state formula allocation.

Minneapolis Revenues

As part of the library merger agreement, the City of Minneapolis agreed to provide transition funding to provide support for operating expenses and to open the previously shuttered Roosevelt, Webber Park and Southeast libraries. The transition and "shuttered" funding support will gradually phase out ending in 2017 and 2015, respectively. For 2012, the city will contribute approximately \$5.0 million per the agreement, a \$871,000 reduction over the 2011 contribution. The city will continue to retire the outstanding debt on the new Central Library in downtown Minneapolis, but the county has assumed responsibility for the operation and retirement of the debt associated with the parking ramp under the Central Library.

As a part of its capital improvement program, the city had approved referendum and capital bond funding for a variety of Library projects. The city will transfer a total of \$18,065,000 in capital improvement funds to the county for those projects based on a multi-year schedule included in the financing agreement. Revenue for these capital improvements is reflected in the capital budget.

Fines and Forfeits

Revenue from fines is estimated at \$1.7 million in 2012; down slightly from the 2011 budget of \$1.8 million but consistent with 2010 actual receipts. Overdue book fines make up most of the revenue in this category.

Contributions and Donations

Budgeted 2012 revenues from contributions and donations are estimated at \$900,000; down \$200,000 from \$1.1 million budgeted in 2011. The reduction in 2012 revenue is based on projected 2011 receipts. The majority of contributions and donations are received from the Friends of Hennepin County Library, formerly the Library Foundation of Hennepin County.

Ballpark Sales Tax Transfer

Budgeted 2012 transfers from the Ballpark Sales Tax collections are estimated at \$1.9 million, up \$100,000 from \$1.8 million budgeted in 2011. This revenue supplements library hours across the library system.

Budgeted Use of Fund Balance

Budgeted use of fund balance is \$2.4 million in 2012; a \$400,000 increase over the 2011 budget amount of \$2.0 million. In 2010, use of fund balance was budgeted at \$1.2 million.

Other Revenues

A variety of other sources totaling \$800,000 (1.1 percent) comprise the remainder of 2012 revenues. Book sales, concessions revenues, investment income and other miscellaneous revenues are included in the Other Revenues category.

Hennepin County

2012 BUDGET Adopted

Department Summary:	2010 Actual	2011 Budget	2012 Budget
Administration	\$2,461,470	\$2,887,153	\$2,921,166
Operations	8,974,180	3,938,381	3,878,717
Information and Collection Services	16,520,072	18,774,053	19,881,384
Community and Patron Services	42,029,306	42,838,282	42,374,763
Communications & Community Engagement	633,629	752,693	844,037
Total Expenditures	\$70,618,658	\$69,190,562	\$69,900,068

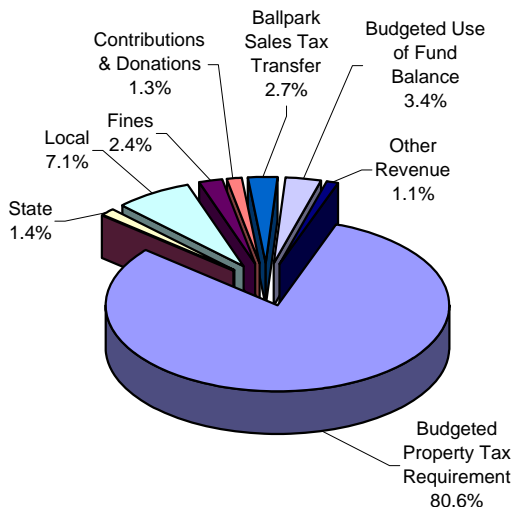
Revenue and Expenditure Information:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$55,518,003	\$55,003,295	\$56,336,145
Federal			
State	924,566	933,844	1,006,600
Local	6,744,711	5,850,312	4,979,312
Fines	1,651,888	1,752,097	1,650,000
Contributions and Donations	1,013,084	1,137,000	920,937
Ballpark Sales Tax Transfer	1,468,247	1,754,837	1,860,000
Budgeted Use of Fund Balance		2,000,000	2,390,000
Other Revenue	799,298	759,177	757,074
Total Revenues	\$68,119,797	\$69,190,562	\$69,900,068

**Reflects adjusted property tax, not actual property tax collections.*

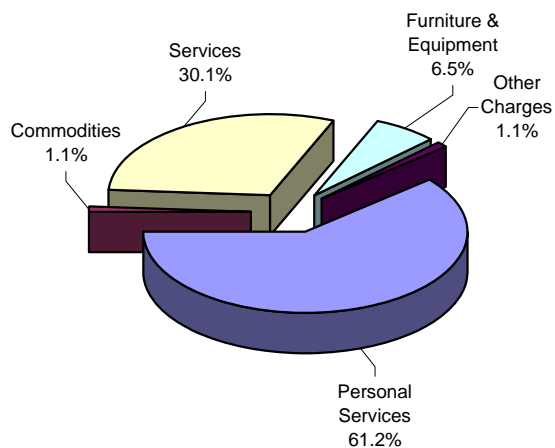
Personal Services	\$48,115,575	\$42,525,177	\$42,769,833
Commodities	712,678	763,725	784,375
Services	14,819,213	18,591,500	21,044,472
Furniture & Equipment	6,626,598	6,582,658	4,550,337
Other Charges	344,731	727,502	751,051
Total Expenditures	\$70,618,794	\$69,190,562	\$69,900,068

Revenue and Expenditure Comparison:

2012 Revenues



2012 Expenditures



Hennepin County

2012 BUDGET Adopted

Budgeted Positions:	2010 Budget	2011 Budget	2012 Budget
Total Full Time Equivalent (FTE)	657.0	622.0	611.0

Key Results:	2010	2011 Est.	2012 Goal
Number of circulated items	17,535,595	17,800,000	18,000,000
Visits to Library	5,764,191	5,850,000	6,000,000
Visits to Library website	19,947,651	21,600,000	24,000,000
Downloaded books, movies and music	130,000	450,000	600,000
Percent of circulation using express checkout	75%	78%	80%
Volunteer hours supplementing service	91,779	98,000	100,000

Additional Resources:

The Library's website (www.hclib.org) provides additional information about the Library, including the Library Board and the Friends of Hennepin County Library. The Friends of the HCL website is www.supporthclib.org. Through the Library's website, the community can browse the catalog, reserve books, pay fines, reserve meeting rooms, and view and register for events and classes.

Major Program: Human Services

Mission:

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



HSPHD Supports Healthy Families



HSPHD works to assure basic needs are met

Program Description:

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

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

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

Program Highlights:

The Human Services program 2012 budget is \$445.4 million, a decrease of 1.2 percent or \$5.4 million when compared to the adjusted 2011 budget of \$450.9 million.

Demand for human services continues to grow. Requests for programs such as Food Support are 58 percent higher now than three years ago. Due to economic impacts more people are being found eligible for Minnesota's Health Care programs and a higher number of people are seeking emergency shelter. At the same time, the department has not increased its staff complement to accommodate the growing demand, focusing instead on increasing the productivity of employees and the efficiencies of the systems that support these programs. State revenues that supported a variety of human services programs were reduced as part of the budget agreement made during the state's special legislative session. HSPHD has been able to mitigate the impact of reduced revenue through the following:

1. Savings in the out-of-home placement budget resulting from the implementation of the recommendations of the Board-Bench Out of Home Placement Task Force.
2. Increased revenue from the expansion of Medical Assistance.
3. Elimination of some vacant positions.
4. Savings from decommissioning the case management system, HSIS (Human Services Information System) by mid-2012 and conversion to the state's Social Services Information System (SSIS).
5. The charge for occupying Century Plaza is decreasing as bonds for the building acquisition are retired in 2011.
6. A general reduction in some public aid expenditures resulting from better alignment of the budget to current needs.

Program Highlights - continued:

The program will operate with 2,723.0 FTEs, a decrease of 28.2 FTEs when compared with the 2011 adjusted budget of 2,751.2 FTEs.

For the last several years the department has focused on a new way of providing services, activities include:

- Combining financial, social, and public health services into an integrated model of services for clients.
- Moving services into community based sites, including the opening of the first regional site in northwest Hennepin County in mid-2012.
- Involving the community in the development of service planning.
- Becoming a Results-Only Work Environment (ROWE) - one of the first public sector agencies in the country.
- Leveraging technology to enhance service delivery.

HSPHD continues to work with a broad range of county departments, agencies, advocates, and advisory groups.

In August 2011, HSPHD staff moved into space at Interfaith Outreach and Community Partners, or IOCP, a non-profit that provides both emergency and long-term solutions around food and clothing, housing, employment, child care, transportation, and connections to other resources. The new location solidifies a partnership with IOCP, Hennepin County and Wayzata Public Schools Community Education. This collaboration represents more than just co-location, it is an example of the model for future public-private partnerships as the department moves forward with providing regional services.

In partnership with the Hennepin County Veterans' Service Office, the VA Medical Center and the Minneapolis Public Housing Authority, the Office to End Homelessness helped to organize a community process to target 155 Section 8 Housing Vouchers to long-term homeless veterans.

HSPHD, the Department of Community Corrections and Rehabilitation and the Juvenile Courts are working together on an initiative targeting youth who have a case open in both social services and corrections. Called the Crossover Youth Project, its goal is to provide services and supports to children and their families to reduce the risk of deeper involvement in the correctional system and to reduce out-of-home Placements for children who can safely live in the community.

Along with multiple other community partners, HSPHD contributed to the response to the May 22 tornado, providing significant staffing for the various disaster relief sites and managing increased workload to meet the demands of residents. HSPHD provided immediate access to emergency shelter, emergency assistance, food support, behavioral health services and other services as needed.

Revenue Highlights:

Budgeted 2012 revenues for the Human Services program total \$445,428,302, a decrease of \$5.4 million or 1.2 percent from the 2011 adjusted budget of \$450,853,160. The following summary compares revenue by major category in 2011 and 2012.

Property Tax Revenues

County property tax support totals \$202.0 million for 2012, a decrease of \$6.5 million from the 2011 adjusted budget of \$208.5 million. The reduction in property tax support includes reductions in staffing and purchased services, a projected savings from the sunsetting of an in-house case management system along with a decrease in the charge for occupying the Century Plaza building as bonds for the building acquisition are being retired. Property tax support accounts for 45.3 percent of the Human Services program's estimated revenues down from 46.2 percent in 2011.

Federal Revenues

Federal revenues consist primarily of reimbursements for the administrative costs of human services programs including financial, medical, and training and employment programs. The reimbursements are based upon the county's costs as well as federal rates. The federal portion of the 2012 revenue budget accounts for approximately 28.9 percent of the Human Services program revenue, compared to 28.2 percent in 2011.

Federal revenue sources are estimated at \$128.5 million, a slight increase of 1.2 percent or \$1.6 million when compared to the 2011 adjusted budget of \$127.0 million. While the increase in federal revenue is modest, the budget does include the following impacts: a \$4.0 million increase in Social Service Time Study (SSTS) revenue based on improved random moments time reporting; a \$3.8 million reduction in the Minnesota Family Investment Program (MFIP) Consolidated funding. As part of the state's special legislative budget agreement, MFIP Consolidated funding to counties was reduced. Medical Assistance administrative dollars increased \$2.4 million based in part on an increase in the cost pool. The budget includes an increase in the use of intermittent staffing to handle the increased demand for medical, cash and food support.

In 2012, the Human Services program will receive approximately \$31.0 million in federal reimbursement for the administrative costs of the Temporary Assistance for Needy Families (TANF), food stamp and medical assistance programs. The TANF program is administered within Minnesota as the Minnesota Family Investment Program, or MFIP.

State Revenues

State monies are used to fund human services programs, training and employment programs, and financial and medical assistance programs. In 2012, revenues from the state make up 12.8 percent of total Human Services program revenue.

Revenues from the State of Minnesota to Hennepin County are estimated at \$57.0 million, an increase of \$1.9 million when compared to the 2011 adjusted budget of \$55.1 million. In 2012, the budgeted state funded portion of the Children and Community Services Act (CCSA) grant increased \$2.1 million when compared to the 2011 budget of \$10.6 million, funding for programs to address long-term homelessness increased \$1.9 million and the adult mental health grant was reduced by \$1.2 million. The state's special session agreement included a 10 percent reduction in Adult Mental Health grants to counties.

Local Grants

Local grant revenue comes from private parties, nonprofit institutions, local governments, and private foundations. Local grants of \$1.2 million in 2012 account for less than 1.0 percent of total budget.

Fees and Services

A major portion of fee revenue is payments from third party payors and state and federal reimbursements for patient fees and services. Revenues from fees charged for services are estimated at \$47.5 million for 2012, up from \$46.7 million in 2011.

Other Revenues

Other revenues account for less than 1.0 percent of total revenue. Licenses, permits and interdepartmental payments account for the majority of revenues in this category.

Fund Balance

To reduce the tax levy for 2012, the budget includes a planned use of fund balance.

