

PROCEEDINGS OF THE
MARTIN COUNTY BOARD OF COMMISSIONERS
TUESDAY – SEPTEMBER 3, 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 Kathy Smith, Elliot Belgard, Steve Flohrs, Richard Koons, and Tom Mahoney. 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 Koons, Seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve the agenda for the September 3, 2019, regular Board of Commissioners meeting. Carried unanimously.

Motion by Commissioner Flohrs, seconded by Commissioner Koons, Be It Resolved that the Martin County Board of Commissioners, hereby approve the minutes of the August 6, 2019, regular Board of Commissioners meeting; and approve the minutes of the August 20, 2019, regular Board of Commissioners meeting. Carried unanimously.

Mike Sheplee, County Assessor, introduced Jessica Laue, Appraiser for the Martin County Assessor's Office. Sheplee noted Laue began her duties on August 7, 2019.

Diane Sanders, County Recorder, introduced Sarah Halvorson, Account Technician I for the Martin County Recorder's Office. Sanders noted Halvorson began her duties on August 7, 2019.

The Board welcomed Laue and Halvorson to their new positions.

Bryan Murphy, Larry Murphy, and Shantel Hecht with H2Overviewers, LLC were present to introduce themselves to the Board and present their process for redetermining benefits.

Doug Hartke, Fox Lake Conservation League, Inc. was present to update the Board on notification to purchase three parcels:

- 1) 160 acres from (Doug) Swanson's Section 23, Elm Creek Township. Estimated Payment in Lieu of Taxes (PILT) based on \$880,000 value is \$6,600.00. Current taxes on that parcel are \$4,220.00.
- 2) 303 acres from Joan Pearson Et al Section 36, Elm Creek Township. Estimated PILT based on \$1,886,000 value is \$14,450.00. Current taxes on that parcel are \$11,170.00.
- 3) Updated acres due to survey of Duane Blachowske 129.43 acres Section 28 of Center Creek Township. Estimated PILT based on \$453,000.00 value is \$3,397.50. Current taxes are unknown at this time due to parcel split.

Scott Higgins, Martin County Coordinator, noted the Sheriff's Office has submitted the Annual County Boat and Water Safety Grant application and was awarded \$3,112.00 for FY2019. The effective date of the grant is January 1, 2019 and expires June 30, 2020. Higgins went on to note the grant will cover expenses incurred for patrol, enforcement, search and rescue, watercraft inspection, waterway marking and accident investigation.

Motion by Commissioner Belgard, seconded by Commissioner Flohrs,

R-#29/'19

RESOLUTION

AUTHORIZING EXECUTION OF ANNUAL COUNTY BOAT AND WATER SAFETY AGREEMENT

BE IT RESOLVED THAT, Martin County enters into a grant agreement with the Minnesota Department of Natural Resources for the program entitled County Boat and Water Safety in the grant amount of \$3,112 to cover expenses incurred for patrol, enforcement, search and rescue, watercraft inspection, waterway marking and accident investigation effective January 1, 2019 and expires June 30, 2020.

BE IT FURTHER RESOLVED, that the Martin County Sheriff, Chairman of the Martin County Board of Commissioners, and Martin County Auditor/Treasurer, are hereby authorized to execute and sign such grant agreement on behalf of Martin County.

Motion made by Commissioner Belgard, seconded by Commissioner Flohrs, and duly adopted this 3rd day of September, 2019.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Kathy Smith, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator

Roll Call AYES: Commissioners Koons, Mahoney, Flohrs, Belgard, and Smith. NAYS: None. Resolution duly passed and adopted this 3rd day of September, 2019.

Pam Flitter, Martin County Zoning Official, was present to request the Board set a public hearing date for public testimony regarding proposed increases to the Planning and Zoning Office Fee Schedule. Flitter noted July 1st and July 23rd I met with Commissioner Smith and Commissioner Flohrs regarding the increased fees and then I attended both of the work sessions held July 30th and August 27th. Flitter went on to note our office fees have been reviewed over the years but

they have not been changed since 2003 except for the increase that we had in feedlots. Flitter also noted the increases are due to the increased cost of administration and more program requirements from the state. The proposed increase is at 17%.

