

OFFICIAL PROCEEDINGS
PENNINGTON COUNTY BOARD OF COMMISSIONERS
TUESDAY, JULY 14TH, 2015, 10:00 A.M.

Pursuant to adjournment, the Pennington County Board of Commissioners met in the Pennington County Board Room in Thief River Falls, MN, on Tuesday, July 14th, 2015 at 10:00 A.M. Members present: Cody Hempel, Darryl Tveitbakk, Donald Jensen, Neil Peterson, and Oliver “Skip” Swanson. Members absent: None.

The meeting was called to order by Chairman Commissioner Tveitbakk and the Pledge of Allegiance was recited.

Red Lake Watershed District Administrator Myron Jesme presented the 2014 RLWD Annual Report and the projects currently being worked on in the district. Myron also discussed the Buffer Strip Law passed by the Minnesota legislature this year.

Dean Philipp met with the Board to discuss the rise in farm values and to state that he is in the process of buying land for \$875 per acre. Mr. Philipp also asked how the County could consider tax abatements when the taxes keep going up for those paying for the services. Dean Philipp also commented on the purchase of the property on 1020 Centennial Drive claiming he was intentionally rushed to finalize the purchase of this property from the State of Minnesota so that he would have to pay the property tax the next year. Dean Philipp then made a request that the value of his property on Centennial Drive be reduced from \$580,700 back down to \$570,000 which is the amount he paid for it and stated that this property was used as a college. The County Board explained that this was not a County Board of Appeal and Equalization meeting and that no change could be made but that Mr. Philipp could appeal the valuation of his property to the Tax Court.

County Sheriff Ray Kuznia requested that Maria Srnsky be reclassified as a Grade 9 employee, as recommended by Bjorklund Consulting, and be placed at a Step 5 pay scale. Motioned by Commissioner Jensen, seconded by Commissioner Hempel to approve placing Maria Srnsky at Step 5 of the Grade 9 pay scale effective July 6th, 2015. Motion unanimously carried.

Motioned by Commissioner Jensen, seconded by Commissioner Peterson, to move the Jail Administrator to Step 5 of the Jail Administrator pay scale effective July 21, 2015. Motion unanimously carried.

Motioned by Commissioner Hempel, seconded by Commissioner Peterson to accept the resignation of Jacob Beito, Part-Time Deputy Sheriff effective July 15th, 2015. Motion unanimously carried.

Motioned by Commissioner Jensen, seconded by Commissioner Hempel to hire Jamison Karlberg-Steer to fill the position of Part-Time Deputy Sheriff effective July 28th, 2015. Motion unanimously carried.

The Sheriff then discussed the letter from the Inter-County Nursing Service and their decision to discontinue nursing service to the Pennington County Jail effective August 1st, 2015. Sheriff Kuznia then presented a proposal for jail clinical services from MEND Correctional Care. MEND Correctional Care would provide doctor and nursing care to the jail for \$34,900 per year. Motioned by Commissioner Jensen, seconded by Commissioner Peterson to enter into a Medical Services Agreement with MEND Correctional Care, PLLC under a one-year contract. A report of the medical costs for the inmates would be required after one year under this contract comparing the costs of when Inter-County Nursing Service provided those services. Motion unanimously carried.

County Engineer Mike Flaagan then met with the County Board and asked to replace the sign along Trunk Highway #32 that says Museum pointing east. Motioned by Commissioner Peterson, seconded by Commissioner Hempel to authorize the replacement of the Museum sign as requested. Motion unanimously carried.

Mike Flaagan presented the Maintenance Agreement with Green View Inc. to provide custodial services for the Pennington County/MnDOT Joint Use Facility for the period of July 1st, 2015 to June 30th, 2016. The hourly rate will be \$14.50 per hour. Motioned by Commissioner Jensen, seconded by Commissioner Peterson to approve the Pennington County Green View Inc. Maintenance Agreement as presented. Motion unanimously carried.

