

Dakota County
Board of Commissioners
Meeting

Dakota
COUNTY

TOUCH SCREEN TO RETURN

CRESTRON

2011

BUDGET IN BRIEF

Dakota County, Minnesota

Dakota
COUNTY

Dakota County Government For The Fiscal Year Beginning January 1, 2011

Budget in Brief

This document is a 'brief' look at the adopted 2011 budget for Dakota County, Minnesota. We hope it will enhance your understanding of how the County is organized, the services it provides, and the funding sources used to provide those services. Our purpose is to deliver to the citizens of Dakota County the very highest quality of services as efficiently, effectively, and responsively as possible. We aim to be a premier county in which to live and work. Thank you for the opportunity to serve you and to be able to make Dakota County Government the best it can be.

Dakota County Board of Commissioners

1st District	Joseph A. Harris
2nd District	Kathleen A. Gaylord
3rd District	Thomas A. Egan
4th District	Nancy Schouweiler
5th District	Liz Workman
6th District	Paul Krause
7th District	Willis E. Branning

A comprehensive overview of the Dakota County 2011
Adopted budget, the *2011 Adopted Budget Overview* is available
by contacting:

Dakota County Financial Services Department
1590 Highway 55 West
Hastings, MN 55033
(651) 438 – 4585

www.dakotacounty.us

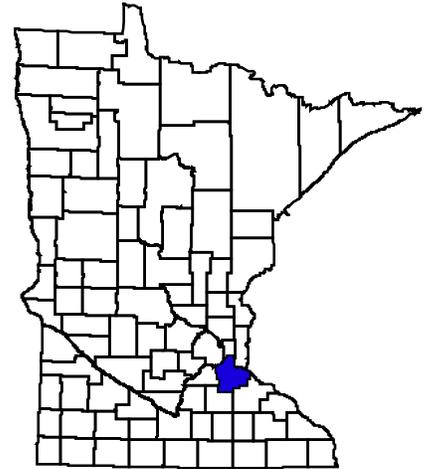
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Dakota County Facts

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 inception of Dakota County. Dakota County has an area of 587 square miles, including 13 townships and 21 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. And at least half the county's land remains in agricultural use.

Land development continues in the County, though at a slower pace than in previous decades when the rate of consumption (acres converted to development from agricultural use or open space) averaged between 2,200 and 2,900 acres annually. About 40% of Dakota County's total land area is developed. Based on 2008 population estimates, population densities in the County currently vary from less than 30 to almost 3,800 people per square mile, with an average density of approximately 800 people per square mile.

Demographic Trends

Dakota County is the third most populous county in Minnesota, with an estimated 2011 population of 400,675. Between 1990 and 2000, Dakota County's population increased by 29%, adding more than 80,000 people. Population growth in Dakota County is expected to continue, but at a slower rate of about one percent annually.

Over the next 20 years, regional growth is projected to continue at an average rate of approximately 1% per year. The seven-county metropolitan region is anticipated to increase by almost 37% between 2000 and 2030, to a total population of more than 3.6 million residents. According to recent forecasts from the Metropolitan Council, Dakota County will attain a population of close to 520,000 people by the year 2030. This growth represents a 46% increase in population between 2000 and 2030, and highlights the tremendous development pressure on relatively more outlying communities.

The estimated total number of households in Dakota County is 151,450, based on 2008 estimates. This represents an increase of 15.4% over 2000. During the same time period, the increase in Dakota County's general population was 12%. The average household size is slowly decreasing, from 2.8 persons per household in 1990 to 2.6 in 2008. Single-person households (both under and over age 65) are increasing, as well as single female with children households, while married couple households with children are decreasing.

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. The population of second ring suburbs increased by more than 260% between 1970 and 2000. In Dakota County, second-ring

2010 Budget – Dakota County, Minnesota

Budget in Brief – Dakota County Facts

suburban cities Eagan and Burnsville are now the most populated cities (estimated 65,547 in Eagan and 61,081 in Burnsville in 2008). With land for development running short in the second ring, the third ring cities of Apple Valley, Rosemount, Lakeville, and Farmington are experiencing significant gains in population. Between 1970 and 2000, the populations of these cities grew five times in size. In the coming three decades, the population of these cities is anticipated to nearly double again.

Dakota County Population, 1970 to 2030						
1970	1980	1990	2000	2010*	2020*	2030*
139,808	194,279	275,186	355,904	423,040	488,750	520,010

*Metropolitan Council projections

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 2008 about 13% of the population identified themselves as members of a racial or ethnic minority group. Between 2000 and 2030, the non-white population in Dakota County is forecasted to grow by almost 176%, from a count of 23,934 non-white residents in 2000 to some 66,000 by 2030. Hispanic/Latino, Asian and African American are the largest non-white population groups.
- Student diversity is also increasing. During the 2008-2009 school year, 22% (16,413) of students in grades kindergarten through 12th grade were of racial and ethnic minority groups, more than doubled since 1995. More than 70 different languages 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 2008 it was 36.1. The number of people over the age of 65 in Dakota County is expected to increase 137% between 2010 and 2030.
- People in Dakota County are well-educated. In 2008, 94% of the population (over the age of 25) had a high school degree or higher; 35% had a bachelor's degree or higher. Minnesota numbers, themselves higher than the national numbers, were 92% (high school degree or higher) and 32% (bachelor's degree or higher) in 2008.

Economic Development

Recent economic conditions have resulted in challenges for many residents of Dakota County. Since 2001, the unemployment rate in Dakota County has generally increased, largely in line with both state and national unemployment trends. Typically, the county's unemployment rate is below both state and national numbers but follows a similar trendline. At the end of 2009, the state's unemployment rate was 7.0% and the national unemployment rate was 9.1%. Dakota County's unemployment rate reached 6.3% at the end of 2010.

Generally, Dakota County is considered to have an economically healthy mix of industry types. The total number of firms operating in Dakota County grew by 13% between 2000 and 2008 (about 1,070 new firms). Four industries (retail, manufacturing, health care, and accommodation and food services) employed 41.3% of the total workforce in Dakota County in 2009. The Minnesota Department of Employment and Economic Development projects that professions in the health care and social assistance fields will have the highest growth rate in 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 20 years.

The rate of home ownership in Dakota County has remained steady at close to 80% between 2004-2008. Median sales prices in 2000 were \$162,000 and peaked at \$233,650 at the end of 2006; by 2009, median sales were down to \$202,500. In addition, the percentage of people who are “cost burdened” (housing costs such as rent or mortgage payment, utilities, etc. are more than 30% of their income) has increased. In 2008, 45% of the renter households and 32% of those who own homes were cost burdened. Since 2000, the number of people in Dakota County with housing cost burdens has doubled.

Incomes in Dakota County have continued to remain above the State of Minnesota average. Between 2000 and 2008, median per capita income rose in Dakota County 29.3% from \$27,008 in 2000 to \$34,926 in 2008. Median per capita income in the State increased by 31% from 2000 to 2008, from \$23,198 in 2000 to \$30,394 in 2008. Almost one-third of households in Dakota County (32%) earned \$100,000 or more in 2008, as compared with only 20% in 2000 and 6% in 1990. For 2008, the median household income was \$71,833 in Dakota County.

People in Dakota County participate in the labor force in greater percentages than the national average. In 2000, the number of residents who were eligible to be considered part of the labor force was 216,803, compared to 231,370 (a 6.7% increase) by 2008.

Rates of poverty among Dakota County families remain below state and national averages. The poverty rate in 2008 for all people was 4.8% compared to 3.6% in 2000. The national poverty rate was 13.2%.

Property Taxes

Dakota County maintains the lowest property tax rate in the State of Minnesota. This means that for each unit of value for a property, property owners in Dakota County pay the least amount. The price of government in Dakota County has declined over the last ten years.

Recreation Opportunities-Parks and Libraries

With the 2009 opening of the Robert Trail Library in Rosemount, Dakota County operates a system of nine public libraries. About 85% of Dakota County residents now live within three miles of one of the county’s library facilities.

Parks contribute to a high quality of life in Dakota County. Parks are a primary place where residents and visitors can experience the outdoors, natural landscape and open space. The current County Park system encompasses more than 5,000 acres and accommodates close to 900,000 visits annually. The County’s park system includes six parks and three regional trails. Almost three-quarters of households are within a ¼ mile of some type of park (city or township, county, state or federal) and 91 percent of households are within a ½ mile of a park.



Organizational Overview

Dakota County Board of Commissioners

The County is governed by a seven-member Board of Commissioners elected from districts within the County. The County Board normally meets the first three Tuesdays of the month - the first and third Tuesday as the County Board and the second as committees of the whole.

Committees of the Whole

There are three committees of the whole on which each Board member serves: Administration/Finance Policy Committee of the Whole; Community Services Committee of the Whole; and Physical Development Committee of the Whole. An organization chart of the committees is included on page 8.

Citizen Advisory Committees and Commissions

The County Board appoints individuals from the community to serve on citizen advisory committees, and commissions. A list of the various committees and commissions is provided on page 9.