Higgins noted the recommended date for holding the Public Hearing is October 15, 2019, which will allow enough time to get notice out and to prepare for the first of the year if so approved by the Board.

Commissioner Koons inquired if other departments will be increasing fees so there is only one Public Hearing instead of having two or three hearings.

Higgins noted he will find out at the Department Director's meeting next week.

After further discussion,

Motion by Commissioner Flohrs, seconded by Commissioner Koons, Be It Resolved that the Martin County Board of Commissioners, hereby postpone setting a public hearing date to take public testimony and consideration for proposed fee increases to the Planning and Zoning Office Fee Schedule. Carried unanimously.

Jessica Korte, Martin County Auditor/Treasurer, presented and reviewed an amendment to Martin County's Voting Equipment Grant Agreement, correcting a typo in Revision 3; Section 2.2(1) "Progress Reporting" the deadline for the expenditure reporting is incorrectly listed as "December 31, 2020". This should be "December 31, 2019", and will also allow for the information to be gathered for reporting to the legislature by the January 15, 2020 deadline; and reflects the new Authorized Representatives.

Motion by Commissioner Mahoney, seconded by Commissioner Belgard, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize the Board Chair and Auditor/Treasurer to sign the State of Minnesota Voting Equipment Grant Agreement Amendment reflecting Progress Reporting end of year deadline date and new Authorized Representative. Carried unanimously.

Leigha Hauglid, Human Resources Manager, was present and noted the Board has authorized the recruitment of a replacement for the Accountant Position in the Auditor/Treasurer's Office. Hauglid went on to note the recruiting process has been completed and recommends the hire of Jean Johnson, CPA at Grade 12 Step 3 at \$22.18/hour with a tentative start date of September 16, 2019.

Motion by Commissioner Flohrs, seconded by Commissioner Koons, Be It Resolved that the Martin County Board of Commissioners, upon the recommendation of the Human Resources Manager and Auditor/Treasurer, hereby approve the hire of Jean Johnson, CPA, as Accountant at Grade 12 Step 3 at \$22.18/hour for the Auditor/Treasurer's Office, effective September 16, 2019; and is eligible for full benefits as it applies to this position; and is subject to successfully serving a twelve (12) month probationary period in this position. Carried unanimously.

Hauglid next presented her recommendation to approve updated job descriptions for Legal Secretary for the County Attorney’s Office and for Administrative Assistant for the Victim Services Office. Hauglid noted updates made to the job descriptions include format updates, competencies, and physical requirements and working conditions.

Motion by Commissioner Belgard, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, upon the recommendation of the Human Resources Manager, hereby approve the job description for Legal Secretary for the County Attorney’s Office and to approve the classification of the position per the County Compensation and Classification Plan Policy, as a Grade 11; and hereby approves the revised job description for the part time Administrative Assistant II job for the Victim Services Office. Carried unanimously.

Higgins noted bids were opened and received for the Security Building Generator Replacement Project at 2:00 p.m. on Tuesday, August 27, 2019, and three bids were received. Higgins went on to note per Wold Architects and Engineers the apparent low bidder is DeWar Electric and based on their history with Martin County and success on other similar projects, Wold is in support of their capability to perform the work as identified in the Contract Documents and recommend entering into contract with DeWar Electric in the amount of \$219,037.00.

<u>Bidder</u>	<u>Base Bid</u>
DeWar Electric (Fairmont, MN)	\$219,037.00
Laketown Electric (Mankato, MN)	\$236,000.00
Sussner Construction Inc. (Marshall, MN)	\$229,000.00

Motion by Commissioner Belgard, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, after review and upon the recommendation of Wold Architects and Engineers, hereby awards low bid for the Security Building Generator Replacement Project to DeWar Electric of Fairmont, MN in the amount of \$219,037.00; and authorize the Board Chair or the County Coordinator to sign and execute the necessary documents for the listed project. Carried unanimously.

Higgins reviewed an assignment agreement for the Transit Facility noting that back in 2005 the Minnesota Department of Transportation (MnDOT) had an agreement with Martin County to construct a new transit facility. Higgins noted we need to update this grant agreement in order to assign the responsibilities and obligations, including the continuing bond requirements for the Transit Facility to the Faribault-Martin County Transit Board.

