CASS COUNTY
ANNUAL PLANNING
WORK SESSION - 2022

Friday, June 10, 2022
Deep Portage Learning Center Hackensack, MN
AGENDA
ANNUAL
PLANNING
WORK
SESSION

• 8:30 AM – Coffee and Breakfast
• 9:00 AM – Call meeting to order with flag pledge
  • Introductions
  • Any changes to the agenda?
  • Budget updates since last meeting (June 25, 2021)
  • Department head comments
    • Selected market trends
    • Legislative update
    • 2023 Issues
• 2023 budget timetable
• 12:00 PM – Adjourn
Adopted 2022 Budget

- Spending = $71,401,255 (up $9.7M or 15.85% from 2021)

- Property Tax Levy
  - 2022 = $24,111,891 (+700,328 +2.99%)
  - 2021 = $23,411,563 (+218,497 +0.94%)

- Fees
  - Land Use fees performing well with increased activity
  - Liquor license fees restored in 2022 to budgeted amounts
  - Local Option Sales Tax – $3.7M in 2021 ($2.3M in 2020)

- Other revenue trends
  - 2022 $46.4M OTM including $475,000 of fund balance
  - 2021 $37.7M OTM including $340,000 of fund balance
  - COVID Funds began in 2021 and continue in 2022
BUDGET UPDATE

Spending Change by Fund 2022 vs. 2021

- General
- Self Insure
- Highway
- HHVS
- Capital Projects
- Upland Tweap
- Evron Trust
- Land Dept
- Kitchigami

$0
$1,000,000
$2,000,000
$3,000,000
$4,000,000
$5,000,000
$6,000,000

-$1,000,000
2022 Budget Performance to Date

- Revenues and expenditures — trending close to budget
- Fund balances — 2021 increased reserves due to inability to provide programs and 2022 uses those reserves for capital projects

Capital Plan Updated

- Funding — no debt issuance, utilize fund balance, levy of $500,000 for 2022
- Facility strategy — extend useful life of Walker County campus, new construction of highway shops includes partners, co-locate with Leech Lake Band at Cass Lake (HHVS & Courts), continued jail bed contracting
- Capital Levy of $500,000 needed in 2023
DEPARTMENT REMARKS

- Administrator – Josh Stevenson
- Assessor – Mark Peterson
- Attorney – Ben Lindstrom
- Central Services – Tom Buhl
- CFO – Sandra Norikane
- Court Admin. – Kayla Littler
- ESD – John Ringle/Jeff Woodford
- HHVS – Michele Piprude
- Highway – Darrick Anderson
- HR – Kelsey Schwartz
- Land Dept. – Mark Gossman
- Probation – Jim Schneider
- Recorder – Katie Norby
- Sheriff – Tom Burch
Selected Market Trends

- Growing pains continue with requests for change
- Managing our message remains critical
- Service Delivery continues to be balanced with call backs and temporary employees

Legislative Updates

- Special Session needed – no bonding bill, federal transportation funds at risk without 20% match from State

2023 Issues

- Levy needs to be balanced with property valuation increases
- Support employees by being proactive not reactive
Selected Market Trends

- Unprecedented market value increases. 2022 Cass County estimated market value up over 28% excluding new construction & state assessed. ($9,711,475,300.)
- New construction value up 65% (Total NC $135,303,300.)
- New home starts up 6% (total new home starts 201)
- Real estate sales were down 20% for the first quarter of 2022 (total sales 1st quarter 178) 1st quarter foreclosures down 25% (total 3)
- LBAE appeals up 319% (total 411) Taxpayer phone calls up expediently over last year. Once notices were sent, we experienced between 200 to 400 inquires per day for 5 weeks straight.

Legislative Updates

- No tax bill passed in regular session. Possible special session.

2023 Issues

- Staffing/Training
- Increased taxpayer inquiries/appeals
Selected Market Trends
- Lasting Impact of the Pandemic on Court Operations
- Remote Court for most appearances is likely here to stay (it has advantages and disadvantages)
- Shift in our capacity to detain people.
- Increase in Rule 20 Incompetency and Civil Commitments
- Probation and Pretrial Supervision (State v. Sargent)

Staffing
- Paralegal Gina Burch is retiring after nearly 33 years
- Administrative Legal Secretary Chris Bednarski is retiring after 23 years

Issues moving into 2023
- Electronic Case management
- Law enforcement creating more data that we must store, process, and disseminate
- Potential for obsolescence or increased costs with current MCAPS case management system
- Exploring new systems – any conversion would have a significant one-time cost, but lower annual costs moving forward
- Electronic Alcohol Monitoring and Costs – Minn. Stat. 169A.44
Selected Market Trends
- Network and system Security remain a high priority
- Upgrading current equipment with new technology
- Employee training
  - Implement additional security measures
  - Artificial intelligence (AI)/Machine Learning (ML)
  - Big Brother = Big Data
  - Increased cloud solutions

Legislative Updates
- Broadband funding
- Local Government Cybersecurity Grants

2023 Issues
- Increased costs to maintain and upgrade County buildings and equipment
- Streamline ability to troubleshoot problems – TrackIT
- Work force and supply chain uncertainty
Selected Market Trends

- ARPA Funds have provided $1.85M in funding to Cass County, and another $1.64M has already been committed. Expecting our second payment from the US Treasury any day ($2.8M). Compliance reporting has been completed with the US Treasury for period ending 4/30/22.

- 2022 is a mid-term election year. We have an upcoming retirement in elections and hired experienced election staff from another county.

Legislative Updates

- Legislation was passed changing the information required for Truth in Taxation notices. This will greatly impact our programming, supply costs, and timing of our processes. Ongoing meeting are occurring to delay or revamp this requirement. As there is no repercussion for compliance, Cass County may choose to delay implementation until there is a better understanding.

2023 Issues

- County insurance analysis and potential cost increase ($15 core benefit increase in 2022. Looking at the loss in the self insurance fund in 2021, another increase may be warranted).
Selected Market Trends

- The “Otherside” of the Pandemic
- Virtual Hearings vs. In Person hearings
- Back log of court cases due to pandemic
- Staffing changes with retirement and advancement

Legislative Updates

- Rule updates requiring parents to have their attorney at the initial EPC hearing

2023 Issues

- Staff recruitment and retention
- Work from home
Selected Market Trends
- P&Z permits were down first quarter, but seeing a late spring surge
- Solid waste activity is comparable to last year’s first 5 months
- A recent increase in overall departmental activity
- MCIT caseload down to one case pending

Legislative Updates
- Hopeful for continued SWCD Capacity Funding
- Comprehensive Watershed Mgmt. funding increasing
- CAP grant awaiting legislative approval
- SCORE funding increase

2023 Issues
- Staff transitions and retirements
- Ordinance revisions
- Pine River Transfer Station rebuild
Selected Market Trends

- Funding increased for School Linked Behavioral Health
- Mental Health Services and Settings Inadequate to meet rising needs
- Continued needs for Homelessness

Legislative Update

- Data Sharing with Law Enforcement for Mental Health Call Responses
- Stabilized Childcare Assistance Program
- SNAP (Supplemental Nutrition Assistance Program) Income Eligibility Modifications

2023 Issues

- Workforce Challenges
- Service Delivery Transformation
- Working Families MFIP (Minnesota Family Investment Program)
Selected Market Trends

- 2022 County State Highway Funding Program: +$880k construction and +$587k maintenance
- Service delivery – adequate based on feedback

Legislative Update

- Cass was awarded $125k (2021 – Local Bridge Replacement Program (LBRP) CR103), $115k (2021 – State Park Road Account (SPRA) CR139), $341k (2022 – SPRA CR161), and $1.2mil (2026 – Surface Transportation Block Grant Program (STBGP) CSAH 11).
- Local Option Sales Tax (LOST) projected to be down from 2021 ($3.6mil), est. $2.6 mil. In 2021 LOST delivered $1.6 mil in construction projects.
- Infrastructure Investment and Jobs Act: Increase in Federal Fund Grant Programs (STBGP, Highway Safety Improvement Program (HSIP), Transportation Alternatives, etc.)

2023 Issues

- Project Development for large projects County State Aid Highway (CSAH) 37 and CSAH 70 (2023) continues.
- Development of County Wide Transportation Plan
- Increased development of trails in County ROW
- Continue pursuing partnership opportunities with LLBO, MnDOT, USFS, Townships, Cities and neighboring Counties.
Selected Market Trends
- Continuation of remote work in departments
- Increase in demand for HR service delivery
- Continuation of learning for UKG processes
- Pay Equity Compliance

Legislative Updates
- Frontline Worker Pay

2023 Issues
- Labor negotiations for 2023
- Health insurance premiums
- Staff development – training and wellness
Selected Market Trends

- Tax Forfeit Land Sales remain positive
- Timber Markets remain positive
- New OSB Mill – Q4 2023

Legislative Updates

- Support continues for conservation easements, wetland degradation, and carbon markets but nothing passed
- Lease terms form 10-12 years to 10 to 50 years proposed

2023 Issues

- Fuel costs may impact markets
- Certification standards
- Forest Inventory LIDAR Project 2022-23
- Threatened and Endangered species. Bats, Turtles, Pollinators
Selected Market Trends
- Increased caseloads for drug and gross misdemeanor assault offenses
- Increased number of people on pretrial supervision
- Juvenile caseloads remain consistent

Legislative Updates

2023 Issues
- Staffing issues due to increased caseloads.
- Community Crime Prevention grant renewal $100,000
- CC/LLBO Wellness Court grant renewal $103,000
Selected Market Trends

- Volume of recorded docs is down from 2021 but still ahead of 2020 which means eRecording’s are also down. eDocs are still above 60% overall.
- Inventory of Homes for Sale has gone up
- Interest Rate is still rising slowly, how high will depend on inflation

Legislative Updates

- Law Change to make Torrens Registration more efficient
- Law Change to Mobile Home Affidavit of Affixation
- Watching proposed changes to SAH and Broadband easements notice

2023 Issues

- Rising inflation will make interest rates rise which will affect the Real Estate Industry negatively - decreased sales/refinancing. More foreclosures?
- Development of crypto technology processes for real estate
Selected Market Trends

- Post-Pandemic Increase in Calls for Service
- Population Increases/Demand Increase
- Meeting Demand with Staffing

Legislative Updates

- Cooperative Law Enforcement Agreements
- Public Safety Policy/Finance Bill for Training/Recruitment and Retention of Officers
- Continued Push for LE Reform/Lots of Unknowns

2023 Issues

- Recruiting Qualified Applicants (all positions)
- Implementation of New Body Camera/Squad Camera System with Storage
- Increased Cost of Goods/Supplies (Supply Chain and Availability Issues)
2023 BUDGET TIMETABLE

• Annual Planning Session – June 10, 2022
• Preparation packets released – July 08, 2022
• Departmental requests due – July 29, 2022
• Initial citizen budget committee review of requests
  • Confirmed Date – August 19, 2022
  • Optional Date – August 26, 2022
• Establish preliminary levy – September 06, 2022
• Departmental citizen budget committee review
  • Tentative dates - October 07, October 14, 2022
• Truth in Taxation notice – November 2022
• Budget Hearing – December 08, 2022 (PM)
• Adoption of budget and levy – December 20, 2022
ADDITIONAL COMMENTS

• County Board of Commissioners
• Citizen Budget Committee
• County Staff
THANK YOU!