

HENNEPIN COUNTY

MINNESOTA

FINAL COMMITTEE AGENDA

ADMINISTRATION, OPERATIONS AND BUDGET COMMITTEE

TUESDAY, SEPTEMBER 10, 2024
1:30 PM

Chair: Debbie Goettel, District 5
ViceChair: Heather Edelson, District 6
Members: Jeff Lunde, District 1
Irene Fernando, District 2
Marion Greene, District 3
Angela Conley, District 4
Kevin Anderson, District 7

1. Presentation

- 1.A. Proposed 2025 Operating and Capital Budgets - David J. Hough, County Administrator

2. Minutes from Previous Meeting

- 2.A. August 13, 2024 Minutes

3. New Business

Addendum

- 3.A. [24-0371](#)
Set maximum 2025 property tax levy and proposed 2025 budget
- 3.B. [24-0372](#)
Establish schedule of the Budget and Capital Investment Committee to consider the proposed 2025 budget; establish fee schedule for 2025 and establish date and time for required public hearings and meetings for the adoption of the final 2025 budget and levy
- 3.C. [24-0373](#)
2025 Proposed Operating and Capital Budgets
- 3.D. [24-0374](#)
Establish 2025 health plan and premium rates for self-insured health care program applicable to employees, eligible dependents and retirees
- 3.E. [24-0375](#)
Neg Lease Agmt with Hospitality Globe, Inc. of Brooklyn Park, Minnesota for temporary accommodation for families, 10/01/24-09/30/26, \$5,931,250
- 3.F. [24-0376](#)
Transition planning for Hennepin Healthcare Systems, Inc. - offered by Commissioner Edelson

HENNEPIN COUNTY

300 South Sixth Street
Minneapolis, MN
55487-0240

MINNESOTA

Board Action Request

TMP-1368

Item Description:

Proposed 2025 Operating and Capital Budgets - David J. Hough, County Administrator

HENNEPIN COUNTY

300 South Sixth Street
Minneapolis, MN
55487-0240

MINNESOTA

Board Action Request

TMP-1357

Item Description:

August 13, 2024 Minutes

HENNEPIN COUNTY

MINNESOTA

COMMITTEE MINUTES

ADMINISTRATION, OPERATIONS AND BUDGET COMMITTEE

TUESDAY, AUGUST 13, 2024
1:30 PM

Chair: Debbie Goettel, District 5
ViceChair: Heather Edelson, District 6
Members: Jeff Lunde, District 1
Irene Fernando, District 2
Marion Greene, District 3
Angela Conley, District 4
Kevin Anderson, District 7

Commissioner Debbie Goettel, Chair, called the meeting of the Administration, Operations and Budget Committee for Tuesday, August 13, 2024 to order at 1:30 p.m.

Present: Commissioner Debbie Goettel, Jeff Lunde, Irene Fernando, Marion Greene, Angela Conley, Kevin Anderson and Heather Edelson

1. Presentation

1.A. Assessment Trends and Preliminary 2025 Budget Property Tax Impacts - David Hough, Joe Mathews and Josh Hoogland

2. Minutes from Previous Meeting

2.A. July 30, 2024 Minutes

APPROVE

Commissioner Kevin Anderson moved, seconded by Commissioner Marion Greene, to approve the Minutes.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley, Commissioner Anderson and Commissioner Edelson

3. Open Appointment Interviews

3.A. [24-0332](#)

2024 Watershed Board Applicants and Appointments - Nine Mile Creek Watershed District Board

PROGRESS

Commissioner Debbie Goettel called out an administrative edit to correct the title of the item to Nine Mile Creek Watershed District Board. Two interview statements were played for those that applied to the watershed Board: Applicants Bob Cutshall, and Brian Kirk. Commissioner Kevin Anderson moved, seconded by Commissioner Angela Conley, to progress the Resolution to the August 20, 2024 Board meeting.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley, Commissioner Anderson and Commissioner Edelson

4. New Business

Routine Items

4.A. [24-0333](#)

Establish a public hearing for comment on the program year 2023 Consolidated Annual Performance and Evaluation Report related to the HUD CDBG, HOME & ESG programs in suburban Hennepin County on Tuesday, September 24, 2024, at 1:30 p.m.

