

A G E N D A

Dakota County Board of Commissioners General Government and Policy Committee of the Whole

March 9, 2021

10:30 AM

(or following County Board meeting)

Boardroom, Administration Center, Government Center, Hastings, MN

View Live Broadcast

<https://www.co.dakota.mn.us/Government/BoardMeetings/GGPCommittee/Pages/default.aspx>

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 wishing to address the Committee on an item not on the agenda or an item on the consent agenda may send comments to CountyAdmin@co.dakota.mn.us
Verbal comments are limited to five minutes.

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

CONSENT AGENDA

4. County Administration - Approval Of Minutes Of Meeting Held February 2, 2021

5. Public Services And Revenue

5.1 Public Services and Revenue Administration - Approval Of Amendments To Dakota County Public Art Citizen Advisory Committee Bylaws And Selection Process And Criteria

REGULAR AGENDA

6. County Board/County Administration

6.1 County Administration – INFORMATION - Legislative Update

7. Operations, Management And Budget

7.1 Finance - Adoption Of Policy 2755 Account Receivable, Nonsufficient Payment, Collection, And Past-Due Account Write Off

8. Public Services And Revenue

8.1 Public Services and Revenue Administration – INFORMATION - Update On Dakota County Historical Society's Business And Strategic Plan

9. County Manager's Report

10. Adjournment

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>

Public Comment can be sent to CountyAdmin@co.dakota.mn.us

**DAKOTA COUNTY
GENERAL GOVERNMENT AND POLICY COMMITTEE OF THE WHOLE**

Meeting Minutes

**February 2, 2021
Live Stream, Government Center, Hastings, MN**

1. Call To Order And Roll Call

Commissioner Mike Slavik
Commissioner Kathleen A. Gaylord
Commissioner Laurie Halverson
Commissioner Joe Atkins
Commissioner Liz Workman
Commissioner Mary Liz Holberg
Commissioner Mary Hamann-Roland

Also in attendance: Matt Smith, County Manager; Tom Donely, First Assistant County Attorney; and Jeni Reynolds, Sr. Administrative Coordinator to the Board.

Due to the local state of emergency and social distancing, Commissioners participated in this meeting via telephone and the Committee meeting was conducted under Minn. Stat. § 13D.021.

The video and audio recording from this meeting are available on the Dakota County website.

The meeting was called to order by Chair Gaylord at 11:40 a.m.

2. Audience

Chair Gaylord noted that all public comments can be sent to CountyAdmin@co.dakota.mn.us

No comments were received for this agenda.

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

On a motion by Commissioner Mary Hamann-Roland, seconded by Commissioner Liz Workman, the agenda was unanimously approved.

CONSENT AGENDA

On a motion by Commissioner Mike Slavik, seconded by Commissioner Liz Workman, the consent agenda was unanimously approved as follows:

4. Approval Of Minutes Of Meeting Held On January 5, 2021

5. County Board/County Administration

5.1 2021 Board Priority Milestones And Fourth Quarter Update On 2020 Board Priorities

This item was on the agenda for informational purposes only.

February 2, 2021

Page 2

6. Operations, Management And Budget

6.1 Authorization To Execute Contract With Nextera Communications For Local And Long-Distance Service Supporting Dakota County's Telephone And Faxing

WHEREAS, the current Session Initiation Protocol (SIP) Contract and Primary Rate Interface (PRI) contract expires June 30, 2021; and

WHEREAS, there are no immediate plans to replace the need for local and long-distance telephone and faxing service; and

WHEREAS, there is a need to continue to provide County business units with local and long-distance telephone and faxing services; and

WHEREAS, staff published a request for proposals on November 9, 2020 via the County's public website; and

WHEREAS, three responses were received by December 9, 2020; and

WHEREAS, Nextera Communications provided the best value proposal response.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Chief Information Officer (CIO) to execute a five-year contract with Nextera Communications for local and long-distance service, for the period of July 1, 2021 through June 30, 2026, subject to approval as to form by the County Attorney's office, at a total cost not to exceed \$302,703.20, plus any applicable taxes and regulatory fees.

6.2 Report On Budget Amendments, Contracts, And Year-End Projections For Operations

This item was on the agenda for informational purposes only. There was no direction provided by the Committee.

6.3 Authorization To Execute Individual Joint Powers Agreements With Rural Cities And Townships For Assistance Naming Streets And Assigning Addresses

WHEREAS, by Resolution No. 08-483 (October 21, 2008), the County Board repealed County Ordinance No. 51 and adopted the Uniform Street Naming And Addressing System (USNAS) Procedural Manual, which defined a common system for naming streets and assigning addresses; and

WHEREAS, cities and townships were encouraged to adopt the local ordinances referencing the County's USNAS Procedural Manual to perpetuate the naming and numbering system that had been in place for over 40 years in their communities; and

WHEREAS, cities and townships may assign street names and addresses infrequently and have expressed the need for technical assistance; and

WHEREAS, the County has staff with skills to provide necessary technical assistance efficiently; and

WHEREAS, the County Office of GIS has sufficient staff to provide the required technical assistance; and

WHEREAS, a joint powers agreement (JPA) executed with townships and rural cities (Resolution No. 09-287, amended by Resolution No. 10-483) to provide that assistance expired on December 31, 2020; and

WHEREAS, Office of GIS staff recommends executing separate JPA with rural cities and townships within Dakota County that adopt, by resolution, the Uniform Street Naming and Addressing Procedural Manual, to provide

February 2, 2021

Page 3

technical assistance to determine conforming street names and addresses on a cost-recovery basis using the standard IT Professional Services Fee; and

WHEREAS, cities and townships can elect to participate in the JPA; and

WHEREAS, the JPA defines roles and responsibilities for technical assistance provided; and

WHEREAS, the County will provide a basic level of two hours of technical assistance per year at no charge to encourage the use of that service in order to preserve a logical and consistent system and promote public safety.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Dakota County Chief Information Officer to execute separate joint powers agreements, as presented to the General Government and Policy Committee on February 2, 2021, with rural cities and townships within Dakota County for the County to provide technical assistance for naming streets and assigning addresses, subject to approval by the County Attorney's Office as to form.

7. Public Services And Revenue

7.1 Approval Of Public Art Citizen Advisory Committee And Library Advisory Committee 2021 Work Plans

WHEREAS, County Policy states that citizen advisory committees are required to consult annually with the County Board to seek concurrence regarding the topics they will study or which they advise the County Board; and

WHEREAS, the Public Art Citizen Advisory Committee and the Library Advisory Committee have discussed and drafted potential directions for their efforts in 2021; and

WHEREAS, staff recommends that the Public Art Citizen Advisory Committee and the Library Advisory Committee 2021 work plans be approved.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby approves the Public Art Citizen Advisory Committee and the Library Advisory Committee 2021 work plans.

REGULAR AGENDA

8. County Board/County Administration

8.1 Legislative Update

Paul Cassidy with Stinson LLP gave a brief update on the State legislature and responded to questions. Mike Erlandson with Downs Government Affairs gave a brief update at the Federal level. This item was on the agenda for informational purposes only. No direction was given by the Committee.

8.2 Discussion And Direction On Process For Appointment To Vacated County Attorney Term

County Manager Matt Smith gave an overview on this item and the Committee held discussion. This item was on the agenda for informational purposes only. It is noted that comments were received regarding this item from the following: Sally Meany (Burnsville) and Lisa Ellenberg (Apple Valley).

The Committee directed staff to bring additional information back to the County Board meeting on February 16, 2021, including details on process.

9. County Manager's Report

February 2, 2021

County Manager Matt Smith reminded Committee members that the Adoption of the Legislative Platform and 2021 State Legislative Priorities was on the County Board agenda earlier today.

10. Adjournment

On a motion by Commissioner Mary Hamann-Roland, seconded by Commissioner Mike Slavik, the meeting was adjourned at 12:11 p.m.

Respectfully submitted,

Jeni Reynolds
Sr. Administrative Coordinator to the Board

DAKOTA COUNTY GENERAL GOVERNMENT AND POLICY COMMITTEE

Approval Of Amendments To Dakota County Public Art Citizen Advisory Committee Bylaws And Selection Process And Criteria

Meeting Date: 3/9/2021	Fiscal/FTE Impact:
Item Type: Consent-Action	<input checked="" type="checkbox"/> None <input type="checkbox"/> Other
Division: Public Services and Revenue	<input type="checkbox"/> Current budget <input type="checkbox"/> Amendment requested
Department: Public Services and Revenue Administration	<input type="checkbox"/> New FTE(s) requested
Contact: Mitchell, Teresa	Board Goal: A great place to live
Contact Phone: (651) 438-4247	Public Engagement Level: N/A
Prepared by: Tillander, Nicole	

PURPOSE/ACTION REQUESTED

Approval of amendments to the Dakota County Public Art Citizen Advisory Committee Bylaws and the selection process and criteria document known as Art in Public Places.

SUMMARY

The Dakota County Public Art Citizen Advisory Committee was established by the County Board in April 2006 with members appointed in June 2006. Bylaws and selection criteria were proposed and approved by Board Resolution No. 07-216 on May 22, 2007. Bylaws were revised by County Board Resolution No. 18-030 on January 2, 2018. This revision was regarding the addition of youth memberships on the Committee.

Committee members and Public Services and Revenue Administration have worked together to draft amendments to the bylaws and selection criteria document to update bylaws and bring them into alignment with the committee's recommended purpose and goals, clarify definitions and update administrative procedures. The Art in Public Places document is amended to include Dakota County Public Parks, which has become a critical and creative partner of the committee over the past few years.

Amendments include:

- Recognition of working committee name of "Dakota County Public Arts"
- Addition of language in *ARTICLE II – Purpose* to include "performances, art activities, or the preservation of and access to art in Dakota County".
- Updates to *ARTICLE IV – Membership* removing reference to specific years to allow for more flexibility in membership and clarify timing and terms of office.
- Removal of specific per diem amount in *ARTICLE V – Compensation* to be governed by County Policy 1015.
- Addition of virtual attendance to *ARTICLE VII – Meetings*, and options for e-mailed minutes in *ARTICLE IX – Official Minutes*.
- Art in Public Places selection process and criteria document changes in *SECTION II – Initial Designation of Limited Public Fora* include, removal of the Western Service Center Hallway and addition of Dakota County Public Parks and other locations as approved by the Board of Commissioners.

The draft bylaws and program document are attached (Attachment A and Attachment B) with all changes tracked.

Amended bylaws will take effect immediately following County Board approval.

RECOMMENDATION

Staff recommends approval of the amended bylaws and selection process and criteria document.

EXPLANATION OF FISCAL/FTE IMPACTS

None.

Supporting Documents:

Attachment A: Draft Bylaws
Attachment B: Draft Art in Public Places

Previous Board Action(s):

07-216; 5/22/07
18-030; 1/2/18

RESOLUTION

WHEREAS, in April 2006, the Dakota County Board established a Public Art Citizen Advisory Committee; and

WHEREAS, the Dakota County Board adopted the Committee Bylaws on May 22, 2007; and

WHEREAS, the Dakota County Board revised the Committee Bylaws on January 2, 2018; and

WHEREAS, staff from Public Services and Revenue Division Administration and Committee members have reviewed the bylaws and selection criteria and recommend amendments.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby approves such amendments.

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



Bylaws

Dakota County Public Art Citizens Advisory Committee

WHEREAS, in April 2006, the Dakota County Board established a Public Art Citizens Advisory Committee; and

WHEREAS, the Dakota County Board named members in June 2006, and

WHEREAS, the Dakota County Board required that the Committee return to the County Board with recommended Bylaws,

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby establishes the following bylaws to guide the structure and operation of the Public Art Citizens Advisory Committee.

Article I

AUTHORIZATION AND NAME

The Dakota County Board of Commissioners hereby establishes a Public Art Citizens Advisory Committee, also known as Dakota County Public Arts, hereinafter referred to as the "Advisory Committee". The Advisory Committee shall have such powers and duties as are delegated to it by the Dakota County Board of Commissioners.

Article II

PURPOSE

The purposes of the Advisory Committee are:

1. Represent the citizens of Dakota County in enhancing Dakota County buildings through:
 - Recommending selection criteria for works of art, performances, art activities, or the preservation of and access to art in Dakota County to the County Board.
 - Recommend a selection process for works of art, performances, art activities, or the preservation of and access to art in Dakota County to the County Board.
 - Recommend pieces of art, performances, art activities, or the preservation of art in public spaces within Dakota County to be placed in county buildings within the criteria and selection process adopted by the County Board.
 - Provide information to the public on art in Dakota County.
 - Develop and recommend annual work plans for the Advisory Committee to the County Board.

