

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

Tuesday, July 14, 2020. Lake County Board of Commissioners' meeting was held as a virtual meeting. At virtual meetings of the Lake County Board of Commissioners, board actions are by roll call vote if any board members are participating from a remote location. Unless otherwise stated, all actions have been approved by unanimous yeas. Board Members present in the Lake County Service Center, Split Rock River Room, 616 Third Ave, Two Harbors, Minnesota.

Board members present: District 1 Commissioner Peter "Pete" R. Walsh, District 2 Commissioner Derrick "Rick" L. Goutermont, District 4 Commissioner Jeremy M. Hurd, and District 5 Commissioner Rich Sve. Board Member absent: District 3 Commissioner Richard "Rick" C. Hogenson. Also present in person: Lake County Administrator Matthew Huddleston. Also present by video conference: Clerk of the Board Laurel D. Buchanan, Health and Human Services Director Lisa Hanson, Emergency Management Director BJ Kohlstedt, County Attorney Russ Conrow, and Land Commissioner Nate Eide. Others present by video conference: Lake County Chamber of Commerce President Janelle Jones; Minnesota Department of Transportation (MnDOT) representatives Jim Miles, Thomas Lamb, and Doug Kerfeld.

The meeting was made available to the public to join remotely by telephone by dialing 1-888-742-5095 and entering Participant Code: 7635925916. In-person attendance is not allowed at this time. Lake County buildings are closed to the public due to the Novel Coronavirus Disease (COVID-19) pandemic. Board Chairperson Rich Sve called the meeting to order at 2:00 PM. There will be opportunity for Public Comments during the Public Hearing. Public Comments will not be heard during the board meeting during this time of closure. Written comments are welcome and may be submitted in writing by email to clerk.board@co.lake.mn.us or by United States Postal Service (USPS) mail addressed to Lake County Service Center, Attn: County Administrator Matthew Huddleston, 616 Third Avenue, Two Harbors, MN.

MOTION WALSH, SECOND HURD: 01 – Approval of the agenda. Absent: Hogenson

Board Chairperson Rich Sve welcomed all attendees and requested a COVID-19 situation update from Lake County Health and Human Services (LCHHS) and Emergency Management. LCHHS Director Lisa Hanson provided an update on COVID-19 statistics provided by the Minnesota Department of Health (MDH). Ms. Hanson discussed the importance of maintaining 6-ft physical distance and wearing masks. Lake County Emergency Manager BJ Kohlstedt advised on the status of personal protective equipment (PPE) and that we have received disinfectant by the barrel. Commissioner Rick Hogenson joined the meeting by video conference at 2:08 PM. Highway Engineering Supervisor John Schlangen joined the meeting by video conference at 2:10 PM for the MnDOT update.

The MnDOT Project Management Team provided an update on a proposed project to improve the Stanley Rd. & Hwy. 61 Expressway intersection. Mr. Doug Kerfeld, Lead Project Manager for the North Shore, led the beginning of the MnDOT presentation and introduced Mr. Thomas Lamb, District 1 Project Manager and Mr. Jim Miles, District Traffic Engineer. Project Manager Tom Lamb provided an overview of proposed project plans for the Highway 61 Expressway Project. Summary of work includes: Resurface Hwy 61 between Knife River and County Road 61 (Scenic Drive), almost seven miles of pavement in both directions; repair or replace culvert; install new guardrail; and proposed construction of a reduced conflict intersection (RCI) at the intersection of Hwy 61 and County Road 9. This proposed project is intended to improve safety at the Hwy 61/County Road 9 intersection, provide a smoother pavement resulting in improved ride, and extend the useful life of the highway.

District Traffic Engineer Jim Miles discussed safety statistics, crash histories, and risk analysis. This location at Hwy 61 and County Road 9 was identified as an intersection of concern following an intersection study. RCIs are sometimes referred to as J-turns or RCUTs (Restricted Crossing U-Turn intersections). With an RCI, drivers from the side street only have to be concerned with one direction of

traffic on the highway at a time. Traditional four-lane divided highway intersections have an elevated risk of severe right-angle crashes (commonly called “T-bone” crashes), especially for drivers attempting to cross all four lanes of traffic or turn left. At a traditional intersection, motorists from the side street need to look in both directions to cross a four-lane divided highway. Left turns require the same level of attention.

In an RCI, drivers always make a right turn, followed by a U-turn. Motorists approaching divided highways from a side street are not allowed to make left turns or cross traffic; instead, they are required to turn right onto the highway and then make a U-turn at a designated median opening. This reduces potential conflict points and increases safety. Generally, the delay caused by a signal is greater than the delay caused by the RCI.

