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Internal Services Recommended Budget

Tuesday, July 29, 2025

Budget

1. Accounting and Finance
2. Human Resources
3. Information Technology
4. Office of Administration



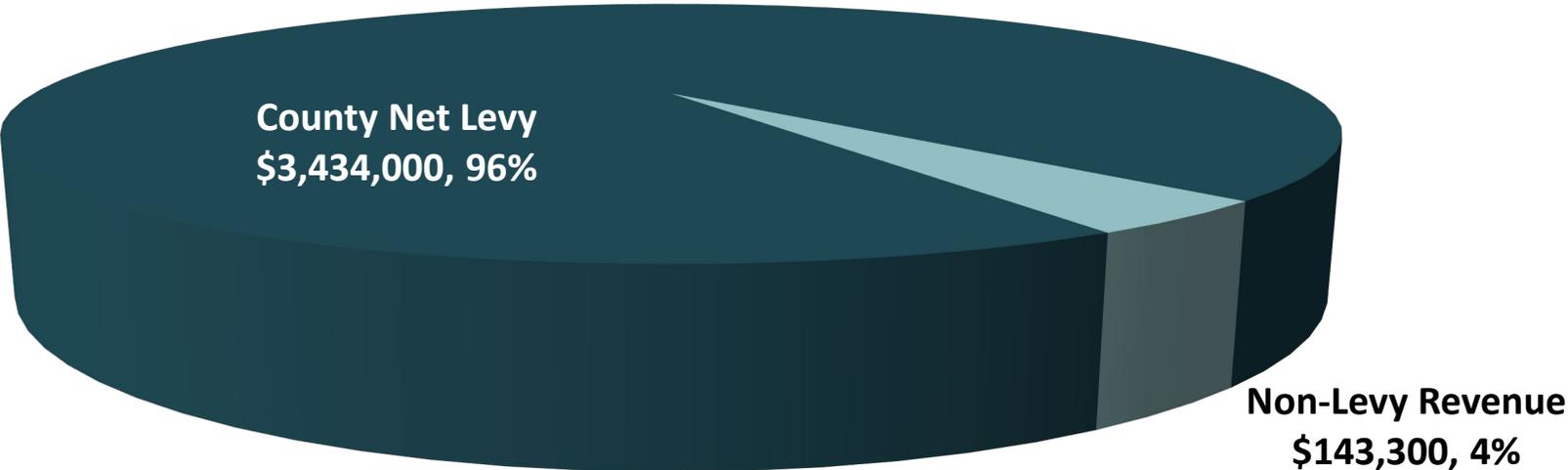
Accounting and Finance

Key Factors Impacting the Budget

- 01 Annual wage and benefits increases**
- 02 Accountant position transferred from Community Corrections Department for shared services support**
- 03 Shifted the preparation and production of financial reports internally to reduce outsourcing costs**
- 04 Implemented lease accounting software to comply with GASB requirements**

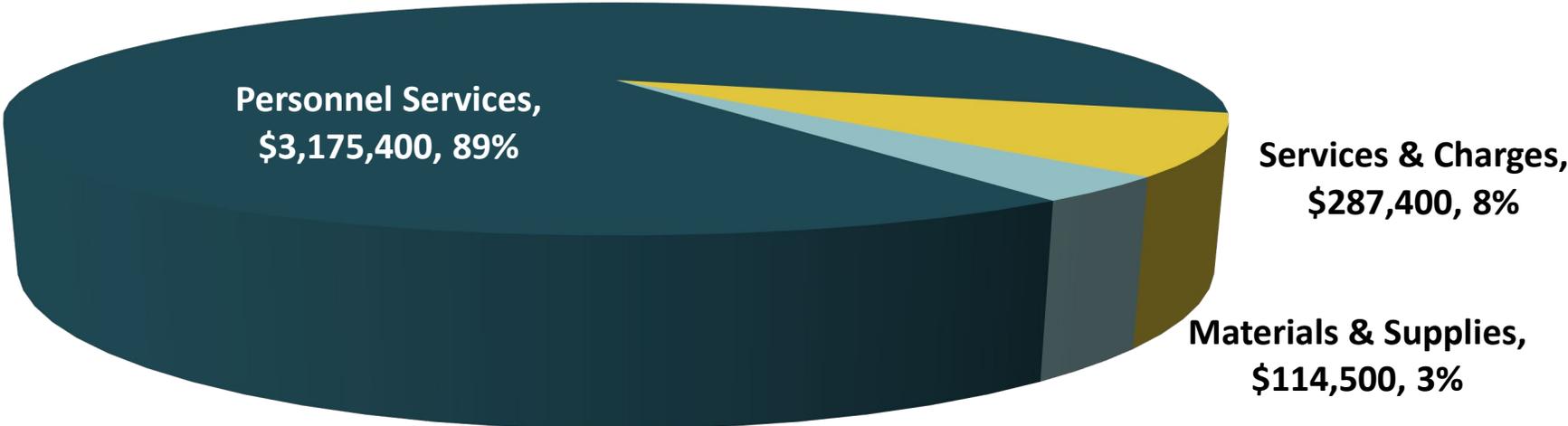
Department Revenues

Revenue	2025	2026	% Change
County Net Levy	\$2,976,400	\$3,434,000	15.37%
Non-Levy Revenue	\$175,500	\$143,300	(18.35%)



Department Expenditures

Expenditures	2025	2026	% Change
Personnel Services	\$2,741,000	\$3,175,400	15.85%
Services & Charges	\$310,500	\$287,400	(7.44%)
Materials & Supplies	\$100,400	\$114,500	14.04%



Significant Budget Changes

Revenues (non-levy only)

Description	Increase	Decrease
Elimination of collection fees previously billed to CCD		\$28,000

Expenditures

Description	Levy Funded	Non-Levy Funded
Personnel Changes	\$129,100	
Preparation and production of financial reports in-house	(18,000)	
Technology and new software	\$14,000	

FTE Budget Summary

Accounting and Finance FTE Summary	
23.6	2025 Adopted Budget
1.0	2025 Interim Changes
0.0	2026 Deletions
0.0	2026 New Positions
24.6	2026 Proposed FTE Count



Human Resources

Key Factors Impacting the Budget

- 01** Minnesota Paid Leave – new program & administrative burden, negotiating changes on 50/50 premium cost split and disability insurance
- 02** Labor Contract Negotiations – bargaining begins Fall 2025
- 03** Human Resources Information System (HRIS) migration, includes payroll
- 04** Employee Engagement Survey

MN Paid Leave (MPL) - Anticipated New Administration

MPL Administration requires Employee Centric Model

- Substantial new leave administration for HR; expect the workload surrounding leaves to double
- Increased complexity and communication with employees surrounding Federal FMLA and decisions surrounding use of PTO and Short-Term Disability. Each employee's situation is unique, and each person will need assistance.
- The county outsources part of federal FMLA administration; proposing to bring this in-house to reduce confusion, saving vendor costs (\$36,000).
- Requesting 0.5 FTE to assist with leave administration. 60% of cost offset by savings described above.

Health Insurance Continuation Costs and Tracking

- Employer must pay employer health care costs for duration of leave, up to 20 weeks; HR will work with employees to schedule how they will make their share of the premium costs.

Labor Negotiations Timeline



All union contracts expire 12/31/2025. The open window is usually 60 days prior to expiration.

Month	Activity
June	AMC salary survey results available
July	Insurance renewal and Insurance Labor Management Committee (ILMC) recommendations completed
August	County Board Executive Session
September	Bargaining usually begins
Late September	Keystone salary survey results available
October	Open Enrollment

County Board approves the negotiated agreements after ratification by the union occurs.

HRIS System Replacement (CTF)

(Joint request with AFD / Supported by IT)

- The HRIS/Payroll system will be at end-of-life (2027)
- Over the past several months, we've worked with a consultant to vet out options
- Based on our history with NEOGOV and investment in current system, the consultant recommended the NEOGOV HRIS Software as a Service (SAAS) product
- HR, AFD, and IT are working through due diligence steps to ensure NEOGOV is the best product for the county. We have attended several demos. Staff have talked with current customers and are meeting with NEOGOV reps for individual Q&A. Next significant diligence steps include a Fit/Gap Assessment and Requirements Analysis.



