

**LINCOLN COUNTY BOARD OF COMMISSIONERS
MEETING MINUTES**

June 17, 2008
Courthouse Commissioner Room
Ivanhoe, MN 56142

The meeting was called to order at 9:00 a.m. by Board Chair, Joan Jagt followed by the Pledge of Allegiance. Commissioners present were Joan Jagt, James Johansen, D. D. Sagmoe, Larry Hansen and Curtis Blumeyer. Also present were County Attorney, Glen Petersen and Financial Accountant, Chuck DeBates.

Motion by Sagmoe, seconded by Johansen, to approve the minutes from the June 3, 2008 Commissioner meeting. All voted in favor.

Motion by Blumeyer, seconded by Sagmoe, to approve agenda items. All voted in favor.

Motion by Blumeyer, seconded by Hansen, to approve 3.2 Malt Liquor License for the Marble Store, providing all required paper work is received by the Auditor's office. All voted in favor.

Commissioner Sagmoe reported that there will be an increase of approximately \$1,200.00 to the Law Library 2008-09 budget year. The increase is due to the information now being made available on line, but the increase in user fees should offset most of the increase in costs to the county. Copies of Minnesota Statutes Annotated and Minnesota Rules will now be in the Court Administrator's office only. Motion by Sagmoe, seconded by Hansen, to approve a \$1,200.00 expenditure increase for the Law Library for the 2008-09 budget year. All voted in favor.

Commissioner Hansen reported on a hearing that was held on June 4, 2008 at the Wind Energy Center with the Administrative Law Judge regarding proposed transmission lines.

Commissioner Hansen also reported that he had attended an SRDC meeting and that the proposed budget will be mailed to the counties in the near future.

Commissioner Blumeyer reported on his meeting with the Southwest Minnesota Work Force. They will be receiving less funding, but will make the same assessments for counties in 2009 that was assessed in 2008. He also reported that the Area II budget will be increased 2% for Lincoln County for 2009.

Motion by Sagmoe, seconded by Blumeyer, to accept the resignation of Mr. Thomas Reeves as Title Examiner for Lincoln County. All voted in favor.

Motion by Blumeyer, seconded by Johansen to recommend John Engels for appointment as Title Examiner for Lincoln County to Judge Leland Bush. All voted in favor.

Lee Amundson, County Engineer reported:

- Jerry Remund, an appraiser from Pipestone, is reviewing the County Road 12 appraisals
- Road construction plans for County Road 12 are in progress
- Blacktop patching on the roads to be sealcoated has begun
- Roadside mowing will begin July 1st
- Discussed policy regarding CSAH street closures. Will present a sample at the July 1 meeting
- Purchased a blacktop patch trailer from MNDOT for \$5,000 plus tax. New ones list for about \$70,000
- Stated that the Highway Department completed \$1,269 in work assistance to other County Departments

Amundson reported that Rupp Construction did not complete the 2007 gravel crushing in accordance with the contract. Motion by Sagmoe, seconded by Jagt, to charge Rupp Construction liquidated damages of \$11,400 (38 days X \$300.00) due to the contract not being completed in a timely manner. Commissioners Jagt, Johansen and Sagmoe voted in favor. Commissioners Blumeyer and Hansen voted against. Motion carried by majority vote (3-2).

Robert Olsen, Environmental Administrator, reported that Lincoln County had been awarded a Burn Barrel Reduction Grant of \$13,898 for the period July 1, 2008 through June 30, 2009. He also reported on the placement of county dumpsters for rural residents. He then presented the Feedlot Work Plan and 2008 Report for the board to review.

Olsen also reported:

- Curt Larsen was hired to do a soils verification and final inspection per a request from Minnesota Pollution Control Agency regarding the septic system that was installed at Picnic Point County Park. Larsen stated that changes may need to be made to the treatment area, which could cost \$1,000.00.
- there have been some native plant species observed in Lake Benton Lake, Olsen stated that the species are most likely coontail, which is a good sign that the transplanting of native plants has successful.
- he will be meeting with DNR and Wayne Johnson on June 26, 2008 at the Johnson property on Lake Hendricks to discuss corrective measures to the shoreland that was altered in 2007.