Hennepin County

2012 BUDGET

Adopted

Department Summary:	2010 Actual	2011 Budget	2012 Budget
Protection and Assessment	\$129,302,490	\$130,282,870	\$116,636,250
Eligibility and Child Support	107,162,073	104,867,000	120,139,668
Public Health and Case Management	130,688,795	133,049,000	141,089,980
Workforce Resources and Regional Development	17,124,578	18,696,000	12,389,191
Internal Supports	70,021,503	63,217,290	54,385,136
Veterans' Services	676,001	741,000	788,077
Total Expenditures	\$454,975,440	\$450,853,160	\$445,428,302

Revenue and Expenditure Information:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$221,482,402	\$208,480,160	\$202,008,752
Other Taxes	\$126,343		
Federal	129,249,685	126,950,000	128,522,379
State	50,239,709	55,051,000	56,957,064
Local	1,292,939	1,645,000	1,193,000
Fees and Services	46,885,350	46,694,000	47,528,107
Licenses and Permits	1,206,860	1,263,000	1,278,000
Budgeted Use of Fund Balance		7,500,000	6,000,000
Other Revenue	(1,526,339)	3,270,000	1,941,000
Total Revenues	\$448,956,949	\$450,853,160	\$445,428,302

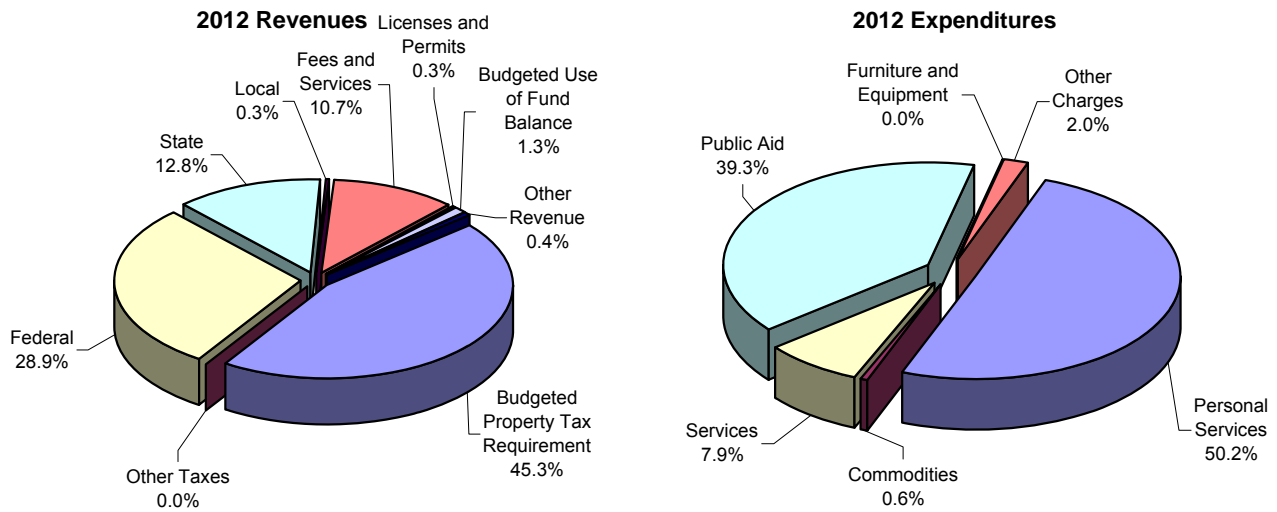
**Reflects adjusted property tax, not actual property tax collections.*

Personal Services	\$246,847,698	\$224,904,521	\$223,597,496
Commodities	2,382,585	3,241,000	2,724,411
Services	28,947,099	36,490,814	35,308,329
Public Aid	165,969,463	176,819,000	174,731,527
Furniture and Equipment	(84,184)	132,000	51,000
Other Charges	10,912,779	9,265,825	9,015,539
Total Expenditures	\$454,975,440	\$450,853,160	\$445,428,302

Hennepin County

2012 BUDGET
Adopted

Revenue and Expenditure Comparison:



Budgeted Positions:	2010 Budget	2011 Budget	2012 Budget
Full Time Equivalents	2,763.8	2,751.2	2,723.0

Key Results:	2010	2011 Est.	2012 Goal
Percent of children in open IV-D cases, born out of wedlock, with paternity established	97.9%	99.3%	99.5%
Number of cases of children in open IV-D cases, born out of wedlock, with paternity established	42,639	42,764	42,826
Percent of health care program applications processed in less than 60 days	77.0%	79.0%	79.0%
Number of health care program applications processed in less than 60 days	156,952	159,632	159,632
Percent of cash applications processed in less than 45 days	86%	88%	88%
Number of cash applications processed in less than 45 days	44,209	45,184	45,184
Number of cash reinstatements	27,666	27,588	27,588
Number of households served by Family Homelessness Prevention and Assistance Program	2,520	2,029	2,484
Annualized work participation rate for MFIP clients	34.2%	39.2%	39.8%

Additional Resources:

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

Major Program: General Government

- Commissioners
- County Administration
- County Assessor
- Budget and Finance
- Research, Planning and Development
- Information Technology
- Property Services
- Taxpayer Services
- Human Resources
- Public Affairs
- Internal Audit
- Examiner of Titles
- Computer Forensics Unit
- General County Purposes
- Debt Retirement
- Ballpark Sales Tax Revenue Programs
- Employee Health Plan Self Insurance
- Self Insurance Fund



Employee Health & Wellness: CPR training



New tablets are readied for use by staff.

Program Description:

The General Government 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. The General Government departments include activities in the County Revenue Fund, the Debt Retirement Fund and Internal Services Funds.

Program Highlights:

The General Government program's 2012 budget (excluding Debt Retirement and Ballpark Sales Tax Revenue Programs) is \$163.7 million, an increase of \$4.6 million (2.9 percent) from the 2011 adjusted budget of \$159.1 million. The increase is the result of an additional \$1.7 million in the Taxpayer Services Department for the 2012 general elections and redistricting, and changes in the General County Purposes area including an organizational transfer of Emergency Management from the Public Works major program (\$2.2 million), the addition of a Minneapolis Employee Retirement Fund liability (\$860,000), and an additional \$1.8 million in contingency funds. In 2012, the General Government program will operate with 1,119.4 full-time equivalent (FTE) positions, a net increase of 4.3 FTEs from the 2011 adjusted budget. Major departmental level changes of FTEs include an increase of 27.0 FTEs in Information Technology due to on-going centralization of technology services under the Federated Model initiative and a reduction of 22.2 FTEs in the Taxpayer Services department due to the elimination of vacant, unfunded positions.

Program Highlights - continued:

Highlights from the 2012 General Government budget are outlined below. Note that narrative discussions regarding Debt Retirement and Ballpark Sales Tax Revenue activity are provided in separate sections of this document.

Property Services

The 2012 Property Services budget totals approximately \$45.9 million, with an authorized staffing complement of 219.5 FTEs. The 2012 budget is \$1.8 million or 4.2 percent more than the 2011 adjusted budget and includes a reduction of 7.0 FTEs. Several operational efficiencies have been identified and implemented in the Security and Facilities Management divisions. Energy conservation strategies have been a major focus within Property Services as well. Based on information comparing annual energy usage between 2009 and 2010, energy use has decreased 6.5% percent among county facilities with a commensurate cost savings of 3.9% percent. Initiatives for 2012 include renovation of the Roosevelt Library and construction of the Walker Library.

Information Technology (IT)

The county's IT Department includes activities in the County Revenue Fund and two internal service funds. The County Revenue Fund consists of three divisions, General Government, approximately \$4.4 million, Hennepin Justice Integration, approximately \$3.0 million and Graphic Information Services (GIS) of approximately \$1.0 million and a total of 42.3 FTEs. The internal service funds include the IT Operations Fund with a budget of \$53.9 million and 237.7 FTEs, and the Central Services Internal Services Fund with a budget of \$7.6 million and 23.0 FTEs. In total, the 2012 authorized staffing complement for IT is 303.0 FTEs, an increase of 27.0 FTEs from the 2011 adjusted budget. This is due to the centralization of IT staff with implementation of the Federated Model.

Initiatives in 2012 consist of Data Center re-engineering, desktop virtualization, e-Gov initiatives, consolidating and upgrading enterprise applications, a countywide strategy for use of smartphones, and a variety of other projects aligning with countywide IT direction.

Taxpayer Services

The Taxpayer Services Department is comprised of the following eight divisions: Survey, Public Records, Service Centers, Elections, Property Tax, Administrative Services, Direct Access to Records and Taxes (DART), and Information Technology Services. The department's 2012 budget totals \$29.4 million with 278.1 FTEs. This is a budget increase of \$2.4 million, or 8.7 percent, from the 2011 budget.

Approximately \$1.7 million of the increase from 2011 is the result of costs associated with the 2012 general election (budgeted at \$1.2 million), as well as redistricting costs (\$525,000). The other major cost driver for 2012 is the commencement of the delayed tax and assessment system project, which will be mostly offset by an increase in the amount of Reserved Recorders Equipment Funds used.

Minnesota Statute 357.182 requires the County Recorder to report compliance with statutory document recording deadlines for the previous year with their requested budget submissions. For 2011, the statute required 90 percent of documents to be recorded within 10 days. The Public Records Division has met this requirement.

The Service Centers Division provides a variety of motor vehicle, driver's license, passport, birth, death, and marriage certificates, along with other state and local registration services and licensing functions to citizens of Hennepin County. There are six locations throughout the county: Ridgedale, Southdale, Maple Grove, Brookdale, Midtown and downtown Minneapolis. The Eden Prairie Service Center, the smallest center in terms of number and dollar volume of business transactions is slated to close in January 2012. Currently, the centers provide over 40 services and complete nearly one million transactions per year.

General County Purposes

Operational changes within the General County Purpose area for 2012 include an organizational transfer of Emergency Management (\$2.2 million and 7.0 FTEs) from the Public Works major program, the addition of a Minneapolis Employee Retirement Fund liability (\$860,000), and an increase in the contingency fund budget (\$1.8 million).

Revenue Highlights:

General Government's budgeted 2012 revenues are \$314.6 million, an \$18.1 million (6.1%) increase from the 2011 adjusted budget of \$296.5 million. Below are descriptions of the different revenues in the General Government program.

Current Property Taxes

General Government 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 57.7 percent of the 2012 General Government program.

Federal

2012 Federal revenue of \$5.8 million has increased a net of \$500,000 from the 2011 budget. The change is mostly due to the transfer of Emergency Management from the Public Works program to General County Purposes which increased Federal revenues by \$1.8 million; and a reduction in General County Purposes Justice Integration Grants received between 2011 and 2012, which reduces Federal revenues by \$1.0 million. Additionally, Debt Retirement includes \$2.3 million in Federal interest subsidy payments for certain bonds authorized under the American Recovery & Reinvestment Act (ARRA) in 2012.

Local

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

Fees, Services, Licenses and Permits

There is \$14.1 million of revenue budgeted in 2012 from fees charged for services. Fees and Services account for 4.5 percent of General Government's total revenues. Taxpayer Services and the Assessor's Office budget the majority of fees and services revenue for 2012.

Taxpayer Services estimates \$11.6 million will be generated in 2012 from service center activities, public records and its other divisions. These fees account for 82.6 percent of all General Government fee and service revenues. Specific 2012 Taxpayer Services revenues include:

- \$4.6 million in fees for recording Torrens and Abstract certificates that are reserved by state statute for specific document recording process improvements and technologies meant to improve customer service and decrease the time needed to record real estate documents. The Public Records Division anticipates an additional \$3.2 million for recording Torrens and Abstract certificates.
- \$850,000 in revenues for the RecordEASE web product, which charges subscribers for online searches and images of real estate records.
- \$4.4 million from the county's seven service centers for motor vehicle, driver's, and business licenses.
- An additional \$1.1 million from the service centers from the sale of passports, passport photographs, and postage for special handling.

The County Assessor generates most of its revenues by charging jurisdictions for assessment services to recover costs. The 2012 County Assessor's budget includes approximately \$1.6 million in revenues for assessments provided to 24 jurisdictions within the county.

Revenue Highlights - continued:

Other Revenues

Other Revenues, totaling \$101.1 million, make up 32.1 percent of General Government's 2012 revenue. This is a budget decrease of approximately \$2.1 million from the 2011 adjusted budget of \$103.2 million, representing a decrease of 2.1 percent.

Other Revenues for Debt Retirement are down a net of \$2.0 million as a result of no budgeted use of fund balance in 2012.

The Office of Budget and Finance has reduced Other Revenues by approximately \$6.6 million due to the completion of the APEX project which was the implementation of Hennepin County's PeopleSoft Financial and Human Capital Management system.

In Taxpayer Services, Other Revenues are up \$2.4 million. The increase results from using a larger amount of Reserved funds from the Recorder's Equipment funds in 2012 due to the commencement of the replacement of the county's property tax and assessment system as part of the DART project.

The majority of Property Services' \$26.7 million budgeted as Other Revenues is from building charges, which include billings to non-county Revenue Fund departments (e.g. Human Services, enterprise departments) and non-county agencies (e.g. State of Minnesota) for the space their programs occupy in county facilities. Additional revenue comes from employee contract and public parking, vending machine operations, security services, including those provided to the Municipal Building Commission and engineering services to the Hennepin County Energy Center. Property Services' other revenues are up approximately \$1.7 million from 2011 as a result of rents from the purchase of the 701 Building.

For Ballpark Sales Tax Revenue Programs, Other Revenues include \$28.9 million in budgeted sales tax collections for 2012, a \$0.8 million increase over the 2011 budget. The sales tax is collected to provide for transfers of principal and interest payments on the sales tax revenue bonds issued to fund the county's contribution to the Twins baseball stadium and to fund other authorized uses.

The 2012 Debt Retirement budget includes \$27.5 million in Other Revenues comprised of \$25.3 million for ballpark debt service, \$1.9 million for the Energy Center improvements and \$0.3 million in revenues from Glen Lake Golf Course for debt service on bonds that finance improvements to the facility.

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

Hennepin County

2012 BUDGET

Adopted

Department Summary*:	2010 Actual	2011 Budget	2012 Budget
Commissioners	\$2,753,737	\$2,711,829	\$2,725,829
County Administration	2,994,525	2,843,822	2,881,491
County Assessor	3,851,870	3,964,507	3,996,682
Budget and Finance	16,855,704	16,112,551	13,250,630
Research, Planning and Development	3,320,009	3,017,669	2,684,121
Information Technology (excludes Internal Service Funds)	6,425,212	8,984,752	8,407,340
Property Services	42,572,494	44,006,553	45,853,273
Taxpayer Services	25,732,142	27,081,971	29,448,171
Human Resources	8,361,392	6,885,782	7,104,783
Public Affairs	2,218,087	2,266,635	2,230,911
Internal Audit	2,004,601	2,075,856	2,026,229
Examiner of Titles	935,668	898,877	913,877
Computer Forensics Unit	723,635	690,685	779,798
General County Purposes	24,625,165	37,551,516	41,385,120
Debt Retirement	210,230,540	106,548,650	119,307,254
Ballpark Sales Tax Revenue Programs	28,248,454	30,870,772	31,597,186
Total Revenues	\$381,853,235	\$296,512,427	\$314,592,695
Commissioners	\$2,505,035	\$2,711,829	\$2,725,829
County Administration	2,688,872	2,843,822	2,881,491
County Assessor	3,740,146	3,964,507	3,996,682
Budget and Finance	20,794,954	16,112,551	13,250,630
Research, Planning and Development	2,887,863	3,017,669	2,684,121
Information Technology (excludes Internal Service Funds)	13,316,042	8,984,752	8,407,340
Property Services	41,462,659	44,006,553	45,853,273
Taxpayer Services	27,384,091	27,081,971	29,448,171
Human Resources	6,731,413	6,885,782	7,104,783
Public Affairs	2,340,035	2,266,635	2,230,911
Internal Audit	1,732,354	2,075,856	2,026,229
Examiner of Titles	830,867	898,877	913,877
Computer Forensics Unit	584,634	690,685	779,798
General County Purposes	58,330,012	37,551,516	41,385,120
Debt Retirement	198,956,854	106,548,650	119,307,254
Ballpark Sales Tax Revenue Programs	25,521,047	30,870,772	31,597,186
Total Expenses	\$409,806,878	\$296,512,427	\$314,592,695

*Totals do not include internal service funds.