2. Apply the selection criteria and selection process as adopted by the Dakota County Board of Commissioners to recommend art selections, performances, art activities, or the preservation of and access to art in Dakota County to the County Board.

Article III

RELATIONSHIP TO COUNTY BOARD

The Advisory Committee shall apply the selection criteria and process as adopted by the Dakota County Board of Commissioners in recommending art selections to the County Board.

Article IV

MEMBERSHIP

Members of the ~~Dakota County Public Art Citizen's~~ Advisory Committee shall be appointed by the Dakota County Board of Commissioners using the Open Appointment Process. Members may serve on the ~~Public Art Citizen's~~ Advisory Committee only as long as they meet the County policy with respect to residence and attendance.

Qualifications: Members will be chosen from citizens who have broad knowledge of art, work in the field of art or who demonstrate a strong interest in art.

Number of Members and Appointment: The ~~Dakota County Public Art Citizens~~ Advisory Committee will consist of eleven citizen members appointed by Dakota County Commissioners from each of the seven districts, two at-large positions and two at-large youth members. Members will serve staggered terms.

~~**Initial Terms of Office:** Initial appointments shall be made such that three member terms (Districts 2, 4, and 6), shall expire on December 31, 2007 and four member terms (Districts 1, 3, 5, and 7) will expire on December 31, 2008.~~

Advisory Committee members shall be appointed for two-year terms.

Youth members ~~shall be~~ appointed for ~~one one~~-year terms. Youth members are limited to two one-year terms.

In accordance with County Board Policy 1015, if a district specific position remains vacant for 60 days, the Board may make the appointment on an at-large basis.

~~**Subsequent Terms of Office:** After initial terms, Advisory Committee members shall be appointed for two-year terms.~~

Maximum Number of Terms: Advisory Committee members shall serve no more than three consecutive terms.

Removal:

1. For Cause. Any member of the Advisory Committee may be removed from office for conduct detrimental to the accomplishment of the Advisory Committee's purpose or if the member engages in conduct contrary to the County Board Statement of Expectations as expressed in County Board Policy 1015. Removal shall be effective upon a majority vote of the County Board of Commissioners.
2. For repeated absences. Automatic removal of an Advisory Committee member occurs when the member is absent for 3 consecutive meetings or 50% of the meetings, during any consecutive 12-month period.
3. For change of residency. Automatic removal of an Advisory Committee member occurs when the member fails to maintain a principal residence within the County Commissioner district from which the member was appointed.

Resignation: An Advisory Committee member may resign prior to the expiration of his/her term but such resignation must be provided in writing to the Chair and Committee Coordinator. The resignation will be forwarded to the County Board of Commissioners, which will take up the item at its next scheduled meeting.

Article V

COMPENSATION

Members will receive a per diem ~~of \$35.00 per diem (County Policy 1015)~~ for attendance at regular and special meetings of this committee in accordance with County Board Policy 1015.

Article VI

OFFICERS AND STAFF COORDINATORS

Officer Positions and Election of Officers: At the annual organizational meeting (the first meeting of the calendar year), the Advisory Committee shall elect a Chair and Vice-Chair from among its members. Election of officers shall require a majority vote of all members.

Term of Office: The term of office for all officers will be one year or until successors are elected. Terms of the office shall not exceed more than two consecutive terms. The terms will begin immediately following election to office.

Duties of the Chair. The duties of the Chair are to preside at all meetings, forward all recommendations to the County Board through the Committee Coordinators, and maintain order.

Duties of the Vice-Chair. In the absence of the Chair, the Vice-Chair shall act as Chair and shall have all the powers of the Chair. In the event of the Chair's permanent absence due to resignation or other causes, the Vice-Chair shall perform the Chair's duties until such a time as the Advisory Committee can elect a new Chair.

Temporary Chair. In case of the temporary absence of both Chair and Vice-Chair at any meeting, the Advisory Committee shall elect a temporary Chair for such meeting.

Committee Coordinators. Staff of the Dakota County Public Services and Revenue Division will act as Committee Coordinators.

Article VII

MEETINGS

- ~~All meetings shall be open to the public, whether held in person or virtually in accordance with County Board Policy 1015.~~
- The Committee will meet a minimum of three times a year at a time and place set by the members. The chair is authorized to schedule meetings.
- A quorum shall consist of four members.
- A quorum shall be necessary for any formal action.
- Votes shall be taken and recorded on all formal actions.
- Attendance via virtual or electronic meeting format is considered formal attendance and applies to quorum and any voting decisions.

Article VIII

CONFLICT OF INTEREST

Any ~~Public Art Citizen's~~ Advisory Committee member, who in the discharge of his/her official duties, believes that he/she would be required to take an action or make a decision which would substantially affect his/her personal financial interests or those of a business with which he/she is associated, in the outcome of a matter which comes before the committee shall abstain from participation in the deliberative and decision-making process to which the conflict pertains and must abstain from voting.

Article IX

OFFICIAL MINUTES

Dakota County Public Services ~~and~~ Revenue staff shall be responsible for the preparation and maintenance of the minutes of the meetings.

The minutes of these meetings shall be mailed or e-mailed to all members and any interested parties. Minutes must be approved by the Advisory Committee before they are considered final.

Article X

AMENDMENT

These Bylaws may be amended only upon vote of the Dakota County Board of Commissioners. The Advisory Committee may make recommendations for amendments to the County Board.

Article XI

TERMINATION

The Advisory Committee shall cease to exist upon County Board action.

Article XII

EFFECTIVE DATE

These Operating Rules shall take effect immediately upon adoption by the County Board.

ADOPTED: May 22, 2007
REVISED: January 2, 2018
REVISED: March 9, 2021

DRAFT

DAKOTA COUNTY ART-IN-PUBLIC-PLACES PROGRAM

SELECTION PROCESS AND CRITERIA

I. ESTABLISHMENT OF PROGRAM

The Dakota County Board of Commissioners (“County Board”) has established its Art-in-Public-Places program for the purposes of enhancing Dakota County’s buildings and grounds, providing information about Dakota County’s history, culture and environment through art, and providing information to the public about art in Dakota County. This program shall be led by the Dakota County Public Art Citizen Advisory Committee (“Advisory Committee”), which shall have the responsibility for recommending processes for implementation of the program, recommending selection criteria for choosing works of art to be displayed in County buildings and grounds, and recommending specific artworks for display in County buildings and grounds in accordance with approved processes and criteria. The program will be staffed by the Public Services and Revenue Division.

II. INITIAL DESIGNATION OF LIMITED PUBLIC FORA

The ~~Dakota~~ County Board ~~of Commissioners~~ hereby designates the following spaces as limited public fora for purposes of the art-in-public-places program:

- Atria in Dakota County Administration Center
- Room 3A in Dakota County Administration Center
- Dakota County Board meeting room in Dakota County Administration Center
- Atrium of Western Service Center
- Room 1920 of Western Service Center
- Room L139 of Western Service Center
- ~~Hallway from Western Service Center Atrium to Galaxie Library~~
- Rotunda of Northern Service Center
- 1st Floor and 2nd Floor public hallways of Northern Service Center
- Room 520 of Northern Service Center
- Room 110 of Northern Service Center
- Within Dakota County Public Parks
- Other locations as approved by the Dakota County Board of Commissioners

III. IMPLEMENTATION OF THE PROGRAM

On behalf of Dakota County, the Advisory Committee will solicit the donation of art or art to be purchased for display in the limited public fora listed in Section II above.

A. Solicitations will include:

1. Identification of the forum for which donation or purchases are being solicited.
2. Description of the spaces within each forum where donated or purchased art could be displayed.
3. Statement of whether art is being sought to be part of the permanent collection or for temporary display as a loaned art or both.
4. Identification of the method of accession (donation, purchase, commission).
5. Criteria for selection.
6. Other information necessary for practical implementation of the program.

B. Approval of Solicitations

Solicitations may be issued by the ~~Public Art Citizen~~ Advisory Committee, provided that the solicitation has been approved by the County Attorney's Office, and, in the case of proposed accession by purchase or commission, by the ~~Dakota~~ County Board ~~of Commissioners~~.

C. Selection

The ~~Public Art Citizen~~ Advisory Committee shall review proposed accessions and make recommendations to the Dakota County Board of Commissioners, based upon the applicable, approved solicitation. All final decisions shall be made by the ~~Dakota~~ County Board ~~of Commissioners~~.

D. Accession

The donor or seller shall be required to execute a written agreement with Dakota County, subject to approval by the County Attorney as to form.

IV. CRITERIA FOR SELECTION OF ART

- Originality – artworks must be one-of-a-kind or part of an original limited edition.
- Artistic Excellence – artworks must be of high quality and aesthetic merit.
- Appropriateness to Site – artworks must be appropriate in scale, material and form for the identified site.
- Condition – artworks must be ready to exhibit.
- Durability – artworks must have such structural and surface integrity that no more than routine maintenance will be required.
- Safety – artworks may not have physically hazardous attributes.
- Restrictions – artworks must be free from donor conditions and must be transferred without encumbrances.
- Community Values – artworks may not be obscene and shall be appropriate in terms of local community values.
- Subject Matter – artworks must address, reflect or provide information about the history, culture and environment of Dakota County.

V. FINANCIAL CONTRIBUTIONS

The ~~Dakota County Public Art Citizen~~ Advisory Committee shall have the authority to solicit financial contributions to the Dakota County Art-in--Public-Places program. Only the ~~Dakota~~ County Board ~~of Commissioners~~ has the authority to accept financial contributions.

DRAFT

DAKOTA COUNTY GENERAL GOVERNMENT AND POLICY COMMITTEE

Legislative Update

Meeting Date: 3/9/2021	Fiscal/FTE Impact:
Item Type: Regular-Information	<input checked="" type="checkbox"/> None <input type="checkbox"/> Other
Division: County Administration/County Board	<input type="checkbox"/> Current budget <input type="checkbox"/> Amendment requested
Department: County Administration	<input type="checkbox"/> New FTE(s) requested
Contact: Hanson, Nathan	Board Goal: Excellence in public service
Contact Phone: (651) 438-4926	Public Engagement Level: N/A
Prepared by: Hanson, Nathan	

PURPOSE/ACTION REQUESTED

Receive an update on state and federal legislative activities and the status of County priorities.

SUMMARY

This item will offer an opportunity for the LAW and staff to provide updates on federal legislative activities, the 2021 state legislative session, Minnesota Inter-County Association (MICA), Association of Minnesota Counties (AMC), and National Association of Counties (NACo) activities, related County activities and other legislative topics of interest to Dakota County.

In addition, this item will offer an opportunity for an update on the recently released State of Minnesota February Budget and Economic Forecast. An Executive Summary of the forecast is included as Attachment A. As noted by Stinson, the forecast showed a significantly improved economic environment for the state since the last budget forecast was issued in November. There is a surplus of \$940 million for the balance of the state's current budget cycle, an improvement of \$546 million from the November forecast. The projected surplus for the 2022-23 budget, which takes effect July 1 is \$1.6 billion, a change from the \$1.27 billion deficit projected in the November Forecast. This updated financial picture will guide lawmakers and Governor Walz in the development of their budget bills in the 2021 legislative session.

RECOMMENDATION

Information only; no action requested.

EXPLANATION OF FISCAL/FTE IMPACTS

None.

Supporting Documents:

Attachment A: Minnesota Management and Budget February Budget and Economic Forecast

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



EXECUTIVE SUMMARY

An improved U.S. economic outlook, supported by federal pandemic relief legislation not in the November forecast assumptions, bolsters the state budget outlook, resulting in a projected positive budgetary balance of \$1.571 billion for the FY 2022-23 biennium. The improved economic outlook raises the revenue forecast, and state spending estimates are adjusted downward due to continued federal support in Medical Assistance and lower estimates for E-12 education. An increase to the projected surplus in the current biennium adds to the significantly improved bottom line for the next biennium. As in November, changes to the economy have not been spread equally, as unemployment continues to disproportionately impact lower-wage workers.

U.S. Economic Outlook. The outlook for U.S. real GDP growth in 2021 has improved since Minnesota's *Budget and Economic Forecast* was prepared in November 2020. IHS now expects U.S. real GDP, boosted by federal pandemic relief payments, to grow 5.7 percent in 2021, a 2.6 percentage point increase from IHS' November baseline forecast. IHS expects GDP growth to decelerate to 4.1 percent in 2022, up from 2.5 percent in the November forecast. IHS expects real GDP to regain its pre-pandemic peak in 2021 and the U.S. unemployment rate to reach a low point of 3.5 percent in late 2024.



IHS now expects U.S. real GDP, boosted by federal pandemic relief payments, to grow 5.7 percent in 2021, a 2.6 percentage point increase from IHS' November baseline forecast. IHS expects GDP to grow 4.1 percent in 2022, followed by 2.3 percent in 2023, and 2.6 percent in both 2024 and 2025.

The improvement in IHS' 2021 outlook from November to February is the net effect of federal pandemic relief, higher than expected consumer spending in January coinciding with the second round of stimulus checks, higher than expected real GDP growth in the last quarter of CY 2020,

improving COVID-19 rates allowing the relaxation of some restrictions on activity, and progress in the national vaccination campaign. The February forecast reflects the impact of two rounds of federal pandemic relief that were not included in the November forecast: (1) the \$900 billion package Congress passed on December 27, 2020, and (2) \$1.5 trillion of additional pandemic relief from a proposal that Congress is considering now, and that IHS expects to be enacted by mid-March.

The U.S. outlook remains volatile and uncertain and depends critically on the path of the pandemic. In this forecast, IHS assumes that the rate of COVID-19 infections continues to recede following a peak in mid-January 2021. IHS now expects widespread, effective vaccination of the population will be achieved by the fall. In November they assumed the U.S. would reach this milestone in the summer.

Additional federal stimulus and an improving COVID-19 situation have prompted IHS to raise the forecast for real consumer spending. After a decline of 3.9 percent in 2020, IHS expects spending to grow 6.0 percent in 2021, an increase of 2.4 percentage points from their November forecast. IHS also expects strong growth in 2022 at 4.3 percent, which is nearly twice the rate they forecast in November. They forecast 3.0 percent average annual growth from 2023 to 2025.

In February 2020, there were 152.5 million payroll jobs in the U.S. In January 2021, there were 142.6 million payroll jobs. A 9.9 million gap in payroll employment remains, or a 6.5 percent drop in total employment. At the depth of the last recession, payroll employment declined by about 6.3 percent. IHS forecasts payroll employment to increase by three million in 2021, 5.4 million in 2022, and decelerate to an average of 1.8 million jobs added from 2023 through 2025. IHS expects payroll jobs to surpass pre-pandemic levels in mid-2022, the unemployment rate to fall to 4.0 percent by late 2022, and the unemployment rate to reach a low point of 3.5 percent in late 2024.

According to the U. S. Bureau of Labor Statistics (BLS), almost 4.3 million individuals have left the U.S. labor force since February of last year, or 2.6 percent of the pre-pandemic labor force. In January alone, 406,000 individuals left the labor force, including people who stopped looking for work altogether. January's labor force participation rate, the proportion of potential workers who were employed or unemployed and actively seeking employment, was 61.4 percent, the lowest since 1976, other than April and May of 2020. This low January rate is not a recent outlier—the labor force participation rate has averaged 61.5 percent over the eight months since May.

The sector of the U.S. economy most affected by the pandemic has been the services that require a high level of face-to-face, personal interaction. Employment in the leisure and hospitality industry fell from 16.9 million to 8.7 million in March and April, bottoming out at just over half of its pre-pandemic workforce. At the end of January, leisure and hospitality employment was still 23 percent lower than it was in February, while employment in all other sectors was only 4.4 percent lower.

Minnesota Economic Outlook. Driven by a stronger U.S. forecast, the economic outlook for Minnesota has improved since MMB's *Budget and Economic Forecast* was prepared in November 2020. The pandemic-induced economic downturn that began in February of 2020 brought severe disruptions to Minnesota's economy. During 2020, the state experienced job and wage income losses, a reduced labor force, changes in consumer spending patterns, and business closures. In this forecast, an improved outlook for U.S. economic growth in 2021 and 2022 that is supported

by federal pandemic relief spending drives our expectation that Minnesota's job and wage losses of 2020 will be followed by positive employment and wage growth through our forecast period.

In March and April 2020, as the pandemic was taking hold and economic activity was being restricted to slow spread of COVID-19, Minnesota lost 388,000 jobs, approximately 13 percent of February 2020 employment. The state began adding jobs in May, and through December 140,000 of the jobs lost in the early spring had been recovered. As of December, Minnesota had 248,000 (8.0 percent) fewer jobs than in February.

Of Minnesota's overall employment decline, the largest gaps are in the industries most affected by social distancing and containment measures, particularly services that require a high level of face-to-face, personal interaction. Between February and December 2020, Minnesota's leisure and hospitality sector—made up of accommodation and food services and arts, entertainment, and recreation—lost 123,400 jobs, 44 percent of the sector's February employment. Job losses in leisure and hospitality have disproportionately impacted low-income workers. Workers in the sector earn \$17.33 per hour on average compared to a \$32.24 per hour average for the private sector as a whole.

Minnesota's unemployment rate has fallen since the peak of unemployment in May, when the unemployment rate reached an unprecedented 9.9 percent. In December, the state unemployment rate fell to 4.4 percent, down from 4.5 in November on a seasonally adjusted basis, and 2.3 percentage points below the U.S. unemployment rate of 6.7 percent. In December, the decline in the unemployment rate was the result of a reduction in the labor force, rather than from unemployed job-seekers moving into employment. Since the onset of the pandemic, Minnesota's labor force has fallen by 102,000.

Budget Outlook: Current Biennium. The November 2020 Budget and Economic Forecast, adjusted for appropriations made for pandemic response and business relief in the December 2020 special legislative session, projected the current biennium would end with a surplus of \$394 million. With this forecast, increased revenue projections and slightly lower spending estimates result in an estimated surplus of \$940 million, an improvement of \$546 million.

Next Biennium: FY 2020-21 General Fund Budget

Forecast Comparison

(\$ in millions)	December 2020 End of Session	February 2021 Forecast	\$ Change
Beginning Balance	\$3,971	\$3,971	\$ -
Revenues	47,100	47,563	463
Expenditures	47,870	47,786	(83)
Budget Reserve Account	2,377	2,377	-
Cash Flow Account	350	350	-
Stadium Reserve	81	81	-
Budgetary Balance	\$394	\$940	\$546

Revenues. Total general fund revenues for FY 2020-21 are now forecast to be \$47.563 billion, \$463 million (1.0 percent) more than the November 2020 forecast. Total tax revenues for the biennium

are forecast to be \$45.122 billion, \$287 million (0.6 percent) above the prior estimate. The income tax forecast is lower than in November, and forecasts for all the other major tax types are higher.

**Current Biennium: FY 2020-21 General Fund Revenues
Change from November 2020 Forecast**

(\$ in millions)	November 2020 Forecast	February 2021 Forecast	\$ Change	% Change
Individual Income Tax	\$24,764	\$24,664	\$(100)	(0.4)%
General Sales Tax	11,501	11,578	77	0.7
Corporate Franchise Tax	3,074	3,312	238	7.7
State General Property Tax	1,554	1,558	4	0.3
Other Tax Revenue	3,942	4,010	68	1.7
Total Tax Revenues	\$44,835	45,122	287	0.6%
Non-Tax Revenues	1,543	1,589	46	3.0
Other Resources	722	852	130	18.0
Total Revenues	\$47,100	\$47,563	\$463	1.0%

Net individual income tax receipts for the current biennium are now forecast to be \$100 million (0.4 percent) less than the prior forecast. So far in FY 2021, net income tax receipts are \$198 million above our prior forecast. A lower estimate for tax liability in 2019, the base year of this forecast, and other forecast adjustments offset the fiscal-year-to-date positive variance to lower the income tax forecast for the remainder of FY 2021.

So far in FY 2021, estimated income tax payments are about \$161 million higher than our prior forecast. We think some of this positive variance is due to business owners' uncertainty about their tax liability for TY 2020. By lowering our income tax forecast for FY 2021, despite the higher estimated payments, we are assuming that these taxpayers will make lower final payments or request higher refunds once they have more clarity about their TY 2020 liability.

General sales tax revenue in FY 2020-21 is now forecast to be \$77 million (0.7 percent) higher than the November forecast. Higher forecast gross receipts and lower expected refunds both contribute to this change. Gross sales tax receipts are now forecast to be \$50 million (0.4 percent) more than the prior estimate.

Two main factors contribute to the higher forecast for gross sales tax receipts. First, so far in FY 2021, gross sales tax receipts are \$29 million (0.8 percent) higher than we forecast in November, raising the base for this forecast. Second, we construct Minnesota's synthetic (or proxy) sales tax base from forecasts for U.S. spending on a wide range of taxable goods and services. The U.S. components of the base grow faster in CY 2021 in this forecast than in our November forecast. The synthetic sales tax base is now forecast to grow 3.4 percent in FY 2021 compared to 2.6 percent growth in the November forecast.

The corporate franchise tax is forecast to generate \$238 million (7.7 percent) more in FY 2020-21 than the prior forecast. The forecast change is due to a higher base of corporate receipts and higher expected growth in corporate profits in CY 2021.

Expenditures. Spending estimates overall for FY 2020-21 are reduced from prior estimates for the biennium. Expenditures in the current biennium are now expected to be \$47.786 billion, a reduction of \$83 million (0.2 percent) from December end of session estimates.

Current Biennium: FY 2020-21 General Fund Expenditures

Forecast Comparison

(\$ in millions)	December 2020 End of Session	February 2021 Forecast	\$ Change	% Change
E-12 Education	\$19,881	\$19,842	\$(39)	(0.2)%
Property Tax Aids & Credits	3,993	3,991	(2)	(0.1)
Health & Human Services	13,772	13,718	(54)	(0.4)
Debt Service	1,056	1,056	0	0.0
All Other	9,168	9,179	11	0.1
Total Expenditures	\$47,870	\$47,786	\$(83)	(0.2)%

Lower expenditure estimates in health and human services are the largest driver of change in the current biennium. This is due primarily to decreases in utilization within the Child Care Assistance Program (CCAP). A \$39 million decline in estimated spending for E-12 education accounts for nearly all the remaining reduction in FY 2020-21. This decrease is largely attributable to lower actual student counts than prior projections. All other areas of the state budget were relatively unchanged from previous estimates.

General Fund Savings: COVID Federal Funding Source Reallocation. Included in this forecast is the recognition of general fund savings related to reallocating state spending to federal funding sources. In total \$106 million in general fund savings, \$90 million more than previously recognized, is reflected for the FY 2020-21 biennium. Federal sources included in the reallocation include the Coronavirus Relief Fund and Federal Emergency Management Agency (FEMA) reimbursement for eligible state pandemic response spending.

General Fund Impact of COVID Federal Funding Source Reallocations

\$ in millions

	FY 2020-21
COVID-19 MN Fund Balance Transfer	\$17
HealthCare Response Fund Balance Transfer	66
Reallocated General Fund Spending to CRF	11
National Guard COVID FEMA Reimbursement	10
DHS General Fund FEMA Reimbursement	1
Total General Fund Impact¹	\$106

¹ Of the \$11.339 million total reallocated general fund spending to the CRF, \$10 million was recognized previously in the November forecast. Of the \$10.326 million FEMA reimbursement for National Guard COVID response, \$5.941 million was previously recognized in the November forecast.

Budget Outlook: Next Biennium. A balance of \$1.571 billion is now projected for the FY 2022-23 biennium, an improvement of \$2.454 billion compared to prior estimates. Forecast revenue in the next biennium is expected to be \$50.917 billion, \$1.423 billion (2.9 percent) higher than prior estimates. Base level spending, before the adoption of a budget for the next biennium, is estimated to be \$50.657 billion, \$455 million (0.9 percent) lower than prior estimates. The balance of the budget reserve and cash flow accounts is unchanged from prior estimates and the stadium reserve account is projected to grow at a slower rate.

Next Biennium: FY 2022-23 General Fund Budget

Forecast Comparison

(\$ in millions)	December 2020 End of Session	February 2021 Forecast	\$ Change
Beginning Balance	\$3,202	\$3,748	\$546
Revenues	49,494	50,917	1,423
Expenditures	51,113	50,657	(455)
Budget Reserve Account	1,866	1,886	-
Cash Flow Account	350	350	-
Stadium Reserve	230	201	(29)
Budgetary Balance	\$(883)	\$1,571	\$2,454

Of the \$1.571 billion balance for the next biennium, \$260 million is due to the amount forecast revenues exceed base level spending for the biennium. The projected \$940 million ending balance in the current biennium, which carries into FY 2022-23, and the current law \$491 million reduction in the balance of the budget reserve account, which falls to the bottom line of the general fund account for the remainder of the balance. Partially offsetting the size of the balance is \$120 million biennial growth in the stadium reserve.

Revenues. The current forecast for FY 2022-23 total revenues is \$1.423 billion (2.9 percent) more than the prior forecast. Total tax revenues for the next biennium are forecast to be \$1.409 billion (3.0 percent) above the prior estimate. The forecasts for all major tax types have been raised since November.

**Next Biennium: FY 2022-23 General Fund Revenues
Change from November 2020 Forecast**

(\$ in millions)	November 2020 Forecast	February 2021 Forecast	\$ Change	% Change
Individual Income Tax	\$26,571	\$27,233	\$661	2.5%
General Sales Tax	12,477	12,813	335	2.7
Corporate Franchise Tax	2,945	3,303	358	12.2
State General Property Tax	1,540	1,541	1	0.1
Other Tax Revenue	4,169	4,221	52	1.3
Total Tax Revenues	\$47,702	49,110	\$1,409	3.0%
Non-Tax Revenues	1,419	1,433	15	1.0
Other Resources	373	373	(0)	0.0
Total Revenues	\$49,494	\$50,917	\$1,423	2.9%

Higher forecast gross income tax receipts and lower expected refunds combine to bring the net income tax forecast \$661 million (2.5 percent) higher than the prior estimate. The forecast change is driven by faster income growth. We now assume that income included in adjusted gross income (AGI) will grow 6.5 percent in TY 2021 and 4.4 percent in TY 2022, compared to 3.2 and 4.7 percent, respectively, in the prior forecast. The primary reason for the change in assumed income growth is a higher forecast for non-wage income. On average, this forecast assumes a level of non-wage income that is 2.0 percent higher for CY 2022 and CY 2023 than we forecast in November. Growth rates in capital gains realizations and business income are both higher in this forecast than in November.

Higher expected refunds partially offset higher expected gross sales tax receipts to bring the net sales tax forecast \$335 million (2.7 percent) higher than prior forecast. Gross sales tax receipts for FY 2022-23 are now forecast to be \$369 million (2.9 percent) higher than the prior estimate. The forecast change is due to both a higher base of gross sales tax receipts from the higher forecast for FY 2020-21 and higher growth in taxable sales.

Income taxes paid by fiduciaries—estates and trusts—for FY 2022-23 are now forecast to be \$43 million higher than in November. Tax revenue from non-resident S corporations and partnerships is now forecast to be \$74 million more than the prior estimate.

Higher expected gross sales tax receipts more than offset higher expected refunds to bring the net sales tax forecast \$335 million (2.7 percent) above prior forecast. Gross sales tax receipts for FY 2022-23 are now forecast to be \$369 million (2.9 percent) higher than the prior estimate. The forecast change is due to both a higher base of gross sales tax receipts from the higher forecast for FY 2020-21 and higher growth in taxable sales. The synthetic sales tax base is expected to grow a cumulative 2.8 percentage points faster between FY 2021 and FY 2023 than we assumed in the prior forecast.

A higher forecast for FY 2022-23 gross corporate tax receipts more than offsets a higher refund forecast to generate a \$358 million (12.2 percent) increase in net expected corporate receipts. The forecast change is due to a higher base of gross corporate tax receipts from the higher forecast for FY 2020-21 offsetting lower growth in corporate profits.

Expenditures. Forecast expenditures in the next biennium are now expected to be \$50.657 billion, a decrease of \$456 million (0.9 percent) from December end of session estimates. Expenditures estimates are lower in both E-12 education and health and human services.

Next Biennium: FY 2022-23 General Fund Expenditures

Forecast Comparison

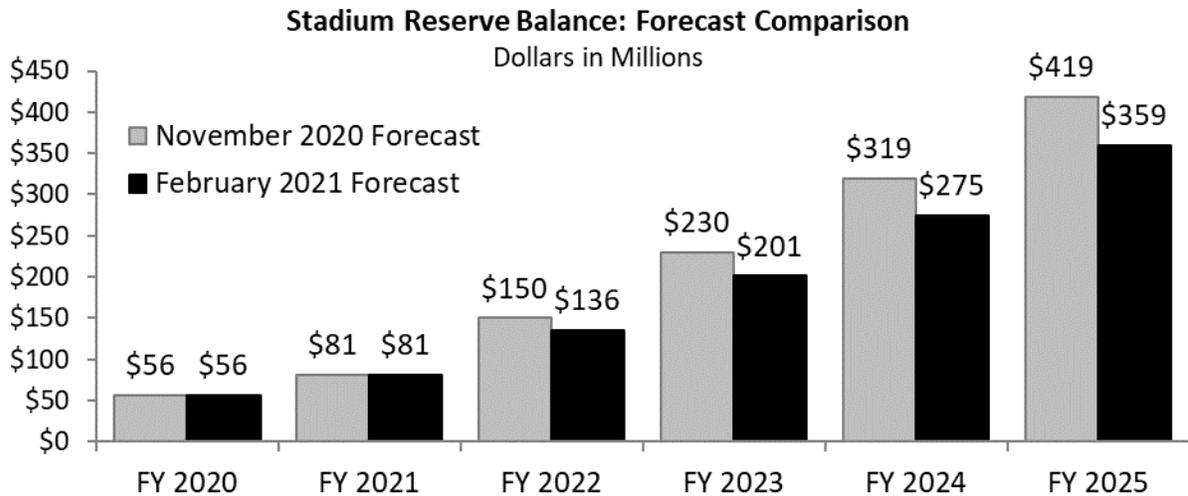
(\$ in millions)	December 2020 End of Session	February 2021 Forecast	\$ Change	% Change
E-12 Education	\$20,594	\$20,429	\$(165)	(0.8)%
Property Tax Aids & Credits	4,200	4,164	(35)	(0.9)
Health & Human Services	16,507	16,250	(257)	(1.6)
Debt Service	1,257	1,264	7	0.6
All Other	8,555	8,550	(5)	(0.1)
Total Expenditures	\$51,113	\$50,657	\$(455)	(0.9)%

E-12 expenditures are expected to reach \$20.429 billion in FY 2022-23, a \$165 million (0.8 percent) decrease from previous estimates. Lower basic education spending and lower compensatory aid spending is largely responsible for the change. This forecast assumes families will return to public schools more quickly than previously anticipated. However, due to a lower base in the current biennium, overall pupil counts remain lower than prior estimates. The reduction in the compensatory aid forecast is due to lower counts of free and reduced priced lunch eligible students. Due to the pandemic and the use of distance learning in the both the 2019-20 and 2020-21 school years, as well as federal policy changes which provided free meals to all students, free and reduced price lunch enrollment counts are lower than previously expected.

Health and Human Services expenditures are projected to total \$16.250 billion in the FY 2022-2023 biennium, a decrease of \$257 million (1.8 percent) from December end of session estimates. This change is largely due to an extension in the enhanced federal match for medical assistance (MA) through the remainder of calendar year 2021.

Budget Reserve. The budget reserve account balance in the next biennium is projected to be \$1.886 billion, \$491 million lower than the current biennium. 1st Special Session of 2019, Chapter 5, Article 11, Section 17 stipulates that the balance of the budget reserve account be reduced by \$491 million on the first day of FY 2022. This law was passed in an effort to bring a projected budgetary balance to the FY 2022-23 biennium.

Stadium Reserve. The stadium reserve is a residual account within the general fund. Its balance can grow when certain general fund revenues identified in statute, like a portion of lawful gambling receipts, exceed general fund appropriations that are either directly for the stadium, like debt service on the bonds for its construction, or are identified in statute to be factored into the stadium reserve calculation.



The stadium general reserve account is expected to grow year over year in the February 2021 forecast, although at a slower rate than November 2020 forecast. With revenues for stadium uses continuing to grow each year while spending for stadium uses remains relatively flat year over year, the reserve is now be projected to grow to \$359 million by the end of FY 2025.

By the end of FY 2023, the balance of the stadium reserve account is now expected to reach \$201 million, \$29 million lower than prior estimates. This lower growth projection is due to a reduced lawful gambling tax receipt forecast due to a slow-down in the expansion of lawful electronic gambling locations. With this revised forecast, the stadium reserve account balance is expected to reach \$359 million by the end of FY 2025.

Budget Outlook: Planning Estimates. Out year planning estimates are based on current law revenues and expenditures. These estimates inherently carry a higher degree of uncertainty than estimates for FY 2022-23 because they rely on economic and budget projections three or more years into the future.

Revenue projections for FY 2024-25 are based on IHS' February Baseline forecast for the planning years. Expenditure projections assume that current law funding levels and policies continue unchanged, adjusted only for caseload and enrollment changes authorized in law, as well as formula driven growth. The expenditure forecast does not assume cost growth outside of specific budget areas where assumptions for cost increases or market conditions are specified by statute.

To highlight structural balance, the table below shows forecast revenues and projected spending and excludes the impact of balances from prior years and reserves. In the FY 2024-25 biennium forecast revenue is expected to exceed base level spending by \$845 million.

**Planning Horizon: General Fund Budget
By Biennium, FY2022-25, February 2021 Forecast**

(\$ in millions)	FY 2022-23	FY 2024-25	\$ Change	Annual % Change
Forecast Revenues	\$50,917	\$54,287	\$3,370	3.3%
Projected Spending	50,657	53,442	2,785	2.7%
Difference	\$260	\$845		
<i>Estimated Inflation (CPI)²</i>	<i>\$1,042</i>	<i>\$2,554</i>		

Projected inflationary growth based on the Consumer Price Index is forecast to be 2.1 percent in FY 2022, 2.0 percent in each FY 2023 and FY 2024, and 2.2 percent in FY 2025. After adjusting for programs with cost increases included in the current law formula, applying the annual inflation rate, compounded over 2 and 4 years respectively, would add approximately \$1.042 billion in cost pressure to the FY 2022-23 biennium and \$2.554 billion in cost pressure to the FY 2024-25 biennium.

² Inflation calculation grows the estimated general fund spending base in each year by the projected CPI growth rate after removing special education, debt service, capital projects, property tax refunds, and the state share for managed and long term care.

DAKOTA COUNTY GENERAL GOVERNMENT AND POLICY COMMITTEE

Adoption Of Policy 2755 Account Receivable, Nonsufficient Payment, Collection, And Past-Due Account Write Off

Meeting Date: 3/9/2021	Fiscal/FTE Impact:
Item Type: Regular-Action	<input checked="" type="checkbox"/> None <input type="checkbox"/> Other
Division: Operations, Management and Budget	<input type="checkbox"/> Current budget <input type="checkbox"/> Amendment requested
Department: Finance	<input type="checkbox"/> New FTE(s) requested
Contact: Skwira, Peter	Board Goal: Excellence in public service
Contact Phone: (651) 438-8318	Public Engagement Level: N/A
Prepared by: Skwira, Peter	

PURPOSE/ACTION REQUESTED

Adopt new County Board Policy 2755 Account Receivable, Nonsufficient Payment, Collection, And Past-Due Account Write Off.

SUMMARY

Individuals who owe money to the County receive an invoice. When payments are received, they are recorded through the County's Accounts Receivable system. The majority of bills are paid in a timely manner. When a bill is not paid or is paid in a manner that does not satisfy the debt, the County must take steps to satisfy that debt. Procedures to collect past due debts vary by department. As well, consistent standards to write-off of debts do not exist. An exception is in the Community Services Division. By Resolution No. 97-786 (December 16, 1997), the County Board delegated authority to the Community Services Division policy whereby delinquent accounts may be written off the County's financial statements under certain conditions.

Policy 2755 Account Receivable, Nonsufficient Payment, Collection, And Past-Due Account Write Off (Attachment A), will provide consistent guidance to the remainder of the County. As input to the policy, the Office of Performance and Analysis documented the accounts receivable processes used across the County and processes used by other counties.

A comparison summary of other counties' write off policies is provided in Attachment B. A summary of the impact of statute of limitation on age of debt is provided in Attachment C.

The recommended policy allows for write-off of debt under eight justification categories and defines the authority under which different of write offs can be approved at five authorization levels.

The draft policy has been reviewed by the County's Senior Leadership Team.

RECOMMENDATION

Staff recommends that the County Board adopt new Board Policy 2755 Account Receivable, Nonsufficient Payment, Collection, and Past-Due Account Write Off.

EXPLANATION OF FISCAL/FTE IMPACTS

The County currently has \$6.72 million in debt payments receivable that are more than six years old, which would be written off under the proposed policy. These old receivables are not reflected in the County's fund balance, due to the high likelihood they will never be collected, and so adoption of this policy will have negligible fiscal impact.

Supporting Documents:

Attachment A: Draft Policy 2755
Attachment B: County Write-Off Comparison
Attachment C: Impact of Statute of Limitations

Previous Board Action(s):

97-786; 12/16/97

RESOLUTION

WHEREAS, debts owed to the County are collected through billing and receipting procedures; and

WHEREAS, consistent standards do not exist; and

WHEREAS, the newly drafted policy originated and developed because of a need to consistently apply debt write-off guidelines; and

WHEREAS, the Community Services has separate authority under County Resolution 97-786; and

WHEREAS, the new drafted policy sets standards for collecting money, includes definitions and statutory references, creates authority to write off debt with eight justification categories and five authorized staff levels.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby adopts County Board policy 2755 Account Receivable, Nonsufficient Payment, Collection, and Past-Due Account Write Off.

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

DAKOTA COUNTY

POLICIES AND PROCEDURES MANUAL

Policy 2755 Account Receivable, Nonsufficient Payment, Collection and Past-Due Account Write Off

Original Publication Date: 03/09/2021

Revision Date(s):

Last Reviewed: 03/09/2021

Department: Finance

Board or Administrative: Board

Related Policies:

POLICY STATEMENT

It is the policy of Dakota County to provide a uniform set of standards for collecting monies owed to the county and for writing off debt on accounts deemed to be uncollectible in accordance with Minnesota Statutes or other applicable laws governing delinquent accounts.

DEFINITIONS

Account receivable refers to an accounting of debts invoiced.

Accounting System refers to the official ERP software of the County.

Authority refers to level of power or right delegated to a person to act on behalf of the County.

Billing cycle refers to a regular schedule that invoices are mailed.

Debt refers to any amount of monies owed to the County.

Debtor refers to person or entity that owes a debt to the County.

Justification refers to a reason or circumstance for acting.

Nonsufficient checks refers to checks returned to the County without satisfying debt.

Past due account refers to a customer account which has been billed and payment not received.

The County refers to the officers, employees, agencies, and facilities of Dakota County government.

The County Board refers to the Dakota County Board of Commissioners.

Uncollectible refers to a debt or financial obligation that cannot be collected.

Write-off refers to a reduction or cancellation of an Account receivable.

SOURCE

- Minn. Stat. § 541.05
- Minn. Stat. § 541.053
- Minn. Stat. § 541.31, subd.1
- Minn. Stat. § 604.113
- Minn. Stat. § 641.12 Sub 3(b)

GENERAL

The County must make reasonable efforts to collect a debt owed to the County. Reasonable effort includes timely mailing of invoice for at least three billing cycles. Other actions may include telephone contact, use of a collection agency, submission to the revenue recapture program with Minnesota Department of Revenue, or legal action.

The Finance Department will develop procedures to implement this policy. The Finance Department will annually report to the Board the number and value of write-offs for the previous year.

Account Receivable

The County will invoice customers for fees or services as an account receivable.

The invoice must be entered in the accounting system (or system of record) as an account receivable.

Account receivables must be invoiced at regular intervals.

Invoices will clearly indicate the following:

Description and price of the item or service provided

Customer name, address, and contact

Amount due

Accounting string to attach payment (GL/JL key, object, and or work order)

Backup documentation will be provided and attached in the system

Worthless Checks (Returned, NSF, or other)

(MN STATUTE 604.113)

Revenue accounted for from worthless checks shall be reversed in the general ledger.

Finance will develop a procedure for payment from worthless checks. Departmental staff will be responsible for collecting payment as indicated by the returned check procedures.

A returned check service charge shall be added to accounts of all NSF checks based on Minnesota Statute. NSF accounts will be added to the One Solution account receivable system.

Past-Due Account Receivable – Collections

Past due accounts may be referred to collections. The County Manager or delegate may enter into a contract for collection services.

Collections may assess the department a collection charge calculated as a percentage of the amount successfully collected on past-due uncollectible accounts.

Where reasonable and applicable by law, the County will charge a collection fee to the account holder to recover County resources used in the collection process as determined by the Finance Director.

Interest may be charged to the account holder as determined by the Finance Director.

Uncollectible Account Write-off

Write-off of an uncollectible account receivable may be considered when all avenues of collection have been exhausted and payment is improbable. Justification must include one of the following:

- A. De-minimus – a past-due account balance under \$30.00 and has been billed for three consecutive billing cycles.
- B. Incidental Jail Fees – Any medical co-pay or urinalysis fee can be written off upon release of an inmate from custody.
- C. Administrative Adjustments/Errors – accounts that have been adjusted or calculated in error. Error, correction, and/or write-off documentation must accompany an administrative adjustment/error.
- D. Bankruptcy Notice – a past-due account discharged in court filed bankruptcy.
- E. Cost/Benefit Analysis – if it is determined that the time and effort to collect is more than the amount to be collected. Documentation of the cost/benefit analysis must accompany the Cost/Benefit write-off.
- F. Hardship – a debtor that has experienced a tragedy or casualty, such as death, illness, accident, fire, or other tragedy. Documentation of the hardship situation must accompany the hardship write-off. Hardship write offs include those authorized by MS 641.12 Sub 3(b).
- G. Age of debt – a past-due account which exceeds the statute of limitations (currently six years from the date the debt was incurred.)
- H. Judgments – a past-due account that has a judgment or lien assigned and has been inactive for more than 10 years.

Authority for Account Write-Off

De-minimus, Incidental Jail Fee, Administrative, and Bankruptcy Notice (A, B, C, and D above) past-due accounts may be written off by any of the authorized staff listed below.

Cost/benefit, Hardship, Age, and Judgements past-due accounts may only be approved as described below:

- \$0 - \$250; the Account Receivable Manager may approve a write-off of a single debt. The Account Receivable Manager shall not exceed cumulative write-offs of \$250 per debtor per calendar year.
- \$0 - \$250; staff designated by a Department Director may approve a write-off of a single debt. The designated staff shall not exceed cumulative write-offs of \$250 per debtor per calendar year.
- \$0 – 1,000; a Division Director, Deputy Division Director, Department Director, or Department Deputy Director may approve a write-off of a single debt. Director level staff shall not exceed cumulative write-offs of \$1,000 per debtor per calendar year.
- \$0 - \$10,000 – the County Manager or Deputy County Manager may approve a write-off of a single debt.
- Over \$10,000; the Board of Commissioners must approve a single write-off.

The collection of outstanding debts may be accepted after the account is written off the county's records. The accounting transaction to remove the account does not cancel the legal obligation of the debtor.

Documentation and Record Retention

The department that requests a write off shall keep all related documentation available for at least six years, after write-off, for audit and internal compliance review.

Exceptions to this Policy

- 1) The Community Services Division has its own authority through Board Resolution 97-786.
- 2) Real and Personal Property Taxes are collected in accordance with Minnesota Statute Chapters 276 through 282.
- 3) In cases where debts may not be cancelled, such as a mandated fee or court ordered charge, this policy shall not apply.

PROCEDURES

Procedures will be maintained by Finance.

Staff contact: Peter Skwira Ext: 8318 Email: Peter.Skwira@co.dakota.mn.us

Board Resolution or Manager Signature: _____

	Deminimus	Cost Benefit	Administrative Adjustment	Hardship	Bankruptcy	Age	Judgment	Authority
Dakota - Proposed	\$30	Y	Y	Y	Y	6 years	10 years	\$0 - \$250 - AR Manager \$0 - \$1,000 - Dept. Dir/Deputy \$0 - \$10,000 - County Manager Over \$10,000 - County Board
Washington	\$50	Y	Y	N	N	6 years	10 years	Under \$250 - Department Head Under \$1,000 - County Administrator Under \$10,000 - County Board Chair Over \$10,000 - Board
Ramsey	N	Y	N	N	N	N	N	Under \$1,000 - CAO Over \$1,000 - Board
Anoka	N	Y	Y	Y	Y	Y - Statute of Limitations (currently 6 years)	N	Finance Director
Carver	N	N	N	N	N	3 Years	N	Finance Director
Scott	N	Y	Y	Y	Y	Y - Statute of Limitations (currently 6 years)	N	Chief Financial Officer or designee
Hennepin	N	Y	Y	N	N	N	N	Over \$25,000 must be reported to the County Administrator and the Director of the Office of Budget and Finance

Impact of Statute of Limitation on Age of Debt - Six Years

As of December 2020

	Less than 180 days	6 Months - 1 Year	1 - 5 Years	Over 6 years	Total
OneSolution	\$ 859,163	\$ 505,794	\$ 2,958,155	\$ 1,599,106	\$ 5,922,217
	14.5%	8.5%	50.0%	27.0%	100.0%
Library	\$ 750	\$ 53,487	\$ 672,379	\$ 1,611,152	\$ 2,337,768
	0.03%	2.29%	28.76%	68.91%	100.00%
From Margaret Stone 12/31/2020- Symphony System					
Sheriff	\$ 4,737,627	\$ 1,707,829	\$ 8,698,240	\$ 3,576,457	\$ 18,720,154
	25.3%	9.1%	46.5%	19.1%	100.0%
- From Paul Hanten 8/23/19- PCI Sheriff System					

-36-

Impact of DeMinimus at \$30 as of 12/31/2020		
AR Div	Count	Amount
County Attorney	61	\$ 1,374.45
CS Copays	652	\$ 4,759.52
CS Spenddowns	75	\$ 1,025.99
Public Assistance Overpays	1	\$ 30.00
Postage	1	\$ 0.80
Returned Check Fee	11	\$ 322.00
Sheriff	3,420	\$ 40,428.31
Library	320,932	\$ 1,423,268.00
GRAND TOTAL	325,153	\$ 1,471,209.07

DAKOTA COUNTY GENERAL GOVERNMENT AND POLICY COMMITTEE

Update On Dakota County Historical Society's Business And Strategic Plan

Meeting Date: 3/9/2021	Fiscal/FTE Impact:
Item Type: Regular-Information	<input checked="" type="checkbox"/> None <input type="checkbox"/> Other
Division: Public Services and Revenue	<input type="checkbox"/> Current budget <input type="checkbox"/> Amendment requested
Department: Public Services and Revenue Administration	<input type="checkbox"/> New FTE(s) requested
Contact: Mitchell, Teresa	Board Goal: A great place to live
Contact Phone: (651) 438-4247	Public Engagement Level: N/A
Prepared by: Tillander, Nicole	

PURPOSE/ACTION REQUESTED

Receive an update on the Dakota County Historical Society's Business and Strategic Plan.

SUMMARY

Dakota County Historical Society (DCHS) exists to preserve, interpret, and promote the history of Dakota County. The Historical Society manages and maintains three sites; the Lawshe Museum in South St. Paul, the LeDuc Historic Estate in Hastings, and the Sibley Historic Site in Mendota. The Historical Society recently updated their Business and Strategic Plan (Attachment A) that will help guide the organization over the next five years. Matthew Carter, Executive Director, will update the board on the plan, answer questions on it and discuss future direction of the organization.

RECOMMENDATION

No Board recommendation is requested at this time. DCHS seeks Board reaction and feedback on Business and Strategic Plan.

EXPLANATION OF FISCAL/FTE IMPACTS

None.

Supporting Documents:

Attachment A: DCHS Business and Strategic Plan

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

Dakota County Historical Society

Business and Strategic Plan

November 3, 2020

Vision Statement:

We make Dakota County history available and accessible to all.

Mission Statement:

DCHS exists to preserve, interpret, and promote the history of Dakota County.

Core Values:

Professional, Curious, Engaged, Inclusive, and Collaborative

Value Proposition Statement:

We make history come alive.

TABLE OF CONTENTS

1.0 Executive Summary

- 1.1 Why We Exist
- 1.2 Who We Are, and What We Do
- 1.3 Our Strategic Direction Highlights

2.0 Overview/Mandate

- 2.1 Governance, Leadership, and Management Structure
- 2.2 Our Engaged Board of Trustee Committees

3.0 Strategic Direction

- 3.1 Accomplishments for 2019
- 3.2 Focus Areas for 2020 & 2021
- 3.3 Focus Areas for 2021, 2022, 2023
- 3.4 Key Strategic Initiatives
- 3.5 Overall Performance Metrics and Expected Impact Driven Outcomes

4.0 Overview of Current and Future Programs

- 4.1 Our Value Proposition
- 4.2 Program Delivery Strategies
- 4.3 Exhibits
- 4.4 Site Specific Program Descriptions and Schedules
- 4.5 Member Services and Demographics

5.0 Marketing: Resources Available and Needed

- 5.1 County and State Funding
- 5.2 Grant Funding
- 5.3 Self-Generating Income
- 5.4 Lawshe Fund
- 5.5 Give to the Max Day
- 5.6 Endowment Fund

6.0 Environmental Scan

7.0 Financial Overview

8.0 Appendix A, Leadership and Management Organization Chart.

1.0 EXECUTIVE SUMMARY

1.1 WHY WE EXIST

- Vision Statement:
We make Dakota County history available and accessible to all.
- Mission Statement:
DCHS exists to preserve, interpret, and promote the history of Dakota County.
- Core Values: *Professional, Curious, Engaged, Inclusive, and Collaborative*
- Value Proposition Statement: *We make history come alive.*

1.2 WHO WE ARE, AND WHAT WE DO

Brief History of Dakota County

Dakota County is the third most populous county in Minnesota and lies at the confluence of three of the four major rivers of Minnesota: the Minnesota, the St. Croix, and the Mississippi Rivers. The county includes 21 cities, 13 townships, and four un-incorporated communities.

Dakota County was originally inhabited by Native Americans, specifically the Dakota and Ojibwe tribes. In 1849, the Minnesota Territorial legislature created nine original counties, including Dakota County, which stretched from the river at Hastings for several hundred miles west to the Missouri River.

The county seat was first established in Kaposia (South St. Paul) in 1853, moved to Mendota in 1854, and finally to Hastings in 1857. The county includes 36 listings on the National Register of Historic Places, two of which are managed by DCCHS.

Brief History of DCCHS

The DCCHS is one of the top county historical societies in the Upper Midwest, operating a museum and two historic sites with more than 20,000 visitors annually. In 2019, the DCCHS had more than 1,000,000 organizational impressions through programs and media. The organization is known for quality programs, interactive historical exhibits, and careful research results that produce amazing historical learning experiences.

The society was formed in April 1939 as the “historically minded Dakota County Historical and Archaeological Society” “to establish a link with the past by preserving the relics, written records, and other material of those historic days of long ago for future generations.”

The DCHS continues with more than 100,000 objects and photographs, actively interpreting these artifacts but also publishing original historic content through books and regular publications of the Society. This collection includes books and documents from county history, newspapers, census data, civic and religious records, oral history tapes, records from the Grand Army of the Republic Posts 47 and 48, and the official papers of Henry Sibley and Ignatius Donnelly.

The DCHS recently received documents and objects from Sperry/Univac corporations in Eagan, creating the largest single collection of early computer history in the Upper Midwest. Tours, exhibits and many interactive programs cover topics including the Civil War, the Dakota people, Minnesota as the original “Silicon Valley”, agriculture, produce, river and community histories, politics, and much more.

Incorporated in 1978 as a 501(c)(3), non-profit membership organization, the DCHS is governed by a volunteer Board of Trustees. Donations and memberships fund the society, as well as grants from Dakota County, Minnesota Historical Society, and other historically minded individuals, organizations, and businesses.

Beyond the Lawshe Museum, the Society manages two other historic sites: the LeDuc Historic Estate in Hastings, a Civil War era Gothic Revival house built by General William LeDuc, and the Sibley Historic Site in Mendota, the oldest Euro-American settlement in Minnesota which contains four buildings (Minnesota’s oldest). It includes the house built by Minnesota’s first state governor, Henry Sibley, as headquarters of the American Fur Company.

1.3 OUR STRATEGIC DIRECTION HIGHLIGHTS

Major Program Focus Areas

2020	2021	2022	2023
<ul style="list-style-type: none"> Expand STEM educational opportunities 	<ul style="list-style-type: none"> Support stem education and dashboard 	<ul style="list-style-type: none"> Install enhanced computer industry exhibit (Lawshe) 	<ul style="list-style-type: none"> Install new children's exhibit area (Lawshe)
<ul style="list-style-type: none"> Increase our marketing presence and impact 	<ul style="list-style-type: none"> Begin renovation on Lawshe Museum 	<ul style="list-style-type: none"> Install George Daniels exhibit (LeDuc) 	<ul style="list-style-type: none"> Complete new 145th anniversary LeDuc Comm. Agriculture exhibit
<ul style="list-style-type: none"> Continue Board of Trustees Development 	<ul style="list-style-type: none"> Develop 9/11 Terrorist Attack exhibit 	<ul style="list-style-type: none"> Create new Sibley House exhibit 	<ul style="list-style-type: none"> Extend and expand our diversity and inclusion
<ul style="list-style-type: none"> Begin to expand our diversity footprint with staff hiring 	<ul style="list-style-type: none"> Recruit five new corporate sponsors 	<ul style="list-style-type: none"> Extend and expand our diversity and inclusion 	<ul style="list-style-type: none"> Complete Lawshe building renovation
<ul style="list-style-type: none"> Develop and distribute our 2020 DCHS Business and Strategic Plan 	<ul style="list-style-type: none"> Extend and expand our diversity and inclusion footprint 	<ul style="list-style-type: none"> Recruit five new corporate sponsors 	<ul style="list-style-type: none"> Recruit five new corporate sponsors

Targeted Community Partnerships

The DCHS is committed to increasing our partnerships with corporations and foundations based on their meeting or exceeding one or more of the following criteria:

- 1) An organization which has a significant presence in Dakota County for at least ten years
- 2) An organization which demonstrates a concern for the legacy and future of the residents of Dakota County
- 3) An organization which shows an interest in the history of Dakota County and shares a commitment to the vision and mission of our Dakota County Historical Society

The DCHS seeks funding from major partners within Dakota County to enable us to operate a county-wide organization. To accomplish this, we have identified organizational and site-specific sponsors. County-wide organizational sponsors include:

- Ardent Hills
- Bolton & Menk
- Bremer Bank, N.A.
- CHS
- Dakota Electric
- Firefly Credit Union
- Flint Hills Resources
- Innovative Office Solutions
- Keller Williams Preferred Realty
- Merchants Bank
- Minnesota Vikings
- Rihm Kenworth
- Smead Manufacturing
- Thomson Reuters
- Waterous
- Wings Financial Credit Union

Overall Performance Metrics and Expected Outcomes

Developing and implementing a strategic and operational set of organization-wide performance metrics and targets will demonstrate to our community of stakeholders and members what exact progress we are making toward achieving our stated vision and expected outcomes.

- Scorecard for Regular/Monthly Operational Progress Assessment
 - Four categories with a maximum of two measures per category
- Outcomes Metrics
 - For our Broader Stakeholder Community, Board meetings and reviews with the Dakota County Commissioners and Leadership Team
- Impact Metrics
 - Demonstrate an impact on an individual or for our society as whole: museums change lives in a “Good to Great” world

2.0 OVERVIEW/MANDATE

2.1 GOVERNANCE, LEADERSHIP, AND MANAGEMENT STRUCTURE

As a Non-Profit 501c(3) organization in the State of Minnesota, the DCHS is led by our Board of Trustees, who select and hire our Executive Director, who leads and manages the day-to-day operations of the organization, in close coordination with the Executive Officers from the Board of Trustees. Sites are coordinated by Site Supervisors, Executive Director, and Associate Director. The Board of Trustees provides financial and operational oversight as needed through regular meetings, committee work, and volunteering at the sites as needed.

- Organization Chart: Board of Trustees, Executive Director, Assistant Executive Director, Specific Leadership for Each Site
See attached chart – Appendix A

2.2 OUR ENGAGED BOARD OF TRUSTEES COMMITTEES

The DCHS Board of Trustees is a “working” board. Trustees provide financial and operational oversight, set short- and long-term goals for the organization (annual vision-setting, and multi-year strategic direction), establish the annual budget, and provide support and accountability for the Executive Director. Management of the daily operations and staff is accomplished by the Executive and Associate Directors.

Trustees are elected to two-year terms, serving no longer than three consecutive terms, elected at the Annual Meeting. Trustees generally are from various communities within the county, and often bring a useful mix of business skills to the organization.

Each board member is expected to participate in regular board meetings, Annual Meeting, annual Fall Retreat, and be part of at least one board committee (many are involved in more than one each year). Trustees are expected to be financial contributors, and volunteer at sites and events as they are able.

The Board of Trustees has several active committees: Executive Officers, Personnel, Events and Activities, Advancement, and Genealogy. Special ad-hoc committees are established for special short-term needs.

3.0 STRATEGIC DIRECTION

3.1 ACCOMPLISHMENTS FOR 2019

- Increased engagement with members, local communities, and historically minded groups
- Continue to develop more programming with schools and by collaboration
- Develop strategic direction and decision-making, based on our vision and focus, with measurables
- Built depth and scope of the Board of Trustees
- Increase marketing and public awareness of the DCHS, with corporate involvement and sponsorships in programs and events
- Site development, included WW1 exhibits at Lawshe Memorial Museum, the county fair, the Mall of America, and elsewhere
- Work with the computer industry initiative with the release of the TPT documentary “Solid State”, which highlighted the Society and computer artifacts, nominated for a Midwest Emmy in 2020

3.2 FOCUS AREAS FOR 2020-2021

- Development of collaborative educational opportunities with local schools through STEM and History Day
- Extend and expand our diversity and inclusion footprint for our entire organization by adding more diverse board members, staff members, and related materials to our collection, in response to the recent George Floyd events on a global scale
- Increase digital online presence through social media, outreach and education, video clips, and short articles
- Development of mobile exhibits or “Pop-Up History”
- Increase marketing presence through strategic plan, marketing packet, and using analytics on the website
- Continued board development by adding two-three trustees in 2020 and another two-three trustees in 2021
- Recruit five new corporate sponsors in 2021
- Development includes WW2 exhibit and Women’s Suffrage exhibit, cosmetic upgrades to Lawshe building in South St. Paul, and the formal charter of a vintage baseball team

3.3 FOCUS AREAS FOR SUBSEQUENT YEARS

- As a follow-up from the Computer Industry History documentary, the DCHS will lead as a pilot agency/organization to develop and implement a full state-wide STEM performance metrics dashboard with global benchmarking comparisons. Similar requests are pending to selected leaders and other STEM focused organizations across our Twin Cities and beyond, to include the University of Minnesota College of Science and Engineering, Minnesota State Department of Education, Minnesota State Department of Employment and Economic Development (DEED), Minnesota State University System, and potentially involve a review with Governor Tim Walz. More specifically, the DCHS will identify a “select few” (3 to 5) DCHS K-12 education outreach activities and use these activities as pilot proof of concept/approach STEM measurement projects.
- In partnership with the University of Minnesota, the Science Museum of Minnesota, the Minnesota Historical Society, and similar STEM focused organizations, the DCHS will explore the feasibility of developing and conducting an annual State of Minnesota K-12 STEM Competition. This would be similar in structure and content to the national NCAA Basketball tournament, with regional tournaments such as the “Sweet 16”, the “Elite 8”, and the “Final Four,” across the entire state of Minnesota, starting in the year 2021.
- World War II exhibit at the Mall of America was planned for 2020, cancelled due to the COVID-19 pandemic. A WWII exhibit will be completed, with the exhibit at the mall when possible. A portion of it will also be on display at the Lawshe Museum.
- The LeDuc Historic Estate is applying for an MNHS Legacy Grant to hire a consultant / firm to create an exhibit design concept for enhancing the George Daniels exhibit in the Carriage Barn on the site.
- The Sibley Historic Site is working with MNHS education department to determine what exhibits can be created within the houses on the site. This includes using both MNHS and DCHS artifacts at the site. One new exhibit will be installed in the DuPuis House to provide context for the buildings on the grounds and the people for which they are named.

Specifically, for 2021

The 20th anniversary of the 9/11 Terrorist Attacks will be take place. We will work with various agencies to create an exhibit and event to honor those from Dakota County that were impacted. This may include people affected, but also the National Guard and Minnesota's assistance offered at the time.

