

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

Tuesday, January 24, 2017. Lake County Service Center, Split Rock River Room, 616 Third Avenue, Two Harbors, Minnesota. Commissioners Present: Goutermont, Hogenson, Hurd, Sve, Walsh. Commissioners Absent: None. Also present: County Administrator Matthew Huddleston and Laurel Buchanan, Clerk of the Board.

Meeting was called to order at 2:00 p.m. 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 GOUTERMONT, SECOND HURD: 01 – Approve agenda. Absent: None

Highway Engineer Krysten Foster provided an update on highway projects. She discussed the science of snowplowing and how various factors impact the effectiveness of salt used to aid in winter maintenance of road conditions. Plow route maps have been enhanced with GIS technology and will be available on the County web site. County Administrator Matthew Huddleston updated the Board on the new 0.5 percent Transit Sales and Use Tax. The 0.5 percent transit sales tax applies to retail sales made within Lake County. Use tax is similar to the sales tax and the rates are identical. It is based on the cost of taxable purchases. Purchases are subject to one of these two taxes.

MOTION HURD, SECOND WALSH: 02 – Recess County Board of Commissioners' meeting at 2:15 p.m.

At 2:15 p.m., a public hearing was convened for the Minnesota Small Cities Development Program (SCDP) 2017 Application, in which Lake County is the applicant, on behalf of the Lake County Housing Initiative. Director of Housing Services Scott Zahorik from the Arrowhead Economic Opportunity Agency (AEOA) reviewed the project application that is proposed to be submitted to the Minnesota Department of Employment and Economic Development (DEED) SCDP. Lake County will be the applicant on behalf of the City of Silver Bay. AEOA will administer the grant and work with property owners.

The application will request funds for 15 owner-occupied housing rehabilitation and seven (7) commercial properties in the identified area of Silver Bay. Mr. Zahorik indicated the target area is from the industrial park to the golf course. This is a different target area than a previous application. The proposed application, if selected by DEED, would result in grant dollars for these projects. Scott Zahorik discussed the proposed project and timeline and the resolutions that would need to be approved by the County Board of Commissioners in order for the application to be submitted in advance of the due date of February 23, 2017.

Mr. Zahorik updated the Board on a draft resolution identifying "Slum and Blighting" conditions for the specific area, referred to as the "target area", for the City of Silver Bay. A "Slum and Blighting" resolution is required for the application to the Small Cities Development Program (SCDP) for undertaking a program of downtown revitalization and redevelopment. The resolution must identify a specific area as the "Slum and Blight" area in which revitalization activities will occur. Mr. Zahorik will work with the Silver Bay City Council to adopt a resolution identifying "Slum and Blighting."

County Commissioners asked questions about financing packages, loans and liens, recruiting of contractors and marketing efforts to reach potential applicants. Interested parties will have equal opportunity to apply. Outreach efforts were discussed. No public comments were made during the public hearing and no comments were received in writing in advance of the public hearing.

MOTION GOUTERMONT, SECOND HOGENSON: 03 – The public hearing was adjourned at 2:25 p.m. Absent: None

The Board of Commissioners' meeting was reconvened at 2:25 p.m. with all board members present. Land Commissioner Nate Eide and I+S Group (ISG) Manager of Environmental Services Travis Fristed discussed the Environmental Assessment Worksheet (EAW) process for the Prospector's Loop Trail. The Lake County Planning Commission met on January 23, 2017, and approved the recommendations. It is recommended that the Board of Commissioners adopt the findings of the Planning Commission and approve Findings of Fact (FOF) and Record of Decision (ROD) for the Proposed Prospector's Loop Trail and the Negative Declaration of Need for an Environmental Impact Statement (EIS).

County Administrator Matthew Huddleston updated the Board on the basic terms of the Transport Agreement and the Management Agreement with Consolidated Telecommunications Company (CTC). Lake County's fiber optic network, Lake Connections, needs a third-party to manage operations and finances, as well as provide voice telephone services to Lake Connections customers. Consolidated Telecommunications Company, (CTC) is capable of providing the professional services of managing the Network and voice telephone to Lake Connections customers. On November 7, 2016 the Lake County Board of Commissioners, directed a team of Lake County representatives to negotiate agreements with CTC, for the provision of these services. Lake County representatives and CTC negotiated a Management Agreement covering Lake Connections operations and financial supervision. Lake County representatives and CTC negotiated a Transport Services Agreement, covering the provision of voice telephone services over the Lake Connections. It is the recommendation of the Lake County negotiation team, to approve the Management Agreement and Transport Services Agreement. The proposed resolution would authorize and direct the Chair to execute and deliver on behalf of the County, the Management Agreement and Transport Services Agreement, to CTC. Kristi Westbrook of CTC was also present for the discussion. Ms. Westbrook updated the Board on CTC's operational and technical activities, including implementation of a new safety program and work on a marketing campaign.

County Assessor Gregg Swartwoudt provided an update on a proposed resolution for the abatement of the values of assessment 2015, taxes payable 2016 for the Burlington Bay development. Court proceedings have taken place relative to this development. The developer owned parcels have been adjusted via tax court for 2014 pay 2015 and an agreement was entered into for taxes payable 2016 but the petitioner failed to file the appropriate petition. County Auditor Linda Libal also recommends this abatement. Abatements are allowed for in Minnesota Statutes as outlined below: Abatements, as provided in M.S. § 375.192, are an administrative method of correcting errors in valuation or classification. The assessor can make no changes in valuation or classification that are intended to correct errors in judgment after the County Board of Appeals and Equalization, except for the correction of clerical errors and the extension of homestead status. Subsequently, any changes made after the conclusion of the County Board of Appeal and Equalization must be handled by abatement or tax court petition. A tax amount is not necessary for the abatement to be processed. Attached to the proposed resolution is a list of all parcels being abated, their current value and their requested abated value as well as the 2016 taxes paid and the estimated tax refund per parcel and total estimated refund.

Environmental Services Director Christine M. McCarthy provided an update on a proposed purchase of a used baler and trade-in of an old baler from the recycle center. An item on the consent agenda was clarified regarding the purchase of a used baler to include the name of the vendor. Planning Commission discussion updates were provided by Commissioner Sve and Environmental Services Director Christine McCarthy.

Commissioner Rick Hogenson communicated to the Board of Commissioners that he is resigning from the Arrowhead Library System (ALS) Governing Board. Commissioner Hogenson believes in citizen involvement and would request to have Lenore Johnson be appointed to the ALS Board.

MOTION WALSH, SECOND HOGENSON: 04 – Approve amended Consent Agenda as follows:

1. Approve the Board of Commissioners' meeting minutes from January 10, 2017.
2. Approve batch 1 claims in the amount of \$58,412.20.
3. Approve batch 2 claims in the amount of \$11,615.79.
4. Approve Health and Human Services claim payments in the following amounts:
 - a. Region III Adult Mental Health Initiative payments \$ 19,452.66
 - b. Administrative payments \$ 32,432.31
 - c. Arrowhead Health Alliance payments \$ 47,410.42
5. Authorize payment in the amount of \$3,000 to Smart Procure Inc. for Annual subscription and five (5) Search licenses (Invoice 25854) as per County Auditor 2017 Budget.
6. Approve and authorize the chair to sign the Amendment of a 2017 Service Agreement for Project Coordination, changing the name of the Provider from Todd Armbruster to Boreal Basics LLC, with the amount remaining up to \$11,800 through December 31, 2017.
7. Approve payment of \$7,500.00 to JoAnne Kovach for the homeowner portion of FEMA Fire Resistant Roofing Grant 2 installation, pending reimbursement to Lake County from FEMA Hazard Mitigation Grant Program DR-4113.09.
8. Approve payment of \$3,150.00 to Greg Colvin for the homeowner portion of FEMA Fire Resistant Roofing Grant 1 installation, pending reimbursement to Lake County from FEMA Hazard Mitigation Grant Program DR-1982.07.
9. Approve and authorize the chair to sign the Building Official Service Agreement with Gary Thompson Inspection Services, at the rate of \$47.00/hour, to perform Building inspections and related services pertaining to the FEMA Metal Roof grants, through December 31, 2017.
10. Authorize payment to Impact in the amount of \$7,254 on Invoice 1-06-17 for 2017 Valuation Notices and Tax Statements postage.
11. Authorize payment in the amount of \$5,000.00 to Legg Strategies for consulting services (Invoice 1253).
12. Authorize payments to Larson Service not to exceed \$4,000.00 per month for snowplowing services.
13. Approve and authorize the Board Chair to sign a 60-month technology rental and maintenance agreement for the Human Services Dept. with Metro Sales, Inc. in the amount of \$152.25/month for a MP 4054 B&W printer/copier with fax and scanning ability, cents per copy additional cost at the rate of \$0.007 per black print/copy. This is State of MN contract #84340 pricing.
14. Authorize the purchase of a used baler for the recycle center in an amount not to exceed \$36,500, from Apex Equipment, LLC. Cost will include the shipping and tax. The final amount will be reduced after the trade-in amount is deducted from the above referenced purchase.