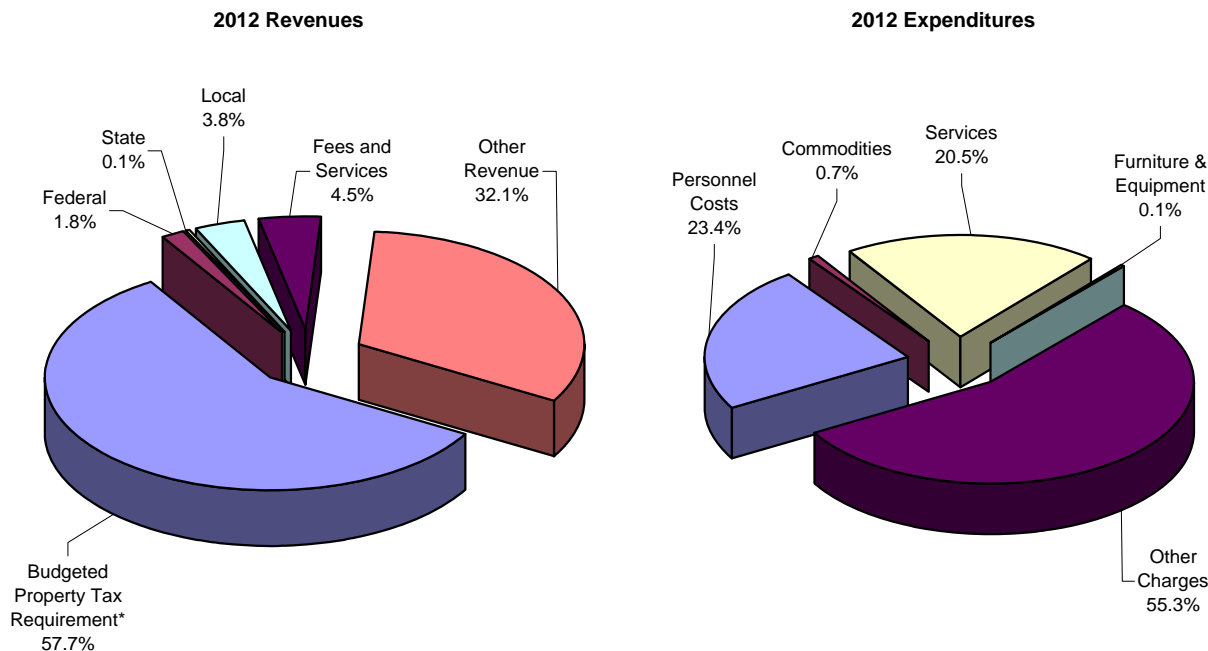
Hennepin County

2012 BUDGET Adopted

Revenue and Expenditure Information:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$142,046,255	\$167,087,521	\$181,545,271
Federal	4,245,193	5,287,477	5,811,970
State		1,713,855	88,000
Local	2,988,342	3,278,120	11,965,813
Fees and Services	15,924,652	15,932,534	14,110,656
Other Revenue	216,229,310	103,212,920	101,070,985
Total Revenues	\$381,433,752	\$296,512,427	\$314,592,695
Personnel Costs	\$119,076,676	\$74,608,673	\$73,516,013
Commodities	2,127,183	2,065,667	2,169,281
Services	62,808,954	61,384,160	64,418,168
Furniture & Equipment	258,481	106,526	182,306
Other Charges	225,535,584	158,347,401	174,306,927
Total Expenditures	\$409,806,879	\$296,512,427	\$314,592,695

*Reflects adjusted property tax, not actual property tax collections.

Revenue and Expenditure Comparison:



Hennepin County

2012 BUDGET

Adopted

Budgeted Positions*:	2010 Budget	2011 Budget	2012 Budget
Commissioners	25.0	25.0	25.0
County Administration	15.2	17.4	17.4
County Assessor	39.5	39.5	39.0
Budget and Finance	91.5	92.3	92.3
Research, Planning and Development	19.0	19.0	19.0
Information Technology (includes Internal Service Funds)	233.0	276.0	303.0
Property Services	227.5	226.5	219.5
Taxpayer Services	309.3	300.3	278.1
Human Resources	70.1	64.1	64.1
Public Affairs	17.5	17.5	17.5
Internal Audit	13.0	13.0	13.0
Examiner of Titles	8.0	8.0	8.0
Computer Forensics Unit	4.0	5.0	5.0
General County Purposes	0.0	0.0	7.0
Debt Retirement	0.0	0.0	0.0
Ballpark Sales Tax Revenue Programs	0.0	0.0	0.0
Employee Health Plan Self Insurance (Internal Service Fund)	0.0	6.0	6.0
Self Insurance (Internal Service Fund)	5.5	5.5	5.5
Total Full Time Equivalent (FTE)	1,078.1	1,115.1	1,119.4

*FTE totals include internal service funds.

Hennepin County

Commissioners
General Government

2012 BUDGET
Adopted

Mission:

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

Department Description:

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

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$2,753,737	\$2,711,829	\$2,725,829
Other Taxes			
Federal			
State			
Local			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue			
Total Revenues	\$2,753,737	\$2,711,829	\$2,725,829
Personnel Costs	\$2,346,667	\$2,394,922	\$2,420,245
Supplies and Materials	17,825	34,760	36,110
Purchased or Contract Services	83,500	146,987	134,239
Public Aid			
Equipment and Asset Purchases	(259)	5,085	3,386
Other Expenditures	57,302	130,075	131,849
Total Expenditures	\$2,505,035	\$2,711,829	\$2,725,829

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	25.0	25.0	25.0
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Additional Resources:

Mike Opat, Chair, District 1 - www.hennepin.us/mikeopat
 Mark Stenglein, District 2 - www.hennepin.us/markstenglein
 Gail Dorfman, District 3 - www.hennepin.us/gaildorfman
 Peter McLaughlin, District 4 - www.hennepin.us/petermclaughlin
 Randy Johnson, District 5 - www.hennepin.us/randyjohnson
 Jan Callison, District 6 - www.hennepin.us/jancallison
 Jeff Johnson, District 7 - www.hennepin.us/jeffjohnson

Hennepin County

County Administration
General Government

2012 BUDGET
Adopted

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

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$2,697,219	\$2,494,422	\$2,544,211
Other Taxes			
Federal			
State			
Local			
Fees for Services		295,000	295,000
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	297,306	54,400	42,280
Total Revenues	\$2,994,525	\$2,843,822	\$2,881,491
Personnel Costs	\$1,720,144	\$2,027,479	\$2,076,198
Supplies and Materials	17,185	19,671	19,500
Purchased or Contract Services	936,560	751,862	741,243
Public Aid			
Equipment and Asset Purchases	(3,708)	3,000	3,000
Other Expenditures	18,691	41,810	41,550
Total Expenditures	\$2,688,872	\$2,843,822	\$2,881,491

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	15.2	17.4	17.4
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Hennepin County

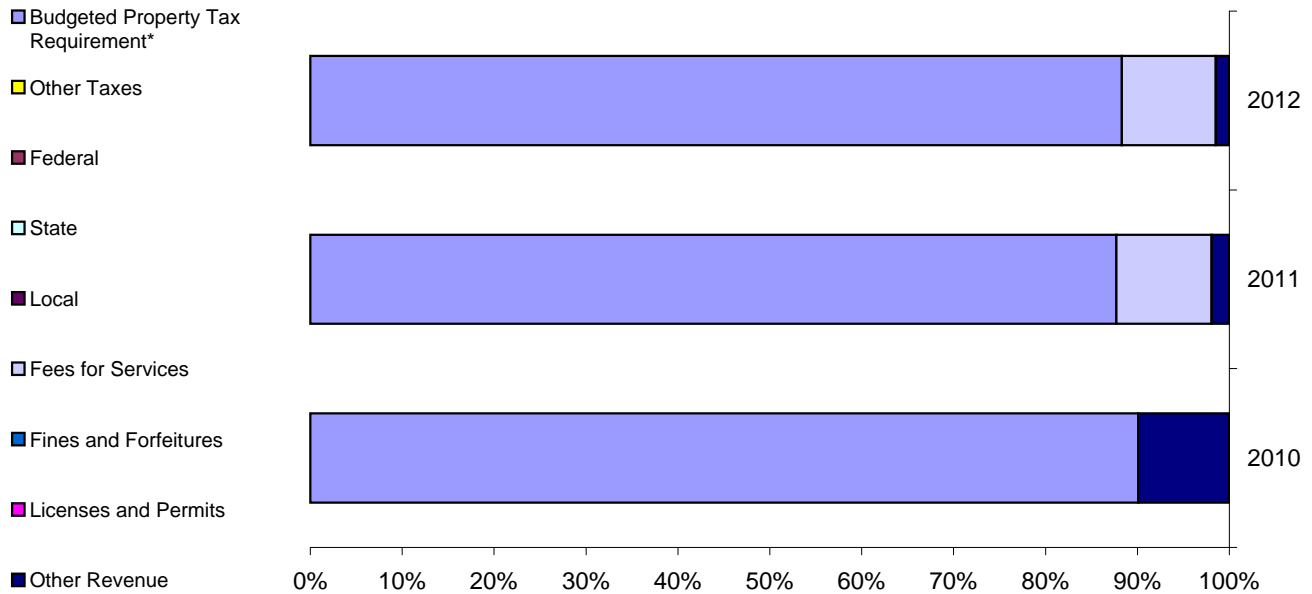
County Administration

2012 BUDGET

General Government

Adopted

Revenue Comparison:



Division Budgets:

	2010 Actual	2011 Budget	2012 Budget
County Administration	\$1,007,155	\$1,438,911	\$1,429,311
Labor Relations	643,648	672,998	724,461
Intergovernmental Relations	497,456	584,663	584,663
CJCC Administration	126,066	123,500	120,556
Domestic Fatality	23,785	23,750	22,500
HJIP	390,762	0	0
Total Expenditures	\$2,688,872	\$2,843,822	\$2,881,491

Additional Resources:

www.hennepin.us, select "Departments" and select "Administration."

Hennepin County

**County Assessor
General Government**

**2012 BUDGET
Adopted**

Mission:

The mission of the Hennepin County Assessor's Office is to serve the taxpayers of Hennepin County by uniformly valuing and classifying real property in an accurate and equitable manner as prescribed by the statutes of the State of Minnesota.

Department Description:

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. This office provides education and training countywide, along with reviewing all assessments to ensure equality across all jurisdictions in the county. For the 24 jurisdictions that contract with the county for assessment services, this office serves as the City Assessor and is involved in the entire assessment process. For cities with populations under 30,000, the county has significant statutory involvement in the assessment process, including mailing value notices and defending tax court petitions. For the eight largest cities in Hennepin excluding Minneapolis, the county has mainly valuation oversight authority. The City of Minneapolis is considered a city of the first class and the duties of the county assessor are performed by the appointed Minneapolis Assessor.

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$2,198,317	\$2,258,057	\$2,279,057
Other Taxes			
Federal			
State			
Local			
Fees for Services	1,652,832	1,648,250	1,675,100
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	721	58,200	42,525
Total Revenues	\$3,851,870	\$3,964,507	\$3,996,682
Personnel Costs	\$3,392,740	\$3,523,523	\$3,529,572
Supplies and Materials	19,220	23,000	21,900
Purchased or Contract Services	304,552	388,834	411,610
Public Aid			
Equipment and Asset Purchases	280		
Other Expenditures	23,354	29,150	33,600
Total Expenditures	\$3,740,146	\$3,964,507	\$3,996,682

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	39.5	39.5	39.0
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Hennepin County

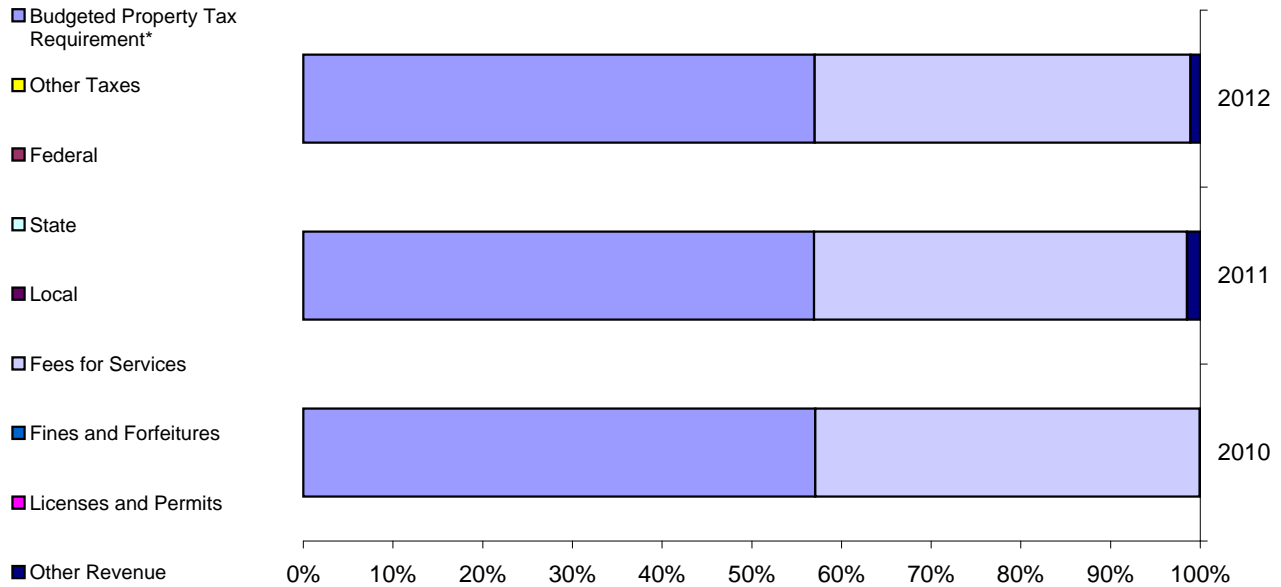
County Assessor

2012 BUDGET

General Government

Adopted

Revenue Comparison:



Budget Commentary

In the revenue section of the Budget Summary, 24 municipalities contract with Hennepin County for local assessment services, where staff is currently preparing the 2012 assessment for taxes payable in 2013. The revenues collected from the 24 municipalities cover 100 percent of the county's costs in serving as the City Assessor.

For expenses, the 2012 budget reflects the impact of changes in personal service, which accounts for 88.3 percent of the departments budget. While budgeted at 39.0 FTEs only 37.0 FTEs are funded. The vacancy factor of \$213,000 accounts for a vacant Assistant County Assessor position and a Residential Appraiser position. Of the \$416,000 of non-personal service costs, 75 percent are in the categories of IT - Data Center and Network, mileage/parking, and postage.