Motion by Commissioner Flohrs, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize the Board Chair to sign the State of Minnesota 2019 Capital Public Transit Facility Assignment of Grant Agreement (MnDOT Agreement No. 1035070) between the State of Minnesota, Martin County and the Faribault-Martin County Transit Board, per the terms of the Agreement. Carried unanimously.

Higgins noted the Coordinator’s Office has been notified that John Hovick’s term serving on the South Central Minnesota Multi-County HRA Board will expire on September 30, 2018, and recommends the re-appointment of Hovick to serve an additional term.

Motion by Commissioner Mahoney, seconded by Commissioner Belgard, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize the re-appointment of John Hovick to serve on the South Central Minnesota Multi-County HRA Board of Directors with term beginning September 12, 2019. Carried unanimously.

Bob Mickelson with ISG was present to review the Design, Spec and Bidding phase for Restoration of the Copper Dome and Clock. Mickelson noted this proposal has two different bid type packages - one for the clock restoration and one for the copper roof replacement and restoration and we anticipate two separate bid packages would be issued on that. We also anticipate that we would look at some alternative bidding procedures. Obviously we want to talk to the county attorney on that but because of the specialized nature on both of these pieces of construction rather than seeking low bid we'd like to look at some best value bidding or some other type of opportunities that are there for us legally to pursue to make sure that we've got qualified people.

Mickelson went on to note the other portion of this deals with the State Historic Preservation Office. Sometimes the Historic Preservation Office requires a large number of additional submittals and responses and those types of things as part of the grant application process. We're not sure of the value of that work and we are proposing that as an hourly fee.

Mickelson also noted the other thing that I did on the proposal is I revised the project budget (second to the last page) so that's an update from the original assessment that we did and what that does is it takes into consideration the updated cost that Renaissance Roofing provided us. The cost for the clock had been updated. It actually then went down just a tad bit and the masonry restoration which is the awarded contract for the tuck-pointing of the dome - that's been updated. We also added we had a number there of \$200,000 to \$250,000 if we did rubber roofing. Renaissance provided us a cost of \$1.2 million if we were to go to a copper roof so that's put in there as well. The amounts for the structural repairs remains the same. Same with the electrical. The additional work to cover the sky facing stone that cost was removed because that cost was included with the masonry work that was there so that's no longer a separate line item. The mural restoration is there and the contingency is also another large line item change. The construction contingency for the tuck pointing is reduced down to 5% and I reduced the overall contingency on the work to be designed and bid yet down 15%. I originally had that at 20% but the number goes up quite a bit because of the dollar value on the roof restoration for the copper roofing so that number increased quite a bit. We always say it's money spent - it's just not know where yet so we put it in there. So total construction costs came at \$4.3 million. We've updated the fees which are in response to fees that we already completed for the masonry work and we've updated fees based on the proposal for a copper dome replacement and those types of things. So we're about at \$4.6 million right now for the total project and I felt that was important that you understood that moving forward.

Discussion ensued pertaining to project timeframe including Phase I tuck-pointing.

After discussion,

Motion by Commissioner Belgard, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby approve engaging with ISG Architects and Engineers of Mankato, Minnesota for the Design, Specifications, and Bidding for Reconstruction of the Martin County Courthouse Dome and Clock (faces and system); and authorize the Board Chair and County Coordinator to sign and execute the necessary documents for the listed projects. Carried unanimously.

The Board meeting recessed at 9:58 a.m.

The Board meeting reconvened at 10:00 a.m.

Chairwoman Smith opened the public hearing to consider tax abatement request from CHS, Inc. noting CHS, Inc. is proposing a \$100 million dollar investment project to increase capacity at their current location. As part of the financing CHS, Inc. is asking for 10 year tax abatement from the County, along with the City of Fairmont and Fairmont School District, to assist them in financing the construction of new facilities and the expansion of existing facilities. The real property improvement as it relates to the proposed project is \$5.3 million, which is the amount of taxable value that will be abated. For the County, the abatement is not to exceed \$42,393 annually for a total of \$423,930 over the 10 years. CHS, Inc. estimates they will spend over \$3.1 million or more to local contractors and materials for construction of the project. If the project does not go through, the County, City of Fairmont and Fairmont Schools could lose approximately \$140,000 in taxes annually. The project must serve a public purpose in order to qualify to receive public funding as required by state statute. The public purpose on this project is expanded tax base and further value added to agricultural commodities. This is consistent with the Martin County Business Subsidy Policy. CHS, Inc. currently employs 52 jobs at the Fairmont Facility. The Martin County EDA, last month, recommended approval (of the tax abatement request) to the County Board.

Brandon Nordstrom, plant manager for the CHS, Inc. site, was present and noted we're happy to answer questions.

Ned Koppen, president of the Fairmont Chamber of Commerce, was present and noted he is in support of the CHS, Inc. Project.

Mike Borchardt was present and noted the only thing I'm concerned with on this tax abatement is what it's going to do with the operating levy. Is it going to be increased? I'm glad they are spending \$100 million in Fairmont; but I just don't think they need the tax abatement money. There are other issues that need to be addressed before this abatement money. If this does go through and if you guys do vote it in it should be tabled on some conditions that have to be met with us neighbors because nothing has been done in 18 years so we're a little leery of things getting done now.

Linsey Preuss, Economic Development Coordinator with the City of Fairmont, was present and noted the Fairmont City Council did meet and approved unanimously the tax abatement over the 10 year period. And I also wanted to explain that abatement is an incentive. It's not something that would increase the property taxes for anybody else. It's an incentive that we're just putting

off the property tax that we would receive until 10 years. So it would not affect any other taxpayer.

Gene Hugoson, farmer in East Chain Township, former legislator and Commissioner of the Department of Agriculture, was present and noted as someone that has been interested in this project from the start I have a lot of excitement about this. Having worked with government for a number of years tax abatement is often times what's necessary to tip the balance whether a project will actually take place. And so I would certainly encourage the commissioners to look favorably on the request for the tax abatement and look in that direction.

Mike Sheplee noted the real estate related items that we could attach to the property tax are about \$5.3 million dollars. When the project is completed this \$5.3 million dollars will be added to the property to the parcel - the tax value will show the higher value - they will pay that higher tax. But then we will return the amount of the tax on that \$5.3 million dollars from whatever the terms of this agreement are. It will get paid and refunded as part of this process.

Lynn Harris, lives across the county road from CHS, Inc., was present to note we're not against CHS, Inc.; but, we feel that our concerns have been ignored for 18 years, including: truck(s) parking on the road and blocking our driveway; water issues on Mike Borchardt's property; lack of privacy in regard to Jennifer and Jason Harris' property; and consider placement of garbage cans and portable toilets for truckers to use. Let's come to some type of a written agreement so that it can be in the best interest of everyone.

Commissioner Flohrs noted he spoke with Brandon (Nordstrom) the other day and we talked about a truck parking lot and think it is important to get the trucks off the road and over to the fairgrounds as soon as possible and sooner than they're doing now. This is a huge problem for these people (that live) on that road.

Commissioner Belgard noted we have had it pointed out to us that those aren't CHS, Inc., trucks. So we have a limited amount of authority over that part of it.

Commissioner Koons noted I'm by no means against CHS, Inc., because I haul in and out of there myself. But, the good neighbor policy hasn't worked for 18 years. I do think that if we move forward with this we need to have something in writing in this contract that we're going to put this staging area in, we're going to take care of and maintain the drainage problems we have, and put in some type of fence or tree shrubs to give these people some privacy. We need some assurance that these things are going to be part of the plan.

Tom Malecha, CHS Inc., was present and noted again I really have to take a look at what a plan would look like for that. One of the issues you have is if we're going to put fence and shrubs in will it be a factor as we go down the road because again it's an industrial site. I think we have to get some plans and take a look at it from that standpoint. We certainly are willing to work with the neighbors but I also think it has to be cooperative in that too. We are a member of the community, we built the plant with the plans that we agreed to have. It is an industrial site. There is some inherent noise that comes with it, there's truck traffic that comes with it, all those things because we are an industrial park. Some of those things are inherent to the business that we operate and I can't eliminate all noise and I can't eliminate all truck traffic and things like

that. But we certainly would work to try and come up with an amicable solution. But to tell you exactly what that would be - I wouldn't know what that would be today. We have committed to the parking lot and we still will have our contract with the County fairgrounds so that if we go beyond 100 (trucks) we can put trucks there as well. We'll take a look at what we can do for dumpsters, restrooms - I can't govern what a truck driver does. Again, they're not our truck drivers. If they throw garbage out we can try and keep the ditches clean. I think in times past we've hired the FFA and 4-H to come and clean ditches and we're certainly interested and willing to do things like that. As an Ag company we're about keeping rural America viable and will continue to do that in this case as well.

Commissioner Mahoney inquired about the timetable for the truck holding area.

Nordstrom noted by 2021 year end.

Jennifer Harris, neighbor living directly next to CHS, Inc., was present to note coming from a farming family I do appreciate CHS, Inc., being here. But, it's been 18 years since this plant was built and nothing has gotten accomplished. The parking was supposed to have been 18 years ago. We've been working with CHS, Inc., and it seems like they're being very good to work with now; but, who's to say this abatement goes through and things go back to how they were for the last 18 years. That's what our concern is. We want to come to an agreement with them. We're trying to work with them but we are scared that they will get what they want today and toss us to the side and be done. We're concerned for our three girls that are growing up next to this plant. If we have parking to the south of us and to the west of us we will be surrounded on all four sides. Our kids just can't go out and play anymore. And it's just very frustrating that it has taken this long to get something done. So it would be great to see this tabled and get these agreements done and in writing and then by all means go ahead with the abatement if that's what you wish to do.

Chairwoman Smith inquired if staging was part of the CHS, Inc., project agreement 18 years ago.

Mike Humpal, Administrator City of Fairmont, was present and noted I don't recall any discussions on a parking lot. There were discussions in a public meeting with then CHS, Inc., Project Manager, Gary Korbitz. One of the questions from a citizen was would you explore tree planting or something. I reviewed it from the minutes of that meeting just the other day and it was that we would continue to explore trees. And the agreements that the City had there's nothing specific about trees or a parking area.

Kevin Peyman, County Engineer, was present and noted I was around also and I don't remember any conversation; but, I do know and I have a letter right here that when we designed the road we were told that the average the most vehicles they'd see per day is about 300 trucks per day over the course of a year with a peak number during harvest of 450 trucks per day. But at that last meeting they said they were at 1400 trucks per day. A ten ton road is not a ten ton road. It's designed based on the number of trucks per day so if the road is designed for 300 trucks per day average and now it is drastically over that and has been a lot more. So I think it is important with wherever the staging parking lot is, is that it is on the blacktop portion and not the gravel. If you

put it on the gravel our gravel will never last. I think the road was probably better designed as it was based on the information we were given at the time so with the truck traffic going up we're going to have to invest more in the roads. We don't have the legal ability to assess like the City does so that's going to be a County expense. But I don't recall the staging being discussed at the time. But, I don't think we were talking the same amount of trucks as we're talking now.

Wes Anderson, citizen and local farmer, was present and noted I appreciate all the comments made here today. I think the folks that live on that road have a lot to talk about and I agree with them. I am on the EDA Board and I want to stress to CHS, Inc., that we need your company here for Martin County farmers and all the farmers in a 100 and 150 mile radius. Anderson noted numerous concerns including: the cost of road maintenance and repairs due to increased truck traffic; CHS's knowledge of *Plenish Soybeans*; local grain elevators that did not ask for tax abatement; local taxpayers having to absorb the tax abatement; and no on-site job creation. If you're going to vote yes and pass this abatement I highly suggest you reconsider. You're throwing a hand out to CHS, Inc., and a burden to the Martin County taxpayers, especially the farmers who are in and have been in a financial crunch for the last five years.

