

Dakota County, Minnesota

2022

Budget Workshop – 1

June 22, 2021



A premier county in which to live and work.

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Introduction

Commissioners,

The June 22 Budget Workshop will report the next phase of the 2022 budget and tax levy process with the Board. Consistent with prior years, in this workshop we will:

- Review 2020's ending financial performance;
- Review the current year budget performance to date, and year-end projections through 2021;
- Look to the future, including the 2022 financial planning environment, budget pressures and opportunities identified to date by divisions and offices, and the current outlook for 2022 budget and levy planning, given current trends and forecasts and the resources available for levy management.

The primary purpose of this workshop is to provide an overview of the context for 2022 budget and levy decision-making (as we know it at this date), and to seek Board feedback on the general framework and parameters for planning as we continue to develop budget and levy options. We will continue to develop more refined information over the summer, and then at the August workshop staff will seek more specific Board direction on budget and levy parameters for next year.

To allow the Board an opportunity for advance review (and then also to shorten the deck of slides to be presented in the workshop) staff has created this book containing background information to supplement the discussion at the workshop.

In it you will find detailed information on 2020 financial performance, 2021 projections, fund balances, and 2022 pressures and resources. We hope you find it useful as we begin consideration of the 2022 budget and levy.

Regards,

Matt Smith, County Manager

Longstanding Dakota County principles for financial management

Structural balance:

- Match ongoing spending commitments with ongoing revenue streams to avoid future 'cliffs'

Multi-year perspective:

- Recognize (and plan to fund) the future 'tails' of current spending decisions

Prudent reserve levels and uses

- Maintain sufficient reserves to ride through the economic cycle
- Spend one-time funds for one-time purposes only

Realistic budget plans and effective management

- Prudent estimates of revenues and costs in the budget
- Monitor and manage the adopted budget carefully

(These principles were developed in this form out of a Board financial planning workshop in 2009, and have been used in the budget process since that time.)

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Fund Balance Summary

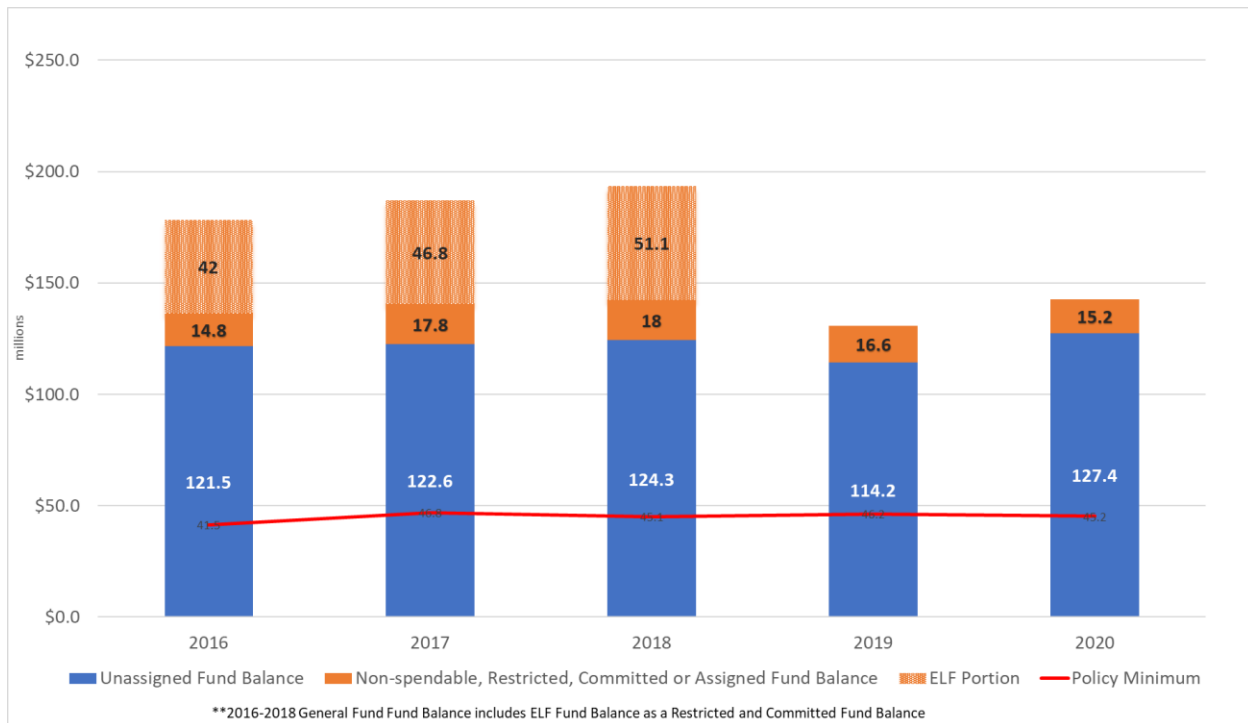
(in millions)

	Audited 12/31/2019	Unaudited 12/31/2020
Beginning Fund Balance	\$ 341.3	\$ 353.6
Total Revenues	365.6	407.0
Expenditures:		
Current	330.4	398.0
Capital Projects and Equipment	17.1	25.4
Debt service	-	-
Total Expenditures	347.5	423.4
Other Financing Sources (uses)	(5.8)	1.1
Non-spendable, Restricted, Committed or Assigned	239.4	210.9
Unassigned	114.2	127.4
Ending Fund Balance	\$ 353.6	\$ 338.3
Net Change in Fund Balance	\$ 12.7	\$ (15.3)

Preliminary financial statements compare 2019 actual and unaudited 2020 financial activity. Revenues are up in 2020 primarily due to increased Federal CARES Act revenues.

The net changes in fund balance for 2020 is a decrease of \$15.3 million. The unassigned general fund balance increased by \$13.2 million.

General Fund - Fund Balance History



The five year history of General fund balance shows a steady trend.

The blue is the unassigned fund balance. Below are the definitions of fund balance designations according to County Policy #2003

Unassigned Fund Balance is the residual classification for the general fund.

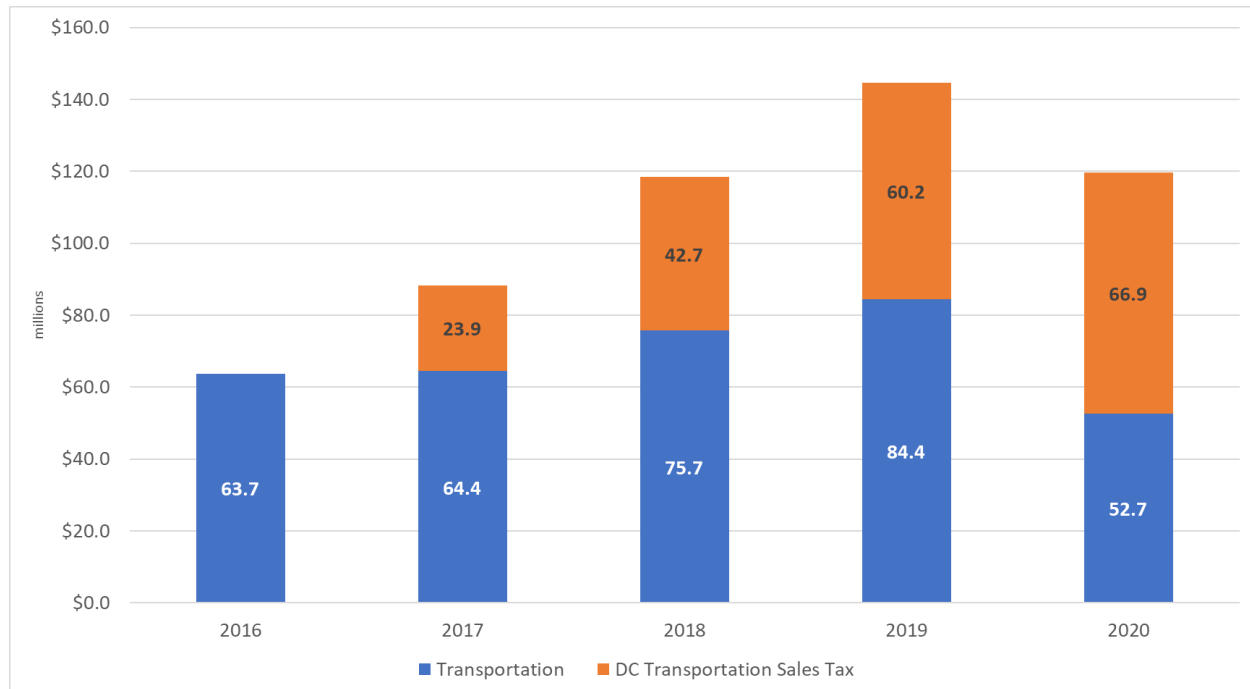
Assigned Fund Balance includes general fund amounts constrained for a specific purpose by a delegated county official

Committed Fund Balance includes amounts constrained for a specific purpose by County Board resolution

Restricted Fund Balance includes amounts constrained for a specific purpose by external parties.

Non-spendable Fund balance includes amounts **not** in spendable form, such as inventory

Transportation/Transportation Sales Tax-Fund Balance History



The DC Transportation Sales Tax Fund (orange) consists of two revenue sources; the Counties Transit Improvement Board (CTIB) and the Transportation Sales Tax.

The CTIB JPA was terminated and \$21.3 million was refunded to Dakota County in 2017.

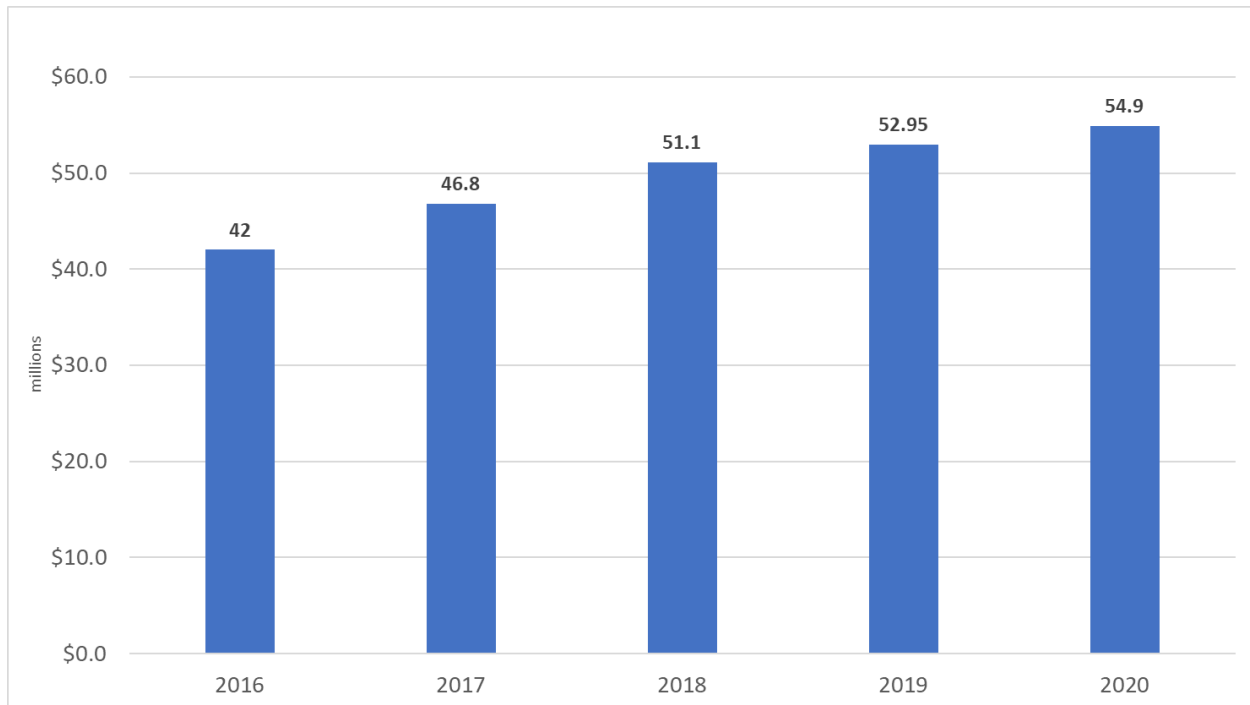
Money in this fund is designated as restricted. A recent law change allowed CTIB and tax funds to be used more broadly as governed by Minnesota Statute 297A.993.

- (1) Capital cost of a transportation project;
- (2) Both capital and operating costs of a transit project;
- (3) Capital costs of a safe routes to school program;
- (4) Transit operating costs.

Dakota County Transportation Sales and Use Tax Eligible Uses

Statutory Eligible Use	County Policy Use
Payment of the capital cost of a specific transportation project or improvement	Regional County Highway Projects
	Trunk Highway Projects
	Regional Trail Projects to Match Federal Transportation Funds <ul style="list-style-type: none">• Up to \$1 million annually
Payment of the capital costs of a safe routes to school program under section 174.40	
Payment of transit operating costs	Regional Transitway Capital and Operation Costs
Payment of the costs, which may include both capital and operating costs, of a specific transit project or improvement	Transit Service Expansion Capital and Operating Costs <ul style="list-style-type: none">• Up to \$1 million annually

ELF Fund Balance History



The Environmental Legacy Fund was established in 2015 from the transfer of activities originally organized within the Environmental Management Fund. These activities represent fees collected for the protection and preservation of the environment. Although the proceeds reported in this fund are from specific revenue sources, the use of these funds are reported as transfers to the General Fund or Special Revenue funds as costs related to environmental projects occur.

Money in the Environmental Legacy Fund is designated as either restricted or committed.

Environmental Legacy Fund Eligible Uses

County Board Approved Eligible Uses
Brownfield redevelopment activities
Environmental capital projects
Environmental resources operations
Gravel pit remediation
Natural areas and shoreland conservation activities
Natural Resources Management Plan activities
Parks/greenway master plan improvements
Solid Waste Master Plan activities
The Landfill Host Community ELF Grant Pilot Program also permitted economic development projects as an eligible use.

Policy 2003 Fund Balance Policy

Adopted 12/13/11

Amended 12/11/12 ; 10/29/19

POLICY

It is the policy of Dakota County to establish a minimum fund balance in its General Fund, Environmental Legacy Fund (ELF), Byllesby Dam Enterprise Fund, and Regional Rail Authority Fund considering the following:

- The predictability of revenues and expenditures
- Commitments and assignments of fund balance for a specific purpose
- Potential transfer from one fund to another
- Potential impact on bond ratings and the corresponding cost of borrowed funds

Compliance with fund balance policies provide for a stable financial environment for County operations that allows the County to provide quality services to County residents in fiscally responsible manner designed to maintain services and taxes/fees in a consistent manner over time.

The County Board complies with the requirements of the Governmental Accounting Standards Board Statement 54 (GASB 54) for the standards for reporting its fund balances in its financial statements.

DEFINITIONS

Fund Balance: the difference between assets and liabilities in a governmental fund.

Non-Spendable Fund Balance: the amount of fund balance that may not be spent as it is either not in spendable form or there is a legal or contractual requirement for the funds to remain intact.

Spendable Fund Balance: the amount of fund balance that may be spent consistent with applicable constraints.

Restricted Fund Balance: funds in connection with which there are constraints on spending that are legally enforceable by outside parties (e.g. unspent bond proceeds, grants earned but not spent, items restricted by state statute).

Committed Fund Balance: funds in connection with which there are constraints on spending that the County has imposed upon itself by action of the County Board prior to the close of the fiscal year (e.g. County Board action to set aside a specific dollar amount for new park equipment).

Assigned Fund Balance: funds that are intended to be used by the County for specific purposes established either by the County Board through adoption of operational plans or by an individual or body that has been properly delegated the authority to establish such purposes.

Unassigned Fund Balance: residual funds that are spendable but not restricted, committed, or assigned.

SOURCE

Dakota County Board Resolution 11-630, adopted on December 13, 2011

Dakota County Board Resolution 12-625, adopted on December 11, 2012

Dakota County Board Resolution 19-781, adopted on October 29, 2019

Government Finance Officers' Association; Governmental Accounting Standards Board (GASB) Statement No. 54

Office of the State Auditor, State of Minnesota, Statement of Position: Fund Balances for Local Governments Based on GASB Statement No. 54

GENERAL

At the end of each fiscal year the County shall report the portion of the Fund Balance that is not spendable as Non-Spendable Fund Balance on its financial statements.

At the end of each fiscal year the County shall report the portion of the Fund Balance that is restricted as Restricted Fund Balance on its financial statements.

Prior to the end of each fiscal year, the County will adopt (a) resolution(s) establishing its Commitments for the expenditure of funds for specific purposes.

The County Board delegates to its Finance Director the authority to assign unexpended funds to the Assigned Fund Balance in accordance with adopted County operational plans and policies.