CONSENT

Commissioner Irene Fernando moved, seconded by Commissioner Heather Edelson, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley, Commissioner Anderson and Commissioner Edelson

4.B. [24-0334](#)

Agmt A2412514 with L&H Partners Owner LLC, and Agmt A2412515 with L&H Partners Owner 2 LLC, for the lease of parking within the South Minneapolis Human Services Center parking ramp at 2215 East Lake St, Mpls, (recv \$72,000 first year rent)

CONSENT

Commissioner Angela Conley moved, seconded by Commissioner Irene Fernando, to approve the Resolution.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley, Commissioner Anderson and Commissioner Edelson

Addendum

4.C. [24-0345](#)

Commissioner compensation - offered by Commissioners Conley and Anderson

PROGRESS

Commissioner Kevin Anderson moved, seconded by Commissioner Heather Edelson, to progress the Resolution to the August 20th Board meeting.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley, Commissioner Anderson and Commissioner Edelson

4.D. [24-0346](#)

Countywide elected compensation - offered by Commissioner Goettel

NON-CONSENT

Commissioner Debbie Goettel moved, seconded by Commissioner Irene Fernando, to approve the Resolution. The motion failed.

Aye: Commissioner Goettel and Commissioner Fernando

Nay: Commissioner Lunde, Commissioner Greene, Commissioner Conley, Commissioner Anderson and Commissioner Edelson

4.E. [24-0347](#)

Countywide elected compensation - offered by Commissioner Edelson

CONSENT

After discussion, Commissioner Irene Fernando moved a friendly amendment to change the dates to Jan 1, seconded by Commissioner Kevin Anderson and approved unanimously. Commissioner Heather Edelson moved, seconded by Commissioner Kevin Anderson, to approve the Resolution as amended.

Aye: Commissioner Goettel, Commissioner Lunde, Commissioner Fernando, Commissioner Greene, Commissioner Conley, Commissioner Anderson and Commissioner Edelson

Board Action Request

24-0371

Item Description:

Set maximum 2025 property tax levy and proposed 2025 budget

Resolution:

BE IT RESOLVED, that the Hennepin County Board of Commissioners hereby adopts a 2025 maximum property tax levy of \$1,045,829,900 and proposed budget of \$2,950,885,900; and

BE IT FURTHER RESOLVED, that the 2025 maximum property tax levy of \$1,045,829,900 be certified to the County Auditor.

Background:

Pursuant to Minnesota Statutes, section 275.065, subdivision 1, all counties must approve a proposed budget and a maximum property tax levy for 2025 by September 30, 2024.

The 2025 maximum tax levy is \$1,045,829,900, a 5.5 percent increase compared to the 2024 adopted levy. The budget proposed by the County Administrator is \$2,950,885,900. The parcelspecific notice of proposed taxes sent to taxpayers in November is based on this proposed levy. While the final approved budget may be higher or lower than the one proposed, the final tax levy adopted in December cannot exceed the maximum tax levy which is adopted by this resolution. The County Administrator presented the proposed 2025 budget on Tuesday, September 10, 2024.

Recommendation from County Administrator: No Recommendation

Board Action Request

24-0372

Item Description:

Establish schedule of the Budget and Capital Investment Committee to consider the proposed 2025 budget; establish fee schedule for 2025 and establish date and time for required public hearings and meetings for the adoption of the final 2025 budget and levy

Resolution:

BE IT RESOLVED, that pursuant to Minnesota Statute § 373.40, a public hearing on the county's 2025-2029 Capital Improvement Program be held on Wednesday, October 23, 2024 at 12:00 p.m. in the Hennepin County Board Room for public comments, followed by a capital budget presentation by the Capital Budgeting Task Force; and

BE IT FURTHER RESOLVED, that pursuant to Minnesota Statute § 383B.118, a public hearing to consider proposed 2025 fee changes by various departments be held on Wednesday, October 23, 2024 in the Hennepin County Board Room for public comments, immediately following the capital budget presentation by the Capital Budgeting Task Force; and

BE IT FURTHER RESOLVED, that pursuant to Minnesota Statute § 275.065, a public meeting be scheduled for Tuesday, December 3, 2024 at 6:00 p.m. in the Hennepin County Board Room to obtain public input on the 2025 budget and property tax levy; and

BE IT FURTHER RESOLVED, that the final 2025 budget and property tax levy adoption be scheduled for Thursday, December 12, 2024 at the 1:30 p.m. county board meeting; and

BE IT FURTHER RESOLVED, that the Office of Budget and Finance is directed to publish legally required notices.

Background:

The attached 2025 budget hearing schedule was previously approved by the Board through Resolution 23-0516 and Resolution 24-0224.

Capital Improvement Program Public Hearing

Minnesota Statutes § 373.40, subdivision 2(b) requires a public hearing prior to the issuance of bonds under the provisions of subdivision 2(a). That subdivision allows issuance of bonds without an election as long as the county has an approved Capital Improvement Program. As part of the annual budget process, Hennepin County adopts a five-year Capital Improvement Program. This action sets the public hearing date to coincide with the Budget and Capital Investment Committee hearing, at which the Capital Budgeting Task Force (CBTF) will present its recommended 2025 Capital Budget and 2025-2029 Capital Improvement Program on Wednesday, October 23, 2024 at 12:00 p.m.

Fees Public Hearing

Minnesota Statute Section 383B.118 requires that the county hold a public hearing prior to increasing fees. Staff recommends holding this hearing on Wednesday, October 23, 2024 immediately following the capital budget presentation at 12:00 p.m.

Truth in Taxation Public Hearing

Under Minnesota Statutes § 275.065, subdivision 3(c), Hennepin County is required to hold a meeting at which the budget and levy will be discussed, and public input allowed, prior to the final budget and levy determination. The meeting must occur after November 24 and must not be held before 6:00 p.m. Staff recommends the board approve a starting time of 6:00 p.m. on Tuesday, December 3, 2024, for this public meeting.

The Office of Budget and Finance will be responsible for publishing notice of the hearings. The schedule of the Administration, Libraries and Budget Committee meeting dates to consider the 2025 proposed budget is attached.

Recommendation from County Administrator: No Recommendation

2025 Budget Hearing Schedule

(*as of May 14, 2024)

Tuesday, September 10, 2024 – 1:30 p.m.

County Administrator presents proposed 2025 budget to County Board

Tuesday, September 17, 2024 – 1:30 p.m.

County Board adopts maximum 2025 property tax levy.

HCRRA and HCHRA maximum levies are approved by their respective boards.

Monday, October 7, 2024, 12:00 noon

Human Services, Health, and Public Health

Wednesday, October 9, 2024, 12:00 noon

Disparity Reduction and Public Works

Wednesday, October 23, 2024, 12:00 noon

Capital Budget Public Hearing, Capital Budgeting Task Force (CBTF) presentation,
Fees Public Hearing

Thursday, October 24, 2024, 12:00 noon

Operations and Resident Services

Monday, October 28, 2024, 12:00 noon

Law, Safety and Justice

Wednesday, November 13, 2024, 12:00 noon

Administrator amendments

Thursday, November 21, 2024, 12:00 noon

Commissioner amendments

Tuesday, December 3, 2024, 6:00 pm

Truth in Taxation Public Hearing

Thursday, December 12, 2024 – 1:30 pm

County Board approves 2025 budget / levy at regularly scheduled board meeting

Board Action Request

24-0373

Item Description:

2025 Proposed Operating and Capital Budgets

Resolution:

BE IT RESOLVED, that the 2025 Operating and Capital Budgets as proposed by the County Administrator on September 10, 2024 be adopted.

Background:

Staff requests this board action be referred to the first budget hearing on October 7, 2024 as listed on the budget hearing schedule.

The County Administrator presented the proposed 2025 budget to the County Board on September 10, 2024. The 2025 Proposed Operating and Capital budgets will be considered at the Administration, Libraries and Budget Committee hearings, according to the schedule approved Tuesday, September 17, 2024 through Resolution 24-0372, and is scheduled for adoption at the December 12, 2024 board meeting.

Recommendation from County Administrator: No Recommendation

MINNESOTA

Board Action Request

24-0374

Item Description:

Establish 2025 health plan and premium rates for self-insured health care program applicable to employees, eligible dependents and retirees

Resolution:

BE IT RESOLVED, that the Hennepin County Board of Commissioners hereby establishes the 2025 Hennepin County employee health care plan and premiums.

Background:

Premium determination:

Premiums are actuarially determined by use of historical and current claims information, population risk factors and expected medical inflation.

Health Care Plan Enrollment:

Average 2024 Enrollment

Employee only	4,732
Employee + Spouse	790
Employee + Child(ren)	1,409
Employee + Family	<u>2,169</u>
Total Enrolled	9,100

Health premium rates and plan design:

See attachments

Recommendation from County Administrator: Recommend Approval



2025 Hennepin County Employee Health Plan Premiums

2025 Plan						
Plan Tier	Monthly Premium	Monthly Employer Contribution	Employer Cost Share	Monthly Employee Contribution	Employee Cost Share	Biweekly Employee Contribution
Employee Only	\$1,079.87	\$1,047.47	97.0%	\$32.40	3.0%	\$14.95
Employee + Spouse	\$2,537.60	\$2,106.21	83.0%	\$431.39	17.0%	\$199.10
Employee + Child(ren)	\$1,943.69	\$1,613.26	83.0%	\$330.43	17.0%	\$152.51
Employee + Family	\$2,969.56	\$2,524.13	85.0%	\$445.43	15.0%	\$205.58



