

Martin County Board of Commissioners
Work Session
January 30, 2018

The work session was called to order at 3:00 p.m. by Chairman Mahoney. Those present were Commissioners Schmidtke, Smith, Mahoney, Belgard, and Flohrs. Also present were Scott Higgins, County Coordinator, Rod Halvorsen, KSUM-KFMC Radio, Julie Walters, Administrative Assistant, Jason Sorensen, Sentinel Newspaper, Terry Viesselman, County Attorney, Doug Borchardt, Building Maintenance Supervisor, Connie Belgard, Court Administrator, Bill Fahey, Northland Securities, Jonathan Loose, Wold Architects, and Joel Dunning, Wold Architects.

The Pledge of Allegiance was recited.

By consensus, approve the agenda for the January 30, 2018, Board Work Session with one deletion: 4.3 Review of Jail Pay for Stay Fees.

Mahoney introduced Jonathan Loose and Joel Dunning with Wold Architects. Wold was present to present and discuss the initial Justice Center Study Report.

Loose noted we've gone through quite a bit of information so far to get to where we are. We're not at the point where we have necessarily a recommendation to the Board; but, we thought it would be good at this point to get some feedback. So, I'll talk through what we've discovered and what information was gathered and also go through some options and get some feedback as to what the preferences are and if there is more additional information we need to look at.

Loose presented Wold's Session Agenda including: 1. Review Guiding Principles/Project Goals; 2. Departmental Interviews Summary; 3. Draft Space Needs; 4. Draft Jail Projections; and 5. Other Information.

Guiding Principles

Martin County Justice System

- Anticipate the needs of the County for the next 20 years; further if feasible.
- The facilities should strive to be safe for staff, but also be open and publically welcoming.
- Improve security, privacy, and impartiality of all staff, public, and incarcerated persons.
- Foster collaboration amongst staff with a focus on customer service.
- Maintain services within the County for all stages of the justice system process; limit transportation costs.
- Engage the public to gain insight and maintain transparency.

Existing Program Deficiencies

Court Services/Department of Corrections (DOC):

- Co-location would be ideal
- No growth capacity for anticipated/current staff needs

- Disparate UA process is unsafe for staff, clients, and the public
- Existing facility mixes too many different parties, safety and security improvements are needed

Sheriff/Police:

- Lobby spaces are not ideal for customer service or security
- Support spaces are lacking (conference, interview, training, holding, etc.)
- More personal areas needed (reports, break area, wellness, lockers)
- Desire more indoor vehicle storage

Courts:

- Two full jury trial courtrooms needed
- Video courtroom needed
- Inmate transfer isn't impartial, unsafe
- Break-out spaces are lacking

Victim Witness:

- Disconnected with probation
- Consistent security is an issue

Jail:

- Lack of adequate separation/classifications
- Increased drug court creates staff shortage
- Varying interview rooms are lacking
- Detox locations are inconsistent
- Transport/staffing costs continue to climb
- Recreation space could be improved
- Jail spaces no longer meet DOC requirements
- Jail Projections support an increase from the existing 32 bed facility to approx. 64 beds. Added capacity requires conservative increase of 1 staff post (round to 5 FTE)

Loose reviewed jail projection graphs including Average Daily Population (ADP), Annual Total Inmate Days, and Annual Bookings.

Loose next reviewed a Space Needs Summary noting existing, ideal, and renovation option Usable Square Footage (USF) and Gross Square Footage (GSF).

| | Existing* | Ideal | Renovation Option** |
|-------------------------|-----------|--------|---------------------|
| Shared (Police/Sheriff) | 5,898 | 14,826 | 7,700 |
| Sheriff | 1,947 | 5,897 | 2,890 |
| Police | 1,842 | 3,203 | 2,237 |
| Jail | 8,249 | 30,471 | 17,017 |
| Courts | 6,082 | 17,004 | 10,612 |
| Corrections/DOC | 1,884 | 3,423 | 2,933 |
| County Assessor | 884 | 0 | 0 |
| County Attorney | 0 | 1,705 | 1,215 |
| Victim Witness | 636 | 896 | 896 |
| Subtotal (USF) | 27,422 | 77,426 | 45,500 |
| Facility Total (GSF) | 34,098 | 96,782 | 56,981 |

| |
|---|
| *Existing SF shown only represent the Security Building totals. |
| **Renovation Option assumes the courts level of the courthouse will remain operational. |

Loose highlighted Deferred Maintenance items.

