

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

Tuesday, July 23, 2019. Lake County Board of Commissioners, Lake County, Minnesota. County Board of Commissioners meeting was held at the Lake County Service Center, in the Split Rock River Room, located at 616 Third Avenue, Two Harbors, Minnesota. Board Chairperson Rich Sve called the meeting to order at 2:00 p.m. and led the recitation of the Pledge of Allegiance. Board members present: District 1 Commissioner Peter "Pete" R. Walsh, District 2 Commissioner Derrick "Rick" L. Goutermont, District 3 Commissioner Richard "Rick" C. Hogenson, District 5 Commissioner Rich Sve. Board member 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.

MOTION WALSH, SECOND HOGENSON: 01 – Approval of the agenda, as amended. Absent: Hurd

Clerk of the Board Laurel D. Buchanan reviewed updated action items. Board Chair Rich Sve opened the floor for public comments. No public comments were made at that time. First on the amended agenda, Two Harbors middle school First LEGO League team "Robo Dweebs 5501 / Team MN 142A" head coach Janet Udenberg, co-coach Todd Bata, and team members talked about the team's successful win at the National Aeronautics and Space Administration (NASA) sponsored event "Apollo Next Giant Leap Student Challenge" commemorating the 50th Anniversary of the Apollo 11 moon landing. In Minnesota 27 teams competed in Minneapolis on July 18, 2019. Robo Dweebs team members accomplished all objectives in the competition, resulting in the team winning the grand prize, a behind-the-scenes tour of the NASA Johnson Space Center in Houston, Texas. Grand prize includes all expenses paid for one (1) coach and five (5) Robo Dweebs team members for this trip in August 2019. Team fundraising efforts are underway to raise funds for the rest of the team to attend, including three (3) team members. The team set a fundraising goal of \$4,000.00 to assist with travel costs. Toward this goal, team members are bagging groceries this weekend and are requesting donations. The team has received many donations and is asking the county to provide a donation. Coach Udenberg discussed the positive interest from the community and that many more students apply to participate in the robotics program than the program can accommodate. Coach Udenberg advised about team size limits. In order to accommodate more students, the program will need more coaches in order to create additional teams.

MOTION GOUTERMONT, SECOND HOGENSON: 02 – Approve donation in the amount of \$500.00 to support the Two Harbors Robotics team on its August 2019 trip to the NASA Johnson Space Center in Houston, Texas. Further resolved, the Board of Commissioners authorizes up to an additional \$500.00 donation if the robotics team fundraising efforts result in a total amount less than its goal of \$4,000.00. Absent: Hurd

Lake County Facilities Maintenance Manager Kevin Traster provided an annual department Update. Mr. Traster highlighted projects that have been delivered on time and under budget. Several projects were delivered by Facilities Maintenance Department staff rather than contracting out the work to a different entity. Mr. Traster discussed several roof repairs and replacements. The department has replaced several air handling units. Mr. Traster reported that the department is just finishing up installing all new emergency light fixtures in all county buildings and repairing or replacing exit lighting. Changes are being made for energy efficiency. Mr. Traster discussed the plan for assigning duties for an upcoming reassignment of motor pool operations. Courthouse remodeling work done through the Safe and Secure Courthouse Initiative Grant Agreement has been completed on time and under budget. The work was coordinated by Facilities Coordinator Curt Backen. Minnesota Sixth Judicial District has paid for the courthouse corridor security wall, a separate project from the grant.

Mr. Traster talked about the “punch list” for project manager Kraus Anderson Construction Company, regarding outstanding items for completion of the Lake County Highway Department Facility construction.

Lake County Assessor Gregg Swartwoudt provided a 2019 County Assessor’s Department Report. Appraiser Supervisor Noah Mittlefehldt and Deputy Assessor John Denney were also present. Deputy Assessor Drew Imes was not in attendance at the Board of Commissioners meeting. The Assessor’s Office has been busy with review of the appraisal that was received from the United States Forest Service regarding appraisal of federal land in the Boundary Water Canoe Area (BWCA). Three counties (Cook, Lake, and St. Louis) are preparing comments together to meet the August 1st deadline, working with real estate appraiser John Vigen at Ramsland & Vigen, Inc. The Thye-Blatnik appraisal relates to how dollar amounts are calculated for the Payment-in-Lieu-of-Taxes (PILT) program.

Mr. Swartwoudt reviewed current work in progress for the County Assessor’s Department. He advised that “Special Quintile 2020” is for Assessment in 2020 for Taxes payable in 2021. The Minnesota Department of Revenue (DOR) has issued guidelines that VRBOs (Vacation Rental by Owner) shall be classified as “Commercial”. Lake County will re-classify properties according to DOR guidelines. Beginning in August, we will begin the task of verifying, locating and reviewing available information to determine if a property is being used as a VRBO. Mr. Swartwoudt discussed the development of a county policy determining if a property’s “primary use” is VRBO. Several properties are known to rent on a short-term basis that are currently classified as residential homestead properties. Mr. Swartwoudt also discussed requirements that counties have an abatement policy and a hardship policy. Hardship policy may allow for exceptions to the abatement policy. He also discussed Property Group Coding, placing a three-letter code to specific property types/groups.

Mr. Swartwoudt review the results of “Special Quintile 2019” revaluation projects. Bars, Restaurants & Taverns revaluation projects have been postponed. Mini Storage Units revaluation project also has been delayed. Billboards revaluation project has been completed. Every billboard was visited, photographed and measured. Leases were requested to capitalize values. The 2019 assessment identified eight (8) billboards with a total assessed value of \$26,600. The 2020 assessment identified sixteen (16) billboard and assesses twelve (12) for a total assessed value of \$171,800. Cellular Arrays and Communication Towers revaluation project has been completed. Every cell tower / communication tower was visited and photographed. When leases were provided, they were reviewed to calculate a Capitalized Value. Prior to the revalue there were twelve (12) assessed sites. Currently we have 29 assessed sites, 19 are taxable with the cumulative taxable value increasing from \$262,700 to \$855,500. Common Interest Communities (CIC) / Homeowners Associations (HOA) were re-entered into the tax system to allow for greater efficiency in future revaluations and a more consistent assessment result. Mr. Swartwoudt advised that Gravel Pits have been reclassified to “Industrial” according to DOR guidelines. Resorts have been revalued. All resorts were visited, and site improvements were verified. Sales were analyzed, and all resorts were revalued and equalized for the 2020 assessment.

The County Assessor’s Department Annual Report includes a map showing the County Commissioner Districts and the corresponding Appraiser(s) in the jurisdiction.

- 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 has the following assigned areas: City of Silver Bay, Silver Creek Township, and 1/3 of Fall Lake Township.

County Administrator Matthew Huddleston updated the Board of Commissioners on several items of county business. Mr. Huddleston provided an update on the meeting held with multiple counties and assessors on the U.S. Forest Service BWCAW appraisal. The final draft comments will be shared on Monday and a cover letter will be provided for the Board Chair to sign. The review deadline is August 1st. We plan to meet that deadline and will not be seeking an extension at this time.

Mr. Huddleston advised that the 2020 budget deadline for county departments is this Friday. He reviewed calendars with board members for setting the date for the next budget meeting. Commissioners set the next budget meeting for Tuesday, August 20, 2019, at 1:00 p.m. at the Lake County Service Center in Two Harbors. Mr. Huddleston discussed an item that can be removed from today's resolution items. The draft Brush Disposal Site Agreement is not needed with Fall Lake Township at this time. Environmental Services Department Director Christine McCarthy was present for the discussion. Lake County has identified a tax-forfeited parcel for use as a brush disposal site, rather than expanding at the Fall Lake Transfer Station. County Auditor Linda Libal advised that she is working on budget planning for 2020.

Land Commissioner Nate Eide advised the Board of Commissioners regarding two change orders for the Prospectors Loop ATV Trail. We are working with these change orders to keep the project moving forward, for completion of work between Spruce Road and Farm Lake Road by August 31, 2019. Due to permitting delays, there has been a four percent (4 %) increase in federal Davis Bacon wage since the project was originally scoped. This increases the project cost by 4% to account for this federal wage increase. There was discussion and agreement that future change orders may be signed by Land Commissioner Nate Eide, provided that the Land Commissioner communicates the change orders with the County Administrator.

Human Resources (HR) Director Cammie Young reviewed that current plans are to present the HR Annual Department Update at the agenda meeting on August 6, 2019. Meanwhile the HR office has been busy recruiting and interviewing for several open positions in Lake County. Ms. Young advised that Lake County passed our Pay Equity after completion of the Classification and Compensation Study.

Environmental Services Department Director Christine McCarthy advises that Mabel Tarlton is currently an alternate on the Planning Commission and is planning to retire. Ms. McCarthy was present for any questions on the findings by the Planning Commission and proposed resolutions for Interim Use Permits following the public hearings of July 15, 2019. Information Technology (I.T.) Department Director Boris Naschansky discussed cybersecurity risks and steps that the county is taking to reduce exposure to cybersecurity risks.

MOTION GOUTERMONT, SECOND HOGENSON: 03 – Approve Consent Agenda as presented:

1. Approve County Board of Commissioners' meeting minutes from July 9, 2019.
2. Approve Health and Human Services (HHS) claims in the following amounts:
 - a. Administrative payments \$ 8,480.29
 - b. Region III Adult Behavioral Health Initiative payments \$ 38,838.09
3. Authorize Rescue Squad truck purchase / request from the Sheriff's Office: approve the purchase from Mike Motors for one (1) 2019 Dodge Ram 3500, and to make payment upon delivery for the total amount not to exceed \$29,888.00
4. Authorize payment in the amount of \$18,910.00 to Uhl Company, Inc. for the installation of a new condensing unit and air handling coil for AHU #2 unit in the Law Enforcement Center (LEC). This unit provides for the Lake County Jail. (Contractor's Job Number: 119SP995, project name: Lake County LEC AC System Replacement, Invoice 58185).