Mike Flaagan reviewed a petition to clean C.D. #96 in Section 4 of Black River Township. Motioned by Commissioner Peterson, seconded by Commissioner Jensen to accept the petition to clean C.D. #96 in Section 4 of Black River Township and authorize the cleaning of that portion of C.D. #96. Motion unanimously carried.

County Engineer Flaagan then gave a project update and requested that the crack sealing project be finalized as all things have been completed. The following resolution was introduced by Commissioner Jensen, seconded by Commissioner Peterson and upon vote was unanimously carried.

RESOLUTION

WHEREAS, Contract No. 1503 has in all things been completed and the County Board being fully advised in the premises;

NOW, THEREFORE, BE IT RESOLVED that we do hereby accept said completed project for and in behalf of the Pennington County Highway Department and authorize final payment as specified herein.

The Technology Committee recommends the approval of a customized training contract with Northland Community & Technical College to provide Microsoft Intro to Excel and Intro to Word to up to 20 county employees per course at a total cost of \$1,350 including books and instructor. Motioned by Commissioner Hempel, seconded by Commissioner Jensen to approve the Northland Community & Technical College Customized Training Income Contract. Motion unanimously carried.

The County Board then reviewed Change Order #1 from Bergstrom Electric to provide an additional panel location feed, an additional panel in existing boiler room and to provide an additional main breaker from the existing switch board. Motioned by Commissioner Swanson, seconded by Commissioner Jensen to approve Change Order #1 from Bergstrom Electric Inc. at an additional cost of \$5,649.44. Motion unanimously carried.

Commissioner Hempel introduced the following resolution, seconded by Commissioner Jensen and upon vote was unanimously carried.

**RESOLUTION CALLING FOR A PUBLIC HEARING TO ESTABLISH THE
REVISED TAX ABATEMENT PROGRAM FOR NEW HOMES IN THE CITY
OF THIEF RIVER FALLS**

WHEREAS, *Minnesota Statutes*, Sections 469.1812 through 469.1815, both inclusive (the "Act"), authorize the Pennington County, Minnesota (the "County"), upon satisfaction of certain conditions, to grant an abatement of all or a part of the taxes levied by the County on certain property; and

WHEREAS, In August 2011, the County, and the City of Thief River Falls, established a tax abatement program in response to a request for relief in establishing new plats, new lot developments and new homes in the City of Thief River Falls;

WHEREAS, the tax abatement program will expire on December 31, 2015;

WHEREAS, it is proposed that the tax abatement program be replaced with the Revised Tax Abatement Program (the "Program") attached hereto as Exhibit A and hereby made a part hereof;

WHEREAS, The Revised Tax Abatement Program allows for any residential property within the City of Thief River Falls meeting the requirements of the Program to apply for tax abatement assistance;

WHEREAS, *Minnesota Statutes*, Section 469.1813, Subd. 8 provides for in any year, the total amount of property taxes abated by a political subdivision may not exceed the greater of ten percent of the net tax capacity of the political subdivision for the taxes payable year to which the abatement applies or \$200,000, whichever is greater;

WHEREAS, the Act requires the County to hold a public hearing prior to adoption of a resolution granting any property tax abatements.

NOW THEREFORE, BE IT RESOLVED by the Board of Commissioners of Pennington County, Minnesota, as follows:

i) Hearing. A public hearing on the consideration of establishing the Revised Tax Abatement Program will be held at the time and place set forth in the Notice of Hearing attached hereto as Exhibit B and hereby made a part hereof.

ii) Notice. The County Auditor is hereby authorized and directed to cause notice of said hearing in substantially the form attached hereto as Exhibit B to be given one publication in a newspaper of general circulation in the City at least 10 days but not more than 30 days before the hearing. The newspaper must be one of general interest and readership in the City, and must be published at least once per week.

EXHIBIT A

Revised Tax Abatement Program

The proposed City, County and ISD 564 Tax Abatement Program is based on the Tax Abatement Program established in August 2011 by the City of Thief River Falls and Pennington County. The original program will expire on December 31, 2015. The program was established in response to a request from developers for relief in establishing new plats, new lot developments, and ultimately new homes in the City of Thief River Falls.

