

To: DCC Board of Directors

From: DCC Financial Funding Task Force

CC: Tom Folie, Executive Director

RECOMMENDATION

Allocate [50%-100%] "Fixed Costs" of DCC Budget to Dakota County while *maintaining current three year rolling average CAD event cost allocation to remaining "Variable Costs"* to each party in the Joint Powers Agreement beginning in the 2022 budget cycle. The nonmember small cities' and townships' would receive an appropriate DCC budget cost allocation.

Basis of Support

- DCC is a county-wide physical asset existing regardless of County size or call volume.
- DCC provides a service, measurable as a CAD event, similar to a utility charge for members.
- DCC fiscal agent (City of Lakeville) conducted an analysis of the current annual budget with a draft categorization of "Fixed" or "Variable" cost identifying 21% of fixed costs, totaling \$1,997,043. *Exhibit 1*
- Fixed Costs provides the County the best opportunity at this time to increase its contribution as an acknowledgement that the DCC is a County-wide physical asset.
- Membership fee scenario at County paid [50%-100%] of "Fixed Costs" results in a [11.4%-22.8%] reduction in city fees. *Exhibit 2*
- A 2021 Budget implementation, while possible, was considered burdensome to County budget goals and staff to fully absorb [50%-100% \$1,997,043]. The 2022 Budget [*or phased timing*] appears to be more obtainable.

Investigation and Other Possible Recommendation Discussion

1. Maintain current funding allocation. (Not supported)
 - a. Recognition the DCC is a county-wide physical asset and an adjustment is reasonable.
 - b. Establishment of the Financial Funding Task Force to provide a recommendation change.
2. Move current DCC budget and operation to County. (Not supported)
 - a. General belief cities would support but County Board does not support full budget impacts and operations.
 - b. Phased transition plan available (Executive Committee recommendation)
 - i. Three year transition option available
 - ii. Five year transition option available
 - c. Investigated multiple funding arrangements.
 - i. Property valuation assessment to county residents-similar to County run PSAPs
 - ii. Public Service Levy – See # 3 below for additional findings
3. Public Service Levy by County (funding of County costs, not full operation - Open)
 - a. Funding of County allocated costs-open for County to pursue on its own.
 - b. Requires State Legislation
 - i. Current use by Anoka County is for a fixed time and specific equipment

- ii. Dakota County request could be for ongoing operational and capital expense
4. Public Service Levy by County Hybrid (DCC budget and operation to County - Open)
 - a. Option I Funding of all DCC costs
 - i. Requires State Legislation
 - ii. Open to County to pursue with member city agreement
 - b. Option II Funding of County costs with member city fee to County
 - i. Requires State Legislation
 - ii. Open to County to pursue with member city agreement funding
5. Member Fee Allocation – Call Volume Formula alternatives (Not Supported)
 - a. DCC location analysis indicated CAD event distribution Exhibit 3
 - i. 58% Other-Public building, traffic stops, parks
 - ii. 28% Residential
 - iii. 14% Business
 - iv. Other allocation able to be assigned to members by GIS location or CAD Events.
 - b. Tax Capacity Exhibit 2
 - i. 2019 Taxation information for members
 - ii. Reallocation based on working copy of proposed 2021 budget
 - iii. Not tied to CAD events
 - c. Population Exhibit 2
 - i. 2018 estimate information for members.
 - ii. Reallocation based on working copy of proposed 2021 budget
 - iii. Head count allocation, slants toward residential over business
 - iv. True up of counts occurs with census every 10 years

Acknowledgement

The Financial Funding Task Force acknowledges and appreciates the information, efforts and assistance from the County's Office of Performance and Analysis, Dakota County GIS, DCC Fiscal Agent-City of Lakeville, Chief Bill Messerich and the DCC staff including Executive Director Tom Folie.

The DCC Funding Task Force

- Commissioner Mike Slavik (County Board)
- Commissioner Mary Liz Holberg (County Board)
- George Tourville, Inver Grove Heights (DCC Board)
- Jeff Weisensel, Rosemount (DCC Board)
- Michelle Volk, Lakeville (DCC Board)
- Logan Martin, Rosemount (DCC Exec Comm.)
- Matt Smith, Dakota County (DCC Exec Comm.)
- Justin Miller, Lakeville (DCC Exec Comm.)
- Sheriff Tim Leslie (Law & Fire Ops)
- Chief Bill Messerich (Law & Fire Ops)
- Chief Justin Elvestad (Law & Fire Ops)