



Dakota County

General Government and Policy Committee of the Whole

Agenda

Tuesday, July 7, 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 June 23, 2026

REGULAR AGENDA

5. Public Services and Revenue

5.1 *Public Services and Revenue Administration - 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*

6. Central Operations

6.1 *Finance* - Update On 2025 Audit Results

7. County Board/County Administration

7.1 *Office Of The County Manager* - 2026 Board Priorities Second Quarter Update

7.2 *Communications and Public Affairs* - Legislative Update

8. County Manager/Deputy/Director's Report

9. Future Agenda Items

10. Adjournment

10.1 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-5794

Agenda #: 3.1

Meeting Date: 7/7/2026

Approval of Agenda (Additions/Corrections/Deletions)



General Government and Policy Committee of the Whole

Request for Board Action

Item Number: DC-5795

Agenda #: 4.1

Meeting Date: 7/7/2026

Approval of Minutes of Meeting Held on June 23, 2026



Dakota County

General Government and Policy Committee of the Whole

Minutes

Tuesday, June 23, 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 10:10 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: Mike Slavik

Ayes: 7

CONSENT AGENDA

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

4. County Administration - Approval of Minutes

4.1 Approval of Minutes of Meeting Held on June 9, 2026

Motion: Mike Slavik

Second: Joe Atkins

Ayes: 7

REGULAR AGENDA

5. County Board/County Administration

5.1 Legislative Update

Mary Beth Schubert, Communications and Public Affairs Director briefed this item. Paul Cassidy and Dan Dwight, Stinson representatives were in person and provided a state overview of the legislative session. Mike Erlandson, Downs representative, was present via interactive technology. Due to technical issues, the Downs federal update will be sent via email. The updates summarized the end of the legislative session and what it means for Dakota County. This item was on the agenda for informational purposes only.

Information only; no action requested.

6. Central Operations

6.1 Update On Artificial Intelligence (AI)

Deputy Director Central Operations Jessie Carlson, Information Technology Director Tony Gomes and Manager of Information Technology Apps Development Trent Huber briefed this item and responded to questions. An Artificial Intelligence (AI) overview and AI Policy and Initiatives were presented. As well as examples where AI has been used recently in the County.

Information only; no action requested.

7. County Manager/Deputy/Director's Report

County Manager Heidi Welsch provided that two applications have been sent in for the Lower Minnesota River Watershed. Staff and commissioners will proceed with reviewing the applications to ensure a future Dakota County representative reflects the counties views. Assistant County Manager-Community Services, Marti Fischbach referenced the Division Director's handout and gave a brief update on Lyft.

8. Future Agenda Items

No future agenda items were brought forward.

9. Adjournment

9.1 Adjournment

On a motion by Commissioner Hamann-Roland, seconded by Commissioner Droste, the meeting was unanimously adjourned at 11:30 a.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-5802

Agenda #: 5.1

Meeting Date: 7/7/2026

DEPARTMENT: Public Services and Revenue Administration

FILE TYPE: Regular Action

TITLE

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

RESOLUTION

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, 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	<u>\$300,000</u>
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Total Expense	\$300,000
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Revenue

MHS Grant Funding	<u>\$300,000</u>
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Total Revenue	\$300,000
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BACKGROUND

The Heroes and Heritage Interpretive Trail Loop is designed as a self-guided interpretive experience connecting key historic sites and significant events across West St. Paul, South St. Paul, and Inver Grove Heights. The project's interpretive framework aims to highlight the region's local history and create a cohesive narrative that deepens trail users' connection to the area.

The Dakota County Board of Commissioners authorized this pilot as part of the 2024 Capital Improvement Program. The Board received an initial project update at the Physical Development Committee meeting on May 14, 2024, outlining a two-phase approach. A subsequent update was provided on December 3, 2024, at the General Government and Policy Committee meeting, where the Director of the Dakota County Historical Society (DCHS) presented the phase-one deliverables. These included research, onsite analysis, community engagement, concept refinement, and draft sign content and design. The Board expressed support for the project moving forward under DCHS leadership, contingent on securing external funding for phase two.

In 2025, DCHS received unanimous support and a \$54,025 award through the Minnesota Historical Society's "Commemorative Statues, Memorials, and Historic Preservation" competitive grant program. These funds advanced the interpretive design and planning work. With phase one completed in late 2024, design work underway, and legislative funding now appropriated for phase two, DCHS is prepared to lead the project through final design, sign construction, and installation.

The Director of the DCHS will present the findings and proposal from phase one along with the recommended plan for phase two final design, sign construction and installation.

RECOMMENDATION

Staff recommends authorization to execute the Minnesota Historical Society (MHS) grant agreement, accept the awarded grant funds, and amend the 2026 Public Services and Revenue Administration budget to support the design and construction of wayfinding and interpretive signage for the Heroes and Heritage Interpretive Trail Loop.

Staff also recommends authorizing a subrecipient agreement with the Dakota County Historical Society (DCHS) for the design and construction of the wayfinding and interpretive signage associated with this project.

FINANCIAL AND STAFFING IMPACTS

MHS general fund grant will cover the cost of the design and construction of wayfinding and interpretive signage project. A budget amendment is needed to account for the grant funds to the County which will reimburse project costs to DCHS as an independent contractor.

PREVIOUS BOARD ACTION

None.

ATTACHMENTS

Attachment: DCHS Heroes and Heritage Trail Update Presentation Slides

Attachment: DCHS Interpretive Loop Draft Plan

CONTACT

Department Director: Tom Novak

Author: Teresa Mitchell

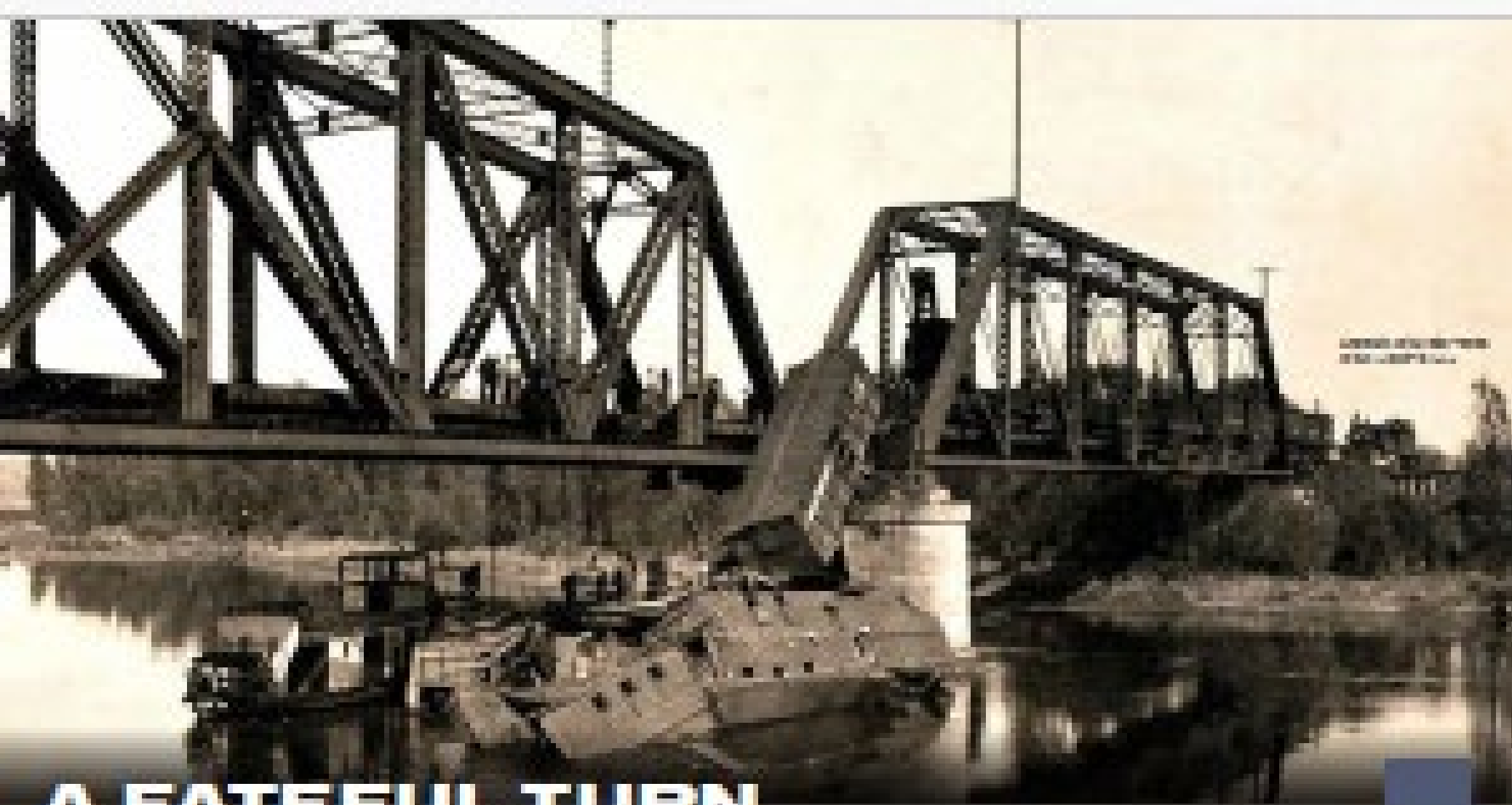
Heroes & Heritage Trail Interpretive Loop

Background – Concept Plan

- Created Concept Plan in 2024 – Pilot
- Established Foundations for Project
 - Why do this project?
 - Big idea?
- Themes
 - Along the River Highway
 - Civil Rights & Civic Life
 - Cultural Roots
 - Serving the Community
- Site Map & Clusters

Interpretive Design

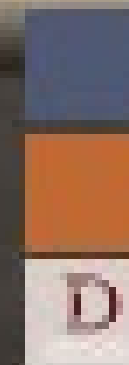
- DCHS Received ***Commemorative Statues, Memorials, and Historic Preservation (CSMHP)***
- Will complete interpretive design on 17 of 23 nodes
- Currently 50% complete with the draft plan
- Final signage will include accessibility options



A FATEFUL TURN

A storm big enough to shatter the river was building as it raged around the pier of the river. The river was a swirling maelstrom of white water. The river bridge had just opened to allow its passage. But now the river was a swirling maelstrom of white water. The river was a swirling maelstrom of white water. The river was a swirling maelstrom of white water.

And the bridge, still in the air, was falling. The river was a swirling maelstrom of white water. The river was a swirling maelstrom of white water. The river was a swirling maelstrom of white water. The river was a swirling maelstrom of white water.



Draft Panel
Sample #1

STILL AT WORK

TAKING A TOLL

[illegible]

Though the last bridge pay off the bridge owners, bonds held a grudge. In 1990, a coalition with 100 signatures challenged what was by then Minnesota's last toll bridge. When the toll passage, reportedly valued at \$100,000, was withdrawn, the coalition threatened to sue.



1. **Introduction**
 2. **Background**
 3. **Methodology**
 4. **Results**
 5. **Conclusion**
 6. **References**

Draft Panel
Sample #2

SOUTH ST. PAUL WOMEN FIRST TO VOTE UNDER AMENDMENT

Group of New Citizens Waiting When Polls Opened at Suburb, 6 a. m.



These women are
the first to vote
under the amendment
and are the first to
vote in the state.

FIRST IN LINE

Just as they offer the verification of the 19th Amendment, which granted women the right to vote, the women of South St. Paul were the first to vote. They are the first to vote in the state. They are the first to vote in the state. They are the first to vote in the state.

Mrs. E. E. McDonald, accompanied by her daughter, Katherine, voted in the first election of the 19th Amendment. McDonald arrived at the polls at 6 a. m., finding a line of women waiting after they opened. McDonald's vote was the first to be recorded in the state. McDonald's vote was the first to be recorded in the state.

