

**OFFICIAL PROCEEDINGS
OF THE COUNTY BOARD
LAKE COUNTY, MINNESOTA**

Tuesday, April 12, 2016, Lake County Service Center, Split Rock River Room, 616 Third Avenue, Two Harbors, Minnesota. Vice Chair Jeremy Hurd announced that Board Chairperson Rich Sve, Commissioner Brad Jones, and County Administrator Matthew Huddleston were returning to Two Harbors from a meeting in Duluth with St. Louis County. A delay in travel time would result in a later start to today's board meeting and public hearing, to be convened after a quorum is present.

Commissioner Pete Walsh was present for the announcement, as were members of the public. Board Chairperson Rich Sve, Commissioner Brad Jones, and County Administrator Matthew Huddleston arrived at 2:36 p.m. The meeting was called to order at 2:40 p.m. by Chairperson Rich Sve. Lake County Commissioners Present: Hurd, Jones, Sve, Walsh. Absent: Goutermont. Also present: County Administrator Matthew Huddleston and Laurel D. Buchanan, Clerk of the Board. Unless otherwise stated, all actions have been approved by unanimous yeas. Members of the public were present. Commissioner Sve led the audience in the recitation of the Pledge of Allegiance.

MOTION HURD, SECOND WALSH: 01 – Approve agenda. Absent: Goutermont

Chairperson Rich Sve apologized for the delayed start and thanked everyone for attending today's County Board meeting and public hearing. The Board of Commissioners' meeting will now be recessed and the public hearing on the proposed General Obligation (G.O.) Tax Abatement Bonds, Series 2016, will be convened.

MOTION WALSH, SECOND HURD: 02 – Recess County Board meeting at 2:41 p.m. Absent: Goutermont

Chairperson Rich Sve convened the public hearing on the proposed G.O. Tax Abatement Bonds, Series 2016. The public hearing today is to learn more about the proposed G.O. Tax Abatement Bonds, Series 2016, and to receive input from constituents on the proposed G.O. Tax Abatement Bonds, Series 2016. Any action on the proposed G.O. Tax Abatement Bonds, Series 2016, by the County Board is projected to take place at a later date, rather than at today's County Board meeting. Commissioner Sve advised that the financial plan and model will need to be updated to reflect recent updates to Lake Connections' system expenses and project costs. Chairperson Sve explained the process that after discussion today the public hearing will be recessed, to be reconvened on Tuesday, April 26, 2016, the date of the next County Board action meeting.

Bruce Kimmel, Senior Financial Advisor for Ehlers, Inc. provided an overview of the proposed tax abatement funding plan, explained what abatement bond financing is in Minnesota, what the funds would be used for and discussed plans on how the debt service would be paid. The bonding is being considered to fund capital improvements for Lake County doing business as (d/b/a) Lake Connections. With this tax abatement plan, Lake County identified parcel taxes as pledge for bonds, offset with future system revenues. Financial Advisor Bruce Kimmel reviewed the updated draft schedule of events prepared by Ehlers, Inc. regarding tax abatement bonds, Series 2016A; the Debt Service Schedule; and a draft proposed Resolution Approving Property Tax Abatement for Certain Property in the County, including Exhibit A, The Properties. Exhibit A includes the properties' parcel numbers that were included in the public notice. Mr. Kimmel described the flexibility to repay G.O. bonds and discussed financing with a projected low interest rate, to be repaid with system revenues. Plans for payment of debt service are for positive cash flow from the Lake Connections network. Mr. Kimmel discussed his role as Lake County's financial advisor. His role is to advise Lake County how to make this work as cost effectively as possible.

At 3:00 p.m., County Board Chairperson Rich Sve opened up the discussion to County Commissioners and County Administrator Matthew Huddleston. Bonding capacity was discussed and Mr. Kimmel provided answers to Commissioners' questions.

At 3:07 p.m., County Board Chairperson Rich Sve opened up the discussion for questions and comments from the audience. Mr. Mark Broin voiced questions about tax abatement. Other constituents voiced questions as well. Mr. Broin asked about Lake Connections project financing and about dollars spent from grants and loans. County Administrator Matthew Huddleston explained that the application to the Federal Communications Commission (FCC) for Connect America funds was a completely separate application than the United States Department of Agriculture (USDA) Rural Utilities Service (RUS) grant and loan and has a separate process regarding disbursement of funds. Mr. Huddleston and Mr. Kimmel answered multiple questions about the budget and the G.O. tax abatement plan. Lake Connections General Manager Jeff Roiland fielded a question about cost per mile, in terms of cost per home. Lake Connections Certified Public Accountant (CPA) Bob Thompson was also present for the discussion and provided input to responses. Commissioner Jones left the meeting at 3:33 p.m. and returned at 3:35 p.m. County Administrator clarified that 98% of the network is complete. Commissioner Jones fielded questions about investment in St. Louis County and invited Mr. Broin to attend Fiber Optic Committee meetings on Mondays at 3:30 p.m. here in the Split Rock River Room.

