

Martin County Board of Commissioners
Work Session
8-30-16

The meeting was called to order at 3:00 p.m. by Chairman Belgard. Those present were Commissioners Schmidtke, Smith, Belgard, Mahoney, and Flohrs. Also present were Scott Higgins, James Forshee, Rod Halvorsen, KSUM-KFMC Radio, Julie Walters, Administrative Assistant, Jason Sorensen, Sentinel Newspaper, Steve McDonald, and Brent Pearson with Region Nine Development Commission.

The Pledge of Allegiance was recited.

By consensus, approve the agenda for the August 30, 2016, Board Work Session.

The minutes of the June 29, 2016, Board Work Session were reviewed.

Brent Pearson, Region Nine Development Commission, presented the County's contract proposal for a Border to Border Grant with the State of Minnesota, noting that he's looking at about 160 hours of staff time to complete the following services and includes all mileage costs and postage.

- ✓ Outline a plan and timeline for successful submission of the grant application prior to DEED's October 3rd deadline
- ✓ Review Martin County Broadband Feasibility Study
- ✓ An initial onboarding meeting with an appointed or designated project team to review the grant application, discuss roles and responsibilities, and set expectations
- ✓ Meetings as needed with providers, Martin County staff, project team, as well as other key stakeholders to ensure match commitment is in place
- ✓ Father letters of support for the project
- ✓ Serve as liaison with DEED's Office of Broadband
- ✓ Writing and packaging the grant and gathering all required components from the county, including cover letter, checklist, unserved vs. underserved project budget breakdowns, resolution authorizing application and all necessary data
- ✓ Meet with project team and Martin County to review grant application by September 26th
- ✓ Implement changes for final submission by September 30th

Pearson noted the application deadline is October 3, 2016; however, we are looking at September 26, 2016...I want to have it in front of the review committee that week. We don't want to be submitting this on October 3rd. We're shooting for a week in advance.

Chair Belgard inquired about the 50/50 match.

Pearson noted we had some discussions about it today and I think anything over 50% will increase the competitiveness of the grant application.

Higgins noted if you're interested in putting dollars toward this project you can do that at the same time...we're at a work session and can talk about it. The more put into it the more points basically.

Jeff McCabe, Frontier Communications, noted certainly I think there's going to be a lot of applications this year and if we can make our application look as strong as possible...that's good.

Joy Eldred, Frontier Communications, noted there was also the embedded cost already that the County has had with the Feasibility Study that you would also be eligible to put on to that application showing costs already spent.

Pearson noted we've discussed that just today and we can do an in-kind dollar amount and can certainly include that. Pearson also noted I've been working in community development for about eight (8) years and it is par for the course that you write grants. I actually worked at the Department of Employment and Economic Development when the Office of Broadband was founded and I do know all of the key players involved. I've packaged many, many...millions of dollars worth of grant applications.

Jeff McCabe, Mark Shannon, and Joy Eldred, all with Frontier Communications, were present to review the proposed Broadband Project and to answer any questions.

Shannon noted right now areas that we've looked at we would bring a minimum of 25/3 to around 1,700 households. We looked at areas just west of Fairmont down by South Silver, Rose Lake, and the town of East Chain (East Chain has been suffering for a number of years).

Eldred noted that actually brings East Chain on to fiber whereas all of the other towns within Martin County are already on fiber so East Chain it will upgrade their transport to fiber.

Shannon continued we've looked at the Fox Lake area, Northrop and the rural area around Northrop, areas in Ormsby, areas in Sherburn, the town of Truman, some areas by Ceylon (west of Ceylon around Clear Lake), and then east of Ceylon...so just some strategic locations throughout the county where we can get the most households under that 25/3.

Eldred noted we made promises to Brent (Pearson) that we would have final plans and dollars for him on September 8th so that he could begin to finalize his grant process. When we met this morning some of the commissioners have issues with gaps that they felt that we had in our maps of what we were showing so we owe some responses back to that.

