



Board of County Commissioners Agenda Request

5A
Agenda Item #

Requested Meeting Date: May 28, 2024

Title of Item: Consider Health & Human Services/MLEC Facilities Options

<input checked="checked" type="checkbox"/> REGULAR AGENDA <input type="checkbox"/> CONSENT AGENDA <input type="checkbox"/> INFORMATION ONLY	Action Requested: <input type="checkbox"/> Approve/Deny Motion <input type="checkbox"/> Adopt Resolution (attach draft) <i>*provide copy of hearing notice that was published</i>	<input type="checkbox"/> Direction Requested <input checked="checked" type="checkbox"/> Discussion Item <input type="checkbox"/> Hold Public Hearing*
Submitted by: Jessica Seibert		Department: Administration
Presenter (Name and Title): Jessica Seibert, County Administrator		Estimated Time Needed: 20 Min.
Summary of Issue: Staff is requesting general Board direction to move forward with facilities planning options related to Health and Human Services/county-wide long-term capital improvements and consideration of a potential purchase offer for the current Mille Lacs Energy building. To date, discussion has been held at multiple Facilities Committee meetings and Committees of the Whole. The Budget Committee recently discussed options on May 23rd. Attached is a cost/benefit analysis, expense/revenue worksheet, and current fund balance worksheet for discussion.		
Alternatives, Options, Effects on Others/Comments:		
Recommended Action/Motion: Provide general Board direction on next steps in the facilities planning decision-making process.		
Financial Impact: <i>Is there a cost associated with this request?</i> <input type="checkbox"/> Yes <input type="checkbox"/> No <i>What is the total cost, with tax and shipping? \$</i> <i>Is this budgeted?</i> <input type="checkbox"/> Yes <input type="checkbox"/> No <i>Please Explain:</i>		

Legally binding agreements must have County Attorney approval prior to submission.

HHS REMODEL**MLEC PURCHASE/REMODEL**

(Excludes cold storage, B&W storage, wash bay, climate controlled storage, Land Dept. storage, and future maintenance items as outlined on Cost/Benefit Analysis)

EXPENSES**Capital Expenses**

Building Purchase (TBD)	\$	-	\$	1,500,000
Remodel Office Space	\$	4,635,000	\$	4,069,000
Garage Mechanical	\$	-	\$	636,000
Remodel Land Dept. Office Space	\$	-	\$	636,120
HHS Furniture	\$	700,000	\$	700,000
Land Dept. Furniture			\$	85,000
Fiber Line			\$	120,000
Mechanical				
(necessary if current bldg. is rented out)			\$	1,450,000
Elevator				
(necessary if current bldg. is rented out)			\$	250,000
Remodel for renters (if needed)				???
TOTAL CAPITAL EXPENSES:	\$	5,335,000	\$	9,446,120

On-Going Levy Expenses

Add'l Maintenance Staff				
(necessary if current bldg. is rented out)	\$	-	\$	60,000
Snow Removal			\$	12,000
Utilities				???
	\$	-	\$	72,000

REVENUES

State Bonding	\$	2,000,000	\$	2,000,000
HHS Bonding Match	\$	2,000,000	\$	2,000,000
Land Dept. Bldg. Sale (TBD)	\$	-	\$	150,000
General Fund - Fund Balance	\$	1,335,000	\$	5,296,120
Potential Rental Income (HHS Bldg.)				???
TOTAL REVENUES:	\$	5,335,000	\$	9,446,120

Cost Benefit Analysis

Project	Project Manager	Date
Purchase MLEC Remodel HHS	Jim Bright	5/7/2024

Costs		
Direct Costs	MLEC Purchase	HHS Remodel
Purchase MLEC	\$ 1,500,000	\$ -
Remodel Office Space	\$ 4,069,000	\$ 4,635,000
Garage Mechanical	\$ 636,000	\$ -
Remodel Land Dept Space	\$ 636,120	\$ -
Mechanical/Elevator	\$ 1,700,000	
Cold Storage - new build 18,000 Sq Ft @ \$140		\$ 2,520,000
Cold Storage - Boat & Water (503,980 from FEMA/Insurance)=NET	\$ 228,620	\$ 228,620
Wash Bay/Climate Controlled Space, 2,900 Sq Ft @ \$225		\$ 652,500
Land Department Remodel-Heated Space		\$ 650,000
Land Department-Cold Storage, 5,000 Sq Ft @ \$140		\$ 700,000
Total	\$ 8,769,740	\$ 9,386,120

