

**LINCOLN COUNTY BOARD OF COMMISSIONERS
MEETING MINUTES**

March 21, 2017
Courthouse Commissioner Room
Ivanhoe, MN 56142

The meeting was called to order at 9:00 a.m. by Board Vice-Chair, Joe Drietz, followed by the Pledge of Allegiance. Commissioners present were Joe Drietz, Corey Sik, Jack Vizecky, and Mic VanDeVere. Commissioner Hamer was absent. Also present were Lincoln County Auditor, Deb Vierhuf and Lincoln County Attorney, Glen Petersen. No conflicts of interest were noted.

Commissioner VanDeVere requested to add discussion on a couple requests from SWHHS and approving the resolution for County Day Proclamation. Motion by Vizecky, seconded by VanDeVere to approve consent agenda which included approval of the 3.2 On-Sale Malt Liquor License for July 4, 2017 and Lawful Gambling License to St John Cantius Catholic Church for the July 4, 2017 celebration, approval of the minutes from March 7, 2017 and the agenda for March 21, 2017 with the aforementioned additions. All (4) voted in favor.

Bruce Nielsen, Lincoln County Assessor, requested approval to set the Board of Equalization meeting for June 20th at 6:30 p.m. Motion by VanDeVere, seconded by Sik to set the Board of Equalization meeting on June 20th at 6:30 p.m. and to hold the regular Commissioners meeting at 2:00 p.m. on June 20th. All (4) voted in favor.

Daryl Schlapkohl, Parks Manager gave an update on the Log Cabin Renovation Project. Lincoln County has received \$5,177.00 in donations. Schlapkohl has received quotes in the amount of \$6,824.91 to renovate the cabin. An additional \$1,647.91 is needed from other funds. Schlapkohl would like to take the additional dollars from the Parks budget and go ahead with the project now. Motion by Sik, seconded by Vizecky to allow \$1,647.91 to be used out of the Parks budget along with the \$5,177.00 in donations to complete the renovations of the Log Cabin at Hole in the Mountain Park. All (4) voted in favor.

Robert Olsen, Environmental, discussed the \$50 surcharge per County campsite to the Lake Improvement District. Motion by VanDeVere, seconded by Vizecky to continue the \$50 surcharge per County campsite to the Lake Improvement District. All (4) voted in favor.

Olsen informed the Board that after the CD #40 Ditch Hearing, the viewers met with the concerned landowner, and the amended CD #40 Viewer Report is ready for approval. Motion by Vizecky, seconded by VanDeVere to approve the amended CD #40 Viewer Report. All (4) voted in favor.

Olsen informed the Board that he had a request from Kari Rupp to become a ditch viewer. A letter of request was read to the Board. Olsen's recommendation was to start the training process for Rupp to prepare for future need. Rupp would start viewer classes and receive \$10 per hour for the time involved plus mileage. Motion by VanDeVere, seconded by Sik to approve adding Kari Rupp as a ditch viewer and pay Rupp \$10 per hour for training and reimburse mileage. All (4) voted in favor.

Olsen presented the 2016 Feedlot Report and requested approval. Motion by Vizecky, seconded by Drietz to approve the 2016 Feedlot Report. Commissioners Drietz, VanDeVere, and Vizecky voted in favor. Commissioner Sik abstained. Motion carried by majority vote.

Olsen informed the Board that he had one in-house individual apply for the Environmental Tech position. Per Bargaining Unit Contract, this individual will be considered first prior to interviewing any outside candidates. The interview has been set for 1:00 this afternoon and will be interviewed by Environmental individuals along with the Personnel Committee. Olsen requested that if the Personnel Committee is satisfied with the applicant that approval to hire be done by the Personnel Committee due to wanting the individual to be ready to begin training and have sufficient time to give a two week notice prior to a training conference on April 11th. Motion by Vizecky, seconded by VanDeVere to approve the Personnel Committee approving the hire of the Environmental Tech applicant if satisfied with qualifications after interview is held. All (4) voted in favor.

Olsen also informed the Board that the Yellow Medicine River Watershed District has requested financing for the Lincoln County Ditch 38 improvement and asked for approval of Resolution 19-2017 State of Minnesota, Lincoln County Board of Commissioners Drainage Authority and Fiscal Agent for Lincoln County Ditch 38. Motion by VanDeVere, seconded by Sik to approve Resolution 19-2017 State of Minnesota, Lincoln County Board of Commissioners Drainage Authority and Fiscal Agent for Lincoln County Ditch #38. All (4) voted in favor.

