Dakota County

General Government and Policy Committee of the Whole

Agenda

Tuesday, August 4, 2026	9:30 AM	Conference Room 3A, Administration Center, Hastings

(or following County Board)

If you wish to speak to an agenda item or an item not on the agenda, please notify the Clerk to the Board via email at CountyAdmin@co.dakota.mn.us
Commissioners may participate in the meeting by interactive technology.

1. Call to Order and Roll Call

Note: Any action taken by this Committee of the Whole constitutes a recommendation to the County Board.

2. Audience

Anyone in the audience wishing to address the Committee on an item not on the agenda or an item on the consent agenda may come forward at this time. Comments are limited to five minutes.

3. Approval of Agenda (Additions/Corrections/Deletions)

3.1 Approval of Agenda (Additions/Corrections/Deletions)

CONSENT AGENDA

4. County Administration - Approval of Minutes

4.1 Approval of Minutes of Meeting Held on July 7, 2026

5. Central Operations

5.1 *Finance* - Report On Budget Amendments And Contracts

5.2 *Finance* - Update On Second Quarter Dakota County Investment Portfolio 2026

REGULAR AGENDA

6. County Board/County Administration

6.1 *Communications and Public Affairs* - Legislative Update

7. County Manager/Deputy/Director's Report

8. Future Agenda Items

9. Adjournment

9.1 Adjournment

For more information, call 651-438-4417
Dakota County Board meeting agendas are available online at
https://www.co.dakota.mn.us/Government/BoardMeetings/Pages/default.aspx
Public Comment can be sent to CountyAdmin@co.dakota.mn.us

General Government and Policy Committee of the Whole

Request for Board Action

Item Number: DC-5856 **Agenda #:** 3.1 **Meeting Date:** 8/4/2026

Approval of Agenda (Additions/Corrections/Deletions)

General Government and Policy Committee of the Whole

Request for Board Action

Item Number: DC-5857 **Agenda #:** 4.1 **Meeting Date:** 8/4/2026

Approval of Minutes of Meeting Held on July 7, 2026

Dakota County

General Government and Policy Committee of the Whole

Minutes

Tuesday, July 7, 2026	**9:30 AM**	**Conference Room 3A, Administration Center, Hastings**

(or following County Board)

1. Call to Order and Roll Call

The meeting was called to order by Commissioner Workman at 10:38 a.m.

Present
Commissioner Mike Slavik
Commissioner Joe Atkins
Commissioner Laurie Halverson
Commissioner William Droste
Commissioner Liz Workman
Commissioner Mary Liz Holberg
Commissioner Mary Hamann-Roland

Also in attendance were Heidi Welsch, County Manager; Tom Donely, First Assistant County Attorney; and Jeni Reynolds, Sr. Administrative Coordinator to the Board.

The audio recording of this meeting is available upon request.

2. Audience

Chair Workman noted that all public comments can be sent to CountyAdmin@co.dakota.mn.us
No comments were received for this agenda.

3. Approval of Agenda (Additions/Corrections/Deletions)

3.1 Approval of Agenda (Additions/Corrections/Deletions)

Motion: Mary Hamann-Roland Second: Laurie Halverson

Ayes: 7

CONSENT AGENDA

On a motion by Commissioner Atkins, seconded by Commissioner Hamann-Roland, the Consent agenda was approved as follows:

4. County Administration - Approval of Minutes

4.1 Approval of Minutes of Meeting Held on June 23, 2026

Motion: Joe Atkins Second: Mary Hamann-Roland

Ayes: 7

REGULAR AGENDA

5. Public Services and Revenue

5.1 Authorization To Execute Agreement With And Accept Grant Funds From Minnesota Historical Society And Execute Subrecipient Agreement With Dakota County Historical Society For Wayfinding And Interpretive Signage For Heroes And Heritage Interpretive Trail Loop And Amend 2026 Public Services And Revenue Budget

Motion: Joe Atkins Second: Laurie Halverson

Director of Dakota County Historical Society Matt Carter briefed this item and responded to questions. The resolution was approved as amended. Language was added to include County staff will be reimbursed for their time associated with the management of the grant funds.

WHEREAS, the Laws of Minnesota 2026, Chapter 129, Article 1, Section 13 awarded Dakota County $300,000 through a Minnesota Historical Society (MHS) general fund grant to design and construct wayfinding and interpretive signage for the Heroes and Heritage Interpretive Trail Loop; and

WHEREAS, this project is intended to provide self-guided interpretive and wayfinding signage on primarily county-owned right of way and trails within West St. Paul, South St. Paul, and Inver Grove Heights connecting places of local history and significant events which will highlight local history, with the goal of creating a cohesive interpretive narrative that connects trail users with the rich history of the region; and

WHEREAS, a State funding source reduces the burden on local taxpayers for regional improvements; and

WHEREAS, the Dakota County Historical Society (DCHS) completed the phase one pilot project in 2024 which included research, onsite analysis, community engagement, concept refinement, draft sign content and design final report at a cost of $75,000 which was funded from the 2024-2028 Parks CIP which includes County Program Aid within the planning setaside; and

WHEREAS, DCHS is a sole-source provider for completing phase two and is willing to manage the project to completion; and

WHEREAS, Dakota County Physical Development Division staff is prepared to provide general maintenance around the interpretive signage installed on county-owned property and to be responsible for repairs and replacement of that signage as necessary along the trail under separate maintenance agreements;

and

WHEREAS, County staff will be reimbursed for their time associated with the management of the grant funds; and

WHEREAS, Dakota County will act as fiscal agent in the distribution of Minnesota Historical Society grant funds to DCHS, via reimbursement of work completed.

NOW, THEREFORE, BE IT RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the execution of the Minnesota Historical Society (MHS) grant agreement and acceptance of the grant funds for the design and construction of wayfinding and interpretive signage for the Heroes and Heritage Interpretive Trail Loop; and

BE IT FURTHER RESOLVED, That the Dakota County Board of Commissioners hereby authorizes the Assistant County Manager of the Public Services and Revenue Division to enter into a subrecipient agreement with the Dakota County Historical Society (DCHS) for design and construction of wayfinding and interpretive signage for the Heroes and Heritage Interpretive Trail Loop; and

BE IT FURTHER RESOLVED, That the 2026 Public Services and Revenue Program Budget is hereby amended as follows:

Expense	
Reimbursement to DCHS for design and construction of signage	$300,000
Total Expense	**$300,000**
Revenue	
MHS Grant Funding	$300,000
Total Revenue	**$300,000**

This item was approved and recommended for action by the Board of Commissioners on 8/4/2026.

Ayes: 7

6. Central Operations

6.1 Update On 2025 Audit Results

Audit Manager Lucas Chase and Clifton Larson Allen LLP representatives Troy Gabler and Josh Robertson briefed this item and responded to questions. This item was on the agenda for informational purposes only.

Information only; no action requested.

7. County Board/County Administration

7.1 2026 Board Priorities Second Quarter Update

Members of Senior Leadership briefly shared priorities for each Division and responded to questions. This item was on the agenda for informational purposes only.

Information only; no action requested.

7.2 Legislative Update

Communications and Public Affairs Director Mary Beth Schubert briefed this item and responded to questions.

The committee was provided a draft comment letter addressed to Office of Management and Budget (OMB) in response to regulation for Federal Financial Assistance. The draft letter addresses the proposed rule rewriting 2 CFR Part 200 - commonly known as the Uniform Guidance - published in the Federal Register on May 29, 2026 (Docket OMB-2026-0034). This rulemaking represents the most significant revision to federal grant administration since 2013. Dakota County administers Federal grant funds from nine Federal Departments totaling approximately $67,954,960 million annually, supporting critical services in Agriculture, Housing and Urban Development, Justice, Labor, Transportation, Revenue, Health and Human Services, Elections Assistance Commission, and Homeland Security. These funds are delivered directly to residents and, in many cases, passed through to local subrecipients and community organizations. The proposed rule would affect every aspect of how the County applies for, administers and accounts for those funds. Dakota County maintains robust internal controls, documented policies and procedures, and a strong audit record. The committee directed staff to send the letter.

Assistant County Manager-Community Services Marti Fischbach gave an overview regarding long-term services and supports (LTSS) costs. The committee will address this issue with legislative delegation and collectively, with other counties, bring forward to Association of Minnesota Counties (AMC), Minnesota Inter-County Association (MICA) and Minnesota Association of County Administrators (MACA). Collectively applying pressure to relay/communicate that counties cannot continue to be mandated to perform certain services without additional funding.

Information only; no action requested.

8. County Manager/Deputy/Director's Report

County Manager Heidi Welsch shared the following updates:
- Finance Work Session will be held on July 13, 2026. Budget scenarios and additional information regarding how current and future mandates will affect the County Budget.
- County Manager and Human Resources Director completed 13 Town Hall meetings with staff over the past few weeks. Budget updates were shared and questions answered. Overall, staff relayed appreciation for the transparency.
- A future closed session will be scheduled to discuss labor negotiations.

9. Future Agenda Items

Chair Workman asked the Committee if anyone had a topic they would like to hear more about at an upcoming meeting. No topics were brought forth.

10. Adjournment

10.1 Adjournment

Motion: Joe Atkins Second: Mary Hamann-Roland

On a motion by Commissioner Atkins, seconded by Commissioner Hamann-Roland, the meeting was unanimously adjourned at 12:22 p.m.

Respectfully submitted,
Jeni Reynolds
Sr. Administrative Coordinator to the Board

General Government and Policy Committee of the Whole

Request for Board Action

Item Number: DC-5843 **Agenda #:** 5.1 **Meeting Date:** 8/4/2026

DEPARTMENT: Finance

FILE TYPE: Consent Information

TITLE

Report On Budget Amendments And Contracts

RESOLUTION

Information only; no action requested.

BACKGROUND

The summary of budget amendments completed from January 1, 2026, through March 31, 2026, is included as attachment: Budget Amendment Summary. Budget amendments identified in the attachment include administrative amendments that would have gone to Board prior to the adoption of the Budget Compliance Policy by Resolution No. 18-485 (September 18, 2018).

The Contracts Amendments (Attachment) is a summary of all administratively approved contract amendments completed January 1, 2026, through March 31, 2026, that would have needed Board approval prior to adoption of the Procurement, Contract and Grant Policy 2751 by Resolution No. 26-211 (May 19, 2026).

The Professional Services Contracts (Attachment) is a summary of all administratively approved contracts completed January 1, 2026, through March 31, 2026, that would have needed Board approval prior to adoption of the Procurement, Contract and Grant Policy 2751 by Resolution No. 26-211 (May 19, 2026).

Future updates of budget amendments and contracts will be adjusted to maximize reporting capabilities of DakotaConnect. Staff will also review the contents of future reports to ensure they meet the needs of the County Board.

RECOMMENDATION

Information only; no action requested.

FINANCIAL AND STAFFING IMPACTS

None.

PREVIOUS BOARD ACTION

26-211; 5/19/26

ATTACHMENTS

Attachment: Budget Amendment Summary
Attachment: Contract Amendments
Attachment: Professional Services Contracts

CONTACT
Department Director: William Wallo
Author: Karen Cater

Dakota County
Budget Amendment Summary
Reporting Dates January 1, 2026-March 31, 2026

Set ID	Effective Date	Department	Description	Revenue	Expense	FTE
BA20250056	12/31/2025	Mulitiple	Carryover of 2024 budgets to 2025 for incomplete projects and multiple year grants	$ 21,665,679	$ 21,665,679	-
						-
BA20250058	12/31/2025	Non-Departmental	Carryover of opioid funding and expenditure	$ 950,058	$ 950,058	-
						-
BA20250067,63,75	12/31/2025	Multiple	2025 Relcasification of Medical Assistance revenue based on auditors recommendation - Fees	$ (14,542,103)		-
			2025 Relcasification of Medical Assistance revenue based on auditors recommendation - Federal/State	$ 14,542,103		-
BA20260012,13,17	01/01/2026	Multiple	2026 Relcasification of Medical Assistance revenue based on auditors recommendation - Fees	$ (14,170,905)		-
			2026 Relcasification of Medical Assistance revenue based on auditors recommendation - Federal/State	$ 14,170,905		-
BA20250026JTM	12/10/2025	Elections	Moving Grant budget from operations to capital based on classification of expenditures (Capital)	$ 199,091		-
			Moving Grant budget from operations to capital based on classification of expenditures (Operations)	$ (199,091)		-
Report Totals				$ 22,615,737	$ 22,615,737	-

DakotaConnect - Manager Approved Contract Amendments

Contracts Starting Between: 1/1/2026-3/31/2026

As of Report Date: 3/31/2026

Contract Number	Supplier Name	Contract Description	Contract Type	Original Agreement Amount	Contract Amendment Total	Contract Current Maximum	Dept	Amendment Date	Amendment Item Description
DCA21052	PARK CONSTRUCTION COMPANY	Retainage CP 11-27, SP 019-611-013, 179-020-048, 179-102-032, Roundabout construction, grading, aggregate base, bituminous pavement, ADA improvements, storm sewer, watermain & lighting	Construction	$1,995,860.93	$28,911.76	$2,095,834.88	TRA2420	02/06/2026	To add $28,911.76 for a new contract maximum of $2,095,834.02.
DCA21656	Fitzgerald Excavating and Trucking Inc.	CP 88-24 Construction, SP 1911-27, SAP 019-688-011	Construction	$4,959,116.91	$57,610.95	$5,016,727.86	TRA2420	01/29/2026	Amend #1 add $57,610.95
DCA22228	MCNAMARA CONTRACTING INC	CP 42-168 Signal Replacement	Construction	$648,989.50	$6,215.20	$684,988.95	TRA2420	01/05/2026	Second Amendment to add $6,215.20 for a new NTE of $684,988.95.
DCA22794	EBERT INC	Project No. 2000259, Award No. 105007, IC-134. Wentworth Library renovation, construction services.	Construction	$3,578,700.00	$121,771.50	$3,747,584.44	CBU2810	01/14/2026	Amend #2 add $121,771.50
DCA22962	URBANEDGE SOLUTIONS & SUPPLY LLC	CP 73-41, SP 019-673-015 Construction Retaining Wall	Construction	$824,727.45	$14,311.60	$839,039.05	TRA2420	01/14/2026	Amendment #1 to add $14,311.60 for a new contract maximum of $839,039.05.
DCA23098	ARTECH LLC	Implementing Adobe Exerience Manager for Public Website Replacement	Non-Construction	$2,764,568.00	$31,625.00	$2,796,193.00	INF2300	03/20/2026	Amendment #1: -To add $31,625.00, for a new maximum of $2,796,193.00, from a previous $2,764,568.00.
DCA23370	NATIVE RESOURCE PRESERVATION LLC	LHRP Veg Mgmt. Vegetation management of restored areas at Lebanon Hills Regional Park.	Non-Construction	$282,060.00	$7,500.00	$289,560.00	PRK2450	02/24/2026	1st Amendment - Adding Money
DCA23809	MILLERBERND MANUFACTURING COMPANY	CP 42-177, Project #2000398, Award #304016 - Steel Pre-Order for Signal System on CSAH 42 at Garrett Ave and CSAH 31	Non-Construction	$228,245.00	$16,974.00	$245,219.00	TRA2420	02/18/2026	Amendment No. 1 to add an additional $16,974.00 for a new contract maximum of $245,219.00.