Key Results:

	2010	2011 Est.	2012 Goal
Suburban Residential Median Sales Ratio	0.953	0.953	0.95
Number of Cities Under Contract	24	24	24
Cost per Parcel Under Contract	\$20.48	\$19.92	\$20.00
Tax Court Petitions	2,379	2,094	2,200
Number of Abatements Processed	2,202	2,230	2,200

Additional Resources:

2011 Assessment Report - www.hennepin.us/propertytaxassessment
 Property Tax Administrators Manual - www.taxes.state.mn/property_tax_administrators
 Minnesota Statutes 270 through 289 - www.revisors.mn.gov

Hennepin County

Office of Budget and Finance
General Government

2012 BUDGET
Adopted

Mission:

To ensure that the financial health, working capital, and financial and credit conditions of Hennepin County are sound. To support countywide and business line strategic objectives through effective financial and human resource systems, consultation, analysis and reporting. To join with vendors and county departments in purchasing needed goods and services, and ensuring Hennepin County's commitment to Equal Opportunity and Affirmative Action.

Department Description:

The Office of Budget and Finance is organized into several divisions. The Budget and Treasury division performs budget preparation and analysis, revenue and expenditure forecasting, legislative analysis, and treasury services. The Risk Management division works in cooperation with the County Attorney's Office to monitor and control the financial and operational risk for Hennepin County. General Accounting and Payroll Services performs all general countywide accounting activities and payroll functions. 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:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$6,786,482	\$9,001,911	\$12,743,630
Other Taxes			
Federal			
State			
Local			
Fees for Services	460,408	425,000	470,000
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	9,608,814	6,685,640	37,000
Total Revenues	\$16,855,704	\$16,112,551	\$13,250,630
Personnel Costs	\$8,341,030	\$9,217,954	\$8,844,185
Supplies and Materials	35,194	45,960	42,360
Purchased or Contract Services	11,825,314	6,781,437	3,820,885
Public Aid			
Equipment and Asset Purchases	(7,054)	2,000	2,000
Other Expenditures	600,470	65,200	541,200
Total Expenditures	\$20,794,954	\$16,112,551	\$13,250,630

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	91.5	92.3	92.3
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Hennepin County

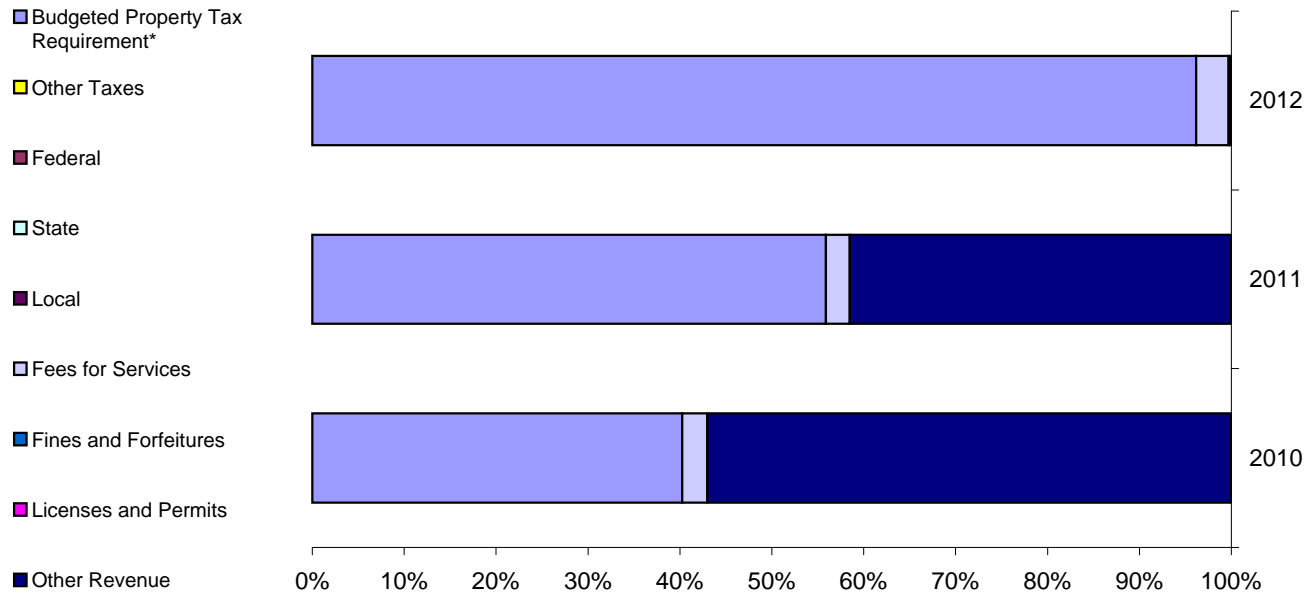
Office of Budget and Finance

2012 BUDGET

General Government

Adopted

Revenue Comparison:



Significant Budget Changes:

The implementation of Hennepin County's PeopleSoft Enterprise Resource Planning (ERP) system is complete. The APEX Project is now functional under the APEX Service Center.

Division Budgets:

	2010 Actual	2011 Budget	2012 Budget
Budget and Treasury	\$1,905,668	\$1,878,254	\$1,995,680
Risk Management	327,409	139,294	139,878
General Accounting and Payroll	1,385,083	1,628,349	985,825
Purchasing and Contract Services	1,328,539	1,660,186	1,629,870
Apex Service Center		5,938,204	8,499,377
APEX Project	15,848,255	4,868,264	
Total Expenditures	\$20,794,954	\$16,112,551	\$13,250,630

Additional Resources:

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

Hennepin County

Research, Planning and Development
General Government

2012 BUDGET
Adopted

Mission:

To engage in research, planning and analysis that supports and informs public policy and county practice.

Department Description:

Research, Planning and Development (RPD) provides strategic planning and leadership for countywide initiatives; conducts research and analysis to support countywide priorities; and disseminates relevant information to advance the county mission. RPD seeks to produce data to foster evidence-based practices, data driven public policy and cost-effective, sustainable solutions.

RPD's functions include: supporting the development of a countywide strategic performance reporting system; researching emerging issues and trends; leading and reporting on strategic initiatives; and providing program evaluation support for county priorities.

Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$3,200,009	\$3,017,669	\$2,629,121
Other Taxes			
Federal			
State			
Local			55,000
Other Intergovernmental			
Investment Earnings			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	120,000		
Total Revenues	\$3,320,009	\$3,017,669	\$2,684,121
Personnel Costs	\$1,948,629	\$2,150,081	\$2,059,430
Supplies and Materials	31,754	27,100	19,000
Purchased or Contract Services	876,511	804,988	541,691
Public Aid			
Equipment and Asset Purchases	2,242	8,000	
Other Expenditures	28,727	27,500	64,000
Total Expenditures	\$2,887,863	\$3,017,669	\$2,684,121

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	19.0	19.0	19.0
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Significant Budget Changes:

Personnel Costs have been reduced by \$90,000 for 2012. The department has reduced the amount of funds budgeted in the area of consulting by 26 percent. The 2012 submission decreases Supplies and Materials by 33 percent.

Hennepin County

Research, Planning and Development

2012 BUDGET

General Government

Adopted

Budget Commentary

RPD led and evaluated the Teen Pregnancy Prevention Initiative as it expanded to include a multi-million dollar federal grant focused on reducing teen pregnancies.

RPD continues to reduce its primarily property tax funded budget while maintaining normal operations. The department has improved internal and external relationships and developed new partners. RPD has significant connections with the University of Minnesota through the Hennepin – University Partnership, Center for Urban and Regional Affairs (CURA) and other departments. RPD partners with schools, faith communities, government entities and non-profits. RPD continues to enhance internal operational processes, customer feedback loops, and share resources with fellow departments. RPD is innovative in the use of and continues to invest in the education and professional development of staff in order to maintain a broad array of highly technical skills.

Key Results:	2010	2011 Est.	2012 Goal
Percent of surveyed customers reporting RPD products improved decision making.	100%	100%	100%
Percent of customer suggestions reviewed and considered by RPD management team in future projects.	90%	90%	95%
Percent of county departments receiving strategic planning support or training from RPD.	50%	50%	*
Percent of work completed and delivered to customers on time.	100%	100%	95%

* Department will update this measure in 2012

Additional Resources:

www.hennepin.us/rpd

Hennepin County

Information Technology
General Government

2012 BUDGET
Adopted

Mission:

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

Department Description:

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

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
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Budgeted Property Tax Requirement*	\$5,400,249	\$8,972,352	\$8,407,340
Other Taxes			
Federal			
State			
Local			
Fees for Services	785,799		
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	239,164	12,400	
Total Revenues	\$6,425,212	\$8,984,752	\$8,407,340
Personnel Costs	\$9,351,476	\$5,520,166	\$4,714,253
Supplies and Materials	3,514	86,483	96,100
Purchased or Contract Services	3,874,426	3,315,238	3,522,557
Public Aid			
Equipment and Asset Purchases	(4,552)		
Other Expenditures	91,178	62,865	74,430
Total Expenditures	\$13,316,042	\$8,984,752	\$8,407,340

*Reflects adjusted property tax, not actual property tax collections.

Budgeted Positions (Full-time Equivalents)	233.0	276.0	303.0
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Hennepin County

Information Technology

2012 BUDGET

General Government

Adopted

Significant Budget Changes:

Information Technology (IT) has embarked upon several initiatives in 2011 that will continue to impact 2012. IT has significantly changed how it delivers IT services across the county through the implementation of the IT federated plan. This includes the move of IT staff from distributed IT areas to the central IT department, a shift in personnel dollars. Therefore, staffing in 2012 increased over 2011 levels. Also, IT implemented the rate re-engineering plan in 2011, which represents how IT costs are recovered. As this plan evolves, some additional changes are made in the 2012 budget process regarding how IT costs were allocated among lines of business.

In 2011, IT initiated a new print strategy which involves the introduction of multi-function print devices in replacement of stand alone network printers, copiers, and fax machines. The implementation of this strategy continues throughout 2012. Use of the multi-function print devices supports county business directives of providing green solutions through reduced print production, electrical and physical space requirements, and reduced need for multiple devices containing redundant parts and components. Another 2011 initiative that continues into 2012 is the network integration project. The Hennepin County Library provides a public/staff network infrastructure that supports over 3,200 networked devices throughout 41 libraries. Hennepin County enterprise network systems support over 10,000 network devices throughout 10 downtown campus sites and 130 leased and owned satellite locations. The two network systems contain redundant services and duplicate infrastructure. Consolidation of the two network systems result in movement of network related expenditures from the County Library budget to central IT.

Newly approved initiatives or continuation of new phases of previously approved projects for 2012 include:

- Data center re-engineering involves the move of some data center operations to Eden Prairie and the Washington Avenue data centers. This project will improve business continuity and disaster recovery through redundancy and virtualization.
- Hennepin County is investigating the concept of desktop virtualization and its viability both from a user and cost standpoint and has added budget dollars in 2012 to pursue this initiative.
- The county will continue to focus on its e-Government efforts as it aims to meet citizen expectations for speed, convenience, and transparency in their everyday interaction with the county by conducting a wide range of government transactions via secure web portals. With the resources included for this effort in the 2012 budget, the e-Government initiatives are anticipated to eventually reduce expenses, minimize risk, and eliminate inefficiency and redundancy in handling information for citizens and business partners in multiple systems.
- Moving away from use of multiple vendors for providing of enterprise applications such as email, intranet software, and office applications such as word processing or spreadsheet software, Hennepin County resolved to move these enterprise applications to a suite of products from a single vendor. This move will provide the county with multiple benefits, including a fixed, annual volume price per desktop, simplified license management, upgrades and supports, and options for desktop virtualization and "cloud" computing. A multi-year contract with Microsoft Corporation was approved at the end of 2011 and the implementation of this project will continue throughout 2012.
- In response to user requests, IT has also devoted resources in 2012 to continue investigation and pursue implementation of smartphones in Hennepin County.

With these initiatives, Hennepin County IT is strategically positioning itself for the future of the county and the IT industry.

Hennepin County

Information Technology

2012 BUDGET

General Government

Adopted

Division Budgets:	2010 Actual	2011 Budget	2012 Budget
General Government	\$3,110,037	\$5,023,206	\$4,430,065
Criminal Justice Support	2,100,910	2,934,644	2,910,513
Geographic Information Services		1,026,902	1,066,762
CIO/Admin/Service and Compliance	8,105,095		
Total Expenditures	\$13,316,042	\$8,984,752	\$8,407,340

Budget Commentary

The Information Technology Department (IT) is continuing to focus on streamlining the delivery of IT services within a challenging economic environment. To do this, in addition to the focus on the initiatives described in the previous section, IT is heavily committed to service delivery re-engineering, work force planning, and increased emphasis on communication and accountability through the use of metrics and portfolio tools.

In addition, in 2011 continuing to 2012, the Information Technology Department will continue to investigate options for managed services to further reduce budget expenditures. Well-run IT operations organizations take a service management view across their technology silos, striving for excellence and continuous improvement. Information Technology will assess the current technical operations services, evaluate industry trends, and make strategic decisions regarding service options and cost optimization. Doing so will position Hennepin County to take a service management view in technology services.

The IT Governance process was established in 2011 and will continue to guide use of resources in 2012. It was established in order to ensure the county's technology investments are aligned in support of the Hennepin County strategic and business line objectives. An Executive Priority Board evaluates and prioritizes strategic project requests and establishes funding approval to ensure technology resources are directed toward business-driven enterprise priorities. Establishing this formal process moved the county toward long-term planning, coordinating strategic initiatives, resource allocation and results. Having strategic initiatives tied to annual budgets ensures funding to the county's top priorities.

Additional Resources:

www.hennepin.us, select "Departments" and select "Information Technology".

Hennepin County

Property Services
General Government

2012 BUDGET

Adopted

Mission:

Property Services provides a full range of facility services to support county programs and services. The department: identifies and articulates capital needs and provides facility development assistance; plans and designs new buildings, and modifies existing facilities to meet current and future county program needs; operates and maintains buildings; protects the employees and users of county services and facilities and safeguards county property; provides leadership, direction and consultation to address workplace safety and environmental needs in county facilities.

Department Description:

The Property Services Department:

- Plans facilities to meet current and future county program needs.
- Designs new buildings and makes changes to existing buildings to meet current program needs.
- Operates and maintains buildings occupied by county staff and serving county clients.
- Protects employees and users of county services and facilities and safeguards county property.

