

TAKING ACTION AND GETTING RESULTS: SUMMARY OF 2008 CHALLENGES, OPPORTUNITIES, AND RESULTS

SAFE, HEALTHY RESIDENTS

To be successful in providing for *safe, healthy residents*, Dakota County is:

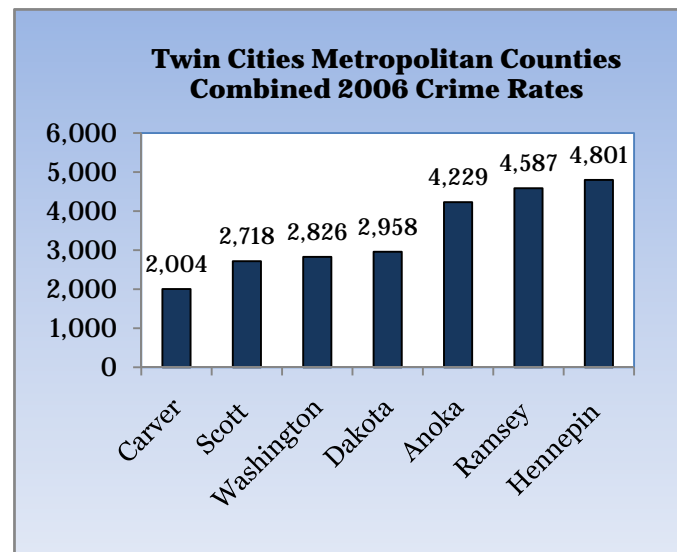
- Preventing crime and holding offenders accountable
- Providing access to health care
- Assuring access to food, shelter, and financial assistance to meet immediate needs
- Helping children thrive
- Encouraging healthy behaviors
- Protecting vulnerable residents and keeping them in community settings
- Preparing for emergencies

Dakota County Challenge

To maintain a sense of safety and the attractiveness of communities to potential residents, prevalence of crime needs to be kept low.

Meeting the Challenge: 2008 Results

- Part I crimes (e.g., murder, robbery, and rape) declined from 56.7 occurrences/1,000 residents in 2000 to 43.9 occurrences/1,000 residents in 2007.
- Part II crimes (e.g., vandalism and DUI) declined from 31.8 occurrences/1,000 residents in 2000 to 27.8 occurrences/1,000 residents in 2007.
- While the rates of crime occurrences declined, certain categories of serious crime prosecutions increased during the period. Dakota County felony drug prosecutions increased from 479 in 2000 to a peak of 748 in 2005, before declining to 618 in 2007.
- Including property and violent crime occurrences, Dakota County's overall crime rate is higher than Carver County and similar to Scott and Washington Counties. Anoka, Hennepin, and Ramsey Counties have higher combined crime rates.



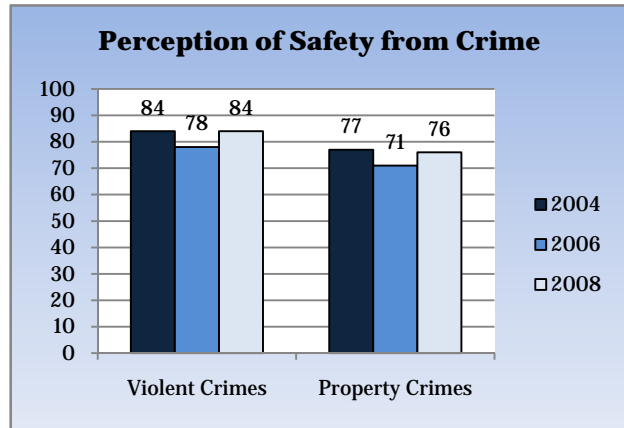
Number of crimes per 100,000 residents, combined for property and violent crimes.

Dakota County Challenge

A high quality of life depends in part on the perception of residents that they are safe in their communities.

Meeting the Challenge: 2008 Results

- On a 100-point scale, most residents rate their feeling a safety in their neighborhoods from both violent and property crimes between “safe” and “very safe.” The perception of safety has remained high in each of the last three survey periods.

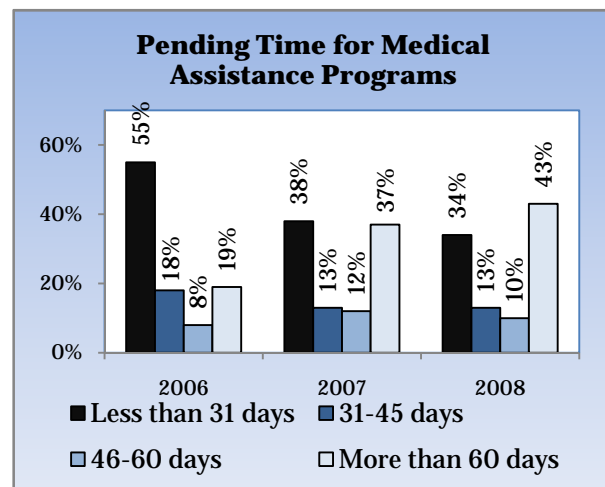


Dakota County Challenge

While most Dakota County residents had health insurance in 2008, the availability of health insurance with jobs, as well as the proportion of people in group health plans, appears to be declining. Without health insurance, people tend to forego preventative care and to see physicians only after problems have become more expensive and difficult to treat. When people cannot access private health insurance, they may seek out public health care programs. Further, illness and medical bills can contribute to personal financial difficulties, increasing requirements for public economic assistance.

Meeting the Challenge: 2008 Results

- The share of Dakota County residents served by publicly funded health insurance programs grew from 12% of the population in 2001 to 18% in 2007.
- From 2000 to 2008, the average monthly public assistance healthcare caseload grew by 98%, from nearly 8,100 cases per month to 16,000 cases per month.
- The increase in the number of residents seeking publicly-funded health insurance has contributed to a doubling of assistance applications pending for more than 60 days from 2006 to 2008, but process improvements brought the number of cases pending that long down in late 2008.

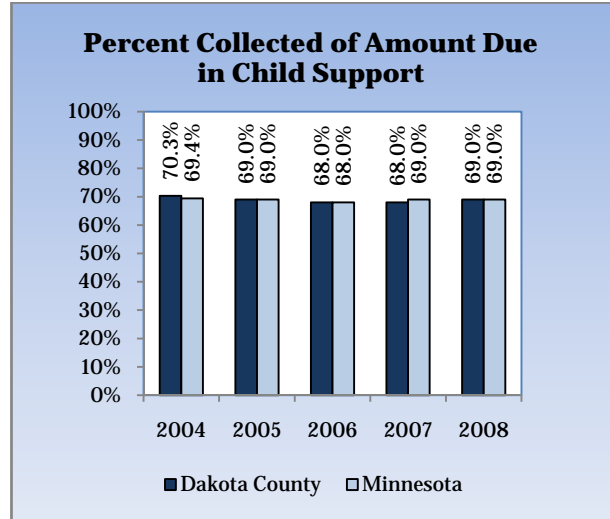


Dakota County Challenge

To support its future, Dakota County must seek to help children thrive, such as by assuring good health outcomes for at-risk children, taking steps to prevent child maltreatment, and enforcing child support requirements.

Meeting the Challenge: 2008 Results

- Dakota County's child support collection rate closely matches the statewide average. About \$67.3 million is collected in child support annually, but it is estimated that \$21.3 million still goes uncollected each year (averages, 2004 through 2007).

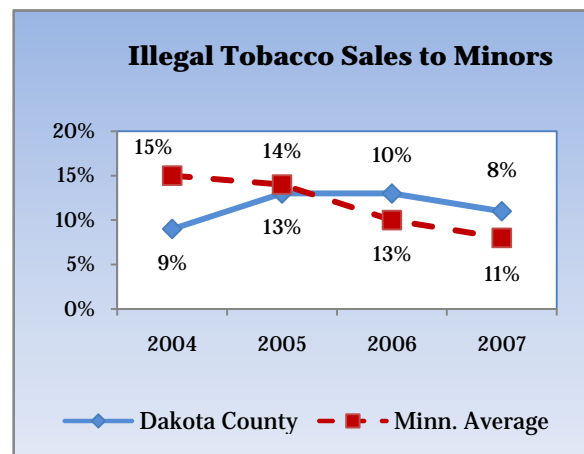


Dakota County Challenge

Encouraging healthy behaviors – physical activity, good nutrition, limiting youth access to drugs and tobacco and prenatal care – contribute to the strategic objective of safe, healthy residents.

Meeting the Challenge: 2008 Results

- After being less than the state average in 2004 and 2005, illegal tobacco sales to minors exceeded the state average in 2006 and 2007. The statewide average has steadily declined since 2004, but Dakota County's experience has been mixed.
- Alcohol sales to minors remained in a range from 8% to 11% from 2004 to 2007, virtually mirroring the state averages in the last three years for which data is available.
- In 2007, the *Simple Steps* program helped 1,263 participants in Dakota County increase their physical activity by 65%. As of June 2008, participation in the program had increased by 9% over 2007.

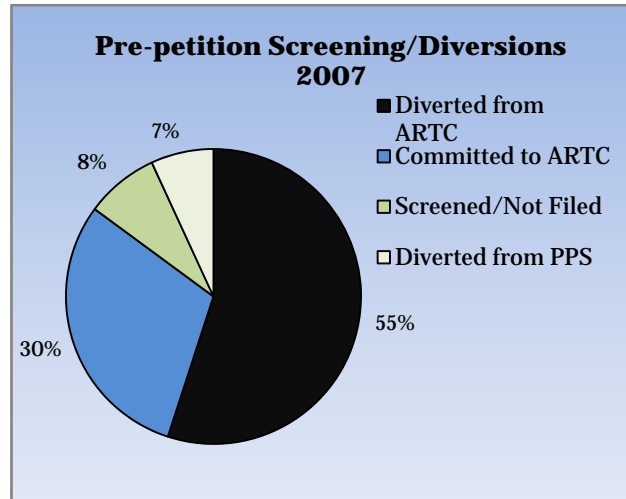


Dakota County Challenge

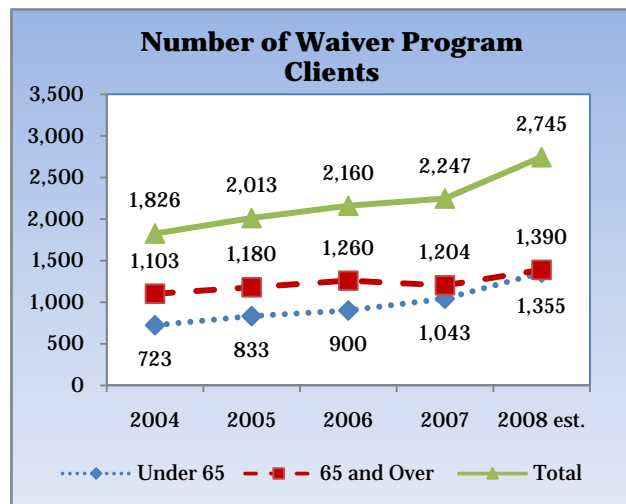
Research supports the concept that vulnerable persons make progress toward independence and self-sufficiency most readily when living in the community, with support networks. Dakota County seeks to guide persons in risk of need for placement outside of a community setting into the least restrictive possible living arrangements.

Meeting the Challenge: 2008 Results

- In 2007, Dakota County was successful more than one-half the time in diverting potential commitments from the Anoka Regional treatment Center. Most commonly, persons were moved from hospitalization back to their own homes.



- Medicaid waivers provide one option to keep vulnerable persons in their homes or other less restrictive environments than placement in an institutional setting. In 2008, nearly 2,750 disabled and elderly persons were served by waivers, an increase of 50% since 2004.



- Waiting times for long term care consultations (which are important in assuring vulnerable persons receive the services that they need to prevent a move to an institutional setting) has dropped from 45 days in 2001 to 10 days in 2008. In 2004, staff responded to 79% of requests for consultation; in 2008, they were able to respond to 100% of requests. (Requests increased from 70 in 2004 to 81 in 2008.)

Dakota County Challenge

Preparing for emergencies is part of Dakota County's responsibilities for assuring safe, healthy residents. Dakota County works closely with federal, state, and other local emergency preparedness partners to assure readiness and effective response times to emergency events.

Meeting the Challenge: 2008 Results

- 31 elected officials and senior administrators attended emergency training courses held in Dakota County in April and June, 2008.
- The County developed and tested emergency response plans for a major public health emergency and for disasters at the Northern and Western Service Centers.
- Through the Public Health Department, Dakota County recruited, trained, and coordinated volunteers in the Medical Reserve Corps (MRC).

QUALITY PHYSICAL ENVIRONMENT

To be successful in providing for a *quality physical environment*, Dakota County is:

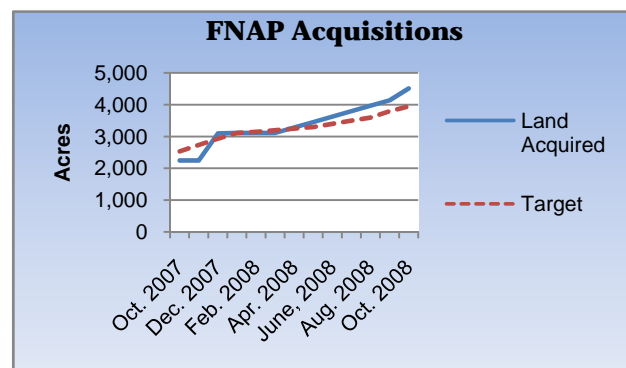
- Strengthening our "green" infrastructure
- Protecting ground and surface water quality
- Reclaiming contaminated land
- Conserving energy
- Managing waste as a resource

Dakota County Challenge

Only about 2% (9,400 acres) of the land area of Dakota County remains in remnant pieces that represent the original natural area of the County. While small, these remnants support high-value wildlife habitat and native vegetation.

Meeting the Challenge: 2008 Results

- Through October, 2008, nearly 4,500 acres of farmland and natural areas has been protected under the County's FNAP Protection Program, exceeding the FNAP target. Board goals for 2008 were met with the acquisition of the Butler Trust property and exceeded with the addition of 2,155 acres of land in the FNAP program.
- In 2008, the quality of wildlife habitat was upgraded with the restoration of 120 acres of prairie at Miesville Ravine Park Reserve and Lebanon Hills regional Park.

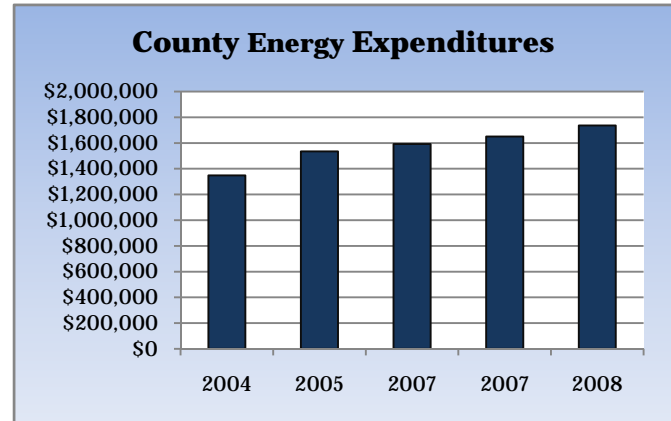


Dakota County Challenge

County energy expenditures for heating and lighting its facilities continue to increase.

Meeting the Challenge: 2008 Results

- Even with an emphasis on energy efficient facilities, Dakota County expenditures for energy are up 46% since 2003. Other operating budgets have grown by 13%.



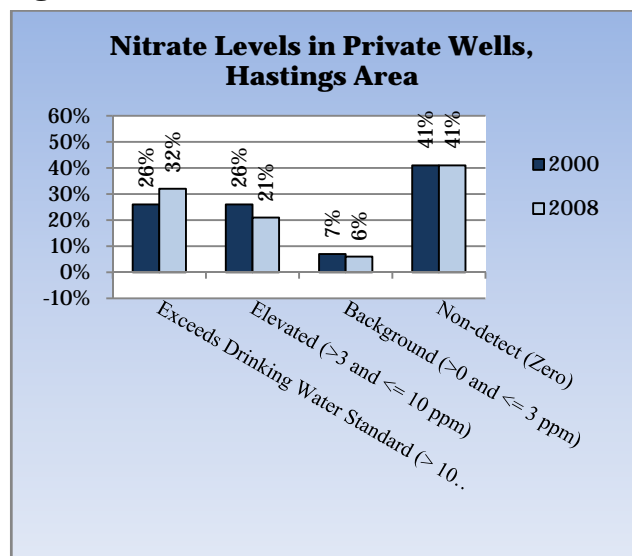
Dakota County Challenge

Ground water provides the majority of water for drinking and agriculture in Dakota County. Ground water quality is a major concern for protection of drinking water supplies. While ground water supplies are adequate to meet current needs, development in Dakota County has increased concerns about the long-term adequacy of the supplies.

Excluding the Minnesota and Mississippi Rivers, Dakota County has 37 surface water impairments on the State and Federal Impaired Waters list. Waters are considered impaired if they do not meet water quality standards for designated uses (e.g., supporting swimming, fishing, and aquatic life.)

Meeting the Challenge: 2008 Results

- During September 2008, nitrate samples were collected from 137 private drinking water wells in the Hastings area that had also been sampled in 2000. More wells exceeded health standards (10 parts per million) for nitrates in 2008 than in 2000.
- A Board goal, the Compliant Septic System Initiative, was completed in 2008, with 60 of 64 non-compliant systems identified (94%) upgraded by October 2008. (Four Phase II systems have until the end of 2008 to complete upgrades.)
- Over the last five years, more than 5,000 abandoned wells have been sealed. Abandoned, unsealed wells provide an open pathway for contaminants to reach aquifers.

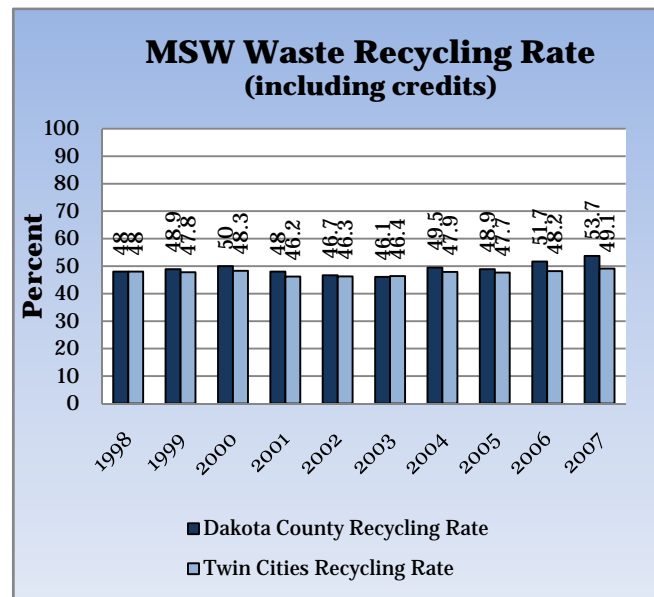


Dakota County Challenge

Municipal solid waste (MSW) generated within Dakota County grew by 67% between 1990 and 2007. Managing these wastes appropriately is a challenge, but will help assure resources are not lost and the potential for pollution is minimized. The amount of electronics received as a part of household hazardous waste (HHW) collections has increased, in part due to the success of electronics manufacturer legislation passed in 2008. The digital electronic conversion and resulting additional electronics drop-off will increase this trend. Meeting residents' and businesses demands for additional recycling and HHW collection presents a funding challenge, particularly at a time when costs for energy and fuel have increased and commodity prices have dropped.

Meeting the Challenge: 2008 Results

- The MSW recycling rate for Dakota County exceeds the average of the counties within the Solid Waste Management Board partnership. In the past two years, the County has achieved the second highest recycling rate among these partners.
- In 2008, it is estimated that the amount of household hazardous waste received at the Recycling Zone will be 2.8 million pounds, an increase of 33% over 2007. The County is making facility changes to accommodate the increased demand.



VITAL, PROSPEROUS COMMUNITY AND ECONOMY

To be successful in providing for a *vital prosperous community and economy*, Dakota County is:

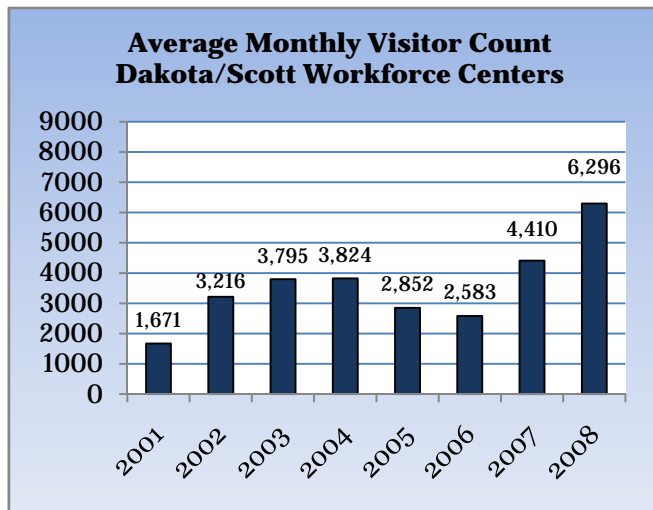
- Connecting employers and employees
- Creating affordable housing options
- Enhancing mobility
- Establishing telecommunication networks
- Creating community assets
- Engaging the community.
- Promoting an informed and literate community.

Dakota County Challenge

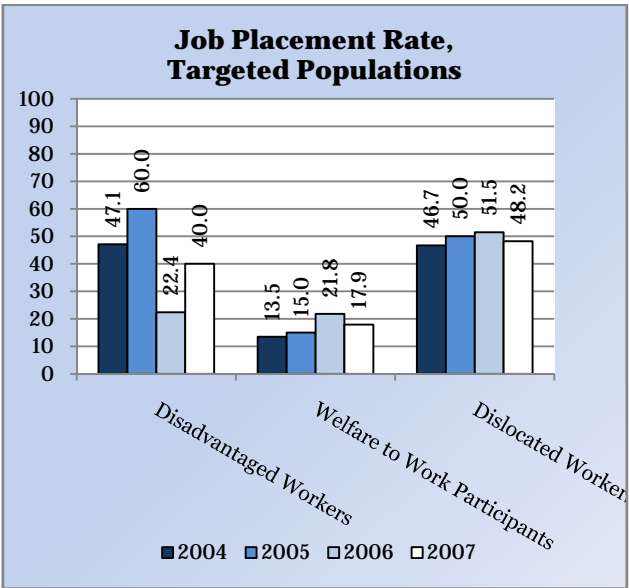
Connecting employers and employees is a function of government that aims to assure that residents can have a quality life in Dakota County, independent of economic assistance programs. Dakota County government services seek to make it easier for those seeking employment and those seeking workers to find a good match.

Meeting the Challenge: 2008 Results

- In 2008, visits to the Workforce Centers reached its highest point during the 2001-2008 time period, jumping from 1,671 per month to nearly 6,300 per month. Visitors to the centers find access to job postings as well as training and assistance.



- Between 2004 and 2007, nearly 4,000 dislocated, disadvantaged, and welfare-to-work workers participated in employment services provided through Dakota County. Individuals from disadvantaged and dislocated worker groups were more successful than welfare-to-worker individuals in obtaining jobs.



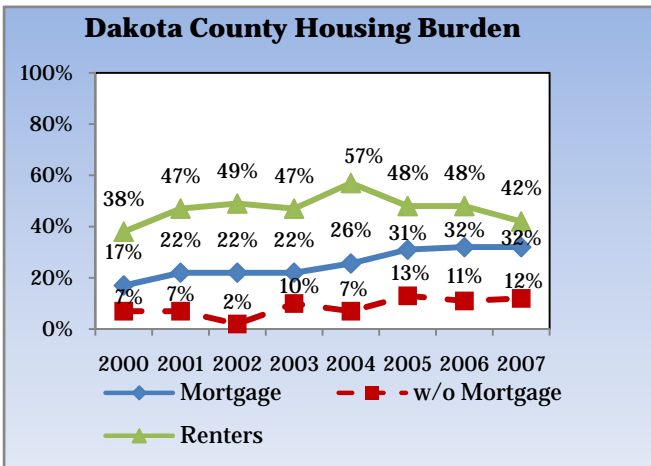
Dakota County Challenge

Like residents in other areas of the country, residents in Dakota County are being impacted by the current economic downturn. The County unemployment rate in December 2008 (6.1%) was the highest for any single month since 1990. In addition, only two Metropolitan Area counties had higher foreclosure rates than Dakota County in 2008. Nevertheless, by many measures, Dakota County has a vital and prosperous economy.

Providing the framework of support for sustaining this economy as the population and infrastructure of the County ages and diversifies is a key challenge for Dakota County. Housing, transportation, telecommunications, and livable communities are important components of this framework.

Meeting the Challenge: 2008 Results

- While Dakota County’s home ownership rate exceeds that of the State of Minnesota and the nation, the share of homeowners with a mortgage who are “cost burdened” has increased from 17% in 2000 to 32% in 2007. The elevated burden exacerbated by the economic downturn has foreclosures shooting upward, with nearly a six fold increase since 2005 (from 454 Sheriff’s sales in 2005 to an estimated 2,700 in 2008).



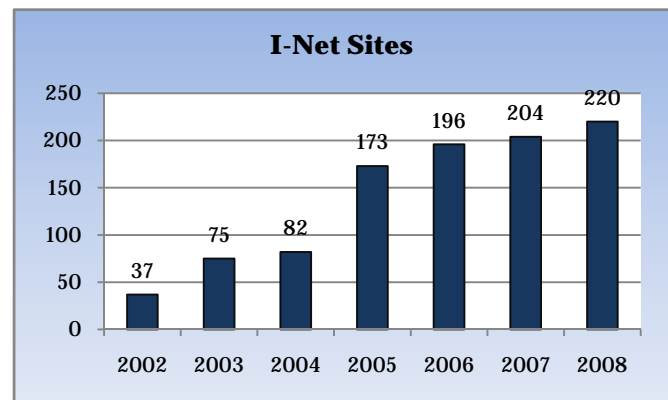
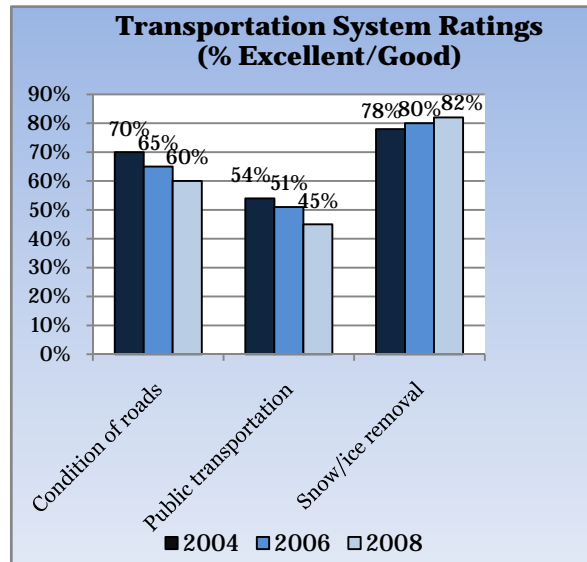
- To meet needs for affordable housing, the Dakota County Community Development Agency provided more than 2,000 affordable rental housing units for working families and seniors in 2008; provided foreclosure counseling assistance; issued 65 home improvement loans through November, 2008; and completed an average of 81 weatherization projects for homeowners from 2005 to 2008.

- Residents' perception of road conditions and public transportation/transit availability declined between 2004 and 2008. Between 1999 and 2005, the Transportation Department's pavement quality index declined, before a sharp rebound upward in 2006.

- Combining the condition of roads, traffic congestion, and bridge and river crossing concerns, transportation system issues are the 3rd most serious concern of residents (just behind taxes and growth/development). In response, the Board of Commissioners has more than doubled capital funding for pavement preservation, with an average annual investment of \$3.7 million each year from 2009 to 2013.

- The perception of inadequate public transportation services is strongest in areas that are not served by Metro Transit or MVTA (Districts 1 and 6). In areas served by MVTA, ridership increased from 1.82 million riders in 2000 to 2.47 million in 2007.

- The Institutional Network (I-NET) in Dakota County is an initiative to link public sector facilities via fiber optic cable, with 220 sites now linked. This network helps assure fast communication and system redundancy.



Brief tour of the Dakota County Park System



Regional Parks

*Lebanon Hills Regional Park
Lake Bylesby Regional Park*

Park (Planned addition)

Park Reserves

*Spring Lake Park Reserve
Miesville Ravine Park Reserve*

County Parks

*Thompson County Park
Dakota Woods Dog Park*

Regional Trails

*Big Rivers Regional Trail
Mississippi River Regional Trail
North Urban Regional Trail*

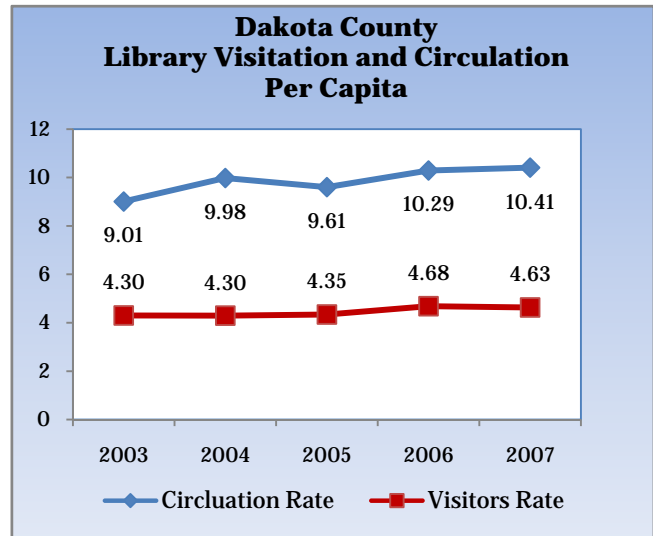
- Parks and trails help create and connect livable communities in Dakota County. More than 9 out of 10 residents in the County rate the availability of parks as “excellent” (42%) or “good” (49%). Over 80% give these ratings to trails (2008 Residential Survey).

Dakota County Challenge

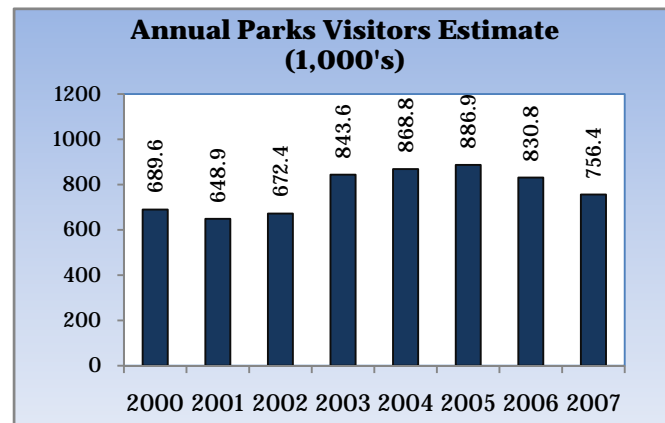
Dakota County serves residents by creating and maintaining community assets – such as, libraries and parks -- for personal enjoyment and development.

Meeting the Challenge: 2008 Results

- The number of visits to Dakota County libraries increased from 1.6 million in 2002 to 1.8 million visits in 2007, or by 14%. In 2007, more than 10 items were checked out for every residents of Dakota County. On average, there were between 4 and 5 visits per resident.



- In 2008, the Residential Survey found that libraries (81 points on a 100-point scale) and parks (76 points) were the highest rated services provided by Dakota County
- Between 2003 and 2007, Dakota County parks averaged 837,000 visits per year, or about 2,300 visits per day. However, visits were down by 13% in 2007 over the peak visitor year (2005), at least partially due to the wettest August to October period on record. Visits declined across the regional park system in 2007.
- Customer satisfaction with the four major park facilities that are available for rent was high, except for ease of use of the website. Overall customer satisfaction (2007-2008) was 94% (excellent to above average).

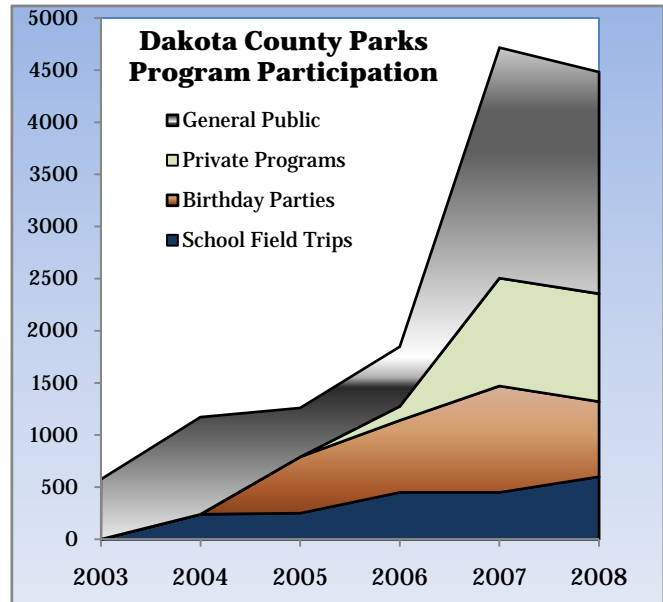


Dakota County Challenge

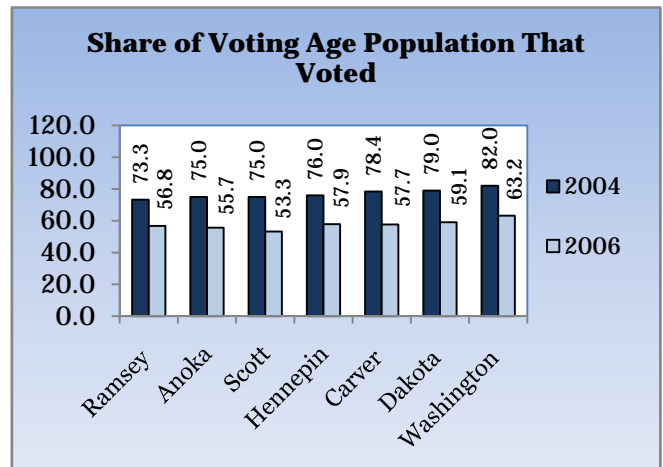
For a community to be vital, residents need to be engaged and connected. Through its services, program offerings, and volunteer opportunities, Dakota County encourages community and government involvement.

Meeting the Challenge: 2008 Results

- Between 2003 and 2007, participation in classes open to the public offered through the Parks and Open Space Department increased by 284%.



- Dakota County consistently ranks high in terms of participation of voting age residents in state and national elections. While the share of voting age participants voting in the 2008 elections is not yet available, 93.4% of registered voters voted in 2008.



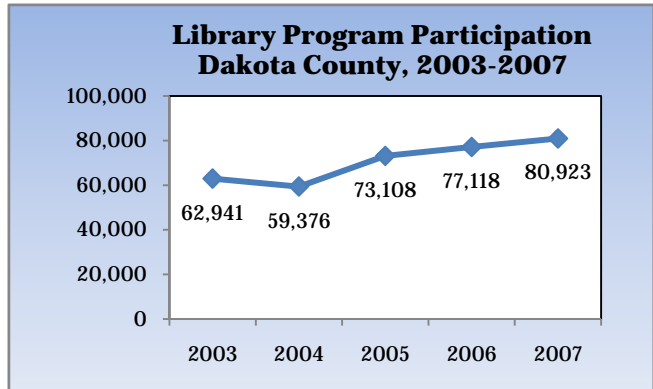
- In 2008, nearly 6,600 residents participated in health promotion, family health, and other programs offered by the Public Health Department.
- Over 1,000 residents volunteered to serve Dakota County as members of advisory committees, help in water quality testing and wetland monitoring, repair harm caused by crime, and promote health. In addition, Library volunteers provided nearly 10,000 hours of service in libraries and 89 groups provided an estimated 7,900 hours of service in cleaning up stretches of County roads in 2007.

Dakota County Challenge

A literate and informed community is better able to contribute to the community. Dakota County sees opportunities to support literate, well-informed communities in its work.

Meeting the Challenge: 2008 Results

- Since 2003, total participation in Library programs has increased by 28%. Library programs encourage residents to read, support academic programs, and provide an opportunities to learn.
- The County library system has 140 computers with Internet access available to the public. The hours of use for these computers have increased sharply, from 176,409 in 2006 to 199,413 in 2007.



EFFICIENT, EFFECTIVE, RESPONSIVE GOVERNMENT

To be successful in providing for an *efficient effective, responsive government*, Dakota County is:

- Focusing on the needs of residents
- Communicating with residents
- Providing quality public services through an emphasis on excellence in operations.
- Taxing fairly and equitably to keep the price of government low.
- Maintaining the strong fiscal condition of County government.
- Creating a positive workplace for quality staff who model the County's organizational values.

Dakota County Challenge

To maintain a focus on the needs of its residents, Dakota County must:

Listen to and learn from the views of its residents.

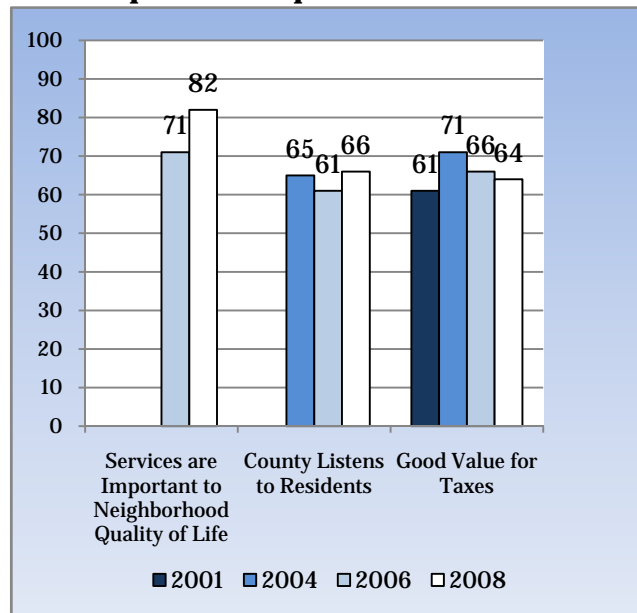
Be responsive to the values of its residents.

Effectively inform its residents.

Meeting the Challenge: 2008 Results

- More than 9 out of 10 residents feel that services provided by Dakota County are important to their quality of life in Dakota County (average response, 82 on a 100-point scale).
- With an average response of 64 on a 100-point scale, the perception that Dakota County provides good value for taxes paid is “good” and above the norm when compared to other units of government who asked their residents a similar question.
- 82% of residents “strongly” or “somewhat” agree with the statement that Dakota County government listens to its citizens. On average, when converted to 100-point scale, residents give Dakota County a mark of “good” in terms of listening to citizens, which is above the norm when compared to other units of government who asked their residents a similar question.

Perception of Responsiveness and Value



Dakota County Challenge

Performance and quality are judged by an organization’s customers. The challenge for Dakota County government is to provide services that customers value at a level of quality that satisfies their expectations.

Meeting the Challenge: 2008 Results

- In the *2008 Residential Survey*, 9 out of 10 residents rated the overall quality of services provided by Dakota as “excellent” or “good”. The overall rating of 69 on a 100-point scale was higher than the national benchmark.
- In rating individual programs, more than 9 of 10 residents rated libraries and parks as either “excellent” or “good.” Of 11 services measured for which there is comparative national data, Dakota County programs and services were similar to or above the norm in 10 cases. The exception was public transportation/transit services.



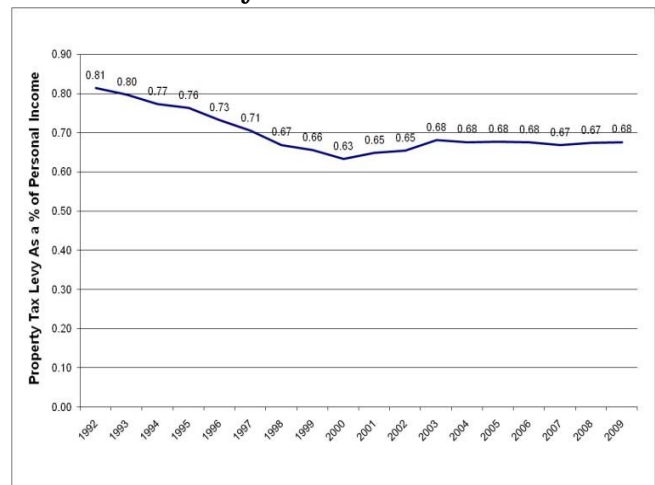
Dakota County Challenge

Meeting the program and service expectations of residents while keeping taxes low is a central challenge of governments.

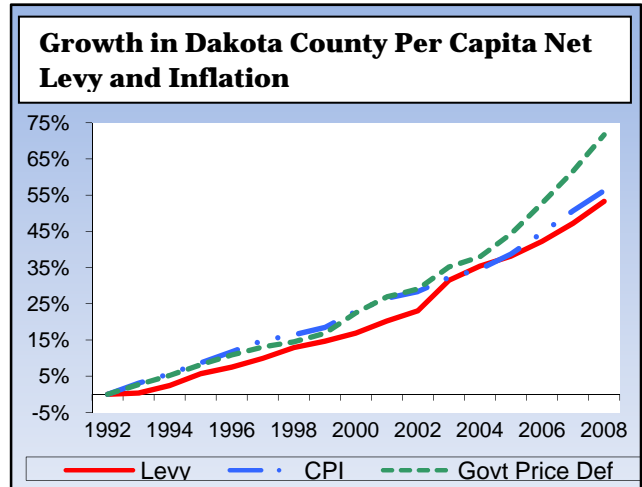
Meeting the Challenge: 2008 Results

- Over the last decade, property taxes as a percent of personal income (net price of government) have remained stable. In 1998, residents paid 0.67% of personal income as property taxes; in 2008, 0.67% (range, 0.63% to 0.68%).
- Among Minnesota’s 87 counties, Dakota County had the lowest property taxes payable on a home valued at \$200,000 in 2008.
- Dakota County has the highest number of residents served/FTE employee of any Metro Area county.

Dakota County Net Price of Government



- The per capita levy has grown at rate less than the growth in the rate of inflation over the last 10 years.

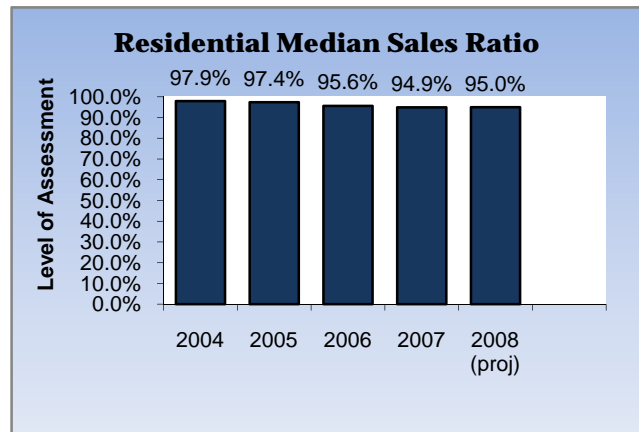


Dakota County Challenge

In 2009, property taxes will provide 38% of the funds used to provide services in Dakota County. The perception of fairness and equity in assessing local property taxes is crucial to public support for local government.

Meeting the Challenge: 2008 Results

- Dakota County has consistently maintained property appraisal accuracy within the boundaries required by the State of Minnesota.



Dakota County Challenge

To borrow funds for capital projects, Dakota County must maintain a strong fiscal position in order to attract favorable rates and minimize long-term debt obligations.

Meeting the Challenge: 2008 Results

Dakota County Bond Rating

Aaa

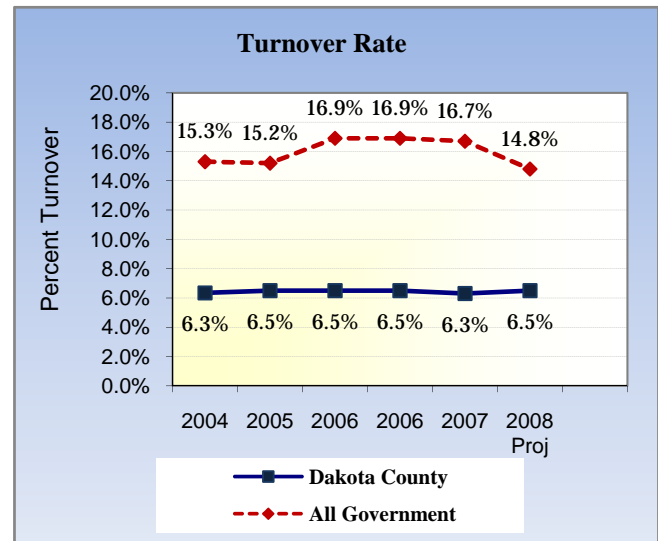
- Of about 3,000 counties in the nation, Dakota County is one of only 43 counties with an Aaa bond rating from Moody's Investor Services.

Dakota County Challenge

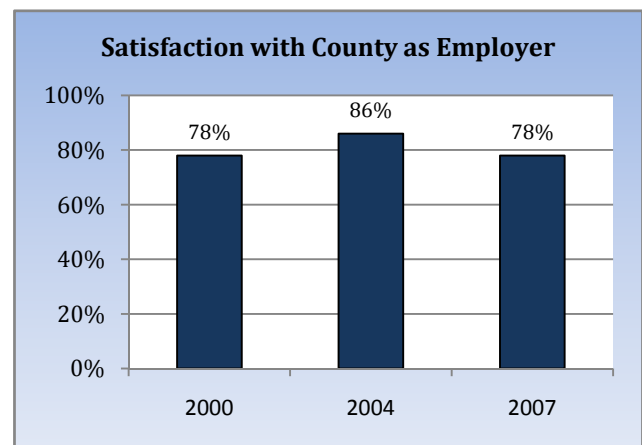
To achieve organizational success, Dakota County needs to engage, manage, and develop its workforce to achieve its full potential.

Meeting the Challenge: 2008 Results

- Dakota County's job turnover rate is low, compared to national, state, and local government entities for which data is available.



- More than three out of four employees in the most recent survey agreed with the statement: "I am satisfied with Dakota County as an employer." Satisfaction was down somewhat from 2004 to 2007, but remained equal in 2007 to 2000.



TO IMPROVE PERFORMANCE QUALITY: WHAT'S NEXT?

Since the initiative to examine performance results and Dakota County's progress toward performance excellence was begun, the reality of an historic projected budget deficit for the 2009-2011 period has emerged. Conclusions about "what's next" in the pursuit of performance excellence have necessarily been reshaped by this reality.

Projected state budget deficits that will dramatically impact County finances will challenge the County to re-examine and find innovative solutions to maintain performance quality and address the stresses already apparent.

Growth in service demands - Such as in rising Medical Assistance caseloads and visits to Workforce Centers – are already evident. To meet rising demands for service in the face of projected deficits, new strategies for meeting rising service demands will be required.

Rising costs for inputs to services – from energy costs for heating and lighting facilities to salt help maintain the condition of roads in winter months – are being felt at the same time that financial resources to pay for rising costs are falling.

Stresses in the infrastructure provided by the County – such as, the condition of roads, maintaining County facilities, and the ability to continue to expand libraries and parks, which are highly desired by residents – will continue to demand attention as the ability to pay for infrastructure needs is challenged.

With already efficient staffing levels, the challenges of **maintaining workforce satisfaction** with Dakota County as an employer in a tightly constrained fiscal environment will be challenged.

To initiate the discussion of ideas that will maintain Dakota County's pursuit of performance excellence in a period in which financial and staff resources will decline, the following ideas for building on strengths, addressing stresses, and preparing for the future are suggested for consideration:

1. Develop new strategies for meeting rising service demands in a climate of constrained resources.

County government faces the challenge of serving rising demand for services during economic downturns that also constrain the resources that can be provided to address rising demand. Examples of ways the County might address this situation include:

- Revisit the current set of strategic objectives to assure that they reflect the current areas of management concern and strategies for addressing these concerns.
- Create a special "pressure points" dashboard – a focused scorecard – to define, monitor, and communicate the status of key performance quality indicators throughout the year.
- Invigorate customer feedback loops to track changes in customer perceptions of outcomes and service quality, particularly where service approaches and levels will change, with the objective of being ready to quickly respond to service quality declines in priority areas of service.
- Use the guidance and information from the steps above to help develop, discuss, and assess the value of service changes.

2. Re-examine service priorities.

In 2003, Dakota County engaged in an extensive effort to define services priorities, based on the degree to which services were mandated by state and federal law and the importance of services to residents. More recently, Continuity of Operations Plan development has required Dakota County to examine its priorities for restoring services in a response to an emergency. As part of a countywide process improvement initiative, a team has inventoried the major processes of the County. Dakota County might:

- Re-evaluate these data sets to define service priorities and target resources to areas of highest priority in order to maintain performance excellence. It may not be possible for Dakota County to continue to do all that it has done in the past and maintain performance excellence in areas of highest priorities.
- Systematically evaluate input costs for providing services and cost reduction options.

3. *Continue emphasis on process improvement and improved productivity.*

Dakota County can build on its strengths by continuing to build on the ability of staff to identify how to do what we do even better. In particular, Dakota County might re-invigorate a Division/Department level emphasis on process improvement initiatives to engage staff directly in identifying performance and productivity responses. Managers and staff might be encouraged and empowered to find and implement improvements and cost saving measures.

4. *Focus on staff learning and growth to respond to challenges.*

Staff is the most valuable asset of Dakota County. In times of financial stress, staff stress grows as well. Dakota County might consider restoring regular monitoring of the work climate on a regular basis and developing initiatives to maintain morale and productivity where stresses are identified.