Mr. Jim Miles explained why RCI / RCUT is the ideal safety solution. RCIs have been constructed since the 1980s and have proven to be safer than conventional intersections on high-speed, divided roadways. Studies show a 70 percent reduction in fatalities and a 42 percent reduction in injury crashes where RCIs are used. People have asked if there is room for trucks to turn around in the turning medians. Large trucks will need to use the 12-foot-wide, right shoulders on Highway 61 which are designed as turning bays for making the turns. To help motorists learn how to navigate a reduced conflict intersection, signs will be installed and pavement markings will be painted on the pavement to direct motorists. Another common question is, Why not just reduce the speed limit? MnDOT advises that artificially lowering the speed limit can actually increase crashes and problems. The drivers on the minor road would have a harder time identifying the size of the gaps, since there could be an increase in the speed variation. People have also asked, Why not install a signal and if that doesn't work then build a reduced conflict intersection? This location does not meet the minimum volume thresholds to install a signal. More importantly, traffic signals are not safety devices. The crash rates and severity of crashes at signalized intersections on Minnesota highways is about double that at stop-sign controlled intersections. If a signal is installed at this location (rural, high speed, lower volumes) we would see these types of crashes increase. Mr. Jim Miles advised that will be able to improve the geometrics at County Road 9 and County Road 10 intersection as well. Mr. Lamb discussed public outreach and meetings with business owners, sheriff, police, fire and city administration. Highway Engineering Supervisor John Schlangen advised that he was present for public meetings on the proposed project and that he does not have any additional questions at this time. Mr. Lamb discussed next steps in final design and public outreach and education. MnDOT representatives exited the videoconference call at 2:33 PM.

The Board of Commissioners meeting was recessed at 2:33 PM, for the Continuance of the Public Hearing on considering enacting and adopting an ordinance imposing a tax on lodging. The public hearing is a continuance of the public hearing held on Friday, March 6, 2020. The public hearing was scheduled to be continued on Tuesday, March 24, 2020, at 2:00 PM in the Lake County Service Center, Split Rock River Room, 616 Third Avenue, Two Harbors, Minnesota. That continuance was postponed due to the Novel Coronavirus Disease (COVID-19) pandemic, as Lake County facilities were closed. The continuance of the public hearing was rescheduled to 2:30 PM on Tuesday, July 14, 2020. The public hearing minutes will reflect the information presented and public comments presented at the public hearing on March 6, 2020, and at the continuance of the public hearing on July 14, 2020.

Following the conclusion of the public hearing, the Board of Commissioners meeting was reconvened at 3:00 PM. Board Chairperson Sve advised that we will reconfirm the vote for the Board Resolution for the Lodging Tax Ordinance during the action items.

Minnesota Timber Producers Association representative Raymond Higgins addressed the Board of Commissioners regarding a request that Lake County utilize federal funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act funding to return money to timber sales permit holders. This

request is due to Verso Corporation's mill closure / market decline due to the COVID-19 pandemic. This mill closure impacts Minnesota's logging community, timber markets, regional logging companies, area loggers and forest land managers. Lake County Land Commissioner Nate Eide was present for the discussion brought forward by the Minnesota Timber Producers Association and also for questions for the Lake County Forestry Department's requests for board action. The closure of the Verso paper mill in Duluth, due to COVID impacts, has resulted in lack of market for balsam fir, spruce, and paper birch. Mr. Ray Higgins has concerns about the spruce-fir market conditions and reached out to Lake County Land Commissioner about what can be done for active timber sales and future auctions. Mr. Ray Higgins left the videoconference call at 3:10 PM.

County Administrator Matthew Huddleston provided an update on several items of county business, including Personnel Committee updates on the status of recruitment for positions. County Administrator Matthew Huddleston also discussed current Road and Bridge requests for board action.

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

1. Approve Board of Commissioners' meeting minutes of June 23, 2020.
2. Approve Health and Human Services claims payments in the following amounts:
 - a. Administrative payments \$ 96,180.28
 - b. Region III Adult Behavioral Health Initiative payments \$ 71,995.09
3. Approve the appointments of Mike Rowlee and Crystal Nykiel as Lake County representatives to the Radio Users Committee of the Minnesota Emergency Communications Board (NECB).
4. Authorize the purchase of Cabin Cast message and promotional materials including; water bottles, bobbers, key floats & etc. from Wildlife Forever for \$10,538.29. These purchases will be funded through the Minnesota Counties Program Aid for Aquatic Invasive Species Prevention Fund.
5. Approve the following appointments as election judges for Unorganized Territory #1: Mary Jane Vandenheuvel, Amy Gardner, Susan From.
6. Approve the following appointments as elections judges for Unorganized Territory #2.

