

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

Tuesday, March 14, 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 HURD, SECOND WALSH: 01 – Approve agenda. Absent: None

County Administrator Matthew Huddleston updated the Board of Commissioners on several items of county business and proposed resolutions. Mr. Huddleston provided a brief update on the Highway Department fire recovery activities. Architect and construction management meetings are scheduled. Mr. Huddleston also updated the Board of Commissioners on apportionment research and the revised proposed resolution.

Land Commissioner Nate Eide was present for any discussion on Forestry Department requests for board action. There was an update on the Coastal Council grant application for mountain bike trail work. Mr. Eide advised that pre-design work would begin this spring under leaf-off conditions and grant work is slated to begin in July. Recreation funds could help cover the costs of this initiative. There was a discussion on match eligibility requirements. Commissioner Goutermont asked that Lake County communicate that we are committed to the full grant and finding the necessary match. The next round is coming up soon to apply for funding with the Greater Minnesota Regional Parks and Trails Commission. Lake County has already gone through the application process for Designation as Regional Park or Trail and has received the “high” designation.

Mr. Huddleston discussed a proposed resolution for a three-month extension to the temporary Deferral Agreement with the Rural Utilities Service (RUS). The resolution is for an Amended Deferral Agreement for deferral of loan principal payments. This will allow Lake County to provide additional information to the RUS and will provide time for RUS to review the new information. The information may be evaluated to make a determination on a long-term deferral.

County Auditor Linda Libal updated the Board of Commissioners on activities of the Auditor’s Office. Ms. Libal discussed an update from the Association of Minnesota Counties (AMC) about wetland credit language. Governor Dayton signed the Local Road Wetland Replacement Program (LRWRP) Funding and Regulatory Relief Bill (House File 434). The House bill author is Representative Dan Fabian.

Environmental Services Director Christine McCarthy was present for any questions on the application to become a host site for the Minnesota GreenCorps program. A letter of support and board resolution are to be included with the application. Ms. McCarthy discussed that the Board of Adjustment had its first meeting with the new alternate member Bob Sanders and is pleased to welcome him to the Board of Adjustment.

MOTION WALSH, SECOND GOUTERMONT: 02 – Approve Consent Agenda as follows:

1. Approve the Board of Commissioners’ special meeting minutes from February 21, 2017.
2. Approve the Board of Commissioners’ meeting minutes from February 28, 2017.

3. Approve batch 1 claims in the amount of \$16,366.45 and ACH payment in the amount of \$67 to Library of Congress.
4. Approve batch 2 claims in the amount of \$32,356.38.
5. Approve Health and Human Services claim payments in the following amounts:
 - a. Region III Adult Mental Health Initiative payments \$ 24,132.70
 - b. Administrative payments \$ 24,302.05
 - c. Arrowhead Health Alliance payments \$ 5,393.02
6. Authorize payment to BMO Harris Bank, N.A. in the following amounts for the collection period 18th of September, 2016, through 17th of December, 2016: \$6,530.63 for periodic fee, irrevocable standby letter of credit, and \$221.00 for Amendment Number 1 issuance fee.
7. Amend County Board of Commissioners meeting schedule to change the start time of the regular meeting on March 28, 2017, to 9:00 a.m.
8. Authorize Lake Connections to accept the Video Management Proposal from Cooperative Network Services (CNS) and authorize payment to Cooperative Network Services in an amount not to exceed \$10,000.00.
9. Delegate the authority to the County Administrator to sign, on behalf of the County, contracts with video services providers, which are recommended by Consolidated Telecommunications Company (CTC) and approved by the County Attorney.
10. Approve payment in the amount of \$10,220.92 to the Office of the State Auditor for year-end 2016 audit services. (invoice #67996).
11. Approve payment of \$10,415.00 to the State of Minnesota IT Services for annual Check Point firewall maintenance and support for the period of July 1, 2017 to June 30, 2018.
12. Designate Lake County Auditor-Treasurer as authorized signer for all claims as allowable under M.S. 375.18 Subd. 1b and authorize Lake County Auditor to update the Lake County Accounting and Policy Procedures Manual to reflect this change. (Detailed vendor payment report will be provided for County Board signature)
13. Authorize all claims for Lake County to be run as Auditor claim/warrants and authorize Lake County Auditor to update the Lake County Accounting and Policy Procedures Manual to reflect this change. (Detailed vendor payment report will be provided for County Board signature)
14. Authorize increasing the dollar amount that requires prior board approval from \$2,500 to \$5,000 for purchases made by Lake County and authorize Lake County Auditor to update the Lake County Accounting and Policy Procedures Manual to reflect this change.

15. Authorize Lake County Auditor to update the Lake County Purchasing Policy section entitled "Purchasing Protocol" as follows:
 1. Purchases from \$0-\$5,000 may be done within the department without prior Board approval as long as these expenses have been approved in the yearly budget and department uses their best judgment as to the source.
 2. Purchases from \$5,001-\$49,999 need Board approval with two written quotes.
 3. Purchases from \$50,000 and above require the use of sealed bids.
16. Approve payment of \$7,500.00 to Deborah Huskins 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.
17. Approve payment of \$7,500.00 to Barry Hoffman 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.
18. Approve Highway Department payment to PetroChoice in the amount of \$2,622.12 for Two Harbors Shop fluids.
19. Approve Highway Department payment of Invoice No. 2017-006 to City of Ely in the amount of \$6,778.43 for salt sand mix.
20. Approve remittance of 2017 Town Road Account distributions in accordance with Minnesota Statute 162.081, as follows:
 - a) \$15,800.13 for Silver Creek town roads
 - b) \$ 9,555.43 for Fall Lake town roads
 - c) \$ 7,174.53 for Stony River town roads
 - d) \$ 6,232.88 for Crystal Bay town roads
 - e) \$ 5,940.05 for Beaver Bay town roads
21. Authorize Highway Department purchase of a 2017 GMC Sierra from Nelson Auto Center at a state cooperative purchasing contract price of \$23,552.17.
22. Award SP 038-591-002 to the lowest responsible bidder, Northland Constructors of Duluth, LLC, in the amount of \$188,211.15. Pending County Attorney review, approve and authorize the Chair to sign the contract for this Safe Routes to School project.
23. Authorize payment in the amount of \$7,406.76 to Graybar for tools and miscellaneous plant equipment (invoices 989368941, 989415686, 989452961, 989476535, 989514133, 989545816, 989582281, 989595514, 989855863, 989894585).
24. Authorize payment in the amount of \$8,663.75 to North Point Geographic Solutions for GIS mapping, invoice 997.
25. Authorize payment in the amount of \$36,051.75 to Cooperative Light & Power for 2017 pole rental, invoice Lake Connections 2017.

26. Authorize payment in the amount of \$24,010.00 to Dascom Systems Group for support December 2016-December 2017, invoice 22179.
27. Authorize payment in the amount of \$6,087.50 to J Carlson Services for technician services supplied 1/24 – 2/3, invoices 17-0035, 17-0036, 17-0047, 170048.
28. Authorize payment in the amount of \$5,000.00 to Legg Strategies for consulting fees for February 16 – March 16, 2017 (Invoice # 1262).
29. Authorize payment in the amount of \$6,957.12 to Innovative Systems for February monthly maintenance fee and statement postage, invoices 30669, 31123, 31305.
30. Authorize payment in the amount of \$39,945.00 to MP Nexlevel for Lake Wilson / Isabella cell site / Hwy 61 installs and repairs performed due to logging truck damage, invoices 1107600, 1107667.
31. Authorize payment in the amount of \$11,993.63 to Lake States Construction, Inc. for repairs performed due to logging truck damage, invoice 6942.
32. Authorize payment in the amount of \$3,238.86 to Frontier for damages suffered 8/15/16, invoice MNFL5621501163.
33. Authorize payment in the amount of \$21,546.00 to Consolidated Communications for bandwidth and IP addresses. This amount includes and additional amount due for the months of June 2016 through December 2016 of \$2,290 per month for increasing the circuit from 300M to 2GB. The new monthly amount beginning in 2017 will be \$3,903 and January and February's services are also included in the payment amount.
34. Authorize payment in the amount of \$140,635.78 to CTC (Consolidated Telecommunications Company) for March Management and Marketing Fees, 3/3 Lake Connections payroll, invoice INV-3173 and technical support expenses, workers comp insurance, February 17th payroll, Calix maintenance support, and other reimbursable expenses, invoice INV-3168.
35. Approve resolution titled Classification as Non-Conservation of Tax Forfeited Land for 2017 Land Sale.
36. Approve the application, and authorize the chair to sign the agreement documents, for the 2017 Wildfire Fuel Reduction (Stevens) Grant.
37. Approve Lake County Forestry 2017 Adverse Conditions Timber Sale Extension.
38. Adopt the findings by the Planning Commission and approve the Interim Use Permit, I-17-004, for Tom and Bozena Frericks.
39. Authorize refund of \$400.00 After-the-Fact Fee for Conditional Use Application C-17-002 to Bryce and Judy Gregerson.

40. Authorize payment in the amount of \$2,925.20 to Briggs and Morgan (INV # 594087) for legal services rendered with regard to the following matter: Marlow Timberland, LLC.

41. Authorize payment to Lindquist & Vennum LLP for legal services for the following invoices / amounts: \$34,074.36 (Inv. 721187-0325) and \$5,768.50 (Inv. 721113-0325). Absent: None

MOTION HURD, SECOND HOGENSON: 03 – Approve and authorize Lake County Environmental Services to enter into and sign a host site agreement with the Minnesota Pollution Control Agency (MPCA) to carry out member activities with Minnesota GreenCorps, for the 2017-2018 program year. Absent: None

MOTION WALSH, SECOND GOUTERMONT: 04 – Approve the change in employment status of Jamie Linden, Deputy Auditor, due to completion of probation effective March 19, 2017. Absent: None

MOTION HURD, SECOND WALSH: 05 – Approve a Parental Leave of Absence without pay for employee #1171 effective February 28, 2017 through April 5, 2017. Absent: None

MOTION GOUTERMONT, SECOND HOGENSON: 06 – Approve the retirement of Laura Auron, Lake County Attorney, effective April 6, 2017. Absent: None

MOTION WALSH, SECOND HURD: 07 – Approve the recruitment for one male part-time/on-call Dispatcher/Corrections Officer. Absent: None

Public comments were made by Bob Tammen from Soudan, Minnesota, who attended the Board of Commissioners meeting along with his wife Pat. Mr. Tammen expressed his opinion that mining is not the solution to improving the quality of life in Minnesota, improving the economy or lessening poverty rates. He discussed the percentage that Minnesota's mining industry contributes to the total Gross Domestic Product for Minnesota. He emphasized the importance of diversification of our economy.

Additional public comments were made by Steve Koschak. Mr. Koschak is an owner of River Point Resort located in the Ely area, near the Boundary Waters Canoe Area Wilderness. Mr. Koschak states that his business has been affected by mining exploration. Mr. Koschak referred to a letter dated January 23, 2017, sent by Minnesota House Speaker Kurt Daudt to the White House asking to reverse the Obama administration decision revoking mineral leases for the proposed Twin Metals copper mine near Ely. Mr. Koschak voiced his opinion that Rep. Daudt's letter reflects a fundamental misunderstanding of the role of federal agencies in managing taxpayer-owned public lands, ignores legal obligations to protect a federally-designated Wilderness area, and disregards the significant economy currently sustained by the Boundary Waters and the rest of the Superior National Forest. Mr. Koschak believes Rep. Daudt's letter creates a false impression of the recent decision by federal land managers to study carefully whether sulfide-ore mining should occur in proximity to the Boundary Waters. Mr. Koschak commented that public lands are owned by all Americans. Board of Commissioners Chairperson Rich Sve thanked Mr. Tammen and Mr. Koschak for their comments.

County Commissioner Goutermont reiterated that the resolution before the Board of Commissioners today is neither a pro-mining nor an anti-mining resolution. The resolution holds the U.S. Forest Service to the standard to follow the law and the process that is set forth. Lake County asks that the U.S. Forest Service work with us on land issues, work through the process, and have the discussion.

MOTION GOUTERMONT, SECOND WALSH: 08 – The Lake County Board of Commissioners approves the Lake County Resolution Opposing the U.S. Forest Service Application to Withdraw 234,328 Acres of National Forest System Lands from Future Mineral Exploration and Potential Mineral Development. Absent: None

MOTION HURD, SECOND WALSH: 09 – Authorize County Auditor to transfer \$334,854.27 from 950 Forestry fund to Resource Development fund for apportionment. The portion going to Revenue Fund, UT #1, and UT #2 will stay in the Resource Development fund to help pay for the Clair A. Nelson Memorial Forest. Break down of amounts follows:

Resource Development Fund	175,893.42
Recreation Fund	66,970.85
Revenue Fund (all to stay in Resource Development fund)	0
School District	66,970.85
UT#2	0
Silver Creek	7,964.79
Fall Lake	8,372.12
Crystal Bay	2,509.81
Stony River	1,593.52
Beaver Bay (Twp)	2,105.80
UT#1	0
Two Harbors	2,402.72
Silver Bay	70.39
Beaver Bay (City)	0

Absent: None

MOTION WALSH, SECOND GOUTERMONT: 10 – Approve the Amended Deferral Agreement with the Rural Utilities Service (RUS) extending the deferral by an additional three months and authorize the Chair of the Board to execute said agreement. Absent: None

MOTION HURD, SECOND GOUTERMONT: 11 – Adjourn meeting at 3:16 p.m. Absent: None

The Lake County Board of Commissioners will meet as a Committee of the Whole, at 6:00 p.m. on Tuesday, March 21, 2017, Clair Nelson Intermodal Center in Finland, Minnesota. The Lake County Board of Commissioners will convene a regular board meeting at 2:00 p.m. on Tuesday, March 28, 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