

Ramsey County 2019 Financial Overview and Fund Balance Report Summary

Prepared for the Ramsey County
Board of Commissioners
August 25, 2020

Purpose of the Presentation

- Review how Ramsey County ended 2019 financially
- Summarize the Ramsey County 2019 Fund Balance Report
- Financial Challenges
- Opportunities in Crisis

The [2019 Comprehensive Annual Financial Report](#)
is posted on ramseycounty.us/budget

Ramsey County's Financial Position Remained Strong in 2019

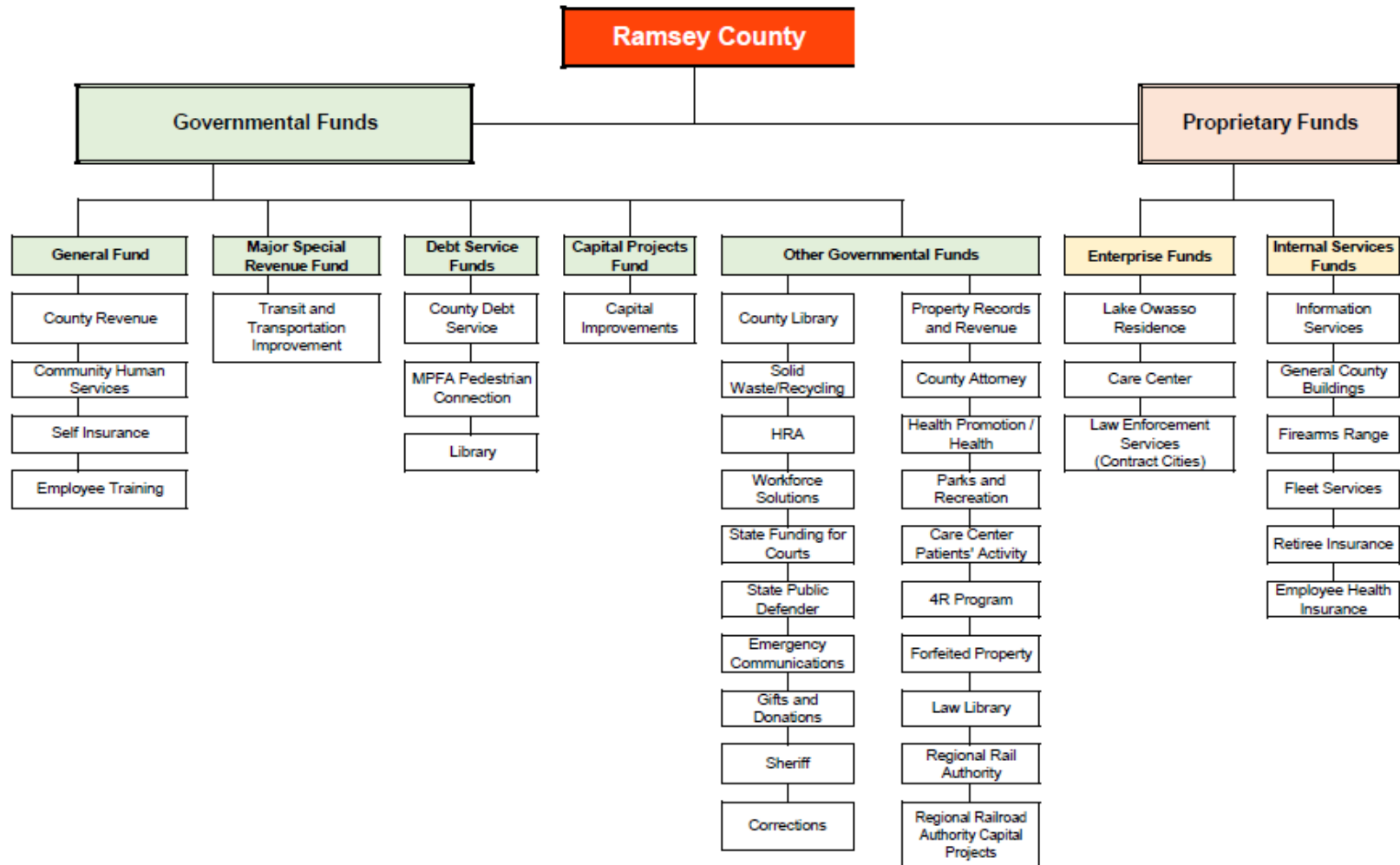
- **Total General Fund (GF) Balance** increased \$8.8M or 3.5% (from \$254.8M in 2018 to \$263.6M in 2019).
 - Reclassification of agency funds to the GF for discretionary items.
 - Vadnais Sports Center consolidated into the GF.
 - Change in Missing Heirs reporting structure.
 - Negative change in fund balance due to transfers between funds.
- **Unassigned General Fund Balance** decreased by \$31.8M or 16.7% (from \$190.3M in 2018 to \$158.5M in 2019).
 - Decrease due to change in classification.
 - Temporary advance of cash to the road and bridge fund due to timing of revenues from the state.

Ramsey County's Financial Position Remained Strong in 2019

- **Total Outstanding Debt** decreased \$8.3M or (4.3%).
 - Annual debt payments greater than new bonds issued.
- **Net Position** increased \$87.2M or 11.9% to \$816.6M.
 - Increase in transit and transportation improvement tax revenue.
 - Increase in net investment in capital assets.
 - Increase in investment income.
- **Total Taxable Market Value** increased \$3.5B or 6.7% (from \$51.6B in 2018 to \$55.1B in 2019).
 - Increase in value of property throughout the county.
 - Strong economy in 2019.

2019 Financial Achievements as Recognized by Independent Evaluators

- **AAA bond rating** received from both rating agencies (since 2001):
 - In the top 2.1% of U.S. counties.
 - One of four in Minnesota and one of only 65 of 3,144 U.S. counties.
- The rating agencies commented very favorably on the county's:
 - Very strong management.
 - Stable operations and healthy reserves.
 - Low debt burden.
 - Strong budgeting practices.
- Received **all three** Government Finance Officers Association (GFOA) awards:
 - Comprehensive Annual Report (CAFR).
 - Budget Presentation.
 - Popular Annual Financial Report (PAFR).
- Unmodified (clean) audit opinion from the State Auditor.



General Fund Balance Policy

- Maintain an **unrestricted** General Fund balance of no more than 50% of current year revenues, current year expenditures or the subsequent year's operating budget.
 - Based on the 2019 calculation, this amount would have been \$265.7M (subsequent year operating budget); actual was \$206.9M.
 - Any unrestricted General Fund balance in excess of the 50% threshold is transferred to the Capital Projects Fund.
 - No transfer was made in 2019. Recent transfers: 2013, 2014, 2015 and 2018.
- Maintain an **unassigned** General Fund balance of no less than two months of the subsequent year's budget.
 - 2019 unassigned balance provides for 3.7 months.

More information on the county's Fund Balance Policy can be found in the [2019 Comprehensive Annual Financial Report](#)

(hard copy page 56, web copy page 67)

New Challenges in 2020 and beyond

- Unprecedented moment in time
 - Unknowns are high which impacts our economy and residents.
 - The pandemic and significant economic downturn are impacting our entire community.
 - This is the rainy day.
- Considerations
 - Effect on county residents.
 - Effect on county revenue – including the impact of property tax in October.
 - Unemployment rate.
 - Effect of the civil unrest.
 - Federal support and the presidential election.
 - State funding.
 - Evictions and food insecurity.

Opportunities in a Crisis

Focus on our mission and core services

- Flexibility and ability to pivot to new needs of the community, explore service redesign and potential revenue opportunities.
 - Continue and increase community engagement activities.
 - Long-term goals and short-term successes.
- Focus on our mission and core services.
 - Take a hard look at the budget and services.
 - Use technology to make more streamlined processes, reduce manual work and modernize.
 - Racial equity work and community engagement.
 - Longer term planning for 2022/2023.
 - Smoothing the cliffs in some programs post CARES such as in homelessness.

Opportunities in a Crisis

Focus on our mission and core services

- Review **expenditure risks**:
 - Demand for new and/or increased programs and services in key areas.
 - More people and different families who have never been on our programs coming into the system.
- Review **revenue risks**:
 - Reliability of intergovernmental revenues and grants.
 - Elasticity of fee-based program revenues.
 - Property tax implications.
 - Stability of investment income.
 - Reliability of transit improvement tax revenue.
- **Focus on the strategic priorities and direction of the county to inform decisions through unprecedented times.**

Wrap-up

- Questions?
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- Links:
 - [2019 Comprehensive Annual Financial Report](#)
 - [2019 Popular Annual Financial Report](#)
 - [Budget and Finance webpage](#)
 - [Open Data Portal](#)