County Divisions

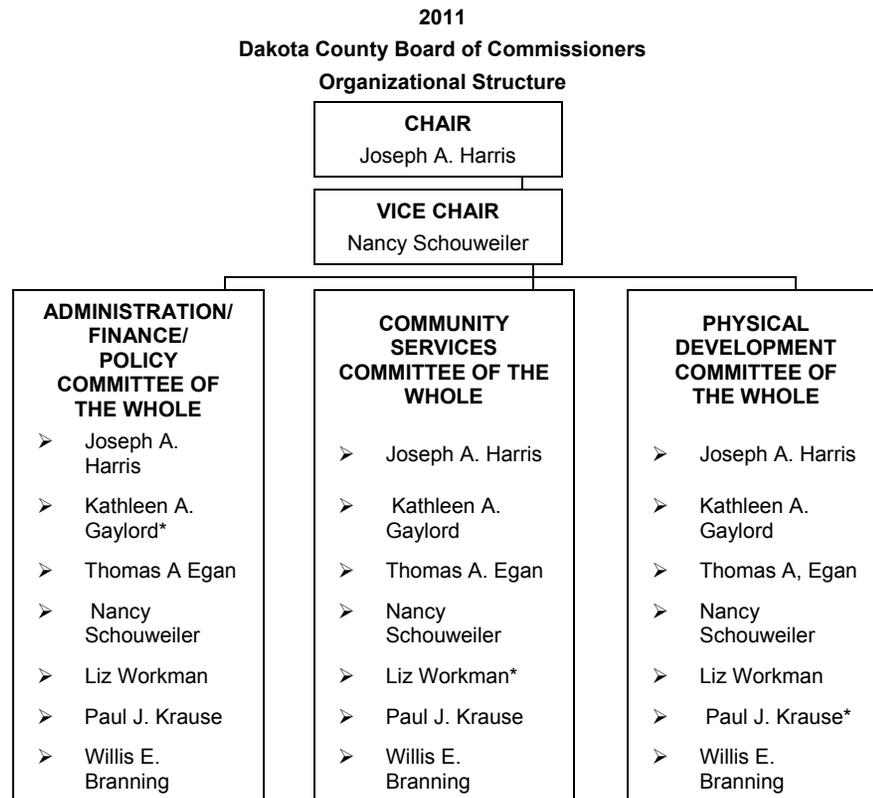
The County currently is organized into four divisions (Public Services and Revenue; Operations, Management & Budget (OMB); Community Services, and Physical Development), and two elected official departments.

Elected Officials

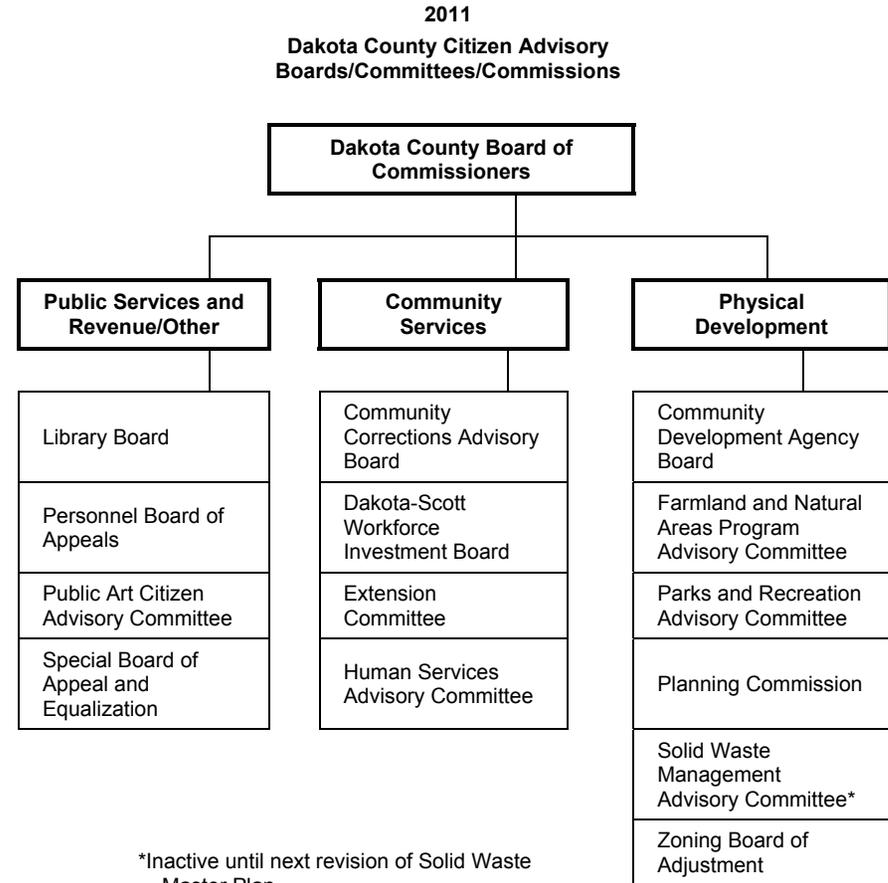
Below is a listing of the County Board of Commissioners and the other two elected officials for Dakota County Government.

<i>Office</i>	<i>Name</i>	<i>Entered Office Term-End</i>	
<u>Dakota County Board of Commissioners</u>			
1 st District (Chair)	Joseph A. Harris	Jan. 1981	Dec. 2012
2 nd District	Kathleen A. Gaylord	Jan. 2003	Dec. 2014
3 rd District	Thomas A. Egan	Jan. 2005	Dec. 2012
4 th District (Vice Chair)	Nancy Schouweiler	Jan. 1999	Dec. 2014
5 th District	Liz Workman	Jan. 2009	Dec. 2012
6 th District	Paul Krause	Jan. 1995	Dec. 2014
7 th District	Willis E. Branning	Jan. 1997	Dec. 2012
<u>Elected Officials</u>			
County Attorney	James C. Backstrom	Sep. 1987	Dec. 2014
County Sheriff	David Bellows	March 2010	Dec. 2014

Board of Commissioners – Structure and Committees



* Committee of the Whole Chair



*Inactive until next revision of Solid Waste Master Plan

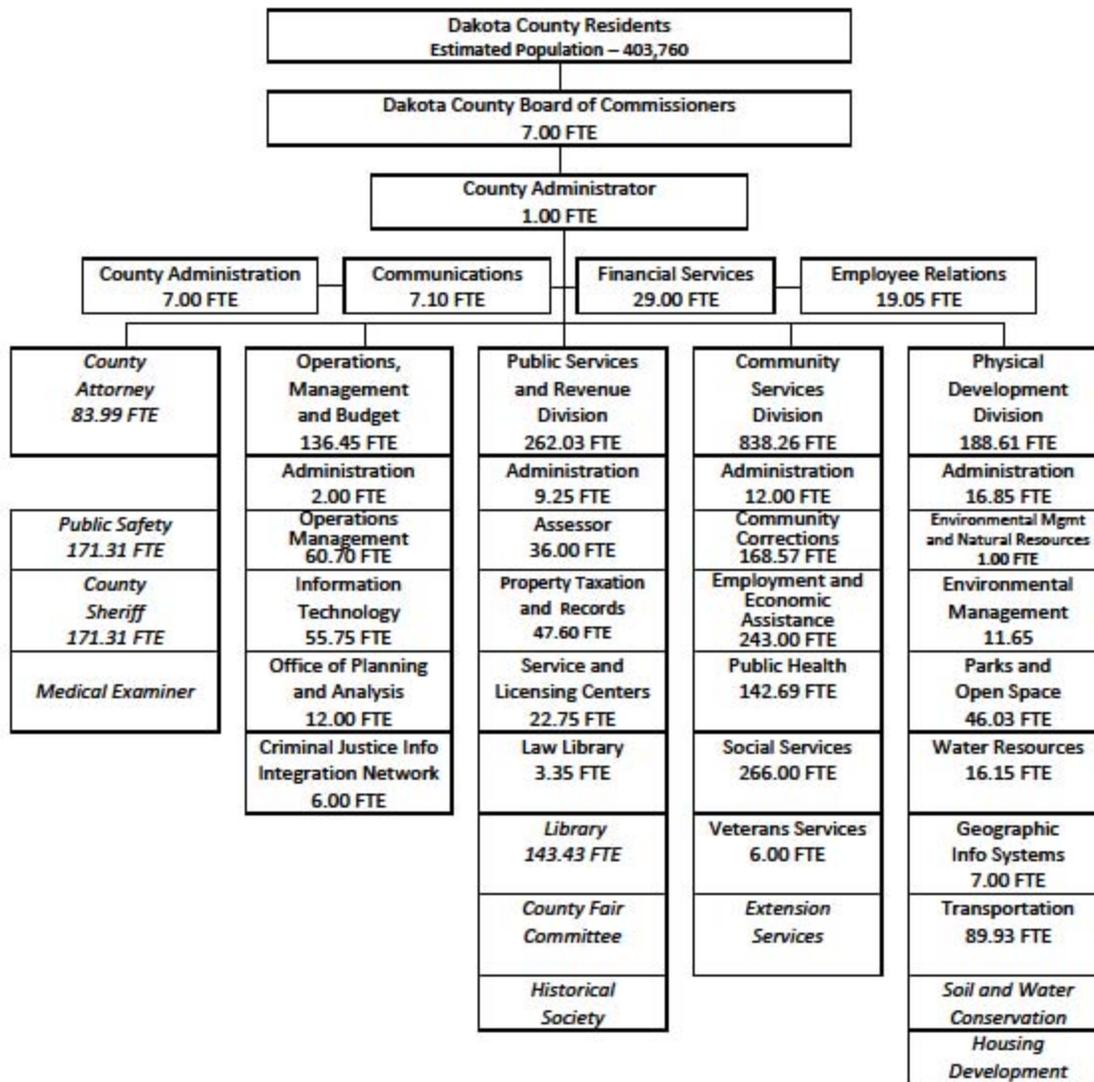
Notes:

- ✓ The County Board has a funding liaison role with departments listed in *italics* (County Attorney; County Sheriff; County Coroner; County Library; Historical Society; County Fair; Extension Services; Soil and Water Conservation District; and Community Development Agency). The County Board has direct administrative control over departments not listed in *italics*.

