

PROCEEDINGS OF THE
MARTIN COUNTY BOARD OF COMMISSIONERS
AUGUST 16, 2016
@ 9:00 A.M.

The regular meeting of the Martin County Board of Commissioners was called to order at 9:00 a.m. by Chairman Elliot Belgard. Commissioners present were Tom Mahoney, Steve Flohrs, Dan Schmidtke, Kathy Smith, and Elliot Belgard. Also present were Scott Higgins, Martin County Coordinator, James Forshee, Martin County Auditor/Treasurer, Terry Viesselman, Martin County Attorney, Rod Halvorsen, KSUM/KFMC Radio, Jason Sorensen, Sentinel Newspaper, and members of staff and public.

The Pledge of Allegiance was recited.

Motion by Commissioner Mahoney, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby approve the agenda for the August 16, 2016, regular Board of Commissioners meeting. Absent: Commissioner Schmidtke. Carried unanimously.

Motion by Commissioner Smith, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby approve the minutes of the August 2, 2016, regular Board of Commissioners meeting. Absent: Commissioner Schmidtke. Carried unanimously.

Viesselman presented resolution between the State of Minnesota-Office of State Court Administration and Martin County Attorney's Office, authorizing the Martin County Attorney's Office access to the Master Subscriber Agreement for Minnesota Court Data Services Government agencies.

Motion by Commissioner Flohrs, seconded by Commissioner Mahoney,

R-#37/'16

RESOLUTION

MARTIN COUNTY ATTORNEY –
MASTER SUBSCRIBER AGREEMENT FOR MGA

BE IT RESOLVED, That the Martin County Board of Commissioners hereby authorize and direct the Martin County Attorney, Terry W. Viesselman, to sign on behalf of and bind Martin County and the Martin County Attorney's Office to the Master Subscriber Agreement for Minnesota Court Data Services for Governmental Agencies between the Martin County Attorney's Office and the State of Minnesota Office of State Court Administration.

FORGOING, was upon motion made by Commissioner Flohrs, seconded by Commissioner Mahoney, and unanimously carried, duly passed and adopted this 16th day of August, 2016.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Elliot Belgard, Board Chair

ATTEST: _____
Scott Higgins, Board Chair

All members voting Aye. Absent: Commissioner Schmidtke. Carried unanimously.

Peyman informed the board that there were twenty seven applications received for the Maintenance Specialist I position, seven candidates were interviewed. Peyman recommended the hire of Cameron Blazejak, effective August 22, 2016, and Greg Sidles, effective September 19, 2016.

Motion by Commissioner Flohrs, seconded by Commissioner Smith, Be It Resolved that the Martin County Board of Commissioners, upon the recommendation of the County Highway Engineer, hereby approve the hire of Cameron Blazejak as Maintenance Specialist I, effective August 22, 2016 at \$17.96/ hour, eligible for full time benefits per the county policy; contingent upon satisfactory reference background check; and required pre-employment drug test. Carried unanimously. Absent Commissioner Schmidtke.

Motion by Commissioner Mahoney, seconded by Commissioner Smith, Be It Resolved that the Martin County Board of Commissioners, upon the recommendation of the County Highway Engineer, hereby approve the hire of Greg Sidles as Maintenance Specialist I, effective September 19, 2016 at \$17.96/ hour, eligible for full time benefits per the county policy; contingent upon satisfactory reference background check; and required pre-employment drug test. Carried unanimously.

Schmidtke was present at 9:10am.

Peyman gave a brief update on the overlay on CR#39 stating that overlay is completed, but the shouldering has yet to be completed.

Discussion ensued on setting the meeting date for the annual Road and Tax Forfeited Land Tour.

Motion by Commissioner Mahoney, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, set the annual Road and Tax Forfeited Land Tour for September 13, 2016, starting at 8:00am to meet at the Highway Department. Carried unanimously.

Rich Perrine, Martin County SWCD Technician and Ashley Brenke, Manager Martin County SWCD, reviewed the revised draft Martin County Local Water Plan 2016-2026, stating that the Board has set a public hearing for September 6, 2016 during the regular board meeting.

