

**WADENA COUNTY BOARD OF COMMISSIONERS SPECIAL MEETING**  
**AUGUST 12, 2008/9:00 A.M.**

The Wadena County Board of Commissioners Special Budget Meeting was held on Tuesday, August 12, 2008, at the Wadena County Courthouse in the Commissioners Room at 415 Jefferson St. S., Wadena Minnesota. The meeting was called to order at 9:00 a.m. by Chairman Orville Meyer and the pledge of allegiance to the flag was said.

Also present: Commissioners Lane Waldahl, Dave Schermerhorn, William Stearns, Mary Harrison, Consultant Mike Gibson and Auditor/Treasurer Char West.

Mike Carr, Sheriff, came before the Board to report that he had spent time trying to find ways to reduce his 2009 Budget. He added that he had cut out fat prior and now was into the meat of the budget. Sheriff Carr advised it was against his better judgment to cut from the budget, however, he did understand the position the Commissioners and the rest of the Department Heads were in. He reported that he was able to cut about \$70,000 from his budget and explained the following reductions made and commented that there was a possibility they might be able to skate through.

- K 9 Expense – eliminated purchase of Dog Cage for a reduction of \$1,645.
- Gas - was set for \$60,000 @ \$4.25/gallon; he commented it was difficult to know what the cost per gallon would be, however he cut this item by \$10,355.
- Out of County Prisoner Boarding - reduced by \$55,000.

Sheriff Carr stated that the Out of County Prisoner Boarding figure from the originally proposed budget was based on current expenses. He pointed out that in 2008 the Judge was gone a lot in January, February and March because of family illness and a death in the family; any time the Judge was gone there was a backlog of the system and an average of 19 prisoners were housed out which explained the proposed budget amount. Sheriff Carr reported that currently, as of August 11, 2009, the expense for out of County Boarding was \$134,000.

Sheriff Carr commented that he had the group effort of Commissioner Stearns, Tom Speed, Jail Administrator, Mike Gibson, Consultant, and Kyra Ladd, County Attorney, in making the decisions as to where to cut and he appreciated their input.

Commissioner Harrison commented that this worried her.

Sheriff Carr responded with this was of concern to him also, however, if everyone was healthy and the Judges were healthy it should be okay, but one can't tell for sure.

Commissioner Waldahl commented that there was a change in the Court System; Judge Robertson would be in Wadena County for two weeks straight and then be in Todd County one week and back again for two weeks and Judge Carlson will do it the other way around, which may help.

Sheriff Carr stated that when you don't have a full time Judge it takes longer; Ottertail County can run a case through from start to finish in about 3 weeks and here it takes us six months. He pointed out that the burden falls on the County taxpayers.

Commissioner Stearns questioned what the amount in the budget was for medical expenses.

Sheriff Carr responded it should be okay. He pointed out that Mr. Speed saves the County hundreds of thousands of dollars.

Sheriff Carr stated he tried to be very innovative in the use of money in forfeitures and E-911 funding. He sited an example in that one of his vehicles currently on the road was a 2000 Jeep Grand Cherokee which was a forfeited vehicle, which not one taxpayer had to pay for.

Discussion was held regarding the possibility of leasing squad cars as was the practice at the Staples Police Department and several other departments.

Sheriff Carr stated that he had looked into this but you never win on a lease; by the time you are done with the lease you could have probably bought two squad cars.

Ms. West pointed out that the Assessor currently received the old squad cars so these would not be available to transfer if squad cars were leased.

Sheriff Carr referred the Board to the Watchguard System, which basically was Courthouse Security, under Capital Outlay in his 2009 Budget, which he reduced from \$6,500 to \$3,500. He stated that as Sheriff he had taken on the responsibility of Courthouse Security and questioned whether this should be in the Sheriff's Budget or if it should be in the Building Maintenance Budget. Sheriff Carr added that he had taken on the responsibility of installing security cameras in the Courthouse which was for the security of everyone in the Courthouse, not just the Sheriff's Department. He informed the Board that he would like to install cameras outside of the building, by the Auditor's Office and by the County Attorney Office and that it had been requested at Public Health and Social Services to have cameras in their entry ways. Sheriff Carr stated that these items make up the total of \$70,000 which had been reduced from the Sheriff's Department Budget.

Chairman Meyer stated he wanted to compliment Sheriff Carr on the Courthouse security after what had happened in Morrison County as Wadena County had foresight. He added that Morrison County had no panic buttons, no camera and they were off-site.

Sheriff Carr commented he understood that the Commissioners had a lot of constraints and they hear from the public; as an elected official he did also, however, he looks at the

public safety end of it. He pointed out that when the economy goes bad it increases the Sheriff's Department job; the public needs more and there are a lot more demands put on the Department.

Sheriff Carr stated that he would be proposing Administrative Citations to the Board at the next Board of Commissioners Meeting.

The Board recessed at 9:28 a.m.

The Board reconvened at 9:32 a.m.

Joel Ulring, Highway Engineer, came before the Board with a proposal for a revised 2009 Budget reflecting an increase in the Highway State Aid which increased their Maintenance by approximately \$70,000. He pointed out that this left a negative \$30,000 in the 2009 Budget but by lowering the equipment purchase item from \$250,000 to \$220,000 the budget would be balanced leaving the local levy at \$0, which was the same as it had been the last two years.

Mr. Ulring requested time to discuss the option of a motor pool/vehicle fueling system and provided the Board with a handout of a proposal for their consideration. He stated that this could probably be done with no levy increase by working through the Highway Department Budget and gaining some input from the State Transit money and other government agencies.

Mr. Ulring reviewed the proposal which involved the existing Mahlen Building that Quest was currently leasing and vacating the end of March 2009 with no indication of renewing the lease. He added that the location of the building did fit well with the Highway Department property and proposed fueling system and a motor pool. Mr. Ulring pointed out that if the property was acquired the building would be used as a shop and we would consider moving the shop from the Highway Department to this building. He stated that then the existing building could be used for storage and maintenance of the plows, graders and vehicles which would then separate the staff from the maintenance of equipment involving welding and fumes. Mr. Ulring added that there was an opening to the west of the building which was very conducive to a drive through for a possible fueling system and that this location would also work well with the City of Wadena, who has expressed interest in such a system. He stated that it would be open to any government agency such as SWCD and the State DOT.

Chairman Meyer questioned if this proposal had been mentioned to the school district.

Mr. Ulring responded he had not discussed it with them but that they have indicated they had an underground tank at their facility so this might not be user friendly to them due to the location.

Mr. Ullring stated it would be key in finding state dollars through Transit, that Sue Siemers, at the State office, seemed open but reserved due to the past history; however, if we purchase the building we would be showing a real commitment. He added that Transit was currently considering a lift system and money for a fueling system.

Mr. Ullring stated that Mike Mahlen, owner of the Quest building, was open to a five year lease/purchase option and that he felt, within the Highway Budget, they could deal with lease payments. He requested consensus of the Board to say they like the idea and permission to keep moving ahead.

Board consensus was to authorize Mr. Ullring to proceed with the possible lease/purchase of the Quest building currently owned by Mike Mahlen.

Lee Brekke, Assessor, came before the Board and cited four areas where values would not have to change, but laws had changed, for taxes payable 2009 that came into play from the Legislature for 2009. He pointed out the following Legislative changes:

- 1) Veterans Disability: 48 applications had been received at present. If a veteran was 100% permanently disabled they receive \$300,000 of value on which taxes do not have to be paid on; if Residential it would be 100%; if it was Ag Homestead it would only be on the house, garage and 1 acre. If a veteran was 70% - 100% disabled, but not permanently disabled, it dropped to \$150,000 of value on which taxes do not have to be paid. He added that at present, if everyone who had applied would receive it there would be \$5,510,000 in taxable Wadena County value that would be tax exempt. That amount would shift to the other taxpayers.
- 2) Managed Forest Plan which was for the 2008 assessment payable 2009; he sent out 129 letters from a list obtained from the DNR stating who was possibly eligible. Most of these are currently taxed at 1%; under the change it would be at .65% for all who qualify. If there were 60 or 70 people who qualified for this it will lower the tax capacity and again there would be a shift to the other taxpayers.

Chairman Meyer questioned what the requirements were to qualify.

Mr. Brekke responded anyone with greater than 20 acres who had a Forest Management Plan set up by the DNR that was no more than 10 years old. He pointed out that people with Ag Homestead would not go into this as it would increase their taxes. The ones that are non-homestead and seasonal could benefit.

- 2) Disability Homesteads, of which there were quite a few throughout the County, changed from the 1st \$32,000 of value, which was at 45% and in 2009 it would increase to \$50,000 of value.
- 3) Ag Homestead, which was only on out buildings and excess acres, formerly at .55% and now it had been lowered it to .50% up to \$890,000 and 1% beyond that amount.

Mr. Brekke stated that law changes would change the distribution of taxes in Wadena County.

Chairman Meyer clarified that this was the result of legislation and questioned as to when the decreasing values would show up.

Mr. Brekke reported that they would show up for the 2009 Assessment paid in 2010. He added that the sales he looked at would be the sales that happen in October 2007 through September 2008; so by the time the taxpayer saw it on their tax statement it would be 2 years old.

Further discussion followed on the Assessor's work regarding sales.

Chairman Meyer commented that the hardest thing for the public to understand was the lag because the drop in taxes did not show up until 2010.

Commissioner Waldahl questioned as to who was responsible to notify those eligible for the changes.

Mr. Brekke responded that the Veterans Administration sends letters with an application out to those who qualify.

Mr. Brekke also pointed out another factor that would affect some taxpayers would be that for 2008 Pay 2009 there would still be Limited Market Values, however, pay 2010 there would not be any Limited.

Commissioner Stearns commented that information had been distributed reporting that the MinnCann pipeline would be functioning by end of 2008. He asked Mr. Brekke as to how this would affect taxes.

Mr. Brekke responded that it would go on for the 2009 Assessment, payable 2010, which referred to a value; if there were no other value changes within the County, then taxpayers taxes would go down a little.

Commissioner Stearns questioned Mr. Brekke as to what year the increase in commercial property valuation would affect the new Legislation as it related to special levies over the 3.9% levy limit.

Mr. Brekke will research this.

The Board recessed at 10:13 a.m.

The Board reconvened at 10:30 a.m.

Char West, Auditor/Treasurer, reviewed a handout given to the Board. She pointed out that the first page was the 2009 Preliminary Budget revenues and expenditures for the General Revenue Fund, Public Health Fund, Road & Bridge Fund, Social Services Fund and the Solid Waste Fund. Ms. West added that these numbers include the following

2008 dollars, as previously directed by the Board;

- Tax Levy
- County Program Aid (CPA)
- Salaries
- Health Insurance
- FICA, Medicare and PERA (include the mandatory .25% PERA increase based on 2008 salaries)

Ms. West reported that she had received updated 2009 Social Services Budget totals, less \$40,740 in increased CPA that was requested. She pointed out that she had received the revised numbers the day prior; these numbers were not reflected in the Boards Budget detail but was reflected in the handout. She pointed out that the total 2009 County Fund needs totaled \$513,984.00.

Ms. West reviewed the second page of the handout pointing out that it reflected the 2008 Tax Levy, which included the three major County Funds of General Revenue, Road and Bridge and Social Services, as well as the Tax Levy for the Regional Library, which was budgeted for within the General Revenue Fund. She pointed out that the remainder of the handout was very preliminary as the Department of Revenue had not distributed to counties the certification of the Preliminary Levy, the qualifying Special Levies or the Truth in Taxation (TNT) information reflecting the minimum levy increase needed to forgo the requirement for a TNT Public Hearing. Ms. West reviewed her calculation of the 2009 Tax Levy including estimated Special Levies, based on the information available on that date, which reflected a total 2009 Levy increase of \$533,693.

Ms. West reviewed the third page of the handout which reflected the net of the estimated 2009 Tax Levy increase plus estimated Special Leview and the total County Fund monetary needs which was \$19,709 in a 2009 Preliminary Budget of \$20,000,000.

Chairman Meyer stated that some counties where adopting a Preliminary Budget for the overall budget instead of individual budgets and questioned whether Wadena County should do the same.

Ms. West replied that she had not thought of such but questioned how it might affect the Highway Department in their planning for future projects as well as the Social Services Department. She would look further into this possibility seeing as there was so much unknown at this time.

Ms. West presented to the Board a 2009 Wadena County JRA Contract from attorney Ryan Ries in the amount of \$300 per month, which reflected no change from 2008.

Ms. West presented a 2009 Budget from attorney Harry Taves for Child Support and Commitments in the amount of \$15,000 for the entire year, which reflected a \$3,000 or 25% increase from 2008.

Commissioner Stearns stated that Mr. Ries had previously requested only \$12,000 for the service so Mr. Taves submitted a counter proposal for the same which resulted in the Board staying with Mr. Taves.

