

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

Tuesday, June 26, 2018. Pursuant to due call and notice thereof, a regular meeting of the Board of County Commissioners of Lake County, Minnesota, was duly held in the Split Rock River Room at the Lake County Service Center, 616 Third Avenue, Two Harbors, Minnesota, on Tuesday, June 26, 2018, commencing at 2:00 P.M. The following commissioners were present: District 1 Commissioner Peter R. Walsh, District 2 Commissioner Derrick (Rick) L. Goutermont, District 4 Commissioner, Jeremy M. Hurd, District 5 Commissioner Rich Sve, and the following were absent: District 3 Commissioner Richard (Rick) C. Hogenson.

Also present: County Administrator Matthew Huddleston and Laurel D. Buchanan, Clerk of the Board. Meeting was called to order at 2:04 pm by Board Chairperson Rich Sve. Unless otherwise stated, all actions have been approved by unanimous yeas vote. Members of the public were present. Commissioner Sve led the audience in the recitation of the Pledge of Allegiance.

MOTION GOUTERMONT, SECOND WALSH: 01 – Approve agenda. Absent: Hogenson

Board Chair Rich Sve introduced Peter Lindstrom, Public Sector and Community Engagement Manager, University of Minnesota Regional Sustainable Development Partnership. Mr. Lindstrom is a Clean Energy Resource Teams (CERT) staff member, helping Minnesotans build a clean energy future. CERTs are a statewide partnership with a shared mission to connect individuals and their communities to the resources they need to identify and implement community-based clean energy projects. Each CERTs team is guided by a local Steering Committee that sets regional priorities, identifies emerging energy issues and opportunities, and directs grant funding.

Mr. Lindstrom provided information on Property Assessed Clean Energy (PACE) initiative via Joint Powers Agreement (JPA) with the St. Paul Port Authority. PACE is a new way to finance energy efficiency initiatives and renewal energy upgrades to the buildings of commercial property owners. Commercial, industrial, faith-organizations, nonprofit and multi-housing property owners can take on voluntary special assessments to finance energy-related improvements to buildings or electric vehicle infrastructure improvements to their properties, with affordable, long-term capital. PACE financing is not available for residential properties. Minnesota state law allows local units of government to enter into joint power agreements to create PACE programs. Energy-saving measures pursued by the owners receive project financing and are repaid as a separate item on their property tax assessment for a set period. PACE eliminates the burden of upfront costs by providing low-cost, long-term financing. PACE financing loans have a low interest rate. The county's role is assisting with placing the PACE special assessment on the property taxes for business owners participating in this type of financing. The county's role in the partnership is that of a conduit. The county may add an administrative fee for this. County Auditor Linda Libal was present for the discussion. Lake County Veterinary Clinics' owner Michael Overend attended the Board meeting to endorse the PACE program and spoke about his application for the St. Paul Port Authority to initiate a loan for the installation of a 12-kW ground mounted solar array on a commercial property located in Two Harbors, Minnesota.

MOTION HURD, SECOND GOUTERMONT: 02 – Authorize Lake County participation in the Property Assessed Clean Energy (PACE) initiative and authorize the Board Chair to sign the Joint Powers Agreement (JPA) with the St. Paul Port Authority, in coordination with the University of Minnesota Regional Sustainable Development Partnerships, Public Sector & Community Engagement, Clean Energy Resource Teams (CERTs). Absent: Hogenson

The Chair announced that the next order of business was consideration of the proposals which had been received for the purchase of the County's General Obligation Capital Improvement Plan Bonds, Series 2018B, proposed to be issued in the original aggregate principal amount of \$2,765,000.

The County Administrator presented a tabulation of the proposals that had been received in the manner specified in the Terms of Proposal for the Bonds. The proposals were as set forth in EXHIBIT A attached to the proposed resolution. Ehlers & Associates, Inc. Financial Specialist Chris Mickelson provided and reviewed the Sale Day Report for Lake County, Minnesota. Bid results were received. Mr. Mickelson explained the premium structure and the final debt service schedule. County Administrator Matthew Huddleston provided the updated proposed resolution.

After due consideration of the proposals, Commissioner Goutermont then introduced the following resolution and moved its adoption:

MOTION GOUTERMONT, SECOND HURD: 03 – Adopt Resolution Awarding the Sale of General Obligation Capital Improvement Bonds, Series 2018B, in the Original Aggregate Principal Amount of \$2,765,000; Fixing their Form and Specifications; Directing their Execution and Delivery; and Providing for their Payment. Absent: Hogenson

The Board meeting was recessed at 2:48 pm and reconvened at 3:01 pm with all members present except for Commissioner Richard C. Hogenson. During the recess, Board Chair Rich Sve and Clerk of the Board Laurel D. Buchanan signed documents related to the Sale of the Bonds.