2010 Budget – Dakota County, Minnesota

Budget in Brief – Organizational Overview

Dakota County Organizational Structure
 2011 Adopted Budget Full Time Equivalents (FTE's) = 1,751.08



Notes: 1. The Dakota County Board has a funding liaison role with departments listed in italics (County Attorney; County Sheriff; Medical Examiner; Library; Historical Society; County Fair; Extension Services; Soil and Water Conservation District; and Housing Development Agency). The County Board has direct administrative control over departments not listed in italics.
 2. 4 FTE are currently not assigned, they will be allocated to a specific department at a later date.

County Goals and Objectives

Dakota County takes a comprehensive approach to developing, deploying, and measuring its performance. Among its most important tools are a strategic overview, a balanced scorecard framework, a *Community Indicators Report*, and a *Residential Survey*.

To be most effective, organizations should develop long-term goals and objectives, document and communicate performance toward the goals and objectives, and use that information to manage the organization and plan for the future. In 2003, Dakota County implemented a *balanced scorecard* system to align day-to-day operations with its mission and vision, and to encourage communication and improvement of performance. In 2009 and 2010, the County evaluated and prioritized its programs and services, using 31 identified objectives serving four broad goals. Each year, the Board of Commissioners also adopts a set of annual strategic priorities, to emphasize timely strategies used to meet the objectives and goals.

Annual Budget Summaries produced by the divisions and departments document not only budget requests, but achievements and challenges by each balanced scorecard lens (known as a strategic objective in the framework), and thereby double as annual, outcome-focused scorecards.

A biennial [Community Indicators Report](#) provides data and analysis on external socioeconomic, demographic, and environmental quality trends in the County. The purpose of this analysis is to support future strategic direction and policies.

Dakota County also conducts a statistically valid [Residential Survey](#), to be completed again during 2011.

The survey provides valuable information on the priorities and concerns of County residents. To help frame budget decisions and establish priorities, the County Board considers the *Community Indicators Report* and the *Residential Survey* results. Together, this information helps the County Board achieve its responsibilities as a policymaking body.

The Board of Commissioners believes that Dakota County will achieve its vision and fulfill its mission if it can accomplish its goals and objectives. Its goals include:

1. Healthy, safe citizens;
2. Quality physical environment;
3. Vital, prosperous community and economy; and
4. Efficient, effective, responsive government.

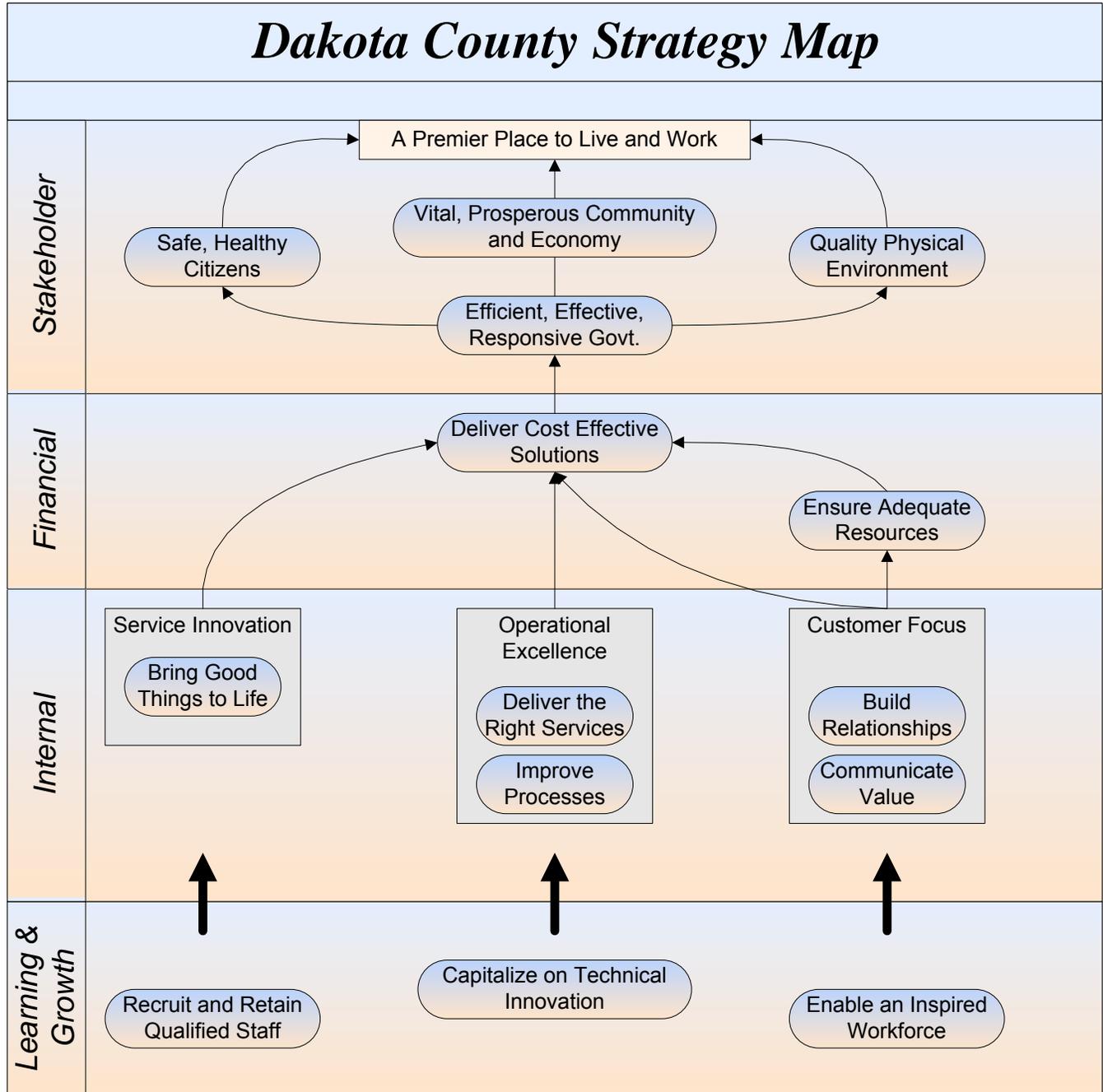
In addition, the balanced scorecard provides the framework for four perspectives to ensure that the County uses a diverse set of measures to analyze its performance and align its strategy. These include the stakeholder, financial, internal, and learning and growth perspective.

The “strategy maps” on the following pages illustrate the overarching County strategy, along with the specific Balanced Scorecard framework, used to demonstrate and influence how the County meets its goals and objectives.

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.

Dakota County Strategy Map



Adopted Budget Highlights

Realistic about the economic challenges facing the County

- Anticipates permanent loss of state aid

Strategic, priority driven adaptation to lower revenue

- Preserves the most important service priorities
- Funding for 60 current positions permanently cut by 2012
- Lower spending on equipment, travel and training
- Delays major new capital projects; preserves investments for maintenance

Limits the impact on property taxpayers

- 0.8% levy increase leaves county rate among lowest in state
- Many homeowners will see a reduction in county tax bill

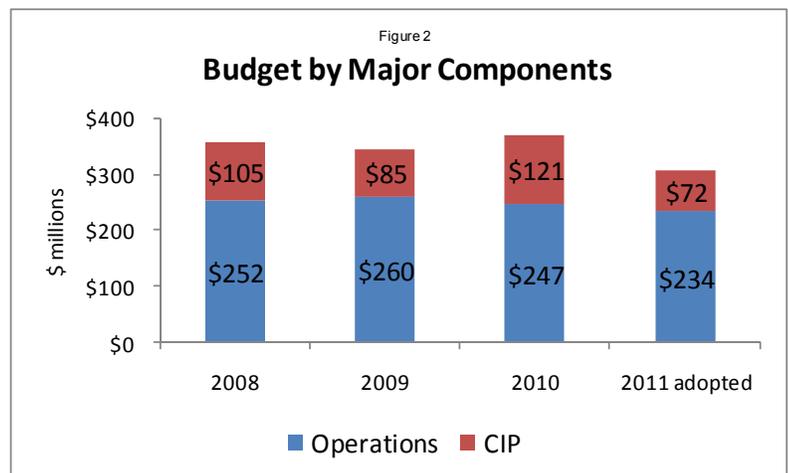
Maintains strong financial health going forward

- Prudently uses fund balance for levy savings and one-time costs
- Adds resources to pooled contingency account

Spending Overview

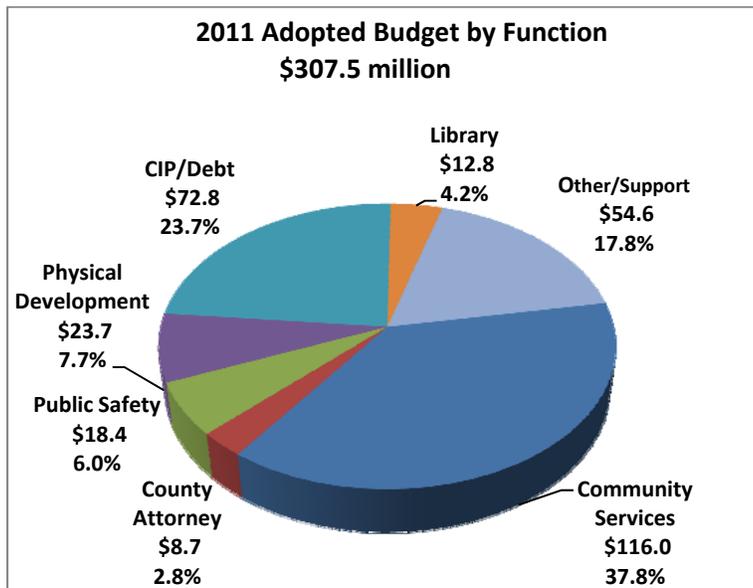
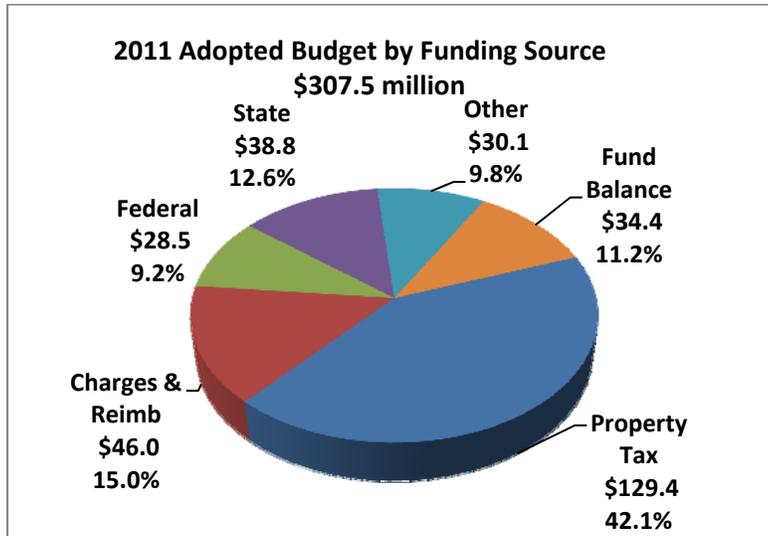
The 2011 adopted Dakota County budgeted revenues and expenditures are balanced at \$307.5 million. This amount reflects a decrease of 16.6% from 2010.

Figure 2 provides a comparison of 2008-2011 adopted budgets broken down by spending on operations and the Capital Improvement Program (CIP).



2011 Adopted Budget at a Glance

The 2011 adopted budget is \$307.5 million, compared to the 2010 adopted budget of \$368.0 million. The operating budget for the county is adopted at \$234.6 million. Property tax revenue to finance the budget increased to \$129.4 million. The charts below provide a breakdown of the 2011 adopted budget by function and by funding source.



2010 Budget – Dakota County, Minnesota

Budget in Brief – Budget Highlights

Department/Division	2010 Adopted Budget			2011 Adopted Budget			2011 vs 2010 Percent change			FTE's
	Property Tax	Other Revenue	Total	Property Tax	Other Revenue	Total	Property Tax	Other Rev.	Total	
COUNTY-WIDE	(13,786,426)	4,891,495	4,891,495	(6,203,279)	15,222,247	8,972,199	-54.7%	211.2%	83.4%	4.00
PUBLIC SERVICE & REVENUE ADMIN	829,062	65,098	894,160	734,773	40,500	775,273	-11.4%	-37.8%	-13.3%	9.25
ASSESSING SERVICES	3,317,562	3,200	3,320,762	3,252,044	58,047	3,310,091	-2.0%	1714.0%	-0.3%	36.00
PROPERTY TAXATION & RECORDS	686,592	3,537,800	4,224,392	1,101,410	3,238,940	4,340,350	60.4%	-8.4%	2.7%	47.60
SERVICE & LICENSE CENTERS	198,066	1,554,883	1,752,949	277,958	6,607,516	1,719,616	40.3%	325.0%	-1.9%	22.75
COUNTY FAIR	128,521		128,521	115,000		115,000	-10.5%		-10.5%	
HISTORICAL SOCIETY	112,134		112,134	100,000		100,000	-10.8%		-10.8%	
LIBRARY	11,368,331	1,207,304	12,575,635	10,988,913	1,828,371	12,817,284	-3.3%	51.4%	1.9%	143.43
PUBLIC SERVICE & REVENUE DIV	16,640,268	6,368,285	23,008,553	16,570,098	6,607,516	23,177,614	-0.4%	3.8%	0.7%	259.03
OPERATIONS MGMT SERVICES	14,043,411	3,015,739	17,059,150	13,166,660	3,081,302	16,247,962	-6.2%	2.2%	-4.8%	60.70
INFORMATION TECHNOLOGY	9,037,360	126,000	9,163,360	8,636,988	182,283	8,819,271	-4.4%	44.7%	-3.8%	55.75
OMB DIV ADMIN	508,529	1,099	509,628	260,662	1,099	261,761	-48.7%	0.0%	-48.6%	2.00
OFFICE OF PLANNING & ANALYSIS	1,216,133	117,300	1,333,433	1,098,927		1,190,927	-9.6%	-100.0%	-17.6%	12.00
CRIM JUSTICE INFO INTEGRATION	412,484	255,000	667,484	319,833	425,796	745,629	-22.5%	67.0%	11.7%	6.00
OMB DIVISION	25,217,917	3,515,138	28,733,055	23,483,070	3,690,480	29,908,812	-6.9%	5.0%	-5.4%	165.45
COUNTY ADMINISTRATION	1,343,426	41,318	1,384,744	1,279,369	41,318	1,320,687	-4.8%	0.0%	-4.6%	8.00
COUNTY BOARD	724,480		724,480	692,480	8,000	700,480	-4.4%		-3.3%	7.00
FINANCIAL SERVICES	2,715,187		2,715,187	2,603,971	39,291	2,643,262	-4.1%		-2.6%	29.00
COUNTY COMMUNICATIONS	786,478	145,913	932,391	638,397	145,913	884,310	-18.8%	0.0%	-15.9%	7.10
EMPLOYEE RELATIONS	2,474,679	120,000	2,594,679	2,280,979	115,000	2,395,979	-7.8%	-4.2%	-7.7%	19.05
ADMINISTRATION	8,044,250	307,231	8,351,481	4,891,225	310,231	5,299,627	-39.2%	1.0%	-37.7%	41.15
COMMUNITY SERVICES ADMIN	1,646,845		1,646,845	1,339,343		1,339,343	-18.7%		-18.7%	12.00
SOCIAL SERVICES	25,670,347	37,770,920	63,441,267	25,186,944	24,973,650	50,160,594	-1.9%	-25.2%	-15.8%	268.00
EMPLOYMENT & ECONOMIC ASST	6,831,916	21,092,775	27,924,691	7,384,825	20,216,526	27,712,426	8.1%	-4.2%	-1.2%	243.00
PUBLIC HEALTH	3,764,809	11,606,304	15,371,113	4,089,238	10,825,857	14,915,095	8.6%	-6.7%	-3.0%	142.69
VETERANS SERVICES	580,253	72,124	652,377	523,775		523,775	-9.7%	-100.0%	-19.7%	6.00
COMMUNITY CORRECTIONS	11,214,719	7,285,165	18,499,884	10,519,355	7,290,909	17,810,264	-6.2%	0.1%	-3.7%	168.57
EXTENSION	335,703	47,520	383,223	295,611	66,000	361,611	-11.9%	38.9%	-5.6%	
COMMUNITY SERVICES	50,044,592	77,874,808	127,919,400	49,339,091	66,649,266	115,943,016	-1.4%	-14.4%	-9.3%	838.26
SHERIFF	16,107,821	2,238,440	18,346,261	15,444,075	2,369,774	17,813,849	-4.1%	5.9%	-2.9%	171.31
MEDICAL EXAMINER	517,571		517,571	559,359		559,359	8.1%		8.1%	
PUBLIC SAFETY	16,625,392	2,238,440	18,863,832	16,003,434	2,369,774	18,373,208	-3.7%	5.9%	-2.6%	171.31
COUNTY ATTORNEY	5,248,239	3,554,289	8,802,528	5,065,428	3,667,607	8,733,035	-3.5%	3.2%	-0.8%	83.99
DISTRICT COURT	260,733		260,733	260,733		260,733	0.0%		0.0%	
GIS	798,324	190,678	989,002	718,519	190,678	909,197	-10.0%	0.0%	-8.1%	7.00
PHYSICAL DEVELOPMENT ADMIN	1,209,060	439,884	1,648,944	1,052,644	439,884	1,492,528	-12.9%	0.0%	-9.5%	16.85
TRANSPORTATION DEPARTMENT	2,589,953	6,414,753	9,004,706	263,311	8,595,723	8,859,034	-89.8%	34.0%	-1.6%	81.93
PARKS AND OPEN SPACES	2,781,759	817,037	3,598,796	2,543,444	893,157	3,436,601	-8.6%	9.3%	-4.5%	46.03
WATER RESOURCES		2,275,944	2,275,944		1,961,866	1,961,866		-13.8%	-13.8%	16.15
SOIL & WATER	282,361		282,361	263,482		263,482	-6.7%		-6.7%	
ENVIRONMENTAL MANAGEMENT		7,285,680	7,285,680		6,084,526	6,033,576		-16.5%	-16.5%	12.65
SURVEY	537,839	150,000	687,839	566,090	135,000	701,090	5.3%	-10.0%	1.9%	8.00
PHYSICAL DEVELOPMENT	8,199,296	17,573,976	25,773,272	5,407,490	18,300,834	23,753,774	-34.0%	4.1%	-8.0%	188.61
COUNTY OPERATIONS	116,494,261	130,110,088	246,604,349	117,421,261	116,810,477	234,627,911	0.8%	-10.2%	-5.0%	1,751.80
DEBT SERVICES	8,000,000	15,184,486	23,184,486	6,000,000	28,302,826	34,302,826	-25.0%	86.4%	168.7%	
CIP-TRANSPORTATION DEPT	3,016,415	34,294,219	37,310,634	5,116,415	19,976,125	25,092,540	69.6%	-41.8%	-65.5%	
CIP-PARKS	303,555	1,836,374	2,139,929	303,555	8,623,778	8,927,333	0.0%	369.6%	-54.3%	
COUNTY BUILDINGS	560,842	13,206,015	13,766,857	560,842	3,830,158	4,391,000	0.0%	-71.0%	-73.0%	
CIP-OPEN SPACE ACQUISITION		140,032	140,032		129,944	129,944		-7.2%	-7.2%	
CAPITAL IMPROVEMENTS (CIP)	11,880,812	64,661,126	76,541,938	11,980,812	60,862,831	72,843,643	0.8%	-5.9%	-40.0%	
COUNTY GRAND TOTAL	128,375,073	239,665,086	368,040,159	129,402,073	177,673,308	307,471,554	0.8%	-16.5%	-16.5%	1,751.80