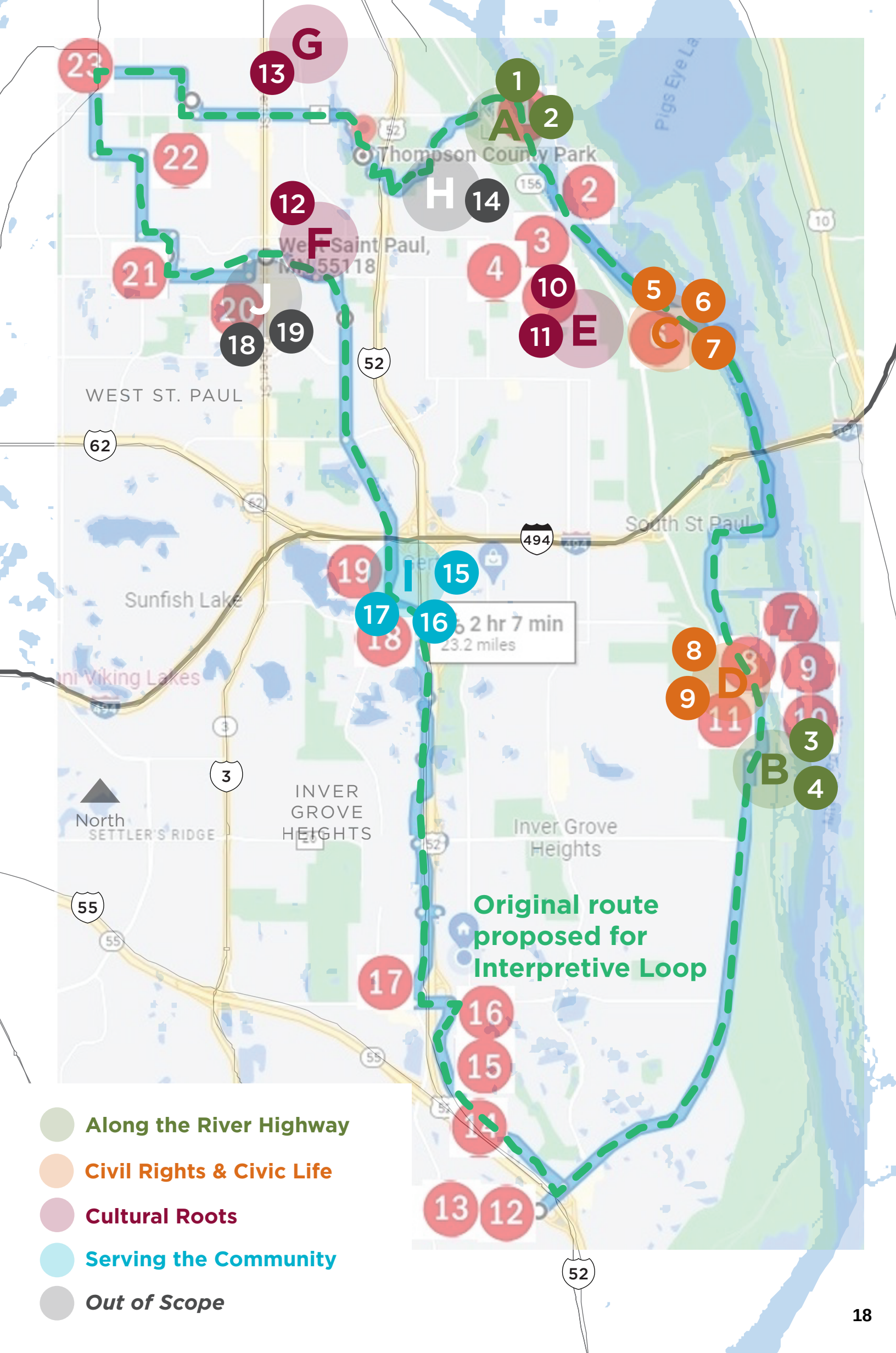


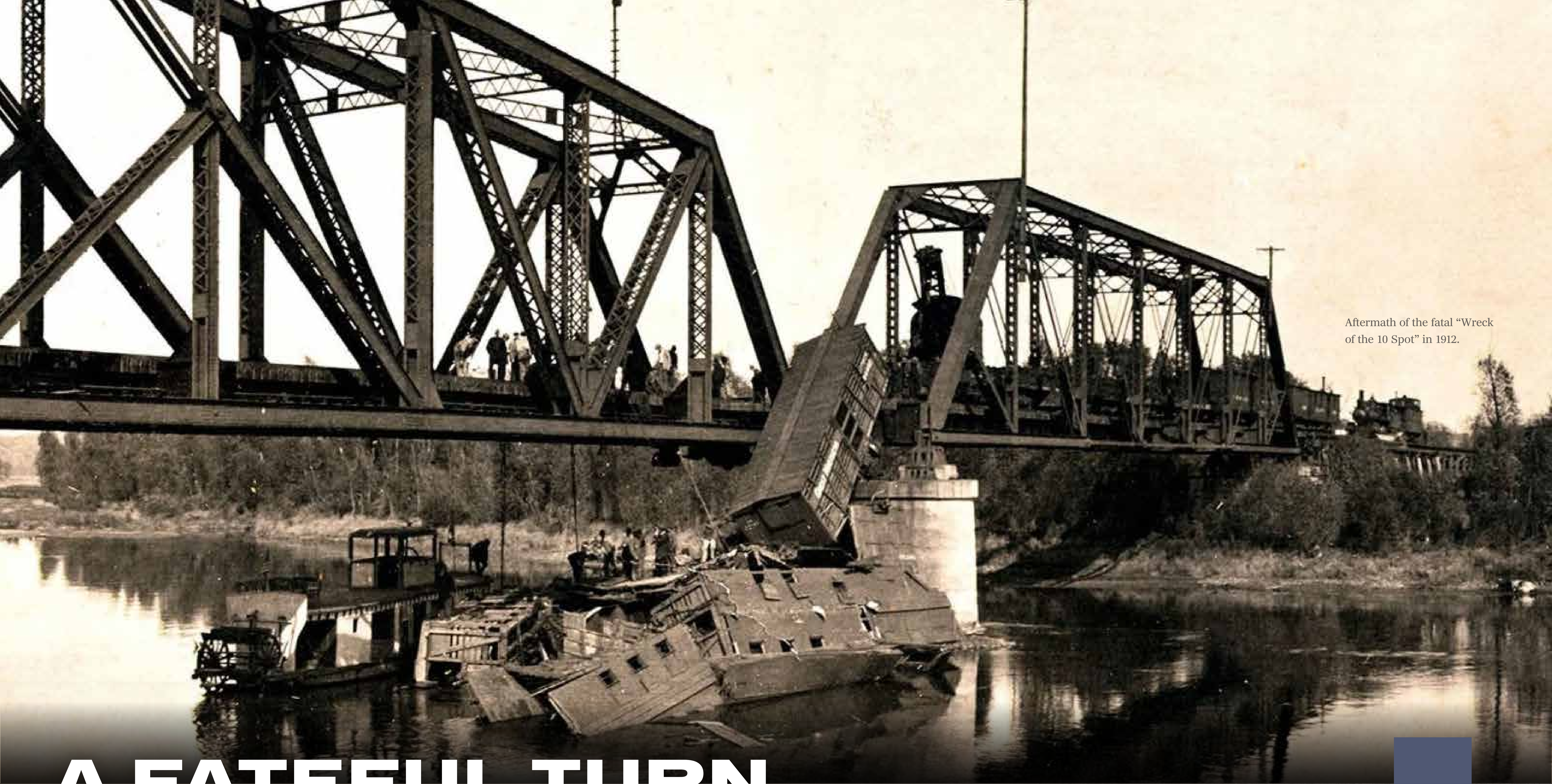
These women are the first to vote in the state.

Draft Panel
Sample #3

Next Steps

- Will finalize Interpretive Design on 17 of 23 stops
- With \$300,000 appropriation, will:
 - Complete Interpretive Design for remaining stops
 - Print signage panels
 - Fabricate & Install signage





Aftermath of the fatal “Wreck of the 10 Spot” in 1912.

A FATEFUL TURN

A dense fog blanketed the Mississippi River on October 15, 1912. Around sunrise, the pilot of the steamer Hiawatha blew a warning whistle as it drove under the swing bridge that had opened to allow its passage. But was this standard signal heard or muddled by the thick clouds? Moments later, Engine No. 10—packed with pigs and sheep on its way to the South Saint

Paul stockyards—failed to stop before it reached the open bridge. Eight cars tumbled into the river, killing engineer Charles Cramer and injuring others. The ninth car jammed, sparing the rest of the train’s crew from spilling into the river.





A view of Concord Street bustling with recent arrivals, 1890.

OPEN FOR BUSINESS

In the late 19th century, the Upper Mississippi River was transformed through a network of dams built to accommodate increasing boat traffic. Alpheus Beede Stickney bought riverfront land in 1885 to create the South St. Paul Stockyards, a place to feed livestock before shipment to nearby meatpacking plants.

Soon, Dakota County opened to markets—and laborers—from around the world. In the early 1900s, carloads of immigrants from eastern and central Europe landed daily at Concord Street Depot.



Early workers at the Stockyard Exchange Building, 1898.



Dakota County
Historical Society

Rock Island Swing Bridge
The bridge nearing completion. 1895.



TAKING A TOLL

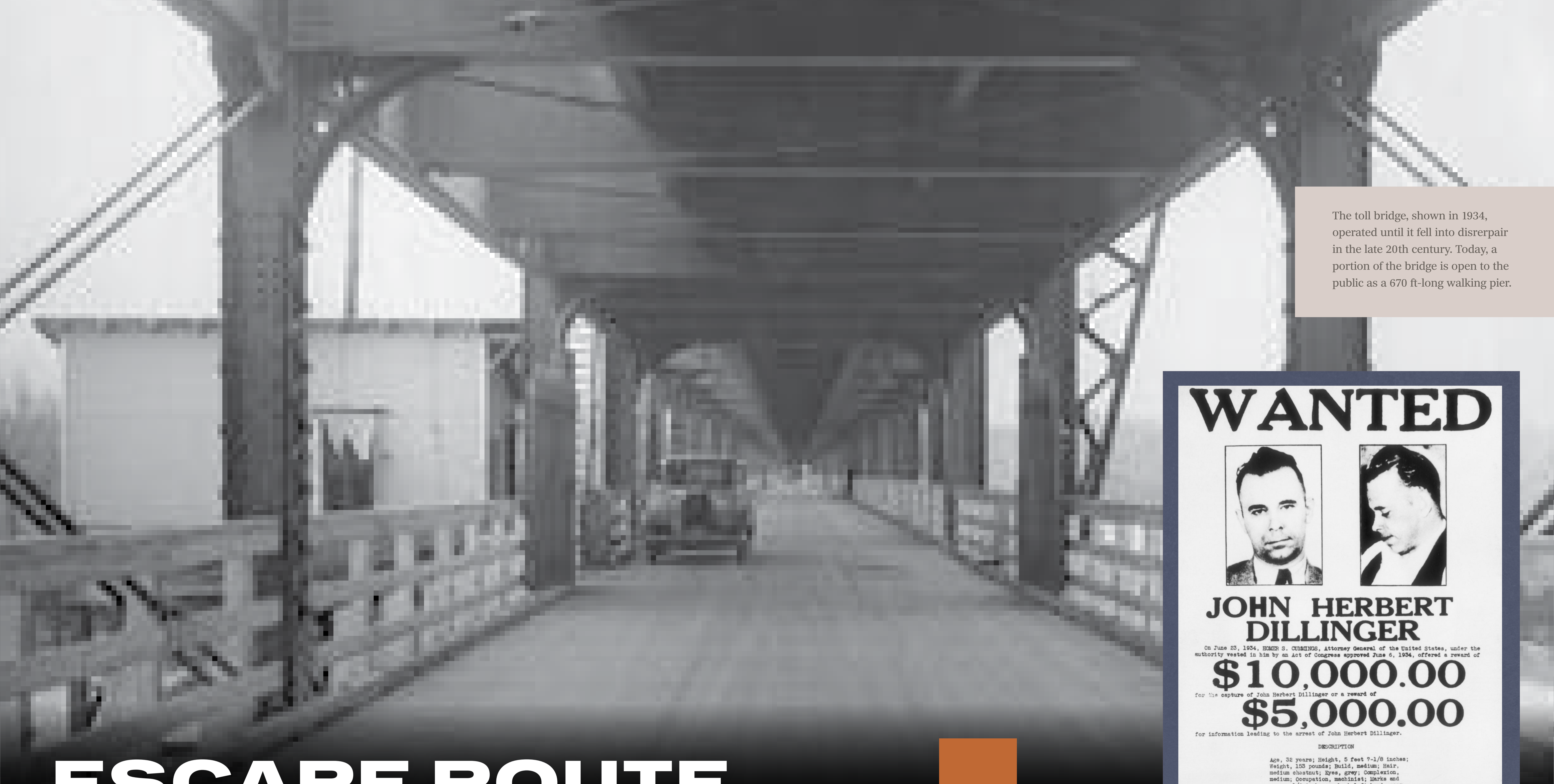
Passengers emptied their pockets to cross the Rock Island Swing Bridge. H.B. Cummings, the bridge's first toll collector, was stationed at the split level, 1,661-foot-long span. Before 1935, it cost 10 cents for a horse and wagon to cross. Walkers paid 3 cents, while farmers hoofed up two pennies for their livestock to cross. Trains rumbled above for 20-25 cents round trip.

Though the tax helped pay off the bridge bonds, locals held a grudge. In 1937, a petition with 800 signatures challenged what was by then Minnesota's last toll bridge. Upon the bill's passage, hundreds attended "toll funerals" to celebrate the end of the bridge's tolls.



