

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

Tuesday, October 10, 2017. Lake County Service Center, Split Rock River Room, 616 Third Avenue, Two Harbors, Minnesota. County Commissioners Present: District 1 Commissioner Peter R. Walsh, District 2 Commissioner Derrick (Rick) L. Goutermont, District 3 Commissioner Richard (Rick) C. Hogenson, District 4 Commissioner Jeremy M. Hurd, District 5 Commissioner Rich Sve. County Commissioners Absent: None. Also present: County Administrator Matthew Huddleston and Laurel D. Buchanan, Clerk of the Board.

Meeting was called to order at 2:00 pm by Chairperson Rich Sve. 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 HOGENSON: 01 – Approve agenda. Absent: None

Lake County Assessor Gregg Swartwoudt provided a 2017 County Assessor's Department Report to the Lake County Board of Commissioners. County Assessors work closely with the State of Minnesota Department of Revenue (DOR) property tax division on policy requirements. Counties provide data for statistical analysis. Chief Deputy Assessor Noah Mittlefehldt was also present for the Assessor's Department Report. Office statistics reviewed included the sales ratio study, estimated market values (EMV), taxable market values (TMV), net tax capacity (NTC) values, new construction values countywide, market values by tax classification, sales data by taxing jurisdiction, foreclosure data by taxing jurisdiction (number of properties per year 2010 to 2017), sheriff certificates and foreclosure sales (an eight-year comparison of Sheriff Sales vs Bank Sales). Office routines discussed included overviews of the sales ratio study period, assessor calendar, appraiser calendar, account clerk calendar, and office assistant duties.

Lake County has welcomed new employees Noah Mittlefehldt and Drew Imes to the County Assessor's Office. Mr. Swartwoudt discussed several areas of current work in progress in the Assessor's Office. A Certificate of Real Estate Value (CRV) is required to document a sale of property in Minnesota. The mandatory method for filing is by use of an electronic system called eCRV. This is also the mandatory method for reporting the sales to the DOR. eCRV is mapped and in full use by all members of the office.

All Deputy Assessors have a detailed five-year re-occurring "Quintile Plan" filed in the office. The DOR has a copy of the plan and it has been approved. Minnesota Statutes require the assessor to physically inspect (that, is to view on-site and in-person) properties at least once in every five-year interval. This re-inspection process is called the "quintile" assessment process. The quintile reassessment differs from that of picking up new construction or review for property appeal. A quintile is a statistical value of a data set that represents 20% or at least one-fifth (1/5) of the parcels of property in a district or county as required in Minnesota Statutes, section 273.01. With this rotation, parcels are reassessed at least every five (5) years. Property is taxed according to its value. Appraised values that are used for tax purposes must be accurate and equalized. Mr. Swartwoudt discussed "Special Quintiles" which are unique categories. In August 2017, the Assessor's Office sent letters to property owners of apartments, hotels and motels, commercial store fronts with apartments, and agricultural classed properties to be verified. The letters were to request that these property owners make an appointment for the County Assessor to make a visit to the property for inspection. These reviews and revaluations were scheduled to take place in the autumn of 2017, for assessment 2018, taxes payable in 2019. Several property owners who received the letters voiced questions and

concerns to their elected officials, the County Commissioners. County Commissioners in turn asked Mr. Swartwoudt about taxpayer education and communication. Mr. Swartwoudt explained assessor terminology that was used in the letter and answered questions regarding the process.

County Administrator Matthew Huddleston updated the Lake County Board of Commissioners on several items of county business. A corrected date is needed for the budget hearing. Commissioners selected the corrected date of Tuesday, December 12, 2017 at 6:00 p.m. in the Law Enforcement Center, Two Harbors. An update was provided regarding the fire-damaged highway department facility. The date of Tuesday, October 24, 2017, at 6:00 p.m. has been confirmed with the architect for a public open house regarding the potential new highway department facility. Lake County and Two Harbors Auto have been operating under a month-to-month lease and now are entering into a longer-term agreement for temporary space. Work continues toward the sale of the Lake Connections fiber-optic network. Lake County Land Department update included that tax-forfeited parcel 23-7663-63010 has sold. Beacons of Hope had previously expressed interest in this parcel for a possible location for its headquarters. The sale has been communicated to Beacons of Hope that a different buyer has come forward to complete a sale.

On a different tax-forfeit parcel that was bid on at the land sale, Commissioners discussed a request from the bidder to allow withdrawal of bid on the Whitetail 1 property and contract termination. Commissioners are agreeable to this withdrawal, contingent upon bidder paying non-refundable penalty fee in the amount of \$1,000, payable to Lake County. The penalty fee will not be applied toward any future purchase.