County staff are located in 138 facilities throughout Hennepin County – ranging from two-person offices to the 3,500 employees at the Government Center – over 8.7 million square feet. Hennepin County owns 87 of these facilities and leases space in 51 buildings. Property Services staff is involved with most of these facilities through their planning, design and construction activities and is responsible for operating 104 of these facilities.

Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$19,019,940	\$18,935,593	\$19,100,593
Other Taxes			
Federal			
State			
Local			
Fees for Services	7,516	8,545	8,191
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	23,545,038	25,062,415	26,744,489
Total Revenues	\$42,572,494	\$44,006,553	\$45,853,273
Personnel Costs	\$16,509,784	\$17,561,017	\$17,034,274
Supplies and Materials	1,410,031	1,292,511	1,275,835
Purchased or Contract Services	22,579,366	24,576,158	26,552,480
Public Aid			
Equipment and Asset Purchases	216,995	5,000	130,520
Other Expenditures	746,483	571,867	860,164
Total Expenditures	\$41,462,659	\$44,006,553	\$45,853,273

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	227.5	226.5	219.5
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Hennepin County

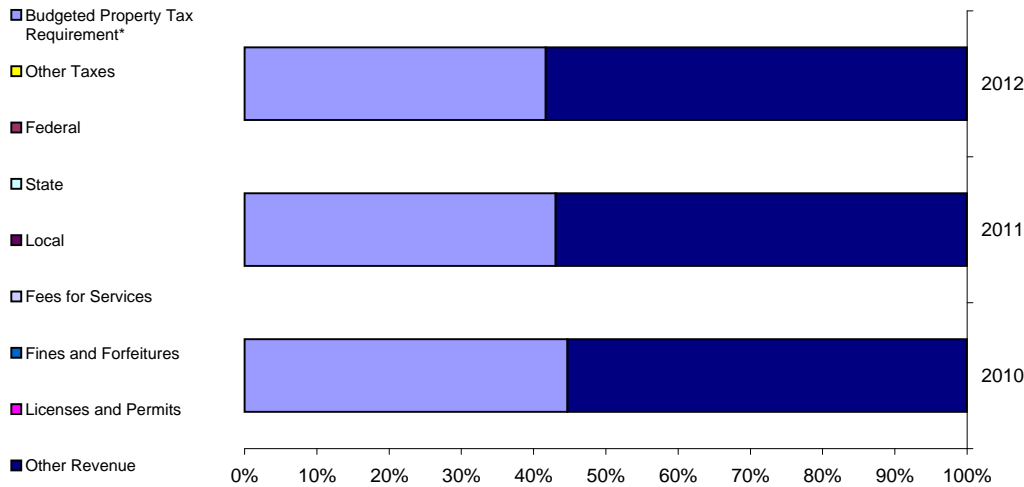
Property Services

2012 BUDGET

General Government

Adopted

Revenue Comparison:



Significant Budget Changes:

The 2012 budget is approximately \$1.8 million more than the 2011 adjusted budget. The increase is due to building expenditures which are offset by rental revenue. A number of positions were eliminated: six security positions were eliminated as a result of scheduling changes and efficiencies and centralizing security dispatching and one position was eliminated from the Business Services and Management Support Division due to efficiencies recognized with the implementation of the county's new financial and payroll system.

Close attention to discretionary spending, and other various reductions in facilities budgets, are all part of the budget reduction strategy. Included in this strategy are elimination of window washing and greatly reduced carpet cleaning. In addition, painting, exterior plantings and landscape repairs will only be accomplished where absolutely necessary. Energy conservation strategies have been a major focus within Property Services as well.

Based on information comparing annual energy usage between 2009 and 2010, energy use has decreased 6.5 percent among county facilities with a commensurate cost savings of 3.9 percent. These reductions in budget and staff are the latest in the Property Services Department's ongoing efforts over the past few years to make fundamental changes in how we conduct our business and support county programs.

Division Budgets:	2010 Actual	2011 Budget	2012 Budget
Administration and Business Services	\$2,390,439	\$3,292,717	\$3,219,546
Design and Construction	1,602,921	1,842,412	1,856,837
Planning and Project Development	799,844	875,161	861,178
Workplace Safety and Environmental	779,155	782,477	765,892
Security Management	7,914,035	7,496,106	7,518,194
Facilities Management	27,976,265	29,717,680	31,631,626
Total Expenditures	\$41,462,659	\$44,006,553	\$45,853,273

Hennepin County

Property Services

2012 BUDGET

General Government

Adopted

Budget Commentary

Property Services strives to meet the needs of other county departments and the employees and clients who use our facilities - while at the same time bringing forward the best practices of facility professions. Initiatives set forth in 2011 by Facilities Management include keeping close attention to discretionary spending, limiting project work and reducing the operating budget. Repairs have been and will continue to be prioritized and any deferred maintenance will be tracked. In addition to daylight cleaning, the department continues to focus on other areas of energy conversation. The Security Division continues to operate in a cost-effective manner and has made additional head count reductions linked with thoughtful technology and scheduling modifications. Other technology innovations include implementation of a software package that integrates the data of several divisions, eliminates redundancy of data input, and provides for project reporting.

In 2011, the following capital projects were completed: Northeast Library Remodeling and Nokomis Library Remodeling. In addition, work continued on the following capital projects: New Excelsior Library, New Brooklyn Park Library, New Walker Library, Roosevelt Library Remodeling, New 911/Emergency Communications Facility, Human Services and Public Health's regionalized hubs and satellites (7 projects), Adult Corrections Facility Men's Section Kitchen Expansion and Remodeling, Hennepin - Minneapolis Recycling and Waste Center, and several facility preservation / building system related projects.

Key Results:	2010	2011 Est.	2012 Goal
Building Operation Cost Per Square Foot	\$5.33	\$5.94	\$5.37
Energy Cost Per Square Foot	\$1.64	\$1.92	\$1.64
Janitorial Cost Per Square Foot	\$1.37	\$1.43	\$1.39
OSHA Incidence Rate (per 100 employees)	2.2	less than 3	less than 3
Construction Small Business (SBE) Utilization	0	0.25	0.25
Weapons Screened	5,900	5,900	5,900

Additional Resources:

www.hennepin.mn.us select "Departments" and select "Property Services."

Hennepin County

Taxpayer Services
General Government

2012 BUDGET
Adopted

Mission:

Valued services; satisfied customers.

Department Description:

The Taxpayer Services Department performs the County Auditor, Treasurer and Recorder functions for Hennepin County. The department consists of eight divisions: County Surveyor, Office of Public Records, Service Centers, Elections, Property Tax, Administration, IT Services and DART.

Specific duties, often mandated by MN Statutes, include: determine legal boundaries of land parcels; record and index legal documents and land title certificates; calculate, collect and distribute property taxes; administer elections, absentee voting, and voter registration; administer tax increment financing districts; coordinate County Board of Equalization; provide motor vehicle registrations, driver licenses, passport services and vital statistics records; provide IT and administrative support; and administers the DART initiative for enhancing property-related information systems and business operations.

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$5,980,722	\$3,588,897	\$5,261,045
Other Taxes	1,375,981	1,075,000	1,278,000
Federal	0	0	0
State	0	0	0
Local	0	0	0
Fees for Services	13,018,097	13,555,739	11,662,365
Fines and Forfeitures	0	0	0
Licenses and Permits	4,159,847	4,428,934	4,371,150
Other Revenue	1,197,495	4,433,401	6,875,611
Total Revenues	\$25,732,142	\$27,081,971	\$29,448,171
Personnel Costs	\$21,063,567	\$21,302,027	\$20,396,948
Supplies and Materials	386,508	316,224	448,400
Purchased or Contract Services	5,554,764	5,252,052	8,496,473
Public Aid	0	0	0
Equipment and Asset Purchases	6,822	14,200	7,000
Other Expenditures	372,430	197,468	99,350
Total Expenditures	\$27,384,091	\$27,081,971	\$29,448,171

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	309.3	300.3	278.1
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Hennepin County

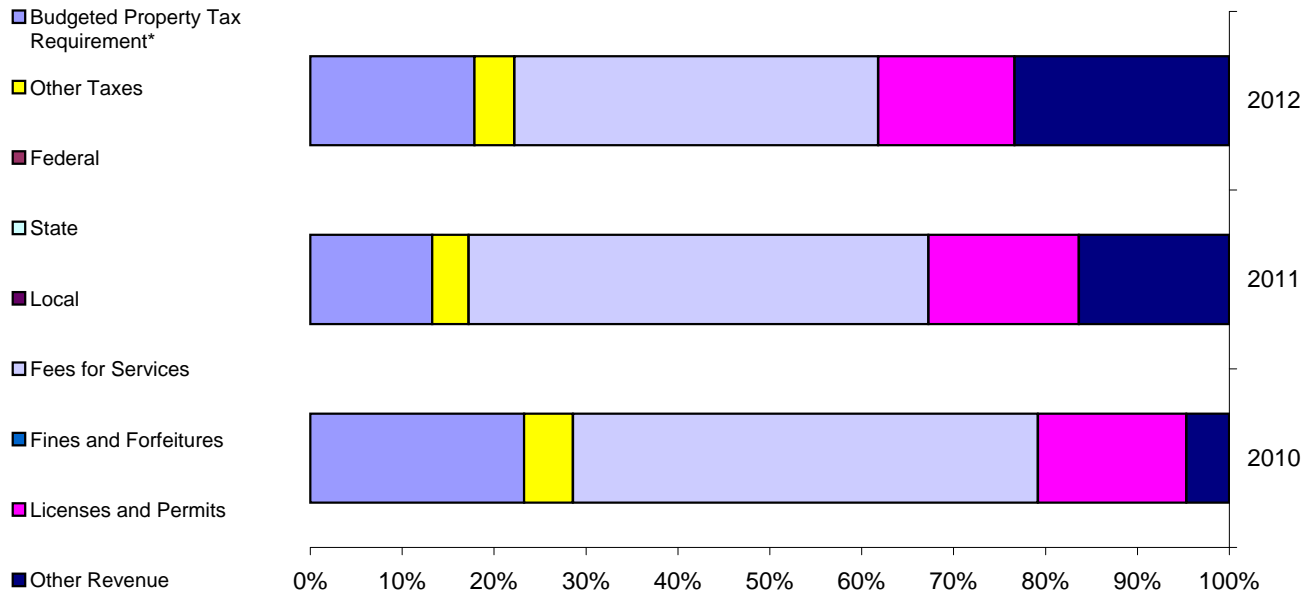
Taxpayer Services

2012 BUDGET

General Government

Adopted

Revenue Comparison:



Significant Budget Changes:

Adopted 2012 budget reflects a higher than target property tax requirement due to costs associated with the 2012 general election (\$1.2 million) and redistricting requirement (\$525,000). The adopted budget includes a decrease of 22.2 vacant, unfunded FTEs. Budgeted revenues in Public Records, Service Centers and Survey are down \$1.95 million from adjusted 2011 budget. The adopted budget reflects the closure of the Eden Prairie Service Center in the first half of 2012. The new property tax and assessment system in DART will begin implementation in 2012 and will be entirely funded with the use of Recorder's Fund balance.

Division Budgets:	2010 Actual	2011 Budget	2012 Budget
Survey	\$1,986,383	\$1,973,434	\$1,861,110
Property Tax	3,829,353	3,683,308	3,747,477
Administration	674,497	540,082	415,874
CIT	0	1,339,279	1,633,578
TSD IT	1,808,069	1,455,828	1,363,827
DART	2,629,524	4,638,825	6,604,411
Total Expenditures	\$10,927,826	\$13,630,756	\$15,626,277

Hennepin County

Human Resources
General Government

2012 BUDGET
Adopted

Mission:

To provide human resources programs and services that enhance Hennepin County's organizational results.

Department Description:

The Human Resources Department (HR) is comprised of three major program areas: Administration and HR Services, HR Specialty Services, and Staffing and Development. Administration and HR Services provides direction and leadership in the planning, development, coordination and implementation of policies, procedures, goals and objectives to county departments and consultation on various HR-related issues.

HR Specialty Services includes the Benefits, Compensation and HR Information Technology Divisions. The Benefits Division develops, implements and administers cost-effective programs to meet the needs of county employees and their families. Compensation develops, implements and administers the county's pay programs. Information Technology supports strategic objectives by providing the information technology to obtain, manage and use information.

Staffing and Development includes the Learning and Development, Organization Development and Staffing Services Divisions. Learning and Development provides leadership development programs and training classes that develop county competencies and improve organizational performance. Organization Development provides consulting to improve organizational effectiveness and enhance organizational results. Staffing Services provides recruitment and selection services.

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$7,510,944	\$6,818,782	\$7,037,783
Other Taxes			
Federal	698,802		
State			
Local			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	151,646	67,000	67,000
Total Revenues	\$8,361,392	\$6,885,782	\$7,104,783
Personnel Costs	\$5,495,777	\$5,715,303	\$5,963,788
Supplies and Materials	86,753	92,535	81,349
Purchased or Contract Services	1,000,053	981,305	968,007
Public Aid			
Equipment and Asset Purchases	10,919	3,900	400
Other Expenditures	137,911	92,739	91,239
Total Expenditures	\$6,731,413	\$6,885,782	\$7,104,783

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	70.1	64.1	64.1
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Hennepin County

Human Resources

2012 BUDGET

General Government

Adopted

Significant Budget Changes:

The Human Resources Department will assign two functional analysts to provide additional production support for the APEX Human Capital Management (HCM) application.

The department will implement a change management support team which will be available to county departments on an on-going basis.

2010 Actual includes \$698,802 in federal revenue received from the U.S. Department of Health and Human Services for participation in the Early Retiree Reinsurance Program (ERRP) to be used to fund HealthWorks activities, including programs/activities for early retirees, which may lower health benefit costs for all plan participants (both active employees and early retirees). As of January 1, 2011, the HealthWorks program was moved to the Employee Health Plan Self Insurance budget.

Division Budgets:	2010 Actual	2011 Budget	2012 Budget
Administration and HR Services	\$1,974,732	\$1,854,325	\$2,203,624
HR Specialty Services	2,355,993	2,829,809	2,882,111
Staffing and Development	2,097,045	2,201,648	2,019,048
HealthWorks	354,904		
Total Expenditures	\$6,782,674	\$6,885,782	\$7,104,783

Budget Commentary

Human Resources programs have a direct impact on employee productivity and retention, have broad organizational impact and have the potential to generate long-term financial benefit. Our programs are also instrumental in realizing the County's stated organizational value - "Continuous development and engagement of our workforce to reflect innovation, creativity, and diversity in planning for the future."

In conjunction with County Administration, Human Resources continued to promote the use of the voluntary special leave without pay program (SLWOP). In 2011, 1,762 employees took 69,255 SLWOP hours, resulting in a savings of almost \$1.9 million to help address the county's difficult financial environment.