Forshee reviewed revisions to the Martin County Investment Policy, stating that the policy has been revised to include Jessica Korte, Accountant, having responsibilities in administering related to investments for the county as stated in the policy.

Motion by Commissioner Smith, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, upon the recommendation of the County Auditor, and after review and consideration, hereby approve the proposed changes to the Martin County Investment Policy, to include Jessica Korte, Accountant name to the Martin County Investment Policy for various responsibilities in administering investments for the county as stated in the revised Martin County Investment Policy. Carried unanimously.

Higgins reviewed the office space lease options for the VSO office, stating the following locations were reviewed,

- Five Lakes Center at \$9.33/sq. ft., (two months free upon signing of Lease), plus utilities, public restrooms available, will build to suit, approximate cost of \$27,000.
- Kramer “Courthouse Plaza” option of 900 sq. ft. office, \$10/sq. ft., includes utilities, carpet, and paint,
- 112 W. 1st Street Office- approximately 900 sq. ft. available, at \$7.00/sq. ft., including utilities of electric and heat, restrooms shared by other offices, garbage paid by tenant.
- 219 North Main (former Bolten and Menk Office)-4,400 sq. ft. building for purchase. Building Inspection report completed on building.
- Construct new office Building

Discussion ensued with review of the aforementioned options, particularly the Kramer Courthouse Plaza offering, including the location of office space to the Courthouse, the need to have handicap accessible parking available for the public/clients, and the need for an annual lease, since the space study is in progress. There was discussion on the Five Lakes Center Mall space available. However, the concern was the location and the potential expense for remodeling for offices. The 1st Street option was concern for parking and layout of office area and access to office. After further discussion,

Flohers stated the need to move forward on getting the VSO office located in a new space.

Motion by Commissioner Flohrs, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, hereby approve development of lease for office space located at Kramer “Courthouse Plaza” office building for the County Veterans Service Office; not to exceed the \$10/sq. ft.; and that the necessary improvements be made for the handicap accessible parking, including new paint, carpet and utilities included as proposed and that the lease be an annual lease. Carried unanimously.

Higgins informed the board of various needed improvements to the District Courtroom, stating that the Building Committee is recommending that the courtroom be painted, including various areas that need plaster repaired. Additionally, the carpet is in need of replacement, it has come loose from the floor in a number of areas. Finally, it is recommended to install new lighting fixtures to enhance the courtroom and lighting fixtures.

Higgins stated that quotes were requested and only received quote from Whitmore Painting (Fairmont) in the amount of \$5, 0000, which includes repair of damaged plaster areas and three color painting scheme for the District Courtroom.

Higgins further stated that only one quote has been received for the replacement of lighting fixtures and waiting for additional quotes. Furthermore, we have yet to receive quotes for replacement of the carpet.

After discussion,

Motion by Commissioner Schmidtke, seconded by Commissioner Smith, upon the recommendation of the Building Committee, hereby approve the quote received from Whitmore Painting (Fairmont) in the amount of \$5,000., to include repair of the damaged plaster areas and three color painting scheme for the District Courtroom. Carried unanimously.

Higgins presented the renewals for the following ancillary benefits including, Life Insurance, which the monthly rates remain unchanged for 2017 at \$.153 per month per \$1,000, the basic AD and D will remain unchanged at \$.018 per month per \$1,000. The optional employee and spouse life and AD and D rates will also remain unchanged for 2017.

The Voluntary Long Term Disability monthly rates will also remain unchanged for the year 2017.

Higgins further stated that the following ancillary benefits went out for bid including the Voluntary Dental, which is through Dearborn National, will see an increase of 7% in monthly rates for 2017, along with the Voluntary Vision through Avesis, which will see a 5% increase in monthly premiums for 2017.

Motion by Commissioner Flohrs, seconded by Commissioner Schmidtke, Be It Resolved that the Martin County Board of Commissioners, hereby approves and accepts the renewals and authorizes the Board Chair and/or its designee to sign all necessary documents for the following employee benefit plans with Integrity Employee Benefit, LLS, with rate changes for the year 2017 which includes: life insurance (Sun Life) rate will remain unchanged and no increase in monthly rates for buy up options for employees for the year 2017; and Voluntary Long Term Disability (Hartford) no change in premiums; and having bid the dental insurance (Dearborn), accepts the 7% increase for monthly premiums for the low and high plans; and after having bid the voluntary vision (Avesis), accepts the 5% increase for monthly premiums for the year 2017. Carried unanimously.