Other Costs	MLEC Purchase	HHS Remodel
Office Furniture -	\$ 700,000	\$ 700,000
Land Dept Furniture	\$ 85,000	\$ -
Fiber Line - HHS Communication w/Government Center	\$ 120,000	\$ -
Total	\$ 905,000	\$ 700,000

Future Maintenance Costs	MLEC Purchase	HHS Remodel
Windows, Roofing, Tuck Pointing	\$ 767,400	\$ -
HHS Future Maintenance - 1st Street Location	\$ -	\$ 150,000
Land Dept Future Maintenance - MN Avenue Location	\$ -	\$ 160,000
Snow Removal	\$ 12,000	\$ -
Full Time Maintenance Person- (necessary if current bldg. rented out)	\$ 60,000	\$ -
Total	\$ 839,400	\$ 310,000

Overall Costs	\$ 10,514,140	\$ 10,396,120
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Benefits		
Direct Benefits	MLEC Purchase	HHS Remodel
Sale of Land Department-Current Location, MN Avenue	\$ 150,000	\$ -
Total Direct Benefits	\$ 150,000	\$ -
Indirect Benefits	MLEC Purchase	HHS Remodel
Cold Storage Available-10,800 Sq Ft @ \$140 (Insurance replacement cost)	\$ 1,512,000	\$ -
Heated Storage Available-8,000 Sq Ft @ \$225 (Insurance replacement cost)	\$ 1,800,000	\$ -
Heated Storage Available-9,400 Sq Ft @ \$225 (Insurance replacement cost)	\$ 2,115,000	\$ -
Wash Bay	\$ 292,500	\$ -
Climate Controlled File Storage (HHS Basement)	\$ 360,000	\$ -
Rental of Current HHS Building	???	
Total Indirect Benefits	\$ 6,079,500	\$ -
NET Costs (with benefits added)	\$ 4,284,640	\$ 10,396,120

*State Bonding locks location for 30 Years.
HHS Remodel limits room for future expansion of HHS and Jail.
Purchase of MLEC Building leaves current HHS Building open and ready for other needs.

FUND BALANCES

BALANCE
12/31/2022

	Unassigned Funds:	Amounts that are available for any purpose.
	Committed/Assigned Funds:	Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint. Also includes amounts a government intends to use for a specific purpose.
	Restricted Funds:	Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

GENERAL FUND

(Excludes non-spendables)

1 15,220,902

Restricted Funds	
Debt Service	(71,342.00)
Recorder's Tech.	(360,822.00)
Prosecutorial	(5,000.00)
Enhanced 911	(220,058.00)
Law Enforcement	(5,000.00)
Permit to Carry	(206,141.00)
Conservation	(144,481.00)
Loans Receivable	(72,905.00)
Solid Waste	(353,121.00)
Recorder's Equip.	(441,348.00)

Total Restricted Funds:	(1,880,218.00)
Adjusted Balance	13,340,684.00
Minus Total Committed Funds	(1,078,419.00)

Final Adjusted Balance 12,262,265.00

2023 Planned Fund Balance Use (645,573.00)

2023 Operations = \$ 17,735,133.00

	40%	50%
\$	7,094,053.20	8,867,566.50

Remaining If Planned Uses Occur

3,394,698.50 OVER 2,749,125.50 Over
Using 50%

5,168,211.80 OVER 4,522,638.80 Over
Using 40%

ROAD & BRIDGE

3 3,069,961

Inventories	(468,993.00)
Receipts rec'd in 2023 for 2022 expenses	1,410,323.00
Adjusted Balance	4,011,291.00

2023 Operations = \$ 5,925,982.00

40% + \$500,000 50% + \$500,000

\$	2,870,392.80	3,462,991.00
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548,300.00 OVER 468,300.00 Under
Using 50% + \$500,000

2023 Use of Fund Balance	(80,000.00)
Final Adjusted Balance	3,931,291.00

1,140,898.20 OVER 1,060,898.20 Over
Using 40% + \$500,000

HEALTH & HUMAN SERVICES

(Excludes non-spendables)

5 6,500,318

Prepaid Items	(4,586.00)
Committed for Building Account	(2,000,000.00)

2023 Operations = \$ 7,435,606.00

Adjusted Balance 4,495,732.00

	40%	50%
\$	2,974,242.40	3,717,803.00

777,929.00 OVER 553,242.00 Over
Using 50%

2023 Planned Fund Balance Use (224,687.00)

1,521,489.60 OVER 1,296,802.60 Over
Using 40%