2025 Hennepin County Employee Health Plan

2025 Plan	
Plan Design <i>Without</i> Wellness Incentive	In-network
Deductible (single/family)	\$500 / \$1,000
Out-of-pocket maximum (single/family)	\$3,000 / \$5,000
General coinsurance	20%
Office visits	
Preventive care	Free
Primary care	\$20 after deductible
Specialist	\$20 after deductible
Behavioral and chemical health	Free
Inpatient services	\$125 after deductible
Outpatient services	\$50 after deductible
Imaging	20% after deductible
Urgent care	\$20 after deductible
Emergency room	\$100 after deductible
Retail / Mail order Rx	(Deductible does not apply)
Generic	\$20 / \$60
Formulary	\$50 / \$150
Non-Formulary	\$50 / \$150

Notes:

- Plan designs for enrollees earning the wellness incentive include no copays for office visits, urgent care, and some other services not listed above.
- Out-of-network coverage remains the same as 2024.
- Out of pocket maximum remains the same as 2024

Board Action Request

24-0375

Item Description:

Neg Lease Agmt with Hospitality Globe, Inc. of Brooklyn Park, Minnesota for temporary accommodation for families, 10/01/24-09/30/26, \$5,931,250

Resolution:

BE IT RESOLVED, that the County Administrator be authorized to negotiate Lease Agreement LS00000036 with Hospitality Globe, Inc. of Brooklyn Park, Minnesota to lease property for families experiencing homelessness, during the period of approximately October 1, 2024 through September 30, 2026, in the amount of \$5,931,250; that following review and approval by the County Attorney's Office, the Chair of the Board be authorized to sign the Agreement on behalf of the County; and that the Controller be authorized to accept and disburse funds as directed.

Background:

Hennepin County has leased a hotel in Bloomington to provide temporary overflow accommodations for families experiencing homelessness. That location will no longer be available and so the County is proposing to lease a 121-room property in Brooklyn Park to provide temporary overflow accommodations for families experience homelessness.

Hennepin County has had a shelter-all policy for families with children since 2005, but recently that practice has been severely tested. As of September 1st, 2024, family shelter and overflow sites are currently at more than 230% of normal capacity. Levels of family homelessness began increasing steeply following the end of pandemic-related federal rent assistance and the eviction moratorium in 2022.

Hennepin County remains committed to temporarily sheltering families and making homelessness rare, brief, and nonrecurring. Through the temporary lease of this building, the County can ensure that temporary accommodations can be made available for families with children.

Current Request: Authorization to negotiate LS00000036 with Hospitality Globe, Inc. to lease 121 rooms from October 1, 2024 through September 30, 2026, in the amount of \$5,931,250.

Impact/Outcomes: Approval of Lease Agreement will allow the County to provide temporary overflow accommodations for families experiencing homelessness when other family shelters are at capacity.

Recommendation from County Administrator: Recommend Approval

Board Action Request

24-0376

Item Description:

Transition planning for Hennepin Healthcare Systems, Inc. - offered by Commissioner Edelson

WHEREAS, on January 1, 2007, Hennepin County Medical Center's (HCMC) operational oversight transitioned from Hennepin County to a subsidiary Public Corporation, Hennepin Healthcare System (HHS); and

WHEREAS, Hennepin Healthcare System is a public corporation pursuant to Minnesota Statute §§ 383B.901; and

WHEREAS, the Hennepin County Board believes it is appropriate to establish a policy and process that would apply in the case there was a vote to dissolve the HHS corporation, reorganize the HHS corporation, or remove the HHS corporate board under Minnesota Statute §§ 383B.908, Subdivision 7, including planning to protect patient care and the dedicated staff; and therefore

Resolution:

BE IT RESOLVED, that the Hennepin County Board will provide the Hennepin Healthcare System a written notice before taking action to dissolve the HHS corporation, or reorganize the HHS corporation, or remove the HHS corporate board, specifying the reasons for the County Board's proposed action; and

BE IT FURTHER RESOLVED, that County Administration and the Hennepin County Board may hire a consultant to assist in creating a transition plan if a resolution under Minnesota Statute § 383B.908, subdivision 7, is approved; and

BE IT FURTHER RESOLVED, a transition plan shall be created by the County Administrator if such a vote were to take place to reduce and mitigate impacts to quality of care, access of care and Hennepin Healthcare employees', compensation and benefits as the result of dissolution of the Hennepin Healthcare System. A transition plan may be required if the HHS board is reorganized in a way that would change legal obligations; and

BE IT FURTHER RESOLVED, a transition plan shall assess the legal and practical implications of dissolving the corporation, including obligations to creditors, existing contracts, outstanding bond obligations, accredited programs and services, research and education commitments, reimbursements, regulatory requirements, and potential impacts to critical statewide services such as the Minnesota Poison Control System and the emergency preparedness resources hub; and

BE IT FURTHER RESOLVED, a transition plan shall allow for an open and public process to engage the community for feedback.

Recommendation from County Administrator: No Recommendation