Commissioner Waldahl commented that since it didn't look like they would be able to give County employees an increase he did not feel comfortable raising the salary for Mr. Taves by 25%.

Board consensus was not to increase the Contract amount with Mr. Taves and to accept Mr. Ries's proposal, at this time.

Ms. West presented the Board with a 2009 Budget from Tim Schmitt, County Coroner, which reflected a \$1,500 increase in salaries for the Coroner, Deputy Coroner and Office Staff.

Commissioner Stearns pointed out that the Board had increased the 2008 Coroner's budget to \$25,000 over the \$13,500 that was presented by the Coroner due to the fact that the actual expenditures reflected it.

The Board decided to leave the 2009 Budget Proposal as "no change".

The Board requested that Ms. West obtain more information on how many deaths the figures were based on.

The Board reviewed the 2009 Todd Wadena Community Corrections Budget and contribution request of \$135,579.00, which reflected a \$31,301.00 increase over 2008.

Commissioner Stearns pointed out this was a Joint Powers Board and employees were those of the Joint Powers Board with Todd County acting as Fiscal Agent and HR. He questioned what percent of increase in salaries was being asked for.

Commissioner Meyer reported that Community Corrections generally followed the State increase which was proposed to be 3% and projected for 2010 a 0% increase.

Commissioner Stearns questioned whether it would be beneficial if Mr. Gibson would review the budget with Kathy Langer, Community Corrections Director. He added that he felt there was a problem in giving 3% and Wadena County having to say 0%.

Commissioner Waldahl pointed out that the Community Corrections union contract was in a 3 year cycle and 2009 was the third year of the cycle.

Board's consensus was to leave as presented and have Mr. Gibson review the Budget with Ms. Langer.

Mr. Gibson advised the Board needed a consensus with Todd County to stand together.

The Board reviewed the 2009 MN Regional Radio Board Budget which reflected a \$927.43 fee plus an \$8,500 match to the grant that would be received from the State for new radios reflecting a total of \$9,427.00. Board consensus was no change.

Ms. West presented the Board with a 2008/2009/2010 Tree Planting Budget for County and Tax Forfeited land which had been submitted by Joel Holden, Nimrod DNR Forester. She pointed out that reserve funds were available to cover the expenses in all three years.

Board consensus was no change of the Tree Planting Budget.

The Board reviewed the 2009 Kitchigami Regional Library Budget and County Levy request of \$97,785.00, which reflected an increase from the \$90,587.00 2008 Levy request.

Commissioner Stearns pointed out that Wadena County was required by law to pay \$64,867 and that \$90,587.00 was paid in 2008. He added that Maintenance of Effort required a match of the 2008 figure of \$90,587 in 2009, provided the County abides by the Maintenance of Effort state requirement.

Commissioner Harrison commented that it would be based on the second previous year or 2007's payment.

Commissioner Waldahl commented that they were increasing employee wages and benefits.

Board discussion followed regarding the State requirements of Maintenance of Effort.

Commissioner Stearns commented that there were three choices (1) to put \$97,785 in the budget for 2009 which included their request for the 2009 increase; (2) leave it at \$90,587 as reflected in the 2008 budget, or (3) decrease by \$10,000 and challenge Maintenance of Effort.

Commissioner Stearns suggested Ms. West and Mr. Gibson research the figures on the Kitchigami Regional Library Budget and Maintenance of Effort as it related to such.

The Board tabled action on the Kitchigami Regional Library Budget, at this time.

The Board reviewed the Wadena County Soil and Wadena Conservation District's 2009 Budget request which reflected no increase. Discussion was held as to whether the County would fund the Water Plan at the current level of \$25,000.

Commissioner Harrison commented that the Water Plan made grants available to Wadena County and felt this was important.

Board consensus was no change to the Wadena County Soil & Water Conservation District Budget.

The Board reviewed the 2009 Wadena County Humane Society's appropriation request of \$750 which did not reflect an increase. Board consensus was no change.

The Board reviewed the 2009 Initiative Foundation's appropriation request of \$4,050 which did not reflect an increase, but the Board had previously only authorized a \$2,000 appropriation. Board consensus was to appropriate \$2,000 as previously done.

The Board reviewed the 2009 Wadena Historical Society's appropriation request of \$10,000. Board consensus was to appropriate the 2008 appropriation of \$5,000 for the 2009 Budget.

