

**LINCOLN COUNTY BOARD OF COMMISSIONERS
MEETING MINUTES**

July 16, 2019
Courthouse Commissioner Room
Ivanhoe, MN 56142

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

Motion by Sik, seconded by Drietz to approve the consent agenda which included July 2, 2019 minutes and July 16, 2019 agenda. All voted in favor.

Deb Vierhuf, Lincoln County Auditor-Treasurer, informed the Board that appointing the Yellow Medicine District Manager would have been included on the consent agenda but we did not receive any applications. We will re-advertise and appoint someone on August 6, 2019 if we get any interested individuals. Information only.

Teresa Schreurs, DSI Director of Community Development, presented information on the small cities grant. The following items were covered:

- State Contract between Deed and Lincoln County.
- Broad-level Tiered Environmental Review.
- Certificate of Categorical Exclusion.
- Notice of Intent to Request Release of Funds and affidavit of posting.
- Residential Anti-Displacement & Relocation Assistance Plan and affidavit of posting.
- Certification for a Drug-Free Workplace; Excess Force Policy; Program Income Plan; Women or Minority-Owned Business Plan; Fair Housing Plan; Procurement Plan;
- Grant Administrative Service Agreement.

Schreurs requested approval of Resolution No. 35-2019 which adopts all of the grant plans and documents. Motion by Vizecky, seconded by Sik to approve Resolution 35-2019 Adopting Small Cities Development Grant Plans and Documents. All voted in favor

Resolution 35-2019

Adopting Small Cities Development Grant Plans and Documents

WHEREAS, Lincoln County, with participation from the City of Tyler and the City of Lake Benton, has been awarded a Small Cities Development Grant (CDAP-18-0046-O-FY19) from the Minnesota Department of Employment & Economic Development, and,

WHEREAS, certain plans and documents are required to be adopted by the grant program:

BE IT RESOLVED, by the Lincoln County Board of Commissioners, acting as lead entity for said Small Cities Development Grant, that the following Small Cities Development Grant Plans and Documents are hereby adopted:

"Certification for a Drug-Free Workplace"

"Excessive Force Policy"

"Residential Anti-Displacement & Relocation Assistance Plan"

"Program Income Plan"

"Section 3 and Women or Minority-Owned Business Plan"

"Fair Housing Plan"

"Procurement Standards"

"Applicant/Recipient Disclosure/Update Report"

Done this 16th of July, 2019

ATTEST:

Mic VanDeVere, 2019 Board Chair

Deb Vierhuf, County Auditor-Treasurer

Chad Meester, Lincoln County Sheriff, presented quotes for a new squad. The quotes were as follows:

- | | | | |
|---|-------------|---|-------------|
| • Tenvorde Ford, St. Cloud
Ford F 150 Pickup | \$33,742.00 | • Tenvorde Ford, St. Cloud
Ford Police Interceptor | \$36,838.00 |
| • Lockwood, Marshall
Dodge Ram – non police | \$27,823.00 | • Mike Motors
Dodge Durango SSV | \$28,894.00 |
| • Mike Motors
Dodge Durango SSV | \$31,370.00 | • Mike Motors
Dodge Ram SSV | \$28,359.00 |

Meester informed the Board that all interested parties were given the state spec sheet to base their bid from. Meester recommended purchase the Dodge Ram Special Service Vehicle from Mike Motors and also recommended going with Guardian Fleet Safety for the up fitting of the vehicle. Motion by Sik seconded by Drietz to approve the purchase of a Dodge Ram Special Service Vehicle from Mike Motors in the amount of \$28,359.00 plus corresponding fees and to approve the up fitting of the vehicle from Guardian Fleet Safety in the amount of \$10,817.37 plus corresponding fees. Commissioner Drietz, Hamer, Sik and VanDeVere voted in favor. Commissioner Vizecky voted in opposition. Motion carried by majority vote.

Joe Wilson, Lincoln County Engineer, presented project updates. They were as follows:

- Advertising and opening bids for the Township Bridge Projects on August 1st at 1:00 p.m. to be presented at the August 6th Board meeting.
- Advertising and opening bids for the paving and gravel surfacing projects on August 8th at 1:00 p.m. to be presented at the August 20th Board meeting.
- Will be sending out a request for quotes on the pavement maintenance striping soon.

