

Dakota County, Minnesota

2023

Budget Overview

Volume I



A premier county in which to live and work.



2023 Adopted Budget
Dakota County, Minnesota
For the Fiscal Year
Beginning January 1, 2023

This document is an overview of the 2023 Adopted Budget for Dakota County, Minnesota. We hope this document will enhance your understanding of how the County is organized, the services it provides, and the funding sources used to provide those services. The County’s purpose is to deliver the highest quality of services as efficiently, effectively, and responsively as possible. Dakota County aims to be a premier county in which to live and work. Thank you for the opportunity to serve you and to make Dakota County the best it can be.

Dakota County Board of Commissioners

- 1st District Mike Slavik
- 2nd District Joe Atkins
- 3rd District Laurie Halverson
- 4th District William Droste
- 5th District Liz Workman
- 6th District Mary Liz Holberg
- 7th District Mary Hamann-Roland



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
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**Dakota County
Minnesota**

For the Fiscal Year Beginning

January 01, 2022

Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented the Distinguished Budget Presentation Award to Dakota County, Minnesota for its Annual budget for the fiscal year beginning January 1, 2022. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Table of Contents

INTRODUCTION	2
DAKOTA COUNTY BOARD OF COMMISSIONERS	2
DISTINGUISHED BUDGET PRESENTATION AWARD	3
ORGANIZATION OF REPORT	7
2019 ADOPTED BUDGET OVERVIEW	7
LOCATION AND HISTORY	9
LAND USE	9
DEMOGRAPHIC TRENDS	9
ECONOMIC TRENDS	12
DAKOTA COUNTY BOARD OF COMMISSIONERS	14
COUNTYWIDE, ELECTED OFFICIALS	14
COMMITTEES OF THE WHOLE	15
CITIZEN ADVISORY COMMITTEES AND COMMISSIONS	16
DAKOTA COUNTY ORGANIZATIONAL STRUCTURE	17
COUNTY GOALS & OBJECTIVES	19
BUDGET AT A GLANCE	20
BUDGET HIGHLIGHTS	21
CHALLENGES FACING THE COUNTY	21
MAINTAINING FISCAL HEALTH	21
PROVIDING SERVICES FOR ALL RESIDENTS	21
LONG-TERM FINANCIAL FORECAST	22
PROPERTY TAX LEVY PRACTICE	23
SUMMARY OF EXPENDITURES	25
OPERATIONS.....	25
CAPITAL IMPROVEMENT PROGRAM & DEBT SERVICE	26
SUMMARY OF REVENUE	27
EXPENDITURES & REVENUES BY MAJOR ACCOUNT GROUPS	29
TOTAL EXPENDITURES	30
SALARIES AND WAGES.....	31
EMPLOYEE BENEFITS.....	31
PUBLIC EMPLOYMENT RETIREMENT ASSOCIATION	31
DEPARTMENT/COUNTY SUPPORT	32
OFFICE SUPPORT	32
TRAVEL & TRAINING EXPENDITURES.....	32
CLIENT SERVICES & MATERIALS EXPENDITURES	32
CAPITAL EXPENDITURES (INCLUDING EQUIPMENT AND CAPITAL IMPROVEMENT PROJECTS).....	32
BUDGET INCENTIVE PROGRAM EXPENDITURES	33
SUMMARY.....	33
TOTAL REVENUE	34
PROPERTY TAX.....	34
LICENSES, FINES & CHARGES	34
OTHER REVENUES	34
FEDERAL REVENUES	34-35
STATE REVENUES	35
OTHER INTERGOVERNMENTAL REVENUES	36
FUND BALANCE.....	36
SUMMARY.....	36
2023 DAKOTA COUNTY BUDGET SUMMARY BY DEPARTMENT	37
BUDGET HIGHLIGHTS BY DEPARTMENT	38-39
BUDGET DEVELOPMENT PROCESS	40
PROCESS PLANNING PHASE (JANUARY – MARCH).....	40

COUNTY BOARD/COUNTY MANAGER INITIAL BUDGET DIRECTION PHASE	
MARCH – AUGUST).....	40
FINANCIAL FORM COMPLETION PHASE (JUNE – AUGUST).....	40-41
REVIEW PHASE (JULY – AUGUST).....	41
PROPOSED LEVY PHASE (AUGUST – SEPTEMBER).....	41
RECOMMENDATION PHASE (SEPTEMBER – NOVEMBER).....	41
PRESENTATION AND ADOPTION PHASE (SEPTEMBER – DECEMBER).....	41
<u>PLANNING BASE DEVELOPMENT</u>	42
EXPENDITURES	42
REVENUE.....	42
CHANGES TO THE PLANNING BASE	42
FINAL BUDGET ADOPTION	42
BUDGET COMPLIANCE POLICY.....	42-43
BASIS OF BUDGETING (ACCOUNTING PERSPECTIVE).....	43
<u>FUND TYPES</u>	44
GOVERNMENTAL FUND TYPE	44
<u>GOVERNMENTAL FUND TYPES INCLUDE:</u>	44-45
MAJOR FUNDS	45
PROPRIETARY FUND TYPE	45-46
OTHER FUND TYPES.....	46
ORGANIZATION STRUCTURE.....	47
<u>RESERVED AND DESIGNATED FUND BALANCE</u>	48
NONSPENDABLE.....	48
RESTRICTED	48
COMMITTED	49
ASSIGNED	49
UNASSIGNED	49
<u>FUND BALANCE CHANGES</u>	49
SUMMARY OF FUND BALANCE CHANGES – MAJOR FUNDS	49-50
<u>FUND BALANCE HISTORY AND PROJECTION</u>	53
<u>DEBT MANAGEMENT</u>	54
FUTURE BONDING	54
<u>RATIO OF NET BONDED DEBT TO TAX CAPACITY</u>	54
<u>LONG-TERM LIABILITIES – BONDS PAYABLE</u>	55
SUMMARY OF BONDS PAYABLE	55
COMPUTATION OF LEGAL DEBT MARGIN	55
DEBT EXPENDITURES RATIO.....	56
<u>SCHEDULE FOR BOND RETIREMENT</u>	56
<u>CAPITAL IMPROVEMENT PROGRAM INTRODUCTION</u>	57
EVALUATION OF PROJECT NEEDS	57
CIP BUDGET PROCESS.....	57
FUNDING SOURCES.....	58
<u>IMPACT ON OPERATING BUDGET</u>	58
COMPLETED CIP PROJECTS	58
ANTICIPATED OPERATIONAL COSTS ASSOCIATED WITH CIP PROJECTS.....	58-59
<u>PARKS CAPITAL IMPROVEMENT PROJECTS</u>	60
MISSION.....	60
PARK SYSTEM PLAN	60-61
2023 – 2027 PARKS CIP	61
STRATEGIES TO ACCOMPLISH THE 2023 – 2027 PARKS CIP.....	61-62
<u>FUNDING STRATEGIES</u>	63
2023-2027 PARKS CIP SUMMARIES	63
<u>TRANSPORTATION CAPITAL IMPROVEMENT PROJECTS</u>	64
TRANSPORTATION PLAN VISION.....	64

PLAN GOALS & PROGRAMMING STRATEGIES	64
PROPOSED INVESTMENTS FOR THE 2023-2027 CAPITAL IMPROVEMENT PROGRAM	67
HIGHLIGHTED HIGHWAY PROJECTS	69-70
<u>BUILDING CAPITAL IMPROVEMENT PROJECTS</u>	70-71
BACKGROUND	71
HIGHLIGHTS OF THE 2023 BUILDINGS CAPITAL BUDGET AND 2023-2027 CAPITAL IMPROVEMENT PROGRAM	71
BUILDING CIP FINANCIAL SUMMARIES*	71-72
<u>ENVIRONMENTAL RESOURCES CAPITAL IMPROVEMENT PROJECTS</u>	72
PLAN GOALS & PROGRAMMING STRATEGIES	72
STRATEGIES TO ACCOMPLISH THE 2023 – 2027 ENVIRONMENTAL RESOURCES CIP	72-73
<u>TRANSPORTATION SALES & USE TAX CAPITAL IMPROVEMENT PROJECTS</u>	74-75
<u>BYLLESBY DAM CAPITAL IMPROVEMENT PROJECTS</u>	77
MISSION	77
<u>DATA NETWORKS CAPITAL IMPROVEMENT PROJECTS</u>	78-79
<u>REGIONAL RAIL AUTHORITY’S CAPITAL IMPROVEMENT PROJECTS</u>	80-81
<u>DEPARTMENTAL INFORMATION</u>	82-113
<u>FINANCIAL POLICIES AND GUIDELINES</u>	114
<u>FINANCIAL PHILOSOPHY</u>	114
<u>LONG-RANGE FINANCIAL POLICIES</u>	114
<u>FUND BALANCE MANAGEMENT</u>	115-116
BACKGROUND	115-116
DAKOTA COUNTY’S FUND BALANCE PLAN	117
EXPLANATION OF FUND BALANCE PLAN COMPONENTS	117
<u>DEBT ADMINISTRATION POLICY</u>	117-118
<u>INVESTMENT POLICY</u>	118-120
<u>BUDGET COMPLIANCE POLICY</u>	120
<u>ITEM 1: METROPOLITAN COUNTIES PROPERTY TAX RATES</u>	121
<u>ITEM 2: METROPOLITAN COUNTIES PER CAPITA PROPERTY TAX</u>	122
<u>ITEM 3: DAKOTA COUNTY PARK SYSTEM</u>	123
<u>ITEM 4: INTERSECTION CAPACITY MAP</u>	124
<u>ITEM 5: INTERSECTION - INTERCHANGES MAP</u>	125

ORGANIZATION OF REPORT

2023 Adopted Budget Overview

The 2023 Adopted Budget Overview contains the following sections:

Dakota County Facts	Land use, demographic and economic trends
Dakota County Structure	Board of Commissioners and countywide, officials; Committees of the Whole; Citizen Advisory Committees; and overall organizational structure
Budget Summary	County goals and objectives; budget at a glance; budget highlights and challenges; property tax levy practices; and summaries of revenues and expenditures
2023 Adopted Budget Overview	Expenditures and revenues by major account group; expenditures and revenues by department; adopted budget highlights by department; budget development process; fund types and balance; and changes in fund balance
Debt	Debt management; debt ratio; long-term liabilities; and schedule of bond retirement
Capital Improvement Program (CIP)	Impacts on operating budget; Park CIP; Buildings CIP; Transportation CIP; Environmental Resource CIP; Transportation Sales and Use Tax CIP; Byllesby Dam CIP; Data Networks CIP; and Regional Rail CIP
Departmental Information	Department information including position summary schedule; departmental and program descriptions, goals, and objectives; and performance measures
Financial Policies and Guidelines	Financial philosophy and guidelines; fund balance management; debt administration; investment policy; and budget compliance policy
Appendix, Glossary and Index	Property tax comparison; employee summary; department summaries; and definition of terms

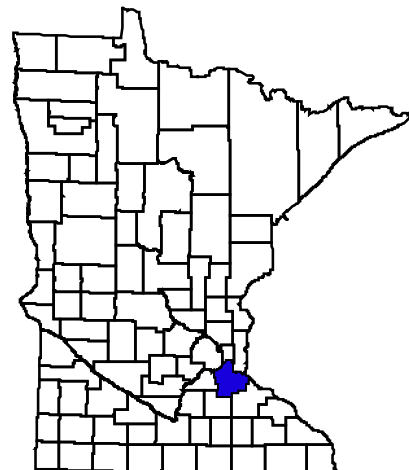
DAKOTA COUNTY FACTS

This Section provides information on the following:

- Location & History
- Land Use
- Demographic Trends
- Economic Trends

Location and History

In 1849, the Minnesota Territory legislature created nine original counties, including Dakota. The County's original boundary extended only as far south as Hastings but extended west several hundred miles to the Missouri River in the current State of South Dakota. Large numbers of European settlers began arriving to the region in the mid-1850s. With increased population, Minnesota became a state in May 1858, nine years after the creation of Dakota County. Dakota County has an area of 587 square miles, including 12 townships and 22 full and fractional, incorporated municipalities. It is one of seven counties comprising the Twin Cities metropolitan area. The County lies within the confluence of the Minnesota and Mississippi Rivers along the northern border and the confluence of the Mississippi and St. Croix Rivers on the eastern border. The county seat, Hastings, is located on the Mississippi River 18 miles southeast of the state capital, Saint Paul.



Land Use

Before the 1950s, land in Dakota County was used primarily for agriculture. Since that time, major transportation improvements and continued growth in the metropolitan area have brought more intense land use to the County. Land use in Dakota County is a mix between first-ring suburbs (West St. Paul, Mendota Heights), second-ring suburbs (Eagan, Burnsville) and third-ring suburbs (Lakeville, Rosemount). There are small cities that existed before suburban growth moved close to their borders, such as Hastings and Farmington.

Land development continues in the County, albeit more slowly than in previous decades. Prior to 2010, the rate of consumption (acres converted from agricultural use or open space to development) averaged between 2,200 and 2,900 annually. Since then, the rate has decreased to about 1,000 acres per year. Roughly 65% of Dakota County's total land acres is agriculture and undeveloped. According to 2021 Census (ACS) population estimates, the average population density is 753 people per square mile.

Demographic Trends

Dakota County is the third most populous county in Minnesota, with an estimated population of 442,038 based on 2021 census data. Between 2010 and 2021, Dakota County's population increased by over 10.9%, adding 43,486 people. According to Census estimates, 2008 was the first year since 1977 that Dakota County gained less than one percent in population, with the trend continuing.

Over the next 30 years, regional growth is projected to continue at an average rate of approximately 0.9% per year. The seven-county metropolitan region is anticipated to increase by 26% between 2020 and 2050, to a total population of more than 4 million residents. The Metropolitan Council projects the County will attain a population of about 520,980 people by the year 2040.

The estimated total number of households (including living alone) in Dakota County is 170,696, based on the 2021 1-Year ACS estimates. This represents an increase of 11.7% over 2010. The average household size has maintained at about 2.6 persons per household since 2010.

As development continues to move outwards from the urban core of Minneapolis and St. Paul, largely residential second and third-ring suburban communities will increase in population in Dakota County. By 2020, Lakeville (72,135) had overtaken second-ring suburban cities Eagan (69,086) and Burnsville (64,627) to become the most populated city in Dakota County. With land for development running short in the second ring, the third ring cities of Lakeville, Apple Valley, Rosemount, and Farmington are experiencing significant gains in population. The Metropolitan Council expects Lakeville and Rosemount to lead this growth with an additional 14,000 and 12,000 residents, respectively, between 2020 and 2040.

1970	1980	1990	2000	2010	2020	2030	2040
139,808	194,279	275,227	355,904	398,552	439,882	480,300	520,980

*Metropolitan Council Thrive MSP 2040 forecasts as of January 1, 2023

Other important demographic facts about Dakota County:

- Diversity is growing in Dakota County. Since 2000, Dakota County's population is becoming more racially and ethnically diverse, including both native born and foreign-born residents. In 2021, 25% of the population identified themselves as members of a racial minority group. Between 2021 and 2035, the non-white population in Dakota County is projected to grow by almost 30.3%, from an estimate of 107,949 non-white residents in 2021 to some 154,979 by 2035. Hispanic/Latino, Asian and African American are the largest non-white population groups.
- Student diversity is also increasing. During the 2020-2021 school year, 39.8% (27,170) of students in grades kindergarten through 12th grade were of racial and ethnic minority groups, having increased more than 60% since 2010. More than 150 different languages other than English are spoken by students in schools in Dakota County.
- Dakota County's median age is increasing. In 1990, the median age was 30.2 years; in 2021 it was 38.5. The number of people over the age of 65 in Dakota County is expected to increase 30% between 2023 and 2033. According to the Minnesota State Demographic Center's estimate, by 2033 in Dakota County, seniors age 65 and older will surpass the number of children ages 0-14 years old.
- People in Dakota County are well-educated. In 2021, 95.3% of the population (over the age of 25) had a high school degree or higher; 43.6% had a bachelor's degree or higher. Minnesota numbers, themselves higher than the national numbers, were 94.1% (high school degree or higher) and 38.9% (bachelor's degree or higher) in 2021.

Economic Trends

Recent economic conditions have resulted in challenges for many residents of Dakota County. Between 2010 and 2021, the unemployment rate in Dakota County has generally decreased. In 2021, the state's unemployment rate was 3.4%, the national unemployment rate was 5.3% and Dakota County's unemployment rate was 3.1%.

Generally, Dakota County is considered to have an economically healthy mix of industry types. Five industries (retail trade, manufacturing, health care and social assistance, transportation and warehousing, and accommodation and food services) employed over 50% of the total workforce in Dakota County in 2021. The Minnesota Department of Employment and Economic Development (DEED) projects that professions in the health care and social assistance fields will have the highest growth rate during the next several years, a direct effect of the rapidly aging population.

Affordable housing has become more limited with greater competition for existing moderately priced units. In Dakota County, the growing demand for affordable housing is especially critical for individuals employed in the service sector and for single head-of-household families with children. Further, the demand for affordable housing is critical for senior citizens, the population of which will increase substantially in Dakota County and the metropolitan area in the next 15 years.

The rate of home ownership in Dakota County declined slightly from 78% to 77.1% between 2000 and 2021. According to the Minneapolis Area Association of Realtors, the median sale price of residential property in Dakota County in 2021 was \$347,000, which is a 11.6% increase from 2020. In 2021, 51% of the renter households and 19% of those who own homes (with mortgage) were cost burdened. Cost burdened households are those that spend more than 30% of their gross income on housing and related costs.

Annual average wages paid by employers in Dakota County have risen from \$33,456 in 2000 to about \$64,064 in 2021. For 2021, the median household income was \$93,786 in Dakota County compared to the State of Minnesota's median income amount of \$77,720.

The labor force in Dakota County has grown over the last decade. In 2021, the number of residents who were eligible to be considered part of the labor force was 237,756, an 8.3% increase compared to 219,431 in 2000.

Rates of poverty among Dakota County residents remain below state and national averages. According to the 2021 American Community Survey, 5.8% of the Dakota County population was below the federal poverty level. The state and national poverty rate are 9.6% and 12.8%, respectively.

DAKOTA COUNTY STRUCTURE

This Section provides information on the following:

- Dakota County Board of Commissioners
- Dakota County Countywide, Elected Officials
- Committees of the Whole
- Citizen Advisory Committees & Commissions
- Dakota County Organizational Structure

Dakota County Board of Commissioners

Dakota County (County) is governed by a seven-member Board of Commissioners (Board) individually elected from seven separate districts. The County Board adopts by resolution a schedule of regular county board and committee meetings each year. Generally, the board meets twice a month in regular meetings, which are recorded for distribution to cable television companies for broadcast and also can be viewed live on the county's website. Each committee generally meets once each month and meetings are not recorded for broadcast and are not available for live streaming.

Dakota County Board of Commissioners			
District	Name	Begin Term	End Term
1st	Mike Slavik	2013	2026
2nd	Joe Atkins	2017	2026
3rd	Laurie Halverson	2021	2026
4th	William Droste	2023	2026
5th	Liz Workman (Chair)	2009	2024
6th	Mary Liz Holberg	2015	2026
7th	Mary Hamann-Roland	2021	2024

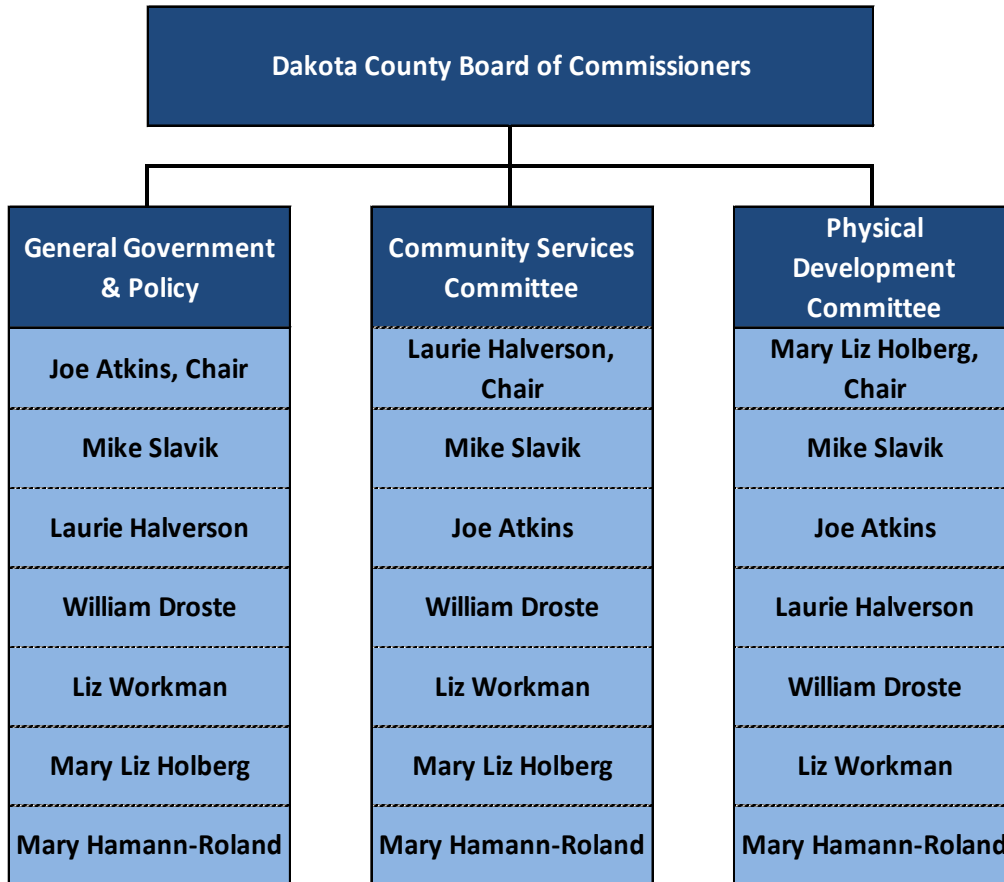
Countywide, Elected Officials

Dakota County also elects two countywide officers for the discharge of public safety duties: the County Attorney and County Sheriff. These officials each serve a four year term upon election.

Countywide, Elected Officials			
Office	Name	Begin Term	End Term
County Attorney	Kathryn Keena	2023	2026
County Sheriff	Joe Leko	2023	2026

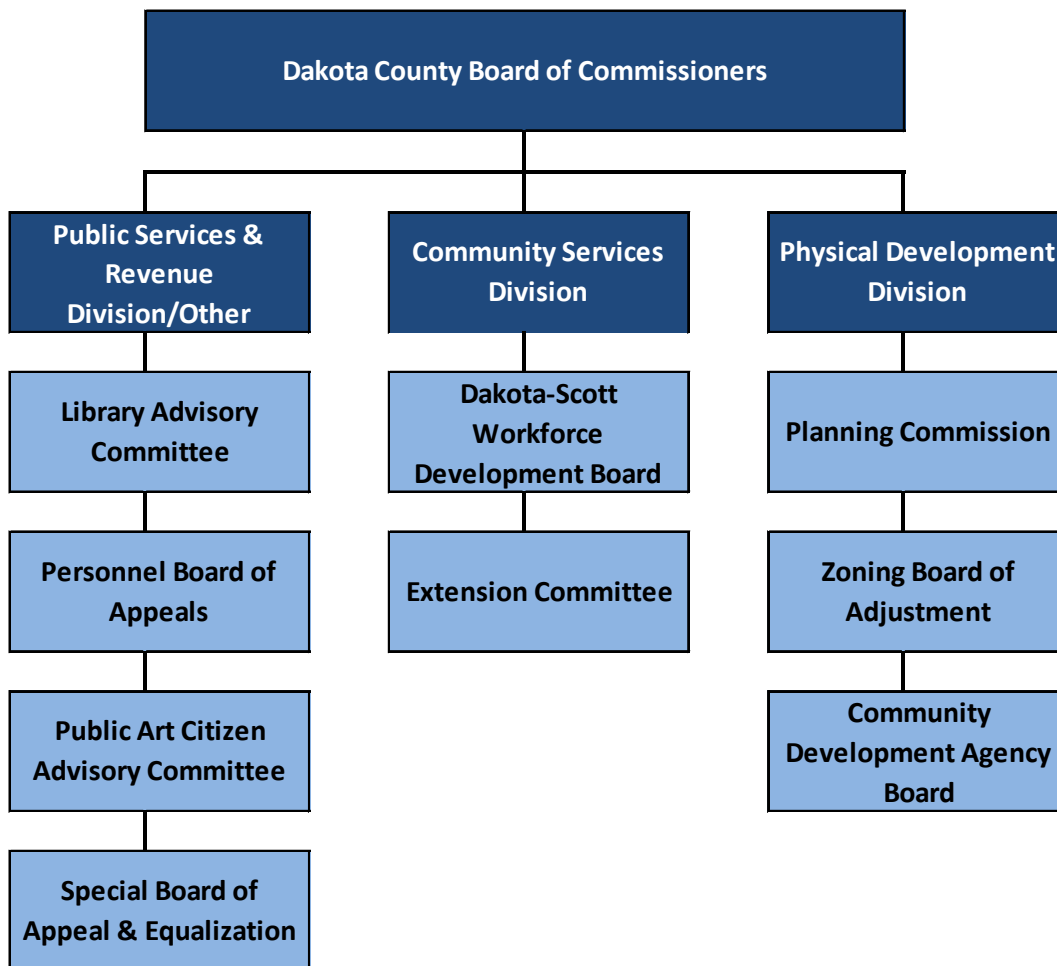
Committees of the Whole

There are three Committees of the Whole, which all Board members serve on: General Government & Policy Committee of the Whole; Community Services Committee of the Whole; and Physical Development Committee of the Whole.



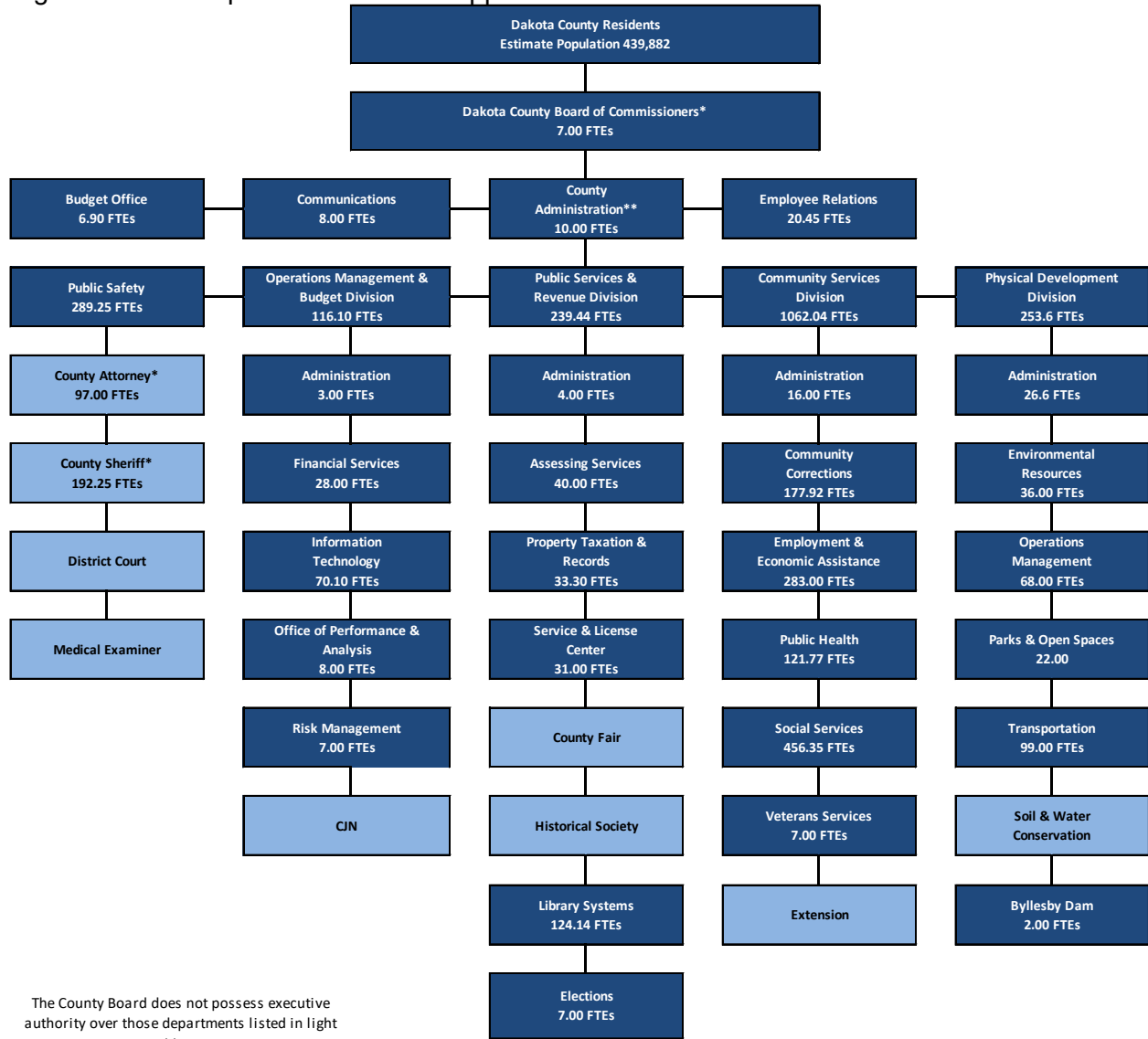
Citizen Advisory Committees and Commissions

The Board also appoints a number of individuals from the community to serve on Citizen Advisory Committees. Each of these advisory groups receives direction from the Board in the form of work plans. These various committees, commissions and boards provide advice and insight for the Board when it renders decisions on germane topics.



Dakota County Organizational Structure

The 2023 Adopted Budget authorizes funding for 2,012.78 Full Time Equivalent (FTE) employees. The following organizational chart outlines the allocation of FTEs among the various County departments as well as the County’s reporting relationships. For the description of the County’s organization units please refer to the Appendix Item 7.



The County Board does not possess executive authority over those departments listed in light blue.

The Board enjoys direct executive control over all other departments, which are listed in dark blue.

*Elected Officials

**2.00 FTE in County Administration are being held for future use in other departments.

BUDGET SUMMARY

This section provides information on the following:

- County Goals and Strategies for the Upcoming Fiscal Year
- 2023 Adopted Budget at a Glance
- 2023 Adopted Budget Highlights
- Challenges Facing the County
- Property Tax Levy Practices
- Overview of Expenditures
- Overview of Revenues

County Goals & Objectives

Dakota County works diligently to manage strategically by using important tools such as a countywide strategic plan with relevant performance indicators, regular cross-departmental meetings to evaluate improvement on performance indicators, ongoing monitoring of community indicators to provide context for our work, and a routine residential survey to gather public opinion.

Dakota County has been engaged in this work for several decades. In 2017, the Board adopted a new strategic plan, which affirmed the existing vision and mission (above) and identified four goals and 15 strategies to achieve both. Each year, the Board also adopts a set of annual strategic priorities, to emphasize timely initiatives used to meet its longer-term goals. The goals for Dakota County include:

Dakota County's vision is to be a premier place in which to live and work.
Dakota County's mission is to provide efficient, effective, and responsive government.

1. A great place to live
2. A healthy environment with quality natural areas
3. A successful place for business and jobs
4. Excellence in public service

In alignment with the strategic plan, other efforts further the use of strategy and data to inform policy and budget decisions, such as:

- Fourteen performance measures have been identified and align with the goals and strategies in the strategic plan. These measures represent the County's base business operations and intended intermediate outcomes.
- Quarterly meetings are held with County Administration, internal services, and all departments involved in the outcome of strategic plan performance measures. The meetings provide an opportunity for departments to talk about operational issues and processes, as well as resource needs, in a format that focuses on data and allows for collaborative problem-solving across the organization.
- Annual Budget Summaries produced by the divisions and departments document not only budget requests, but achievements and challenges supported by performance indicators and linked to the strategic plan.
- Ongoing monitoring of community indicators provides timely data and analysis on external socioeconomic, demographic, and other trends in the County and informs future strategic direction and policies.
- A statistically valid residential survey is conducted every two to three years. The County is conducted such a survey in the spring of 2019. The survey provides valuable information on the priorities and concerns of County residents. This information helps the Board achieve its responsibilities as a policymaking body.

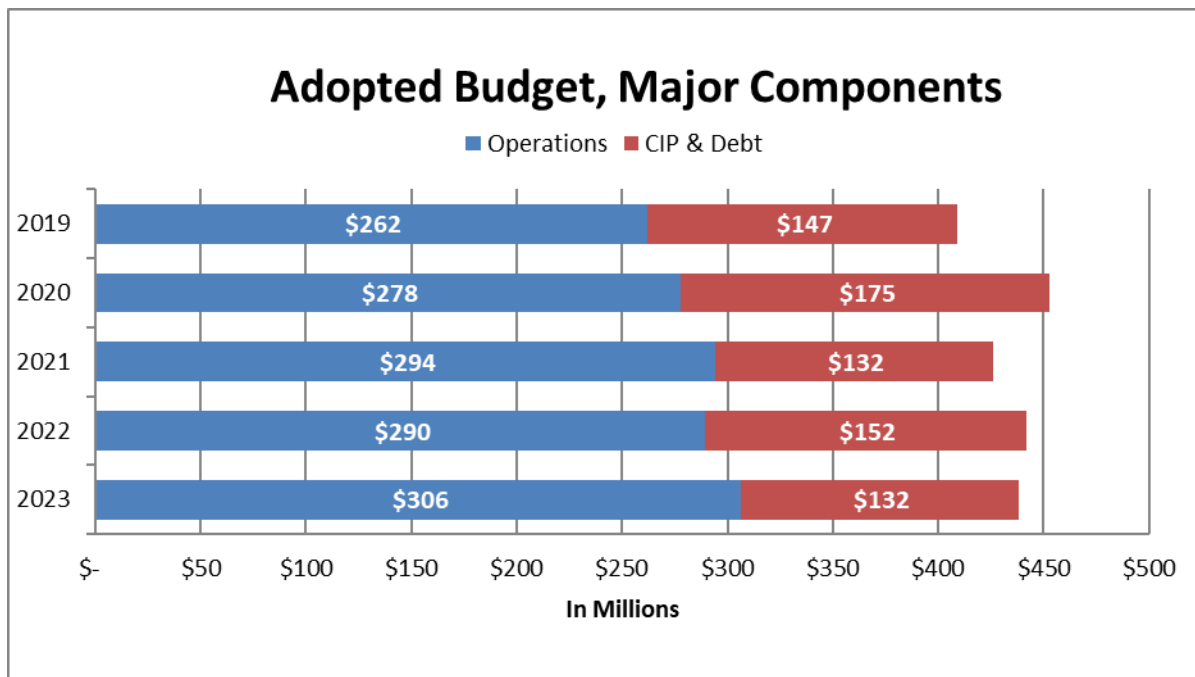
To view more on Dakota County's strategic plan please refer to the County's external website: <https://www.co.dakota.mn.us/Government/Analysis/StrategicPlan/Pages/default.aspx>

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Budget at a Glance

The Adopted Budget for the upcoming 2023 fiscal year totals \$438 million. As compared to the previous year, this budget decreased total budgeted spending by \$3.7 million, a decrease of 0.8%. Under the 2023 Adopted Budget (Adopted Budget), Dakota County increased total operating spending by \$16.7 million, an increase of 5.8% and decreased Capital Improvement Program spending by \$20.4 million, a decrease of 13.4% as compared to the previous fiscal year. These increases coupled with the decreases in state and federal revenues as well as the use of fund balance allowed the County to limit the Certified Property Tax Levy (Levy) to \$147.4 million, an increase of 1.9% for the upcoming fiscal year.

The chart below outlines the two major components of the previous five years of adopted budgets. As indicated by the chart, expenditures in operating increased and capital budgets decreased for 2023.



Budget Highlights

- Reflects disciplined spending and no growth in levy in response to the effects of the pandemic and economic uncertainties
- Meeting the challenges of a competitive workforce with increases in employee compensation
- Includes strong investment in our roads, parks, equipment, and technology
- Great Recession and aftermath led to smaller budget, reaffirmed priorities, and long-term planning
- Sound fiscal management principles continue to apply: levy and fund balance management
- Funds operating cost pressures through internal reallocations and savings and increased external revenues
 - 35.59 Full-Time Equivalent (FTE) employees added for 2023 funded mainly from additional State & Federal revenues and with internal reallocating of expenses
 - Since 2009, net workforce increased by 156.83 FTEs
 - Adopted 2023 levy increased 1.9% compared to 2022
 - Median-priced home will see about \$23 increase in County taxes
- Sound long-term financial plan supports future budget and service stability
 - Budget is structurally balanced—ongoing costs funded with reliable revenue sources
 - County reserve levels and state and federal revenue reliance are prudent and recognize continuing long-term economic and budget uncertainty

Challenges Facing the County

- Maintaining fiscal health during economic and policy uncertainty
- Providing services for all residents

Maintaining Fiscal Health

The 2023 Adopted Budget recognizes the uncertainty and risk present in both the State of Minnesota and Federal Government budgets. As in previous years, the County assigns general purpose aid revenue from the State of Minnesota to the County Improvement Program (CIP) as opposed to the operating budget. Given the volatility and therefore inherent risk of this funding source, the County prefers to delay or modify the construction of capital projects as opposed to upsetting regular County operations. The County will continue this strategy for the foreseeable future.

Providing services for all residents

Many of the services provided by the County are for citizens with specific needs. However, the County provides many services that are intended for the general population--services such as transportation, parks, and libraries. Increasing demand for services for individual citizens having specific needs makes it difficult to provide additional funding to meet the growing needs of the general population.

Long-Term Financial Forecast

Dakota County practices a long-term financial budget forecast utilizing the following assumptions:

- Total annual operating cost growth: 5.8%
- Amount of 2023 CPA budgeted in operations: 96%
- Future labor contracts renegotiated at rates similar to current contracts.
- No debt—cash for capital projects
- Stable state budget
- Maintain structural balance in operations

The following possible significant changes to the outlook have been identified:

- National economic trends
- The labor market
- Federal policy changes
- State budget, mandates and systems performance
- Post pandemic future environment

Other long-term issues not currently built into current planning models:

- Housing and self-sufficiency initiatives
- Parks natural resource and visitor services planning implications
- Space planning

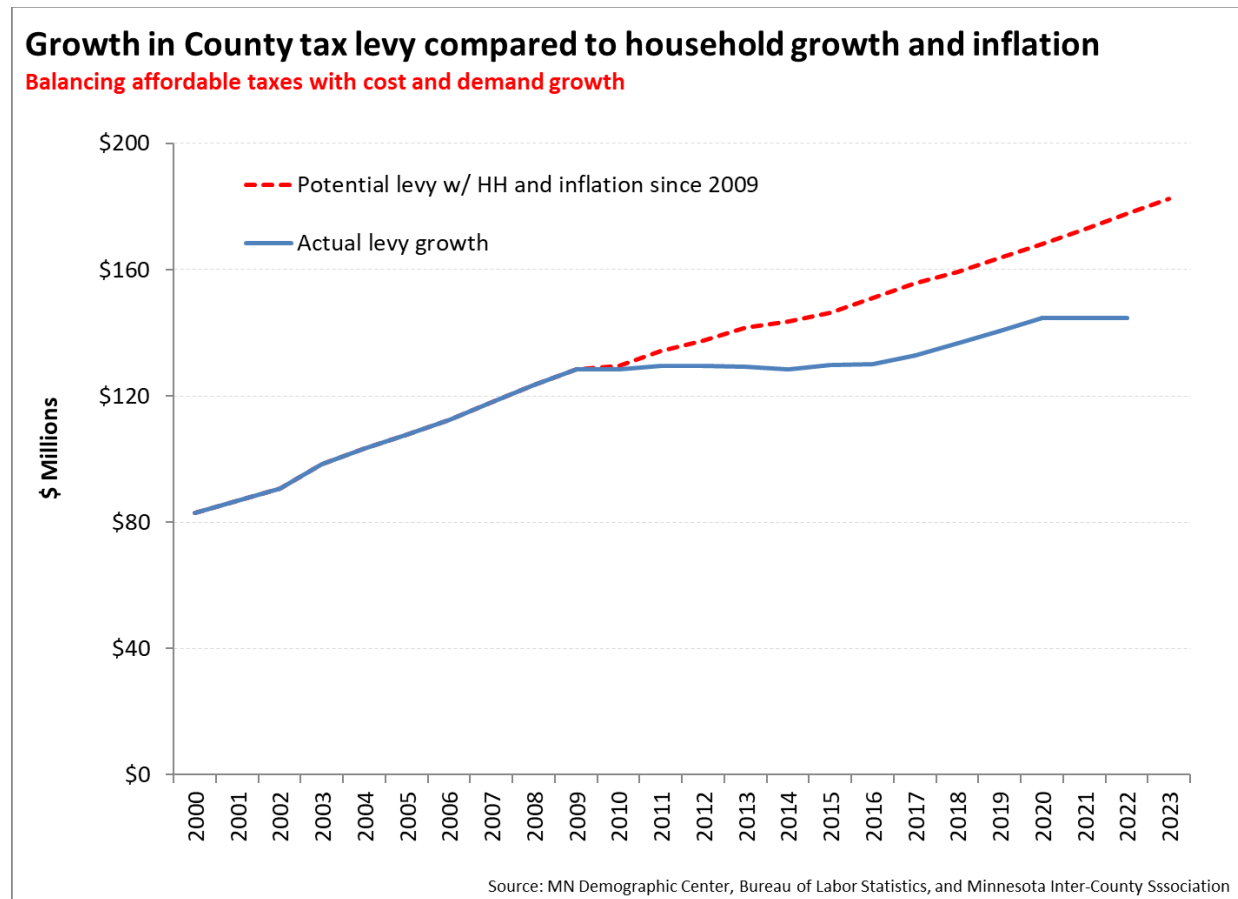
The following chart illustrates how Dakota County is utilizing forecasting to manage levy changes over the next several years. A Levy Management Account (LMA) was created using set-asides and reallocations of budgets since 2016. By drawing down on the LMA Dakota County was able to keep the levy increase below the projected increase of 4.1% in 2023 and is projected to keep the levy increase at 5.6% in 2024 assuming standard inflationary growth, along with modest increases in revenues and new additions to the budget.

In millions

	2023 Adopted Budget	2024 Estimated Inflation	2024 Projected Budget	2025 Estimated Inflation	2025 Projected Budget	2026 Estimated Inflation	2026 Projected Budget
Expenditures							
Personnel Costs	\$ 225.3	6.3%	\$ 239.4	4.6%	\$ 250.5	4.6%	\$ 262.1
Non-Personnel	\$ 73.4	2.3%	\$ 75.2	1.5%	\$ 76.3	1.5%	\$ 77.4
Capital Equipment	\$ 7.5	0.0%	\$ 7.5	0.0%	\$ 7.5	0.0%	\$ 7.5
	\$ 306.2	5.2%	\$ 322.0	3.8%	\$ 334.3	3.8%	\$ 347.0
Revenues							
Charges for Services/Other	\$ 59.8	0.0%	\$ 59.8	11.0%	\$ 66.4	0.0%	\$ 66.4
State	\$ 58.5	0.8%	\$ 59.0	0.7%	\$ 59.4	0.7%	\$ 59.8
Federal	\$ 45.9	1.9%	\$ 46.8	1.8%	\$ 47.6	1.8%	\$ 48.5
	\$ 164.2	0.8%	\$ 165.5	4.8%	\$ 173.4	0.7%	\$ 174.7
Levy Management/Other Funding			\$ 6.6		\$ -		\$ -
Property Taxes	\$ 142.0	5.6%	\$ 149.9	7.3%	\$ 160.9	7.1%	\$ 172.4

Property Tax Levy Practice

Since 1989, Dakota County has had the practice of limiting the change in property taxes to the same rate as population growth plus inflation. The County calls this taxing practice “Same Price per Citizen” (SP/C). In 2023, the County maintained the lowest levy per capita in the State of Minnesota and the lowest property tax rate among the seven metropolitan counties. The County is committed to maintaining a low property tax levy, while providing cost efficient, highly effective, and customer-friendly services.



The above chart compares the actual and forecasted levy growth through 2023 to the potential levy per household with inflation since 2009. This chart indicates that the per household levy increase has generally reflected inflation, but has been lower than inflationary increases in recent years. It is projected that this trend will continue into the future. In other words, the price of operating the Dakota County government is considerably less than the average.

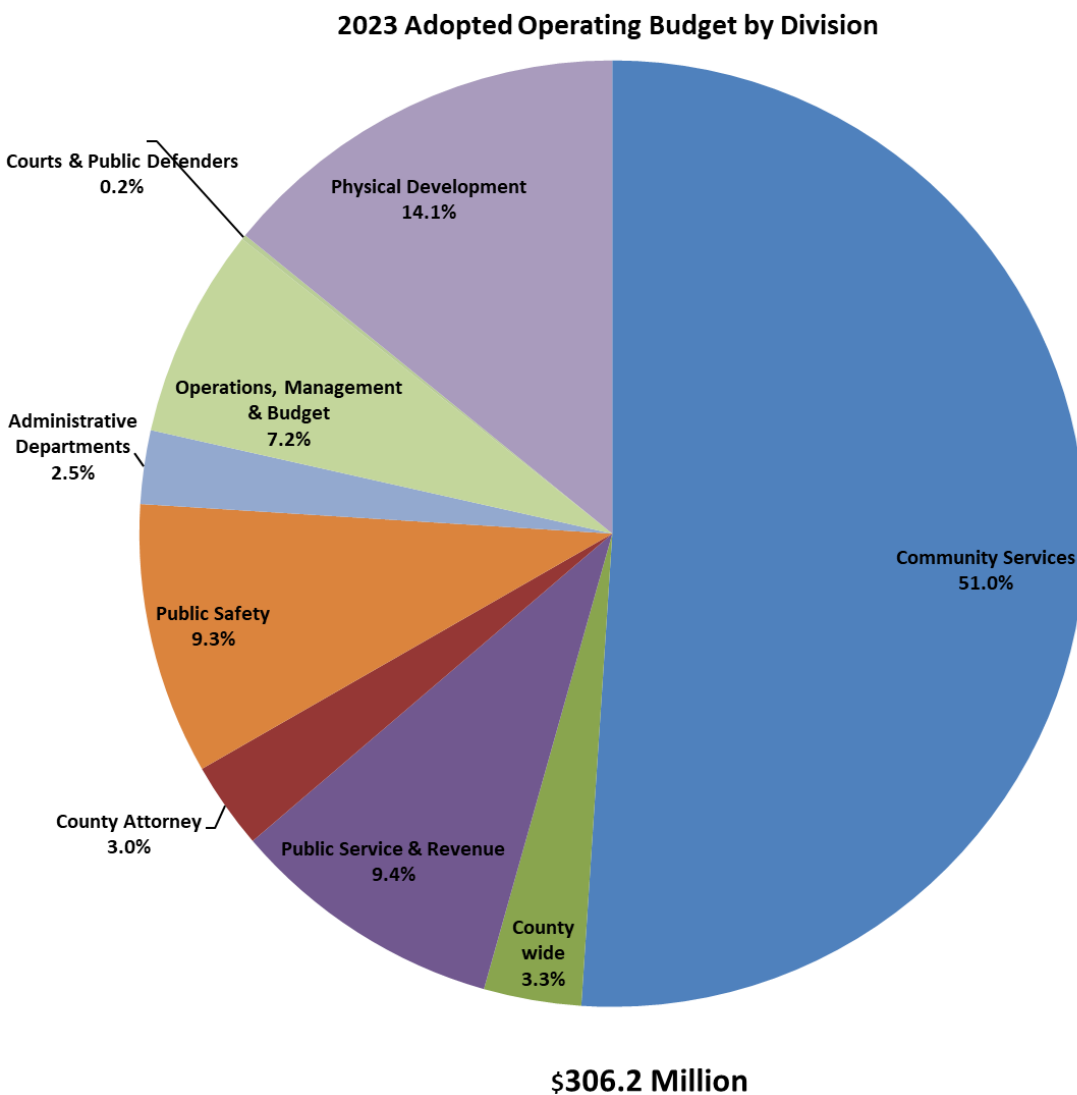
Summary of Expenditures

The 2023 Adopted Budget authorizes a total of \$438 million in expenditures. As mentioned above, the amount represents a 0.83% decrease as compared to the 2022 Adopted Budget.

Operations

Total spending for operations (excluding Capital Equipment) increased from 2022 to 2023. The 2023 Adopted Budget authorizes operating expenditures totaling \$306.2 million, an increase of \$16.7 million or 5.8%.

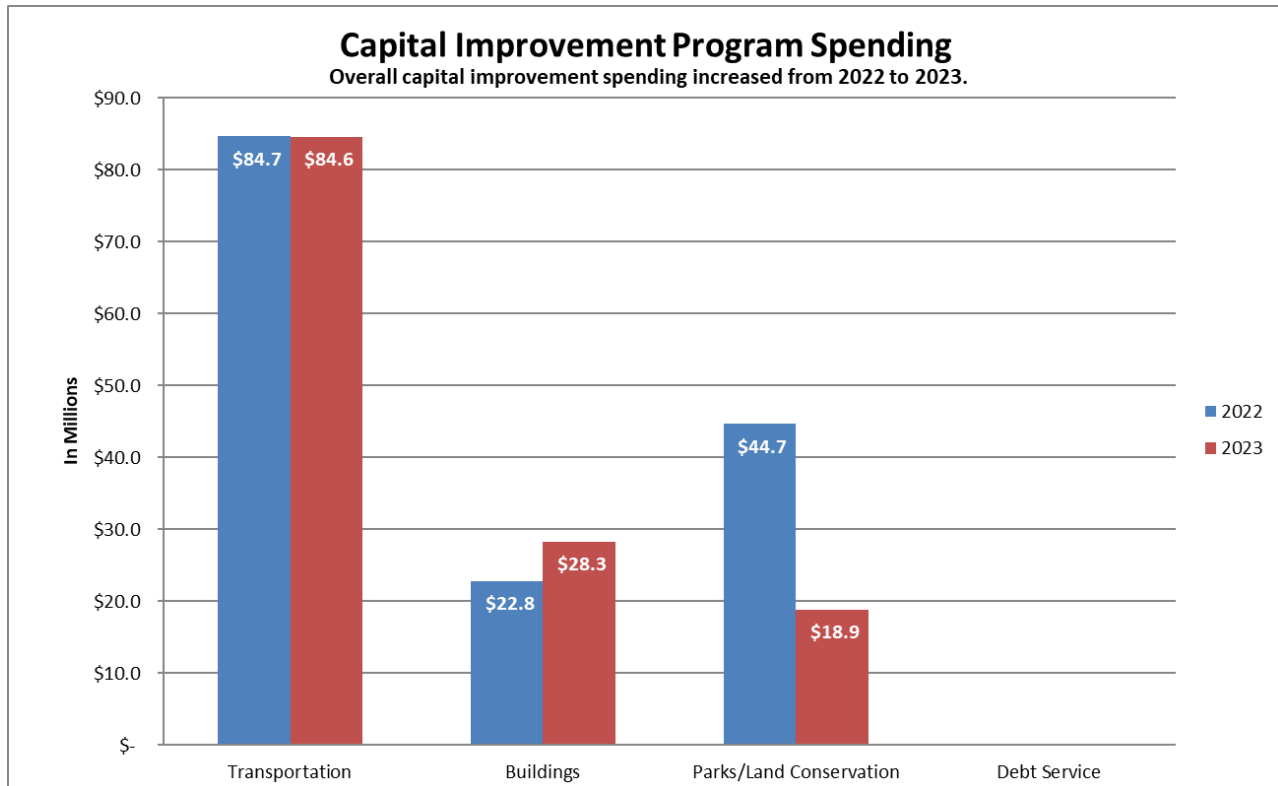
The chart below summarizes the authorized expenditures by division. As with past years, Community Services, the County’s largest division, consume slightly more than a majority of the operating budget.



Capital Improvement Program & Debt Service

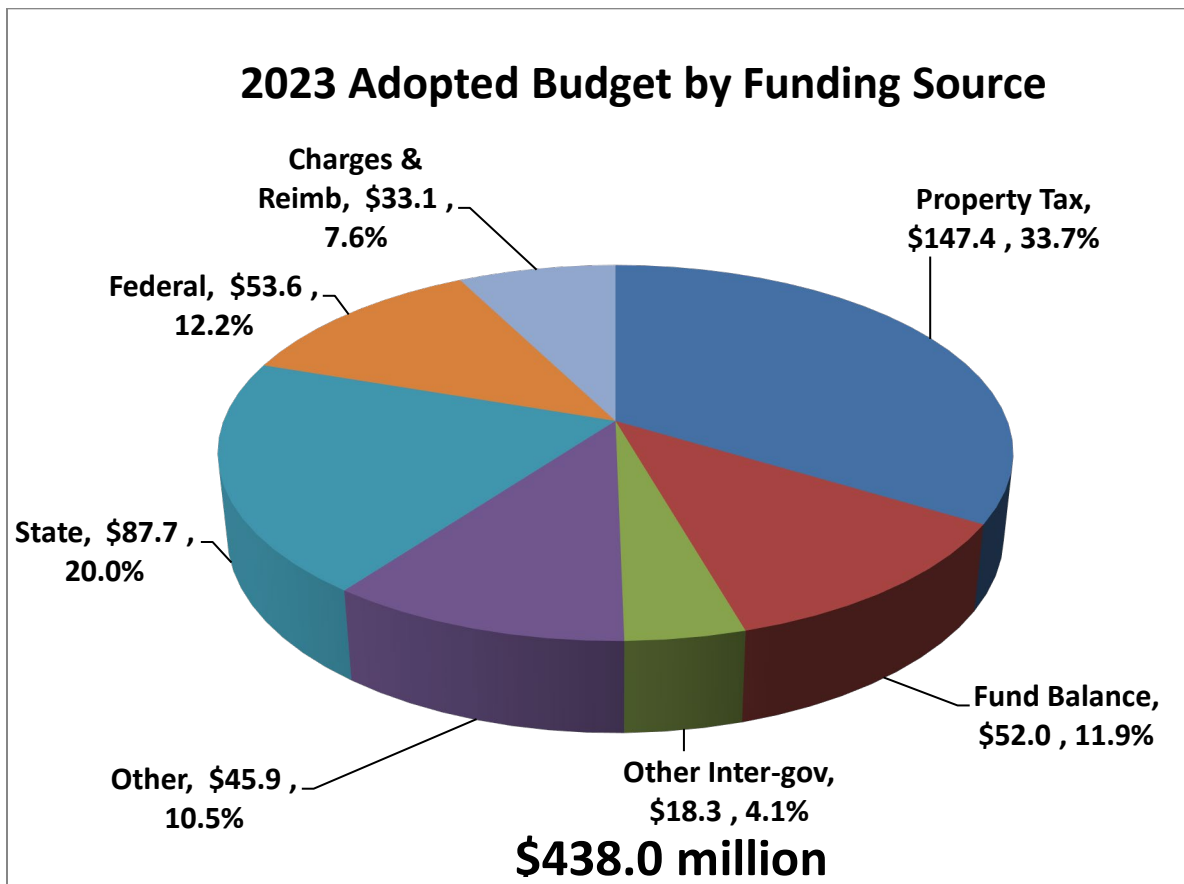
The 2023 Adopted Budget for the Capital Improvement Program (CIP) is \$131.8 million, a decrease of \$20.4 million or 13.4%. Generally, the CIP includes the funding for all transportation, buildings and parks projects. The content of each of these categories is discussed in greater detail beginning on page 57.

Dakota County will not have any outstanding bond debt in 2023. As with the CIP, debt service is discussed in greater detail beginning on page 54. The following chart provides a comparison of the current and previous year’s budgets for both CIP and debt service.



Summary of Revenue

The relative mix of funding sources has remained fairly constant over the past several years with the greatest fluctuations typically occurring in Other Revenue and often in the capital budget, resulting from bond proceeds and revenue from Other Governments including revenue from cities for road construction. Variances in the proportion of State and Federal funding will also more frequently occur in capital projects.



Property tax dollars fund a significant portion of the County’s budget: 33.7% for 2023 Adopted Budget. The County’s property tax is the largest and most stable source of funding. In recent years, the proportion of the County’s budget derived from the property tax has either stayed the same or slightly increased. The property tax levy is set annually by the County Board and cannot be adjusted during the year per State law.

State, Federal, and other intergovernmental revenue (e.g., Metropolitan Council and cities) combined fund 36.4% of the total 2023 Adopted Budget. In total, revenues from these three sources decreased from \$168.5 million in 2022 to \$159.6 million in 2023, a decrease of 8.9 million or 5.3%.

Fund balance use also funds a portion of the County’s annual expenditures, \$52.0 million for the 2023 Adopted Budget. Environmental Resources is funded by a special revenue fund. The County’s practice has been to offset the entire cost of their operation with a budgeted use of fund balance to ensure the costs are covered by non-property tax sources. It is important to note, however, that the source of revenue for their operating fund is general revenue, and the expenditures from that fund do not exceed the revenues on an ongoing basis.

2023 Adopted Budget Overview

This section provides information on the following:

- Expenditures and Revenues by Major Account Groups
- Expenditures and Revenues by Divisions/Departments
- Adopted Budget Highlights by Department
- Budget Development Process
 - Budget Schedule
 - Planning Base Development
 - Changes to Planning Base
 - Final Budget Adoption
 - Budget Compliance Policy
 - Basis of Budgeting
- Fund Types
- Explanation of Reserved and Designated Fund Balance
- Changes in Fund Balances

Expenditures & Revenues by Major Account Groups

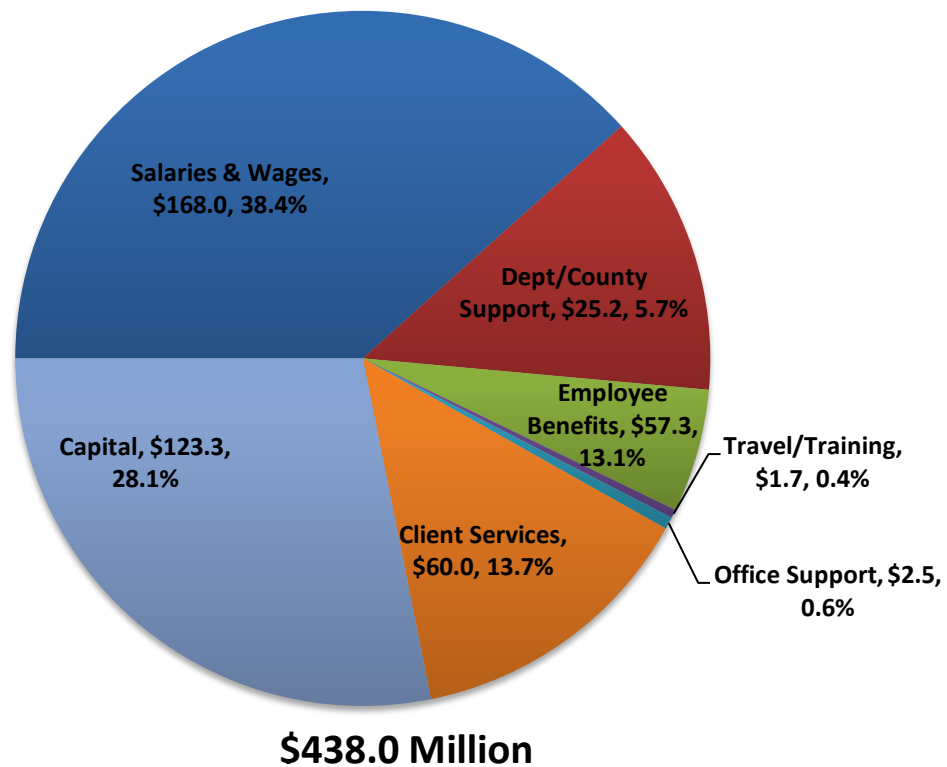
This section provides an overview of revenues and expenditures for the 2023 Adopted Budget by account group. The chart below provides a general summary of the various revenues and expenditures for the 2023 Adopted Budget as well as a summary of the historical data used to inform this budget.

Dakota County Financial Summary						
Expenditures	2020 Actual	2021 Actual	2022	2023	2023	% Change
			Adopted Budget	Planning Base	Adopted Budget	2022 to 2023
Full-Time Equivalents (FTE)			1977.19	1974.28	2012.78	1.8%
Salaries & Wages	148,197,030	147,949,691	158,441,230	164,652,585	167,985,809	6.0%
Employee Benefits	47,740,058	49,013,173	54,106,623	56,029,040	57,285,546	5.9%
Department & County Support	27,576,891	27,003,501	24,422,407	24,998,654	25,167,262	3.0%
Travel & Training	858,827	981,159	1,729,008	1,672,130	1,729,583	0.0%
Office Support Costs	2,638,221	2,175,251	2,278,049	2,267,960	2,269,960	-0.4%
Client Services & Materials	73,693,322	83,647,360	55,321,394	61,406,011	60,029,759	8.5%
Capital	120,823,767	121,989,478	144,264,550	121,488,969	122,624,443	-15.0%
Budget Incentive Program (BIP)	602,640	401,480	1,121,512	897,763	897,763	-20.0%
Transfers to Other County Funds	26,466,948	8,245,569	0	12,361,030	23,750	0.0%
Total Expenditures	448,597,704	441,406,662	441,684,773	445,774,142	438,013,875	-0.8%
Revenues						
Property Tax	144,101,271	144,613,647	144,613,647	147,361,306	147,361,306	1.9%
Licenses, Fines & Charges	33,392,099	35,850,214	31,866,808	32,573,168	33,142,244	4.0%
Other Revenue	14,597,510	24,970,463	43,076,695	58,030,463	45,922,510	6.6%
Federal Revenue	92,478,994	54,461,431	50,211,985	52,619,930	53,562,498	6.7%
State Revenue	77,949,371	109,561,559	96,011,953	86,603,114	87,709,557	-8.6%
Other Intergovernmental Revenue	34,643,948	16,278,423	22,268,476	17,660,465	18,274,044	-17.9%
Transfer from Other County Funds	5,384,983	10,527,574	0	23,750	23,750	0.0%
Total Revenue	402,548,176	396,263,311	388,049,564	394,872,196	385,995,909	-0.5%
Fund Balance						
Fund Balance	46,049,528	45,143,351	53,635,209	50,901,946	52,017,966	-3.0%
Total Source of Funds	448,597,704	441,406,662	441,684,773	445,774,142	438,013,875	-0.8%

Total Expenditures

At \$438.0 million, the 2023 Adopted Budget reflects a .83% decrease in total spending as compared to the 2022 Adopted Budget. As seen in the graph below, the County spends approximately 51.9% of the total budget on wages, benefits, and travel and training. The remaining portions of the County’s expenditures are divided among capital and departmental activities, which include client services and department support. The Other Support category includes office materials and supplies, and other purchased support services.

2023 Adopted Budget, Account Group



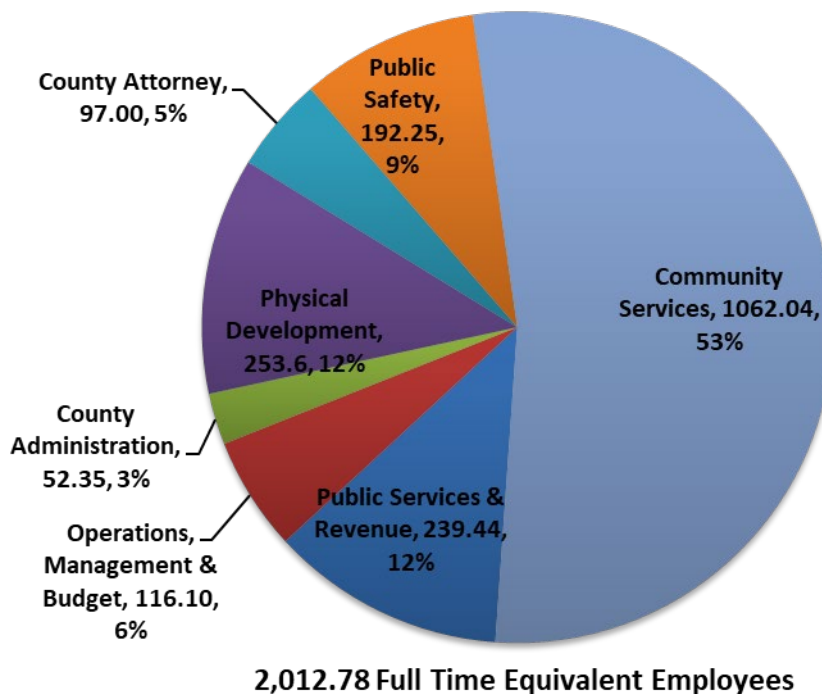
Salaries and Wages

The 2023 Adopted Budget increased Full-Time Equivalents (FTEs) from 1,977.19 in FY2022 to 2,012.78 in FY2023, or an increase of 1.8%. The County maintains the lowest number of employees per 1,000 residents in the seven metropolitan county areas.

The chart below provides a breakdown of the County’s workforce by division. The small increase in the number of FTEs, coupled with a modest increase in salaries, bring total budgeted expenditures for salaries and wages increase from \$158.4 million in 2022 to \$168.0 million in 2023, or an increase of 6.0%.

Full Time Equivalent Employees, Division

More than half of all County employees work in Community Services



Employee Benefits

In 2012, the County released Request for Proposals for the entire suite of employee benefits, including health, dental and life insurance. During this process, the County decided to utilize a self-insured health insurance model. This change was effective on January 1, 2013. Consequently, this new financing strategy allows the County to realize considerable savings and slow the ever-increasing cost of healthcare. In total, the Employee benefits budgets increased from \$54.1 in 2022 to \$57.3 million in 2023, or a 5.9% change.

Public Employment Retirement Association

By Minnesota state law the County contributes a percentage of each employee’s gross wages to the Public Employment Retirement Association (PERA). Given the County’s increase level of FTEs, the 2023 Adopted Budget PERA budget increased proportionally.

Department/County Support

Department & County Support expenditures are used for the purchase of services, project support or activities related to the general support of County operations. The expenditures increased from \$24.4 million in 2022 to \$25.2 million in 2023, an increase of \$1.0 million or 3.3%.

Office Support

Office Support expenditures are used to record administrative costs common to most departments, such as office supplies, postage, printing cost and phone services. For the 2023 Adopted Budget, office support expenditures are budgeted at \$2.5 million, which is an insignificant change compared to the previous year's adopted budget.

Travel & Training Expenditures

Travel and Training expenditures account for those activities related to the general travel of employees while performing their duties (e.g. commuting to an offsite location for client services) and those costs incurred during employee related training, such as conferences and seminars. The most common expense in this category is mileage reimbursement.

For the 2023 Adopted Budget, travel and training expenditures are budgeted at \$1.7 million, which is an insignificant change compared to the previous year's adopted budget.

Client Services & Materials Expenditures

Client Services and Material expenditures include costs for both direct materials and supplies for County services generally and for citizen and client services specifically. Direct material and supplies are used to record the cost of materials that directly benefit citizens or clients. Citizen and client services are used to record the cost of purchasing services for citizen or clients, such as payment to vendors, which offer specific or unique services on behalf of the County. Expenditures budgeted in citizen and client services are frequently funded from other entities and are considered "pass-through" funds. Increases and decreases in these types of expenditures typically have corresponding changes in revenue.

For the 2023 Adopted Budget, the client services and material costs are budgeted at \$60.0 million, an increase of \$4.7 million or 8.5% when compared to the 2022 Adopted Budget.

Capital Expenditures (including equipment and capital improvement projects)

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

Dakota County has a practice of planning for and funding the operational costs of building projects in advance. An example is that in 2006 the County Board approved the construction of a new library to open in 2009. Beginning with the 2005 budget year, the County began designating current property tax levy for future operating expenses associated with the new library, because property tax levy had been gradually set-aside each year there was not an increase in the County's budget in 2009 related to the opening of the library, above the amount set-aside, nor was there a greater-than-average increase in the 2009 budget. Rather, the funds, which were set aside, were reallocated in the 2009 budget process to the Library department.

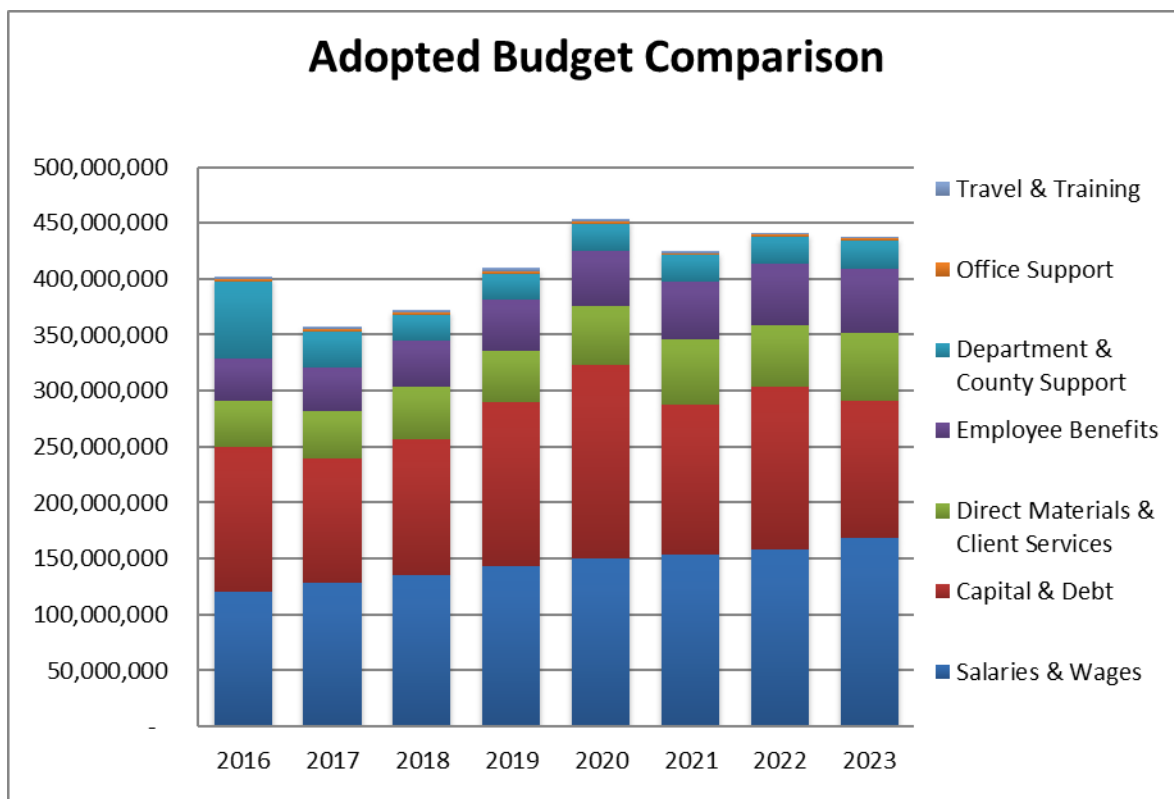
Total capital spending (including Debt Service) will decrease from \$145.2 million in 2022 to \$123.3 million in 2023, a \$21.9 million decrease, or 15.1%. These year-to-year changes reflect the inclusion of large one-time projects budgeted in 2023. The largest components of the CIP (Building, Parks and Transportation) are discussed in greater detail in the CIP section of the budget.

Budget Incentive Program Expenditures

Budget Incentive Program (BIP) expenditures are recorded across all account categories; however, for budgeting purposes, BIP is budgeted in one capital expenditure account. Departments are not required to indicate in the budget how they plan to spend BIP funds, although they are requested to formulate a “BIP Spending Plan” for internal review, which is approved by County Administration. For the 2023 Adopted Budget, total BIP expenditures are budgeted at \$0.9 million, a -19.0% change as compared to the previous years adopted budget of \$1.1 million.

Summary

The graph below provides a general summary of the previous seven years of adopted budget expenditures.



Total Revenue

For the 2023 Adopted Budget, revenues decreased from \$441.7 million in 2022 to \$438 million, a decrease of \$3.7 million or 0.8%. The decrease in revenues from 2022 to 2023 is primarily attributed to interest on investments, state revenues, and a decrease in federal revenues.

Property Tax

The Property Tax Levy is the County's largest, most flexible and most stable source of funding. Given the County's commitment to reallocate internal resources and rely upon fund balance to fund one-time or time-limited expenditures, the County was able to limit the 2023 Certified Property Tax Levy at \$147.4 million in 2023. As in previous years, the County assumes and strives for either no or modest changes in the Property Tax Levy.

Licenses, Fines & Charges

Licenses, Fine and Charges account for revenues derived from fees charged for County services. In order to budget for these revenues, the County relies on a five-year average to understand the overall trend. Additionally, the County performs regular fee studies to ensure that charges in this category are recovering the costs of performing the service in question. In some case, however, fees are in fact set by State law or regulation and not subject to modification. In that case, the County assumes the fees will remain flat.

Under these assumptions, the total budget for Licenses, Fines and Charges increased from \$31.9 million in 2022 to \$33.2 million in 2023, an increase of 4.0%.

Other Revenues

Generally, Other Revenues include a variety of revenue sources, including property taxes (not collected through the Property Tax Levy), penalties and miscellaneous revenue. The 2023 Adopted Budget assumes Other Revenues to total \$45.9 million, an increase of \$2.8 million or 6.6%. Like Licenses, Fines and Charges, these revenues are calculated with a five-year average and as reflected in previous budgets and actuals, they remain a volatile source of revenue.

Federal Revenues

Federal Revenue accounts for aid and other funding received from the federal government, such as monies to support federal entitlement programs. These revenues are adjusted using a five-year average as well as an analysis of the current grant awards maintained by the County. Federal revenues increased from \$50.2 million in 2022 to \$53.6 million in 2023, a change of \$3.4 million or 6.7%. The first chart on the following page summarizes the major changes in Federal Revenues by department.

Changes in Federal Revenue			
Department	2023 Adopted Budget	% of Expenditures	Change from 2022
Employment & Economic Assistance	21,495,388	60.2%	1,211,600
Social Services	15,027,582	21.3%	537,152
Transportation CIP	1,995,000	3.5%	555,000
Parks & Open Space CIP	0	0.0%	(4,888,000)
Finance	100,000	0.3%	100,000
Buildings CIP	4,669,072	13.5%	4,669,072
Countywide Operations	2,751,139	28.4%	35,000
Public Health	5,760,503	40.7%	874,337
Office of Risk Management	30,000	0.9%	0
County Sheriff	262,200	1.0%	10,000
Community Corrections	35,500	0.2%	(750,000)
County Attorney	436,114	5.0%	96,352
Information Technology	0	0.0%	(100,000)
DC Transportation Sales/Use Tax CIP	1,000,000	43.5%	1,000,000
Total County	53,562,498	12.1%	3,350,513

State Revenues

State revenues account for direct aid and other funding obtained from the State of Minnesota, such as County Program Aid (CPA), which the 2023 Adopted Budget allocates to both CIP for the construction of buildings, parks and transportation projects and operations. As with Federal Revenue, the County uses levels of certified aid as well as an analysis of grant awards to adjust the annual County budget. Under these assumptions, the State Revenues for the 2023 Adopted Budget total \$87.7 million, a decrease of \$8.3 million or -8.6% compared with 2022 Adopted Budget. The chart below outlines the major changes in State Revenues by division.

Changes in State Revenue			
Department	2023 Adopted Budget	% of Expenditures	Change from 2022
Capital Improvement Program	29,197,436	19.5%	-12,839,311
Community Services	29,057,376	20.2%	3,367,271
Physical Development	9,064,069	43.3%	508,347
Public Safety	1,058,753	4.2%	108,753
Countywide Operations	19,155,923	198.0%	692,544
Public Services & Revenue	126,000	0.9%	0
County Attorney	0	0.0%	-140,000
Administration	-	0.0%	-
Operations, Management & Budget	50,000	0.4%	0
District Courts	-	0.0%	-
Total County	87,709,557	19.9%	(8,302,396)

Other Intergovernmental Revenues

Other Intergovernmental Revenues account for the revenues received from external governmental organizations, such as the Metropolitan Council. These revenue assumptions reflect the commitment made by both external organizations and the County in various contracts and Joint Powers Agreements (JPAs). Intergovernmental Revenues are expected to decrease in 2023. In the 2023 Adopted Budget, these revenues total \$18.3 million, a decrease of \$4.0 million or -17.9% compared to the 2022 Adopted Budget.

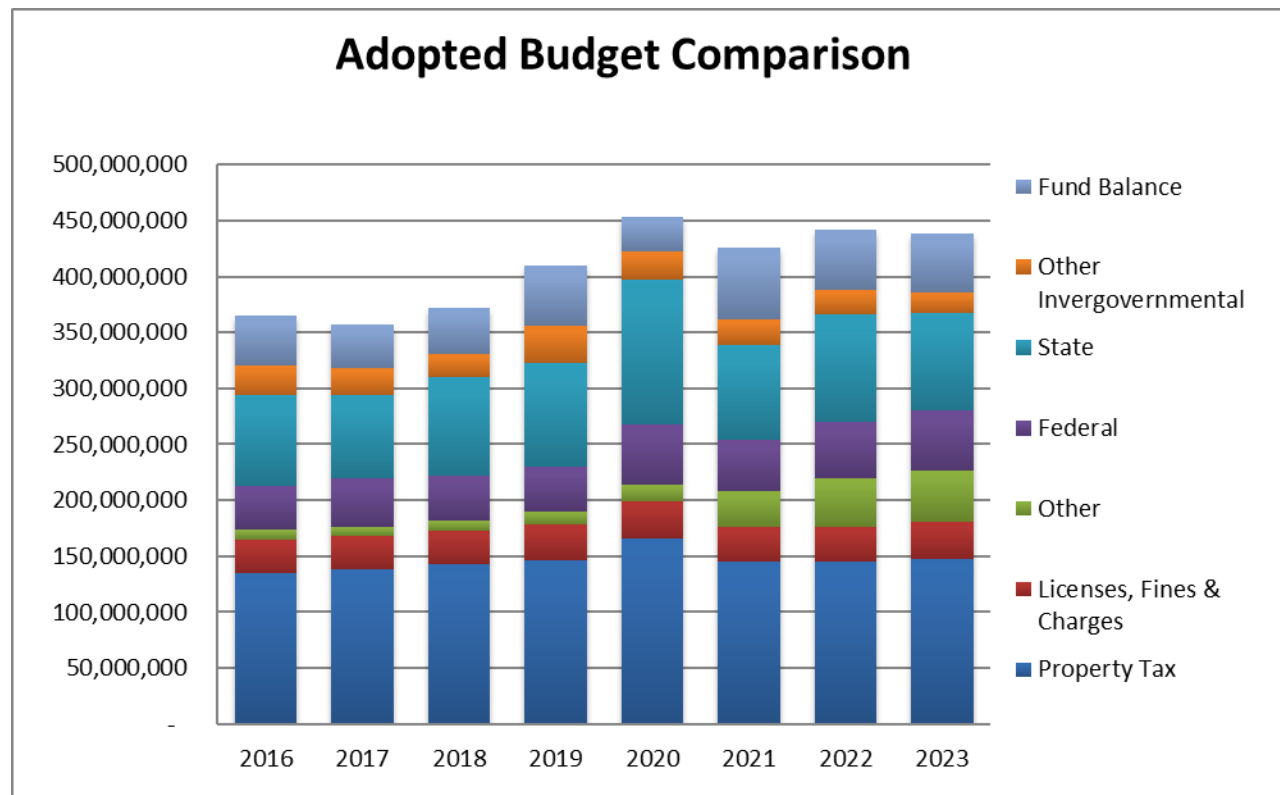
Fund Balance

Fund Balance, or monies held in reserve usually from positive budget variances from previous years, supports \$52.0 million of the \$438.0 million Adopted Budget. The amount of Fund Balance supporting the Adopted Budget increased from \$53.6 million in 2022 to \$52.0 million in 2023. As mentioned above, this represents a -3.0% decrease in the use of Fund Balance for 2023.

As a matter of policy, the County does not use Fund Balance to support County operations; rather it is used for one-time or time-limited expenditures. Identified in the CIP as a five-year projection, the use of Fund Balance is best understood as the projected difference between intergovernmental, federal, property tax and state revenues and the estimated cost of project construction. The County’s approach to managing fund balance is discussed in greater detail in later sections.

Summary

The graph below provides a general summary of the previous seven years of adopted budget revenues. As reflected in the graph, County revenues continue to decline.



2023 Dakota County Budget Summary by Department

	2022 Adopted Budget		2023 Planning Base				Adopted Changes		2023 Adopted Budget				2023 Adopted Budget		
	County	Total	County	Total	% County	% Total	County	Total	County	Total	% County	% Total	Current	New	Total
NON-DEPARTMENTAL(COUNTYWIDE)	(22,008,381)	9,673,387	(27,565,729)	10,019,524	25.3%	3.6%		150,000	(27,565,729)	10,169,524	25.3%	5.1%	2.00	0.00	2.00
OFFICE OF THE COUNTY MANAGER	1,379,799	1,529,411	1,376,069	1,525,681	-0.3%	-0.2%			1,376,069	1,525,681	-0.3%	-0.2%	8.00	0.00	8.00
COUNTY BOARD	897,406	903,606	941,791	947,991	4.9%	4.9%			941,791	947,991	4.9%	4.9%	7.00	0.00	7.00
COUNTY COMMUNICATIONS	983,198	1,091,198	1,020,619	1,020,619	3.8%	-6.5%	117,000		1,020,619	1,137,619	3.8%	4.3%	8.00	0.00	8.00
BUDGET OFFICE	775,093	775,093	800,118	800,118	3.2%	3.2%			800,118	800,118	3.2%	3.2%	6.90	0.00	6.90
EMPLOYEE RELATIONS	3,039,276	3,154,375	3,231,293	3,346,392	6.3%	6.1%			3,231,293	3,346,392	6.3%	6.1%	20.45	0.00	20.45
Total Administration	7,074,772	7,453,683	7,369,890	7,640,801	4.2%	2.5%	-	117,000	7,369,890	7,757,801	4.2%	4.1%	50.35	0.00	50.35
COMMUNITY SERVICES ADMIN	2,131,536	2,135,961	2,129,938	2,134,363	-0.1%	-0.1%			2,129,938	2,134,363	-0.1%	-0.1%	16.00	0.00	16.00
SOCIAL SERVICES	32,709,788	70,505,735	34,804,860	75,767,640	6.4%	7.5%	1,620,545		34,804,860	77,388,185	6.4%	9.8%	427.85	28.50	456.35
EMPLOYMENT & ECONOMIC ASST	9,385,471	35,710,081	9,898,962	37,411,222	5.5%	4.8%	523,950		9,898,962	37,935,172	5.5%	6.2%	283.00	0.00	283.00
PUBLIC HEALTH	4,722,696	14,151,346	5,278,680	14,547,838	11.8%	2.8%	134,942		5,278,680	14,682,780	11.8%	3.8%	120.77	1.00	121.77
VETERANS SERVICES	809,470	831,970	839,303	861,803	3.7%	3.6%			839,303	861,803	3.7%	3.6%	7.00	0.00	7.00
COMMUNITY CORRECTIONS	14,151,370	22,718,065	15,117,298	22,918,993	6.8%	0.9%			15,117,298	22,918,993	6.8%	0.9%	176.92	1.00	177.92
EXTENSION	346,248	356,948	353,349	364,049	2.1%	2.0%			353,349	364,049	2.1%	2.0%	0.00	0.00	0.00
Total Community Services	64,256,579	146,410,106	68,422,390	154,005,908	6.5%	5.2%	-	2,279,437	68,422,390	156,285,345	6.5%	6.7%	1031.54	30.50	1062.04
PUBLIC SERVICE & REVENUE ADMIN	344,768	791,475	347,573	826,280	0.8%	4.4%			347,573	826,280	0.8%	4.4%	4.00	0.00	4.00
ASSESSING SERVICES	4,169,462	4,175,223	4,365,326	4,371,087	4.7%	4.7%			4,365,326	4,371,087	4.7%	4.7%	40.00	0.00	40.00
PROPERTY TAXATION AND RECORDS	70,590	3,943,934	100,904	4,052,248	42.9%	2.7%			100,904	4,052,248	42.9%	2.7%	33.30	0.00	33.30
SERVICE & LICENSE CENTERS	497,179	2,369,440	587,814	2,486,075	18.2%	4.9%			587,814	2,486,075	18.2%	4.9%	31.00	0.00	31.00
HISTORICAL SOCIETY	107,185	107,185	107,185	107,185	0.0%	0.0%			107,185	107,185	0.0%	0.0%	0.00	0.00	0.00
COUNTY FAIR	191,117	191,117	191,117	191,117	0.0%	0.0%			191,117	191,117	0.0%	0.0%	0.00	0.00	0.00
LIBRARY	13,514,982	14,280,930	13,945,216	14,657,216	3.2%	2.6%	168,000		13,945,216	14,825,216	3.2%	3.8%	124.14	0.00	124.14
ELECTIONS	627,752	673,752	801,337	847,337	27.7%	25.8%	946,000		801,337	1,793,337	27.7%	166.2%	5.00	2.00	7.00
Total Public Services & Revenue	19,523,035	26,533,056	20,446,472	27,538,545	4.7%	3.8%	-	1,114,000	20,446,472	28,652,545	4.7%	8.0%	237.44	2.00	239.44
SHERIFF	20,713,687	24,999,070	22,316,741	26,462,304	7.7%	5.9%	160,000		22,316,741	26,622,304	7.7%	6.5%	192.25	0.00	192.25
COUNTY ATTORNEY	7,775,226	8,721,255	8,157,473	9,052,854	4.9%	3.8%			8,157,473	9,052,854	4.9%	3.8%	97.00	0.00	97.00
MEDICAL EXAMINER	1,439,925	1,533,351	1,717,731	1,836,616	19.3%	19.8%			1,717,731	1,836,616	19.3%	19.8%	0.00	0.00	0.00
DISTRICT COURT	433,413	457,413	445,561	469,561	2.8%	2.7%			445,561	469,561	2.8%	2.7%	0.00	0.00	0.00
EFIS ADMIN	579,730	579,730	597,976	708,832	3.1%	22.3%			597,976	708,832	3.1%	22.3%	3.00	0.00	3.00
OFFICE OF RISK MANAGEMENT	2,145,278	3,299,098	2,445,087	3,422,182	14.0%	3.7%	137,674		2,445,087	3,559,856	14.0%	7.9%	7.00	0.00	7.00
INFORMATION TECHNOLOGY	12,250,717	13,003,833	12,706,627	13,341,043	3.7%	2.6%	-		12,706,627	13,341,043	3.7%	2.6%	69.10	1.00	70.10
OFFICE OF PERFORMANCE & ANALYSIS	873,039	898,039	871,832	896,832	-0.1%	-0.1%			871,832	896,832	-0.1%	-0.1%	8.00	0.00	8.00
CRIMINAL JUSTICE NETWORK	472,642	1,252,110	-	-	-100.0%	-100.0%			-	-	-100.0%	-100.0%	0.00	0.00	0.00
FINANCE	2,970,413	3,132,681	3,208,324	3,370,592	8.0%	7.6%	100,000		3,208,324	3,470,592	8.0%	10.8%	27.00	1.00	28.00
GIS ENTERPRISE	-	82,595	-	82,595	0.0%	0.0%			-	82,595	0.0%	0.0%	0.00	0.00	0.00
Total Enterprise Finance & Information Sys.	19,291,819	22,248,086	19,829,846	21,822,076	2.8%	-1.9%	-	237,674	19,829,846	22,059,750	2.8%	-0.8%	114.10	2.00	116.10
FLEET MANAGEMENT	2,095,993	2,797,938	2,208,496	2,977,558	5.4%	6.4%			2,208,496	2,977,558	5.4%	6.4%	14.00	0.00	14.00
CEP - FLEET MANAGEMENT	1,324,000	2,157,000	1,324,000	2,260,500	0.0%	4.8%			1,324,000	2,260,500	0.0%	4.8%			
FACILITIES MANAGEMENT	11,432,242	11,997,642	11,994,177	12,737,183	4.9%	6.2%			11,994,177	12,737,183	4.9%	6.2%	54.00	0.00	54.00
PHYSICAL DEVELOPMENT ADMIN	2,817,101	2,509,448	2,978,157	2,675,626	5.7%	6.6%			2,978,157	2,675,626	5.7%	6.6%	26.60	0.00	26.60
TRANSPORTATION DEPARTMENT	1,136,710	8,673,045	1,168,950	9,041,463	2.8%	4.2%	210,097		1,168,950	9,251,560	2.8%	6.7%	97.00	2.00	99.00
PARKS AND OPEN SPACE	783,085	2,429,624	910,506	2,535,317	16.3%	4.4%	94,385		910,506	2,629,702	16.3%	8.2%	21.00	1.00	22.00
SOIL & WATER	331,302	331,302	331,302	331,302	0.0%	0.0%	100,000		331,302	431,302	0.0%	30.2%	0.00	0.00	0.00
ENVIRONMENTAL RESOURCES	-	9,842,082	-	9,484,565	0.0%	-3.6%	114,420		-	9,598,985	0.0%	-2.5%	35.00	1.00	36.00
BYLLESBY DAM	-	660,403	-	680,808	0.0%	3.1%			-	680,808	0.0%	3.1%	2.00	0.00	2.00
COUNTY LEGACY	-	75,256	-	75,256	0.0%	0.0%			-	75,256	0.0%	0.0%	0.00	0.00	0.00
Total Physical Development	19,920,433	41,473,740	20,915,588	42,799,578	5.0%	3.2%	-	518,902	20,915,588	43,318,480	5.0%	4.4%	249.60	4.00	253.60
Total Operations	138,420,508	289,503,147	142,055,963	301,647,767	2.6%	4.2%	-	4,577,013	142,055,963	306,224,780	2.6%	5.8%	1974.28	38.50	2012.78
CIP-COUNTY BUILDING	3,338,405	20,460,225	3,338,405	28,249,958	0.0%	38.1%			3,338,405	28,249,958	0.0%	38.1%			
CIP-TRANSPORTATION/TRANS. SALES&USE TAX	2,663,387	84,758,846	1,775,591	84,580,847	-33.3%	-0.2%			1,775,591	84,580,847	-33.3%	-0.2%			
CIP-PARKS	191,347	34,648,102	191,347	17,496,895	0.0%	-49.5%			191,347	17,496,895	0.0%	-49.5%			
CIP-ENVIRONMENTAL RESOURCES	-	10,028,538	-	1,461,395	0.0%	-85.4%			-	1,461,395	0.0%	-85.4%			
CIP-BYLLESBY DAM	-	-	-	-	0.0%	0.0%			-	-	0.0%	0.0%			
CIP-DATA NETWORKS	-	2,285,915	-	-	0.0%	-100.0%			-	-	0.0%	-100.0%			
Total CIP	6,193,139	152,181,626	5,305,343	131,789,095	-14.3%	-13.4%	-	-	5,305,343	131,789,095	-14.3%	-13.4%	-	-	-
Grand Total	144,613,647	441,684,773	147,361,306	433,436,862	1.9%	-1.9%	-	4,577,013	147,361,306	438,013,875	1.9%	-0.8%	1974.28	38.50	2012.78

Budget Highlights by Department

The following provides a summary of the 2023 Adopted Budget changes by County department arranged by division.

Department	Major Adopted Budget Changes
Non-Departmental Funding	Budgeted new Electric Distribution Line tax revenue.
Office of the County Manager	Decreased general support expenses and reallocated to other departments
County Attorney	Standard inflationary increases
County Board	Standard inflationary increases
County Communications	Increase budget for additional mailings and postage
Budget Office	Decreased office support budget
County Sheriff	Increased budget for inmate medical and food contracts. Additional approved budget requests for RFID equipment in the jail and an increase to the Park Ranger salary pool.
Employee Relations	Increase to Dept/County support budget from Office of the County Manager reallocated expenses
Medical Examiner	New contract amount.
Community Services Division	
Community Corrections	Reallocated budget to fund FTE Federally funded grant ended
Community Services Administration	Received FTE back from Social Services, decreased Supported Employment budget
Employment & Economic Assistance	Increased Federal Incentives revenue based on updated salaries and benefits calculation for 2023. Increased MA Cost Effective Revenues and Expense to match expanding caseloads.
Extension	Increased contract amount for Program Assistants
Public Health	Added 1.0 FTE for Opioid Coordinator.
Social Services	Reallocated expense budget for FTE added in 2023. Housing budgets have grown significantly over the last 2-3 years. MnCHOICE revenues increased, offsetting waiver revenue.
Veteran Services	No significant variances in Veteran Services.
Enterprise Finance and Information Services Division	
Enterprise Finance and Information Services Admin	Increased budget for new contract amount for ERP system
Financial Services	Centralized armored car budget in Finance and added 1.0 FTE

Information Technology	Reallocation of expense budget for Broadband Manager FTE and Managed Security Service Provider Project
Office of Planning & Analysis	Standard inflationary increases
Office of Risk Management	Increases in Auto and Property Insurance Fees and decrease to the 800 MHz CEP
Physical Development Division	
Parks, Facilities, and Fleet Management	1.0 FTE Events and Volunteer Coordinator, increases for Facilities utility costs and Fleet costs
Environmental Resources	Standard inflationary increases
Physical Development Administration	Standard inflationary increases
Soil & Water Conservations District	Increase to operating budget
Transportation	Standard inflationary increases
Public Services & Revenue Division	
Assessing Services	Standard inflationary increases
County Fair	No changes
Elections	Added 2.0 FTE for Elections Manager/Coordinator, increased budget for Pollpad replacements
Historical Society	No changes
Library	Removed budget from 2022 approved request for copiers/printers, the overall budget has a small increase due to inflationary increases
Property Taxation & Records	Decreased Charges for Services revenue for expected changes to Abstract fees, increased Other Revenues for gravel tax budget from PS&R Admin, increased budget for Direct Mailing expenses
Public Services & Revenue Administration	Transferred funding to Elections to help fund new FTE, moved gravel tax budget to PT&R
Service & License Centers	Decreased Office Support expenses for armored car expenses being centralized in Finance Dept

Budget Development Process

The Budget Office Department is responsible for developing and managing the budget process for the County, including the coordination of the five-year CIP. The Budget Office works closely with the various County departments, the County Manager as well as the Board to develop the annual budget.

As the lead department in the budget process, Budget Office is also responsible for assuring that budget policies are followed and that the information presented is accurate and complete. This is accomplished through budget review meetings with departments, reconciliation of changes from one budget year to the next and careful monitoring of current year projections.

The County continues to strive to develop a budget process focused around outcome measurement and strategic planning by utilizing both a balance scorecard for identifying objectives and using performance measures to ensure each department is adhering to the County's Strategic Plan. The Department Summary (a performance report prepared by all county departments for the budget) has a separate section for select department objectives that include performance measurement indicators and typically indicate challenges and responses for each specific strategic objective.

The County Board, on a majority vote, adopts the budget for the following year. The budget may be amended by a majority vote of the Board or as authorized by the Budget Compliance Policy.

Process Planning Phase (January – March)

1. Consider financial conditions, primarily external factors that will affect revenues or property tax considerations.
2. Review prior year process to help improve the process for the coming budget year.
2. Develop plan for improving the reporting process for the budget. For instance, format improvements to budget reports and budget instruction enhancements.
3. Develop timeline for budget development and schedule future meeting dates.

County Board/County Manager Initial Budget Direction Phase (March – August)

1. Complete reports needed for initial meeting with County Manager to aid in evaluation of programs. The information needed is department mission, major goals, outcome indicators, and challenges/strategies.
2. Present programmatic information, including requests for additional resources to the County Manager at department meetings or targets for resource reductions.
3. Develop visions for the organization units (divisions, and elected officials) to aid in preparing for the Board budget workshop.
4. Prepare material to be presented to the Board at budget workshops.
5. Present programmatic and fiscal challenges to the Board at budget workshops.
6. Present county management staff with direction provided by Board at budget workshops.

Financial Form Completion Phase (June – August)

1. Develop estimates for planning base expenditures and revenues for each department.
2. Review planning base expenditures and revenues at a joint meeting with Budget Office and each department.

3. Identify capital improvement projects for five-year timeframe for review by division directors and ranking by Capital Planning & Project Management Unit.

Review Phase (July – August)

1. Review planning base at joint meetings between Budget Office and each department.
2. Present programmatic changes, including requests for additional resources or recommended reductions, and financial information to the County Manager at department meetings.
3. Review tax impact of planning base with County Manager.
4. Finalize capital improvement project requests.
5. Develop the County Manager's preliminary recommendation for funding priorities and proposed property tax levy change (if any) in preparation for Board Budget Workshop.

Proposed Levy Phase (August – September)

1. Hold a County Board Budget Workshop to seek Board input on funding priorities and proposed property tax levy.
2. Adopt the proposed maximum levy by the Board as required by state law.

Recommendation Phase (September – November)

1. Present draft capital improvement project plan to the Board for review.
2. Submit capital improvement project plan to other local governments (cities and townships) for review.
3. Develop and finalize a County Manager budget recommendation for the Board.

Presentation and Adoption Phase (September – December)

1. Prepare for budget presentations to the Board.
2. Present County Manager's budget recommendations and individual division budgets to the Board at budget hearings.
3. Hold public hearing for public to comment on Capital Improvement Program.
4. Present capital improvement project plan to the Board for final adoption.
5. Receive to public comment on the budget at Truth in Taxation (TNT) hearing.
6. Adoption of the budget by the Board.

Planning Base Development

Identifying a “Planning Base” cost is the first step in budget development. Planning base (previously known in Dakota County as the “current level”) is the starting point of budget development, and it is intended to reflect prior year funding levels and updated revenue estimates. In prior years, Dakota County budget development was much more of a “current services” approach, in which prior year funding was adjusted to reflect the cost of providing the same amount of service in the coming year as in the current year, with the exception of categorical revenue changes. This approach created a “Current Level” instead of a planning base. Given the significant declines in revenues from 2010 and 2012, this Current Level approach was modified. Because the budget could not support the cost of continuing the prior year’s level of services, there was no attempt to define it as the current level. County departments and Budget Office complete planning base development jointly.

Expenditures

Expenditure amounts in the planning base generally assume a 1.5% inflationary increase from prior year levels, with some notable exceptions. Salary and benefit budgets were adjusted upward to reflect existing contractual obligations, and most of the impact of this was from modest increases in employee salaries and the expansion of the County’s pay banding system. However, for 2022 inflation for non-personnel costs was applied at 2% at the division level rather than line-item level due to continued uncertainties in department budgets. Programs were looked at individually for specific needs.

Revenue

State and Federal revenues were adjusted to award amounts, charges for services, fines, fees, and other revenues were increased by 4% where applicable to cover personnel costs, all other increases were related to specific historical receipts.

Changes to the Planning Base

After the Planning Base is developed, the next step is to prepare the County Manager’s recommendation for changes to this base. In prior years, changes often included new or enhanced services or service reductions. These changes would include changes in staffing complement, or other operational enhancements.

Final Budget Adoption

In preparation for the final budget adoption, all County departments prepare presentations for the County Board of Commissioners. Presentations include a discussion of department mission, goals, performance measurements, as well as a review of Planning Base costs and any changes to the Planning Base. The County Board of Commissioners adopts a final budget for the County, usually at the last County Board meeting of the calendar year.

Budget Compliance Policy

Compliance to budgets is essential for the County to maintain its sound financial condition. Authority for County staff to spend and amend the adopted budget is identified in the Budget Compliance Policy. The Budget Compliance Policy, which was created and adopted in 1996, and revised in 2018, sets forth varying levels of authority for staff to amend the budget without County Board approval.

Budget Accountability Points are specified accounting levels to which staff is accountable for meeting set budget amounts. This

The Budget Compliance Policy is described in detail on page 120.

allows managers authority to mix and match spending below Budget Accountability Points to help achieve their desired outcomes.

Basis of Budgeting (Accounting Perspective)

The basis of accounting refers to the time at which revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of budgeting relates to the timing of the measurements made regardless of the measurement focus applied.

All Governmental Funds and the Geographic Information Systems Enterprise Fund for which budgets are adopted are budgeted and reported on the modified accrual basis of accounting; all other funds have no budget. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become measurable and available to finance expenditures of the fiscal period. "Available" means collectible within the current period or soon enough thereafter to pay current liabilities. The current period is generally considered 60 days, although exceptions are made for intergovernmental revenues that are received within 90 days. Revenues are generally budgeted on an accrual basis, meaning that the revenue necessary to support the expense is budgeted in the same period, regardless as to whether it is receivable in the current period. Depreciation is not budgeted; however, expenditures for capital outlays are budgeted. Encumbrances and capital reserves are recognized on a budgetary basis. Encumbrances outstanding at year-end are reported as reservations of fund balances and provide authority for the carry-over of appropriations to the subsequent year in order to complete these transactions.

Ad valorem property tax revenue is reported when it becomes available. Available means when due; past due and receivable within the current period and collected within the current period; or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

In applying the "susceptible to accrual" concept to intergovernmental revenues (grants, subsidies and shared revenues), the legal and contractual requirements of the numerous individual programs are used as guidelines. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project. Therefore, revenues are generally reported based upon the expenditures recorded. If the revenue is not received in the current period, it is then reported as deferred-not available. In the other type, monies are virtually unrestricted as to purpose of expenditure and nearly irrevocable (i.e., revocable only for failure to comply with prescribed requirements). These resources are reflected as revenues at the time of receipt or earlier if they meet the criterion of availability. Intergovernmental revenues received but not earned are reported as deferred revenue. Other revenues susceptible to accrual are investment earnings and charges for services.

Licenses and permits, fines and forfeits, penalties, gifts and contributions, and miscellaneous other revenues are reported as revenues when received in cash because they are generally not measurable until actually received.

Fund Types

The accounts of Dakota County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental Fund Type

Governmental funds are reported and accounted for on a "spending" or "financial flow" measurement focus. This means that the operating statements report increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in available spendable or appropriable resources. Only current assets and current liabilities are generally included on their governmental fund balance sheets. The reported fund balance (net current assets) is considered a measure of "available spendable resources." Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate that they should not be considered available spendable resources, since they do not represent net current assets. Recognition of governmental fund type revenues represented by non-current receivables is deferred until they become available.

Fund Types (\$ millions)	
Fund Type	Fund Balance as of 12/31/2021
Governmental	308.64
General	110.30
Special Revenue	198.34
Capital Projects	(4.43)
Debt Service	0
Proprietary	30.04
Business-type	16.28
Internal Service*	13.76
Fiduciary	0.82
Trust and Agency*	0.82
Long Term Assets-Net	963.77
Capital Assets	966.72
Long-Term Assets-deferred	69.93
Long-Term Liabilities	(93.86)
Total County Fund Balance 12/31/2021	308.64
Total County Net Assets 12/31/2021	1235.31
Fund Balance 12/31/2020	339.41

* Indicates the funds for which the County does not budget because of the nature of the fund and its resources.

Governmental fund types include:

- The General Fund is the general operating fund of the County. It is used to account for all financial resources except those accounted for in another fund.
- Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.
- Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

- Debt Service Fund is used to account for the accumulation of resources for, and the payment of, principal, interest, and related costs of general long-term debt. Governmental funds may be either major or non-major, depending upon their proportion of the total entity.

Major Funds

Dakota County reports the following major funds:

- General Fund is the general operating fund of the County. It is used to account for all financial resources except those accounted for in another fund. The Environmental Management Special Revenue Fund was moved into the General Fund during the 2016 Budget process. The fund accounts for environmental management activities within the county including waste reduction, planning, administration, regulation, and education.
- Highway Special Revenue Fund accounts for all costs for maintenance and construction of streets and highways. Financing comes primarily from an annual property tax levy and intergovernmental revenue from local, State and Federal Governments.
- Regional Rail Special Revenue Fund is used to account for revenues and expenditures of the Regional Rail Authority established by the Dakota County Board of Commissioners to plan and develop light rail and other transit alternatives within the County.
- Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.
- Debt Service Fund is used to account for the accumulation or resources for, and the payment of, principal, interest, and related costs of general long-term debt.
- Environmental Legacy Fund was established to protect, preserve, or enhance the environment.

Proprietary Fund Type

Proprietary funds are accounted for on an "income determination" or "cost of services" measurement focus (similar to commercial/industrial "for profit" organizations). Therefore, the operating statements report increases (revenues) and decreases (expenses) in economic net worth, and the fund equity on the balance sheet provides an indication of the economic net worth. All assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components.

- Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private business enterprises--where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The County has one enterprise funds, the Geographic Information System (GIS) Fund, to account for the sale of GIS data/maps and updating the GIS database.
- Internal Service Funds account for operations that provide services to other departments or agencies of the County, or to other governments, on a cost-reimbursed basis. The

County has one internal service fund, the Employee Services Reserve Fund, to account for services provided by employees, including compensated absences.

Other Fund Types

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs. The fiduciary fund categories currently used by Dakota County are private-purpose trust funds and agency funds.

- Agency Funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.
- Private Purpose Trust Funds are used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments.

Organization Structure

Dakota County prepares and presents its budget by organization structure versus by fund type. The County adopts a budget for all funds reported in the *Annual Comprehensive Financial Report (ACFR)* with the exception of the Internal Service Fund and Trust and Agency Funds¹. The table below, lists the fund type where expenditures and revenues for each county department and division². The table is organized by division.

Fund Type to Account for Department Budgets			
Division/Department	Fund Type	Division/Department	Fund Type
County Administration		Enterprise Finance and Information Services	
Budget Office	General Revenue Fund	Criminal Justice Network	General Revenue Fund
County Administration	General Revenue Fund	EFIS Division Administration	General Revenue Fund
County Board	General Revenue Fund	Financial Services	General Revenue Fund
County Communications	General Revenue Fund	GIS	Enterprise Fund
Employee Relations	General Revenue Fund	Information Technology	General Revenue Fund
		Office of Plannign & Analysis	General Revenue Fund
Public Services and Revenue		Office of Risk Management	General Revenue Fund
Assessor	General Revenue Fund		
County Fair	General Revenue Fund	Physical Development Division	
Elections	General Revenue Fund	Environmental Legacy	General Revenue Fund
Historical Society	General Revenue Fund	Parks	Special Revenue Fund
Library	Special Revenue Fund	Physical Development Administration	General Revenue Fund
Property Tax and Records	General Revenue Fund	Soil & Water Conservation District	General Revenue Fund
Public Services and Revenue Administration	General Revenue Fund	Transportation	Special Revenue Fund
Service & License Centers	General Revenue Fund		
		Public Safety	
Community Services Division		County Sheriff	General Revenue Fund
Community Corrections	General Revenue Fund	Medical Examiner	General Revenue Fund
Community Services Administration	General Revenue Fund		
Employment & Economic Assistance	General Revenue Fund		
Extension Services	General Revenue Fund		
Public Health	General Revenue Fund		
Social Services	General Revenue Fund	County Attorney	General Revenue Fund
Veteran's Services	General Revenue Fund		
		County Operations	General Revenue Fund
Capital Improvement Programs			
Building CIP	Capital Project	Debt Service	Debt Service Fund
Data Networks CIP	General Revenue Fund		
Environmental Resources CIP	General Revenue Fund	District Court	General Revenue Fund
Parks CIP	Special Revenue Fund		
Transportation CIP	Special Revenue Fund	Regional Rail Authority	Special Revenue Fund

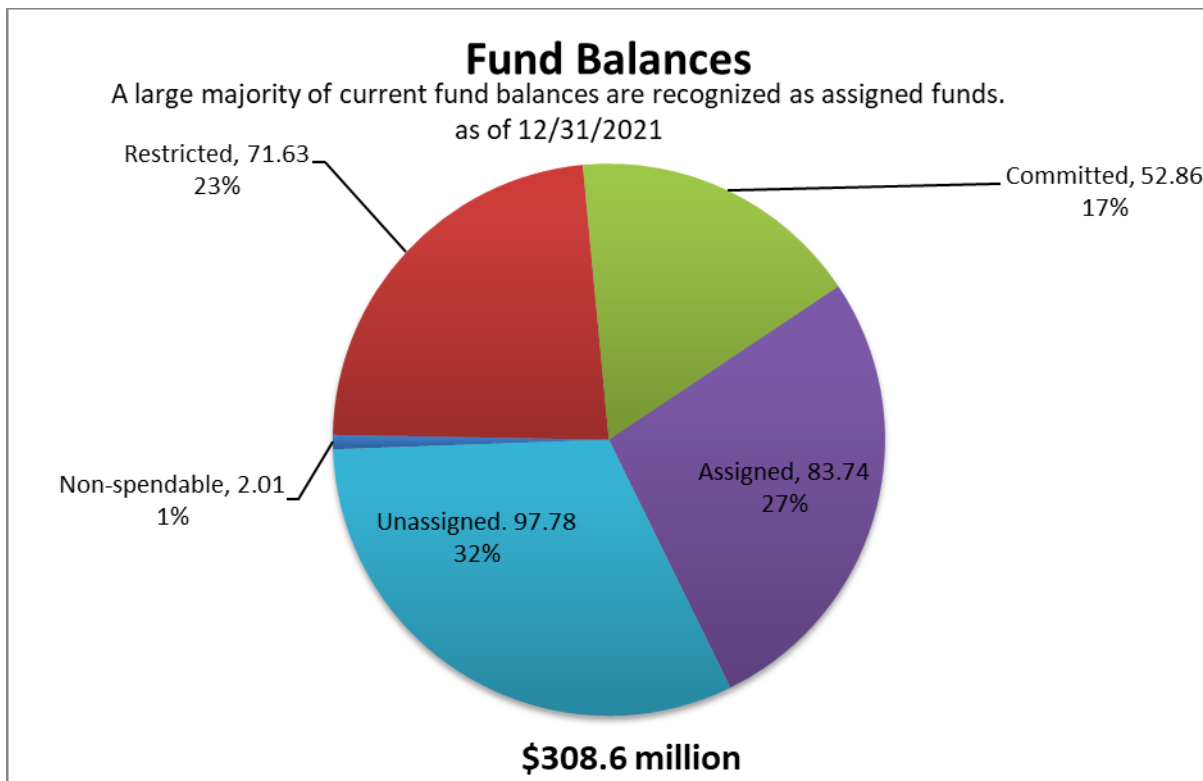
¹ The Dakota County Comprehensive Annual Financial Report also presents financial information for two discrete component units, the Dakota County Community Development Agency (CDA) and the Vermillion River Watershed. Neither is included in Dakota County's annual budgeting process; therefore, they are not subject to appropriation or included as part of this document.

²The budget for the Dakota County Regional Rail Authority is adopted by a legally separate board. Budgeted amounts for the Regional Rail are not included in this report. The activities of the Regional Rail are, however, recorded as a special revenue fund in the ACFR and are, therefore, included in the fund balance.

Reserved and Designated Fund Balance

In 2011, the County implemented the requirements of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The Statement requires retroactive restatement of fund balance for the reclassifications made to conform to this statement. Total fund balance did not change.

Fund balance is divided into five classifications based primarily on the extent to which the County is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:



Non-spendable

The non-spendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash. Inventories, prepaids, and advances to other funds fall into this category for the County in its 2021 audited financial statement. For 2021, non-spendable fund balance totaled \$2.6 million.

Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation. This category is comprised of debt service, Recorder’s equipment purchases, Spring Lake Park, victim witness, Sheriff 911, early retirement reinsurance program, election-HAVA, boat and water, Attorney-diversion, Sheriff-alcohol compliance and criminal forfeitures. For 2021, restricted fund balance totaled \$71.6 million.

Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by formal action (ordinance or resolution) of the County Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (ordinance or resolution) it employed to previously commit those amounts. The Board committed fund balance to the Farmland and Natural Area Program and investigation and remediation of waste sites in 2013. For 2021, committed fund balance totaled \$52.9 million.

Assigned

Amounts in the assigned fund balance classification the County intends to use for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Board or the Financial Services Director who has been delegated that authority by Board resolution. In addition to the governmental fund assignments, the assigned classification includes; insurance, budget incentive program, capital equipment, petty cash, and other post-employment benefits. For 2021, assigned fund balance totaled \$83.7 million.

Unassigned

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other fund balance classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted or committed. For 2021, unassigned fund balance totaled \$97.8 million.

The County applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

Fund Balance Changes

Summary of Fund Balance Changes – Major Funds

General Fund

The General Fund is the chief operating fund of Dakota County. At the end of 2021, the General Fund's fund balance was \$110,292,571 of which \$106,210,374 was committed, assigned or unassigned. As a measure of the General Fund's liquidity, it may be useful to compare committed, assigned and unassigned fund balance and total fund balance to total fund expenditures. Committed, assigned and unassigned fund balance represents 38.0% of total General Fund expenditures of \$279,072,343, while total fund balance represents 39.5% of total expenditures.

Highway Fund

The Highway Fund had a total fund balance of \$62,970,397 at the end of 2021. The fund balance of the Highway Fund increased by \$10.2 Million. This increase was due to an increase in grant reimbursements.

Dakota County Transportation Sales Tax

The DC Transportation Sales Tax Fund was established in 2017. The purpose of this fund is the regional highway and transit investment as part of the broader county transportation system. The DC Transportation Sales Tax Fund's total fund balance at the end of 2021 was \$65,950,725 which is restricted for statutorily defined transportation and transit projects.

Environmental Legacy Fund

At the end of 2015, the County Board approved a change in reporting for the Environmental Legacy Fund. This fund is now combined with the General Fund, The Environmental Legacy Fund had a total fund balance of \$55,075,511 at the end of 2021.

Capital Projects Fund

The Capital Projects Fund has a negative fund balance of \$4,434,957. The negative fund balance is due to outstanding state bonding revenue.

Bond Fund

As of February 2016 the County is debt free.

Summary of Fund Balance Changes – Non-Major Funds

Dakota County's non-major governmental funds include the following special revenue funds: Library, Parks, Regional Rail, Law Library, and the Attorney Forfeiture Fund. The projected total amount of fund balance associated with non-major funds for 2021 is \$18.78 million versus \$21.1 million for 2019.

Summary of Net Assets

Total net assets increased from \$1,226.1 million in 2020 to \$1,235.3 million in 2021, or a \$9.2 million increase.

Net Capital Assets

The value of land; buildings, improvements; machinery and equipment; and construction in progress make up the fixed assets fund balance. The value of the capital assets offset by accumulated depreciation is \$966.7 million at the end of 2021 compared to the 2020 balance of \$922.6 million. Net capital assets increased by \$44.1 million.

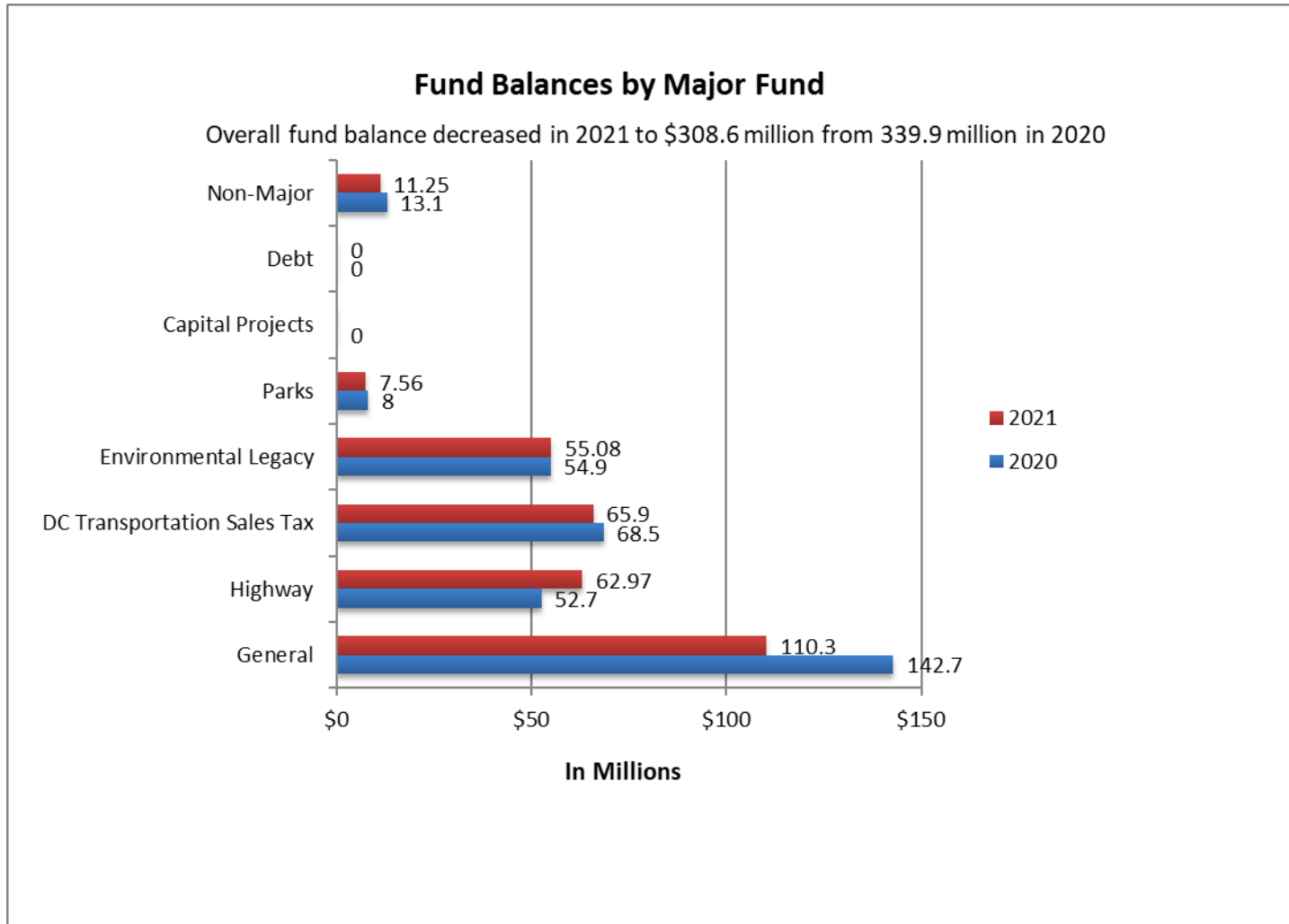
Long Term Assets

Long-term assets, such as funds receivable, are considered long term in nature if they are not received within 60 days (90 days for state and Federal revenues). Therefore, long term assets are deducted from the current available fund balance of the governmental funds by deferring as unavailable revenue.

Long Term Liabilities

Long-term liabilities increased from \$148.8 million to \$115.9 million.

For comparison purposes, the following table compares various, audited fund balances or 2020 and 2021.



Additionally, the table on the following page compares total net assets as well as recent designations and reserved funds from 2015 through the 2021 audited financial statements.

Net Assets							
	2015	2016	2017	2018	2019	2020	2021
Net Capital Assets	752,630,922	792,539,417	820,792,917	841,653,042	876,350,137	922,594,784	966,715,834
Other Long Term Assets-							
Deferred	23,332,988	29,787,754	35,545,377	37,855,160	24,964,501	45,928,436	28,652,936
Internal Service Fund	14,369,892	13,648,705	12,038,172	8,163,626	8,936,324	12,701,168	13,775,758
Long-Term Liabilities	(116,747,378)	(166,169,833)	(153,796,861)	(129,105,263)	(130,022,938)	(148,816,007)	(115,900,999)
Fund Balances							
Nonspendable	2,869,924	2,428,162	2,122,276	2,396,671	2,010,245	2,404,251	2,617,077
Restricted	4,528,680	4,475,863	28,566,794	47,281,856	64,824,624	82,214,456	71,631,706
Committed	33,903,045	40,601,526	48,010,163	49,455,436	51,092,680	52,891,738	52,862,042
Assigned	122,840,819	101,266,957	109,729,716	117,837,233	121,465,719	74,985,010	83,737,504
Unassigned	135,788,225	121,527,661	121,999,977	124,293,814	114,172,594	127,446,383	97,787,237
Net Assets - Business-Type							
Activity	11,140,914	11,676,027	11,591,539	11,540,879	18,149,883	17,544,905	16,284,172
Total Net Assets	989,367,449	1,014,899,793	1,066,753,923	1,123,182,483	1,163,360,199	1,226,135,369	1,235,313,659
Summary of Beginning & Ending Fund Balances							
	2015	2016	2017	2018	2019	2020	2021
Beginning Fund Balance	307,769,722	299,930,693	270,300,169	310,428,926	341,265,010	353,565,862	339,941,838
Ending Fund Balance	299,930,693	270,300,169	310,428,926	341,265,010	353,565,862	339,941,838	308,635,566

Fund Balance History and Projection

The table below shows recent and projected changes in fund balance by fund.

Fund	Type	Fund Balance History							
		2015	2016	2017	2018	2019	2020	2021	2022 Projected
General	Major	155,706,928	136,629,912	139,154,988	142,275,377	130,744,367	142,658,690	110,292,751	127,898,603
Highway	Major	72,442,714	63,720,886	88,290,025	118,340,218	144,550,033	121,248,770	128,921,122	131,573,308
Environmental Legacy	Non-Major	34,858,127	41,724,562	48,010,163	51,143,646	52,955,969	54,938,656	55,075,511	54,323,379
Parks	Non-Major	16,540,074	11,620,888	16,901,521	13,650,927	12,109,018	7,992,987	7,535,834	9,212,613
Library	Non-Major	1,793,125	1,685,239	1,464,316	1,572,005	1,230,561	1,611,289	1,454,422	1,432,091
Capital Projects	Major	6,812,286	1,151,776	-585,420	103,094	280,570	-	(4,434,957)	-1,384,796
Debt Service	Major	-596,278	-	-	-	-	-	-	-
Regional Rail	Major	11,212,462	12,713,559	16,125,208	13,320,145	10,984,909	10,996,703	9,395,813	10,459,142
Law Library	Non-Major	774,702	718,059	674,557	620,053	549,912	365,482	262,167	392,520
Attorney Forfeiture	Non-Major	386,553	335,288	393,568	239,545	160,523	129,261	132,903	140,896
Total*	Total***	299,930,693	270,300,169	310,428,926	341,265,010	353,565,862	339,941,838	308,635,566	334,047,755

The 2022 fund balance amount is an estimate. The most recent audited financial statement is for 2021.

DEBT

Debt Management

Dakota County’s Debt Service is part of the overall Capital Improvement Program (CIP). Annual debt service payments for debt associated with buildings are funded through property tax levy, Debt Service Fund fund balance, and transfers from the General Fund. Debt Service has infrequently been used for Transportation projects and in the past has also been funded through a transfer from the Highway Fund.

In the 2016 Budget, \$23.9 million of General Fund fund balance was used for debt payments, including all outstanding principal payments due. The County utilizes its Debt Service Policy to guide its debt decisions.

Future Bonding

Dakota County will have no outstanding debt in 2023.

Ratio of Net Bonded Debt to Tax Capacity

The ratio of *net* bonded debt to tax capacity and the amount of bonded debt per capita are useful indicators of the County’s debt position for County management, citizens and investors. Due to the fact that all debt was defeased in 2016, the ratio of debt to tax capacity is 0% with a debt per capita of \$0 for both 2021 and 2022.

Dakota County Ratios		
	2021	2022
Net Bond Debt	0	0
Ratio of Net Debt to Tax Capacity	0.00%	0.00%
Deb per Capita	0	0

Long-Term Liabilities – Bonds Payable

The table below provides a list of changes in the long-term bonded debt for the year ending 2022. The figures below indicate principal only. The figures below have not been audited. The 2022 financial audit conducted by the Office of the State Auditor will not be finalized until the second quarter of 2023.

