

OFFICIAL PROCEEDINGS
OF THE COUNTY BOARD
LAKE COUNTY, MINNESOTA

Tuesday, December 18, 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 4 Commissioner Jeremy M. Hurd, District 5 Commissioner Rich Sve. The following commissioners were absent: District 3 Commissioner Richard (Rick) C. Hogenson. 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.

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

Lake County Administrator Matthew Huddleston reviewed the broadband system sale process which began in the summer of 2017, beginning with a Memorandum of Understanding (MOU) with the United States Department of Agriculture, Rural Utilities Service (the “RUS”). On July 31, 2018, an Asset Purchase Agreement was executed with Pinpoint Holdings, Inc., which serves as the base bid according to the sale procedures. Mr. Huddleston briefly discussed the timeline leading including invitation for bids on August 17, 2018; non-disclosure agreements executed; an optional pre-bid conference held on October 3, 2018, with several potential bidders in attendance. On November 2, 2018, four additional initial bids were received, for a total of five bids including the base bid received from Pinpoint Holdings, Inc. Three bidders plus the initial bidder Pinpoint Holdings, Inc. were invited to provide their best and final offers. All four of those entities submitted their best and final offers for the November 29, 2018 bid due date. The RUS has been involved throughout this process. Lake County Attorney Russ Conrow was present to answer any questions. Pinpoint Holdings, Inc. President Tom Shoemaker was present for the discussion and introduced himself to the Board of Commissioners.

Mr. Huddleston reviewed the proposed resolution to award the bid, award the back-up bid, and direct the County Auditor to return the escrow deposits to the other three bidders. The resolution states the following: The County entered into a loan/grant and security agreement with the U.S. Department of Agriculture, Rural Utilities Services (RUS) in order to bring high speed broadband to its citizens, and incurred indebtedness to RUS. The County entered into a deferral agreement with the RUS for the principal and interest of the loan, with a condition that the County sell the broadband system to provide the Federal Government maximum recovery of the loan/grant agreement. The County developed and executed a Sales Procedure and issued a public notice for an Invitation for Bids. This process culminated with four best and final offers.

After discussion with the RUS and counsel, the sales team recommends acceptance of the highest bid of Pinpoint Holdings, Inc., at Eight Million Four Hundred Thousand Dollars (\$8,400,000.00) as the “Successful Bid”, the bid of Mediacom Communications Corporation, at Eight Million Two Hundred Fifty Thousand Dollars (\$8,250,000.00), as the “Back-Up Bid” in the event the Successful Bidder does not close with the County. The Sales committee also recommends return of Deposits to Cooperative Light and Power Association; Hanson Communications, Inc; and Lake Partners LLC within three business days of the Board’s action in accordance with the Sales Procedures. Closing with Pinpoint Holdings, Inc. will require execution of the updated Asset Purchase Agreement, which does not substantially change the previous agreement other than increased purchase price.

Upon the recommendation of counsel, declare Pinpoint Holdings, Inc., at Eight Million Four Hundred Thousand Dollars (\$8,400,000.00) is the "Successful Bid", the bid of Mediacom Communications Corporation at Eight Million Two Hundred Fifty Thousand Dollars (\$8,250,000.00), is the "Back-Up Bid", in the event the Successful Bidder does not close with the County. The Chair is authorized to sign all documents to complete the closing of the sale, including but not limited to the updated Asset Purchase Agreement. The Auditor is directed to return of deposits to Cooperative Light and Power Association; Hanson Communications, Inc; and Lake Partners LLC, within three business days of this action. Lake County Auditor Linda Libal asked a question about detail that her office will need to return deposits from the escrow account.

MOTION HURD, SECOND WALSH: 02 – Approve Resolution Selecting Pinpoint Holdings, Inc. as Successful Bidder for Lake Connections. Absent: Hogenson

Lake County Administrator Matthew Huddleston discussed further review that will take place with respect to broadband development and the Federal Communications Commission (FCC) grant award for Rural Broadband Experiment. Lake County has maintained the irrevocable stand-by Letter of Credit (LOC) required by the FCC grant.

