1. Call To Order And Roll Call
   Note: Any action taken by this Committee of the Whole constitutes a recommendation to the County Board.

2. Audience
   Anyone in the audience wishing to address the Committee on an item not on the agenda or an item on the consent agenda may come forward at this time. Comments are limited to five minutes.

3. Approval Of Agenda (Additions/Corrections/Deletions)

4. Introduction Of New Employees

CONSENT AGENDA

5. County Administration - Approval Of Minutes Of Meeting Held On August 7, 2018

REGULAR AGENDA

6. County Board/County Administration
   6.1 County Administration - Scheduling Of 2019 County Board/Committee Of The Whole Meetings, Workshops And Public Hearings
   6.2 County Administration – INFORMATION - Review Proposed Work Scope And Other Terms Of Lobbyist Request For Proposals Draft

7. Operations, Management And Budget
   7.2 Budget Office - Overview Of Revisions To Policy 2002 Budget Compliance And Policy 2751 Solicitation, Grant And Contract
   7.3 Budget Office – INFORMATION - Discussion Of 2019 Budget And Maximum Proposed Property Tax Levy

8. Physical Development
   8.1 Physical Development Administration – INFORMATION - Overview Of Preliminary Environmental Legacy Fund Expenditures And 2019 Draft Capital Improvement Program

9. County Manager's Report
10. Adjournment

The next scheduled meeting is Tuesday, October 9, 2018, at 9:30 AM in Conference Room 3A, Administration Center, Government Center, Hastings.

For more information, call 651-438-4417.
Dakota County Board meeting agendas are available online at https://www.co.dakota.mn.us/Government/BoardMeetings/Pages/default.aspx
DAKOTA COUNTY
GENERAL GOVERNMENT AND POLICY COMMITTEE OF THE WHOLE

Meeting Minutes

August 7, 2018
Conference Room 3A, Administration Center, Government Center, Hastings, MN

1. Call To Order And Roll Call
Commissioner Mike Slavik
Commissioner Kathleen A. Gaylord
Commissioner Thomas A. Egan
Commissioner Joe Atkins
Commissioner Liz Workman
Commissioner Mary Liz Holberg
Commissioner Chris Gerlach

Also in attendance: Jean Erickson Deputy County Manager; Jay Stassen, First Assistant County Attorney; and Jeni Reynolds, Sr. Administrative Coordinator to the Board.

The meeting was called to order at 10:47 a.m. by Chair Mike Slavik who welcomed everyone to the meeting.

2. Audience

Chair Slavik asked if there was anyone in the audience who wished to address the Committee of the Whole on an issue not on the agenda or to discuss an item on the consent agenda. No one came forward.

3. Approval Of Agenda (Additions/Corrections/Deletions)

On a motion by Commissioner Mary Liz Holberg, seconded by Commissioner Joe Atkins, the agenda was unanimously approved.

4. Introduction Of New Employees

The Sheriff introduced three staff that were recently promoted. Jim Gabriel and Dawanna Witt have been promoted to Captain. Matt Regis has been promoted to Sergeant.

CONSENT AGENDA

On a motion by Commissioner Kathleen A. Gaylord, seconded by Commissioner Liz Workman, the consent agenda was unanimously approved as follows:

5. Approval Of Minutes Of Meeting Held On July 17, 2018

6. Operations, Management And Budget

6.1 Authorization To Execute Contract With Anthro-Tech For Professional Services For Criminal Justice Network To Assist In Redesign Of Criminal Justice Network Applications

WHEREAS, the Dakota County Criminal Justice Network (CJN) provides applications and services to integrate
WHEREAS, the Dakota County CJN requires technical/professional services in the area of user interface design, usability testing, and experience in creating design that result in improved workflow of line of business users interfaces; and

WHEREAS, Dakota County CJN desires to contract with Anthro-Tech to provide professional services to improve CJN’s eBriefing user interface, for an amount not to exceed $83,126.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Operations, Management and Budget Director to execute a contract with Anthro-Tech for professional services, for a total contract amount not to exceed $83,126, subject to approval by the County Attorney’s Office as to form.

REGULAR AGENDA

7. County Board/County Administration

7.1 Approval Of 2019 Medical Plans And Premium Rates

Employee Relations Director Andy Benish and Deloitte representative Josh Johnson briefed this item and responded to questions.

Motion: Joe Atkins                                                                                              Second: Chris Gerlach

WHEREAS, self-funded medical plan expenses projected for 2019 result in a rate increase of 9.7 percent in the Advantage Plan, an 8.9 percent increase in the Select Plan, and a 7.5 percent increase in the Health Savings Account plan.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby approves the rate increase of 9.7 percent for the Dakota Advantage Plan, an 8.9 percent increase in the Dakota Select Plan, and 7.5 percent increase for the Dakota Health Savings Account Plan.

Ayes: 7                                                                       Nays: 0

7.2 Quarter Two Update On 2018 Board Priorities

Management Fellow Nathan Hanson briefed this item and responded to questions. This item was on the agenda for informational purposes only.

7.3 Update On Website Redesign

Web Communications Specialist Troy Mallat and SharePoint Administrator Heidi Husman briefed this item and responded to questions. This item was on the agenda for informational purposes only.

8. Operations, Management And Budget

8.1 Update On County’s Investment Activity

Financial Services Director Peter Skwira briefed this item and responded to questions. This item was on the agenda for informational purposes only.

9. Public Services And Revenue
9.1 Review Of New Library Logo

Library Director Margaret Stone briefed this item and responded to questions. This item was on the agenda for informational purposes only.

10. County Manager’s Report

No County Manager report was given.

11. Adjournment

On a motion by Commissioner Kathleen A. Gaylord, seconded by Commissioner Liz Workman, the meeting was adjourned at 12:08 p.m.

Respectfully submitted,

Jeni Reynolds
Sr. Administrative Coordinator to the Board
Scheduling Of 2019 County Board/Committee Of The Whole Meetings, Workshops And Public Hearings

Meeting Date: 9/4/2018  
Item Type: Regular-Action  
Division: County Administration/County Board  
Department: County Administration  
Contact: Smith, Matt  
Contact Phone: (651) 438-4590  
Prepared by: Reynolds, Jennifer

PURPOSE/ACTION REQUESTED

- Schedule dates and locations of County Board and Committees of the Whole meetings for 2019.
- Schedule workshops for discussion of the 2020 budget.
- Schedule public meeting to receive input on 2020 budget and levy.
- Schedule public hearing to receive comments on the 2020-2024 Capital Improvement Program (CIP).
- Propose 2019 workshop dates.

SUMMARY

When scheduling 2019 meeting dates, the following is required:

- The County Board must meet the first Tuesday following the first Monday in January. When the first Monday is a holiday, the Board has occasionally met the following week.
- The proposed maximum 2020 levy must be adopted on or before September 30.
- The County Board must also specify the date and time of an evening (6:00 p.m. or later) public meeting (formerly known as Truth In Taxation (TNT)) to receive input on the 2020 levy and budget, to be held between November 25 and December 28.
- The 2020 levy and budget must be adopted before five working days after December 20 (by December 28).

Local and national conferences dates for 2019 are as follows:

- January 16: Minnesota Inter-County Association Annual Meeting
- February 13-14: Association of Minnesota Counties (AMC) Legislative Conference
- March 2-6: National Association of Counties (NACo) Legislative Conference
- March 23-26: National Association of Workforce Boards Forum
- July 11-15: NACo Annual Conference
- October 20-23: International City/County Management Association Annual Conference
- December 9-10: AMC Annual Conference

Key dates for other workshops/events are proposed as follows:

- Annual Planning Workshop (half-day; following Board meeting): Jan. 22
- Budget Priorities Workshop (half-day; following Board meeting): June 18
- Proposed Levy Preparation Workshop (half-day; following Board meeting): Aug. 20
- Proposed Levy Adoption (at Board meeting): Sept. 24
- Budget Workshops: Nov. 4-7
- CIP Public Hearing (at Board meeting): Nov. 26
- Levy and Budget Public Hearing (formerly TNT): Nov. 26
- CIP Adoption and Final Levy/Budget Adoption (at Board meeting): Dec. 17

Resolution No. 16-468 (September 20, 2016), established guidelines for scheduling County Board and Committee meetings. Board practice in the past has occasionally deviated from these guidelines.

RECOMMENDATION

Staff recommends scheduling 2019 meetings as listed in Attachment A. Potential 2019 workshop dates are also included in Attachment A.

EXPLANATION OF FISCAL/FTE IMPACTS

None.
RESOLUTION
BE IT RESOLVED, That the Dakota County Board of Commissioners hereby adopts the following 2019 County Board/Committees of the Whole meeting schedule: [see Attachment]; and

BE IT FURTHER RESOLVED, That the location of the Board/Committee of the Whole meetings shall be scheduled as follows:

- All County Board meetings will be held at 9:00 a.m. in the Boardroom, Administration Center, in Hastings.
- All General Government and Policy (GGP) Committee meetings will be held at 9:30 a.m. (or following the County Board meeting) in Conference Room 3A, Administration Center, in Hastings.
- Physical Development (9:00 a.m.) and Community Services (at 9:30 a.m. or following) Committee meetings will be held in Conference Room 520, Northern Service Center, in West St. Paul, for the months of January through June.
- Community Services (9:00 a.m.) and Physical Development (at 9:30 a.m. or following) Committee meetings will be held in Conference Room 106, Western Service Center, in Apple Valley for the months of July through December.

; and

BE IT FURTHER RESOLVED, That County Board workshops to discuss the 2019 budget are hereby scheduled as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Time Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 18, 2019</td>
<td>10:00 a.m. or following County Board</td>
</tr>
<tr>
<td>August 20, 2019</td>
<td>10:00 a.m. or following County Board</td>
</tr>
<tr>
<td>November 4, 2019</td>
<td>10:00 a.m. or following County Board</td>
</tr>
<tr>
<td>November 5, 2019</td>
<td>9:00 a.m.</td>
</tr>
<tr>
<td>November 6, 2019</td>
<td>9:00 a.m.</td>
</tr>
<tr>
<td>November 7, 2019</td>
<td>9:00 a.m.</td>
</tr>
</tbody>
</table>

; and

BE IT FURTHER RESOLVED, That a public hearing is hereby scheduled for November 26, 2019, at 9:00 a.m., in the Boardroom, Administration Center, Hastings, Minnesota, to receive comments on the 2020–2024 Capital Improvement Program; and

BE IT FURTHER RESOLVED, That a public meeting is hereby scheduled for November 26, 2019, at 6:00 p.m., in the Boardroom, Administration Center, Hastings, Minnesota to receive input on the 2020 levy and budget.

County Manager’s Comments:
☑ Recommend Action
☐ Do Not Recommend Action
☐ Reviewed---No Recommendation
☐ Reviewed---Information Only
☐ Submitted at Commissioner Request

Reviewed by (if required):
☑ County Attorney’s Office
☑ Financial Services
☑ Risk Management
☐ Employee Relations
☐ Information Technology
☐ Facilities Management

County Manager

8/30/2018 10:11 AM Page 2
January 2019

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NEW YEARS DAY</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>19</td>
</tr>
<tr>
<td>20</td>
<td>21</td>
<td>M L KING DAY</td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td>27</td>
<td>28</td>
<td>29</td>
<td>30</td>
<td>31</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

February 2019

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### March 2019

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>NACo Legislative</td>
</tr>
<tr>
<td>3</td>
<td>NACo Legislative</td>
<td>4</td>
<td>NACo Legislative</td>
<td>5</td>
<td>NACo Legislative</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>8</td>
<td></td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>24</td>
<td>NAWB</td>
<td>25</td>
<td>NAWB</td>
<td>26</td>
<td>NAWB</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### April 2019

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>2</td>
<td></td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
</tr>
<tr>
<td>14</td>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>21</td>
<td>EASTER</td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>29</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- GOOD FRIDAY
- EASTER

- NAWB
- CB/RRA
### September 2019

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>LABOR DAY</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
</tr>
<tr>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td>29</td>
<td>30</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### October 2019

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>26</td>
<td>27</td>
<td>28</td>
<td>29</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>30</td>
<td>31</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Special Days:**
- Labor Day: September 2 (2019)
- Columbus Day: October 14 (2019)
- Halloween: October 31 (2019)

More Calendar Templates: [2019], [2020], [Online Calendar]
### November 2019

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
<td>29</td>
<td>30</td>
</tr>
</tbody>
</table>

- **November Events**
  - BUDGET
  - VETERANS DAY
  - CB/GGP
  - CS/PD
  - CB/RRA
  - CB/RRA/GGP
  - CHRISTMAS
  - CIP HEARING (TNT)
  - THANKSGIVING DAY

### December 2019

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tue</th>
<th>Wed</th>
<th>Thu</th>
<th>Fri</th>
<th>Sat</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
</tr>
<tr>
<td>22</td>
<td>23</td>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
</tr>
<tr>
<td>29</td>
<td>30</td>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **December Events**
  - CS/PD
  - AMC
  - AMC
  - AMC
  - CB/RRA/GGP
  - CHRISTMAS
### Review Proposed Work Scope And Other Terms Of Lobbyist Request For Proposals Draft

**Meeting Date:** 9/4/2018  
**Item Type:** Regular-Information  
**Division:** County Administration/County Board  
**Department:** County Administration  
**Contact:** Smith, Matt  
**Contact Phone:** (651) 438-4590  
**Prepared by:** Hanson, Nathan  

**Fiscal/FTE Impact:**  
- None  
- Other  
- Current budget  
- Amendment requested  
- New FTE(s) requested  

**Board Goal:** Excellence in public service  
**Public Engagement Level:** N/A

### PURPOSE/ACTION REQUESTED
- Receive information on Dakota County (County) interests in the State legislative process historically, as well as potential future issues, and how advocacy on those issues has been supported by staff, associations, and contracted lobbyists.
- Discuss scope and evaluation process for contracted lobbyist request for proposal.

### SUMMARY
The County has contracted for State intergovernmental relations service for work with both the legislative and executive branches of the State government since 1998. The County intends to issue a request for proposals (RFP) for lobbying services relative to the State legislature and State agencies. Since their strategies and goals with respect to the State legislature and State agencies are similar, based on discussion during the Board’s Legislative Relations Strategy Workshop, staff recommends that the County enter into a single contract for lobbying services to be provided on behalf of the County, the Dakota County Regional Railroad Authority and the Dakota County Community Development Agency.

Staff will provide an overview of the County’s overall interests as defined historically by the Board in the State legislative process (Attachment A), an overview of anticipated future legislative issues (Attachment B), and a summary of the roles played by associations of which Dakota County is a member, contract lobbyists, and County staff on various examples of legislative and policy-making initiatives (Attachments C and D).

Staff seeks guidance from the Board on the specific scope of services to be included in the lobbyist RFP within the context of the County’s overall legislative interests and priorities, and the role envisioned by the Board for staff, associations and the contract lobbyist. A working draft of the RFP, pending additional Board direction, is included as Attachment F.

### RECOMMENDATION
Information only; no action requested.

### EXPLANATION OF FISCAL/FTE IMPACTS
None for this item. Historical and current spending on lobbying, as well as the planning base for 2019, is included in Attachment E.
Supporting Documents:
Attachment A: Historical Dakota County Interests in Legislative Process
Attachment B: Potential Future Interests in Legislative Process
Attachment C: Examples of Past and Future Legislative Issues
Attachment D: Assessment of Staff, Association and Lobbyist Reliance by Division or Office
Attachment E: Intergovernmental Relations Activities and Expenses
Attachment F: Draft RFP

**RESOLUTION**
Information only; no action requested.

<table>
<thead>
<tr>
<th>County Manager's Comments:</th>
<th>Reviewed by (if required):</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Recommend Action</td>
<td>☒ County Attorney’s Office</td>
</tr>
<tr>
<td>☐ Do Not Recommend Action</td>
<td>☒ Financial Services</td>
</tr>
<tr>
<td>☐ Reviewed---No Recommendation</td>
<td>☒ Risk Management</td>
</tr>
<tr>
<td>☒ Reviewed---Information Only</td>
<td>☐ Employee Relations</td>
</tr>
<tr>
<td>☐ Submitted at Commissioner Request</td>
<td>☐ Information Technology</td>
</tr>
<tr>
<td></td>
<td>☐ Facilities Management</td>
</tr>
</tbody>
</table>

---

County Manager

8/30/2018 4:26 PM  Page 2
Historical Dakota County Interests in the Legislative Process

“...EFFECTIVE PARTNERSHIP AMONG LEVELS OF GOVERNMENT AND A STABLE AND EQUITABLE TAX AND REVENUE SYSTEM TO SUPPORT LOCAL GOVERNMENT SERVICES...”

The Dakota County Board of Commissioners supports a tax and revenue structure to promote efficient, effective, responsive government that provides revenues without placing an unacceptable burden on taxpayers. The Board of Commissioners believes that local governments can best determine acceptable taxing and spending levels for their communities. The Board of Commissioners supports policies that provide flexibility and autonomy in service delivery decisions to assure efficiency and effectiveness and eliminate state mandated maintenance of effort requirements. The Board of Commissioners opposes arbitrarily imposed tax and spending limits (e.g., levy limits or reverse referenda).

Examples of general policy areas and some specific policy positions (as of 2010)

**Tax and Fiscal Policy**
- Oppose the continuation of levy limits on local units of government and/or the imposition of reverse referendum provisions.
- Adequately fund County Program Aid

**State and Local Government**
- Authorize use of digital or digitized signatures
- Exempt local political subdivisions from the salary cap

**Data Practices**
- Allow county welfare, human services, corrections, public health, and veterans service units within a county to inform each other as to whether an individual or family currently is being served by the county

---

1 These are drawn off of “Dakota County Board 2010 Policy Positions”, August 2010. The general statements of overall policy interests and strategic priorities would arguably still generally reflect current Board thinking, even if the specific examples of policy initiatives from 2010 are dated.
"... A VIGOROUS SUSTAINABLE ECONOMY THAT PROVIDES OPPORTUNITIES FOR ALL PEOPLE TO BE INDEPENDENT AND ABLE TO SUPPORT THEMSELVES AND THEIR FAMILIES; SUPPLIES ACCESSIBLE, AFFORDABLE HOUSING; AND SUSTAINS VIGOROUS ECONOMIC DEVELOPMENT. The Dakota County Board of Commissioners supports policies that:

- Promote and integrate a proactive, adequately funded, cost-effective, community-based human service programs that improve the health and wellbeing of families, children and adults.
- Enable and encourage the development and preservation of an adequate supply of life-cycle housing.
- Create and maintain an active role for counties in the development of a highly skilled workforce through training, education, and technology access, assuring the flexibility necessary to meet community needs as determined by local elected officials.

**Economic Assistance**
- Repealing of the statutory provisions requiring a county share of costs for persons who reside in an Intermediate Care Facility for the Mentally Retarded (ICF-MR)

**Child Care**
- Increasing eligibility form 175% of poverty to 185% of poverty and providing additional funding for the Basic Sliding Fee Program to make funding sufficient to fully serve all eligible families.

**Child Support**
- Funding for child support to replace the approximately $8 million in federal funding that was lost to the State when the Federal Deficit Reduction Act.

**Child Protection**
- Support legislation that would provide counties with the same immunity as the state since family child care licensing is delegated to the counties by the state

**Child Welfare**
- Amending current state law to increase insurance coverage for child and adult foster home providers to be consistent with the tort limits for local governments.

**Human Services**
- Stable and sufficient funding for state-administered, county-delivered targeted intensive home visiting programs

**Housing and Community Development**
- Funding increase from $5 million to $10 million annually to provide supportive services to individuals and families who meet the state’s long-term homeless definition.
- Amending Chapter 474A to provide first in line priority for allocation of tax-exempt bonds from the “unified pool” for housing.

**Workforce Services**
- Keep employer-paid taxes within the dislocated worker program and provide adequate funding for the dislocated worker program
“...PROMOTE AND PROTECT PUBLIC HEALTH AND TO MAINTAIN THE PUBLIC’S SAFETY THROUGHOUT THE COMMUNITY.”

Promoting and protecting the public's health is a fundamental purpose of local government. The Dakota County Board of Commissioners believes that this purpose is best achieved through a partnership between the state and local government. ... support policies that maintain county board authority to administer public health programs in order to assure early access to quality; cost-effective preventive, acute, and chronic care health services; track health risk factors and focus on improved health outcomes; offer a continuum of services that meets local needs and avoids duplication of services and functions; and provide financial incentives for cost-saving measures that result in improved outcomes for individuals and families.

The Dakota County Board of Commissioners supports efforts targeted to prevention of crime and to reduce recidivism, education, and treatment programs to reduce crime and violence. To ensure the safety of the public, the Board of Commissioners supports a comprehensive network of local correctional services administered by counties in partnership with the state that encourage and support effective supervision and treatment of offenders sentenced to local authorities. The State of Minnesota must provide adequate funding for the partnership to function effectively.

Public Health
- Support adequate state funding for local health departments to identify, prevent and respond to health threats. Funding cuts have reduced the capacity of local health departments to protect the health of the public.

Public Safety
- Requiring the Department of Corrections (DOC) to assume the responsibility to investigate all allegations of maltreatment that occur in DOC licensed juvenile facilities and providing state funding

“...A QUALITY PHYSICAL ENVIRONMENT IN WHICH TO LIVE AND RECREATE.”

The Dakota County Board of Commissioners believes that sound management of the environment and natural resources requires effective local, state, and federal governance. The Board of Commissioners supports policies that provide for local authority to establish local priorities for sound environmental stewardship and waste management practices; protect and improve the quality of water in Minnesota; balance the interests of the community and the rights of the individual landowner; and promote a sustainable future for Dakota County and its citizens.

Environment and Natural Resources
- Full funding of the Metropolitan Council request for Metropolitan Regional Parks Capital Improvement (CIP) funding
- Appropriation for environmental study, engineering, design, and construction of an upgrade to the Lake Byllesby Dam spillway
“TRANSPORTATION INFRASTRUCTURE THAT MEETS THE NEEDS OF THE COMMUNITY FOR ECONOMIC VITALITY AND A SUSTAINABLE ECONOMIC FUTURE.”

The Dakota County Board of Commissioners supports public investment in the state and local infrastructure that includes roads, bridges, and transit systems. A multi-modal, integrated transportation system is vital to healthy communities. The Board of Commissioners supports policies that will establish a safe transportation system with the necessary funding, flexibility, and accessibility to effectively and efficiently move people and goods and ensures that transit services are available.

### Transportation & Transit Funding

- Continuing investment in the Cedar Avenue Transitway, appropriating funds to complete the estimated state share of funding for Phase I of the Cedar Avenue Transitway.
- Appropriating funds to the Minnesota Department of Transportation to replace or rehabilitate deficient bridges owned by local governments and for local road projects, including funds to assist with the local share of costs.
Potential Future Interests in the Legislative Process

Source: Senior Leadership Team

**State/Local Partnership and Taxes**
- Protect state aids in next budget downturn
- Correct existing cost shifts and resist future cost shifts

**Economic Sustainability**
- Support state investment in affordable housing
- Address inadequacies in METS
- Data practice opportunities that lead to enhanced integrated services
- Administrative simplification opportunities

**Public Health and Safety**
- Support adequate state funding for local health departments
- Civil forfeiture changes

**Physical Environment**
- Water treatment cost reimbursement
- Bonding for new Recycling/Hazardous Waste facility
- MLCAT and CLIF protections
- Solid Waste funding for master plan activities
- Dependability of Regional Parks bonding and Metropolitan Council match

**Transportation System**
- Maintenance of LMVST formula
- Increase long-term sustainable funding for highway and bridge purposes
- Support Trunk Highway and General Obligation bonds for highway programs
- Support data collection and analysis across transportation partners
### Examples of past legislative issues by strategy area and how supported

<table>
<thead>
<tr>
<th>Policy or interest area</th>
<th>State/local partnership and taxes</th>
<th>Economic sustainability</th>
<th>Public health and safety</th>
<th>Physical environment</th>
<th>Transportation system</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Plan linkage(s)</strong></td>
<td>Great place Healthy environment Business and jobs Public service</td>
<td>Great place Business and jobs</td>
<td>Great place Healthy environment</td>
<td>Healthy environment Great place</td>
<td>Business and jobs Great place</td>
</tr>
<tr>
<td><strong>Legislative issue</strong></td>
<td>CPA funding increase/formula change</td>
<td>Address inadequacies in METS to improve efficiencies and support access to health care.</td>
<td>SMART Center bonding</td>
<td>Dependability of Regional Parks bonding and Metropolitan Council match</td>
<td>CTIB dissolution and local sales tax (2017)</td>
</tr>
<tr>
<td><strong>5 year fiscal impact to Dakota County</strong></td>
<td>$8,500,000</td>
<td>Staff estimate approximately $5,850,000 in additional costs over five years</td>
<td>$6,200,000 state funds for capital</td>
<td>$4,500,000</td>
<td>$100+ million total sales tax and CTIB refund</td>
</tr>
</tbody>
</table>

### Legislative process roles:

- **Staff and Board**
  - Some role through associations
  - Some role through associations
  - Major role
  - Active role
  - Major role

- **Associations**
  - Major role: AMC convening MICA modeling and framework
  - Major role: On AMC, MACSSA, and MICA legislative platforms. AMC, MACSSA, and MICA convening and advocating.
  - Minimal role
  - Regional Park Implementing Agencies and Metropolitan Council
  - Minimal: MICA adopted Dakota County position AMC none

- **Contract lobbyists**
  - Minimal to some
  - Minimal role
  - Major role
  - Active role
  - Minimal role
Examples of **potential future** legislative issues by strategy area and how supported

<table>
<thead>
<tr>
<th>Policy or interest area</th>
<th>State/local partnership and taxes</th>
<th>Economic sustainability</th>
<th>Public health and safety</th>
<th>Physical environment</th>
<th>Transportation system</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strategic Plan linkage(s)</strong></td>
<td>Great place Healthy environment Business and jobs Public service</td>
<td>Great place Business and jobs</td>
<td>Great place Healthy environment</td>
<td>Healthy environment Great place</td>
<td>Business and jobs Great place</td>
</tr>
<tr>
<td><strong>Potential fiscal impact to Dakota County</strong></td>
<td>Loss of state revenue and impacts on tax levy and services.</td>
<td>Significant impact: direct housing and services expenditures and self-sufficiency outcomes for Dakota residents.</td>
<td>Increased Public Health grant allocation impact: significant</td>
<td>Preliminary estimates ~$4.8M in State funds gained (assuming 50% bonding)</td>
<td>Difficult to assess depending on approach. $.01 gas tax increase results in approximately $250,000 Dakota County CSAH increase.</td>
</tr>
</tbody>
</table>

**Legislative process roles (anticipated):**

- **Staff and Board**
  - Moderate role
  - Significant role
  - Some role through associations.
  - Major role
  - Supporting role

- **Associations**
  - Major role
  - Moderate role: associations haven’t adopted housing as a front line issue yet.
  - Major role LPHA
  - Scott County
  - AMC, MICA, Transportation Alliance will play a strong advocacy role.

- **Contract lobbyists**
  - Moderate role
  - Minimal role
  - Minimal role
  - Major role
  - Supporting role, except for an active defensive role as needed for LMVST
<table>
<thead>
<tr>
<th>Associations</th>
<th>Admin</th>
<th>CS</th>
<th>OMB</th>
<th>PD</th>
<th>PSR</th>
<th>CDA</th>
<th>Attorney</th>
<th>Sheriff</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMC</td>
<td>Medium</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>MICA</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Medium</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Contract Lobbyists</td>
<td>High</td>
<td>Low</td>
<td>Low</td>
<td>High</td>
<td>Medium</td>
<td>Medium</td>
<td>Low</td>
<td>High</td>
</tr>
<tr>
<td>Staff</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Low</td>
<td>High</td>
<td>High</td>
</tr>
</tbody>
</table>

Legislative support services may include lobbying, policy development and analysis, and/or fiscal and operational impacts of legislative proposals.
Dakota County Intergovernmental Relations:
Activities and Expenses

**DIRECT LOBBYING EXPENDITURES**

<table>
<thead>
<tr>
<th></th>
<th>2017 Budget</th>
<th>2017 Spending</th>
<th>2018 Budget</th>
<th>2018 Expected Spending</th>
<th>2019 Planning Base</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>State Intergovernmental Relations</strong></td>
<td>$100,880</td>
<td></td>
<td>$103,393</td>
<td></td>
<td>$105,461</td>
</tr>
<tr>
<td><em>Messerli &amp; Kramer Contract</em></td>
<td></td>
<td>$101,875</td>
<td></td>
<td>$103,913</td>
<td></td>
</tr>
<tr>
<td><em>Other Spending</em></td>
<td></td>
<td>$0</td>
<td></td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$100,880</td>
<td>$101,875</td>
<td>$103,393</td>
<td>$103,913</td>
<td>$105,461</td>
</tr>
<tr>
<td><strong>Federal Intergovernmental Relations</strong></td>
<td>$51,469</td>
<td></td>
<td>$51,241</td>
<td></td>
<td>$52,266</td>
</tr>
<tr>
<td><em>Other Spending</em></td>
<td></td>
<td>$0</td>
<td></td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$51,469</td>
<td>$0</td>
<td>$51,241</td>
<td>$0</td>
<td>$52,266</td>
</tr>
<tr>
<td><strong>County Administration Consulting</strong></td>
<td>$51,383</td>
<td></td>
<td>$52,154*</td>
<td></td>
<td>$54,997</td>
</tr>
<tr>
<td><em>Weber Johnson</em></td>
<td></td>
<td>$30,189</td>
<td></td>
<td>$32,000</td>
<td></td>
</tr>
<tr>
<td><em>Other Spending</em></td>
<td></td>
<td>$0</td>
<td></td>
<td>$0</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$51,383</td>
<td>$30,189</td>
<td>$52,154</td>
<td>$32,000</td>
<td>$54,997</td>
</tr>
<tr>
<td><strong>Totals:</strong></td>
<td>$203,732</td>
<td>$132,064</td>
<td>$206,788</td>
<td>$135,913</td>
<td>$212,724</td>
</tr>
</tbody>
</table>

*County Funds

**INDIRECT LOBBYING EXPENDITURES**

<table>
<thead>
<tr>
<th></th>
<th>2017 Dues</th>
<th>Percentage of the Org's Total 2017 Budget</th>
<th>2018 Dues</th>
<th>Percentage of the Org's Total 2018 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMC</td>
<td>$52,071</td>
<td>2.37%</td>
<td>$53,890</td>
<td>2.27%</td>
</tr>
<tr>
<td>MICA</td>
<td>$106,339</td>
<td>21.81%</td>
<td>$106,468</td>
<td>21.73%</td>
</tr>
<tr>
<td>NACo</td>
<td>$7,845</td>
<td>&lt;1%</td>
<td>$7,845</td>
<td>&lt;1%</td>
</tr>
<tr>
<td>I-35W Solutions Alliance</td>
<td>$6,000</td>
<td>12.77%</td>
<td>$6,000</td>
<td>12.77%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$172,255</td>
<td></td>
<td>$174,203</td>
<td></td>
</tr>
</tbody>
</table>
REQUEST FOR PROPOSALS
for lobbying services in the State of Minnesota

County of Dakota,
Dakota County
Community Development Agency
and
Dakota County Regional Railroad Authority

A qualified proposer should review the attached specification and submit one electronic copy and one unbound original of its proposal no later than 4:30 p.m. CDT, Friday, October 75, 2018, to:

Matt Smith
County Manager
Dakota County Administration Center
1590 Highway 55
Hastings, MN 55033
countyadmin@co.dakota.mn.us

Questions regarding the specification must be by email addressed to Matt Smith no later than 12:00 p.m. (noon) CDT, Friday, September 30, 2018.
A. Purpose of Request

The County of Dakota, the Dakota County Community Development Agency and the Dakota County Regional Railroad Authority seek to contract for lobbying services to be provided in the State of Minnesota, with a focus on transportation, transit, and parks and open space issues. The County of Dakota, the Dakota County Community Development Agency and the Dakota County Regional Railroad Authority seek to contract with one or more firms to represent their interests to the State Legislature, executive branch and other stakeholders regarding the policy goals of the County of Dakota, the Dakota County Community Development Agency and the Dakota County Regional Railroad Authority. The County of Dakota, the Dakota County Community Development Agency, and the Dakota County Regional Railroad Authority also require consultation with respect to such services.

B. Project Background and History

The County of Dakota is located in the Twin Cities Metropolitan Area of State of Minnesota, located immediately to the south of the Cities of Minneapolis and St. Paul. The County has a population of approximately 400,000 (2010-2017). Within the County there are 21 cities, 13 townships, 11 school districts, and a variety of special purpose districts (e.g., the Dakota County Soil and Water Conservation District and the Lower Minnesota River Watershed District). Approximately 95% of the population of the County is concentrated in its 11 largest cities: Apple Valley, Burnsville, Eagan, Farmington, Hastings, Inver Grove Heights, Lakeville, Mendota Heights, Rosemount, South St. Paul and West St. Paul. The remaining 5% of the population is in three smaller cities in the urbanized area of the County, seven small cities in the rural area of the County (including the portion of Northfield that is in the County) and the 13 townships.

The County operates under an elected seven-member County Board of Commissioners, each member representing a district of the County. The County Board of Commissioners is charged by law with the management of the affairs of Dakota County. The County Board of Commissioners operates as a deliberative and legislative assembly, meeting to discuss and determine the direction and policies of the County within the confines of state and federal law. The County Board of Commissioners functions within the statutory framework of Minnesota law.

The County provides a full range of public services, including health and human services programs, public safety and law enforcement, courts and probation, tax assessment and collection, vital statistics and public records, highways, parks and trails, and environmental management.

The County Board of Commissioners has contracted with one or more individuals or firms for lobbying services in the State for several decades. Annually, the County Board of Commissioners adopts its legislative program that serves as guidance to the County’s lobbyists. County Commissioners and members of the County’s professional staff work directly with lobbyists to provide the data and background on the legislative program.
The Dakota County Community Development Agency (CDA) was established in 1971 pursuant to special Minnesota Legislation Minn. Stat. § 383D.41. Since then, the CDA has grown in scope and size and today administers over 30 programs that work to improve the lives of Dakota County residents and enhance the economic vitality of communities through housing and economic development. In addition to carrying out federally funded public housing programs, the CDA exercises the powers provided in Minn. Stat. § 469.001 to 469.047 and 469.090 to 469.1082. The CDA is a separate legal entity from Dakota County, but collaborates in many ways. For lobbying services, the CDA has in the most recent years utilized the same lobbyist firm as the County to coordinate priorities. The most recent contract has been for monitoring services with the option to procure additional assistance as needed throughout the legislative session.

The Dakota County Regional Railroad Authority is a governmental unit of the State of Minnesota organized by the Dakota County Board of Commissioners in 1987 pursuant to Minnesota Statutes Chapter 398A. The Authority operates under a seven-member Board of Commissioners appointed by the Dakota County Board of Commissioners, which has appointed themselves to the Authority’s Board of Commissioners.

The Authority exercises the powers provided in Minn. Stat. § 398A.04 and Minnesota Laws 2005, First Special Session, Ch. 6, Art. 3, with respect to the Cedar Avenue Transitway and the Robert Street Transitway. The Authority does not have any employees. The Authority contracts with the County of Dakota for all services. The Authority in the past has contracted with one or more individuals or firms for lobbying services related to the Cedar Avenue Transitway and the Robert Street Transitway.

C. Project Scope

The County’s, the Agency’s and the Authority’s primary objectives in seeking lobbying services to be provided in the State of Minnesota are to:

- Secure state funding for the County’s, the Agency’s and the Authority’s capital projects, including transportation, transit, parks, open space, and general government projects.

- Provide timely and effective input into the state legislative process so that County, Agency and Authority interests are advanced and protected, including both policy and financial interests.

The scope of the lobbyist services includes:

- Consult with County officials and staff regarding tactics and strategies for advancing County, Agency and Authority interests at the state legislature. The County, the Agency and the Authority expect that the lobbyist(s) engaged in response to this Request for Proposals will concentrate their time and energy on County, Agency and Authority interests relative to transportation, transit, parks and open space. The County expects that lobbying activities
relative to human services, corrections, public safety, environmental protection and general government will be a secondary focus of the lobbyist(s) and that such activities typically will occur in coordination with lobbyists engaged by other governmental entities and associations and by County staff.

- Communicate and advocate the positions of the County of Dakota, the Dakota County Community Development Agency and the Dakota County Regional Railroad Authority to members of the state legislature and the executive branch.

- Develop and maintain effective working relationships with Legislators representing the geographic area of Dakota County, legislators serving on key legislative committees, and officials within State administrative agencies and representatives of other associations of which Dakota County is a member in order to promote the County’s, the Agency’s and the Authority’s interests.

- Assist and support in organizing the annual Dakota County Legislative Workshops and other meetings between County officials and the legislative delegation, as needed.

- Engage in regular and frequent communication with County officials and staff during the state legislative session, including (i) attendance at the weekly meeting of the County’s Legislative Workgroup, (ii) identifying opportunities for action (including testimony) by County, Agency and Authority commissioners, and (iii) timely communication of legislative actions or decisions that affect the County, the Agency and the Authority.

- Report to the County Board of Commissioners, when requested.

- Prepare and provide an annual report following adjournment of the legislature summarizing activities related to the County’s, the Agency’s and the Authority’s interests.

- Develop and demonstrate understanding of the County’s, Agency’s and Authority’s interests, policies, practices and values as they relate to the County’s, Agency’s and Authority’s legislative goals.

D. General Information and Submittal Requirements

1. General Information.

   a. Proposal Scope. Proposals may be submitted for all or only a part of the Project Scope. The County, the Agency and the Authority are not precluding the potential selection of more than one lobbyist.

   b. Proposal Format. Proposals should be submitted electronically in a format that is ready to print on 8½ x 11” paper, together with one unbound hard copy.
c. **Examination of Request for Proposals.** By submitting a proposal the proposer represents that he/she has thoroughly examined the Request for Proposals, is familiar with the work required by it, and is capable of performing quality work to achieve the objectives of the County and the Authority.

d. **Addenda.** Any changes to this Request for Proposals will be made by the County through emailed addenda. Questions regarding this Request for Proposals may be directed by email only to Matt Smith at countyadmin@co.dakota.mn.us.

e. **Pre-contractual Expenses.** Pre-contractual expenses are defined as expenses incurred by a proposer in preparing its proposal in response to this Request for Proposals, submitting its proposal to the County, or negotiating with the County on any matter related to this Request for Proposals, and any other expenses incurred by the proposer prior to the date of proposer’s execution of an agreement with the County. Neither the County, nor the Agency, nor the Authority shall be liable for any pre-contractual expenses incurred by proposers in response to this Request for Proposals.

f. **Exceptions and Deviations.** Any exceptions to the requirements in this Request for Proposals must be included in the proposal as a separate element of the proposal labeled “Exceptions and Deviations.”

g. **County, Agency and Authority Rights.** Issuance of this Request for Proposals and receipt of proposals do not commit the County, the Agency or the Authority to award a contract. The County, the Agency and the Authority reserve the right to:

   (i) postpone consideration of the proposals for its own convenience  
   (ii) accept or reject any or all proposals received in response to this Request for Proposals  
   (iii) cancel this Request for Proposals in its entirety  
   (iv) issue a subsequent Request for Proposals  
   (v) negotiate with any, all or none of the proposers  
   (vi) negotiate more than one proposer simultaneously

h. **Independent Contractor.** Any lobbyist engaged as a result of this Request for Proposals will be an independent contractor and nothing contained in any contract entered into with the County, the Agency or Authority shall be construed to create an employment relationship.

i. **Joint Proposals.** Where two or more proposers desire to submit a single proposal in response to this Request for Proposals, they should do so on a subcontract basis and not as a joint venture. The County, the Agency and the Authority intend to contract with one or more single firms and not with firms doing business as a joint venture.

j. **Contact Person.** Proposers’ sole point of contact with the County for this Request for Proposals is Matt Smith. Proposers should not contact any other County employee regarding this Request for Proposals. Questions regarding this Request for Proposals should be directed to Matt Smith at 651-438-4590 or countyadmin@co.dakota.mn.us.

k. **Ownership of Proposals.** All proposals submitted to the County become the property of the
County upon submission, and proposals will not be returned to the proposers. By submitting a proposal, the proposer agrees that the County may copy the proposal for purpose of evaluation of the proposal and to respond to requests for public data. The proposer consents to such copying by submitting a proposal and warrants that such copying will not violate the rights of any third party, including copyrights.

1. Public Records and Requests for Confidentiality. Pursuant to the Minnesota Government Data Practices Act at Minn. Stat. § 13.591, the names of all of the proposers who have submitted a proposal will be public upon receipt of the proposal. All other information contained in the proposals remains private until the County has completed negotiating a contract(s) with the selected lobbyist(s). After the contact(s) has(have) been negotiated, all information in all of the proposals is public, except “trade secret” information as defend at Minn. Stat. § 13.37.

Release of information in the possession of the County is governed by the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13. Proposers are encouraged to familiarize themselves with Chapter 13 before submitting a proposal.

All information submitted by a proposer eventually will become public and will be treated by the County as public, unless the proposer properly requests, and the County agrees, that information be treated as private or confidential. A proposer making such a request must provide the County with the name, address and telephone number of the individual authorized by the proposer to respond to inquiries by the County concerning the request. The County reserves the right to make the final determination of whether the information identified in such request is private or confidential within the meaning of the Minnesota Government Data Practices Act. A proposer’s failure to request that information be treated as private or confidential will be deemed by the County as a waiver by the proposer of any claim to treatment of the information as private or confidential.

2. Letter of Submittal. The letter of submittal shall include:

a. Identification of the proposing firm and any subcontractors, including name, address and telephone number of each;

b. Acknowledgment of receipt of the Request for Proposals addenda, if any;

c. Name, title, address, telephone number, fax number and email address of proposer’s contact person for the period of evaluation; and

d. Signature of a person authorized to submit a proposal.

3. Proposal Elements. The following information should be provided in the proposal:

a. Firm Profile. Please state the firm’s name (including its organizational form), address and date of formation or establishment;

b. Approach. Provide a brief summary of the proposer’s understanding of the requested services and approach to meeting the needs of the County, **the Agency** and the Authority.
c. **Previous Experience.** Describe the proposer’s experience and expertise in providing the services described in this Request for Proposals and how the proposer is specially qualified to do so.

d. **Key Personnel.** Identification of the personnel who will be providing the services described in this Request for Proposals, which services each will provide, qualifications of each for providing such services, and relevant experience in providing such services to other entities.

e. **Subcontractors.** Identify any subcontractor(s) which the proposer will use in order to provide the services described in this Request for Proposals, including the personnel of such subcontractor(s) who will provide the services, the qualifications of each for providing such services, and relevant experience in providing such services to the other entities.

f. **Conflict of Interest.** Disclose any conflicts of interest which the proposer may have involving the County of Dakota, the Dakota County Community Development Agency or the Dakota County Regional Railroad Authority. Identify other clients for which proposer is a registered Minnesota lobbyist.

g. **Fee Proposal.** Provide a schedule or schedules of fees, including reimbursables, whether it be on a retainer or other basis.

---

### E. Evaluation Criteria

Each proposal will be evaluated as to how well it responds to this Request for Proposals. The County will identify proposals that most clearly meet the needs of the County, the Agency and the Authority. Upon review of the proposals, the County may invite one or more proposers to make a presentation and be interviewed. Key personnel identified above should be present at such interview. Factors to be considered will include:

a. Qualifications and experience of the proposer

b. Qualifications and experience of the key personnel

c. Qualifications and experience of subcontractor(s), if any

d. Ability to provide the requested services

e. Demonstrate understanding of the requested services

f. Responsiveness, i.e. compatibility between the proposer(s) and key County personnel

g. Capacity to assure that County, Agency and Authority interests will be fully represented
F. Timetable

- Release of Request for Proposals
  - Dakota County Website: September 2010, 2011, 2018
  - Minnesota State Register: September 26, 2011, 2018
- Deadline for Written Questions: September 30, 2011, 2018 at 12:00 p.m. (noon) CDT
- Written Addenda Issued: October 3, 2011
- Proposals Due: October 75, 2011, 2018 at 4:30 p.m. CDT
- Evaluation Interviews, if any: October 17-21, 2011, 2018
- Selection of Lobbyist(s) by Dakota County Board of Commissioners, Dakota County Community Development Agency, and Dakota County Regional Railroad Authority: November 15-27, 2011, 2018

G. Contract(s)

Selected lobbyist(s) must enter into a written contract with the County, the Agency, and/or the Authority, as appropriate. Such contract(s) will include the County’s Standard Assurances and Insurance Terms (attached).
Authorization To Purchase Cyber Security Insurance With National Union Fire Insurance And Amendment Of Office Of Risk Management Budget

Meeting Date: 9/4/2018  Fiscal/FTE Impact:  
Item Type: Regular-Action  □ None  □ Other  
Division: Operations, Management and Budget  □ Current budget  ☒ Amendment requested  
Department: Office of Risk Management  □ New FTE(s) requested  
Contact: Battig, BJ  Board Goal: A great place to live  
Contact Phone: (651) 438-4532  Public Engagement Level: N/A  
Prepared by: Battig, BJ

PURPOSE/ACTION REQUESTED
Authorize the Director of Operations, Management and Budget (OMB) to purchase cyber security insurance contract with National Union Fire Insurance and amend the Office of Risk Management budget.

SUMMARY
There has been a substantial increase in cyber security attacks on public sector entities over the last several years. This increase in exposure to a variety of cyber-attack scenarios and the day-to-day experience of the County Information Technology (IT) security staff led to the pursuit of options to insure some of the financial exposure that can arise as the result of a successful attack by outside entities. The County purchases several types of commercial insurance (property, crime, and auto) where it makes financial sense while being self-insured for general liability and workers compensation exposures.

Staff from the Office of Risk Management and IT has been working together over the last several months to research insurance options and complete applications for the solicitation process. Bearance Management Group, the County’s insurance broker, worked with a specialty underwriting firm to obtain quotes from three insurers that included AIG, Beazley and CFC. Review of the initial quotes resulted in AIG being selected for two reasons. First, their premium costs were the lowest and secondly, they offer broad coverage forms for cyber security insurance. AIG is also writes a significant amount of coverage in the cybersecurity insurance market and has 17 percent of the total cybersecurity insurance market based on premiums written. The actual insurance carrier is National Union Fire Insurance Company which was founded in 1901 and operates as a subsidiary of AIG Property Casualty U.S., Inc.

Coverage limits were quoted that ranged from $1-5 million dollars. Staff looked at experiences of other public entities and the results of a 2017 U.S. Cost of Data Breach Study. The City of Atlanta recently spent nearly $3M in responding to a ransomware attack. The 2017 Data Breach Study determined the average data breach size (28,512 records) and the cost per capita for public entities ($110) indicate the County’s exposure could be estimated at $3,136,320. Based on this information, a limit of liability of three million dollars ($3M) is recommended with a deductible of $25,000.

The various coverages provided by the policy are listed below and Attachment A provides a summary of the insurance coverage, limits provided and some example of how they might apply to Dakota County.

<table>
<thead>
<tr>
<th>Specialty/Professional Liability</th>
<th>Cyber Business Interruption</th>
<th>PCI Fines and Penalties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privacy and Network Security</td>
<td>Data Restoration Loss</td>
<td>Cyber Crime</td>
</tr>
<tr>
<td>Media and Broadcaster Liability</td>
<td>Cyber Extortion</td>
<td>Regulatory Coverage</td>
</tr>
<tr>
<td>Breach Response Coverage</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

RECOMMENDATION
Staff recommends the Board authorize the OMB Director to purchase cyber security insurance contract with National Union Fire Insurance with a three million dollar limit of liability for the policy period of period September 18, 2018 through September 18, 2019.

EXPLANATION OF FISCAL/FTE IMPACTS
Financing for the 2018 cyber security insurance premium of $38,455 will be drawn from the Dakota County Liability Loss Reserve (DCLLR) Fund balance that has been set aside for these purposes. Future revenue of $8,000 is expected under the terms of a joint powers agreement under development with Scott County to provide information technology services to host PH Docs software. The estimated net premium for 2019 will be included in the County Manager’s recommended 2019 County Budget for general liability insurance.
RESOLUTION
WHEREAS, Dakota County purchases insurance to cover financial risks that can result in significant costs and are unpredictable in nature; and

WHEREAS, there has been a substantial increase in cyber security attacks on public sector entities over the last several years; and

WHEREAS, an evaluation of the cyber security marketplace for competitive pricing was completed; and

WHEREAS, based on the evaluation of the marketplace, staff is recommending the purchase of cyber security liability insurance with a limit of liability of three million dollars with National Union Fire Insurance Company.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Director of Operations, Management and Budget to purchase the following insurance to be paid at current rates from the Office of Risk Management insurance budget:

Cyber Security Liability Insurance
September 18, 2018 through September 18, 2019   Premium $38,455   National Union Fire Insurance Company

; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby amends the Office of Risk Management 2018 budget as follows:

<table>
<thead>
<tr>
<th>Expense</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General Liability Insurance</td>
<td>$38,455</td>
</tr>
<tr>
<td>Total Expense</td>
<td>$38,455</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Revenue</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Dakota County Liability Loss Reserve Fund</td>
<td>$38,455</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>$38,455</td>
</tr>
</tbody>
</table>

County Manager’s Comments:
☑ Recommend Action
☐ Do Not Recommend Action
☐ Reviewed---No Recommendation
☐ Reviewed---Information Only
☐ Submitted at Commissioner Request

Reviewed by (if required):
☑ County Attorney’s Office
☑ Financial Services
☑ Risk Management
☐ Employee Relations
☐ Information Technology
☐ Facilities Management

8/30/2018 10:16 AM  Page 2
## AIG Cyber Insurance Policy Coverage Definitions

**Policy coverage affords coverage for data in any format—Electronic or paper PII, PHI and confidential County information**

<table>
<thead>
<tr>
<th>Coverage type</th>
<th>Definition of coverage provided</th>
<th>Example of County specific coverage afforded</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty/Professional Liability</td>
<td>Provides coverage for outsourcing or cloud storage of County data that is breached AND data for other agencies that Dakota County is hosting on County servers</td>
<td>Coverage for the hosting of data for others. PH Docs application is the best example under consideration.</td>
</tr>
<tr>
<td>Privacy &amp; Network Security</td>
<td>Provides coverage for claims arising out of Unauthorized Access, Hacking, Virus/Malicious Code, Breach or disclosure of Personally Identifiable or Personal Health Information etc.</td>
<td></td>
</tr>
<tr>
<td>Media &amp; Broadcaster Liability</td>
<td>Provides coverage for claims such as Infringement of Intellectual Property or Personal &amp; Advertising Injury from the content on the Insured’s Website</td>
<td>Coverage for actions of liable, slander or extortion on the County’s website, Facebook or Twitter. Also includes the streaming of County Board meetings.</td>
</tr>
<tr>
<td>Regulatory Coverage</td>
<td>Provides coverage for actions/proceedings against the Insured by a regulatory agency (Attorney Generals, Dept. of Health &amp; Human Services, FTC, Etc.) resulting from a violation of a Privacy Law</td>
<td>Coverage for fines or penalties imposed by regulatory agency for violations of HIPPA or Data Practices.</td>
</tr>
</tbody>
</table>
| Breach Response Coverage      | Breach Notification, Crisis Management/Public Relations Costs (we have coverage of $50k here could increase to $250k) Forensic Consulting Costs Credit Monitoring / Identity restoration | • Coverage for credit monitoring of individuals affected by breach.  
• Public relations for crisis response  
• Outside Forensic IT services to Identify details on breach  
• Defense counsel cost |
| Cyber Business Interruption   | Provides coverage for the Loss of Income and expenses incurred to reduce Loss of Income, minimize the duration of a Network Interruption, Forensic Expenses due to a Network Attack/Denial of Service Attack |                                                                                                                |

**Limitations on coverage**

- 12 Hour Waiting Period
- 120 Day Indemnity Period
- $5,000,000 Outsource Provider Sublimit

Subject to the completed IT/OSP Supplemental questionnaire (prior to binding)
<table>
<thead>
<tr>
<th><strong>Data Restoration Loss</strong></th>
<th>Costs the Insured incurs to restore data destroyed or altered as a result of a network security breach; if data cannot be restored coverage will pay the costs the Insured incurred to make that determination</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cyber Extortion</strong></td>
<td>Costs the Insured incurs to respond to a threat by a third party to commit a network security breach or privacy breach</td>
</tr>
<tr>
<td><strong>Cyber Crime</strong></td>
<td>Coverage for events with formal criminal prosecution cyber crimes</td>
</tr>
<tr>
<td><strong>PCI Fines and Penalties</strong></td>
<td>Covers fines and penalties resulting from non-compliance with published PCI data security standards</td>
</tr>
</tbody>
</table>
Receive an overview of changes to Policy 2002 Budget Compliance and Policy 2751 Solicitation, Grant and Contract.

SUMMARY
As part of the annual policy review, staff determined that Policy 2002 Budget Compliance and Policy 2751 Solicitation, Grant and Contract should be revised to better align the two policies for consistency and reflect the impact of inflation since the policies were last adjusted in 2002 and 2012 (respectively). Staff consulted with departments within Dakota County to help recommend changes that work well with department practices and incorporate internal controls needed to maintain effective oversight and fiscal management. The revisions to each policy were extensive enough that both the original and the proposed policies are included as attachments.

Significant recommended changes to Policy 2002 Budget Compliance include:
- Changed compliance points to major object levels: 53xxx General Support and 57xxx Direct Support;
- Increased ability to move budget at Department Head, Division Head and County Manager levels: Department Head from $25,000 to $100,000, Division Head from $25,000 to $125,000, and County Manager from $50,000 to $150,000. The level for Department Heads matches the delegated level for entering into a contract as defined in the Solicitation, Grant and Contract Policy;
- Allow for previous Board approved budgets to be carried over administratively with County Manager review as necessary and appropriate to the next year without Board action. This is similar to what is allowed in the current Budget Compliance policy for Budget Incentive Program (BIP) carryovers; and
- Elimination of language dealing with full-time equivalent (FTE) additions. FTEs are addressed in Policy 3080 Position Control.

Significant recommended changes to Policy 2751 Solicitation, Grant and Contract include:
- Federal Uniform Grant Guidance (UGG) language has been added to be consistent with Policy 2740 Procurement;
- Professional Services contract threshold requiring County Board approval has been raised from $50,000 to $100,000, to be consistent with other contracts that must be approved by the County Board; and
- Increase the maximum amendment for construction contracts approved in the CIP Budget from $100,000 to $250,000.

The policies ensure a sound financial system that complies with all relevant requirements. They provide the framework for effective management of fiscal resources and ensure appropriate oversight is exercised.

Staff will present an overview of the new policies, highlighting how the revisions maintain effective fiscal oversight and management, while addressing changes to County practices and policies since they were last reviewed and approved by the County Board. Due to significant changes in the documents, redline copies were not included.

RECOMMENDATION
Staff recommends approval of revisions to Policy 2002 Budget Compliance and Policy 2751 Solicitation, Grant and Contract.

EXPLANATION OF FISCAL/FTE IMPACTS
None.
RESOLUTION

WHEREAS, staff conduct regular review of County policies; and

WHEREAS, staff determined that Policy 2002 Budget Compliance and Policy 2751 Solicitation, Grant and Contract should be revised to better align the two policies for consistency and reflect the impact of inflation; and

WHEREAS, the County Senior Leadership Team supports the recommended changes.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby approves the revisions to Policy 2002 - Budget Compliance and Policy 2751 - Solicitation, Grant and Contract, as presented at General Government and Policy Committee on September 4, 2018, effective September 18, 2018; and

BE IT FURTHER RESOLVED, That Resolution No. 01-614 (October 16, 2001), is hereby rescinded, effective September 18, 2018; and

BE IT FURTHER RESOLVED, That Resolution No. 12-508 (October 23, 2012), is hereby rescinded, effective September 18, 2018.

County Manager’s Comments:
☑ Recommend Action
☐ Do Not Recommend Action
☐ Reviewed---No Recommendation
☐ Reviewed---Information Only
☐ Submitted at Commissioner Request

Reviewed by (if required):
☑ County Attorney’s Office
☑ Financial Services
☑ Risk Management
☐ Employee Relations
☐ Information Technology
☐ Facilities Management

County Manager
POLICY STATEMENT

It is the policy of Dakota County to engage in budget compliance using cost-effective, efficient processes and procedures that bring best overall value to the County and are in compliance with all applicable laws. This Policy provides direction from the Dakota County Board of Commissioners on the County’s budget compliance procedures. This Policy should be read in conjunction with Policy 3080 Position Control and Policy 2751 Solicitation, Grant and Contract. This Policy applies to all budgets on or after the effective date of the Dakota County Board of Commissioners resolution authorizing this Policy and rescinding the previous policy.

The County Board annually adopts a budget that is the spending and funding plan for the County. The County Board expects that funds will be spent and earned in compliance with the budget. Budget compliance requires expenditures to equal or be less than budgeted amount, and revenues to equal or exceed the budgeted amount.

Changes to the budget throughout the year, due to circumstantial and priority changes throughout the calendar year are called budget amendments.

DEFINITIONS

Account: Combination of a key and object.

BIP (Budget Incentive Program): Budget allowing departments to purchase one-time capital needs or pilot projects. Refer to documented BIP procedure for more detail.

Budget Amendment: Increasing or decreasing a specific budget as the result of circumstantial and priority changes, reflecting a total increase or decrease in budgeted revenues or expenditures, not resulting in a levy change.

Budget Compliance: Projected expenditures are equal or less than, and revenues are equal or exceed the budget amount. A budget deficit exists when expenditures and revenues are not in compliance. A projected budget deficit requires either a plan or action to reduce spending or a budget amendment.

CEP (Capital Equipment Program): Capital equipment is an asset of Dakota County. The Capital Equipment Program involves the purchase of new or upgraded capital equipment.

CIP (Capital Improvement Program): An improvement that increases overall value, or “capital”.

County Levy/Property Taxes: County property tax dollars used to fund Dakota County Government.
Key: A string of numbers that identifies a division, department and/or program.

Major Object Group: A summation of similar objects. The first two numbers in an object define a major object group.

Net County Cost: Difference between expenditure and non-county revenue, also referred to a County Levy.

Object: A string of numbers that identifies an individual asset, liability, expenditure, revenue, transfer, or fund balance.

Operations/OPS: Budget related to the day-to-day functions, not included in CEP or CIP.

Set-asides: Funds allocated to projects as the needs arise throughout the year.

SOURCE

The general authority for the Budget Compliance Policy is Dakota County Board of Commissions Resolution 96-383. This Policy was revised in Board Resolution 01-614 on October 16, 2001, and again in Board Resolution XX-XXX on Month DD, YYYY.

GENERAL

Budget Overview

Financial planning policies and practices are designed to maintain a commitment to a structurally balanced budget. Generally, the County shall adopt a structurally balanced budget for each fund, which this Policy covers. A budget shall be considered structurally balanced when recurring revenues equal or exceed recurring expenditures. If a structural imbalance occurs, a plan will be developed and implemented to bring the budget back into structural balance.

The County’s Budget Compliance Policy sets forth the general guidelines for developing the County’s annual budget and provides an overview of the budget responsibilities. This Policy ensures a sound financial system that complies with all relevant requirements. These guidelines are reviewed in conjunction with the County’s current financial health, economic forecast, relevant legislative changes, and anticipated changes in expenditures and revenues prior to the annual budget process.

The budget shall be constructed around the County Board’s vision for the long-term direction of County services and the associated desired culture and environment. As part of the annual budget process, the County’s departments shall create narratives that describe their goals and objectives both previously achieved and yet to be achieved.

Department heads are responsible for monitoring their monthly budget information. The Budget Office will maintain a system for monitoring the County’s budget performance. Budget amendments requiring County Board approval will occur through a process coordinated by the Budget Office, in coordination with standard measures set by the auditors. Significant financial issues will be provided to the County Board as warranted.
Amendments to the Budget

Budgets can be amended without limit within a major object category, per department. Budgets can be amended, up to the authority levels assigned below, between major object categories, per department, excluding salaries (51), benefits (52), and training (54). Training budgets can be amended anytime by Board action, anytime administratively through Budget Office, or by budget request during the next year’s budget process, but may be subject to examination during the budget adoption process.

Amendments within a department between major object groups, which do not result in a net decrease to the County’s fund balance, and are at or less than $100,000, may be requested by a department (while following internal divisional approval procedures) and processed by the Budget Office, obtaining department head approval through workflow. Amendments within a department, which do not affect the net county cost, but may result in a decrease to the County’s fund balance, and are at or less than $150,000, may be requested by a department (while following internal divisional approval procedures) and processed by the Budget Office, obtaining County Manager approval through workflow. Such amendments shall conform to overarching County Board intent and policy, and shall not be used as a means to redirect resources in order to avoid scrutiny. Summed total of incremental budget amendments may not exceed defined budget authority per incident.

Amendments within a division, which do not result in a net decrease to the County’s fund balance, and are at or less than $125,000, may be requested by the division (while following internal divisional approval procedures) and processed by the Budget Office, obtaining division head approval through workflow. Amendments within a division, which do not result in a decrease to the County’s fund balance, and are at or less than $150,000, may be requested by a department (while following internal divisional approval procedures) and processed by the Budget Office, obtaining County Manager approval through workflow. Such amendments shall conform to overarching County Board intent and policy, and shall not be used as a means to redirect resources in order to avoid scrutiny. Summed total of incremental budget amendments may not exceed defined budget authority per incident.

Amendments crossing a division, which do not result in a net decrease to the County’s fund balance, and are at or less than $150,000, may be requested by a division (while following internal divisional approval procedures) and processed by the Budget Office, obtaining County Manager approval through workflow. Such amendments shall conform to overarching County Board intent and policy, and shall not be used as a means to redirect resources in order to avoid scrutiny. Summed total of incremental budget amendments may not exceed defined budget authority per incident.

Amendments to the budget, above the designated approval level for the County Manager, and/or affecting the County’s net county cost, require approval of the County Board.

Budget amendments are to be requested as soon as potential budget deficits are identified. All other budget amendments are required prior to implementing spending changes.

Budget must not be transferred from Salary, Employee Benefits, CEP or CIP to other major object groups without Board approval. Also, new budgets cannot be created by transferring from established accounts without County Board approval.

- Budgets can be transferred within CIP projects without Board approval, while still recognizing assigned authority levels.
- Funds budgeted in CIP for a specified purpose, but not a specified project (often called set-asides) can be allocated to projects as the needs arise throughout the year. These funds are budgeted annually. An example of this would be pavement preservation.
• Grant funded expense budgets can be amended according to the granting authority, within Budget Compliance Policy assigned authority levels. Example: A grant funded budget for computer purchases is no longer needed for buying computers, but can be used for program costs, the budget can be moved to or from CEP and operations, as long as the granting authority allows.

• Budget authority maximums pertaining to grants and contracts should follow Policy 2751 Solicitation, Grant & Contract.

General Budget Provisions

Salary savings can be used to fund contracted services, temp agency employment, temporary employees and overtime. When using salary savings for a contracted services, independent contractor, or temporary employee, the vacant position must remain vacant until the contract is complete and paid, or the temporary employee is no longer employed using savings from that position, and Budget Office has approved funding per the County’s salary savings calculation. Please refer to Policy 3080 Position Control for more details regarding temporary employees and contracted services.

The Budget Manager may make administrative budget changes, such as correcting coding errors and to accommodate changing reporting requirements. Administrative budget amendments may not change the net County cost.

The County Manager may transfer budget authority consistent with other County policies, such as Position Control and BIP.

The County Manager may delegate authority under the Budget Compliance Policy by written delegations which specifically identify the authorities delegated, the individuals to whom authority is delegated, the duration of the delegation (not to exceed one year) and which are maintained on file with the clerk to the board.

Any increase in FTE or increase in salary budget must receive County Board approval. See Policy 3080 Position Control for more details regarding FTEs.

The County Manager has the ability to move budgets based on departmental reorganizations, as long as there is no net county cost resulting from the move.

The County Manager may authorize the carryover of Board approved budgets into the next year.

Staff contact: Paul Sikorski Ext: 4612 Email: Paul.Sikorski@co.dakota.mn.us

Board Resolution or Manager Signature:
POLICY

The County Board annually adopts a budget that is the spending and funding plan for the county. The County Board expects that funds will be spent and earned in compliance with the budget. Budget compliance requires expenditures to equal or be less than and revenues to equal or exceed the budget amount.

Budget surpluses, which result from budget compliance, are the funding sources for the Budget Incentive (BIP) and Capital Equipment (CEP) Programs and are not normally used to expand spending authority.

Since circumstances and priorities change during a calendar year changes to the budget are necessary. Changes to the budget are called budget amendments.

PURPOSE

The chief purposes of the Budget Compliance Policy (BCP) are to:

- Clearly identify staff's authority to amend the budget
- Clearly identify where staff is held accountable
- Provide staff with authority to resolve most projected budget deficits
- Expect staff to resolve most projected budget deficits

SOURCE

The general authority for the Budget Compliance Policy is Dakota County Board of Commissioners Resolution 96-383. This policy was revised in Board Resolution 01-614 on October 16, 2001.

DEFINITIONS

Below is a list of terms and definitions used in this policy.

Account: An individual asset, liability, expenditure, revenue or fund balance.

Account Group: A summation of similar accounts. Following is a list of expenditure account groups and corresponding account group numbers. The list includes only expenditure accounts as they are the main focus of this policy.

<table>
<thead>
<tr>
<th>Expenditure Account Group</th>
<th>Account Group Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>51</td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>52</td>
</tr>
<tr>
<td>Department/County Support</td>
<td>53</td>
</tr>
<tr>
<td>Travel/Training</td>
<td>54</td>
</tr>
<tr>
<td>Office Support</td>
<td>55</td>
</tr>
<tr>
<td>Materials and Supplies</td>
<td>56</td>
</tr>
<tr>
<td>Citizen/Client Related Services</td>
<td>57</td>
</tr>
</tbody>
</table>
Center: An accounting roll-up of one or more accounts. Each center has a unique description and ten digit number. For example, Social Services Refugee Center is 03-30-12-1151. This ten-digit number indicates: Fund-Division-Department-Unit.

Accounting Level: Different levels of the center structure. For example:

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>Fund Level</td>
</tr>
<tr>
<td>03-30</td>
<td>Division Level</td>
</tr>
<tr>
<td>03-30-12</td>
<td>Department Level</td>
</tr>
<tr>
<td>(Where Applicable) 03-30-12-11</td>
<td>Program Level</td>
</tr>
<tr>
<td>(Where Applicable) 03-30-12-115</td>
<td>Sub-Program Level</td>
</tr>
<tr>
<td>03-30-12-1151</td>
<td>Center Level</td>
</tr>
</tbody>
</table>

Program: A combination of one or more centers, which represent similar activities. For departments that have programs, the first two digits of a unit number identify the program. Below are examples of departments with programs.

Department: 03-30-12 Social Services
Programs:
03-30-12-11 Child & Family Program
03-30-12-12 Child Care Program
03-30-12-13 Chemical Health Program
03-30-12-14 Adult Mental Health Program
03-30-12-15 Development Disabilities Program
03-30-12-16 Adult Protection Program
03-30-12-19 Administration Program

Department: 03-30-20 Employment & Economic Asst
Programs:
03-30-20-20 Administration
03-30-20-21 Income Maintenance Grants
03-30-20-22 Jobs Training Program
03-30-20-23 Child Care
03-30-20-24 Child Support
03-30-20-25 Other Administration
03-30-20-26 JTP Income Maintenance
03-30-20-27 Welfare to Work
03-30-20-28 Employment and Training

Department: 03-30-30 Public Health
Programs:
- 03-30-30-30 Administration
- 03-30-30-31 Disease Prevention
- 03-30-30-32 Family Health
- 03-30-30-33 Health Promotion
- 03-30-30-34 Home Health
- 03-30-30-35 Emergency Medical Services
- 03-30-30-36 Administrative - Non-Allocated

Department: 03-30-65 Community Corrections
Programs:
- 03-30-65-01 Administration
- 03-30-65-02 Program Unit
- 03-30-65-03 Intake
- 03-30-65-04 Juvenile
- 03-30-65-05 Monitoring
- 03-30-65-06 Adult
- 03-30-65-07 NRST
- 03-30-65-08 New Chance
- 03-30-65-09 Juvenile Facility

Department: 04-70-78 Environmental Management
Programs:
- 04-70-78-80 Solid Waste Abatement
- 04-70-78-81 Solid Waste Regulation
- 04-70-78-83 Site Assessment
- 04-70-78-84 Water and Land Management
- 04-70-78-85 Hazardous Waste Management
- 04-70-78-86 Administration

Sub-Program: Refers to program activities. The third digit of the unit number indicates the sub-program. Below are two examples of sub-programs.

Social Services

Department: 03-30-12 Social Services
Program: 03-30-12-11 Child & Family
Sub-Program: 03-30-12-115 Placements
Centers:
- 03-30-12-1151 Refugee
- 03-30-12-1153 Foster Care - Social Services
- 03-30-12-1157 IV-E Foster Care

Environmental Management
Department:  04-70-78  Environmental Management  
Program:  04-70-78-80  Solid Waste Abatement  
Sub-Program:  04-70-78-804  Public Education  
Centers:  04-70-78-8041  Special Education  
04-70-78-8042  Consultant  
04-70-78-8044  Advertising

**Net County Cost:** Difference between expenditure and non-county revenue.

**BUDGET COMPLIANCE**

**DEFINITION**

Budget compliance requires projected expenditures to equal or be less than and revenues to equal or exceed the budget amount. A budget deficit exists when expenditures and revenues are not in compliance. A projected budget deficit requires either a plan of action to reduce spending or a budget amendment.

**BUDGET ACCOUNTABILITY POINTS**

Budget compliance is measured at budget accountability points and not necessarily at the account/center level. The account/center is the accounting level used to record transactions. The account/center is referred to as the reporting level. Budget accountability points are shown in the following matrix. A budget accountability point is the identified accounting level used to evaluate each account group for budget compliance.

The account groups are listed down the left side of the matrix and the accounting levels are listed across the top of the matrix. The budget accountability point is shaded for each group.

Budget accountability points are at differing levels. Reasons for differing levels of budget accountability points include: external and internal reporting needs; county policies and practices; and varying levels of desired flexibility.

**BUDGET ACCOUNTABILITY POINTS**

<table>
<thead>
<tr>
<th>Account Group</th>
<th>Accounting Level</th>
<th>Account/Center</th>
<th>Center</th>
<th>Sub Program</th>
<th>Program/Dept</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>Accountable by Program/Department Total Expenditures</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Employee Benefits</td>
<td>Accountable by Program/Department Total Expenditures</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Department/Count Support</td>
<td>Accountable by Account for Staff Center Expenditures</td>
<td>Accountable by Center for All Other Expenditures</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
<tr>
<td>Travel/Training</td>
<td>Accountable by Program/Department Total Expenditures</td>
<td>--</td>
<td>--</td>
<td>--</td>
<td></td>
</tr>
</tbody>
</table>
Office Support | Accountable by Center for Expenditures | -- | --
---|---|---|---
Materials and Supplies | Accountable by Center for Expenditures | -- | --
Citizen/Client Related Services | Accountable by Center (If No Sub-Program Exists) for Expenditures | Accountable by Sub-Program (If Sub-Program Exists) for Expenditures | --
Capital | Accountable by Individual Approved item (Unless Exempted by Other Authority) | -- | --

Program/department directors may not combine budget accountability points to achieve budget compliance. For example, a surplus in one account group, Office Support, may not cover a deficit in another account group, Travel/Training. Office Support and Travel/Training are separate account groups with separate budget accountability points and must each be within budget.

Similarly, there is no combining of a deficit in one center with a surplus in another center to achieve budget compliance. For example, a department may not combine a $50,000 deficit in one Citizen/Client Related Services center with a surplus of $50,000 in another center to achieve budget compliance, except in the case of a sub-program.

**BUDGET ACCOUNTABILITY POINTS BY ACCOUNT GROUP**

**Salaries**

The budget accountability point for Salaries is the program/department total.

Below is an example of the difference between the budget accountability point and the reporting level for salary expenditures.

<table>
<thead>
<tr>
<th><em>Account</em></th>
<th>Center</th>
<th>Center Description</th>
<th>Budget Accountability Point</th>
<th>Reporting Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>51001</td>
<td>01-25-56-5610</td>
<td>Administration Staff Center</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>51001</td>
<td>01-25-56-5620</td>
<td>General Accounting Staff Center</td>
<td>$300,000</td>
<td></td>
</tr>
<tr>
<td>51001</td>
<td>01-25-56-5630</td>
<td>Accounts Payable Staff Center</td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td>01-25-56</td>
<td>Financial Services Department</td>
<td>$650,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*51001 is the account number for Salary -- Non-Limited Full Time expenditures*
The Salary budget provides funds which may only be used for the following: salary for approved positions; overtime; temporary employees who are filling vacancies in approved positions; other salary related costs; and costs of temporary employment agencies. (The Budget Amendment section of this policy explains the process for transferring budget from Salaries to temporary contracted employment agency.)

**Employee Benefits**

The budget accountability point for Employee Benefits is the program/department total.

Below is an example of the difference between the budget accountability point and the reporting level for employee benefits expenditures.

<table>
<thead>
<tr>
<th>Account</th>
<th>Center</th>
<th>Center Description</th>
<th>Budget Accountability Point</th>
<th>Reporting Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>52051</td>
<td>01-25-56-5610</td>
<td>Administration Staff Center</td>
<td>$25,000</td>
<td></td>
</tr>
<tr>
<td>52051</td>
<td>01-25-56-5620</td>
<td>General Accounting Staff Center</td>
<td>$30,000</td>
<td></td>
</tr>
<tr>
<td>52051</td>
<td>01-25-56-5630</td>
<td>Accounts Payable Staff Center</td>
<td>$10,000</td>
<td></td>
</tr>
<tr>
<td>01-25-56</td>
<td></td>
<td>Financial Services Department</td>
<td>$65,000</td>
<td></td>
</tr>
</tbody>
</table>

*52051 is the account number for Health Insurance expenditures

Employee Benefits are mostly a function of Salaries. The Employee Benefits budget provides funds which may only be used for the following: employee benefit costs of approved positions; overtime; and temporary employees who are filling vacancies in approved positions.

**Department/County Support**

The budget accountability point for Department/County Support is the account/center when expenditures are recorded to a staff center. The budget accountability point is at the center total for expenditures charged to a center other than the staff center.

Below are examples of expenditures recorded to a department staff center. The budget accountability points are the account/center.

<table>
<thead>
<tr>
<th>Account</th>
<th>Center</th>
<th>Center Description</th>
<th>Budget Accountability Point</th>
<th>Reporting Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>53060</td>
<td>07-70-73-7310</td>
<td>Parks Admin Staff Center</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>53061</td>
<td>07-70-73-7310</td>
<td>Parks Admin Staff Center</td>
<td>$500</td>
<td>$500</td>
</tr>
<tr>
<td>53006</td>
<td>07-70-73-7310</td>
<td>Parks Admin Staff Center</td>
<td>$5,000</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

*53060 is the account number for Employee Physicals/Hearing Tests
*53061 is the account number for Non Board per Diems

*53006 is the account number for Medical

Below are examples of a Department/County Support expenditures recorded to a center other than the staff center. The budget accountability points are at each center total.

<table>
<thead>
<tr>
<th>*Account</th>
<th>Center</th>
<th>Center Description</th>
<th>Budget Accountability Point</th>
<th>Reporting Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>53019</td>
<td>01-40-41-4111</td>
<td>ENFORS Computerized Records</td>
<td>$35,000</td>
<td>$35,000</td>
</tr>
<tr>
<td>53019</td>
<td>01-40-41-4112</td>
<td>Radio System Consulting</td>
<td>$50,000</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

*53019 is the account number for other department/county support expenditure

Facilities Management is an exception to the Department/County Support budget compliance rules. Property Management's budget accountability point for Department/County Support expenditures is by the major expenditure categories of utilities, in-house maintenance, and contracted maintenance at the department level.

Employee Relations also indicates an exception in that the compliance point for Department/County Support is at the sub-program level for HRD, Consulting, etc.

**Travel/Training**

The budget accountability point for Travel/Training is the program/department total.

Below is an example of the difference between the budget accountability point and the reporting level for Travel/Training expenditures.

<table>
<thead>
<tr>
<th>*Account</th>
<th>Center</th>
<th>Center Description</th>
<th>Budget Accountability Point</th>
<th>Reporting Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>54002</td>
<td>01-25-56-5610</td>
<td>Administration Staff Center</td>
<td>$2,000</td>
<td></td>
</tr>
<tr>
<td>54003</td>
<td>01-25-56-5620</td>
<td>General Accounting Staff Center</td>
<td>$2,000</td>
<td></td>
</tr>
<tr>
<td>54002</td>
<td>01-25-56-5630</td>
<td>Accounts Payable Staff Center</td>
<td>$1,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>01-25-56</td>
<td>Financial Services Department</td>
<td>$5,000</td>
<td></td>
</tr>
</tbody>
</table>

*54002 is the account number for meals and lodging expenditure

*54003 is the account number for transportation expenditure

**Office Support**
The budget accountability point for Office Support is the center total.

Below is an example of the difference between the budget accountability point and the reporting level for Office Support expenditures.

<table>
<thead>
<tr>
<th>Account</th>
<th>Center</th>
<th>Center Description</th>
<th>Budget Accountability Point</th>
<th>Reporting Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>55101</td>
<td>01-25-56-5610</td>
<td>Administration Staff Center</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>55102</td>
<td>01-25-56-5610</td>
<td>Administration Staff Center</td>
<td>$500</td>
<td></td>
</tr>
<tr>
<td>55602</td>
<td>01-25-56-5610</td>
<td>Administration Staff Center</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>55612</td>
<td>01-25-56-5610</td>
<td>Administration Staff Center</td>
<td>$2,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financial Services Department</td>
<td>$12,500</td>
<td></td>
</tr>
</tbody>
</table>

*55101 is the account number for Telephone expenditure  
*55201 is the account number for Communication expenditure  
*55602 is the account number for Postage and Freight expenditure  
*55612 is the account number for Office Supplies expenditure

**Materials And Supplies**

The budget accountability point for Materials and Supplies is the center total.

Below is an example of the difference between the budget accountability point and the reporting level for Materials and Supplies expenditures.

<table>
<thead>
<tr>
<th>Account</th>
<th>Center</th>
<th>Center Description</th>
<th>Budget Accountability Point</th>
<th>Reporting Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>56002</td>
<td>02-70-72-7230</td>
<td>Highway Maint Staff Center</td>
<td>$95,000</td>
<td></td>
</tr>
<tr>
<td>56011</td>
<td>02-70-72-7230</td>
<td>Highway Maint Staff Center</td>
<td>$105,000</td>
<td></td>
</tr>
<tr>
<td>56050</td>
<td>02-70-72-7230</td>
<td>Highway Maint Staff Center</td>
<td>$166,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>02-70-72-7230 Highway Maint Staff Center</td>
<td>$366,000</td>
<td>$366,000</td>
</tr>
</tbody>
</table>

*56002 is the account number for Gasoline expenditure  
*56011 is the account number for Diesel Fuel expenditure  
*56050 is the account number for Salt Fuel expenditure

**Citizen/Client Related Services**
The budget accountability point is at the sub-program total where one exists and at the center total for all other Citizen/Client Related Service expenditures.

Below is an example of the difference budget accountability point and reporting level for Citizen/Client Related Services expenditures. In this example, Citizen/Client Related Services expenditures are being reported in multiple accounts within the same center. The budget accountability point is the center total in this example.

<table>
<thead>
<tr>
<th>Account</th>
<th>Center</th>
<th>Center Description</th>
<th>Budget Accountability Point</th>
<th>Reporting Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>57011</td>
<td>03-30-20-2087</td>
<td>Family Collaboratives Center</td>
<td>$5,000</td>
<td></td>
</tr>
<tr>
<td>57108</td>
<td>03-30-20-2087</td>
<td>Family Collaboratives Center</td>
<td>$40,000</td>
<td></td>
</tr>
<tr>
<td>57102</td>
<td>03-30-20-2087</td>
<td>Family Collaboratives Center</td>
<td>$5,000</td>
<td></td>
</tr>
</tbody>
</table>

03-30-20-2087 Family Collaboratives Center $50,000 $50,000

*57011 is the account number for Other Direct Program Expenditure

*57108 is the account number for Maintenance Grant Contracts expenditure

*57102 is the account number for Maintenance Grant Training expenditure

Below is another example of the difference between the budget accountability point and the reporting level for Client/Citizen Related Services expenditures. In this example budget compliance is determined at the sub-program level.

<table>
<thead>
<tr>
<th>Account</th>
<th>Center</th>
<th>Center Description</th>
<th>Budget Accountability Point</th>
<th>Reporting Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>57011</td>
<td>03-30-12-1551</td>
<td>MR Waiver Adults Center</td>
<td>$100,000</td>
<td></td>
</tr>
<tr>
<td>57011</td>
<td>03-30-12-1552</td>
<td>County Adults Center</td>
<td>$200,000</td>
<td></td>
</tr>
<tr>
<td>57011</td>
<td>03-30-12-1553</td>
<td>Family Subsidy Center</td>
<td>$300,000</td>
<td></td>
</tr>
</tbody>
</table>

03-30-12-155 DD Adult Svcs Sub-Programs $600,000 $600,000

**Interdepartmental Charges**

All expenditure charges to this account category are made by Financial Services. This account category exists for internal accounting transfer purposes only.

**Capital**

*Capital Equipment Project (CEP)*
The CEP budget accountability point is at each approved CEP item, unless exempted by other authority (documented in budget work-papers).

*Capital Improvement Project (CIP)*

The CIP is approved on a project basis and the accountability is by project or center (each project generally has its own center number).

*Other*

*Budget Incentive Program (BIP) Budget*

BIP budget accountability is at the department total BIP budget. The Budget Incentive Policy outlines authority for use of BIP monies.

*Revenue*

Revenue budget accountability is measured differently than expenditure budget accountability. When a revenue source is projected to be in a deficit (revenue earned is less than budget), either the expenditures it supports must be reduced by at least an offsetting amount or a budget amendment is required.

Below is an example of a revenue deficit.

A position is included in the budget with a salary of $30,000. The budget includes grant revenue of $20,000 and county levy of $10,000. If during the year, actual revenue is only $15,000, salary expenditures must be reduced by $5,000 to cover the revenue budget deficit. The chart below illustrates the example.

<table>
<thead>
<tr>
<th></th>
<th>Budget</th>
<th>Actual</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary Cost</td>
<td>$30,000</td>
<td>$25,000</td>
<td>($5,000)</td>
</tr>
<tr>
<td>Grant Revenue</td>
<td>$20,000</td>
<td>$15,000</td>
<td>($5,000)</td>
</tr>
<tr>
<td>Net County Cost</td>
<td>$10,000</td>
<td>$10,000</td>
<td>$ 0</td>
</tr>
</tbody>
</table>

**BUDGET DEFICITS**

**THRESHOLD OF PROJECTED BUDGET DEFICIT**

Projected budget deficits are discussed at Financial Services’ monthly meetings with each department. Projecting annual expenditures and revenues on a monthly basis is more an art than a science. Therefore, we need not be concerned with immaterial projected budget deficits. Also, we need not be concerned when there is likelihood that the projected deficit will be short lived.

The threshold to require a program/department to take corrective action is when the Financial Analyst believes the projection to be accurate and unlikely to change without intervention by the program/department staff and where the projected budget deficit is greater than 0.1% of the
program’s/department’s net county cost ($5,000 minimum and 0.1% of each of Environmental Management’s program’s entire budgets).

Most projected budget deficits should be resolved during the year. When sufficient action is not being taken, Financial Service staff is to inform the Division Director and potentially the County administrator to encourage cooperation.

ACTUAL BUDGET DEFICITS

Actual budget deficits are determined after the completion of the calendar year. The four types of budget deficits for Budget Compliance Policy (BCP) purposes are:

- Deficits not identified during the monthly projection process (probably immaterial amounts)
- Deficits projected during the monthly projection process but despite the best efforts of program/department staff remained budget deficits
- Deficits projected during the monthly projection process where the program/department staff demonstrated insufficient effort in resolution
- Deficits brought to the attention of the County Board

The expected solution for the first three types of budget deficit is to simply report them to the program director/department head, division director and County Administrator if the budget deficit could have been resolved by authority included within the BCP. (There must be budget surplus elsewhere that could have been used in accord with the BCP as a funding source for the budget deficit. The surplus could be within the program, the department, the division, or the county. For example, a Child Care budget deficit of $500 could have been resolved through a Child Placement Budget surplus of $500. However, the same budget deficit could not have been resolved through Salary savings.) This is preferable to amending the budget after the year is over and achieves the same result. In the rare circumstance that resources are not available at even the county control level, the budget deficit is to be reported to the County Board.

Resolution of actual budget deficits is not punishment and is not intended to be. Rather, it is about resolving items within the authority granted through the Budget Compliance Policy.

BUDGET AMENDMENTS

BACKGROUND

Since circumstances change during a calendar year, budget amendments are necessary. Most budget amendments result from new and/or increased grants, or expenditure and revenue deficits.

BUDGET AMENDMENT TIMING

Budget amendments are required as soon as budget deficits are projected. All other budget amendments are required prior to implementing spending changes.

Below is an example of a budget deficit projection. Actual expenditures, through March, are $5,000 less than the $10,000 budget amount. Even though the expenditures are within budget at the end of March, the projection is that expenditures will be $10,000 over budget at year end. Therefore, a budget amendment is necessary in April.

<table>
<thead>
<tr>
<th>March YTD</th>
<th>Projected Annual</th>
<th>Projected</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>-55-</td>
</tr>
<tr>
<td>Expenditure</td>
<td>% of Budget</td>
<td>Budget</td>
</tr>
<tr>
<td>-------------</td>
<td>-------------</td>
<td>--------</td>
</tr>
<tr>
<td>$5,000</td>
<td>50%</td>
<td>$10,000</td>
</tr>
</tbody>
</table>

This policy is not meant to conflict with authorities granted under the law for Elected department heads, the Library Board and Extension Committee.

**BUDGET AMENDMENT AUTHORITY (revised October 16, 2001, Board Resolution No. 01-614)**

*The County Administrator-designated authorities are indicated in ITALICS*

**Transfer Spending Authority Within a Program/Department**

- The County Administrator may transfer up to $50,000 of spending authority within a department budget or within the CIP. Total spending authority and net county cost may not increase.
- This provision does not allow for the transfer of budget authority to or from Salary, Employee Benefits, Travel/Training, CEP, or CIP. Also, this provision does not allow transferring of budget authority to create a new budget area, except as provided in the position control policy.
- The Department/Division Director may transfer up to $25,000 of spending authority within a department budget. Total spending authority and net county cost may not increase.
- This provision does not allow authority to transfer funds between CIP projects, with the exception of funds budgeted in the Transportation CIP for a specified purpose, but not a specified project. This exception applies in traffic signals, safety and management, and pavement preservation funds that are budgeted annually, but allocated to projects as needs arise throughout the year.

**Transfer Spending Authority Between/Among Programs/Departments Within a Division**

- The County Administrator may transfer budget authority up to $50,000 between/among departments, within a division. This provision does not allow transferring of budget authority between/among divisions. Transfers may not increase total county budget expenditures or net county cost.
- This provision does not allow for the transfer of budget authority to or from Salary, Employee Benefits, Travel/Training, CEP, or CIP. Also, this provision does not allow transferring of budget authority to create a new budget area, except as provided in the position control policy.
- The Division Director may transfer budget authority up to $25,000 between/among departments, within a division. This provision does not allow a transfer of budget authority between/among divisions. Transfers may not increase total county budget expenditures or net county cost.

**Transfer Spending Authority Between/Among Divisions**

- The County Administrator, or designee, may transfer budget authority up to $50,000 between divisions. Transfers may not increase total county budget expenditures or net county cost.
- This provision does not allow for the transfer of budget authority to or from Salary, Employee Benefits, Travel/Training, CEP, or CIP. Also, this provision does not allow transferring of budget
authority to create a new budget area, except as provided in the position control policy.

- Only the County Administrator may transfer budget authority up to $50,000 between divisions. Transfers may not increase total county budget expenditures or net county cost.

Reduce Spending Authority or Increase Other Revenue Budgets Related to Revenue Deficits

- The County Administrator may reduce county expenditure budgets to offset revenue deficits.
- Reduction of FTEs, Salary, Employee Benefits, Travel/Training, and CEP budget authority is allowed by this provision.
- For budget amendment purposes there are two revenue types: specific use revenues and general revenues.
  - Specific use revenues are revenues that must be used for a specific purpose or lost. Typically, specific use revenues fund expenses in only one or two centers. Revenues that must be used by a specific department or lost (but may be used for one or more purposes) are general revenues, not specific use revenues. CSSA, CHS Subsidy, Community Corrections Subsidy and Criminal Justice Aid are examples of this type of general revenue.
  - General revenues are all the revenues that are not specific use revenues.
- The County Administrator may increase specific use revenue budgets to offset deficits in other specific use revenue budgets within the same center.
- The County Administrator may increase general revenue budgets to offset deficits in other general revenue budgets within the same program/department.
- The County Administrator may increase general revenue budgets to offset deficits in other general revenue budgets throughout the county.
- The Department/Division Director may reduce county expenditure budgets to offset revenue deficits. (Reduction of FTEs, Salary, Employee Benefits, Travel/Training, and CEP budget authority is allowed by this provision.)
- Department/Division Director may increase specific use revenue budgets to offset deficits in other specific use revenue budgets within the same center.
- Department/Division Director may increase general revenue budgets to offset deficits in other general revenue budgets within the same department.
- Only the County Administrator may increase general revenue budgets to offset deficits in the other general revenue budgets throughout the county.

Expand Spending Authority/Accept New or Increased Revenue Source

- The County Administrator, when there is new or increased revenue and no change in FTE’s, may increase expenditures and revenue budgets up to the amount of the increased revenue source, not to exceed $50,000. This provision applies only to revenue sources which must fund expenditure increases or be lost.
• The Department/Division Director, when there is a new or increased grant and no change in FTEs, may increase expenditures and grant budgets up to the amount of the increased grant source, not to exceed $50,000. This provision applies only to grants, which must fund expenditure increases or be lost.

Transfer Budget Authority Below the Budget Accountability Point

• Transfers below the budget accountability point are at the discretion of the County Administrator. For example, the budget accountability point for Office Support is at the center total. The County Administrator has discretion to move budget (not limited by the <$50,000 provision outlined above) among accounts within the Office Support account group.

• Transfers below the budget accountability point are at the discretion of the Department Director. For example, the budget accountability point for Office Support is at the center total. The Department Director has discretion to move budget (not limited by the <$50,000 provision outlined above) among accounts within the Office Support account group.

Other

• The County Administrator may transfer salary budget to the temporary contracted employment agency budget (within the Department/County Support account group) to cover expenditures for temporary contracted employees performing the job duties of a vacant position.

• The County Administrator may make administrative budget changes such as correcting coding errors and to accommodate changing reporting requirements. Administrative budget amendments may not change the net county cost.

• The County Administrator may transfer budget authority consistent with other County policies such as Position Control and BIP.

• The County Administrator shall report all budget amendments to the County Board on a quarterly basis.

• Authorization of the County Board is required for any amendment to the budget which will affect a Community Services Division lump sum or grant contract for program services.

• The County Administrator may delegate his authority under the Budget Compliance Policy by written delegations which specifically identify the authorities delegated, the individuals to whom authority is delegated, the duration of the delegation (not to exceed one year) and which are maintained on file with the clerk to the board. (These delegations are indicated in ITALICS.)

• The Department/Division Director may transfer salary budget to the temporary contracted employment agency budget (within the Department/County Support account group) to cover expenditures for temporary contracted employees performing the job duties of a vacant position.

• The Financial Services Director may make administrative budget changes such as correcting coding errors and to accommodate changing reporting requirements. Administrative budget amendments may not change the net county cost.

• The Financial Services Director may transfer budget authority consistent with other County policies such as Position Control and BIP.

• The Financial Services Director shall report all budget amendments to the County Board on a quarterly basis.
PROCESS TO AMEND THE BUDGET

Budget Amendments Authorized by County Staff

Financial Services must be notified of all budget amendment prior to implementation. Financial Services will incorporate approved budget amendments into the financial records of the County and present a quarterly list of amendments to the County Board.

Budget Amendments Authorized by County Board

For a budget amendment requiring County Board authorization, the program/department director must prepare a request for County Board action. The County Administrator reviews the request before it is put on the agenda of the County Board. If the County Board authorizes an amendment to the budget, Financial Services department incorporates the amendment into the financial records of the County. County Board authorized amendments will not be processed until a Resolution number is assigned.

A request for County Board action to amend the budget includes a break-out of the change in budget expenditure and/or revenue. Amendment requesting changing the number of County personnel are to include: change in FTE, position title, break-out of salary and employee benefits, other costs (for example, capital) and revenue. If duration of FTE is contingent upon funding, it should also be indicated that the FTE is time-limited.
Policy 2751 Solicitation, Grant and Contract

Original Publication Date: 4/4/1990


Last Reviewed: 10/23/12

Department: Financial Services

Board or Administrative: Board

Related Policies: Policy 2740 Procurement; Policy 2002 Budget Compliance; Policy 3041 Conflict of Interest; Policy 3080 Position Control

POLICY STATEMENT

It is the policy of Dakota County to engage in solicitation, grant and contracting using cost-effective, efficient processes and procedures that bring best overall value to the County and are in compliance with all applicable laws. This policy provides direction from the Dakota County Board of Commissioners on the County's solicitation, grant and contracting procedures. This policy should be read in conjunction with County Policy 2740 Procurement Policy, Policy 2002 Budget Compliance, Policy 3041 Conflict of Interest and Policy 3080 Position Control. This policy applies to all contracts entered into on or after the effective date of the Dakota County Board of Commissioners resolution authorizing this policy and rescinding the previous policy.

DEFINITIONS

Request for Bids refers to the document requesting responders to submit a bid to the County. Request for Bids must be in compliance with all applicable laws governing published notice and advertising.

Contract refers to a written document that establishes the rights and responsibilities of two or more parties and includes the consideration for each party to enter into the contract. Contracts include all County agreements, no matter what they are called, for the procurement of commodities, materials, equipment, real or personal property, labor, work, services or construction, including an amendment to or extension of a contract. While a purchase order is a contract, it is distinguishable from other written contracts by the brevity and commercial nature of its terms and the application of Article Two of the Uniform Commercial Code to supplement its written terms.

Cooperative purchasing refers to a contract for the purchase of supplies, materials, or equipment in accordance with Minn. Stat. § 471.345, subd. 15, by utilizing contracts that are available through the State of Minnesota Cooperative Purchasing Venture or through a national municipal association's purchasing alliance or cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations. Contract estimated to exceed $25,000 must consider the availability, price and quality of supplies, materials, or equipment
available through the State Cooperative Purchasing Venture before purchasing through another source.

**County Board Authorized Contract** is defined as a contract that is brought forward by a request for board action and authorized by the Dakota County Board of Commissioners.

**County Manager** refers to the Dakota County Manager or designee.

**Emergency procurement** refers to a procurement necessitated by a sudden unexpected turn of events (e.g., riots, fires, floods, accidents or any circumstances or cause beyond the control of the County in the normal conduct of its business) where the delay caused by using a normal competitive solicitation process would create an immediate danger to the public health, safety, welfare, or other substantial loss to the County.

**Grant agreement** refers to a written contract between two parties, through which the grantor gives a sum of money to the grantee on condition the grantee uses the money for the specific purposes of the grant, often to benefit a third party that is not a party to the grant agreement.

**Joint powers agreement** refers to a written agreement governed by Minn. Stat. § 471.59 where two or more governmental units work together by agreement to exercise any power common to them; or a written agreement between governmental units where one unit performs a service or activity on behalf of another unit(s).

**Organizational conflict of interest** refers to a conflict of interest that exists when, because of existing or planned activities or because of relationships with other persons, a contractor is unable or potentially unable to render impartial assistance or advice to the County, or the contractor’s objectivity in performing the contract work is or might be otherwise impaired, or the contractor has an unfair competitive advantage.

**Public notice**: see, County Policy 8851, Publication of Notices.

**Real property** refers to land, buildings, permanent fixtures, or permanently installed equipment attached to land or buildings, and easements.

**Request for Proposals** refers to the document requesting responders to submit proposals to the County when a bid is not required by law or this policy and is not advantageous to the County. The County is not required to select the lowest cost proposal but may take into consideration all relevant criteria that will result in the best overall value to the County. Request for Proposals must be in compliance with all applicable laws that require published notice or advertising.

**Request for Information** refers to a written request to potential responders to provide information about their goods or services for comparative purposes.

**Request for Qualifications** refers to a written request to potential responders to describe their qualifications to provide specified services.

**Scope of services** refers to the detailed description of the services to be performed by the contractor under the contract. The scope of services in a contract may be described by incorporating the request and response into the contract as exhibits, or by a separate statement of work or project plan.

**Sealed bid** refers to a bid that is sealed by the bidder prior to submission to the County and which will
not be opened until the date and time for the bid opening.

Solicitation means the act of offering to purchase goods and/or services through a competitive process, whether through Request for Bids, Request for Proposals, Request for Qualifications, Request for Information, quotes or any other means.

State of Minnesota Cooperative Purchasing Venture is a cooperative purchasing agreement as authorized by Minn. Stat. § 16C.03, subd.10 for the provision of goods, services, construction, and utilities.

SOURCE

The County’s solicitation, grant and contract procedures are governed by several statutes. The statutes have been referenced and linked throughout this policy. In addition, this policy is governed by Dakota County Board Resolution No. __________- (__________). The County Contract Manual provides staff with information, tools, and resources on contracting processes and procedures in Dakota County in alignment with County policies, County Board Resolutions, and all state and federal law.

GENERAL

1. Legal compliance. The County Board recognizes the importance of compliance with all laws, rules and regulations governing solicitation, grant and contract policies and procedures.

   a. All County procurement, sales, rental, leases and other agreements shall comply with applicable law and regulations.

   b. Contracts are subject to review and approval as to form as determined by the County Attorney. The Dakota County Attorney’s Office will provide contract templates that have approved boilerplate provisions. Contracts are also subject to review and approval as determined by Risk Management.

   c. Each prospective and current County contractor shall be required to disclose any potential or actual organizational conflict of interest. In cases of potential or actual organizational conflict of interest, the County may pursue any one or combination of the following:
      • Disqualify the prospective contractor from the contract award;
      • If the contract has been awarded, terminate the contract;
      • Disqualify the prospective or current contractor from subsequent contracts if the organizational conflict of interest was not properly disclosed or was misrepresented; or
      • Mitigate or neutralize the potential or actual organizational conflict of interest as allowable by law.

      If there is no potential or actual organizational conflict of interest that would prohibit a contract, but there is a question as to whether there may be an appearance of such a conflict, the contract shall be presented to the County Board for approval, regardless of the amount of the contract. The County Board shall have sole discretion to determine whether an appearance of a conflict of interest should bar a proposed contract not governed by the law applicable to competitive bidding.

   d. County staff must be in compliance with all law and rules regarding conflict of interest. The general authority is Minn. Stat. § 382.18 prohibiting interests in contracts, Minn. Stat. § 10A.07 regulating conflict of interest and Minn. Stat. § 10A.071 prohibiting the receiving and giving of certain gifts. County staff are subject to the County Conflict of
e. Contracts and grants with all attachments and exhibits must be entered into the County’s financial database (e.g., Superion Finance) and stored in the County’s official repository (e.g., OnBase) with supporting documentation, including the contractor’s Certificates of Insurance.

f. All contracts must be in writing unless the County Attorney advises that a written contract is not legally required.