McCabe noted a couple weeks ago we started out talking about the whole county and that was crazy expensive and we talked about building a fiber ring and then we talked about what we called an 80% solution. What's different is part of this solution was building this fiber ring which we already have except for East Chain so we're connecting East Chain onto the network and then we're building on the last line...so a lot of improvements to the rural areas. So the cities like Welcome, Truman, Trimont...they already have ongoing upgrades that won't really need to be part of this. We're around \$2.8 million give or take.

Chair Belgard inquired but still with that approximate 80%.

McCabe answered I think so, I'd have to go back and look. It's probably as far as the unserved.

Eldred answered we might be coming back with something more than the \$2.8 million depending on how all of that works out.

McCabe noted there was a campground northwest of Trimont we wanted to try and make sure to include in this and in one of the cities there was a "business partner" if you will that wants to make sure that is covered as well.

Steve McDonald inquired so the \$2.8 Million is with the match, right?

McCabe answered that's total project cost. Next step is just something that you need to vote on. Obviously we're moving forward with the understanding that we're going to partner with the County. Is there some official recognition that you have to make? Certainly I think there would be a letter that would recommend us as well. I think we have some work from a communications standpoint we'll want to make sure that we have information ready and available for any residents that have questions.

Moni Harper and Nikki Schwidder with MRCI were present to review and discuss the proposed Janitorial Contract with MRCI noting some changes at the state level that are driving up an increase in janitorial services. The Minnesota Olmstead Plan originated out of the Jensen vs. DHS Settlement in 2009. Court approved Olmstead Plan on 9-29-15:

- A comprehensive plan to increase the number of people with disabilities receiving services that best meet their needs in the "most integrated setting"
- Person centered planning and informed choice are key components

The Olmstead Plan is a broad series of key activities our state must accomplish to ensure people with disabilities are living, learning, working and enjoying life in the most integrated setting. The Plan will offer Minnesotans with disabilities opportunities just like everyone else. The WIOA – Workforce Innovation & Opportunity Act Part 397 – Use of subminimum wage; published 6-30-16. Effective 7-22-16:

- A key goal of part 397 is to encourage access to competitive integrated employment – and to reduce the incidence of individuals with disabilities working in jobs or work training experiences that pay less than minimum wage.

WIOA & the Olmstead Plan are catalysts for significant change. How this affects MRCI and community work contracts:

- Over the past year there have been two increases to the minimum wage rate. As of August 1, 2016, minimum wage went up to \$9.50/hour. Prevailing wage rate surveys based on geographical area/location are also conducted annually to determine the industry standard for job categories (i.e. janitorial, light material handling, etc.). The current prevailing wage for janitorial is \$10.11/hour. This survey will be completed again in October, 2016, so the rate is subject to change.
- Although MRCI serves as an employment training program for individuals with disabilities, we have received no additional funding to offset the two legislative mandates.

- MRCI no longer uses “special rates” when bidding or re-bidding community work contracts. Now we build minimum wage rates into all contracts for clients.

Harper and Schwidder reviewed MRCI’s task list for janitorial services for the Martin County Courthouse, Security Building, and Law Enforcement Center, including how often and how many days of the week certain services are performed.

Higgins noted I think MRCI is responsive to our needs; and Mike Miller, Building Maintenance Supervisor, works closely with them and is in communication with them.

Higgins presented an overview of proposed Veterans Service Office space at the Krahmer Building located at 226 Lake Avenue for an approximate 846 square foot office space. An Agreement has been drafted and is currently under review at \$10.00 per square foot or \$720.00 per month. The Agreement is for five years and includes improvements such as new doorway, new wall, and new 48” tall wall divider, new paint, and new carpeting; and also an “opt out” payback option for improvements made.

Much discussion ensued regarding the need for one (1) or two (2) handicap parking stalls, ramp requirements and city code, office space request/improvements the County is asking for, length of lease term – one (1) year versus five (5) year, and opt out clause due to pending County Office Space Study:

Date of Termination	Lessee pays to Lessor
10/31/17	\$15,000
10/31/18	\$11,250
10/31/19	\$7,500
10/31/20	\$3,750
10/31/21	\$0.00 End of five-year payback

Belgard noted final determination on lease term will be made at Tuesday’s commissioners meeting.