Workers remove a toll sign in 1938. The bridge reinstated tolls in the 1980s—then up to 60 cents per car—before its eventual closure from disrepair.





The toll bridge, shown in 1934, operated until it fell into disrepair in the late 20th century. Today, a portion of the bridge is open to the public as a 670 ft-long walking pier.

ESCAPE ROUTE

John Dillinger, a notorious bank robber during the Great Depression era, had a stroke of luck on April 23, 1934. Fleeing a gun battle 250 miles north in Wisconsin, Dillinger drove to the Rock Island Swing Bridge to cross state lines. The catch? The bridge’s 400-foot section occasionally swung open to allow barges to pass—up to 18 to 20 per day.

No record exists to confirm if Dillinger’s crew was stopped at the bridge by a passing barge—but they did pay the 20-cent automobile toll. The bridge toll collector later noted the broken back window of the escape car.



WANTED



JOHN HERBERT DILLINGER

On June 23, 1934, HOMER S. CUMINGS, Attorney General of the United States, under the authority vested in him by an Act of Congress approved June 6, 1934, offered a reward of

\$10,000.00

for the capture of John Herbert Dillinger or a reward of

\$5,000.00

for information leading to the arrest of John Herbert Dillinger.

DESCRIPTION

Age, 32 years; Height, 5 feet 7-1/8 inches; Weight, 153 pounds; Build, medium; Hair, medium chestnut; Eyes, grey; Complexion, medium; Occupation, machinist; Marks and scars, 1/2 inch scar back left hand, scar middle upper lip, brown mole between eyebrows.

All claims to any of the aforesaid rewards and all questions and disputes that may arise as among claimants to the foregoing rewards shall be passed upon by the Attorney General and his decisions shall be final and conclusive. The right is reserved to divide and allocate portions of any of said rewards as between several claimants. No part of the aforesaid rewards shall be paid to any official or employee of the Department of Justice.

If you are in possession of any information concerning the whereabouts of John Herbert Dillinger, communicate immediately by telephone or telegraph collect to the nearest office of the Division of Investigation, United States Department of Justice, the local addresses of which are set forth on the reverse side of this notice.

JOHN EDGAR HOOVER, DIRECTOR,
DIVISION OF INVESTIGATION,
UNITED STATES DEPARTMENT OF JUSTICE,
WASHINGTON, D. C.

June 25, 1934

A \$5,000 reward for Dillinger, posted shortly after his death in 1934



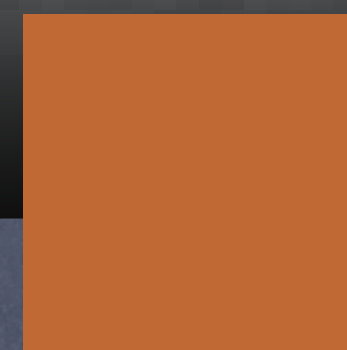
TO SERVE AND PROTECT

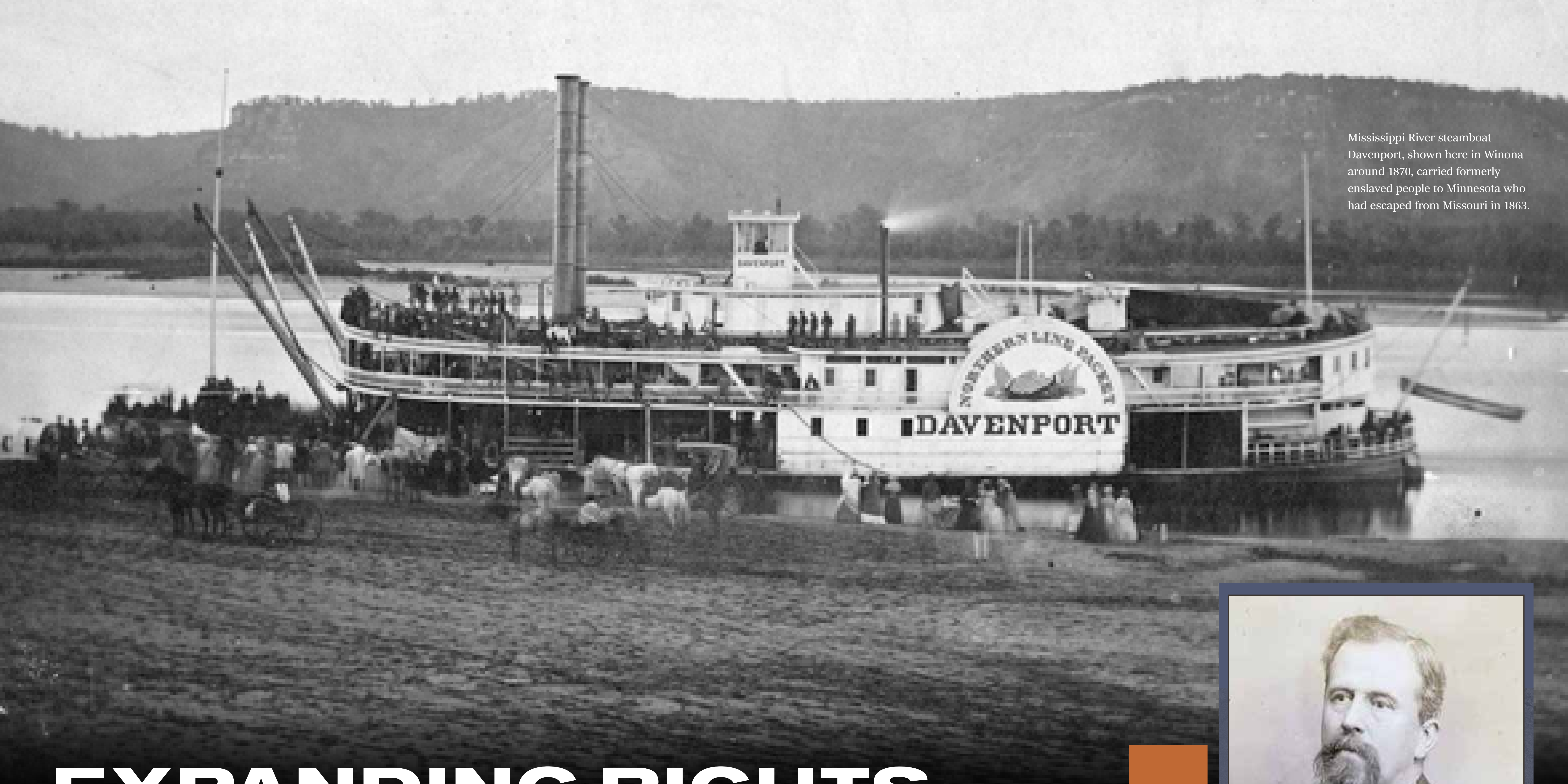
Officer Leo Pavlak, a 38-year-old, married father of two young children, was killed in the line of duty on August 30, 1933. The ambush, by members of a notorious Depression-era gang, happened in front of the South St. Paul Post Office, a few feet up the sidewalk from where you are today. Pavlak was escorting bank messengers as they delivered payroll for Swift and Company—about

\$30,000 in cash—to the bank. The messengers took cover under a livestock truck near the Stockyard Exchange Building. Pavlak’s partner, Officer John Yeaman, sustained injuries in the gunfire.

In 2023, the South St. Paul Post Office was renamed in Officer Pavlak’s honor.

Officer Yeaman, far left, and Leo Pavlak, second from right, stand with the South Saint Paul Police Department in 1933.





Mississippi River steamboat Davenport, shown here in Winona around 1870, carried formerly enslaved people to Minnesota who had escaped from Missouri in 1863.

EXPANDING RIGHTS

During the Civil War, a small number of African Americans migrated to Minnesota to help alleviate a labor shortage. This included formerly enslaved escapees on river steamboats, who came to St. Paul from southern ports. Following the war, though few Black families lived in Dakota County, they faced discrimination in employment, real estate, and education.

But local advocates, including Winona legislator Charles Griswold, fought for change. Griswold's petitions in 1865 gathered signatures in Hastings, Winona, and Rochester in support of Black suffrage. Voting rights in Minnesota expanded in 1868, two years before the 15th Amendment granted Black men the right to vote nationwide.



Portrait of legislator Charles Griswold in 1865.



SOUTH ST. PAUL WOMEN FIRST TO VOTE UNDER AMENDMENT

Group of New Citizens Waiting When Polls Opened at Suburb, 6 a. m.



Women's Suffrage

From left to right: Erna Fearing, Mrs. J.R. Stevenson, Mrs. Clyde Weber, Mrs. H.G. Stevens, Mrs. Al Leininger, and Mrs. John Conlin.

FIRST IN LINE

Just one day after the certification of the 19th Amendment, which granted women the right to vote, the women of South St. Paul rose at the crack of dawn. Eager to make their voices heard, they headed to the polls to vote on August 27, 1920—some of the earliest documented in the nation. Their first issue? A \$85,000 waterworks bond to expand the city's water supply.

Mrs. K.E. Michaelmore, accompanied by her daughter, Katherine, rushed to the 2nd Precinct of the 2nd ward. Marguerite Newburgh arrived at the polls at 5:45 a.m., casting a ballot mere seconds after they opened. Women's votes were stored separately in case legal challenges contested their ballots.



Women's suffrage efforts included marches like this one in Madison, Minnesota, around 1916.





NARROW ESCAPE

A gas leak at the Old Town Hall nearly ended in tragedy, if not for the actions of Mayor Theodore Piekarski. On the evening of February 5, 1957, Inver Grove Village council members began a regular meeting. Two hours later, Mayor Piekarski woke up to find his fellow members unconscious next to him.

As he raced to call for help, citizens from a nearby tavern pulled out the victims. All nine members—including the mayor, village attorney, clerk, three aldermen, and two policemen—survived the incident, which was the result of a leaky gas pipe in the building’s basement.

The Old Town Hall, shown here in 1957, was a community center for the Village of Inver Grove before the building fell into neglect.





Students pose in their Dakota County classroom around 1895. This is possibly in the Castle Rock area, but the exact location is unknown.

OLD SCHOOL

As Minnesota Territory neared statehood, its schools were few and far between. In 1851, only three schoolhouses served 250 children—but none were in Dakota County. Local settlers took matters into their own hands. Dakota County's first school was built in 1854 near River Road and 67th Street.

Miss Rosetta Harris likely taught her first students in 12-week terms, like other 19th-century schools in Minnesota. The original school survived only 18 years before it burned to the ground in 1872. Its second chapter fared no better: the re-built brick building, located between two railroad tracks, was condemned in 1913.





**Placeholder
Photo**

Touchdown Next Stop!
A trading card featuring Kostka was created by the National Chicle Company to promote Diamond Stars Gum.