2010 Budget – Dakota County, Minnesota

Budget in Brief – Budget Highlights

Expenditures and Revenues by Major Account Groups and by Major Funds

This section provides an overview of expenditures and revenues for the 2010 and 2011 adopted budgets by account group, as well as historical information for 2008 and 2009.

2011 DAKOTA COUNTY BUDGET FINANCIAL SUMMARY						
	Total County					
	2008 ACTUAL	2009 ACTUAL	2010 AMENDED	2011 PLAN BASE	2011 ADOPTED	2011 -> 2010
FULL-TIME EQUIVALENTS (FTES)			1,804.32	1,797.82	1,751.80	-2.9%
SALARIES & WAGES	109,624,401	114,330,328	113,263,837	112,453,486	109,914,362	-3.0%
EMPLOYEE BENEFITS	34,477,918	36,467,366	37,481,196	39,265,383	38,789,803	-3.5%
DEPT/COUNTY SUPPORT	22,988,317	20,652,115	27,164,356	24,722,366	25,718,268	-5.3%
TRAVEL/TRAINING	1,722,008	1,474,228	2,004,819	1,968,909	1,832,418	-8.6%
OFFICE SUPPORT COSTS	2,583,963	2,445,264	2,698,915	2,658,634	2,592,752	-3.9%
CLIENT SERVICES/MATERIALS	70,104,176	62,409,183	64,460,175	49,512,830	48,299,112	-25.1%
CAPITAL	121,716,702	75,868,920	170,194,403	76,866,946	79,916,722	-53.0%
BUDGET INCENTIVE (BIP)	2,186,183	1,109,826	10,488,854	2,208,117	408,117	-96.1%
TOTAL EXPENDITURES	365,403,669	314,757,230	427,756,555	309,656,671	307,471,554	-28.1%
PROPERTY TAX	138,825,480	133,492,282	128,375,073	137,314,597	129,402,073	0.8%
LICENSES, FINES & CHARGES	75,977,381	59,346,522	55,528,349	46,942,421	47,207,129	-15.0%
OTHER REVENUES	27,581,639	17,159,770	19,331,880	15,083,671	17,262,759	-10.7%
FEDERAL REVENUE	24,092,182	32,723,371	65,573,692	28,657,010	28,550,869	-56.5%
STATE REVENUE	41,662,730	71,735,375	68,807,800	38,741,003	38,794,003	-43.6%
OTHER INTERGOVT REVENUE	23,039,528	10,485,362	49,445,093	11,598,311	11,900,925	-75.9%
TOTAL REVENUE	331,178,939	324,942,681	387,061,887	278,337,013	273,117,758	-29.4%
FUND BALANCE	34,224,730	(10,185,451)	40,694,668	31,319,658	34,353,796	-15.6%
TOTAL SOURCE OF FUNDS	365,403,669	314,757,230	427,756,555	309,656,671	307,471,554	-28.1%

2011 Dakota County Budget									
	General Fund			Community Services Fund			Other Funds		
	2009 Actual	2010 Amended	2011 Adopted	2009 Actual	2010 Amended	2011 Adopted	2009 Actual	2010 Amended	2011 Adopted
Full-Time Equivalents (Ftes)		623.65	613.35		868.08	838.26		312.59	300.19
Revenue									
Property Tax	38,801,791	48,557,806	54,557,566	51,924,796	50,810,308	49,088,027	42,765,695	29,006,959	25,776,480
Licenses, Fines & Charges	11,791,728	11,433,107	11,306,759	34,943,796	34,725,794	24,770,739	12,610,998	9,369,448	11,129,631
Other Revenues	6,517,544	11,363,005	11,351,809	1,586,107	2,225,187	1,821,455	9,056,119	5,743,688	4,089,495
Federal Revenue	6,336,723	4,679,235	2,540,583	25,526,662	26,328,321	24,290,286	859,985	34,566,136	1,720,000
State Revenue	13,579,462	6,805,831	1,349,831	19,057,193	18,222,008	14,892,290	39,098,721	43,779,961	22,551,882
Other Intergovt Revenue	2,159,173	2,209,353	2,222,140	816,093	708,206	606,053	7,510,095	46,527,534	9,072,732
	79,186,421	85,048,337	83,328,688	133,854,647	133,019,824	115,448,850	111,901,613	168,993,726	74,340,220
Expenses									
Salaries & Wages	42,428,898	41,784,474	42,551,967	52,476,213	53,737,722	50,812,479	19,425,218	17,741,641	16,549,916
Employee Benefits	13,462,826	13,802,662	14,928,023	16,287,437	18,003,080	18,217,897	6,717,103	5,675,454	5,643,883
Dept/County Support	14,521,447	19,002,124	18,648,961	3,690,077	3,889,739	3,934,731	2,440,592	4,272,493	3,134,576
Travel/Training	371,102	626,239	613,702	1,015,869	1,236,153	1,125,593	87,257	142,427	93,123
Office Support Costs	1,031,474	1,165,069	1,059,102	1,146,374	1,236,997	1,247,801	267,416	296,849	285,849
Client Services/Materials	4,687,040	2,643,180	1,044,342	51,389,590	53,638,809	40,604,515	6,332,553	8,178,186	6,650,255
Capital	10,125,249	13,918,034	6,273,269	98,519	45,790		65,645,152	156,230,579	73,643,453
	86,626,034	92,941,782	85,119,366	126,104,078	131,788,290	115,943,016	100,915,291	192,537,629	106,001,055
Budget Incentive (Bip)	743,830	7,935,993	408,117	272,841	2,339,464		93,155	213,397	
Fund Balance	8,185,443	15,829,438	2,198,795	-7,477,728	1,107,930	494,166	-10,893,167	23,757,300	31,660,835