Jim Forshee, Martin County Auditor and Jessica Korte reviewed the CY2015 annual State Audit for Martin County. The audit information was provided to the Board and reviewed.

The Board considered the citizen appointment to the Martin County Extension Committee. Commissioner Flohrs stated that he is still working on getting a recommendation to represent Commissioner District 5.

The Board reviewed warrants to be paid August 16, 2016.

Motion by Commissioner Mahoney, seconded by Commissioner Smith, Be It Resolved that the Martin County Board of Commissioners, hereby approve bills to be paid on August 16, 2016, as presented; and includes the Martin County Highway Department and Drainage bills as presented. Carried unanimously.

Warrants received and paid August 16, 2016, are registered on file in the Auditor/Treasurer's Office as follows:

Revenue Fund – Warrants Approved August 16, 2016	\$ 129,978.16
Martin Co. Economic Development Fund	\$ 5,509.44
Solid Waste Management Fund	\$ 41,869.34
Law Library Fund	\$ 1,382.23
Recorder's Technology Fund	\$ 1,915.00
Bank Building Fund	\$ 2,377.56
Debt Service Fund	\$ 16,940.00
Forfeited Tax Fund	<u>\$ 1,044.00</u>
Total	\$ 201,015.73
Road and Bridge Funds Totaled	\$1,229,394.06
Martin County Ditch Funds Totaled	\$ 209,585.05

At 10:00am, Belgard opened the public hearing for the proposed property tax abatement for the Zierke Built Manufacturing Inc. project located in Fairmont, MN. Belgard stated that the purpose of the hearing is to hear and consider abatement of property taxes to assist in the financing and renovation of existing building to be obtained by Zierke Built MFG, Inc. located on Parcel ID Nos. 23-03800-30 and 23-31200-10 in the City of Fairmont for the purpose of Zierke MFG, Inc. proposing to move their operations to Fairmont, MN. The proposed abatement of property taxes are for the years 2017-2026 for an estimated amount not to exceed \$176,000.

Representatives from Zierke Built Manufacturing were present to explain their intent and the project, stating the need to bring their existing operation under one roof, where they do not have in their existing location; and plan to bring their existing operations to Fairmont, MN, bringing with them thirty one (31) jobs and increasing to another thirty jobs (30) to the Company.

Brent Schultze, Martin County Economic Development board member was present, stating that the Martin County EDA supports the project and would be a great project for Martin County.

Linsey Pruess, Coordinator Fairmont Economic Development Authority was also present to support the project, stating that the City of Fairmont support the proposed project and has approved tax abatement for the City's portion of the expected taxes.

Belgard opened the hearing for public comment. There were none.

With no public comment,

Motion by Commissioner Schmidtke, seconded by Commissioner Flohrs, to close the public portion of the hearing. Carried unanimously.

After further discussion and consideration of the proposed tax abatement,

Motion by Commissioner Schmidtke, seconded by Commissioner Flohrs,

RESOLUTION APPROVING PROPERTY TAX ABATEMENTS – R-#38/'16
AND AUTHORIZING EXECUTION OF
A TAX ABATEMENT AGREEMENT

BE IT RESOLVED by the Board of Commissioners (the "Board") of Martin County, Minnesota (the "County"), as follows:

1. Recitals.

(a) The County has been requested to assist in financing the renovation of an existing building to accommodate the manufacturing of industrial custom fabricated products by Zierke Built Manufacturing, Inc. (the "Project"). The County proposes to use the abatement for the Project provided for in Minnesota Statutes, Sections 469.1812 through 469.1815 (the "Abatement Law"), from the property taxes to be levied by the County on Parcel Identification Numbers 23-03800-30 and 23-31200-10 (the "Tax Abatement Property").