Higgins presented and reviewed information pertaining to the administration of health and ancillary benefits for Joint Powers Boards. Part of the catalyst with this was to determine if Joint Powers Boards should be on our county benefits. We looked into it and found out that yes they can be. However, it would probably be best to receive a Joint Powers Agreement (JPA) which would separate and delineate they are not county...they are their own entities and are just getting their health insurance and ancillary benefits through the county. Advantages are you’ve got large group rates versus small group rates which tend to be cheaper than small group rates. With the JPA which the county attorney will be drafting for us in the next few weeks we’d like to propose a 7-10% Administrative Fee with that for the work that goes into administering the benefits. This includes all fees, charges, or the premiums themselves...that 7%...and the amount of time it takes Teresa (Tieman) who helps administer the county’s benefits. So the advantage of the JPA is that they get group rates which are actually cheaper than going out on their own as a small employer. We really want to bring it to your attention in that we are, through a JPA,

offering that to both the Joint Transit and Prairieland Joint Powers Boards to administer benefits through the county. Otherwise the option is they could go on their own.

Commissioner Mahoney noted well we already have an agreement for Human Services don't we? Could this be modeled after theirs?

Higgins noted Human Services has their own insurance...they don't get it through the county. So currently the Transit JPB and Prairieland JPB are dovetailed with us here at the county.

Commissioner Smith inquired if Prairieland is on now.

Rabbe noted yes, we've been on for 25 years and now all of a sudden this is changing for us so we're a little nervous. I don't feel like we have all the information and that always bothers me to know okay how much is it going to cost if we go off on our own...how much is it going to cost to be in the joint powers agreement...and how is this going to affect our employees. That's information that I'd like to know.

Tieman noted Prairieland in the past they have always piggybacked with what Martin County and would reimburse us, as the Transit has done that in the last year, since they were formed. They reimburse the employee and employers share to the county once a month. The county gets the bill, I pay the bill, and they reimburse those funds. At this point as Scott (Higgins) and Jim (Forshee) can attest when we talked to the attorney on the phone and with Cassie (USI) Jeremy (Monahan) is the only person on the Transit Board. Without knowing how many employees there's going to be that you have to offer full time...if you have a JPA in place you can set your parameters. Without a JPA in place anybody that is hired by the Transit Board has to go with the county under the ACA (Affordable Care Act) as a large group employer...if you were to stay with Martin County. That became difficult when it came time to do the ACA reporting. I did that this winter because everybody asked, well why are they on your plan if they're not paid by you...they're not our employees. And nobody could give a straight answer to that including attorneys because that was the first question they all had...why are they on your plan if they're not your employees. When we talked to this attorney on the phone the other day and with Cassie (USI)...in Billee's case with her employees, they would be rated as their own if they go out on their own so in her case there are 9 employees out there. I'd have to provide those names...they could stay in the South Central Coop and be their own entity and do their own thing...their rates would be based on their claims. My understanding from Cassie (USI) is when she said if you go out on your own and you have 9 people's claims or 1 person's claims or 2 person's claims or 4 people's claims compared to a group of claims your rates are undoubtedly going to increase because your claims pool got less.

Jeremy Monahan inquired if the percentage of increase is known.

Tieman noted no. Cassie (USI) doesn't work with small groups...she works with larger groups so if you want out on your own you'd stay within USI (Hanratty) but you'd go to a different person that deals with small employers.

Rabbe noted I believe our preference is to be with the county group. But, that all depends on our board's choice.

Chair Belgard noted your group wasn't what brought this about. Your group has been in it for 25 years...it's the Transit group...you know Jeremy was the only employee that we had.

Monahan noted my biggest concern and I've said this to Scott (Higgins) and my board, is that as long as if we stay on Martin County's there's a way and it sounds like between discussions with Cassie (USI) and the county attorney we have this way then we would not be considered a large employer, the Transit Board, then I'm with Billeye (Rabbe) where this is the easiest, straightest path which is what I'm looking for in everything right now.

