

Clay County, MN
State of the County Address – January 6, 2009

To the Citizens of Clay County:

I am pleased to present this State of the County message. In this message I will outline the Mission Statement of Clay County Government, review the highlights of the activities of Clay County Government in 2008, provide an outlook for the upcoming activities for the coming year, and outline the 2009 Budget & Property Tax Levy. The text of this message can also be found on Clay County's website homepage and clicking on "State of the County Address – January 6, 2009".

MISSION OF CLAY COUNTY GOVERNMENT

Clay County is dedicated to providing services to the public in an efficient, responsible and professional manner. Services will be delivered in a caring, humane environment.

Highlights of the year 2008:

- 1. Road and Bridge Projects:** Bids for several Road and Bridge projects were let in 2008 in accordance with Clay County's Five-Year Construction Program. The total cost of these projects is estimated at \$4.3 million. The highlights include:
 - Bituminous Paving on County State Aid Highway (CSAH) 26 from Hitterdal west 5.5 miles
 - Bituminous Paving on approximately .75 miles of CSAH 7 adjacent to Americana Estates
 - Bridge Replacement over Buffalo River on CSAH 11
 - Grading on CSAH 13 (formerly known as County Road 75) between CSAH 52 and CSAH 11
 - Grading on .5 miles of County Road 93 North East of Dilworth.

- 2. Efforts to secure federal funding for CSAH 52:** In 2008 the County Staff worked with our congressional delegates and consultant in Washington, DC to secure federal funding for the reconstruction of CSAH 52 from Sabin to the south county line. This road is an important part of our "farm to market" road network. The project cost is estimated at \$21 million and we simply do not have the funds at the county or the state level to implement this project. We are working to include this important project in the list of congressional appropriations or projects authorized for funding in the next federal transportation funding bill.

- 3. Planning for the remodeling and expansion of Clay County Jail:** In May 2008 the Clay County Board of Commissioners contracted with Klein McCarthy Architects for the conceptual design and cost estimate for modification and expansion of the County Jail to meet the future jail bed needs. The architects have worked closely with the County's Jail Planning Committee and the officials from the Sheriff's Office and Moorhead Police Department. The Architecture team is scheduled to present its design recommendations and the preliminary cost estimate to the County Board of Commissioners in February 2009.

4. **Landfill gas generation project:** In 2008 the County Board of Commissioners awarded a contract for the construction of a landfill gas collection system. The project is now almost complete. The flare has been lit. We are now monitoring the volume of gas being generated at the landfill to determine if there is enough gas available for long term generation. Some industrial users have expressed an interest in utilizing the landfill gas as an alternative energy source.
5. **Special Levy for the Rehabilitation of Single Family Homes:** For 2008, the Clay County Board approved a one-time special levy in the amount of \$100,000 for the County Housing and Redevelopment Authority (HRA). The HRA used the special levy to leverage approximately \$550,000 in grant funds from the Minnesota Department of Employment and Economic Development (DEED) and Greater Minnesota Housing Fund. The estimated amount of \$650,000 available for the program is being used to perform essential repairs on approximately 25 single family homes owned by low income households in Clay County outside of the cities of Barnesville and Moorhead (these two communities already have similar programs in place).
6. **Fargo Southside flood control project:** In September, City of Fargo officials made a joint presentation to the Clay County Board of Commissioners, Moorhead City Council and the Buffalo Red Watershed District to describe the proposed Flood Control Project on the south side of the City of Fargo. The project proposal involves the construction of a channel extension along the Red River to help reduce peak river elevations during major flood events. Flood control management officials from Clay County, City of Moorhead and Buffalo Red Watershed District are in the process of studying the proposed project to ensure that it does not have an adverse impact on the land and properties on the Minnesota side of the Red River.
7. **Regional Dispatch:** In 2008, Clay County Officials collaborated with Cass County and the cities of Moorhead, Fargo and West Fargo in the implementation of a \$3 million federal Homeland Security grant to upgrade the record management systems for the Red River Regional Dispatch Center and various fire, law enforcement and emergency services agencies operating in our two-county metropolitan area. In December 2008, a Joint Powers Agreement was signed by the members of the Regional Red River Dispatch Center. This agreement outlines the terms and conditions for the operation of the dispatch center, implementation of the federal grant for the Records Management System, technical support and maintenance, and cost sharing among the member communities.
8. **Veteran Services:** The Clay County Veteran Services office continues to do an outstanding job of providing essential services to our war veterans and their families. In 2008 the County Veteran Services Office received and implemented an \$11,000 outreach grant to inform all Clay County veterans of the availability of Veteran Services and the State Soldiers Assistance Programs.
9. **Social Services:** The majority of the mandated services provided by the Social Services Department are supervised by the State and administered by the County. Mandated services include administration of the Public Assistance Programs, Child Support Fraud and Collections Services, as well as Social Services aimed at child and adult protection. We rely heavily on state and federal funding to carry out these mandated core functions. Approximately 70% of the funding for Social Services comes from state, federal and other reimbursements for services. When these revenues are reduced or cut, an additional burden is placed on the local property tax levy in order to maintain needed services to our most vulnerable citizens. This has occurred in 2009 due to Federal revenue reductions as a result of the Deficit Reduction Act.

Services are delivered to the public in a variety of ways. We employ staff who deliver direct services, and we have Purchase of Service Contracts with multiple community agencies for specialized service delivery.

We have been excited about the development of a Drug Court in Clay County and have found the process to be very beneficial for those involved. The mission of our newly developed Drug Court in Clay County is to strengthen our community through court team supervision of chemically dependent offenders by providing accountability, evidence-based treatment, and motivation for positive change. The resulting goal is that the offender would have less criminal recidivism, better chemical dependence treatment outcomes, and successful family and community contributions.

In addition to the Drug Court, Social Services is partnering with other county departments and community agencies to establish a program for residents incarcerated at the local jail who will be re-entering the community. It is believed that inmates are often released with significant unmet medical, physical, environmental and/or psychiatric needs. The purpose of the program is to address those needs prior to release from jail so as to reduce recidivism, improve the quality of life for the inmate and assure public safety. We are looking to call the program RAP- Reintegration Advanced Planning.

The Social Services Department has also been successful in securing two grants from the State Department of Human Services this past year. Both grant programs are designed to increase services to families who have a child at high risk of out-of-home placement due to significant mental health issues. Respite care services will be more readily available, as well as a crisis mobile response team, to help address immediate safety and service needs. Out-of-home placement costs continue to be a large expenditure item within the budget so offering services aimed at reducing this are critical and most importantly a better way to serve families and children.

This past year, we have seen an increase in the number of families applying for public assistance. Fuel costs have impacted families and our Emergency Assistance program has been depleted for 2008. Health Care continues to be a major cost concern for our state. Clay County Social Services administers the Medical Assistance program which has seen a 4.31% increase over 2007. The Food Support program increased 5.39% and Child Care Assistance program 22.62% over last year. In addition, the cash grant programs of Minnesota Family Investment Program (MFIP) and General Assistance (GA) have also increased over last year.

Due to the high volume of applications for public assistance, we are experiencing some delays in processing. We have seen an increase in applications of approximately 39% over 2007.

- 10. Unallotment of County Program Aid:** On December 19, 2008, Governor Pawlenty announced the unallotment of \$44 Million in County Program Aid funds to Minnesota Counties in order to help address the state's revenue shortfall for the first half of year 2009. This translates into the reduction of Clay County Program Aid by \$415,152. This amount represents 11.28% of the County Program Aid we were expecting to receive in 2009.

Proposed Activities for the year 2009:

1. **Steps Necessary to Address the Impact on the County Budget as a Result of the Projected Major Revenue Shortfall for the Minnesota State Government in the next Biennium.** The State economist is projecting a revenue shortfall of \$4.2 billion, or more, for the 2010-2011 budget cycle for the state of Minnesota. This is likely to result in major cuts for Counties and Cities in state aids and appropriations, which are necessary to provide the mandated and essential services to our citizens. In 2009 the County Board will work with the Department Heads and supervisors to address these revenue shortfalls by prioritizing services, implementing budget cuts and possibly, using portions of undesignated fund balances.
2. **Road and Bridge Projects:** The cost of the County's Road and Bridge construction program for 2009 is estimated at \$ 4.3 Million. Key proposed projects include:
 - Seal Coating on CSAH 10, 11, 52, 2 and 31
 - Grading on CSAH 8 between Trunk Highway (TH) 75 and the Red River
 - Grading on CSAH 11 between CSAH 18 and CSAH 26
 - Bituminous Paving on CSAH 13 between CSAH 52 and CSAH 11
 - Grading on County Road 86 from TH 10 north 1 mile
3. **Efforts to secure federal funding for CSAH 52:** We will continue our efforts to secure federal funding for the reconstruction of CSAH 52 from Sabin to the south county line in collaboration with our congressional delegates and our consultant in Washington, DC.
4. **Steps necessary to address future jail bed needs for Clay County:** Following the completion of the conceptual design work and preliminary cost estimates for the remodeling and potential expansion of the county jail, we will analyze the staffing needs and operating costs associated with the expanded facilities, financing options, debt service costs and property tax impact on our citizens before arriving at a decision on the proposed project.
5. **Social Services:** In 2009 the priority areas for Clay County Social Services will include several activities:
 - We will continue to explore and implement services aimed at keeping children safe in their parental homes. We will be working this next year to train staff and community stakeholders on the "Signs of Safety" principles and practices in the delivery of Child Protection services.
 - Social Services and Public Health Departments will jointly explore options in the delivery of Detox services that meet citizen needs and are cost effective. Detox services are mandated and almost solely funded by tax levy dollars.
 - We will continue to establish and implement the Reintegration Advance Planning (RAP) program for the jail population.
 - We will continue to formalize Disaster Preparedness Planning with agency staff and community members for appropriate response, coverage and services to Clay County citizens.
6. **Solid Waste Management:** The following primary activities are scheduled in 2009 in the area of Solid Waste Management:
 - Operate and maintain the active gas collection system--optimizing and balancing it, and determining average gas volumes.

- Explore use of the methane gas as an alternative energy source and negotiate with an end user for contract terms that: a) are beneficial to the County, b) ensure the most efficient use of the product, and, c) take into consideration the value and availability of carbon credits.
- Pursue leachate recirculation and treatment technology to both reduce costs of leachate hauling and disposal and increase the production of methane gas for recovery.
- Continue with investigation and remediation activities to the north of the traditional landfill boundary, including groundwater sampling, testing, and analyzing, and implementing appropriate and effective remediation measures.
- Step-up recycling, reuse, exchange and other waste reduction efforts in order to reduce the waste entering the landfill and to increase the County's overall recycling rate.

7. Energy Audit of County Buildings: During the past several months Clay County Staff has worked with the officials from the Moorhead Public Service, Excel Energy, and Center for Energy and Environment in Minneapolis to conduct an energy audit of various county buildings. In the next few weeks we will propose to the Clay County Board recommendations aimed at containing utility costs and making the county buildings energy efficient.

8. Veteran Services: In 2009 Clay County Veteran Services Office has received a \$19,066 grant for the outreach and marketing of the State Soldier's Assistance Program to Clay County Veterans. We will continue our best efforts in providing support services to our war veterans.

9. Intergovernmental Retreat: On Friday, January 23, 2008, Clay County Joint Powers Committee will host the 40th Clay County Intergovernmental Retreat at Courtyard by Marriot in Moorhead. Elected and management officials from the Cities, School Districts and Townships are invited to participate in the discussion on current topics that affect our county. Also invited are our state legislators and congressional delegates. This year's agenda topics include an educational forum on K-12 and higher education opportunities, a presentation on population and demographic trends in Clay County by State Demographer Tom Gillaspay, information sessions on healthy living initiatives and current infrastructure improvements planned within our county, and a legislative forum. The Intergovernmental Retreat is a day-long event and it presents an excellent opportunity for the participants to network and to learn about the current issues affecting our County.

2009 Operating Budget and Tax Levy:

On December 16, 2008, the Clay County Board adopted the annual operating budget for year 2009. The total expenditures are estimated at \$61,806,626. A large majority of County programs and services are either mandated by the state and federal governments or they are essential programs that the County must provide to protect the safety, health and welfare of the County citizens.

The primary sources of revenue necessary to pay for the County Services consist of property, gravel and other taxes (in the amount of \$24.08 million), charges for services (in the amount of \$8.73 million), intergovernmental payments such as grants and appropriations (in the amount of \$20.27 million), and other miscellaneous revenues.

The property tax levy for 2009 is set at \$22,414,024. This represents a 5.53% increase over the 2008 levy. 52.24% of the tax levy will pay for Law Enforcement, County Jail, Public Health, County Prosecution, and general government activities such as Auditor, Treasurer, Recorder, Assessor and Central

Administration; 31.42% will support County Social Services; and 12.38% will go toward Roads and Bridges.

For the County's 2009 operating budget we have prepared a document which outlines general information regarding the mission statement, annual objectives and cost of delivering services for each department. This document is available by contacting County Administration at (218) 299-5002.

Annual Audit of County Finances:

In compliance with state law, each year Clay County contracts with the Minnesota Office of State Auditor (OSA) to audit its statements of accounts, financial records and transactions completed during the program year. The intent is to ensure that the public funds are used for the purposes intended by law and that a high level of financial accountability is maintained in expending these funds. OSA performs these audits in conformance with Government Audit Standards issued by the Comptroller General of the United States.

As a part of the audit, OSA also examines the internal control procedures in place in the County. We believe that the County's internal accounting controls adequately protect assets and provide reasonable assurances of proper authorization and recording of financial transactions. OSA also issues advisory opinions on the adequate levels of fund balances necessary to cover cash flows and unforeseen or emergency situations.

In October 2008, OSA officials presented their audit report on Clay County's financial reports for the year ended December 31, 2007 to the County Board. In the issuance of the report, State Auditor Rebecca Otto wrote that OSA has *"issued an 'unqualified opinion' on Clay County's financial statements. This means that, in our opinion, the financial statements conform with applicable accounting standards."*

Closing thoughts

In closing, the Clay County Board of Commissioners is committed to the delivery of services in an efficient, cost effective, and professional manner. We place a high priority on open communications with our citizens and we welcome your input. Please feel free to contact any of the County Commissioners or County Administration if you would like to share your feedback or suggestions. Our contact information is listed on the County website.

Thank you and have a great year!

Jon Evert
Chair
Clay County Board of Commissioners