DakotaConnect - Professional Services Contracts Between $50,000 - $100,000

Contracts Starting Between: 1/1/2026 - 3/31/2026

As of Report Date: 3/31/2026

Contract Number	Supplier Name	Contract Description	Dept	Start Date	End Date	Original Contract Amount
CLA20809	ASSOCIATED CLINIC OF PSYCHOLOGY 10000630	SUPPORT STATEMENTS FOR COMMITMENT HEARINGS	SOC2090	01/01/2026	12/31/2026	$50,000.00
CLA20894	LIGHTHOUSE PYSCHOLOGICAL SERVICES INC 22425	SEX OFFENDER TREATMENT SERVICES	COR2130	01/01/2026	12/31/2027	$50,000.00
CLA20896	NEWPATH MENTAL HEALTH SERVICES 10047311	SEX OFFENDER TREATMENT SERVICES	COR2130	01/01/2026	12/31/2027	$50,000.00
CLA20911	FCT SERVICES LLC 24314	JUVENILE SEX OFFENDER TREATMENT AND BRIEF COUNSELING SERVICES	COR2130	01/01/2026	12/31/2027	$50,000.00
CLA20960	SCOTT-CARVER-DAKOTA CAP AGENCY INC 10007977	EMERGENCY RENTAL ASSISTANCE - DAKOTA COUNTY RESIDENTS	SOC2090	02/18/2026	06/30/2026	$50,000.00
DCA23715	QUALITYLOGIC INC 24756	Document Remediation	EFI2280	01/01/2026	12/31/2027	$50,000.00
DCA23985	MINNESOTA VALLEY TESTING LABORATORIES INC (MVTL) 10006130	Analysis of water samples for the county's Community Focused Sampling Program	ENR2480	03/13/2026	06/01/2027	$50,000.00
CLA20965	360 COMMUNITIES 10000114	to pay rental assistance for Dakota County residents.	SOC2090	03/09/2026	06/30/2026	$57,500.00
CLA20970	ISUROON 10083557	EMERGENCY RENTAL ASSISTANCE FOR DAKOTA COUNTY RESIDENTS AND TENANTS	SOC2090	03/11/2026	06/30/2026	$59,258.00
DCA23804	TERRACON CONSULTANTS INC 10008744	IC-134, Project #1001301, Award #105013 - Provide Construction Independent Testing & Inspections for the Recycling Zone Plus Project	FAC2400	01/16/2026	12/31/2027	$59,665.00
DCA23815	DLT SOLUTIONS LLC 10002492	AutoCAD Subscription	PDA2370	01/22/2026	03/25/2027	$59,686.54
CLA20891	DOORSTEP LEGACY FOUNDATION 24282	CULTURALLY SPECIFIC GROUP PROGRAMMING	COR2130	01/01/2026	12/31/2027	$60,000.00
CLA20938	LIONHEART WELLNESS AND RECOVERY 23912	SUBSTANCE ABUSE TREATMENT SERVICES	COR2130	03/20/2026	12/31/2026	$60,000.00
DCA23943	WATERGUARDS LLC 22703	Aquatic Invasive Species Watercraft Inspections	ENR2480	03/03/2026	12/31/2026	$60,818.00
CLA20878	LIFE DEVELOPMENT RESOURCES 10005186	SEX OFFENDER TREATMENT SERVICES	COR2130	01/01/2026	12/31/2027	$75,000.00
DCA23761	MIDWEST RECREATIONAL CLEARINGHOUSE LLC 10013875	Auctioneering Services, sales of surplus Dakota County property	PDA2370	01/09/2026	01/04/2031	$75,000.00
DCA23864	RESOURCE RECYCLING SYSTEMS INC 25505	To assess, analyze, and map the food recovery system of Dakota County	ENR2480	02/05/2026	10/31/2026	$78,388.00
CLA20819	EIDE BAILLY LLP 10060363	FORENSIC ACCOUNTING SERVICES	SOC2090	01/01/2026	12/31/2031	$80,000.00
CLA20879	PROJECT PATHFINDER INC 10007225	SEX OFFENDER ASSESSMENT SERVICES	COR2130	01/01/2026	12/31/2027	$90,000.00
DCA23835	STANTEC CONSULTING SERVICES INC 10001093	Project #1000304, Award #342013 Commissioning Support Services	ENR2480	01/29/2026	05/30/2026	$95,125.00
CLA20823	LIFE DEVELOPMENT RESOURCES 10005186	Domestic Violence Programming	COR2130	01/01/2026	12/31/2027	$98,000.00
CLA20946	CLARITY SOLUTIONS GROUP LLC 10107818	SERVICE DELIVERY REDESIGN - ONBASE WORKFLOWS	EEA2100	02/09/2026	10/31/2026	$99,000.00
DCA23506	MADDEN GALANTER HANSEN LLP 10005413	2026 Labor Negotiation Services	EMP2070	01/01/2026	12/31/2026	$99,000.00
DCA23746	URBANWORKS ARCHITECTURE LLC 10111038	As Needed Architectural Services	FAC2400	01/07/2026	12/31/2027	$99,000.00
DCA23747	KODET ARCHITECTURAL GROUP LTD 10087360	As Needed Architectural Services	FAC2400	01/07/2026	12/31/2027	$99,000.00
DCA23748	CNH ARCHITECTS INC 10001846	As Needed Architectural Services	FAC2400	01/07/2026	12/31/2027	$99,000.00
DCA23749	WOLD ARCHITECTS INC 10009735	As Needed Architectural Services	FAC2400	01/07/2026	12/31/2027	$99,000.00
DCA23750	WISS JANNEY ELSTNER ASSOCIATES INC 24524	As Needed Architectural Services	FAC2400	01/07/2026	12/31/2026	$99,000.00
DCA23784	LEGENCE SUBSIDARY HOLDINGS LLC 10108968	As Needed Countywide Mechanical, Electrical, Plumbing, and Commissioning Engineering Services	FAC2400	01/14/2026	12/31/2027	$99,000.00
DCA23786	EDWARD H COOK AND ASSOCIATES PA 10068784	As Needed Countywide Mechanical, Electrical, Plumbing, and Commissioning Engineering Services	FAC2400	01/14/2026	12/31/2027	$99,000.00
DCA23787	KFI ENGINEERS PC 10004633	As Needed Countywide Mechanical, Electrical, Plumbing, and Commissioning Engineering Services	FAC2400	01/14/2026	12/31/2027	$99,000.00
DCA23788	MG SOLUTIONS LLC 10079938	As Needed Countywide Mechanical, Electrical, Plumbing, and Commissioning Engineering Services	FAC2400	01/14/2026	12/31/2027	$99,000.00
DCA23793	SRF CONSULTING GROUP INC 10008367	As Needed Landscaping and Civil Engineering Services	FAC2400	01/14/2026	12/31/2027	$99,000.00
DCA23794	DESIGN TREE ENGINEERING INC 25401	As Needed Landscaping and Civil Engineering Services	FAC2400	01/14/2026	12/31/2027	$99,000.00
DCA23795	WSB AND ASSOCIATES INC 10009781	As Needed Landscaping and Civil Engineering Services	FAC2400	01/14/2026	12/31/2027	$99,000.00
DCA23796	EMMONS and OLIVIER RESOURCES INC 10002746	As Needed Landscaping and Civil Engineering Services	FAC2400	01/14/2026	12/31/2027	$99,000.00
DCA23797	REHDER and ASSOCIATES INC 10047708	As Needed Landscaping and Civil Engineering Services	FAC2400	01/15/2026	12/31/2027	$99,000.00