Tieman noted however you'd still be an employer when it comes to the ACA report because you are your own employer because you have a different EIN (Federal ID Number) than Martin County does. So you'd be doing your own reporting.

Rabbe noted you say we'd be doing our own reporting but are you saying you don't want to be considered a large employer because you don't want to offer that insurance to all people who have 30 plus hours?

Monahan noted that's correct. Which is why you have the ACA. If you have fewer than 50 employees you can have people work more than 30 hours and not offer them health insurance. That's part of the deal. So we were going to take advantage of that and save that extreme cost that it would bring about compared to what we had and just have me and an additional 1-3 more with benefits. So no more than 3 or 4 people getting benefits and the rest of them would be considered part time, non-benefit eligible employees but they may work 35 hours a week.

Rabbe noted if you went with this large group you would have to offer anybody 30+ hours benefits.

Monahan noted well that's what they're saying...we don't.

Forshee noted if you guys sign a joint powers agreement Transit can say okay the county is at 30 hours per week, we can go 35 hours per week and we don't have to offer it. But, if they're consistently at 35 hours per week then you have to offer it.

Tieman noted there's an exclusion you can put in a JPA that says that we're going to offer health insurance to all employees unless they work more than or less than 35 hours per week. If they work less than 35 hours per week we don't have to offer because it's an exclusion in the JPA.

Monahan inquired could we make that exclusion 39 hours per week?

Tieman and Higgins noted the minimum is 35 hours per week...you can't go any higher than that.

Forshee noted that was a concern of mine...how many of your employees will be 35 hours per week or more that we're going to have to offer benefits to.

Belgard noted none...other than the full time people. The part time people you'd have to schedule so that none of them would. None. Zero. That's an easy answer.

Monahan inquired so the only way to get to do this with the ACA is to take our own plan on. So because I was with the understanding that if we were to do this idea then we were getting this alright we're purchasing the benefits from Martin County as a joint powers board but we still get to make our own small employer rules.

Higgins noted yes, and we can double check that.

Tieman noted there was an attorney that advised us of that. Tieman also noted the other thing to keep in mind when it comes to your ancillary benefits such as your dental, your vision, your flex accounts, those types of things, your life insurance, that are currently with the county...right now without that JPA in place it is questionable whether you've been on our plan.

Higgins noted there's special permission to get on plan from the provider.

Monahan inquired have we heard from them yet that by adding one or two more on top of me is okay?

Tieman inquired for ancillary benefits? Yes, when I talked to them it is okay if we have the JPA agreement in place. Open enrollment is October 20th and everything is effective January 1...but for these two boards to make a decision if they would decide no we don't want to decide...well if our board decides they don't want any part of this JPA and they go out on their own they need time to be able to contact a broker for them to be able to get claims, get a history built up and find out who they can get a plan from.

Monahan but the prevailing notion is if we were to split from Martin County and go out on our own with 4 people at the most it's going to cost a lot more than what it costs now.

Rabbe noted the fact is they have to agree with...the Martin County Commissioners have to agree to this JPA and then we have to take it to our board's who are five more people and they have to be apprised of what it means and they have to agree to it also...all before October 20th. So they almost have to bring it to their board at the first meeting in September for us to get it to our meeting in September.

Rabbe inquired about the administration fee.

Higgins noted the 7-10% includes brokerage costs and things like that so if you normally pay \$10,000 in total premiums then 7% that would be added to that.

Tieman noted based on Prairieland's for a year...their premiums using everything from this year's premiums was \$130,163; 7% of that is \$9,011.

Higgins noted The Board approved an upgrade to the district courtroom including new paint and carpeting and asked JoRae Determan to present color choices for Board consideration.

Determan presented paint color choices and noted painting will be completed over the Labor Day Weekend.

Higgins and Forshee reviewed the CY2017 Preliminary Budget which was at 7.72% and with additional proposed adds and deletes is now at 7.22%.

Jessica Korte reviewed charts and fund balances.

With no further business to wit, Board Chair adjourned the meeting at 4:53 p.m.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Elliot Belgard, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator