

Traverse County Commission
Regular Board Meeting
April 21, 2015

The meeting was called to order by Commission Chair Kevin Leininger. Other commissioners present included Dave Salberg, Tom Monson, Mark Gail, and Todd Johnson. The pledge was recited. The agenda was approved unanimously, with the addition of the 2015 Boat and Water Grant and general updates, upon a motion by Salberg and second by Monson.

Larry Haukos/Highway Engineer- Haukos was authorized unanimously to advertise for dust control, upon a motion by Gail and second by Monson. Haukos updated the Board that he intended to advertise for mowing of county roads in the June 9th and 16th papers. Authorization to replace Barry Gaulrapp with Travis Fridgen on the temporary roster, was unanimously approved upon motion by Monson and second by Gail, also included in the motion was that he will start at \$13.00 per hour because he has a CDL. Salberg asked what step it was. Haukos indicated step 1 is approximately \$15.00 per hour so it would be below that. Haukos requested authorization to purchase a scale and printer for 950 H Cat end loader from Ziegler Equipment. The scale is \$9,000.00 and the printer is \$1850.00. Haukos emphasized that the county should be scaling their loads. The scale and printer were approved unanimously upon a motion by Salberg and second by Monson. Upon a motion by Monson and second by T. Johnson, authorization was unanimously approved to rent a shouldering machine with a skid loader from Ziegler for \$2700.00 per week or \$8110.00 per month. To use Traverse's shouldering machine they would need to rent a motor grader for \$3850.00 per week or \$11,500.00 per month. Upon a motion Salberg and second by T. Johnson, approval was unanimously given to purchase gravel from Sibson Rock Products of Beardsley. Class 1 for shouldering is at \$4.75 per ton and Class 5, if needed for road gravel, is at \$5.50 per ton. Upon a motion by Monson and second by Salberg, authorization was unanimously granted to join the Transportation Alliance. Dues are \$1,113.54 for 2015 and following years are \$1,392.00. Bid letting for CP 15-03 was completed with the following bids:

Astech Asphalt Surface Technologies Corporation	\$76,224.00
Northwest Asphalt & Maintenance	\$126,246.00

Upon a motion by Salberg and second by Gail, Astech Corporation was unanimously awarded the bid. The Engineer's estimate was \$131,010.00.

Doug Green/Springsted, Inc.- Green appeared before the Board to discuss refinancing of the 2006A Jail Bonds. He presented three options. The first one utilized the same repayment timeline as the current bond. The estimated savings as a percent of refunded debt service was 6.7%. This was based on an interest rate of 1.83%. Option two looked at shortening the length of the bonds by one year, which yielded a projected savings of 7.1%. Option three utilized \$540,000.00 from reserves and looked at financing the same term, with a principal of \$1,070,000.00. This yielded a projected savings of 6.9%, after reducing the savings by 1% for the interest that may be earned on the reserves portion, if kept in reserves. T. Johnson expressed an interest in option 3, as it reduces the debt for our declining population while increasing cash flow. Green offered to do an analysis regarding what the borrowing rate would be based on our fund balance policy. He indicated that it could downgrade the credit rating. If we're at A1, we could lose 10 basis points if we drop to A2. He did concede that credit ratings are

important but you can't let some arbitrary credit rating dictate county policy either. T. Johnson emphasized that debt reduction is good, as it also creates a positive. Green added that there is already very little debt for the county. Monson asked what we have to carry for reserves. K. Johnson clarified 35-50% of revenues and 5/12 of annual expenditures. He also added that the latest figures using 2014 numbers will not be done until August. He further discussed how a low fund balance limits investment opportunities as we need to keep things liquid. He would rather operate with a healthy fund balance than a low fund balance. A healthy fund balance provides you with some options. Salberg raised a concern that as a Board, they never talked about using reserves. He asked why that option was even considered in Springsted's analysis. Antrim referenced the previous letters to the editor in 2014 and concerns of citizens asking about reserves and fund balance during the Truth In Taxation meeting. She explained that if you do not investigate the option, you don't learn why you should use it or not, or the other issues that it can impact. T. Johnson supported county leaders in soliciting any options and information that may be relevant to the Board. Monson clarified with Green whether all of the savings would come in the interest savings and also that he did not support the use of reserves. Green explained the advantage of an independent advisor, and that if you advise the deal, you can't underwrite the bonds. Springsted could seek three to four bids and Northland could be one of them. If you use companies like Northland, you lose out on two to three bids. Monson asked what the interest rate is now and Green clarified that it's around 4.25%. The best way to get the lowest interest rates is to open it up to as many firms as possible. Salberg also raised the concern that Northland was not allowed to present a scenario that utilized reserves. Antrim clarified that Northland's example was in the Board packet ahead of time.