Lake County Land Commissioner Nate Eide provided a trail update including trail design planning for the Split Rock Wilds Mountain Bike Trail. An update on the Prospector's Loop Trail included the bid results for lumber for bridge materials. A proposed resolution on today's action items is to award the bid for the lumber to be used on Prospectors ATV trail boardwalk. The Trail Prospectors Alliance is interested in hiring management to oversee the construction process. Lake County is the fiscal agent for the Prospectors Bond Fund.

MOTION GOUTERMONT, SECOND HURD: 02 – Approve Consent Agenda as follows:

1. Approve the Board of Commissioners' meeting minutes from September 26, 2017.
2. Approve Health and Human Services claims payments in the following amounts:
 - a. Region III Adult Mental Health Initiative payments \$ 18,320.56
 - b. Administrative payments \$ 17,054.29
 - c. Arrowhead Health Alliance payments \$ 45,536.12
3. Approve payment in the amount of \$36,700.39 to the Office of the State Auditor for auditing services for year-end 2016 (invoice #68682).
4. Authorize purchase of Dell R730 Hyper-V virtual host replacement server for \$15,021.09 from Works Computing, Inc.
5. Authorize the renewal and payment of the Ciena maintenance contract #409812 covering the period 11/25/2017 to 11/24/2018, in the amount of \$33,710.48 plus applicable taxes.
6. Authorize payment in the amount of \$5,770.50 to Commercial Refrigeration Systems, Inc. (Invoice 45172) for compressor refrigeration safety valve replacement (Lake County Ice Arena – Two Harbors).

7. Authorize payment in the amount of \$20,206.56 to Two Harbors Youth Hockey Association (THYHA) for Lake County's share (50/50 split) of costs associated with the purchase and installation of a handicapped accessible lift for the Lake County Arena – Two Harbors.
8. Authorize payment in the amount of \$12,218.63 to Lindquist and Venum, LLP (Invoice No. 728819-0325, for professional services rendered through August 31, 2017, with regard to the following matter: Rohl Breach of Contract).
9. Authorize payment in the amount of \$6,130.20 to Briggs and Morgan (Invoice No. 604743, for professional services rendered through August 29, 2017, with regard to the following matter: Marlow Timberland, LLC).
10. Approve and authorize the Lake County Board Chair and Lake County Health and Human Services Director Lisa B. Hanson to sign the Temporary Assistance to Needy Families (TANF) Grant Project Agreement between the Carlton-Cook-Lake-St. Louis Community Health Board (CHB) and Lake County Health and Human Services for the period of July 1, 2017 through June 30, 2019. Further authorize Lake County Board Chair and Lake County Health and Human Services Director Lisa B. Hanson to sign any subsequent amendments during the term of this Agreement.
11. Approve and authorize Board Chair to sign Minnesota Department of Natural Resources cooperative agreement for Split Rock State Park Road design.
12. Approve and authorize Highway Engineer to sign WSB & Associates, Inc. professional services agreement in an amount up to \$196,558.00 for Split Rock State Park engineering design.
13. Authorize Highway Department purchase of tires in the amount of \$29,078.80 from Pomp's Tire Service.
14. Authorize Highway Department purchase of tires in the amount of \$6,797.08 from Pro Tire.
15. Authorize payment in the amount of \$41,774.93 to CTC (Consolidated Telecommunications Company), invoice INV-3235 for payrolls, CSR, Technician & Sales Support, September commissions and other misc. charges.
16. Authorize payment to MP Nexlevel for invoice number 1109485 in the amount of \$7,977.88 for drops plowed on Silver Cliff Road and invoice number 1109487 in the amount of \$5,412.68 for fiber to API.
17. Amend County Board of Commissioners' meeting minutes from April 25, 2017, Motion 02, Consent Agenda item 21 to read as follows: Authorize payment in the amount of \$24,685.17 to Emergency Automotive Technologies, Inc. (EATI) for installation and equipment for the 2017 patrol vehicles.
18. Approve and authorize County Board Chair to sign the resolution allowing for the Lake County Planning and Zoning Department to review a deed or other instrument conveying a parcel of land for transfer or division for conformity with Lake County Land Use regulations before the Auditor transfers or divides the land or its net tax capacity in the official records.

19. Award bid to Future Forests Inc for approximately 325.3 acres at \$105 per acre of disc trenching for a total of \$34,156.50.
20. Approve payment in the amount of \$2,835.00 to Kevin Kallinen Contracting LLC for work done on the Silver Caribou road.
21. Approval quote and authorize payment, upon successful completion, from Jeff Tikkanen, Silver Hill Land Improvements, for \$5,000 for work on the Beaver River Road.
22. Accept bid and award contract to Mustang Forestry, Wendell, ID, for bud capping at \$45.00 per acre on approximately 177.6 acres. Approve payment not to exceed \$7,992.00, based on final acres, once project is acceptably complete. Absent: None

MOTION HURD, SECOND WALSH: 03 – Approve the resignation of Emily Sousa, Forester, effective October 20, 2017. Absent: None

MOTION GOUTERMONT, SECOND WALSH: 04 – Approve the recruitment for one full-time Forester. Absent: None

MOTION HOGENSON, SECOND HURD: 05 – Approve the appointment of Boris Naschansky, Information Technology Director, at the 2016 base rate of \$33.66 per hour effective October 16, 2017. Absent: None

MOTION WALSH, SECOND GOUTERMONT: 06 – Award bid to Land O Lakes Wood Preserving for \$92,380.00 for treated lumber to be used on Prospectors ATV trail board-walk. Absent: None

MOTION GOUTERMONT, SECOND HOGENSON: 07 – Approve the following resolution for repurchase application:

WHEREAS, Minn. Stat. § 282.241 provides that state tax forfeited land may be repurchased by the previous owner's heir subject to payment of delinquent taxes and assessments, with penalties, costs, and interest; and

WHEREAS, The applicant, Larson, heir of Janzen, has applied to repurchase state tax forfeited land legally described as:

Lot 2 and Lot 3 and N ½ of Lot 4, Spruce Acres Plat, Sections 12 and 13, Township 55 North, Range 8 West

The applicant was the heir of owner of record at the time of forfeiture and is eligible to repurchase the property; and

WHEREAS, Approving the repurchase will correct undue hardship and promote the use of lands that will best serve the public interest;

THEREFORE, BE IT RESOLVED, That the Lake County Board approves the repurchase application by Larson/Janzen, subject to payment including total taxes and assessments of \$10,110.37, Special Assessments of \$4,529.39, Contract Payment Interest (estimate) of

\$2,950.20, service fee of \$100.00, deed tax of \$48.32, deed fee of \$25.00, and recording fee of \$92.00; for a total of \$17,855.28, on a Contract for Deed, if initial payment is paid before 10/31/2017, otherwise total consideration will be recalculated. Absent: None

MOTION WALSH, SECOND HURD: 08 – Allow withdrawal of bid on the Whitetail 1 property and contract termination, contingent upon bidder paying non-refundable penalty fee in the amount of \$1,000, payable to Lake County. The penalty fee will not be applied toward any future purchase. Absent: None

MOTION WALSH, SECOND GOUTERMONT: 09 – Approve extension the Two Harbors Auto Lease through October 31, 2018, with the same terms and conditions. Absent: None

MOTION HURD, SECOND HOGENSON: 10 – Amend Board of Commissioners' meeting minutes from September 26, 2017, to correct the date for the public hearing to set final budget and levies. The date must be on or after November 25, 2017. The corrected date is December 12, 2017 at 6:00 p.m. in the Lake County Courthouse, Law Enforcement Center, Two Harbors, Minnesota. Absent: None

MOTION WALSH, SECOND HURD: 11 – Recess the Board of Commissioners' meeting at 3:29 p.m. Absent: None

At 3:37 p.m. the Board of Commissioners convened a closed session pursuant to Minnesota Statute 13D.05 subd 3(b), attorney-client privilege to discuss litigation involving the fiber-optic network project.

MOTION WALSH, SECOND HURD: 12 – Adjourn closed session at 4:17 p.m. Absent: None

The regular Board of Commissioners meeting was reconvened at 4:17 p.m.

MOTION GOUTERMONT, SECOND HOGENSON: 13 – Adjourn meeting at 4:18 p.m. Absent: None

From the Lake County Board of Commissioners' meeting schedule:

- Committee of the Whole at 6:00 pm on Tuesday, October 17, 2017, at the Town of Silver Creek town garage board meeting room, 1924 Town Road, Two Harbors, Minnesota.
- Regular board meeting at 2:00 pm on Tuesday, October 24, 2017, in the Split Rock River Room located on the main floor of the Lake County Service Center, 616 Third Avenue, Two Harbors, Minnesota.

ATTEST:

Laurel D. Buchanan
Clerk of the Board

Rich Sve, Chairperson
Lake County Board of Commissioners