Total Expenditures

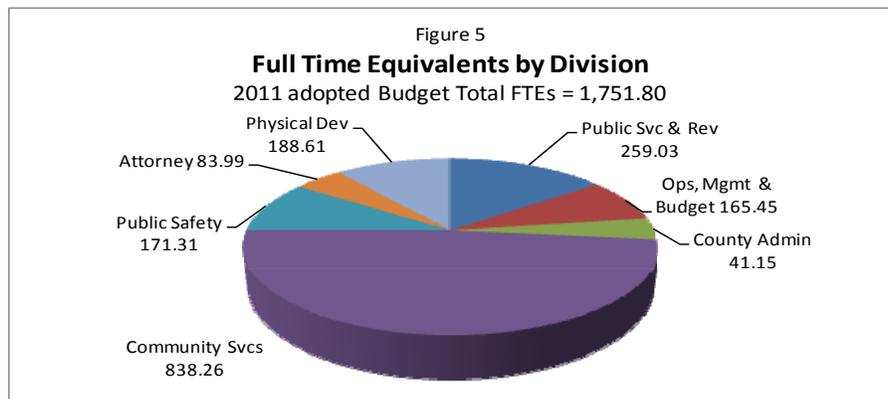
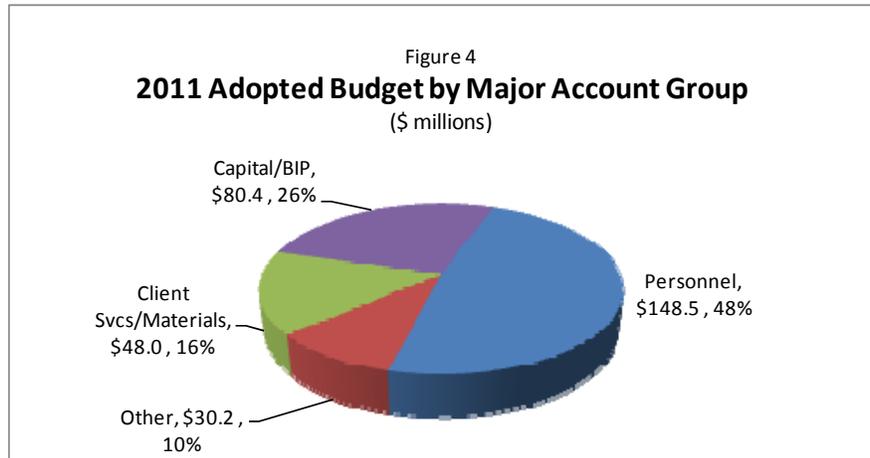
At \$307.5 million, the 2011 adopted budget reflects a 16.6% decrease in total spending as compared to the 2010 adopted budget. As seen in Figure 4, Dakota County spends approximately forty-one percent of its total budget on personnel, 16% on direct client services and materials, and 35% on Capital (including Budget Incentive Program expenditures). The Other category includes support costs including travel/training, office materials and supplies, and other purchased support services.

Personnel Expenditures

Personnel expenditures include the County's cost for salaries and wages, health insurance, Medicare and Social Security (FICA), Public Employee Retirement Association (PERA) contributions, and other employee benefits (e.g., life insurance, dental insurance, and unemployment insurance, etc.)

Salaries and Wages. The number of full time equivalents (FTEs) decreases from 1,806.18 in 2010 to 1,751.80 in 2011, a drop of approximately 3%. Reductions occurred throughout the County, as the overall budget strategy was to reduce budgeted positions to reflect lower available revenue.

Figure 5 provides a breakdown of Dakota County's labor force by division. As a result of decreases in the number of positions, the salaries and wages budget will decrease from \$113.3 million in 2010 to \$110.0 million in 2011- a 3% decrease.



Health Insurance. Despite fewer budgeted positions, in total, the County health insurance budget increases slightly from \$20.4 million to \$21.6 million. The higher cost of premiums paid by the County for employees more than offsets the decline in FTEs.

Public Employment Retirement Association. By State law the County contributes a percentage of each employee's gross wages to the Public Employment Retirement Association (PERA). The rate of contribution increased beginning in 2006 and continued to increase. The 2011 adopted budget includes a .25% increase in the County's contribution to PERA.

2010 Budget – Dakota County, Minnesota

Budget in Brief – Budget Highlights

Purchased Support Expenditures

Purchased Support includes the account categories Department/County Support and Office Support.

Department/County Support. Department/County Support is used for expenditures of purchased services, projects, or activities related to the overall support of the County, department, division or staff center. The Department/County Support budget decreases from \$26.0 million in the 2010 budget to \$25.7 million in the 2011 adopted budget.

General Office Support. Office Support is used to record administrative costs common to most departments. Examples of Office Support accounts are telephone, printing, office supplies and postage. The cost of countywide support activities and citizen/client related services are recorded in a different account category than Office Support. The General Office Support adopted budget is \$2.6 million for 2011.

Travel and Training Expenditures

Travel and Training is the account category used to record the cost of travel and training for employees, including seminars and conferences, tuition and mileage reimbursement. In line with the reduction in resources for the 2011 adopted budget, this account category has been reduced from 2010 levels to \$1.8 million for 2011.

Client Services and Materials Expenditures

Client Services and Materials include both Direct Materials and Supplies, and the Citizen/Client Services account categories. Direct Materials and Supplies is the account category used to record the cost of materials and supplies that directly benefit citizens or clients. Citizen/Client Services is the account category used to record the cost of purchasing services for citizens or clients. This includes the cost of payments to vendors that offer services to citizens or clients. For the 2011 adopted budget, Citizen/Client Services and Materials is budgeted at \$48.0 million.

Citizen/Client Services. 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.

Capital Expenditures (including equipment and capital improvement projects)

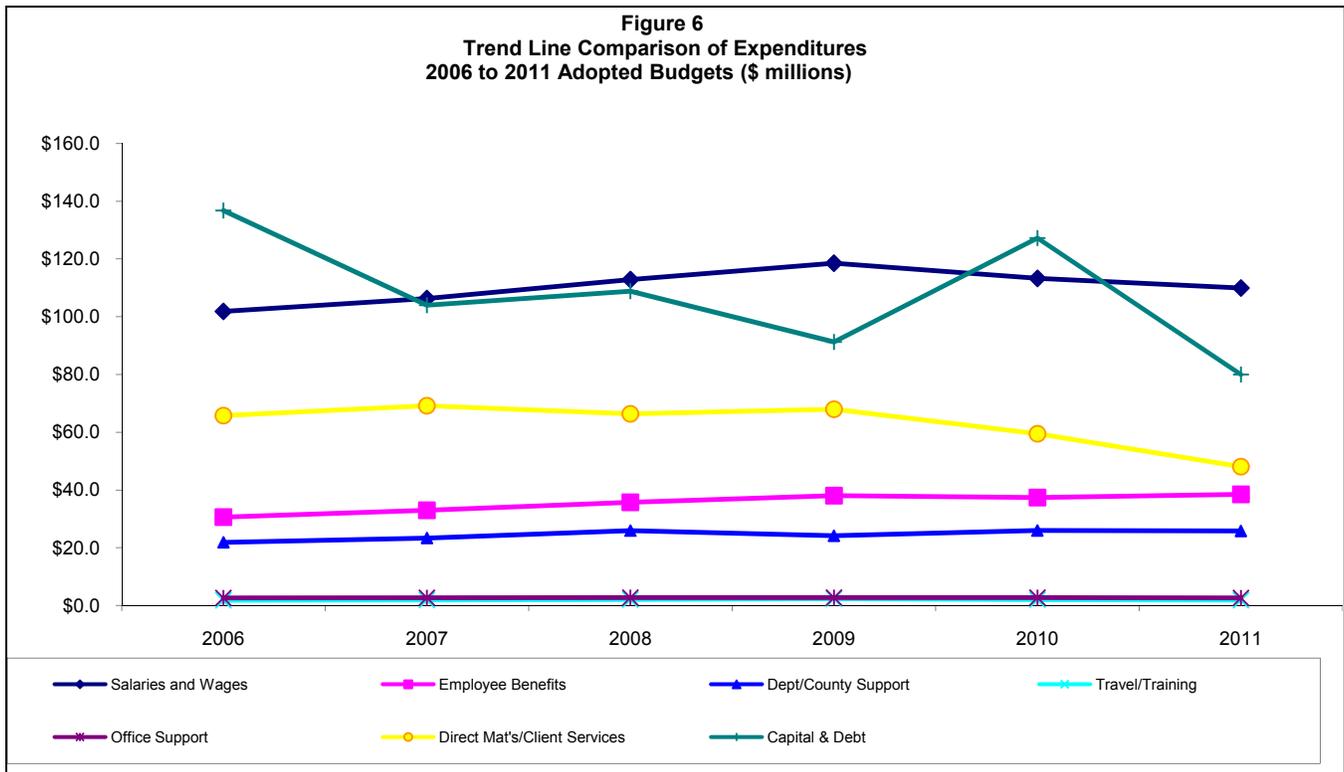
Capital includes expenditures for the Capital Improvement Program (CIP) and Capital Equipment Program (CEP). The budget for this account category includes all CIP and Debt Service expenditures and capital equipment with a value typically greater than \$20,000. Capital equipment purchases less than \$20,000 are typically purchased with Budget Incentive Program 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 no 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, these funds that had 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.

Total capital spending (including Debt Service) will decrease from \$121 million in 2010 to \$72.8 million in 2011, or a \$48.5 million decrease. CIP budgets for Parks and Transportation show significant decreases between 2010 and 2011, along with Buildings which will also decrease. These year-to-year changes reflect the inclusion of large one-time projects budgeted in 2010, making the 2010 CIP budget unusually large.

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. For 2011, the adopted amount of BIP is budgeted at \$408,117, a significant reduction from \$2.2 million in 2010. The intent of this reduction is to use resources that are normally added to BIP accounts to instead finance employee transitions costs in the 2011 adopted budget. Departments are expected to spend down existing BIP balances during 2011.



