

**OFFICIAL PROCEEDINGS
PENNINGTON COUNTY BOARD OF COMMISSIONERS
JUSTICE CENTER BOARD ROOM
APRIL 12TH, 2022 – 10:00 A.M.**

Pursuant to adjournment, the Pennington County Board of Commissioners met in the Pennington County Justice Center Board Room in Thief River Falls, MN, on Tuesday, April 12th, 2022, at 10:00 a.m. Members Present: Seth Nelson, Bruce Lawrence, Darryl Tveitbakk, and Neil Peterson. Members present via Zoom: David Sorenson. Members absent: None.

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

Chairman Lawrence noted that Commissioner Sorenson is present via Zoom but will be a non-voting member.

Chairman Lawrence asked if there were any amendments to the agenda. County Coordinator Kevin Erickson noted that Lynnell Puposki cannot meet with the Board today and Pennington County Extension/4-H would like to be added. Motioned by Commissioner Peterson, seconded by Commissioner Tveitbakk, to approve the Board agenda with the changes presented. Motion carried.

Recognition of Citizens:

Jean Marquis introduced herself to the Board and stated she was present on behalf of the Election Integrity Committee. Ms. Marquis stated that there are discrepancies in Pennington County regarding the 2020 general election and data they have received includes instances of people voting multiple times, absentee records not being linked to voters, and that the county was approximately one week late with posting voter history following the election. The data does not list any votes cast by deceased voters in Pennington County. The Board took the information provided under advisement.

Motioned by Commissioner Nelson, seconded by Commissioner Peterson, to approve the Board minutes of March 22nd, 2022, as written. Motion carried.

Motioned by Commissioner Peterson, seconded by Commissioner Tveitbakk, to approve the February Auditor and Manual warrants totaling \$1,501,538.26 and the following Commissioner warrants, including per diems submitted for Commissioners Tveitbakk and Nelson. Clarification for two repair bills was requested prior to payment. Motion carried.

County Revenue	\$218,332.42
Road & Bridge	\$ 55,066.64

Per diems and meal reimbursements in the amount of \$4,431.56 were also approved.

Pennington County Extension presented their Quarter 1, 2022 update to the Board:

Extension Educator/4-H Youth Development Ashley Nerhus stated the Cloverbuds program is back with 64 youth are enrolled. Overall county 4-H enrollment is up 19% and at a 3-year high. BIO-Girls is a new, 12-week program serving girls in grades 2-6 and aims to help with self-esteem and overall well-being. A new 'Engineer It' afterschool program begins April 25th, 2022, at CES and registration is now open. The recycling team will educate youth at Les's Sanitation on April 18th, 2022, and a grant was received to aid with advertising and providing recyclable bags. 4-H youth are preparing for project bowl competitions and a local, junior team recently won their state competition. Ms. Nerhus said they are busy planning the 2022 county fair already and discussed 4-H regional camp and counselor opportunities. Chairman Lawrence asked what specific areas of 4-H are up in enrollment. Ms. Nerhus stated that Cloverbuds numbers are up due to kids getting back into schools, and older kids are getting involved in the community clubs.

Pennington County Extension Office Manager Cindi Kilen said that in addition to assisting Ms. Nerhus with the activities she discussed, she has been fielding office calls and walk-ins due in the absence of an Ag Services/SW Coordinator. Question topics include septic, custom hire, pesticide testing, private pesticide applicator certification, etc. She has been working with Les's Sanitation and the County Engineer on SCORE reporting requirements and noted that the annual Clean-Up Day will be held May 7th, 2022 at Les's Sanitation. In regard to programming, Home Counsel is being lead by Glenice Johnson and will meet next on May 13th, 2022. The annual Spring Fling will be held April 28th, 2022, at the Nazareth Church in Holt. The Master Gardener program is helping with youth on education and will meet on April 25th, 2022, to plan their summer events. They will be doing annual planting at the Justice and Gov't. Centers once the weather allows. Master Gardener classes will be starting in the fall; anyone interested is asked to contact the Extension office.

The Board thanked Ms. Nerhus and Ms. Kilen for their quarterly reports.

Motioned by Commissioner Peterson, seconded by Commissioner Tveitbakk, to approve the hire of Grant Nelson as Pennington County Ag Services/Solid Waste Coordinator. Discussion followed regarding the need for the position and feel that Mr. Nelson will be a great addition to the team. Hearing no further discussion, the motion was carried.

Bryanna Grefthen - Pennington County SWCD Water Resource Specialist, presented the 2021 County Feedlot Officer Annual Report. The P.C.A. has reviewed 2021 work completed and all 9 areas were successfully completed and passed. There were 44 feedlots eligible for funding with 32 being registered, and all feedlot inspection goals were met. Regarding owner outreach and assistance, Ms. Grefthen said she met with 6 feedlots, completed three direct mailings, and had an article in local newspaper. She also completed 27.75 hours of training and continuing education credits in 2021. She assisted the new Marshall County C.F.O. and received performance credits for that. Five performance credits were received in 2021 which should result in \$1,000 of credit funding. Chairman Lawrence thanked Ms. Grefthen for her hard work and continuing education. Motioned by Commissioner Tveitbakk, seconded by Commissioner Peterson,

to accept the 2021 County Feedlot Officer Annual Report as presented and to thank Ms. Grefthen for her hard work regarding feedlots and related reporting. Motion carried.

Pennington County Engineer Mike Flaagan requested a Public Hearing for the Five-Year Road & Bridge Plan. Motioned by Commissioner Peterson, seconded by Commissioner Nelson, to hold a Public Hearing on the Pennington County Five-Year Road & Bridge Plan on May 10th, 2022, at 8:30 a.m. in the Justice Center Board Room. Motion carried.

Engineer Flaagan reviewed the draft Five-Year Road & Bridge plan and projects proposed for years 2022-2026.

Mr. Flaagan stated that the 2022 Township Agreements, with the exception of Numedal and Hickory, are complete and ready for signatures. These are related to services provided to the townships by the county, such as road grading. Motioned by Commissioner Peterson, seconded by Commissioner Nelson, to authorize the Chairman to sign the Township Agreements as they are received. Motion carried.

Engineer Flaagan stated that bids for SAP#57-606-006 (milling and overlay of CSAH #6) were opened on April 11th, 2022, as dually advertised. The Engineer's estimate was \$995,906.29 and the following bids were received:

Knife River Materials – Northern MN	\$1,037,870.20
R.J. Zavoral & Sons, Inc.	\$1,198,013.88
Agassiz Asphalt, LLC	\$1,304,985.20
Central Specialties Inc.	\$1,474,324.88

Motioned by Commissioner Nelson, seconded by Commissioner Peterson, to approve the bid of Knife River Materials-Northern MN in the amount of \$1,037,870.20 as the lowest and best bid received for project SAP#57-606-006 (milling and overlay of CSAH #6). Discussion followed regarding the bid amounts in relation to the estimate, with the Engineer noting that mix costs are way up due to oil and fuel pricing. Following discussion, the motion was carried.

Chairman Lawrence stated that he received a constituent call regarding the disposal of straw placed over a septic system this past winter. Mike suggested contacting Les's Sanitation regarding disposal of the straw.

Motioned by Commissioner Peterson, seconded by Commissioner Nelson, to hold a Highway Committee road tour on May 2nd, 2022 beginning at 8:00 a.m. Motion carried.

It was noted that Sheriff Kuznia would not be meeting with the Board today.

Dan Fabian, Mayor of Roseau, MN, met with the Board to discuss market-rate workforce housing in the area. He noted that the current system isn't working and discussed how appraisal values compare to loan values and cost of construction. He recently made a presentation to the NWRDC regarding the same issue. Following discussion on the area housing concerns, the Board thanked Mr. Fabian for his presentation.

County Auditor-Treasurer Items:

Motioned by Commissioner Tveitbakk, seconded by Commissioner Nelson, to approve an On-Sale and Sunday Sales Liquor license for Legacy Catering, LLC. Motion carried.

The following resolutions were introduced by Commissioner Tveitbakk, seconded by Commissioner Nelson, and upon vote were unanimously carried. Motion carried.

**RESOLUTION AUTHORIZING SPONSORSHIP OF
THE SNOMOBILE TRAIL OPERATED BY THE THIEF RIVER FALLS SNO-
DRIFTERS FOR THE 2022-2023 GROOMING SEASON**

BE IT RESOLVED, that the county of Pennington act as the legal sponsor for an application for funding to the State of Minnesota Dept. of Natural Resources for maintenance of snowmobile trails managed by the Thief River Falls Sno-Drifters.

BE IT RESOLVED, that upon approval of its application By the state, the County of Pennington may enter into an agreement with the State of Minnesota for the above referenced project and that it will comply with all applicable laws and regulations as started in the agreement.

BE IT FURTHER RESOLVED, that Jennifer Herzberg, County Auditor-Treasurer, is hereby authorized to serve as the fiscal agent for the above referenced project.

**RESOLUTION AUTHORIZING SPONSORSHIP OF
SNOWMOBILE TRAILS OPERATED BY THE GOODRIDGE
TRAILBLAZERS SNOWMOBILE CLUB
FOR THE 2022-23 GROOMING SEASON**

BE IT RESOLVED, that the county of Pennington act as the legal sponsor for an application for funding to the State of Minnesota Dept. of Natural Resources for maintenance for Wapiti, 4-G North, and 4-G River Road snowmobile trails managed by the Goodridge Trailblazers Snowmobile Club.

BE IT RESOLVED, that upon approval of its application by the State, the County of Pennington may enter into an agreement with the State of Minnesota for the above referenced project and that it will comply with all applicable laws and regulations as started in the agreement.

BE IT FURTHER RESOLVED, that the Chairman and County Auditor-Treasurer are hereby authorized to serve as the fiscal agent for the above referenced project.

The following resolution was introduced by Commissioner Nelson, seconded by Commissioner Tveitbakk, and upon vote was unanimously carried.

**RESOLUTION APPROVING A TAX INCREMENT FINANCING PLAN
FOR TAX INCREMENT FINANCING DISTRICT NO. 1-14 - ANGLE
DEVELOPMENT IN DEVELOPMENT DISTRICT NO. 1 IN THE CITY
OF THIEF RIVER FALLS**

BE IT RESOLVED by the Board of Commissioners (the “Board”) of Pennington County, Minnesota (the “County”), as follows:

Section 1. Recitals

1.01. The City Council of the City of Thief River Falls (the “City”) has heretofore established Development District No. 1 and adopted the Development Program therefor. It has been proposed by the City that the City adopt a Modification to the Development Program (the “Development Program Modification”) for Development District No. 1 (the “Development District”) and establish Tax Increment Financing District No. 1-14 - Angle Development (an economic development tax increment financing district) (the “TIF District”) therein and adopt a Tax Increment Financing Plan (the “TIF Plan”) therefor (the Development Program Modification and the TIF Plan are referred to collectively herein as the “Program and Plan”); all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 to 469.133 and Sections 469.174 to 469.1794, all inclusive, as amended, (the “Act”) all as reflected in the Program and Plan.

1.02. The City has represented that it investigated the facts relating to the Program and Plan and has caused the Program and Plan to be prepared.

1.03. The City is required by law, prior to the establishment of the TIF District and the adoption and approval of the proposed Program and Plan, to provide the county auditor of the County and the school district clerk with the proposed TIF Plan and the City’s estimate of the fiscal and economic implications of the proposed TIF District at least 30 days before the public hearing required by Minnesota Statutes, Section 469.175, subdivision 3.

1.04. The Board is permitted to submit written comments on the TIF Plan and the estimate of the fiscal and economic implications of the TIF District to the City.

1.05. This Board has received from the City the TIF Plan, including the fiscal and economic implications of the TIF District.

Section 2. Approval of the TIF Plan.

2.01. This Board has reviewed the TIF Plan, as presented to the Board on this date, including without limitation the fiscal and economic implication of the TIF District contained therein, and hereby approves the TIF Plan [without written comments] [with certain written comments to be submitted to the City prior to its public hearing on April 19, 2022].

Ms. Herzberg discussed the Tax Abatement Program. The following resolution was introduced by Commissioner Tveitbakk, seconded by Commissioner Peterson, and upon vote was unanimously carried.

RESOLUTION CALLING FOR A PUBLIC HEARING TO ESTABLISH THE 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 plants, new lot developments and new homes in the City of Thief River Falls;

WHEREAS, the tax abatement program expired on December 31, 2020;

WHEREAS, it is proposed that the Tax Abatement Program (the “Program”) be established as attached hereto as Exhibit A;

WHEREAS, the 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:

1. Hearing. A public hearing on the consideration of establishing Pennington County 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.
2. Notice. The County Auditor-Treasurer is hereby authorized and directed to cause notice of said hearing in substantially the form attached hereto as Exhibit B to be given on publication in a newspaper of general circulation in Pennington County at least 10 days but not more than 30 days before the hearing. The newspaper must be one of general interest and readership in Pennington County, and must be published at least once per week.

EXHIBIT A

Tax Abatement Program

The Pennington County 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 program expired December 31, 2020. 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 operated under the Tax Abatement Authority of Minnesota Statutes §469.1813 through §469.1815. The Tax Abatement Program provides for the abatement of property taxes as set by Pennington County (the “taxing authority”) for a three-year period of time. The parameters of the program follow:

- Pennington County agrees to participate in the incentive program.
- All of the property taxes for the County, 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 January 1, 2022, 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 January 1, 2022, 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 January 1, 2022, 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. There is no limit on the cost of the home.
- 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 Pennington County when the home is occupied and valued after one year of occupancy and certified as such by the Pennington County Assessor's Office. The abatement of real property taxes by the taxing authorities will be for three consecutive years.

PROCESS

1. The Thief River Falls Community Development Office is responsible for notifying the County 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 Development 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 receives similar documentation and responds 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, 2026.

EXHIBIT B

NOTICE OF PUBLIC HEARING TO ESTABLISH THE 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 May 10th, 2022, to be held in the County Board Room of the Pennington County Justice Center, located at 141 Main Avenue North, in Thief River Falls, Minnesota, to establish the Tax Abatement Program for new homes in the City of Thief River Falls. The 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. The Tax Abatement Program would be effective January 1, 2022, and terminate on December 31, 2026.

All interested persons may appear at the May 10th, 2022, 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.

County Coordinator Items:

The following resolution was introduced by Commissioner Peterson, seconded by Commissioner Nelson, and upon vote was unanimously approved:

RESOLUTION COUNTY GOVERNMENT APPRECIATION DAY

WHEREAS, Minnesota's 87 counties employ over 36,000 people to provide essential services to create healthy, safe and vibrant communities; and

WHEREAS, the work of county employees is fundamental, whether it's a newborn well-check by a public health nurse, a passport renewal at a license center, or voter registration and ballot processing; and

WHEREAS, through their commitment to public service, county employees dedicate their time, skills, and expertise for the benefit of their neighbors, and at times, risk their personal safety coordinating emergency management and managing justice and public safety systems; and

WHEREAS, the vital work of counties promotes healthy communities, fosters conditions for economic growth, strengthens infrastructure, and improves residents' quality of life.

NOW, THEREFORE, BE IT RESOLVED, the Pennington County Board of Commissioners recognizes the commitment and dedication to public service excellence of county staff and officials and proclaim April 26th, 2022, as County Government Appreciation Day.

Commissioner Peterson discussed the Payment in Lieu of Tax program and the changes being proposed in the legislature. The following resolution was introduced by Commissioner Peterson and was seconded by Commissioner Tveitbakk. Discussion followed with Commissioner Peterson explaining inequities of the program, noting that while PILT affects more of the central and northeast of MN, it does impact our county as well. Following discussion, the motion was unanimously carried.

