

Traverse County Commission  
Regular Board Meeting  
December 16, 2014

The meeting was called to order by Commissioner Chair Kevin Leininger. Other commissioners present included Dave Salberg, Jerry Deal, and Todd Johnson. Don Appel was absent. Commissioner-elect Tom Monson was also present. The pledge was recited. The agenda was approved unanimously, with the addition of Roger Schmidt to discuss the 2015 budget, Chris Lubben to discuss a court settlement, and removal of Chief Deputy contract, upon a motion by Deal and second by T. Johnson.

**Trevor Wright/Sheriff-Elect-** Wright appeared before the Board and discussed the budget trends, and that expenditures are lower than what they are budgeting for 2015. He would like to fine tune the 2015 budget, if the budget isn't certified today. Wright discussed the revision of job descriptions upon his transitioning into Sheriff, and that Springsted would be re-evaluating them yet this month. Salberg asked about the rates of \$52.00 on the fee schedule, and if he had been checking on that. Wright said the fees haven't been increased since 2009 but they will be brought before the Board at the first meeting in January to approve. Wright also distributed the jail report. A memorandum of understanding regarding Wright's termination as Chief Deputy at the end of 2014, sick and vacation pay outs and other items related to the transition to Sheriff in 2015, was approved unanimously upon a motion by Deal and second by Salberg. Wright's 2015 salary was set at \$69,742.40 upon a motion by Salberg, second by T. Johnson, and approved unanimously. The following resolution for Aquatic Invasive Species allocations was passed unanimously upon a motion by T. Johnson and second by Salberg:

**WHEREAS**, 2014 Session Law Chapter 308 enacted by the Legislature provides Minnesota counties a County Program Aid grant for Aquatic Invasive Species (AIS) prevention. The amount designated for each county is based on the number of watercraft trailer launches as well as the number of watercraft trailer parking spaces within each county. Traverse County was allocated \$12,969 for 2014 and \$28,819 for 2015 and years following, and

**WHEREAS**, the legislation requires that Traverse County must establish, by resolution or through adoption of a plan, guidelines for the use of the proceeds which are to prevent the introduction or limit the spread of aquatic invasive species at all access sites within the county, and

**WHEREAS**, the county may appropriate the proceeds directly or may use any portion of the proceeds to provide funding for a joint powers board or cooperative agreement with another political subdivision, a soil and water conservation district in the county, a watershed district in the county, or a lake association located in the county. Any money appropriated by the county to a different entity or political subdivision must be used as required under this section, and

**WHEREAS**, the county must submit a copy of its guidelines for use of the proceeds to the Department of Natural Resources by December 31, of the year the payments are received, and

**NOW THEREFORE, BE IT RESOLVED** the Board of Commissioners of Traverse County, Minnesota, designates oversight of Traverse County's AIS prevention efforts to the Traverse County Sheriff's Office and delegates to them the responsibility to prepare, implement and report annually a plan to allocate the funding in accordance with the above legislation.

Adopted this 16th day of December 2014.

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Rhonda Antrim, County Coordinator

Kevin Leininger, County Board Chair

**Larry Haukos/Highway Engineer-** Haukos appeared before the Board with Chris Lubben, Lubben Construction, to discuss the court action that is scheduled for 12/17/14 and a possible settlement.

Lubben was under the impression his insurance would cover it but it was not covered. Lubben discussed the fact that Chief Deputy Wright was in charge of the project, and was to provide a general template. There was no template for anchor bolts provided. Leininger discussed the length of time it took to appear before the Board to settle the issue. Lubben believes a public job should have had a bond. Matt Franzese, County Attorney, indicated that he submitted it to the insurance company this fall. Lubben indicated there was not a template supplied to him. Haukos said there were directions on how to lay out the bolts, but that is not the same thing as a template. Salberg said waiting until the day before court is too late to be coming for a deal. Lubben offered one-half of what the total claim was. He doesn't believe it is completely his responsibility. Deal asked if the court would be better qualified to make the decision than the Board. Franzese offered the Board the option of going into a closed session to discuss it. Salberg made a motion to close the meeting and T. Johnson seconded it. The motion was approved unanimously. The purpose of the closed meeting is attorney client privilege to discuss settlement of litigation. A motion was made by Salberg and seconded by T. Johnson to reopen the meeting. The motion was approved unanimously. There was discussion and an agreement reached between the Board and Lubben. A motion by Salberg and second by T. Johnson was made to accept two-thirds of the claim, accept quarterly payments, and to have the balance paid in full within 18months or a judgment would be filed for the full claim. This motion was approved unanimously.

