

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

Tuesday, July 24, 2018, a regular meeting of the Board of County Commissioners of Lake County, Minnesota, was called to order at 2:00 pm by Board Chairperson Rich Sve. The meeting was held in the Split Rock River Room at the Lake County Service Center, 616 Third Avenue, Two Harbors, Minnesota. The following commissioners were present: District 1 Commissioner Peter R. Walsh, District 2 Commissioner Derrick (Rick) L. Goutermont, District 3 Commissioner Richard (Rick) C. Hogenson, District 5 Commissioner Rich Sve. Absent: District 4 Commissioner, Jeremy M. Hurd

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 vote. Members of the public were present. Commissioner Sve led the audience in the recitation of the Pledge of Allegiance.

MOTION WALSH, SECOND HOGENSON: 01 – Approve agenda. Absent: Hurd

Lake County Assessor Gregg Swartwoudt provided a 2018 County Assessor's Department Report to the Board of Commissioners. Chief Deputy Assessor Noah Mittlefehldt and Deputy Assessor Drew Imes were also present for the report. The Assessor's Office will be welcoming a new Assessor John Denney in about a month. The County Assessor's Department Annual Report includes a map showing the County Commissioner Districts and the corresponding Appraiser(s).

- Noah Mittlefehldt has direct assessment duties for the following areas: Stony River Township, Beaver Bay Township, City of Two Harbors and 1/3 of Fall Lake Township.
- Drew Imes has the following assigned areas: Unorganized Territory #1 (UT1), Unorganized Territory #2 (UT2), Crystal Bay Township, City of Beaver Bay and 1/3 of Fall Lake Township.
- John Denney will be joining the Assessor team and will have the following assigned areas: City of Silver Bay, Silver Creek Township, and 1/3 of Fall Lake Township.

Minnesota Statutes require the assessor to physically inspect (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. 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. County Assessors work closely with the State of Minnesota Department of Revenue (DOR) property tax division.

Mr. Swartwoudt articulated the possibility of considering an alternative work schedule for Appraisers when they work in the remote portions of the County, to maximize efficiency of the work day due to travel time. Mr. Huddleston advised that there is a flexible schedule policy and that requests made are reviewed by the Personnel Committee. Human Resources Administrator Cammie Young was present for the discussion.

Mr. Swartwoudt discussed "Special Quintiles" which are unique categories of non-residential properties. "Special Quintile 2018" included agricultural classification review, apartment valuations, assisted living valuations, commercial / residential mix valuations, and hotels / motels valuations. Mr. Swartwoudt discussed the income method. Current work in progress for "Special Quintile 2019" are Bars, Restaurants & Taverns; Billboards; Cellular Arrays; Common Interest Communities (CIC);

Gravel Pits; Mini Storage Units; and Resorts. Cellular towers / arrays are leased space. Leases generate income, which is reviewed using the income method. Through the work of our Geographic Information Systems (GIS) Analyst, exact location data is known on all cellular towers in Lake County.

Land Commissioner Nate Eide invited Mr. Patrick A. Miller to attend this board meeting to discuss his request to repurchase tax-forfeited property in Silver Bay. Mr. Miler confirmed that this is not a homestead. His intent is to fix up the house, turn it into a rental property, or sell the property after the repurchase and cleanup. Mr. Miller has been cleaning up the property. Mr. Eide provided photocopies showing images of the property cleanup progress. County Attorney Russ Conrow participated in the discussion about the repurchase process and to clarify questions about timing of payment and sale / repurchase timeline.

MOTION WALSH, SECOND GOUTERMONT: 02 – Approve the Patrick A. Miller application for repurchase of tax-forfeited lands: Parcel No. 22-7440-02060, Lot 6, Block 2, Silver Bay First Division; 34 Aiken Circle, Silver Bay, Minnesota. Final amount due will be recalculated monthly until the transaction is complete. Repurchase deadline is September 12, 2018. Absent: Hurd

County Administrator Matthew Huddleston updated the County Board of Commissioners on several items of county business. Mr. Huddleston provided a flood recovery update. Homeland Security Emergency Management (HSEM) / Federal Emergency Management Agency (FEMA) will continue doing Preliminary Damage Assessments (PDAs) around the State and will likely request a Federal Declaration recommendation from FEMA.

Mr. Huddleston provided a construction update on the Lake County Highway Department facility. Lake County has signed several contracts for Bid Package 1 Work Scopes. Bid Package 2 has been advertised and the bid opening will be held on August 9, 2018.

Highway Engineer Krysten Foster provide a mid-summer update on Road and Bridge projects, including a Stanley Road project update, flood recovery, and maintenance. Ms. Foster discussed chloride service and grading. Dry conditions are not conducive for grading and can affect the timeline for when roads are graded.

