

To: **Mayor and City Council**
 From: **Ryan Schroeder, City Manager**
 Date: **August 31, 2020**

Provide Input to DCC Consideration of County Fixed Cost Funding

BACKGROUND INFORMATION:

Over the past few years, the Executive Committee and the Governing Board of the Dakota Communications Center (DCC) has been analyzing the equity of the current funding formulas for the DCC along with differing governing models. At its meeting of August 20, 2020, the DCC Board proposed that the County take on a larger share of the fixed costs of the operation in recognition that these are essentially a benefit to the entire County and not to just cities, which are members of the Joint Powers Agreement (JPA). This further recognizes that there is inequity that exists between the more urbanized areas of the County and the exurban areas, which do not contribute to the DCC except to the extent that all taxable properties within the County would contribute to the County levy. Currently, it has been presented by member cities that the current formula results in a burden to member cities beyond an equitable cost share.

At the August 20 meeting, the Board directed that the Executive Committee membership (City and County Staff) bring the issue back to their respective Boards and Councils for input.

Essentially, if the County took over responsibility for 50% of the fixed cost burden, the result would be an 11.4% reduction in fees to the Cities. A 100% County share would result in a 22.8% reduction. For West St. Paul, the 2021 general fund budget toward the DCC is \$606,926 and the savings in future budgets of the proposal could be between \$99,000 and \$138,000. Alternatively, the additional County burden could be an increase of between \$900,000 and \$1,800,000 over their current (2021) cost share of \$656,723.

FISCAL IMPACT:

		Amount
Fund:		
Department:		
Account:		

STAFF RECOMMENDATION:

Based on Discussion