Precinct #1: Jo Ann Rossetter, Carol Jackson, Delores Jackson

Precinct #2: Marlys Wisch, Raymond Hermanson, Rosemary Guiney, Bonnie Phipps, Julie Stewart

Precinct #3: Jan Swanson, Mary Joy Wahlberg (Primary), Normand Bourdage, Roxanne Farley (General)

Precinct #4: Carol Swanson, Gerry Graden, Paul Beckey, Mary Joy Wahlberg
7. Approve the following appointments for alternate election judges: Marcia Nieman, Daniel Schleeter, William Ortman, Vicki Stroozas.

8. Approve the wages of election judges as follows: head judge \$12.50/hour; other election judges \$11.50/hour; alternate judges \$46 (Four-hour minimum at \$11.50/hour).
9. Amend May 26, 2020 Minutes Motion 03 Item 12: Authorize Highway Department purchase of a four-ton asphalt hot box trailer from Falcon Asphalt Repair Equipment (through State CPV Contract P-961(5)) at a cost up to \$22,626.00 plus delivery if applicable to Authorize Highway Department purchase of a Falcon four-ton single burner hot box trailer from Laursen Asphalt Repair Equipment at a cost up to \$21,500.00 plus delivery if applicable.
10. Authorize Highway Department purchase of a Massey Furgeson MF4710 PFA Cab Deluxe with 60" Side Rotary with Combo Lift (through State Contract) at a cost up to \$75,527.00 plus delivery if applicable.
11. Authorize Interim Highway Department Head to sign City of Two Harbors Miscellaneous Work Within the Right-Of-Way permit along and crossing 6th and 7th Street, Two Harbors, MN.
12. Accept quote from Red Maple Drywall LLC in the amount of \$13,780.00 (quote dated June 30, 2020), which is the low bid for plaster / drywall repair and paint for the County Auditor's Office Remodel Project, and authorize payment in the sum of \$6,894.50 to Red Maple Drywall LLC for 50% down payment, utilizing capital outlay funds for the Lake County Courthouse.
13. Accept quote from Mudek Flooring Inc in the amount of \$8,360.00 (quote dated June 30, 2020), which is the low bid for new carpet for the County Auditor's Office Remodel Project, and authorize payment in the sum of \$4,180.00 to Mudek Flooring Inc for 50% down payment, utilizing capital outlay funds for the Lake County Courthouse.
14. Cost of materials for lighting conversion to LED and trim work repair for the County Auditor's Office Remodel Project, not to exceed \$2,000.00, utilizing capital outlay funds for the Lake County Courthouse.
15. Approve resolution for Land Sale as follows: BE IT RESOLVED, that all parcels of tax-forfeited land listed on 2020-01 Land Sale List of Tax-Forfeited Land having been classified as non-conservation; that the basic sale price of each parcel on 2020-01 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 October 30th, 2020 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 2020-01 Land Sale List of Tax-Forfeited Land.
16. Approve resolution for the Minnesota Department of Transportation (MnDOT) Limited Use Permit.
17. Approve resolution for the Minnesota Department of Natural Resources (MNDNR) Parks & Trails Legacy (PTL) Grant Application.
18. Approve County Assessor request for abatement of 2019 classification, for taxes payable 2020. The property is a campground revalued and classified as Commercial for assessment 2019,

taxes payable 2020. Owner appealed the 2020 classification, for taxes payable 2021, and was granted Commercial Seasonal Residential Recreational classification. This request is retroactive to the change in assessment classification for Wagon Wheel Campsites, Inc., Parcel ID 25-5211-21330.

19. Approve County Assessor request for abatement of 2020 classification, for taxes payable 2021. The property is a wholly owned Superior Shores condo unit that is not rented. Classification would revert to Non-Commercial Seasonal Residential Recreational for Rudy (Dan) Luther, Parcel ID 29-5353-28000.
20. Approve County Assessor request for abatement of 2020 classification, for taxes payable 2021. The property is a wholly owned Superior Shores condo unit that is not rented. Classification would revert to Non-Commercial Seasonal Residential Recreational for Dianne Wulff, Parcel ID 29-5353-26000.
21. Authorize payment in the amount of \$44,310.00 to the Minnesota Department of Natural Resources (MN DNR) for Prospectors Trail Lease upon final approval and signature of MN DNR Lease # LMIS010374. Payment will be refunded with grant and bonding money.
22. Authorize payment in the amount of \$5,444.33 to St. Louis County Auditor for timber assessment on Prospectors Trail.
23. Approve and authorize the Lake County Board Chair to sign the Letter of Recommendation on the Expansion of Substance Use Disorder Services Offered by the Human Development Center.
24. Approve resolution documenting the five-year appointments of current Lake County Housing and Redevelopment Authority (LCHRA) Board members as listed here with new term dates.
Richard Derosier; May 30, 2025
Robert Entzion; May 30, 2025
25. Approve Resolution for Grant Application with State of Minnesota for Election reimbursement due to COVID-19.
26. Approve request from the Lake County Housing and Redevelopment Authority (LCHRA) for Lake County to sell identified parcels to the LCHRA for less than market value. The identified parcels are non-conservation, tax-forfeit land. The purpose is for building affordable housing in the City of Silver Bay pursuant to Minnesota Statute 282.01, subdivision 1a. LCHRA intends to work with Bolton & Menk, Inc., an engineering firm, to create a development plan for the parcels. LCHRA will then coordinate with the Arrowhead Economic Opportunity Agency (AEOA) and the City of Silver Bay to obtain funding for construction and develop criteria for purchaser qualifications, to ensure the property is developed to provide decent, safe and sanitary housing for income-eligible households that meet the definition of affordable housing according to the State of Minnesota.
27. Designate the Personnel Committee to hear an AFSCME, Council 5, class action grievance at Level III. In making such designation, the County is not waiving its argument that such grievance is not valid. Yea: Walsh, Goutermont, Hogenson, Hurd, Sve. Nay: None. Absent: None. Motion carried.

MOTION GOUTERMONT, SECOND WALSH: 03 – Approve and adopt Lake County Ordinance No. 24, An Ordinance Imposing a Tax on Lodging, to take effect on the first day of publication after adoption and the tax imposed shall commence on 1st day of October, 2020. The purposes of the proposed ordinance are to: 1) Adopt a tax of up to four percent (4%) on gross receipts subject to the lodging tax under Minnesota Statute, Section 469.190. 2) Utilize seventy-five percent (75%) of the revenues for marketing the county and twenty-five percent (25%) of revenues to fund and promote community events and festivals in the county. 3) Establish the legal authority to collect, monitor and ensure compliance with the tax. Yea: Walsh, Goutermont, Hogenson, Hurd, Sve. Nay: None. Absent: None. Motion carried.

Board of Commissioners, Lake County, Minnesota. Ordinance No. 24, An Ordinance Imposing a Tax on Lodging.

The Board of Commissioners of the County of Lake ordains:

Section 1. Authority and purpose.

- Subd. 1. **Authority.** In accordance with Minnesota Laws 2019, First Special Session, Chapter 6, Article 6, Section 22, and Lake County Resolution No. 19121711 adopted by the Board of Commissioners of Lake County, Minnesota, on December 17, 2019, Lake County is authorized to impose a tax of up to four percent (4%) on gross receipts subject to the lodging tax under Minnesota Statutes, Section 469.190.
- Subd. 2. **Purpose.** The purpose of this Ordinance is to raise revenue to fund a Lake County Event and Visitor Bureau to market Lake County and to fund and promote community events and festivals in the County.

Section 2. Definitions. The following words, terms, and phrases have the meanings given them in this Ordinance unless the language or context clearly indicates a different meaning is intended. Minnesota Statutes section 270C.171 is incorporated for definitions in this Ordinance. In any potential conflict between the statute and this Ordinance, the statute shall take precedence.

- Subd. 1. **Commissioner.** “Commissioner”, aside from references to “Board of Commissioners”, means the commissioner of revenue of the state of Minnesota or a person to whom the commissioner has delegated functions.
- Subd. 2. **County.** “County” means the County of Lake, Minnesota.
- Subd. 3. **Lodging and related services.** “Lodging and related services” means lodging and related services by a hotel, rooming house, resort, campground, vacation rental, motel, or trailer camp, including furnishing the guest of the facility with access to telecommunication services, and the granting of any similar license to use real property in a specific facility, other than the renting or leasing of it for a continuous period of 30 days or more under an enforceable written agreement that may not be terminated without prior notice, and including accommodations intermediary services provided in connection with other services provided under this subdivision.
- Subd. 3a. **Accommodations intermediary.** "Accommodations intermediary" means any person or entity, other than an accommodations provider, that facilitates the sale of lodging and related services as defined in subdivision 3, and that charges a room charge to a customer. The term "facilitates the sale" includes brokering, coordinating, or in any way arranging for the purchase of or the right to use accommodations by a customer. The term

“room charge” means the total sales price paid by the customer for the lodging and related services.

Subd. 3b. **Accommodations provider.** "Accommodations provider" means any person or entity that furnishes lodging and related services, as defined in subdivision 3, to the general public for compensation. The term "furnishes" includes the sale of use or possession, or the sale of the right to use or possess.

Subd. 4. **State sales and use tax laws and rules.** “State sales and use tax laws and rules” means those provisions of the state revenue laws applicable to state sales and use tax imposition, administration, collection, and enforcement, including Minnesota Statutes, chapters 270C, 289A, 297A, 469A, and Minnesota Rules, chapter 8130, as amended from time to time.

Section 3. Local lodging tax imposed; amount of tax; coordination with state sales and use tax laws and rules. A local lodging tax is imposed in the amount of four percent (4%) on the gross receipts from sales of lodging and related services, as defined in section 2, subdivision 3 of this Ordinance, sourced within County limits which are taxable under the state sales and use tax laws and rules. All of the provisions of the state sales and use tax laws and rules apply to the local lodging tax imposed by this Ordinance. The local lodging tax imposed by this Ordinance shall be collected and remitted to the Commissioner by the accommodations intermediary and the accommodations provider on any sale when the state sales tax must be collected and remitted to the Commissioner under the state sales and use tax laws and rules and in the same manner, and is in addition to the state sales and use tax.

Section 4. Advertising no tax. It shall be unlawful for any accommodations intermediary or accommodations provider to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the accommodations intermediary or accommodations provider, or that it will not be added to the room charge or that, if added, it or any part thereof will be refunded.

Section 5. Use of proceeds.

Subd. 1. All of the revenues, interest, and penalties derived from the lodging tax imposed by this Ordinance collected by the Commissioner and remitted to the County shall be deposited by the County Auditor in the County treasury and shall be credited to the fund established to pay the costs of collecting the lodging tax imposed by this Ordinance and to fund a contract with a Lake County Event and Visitors Bureau.

Subd. 2. After the amount charged by the State for collection of the tax, seventy-five percent (75%) of the revenues will be used for marketing the county and twenty-five percent (25%) of the revenues will be used to fund and promote community events and festivals in the County.

Subd. 3. The County Board, by separate action, will select the Lake County Event and Visitors Bureau

Section 6. Agreement with the Commissioner. The County may enter into an agreement with the Commissioner regarding each party’s respective roles and responsibilities related to the imposition, administration, collection, enforcement, and termination of the lodging tax imposed by this Ordinance. Any such agreement shall not abrogate, alter, or otherwise conflict with the state sales and use tax laws and rules, this Ordinance, or Minnesota Laws 2019, First Special Session, Chapter 6, Article 6, Section 22.

Section 7. Effective Date. This Ordinance shall take effect on the first day of publication after adoption and the tax imposed hereunder shall commence on 1st day of October, 2020.

MOTION GOUTERMONT, SECOND HOGENSON: 04 – Approve the retirement of Richard DeRosier, Deputy Sheriff, effective August 28, 2020. Yea: Walsh, Goutermont, Hogenson, Hurd, Sve. Nay: None. Absent: None. Motion carried.

MOTION HURD, SECOND HOGENSON: 05 – Approve the resignation of Jessica Graham, Mental Health Professional, effective July 31, 2020. Yea: Walsh, Goutermont, Hogenson, Hurd, Sve. Nay: None. Absent: None. Motion carried.

MOTION WALSH, SECOND HURD: 06 – Approve and authorize the Board Chair to sign the 2020-2022 Labor Agreement between Lake County and Teamsters Local 320 covering Courthouse employees. Yea: Walsh, Goutermont, Hogenson, Hurd, Sve. Nay: None. Absent: None. Motion carried.

MOTION WALSH, SECOND HURD: 07 – Adjourn County Board of Commissioners meeting at 3:39 PM. Yea: Walsh, Goutermont, Hogenson, Hurd, Sve. Nay: None. Absent: None. Motion carried.

The Lake County Board of Commissioners will convene for the following meetings to be held at the Lake County Service Center, Split Rock River Room, 616 Third Avenue, Two Harbors, Minnesota.

- Committee of the Whole at 2:00 PM on Tuesday, July 21, 2020.
- Regular meeting at 2:00 PM on Tuesday, July 28, 2020.

ATTEST:

Laurel D. Buchanan
Clerk of the Board

Rich Sve, Board Chairperson
Lake County Board of Commissioners