Kit Johnson/Auditor/Treasurer- K. Johnson discussed Mid State Cooperative and Computer Professionals Unlimited, Inc. (CPUI). He attended a Mid-State meeting and was elected Secretary. CPUI will be rewriting the tax program. The \$10,000.00 invoiced last month is the beginning of up to \$10,000.00 over 5 years, which is what it will take to rewrite the program. He also requested to be appointed as the delegate to the Mid State Coop, and Dianne Reinart as the alternate. This was unanimously approved upon a motion by Salberg and second by Monson. K. Johnson shared three examples of why they need the program, which included abstracts of tax lists to the Department of Revenue (DOR), Tax Increment Financing Abstracts to DOR, and Property Tax Refunds filed with DOR. Tax statements were sent out and questions are coming in. The #1 question has been why some parcels are double the cost of the other parcels. He explained that the first \$1.9 M value of farm land is taxed at the first tier agricultural class rate of .5%, while anything above that is taxed at 1%, which is double the first tier class rate. The AG credit of \$490 also shows up on the first parcel, which contributes to them appearing lower. Johnson distributed a list of properties and briefly discussed an upcoming tax sale. He finished up by suggesting three issues that need to be resolved. One is whether we are going to refinance the jail bonds or not. If we do, we will see some savings and if we don't, we might lose that savings. He said we have a responsibility to do it. Second, we need to pick a firm. Traverse has a history with Springsted. He has nothing against Northland Securities but has a comfort level with Springsted. The third issue is what option the Board wants to use. Antrim emphasized if they have additional options they want considered, they should let Kit know.

Child Care Provider Week- A proclamation was unanimously approved, designating May 3-May 9, 2015, as Child Care Provider Week, upon a motion by T. Johnson and second by Gail.

Emily Conroy/Extension Department- Conroy introduced herself to the commission as the new 4-H Coordinator. Conroy grew up in Swift County on a farm. She was in 4-H for 11 years. She attended college at South Dakota State University. She worked for a non-profit in South Dakota after college doing a significant amount of fund-raising. Her passion is in youth development. She summarized her first 12 days in Traverse County, serving 85 unduplicated youth. She shared events such as Share the Fun, a Babysitting Clinic, and a Breakfast Feed. They've visited with over 400 community members as well. Conroy also distributed the 2014 Strategic Plan. She highlighted the top three priorities in the next year include an emphasis on Higher Education, Cultural Diversity, and 21st Century Learning Skills and Workforce. Conroy has been looking at some new grants for the 4-H program as well as building the adult volunteer network.

Sara Gronfeld/Soil and Water/Planning and Zoning- Gronfeld discussed an alleged Shoreland Ordinance violation with the placement of a fish house on a shoreland lot and use as a residence. She said there is no fill being placed on the lot, and was coming to the Board for direction on whether the owner, Steve Nelson, needs a permit for the structure. She presented a letter from Traverse County Attorney Matt Franzese. The letter specifies that the ordinance does not make a distinction between a temporary or permanent structure when requiring a permit, therefore, Nelson must submit the required Land Use Application Form for the construction of a building. David Lande, a neighbor to Nelson, presented some pictures of the lot and structure to the Board. Leininger and Monson commented that it appears to be a storage shed. Lande expressed concerns regarding the flooding potential of the lot. If it is inhabited, there are also concerns about wastewater storage. Lande is aware of what that property is like in the spring. The tax records indicate it is a non-buildable lot. Gronfeld said that has to do with the wetland conditions of the lot. Lande suggested that the ordinance specifies that property owners may not make accessory structures livable within the Floodway District. Franzese indicated that the ordinance has other restrictions. Gronfeld clarified that the lot is not designated in a Flood Way or Flood Fringe District. Leininger reminded everyone that the Board has to treat everyone the same. Nelson clarified that the fish house will have a tow bar on it and it will take a matter of minutes to remove it. Nelson measured so the placement of the fish house meets the setback to the lake. His finances will require the summer to finish the fish house. Nelson stated he felt he was being harassed due to the fact that he is not from the area. He stated he counted the fish houses currently around the lake and there are 53. If he needs a permit, it stands to reason that everyone should need a permit. Once the ice is thick, the fish house will be on the lake. He purchased a porta potty to place on the lot during the summer and it will be properly maintained. Lande voiced concerns about Nelson's living in the fish house and that people have come to his house asking where Nelson's house is. Franzese said the ordinance reads that you cannot place a structure on it without a permit. Leininger brought up that all sheds need a permit and are taxable. Nelson said he has a structure on skids in town that he doesn't need a permit for. If his fish house needs a permit, then he suggested they all do. Gronfeld asked if the county could issue a permit with conditions that it be removed in the spring along with the porta potty. T Johnson discussed a need for a policy regarding all movable objects and buildings within the flood plain that could cause trouble with

the dam or other properties, and that they should be required to be moved out of harm's way, and use an elevation point to determine the specific area. Salberg said that 75% of the structures on the lake are in the flood plain, as determined by the Corps of Engineers. The question before the Board is whether a permit is required for the placement of this ice house structure. Franzese said they could table it for further investigation. Gail said if they do it for this one, then we need to do it for all of them. Upon a motion by T. Johnson and second by Gail, the issue was unanimously tabled. T. Johnson acknowledged that he doesn't want to make a rash decision, as Nelson is bringing people to town and providing a business, so he doesn't want to restrict people unnecessarily.

Rhonda Antrim/County Coordinator- Upon a motion by Gail and second by Monson, the minutes from the April 7, 2015, Board meeting were approved unanimously. Upon a motion by Gail and second by Monson, the following bills were approved unanimously:

CARDMEMBER SERVICE	3,484.39
CODE 4 SERVICES LLC	2,117.72
COMPUTER PROFESSIONALS UNLIMITED INC.	3,845.39
GAZETTE PUBLISHING CO.	3,975.88
Gesswein Motors, Inc.	3,799.31
Horizon Public Health	5,315.33
LSS OF TRAVERSE, LLC	2,632.00
TRI COUNTY COOP	3,520.77
TRI COUNTY COOP	7,466.69
ZIEGLER, INC.	4,482.49

Per M.S. 375.12, the number of claims totaling \$2000.00 or less were 69, amounting to \$27,490.10. Upon a motion by Monson and second by T. Johnson, the CDS benefit plan documents were approved unanimously. Antrim provided an update to the Board on the County Coordinator position. She said the Personnel Committee had met and reviewed a draft of the job description developed by Springsted. There were a couple of minor changes made and they are awaiting a final copy. The pay grade was determined to be 26, which is one grade higher than it is right now. The Human Resource Director role is incorporated as an essential job function. There was also discussion with Sharon Klumpp, from Springsted, and Justin Anderson, regarding the hiring process. Both Klumpp and Anderson will be present at the Board meeting on May 5th, to present the proposed process and job description, and a decision on advertising and hiring will be made then. Antrim presented ordering information for Traverse County flags, and residents may contact her if they would like to place an order. There are some options for reduced pricing if ordering in bulk. Antrim also presented the current Traverse County Park fees and a picture of the sign there, which is different than what the approved rates were established at last year. Upon a motion by Gail and second by T. Johnson, the daily rate with electric was increased to \$20.00 per day, to be consistent with the signage. The remaining rates were left the same. Antrim updated the Board that the county received fund balance back from Stevens, Traverse, Grant Public Health in the amount of \$27,372.00. This was from the remaining balance after all invoices and auditing costs were paid and upon the dissolution of that Joint Powers Board. Antrim distributed the results and questions from a nine-month drug court evaluation survey. Upon a motion by Monson and second by Salberg, the Board unanimously approved the 2015 State of Minnesota Annual Boat and Water Safety grant.

Attested to by:

Rhonda Antrim/County Coordinator

Kevin Leininger/Board Chair