

# **Environmental Legacy Fund Overview**

November 4, 2025

## Agenda



- Fund overview
- Revenues and expenditures
- Uses of host fees and gravel taxes
- Major CIP commitments
- Fund balance review
- Forecast
- Potential funding sources and cost shifting
- Next steps and discussion

#### **Environmental Legacy Fund Overview**



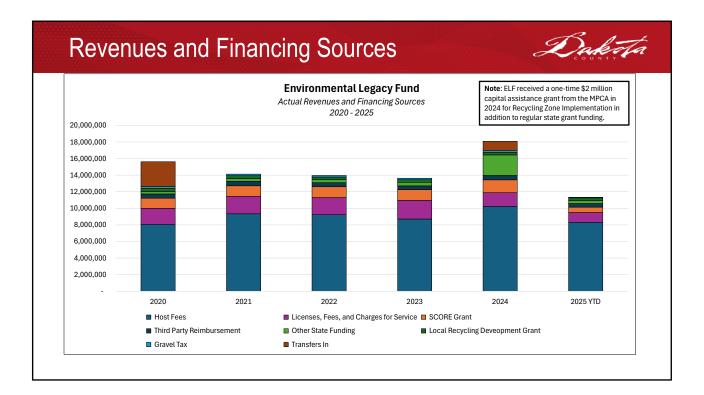
Resolution No. 15-663, December 15, 2015

WHEREAS, the Environmental Legacy Fund has been established for and the <u>protection</u>, <u>preservation or</u> enhancement of the environment; and

WHEREAS, the Environmental Legacy Fund will be used to support environmental activities related to Brownfield Redevelopment, Environmental Capital Projects, Environmental Resources Operations, Gravel Pit remediation, Natural Area and Shoreland Conservation, Parks/Greenway Master Plan Improvements, and implementation of the Natural Resources Management Plan and Solid Waste Master Plan; and

WHEREAS, the Environmental Legacy Fund is not intended to supplant the State of Minnesota's responsibility to close, remediate, or maintain landfills.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners, in accordance with and pursuant to the Fund Balance Policy No. 2003, hereby commits the entire fund balance of the Environmental Legacy Fund for purposes of protection, preservation, or enhancement of the environment as of December 31, 2015.

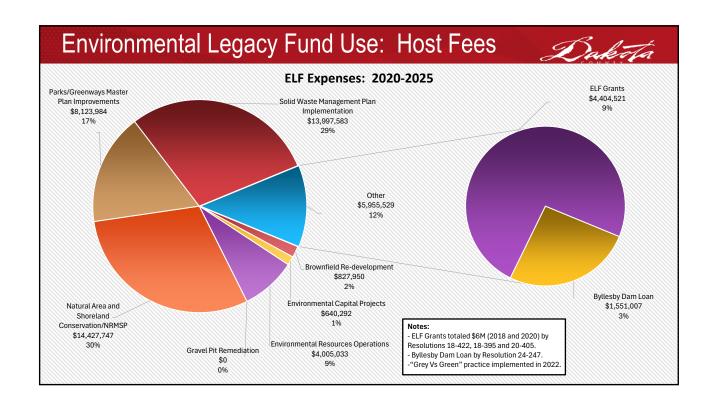


#### Dakota **Expenditures and Other Financing Uses Environmental Legacy Fund** Actual Expenses and Financing Uses 2020 - 2025 25.000.000 20.000.000 15.000.000 10,000,000 5,000,000 2020 2024 2025 YTD ■ Personnel ■ Capital Expenses Overhead Costs Direct Program Expenses ■ Transfers Out

#### ELF: Host Fee and Gravel Tax Revenues



- Host Fees (Minn Statutes 371, 375 and 473)
  - Since 1998
  - In lieu of Surcharge Authority (Minn Statutes 115A.919)
  - · Less restrictive than Surcharge
    - Language from Current Agreements: "The County may use host fees for any public purpose. The County is not restricted to those uses for surcharge fees enumerated in Minn Stat 115A.919"
- Gravel Tax (Minn Statutes 298.75)
  - For "restoration of abandoned pits, quarries, or deposits"
  - If there are no abandoned pits, "shall be used for any other unmet reclamation need or for conservation or other environmental needs"



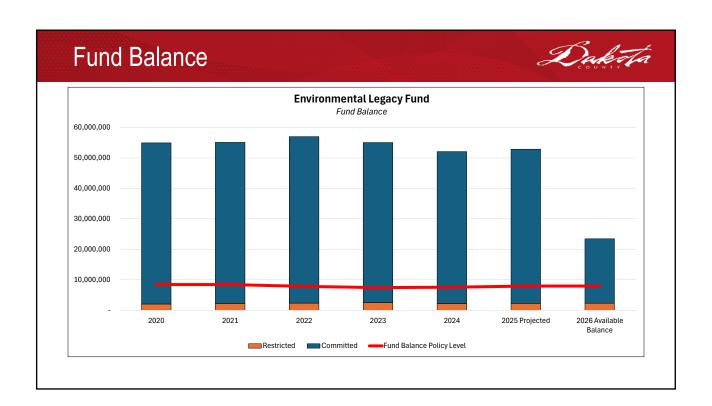
#### Major Capital Projects – Use of ELF Fund Dakota Balance **ELF Category Major Capital Projects** Available Budget **Remaining Through** 2025 \$9,785,923 Veterans Memorial Greenway\* Parks/Greenways Master Plan Improvements Recycling Zone Implementation \$9,671,489 Solid Waste Management Plan Implementation (Pending 11/6 Discussion at PDC) \$3,965,429 Other Byllesby Dam Turbine Upgrade Spring Lake Park Reserve River Access \$800,000 Parks/Greenways Master Plan Improvements Vegetation Management \$750,218 Natural Area and Shoreland Conservation/NRMSP Spring Lake Park – Fischer Ave. Trailhead \$700,000 Parks/Greenways Master Plan Improvements Water Quality and Quantity Capital \$689.895 **Environmental Capital Projects Projects** Thompson Oaks\* \$468,245 **Environmental Capital Projects** 1500 Towerview Redevelopment \$400,000 **Brownfield Redevelopment** (Northwest Airlines Site in Eagan) Land Acquisition and Restoration \$355,721 Natural Area and Shoreland Conservation/NRMSP \*Budgeted prior to "Grey Vs. Green" practice implementation

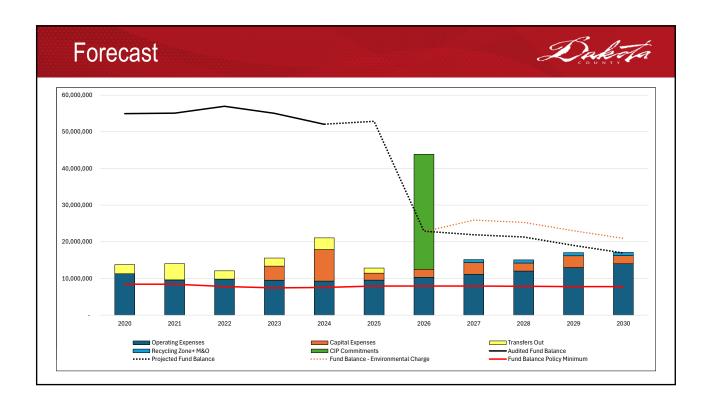
#### **Fund Balance Policy**



The County maintains a minimum fund balance at year-end equal to or greater than two times the actual ELF expenditures from the prior year's operating funds in the Environmental Resources Department budget. If the balance is below the minimum, the County Manager must propose a budget to the Board of Commissioners that restores the minimum fund balance in the following budget year.

Source: Dakota County Fund Balance Policy (Policy 2003)





### Potential Future Funding Sources



- Renegotiate Host Fee Agreements
  - Current agreements expire December 31, 2027
  - In-county vs. out-of-county waste fee differential (currently 33%)
  - Annual fee by waste stream
  - Annual fee increases
  - Minimum payments
- · Implement a County Environmental Charge
  - · Limited to Solid Waste Management related activities
  - Fee structure options
    - Property-based charges (Anoka, Carver, Scott)
      - Residential
      - Non-residential
    - Fee on waste bills (Hennepin, Ramsey)
    - Combination (Washington)

## County Environmental Charge



#### **Current Metropolitan Area County Environmental Charge Fees**

County	Fee Structure	Fees
Anoka	Property-based	Residential (\$15.61 - \$24.02) Non-residential (\$53.23 - \$1,362.90)
Carver	Property-based	Residential (\$25 - \$28) Non-residential (\$70 - \$210)
Scott	Property-based	Residential (\$12 - \$27) Non-residential (\$43 - \$132)
Hennepin	Fee on waste bills	15.5% - 21.4%
Ramsey	Fee on waste bills	38% - 53%
Washington	Combination	35% and \$3 per residential parcel

#### Examples of Potential Fees to Raise \$4M

Fee
\$21
\$17
\$85
\$155
\$3
5.9%

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## Decrease Ongoing Reliance on ELF Fund Balance



- Increase SCORE funding for solid waste programming
- · Maximize grant funding from state and other sources
  - Ex. LCCMR, LSOHC, DNR, MPCA
  - Typically requires County match (25%)
- Bonding for environmental capital projects
  - Use ELF for debt service (Recycling Zone Plus)
- Environmental Legacy Fund policy changes

## **Next Steps**

Discussion



Dakota

- Recycling Zone Plus construction contract award 11/6
- Projections and fund balances 11/18
- 2026-2030 CIP update 11/18
- Fund balance policy recommendations Q2 2026
- Revenue recommendations Q2 2026