General Obligation Bonds (in millions)			
	Capital Improvement Projects (net of escrow)	Refunding	Total General Obligation Bonds
Payable on December 31, 2021	0	0	0.00
Bonds Issued in 2022			
Payoff and Interest less Escrow Income			
Bonds Retired in 2022	0.00	0.00	0.00
Payable on December 31, 2022	0	0	0

Summary of Bonds Payable

Dakota County currently has no bonds payable.

Computation of Legal Debt Margin

State statute (Minn. Stat. Section 475.53 subd. 1) requires that no municipality, except school districts or a city of the first class may incur or be subject to a net debt in excess of three percent of the estimated market value, except as provided in Minn. Stat. Sections 475.51 to 475.75.

Debt margin is determined by comparing market value to total debt applicable to debt limit. Applicable debt is the difference between total bonded debt and amount available in Debt Service funds. For 2022 year-end, the legal debt margin is \$1.735 billion. At the end of 2022, the total bonded debt amount is adjusted by the amount in Debt Service Fund balance of \$0 for a bonded debt applicable to debt limit of \$0.

Computation of Legal Debt Margin as of December 31, 2022 (unaudited)	
Estimated Market Value	57.847
Debt Limit (3% of Estimated Market Value)	1.735 Billion
Total Bond Debt (Net)	0
Legal Debt Margin	1.735 Billion

Debt Expenditures Ratio

The amount of debt paid as a proportion of total expenditures gives an idea of the debt burden in a year. The table below shows a comparison of the annual debt service expenditure compared to the total general governmental expenditures projected through 2023.

Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Government Expenditures					
Year	Principal	Interest	Total Paid	Total General Gov. Expenditure	Ratio
2013	5,855,000	2,023,009	7,878,009	274,352,743	2.87%
2014	12,825,000	1,658,381	14,483,381	287,155,834	5.04%
2015	10,155,000	1,174,596	11,329,596	353,791,496	3.20%
2016	23,420,000	481,834	23,901,834	354,659,290	6.74%
2017	0	0	0	0	0.00%
2018	0	0	0	0	0.00%
2019	0	0	0	0	0.00%
2020	0	0	0	0	0.00%
2021	0	0	0	0	0.00%
2022 Est	0	0	0	0	0.00%
2023 Est	0	0	0	0	0.00%

Schedule for Bond Retirement

As of February 2016, the County is debt free.

CAPITAL IMPROVEMENT PROGRAM

Introduction

The Capital Improvement Program (CIP) is a five-year plan that is reviewed, updated, and adopted annually in conjunction with the operating budget for the County. It serves as a blueprint for the growth and development of Dakota County. There are three major funds included in the CIP: Parks Fund, Transportation Fund, and Building Fund. A detail of the five-year expenditures and funding is available later in this section.

Three Main Parts of the CIP

- Parks
- Transportation
- Building

The Parks CIP serves as the plan for parkland acquisition and development within the existing park system. The Transportation CIP is a plan for major improvement and construction of County Roads. The Building CIP is a plan for major improvements to existing County property and construction of new facilities.

The CIP also includes sections on the County's Environmental Resources Program, Transportation Sales and Use Tax Program, Byllesby Dam Program and Data Networks Program. Although it is adopted through a separate resolution, the Dakota County Regional Railroad Authority's (RRA) capital improvement program is included in this document as well.

The CIP does not include capital equipment purchased directly by departments such as vehicles, computers and furniture. Department capital equipment purchases exceeding \$20,000 are identified in the operating budgets of the departments. Capital equipment purchases less than \$20,000 are not specifically identified during the budget process but rather are part of the Budget Incentive Program.

Evaluation of Project Needs

The CIP is based on numerous long-range planning documents that are updated periodically and on projected capital needs as identified by County staff, cities and townships. The CIP is the primary tool for implementing the Board's goals regarding the future of the County's infrastructure.

CIP Budget Process

The Budget Office coordinates the CIP process. Early in the budget process, the Budget Office provides direction as to the total estimated amount of CIP resources available as guidance to the individual departments preparing the CIP. Transportation and Parks departments are responsible for preparing their CIP and submitting it to the Budget Office. The Building CIP is prepared by the Capital Project Management Department. At several times during the process, cities and townships within the County are provided opportunities to comment on elements of the CIP and request that projects be included. Once the projects have been defined, the Budget Office incorporates the CIP into the County budget in the fall.

Funding Sources

The Transportation CIP receives funding from cities and townships, State and Federal governments, and property taxes. The Parks CIP is funded mostly from revenue from the Metropolitan Council, property taxes, and general-purpose state aid. The Building CIP is funded mostly by property taxes, general purpose state aid, and occasionally bond proceeds. In order to help manage the risk of additional losses of state revenue, \$1.76 million of general-purpose state aid is budgeted across the capital programs in 2023. The combined amounts of levy and general-purpose state aid (County Program Aid or CPA) for the 2023-2027 CIP are indicated below.

2023 - 2027 CIP (County Property Tax Levy & CPA)				
Year	Transportation	Parks	Buildings	Total
2023	1,775,591	1,202,622	3,588,405	6,566,618
2024	1,775,591	1,202,622	3,588,405	6,566,618
2025	1,775,591	1,202,622	3,588,405	6,566,618
2026	1,775,591	1,202,622	3,588,405	6,566,618
2027	1,775,591	1,202,622	3,588,405	6,566,618
Total	8,877,955	6,013,110	17,942,025	32,833,090

Impact on Operating Budget

Completed CIP Projects

The operating budget is impacted by changes in maintenance and utility costs for additional or improved buildings, parks, bikeways and highways. Depending on the project, there are also other aspects of the operating budget that may be impacted by the CIP that are not known until incurred. Therefore, in most cases, the full impact of the project on operations is not recognized until the year following project completion. The exception to this is when a project is projected to have a significant impact on operations, or an impact is easily identifiable before project completion (i.e. construction of major new facilities).

Anticipated Operational Costs Associated with CIP Projects

Dakota County recognizes the correlation between the CIP and the operating budget. An example is that in 2006 the County Board approved the construction of a new library to open in 2009 with budgeted total costs of \$6,440,000. Beginning with the 2005 budget year, the County began designating current property tax levy for future operating expenses associated with the new library. Because property tax levy has been gradually set-aside each year, there was no increase in the 2009 Adopted Budget related to the opening of the library, above the amount set-aside, nor is there a greater-than-average increase in the 2009 budget. Rather, these funds that have been gradually grown over the past several years and set aside in the Countywide Operations department were reallocated in the 2009 budget process to the Library department for use in 2009. The additional operating costs incurred for the new library were approximately \$995,050. While no similarly sized projects are currently planned, this practice is long-standing in Dakota County.

In the case of capital improvement projects that are not anticipated to have a major impact on the operating budget, the budget base is adjusted in the year in which the improvement is completed.

One area in which additional operational costs have not been quantified, however, has been in the Transportation area. The cost to maintain lane miles is not specifically budgeted in conjunction

with the construction. However, in the process of preparing the operating budget for the Transportation department, the number of road miles requiring maintenance is considered, as well as the rating of the quality of the existing infrastructure. An industry standard is applied, and the Construction Cost Index is applied when reviewing inflationary costs associated with the road maintenance.

Parks Capital Improvement Program

Mission

The mission of the Dakota County Parks Department is to enrich lives by providing high quality recreation and education opportunities in harmony with natural resource preservation and stewardship.

The Dakota County Parks System includes and operates 3 regional parks, 2 regional park reserves, 1 county park and 7 regional trails:

- Lake Byllesby Regional Park (LBRP)
- Lebanon Hills Regional Park (LHRP)
- Miesville Ravine Park Reserve (MRPR)
- Spring Lake Park Reserve (SLPR)
- Thompson County Park (TCP)
- Whitetail Woods Regional Park (WWRP)
- Big Rivers Regional Trail (BRRT)
- Lake Marion Greenway Regional Trail (LMGW)
- North Creek Greenway Regional Trail (NCGW)
- Mendota to Lebanon Hills Greenway Regional Trail (MLHGW)
- Minnesota River Greenway Regional Trail (MNRGW)
- Mississippi River Greenway (MRG)
- River to River Regional Greenway Trail (RRGW)

Dakota County parks and greenways are part of the ten-agency regional park system and offer diverse and year-round natural resource recreation and education. Recreation opportunities include hiking, biking, camping, picnicking, swimming, boating, fishing, archery, cross-country skiing, mountain biking, snowshoeing and horseback riding, among other activities

Park System Plan

The 2008 Dakota County Parks System Plan (PSP) provides the foundation for the strategies guiding the 2022-2026 Capital Improvement Program (CIP). The PSP created a system vision, with 10 year development priorities.

The PSP vision includes a park and greenway system that results in:

1. Great Places: More For Visitors To See and Do
 - All parks are full service and year-round designations providing recreation that the public expects and desires.
 - Fill service gaps adding the most popular nature-based recreation to all parks such as looped paved trails and picnicking.
 - Add signature activities such as water play areas, winter use areas, and special events.
2. Connected Places: Bring Parks To People
 - Collaborate to interconnect parks with community places via a network of 200 miles of regional greenways.

3. Protected Places: Protecting Green Infrastructure

- Provide stewardship strategically protecting, improving and managing the park lands and natural resources.
- Restore landscapes near visitor use areas.
- Improve landscape by converting cropland within parks and restoring prairies and savannas.
- Protect high quality natural resources.

2023 - 2027 Parks CIP

The Parks CIP is formatted to reflect the categories of capital projects the Parks department pursues. These categories are:

- Planning
- Acquisition
- Natural Resources
- Greenway Development
- Park Development
- General

The 2023 – 2027 capital projects focuses on:

- Planning – preparing contemporary plans that strategically guide the use, improvement and management of the park system.
- Acquisition – acquiring key inholdings to advance protection of natural resources and providing recreation opportunities.
- Natural Resources – advancing natural resource protection and restoration of the park and greenway system.
- Greenway Development – delivering the greenway vision by leveraging non-County funds and promoting partnerships with the cities and other agencies.
- Park Development - constructing full service and year-round parks that provide the recreation that the public expects and desires.
- General – implementing projects that serve the multiple or all park and greenway locations, or yet-to-be determined sites.

Strategies to Accomplish the 2023 – 2027 Parks CIP

Park Planning

The recommended 2023-2027 CIP results in all parks having updated master plans and natural resource management plans. Approved master plans are required for Metropolitan Council and State funding and increase competitiveness for grants. Natural resource management plans direct stewardship, protection, and enhancement of the natural resources of parks and greenways. These updated plans will guide project priority and investment in future CIP budgets. The recommended five-year CIP also provides for an update of the Park System Plan, including updates to the Natural Resource Management System Plan and Visitor Services Plan.

Planning activities totaling \$350,000 represents 2% of the 2023 CIP. The recommended 2023 CIP also includes use of carryover from the Planning set-aside to supplement this request.

Park/Greenway Acquisition

Acquisition is necessary to realize the vision of parks and greenways per approved master plans by protecting lands and natural resources and providing for recreation.

The 2023 - 2027 CIP includes annual parks and greenway acquisition funding of \$4,533,333 using Metropolitan Council Park Acquisition Opportunity Fund (AOF) grants at 75% matched with 25% Dakota County funds. If acquisition expenses exceed budgeted revenue, the County Board may consider a CIP budget amendment using other County funds and requesting eligibility for future reimbursement from the Metropolitan Council.

The \$4.5M of Acquisition expenses represents 26% of the 2023 CIP, 75% of which is funded externally.

Park Development

In order to advance the 2008 Park System Plan goal of filling recreation gaps and providing full service parks, the recommended CIP includes funding to advance park improvements based on the priorities within the approved park master plans over a five-year period. A comprehensive evaluation of these approved high priorities established the park projects listed within the recommended 2023-2027 CIP. High priority park development projects occur after the updating and approval of the park master and natural resource management plans. This approach provides the delivery of projects based on the most contemporary vision and information. While park development activities may focus predominantly on recreation improvements, most projects also include natural resource improvements.

In 2023, Park development activities totaling \$2.5M are derived 57% from external funding and represent 14% of the 2023 CIP.

Greenway Development

The recommended CIP proposes improvements to 11 greenways by filling key gaps, constructing grade-separated crossings, improving wayfinding, and adding new fullservice trailheads. While greenway development may focus on greenway trails and amenities, a majority of these projects also include associated natural resource improvements and cultural resource interpretation.

Greenway development activities total \$5.5M representing 31% of the 2023 CIP.

Natural Resources

In 2014, the County Board tripled the annual Natural Resource base funding from \$150,000 to \$511,000, and a reorganization of the Parks Department doubled natural resource staff from two to four resulting in a robust program that protects and enhances natural resources with the park and greenway system. In 2017, the Board adopted the Natural Resource Management System Plan (NRMSP) and in such time growth of the program has continued with two additional full-time staff. In 2021, Natural Resource base funding totaled \$1.1M.

The recommended 2023-2027 CIP advances natural resource management on the approximately 5,300 acres of habitat in the Dakota County Parks and Greenways System. By the end of 2022, it is projected that nearly 3,000 acres will have been stabilized, restored, maintained, or otherwise managed to achieve long-term resource management goals.

The Natural Resource Base funding request aligns with the workplan and goals established in the NRMSP. Revenues are derived primarily from the Environmental Legacy Fund (ELF). Base funding plus Grant Match CIP funding is also used to leverage external grants and in-kind assistance.

The overall natural resource investment included in the proposed 2023 Parks CIP across all categorical areas totals \$6.7M, or 39% of the 2023 Parks CIP request

2023-2027 Parks CIP Summaries

The following two charts summarize first the various funding sources for the Parks CIP and second the expenditure categories those revenues are committed to.

Overall Revenue Sources

Funding Source	Amount	% of Total CIP
County	63,790,075	70.0%
Metropolitan Council	27,043,180	30.0%
Federal	380,000	>1.0%
State	0	0.0%
City	199,800	>1.0%
Total 5-Year Revenue	91,413,055	100%
External Funding	27,622,980	30.0%
Internal Funding	63,790,075	70.0%

Funding Distribution by Category

Category	Amount	% of Total CIP
Planning	1,545,000	1.0%
Acquisition	22,666,665	25.0%
General	19,086,773	21.0%
Park Development	14,861,163	16.0%
Greenway Development	26,825,770	30.0%
Natural Resources	6,427,682	7.0%
Total 5-Year Revenues	91,413,053	100%

Transportation Capital Improvement Program

The Dakota County Transportation Department is responsible for the planning, design, construction, operation, and maintenance of roads, bridges and traffic control devices on the County highway system.

The existing County highway system has a total of 424 centerline miles of which approximately 353 miles are bituminous surface, 3 miles are concrete surface and 56 miles are gravel surface. There are 1,080 lane miles in the system. The highway system also has approximately 83 bridges, 250 traffic signals, and 25,000 signs.

In providing for pedestrians and bicyclists, the County has a policy to construct off-highway bikeways in conjunction with all County highway projects whenever appropriate. The County has provided more than 92 miles of bikeways.

Long range planning for road improvement and expansion projects are identified in the *Dakota County 2040 Transportation Plan* (Plan). The Plan focuses on six goals with desired outcomes, products, or services.

Transportation Plan Vision

The purpose of the transportation system in Dakota County is to move people and goods in the safest and most efficient manner possible. The Dakota County Board of Commissioners envisions the transportation system as a critical element of the quality of life for its citizens. Transportation systems must safely, efficiently and effectively allow citizens to travel to work and to conduct their personal lives. Transportation systems must further provide for the efficient movement of goods to markets to support the County's economic vitality. Multiple transportation options should work in coordination to minimize congestion. Additionally, transportation decisions should carefully consider and reflect environmental and community concerns.

Plan Goals & Programming Strategies

Projects programmed in the Transportation CIP implement policies, strategies and investment levels identified in the Dakota County 2040 Transportation Plan. Additional projects may be programmed to address emerging needs.

The Plan includes ten overarching principles that apply to all Plan goals. These included five guiding principles identified in *DC 2040: Planning for the Future* (Dakota County Comprehensive Plan) and five principles specific to transportation. All of these principles together guide the Plan policies and strategies and help in forming the basis for decision-making and priority determination.

The County will incorporate the following principles into all aspects of transportation system development and operations. Each principle is supported by strategies and policies to implement the principle objective.

- **Sustainability:** Living comfortably in a friendly, clean and healthy community and growing without placing environmental, economic and social burdens on current and future generations. Sustainable transportation is characterized by a transportation system that links people to activity centers through modes of transportation that reduce our use of natural resources and energy.
- **Connectedness:** Land use patterns and multimodal transportation networks that allow people to easily move between neighborhoods, providing jobs near housing, convenient shopping and services.

- **Collaboration:** Coordinating the efforts of public agencies and private entities toward maximizing transportation infrastructure, services and resources. Transportation corridors and transit services should provide access and mobility to business and residential communities. Collaboration is especially important as resources cannot keep pace with increasing transportation needs.
- **Economic Vitality:** Identifies transportation and technology infrastructure playing a large role in attracting high-paying employers in growth industries that are situated to help the region compete nationally and internationally. Interrelationships between transportation investment, telecommunications systems and other public infrastructure are recognized and coordinated with economic development goals.
- **Growing and Nurturing People:** Providing a variety of transportation choices to meet the needs of people of all ages, abilities, incomes and backgrounds. A safe and efficient transportation system exists to provide opportunities for people to accommodate a positive quality of life
- **Transportation Planning:** Activities include the development of plans and studies that identify potential solutions to transportation issues. A travel demand model is used to forecast future traffic projections to assist with transportation plans and studies. Dakota County participates with state, regional and local jurisdictions in transportation planning activities. Transportation planning activities also include the continual monitoring of land use development integration with the County transportation system and the identification of methods to integrate transit and other transportation modes within the overall transportation system.
- **Transportation Safety:** This is a critical factor underlying all transportation services and projects provided by the County. Safety of the traveling public is the priority on the County transportation system. This principle refers to system development and operations pertaining to all goals. Notable activities include design standards, traffic control devices, shoulders, trails, speed limits and intersection lighting with consideration for all modes of transportation.
- **Social, Economic, and Environmental Impacts (SEE):** This principle identifies activities that result in avoiding, minimizing or mitigating impacts associated with the transportation system. Also identified are ways to address air pollution, erosion, noise, wetlands, storm sewers and waste management within the transportation system. Federal and state requirements pertaining to this principle will be followed. In recent years, the importance of transportation design that is sensitive to the surrounding environment has received increasing attention. The growing emphasis on aesthetically pleasing and environmentally sensitive projects has been exhibited at both the federal and state level through funding and design policies. Local governments are increasingly interested in inclusion of aesthetic elements with transportation improvements. Limited investment of transportation funds is supported to enhance the aesthetic character of highway corridors on major transportation improvement projects.
- **Public and Agency Involvement:** Activities resulting in opportunities for residents and agencies to contribute to transportation plans, studies and projects. Examples include open houses, workshops, surveys, publications, web site information and e-mail. In addition, staff will frequently meet with staff from local County communities and Mn/DOT regarding transportation planning documents, studies and projects.

- **Context Sensitive Design and Complete Streets:** Roadway standards and development practices that are flexible and sensitive to community values allows roadway designs to better balance economic, social and environmental objectives. The complete streets principle seeks to accommodate all transportation system users safely and efficiently in appropriate contexts. Complete streets are defined as roadways designed and operated to enable safe, attractive and comfortable access and travel for all users including pedestrians, bicyclists, motorists and public transport users of all ages and abilities. Context varies by road segment, but can generally be described as rural, suburban and urban. Higher attention should be paid to more intense areas where higher pedestrian and bicyclist use is expected or desired

The *Dakota County 2040 Transportation Plan* focuses on six goals with desired outcomes, products, or services.

Goal 1 *Limited Resources are Directed to the Highest Priority Needs of the Transportation System.*

The County will develop the best transportation system to provide for safe movement of people and goods within financial constraints.

Goal 2 *Transit and Integration of Transportation Modes*

There are a range of potential transit services to align with the diverse land use and transit needs of the county. The Plan provides guidance regarding Dakota County's role in developing, coordinating and supporting transit services in partnership with transit providers, communities, employers and the traveling public to enhance transit in a successful manner across the county

Goal 3 *Preservation of the Existing System*

The most effective way to protect the County's transportation system investments is to continually evaluate and maintain the existing system to reduce unnecessary or premature replacement investments while maintaining safety and mobility.

Goal 4 *Management to Increase Transportation System Efficiency, Improve Safety and Maximize Existing Highway Capacity*

Safe travel on routes with minimal congestion is an integral part of the County's vision for its transportation system. Fiscal, social and environmental constraints limit the ability for an accelerated road construction program to achieve this vision alone. Management strategies that optimize the capacity and safety of the existing transportation system must be pursued.

Goal 5 *Replace Deficient Elements of the System*

Transportation system elements such as pavement and bridges deteriorate over time. Even with proactive preservation over the life of the transportation system, replacement eventually becomes the most effective approach. Additionally, standards and practices change, affecting system safety and operation to maintain safe and efficient movement of people and goods. The County will replace deficient elements of the transportation system as they become structurally or functionally obsolete.

Goal 6 *Improvement and Expansion of Transportation Corridors*

The County will improve the existing transportation system to address emerging deficiencies and capacity needs to best provide efficient connections for people to travel to work, to shop and to one another by safe travel on routes with minimal congestion.

Proposed Investments for the 2023 - 2027 Capital Improvement Program

Goal 1 in the *Dakota County 2040 Transportation Plan* is: Limited Resources are directed to the Highest Priority Needs of the Transportation System. Specific investment categories in Goals 2 through 6 of the *Dakota County 2040 Transportation Plan* are:

Goal	Investment Categories
Preservation	Paved Highway Surface Gravel Highway Surface Roadway Safety and Operation Pedestrian and Bicycle Facilities Storm Sewer System Repair Retaining Wall Maintenance Rail Crossing Resurfacing
Management	Jurisdictional Classification Safety and Management Signal Projects Rural Intersections Right of Way Preservation and Management Bicycle, Pedestrian and Greenway Trail Gaps and Crossings Greenway Crossings Non-Greenway Crossings
Replacement and Modernization	Highway Replacement and Modernization Bridge Replacement Gravel Road Paving Traffic Signal Replacement Through-Lane Reduction Two- to Three Lane Modernization
Transit	Non-transitway Service Enhancements (capital and operating)
Expansion of Transportation Corridors	Lane Additions/Expansion Future County Highway Alignments Interchanges and Overpasses Future Studies
* Transitway investments are currently funded by the Dakota County Regional Railroad Authority CIP.	

The Transportation CIP is guided by the *Dakota County 2040 Transportation Plan*.

The chart below shows a comparison of the recommended category funding in the *Dakota County 2040 Transportation Plan* and the 2023-2027 CIP.

2040 Transportation Plan Targets vs. Amount Budgeted in CIP			
	Proposed 5- Year Plan Target	Proposed 5-Year CIP Actual	Target to Actual (%)
Resources	42,300,000.00	48,028,872	114%
Preservation	55,000,000.00	57,600,000	105%
Management	78,500,000.00	90,805,167	116%
Replacement/Modern	127,800,000.00	139,026,937	109%
Transit	6,800,000.00	1,300,000	19%
Expansion	86,400,000.00	86,264,125	100%
Total	396,800,000.00	423,025,101	

The Preservation, Replacement/Modernization, and Expansion categories are all just under the 5-Year investment need established in the Plan. It should be noted that projects typically include elements in more than one project type category. Categories include projects in later years of the CIP that at this time do not have all funding identified, but these projects are included in the CIP to assist with the pursuit of additional funding.

The Resources category includes all costs necessary to support delivery and implementation of programmed CIP studies and projects. These costs include staff and consultant costs along with reimbursement to the Attorney and Survey Offices. This category also includes the revenue for Township Road Distribution.

The Plan determined that over \$1.65 billion will be required to meet the county transportation system needs over the 20-year plan period, and approximately \$397 million during the 5-year CIP timeframe. The current 2023-2027 Transportation CIP totals approximately \$423 million, excluding investments on Trunk Highways, and \$521 million with proposed Trunk Highway investments. The Trunk Highway allocated investments are primarily related to interchanges interacting with our County highways.

Highlighted 2023 Highway Projects

Goal 1: Limited Resources are Directed to the Highest Priority Needs of the Transportation System

In 2023, several strategies will be utilized to support this goal:

The CIP includes federal funds for projects that were successfully funded, and estimates of federal funds for future candidate projects that will be submitted through the Regional Solicitation process for Federal funding. Federal Highway Safety Improvement Program (HSIP) funding was obtained for intersection improvements at CSAH 11/Burnsville Parkway (Burnsville) in 2024 and for 2023 construction of a roundabout at CR 6 and CSAH 73 (West St Paul).

Goal 2: Preservation of the Existing System

Paved Highway Surface

The County will program projects for bituminous milling, overlays, and pavement recycling at various locations throughout the County. These projects will repair roadway deterioration and restore the asphalt surface, prolong the life of the roadway, and improve travel comfort and ride quality. They also frequently include improvements to trail and sidewalk pedestrian ramps at intersections, other small safety improvements, and storm sewer repair. The County also programs trail resurfacing projects for trails adjacent to County highways.

Potential bituminous resurfacing projects for consideration in 2023 are listed below. Final project selection will be determined based on a review of the roadways and pavement ratings and in coordination with the cities involved.

- • CSAH 43 from Mendota Heights Rd to TH 62 – Mendota Heights
- • CSAH 46 from TH 3 to CR 48 – Rosemount, Coates, and Empire Township
- • CSAH 5/50 from CSAH 46 to Jubilee Way – Lakeville
- • CSAH 56 from TH 52 to I-494 - Inver Grove Heights and South St. Paul
- • CSAH 63 from 70th St to 65th St – Inver Grove Heights
- • CSAH 73 from CSAH 26 to I-494 – Inver Grove Heights

Goal 4: Replacement and Modernization of Deficient Elements of the System

Roadway Replacement Projects

- CSAH 26, TH13 to I-35E (ROW Acquisition) – Eagan
- CSAH 86, West County Line to CSAH 23 (ROW Acquisition) – Eureka and Greenvale Townships
- CSAH 91, 210th St to TH 316 (Construction) – Marshan Township
- CSAH 91, Miesville Trail to TH 61 (ROW Acquisition) – Miesville, Douglas Township

Goal 5: Transit and Transitways

Transit Projects

Dakota County may partner with transit providers, communities, employers and the traveling public to enhance transit in a successful manner across the county. Transit projects that are not

associated with a designated Transitway are included in the Transportation CIP and funded through the Transportation Sales and Use Tax fund. The Sales and Use Tax fund includes an annual set aside for transit service expansion that can be used for capital projects or operating needs that are identified in partnership with transit providers and other entities and approved by the County Board. Funding for up to 50% of costs associated with bus pads and shelters at high ridership locations are included for construction in 2023. Transitway projects are funded through the Dakota Regional Railroad Authority, and those projects are found in the Dakota County Regional Railroad Authority CIP.

Goal 6: Improvement and Expansion of Transportation Corridors

Future County Highway Alignments

- 117th Street (Future CSAH 32), CSAH 71 to TH 52 (ROW Acquisition) – Inver Grove Heights
- New CSAH 60, Expansion of CSAH 60/185th St (Construction) – Lakeville

Future Studies/Professional Services

- CR 4, CSAH 63 to Smith Ave, School Safety Improvements – Preliminary Engineering (West St Paul)
- CR 4, Robert St to TH 52, Trail Gap – Design (West St Paul)
- CSAH 26, TH13 to I-35E, School Safety – Design (Eagan)
- CSAH 26, CSAH 73 to 1000' E of Cahill Ave, 3-lane reduction - Preliminary Engineering (Inver Grove Heights)
- CSAH 28, CSAH 73 to Bowman Ave, Lane reduction and ped crossings – Preliminary Engineering (Eagan)
- CSAH 32, I-35W to River Wood Dr, Lane reduction and ped crossings – Preliminary Engineering (Burnsville)
- CSAH 54, Hastings City Limit to CSAH 68 – Preliminary Engineering (Ravenna Township)
- I-35 at CSAH 50 Interchange Reconstruction – Preliminary Engineering (Lakeville)
- I-494 at CSAH 63 Interchange – Preliminary Engineering (Eagan, Inver Grove Heights, Mendota Heights)
- TH 52 at CSAH 66 Interchange - Design (Vermillion Township)

Buildings Capital Improvement Program

Background

Dakota County manages approximately 1,600,000 square feet in office buildings, libraries, correctional facilities, museum, dispatch, parks, maintenance, and storage facilities. Most of the County's facilities are relatively new, being built or renovated within the past 20 years. As buildings age, the need for mechanical and electrical system replacements increase, placing greater stress on the County's Building and Maintenance Funds.

Over the next 10 to 20 years the ongoing challenge facing the County will be to provide sufficient and suitable space to accommodate the service needs of a growing population. Metropolitan Council Population Forecast shows Dakota County's population increasing 19% from 398,552 in 2010 to 475,370 in 2030. The pace and location of growth will be a primary focus in planning improvements to County facilities.

Buildings CIP Program Goals

Projects programmed in the Buildings Capital Improvement Program (CIP) implement policies, strategies and investment levels identified in the Long-Range Facilities Plan adopted by the County Board.

Goal 1 All County facilities will be designed, constructed and maintained at a high-quality level within established resource guidelines.

Goal 2 All County facilities will be highly energy efficient and fully comply with the adopted High-Performance Building Standards. Projects will exceed Energy Code requirements.

Goal 3 Libraries will be renewed periodically to meet the changing service level and needs of the citizens.

Goal 4 Aging systems and major building components will be replaced in a timely manner.

Goal 5 Building space needs will be planned for 2030 and beyond.

2023 - 2027 Capital Improvement Program Highlights

This 2023 – 2027 CIP is a continuation of the previous 2022-2026 CIP, except for the following:

New Projects for 2023:

- Empire Shop Trench Drain Replacement
- WSC Data Room Chiller Replacement
- ADC Boiler and Chiller Replacements
- JDC HVAC Unit Heating Coil Addition
- Crisis and Recovery Center
- LEC Medical Unit Office Space Conversion
- WSC Courts Counter Windows Accessibility Improvements
- Energy Improvement Initiative

Projects for 2024 include:

- Burnsville Library Boiler Replacement
- LEC HVAC Unit Ultraviolet Light Installation
- LEC Housing Unit Flooring Program (1st of 3 years)
- LEC & JSC Control Rooms HVAC Replacement
- LEC Living Unit Door Upgrades
- LEC Staff Breakroom Expansion
- LEC Sheriff's Office Locker Room Renovations
- WSC Gun Permits Office Expansion
- NSC Social Services Office Space Renovation
- WSC Social Services Visitation Rooms Expansion & Renovation
- WSC Social Services Kitchenette Accessibility Improvements
- Wescott Library Chiller Replacement
- Empire Maintenance Facility Cold Storage Building Addition (1st of 2 years)

- Hastings Campus Fuel Dispensing System

Projects for 2025 include:

- LEC Lobby/ Public Restroom Renovations
- LEC Housing Unit Flooring Program (2nd of 3 years)
- Empire Maintenance Facility Cold Storage Building Addition (2nd of 2 years)
- LEC Inmate Release Area Renovation

Projects for 2026 include:

- LEC Housing Unit Flooring Program (3rd of 3 years)

Recommended Funding Level for the 2023-2027 Buildings CIP:

Building Fund				
Year	Annual Cost	Department of Human Services Grant	American Rescue Plan (ARP)	County Funding
2022	28,249,958	3,459,928	4,669,072	20,120,958.00
2023	28,623,926	-	-	28,623,926.00
2024	22,830,088	-	-	22,830,088.00
2025	12,580,290	-	-	12,580,290.00
2026	13,459,708	-	-	13,459,708.00
Total	105,743,970	3,459,928	4,669,072	97,614,970

Environmental Resources Capital Improvement Program

Mission

Protect, preserve and enhance the environment for the health, enjoyment and benefit of current and future generations.

2023 - 2027 Strategies

- Partner with farmers, other farming interests, SWCD, University of Minnesota, and State agencies to promote water quality Best Management Practices and Alternative Management Tools (1B1A)
- Provide cost-share funding through the SWCD for agricultural water quality Best Management Practices and Alternative Management Tools (1B1C and ACRE 4B)
- Partner with SWCD to provide incentives to farmers for completing nutrient management or irrigation management plans (ACRE 4C)
- Partner with SWCD to facilitate, promote, and provide cost-share funding for irrigation practices and technologies that reduce groundwater contamination and conserve water (1B1E and ACRE 4E)
- Leverage County Land Conservation, State, and federal funds and County and SWCD staff expertise to acquire easements on private lands that promote practices that

- improve water quality and restore and preserve natural areas in place of turf grass (1B1G and 1B2D)
- Partner with SWCD, cities and townships, watershed organizations, and others to promote and provide cost-share funding for the conversion of turf grass and annual vegetation to perennial vegetation with an emphasis on native species using native plantings, raingardens, shoreline restorations, and other practices (1B2B and 1B2C)
 - Manage stormwater to maximize clean groundwater recharge (1B3A)
 - Provide cost-share funding for investigation, remediation, and mitigation of contamination relating to brownfield development (1C1B)
 - Develop, monitor, protect, restore, and manage wetlands for water retention and habitat (2B2C and ACRE 4D)
 - Expand strategic partnerships with agencies and organizations (1B)
 - Use CFAs to identify, prioritize, protect, and restore wetlands, shoreland, headwaters, and groundwater recharge areas for water quality, and supply and flood reduction (2A)
 - Partner with the Dakota County Soil and Water Conservation District (SWCD) and other entities to promote, incentivize and implement water quality and quantity management and soil health practices in agricultural use areas (2B)
 - Protect and restore critical infiltration areas outside of CFAs (2C) Capital Improvement Program ER 2
 - Restore, enhance, and maintain natural resources on protected private lands and public lands (3A and 3B)
 - Use CFAs to protect habitat for rare, declining, and special concern species on public and private lands (4A and 4B)
 - Provide new and enhanced opportunities for compatible outdoor recreation activities through addition of publicly accessible lands within CFAs (6A)
 - Improve outdoor recreation activities on public lands through enhanced natural resource quality, information, and amenities (6B)
 - Partner with Local Government Units (LGU's) to reduce surface water pollution through the construction of stormwater improvements
 - Survey, design and install water quality projects to achieve County required load reductions or otherwise improve water quality
 - Investigate and remediate potentially contaminated sites on County natural area easements and fee title acquisition projects

Project Locations

- Riparian Corridors/Lakeshore Acquisition
- High priority natural areas
- Newly and previously acquired easements and fee title properties
- Large tracts of cultivated, hydric soils and potential water retention basins
- Properties adjacent to regional parks and within greenway corridors
- Properties located within preliminary Conservation Focus Areas, as identified in the Land Conservation Plan for Dakota County, November 2020.
- Priority groundwater recharge areas
- Vulnerable Drinking Water Supply Management Areas (DWSMAs)
- Local government unit and County project sites where best management practices can address specific water quality improvements

- Tax Forfeit and publicly owned properties that pose a public health risk and/or have been identified as economic development opportunities

2023 - 2027 Funding Strategies

- Use the County’s Environmental Legacy Fund to match and leverage additional state acquisition and restoration funds for land outside of regional park and greenway boundaries.
- Leverage land value, in-kind and cash contributions from landowners to acquire and manage strategic lands.
- Seek cost-share from partner organizations for water quality projects.
- Pursue other traditional and non-traditional funding opportunities, such as the Clean Water Fund, Environmental Protection Agency Brownfields Assessment Grants, Minnesota Department of Employment and Economic Development Contamination Cleanup and investigation grants, Watershed-based Implementation Funding, Minnesota Department of Health Groundwater Protection Initiative Accelerated Implementation Funding, and other Minnesota Department of Health and Minnesota Department of Agriculture grant opportunities.
- Use funds from the sale of tax-forfeit properties to reimburse the County for expenses related to environmental assessment and cleanup of those properties.

Environmental Resources CIP					
Year	Annual Cost	City	State	State Outdoor Heritage Fund	Environmental Legacy Fund
2023	1,461,395	-	-	-	1,461,395
2024	6,810,851	75,000	-	4,100,000	2,635,851
2025	3,590,885	100,000	1,000,000	-	2,490,885
2026	6,966,520	125,000	-	4,100,000	2,741,520
2027	3,672,781	150,000	1,000,000	-	2,522,781
Total	22,502,432	450,000	2,000,000	8,200,000	11,852,432

Transportation Sales and Use Tax Capital Improvement Program

The Dakota County Transportation Sales and Use Tax (Sales and Use Tax) fund provides investments in regional and multi-modal transportation projects as part of the broader county transportation system. The funds are collected through a quarter-cent sales tax and \$20 excise tax on new vehicle sales authorized under Minn. Stat. §297A.993.

Minn. Stat. §297A.993 enables counties to levy up to one half of one percent sales and use tax, an excise tax of \$20 per motor vehicle. This tax can be enacted by a Board resolution following a public hearing and can be used for statutorily defined transportation and transit projects. In accordance with the statute, proceeds of the Sales and Use Tax must be dedicated exclusively to:

- Payment of the capital cost of a specific transportation project or improvement.
- Payment of the costs, which may include both capital and operating costs, of a specific transit project or improvement.
- Payment of the capital costs of safe routes to school program.
- Payment of transit operating costs.

From 2008 to 2017, Dakota County enacted a quarter-cent sales tax and \$20 excise tax on new vehicle sales along with Anoka, Hennepin, Ramsey, and Washington counties to form the Counties Transit Improvement Board (CTIB). The funds generated by CTIB went toward capital and operating expenses of regional transitways, including the METRO Red Line Bus Rapid Transit (BRT) and METRO Orange Line BRT. After CTIB dissolved in 2017, Dakota County was eligible to enact the Sales and Use Tax and use the funds on a wider range of Transportation and transit projects than was previously allowed through CTIB without changing the overall Dakota County sales tax rate.

The Sales and Use Tax was enacted on October 1, 2017 and is estimated to generate approximately \$20.2 million dollars in 2022.

From 2017 to 2020, the Sales and Use Tax fund was documented in a separate CIP, but has been integrated with the overall Transportation CIP starting in 2021 to show all County transportation projects in one place. Projects funded with the Sales and Use Tax fund are identified in the "Fund Category" column in the Transportation CIP Summary to enable separate tracking of this funding source.

The following projects, totaling more than \$593 million, are consistent with regional County transportation needs as identified in the Plan and are eligible for Sales and Use Tax funds. Project costs represent high level estimates of total project costs that will be refined as projects are developed and programmed in the CIP. The use of Sales and Use Tax funds for Trunk Highway projects will be determined by the County Board on a per project basis in consideration of project scope, cost, and other potential funding sources as determined through preliminary engineering. Any change to the list of eligible projects requires a public hearing per state statute

Project Description	Estimated Cost
REGIONAL TRANSITWAY CAPITAL AND OPERATION COSTS	
1. METRO Orange Line (I-35 Bus Rapid Transit) capital and operating costs	\$3,800,000
2. METRO Orange Line Extension (I-35 Bus Rapid Transit) capital and operating costs	\$13,700,000
REGIONAL COUNTY HIGHWAY PROJECTS	
3. CSAH 46: 2 to 4 lane expansion from TH 3 to TH 52 in Rosemount and Empire Township	\$43,000,000
4. CSAH 46: Reconstruction from Pleasant Drive to TH 61 in Hastings	\$12,500,000
5. CSAH 32: 2 to 4 lane expansion from CSAH 71 to TH 52 in Inver Grove Heights	\$14,000,000
6. CSAH 42: safety, access, and mobility improvements in Burnsville, Apple Valley, Rosemount	\$30,000,000
7. CSAH 86: reconstruction from the western County line to TH 3 in Greenvale, Eureka, and Castle Rock Townships	\$22,000,000
8. CSAH 23: Pedestrian overpass at 140 th Street, Apple Valley <i>(New)</i>	\$3,500,000
9. CSAH 60: Expansion from CSAH 9 (Dodd) to Highview, Lakeville <i>(New)</i>	\$8,100,000
10. CSAH 88: Reconstruction from CR 94 to TH 56, Randolph Township <i>(New)</i>	\$8,000,000
11. CSAH 88: Reconstruction from TH 56 to west of Finch Ct, Randolph Township <i>(New)</i>	\$8,400,000
12. CSAH 91: Reconstruction from 210 th to TH 316, Marshan Township <i>(New)</i>	\$6,000,000
13. CSAH 91: Reconstruction from Miesville Trail to TH 61, Miesville, Douglas Township <i>(New)</i>	\$5,000,000
Project Description	
Estimated Cost	
TRUNK HIGHWAY PROJECTS	
14. TH 77: mobility improvements/MnPASS expansion in Apple Valley and Eagan	\$48,000,000
15. TH 3: safety and mobility improvements from 55th Street to TH 55 in Inver Grove Heights	\$24,000,000
16. TH 3: safety and mobility improvements from TH 149 to downtown Rosemount in Eagan, Inver Grove Heights, and Rosemount	\$42,000,000
17. TH 55: safety and mobility improvements from TH 52 to General Sieben Drive in Rosemount, Nininger Township, and Hastings	\$48,000,000
18. TH 52 and CSAH 62/66 area interchange in Vermillion Township	\$20,000,000
19. I-35: mobility improvements/MnPASS extension to CSAH 50 in Burnsville and Lakeville, including I-35/CSAH 50 interchange reconstruction in Lakeville	\$100,000,000
20. I-494 and Future CSAH 63 interchange in Inver Grove Heights	\$75,000,000
21. TH 13: corridor improvements from county line to Nicollet Avenue in Burnsville	\$30,000,000
22. TH 50: safety improvements from TH 52 to TH 20/61 in Hampton and Douglas Townships	\$10,000,000
TRANSIT SERVICE EXPANSION CAPITAL AND OPERATING COSTS	
23. Up to \$420,000 annually for non-transitway transit service expansion capital and operating costs	\$4,200,000
REGIONAL TRAIL PROJECTS	
24. River to River Greenway Regional Trail: Mendota Heights, West St Paul, and South St Paul <i>(New)</i>	\$3,500,000
25. Vermillion Highlands Greenway Regional Trail: Rosemount <i>(New)</i>	\$3,000,000
26. North Creek Greenway Regional Trail: Apple Valley and Lakeville <i>(New)</i>	\$2,000,000
27. Lake Marion Greenway Regional Trail: Lakeville and Burnsville <i>(New)</i>	\$3,000,000
28. Mississippi River Greenway Regional Trail: South St Paul <i>(New)</i>	\$1,500,000
29. Rosemount Greenway: Rosemount <i>(New)</i>	\$1,000,000

Byllesby Dam Capital Improvement Program

Mission

As per the Dakota County Comprehensive Plan, it is our goal to maintain and improve hydroelectric power productivity of the Byllesby Dam with energy policies that incorporate sustainable renewable energy into Dakota County operations and support sustainable, efficient energy supply infrastructure in the County.

Issues/Responsibilities

Dakota County is the sole owner and operator of the Byllesby Dam, located on the Cannon River approximately one mile upstream of the city of Cannon Falls. The hydroelectric facility is regulated by the federal government through the Federal Energy Regulatory Commission and is considered a high hazard project. The primary issues at the dam include:

- Properly meeting Federal Energy Regulatory Commission (FERC) dam safety requirements and responsibilities.
- Compliance with water management plan and permit requirements set by the Minnesota Department of Natural Resources, including maintaining “run-of-river” status for the Cannon River, maintaining summer and winter operating pool elevations and responding efficiently to high water events.
- Respond effectively to FERC mandates, including the development, maintenance and implementation of the Supporting Technical Information Document, the Owner’s Dam Safety Program, the Dam Safety and Surveillance Monitoring Report, the Emergency Action Plan, the Dam Security Plan, and the Operations and Maintenance Manual. All these requirements are to ensure dam safety.
- Produce hydroelectric-generated revenue to finance our annual operating budget and advance payback of past capital improvements, with the goal of not impacting Dakota County taxpayers.
- There are no new projects in the 2023-2027 CIP.

Byllesby Dam CIP			
Year	Annual Cost	State	General Fund
2023	-	-	-
2024	-	-	-
2025	-	-	-
2026	-	-	-
2027	-	-	-
Total	-	-	-

Data Networks Capital Improvement Program

Vision

Data networks, using broadband technology to provide internet access, are essential for County business and other public institutions. In Dakota County, the Information Technology (I.T.) department is responsible for development and maintenance of the Capital Improvement Program (CIP) for data networks. Information Technology will lead the County's strategic development of broadband infrastructure to connect County buildings with high speed data networks and for connecting the County to other institutional or commercial networks as appropriate and beneficial.

Mission

Dakota County's interagency collaborative networks fall into one of three categories:

- **Dakota County Network:** Network connections explicitly used for Dakota County Government services.
- **Institutional Networks:** Dakota Broadband Board network connections for educational, state, municipalities, and any other government agencies beyond Dakota County Government.
- **Commercial Networks:** Network connections for business partners, economic development, and any other commercial entities.

The Dakota County Network is further broken down into three tiers:

Core

- Networks to and from the County's internet service provider (State of Minnesota) and all principle Dakota County facilities, and networks connecting principle Dakota County facilities to one another. Examples of locations serviced by core networks:
 - Administration Center
 - Western Service Center
 - Northern Service Center
 - Judicial Center
 - Juvenile Service Center
 - Law Enforcement Center

Satellite

- Networks provided by Dakota County for County staff at facilities other than those serviced by core networks. Examples of locations serviced by satellite networks:

- Historic sites and museums
- Soil and Water Conservation District
- Extension and Conservation Center
- Empire Transportation Facility
- Community Development Agency
- Drug Task Force
- All libraries
- All license centers
- All parks and trails

Remote

Networks provided by Dakota County to non-staffed County locations. Examples of locations serviced by remote networks:

- Networks provided by Dakota County to non-staffed County locations.

Data Networks CIP		
Year	Annual Cost	County Funds
2023	-	-
2024	1,100,000	1,100,000
2025	1,100,000	1,100,000
2026	1,100,000	1,100,000
2027	1,100,000	1,100,000
Total	4,400,000	4,400,000

Regional Railroad Authority's Capital Improvement Program

In 1987, the Dakota County Regional Railroad Authority (Authority) was formed under Minnesota Statutes, Chapter 398A, which allows broad powers for the Authority to plan, acquire, and construct railroads, including light rail transit (LRT). Minnesota Statutes 398A.04, authorizes the Regional Railroad Authority to plan, establish, acquire, develop, purchase, enlarge, extend, improve, maintain, equip, regulate and protect; and pay costs of construction and operation of a bus rapid transit system located within its county on transitways included in and approved by the Metropolitan Council's 2040 Transportation Policy Plan.

Within the powers granted by statutes, the Authority evaluates modes of transportation for their application to reduce congestion, improve mobility and provide alternative forms of transportation. Many of the initiatives supported by the local Authority are funded by a combination of federal, state, Dakota County, local agencies and Authority funds.

In 2019 the Authority acted to reduce its levy to zero. With no projected revenues, the existing Authority fund balance of approximately \$9.0 million will be drawn down by projects identified in this and future CIPs. Funding for future projects overseen by the Authority will be supplemented through the Transportation Sales and Use Tax revenues when eligible. The Authority fund balance is projected to be \$7.0 million at the end of 2027 based on projects identified in this CIP.

The 2023 – 2027 Authority CIP includes the following projects:

Cedar Avenue Bus Rapid Transitway/ METRO Red Line

Development of the Cedar Avenue Bus Rapid Transitway (METRO Red Line) consists of several stages, with service and facility expansion as service demand warrants. Stage I was completed with the launch of the METRO Red Line on June 22, 2013. The METRO Red Line currently provides service between Mall of America and Apple Valley Transit Station. The 2023-2027 CIP provides funding for design and construction of bicycle and pedestrian improvements to stations areas.

METRO Orange Line

The METRO Orange Line is a bus rapid transit (BRT) line between Minneapolis and Burnsville. Phase I is complete with service starting on December 4, 2021. The METRO Orange Line provides improved transit access, service, and reliability on the I-35W corridor. All-day, frequent BRT service complements local and express bus routes along I-35W, providing competitive running times for station-to-station trips and a new option for reverse-commute markets. The Orange Line operates at a 15- minute all-day frequency on weekdays and 30-minute all-day frequency on weekends. Recent labor availability issues have impacted the service levels of many Metro Transit services and may affect Orange Line service frequency in the near term.

An extension to Burnsville Center is planned once redevelopment in the area is sufficient to support Transitway service, and Orange Line ridership patterns are better known. The 2023-2027 CIP includes project development activities for the Orange Line Extension.

Regional Railroad Authority CIP		
Year	Annual Cost	Regional Rail Authority Funds
2023	-	-
2024	106,250	106,250
2025	-	-
2026	311,500	311,500
2027	170,000	170,000
Total	587,750	587,750

Departmental Information

The purpose of this section is to provide an understanding of the following:

- Dakota County's allocation of positions
- Descriptions, goals, and objectives of departments and programs
- Dakota County's strategic plans and performance measures

Dakota County Full Time Equivalents (FTEs) by Department

A Full-Time Equivalent (1.0 FTE) employee totals 2,088 hours per year. Departments are authorized a specific number of FTEs under the Adopted Budget. Generally, changes to FTEs must be authorized by the County Board. Under certain circumstances, County staff has the authority to adjust the number of FTEs. These exceptions are outlined in the Position Control Policy, Budget Compliance Policy and the Innovative Program Policy. Each of these policies allow for certain modifications in FTEs, including adding limited-term position and temporary positions; and eliminating FTEs if funding for the position has been reduced or eliminated. The table below outlines the number of FTEs by County department and division.

Department	2019	2020	2021	2022	2023
Non-Departmental (Countywide)	2.00	2.00	1.00	2.00	2.00
Public Services & Revenue Administration	5.31	3.50	3.50	4.00	4.00
Assessing Services	40.00	40.00	40.00	40.00	40.00
Property Taxation & Records	34.30	34.30	34.30	34.30	33.30
Service & License Centers	28.44	30.00	30.00	30.00	31.00
Library	130.48	130.81	130.81	124.30	124.14
Elections	5.00	5.00	5.00	5.00	7.00
Public Services & Revenue Division	243.53	243.61	243.61	237.60	239.44
EFIS Administration	0.00	0.00	2.00	3.00	3.00
Risk Management	7.00	7.00	7.00	7.00	7.00
Information Technology	68.00	69.00	69.10	69.10	70.10
Financial Services	28.00	28.00	27.00	27.00	28.00
Office of Planning & Analysis	8.00	8.00	8.00	8.00	8.00
Criminal Justice Network	6.90	8.00	8.00	8.00	0.00
Enterprise Finance Information Systems Division	117.90	120.00	121.10	122.10	116.10
Office of the County Manager	11.00	11.00	10.00	8.00	8.00
County Board	7.00	7.00	7.00	7.00	7.00
County Communications	8.00	8.00	8.00	8.00	8.00
Employee Relations	19.45	19.45	19.45	20.45	20.45
Budget Office	8.00	8.00	7.90	6.90	6.90
Total County Administration	53.45	53.45	52.35	50.35	50.35
Community Services Administration	18.00	17.00	16.00	15.00	16.00
Social Services	372.75	382.35	394.35	424.35	456.35
Employment & Economic Assistance	267.20	271.20	273.20	282.50	283.00
Public Health	110.02	110.02	110.02	121.27	121.77
Veterans Services	7.00	7.00	7.00	7.00	7.00
Community Corrections	176.92	176.92	176.92	176.92	177.92
Community Services Division	951.89	964.49	977.49	1027.04	1062.04
County Sheriff	183.25	188.25	191.25	191.25	192.25
County Attorney	94.00	94.00	94.00	97.00	97.00
Fleet Management	14.00	14.00	14.00	14.00	14.00
Facilities Management	51.00	52.00	52.00	54.00	54.00
Parks and Open Space	20.70	21.70	20.70	21.00	22.00
Physical Development Administration	25.35	26.35	26.35	25.85	26.60
Transportation	98.00	97.00	97.00	97.00	99.00
Environmental Resources	34.00	35.00	35.00	36.00	36.00
Byllesby Dam	1.00	2.00	2.00	2.00	2.00
Physical Development Division	244.05	248.05	247.05	249.85	253.60
Total County Full-Time Equivalents	1890.07	1913.85	1927.85	1977.19	2012.78

Organization Units

Dakota County has included performance measure data for each department in Volume-II of this document.

Office of the County Manager

The Office of the County Manager is responsible for executive leadership of the County, including budget development and financial planning, staff leadership, and implementation of tools to support County functions. Staff is also responsible for supporting the Board of Commissioners in their governance and policy-setting role, by developing Board agendas, supporting and maintaining Board correspondence, and managing citizen advisory committee membership. Finally, the Office of the County Manager is responsible for intergovernmental relations, including coordination of state and federal legislative activities, support for Board participation on intergovernmental bodies, and representation of the County to other government administrators.

County Board

The Board is responsible for adopting an annual budget, setting the annual property tax levy, hiring of the County Manager, adopting ordinances, setting staffing levels, compensation and benefits, developing annual priorities, representing the County in multijurisdictional organizations, providing direction and strategic planning for County services, approving plats, and approving design and development projects. The Board also acts as the Community Public Health Board.

Communications

The Dakota County Communications Department was established in 2008. The staff of seven provides web content management, media relations, publications, social media, legislative support, internal communications and other communications functions to county departments as well as the Dakota County Board of Commissioners, along with overseeing the county's volunteer efforts. They also keep county residents and businesses informed about the functions of county government as well as the services and other resources provided by the county.

Employee Relations

In strategic partnership with County leadership and pursuant to Minnesota Statute § 383D, Employee Relations discharges functional responsibilities through five program delivery areas:

- **Recruitment and Selection** – Facilitate the recruitment of competent, diverse staff through open and competitive processes that provide County management and citizens with a workforce exhibiting the highest level of service, professionalism and integrity.
- **Compensation and Classification** – Develop, administer and promote a system that reflects external market conditions, internal pay equity considerations, and the County's merit philosophy.
- **Employee Benefits Administration** – Develop and administer employee benefit options that are market competitive, affordable and offer flexible choices for employees' needs.
- **Human Resource Development** – Design and implement integrated programming that fosters individual and organizational capacity to achieve strategic organizational objectives.
- **Labor Relations** – Promote positive, stable, labor relations through effective labor negotiation and dispute resolution.

Budget Office

- The Budget Office is responsible for budget development and financial oversight of Dakota County.

Public Safety Division**County Attorney**

The county Attorney's Office promotes justice by prosecuting cases involving juveniles and all adult felony crimes that occur within the County. Victims and witnesses of crime receive information and referral services in addition to support for trial appearances. Legal counsel and representation are provided to the County Board and to County departments. The County Attorney's Office initiates legal actions to protect abused and neglected children, adults who are vulnerable or a danger to themselves or others; and provides child support enforcement services. The County Attorney's Office is also a leader in crime prevention initiatives that promote public safety, including multiple diversion programs as well as alternative court processes.

Sheriff's Office

Services Provided:

- Patrol
- Investigations
- Civil Process
- Electronic Crime Unit
- Detention Services
- Inmate Programs
- MAAG and Crisis Negotiation Team
- Dive Team
- Canine Team
- Records and Warrants
- School Liaison
- Parks, Lakes, and Trails
- Narcotics (Dakota County Drug Task Force)
- Drug Enforcement Administration Task Force
- Dakota County Minnesota Joint Analysis Center (MNJAC) Liaison
- Prisoner Transport
- Emergency Preparedness
- Prescription Drug Drop Off
- Court Security and Point of Entry Screening
- Recruitment and Training
- Fit for Duty

Enterprise Finance and Information Systems (EFIS) Division

EFIS Administration

EFIS Administration is responsible for the business needs of departments within the Division. EFIS Administration allocates resources to support needs across division departments and drives operational excellence throughout the division by working in partnership with staff and internal customers.

Finance

Finance is responsible for the review and preparation of the annual financial statement, managing cash, banking relations, and investments, processing payroll, billing for and receipting of vendor and client payments, collecting and recognizing non-tax levy revenue, managing debt financing (currently no County debt), coordinating internal and external audits and procurement management.

Information Technology (IT)

Dakota County IT is a complete IT service provider. They have 66 full time equivalents performing duties of IT infrastructure, Business Application Solutions, Portfolio and Project Management. The Hastings data center is a major hub for institutional networks inclusive of the State of Minnesota. IT's mission statement has the acronym; ICE – Innovate, Collaborate, Empower.

Office of Performance & Analysis (OPA)

The Office of Performance and Analysis serves Dakota County by developing, analyzing, and evaluating information to improve Dakota County's programs and services as well as providing data to support informed decision making. This includes performance measurement and continuous improvement efforts along with research, evaluation, and facilitation projects.

Risk Management

Risk Management identifies and evaluates organizational risks, develops and implements methods and programs that can reduce or eliminate such risks, and monitors programs to ensure they are effectively addressing the identified exposures. Risk Management provides direction and support in the following areas:

- Emergency Management
- 800 MHz Radio Support
- Insurance and Claims Management
- Loss Control
- Homeland Security Planning and Coordination
- Risk Analysis

Public Services and Revenue Division

Public Service and Revenue Administration

Work in partnership with citizens and communities, divisions and departments to provide efficient, reliable and high-quality service. Public Services and Revenue has responsibility for:

- Quality, responsible and accessible land and property services
- Fair and representative elections
- Fair and equitable tax administration, Vital Records, Motor Vehicle and Passport Services
- County Public and Law Library Services

Assessing Services

Our mission is to accurately and equitably value and classify all property in Dakota County and provide assistance with assessment data. The primary services provided include:

- Value and classify all property in the County as of January 2
- View and revalue 20% of the real estate parcels in the County annually
- Value all new construction
- Maintain a level of assessment between 90% and 105% on all property types
- Reach the best resolution possible on petitions filed with the Tax Court
- Provide assessment information to stakeholders

Property Taxation & Records

Deliver quality services to the residents that protect citizen's rights and meet state mandates. The primary services provided include:

- Property Taxation and Distribution
- Document recording
- Passports
- Tax forfeited properties
- Central phone

Service & License Centers

Offer residents and departments accurate, timely and courteous service. The primary services provided include:

- Property Tax collection
- Vital records
- Passport processing
- Motor Vehicle transactions and Driver's License
- DNR and Game/fish transactions
- Mail processing

Library

Dakota County Library cultivates community, creativity, and learning. The Library offers materials and resources online and in person at nine library locations. Welcoming staff create opportunities for residents to access technology, resources, books, and meet with other community members resulting in educational growth and connections to their community.

Elections

The County Elections Department conducts the county role in election administration. This includes working as the primary registrar of voters, provider of absentee ballots, voting equipment, ballots and training for the 282,000 registered voters in 34 municipalities and 11 school districts in the county. The Elections department is also responsible for providing support for all steps of the election process to all customers – from voters to candidates. The office also serves as the filing officer for County elected officials which involves accepting affidavits of candidacy and candidate financial statements.

Community Services Division

Community Services Administration

The Community Services Division is comprised of five departments and Community Services Administration. In addition, locally funded educational services are provided through a partnership with the University of Minnesota Extension Service and the United States Department of Agriculture. As the primary conduit to Dakota County Administration, Community Services Administration develops, communicates, and ensures compliance with Dakota County and Community Services strategic direction, priorities, policies and operational processes. Community Services Administration has shared accountability with departments for business model development, advocacy, and stakeholder relations with the Dakota County Board of Commissioners, Administration, the legislature, and other partners and stakeholders. Core functions of Community Services Administration include:

- Strategic, Operational and Budget Planning and Oversight
- Administration and Support Services
- Contracts and Vendor Management
- Data Management
- Performance Measurement
- Project Management

Community Corrections

Dakota County is a Community Corrections Act (CCA) County, providing services to adult and juvenile clients under the authority of the First Judicial District. Dakota County Community Corrections (DCCC) provides a variety of services to our clients including

- Pre-trial community supervision, Intake and Court services including bail evaluations, assessments and pre-sentence/pre-disposition recommendations to the Court
- Community restoration programs such as Sentence to Service (STS) and Work Release
- Integrated service delivery programs such as Reentry Assistance Program (RAP) and provide support for clients transitioning from jail or prison to the community, and diversion programs
- Intensive Supervision
- High Risk Supervision
- Adult and Juvenile Drug Courts
- Probation Service Center (PSC) providing low to moderate risk supervision for clients utilizing phone reporting
- Juvenile Detention Alternatives Initiative (JDAI)
- Secured juvenile facility and New Chance Day Treatment Program for youth

Community Corrections is part of the Community Services Division and the Criminal Justice System in Dakota County. Safety and well-being are at the forefront of the work they do. DCCC is committed to working through the lens of the Social Determinants of Health (SDoH) to assist with bringing clients and families to achieve stability and self-sufficiency and to thrive in the community. The department uses research-based interventions and practice to facilitate change in clients and their families. The department's goal is to support individuals and families in choosing productive, positive, and stable lives. This work helps prevent recidivism and assists with maintaining safe communities. Staff members work with clients to identify root causes to criminal behavior and determine how they can assist the change. Probation officers also work with clients to maintain or develop pro-social skills and competencies. Probation officers supervise clients in the community where they live, work, and attend school. They engage the client's family and friends to create support systems and stability. Community Corrections collaborates with law enforcement, prosecutors, defense attorneys, the Courts, Community Services Departments, and community partners to ensure public safety and to meet the self-sufficiency needs of clients and families.

Public Health

The mission of the Public Health Department is "Building healthy individuals, families and communities in Dakota County through partnerships to prevent disease, disability and injury; promote physical and mental wellbeing and safety; and protect health and the environment." The Public Health Department provides a broad range of services to individuals, families, and communities to promote and protect the health of the residents of Dakota County. The focus is on promoting healthy families and communities; working with community partners to create systems that support people with functional limitations to live independently; and responding to emerging diseases and health threats. Targeted at-risk individuals and families receive assessment, prevention, early intervention and case management services through home visits. Population-based prevention services target youth and communities to promote healthy behaviors. The department has 6 areas of responsibility that all local public health departments in Minnesota are required to provide:

- Assure an adequate local public health infrastructure
- Promote healthy communities and healthy behaviors
- Prevent the spread of infectious disease
- Protect against environmental health hazards
- Prepare for and respond to disasters and assist communities in recovery
- Assure the quality and accessibility of health services

The continued work on maintaining and establishing strong internal and external partnerships to prevent, promote and protect the health of the public is essential to meet the above responsibilities and to successfully address the social determinants of health and wellbeing.

Social Services

Children & Family Services

- Child Maltreatment Screening, Child Protection Services, Child Welfare Services, Children's Mental Health Assessment and Services, Child Foster Care Licensing and Adoption, Truancy Reduction and Collaborative Services

Adult Services.

- Adult Intake, Adult Protection, Adult Mental Health, Chemical Health, Pre-petition Screening, Supportive Housing, Crisis Response and Crisis Stabilization

Community Living Services (Adults and Children)

- Intellectual and Developmental Disabilities, Long Term Services and Supports (MnChoices), Home & Community Based Waiver Services, Personal Care/Consumer Supports

Housing and Community Supports

- Housing Services and Coordinated Entry, Social Services Coordination, Resource Development, Adult Foster Care Licensing, Transportation Services, Eviction Assistance Program, Child Care Licensing, Emergency Shelter

Administrative Operations and Quality Assurance

- Case Aide, Support, Central Reception, Systems Management, Information Technology Services, Data Entry, Service Arrangements, Accounts Payable, Accounts Receivable, Data Records

Veterans' Services

- Advocates for veterans, military service members, their family members and dependents by connecting to and supporting their access to veteran benefits, programs, resources and services
- Supports and promotes Integrated Service Delivery within the Community Service Division and with other county stakeholders by providing outreach and education on veteran's benefits and programs to and by working collaboratively with these stakeholders to serve veteran clients
- Serves as the primary community resource on veteran programs and services to external stakeholders and service providers and promotes coordinated service delivery to veteran clients
- Responds to the needs of current Active Duty, Reserve, and National Guard service members, their families, and communities by supporting their unique needs before, during, and after deployment
- Recognizes the increased diversity and complexity of veterans, military service members, their families and dependents. Through training and education, Veteran Services works diligently in recognizing these needs and supports the diversity of veterans residing in Dakota County
- Uses a military cultural competency lens to assess the unique needs of veterans, military service members, their families and dependents.

University of Minnesota Extension, Dakota County

Dakota County Extension is a component of University of Minnesota Extension, which includes educational outreach in the following program areas:

- 4-H Youth Development Programs - positive youth development education
- Master Gardener Programs - horticultural and environmental education
- Agriculture and Environmental Programs - small farm, natural resources, urban farming, and environmental education
- Health and Nutrition Programs - food, nutrition, and health education
- Family Resiliency Programs - financial and parenting education
- Community Vitality Programs – analysis of tourism and economic development and community leadership development

Employment and Economic Assistance

Dakota County Employment and Economic Assistance Department manages public assistance programs, child support, workforce development, county fee collections, and fraud programs.

- Public assistance programs include: Medical Assistance, food, cash and childcare eligibility programs
- Child Support collects and disperses court-ordered financial support
- Workforce development supports people in poverty, youth, dislocated workers, and the general public with employment assistance
- County fee collections and fraud units assist in program compliance efforts

Physical Development Division

Physical Development Administration

The Physical Development Administration department is responsible for providing support services to various business needs of the departments within Physical Development Division. The department has three different units that include the Office of Planning, Administrative Coordinating Services (ACS) and Contract Services. In addition, the department supports the development and management of the division's \$41,473,740 operating budget and \$149,895,711 (not including Data Networks) capital budget. These offices provide support to the entire Physical Development Division to support the work of staff in administering the Division's 50 programs and services. The centralized staff managed under Physical Development Administration efficiently allocate resources to support fluctuating needs across division departments and drive operational excellence throughout the division.

Parks

The mission of the Parks Department is to enrich lives by providing high quality recreation and education opportunities in harmony with natural resources preservation and stewardship. The department accomplishes this mission by providing inclusive natural resource-based recreation and outdoor education, plus natural resource stewardship of County parks and greenways.

Fleet Management

Fleet Management is responsible for planning, monitoring, and developing the operations and personnel responsible for the management of all County fleet assets as well as outside agencies that have agreements for fleet services.

- Maintenance and repairs of 774 active County units with \$31.5 million replacement value
- 5-year \$13.1 million Fleet Capital Equipment Program (Fleet CEP) that covers planning, research, acquisition, setup, and remarketing of all County fleet assets
- Fuel management of 6 fuel islands, facilities generators, 800 MHz radio tower generators, and fuel credit card system and databases
- Regulatory compliance for all fleet related activities including MN Pollution Control Agency, Homeland Security, OSHA, MN State statutes and tax regulations, and vehicle/equipment factory recalls
- Fabrication and repair services for other County departments and outside agencies for non-fleet vehicle or equipment projects

Facilities Management

The Facilities Management department plans, designs, constructs, and manages County-owned facilities throughout the County. This includes the following:

- Maintenance and repair of County infrastructure including facilities, grounds, parks and greenways
- Security systems
- Leases and use permits
- Planning and programming for all County facilities, including the five-year Building Capital Improvement Program and Long-Range Facilities Plan
- Design of new facilities and improvements to existing facilities
-
- Project management of all facility-related and park improvement projects

Environmental Resources

The mission of the Environmental Resources Department is to “Protect, preserve and enhance the environment for the health, enjoyment and benefit of current and future generations.” The department accomplishes this mission through a combination of regulatory and non-regulatory programs that address groundwater and surface water quality, solid waste management, hazardous waste management, brownfield and contaminated site assessment and redevelopment, land conservation, and the operation and maintenance of a hydro-electric dam located on Lake Byllesby. The Department also assists other departments within the Physical Development Division with water resources engineering, storm water management and land acquisition for parks and greenways; and is a key partner in the County’s Environmentally Preferable Purchasing (EPP) program.

The Department enforces the requirements of numerous county ordinances (Ordinance 50 Shoreland and Floodplain Management, Ordinance 110 Solid Waste Management, Ordinance 111 Hazardous Waste Regulation, Ordinance 113 Subsurface Sewage Treatment Systems, Ordinance 114 Well and Water Supply Management and Ordinance 132 Dakota County Storm Drain System) and administers the policies outlined in the Dakota County Solid Waste Master Plan and the Vermillion River Watershed Management Plan (for the Vermillion River Watershed Joint Powers Organization).

Transportation

The Transportation Department provides safe and efficient multi-modal transportation and survey services that are responsive to the needs of Dakota County. The services include planning, design, right-of-way acquisition, construction, maintenance, operation, and administration of the Dakota County transportation system. The department also coordinates with other County departments and external transportation agencies to maximize safety and efficiency of the overall transportation system.

Strategic Plans and Performance Measures

Dakota County Strategic Plan Goals

The Strategic Plan goals reflect the Dakota County Board of Commissioners' vision for the County and are meant to guide the work of Dakota County and to provide direction and context for the work of staff. Dakota County has four Strategic Plan goals:

A Great Place to Live: Dakota County strives to be a welcoming place where all people are safe, have opportunities to thrive, and enjoy a high lifelong quality of life.

A Healthy Environment with Quality Natural Areas: Dakota County protects and maintains natural resources for the health and enjoyment of current and future residents.

A Successful Place for Business and Jobs: Dakota County fosters business and employment success through modern infrastructure, low taxes, and a prepared, connected workforce.

Excellence in Public Service: Dakota County demonstrates sound stewardship of human and financial resources, communicates, and engages with the public, and innovates and collaborates to provide excellent service.

Strategic Plan Progress

Strategic Plan progress is monitored through three Strategic Plan Performance Measures:

Attracting and Keeping County Employees: Measures the percentage of employees retained over two years. This measure has been tracked since 2009.

County Staff Service Quality: Since 2008, this measure has been tracked as part of the County's triannual survey.

County Tax Levy: Measures the growth in County tax levy compared to household growth and inflation. This measure has been tracked since 2000.

Dakota County also tracks eleven Strategic Plan Indicators and twelve Community Indicators. Historical data for the Strategic Plan Performance Measures, Strategic Plan Indicators, and Community Indicators are available for public viewing on the County website.³

Performance of Programs and Services

For the last eight years, Dakota County collects an annual set of performance measures for each program and service provided by the County. The information is compiled within Dakota County's Program and Service Inventory (PSI). The PSI measures three categories: "How Much," "How Well," and "Is Anyone Better Off." These measures are based on Results-Based Accountability practices, a disciplined way of thinking and taking action that can be used to improve quality of life in communities, cities, counties, states, and nations, as well as to improve the performance of programs.

How Much: Measures the effort and quantity of a program.

How Well: Measures the effort and the quality of a program.

³ <https://www.co.dakota.mn.us/Government/Analysis/Demographics/>

Is Anyone Better Off: Measures the effect, the quantity, and the quality of a program.

Program Performance Tied to Strategic Plan Goals

The Program and Service Inventory (PSI) measurements are tied back to the strategic goal each program represents. 2023 Department Financial Budget Summaries, or Volume II, includes performance measure data for each program in the form of the Program and Service Inventory.

Dakota County is comprised of eight divisions and 37 departments. Those departments oversee 224 separate programs and each program is tied to one of the four strategic goals. The following summary illustrates how each individual program and service performance measure is directly linked to a Dakota County goal.

As part of the annual budget process, progress for the individual program and service measures are reported annually to the County Board

Figure 1 Countywide Programs/Services by Primary Strategic Plan Goal

County Strategic Plan Goal	Number of Programs/Services	FTEs	Budget	Levy
A great place to live	91	1,299.35	\$174,128,178	\$95,535,684
A healthy environment with quality natural areas	20	57.18	\$12,468,825	\$1,047,270
A successful place for business and jobs	2	7.31	\$1,687,322	(10,352)
Excellence in public service	109	609.61	\$92,901,409	\$75,661,140

* **Estimated Allocation 2023** - Budget, levy, and FTEs data reflect the 2023 budget planning base. Data are current as of 11/8/2022.

A Great Place to Live: The strategic plan goal for 91 programs from 13 departments within seven divisions.

A Healthy Environment with Quality Natural Areas: The strategic plan goal for 20 programs from four departments all within one division.

A Successful Place for Business and Jobs: The strategic plan goal for two programs from two departments and divisions.

Excellence in Public Service: The strategic plan goal for 109 programs from 27 departments and all eight divisions.

KEY:

- Charts with **GREEN** indicate a line trending upward
- Charts with **YELLOW** indicate a line that is generally unchanged
- Charts with **RED** indicate a line trending downward

Contributions of Performance Measures Toward Strategic Plan Goals: A Great Place to Live

The following example illustrates how a performance measure within Community Services contributes toward the strategic plan goal of “A Great Place to Live.”

Strategic Plan Goal: A Great Place to Live

Figure 2 Countywide Resources Contributing Toward Goal

	2018	2019	2020	2021	2022	2023
Number of Programs/Services	91	96	93	93	91	91
FTEs	1,113.53	1,219.9	1,224.5	1,242.7	1,257.52	1,299.35
Budget	\$148,888,187	\$159,205,462	\$168,297,518	\$171,054,600	\$174,068,976	\$174,128,178
Levy	\$74,873,155	\$83,873,557	\$89,306,296	\$90,776,983	\$91,806,398	\$95,535,684

Individual Program Contribution Toward Goal

Division: Community Services

Department: Community Corrections

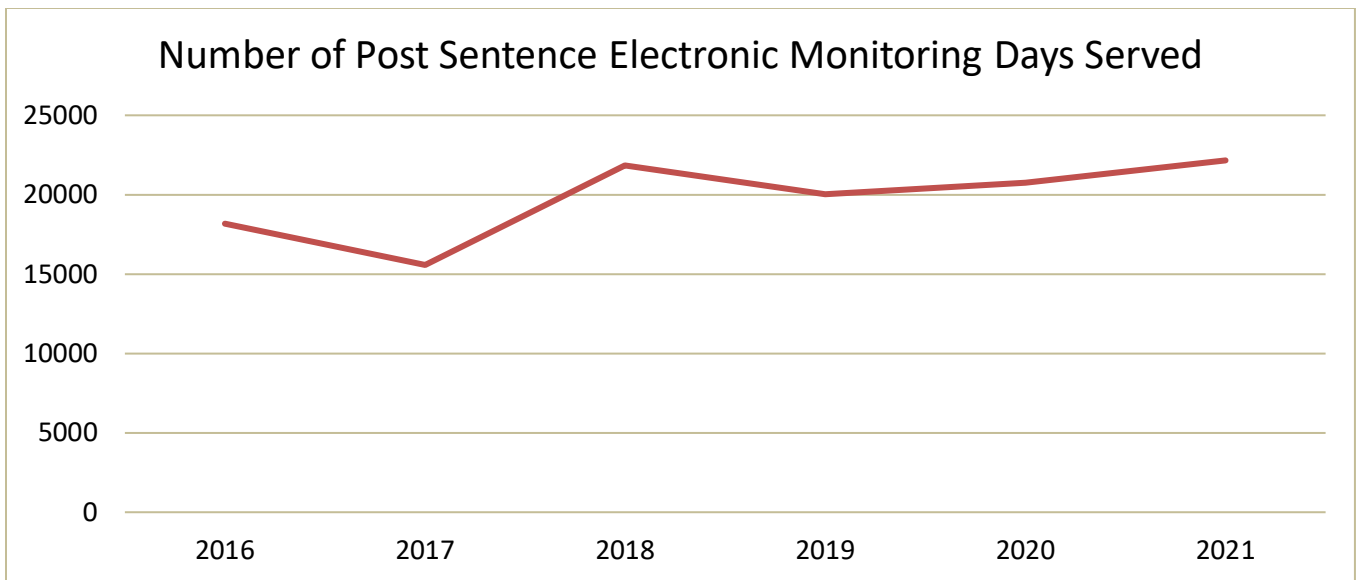
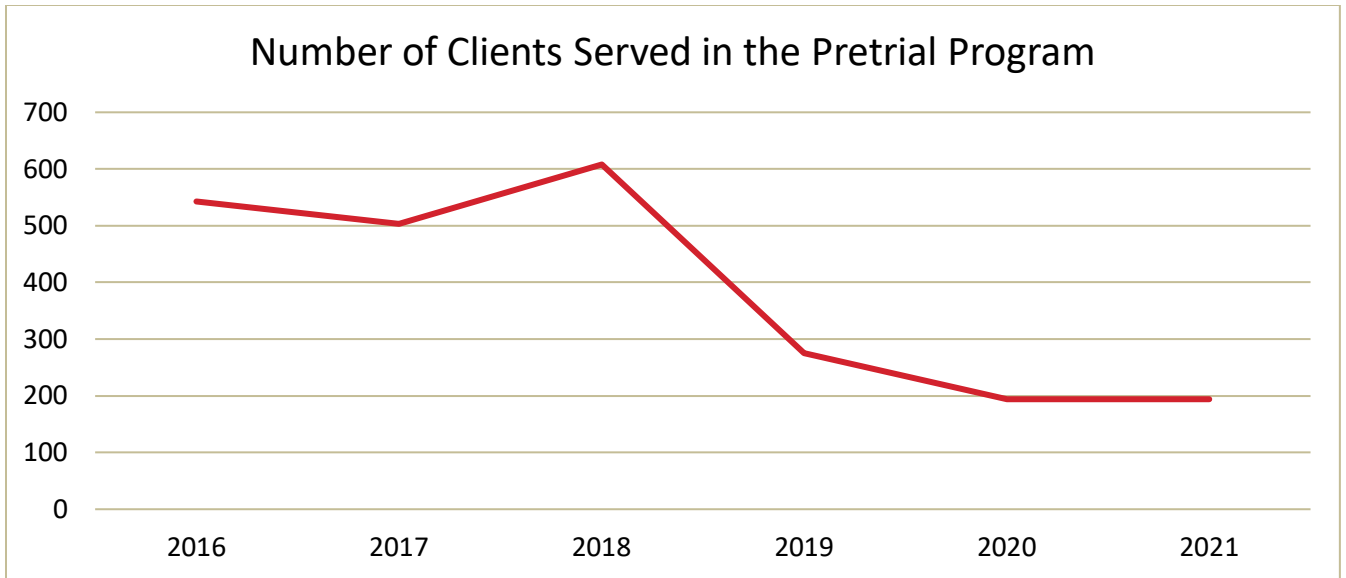
Program: Adult/Jail and Work Service Programs

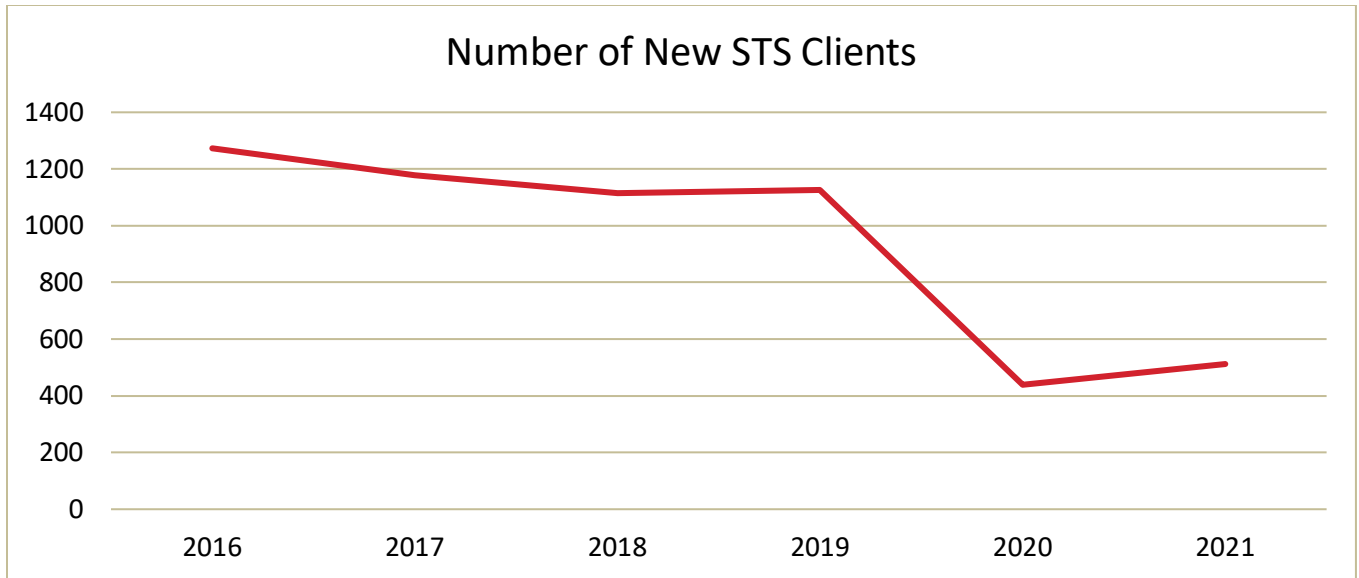
Program Description: Jail and Work Service Programs allow clients to stay in the community where they can maintain treatment, family involvement, and employment while remaining out of jail. These programs include: Electronic Home Monitoring (EHM), Sentencing to Service (STS), Work Release (WR), Community Work Service (CWS), Conditional Release, and Adult Detention Alternatives Initiative (ADAI).

Program Goal: Community Corrections coordinates a variety of programs and services designed to hold clients accountable, provide opportunities for positive change, and help restore justice to victims and the community. Diversion programming for adult clients is under the auspices of the Dakota County Attorney’s Office.

“How Much” Performance Measures

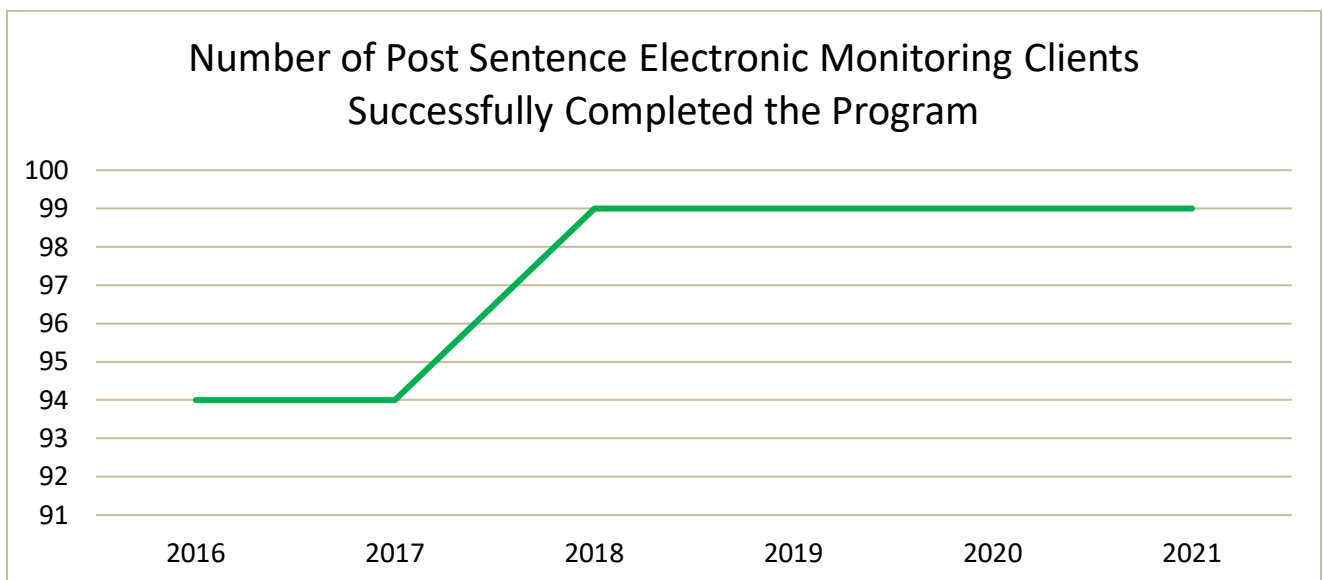
The “How Much” performance measure typically measures the intersection of quantity and effort. In the first chart we see the number of clients served on the pretrial program has steadily declined, except for a spike in 2018. The second chart shows the number of post sentencing electronic monitoring days served, which despite a brief dip in 2017 and 2019, has been rising steadily. The third measure identifies the number of new Sentencing To Serve (STS) clients which has dropped steadily and consistently over the measured period. These numbers are tracked and measured to compare overall numbers to previous years. Declining numbers do not necessarily mean that the program is doing worse, in fact declining numbers can mean that other areas upstream have improved necessitating fewer clients and fewer days served.

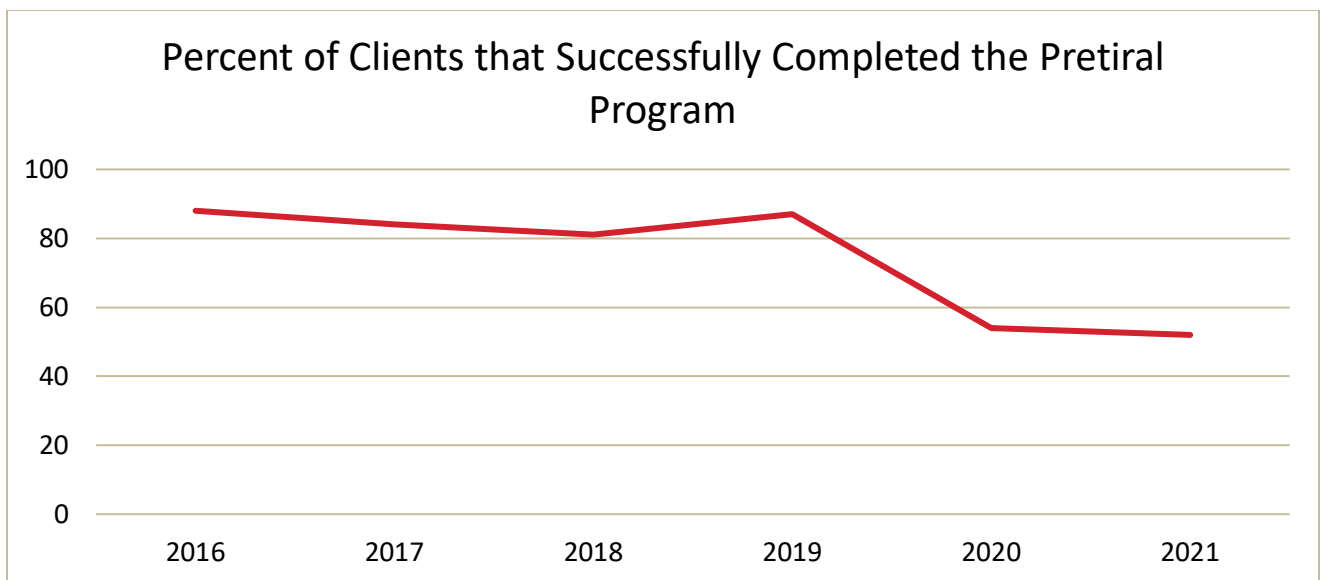
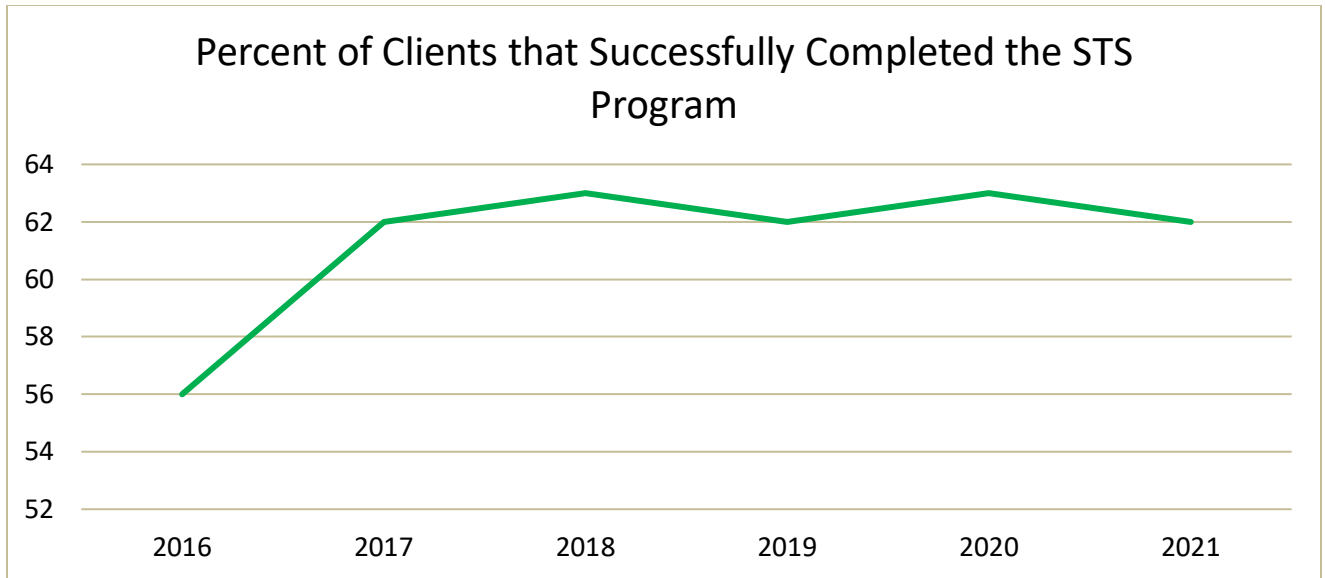




“How Well” Performance Measures

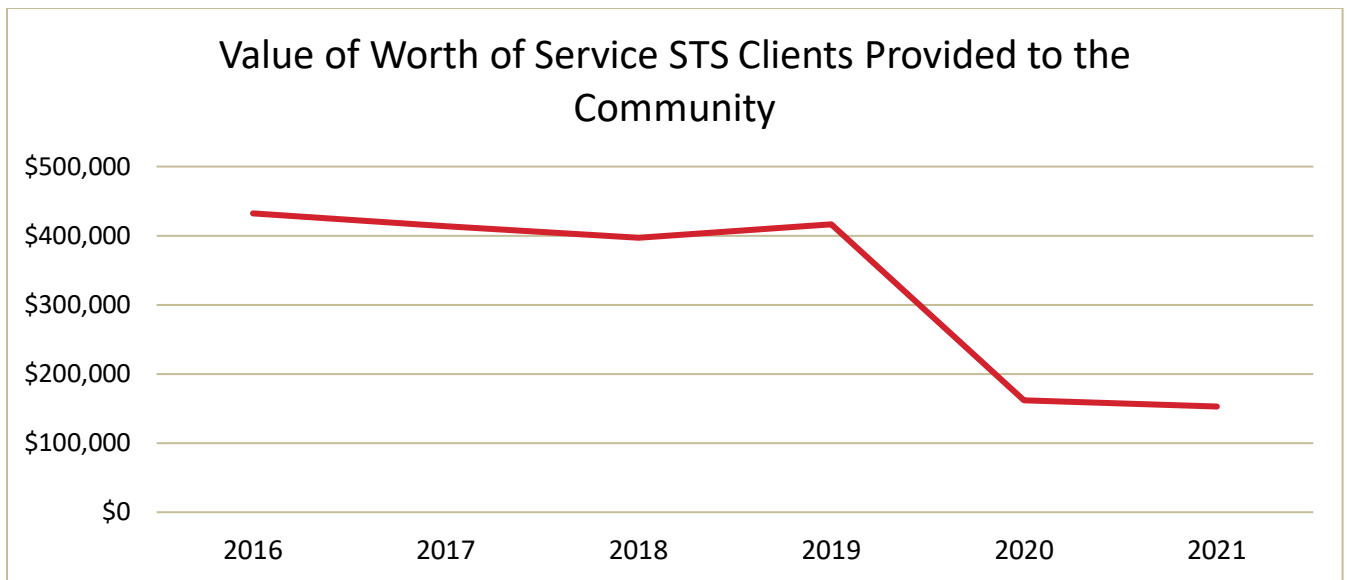
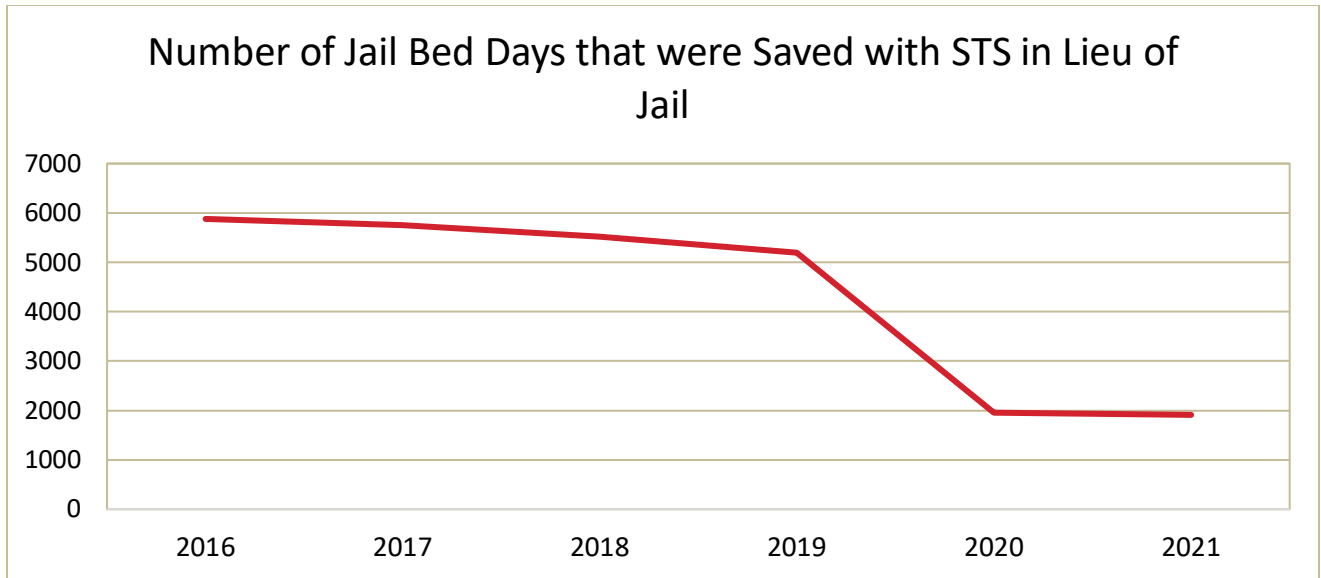
“How Well” measures the effort put in by the program staff and the quality of the product. The first chart shows an increase in the percent of clients who successfully completed the post sentence electronic monitoring program. The number jumps from 94 percent completed in 2016 and 2017 to an astounding and consistent 99 percent complete from 2018 to present. The second chart shows a significant jump in the percent of clients who successfully completed the Sentencing to Serve (STS) program from 2016 to 2017. After that point, the Community Corrections department has been able to keep the number steady and consistent at 62 to 63 percent. These first two measures show continued growth and improvement in the department and of the program specifically. The third chart shows a decline in the percent of clients who successfully completed the pretrial program. Despite there being a small uptick from 2018 to 2019, there was a 33 point drop off from 2019 to 2020. It is unclear at this time what precipitated this.





“Is Anyone Better Off” Performance Measures

The “Is Anyone Better Off” performance measure illustrates the quantity and the quality of the effect on the program. The first chart shows the number of jail bed days that were saved with Sentencing To Serve (STS) as an option instead of jail, and the number has steadily declined from 5,800 in 2016 to 5,200 in 2019, when there was a large drop off into 2020 where the number fell to just under 2,000. It is likely that the 2020 number is related to the COVID-19 pandemic and decline in the use of jail beds as an option for clients. The second chart shows the value of the service hours provided to the community from STS clients. Non-profit organizations benefit from the community work service hours provided by the clients, and the clients help repair the harm to the community by giving back their time and effort. The value of worth was steady and consistent from 2016 to 2019. The large drop off in 2020 can again likely be attributed to fewer volunteer opportunities in the community due to COVID-19 and people taking COVID-19 precautions.



As previously mentioned, Dakota County has four strategic plan goals. The information in this section illustrates how a program or service within Community Services contributes toward the strategic plan goal of “A Great Place to Live.”

The Community Corrections department provides eleven programs, one of which is the Adult Jail and Work Service Programs, which allows clients to stay in the community where they can maintain treatment, family involvement, and employment while remaining out of jail. This is just one of the 91 specific programs and services that contribute to “A Great Place to Live” throughout Dakota County. Each of those programs and services collects data using the same Results-Based Accountability framework of “How Much,” “How Well,” and “Is Anyone Better Off.”

Contributions of Performance Measures Toward Strategic Plan Goals: A Healthy Environment with Quality Natural Areas

The following example illustrates how a performance measure within Physical Development contributes toward the strategic plan goal of “A Healthy Environment with Quality Natural Areas.”

Strategic Plan Goal: A Healthy Environment with Quality Natural Areas

Figure 3 Countywide Programs/Services by Primary Strategic Plan Goal

	2018	2019	2020	2021	2022	2023
Number of Programs /Services	20	20	20	19	20	20
FTEs	57.12	61.6	59.3	53.2	55.89	57.18
Budget	\$13,617,387	\$14,321,011	15,852,032	13,054,279	\$13,577,149	\$12,468,825
Levy	\$4,182,870	\$4,374,641	\$4,147,832	\$1,544,694	\$1,613,035	\$1,047,270

Individual Program Contribution Toward Goal

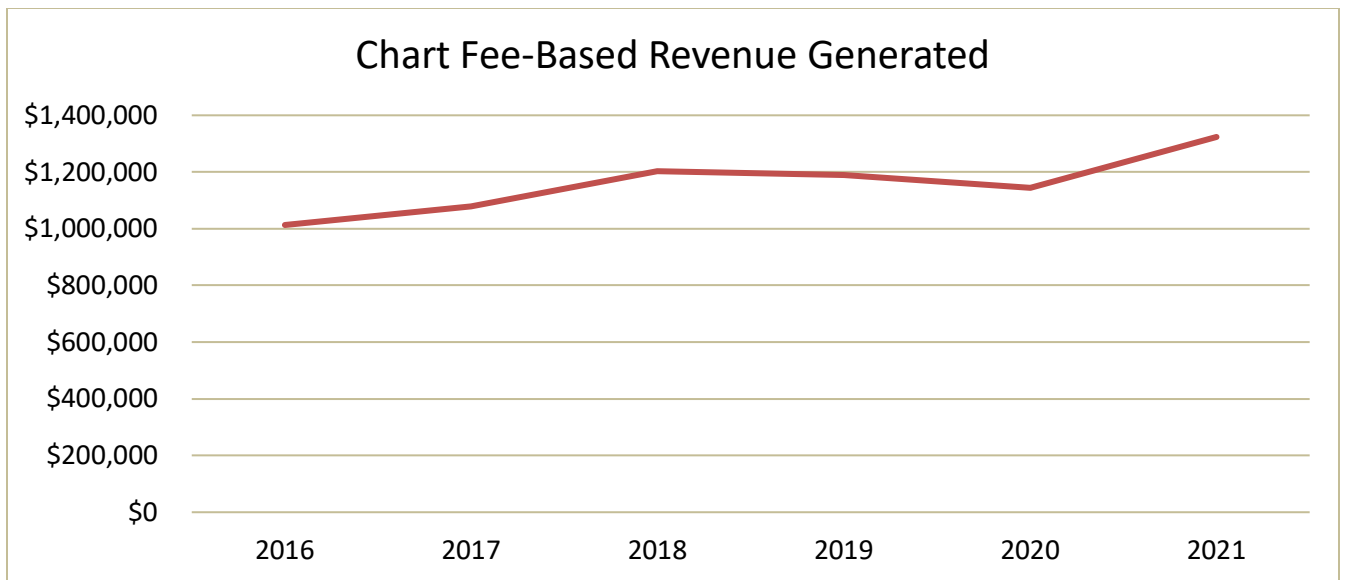
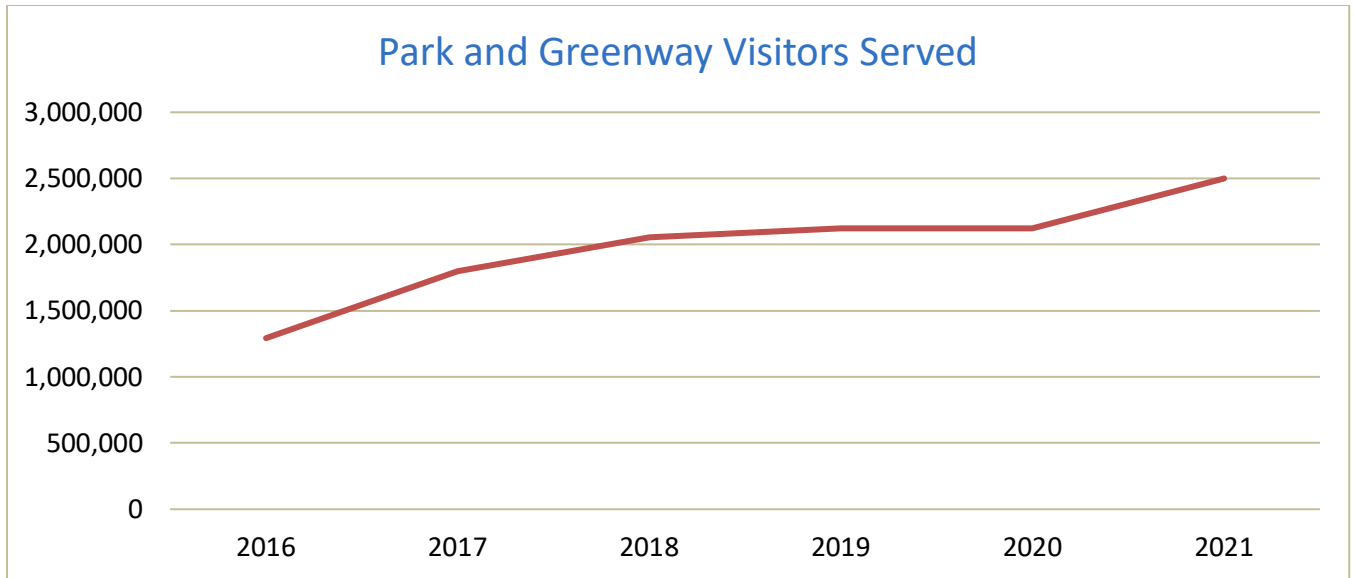
Division: Physical Development
Department: Facilities and Fleet - Parks
Program: Visitor Services – Park Operations

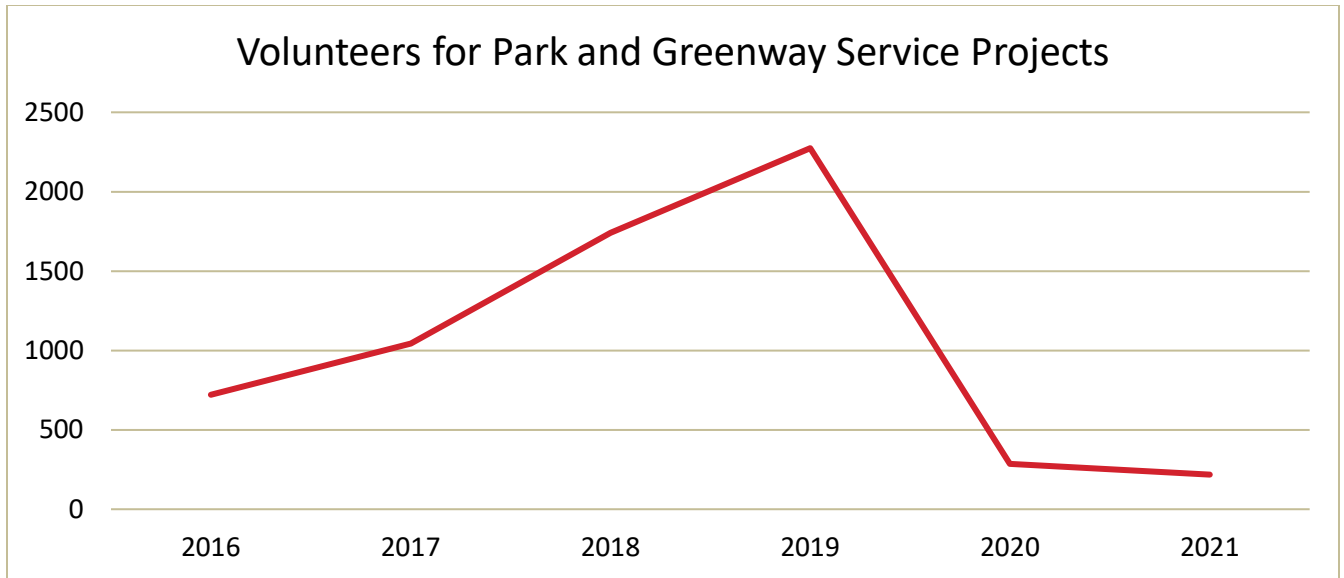
Program Description: Execute overall delivery of visitor services to approximately 2.1 million annual park and greenway visitors in both general and fee-based uses including: park and recreation service provision, customer service, year-round visitor center operations, facility and equipment rentals, volunteer management, and events. Jointly implement public information and marketing strategies in partnership with the Communications Department.

Program Goal: Provide accessible, relevant, and enriching opportunities for natural resource-based recreation and park services that encourage and support healthy people and healthy communities. Provide services in a cost effective, highly responsive manner. Make the best use of investments in the park system.

“How Much” Performance Measures

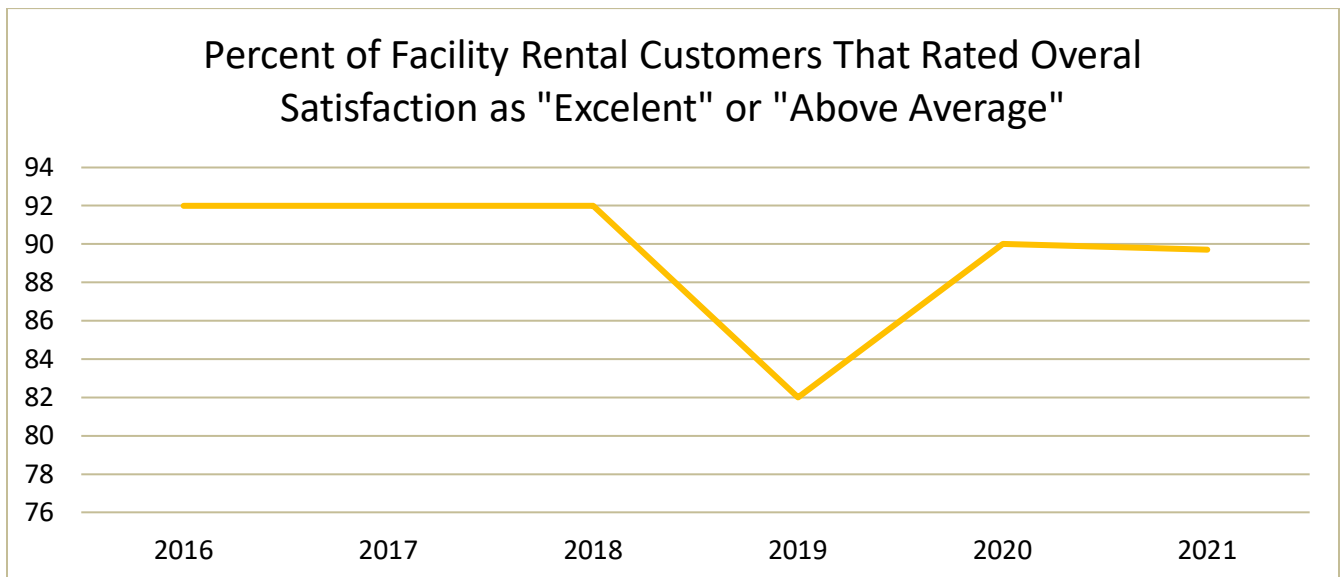
The “How Much” performance measure typically measures the place where quantity and effort meet. In the first chart we see a steady increase in the number of visitors to the Dakota County Parks and Greenways. Although this number seems to level off from 2018 to 2020, the overall trend continues to be positive. The second chart shows the amount of fee-based revenue collected by the Parks Department. The number grew steadily from 2015 to 2018 with slight declines in 2019 and 2020 which could in part be attributed to less use of buildings and other items during the COVID-19 pandemic. The third measure identifies the number of volunteers who donated their time to work on park and greenway service projects. There is a clear and steady increase in the number of volunteers year over year until 2020 when the number dropped from 2,274 to 284. This can directly be attributed to the COVID-19 pandemic and the lack of volunteer opportunities while people were encouraged to socially distance and avoid public places.

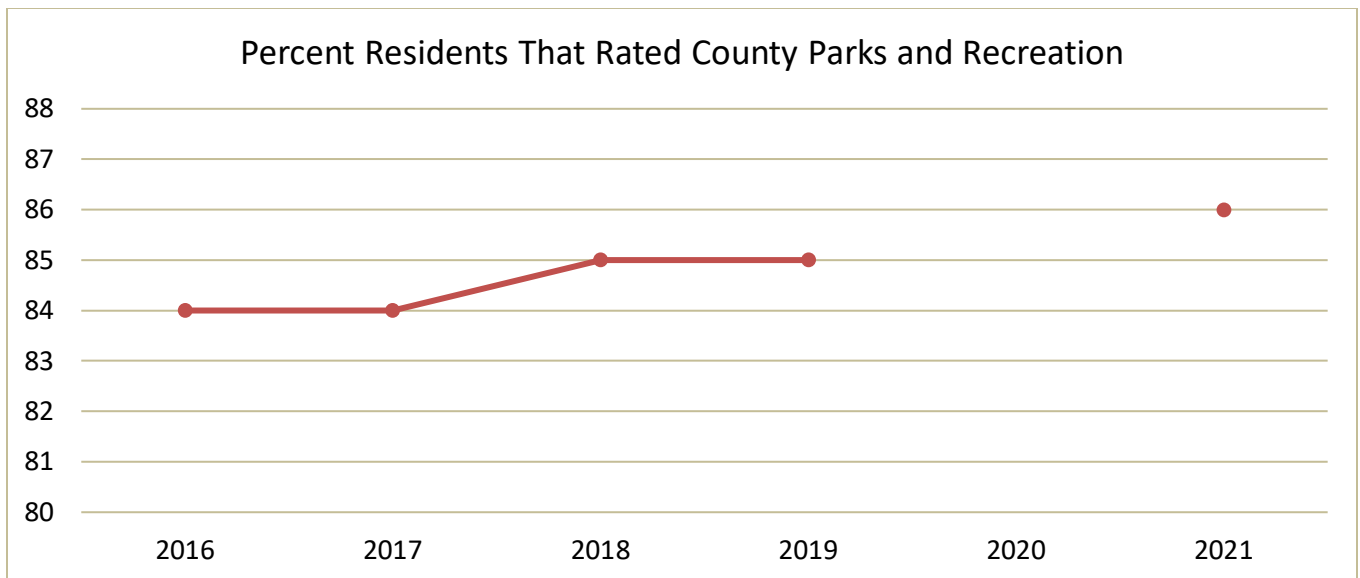
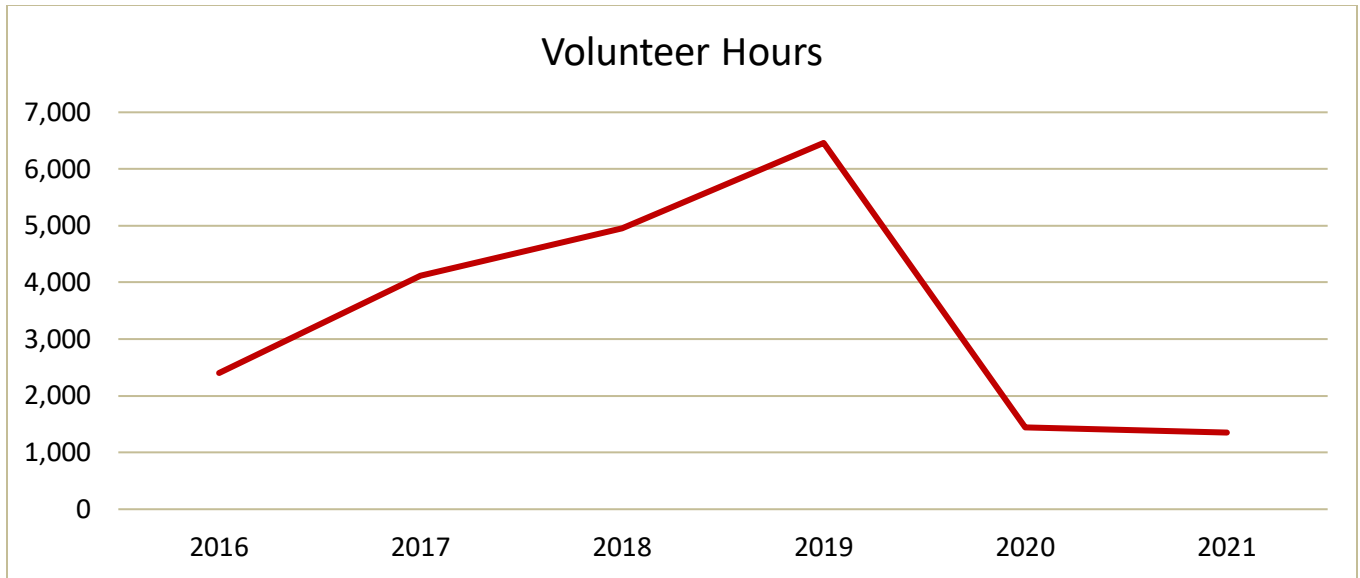




“How Well” Performance Measures

The “How Well” measures the effort from program staff and the quality level of the product. Despite the 10-point drop from 2018 to 2019 and the subsequent 8 point rebound in 2020, the customer satisfaction for rental facilities as noted in the first graph is steady. It starts at 92% and finishes at 90%. The second chart, without surprise, mimics the ‘How Much’ number of Volunteers for Parks and Greenway service projects. Volunteer hours are shown to have grown at a consistent rate from 2016 to 2019 and then experience a great drop off in 2020 due to the lack of volunteer hours and the encouragement by health officials to socially distance and avoid public places. The third chart shows a consistent percentage rating of the County Parks and Recreation by the residents of Dakota County. For all years measured, the number remains at either 84 or 85%.

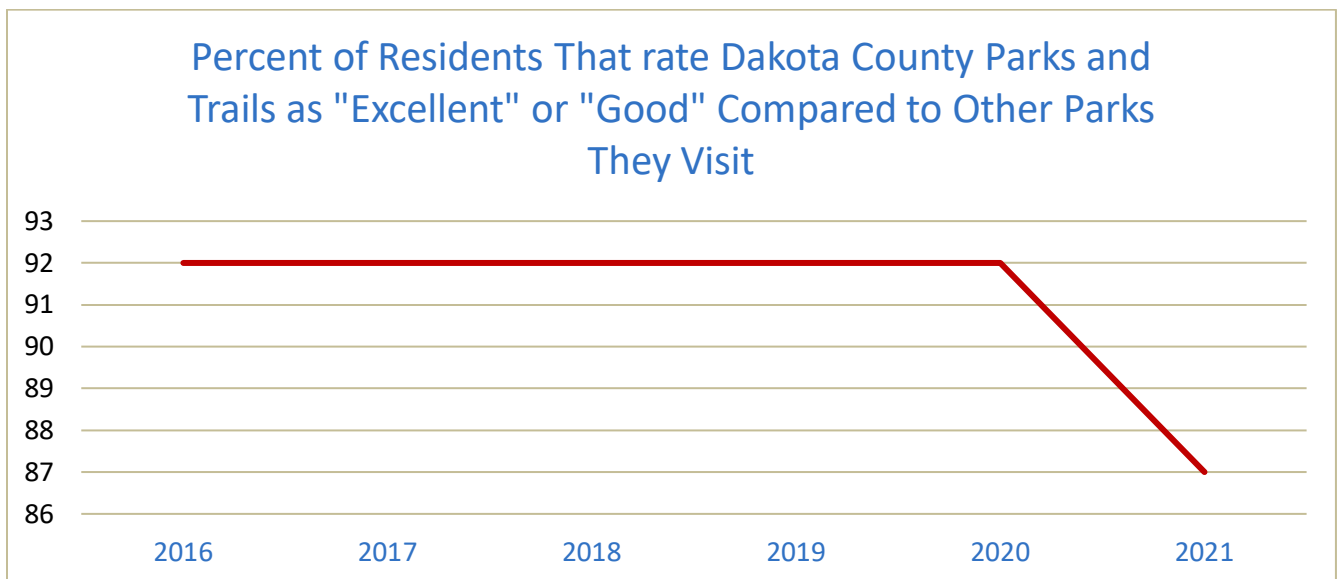
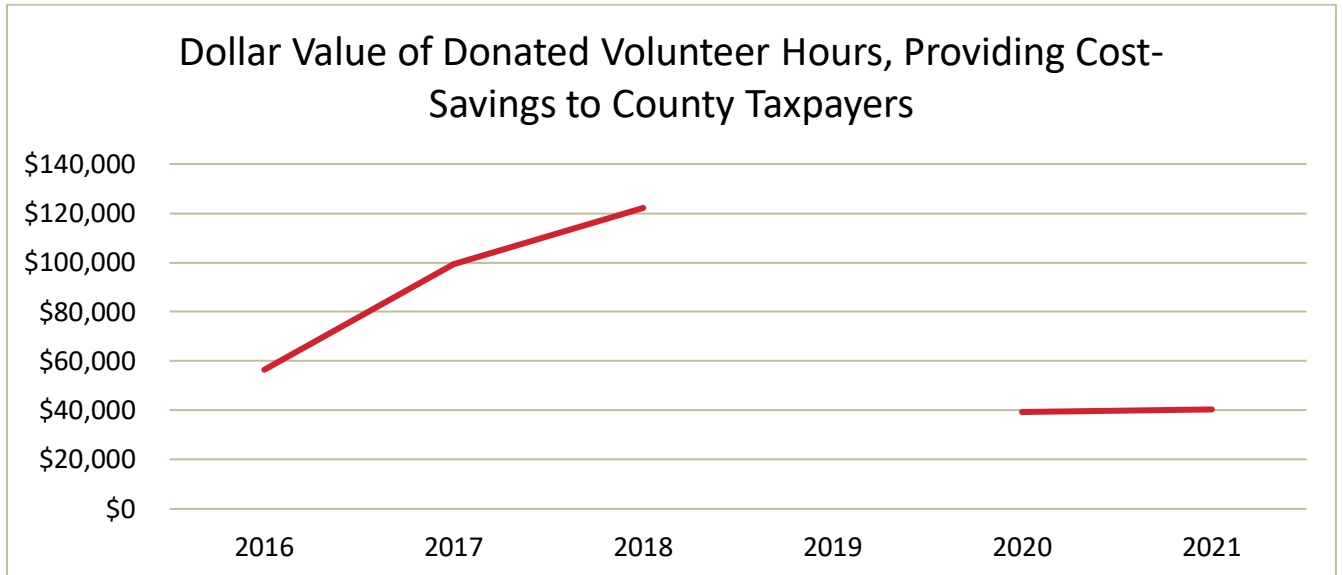


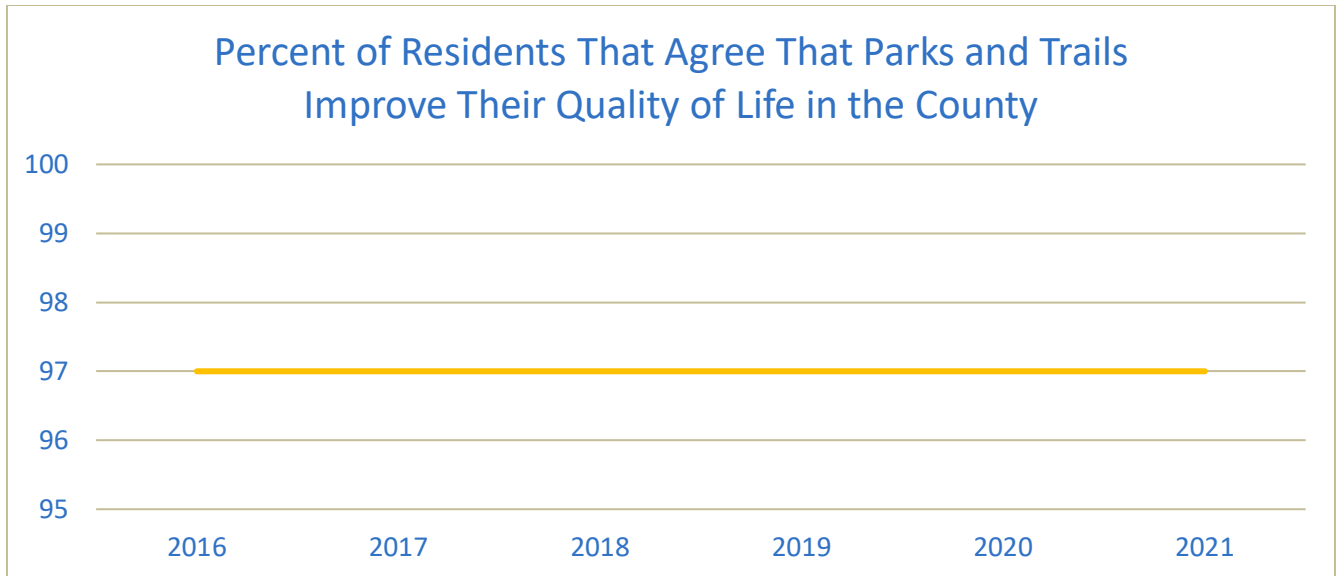


“Is Anyone Better Off” Performance Measures

The “Is Anyone Better Off” performance measure illustrates the quantity and the quality of the effect on the program. The first chart shows the dollar value of donated volunteer hours. The number grew steadily from 2016 to 2018, when unfortunately, the hours were not collected and recorded for 2019. 2020 and 2021 saw the dollar value of the donated volunteer hours lower than in 2016, likely due to COVID-19 restrictions and precautions. The second chart shows the

percentage of residents that agree Parks and Trails increase their property value. This number has remained consistent since we began collecting it. The third chart shows the percent of residents who agree parks and trails provide opportunities for people to be with other people and cultures. This number also remained consistent since we began collecting it.





As previously mentioned, Dakota County has four strategic plan goals. The information in this section illustrates how a program or service within Physical Development contributes toward the strategic plan goal of “A Healthy Environment with Quality Natural Areas.”

The Parks department provides four programs, one of which is the Visitor Services Park Operations, which oversees the delivery of visitor services to several million annual park and greenway visitors. They provide accessible, relevant, and enriching opportunities for natural resource-based recreation and park services that encourage and support healthy people and healthy communities. This is just one of the 20 specific programs and services that contribute to “A Healthy Environment with Quality Natural Areas” throughout Dakota County. Each of those programs and services collects data using the same results-based accountability framework of “How Much,” “How Well,” and “Is Anyone Better Off.”

Contributions of Performance Measures Toward Strategic Plan Goals: A Successful Place for Business and Jobs

The following example illustrates how a performance measure within Community Services contributes toward the strategic plan goal of “A successful place for business and jobs.”

Strategic Plan Goal: A successful place for business and jobs

Figure 4 Resources Countywide Contributing Toward Goal

	2018	2019	2020	2021	2022	2023
Number of Programs /Services	3	3	3	2	2	2
FTEs	9.71	13.8	7.9	7.3	7.31	7.31
Budget	\$1,903,102	\$2,715,798	\$2,027,518	\$1,997,307	\$2,037,769	\$1,687,322

	2018	2019	2020	2021	2022	2023
Levy	\$506,014	\$192,863	(\$567,690)	(\$112,152)	(\$86,743)	(\$10,352)

Individual Program Contribution Toward Goal

Division: Community Services

Department: Employment and Economic Assistance

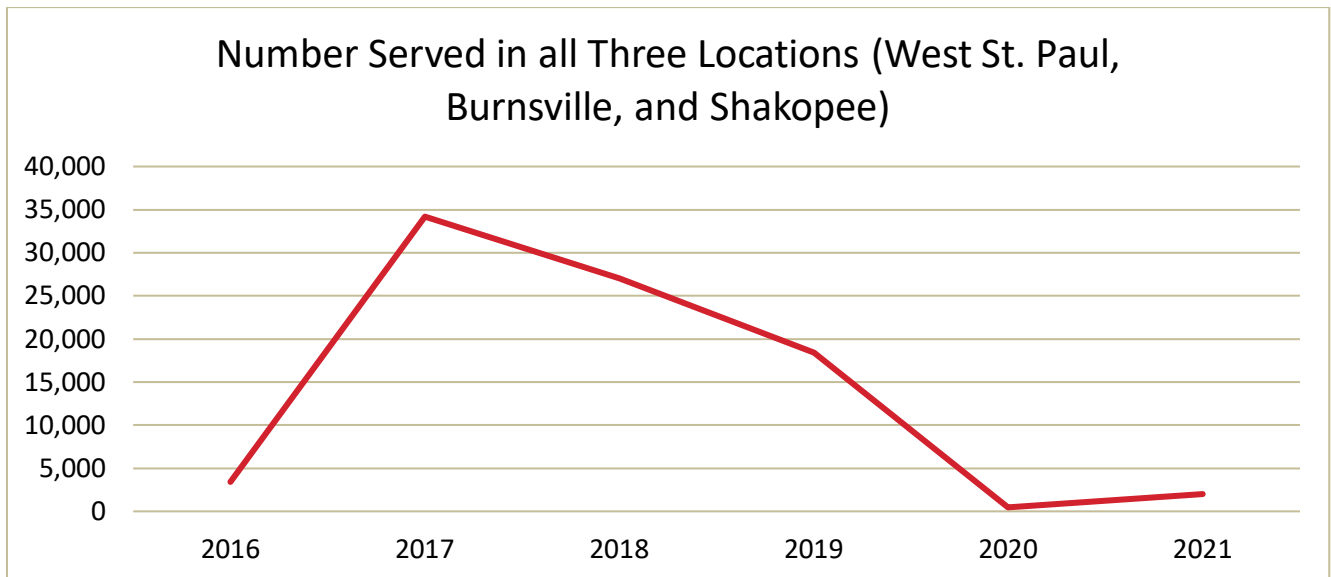
Program: CareerForce Center Resource Rooms

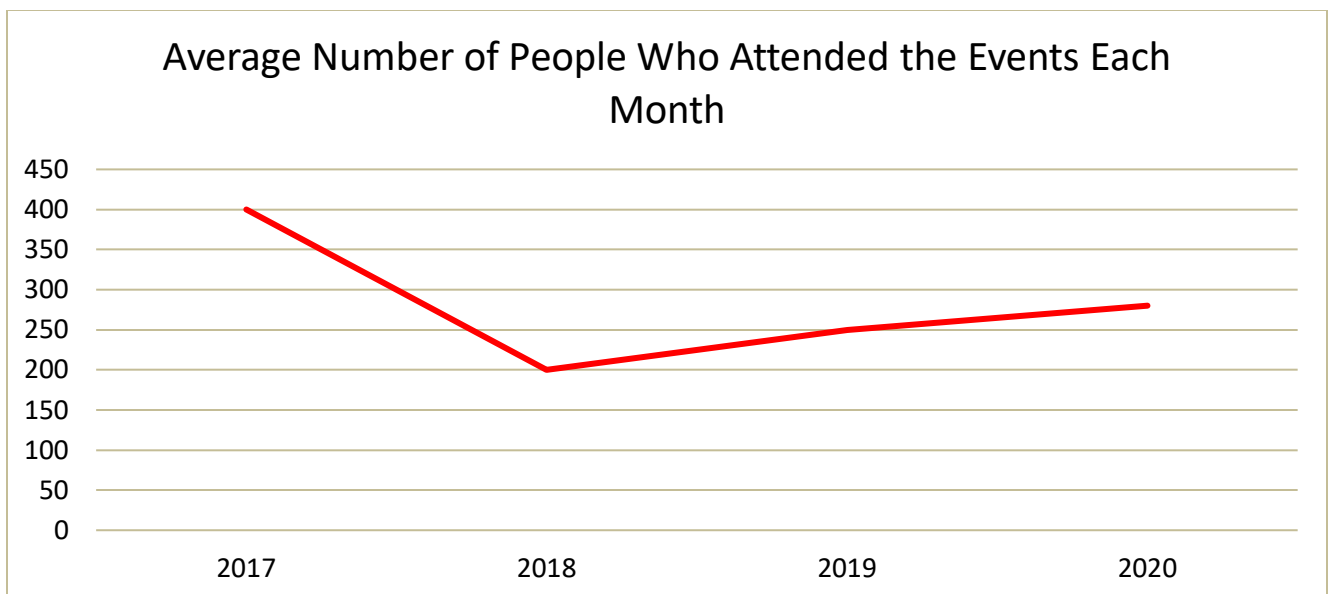
Program Description: Resource Rooms serve as a business office for job seekers and employers and offer knowledgeable staff to assist the job seeker at every step of the job search. It is an office, library, and classroom all in one place, free of charge and with no appointment necessary. The Dakota-Scott Workforce Development area has three WorkForce Centers with locations in Shakopee, West St. Paul, and Burnsville

Program Goal: Job seekers get jobs and employers find employees.

“How Much” Performance Measures

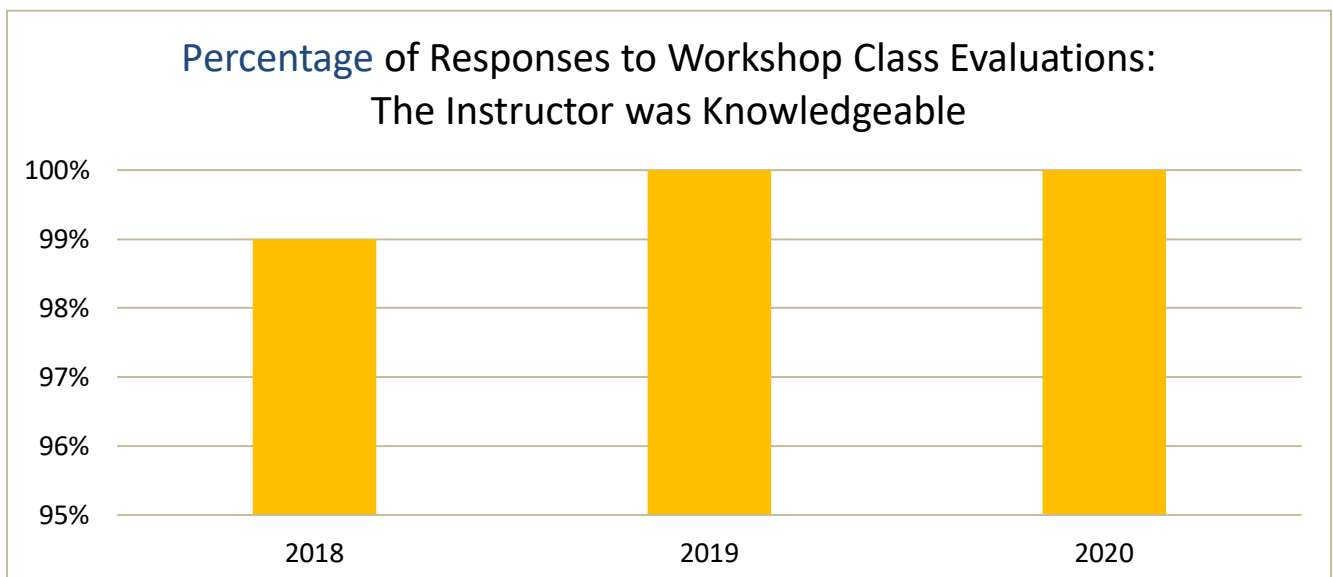
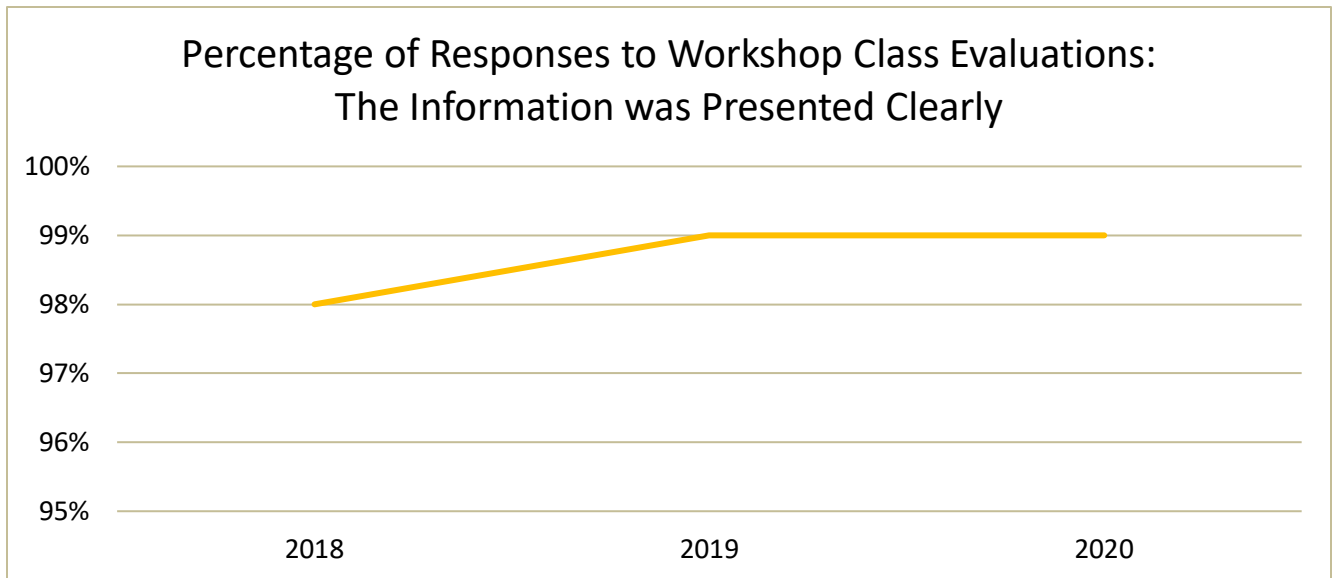
The “How Much” performance measure typically measures the intersection of quantity and effort. In the first chart we see the number of clients served in the Dakota County CareerForce Center Rooms at three locations: Burnsville, West St Paul, and Shakopee. The most striking feature of this graph seems to be the drop from 2015 to 2016. This is followed by a sizable rebound in 2017 and then a continuous decline through 2020. It is unclear whether the overall decline in numbers of people served at the three locations has to do with slowing hiring trends, or something different. The second chart shows the average number of workshops and hiring events being offered per month. The numbers were steady from 2016 to 2017, and then once again there was a large drop off in 2018 followed by two years of steady increase. Although it is worth noting that the 2019 and 2020 numbers do not return to 2017 levels. The third chart shows the average number of people who attended the events each month. Not surprisingly this chart mirrors the previous, showing a drop off from 2017 to 2018 and then two years of steady increase in numbers, however not to the original 2017 level.





“How Well” Performance Measures

The “How Well” measures the effort put in by the program staff and the quality of the product. Both charts show an increase in client satisfaction. The first chart shows a one percent increase (from 98% to 99%) of those who said the information in the workshop classes was presented clearly. The second chart shows a one percent increase from 99% to 100% of those who said the instructor was knowledgeable. Both charts indicate that the clients being served in this program are better off, albeit slightly.



“Is Anyone Better Off” Performance Measures

“Is Anyone Better Off” performance measures illustrate the quantity and the quality of the effect on the program. Unfortunately, the only data we have on this measure for this program is one data point from 2020, so we are not able to see trend lines yet. The data states there was a 98 percent response rate for survey after the workshop. 98 percent of the clients who attended the workshops responded to the survey questions.

As previously mentioned, Dakota County has four strategic plan goals. The information in this section illustrates how a program or service within Community Services contributes toward the strategic plan goal of “A Successful Place for Business and Jobs.”

The Employment and Economic Assistance department provides twenty-two programs, one of which is the CareerForce Center Resource Rooms program, which provides space and resources for job seekers and employers. This is one of the two specific programs and services that contribute to “A Successful Place for Business and Jobs” throughout Dakota County. Each of

those programs and services collects data using the same results-based accountability framework of “How Much,” “How Well,” and “Is Anyone Better Off.”

Contributions of Performance Measures Toward Strategic Plan Goals: Excellence in Public Service

The following example illustrates how a performance measure within the County Sheriff’s Office contributes toward the strategic plan goal of “Excellence in Public Service.”

Strategic Plan Goal: Excellence in Public Service

Figure 5 Resources Countywide Contributing Toward Goal

	2018	2019	2020	2021	2022	2023
Number of Programs /Services	111	107	107	110	111	109
FTEs	685.18	598.5	598.1	605.3	601.67	609.61
Budget	\$86,983,222	\$83,944,358	\$88,529,589	\$87,882,166	\$88,314,299	\$92,901,409
Levy	\$71,008,811	\$68,542,519	\$73,323,901	\$71,036,659	\$73,036,659	\$75,661,140

Individual Program Contribution Toward Goal

Division: County Administration

Department: Communications

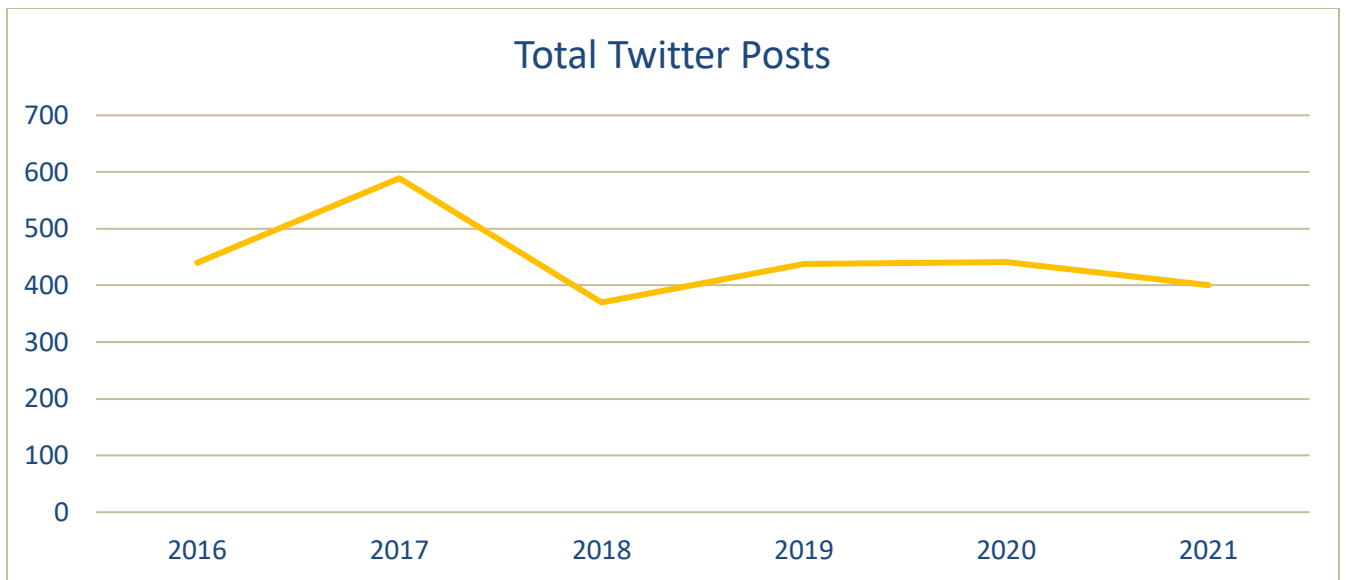
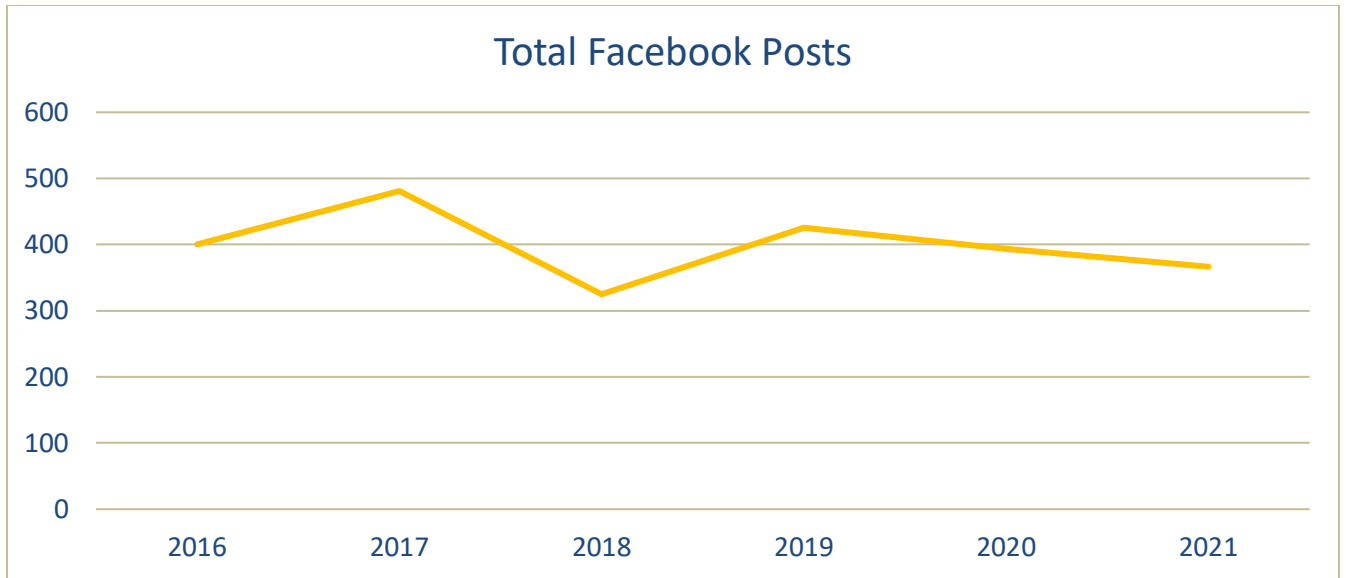
Program: Social Media

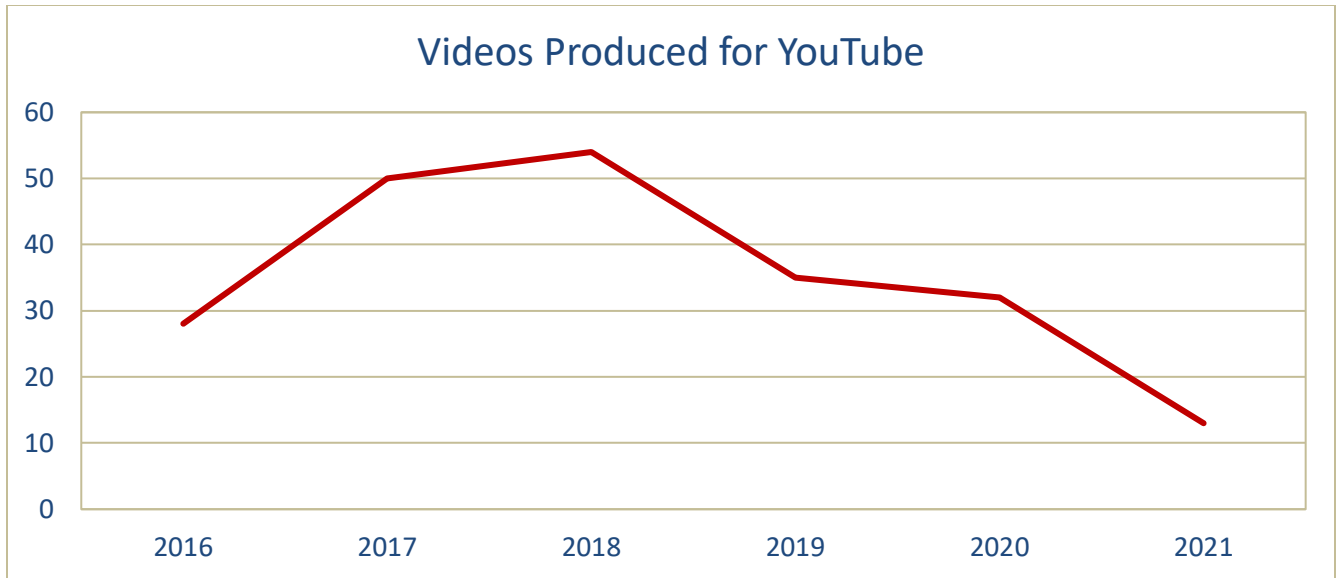
Program Description: Promotes the work and value of Dakota County government. Allows for better visibility with residents and the media. Provides greater transparency about Dakota County government.

Program Goal: Transparency and increased awareness of the value County government adds to residents’ daily lives.

“How Much” Performance Measures

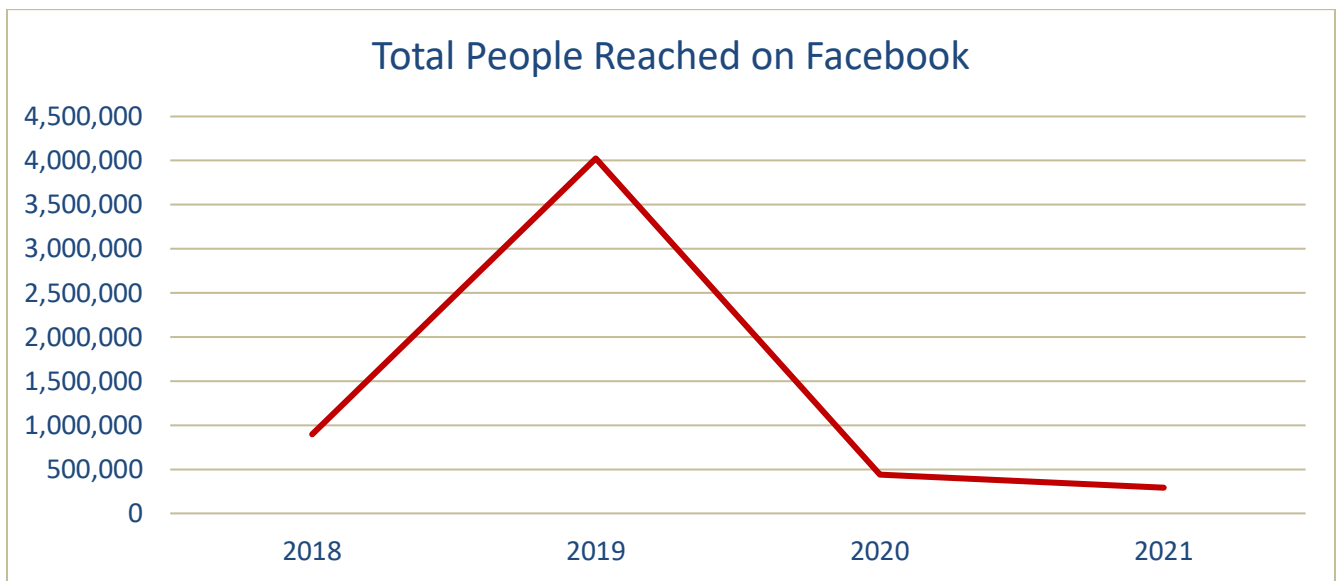
The “How Much” performance measure typically measures the intersection of quantity and effort. These charts compiled from the Communications Office shows how many Facebook posts, Twitter posts, and YouTube videos were produced over the last six years. Each tends to show some mild fluctuation followed by drop in recent years.

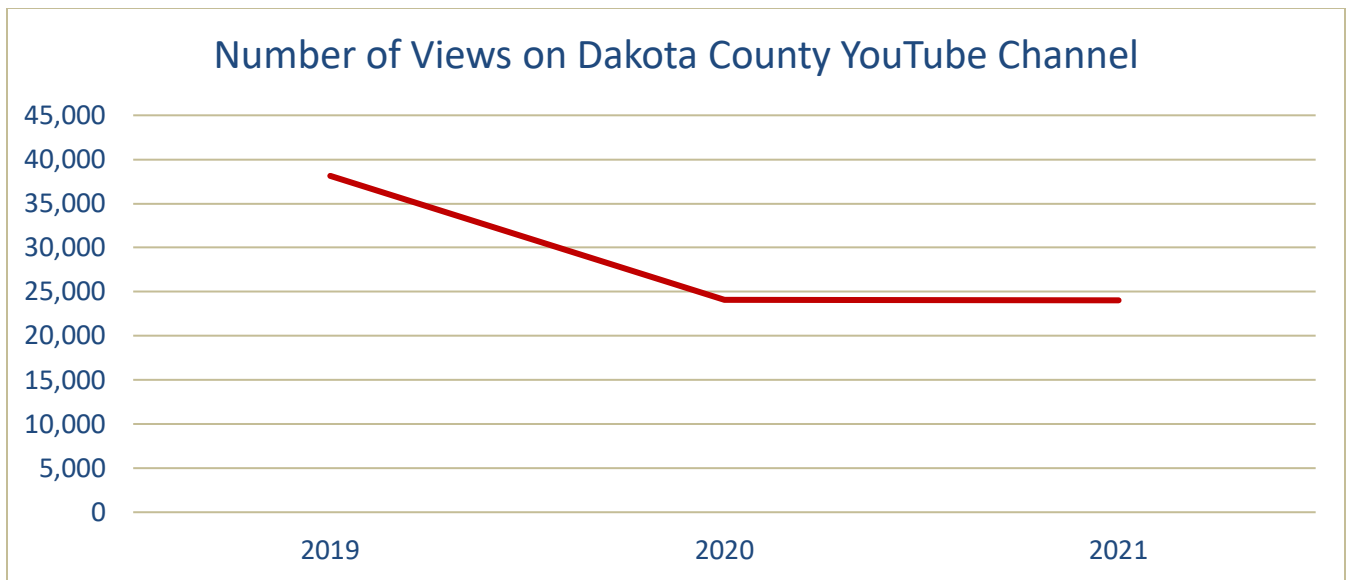
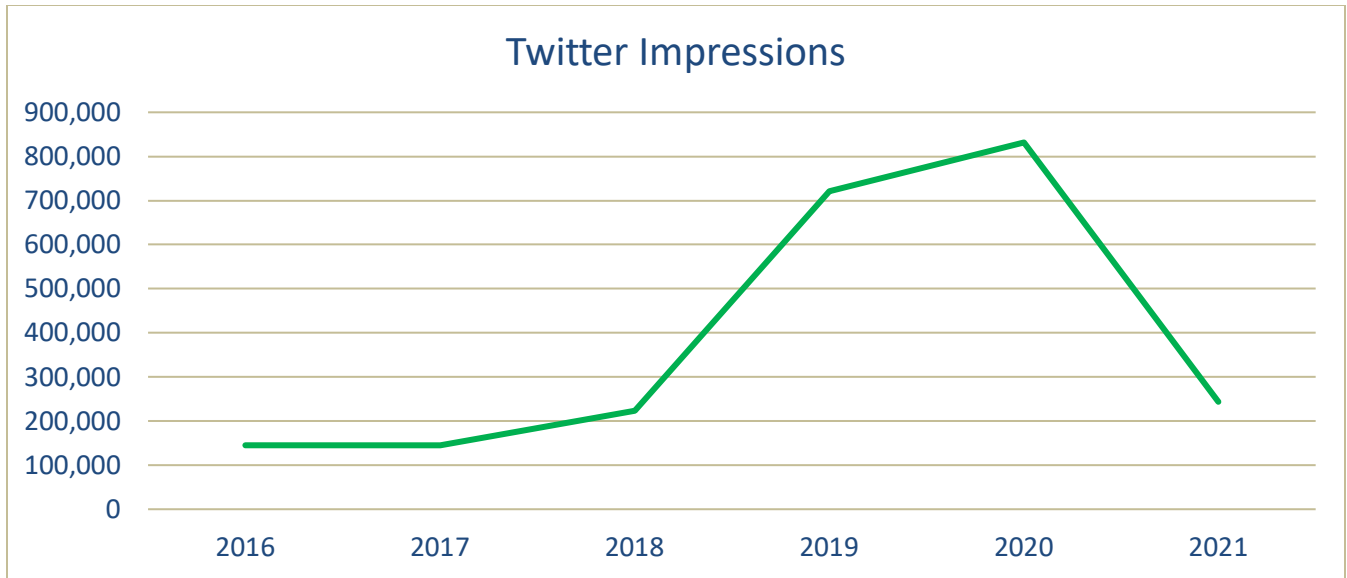




“How Well” Performance Measures

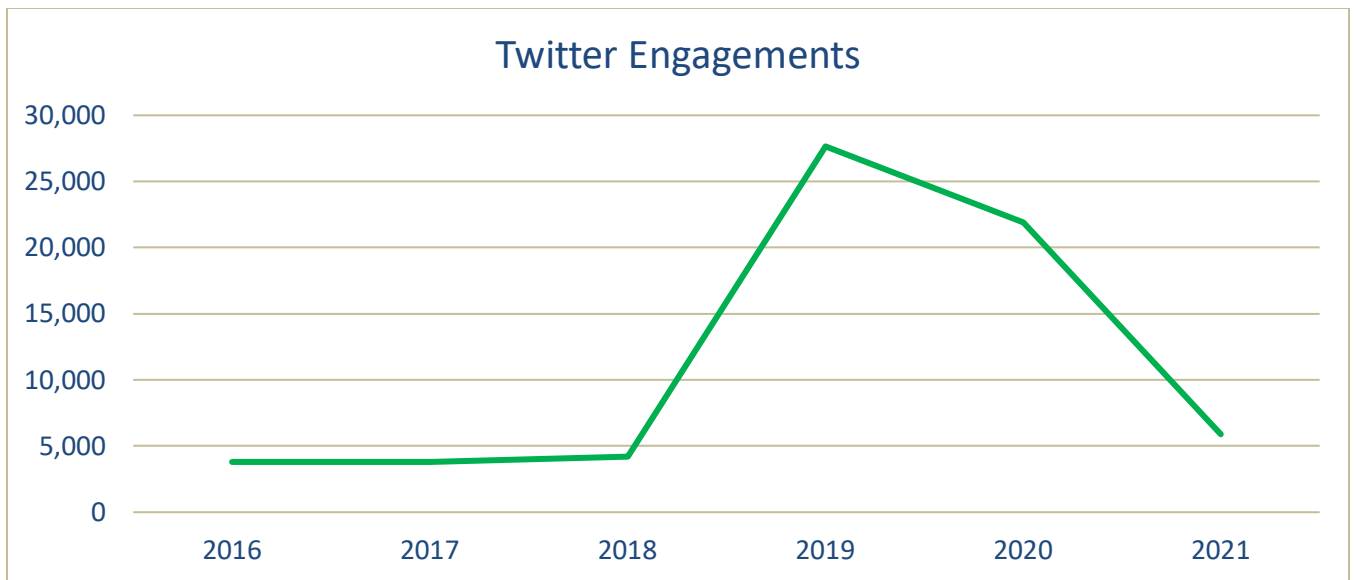
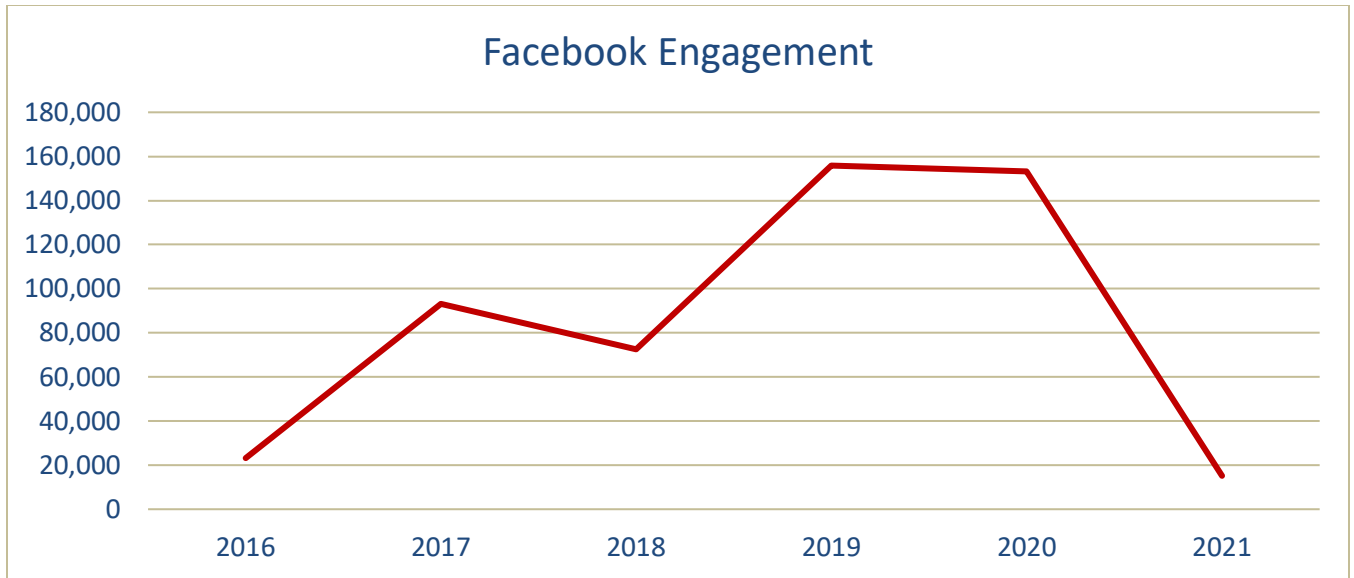
The “How Well” measures the effort put in by the program staff and the quality of the product. These charts show the number of views for each of the three aforementioned social media platforms. When seen in connection with the number of posts produced, there appears to be a correlation between views and posts, with 2019 Facebook views being an outlier in this respect. “Views” in a social media context refers to the total number of people reached, or the total number of people who saw they post.





“Is Anyone Better Off” Performance Measures

“Is Anyone Better Off” performance measures illustrate the quantity and the quality of the effect on the program. As seen in the charts below, the total number of engagements for Facebook and Twitter again seem to a correlation to the number of total posts and the number of people reached. Engagement, in this context, is defined as the number of clicks, comments, likes, and shares of a given post. In other words, the number of times a person engaged with the social media post.



As previously mentioned, Dakota County has four strategic plan goals. The information in this section illustrates how a program or service within Community Services contributes toward the strategic plan goal of “Excellence in Public Service.”

The Communications department provides eight programs, one of which is social media which provides information, news, and updates about the County to the public at large. This is one of the 109 specific programs and services that contribute to “Excellence in Public Service” throughout Dakota County. Each of those programs and services collects data using the same results-based accountability framework of “How Much,” “How Well,” and “Is Anyone Better Off.”

FINANCIAL POLICIES AND GUIDELINES

The purpose of this section is to provide an understanding of the following:

- Financial philosophy that guides Dakota County's financial operation
- Long-range financial policies
- Fund balance management plan and practices
- Debt Administration
- Investment Policy
- Budget Compliance Policy

Financial Philosophy

The basic principles that drive the development of financial policies and guidelines for Dakota County are to:

- Maintain a clear definition of accountability and spending authority
- Maintain a long-term financial approach for responding to both current and future issues
Examples of this approach include multi-year outlooks for budget planning as well as balancing the budgeting of tenuous state revenues between the operating and capital budgets. Additionally, as a matter of practice, the county begins budgeting for the operating costs of capital at the time major projects are approved to begin, ensuring resources are in place when the project is complete.
- Maintain appropriate levels of fund balance by:
 - utilizing fund balance for time-limited projects or services
 - fully funding all plans and obligations
 - enhancing funding for building projects

Long-Range Financial Policies

Dakota County has a number of policies and practices that are long-term in scope, but there is no one stated long-range financial policy. For example, the County has a fund balance plan that advocates prudent use of fund balance to promote long-term budget stability. Fund balance is used to smooth the impact of one-time expenditures or revenue shortfalls. Additionally, Dakota County designates a portion of its fund balance for budget stabilization to account for unforeseen disruptions in revenue. Budget planning starting in 2012 has explicitly moved beyond single year budgeting for operations and has considered the longer term environment for revenue as well as likely cost pressures.

Dakota County also engages in long-term facilities planning. The Facilities Management Department, in cooperation with other County departments has created a Long Range Facilities Plan. This plan was last updated in 2017 and looks at the County's facilities needs for the next fifteen years. The Long Range Facilities Plan is a planning document only. However, capital costs of future projects are quantified to allow for fiscal planning. In addition to the capital costs, the cost of operating these facilities is considered. Dakota County has a practice of building up operating funds when new facilities are planned to open. This longer-term planning for operating costs allows for a gradual increase in the amount of funding necessary to staff and run the facilities without causing an unusually high increase in property taxes in the years in which the facilities open.

In terms of long range financial planning, Dakota County utilizes a long-term approach to strategic planning and goal setting. For budget planning the County compiles a 5 year projection by applying an estimated inflation rate and making assumptions about future FTE growth.

Fund Balance Management

Background

When reviewing fund balance, it is important to understand how it is built and used. Dakota County's fund balance management practices have grown and evolved significantly over time. In the 1980's, planned sources and uses of fund balance were very limited. Throughout the 1990's, these practices became much better defined and evolved into the current practices evident in the 2023 budget. Our practices and policies help to assure an appropriate level of fund balance and

allow for the planned use of fund balance for defined purposes, including property tax relief and service and building improvements. As we face a more challenging economic environment, our fund balance practices will again warrant review as we manage risks and continue our transition to a future of lower revenue.

Our financial strengths are affirmed by the current bond ratings by both Moody's and Standard & Poor's indicating Dakota County's strong capacity to meet its financial obligations. The County's strong financial condition was recognized by the AAA bond rating by Standard and Poor's and Aaa bond rating by Moody's.

Current Bond Ratings	
Moody's Municipal:	Aaa
Standard & Poor's:	AAA

The County plans to be able to maintain long-term appropriate fund balance amounts. It is our desire to maintain an appropriate fund balance level, which allows the County sufficient lead time and resources to respond to budget deficits arising from revenue losses or expenditure increases.

The proper amount of fund balance and budget surplus is a very difficult issue. We believe the proper amount of fund balance varies for every county. Our belief is supported by there being no widely accepted guidelines for proper fund balance amounts. We also believe that each county's fund balance needs vary from year-to-year. Dakota County's fund balance needs increase when planning for major capital expenditures or when we fear declining revenue. Nevertheless, Dakota County does not plan to utilize fund balance for on-going expenditures, but rather for one-time items such as capital purchases or improvements. The major issue related to fund balance is not the amount but rather that we understand our financial condition, have a solid financial plan, and review our plan on a regular basis.

Dakota County’s Fund Balance Plan

Fund Balance Plan	
Components of Fund Balance Plan	Demonstration of Achievement of Plan
Maintain and possibly grow fund balance to meet obligations	<ul style="list-style-type: none"> •Cash flow requirements fully funded •IBNR fully funded •Compensated absences increases fully covered (annual transfer to Internal Service Fund)
Maintain flexibility to cover unforeseen	<ul style="list-style-type: none"> •Contingency funds •Losses in external funding

Explanation of Fund Balance Plan Components

Maintain and possibly grow fund balance to meet obligations. Dakota County currently has fund balance fully sufficient to cover all cash flow requirements and incurred but not recognized (IBNR) items.

Maintain flexibility to cover unforeseen costs. Dakota County manages its fund balance to ensure that unforeseen expenditure increases or revenue losses can be covered in the short-term, thereby allowing the County Board and management sufficient lead time to respond to the financial situation. An unforeseen and untimely loss of revenue occurred at the end of 2008, when the Governor “unallotted” state aids to cities and counties on December 24th, just days before the close of the fiscal year (a state law allows the Governor to reduce state payments when in a state budget shortfall). This resulted in a loss of revenue of \$2.3 million. The County’s fund balance was necessary in this case, as there was no way to reduce expenses by this amount in that short of time period.

Debt Administration Policy

Dakota County has established debt administration guidelines. While the guidelines have not been formally adopted as a policy by the Board, they nevertheless provide guidance for debt administration. The purposes of the guidelines are to: maintain a high credit standing, preserve debt capacity for future capital needs, acquire capital at the lowest-possible borrowing cost and administer obligations in an efficient manner. Several key policy issues form the framework for the County’s debt procedures. A listing of the key issues follows:

- Competitive and open bonding processes will be the standard.
- Communications with the investor and the national bond rating communities will be given high priority.
- Complete and full disclosure of all financial and economic operations will be met through the timely distribution of information.
- Compliance with the terms, conditions, and covenants of all outstanding bond or lease transactions will be monitored.
- Complex financial transactions requiring county limited or unlimited may be publicly sold through negotiation with a syndicate of investment banks with proper oversight.
- Determination of type and level of security of debt should be made based upon: direct and indirect beneficiaries of the project, time pattern of the stream and the project’s useful life, and ability of a project to fund itself through use fees.

- Refunding and advance refunding opportunities will be monitored and the target level of a minimum of four percent Net Present Value debt service savings.
- General obligation bond proceeds will not be employed to fund general operation of the County.

The County policy on debt administration also addresses several guidelines to promote balance. The guidelines outline a variety of factors to consider when issuing debt is presented as a funding option. Samples of the guidelines are listed below:

- Debt service for general obligation (GO) property tax-supported debt and capital leases will not exceed seven percent (7%) of general fund and special revenue expenditures.
- Direct GO debt and capital leases will not exceed 0.65% of indicated Market Value of taxable property.
- Direct GO debt and capital leases will not exceed \$300 per capita.
- Direct GO property tax-supported debt and capital leases will not exceed two percent (2%) of aggregate household income.
- The minimum debt capacity to be preserved for future projects and contingencies will be seventy percent (70%).
- Average life of county GO property tax-supported bonds should not exceed 10 years.
- Variable rate debt will not make up more than twenty percent (20%) of the combined debt portfolio of the County.

Investment Policy

While funds are in the custody of the County, the funds shall be invested prudently and in accordance with Minn. Stat. § 118A to assure the preservation of principal, provide needed liquidity for daily cash requirements, and provide an acceptable rate of return.

The portfolio is established to preserve financial assets for future operating and capital expenses. The portfolio will be actively invested to achieve growth of capital through appreciation of securities held and through the accumulation and reinvestment of interest income.

The Dakota County Finance Director is the fiduciary agent of the Portfolio. The responsibility for conducting investment transactions involving public funds of the County reside with the Cash Management Unit of the Finance Department under the direction of the Finance Director. In the management and investment of the Portfolio, an employee must act in accordance with the standards of the prudent person rule. All transactions shall be made in good faith with the degree of judgment and care, under the circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of their own affairs.

Employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees shall disclose any material direct interests in financial institutions with which the County conducts business. They shall further disclose any personal financial and investment positions that could be related to the performance of the investment portfolio. Related party disclosures will be made during the annual audit for related party transactions. Employees acting in accordance with written procedures associated with this Investment Policy and exercising due diligence shall be relieved of personal liability in managing the portfolio.

The objectives for investing the Portfolio shall be, in order of priority:

1. **Legality.** Investments will be made in accordance with Minn. Stat. § 118A governing the investment of public funds, and in conformance with the County's Investment Policy. Prior to completing an initial transaction with a broker, Dakota County shall obtain a fully executed "Notification to Broker and Certification by Broker" form, and annually thereafter as applicable.
2. **Safety of Principal.** Investments shall be made in a manner that seeks to ensure the preservation of principal in the overall portfolio whether from security defaults or fluctuations in market value, and to mitigate market risks. The County recognizes that occasional measured losses are inevitable and should be considered as part of the context of the entire portfolio.
 - a. **Credit Risk** - The risk of loss due to the failure of the security issuer or backer will be minimized by:
 - i. Pre-screening and authorizing financial institutions, broker or dealers, contractual investment managers, and intermediaries with which Dakota County will do business.
 - ii. Diversifying the portfolio through a variety of approved securities, maturities, and issuers.
 - iii. Requiring safekeeping, insurance and collateral to ensure return of capital.
 - b. **Interest Rate Risk** - The risk that the market value of securities in the portfolio will change due to variability in the markets. Interest rates risk will be managed by:
 - i. Diversifying purchases of securities by staggering or laddering the portfolio so that securities are limited in length by maturity periods, while meeting cash requirements for daily operations.
 - ii. Avoiding undue concentration of assets in any one maturity or market sector by balancing investments between short and long-term periods.
 - iii. Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

All investment securities purchased by the County shall be held in safekeeping by a third-party designated institution (the "custodian") as agent for the County. All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution, separate from a brokerage firm. Cash, certificates of deposit and other depository accounts shall be collateralized by pledged securities as specified in Minn. Stat. § 118A. Dakota County requires that all pledged collateral be placed in safekeeping at a Federal Reserve Bank or in an account at a trust department of a commercial bank or other financial institution not owned or controlled by the financial institution furnishing the collateral. Custodial and collateral holdings will be monitored cash management staff, at least monthly, for compliance.

3. **Liquidity.** The liquidity of the portfolio should be sufficient to meet all County cash flow requirements. A reasonable portion of the investments should be liquid, with a secondary or resale market (dynamic liquidity) and maturities should be laddered over time and structured to meet cash flow requirements to the extent possible (static liquidity). Additionally, a liquidity buffer of at least 10% should be maintained. A portion of the portfolio may be placed in money market mutual funds or local government investment pools, which offer same-day liquidity for short-term investments. Securities may be liquidated to meet unanticipated cash requirements or to purchase other investments deemed more attractive in meeting the portfolio objectives.

4. Yield. The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs.

Securities shall generally be held until maturity with the following exceptions:

- a. Liquidity needs of the portfolio require that a security be sold
- b. A security swap would improve the quality, yield or duration in the portfolio.
- c. A security with declining credit may be sold early to minimize loss of principal

Budget Compliance Policy

The Board annually adopts a budget, which is the spending and funding plan for the County. The budget is balanced with revenues equaling expenditures. The County Board expects that funds will be spent and earned in compliance with the budget. Budget compliance requires expenditures to be equal or less than and the revenues to equal or exceed the budget amount. A projected budget deficit exists when expenditures estimates exceed authorized spending levels or when projected revenues are lower than budgeted. A projected deficit requires either a plan of action to reduce spending or a budget amendment. A budget amendment might reallocate resources or modify revenue levels to bring each deficit activity back into balance.

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

- Identify clearly staff's authority to amend the budget;
- Identify clearly where staff is held accountable;
- Provide staff with authority to resolve most projected budget deficits;
- Expect staff to resolve most projected budget deficits.

Budget compliance is measured at budget accountability points. A budget accountability point is the identified level used to evaluate each account group for budget compliance. Budget accountability points are at differing levels. Reasons for differing levels of budget accountability points include: external and internal reporting needs; county policies and practices; and varying levels of desired flexibility.

The BCP identifies the circumstances under which staff may amend the budget without Board action. In most cases, the authority has been granted to the County Manager, who has then designated authority to lower levels. The following authorities have been granted to amend the budget:

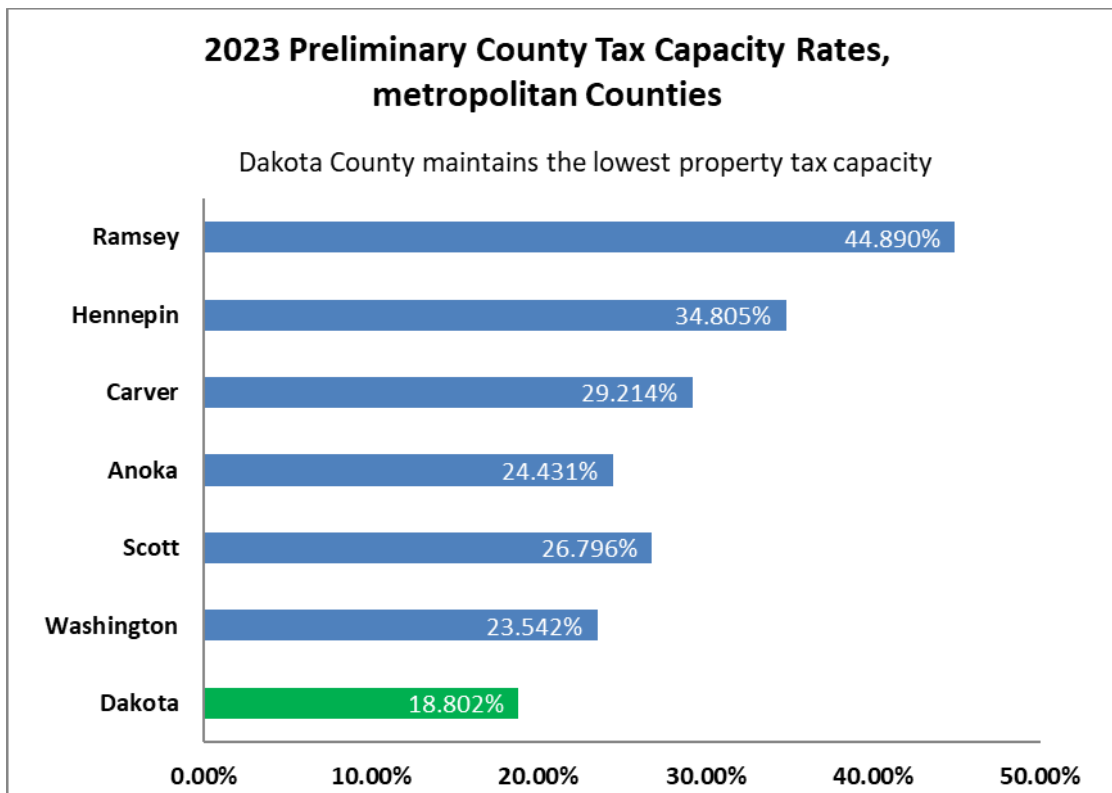
- Transfer spending authority within a program or department;
- Transfer spending authority between or among programs/department within a division;
- Transfer spending authority between or among divisions;
- Reduce spending authority or increase other revenue budgets related to deficits;
- Expand spending authority related to new or increased categorical revenue sources;
- Transfer spending authority below the budget accountability point;
- Make budget corrections or amendments falling under the authority of other policies.

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

APPENDIX

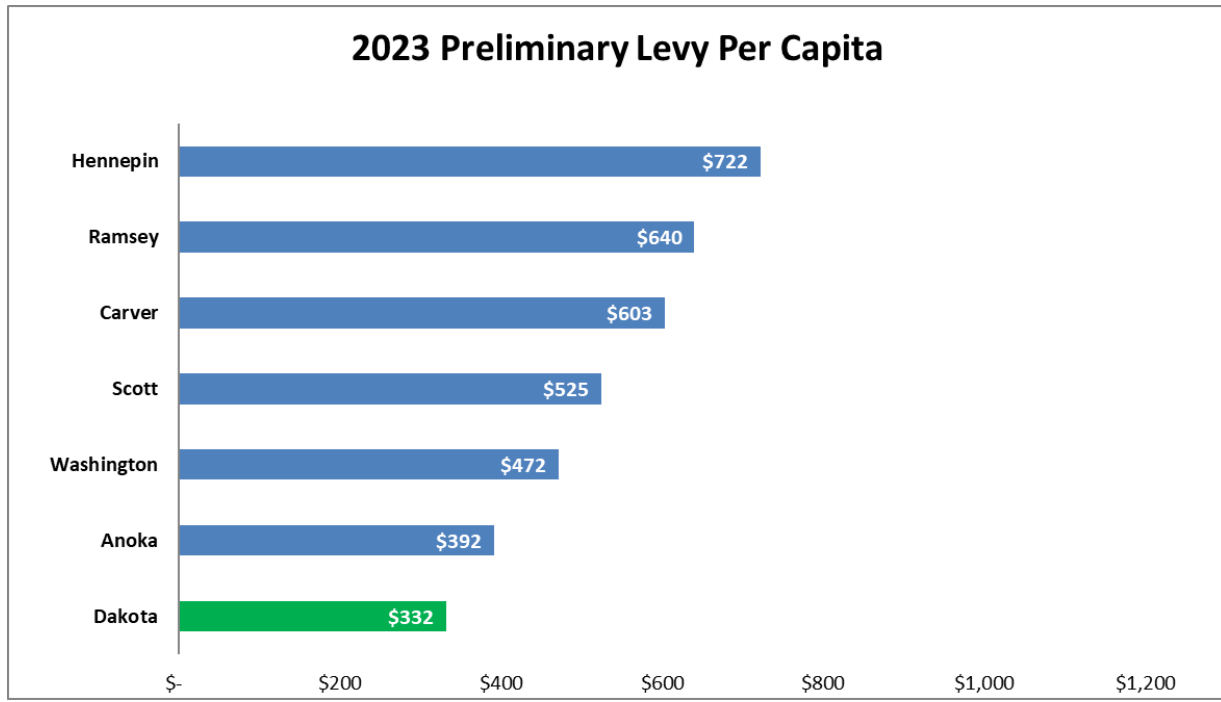
Item 1: Metropolitan Counties Property Tax Rates

Dakota County has the lowest property tax rate of all the seven metropolitan counties, as well as one of the lowest in the entire state.



Item 2: Metropolitan Counties Per Capita Property Tax

Dakota County has the lowest per capita net property tax of the seven metropolitan counties.

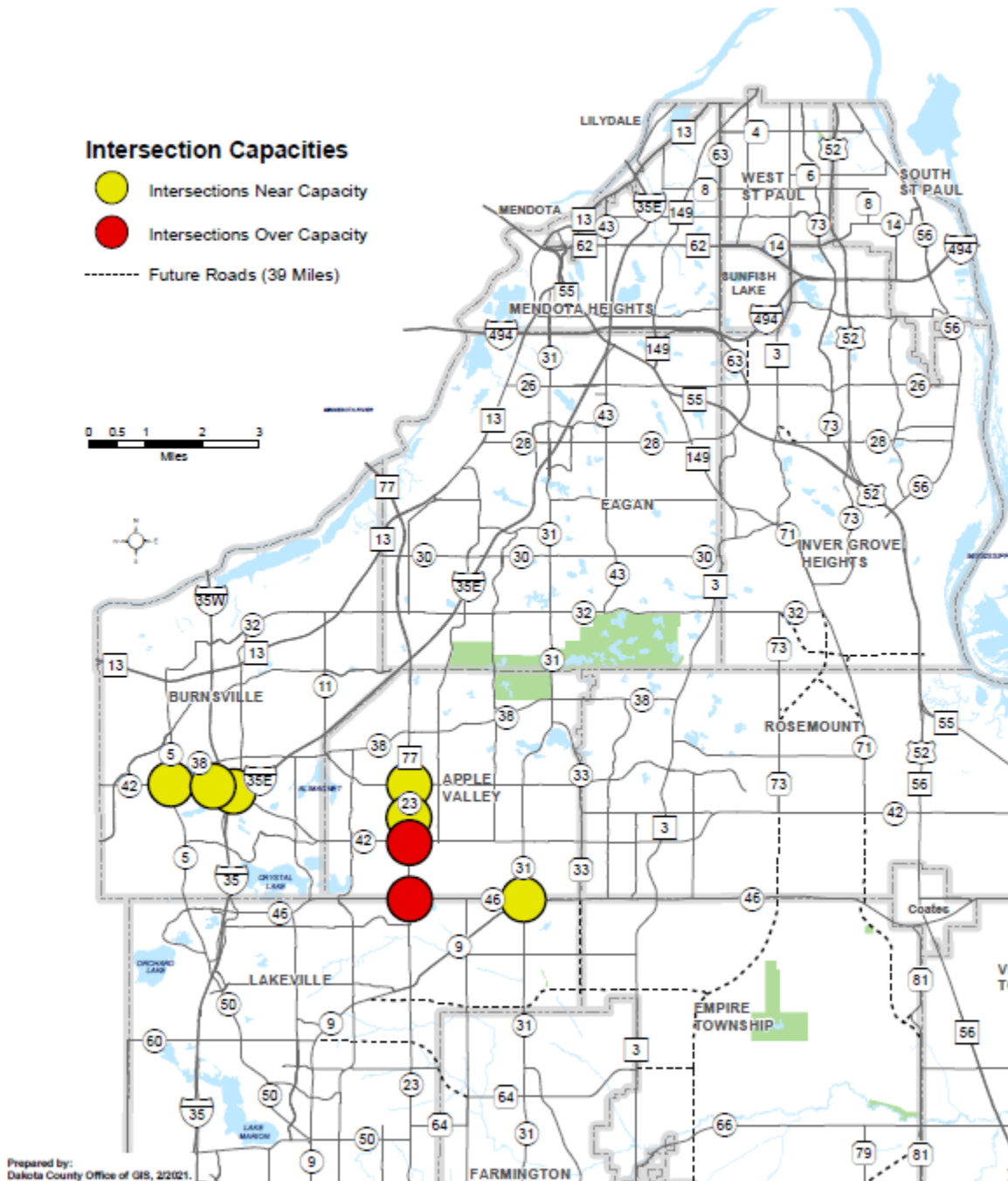


Item 3: Dakota County Park System



Item 4: Intersection Capacity Map

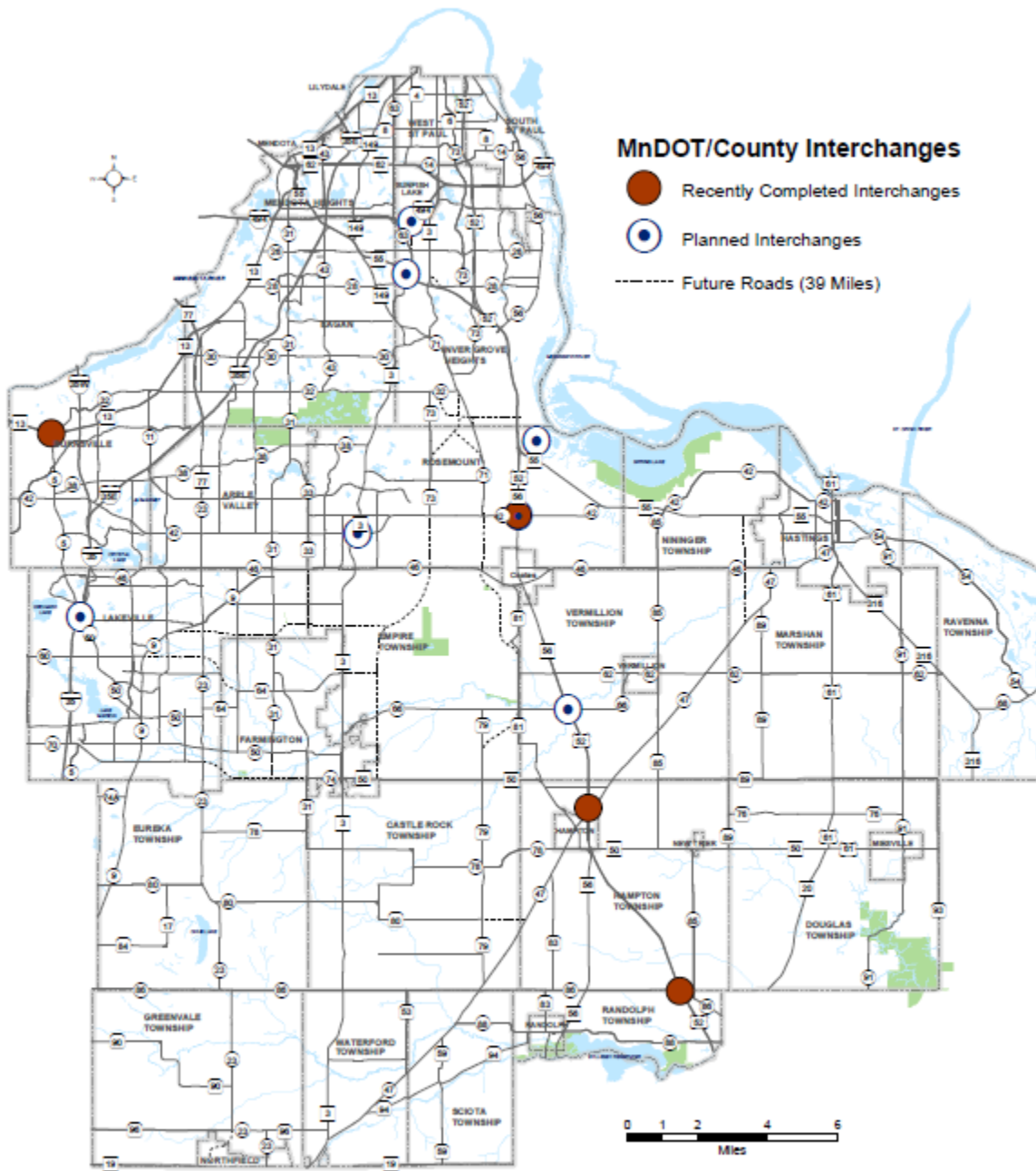
2040 Intersections Approaching Capacity



Dakota County 2040 Transportation Plan - Figure 46

Item 5: Intersections - Interchanges

2040 MnDOT and County Highway Intersections-Interchanges



Prepared by:
Dakota County Office of GIS, 2/2021.

Dakota County 2040 Transportation Plan - Figure 47

Glossary

In some cases, definitions for common terms are adopted from other government reports.

Accrual Basis	The recording of financial effects on a government of transactions and other events and circumstances that have cash consequences for the government in the periods in which those transactions, events and circumstances occur, rather than only in the periods in which cash is received or paid by the government.
Activity	A specific and distinguishable service performed by one or more organizational components of a government to accomplish a function for which the government is responsible.
Adopted Budget	The County budget for a fiscal year (January to December) as adopted by the County Board of Commissioners.
Advance Refunding	A transaction in which new debt is issued to provide monies to pay interest on old, outstanding debt as it becomes due, and to pay the principal on the old debt either as it matures or at an earlier call date.
Agency Fund	One of four types of fiduciary funds. Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).
Allotment	Portion of an annual or biennial budget appropriation allocated to an interim period.
Arbitrage	The reinvestment of the proceeds of tax-exempt securities in materially higher yielding taxable securities (GFOA).
Assessed Valuation	A value established for real property for use as a basis for levying property taxes.
Attorney Forfeiture Special Revenue Fund	To account for the 20 percent of the proceeds from the sale of forfeited property this is distributed to the County Attorney as a supplement to operating monies for prosecutorial purposes.
Audit	An official inspection of the County's accounts. Dakota County's audit is performed on a calendar year by an external organization.
Available Fund Balance	The portion of fund balance not reserved for an existing obligation and could be used to finance appropriations.
Balanced Budget	A budget in which revenues equal expenses with no deficit. Dakota County maintains a balanced budget.
Basic Financial Statements	The minimum combination of financial statements and note disclosures required for fair presentation in conformity with GAAP.
Basis differences	Differences that arise through the employment of a basis of accounting for budgetary purposes that differs from the basis of accounting prescribed by GAAP for a given fund type.
Basis of Accounting	The timing of recognition, that is, when the effects of the transactions or events should be recognized for financial reporting purposes. Basis of accounting is an essential part of measurement focus because a particular timing of recognition is necessary to accomplish a particular measurement focus.

Budget	A comprehensive financial plan of operation for a specified period of time that matches all planned revenues and expenditures.
Budgetary Basis of Accounting	The method used to determine when revenues and expenditures are recognized for budgetary purposes.
Budgetary Guidelines	Recommendation on budgeting issued by the National Advisory Council on State and Local Budgeting (NACSLB). The NACSLB's budgetary guidelines are chiefly of interest to accountants because of the emphasis they place on performance measurement in the context of the budgetary process.
Budgetary Reporting	The requirement to present budget-to-actual comparisons in connection with general purpose external financial reporting. Budgetary reporting is required in connection with the basic financial statements for both the general fund and individual major special revenue funds with legally adopted annual budgets. Budgetary reporting also is required within the comprehensive annual financial report to demonstrate compliance at the legal level of control for all governmental funds with legally adopted annual budgets.
Budget Compliance	The control or management of a government or enterprise in accordance with an approved budget to keep expenditures within the limitations of available appropriations and available revenues.
Budget Compliance Points	The level at which spending in excess of budget and/or collecting revenue less than budget would be in violation of Dakota County's Budget Compliance Policy.
Budget Incentive Policy (BIP)	Dakota County policy whereby departments and divisions are able to receive a portion of their prior years' budget savings to purchase small capital items and supplement funding for short-lived or one-time projects.
Business-type Activities	One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds.
Capital Expenditures	Expenditures resulting in the acquisition of or addition to the government's general fixed assets.
Capital Improvement	Major construction, repair of or addition to building, parks, roads and bridges, and bikeways.
Capital Improvements Budget	The schedule of project expenditures for the acquisition and construction of capital assets for the current fiscal year.
Capital Improvement Program	Five year plan for capital improvement projects.
Capital Projects Fund	Fund type used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).
Cash Basis of Accounting	Basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.
Challenges	Anticipated tests to the departments or organization's abilities or resources in achieving stated goals or undertakings.

Class Rates	The percent of market value set by state law that establishes the property's tax capacity subject to the property tax.
Community Services Special Revenue Fund	To account for all costs for human services. Financing comes primarily from an annual property tax levy and intergovernmental revenue from the State and Federal Governments.
Countywide Operations Department	An accounting entity where expenditures and revenues are recorded that impact or benefit all county departments.
Community Indicators	These provide a "snap-shot" of the quality of life in a community or county. They report on crime levels, housing conditions, environmental pollution, child immunization rates, demographic trends, incidents of youth and domestic violence, household wealth, community voting rates, and other aspects of community life.
County Library Special Revenue Fund	To account for the operating cost of the Dakota County Library System. Financing is provided by an annual property tax levy.
County Parks Special Revenue Fund	To account for park acquisition, development, and operating costs. Financing is provided by an annual property tax levy and grants from the Metropolitan Council.
Debt Service Fund	A fund established to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.
Defeased	Elimination of debt. Dakota County currently has no debt issues.
Deficit	(1) The excess of expenditures over revenues during an accounting period. (2) When actual revenue received is less than budgeted. (3) When actual expenditures are greater than budgeted.
Department	An organizational entity designated by the County Board of Commissioners as a department.
Depreciation	A reduction in the value of an asset with the passage of time, due in particular to wear and tear.
Designated Fund Balance	A portion of an unreserved fund balance that has been identified for a specific purpose. Designations can be either required by state statute or other policy or resolution.
Effectiveness Indicators	Performance indicators that measure how well a particular service accomplishes the intended purpose and that is of direct importance to managers, clients, and the public. It may measure an intermediate outcome (an initial outcome that is expected to lead to the desired end, but is not an "end" in itself, or an end outcome (long-term results that are anticipated or desired.
Efficiency Indicators	Measures that indicate how well resources are being used. It is expressed as a ratio between the amount of input and the amount of output or outcome, and is often described as the cost per unit of output. It may be the cost per library material circulated or the cost per person hired. The input may also be expressed in staff time; such as the number of welfare applications processed per financial worker FTE or the number of inspections completed per assessor per hour.

Enterprise Fund	(1) A fund established to account for operations financed and operated in a manner similar to private business enterprises (e.g., airports, transit systems). In this case the governing body intends that costs (i.e., expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees. (2) A fund established because the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.
Environmental Management Special Revenue Fund	To account for environmental management activities within the county including waste reduction, planning, administration, regulation, and education.
Expenditure	Use of an appropriation to purchase goods and services (including services of employees) necessary to carry out the responsibilities of a department or organization.
Expenditure-driven Grants	Government-mandated or voluntary non-exchange transactions in which expenditure is the prime factor for determining eligibility. Also referred to as <i>reimbursement grants</i> .
Expenditures	Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service, and capital outlays, and intergovernmental grants, entitlements and shared revenues.
Expenses	Outflows or other using up of assets or incurrence of liabilities (or a combination of both) from delivering or producing goods, rendering services or carrying out other activities that constitute the entity's ongoing major or central operations.
FTE	Full Time Equivalent. A full time employee works 2,088 hours per year. FTE's are calculated by dividing hours worked per year (or planned hours to be worked) by 2,088. For example, an employee working 1,044 hours per year divided by 2,088 equals 0.50 FTE.
Fiduciary Funds	Funds used to report assets held in a trustee or agency capacity for others and which therefore cannot be used to support the government's own programs.
Financial Resources	Resources that are or will become available for spending. Financial resources include cash and resources ordinarily expected to be converted to cash (e.g., receivables, instruments). Financial Resources also may include inventories and prepaid items (because they obviate the need to expend current available financial resources).
Fiscal Year	A 12-month period not necessarily corresponding to a calendar year.
Formula Grants	Government-mandated or voluntary non-exchange transactions involving the provision of resources based upon established criteria (e.g., number of full-time equivalent students) other than the incurrence of qualifying expenditures.
Function	A group of services aimed at accomplishing a defined purpose. Functions may cross-organizational boundaries.
Fund	An independent fiscal accounting entity with a self-balancing set of accounts. Examples are the General Fund, Special Revenue Funds, Capital Projects, Enterprise, and Internal Service Funds. Annual budgets may or may not be adopted for different funds.

Fund Balance	In accounting terms, it is the net fund assets minus fund liabilities. In simple non-accounting terms, ignoring such things as loans, designations, and reserves, fund balance can be considered the beginning fund balance + actual revenues – actual expenditures.
Fund Classifications	One of the three categories (governmental, proprietary, and fiduciary) used to classify fund types.
Fund Type	Any one of seven categories into which all funds are classified in governmental accounting. The seven fund types are: general, special revenue, debt service, capital projects, enterprise, internal service, and trust and agency.
Funded Mandate	Also known as a government-mandated non-exchange transaction. A situation where a government at one level provides resources to a government at another level and requires the recipient to use the resources for a specific purpose (for example, federal programs that state of local governments are mandated to perform).
GAAP	Generally Accepted Accounting Principles, the accounting standards recognized by the County and United States Securities and Exchange Commission.
General Fund	To account for all financial resources not required to be accounted for in another fund.
General Obligation	A security backed by the full and faith and credit of a municipality.
General Revenue	All revenues that are not required under GASB 34 to be reported as program revenues, for example, taxes—even those that are levied for a specific purpose.
GFOA	Government Finance Officer's Association
Goal	A broad statement of the desired outcome for a county, division, department, or program.
Governmental Activities	Activities generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. These activities are usually reported in governmental funds and internal service funds.
Governmental Fund	The County's governmental funds include: general, capital, debt service and special revenue funds.
Homestead and Agricultural Aid (HACA)	A property tax relief program that replaced the former homestead agricultural credit program. HACA is tied to class rate reduction for certain classes of property. HACA is no longer recognized as tax revenue, but rather revenue from the State.
Incurred But Not Reported (IBNR) Claims	Term used in connection with risk financing. Claims for insured events that have occurred but have not yet been reported to the governmental entity, public entity risk pool, insurer, or reinsurer as the date of the financial statements. IBNR claims include (a) known loss events that are expected to be presented later as claims (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported.
Indirect Expenses	Expenses that cannot be specifically associated with a given service, program, or department and thus, cannot be clearly associated with a particular functional category.

Input	A resource used to achieve a department goal. Examples include, staff, volunteers, facilities, equipment, and funding. Departments use inputs to support their activities, which are organized as services or programs.
Interfund Transfers	A transfer of moneys between two different funds.
Internal service funds	Proprietary fund type that may be used to report any activity that provides goods or services to other funds, departments, or agencies of the primary government and its component units, or to other governments, on a cost-reimbursement basis.
Intrafund Transfer	A transfer of moneys between departments in the same fund.
Investment Trust Funds	Fiduciary fund type used to report governmental external investment pools in separately issued reports and the external portion of these same pools when reported by the sponsoring government.
Legal Level of Budgetary Control	The level at which a government's management may not reallocated resources without special approval from the legislative body (<i>see Budget Compliance Points</i>).
Local Tax Rate	The rate used to compute most taxes for each parcel of property. Local tax rate is computed by dividing the certified levy (after reduction for fiscal disparities distribution levy, if applicable, and counting disparity reduction aid) by the taxable tax capacity.
Major Fund	Dakota County's major funds include general fund, highway fund, environmental legacy, Dakota County Transportation Sales Tax, special federal revenue and capital projects fund. These funds all meet the criteria set by Governmental Accounting Standards Board.
MFIP	Minnesota Family Investment Program – State welfare-reform program that encourages and promotes employment by supporting families who do not earn enough to support themselves on their wages alone. The program has a 60-month lifetime limit. Federal TANF funds are used to help support this program.
Mission	A concise statement of the fundamental current and future purpose of a county, division, department, or program.
Modified Accrual Basis of Accounting	Basis of accounting according to which (a) revenues are recognized in the accounting period in which they become available and measurable and (b) expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except for un-matured interest on general long-term debt and certain similar accrued obligations, which should be recognized when due.
Net County Cost	The difference between budgeted appropriations (expenses) and departmental revenue. The total dollar difference is funded by property tax levy.
Net Interest Cost	Represents the average coupon rate of a bond issue, weighted to reflect the term adjusted for the premium or discount. It does not consider the time value of money, as does the true interest cost (TIC).
Objective	A broad statement of the desired outcome for a county, division, department, or program.
Overlapping Debt	The proportionate share of debt in addition to a community's own direct obligations, such as those by a county or school district in which it is located.

Outcome Claim	A general description of the relationship between what is expected (the outcomes), what means (program or service activities) will be used to achieve the desired outcome, and how it will be known that the outcomes have been achieved (by looking at indicators of effectiveness, efficiency, responsiveness). "If particular activities are completed, "then" what will result?
Outcome Statement	A concrete statement of a specific outcome that contributes to an overall goal.
Output Indicators	These measure the product of activity, the completion of service or program "units." These track internal activity, the amount of work done within an organization, rather than the result, impact, or outcome of that activity. For example, they are the number of interviews completed, the number of brochures distributed, the number of users served, or the number of transactions logged. A program or service's outputs should produce desired outcomes for the program's participants.
Pass-through Grants	Grants and other financial assistance received by a governmental entity to transfer to or spend on behalf of a secondary recipient.
Planning Base	Starting point for budget development. Typically, this is prior-year budgeted expense and updated estimate of revenue.
Process Indicators	A measure of some factor critical to the successful implementation of a program. This kind of data does not fit into any of the other indicator category, but provides crucial management information. For example, they could be staff quality indicators (the percent of certified workers), or the percent of approved staff positions that are filled.
Program	Group activities, operations or organizational units directed to attaining specific purposes or objectives.
Program Aid	State aid program for local governments. This revenue source replaces the former HACA program.
Property Class	The classification assigned to each parcel based on the use of the property. For example, owner occupied residential property is classified as homestead.
Proprietary Funds	Funds that focus on the determination of operating income, changes in net assets (of cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.
Recommended Budget	The County budget for a fiscal year as proposed by the County Manager to the County Board of Commissioners, based on department requests.
Refunding	The issuance of new debt whose proceeds are used to repay previously issued debt. The proceeds may be used immediately for this purpose (a current refunding), or they may be placed with an escrow agent and invested until they are used to pay principal and interest on the old debt at a future time (an advance refunding).
Regional Rail Authority Special Revenue Fund	To account for revenues and expenditures of the Regional Rail Authority established by the Dakota County Board of Commissioners to plan and develop light rail transit within the County.
Reimbursement Grant	A grant for which a potential recipient must first incur qualifying expenditures to be eligible. Reimbursement grants are also referred to as <i>expenditure-driven grants</i> .
Reserved Fund Balance	The portion of a governmental fund's net assets that is not available for appropriation.

Responsiveness Indicators	These measure the customer's evaluation of a product or service. It captures the customer's level of satisfaction with the timelines, accuracy, or convenience of a service (in terms of its location, hours of operation, and staff availability). Customers may also provide valuable feedback regarding staff pleasantness, friendliness, and flexibility in adapting to and meeting client needs. Departments are being responsive when they use customer feedback from surveys, focus groups, feedback cards, or other sources to change and improve service or program activities.
Retained Earnings	For Dakota County this is excess revenue over expenditures or fund balance.
Revenue	Income from taxes, fees, and other charges, Federal or State government, excluding interfund transfers, fund balance, or debt issuance proceeds.
Road and Bridge Special Revenue Fund	To account for all costs for maintenance and construction of streets and highways. Financing comes primarily from an annual property tax levy and intergovernmental revenue from local, State and Federal Governments. Also known as <i>Transportation Fund</i> .
Same Price Per Citizen	A term Dakota County uses to refer to the practice of charging taxes at the same rate as population growth plus inflation.
Service/Program	Departments provide an array of programs and services - basic units or functions of activity organized for management or cost accountability purposes. These activities are what a department does with its inputs to fulfill its mission. Activities result in outputs.
Special Revenue Fund	A fund used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditure for specified purposes. GAAP only requires the use of special revenue funds when legally mandated.
Strategies	Proposed continuation or modification of organizational activities and/or structures that will serve or appear to serve an important function in improving outcomes.
TANF	Temporary Assistance for Needy Families – Federal formula grant program to States, Territories, or Tribes to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two-parent families.
Tax Capacity	The valuation of property based on market value and statutory class rates. The property tax for each parcel is based on its tax capacity.
True Interest Cost	A method of calculating interest cost while taking into account the time value of money.
Undesignated Unreserved Fund Balance	Available expendable financial resources in a governmental fund that are not the object of tentative managements (i.e., designations).
Use of Fund Balance	The amount of fund balance needed to fund current or budgeted expenditures.
Vision	A statement of an ideal future for an organization, or geographic location.
Wheelage Tax	A per vehicle fee of \$5 assessed by Dakota County at the time of license plate renewal to garner additional resources for transportation.

INDEX

2023 – 2027 Parks CIP.....	60	Evaluation of Project Needs	57
2023 Adopted Budget Overview.....	7, 28	Expenditures	42
2023 Dakota County Budget Summary by		Expenditures & Revenues by Major Account	
Department.....	37	Groups	29
2023-2027 Parks CIP Summaries.....	63	Explanation of Fund Balance Plan Component	
Anticipated Operational Costs Associated with		117
CIP Projects.....	58-59	Federal Revenues.....	34
APPENDIX	134	Final Budget Adoption.....	42
Assigned	49	Financial Philosophy	82
Basis of Budgeting (Accounting Perspective).....	43	FINANCIAL POLICIES AND GUIDELINES .	115
Budget at a Glance.....	20	Fund Balance.....	36
Budget Compliance Policy	42, 120	Fund Balance Changes.....	49
Budget Development Process.....	40	Fund Balance History and Projection.....	53
Budget Highlights	21	Fund Balance Management	115
Budget Highlights by Department.....	38	Fund Types.....	44
Budget Incentive Program Expenditures	33	Funding Sources.....	58
BUDGET SUMMARY	18	Funding Strategies.....	61
Building Capital Improvement Projects.....	70	Future Bonding	54
Building CIP Financial Summaries*.....	70	GLOSSARY	126
Byllesby Dam Capital Improvement Projects.....	77	Governmental Fund Type.....	44
Capital Expenditures.....	32	Greenways & Regional Trails	61
CAPITAL IMPROVEMENT PROGRAM	57	Highlighted Highway Projects.....	69
Capital Improvement Program & Debt Service.....	26	Highlights of the 2023 Buildings Capital Budget	
Challenges Facing the County.....	21	and 2023-2027 Capital Improvement Program	
Changes to the Planning Base.....	42	70
CIP Budget Process	57	Impact on Operating Budget.....	58
Citizen Advisory Committees and Commissions		Investment Policy.....	118
.....	16	Item 1: Metropolitan Counties Property Tax	
Client Services & Materials Expenditures.....	32	Rates	121
Committed.....	49	Item 2: Metropolitan Counties Per Capita	
Committees of the Whole.....	15	Property Tax.....	122
Completed CIP Projects	58	Item 3: Dakota County Park System.....	123
Computation of Legal Debt Margin.....	55	Item 4: Intersection Capacity Map	124
County Goals & Objectives	19	Item 5: Future Studies Map	125
Countywide, Elected Officials.....	14	Land Use	10
Dakota County Board of Commissioners.....	14	Licenses, Fines & Charges.....	34
Dakota County Facts	9	Location and History	10
Dakota County Organizational Structure	17	Long-Range Financial Policies	115
Dakota County Structure	13	Long-Term Liabilities – Bonds Payable.....	55
Dakota County’s Fund Balance Plan.....	117	Maintaining Fiscal Health	21
Data Networks Capital Improvement Projects	78	Major Funds.....	45
DEBT	54	Nonspendable.....	48
Debt Administration Policy.....	117	Office Support.....	32
Debt Expenditures Ratio.....	56	Operations	25
Debt Management.....	54	ORGANIZATION OF REPORT	7
Demographic Trends	10	Organization Structure	47
Department/County Support	32	Other Fund Types.....	46
Economic Trends.....	12	Other Intergovernmental Revenues.....	36
Employee Benefits.....	31	Other Revenues.....	34
Environmental Resources CIP	72	Park System Plan	60

Parks.....	60	Schedule for Bond Retirement.....	56
Parks Capital Improvement Projects	61	State Revenues	35
Plan Goals & Programming Strategies	64	Strategies to Accomplish the 2023 – 2027 Parks CIP.....	60
Planning Base Development.....	42	Summary	33, 36
Property Tax.....	34	Summary of Bonds Payable	55
Property Tax Levy Practice.....	23	Summary of Expenditures.....	25
Proposed Investments for the 2023-2027 Capital Improvement Program.....	67	Summary of Fund Balance Changes – Major Funds.....	49
Proprietary Fund Type	45	Summary of Revenue	27
Providing services for all residents.....	21	Total Expenditures	30
Public Employment Retirement Association	31	Total Revenue	34
Ratio of Net Bonded Debt to Tax Capacity.....	54	Transportation Capital Improvement Projects .	63
Regional Rail Authority's CIP	80	Transportation Plan Vision	64
Reserved and Designated Fund Balance	48	Transportation Sales & Use Tax CIP	74
Restricted.....	48	Travel & Training Expenditures	32
Revenue.....	42	Unassigned.....	49
Salaries and Wages	31		