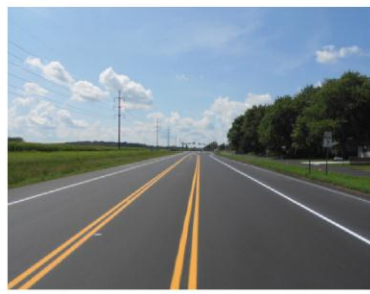
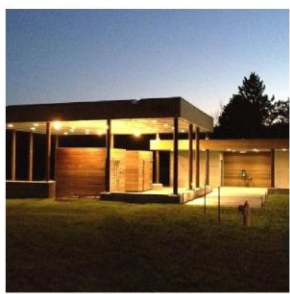


# Dakota County, Minnesota

# 2014

## Budget in Brief



A premiere county in which to live and work.

*Dakota*  
COUNTY

# 2014 Adopted Budget

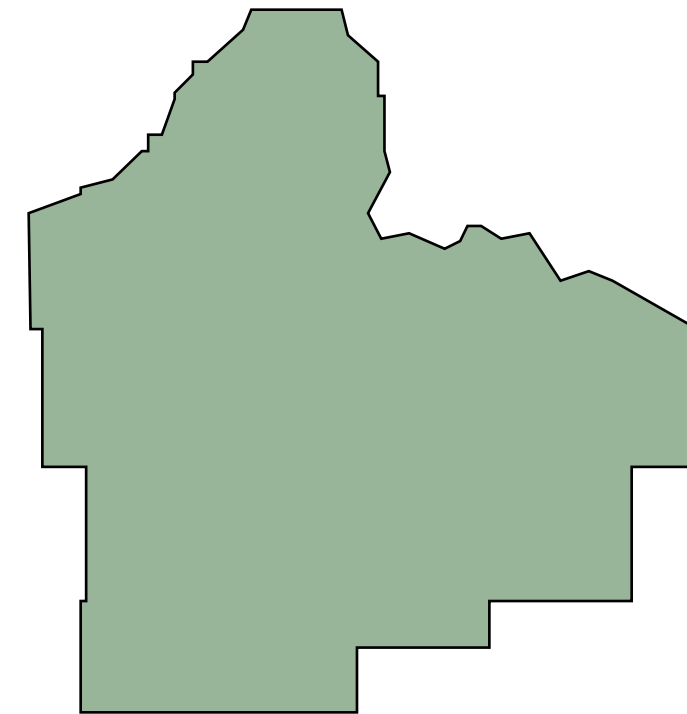
DAKOTA COUNTY, MINNESOTA  
FOR THE FISCAL YEAR  
BEGINNING JANUARY 1, 2014



This document is a brief overview of the 2014 Adopted Budget for Dakota County, Minnesota. We hope this document will enhance your understanding of how the County is organized, the services it provides, and the funding sources used to provide those services. The County's purpose is to deliver the highest quality of services as efficiently, effectively, and responsively as possible. Dakota County aims to be a premier County in which to live and work. Thank you for the opportunity to serve you and to make Dakota County the best it can be.

## Dakota County Board of Commissioners

1st District.....Mike Slavik  
2nd District.....Kathleen A. Gaylord  
3rd District.....Thomas A. Egan  
4th District.....Nancy Schouweiler  
5th District.....Liz Workman  
6th District.....Paul Krause  
7th District.....Chris Gerlach



A comprehensive overview of the Dakota County 2014  
Adopted Budget is available by contacting:

Dakota County Financial Services Department  
1590 Highway 55 West  
Hastings, MN 55033  
(651) 438—4585

[www.dakotacounty.us](http://www.dakotacounty.us)

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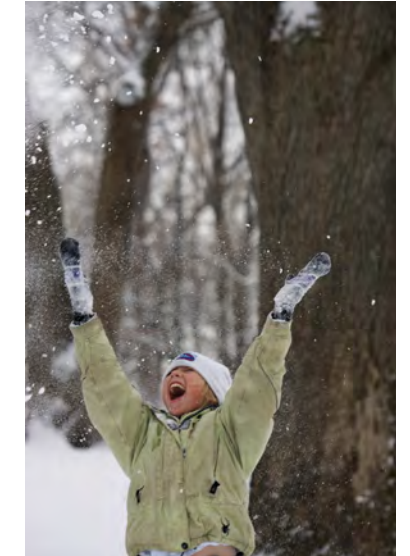
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## 2014 ADOPTED BUDGET HIGHLIGHTS

### Maintains all public services equal to the 2013 level and improves them in several areas:

- Whitetail Woods Regional Park opening
- Expanded natural resource improvements
- JDC Renovation/Restroom Improvements/Emergency Operation Center
- Western Service Center meeting room and plaza refurbishing
- Library renovations at Farmington and Inver Glen
- Environmental Resources will develop and implement on-line licensing and field data access capabilities
- Lake Byllesby Dam spillway project and additional facility enhancements to be completed
- Veteran Services to implement online claiming capability



### Funds operating cost pressures through internal reallocations and savings rather than additional tax dollars

- No net increase in county share of employee health insurance premium costs
- Using Fund Balance for one-time items and debt retirement creates future savings
- 22.34 Full-Time Equivalent (FTE) employees added for 2014 funded mainly from within existing budget
- Since 2009, net workforce reduced by 111.24 FTEs
- Adopted 2014 levy is \$774,135 lower than 2013
- Net change over 4 years – 0.1%, while Consumer Price Index inflation totaled 8.9% in same period
- Median-priced home will see about \$11 decrease in County taxes

### Sound long-term financial plan supports future budget and service stability

- Budget is structurally balanced—ongoing costs funded with reliable revenue sources
- County reserve levels and state and federal revenue reliance are prudent and recognize continuing long-term economic and budget uncertainty

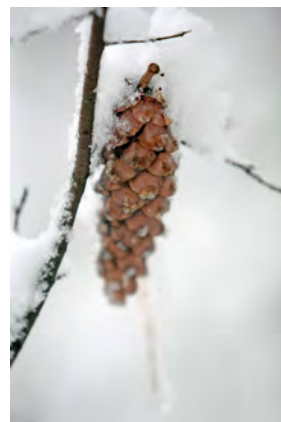
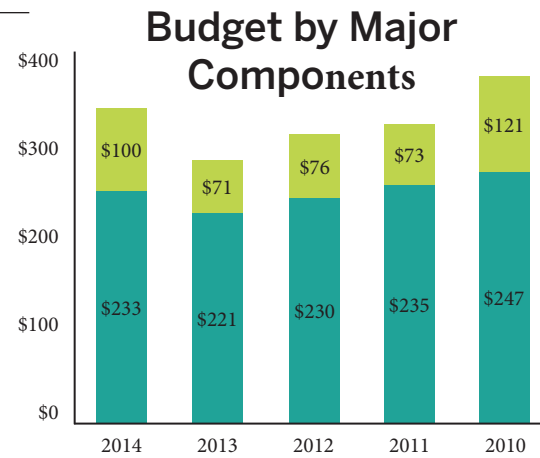


# INTRODUCTION

The 2014 Adopted Dakota County Budget (Adopted Budget) budgets Operations and CIP/Debt expenditures totaling \$332.7 million, an increase of 14.0% from the 2013 Adopted Budget.

Under the Adopted Budget, the total operating budget totals \$233.2 million,

an increase of 12.7 million or 5.8% more than the previous year. Additionally, the Adopted Budget contains the 2014 Capital Improvement Program (CIP) of \$99.5 million, an increase of \$28.2 million, or 39.5% more than the 2013 CIP. Both of these budgets are supported by a certified property tax levy of \$128.4 million, which is \$774,135 less than the 2013 Adopted Budget. The 2013 Adopted Budget relies upon the internal reallocation of resources and other savings rather than any additional property tax revenues.

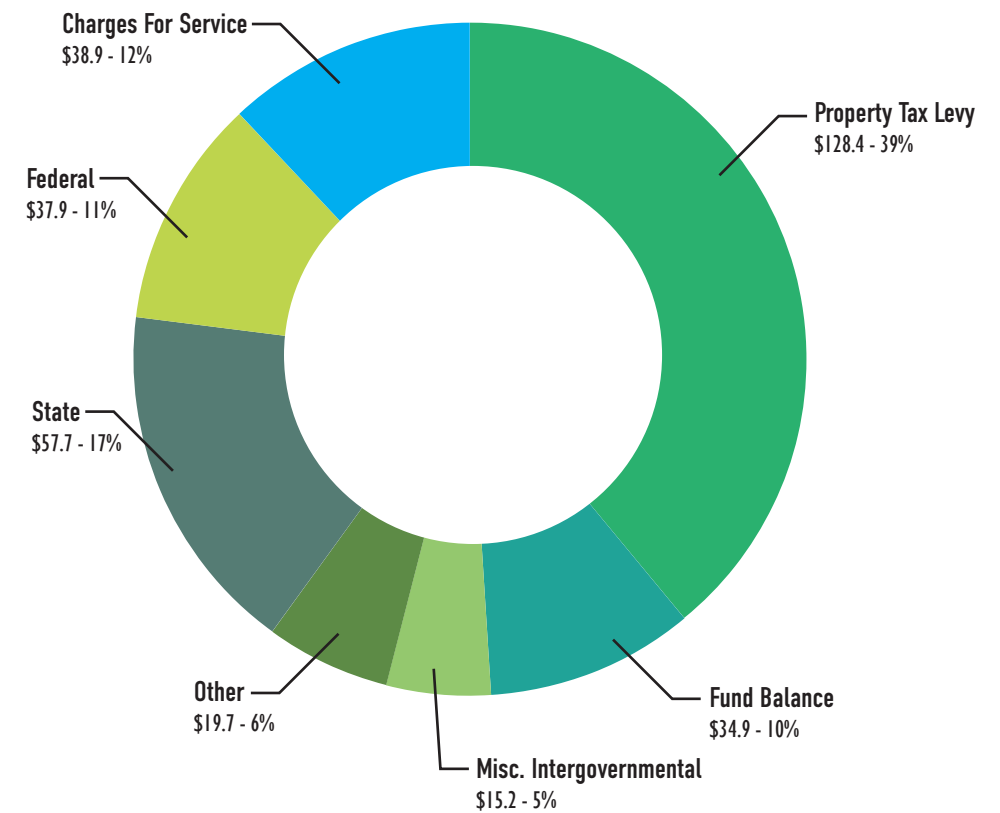


# TOTAL REVENUE

For the 2014 Adopted Budget, total revenue increased by 14.0% to \$332.7 million. Operating revenues increased from the previous year's budget from \$200.9 million to \$226.3 million, an increase of 2.43%. Revenues supporting the CIP also increased. In FY2014, CIP revenues increased by 48.61% to \$90.3 million. The following sections are an overview of budgeted revenues by funding source.

## 2014 Adopted Budget, Funding Sources

Approximately half of all funding comes from non-property tax sources.

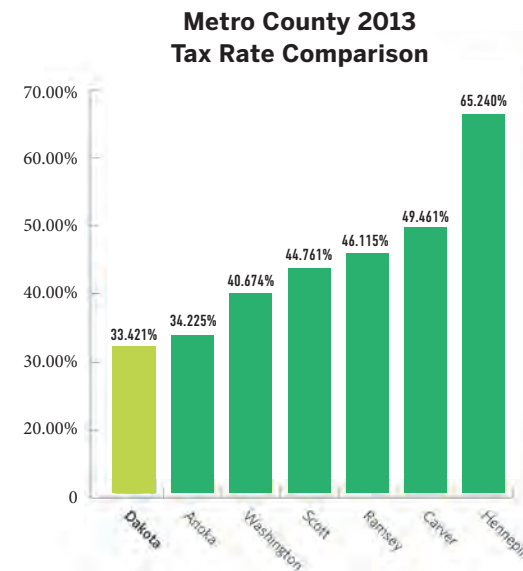


### Property Taxes

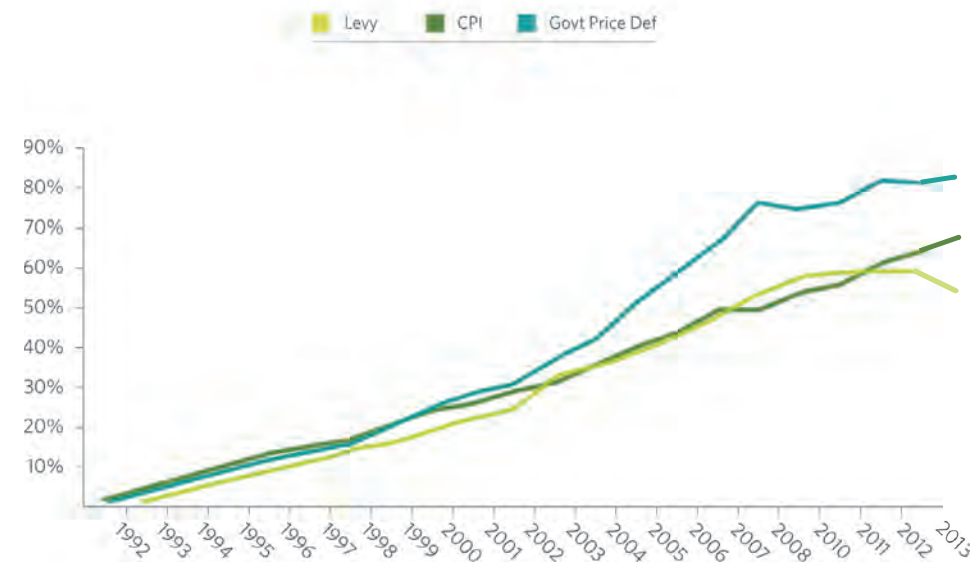
Dakota County currently maintains the lowest property tax rate among the metropolitan counties. The 2014 Adopted Budget will continue this trend.

During the past several years, the County has continued to provide significant services with little increase in the overall cost of government to residents. As indicated by the chart below, the County property tax increases remain below the annual increases compared to the Consumer Price Index and well below the Government Price Deflator, or the cost of government controlled for inflation over the same period.

The County property tax levy (Levy) decreased by \$774,135 for Fiscal Year (FY) 2014. Currently, the Levy funds 38.6% of both County Operations and CIP. Under the 2014 Adopted Budget, the County portion of the overall property taxes levied is 20.2%.



Comparison of Cumulative Growth in the Per Household Net Levy and Inflation



### Licenses, Fines & Charges

Revenues earned from these sources decreased from \$41.0 million in FY2013 to \$38.9 million for FY2014 or a decrease of 5.16%.

### Other Revenues

Other Revenues include property taxes and penalties; excluding the current property tax levy, as well as other miscellaneous financing sources. For FY2014, these revenues increased by \$4.2 million or 45.4%. This large increase can be attributed to last year's one-time, state reimbursement of \$4.9 million for road construction, which the County will not receive in 2014.

### Federal Revenues

Federal Revenues are anticipated to increase by 19.72% or \$6.2 million.

### State Revenues

State Revenues are anticipated to increase in FY2014 by \$7.2 million or 14.28%. The primary reason for this increase is increased County program aid from the State.



### Other Intergovernmental Revenues

Other Intergovernmental Revenues include those revenues received from other government agencies. Unlike other revenue streams, this funding is expected to decrease for FY2014 to \$15.2 million, a decrease of 2.50%.

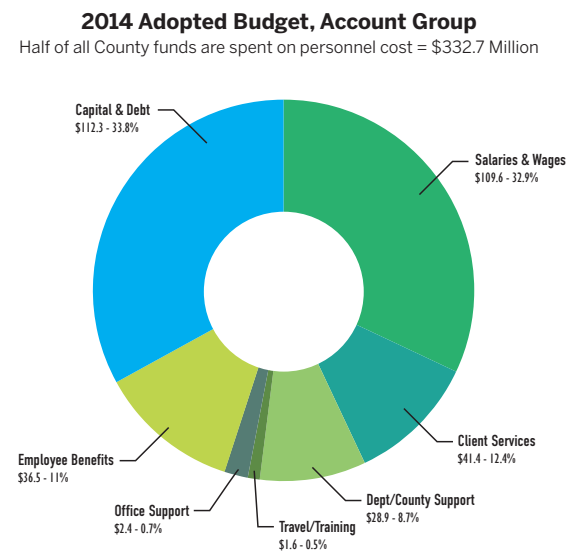
### Fund Balance

Fund Balance supports \$34.9 million of the \$332.7 million Adopted Budget for 2014. The County only uses Fund Balance to support one-time expenditures.



# TOTAL EXPENDITURES

The 2014 Adopted Budget of \$332.7 million, increases total expenditures by \$40.9 million, or 14.0% more than the previous year's budget. This increase is due largely to upcoming Capital Improvement Projects in the Highway and Parks departments. The following sections are an overview of budgeted expenditures for FY2014 by account group.