Employee Engagement Survey



Requested Amount: \$65,000

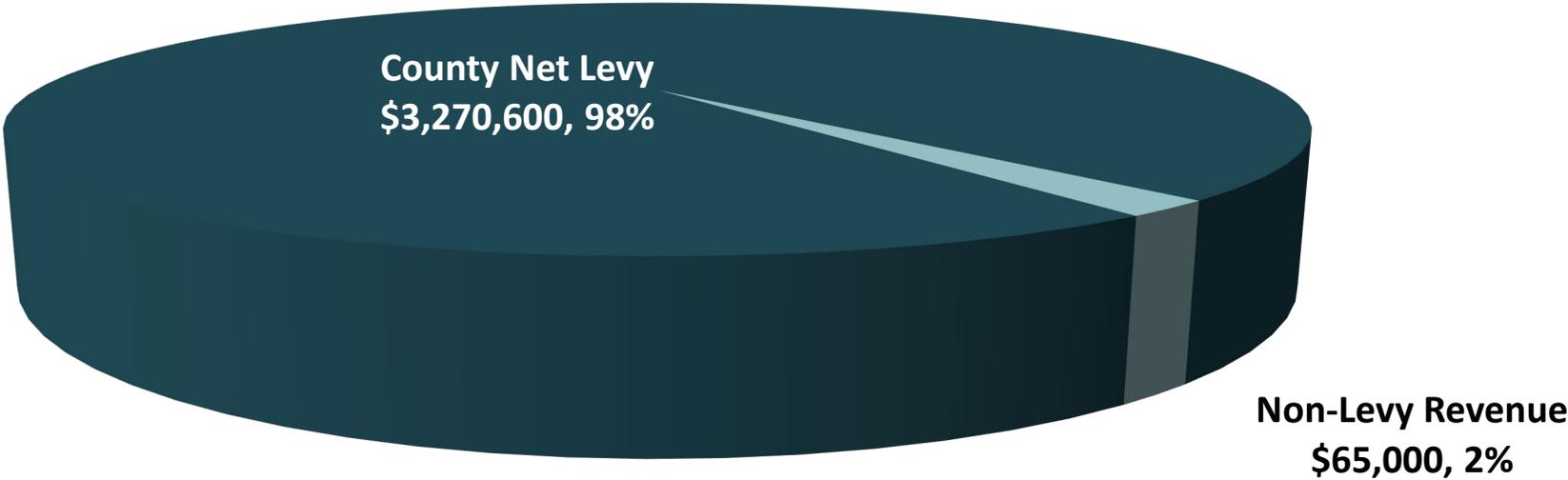
Survey will provide key data and valuable insight into ten Performance Measures in the Countywide Strategic Plan (pay & benefits, participation, overall engagement index, communications, ethical decision-making, BIPOC engagement, interdepartmental teamwork, DEI measures, and work/life balance)

Benefits of Employee Engagement Surveys:

- Gain important insights into our workforce
- Use insights gained to improve the workplace for employees and ultimately our customers
- Retention - Engaged employees more likely to remain in the organization
- Measure engagement level – are employees engaged or disengaged?
- Measure key drivers of engagement and learn what we can focus on to improve engagement

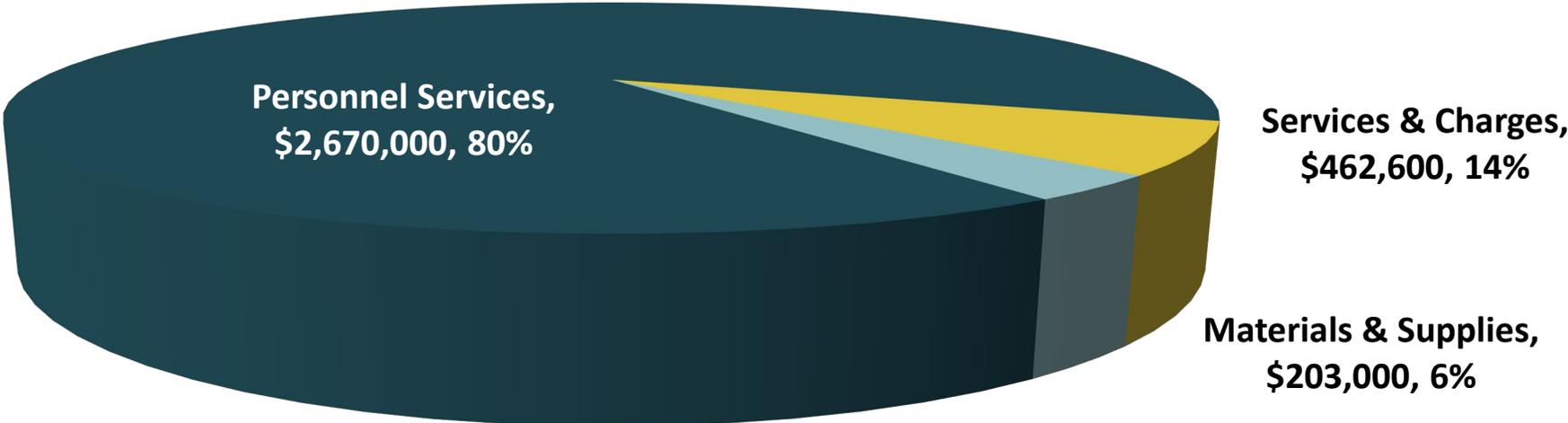
Department Revenues

Revenue	2025	2026	% Change
County Net Levy	\$3,129,800	\$3,270,600	4.4%
Non-Levy Revenue	\$250,000	\$65,000	(74.0%)



Department Expenditures

Expenditures	2025	2026	% Change
Personnel Services	\$2,504,700	\$2,670,000	6.5%
Services & Charges	\$716,300	\$462,600	(35.4%)
Materials & Supplies	\$168,200	\$203,000	20.7%



Significant Budget Changes

Expenditures

Description	Levy Funded	Non-Levy Funded
Employee Engagement Survey		\$65,000
Minnesota Paid Leave (MPL) Administration – 0.5 FTE	\$23,000	

FTE Budget Summary

Human Resources FTE Summary	
19.0	2025 Adopted Budget
0.0	2025 Interim Changes
0.0	2026 Deletions
0.5	2026 New Positions
19.5	2026 Proposed FTE Count

2026 Proposed New Positions				
FTE	Position	Total Cost	Non-Levy	Levy
.5	Human Resources Specialist	\$23,000		\$23,000

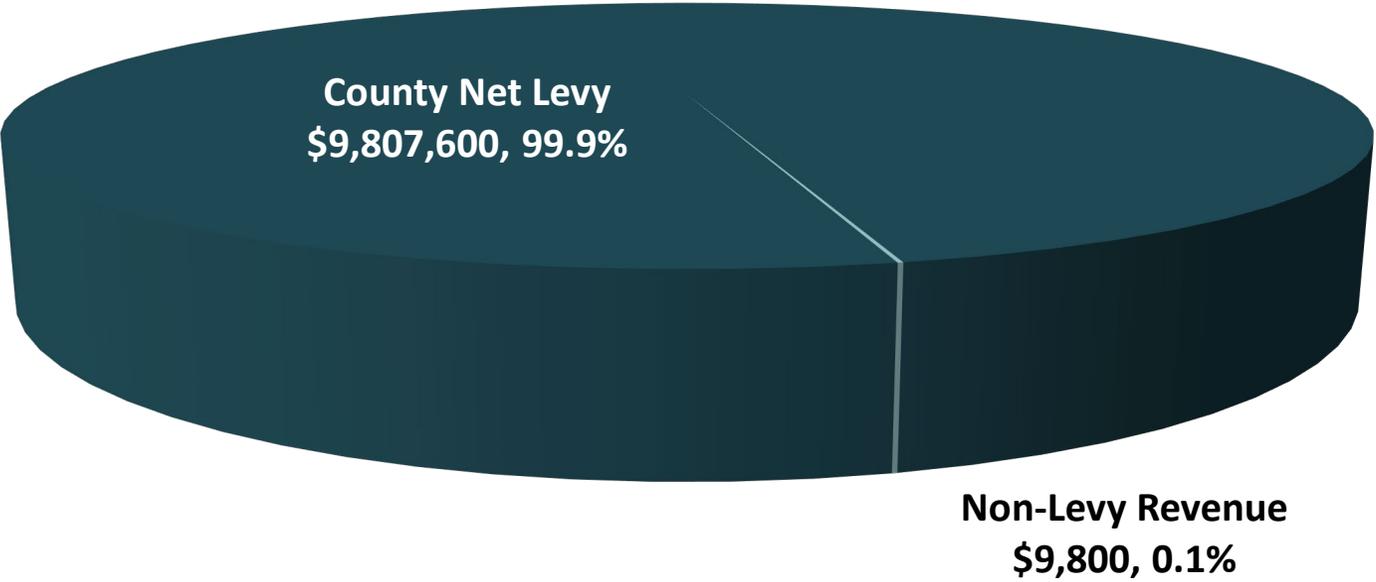
 Information Technology

Key Factors Impacting the Budget

- 01 Annual wage and benefits increases**
- 02 Endpoint support needs continue to increase as our technology footprint continues to grow**
- 03 Proposed tariffs and inflation have caused hardware costs to increase significantly**
- 04 Software costs went up significantly and companies continue to move to subscription models**

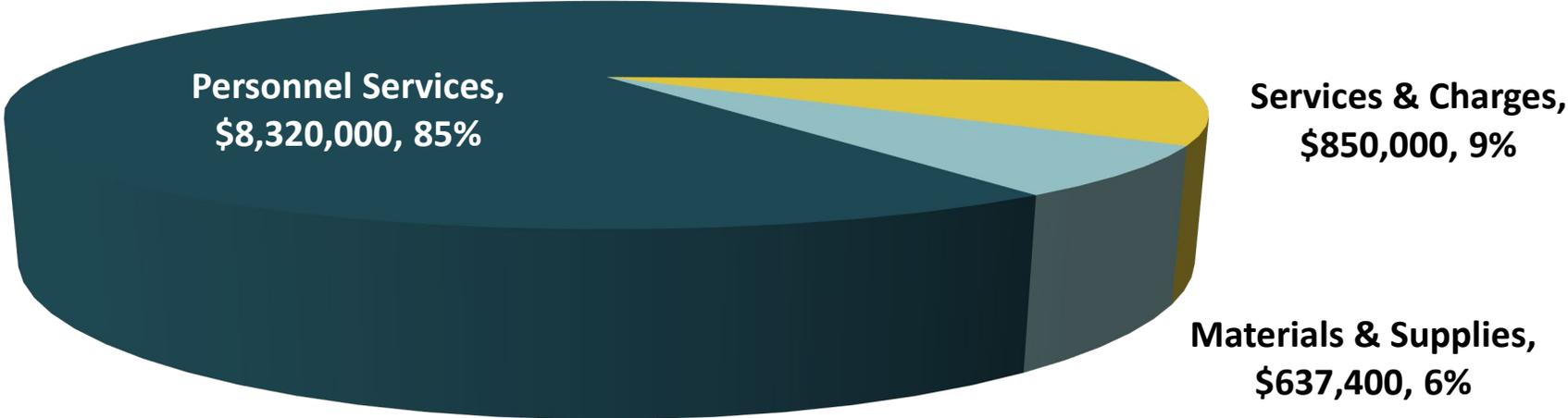
Department Revenues

Revenue	2025	2026	% Change
County Net Levy	\$9,599,700	\$9,807,600	2.2%
Non-Levy Revenue	\$15,900	\$9,800	(6.2%)



Department Expenditures

Expenditures	2025	2026	% Change
Personnel Services	\$7,732,200	\$8,320,000	7.6%
Services & Charges	\$1,225,300	\$850,000	(30.7%)
Materials & Supplies	\$561,800	\$637,400	13.4%
Capital	\$80,400	\$0	(100%)



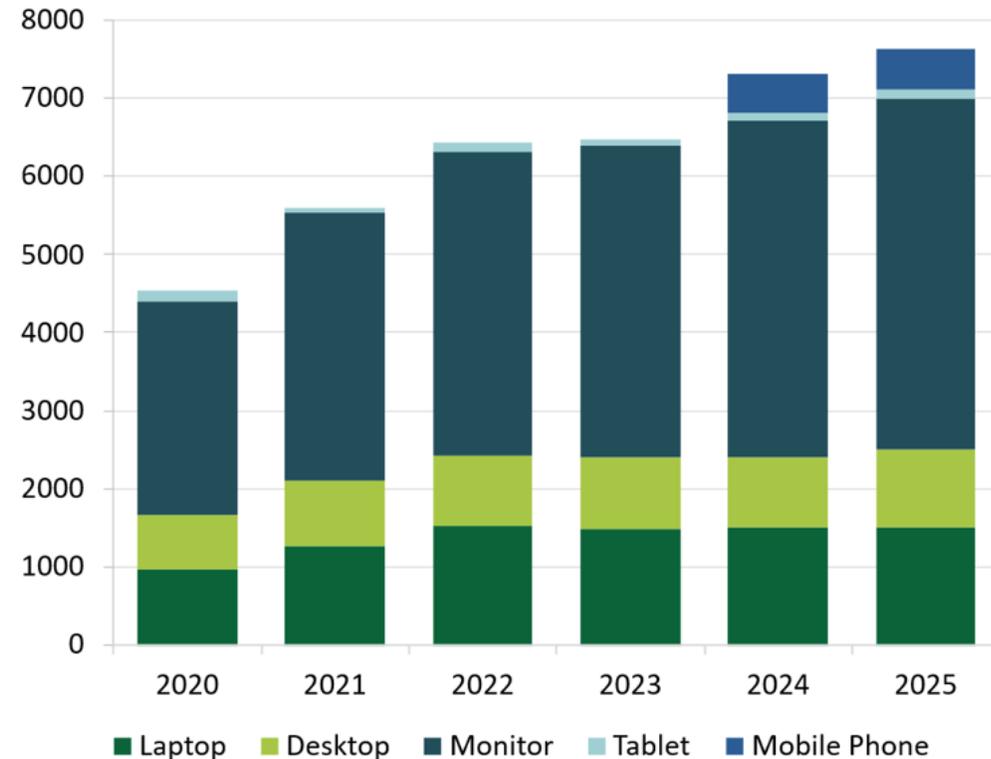
Significant Budget Changes

Expenditures

Description	Levy Funded	Non-Levy Funded
Endpoint Computer Support Analyst	\$96,700	

Technology Inventory

	2020	2021	2022	2023	2024	2025
Laptop	972	1259	1534	1487	1512	1515
Desktop	700	850	889	925	900	990
Monitor	2730	3419	3892	3978	4309	4492
Tablet	132	72	112	91	93	107
Mobile Phone					500	517



FTE Budget Summary

Office of Administration FTE Summary	
61.0	2025 Adopted Budget
0.0	2025 Interim Changes
1.0	2026 Deletions
1.0	2026 New Positions
61.0	2026 Proposed FTE Count

2026 Proposed New Positions				
FTE	Position	Total Cost	Non-Levy	Levy
1.00	Endpoint Computer Support Analyst	\$96,700	0	\$96,700



Capital Technology Fund

2026 Capital Technology Fund

- 01** Countywide Business Systems
- 02** Departmental Business Systems
- 03** Countywide Technology Infrastructure
- 04** End User Systems
- 05** Information Security

Countywide Business Systems \$831,500

- Total = \$831,500
- Some key examples are:
 - Financial Management System (E1)
\$443,500
 - Budget Management Tool
\$79,700
 - Geographic Information Systems (GIS)
\$135,000



Departmental Business Systems \$615,600

- Total = \$615,600
- This category is for department related systems and hardware with the largest being the Human Resources Information System (HRIS).
 - Human Resources Information System (HRIS) \$196,200 (*current subscription – this cost will be transitioned into ongoing costs of new system*)
 - NEOGOV \$155,500 (*five modules we currently use - Perform, Learn, Insight Recruiting, Online Hiring Center, OnBoard*)
 - New Funding: \$122,800 ongoing Capital Technology Funds for HRIS licensing (*upgrade to new system*)
 - New Funding: \$141,100 one-time funds for HRIS implementation

End User Systems \$1,976,600



- Total = \$1,976,600
- End User Systems Examples:
 - Endpoint Replacement
 - \$811,400
 - Microsoft Productivity Suite Licensing
 - \$996,900

Countywide Technology Infrastructure

- Total = \$1,809,700
- Some Infrastructure Examples:
 - Network Infrastructure
 - \$685,000
 - Server Hardware Replacement
 - \$886,500
 - Uninterruptable power supplies
 - \$138,200
 - Audio Video
 - \$100,000

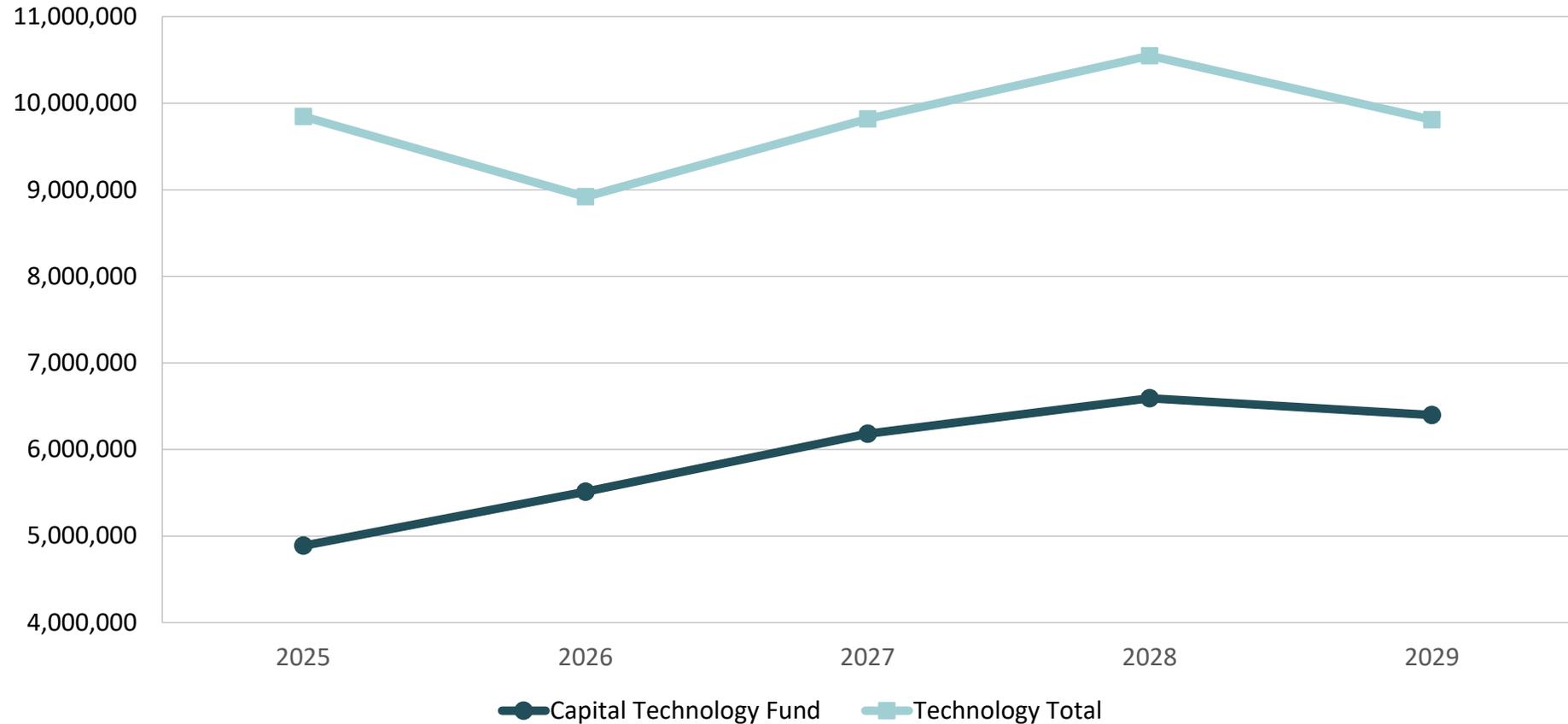


Information Security



- Total = \$384,000
- Security Examples:
 - Intrusion Prevention
 - Anti-Virus
 - Security Training
 - Identity and Access Management

Capital Technology 2025 – 2029





Office of Administration

Key Factors Impacting the Budget

01 Annual wage and benefits increases

02 Move existing Planner II FTE from 50% grant funded to 100% Levy

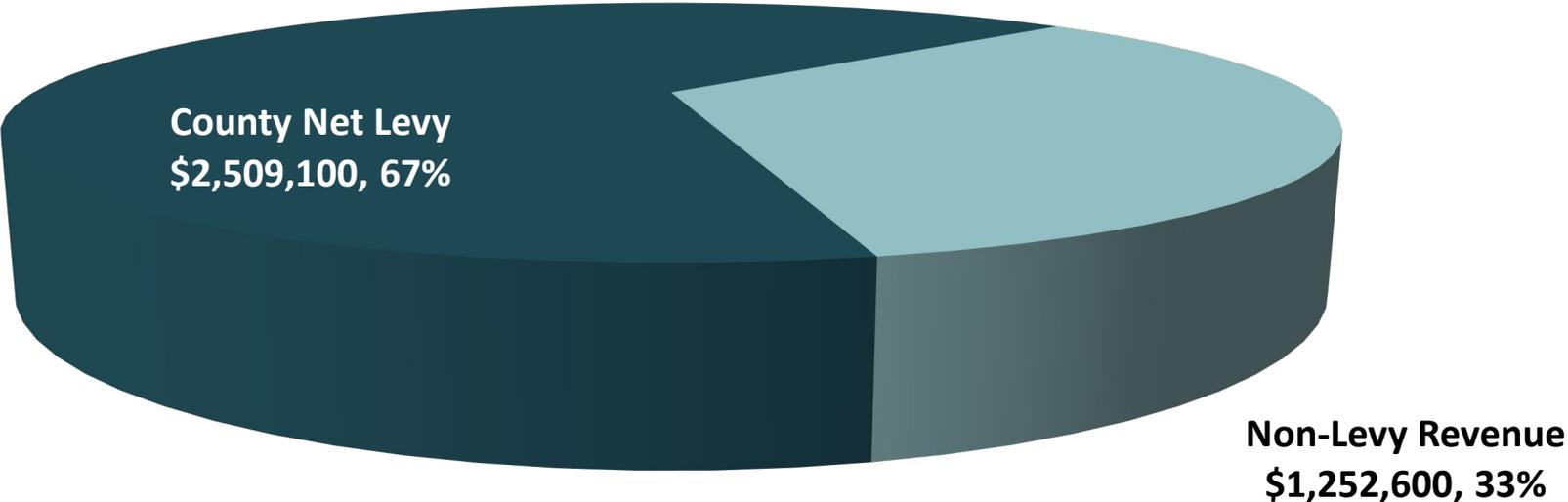
03 Strategic Priority Areas

- Climate Action Plan
- 2050 Comprehensive Plan
- Land and Water Legacy Program Referendum Analysis

04 Welcome to Washington County Video

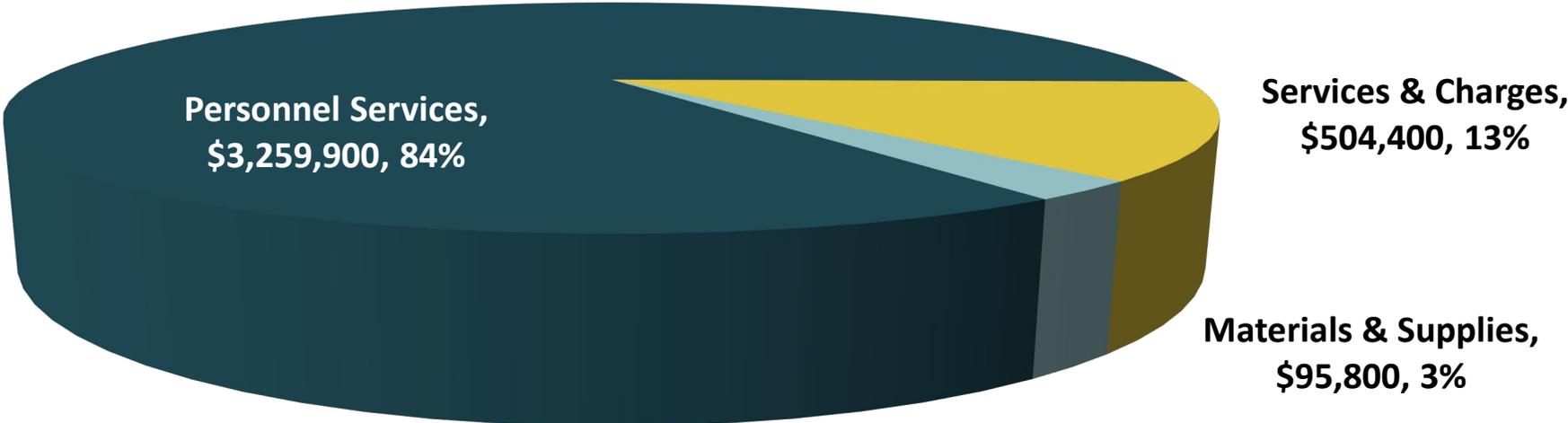
Department Revenues

Revenue	2025	2026	% Change
County Net Levy	\$2,522,400	\$2,607,500	3.3%
Non-Levy Revenue	\$1,093,700	\$1,252,600	14.5%



Department Expenditures

Expenditures	2025	2026	% Change
Personnel Services	\$3,015,400	\$3,259,900	8.1%
Services & Charges	\$172,900	\$504,400	191.7%
Materials & Supplies	\$95,500	\$95,800	0.31%



Significant Budget Changes

Expenditures

Description	Levy Funded	Non-Levy Funded
Planner II FTE to 100% Levy	\$78,000	
Climate Action Plan		\$73,000
2050 Comprehensive Plan		\$150,000
Land and Water Legacy Program Referendum Analysis		\$40,000
Welcome to Washington County Video		\$15,000

FTE Budget Summary

Office of Administration FTE Summary	
22.6	2025 Adopted Budget
0.0	2025 Interim Changes
0.0	2026 Deletions
0.0	2026 New Positions
22.6	2026 Proposed FTE Count