Wilson presented maintenance updates. They were as follows:

- Equipment breakdowns and weather has caused delays.
- Continuing to haul gravel for road maintenance.
- Continuing to haul pea rock for seal coat projects.
- Some road patching has been completed.
- Fixing some frost boils on County Road 18.

Wilson requested approval for the repair to the motor grader engine. Motion by Sik, seconded by Drietz to approve the repair to the motor grader engine to be paid to Zeigler Power Systems/CAT in the amount of \$37,582.87. All voted in favor.

Wilson informed the Board that the concrete work will start on about August 1st for the County Road 1 bridge repair. An estimate on the timber and hardware to repair the bridge is \$2,409.95 and the estimate for the timber and hardware to reinforce the bridge on County Road 12 is \$3,306.35. There will be additional labor and paving costs. This will take the weight limits off of these County Roads and the estimated length of the repair will last about 20 years. Information only.

Wilson informed the Board that we did not receive any bids for the Highway and Courthouse Parking Lot Improvement Project and recommended that we try doing regular quotes for the project. When quotes are done, no bond is required and the legislative limits for quotes has been increased to \$175,000.00. This project should be below that limit. The Board was in consensus with requesting quotes. Information only.

Wilson informed the Board that a speed study has been completed on County Highway 26 through Arco. The recommendation is to increase the speed from 30 mph to 45 mph on County Highway 26 from west of Oak Street to County Highway 15. The signage will be completed by the Highway Department. Information only.

Wilson informed the Board that the MPCA did an audit on the Ivanhoe fuel pump station. There may be some repairs required. Information only.

Wilson informed the Board that Megan from the State will be coming to a Board meeting to review the 10 year plan with the Board. Information only.

Commissioner VanDeVere mentioned that the road to Norwegian Creek is in need of some patching. Information only.

Robert Olsen, Environmental, gave an update on the following items:

- The Lake Benton Lake Improvement annual meeting will be held at the Tyler Fire Hall at 10:00 a.m. on July 20th.

- The Hendricks Lumber Yard will enter into a lease agreement with the county for a 10 year period for the dumpster site and the city has agreed to maintain the built up road as a city street.
- The wayside rest on Highway 75 is no longer being maintained. Olsen will check to see if there is an agreement with the county on the wayside rest and if not if we can have the land revert back to the owner.
- Weeds have surfaced on Lake Shaokatan. The LSLID will be submitting an application for a permit to treat 150 acres of the lake.
- The Lake Benton Lake treatment has been a success.

Information only.

Olsen requested approval for the cost to repair the skid steer in the amount of \$6,262.43 to be paid to Titan Machinery. Olsen had contacted other shops but could not find anyone willing to do the repair. The cost was higher than expected. Olsen would also like to sell the skid steer on Minnbid. Motion by Hamer, seconded by Sik to approve the repair to the skid steer in the amount of \$6,262.43. All voted in favor.

Olsen presented the written Resolution 34-2019 Accepting the Offer of the Minnesota Pollution Control Agency to Purchase a Taxable General Obligation Storm Water Revenue Note, Series 2019, in the Original Aggregate Principal Amount of \$500,000; Providing for its Issuance in Accordance with a Clean Water Partnership Loan Agreement. The pay back on the amount will not start until 2022. The reading of the resolution was dispensed by unanimous consent. Motion by Vizecky, seconded by Hamer to approve Resolution 34-2019 Accepting the Offer of the Minnesota Pollution Control Agency to Purchase a Taxable General Obligation Storm Water Revenue Note, Series 2019, in the Original Aggregate Principal Amount of \$500,000; Providing for its Issuance in Accordance with a Clean Water Partnership Loan Agreement. All voted in favor.

RESOLUTION NO. 34-2019

ACCEPTING THE OFFER OF THE MINNESOTA POLLUTION CONTROL AGENCY TO PURCHASE A TAXABLE GENERAL OBLIGATION STORM WATER REVENUE NOTE, SERIES 2019, IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$500,000; PROVIDING FOR ITS ISSUANCE IN ACCORDANCE WITH A CLEAN WATER PARTNERSHIP LOAN AGREEMENT

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

Section 1. Recitals.

(a) The Minnesota Pollution Control Agency (the "MPCA") is authorized pursuant to Minnesota Statutes, Sections 103F.701 through 103F.755, as amended (the "Clean Water Partnership Law"), to provide loans to political subdivisions of the State of Minnesota (the "State") to fund eligible costs of the construction of facilities to protect and improve surface and ground water in the State through its Clean Water Partnership Loan Program (the "Program").

(b) The County is authorized by the Clean Water Partnership Law to borrow money from the MPCA for certain eligible activities and to issue its general obligation notes or other obligations for the purpose evidencing its obligation to repay such a loan. The County has applied for a loan from the MPCA pursuant to the Program (the "Loan") to finance the implementation of the Lincoln County Septic Loan-Phase I Clean Water Project (the "Project").

(c) The MPCA has offered to make the Loan to the County in the amount of \$500,000 or so much as is to be disbursed and repaid in accordance with the terms of the Clean Water Partnership Loan Agreement (the "Project Loan Agreement"), between the County and the MPCA, in substantially the form now on file with the County Auditor-Treasurer and attached hereto as **EXHIBIT A**. The Project Loan Agreement, as executed, is incorporated herein by reference.

(d) The County is authorized to issue its obligations pursuant to the Clean Water Partnership Law, Minnesota Statutes, Chapter 475, as amended, and Minnesota Statutes, Sections 444.075 and 115.46, as amended (collectively, the "Act"), for the purpose of financing the construction of the Project.

(e) In accordance with Section 475.60, subdivision 2(4) of the Act, the County is authorized to issue obligations to a board, department or agency of the State by negotiation and without advertisement for bids and the MPCA is, and has represented that it is, a board, department or agency of the State.

(f) Contracts for the Project have been or will be made by the County with the approval of the MPCA and all other State and federal agencies of whose approval is required.

Section 2. Acceptance of Offer; Payment; Denomination.

(a) The County hereby accepts the offer of the MPCA to purchase the Taxable General Obligation Storm Water Revenue Note, Series 2019 (the "Note"), to be issued by the County in the original aggregate principal amount of \$500,000, and to pay therefor the par amount of the Note as provided below, and the sale of the Note is awarded to the MPCA. Payment for the Note is to be disbursed in installments as eligible costs of the Project are reimbursed or paid, all as provided in the Project Loan Agreement.

(b) The Note is to be issued in the aggregate principal amount of \$500,000, originally and nominally dated as of the date of delivery, as a fully registered Note without coupons. The Note will be in the denomination of the entire principal amount thereof, numbered R-1, and will mature in installment amounts as specified in **EXHIBIT B** attached hereto. So long as the repayments are made on time, the Note shall not accrue interest. In the event that the County does not make its regularly scheduled payments, the Note shall be subject to a penalty of two percent (2%) per annum on the principal balance owed commencing on the date repayment is due and continuing until the payment is received by the MPCA.

(c) The Note is subject to redemption and prior payment as provided in the Project Loan Agreement.

(d) Principal in the installment amounts set out in the Note are payable by wire transfer, or if by check or draft of the County or its designated registrar, mailed the last business day prior to the payment date (each June 15 and December 15) to the registered holder thereof at the holder's address as it appears on the bond register at the close of business on the fifth day (whether or not a business day) immediately preceding the payment date. The County Auditor-Treasurer is hereby appointed as the initial registrar, transfer agent, authenticating agent, and paying agent of the County with respect to the Note.

Section 3. Date. The Note will be a fully registered negotiable obligation, dated as of date of delivery and issued forthwith. The Note shall be issued in substantially the form attached hereto as **EXHIBIT B**.

Section 4. Execution. The Note is to be executed on behalf of the County by the manual or facsimile signatures of its Chair and County Auditor-Treasurer and is to be authenticated by the manual signature of the County Auditor-Treasurer, acting as authenticating agent of the County. In the event of disability or resignation or other absence of any of such officers, the Note may be signed by any officer who is authorized to act on behalf of such absent or disabled officer. If an officer whose signature will appear on the Note ceases to be such officer before the delivery of the Note, such officer's signature will nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The County Auditor-Treasurer is authorized and directed to obtain a copy of the proposed approving legal opinion of Kennedy & Graven, Chartered, Minneapolis, Minnesota, as bond counsel to the County, and to cause the opinion to be printed on or accompany the Note.

Section 5. Delivery; Application of Proceeds. The Note when so prepared and executed will be delivered by the County Auditor-Treasurer to the MPCA prior to any disbursements pursuant to the Project Loan Agreement, and the purchaser is not obliged to see to the proper application thereof.

Section 6. Storm Water Fund and Accounts. There shall be maintained a separate fund in the County treasury designated as the Storm Water Fund (the "Storm Water Fund"). The County Auditor-Treasurer and all municipal officials and employees concerned therewith will establish and maintain financial records of the receipts and disbursements of the municipal storm water system, including without limitation the fees and assessments charged to property owners under the Lincoln County Septic Loan-Phase I program (the "Storm Water System") in accordance with this resolution. There will be maintained in the Storm Water Fund, in addition to any accounts previously created, the following three (3) separate accounts:

(a) A Capital Account to which will be credited all proceeds from the sale of the Note. The Note is the only source of money to be credited to the Capital Account. It is recognized that the sale proceeds of the Note are received in reimbursement for costs expended on the Project or in direct payment of such costs, and that accordingly the money need not be placed in the Capital Account upon receipt but may be applied immediately to reimburse the source from which the expenditure was made. Money in the Capital Account is to be used solely for the purpose of paying for the cost of constructing the Project, including all costs enumerated in Section 475.65 of the Act, provided that such money may only be expended for costs and expenses which are permitted under the Project Loan Agreement. Upon completion of the Project and the payment of the costs thereof, any surplus is to be transferred to the Debt Service Account.

(b) An Operation and Maintenance Account into which are to be paid all gross revenues and earnings derived from the operation of the Storm Water System, including all charges for the service, use and availability of and connection to the Storm Water System, including without limitation the fees and assessments charged to property owners under the Lincoln County Septic Loan-Phase I program, when collected, and all money received from the

sale of any facilities or equipment of the Storm Water System or any by-products thereof. From this account there will be paid all the normal, reasonable and current costs of operating, maintaining, and insuring the Storm Water System, including salaries, wages, costs of materials and supplies, necessary legal, engineering and auditing services, and all other items that, by sound accounting practices, constitute normal, reasonable and current costs of operating and maintenance, but excluding any allowance for depreciation, extraordinary repairs and payments into any debt service account. All money remaining in the Operation and Maintenance Account after paying or providing for the foregoing items constitutes, and is referred to in this resolution as, "net revenues."

(c) A Debt Service Account into which are irrevocably pledged or credited (i) net revenues of the Storm Water System in an amount sufficient, with other money, to pay the principal of and interest, if any, on the Note when due; (ii) all collections of taxes which may hereafter be levied for the payment of the principal of and interest, if any, on the Note; (iii) all investment earnings on money held in the Debt Service Account; (iv) any amounts transferred from the Capital Account; and (v) any amounts authorized under the Clean Water Partnership Law and any other money which is properly available and is appropriated by the County Board to the Debt Service Account. The money in this account may be used only to pay or prepay the principal of the Note and to pay interest, if any on the Note and any other obligations hereafter issued and made payable from this account.

(d) Excess net revenues not required for the purposes of the Storm Water Fund may be used for any proper municipal purpose.

Section 7. Coverage Test; Pledge of Net Revenues; Excess Revenues. It is found, determined and declared that the net revenues of the Storm Water System, including without limitation the fees and assessments charged to property owners under the Lincoln County Septic Loan-Phase I program, are sufficient in amount to pay 105% of the principal of and interest, if any, on the Note when due, and the net revenues of the Storm Water System are pledged to the payment of the Note, but solely to the extent required to meet, with other pledged sources, 105% of the principal and interest requirements of the Note as the same become due.

Section 8. Pledge to Produce Revenues. In accordance with the Act, the County hereby covenants and agrees with the holder of the Note that it will impose and collect charges for the service, use and availability of any connection to the Storm Water System, including without limitation the fees and assessments charged to property owners under the Lincoln County Septic Loan-Phase I program, at the times and in the amounts required to produce net revenues adequate to pay all principal and interest when due on the Note.

Section 9. General Obligation Pledge. The full faith and credit and taxing powers of the County will be and are irrevocably pledged for the prompt and full payment of the principal of and interest on the Note as the same respectively become due. If the net revenues of the Storm Water System appropriated and pledged to the payment of principal of and interest on the Note, together with other funds irrevocably appropriated to the Debt Service Account referred to in Section 6 hereof, are at any time insufficient to pay such principal and interest when due, the County covenants and agrees to levy, without limitation as to rate or amount, an ad valorem tax upon all taxable property in the County sufficient to pay such principal and interest as the same become due. If the balance in the Debt Service Account is ever insufficient to pay all principal and interest, if any, then due on the Note and any other obligations payable therefrom, the deficiency will be promptly paid out of any other funds of the County which are available for such purpose, and those other funds may be reimbursed, with or without interest, from the Debt Service Account when a sufficient balance is available in that account.

Section 10. Certificate of Registration. The County Auditor-Treasurer is authorized and directed to file a certified copy of this resolution with their office and to provide the certificate required by Section 475.63 of the Act.

Section 11. Project Loan Agreement. The provisions of this resolution relating to the Note are intended to be consistent with the provisions of the Project Loan Agreement, and to the extent that any provision in the Project Loan Agreement is in conflict with this resolution as it relates to the Note, that provision controls. The execution and delivery of the Project Loan Agreement by the Environmental Administrator of the County as authorized on June 4, 2019 and payment thereunder in accordance with this resolution is hereby ratified. The Project Loan Agreement must be attached to the Note if the holder of the Note is any person other than the MPCA.

Section 12. Records and Certificates. The officers of the County are hereby authorized and directed to prepare and furnish to the MPCA, and to the attorneys approving the legality of the issuance of the Note, certified copies of all proceedings and records of the County relating to the Note and to the financial condition and affairs of the County, and such other affidavits, certificates and information as are required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control, or as otherwise known to them, and all such certified copies, certificates and affidavits including any heretofore furnished, are to be deemed representations of the County as to the facts recited therein.

Unless litigation has commenced and is pending questioning the Note, revenues pledged for the payment of the Note, or the organization of the County or the incumbency of its officers, the Chair and the County Auditor-Treasurer are hereby authorized and directed to execute and deliver to the MPCA at the closing a suitable certificate as to absence of material litigation, and the County Auditor-Treasurer is authorized and directed to execute and deliver to the MPCA at the closing a certification as to payment for and delivery of the Note.

Section 13. Designation of Project Representative. The County Board hereby designates the Environmental Administrator of the County as the person responsible for representing the County in all matters which, in accordance with the terms of the Project Loan Agreement, do not specifically require action by the County. The County Board hereby designates the Environmental Administrator of the County as the person responsible for executing all requests for disbursements of the Loan under the Project Loan Agreement on behalf of the County.

Section 14. Severability. If any section, paragraph or provision of this resolution is held to be invalid or unenforceable for any reason, the validity or unenforceability of such section, paragraph or provision will not affect any of the remaining provisions of this resolution.

Section 15. Headings. Headings in this resolution are included for convenience of reference only and are not a part hereof, and do not limit or define the meaning of any provision hereof.

ATTEST:

Mic VanDeVere, 2019 Board Chair

Deb Vierhuf, County Auditor - Treasurer

Committee Reports were given:

- Drietz – Personnel, Missouri River Watershed, Dead Coon Lake Outlet
- Hamer – Recycling
- Sik – SW Mental Health
- VanDeVere – Personnel, Dead Coon Lake Outlet, SW Regional Dev,
- Vizecky – None

Auditor Warrants were presented.

Motion by Drietz, seconded by Hamer to approve the following Commissioner Warrants #10680 - #10750 for the following amounts: Revenue – \$81,197.56, Road & Bridge - \$54,746.19, and Ditch - \$80,183.10. All voted in favor.

The following bills were over \$2,000.00 per M.S. 375.12: A & C Excavating LLC - \$3,335.00, Christensen Broadcasting - \$6,000.00, Counties Providing Technology - \$15,335.00, Ennis-Flint Inc. - \$2,637.47, Ground Works, LLC - \$2,055.00, North Central International Inc. - \$4,476.13, Eloise Sik - \$15,974.00, Vernon Skorczewski Trust - \$29,512.00, Brian Skorczewski - \$12,612.00, Southwest Health and Human Services - \$6,278.76, Steffl Drilling & Pump Inc. - \$15,215.89, Bill and Wendy Sterzinger - \$8,136.00, Wendy Sterzinger - \$5,560.00, Titan Machinery - \$6,262.43, Kyle Van Overbeke - \$13,750.00, Wenck Associates Inc. - \$4,715.55, Ziegler Power Systems (CAT) - \$40,686.73 and 54 payments less than \$2,000.00 - \$23,584.89.

Motion by Drietz, seconded by Sik to adjourn at 10:18 a.m. All voted in favor.

ATTEST: (SEAL)

Mic VanDeVere, 2019 Board Chair

Deb Vierhuf, County Auditor-Treasurer