5. Approve the renewal of all current liquor/wine license holders for the calendar year 2020 contingent upon the approval of the County Attorney and Sheriff, filing of required paperwork and payment of applicable fees.
6. Adopt the findings of the Planning Commission for John and Nancy Diley, I-19-011.
7. Adopt the findings of the Planning Commission for Martin and Julie Anderson, I-19-012.
8. Adopt the findings of the Planning Commission for Nathan and Angela Hoffman, I-19-013.
9. Adopt the findings of the Planning Commission for Ryan and Nicole Jaide, I-19-014.
10. Refund \$16,176.34 to Schreffler Logging for under-run of timber sale permit 1617TA.
11. Award bid for botanical survey and wetland delineation for Split Rock Wilds mountain bike trail to Midwest Natural Resources, Inc in the amount of \$26,700.00. Minnesota Coastal Grant will reimburse this contract.
12. Authorize payment in the amount not to exceed \$11,000 to Nuspire for cybersecurity firewall (Fortinet) annual software licensing, hardware support and managed security service provider services (MSSP) which now includes, Systems Incident and Event Management (SIEM) correlation, reporting and incident alerting.
13. Authorize Information Technology (I.T.) Department Director Boris Naschansky, with County Attorney office review prior, to sign Nuspire contractual agreements: Master Service Level, Service Order, Confidential Non-Disclosure, FBI CJIS Addendum H (for contractors) and renewals in subsequent years; as most agreements are year to year. This action excludes annual expense approval.
14. Authorize payment in the amount of \$5,551.00 to Gray, Plant, Mooty (GPM) for professional services rendered through June 24, 2019 (GPM Invoice No. 813089).
15. Approve modification to change Order #1 for Prospectors Loop ATV Trail Project – Phase 1. Change order changes “Substantial completion” date to September 30, 2019; “Final Completion” date to October 14, 2019; and add “Milestone 1”: Completion of work between Spruce Road and Farm Lake Road by August 31, 2019.
16. Approve change Order #2 for Prospectors Loop ATV Trail Project– Phase 1. Revise the original contract amount of \$223,053.00 to \$234,060.82 due to federal wage rate standard increase.
Absent: Hurd

MOTION WALSH, SECOND GOUTERMONT: 04 – Approve and authorize the Board Chair to sign the Joint Exercise of Powers Agreement (JPA) for the Delivery of Job Training Programs in Northeastern Minnesota. This JPA originated October 1, 1983, by and between the Counties of Aitkin, Carlton, Cook, Itasca, Koochiching, Lake and St. Louis (excluding the City of Duluth). Updates to the JPA reflect changes in terminology stemming from the change in federal law from the Workforce Investment Act (WIA) of 1998 to the Workforce Innovation and Opportunity Act (WIOA) of 2017. There are no other content or material changes to the document. Absent: Hurd

MOTION HOGENSON, SECOND GOUTERMONT: 05 – Approve the appointment of Stephanie Pry to Victim Witness Coordinator at the Step 5 rate of \$22.04 per hour effective July 24, 2019. Absent: Hurd

MOTION WALSH, SECOND HOGENSON: 06 – Approve the probationary appointment of Roberta Laidlaw to Administrative Assistant at the Step 5 rate of \$18.94 per hour effective August 12, 2019. Absent: Hurd

MOTION HOGENSON, SECOND GOUTERMONT: 07 – Approve the resignation of Han Taylor, Human Services Professional, effective July 15, 2019. Absent: Hurd

MOTION GOUTERMONT, SECOND WALSH: 08 – Approve the recruitment for one full-time Human Services Professional. Absent: Hurd

MOTION WALSH, SECOND HOGENSON: 09 – Approve the probationary appointment of Amy Nelson to Human Services Professional at the Step 1 rate of \$24.77 per hour effective July 29, 2019. Absent: Hurd

MOTION HOGENSON, SECOND GOUTERMONT: 10 – Adjourn County Board of Commissioners' meeting at 3:58 p.m. Absent: Hurd

The Lake County Board of Commissioners will convene for the following meetings:

- 1:00 p.m. on Tuesday, July 30, 2019, a Strategic Planning Session will be held at the Lake County Highway Department facility meeting room at 1513 Highway 2, Two Harbors, Minnesota.
- 2:00 pm on Tuesday, August 6, 2019, an agenda meeting will be held at Lake County Service Center, Split Rock River Room, 616 Third Avenue, Two Harbors, Minnesota.
- 2:00 pm on Tuesday, August 13, 2019, a regular meeting will be held at Lake County Service Center, Split Rock River Room, 616 Third Avenue, Two Harbors, Minnesota.
- 6:00 pm on Tuesday, August 20, 2019, the Lake County Board of Commissioners will meet as a Committee of the Whole (COW) at the Isabella Community Building, 9521 Lankinen Road, Isabella, Minnesota.

ATTEST:

Laurel D. Buchanan
Clerk of the Board

Rich Sve, Board Chairperson
Lake County Board of Commissioners