

**Carver County Board of Commissioners
November 16, 2010
County Board Room
Carver County Government Center
Human Services Building
Chaska, Minnesota**

County Board Work Session Agenda

Time	Topic	Page
4:00 p.m.	1. COMMUNITY SOCIAL SERVICES	
	1.1 Update on funding for school based services	1
4:15 p.m.	2. ADMINISTRATION	
	2.1 2011 Legislative Priorities	2-13
	2.2 Administrator's recomm ended 2012 Long Term Financial Plan.....	14-44
5:15 p.m.	3. PUBLIC WORKS	
	3.1 Review of potential 2011 regional solicitation projects	45
6:00 p.m.	Board and Administrator Reports	

David Hemze
County Administrator

UPCOMING MEETINGS

November 23, 2010	9:15 a.m. County Board Meeting
November 30, 2010	No Meeting
December 2, 2010	6:00 p.m. 2011 Budget Public Hearing
December 7, 2010	No Meeting (AMC Conference)
December 14, 2010	9:15 a.m. County Board Meeting



REQUEST FOR BOARD ACTION

AGENDA ITEM : Update on Funding for School Based Services

Originating Division: Community Social Services

Meeting Date: November 16, 2010

Amount of Time Requested: 15 minutes

Attachments for packet: Yes NoItem Type: Consent Regular Session Closed Session Work Session Ditch/Rail Authority

BACKGROUND/EXPLANATION OF AGENDA ITEM: Community Social Services staff that work collaboratively in the schools completed a time study the second week of October to determine the amount of Special Education funding that they can claim. The results of the study have been tabulated by the Department of Education and we are projecting a \$600,000 loss of revenue. The Therapists imbedded in the Level 4 Special Education programs in the Carver Scott Educational Cooperative (CSEC) had the most positive results and the School Based Social Workers in the schools did not fare as well. The Division continues to meet with CSEC staff to work on alternative service delivery models. This is a significant loss of revenue that impacts FY2009/2010 and the CY2011 Budget.

ACTION REQUESTED: None**FUNDING**

County Dollars = \$

Other Sources & Amounts = \$

= \$

TOTAL = \$*Related Financial Comments:***FISCAL IMPACT** None Included in current budget Budget amendment requested Other: Reviewed by Division Director

Date: 11/08/2010



REQUEST FOR BOARD ACTION

AGENDA ITEM : 2011 Legislative Priorities

Originating Division: Administrative Services

Meeting Date: November 16, 2010

Amount of Time Requested: 20 min.

Attachments for packet: Yes NoItem Type: Consent Regular Session Closed Session Work Session Ditch/Rail Authority**BACKGROUND/EXPLANATION OF AGENDA ITEM:**

A first draft of Carver County's 2011 legislative priorities is attached. Staff will be reviewing the issues and looking for Board input and direction during this work session.

ACTION REQUESTED: Provide input and direction on the 2011 legislative priorities.**FUNDING**

County Dollars = \$

Other Sources & Amounts =

= \$

TOTAL = \$*Related Financial Comments:***FISCAL IMPACT** None Included in current budget Budget amendment requested Other: Reviewed by Division Director

Date: November 4, 2010



**CARVER
COUNTY**

2011

Legislative Platform

Item numbering is not a priority listing

Top priorities:

- A. Capital Projects within Carver County:
 - Issue #1: TH101 and TH 41 River Crossings
 - Issue #2: Lake Waconia Regional Park Land Acquisition

- B. Statutory Authority for Counties:
 - Issue #3: Authorize Plat Approval
 - Issue #4: County Development Impact Fee

- C. Protect/Increase County Revenue Sources:
 - Issue #5: County Program Aid
 - Issue #6: Fund or Eliminate Unfunded Mandates and Maintenance of Efforts
 - Issue #7: Protect Revenues Dedicated to Transportation
 - Issue #8: Fund Local Bridge Repair and Replacement Program
 - Issue #9: Bonding for Highway Improvement Projects
 - Issue #10: Operating and Maintenance Funding for Regional Parks



Issue #1: TH 101 and TH 41 River Crossings

Background

Both TH 41 and TH 101 are closed on a regular basis due to flooding of the Minnesota River. This occurred twice in 2010 and along with the CR 11 closure to Jordan affected approximately 40,000 vehicle trips every day. Detouring these vehicles puts a massive burden on the area's economy by increasing congestion on TH 169 and TH 494 and other highways and significantly extending the commute for many travelers. Having these roads impassable is also a severe strain on emergency response access between Scott and Carver Counties.

MnDOT has undertaken a Tiered Environmental Impact Statement for a new TH 41 River Crossing with the goal of selecting an alignment and preserving the corridor for future construction. The proposed 2030 Transportation Policy Plan (TPP) update indicates that the TH 41 river crossing study should be reevaluated due to its cost and a lower cost high benefit solution be explored.

TH 101 in Carver County is planned to be turned back to the county and has already been turned back in Scott County. The County is willing to take over jurisdiction of TH 101 but improvements are needed to the corridor including raising the roadway at the river before the county can accept the highway. This is a critical project that connects Shakopee to Chanhassen and TH 169 to TH 212 but is not funded or even shown in any MnDOT long range plan. The county understand the unique environmental characteristics of the Minnesota River and its surrounding ecosystems and wants to protect these resources but at the same time Carver County, Scott County, the cities of Chanhassen and Shakopee, MnDOT, the DNR and other regulatory agencies must work together to construct a river crossing that allows safe and efficient travel at all times.

Requested Position

Carver County requests MnDOT study and design improvements at the TH 101 and TH 41 river crossings. The County will partner with MnDOT and other agencies to study lower cost high benefit solutions for the corridors and prepare projects for future state bonding and federal funding consideration.



Issue #2: Lake Waconia Regional Park Land Acquisition

Background

Lake Waconia is the second largest lake in the metropolitan area and a regional attraction for water based recreation activities. The existing public boat access on the northeast side of the lake is overwhelmed with use. Long lines of vehicles with trailers park along the busy county road between St. Bonifacius and Waconia due to the demand for boat access parking.

Carver County has an approved Regional Park Master Plan for Lake Waconia Regional Park. This master plan includes the creation of public boat access within the park boundary. Funding is requested to purchase land for the boat access and related property for Lake Waconia Regional Park. The proposed acquisition would improve public access to a regionally significant body of water, increase recreational opportunities and user satisfaction at an existing regional park. Additionally, funding is requested to develop the boat access entrance drive and provide parking for 40 vehicles with trailers and additional water access parking.

Due to the value and availability of a relatively large parcel of lakeshore property on the second largest lake in the a metropolitan area which is currently under contract with a realtor for sale, the high priority the MN Department of Natural Resources places on a public boat access, and due to the significance of this key parcel of land that is included in the approved Lake Waconia Regional Park Master Plan, legislative assistance is requested for this acquisition and development of the site.

Requested Position

Work with the MN Department of Natural Resources and support legislation to acquire 19 acres of land needed for Lake Waconia Regional Park and develop a public boat access.



Issue #3: Authorize Plat Approval

Background

Under current law, counties may only comment on plats abutting county roads and county state aid highways. Cities and townships are free to disregard concerns and recommendations offered by the county. This can lead to restrictions in future design and construction options, impact the function of the highway and can create traffic safety issues.

The population of Carver County is expected to grow by 220% by 2030. This population growth will be accompanied by a large increase in employment. The residential, retail, commercial and industrial development will add significant demands to the county transportation system. To account for these demands it is essential that proper improvements be made to the county transportation system prior to or during development and that ingress, egress and right of way be managed appropriately. Effective right of way management at the county level is essential to provide for future roadway needs and address safety, congestion and environmental concerns.

During the 2004 session, city and county representatives compromised on a plat review process allowing county engineers to conduct a review of ingress and egress, drainage, safety, rights-of-way, integration, and impact on the county wide system prior to the city's statutory plat review process. This compromise alleviated problems caused by incomplete or late submittals but did not allow counties to approve plats adjacent to their highways.

Requested Position

Carver County requests the authority to approve plats that are adjacent to county road and county state aid highway right-of-way.



Issue #4: County Development Impact Fees

Background

Traditional as well as nontraditional transportation-related revenue sources are needed to meet road, bridge and transit needs. The gas tax and other user fees systems are not adequate to fund transportation needs. Increasingly, the burden has been shifting to property taxpayers to meet these needs. The Center for Transportation Studies at the University of Minnesota recently issued a research report that identified several value capture strategies that could potentially provide alternative revenue sources for state and local governments.

Carver County has identified over \$840 Million in county highway preservation, bridge, safety, expansion and connectivity needs for the next 20-years. Expansion and connectivity needs account for more than \$600 Million and a large portion of this is related to future development of the county.

Funding needed transportation improvements will require many different strategies including capturing the benefit or value of the transportation system to the developing property and using that benefit or value to help fund the improvement. Counties have the authority to implement some value capture strategies but in particular do not have the authority to implement a development impact fee. This strategy shift the burden of paying for new transportation infrastructure away from the residential properties to developers and commercial and industrial properties.

