

## **CLAY COUNTY BOARD OF COMMISSIONERS – WORK GROUP**

**1:30 PM, TUESDAY, SEPTEMBER 9, 2025**

Meeting Room A / B – 3rd Floor – Courthouse

### **MINUTES**

The Clay County Board of Commissioners met in Work Group 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, County Auditor-Treasurer Lori Johnson, and Senior Administrative Assistant Sarah Hellem.

#### **Call to Order**

Commissioner Campbell called the meeting to order at 1:30 p.m.

#### **2026 Budget Discussion**

County Administrator Stephen Larson provided a refresher from the previous week and stated we came in with an updated net levy increase of 9.47%. Within that 9.47%, some adjustments were made from the 12.75% with insurance savings due to retired individuals who are still on the county plan. We looked at about \$425,974.53 in lowered insurance premiums than what we had anticipated. As a part of that, we also had roughly \$300,000 anticipated for an increase in insurance, and then we have \$250,000 for future insurance needs. Also included are the external agency requests. In April, Administration sent these agencies a letter requesting them to carefully consider their funding requests for 2026, to which a majority of them obliged. However, the Barnesville Ambulance did submit a rather significant increase. We did have an update from Probation this past week and heard about the increases there, which we factored in at an additional \$262,000. We also have Paid Family Medical Leave (PFML) in the tune of \$250,000. Again, once we get to the end of the year, Assistant County Administrator Darren Brooke will take a snapshot so we can see solid numbers. Last week we looked at where we're at from a Fund Balance standpoint, and maybe utilizing some of those funds.

Mr. Larson stated overall we had very few new requests, roughly \$146,681. About \$99,000 of that is for a Social Worker. Some funds have been set aside for the request that was made by Technology Services. And we do have \$25,000 for a Lobbyist. As you can see, a Cost of Living Adjustment (COLA) at 3% is \$1,334,536. Each point is right around \$444,000, and then each levy point is worth \$495,819.

Commissioner Campbell discussed the 12% health insurance decrease of \$425,975 and stated when we talked about that with the Insurance Committee, they agreed that the buyout that would have to go to our broker, should come off the top. Commissioner Campbell asked if that had been done yet. Ms. Johnson stated that has not been done yet and asked if we knew if that was what was happening. Mr. Brooke stated the broker submitted some documentation, but it wasn't an actual invoice. Mr. Brooke stated he was unsure if the Insurance Committee knew that this would be something that will be split between the employer and the employee. Commissioner Campbell stated the

Insurance Committee fully understood and was aware. Discussion ensued regarding the buyout of the current broker, and insurance rates.

Commissioner Mongeau asked if there would be a savings if the County got rid of the grandfathered status, and asked if that was included in union negotiations. Mr. Brooke stated the grandfathered status is included in the negotiations. Commissioner Baer raised the question of taking away the grandfathered status to all employees who are not part of a union. Mr. Brooke stated that would be big ask for the employees. Discussion ensued regarding union negotiations and benefits.

Commissioner Mongeau discussed the external agency request from The FMWF Chamber and the Greater FM Economic Development Corporation (EDC) for Innovate28, and stated there was somewhat of a general consensus to adjust their appropriation, give the Chamber a certain amount and then possibly funding the small town EDA's. Commissioner Ebinger discussed not seeing a return on investment from the EDC. The Innovate28 structure that's in place indicates that the Chamber would only receive 40% of the funds. If we adjust the appropriation, it might cost Clay County a seat at the executive table for the EDC, but it doesn't do us much good when everything the EDC deals with are ND issues, which has no impact on our constituents. Commissioner Ebinger further stated he though \$10,000 for the EDC is a decent placeholder, to keep Clay County's foot in the door. Commissioner Ebinger stated he wouldn't mind keeping the Chamber's request at \$85,000, and then giving the Clay County small-town EDA's \$5,000 a piece which would equate to \$20,000. Commissioner Baer stated that would include Barnesville, Dilworth, Glyndon, and Hawley. Commissioner Campbell asked how much was given to Downtown Moorhead Inc. (DMI). Mr. Larson stated \$50,000.