Facilities Maintenance Department Manager Kevin Traster and Facilities Coordinator Curt Bakken provided an annual update for their department. Mr. Traster reviewed the projects that the Facilities Maintenance Department has budgeted for and completed on time and under budget. Mr. Traster's report included updates on the Two Harbors Arena, Recycle Center, Sheriff's Building – Silver Bay, Forestry Building – Two Harbors, Toimi Rest Area, Castle Danger Landfill, Law Enforcement Center, Human Services Building, Lake County Courthouse, Lake Connections building, and the old Highway Facility. The Facilities Department as a whole has pulled together to complete more repairs and projects in-house rather than contracting the work out in order to save costs.

Mr. Bakken provided an update on the courthouse remodel project for the Safe & Secure Grant Agreement, related to the changes in the judge / court area / and jury room, work that has been completed, work in progress, and plans for future work. Minnesota Sixth Judicial District Court is planning floor work and furniture purchases. Commissioners had questions about the exterior of the courthouse, such as tuck pointing, columns, and masonry. Lake County Facilities Maintenance Department is doing what we can to preserve it and identifying future projects for contractors.

County Administrator Matthew Huddleston reviewed Lake County Highway Department Facility Bid Package #1 results and invited Kraus-Anderson Construction Company Project Manager Greg Schendel to provide contract award recommendations. Mr. Schendel advised that twenty-six (26) total bids were received for the nine (9) work scopes. The Bid Package #1 sealed bid opening was held on June 8, 2018. The recommendation today is to award bids for six out of the nine work scopes. Three of the work scopes (14-B elevators, 14-C vehicle lifts, and 33-A earthwork & site utilities) are on hold for future action. Mr. Schendel provided two different recommendations concerning work scopes. Option 1 deducts the Trench Drain from both the concrete and steel supply work scopes. Option 2 leaves the Trench Drain as part of the concrete and steel supply work scopes, 03-A and 05-A respectively.

Lake County Highway Engineer Krysten Foster reviewed how the two different options would affect future maintenance of the facility. After a cost-benefit analysis, the Board of Commissioners were in favor of adding the trench work back in to the project plans for a revised total of \$3,528,005 for the following six work scopes.

MOTION GOUTERMONT, SECOND HURD: 04 – Award bid to the lowest responsible bidder TNT Aggregates, LLC in the amount of \$855,792.00 for concrete (Work Scope 03-A) for Lake County Highway Department Facility Project; Further, authorize the County Administrator to sign the contract. Absent: Hogenson

MOTION HURD, SECOND WALSH: 05 – Award bid to the lowest responsible bidder Fabcon Precast, LLC in the amount of \$1,334,486.00 for structural precast (Work Scope 03-B) for Lake County Highway Department Facility Project; Further, authorize the County Administrator to sign the contract. Absent: Hogenson

MOTION WALSH, SECOND GOUTERMONT: 06 – Award bid to the lowest responsible bidder Harbor City Masonry in the amount of \$368,752.00 for masonry (Work Scope 04-A) for Lake County Highway Department Facility Project; Further, authorize the County Administrator to sign the contract. Absent: Hogenson

MOTION GOUTERMONT, SECOND WALSH: 07 – Award bid to the lowest responsible bidder Ben's Structural Fabrication, Inc. in the amount of \$663,550.00 for steel – material (Work Scope 05-A) for Lake County Highway Department Facility Project; Further, authorize the County Administrator to sign the contract. Absent: Hogenson

MOTION HURD, SECOND WALSH: 08 – Award bid to the lowest responsible bidder Northern Industrial Erectors in the amount of \$187,500.00 for steel – erection (Work Scope 05-B) for Lake County Highway Department Facility Project; Further, authorize the County Administrator to sign the contract. Absent: Hogenson

MOTION WALSH, SECOND GOUTERMONT: 09 – Award bid to the lowest responsible bidder Superior Crane Corp in the amount of \$117,925.00 for cranes & hoists (Work Scope 14-A) for Lake County Highway Department Facility Project; Further, authorize the County Administrator to sign the contract. Absent: Hogenson

County Administrator Matthew Huddleston invited Lake County Information Technology (I.T.) Director Boris Naschansky to review his requests for board action, including the annual software licensing renewal for our Geographic Information System (GIS), and recommendations for I.T. updates for the server environment. Mr. Naschansky looked at five proposals and is recommending several purchases related to replacement of Network Attached Storage (NAS) that has reached end-of-life. He recommends renting storage “in the cloud” through a data center in Duluth, Minnesota.

Mr. Naschansky also discussed the request from Emergency Management to create a Twitter account for CodeRED (e-911) messages. Twitter is a “bridge” for sharing CodeRED information to Lake County's Facebook page. CodeRED messages sent by the Sheriff's Dispatchers or Emergency Management can be automatically connected to our Lake County Facebook page through a Twitter account. Currently the only use proposed for this Twitter account would be for CodeRED messages.

Mr. Huddleston reviewed that Lake County is the Minnesota Department of Natural Resources (MnDNR) grantee (Legacy Grant) and fiscal agent for the Prospectors Loop ATV trail project.

Prospectors Alliance Trail Administrator Ron Potter talked about the status of the grant and delays with waiting for permits. Several variables affect timing and whether Lake County would be reimbursed for expenditures. Several proposed expenditures have been removed from today's agenda including screened gravel, pit run gravel, wetland credits, trail design and environmental services, and bridges for the Prospectors ATV trail.

Mr. Huddleston reviewed information about a class action lawsuit related to Payment-in-Lieu-of-Taxes (PILT); response is due by September 14. Board Chair Rich Sve left the Board meeting at 4:04 p.m. and returned to the Board meeting at 4:08 p.m. During this brief absence, Vice-Chair Jeremy M. Hurd was present to serve as Acting Chair.

Commissioner Rich Sve discussed with Representative Rob Ecklund on a funding request that Lake County had submitted to the Iron Range Resource Rehabilitation Board (IRRRB). Lake County as the applicant in this case was acting on behalf of Unorganized Territory No. 2 (UT#2), as there is no township board in an unorganized territory. Lake County had requested IRRRB participation towards the addition of a regional public meeting room and second story office expansion as part of the construction of a 44,000 square-foot highway maintenance facility.

Lake County Environmental Services Director Christine McCarthy was present for any questions that Commissioners may have regarding the findings by the Planning Commission and proposed resolutions for Interim Use Permits following the public hearings of June 18, 2018. Land Commissioner Nate Eide discussed his requests for board action. Two items were added to the consent agenda that had been removed from the consent agenda in error. One item was removed from the consent agenda for discussion and separate action.

MOTION HURD, SECOND GOUTERMONT: 10 – Approve amended consent agenda as follows.

1. Approve the Board of Commissioners' meeting minutes from June 12, 2018.
2. Approve County Board meeting minutes from Emergency Meeting held on June 19, 2018.
3. Approve Health and Human Services claim payments in the following amounts:
 - a. Administrative payments \$ 7,796.95
4. Approve the low bid from Jamar Company in the amount of \$31,050.00 (Opp/Job ID 877282) for the repair of the rock ballasted EPDM roof membrane on the Law Enforcement Center and Court House / LEC rear entrance). Additionally, authorize payment in the amount of \$3,920.00 for the removal and reinstallation of the air conditioning (A/C) condensing units on the roof that supply air conditioning to the main floor courthouse.
5. Approve the renewal of all current liquor/wine license holders for the calendar year 2019 contingent upon the approval of the County Attorney and Sheriff and payment of applicable fees.
6. Approve County Attorney's request for ratification of Minnesota County Computer Cooperative (MCCC) agreement with Strategic Technologies Incorporated (STI) for the maintenance and support of Minnesota County Attorney Practice System (MCAPS).
7. Approve and authorize Lisa B. Hanson, Director of Lake County Health and Human Services, to sign the Facilities Use Agreement with the State of Minnesota, by and through the Board of Trustees of the Minnesota State Colleges and Universities, on behalf of Pine Technical & Community College, ("MnSCU"), for the period of July 1, 2018 through June 30, 2019.

8. Approve and authorize the County Board Chair to sign the Project Agreement with Common Carrier Transport Provider (Arrowhead Economic Opportunity Agency) to provide transportation services for Lake County residents for the period of July 1, 2018 through December 31, 2018.
9. Approve and authorize payment of \$500.00 to Arrowhead Economic Opportunity Agency's (AEOA) Rural Rides Program for the period of July 1, 2018 through June 30, 2019.
10. Adopt the findings by the Planning Commission for Interim Use Application, I-18-012, for Sharon Ropes.
11. Adopt the findings by the Planning Commission for Interim Use Application, I-18-013, for Brenda Swanson.
12. Adopt the findings by the Planning Commission for Interim Use Application, I-18-014, for North Harbors Services LLC/Ethan Casady.
13. Adopt the findings by the Planning Commission for Interim Use Application, I-18-015, for Monika Bauerlein.
14. Authorize payment in the amount of \$31,203.51 to the Consolidated Telephone Company, CTC Invoice INV-3310 covering payroll, Calix support, circuit charge, labor and expenses for additional support, and miscellaneous shipping charges.
15. Authorize payment in the amount of \$13,474.21 to Consolidated Telephone Company, CTC Invoice INV-3313 for payroll, commissions, and miscellaneous items.
16. Authorize annual payment in the amount of \$25,500 to ESRI, Inc. (Quotation #25843456); this is the annual software licensing renewal for our Geographic Information System (GIS) for ESRI ArcGIS Enterprise licensing and all of the related software modules.
17. Authorize the following Information Technology purchases related to replacement of Network Attached Storage (NAS) that has reached end-of-life.
 - Authorize payment in the amount of \$4,320 to Mid-America Business Systems, for ApplicationXtender 16.3 on New Server Environment (NSE).
 - Authorize payment in the amount of \$10,080 to Mid-America Business Systems, for programming services to migrate InfiniVault AX records to NSE.
 - Authorize payment in the amount of \$5,600 to Compudyne (Quote COMQ27664), for new HP Server.
 - Authorize payments totaling \$7,416 (Quote COMQ27394) for 4TB of 100% available NAS at INVOLTA leased for six months through Compudyne.
18. Approve Wells Fargo Depository Pledge Agreement and authorize Board Chair to sign.

19. Authorize payment to BMO Harris Bank N.A. in the amount of \$7,544.02 (Invoice of June 17, 2018: including issuance fee May 3, 2018, and periodic fee for collection periods March 18, 2018 – May 2, 2018 and May 3, 2018 – June 17, 2018) for Irrevocable Standby Letter of Credit No. HACH503422OS.
20. Authorize payment to Compass Consultants, Inc. in the amount of \$8,515.50 for Project 2017 Lake Co – Sale Documents (Invoice No. 5898).
21. Approve Forestry Department purchase of three Mesa 2 Geo handheld computers with accessories from Frontier Precision for \$7,716.00. (\$848.76 from Memorial Forest 1 fund (MF1), \$694.44 from Memorial Forest 2 fund (MF2), \$6,172.80 from account 6405).
22. Amend 2018 Forestry Department Budget:
85-950-000-0000-6405 (supplies – data processing) to \$7,500
85-951-000-0000-6505 to \$1,000
85-952-000-0000-6505 to \$750
Absent: Hogenson

Commissioner Derrick L. Goutermont made a motion for approval of the proposed resolution for the Miller repurchase with conditions, and Commissioner Jeremy M. Hurd supported the motion. Commissioner Peter R. Walsh discussed the reasons why he had requested this item be removed from the consent agenda. Commissioner Walsh would like the applicant Mr. Miller to have the opportunity to be present for the Board of Commissioners' discussion and decision regarding this application for repurchase of tax forfeited lands. Commissioner Derrick L. Goutermont withdrew the motion and Commissioner Jeremy M. Hurd withdrew support of the motion.

MOTION WALSH, SECOND GOUTERMONT: 11 – Table until next month for discussion with the applicant, the proposed Miller repurchase of tax-forfeited lands (Parcel No. 22-7440-02060, Lot 6, Block 2, Silver Bay First Division; 34 Aiken Circle, Silver Bay, Minnesota). Absent: Hogenson

MOTION HURD, SECOND WALSH: 12 – Approve and authorize creation of a Lake County Twitter account by Emergency Management Director and/or Information Technology Director, to be used in compliance with the Lake County Social Media Policy. Absent: Hogenson

MOTION WALSH, SECOND HURD: 13 – Approve the probationary appointment of Cynthia Schut to part-time Administrative Clerk at the Step 1 rate of \$13.75 per hour effective July 9, 2018. Absent: Hogenson

MOTION HURD, SECOND GOUTERMONT: 14 – Adjourn County Board of Commissioners' meeting at 4:44 p.m. Absent: Hogenson

From the Board of Commissioners' meeting schedule, to be held in the Split Rock River Room located on the main floor of the Lake County Service Center, 616 Third Avenue, Two Harbors, Minnesota:

- Agenda meeting at 2:00 p.m. on Tuesday, July 3, 2018.
- Regular meeting at 2:00 p.m. on Tuesday, July 10, 2018.

ATTEST:

Laurel D. Buchanan
Clerk of the Board

Rich Sve, Chairperson
Lake County Board of Commissioners