



# GGP Budget Update

September 7, 2021

# Discussion Items



- 2022 Maximum Levy Recommendation
- DCC Fixed Cost Phase In Options
- Communications

# 2022 Planning Base



	\$ millions
Total Net Permanent Personnel Cost Growth	\$ 3.42
Preliminary Inflation on Existing Contracts	<u>\$ 0.20</u>
<b>Total Net Preliminary Cost Growth (Levy Pressure)</b>	<b>\$ 3.62</b>
 <u>Less:</u>	
3.5% Vacancy Savings (0.5% increase)	\$ (1.00)
Mileage, Office Support Costs, Printing Reductions	\$ (0.60)
Change Levy Funding to Non-Levy Funding for Fellows/PD Planning Intern	\$ (0.25)
Net Non-Levy Revenue Changes	
Shift Levy Financed Non-Permanent//Intermittent Costs to Special Funds	\$ (1.77)
Remaining Balance Covered by Levy Management Account (LMA)	
<b>Total Additional Savings</b>	<b>\$ (3.62)</b>
 <b>Recommended Department Requests</b>	 <b>TBD</b>
 <b>New Net Levy Pressure</b>	 <b><u>\$ -</u></b>

# 2022 Division Identified Requests



## 2022 Budget Summary Report - Operations

Requested Changes to Planning Base Summary

as of 8/19/2021

Division Summary	FTE	Total New Expenses	External Revenue	Internal Funding Sources	Levy	Possible ARP Funding
Countywide Operations	-	-	-	-	-	
County Administration	-	-	-	-	-	
Physical Development	2.00	550,610	-	400,000	150,610	
Operations, Management and Budget	-	1,248,905	-	1,248,905	-	
Public Service and Revenue	-	228,948	-	228,948	-	
County Attorney	-	-	-	-	-	
County Sheriff	5.50	1,063,645	-	525,000	538,645	
Medical Examiner	-	-	-	-	-	
Community Services	54.25	9,424,522	5,009,396	1,469,183	2,945,943	2,901,706
<b>Total Requests</b>	<b>61.75</b>	<b>\$12,516,630</b>	<b>\$5,009,396</b>	<b>\$3,872,036</b>	<b>\$3,635,198</b>	<b>\$2,901,706</b>

# Maximum Levy Recommendation: 0%



## Dakota County Recommended Maximum Levy

<b>Property Type</b>	<b>2022 Estimated Market Value</b>	<b>Market Value Increase</b>	<b>Dakota County Levy Increase</b>	<b>County Tax Change</b>	<b>% Change</b>
Median Residential Home	\$ 308,300	5.80%	0.00%	\$ 3.37	0.53%
Agriculture per Acre	\$ 8,000	1.23%	0.00%	\$ (0.40)	-4.51%
Mid-Size Commercial/Industrial	\$ 1,000,000	0.33%	0.00%	\$ (147.13)	-5.35%
Mid-Size Apartment	\$ 1,000,000	3.72%	0.00%	\$ (53.19)	-2.16%

# DCC Financing Task Force



DCC Financing Task Force recommended County assume 100% of fixed costs beginning in 2022

- Total additional County cost by 2026: \$1.49 million
- 5 year phase in: County levy impact of additional \$298,000 levy growth each year

Subordinate Service District legislative proposal would allow per-call costs for Sheriff patrol area to be levied there (vs. countywide now)

- Total annual levy cost of \$356,299

Policy options for 2022 budget and levy:

- Defer any action for 2022 (potential to begin in 2023)
- Begin 5 year phase-in in 2022
- Partial (down-payment) contribution in 2022, commit to phase-in beginning in 2023
- Proposed 2022 fee for DCC - \$626,234 (Reduction of \$26,450)

# DCC Fixed vs. Variable Costs: 2022 Budget



Major variable costs	
Personnel	\$7,420,328
Commodities	21,694
Professional services	52,547
Legal, fiscal, audit services	172,785
Telephone	42,407
<b>Total variable costs:</b>	<b>\$7,704,293</b>

Major fixed costs	
Facility management (to County)	\$404,253
LOGIS fees	1,085,657
Contract equipment repair	243,288
Other contractual services	70,365
Telephone	42,407
Insurance	34,392
less 911 fee and Flint Hills revenue	(599,696)
<b>Total fixed costs remaining to fund:</b>	<b>\$1,811,500</b>

Totals include additional smaller items not enumerated.  
Data provided by DCC Fiscal Agent (City of Lakeville) 9/1/21

# DCC Options – Fixed Costs



## Option 1: DCC Phase In - 5 Years

	Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026	Total
DCC Fixed Costs	297,867	297,867	297,867	297,867	297,867	<b>1,489,335</b>
Funding						
Current DCC Budget Savings	26,000					<b>26,000</b>
CJN JPA Savings	271,867	200,133				<b>472,000</b>
New Levy		97,734	297,867	297,867	297,867	<b>991,335</b>
Total Funding	297,867	297,867	297,867	297,867	297,867	<b>1,489,335</b>

## Option 2: DCC Phase In - 7 Years

	Year 1 2022	Year 2 2023	Year 3 2024	Year 4 2025	Year 5 2026	Year 6 2027	Year 7 2028	Total
DCC Fixed Costs	224,870	224,870	224,870	224,870	224,870	224,870	224,870	<b>1,574,092</b>
Funding								
Current DCC Budget Savings	26,000							<b>26,000</b>
CJN JPA Savings	198,870	224,870	48,259					<b>472,000</b>
New Levy			176,611	224,870	224,870	224,870	224,870	<b>1,076,092</b>
Total Funding	224,870	224,870	224,870	224,870	224,870	224,870	224,870	<b>1,574,092</b>

## Option 3: Defer Decision Until 2023



# Countywide communications



Dakota County Communications is a centralized department providing specialized services:

- Strategic communication plans and marketing direction for internal clients
- Dakota County brand guidelines
- Professional-quality digital and printed assets and videos for internal and external audiences
- Dakota County Works, Dakota County external website and county social media
- Other — Media relations, event planning, editing, photography and volunteer program

# Residential survey (2019)



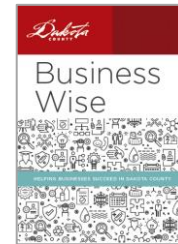
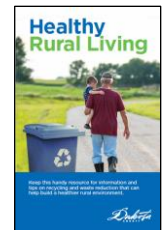
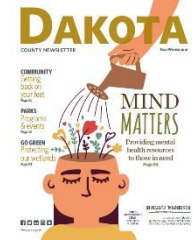
Dakota County residents preferred way to receive information:

- Residential newsletter — 61%
- Local/neighborhood newspapers — 41%
- [www.dakotacounty.us](http://www.dakotacounty.us) — 37%
- E-news listserv — 29%
- TV/cable TV — 24%

# Existing print mailings



Publication		Distribution
Resident Newsletter (twice annually)		All resident addresses (175,000)
Truth in taxation mailing (annually)		All property owners
Recycling guide (every other year)		All households
Recycling campaign postcard (annual)		All households
Healthy Rural Living (every other year)		Rural residents (6,000)
Business Newsletter (annually or twice annually)		All businesses
Organics guide (once per new site)		Targeted
Veterans guide (every few years)		Targeted
Meeting, event, project postcards		Targeted
<ul style="list-style-type: none"> <li>Transportation, Parks, Public Health, Elections, etc.</li> </ul>		



# New print mailings



## Principles for increased print communication:

- Provide accurate information to residents and taxpayers
- Focus on county news, highlights, useful information
- Use consistent branding
  - Residents are familiar with our products
  - Maintain professional design, engaging images, clean text

# Print mailing options



	Production cost (print + postage)	New staff cost	Total cost	Net budget impact
<b>Current</b>				
Two 36-page newsletters with Parks insert	\$147,000	\$0	<b>\$147,000</b>	
<b>Total Cost</b>	<b>\$147,000</b>	<b>\$0</b>	<b>\$147,000</b>	<b>\$0</b>
<b>Option 1</b>				
Two 36-page newsletters with Parks insert	\$147,000	\$0	<b>\$147,000</b>	
One 6-page 'mailing'	54,710	0	<b>54,710</b>	
<b>Total Cost</b>	<b>\$201,710</b>	<b>\$0</b>	<b>\$201,710</b>	<b>\$54,710</b>
<b>Option 2</b>				
Two 36-page newsletters with Parks insert	\$147,000	\$0	<b>\$147,000</b>	
Three 6-page mailings	164,130	88,755	<b>252,885</b>	
<b>Total Cost</b>	<b>\$311,130</b>	<b>\$88,755</b>	<b>\$399,885</b>	<b>\$252,885</b>
<b>Option 3</b>				
Two 28-page newsletters	\$132,090		<b>\$132,090</b>	
Two Parks programs	99,400		<b>99,400</b>	
Two 6-page mailings	109,420		<b>109,420</b>	
	-	88,755	<b>88,755</b>	
<b>Total cost</b>	<b>\$340,910</b>	<b>\$88,755</b>	<b>\$429,665</b>	<b>\$282,665</b>

- Projected 2023 cost growth at current rates: \$4.6 million
  - Sufficient remaining LMA balance to cover project growth in 2023 at current rates.
- Additional uncertainties:
  - South St. Paul Library (if it proceeds)
  - Expansion Greenway System/Buildings/Transportation
  - Personnel costs – Bargaining again in 2023+

- 0% levy increase
- Majority of cost pressures funded with:
  - Vacancy savings from natural turnover
  - Mileage/office support costs/printing reductions
  - Shift some positions to non-levy funding
- Use Levy Management Account to cover remaining cost pressures
- Expect limited new requests funded with existing levy

# Budget Development Process



June 22 – County Board Budget Workshop #1

August 24 - County Board Budget Workshop #2

September 7 - GGP Budget Update

September 21 - County Board Adoption of maximum levy

November 2-4 – County Board Budget Hearings

November 30 – CIP Public Hearings

November 30 – County Board Budget Public Hearing (“Truth-In-Taxation”)

December 14 – County Board Adoption of 2022 Budget



Questions?