(b) It is proposed that the County will enter into a Tax Abatement and Business Subsidy Agreement (the "Tax Abatement Agreement"), which provides for the use of tax abatements to finance the Project in accordance with the Abatement Law, Minnesota Statutes, Section 116J.993 to 116J.995 (the "Business Subsidy Act").

(c) The City of Fairmont, Minnesota (the "City") is proposing to grant an abatement on the City's share of property taxes on the Tax Abatement Property in an amount not to exceed \$231,000 for a term of up to 10 years to assist in financing the Project.

(d) On this date, the Board held a public hearing on the question of the Abatement (as defined below) and the granting of a business subsidy to the Developer, and said hearing was preceded by at least 10 days but not more than 30 days prior published notice thereof at which all interested persons appeared and were heard.

(e) The County proposes to approve tax abatements on the County's share of property taxes on the Tax Abatement Property in an amount not to exceed \$176,000 for a term of up to 10 years to finance a portion of the costs of the Project.

(f) The Abatement is authorized under the Abatement Law.

2. Findings for the Abatement. The Board hereby makes the following findings:

(a) The tax abatement (the "Abatement") is the County's share of taxes on the Tax Abatement Property.

(b) The Board expects the benefits to the County of the Abatement to be at least equal to or exceed the costs to the County thereof, because (i) the County believes that the Project would not reasonably likely to occur absent the Abatement, and (ii) the long-term taxes collected from the Abatement Property after the termination of the Abatement will exceed the amount of the Abatement provided to the Developer.

(c) Granting the Abatement is in the public interest because it will provide employment opportunities in the County.

(d) The Tax Abatement Property is not located in a tax increment financing district.

(e) In any year, the total amount of property taxes abated by the County by this and other resolutions and agreements, does not exceed the greater of ten percent (10%) 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 "Abatement"). The Abatement is subject to the abatement granted by the County's abatement resolution adopted on May 20, 2014, granting a tax abatement to certain property in the County in connection with the construction of a grocery and gasoline facility (the "Prior Abatement"). The County's Abatement Limit will be allocated first to the Prior Abatement, then to the Abatement approved pursuant to this resolution, then to any future tax abatements granted under the Abatement Law. The County may grant other abatements permitted under the Abatement Law after the date of this resolution, provided that to the extent the total abatements in any year exceed the Abatement Limit, the allocation of the Abatement limit to such other abatements is subordinate to the Prior Abatement and the Abatement granted by this resolution.

3. Terms of Abatement. The Abatement is hereby approved. The terms of the Abatement are as follows:

(a) The Abatement shall be for up to 10 years beginning with real estate taxes payable in 2017 and continuing through 2026, inclusive and shall not exceed \$176,000.

(b) The County will provide the Abatement as provided in this resolution and in the Abatement Agreement.

(c) The Abatement shall be subject to all the terms and limitations of the Abatement Law.

(d) The County makes no warranties or representations regarding the amount or availability of the Abatement.

(e) In accordance with Minnesota Statutes, Section 469.1815, the County will add to its levy in each year during the term of the Abatement the total estimated amount of current year abatement granted under this Resolution.

4. Approval of Tax Abatement Agreement.

(a) The Board hereby approves a Tax Abatement Agreement providing for payment of the Abatement in substantially the form submitted, and the Chairman and the County Auditor are hereby authorized and directed to execute the Tax Abatement Agreement on behalf of the County.

(b) The approval hereby given to the Tax Abatement Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by the County officials authorized by this resolution to execute the Tax Abatement Agreement. The execution of the Tax Abatement Agreement by the appropriate officer or officers of the County shall be conclusive evidence of the approval of the Tax Abatement Agreement in accordance with the terms hereof.

The motion for the adoption of the foregoing resolution was made by Commissioner Schmidtke and duly seconded by Commissioner Flohrs and, upon a vote being taken thereon after full discussion thereof, the following voted in favor thereof: Commissioners Schmidtke, Smith, Mahoney, Flohrs, and Belgard.

and the following voted against the same: None.

Whereupon said resolution was declared duly passed and adopted.

STATE OF MINNESOTA)
) ss.
COUNTY OF MARTIN)

I, the undersigned, being the duly qualified and acting County Auditor of Martin County, Minnesota (the "County"), do hereby certify that attached hereto is a compared, true and correct copy of a resolution approving the abatement of property taxes by the County on behalf of Zierke Built Manufacturing, Inc., duly adopted by the Board of the County on August 16, 2016, at a regular meeting thereof duly called and held, as on file and of record in my office, which resolution has not been amended, modified or rescinded since the date thereof, and is in full force and effect as of the date hereof, and that the attached Extract of Minutes as to the adoption of such resolution is a true and accurate account of the proceedings taken in passage thereof.

WITNESS My hand this 16th day of August, 2016.

County Auditor

All voting Aye. Nays 0. Resolution Approved.

Belgard recessed meeting at 10:13am

Belgard reconvened meeting at 10:19am

The Board heard the final Broadband Feasibility report from Jason Dale, Cooperative Network Services (CNS). Others present were Jeff McCabe, GM Frontier Communications.

Jason Dale, Cooperative Network Services, presented a Martin County Broadband Feasibility Study Update including:

Social Media/Survey Project

I don't think it would open up as many opportunities as it would simply maintain what business is now in place, it would be difficult for it to provide growth at this time; I believe it's more about survival.

- Social media open-ended response (on new opportunities broadband would afford businesses in Martin County)
 - o What is your Internet Speed (shown in graph by carrier – Bevcomm, Dunnell, Frontier, MIDCO, Satellite Provider, Starnet, LTD)
 - o Satisfaction level of current providers (shown in graph by carrier – Bevcomm, Dunnell, Exede, Frontier, LTD Broadband, Midco, Starnet)
 - o

Design Model Summary

- Build to Cover Entire County
 - o Establishments Passed 9,658
 - o Project Total \$72,522,610
 - Average Investment
 - o Per Establishment Passed \$ 7,509
 - o Per Service \$ 14,990

2017 (Projected) Unserved Areas

- Build to Cover 2017 Unserved (Assumes Granada Exchange is already 100% served)
 - o Establishments Passed 3,592
 - o Project Total \$50,389,840
 - Average Investment
 - o Per Establishment Passed \$ 14,028
 - o Per Service \$ 27,948

Bevcomm

- Proceeding with an application for the Granada Exchange

- Not in partnership with Martin County, however, the County's support will help the application

Frontier

- Potential Frontier-Martin County partnership on a grant application
- Frontier is working on a plan for a minimum \$10 million total project, a full \$5 million of which to be applied for state grant funds
- Frontier Regional is waiting for Corporate approval (currently 1-week behind initial estimate)

Recent Frontier Discussions

08/08/2016 – Per Joy Eldred (Regional Vice President of Engineering, Frontier Communications: “I am working on gaining executive approval of the Frontier plan before I can share further details. The plan is to have the approval in place by end of week so we can move forward with presentations and applications. Sorry the timing isn't exactly matching the meeting timeframes so I will try to push. I will keep in touch if I have a more timely update.”

- Positives
 - County's best chance at partnering on an application
 - Little cost to County, other than grant applications
 - FTTH (Fiber to the Home) to a few areas, deployment of 25/3 copper areas as well as 10/1 areas
- Risks
 - If Frontier doesn't come through/not funded, little chance to find another partner for a grant app
 - County potentially giving up leverage/difficult to turn back
 - Not an all-fiber design; no guarantee Frontier will take future steps to work on the Last 20%

SM Broadband

- Inquired last week about opportunities to partner
- Interest in middle mile segments that tap off SM Broadband's east-west transport route

Next Steps

- Proceed with the 2016 Border to Border Grant applications (coordinate with Bevcomm and partner with Frontier)
 - This will get Martin County to The 80% Level
- In 2018
 - Review Status of Frontier CAF II upgrades for 10/1 availability
 - Re-assess existing wireless providers coverage and offerings (e.g. LTD and Starnet)
 - Determine plan to reach The Last 20%
 - Will most certainly require significant public funding to cover the gap
 - Scale the plan to meet the appetite for level of public funding

Scott Higgins, Martin County Coordinator, inquired what areas/general vicinities are we looking at.

Jeff McCabe, General Manager Southwestern Minnesota with Frontier Communications, noted he does not have specifics but in general conversations the talk was going south of town around Silver and South Silver and possibly East Chain and then we talked about going north and over by Fox Lake.

Higgins noted and you have Trimont Cedar-Hanson area and Ormsby, Northrop.

McCabe noted the engineers are working on the information; but, I know that wherever there is a city of population there's an opportunity for at least 25/3.

Motion by Commissioner Schmidtke, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby receive and file the Martin County Broadband Feasibility Study dated August 16, 2016. Carried unanimously.

After further discussion,

Commissioner Mahoney thanked Dale for the good job that was done on the very thorough report. It brings together a lot of things here in Martin County; and I'd be in favor of going up to \$10,000 to obtain a grant writer to keep moving forward with this project.

Motion by Commissioner Mahoney, seconded by Commissioner Smith, Be It Resolved that the Martin County Board of Commissioners, Whereas due to the significant size of the proposed potential broadband projects, which includes partnerships with existing providers in Martin County of upwards of \$5,000,000; and, Whereas the local private providers are willing to meet the grant match requirements for their respective proposed projects; and, Whereas Martin County would submit the grant on behalf of the providers, hereby approve County Coordinator to proceed contracting with a professional Grant Writer for submission of grant application to the Minnesota Department of Economic Development (DEED) – Office of Broadband Border to Border Grant for a maximum request up to the maximum of \$5,000,000; and approve and authorize appropriate county staff to sign and send Broadband Development Letter; and to hire a grant writer to complete the Border to Border grant Application to DEED. Carried unanimously.

The Board reviewed the Preliminary CY2017 Budget noting the current preliminary levy is 7.7182%. Higgins noted to lower to a 6% levy increase requires reductions of \$240,308; and to lower to a 5% levy increase requires reductions of \$380,166.

Commissioners reviewed their calendars of previous and upcoming meetings and activities: August 2, 2016 – Lakes Association meeting and tour of new Fairmont Water Plant; August 3, 2016 – F-M Joint Transit Executive Board meeting at 9:00 a.m. and Insurance Committee meeting at 10:30 a.m.; August 4, 2016 – Ground Up meeting at the Lonny Becker residence in Northrop, Minnesota; August 8, 2016 – AMC Buffer meeting in Mankato, Minnesota; August 9, 2016 – Library Board meeting; August 10, 2016 – MetTower Windmill Farm meeting at the Sherburn Theater in Sherburn, Minnesota, Human Services Executive Board meeting, and Park Board meeting; August 11, 2016 – Soil and Water meeting, Broadband Advisory meeting, Primary Canvass meeting, Building Committee meeting and Summer Youth Internship Program Recognition Event; August 12, 2016 – Prairieland meeting and F-M Joint Transit Full Board

meeting; August 15, 2016 – Butterfield Ditch informational meeting; August 16, 2016 – Personnel meeting immediately following today’s Commissioners meeting, Labor Negotiations this afternoon, and Human Services Advisory meeting at 5:30 p.m.; August 17, 2016 – F-M Joint Transit Executive Board meeting at 8:00 a.m., and Building Committee meeting at 9:00 a.m.; August 20, 2016 – Veterans receiving an award from the foundation at 5:00 p.m. at the Fairgrounds on stage; August 22, 2016 – Ditch Hearings at the Courthouse and informational meetings down by Dunnell, Minnesota; August 23, 2016 – Planning & Zoning meeting at 5:30 p.m.; August 24, 2016 - Human Services Budget Approval meeting, and F-M Joint Transit Board meeting; August 25, 2016 – Water Plan meeting at 1:00 p.m.; August 30, 2016 – Board Work Session at 3:00 p.m.; August 31, 2016 – South Central Services Coop meeting 10:00 a.m. to noon in Mankato, Minnesota; September 5, 2016 – Labor Day Holiday Observed – Courthouse Closed; September 6, 2016 – next regular Board of Commissioners meeting at 9:00 a.m. – Commissioners Meeting Room.

With no further business to wit, Board Chair adjourned the meeting at 11:42 a.m.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Elliot Belgard, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator