

CLAY COUNTY BOARD OF COMMISSIONERS

Tuesday, October 25, 2016

8:30 a.m.

County Board Room – 3rd Floor – Courthouse

MINUTES

The Clay County Board of Commissioners met in regular session with the following Commissioners present: Frank Gross, Wayne Ingersoll, Jenny Mongeau, Kevin Campbell and Grant Weyland. Brian C. Berg, County Administrator; Jenny Samarzja, Chief Assistant County Attorney were also present.

APPROVAL OF AGENDA

On motion by Weyland, seconded by Mongeau, and unanimously carried, the agenda was approved.

REQUEST FOR UNPAID LEAVE – SOCIAL SERVICES

By consent agenda, the Board approved a request for a Social Services employee to take an approximate 6.5-week unpaid leave of absence.

GRANT AWARD FOR VICTIM/WITNESS PROGRAM - MN DEPT OF PUBLIC SAFETY

By consent agenda, the Board approved a grant award of \$70,000, with a \$13,067 match requirement from the County Attorney's office, for the continuance of providing services to victims of crime through the Victim/Witness Program.

CITIZENS TO BE HEARD

There were no citizens who wished to address the Board.

APPROVAL OF PAYMENT OF BILLS AND VOUCHERS

On motion by Ingersoll, seconded by Weyland, and unanimously carried, the bills and vouchers were approved for payment.

APPROVAL OF MINUTES OF OCTOBER 4 AND 11 2016

On motion by Campbell, seconded by Weyland, and unanimously carried, the minutes of October 4 and 11, 2016 were approved.

ACCEPTANCE OF \$1,250 DONATION FOR SHERIFF'S POSSE AND JAIL WORK DETAIL.

On motion by Campbell, seconded by Ingersoll, and unanimously carried, the Board acknowledged and accepted a \$1,250 Donation from Western Minnesota Steam Threshers Reunion for the Sheriff's Posse and Jail Work Detail.

CLAY SOIL & WATER CONSERVATION DISTRICT (SWCD) 2017 MATCHING GRANTS

Highway Engineer Dave Overbo informed the Board of the 2017 matching grant opportunity of up to \$18,000 for SWCDs. Clay County could utilize the funds for weed control and erosion control projects. Overbo noted if the County redirected their budget by \$6,120, Soil and Water could receive the maximum grant dollars. He confirmed the Highway Engineering staff's availability to assist SWCD with survey and design work for the erosion control projects as needed next year.

On motion by Mongeau, seconded by Weyland, and unanimously carried, the Board approved increasing the Clay SWCD budget to \$18,000 to leverage the full \$18,000 of State matching dollars for Fiscal Year 2017.

APPROVE JOINT POWERS AGREEMENT & RESOLUTION FOR FEDERAL HSIP SAFETY GRANT

Highway Engineer Dave Overbo informed the Board that this agreement and resolution is for the Highway Safety Improvement Program (HSIP) Grant. Clay County is part of the 12 counties in District 4 included in a joint powers agreement that started five years ago for striping all white edge road lines with six-inch wide stripes for safety improvement.

On motion by Weyland, seconded by Mongeau, and unanimously carried, the Board approved the Joint Powers Agreement for the Administration of Federal HSIP Safety Grant.

On motion by Ingersoll, seconded by Weyland, and unanimously carried, the Board approved the Joint Powers Resolution as follows:

RESOLUTION 2016-37

Joint Powers Agreement for the Administration of Federal HSIP Safety Grant

Project No. S.P. 056-072-001

IT IS RESOLVED that County Clay enter into a Joint Powers agreement with the Twelve Mn/DOT District 4 counties of Becker, Big Stone, Clay, Douglas, Grant, Mahnomen, Otter Tail, Pope, Stevens, Swift, Traverse and Wilkin, for the following purpose:

Define the rights and obligations of each county for the delivery of project S.P. 056-072-001, a district wide federal highway safety project that will provide safety improvements in the form of Six Inch (6") Latex Edge Lines and Six Inch (6") Epoxy Edge Lines on selected eligible highway routes.

BE IT FURTHER RESOLVED that the proper County officers be and hereby are authorized to execute such agreement and any amendments, and thereby assume for and on behalf of the County all of the obligations contained therein.

PUBLIC HEARING: RENEWAL OF TWO-YEAR RESIDENTIAL TAX ABATEMENT PROGRAM

On motion by Mongeau, seconded by Campbell, and unanimously carried, the Board opened the public hearing.

County Administrator Brian C. Berg stated this program was initiated by the City of Moorhead. Each city or township in the County has the option of entering into a resolution for the program after it receives County approval. Campbell noted that the City of Glyndon appears interested.

Moorhead Neighborhood Services Manager Lisa Bode informed the Board that Moorhead is seeking renewal of the two-year residential tax abatement program with a couple minor changes in their resolution: The new home construction value be determined at the time the construction is completed; and the remodeling incentive has been discontinued. It has been proven to be a very good and competitive incentive for new homes in Moorhead.

Dilworth City Administrator Mastera stated the program has been beneficial for the Dilworth community. Dilworth adopted a new resolution for their program and are averaging 25 new homes annually.

Barnesville Economic Development Authority (EDA) Director Karen Lauer thanked the Board for their consideration for extending this incentive and important marketing tool which has been very beneficial to the City of Barnesville. Barnesville permitted 17 new houses this year.

Hawley Mayor Gary Johnson stated that Hawley has experienced good commercial growth and are planning two new streets for 33 more residential lots. They have capped their home value at \$200,000 and their program is automatic.

On motion by Campbell, seconded by Weyland, and unanimously carried, the Board approved closing the hearing.

On motion by Campbell, seconded by Mongeau, and unanimously carried, the Board approved the Renewal of the Two-Year Residential Tax Abatement Program with the following resolution:

RESOLUTION NO. 2016-36

WHEREAS, Minnesota Statutes 469.1813-469.1816 grants Minnesota Counties with the authority to offer current or prospective tax abatements under certain circumstances; and

WHEREAS, Clay County has received a request from the City of Moorhead as evidenced by City of Moorhead Resolution #2016-0822-B unanimously approved by the Moorhead City Council on August 22, 2016, to join with the City of Moorhead and participate in Moorhead's two-year residential property tax abatement program; and

WHEREAS, other political subdivisions within Clay County has also expressed interest in establishing their own residential property tax abatement programs and their desire for Clay County to participate in those programs; and

WHEREAS, the Clay County Board of Commissioners held a public hearing in the matter on October 25, 2016; and

WHEREAS, the benefits of a two-year residential tax abatement will at least equal the costs Clay County will incur through the abatement; and

WHEREAS, the implementation of a two-year residential tax abatement program is in the public interest as it will increase tax base and provide employment opportunities; and

WHEREAS, it is the desire of Clay County to participate in a two-year residential property tax abatement program consistent with those adopted by the local entities.

NOW, THEREFORE, BE IT RESOLVED that Clay County will participate in a two-year residential tax abatement program as resolved by any taxing entity within the County, assuming such authorizing resolution is adopted by the entity on or before December 31, 2016.

BE IT FURTHER RESOLVED, the eligibility, options, and application of the County's residential tax abatement will match that of each individual entity's Authorizing Resolution.

ADOPTED by the Clay County Board of Commissioner this 25th day of October, 2016.

APPROVAL OF SALES TAX LIST FOR TAX FORFEITED PROPERTIES

Deputy Auditor Nanci Krenelka informed the Board they have three tax forfeited properties for the upcoming sale and provided a handout with minimal purchase prices.

On motion by Ingersoll, seconded by Weyland, And Unanimously Carried, The Board approved the sales tax list for tax forfeit list as follows:

- 50.575.3250; N 65' of Lots 19-23 Bk 36, Front Street, City of Barnesville, parking lot.
- 24.028.11401; Beg 768.2' N of SE Corner of NE ¼, W 190', S140', E190' and N 140' to beg. Sec. 28, T138N, R44W, house/outbuildings
- 55.300.0110; Lots 1-3 and 13-36 Bk 8 and N 18' of vacated street, Manston's Addition, City of Glyndon, house

RESOLUTION NO. 2016-35

BE IT RESOLVED, by the Board of Commissioners of Clay County, Minnesota this 25th day of October, 2016, pursuant to provisions of Chapter 282, Minnesota Statutes; the County Auditor of Clay County is hereby directed to sell parcels of land that have been forfeited to the State of Minnesota for delinquent taxes and certified by the County Auditor and recorded in the Office of the County Recorder; which lands have been classified and appraised as provided by law;

BE IT FURTHER RESOLVED, that the terms of the sale shall be cash only on all parcels. Pursuant to MN Statute 282.241, a previous owner may not purchase a parcel of land for less than the delinquent amount, assessments, penalties, interest and costs against it.

In addition to the total sales price, there shall also be added an amount equal to 3 percent of such total sales price. Said 3 percent to be certified to the Tax Assurance account as required under Minnesota Statute 284.28 Subd. 6. A \$25.00 state deed fee and a \$46.00 recording fee must also be collected for each parcel sold. Each parcel is subject to a state deed tax of \$1.65 per each \$500.00 of sales price. There will also be an additional \$50 well certificate for any property that contains a well.

Purchasers of property at this sale will receive a State Deed. CLAY COUNTY DOES NOT GUARANTEE CLEAR TITLE ON PURCHASES OF TAX FORFEIT LAND. IT IS THE RESPONSIBILITY OF THE PURCHASER TO TAKE WHATEVER ACTION NECESSARY TO ASSURE CLEAR TITLE.

The Forfeit tax sale will be held December 8, 2016 at 10:00 a.m. in the Clay County Board Room, Clay County Courthouse, 807 11 St N, Moorhead, MN.

APPROVAL OF APPLICATION TO ACQUIRE TAX FORFEIT PROPERTY

Barnesville Economic Development Authority (EDA) Director Karen Lauer requested the purchase of a tax forfeit property on the south end of Barnesville. Barnesville City Council recently passed a resolution for EDA to acquire the property, investigate and correct contamination issues, conduct clean-up, and resell it. There were no pictures of the site; however, Lauer noted there is old equipment, other metal debris, and oil and fuel tanks stored there. She would work to secure funding for the project. Over the past few years the property has incurred many administrative fines due to the blighted condition that has included visible debris, tires, oil storage tanks, etc. Assistant County Attorney Jenny

Samarzja commented that the board needs to be satisfied with the information presented concerning the condition of the property.

Tim Thompson and Chris Mortenson addressed the Board concerning their interest in purchasing the property that Lauer referred to in Barnesville. They would also be able to check it for contamination, and then clean it up for a business. Thompson noted that administrative fines were placed on the property close to equaling the value of the property. He was “frustrated seeing local governmental agency basically taxing someone out of their property with administrative fines, taking it back for nothing, and then reselling it.” He added that the residual problems on the property could stem back to when the City owned it; and the EDA owns a tremendous amount of property. Their Business Retention and Expansion Committee should have been the tool used to address the issues with this property. Lauer confirmed that decontamination was completed before the City sold it; but it is important that an investigation be done there again. Mortenson stated that they have a business in mind, and would be willing to pay the back-taxes to the County for the property. His suggestion for the portion the City of Barnesville assessed in administrative fees, was to instead contribute that amount to a charity chosen by the Board. Thompson added that the City has charged \$6,000 for mowing the property, which seems excessive.

Commissioner Mongeau compared the current request with another tax forfeit property in Barnesville last year. She noted that she would like to see as much property as possible back in the hands of the public. Thompson stated that the City of Barnesville has the advantage because they can drop the administrative fees, but the current owner cannot do the same. Lauer commented that several residents have complained about the condition of the property which is on a main road. Samarzja noted the County does not have the discretion to waive the City’s administrative fees; and Mr. Thompson would have the right to bid on the property, the same as any other interested individual at the tax forfeit sale.

In response to an inquiry from Commissioner Campbell, Lauer did not believe the City’s fees could be reversed. Krenelka noted that based on the sale price, the City would be paid a proportionate amount of the administrative fines they placed on the property. The assessed value is \$23,700, and the fines and penalties total \$20,000. The owner would have to pay the back-taxes and fines, which have been included as assessments, to keep the property from tax-forfeiture. Samarzja mentioned that the property went thru an eviction hearing. Berg noted that the Board is being asked to have the property turned back to the City of Barnesville. If that request is denied, the property would have to be purchased back by the current owner or go to the tax-forfeiture sale on December 10.

A motion was made by Mongeau and seconded by Ingersoll to deny the request from the City of Barnesville to acquire tax forfeit property in Barnesville. Commissioner Campbell suggested sending the request back to the City of Barnesville, rather than denying it, to allow time for negotiations between the City of Barnesville and other interested parties.

Subsequently, there was a motion by Ingersoll and seconded by Campbell to *table* the request until the November 22, 2016 County Board meeting.

ANNUAL STATE AUDITOR'S REPORT

State Auditor Bob Johnson was present to review the 2015 audit of financial statements of Clay County's governmental activities for 2014. He went over the balances of net investments under government wide; and major funds: general fund, revenue fund, road and bridge fund, and social services.

PRESENTATION FOR GUARANTEED MAXIMUM PRICE FOR CORRECTIONAL FACILITY

County Administrator Brian C. Berg; Nick Fiecke and Ben Mattson, Construction Engineers; and Matt Keenan, KMA were present to request a guaranteed maximum price of the new correctional facility. Berg stated the County's construction management firm submitted the design requirements, received and reviewed the bids, selected the subs, and put together a price for consideration. Fiecke commented the bids were favorable and there was a great deal of interest and enthusiasm in the project. The bids needed to be submitted by October 13. Their final proposal package is comprised of 43 contract categories and a bid package recap for base bids and alternates. A comparison to the estimate and three alternate options were also included. The committee was recommending Alternate 2A: add north Law Enforcement Center concrete parking. Commissioner Campbell noted that the committee also discussed including a 1% owner contingency (\$298,000) in addition to the construction contingency. Berg explained the sales tax process for this type of project.

On motion by Campbell, seconded by Weyland, and unanimously carried, the Board approved a Guaranteed Maximum Price with Construction Engineers for construction of the Correctional Facility in the amount of \$29,828,194.29.

REQUEST FOR SINGLE-LOT COMMERCIAL PLAT (OLEK/HAMRE) APPROVAL

Planning Director Tim Magnusson presented a recommendation from the Planning Commission to approve a request from Olek/Hamre for a 5-acre lot in Section 18 of Riverton Township to be used for an Agricultural Service Establishment.

On motion by Weyland, seconded by Mongeau, and unanimously carried, the Board approved a single-lot plat for an Agricultural Service Establishment in Riverton Township.

REQUEST FOR THREE-LOT RESIDENTIAL PLAT (HERSHEY) APPROVAL

Planning Director Tim Magnusson presented a recommendation from the Planning Commission to approve a request from Hershey Family, LP for a three-lot residential subdivision in Section 31 Riverton Township. There were several comments from concerned residents from the area who spoke against adding residential lots in their neighborhood at the Planning Commission meeting.

On motion by Campbell, seconded by Ingersoll, and unanimously carried, the Board approved the three-lot residential platted subdivision located in Section 31 Riverton Township.

CLOSED SESSION – UNION NEGOTIATION DISCUSSION

On motion by Weyland, seconded by Campbell, and unanimously carried, the meeting was closed at 10:37 a.m. to conduct attorney/client privileged discussion.

On motion by Campbell, seconded by Weyland, and unanimously carried, the meeting reopened at 10:55 a.m.

COMMITTEE REPORTS/COUNTY ADMINISTRATOR UPDATE/DISCUSSIONS

- Commissioner Weyland attended a Regional Juvenile Detention meeting.
- Commissioner Ingersoll attended meetings for Adult Mental Health Local Advisory Council (general business and housing presentation); Lake Agassiz Regional Library Board (State application, director’s report, funding formula); and Children’s Mental Health Local Advisory Council.
- Commissioner Campbell attended meetings for Regional Juvenile Detention (capacity issues, behavioral health, transitional housing) and Correctional Facility Construction Committee.
- Commissioner Mongeau attended a meeting for Planning Commission (three cellular towers and a truck repair facility were approved)
- Commissioner Gross attended meetings for Historical and Cultural Society (two new members needed, budget); and Metropolitan Council of Governments (FM Diversion Program report, aerial photography).
- County Administrator Brian C. Berg attended meetings for M-State, a personnel evaluation, personnel issues, courthouse basement project, Central Administration Managers, FM Diversion Advisory, and Correctional Facility Construction Committee.

ADJOURN

The meeting adjourned at 11:00 a.m.

Frank Gross, Chair
Clay County Board of Commissioners

Brian C. Berg, County Administrator