

CLAY COUNTY BOARD OF COMMISSIONERS
8:30 AM, TUESDAY, OCTOBER 7, 2025
Meeting Room A / B – 3rd Floor – Courthouse
MINUTES

The Clay County Board of Commissioners met in regular session with the following Commissioners present: Paul Krabbenhoft, Ezra Baer, Jenny Mongeau, Kevin Campbell, and David Ebinger. Others present: County Administrator Stephen Larson, Assistant County Administrator Darren Brooke, and Senior Administrative Assistant Sarah Hellem.

Call to Order

Commissioner Campbell called the meeting to order at 8:30 a.m.

Approval of Agenda

On motion by Commissioner Mongeau, seconded by Commissioner Baer, and unanimously carried, the Board approved the agenda.

Employee Recognitions

Hollie Wanner was recognized for 25 years with Social Services.

Citizens to be Heard

David Kragnes from Felton, MN addressed the Board to discuss the potential 6% increase in property taxes, how ag land shouldn't be taxed in this regard, and the unfairness in the systems that are in Clay County. During his allotted time, Mr. Kragnes further discussed the large increase to the Social Services budget and suggested for the Board to push back on St. Paul regarding un-funded mandates, make every effort possible to eliminate all local fraud and waste, to make sure that all the programs are running efficiently, and if you need to raise taxes, raise taxes on gravel.

Commissioner Campbell stated the hope is to bring down the preliminary levy.

Approval of Payment of Bills and Vouchers

On motion by Commissioner Krabbenhoft, seconded by Commissioner Ebinger, and unanimously carried, the Board approved the bills and vouchers totaling \$898,387 from 201 vendors. There were 143 warrants issued under \$2,000 (\$60,503) and the following 58 were over \$2,000.

Central Specialties Inc	\$ 91,562	Amazon Capital Services	\$ 5,123
Regents Of The Univ Of MN	\$ 88,750	Becker County	\$ 5,000
Clay Soil & Water Cons Dept	\$ 74,497	Verizon-386550144	\$ 4,530
West Central Regional Juvenile Center	\$ 68,844	TimeClock Plus, LLC	\$ 4,411
Advanced Correctional Healthcare, Inc.	\$ 66,341	Moorhead Public Service	\$ 4,121
Houston Engineering Inc	\$ 51,918	Fitzgerald Construction Inc.	\$ 4,070
CivicPlus, LLC	\$ 34,335	Manatron, Inc.	\$ 4,000
Prairie Lakes Municipal Solid Waste Auth	\$ 28,005	WEX Bank	\$ 3,980
Trinity Services Group, Inc.	\$ 26,136	Bytespeed, LLC	\$ 3,899
Historical & Cultural Society Of Clay Co	\$ 17,284	Northern Improvement Co	\$ 3,879
City of Glyndon	\$ 15,802	Oasis Mental Health & Wellness	\$ 3,750
NetCenter Technologies	\$ 15,798	Wegner Psychological & Therapeutic Svc	\$ 3,750
WEX Bank - Sheriff	\$ 15,108	Advanced Business Methods	\$ 3,482
Leighton Enterprises Inc.	\$ 13,946	Stantec Consulting Services, Inc.	\$ 3,410
Ramsey County Finance	\$ 13,379	Madison National Life	\$ 3,227

Vanguard Appraisals, Inc.	\$ 12,925	MidStates Wireless, Inc.	\$ 3,032
Forum Communications Printing	\$ 12,747	Guardian RFID	\$ 2,981
Code 4 Services, Inc	\$ 12,726	High Point Networks, LLC	\$ 2,932
Primadata LLC	\$ 12,400	Uline	\$ 2,726
Pemberton Law, P.L.L.P.	\$ 9,763	Regnier/Andrew	\$ 2,562
Town & Country Oil Inc.	\$ 8,525	Green View Inc.	\$ 2,552
Johnson's Auto Repair LLC	\$ 8,495	Fuchs Sanitation Inc	\$ 2,446
New Horizons	\$ 7,177	Coborn's Inc	\$ 2,410
MN Life	\$ 6,685	Jarman's Midwest Cleaning Systems Inc.	\$ 2,332
Minnesota State Colleges and Universitie	\$ 6,247	Association Of Minnesota Counties	\$ 2,275
Berg Auto Body	\$ 6,030	Office of MNIT Services	\$ 2,228
Dean's Bulk Service	\$ 5,889	Amrize Midwest Inc.	\$ 2,129
Disposal Services Inc	\$ 5,760	Mn Valley Testing Laboratories, Inc.	\$ 2,064
CircleUp Education	\$ 5,495	Karen Klein Mediation, LLC	\$ 2,000

Approval of Minutes from September 16, 2025 & September 23, 2025

On motion by Commissioner Baer, seconded by Commissioner Ebinger, and unanimously carried, the Board approved the minutes from September 16, 2025, and September 23, 2025.

