

WADENA COUNTY BOARD OF COMMISSIONERS SPECIAL MEETING
SEPTEMBER 15, 2010, 9:00 A.M.

The Wadena County Board of Commissioners Special Meeting was held on Wednesday, September 15, 2010, 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 William Stearns and the pledge of allegiance to the flag was said.

Present: Commissioners Lane Waldahl, Rodney Bounds, Dave Schermerhorn, Ralph Miller, Auditor/Treasurer Char West, Human Resource Consultant Mike Gibson, Highway Engineer Ryan Odden and Human Services Director Paul Sailer.

Agenda: Motion by Bounds, seconded by Schermerhorn, to approve the day's Agenda as presented, motion carried.

Chairman Stearns closed the Special Board of Commissioners Meeting at 9:05 a.m. for the purpose of strategizing for the upcoming 2011 Labor Negotiations. Present: Commissioners Schermerhorn, Stearns, Bounds, Waldahl, Human Resource Consultant Mike Gibson, Highway Engineer Ryan Odden, Human Services Director Paul Sailer and Auditor/Treasurer Char West. Absent: Commissioner Miller due to a conflict of interest relating to the subject matter.

Chairman Stearns reopened the Special Board of Commissioners Meeting at 10:05 a.m.

The Board recessed at 10:05 a.m.

The Board reconvened at 10:20 a.m.

Leaf River Ag Rail Spur Project: Wayne Wolden, Wadena City Mayor, Dean Uselman, Wadena City Economic Development Director, Lee Miller, Region 5 Development Commission Economic Development Director, came before the Board to request the Board's support of an economic development project within the City of Wadena.

Mayor Wolden informed the Board that the City Council had authorized the Mayor and City Administrator to develop a Purchase Agreement with Leaf River Ag for their purchase of the Dougherty property plus two additional Industrial Park lots at a cost of \$1.00 for the purpose of retaining the business within Wadena County. He pointed out that this project would include the development of a rail spur to the City Industrial Park which would also assist any business in need of rail service to consider the Industrial Park.

Mr. Uselman informed the Board that the City was requesting the County's cooperation with the City, State and Federal Economic Development Authority to work towards funding this rail spur so that the City could meet with Leaf River Ag that afternoon to obtain their signatures on the Purchase Agreement. He added that the City had committed \$150,000 in funds and land valued at \$105,000 for the Project in the Industrial Park. Mr. Uselman informed the Board that the City was requesting the County, through the Highway Department, to commit \$150,000 for the

Project to cover the expense of crossings at the County roads, as discussed with the Highway Engineer. He pointed out that the \$150,000 would be used to leverage additional grant funds to complete the project.

Mr. Miller informed the Board that the \$300,000 they were trying to raise locally through the City and the County would be used to leverage an additional \$300,000 through DEED, for which they had received a favorable response back from. He pointed out that once that program was secure there would be \$600,000 total with the anticipation of leveraging an additional \$600,000 through the Federal Economic Development Authority to complete the Project. Mr. Miller advised that the current property tax for Leaf River Ag was approximately \$26,000 and the business provide 27 full time jobs plus 11 seasonal jobs at peak times. He added that their present land was approximately 5 acres located by the High School, which was not an ideal location for fertilizer and chemicals. Mr. Miller commented that, if the Purchase Agreement was signed, the business would own approximately 9 acres which would allow for future expansion with an estimated new tax revenue of approximately \$30,000 to \$35,000. He concluded by stating that it was hoped that the County would like to be a part of this Project financially and help the City secure grant funds that were available.

Mr. Odden commented that there were three crossings of County roads that were involved with the Project, it was determined there would be less than two railroad car crossings per day so there would not be a need for arms or lights; it would be properly signed including stop signs.

Discussion was held relating to the cost and construction of the new railroad spur.

Chairman Stearns questioned whether Wadena County's commitment to install the three crossings was sufficient or was it required that the County commit to paying the \$150,000, put the crossings in and then be reimbursed.

Mr. Uselman responded that they were requesting Wadena County pay the \$150,000 up front.

Chairman Stearns clarified that the crossings would be paid for out of the 1.2 million dollars, so it would be no additional cost to the County for the crossings and the Highway Department would be paid to put the crossings in.

Mr. Uselman responded that this was correct.

Mr. Miller commented that Leaf River Ag wanted to stay in Wadena County; they were willing to take this leap of faith before the spur was built. He strongly encouraged the County's confidence in this project and a commitment to it. Mr. Miller pointed out that the City could not promise the grants would be awarded but the Federal EDA spoke favorably of the Project.

Commissioner Bounds questioned who was responsible for the upkeep of the track once it was built.

Mr. Uselman responded that the City would own and maintain the track, ties, etc. and the Highway Department would be responsible for maintaining the crossings.

Discussion was held on future maintenance of the proposed railroad spur to the Wadena Industrial Park.

Motion by Waldahl, seconded, by Schermerhorn, to approve a Resolution in support of providing \$150,000 from the Wadena Highway Department County Road Account to the City of Wadena Leaf River Ag Economic Development Project for County crossings of a new railroad spur to the Wadena Industrial Park and a maintenance agreement of the crossings suitable to the County Engineer,

Commissioner Miller commented that he had personal concerns as he was a share holder in Leaf River Ag.; which he reviewed.

**Wadena County Resolution
DEED/EDA Grant Application Funding Commitment**

BE IT RESOLVED that the City of Wadena is pursuing grant opportunities to secure funding for the construction of a rail spur to help with the relocation of a business that was adversely affected by a tornado on June 17th, 2010.

BE IT FURTHER RESOLVED that the City of Wadena has the legal authority to apply for financial assistance, and the institutional, managerial, and financial capability to ensure adequate construction, operation, maintenance and replacement of the proposed project for its design life and certifies that it will comply with all applicable laws, regulations, and rules of the targeted grant programs.

BE IT FURTHER RESOLVED that this project will require \$300,000 of a local match to leverage a \$300,000 grant request from the Minnesota Department of Employment and Economic Development (DEED), and a \$600,000 grant request from the Federal Economic Development Administration (EDA).

BE IT FURTHER RESOLVED that the City of Wadena has committed \$150,000 towards this project and has requested a contribution of \$150,000 from the County of Wadena.

BE IT FURTHER RESOLVED that upon approval of its application by DEED and EDA, the County of Wadena will commit \$150,000 of County Highway funding towards the match requirement contingent to successful applications to DEED and EDA.

NOW, THEREFORE BE IT RESOLVED that Chairman Bill Stearns and Clerk/Treasurer Char West, or their successors in office, are hereby authorized to execute such agreements, and amendments thereto, as are necessary to implement this project on behalf of the County.

I CERTIFY THAT the above resolution was adopted by the County Commissioners of the County of Wadena on September 15, 2010.

William Stearns, Chairman

Charleen West, Auditor/Treasurer

Chairman Stearns called for the question and a roll call vote; Schermerhorn 'aye', Miller 'nay', Stearns 'aye', Bounds 'aye', Waldahl 'aye', motion carried.

Mr. Miller commented that there were only a few rail spurs to industrial parks in the area; they were located at Little Falls and Brainerd; this would be a huge amenity to Wadena County to have this in place as it would lead to future development in the County.

County Assessor: Lee Brekke, County Assessor, came before the Board with the following recommendations for tax abatement requests.

1. Dennis Carpenter -#04.009.3030 – did not meet Abatement Policy requirements - recommendation of no change.
2. Doran Downer-#04.018.1010 - did not meet Abatement Policy requirements – recommendation of no change.
3. Jacalyn Hendricks-#04.300.0170 - Assessor recommended a \$9,000 abatement since it was an error on the County's part.

Motion by Miller, seconded by Schermerhorn, to approve the property tax abatement request for Jacalyn Hendricks, #04.300.0170 for a property value reductions of \$9,000.00, motion carried.

4. Gary Sobiech-#05.021.3010 and #05.028.1050 – did not meet Abatement Policy requirements – recommendation of no change.
5. Gary Wehrer-#09.700.1035 – did not meet Abatement Policy requirements – recommendation of no change.
6. Rob Gilbertson-#10.001.1030, #10.001.4010, #10.012.1010 – Assessor recommended reinstating homestead due to error on the County's part.

Motion by Schermerhorn, seconded by Miller, to reinstate homestead to parcels #10.001.1030, #10.001.4010 and #10.012.1010 owned by Rob Gilbertson, motion carried.

7. Troy Franks-#15.029.1015 - property owner felt value of the river was too high as the property in question was low land; Assessor viewed property and adjusted for the 2010-2011 assessment – recommendation of no change.
8. M & B Properties, LLC-#17.300.1570 – did not meet Abatement Policy requirements - recommendation of no change.
9. Star Michael Rajdl-#19.390.0130 - property was purchased in September 2009 (Foreclosure Sale) for \$16,500 and had been adjusted for 2010-2011 – recommendation of no change.
10. Lisa Pearson-#20.230.0060 – did not meet Abatement Policy requirements – recommendation of no change.
11. Marlin Olson-#22.600.0860 - property was to be adjusted for 2009 and was not done. Assessor recommended approving abatement due to error on County's part.

Motion by Waldahl, seconded Schermerhorn, to approve the Property Tax value abatement of \$8,100 for Marlin Olson, #22.600.0860, motion carried.

12. Daryl Pearson-#22.841.0220 - property was to be adjusted in 2009 and was not done. Assessor recommended approving abatement due to error on County's part.

Motion by Miller, seconded by Schermerhorn, to approve the Property Tax value abatement of \$8,800 for Daryl Pearson, #22.841.0220, motion carried.

Solid Waste Department: Mike Hanan, Solid Waste Director, inform the Board that he had discussed with Minnesota Pollution Control Agency (MPCA) staff the Board's question as to whether they would issue a Permit by Rule possibilities for the Debris Management Site due to a natural disaster such as this; their response was that they would not issue such a Permit to Wadena County as the requirement was that it could only be issued for up to 15,000 cubic yards. He added that they stated that they would be willing to consider an Expedited Permit which required the same permit processes, public hearing, public notices, installing of monitoring wells at the site, etc. Mr. Hanan pointed out that he had contacted Widseth, Smith & Nolte, who had done the engineering at the landfill, and they reported that there was about 190,000 cubic yards capacity remaining at the current landfill site; compacted in place the debris at the Debris Site would take up approximately 50,000 cubic yards leaving approximately 140,000 cubic yards. He added that at the current rate, the County Landfill could receive approximately 140,000 cubic yards of un-compacted debris or an estimated 15 year capacity.

Commissioner Bounds commented that Otter Tail County also had a responsibility and questioned whether some of the debris at the Site could go to the Otter Tail County landfill.

Mr. Hanan responded that a portion of the debris at the Debris Management Site could go to the Otter Tail County landfill.

Discussion was held regarding the disposal of the concrete which could be crushed and stock piled for fill or road projects.

Commissioner Bounds questioned whether Mr. Hanan had discussed with the City the use of the City property east of the County landfill.

Mr. Hanan responded that he had not discussed this with them. He informed the Board that MCPA had done geo-probes north of the Transfer Station and the County had done test pits which reflected debris that may have to be excavated out such as oil filters, oil jugs, etc.; it could be considered a closed demo site, but it was on City property. He pointed out that he had brought this up due to the discussion regarding the debris at the Debris Management Site being placed at the County landfill; there may be a need for considerable extra area to level out slopes that were at the Landfill; the area would have to be leveled off so the water would not run into the debris buried there. Mr. Hanan pointed out that the debris at the Debris Management Site was from both of the County's and the City, so the purchase of the property might be considered. He advised that he mentioned to Mayor Wolden of the need to have a meeting with the City.