Brent Schultze, Chair of the Martin County EDA, was present and noted he wanted to reiterate a point that was made earlier in that the Martin County EDA did discuss this at a recent meeting and voted and chose to encourage the County to approve this abatement. From a personal standpoint I appreciate some of the concerns that were brought up today. I think they're valid and many should be addressed in some format. I believe the investment that this \$100 million dollar improvement will mean to our community in the short term, through the construction phase, and long term, making sure we keep CHS, Inc., here and the \$0.60 premium that our farmers are getting. If they're crushing 100,000 bushel a day on average that \$0.60 premium means over \$20 million dollars of additional dollars that our local farmers are receiving in income that they otherwise wouldn't. It's a giant number. My personal opinion is this abatement is a relatively small opportunity cost to make sure that we keep CHS, Inc., here and helping our farmers.

Gerald Tumbleson, citizen and farmer in northwest Martin County, was present to note he is in favor of the tax abatement request and thinks it is a fantastic request. I've talked to other farmers in Cedar, Elm Creek, and Jay Townships and they can't even imagine that this issue is being debated.

Chairwoman Smith asked if there was any other public comment.

Gerald Anderson, Martin County taxpayer, was present to note he is absolutely not against CHS, Inc., doing business here or their expansion plans. What I am against is for a multibillion dollar company with millions of dollars in income extorting money at the expense of the Martin County taxpayers.

Chairwoman Smith called for a motion to end the public comment segment of the public hearing.

Motion by Commissioner Belgard, seconded by Commissioner Koons, to close the public portion of the meeting. Carried unanimously.

Commissioner Belgard obviously I don't want CHS, Inc., to leave - I think we've heard a lot of that. I do think we need to address the concerns of the neighbors.

Higgins noted the Board can recess the public hearing today so you can take action at a future meeting. Higgins went on to note you do have before you the proposed Tax Abatement Agreement with proposed language that Commissioner Koons requested to be included, and proceeded to review those items. Higgins also noted the proposed new language has been sent to CHS, Inc., for review.

The Board reviewed the following proposed language additions.

Top of Page 3: Include annual abatement amount not to exceed \$42,393.

Page 6 Section 3.1(1): Include alternate language [**The Company will cause the design and construction of the parking lot so as to facilitate the staging of trucks and other vehicles on the Tax Abatement Property.**]

Page 7 Section 3.5: Include alternate language [**The Company represents and agrees that prior to the expiration or earlier termination of this Agreement the Company shall not assign this Agreement in conjunction with a transfer of the Project or any part thereof or any interest therein. Such transfer prior to the expiration or earlier termination of this Agreement shall constitute an Event of Default.**]

Page 8 Section 3.7(2): Include alternate language [**If the Goals are not met in their entirety, the Company agrees to repay all of the Business Subsidy to the County, plus interest ("Interest") set at the implicit price deflator defined in Minnesota Statutes, Section 275.70, Subdivision 2, accruing from and after the Benefit Date, compounded semiannually.**]

Discussion ensued regarding proposed language changes/additions.

Discussion included:

- It is not known if we as a Board want these changes in the Agreement. These are just a suggestion.
- If we put in the changes and the neighbors are okay with the changes, what if CHS, Inc., doesn't agree to them.
- CHS, Inc. looked at the additions/changes briefly; however, CHS, Inc. has not run it through their legal group.
- The City of Fairmont passed the Tax Abatement Agreement without the alternate language.
- Length of time to design truck staging area.
- Presenting the Agreement in two weeks after CHS, Inc. legal team reviews the proposed language.

Tom Malecha, CHS, Inc., noted the longer it takes puts the decision at an issue. We have a construction time frame we have winter right around the corner so that begins to push out and that begins to push other things out as well - cement work and those types of things can't be

done. So it is imperative that we do make a decision as quickly as we can because that does change what our time schedules could be.

Chairwoman Smith presented and reviewed each of the additions that were made to the Agreement, one by one.

The Board continued discussion about the proposed alternate language additions to the Tax Abatement Agreement.

In addition, the Board also addressed planting of trees and water drainage.

Chairwoman Smith suggested consulting with Martin Soil and Water Conservation District to formulate a tree or brush planting plan that works for CHS, Inc. and neighbors to the plant; and that CHS, Inc. will address water and drainage issues with neighbors.

After further discussion,

Motion by Commissioner Belgard, seconded by Commissioner Flohrs, Be It Resolved that the Martin County Board of Commissioners, hereby approve and authorize Board Chair to sign resolution approving property tax abatements and authorizing execution of a Tax Abatement and Business Subsidy Agreement requested by CHS Inc.; and will include the following three additions: (1) Include Section 3.1(1) Alternate Language: **[The company will cause the design and construction of the parking lot so as to facilitate the staging of trucks and other vehicles on the Tax Abatement Property]**; (2) CHS, Inc. agrees to work with Martin County's Soil and Water Conservation District to formulate a plan for tree planting that is acceptable to both CHS, Inc. and surrounding neighbors; (3) CHS, Inc. will continue to address the water and drainage issue with neighbors and formulate an appropriate drainage plan; and that the Tax Abatement and Business Subsidy Agreement Amendment is subject to review and opinion by the County Attorney; and subject to review and approval by CHS, Inc.

EXTRACT OF MINUTES OF A MEETING
OF THE BOARD OF COMMISSIONERS

OF MARTIN COUNTY, MINNESOTA

HELD: September 3, 2019

Pursuant to due call and notice thereof, a meeting of the Board of Commissioners of Martin County, Minnesota, was duly called and held at the Martin County Courthouse in the City of Fairmont, Minnesota, Tuesday, the 3rd day of September, 2019, at 10:00 A.M.

The following members were present: Commissioners Koons, Mahoney, Smith, Belgard, and Flohrs.

and the following were absent: None.

Commissioner Belgard introduced the following resolution and moved its adoption:

R-#30/19

RESOLUTION APPROVING PROPERTY TAX ABATEMENTS
AUTHORIZING EXECUTION OF
A TAX ABATEMENT AND BUSINESS SUBSIDY AGREEMENT

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

1. Recitals.

(a) The County has been requested by CHS Inc. (the "Company") to assist in financing the construction of new facilities and the expansion of existing facilities located at 1833 130th Street, Fairmont, Minnesota (the "Project"). The County has been requested by CHS Inc. (the "Company") to assist in financing the construction of new facilities and the expansion of existing facilities located at 1833 130th Street, Fairmont, Minnesota

(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 and Minnesota Statutes, Section 116J.993 to 116J.995 (the "Business Subsidy Act").

(c) The City of Fairmont (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 \$590,280 for a term of up to 10 years to assist in financing the Project.

(d) Independent School District No. 2752 (Fairmont Area Schools), Minnesota (the "School District") is proposing to grant an abatement on the School District's share of property taxes on the Tax Abatement Property in an amount not to exceed \$377,300 for a term of up to 10 years to assist in financing the Project.

(e) 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 Company, 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.

(f) 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 \$423,930 for a term of up to 10 years to finance a portion of the costs of the Project.

(g) 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 at least equal or exceed the costs to the County thereof.

(c) Granting the Abatement is in the public interest because it will:

(i) provide employment opportunities in the County; and

(ii) increase or preserve tax base.

(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 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 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 2022 and continuing through 2031, inclusive and shall not exceed \$423,930.

(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.

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.

Scott Higgins
County Coordinator

Roll Call AYES: Commissioners Mahoney, Koons, Flohrs, Belgard, and Smith. NAYS: None. Resolution duly passed and adopted this 3rd day of September, 2019.

The Board recessed at 11:25 a.m.

The Board reconvened at 11:32 a.m.

Terry Viesselman, County Attorney, noted it is business as usual at the County Attorney's Office.

Higgins noted a request has been received for CY2020 Budget Allocation funding from the South Central Minnesota EMS.

Motion by Commissioner Belgard, seconded by Commissioner Koons, Be It Resolved that the Martin County Board of Commissioners, hereby receive and file the CY2020 Budget Allocation Request received from the South Central Minnesota EMS in the amount of \$5,000.00. Carried unanimously.

The Board reviewed a request for the closure of county offices from 11:30 a.m. to 1:00 p.m. on Tuesday, September 17, 2019, so that all county employees may take part in Employee Recognition Day festivities.

Motion by Commissioner Flohrs, seconded by Commissioner Mahoney, Be It Resolved that the Martin County Board of Commissioners, hereby approve closure of County offices at the Courthouse, Highway Department, and Martin County Library on Tuesday, September 17, 2019, from 11:30 a.m. to 1:00 p.m. for the Annual Employee Recognition Day Event. Carried unanimously.

Higgins and Korte noted after additional revisions the preliminary CY2020 budget is currently at a 6.43% increase from 2019 to 2020 Levy and will need to make additional budget cuts in the approximate amount of \$233,000 to reach a 5% increase goal. The Board may reduce the proposed levy that will be set and the next regular Board of Commissioners meeting; but, cannot increase the levy from the amount set on that date.

The Board reviewed Warrants to be paid September 3, 2019.

Motion by Commissioner Mahoney, seconded by Commissioner Koons, Be It Resolved that the Martin County Board of Commissioners, hereby approve Warrants to be paid on September 3, 2019, and includes the Martin County Highway Department and Drainage bills as presented. Carried unanimously.

Warrants received and paid September 3, 2019, are registered on file in the Auditor/Treasurer's Office as follows:

Revenue Fund – Warrants Approved September 3, 2019	\$256,413.81
Martin County Economic Development Fund	\$ 7,463.39
Human Services Fund	\$293,898.09
Ind. Sewage Treatment System Loan Fund	\$ 18,668.47
Building-CIP-Fund	\$ 6,834.20
Human Service Building Fund	\$ 4,313.76
Total	\$587,591.72

Martin County Ditch Funds Totaled \$ 39,435.92

The Board reviewed CY2020 Ancillary Insurance Renewal Information; and CY2020 Employee Health Insurance Renewal Information.

Commissioners reviewed their calendars of previous and upcoming meetings and activities: August 20, 2019 – Joint Drainage Ditch Board Hearings at 2:00 p.m. on the JD #414 M&F Final Acceptance of Repair Contract and JD #414 M&F Consideration of Petition to Improve Branch A40; Human Services Advisory Committee meeting at 5:30 p.m.; August 21, 2019 – Martin County Parks/Trail Committee meeting; August 26, 2019 – Kinship of Martin County meeting; August 27, 2019 – EOC Training, Building Committee meeting, CHS, Inc. meeting with Commissioners Smith and Flohrs, Board Work Session, and Planning & Zoning meeting at 5:30 p.m.; August 28, 2019 – Human Services meeting, AMC Extension Committee meeting in St. Paul, Ditch Hearing in Blue Earth, MN at 10:00 a.m., Informational meeting on JD #25, and Convention and Visitor’s Bureau meeting; September 2, 2019 – Labor Day Holiday Observed – Courthouse closed; September 3, 2019 – regular Board of Commissioners meeting at 9:00 a.m., Ditch Hearings at 2:00 p.m., Channel 5 newscast at 6:30 p.m. pertaining to the City of Fairmont; September 4, 2019 – Human Services Executive Committee meeting at 9:00 a.m., Beyond the Yellow Ribbon meeting at 6:00 p.m., Martin County Veterans Memorial Committee meeting; September 5, 2019 – Tax Forfeited Land and Road Tour at 7:00 a.m.; September 10, 2019 – F-M Joint Transit Executive Board meeting at 8:00 a.m., Building Committee meeting 9:30 a.m. at the new garage facility (1200 North State Street), Library Board meeting, Martin County EDA meeting at 6:00 p.m. at Ceylon City Hall in Ceylon, MN; September 12-13, 2019 – AMC Policy Committee Conference at Arrowwood, MN; September 16, 2019 – Minnesota Valley Action Council meeting and WorkForce meeting at 4:00 p.m.; September 17, 2019 – regular Board of Commissioners meeting at 9:00 a.m., Annual Employee Recognition Day Event 11:30 a.m. to 1:00 p.m. at the Prairie Lakes Transit Facility, CD #40 Ditch Hearing at 1:30 p.m.

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

Meeting adjourned at 12:35 p.m.

BOARD OF COMMISSIONERS
MARTIN COUNTY, MN

Kathy Smith, Board Chair

ATTEST: _____
Scott Higgins, County Coordinator