Haukos presented a final contract voucher for SP 078-606-025 for the bridge in Dumont. The final construction cost of the project was \$513,223.04. The following resolution was passed unanimously, upon a motion by Deal and second by Salberg:

#### **CERTIFICATE OF PERFORMANCE**

I HEREBY CERTIFY to the Board of Commissioners of the above named county, that I have been in charge of the work required by the above described contract, that all of such work has been done in accordance with and pursuant to the terms of said contract.

Date: \_\_\_\_\_ County Engineer: \_\_\_\_\_

#### **BOARD RESOLUTION**

**WHEREAS:** County Project No. SP 078-606-025 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.

#### **AUDITOR'S CERTIFICATION**

STATE OF MINNESOTA , COUNTY OF TRAVERSE

I, Kit D. Johnson, County Auditor, within and for said County do hereby certify that the foregoing resolution is a true and correct copy of the resolution on file in my office.

Dated at Wheaton, Minnesota. This \_\_\_\_\_ day of \_\_\_\_\_, 2014.

Haukos requested Ryan Krenz be added to the roster for wing man during snow events. The request was unanimously approved upon a motion by Salberg and second by T. Johnson. Haukos requested wing man's salary be increased to \$10.50 per hour as minimum and \$13.50 maximum. This was approved unanimously upon a motion by Salberg and second by T. Johnson. Haukos presented a summary of the

contract for crushing with Larry and Kristine Biss. Upon a motion Deal and second by T. Johnson, authorization was approved unanimously to pay Biss's \$75,000.00 for royalties as per the contract less the other costs incurred for crushing, stripping, hauling and reclamation, of \$68.250.00. Haukos requested a bid letting of February 3, 2015, 10:00 AM for SAP 078-611-007 for shoudering and seal coating of CSAH11 from CSAH 14 to CSAH 18. The letting was approved unanimously upon a motion by Deal and second by T. Johnson.

Roger Schmidt appeared before the Board to discuss the 2015 budget. He reiterated what he said at the Truth In Taxation meeting on December 11, that his concerns are due primarily to the tax increase on farmland of approximately 13.5% and the county's portion of approximately 10.3%. He questioned if the \$2.4 million was available to build a court house, is the Board willing to offset taxes by that amount. T. Johnson discussed the population decline and that trend which results in the decrease of those able to pay taxes. Schmidt was still concerned that they have it to build a potential court house but not to return to the tax payers. Leininger stated he was opposed to using that fund balance to build the court house. T. Johnson said from constituents he spoke with, they were not against a new court house but were against additional debt. T. Johnson indicated that it is likely within a year, the Board is going to have to make a decision on a new building. There are also short term costs with maintenance that will need to be addressed.

Schmidt discussed the proposed increase in the commissioner's budget and the proposed increase to per diems and salary. He compared per diems of Traverse County Commissioners to surrounding counties and found them to be similar. The proposed increase from \$65.00 per committee meeting to \$75.00 per committee meeting was a 16% increase. The proposed increase for out of county meetings of \$100.00 represented a 54% increase. He provided an example of Dave Salberg's 2014 and projected 2015 expenditures for the county. Salberg attended or will attend through 2014, approximately 100 committee meetings. With the increased per diems, salary increase of 1.5%, increase the cash in lieu of insurance contribution, the total increase would be approximately 11%. Mileage was not included in the figures. Salberg discussed there are some days where there are three committee meetings and you are allowed only one per diem per day. He indicated you can play with the numbers all you want. Leininger said he doesn't go to 100 meetings per year and wouldn't. If we want young people to be on the Board you have to compensate them. Schmidt said in comparison to the adjoining counties, the proposed increase in per diem is out of line with the others.

Schmidt discussed the maintenance of the court house and asked if the Commissioners are satisfied with the maintenance. He offered an idea to contract with a private business versus employing someone. Schmidt commended to Board for considering hiring of a private auditing firm versus the Office of the State Auditor. Schmidt asked about the Veteran Service Officer position and whether that used to be 20 hours per week, shared with Grant County and why that is now full-time. Salberg said it was overwhelming. You can talk about any vet in the county and they'll be positive. Schmidt indicated that Patty Peyton seemed able to satisfy the needs in the past. Leininger discussed the work with recycling and how that has improved as well. Schmidt then discussed the proposed new deputy position and asked the commissioners if they think that is needed. Salberg said no. He looks at need versus want. Schmidt presented comparisons with neighboring counties of deputy per capita and found Traverse to

be 410 people per deputy compared to Douglas 1,527, Pope 1,190, Grant 843, and Stevens 730. He indicated that given the numbers, there is probably room to even cut one. He also discussed the over-all law enforcement budget and that it just keeps increasing. T. Johnson said Sheriff-Elect Wright will be presenting increased fee schedules in January 2015. Schmidt estimated 3,460 people in Traverse County. Excluding the Browns Valley residents and contract for services with the County, there are approximately 1,462 residents relying on the Sheriff's Department. The 2015 budget of \$1,497,879.00, divided by the residents leaves a per capita expenditure for the average family of \$3,072.00 annually or \$256.00 per month. Schmidt speculated that if the county sent a bill to the residents for that amount, there would likely be a lot more people attending the Board meeting. Leininger said we know the jail doesn't make money. Schmidt said the tax payers are getting tired of paying for it. Leininger said the 911 upgrades and other equipment enhancements were a mandate and that the jail wasn't this Board's decision. If we look at a 72 hour holding facility, we're only going to save a small amount. We still have the bond payments to pay. Salberg said we would have to hire at least one additional deputy to drive people around so increased staffing needs would be about a wash. Leininger said depending how you work the numbers, you will come up with different scenarios and conclusions. Schmidt asked if the court house staff and needs would fit into the law enforcement building. Leininger discussed how the court room itself is a significant cost. T. Johnson commented on how a law abiding citizen can stay at a hotel for \$120 per night on average, so it stands to reason a non- law abiding citizen would be double that. He said we need to re-evaluate the daily rates and the state should subsidize those counties willing to take on the proposition of jails. Schmidt said the local tax payers are subsidizing the state. Schmidt said the numbers are even worse now than what was projected back when they planned the new jail. T. Johnson discussed an idea of a service contract to generate more significant dollars, such as the model used by the Juvenile Detention Center in Moorhead. Leininger said those ideas should be discussed with the Sheriff, not just thrown out. T. Johnson said the county by itself can't solve this. It's going to take ideas. Schmidt agreed that's what transparency is. Deal weighed in, indicating we can't continue to lose the money we're losing. Sometimes it's better to take the loss and get out of it. Deal heard Traverse County took a female prisoner to Wilkin for one night which cost \$400.00 that night by the time they're done. He'd rather pay the \$400.00. He reminded the Board that before building the new jail, the daily average census was 1.6 prisoners per day. The figures aren't even close to justifying the jail.

Leininger asked Schmidt with the proposed budget increase is 6.8%, why is the County blamed for 10%. Schmidt said valuations of land are based on the budget. Leininger said homestead went down and agriculture land went up. Salberg said the valuations are not our fault. The 6.8% is an issue but it all can't be blamed on the County. Schmidt asked if you can get that 6.8% to zero. He said some full time staff could be part time and save money. He proposed four day work weeks, but Salberg countered that with the small numbers of staff they already struggle to complete their work. The Extension contract with the University of Minnesota was discussed and surrounding county contracts were compared. Stevens, Grant, Wilkin and Big Stone are all less than full-time contracted positions. Grant is half-time and the question asked if Traverse could share their staff. Leininger agreed it is a lot of money spent on that program. Others also agreed. T. Johnson would like to see dollars stay local and see some savings versus paying the Extension contract.

Schmidt discussed the Traverse Care Center and the County leasing administration of that service to save on employee costs. Salberg said he would have preferred to keep the care center administration and levy for it. Leininger was also in support of that, but no one wants to levy more money. Most people in his district go to Browns Valley nursing home and Graceville Care Center. Schmidt said the reason he brought it up was because of the jail and the cost. He has concerns that the commission is willing to subsidize eight 'out of county inmates' but not 45 local residents in the local care center. Leininger said the rates for care centers are set by the state. Schmidt said he understands we have little control over the state and federal government but in our counties we have some control. Have we considered putting out bids for contracts for union positions? In the 80's we lost most of our farmers. This year corn was a loss and if we are lucky, beans will break even. Families can't be taxed out of the picture. He commended the employees for their hard work and understands the difficulties of making local decisions and the politics that can play into it. But he reiterated the need to look at hard decisions of catering to the unions and encouraged the Board to take another step to fight them. He suggested the county could eliminate some of the help, contract positions privately, and get some other options on the table. He suggested the jail is the main drain in the county and the worst investment Traverse has made in its entirety. He recommended making the hard decision and look at closing it. He encouraged the Board to crunch numbers and see what the real cost is to do the work. Schmidt also discussed the Springsted study and the cost associated with that and believed the study could have been done internally. T. Johnson said, "Springsted is licensed, bonded and legally responsible for the work they put out there, and as smart as we think we are, the unions and liability issues are out of my comfort zone." We're not qualified to fully evaluate the wages and compensation. The study showed we were in-line for a majority of positions. The cost to the county ebbs and flows. As employees retire on step ten, they will be replaced at step one. As a group, we're working hard at keeping costs down. T. Johnson also indicated that the presentation was welcome and appreciated. Leininger asked if the cities' levies have gone down. Schmidt suggested they combine the law enforcement centers of Wheaton and Traverse County. He heard the County didn't want anything to do with it and they'd have to hire more personnel. He suggested Traverse could go to the City of Wheaton and look at the option. T. Johnson said Brown's Valley is part of the County and entitled to be served. Browns Valley is paying good money and it's a good deal for both the city and county. Schmidt asked if Wright could put together a proposal and make a presentation to the City of Wheaton. Salberg indicated the city would have to come to the County. Salberg brought a 2014 tax schedule and only a few counties were less than Traverse. Traverse is also low compared to the surrounding counties. Leininger said most of those counties have businesses. He said many of the land owners don't have a vote. Schmidt also discussed the committee meetings and questioned whether technology today couldn't some of these meetings be eliminated.

**Rhonda Antrim/County Coordinator-** The minutes from the Board meeting of December 2, 2014 and the Truth In Taxation meeting of December 11, 2014, were approved unanimously upon a motion by Deal and second by Salberg. The following bills were approved unanimously upon a motion by T. Johnson and second by Deal:

HOUSTON ENGINEERING, INC.	13,194.00
LARSON OIL, INC	9,484.75
TRI COUNTY COOP	2,290.26

Twin Valley Tire Wheaton, Inc.	4,968.00
WHALEY EXCAVATING, INC.	10,877.00
ZIEGLER, INC.	2,860.66
GOFASTERS POWERSPORTS & MARINE	7,400.00
KRATOCHWILL & ANDERSON, P.A.	3,190.00
REGENTS OF THE UNIVERSITY OF MINNESOTA	3,142.50
TRI COUNTY COOP	4,738.42

Per M.S. 375.12, the number of claims totaling \$2000.00 or less were 88, amounting to \$38,335.68.

The 2015 Network Support Contract with American Communications was approved unanimously upon a motion by T. Johnson and second by Salberg. Salberg indicated he would like an accounting of the various technology costs associated with the budget as there are different line items that appear in the budget. The 2015-2016 ASFCME Union Contract was approved unanimously upon a motion by Salberg and second by T. Johnson. It was noted that the court house hours are changing and that coverage over the lunch hours or when someone is out sick or on vacation, may result in times when the offices need to be closed. The 2015-2016 LELS Union Contract was approved unanimously upon a motion by Salberg and second by T. Johnson. There was discussion around the 2015 commissioner per diem rates. T. Johnson said in light of the research provided earlier in the meeting, he's comfortable with leaving the rate the same as 2014, at \$65.00 per meeting, regardless of in county or out of county, plus mileage reimbursed at the IRS rate. Upon a motion by T. Johnson and second by Deal, 2015 per diems were set at \$65.00 with mileage at the IRS rate, and approved unanimously. Antrim provided a bid from Ellingson's for a new furnace or fixing the one in the basement of the 1974 addition. It is not an emergency, but as temperatures drop there is a concern about pipes freezing. By consensus, Kevin Leininger was appointed to look into what the best option is and to act on it. Antrim updated the Board that MCIT has now approved coverage for the Traverse County Historical Society.

The 2015 Budget was discussed in an effort to certify the budget. Deal suggested personnel remain the same. Leininger discussed proposed Highway purchases for 2015 and recommended removing some of them. He commented that the tools, radios, and computers are fine. The out shop replacement of \$90,000.00 was a concern. He discussed the truck with one-way plow. He speculated a gravel truck may be needed but if there is not a gravel pit down south, he did not support a new truck. Deal believes it could be done custom, for cheaper. Salberg also wanted out shops eliminated and if they need it, budget it for a couple of years. K. Johnson said he and Wright discussed the Law Enforcement budget. He said Wright is prepared to reduce his budget, in addition to taking the extra deputy out. K. Johnson indicated this year is way higher in budget compared to what their 2014 budget to actuals are coming in at. Leininger commented that just because we're saving the money doesn't mean we have to spend it. The Aquatic Invasive Species (AIS) grant (I understand what he's trying to say but maybe we should reword that statement?) Maybe replace with "revenue will offset some of the department's regular expenses", understanding you must spend grant dollars per grant specifications, the overall budget is still benefitting. By removing the extra deputy, insurance, car, adding AIS within law enforcement and removing approximately \$270K in highway with removing a truck and out shop, the projected levy is - 1.68%. Leininger discussed the \$300K transferred from Social Services this year, to buy blades ahead of time, and that should also help with highway's 2015 budget. Schmidt suggested the fuel could be

removed from the Sheriff's budget of \$5K for that extra vehicle they already took out. This proposed budget still utilizes \$448K out of reserves. If passed, Salberg indicated that three out of last four years there will have been a negative levy increase. Leininger discussed leasing tractors for \$1.00 per hour and how that could save. There are some sitting over in Highway that could be sold. He speculated that John Deere would lease them.

Gary Findlay addressed the Board and warned that they may want to keep some money in the transportation fund because of state changes. He indicated he came today to hear the road plan for the proposed Dairy in Dollywood. He cautioned that the Board may want to consider capping the Dairy's animal units before allowing them to proceed, like Big Stone did. There was further discussion as to the roads. T. Johnson said economic development should not come at the expense of other members of the county. There should be no adverse impacts downstream or it won't sustain. The potential liability of something going bad downstream could be millions of dollars.

Salberg suggested the social service budgeted expenses seems to be cushioned. Antrim indicated it was budgeted as low as possible, in an effort to support the proposed court house project. Salberg indicated in listening to another commissioner from another county, their opinion is that there is always fluff in the social service budgets. Antrim reminded him that we were utilizing \$150,000.00 out of reserves to balance it for 2015, but if he would prefer to take it lower, it is just more reserves that will be necessary to meet it. Upon a motion by Salberg and second by T. Johnson, the 2015 budget was certified at -1.68% and any excess that is left over with law enforcement, shall go to their 2016 budget. Deal asked how much he thinks the law enforcement budget will be reduced, as he would like to see 2015 budget even lower. There was no indication at this time of what could be cut and Wright was unavailable for discussion. The motion passed unanimously, certifying the 2015 budget at -1.68 percent.

	2015 Gross	From	Gross Less	County	Disparity	2015 Net	2014 Net	Percent Increase/ -Decrease
	Levy	Reserves	Reserves	Program Aid	Aid	Levy	Levy	
Revenue Fund	2,812,974.43	-	2,812,974.43	75,282.20	11,510.29	2,726,181.94	2,715,391.49	0.40%
Building Fund	-	-	-	-	-	-	-	0.00%
Road & Bridge Fund	1,582,380.00	(214,480.00)	1,367,900.00	36,608.41	5,597.25	1,325,694.34	1,442,230.92	-8.08%
Social Services Fund	508,875.00	(150,000.00)	358,875.00	9,604.39	1,468.46	347,802.15	321,244.94	8.27%
Jail/LEC Bond	197,137.50	-	197,137.50	-	-	197,137.50	196,507.50	0.32%
TCC/PVP	84,000.00	(84,000.00)	-	-	-	-	-	0.00%
<b>Totals</b>	<b>5,185,366.93</b>	<b>(448,480.00)</b>	<b>4,736,886.93</b>	<b>121,495.00</b>	<b>18,576.00</b>	<b>4,596,815.93</b>	<b>4,675,374.85</b>	<b>-1.68%</b>

The 2015 Budget Summary is attached.

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Rhonda Antrim/County Coordinator

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Kevin Leininger/Board Chair