Daryl Schlapkohl, Parks Manager, reported through a phone message to the Auditor's office that Saddle Horse Holiday was held in Lake Benton on June 14 and 15, 2008, and that everything went very well.

Attorney Glen Petersen stated that there was a question by a property owner on the survey of the property that the County sold to Joe Weber. Petersen will work with Weber and the property owner to resolve the question on the survey.

The Board recessed at 12:00 p.m.

The Board reconvened at 1:00 p.m.

Motion by Hansen, seconded by Sagmoe, to approve Ehlers as the financial advisor for the proposed bonding for Courthouse improvements. All voted in favor.

Motion by Hansen, seconded by Jagt, to bond for \$750,000 for the proposed Lincoln County Courthouse Improvement Plan updating windows, air conditioning, air exchange, plumbing and electrical. Commissioners Jagt, Johansen, Sagmoe and Hansen voted in favor. Commissioner Blumeyer voted in opposition. Motion passed by majority vote.

Motion by Hansen, seconded by Johansen, to hold a public hearing on July 14, 2008, at 7:00 p.m. at the Courthouse Assembly Room, Ivanhoe, Minnesota to obtain public comment on the County's intention to approve the County's 2008 through 2012 Capital Improvement Plan and issue \$750,000.00 Capital Improvement Plan bonds pursuant to Minnesota Statutes, Section 373.40 for the purpose of financing capital improvements identified in the Capital Improvement Plan including the replacement of windows, air conditioning equipment, air exchange system, plumbing and electrical in the Lincoln County Courthouse. All voted in favor.

Motion by Johansen, seconded by Sagmoe to approve Resolution No. 19-2008(Compliance with Reimbursements). All voted in favor.

RESOLUTION NO. 19-2008

**RESOLUTION ESTABLISHING PROCEDURES
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND
REGULATIONS UNDER THE INTERNAL REVENUE CODE**

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

i) Recitals.

(1) The Internal Revenue Service has issued Treasury Regulations, Section 1.150-2 (as the same may be amended or supplemented, the "Regulations"), dealing with "reimbursement bond" proceeds, being proceeds of the County's bonds used to reimburse the County for any project expenditure paid by the County prior to the time of the issuance of those bonds.

(2) The Regulations generally require that the County make a declaration of intent to reimburse itself for such prior expenditures out of the proceeds of subsequently issued bonds, that such declaration be made not later than 60 days after the expenditure is actually paid, and that the bonding occur and the written reimbursement allocation be made from the proceeds of such bonds within 18 months after the later of (1) the date of payment of the expenditure or (2) the date the project is placed in service (but in no event more than 3 years after actual payment).

(3) The County heretofore implemented procedures for compliance with the predecessor versions of the Regulations and desires to amend and supplement those procedures to ensure compliance with the Regulations.

(4) The County's bond counsel has advised the County that the Regulations do not apply, and hence the provisions of this Resolution are intended to have no application to payments of County project costs first made by the County out of the proceeds of bonds issued prior to the date of such payments.

ii) Official Intent Declaration. The Regulations, in the situations in which they apply, require the County to have declared an official intent (the "Declaration") to reimburse itself for previously paid project expenditures out of the proceeds of subsequently issued bonds. The County Board hereby authorizes the County Auditor to make the County's Declarations or to delegate from time to time that responsibility to other appropriate County employees. Each Declaration shall comply with the requirements of the Regulations, including without limitation the following:

(1) Each Declaration shall be made not later than 60 days after payment of the applicable project cost and shall state that the County reasonably expects to reimburse itself for the expenditure out of the proceeds of a bond issue or similar borrowing. Each Declaration may be made substantially in the form of the Exhibit A, which is attached to and made a part of this Resolution, or in any other format, which may at the time comply with the Regulations.

(2) Each Declaration shall (1) contain a reasonably accurate description of the "project," as defined in the Regulations (which may include the property or program to be financed, as applicable), to which the expenditure relates and (2) state the maximum principal amount of bonding expected to be issued for that project.

(3) Care shall be taken so that the County, or its authorized representatives under this Resolution, not make Declarations in cases where the County does not reasonably expect to issue reimbursement bonds to finance the subject project costs, and the County officials are

hereby authorized to consult with bond counsel to the County concerning the requirements of the Regulations and their application in particular circumstances.

(4) The County Board shall be advised from time to time on the desirability and timing of the issuance of reimbursement bonds relating to project expenditures for which the County has made Declarations.

iii) Reimbursement Allocations. The designated County officials shall also be responsible for making the "reimbursement allocations" described in the Regulations, being generally written allocations that evidence the County's use of the applicable bond proceeds to reimburse the original expenditures.

iv) Effect. This Resolution shall amend and supplement all prior resolutions and/or procedures adopted by the County for compliance with the Regulations (or their predecessor versions), and, henceforth, in the event of any inconsistency, the provisions of this Resolution shall apply and govern.

Adopted this 17th day of June 2008, by the County Board of Commissioners.

Attest:

Joan Jagt, 2008 Board Chair

Kathy Schreurs, Auditor

EXHIBIT A

Declaration of Official Intent

The undersigned, being the duly appointed and acting County Auditor of the County of Lincoln, Minnesota (the "County"), pursuant to and for purposes of compliance with Treasury Regulations, Section 1.150-2 (the "Regulations"), under the Internal Revenue Code of 1986, as amended, hereby states and certifies on behalf of the County as follows:

i) The undersigned has been and is on the date hereof duly authorized by the County Board of Commissioners to make and execute this Declaration of Official Intent (the "Declaration") for and on behalf of the County.

ii) This Declaration relates to the following project, property or program (the "Project") and the costs thereof to be financed:

Courthouse Capital Improvement Project, including replacement of windows, air conditioning equipment, air exchange system, plumbing and electrical

iii) The County reasonably expects to reimburse itself for the payment of certain costs of the Project out of the proceeds of a bond issue or similar borrowing (the "Bonds") to be issued by the County after the date of payment of such costs. As of the date hereof, the County reasonably expects that \$750,000.00 is the maximum principal amount of the Bonds, which will be issued to finance the Project.

iv) Each expenditure to be reimbursed from the Bonds is or will be a capital expenditure or a cost of issuance, or any of the other types of expenditures described in Section 1.150-2(d)(3) of the Regulations.

v) As of the date hereof, the statements and expectations contained in this Declaration are believed to be reasonable and accurate.

Date: June 17, 2008

County Auditor
County of Lincoln, Minnesota

A letter was presented to the Board from Mark Leibfried, Safety Officer, stating that a full day of safety inspections in the county is scheduled for June 25, 2008. He requested that the noon meal be paid from Safety Committee funds. Comments from the Board indicated that individuals can pay for their own meal or bring a bag lunch.

Motion by Blumeyer, seconded by Sagmoe, to cancel warrant #4388 for \$232.00, to MN Department of Transportation and to issue Auditor Warrants to MN DOT for \$39.00 and Indiana Department of Revenue for \$39.00. All voted in favor.

Commissioner Hansen reported that the Retired and Senior Volunteer Program (RSVP) has requested participating counties to make an appropriation to RSVP to eliminate the current deficit. Lincoln County's share is \$2,202.00. Motion by Hansen, seconded by Johansen, to appropriate an additional \$2,202.00 in 2008 to RSVP. All voted in favor.

Auditor Warrants were presented.

Motion by Sagmoe, seconded by Jagt, to approve the following Commissioner Warrants #4669 – 4766 for the following amounts: Revenue - \$57,417.43, Road & Bridge - \$68,864.45, Ditch - \$2,012.80. All voted in favor.

Motion by Johansen, seconded by Blumeyer, to adjourn at 2:00 p.m. All voted in favor.

ATTEST: (SEAL)

Joan Jagt, 2008 Board Chair

Chuck DeBates, Deputy County Auditor