



2027 Budget Development Levy and General Fund Forecast

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Agenda



- Work session goals
- Budget process calendar
- Levy and financial history
- 2027-2031 General Fund forecast
- Forecast components and assumptions
- 2027-2031 levy forecast
- Options to consider

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Work Session Goals



- Shared understanding of the County's financial position
- A general sense of the property tax increase that the Board will be comfortable with to sustain current service levels and address known cost pressures

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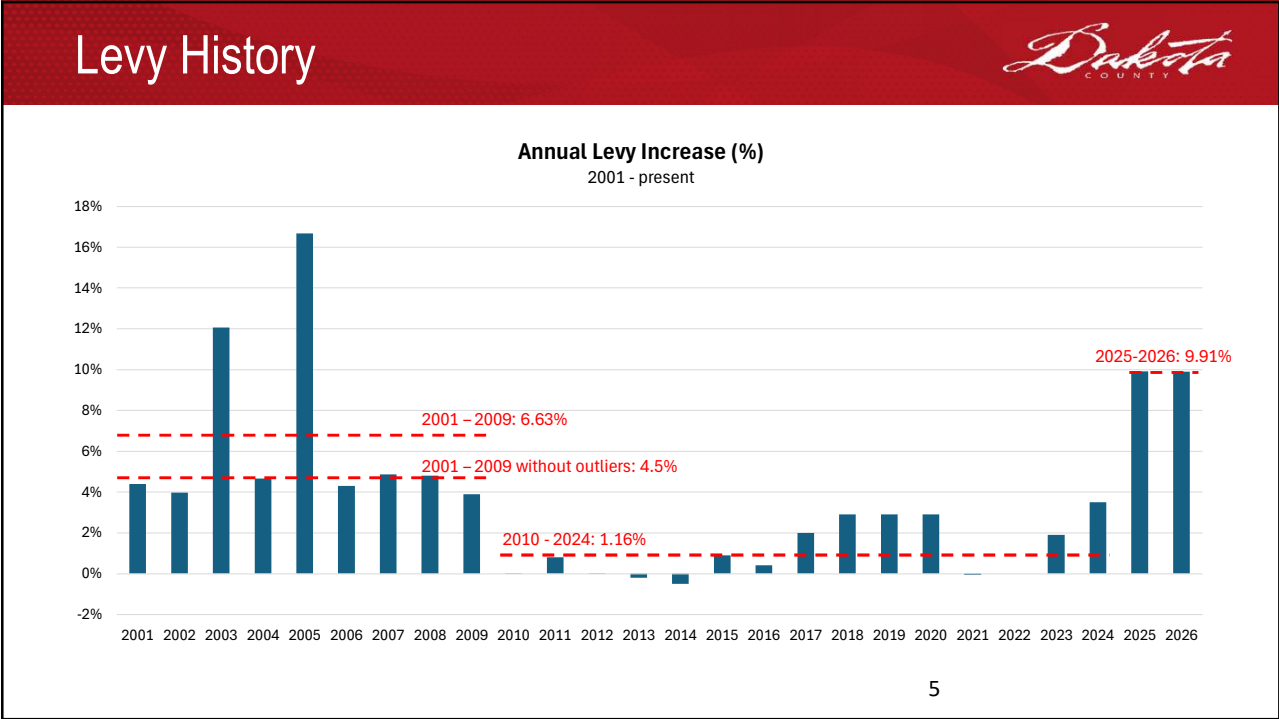
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Budget Process Calendar

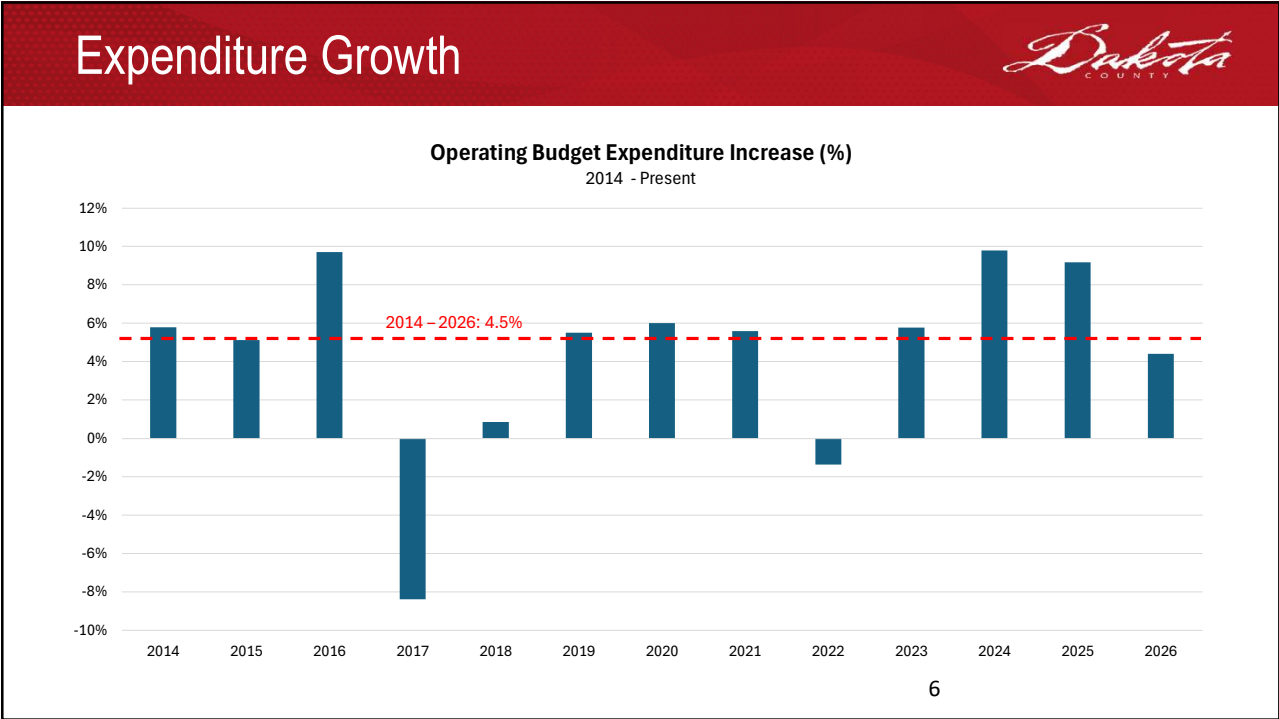


Dates	Meeting Description
February 10, 2026	Finance Worksession - Preliminary Levy Forecast
March 10, 2026	Finance Worksession
April (TBD)	Budget Open House #1 (NSC)
April 14, 2026	Finance Worksession - First review of CIP - Facilities, Parks
May 12, 2026	Finance Worksession - First review of CIP - Transportation, Environmental Resources, Regional Rail
June 16, 2026	Finance Worksession - First review of CIP - Data Networks, Housing Finance Overview
July 13, 2026	County Board Budget Workshop All Day (includes CIP)
July TBD (2 Days)	Division Budget Presentations to Board
August 11, 2026	Budget Open House #2 - (Dakota County Fairgrounds)
August 18, 2026	Finance Work Session - Budget Update-Scenarios
Early September	Budget Open House #3 (WSC)
September 15, 2026	Finance Work Session
September 22, 2026	County Board Adoption of Maximum Levy (CIP released for comment)
October 13, 2026	Finance Work Session
November 17, 2026	Finance Work Session
December 1, 2026	Budget Open House #4 (ADC)
December 1, 2026	December Changes (GGP)
December 1, 2026	CIP Public Hearing
December 1, 2026	County Board Budget Public Hearing ("Truth-In-Taxation")
December 15, 2026	County Board Adoption of 2027 Budget

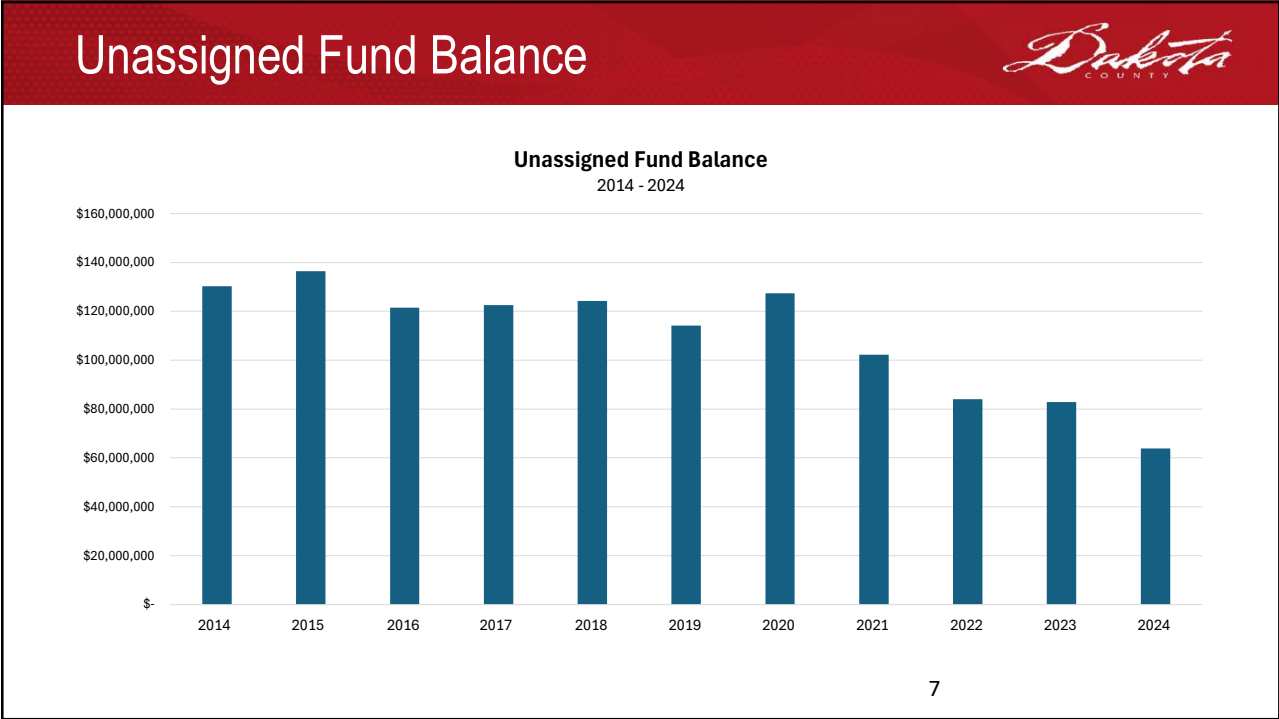
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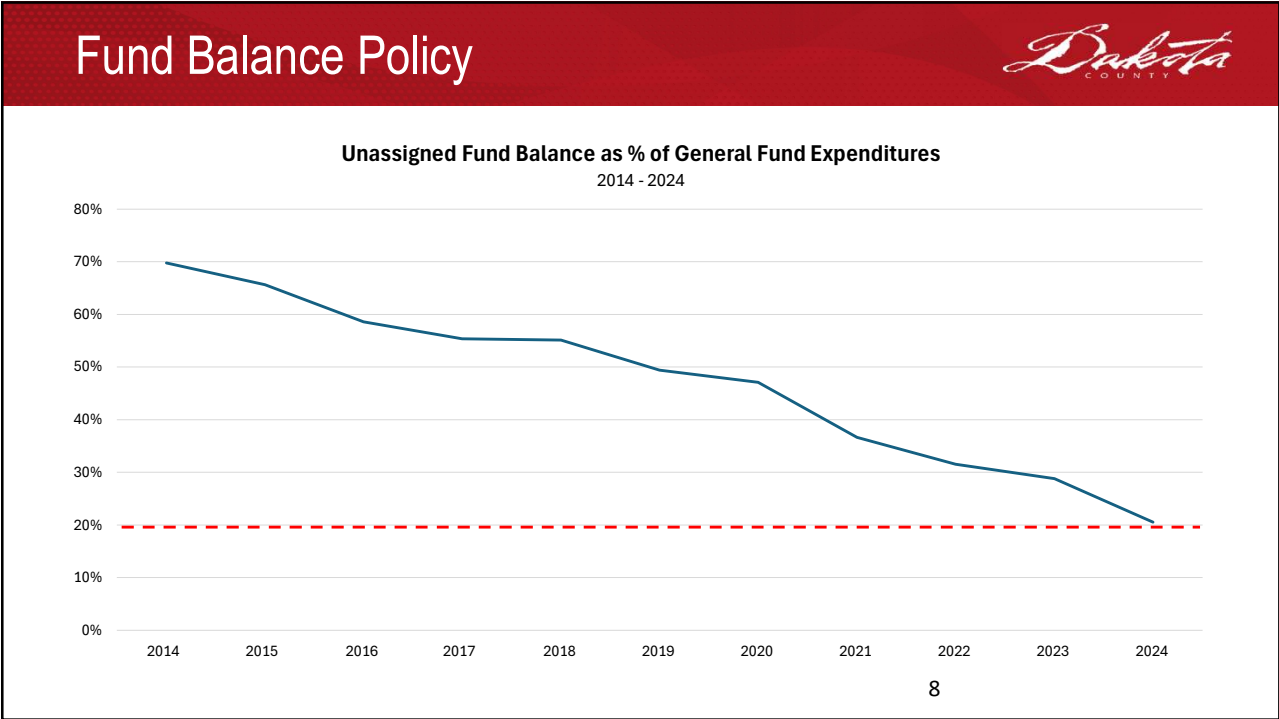
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2026 Budget and Levy



- The 2026 Adopted Budget is **\$527,684,094**
 - Operating Budget: **\$383,178,984**
 - CIP and Debt Service: **\$144,505,110**
- The 2026 Certified Levy is **\$184,246,066**
- For 2027, a 1% increase to the property tax levy will generate **\$1.84 million** in additional revenue

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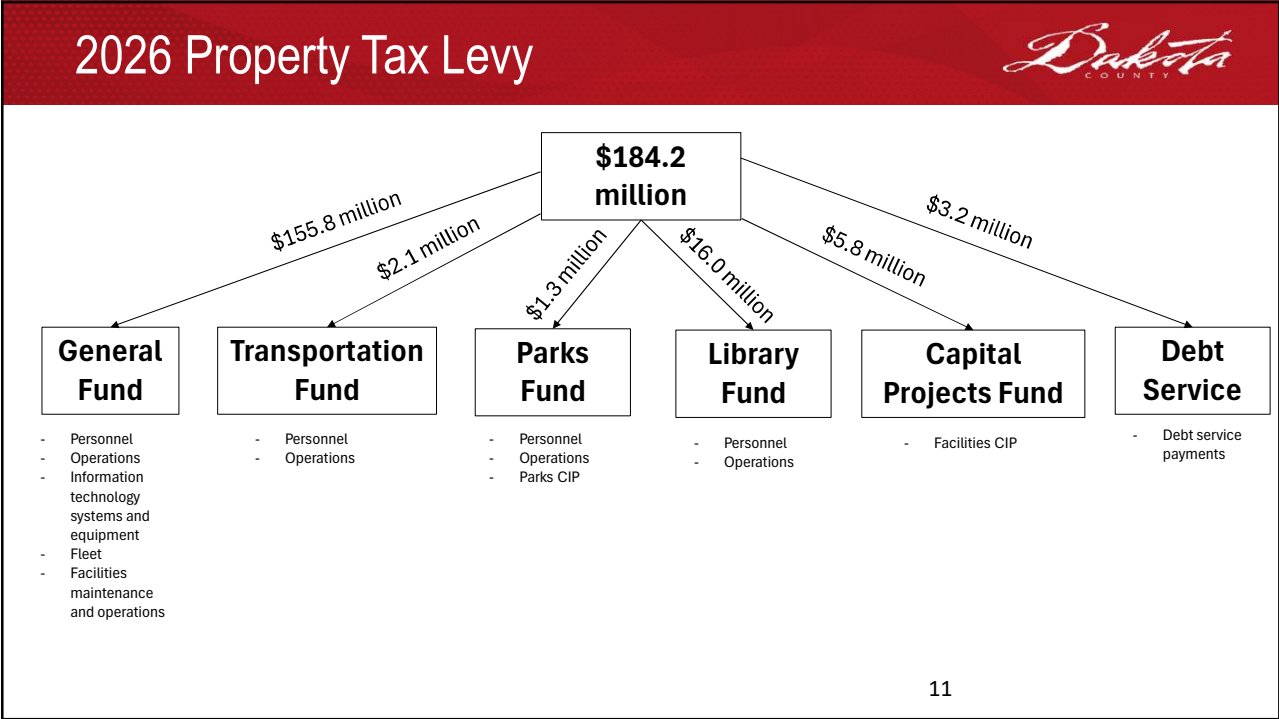
2026 Budget Reductions



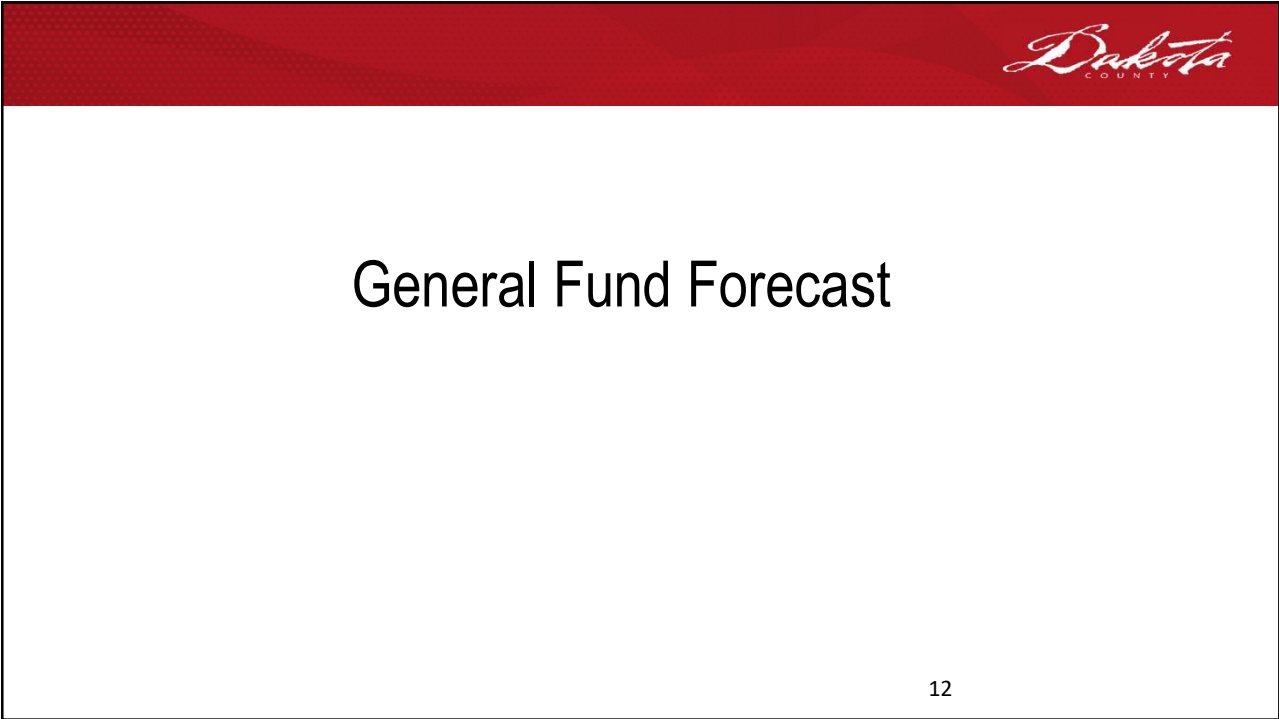
<i>Division</i>	<i>Levy Cuts</i>	<i>Expense Cuts</i>
County Admin and Central Operations	\$ (382,475)	\$ (382,475)
Community Services	\$ (5,535,994)	\$ (6,119,923)
County Attorney	\$ (276,135)	\$ (276,135)
Physical Development	\$ (1,300,458)	\$ (885,742)
Public Services and Revenue	\$ (516,126)	\$ (516,126)
Sheriff	\$ (289,099)	\$ (678,441)
Total Targeted Cuts	\$ (8,300,287)	\$ (8,858,842)

Total FTE Cuts Across All Divisions: 44.3 FTEs

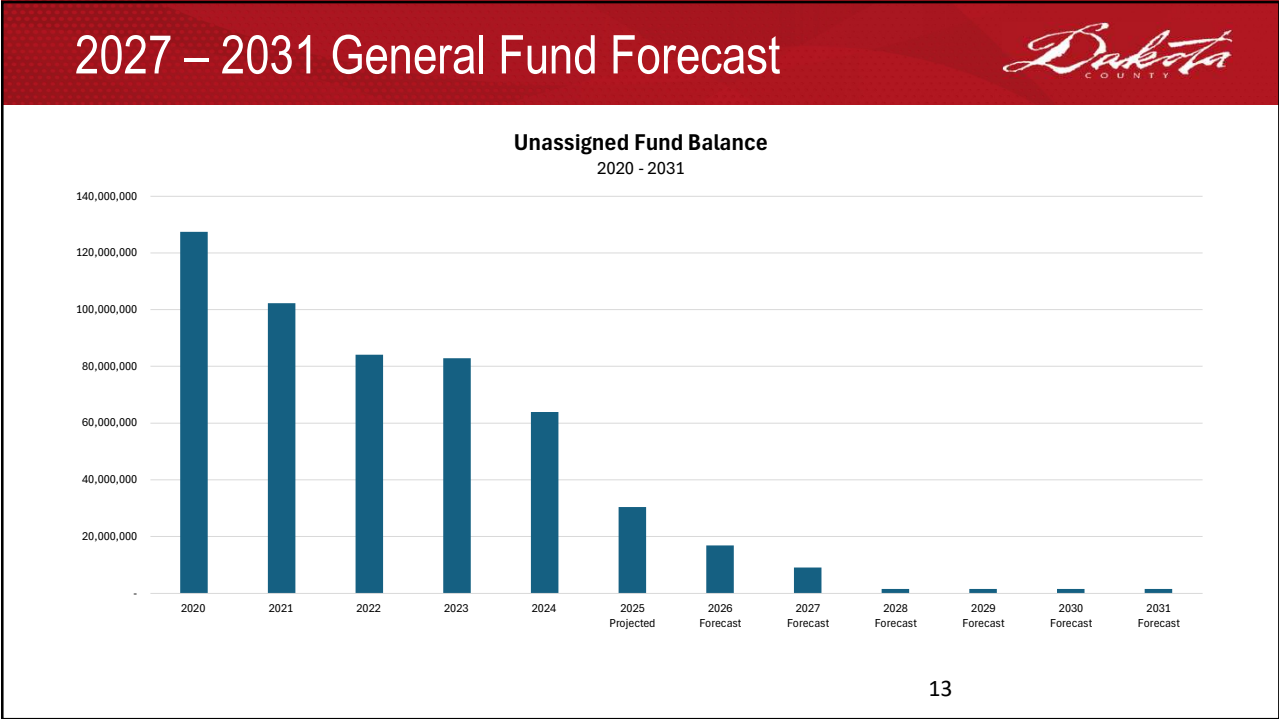
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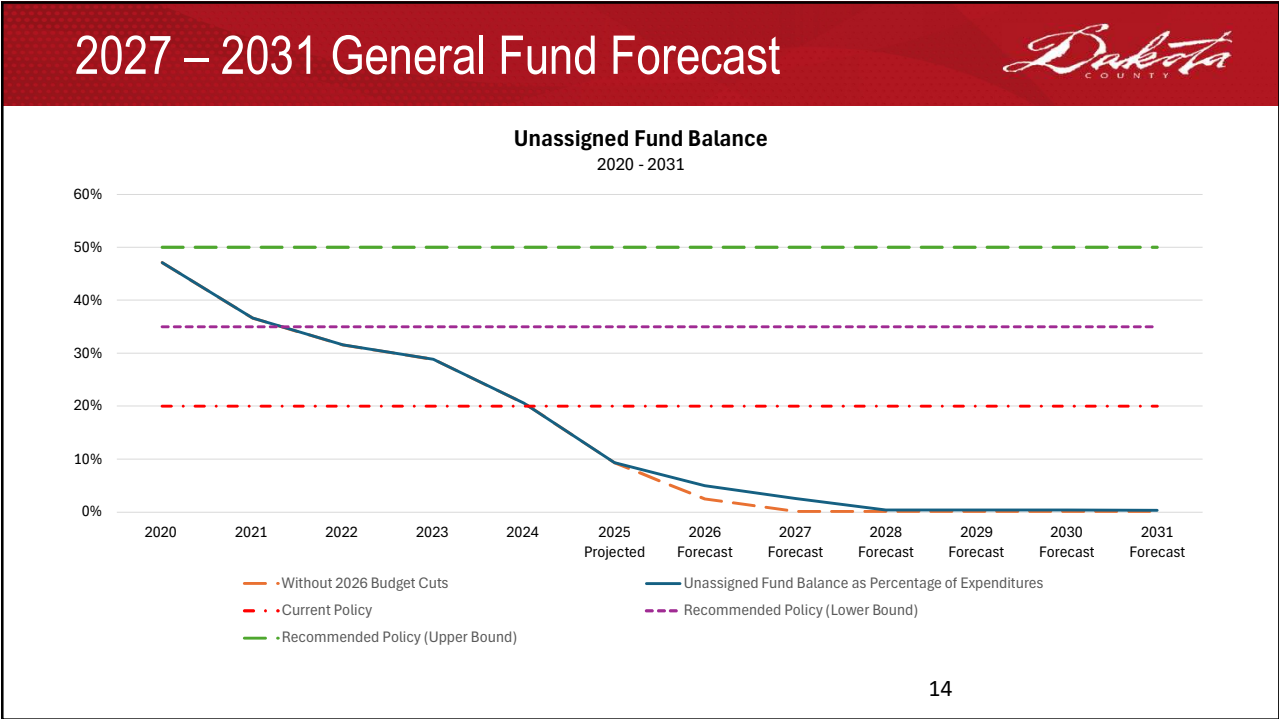
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Levy Forecast

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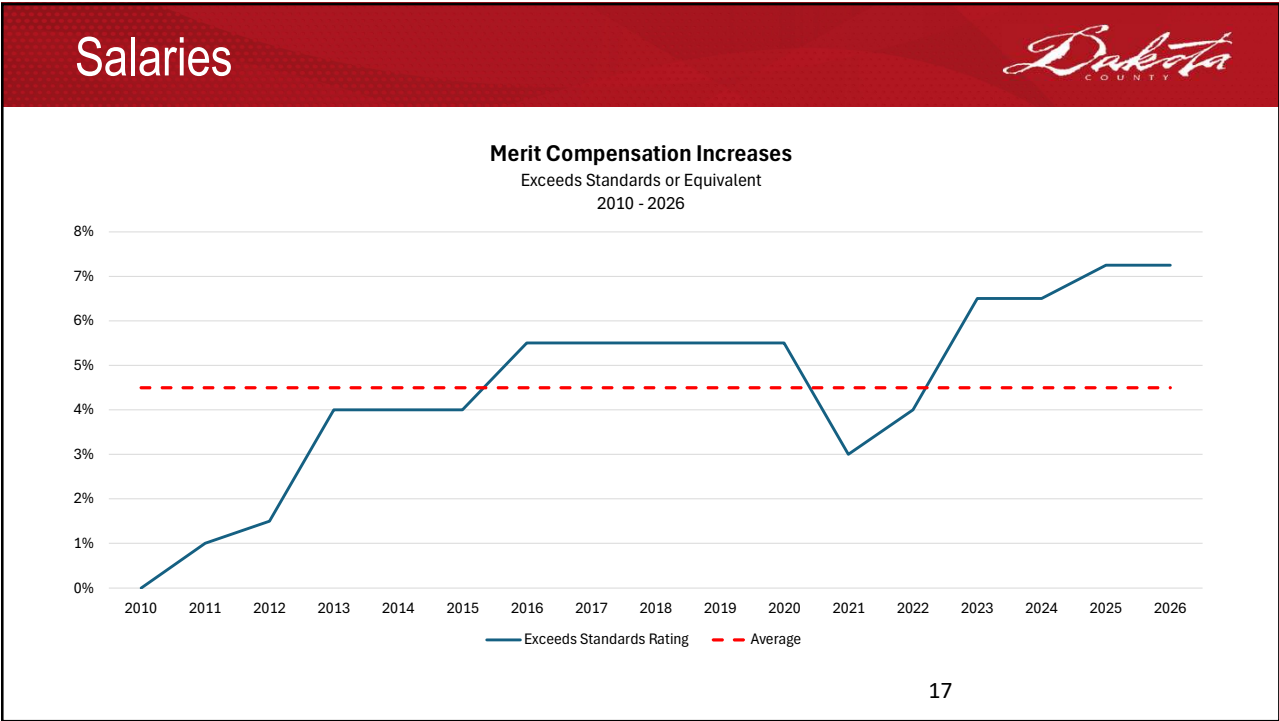
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Forecast components and assumptions

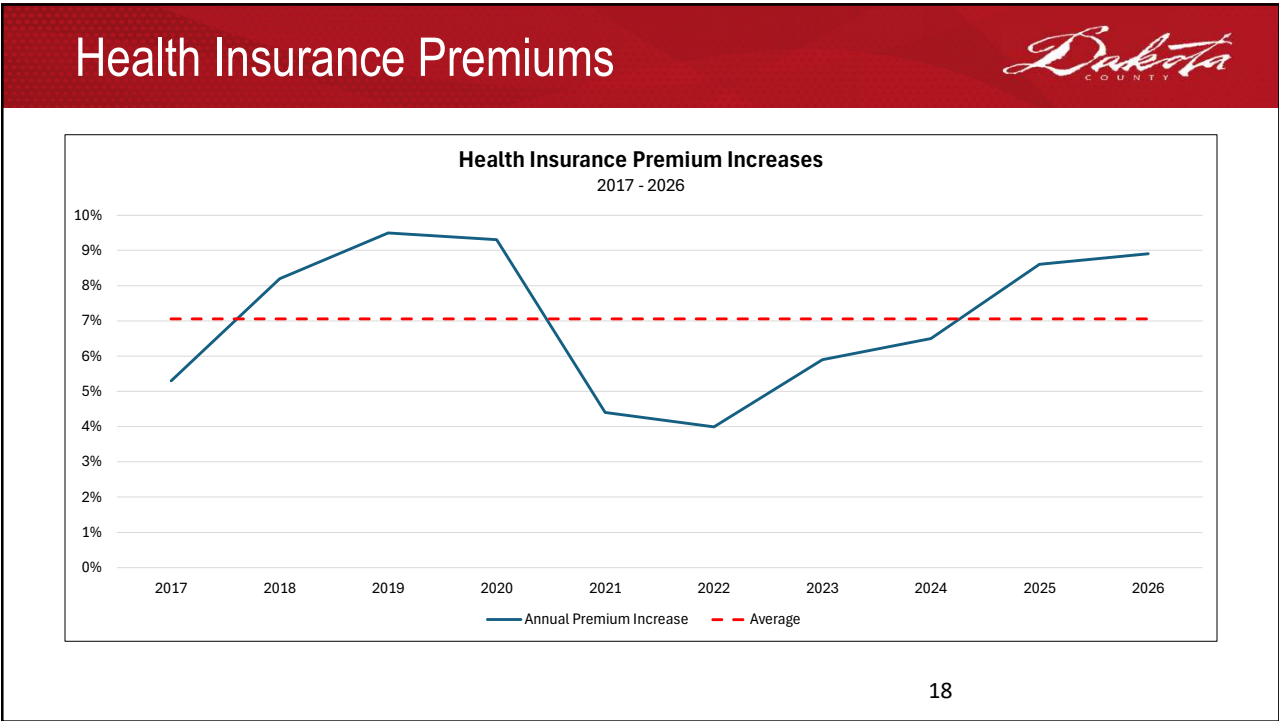
- Salaries and benefits
- Non-personnel inflation
- State and federal cuts and cost shifts
- Unfunded Capital Improvement Program
- Unfunded Capital Equipment Program
- Structural deficit and pothole elimination
- Funding reallocation

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State and Federal Cuts and Cost Shifts



Program	2027	2028	2029
Compliance with The Act	\$1,300,000		
SNAP administrative rate change	\$1,400,000		
Implementing MA work requirements	\$5,642,583		
SNAP error rate		\$1,133,220	\$3,399,660
Total	\$8,342,583	\$1,133,220	\$3,399,660

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2027 Unfunded Capital Improvement Program



Program	2027
Facilities Projects	\$5,927,947
Parks Projects*	\$5,567,515
Data Networks Projects	\$1,200,000
Total	\$12,695,462

* Does not include Thompson County Park Lodge Renovation (\$25 million) or Lebanon Hills and Lake Byllesby Regional Parks Campground Buildings and Beach House Replacement/Renovation (\$22 million)

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Unfunded Capital Equipment Program



Program	Amount
Fleet	\$2,080,000
Information Technology	\$1,000,000
Total	\$3,080,000

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Structural Deficit and Pothole Elimination



Issue	Amount
General Fund operating deficit	\$9,141,859
Fully fund personnel costs	\$10,825,951
Total	\$19,967,810

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Funding Reallocation



Issue	Amount
Reallocating interest earnings out of General Fund	\$6,151,204
Debt service	(\$151,764)
Total	\$5,999,440

385.07 FUNDS, WHERE DEPOSITED OR INVESTED.

(a) All county funds shall be deposited promptly and intact by the county treasurer in the name of the county or invested as provided in section 118A.04. Interest and profits which accrue from such investment shall, when collected, be credited to the **general revenue fund** of the county.

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2027 Levy Forecast



Forecast Component	\$ Increase	% Levy Increase
Salaries and Benefits	\$13,125,514	7.1%
Non-Personnel Inflation	\$1,473,969	0.8%
State and Federal Cuts and Cost Shifts	\$8,342,583	4.5%
Unfunded Capital Improvement Program	\$12,695,462	6.9%
Unfunded Capital Equipment Program	\$3,080,000	1.7%
Structural Deficit and Pothole Elimination	\$19,967,810	10.8%
Funding Reallocations	\$5,999,440	3.3%
Total Levy Increase	\$64,684,778	35.1%

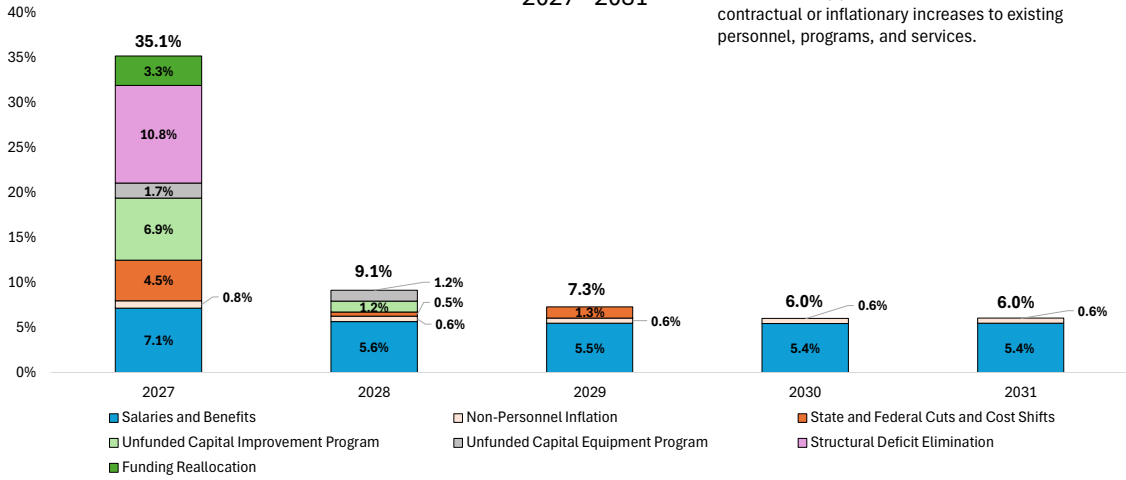
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2027 – 2031 Levy Forecast



Levy Forecast 2027 - 2031

Note: Current level funding supported by the levy does not factor in any potential additions outside of contractual or inflationary increases to existing personnel, programs, and services.



Options to Consider



Options to Consider

Options to consider to reduce levy pressure and balance budget

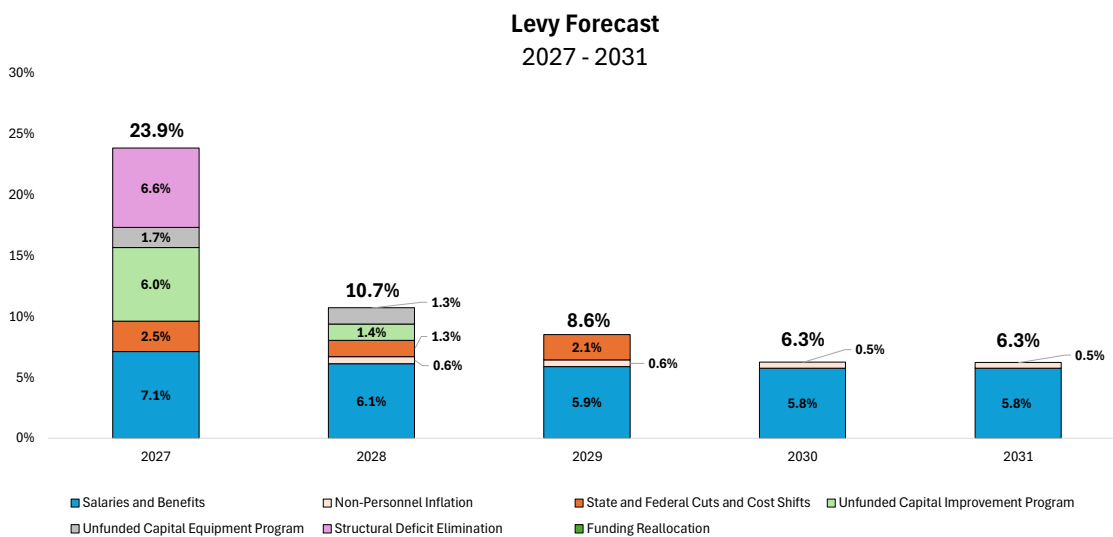


Option	Potential Outcomes and Risks	2027 Levy Impact (\$)	2027 Levy Impact (%)
Keep interest earnings in General Fund	Reduces General Fund personnel and operations reliance on levy; reduces resources available for other governmental activities	-\$6,151,204	-3.3%
Implement county environmental charge	Increased revenues for the Environmental Legacy Fund and solid waste management activities; Board could pass resolution to expand the use of ELF to address Parks operations, capital, and facility maintenance currently paid for using levy	-\$4,000,000	-2.2%
Extended implementation of compliance with MA work requirements	Increased backlogs and potential loss of coverage for eligible individuals	-\$3,761,722	-2.1%
Increase wheelage tax	Increased cost for vehicle owners; reduces fleet and Transportation administration reliance on levy	-\$3,267,000	-1.8%
Eliminate non-personnel inflation	Probable reduction or elimination of certain programs, services, or internal resources	-\$1,473,969	-0.8%
Reduce funding for Parks set-asides	Diminishes ability to compete or apply for outside grant funding; slows Greenway development progress	-\$1,558,760	-0.8%
Charge interest on advances to cities for transportation projects	Apply interest to cash advances for Transportation projects use revenue to either offset levy within Transportation administration, or sweep to the General Fund	-\$330,050	-0.2%
Total		-\$20,542,705	-11.2%

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2027 – 2031 Levy Forecast



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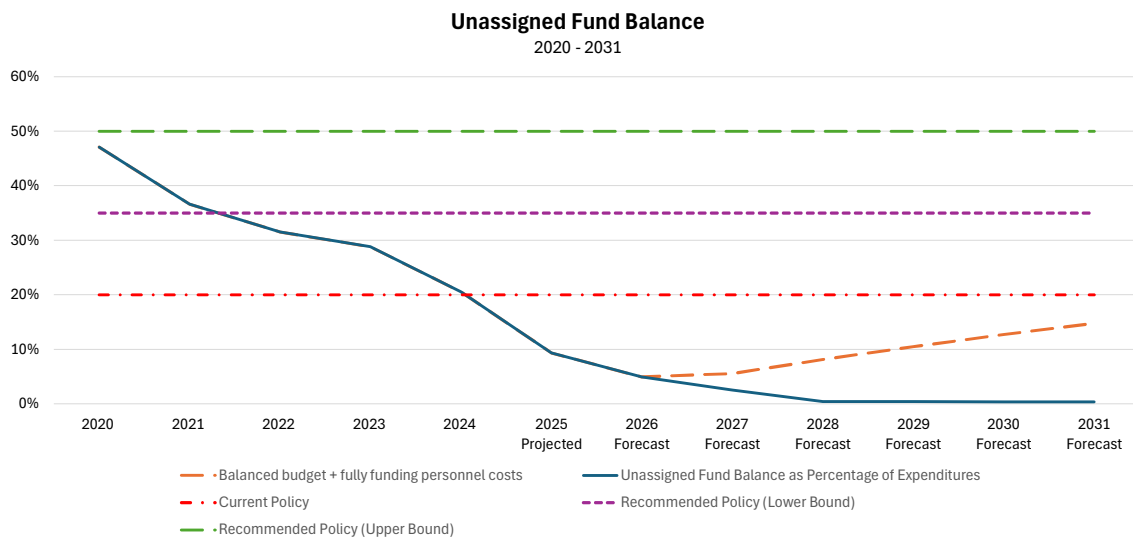
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Options to consider to improve fund balance position



Option	Potential Outcomes and Risks	Impact on Fund Balance (\$)
Delay, cancel or reduce scope of existing Facilities projects using fund balance	Significant safety concerns; increased future costs of deferred maintenance	Up to \$15,684,232
Delay, cancel or reduce scope of existing Parks projects using fund balance	Loss of external funding for projects, including potential turning back funding already awarded	Up to \$5,667,159
Delay or cancel use of fund balance for existing Parks set-asides	Eliminates ability to compete or apply for outside grant funding; slows Greenway development progress; potential safety concerns by eliminating asset preservation set-aside	Up to \$1,897,355
Fully funding personnel costs	Allows any savings from vacancy and turnover that occur during the year to accrue to fund balance	\$10,825,951

2027 – 2031 General Fund Forecast



Next Steps



- Next Finance Work Session - 3/10
- Budget Open House - April