The Lawshe Museum will also begin exploring a new children's activity area, with hands-on educational opportunities like what would be found at a children's museum.

The LeDuc Historic Estate will complete the George Daniels exhibit design concept for the Carriage Barn. At the same time, the Simmons Shed exhibit will rotate from women's history/Hastings Needlework Company to "The Civil War and LeDuc." This will coincide with the 160th anniversary of the start of the Civil War.

The Sibley Site will install a new exhibit at the site. Depending on availability of artifacts from the Minnesota Historical Society, installation will be at either the Sibley House or Faribault House. At the same time, work will begin on an exhibit related to the Dakota Women, and their rights within the tribe and United States.

Specifically, for 2022

The Lawshe Museum will seek funding to create an exhibit design concept for a new children's exhibit area. This will include working with Dakota County leadership to determine resources and funding available to complete such a project. Additionally, Lawshe will submit a grant to implement a revised computer history exhibit.

The LeDuc Estate will submit a grant to install the George Daniels exhibit. This project may start toward the end of 2022, depending on grant availability and timing. The Simmons Shed exhibit will rotate to the "History of Hastings," to commemorate the 165th anniversary of when the city was platted.

The Sibley Site will install an updated exhibit in either the Sibley House or Faribault House. Additionally, a new exhibit on Dakota Women will be installed, depending on availability of artifacts from the Minnesota Historical Society.

Specifically, for 2023

The Lawshe Museum will finish the exhibit design for the new children's exhibit and activity area and enhanced computer history exhibit within the museum.

The LeDuc Estate will secure funding required for the George Daniels exhibit and open it to the public. The Simmons Shed will rotate to a new exhibit on "William LeDuc as Commissioner of Agriculture," commemorating the 145th Anniversary of his appointment.

The Sibley Site will finalize the installation of a Dakota Women's exhibit and work with Minnesota Historical Society to update the current exhibits displayed on the tour of the site, resulting in a complete overhaul of the site's exhibit areas within three years.

3.4 KEY STRATEGIC INITIATIVES**Corporate Partners Strategic Selection Criteria**

The DCHS is committed to increasing our partnerships with corporations and foundations based on their meeting or exceeding one or more of the following criteria:

- 1) An organization which has a significant presence in Dakota County for at least 10 years
- 2) An organization which demonstrates a concern for the legacy and future of the residents of Dakota County
- 3) An organization which shows an interest in the history of Dakota County and shares a commitment to the vision and mission of our Dakota County Historical Society

Strategic Targeted Partnerships to Pursue (Current and Potential)

The DCHS seeks funding from major partners within Dakota County to enable us to operate a county-wide organization. To accomplish this, we have identified organizational and site-specific sponsors.

County-wide organizational sponsors include:

- Ames Construction
- Bolton & Menk
- CHS
- Dakota Electric Association
- Dart Transit
- Firefly Credit Union
- Flint Hills
- Innovative Office Solutions
- Keller Williams Preferred Realty Burnsville
- Minnesota Vikings
- Thomson Reuters

The Lawshe Museum has established connections with civic organizations within South St. Paul to assist with funding projects and activities. The South St. Paul VFW has been a strong partner since 2016. Additional sponsors include:

- Bremer Bank, N.A.
- Heartland Credit Union
- Prime Therapeutics
- Rihm Kenworth
- Waterous

The LeDuc Historic Estate has established connections and solid partnerships with several civic groups within the community. Current sponsors include:

- Ardent Hills
- Collins Wealth Management
- Merchants Bank
- Smead Manufacturing

We are working to expand our relationships with these groups and add additional funding sources from other banking institutions, civic groups and businesses within the city.

The Sibley Historic Site is developing our connections and partnerships with several businesses in and around the Mendota area. Current sponsors include:

- Gateway Bank
- Lucky's 13 Pub
- Wings Financial Credit Union

Additional businesses from Mendota Heights are being targeted to identify improved funding resources for the site.

The DCHS has expanded partnerships outside of Dakota County to include:

- The Metro Area Historical Society Collaborative has provided grant funded and partnered on archaeology projects multiple times since 2015.
- The Mall of America has agreed to continue partnering on public history programs that benefit both MOA and DCHS. Past programs included World War I and a planned program with the Commemorative Air Force for World War II.
- The Minnesota Historical Society provides resources for programming and funds. This partnership occurs through both our operations of the MNHS Sibley Site, but also through the Local History Services Department.
- The Minnesota High Tech Association is a key partner in the history of computing in Minnesota and Dakota County. With the recent "Solid State" documentary, the MHTA worked closely with the DCHS and the organization's volunteers to share Dakota County's connection to the computer history.

3.5 PERFORMANCE METRICS AND EXPECTED OUTCOMES

Developing and implementing a strategic and operational set of organization-wide performance metrics and targets will demonstrate to our community of stakeholders and members what exact progress we are making toward achieving our stated vision and expected outcomes.

These metrics identified and described below are to be gradually introduced as 2020-2021 evolves and will be continually improved as we strengthen the leadership and management of the DCHS to hold ourselves accountable for achieving the outcomes and distinct impact we envision for the DCHS.

Scorecard for Regular Progress Assessment

- Membership/Customer Satisfaction: effectiveness, doing the right things, what customers value, overall member satisfaction with "all" of the services DCHS provides at all levels/sites
- Financial: return on investment (ROI) on both operational and long-term assets, from our financial statements or similar measure
- Operational Results: efficiency, doing things right, productivity, number of programs produced on time/within budget in total for all sites
- People: per cent of our DCHS employees that are fully engaged/compared to industry expectations and/or standards

Outcomes Metrics, for our Broader Stakeholder Community

- Progress in Achieving our Vision: We make Dakota County History available and accessible to all
- Proposed Vision Progress Achievement Metric
 - The per cent (%) of Children, Adults, and Organizations (in our major customer segments/or population) participating in the programs on a monthly or annual basis. Definition: participating means attending a program, accessing our web page, talking to our staff
 - All involvement in any of our programs or services
 - All member/customer potential touch points for population as a whole

Impact Metrics, impact on an individual or for our society as whole

- Our members/customers have access to knowledge/improve their knowledge of Dakota County history to create a fairer and more cohesive society
 - Percentage of our customers who indicate their knowledge has improved or grown as a result of programs or services; we have helped contribute to a more literate society
- We inspire engagement, debate, and reflection
 - Percentage of our customers who indicate they have been inspired and/or more fully engaged in society as a result of programs or services
- We help build a fairer, more inclusive, and more cohesive society
 - Percentage of Dakota County residents who state life in our county is more inclusive and fairer as a result of programs or services

The specifics of how our DCHS metrics will be defined, tracked, and reported will be similar in approach and content to dashboards currently in use by major museum organizations and beyond.

4.0 OVERVIEW OF CURRENT AND FUTURE PROGRAMS

4.1 OUR VALUE PROPOSITION

As a premier county historical society, Dakota County Historical Society demonstrates its value in this: *we make history come alive.*

Through the Lawshe Museum, and the historic sites at Sibley and LeDuc, the DCHS is more than its vast collection of artifacts and print media, and more than a collection of photographs and genealogical materials. We provide an interactive learning experience by stepping into the history through historic interpretations, interactive experiences such as the Young Curators Camp or through archaeology digs, or through special events at historic sites such as the Civil War Weekend at LeDuc, and Fur Trade Weekend and The Fete at Sibley.

4.2 PROGRAM DELIVERY STRATEGIES

Overall

The DCHS provides a variety of delivery methods of Dakota County's history programs. Each site offers programs and lectures on various topics related to Dakota County and Minnesota history. We also use exhibits to bring history to the public at our sites. Special events bring history to life through reenactors and hands-on demonstrations.

Site-Specific

- Lawshe Memorial Museum provides a wide variety of programs to visitors of all ages. History Storytime, in partnership with the South St. Paul Public Library, hosts a read-aloud on a different topic or theme each month. Quarterly, if not more often, we host genealogy lectures on various topics of interest to area genealogical researchers. We also partner with Dakota City Heritage Village to host a vintage baseball event with teams from throughout the state.
- LeDuc Historic Estate provides a variety of activities to engage in the history and era of the LeDuc family. The largest event is Civil War Weekend which brings in hundreds of volunteers and reenactors who bring the Civil War to life. This event highlights the history of William LeDuc as Quartermaster in the Civil War. Coffee with the General is a discussion-based event that explores different topics related to local and regional history. The teas and tastings held at the site relate to William LeDuc's different ventures, such as tea growing.

- Sibley Historic Site hosts a French-Canadian event called The Fete, which explores the heritage from the site and early fur traders. The largest event is Fur Trade Weekend, and it brings the site back to the 1830s when Mendota was the fur trade capital of the region. Each month Mendota After Hours features presentations on different topics that relate to Minnesota's history. As recognition to when the Sibley Tea House operated at the site, a variety of teas are held throughout the year. For children, we host Sibley Savants to honor the history of the site, once housing an art school.

Online Presence: Social and Web

- Social media is helpful to promote our organization, share bits of history, and advertise upcoming events.
 - Facebook, Instagram, and Twitter are used for all three sites. Additionally, we cross-promote events to introduce people to the whole of activities provided by the DCHS.
- The DCHS works with Dakota County Communications to create videos with Dakota County history as a focus. These videos are created, edited, and promoted through the county's social media, then shared on our own.
- The DCHS website offers information for the entire organization, redesigned and rebranded in 2017. The website has sections for the history and information on each of our sites.

The website also has information on becoming a member or volunteer, and making donations, both monetary and artifacts.

Additional benefits of the website include online information for research, such as important landmarks to visit, searchable databases for census information, war records, etc., becoming a Trustee, and links to our sponsors and partners.

4.3 EXHIBITS

- The Lawshe Memorial Museum features the Old Town exhibit, which has been in existence since the building was constructed in 1978. The exhibit shows what businesses and buildings were like at the turn of the 20th century. The information inside the buildings change, but the physical structures do not due to the time and cost of such a renovation. Exhibits include, but are not limited to, a barber, dentist office, doctor office, blacksmith shop, apothecary, and general store. Lawshe also has the Great Hall, featuring a computer history exhibit, and larger space for temporary exhibits.

- The LeDuc Estate has limited space for exhibits, but we use an outbuilding called the Simmons Shed. This space features rotating exhibits, with themes such as Women and the Hastings Needlework Company.

The Carriage Barn currently has an exhibit on George Daniels, a former slave who escaped the Confederate Army and eventually moved to Hastings to work for the LeDucs. Through grant funding, we plan to enhance this exhibit and expand the narrative to tell more of his life story.

Additional exhibit opportunities include signage on the grounds to explain the different outdoor exhibits (chickens, apples, grapes), and walking trails with plants and flowers from that era.

- The Sibley Historic Site has multiple smaller exhibits located in each of the three primary houses and on-site. Additional nature tours on the expansive site are available.

4.4 SITE-SPECIFIC PROGRAM DESCRIPTIONS AND SCHEDULES

Each site is operated in partnership with other organizations, requiring coordination which guides our exhibits.

- The Lawshe Museum is currently working on a Women's Suffrage exhibit to highlight the county's role in the movement.

The DCHS is working to enhance the computer history exhibit with new text banners and panels to describe more of the exhibit, as well as install video equipment that will show all or part of the TPT documentary "Solid State." Pending funding, our goal is to have this completed by 2022.

- The Sibley Site is creating a new exhibit on Dakota Women and their rights under treaties. Our goal is to have this completed by 2022.
- The LeDuc Estate will hire consultants to create a new exhibit plan that will allow us to expand the George Daniels exhibit. Pending funding, our goal is to have this completed by 2024.

4.5 MEMBER SERVICES AND DEMOGRAPHICS

Levels of Membership Available

Membership creates a defined partnership with the mission of the organization, subscription to the monthly email newsletter, and tri-annual history journal from the DCHS called “Over the Years”, free admission to Lawshe Museum, Sibley Historic Site, and LeDuc Historic Estate, 10% discount in gift shops, discounted admission to sponsored events, and invitations to special members-only events or activities.

General membership is \$40 for individuals and \$60 for households, \$25 for seniors (60 years or older) and \$40 for senior households, and membership for students younger than 21 years is \$25. There are special membership opportunities of Sustaining Membership at \$100, Silver Membership at \$250, Gold Membership at \$500, and Tower Membership at \$1,000.

Demographics and Communities

Membership in the DCHS currently stands at 535, with 18 states represented and 67 Minnesota cities.

Memberships include 245 senior members, and 98 senior household memberships. There are also 46 “Life Members”, and “Special Status” memberships with one Bronze Member, six Silver Members, two Gold Members, and 33 Sustaining Members. There were 35 new members in 2019.

There are several communities with significant membership representation: Hastings (98), South St. Paul (54), Eagan (50), Inver Grove Heights (38), St. Paul (26), West St. Paul (25), Mendota (20), Apple Valley (19), Rosemount (18), Burnsville (17), Lakeville (15), Farmington (14), and Minneapolis (10).

There are four states prominently represented: Minnesota, Wisconsin, California, and Ohio.

5.0 MARKETING: RESOURCES AVAILABLE AND NEEDED

5.1 COUNTY OR STATE FUNDING

The DCHS receives an annual operating grant from Dakota County. Our current grant received is \$107,185 and has remained the same since 2015. Additionally, Dakota County offers an additional \$25,000 matching grant on new revenue secured each year.

The DCHS does not receive any direct state funding. However, we do receive Legacy Amendment Funds administered through grants offered by the Minnesota Historical Society. These funds are used for programs, exhibits and new projects at the sites.

5.2 GRANT FUNDING

The Minnesota Historical Society manages the Legacy Funds for the State of Minnesota. These grant funds vary little in how the funds can be used. On occasion, special grant funding is made available, such as the Civil War Recognition Grant. The DCHS has typically applied for at least one MHS Legacy Grant each year.

The Minnesota Humanities Center offers a variety of grants that often change on an annual basis. In 2017, the DCHS received a Veterans Voices Grant, but it has not been offered again. As projects fit with the criteria, we apply for funding support.

The Union Pacific Railroad offers grants to any organization located on or near a Union Pacific rail line. The DCHS has received this grant twice in the last four years to assist with programming. Due to their funding and timelines, we are not able to apply on an annual basis.

Rotary Clubs within Dakota County often offer small grants for many organizations.

Other grants are available through foundations or organizations, but they have not been approached on a regular basis. As projects align with the grant requirements, the DCHS has applied for those grants. Every grant applied for is on a project basis, and they are not general operational grants.

5.3 SELF-GENERATING INCOME

The DCHS is a 501(c)(3) membership organization. Each year we engage approximately 500 members from people across the country, receiving approximately \$15,000 from annual membership dues.

We receive general and specific donations. A general donation is someone who donates to our sites through a donation box, etc. A specific donation is when it is for a specific cause. Each site offers gift shops to visitors, with revenue from sales tracked by site.

Admissions are tracked on general tours for the LeDuc Estate and Sibley. There is no admission fee to Lawshe, except for during special exhibits like World War I. The annual quilt show at Lawshe has a suggested donation. Admission prices vary by age, and all members are admitted free of charge.

As a partnership site with the Minnesota Historical Society and through our operating contract, we offer free admission to Sibley for the DCHS members, as well as MNHS and the Friends of the Sibley Historic Site.

Event registrations are tracked for any special event or program held at the site, above and beyond a general tour. This includes "After Hours" programming, Fur Trade, Civil War Weekends, etc.

5.4 LAWSHE FUND

The Lawshe Fund is offered at the end of each calendar year. The campaign starts early November and runs through December.

In 2018, the DCHS offered a \$1,500 match for the first time, enjoying an increase in donations. In 2019, the DCHS offered a \$3,000 match, and more than \$10,000 was raised. (By contrast, in 2016, our annual campaign brought in \$3,500.) In 2020, with \$4,000 in matching funds, the goal is to receive \$12,000 in donations.

5.5 GIVE TO THE MAX DAY

Each year, the State of Minnesota participates in Give to the Max Day, an initiative to help organizations raise funds. Due to the timing, this emphasis happens at the same time as our organization's Lawshe Campaign, but between \$600 - \$1,000 is raised during Give to the Max Day each year.

5.6 ENDOWMENT FUND

In 2017, The DCHS received a \$200,000 bequest from Thomas Mairs Estate. This unrestricted donation became a board designated endowment fund, allowing the principal to be used as needed. The interest gained on the endowment each year can be used for special projects by the organization.

6.0 ENVIRONMENTAL SCAN

6.1 INTERNAL

Strengths

- Site staffing remains a strength, leveraging abilities and interests of people into the positions.
- The DCHS Research Library contains a wide collection of items from Dakota County and surrounding areas, assisting researchers in tangible ways.
- Archival storage at Lawshe contains a very diverse collection of artifacts from local history.
- Computer Industry Initiative is working with local and regional partners, allowing the DCHS to have a broader reach and visibility, and providing great pool of volunteers from retired Lockheed Martin employees helping to identify and document the large donation in 2013 of printed documents and physical relics related to Dakota County's and regional technology development.
- Genealogy programming within the DCHS has enjoyed great support and participation, and promises even more in the years to come, working closely with local ethnic historic collections and with the Minnesota Genealogical Society.

Weaknesses

- Archival storage at Lawshe and other sites is limited and overflowing, making cataloging and access to resources more challenging.
- Staff turnover at the various sites remains a constant concern; need to strengthen the compensation structure to improve salary and benefits and reduce staff turnover.
- The DCHS artifact collection needs the focused attention of a Collections Manager; in the interim, part-time staff and staff volunteers are assisting in basic collection responsibilities.
- Membership services remains good but not great, and more consistent communication, services, and benefits for membership is a need.
- Succession planning for the leadership (Board of Trustees and Directors) and emergency actions plans for the organization have yet to be developed.
- The DCHS website remains unfinished, and further refinements of the website and digital resources is needed.

Opportunities

- While membership remains consistently around 500, the site volunteers and membership are committed to serving as part of the organization. Understanding our membership base and strengthening organizational engagement is an untapped potential for DCHS.
- Local business partnerships have increased but is far from ideal, especially when Dakota County has such a wealth of small and larger businesses who care about this community and would welcome engagement through the DCHS Advancement Committee of the Board of Trustees and the DCHS Executive Director are eager to pursue more partnerships in events and activities with our business neighbors. Recent refinement of parameters, focused events, and financial needs should prove helpful.

Threats

- The deterioration and condition of the Lawshe Memorial Museum as primary offices and location for the DCHS remains an issue that impacts operations and visitor perception.

Beyond the physical condition, and the somewhat unknown location of the building, the internal flow of exhibits and space is limiting staff from trying new approaches for exhibits and events.

The existing structure of “Old Town” and the open but outdated exhibit space in the Great Hall is challenging for exhibits and events. The lack of adequate meeting space and outdated kitchenette for workshops and presentations has limited the ability of the staff to plan events of any scale.

- The archival space in the lower level is overflowing with items, and storage and “workshop” space has spilled out into the Great Hall and elsewhere in the building.

6.2 EXTERNAL

Strengths

- The brand image of the DCHS in the county, across the Twin Cities seven-county area, and throughout the state historical societies is one of the strongest enjoyed for many years. DCHS is building on that leading reputation by developing a strategic plan for the coming years (this document).
- Partnerships with Dakota City, Mall of America, Minnesota Historical Society, and the Cities of Hastings and Mendota is growing, and we are involving businesses in partnership with events and activities, such as Thompson Reuters, Smead Manufacturing, Flint Hills Resources, and others.
- The current financial situation of the DCHS is stable, with almost balanced annual budgets from the past several years and a growing endowment fund, all of which should enable us to continue our leadership efforts during this year and beyond.

Weaknesses

- As previously mentioned, the DCHS has experienced several attempts to develop the website. Well-intentioned attempts to develop the website in a cost-effective manner has resulted in less-than-committed people who have left it unfinished.

Several website pages remain weak of content and not very user-friendly. Efforts to update pages and information have been attempted by already over-worked staff, showing heroic effort but still incomplete of a finished product.

Opportunities

- Given the brand strength and financial stability mentioned earlier, along with excellent leadership from our Executive Director, Associate Director, and Site Supervisors, the DCHS has several distinct opportunities to expand and extend the visibility and impact within Dakota County and beyond.
- The DCHS has recently defined a strong sense of vision and mission, with complementary core values and a simplified value proposition statement. These serve as critical and foundational elements to launch the DCHS into the next decade and beyond.

Threats

- In 2020, the Covid-19 global pandemic impacted communities and organizations worldwide. Many communities, public buildings, and businesses have been closed or open with limited availability.

The DCHS has been impacted as well, with sites temporarily closed and events either cancelled or moved to digital online delivery. While the extent of this pandemic has yet to be defined in scope, the next year or two will be impacted by restructured events/activities and likely by decreased membership and funding.

The DCHS continues to look for ways to remain engaged through social media and online events, and we look forward to reopening our sites for tours and activities when permitted. This pandemic will continue to impact funding and participation for years to come, some of it beyond our ability to foresee.

Thanks to the Small Business Administration providing funds through the Paycheck Protection Program, we were able to receive additional funding to retain staff in the short term. Beyond that, we have no idea what refinements will need to be made.

- Since 2014, significant discussion and numerous studies have entertained the idea to remodel, relocate, or redesign the Lawshe Museum in South St. Paul.

While the building belongs to Dakota County, the land where the building is located belongs to the City of South Saint Paul.

The DCHS Board of Trustees continues discussions with the Dakota County leadership about options and decisions moving forward. Meanwhile, the Lawshe building (dated 1976) needs some critical upgrades and changes to comply with ADA requirements and remain a viable location for historical research and programming.

Dakota County has recently approved essential updates to the building, including a new roof, new windows, and a bus drop-off zone at the front of the building. The DCHS remains hindered by lack of adequate signage, space needing remodeling, and overall upgrades to the building to bring it current with county standards.

- Sibley Site is a significant historical location for the State of Minnesota, and many parties have an interest in the site. Currently owned by the State of Minnesota, in the care of the Minnesota Historical Society, it is operated under a partnership contract between DCHS and MNHS.

Interested parties continue to pursue their concerns on a variety of issues with the site, some have added complications and stress when planning events and activities at the site.

DCHS maintains our position as a contractor for operations but has become included with many of the issues and discussions.

- The DCHS, Dakota City Heritage Village, and the Dakota County Agricultural Society have all existed for some time, adding value and benefit to the residents of Dakota County. In the past, there has been some tension and, in some cases, outright hostility in the relationships of the three organizations.

Over the past three years, the DCHS Executive Director and Board President have reached out to the other organizations to share resources and participate in cooperative events. However, there remains a level of lingering contention and competition, which limits further events and activities as a result.

7.0 FINANCIAL OVERVIEW

7.1 ENDOWMENT

In 2018, the DCHS received a \$200,000 bequest from the Thomas Mairs Estate. This unrestricted donation was accepted and approved to be a board-designated endowment.

As of January 2020, the endowment sits at \$215,000 and earning an average interest rate of 5%. The interest gained on the endowment is reinvested to grow, while remaining available for use in special projects by the organization.

Previous use of endowment interest for special projects include the Mall of America event, and purchasing vintage baseball uniforms and equipment.

7.2 ATTENDANCE TRENDS

Since 2016, the organization's attendance numbers have increased annually. The Lawshe Museum has seen a 150% increase in attendance, while the LeDuc Estate has seen an increase of 2.5% and the Sibley Site an increase of 10%. Each year, these numbers continue to rise.

7.3 GRANT REVENUE

Grants are generally used for project-specific opportunities and rarely offset the cost of general operations.

Since 2016, the organization has received more than \$170,000 in grant funds to offset the cost of programming, publications and research, and we have received \$125,000 in matching grant funds from Dakota County for newly acquired revenue to the organization.

7.4 BUDGET SUMMARIES FROM LAST FIVE YEARS

The DCHS Board of Trustees and staff have worked hard to contain the budget and adequately plan for revenue and expenses, especially the last several years. Historically, this has not always been possible.

2012: budget of \$297,600; lost \$6,500

2013: budget of \$258,700; lost \$59,000

2014: budget of \$245,300; lost \$55,000

2015: budget of \$266,900; lost \$13,800

2016: budget of \$311,600; lost \$36,526 (addition of Sibley Site)

2017: budget of \$396,300; lost \$550

2018: budget of \$375,000; lost \$3,337

2019: budget of \$403,535; surplus of \$24,000

Pending final financial audit review and collaboration:

2018: budget of \$375,000

2019: budget of \$403,535

2020: budget of \$388,535

8.0 Appendix A, Leadership and Management Organization Chart.