The Board discussed the need to work with the City of Wadena on this matter.

Mr. Hanan reminded the Board that the Debris Management Site would be closed after October 2, 2010 and that there were four emergency temporary employees that had been hired while the Site had been open. He pointed out that he had received a request from one of the

permanent employees for a two week Leave of Absence and that he had advised the employee that any Leave of Absence could not be considered until after October 2nd. Mr. Hanan added that if the Leave of Absence was granted after October 2nd the Transfer Station would be short staffed for that period of time. He requested Board approval to retain one of the temporary employees to fill in for the permanent employee during his absence, which would go over the 67 day requirement for temporary employees.

Discussion was held as to whether Otter Tail County Solid Waste staff would be available to fill in at the Wadena County Transfer Station during the permanent employees two week leave of absence as well as consultation with the Attorney as to the ramifications of granting an extension of the temporary employee beyond the 67 work day requirement.

Mr. Hanan informed the Board that he would further research both situations.

Mr. Hanan reviewed a summary of the proposals received for the removal of the debris at the Debris Management Site. He pointed out that there were only two proposals complete enough for consideration and the remaining categories had to be re-bid.

Commissioner Bounds recommended rejecting all bids and re-bidding.

Mr. Hanan responded that he did not disagree with the recommendation.

Motion by Bounds, seconded by Schermerhorn, to reject all the current proposals for the removal of the Debris Management Site and re-advertise for new proposals; the County reserves the right to reject any and all bids,

Commissioner Schermerhorn questioned whether it was necessary to contact the other two entities to reject these bids as the document stated Wadena County, Otter Tail County and Wadena City.

Mr. Hanan responded that seeing as Wadena County was the fiscal agent he felt Wadena County could reject the bids.

Discussion was held regarding the proposal for the masonry debris removal.

Mr. Hanan informed the Board that the bid that was received proposed hauling the crushed masonry debris to the Bryan Wegscheid gravel pit for the County to use.

Mr. Odden added that the crushed masonry would become property of the Highway Department; they would allow them to dispose of the material at this gravel pit as the County had a two year agreement with the owner and that material could be used on County roads, etc.

Mr. Hanan also informed the Board that he had contacted MPCA to inform them of the current proposal situation, that the demolition debris and scrap metal definitely had to be re-bid and that it was very unlikely that all of the debris would be removed by their November 30th deadline.

He advised that their recommendation was that once the County was aware of the new schedule a letter needed to be sent to the MPCA explaining the situation and what was going to be done. Mr. Hanan pointed out that MPCA indicated they would work with the County.

Motion carried.

The Board recessed at 11:55 a.m.

The Board reconvened at 12:05 p.m.

Board Review and Approval of Proposed 2011 Levy: Ms. West reviewed four Proposed 2011 Levy options with the Board;

Option #1 included the base levy plus all special levies the County was eligible to claim which reflected a total levy of \$8,351,343 or 8.0% increase over the 2010 Final Levy;

Option #2 included the base levy plus only special levies the County levied and was eligible for in 2010 which reflected a total levy of \$7,942,193 or 3.4% levy increase over the 2010 Final Levy.

Ms. West pointed out that Option #3 and Option #4 were additional options requested by the Budget Committee, who had reviewed the information the previous day;

Option #3 included a decrease in the base levy of \$39,448 plus only special levies the County levied and was eligible for in 2010 which reflected a total levy of \$7,902,775 or 2.9% levy increase over the 2010 Final Levy;

Option #4 included a decrease in base levy of \$262,140 plus only special levies the County levied and was eligible for in 2010 which reflected a total levy of \$7,680,053 or a 0% levy increase over the 2010 Final Levy.