2010 Budget – Dakota County, Minnesota

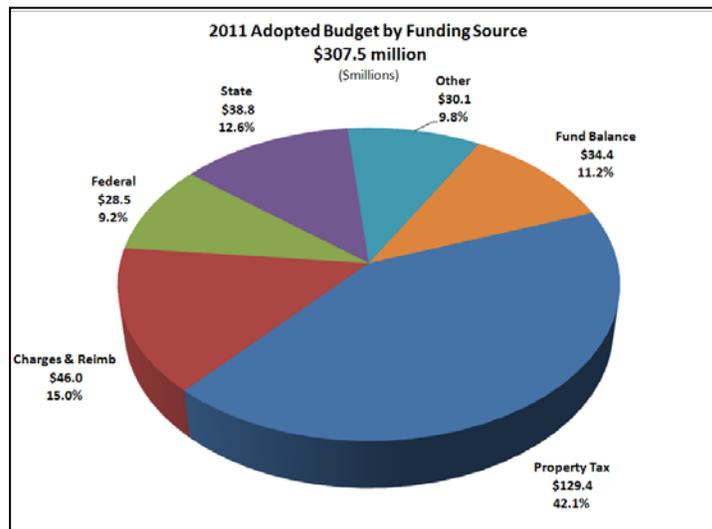
Budget in Brief – Budget Highlights

Total Revenue

In the \$234.6 million operating budget, revenues are expected to be lower in 2011 than in 2010. The primary changes in revenue are an anticipated loss of state aid.

Large annual changes in revenues can be the norm for the CIP due to the one-time nature of many of the program's costs. The CIP is where the construction and development costs for county buildings, parks and roads are budgeted.

The discussion below pertains to all budgeted revenues in both the operating and capital budgets:



Property Tax

The property tax levy of \$129,402,073 accounts for 42% of all budgeted revenues for 2011. The property tax is Dakota County's largest and most flexible source of funding. This is a 0.8% increase from the 2010 level.

Licenses, Fines & Charges

Revenues in these categories decreased from \$55.3 million in 2010 to \$46 million for 2011, a decrease of 15%.

Other Revenues

Other Revenues includes Property Taxes and Penalties (not including current year property tax levy), Other Revenue, and other Financing Sources.

Other Revenue decreased by \$1.5 million for the 2011 adopted budget.

Federal Revenues

Federal revenues decreased from \$53.7 million to \$28.5 million between 2010 and 2011. This decrease is the result of one time federal money in 2010 for CIP projects which do not recur in 2011.

2010 Budget – Dakota County, Minnesota

Budget in Brief – Budget Highlights

Department	Budgeted 2011 Federal Revenue	% of Dept Expenditures	Change from 2010
Employment & Econ Assistance	\$16,277,665	58.3%	(737,925)
Social Services	5,913,234	9.3%	794,211
Countywide Operations	2,063,043	42.2%	(3,500)
Public Health	1,999,387	13.0%	7,979
CIP Parks	1,709,000	8.7%	765,688
Sheriff	249,000	1.4%	60,000
Operations Mgmt Svcs	151,080	0.9%	(33,695)
Community Corrections	100,000	0.5%	3,753
County Attorney	77,460	0.9%	-
CIP Transportation	-		(25,906,000)
Total County	\$28,539,869	7.8%	(25,049,489)

State Revenues

State revenues decrease from \$54.8 million in 2010 to \$38.8 million in 2011, a decrease of 31%. Following is a breakdown of State revenues. The following chart assumes loss of state aid in County-wide operations as well as loss of one-time funding in Parks CIP.

Department	Budgeted 2011 State Revenue	% of Dept Expenditures	Change from 2010
CIP Transportation	\$13,647,238	18.8%	\$1,105,647
Social Services	5,816,223	9.2%	(5,837,474)
Community Corrections	5,172,695	28.0%	(1,365,805)
Transportation	4,452,500	49.4%	(1,677,427)
CIP Parks	2,547,758	13.0%	(2,764,426)
Public Health	2,297,353	14.9%	(1,967,747)
Employment & Econ Assistance	1,609,019	5.8%	(1,603,498)
Environmental Management	1,167,000	16.0%	(588,851)
Sheriff	675,000	3.7%	(462,000)
CIP Buildings	625,884	3.9%	(289,033)
Countywide Operations	609,927	N/A	(5,520,000)
Library	99,000	0.8%	(480,000)
			-
County Attorney	63,904	0.7%	4,482
Water Resources	12,502	0.5%	(408)
Property Taxation & Records	1,000	0.0%	
Total County	\$38,796,003	10.5%	(\$15,928,613)

2010 Budget – Dakota County, Minnesota

Budget in Brief – Budget Highlights

Other Intergovernmental Revenues

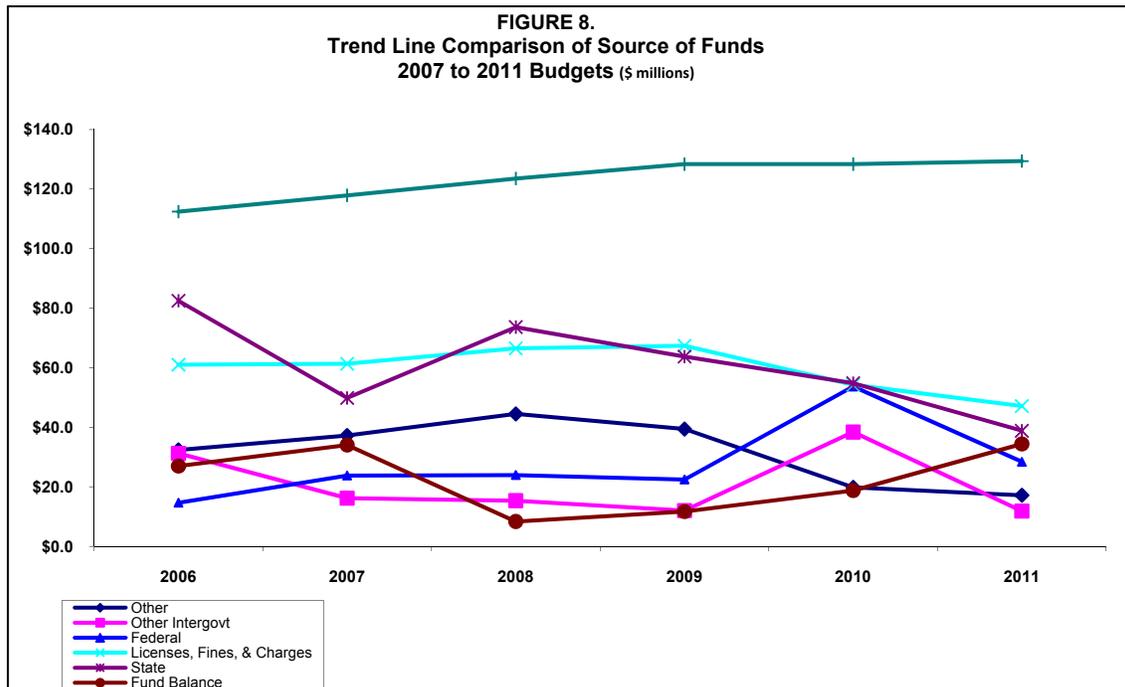
Other Intergovernmental Revenues include revenues received from other government agencies. Other Intergovernmental Revenue decreases from \$38.3 million for 2010 to \$11.8 million in 2011.

Fund Balance

Fund balance supports \$34.3 million of the \$307.5 million adopted budget for 2011.

As the chart below illustrates, fund balance use, as a funding source for expenditures, will increase by \$15.6 million from 2010 to 2011. Dakota County does not use fund balance to support on-going costs.

Debt service is \$34.3 million in the 2011 adopted budget, an increase of \$21.6 million from the adopted 2010 budget. This is the result of an advanced debt refunding scheduled to be completed in 2011. This increase is funded from fund balance, as the advanced refunding resources have been held in escrow to be paid in 2011. This action accounts for both the increase in debt service as well as the increase in budgeted use of fund balance.