Security Building Summary:

- Original Mechanical HVAC Systems, past their useful life
- Plumbing fixtures are past their useful life
- Aging windows no longer energy efficient
- Roof nearing replacement age
- Finishes nearing or past replacement age
- Courtrooms lack adequate ADA and security provisions
- Exterior walls not well insulated
- Electrical panels and switchboard are past their useful life
- Emergency Generator is past its useful life
- Lighting is inefficient and past its useful life
- Fire sprinkler systems cover only a portion of the building

Courthouse Summary:

- Parking lots are in need of repairs, resurfacing
- Historical Windows in need of eventual replacement
- Roof nearing replacement age
- Selective carpeting and finishes in need of eventual replacement
- Minor ADA issues remain as code evolves
- Lack of building-wide temperature controls
- Some lighting and efficiency upgrades recommended

| Deferred Maintenance (2018 Dollars) | | | |
|-------------------------------------|----------------|-----------------------------|----------------|
| Security Building Martin County | | Courthouse Martin County | |
| Site | \$45,000.00 | Site | \$275,750.00 |
| Exterior | \$324,000.00 | Exterior | \$550,000.00 |
| Interior | \$200,000.00 | Interior | \$28,000.00 |
| Accessibility | \$94,000.00 | Accessibility | \$97,000.00 |
| Life Safety | \$90,000.00 | Hazardous Materials | \$0.00 |
| Mechanical Systems | \$3,257,500.00 | Mechanical Systems | \$158,000.00 |
| Electrical Systems | \$669,900.00 | Electrical Systems | \$66,250.00 |
| Total Cost | \$4,680,400.00 | Total Cost | \$1,175,000.00 |

Loose reviewed option summaries and impacts.

Option A Summary:

Construct a New Justice Center off-site to house Jail, Sheriff, Police, Courts, Corrections (w/DOC), County Attorney, and Victim Witness.

Estimated Project Budget - \$41,500,000*

*Includes construction and project soft costs. Land costs and site development not included.

Option A Impacts:

- Lease costs reduced
- Jail rental costs and transport costs nearly eliminated
- Staffing increases (including 5 FTE for Jail)
- Double Jail Capacity
- Security and Safety Issues greatly reduced (inmate transfer)
- Plan for future Justice Groups growth to 2040
- Security Building needs future consideration
- Courthouse Courts floor needs future consideration

Option B Summary:

Construct a New LEC/Jail off-site, including Police and plan for Future Improvements to the Security Building.

LEC/Jail Estimated Project Budget - \$28,000,000*

Sec. Bldg. Estimated Project Budget - \$ 6,900,000*
\$34,900,000

*Includes construction and project soft costs. Land costs and site development not included.

Option B Impacts:

- Lease costs are reduced
- Jail rental costs nearly eliminated
- In-County transport costs remain
- Staffing increases (including 5 FTE for Jail)
- Double Jail Capacity
- Plan for future Justice Groups growth to 2040
- Security Building deferred maintenance needs future consideration
- Inmate transfer issues between Courthouse and Jail remain

Option C Summary:

Construct a New Jail off-site, Security Building Operates “as-is”

Estimated Project budget \$17,700,000*

*Includes construction and project soft costs. Land costs and site development not included.

Option C Impacts:

- Jail rental costs nearly eliminated
- In-County transport costs remain
- Staffing increases (including 5 FTE for Jail)
- Staffing flexibility between LEC and Jail lost
- Double Jail Capacity
- Minimal plan for Justice Groups growth to 2040
- Security Building needs future consideration, lease costs could be reduced
- Inmate transfer issues between courthouse, security building, and jail remain

Option D Summary:

Addition and Renovation to Security Building

Estimated Project budget \$22,000,000*

*Includes construction and project soft costs. Land costs and site development not included.

Option D Impacts:

- Jail rental costs and transport costs nearly eliminated
- Staffing increases (including 5 FTE for Jail)
- Renovation requires additional DOC staffing review
- Double Jail Capacity
- Minimal plan for Justice Groups growth to 2040
- Security Building modernized
- Exterior facade of security building respects courthouse
- Lease costs remain (county attorney, DOC)
- Inmate transfer issues between courthouse and Jail remain

Loose reviewed aerial diagrams and reconfigurations to Option D.

Loose noted our Justice Center Study Committee group is kind of struggling with what the right solution is so we're looking at a lot of different options just to see if we've thought through all the different implications and we just wanted to give all of you commissioners time to look at it and see if there is any other feedback that we could get on our approach and maybe some other information you want to look at.

Commissioner Belgard inquired a city, if they're going to bond to build a new building, is required to do a referendum. Is the county?