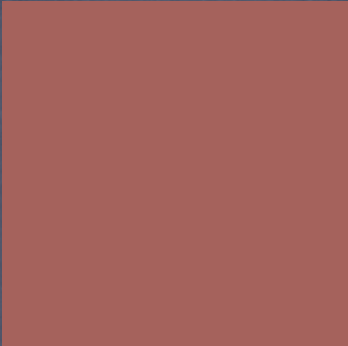
HOMETOWN STAR

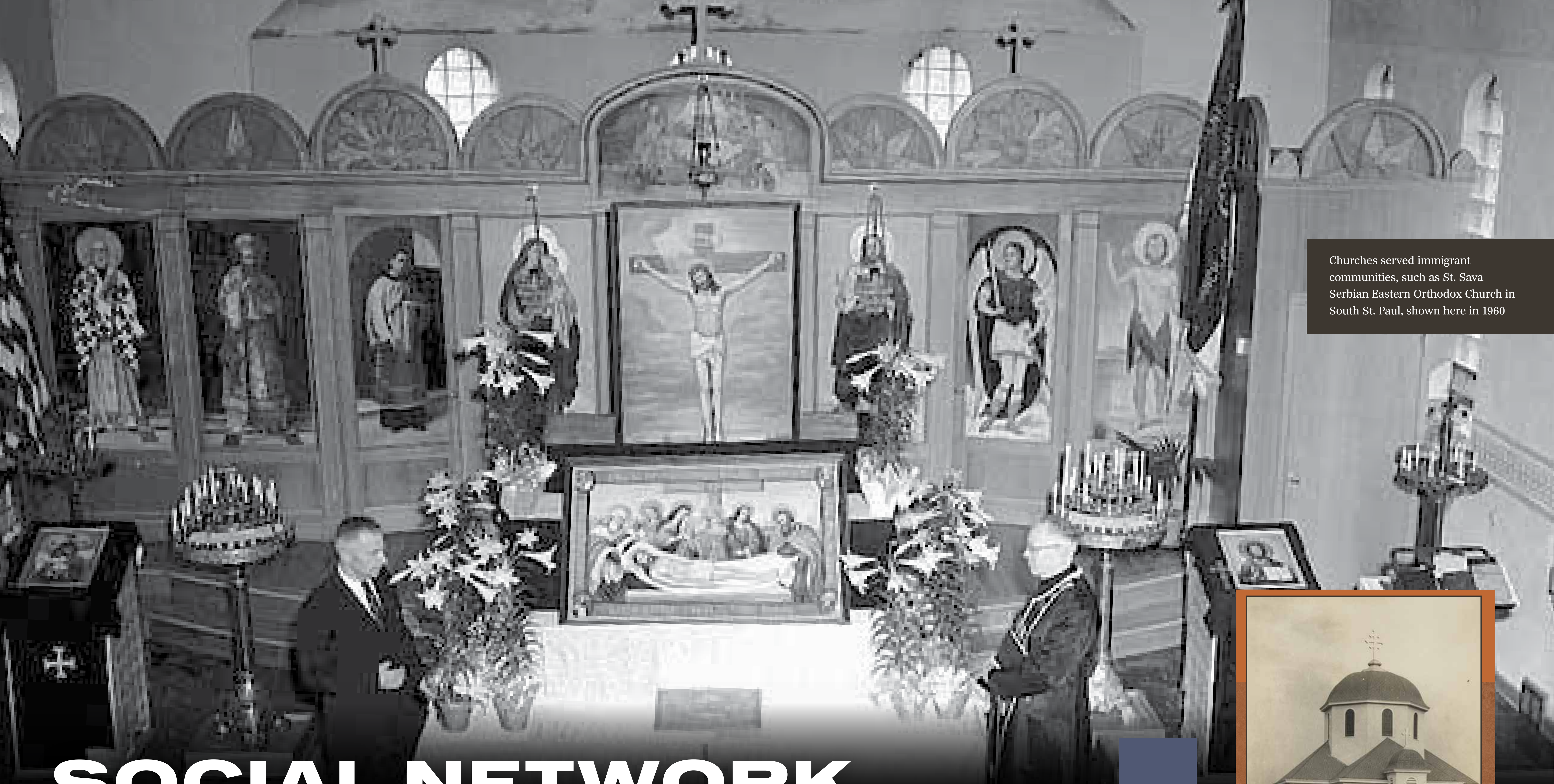
Stan (Stanislaus) Kostka was born in 1912 to Polish and Bohemian parents near South St. Paul. While his brothers headed off to work at the stockyards, Kostka's stock rose in track, football, and baseball at South St. Paul High School. Built like a wall, the All-American fullback played for the University of Minnesota Gophers in 1933 and soared to the top of the sports world.

The National Football League's (NFL) annual draft began in 1936 in response to a bidding war for Kostka. The local star only ending up played for one season in the NFL, with the Brooklyn Dodgers, Kostka later coached football at North Dakota State. He also served as a Lieutenant in the Navy during World War II.



South St. Paul High School around 1945.





Churches served immigrant communities, such as St. Sava Serbian Eastern Orthodox Church in South St. Paul, shown here in 1960

SOCIAL NETWORK

In the early 19th century, Eastern European immigrants sought work at the railroads and meatpacking plants. As workers began their new lives in South St. Paul, cultural centers supported families and built community. Churches were also established, such as St. Stefan's Romanian Orthodox in 1924.

In 1909, Polish immigrants built a hall for weddings, funerals, and other community functions. The Serbian Home, founded in 1924, was a multi-purpose gathering place: part school, lodge, and social hall.



St. Stefan's Romanian Orthodox Church, pictured here in 1925.



Placeholder
Photos

Farmers Thab and Phuab plant bi-colored corn in their plot at the Hmong American Farmers Association (HAFA) farm.

FARMING FOR THE FUTURE

A new generation of Hmong farmers is putting down roots. In 1975, the first political refugees fled war and violence in Laos and Thailand. More than 63,000 Hmong people now reside in Minnesota, including over 2,100 in Dakota County by 2020. The Hmong American Farmers Association, which formed in 2014, planted seeds for new connections to a unique agriculture heritage.

Hmong farmers grow fresh produce on 155 acres of land in Dakota County’s Vermillion Township, sold at local farmers markets, schools, co-ops, and restaurants.

“For Hmong people, farming is central to living. It was the skill for survival they brought to the US.”
— Janssen Hang



The Yong Vang Yang family arrived in St. Paul in 1979.



“The work of the beets is something most people should know about. Because all they know is that they get the sugar from there. They don’t know that we had to be on our knees making sure the plants had about 12 inches to grow. I think my bones are still healing from work. I must have gone and come back from Mexico on my knees.”

–Manuel Contreras, who arrived to work the sugar beet fields and meat packing plants in South St. Paul in the 1930s

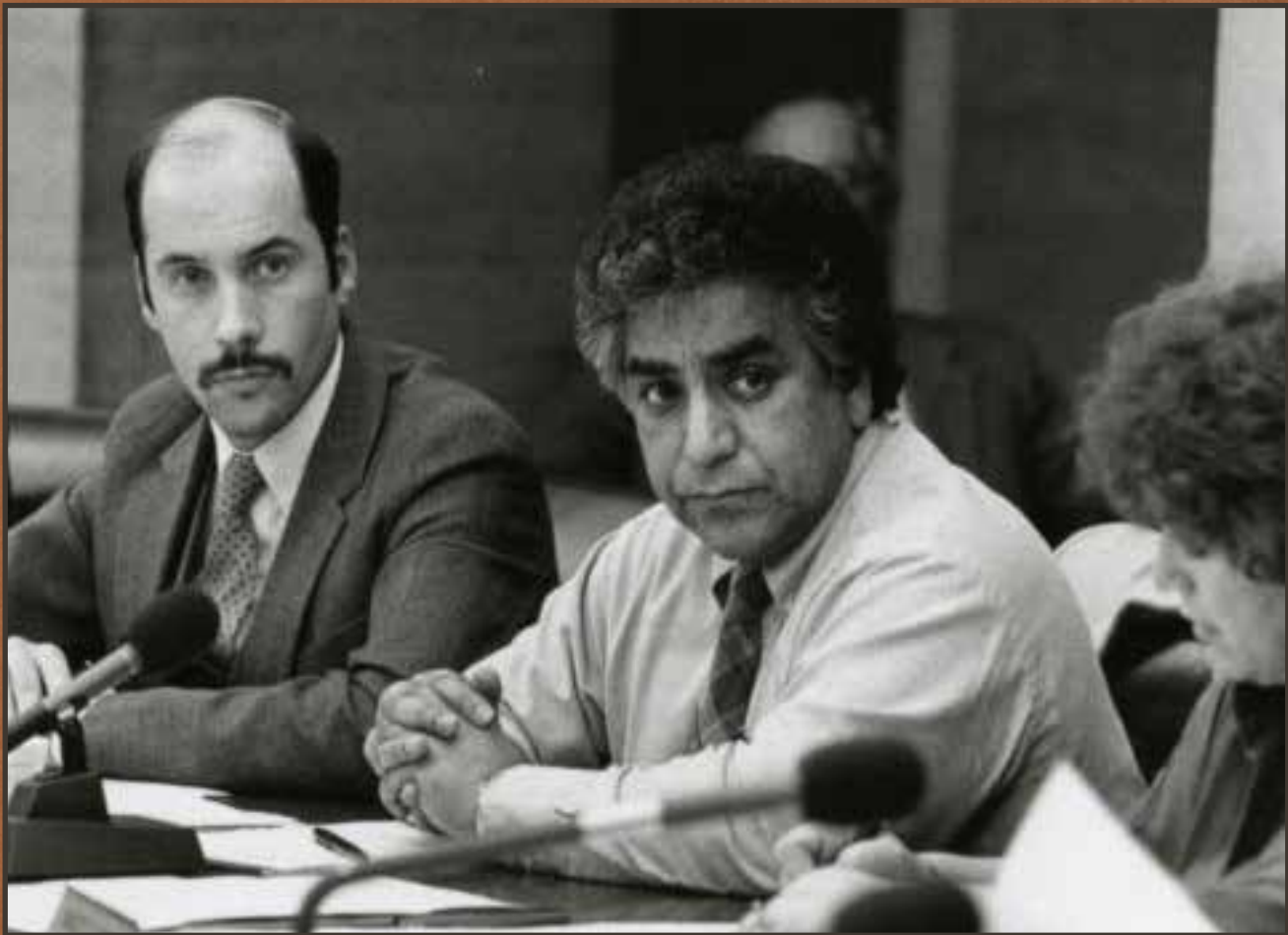
South St. Paul packing plants in 1935.

HEADING NORTH

Around World War I, migrant workers from Mexico flocked north to Minnesota to find work. Families in search of a better life took hard labor jobs, rotating seasonally in agriculture, factories, or the South St. Paul stockyards.

By 1928, more than 7,000 Mexican workers labored in Minnesota sugar beet fields, which were harvested to produce sugar. Others found work on the railroads in Inver Grove Heights in Dakota County. Soon, migrants established themselves in the Twin Cities.

Placeholder Photos



Conrado “Conrad” Vega, born in South St. Paul in 1938, was the first Latino legislator in 1977, representing his Dakota County district in the Minnesota Senate until 1986.





Over 200 firefighters worked over two days to extinguish the fire.

Placeholder
Photos

SURVIVAL IN THE STOCKYARDS

Local firefighters met their match late in the evening on May 31, 1948. Fire quickly spread in the feeder division of the cattle yards. As debris burst and sailed as high as 300 feet, workers hurried to free about 2,000 animals from their pens. About 40 cows died, with estimated losses of more than one million dollars—and about 700 feet of fire hose. Volunteer firefighters from South St. Paul reported suffering from burned shoulders and hands, and smoke inhalation. Some speculated that striking stockyard workers had started the blaze.



Tensions rose in the months before the Memorial Day Stockyard fire, as workers began a strike on March 16, 1948, demanding higher wages. Nine days after the strike concluded, the stockyard lit up in flames.





Placeholder
Photos

Waterous Company
Workers pose in front of the first
Waterous factory in South St.
Paul around the late 1880s.

DOUSE THE FLAMES

Behind every successful firefighter is a steady stream of water. The Waterous Company, a local manufacture of fire fighting apparatus, has helped fight fires for over a century. Waterous was founded in Brantford, Ontario, in 1844. In 1866, the company factory moved to South St. Paul and then to St. Paul. The company’s products evolved over the years, from steam engines to fire pumps and hydrants. Today, Waterous Company’s products feature expanded firefighting technology.



A Waterous Company fire engine in 1910.



Placeholder
Photos

INVER GROVE HEIGHTS FIRE DEPARTMENT

First All-Female Crew

From left to right: Driver Debralyn Bryant, Crew Members Jennifer Mink, Bridget Mace, Elisabethann Schmidt, and Acting Company Officer Abigail Schmidt.



NO LIMITS

In August 2020, over 60 years after the founding of the Inver Grove Heights Fire Department, a team of women stood at the helm. The all-female crew of firefighters followed the trailblazing path set by Judy Smith Thill, the first woman to lead the department in 2007.

Less than 5 percent of firefighters across the United States are women, and many are volunteers. Female firefighters face an increased risk of job-related stressors, such as gender discrimination.



Judy Smith Thill, pictured above, was the first woman to lead the Inver Grove Heights Fire Department.





General Government and Policy Committee of the Whole

Request for Board Action

Item Number: DC-5783

Agenda #: 6.1

Meeting Date: 7/7/2026

DEPARTMENT: Finance

FILE TYPE: Regular Information

TITLE

Update On 2025 Audit Results

RESOLUTION

Information only; no action requested.

BACKGROUND

Based on Minnesota State Statutes, the Minnesota Office of the State Auditor, and other stakeholders, the County is required to have an annual audit in accordance with Generally Accepted Accounting Principles (GAAP) as well as *Government Auditing Standards* issued by the Comptroller General of the United States. Also, as the County expended over \$1,000,000 of federal awards, the County had a single audit conducted in accordance with Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Finally, Pursuant to Minnesota Statute 6.65, the Minnesota Office of the State Auditor requires that the County has a legal compliance audit completed annually in accordance with the Minnesota Office of the State Auditor's Legal Compliance Audit Guide for Counties. The County has contracted with CliftonLarsonAllen LLP (CLA) to conduct these audits.

CLA will present an overview of the County's 2025 audit written findings related to internal controls over the financial statements, major single audit programs, and the Minnesota Office of the State Auditor's Legal Compliance Audit Guide for Counties. CLA will also present the County's 2025 financial results and discuss the County's financial health.

RECOMMENDATION

Information only; no action requested.

FINANCIAL AND STAFFING IMPACTS

None. The presentation of the 2025 audit results is for information only.

PREVIOUS BOARD ACTION

None.

ATTACHMENTS

Attachment: Presentation Slides

CONTACT

Department Director: Will Wallo

Author: Lucas Chase



We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

Dakota County and Vermillion River Watershed District

Audit Exit Presentation

Year ended December 31, 2025

Agenda

- Introduction
- Required Governance Communications
- Audit Opinion and Results
- Internal Control Communications
- Minnesota Legal Compliance Communications
- Financial statement highlights
- Governmental Accounting Standards Board (GASB) Updates



Audit Team

The senior members of your audit team consisted of the following professionals:

- Christopher Knopik - Principal
- Troy Gabler – Principal
- Ezra Koetz - Manager
- Josh Robertson - Senior



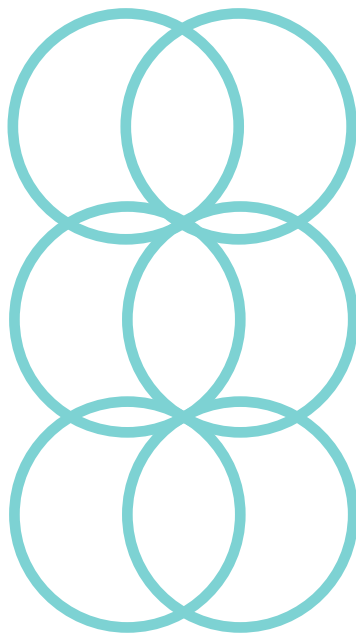
Governance Communications

Overall

Audit provides reasonable assurance, not *absolute* assurance

Difficulties

- None



Sensitive Estimates

- Liability for other post employment benefits
- Self Insurance – Incurred but not reported (IBNR) claims liability

Other

- GASB Statement No. 102, *Certain Risk Disclosures*, was implemented as of December 31, 2025.



AUDIT OPINIONS

Financial statement

Financial statement audit opinion is **unmodified**.

Federal awards

Federal awards audit opinion is **unmodified**.



AUDIT RESULTS

Financial statement

One Material Weakness for Vermillion Watershed District

No Material Weakness for County

No Significant Deficiencies

Federal awards

(SNAP, MA, CSE, HOME)

Two Material Weaknesses

One Significant Deficiency



Internal Control Communications

Material Weaknesses – deficiency in internal control such that there is a reasonable possibility that a **material misstatement** would not be prevented or detected and corrected on a timely basis

- *Overstatement of beginning net position for the Vermillion Watershed District in the previous period in the amount of \$226,184. This is due to unearned revenues not being recorded in prior fiscal year.*

Significant Deficiencies - deficiencies in internal control that are **less severe than material weaknesses**, yet important enough to **merit attention by those charged with governance**

- *None*



Federal Awards – Internal Control and Compliance

Material Weaknesses

- MA: LCTS documented review that fiscal site contacts were trained on completing cost schedules.
- SNAP: 1 of 1 procurements we tested did not retain proper documentation.

Significant Deficiencies

- SNAP/MA: Random Moment Studies Item. 1 Individual on the Income Maintenance Random moment studies included that should not have been.



Minnesota Legal Compliance Communications

Auditors performed numerous audit procedures testing the County's compliance with applicable Minnesota Statutes, including the completion of a 25-page checklist of statutory requirements

2025 Results:

- No findings noted



Passed Adjusting Journal Entries

- PY:
 - Accounts Payable passed adjustments that are still affecting this year.
 - Highway Fund
 - Capital Projects Fund
 - DC Transportation Fund
 - Aggregate Remaining Other Funds
 - Governmental Activities:
 - 100k Receivable for General fund.
 - \$1.5M contingent liability for settled lawsuit.
- CY:
 - \$510k Subscription Based Information Technology Arrangement (SBITA) payment recorded as prepaid, thus higher than should have been in the General Fund.
 - Total of \$132k unrecorded accounts payable in Capital Projects Fund.



Financial Statement Highlights and Trends



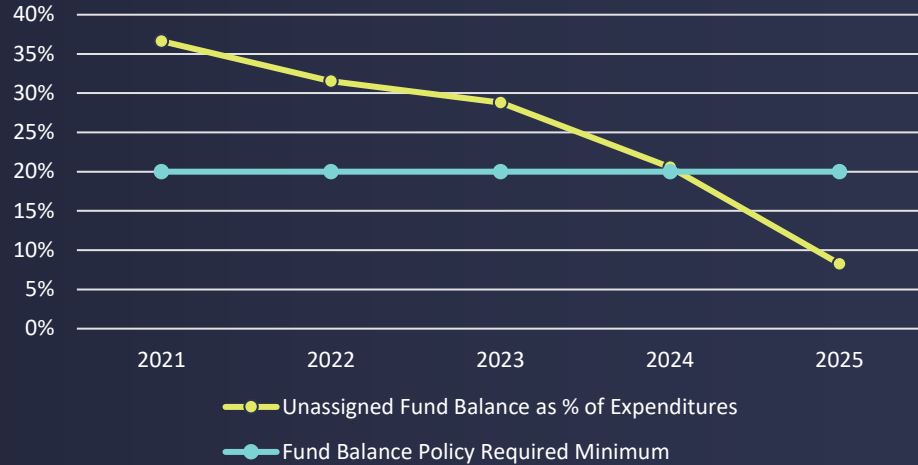
Fund Balance Trends



Fund Balance General Fund

Policy states that the County should maintain an unassigned fund balance greater than 20 percent of the General Fund Operating Expenditures at the end of the fiscal year.

Fund Balance Policy Compliance



	2021	2022	2023	2024	2025
Unassigned Fund Balance	102,222,194	84,067,178	82,829,973	63,885,855	28,447,011
Total Fund Balance	110,292,751	92,036,654	98,464,455	79,077,068	46,222,571
Expenditures (Excluding Other Financing Uses)	279,072,343	266,599,319	287,471,207	310,863,527	344,956,718

Fund Balance General Fund - Comparison

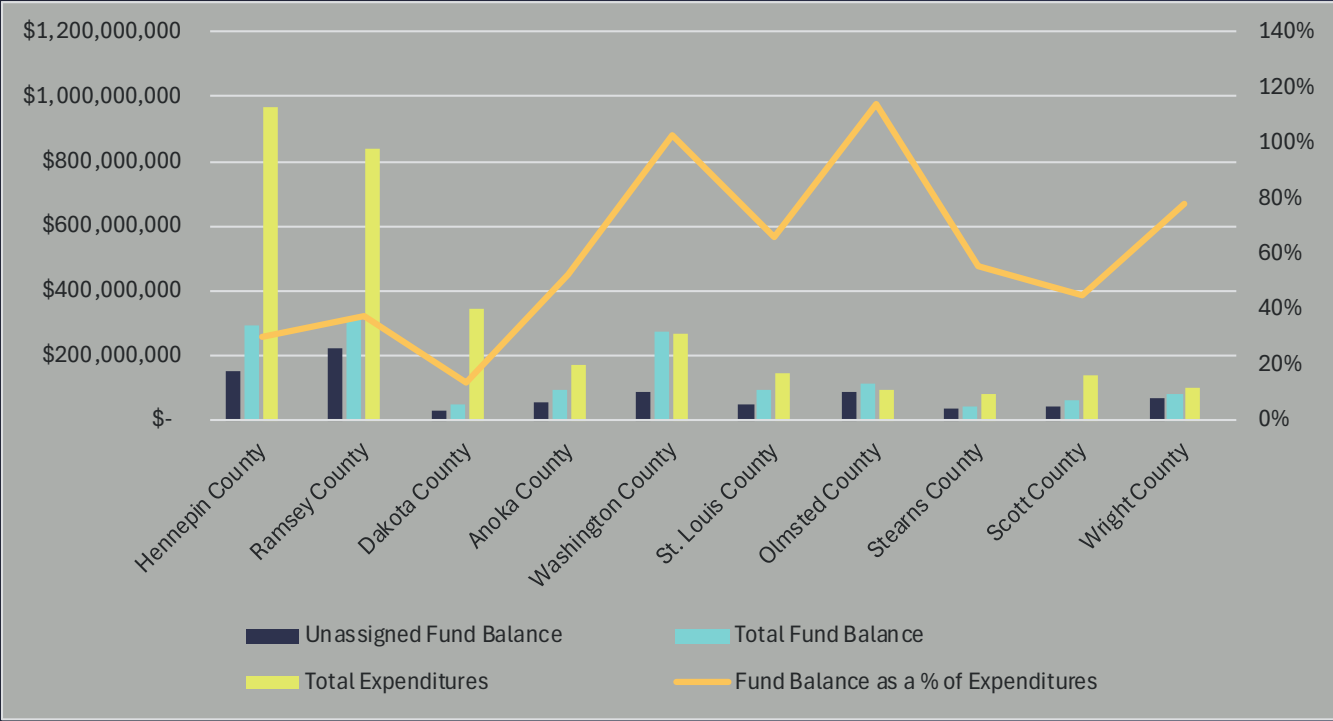
Compared to largest 10 counties in Minnesota by Population

Entity Name	Unassigned Fund Balance	Total Fund Balance	Total Expenditures	Unassigned as a % of expenditures	Fund Balance as a % of Expenditures
Hennepin County	\$ 151,405,040	\$ 292,251,720	\$ 964,164,868	16%	30%
Ramsey County	\$ 219,930,282	\$ 315,743,387	\$ 839,071,051	26%	38%
Dakota County	\$ 28,447,011	\$ 46,222,571	\$ 344,956,718	8%	13%
Anoka County	\$ 52,935,504	\$ 90,928,704	\$ 173,614,011	30%	52%
Washington County	\$ 85,736,255	\$ 270,661,355	\$ 264,102,386	32%	102%
St. Louis County	\$ 46,088,522	\$ 96,092,697	\$ 145,744,801	32%	66%
Olmsted County	\$ 87,376,773	\$ 110,567,358	\$ 96,712,325	90%	114%
Stearns County	\$ 38,438,418	\$ 43,975,411	\$ 78,974,931	49%	56%
Scott County	\$ 45,231,661	\$ 63,048,220	\$ 139,373,881	32%	45%
Wright County	\$ 67,260,238	\$ 79,908,700	\$ 102,135,831	66%	78%



Fund Balance General Fund - Comparison

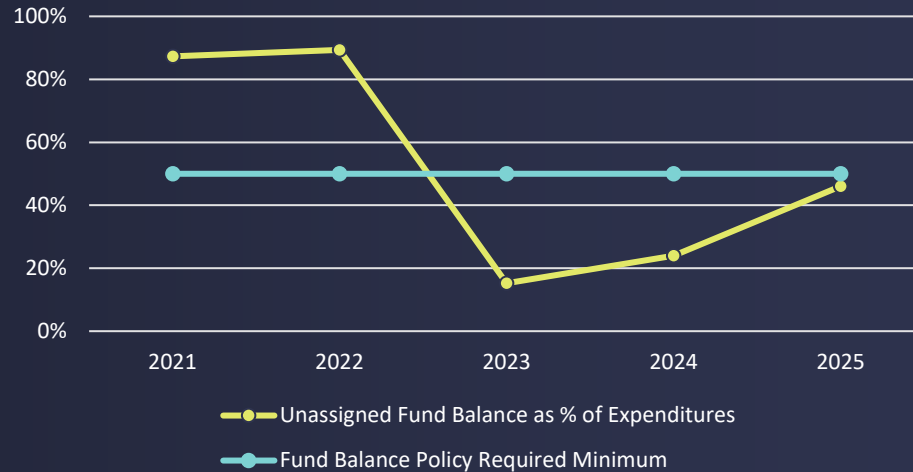
Compared to largest 10 counties in Minnesota by Population (2024 information for other counties 2025 for Dakota County)



Fund Balance Highway Fund

Policy states that the County should maintain a fund balance at year end equal to or greater than 50 percent the highway actual expenditures.

Fund Balance Policy Compliance

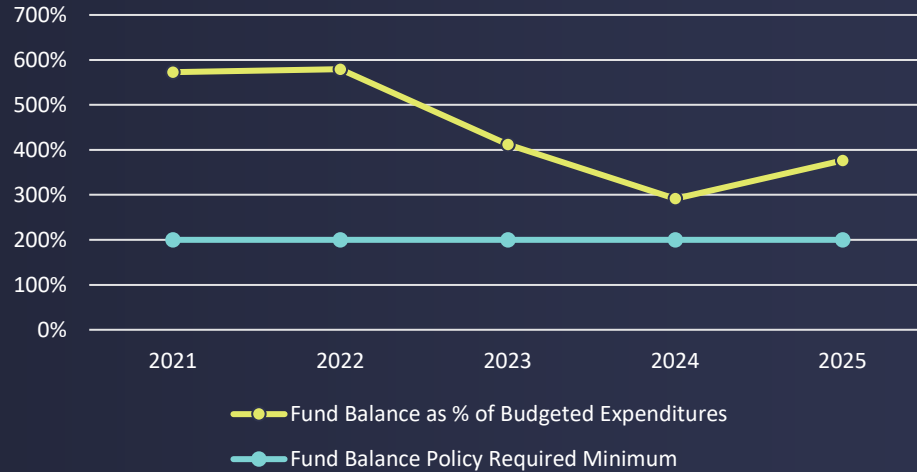


	2021	2022	2023	2024	2025
Total Fund Balance	62,970,397	55,067,332	13,591,686	14,518,012	26,808,183
Expenditures (Excluding Other Financing Sources)	72,131,459	61,634,034	89,256,094	60,545,162	58,262,734

Fund Balance Environmental Legacy Fund

Policy states that the County should maintain a fund balance at year end equal to or greater than two times the actual ELF expenditures.

Fund Balance Policy Compliance

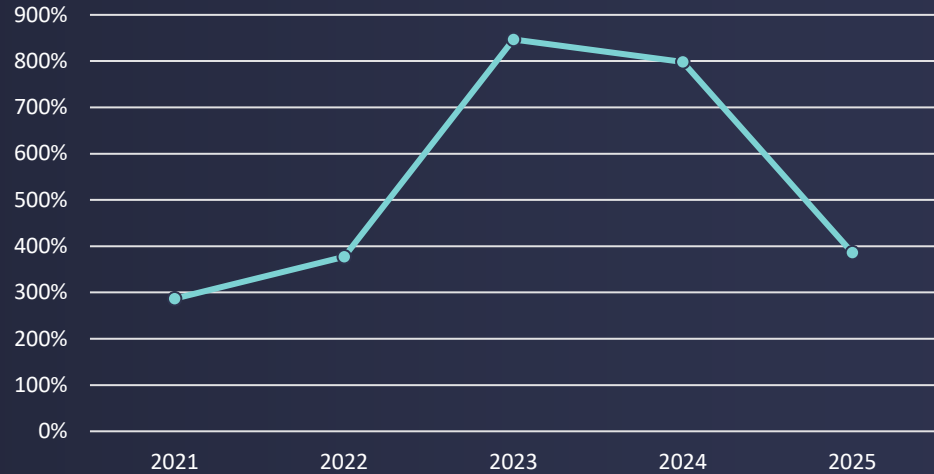


	2021	2022	2023	2024	2025
Total Fund Balance	55,075,511	56,973,275	55,037,537	52,065,713	46,762,196
Total Final Budgeted Expenditures	9,610,119	9,832,575	13,366,914	17,865,878	12,431,632

Fund Balance DC Transportation Sales Tax Fund

There are no specific policy requirements for this fund.

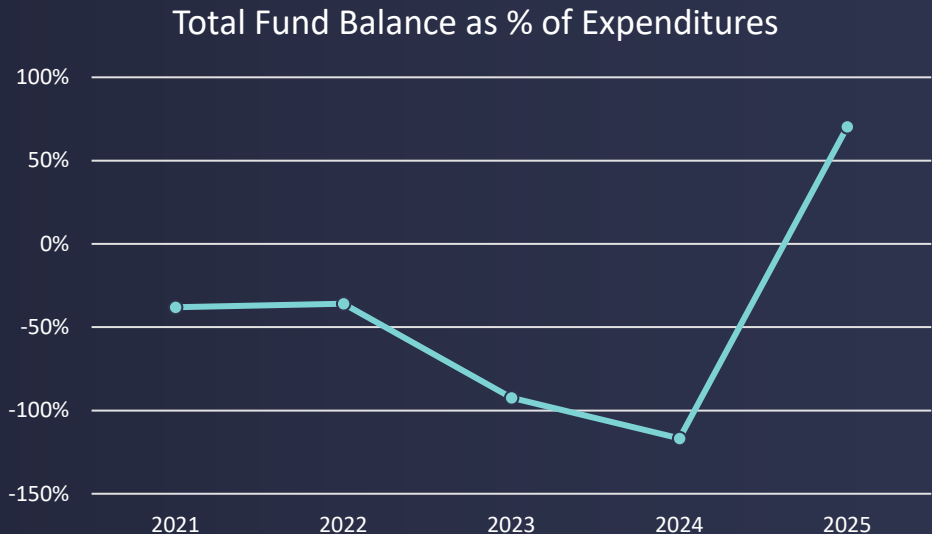
Total Fund Balance as % of Expenditures



	2021	2022	2023	2024	2025
Total Fund Balance	65,950,725	72,432,359	95,213,796	102,814,078	98,527,568
Expenditures (Excluding Other Financing Sources)	23,000,807	19,209,777	11,243,523	12,879,515	25,518,443

Fund Balance Capital Projects Fund

There are no specific policy requirements for this fund.

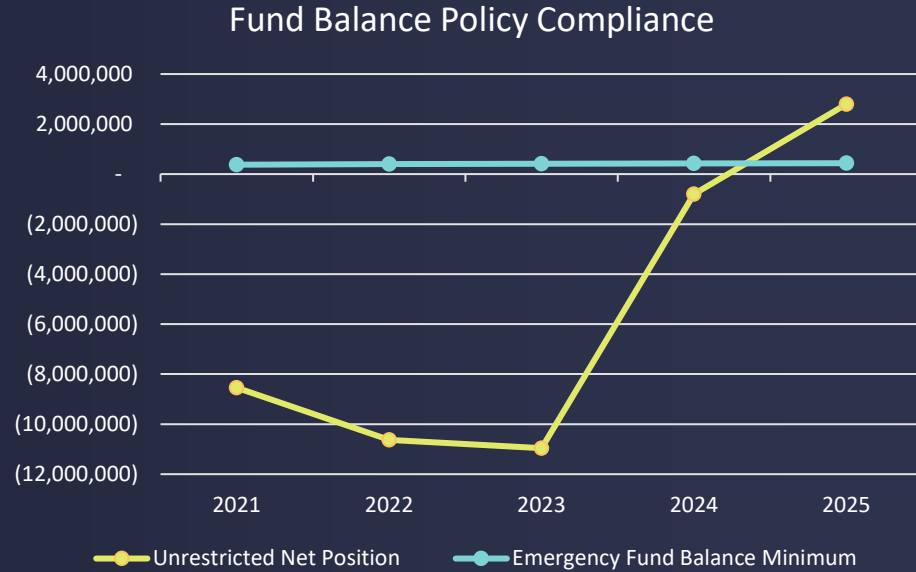


	2021	2022	2023	2024	2025
Total Fund Balance	(4,434,957)	(2,852,777)	(10,241,168)	(34,008,342)	15,996,987
Expenditures (Excluding Other Financing Sources)	11,660,400	7,958,907	11,079,440	29,126,446	22,761,576



Net Position Byllesby Dam Fund

Policy states that the County maintains an Emergency Fund in excess of \$350,000 in 2020, increasing annually for inflation.



	2021	2022	2023	2024	2025
Unrestricted Net Position	(8,539,180)	(10,634,507)	(10,960,672)	(808,248)	2,796,328
Emergency Fund Balance Minimum	374,500	398,843	412,403	424,363	435,821



GASB Standards



GASB 103 Financial Reporting Model Improvements



Effective date
December 31, 2026

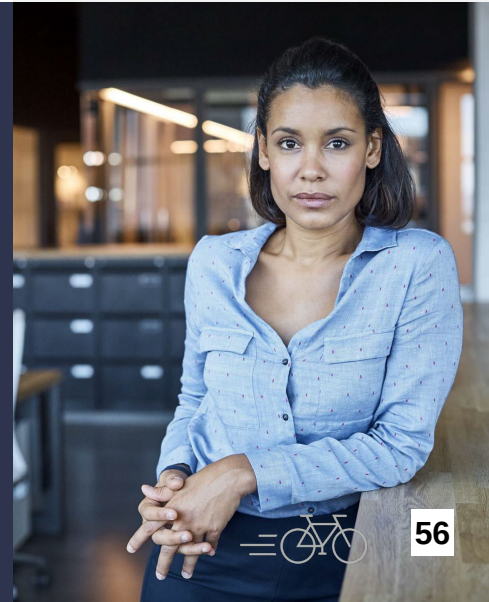


Impacts financial statement presentation:

Updated disclosure guidance for:

- Management Discussion & Analysis (MD&A) consistency
- Clearer definition of unusual or infrequent items
- Presentation of proprietary fund statements
- Major component unit information
- Budgetary comparison information

CLA can help by
assisting with or
evaluating financial
statement
presentation and
disclosure updates



GASB 104 – Disclosure of Certain Capital Assets



Effective date
December 31, 2026



Will clarify how capital assets are disclosed in financials:

- Capital assets held for sale and related pledged debt
- Leased assets
- Subscription assets
- Right to Use PPP assets
- Other intangible assets



CLA can help by
assisting with or evaluating
financial statement
disclosure updates



GASB 105 Subsequent Events



Effective date
December 31, 2027



Impacts financial statement disclosure :

- Redefined subsequent events time frame “Available to be issued”
- New required disclosure – date through which subsequent events were evaluated
- Clarified definition of non-recognized events – specific categories listed
- Enhanced disclosure content requirements for non-recognized events

CLA can help by
assisting with or
evaluating
subsequent events
and disclosure
updates



The background of the slide features a warm, low-angle photograph of several people. In the upper portion, hands are clasped together in a supportive grip. Below, a man and a woman are smiling broadly, looking upwards, suggesting a moment of celebration or achievement. The lighting is soft and natural, creating a positive and collaborative atmosphere.

Questions and Feedback

We appreciate the opportunity to serve you
and welcome any feedback relative to our
performance and to the engagement.



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Principal

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CPAs | CONSULTANTS | WEALTH ADVISORS

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General Government and Policy Committee of the Whole

Request for Board Action

Item Number: DC-5798

Agenda #: 7.1

Meeting Date: 7/7/2026

DEPARTMENT: Office of the County Manager

FILE TYPE: Regular Information

TITLE

2026 Board Priorities Second Quarter Update

RESOLUTION

Information only; no action requested.

BACKGROUND

The County Board identifies priority areas each year and tracks their progress through the year. With the second quarter of 2026 complete, staff will present a status update on the 2026 Board Priorities. A status update of the board priorities is attached along with brief information regarding each priority.

RECOMMENDATION

Information only; no action requested.

FINANCIAL AND STAFFING IMPACTS

None.

PREVIOUS BOARD ACTION

26-040; 1/20/26

ATTACHMENTS

Attachment: 2026 Board Priorities Second Quarter Update

Attachment: Presentation Slides

CONTACT

Department Director: Heidi Welsch

Author: Jessica Parker Carlson



2026 Board Priorities – Second Quarter Update

Board Goal	Initiative	Division or Office	Update	Status
Excellence in Public Service Responsible Taxes and Sound Stewardship of Resources	Collaborate with other counties to ensure interests are adequately represented.	Office of the County Manager	Association of Minnesota Counties (AMC) District X and Minnesota Inter-County Association (MICA) continue working on representation together.	Green
Excellence in Public Service Community Engagement	Design and implement new website.	Communications	The County project team is currently migrating more than 1,200 pages from the current website to the new platform. Because of the changing site architecture, this migration is done page-by-page.	Green
Excellence in Public Service Hire and Retain Excellent Staff	Confirm current compensation strategy and desired outcomes.	Human Resources	Human Resources staff met with the Board in closed session on May 19. A second closed session with the Board will be held in July or August.	Yellow

Board Goal	Initiative	Division or Office	Update	Status
Excellence in Public Service Hire and Retain Excellent Staff	Continue to assess and implement Inclusion, Diversity, Equity, and Access (IDEA) strategies.	Human Resources	Continued work in support of goals, including: -Working with Office of Performance and Analysis (OPA) to design and launch a countywide IDEA strategic planning process. -Working with staff to revive DC WOMEN Employee Resource Group (ERG) with new leadership and name - DC WAVE -Launched a quarterly "Words Matter" campaign around mental health. -Recognized, celebrated, and promoted organizational awareness through IDEA Network Lunch and Learns and Virtual Speaker Series.	Green
Excellence in Public Service Dependable and Modern Infrastructure	Fair, efficient, and accurate 2026 elections.	Public Services and Revenue Division	The department successfully conducted the May School District Special Elections on May 12, 2026. The team is working to train cities and townships on statutes and procedures to ensure that the year's elections are successful.	Green
Thriving People Care for Vulnerable People	Pilot existing .5 full-time employee (FTE) social worker stationed at Wentworth Library.	Public Services and Revenue Division	This project is on hold. Existing library FTE was reclassified to a .55 Library Social Worker. All open library positions are being held as part of the 2027 budget process.	Red

Board Goal	Initiative	Division or Office	Update	Status
Thriving People Create Access to Opportunities	Implement the Library Strategic Plan.	Public Services and Revenue Division	The library will launch a “Be a Reader” initiative aligned to local school districts and State of Minnesota efforts to support every child reading at or above grade level with literacy funding from MELSA, the Twin Cities Regional Library System. In the fall of 2026, every library location will offer a special collection of decodable books. All library managers completed a management training on leading during challenging times, change, and engaging in difficult conversations. The Wentworth Library was filled with over 1,500 people who explored the library, checked out 2,000 books and reconnected with their community on opening day on May 6. The temporary Burnsville Library in the Burnsville Center mall saw 4,545 visits in April 2026. 1,400 teens and caregivers attended the Dakota-Scott County Teen Job Fair hosted by the library, CareerForce and Social Services. Maria, a library volunteer, delivered her 500th book to a homebound patron she visited since 2001. The library manages volunteer delivery services, books by mail, and outreach to low-income senior residences.	Green

Board Goal	Initiative	Division or Office	Update	Status
Thriving People Create Access to Opportunities	Advance the Arts Blueprint.	Public Services and Revenue Division	Draft mission, vision and guiding principles for the public art blueprint were presented at the May GGP and Board feedback was collected. Opportunities, roles, responsibilities and administrative tools are being incorporated into a draft. Third quarter next steps include draft plan will be reviewed with the Public Art Committee and Staff Advisory Team. In September, staff plan to review the draft plan with the Board and seek approval for draft release for public review.	Green
Excellence in Public Service Innovate and Collaborate	Partner well with cities and counties. Consider intersections among Dakota 911, Emergency Management, and Radio Services.	Central Operations Division	County leadership was provided an overview of the 800Mhz system in place in Dakota County in February from Radio Services and Risk Management staff. County staff continue to review options with Dakota 911 staff regarding several issues.	Yellow
Excellence in Public Service Innovate and Collaborate	Collaborate with Community Development Agency (CDA) and partners on development.	Central Operations Division	County and CDA staff continue to work with city development staff on a regular basis. This quarter the CDA lead the efforts regarding Opportunity Zones in the county with a handful of cities.	Yellow
Excellence in Public Service Community Engagement	Provide more online/self service options in our services using artificial intelligence (AI).	Central Operations Division	Central Operations Administration staff and IT staff presented an update on the County AI policy at the June 2026 GGP meeting. IT staff shared some examples of how AI is already being incorporated into county work.	Green

Board Goal	Initiative	Division or Office	Update	Status
Excellence in Public Service Community Engagement	Create more financial and budget engagement (ex. Interactive Budget Books, additional Budget Open House events).	Central Operations Division	The first budget open house has been scheduled for August. There will be open houses in August, September and December to give the public opportunities to engage on the budget and levy increase.	Yellow
Excellence in Public Service Responsible Taxes and Sound Stewardship of Resources	Develop 5-year financial plan – eliminate the structural deficit.	Central Operations Division	The levy forecast builds in a balanced budget in 2027 and beyond. Expenditure reduction targets have been enacted to eliminate the structural deficit and ensure a balanced budget in 2027. Budget cuts will be presented to the Board at the July 13 budget workshop.	Yellow
Excellence in Public Service Responsible Taxes and Sound Stewardship of Resources	Develop 5-year financial plan – increase reserves to be within the Office of the State Auditor (OSA) range (35% - 50%).	Central Operations Division	Presented to the Board on June 16 a proposed fund balance policy update that would put in place discrete milestones that need to be achieved to get the County to 35% reserves within the next 10 years. Levy forecast includes and proposed budget will include fully funding personnel costs. An externally developed financial management plan is being prepared by Ehlers and will be presented in August.	Yellow
Excellence in Public Service Responsible Taxes and Sound Stewardship of Resources	Develop 5-year financial plan – provide reliable funding for service and program priorities of the Board.	Central Operations Division	On June 9, Finance brought forward a proposal to increase wheelage tax to provide sustainable funding for Transportation and reduce the reliance on levy in Transportation operations. This was approved by the Board on June 23, 2026. A fee schedule update will be presented to the Board in August. Levy forecasts have been presented at multiple points during the year.	Yellow

Board Goal	Initiative	Division or Office	Update	Status
Excellence in Public Service Responsible Taxes and Sound Stewardship of Resources	Develop 5-year financial plan – prepare for and implement state and federal funding cuts.	Central Operations Division	Finance staff have worked with Employment and Economic Assistance and Social Services to determine the financial impacts of HR.1 and The Act. Finance has created independent forecasts of the cost impact and have included addressing those ongoing costs in the five-year levy forecast.	Yellow
Excellence in Public Service Responsible Taxes and Sound Stewardship of Resources	Maintain overall facilities rating at fair and plan to return to good based on Facility Condition Index (FCI).	Physical Development Division	Reviewed Capital Improvement Program (CIP) projects and released funds where available. Shifted available funding to the most critical items to maintain facility conditions. The 2027 – 2031 draft Capital Improvement Program (CIP) projects will be based on available funding to best reflect the 5-year strategic plan to maintain Facility Condition Index of .25 (Fair). Several projects started design during the first quarter. Continue to refine CIP process and project lists for 2027 budget.	Green
Heathy Environment with Quality Natural Resources Energy Efficiency/Sustainability	Complete Byllseby Dam turbines.	Physical Development Division	The functional items of wet commissioning are complete as of 6/12/26 and the facility is commercially operational. Minor programming for the plant control system and punch-list items remain for the project and will be completed over the next few months.	Green

Board Goal	Initiative	Division or Office	Update	Status
Heathy Environment with Quality Natural Resources Energy Efficiency/Sustainability	Audit current energy and emission processes to determine opportunities.	Physical Development Division	Continued data collection for the three inventories (County operations emissions, County operations reductions and offsets, and countywide reductions and offsets) and performed data entry and reconciliation analysis on building energy data in the B3 benchmarking software. Initiated analysis, trend identification, and reporting on countywide emissions from 2005 to 2022 (last full year of data), using data collected and compiled by the Metropolitan Council. LHB (the consultant performing the inventory) recently let staff know they will need until October to create the draft inventory.	Green
Heathy Environment with Quality Natural Resources Protect and Maintain Natural Resources	Implement new Solid Waste Management Plan.	Physical Development Division	Coordinating with the other metro counties and the Minnesota Pollution Control Agency on the solid waste pre-processing requirement.	Green

Board Goal	Initiative	Division or Office	Update	Status
Heathy Environment with Quality Natural Resources Protect and Maintain Natural Resources	Implement 2050 Parks System Plan.	Physical Development Division	The next steps of the Vision Plan are moving forward in the form of plan preparations and studies including: - Updates to the Natural Systems Plan - Continued work on park and greenway Natural Resource Management Plans - Staff training - Greenway Guidebook updates - Temporary positions staffing study - Visitor Study implementation through Wilder for TCP - Public Art Framework - Sustainable funding plans for parks	Green
Heathy Environment with Quality Natural Resources Create Access to Opportunities	Update Parks Operational Plans – Natural Systems Plan	Physical Development Division	The Natural Systems Plan update is on schedule and is being done in-house with Dakota County Planning staff. Public engagement is complete. The Dakota County Planning Commission received an update on public engagement and implementation in May and will see a draft plan in July. The Board will review the plan in August to release for public review and comment.	Green

Board Goal	Initiative	Division or Office	Update	Status
Thriving People Create Access to Opportunities	Update Parks Operations Plans – Greenways Plan	Physical Development Division	Consultant has been hired and is working with the team on draft goals. Board will receive an update in July on progress.	Green
Thriving People Create Access to Opportunities	Update Parks Operations Plans – Parks Visitor Services Plan	Physical Development Division	On hold until later in the year to allow for adequate staff capacity.	Yellow
Successful Place for Business and Jobs Dependable and modern infrastructure and government systems	Deliver 2026 Capital Improvement Program (CIP) projects on time and in budget.	Physical Development Division	a. The Wentworth Library has completed construction and held the ribbon-cutting May 6. b. The Recycling Zone Plus held a ground-breaking on April 29, 2026. Construction is underway. c. The Burnhaven Library construction is underway. d. Spring Lake Park improvements continue with the ongoing construction of the Fischer Trailhead. The Mississippi River Access project bids opened in May with construction to start in July 2026.	Green
Thriving People Community Safety, Health and Well-Being	Improve safety at high crash rate locations based on the MN Dept of Transportation (MnDOT) Crash Rate Index.	Physical Development Division	Six safety projects programmed in 2027 Capital Improvement Program (CIP).	Green

Board Goal	Initiative	Division or Office	Update	Status
Thriving People Community Safety, Health and Well-Being	Improve safety for pedestrian and bicyclists based on high and medium priority County Highway Pedestrian and Bicycle Gaps.	Physical Development Division	Sixteen pedestrian and bicycle projects programmed in 2027 Capital Improvement Program (CIP).	Green
Thriving People Create Access to Opportunities	Review Comprehensive Plan requirements and provide direction on scope and extent of plan update.	Physical Development Division	Received direction at March 10 Physical Development Committee meeting. Met with city managers and community development directors to receive an update on their plan update schedules and discussed opportunities to coordinate city/county public engagement.	Green
Thriving People Welcoming and Responsive Services for All People	Identify program and services areas with the highest disparities for study and potential future action. a. Continue and maintain Americans with Disabilities (ADA) compliance program. b. Prepare for implementation of the African American Family Preservation and Child Welfare Act.	Physical Development Division and Community Services	A scope has been drafted and work is underway to identify and analyze Dakota County disparity data. a. The federal deadline for digital accessibility requirements was extended to 2027. Work continues including reviewing the website, third-party tools, and training for staff. b. Minnesota African American Family Preservation and Child Welfare Disproportionality Act (MAAFPCWDA) data workgroup is continuing to meet monthly. Actively coordinating with Hennepin and Ramsey counties on data tracking and building Power BI dashboard.	Green

Board Goal	Initiative	Division or Office	Update	Status
Thriving People Community Safety, Health and Well-Being	Investigate and pursue health care and access for uninsured or under-insured residents.	Community Services Division	Public Health Healthcare Access workgroup meeting monthly to determine priority activities related to research and discovery of potential healthcare models and partnerships. Have held discussions to discuss possibilities across jurisdictions, i.e. Scott County, as well as with healthcare provider/FQHC, Riverland Community Health. Will further explore and document other community-based services, as well as opportunities with healthcare providers in the metro area.	Green
Thriving People Care for Vulnerable People	Develop more youth placement options and alternatives to placement options (with metro collaboration).	Community Services Division	The subgroups that were identified in the first quarter met throughout the legislative session. Each group established a charter and recommendations to submit to the larger Regional Steering committee. Each subgroup reported out the recommendations, framework and how we would like to move forward given 2027 will be a funding year at the state legislature. We also identified the need to develop talking points/questions to answers that may stem from the Statewide working group the was formed in 2024 as well as the regional work group mainly speaking to the boarding crisis and detention facility pressures with increased mental health concerns. Also spoke about planning for additional lack of bed space with the closure of several well-known Psychiatric Residential Treatment Facilities (PRTFs) in the metro and around the state.	Green

Board Goal	Initiative	Division or Office	Update	Status
Thriving People Care for Vulnerable People	Deliver public assistance benefits within State required timelines.	Community Services Division	Timeliness for SNAP and cash programs continue to increase while Medical Assistance (MA) backlogs are holding steady. Work with Clarity Solutions will be completed by the end of the summer and the last work focuses on workflows impacting MA and cash programs. We were able to convert overtime and Greater Minnesota temps to 11 FTEs at no additional cost. We are staggering hiring to align with Greater Minnesota staff positions ending and have hired three people. These staff will work on the METS team with the goal of decreasing the backlog before twice annual renewals begin October 2026. We continue to experience multiple subpoenas and investigations from the federal government that impact staff availability to process applications. We are applying to be one of the pilot counties for the MnBenefits to MAXIS integration layer.	Yellow
Thriving People Care for Vulnerable People	Complete MNChoices Assessment withing State required timelines.	Community Services Division	Community Living Services (CLS) staff continue to implement process efficiencies, utilization of technology, and additional staffing and continue to move the CLS MnCHOICES Intake queue down to 668 with a four month wait time. Over the second quarter, the average volume of new inquiries have been 345/month and the Team has been down 1 FTE with full onboarding of new staff anticipated end of the third quarter.	Green

Board Goal	Initiative	Division or Office	Update	Status
Thriving People Care for Vulnerable People	Review and refine the Housing Business Plan.	Community Services Division	Monthly reports going to County Board with shelter statistics. Quarterly report going to County Board with statistics from all Community Services housing programs. Commissioners visit to Cahill Place in May to review role of Permanent Supportive Housing in the Housing Business Plan.	Green
Thriving People Community Safety, Health and Well-Being	Facilitate development of Community Resources Center(s).	Community Services Division	Launched final governance group, the Steering Committee. Navigator positions were posted, and hiring is underway. Initial data collection agenda complete, tools created, and process finalized. Third quarter Community Resources Centers launch planning is underway.	Green
Thriving People Community Safety, Health and Well-Being	Complete an assessment of healthcare model in jail.	Sheriff's Office and Central Operations Division	Utilizing Enterprise Risk Management, staff analyzed the risks and benefits of the various means of delivering healthcare in the jail. Staff provided an update and suggested course of action for consideration at the March 3 General Government and Policy (GGP) Committee meeting. Analysis of this issue continues and is being led by the Sheriff's Office. More detailed information and options are being developed to be brought forward to the County Board.	Yellow



2026 Board Priorities 2nd Quarter Update

Dakota County Strategic Plan Goals



A Great Place to Live
(For a lifetime)

Thriving People

Care for
vulnerable
populations

Create Access
to
Opportunities

Community
safety, health
and well-being

Welcoming
and
responsive
service for all
People

Healthy Environment with Quality Natural Resources

Protect and
maintain
quality
Natural
Resources

Energy
efficiency /
sustainability

Successful Place for Business and Jobs

Prepared,
connected
workforce

Dependable
and Modern
Infrastructure
and systems

Excellence in Public Service

Innovate and
collaborate

Hire and
retain
excellent staff

Dependable
and Modern
Infrastructure
and systems

Community
Engagement

Responsible
taxes and
sound
stewardship of
resources

- Collaborate with other counties to ensure interests are adequately represented

- Design and implement new website

- Confirm current compensation strategy and desired outcomes
- Continue to assess and implement Inclusion, Diversity, Equity, and Access (IDEA) Strategies

- Fair, efficient, and accurate 2026 elections
- Pilot existing .5 full-time employee (FTE) social worker stationed at Wentworth Library
- Implement the Library strategic plan
- Advance the Arts Blueprint

- Partner well with cities and counties
- Collaborate with Community Development Agency (CDA) and partners on development
- Provide more online/self-service options in our services using Artificial Intelligence
- Create more financial and budget engagement
- Develop five-year financial plan
- Eliminate the structural deficit
- Increase revenues to be within the Office of State Auditor range (35% - 50%)
- Provide reliable funding for service and program priorities of the Board
- Prepare for and implement state and federal funding cuts

- Maintain overall facilities rating at fair and plan to return to good based on Facility Condition Index (FCI)
- Complete Byllesby Dam turbines
- Audit current energy and emission processes to determine opportunities
- Implement new Solid Waste Management Plan
- Implement 2050 Parks System Plan
- Update Parks Operational Plans (Natural Systems Plan, Greenways Plan, Parks Visitor Services Plan)
- Deliver 2026 Capital Improvement Program (CIP) projects on time and in budget

- Improve safety at high crash rate locations based on the MN Dept of Transportation (MnDOT) Crash Rate Index
- Improve Safety for pedestrian and bicyclists based on high and medium priority County Highway Pedestrian and Bicycle Gaps
- Review Comprehensive Plan requirements and provide direction on scope and extent of Plan update
- Identify program and services areas with highest disparities for study and potential future action (continue and maintain Americans with Disabilities compliance program and prepare for implementation of the African American Family Preservation and Child Welfare Disproportionality Act)

- Investigate and pursue health care and access for uninsured or under-insured residents
- Develop more youth placement options and alternatives to placement options (with metro collaboration)

- Deliver public assistance benefits within State required timelines
- Complete MNChoices assessments within State required timelines
- Review and refine the Housing Business plan
- Facilitate development of Community Resource Center(s)

- Complete an assessment of healthcare model in the jail

- 2026 Board Priority Reporting at General Government and Policy Committee meetings:
 - April 7, 2026 (Written Update)
 - July 7, 2026 (Presentation)
 - October 6, 2026 (Written Update)
 - January/February 2027 (Presentation)



Board of Commissioners

Request for Board Action

Item Number: DC-5830

Agenda #: 7.2

Meeting Date: 7/7/2026

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: LTSS Draft Letter

Attachment: Presentation Slides

CONTACT

Department Director: Mary Beth Schubert

Author: Mary Beth Schubert



July 7, 2026

Russell T. Vought
Director, Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Re: Comments on Proposed Rule – Regulation for Federal Financial Assistance; 2 CFR Part 200 (Docket OMB-2026-0034)

Dear Director Vought:

On behalf of **Dakota County, Minnesota**, I respectfully submit these comments in response to the Office of Management and Budget's (OMB) 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, and its scope and complexity demand the most thorough stakeholder input possible.

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 we apply for, administer and account for those funds.

We appreciate OMB's stated objectives of improving transparency, accountability and oversight of federal financial assistance – and we share those goals. **Dakota County** maintains robust internal controls, documented policies and procedures, and a strong audit record. We submit these comments to ensure the final rule reflects the operational realities of our county and preserves our ability to effectively deliver federally-funded services to our communities.

Concerns Regarding Expanded Federal Termination Authority - § 200.339; § 200.340; § 200.341

The proposed rule would grant federal agencies broad new discretionary authority to terminate grant awards, including authority subject to senior political appointee approval. While we understand the administration's interest in ensuring awards align with current policy priorities, this provision creates severe fiscal uncertainty for county governments.

Office of the County Manager

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County budgets are adopted months before the fiscal year begins. Revenue projections and service commitments – including staffing, contracts and capital investments – are made based on anticipated federal funding. The prospect of award termination at any point based on shifting federal policy priorities creates an untenable level of fiscal risk.

In Dakota County, a mid-year termination or reduction in funding would result in direct impact to service provision and staffing.

We urge OMB to:

- Limit termination authority to existing bases in law and the current Uniform Guidance
- Establish clear, published criteria and a notice-and-cure process before any termination
- Ensure adequate wind-down periods that allow counties to responsibly transition affected programs and protect service recipients

Concerns Regarding New Pre-Award Review and Risk Evaluation Requirements - § 200.205; § 200.206

The proposed rule would require pre-award review of grant applications by senior agency officials and expanded risk evaluations of applicants prior to award. While appropriate risk management is an important goal, we are concerned that these requirements will significantly increase administrative burden, extend award timelines and deter counties – particularly smaller and rural counties – from applying for federal assistance.

Dakota County invests considerable resources in grant preparation and maintains **detailed records, tracking systems, policies, and procedures. There are dedicated staff within specific program areas to facilitate compliance with provisions and management of grant activity while the Finance department monitors overall compliance and accuracy in grant expenditures, reporting, and claiming.**

Additional pre-award layers should not duplicate existing accountability mechanisms or create new barriers to well-qualified applicants.

We urge OMB to:

- Define clear, objective and publicly available risk criteria so counties can anticipate and prepare for pre-award review
- Establish firm timelines for pre-award review to prevent indefinite delays in award execution
- Provide safe harbors for counties with strong audit histories and established compliance track records
- Ensure pre-award review processes do not duplicate Single Audit findings or other existing accountability mechanisms

Concerns Regarding New Viewpoint-Neutrality and Event-Services Requirements - § 200.219

The proposed rule would impose new viewpoint-neutrality requirements for event services on property under a public entity's control, regardless of whether any federal funds support the event itself. Counties would also bear responsibility for ensuring subrecipient compliance with these requirements. We have serious concerns about both the scope and workability of this provision.

Dakota County manages **public service centers, license centers, fairgrounds, parks, libraries, and public meeting spaces** that host hundreds of events annually. Applying federal grant conditions to all activities on county-owned property – irrespective of federal funding – would require counties to monitor, regulate and potentially restrict constitutionally protected activities on public property, creating significant legal and administrative exposure.

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We urge OMB to:

- Limit event-services requirements to events that are themselves supported with federal funds
- Remove pass-through entity liability for subrecipient event activities on non-federally-funded county property
- Provide clear safe-harbor guidance that counties can implement without legal risk

Concerns Regarding Pass-Through Entity Responsibilities - §§ 200.305(c), 200.329(b), 200.329(h), 200.331(c), 200.332(g)–(i), 200.333

Dakota County serves as a pass-through entity for **four** of the federal grants we administer, distributing funds to **housing programs and entities**. The proposed rule would expand pass-through entity oversight obligations in several areas, including subaward reporting to SAM.gov, subrecipient monitoring and compliance with new policy conditions. The proposed requirement that pass-through entities ensure subrecipients do not take actions that "could significantly damage the reputation" of the pass-through entity, the awarding agency, or the Federal Government is unworkable as written and poses unacceptable legal and financial risk to county governments. The consequence of a federal agency's determination that reputational harm has occurred is termination of the county's entire federal award, regardless of the county's own compliance record. This provision would effectively require counties to surveil the public conduct of every subrecipient organization on an ongoing basis as a condition of receiving federal funds — a standard no county has the capacity to meet and one that creates significant due process concerns.

These expanded obligations – stacked on existing pass-through requirements – will require additional staff capacity and system investment. Small and mid-sized counties often lack the infrastructure to absorb these requirements without reducing program capacity or applying for fewer grants.

We urge OMB to:

- Provide implementation guidance and technical assistance before new pass-through requirements take effect
- Allow adequate transition time – at least 12 months from the final rule's effective date – for counties to update subaward agreements, monitoring procedures and reporting systems
- Clarify that pass-through entity liability does not extend to subrecipient activities beyond the scope of the federal award
- Define or remove "significantly damage the reputation" with objective, measurable criteria and limit any consequences to the specific subaward at issue rather than the county's entire federal award

Concerns Regarding Reclassification from Guidance to Binding Regulation - §§ 1.105, § 200.110

The proposed rule would reclassify 2 CFR Subtitle A from OMB guidance to binding federal regulation, meaning future amendments would take effect government-wide without separate notice-and-comment rulemaking by individual agencies. This represents a significant structural change to how federal grant policy is made.

We urge OMB to preserve notice-and-comment requirements for any future substantive amendments to the Uniform Guidance, consistent with the Administrative Procedure Act. The intergovernmental partnership depends on county governments having a meaningful opportunity to respond to regulatory changes that directly affect our operations and budgets.

Concerns Regarding New Policy Conditions on Award Administration and Cost Disallowance — § 200.300(b); § 200.403

The proposed rule would establish sweeping new government-wide prohibitions on how federal award funds may be used without defining the key terms that determine whether a recipient is in compliance. Counties cannot reliably determine in advance whether a given program activity meets or violates the new standard – making good-faith compliance planning impossible and exposing counties to significant legal and fiscal risk.

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Under the proposed rule, the prohibition's critical terms are undefined. Counties administering health, workforce, housing and human services programs need clear, objective definitions before we can assess program-by-program compliance, update subrecipient agreements or train staff. Without defined terms, counties face a difficult compliance standard – and face it immediately upon the rule's effective date.

Compounding this concern, § 200.403 converts any violation of § 200.300(b) into an unallowable cost, meaning counties may be required to repay federal funds already spent on programs that were operating in good faith. This transforms what might otherwise be a forward-looking compliance adjustment into a retroactive financial liability with no clear ceiling.

We urge OMB to:

- Provide clear, objective definitions of all operative terms in § 200.300(b) before these prohibitions take effect, sufficient for counties to assess compliance program by program
- Establish an explicit safe harbor for recipients acting in good faith under state law, existing court orders or consent decrees at the time of expenditure
- Clarify that § 200.403 cost disallowance applies only to expenditures made after a specific, individualized finding of noncompliance — not retroactively to prior good-faith spending
- Confirm that pass-through entity liability does not extend to subrecipient activities beyond the direct scope of the federally funded award

The Intergovernmental Partnership and County Grant Administration - § 200.207(c)

We want to be clear about the quality and rigor of **Dakota County's** federal grant administration. We maintain:

- **Documented policies and procedures**
- **Internal controls**
- **Audit history**
- **Staff training**

The intergovernmental system works because counties take federal stewardship seriously. We ask that the final rule be calibrated to the full range of county grant administrators – not only those with documented compliance failures – and that it not impose uniform new burdens that disadvantage well-managed governments.

Conclusion

We are committed to the responsible stewardship of federal funds and to the success of the intergovernmental partnership that makes federal programs effective at the local level. We appreciate OMB's attention to stakeholder input and urge the agency to:

- Extend the comment period by at least 45 days
- Limit termination authority and establish clear, predictable procedures
- Narrow event-services requirements to federally-funded activities
- Provide adequate transition time and technical assistance for new requirements
- Preserve notice-and-comment rulemaking for future substantive changes

We stand ready to provide additional information or to meet with OMB staff to discuss these comments in greater detail. Please contact **Heidi Welsch** at **Heidi.Welsch@co.dakota.mn.us** or **651-438-4590** with any questions.

Respectfully,

Heidi Welsch
County Manager, Dakota County MN
Office of the County Manager

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Legislative Update

July 7, 2026

Mary Beth Schubert

- Draft DC comments on OMB proposed rulemaking
- Lobbyist Contracts Expiring Dec. 31
- 2027 Legislative Agenda – Department input
- Long-term Services and Supports (LTSS) costs
- Other items?



General Government and Policy Committee of the Whole

Request for Board Action

Item Number: DC-5796

Agenda #: 10.1

Meeting Date: 7/7/2026

Adjournment