Requested Position

Carver County supports modernizing Minnesota's transportation finance system including consideration of harnessing value for transportation investment. Carver County requests authority to implement development impact fees to assist in funding transportation infrastructure.

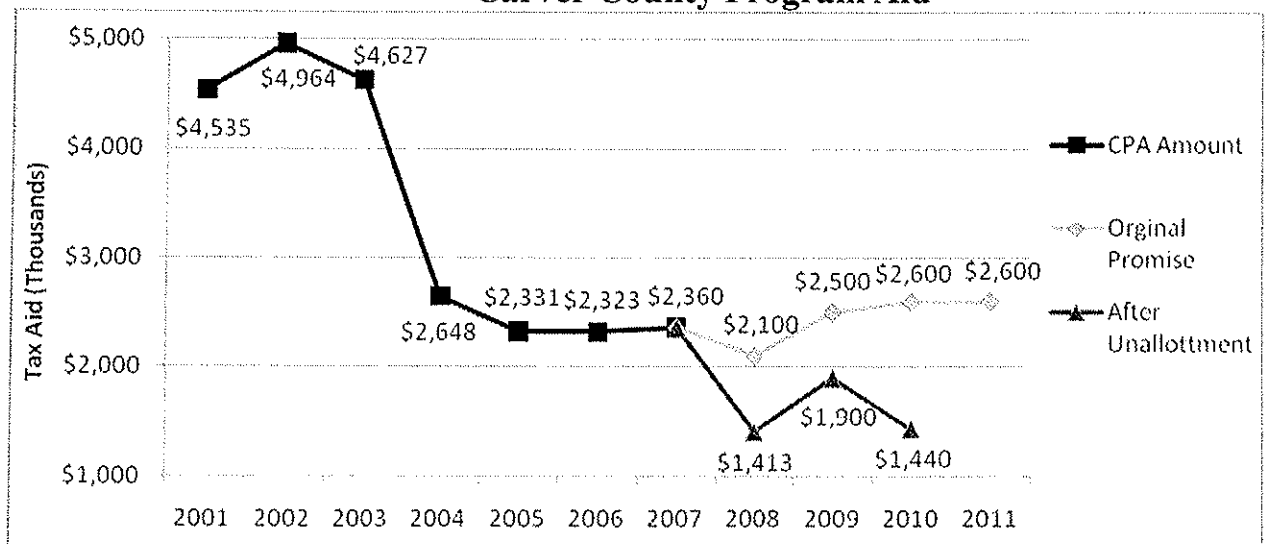


Issue #5: County Program Aid

Background

Carver County's program aid has followed the declining pattern shown on the below chart, with program aid falling from a high of \$4.96 million in 2004 to a 2011 promise of \$2.6 million. In addition, the difference between program aid promised and what eventually gets paid grew to over \$1 million in 2010.

Carver County Program Aid



Further cuts are expected as the State closes its \$6 billion budget shortfall. In determining any aids and credits cuts for counties, the cuts that counties suffer in other portions of the budget must be taken into account. Fairness would dictate that any aid and credit cuts be apportioned between several levels of local government including counties, cities, townships and special taxing districts - in proportion to the aids and credits they receive. In addition, any cuts should be followed by a commensurate reduction in mandated programs.

Requested Position

Carver County urges the Legislature to distribute aid cuts equitably after taking into account the cuts that counties receive in other areas of the budget like Social Services, Court Services and Public Health.

DRAFT

11/16/10 Board Worksession



Issue #6: Fund or Eliminate Unfunded Mandates and Maintenance of Efforts

Background

Over the last seven legislative sessions, counties have been required to pay for state mandates. Examples of unfunded mandates include:

- Increasing number of civil commitment holds for sex offenders;
- Counsel for indigent parents in children in need of protective services cases; and
- Portions of the health care costs of the developmentally disabled, mentally ill and under 65 individuals.

In the later examples, these are mandated despite having given up state aid to pay for the costs of these services in the early 1990's.

To the 2009 Legislature's credit, the short-term offender program, which shifted the incarceration of felons with less than six months to serve from the state to the counties, was repealed. But a new mandated cost - access transportation services for medical assistance recipients - was shifted from the state to the 11 greater Twin City metropolitan counties at a cost exceeding \$2 million annually. Cost shifts are a hidden way for the State to fund services the Legislature wants to provide without paying for them and allow the legislature to avoid accountability for their spending decisions.

In addition to the mandates, there are at least 12 maintenance of effort requirements in current law dictating how much counties have to spend for particular programs or services. With these laws, the Legislature is literally telling counties how much to spend or, in some cases, to increase their spending. Two MOE's - for libraries and mental health - were reconfigured by the 2009 Legislature, but mandated spending levels remain in place. The Legislature cannot have it both ways. Either give counties the legal authority to actually reduce their expenditures or stop criticizing them when they increase expenditures and the property taxes to support them to meet the requirements of state law.

Requested Position

Carver County urges the Legislature to either fund the cost of state mandates and maintenance of efforts or eliminate them.

DRAFT

11/16/10 Board Worksession



Issue #7: Protect Revenues Dedicated to Transportation

Background

While most of the funding streams for transportation funding are now constitutionally protected, others, such as the sales tax on leased motor vehicles, are statutorily dedicated and could be used for other purposes such as general fund deficit reduction, by action of a future Legislature.

Carver County has identified over \$840 Million in county highway preservation, bridge, safety, expansion and connectivity needs for the next 20-years. At current projections, county state aid will provide \$67.5 Million or 8% of this need. It is vital that this funding be protected and enhanced.

Requested Position

Carver County opposes any efforts to divert state revenues currently dedicated to transportation to other purposes.



Issue #8: Fund Local Bridge Repair and Replacement Program

Background

The state bridge bonding program is a necessary component of funding for bridges. Counties and other local units of government oversee 14,700 bridges – 75% of all bridges in the state. Of these, 1000 have been identified as structurally deficient. Carver County oversees 80 local bridges of which 16 (or 20%) currently need replacement. 7 of the 16 bridges are on the county state aid highway system with a replacement cost of \$8 Million. The state has long provided special funding for local bridges.

Additionally, counties that have experienced significant population growth have bridges that may be structurally sound but are no longer capable of handling increased traffic volume. These operationally deficient bridges should be eligible for funding under the state bridge funding program.

Bridges that are functionally obsolete or structurally deficient and new bridges on new or existing alignment should also be eligible for funding under this program.

Requested Position

Carver County recommends that the Legislature continue to fund the state bridge bonding program at a level sufficient to construct, replace, rehabilitate, or renovate deficient bridges.



Issue #9: Bonding for Highway Improvement Projects

Background

The 2008 Legislature enacted a comprehensive transportation funding bill that provides for new, dedicated revenues for bridges, roads and transit – at both the state and local levels of government. However, as MnDOT’s 20-Year Statewide Transportation Policy Plan makes clear, projected revenues will fall far short of transportation investment needs. According to MnDOT’s plan... “with a total estimated investment need exceeding \$65 billion during the next 20 years, and projected revenues of about \$15 billion, this analysis indicates that almost \$50 billion remains in unmet needs.” Most of the new funding in the foreseeable future will be used for state bridges and highway preservation and maintenance. Furthermore \$500 million out of the \$900 million in mobility investment in the Twin Cities is proposed for “managed” lanes. That means new transportation projects in both the metropolitan area and Greater Minnesota will continue to be delayed. This will be exasperated by the impact that the economic slowdown is having on driving habits and gas tax collections as well as new car purchases and collections of the sales tax on motor vehicles.

While immediate increases in revenues may not be possible because of the current economic environment, additional resources can be provided by using the state’s general and trunk highway bonding authority. Investing now by using bonding resources will leverage more transportation infrastructure than would otherwise be possible given the current, highly competitive bidding for construction projects. For example, the Hastings Bridge, estimated to cost \$220 million, will now be built for about \$120 million and MnDOT realized approximately \$120M in federal stimulus dollars savings due to low bids allowing more projects to be programmed.

Requested Position

Carver County urges the judicious use of the state’s bonding authority to accelerate key state and local projects in the current highly competitive bidding environment for highway projects. It is further suggested that state bonds be used to leverage the County Turnback fund in order to accelerate turnbacks of trunk highways to the county which will reduce the State’s highway maintenance costs and provide expansion of the State’s minor arterial system which is being ignored.



Issue # 10: Operations and Maintenance Funding for Regional Parks (State and LCCMR Funding)

Background

Carver County receives a portion of its operations and maintenance funding for the regional parks it administers. O &M funding comes from funding sources of the State General Fund, LCCMR and Metropolitan Council. Annually Carver County receives approximately 10 percent or roughly \$100,000 for operations and maintenance funds.

Benefits

- Reduces County funds needed to maintain its regional parks
- Continues a satisfactory levels of park services

Requested Position

Support Legislation to continue operations and maintenance funding at a similar level as compared to 2009- 2010 funding cycle.



CARVER
COUNTY

REQUEST FOR BOARD ACTION

AGENDA ITEM : Administrator's Recommended 2012 Long Term Financial Plan

Originating Division: Administration

Meeting Date: November 16th, 2010

Amount of Time Requested: 30 minutes

Attachments for packet: Yes No

Item Type: Consent Regular Session Closed Session Work Session Ditch/Rail Authority

BACKGROUND/EXPLANATION OF AGENDA ITEM: The County Board has directed staff to "connect financial strategies to the County's short and long-term strategic goals and objectives". The Administrator's Recommended 2011 Budget connects financial strategies to the County's short-term strategic goals and objectives. The attached Administrator's Recommended 2012 Long Term Financial Plan connects financial strategies to the County's long-term goals and objectives. At the workshop, an overview of the County's Capital Improvement Plans, future bond sales and the financial challenges facing future County operating budgets will be presented.

ACTION REQUESTED: None – Informational Only

FUNDING

County Dollars = \$

Other Sources & Amounts = \$

= \$

TOTAL = \$

FISCAL IMPACT

None

Included in current budget

Budget amendment requested

Other:

Related Financial Comments:

Reviewed by Division Director

Date: 11/08/10



CARVER
COUNTY

BOARD OF COMMISSIONERS

FY 2012
Long Term
Financial Plan

Table of Contents

I.	ELECTED AND APPOINTED OFFICIALS	2
II.	LONG TERM FINANCIAL PLAN RESOLUTION	3
III.	EXECUTIVE SUMMARY	4
IV.	CAPITAL IMPROVEMENT PLANS (CIPs)	8
	A. Buildings CIP - Fund #30.....	9
	B. Roads & Bridges CIP - Fund #32.....	11
	C. Parks & Trails CIP - Fund #34.....	13
	D. Lake Waconia Event Center CIP - Fund #02(Restricted Funds).....	19
	E. Regional Rail Authority CIP – Fund #15.....	23
V.	BONDING AND DEBT SERVICE	25
VI.	OPERATING BUDGET FINANCIAL CHALLENGES	26
	A. Levy-Funded FTE Employees per 1,000 Residents.....	26
	B. Employee Health Insurance.....	28
	C. Other Post Employment Benefits (OPEB).....	29
	D. Building Security.....	30
	E. Repairs and Maintenance for Park Buildings and Infrastructure.....	30
VII.	ATTACHMENTS: (Not Included in the Board Packet)	
	A. Consolidated Listing of Capital Projects.....	A-1_ A-6
	B. Capital Projects Summary By Funds.....	B-1_ B-14
	C. Capital Projects Summary By Department.....	C-1_ C-9
	D. Individual Capital Projects.....	D-1_ D-210

CARVER COUNTY
Board of Commissioners

Jim Ische, Chair
District #5

Tom Workman
District #2

Randy Maluchnik
District #3

Tim Lynch
District #4

Gayle Deglar, Vice-Chair
District #1

Elected Staff

Attorney
James Keeler

Sheriff
Bud Olson

Appointed Staff

County Administrator
David Hemze

Administrative Services Director

Steve Taylor

Community Social Services Director

Gary Bork

Employee Relations Director

Doris Krogman

Financial Services Director

David Frischmon

Public Health & Environment Director

Randy Wolf

Public Works Director

Lyndon Robjent

Property Records & Taxpayer Services Director

Mark Lundgren

**BOARD OF COUNTY COMMISSIONERS
CARVER COUNTY, MINNESOTA**

Date: December 14, 2010

Resolution: _____

Motion by Commissioner: _____

Seconded by Commissioner: _____

**COUNTY BOARD ADOPTION OF THE
2012 LONG TERM FINANCIAL PLAN
FOR CARVER COUNTY**

WHEREAS, the Long Term Financial Plan (the "Plan") fulfills the County Board's direction to "connect financial strategies to the County's long-term strategic goals and objectives"; and

WHEREAS, the Plan which has been prepared by division directors and reviewed by the County Board of Commissioners provides the basis for determining the non-binding intent to allocate future County resources; and

NOW, THEREFORE, BE IT RESOLVED by the Carver County Board of Commissioners 2012 Long Term Financial Plan is hereby adopted and placed on the County's website.

BE IT FINALLY RESOLVED, that copies of this resolution be forwarded to division directors of Carver County.

YES	ABSENT	NO
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

STATE OF MINNESOTA
COUNTY OF CARVER

I, David Hemze, duly appointed and qualified County Administrator of the County of Carver, State of Minnesota, do hereby certify that I have compared the foregoing copy of this resolution with the original minutes of the proceedings of the Board of County Commissioners, Carver County, Minnesota, at its session held on the 14th day of December, 2010, now on file in the Administration office, and have found the same to be a true and correct copy thereof.

Dated this 14th day of December, 2010.

David Hemze
County Administrator

III. EXECUTIVE SUMMARY

This 2012 Long Term Financial Plan, along with the 2011 Annual Budget, fulfills the County Board's direction to "connect financial strategies to the County's short and long-term strategic goals and objectives." This Long Term Financial Plan is not a budget but rather a non-binding assertion of future intent. Ideally, individual elements of the Plan will systematically be rolled forward each year until they are brought into the Annual Budget process for approval and implementation.

The 2012 Long Term Financial Plan (the "Plan") focuses on the four areas which will significantly impact the future property tax levy and budgets:

- Capital Improvement Plans for New Capital Projects
- Replacement Schedule for Facilities, Vehicles and Equipment
- Bond Sales and Debt Service
- Operating Budget Financial Challenges.

A. Capital Improvement Plans (CIPs):

CIP Revenue Summary:

Road & Bridge Tax Levy: In addition to Federal, State, Regional and Local dollars which provide over 75% of the funding for Road & Bridge projects, the Board approves a Road & Bridge Capital and Debt Service Levy. The Long Term Plan anticipates the growth in the County's tax base will finance Road & Bridge capital projects that are being driven by the County's growth. Thus, in 2012 and in subsequent years, the Plan expects to capture a portion of the County's increasing tax base from new construction by increasing the County's Road & Bridge Levy by a minimum of \$225,000. This increase in the Road & Bridge Levy is expected to be sustainable since it will be generated by capturing a portion of the tax based created by new construction in the previous year.

State Aid: During the 2010 Budget process, County Program Aid ("State Aid") was removed from the County's operating budget and is now being used to finance capital projects on a pay-as-you-go basis. For 2011, the first \$600,000 of State Aid has been allocated to match a Federal bridge replacement grant. It is expected that any State Aid over \$600,000 received in 2011, and all State Aid received in 2012 and beyond, will be allocated to County projects based on the following percentages:

50%	Road & Bridge CIP
25%	Park & Trail CIP
<u>25%</u>	Building CIP
100%	Total State Aid

State Sales Tax “Legacy Funds:” The 2008 State Legislature increased the State sales tax and allocated a portion of the new revenue to expand parks and trails throughout the State. The County’s share of these new funds is expected to be around \$250,000 each year. These funds, commonly referred to as “Legacy Funds,” have initially been designated in the Plan for the local match to the Federal Grants which are financing the Dakota Line Rail-to-Trail Project.

Local Share for Park Land Acquisition: In past years, the County has been reimbursed 100% from the Metropolitan Council for parkland acquisitions that were included in the County’s Regional Park Master Plan. Starting in 2009, the Met Council requires a 25% non-reimbursable local contribution for parkland acquisitions. Thus, the County Board started levying a \$50,000 Parkland Acquisition Capital Levy in 2009. To build financial capacity for future park land acquisitions, the Plan includes capturing a portion of the County’s increasing tax base from new construction by increasing the Parkland Acquisition Capital Levy by \$25,000 for 2012 and 2013.

CIP Summaries:

Buildings CIP: The 25% State Aid allocation could adequately finance building capital projects for the foreseeable future. The next major phase of building capital projects is scheduled for 2015. The Plan fully finances these 2015 capital projects by extending approximately \$1 million of a \$1.3 million building debt service levy which ends in 2014. These Phase II building projects, which total slightly less than \$10 million, include:

- 5th and 6th Courtrooms being added to the Justice Center
- Government Center Administrative West Building remodel, and
- two new libraries being furnished in Victoria and Carver.

To better serve the expected growth in the county’s population and tax base, two 5,000 sq. ft. buildings located in cities to the West of the Chaska Courthouse Campus are planned for 2025 and 2035.

Roads & Bridges CIP: The 2030 Comprehensive Plan identifies \$840 million of road and bridge projects to meet the needs of the projected growth in population and employment in the next 20 years. Road and bridge needs include preservation (overlays), bridge replacement, safety enhancements (turn lanes, traffic signals, roundabouts, etc.), system expansion (added lanes), system connectivity (new roads and bridges), and reconstruction (rebuilding existing core roads without adding lanes). The 2011-2016 Road and Bridge CIP was developed to fund preservation, bridge replacement and safety enhancement goals as well as partially fund high priority expansion and connectivity projects. Expansion and connectivity projects have been prioritized into A, B, and C categories and the Plan was developed based on a goal of completing Priority A projects within 12 years.

Parks and Trails CIP: This CIP plans to fund the planned park land acquisition and park & trail development projects primarily from two new revenue sources for this CIP – Legacy Funds and 25% of State Aid. Initially, these funds have been designated to the Dakota Line Rail-to-Trail Project which will build a trail from the East County line to the West County line. Once this project is completed, these revenue sources will be used for the next round of park development projects. Should the funds not show up as planned or if the park development projects need to be accelerated, additional resources will need to be identified in order to complete planned park development projects on a timely basis. Potential options to address this park development project financing gap are being developed by the Park Board and staff.

Lake Waconia Event Center CIP: In 2008, the County advance-funded for the Met Council a \$2.4 million purchase of the Lake Waconia Ballroom property consistent with the Lake Waconia Regional Park Master Plan. As part of the advanced-funding agreement, the County will be reimbursed by the Met Council for 100% of the purchase price over the next several years. Subsequent to the land purchase, the County Board received permission from the Met Council to lease out the building to be operated as the Waconia Event Center. The rent from the lease agreement is expected to cover all costs the County incurs from owning the building. Any additional rent over above the building costs are restricted by the Met Council advance-funding agreement and therefore must be spent within the Lake Waconia Regional Park.

B. Replacement Schedule for Facilities, Vehicles and Equipment

The proposed 2011 Budget includes the purchase of just under \$2 million for facilities, vehicles and equipment replacement. The Plan has a replacement schedule for Facilities, Vehicles and Equipment that has division requests for 2012 - 2016 tax levy dollars that average just under \$2.6 million a year. See pages B-4 – B-11 for a list of the requests. Thus, the County's current tax levy support for facilities, vehicles and equipment replacement covers approximately 75% of the division requested replacement schedule. Either levy support for the replacement schedule will need to be increased in the coming years and/or the replacement schedule needs to be reduced in future years by 25%.

C. Bond Sales and Debt Service

The Plan identifies the necessary financial capacity for the County's road & bridge, park and trail, and buildings for the next 10 to 15 years.

The County's next bond sale is planned in 2014 for Road and Bridge Project's CSAH 18 and Watertown bridge projects. The debt service for this bond sale is expected to be absorbed by the Road & Bridge Capital/Debt Service Levy without any additional impact on the tax levy.

Bond sales for Building or Park & Trail CIP projects are not expected until at least 2015. Rather, pay-as-you-go financing will be the preferred method to finance any Building/Park & Trail projects prior to 2015. The debt service on a 2015 building bond sale will be expected to be paid from extending the building debt service levy which ends in 2014 without any additional impact on the tax levy.

D. Operating Budget Financial Challenges

- Personnel costs are the largest and have been the fastest growing portion of the County's Budget. This Plan identifies three strategies for addressing this potentially budget busting cost driver.
- Building security is an emerging county wide issue that needs County Board and staff attention. This Plan outlines a general framework to address this issue over the next couple of years.
- Repairs and maintenance of park building and infrastructure has been identified as a significant operating budget financial challenge over the next several years. This Plan pro-actively outlines a strategy for the County Board and staff to address this challenge by dedicating increasing park permit fees to park building and infrastructure repair and maintenance.

The County Board carries the ultimate budget authority. The Final 2011 Annual Budget and the 2012 Long Term Financial Plan will be considered for approval at the December 14, 2010 County Board meeting.

IV. CAPITAL IMPROVEMENT PLANS

A Capital Improvement Plan (CIP) is created to provide a stable and sustainable road-map for funding future capital projects. Financing and developing capital projects often takes several years due to the increasingly complex financial and regulatory environment. A CIP ensures a long-range perspective for capital projects and provides for efficient project tracking from their inception to construction.

By design, a CIP is fluid because future priorities can change dramatically based on current circumstances. Thus, projects listed for the next year are approved in the Annual Budget, whereas projects listed beyond the next year are considered merely placeholders.

The County's CIPs have been developed by prioritizing a list of capital projects based on the estimated earliest year needed. The estimated total project cost is listed and includes construction costs, soft costs (engineering, legal, administration), and contingencies. An inflation factor is then added based on the number of years before the project is estimated to start. Funding sources are also identified. At the bottom is a summary of the projected fund balance for future years based on the timing and cost of the projects and the estimated funding sources. Projected deficits in future years indicate that additional capital project funding needs to be identified and/or capital projects need to be pushed back until the necessary financial resources are available.

Carver County has five CIPs:

- Buildings (including furnishing Libraries) – Fund #30
- Roads & Bridges – Fund #32
- Parks & Trails - Fund #34
- Lake Waconia Event Center – Fund #02 (Restricted Funds)
- Regional Rail Authority – Fund #15

A. **BUILDINGS CIP - Fund #30**

This CIP finances a comprehensive list of building capital projects thru 2035 totaling more than \$35 million for:

- Phases II, III and IV of the Justice Center, Government Center and Administration West Remodeling and Expansion Project
- Library books and shelves for new Victoria and Carver libraries

The primary revenue sources are 25% of the State Aid received each year and continuing an existing debt service levy from the Jail and Capital Improvement Bonds that will be paid off in 2014.

Please see the Buildings CIP summary on the next page for further details.

**BUILDINGS
CAPITAL IMPROVEMENT PLAN - Fund #30
2011**

DESCRIPTION	ESTIMATED YEAR NEEDED	ESTIMATED PROJECT COST	ESTIMATED PROJECT COST PLUS INFLATION						
			2011	2012	2013	2014	2015	2016	
JUSTICE CENTER and GOVERNMENT CENTER:									
PHASE Ia: Courts 2nd floor w 4th courtroom/Lower level and LEC Build-out	2008	8,200,000							8,200,000
PHASE Ib: Central Plant Project (boiler, chillers, roofs, etc.) (2)	2008	5,500,000							5,500,000
PHASE Ic: Admin North Elevator Upgrade and Parking Lot Resurface (paid by savings in other Phase I projects)	2011	-							\$0
PHASE IIa Frith Courtroom. Remodeling of Justice Center 2nd Floor	2013	309,000							\$330,000
PHASE IIb Parking Expansion - Government Center	2015	1,133,000							\$1,330,000
PHASE IIc Sixth Courtroom. Remodeling of Justice Center 2nd Floor	2015	1,542,001							\$1,800,000
PHASE IId Administrative West Renovations	2015	3,090,000							3,615,000
LICENSE CENTERS:									
License Center - Chaska remodel	2008	1,200,000							1,200,000
License Center - Chamhassen new	2008	3,500,000							3,500,000
JOINT MINDOT/PUBLIC WORKS FACILITY:									
County contribution 20% of total project cost	2010	1,870,000							\$0
FURNISHING LIBRARIES (1):									
Norman Young America - Relocated Expansion	2010	425,000							\$425,000
Victoria - New	2015	1,250,000							\$1,460,000
Carver - New	2015	1,250,000							\$1,460,000
TECHNOLOGY:									
Fiber Optic Loop connecting county buildings - County 20% share of Federal RTDP grant	2010	1,500,000							1,500,000
LAND ACQUISITION:									
2007 - Chan License Center land plus preliminary architectural/construction manager services	2007	645,000							645,000
2008 - Land for New County Building - Off Courthouse Campus (Phase IIa on H/a)	2008	-							-
Land for New County Building - Off Courthouse Campus - Phase III	2020	500,000							\$710,000
Land for New County Building - Off Courthouse Campus - Phase IV	2030	500,000							\$980,000
NEW COUNTY BUILDING - OFF COURTHOUSE CAMPUS:									
PHASE III: New Building not on Chaska Courthouse Campus (20K sq ft)	2025	5,000,000							\$9,200,000
PHASE IV: New Building not on Chaska Courthouse Campus (20K sq ft)	2035	5,000,000							\$11,900,000
Projects Total		\$ 42,414,001	\$	\$	\$	\$	\$	\$	\$ 53,755,000
Protected Cash Flow:									
BEG FUND BALANCE									
Building Capital Levy									5,000
State Aid - 25% allocated to Buildings CIP			350,000						350,000
Bond Sale with debt service from extending levy paying for debt service that ends in 2014									8,600,000
Project Costs									(9,665,000)
PROJECTED YEAR END FUND BALANCE: (Fund #30)		\$	\$	\$	\$	\$	\$	\$	\$ 355,000

(1) Cities provide the library buildings. County CIP pays for the initial set of books, shelves, etc. and County Operating Budget pays for operational costs including staff.

B. ROADS & BRIDGES CIP – FUND #32

To meet the transportation needs from the expected growth in the next 20 years, the County 2030 Comprehensive Plan identifies preservation, bridge replacement, safety, expansion, connectivity, and reconstruction needs and projects. The County Engineer estimates the cost of these projects to be in approximately \$840 million with a maximum expected revenue of \$301 million from outside sources. It should be noted that this estimate does not include needed improvements to TH 212, TH 5, TH 7 and TH 41 under Minnesota Department of Transportation (MnDOT) jurisdiction. It does not include any transit-related projects either. With current transportation revenue sources it is simply not feasible to fund all these projects in 20 years.

To develop a feasible Road and Bridge CIP, future expansion and connectivity projects have been prioritized with a goal to complete the top priority projects (Priority A) within 12 years (Over 2 CIPs). In order to complete this goal, the County's Levy for Road and Bridge projects will need to be increased by at least \$225,000 per year and 50% of the County's Performance Aid/State Aid (approximately \$700,000) will need to be actually paid by the State.

In 2009, several Road and Bridge CIP scenarios were developed by:

- Assuming \$225,000 annual levy increase
- Assuming \$700,000 in annual County Program Aid (CPA).
- Funding preservation and safety goals
- Assuming state bridge bonds are available for bridge replacement
- Funding county match on known and pending federal projects
- Funding county match on known local and MnDOT projects
- Partially funding Priority A Expansion and Connectivity projects.(DF ??)

As shown on the following map and table, the recommended CIP:

- Allows for funding at traditional levels for preservation and safety.
- Allows for key bridges to be replaced if CPA and State Bridge Bonds are available
- Funds 5 key Priority A Expansion/Connectivity projects:
 - 3 on CSAH 18 between CSAH 13 and CSAH 17
 - CSAH 11 (Guernsey)
 - New Watertown River Crossing, which in turn allows CSAH 10 Bridge over Crow River to be replaced.
- Requires a \$225,000 annual levy increase beginning in 2012.
- Requires CPA funding at \$700,000 per year to replace bridges and partially fund highway projects.
- Requires \$11,200,000 in bond sales in 2013 and 2014.

Please see the Roads and Bridges CIP summary on the next page for further details.

ROAD & BRIDGE
CAPITAL IMPROVEMENT PLAN - Fund #32
 2011

DESCRIPTION	ESTIMATED START YEAR	PROJECT COSTS					
		2011	2012	2013	2014	2015	2016
COUNTY PORTION OF ROAD & BRIDGE PROJECTS:							
CSAH 10 Bridge	2010		600,000				
CSAH 11	2010		665,000				
CSAH 51 Turn Lanes	2010		92,000				
CSAH 18	2011		1,675,000				
CSAH 41 Bridge	2012		325,000				
CSAH 30 Bridge	2012		375,000				
CSAH 40 Bridge	2012		555,000				
CSAH 43 Bridge	2012		415,000				
Watertown Bridge Crossing	2013		20,000				
CSAH 50	2013		230,000				
CSAH	2014		750,000				
CSAH 10 Bridge	2015		835,000				
CSAH Bridge	2016		950,000				
Totals		\$ 7,267,000					
PROJECTED BEG. FUND BALANCE:							
Road & Bridge Capital Levy - Maintenance (Increase captured from new tax base from new construction)		\$889,000	\$ 214,000	\$	\$	\$	\$ 626,000
Transfer to Debt Service Fund for Bond Sales in 2013 and 2014		1,500,000	1,725,000	1,950,000	2,175,000	2,400,000	2,625,000
State Aid - 50% allocated to Road & Bridge CIP		-	-	-	(1,020,000)	(1,020,000)	(1,020,000)
Projected Wheelage Taxes		700,000	700,000	700,000	700,000	700,000	700,000
Transfer to Debt Service Fund for Wheelage Tax supported bonds principal and interest		315,000	315,000	315,000	315,000	315,000	315,000
Summary of Road & Bridge Projects listed in Long Term Financial Plan:		(315,000)	(315,000)	(315,000)	(315,000)	(315,000)	(315,000)
County Portion Road & Bridge Construction Projects adjusted for inflation- (6281)		(1,675,000)	(1,508,000)	(469,000)	(844,000)	(977,000)	(1,156,000)
Annual Road Resurfacing Costs - (6284)		(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)	(1,200,000)
PROJECTED YEAR END FUND BALANCE: (R&BCIP - Fund #32) (1)		\$ 214,000	\$ (69,000)	\$ 912,000	\$ 723,000	\$ 626,000	\$ 575,000

(1) Reserves are built in to the Plan to provide financial cushion against State Aid allotment, inflation and project scope enhancements.

C. **PARKS & TRAILS CIP – FUND #34**

The county regional park system faces tremendous challenges to redevelop aging infrastructure, develop its park areas, and implement a vision which secures new areas as identified in county and regional planning documents. Development and redevelopment of our parks system is a continuing process through our partnership with the Metropolitan Council. Currently, the County is advance-funding land acquisition for Lake Waconia Regional Park. Advanced funding is to be repaid to the County in a future capital improvement budget of the Metropolitan Council. However, reimbursement under the present funding allocations from the Metropolitan Council means that the County will wait a number of years before being repaid. In the meantime, what capital funds are allocated to Carver County from the Metropolitan Council's CIP are being consumed to repay the County for previous land acquisitions.

In 2009, the County Board began levying \$50,000 each year for park land acquisition by capturing a portion of the County's increasing tax base from new construction. These funds are intended to help pay a portion of the required local share (25%) for land acquisition at the County Regional Park and Trail areas. This strategy was adopted in response to a change in funding by the Metropolitan Council for land acquisition. In 2008, the Metropolitan Council began requiring Implementing Regional Park Agencies contribute 25% of the cost to acquire land within the regional park areas. The Metropolitan Council would contribute 75% of the land acquisition costs. In previous years, the Metropolitan Council would reimburse Implementing Regional Park Agencies 100% for land that was needed for regional parks and trails. The Plan expects a \$25,000 levy increase in 2012 and 2013 to build financial capacity for future park land acquisitions.

Additionally, the 2009 legislative session passed the Parks and Trail Legacy Fund. This is new funding provided through the constitutional amendment passed by the voters in November of 2008. As a result of the amendment, Carver County is anticipating that it will receive \$205,000 State FY 2010 and \$247,000 in State FY 2011 for new projects consistent with the language of the constitutional amendment. For Carver County, two projects are identified for the funding. The first is Phase 1 of the Dakota Rail Regional Trail and the second is the TH 41 Trail Underpass at Lake Minnewashta Regional Park. These funds will be used as the local match to secure more than \$2.5 million in Transportation Enhancement Grants and American Recovery Reinvestment Act (Federal Stimulus Dollars) funding.

Finally, the County has shifted State Aid from funding operations to capital improvement plans. Thus, 25% of any State Aid received by the County will be allocated to the Parks and Trails Capital Improvement Plan.

COUNTY FUNDED PARK & TRAIL CAPITAL PROJECTS

The three new funding sources listed above (Local Levy, Legacy Funds & 25% of State Aid) will fund the local match Met Council, State and Federal grants for the following projects:

Dakota Rail Line Phase I and II

The former Dakota Rail Line has been abandoned. Railroad iron and ties have been removed. The salvage operation of iron and ties has left the corridor in a state of disrepair and rutted condition making the corridor hard to inspect and treat for weeds, which makes interim use for snowmobiling, hiking, and mountain biking difficult. Some additional cleanup work is needed to remove discarded rail ties and miscellaneous junk from the property.

Survey work has been done to identify railroad property and initial signage has been installed to identify the railroad boundary. Additional signage to identify the regional railroad property is needed in areas of encroachment.

This former rail line is inviting to snowmobilers, hikers and others looking to explore the corridor and adjacent scenic areas of the Crow River, Lake Waconia, and Lake Minnetonka.

During 2006, the County process to develop a regional trail master plan for the Dakota Regional Trail was completed. This master plan supports a number of non-motorized uses. It also allows snowmobiling provided a permit is issued to a qualifying snowmobile organization.

Federal funding has been approved for the 2009-2010 and 2011-2012 funding cycles to construct a pedestrian trail from the east County line to the west County line. Federal funds are to provide 80% of the construction cost for the trail. The other 20% of construction cost, plus engineering services, will be financed by the Carver County Regional Railroad Authority, Carver County, and the Metropolitan Regional Parks System. Design and engineering work needed for the creation of construction documents on Phase I of the trail between the east county line and the City of Mayer is nearing completion. Actual construction work may began in 2010, however it is expected that the bulk of construction activity for Phase 1 would take place during 2011.

Lake Waconia Regional Park Land Acquisition

County Staff is working on acquiring park land consistent with the Lake Waconia Regional Park Master Plan. The County Board has adopted as one of its Legislative Initiatives, to continue the strategy to partner with the State Legislature and the Department of Natural Resources (DNR) with continued support from the Metropolitan Council for the acquisition of land needed for a boat access and other land at Lake Waconia Regional Park. Although the strategy has not been successful, progress was made by raising the level of awareness of the boat access project with upper level officials of the DNR and with area legislators. The County Board is expected to adopt this strategy as a Legislative Initiative for the 2012 bonding cycle.

Union Pacific RR

The Union Pacific Railroad has started the legal process to abandon a rail line that connects Carver County to Scott County by a rail bridge over the Mississippi River. Scott County, Carver County, the Metropolitan Council, and the cities of Carver and Chaska formed an alliance to acquire the abandoned line through the Federal Rail Line Abandonment process.

The majority of the funding for this land acquisition would come from the Metropolitan Council.

PARK DEVELOPMENT CAPITAL PROJECTS

The County's Park Board and staff are prioritizing the following development projects and exploring various options to bring additional resources to the County's Park & Trail Capital Improvement Plan.

Baylor Regional Park

Additional capital investment needs that are not currently funded in the Park and Trail CIP include the replacement of pavement for the Visitor Center parking lot, new pavement for roadways, and electrical service upgrade for campsite utility pads.

County and regional planning for Baylor Regional Park provides guidance for possible expansion of the park boundary. Funds for additional land acquisition for the park are not programmed.

Lake Minnewashta Regional Park

Minnewashta Regional Park continues in a state of under development. Gravel roadways will be in use for an undetermined amount of time, and development of municipal water and sewer in the park will be many years into the future.

The park is experiencing difficulties with stormwater. Stormwater runoff is eroding large gullies in the park which is an ecological concern due to the park's proximity to Lake Minnewashta and other wetland areas. A paved roadway with accompanying stormwater management facilities is an obvious need and would provide for sustainable use of the park.

The current design of the park and increased use has also created other operational issues that are difficult to manage. Currently, the park has two boat accesses that are not visible from the gate entrance/gatekeeper position. Boaters and other park users often ignore parking restrictions at the boat access. The gatekeeper is unaware of the parking situation and continues to send boaters to a full boat access parking lot exasperating the parking situation and causing confusion for boaters as to where they should launch their boat and park. The 2002 revised master plan for the park combines the two boat facilities and moves the gatekeeper position in close proximity to one combined boat access to monitor watercraft traffic and problems. Another operational issue is group use events. Minnewashta Regional Park hosts a number of large scouting activities. These activities compete with the same high-use space the general public has at the beach and picnic areas. The updated master plan converts Boat Access #2 to a group use facility separating the group activity and conflict from the general use public beach and picnic areas. Improvements to infrastructure and new facilities are requested but unfunded for this park area.

Lake Waconia Regional Park

Lake Waconia Regional Park is in need of a Phase I Development project to address sustainable and longer term usage of the park. The need for sewer and water services is becoming ever more apparent with sensitivity of septic systems near the lake and concern about possible contamination. At a time when sewer and water are brought into the park,

site grading for a new restroom/lifeguard station/concession building, parking lot, storm water management and picnic areas should be included.

The restroom building, which was constructed in the late 1960s, was not designed as a change-house facility. There is insufficient space for routine changing of clothing while operating as a restroom building. Changing in toilet stalls is difficult due the lack of space, and the area is often wet from sweaty toilet fixtures making it poorly suited for changing clothing. The building is also not handicapped accessible. Future plans call for the construction of a new beach change house/restroom building. However, construction of new facilities such as the restroom building may not be constructed in the foreseeable future given the present funding allocation for regional parks.

Other identified needs that remain unfunded include a playground area, boat access, picnic shelters, parking, trails and site restoration. The County and the Regional Park System do not have a timeline that indicates when construction on these items could begin.

Please see the Park and Trails CIP and Met Council Advance Funding Reimbursement on the next pages for further details.

PARKS & TRAILS
CAPITAL IMPROVEMENT PLAN - Fund #34 (New - Created in 2010)
 2011

DESCRIPTION	PERCENT PAID BY Others	ESTIMATED YEAR NEEDED	ESTIMATED PROJECT COST	ESTIMATED PROJECT COST PLUS INFLATION	COUNTY CIP	ESTIMATED PROJECT COST	
						2012	2013
PHASE I - East County Line to Mower Rail to Trail (1): Project Construction Costs	100%	2010	2,223,000	2,223,000			2,223,000
Park Land Acquisition - Local share (Advance funded by Reserves designated for park land acquisition)	0	2010	226,512	226,512	226,512		-
Lake Minnewasha Regional Park - Trail and Underpass	73%	2011	1,736,000	1,736,000	475,855		1,260,145
Dakota Rail Trail Connection	0%	2011	162,000	162,000	162,000		-
PHASE II - Moyer to West County Line Rail to Trail (1): Project Construction Costs	71%	2012	1,894,000	1,970,000	570,000		1,400,000
Park Land Acquisition - Local share (Advance funded by Reserves designated for park land acquisition)	0	2012	700,000	728,000	728,000		-
Lake Minnewasha Regional Park - Phase I Development	0	2015	1,500,000	1,755,000	1,255,000		500,000
Lake Waconia Regional Park - Phase I Development	0	2020	3,000,000	4,270,000	2,770,000		1,500,000
Totals Project Costs			\$ 11,443,512	\$ 13,072,512	\$ 6,187,367		\$ 6,885,145

Projected Cash Flows

	2011	2012	2013	2014	2015
BEG. FUND BALANCE:	\$ 177,514	\$ 314,659	\$ 101,659	\$ 811,659	\$ 1,521,659
Parkland Acquisition Levy	50,000	75,000	100,000	100,000	100,000
Sales Tax Legacy Allocation	260,000	260,000	260,000	260,000	260,000
State Aid - 25% to Park & Trail CIP	-	350,000	350,000	350,000	350,000
Regional Rail Authority Transfer In	-	400,000	-	-	-
Mct Council CIP	205,000	-	-	-	-
Other Government Contribution - Chan	260,000	-	-	-	-
One-Time Project Costs	(637,855)	(1,298,000)	-	-	(1,255,000)
PROJECTED YEAR END FUND BALANCE: (Fund #34) (2)	\$ 314,659	\$ 101,659	\$ 811,659	\$ 1,521,659	\$ 976,659

(1) Federal grants have been awarded to fund 80% of the trail construction costs

PARKLAND ACQUISITION DESIGNATION - Fund #34
ESTIMATED COUNTY CONTRIBUTION (1) AND MET COUNCIL ADVANCE FUNDING SCHEDULE
2011

ESTIMATED
 COUNTY
 CONTRIBUTION (1)
 AND ADVANCE
 FUNDING

DESCRIPTION	ESTIMATED YEAR NEEDED	2008	2009	2010	2011	2012	2013
Parkland acquisition - Waconia Event Center (\$2,511,061) - Local contribution.	2008	-	-	-	-	-	-
Parkland acquisition	2009	-	-	-	-	-	-
Parkland acquisition - Country Store (\$858,664) - Local Contribution.	2010	-	236,152	-	-	-	-
Parkland acquisition - Union Pacific Rail Line Advanced Funded by Met Council - local contribution from CRRRA reserves	2011	-	835,000	-	-	-	-
Parkland acquisition - local contribution	2012	-	728,000	-	-	-	-
Parkland acquisition	2013	-	-	-	-	-	-
Parkland acquisition	2014	-	-	-	-	-	-
Parkland acquisition	2015	-	-	-	-	-	-
Parkland acquisition	2016	-	-	-	-	-	-
Parkland acquisition	2017	-	-	-	-	-	-
Totals			\$ 1,789,152				

	2008	2009	2010	2011	2012	2013
BEG FUND BALANCE:	\$ (423,000)	\$ 2,065,939	\$ 2,538,939	\$ 2,362,787	\$ 2,812,787	\$ 2,184,787
Board Designation to Advance Fund Park Land Acquisition	4,000,000	-	-	-	-	-
Property tax levy designated for County's local share of Met Council reimbursed park land acquisition.	-	50,000	50,000	75,000	100,000	100,000
Owed to General Fund - paid back from Met Council Reimbursements going into Fund #01	-	423,000	-	-	-	-
Met Council annual reimbursement for Parkland Acquisition paid out of SFM Designation	-	-	-	-	-	-
Met Council up-front reimbursement for land acquisition	1,000,000	-	632,512	375,000	-	375,000
Parkland acquisition costs - reimbursable from Met Council	(2,511,061)	-	(632,512)	(835,000)	-	-
Parkland acquisition costs - County contribution (1)	-	-	(226,152)	-	(728,000)	-
PROJECTED YEAR END PARKLAND ACQUISITION RESERVE BALANCE: (Fund #34)	\$ 2,065,939	\$ 2,538,939	\$ 2,362,787	\$ 2,812,787	\$ 2,184,787	\$ 2,659,787

(1) Prior to 2009, the County was reimbursed by the Met Council for 100% of the parkland acquisition that was advanced funded by the County. Rules now in effect for any new purchases require a local contribution that is not reimbursable from the Met Council. A new \$30,000 capital levy for parkland acquisition was included in the Administrator's Recommended 2009 Budget to accumulate funds for this local contribution.

Year Fully Reimbursed for Land Acquisition by Met Council according to current formula

	2017
Beg designation	\$ 4,000,000
County contribution: new formula requires 25% local contribution	(954,152)
Remaining Board Designated Funds once fully reimbursed by Met Council	\$ 3,045,848

D. LAKE WACONIA EVENT CENTER CIP – FUND #02 (Restricted Funds)

In 2008, the County advance funded for the Met Council \$2.5 million for the Lake Waconia Ballroom land acquisition consistent with the County's Master Plan for Lake Waconia Regional Park (LWRP). While the land acquisition was a key element of Park's Master Plan, the Ballroom facility was not. However, since implementing the LWRP Master Plan is not anticipated in the foreseeable future, the County Board was interested and the Met Council was willing to allow the Ballroom to stay open until the County was ready to implement the next phase of the LWRP Master Plan. Thus, after considering several potential operators, the County signed a six-year lease agreement with Lancer Hospitality to operate the Ballroom facility. Lancer Hospitality operates facilities under similar lease agreements with a number of other organizations throughout the Twin Cities including the State of Minnesota's Minnesota Zoo and the City of Brooklyn Center's Edinburgh Clubhouse.

In May 2009, Lancer Hospitality started operating the ballroom facility as the Lake Waconia Event Center. Under the terms of the lease agreement, Lancer pays the following percentage of its gross receipts to the County:

- 10% in 2010
- 11% in 2011
- 12% in 2012 and thereafter.

Any funds the County receives from Lancer Hospitality is required to be spent within Lake Waconia Regional Park, including the Event Center Building, in compliance with the Met Council's advance funding agreement.

Please see Lancer Hospitality's 2011 Business Plan and the Lake Waconia Event Center CIP on the next pages for more details.

Lancer Hospitality

Lake Waconia Event Center 2011 Business Plan

Lancer Hospitality holds the facility management contract for Lake Waconia Event Center. The Event Center is the location of a variety of public and private events. Private events at the facility include wedding receptions, corporate events and other social functions. Public events include polka dances, comedy shows and musical performances.

- I. **Scope of Operations:** Lancer will continue to book and host a variety of catered events at Lake Waconia Event Center. While we expect to host more wedding receptions than anything else we will also market the Event Center for holiday parties, retirement dinners, bar and bat mitzvahs and other social events. Lancer will also continue to host public events in which we book entertainment and invite the community to attend. These events in the past have included polka dances and comedy shows. We expect to continue to promote 6 – 8 polka dances during the next year and 2 – 3 comedy shows.

Lancer also expects to book a variety of local and national musical acts at the center. We hope to book local acts between 6 and 8 times and book national acts between 3 and 4 times per year. We are also researching the viability of developing a dinner theater program at the center.

- II. **Marketing:** Lancer will market the facility in a variety of ways including:
 - a. Print advertising in the circular publication MN Bride
 - b. Our Lake Waconia Event Center page on the Lancer Catering website
 - c. The promotion of the Lake Waconia Event Center at 2 to 3 wedding shows
 - d. Posting the Event Center on the Knot.com wedding planning website
 - e. Radio advertisements when viable to promote public events such as Polka dances, comedy shows and bands
 - f. Print advertising in business publications such as Minnesota Meetings and Events and the Business Journal.

Lancer will also promote the facility through professionally crafted sales collateral and menus. Lancer's marketing department will ensure that every piece of communication that comes from or about Lake Waconia Event Center reflects a polished, professional image.

- III. Capital Improvement:** Lancer is working closely with the county to coordinate the updates needed for smooth operations and to comply with code issues. We hope that with increased traffic and use of the facility it will become financially viable for us to install ventilation hoods in the kitchen and build-out that space so that the kitchen can become a full-service on-site kitchen. We have undertaken such projects at other facilities we serve and are confident in our ability to accomplish this project if we can increase use of the space to the degree necessary to support this level of capital investment. If revenue projections are realized kitchen build-out would take place in late 2011 or early 2012.
- IV. Revenue Projections:** Lancer projects hosting 25+ wedding receptions in the Event Center in 2011. Lancer also projects hosting 20 corporate and social private catered events. Additionally Lancer is projecting to host 15-20 public entertainment events. Gross revenue projected for 2011 500,000 - \$600,000. Gross revenue for 2012 is projected at \$600,000-700,000. 2013 revenue is projected at 700,000-800,000.

LAKE WACONIA REGIONAL PARK - WACONIA EVENT CENTER
 CAPITAL IMPROVEMENT PLAN - Restricted Funds (Fund #02)

2011

DESCRIPTION	ESTIMATED YEAR NEEDED	ESTIMATED PROJECT COST	(Includes Adjustment For Inflation)		
			COUNTY	MET COUNCIL	LANCER
Landlord Responsibility - County:					
Parking lot - 50/50 split with Lancer	2012	30,000	15,600	-	15,600
Regional Park Responsibility - Met Council (1): (Advance Funded by County)					
Master Plan Development Phase 1 - Professional Services	2013	25,000	-	27,000	-
Connect Regional Park Buildings to City Sewer System	2021	250,000	-	370,100	-
Tenant Responsibility - Lancer:					
Update kitchen, building interior, exterior, landscaping, etc.	2012	200,000	-	-	208,000

Total Project Costs

	2011	2012	2013	2014	2015	
		\$ 505,000				
	\$	(5,437)	32,063	70,963	137,463	203,963
	\$	55,000	72,000	84,000	84,000	84,000
		(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
		(7,500)	(7,500)	(7,500)	(7,500)	(7,500)
		-	(15,600)	-	-	-
PROJECTED YEAR END CASH BALANCE - RESTRICTED FUNDS (3):	\$	32,063	70,963	137,463	203,963	270,463

Projected Cashflow:

Beginning Restricted Funds Cash Balance:
 County's Building Rental Income Based on a Percentage of Lancer's Gross Receipts (2)
 Building Facility/Equipment Repair and Replacement
 Building and Grounds Insurance Premium
 County Funded Capital Projects

- (1) County cash flows the project costs from Board designated funds for park land acquisition which are then reimbursed by the Met Council.
- (2) Lancer projected gross receipts of \$500K for 2011 @ 11%, \$600K for 2012 @ 12% and \$700K for 2013 and thereafter @ 12%.
- (3) Use of these funds is restricted by Met Council bonding authority which was used to fund the land acquisition and the Ballroom.

Actual Cashflow:

	2008	2009	Actual 10/31/2010	Projected 2010
Beginning Cash Balance	\$	-	-	(8,185)
Land Acquisition - Advance Funded	(2,530,000)	-	(8,185)	-
Board Designated Funds for park land acquisition	2,530,000	-	-	-
Parks Department Building Funds - capital projects rollover \$	-	100,000	-	-
Expenditures initially coded to Parks budget	-	(8,794)	-	-
Lease Revenue (02-110-529-5815)	-	-	17,296	26,296
Professional & Tech Fees for Service (02-110- 529-6260)	-	(17,499)	(6,808)	(6,808)
Repair and Maintenance (02-110-529-6310)	-	(41,273)	(4,698)	(7,198)
Building Insurance Premium (02-110-529-XXXX)	-	-	-	(7,500)
Miscellaneous expenses (02-110-529-66XX)	-	(40,619)	(1,042)	(2,042)
YEAR END CASH BALANCE - RESTRICTED FUNDS	\$	-	(8,185)	(5,437)

E. REGIONAL RAIL AUTHORITY CIP – FUND #15

The Carver County Regional Rail Authority oversees designated rail transportation corridors in Carver County. Rail authority funds are used for land stewardship to maintain rail transportation corridors for future transportation uses. The primary funding source for this CIP is the Regional Rail Authority \$120K tax levy. 2011 capital projects in the Rail Authority CIP are the Union Pacific land acquisition and building removal along the Dakota Rail trail.

Please see the Regional Rail Authority CIP on the next page for more details

REGIONAL RAIL AUTHORITY
CAPITAL IMPROVEMENT PLAN - Fund #15
2011

DESCRIPTION	PERCENT PAID BY Fed Grant	ESTIMATED YEAR NEEDED	ESTIMATED PROJECT COST	ESTIMATED PROJECT COST PLUS INFLATION	CCRRA CIP	Federal Grant (1) Other Sources
RRA Corridor - Building Removal & Site Planning	0	2011	115,000	115,000	115,000	-
Union Pacific Railroad Trail - Land Acquisition	0	2011	2,000,000	2,000,000	282,500	1,717,500
Dakota Rail to Traial Phase II	0	2013	400,000	400,000	400,000	-

Totals Project Costs						
	2011	2012	2013	2014	2015	
\$	430,723	150,809	265,809	(19,191)	\$	45,809
	120,000	120,000	120,000	120,000		120,000
	-	-	-	(50,000)		(50,000)
	(2,414)	(5,000)	(5,000)	(5,000)		(5,000)
	(397,500)	-	(400,000)	-		(5,000)
\$	150,809	265,809	(19,191)	\$	45,809	110,809

Projected Cash Flows

BEG. FUND BALANCE:						
CCRRA Tax Levy						
Annual Trail Maintenance						
Insurance Premium						
One-Time Project Costs						
PROJECTED YEAR END FUND BALANCE: (Fund #34) (2)						

VI. BONDING AND DEBT SERVICE

The long term financial plan identifies the necessary financial capacity for the County's building, road & bridge, and park & trail projects for the next 10 to 15 years.

A bond sales is being planned in 2014 to finance the CSAH 18 and Watertown bridge projects. The debt service for this bonds sale is expected to be absorbed by the Road & Bridge Capital/Debt Service Levy without any additional impact on the tax levy.

Bond sales for Building or Park & Trail projects are not expected until at least 2015. Rather, pay-as-you-go financing will be the preferred method to finance any Building/Park & Trail projects prior to 2015. The debt service on the 2015 building bond sale will be expected to be paid from extending a portion of a \$1.3 million building debt service levy which ends in 2014 without any additional impact on the tax levy.

VII. OPERATING BUDGET FINANCIAL CHALLENGES

The most significant cost driver for future operating budgets is the staffing costs needed to address the increasing service demands from a growing county. Thus, key financial strategies have been developed to focus on three issues related to personnel costs:

A. Levy-Funded Full-Time Equivalent (FTE) Employees Per 1000 Residents

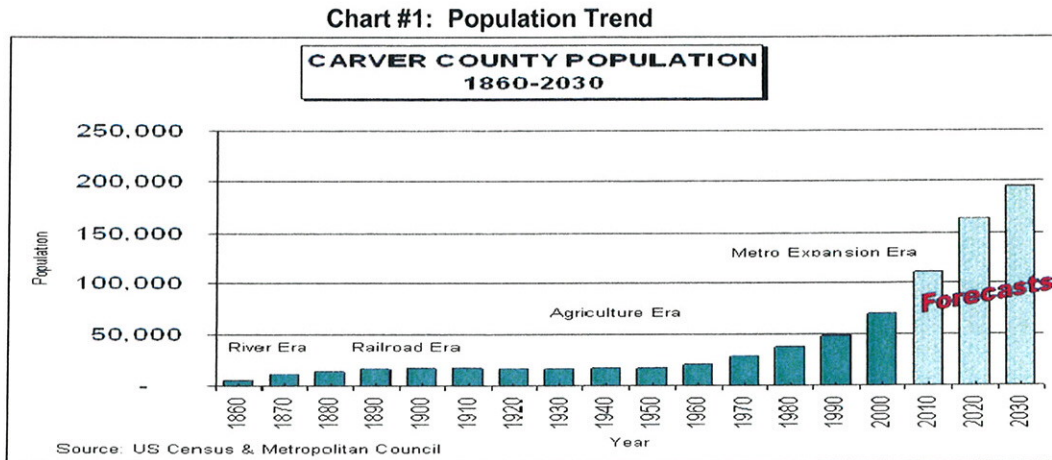


Chart #1 shows the dramatic forecasted increase to almost 200,000 residents by the year 2030. The County's primary strategy to finance increasing service demands from population growth is to hire additional Full-Time Equivalent (FTE) employees at a slower rate than the County's overall growth by:

1. Leveraging technology to gain staff efficiencies: An extensive list of technology projects throughout the County are expected to increase staff efficiencies.
2. Collaborating with other organizations to enhance service delivery, increase efficiencies, and eliminate duplication of efforts: In 2008, the County created the Association of Carver County Elected Leaders (ACCEL) to facilitate this effort.
3. Develop a pay-for-performance model that rewards outstanding performance: Employee Relations is expected to start the process to shift the County from the current legacy step pay model to a pay-for-performance model.
4. Levy-Funded FTE Projections by Division: The County Board and staff plan to create this projection as part of the County's 2011 Strategic Planning process.

The ratio of Levy-Funded FTE Employees Per Thousand Residents will be used to measure the County's overall progress of this strategy.

B. Skyrocketing Health Care Costs for the County and its Employees

In 2006, the last time the County went out for health insurance bids, only one major health insurance carrier offered a bid, and the two major carriers who did not bid indicated that they would not be bidding for the County's future business until the County changed to consumer-driven health care plans.

Consumer-Driven Health Care Plans

A popular strategy to lower health care costs is consumer-driven health care plans which attempt to slow health care costs by giving consumers more choices in their health care. In 2009, the County moved in this direction by creating incentives for employees to migrate from the legacy Plan A to one of two new plans: Plan B is a high-deductible Health Reimbursement Account (HRA) plan that shares risk with the employee in exchange for lower premiums, and Plan C is a Tiered Network plan where clinics/hospitals with higher care ratings have lower deductibles. In 2010, the County created a cafeteria plan to provide employees with more benefit flexibility and a high-deductible Health Savings Account (HSA) Plan D as another consumer-driven health plan option.

Wellness Education

Another strategy to lower health care costs is wellness education which recognizes that up to 50% of health care costs relate to poor choices: what we eat, how much we eat, smoking, drinking alcohol, etc. The Mayo Clinic has developed a wellness program that, over an extended period of time, has shown to be successful at getting employees to make better health care choices. In 2008, the County Board approved the Committee's proposal to implement the Mayo Clinic's wellness program and hire a full-time Wellness Coordinator to staff a Wellness Committee. The Wellness Committee's goal has been to implement the Mayo Clinic's wellness program.

These efforts have not been a silver bullet, but along with some good luck, have lowered the County's overall increase in health insurance premiums for 2011 to less than 3%. For 2012, the Health Care Labor Management Committee plans to consider self-insuring health insurance to further limit future health insurance premium increases.

C. Other Post-Employment Benefits (OPEB) - GASB Statements 43 & 45

The Governmental Accounting Standards Board (GASB) requires that governments disclose the actuarial valuation of their post-employment benefits in their financial statements. Governments are not required to fund this liability or make a contribution. However, many governments are advance funding their OPEB liability with an OPEB Annual Contribution because:

- Rating agencies view a large, unfunded OPEB Liability as an increased risk that could negatively impact a government's credit rating.
- State statutes create an opportunity for OPEB contributions to earn a higher interest rate if they are deposited in a separate trust.

As background, Carver County has two types of post-employment benefits:

- Subsidized Health Insurance Payments – Carver County Policy provides employees who retire at or after age 60 with at least 20 consecutive years of service, the same coverage of an active employee until eligible for Medicare. Currently the County contribution is the single health care premium or 68% of the current family premium.
- Access to Group Insurance – MN Statutes requires that pension-eligible retirees be given access to the County's group insurance plan for the same premium as active employees until Medicare eligibility (retiree pays 100% of the premium). The State mandate that blends the premium for more costly to insure retirees and the less costly active employees creates what is called an Implicit Rate subsidy.

The annual actuarial contribution for these two benefits, commonly referred to as the OPEB Annual Contribution, is \$1,024,377 as of 12/31/07. The majority (approximately three-fourths) of Carver County's OPEB Contribution is attributed to the State Law requiring Retiree's Access to Group Insurance.

The County started addressing funding for its OPEB liability in 2009 with a \$200,000 OPEB contribution (\$100,000 levy allocation and \$100,000 one-time Year-End Savings Account allocation). In the 2010 and 2011 Budgets, the levy allocation was increased by \$100,000 to a total of \$300,000. For 2012 and beyond, the long term financial plan is to increase the annual contribution by up to \$200,000 each year until the County's annual levy allocation equals the OPEB Annual Contribution. Depending on the length and severity of the current economic slowdown and the related tight County Budget, it is considered likely that it will take 8 -12 years before the County's annual levy allocation equals the County's OPEB Annual Contribution.

D. Building Security

Building security is an emerging county wide issue that needs County Board and staff attention. A cross-section of County staff is in the process of developing a plan to gradually increase the security of the County's building. The cost of these phases will be operating costs due to increased labor as well as capital for new screening equipment and building remodeling. The goal is to start implementing high-impact, low-cost changes as soon as possible and then identify the projects with medium to high cost as well as possible funding sources. The 2011 Budget includes \$50,000 to develop an initial plan for increasing building security.

E. Parks Operating Budget Challenge

The County's Park system has a growing list of maintenance projects for its buildings and infrastructure driven by more and more visitors using the County's aging park system. The long-term financial strategy to address this operating budget challenge is to designate increased park permit fee revenue to maintain and operate the park system. In the past, increased park permit revenue was swallowed up by the General Fund while increased park maintenance costs had to compete with other needs for general fund tax dollars. Starting in 2010, budgeted increases in park permit fees are being used to fund park maintenance projects. By continuing this funding strategy for future operating park permit fee revenue increases, the Parks Department will have a growing designated non-property tax revenue source that it can use to maintain and operate the County's Park system.



REQUEST FOR BOARD ACTION

AGENDA ITEM : Review of Potential 2011 Regional Solicitation Projects

Originating Division: Public Works

Meeting Date: November 16, 2010

Amount of Time Requested: 30 mins

Attachments for packet: Yes NoItem Type: Consent Regular Session Closed Session Work Session Ditch/Rail Authority**BACKGROUND/EXPLANATION OF AGENDA ITEM:** The next Metropolitan Council regional solicitation for federal funding applications is in June of 2011 for funding in 2015 and 2016. Available programs include:

Surface Transportation Program (STP): Linear road expansion and reconstruction projects

Congestion Mitigation Air Quality (CMAQ): Transit expansion projects and traffic management projects that improve air quality.

Transportation Enhancements (TE): Trails, streetscaping, pedestrian underpasses etc.

Highway Safety Improvement Program (HSIP): Turn lanes, signals, roundabouts, rumble strips, signing, striping..

Bridge Improvement/replacement (BIR): Structurally deficient or functionally obsolete bridges

Railroad Safety: Gates, signals at grade RR crossings.

Potential projects in the STP category are being screened for eligibility and will be presented to the board.

ACTION REQUESTED: Review potential projects and provide direction to submit grant applications**FUNDING**

County Dollars =

Other Sources & Amounts =

Federal =

TOTAL =**FISCAL IMPACT** None Included in current budget Budget amendment requested Other:*Related Financial Comments:* Reviewed by Division Director

Date: 11/08/2010