The abatement program operates under the Tax Abatement Authority in Minnesota Statutes 469.1813 through 469.1815. The Tax Abatement Program provides for the abatement of property taxes as set by the City of Thief River Falls, Pennington County and Independent School District No. 564 (the “taxing authorities”) for a three to seven year period of time. The parameters of the program follow:

- The three primary taxing authorities, City of Thief River Falls, Pennington County and Independent School District No. 564 agree to participate in the incentive program.
- All of the property taxes for the three taxing authorities, including existing taxes on land, may be abated for a specific parcel(s).
- The program applies to new single-family residential construction only. New construction is defined as:
 - **Modular homes: A new modular home built after June 2015 and prior to the termination of the Tax Abatement Program qualifies provided it is placed on an approved foundation.**
 - **Manufactured homes: A new manufactured home built after June 2015 and prior to the termination of the Tax Abatement Program qualifies provided it is placed on an approved foundation.**
 - **Stick built homes. New construction for Stick Built homes is defined as any home that is built from scratch and is placed on an approved foundation. Construction must be after June 2015 and prior to the termination of the Tax Abatement Program. Stick built also pertains to a stick built home that is moved onto property within the City limits (having never been in the City limits prior to) and renovated to over 1/3 of its assessed value. The home must have an approved foundation.**
- The home must be owned by the party requesting the abatement, and the party must be the first owner of the home.
- Occupancy of the home must take place within two years of acquisition of the undeveloped real property (lot).
- The home can be built on any approved lot, anywhere within the City limits of Thief River Falls. The constructed cost of the home cannot exceed \$200,000. The cost of the lot is not included in the construction cost of the home.

- The term of the abatement may be a maximum of seven years if there are outstanding assessments on the property. The tax abatement would be applied to pay down the assessments. If the property does not have outstanding assessments, the term of the abatement may be a maximum of three years.
- The tax abatement will be provided in the form of a rebate to the property owner.
- Tax abatement payments for assessments and/or property tax reimbursement will only be provided if the property owner pays the semi-annual taxes.
- The Tax Abatement Program is only eligible for the original tax abatement applicants (property owners). The abatement does not transfer if the property is sold.

ABATEMENT REIMBURSEMENT

The homeowner is reimbursed for taxes paid to City of Thief River Falls, Pennington County and Independent School District No. 564 when the home is occupied and valued after one year of occupancy and certified as such by the Thief River Falls Building Official and Pennington County Assessor's Office. The abatement of real property taxes by the taxing authorities will be for seven consecutive years if the property has outstanding assessments, and three consecutive years if there are no outstanding assessments.

PROCESS

1. The Thief River Falls Community Services Department is responsible for notifying the County and School District of properties participating in the program, and the date the real property was acquired. In addition, the City will coordinate the proper notification and public hearing.
2. The taxpayer pays the property taxes.
 - a. The owner submits a copy of their property tax statement and verification of payment to the Thief River Falls Community Services Office.
 - b. A statement is sent to the County for their portion of the property taxes. Included is a copy of the tax statement along with a cover letter indicating that the property owner is participating in the Tax Abatement Program, that the taxes have been paid, and that a rebate is due. The individual rebate amount will be calculated by the County Auditor and be based on the terms of the Tax Abatement Program. The County will send the rebate directly to the property owner following proper notification and public hearings.
 - c. The City and School District receive similar documentation and respond with a rebate check to the property owner following proper notification and public hearings.
3. The program will close at the end of five years for review and consideration. The termination date is December 31, 2020.
4. The Revised Tax Abatement Program will replace the Program terminating on December 31, 2015 and is effective July 1, 2015.

EXHIBIT B

PENNINGTON COUNTY, MINNESOTA

**NOTICE OF PUBLIC HEARING
TO ESTABLISH THE REVISED TAX ABATEMENT PROGRAM
FOR NEW HOMES IN THE CITY OF THIEF RIVER FALLS**

NOTICE IS HEREBY GIVEN that the Board of Commissioners of Pennington County, Minnesota, will hold a public hearing at a meeting of the Board beginning at 9:30 a.m., C.T., on August 11th, 2015, to be held in the County Board room of the Pennington County Courthouse, located at 101 Main Avenue North, in Thief River Falls, Minnesota, to establish the Revised Tax Abatement Program for new homes in the City of Thief River Falls. The Revised Tax Abatement Program allows for any residential property within the City of Thief River Falls meeting the requirements of the Program to apply for tax abatement assistance. In any year, the total amount of property taxes abated by the County may not exceed the greater of ten percent of the net tax capacity of the County for the taxes payable year to which the abatement applies or \$200,000, whichever is greater. The Revised Tax Abatement Program would be effective July 1, 2015, and terminate on December 31, 2020.

All interested persons may appear at the August 11th, 2015 public hearing and present their views orally or in writing. Anyone needing reasonable accommodations or an interpreter should contact the County Auditor's office, telephone 218-683-7000.

Kenneth Olson
Pennington County Auditor Treasurer

The Personnel Committee made a recommendation to clarify the Overtime/Compensation Time language in the Personnel Policy stating that the maximum amount of compensation time that can be accrued is 120 hours. Any time over needs pre-approval as overtime by the County Board. Motioned by Commissioner Jensen, seconded by Commissioner Hempel to approve the change in the Personnel Policy in the section titled D. Overtime/Compensatory Time and to have the change distributed to all county employees informing them that anyone with more than 120 hours of compensatory time will have until December 4th, 2015 to bring their balance down. Motion unanimously carried.

Motioned by Commissioner Hempel, seconded by Commissioner Swanson, to approve payment of the Human Services warrants totaling \$199,829.60, and also the following Commissioner warrants. Motion unanimously carried.

WARRANTS

County Revenue	\$ 76,288.46
Road & Bridge	\$133,931.12
Ditch Funds	\$ 27,764.50
Capital Improvement	\$ 630.00

Per diems and meal reimbursements in the amount of \$33.90 were also approved.

Motioned by Commissioner Hempel, seconded by Commissioner Peterson, to approve the minutes of the County Board meeting held June 23rd, 2015 as written. Motion unanimously carried.

Motioned by Commissioner Hempel, seconded by Commissioner Swanson, to approve the minutes of the Special County Board meeting held July 7th, 2015 as written. Motion unanimously carried.

Motioned by Commissioner Jensen, seconded by Commissioner Peterson to authorize an auction of surplus office chairs and equipment no longer used by the county by advertisements in the official paper and accepting bids on items by numbers assigned to them. Motion unanimously carried.

Motioned by Commissioner Hempel, seconded by Commissioner Jensen to place the Social Worker Supervisor, Financial Worker Supervisor and Fiscal Supervisor on a 40 hour per week work schedule effective immediately. Motion unanimously carried.

Motioned by Commissioner Jensen, seconded by Commissioner Hempel to increase the rate of pay one step in the appropriate pay grade for the Social Worker Supervisor, Financial Worker Supervisor and Fiscal Supervisor effective April 1, 2015. Motion unanimously carried.

Motioned by Commissioner Jensen, seconded by Commissioner Peterson, to approve the following salaries effective July 1st, 2015. Motion unanimously carried.

County Attorney	\$105,000
County Auditor/Treasurer	\$ 94,000
County Recorder	\$ 62,600
County Sheriff	\$ 82,200

No action was taken on the salaries of the County Commissioners.

Motioned by Commissioner Jensen, seconded by Commissioner Hempel, to adjourn the Board meeting to July 28th, 2015 at 5:00 pm. Motion unanimously carried.

ATTEST:

Kenneth Olson, Auditor-Treasurer
Pennington County

Darryl Tveitbakk, Chairman
Board of Commissioners