



PINE COUNTY

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County Administrator

David J. Minke

TO: Pine County Commissioners
FROM: David Minke, County Administrator
DATE: July 16, 2020
SUBJECT: Second Quarter 2020 Budget Report

The second quarter has been one of great uncertainty as the nation and the world have responded to a pandemic and economic meltdown. As county service delivery was modified, and as the stay-at-home and work-from-home orders played out, the county made business decisions to balance needs and exercise prudence with regards to spending. At the end of the second quarter, the budget reflects these choices and the county is reasonably well positioned to move forward through continued uncertainty.

Chart 1 shows revenue and expenditure as a percent of the budget for the county by the three major funds (General, Health & Human Services, and Road & Bridge). As of June 30, all funds are below 50% spent. Revenues are all below expenditures, except for Road and Bridge. This situation is expected as most county revenues lag as they are reimbursements for services, or like the property tax settlement, happen only once or twice per year.

Chart 2 shows the revenue in the General Fund by department compared to 2019. Given the pandemic and the anticipated slowdown in revenue, the revenues at the end of the second quarter look good. Permit activity in Planning and Zoning has been high, which is reflected in the graph. The Jail revenue continues at the same rate. Revenues were at 31% at the end of the first quarter and are now at 61%. Government building revenue is behind 2019, but 2019 was an anomaly as Pine City paid 100% of its rent payment at the beginning of the year. Probation revenue appears low, but that is due to the timing of the state CPO Aid payment. One hundred percent was paid at this point in 2019 and none has been paid yet this year.

Chart 3 shows the expenditures of the larger departments in the General Fund through the end of June. Most departments are below 50% except for the IT and Recorder. These departments pay for annual contract expenses at the beginning of the year and the current spending level is as expected.

Chart 4 shows the Health and Human Services revenues and expenditures. All divisions are below 50% on expenditures, and revenues are where expected at the end of the second quarter. Social Services has seen the most impact on service modifications during the pandemic and has used vacancy management and furloughs to manage the budget.

Chart 5 shows sales tax collections as of June 30th, comparing 2019 and 2020. Despite the pandemic, sales tax collections as of June 30th are at \$493,522 or 39% of budget. At this time of the year in 2019, collections were nearly \$44,000 lower and only 31% of budget. Because of the lag in collections, the county revenue through June only reflects collections through May,

Chart 1
Revenue and Expenditure 2019 v 2020 by Fund thru 6/30

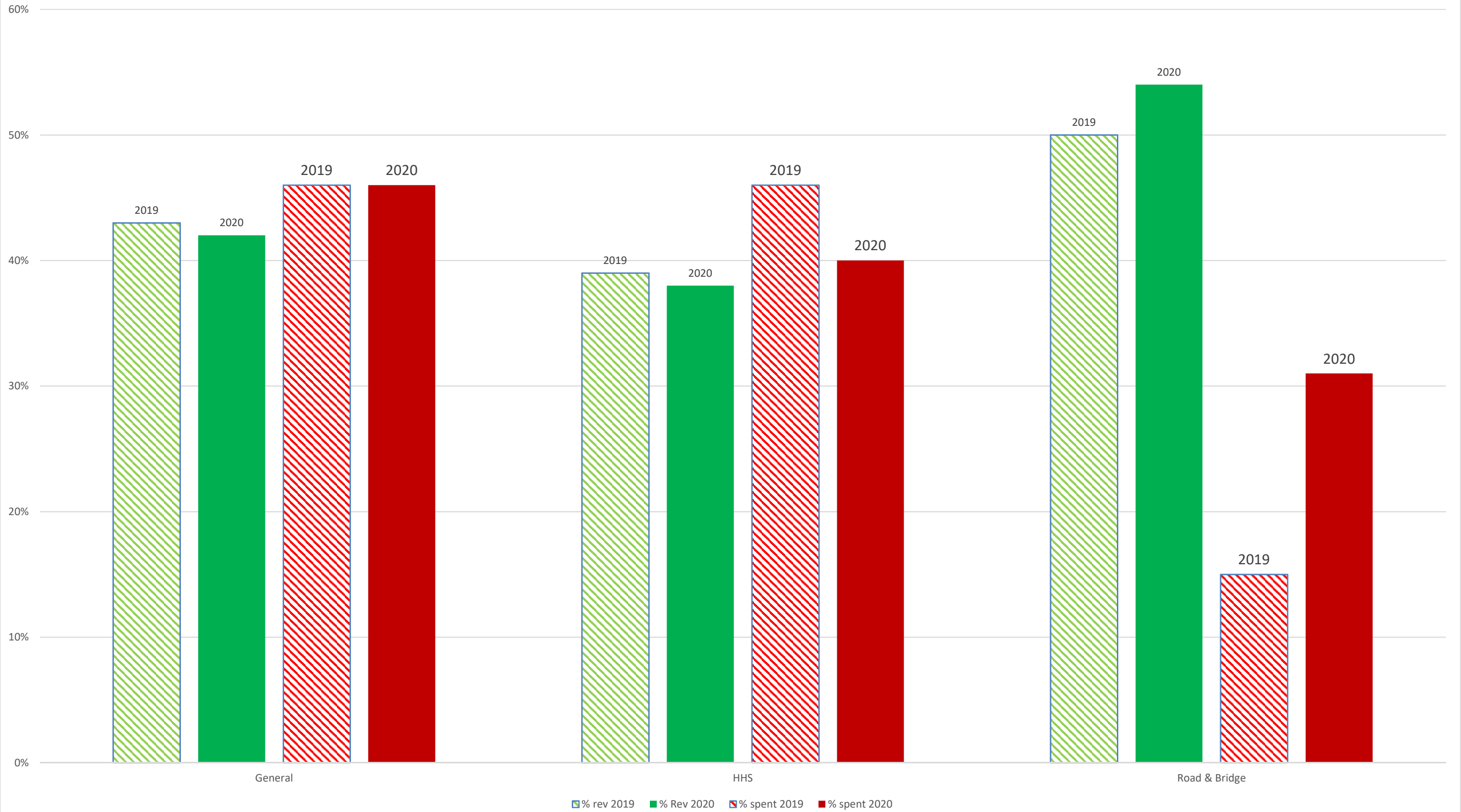


Chart 2
General Fund Revenue Select Departments 2019 v 2020 thru 6/30

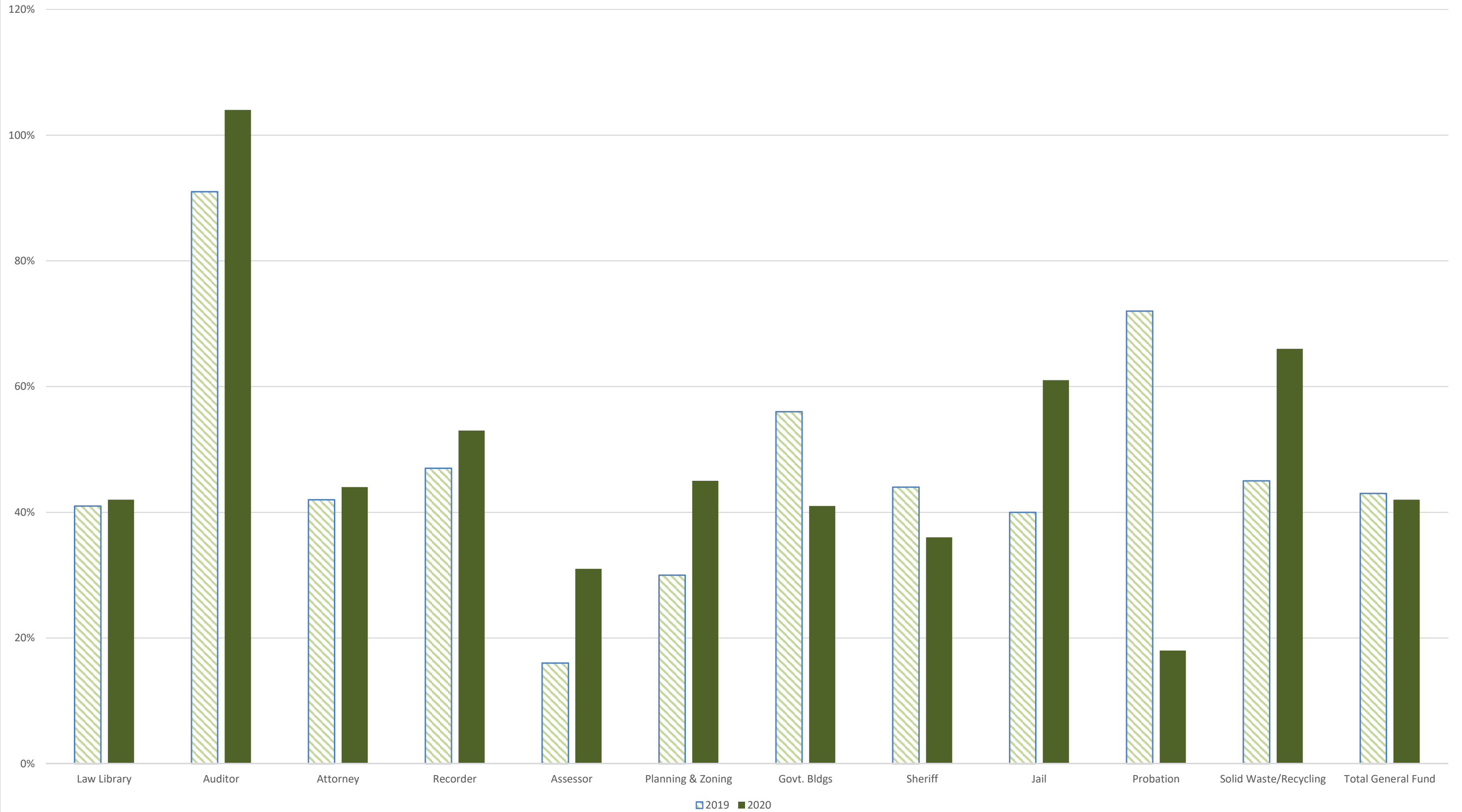


Chart 3
 General Fund Expenditures by Department 2019 v 2020 thru 6/30

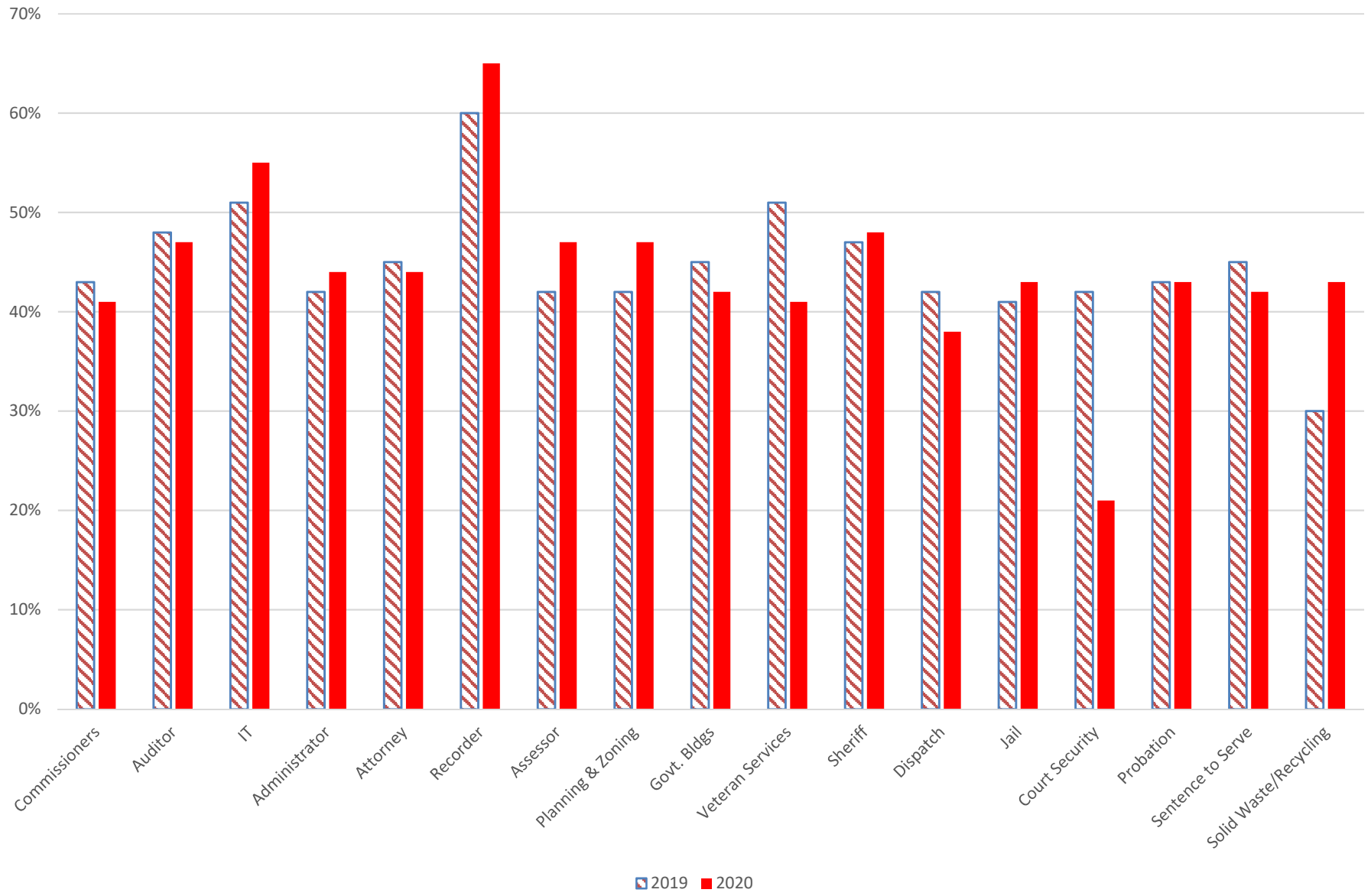


Chart 4
HHS Revenue and Expenditures 2020 Thru 6/30/20

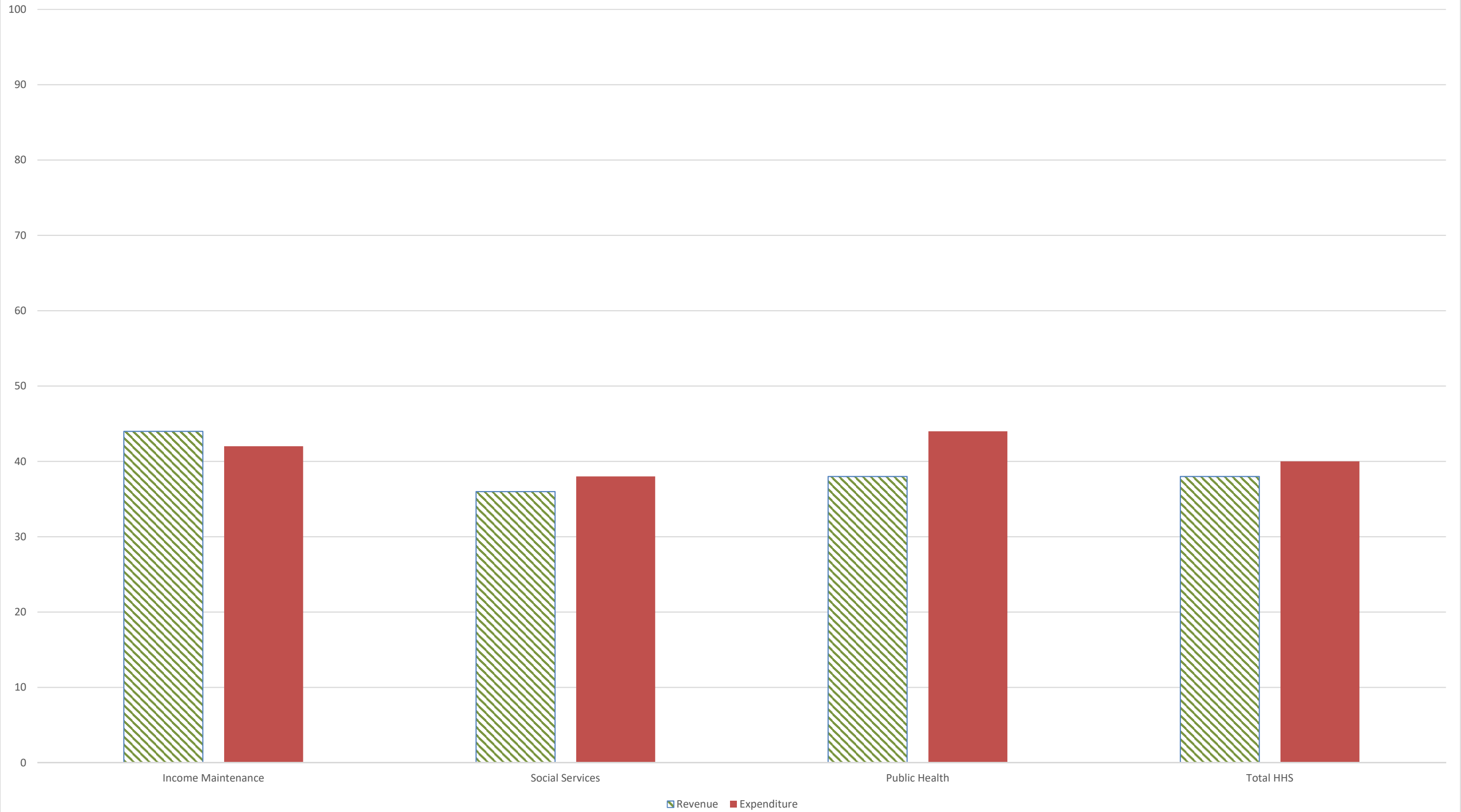


Chart 5
Sales Tax for Transportation Collections 2019 v 2020 through 6/30