Mr. Huddleston provided an update on broadband. On for board action today are the Ciena / Cyan close out contracts and authorization for payment of the final amount. Mr. Huddleston updated the Board of Commissioners on the Lake Connections sale process and reviewed two proposed resolutions regarding sale procedures for Lake Connections Assets and an Asset Purchase Agreement for Lake Connections with Pinpoint Holdings, Inc, which will serve as the baseline agreement and bid for the public sale process. Mr. Huddleston provided a summary for the proposed sale of Lake Connections Network, including key terms of the sale procedures and purchase agreement. County Attorney Russ Conrow provided remarks regarding the bid process and proposed resolutions and the process of developing the Purchase Agreement and Sale Procedures document. The public bidding process is pursuant to Minnesota law regarding municipal sale of assets. The “baseline agreement and bid” sets a minimum bid and purchase agreement for bidders.

MOTION WALSH, SECOND HOGENSON: 03 – Recess the meeting at 3:29 p.m. Absent: Hurd

The meeting was reconvened at 3:35 p.m. with all members present except for Commissioner Hurd.

Land Commissioner Nate Eide discussed the updated land sale list for a proposed resolution. Two new properties have been added to the list. Other properties were on previous land sale lists. Some

properties, such as Homestead Lake, have been up for sale multiple times and have a reduced price on this updated land sale list. Mr. Eide also provided an update on Forestry Road bids.

Highway Engineer Krysten Foster advises motorists to plan for extra travel time next week as the Minnesota Department of Transportation (MnDOT) continues its work on Highway 61.

One Planning Commission item was removed from the agenda for separate board action.

MOTION GOUTERMONT, SECOND HOGENSON: 04 – Approve amended consent agenda as follows:

1. Approve the Board of Commissioners' regular meeting minutes from July 10, 2018.
2. Approve Health and Human Services claim payments in the following amounts:
  - a. Administrative payments \$ 14,736.21
  - b. Region III payments \$ 136,641.84
3. Award SAP 038-609-012 to the lowest responsible bidder, KGM Contractors, Inc., in the amount of \$996,619.41. Pending County Attorney review, approve and authorize the Chair to sign the contract for this Stanley Rd. paving and culvert replacement project.
4. Approve addition of \$20,000.00 Class 5 Stockpile Aggregate for a CSP-018-001 contract total up to \$209,000.00.
5. Authorize Highway Engineer to sign The Heck Epic special event permit for July 21, 2018.
6. Authorize Highway Engineer to sign NorthShore Inline Marathon special event permit for September 15, 2018.
7. Authorize American Engineering Testing, Inc. construction materials testing services for 2018 Highway Department projects in an amount up to \$30,000.00 per the attached hourly rate schedule.
8. Authorize payment in the amount of \$15,868.02 to Consolidated Telephone Company, invoice INV-3325, for payroll, June trouble tickets and July commissions.
9. Approve McDougal 1 Project (13.0 acres) and award bid price of \$16,208.00 to Upcountry Land Works LLC, for Wildfire Fuel Reduction (Stevens) Grant projects to reduce hazardous balsam fir understory and blow down on private lands in Wildland Urban Interface (WUI) areas adjacent to USFS projects. Contracts will be paid by Lake County and reimbursed by the federal Wildfire Fuel Reduction Grant.
10. Adopt the findings by the Planning Commission for Interim Use Application, I-18-013, for Brenda Swanson. This resolution of July 24, 2018, corrects an error and replaces Resolution No. 180862610.11 from the Lake County Board of Commissioners meeting on June 26, 2018.
11. Adopt the findings by the Planning Commission for EAW Review for Split Rock Wilds Mountain Bike Trail.

12. Award bids for the following Lake County Forestry Department road projects to lowest responsible bidder:

Road Project	Section	Twp.	Range	Contractor Award	Bid Amount
2018 BAILEY ROAD	5	55	10	Phil Hegfors & Sons	\$14,903.90
2018 BUCK MOUNTAIN ROAD	20	55	8	Silver Hill Land Improvements	\$6,831.50
2018 EGGE CREEK ROAD	2 & 11	57	7	Silver Hill Land Improvements	\$10,434.00
2018 SPOONER / SWITCHBACK ROAD	17, 20, 21 & 22	54	11	Phil Hegfors & Sons	\$4,963.18
2018 W. BEAR PIT ROAD	10 & 11	55	10	Silver Hill Land Improvements	\$12,223.50
2018 WESTOVER ROAD	8	53	11	Phil Hegfors & Sons	\$1,482.50
2018 BEAVER RIVER/ALTON'S ROAD	1 & 3	56	9	Silver Hill Land Improvements	\$2,316.00

13. Authorize payment in the amount of \$9,510.21 to Nexum, Inc. for Checkpoint firewall cybersecurity annual software licensing and hardware support.
14. BE IT RESOLVED, that all parcels of tax-forfeited land listed on 2018-01 Land Sale List of Tax-Forfeited Land having been classified as non-conservation; that the basic sale price of each parcel on 2018-01 Land Sale List of Tax-Forfeited Land, be approved and authorization for a public sale of this land be granted, pursuant to M.S. 282.01; that the sale will be held September 10<sup>th</sup>, 2018 at 10:00 AM by the Lake County Auditor at the Lake County Courthouse, for not less than the basic sale price; and that all sales shall be full payment or on the terms set forth in 2018-01 Land Sale List of Tax-Forfeited Land.
15. Authorize payment to Ballard Spahr, LLP (Invoice No. 20180606298) in the amount of \$7,771.00 for professional services rendered through May 31, 2018 in the RUS loan matter.
16. Authorize Auditor's office to establish account number 01-2739 (Reserved for Election Equipment).
17. Authorize Auditor's office to Reserve for Election Equipment \$50,000/year for 3 years (2018-2020).
18. Approve payment in the amount of \$19,920.84 (invoice 69244) and \$1,369.00 (invoice 69245) to Office of the State Auditor for Year-end 2017 audit services.
19. Approve in-kind contribution of select granular, class 1, and compactor with Highway Maintenance Worker assistance, as available, to Mary MacDonald parking lot project.
20. Authorize payment in the amount of \$6,642.02 to Danny's Auto Shop, Inc.; payment is for repairs (RO #2266) to a Motor Pool vehicle damaged by a wheel assembly that detached from a tandem-

axle boat trailer. The other driver's insurance has paid MCIT, and Lake County has received reimbursement, less deductible.

21. Approve contract closeout documents for Ciena Communications, Inc. (formerly Cyan, Inc., before Ciena corporation completed its acquisition of Cyan); further, authorize final payment in the amount of \$65,717.35, for RUS contract Form 397, Special Equipment Contract No. B-12, Transport Equipment including Installation. Absent: Hurd

MOTION GOUTERMONT, SECOND HOGENSON: 05 – Adopt the findings by the Planning Commission for Interim Use Application, I-18-016, for John Jay and Nancy Diley. Aye: Goutermont, Hogenson, Walsh. Nay: None. Abstain: Sve. Absent: Hurd

MOTION GOUTERMONT, SECOND WALSH: 06 – Approve participation as a Class Member in the Payments in Lieu of Taxes (PILT) Payments Class Action Lawsuit and authorize return the Opt-In Notice Form, opting in to the *Kane County, Utah v. United States*– Case Nos. 17-739C and 17-1991C (Consolidated). Absent: Hurd

MOTION WALSH, SECOND HOGENSON: 07 – Approve the probationary appointment of John Denney to Appraiser at the Step 1 rate of \$19.14 per hour effective August 28, 2018. Absent: Hurd

MOTION GOUTERMONT, SECOND HOGENSON: 08 – Approve the retirement of Terrance Thompson, Highway Maintenance Coordinator, effective September 20, 2018. Absent: Hurd

MOTION GOUTERMONT, SECOND WALSH: 09 – Approve the internal posting for one full-time Highway Maintenance Coordinator for Finland Highway Department. Absent: Hurd

MOTION HOGENSON, SECOND GOUTERMONT: 10 – Approve the retirement of George Dugas, Lead Mechanic, effective August 16, 2018. Absent: Hurd

MOTION GOUTERMONT, SECOND WALSH: 11 – Approve the internal posting for one full-time Lead Mechanic. Absent: Hurd

MOTION HOGENSON, SECOND GOUTERMONT: 12 – Adopt Resolution Approving Sale Procedures for Lake Connections Assets. Absent: Hurd

MOTION WALSH, SECOND GOUTERMONT: 13 – Adopt Resolution Approving an Asset Purchase Agreement for Lake Connections with Pinpoint Holdings, Inc, which will serve as the Baseline Agreement and Bid for the Public Sale Process. Absent: Hurd

MOTION GOUTERMONT, SECOND HOGENSON: 14 – Authorize the Board Chair to sign the Request for Release of Funds and Certification for the Small Cities Development Program (SCDP) and send to Department of Employment and Economic Development (DEED) following the public comment period. All comments received by August 6, 2018 will be considered by Lake County prior to submission of a Request for Release of Funds. Absent: Hurd

MOTION GOUTERMONT, SECOND HOGENSON: 15 – Adjourn County Board of Commissioners' meeting at 3:57 p.m. Absent: Hurd

From the Board of Commissioners' meeting schedule, meetings 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:

- Tuesday, July 31, 2018, 1:00 p.m., Board Work Session / Strategic Planning Session
- Tuesday, August 7, 2018, 2:00 p.m. Agenda meeting.
- Tuesday, August 14, 2018, 2:00 p.m., Regular meeting.

ATTEST:

Laurel D. Buchanan  
Clerk of the Board

Rich Sve, Chairperson  
Lake County Board of Commissioners