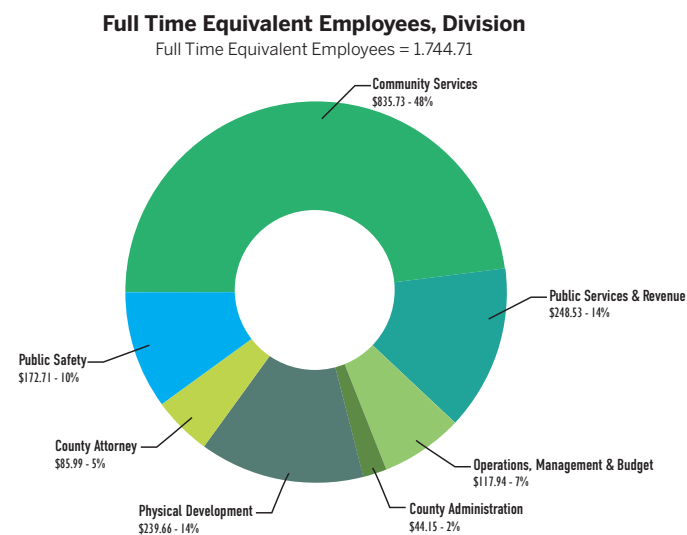


## Personnel Expenditures

Personnel expenditures include the County's cost for salaries and wages, health insurance, Medicare and Social Security (FICA), Public Employee Retirement Association (PERA) contributions, and other employee benefits (e.g., life insurance, dental insurance, and unemployment insurance, etc.). County personnel costs for FY2014 are estimated at \$147.7 million or approximately 45% of the total budgeted expenditures.

## Salaries and Wages

The 2014 Adopted Budget increased Full-Time Equivalents (FTEs) from 1,722.37 in FY2013 to 1,744.71 in FY2014, or an increase of 1.30%. However, since 2009, the total County workforce has decreased by 111.24 FTEs.



## Department & County Support

Department/County Support is used for expenditures of purchased services, projects, or activities related to the overall support of the County, division, department or staff center. For FY2014, the Adopted Budget increases from \$24.7 million to 28.9 million, an increase of \$4.1 million, or 16.66%.

## Office Support

Office Support is used to record administrative costs common to most departments. Examples of Office Support accounts are telephone, printing, office supplies and postage. The cost of countywide support activities and citizen/client related services are recorded in a different account category than Office Support. The Office Support budget for FY2014 is \$2.4 million, a decrease of 3.32%.

## Travel & Training

Travel and Training is the account category used to record the cost of travel and training for employees, including seminars and conferences, tuition and mileage reimbursement. The overall Travel and Training budget for FY2014 decreases from 1.9 million to \$1.6 million, a decrease of 11.69%.

## Client Services and Materials

Client Services and Materials include both Direct Materials and Supplies, and the Citizen/Client Services account categories. Direct Materials and Supplies are used to record the cost of materials and supplies that directly benefit citizens or clients. Citizen/Client Services are used to record the cost of purchasing services for citizens or clients. This includes the cost of payments to vendors that offer services to citizens or clients. For FY2014, the Citizen/Client Services and Materials budget is adopted at \$41.4 million, an increase of \$2.2 million.



### **Citizen/Client Services**

Expenditures budgeted in Citizen and Client Services are frequently funded from other entities and are considered “pass-through” funds. Increases and decreases in these types of expenditures typically have corresponding changes in revenue.

### **Capital Expenditures**

Capital includes expenditures for the CIP and Capital Equipment Program (CEP). The budget for this account category includes all CIP and Debt Service expenditures and capital equipment with a value typically greater than \$20,000. Capital equipment purchases less than \$20,000 are generally purchased with Budget Incentive Program funds.

As mentioned above, total capital spending (including debt service) will increase from \$71.3 million in FY2013 to \$99.5 million in FY2014, a \$28.2 million increase or 39.51% increase.

### **Budget Incentive Program**

Budget Incentive Program (BIP) expenditures are recorded across all account categories; however, for budgeting purposes, BIP is budgeted in one capital expenditure account. Departments are not required to indicate in the budget how they plan to spend BIP funds, although they are requested to formulate a “BIP Spending Plan” for internal review. The adopted amount of BIP is budgeted at \$1.2 million for FY2014.