Ms. West informed the Board that the State requirement for special levies was that if a special levy was levied for in 2009 and/or 2010 it had to be levied for in 2011. She added that the levy options that reflected a reduction in the base levy or levy limit would affect what the Department of Revenue would certify for a base levy or levy limit the following year. Ms. West pointed out that all levy options cover the Proposed 2011 Budget and that the Department Heads were directed to reduce their non-wage and benefit budget items by 5%, which was accomplished by most County Departments.

Chairman Stearns pointed out that this was a Proposed Levy and the Board had the option to reduce it for the Final Levy, but it could not be increased; the Board had four options before them; 8% Levy increase, 3.4% Levy increase, 2.9% Levy increase or 0% Levy increase. He added that a 0% levy increase would definitely affect the Levy base.

Commissioner Bounds commented that a 0% Levy increase made no difference if it was adopted now or later.

Commissioner Schermerhorn commented that anything could occur in the next three months; if one of the other Levy options were adopted the Board had room to make adjustments prior to the

adoption of the Final Levy. He pointed out that there was concern that at a 0% Levy increase the County would lose \$262,000 in base levy; the Board needed to make responsible decisions for the County.

Chairman Stearns questioned the Board which one of the Levy options were preferred; was the 2.9% Levy increase the most palatable.

Commissioner Miller commented that with the scenarios that Commissioner Schermerhorn laid out, the unknown, if those unknowns happen after the first of the January 1st would that make any difference in what the Board approved that day. He added that assuming the Board approved one of the increased Levy options, would it be possible if the Board was not informed of any unknowns by the December 28th deadline for the Final Levy, the Board could then adopt a 0% Final Levy increase.

Board discussion was that held confirming that the Final Levy could be reduced but not increased by the December 28th deadline.

**2010/PAYABLE 2011
PROPOSED LEVY RESOLUTION**

Commissioner Schermerhorn offered the following Resolution and moved for it's adoption.

NOW THEREFORE BE IT RESOLVED: That the Wadena County Board of Commissioners adopt and certify the Proposed 2010 Property Tax Levy for Taxes Payable in 2011. Distributed to the various funds as follows;

	LEVY	LESS COUNTY PROGRAM AID	LEVY LIMIT	PLUS SPEC. LEVIES	TOTAL LEVY
Revenue	\$4,420,574.00	(\$521,346.00)	\$3,899,228.00	\$819,179.00	\$4,718,407.00
Road & Bridge	\$1,522,792.00	(\$171,000.00)	\$1,351,792.00	\$ 15,951.00	\$1,367,743.00
Social Services	\$1,793,037.00	(\$139,728.00)	\$1,653,309.00	\$ 72,729.00	\$1,726,038.00
Library	\$ 90,587.00		\$ 90,587.00	\$ 0.00	\$ 90,587.00
Total	\$7,826,990.00	(\$832,074.00)	\$6,994,916.00	\$907,859.00	\$7,902,775.00

Commissioner Waldahl seconded the motion, Schermerhorn, Stearns, Waldahl voting aye, Miller and Bounds voting nay, motion carried.

Adopted at Wadena, Minnesota this 15th day of September, 2010.

Charleen West, Auditor/Treasurer

William Stearns, Chairman

Schedule Truth in Taxation Hearing Date: Chairman Stearns rescheduled the December 7, 2010 Regular Board Meeting to December 9, 2010 at 3:00 p.m. and announced that the 2010 Public Informational Meeting/Truth in Taxation Hearing would be held on December 9, 2010 at 6:00 p.m. in the Wadena County Courthouse for the purpose of providing an opportunity to its citizens to give comment relating to the 2011 Budget and Tax Levy.

Chairman Stearns adjourned the Special Board of Commissioners Meeting at 12:35 p.m.

Charleen West, Auditor/Treasurer

William Stearns, Chairman