

Traverse County Commissioner Board  
Regular Meeting  
03/18/2014

The meeting was called to order by Vice Chair Dave Salberg. Other members present included Don Appel, Jerry Deal, and Todd Johnson. Kevin Leininger was late. The pledge was recited.

**Larry Haukos/Highway Engineer-** Haukos presented a department update. The following resolution was approved unanimously upon a motion by Deal and second by Appel:

**WHEREAS:** County Project No. SAP 078-611-006 have in all things been completed, and the County Board being fully advised in the premises.

**NOW THEN BE IT RESOLVED:** That we do hereby accept said completed project for and in behalf of the County of Traverse and authorize final payment as specified herein.

Haukos also discussed completion of CP 11-01 project and the following resolution was passed unanimously upon a motion by Appel and second by T. Johnson:

**WHEREAS:** County Project No. CP 11-01 have in all things been completed, and the County Board being fully advised in the premises.

**NOW THEN BE IT RESOLVED:** That we do hereby accept said completed project for and in behalf of the County of Traverse and authorize final payment as specified herein.

Haukos discussed a proposal with the City of Wheaton. They will pave 4<sup>th</sup> street in exchange for Engineering Services from the County. The estimated cost of the project is \$15,270.00. He said it fits well with a slower year and they have time to do it. It will save the City in Engineering costs. Deal made a motion to approve the proposal, Appel seconded it, and it passed unanimously.

Haukos requested authorization to change the quote for the truck box (unit #45) to accommodate installing a new box on unit #143 and installing the box from #143 to #45. The additional cost is \$795.00. The request was approved unanimously upon a motion by T. Johnson and second by Deal.

Upon a motion by T. Johnson and second by Deal, the Highway Budget and Social Services Budget shall be amended to account for the transfer of \$303,149 from Social Services fund balance to Highway. The motion was approved unanimously.

**Rhonda Antrim/County Coordinator-** The minutes of the March 4, 2014 Commissioner meeting were approved unanimously upon a motion by Deal and second by Appel. The following bills were approved unanimously, upon a motion by Appel and second by T. Johnson:

Computer Professionals Unlimited	3,523.81
Gazette Publishing	4,487.52
Independent Emergency Services	45,645.37
Tri County Coop	11,045.34
Computer Professionals Unlimited	2,650.55
Otto's Welding and Machine Shop	2,291.42
Tri County Coop	23,230.04

Ziegler, Inc

5,527.31

Per M.S. 375.12, the number of claims totaling \$2000.00 or less were 70, amounting to \$29,317.39.

A Land-use training is being provided by Minnesota County Intergovernmental Trust and a registration form was distributed for that. Antrim updated the Board regarding the Springsted Study implementation meeting with the unions. She also discussed the Prime West Health meeting with the Benefits Committee regarding providing an insurance product for all counties within the thirteen county Joint Powers Board. Don Appel discussed the Rainbow Rider meeting he attended. He said they are currently in a letter of credit situation right now. The projected deficit was approximately \$100,000.00 and then there was an additional \$250,000.00 state shortfall. There is some potential to make it up. A new mandate was to provide a camera in all buses which has increased costs. T. Johnson shared that as a transit system, Rainbow Rider is at the top for efficiency and is well managed. Salberg asked if they would be looking at an annual cost to counties like they did in the past. They are looking at going back to that. An invoice with a letter and the projected county-share will be going out to all counties with their contribution based on ridership.

Kevin Leininger joined the meeting and resumed his position as Board Chair.

**Appointment to the Bois De Sioux Watershed (BDSW) District Board-** There were two people interested in serving on the Watershed Board, Alan Wold and Dennis Zimbrick. Antrim read Zimbrick's letter to the Board as he was unable to attend in person. Alan Wold appeared in person and addressed the Board. He desires to be on the Watershed Board because there needs to be a regular turn-over of people. New ideas are needed and he can provide that. He's disturbed by the lack of trust in the Watershed. Transparency is like a bowling ball. As Commissioners, it is transparent where they stand on issues. Its inevitable people will disagree with you, but at least at the county level we know where you stand. Wold has served on church and school boards. Transparency and trust are key. He said at the last BDSW meeting they were talking about going to court for the 3<sup>rd</sup> time on the same issue and he is questioning why we are going down the same road? Dennis has been on the BDSW Board for 9 years and it is time to allow someone else. It's time for change and different ideas. There has to be better ways to do it. Wold also attended SDSU and took some soil and water mechanics, he can read the charts, they're not foreign. Has also updated the Board that he has a law degree, which is why he's really questioned going back to court a third time with the same arguments thrown out twice in a row. We haven't changed our arguments. If what you're doing isn't legal, it will be dismissed for what it was. He does not understand a third time. Wold also assured the Board that the time commitment is not an issue for him at this time in his life. Deal asked about his background in tiling. Wold indicated that tiling is advantageous to everyone if done correctly. He's farmed in Tintah and understands saturation levels. He's also attended numerous workshops on tiling. T. Johnson asked about the nitrate loading issue brought up earlier, and what the latest research is on this? Wold indicated that the nitrates are not going to be a factor like they were. Regarding the watershed, Wold said he has had personal experience, seeing small projects that the BDSW Board is tight on but large ones seem like a blank check. Appel discussed the levy and that it continues to go up. He would like someone overseeing that a little more. Wold said he's conservative and will not spend money without knowing where it's being spent. Where is the money going, people are asking questions and not getting answers.

Pat Haney attended the meeting for two reasons. The first was regarding the hearing on April 9. He requested the Commissioners attend the hearing. He said you'll find out where your money is being spent. They're allowed to levy so much per year for administration. They're also levying \$750,000.00 for every impoundment they build. To satisfy an agreement, we'll need to build 7 impoundments, which results in \$9,000,000.00 of Traverse County money. We need to speak up and get out from under this pink elephant or we'll be paying for years. The second reason for attending is that although there has been some turnover from the Watershed, he thinks Alan would be a good person to keep things running right. If you come to the hearing you'll find out a lot. There is a 1998 agreement that mandates we build all of these holding ponds and the only way out is to amend the plan.

Jason Beyer, Watershed Manager representing Wilkin County, also spoke in favor of Wold. He would engage in conversation more than the current manager. He hasn't heard 10 words out of Zimbrick's mouth in a year and a half. Things are changing and hopefully we're moving forward. Watershed Board is a member of the Red River Watershed Board. They set the percent of increase. The watershed managers have no control other than to vote ourselves out of the Red River Board. Red River is coming up with a plan to control our surface drainage, which could include dikes within the fields, storing water to help Fargo at the BDSW at tax payer's expense. These radical ideas need to be stopped.

Upon a motion by Appel and second by Deal, Alan Wold was appointed to the Bois De Sioux Watershed Board. Members in favor of the appointment included Appel, Deal, T. Johnson, and Leininger. Salberg was opposed.

#### **Tax Abatement for the Fertilizer Plant-**

Clayton Halvorson appeared as a proponent for the abatement. He appeared as manager of Rural Electric Corporation, plus as a tax payer. He referenced an article in the Star and Tribune, regarding the depopulation of our rural county. He believes this is an opportunity to create jobs, retain jobs, and it will be good in the long-term. Appel commented about the article and that you can't look at one community over another, we need to look at regions. He spoke of three elevator trucks in Beardsley having lunch. Everyone in the area benefits from this and makes a healthy region.

Philip Deal, Wheaton-Dumont Elevator Manger, summarized the Economic Impact. A question was asked about the tax base. It is projected to be \$720,000.00 of which \$158,000.00, will go to the County. That is just the plant itself. It does not include other buildings. The plant will also support 8 floaters and 16 tenders. They provide Year-round work that is full-time. It will provide a significant long term benefit to the county. A question was asked about the size. P. Deal indicated it's about 28 acres, deeded, and 30 total.

T. Johnson summarized the responses he's heard. He said abatements should be given under the principal of fairness. He acknowledged the business has done well and is ran well. He said basic property tax funds local government. When considering a property tax abatement, he'd like to see that there is a financial need. He said the elevator has received \$450,000.00 in total abatements throughout its history and that 90% of what has been requested has been granted. He said the main streets are struggling since 1980. In 1973 Traverse County had a population of 8,000 and now we have 3,500. The people left

are paying their fair share. The previous abatement that was granted led to opinions of conflicts of interest among fellow commissioners and he believes that could exist with this request as well. Another elevator in the county exists without abatements. It provides jobs and pays their fair share. Other elevators operate abatement free. Our county is projected to decline 1/5. In order for the property tax system to work, it needs to be balanced and fair. Everyone needs to pay their fair share in good times and bad. No one entity should expect others to pay their share. He said it was suggested that without the abatement, building out of the county would be considered. He believes this would be a slap in the face to the municipalities for granting the previous abatements. He would see it as good faith and find it credible if they were to rescind their request for the tax abatement. To some, \$5,000.00 may not seem like a lot, but in principal, it's a lot.

Commissioner Salberg asked that in an attempt to not tie the hands of future commissioners, would they consider a five year abatement versus ten. P. Deal said it was cash flowed for 10 years and that's why they requested that length of time. Salberg did some research and found that on a \$50,000.00 home, someone will pay an additional \$.12 per year if granted. This would create the new jobs which would also increase in revenue down the road. He found on homesteaded land it would be \$10 per acre so when it comes to the taxes it will be about a wash and a positive impact on the county. School tax, state tax, and watershed tax would not be abated.

Clayton Halverson pointed out that these are the guys taking the risks. There will be times when they can't get work in, yet people will be employed. Year in and year out, it will be beneficial.

Kenny Westbrook, from Browns Valley, spoke against the abatement. He said he did not understand the threat that they would leave Traverse County if they did not get the abatement. He believed those were pretty big words for a community that has all of these large farmers. He speculated that they would not sit here and leave them with no fertilizer. He also questioned why they moved the potential plant from Graceville to Dumont, and if it was for rail, that will change. He said if they give abatements to the Dumont Elevator they should also give it to Browns Valley Elevator. It was broke 20 years ago and they made it work without an abatement. We need to work on other businesses too.

T. Johnson said as a commissioner, they've done a good job holding the line on levy the last three years. Everyone benefited from that. If taxes went up it was due to valuation. There has been a good faith effort on the commission working together to keep this county running. We can't say yes to everyone. An abatement like this could trigger that. Here is a company with multi-million gross revenue and they've requested it because it's there for the taking. It's not a statistically significant amount. He supports the expansion but can't in good faith vote for the abatement. Kevin Leininger said he supported an abatement for Browns Valley. He doesn't want any Co-ops to go under and he'll stand by that. Kenny said they're setting a precedence.

Greg Frisch appeared before the Board in full support of the abatement. He emphasized that we need to keep our businesses thriving and moving ahead. It's a tool in the tool box. As a board member, we're responsible to our 1200 patrons. We have to do them due diligence to explore all options. T. Johnson asked is there really a need? A tool is to fix things and WCDE isn't broke.

Matthew Franzese, Traverse County Attorney, was asked to look into J. Deal's and Leininger's conflict of interest issue. There are two provisions that would create a conflict and neither are present here. The first is statutory. There would be a conflict if there was a contract of financial benefit to the voting member. This is a non-contract situation. The second would be under common law and whether there was a direct financial interest in the vote being taken. He cautioned that they may have done business in the past, and J. Deal did in 2003 and Leininger did once in last 4 years. But there is no current direct financial benefit as a result of their vote. There is more analysis but in summary there is not a conflict of interest.

T. Johnson made motion to oppose the abatement request. The motion failed due to lack of a second.

Salberg made a motion to approve the resolution for the abatement and J. Deal seconded it. Franzese indicated that the Board could grant the approval of the resolution making it modifiable down the road if need be. T. Johnson thought it wise to make it modifiable in case there are unforeseen issues but Leininger believed that it would be a mess. Salberg was unwilling to modify his motion to approve the resolution granting the abatement. The following resolution 03-1802-14 was passed 4-1, with T. Johnson opposing:

**RESOLUTION #03-1802-14:  
AUTHORIZING A TAX ABATEMENT WITHIN THE COUNTY OF TRAVERSE**

**WHEREAS**, the Board of Commissioners (hereinafter "the County Board") of the County of Traverse (hereinafter "the County"), State of Minnesota, has held a public hearing on the proposed abatement, pursuant to Minnesota Statutes, Sections 469.1813 through and including 469.1815, to reimburse a portion of the costs incurred to construct a new fertilizer facility at the Traverse-Dumont Co-Op Elevator ("Applicant"); and

**WHEREAS**, the County Board has proposed to abate a portion of the County's share of property taxes on the following parcel for a period of up to ten (10) years:  
03-0069000

**WHEREAS**, the County Board finds that the proposed abatement and benefit to the Applicant is in the best interest of the County and its businesses and residents, and that the benefits to the County are at least equal to the amount of the abatement.

**NOW, THEREFORE, BE IT RESOLVED** by the County Board of Traverse County, State of Minnesota, as follows:

1. Abatement. The County Board hereby authorizes the abatement of the sum of \$5000 per year from the County's share of property taxes assessed to the parcel. The abatement period shall not exceed ten (10) years, for a total abatement of \$50,000, commencing with taxes payable in 2016, and ending with taxes payable in 2025.
2. Purpose. The abatements will be provided to the Wheaton-Dumont Co-Op Elevator to reimburse the costs incurred by the construction of a new fertilizer facility.
3. Public Benefit. The proposed abatements will benefit the public by:
  - a. Increasing and/or preserving the tax base; and
  - b. Providing employment opportunities in the County.
4. Review and Modification. This abatement may not be modified or changed.
5. Maximum Abatement. It is the responsibility of the County to ensure that all active abatements granted do not exceed 10% of the County's net tax capacity, or \$200,000,

whichever is greater. The County finds that the addition of the amount above does not cause the County to exceed the maximum abatement amount allowed by M.S.A. §469.1813, Subd. 8.

PASSED AND ADOPTED this 18th day of March, 2014.

Attested to by:

\_\_\_\_\_  
Rhonda Antrim/County Coordinator

\_\_\_\_\_  
Kevin Leininger/Board Chair

**Sara Gronfeld/Soil Water Conservation District/Planning and Zoning Administrator-** There were two applications in February for permits. The Draft Subsurface Sewage Treatment Systems Management Ordinance, 2014, was distributed. There will be a final Public Hearing on April 1 as required as part of the ordinance revision. Gronfeld provided other department updates, including \$189,000.00 in Ag Best Management Practice (BMP) loans that are available in Traverse County. There is also an apprenticeship position available through the Conservation Corps that is open to all applicants between the ages of 18-24.

**Sandy Tubbs/Public Health Director-** Tubbs appeared before the Board to discuss the proposed integration of all public health (PH) departments into one combined five county PH Department, effective Jan 1 2015. Two years ago they began evaluating this project. Horizon Community Health Board has been functioning with three public health departments within it. The past year they've had the luxury of the Robert Wood grant to seek a consultant and develop fresh personnel policies, a position classification system, and a pay plan. The products from the consultants are far better than what we could have done on their own. The new department's Board would be a 13 member governing board with two elected officials from each county and a third member in the largest county plus two lay members. The organizational structure has been shared previously. Everyone currently employed has a place on that new structure. The goal is to insure a strong Public Health department into the future. The levy will be frozen at the 2014 request level for 2015-2017 with the exception of health insurance increases. Through attrition, they believe some positions may not be replaced, primarily in administrative services, or they will see savings by replacing step ten employees with step one employees. The levy will be shared on a population based formula. Tubbs also explained the nature of their grants and that they are program specific. Their local Public Health grant is spent on operations yet has been stable and it is in statute. As for the other programs, if the grants go away, the programs and employees go away. Upon a motion by J. Deal and second by Salberg, the following resolution was passed unanimously:

**WHEREAS**, the Horizon Community Health Board was formed on January 1, 2011 as a joint powers entity organized under M.S. 471.59 and comprised of three member organizations including Douglas County, Pope County and the Stevens Traverse Grant Joint Public Health Board; and

**WHEREAS**, the Horizon Community Health Board appointed the Horizon Restructuring Committee in February 2012 to further explore the issues involved with a potential integration of the three existing Public Health Departments that currently operate under Delegation Agreements from the Horizon Community Health Board; and

**WHEREAS**, the Horizon Restructuring Committee has gathered and analyzed information related to governance, budget and finance, programs and services, and personnel and staffing of an integrated 5-county Public Health organization and has presented its findings and reports to the Horizon Community Health Board; and

**WHEREAS**, the Horizon Community Health Board has carefully analyzed the benefits and risks of a fully integrated 5-county Public Health organization and has determined that maintaining a strong public health infrastructure and presence in the future can be best assured by integrating the staff and resources of the existing three separate Public Health Departments into a single Horizon Public Health organization and has recommended to the counties of Douglas, Grant, Pope, Stevens and Traverse that each county individually act to support the integration of the 3 Public Health Departments,

**NOW THEREFORE, BE IT RESOLVED** that Traverse County does hereby support the integration of the 3 Public Health Departments into a single Horizon Public Health organization and pledges its participation and commitment to the integration, which shall be formalized with the execution of the Joint Powers Entity agreement between the five partner counties.

This resolution was passed by vote of the Traverse County Board of Commissioners on March 18, 2014.

Attested to by:

\_\_\_\_\_  
Rhonda Antrim/County Coordinator

\_\_\_\_\_  
Kevin Leininger/Board Chair