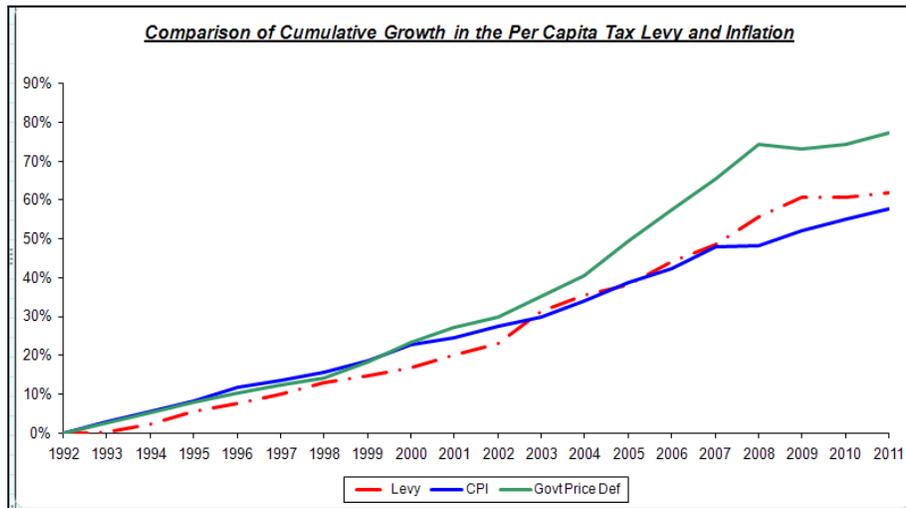


Other Information

Dakota County Property Tax Levy Practice

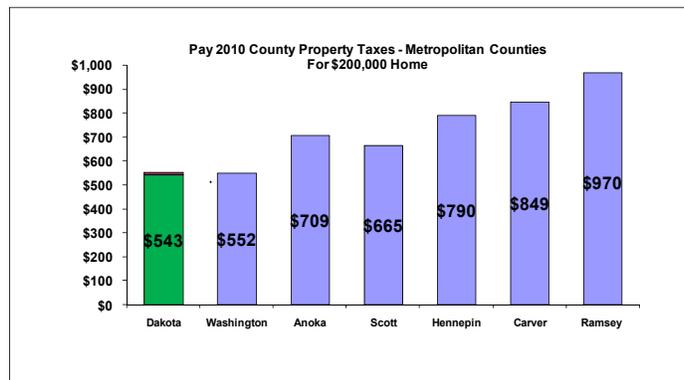
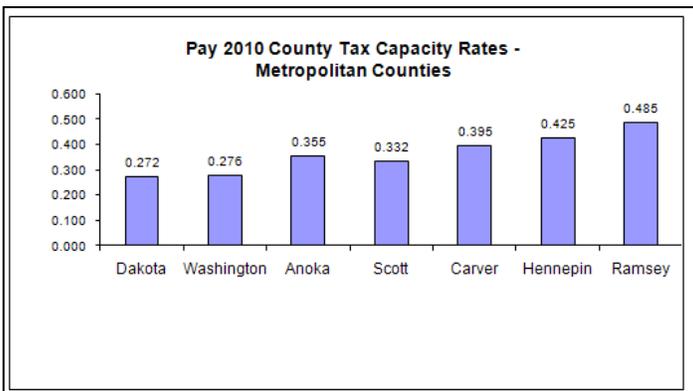
Since 1989 Dakota County has had the practice of limiting the change in taxes to the same rate as population growth plus inflation. Dakota County labeled this taxing practice ‘Same Price per Citizen’ (SP/C).

Dakota County property taxes remain low relative to the other six Twin Cities metropolitan counties. Dakota County maintains the lowest property tax rate in the state and the lowest per capita property tax levy of the seven metropolitan counties. Dakota County is committed to maintaining a low property tax levy, while providing cost efficient, highly effective, and customer-friendly services.



Item 1 - Metropolitan Counties Property Taxes on \$200,000 Home

Dakota County has the lowest property tax rate of all the seven metropolitan counties, as well as in the entire state. The amount of County property taxes paid on a \$200,000 home is the lowest of the metropolitan counties for taxes payable in 2010.

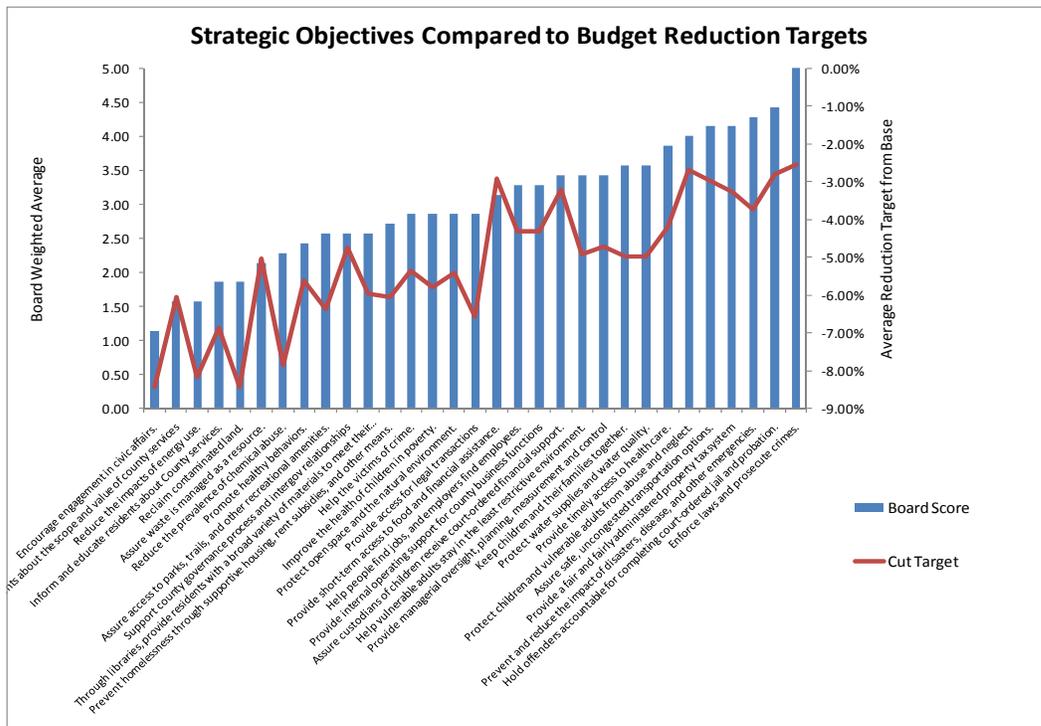


Prioritization Process for 2011 Adopted Budget

As part of the 2011 Budget preparation process, Dakota County’s management team began a budget prioritization process in mid-2010. This intensive process required management team members, along with the County Administrator, to examine a disaggregated list of the 363 County services and programs provided by each department. The management team assigned priority ranking to each service/program based on the judgment of relative value to the public, degree of state or federal mandate, and alignment with one of 31 County strategic objectives. In parallel, the County Board also engaged in an exercise by which it ranked each of the 31 strategic objectives according to relative priority.

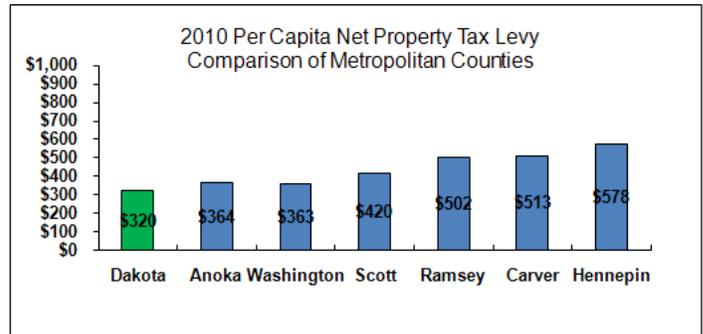
This process led to the establishment of a Priority Index Score, (PI), for each of the 363 programs and services. Priority Index numbers were created by using a weighted score based on relative value ranking by the managers, degree of mandate, and Board priority rank of linked strategic objective.

The Priority Index Score was used as an input to the budget process, in addition to managerial judgment, to accomplish the overall budget strategy of preserving priorities in the midst of a challenging economic climate. As the chart below indicates, adjusted targets used in the 2011 recommended budget development were closely aligned with the results of the strategic prioritization process.



Metropolitan Counties Per Capita Property Tax Levies

Dakota County has the lowest per capita net property tax (for pay 2009) of the seven metropolitan counties. If Dakota County taxed at the average of the other six counties, its levy would raise an additional \$37 million.



Dakota County Property Tax Amounts from 2007-2011

	2007	2008	2009	2010	2011		
						% Change	Change Amt
Property Tax Levy	115,797,237	121,561,877	126,375,073	126,375,073	127,402,073	.81%	1,027,000
Market Value Levy *	2,100,000	2,000,000	2,000,000	2,000,000	2,000,000	0%	0
Total Net Levy	117,897,237	123,561,877	128,375,073	128,375,073	129,402,073	.80%	1,027,000
FD Distr	10,936,946	11,871,255	13,914,281	14,938,013	15,904,768	6.47%	966,755
Net Levy After FD	106,960,291	111,690,622	114,460,792	113,437,060	113,497,305	.05%	60,245
Net Levy W/O MV	104,860,291	109,690,622	112,460,792	111,437,060	111,497,305	.05%	60,245
Tax Capacity *	477,431,817	501,670,371	506,462,333	481,924,289	450,463,353	-6.53%	-31,460,936
Less: FD Contrib.	38,247,755	44,153,762	48,459,664	52,294,436	52,609,165	.6%	314,729
Tax Increment	20,473,450	20,545,498	20,951,729	19,503,108	14,033,855	-28.04%	-5,469,253
Net Tax Capacity	418,710,612	436,971,111	437,050,940	410,126,745	383,820,333	-6.41%	-26,306,412
Taxes Paid on Individual Properties							
Market Value							
Residential **							
150,000	377	378	387	417	455	6.77%	28
200,000	503	504	516	555	594	6.97%	39
250,000	628	630	646	694	742	6.93%	48
300,000	754	756	775	833	890	6.90%	57
400,000	1005	1007	1033	1,111	1,187	6.87%	76
Apartments							
60,000	188	189	194	207	222	7.16%	15
100,000	314	315	323	346	370	6.85%	24
150,000	471	472	484	519	555	6.85%	36
250,000	785	787	807	865	924	6.85%	59
500,000	1570	1574	1614	1,729	1,848	6.91%	119
Commercial***							
50,000	188	189	194	207	221	6.90%	14
150,000	565	567	581	621	664	6.90%	43
300,000	1319	1322	1356	1,446	1,546	6.93%	100
500,000	2324	2330	2388	2,547	2,723	6.90%	176
1,000,000	4837	4848	4971	5,299	5,664	6.89%	365

* Market value levy for the voter approved Farmland and Natural Area Program (FNAP) Bond Referendum.

**A \$222,400 home in 2010 (median value) would have taxes of \$618. Excludes tax credits.