Resolution No. 19-2017
STATE OF MINNESOTA
LINCOLN COUNTY BOARD OF COMMISSIONERS
DRAINAGE AUTHORITY AND FISCAL AGENT FOR LINCOLN COUNTY DITCH 38

The matter of the improvement of Lincoln County
Ditch 38

**INTERIM FINANCING AND INTER-
FUND LOAN AUTHORIZATION**

At the regular meeting of the Board of Commissioners of Lincoln County, Minnesota, on Tuesday, March 21, 2017, Commissioner VanDeVere introduced the following resolution and moved its adoption:

**RESOLUTION RELATING TO INTER-FUND LOAN TO THE DRAINAGE SYSTEM ACCOUNT FOR
LINCOLN COUNTY DITCH 38**

BE IT RESOLVED by the Board of Commissioners of Lincoln County, Minnesota (the "County"), finds and orders the following:

FINDINGS

1. By petition made to the Yellow Medicine River Watershed District (YMRWD) pursuant to statutes section 103D.625, Subd. 4, the YMRWD Board of Managers (Managers) initiated and completed proceedings for the improvement of Lincoln County Ditch (CD) 38.
2. The proceedings for improvement of CD 38 required the appointment of an engineer and viewers to prepare various reports and plans and required by statutes chapter 103E.
3. After a final hearing as required by statute, the Managers established the improvement, advertised for bids, and awarded a contract for construction.
4. Pursuant to statutes chapter 103E, the Lincoln County Board of Commissioners (Board) retains the obligation to provide funds, consistent with chapter 103E, to pay drainage system costs.
5. Pursuant to statutes section 103E costs for drainage project proceedings and construction to be paid from the drainage system account by drawing on the account. Statutes section 103E.645 requires the payment of fees and expenses.
6. The drainage system account for CD 38 does not contain sufficient funds to pay the cost of the drainage proceedings or to pay the costs of construction of the improvement of CD 38.
7. Statutes section 103E.655 authorizes the County Board, by unanimous resolution, to transfer funds from any other drainage system account under its jurisdiction or from the county general revenue fund to the drainage system if money is not available in the drainage system account to pay costs.
8. If the board transfers money from another account or fund to a drainage system account, the money plus interest must be reimbursed from the proceeds of the drainage system that received the transfer. The interest must be computed for the time the money is actually needed at the same rate per year charged on drainage liens and assessments.
9. Statutes section 103E.635 authorizes the Board to issue bonds after the contract for the construction of a drainage project is awarded, in an amount necessary to pay the cost of establishing and constructing the drainage project, such bonds to be in an amount not in excess of the total cost, including expenses, to be assessed to pay for the drainage system.
10. The Board may include two or more drainage systems in a single drainage bond issue. The total amount of the drainage bond issue may not exceed the total cost, including expenses, to be assessed to pay for the drainage systems.
11. The Managers have adopted reimbursement and deficiency resolutions related to the project and project costs. Pursuant to statutes chapter 103E, the Managers will provide the Board and its Auditor with cost and payment information for the project, will provide certifications for assessments, and will pay any and all deficiencies.
12. The County has been advised by the YMRWD that the cost of the project will not exceed \$660,000.00 which is inclusive of the contract for construction of the improvement and all costs and expenses.
13. The Board desires to provide interim financing to pay the costs of the project by inter-fund loan from the County's reserve fund.
14. The Board desires to reserve its right to replace this interim financing with bonding at a later date, which may include combining other projects into a single bond issue.

ORDER

- A. To provide funds to finance the improvement of CD 38 and associated costs of viewing, engineering, legal and administrative services related to the project, for which improvement a contract has been awarded, the Board authorizes interim financing in the form of an inter-fund loan from the County's reserve fund to the drainage system account for the CD 38 improvement.

- B. Pursuant to statute, repayment of the inter-fund load shall be made from the proceeds of drainage assessments for CD 38 to be collected over a period not to exceed 20 years commencing in 2018. Interest shall be paid on the inter-fund loan at a rate of 4%.
- C. The County Auditor is directed to work with the Watershed District to ensure proper notice is made of intended drainage assessments no later than June 2017 and that such notices provide instruction and information regarding pre-payment of the drainage assessment to avoid interest.