15. Authorize payment in the amount of \$10,895.00 to Summit Mechanical Service, Inc. (Invoice # 15650) for the supplying and installing of one 80% efficient 120,000 BTU Daikin natural gas furnace with complete exterior mounted sheet metal duct system at the Lake County Ice Arena in Two Harbors.
16. Approve a one-day temporary on-sale liquor permit for Whitetail's Unlimited for the date of April 22, 2017 at the Clair Nelson Community Center in Finland.
17. Authorize monthly payments of 2017 funding to Lake County Ambulance Service (LCAS) in the amount of \$41,666.67.
18. Appoint Lenore Johnson to the Arrowhead Library System (ALS) Governing Board.
19. Authorize payment in the amount of \$5,094.00 to Conrow Law Office (Invoice Number: 10249) for services rendered between December 1, 2016, and January 13, 2017, in the matter of the fiber network.
20. Authorize payments totaling \$8,871.90 to Innovative Systems for Inv. # 30669, Inv. # 30866, and Inv. # 30959.
21. Authorize payment in the amount of \$13,780.00 to MP Nexlevel LLC for Inv. # 1107430. Absent None

MOTION GOUTERMONT, SECOND HURD: 05 – Approve resolution in support of a Minnesota Department of Employment and Economic Development (DEED) Small Cities Development Program (SCDP) Project, resolving that the Chair of the Board of Commissioners and County Administrator, or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement the project on behalf of the Applicant. Absent: None

MOTION WALSH, SECOND HURD: 06 – Approve and authorize the Chair of the Board of Commissioners to sign the Citizen Participation Plan for the Minnesota Department of Employment and Economic Development (DEED) Small Cities Development Program (SCDP) Project for the for the Lake County application for the City of Silver Bay. Absent: None

MOTION GOUTERMONT, SECOND HOGENSON: 07 – Approve the retirement of Todd Van Den Heuvel, Land Use Specialist, effective March 31, 2017. Absent: None

MOTION HURD, SECOND GOUTERMONT: 08 – Abate the values of assessment 2015, taxes payable 2016 for the Burlington Bay development. The developer owned parcels have been adjusted via tax court for 2014 pay 2015 and an agreement was entered into for taxes payable 2016 but the petitioner failed to file the appropriate petition. Absent: None

MOTION GOUTERMONT, SECOND HURD: 09 – Authorize payment to Finland Fire Department for the rental of Finland Rescue Hall for 2017 for the amount of \$8,000.00. Ayes: Goutermont, Hogenson, Hurd, Sve. Nay: None. Abstain: Walsh. Absent: None

MOTION WALSH, SECOND HOGENSON: 10 – Adopt the findings of the Planning Commission and approve Findings of Fact (FOF) and Record of Decision (ROD) for the Proposed Prospector's Loop Trail and the Negative Declaration of Need for an Environmental Impact Statement (EIS). Absent: None

MOTION GOUTERMONT, SECOND HURD: 11 – Approve Resolution Declaring the Official Intent of Lake County, Minnesota to Reimburse Certain Expenditures from the Proceeds of Bonds to be Issued by the County. Absent: None

MOTION GOUTERMONT, SECOND HURD: 12 – Approve Resolution Authorizing the Chair to sign the Management Agreement and the Transport Agreement between Lake County and Consolidated Telecommunications Company (CTC). Absent: None

MOTION HURD, SECOND HOGENSON: 13 – Adjourn meeting at 3:22 p.m. Absent: None

The Lake County Board of Commissioners will have a strategic planning work session on Tuesday, January 31, 2017, at 1:00 p.m. in the Split Rock River Room located on the main floor of the Lake County Service Center, 616 Third Avenue, Two Harbors, Minnesota. The Board of Commissioners will convene an Agenda meeting on Tuesday, February 7, 2017, at 2:00 p.m. on Tuesday, January 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