DCA23806	MEYER BORGMAN JOHNSON INC 25469	As Needed Structural Engineering Services	FAC2400	01/20/2026	12/31/2027	$99,000.00
DCA23807	MATTSON MACDONALD YOUNG INC 25358	As Needed Structural Engineering Services	FAC2400	01/20/2026	12/31/2027	$99,000.00
DCA23907	DAMON FARBER ASSOCIATES INC 22009	As Needed Architectural, Landscaping and Civil Engineering Services	FAC2400	02/20/2026	12/31/2027	$99,000.00

General Government and Policy Committee of the Whole

Request for Board Action

Item Number: DC-5859 **Agenda #:** 5.2 **Meeting Date:** 8/4/2026

DEPARTMENT: Finance

FILE TYPE: Consent Information

TITLE

Update On Second Quarter Dakota County Investment Portfolio 2026

RESOLUTION

Information only; no action requested.

BACKGROUND

Dakota County investments are made in accordance with Minn. Stat. Ch.118A governing the investment of public funds, and in conformance with the County's Investment Policy 2254. The County's investments are comprised of various sources of revenues and fund balances (Attachment: 2026 Investment Report). The portfolio fluctuates throughout the year especially during the tax collection seasons. The portfolio pools assets from various Dakota County funds to optimize liquidity and returns, and at times, includes funds held by the County on behalf of other public entities (property tax collections held prior to settlement with cities, schools, and townships).

The interest earnings for 2026 second quarter are $8.7 million. This is a 27% increase from the same period in 2025. This change is due to a long-term investment that matured in the first quarter. The market value of Dakota County's portfolio has decreased by $2.3 million since the end of 2025. This decrease is due to a series of late 2025 federal fund rate cuts.

RECOMMENDATION

Information only; no action requested.

FINANCIAL AND STAFFING IMPACTS

None.

PREVIOUS BOARD ACTION

None.

ATTACHMENTS

Attachment: 2026 Investment Report

CONTACT

Department Director: Will Wallo
Author: Kristen Zimmerman

Update on 2026 Dakota County Investment Portfolio

Executive Summary:

This is a report on the Dakota County investment portfolio as of June 30, 2026. In 2026, we have seen a decrease in market values of 1% compared to the end of 2025.

Dakota County receives tax payments in the months of May and October. Funds are invested in the Minnesota Association of Governments Investing for Counties Fund (MAGIC fund) to take advantage of high interest rates and tax distribution payment timing.

Interest earnings for 2025 were $14.1 million. The County has earned $8.7 million in interest as of the end of Quarter 2 in 2026.

Dakota County Investment Overview:

Dakota County investments are made in accordance with Minn. Stat. Ch.118A governing the investment of public funds, and in conformance with the County's Investment Policy #2254.

The County's investments are comprised of various sources of revenues and fund balances. The portfolio fluctuates throughout the year especially during the tax collection seasons. The portfolio pools assets from various Dakota County funds to optimize liquidity and returns, and at times, includes funds held by the County on behalf of other public entities (property tax collections held prior to settlement with cities, schools, and townships).

Dakota County's Finance Department manages the investment portfolio. There are two major components of the portfolio:

1. Cash component for very short-term investment which are used for daily operating expenses or short-term obligations.
    a. Dakota County Finance staff manages short term cash.
2. Core component for longer term investment and cash needed in future years.
    a. Dakota County Finance staff directly manages longer term investments.
    b. Staff also manages contracts with external investment firms.

Securities for the portfolio are purchased through the bond market for short-term (less than one year), intermediate term (one to five years) and long-term investment periods including maturities at 10 or more years.

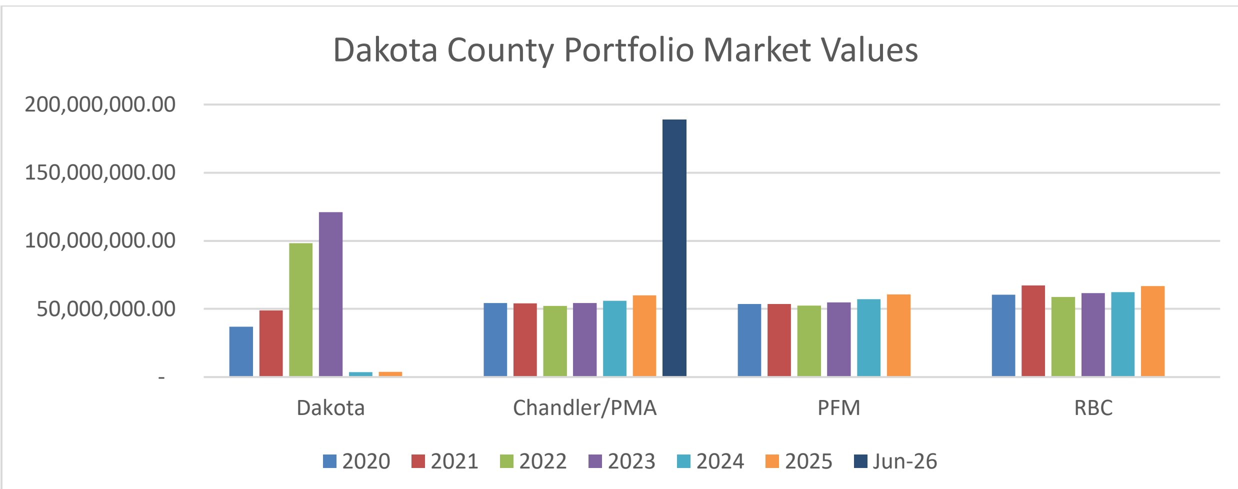
In 2026, the County contracted with Prudent Man Advisors, LLC d/b/a PMA Asset Management, LLC. The portfolio manager holds 3 portfolios with a target benchmark specific to the holding maturity assigned to that portfolio; short term (0-3 year) benchmark, 1-10 year benchmark and the long term benchmark.

The manager has discretion over the purchase and selling of holdings within the portfolio. Finance staff meet quarterly with the manager to review economic conditions, portfolio characteristics, and performance.

Dakota County Portfolio Market Values

This graph gives a five-year history on market values of investments in the portfolio. It includes the prior three contracted portfolio managers and the County managed portfolio. As stated in the Executive Summary 2022 saw a decrease in market value due to inflationary pressure and the Federal Government increasing the federal fund rate. This action will cause the market values of current investments to go down. The Dakota County Managed portfolio fluctuated in 2022, with large American Rescue Plan State and Local Fiscal Recovery Funds being invested and then maturing later making the balance spike and fall. An RFP in December 2022 resulted in a change of investment managers, from Chandler to PMA Asset Management.

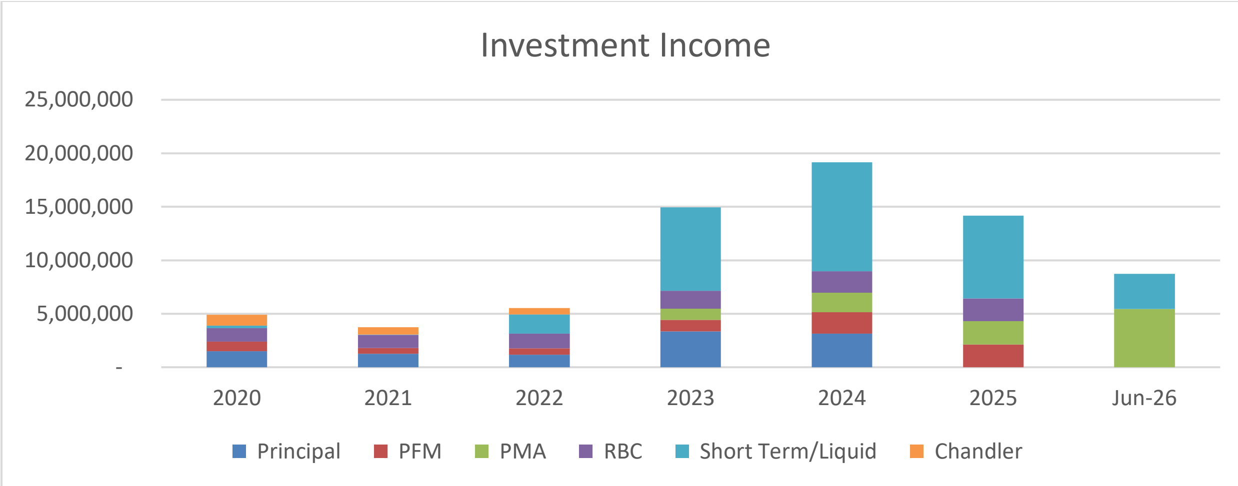
The Dakota County Managed account was not utilized in 2024 and 2025 as most of the funds were invested into the MAGIC fund. As investments matured out of the Dakota County managed account, those funds were placed into the MAGIC fund. In 2026, Dakota County only contracted with Prudent Man Advisors, LLC d/b/a PMA Asset Management, LLC for portfolio management to streamline administrative oversight and reduce management costs.



Interest Earnings

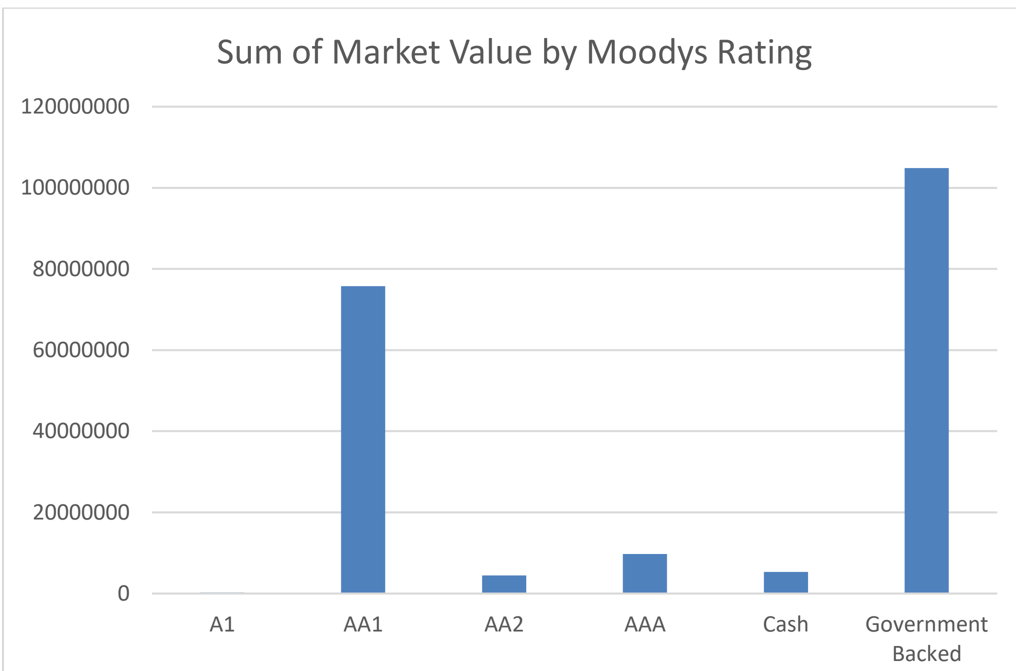
This graph shows the interest that has been earned by the county. Interest earnings have gone up since 2021 primarily due to the Federal Reserve's actions to combat inflation. High inflation in 2021 and 2022 forced the Federal Reserve to increase interest rates significantly. As the Federal Reserve raised its benchmark interest rate (the federal funds rate), interest rates across the board began to climb.

Interest earnings were $6.8 million in June 2025. At the end of June 2026, interest earnings were $8.7 million. This is a 27% increase compared to the end of quarter 2 in 2025, this change is primarily due to a long-term investment that matured from the Dakota County Managed account.



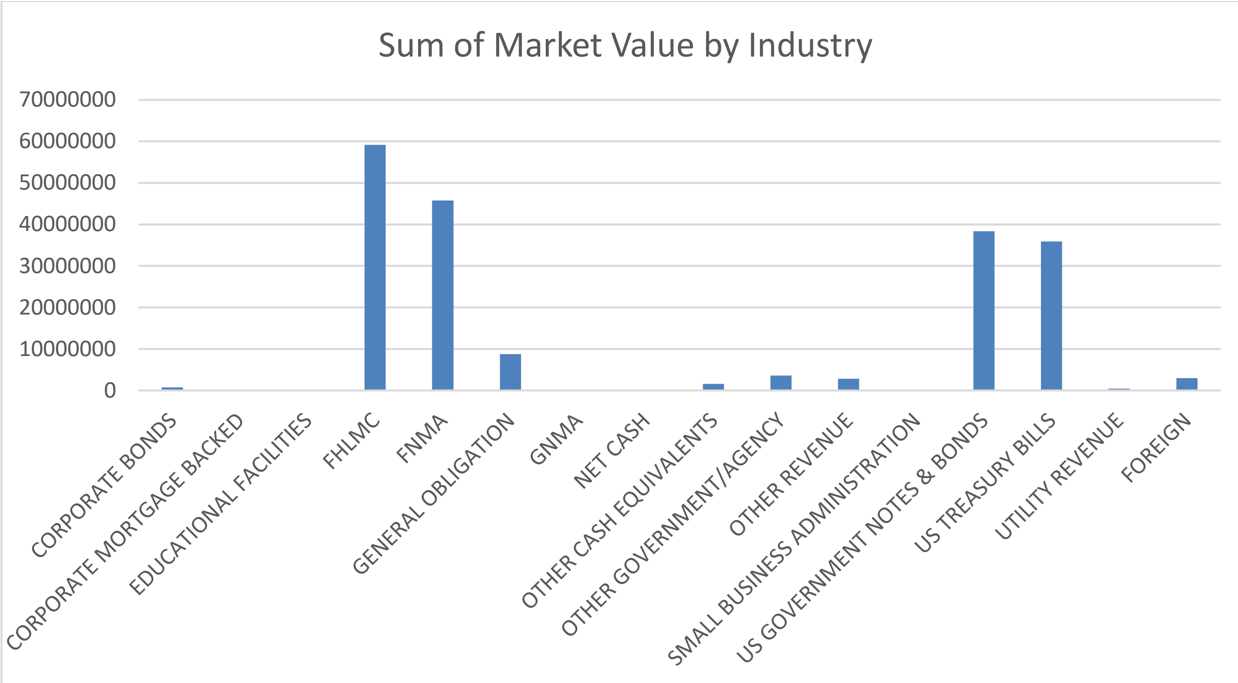
Quality of Investments

This chart contains the quality of the investments in Dakota County's portfolio. All the investments in the portfolio are government backed or at least A rated. Higher-quality investments generally exhibit lower risk and more stable returns over the long term.



Investment Portfolio Diversification

The chart below shows the diversity of the investments in the portfolio based on industry type.



Dakota County Portfolio Benchmark Comparison

Dakota County's portfolio market yield beat benchmarks in 2025. Benchmarks provide a standard to measure the portfolio's performance objectively.

Dakota County Portfolio Results Versus Benchmarks

Average Duration (years)	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025	6/30/2026
RBC	6.8	6.5	5.9	6.0	5.6	5.3	-
Benchmark (Bloomberg Barclay US Government)	6.8	6.8	5.9	6.0	5.7	5.7	-
PFM	1.4	1.4	1.2	1.2	1.3	1.4	-
Benchmark (ICE BofAML 0-3 Year US Treasury Index)	1.4	1.4	1.3	1.3	1.3	1.3	-
~~Chandler~~ PMA Asset Mgmt	2.4	1.8	1.9	3.5	3.5	3.5	3.6
Benchmark (Bloomberg US Gov Intermediate)	1.9	1.8	1.8	3.7	3.6	3.6	3.5
Market Yield							
RBC	0.94%	1.56%	4.47%	4.37%	4.61%	4.02%	-
Benchmark (Bloomberg Barclay US Government)	0.56%	1.22%	4.21%	4.10%	4.45%	3.89%	-
PFM	0.14%	-0.33%	0.78%	2.23%	2.26%	3.67%	-
Benchmark (ICE BofAML 0-3 Year US Treasury Index)	0.04%	-0.38%	0.78%	2.15%	2.04%	3.47%	-
~~Chandler~~ PMA Asset Mgmt	0.28%	1.34%	4.53%	0.0	4.57%	3.91%	4.38%
Benchmark (Bloomberg US Gov Intermediate)	0.13%	1.37%	4.51%	0.0	4.36%	3.66%	4.22%
Average Quality							
RBC	AA+	AAA	AAA	AA+	AA+	AA+	-
Benchmark (Bloomberg Barclay US Government)	AAA	AAA	AAA	AA+	AA+	AA+	-
PFM	-	AA	AA	AA	AA	AA	-
Benchmark (ICE BofAML 0-3 Year US Treasury Index)	-	AA+	AA+	AA+	AA+	AA+	-
~~Chandler~~ PMA Asset Mgmt	AA+	AA+	AA+	AA+	AA+	AA+	AA+
Benchmark (Bloomberg US Gov Intermediate)	AAA	AAA	AAA	AA+	AA+	AA+	AA+

General Government and Policy Committee of the Whole

Request for Board Action

Item Number: DC-5844 **Agenda #:** 6.1 **Meeting Date:** 8/4/2026

DEPARTMENT: Communications and Public Affairs

FILE TYPE: Regular Information

TITLE

Legislative Update

RESOLUTION

Information only; no action requested.

BACKGROUND

Staff will share developments related to the County's legislative priorities. The update may also include discussion on other State and Federal legislative topics of interest to Dakota County.

RECOMMENDATION

Information only; no action requested.

FINANCIAL AND STAFFING IMPACTS

None.

PREVIOUS BOARD ACTION

None.

ATTACHMENTS

Attachment: Presentation Slides

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Legislative Update

August 4, 2026

Mary Beth Schubert

Legislative Update

- [Item placeholder]
- Other items?

General Government and Policy Committee of the Whole

Request for Board Action

Item Number: DC-5858 | **Agenda #:** 9.1 | **Meeting Date:** 8/4/2026

Adjournment