At 3:43 p.m. the discussion was again opened up to the audience. Mr. Norby provided his comments in support of the work that Lake County is doing with bringing high speed internet access to this region. There was a discussion on take rates. John White of Beaver Bay inquired as to when will be the Beaver Bay area receive Lake Connections service. Mr. White stated that he has been inquiring annually about his application since 2012. Commissioner Jones and Mr. Roiland provided a brief history and update on that process with pole make ready work and preparations. Due to issues with poles, the process experienced significant delays. This process is close to being completed and service to the Beaver Bay area is now planned for this summer 2016.

MOTION JONES, SECOND HURD: 03 – Recess public hearing on the proposed G.O. Tax Abatement Bonds, Series 2016, at 4:00 p.m., to be continued on Tuesday, April 26, 2016, at 2:00 p.m., in the Lake County Service Center, Split Rock River Room, 616 Third Avenue, Two Harbors, Minnesota. Absent: Goutermont

The County Board of Commissioners' meeting was reconvened at 4:14 p.m. with all board members present, except for Commissioner Rick Goutermont.

MOTION HURD, SECOND WALSH: 04 – Approve Consent Agenda as follows.

1. Approve County Board of Commissioners' meeting minutes from March 22, 2016.
2. Approve claims in the amount of \$70,569.19.
3. Approve Health and Human Services claims payments in the following amounts:
 - a. Region III Adult Mental Health Initiative payments \$ 12,472.90
 - b. Administrative payments \$ 10,287.99
 - c. Arrowhead Health Alliance payments \$ 45,000.00
 - d. Special payments \$ 3,643.34

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4. Authorize payment in the amount of \$5,688.00 to Emergency Communications Network, LLC for CodeRED services from 03/27/2016 to 03/26/2017.
5. Authorize the payment of \$6,651.58 to St. Louis County Environmental Services for the 2015 transport of recyclables from the Fall Lake Township Transfer Station to the Virginia Processing Facility and for the 2015 processing of materials. Invoice #FL-2015.
6. Approve payment of \$7,500 to Mary Seliskar for the homeowner portion of Federal Emergency Management Agency (FEMA) Fire Resistant Roofing Grant 1 installation, pending reimbursement to Lake County from FEMA Hazard Mitigation Grant Program DR-1982.07.
7. Approve payment in the amount of \$101,744.13 to the City of Two Harbors in accordance with Agreement for Fire Protection for the County's share of the 2015 Fire Department expenses.
8. Authorize the Chair of the Board to sign the 2016 State of Minnesota Annual County Boat and Water Safety Grant Agreement.
9. Approve and authorize the Lake County Board Chair to sign the Purchase of Service Agreement with the Arrowhead Economic Opportunity Agency (AEOA) to provide MFIP Employment Counselor services for the period of January 1, 2016 through December 31, 2016.
10. Approve and authorize the Lake County Board Chair to sign the Purchase of Service Agreement with Lake View Memorial Hospital for WIC Dietitian services for the period of January 1, 2016 through December 31, 2016.
11. Authorize payment in the amount of \$2,603.80 to Lake Country Power for 2015 pole rent (reference 40577).
12. Approve and authorize the Chair of the County Board to sign the letter dated March 10, 2016, from the Minnesota Department of Human Services, as acceptance of Region III's CY 2016 Adult Mental Health (AMH) Grant Plan Amendment. Lake County is acting as the Fiscal Host of Region III. This is an Agreement between the Region's Adult Mental Health Initiative (Grantee) and the Department of Human Services, Mental Health Division (Grantor).
13. Authorize payment in the amount of \$4,488.00 to MP Nexlevel for repairing gunshot damage on Stanley Road (reference 1104313).
14. Approve and authorize the Lake County Board Chair to sign the Motorola Radio Lease Agreement with the Minnesota Veteran's Home for the period of October 1, 2015 through September 30, 2017.
15. Authorize Highway Department purchase of a 2016 GMC Sierra from Nelson Auto Center at a state cooperative purchasing contract price of \$23,534.57.

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16. Authorize Highway Department purchase of palletized shelving at a cost up to \$4,512.00 from Two Harbors Auto Value.
17. Approve Highway Department payment of Invoice No. 419806 in the amount of \$2,724.50 to ASV, LLC for Unit #5011 (2001 Caterpillar track machine) parts.
18. Approve Highway Department payment of Invoice No. 8078758 in the amount of \$3,914.77 to PetroChoice for truck oil.
19. Approve Highway Department payment of Invoice No. 631646 to Nuss Truck & Equipment in the amount of \$4,378.19 for Unit #4100 (2010 Mack truck) repair.
20. Authorize the Highway Department to work four ten-hour shifts per week beginning Monday, May 2, 2016 and ending Friday, October 28, 2016 provided the Two Harbors Office will be staffed Mondays through Fridays.
21. Approve and authorize the Lake County Board Chair sign the Information Privacy & Security Agreement between Lake County and Cook County for sharing information between the Lake County Health and Human Services Department and the Cook County Public Health and Human Services Department for the period of January 1, 2016 through December 31, 2018.
22. Award tree planting bids and authorize payment, upon satisfactory completion of projects, to the lowest bidder: Superior Forestry Service, Inc., Tilly, AR.
Bid rate: 2016-01_CPL: .0699/tree, total bid award = \$4,919.21.
Bid rate: 2016-02_MDHA: .087/tree, total bid award = \$25,025.55
23. Approve and authorize the Lake County Board Chair and Lake County Environmental Services Director to sign the Contract for Independent Subsurface Sewage Treatment System Inspection between Lake County and Don Runnberg for the period of April 1, 2016 through March 31, 2017.
24. Approve the renewal of all current license holders of On-Sale, Off-Sale and On- and Off-Sale 3.2 Percent Malt Liquor Licenses for the time period of July 1, 2016 to June 30, 2017 subject to the approval of the County Attorney and County Sheriff, the filing the proper application papers and payment of applicable license fees.
25. Approve the renewal of all current cigarette license holders for the time period of July 1, 2016 to June 30, 2017 subject to filing the proper application papers and payment of applicable license fees.
26. Authorize payment in the amount of \$2,500.00 to 7Sigma Systems, Inc. for ISP support services (reference M1234).
27. Authorize payment in the amount of \$3,262.17 to MP Nexlevel for repair due to car accident (reference 1203549). Will be re-billed to cost causer.

28. Approve resolution updating the Lake County authorized representatives on the Lake County Commissioners' Office VISA accounts issued through The Lake Bank.
29. Approve Minnesota Lawful Gambling application for Mason Storm DeRosier Memorial Scholarship to conduct a raffle at Dixie Bar and Grill 2505 Cty Hwy 2 Two Harbors, MN 55616 on August 20, 2016.
30. Authorize payment in the amount of \$136,403.83 to Lake Communications, Inc. for Operations and Management of the Lake County Fiber to the Home Project (Invoice 91). Absent: Goutermont

MOTION WALSH, SECOND HURD: 05 – Adopt resolution approving use of State Cooperative Purchasing Contract for Fiber Optic Maintenance, which approves Lake Connections to utilize MP Nexlevel services for fiber maintenance and repair, through the M-469(5) under the State Cooperative Purchasing Venture (CPV). Absent: Goutermont

MOTION JONES, SECOND HURD: 06 – Approve resolution that Lake County retain parcel 23-7600-06325 (former Hardee's location) available for purchase until July 29th, 2016, and that should the said parcel remain unsold, it will again be placed on public auction by Lake County. Absent: Goutermont

MOTION JONES, SECOND HURD: 07 – Approve the retirement of Vickie Thompson, Human Services Director, effective June 30, 2016. Absent: Goutermont

MOTION WALSH, SECOND HURD: 08 – Approve Human Services Director hourly base wage of \$45.43 for the recruitment of one full-time Human Services Director. Absent: Goutermont

MOTION HURD, SECOND WALSH: 09 – Approve the change in employment status of Adam Carry, Heavy Equipment Operator, due to completion of probation effective March 28, 2016. Absent: Goutermont

MOTION WALSH, SECOND JONES: 10 – Approve the change in employment status of James Larsen, Heavy Equipment Operator, due to completion of probation effective April 5, 2016. Absent: Goutermont

MOTION JONES, SECOND HURD: 11 – Approve the probationary appointment of Megan Swanson to Social Worker at the probationary rate of \$22.07 per hour effective April 18, 2016. Absent: Goutermont

MOTION HURD, SECOND WALSH: 12 – Approve appointment of Cassie Morsette to the Lake County Housing and Redevelopment Authority (LCHRA) Board, to complete the remainder of the five-year term (through the term date of May 30, 2018) previously held by Gordon Klein. Absent: Goutermont

MOTION HURD, SECOND JONES: 13 – Approve resolution by the Lake County Board of Commissioners authorizing debt forgiveness to the Two Harbors Fire Department Relief Association (the Relief) for a loan that was authorized by the Lake County Board of Commissioners on September 13, 2011, motion 41. The \$10,000 loan was used to build a storage facility for the Relief, and the storage facility was donated to the City of Two Harbors at the time of completion. The Relief has had the \$10,000 loan as a payable on their financial statements. This County Board resolution is in response for clarification on what the County's intentions are with this loan. This County Board resolution authorizes the Lake County's Auditor's Office to write off this loan. Absent: Goutermont

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MOTION JONES, SECOND WALSH: 14 – Adjourn meeting at 4:31 p.m. Absent: Goutermont

The Lake County Board of Commissioners will meet as a Committee of the Whole at 6:00 p.m. on Tuesday, April 19, 2016, at 6:00 p.m., at the City of Silver Bay, City Hall, 7 Davis Drive, Silver Bay, Minnesota.

The Lake County Board of Commissioners will convene a regular board meeting at 2:00 p.m. on Tuesday, April 26, 2016, in the Split Rock River Room located on the main floor of the Lake County Service Center, 616 Third Avenue, Two Harbors, Minnesota. This meeting will also include the continuation of the public hearing that was recessed on April 12, 2016, on the proposed General Obligation (G.O.) Tax Abatement Bonds, Series 2016.

Attest:

Laurel Buchanan
Clerk of the Board

Rich Sve, Chairperson
Lake County Board of Commissioners