The self-funded health insurance program was rolled out on January 1, 2011. Under this program, the county will save on administrative costs, achieve greater long-term cost control and plan flexibility, and obtain access to enrollee utilization experience – an instrumental component in developing wellness programs.

HR continues on developing a work environment plan to better align with the priorities and needs of the Gen X and Gen Y population so that Hennepin County can continue to attract and retain a high quality workforce and ensure knowledge transfer as the Traditionalists and Baby Boomers begin to retire.

Key Results:	2010	2011 Est.	2012 Goal
Customer satisfaction with HR services	94%	95%	100%
HR budget per county employee	\$1,049	\$923	\$923
County performance reviews completed*	N/A	95%	100%
HR workforce diversity	23%	24%	24%

*Due to training for transition to online performance reviews, there is an overlap of 2009 and 2010 data.

Additional Resources:

For more information regarding Hennepin County Human Resources and county job opportunities, visit:
www.hennepin.us/hr
www.hennepin.us/jobs

Hennepin County

Public Affairs
General Government

2012 BUDGET
Adopted

Mission:

The mission of the Public Affairs Department is to help the county organization achieve Hennepin's mission, vision and major goals through effective communication.

Department Description:

Hennepin County Public Affairs assists the county government in communicating with the public it serves. It acts as a resource to county leadership, to the county organization, and to the media.

Public Affairs helps county government honor the public's right to know by providing honest, complete and open communication with the public and with representatives of the media, responds promptly and cooperatively to requests for information, and works to increase awareness about Hennepin's services, programs and activities.

Hennepin County Public Affairs provides print and web-based news and publications, media relations services, meeting broadcasts and video services, public relations services, event and special project management, internal communication, design services for visual communication, and photographs.

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$1,905,689	\$2,024,135	\$1,963,411
Other Taxes			
Federal			
State			
Local			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	312,398	242,500	267,500
Total Revenues	\$2,218,087	\$2,266,635	\$2,230,911
Personnel Costs	\$1,598,277	\$1,706,964	\$1,728,385
Supplies and Materials	57,361	58,291	50,453
Purchased or Contract Services	565,557	388,790	365,324
Public Aid			
Equipment and Asset Purchases	36,460	25,841	0
Other Expenditures	82,380	86,749	86,749
Total Expenditures	\$2,340,035	\$2,266,635	\$2,230,911

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	17.5	17.5	17.5
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Hennepin County

Public Affairs
General Government

2012 BUDGET
Adopted

Key Results:	2010	2011 Est.	2012 Goal
Media calls	890	1,325	1,100
Meeting broadcasts	84	82	83
Videos produced	23	26	20
HC News	52	52	52
Events coordinated/consulted	58	60	59
Design projects (substantive print)	178	259	275
Photo shoots	422	383	400
Hennepin Gallery/other exhibits	17	15	17
Summer on the Plaza performances	44	43	48

Additional Resources:

www.hennepin.us, select "Department" and select "Public Affairs."
www.hennepin.us/news
www.hennepin.us/hennepingallery
www.hennepin.us/summerontheplaza

Hennepin County

Internal Audit
General Government

2012 BUDGET
Adopted

Mission:

To provide an independent appraisal function within Hennepin County and to develop and execute a comprehensive audit plan to review and evaluate the adequacy and effectiveness of Hennepin County's system of internal controls as a service to the management team, the Audit Committee, and the County Board.

Department Description:

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve county operations. We help the county accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. Internal Audit conducts and supports a number of projects including compliance activities, special reviews, information technology audits, and risk-based assurance and consulting engagements. Projects are identified from a variety of sources including customers, the County Board and the Audit Committee, and by monitoring trends within the county and across the professional audit environment.

Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$1,933,326	\$2,000,856	\$2,026,229
Other Taxes			
Federal			
State			
Local			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	71,275	75,000	
Total Revenues	\$2,004,601	\$2,075,856	\$2,026,229
Personnel Costs	\$1,127,839	\$1,298,389	\$1,362,533
Supplies and Materials	10,508	7,500	5,000
Purchased or Contract Services	574,032	748,417	635,446
Public Aid			
Equipment and Asset Purchases	796		
Other Expenditures	19,179	21,550	23,250
Total Expenditures	\$1,732,354	\$2,075,856	\$2,026,229

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	13.0	13.0	13.0
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Hennepin County

Internal Audit

2012 BUDGET

General Government

Adopted

Significant Budget Changes:

Personnel Costs have increased primarily due to Internal Audit being at full staffing levels.

Purchased or Contracted Services will be reduced due to Metropolitan Health Plan (MHP) paying for their portion of audit fees (\$93,000) instead of passing the expense through to Internal Audit (2012 budget \$527,000). Between the two amounts, there is no net audit fee change from 2011. The \$10,000 Strategic Teaming consulting budget will be eliminated in 2012. There is also a \$17,000 decrease in audit software due to a lower negotiated price.

Budget Commentary

Internal Audit's budget continues to be primarily comprised of two costs - staffing and fees for the annual financial audit conducted by an independent public accounting firm ("external audit"). External audit fees have been stable over the past few years in part by allocating Internal Audit time to support the external auditor's procedures related to Single Audit of Federal Awards, technology controls and the Metropolitan Health Plan (MHP) financial audit. Using Internal Audit staff to complete detailed testing helps keep external audit fees down and provides the department with valuable experience.

Internal Audit staff continue to develop enhanced capabilities to use and leverage technology to increase audit coverage and decrease the staff time required to complete an audit. Data analysis tools have been used to audit the controls of key business systems by reviewing 100 percent of the data instead of testing a sample of transactions. The department is also currently in the process of implementing audit software that will be used to integrate and streamline core business processes.

Additional Resources:

www.hennepin.us, select "Departments" and select "Internal Audit."

Hennepin County

Examiner of Titles
General Government

2012 BUDGET
Adopted

Mission:

To competently, timely and efficiently perform the judicial administrative and legal advisor duties imposed on the Examiner of Titles by the Minnesota land registration acts in order that the registered land system will be the system of choice for owners of real property in Hennepin County.

Department Description:

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. A Certificate of Title issued under the Torrens (land registration) Act provides a simple, clear and certain method to show ownership of land and interests affecting the land. This information is useful to land owners and other citizens of Hennepin County and to lenders, cities, the county and the state. An important function of the Examiner of Titles is to act as legal adviser to the Registrar of Titles, who is responsible for filing title documents such as deeds, mortgages, and liens submitted to the Registrar and for issuing Certificates of Title. The Examiner of Titles is also authorized by state statute to issue certain directives and certifications to the Registrar of Titles regarding Torrens title matters.

Budget Summary:

	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$935,398	\$898,877	\$913,877
Other Taxes			
Federal			
State			
Local			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	270		
Total Revenues	\$935,668	\$898,877	\$913,877
Personnel Costs	\$794,886	\$845,777	\$856,948
Supplies and Materials	4,022	6,000	2,500
Purchased or Contract Services	19,622	35,600	42,929
Public Aid			
Equipment and Asset Purchases	(231)	1,000	1,000
Other Expenditures	12,568	10,500	10,500
Total Expenditures	\$830,867	\$898,877	\$913,877

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	8.0	8.0	8.0
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Additional Resources:

www.hennepin.us/examineroftitles

Hennepin County

Computer Forensics Unit
General Government

2012 BUDGET
Adopted

Mission:

To provide a coordinated approach to conducting employee investigations in order to mitigate risk to the county. Computer Forensics consists of a team of trained digital forensic investigators who conduct investigations of digital evidence as it relates to violations of county policy, legal statute, and misuse of county equipment and systems.

Department Description:

Computer Forensics conducts Hennepin County employee investigations, providing digital evidence to support or dismiss the allegation of a violation. It does this by:

- Providing a coordinated approach to enterprise risk management that includes identification, avoidance, mitigation, and event response;
- Providing investigations resulting in forensically sound evidence, in a legal, impartial and confidential manner;
- Providing efficient and cost-effective digital forensic services;
- Maintaining a knowledgeable, experienced and engaged team of investigators;
- Maximizing technology to improve and streamline digital forensic services;
- Providing clear and complete information needed to make decisions related to policy violations; and
- Providing education and communication on appropriate use of county resources.

The department works in collaboration with the other Hennepin County internal services including Human Resources, Labor Relations, Internal Audit, and the County Attorney's Office.

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
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Budgeted Property Tax Requirement*	\$723,635	\$690,685	\$779,798
Other Taxes			
Federal			
State			
Local			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue			
Total Revenues	\$723,635	\$690,685	\$779,798
Personnel Costs	\$433,183	\$589,389	\$574,950
Supplies and Materials	24,262	35,600	40,175
Purchased or Contract Services	112,411		89,695
Public Aid			
Equipment and Asset Purchases	(229)	38,500	35,000
Other Expenditures	15,007	27,196	39,978
Total Expenditures	\$584,634	\$690,685	\$779,798

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	4.0	5.0	5.0
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Hennepin County

General County Purposes

General Government

2012 BUDGET

Adopted

Mission:

To encourage and assist public programs and activities dedicated to cultural enrichment or 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.

Department Description:

General County Purposes includes:

- Cultural and technical assistance activities and programs (Hennepin History Museum, County Fair, Extension Services, National Association of Counties, Association of Minnesota Counties, etc.) that the county supports through funding as required or permitted by state law;
- Nonfederal Medical Assistance Reimbursements;
- Minneapolis Employee Retirement Fund (MERF) Payments for former city entities (e.g. Minneapolis Workhouse, Center Hospital) and a one-time payment related to GASB guidance;
- Justice Integration Grants;
- Municipal Building Commission;
- Emergency Management;
- Hennepin Youth Sports Program reimbursed through sales tax; and
- Undesignated Appropriations (Contingency).

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
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Budgeted Property Tax Requirement*	\$18,450,588	\$32,526,288	\$35,475,926
Other Taxes			
Federal	2,648,692	2,717,646	3,533,612
State			88,000
Local			
Fees for Services			
Fines and Forfeitures			
Licenses and Permits			
Other Revenue	3,525,885	2,307,582	2,287,582
Total Revenues	\$24,625,165	\$37,551,516	\$41,385,120
Personnel Costs**	\$44,952,677	\$755,682	\$1,954,304
Supplies and Materials	23,046	20,032	30,599
Purchased or Contract Services	7,875,808	12,992,655	13,770,589
Public Aid			
Equipment and Asset Purchases			
Other Expenditures	5,478,481	23,783,147	25,629,628
Total Expenditures	\$58,330,012	\$37,551,516	\$41,385,120

*Reflects adjusted property tax, not actual property tax collections.

** 2010 Actual includes a \$44.5 million charge for all of the County Revenue Fund related to new guidance from the Government Standards Board (GASB) regarding post-employment benefits.

Budgeted Positions (Full-time Equivalent)	0.0	0.0	7.0
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Hennepin County

General County Purposes

2012 BUDGET

General Government

Adopted

Division Budgets:	2010 Actual	2011 Budget	2012 Budget
Hennepin County Fair	\$54,887	\$54,887	\$54,887
Hennepin History Museum	169,041	169,041	194,041
Minnesota Extension Services	585,900	535,303	535,303
Dues and Contributions	125,631	383,000	368,500
Municipal Building Commission	3,357,463	3,304,724	3,496,724
Nonfederal Medical Assistance	5,216,256	6,792,000	6,792,000
Emergency Management			2,237,665
Justice Integration Grants		3,013,042	1,790,000
Hennepin Youth Sports	1,896,517	2,065,000	2,065,000
Retiree Health Care GASB 45 Charge	44,461,112		
MERF Payments			860,000
Contingency		21,234,519	22,991,000
Total Expenditures	\$55,866,807	\$37,551,516	\$41,385,120

Budget Commentary

The APEX project, which is replacing the existing financial, procurement and human resources systems, has been transferred to the Office of Budget and Finance (OBF). All budget history for the APEX project has also been transferred to OBF.

The 2012 Hennepin History Museum budget has increased \$25,000 (14.8 percent) over the 2011 budget to complete a strategic, long-term planning effort.

The Municipal Building Commission (MBC) 2012 budget has increased \$192,000 over the 2011 budget due to an increase in Minneapolis Employee Retirement Fund (MERF) costs.

Emergency Management, which was previously budgeted in the Public Works Administration Department, has a 2012 budget of \$2.2 million. The 2012 budget is a \$1.0 million decrease over the 2011 budget of \$3.2 million due to a projected reduction in Federal Urban Security Grant revenues. All FTEs budgeted within the General County Purposes area are related to Emergency Management.

Federal grant revenues in support of Justice Integration are projected to decrease \$1.2 million between 2011 and 2012.

Retiree Health Care GASB 45 Charge includes a \$44.5 million charge for all of the County Revenue Fund related to new guidance from the Government Standards Board (GASB) regarding post-employment benefits.

Minneapolis Employee Retirement Fund budget covers county liabilities for former city entities which are now part of Hennepin County such as the Minneapolis Work House and Center Hospital.

The Hennepin Youth Sports Program is budgeted at \$2,065,000 for 2012. As of December 2011, four rounds of grant letting totaling over \$8.7 million in funds have been approved for disbursement to support local youth sports programs.

The 2012 Contingency budget is \$22,991,000; a \$1.8 million increase (8.3 percent) over the 2011 budget and is funded with property tax. Expenditures do not typically appear in contingency; rather a County Board resolution will authorize and direct a budget transfer from contingency to the appropriate fund/department receiving and expending the funds. The Contingency budget also covers any unanticipated county liabilities related to the Hennepin County Medical Center.

Hennepin County

General County Purposes

General Government

2012 BUDGET

Adopted

Dues and Contributions Detail	2010 Actual	2011 Budget	2012 Budget
National Association of Counties (NACO)	\$23,014	\$24,000	\$23,000
Association of Minnesota Counties (AMC)	73,450	75,000	73,000
St. Anthony Falls Heritage Board	0	31,000	31,000
North Metro Crossing (Hwy 610)	10,000	11,500	10,000
Southwest Crossing	6,667	7,500	4,000
National Institute of Health Policy	0	15,000	0
North Metro Mayors Association	10,000	10,000	10,000
Youth Coordinating Board	0	56,000	65,000
Minnesota River Board	2,500	3,000	2,500
Itasca Economic Development Corporation	0	150,000	150,000
Total Dues and Contributions	\$125,631	\$383,000	\$368,500

Additional Resources:

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

Hennepin County

Debt Retirement
General Government

2012 BUDGET
Adopted

Mission:

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

Department Description:

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

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$62,550,000	\$71,147,168	\$77,657,421
Other Taxes	43,827	0	0
Federal	897,699	2,569,831	2,278,358
State	375,656	1,713,855	0
Local	2,988,342	3,278,120	11,910,813
Fees for Services	0	0	0
Fines and Forfeitures	0	0	0
Licenses and Permits	0	0	0
Other Revenue	143,375,016	27,839,676	27,460,662
Total Revenues	\$210,230,540	\$106,548,650	\$119,307,254
Personnel Costs	\$0	\$0	\$0
Supplies and Materials	0	0	0
Purchased or Contract Services	1,150,662	400,000	400,000
Public Aid	0	0	0
Equipment and Asset Purchases	0	0	0
Other Expenditures	197,806,192	106,148,650	118,907,254
Total Expenditures	\$198,956,854	\$106,548,650	\$119,307,254
<i>*Reflects adjusted property tax, not actual property tax collections.</i>			
Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0

DEBT RETIREMENT BUDGET HIGHLIGHTS

The debt management strategy of Hennepin County for the 2012 – 2016 period takes into account the need to borrow funds for completion of the Capital Improvement Plan as described herein.