Clay County Extension National 4-H Week Presentation and Proclamation

4-H Youth Development Educators Amelia Landsverk and Monique Stelzer, and Horticulture Extension Educator Jillian Patrie provided the Board with and presentation on Extension and requested approval of the Proclamation for National 4-H week.

The Board of Commissioners read the Proclamation for National 4-H week.

On motion by Commissioner Mongeau, seconded by Commissioner Ebinger, and unanimously carried, the Board approved to adopt the proclamation for National 4-H week October 5 – 11, 2025.

Ms. Landsverk and Ms. Stelzer discussed the Beyond Ready Initiative, how 4-H prepares youth through emerging programs, teaching, volunteer systems, program leadership, communications, community partnerships, and Clay County 4-H clubs by numbers.

4-H member Bridget Hendrickson, a Barnesville High School 10th grader, spoke about her experience in 4-H and the opportunities she's had with the Clay County Fair and the State Fair.

Ms. Patrie discussed Agricultural & Natural Resources (ANR) programs, ANR local guidance, technical assistance, teaching, program leadership, and Master Gardeners by numbers.

Extension Master Gardener Volunteer Tim Wollenzien spoke about his experience with the Master Gardener program and the impact he can make on the communities in Clay County.

Extension staff further discussed the Clay County Fair, Flutter Fest, other programming, why extension matters, the dual impact of extension, and the lasting impact of these programs.

Commissioner Baer asked how someone becomes a Master Gardener. Ms. Patrie stated every year there is an application period from August 1st to October 1st. The first step would be to fill out an application, background checks are conducted after that, then you register for the course, which is an online self-paced course. Once completed, you would be considered an intern for the first year, where you need to complete 50 hours of volunteer service. After that, you'd be considered an active Master

Gardener. Once the Master Gardener status is reached, you would complete a minimum of 25 hours of volunteer service and about 6 hours of continuing education.

Commissioner Mongeau discussed how 4-H week is really important and thanked Ms. Hendrickson and Mr. Wollenzien for sharing their stories.

Recognition - Proclamation for Eligibility Worker and Case Aide Month

Social Services Director Quinn Jaeger requested approval to proclaim October 2025 as Eligibility Worker and Case Aide month in Clay County and stated Eligibility Workers and Case Aides are often the first point of contact for citizens seeking vital assistance. In 2024, our 29 Eligibility Workers each processed an average of 8,178 documents, equaling about 33 documents per worker, per day, along with nearly 8,915 in-office appointments—not including phone interviews or daily tasks. Despite this high volume, Clay County maintained an error rate of 3%, far below the statewide average, underscoring the incredible accuracy and timeliness of our staff. Their customer service skills, professionalism, and attention to detail ensure that families, children, seniors, and individuals with disabilities receive the support they need quickly and correctly.

In addition to the vital work of our Eligibility Workers, Case Aides provide essential behind-the-scenes support that keeps our operations running smoothly. They handle tasks that range from the preparation and processing of forms to managing file documentation, assisting with client communications, and ensuring children in foster care can have safe and meaningful contact with their parents. Their attention to detail and ability to juggle multiple responsibilities allow Eligibility Workers and Social Workers to focus on complex case determinations, making Case Aides an indispensable part of our service delivery team.

The Board of Commissioners read the proclamation for Eligibility Worker and Case Aid Month.

On motion by Commissioner Krabbenhoft, seconded by Commissioner Baer, and unanimously carried, the Board approved to adopt the Proclamation for Eligibility Worker and Case Aide Month October 2025, in Clay County.

Request Approval of the Proposed Transition of Public Health Staff to Social Services

Mr. Jaeger requested approval of the proposed transition of Public Health Staff to Social Services and stated the intent of this proposal is to streamline the MnChoices Program's operational efficiency between Public Health and Social Services, and support County budget goals. The plan involves transferring 4 Public Health FTEs into Social Services: 3 MnChoices Assessors and 1 Case Aide. Social Services receives a higher reimbursement rate for MnChoices time study random moments. By shifting these FTEs into Social Services, the County will maximize revenue capture through this existing reimbursement stream, creating cost savings for Public Health and additional revenue for the County overall. However, it is important to note that beginning in 2027, MnChoices will no longer be part of the time study due to legislative changes from this past session. While this transition generates immediate fiscal benefits for 2026's budget, the long-term structure will need to be re-evaluated before January 1, 2027, once the state finalizes the flat-rate reimbursement funding model for MnChoices work. The state needs to realize \$9 million in savings in this area, and there are concerns that revenue from this program will decrease, negatively affecting our budget forecast for 2027. This proposal was brought before the Personnel Issues Committee (PIC) and supported to move forward for full Board consideration.