General Fund

The County maintains 20 percent of the General Fund operating expenditures at the end of the fiscal year for working capital and a margin of safety to address local and regional emergencies without borrowing. If, during the year, the amounts assigned for cash flow exceed or fall below this range, the County Manager reports such amounts to the County Board as soon as is practical after the end of the fiscal year. If the amount falls below the range the County Board will adopt a plan to restore the appropriate levels. If the amount exceeds the range, excess funds shall remain unassigned pending County Board action transferring amounts to another fund.

Environmental Legacy Fund

The County maintains a minimum fund balance at year end equal or greater than two times the actual ELF expenditures from the prior year operating funds in Environmental Resources Department budget. If the balance is below the minimum, the County Manager must propose a budget to the Board of Commissioners that restores the minimum fund balance in the following budget year.

Lake Byllesby Enterprise

The County maintains an Emergency Fund balance and a Future Capital Maintenance balance in the Byllesby Dam Enterprise Fund.

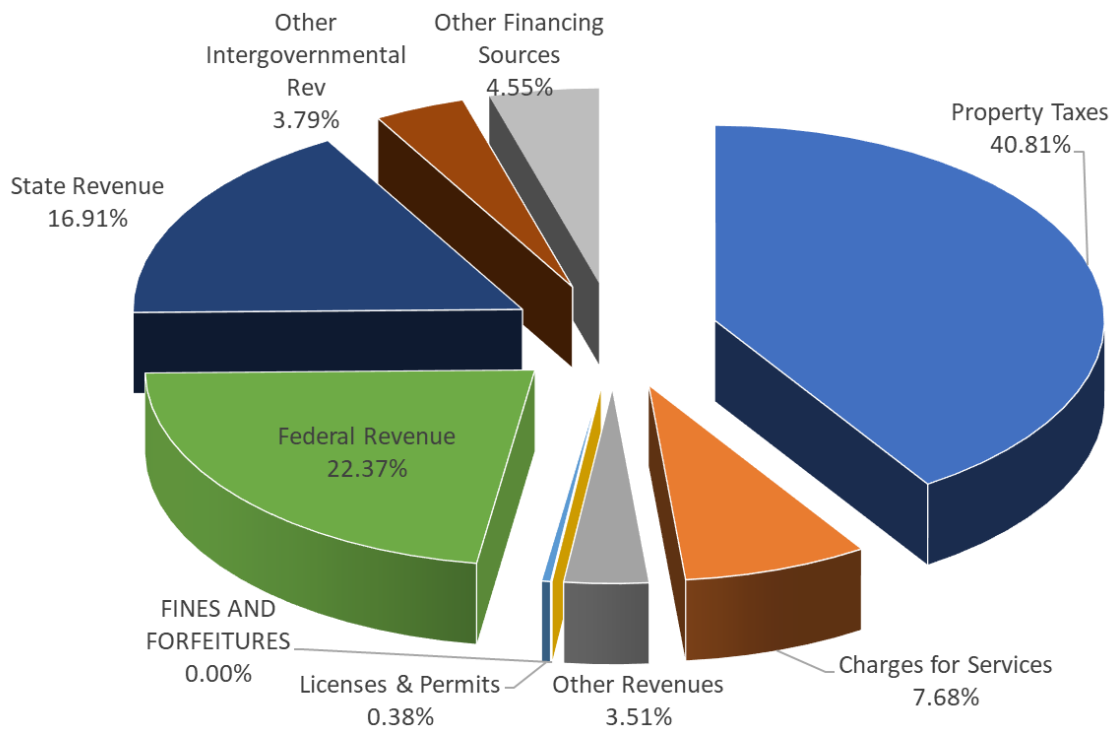
- a.** The County shall maintain an Emergency Fund balance of \$350,000 at the end of 2020. The minimum fund balance will be inflated annually by the CPI using the Bureau of Labor Statistics CPI Inflator Calculator. The emergency fund balance shall be utilized for maintenance emergencies and other unforeseen expenses. It will also fund annual operating expenses when, during the year, expenses exceed the hydropower revenues for that one year. This balance will be replenished with any additional annual revenues to ensure it is maintained at or above the minimum in this policy.
- b.** The County shall maintain a Future Capital Maintenance Fund balance. When there is excess revenue, 10% of that additional revenue will be deposited into this fund to provide for future maintenance expenses.

Regional Rail Authority

The County maintains the Regional Rail Authority Fund. The balance of this fund shall be sufficient for the interest to cover the annual operating expenses.

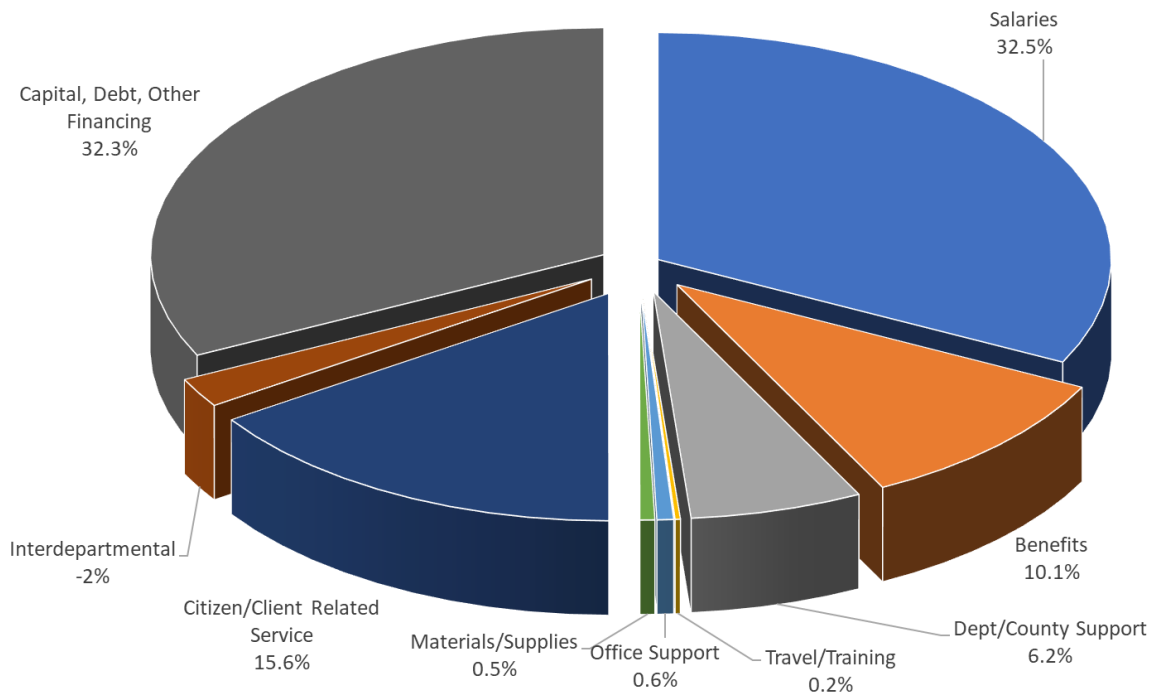
It is County policy to expend Restricted Fund Balances first when an expenditure is incurred for which both restricted and unrestricted funds (Committed, Assigned, Unassigned) are available. If only restricted funds are available, the County will first expend Committed Fund Balance (if funds were so committed). If no funds were committed, then Assigned Fund Balance will be expended (if funds were so assigned). Lastly, the County will expend Unassigned Fund Balance.

2020 Funding by Sources



*Unaudited - does not include audit adjustments.

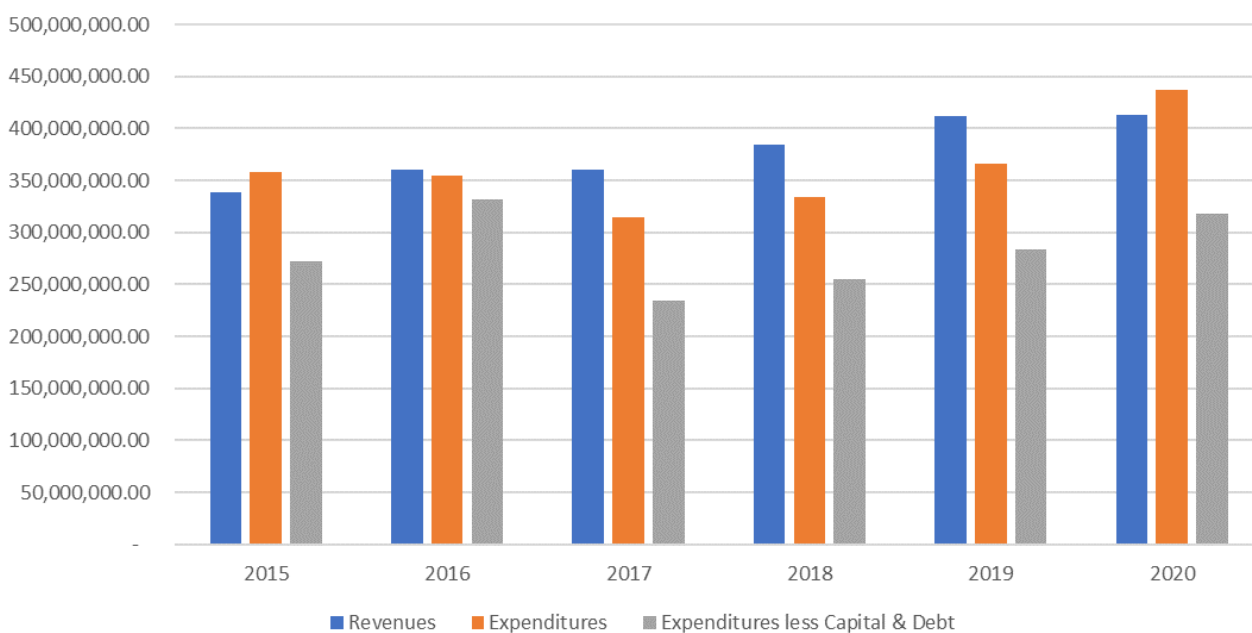
2020 Expenditures by Categories



Operating and capital budget expenditures are included.

*Unaudited – does not include audit adjustments.

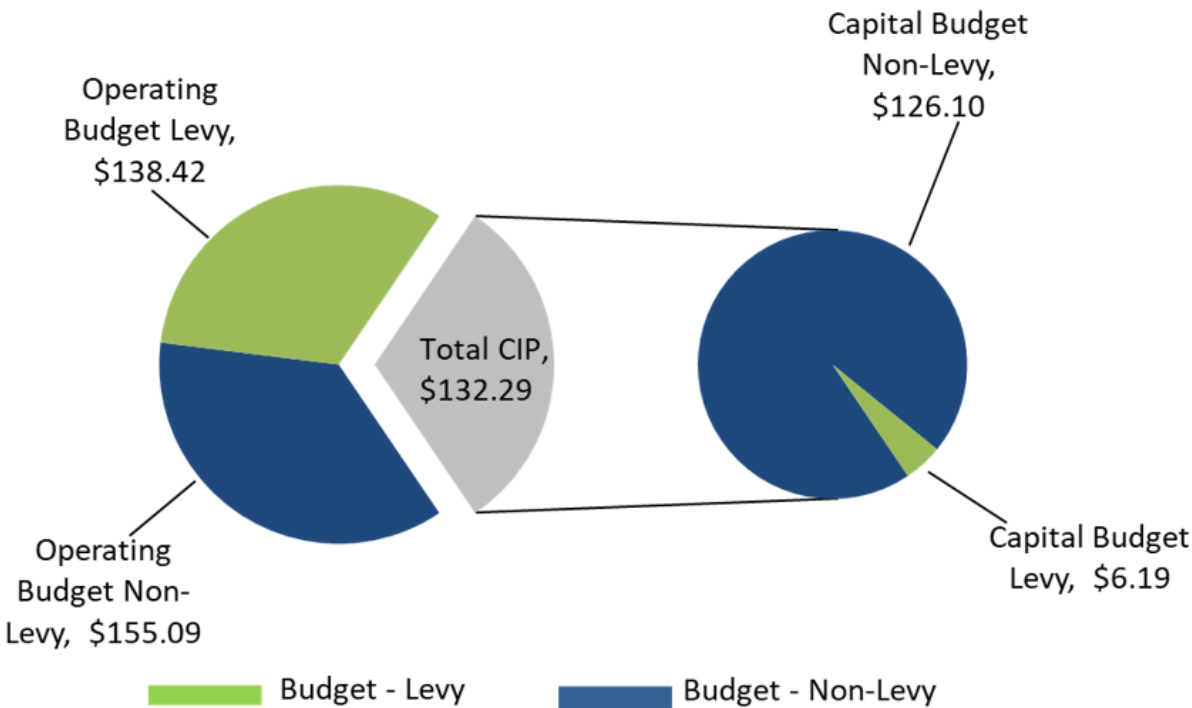
Revenue and Expenditure Trends



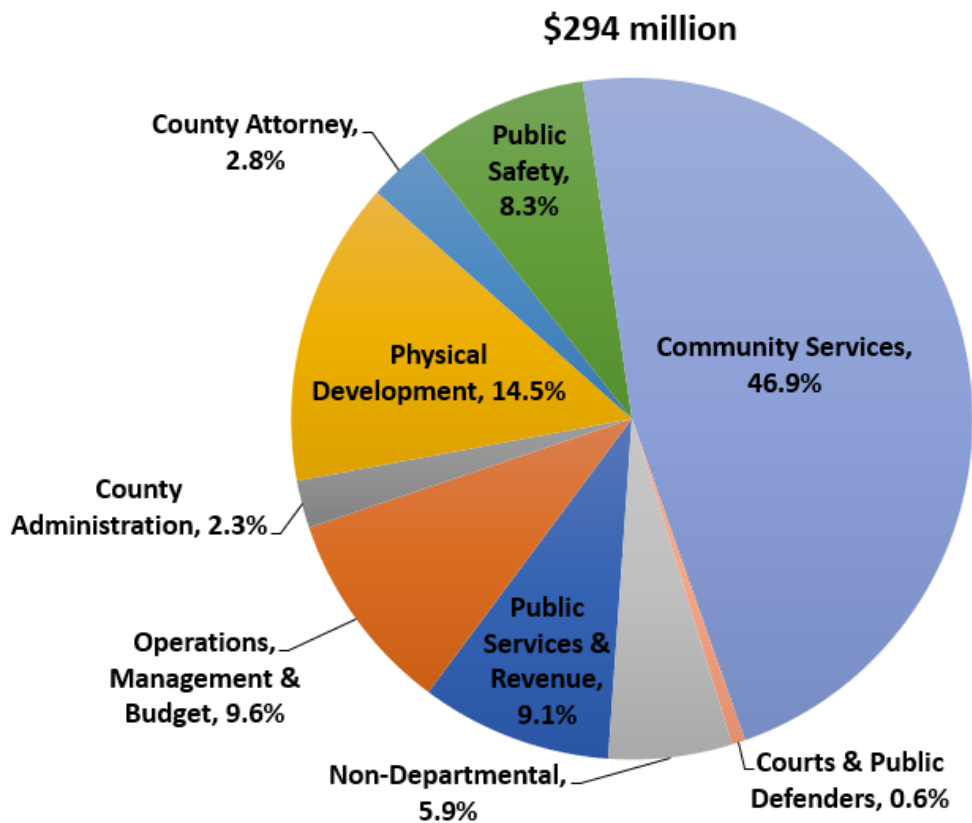
2021 Budget and Financial Performance

2021 Operating vs. Capital/Debt Service Budget

Total Budget = \$425.80 million

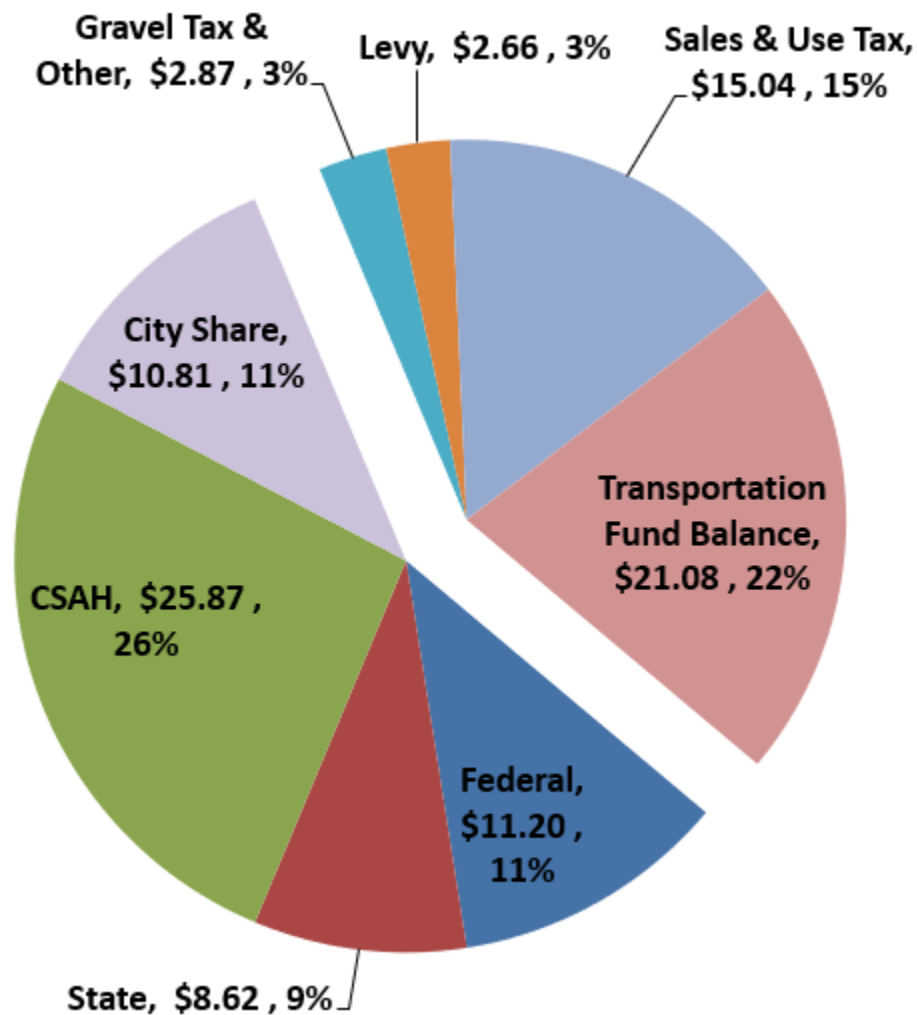


2021 Operating Budget by Division



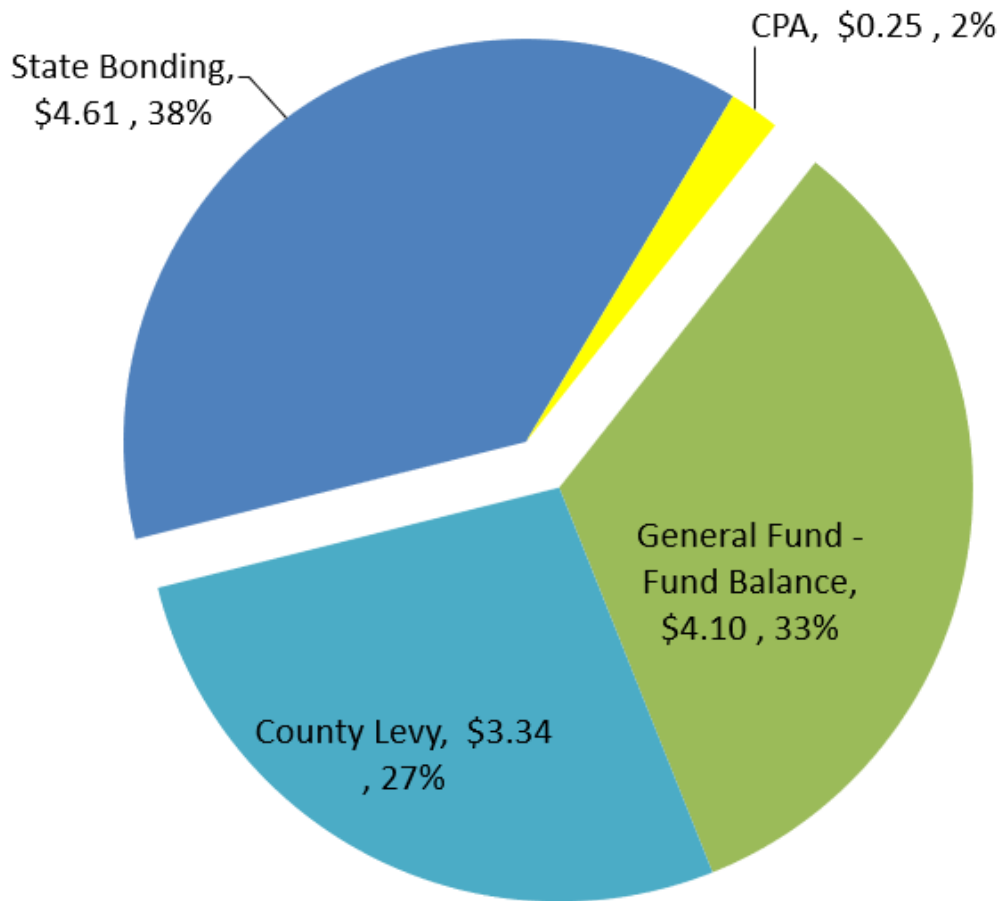
2021 Adopted Transportation CIP Funding Sources - \$98.15 Million

In Millions



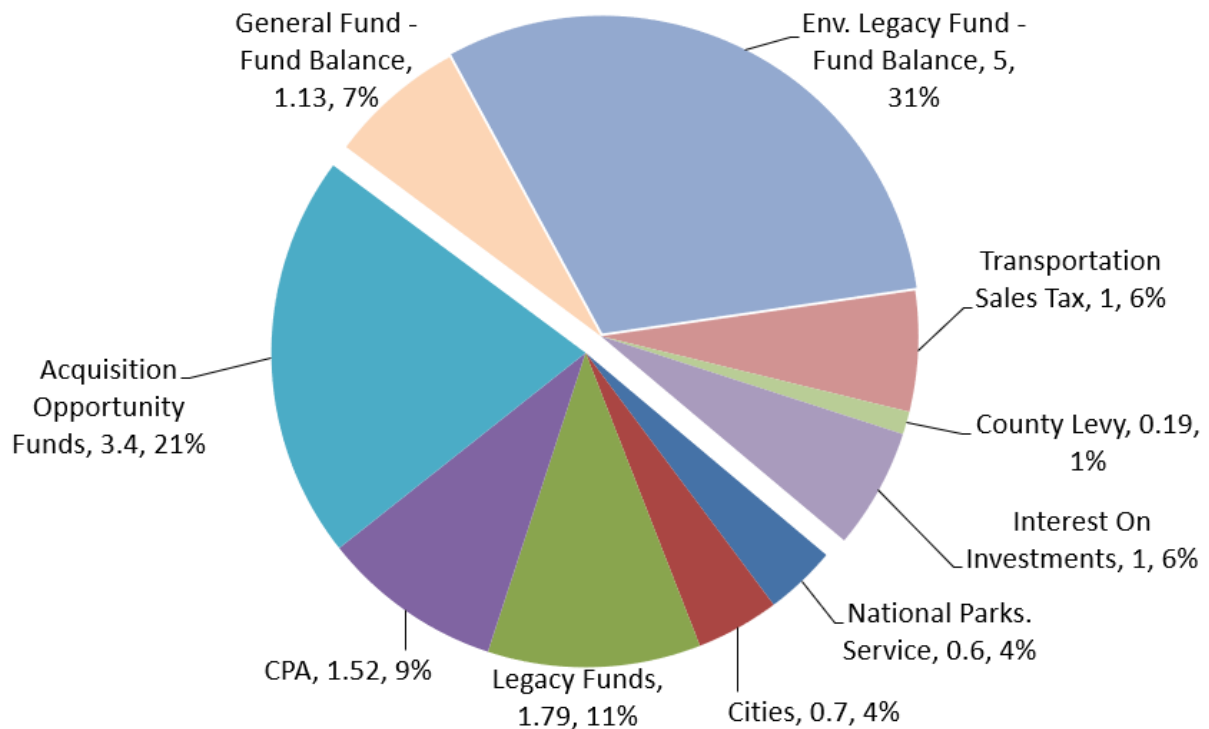
2021 Adopted Buildings CIP Funding Sources - \$12.3 Million

In Millions



2021 Adopted Parks CIP Funding Sources - \$16.33 Million

In Millions



Year-End Projections Operations

Dakota County
Year-End Projections by Total Account Group
As of 3/31/2021

Description	YTD Actual	% of Budget	Year-End Projection	% of Budget	Budget	Balance
41 - Property Taxes	\$ 20,058,067	14%	\$ 140,431,858	100%	\$ 140,431,858	\$ -
42 - Charges for Services	\$ 6,597,898	22%	\$ 29,876,211	98%	\$ 30,407,176	\$ (530,965)
43 - Other Revenues	\$ 2,450,761	18%	\$ 13,780,698	103%	\$ 13,366,271	\$ 414,427
44 - Fines and Forfeitures	\$ 1,955	7%	\$ 30,400	101%	\$ 30,000	\$ 400
45 - Licenses & Permits	\$ 801,081	57%	\$ 1,708,173	122%	\$ 1,402,826	\$ 305,347
46 - Federal Revenue	\$ 15,257,819	31%	\$ 47,438,655	97%	\$ 48,905,830	\$ (1,467,175)
47 - State Revenue	\$ 15,020,401	25%	\$ 59,805,787	99%	\$ 60,409,886	\$ (604,099)
48 - Other Intergovernmental Rev	\$ 476,840	9%	\$ 5,522,977	101%	\$ 5,468,294	\$ 54,683
49 - Other Financing Sources	\$ -	0%	\$ 16,876,138	84%	\$ 19,973,054	\$ (3,096,916)
Total Revenues	\$ 60,664,822	19%	\$ 315,470,897	98%	\$ 320,395,195	\$ (4,924,298)
51 - Salaries	\$ 30,182,786	20%	\$ 146,386,285	96%	\$ 153,041,895	\$ 6,655,610
52 - Benefits	\$ 10,673,059	21%	\$ 45,919,329	90%	\$ 51,155,945	\$ 5,236,616
53 - Dept/County Support	\$ 6,175,118	26%	\$ 23,203,150	99%	\$ 23,437,525	\$ 234,375
54 - Travel/Training	\$ 193,902	9%	\$ 1,204,843	58%	\$ 2,077,316	\$ 872,473
55 - Office Support	\$ 525,146	20%	\$ 2,327,494	88%	\$ 2,644,879	\$ 317,385
56 - Materials/Supplies	\$ 805,218	33%	\$ 2,189,386	91%	\$ 2,405,919	\$ 216,533
57 - Citizen/Client Related Service	\$ 17,970,708	22%	\$ 80,309,748	96%	\$ 83,473,389	\$ 3,163,641
58 - Interdepartmental (Chargeback)	\$ (694,635)	7%	\$ (9,922,457)	97%	\$ (10,229,337)	\$ (306,880)
59 - Capital, Debt, Other Financing	\$ 464,481	4%	\$ 9,290,748	75%	\$ 12,387,664	\$ 3,096,916
Total Expenses	\$ 66,295,781	21%	\$ 300,908,525	94%	\$ 320,395,195	\$ 19,486,670
Projected Contribution to Fund Balance						\$ 14,562,372

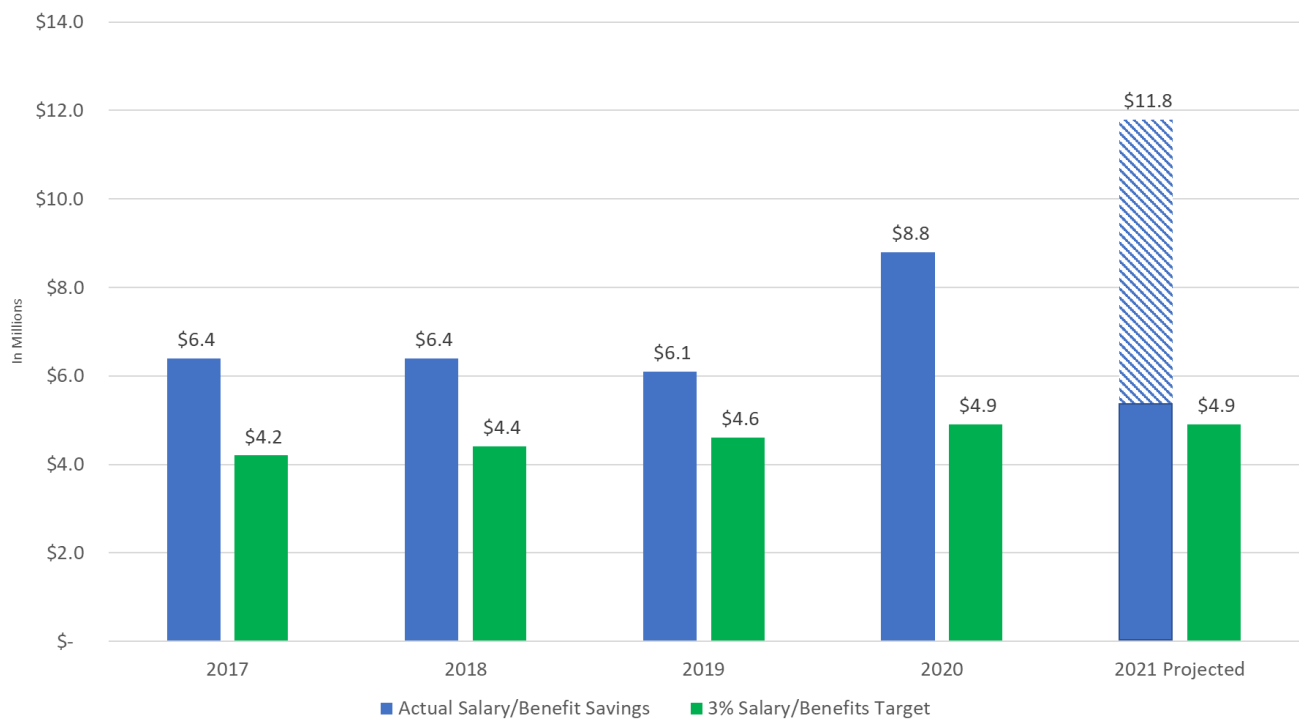
A majority of the Charges for Services deficit is Interest Earnings and Library Fines

Federal, State, and Other Intergovernmental are grant revenues offset by salary and purchase of service surpluses.

Salary and Benefits surplus results from approximately 95 vacant FTEs.

Client related services majority is funded by grants and offset by the revenue deficits.

Salary/Benefit Savings vs. Target (3%)



2022 Budget Pressures & Opportunities

Divisions and Offices were asked to identify pressures and opportunities impacting the 2022 budget.

Administration

- Long-term website upgrade
- Supporting more staff & supervisors in telework
- New ERP implementation
- Being collective bargaining for 2023
- Management of ARP Funding

Operations, Management, and Budget (OMB)

- Implementation of new Enterprise Resource Planning (Finance/Employee Relations/Budget) system
- COVID-19 and its continued impact
 - ARP
 - Recruitment and retention
 - Technology and ergonomic resources for hybrid environment
- Increasing cyber security threat environment
- Continued management of I-Net and expansion of capacity to un and underserved areas of the County
- CJNI Transition
- Enterprise Risk Management
- Increasing costs for insurance (property, auto and cyber security)

Community Services

Increased Service Demands		
<ul style="list-style-type: none">• Vaccines & Immunizations• Housing Support• Mental Health Crisis	<ul style="list-style-type: none">• Child Welfare• Child Support Backlog• Public Assistance	<ul style="list-style-type: none">• Employment Services• Corrections-Adult Intake
Potential Funding Changes	Staffing Capacity	Critical Innovation Priorities
<ul style="list-style-type: none">• MDH Vaccine Grant• SHIP• Child & Teen Checkup• Medical Billing Revenue• CCA Subsidy• Case <u>Mgmt</u> Costs• Federal IV-E• JSC Bed Revenue• Workforce Development Grants	<ul style="list-style-type: none">• Disability Services• JSC Staff• ISS Staff• Financial Workers• Internal Operations	<ul style="list-style-type: none">• Mental Health Crisis Response• Equity in Service Access & Outcomes• Birth to Age 8• Pathways to Prosperity & Well-Being• Emergency Adolescent Shelter• JSC Plan for Excellence
	"New Normal" Adaptations	
	<ul style="list-style-type: none">• Mobile Technology• Virtual Service Enhancements• Space Planning	

Impacts to Service Quality and Employee Health & Well-Being

Public Service and Revenue

- Funding Sunday hours for Library
 - 4.57 frozen positions
 - 7 of 9 branches had Sunday hours pre-pandemic
- Library Fines - Daily late fines paused during the pandemic
 - Unpause late fees August 1
- Replacement of all public printer/copiers in the libraries
- Burnsville License Center – remodel to increase number of service counters and larger waiting room space
- Improvements to Election night reporting – pursuing 2021 procurement of secure modems and enhancements to results reporting on website

Sheriff's Office

- Continued discussion and implementation local and national police reform strategies
- Part time Property Room Technician funding
- Electronic Crimes Unit domestic violence grant for 1.0 FTE expires October 2021
- Staff funding pressures and needs– Parks, Patrol and Jail
- Support mental health and wellness of employees
- Replacement of Jail Management System
- Jail reconfiguration– medical and mental health unit, short term female unit, social services workspace
- Expansion of body-worn-cameras

County Attorney's Office

- Ability to maintain same level of services
 - Legal Administrative Assistant vacancy in the Child Support Division (held open since January 2021)
 - One potential Attorney vacancy in the Child Support Division in 2022
- Demands associated with transfer, retention and disclosure of electronic data
 - Cellphones/Computers
 - Body Worn Camera Video and Squad Video
- Long-term operational needs exist in the case management system, as well as the ability to create specialized reports

Physical Development

Capital Projects:

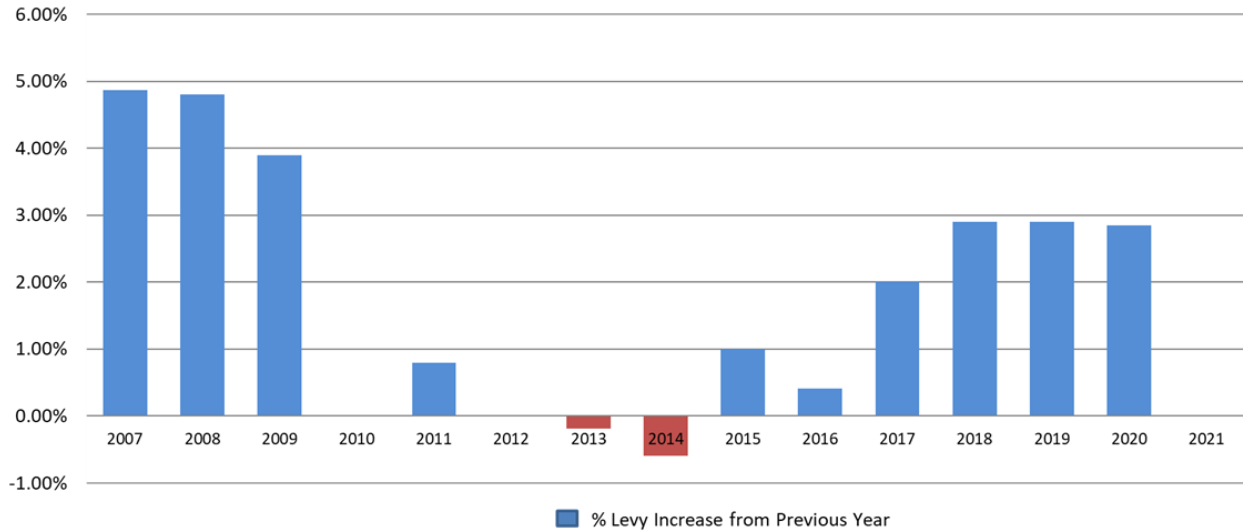
- Construction and maintenance material cost escalation will impact construction project budgets.
- Staff capacity to deliver CIP including accelerated Greenway and Highway Projects while continuing other strategic and master plans implementation.
- County Board determination on the use of ARP funds to support water and sewer capital projects (like Byllesby, Thompson Oaks, etc.)

General Concerns:

- Uncertainty regarding the fate of the Environmental Omnibus Bill and related potential sources of funding (grants).
- Possible changes in forecasted revenues related to Host Fees if CON is not granted to Pine Bend and Burnsville Landfills by the MPCA.
- Lingering impacts from the pandemic on dedicated transportation revenues.

2022 Financial Planning Environment

County Levy History



Prior to impacts of the *Great Recession* annual levy growth ranged between 4% and 6%. During the recession and after, the County maintained low levy growth through a combination of spending reductions, reallocation of revenues, utilization of fund balance to pay off debt, and other levy management practices. Long term cost and service pressures remain in the same range that they were before the recession.

2022 Preliminary Budget Assumptions

	\$ millions
Total Net Permanent Personnel Cost Growth	\$3.9
Preliminary Inflation on Existing Contracts	<u>\$0.2</u>
Total Net Preliminary Cost Growth (Levy Pressure)	<u>\$4.1</u>
Percent Levy Pressure with No New Funding or Expense Adjustments	2.8%

*Total personnel cost growth will increase by an additional \$3.5 million for one-time lump sum payments to be funded with fund balance

Levy Management Account (LMA)

History

in Millions

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>
Levy Management Account Additions	\$4.68	\$3.85	\$8.09	\$1.58	\$5.00	\$1.06	\$0.00	\$0.01	\$24.26
Levy Management Account Uses (Levy Reduction)		(\$3.11)	(\$3.67)	(\$5.95)	(\$3.03)	(\$2.51)	\$0.00	\$0.00	(\$18.26)
Annual Levy Management Account Change	\$4.68	\$0.75	\$4.42	(\$4.37)	\$1.97	(\$1.45)	\$0.00	\$0.01	\$6.00
Cumulative Available LMA	\$4.68	\$5.42	\$9.84	\$5.47	\$7.44	\$5.99	\$5.99	\$6.00	

Additions to LMA

- Debt Payoff
- Self Funded Health Insurance
- 3% Salary Savings
- Recognition of CPA in Operations
- Budgeted Expense Reductions

Vacancies by Division/Department

Division	Total Vacant Levy Costs Held for Savings	Vacant FTEs	Total Levy Costs for Additional FTEs	Additional Vacant FTEs	Total Levy All Vacancies	Total Vacant FTEs
Administration	\$ 100,000	1	\$ 250,000	3	\$ 350,000	4
Community Services	\$ 1,450,000	23	\$ 750,000	14	\$ 2,200,000	37
County Attorney	\$ 100,000	1	\$ 400,000	2	\$ 500,000	3
County Sheriff	\$ 300,000	3	\$ 500,000	6	\$ 800,000	9
Operations, Mgmt & Bdgt	\$ 250,000	2	\$ 1,050,000	11	\$ 1,300,000	13
Physical Development	\$ 450,000	6	\$ 200,000	6	\$ 650,000	12
Public Service & Revenue	\$ 350,000	5	\$ 550,000	9	\$ 900,000	14
Total County	\$ 3,000,000	41	\$ 3,700,000	51	\$ 6,700,000	92
Target	\$ 3,000,000					

Held Positions by General Type

		Level of Mandate		
		None	Indirect	Direct
Who Does it Face?	Internal Support	16 \$1.3M		
	Client	1.5 \$100K	14 \$800K	3 \$300K
	Public Facing	6 \$400K		

Internal Support/No Mandate:

- 4 FTE CSD Program Associates
- 3 FTE PDD Building Maintenance and Parks Keepers
- 5 FTE Legal, IT, Performance Mgmt./Analysis, Communications
- 4 FTE Administrative Support (various departments)

Client Facing/No Mandate:

- 1.5 FTE CSD Supervisor and Social Worker

Public Facing/No Mandate:

- 4 FTE PSR Library Staff (\$255K)
- 2 FTE Public Services Associate (PSR), Transportation Maintenance Worker, Parks Temp staff

Client Facing/Indirect Mandate:

- Social Workers, Public Health Nurses, Probation Officers, Child Support Specialists, Program Associates (Various CSD Depts)

Client Facing/Direct Mandate:

- 3 FTE Sheriff Correctional Deputies/General Duty Deputies

Possible Options to Offset 2022 Cost Growth

Funding Options

Annual Ongoing

Reallocate Existing Levy

- | | |
|---|----------------------|
| • Levy Management Account (LMA) | \$6.0 million |
| • Shift Levy (Transportation CIP) | \$2.7 million |
| • Increase 3% Salary/Benefits Savings to 3.5% | \$1.0 million |
| • Shift Transportation Equipment to CIP | \$0.25 – 0.4 million |

Expense Reductions

- | | |
|-----------------------------------|-------------------|
| • Levy Funded Personnel Costs | \$3.0 million |
| • Mileage/Printing/Office Support | \$0.5-0.7 million |

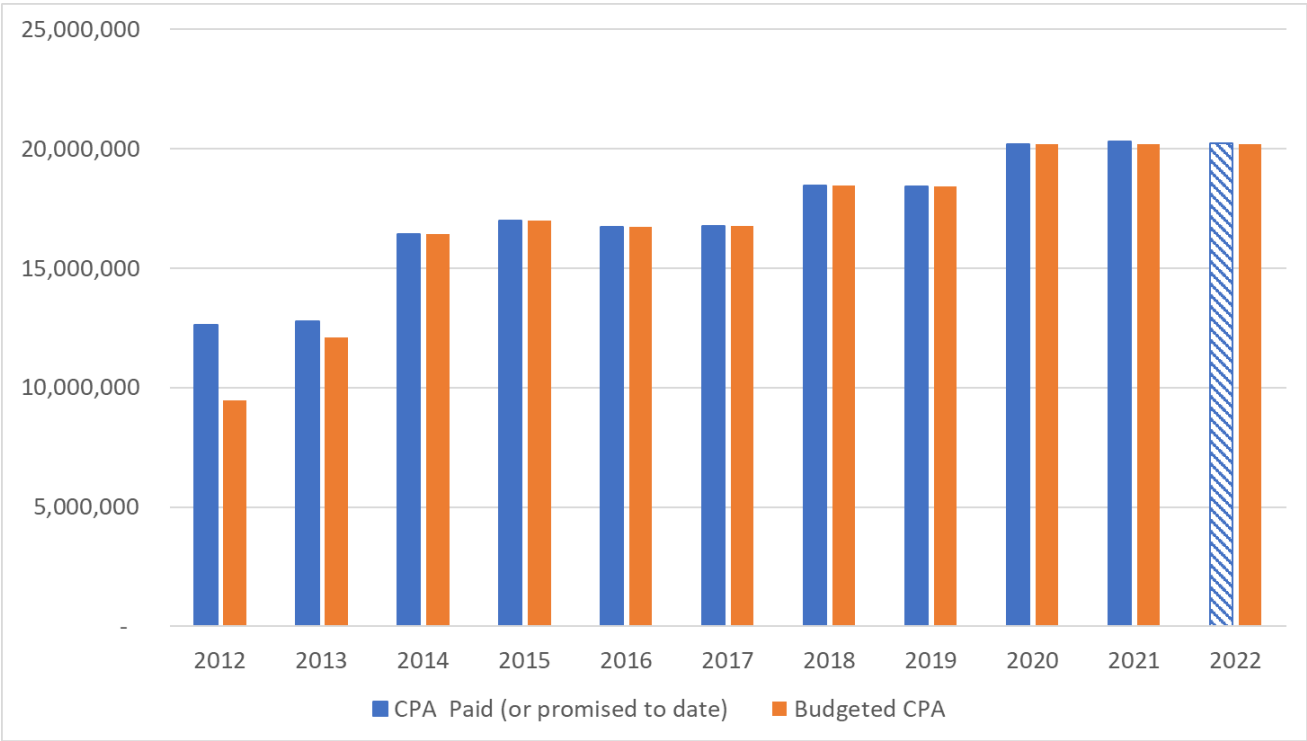
Operational Chargebacks to CIP/Other Funds

???

Increase Overall Revenues (Permanent)

- | | |
|----------------------------|---------------|
| • Levy Increase (every 1%) | \$1.4 million |
| • State Revenues | ??? |

County Program Aid

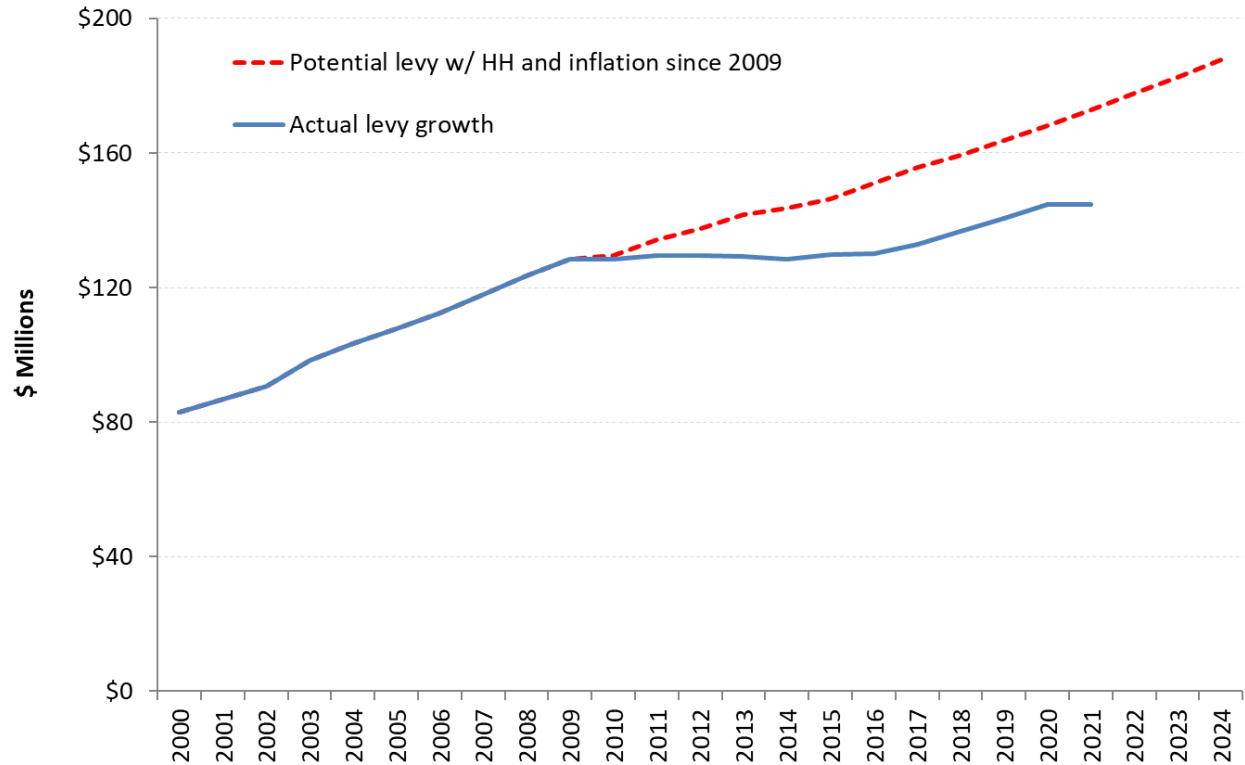


Since 2012 the County has received the full amount of certified CPA. In 2010 Dakota County saw the largest un-allotment of funds which was 22% of the certified amount.

Levy and Household Growth

Growth in County tax levy compared to household growth and inflation

Balancing affordable taxes with cost and demand growth



Source: MN Demographic Center, Bureau of Labor Statistics, and Minnesota Inter-County Association

Policy Options for the 2022 Budget

Possible 2022 Funding Option

Option 1

Gap to cover net base increase: **\$4.1**

Solutions:

- 3.5% vacancy savings (0.5% increase) **\$1.0**
- "Next normal" expense reductions (mileage, printing, office support) **\$0.6**
- Shift transportation equipment to CIP **\$0.4**

Remaining gap to cover **\$2.1**

Reallocate current levy **\$2.1**

- Use Levy Management Account (LMA)
- Reallocate Transportation CIP Levy to Operations

Pros:

- No increase to taxpayers in 2022
- No impact on service delivery in 2022

Cons:

- Reduce LMA for future levy relief (possible higher levy increases)
- Redirecting CIP levy reduces resources

Possible 2022 Funding Option

Option 2

Gap to cover net base increase: **\$4.1**

Solutions:

- 3.5% vacancy savings (0.5% increase) **\$1.0**
- “Next normal” expense reductions (mileage, printing, office support) **\$0.6**
- Shift transportation equipment to CIP **\$0.4**

Remaining gap to cover **\$2.1**

Reduce or reallocate expenses **\$2.1**

- Eliminate levy funded positions
- Chargeback eligible operational expenses to other funds
- Other permanent expense reductions

Pros:

- No increase to taxpayers in 2022
- Retains LMA for future year(s) levy relief

Cons:

- Potentials impacts to services provided to public (directly and indirectly)

Possible 2022 Funding Option

Option 3

Gap to cover net base increase: **\$4.1**

Solutions:

- 3.5% vacancy savings (0.5% increase) **\$1.0**
- “Next normal” expense reductions (mileage, printing, office support) **\$0.6**
- Shift transportation equipment to CIP **\$0.4**

Remaining gap to cover **\$2.0**

Increase permanent revenues **\$2.1**

- Increase Levy
- Other permanent revenues

Pros:

- Retains LMA for future year(s) levy relief
- No impact on service delivery in 2022

Cons:

- Increased cost to some taxpayers

Budget Development Process

- June 22 – County Board Budget Workshop #1
- August 24 - County Board Budget Workshop #2
- September 7 - GGP Budget Update
- September 21 - County Board Adoption of maximum levy
- November 2-5 – County Board Budget Hearings
- November 30 – CIP Public Hearings
- November 30 – County Board Budget Public Hearing (“Truth-In-Taxation”)
- December 14 – County Board Adoption of 2022 Budget