The Board reviewed the 2009 Old Wadena Society appropriation request of \$2,500, which did not reflect an increase. Board consensus was no change.

The Board reviewed the 2009 Central MN Council on Aging appropriation request of \$1,826.00, which did not reflect an increase. Board consensus was no change.

Ms. West presented the Board with a list of General Fund Department Budgets not previously reviewed by the Commissioners. She provided a brief overview of each Department as follows:

- #002 Commissioners - \$136,720 - decreased by several hundred dollars.
- #013 Court Administrations - \$9,300 – no change from 2008.
- #020 Law Library - \$27,500 - no change from 2008.
- #032 HR/County Coordinator - \$90,000 - no change from 2008 or 2007.
- #062 Central Service – 74,300 - Courthouse copier, postage machine, only change was in Professional Services-Union negotiations \$20,000 in 2008 dropped to \$5,000.
- #063 Elections - \$3,000 - decreased from 2008 budget due to elections not being held in 2009.
- #064 Voter Registration - \$300 - reduced.
- #065 HAVA Grant - \$1,000 - pertaining to Elections – not County expense.
- #092 County Appointed Attorneys - \$118,600 - this item included CHIPS and was on the Agenda for the next Board meeting to consider an amendment.
- #112 County Buildings/Repair & Maintenance - \$32,500 - no change.
- #114 County Building Fund - \$125,000 - no change.
- #282 Ambulance – delete from list as no amount had been requested.
- #604 Tree Planting discussed previously.
- #610 Tobacco Ordinance Fees – no expense to County.
- #702 Healthy Co. Partnership Grant - \$0 - Commissioner Harrison reported that any funds left in that account had to be returned to the Initiative Foundation.
- #801 Non-Departmental – previously reviewed.

The Board did not indicate a change to the previously reviewed 2009 Department budgets.

Commissioners Stearns pointed out that an appropriation request from the Ag. Society had not been received and that the amount was \$40,000 for 2008.

Commissioner Harrison stated that a Fair Board Meeting had been held and that they were starting to make some inroads and changes and needed to continue on for a couple of years. She added that there was a question as to what a budget to the County was and that she advised them that they needed to submit a letter to the County showing expenses and income and how the money would be spent.

Chairman Meyer questioned what the \$40,000 for the County Fair covered.

Commissioner Shermerhorn replied that it covered the Wildlife Expo, Soil and Water, the Posse, and repair of buildings which belonged to the County.

Chairman Meyer questioned if the Board could justify to the citizens of Wadena County \$40,000 for the County Fair. He further commented that some other counties have had to eliminate supporting the County Fair.

Commissioner Stearns commented \$15,000 was for operational and \$25,000 was for the repair of the buildings.

Commissioner Harrison stated that it was used for more than just the County Fair and that the possibility was there to have even more events throughout the summer if the grounds were kept in shape.

Commissioner Stearns stated that this was discussed about two or three years ago and the response from the Agriculture Community was that they wanted it overwhelmingly.

Chairman Meyer questioned whether they were doing it successfully.

Commissioner Stearns responded that that was why we need a report.

Board discussion was held as to information received regarding the past practice of 4-H paying a \$1 a year lease payment as well as being responsible for the payment of the insurance and upkeep of the 4-H Building.

Ms. West reported that she could see no record of these revenues back to 2000.

Commissioner Waldahl added that he was informed that the County paid the insurance on the 4-H Building and 4-H was responsible for this. He pointed out the need to make sure this was not being paid twice.

Board discussion was held regarding the 4-H storage and the money received from storage was to take care of the insurance, repairs, etc.

Commissioner Stearns commented that the Fair Board leased, to the School District, space for storage for the school buses and as they were a governmental agency they do not have to pay taxes on that.

Board discussion was held regarding the ownership of the Grandstand and insurance coverage of such.

Chairman Meyer questioned whether the Board felt there was a need for another Budget Meeting or review the Budget at a regular Board Meeting.

Mr. Gibson commented that his first negotiation meeting with the Teamsters was on September 3, 2008, which was the day following the Board Meeting.

Chairman Meyer requested a brief overview of the budget to be held during the Regular Board Meeting on September 2, 2008.

The Special Board of Commissioners Meeting was adjourned at 12:00 p.m.

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Charleen West, Auditor/Treasurer

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Orville Meyer, Chairman