At the end of 2011, Hennepin County had \$837.5 million in general obligation (GO) outstanding debt. Of this amount, there was \$729.4 million of general obligation property tax levy-supported debt outstanding. Additionally, there was \$108.1 million of general obligation revenue-supported bonds outstanding. This GO revenue supported debt category includes debt issued for the Counties Transit Investment Board (CTIB) in exchange for a note receivable from CTIB. The debt service on these bonds is being paid with a statutory 0.25 percent transit sales tax collected in the five metro counties that are members of CTIB. Also in this category of GO revenue bonds are \$4.1 million of solid waste bonds which will be paid off in 2012 and \$1.15 million for the Augsburg Ice Arena. Finally, there are \$11.4 million of Lease Revenue Certificates of Participation (COP) outstanding that are the result of refinancing the previously issued COPs which provided financing for the acquisition of the former Metropolitan Medical Center, now part of the Hennepin County Medical Center.

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

The total amount of debt that the county could potentially issue under its general bonding authority (Minnesota Statutes 373.40 as described below) is approximately \$1.5 billion. This amount of bonding authority grows with increases in the taxable property values within the county. This general bonding authority does not include the county's solid waste system or the Library system. The county has \$620.2 million in bonds currently outstanding under its general bonding authority. The current capital plan includes \$42.6 million of new debt issuance for 2012, of which \$3.8 million is for library bonds and \$38.8 million is under the general bonding authority.

As discussed in greater detail in Section VIII and in its financial and debt management policies, the county makes use of bonded indebtedness in accordance with these principles:

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

The summary of outstanding debt and the future requirements tables at the bottom of this section summarizes the county's outstanding debt at the end of 2010 and 2011, and future debt levy requirements.

Summary of County's Major Debt Issuance Authorities

Overall Debt Limitation Calculation

The overall limitation on county general obligation debt is 3.0 percent of the taxable market value within the county. This calculates to a limit of \$3.64 billion as contrasted with total outstanding debt of \$837.5 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. $\$121,468,000,000 \times .03 = \$3,644,040,000$.

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 taxable market value of the county. Depending on interest rates and maturity structures, this would limit the county to issuing approximately \$1.5 billion of bonds. Currently, there are approximately \$620.2 million of bonds outstanding under this authority.

M.S. 373.40 Debt Limitation Calculation

Taxable property market value times .0012 = maximum annual principal and interest. For 2012, this results in: $\$121,468,000,000 \times .0012 = \$145,761,600$. 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. For 2012, this amount is: $\$145,761,600 \text{ divided by } \$97,500 \text{ per million} = \$1,494,990,000$ of estimated debt authorization per M.S. 373.40.

Capital Notes under M.S. 373.01 subdivision 3 authorizes the county to issue capital notes for equipment pursuant to M.S. 373.01, Subdivision 3. Capital notes issued pursuant to M.S. 373.01 are in addition to those issued pursuant to M.S. 383B.117, as discussed below. There are currently \$21.1 million of notes outstanding under this authority.

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

This statute authorizes the county to issue bonds for libraries without referendum. Prior to 2008, the county operated a library system outside of the City of Minneapolis. Effective January 1, 2008, the Minneapolis Public Library merged with the county library system and the applicable valuation pertaining to the debt limit is now countywide. This authority limits debt issuance to bonds for which the principal and interest of the bonds will not exceed .01612 percent of the market value of taxable property of the county. Assuming a 5.5 percent interest rate and 15-year maturity structure, it is estimated that the county could issue \$200.8 million of debt under this authority. Currently, there are \$78.9 million of bonds outstanding under this authority.

M.S. 383B.245 Debt Limitation Calculation

Taxable property market value times .0001612 = maximum annual principal and interest. For 2012, this results in: $\$121,468,000,000 \times .0001612 = \$19,580,641$. 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. For 2012, this amount is: $\$19,580,641 \text{ divided by } \$97,500 \text{ per million} = \$200,827,000$ of estimated Library debt authorization per M.S. 383B.245.

Under 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 \$4.1 million in 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. The 2012-2016 capital plan does not include any additional solid waste debt.

Under M.S. 473.757 and 475, the county received one-time authority in 2006 to issue no more than \$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 \$350 million issued in 2007 and 2008, there is currently \$307.8 million outstanding.

Capital Notes under 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 debt limit under this authority would be approximately \$24.1 million per year of capital notes. However, the county does not have current plans to issue debt under it.

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

The county issued \$4.7 million in bonds as part of its Series 2011A bonds for the benefit of the Minnehaha Creek Watershed District, a separate taxing jurisdiction. The District must levy a tax sufficient to pay the debt service, but if it fails to do so, the county is obligated to pay the debt service. These bonds have maturities as long as 20 years.

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

The tables on the following page shows the outstanding debt of the county, the 2012 debt service levy and the future levy requirements needed to support the both the countywide and library outstanding debt.

OUTSTANDING DEBT

	OUTSTANDING as of 12/31/2010	OUTSTANDING as of 12/31/2011	2011 DEBT SERVICE LEVY
Property Tax-Supported General Obligation Bonds	\$716,540,000	\$729,430,000	\$77,657,421
General Obligation Revenue Bonds			
Augsburg Ice Arena Bonds	1,285,000	1,150,000	(1)
Solid Waste Bonds	8,200,000	4,100,000	(1)
Counties Transit Sales Tax Bonds	102,810,000	102,810,000	(2)
Ballpark Sales Tax Revenue Bonds	326,400,000	307,780,000	(3)
TOTAL	\$1,155,235,000	\$1,145,270,000	\$77,657,421

(1) Nontax revenues such as solid waste fees and lease payments pay the debt service on these bonds.

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

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

FUTURE DEBT SERVICE PROPERTY TAX REQUIREMENTS ON OUTSTANDING DEBT

YEAR	COUNTYWIDE LEVY	SUBURBAN ONLY LEVY	TOTAL LEVY
2012	71,834,074	5,823,347	77,657,421
2013	74,250,150	5,056,545	79,306,696
2014	73,308,324	4,771,184	78,079,508
2015	73,128,787	2,858,806	75,987,593
2016	72,910,308	1,788,633	74,698,941
2017	72,926,491	816,320	73,742,811
2018	69,718,690	816,102	70,534,792
2019	63,593,127	814,312	64,407,438
2020	58,627,931	801,473	59,429,404
2021	55,072,155	390,926	55,463,080
2022	48,237,643	387,959	48,625,602
2023	45,401,433	389,616	45,791,049
2024	40,835,230	390,393	41,225,622
2025	40,499,991	385,195	40,885,186
2026	37,005,935	384,589	37,390,524
2027	32,972,592	0	32,972,592
2028	28,011,137	0	28,011,137
2029	17,877,960	0	17,877,960
2030	12,098,739	0	12,098,739
2031-5	<u>42,437,719</u>	<u>0</u>	<u>42,437,719</u>
Total	1,030,727,418	25,896,400	1,056,623,817

Hennepin County

Ballpark Sales Tax Revenue Programs

2012 BUDGET

General Government

Adopted

Mission:

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

Department Description:

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

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

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes	28,244,445	28,071,414	28,913,556
Federal			
State			
Local			
Fees and Services			
Fines and Forefeitures			
Licenses and Permits			
Other Revenue	4,009	2,799,358	2,683,630
Total Revenues	\$28,248,454	\$30,870,772	\$31,597,186
Personnel Costs	\$0	\$0	\$0
Supplies and Materials			
Purchased or Contract Services	5,475,816	3,819,837	3,925,000
Public Aid			
Equipment and Asset Purchases			
Other Expenditures	20,045,231	27,050,935	27,672,186
Total Expenditures	\$25,521,047	\$30,870,772	\$31,597,186

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	0.0	0.0
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Division Budgets:	2010 Actual	2011 Budget	2012 Budget
Transfer for Debt Service	\$16,537,231	\$20,382,735	\$20,346,320
Transfer for Optional debt prepayment	0	4,000,000	5,000,000
Transfer for Library additional hours	1,468,247	1,754,837	1,860,000
Transfer for Youth Sports Program	3,289,422	2,065,000	2,065,000
Fees for Collections & Bond Administration	718,147	0	0
Grant to MN Ballpark Authority	2,408,000	1,566,000	1,180,000
Grant to Ballpark Capital Improvements	1,100,000	1,102,200	1,145,866
Total Expenditures	\$25,521,047	\$30,870,772	\$31,597,186

Hennepin County

Employee Health Plan Self Insurance Fund
General Government

2012 BUDGET
Adopted

Mission:

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

Department Description:

This department is an internal service fund which was created effective January 1, 2011 when the county began self-insuring its employee health plan. In addition to accounting for premium revenue and claims expense, the fund also accounts for the expenses of the county HealthWorks unit.

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
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Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes			
Federal			
State			
Local			
Fees for Services		99,466,162	106,737,961
Fines and Forfeitures			
Licenses and Permits			
Other Revenue			
Total Revenues	\$0	\$99,466,162	\$106,737,961
Personnel Costs	\$0	\$300,040	\$281,341
Supplies and Materials		2,500	2,500
Purchased or Contract Services		99,158,622	106,449,120
Public Aid			
Equipment and Asset Purchases			
Other Expenditures		5,000	5,000
Total Expenditures	\$0	\$99,466,162	\$106,737,961

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	0.0	6.0	6.0
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Hennepin County

Self Insurance Fund
General Government

2012 BUDGET
Adopted

Mission:

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

Department Description:

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

Budget Summary:	2010 Actual	2011 Budget	2012 Budget
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Budgeted Property Tax Requirement*	\$0	\$0	\$0
Other Taxes			
Federal			
State			
Local			
Fees for Services	4,299,671	5,485,760	5,486,519
Fines and Forfeitures			
Licenses and Permits			
Other Revenue			
Total Revenues	\$4,299,671	\$5,485,760	\$5,486,519
Personnel Costs	\$489,773	\$482,480	\$479,868
Supplies and Materials	2,826	3,000	3,000
Purchased or Contract Services	4,266,753	4,617,008	4,735,718
Public Aid			
Equipment and Asset Purchases			
Other Expenditures	272,014	383,272	267,933
Total Expenditures	\$5,031,366	\$5,485,760	\$5,486,519

**Reflects adjusted property tax, not actual property tax collections.*

Budgeted Positions (Full-time Equivalents)	5.5	5.5	5.5
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Hennepin County

2012 BUDGET

Adopted

Major Program: Capital Improvements

Mission:

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



2012 Capital Budget

Program Description:

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

Program Highlights:

The Capital Improvements budget for 2012 (less debt retirement, which is discussed in the Debt Retirement section of General Government) is \$118,828,250. This represents a decrease of \$61.4 million or 34.1 percent from the adjusted 2011 budget of \$180,216,609.

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 **2012 Capital Budget and 2012-2016 Capital Improvement Program**. See the Introduction section for the capital budget schedule and process.

Expenditures

The most significant reason for the \$61.4 million decrease in the 2012 capital budget relates to the acquisition of assets that was reflected in the adjusted 2011 capital budget in the Human Services and General Government areas. In the Human Services area, \$18.2 million was used to facilitate the New Markets Tax Credit Financing of the Northwest Human Services Hub. In the General Government area, the 701 Building in downtown Minneapolis was purchased for \$25.8 million. In addition, for 2012, \$65.5 million is budgeted in the Public Works area, compared to \$84.1 million in the adjusted 2011 budget. Most of the Public Works difference is in Highways where the 2012 budgeted level of \$50.1 million is down \$10.8 million compared to the \$61.0 million budgeted in 2011.

The 2012 budget contains continuation funding for the new Walker Library and continued remodeling of the Roosevelt Library. In addition, the 2012 budget includes significant funding to make infrastructure improvements at the 41 libraries that are part of the county Library System. The 2012 budget also includes additional funding for Library equipment and furniture replacements.

In the Public Safety area, \$21.8 million is budgeted for 2012. Included in this amount is \$13.1 million to begin construction of a New 911 Emergency Communications Facility on the Adult Corrections Facility (ACF) campus. An additional \$7.2 million is provided in the Community Corrections area to make improvements to the ACF and other Corrections facilities.

Program Highlights Continued:

In the Human Services area, \$4.0 million is provided to continue the decentralization of the Human Services & Public Health Department into six regions with Hub and Satellite facilities aimed at providing better services at less cost for county clients.

In the General Government area, the most significant facility infrastructure project is the Facility Preservation and Upgrades Project which has received favorable mention by the credit rating agencies, the Minnesota Legislative Auditor and others because of its systematic evaluation of facility deficiencies and appropriate funding of needed repairs. The 2012 capital budget includes \$36.4 million in facility infrastructure and modifications projects.

The 2012 capital budget also contains \$7.1 million in funding for Housing, Community Works and Transit projects, including an additional \$2.0 million to continue the county's affordable housing program and another \$2.0 million for the Transit Oriented Development project with the funding being provided by the Hennepin County Housing and Redevelopment Authority (HCHRA). Another \$2.0 million is provided for the Southwest LRT Corridor Community Works project with funding from county bonds.

Operating Costs of Capital Projects

The operating implications of capital projects are quantified to the extent possible and information is provided on the project pages in the **2012 Capital Budget and 2012-2016 Capital Improvement Program** book. Some of the important operating cost implications are summarized below.

Significant operational savings, particularly energy savings, are projected to result from Library and general recommissioning projects that are part of the 2012-2016 capital program. It is estimated that the various recommissioning projects will save over \$1.2 million in annual operating costs. The Library Security Improvements project is estimated to produce a \$155,000 net reduction in annual operating costs and the Life/Safety Improvements by the Municipal Building Commission will result in estimated savings of \$12,000 per year in reduced insurance costs. Building automation and mechanical systems upgrades at county buildings and the Municipal Building Commission are estimated to reduce operating costs by \$519,500 per year.

New and improved facilities will increase operating costs in many cases. The Minneapolis Recycling and Waste Center could result in \$1.1 million in increased operating costs for Environmental Services. The New 911 Emergency Communications Facility might result in additional operating costs of \$460,000 per year and the proposed Sheriff's Crime Lab Expansion/Remodeling project is projected to add \$1.1 million in additional operating costs.

Revenue Highlights:

Of the revenues to support the \$118.8 million capital budget, \$42.6 million comes from bonded indebtedness. The 2012 level of bonding is \$16.2 million less than the \$58.8 million included in the adjusted 2011 budget. Most of this difference in the level of bonding is the result of reduced bonding requirements for Transportation (\$11.8 million less) and General Government (\$6.7 million less) projects. Details concerning the county's debt retirement and debt management can be found in the Debt Retirement section of the General Government program.

State and federal revenues of \$32.0 million are included in the 2012 capital budget, including \$27.3 million in state and federal highway aids and \$4.7 million in state funding for the Sheriff's New 911 Emergency Communications project.

The 2011 capital budget also includes \$6.2 million in property tax funding which is up substantially from the \$1.6 million budgeted for 2011 and is the result of an attempt to increase the amount of pay-as-you-go financing of the capital program. In addition, the 2012 capital budget includes \$19.6 million in local financing, \$18.6 million for highways and \$1.0 million from the City of Minneapolis for libraries. In addition, the 2012 capital budget includes \$18.4 million in other funding including \$13.9 million in enterprise revenues, \$6.5 million of which is related to Medical Center capital projects.

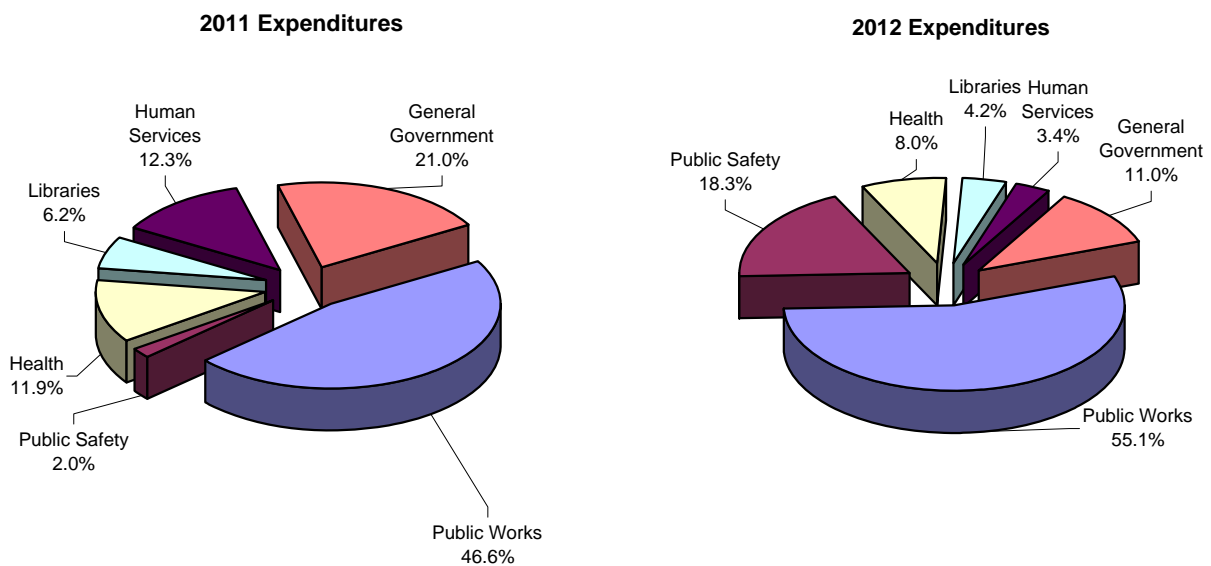
Specific capital project budgets and detail about revenue sources relating to capital improvements can be found in the separate document titled **2012 Capital Budget and 2012-2016 Capital Improvement Program**, which is available from the Office of Budget and Finance.

Hennepin County

2012 BUDGET Adopted

Department Summary:	2010 Budget	2011 Budget	2012 Budget
Public Works	\$138,917,000	\$84,059,369	\$65,451,250
Public Safety	5,072,000	3,689,000	21,769,000
Health	15,900,000	21,400,000	9,500,000
Libraries	15,386,000	11,222,000	4,968,000
Human Services	3,478,000	22,095,000	4,048,000
General Government	16,963,000	37,751,240	13,092,000
Total Expenditures	\$195,716,000	\$180,216,609	\$118,828,250

Department Comparison:



Revenue and Expenditure Information:	2010 Actual	2011 Budget	2012 Budget
Budgeted Property Tax Requirement*	\$1,656,000	\$1,611,000	\$6,151,000
Federal	5,716,411	7,262,000	7,840,000
State	33,351,571	31,574,000	24,170,000
Local	12,462,414	17,837,700	19,626,500
Bond Proceeds	122,685,000	58,768,000	42,602,750
Other Revenue	(5,552,818)	63,163,909	18,438,000
Total Revenues	\$170,318,578	\$180,216,609	\$118,828,250

**Reflects adjusted property tax, not actual property tax collections.*

Personal Services	\$0	\$0	\$0
Commodities			
Services			
Furniture & Equipment	131,177,963	180,216,609	118,828,250
Other Charges			
Total Expenditures	\$131,177,963	\$180,216,609	\$118,828,250

**CAPITAL IMPROVEMENTS
SUMMARY OF PROJECTS BY PROGRAM AND REVENUE SOURCE**

**2012 BUDGET
CAPITAL IMPROVEMENTS FUND**

**2012 CAPITAL BUDGET
SUMMARY OF PROJECTS BY PROGRAM AND REVENUE SOURCE**

Program/Department/Project	Total 2012	Property Tax	Bonded Indebtedness	Intergovern- mental	Enterprise & Other
<u>PUBLIC WORKS</u>					
Transportation					
Recondition Franklin Ave Bridge over Miss. River	\$500,000	-	-	\$500,000	-
Reconstr. CSAH 9 fr CSAH 81 to Mpls City Limits	1,000,000	-	-	500,000	500,000
Partic. Dam and Road Replacement CSAH 12	1,140,000	140,000	1,000,000	-	-
Construct CSAH 30 Interchange at TH 169	3,000,000	-	-	3,000,000	-
Reconstr. CSAH 48 fr 46th St to Lake Street	100,000	-	-	50,000	50,000
Reconstruct CSAH 61 fr CSAH 3 to TH 7	6,300,000	-	-	3,300,000	3,000,000
Reconstruct CSAH 81 from CSAH 10 to 63rd Ave	14,112,500	-	1,050,000	11,850,000	1,212,500
Reconstruct CSAH 101 fr CSAH 62 to CSAH 3	500,000	-	-	100,000	400,000
Reconstruct CSAH 101 fr CSAH 5 to TH 12	11,492,000	-	-	850,000	10,642,000
Reconstr. CSAH 103 fr CSAH 109 to CSAH 30	900,000	-	-	450,000	450,000
Reconstr. CSAH 103 fr Candlewood to 84th Ave	3,420,000	-	-	2,560,000	860,000
Upgrade CSAH 109 fr Main St to Jefferson Hwy	2,870,000	-	-	1,650,000	1,220,000
Resurface CSAH 109 at BNSF RR W of CSAH 81	100,000	-	-	100,000	-
Partic. Intersection CSAH 144 at CSAH 101	500,000	-	-	500,000	-
Reconstr. CSAH 152 fr Hennepin Av to 5th Av	350,000	-	-	100,000	250,000
Bikeway Participation/Development	300,000	300,000	-	-	-
Bikeway Program/Discretionary	300,000	300,000	-	-	-
Consultant Services - Miscellaneous	750,000	20,000	-	730,000	-
Hardship Right-of-Way Acquisition	30,000	30,000	-	-	-
Maple Grove CP 9635 R/W Acquisition Reimb	40,000	40,000	-	-	-
Minneapolis Signal Participation	315,000	70,000	-	245,000	-
Miscellaneous Structure Repairs	50,000	50,000	-	-	-
MnDOT Signal Participation	150,000	10,000	-	140,000	-
Pedestrian Ramps	600,000	-	-	600,000	-
Railroad Crossing Participation	25,000	-	-	25,000	-
Roadside Enhancement Partnership Program	1,000,000	1,000,000	-	-	-
Sidewalk Participation	200,000	200,000	-	-	-
Surface Water Management	100,000	40,000	-	60,000	-
Highways Subtotal	\$50,144,500	\$2,200,000	\$2,050,000	\$27,310,000	\$18,584,500
Housing, Community Works & Transit Projects					
Affordable Housing	2,000,000	-	-	-	2,000,000
66th Street Corridor	250,000	-	250,000	-	-
Fort Snelling Upper Post	100,000	100,000	-	-	-
Minnehaha-Hiawatha Community Works	500,000	-	500,000	-	-
Transit Oriented Development	2,000,000	-	-	-	2,000,000
Southwest LRT Corridor Community Works	2,000,000	-	2,000,000	-	-
Community Works Corridor Planning	250,000	250,000	-	-	-

**2012 CAPITAL BUDGET
SUMMARY OF PROJECTS BY PROGRAM AND REVENUE SOURCE**

Program/Department/Project	Total 2012	Property Tax	Bonded Indebtedness	Intergovern- mental	Enterprise & Other
Environmental Services Projects					
HERC Facility Preservation & Improvement	5,855,000	-	-	-	5,855,000
HERC District Energy	1,433,000	-	-	-	1,433,000
Energy Center Improvements	768,750	-	768,750	-	-
Transfer Station Facility Preservation	150,000	-	-	-	150,000
Public Works Subtotal	<u>\$65,451,250</u>	<u>\$2,550,000</u>	<u>\$5,568,750</u>	<u>\$27,310,000</u>	<u>\$30,022,500</u>
<u>PUBLIC SAFETY</u>					
District Court Projects					
Government Center C-6 Modifications	938,000	-	938,000	-	-
District Court IT Space/Furniture Modifications	293,000	-	293,000	-	-
District Court Courtroom Bench Modifications	200,000	-	200,000	-	-
Community Corrections & Rehabilitation Projects					
Community Corrections Security Modifications	3,093,000	-	3,093,000	-	-
ACF Main Building Administration Renovation	1,796,000	-	1,796,000	-	-
Comm Corrections Facil Preservation 2012-2016	1,500,000	-	1,500,000	-	-
Probation Furniture & Space Efficiency Mods	500,000	-	500,000	-	-
ACF Women's Section Flooring Replacement	355,000	-	355,000	-	-
Sheriff Projects					
New 911 Emergency Communications Facility	13,094,000	-	8,394,000	4,700,000	-
Public Safety Subtotal	<u>\$21,769,000</u>	<u>\$0</u>	<u>\$17,069,000</u>	<u>\$4,700,000</u>	<u>\$0</u>
<u>HEALTH</u>					
Medical Center Projects					
HCMC Asset Preservation	5,500,000	-	-	-	5,500,000
HCMC Regulatory Compliance	1,000,000	-	-	-	1,000,000
HCMC Capital Plans	3,000,000	3,000,000	-	-	-
Health Subtotal	<u>\$9,500,000</u>	<u>\$3,000,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$6,500,000</u>
<u>LIBRARIES</u>					
Library Projects					
New Walker Library	504,000	-	504,000	-	-
Roosevelt Library Remodeling	1,042,000	-	-	-	1,042,000
Library Facility Modifications 2012-2016	270,000	-	270,000	-	-
Suburban Library Facility Preservation 2008-2012	1,000,000	-	1,000,000	-	-
Minneapolis Library Recommissioning	351,000	-	351,000	-	-
Suburban Library Recommissioning	101,000	101,000	-	-	-
Minneapolis Libraries BAS Upgrades	200,000	-	200,000	-	-

**2012 CAPITAL BUDGET
SUMMARY OF PROJECTS BY PROGRAM AND REVENUE SOURCE**

Program/Department/Project	Total 2012	Property Tax	Bonded Indebtedness	Intergovern- mental	Enterprise & Other
Library Equipment Replacement	1,000,000	-	1,000,000	-	-
Library Furniture Replacement	500,000	-	500,000	-	-
Libraries Subtotal	<u>\$4,968,000</u>	<u>\$101,000</u>	<u>\$3,825,000</u>	<u>\$0</u>	<u>\$1,042,000</u>
<u>HUMAN SERVICES</u>					
Human Services Projects					
HSPHD North Minneapolis Hub	1,814,000	-	1,814,000	-	-
HSPHD South Suburban Hub	387,000	-	387,000	-	-
HSPHD Satellite Facilities	1,719,000	-	1,719,000	-	-
HSPHD Central/Northeast Minneapolis Hub	128,000	-	128,000	-	-
Human Services Subtotal	<u>\$4,048,000</u>	<u>\$0</u>	<u>\$4,048,000</u>	<u>\$0</u>	<u>\$0</u>
<u>GENERAL GOVERNMENT</u>					
Information Technology Projects					
IT Community Corrections Initiative	300,000	300,000	-	-	-
Property Services Countywide Projects					
Facility Preservation 2011 - 2015	2,250,000	-	2,250,000	-	-
Building Automation Sys Improve 2011-2015	1,588,000	-	1,588,000	-	-
Accessibility Modifications	800,000	-	800,000	-	-
Energy and Water Conservation	500,000	-	500,000	-	-
Southdale Regional Ctr Preservation 2010-2014	5,247,000	-	5,247,000	-	-
Carpet Replacement Program 2008-2012	800,000	200,000	600,000	-	-
Public and Programmatic Furniture Replacement	174,000	-	174,000	-	-
701 Building Facility Preservation	500,000	-	-	-	500,000
Municipal Building Commission Projects					
MBC Life/Safety Improvements	152,000	-	152,000	-	-
MBC Mechanical Systems Upgrades	424,000	-	424,000	-	-
MBC 4th St Tower & Int. Court Elevator Improve	357,000	-	357,000	-	-
General Government Subtotal	<u>\$13,092,000</u>	<u>\$500,000</u>	<u>\$12,092,000</u>	<u>\$0</u>	<u>\$500,000</u>
COUNTY TOTALS	<u>\$118,828,250</u>	<u>\$6,151,000</u>	<u>\$42,602,750</u>	<u>\$32,010,000</u>	<u>\$38,064,500</u>

Note: For detailed information concerning the various projects, please see the separate document titled **2012 Capital Budget and 2012-2016 Capital Improvement Program**.