2. **Competition.** The County Board favors competition in connection with County procurements, sales, leases, rentals and other agreements to which Dakota County is a party.

a. Contracts as defined in Minn. Stat. §§ 375.21 and 471.345

Contracts for work or labor, or to purchase furniture, fixtures, or other property, or to construct or repair roads, bridges or buildings, or the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real or personal property, shall be made as follows:

If valued from $1 through $25,000

- In the open market, using any method to assure favorable pricing including, but not limited to, quotations, Request for Information, Request for Qualifications or through cooperative purchasing.

If valued from $25,001 through $175,000

- After soliciting three quotations when possible, or
- Through the State of Minnesota Cooperative Purchasing Venture, or
- Through any cooperative purchasing that secures contracts on the basis of competitive bids or quotes from more than one source.

If valued in excess of $175,000

- After soliciting sealed bids by public notice of Request for Bids, or
- Through the State of Minnesota Cooperative Purchasing Venture, or
- Through any cooperative purchasing that secures contracts on the basis of competitive bids or quotes from more than one source.

b. Contracts funded in whole or in part with federal grant funds are subject to the Uniform Grant Guidance (UGG) procurement rules, including methods of procurement based on aggregate dollar amount purchases. The dollar values are as follows or as subsequently amended by the UGG:

**Micro-purchases:**
If valued from $1 through $10,000 for supplies or services

- Through the open market using any method to assure favorable pricing. When practicable, distribution should be equitably among all qualified suppliers.

If valued from $1 through $2,000 for construction subject to the Davis-Bacon Act (prevailing wage)

- Through the open market using any method to assure favorable pricing. When practicable, distribution should be equitably among all qualified suppliers.
Small purchases:
If valued from $10,001 for supplies or services or $2,001 for construction subject to
the Davis-Bacon Act through $175,000\(^1\)

- After soliciting three quotations when possible, or
- Through the State of Minnesota Cooperative Purchasing Venture, or
- Through any cooperative purchasing that secures contracts on the basis of
  competitive bids or quotes from more than one source.

Sealed bids:
If valued in excess of $175,000

- Through soliciting sealed bids or competitive proposals by public notice, or
- Through the State of Minnesota Cooperative Purchasing Venture, or
- Through any cooperative purchasing that secures contracts on the basis of
  competitive bids or quotes from more than one source.

Exceptions to the above consist of competitive proposals when sealed bids are not
appropriate and noncompetitive proposals for sole source procurements, in cases of
an emergency that does not allow for competitive proposals, upon authorization of the
federal funding agency, or if after a number of attempts there is no adequate
competition.

c. All other contracts, including contracts for professional services

- After soliciting Request for Proposals, Request for Information, Request for
  Qualifications or quotes, so far as practicable and reasonable, or
- Through the State of Minnesota Cooperative Purchasing Venture, or
- Through any cooperative purchasing that secures contracts on the basis of
  competitive bids or quotes from more than one source, or
- In the open market.

3. Efficiency. The County Board favors solicitation, grant and contract procedures that are
based upon the principles of delegation and decentralization, when allowable.
Notwithstanding the following delegations of authority, a county department should seek
County Board approval if the circumstances so warrant.

a. Solicitations may be issued by the County Manager when the funds for the proposed
procurement are specifically included within the budget or capital improvement plan or
capital equipment plan, without additional authorization from the County Board.

b. All contracts valued at or less than $100,000 may be approved and signed by the
County Manager when funds for the contract are specifically included within the
budget or Capital Improvement Program (CIP) or Capital Equipment Plan (CEP) or will
be funded pursuant to the Budget Incentive Policy adopted in Resolution No. 93-715.
All contracts valued at more than $100,000, and contracts of any value for which the
funds are not included within the budget or CIP or CEP and which will not be funded
pursuant to the Budget Incentive Policy, require approval by resolution of the County
Board.

c. Joint powers agreements and cooperative purchasing agreements require approval by
resolution of the County Board.

---
\(^1\) The UGG allows up to $250,000 but purchases subject to Minn. Stat. § 471.345 require sealed bids if over $175,000.
d. Sales, leases, purchases, or other conveyances of an interest in real property where the County is a party require County Board approval by resolution.

e. Contracts for the maintenance of computer hardware or software may be approved and signed by the County Manager, regardless of the value of the contract, when sufficient funds for the contract are included in the budget.

f. An amendment to a County Board Authorized Contract for construction may be approved by the County Manager when:
   • the amendment does not materially alter the scope of services provided pursuant to the contract or County Board Authorized Contract; and
   • the total combined amendments to the first County Board Authorized Contract do not exceed $100,000 or 5% of the first County Board Authorized Contract, whichever is greater; and
   • the total combined amendments from the inception of the contract do not exceed $250,000; and
   • there is sufficient funding in the CIP project budget for the contract amendment.

g. An amendment to a County Board Authorized Contract, other than a construction contract, may be approved by the County Manager when:
   • the amendment does not materially alter the scope of services provided pursuant to the contract or County Board Authorized Contract; and
   • the total combined amendments to the first County Board Authorized Contract do not exceed 10%; and
   • the total combined amendments from the inception of the contract do not exceed $50,000; and
   • there is sufficient funding in the department line item budget or CIP or CEP or funded pursuant to the Budget Incentive Policy adopted in County Board Resolution No. 93-715.

h. For grants that are included in the budget, the County Manager may apply for the grant, accept the grant, and sign the grant agreement. If the grant award exceeds the amount in the budget by $100,000 or more, the grant requires approval by resolution of the County Board. The acceptance of a grant requiring the County to grant a declaration, restrictive covenant, or other encumbrance on real property requires approval by resolution of the County Board.

i. For grants that are not included in the budget, the County Manager may apply for the grant, accept the grant, and sign the grant agreement where the grant amount does not exceed $100,000 and the grant funds will only be used to support existing County programs and will not be used to increase the number of County FTEs, in accordance with Policy 3080, Position Control. The acceptance of a grant requiring the County to grant a declaration, restrictive covenant, or other encumbrance on real property requires approval by resolution of the County Board.

j. For purposes of Section 3, paragraphs a, b, e, f, g, h, i, and j of this policy, the County Attorney and the County Sheriff have the same authority as the County Manager with respect to their respective offices.

k. The County Manager may delegate authority under this policy by written delegations which specifically identify the authorities delegated, the individuals to whom authority is delegated, the duration of the delegation (not to exceed two years) and which are maintained on file with the Clerk to the Board.
4. **Emergency Authority.** The County Board recognizes that emergency procurement requires that County staff enter into agreements without complying with contract procedures. Therefore, the County Manager is authorized to enter into contracts for emergency procurement, consistent with the following:

a. In the case of an emergency arising from breakage, damage, or decay to County property that cannot wait for the time required to advertise for bids, the repairs may be made without advertising for bids, provided that the contract(s) for the repairs be presented to the County Board for ratification at the next meeting of the County Board, regardless of the amount of the contract.

b. In the case of an emergency which may put at risk the health or safety of County clients or citizens and that cannot be allowed to wait for the time required to secure County Board approval of a contract to procure services, the County Manager (i) may enter into a contract to make the procurement of services, provided that the contract be presented to the County Board for ratification at the next meeting of the County Board or (ii) may exercises the authority to advance funds to an agency already under contract pursuant to Resolution No. 97-679.

Staff contact: Debra Lesmeister  Ext: 4527  Email: debra.lesmeister@co.dakota.mn.us

---

Board Resolution or County Manager Signature: Res. ______
POLICY STATEMENT

This policy provides direction from the Dakota County Board of Commissioners on the County’s bid, grant, and contracting procedures.

DEFINITIONS

Bid refers to a complete and properly signed offer to provide commodities, materials, equipment, labor or work for the sums stated therein, submitted by a contractor or vendor in accordance with a Request for Bids (RFB).

Contract is as defined in Minn. Stat. §§ 375.21 and 471.345. It refers to a written document that establishes the rights and responsibilities of two or more parties and includes the consideration for each party to enter into the contract. Contracts include all county agreements, no matter what they are called, for the procurement of commodities, materials, equipment, real or personal property, labor, work, services or construction, including an amendment to or extension of a contract. While a purchase order is a contract, it is distinguishable from other written contracts by the brevity and commercial nature of its terms and the application of Article Two of the Uniform Commercial Code to supplement its written terms.

Cooperative purchasing agreement refers to an agreement authorized by the County Board and entered into with another governmental unit pursuant to Minn. Stat. § 471.345, Subd. 15, which allows the county to make purchases using another governmental unit’s Contract with a Contractor in accordance with the provisions of the cooperative purchasing agreement.

Emergency purchasing refers to a purchase necessitated by a sudden unexpected turn of events (e.g., acts of God, riot, fires, floods, accidents or any circumstances or cause beyond the control of the county in the normal conduct of its business) where the delay caused by using a normal competitive solicitation process would create an immediate danger to the public health, safety, welfare, or other substantial loss to the County.

Grant agreement refers to a written contract between two parties, through which the Grantor gives a sum of money to the Grantee on condition the Grantee uses the money for the specific purposes of the grant, often to benefit a third party that is not a party to the grant agreement.

Joint powers agreement refers to a written contract governed by Minn. Stat. § 471.59 where two or more governmental units, working together by agreement to exercise any power common to them; or an agreement between governmental units where one unit performs a service or activity on behalf of another unit(s).

Joint purchasing agreement: see “cooperative purchasing agreement.”
Public notice: see County Policy 1018 Publication of Notices.

Real property refers to land, buildings, permanent fixtures, or permanently installed equipment attached to land or buildings, and easements.

Request for Proposal refers to the document requesting vendors, contractors or consultants to submit proposals to provide goods and/or services to the County when a sealed bid is not required and is not advantageous to the County. The County is not required to select the lowest cost proposal but may take into consideration all relevant criteria that will result in the best overall value to the County. The County and the selected contractor often engage in detailed contract negotiations to further define the goods and/or services that will be provided and the price and obligations of each party.

Request for Qualifications refers to a written request to potential responders to describe their qualifications to provide specified services.

Scope of services refers to the detailed description of the services to be performed by the contractor under the contract. The Scope of Services in a contract may be described by incorporating the Request and Response into the contract as Exhibits, or by a separate Statement of Work or project plan.

Sealed bid refers to a bid that is sealed by the contractor prior to submission to the County and which will not be opened until the date and time for the bid opening.

State of Minnesota Cooperative Purchasing Venture is a cooperative purchasing agreement established by Minn. Stat. § 16C.03, subd.10 that allows eligible organizations to purchase goods, services, and utilities directly from vendors through state contracts.

SOURCE

The County’s bid, grant, and contract procedures are governed by Minn. Stat. §§ 373.01, 375.21, and 471.345, as well as Dakota County Board Resolution No. 12-508 (October 11, 2012).

GENERAL

1. Competition. The County Board favors competition in connection with County purchases, sales, leases, rentals and other agreements to which Dakota County is a party.

   a. Contracts as defined in Minn. Stat. §§ 375.21 and 471.345.

      Contracts for work or labor, or to purchase furniture, fixtures, or other property, or to construct or repair roads, bridges or buildings, or the sale or purchase of supplies, materials, equipment or the rental thereof, or the construction, alteration, repair or maintenance of real and personal property, shall be made as follows:

      i. If valued in excess of $100,000

         • After soliciting sealed bids by public notice, or
         • Through the State of Minnesota Cooperative Purchasing Venture, or
         • Through any cooperative purchasing agreement which secures contracts on the basis of competitive bids or quotes from more than one source.

      ii. If valued from $5,001 through $100,000

         • After soliciting three quotations when possible or
• Through the State of Minnesota Cooperative Purchasing Venture, or
• Through any cooperative purchasing agreement which secures contracts on the basis of competitive bids or quotes from more than one source.

iii. If valued from $1 through $5,000
• In the open market, using any method to assure favorable pricing.

b. Other Contracts

If valued in excess of $50,000
• After soliciting Requests for Proposal or Requests for Qualifications, so far as practicable and reasonable, or
• In the open market.

2. Efficiency. The County Board favors contact and grant procedures that are based upon the principles of delegation and decentralization.

a. A solicitation for sealed bids, requests for proposals or request for qualifications may be issued by the County Manager when the funds for the proposed purchase are specifically included within the budget or capital improvement plan or capital equipment plan, without additional authorization from the County Board.

b. Contracts as defined by Minn. Stat. §§ 375.21 and 471.35 valued at less than $100,000 and other contracts valued at less than $50,000 may be approved and signed by the County Manager when funds for the contract are specifically included within the budget or Capital Improvement Program (CIP) or Capital Equipment Plan (CEP) or will be funded pursuant to the Budget Incentive Policy adopted in Resolution No. 93-715. Contracts as defined in Minn. Stat. §§ 375.21 and 471.35 valued in excess of $100,000 and other contracts valued in excess of $50,000 and contracts for which the funds are not included within the budget or CIP or CEP and which will not be funded pursuant to the Budget Incentive Policy require approval by resolution of the County Board.

c. Joint powers agreements and joint purchasing agreement require approval by resolution of the County Board.

d. Sales, leases or purchase of real property to which Dakota County is party require approval by resolution of the County Board.

e. Contracts for the maintenance of computer hardware or software may be approved and signed by the County Manager, regardless of the value of the contract, when sufficient funds for the contract are included in the budget.

f. Except as provided in the following sentence, amendments to construction contracts may be approved by the County Manager when the amendment does not materially alter the scope of services being provided pursuant to the contract provided that the total of all amendments to that contract do not exceed $100,000 and the funds are included in the CIP budget for that project.

g. Amendments to the construction contract for the Cedar Bus Rapid Transit shoulder construction projects may be approved by the County Manager when the amendment does not materially alter the scope of services being provided pursuant to the contract, provided that (i) the total of all amendments to the contact does not exceed 5% of the total contract amount exclusive of elements funded 100% by third parties, and (ii) no single amendment exceeds $250,000 in value, exclusive of amendments relative to elements funded 100% by third parties.

h. Contract amendments for County Board authorized contracts, other than for construction, may be approved by the County Manager when the amendment does not materially alter the scope of services being provided in the existing contract, and the amendment does not exceed 10 percent
of the existing contract amount or $5,000, whichever is greater, in the aggregate with all other amendments, and specifically for budgeted funds are within the department line item budget.

i. For grants that are included in the budget, the County Manager may apply for the grant, accept the grant and sign the grant agreement, unless the grant awards exceeds the amount in the budget by $50,000 or more, whereupon acceptance of the grant requires approval by resolution of the County Board.

j. For grants that are not included in the budget, the County Manager may apply for the grant, accept the grant and sign the grant agreement, where the grant amount does not exceed $50,000 and the grant funds will only be used to support existing County programs and will not be used to increase the number of County FTEs.

k. For purposes of this policy, County Manager means County Manager or designee. The County Manager may delegate authority under this policy by written delegations which specifically identify the authorities delegated, the individuals to whom authority is delegated, the duration of the delegation (not to exceed two years) and which are maintained on file with the Clerk to the Board. For purposes of Section 2, paragraphs a, b, e, g and h of this policy, the County Attorney and the County Sheriff have the same authority as the County Manager with respect to their respective departments.

3. Legal compliance. All County purchase, sales, rental, leases and other agreements shall comply with applicable law and regulations.

a. Agreements are subject to review and approval as to form by the County Attorney.

b. Each prospective County contractor shall be required to disclose whether any of its owners, directors, officers or principals is or is closely related to any County employee who has or may appear to have any control over the award, management or evaluation of the contract.

c. If there is no legal conflict of interest that would prohibit a contract, but there is a question as to whether there may be an appearance of such a conflict, the contact shall be presented to the County Board for approval, regardless of the amount of the contract. The County Board shall have sole discretion to determine whether an appearance of a conflict of interest should bar a proposed contract not governed by the law applicable to competitive bidding.

d. All contracts must be in writing, unless the County Attorney advises that a written contact is not legally required and the County Manager has waived the necessity of a written contract.

4. Emergency Purchasing Authorization. The County Board recognized that emergency circumstances may arise which require that county staff enter into agreements to prevent loss or damage to persons or to County property, without complying with contract procedures. Therefore, the County Manager is authorized to enter into contracts on an emergency basis, consistent with the following:

a. In the case of an emergency arising from breakage, damage, or decay in County property that cannot be allowed to wait for the time required to advertise bids, contract(s) for repairs may be made without advertising for bids, provided that the contract(s) for the repairs be presented to the County Board for ratification at the next meeting of the County Board, regardless of the amount of the contract.

b. In the case of an emergency which may put at risk the health or safety of County clients and that cannot be allowed to wait for the time required to secure County Board approval of a contract to purchase services, the County Manager (i) may enter into a contract to make the purchase of services, provided that the contract be presented to the County Board for ratification at the next meeting of the County Board or (ii) may exercises the authority to advance funds to an agency already under contract pursuant to Resolution No. 97-679.
Staff contact: Debra Lesmeister  Ext: 4527  Email: debra.lesmeister@co.dakota.mn.us

Board Resolution or Manager Signature:  Res. 12-508
COUNTY BOARD CONTRACTING DELEGATION TO COUNTY MANAGER

April 1990  To County Administrator up to $5000 for vendor payments.  
(#90-376)

June 1993  To County Department Heads under $25,000, when budgeted.  
(#93-572)

March 1994  Added authority for highway construction contracts for PDD Director to 
additionally approve when no alteration of scope of services in an amount up to 
$25,000 OR the total of all amendments, not to exceed 4% of original contract, 
whichever is greater.  
(#94-197)

December 2001  Adoption of Bid, Grant and Contract Policy. To County Administrator (or 
designee) as follows:  
• Contracts - valued at or less than $50,000 and included in budget or CIP 
or CEP or funded in Budget Incentive Policy.  
• Computer hard/software maintenance - any value when sufficient funds 
in budget.  
• Amendment to construction contracts - no material alteration of scope of 
services and total of all amendments do not exceed $100,000 and funds 
in CIP budget for that project.  
• Other amendments for County Board authorized contracts- no material 
alteration of scope of services, not to exceed 10% of existing contract 
amount or $5000, whichever is greater, in aggregate with all other 
amendments and budgeted funds within department line item budget.  
• Grants in the budget - up to $50,000 to support existing County 
programs and no increase in FTEs.  
• Grants not in budget - grants up to $50,000 to support existing County 
programs and no increase in FTEs.  
• Emergency procurement authority.  
(#01-767)

May 2011 (current)  To County Administrator (or designee) as follows:  
• For §§ 375.21 and 471.35 contracts (supplies, materials, equipment, or 
the construction, alteration, repair or maintenance of real or personal 
property) less than $100,000 and all other contracts less than $50,000, 
when funds are in budget or CIP or CEP or funded in Budget Incentive 
Policy.  
• Everything else is the same as above.  
(#11-240)
Grant and Contracting Delegation Proposed Changes:

Proposed policy changes do not authorize County Manager to:
1) change project scope
2) increase the budget

- County Manager grant approval levels
  - Current: $50,000
  - Proposed: $100,000
  - **Policy Section 3. h. – page 7**

- County Manager contract approval levels
  - Professional Services: $50,000
  - Construction, supplies, labor, etc.: $100,000
  - **Policy Section 3. b. – page 6**

The County Manager or delegate can bring contracts under these thresholds before the Board.

---

County by County Contracting Delegations:

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>CONTRACTING AUTHORITY DELEGATED TO COUNTY MANAGER/ADMINISTRATOR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anoka</td>
<td>$100,000</td>
</tr>
<tr>
<td>Blue Earth</td>
<td>$100,000 (Dept. Heads have authority up to $25,000)</td>
</tr>
<tr>
<td>Carver</td>
<td>&lt;$20,000 (Division Directors have authority up to $2,500)</td>
</tr>
<tr>
<td>Hennepin</td>
<td>&lt;$50,000 per vendor. &lt;$50,000 requires Board approval</td>
</tr>
<tr>
<td>Olmsted</td>
<td>&gt;$50,000 for contracts not yet pre-approved by Board. (Dept. Heads have authority to sign contracts up to $50,000 if within approved annual budget)</td>
</tr>
<tr>
<td>Ramsey</td>
<td>$100,000 (for budgeted funds)</td>
</tr>
<tr>
<td>St. Louis</td>
<td>$40,000</td>
</tr>
<tr>
<td>Scott</td>
<td>$100,000 for budgeted funds; &lt;$25,000 for contracts not in an approved budget (Dept. Heads or designee have authority &lt;$50,000)</td>
</tr>
<tr>
<td>Sherburne</td>
<td>$25,000</td>
</tr>
<tr>
<td>Washington</td>
<td>None. (Dept. Heads have authority up to $100,000)</td>
</tr>
<tr>
<td>Wright</td>
<td>$100,000 (Dept. Head and County Coordinator)</td>
</tr>
</tbody>
</table>
SCENARIOS* BASED ON DELEGATION AUTHORITY TO COUNTY MANAGER FOR
AMENDMENTS TO CONSTRUCTION CONTRACTS
(Policy Section 3.f.)

Scenario One

Original Contract - $75,000 – no board approval required as is not greater than the $100,000
degregation authority to the County Manager in Section 3.b.
Amendment 1 - $20,000 – no board approval required – original contract amount and
Amendment 1 combined ($75,000 + $20,000) are not greater than the $100,000
degregation authority in Section 3.b.
Amendment 2 - $50,000 – board approval required – original contract amount and
Amendments 1 and 2 combined ($75,000 + $20,000 + $50,000) are greater than the
$100,000 delegation authority in Section 3.b. thus requiring board approval. This is the
first County Board Authorized Contract (see, definition of County Board Authorized
Contract on page 2 of policy) and the amount is $145,000 ($75,000 + $20,000 +
$50,000)
Amendment 3 - $75,000 – no board approval required – while the amendment exceeds 5% of
the first County Board Authorized Contract (5% of $145,000 = $7,250), the total
combined amendments to the first County Board Authorized Contract ($20,000 +
$75,000) do not exceed $100,000 AND the total combined amendments do not exceed
the $250,000 cap for all amendments from the inception of the contract

Scenario Two

Original Contract - $300,000 – requires board approval – this is the first County Board
Authorized Contract and the amount is $300,000
Amendment 1- $75,000 – no board approval required – while the amendment exceeds 5% of
the first County Board Authorized Contract (5% of $300,000 = $15,000), the
amendment does not exceed $100,000 AND the amendment does not exceed the
$250,000 cap for all amendments from the inception of the contract
Amendment 2 - $125,000 – requires board approval – the total combined amendments to the
first County Board Authorized Contract ($75,000 + $125,000) now exceed $100,000

Scenario Three

Original Contract - $2,500,000 – requires board approval – this is the first County Board
Authorized Contract and the amount is $2,500,000
Amendment 1 - $110,000 – no board approval required – while the amendment exceeds
$100,000, it does not exceed 5% of the first County Board Authorized Contract (5% of
$2,500,000 = $125,000) AND the total combined amendments do not exceed the
$250,000 cap for all amendments from the inception of the contract
Amendment 2 - $35,000 – requires board approval – total combined amendments to the
first County Board Authorized Contract ($110,000 + $35,000) now exceed $125,000
(5%)

*All scenarios assume that the scope of the work is not altered in the amendment and there is
sufficient funding in the CIP budget.
Scenario Four

Original Contract - $7,000,000 – requires board approval – this is the first County Board Authorized Contract and the amount is $7,000,000

Amendment 1 - $250,000 – no board approval required – while the amendment exceeds $100,000, it does not exceed 5% of the first County Board Authorized Contract (5% of $7,000,000 = $350,000) AND the total combined amendments do not EXCEED the $250,000 cap for all amendments from the inception of the contract

Amendment 2 - $1,000 – requires board approval – total combined amendments from the inception of the contract ($250,000 + $1,000) now exceed the $250,000 cap for total combined amendments from the inception of the contract
SCENARIOS* BASED ON DELEGATION AUTHORITY TO COUNTY MANAGER FOR
AMENDMENTS TO NON-CONSTRUCTION CONTRACTS
(Policy Section 3.g.)

Scenario One

Original Contract - $75,000 – no board approval required as is not greater than the $100,000
degression authority to the County Manager in Section 3.b.
Amendment 1 - $20,000 – no board approval required – original contract amount and
Amendment 1 combined ($75,000 + $20,000) are not greater than the $100,000
degression authority in Section 3.b.
Amendment 2 - $10,000 – board approval required – original contract amount and
Amendments 1 and 2 combined ($75,000 + $20,000 + $10,000) are greater than the
$100,000 delegation authority in Section 3.b. requiring board approval. This is the first
County Board Authorized Contract (see, definition of County Board Authorized Contract
on page 2 of policy) and the amount is $105,000
Amendment 3 - $10,000 – no board approval required – not greater than 10% of the first
County Board Authorized Contract (10% of $105,000 = $10,500) AND the total
combined amendments from the inception of the contract (total = $40,000) do not exceed
$50,000
Amendment 4 - $10,000 – board approval required – total combined amendments to the first
County Board Authorized Contract ($10,000 + $10,000) exceed 10% of the first County
Board Authorized Contract (10% of $105,000 = $10,500) even though the total
combined amendments from the inception of the contract (total = $50,000) does not
EXCEED $50,000

Scenario Two

Original Contract - $200,000 – board approval required – this is the first County Board
Authorized Contract and the amount is $200,000
Amendment 1 - $15,000 – no board approval required – not greater than 10% of the first
County Board Authorized Contract (10% of $200,000 = $20,000) AND the total
combined amendments from the inception of the contract (total = $15,000) does not
exceed $50,000
Amendment 2 - $10,000 – board approval required – total combined amendments to the first
County Board Authorized Contract ($15,000 + $10,000) exceed 10% of the first County
Board Authorized Contract (10% of $200,000 = $20,000)

*All scenarios assume that the scope of work is not altered and there is sufficient funding in the
department line item budget or CIP or CEP or funding pursuant to the Budget Incentive Policy
Discussion Of 2019 Budget And Maximum Proposed Property Tax Levy

Meeting Date: 9/4/2018
Item Type: Regular-Information
Division: Operations, Management and Budget
Department: Budget Office
Contact: Sikorski, Paul
Contact Phone: (651) 438-4612
Prepared by: Cater, Karen

Fiscal/FTE Impact:
- None
- Other

Purpose/Action Requested
Discuss 2019 budget development status and implications for 2019 maximum proposed tax levy.

Summary
On August 21, 2018, staff presented information at a County Board budget workshop on 2019 budget planning. Key parameters and assumptions for 2019 planning, as discussed on August 21, 2018 include:

- The County maintains a multi-year budget and tax levy projection model to support long-term budget planning and levy stability. Under current economic conditions, cost structures, and state policies, long-term pressures on the budget are forecast to add about 6.1 percent annually to costs that must be funded from the property tax levy (before any additional adjustments from internal reallocations, or programmatic decisions to expand or reduce expenditure levels).
- Inflationary costs on the current base (2018) level of activity and services, net of other revenue adjustments, are projected to add approximately $5.0 million of additional pressure on property tax revenues for 2019.
- The preliminary budget requests from the County’s operating divisions and elected offices for new spending above the 2018 base total approximately $4.5 million in additional levy costs at this stage of the process. New spending requests generally fall into one of four categories: caseload or service growth in existing state-mandated services, new or expanded mandates, supporting infrastructure (people and systems) for County operations, and new or expanded discretionary services.
- The County continues to reallocate existing tax levy resources internally to fund permanent operating cost pressures and reduce the net increase in the annual property tax levy required to balance the budget. For 2019 planning, total levy management resources identified as available for internal reallocation in 2019 and future years total approximately $8.5 million dollars (in years before reallocating, these levy funds help pay for one-time expenses such as capital projects). Resources reallocated to offset levy growth come from debt-service levy funds freed up due to recent retirement of outstanding debt, eliminating and reducing set-aside accounts for contingencies as appropriate, and relying more heavily on state county program aid as a reliable future funding source to help offset local property taxes.
- For taxes payable in 2019, the County property tax base will be approximately 8.15 percent higher than for taxes payable in 2018. In general, if the tax levy grows at any rate lower than 8.15 percent for 2019, the County tax rate will decrease. The net change in the County portion of the 2019 tax bill for individual properties will depend on the combination of the County tax rate and the change in value for the given property.
- Additional factors that may be taken into consideration in 2019 budget and levy planning include the national economic outlook, future federal and state policies, budgets, systems and regulations, as well as upcoming policy decisions at the County in areas such as transportation financing, parks, and capital planning.
- The County Manager is recommending a levy increase consistent with feedback provided by the County Board that indicated support of a 2.9 percent levy increase along with practical elimination of the Regional Railroad Authority property tax levy as discussed at the August Budget Workshop.

As part of the 2019 budget process, the County Board is required by state statute to adopt a resolution setting the maximum proposed property tax levy on or before September 30, 2018. The Board is scheduled to adopt the maximum tax levy resolution at the September 18, 2018 County Board meeting.

Recommendation
The County Manager will present and discuss a recommendation for the 2019 maximum property tax levy. Following the meeting, a maximum tax levy resolution will be prepared for the September 18, 2018 Board meeting.

Explanation Of Fiscal/FTE Impacts
None.
Supporting Documents:  Previous Board Action(s):

RESOLUTION
Information only; no action requested.

County Manager’s Comments:
☐ Recommend Action
☐ Do Not Recommend Action
☐ Reviewed---No Recommendation
☒ Reviewed---Information Only
☐ Submitted at Commissioner Request

Reviewed by (if required):
☒ County Attorney’s Office
☒ Financial Services
☒ Risk Management
☐ Employee Relations
☐ Information Technology
☐ Facilities Management

County Manager
Overview Of Preliminary Environmental Legacy Fund Expenditures And 2019 Draft Capital Improvement Program

Meeting Date: 9/4/2018
Item Type: Regular-Information
Division: Physical Development
Department: Physical Development Administration
Contact: Stwora, Erin
Contact Phone: (952) 891-7153
Prepared by: Dumais, Kelly

Fiscal/FTE Impact:
- None
- Other
- Current budget
- Amendment requested
- New FTE(s) requested

Board Goal: Excellence in public service
Public Engagement Level: N/A

PURPOSE/ACTION REQUESTED
To review 2019 projected expenditures from the Environmental Legacy Fund (ELF) including the Landfill Host Community ELF Grant Pilot Program, as well as to review the 2019 Draft Capital Improvement Program (CIP) for Parks, Environmental Resources, Byllesby Dam, Buildings, Transportation, Transportation Sales and Use Tax, Regional Rail and Data Networks.

SUMMARY
In 2015, the County Board (Board) established a new Special Revenue Fund, the ELF, with the stated purpose of “protection, preservation or enhancement of the environment.” The Board has established environmentally-related activities such as: Brownfield Redevelopment Activities, Environmental Capital Projects, Environmental Resources Operations, Gravel Pit Remediation, Natural Areas and Shoreland Conservation Activities, Parks/Greenway Master Plan Improvements, and the implementation of the Natural Resources Management Plan and Solid Waste Master Plan. In 2018, the Board piloted a community grant program using ELF dollars to address the impacts on communities for hosting landfills, and permitted uses for transportation and economic development as a part of the grant pilot program. Annual expenditures from the ELF will be presented to and authorized by future actions of the Board.

As a part of the annual budget process, the County prepares a five-year CIP. The CIP identifies capital projects to support existing and future services. It provides a development program that is used to maximize outside revenue sources and effectively plan for the future growth and maintenance of the County’s infrastructure. The first year of the CIP is the 2019 capital budget that will be included as a part of the County’s budget proposal in December 2019.

The County’s draft CIP contains the following sections: Parks, Environmental Resources, Byllesby Dam, Buildings, Transportation, Transportation Sales and Use Tax, Regional Rail and Data Networks.

The Board is scheduled to release the draft CIP for formal review on September 18, 2018. A public hearing will be scheduled to receive comments on the proposed CIP. Minn. Stat. § 373.40 Subd, 3, requires that the County hold a public hearing prior to the adoption of the CIP. The public hearing will be held on November 11, 2018. The Board is scheduled to adopt the 2019-2023 CIP on December 18, 2018.

RECOMMENDATION
Information only; no action requested.

EXPLANATION OF FISCAL/FTE IMPACTS
None.
RESOLUTION
Information only; no action requested.

<table>
<thead>
<tr>
<th>County Manager's Comments:</th>
<th>Reviewed by (if required):</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Recommend Action</td>
<td>☒ County Attorney's Office</td>
</tr>
<tr>
<td>☐ Do Not Recommend Action</td>
<td>☒ Financial Services</td>
</tr>
<tr>
<td>☐ Reviewed---No Recommendation</td>
<td>☒ Risk Management</td>
</tr>
<tr>
<td>☒ Reviewed---Information Only</td>
<td></td>
</tr>
<tr>
<td>☐ Submitted at Commissioner Request</td>
<td>☐ Employee Relations</td>
</tr>
<tr>
<td></td>
<td>☐ Information Technology</td>
</tr>
<tr>
<td></td>
<td>☐ Facilities Management</td>
</tr>
</tbody>
</table>

County Manager

[Signature]

8/30/2018 12:46 PM  Page 2