RESOLUTION SUPPORTING PROPOSED CHANGES TO PILT PROGRAM AND RELATED PAYMENT INEQUITIES

WHEREAS, the Payment in Lieu of Taxes (PILT) Program passed into Minnesota law in 1979 with the statutory purpose “to address the disproportionate impact of state land ownership on local units of government with a large proportion of state land;” and

WHEREAS, 95% of all PILT acreage is located in the northern-half of Minnesota; and

WHEREAS, since 1995, nearly all PILT payment increases have gone to southern Minnesota and metro area counties; and

WHEREAS, in 1979 when PILT payments began, the biggest disparity between the highest PILT compensated county to the lowest compensated county was 8:1 or, *8 times higher*, yet today that disparity has grown to a whopping 170:1 or, *170 times higher*; and

WHEREAS, the principal cause PILT payments are so inequitable across MN, is because in 1995, the Acquired Acres category of PILT Payments switched from a flat rate to instead, a land value basis, yet all other major PILT Payment categories remained at a flat rate; and

WHEREAS, the Northern Counties Land Use Coordinating Board (NCLUCB) recently completed a Comprehensive Study re: State PILT and Payments to Counties which verifies all of the above-mentioned inequities; and

WHEREAS, SF 2793 (Bakk) & HF 3073 (Ecklund) have been introduced to help rectify these huge inequities in PILT Payments by substantially increasing PILT payments to Northern MN counties.

NOW, THEREFORE, BE IT RESOLVED, that Pennington County hereby urges the 2022 Legislature to pass the respective Bakk-Ecklund PILT Bills through the necessary committees and include them in their final Omnibus Tax Bill.

County Attorney Items:

County Attorney Seamus Duffy informed the Board that the Eric Reinbold jury trial has been moved to the period of September 19th - October 7th, 2022. If the case goes to trial, the Board room would be utilized and the September 27th, 2022, Board meeting may have to be moved to a different location.

Mr. Duffy stated that he has reviewed the proposed employment contract for the County Engineer and it is ready for approval. Motioned by Commissioner Tveitbakk, seconded by Commissioner Peterson, to approve renewal of the employment contract between Pennington County and Mike Flaagan as County Engineer for a 4-year period effective May 1st, 2022. Motion carried.

Committee Reports/Commissioner Updates:

Chairman Lawrence discussed email and technology security in the County. A quote in the amount of \$1,800 has been received from ReadITech IT Solutions for setup and configuration for multi-factor authentication for Microsoft Office365, and training for up to 80 county employees. Motioned by Commissioner Nelson, seconded by Commissioner Peterson, to approve the quote by ReadITech IT Solutions as discussed above. Motion carried.

Motioned by Commissioner Nelson, seconded by Commissioner Tveitbakk, to approve a quote by ReadITech IT Solutions to train county employees in the areas of email spam and phishing recognition. The quote includes a \$300 setup fee, a \$90 monthly charge thereafter, and \$1.50/employee for training. Motion carried.

Commissioner Tveitbakk noted to the Board members that Senate File 3376 creates a supplemental aid provision to counties when their County Program Aid is reduced. The supplemental aid would be in the same amount as the CPA reduction, resulting in the same total aid.

Commissioner Tveitbakk provided an update on the Human Services remodel project. Department employees have provided their suggestions and ideas regarding the two proposed options, and the next step is approving a remodel option and authorizing final design work by architectural firm SEH. Discussion was held on the layout changes recently made to the proposed plans. Motioned by Commissioner Tveitbakk, seconded by Commissioner Nelson, to approve Option 1, the remodel of the 3rd floor of the Government Center, and authorize SEH to begin final design work for the Human Services remodel. Motion carried.

Commissioner Peterson left the Board meeting at 11:56 a.m.

Motioned by Commissioner Tveitbakk, seconded by Commissioner Nelson, to adjourn the Board meeting to the Special County Board meeting on April 19th, 2022, at 11:00 a.m. Motion carried.

ATTEST:

Kevin Erickson, County Coordinator
Pennington County

Bruce Lawrence, Chairman
Board of Commissioners