Mr. Huddleston introduced a Geographic Information System (GIS) project that Lake County GIS Analyst Ross Hoffmann has been working on for a Lake County Spring 2019 Aerial Imagery. Mr. Hoffmann appeared before the Board of Commissioners and provided a 2019 Aerial Imagery Acquisition Project Update. Mr. Hoffmann advised that Lake County Sheriff Carey Johnson had requested that the Information Technology (I.T.) Department pursue this and that the Sheriff has a funding source for this aerial imagery project. The Statement of Work (SOW) prepared in September 2018 included a request for proposals to acquire 6-inch resolution, 4-band, color-balanced aerial imagery for all of Lake County, approximately 2,300 square miles (including the Boundary Water Canoe Area Wilderness (BWCAW)) for use in Computer-Aided Design (CAD) and GIS applications. The SOW was prepared using State of Minnesota Cooperative Purchasing Venture (CPV). The SOW was released to nine (9) CPV-approved contractors. Four (4) contractors responded with project proposals. Lake County has selected The Sanborn Map Company, Inc. (Sanborn) as the contractor for the project. Mr. Hoffmann verified the proposal cost with Sanborn in the proposed amount of \$82,500 for the aerial imagery acquisition project.

Lake County requested and received quotes on two additional services from Sanborn to be provided concurrently to aerial imagery acquisition. The additional services are 1) acquire higher resolution orthoimagery, 3-inch spatial resolution, 4-band, 8-bit per channel, 2-mile wide swath along the County's shoreline with Lake Superior, total area of approximately 108 square miles, per provided Shapefiles, at a proposed price of \$37,500; 2) create planimetric building outlines, ArcGIS format, for entire county at a proposed price of \$5,655. The grand total cost for all products and services quoted for these three projects combined is \$125,650.08.

Sheriff Johnson was present and spoke about the project and the funding and clarified how the shoreline enhanced imagery will be useful data as the location contains critical infrastructure points. Sheriff Johnson advised that these GIS projects along with the enhanced 911 project are within the budget. Next step is to proceed to contract drafting, review, editing, and signing with Sanford after board approval. We are working with the Office of Procurement and will use the CPV contract template. Flight could take place as soon as March 2019, dependent on weather conditions. The process of taking the photos takes approximately 16 hours over a two-week time period. The sun has to be at the correct angle, which limits the amount of time per day that it is possible for taking aerial photos. Imagery processing will take a much longer amount of time; processing is expected to

continue into the late summer or fall. Lake County Land Commissioner Nate Eide was also present for the discussion and asked questions about the aerial photos project.

Lake County Administrator Matthew Huddleston updated the Board of Commissioners on several items of county business. Mr. Huddleston updated the Board on the construction project status of the Highway Department Maintenance Facility. Lake County Highway Engineer Krysten Foster introduced two new proposed resolutions for 2018 municipal maintenance distribution and provided an updated draft proposed resolution for Lake County to be the project sponsor for Silver Bay's application packet to the Northeast Minnesota Transportation Alternatives Application for 2023. Lake County Human Resources (HR) Administrator Cammie Young was present to answer questions about the requests for board action from HR and any questions about salaries. Lake County Environmental Services Director Christine McCarthy was present for any questions on the Environmental Services Department requests for board action and discussion items.

MOTION HURD, SECOND GOUTERMONT: 03 – Approve consent agenda as follows:

1. Approve the Board of Commissioners' regular meeting minutes from December 11, 2018.
2. Adopt the findings by the Planning Commission for Interim Use Application I-18-031 for Taylor Krosbakken.
3. Adopt the findings by the Planning Commission for Interim Use Application I-18-032 for John Lind/Silent Sports Partnership.
4. Adopt the findings by the Planning Commission for Interim Use Application I-18-033 Charles and Barb Egeberg.
5. Authorize the renewal and subsequent payment to Goldfield Telecom for the Brocade core router support in the amount of \$11,547.84.
6. Authorize payment in the amount of \$9,933.16 to Consolidated Telephone Company, invoice INV-3378 for Payroll, December commissions, and November trouble tickets.
7. Authorize payment in the amount of \$13,610 to Minnesota Counties Computer Cooperative (MnCCC) for invoices 1901118 and 1901119. This is 2019 Annual support for Information Services Support Group (ISSG), IFS General support for Auditor's office and HHS, Dues for JIC membership and Dues for Finance/General Government User group. This will be paid in 2019 and amounts are included in the 2019 budget.
8. Approve and authorize the County Board Chair to sign the Purchase of Service Agreement with the Human Development Center to provide Adult Mental Health Targeted Case Management Services for the period of January 1, 2019 through December 31, 2019.
9. Approve and authorize the County Board Chair to sign the Purchase of Service Agreement with the Human Development Center to provide Community Mental Health Services for the period of January 1, 2019 through December 31, 2019, in an amount not to exceed \$80,000.00.

10. Approve and authorize the County Board Chair to sign the Purchase of Service Agreement with the Human Development Center to provide Serious and Persistent Mental Illness (SPMI) Supported Employment services for the period of January 1, 2019 through December 31, 2019, in an amount not to exceed \$15,000.00.
11. Approve and authorize the County Board Chair to sign the Purchase of Service Agreement with the Human Development Center to provide community support services for Lake County residents at the Waterfront Center for the period of January 1, 2019 through December 31, 2019, in an amount not to exceed \$58,400.00.
12. Approve and authorize the County Board Chair to sign the Purchase of Service Agreement with the Human Development Center for Employment and Training Services for the period of January 1, 2019 through December 31, 2019, in an amount not to exceed \$39,456.26.
13. Approve and authorize the County Board Chair to sign the Memorandum of Agreement with Northshore Area Partners to provide community support services for Lake County citizens for the period of January 1, 2019 through December 31, 2019, in an amount not to exceed \$15,000.00.
14. Approve and authorize the Lake County Board Chair to sign the Purchase of Service Agreement with North Shore Horizons for the period of January 1, 2019 through December 31, 2019, in an amount not to exceed \$16,500.00.
15. Approve and authorize the Lake County Board Chair to sign the Purchase of Service Agreement with the Center for Alcohol and Drug Treatment for the period of January 1, 2019 through December 31, 2019, in an amount not to exceed \$10,000.00.
16. Approve resolution authorizing Lake County as City of Silver Bay fiscal agent for trailhead project Transportation Alternatives application.
17. Modify March 27, 2018, Board of Commissioners' meeting minutes, Motion 02 Item 18: Authorize Highway Department purchase of 2019 Chevrolet Silverado crew cab truck from Ranger Chevrolet through State CPV Contract T-642(5) at a cost up to \$28,891.80 plus motor vehicle sales tax, title and license fees.
18. Approve sale of Unit #2981 (1998 Ford F150) to Minnesota Counties Intergovernmental Trust (MCIT) for \$4,523.99 less deductible.
19. Authorize payment to the Lake County Soil and Water Conservation District (SWCD) in the amount of \$35,964.92, which is the amount that exceeds the previously approved \$80,000 contract for annual Aquatic Invasive Species AIS Prevention Services. This invoice will be paid from the Lake County Minnesota AIS Prevention Aid Account.
20. Authorize payment in the amount of \$9,986.00 to Ryan Williams Home Services LLC for work completed (material and labor, front fascia repair, Invoice #1192) at the Silver Bay Ice Arena.

21. Authorize the following 2018 Budget Adjustment requests (total increase to budget of \$41,700) from the Forestry Department Land Commissioner, to be funded with increased timber and land sale revenue.
 - 1) 85-950.6300 from \$0 to \$5,500
 - 2) 85-950.6285 from \$0 to \$10,000
 - 3) 85-950.6470 from \$200 to \$2,700
 - 4) 85-950.6620 from \$6,000 to \$27,700
 - 5) 85-950.6560 from \$8,000 to \$10,000
22. Award bid to the lowest responsible bidder St. Germain's Cabinet in the amount of \$66,540.00 for finish carpentry (Work Scope 6-D) for Lake County Highway Department Facility Project; Further, authorize the County Administrator to sign the contract.
23. Authorize payment in the amount of \$6,000.00 to Questex, LLC, for Fierce Wireless advertisement for sale of Lake Connections, Invoice # INV-017900.
24. Approve in-kind contribution of equipment and staff time assistance, as available to Air Base Road brushing project.
25. Authorize payment in the amount of \$7,516.00 to the Association of Minnesota Counties (AMC) for 2019 Annual Dues (Invoice 51770).
26. Authorize payment to Pro-Tainer, Inc. for an amount not to exceed \$42,700 for ordering two mobile recycling trailers. This invoice will be paid from by the Minnesota Pollution Control Agency Environmental Assistance Grant. Absent: Hogenson

MOTION WALSH, SECOND HURD: 04 – Authorize 2018 municipal maintenance distribution to City of Two Harbors in the amount of \$15,125.00. Absent: Hogenson

MOTION GOUTERMONT, SECOND WALSH: 05 – Authorize 2018 municipal maintenance distribution to City of Silver Bay in the amount of \$13,825.00. Absent: Hogenson

MOTION GOUTERMONT, SECOND HURD: 06 – Approve the change in employment status of Hayley Mattila, Deputy Sheriff, due to completion of probation effective December 18, 2018. Absent: Hogenson

MOTION WALSH, SECOND GOUTERMONT: 07 – Approve the change in employment status of Jory Schliep, Lead Mechanic, due to completion of trial effective December 24, 2018. Absent: Hogenson

MOTION HURD, SECOND WALSH: 08 – Approve the change in employment status of Dawn Miner, Human Services Technician, due to completion of probation effective December 25, 2018. Absent: Hogenson

MOTION GOUTERMONT, SECOND WALSH: 09 – Approve the probationary appointment of Ronald Lundin to Highway Maintenance Worker at the Step 3 rate of \$19.23 per hour effective January 7, 2019. Absent: Hogenson

MOTION HURD, SECOND WALSH: 10 – Approve the changes to the 67-Day Temporary Employee Wage Schedule. Absent: Hogenson

MOTION WALSH, SECOND HURD: 11 – Approve the 67-day temporary appointment of Frances Kaliher, Survey Technician for Forestry Department, at \$18.00 per hour including maximum return incentive effective January 2, 2019. Absent: Hogenson

MOTION GOUTERMONT, SECOND WALSH: 12 – Approve and authorize the Chair to sign the Letter of Agreement between Lake County and AFSCME Council 65. Absent: Hogenson

MOTION HURD, SECOND GOUTERMONT: 13 – Approve the 2019 County Net Levy amount of \$10,549,265. Absent: Hogenson

MOTION WALSH, SECOND GOUTERMONT: 14 – Approve the 2019 Tax Levy amount of \$32,000 for Unorganized Territory No. 1. Absent: Hogenson

MOTION HURD, SECOND GOUTERMONT: 15 – Approve the 2019 Tax Levy amount of \$341,000 (\$253,000 for Road and Bridge) for Unorganized Territory No. 2. Absent: Hogenson

MOTION WALSH, SECOND GOUTERMONT: 16 – Approve the 2019 Expenditure Budget of \$31,250 and Revenue Budget of \$37,030 for Unorganized Territory No. 1. Absent: Hogenson

MOTION GOUTERMONT, SECOND HURD: 17 – Approve the 2019 Expenditure Budget of \$338,000 and Revenue Budget of \$351,690 for Unorganized Territory No. 2 (including \$253,000 for Road and Bridge). Absent: Hogenson

MOTION WALSH, SECOND HURD: 18 – Approve the 2019 County Expenditure Budget of \$29,687,433 and County Revenue Budget of \$30,376,002. Absent: Hogenson

Commissioner Goutermont made a motion and Commissioner Walsh provided support for the motion. Upon discussion, Commissioner Goutermont retracted the motion and Commissioner Walsh retracted support for the initial amount that was proposed for setting the County Attorney 2019 salary.

MOTION HURD, SECOND WALSH: 19 – Set the County Attorney 2019 salary at \$100,940 and 2019 Health Care Saving Plan contribution at \$2,000. Absent: Hogenson

MOTION HURD, SECOND GOUTERMONT: 20 – Set the County Auditor 2019 salary at \$81,855 and 2019 Health Care Saving Plan contribution at \$2,000. Absent: Hogenson

MOTION WALSH, SECOND GOUTERMONT: 21 – Set the County Recorder 2019 salary at \$67,000 and 2019 Health Care Saving Plan contribution at \$2,000. Absent: Hogenson

Commissioner Hurd made a motion and Commissioner Goutermont provided support for the motion. Upon discussion, Commissioner Hurd amended the motion and Commissioner Goutermont supported the amended motion that was proposed for setting the County Sheriff 2019 salary.

MOTION HURD, SECOND HURD GOUTERMONT: 22 – Set the County Sheriff 2019 salary at \$99,750 and 2019 Health Care Saving Plan contribution at \$2,000. Absent: Hogenson

MOTION HURD, SECOND WALSH: 23 – Set the Board of Commissioners 2019 salary at \$23,536, with an additional \$125 per month for the Board Chair. Absent: Hogenson

MOTION GOUTERMONT, SECOND HURD: 24 – Set the Commissioner per diems at \$85 in county and \$100 out of county, effective January 1, 2019. Absent: Hogenson

MOTION HURD, SECOND GOUTERMONT: 25 – Adjourn County Board of Commissioners' meeting at 3:28 p.m. Absent: Hogenson

From the Board of Commissioners' meeting schedule:

- Tuesday, January 8, 2019, 2:00 p.m. Organizational meeting 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.

ATTEST:

Laurel D. Buchanan
Clerk of the Board

Rich Sve, Chairperson
Lake County Board of Commissioners