The motion was seconded by Commissioner Sik. After discussion and upon vote, the motion passed and the resolution was adopted by the following vote: 4 yeas and 0 no.

ATTEST:

Joe Drietz, 2017 Board Vice-Chair

Deb Vierhuf, County Auditor

Olsen also presented Resolution 20-2017 Resolution Establishing Procedures Relating to Compliance with Reimbursement Bond Regulation under the Internal Revenue Code. Motion by VanDeVere, seconded by Sik to approve Resolution 20-2017 Resolution Establishing Procedures Relating to Compliance with Reimbursement Bond Regulation under the Internal Revenue Code. All (4) voted in favor.

**RESOLUTION NO. 20-2017
RESOLUTION ESTABLISHING PROCEDURES
RELATING TO COMPLIANCE WITH REIMBURSEMENT BOND
REGULATIONS UNDER THE INTERNAL REVENUE CODE**

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

1. Recitals.

(a) 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.

(b) 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).

(c) 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.

(d) 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.

2. 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 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:

(a) 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.

(b) 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.

(c) 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.

(d) The 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.

3. 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.

4. 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 21st day of March, 2017, by the County Board.

ATTEST:

Joe Drietz, 2017 Board Co-Chair

Deb Vierhuf, Lincoln County Auditor

Olsen also informed the Board that he attended the Annual Township Association Meeting and that the Townships had approved sending a letter to the County to request that musk and bull thistle be added to the noxious weed list. Information only.

The Annual 2017 Road and Bridge Hearing was held at 10:00 a.m. in the Assembly Room. Many of the Townships were in attendance.

Dave Halbersma, Lincoln County Engineer, explained that the purpose of the hearing is to receive input from other local units of government and from the public in order to formulate a program for the utilization of available Federal, State and Local funds for road improvements and bridge replacements.

Halbersma covered the following items:

- 2016 construction projects
- Bridge status update
- 5 year tentative construction plan
- Road and Bridge funding
- County road jurisdictions
- Other miscellaneous items of interest or concern.

Some areas of discussion included the process of changing County Roads to Township Roads, wheelage tax and how it has been used, and how the wind tower projects will affect the roads.

The Road and Bridge Hearing ended at 11:00 a.m.

Halbersma reviewed the bids for the bituminous projects that were opened on March 17th at 10:30 a.m.

Bids received were as follows:

Duininck Inc.	\$856,001.61
Bituminous Paving Inc.	\$987,001.44
Central Specialties Inc.	\$1,043,429.61

The Engineer's estimate was \$996,559.65. Halbersma's recommendation was to award the project to Duinick, Inc. with a bid of \$856,001.61 which was 14.1% below the Engineer's estimate. Motion by VanDeVere, seconded by Drietz to award the bituminous projects bid to Duinick with a bid of \$856,001.61 which was 14.1% below the Engineer's estimate of \$996,559.65. All (4) voted in favor.

Halbersma reviewed the sealcoat oil quotes. Two quotes were received. The quotes received were from Flint Hills in the amount of \$82,668.00 and Jebro in the amount of \$89,145.76. Halbersma recommended awarding the quote to Flint Hills with the low quote of \$82,668.00. Motion by Vizecky, seconded by VanDeVere to award the sealcoat oil quote to the low quote from Flint Hills in the amount of \$82,668.00. All (4) voted in favor.

Halbersma requested a letting date be set for SP041-070-004 HSIP Chevron on Curves and White Edge Striping which has federal grant dollars involved for May 2, 2017 at 10:30 a.m. Motion by Vizecky, seconded by Sik to set the letting date for SP041-070-004 HSIP Chevron on Curves and White Edge Striping for May 2, 2017 at 10:30 a.m. All (4) voted in favor.

Halbersma presented a copy of the Red Pine wind project road use agreement for review. The agreement will be forwarded to the County Attorney and brought back at a future meeting for approval. Information only.

Halbersma also presented motor grader replacement information and stated that the amount that has been budgeted for motor grader replacement in 2017 is \$275,000.00. Halbersma has two quotes he is considering off the State Contract. First quote is for a new Cat 140M3 AWD (Joystick control) with 5 year/4,000 hr. powertrain and hydraulic warranty in the amount of \$325,145 less a trade of \$66,750 for a net amount of \$258,395. The second quote is for a new JD 772 GP (Joystick control) with 5year/4,000 hr. full machine warranty in the amount of \$301,916 less trade of \$65,000 for a net amount of \$236,916.

Halbersma would like to see what they can get for the old motor grader on the State auction site before deciding if they will trade or sell outright. Halbersma's recommendation was to go with the CAT motor grader due to that being the machine the Highway Department is most familiar with. Motion by VanDeVere, seconded by Vizecky to purchase a new Cat 140M3 AWD (Joystick control) with 5 year/4,000 hr. powertrain and hydraulic warranty in the amount of \$325,145 less a trade of \$66,750 for a net amount of \$258,395 and to allow the option of selling the old motor grader outright if we can get a better price than the trade amount. All (4) voted in favor.

Halbersma also had a discussion with the Board about the maintenance of the Arco Park road. Past practice has been that the County covers some of the cost of maintaining that road. Halbersma has discussed the maintenance with the Mayor of Arco and he stated that it is a city street. Halbersma will talk to the Arco City Mayor again and will bring back to the Board at a future meeting. Information only.

Halbersma also informed the board that the Highway Roundtable Meeting has been scheduled for April 18, 2017 at the Highway building at 1:00 p.m.

Vince Robinson, Executive Director of Lincoln County Enterprise Development Corp, was present to request approval on the contract between Southwest Regional Development Commission and the Counties of Chippewa, Lincoln, Lyon, Murray, Pipestone and Yellow Medicine for technical assistance in the administration of the Blandon Grant to fund the Coalition for Better Broadband Project. Motion by VanDeVere, seconded by Vizecky to approve the contract between Southwest Regional Development Commission and the Counties of Chippewa, Lincoln, Lyon, Murray, Pipestone and Yellow Medicine for technical assistance in the administration of the Blandon Grant to fund the Coalition for Better Broadband Project. All voted in favor.

Committee Reports were given:

Drietz – Alta Vista, Royal, and Marble Township meetings, SW MN PIC Council,
 Hamer – Absent
 Sik – None
 VanDeVere – County Park Board, SW Regional Development, SW Regional Development
 Commission Transit Board, SWHHS, SWHHS Governing Board,
 Vizecky – SWHHS

Commissioner VanDeVere brought up two requests that came from the SWHHS. The first request was to update the tobacco ordinance to include e-cigarettes. Glen Petersen will take a look at our current ordinance and see if we can amend it. The second request came from the SWHHS governing board. The request was to replace Commissioner Vizecky as the SWHHS representative with another Lincoln County Board member. SWHHS felt that they were unable to work constructively with Commissioner Vizecky. Glen Pedersen, Lincoln County Attorney presented two options for this type of request. The Commissioner could remove themselves as a SWHHS representative or the Lincoln County Board as a whole could vote to remove the Commissioner as a SWHHS representative. Commissioner Vizecky was not in favor of removing himself as a SWHHS representative. Motion by VanDeVere, seconded by Sik to replace Commissioner Vizecky with a different Lincoln County Commissioner as the SWHHS representative to be appointed when the full board is present. Commissioner Drietz, Sik, and VanDeVere voted in favor. Commissioner Vizecky voted in opposition. Motion carried by majority vote.

Auditor Warrants were presented.

Motion by Vizecky, seconded by Sik to approve the following Commissioner Warrants #4392 - #4452 for the following amounts: Revenue - \$32,090.11, Road & Bridge - \$5,962.43, and Ditch - \$6,063.61. All voted in favor.

The following bills were over \$2,000.00 per M.S. 375.12: Bill Moldestad - \$3,546.44, Southwest Health and Human Services - \$2,240.00, SW Sanitation Inc. - \$2,410.84, Mike Thooft - \$2,459.12, Waste Management of WI-MN - \$10,292.47, WM of Sothern Minnesota MA 1 - \$6,705.30 and 55 payments less than \$2,000.00 - \$16,461.98.

Resolution 18-2017 County Day Proclamation was presented for approval. Motion by VanDeVere, seconded by Sik to approve Resolution 18-2017 County Day Proclamation. All (4) voted in favor.

**Resolution 18-2017
 County Day Proclamation
 Lincoln County**

We are proud to join in a nationwide salute that will highlight the importance of citizen engagement and recognize the dedication of National Service AmeriCorps State members, Senior Corps Senior Companion Program (SCP) members, and Senior Corps RSVP volunteers, and inspire more residents to get involved in their communities.

The nation's counties are increasingly turning to National Service and volunteer programs as a cost-effective strategy to meet county needs.

National Service programs expand economic opportunity by creating more sustainable communities and providing education, career skills, and leadership abilities for those who serve.

National Service provides a unique public-private partnership that invests in community solutions to strengthen community impact and increase the return on taxpayer dollars.

National Service AmeriCorps State members, Senior Corps SCP members, and Senior Corps RSVP volunteers demonstrate commitment, dedication, and patriotism by making an intensive commitment to service.

Nearly 13,000 Minnesota Senior Corps Volunteers provided more than 1.8 million hours of service in 2016. Lincoln County was served by 1 AmeriCorps State member, 1 Senior Corps SCP member, and 271 Senior Corps RSVP volunteers in 2016. The Senior Corps RSVP volunteers perform their volunteer service work under the guidance of A.C.E. of SW Minnesota – Lincoln County office. These volunteers provide vital support to county residents and improve the quality of life in Lincoln County.

As a County Commission, we work hard every day to make life better for our constituents, and strengthening the spirit and commitment of the volunteers who serve our county is just one of our many goals. We are grateful for the dedication and sacrifice of these citizens who are helping make our great county stronger, safer, and healthier.

Today we thank National Service AmeriCorps members and Senior Corps SCP and RSVP volunteers for their commitment. Let us pledge to do our part to strengthen our county through services and volunteering.

Therefore, be it resolved, that I, Joe Drietz, 2017 Board Vice-Chair of Lincoln County, do hereby proclaim April 4, 2017, as National Service Recognition Day, and encourage residents to recognize the positive impact of National Service programs in our county, to thank those who serve; and to find ways to give back to our communities.

ATTEST:

Joe Drietz, 2017 Board Vice-Chair

Deb Vierhuf, County Auditor

Deb Vierhuf, Lincoln County Auditor, presented the Master Subscriber Agreement for Minnesota Court Data Services that approves Sheriff Meester as the Government Subscriber. The Agreement was previously reviewed by Glen Petersen, Lincoln County Attorney. Motion by Sik, seconded by Vizecky to approve the Master Subscriber Agreement for Minnesota Court Data Services that approves Sheriff Meester as the Government Subscriber. All (4) voted in favor.

Vierhuf also presented check #3755 for \$1,044.00 to the Hennepin County Medical Examiner to be voided. The check was never received and the affidavit for lost warrant form has been filled out and is on file at the Treasurer's office. Motion by VanDeVere, seconded by Drietz to void check #3755 for \$1,044.00 issued to the Hennepin County Medical Examiner. All (4) voted in favor.

Vierhuf also presented the SWHHS Lease Agreement with the requested changes for approval. Motion by VanDeVere, seconded by Sik to approve the SWHHS Lease Agreement commencing January 1, 2017 and continuing through December 31, 2017. All (4) voted in favor.

Vierhuf also presented the SWHHS remodel contract with Josh Behnke for approval. The contract will be signed upon receiving the Certificate of Liability Insurance documentation from Joshua Behnke Construction, LLC. Motion by VanDeVere, seconded by Sik to approve the SWHHS remodel contract with Joshua Behnke Construction, LLC and authorize the signing of said contract upon receiving the Certificate of Liability Insurance documentation from Joshua Behnke Construction, LLC. Commissioner Drietz, Sik, and VanDeVere voted in favor. Commissioner Vizecky voted in opposition. Motion carried by majority vote.

Glen Petersen, Lincoln County Attorney, presented a draft of an agreement between Lincoln County, Linda and Steven Polkow, and Joseph and Judy Weber and Weber Farms, Inc. allowing an easement across the Weber parcel to enable the Polkows access to their parcel by crossing the County property and to transfer ownership of a strip of land to the Polkows. Approval of the agreement was tabled until Petersen has a chance to review with Daryl Schlapkohl, Parks Manager. Information only.

Motion by Sik, seconded by Vizecky to adjourn at 12:34 p.m. All (4) voted in favor.

ATTEST:

Joe Drietz, 2017 Board Vice-Chair

Deb Vierhuf, County Auditor