Currently, in Public Health, the 4 FTEs carry a projected salary and benefits cost of \$434,233 for 2026.

These staff are projected to generate approximately \$325,000 in revenue based on prior performance, leaving a net levy impact of \$109,233. By transitioning these 4 staff into Social Services, the County leverages the larger Social Services cost pool, which produces higher reimbursement for the same work. When added on top of the revenue already generated by existing Social Services staff in this program, this change is projected to capture an additional \$68,881 in revenue in 2026. This means that instead of carrying a \$109,233 levy impact under Public Health, the County not only avoids that impact but also gains the \$68,881 in new revenue capacity. In total, the County realizes an estimated net benefit of \$178,114 in 2026 from this transition.

Commissioner Ebinger stated this came before PIC and it's recommended to make this change, as it's a cost-effective way for providing the same services. Commissioner Mongeau thanked Mr. Jaeger for looking into ways to save money and stated this certainly seems to make the most sense, understanding that we want to serve the community with the most fiscally sound option possible.

On motion by Commissioner Baer, seconded by Commissioner Ebinger, and unanimously carried, the Board approved the transfer of 4 Public Health staff positions into the Social Services Department, effective January 1, 2026.

PUBLIC HEARING: SCOTT DAHMS PETITION FOR TEXT AMENDMENT TO THE CLAY COUNTY LAND DEVELOPMENT AND SUBDIVISION ORDINANCE

Commissioner Campbell stated this agenda item is a continuation from a previous meeting. Planning & Zoning Director Matt Jacobson stated the Public Hearing has been open since September 16, 2025.

Mr. Jacobson stated this is a petition for a text amendment to permit cannabis business as a conditional use in the Agricultural Service Center (ASC) zoning district, brought forth by Scott Dahms and Elevated Dispensaries.

Mr. Jacobson discussed the petition request, current cannabis zoning, ASC zoning districts, suitability, no comments have been received yet at this time and all Townships were notified, 2045 Comprehensive & Transportation Plan Goals and Objectives, and the two recommendations based on Findings of Fact.

Mr. Jacobson stated based on the discussion the Planning Commissioner did make a recommendation to deny this amendment to the Clay County Development Code. The key findings that were discussed by the Planning Commission include:

- **Limited Eligible Parcels:** Out of 259 Agricultural Service Center parcels, only 23 may meet cannabis business setback requirements; over 90% would be ineligible without a variance.
- **Variance Burden:** Likely substantial increase in variance requests, creating administrative burdens and undermining ordinance intent.
- **Land Use Conflicts:** ASC districts are largely residential; amendment could introduce conflicts with rural character and community expectations for peace and quiet.
- **Comprehensive Plan Consistency:** Current ordinance limits cannabis businesses to Highway Commercial districts to reduce land use conflicts; expansion to ASC would not fully align with that intent. Ordinance is also new and untested.
- **Utilities Impact:** Cannabis businesses would not create an excessive burden on public facilities or utilities.

Commissioner Baer discussed the petition request and asked if Clay County would still receive sales tax on this business itself. Mr. Jacobson was unsure at the moment and stated he could investigate that

question and follow up at a later time. Commissioner Campbell agreed and thought that the business would still be something that was taxed, including the local options sales tax. Commissioner Mongeau stated there are some components to cannabis that are generally exempt from excise and sales tax in Minnesota. Effective July 1, 2025, cannabis tax rate will increase to 15%. In addition to the cannabis tax, taxable cannabis products are subject to both the 6.875% state general rates sales tax, and any applicable local sales taxes, based on where the transaction takes place.

Applicant Scott Dahms who is the owner of Elevated Dispensaries, approached the Board discussing the staff findings and offered a response to each.

- Staff finding 1: Cannabis uses are only allowed in Highway Commercial (HC), adding them to ASC could expand locations and land use conflicts with rural residential uses. Mr. Dahms' response to this finding is fairness and County wide equity. Restricting cannabis only to the Highway 10 corridor creates an economic monopoly in one area, while excluding all 6 ASC towns. This is not equitable County wide. ASC towns are overwhelmingly residential, only because the businesses that once thrived there, collapsed decades ago. ASC district was created as a service and value added hub for agriculture. This amendment restores that purpose by giving ASC towns a fair chance at new economic life.
- Staff finding 2: Only 8% of ASC parcels may meet setbacks. Approving cannabis in ASC could increase pressure for variances, waiting to open a cannabis business is not practical difficulty for a variance. Mr. Dahms' response is this is a moot point. Clay County ordinance only allows 6 dispensaries County wide. With such a strict cap, the idea of a variance flood is not credible. Conditional Use Permit (CUP) process remains, this amendment does not permit uses by right, every site still requires a CUP, and every setback must still be satisfied or reviewed. If a site cannot meet setbacks, it cannot proceed without a variance. This is already the law, and nothing in this amendment changes that.
- Staff finding 3: Cannabis rules are new and approving this now may be premature. Mr. Dahms' response is regulatory framework is complete. MN cannabis law chapter 342 and rules are already in effect. Clay County adopted its own cannabis ordinance in June 2024. CUP's allow maximum caution, each site is vetted individually with tailored conditions at the Commission and Board level. Planning requires vision. When these rules were first written, it's unlikely anyone was thinking about ASC, grain elevators, or adaptive reuses, but the duty of planners is not just to enforce rules, it's also to think outside the box so we can reach more creative forward-looking decisions. Sometimes taking a chance is worth it. With a time sensitive opportunity like this, waiting too long means the window could close and rural ASC towns won't get their chance.
- Staff finding 4: ASC districts are overwhelmingly rural residential. Allowing industrial commercial uses could create conflict with nearby homes. Mr. Dahms' response is there is a history of blight. ASC towns are residential today only because their commercial base collapsed for lack of opportunity. They were designed for mixed use, but businesses left. ASC towns have seen no new meaningful development in decades. Without opportunity, blight will persist and rural townsites will decline further. Of all the economic opportunities available today, cannabis is by far the most lucrative and time sensitive. Other industries are not lining up to invest in ASC towns. The revenue from cannabis businesses provides what's needed to repair and restore aging structures such as elevators, community halls, and service buildings. This amendment revives the original service center purpose of ASC districts carefully through CUP's and provides a path for viable small scale economic uses.
- Staff finding 5: Cannabis businesses will not generate sales tax for the County. Mr. Dahms' response is cannabis transactions are subject to MN general sales tax and applicable local sales tax. Clay County and its towns benefit indirectly from where local sales taxes apply. It is true that the cannabis excise tax goes to the state general fund and not directly to the counties.

- Staff finding 6: Cannabis may burden public facilities, utilities, and create nuisances. Mr. Dahms' response is this is a heavily regulated industry. Cannabis is among the most highly regulated industry in MN, requiring security, odor control, waste plans, and inspections. It has less impacts than existing uses. ASC districts already allow bars, restaurants, and entertainment uses, by CUP, all of which can produce greater noise, traffic, and late-night activity, than a regulated cannabis business. Each ASC cannabis CUP can impose conditions on hours, delivery windows, odor control, screening, parking, and lighting, to ensure compatibility with near-by residences.
- Staff finding 7: the Comprehensive Plan encourages value added agricultural development, but cannabis may not align. Mr. Dahms' response is that cannabis is an agricultural product, and its cultivation and retail are value added agriculture. Repurposing an elevator, an agricultural icon, perfectly embodies the Comprehensive Plan's goal of promoting agriculture heritage and rural economic hubs. This has the potential to stimulate economic activity, tourism, and preservation of historical structures.

Mr. Dahms stated at the heart of this request is fairness. Clay County has 6 ASC towns, yet under the current ordinance only the Highway 10 corridor towns are given a real chance to participate in this new state regulated industry. That creates an unfair monopoly for one part of the County while excluding the rest. There hasn't been new and meaningful development in these ASC towns in decades. Of all the economic opportunities available today, cannabis is by far the most lucrative. This amendment is about restoring ASC towns to their original purpose, bringing back economic viability, and preventing further decline. It does not grant approvals by right, it simply gives ASC towns the same opportunity to be considered under a CUP with all of the safeguards, setbacks, and state regulations already in place. Approving this amendment supports County-wide fairness, preserves historic landmarks, strengthens rural economies, and upholds the vision of the Comprehensive Plan. Most importantly, it allows the Planning Commission and the County Board to think outside the box to take a creative chance where it matters most, before the opportunity is gone. This is an opportunity to choose equity, economic responsibility, and community preservation for all of Clay County, not just a select corridor.

Derrick Draeger, Elevated Dispensaries General Manager and part owner approached the Board and discussed growing up in a small town, and how this business will allow for economic development in the rural areas of Clay County, and how Clay County can be an example for the rest of rural Minnesota.

Alliance Township Chairman, Jerald Butenhoff of Barnesville, MN approached the Board and discussed the land that this business would need to expand their footprint. Mr. Butenhoff is unsure of the process. Mr. Jacobson gave the example and stated in Downer, MN there was a business that was also looking to be established and to meet their minimum requirements. There was some Township right-of-way and that was essentially never developed, so it was Township property, and they went through the process of vacating that right-of-way and selling it to that landowner. Therefore, there is a process for right-of-way. However, as far as property is concerned, that would be a question for the County Attorney. Mr. Butenhoff stated other than that, he's only received one complaint from a citizen regarding this issue and the concerns with driving impaired.

Tim Thompson of Barnesville, MN discussed how he was originally a skeptic after Mr. Dahms purchased the elevator, but one thing that many people don't see is what he has accomplished, and encouraged everyone to take a look at it. As far as the business proposal goes, there are some concerns, but there hasn't been a lot of opposition. Mr. Thompson further discussed the property and ownership of the parcel.

Commissioner Campbell asked if this would be a retail operation. Mr. Jacobson stated for this specific

business this would be a micro-business, so it would be retail and a cultivation endorsement as well. Mr. Dahms stated with his preliminary approval from the Office of Cannabis Management he's allowed a retail area, to serve low dosage edibles, cultivation, processing, wholesale, and transportation. In terms of the lounge, one of the ideas of the business plan was to create a space to celebrate the uniqueness of the elevator. The business will have very strict hours of operation from 9 a.m. to 9 p.m., with Sundays being more condensed. Commissioner Campbell asked if those hours are given by the state. Mr. Dahms confirmed that was correct. Mr. Jacobson stated the hours are set in statute and the County would follow that. Commissioner Campbell asked if the County has the ability to be more restrictive than what the state statute is. Mr. Jacobson stated potentially, however, the hours in our ordinance match what the state has in place.

Commissioner Krabbenhoft asked about the retail side of the business. Mr. Dahms stated there are a wide range of products that would be considered retail, anything with THC in it, such as the actual plant, edibles, topical lotions, pet products, etc. Commissioner Krabbenhoft asked in terms of cultivation and wholesale, would the product be grown inside or outside. Mr. Dahms stated the grow operation would be indoors. Discussion ensued regarding the grow operation.

Commissioner Campbell asked if the ASC had the opportunity to comment when the County went through the Clay County Land Development Subdivision Ordinance. Mr. Jacobson stated yes, at the Township level, they had the opportunity to comment. Commissioner Campbell asked where the cannabis businesses are currently allowed. Mr. Jacobson stated they are allowed in Highway Commercial (HC) and Limited Highway Commercial (LHC). Most of our HC and LHC is along Highway 10 and Highway 75. If this property is able to meet the minimum lot dimensional standards for HC/LHC, they could potentially apply for a rezoning as well. Commissioner Campbell asked if they meet those standards. Mr. Jacobson stated no, not at this time. Commissioner Campbell asked why this site wouldn't qualify to be rezoned to HC. Mr. Jacobson stated it's about a ½ acre of property and the minimum is 1 acre. There are also road setbacks, and adjacent resident setbacks for the use that could be resolved through a variance process. However, the minimum lot size is the main reason. The reason for having a minimum lot size is to ensure there is adequate space for parking and sewage/septic and things of that nature. Discussion ensued regarding the CUP process. Commissioner Mongeau clarified that these ASC towns that keep getting mentioned are not technically towns, they are villages. They're not incorporated towns with city councils, they are villages in rural Clay County.

On motion by Commissioner Baer, seconded by Commissioner Ebinger, and unanimously carried, the Board approved to close the public hearing at 9:58 a.m.

Commissioner Mongeau stated there were good points that were brought up, and she appreciates those who want to be creative and invest in Clay County when it comes to businesses. Because this affects her district, she made it a point to reach out to folks in the townships that would be affected and there are some serious concerns about changing the use across all of the service establishments. Commissioner Mongeau stated this does concern her in regard to the effects it could have on rural Clay County, but recognizes the need to be flexible with businesses.

Commissioner Campbell further discussed the Conditional Use Permit, and concerns about the lounge aspect.

Commissioner Ebinger discussed how he never thought cannabis would be legal and stated his opinion of this has changed based on what Mr. Dahms has provided today. This sounds like a thoughtful, well planned out business model. Commissioner Baer clarified that Mr. Dahms would still need to go through the CUP process if this gets changed today.

Discussion ensued regarding the CUP process, fairness, economic development, and property taxes.

On motion by Commissioner Krabbenhoft, seconded by Commissioner Ebinger, and carried, with one descending vote (Commissioner Mongeau), the Board approved the petition for a text amendment to the Clay County Land Development and Subdivision Ordinance based on the Findings of Fact by the Planning Commission.

BREAK

The Board took a break from 10:13 a.m. to 10:20 a.m.

Request Approval to Appoint Planning Commissioner to Moorhead Wellhead Protection Plan Team

Mr. Jacobson requested approval to Appoint Joel Hildebrandt (Planning Commission) to the Moorhead Wellhead Protection Plan team and stated it's going to be a six-month process and they're looking at starting in November 2025, and they'll meet once a month. Additionally, Moorhead Public Service has requested that Commissioner Kevin Campbell, who has the Moorhead Wellhead Protection portfolio as part of his committee assignments, serve on the team as well.

On motion by Commissioner Baer, seconded by Commissioner Krabbenhoft, and unanimously carried, the Board approved to appoint Joel Hildebrandt as the Clay County Planning Commission representative to the Moorhead Wellhead Protection Team.

Request Approval to Acquire Highway Easement for Parcel No. 21.036.0200

County Engineer Justin Sorum requested approval to acquire a highway easement for parcel no. 21.036.0200 and stated this is needed for the CSAH 12/52 roundabout project. This easement is for 1.32 acres, and through negotiation with the landowner we settled on \$22,000.

On motion by Commissioner Krabbenhoft, seconded by Commissioner Ebinger, and unanimously carried, the Board approved the agreement to acquire highway easement in the amount of \$22,000 for parcel No. 21.036.0200.

Request Approval to Acquire Highway Easement for Parcel No. 19.001.0100

Mr. Sorum requested approval to acquire a highway easement for parcel no. 19.001.0100 and stated this is needed for the CSAH 12/52 roundabout project. This is the final easement needed for the project and is for 4.33 acres in the amount of \$40,000.

On motion by Commissioner Baer, seconded by Commissioner Ebinger, and unanimously carried, the Board approved the agreement to acquire highway easement in the amount of \$40,000 for parcel no. 19.001.0100

Request Approval of Limited Use Permit and Supporting Resolution 2025-26

Mr. Sorum requested approval of the Limited Use Permit (LUP) and Resolution 2025-26 and stated the Agassiz Recreational Trail (ART) which runs from Ulen north 5 miles to the Clay/Norman County line is sponsored by Clay County. One of MnDOT's internal processes is to review these trails from time to time. During the review MnDOT noticed that part of this trail intersects the Trunk Highway 32 Right-of-Way, and thus has created the need for a LUP and supporting resolution.

On motion by Commissioner Baer, seconded by Commissioner Ebinger, and unanimously carried, the

Board approved the Limited Use Permit and supporting Resolution 2025-26.

EXHIBIT B
COUNTY OF CLAY
RESOLUTION 2025-26

IT IS RESOLVED that the County of Clay enter into Limited Use Permit No. 1403-0022 with the State of Minnesota, Department of Transportation for the following purposes:

To provide for maintenance and use by the County of Clay upon, along and adjacent to Trunk Highway No. 32 the limits of which are defined in said Limited Use Permit.

IT IS FURTHER RESOLVED that the Clay County Board of Commissioners does hereby approve said Limited Use Permit and authorizes and directs the County Board Chairperson and County Administrator to execute, on behalf of County of Clay, the aforesaid Limited Use Permit and its amendments.

NOW THEREFORE BE IT RESOLVED BY THE CLAY COUNTY BOARD OF COMMISSIONERS AS FOLLOWS; that the County Board Chairperson and County Administrator are authorized to execute the Limited Use Permit and its amendments, and that the County of Clay enter into Limited Use Permit No. 1403-0022 with the State of Minnesota, Department of Transportation for the following purposes:

CERTIFICATION

I certify that the above Resolution is an accurate copy of the Resolution adopted by the Clay County Board of Commissioners at an authorized meeting held on the 7th day of October, 2025.

Request Approval to Sunset the Clay County Referral Incentive Program

HR Director Anna Moore requested approval to sunset the Clay County Referral Incentive Program and stated this program was adopted in 2022 and was designed to help with recruiting and retention efforts. The program has been successful, with current payouts totaling \$67,750.00. With the 2026 budget concerns and receiving more applications for positions, we believe it's appropriate to sunset this program at this time. This would not impact any current pending payments.

Commissioner Mongeau thanked Ms. Moore for providing the historical data, along with thinking of the upcoming budget and looking into how the County can save.

Commissioner Ebinger stated this came before the Personnel Issues Committee and was recommended to come before the full Board.

On motion by Commissioner Baer, seconded by Commissioner Krabbenhoft, and unanimously carried, the Board approved to sunset the Clay County Referral Incentive Program, effective immediately, with no impact to any pending payments.

Request Approval to Terminate the Sick Leave Donation Program for 2026

Ms. Moore requested approval to terminate the sick leave donation program for 2026 due to the implementation of Paid Family Medical Leave (PFML) in 2026. The Sick Leave Donation Program currently allows benefit-eligible employees to request PTO accruals from their peers when they are on an unpaid leave of absence (FMLA/parental leave). PFML will cover these scenarios starting in 2026.

On motion by Commissioner Krabbenhoft, seconded by Commissioner Baer, and unanimously carried, the Board approved to terminate the Sick Leave Donation Program effective January 1, 2026.

Request Approval to Allow Employees to Supplement their Paid Family Medical Leave (PFML) Claim with PTO

Ms. Moore requested approval to allow employees to supplement their Paid Family Medical Leave (PFML) claims with PTO and stated PFML will provide employees with partial wage replacement ranging from 50–90%, with most employees receiving about 66% of their normal wages. State law does not allow us to require employees to use their accrued sick or vacation leave while receiving PFML benefits. However, with the support of the PIC, it's recommended to adopt a policy that allows employees the option to "supplement" or "top off" their PFML benefit with their accrued leave, up to 100% of their regular pay. This approach helps employees maintain their full income during leave, and reduces financial stress. Importantly, it ensures employees remain in a paid status with Clay County, which prevents them from becoming responsible for their share of benefit premiums and avoids the need for repayment plans. Without this policy, employees may face gaps in income and potential administrative burdens related to premium repayment. Allowing supplementation provides a fair, supportive, and fiscally responsible approach for both employees and the County.

Commissioner Baer asked if the unions asked for this as well during negotiations. Assistant County Administrator Darren Brooke stated not that he can recall.

On motion by Commissioner Ebinger, seconded by Commissioner Baer, and unanimously carried, the Board approved to allow employees to supplement their Paid Family Medical Leave Claims with PTO.

Request Approval to Add Medica - Essentia Option to 2026 Benefit Plan

Ms. Moore requested approval to add the Medica Essentia-only option to the 2026 benefit plan and stated when the Board approved moving to Medica for 2026 and 2027, the plan presented was the Medica Passport plan, which mirrors Blue Cross Blue Shield (BCBS) and offers open access to providers. Since that approval, Medica has presented an additional plan option: the Medica Essentia plan. This is a narrow-network plan where members receive care exclusively through Essentia, but the benefit deductibles remain the same as the Passport plan.

Offering the Essentia-only option provides significant financial advantages for both the County and employees. The premium for this plan is lower, and in 2023 the cost of services was also 20% less than the open-access product. Medica has successfully offered this plan for nearly 10 years, with consistently strong performance. A key driver of these savings is the close partnership between Medica and Essentia:

- Medica shares member-level data with Essentia at the point of enrollment, allowing proactive outreach, preventive care reminders, and reduced emergency department reliance.
- Essentia RNs and physicians actively manage the Medica population, with physicians assuming some financial risk if the plan underperforms.
- Services are billed at a lower rate under the Essentia network compared to the Passport network.

If Clay County chooses not to offer the dual network option, we may face higher renewal rates in 2028 due to the loss of these Accountable Care Organization (ACO) discounts. For these reasons, and following a unanimous recommendation from the County's Insurance Committee, it's recommended to offer both the Medica Passport (open access) and Medica Essentia (narrow network) plans beginning in 2026.

On motion by Commissioner Krabbenhoft, seconded by Commissioner Mongeau, and unanimously carried, the Board approved to add the Medica Essentia-only option to the 2026 Benefit Plans.

2026 Budget Discussion

Commissioner Campbell stated he requested that this item be placed on the agenda every week from now until the end of the year, in the event that there is anything the Board wants to bring up, propose, or discuss.

County Administrator Stephen Larson stated he received information from the Sheriff about how they receive state aid on an annual basis. This year (2025), they budgeted \$340,000, when they received the allotment, it was in the amount of \$482,738, again a benefit to this year's budget. For the 2026 budget, the Sheriff budgeted \$400,000 for the state aid. In talking with the Sheriff and County Auditor-Treasurer Lori Johnson, and based on the information from this year, we feel comfortable increasing that amount to \$450,000, which could offset the levy. With the Board's actions this morning in adjusting the positions from Public Health to Social Services, there's a potential savings of \$178,114. At the end of Mr. Jaeger's presentation, he talked about a license fee collection increase of \$100,000.

With these three adjustments it brings the net levy down from 6.46% to 5.73%.

Discussion ensued regarding the state aid, reserves, and Public Health.

Commissioner Campbell discussed the exit interview with the State Auditor's Office, and part of that audit they talked about our reserves. There are some reserves that include assets other than cash, but there's also the one that deals with cash. And that's the portion where the State Auditor says we should have 50% of our annual expenditures in reserves. Commissioner Campbell asked Mr. Larson to request a 5-year look back on cash balances compared to the 50%, and to schedule a time for the State Auditor to present to the full Board.

Mr. Larson stated as we've talked about before, Assistant County Administrator Darren Brooke is going to be pulling a staff report in the coming weeks. Commissioner Baer asked if we should start looking at a hiring freeze. Mr. Larson stated as a Board, you have the ability to make that decision. If you'd like to formalize the idea of a hiring freeze, there could be challenges when it comes to the departments which have regulations and licensing requirements. Commissioner Baer asked what those departments are. Mr. Larson stated those would likely include the 24/7 operations. Another thing to be aware of, for example, if an employee were to leave from a smaller department such as the Recorder's Office, and that position is not filled, there could be times of the day where those windows would be closed to the public because of staffing. Commissioner Ebinger asked if it was more practical for Department Heads to be prepared to justify as to why positions are needed, when they come to Board for approval. Commissioner Mongeau stated the challenging piece that we'll see is there are times when things come up where it's a public safety issue, where certain positions need to be staffed. Her recommendation would be to communicate to Department Heads that we're not interested in additional hiring, but understand that there are times where that is needed. Therefore, any new request should go through PIC and that committee can determine if those positions come before the full Board. Discussion ensued.

Mr. Larson asked for clarification on the funding mechanism regarding Innovate28. The Board stated Clay County will not be part of Innovate28.

Committee Reports/County Administrator Update/Discussions

- Commissioner Baer reported on meetings for WCRWD presentation to the House Bonding Tour; and WCRWD.
- Commissioner Ebinger reported on meetings for House Bonding Tour; Greater FM EDC; NW Emergency Communication Board; Treatment Court Initiative Advisory Committee; FM Diversion Authority.
- Commissioner Krabbenhoft reported on meetings for PRTF Small Group Prep meeting for the House Bonding Tour; House Bonding Tour; Family Resource Center Stakeholder meeting; CAPLP; Children's Mental Health LAC; PRTF meeting; Historical & Cultural Society; and Moorhead City Planning Committee.
- Commissioner Mongeau reported on meetings for PRTF Prep meeting for House Bonding Tour; Red River Basin Commission; House Bonding Tour; SWAC; MCCJPA; Metro COG; CAPLP; Legislative strategic meeting for NSJD/PRTF; Goodbye luncheon for Jackie Finck; Legislative strategic meeting with the Chamber; MN Rural Counties Caucus fall meeting; and Metro COG.
- Commissioner Campbell reported on meetings for PLMSW; SWAC; Lakes Country Service Co-op; MCCJPA; FM Diversion Authority; WCRWD; Chamber Public Policy - review of House Bonding Tour.
- County Administrator Stephen Larson reported on meetings for House Bonding Tour planning meeting; met with Matt Jacobson regarding today's public hearing; met with Lori Johnson regarding the budget; House Bonding Tour; met with MCIT regarding ongoing liability claims; MCCJPA; WCRWD; Public Health Director Interviews; MACA/MCHRMA Annual Conference; worked on MMB Documents for Flood Mitigation and NSJD; update for employees - Fall Flu Vaccine Clinic on October 9, 2025, from 8:15 a.m. – 2 p.m. at the FSC Suite 105; and just a note for the Board, received a notice yesterday from the State Historical Preservation Review Board that the Gran Lutheran Church in Rollag, MN is up for consideration for the National Registry for Historic places. Nominations will be discussed at a meeting on Tuesday, November 18, 2025.
- Assistant County Administrator Darren Brooke reported on meetings for missed worked on evaluation; worked on risk assessment form; House Bonding Tour; SWAC; Department head Evaluation; prepped for Attorney Negotiation; Attorney 2nd Negotiations; Public Health Director interviews; MACA/MCHRMA Annual Conference; prepped for 3 more upcoming negotiations; and worked on 2026 budget estimate update.

On motion by Commissioner Baer, seconded by Commissioner Krabbenhoft, and unanimously carried, the Board approved to add Treatment Court Initiative Advisory Committee as an AMC Subcommittee to Commissioner Ebinger's Committee assignments.

On motion by Commissioner Baer, seconded by Commissioner Ebinger, and unanimously carried, the Board approved to have all open positions go through the Personnel Issues Committee prior to coming before the full Board, effective immediately.

Adjourn

The meeting was adjourned at 11:39 a.m.

Kevin Campbell, Chair
County Board of Commissioners

Stephen Larson, County Administrator