

PROCEEDINGS OF THE
MARTIN COUNTY BOARD OF COMMISSIONERS
TUESDAY – AUGUST 20, 2019
@ 9:00 A.M.

The regular meeting of the Martin County Board of Commissioners was called to order at 9:00 a.m. by Chairwoman Kathy Smith. Commissioners present were Richard Koons, Tom Mahoney, Kathy Smith, Elliot Belgard, and Steve Flohrs. Also present were Scott Higgins, Martin County Coordinator, Jessica Korte, Martin County Auditor/Treasurer, Brooke Wohlrabe, Sentinel Newspaper, Rod Halvorsen, City of Lakes Media, Julie Walters, Administrative Assistant, and members of staff and public.

The Pledge of Allegiance was recited.

Motion by Commissioner Belgard, seconded by Commissioner Koons, Be It Resolved that the Martin County Board of Commissioners, hereby approve the agenda for the August 20, 2019, regular Board of Commissioners meeting. Carried unanimously.

Kyle Redenius and John McDonald, Sentencing to Service (STS Crew Leaders, presented an STS Program update including Department of Corrections (DOC) Work Service Summary Report and noted recent work hours provided at the Martin County Fairgrounds, Martin County Parks, pre-demolition work on two homes in the City of Ceylon, installation of playground equipment in the City of Sherburn, painted curbs in the City of Welcome, assisted Brown County in storm clean-up, load semis with DAV clothing bin items, clean along fence line at Center Creek Cemetery, delivered multiple loads of commercial shelving from the former Shopko building to the old Lincoln School Building (new site for Southern Plains Education Cooperative), demo in old Lincoln School Building, helped out at GHEC School, moved a piano at the Senior Citizens Center, and worked on new mail room and MIS Office projects.

Commissioners thanked Redenius and McDonald for their report and the wonderful job that they do.

Motion by Commissioner Mahoney, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby receive and file the Department of Corrections Sentencing to Service Work Service Report for 2nd Quarter 2019. Carried unanimously.

Jim Beattie, representing BevComm, was present to request letters of support from both the County Board of Commissioners as well as County Coordinator Scott Higgins, for BevComm's grant application for an area located in a portion of the Huntley exchange. Beattie noted the project will have a total cost of \$423,500 and will affect approximately 22 residents of Martin County that will have access to 1 gigabit internet speed.

After discussion,

Motion by Commissioner Belgard, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, in support of BevComm's proposed Border to Border

Broadband Grant application through MN DEED Office of Broadband for the proposed project in portions of rural Huntley, Minnesota, which will serve approximately 22 residents of Martin County, approve and authorize the Board Chair to sign a Letter of Support for the BevComm grant application along with a Letter of Support from the County Coordinator. Carried unanimously.

Beattie continued I'm sure you're aware that we purchased the cable systems in the cities of Truman, Trimont and Welcome, and we are in the process of getting this project set up. We hope to be able to start hooking up customers by the end of this year as soon as construction is done. So those communities will also have access to gigabit broadband service as well. So we're trying to attack this in a strategic way...not trying to overextend ourselves but picking up projects that we think will work for us and for the residents of Martin County.

Beattie inquired if Martin County would consider contributing to the Huntley Project via a loan through a revolving loan program to help defray the engineering costs; and thanked Commissioners for their time and letters of support; and hopefully we get this grant and we can continue to expand our service in Martin County.

Scott Higgins, Martin County Coordinator, noted there has been discussion and all indications are that neither the County nor the EDA are set up for a loan process. Therefore, a loan is not an option.

Higgins noted that the Martin County Veterans Service Office has received notification that Martin County is eligible to receive a CVSO Operational Grant for FY2020 in the amount of \$10,000; and that the funds must be used to enhance the operation of the County Veterans Service Office and should not be used to supplant or replace other funding. Higgins recommends authorization to execute the FY2020 CVSO Operational Enhancement Grant.

Motion by Commissioner Flohrs, seconded by Commissioner Koons,

R-#28/'19

RESOLUTION
AUTHORIZING EXECUTION OF
COUNTY VETERANS SERVICE OFFICE
OPERATIONAL ENHANCEMENT GRANT

BE IT RESOLVED, by the Martin County Board of Commissioners that Martin County, MN, enter into the attached Grant Contract with the Minnesota Department of Veterans Affairs (MDVA) to conduct the following Program: County Veterans Service Office Operational Enhancement Grant Program. The grant must be used to provide outreach to the county's Veterans; to assist in the reintegration of combat Veterans into society; to collaborate with other social service agencies, educational institutions, and other community organizations for the purposes of enhancing services offered to veterans; to reduce homelessness among veterans; and to enhance the operations of the county Veterans Service Office, as specified in Minnesota Statutes 197.608 and Minnesota Laws 2017, Chapter 4, Article 1, Section 38, Subdivision 2. This Grant should not be used to supplant or replace other funding.

BE IT FURTHER RESOLVED, by the Martin County Board of Commissioners, that Douglas C. Landsteiner, Martin County's Veterans Service Officer, be authorized to execute the attached Grant Contract for the above-mentioned Program on behalf of the County.

WHEREUPON, Motion by Commissioner Flohrs, seconded by Commissioner Koons, said resolution was duly passed and adopted this 20th day of August, 2019.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Kathy Smith, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator

STATE OF MINNESOTA

MARTIN COUNTY, MN

I, Scott Higgins, do hereby certify that I am the custodian of the minutes of all proceedings had and held by the Martin County Board of Commissioners of Martin County, MN, that I have compared the above resolution with the original passed and adopted by the Martin County Board of Commissioners of Martin County, MN, at a regular meeting thereof held on the third Tuesday of August, 2019, at 9:00 a.m., that the above constitutes a true and correct copy thereof, that the same has not been amended or rescinded and is in full force and effect.

IN WITNESS WHEREOF, I have hereunto placed my hand and signature this third Tuesday of August, 2019, and have hereunto affixed the seal of the County.

Scott Higgins, County Coordinator

Roll Call AYES: Commissioners Mahoney, Koons, Flohrs, Belgard, and Smith. NAYS: None. Resolution duly passed and adopted this 20th day of August, 2019.

Higgins and Korte reviewed the preliminary CY2020 budget which was initially at 9.4% and after cuts discussed at the last meeting the preliminary budget levy is currently at a 6.43% increase from 2019 to 2020 Levy. An additional \$70,533 in cuts will get us down to an approximate 6% increase and an additional \$233,642 in cuts will get us down to an approximate 5% increase over CY2019. Discussion ensued on bringing the budget down closer to the 5%.

Michael Forstner, Martin County Drainage Administrator, was present to request an extension on the completion date for the JD #20 Improvement Project. The original substantial completion date was June 1, 2019 and an extension to April 1, 2020 has been recommended by the project

engineer due to weather conditions and bad soil. Forstner recommends approval of the time extension.

Motion by Commissioner Mahoney, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, acting as the Drainage Authority for Martin County, hereby approve and authorize the time extension request received extending the completion date for the JD #20 Improvement Project to April 1, 2020. Carried unanimously.

Forstner noted a Petition was received for Outlet into Martin County Ditch #40. Ron Ringquist was appointed as Viewer and has given us his recommended benefit amounts. Forstner went on to note the date of September 17, 2019 is recommended to hold a public hearing on petition received for outlet into Martin County Ditch #40.

After discussion,

Motion by Commissioner Belgard, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, acting as the Drainage Authority for Martin County, hereby sets the date of September 17, 2019, at 1:30 p.m. to hear Petition for Outlet into Martin County Ditch #40. Carried unanimously.

Forstner noted there is a Public Hearing this afternoon at 2:00 p.m. for Petition to Impound, Reroute, and Divert a portion of CD #24 (need a quorum in attendance); and that an Information Public Hearing will be held on August 28, 2019, at 10:00 a.m. in Faribault County (Board Room) for JCD #23 (Commissioners Belgard and Mahoney to attend).

The Board reviewed Warrants to be paid August 20, 2019.

Motion by Commissioner Belgard, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve Warrants to be paid on August 20, 2019, and includes the Martin County Highway Department and Drainage bills as presented. Carried unanimously.

Warrants received and paid August 20, 2019, are registered on file in the Auditor/Treasurer's Office as follows:

Revenue Fund – Warrants Approved August 20, 2019	\$ 87,007.74
Martin County Economic Development Fund	\$ 733.39
Solid Waste Management Fund	\$ 31,408.85
Law Library Fund	\$ 1,946.30
County Attorney's Forfeiture Fund	\$ 1,174.25
Building-CIP-Fund	\$ 13,286.95
Human Service Building Fund	\$ 4,702.19
Total	\$140,259.67
Road and Bridge Funds Totaled	\$ 12,613.73
Martin County Ditch Funds Totaled	\$158,572.37

The Board reviewed MCIT's 2019 Dividend information for Martin County (\$77,399) and the Martin County Economic Development Authority (\$161.00).

Commissioners reviewed their calendars of previous and upcoming meetings and activities: August 6, 2019 – Fairmont Comprehensive Plan meeting; August 7, 2019 – F-M Joint Transit Executive Board meeting at 8:00 a.m.; August 8, 2019 – Soil and Water meeting; August 13, 2019 – Library Board meeting; August 14, 2019 – Human Services Personnel meeting; August 15, 2019 – Prairieland meeting, Farm Family of the Year Award Presentation, Frontier meeting; August 16, 2019 – Prairieland Full Board meeting and Transit Full Board meeting; August 19, 2019 – Lutz Cancer Center Open House and Ribbon Cutting Ceremony, closed on the purchase of 1200 North State Street property; August 20, 2019 – regular Board of Commissioners meeting at 9:00 a.m., CD #24 Public Hearing at 2:00 p.m., Human Services Citizen Advisory and Full Board meeting at 5:30 p.m.; August 21, 2019 – Park Board meeting at 4:30 p.m. – Bright Lake; August 26, 2019 – Insurance Renewal meeting at South Central Services Coop – Mankato, MN, and Martin County Kinship meeting; August 27, 2019 – Board Work Session at 4:00 p.m.; August 28, 2019 – Human Services meeting at 8:30 a.m., JCD #23 Public Hearing at 10:00 a.m. in Faribault County (Board Room), AMC Extension Committee meeting in St. Paul, MN; September 2, 2019 – Labor Day Observed – Courthouse Closed; September 3, 2019 – regular Board of Commissioners meeting at 9:00 a.m. – Commissioners Meeting Room – Courthouse; September 10, 2019 – Martin County EDA meeting at Ceylon City Council Chambers, 6:00 p.m.

Kevin Peyman, County Engineer, presented a brief Highway Department Update including scheduled sealcoat road striping next week; grading is moving along and more progress is being made on CSAH #54 Construction Project (mid-October completion date); upcoming meeting to discuss road agreement for refurbishing of wind turbines up by the Jackson and Martin County Line; and future Turn back of CSAH #263.

The Board recessed at 9:56 a.m.

The Board reconvened at 10:09 a.m.

Chairwoman Smith noted Martin County has been requested to provide tax abatement for a proposed project from CHS, Inc. in Fairmont. The County is being requested to approve tax abatement on the County's share of property taxes on the tax abatement property in an amount not to exceed \$423,930 for a term of up to 10 years to finance a portion of the costs of the Project. Representatives are here from CHS, Inc. to provide an informational review of the proposed CHS, Inc. tax abatement request. The purpose of their presentation is for information only and is not a public hearing. The public hearing was set by the Board to be held on September 3, 2019, at 10:00 a.m.

CHS, Inc. representatives noted the Fairmont Plant has been operating since 2003. Some of our key equipment in the Plant is at end of life and needs to be replaced. The company has looked at it and rather than simply just replace in kind we would like to go with a little bit larger equipment. This equipment will allow the Plant to run at about a 30% faster rate. So we'd draw about 30% more soybeans in. This project is estimated to cost approximately \$100 million dollars for us to complete this. Pending project approval this fall we're looking at completion fall of 2021.

The Fairmont Plant is not adding any new processes. We take soybeans and process them into soybean meal and oil. We aren't adding any new process we're basically replacing this old equipment with equipment that's a little bit different. The technology has changed a little bit and it is also a little bit larger. Our current buildings won't quite house some of the equipment that's why we're going to have to add a couple of buildings. We're also adding a little bit of meal storage to help us out with railroading.

The Fairmont Plant produces crude soybean oil and that soybean oil is hauled up to Mankato, MN. There are approximately 30 to 40 trucks that haul up to Mankato per day which will increase by 30%. On a seven day average we're right around 250 trucks of material coming in every day which will increase by 30%. I should note that as part of the project we aren't adding any additional soybean storage and during harvest time that's always a challenging time with the heavy traffic flows. We don't anticipate this project would affect harvest time traffic. This would be routine continuous traffic and by in large the plant is able to handle that.

Along with CHS, Inc. representatives, also present were city Council members, City Administrator Mike Humpal, Fairmont Schools Superintendent Joe Brown, and Fairmont's Economic Development Coordinator, Linsey Preuss, as well as members of the public.

Neighbors that live by the Fairmont Plant noted their concern that trucks are already blocking them in and with a 30% increase it will only get worse.

Peyman noted you know truck staging has been an issue year round and trucks have blocked our snowplows from getting through and creates maintenance issues. So I think if the County is going to consider the tax abatement or any type of permitting we should have some type of requirement that they have planned for their staging at 30% more traffic. Eighteen years ago the County spent \$500,000 building that road. So I do think from our standpoint that we should see some type of staging plan to show they can handle this traffic. I'm not against it at all but I do think as commissioners you need to understand there is a fairly substantial cost to the County with this. We're probably not far out from having to put money into that road for rebuilding it.

Commissioner Koons noted I understand there are no jobs added here in Martin County.

Brandon Nordstrom, Plant Manager CHS, Inc. Fairmont, noted that is correct. The equipment we're replacing is the same process the equipment is just a bit bigger. It requires the same amount of people to operate it. With this project we've got a mix of contractors some national, regional, and local contractors, that will be working on the project and when it comes to maintenance we typically go to our local contractors because they can get here right away and are familiar with the site. And obviously there's an impact on the local farm economy. As we're constructing the facility there are going to be jobs created - not at the plant but they'll be staying at local hotels, using restaurants, and everything else in the community as well as the \$100 million dollar project goes forward.

Commissioner Belgard noted his concern for the tanker trucks that drive through the City of Truman on their way to Mankato. The trucks don't slow down to the 30 mph speed limit.

Linsey Preuss, Economic Development Coordinator with the City of Fairmont, was present to note I've heard negative things about the truck traffic increasing but really we want traffic on our roads. We don't want there to not be traffic on our roads or that's showing a declining community. I think it's great that CHS wants to make a \$100 million dollar capital investment in our community and I'm thankful that you guys are here and interested in this project.

Commissioner Belgard noted for the County to grant abatement, the project has to provide at least one full time job per the County's Business Subsidy Policy.

Jake Hamlin, CHS, Inc., noted we are likely and have folks currently and in the future on staff at Inver Grove Heights specific to the project expansion. So there would be jobs tied to that and then pending an evaluation by the facility, by the business, there may be consideration in the future for additional plans not proposed currently but in the future.

Mike Humpal, City Administrator for the City of Fairmont, noted I don't look at the City or the School District or the County giving up anything. Without the investment there would be no additional tax base. What I heard is that the equipment is at the end of its useful life so if they don't do this investment what happens to the plant. What happens to the 52 jobs that are there? What happens to the grain that's procured out of that plant from a 70 mile radius to help feed our economy? They invested between \$85 and \$100 million eighteen years ago and they're saying they're going to invest another \$100 million now. That pretty much for me says that they're going to continue to invest rather than just let this plant go and I think we need to look at that. Humpal went on to note if they don't invest we won't have the additional money. We're not abating their entire property tax base right now. We're not abating what they're paying now.

Wes Anderson, Martin County EDA member, noted the cost of doing business is what they're doing. Their stuff is worn out and they need to replace it. A farmer's combine is worn out and he replaces it. He doesn't get abatement. Nor farmer gets abatement on equipment that wears out. He replaces it at his own expense. A company does the same thing. It's the cost of doing business.

Mike Sheplee, County Assessor, noted the \$100 million includes the plans, labor, costs to get the project up and running. The taxable part of the \$100 million is approximately \$5.3 million dollars of new taxable value. So I just wanted to clarify this along with the \$5.3 million dollar taxable value question...not \$100 million.

Tom Malecha, Senior Vice President of Processing and Food Ingredients with CHS, Inc., thanked Commissioners for the opportunity to be here. Obviously there are issues on all sides of things. But we have been good stewards to the community as well. Not only to the City but the pork producers and we've always been supportive of growing the economy we're in. Our plant is about a \$700 million dollar a year plant in revenue and if you multiply that by the ancillary businesses around you'll see that we're a very good community participant and hope you think of that as we move forward. We look forward to solving road issues as best as we possibly can because we also don't want to see any accidents. We have been here for eighteen years and we intend, if this project is permitted and would go through, to be here longer and I think you'll see

that the value we bring into the community is much greater than the tax abatement that we're asking for.

Chairwoman Smith noted if there are no other questions we will end this part of the meeting and thanked everyone for attending.

Dan Larson, Executive Director for Minnesota Rural Counties (MRC), was present update the Board on the benefits of adding Martin County's energies and talents to the MRC membership group. MRC is an affiliate of the Association of Minnesota Counties (AMC) is an established and well-regarded organization with coordinated leadership and communications capabilities that advocates specifically for rural county concerns. Larson noted the MRC meets eight times per year and anytime AMC is going to have a statewide meeting we'll meet the night before and membership dues for Martin County is \$2,300/year; and asks that Martin County considers joining the MRC organization. Larson reviewed MRC's 2019 Legislative Priorities including:

- Transportation Funding
- Sustaining the Health Care Access Fund
- Broadband Funding
- Dept. of Revenue Utility Valuations
- County Based Purchasing
- Dark Store Valuations
- County Assessor Certification Process for Comprehensive Assessments
- DNR Regulatory Authority over Public Drainage Maintenance and Repair
- Compensate Landowners for the Loss of Buffer Strip Acres for Production Purposes

The Board briefly discussed joining the Minnesota Rural Counties organization and will bring to a future meeting for further discussion.

Higgins informed the Board that Mary Ippel; Attorney with the Briggs and Morgan law firm is representing the County on the proposed CHS, Inc. Tax Abatement, along with the City of Fairmont and Fairmont School District.

With no further business to wit, Motion by Commissioner Flohrs, seconded by Commissioner Belgard, to adjourn the meeting. Carried unanimously.

Meeting adjourned at 11:10 a.m.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Kathy Smith, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator