



December 17, 2020

Olmsted County Board of Commissioners and residents of Olmsted County, Minnesota,

On behalf of Olmsted County, I present to you the approved 2021 budget. This budget was carefully constructed to ensure we continue providing essential services to residents and business owners while, at the same time, dedicating much-needed resources to help our community manage through the COVID-19 pandemic. This public health emergency has impacted our lives in numerous ways, and for many in our community, it has been a tremendously difficult year. We are hopeful a vaccine becomes widely available in 2021, so we can resume many of life’s joys and activities that have been put on hold.

The financial decisions that drive our Olmsted County budget are guided by a dedication to using public resources wisely to provide high quality service with care to the community. We adhere to strong financial policies and practices which is evidenced by our 2020 Aaa/AAA credit rating (with a stable outlook) – the highest possible rating – from both Moody’s Investors Service and S&P Global Ratings.

### **Developing the budget**

To reach Olmsted County’s budget, we add together our base budget and our approved budget decision requests (which include capital improvement program projects.) Various sources fund this budget such as property taxes, charges for services, and grants.

For 2021, the approved budget for the county and the Housing and Redevelopment Authority (HRA) combined totals \$263,995,510. Of this total, \$111,330,443 is funded with county and HRA property taxes of \$107,552,788 and \$3,777,655, respectively. The remaining \$152,665,057 of our budget comes from intergovernmental revenues, charges for services, transportation taxes, bond proceeds, reserves, interest income, and other miscellaneous sources.

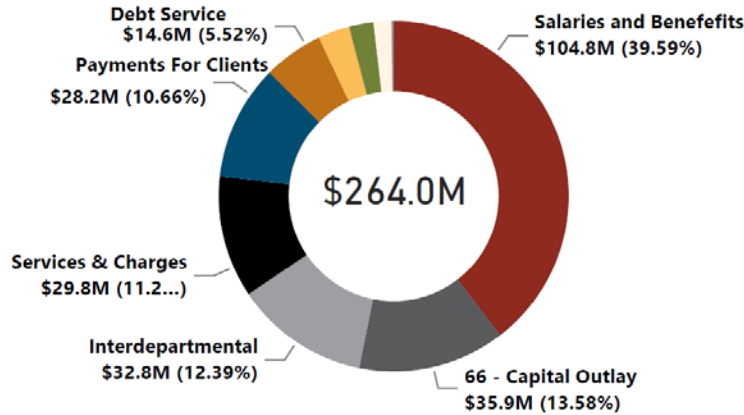
The county’s \$107,552,788 property tax is a 0.00% increase over 2020. The chart below illustrates the tax supported portions of the budget.

<b>County only</b>	<b>Base budget</b>	<b>Approved budget decision requests</b>	<b>Approved budget</b>
<b>Property tax levy increase</b>	<b>(1.10%)</b>	<b>1.10%</b>	<b>0.00%</b>

The HRA \$3,777,655 property tax has been increased by \$239,022 (the maximum allowed by MN Statute) over 2020. These additional funds will be used for homelessness prevention and housing stability, development, and rehabilitation at a critical time of need in our communities.

As noted above, the total 2021 approved budget is \$263,995,510, compared to 2020 expenditures of \$263,400,563.

**Expenses and Other Funding Uses**



Category	Amount	%
Salaries and Benefits	\$104,756,335	39.68%
Capital Outlay	\$35,921,771	13.61%
Interdepartmental	\$32,793,733	12.42%
Services & Charges	\$29,765,544	11.28%
Payments For Clients	\$28,198,910	10.68%
Debt Service	\$14,596,471	5.53%
Supplies	\$7,724,972	2.93%
Miscellaneous	\$5,969,438	2.26%
Transfers Out	\$4,383,196	1.66%
Contingency	\$501,391	0.19%
Interest Expenses	\$0	0.00%
Contra-Accounts	(\$616,251)	-0.23%
<b>Total</b>	<b>\$263,995,510</b>	<b>100.00%</b>

We use our budget to accomplish several strategic, capital, and community priorities, a few of which I'd like to highlight below.

**Strategic highlights**

**COVID-19 Response**

In 2021, Olmsted County will continue its COVID-19 response efforts in the community. Currently, we have more than 160 employees activated to COVID-19 – this includes both the public health response and the human services response. In 2021, we will continue working in collaboration with community partners such as Mayo Clinic, Olmsted Medical Center, school districts, businesses, and non-profits to ensure individuals and families have access to the information and resources they need during this pandemic. Further, we will continue ensuring that our public assistance recipients receive uninterrupted benefits through the duration of the pandemic. The COVID vaccine has already arrived in Olmsted County. Working with partners in the community to effectively and efficiently distribute this vaccine will be a high priority. Olmsted County Public Health has already done a tremendous job leading the COVID-19 charge in 2020. I know they will continue this great work in 2021 and appreciate all they are doing to protect, promote, and improve the health of all people in Olmsted County.

**Diversity, Equity, and Inclusion**

In 2021, we will also continue our work to strengthen diversity, equity, and inclusion (DEI) efforts across Olmsted County. We set a great foundation for this work in 2020.

Internally, with our employee population, we launched our One Olmsted project team and steering committees in 2020. One Olmsted is our county's diversity, equity and inclusion (DEI) initiative. This past year, Americans experienced civil unrest due to racial injustice across the nation. As part of One Olmsted, discussion circles were offered to allow employees to talk about these matters safely with their peers. Other initiatives include supporting an inclusive work environment and utilizing a DEI lens in our hiring process. Training will be offered to help staff review current county policies with a DEI lens. Olmsted County employee core competencies have been revised for 2021, with DEI as a key element in evaluating employee performance. Educational and professional opportunities like these are part of the robust strategy for One Olmsted in 2021.

In August 2020, Olmsted County launched a new Diversity, Equity, and Community Outreach team. The purpose of this team is to help eliminate disparities in our community services programs. Two specific strategies will include our pretrial services team which seeks potential appropriate alternatives to jail and our outreach team that works side by side with law enforcement to help determine the most appropriate remedy during a law enforcement response. In 2021, this team will focus on providing services to our community such as mental health, chemical dependency, homelessness, and overall safety and well-being. Specialists will both respond to calls for service and proactively work to reach populations in our community. The goal is to reach those that are disparately and disproportionately affected by public health matters that have historically been handled through the criminal justice system. This team will work collaboratively with many partners to meet community needs for alternatives to jail or criminal charges while still ensuring community safety.

In August 2020, a resolution was passed by the Olmsted County Board of Commissioners directing the Public Health Services Advisory Board and the Human Rights Commission to work together to study and investigate race and racism as a public health issue. The county board noted that race has been identified as a core factor in documented disparities in health outcomes for residents. The board expects to receive final results from the study in 2021, and, at that time, will begin implementing approved action steps to address this issue.

### **Capital improvement program highlights**

For the past several years, Olmsted County has been assessing its facilities space to accommodate future growth. Olmsted County has an obligation to provide space to support justice system needs, and as it stands, there are some recommended improvements. As identified in an assessment and feasibility study conducted in 2013, one of the suggested needs is another courtroom to handle cases on the felony docket. Additional evaluations have been conducted since then and a revised plan was presented to the Olmsted County Board of Commissioners in 2020 that attempts to capture other space needs related to the justice system. In addition, a temporary courtroom space is being constructed in the Annex building to attempt to continue unwinding the backlog of cases due to physical distancing guidelines during the COVID-19 pandemic.

In 2021, we expect to make decisions at the county level about potential reallocation of space or expansion of our facilities footprint. Due to the ongoing COVID-19 pandemic, a large percentage of our employee population has been successfully working remotely. Because of

the increase in remote work, we will be evaluating whether certain teams can continue working remote long-term and assessing whether those teams' office spaces can be utilized for other county needs.

We also expect to see some changes to our fleet of county vehicles in 2021. In 2019, we conducted an evaluation to determine how an electric vehicle (EV) or plug-in hybrid electric (PHEV) would perform following the same drive cycles and driving patterns of an existing motor pool vehicle. This evaluation allowed us to see how an EV or PHEV would have performed had it driven the same trips over the period of observation, providing a clear understanding of whether they would be successful in the same use case. As part of this evaluation, we also assessed the size of the fleet to determine if we have the appropriate number of vehicles for county staff. In 2021, we plan to implement some of the motor pool recommendations that came out of this study.

Other 2021 capital project highlights include planning for the Municipal Recycling Facility (MRF), replacement of the Oxbow Park Nature Center, new park facilities at Lake Zumbro Park, and continued progress on master plan implementation at Graham Park.

## **Community resources**

In addition to our operations, the county supports community resources that improve quality of life for residents. The 2021 budget includes a \$7 million investment in our county parks system, \$1.3 million for local libraries, and an additional \$1.2 million for other community resources such as the History Center of Olmsted County, Legal Assistance of Olmsted County, and the Olmsted Soil and Water Conservation District.

## **Summary**

I believe this budget advances the Olmsted County Board of Commissioners' dedication to providing excellent services that support a high quality of life for families and individuals in Olmsted County while acknowledging the importance of keeping property tax increases to a minimum during this difficult time.

Finally, my thank you to Olmsted County's 1,250 employees, whose dedication to the community has made all the difference in a year as difficult as 2020.

Sincerely,



Heidi Welsch  
Olmsted County Administrator

[View the 2021 Budget in Brief document](#)