Bill Fahey, Northland Securities, was present and answered no. Fahey noted he has had an opportunity to spend time with some lobbyists at the capitol and there is a high probability that we're going to see a very large bonding bill this session in spite of some negative projections. My recommendation to the Board is that we get our house representative and our senator and we just tell them that we want them to submit Martin County's request in the form of \$5 million for the smaller building and \$10 million for the larger building as part of the bonding bill. And this will be in the form of a grant – not a loan – not something that you will have to pay back. The bonding bill is a little bit touchy because if you get a grant you have to pass it by Office of Management Budget and then they pass it through the house and through the senate. If it is a grant it is very much worthwhile. It's worth your effort. It's worth the effort of your representative and senator. Now, that all said, that's going to require moving ahead just a little bit so that as you appear before the house and the senate you can make a little bit of representation about what you are going to do. My belief is that they probably would talk you down from \$10 million to \$5 million. But, \$5 million is still a lot of money. Every penny of this whole thing has got to be paid back by tax dollars in one fashion or another.

Fahey went on to note one form of financing this whole thing is in the form of what is called Lease Revenue Bonds through the County EDA. The County then becomes the lessee and then anybody who funds the bonds would say well what's really the credit there and the county board would say our taxing power and then that's what the law does. Then there's no vote required so you're going to be able to pledge your taxing power against Lease Revenue Bonds through the

EDA and not have to go to the voters at all. If you did just the jail that would include sheriff and law enforcement you could do jail bonds which are GO's...there are debt limits which is not a problem; but, you've got to pay 100% of them back and there's a 30 day waiting period. The Lease Revenue Bonds are more expensive and the interest rate will be higher. We believe we'll probably see about 1 to 2 percent increase across the board. The first ten years will go up and the last ten years will go down. But still at that level we'll be about 2 percent above where we are right now. Which means that based on what you levied for this fall, let's say it's 3 percent or 4 percent, it will roughly be twice that much by the time we get to the point of being able to do it. If we go to the legislature the short session they'll be done in May and we'll have an answer. It may not be the one we want but then let the board decide on which one of these options you truly want to take a look at. Our arguments quite frankly are the economy especially from agriculture is not good. The economy in rural Minnesota is not good. The economy from almost every perspective except for some commercial and industrial is being challenged so larger commercial property owners want to challenge their payment of taxes and that just dumps it on to residential and farm properties. Now, given all that, and the change to the practice of the state they're wanting to dump prisoners on to us and that's a big deal. We didn't talk a lot about that today but that is major...the county attorney has talked about it and it is very significant in everybody's role because they want us to...basically they're telling us to build a bigger building so you can house prisoners.

Commissioner Smith inquired how far along do you have to be in the process of this building in order to go to the legislature and say you want to be in the bonding bill.

Fahey noted you don't have to be very far along at all. You've got a project. I suspect if you had a letter from the DOC in hand saying we absolutely have to build one...that may be a little bit better.

Commissioner Flohrs inquired this will also change our bond rating, wont it?

Fahey noted there's a strong likelihood that instead of keeping our double A we'll drop down to I hope no less than a double A three or double A minus. It really is dependent upon the people that we talk to. However, the sheer amount of money that we're dealing with here will represent the largest amount of money that we've borrowed for our own purposes. So this is a really significant issue. So I think it just demands that we pull out everything that we have and go after the bonding money. The state has two sorts of funds that they will issue under the bonding bill. One is loans...a low interest rate loan like Ditch #47 up by Truman that helped Truman and it helped the county but we're looking for a grant – not a loan – that's what we should be chasing. We've got to make that really clear too.

Chair Mahoney inquired so if we're too late this time around when would be our next opportunity...another two years maybe?

Fahey noted you'd just keep going year to year. You have to keep hammering at the issue and while that's going on you're not doing nothing...what you're doing is really going through each one of these options and sort out which one you can live with and which one you can't...which one is going to work best and which one is going to work the least. Your representative and your

senator have to be supportive – then one or two of you have to be somewhat on call to go up and testify when necessary.

Chair Mahoney inquired if we get the bonding would we be bound to build then right away?

Fahey noted no. Whatever is approved in the bonding bill this spring will not be available to you until next spring...one year from now. That's just the way that their system works.

Chair Mahoney noted the thing that really bothers me is if you build a 64 bed facility and you can only put 50 people in there.

Commissioner Belgard noted one thing according to my math as we do these predictions and projections we're spending \$400,000 a year for outsourcing jail and transporting and their 5 FTE's is probably \$400,000 or close to that so you don't save it you spend it on 5 people. I think that's what stopped this thing about 20 years ago or 25 years ago was it's going to take 20 more people to run it and now it's not as bad...but it still makes it harder to justify.

Commissioner Schmidtke noted if you build a building you've got to find a piece of land that's available and what does that cost.

Chair Mahoney thanked the Wold Architects and Bill Fahey for their presentations.

Corey Klanderud, Chief Deputy Martin County Sheriff's Office and Justice Center Study Committee member, noted it's challenging for the committee in knowing how many options to research without more direction on what the final outcome might be acceptable and so I don't expect an answer today but maybe as you guys discuss things some parameters might be easier to say you know what you could do for "X" amount or something that might be easier for a committee to make some concessions or adjust things so that it fits instead of coming up with sixteen different options...where do you begin and where do you stop. It might be easier for us to be constructive moving forward as a group.

Commissioner Schmidtke noted it's hard to justify \$40 million plus for a new building; but, to renovate that building to make it fit what we want would be really hard to justify.

Commissioner Belgard noted \$42 million equates to about \$2500 per citizen of Martin County approximately. It's a tough sell.

Commissioner Flohrs inquired \$41 million...what would that equate to a payment in a year...how long would we stretch these bonds out...20 years? We want to pay for this thing in 20 years?

Fahey noted this has to go almost 30 years. Part of the building we'd have to amortize over 20 years and the other part over the 30 years – the whole structure. I can make it look pretty simple or pretty even but still we have to understand that part of it is going to have to be replaced after about 20 years and like anything some pieces are going to go bad quicker than that. And part is IRS code...it's not something that I developed...that's just what you've got to do. And 30 years is the maximum that we have in general law and I haven't seen very many exceptions there is

one form if you get a guarantee from the feds – dept. of agriculture for example or soil and water – then they can go 40 years because that’s their normal term. But that’s the only exception generally. Most bond lawyers don’t like to try to write in anything special.

Terry Viesselman, Martin County Attorney, inquired what would that be on a person’s real estate taxes...what percent?

Higgins noted we’ve found some scenarios such as that to answer some of those questions so it puts it into better perspective for you as a Board.

Dunning, Wold Architects, noted discussions I’ve heard in the past are that when you bond for something or get a grant or whatever...you’re paying a lower construction cost today where as if you’re levying taxes and saving that money construction costs are going up so you’re taxing people who don’t get the benefit of the courts and the jail and the improved security for something that’s going to cost more. So the taxes you’re levying now are buying less in the future so a lot of our clients look at that and weigh it and decide that it’s a better economic option to bond now.

Fahey noted it is awfully hard to ignore what the legislature has put in place. You have to go after that money. We talked in the past we increased the tax levy by a little over \$800,000. A \$47 million dollar thing is something close to \$2,300,000 per year just on interest. That’s a lot of money.

Commissioner Smith inquired if we were going to move on requesting bonding money this year we should be moving quick, right?

Fahey noted yes. If I was you I’d be placing a phone call tomorrow.

Commissioner Belgard inquired what is the next step or who makes that call or what planning do we have to do before we make that call.

Fahey noted all the county board has to do is make a motion to authorize staff to contact the legislators to go apply for a grant.

Chair Mahoney inquired would you be the local guy then Scott (Higgins)?

Fahey noted I think you need to have a board member with Scott (Higgins) at almost every one of these meeting. There are a lot of meetings in the capitol outside of the session.

The Board work Session recessed at 4:25 p.m.

The Board work session reconvened at 4:30 p.m.

Chair Mahoney introduced review and discussion of the County’s inclement weather procedure.

Higgins reviewed county policy regarding closure of the courthouse due to inclement weather, the process involved in making that decision, and whether or not there is a modern system of notification.

Discussion included:

- Closure needs to be broadcast before 7:15 a.m. which is the time stated in current policy.
- Human Services policy reads that employee notification must be made by 6:45 a.m.
- Courthouse should stay open because employees living in town could make it.
- Use of PTO to compensate for closure versus compensating without having to use PTO.
- Human Services, Library, Courts, all made their closure decision independently.
- Time spent on telephone calls between Board Chair, Coordinator, Highway Department, Sheriff.
- Adhering to no travel advisories, weather predictions/storm tracking.
- Late starts versus full day closures.

After discussion,

Consensus is to discuss current inclement weather policy and closure of the courthouse with the Personnel Committee including benchmarks used in determining closure, notification of closure, and compensation due to closure.

With no further business to wit, Board Chair adjourned the meeting at 4:46 p.m.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Tom Mahoney, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator