

Carver County Board of Commissioners
 Regular Session
 October 20, 2009
 County Board Room
 Carver County Government Center
 Human Services Building
 Chaska, Minnesota

PAGE

4:00 p.m.	1.	a)	CONVENE	
		b)	<i>Pledge of Allegiance</i>	
		c)	<i>Public participation (comments limited to five minutes)</i>	
		d)	<i>Introduction of New Employees</i>	
	2.		Agenda review and adoption	
	3.		Approve minutes of October 13, 2009 Regular Session	1-3
	4.		Community announcements	
4:05 p.m.	5.		CONSENT AGENDA	
	5.1		Community Social Services' warrants	NO ATT
	5.2		Commissioners' warrants.....	SEE ATT
4:05 p.m.	6.		LAND AND WATER SERVICES	
	6.1		Response to MPCA letter regarding Waconia Event Center sewage treatment system.....	4-6
4:45 p.m.			ADJOURN REGULAR SESSION	
			BOARD REPORTS	
4:45 p.m.	1.		Chair	
	2.		Board Members	
	3.		Administrator	
5:00 p.m.	4.		Adjourn	
			Work Session Agenda	
5:00 p.m.	A.		FINANCIAL SERVICES	
	1.		Administrator's recommended 2010 budget and levy	7-33

UPCOMING MEETINGS

October 19, 2009	Oak Grove Groundbreaking Ceremony - 4:00 p.m. N/YA
October 27, 2009	County Board Meeting
November 3, 2009	County Board Meeting
November 5, 2009	ACCEL Meeting - 7:00 p.m. Cologne Community Center
November 10, 2009	County Board Meeting
November 17, 2009	Work Session

David Hemze
County Administrator

REGULAR SESSION
October 13, 2009

A Regular Session of the Carver County Board of Commissioners was held in the County Government Center, Chaska, on October 13, 2009. Chair Gayle Degler convened the session at 9:15 a.m.

Members present: Gayle Degler, Chair, Randy Maluchnik, Vice Chair, James Ische, Tim Lynch and Tom Workman.

Members absent: None.

Lynch moved, Maluchnik seconded, to approve the agenda. Motion carried unanimously.

Ische moved, Workman seconded, to approve the minutes of the October 6, 2009, Regular Session. Motion carried unanimously.

Community announcements were made by the Board.

Ische moved, Maluchnik seconded, to approve the following consent agenda items:

Payment of emergency claims in the amount of \$1,000, \$2,760.76 and \$500.

Approved the following abatements:

65-318-0170	Molly Meier (2008, 2009)\
75-575-0290	Todd Machtemes (2007, 2008, 2009)
25-426-1506	John Villemonte
20-141-2202	Danielle Eppert
25-426-3705	Tama Kerber
25-426-0607	Julia and Brandon Willmott

Approved request for renewal of off sale, on sale and Sunday liquor license for Hollywood Sports LLC.

Resolution #73-09, Establishing County State Aid Highway 61 (CSAH 11 to Carver County Line – 7.064 miles).

Resolution #74-09, Establishing County State Aid Highway 101 (CSAH 18 to TH 5 – 1.290 miles).

Contract with Siemens Building Technologies.

Contract with LifeSynch Insurance Company.

Approved submittal of the MFIP/CCSA biennial service agreement with the Minnesota Department of Human Services.

Approved out of state travel request and reimbursement of up to \$650 in related expenses for 4H program coordinator.

Community Social Services' actions.

Approved payment of the following Commissioners' warrants:

INSERT

Motion carried unanimously.

Gary Bork, Community Social Services, highlighted the recent Innovation Award given to Alan Herrmann, Carver County transit supervisor, and Troy Beam, Scott County, transit manager, in recognition of their collaboration in the merger of the Carver and Scott transportation systems. He noted the recognition given last week by the Scott County Board.

Chair Degler thanked Mr. Herrmann for the work that was done and for taking the system further. Herrman thanked the Board for their vision and allowing them to work in a collaborative manner. He highlighted the marketing they would be doing to increase awareness and noted the increase they have seen in the rides requested.

Bork explained the award the County was given by Hyland Technology for implementation of the Compass/On Base system in the financial assistance unit. He pointed out Carver County was the first county in Minnesota to implement the system.

Jim Broucek, Community Social Services, explained the system has put them in a position of being paperless. He indicated the system has allowed them to become more productive. Broucek stated they were fortunate to establish the program during the time they are dealing with the recession as, without it, they would have had to add staff. He noted Darla Wulf's leadership with her staff and recognized the financial assistance staff for their commitment in establishing the program.

Bork introduced Christine Dodlinger, chairperson of the Mental Health Advisory Committee, to make the Committee's annual presentation to the Board.

Dodlinger referenced the letter she sent to the Board outlining their recommendations. She thanked the Board for listening to their concerns and noted their proactive approach by not cutting vital programs. She pointed out the economy has increased the number of people coming in for services. She stated that staff has also done a good job in coming up with creative ways of handling matters with limited resources.

She shared their concerns with aging seniors, the effects of the economy, the loss of wages and the need for more social services when crisis occur. Dodlinger noted the grants they have been able to secure and what may occur once those grants end. She suggested they may want to look at hiring someone to handle grant writing as well as a housing coordinator to assist with affordable housing. She noted affordable housing and transportation continues to be an issue.

Chair Degler thanked Dodlinger and the Mental Health Committee for sharing their concerns and helping them set priorities.

Workman moved, Lynch seconded, to adjourn the Regular Session at 9:46 a.m. to go into a work session with Public Works. Motion carried unanimously.

David Hemze
County Administrator

(These proceedings contain summaries of resolutions. The full text of the resolutions are available for public inspection in the office of the county administrator.)



REQUEST FOR BOARD ACTION

AGENDA ITEM : Response to MPCA letter regarding Waconia Event Center Sewage Treatment System

Originating Division: Land & Water Services

Meeting Date: October 20, 2009

Amount of Time Requested: 30 minutes

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

BACKGROUND/EXPLANATION OF AGENDA ITEM: When the Waconia Event Center was sold to the County in 2008, the current owner had a compliance inspection done on the center's sewage treatment system as required by County Code. The inspection was done and a Certificate of Compliance issued by the State licensed inspector. The County relied on this Certificate of Compliance in the purchase process. As the preparations for continuing to operate the Center moved forward the results of the compliance inspection were questioned. County staff analyzed the compliance inspection and associated documents and raised questions. In response the inspector did an additional boring and elevations shots. Based on this information and the requirements of State Rule, the staff concluded there was no basis on which to consider the inspection invalid.

In early October a complaint regarding the compliance inspection was filed with MPCA. In response to the complaint the MPCA asked Carver County and the person who did the compliance inspection to supply all of the information available on the system and the compliance inspection. Both the County and the inspector made their information available to the MPCA. The MPCA informed the County of the results of their investigation in a letter sent on October 13 (see attached).

The MPCA's findings appear to be based on an optional component of the compliance inspection process, thereby holding this inspection to a much higher stand. The MPCA letter states the Agency's findings: "A review of the file by the MPCA finds the inspection findings inconclusive". In the letter the MPCA "recommends that a third party conduct a thorough investigation." It should be noted that this is a recommendation, not a requirement or order. The MPCA also recommends the investigation be conducted by a Professional Soil Scientist who is also an MPCA licensed inspector or by an inspection panel.

Staff recommends that the Board follow the MPCA's recommendation and have a soils investigation conducted by a soils scientist who is also a State licensed inspector. An inspection panel should be considered only if a qualified soil scientist cannot be retained. The staff will be working with the MPCA as suggested in their letter to define a list of qualified soil scientists. There are a very limited number of Licensed Professional Soil Scientists who are also State Licensed SSTS inspectors in the State. Staff is recommending that the Board appoint two Commissioners to make the final selection of the person to conduct the investigation.

ACTION REQUESTED: A motion authorizing a third party investigation of the soils associated with the Waconia Event Center to resolve the MPCA's finding of "inconclusive" regarding the compliance inspection; appointing two Commissioners to select the third party; authorizing the execution of a contract with the selected third party.

FUNDING

County Dollars = \$
TOTAL = \$

FISCAL IMPACT

Included in current budget
 Other:

Related Financial Comments: The typical cost for a compliance inspection is a few hundred dollars. However, given the qualifications required and the complexity of the situation, the cost will probably be considerably higher.

X Reviewed by Division Director**Date: 15 October 2009**



Minnesota Pollution Control Agency

520 Lafayette Road North | St. Paul, MN 55155-4194 | 651-296-6300 | 800-675-3843 | 651-282-5332 TTY | www.pca.state.mn.us

October 13, 2009

Mr. Mike Lein, Manager
Office of Environmental Services
Carver County Government Center
Administration Building
600 East 4th Street
Chaska, MN 55318

RE: Complaint Investigation, Waconia Event Center Subsurface Sewage Treatment System

Dear Mr. Lein:

Thank you for providing the Carver County (County) file on the Waconia Event Center subsurface sewage treatment system (SSTS). This information was provided in response to the Minnesota Pollution Control Agency (MPCA) investigation of a complaint that the Waconia Event Center SSTS is not compliant with Carver County's Chapter 52: Sewage Treatment System Ordinance (Chapter 52). Specifically, the complaint alleges that the inspection that was done on May 7, 2008 by Marty Ziermann which indicated the system was in compliance with the requirements of Minnesota Rule 7080.1500, subpart 4, item D, as adopted in Chapter 52 was in error (system did not have three feet of vertical separation from the bottom of the seepage bed to the periodic saturated soil). The file also indicates that County Land Water Services (LWS) staff met with Mr. Ziermann on July 8th, 14th (in office) and 17th (onsite) of this year to review his inspection findings. The meetings and a survey of the site were intended to clear up questions about the correct elevations of the system. The LWS staff deferred to Mr. Ziermann to make the vertical separation determination.

A review of the file by the MPCA finds the inspection findings inconclusive. Two sets of soil borings were conducted on September 16, and December 4, and 5, 1980, by Soil Exploration Company for the purpose of system design. One set of borings indicated natural soil conditions and one set of borings indicated deep fill conditions (2.5 to 7.5 feet). It is unclear which area was chosen for the system, but the plan sheet seems to indicate the system may have been placed in fill. However, follow-up meetings and investigations make no mention of fill soil conditions. Therefore, it is not clear if the system was placed into fill or natural soil conditions.

If the system was placed in deep fill soil conditions, the soil matrix color and redoximorphic features observed by Mr. Ziermann would not correctly indicate the elevation of the periodically saturated soil. This may be evident in the fact that Mr. Ziermann's borings were confusing in regard to the observed depth to redoximorphic features and observed standing water levels. This confusion is typical in fill soil situations.

The documents also included water level readings in the boring holes. This would seem to indicate that the presence of fill soil was known and the determination of the periodically saturated soil was to be made using the observed water level readings. However, as stated earlier, follow-up meetings and investigations made no mention of the presence of fill soils. Therefore, it is unclear to the MPCA if LWS staff or Mr. Ziermann were aware of the possible presence of fill soils.

In order to determine if the system is meeting the three-foot vertical separation distance, the MPCA recommends that a third party conduct a thorough investigation. It is recommended that this investigation be conducted by a Professional Soil Scientist who is also a MPCA licensed inspector or an inspection panel. If the County would like MPCA input on the selection of the inspector or panel, the MPCA is willing to do that. The MPCA recommends the following investigation:

Mr. Mike Lein, Manager
Page Two
October 13, 2009

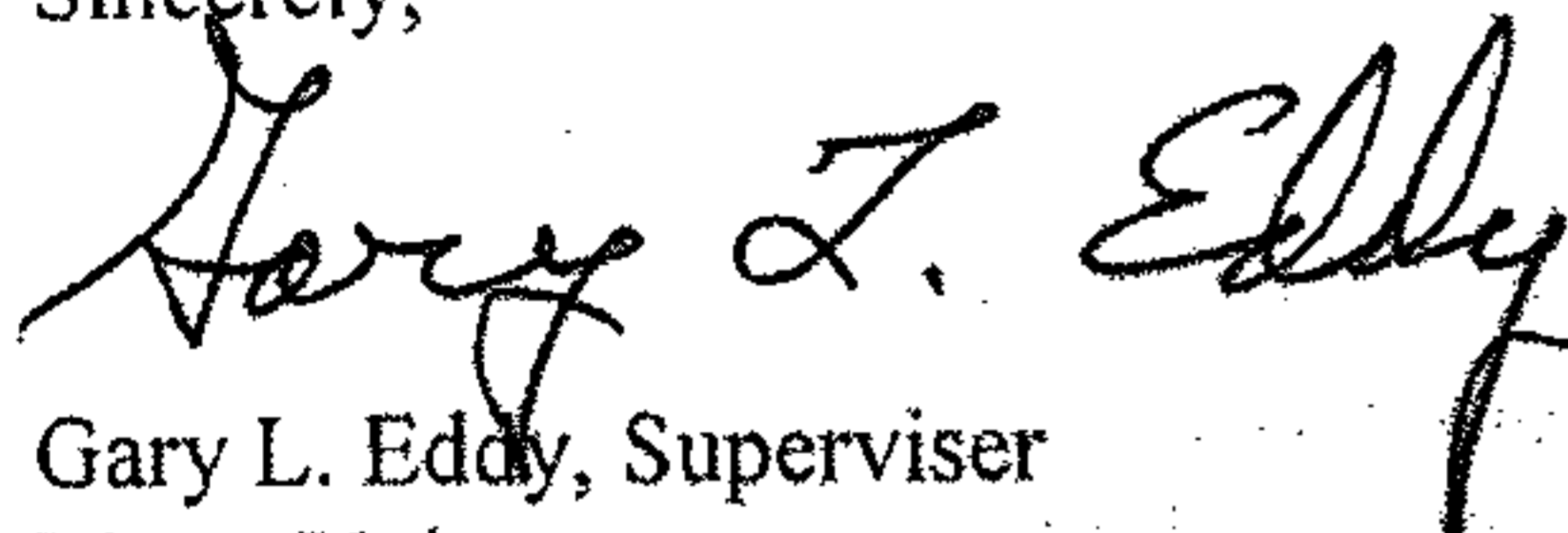
- A determination should be made if the seepage bed is placed in fill or natural soil.
- If the system is not in fill soil, then determine the vertical separation distance by use of soil colors and redoximorphic features.
- If the system is in fill soils, the vertical separation distance determination can be attempted based on the elevation data of the seepage bed bottom and the elevation of the Ordinary High Water Level of the lake. This investigative method appears to be an acceptable method as the lake is nearby, the soils are sandy and the submitted documentation seems to indicate a close relationship (within 0.09') between the standing water level in the bore hole to the water level in the lake. In addition, alternative methods of determining the height of the periodically saturated soil are allowed under Minnesota Rule 7080.1100, subpart 59 - as adopted in Chapter 52 - and can be appropriately applied in fill soil situations under consultation with the MPCA.

The MPCA requests that this investigation be completed within 15 days of receipt of this letter and a report be submitted to the MPCA within 5 days of the investigation. The MPCA may be sending a separate Request for Information letter to the County for additional information if our investigation needs to continue.

The question has been raised by County staff why the MPCA is involved in this situation and whether MPCA staff will routinely get involved in residential or commercial SSTS compliance. The MPCA is involved because a complaint was filed about the validity of the inspection which also becomes a potential inspector license issue. It is not the MPCA staff's intent to get involved in these situations unless a complaint is filed and or it involves license compliance.

If you have any questions about this letter, please contact me at 651/757-2330 or Clarence Manke, of my staff, at 651/757-2550.

Sincerely,



Gary L. Eddy, Supervisor
Metro Unit
Municipal Division

GLE:jeh

cc: James W. Keeler, Jr., County Attorney
Rebecca Flood, MPCA Assistant Commissioner



REQUEST FOR BOARD ACTION

AGENDA ITEM : Administrator's Recommended 2010 Budget and Levy

Originating Division: Administration

Meeting Date: 10/20/09

Amount of Time Requested: 45 minutes

Attachments for packet: Yes No

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

BACKGROUND/EXPLANATION OF AGENDA ITEM: The recommended 2010 property tax levy of \$46,779,720 is a \$1.7 million (3.8%) increase compared to 2009. The tax impact for the average value home in Carver County will be a slight decrease (approximately \$6) in 2010 County property taxes compared to 2009.

The recommended operating budget of \$78.2 million is a \$600K decrease compared to the 2009 operating budget of \$78.8 million.

2010 capital projects included in this recommendation are the county-wide fiber optic ring, a joint MN DOT Truck Facility, Dakota Line Rail to Trail project and furnishing a new library in Norwood Young America. Finally, the 2010 recommended budget increases road and bridge capital funding by \$932K compared to 2009.

ACTION REQUESTED: None – Informational overview of the Administrator's Recommended 2010 Budget and Levy.

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: 10/12/09

Administrator's Recommended 2010 Budget



**CARVER
COUNTY**

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I. Executive Summary

This County Administrator's Year 2010 Recommended Budget applies prioritized resources to Carver County's services. The recommendations included in this document reflect the continued difficult economic times experienced in Carver County, across the United States, and beyond. Key components of this budget include the following.

- Shifting the State's County Performance Aid ("State Aid"), from funding the County's operating budget to pay-as-you-go funding for capital projects. This budgeting strategy was developed at a Board workshop in February 2009 due to the unreliability of State Aid which was unallotted by the Governor in December 2008 and then again in May 2009. To remove State Aid from funding County operations, budget adjustments of \$1.1M for 2009 and \$2.6M for 2010 were approved by the County Board in June 2009. The majority of the budget adjustments came from personnel changes, both lay-offs as well as eliminating vacant positions, that totaled 11.9 FTEs. 2010 State Aid of \$1.45M has been designated to the capital projects listed in Attachment C.
- Flatlining Division's operational budget requests to the same as 2009
- Continuing a soft hiring freeze and a "no new levy-funded personnel" policy.
- Expenditure reductions and revenue increases resulting from various efforts at increasing the efficiency and effectiveness of the organization.
- A continued aggressive philosophy of projecting certain expenditure and revenue categories based on trend analysis and budgetary pressures.
- Funding capital projects with revenue sources that did not increase the County's 2010 property tax levy.

This recommendation sets the 2010 property tax levy at \$46,779,720 which is a 3.8% increase compared to 2009. The impact of this levy on the average value home will be a slight decrease in County property taxes in 2010 compared to 2009.

This document provides a broad overview of historical budget trends and 2010 budget recommendations. Attachments A and B provide detail on changes to personnel and capital budgets. Attachment C summarizes the capital projects that will be pay-as-you-go funded with State Aid. Attachment D summarizes the proposed State Aid budget adjustments for Public Works and Health & Environment Divisions.

In addition to this annual budget, a long term financial plan was developed in 2008 as a roadmap to fund significant current and future road and building needs. That separate document will be updated and presented middle November of 2009.

A Budget Public Hearing has been set for Tuesday, December 1, 2009. The County Board carries the ultimate budget authority and will be asked to adopt the final budget on Tuesday, December 15, 2009. A complete 2010 Adopted Budget Book will be prepared after the adoption of the final budget. That book will incorporate this document and its attachments along with much more detail on the proposed services.

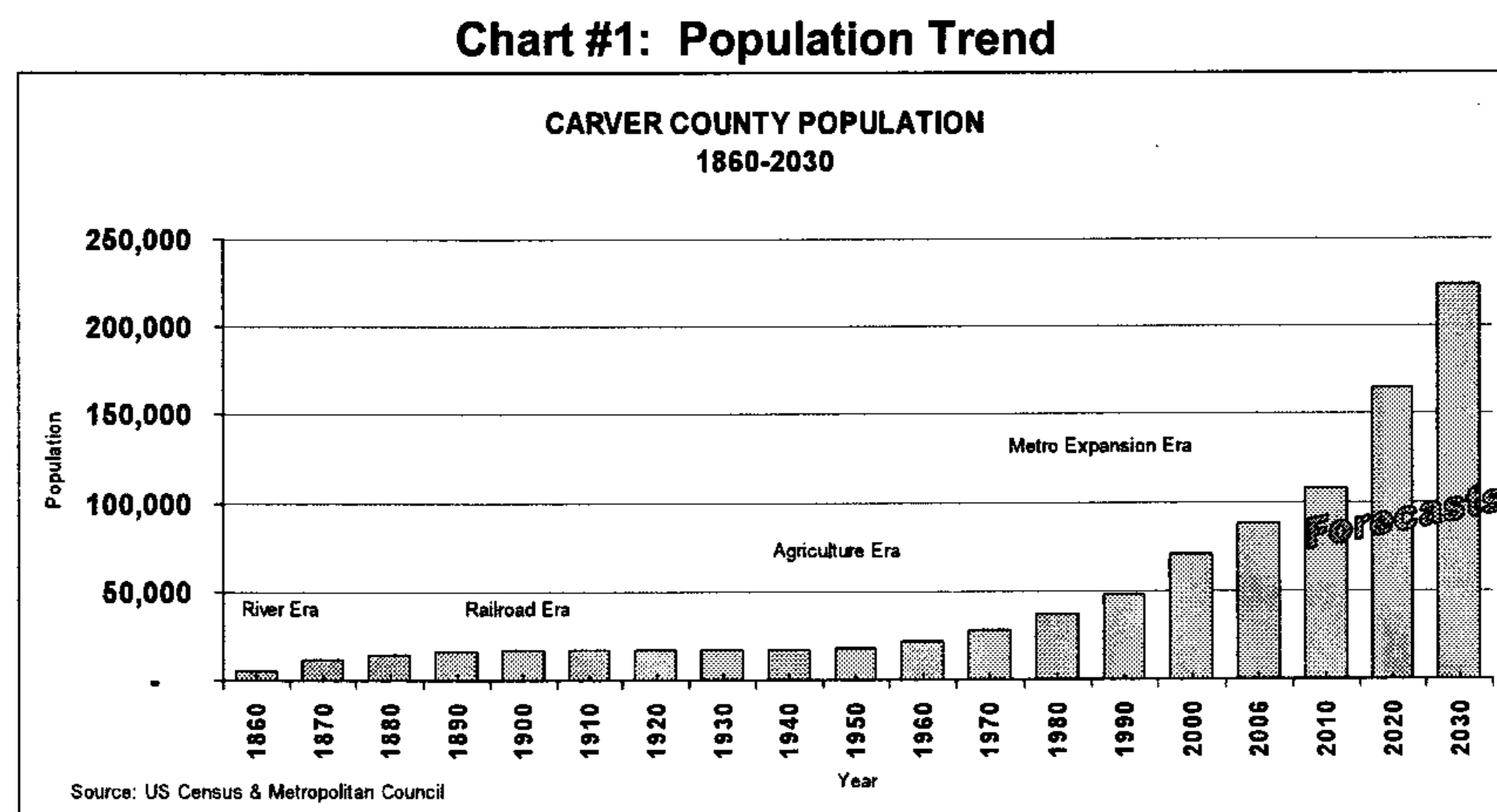
The hard work staff members provided in assisting with the preparation of this budget should be acknowledged. In particular, the assistance of Division Heads, Department Managers, and finance staff was instrumental in preparing this recommendation and is greatly appreciated.

II. Historical Trends

It is helpful to review past trends as we prepare our next budget. The following are key historical trends which were used to form the foundation of this recommended budget.

A. Population

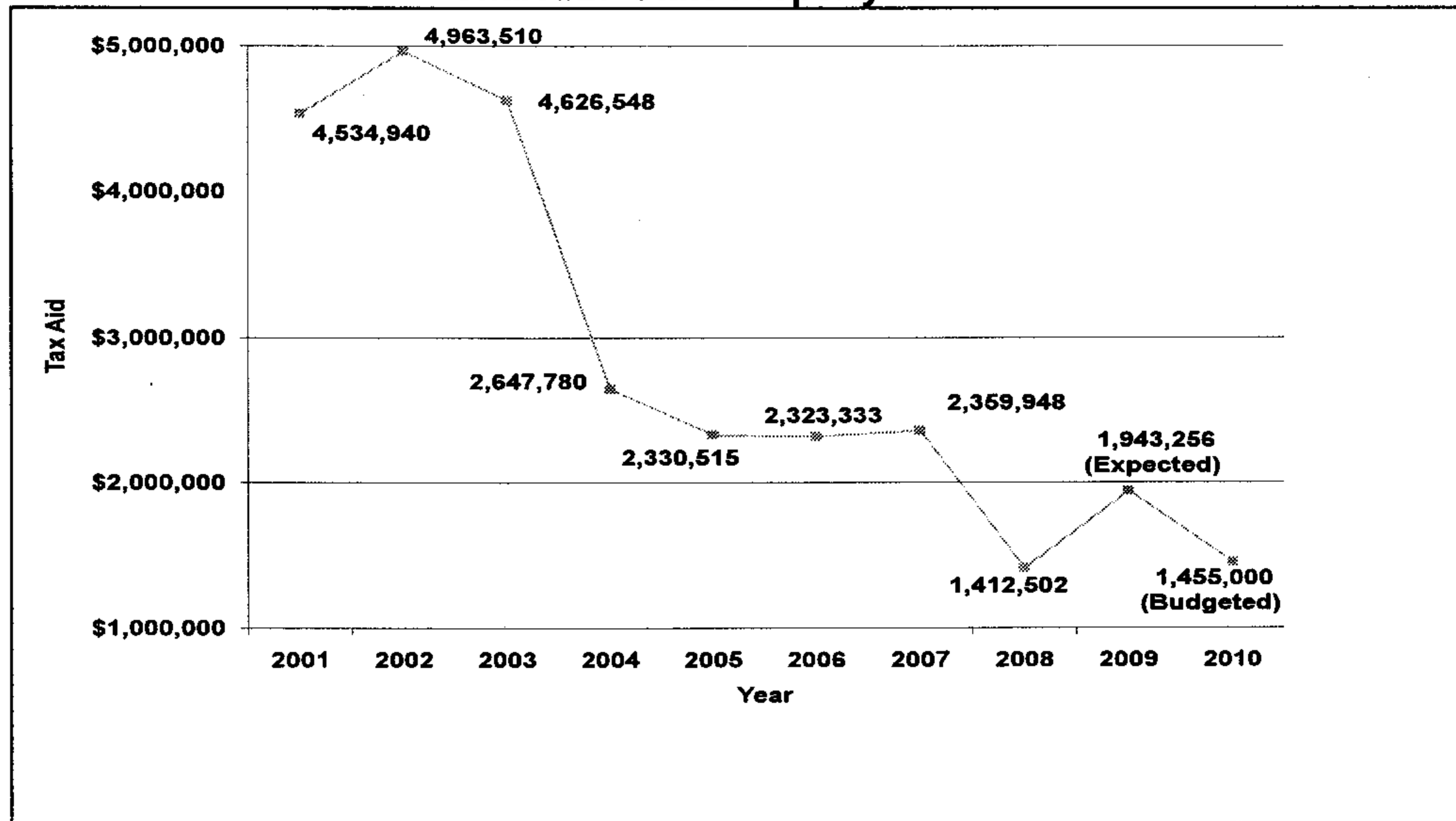
Carver County's current population is approximately 94,000. Chart #1 shows the dramatic forecasted increase to over 220,000 citizens by the year 2030. This is roughly 2.5 times the current number of citizens within that timeframe! This explosive population growth is the biggest factor relating to service demand pressure.



B. General Aid and Property Tax Levy

General property tax aid provided from the State of Minnesota to Carver County is illustrated in Chart #2. This chart shows a dramatic reduction in aid from year 2002 to 2009. The majority of this loss was suffered between years 2002 and 2004. The general trend beyond year 2004 was a stabilization of this aid with a slight increase in year 2009 projected aid. However, the Governor unallotted 2008 State Aid by \$761K in December 2008 and 2009 State Aid by \$565,000 in May 2009. Depending on the State's Budget, the remaining 2009 State Aid of just over \$2M could be unallotted again in December 2009 and the 2010 State Aid of \$1.45M could be unallotted during 2010.

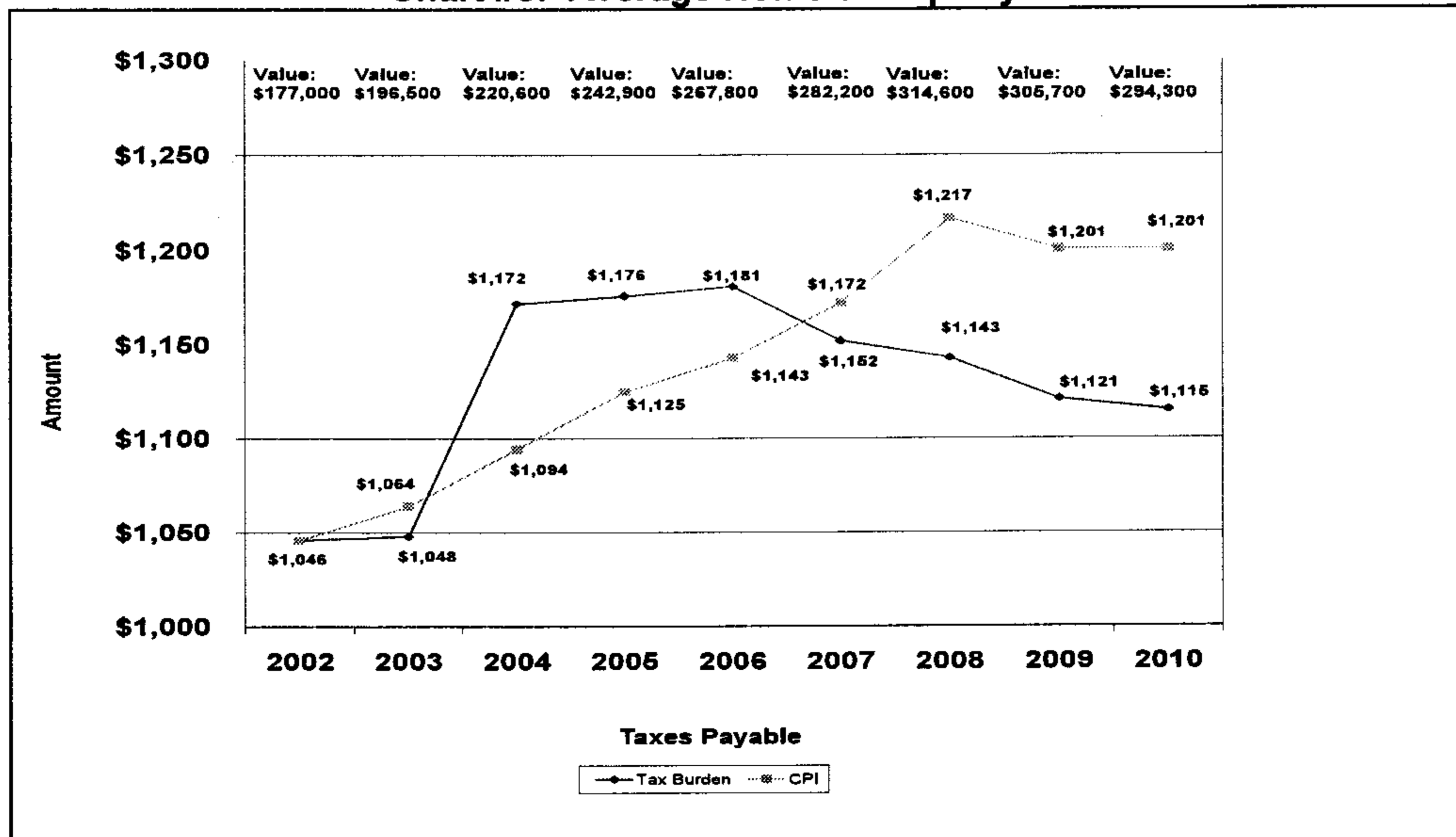
Chart #2: State Property Tax Aid



C. Property Taxation

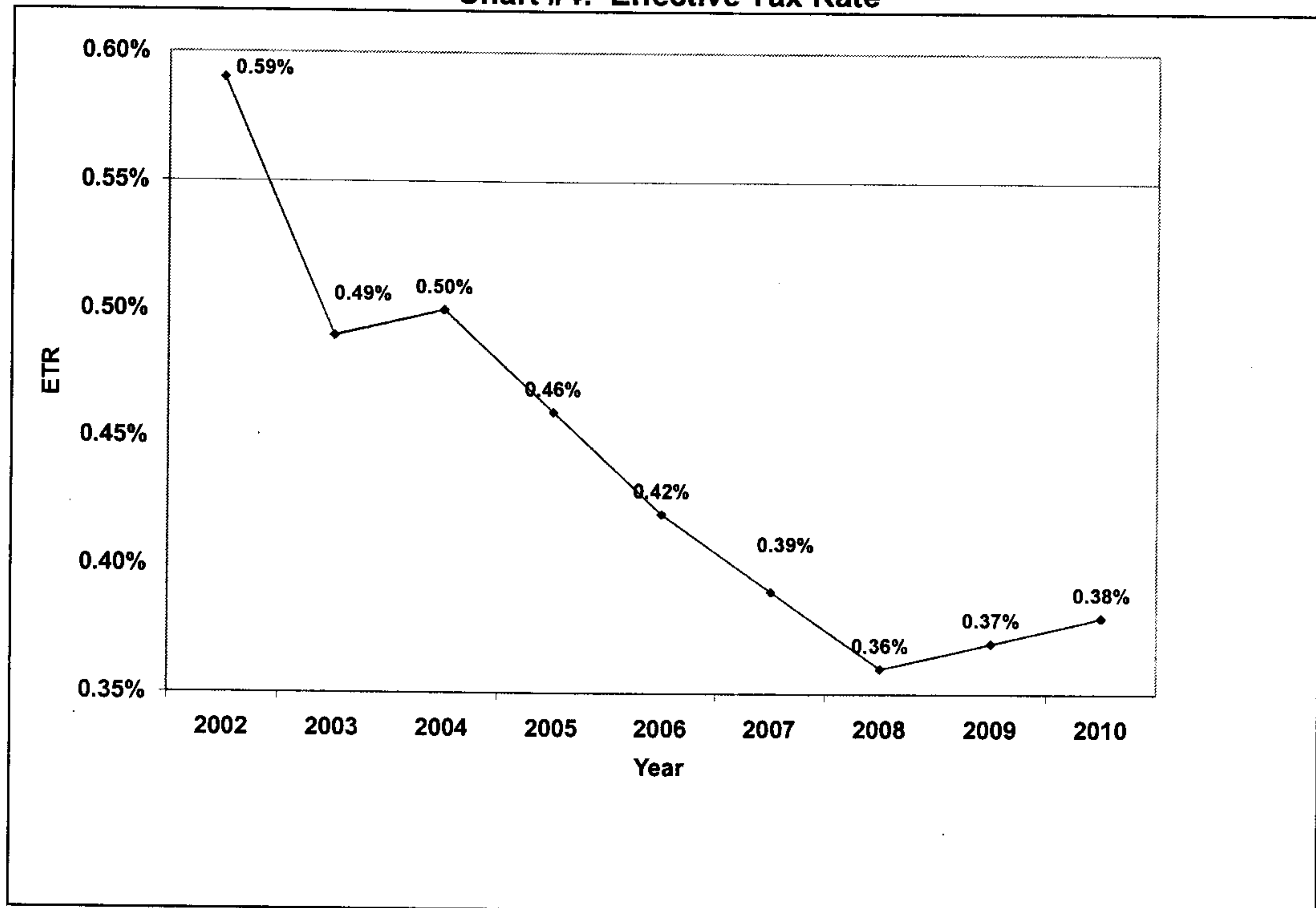
Despite the fiscal pressures faced by factors described earlier such as state aid reductions and increasing service demand pressures from a rising population, Chart #3 illustrates the increase in the average home's property tax tracks closely with the Consumer Price Index (CPI) over the past several years. (The CPI is an inflationary indicator that measures of the average change in prices over time in a fixed market basket of goods and services typically purchased by consumers.) An item to note in the chart is the reduced valuation of the average value home starting in 2009. This reverses a trend of double-digit increases in home valuations.

Chart #3: Average Home's Property Tax



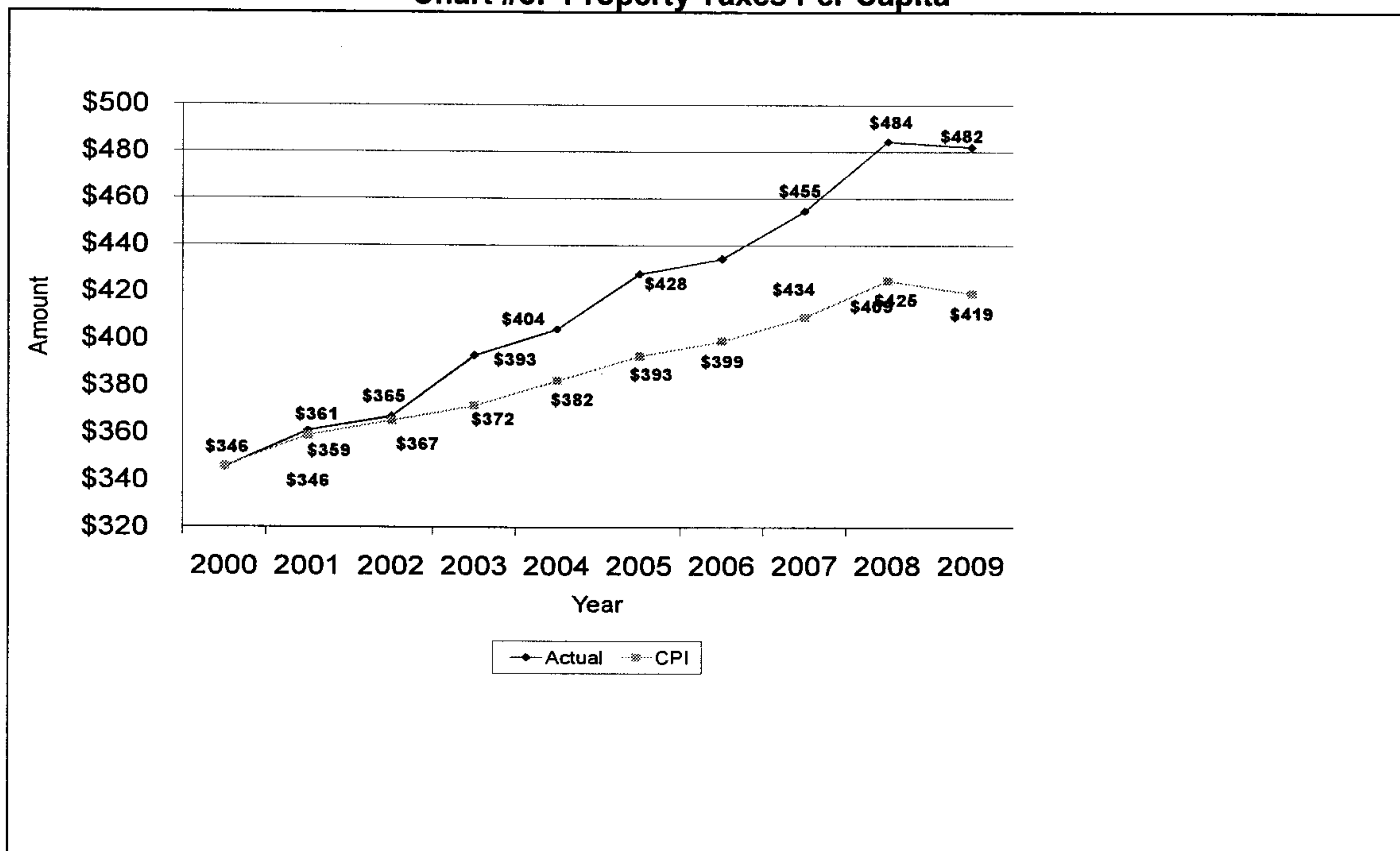
The rapid pace of the home's rising value and relatively modest rate of tax increase has resulted in a decreasing effective tax rate for the homeowner as is illustrated in Chart #4. The effective tax rate is the percentage of market value a homeowner is paying in property taxes and is calculated simply by taking the home's market value and dividing it by the tax. The declining rate is a clear reflection the County Board's conservative tax policy. This decline also reveals that new construction is reflected in our tax rate, but the majority of the market valuation growth of existing properties has not been captured. Starting in 2009, the upward movement in this trend reflects the decreasing valuation of homes compared to the proposed tax.

Chart #4: Effective Tax Rate



This modest tax growth is also illustrated in Chart #5 which shows the property tax on a per capita basis. Again, the increase mirrors the CPI trend line.

Chart #5: Property Taxes Per Capita



D. Employees

Since the majority of the County's budget is comprised of personnel costs, it is helpful to view how our employee population has changed over time. Chart #6 shows the number of Full Time Equivalent (FTE) employees from 2001 to 2010.

Chart #6: Total Employees

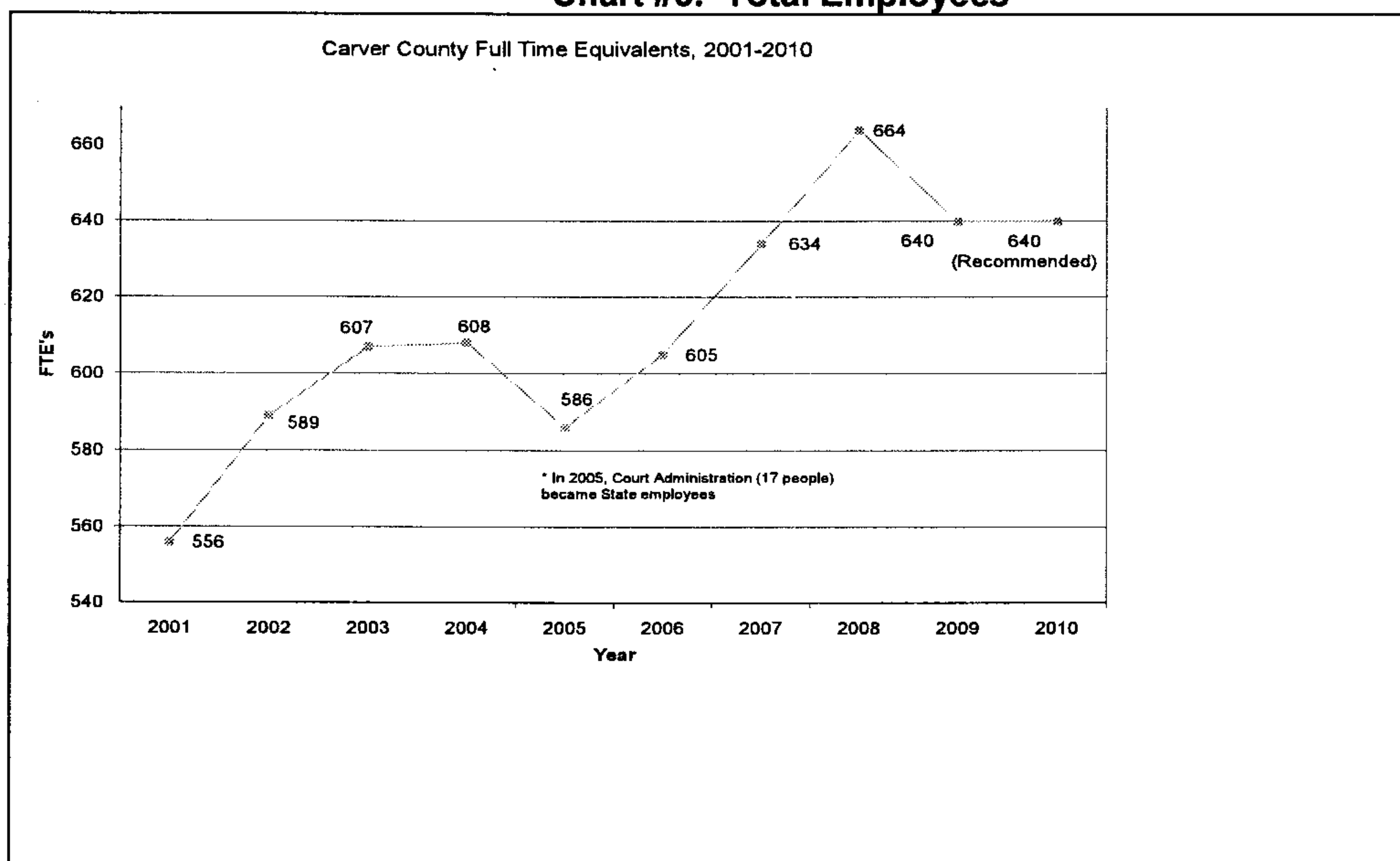
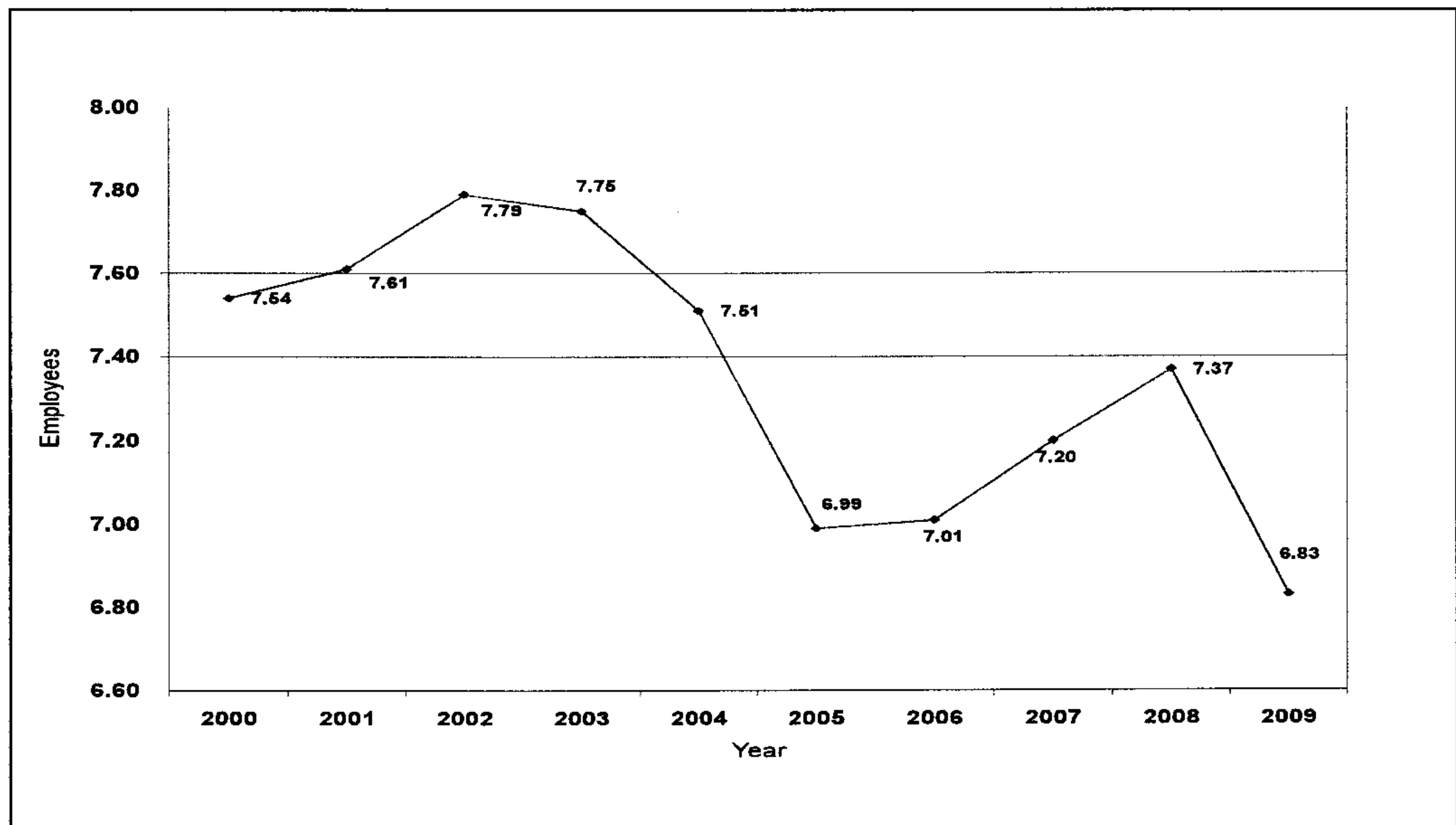


Chart #6 shows the employee population trending upward from 2001 through 2003, decreasing between 2003 and 2005, trending upward again through 2008 and then decreasing for 2009 from the State Aid budget adjustments. It should be noted that these numbers include employees paid for by outside revenue sources such as contract deputies and license center employees.

Chart #7 shows how many employees we have per 1000 citizens. It reveals the trend of “doing more with less” as a result of investments in areas such as technology and efficiencies gained through reorganization.

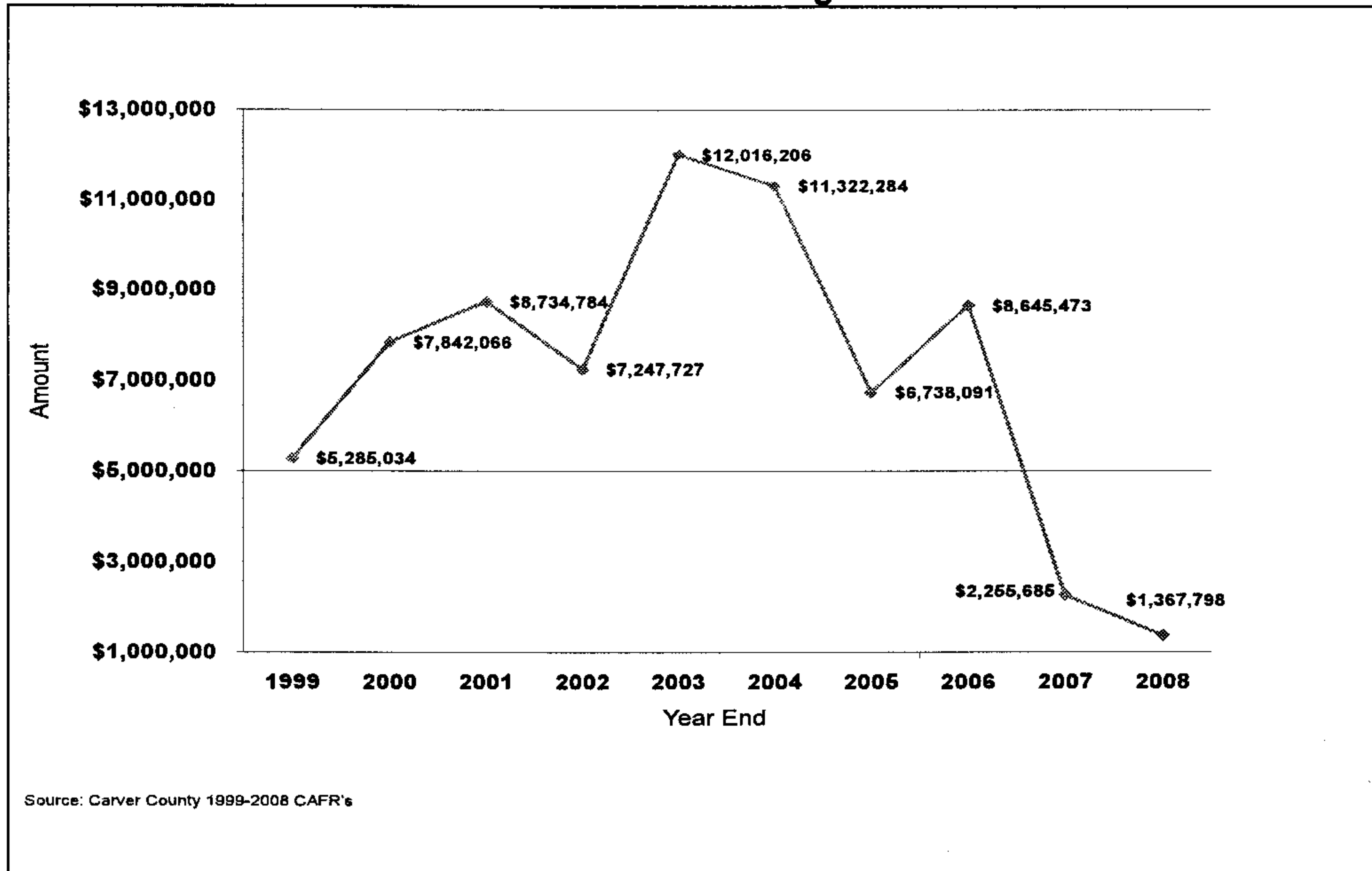
Chart #7: Employees Per 1000 Citizens



E. Year End Savings Account

The final trend presented in this document relates to the historical balance of the Year End Savings (YES) Account. The YES account designates up to 5% of the County’s reserves for future unknowns such as emergencies, disasters, capital projects and intergovernmental funding cuts. Chart #8 shows the trend in this account’s balance over the last 10 years, with the average balance during this timeframe standing at approximately \$7.1 million.

Chart #8: Year End Savings Account



The actual balance shown in the financial statement for year-end 2008 is \$1.36 million. Based on current projections, it is estimated that the YES account at year-end 2009 will not change significantly from \$1.36 million.

III. Budget Recommendations

The 2010 Recommended Budget totals just over \$89 million. The budget recommendations are best summarized through an examination of its major components itemized in Attachments A (Personnel List), B (Furniture, Fixtures & Equipment List), C (State Funded Capital Projects) and D (State Aid Budget Adjustment Targets).

A. Personnel

For 2010, the budget for personnel wages assumes no general adjustment, no step increases and no new positions. Despite this personnel freeze, a full year of step increases that were given throughout 2009 will increase the 2010 Budget by over \$400,000.

Health insurance continues to increase at a rate much higher than inflation. The County adopted a strategy in 2008 to minimize the annual health insurance increase by moving employees away from a legacy, high cost health insurance plan to less expensive consumer driven health insurance plans. While progress is being made, health insurance still negatively impacted the County's 2010 budget by over \$350,000.

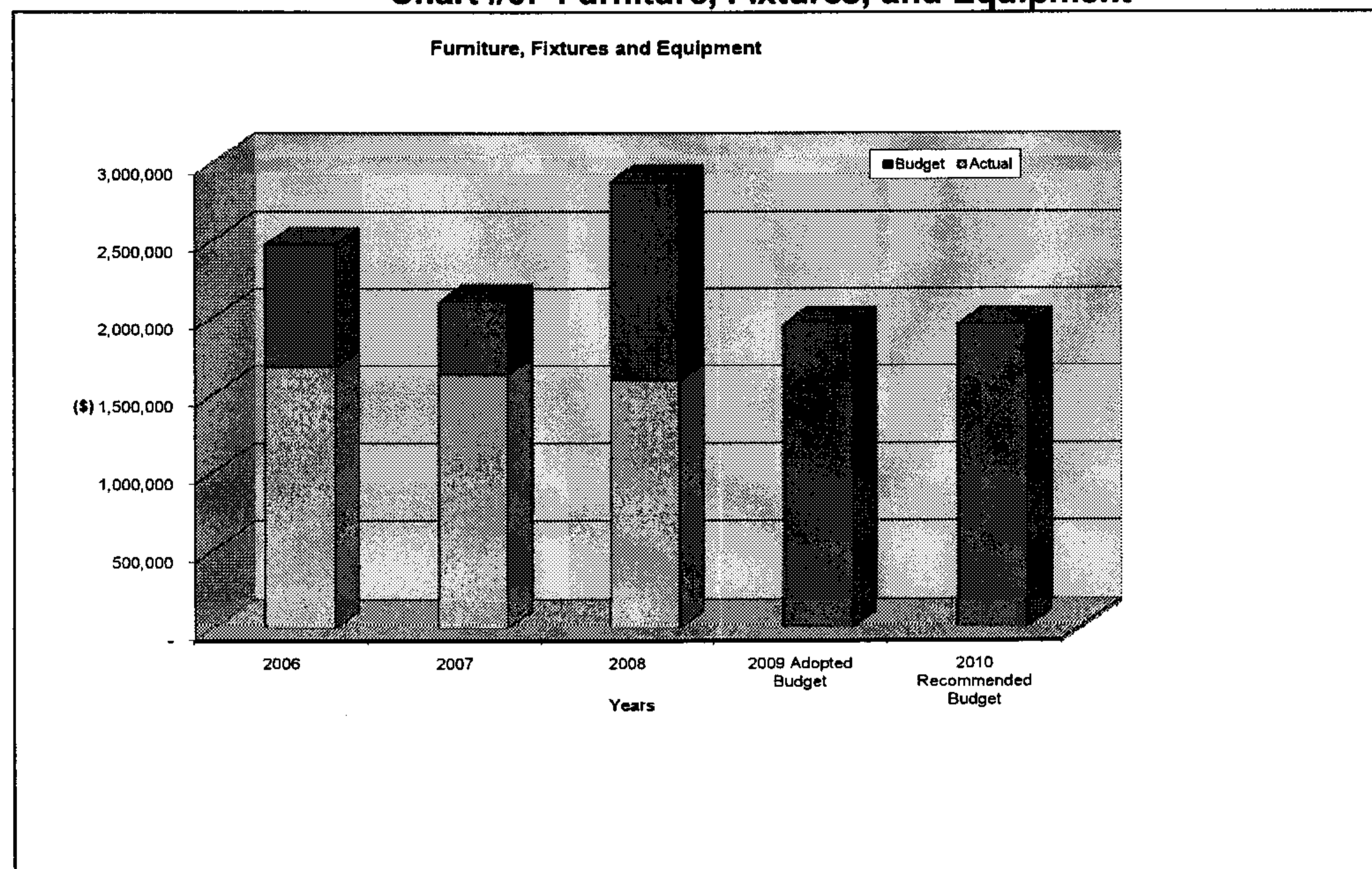
This 2010 recommendation also includes an \$800,000 reduction in personnel wage and benefit costs as compared to full staffing levels to account for personnel attrition. This budget adjustment is based on turnover trend analysis and a review of divisional staffing needs. In addition, Carver County has implemented a soft hiring freeze to ensure a thorough review of any vacant positions before they are re-filled. Possible alternatives to filling vacant positions are considered as part of this review including position restructuring or elimination to achieve cost savings.

B. Capital

1. Furniture, Fixtures, and Equipment (“FFE”)

This recommended budget includes an investment of over \$1.9 million in other capital as is illustrated in Chart #9. A complete detailed list of recommended FFE can be found in Attachment B.

Chart #9: Furniture, Fixtures, and Equipment



2. Buildings Projects

The 2010 budget recommendation includes a \$1.87 million Joint MNDOT Truck facility and \$425K to furnish a new library in Norwood Young America with new books, shelves and equipment. A 2010 bond sale is recommended to finance the MNDOT Truck facility with debt service paid by continuing a debt service tax levy that had been used for a jail lease payment that ended in 2009. The \$425K for the new Norwood Young America library is recommended to be paid from 2010 State Aid.

3. Roads

Road construction funding by 2010 State Aid increases by \$692,000 along with debt service on 2008 Road Bonds increasing by \$240,000.

4. Fiber Optic Ring

A \$1.8 million fiber optic ring project is recommended to be funded by a 2010 bond sale with the debt service being more than covered by the elimination of T-1 lines that are currently being used to link county buildings. The project will link all county buildings to fiber and potentially county-wide provide school districts, cities, townships, residents and commercial property owners with high speed data access.

C. State Aid Funded Pay-As-You-Go Capital Projects

Attachment C provides a list of capital projects which will be funded by State Aid depending on how much actually shows up in 2010. The list is prioritized so high priority projects will be funded first and low priority projects on the bottom of the list funded last.

D. State Aid Budget Adjustment Target

State Aid budget adjustments targets that were adopted by the County Board in June 2009 did not include adjustments for two divisions (Public Works and Health & Environment) who did not have permanent Division Directors as of June 2009. This recommendation includes the budget adjustments proposed for these two divisions (see Attachments A & D).

E. Other Key Budget Components

1. Decreasing Revenue

This budget continues an aggressive philosophy of projecting certain expenditure and revenue categories based on trend analysis. Overall revenues, however, are forecasted to be approximately \$700,000 lower with significant reductions in areas such as inmate boarding revenue.

2. Employee Suggestion Program

As part of the State Aid Budget Adjustments which shifted State Aid from funding operations to capital projects, \$200,000 was expected to be saved from employee suggestions. So far over a 150 suggestions from employees have been submitted for review into a robust sharepoint site that has been created to manage these ideas. The long-term goal for the employee suggestion

program is to give all employees a simple and efficient way to process ideas that could potentially save county tax dollars.

3. Tax Burden Shift from Residential to Commercial Properties

While the average value home in Carver County decreased from \$305,700 to \$294,300 for 2010, the average value commercial property increased in value from a range of 5% to 12%. Property values going in different directions shifts the tax burden from residential to commercial properties. So even with no tax levy increase in 2010, property taxes for the average valued commercial properties would still increase between 5% and 25%. With the 2010 recommended property tax increase of \$46,779,720, the increase in county property taxes for the average value commercial property will be between 8% and 30%.

IV. Property Taxation

This recommendation includes a year 2010 levy of \$46,779,720. Chart #14 compares the recommended year 2010 levy to the 2009 certified levy.

Chart #11			
Year 2009 to 2010 General Levy Comparison			
<i>Pay 2009 Certified Levy</i>	<i>Pay 2010 Recommended Levy</i>	<i>\$ Increase</i>	<i>% Increase</i>
\$45,065,587	\$46,779,720	\$1,714,133	3.8%

The year 2010 levy is estimated to slightly decrease the average value home's 2010 County property tax compared to 2009. This estimate includes a market valuation decrease on the average value home from \$305,700 in year 2009 to \$294,300 in year 2010.

V. Expenditures and Revenue Comparisons

The following series of charts (#15 thru #18) provide broad-based illustrations of budget changes. These charts provide comparisons between the adopted 2009 budget and the recommended 2010 budget.

Chart #12:

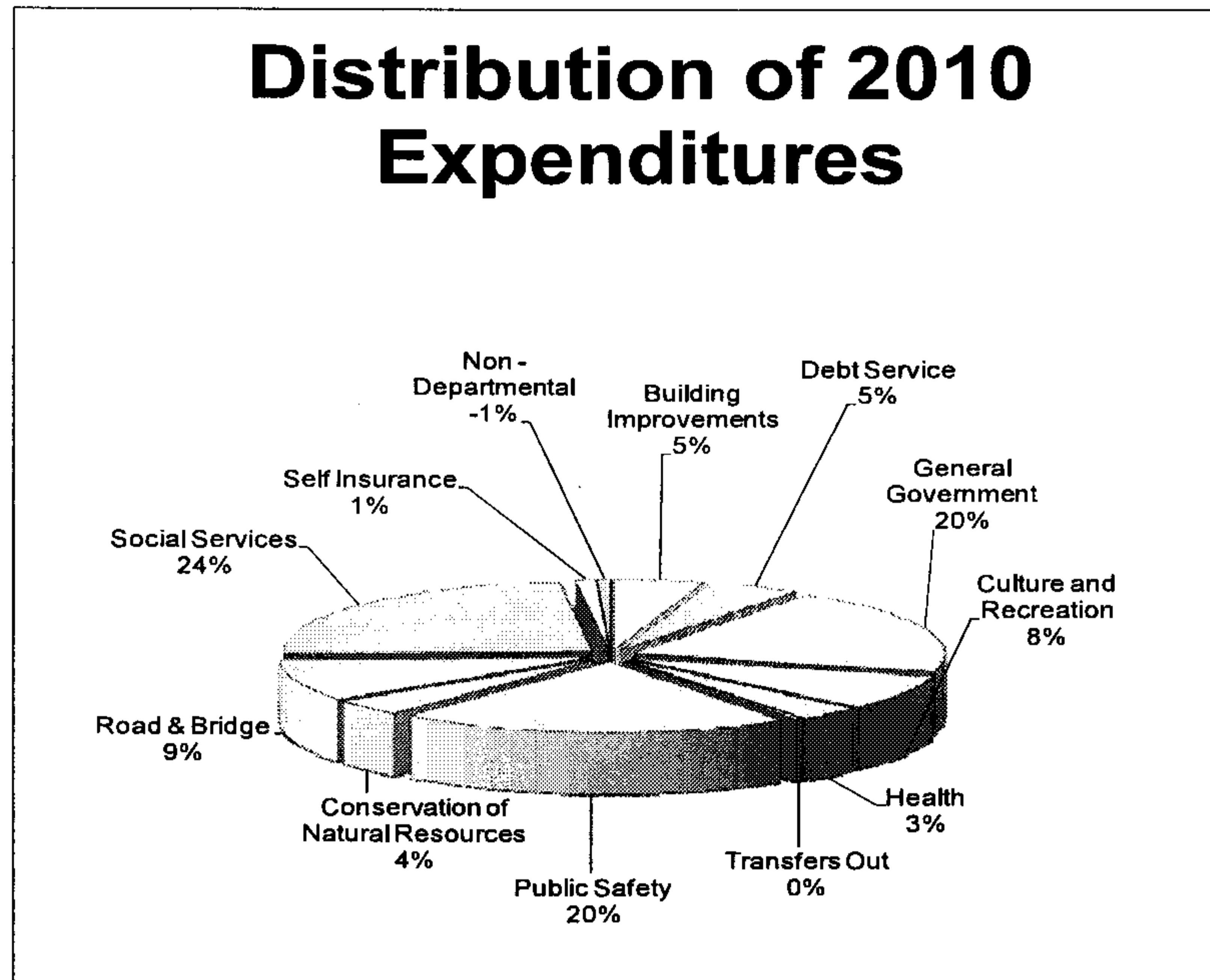


Chart #13:

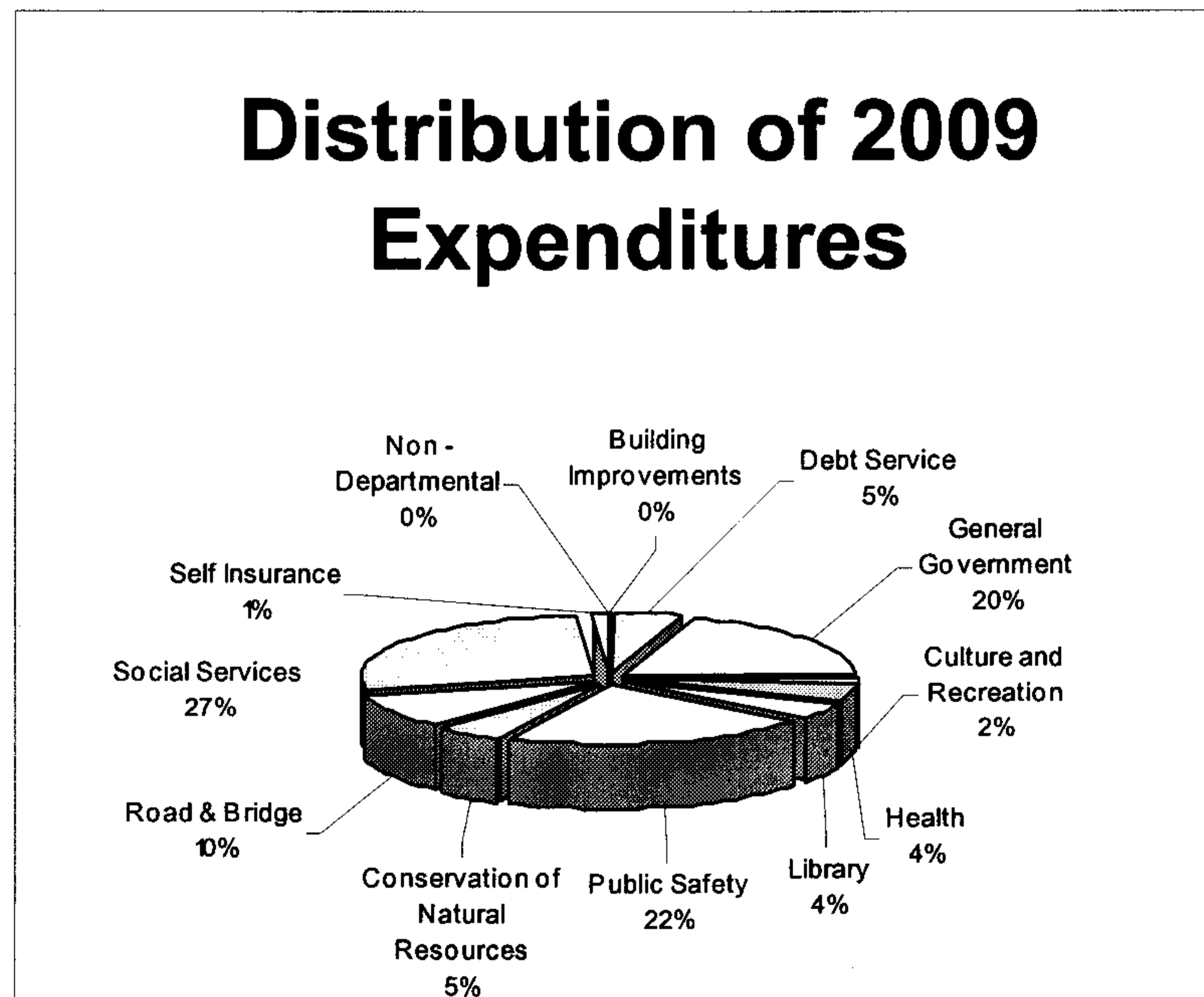


Chart #14:

SOURCES OF 2010 REVENUES

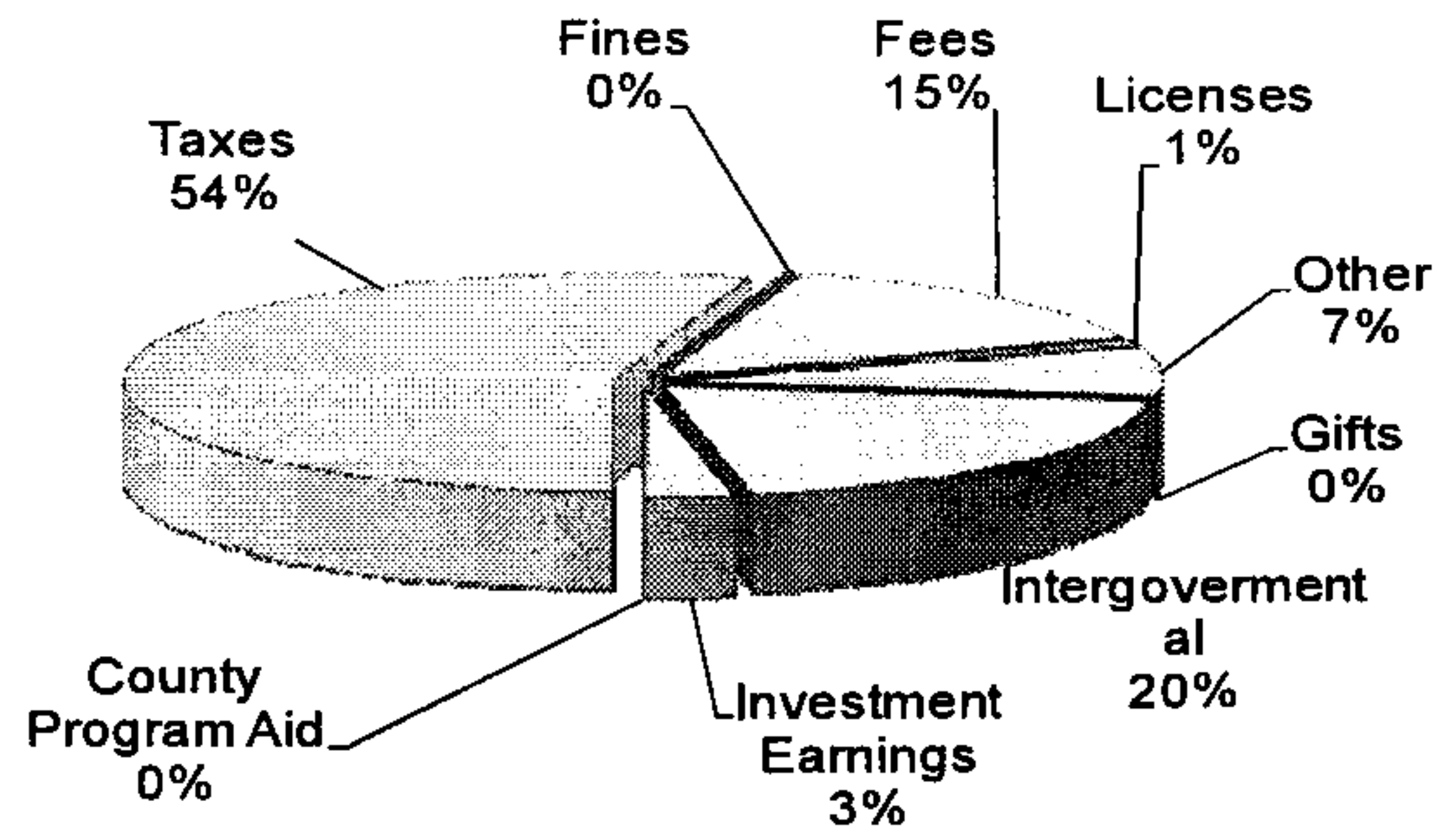
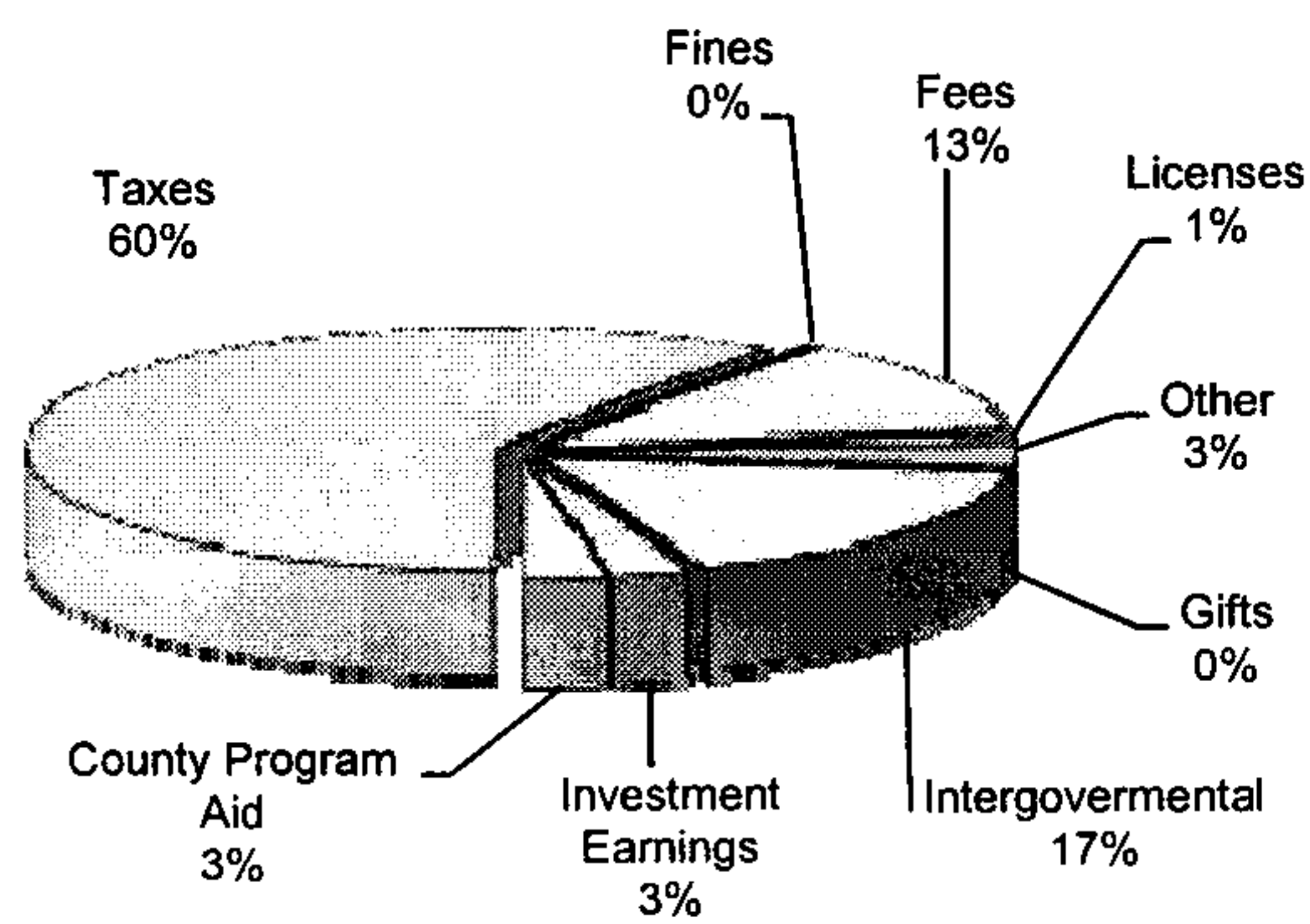


Chart #15:

SOURCES OF 2009 REVENUES



**Attachment A: 2010 Staffing Changes
Staffing Changes Requested for 2010**

Division/Department	Requested FTE's	Recommended FTE's Changes	Position	Requested Gross (\$)	Requested Net (\$)	Recommended Net (\$)
2010 New Positions						
Library	1.00	1.00	2 @ 0.5 FTE Libr. Assistant *	5,880	5,880	5,880
Subtotal	1.00	1.00		\$ 5,880	\$ 5,880	\$ 5,880
Eliminate Vacant Positions						
Public Health	(0.80)	(0.80)	Planner	(88,479)	(88,479)	(88,479)
Subtotal	(0.80)	(0.80)		\$ (88,479)	\$ (88,479)	\$ (88,479)
Restructuring - Reorganization, Lay-offs & Reductions in Hours						
Information Services	(1.00)	(1.00)	WebMaster	(66,233)	(66,233)	(66,233)
Information Services	1.00	1.00	SharePoint Administrator	68,482	68,482	68,482
Subtotal	0.00	0.00		\$ 2,249	\$ 2,249	\$ 2,249
Totals	0.20	0.20		\$ (80,350)	\$ (80,350)	\$ (80,350)
* beginning in mid October 2010						

Attachment B: 2010 Furniture, Fixtures, and Equipment

FACILITIES, FIXTURES & EQUIPMENT BY DEPARTMENT FOR 2010

DEPT.	CIP #	DESCRIPTION	Requested	Recommended	Inc./Dec
Commissioners					
		Equipment: 01-001-000-0000-6660	-	-	-
Dept Total		01-001-000-0000-66XX	-	-	-
County Administration					
		Equipment: 01-030-000-0000-6660	-	-	-
Dept Total		01-030-000-0000-66XX	-	-	-
Administrative Services - Administration					
Dept Total		01-048-XXX-0000-66XX	-	-	-
Administrative Services - Facilities					
110	2	EMERGENCY BUILDING REPAIRS	80,000	80,000	-
110	3	CARD READERS - ELECTRIC LOCKS	30,000	30,000	-
110	6	ENERGY MANAGEMENT SYSTEM	25,000	15,000	(10,000)
110	7	MISC BUILDING IMPROVEMENTS	70,000	70,000	-
110		EXTERIOR SIGNS - PARKING & BUILDING	50,000	50,000	-
110	120	JAIL PAINTING	10,000	10,000	-
110	121	JAIL FLOORING	15,000	15,000	-
110	35	JAIL UPS BATTERY REPLACEMENT	11,000	11,000	-
110	115	JAIL LOBBY-MATS-PAINTING	12,500	-	(12,500)
110	114	LEC TUCK POINT - WATER PROOFING	15,000	15,000	-
110	96	COURTS CARD READERS/LOCKS	30,000	30,000	-
110	76	COURTS CARPET REPLACEMENT	25,000	-	(25,000)
110	61	CSS WALL REMOVAL - TRAINING ROOM REMO	50,000	25,000	(25,000)
110	35	ADMIN WEST SPACE PLANNING	30,000	-	(30,000)
110	67	ADMIN WEST PARKING LOT (Paid from State Aid	138,000	138,000	-
110	103	ADMIN WEST FENCING FOR REFUSE-FUEL TAN	10,000	10,000	-
110	110	PWHQ MONUMENT SIGN	18,000	18,000	-
110	111	PW FACILITY REPORTS	10,000	-	(10,000)
110	112	SIGN SHOP DUST COLLECTOR SYSTEM	12,500	6,000	(6,500)
110		PWHW BOILER STACK CODE CORRECTION	12,000	8,000	(4,000)
110		PW OUTBUILDING IMPROVEMENTS	12,000	12,000	-
110	55	PEAVEY INTERIOR DRAINS FOR WARE	12,000	-	(12,000)
110	69	PEAVEY EXTERIOR PAINT	25,000	-	(25,000)
110		PEAVEY DROP OFF ROOF SYSTEM	70,000	-	(70,000)
110	63	PEAVEY OFFICE CARPET	11,000	-	(11,000)
110	89	FIRST STREET CARPET REPLACEMENT FACIL	5,000	5,000	-
110	90	1ST LIGHTING ENERGY IMPROVEMENTS	15,500	-	(15,500)
110	80	1 STPARKING LOT REPAIR/REMOVALS	12,000	-	(12,000)
110	88	1ST HOT WATER HEATER/WATER SOFTENER	11,000	11,000	-
110	72	DEFERRED MAINTENANCE HISTORY - HOUSE I	30,000	-	(30,000)
110	43	ENCORE FURNACE-HOT WATER	10,000	-	(10,000)
110		CHANHASSEN TAXPAYER CANOPY	15,000	15,000	-
529		WACONIA EVENT HVAC SOUND REDUCTION	5,000	5,000	-
529		EXTERIOR - LOT FENCING, EXIT STAIRS BALLA	8,800	8,800	-
529		REVENUE BASED IMPROVEMENTS	-	-	-
		Building Improvements 01-110-000-0000-6640	896,300	587,800	(308,500)
Dept Total		01-110-XXX-0000-66XX	896,300	587,800	(308,500)

**FACILITIES, FIXTURES & EQUIPMENT
BY DEPARTMENT FOR 2010**

DEPT.	CIP #	DESCRIPTION	Requested	Recommended	Inc./Dec
Administrative Services - Information Services					
Manager Capital Initiatives					
		Technology	150,000	150,000	-
		Data and Phone Cabling Needs - County Facilities	-	-	-
		Software: 01-049-000-0000-6655	150,000	150,000	-
		Total 01-049-000-0000-66XX	150,000	150,000	-
Technical Unit					
		County Wide Technology	248,000	200,000	(48,000)
		Cisco Core Switch - DR and Redundancy			
		Blade Center - DR and Redundancy			
		VMWare - DR and Development			
		Citrix - DR and Development			
		Storage - DR and Development			
		UPS - Addition for DR and Development			
		Equipment: 01-049-046-0000-6660	248,000	200,000	(48,000)
		Total 01-049-046-0000-66XX	248,000	350,000	(48,000)
Central Services					
Central Services					
		Work Stations (front desk)	10,000	-	(10,000)
		Citizen self service informational Kiosk	30,000	-	(30,000)
		Replace Black/White or Color Copier	36,000	36,000	-
		Equipment: 01-049-060-0000-6660	76,000	36,000	(40,000)
		Total 01-049-060-0000-66XX	76,000	36,000	(40,000)
Records Management					
		Scanners for Imaging program	20,000	20,000	-
		Moveable Storage Shelves	31,000	-	(31,000)
		Equipment: 01-049-061-1000-6660	51,000	20,000	(31,000)
		Total 01-049-061-1000-66XX	51,000	20,000	(31,000)
			-	-	-
		Equipment: 01-049-063-2000-6660	-	-	-
		Total 01-049-063-2000-66XX	-	-	-
Dept Total	01-049-XXX-XXXX-66XX		525,000	406,000	(119,000)
Administrative Services - Library					
Administration					
		Self check out replacement	23,000	23,000	-
		Equipment: 01-014-500-0000-6660	23,000	23,000	-
		Total 01-014-500-0000-66XX	23,000	23,000	-
Chanhassen					
		Equipment: 01-014-501-0000-6660	-	-	-
		Total 01-014-501-0000-66XX	-	-	-
Chaska					
		Building: 01-014-502-000-6660	-	-	-
		Total 01-014-502-0000-66XX	-	-	-
Waconia					
		Copy machine	8,050	8,050	-
		Equipment: 01-014-503-0000-6660	8,050	8,050	-
		Total 01-014-503-0000-66XX	8,050	8,050	-

**FACILITIES, FIXTURES & EQUIPMENT
BY DEPARTMENT FOR 2010**

DEPT.	CIP #	DESCRIPTION	Requested	Recommended	Inc./Dec
Library - Continued					
Watertown		Copy machine	3,602	3,602	-
		Equipment: 01-014-504-0000-6660	3,602	3,602	-
		Total 01-014-504-0000-66XX	3,602	3,602	-
Norwood Young America					
		Equipment: 01-014-505-0000-6660	-	-	-
		Total 01-014-505-0000-66XX	-	-	-
Dept Total	01-014-XXX-XXXX-66XX		34,652	34,652	-
Administrative Services - University of Minnesota Extension					
		Equipment: 01-601-000-0000-6660	-	-	-
		Software: 01-601-000-0000-6655	-	-	-
Dept Total	01-601-XXX-XXXX-66XX		-	-	-
Administrative Services - Veterans Services					
			-	-	-
Dept Total	01-120-000-0000-66XX		-	-	-
Attorney					
		Equipment: 01-090-000-0000-6660	-	-	-
		01-090-XXX-XXXX-66XX	-	-	-
Court Services					
		Software: 01-252-252-0000-6655	-	-	-
		Equipment: 01-252-252-0000-6600	-	-	-
Dept Total	01-252-XXX-0000-66XX		-	-	-
Employee Relations - Personnel Services					
		Equipment: 01-050-000-0000-6660	-	-	-
Dept Total	01-050-000-0000-66XX		-	-	-
Employee Relations - Emergency Management					
		Software: 01-280-280-0000-6655	-	-	-
		Emergency Response Vehicle	-	-	-
		Equipment: 01-280-280-0000-6660	-	-	-
Dept Total	01-280-280-0000-66XX		-	-	-
Finance					
		Equipment: 01-045-000-000-6660	-	-	-
Dept Total	01-045-000-0000-66XX		-	-	-

**FACILITIES, FIXTURES & EQUIPMENT
BY DEPARTMENT FOR 2010**

DEPT.	CIP #	DESCRIPTION	Requested	Recommended	Inc./Dec
Land & Water Services - Land Management					
	01-123-160-XXXX-6630		-	-	-
Land & Water Services -					
	01-123-130-XXXX-6630		-	-	-
Land & Water Services -					
	123-014	Bevens Creek Project Fund	20,000	20,000	-
	123-015	Carver Creek Project Fund	31,000	31,000	-
	123-016	Waconia City Hall Rain Gardens	14,000	14,000	-
	123-017	Seminary Fen Ravine Restoration	30,000	30,000	-
	123-018	Crow River Project Fund	35,000	35,000	-
	123-019	West Creek Project Fund	7,500	7,500	-
	01-123-123-XXXX-6630		137,500	137,500	-
Division Total	01-123-XXX-XXXX-66XX		137,500	137,500	-
Property Records & Taxpayer Services - Taxpayer Services Administration					
	Software: 01-040-040-0000-6655		-	-	-
	Equipment: 01-040-040-0000-6660		-	-	-
	Total 01-040-040-0000-66XX		-	-	-
License Center					
	Software: 01-040-055-0000-6655		-	-	-
	Equipment: 01-040-055-0000-6660		-	-	-
	Total 01-040-055-0000-66XX		-	-	-
Elections					
	Software: 01-040-055-0000-6655		-	-	-
	Equipment: 01-040-065-0000-6660		-	-	-
	Total 01-040-055-0000-66XX		-	-	-
Dept Total	01-040-000-0000-66XX		-	-	-
Property Records & Taxpayer Services - Property Assessment					
	Software: -1-047-000-0000-6655		-	-	-
Dept Total	01-047-XXX-XXXX-66XX		-	-	-

**FACILITIES, FIXTURES & EQUIPMENT
BY DEPARTMENT FOR 2010**

DEPT	CIP #	DESCRIPTION	Requested	Recommended	Inc./Dec
Property Records & Taxpayer Services - Property Records					
		Software: 01-100-000-0000-6655	-	-	-
		Equipment: 01-100-000-0000-6660	-	-	-
Dept Total	01-100-XXX-0000-66XX		-	-	-
Public Health					
		Equipment: 01-460-460-0000-6660	-	-	-
Dept Total	01-460-000-0000-66XX		-	-	-
Sheriff's Office					
Recreational Services					
		Equipment 01-201-231-1653-6660	-	-	-
		Equipment 01-201-231-1652-6660	-	-	-
		Total Capital Outlay 01-201-231	-	-	-
Jail					
		Equipment: 01-201-235-0000-6660	-	-	-
		Total Capital Outlay 01-201-235	-	-	-
Patrol					
	236-01	Vehicles	405,400	405,400	-
		Vehicles: 01-201-236-0000-6670	405,400	405,400	-
		Total Capital Outlay 01-201-236	405,400	405,400	-
Investigation					
		Equipment: 01-201-239-0000-6655	-	-	-
Crime Lab					
	239-	Equipment: 01-201-239-1713-6660	-	-	-
		Total Capital Outlay 01-201-239	-	-	-
911 Communication					
	240-14	Logger Recorder	75,000	75,000	-
		Equipment: 01-201-240-0000-6660	75,000	75,000	-
		Total Capital Outlay 01-201-240	75,000	75,000	-
Dept Total	01-201-XXX-XXXX-66XX		480,400	480,400	-

**FACILITIES, FIXTURES & EQUIPMENT
BY DEPARTMENT FOR 2010**

DEPT.	CIP #	DESCRIPTION	Requested	Recommended	Inc./Dec
Public Works - Road & Bridge					
Administration					
		Hwy Engineer Equipment Request	15,000	15,000	-
		Equipment: 03-301-000-0000-6660	15,000	15,000	-
		Total Capital Outlay: 03-301	15,000	15,000	-
Engineering					
		Software: 03-303-000-0000-6655	-	-	-
		GPS Survey Instrument	32,000	32,000	-
		Equipment: 03-303-000-0000-6660	32,000	32,000	-
		Equipment: 03-303-000-0000-6670	-	-	-
		Total Capital Outlay: 03-303	32,000	32,000	-
Highway Maintenance					
		Traffic Sign Replacement (Paid from State Aid)	299,000	100,000	(199,000)
		Equipment: 03-304-000-0000-6660	299,000	100,000	(199,000)
		Single Axle Truck	215,000	-	(215,000)
		Hwy Vehicles: 03-304-000-0000-6670	215,000	-	(215,000)
		End Dump Trailer	50,000	-	(50,000)
		Skid Loader	55,650	55,650	-
		Paver	95,000	-	(95,000)
		Pick Up Broom	170,000	-	(170,000)
		Hwy Eq: 03-304-000-0000-6690	370,650	55,650	(315,000)
		Total Capital Outlay: 03-304	884,650	155,650	(729,000)
Maintenance Shop					
		Site & Grounds: 03-305-000-0000-6610	-	-	-
		Equipment: 03-305-000-0000-6660	-	-	-
		Total Capital Outlay 03-305	-	-	-
Equipment Maintenance					
		Equipment Maint: 03-306-000-0000-6660	-	-	-
		Total Capital Outlay 03-306	-	-	-
Surveyor					
		GPS Equipment Replacement	27,000	27,000	-
		Equipment Maint: 03-310-000-0000-6660	27,000	27,000	-
		Total Capital Outlay 03-310	27,000	27,000	-
Dept Total	03-XXX-XXX-XXXX-66XX		958,650	229,650	(729,000)
Public Works - Parks					
Administration					
	521-01	Baylor Park - Parking Lot (paid from increase in permit fees)	15,000	15,000	-
	520-09	Land Acquisition - LWP (See Capital Projects Listing)			
		Site Improvements: 01-520-000-0000-6601	15,000	15,000	-
	520-	Bldg Improvements: 01-520-000-0000-6640	-	-	-
	520-01	Utility Cart	13,000	-	(13,000)
	520-02	Commercial Mower	43,000	43,000	-
	520-05	LMP Beach Shade Enhancement	11,000	-	(11,000)
	520-07	Trailer	10,000	-	(10,000)
		Equipment: 01-520-000-0000-6660	77,000	43,000	(34,000)
		Vehicles: 01-520-000-0000-6670	-	-	-
Dept Total	01-520-XXX-0000-66XX		92,000	58,000	(34,000)
Social Services					
		Equipment 11-XXX-XXX-XXXX-6665	-	-	-

**FACILITIES, FIXTURES & EQUIPMENT
BY DEPARTMENT FOR 2010**

DEPT.	CIP #	DESCRIPTION	Requested	Recommended	Inc./Dec
		Equipment 11-XXX-XXX-XXXX-6660	-	-	-
		Replacement Client Transport Vehicles (2 @ \$20,000)	40,000	20,000	(20,000)
		Vehicles 11-405-700-XXXX-6670	40,000	20,000	(20,000)
Dept Total	11-XXX-XXX-XXXX-66XX		40,000	20,000	(20,000)
County Totals			3,164,502	1,954,002	(1,210,500)

**CAPITAL PROJECTS
BY FUND FOR 2010**

DEPT.	CIP #	DESCRIPTION	Requested	Approved	Inc./Dec
Parks & Trails Capital Improvements					
		520-01 Advance Funding Parkland Acquisition - Local Contribution (Tax Levy)	50,000	50,000	
		520-09 Land Acquisition - LWP (Designated Reserves)	225,000	225,000	
		15-01 Dakota Trail Phase I (Federal Grant & CRRRA Reserves)	2,225,000	2,225,000	
		34-520-XXX-XXXX-6610	2,500,000	2,500,000	-
Fund Total	34-XXX-XXX-XXXX-66XX		2,500,000	2,500,000	-

Building Capital Improvements

		973-01 Data & Phone Cabling Needs - County Facilities (State Aid)	200,000	100,000	(100,000)
		968-01 Fiber Optic Ring (Bond Sale Proceeds)	1,800,000	1,800,000	
		966-01 MNDOT Facility (Bond Sale Proceeds)	1,870,000	1,870,000	
		974-01 Norwood Young America Library (State Aid)	425,000	425,000	
		30-XXX-XXX-XXXX-6630	4,295,000	4,195,000	(100,000)
		30-XXX-XXX-XXXX-6601	-	-	-
Fund Total	30-XXX-XXX-XXXX-66XX		4,295,000	4,195,000	(100,000)

Road & Bridge Capital Improvements

Resurfacing/Maintenance

		307-01 Resurfacing/Maintenance (Tax Levy)	1,710,000	1,500,000	(210,000)
		32-307-000-0000-6260	1,710,000	1,500,000	(210,000)

Pre-construction Services

		Professional Services	-	-	-
		32-307-000-0000-6260	-	-	-

Construction

		Local Share for Federal Road & Bridge Projects (State Aid)	-	692,000	692,000
		32-307-000-0000-6281	-	692,000	692,000

Fund Total	32-307-XXX-XXXX-66XX		1,710,000	2,192,000	482,000
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Attachment C: 2010 State Aid Funded Capital Projects

**PAY-AS-YOU-GO CAPITAL PROJECTS
FUNDED BY 2010 STATE AID (1)**

DEPT.	CIP #	DESCRIPTION	Requested	Approved	Inc./Dec
Library					
	974-01	Norwood Young America Library (State Aid)	425,000	425,000	-
		30-XXX-XXX-XXXX-6630	425,000	425,000	-
Road & Bridge Projects					
	307-XX	Local Share for Federal Road & Bridge Projects (State Aid)	-	692,000	692,000
		32-307-000-0000-6281	-	692,000	692,000
Building Capital Improvements					
	973-01	Data & Phone Cabling Needs - County Facilities (State Aid)	200,000	100,000	(100,000)
		30-XXX-XXX-XXXX-6630	200,000	100,000	(100,000)
FFE Projects					
110		Admin West Parking Lot (State Aid)	138,000	138,000	-
	67	Traffic Sign Replacement (State Aid)	299,000	100,000	(199,000)
		34-520-XXX-XXXX-6610	437,000	238,000	(199,000)
Total 2010 State Aid			1,062,000	1,455,000	393,000

(1) Projects are listed by priority so the projects on the top of the list will be funded first and the bottom of the list will be funded last.

Attachment D: State Aid Budget Adjustments for Public Works and Health & Environment Divisions

I. Carver County Public Works proposal for the 2010 \$140,000 budget reduction

In order to meet the 2010 budget obligation for the Public Works Division here is a suggested proposal:

Reorganize Maintenance, Equipment Maintenance and Engineering Departments	\$83,500
Reduce overtime (Goal = 10%)	\$11,500
Increase revenue by implementing permit fees	\$25,000
Reduce fuel consumption and material usage	\$20,000
Total Public Works 2010 budget reduction	\$140,000

This plan requires some flexibility as there are several unknowns. The budget reduction is largely based on attrition and does not involve any lay-offs. Reorganization will be analyzed as retirements occur. Cost saving are expected to occur with reorganization in the Maintenance, Equipment Maintenance and Engineering Departments.

Road miles and traffic demand continues to increase every year as does the popularity and use of the park system and so a reduction in the operational workforce in Public Works should only occur with reorganization unless a reduction in service can be tolerated.

This plan does retain the two vacancies in Engineering (Civil Engineer and Traffic Engineer). These positions are considered essential to deliver the road improvement program as well as enhance traffic analysis and operations; however, the plan is to hold off filling the Civil Engineer vacancy until reorganization through attrition can occur. The intent is to fill the Traffic Engineer vacancy in 2009.

Other budget reductions proposed include reducing overtime by 10% and collecting revenue with the implementation of fees for permits. Overtime will be reduced by improving efficiency and modifying operations. Fees are proposed to be implemented with the annual fee schedule hearing. Fee revenue is based on 5-year averages of actual permits issued and estimated labor fees to review them.

In addition Public Works will strive to reduce costs by \$20,000 with reductions in fuel consumption and material usage by reducing vehicle idling, material hauling and implementing a brine pre-wetting program.

II. Carver County Health and Environment proposal for the 2010 \$150,000 budget obligation

In order to meet the 2010 budget obligation for the merged divisions of Public Health and Land & Water here is a suggested proposal

Cut one vacancy in Public Health (.8 Planner)	\$88,479
Public Health Emergency Response (PHER) Phase 1&2 for \$71,326 was received for Pandemic Influenza Planning. Utilize this new funding to offset levy cost of Public Health Preparedness staff wages for 2010. Plan to utilize Public Health Preparedness federal grant for sustainable support for subsequent years.	\$49,021
Cut Carver County Health Partnership funding from \$25,000 to \$12,500	\$12,500
Total Health & Environment 2010 budget reduction	\$150,000

This plan retains the one anticipated vacancy (a retirement in Land & Water in October, 2009) thereby maintaining managerial flexibility for strategic planning for the newly created division of Public Health and Environment.

Division Directors for Land & Water and Public Health have discussed work reassignments. The Public Health Support Supervisor and the Public Health Administrative Assistant positions will be able to partially fulfill the responsibilities anticipated with the retirement and vacancy this fall in Land & Water thereby relieving other Land & Water staff from absorbing the entire burden. The Public Health Planner vacancy has been reassigned through provision of Working-Out-of-Class of a PHN.