Commissioner Campbell stated we gave \$235,000 between the Chamber, the EDC and DMI. Mr. Larson confirmed that was correct. Commissioner Campbell stated if we were to give the Chamber \$85,000 the EDC \$10,000 the small cities \$20,000 and DMI \$50,000 that would bring us to \$165,000. Commissioner Campbell proposed having an Economic Development budget of \$200,000. If so, that would then leave \$35,000 for a lobbyist, with the \$165,000 already allotted to those other entities. Commissioner Campbell asked how much was already set aside for lobbyist services. Mr. Larson stated \$25,000. Discussion ensued regarding lobbyist services, Economic Development, and bringing the Barnesville Ambulance request down to \$35,000.

Mr. Larson discussed the resignation of the Communications Coordinator and recommended not filling that position, which would be a savings in roughly \$100,000 between the upcoming step adjustment and benefits. Commissioner Mongeau agreed with this recommendation.

Commissioner Mongeau suggested cutting the Cultural Diversity Resources request of \$3,5000 due to the fact that the same work is already being done by Amelia Landsverk from Clay County Extension. Commissioner Campbell stated by not granting that request, we could move that amount to Economic Development.

Commissioner Campbell stated the new Economic Development budget line item would consist of the following, which would result in a total of \$213,000.

- The FMWF Chamber: \$35,000
- The Greater FM EDC: \$10,000
- Small Cities EDA's : \$20,000 (\$5,000 each)
- Lobbyist: \$48,000
- Downtown Moorhead Inc.: \$50,000

Commissioner Mongeau recommended cutting the Lakes & Prairies Community Action Partnership Rural Routes request in the amount of \$56,778. Commissioner Baer agreed with this recommendation. Commissioner Mongeau stated they have the money for the bus itself, but they don't have the funds for ongoing staffing. Commissioner Campbell mentioned that when having a bus, the driver would need a CDL license too, which is going to be harder to find staffing for.

Mr. Larson discussed the other external agency requests and stated Metro COG's request is based on a formula, MN Rural Counties Caucus is based on the County population, Rape and Abuse Crisis Center is through the Social Service budget, and the Red River Basin Commission is population based. Mr. Larson further discussed the request from the Soil & Water Conservation District (SWCD) and stated there was discussion regarding using some of the riparian aid funds to offset the request, which can be looked into between now and December. Commissioner Mongeau suggested reducing the SWCD request to \$297,989.80. Mr. Larson further discussed FirstLink, which is also in the Social Service budget. Commissioner Baer asked what that was for. Mr. Larson stated it's a suicide hotline service. Commissioner Krabbenhoft stated it's very important. Mr. Larson stated he would touch base with Emergency Management Director Gabe Tweten for more information. The Clay County Fair request stayed the same with the exception of a small increase to insurance. Dancing Sky is based on a formula. Historical and Cultural Society asked for a 1% increase. Commissioner Krabbenhoft stated not to give it to them. They have a reserve. Commissioner Ebinger discussed the Lake Agassiz Regional Library (LARL) and recommended to only give them a 5% increase rather than a 9% increase. Commissioner Mongeau and Commissioner Krabbenhoft agreed with this recommendation. County Auditor-Treasurer Lori Johnson stated with that adjustment, the total going to LARL would be \$349,209.

Commissioner Mongeau asked about the Public Health fund balance and stated it seems like there is an excess of funds there. Discussion ensued regarding levy funds and enterprise funds. Commissioner Krabbenhoft asked which departments are enterprise funds. Mr. Larson stated those include Public Health, Solid Waste, Family Service Center, and Juvenile Detention. Commissioner Baer asked what are mandated versus non-mandated programs within Social Services. Mr. Larson stated he asked both the Social Services Director Quinn Jaeger and Public Health Administrator Kathy McKay to go through those programs and Mr. Jaeger has 2 positions. Mr. Larson stated

the jobs that are grant funded are non-mandated positions in most cases. Commissioner Ebinger discussed the Opioid Program Manager position that is fully grant funded and covers the salary. Commissioner Campbell stated there were mandated services years ago, and some of those services allowed the County to develop a waiting list. Discussion ensued regarding mandates and Paid Family Medical Leave (PFML). Mr. Brooke discussed the personnel side of the budget and mentioned a potential hiring freeze.

Commissioner Krabbenhoft asked about the uninsured health insurance savings in the amount of \$250,000. Commissioner Campbell stated he thought the Insurance Committee was happy that the County was putting that aside, and asked how much was in there right now. Ms. Johnson stated \$1.2 million. Mr. Larson stated this is an example that shows up in the general fund, but it's restricted. Commissioner Campbell stated we have that in the levy but we don't allow any of it to be used, so why not take that out of the levy this year.

Ms. Johnson stated with the adjustments that have been made this far, the net levy is now down to 8.32%.

Discussion ensued regarding the number of open positions, and the amount budgeted for wages versus what was spent, for previous years.

Commissioner Campbell discussed the \$400,000 in the Highway budget, This came from the final payment on a turnback issue with the City of Moorhead, so it was in our budget. We were going to use this money for striping of the whole County. The bid for that project came in at \$135,000 which is considerably less. It's suggested to take the \$400,000 down to \$200,000. Ms. Johnson stated if that adjustment is made, it brings the net levy down to 7.88%.

Commissioner Krabbenhoft asked about the Unions and what they were negotiating for a COLA. Mr. Brooke stated most of the unions stated out at 6%, and the hope is to get them down to 4% or 4.5%. Discussion ensued regarding staggering the years for union negotiations, and the COLA.

Commissioner Baer asked about the new requests. Ms. Johnson stated there is \$48,000 for the Lobbyist, \$53,000 for Technology Services and \$33,000 for Juvenile Detention. Commissioner Baer stated we could remove the lobbyist funds since they will now be coming from economic development. Ms. Johnson stated she's already made that change.

Discussion ensued regarding Solid Waste.

Commissioner Baer stated to bring this budget down is through employees. Mr. Larson stated there's drivers such as Public Health, Social Services, Law Enforcement, the Jail, Juvenile Detention, and Detox. Many of those have licensing requirements that go with their staffing, which is challenging. If we were to cut a certain percentage, it could

potentially result in the shutting down of certain departments such as Planning & Zoning, the Recorder's Office, and the Assessor's Office at certain times of the day, because we wouldn't have staff to cover the windows. Commissioner Mongeau discussed the open Public Health Nurse positions, and how there's been some positions that have been open for a long time. Mr. Larson stated we've asked the Public Health supervisors to provide HR with their organizational charts to determine the need. HR has compared Clay County with other counties, and we do appear to have more Public Health Nurses than other counties. Commissioner Mongeau asked if it made sense for this Board to cut 3 nursing positions for next year, realize the savings, and then allow the new director to come in and determine what is needed. Commissioner Campbell asked for a comparison of full-time employees from one year to the next. Mr. Brooke stated that in 2020, during his department update, there were 438 full-time employees. Mr. Larson stated, you then also have to realize that this Board approved the expansion of the Juvenile Center, and the Detox Facility, all which comes with more employees. Commissioner Mongeau stated we need to figure out where we're not getting the high level of services for what's being put in, and if there is a cost savings there, and then figure out what we're ok with living without. Ms. Johnson stated if we take those three positions out, that brings the net levy to 6.46%. That's at a 4.5% COLA. Discussion ensued regarding Public Health nurses, Detox, tab fees, and SCORE funding.

Mr. Larson stated one of the things that this Board does really well is preparing the citizens. You've talked about the impacts that the state and federal government have had. We're looking at not replacing positions and utilizing fund balance. There are a lot of unknowns and if you're talking about not filling positions already in this phase, there's not a lot more we can do. We're basically going to be cutting positions. Commissioner Ebinger stated cutting positions is not acceptable, we still need to function as a County.

Discussion ensued regarding when to set the preliminary levy, union negotiations, the COLA, and the Sheriff's Office requests.

Commissioner Baer asked if we should see where all the cities and school districts are currently sitting with their preliminary levy. Ms. Johnson stated she has some information regarding the school districts, however there are three referendums coming this year, and the school boards always levy the maximum for Truth in Taxation.

The Board agreed to set the preliminary levy at the September 16, 2025 Board meeting.

### **Citizens to be Heard**

There were no citizens to be heard.

### **Adjourn**

The meeting was adjourned at 3:56 p.m.

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Kevin Campbell, Chair  
County Board of Commissioners

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Stephen Larson, County Administrator